

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 31 MARCH 2018 TOGETHER WITH
AUDITOR'S REVIEW REPORT**

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

AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

To the General Assembly of Akbank T.A.Ş.;

Introduction

We have reviewed the consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") at 31 March 2018 and the related consolidated income statement, consolidated statement of income and expense items under shareholders' equity, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

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

Basis for the Qualified Conclusion

As mentioned in Section Five Part II h.4 (i) of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 March 2018 include a free provision amounting to TL 700.000 thousand which consist of TL 500.000 thousand provided in 2017 and TL 200.000 thousand recognized in prior years by the Bank management considering the possible effect of the circumstances that may arise from the changes in the economy and market conditions.

Qualified Conclusion

Based on our review, except for the effects of the matter on the consolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information do not present fairly in all material respects the financial position of Akbank T.A.Ş. and its consolidated subsidiaries at 31 March 2018 and the results of its operations and its cash flows for the three-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Seven, is not consistent with the reviewed consolidated financial statements and disclosures in all material respects.

Additional Paragraph for Convenience Translation:

The effects of differences between accounting principles and standards explained in detail in Section Three and 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.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Talar Gül, SMMM
Partner
Istanbul, 25 April 2018

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

**THE CONSOLIDATED FINANCIAL REPORT OF
AKBANK T.A.Ş. AS OF 31 MARCH 2018**

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The consolidated financial report for the three-month-period, prepared in accordance with "Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the sections listed below.

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

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

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

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

The accompanying consolidated financial statements and notes to these financial statements for the three-month-period 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 have been independently reviewed.

25 April 2018

Suzan SABANCI DİNÇER	Hayri ÇULHACI	Ş.Yaman TÖRÜNER	S. Hakan BINBAŞGİL	Türker TUNALI	Zeynep TERZİOĞLU
Chairman of the Board of Directors	Head of the Audit Committee	Member of the Audit Committee	CEO	Executive Vice President	Senior Vice President

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

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	Page
SECTION ONE	
General Information about the Bank	
I. Bank's foundation date, start-up status, history regarding the changes in this status	1
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	1
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	1
IV. Information on the individual and corporate shareholders having control shares of the Bank	2
V. Information on the Bank's service types and fields of operation	2
VI. Existing or potential, actual or legal obstacles to immediate transfer of shareholder's equity between Parent Bank and its subsidiaries or repayment of debts.	2
VII. Existing or potential, actual or legal obstacles to immediate transfer of capital between parent bank and its subsidiaries and repayment of debts	2
SECTION TWO	
Consolidated Financial Statements of the Bank	
I. Balance sheet	3
II. Off Balance Sheet Commitments	7
III. Income statement	9
IV. Statement of profit or loss and other comprehensive income	11
V. Statement of changes in shareholders' equity	13
VI. Statement of cash flows	15
SECTION THREE	
Accounting Policies	
I. Explanations on basis of presentation	17
II. Explanations on strategy of using financial instruments and explanations on foreign currency transactions	18
III. Explanations on equity investments	18
IV. Explanations on interest income and expense	19
V. Explanations on fee and commission income and expenses	19
VI. Explanations on financial assets	19
VII. Explanations on expected credit losses	21
VIII. Explanations on offsetting financial instruments	21
IX. Explanations on sales and repurchase agreements and securities lending transactions	21
X. Explanations on property and equipment held for sale purpose and related to discontinued operations and liabilities related with these assets	22
XI. Explanations on goodwill and other intangible assets	22
XII. Explanations on property and equipment	22
XIII. Explanations on leasing transactions	22
XIV. Explanations on provisions and contingent liabilities	23
XV. Explanations on contingent assets	23
XVI. Explanations on obligations related to employee rights	23
XVII. Explanations on taxation	24
XVIII. Explanations on borrowings	25
XIX. Explanations on issuance of share certificates	26
XX. Explanations on avalized drafts and acceptances	26
XXI. Explanations on government grants	26
XXII. Explanations on segment reporting	26
XXIII. Profit reserves and profit appropriation	26
XXIV. Earnings per share	26
XXV. Related parties	27
XXVI. Cash and cash equivalent assets	27
XXVII. Reclassifications	27
XXVIII. Explanations on IFRS 9 Financial Instruments Standart	27
XXIX. Explanations on prior period accounting policies not valid for the current period	30
SECTION FOUR	
Information Related to Financial Position and Risk Management of the Group	
I. Explanations on equity	32
II. Explanations on currency risk	40
III. Explanations on interest rate risk	42
IV. Explanations on equity securities position risk derived from banking books	44
V. Explanations on liquidity risk management and liquidity coverage ratio	44
VI. Explanations on leverage ratio	50
VII. Explanations on risk management target and policies	52
VIII. Explanations on hedge transactions	54
IX. Explanations on business segments	56
SECTION FIVE	
Information and Disclosures Related to Unconsolidated Financial Statements	
I. Explanations and notes related to assets	58
II. Explanations and notes related to liabilities	78
III. Explanations and notes related to off-balance sheet accounts	87
IV. Explanations and notes related to income statement	89
V. Explanations and notes related to statement of cash flows	96
VI. Explanations and notes related to Bank's risk group	98
VII. Explanations and notes related to subsequent events	99
SECTION SIX	
Explanations on Auditor's Review Report	
I. Explanations on interim review report	100
II. Explanations on notes prepared by independent auditors	100
SECTION SEVEN	
Information on Interim Activity Report	
I. Interim period activity report included chairman of the board of directors and CEO's assessments for the interim activities	101

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

SECTION ONE GENERAL INFORMATION ABOUT THE BANK

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

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

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

The Bank's shares have been quoted on the Borsa Istanbul ("BIST") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depository Receipts ("ADRs"). As of 31 March 2018, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2017: 51%).

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

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

Title	Name	Responsibility	Education
Chairman:	Suzan SABANCI DİNÇER	Chairman and Executive Board Member	Graduate
Board of Directors:	Hayri ÇULHACI	Vice Chairman and Executive Board Member	Graduate
	A. Fuat AYLA	Executive Board Member	Undergraduate
	Ş. Yaman TÖRÜNER	Board Member	Undergraduate
	A. Aykut DEMİRAY	Board Member	Undergraduate
	I. Aydın GÜNTER	Board Member	Undergraduate
	Emre DERMAN	Board Member	Graduate
	Can PAKER	Board Member	PhD
	K. Özgür Demirtaş	Board Member	PhD
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
	S. Hakan BİNBAŞGİL	CEO	Graduate
President and CEO:	Eyüp ENGİN	Head of Internal Audit	Undergraduate
Head of Internal Audit:	Bülent OĞUZ	SME Banking	Graduate
Executive Vice Presidents:	H.Burcu ÇİVELEK YÜCE	Human Resources and Strategy	Graduate
	Ege GÜLTEKİN	Credit Monitoring and Follow-up	Graduate
	A.Özer İSFENDİYAROĞLU	Consumer Banking	Graduate
	Levent ÇELEBİOĞLU	Corporate and Investment Banking	Undergraduate
	Emin Tolga ULUTAŞ	Direct Banking	Graduate
	N. İlker ALTINTAŞ	Technology and Operation	PhD
	Hasan Recai ANBARCI	Credit Allocation	Graduate
	Mehmet Hakan TUGAL	Commercial Banking	Graduate
	Türker TUNALI	Financial Coordination	Undergraduate
	Ali Batu KARAALI	Treasury	Graduate
	Şahin Alp KELER	Private Banking and Investment Transactions	PhD
Internal Audit Committee:	Hayri ÇULHACI	Head of the Audit Committee	Graduate
	Ş. Yaman TÖRÜNER	Member of the Audit Committee	Undergraduate

The shares of individuals above are insignificant in the Bank.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

In the Ordinary General Assembly Meeting of the Bank held on 26 March 2018, Kemal Özgür Demirtaş has been assigned as a new member of the Bank's new Board of Directors, replacing Erol Sabancı.

IV. INFORMATION ON THE INDIVIDUAL AND CORPORATE SHAREHOLDERS HAVING CONTROL SHARES OF THE BANK:

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

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

The Bank's core business activities consist of consumer banking, commercial banking, SME banking, corporate-investment banking and private banking and investment services, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş.. As of 31 March 2018, the Bank has 800 branches dispersed throughout the country and 1 branch operating abroad (31 December 2017: 800 branches and 1 branch operating abroad). As of 31 March 2018, the Bank the Bank has 13.840 employees (31 December 2017: 13.884).

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

As at 31 March 2018, the Group employed 14.288 people (31 December 2017: 14.253).

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.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.Ş.
I. CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2018 (STATEMENT OF FINANCIAL POSITION)

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/03/2018)		
		TL	FC	Total
I. FINANCIAL ASSETS (NET)		42.051.055	74.547.420	116.598.475
1.1 Cash and Cash Equivalents	(I-a)	7.221.361	40.611.215	47.832.576
1.1.1 Cash and Balances with Central Bank		4.500.491	31.629.558	36.130.049
1.1.2 Banks	(I-d)	641.073	8.981.657	9.622.730
1.1.3 Money Markets		2.079.797	-	2.079.797
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	64.412	92.924	157.336
1.2.1 Government Debt Securities		9.969	-	9.969
1.2.2 Equity Instruments		27.153	92.924	120.077
1.2.3 Other Financial Assets		27.290	-	27.290
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-e)	23.254.029	22.821.696	46.075.725
1.3.1 Government Debt Securities		23.028.749	15.645.797	38.674.546
1.3.2 Equity Instruments		13.013	353	13.366
1.3.3 Other Financial Assets		212.267	7.175.546	7.387.813
1.4 Financial Assets Measured at Amortised Cost	(I-g)	3.797.478	7.351.485	11.148.963
1.4.1 Government Debt Securities		3.797.478	6.272.272	10.069.750
1.4.2 Other Financial Assets		-	1.079.213	1.079.213
1.5 Derivative Financial Assets		7.764.207	3.673.147	11.437.354
1.5.1 Derivative Financial Assets at Fair Value Through Profit or Loss		7.614.252	3.423.503	11.037.755
1.5.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		149.955	249.644	399.599
1.6 Non-Performing Financial Assets		-	-	-
1.7 Expected Loss Provision (-)		50.432	2.847	53.279
II. LOANS (NET)	(I-f)	138.415.322	84.156.982	222.572.304
2.1 Loans		139.313.302	79.950.045	219.263.347
2.1.1 Measured at Amortised Cost		139.313.302	79.950.045	219.263.347
2.1.2 Fair Value Through Profit or Loss		-	-	-
2.1.3 Fair Value Through Other Comprehensive Income		-	-	-
2.2 Lease Receivables	(I-j)	1.479.351	4.216.580	5.695.931
2.2.1 Financial Lease Receivables		1.768.772	4.742.201	6.510.973
2.2.2 Operating Lease Receivables		-	-	-
2.2.3 Unearned Income (-)		289.421	525.621	815.042
2.3 Factoring Receivables		-	-	-
2.3.1 Measured at Amortised Cost		-	-	-
2.3.2 Fair Value Through Profit or Loss		-	-	-
2.3.3 Fair Value Through Other Comprehensive Income		-	-	-
2.4 Non-Performing Loans		4.430.388	-	4.430.388
2.5 Expected Credit Loss (-)		6.807.719	9.643	6.817.362
2.5.1 12 Month Expected Credit Losses (Stage I)		656.367	9.643	666.010
2.5.2 Significant Increase in Credit Risk (Stage II)		2.810.658	-	2.810.658
2.5.3 Credit-Impaired Losses (Stage III / Special Provision)		3.340.694	-	3.340.694
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-n)	241.956	-	241.956
3.1 Held for Sale Purpose		241.956	-	241.956
3.2 Related to Discontinued Operations		-	-	-
IV. EQUITY INVESTMENTS		3.923	-	3.923
4.1 Investments in Associates (Net)	(I-h)	3.923	-	3.923
4.1.1 Associates Valued Based on Equity Method		-	-	-
4.1.2 Unconsolidated Associates		3.923	-	3.923
4.2 Subsidiaries (Net)	(I-i)	-	-	-
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-
4.3 Joint Ventures (Net)		-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-
V. PROPERTY AND EQUIPMENT (Net)		3.467.855	7.884	3.475.739
VI. INTANGIBLE ASSETS (Net)		480.691	2.036	482.727
6.1 Goodwill		-	-	-
6.2 Other		480.691	2.036	482.727
VII. INVESTMENT PROPERTY (Net)	(I-l)	-	-	-
VIII. CURRENT TAX ASSET		-	-	-
IX. DEFERRED TAX ASSET	(I-m)	164.632	4.371	169.003
X. OTHER ASSETS	(I-o)	2.116.933	2.793.048	4.909.981
TOTAL ASSETS		186.942.367	161.511.941	348.454.308

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

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

AKBANK T.A.Ş.
I. CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2018 (STATEMENT OF FINANCIAL POSITION)

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

ASSETS	Note (Section Five)	PRIOR PERIOD (31/12/2017)		Total
		TL	FC	
I. CASH AND BALANCES WITH CENTRAL BANK	(I-a)	8.461.584	26.901.592	35.363.176
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	(I-b)	5.433.943	2.921.996	8.355.939
2.1 Trading Financial Assets		5.433.943	2.921.996	8.355.939
2.1.1 Government Debt Securities		9.525	-	9.525
2.1.2 Equity Securities		23.431	-	23.431
2.1.3 Trading Derivative Financial Assets		5.394.053	2.921.996	8.316.049
2.1.4 Other Marketable Securities		6.934	-	6.934
2.2 Financial Assets at Fair Value through Profit or Loss		-	-	-
2.2.1 Government Debt Securities		-	-	-
2.2.2 Equity Securities		-	-	-
2.2.3 Loans		-	-	-
2.2.4 Other Marketable Securities		-	-	-
III. BANKS	(I-d)	289.699	9.740.030	10.029.729
IV. MONEY MARKETS		1.552.346	-	1.552.346
4.1 Interbank Money Market Placements		185	-	185
4.2 Istanbul Stock Exchange Money Market Placements		1.552.161	-	1.552.161
4.3 Receivables from Reverse Repurchase Agreements		-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(I-e)	23.452.703	19.377.085	42.829.788
5.1 Equity Securities		13.013	85.027	98.040
5.2 Government Debt Securities		23.159.176	13.657.443	36.816.619
5.3 Other Marketable Securities		280.514	5.634.615	5.915.129
VI. LOANS and RECEIVABLES	(I-f)	134.438.198	75.040.191	209.478.389
6.1 Loans and Receivables		134.285.579	75.040.191	209.325.770
6.1.1 Loans to Bank's Risk Group	(VII)	3.676.732	1.929.246	5.605.978
6.1.2 Government Debt Securities		-	-	-
6.1.3 Other		130.608.847	73.110.945	203.719.792
6.2 Loans under Follow-up		4.532.711	-	4.532.711
6.3 Specific Provisions [-]		4.380.092	-	4.380.092
VII. FACTORING RECEIVABLES		-	-	-
VIII. HELD-TO-MATURITY SECURITIES (Net)	(I-g)	5.995.041	12.887.991	18.883.032
8.1 Government Debt Securities		5.995.041	10.148.338	16.143.379
8.2 Other Marketable Securities		-	2.739.653	2.739.653
IX. INVESTMENTS IN ASSOCIATES (Net)	(I-h)	3.923	-	3.923
9.1 Associates Consolidated Based on Equity Method		-	-	-
9.2 Unconsolidated Associates		3.923	-	3.923
9.2.1 Financial Investments in Associates		-	-	-
9.2.2 Non-Financial Investments in Associates		3.923	-	3.923
X. SUBSIDIARIES (Net)	(I-i)	-	-	-
10.1 Financial Subsidiaries		-	-	-
10.2 Non-Financial Subsidiaries		-	-	-
XI. JOINT VENTURES (Net)		-	-	-
11.1 Joint Ventures Consolidated Based on Equity Method		-	-	-
11.2 Unconsolidated Joint Ventures		-	-	-
11.2.1 Financial Joint Ventures		-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-
XII. FINANCIAL LEASE RECEIVABLES (Net)	(I-j)	1.530.515	4.334.903	5.865.418
12.1 Financial Lease Receivables		1.856.087	4.885.676	6.741.763
12.2 Operating Lease Receivables		-	-	-
12.3 Other		-	-	-
12.4 Unearned Income [-]		325.572	550.773	876.345
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	(I-k)	973.630	162.654	1.136.284
13.1 Fair Value Hedge		973.630	31.206	1.004.836
13.2 Cash Flow Hedge		-	131.448	131.448
13.3 Foreign Net Investment Hedge		-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)		3.418.021	7.895	3.425.916
XV. INTANGIBLE ASSETS (Net)		476.470	2.072	478.542
15.1 Goodwill		-	-	-
15.2 Other		476.470	2.072	478.542
XVI. INVESTMENT PROPERTY (Net)	(I-l)	-	-	-
XVII. TAX ASSET		28.148	9.377	37.525
17.1 Current Tax Asset		-	-	-
17.2 Deferred Tax Asset	(I-m)	28.148	9.377	37.525
XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-n)	133.515	-	133.515
18.1 Held for Sale Purpose		133.515	-	133.515
18.2 Related to Discontinued Operations		-	-	-
XIX. OTHER ASSETS	(I-o)	1.754.630	2.281.805	4.036.435
TOTAL ASSETS		187.942.366	153.667.591	341.609.957

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

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

AKBANK T.A.Ş.
I. CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2018 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL).)

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/03/2018)		Total
		TL	FC	
I. DEPOSITS	(II-a)	93.464.478	117.708.469	211.172.947
II. FUNDS BORROWED	(II-c)	725.787	34.685.152	35.410.939
III. MONEY MARKETS		4.975.069	21.117.791	26.092.860
IV. SECURITIES ISSUED (Net)	(II-d)	6.355.106	7.155.925	13.511.031
4.1 Bills		3.832.901	-	3.832.901
4.2 Asset Backed Securities		-	-	-
4.3 Bonds		2.522.205	7.155.925	9.678.130
V. FUNDS		-	-	-
5.1 Borrower Funds		-	-	-
5.2 Other		-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		4.428.252	1.634.375	6.062.627
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		4.418.817	1.634.375	6.053.192
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(II-g)	9.435	-	9.435
VIII. FACTORING LIABILITIES		-	-	-
IX. LEASE LIABILITIES (Net)	(II-f)	-	-	-
9.1 Financial Lease		-	-	-
9.2 Operating Lease		-	-	-
9.3 Other		-	-	-
9.4 Deferred Financial Lease Expenses (-)		-	-	-
X. PROVISIONS	(II-h)	1.233.654	14.222	1.247.876
10.1 Restructuring Provisions		-	-	-
10.2 Reserve for Employee Benefits		306.646	92	306.738
10.3 Insurance Technical Provisions (Net)		-	-	-
10.4 Other Provisions		927.008	14.130	941.138
XI. CURRENT TAX LIABILITY	(II-i)	1.011.210	91.690	1.102.900
XII. DEFERRED TAX LIABILITY	(II-i)	-	101.895	101.895
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-
13.1 Held for Sale Purpose		-	-	-
13.2 Related to Discontinued Operations		-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(II-j)	-	3.527.461	3.527.461
14.1 Loans		-	-	-
14.2 Other Debt Instruments		-	3.527.461	3.527.461
XV. OTHER LIABILITIES		6.331.705	2.732.443	9.064.148
XVI. SHAREHOLDERS' EQUITY	(II-k)	41.303.974	(144.350)	41.159.624
16.1 Paid-in capital		4.000.000	-	4.000.000
16.2 Capital Reserves		3.607.551	-	3.607.551
16.2.1 Share Premium		1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-
16.2.3 Other Capital Reserves		1.907.551	-	1.907.551
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		2.093.817	6.055	2.099.872
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		278.975	(150.405)	128.570
16.5 Profit Reserves		28.956.789	-	28.956.789
16.5.1 Legal Reserves		1.621.374	-	1.621.374
16.5.2 Status Reserves		-	-	-
16.5.3 Extraordinary Reserves		27.065.472	-	27.065.472
16.5.4 Other Profit Reserves		269.943	-	269.943
16.6 Income or (Loss)		2.366.699	-	2.366.699
16.6.1 Prior Periods' Income or (Loss)		672.839	-	672.839
16.6.2 Current Period Income or (Loss)		1.693.860	-	1.693.860
16.7 Minority Interest	(II-l)	143	-	143
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		159.829.235	188.625.073	348.454.308

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AKBANK T.A.Ş.
I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2017 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL).)

LIABILITIES	Note (Section Five)	PRIOR PERIOD (31/12/2017)		Total
		TL	FC	
I. DEPOSITS	(II-a)	92.792.353	108.663.175	201.455.528
1.1 Deposits of Bank's Risk Group	(VII)	2.265.188	3.120.932	5.386.120
1.2 Other		90.527.165	105.542.243	196.069.408
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	(II-b)	4.170.579	1.253.249	5.423.828
III. FUNDS BORROWED	(II-c)	375.074	33.252.125	33.627.199
IV. MONEY MARKETS		4.516.895	24.840.903	29.357.798
4.1 Funds from Interbank Money Market		507.522	-	507.522
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-
4.3 Funds Provided Under Repurchase Agreements		4.009.373	24.840.903	28.850.276
V. SECURITIES ISSUED (Net)	(II-d)	7.137.270	8.717.955	15.855.225
5.1 Bills		4.012.498	-	4.012.498
5.2 Asset Backed Securities		-	-	-
5.3 Bonds		3.124.772	8.717.955	11.842.727
VI. FUNDS		-	-	-
6.1 Borrower Funds		-	-	-
6.2 Other		-	-	-
VII. MISCELLANEOUS PAYABLES		4.911.265	1.729.825	6.641.090
VIII. OTHER LIABILITIES	(II-e)	940.960	237.400	1.178.360
IX. FACTORING PAYABLES		-	-	-
X. FINANCIAL LEASE PAYABLES (Net)	(II-f)	-	-	-
10.1 Financial Lease Payables		-	-	-
10.2 Operating Lease Payables		-	-	-
10.3 Other		-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	(II-g)	-	74.911	74.911
11.1 Fair Value Hedge		-	74.911	74.911
11.2 Cash Flow Hedge		-	-	-
11.3 Foreign Net Investment Hedge		-	-	-
XII. PROVISIONS	(II-h)	2.896.523	964.423	3.860.946
12.1 General Loan Loss Provisions		1.736.416	950.455	2.686.871
12.2 Restructuring Provisions		-	-	-
12.3 Reserve for Employee Benefits		300.792	161	300.953
12.4 Insurance Technical Provisions (Net)		-	-	-
12.5 Other Provisions		859.315	13.807	873.122
XIII. TAX LIABILITY	(II-i)	1.432.408	188.093	1.620.501
13.1 Current Tax Liability		1.040.244	97.421	1.137.665
13.2 Deferred Tax Liability		392.164	90.672	482.836
XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS		-	-	-
14.1 Held for Sale Purpose		-	-	-
14.2 Related to Discontinued Operations		-	-	-
XV. SUBORDINATED LOANS	(II-j)	-	1.900.999	1.900.999
XVI. SHAREHOLDERS' EQUITY	(II-k)	40.688.789	(75.217)	40.613.572
16.1 Paid-in capital		4.000.000	-	4.000.000
16.2 Capital Reserves		4.171.089	(75.217)	4.095.872
16.2.1 Share Premium		1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-
16.2.3 Marketable Securities Valuation Differences		(600.631)	(169.489)	(770.120)
16.2.4 Property and Equipment Revaluation Differences		2.343.606	5.356	2.348.962
16.2.5 Intangible Assets Revaluation Differences		-	-	-
16.2.6 Investment Properties Revaluation Differences		-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		3.895	-	3.895
16.2.8 Hedging Funds (Effective portion)		(565.520)	88.916	(476.604)
16.2.9 Value Increase of Assets Held for Sale		-	-	-
16.2.10 Other Capital Reserves		1.289.739	-	1.289.739
16.3 Profit Reserves		25.744.393	-	25.744.393
16.3.1 Legal Reserves		1.469.241	-	1.469.241
16.3.2 Status Reserves		-	-	-
16.3.3 Extraordinary Reserves		22.724.398	-	22.724.398
16.3.4 Other Profit Reserves		1.550.754	-	1.550.754
16.4 Income or (Loss)		6.773.168	-	6.773.168
16.4.1 Prior Periods' Income or (Loss)		752.895	-	752.895
16.4.2 Current Period Income or (Loss)		6.020.273	-	6.020.273
16.5 Minority Interest	(II-l)	139	-	139
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		159.862.116	181.747.841	341.609.957

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

AKBANK T.A.Ş.
II. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 MARCH 2018
(Amounts are expressed in thousands of Turkish Lira (TL).)

	Note (Section Five)	CURRENT PERIOD (31/03/2018)		Total
		TL	FC	
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		206.050.509	475.958.637	682.009.146
I. GUARANTEES AND WARRANTIES	(III-a-2, 3)	22.032.249	31.470.718	53.502.967
1.1 Letters of Guarantee		19.154.026	15.961.579	35.115.605
1.1.1 Guarantees Subject to State Tender Law		499.542	2.577.566	3.077.108
1.1.2 Guarantees Given for Foreign Trade Operations		-	3.226.777	3.226.777
1.1.3 Other Letters of Guarantee		18.654.484	10.157.236	28.811.720
1.2 Bank Acceptances		-	4.653.047	4.653.047
1.2.1 Import Letter of Acceptance		-	4.653.047	4.653.047
1.2.2 Other Bank Acceptances		-	-	-
1.3 Letters of Credit		2.252	7.831.037	7.833.289
1.3.1 Documentary Letters of Credit		2.252	7.248.320	7.250.572
1.3.2 Other Letters of Credit		-	582.717	582.717
1.4 Prefinancing Given as Guarantee		-	-	-
1.5 Endorsements		-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-
1.5.2 Other Endorsements		-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-
1.7 Factoring Guarantees		-	12.587	12.587
1.8 Other Guarantees		30.527	3.007.826	3.038.353
1.9 Other Collaterals		2.845.444	4.642	2.850.086
II. COMMITMENTS	(III-a-1)	50.826.736	21.983.077	72.809.813
2.1 Irrevocable Commitments		49.972.498	21.601.109	71.573.607
2.1.1 Asset Purchase Commitments		11.790.574	17.835.299	29.625.873
2.1.2 Deposit Purchase and Sales Commitments		-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		7.000	-	7.000
2.1.4 Loan Granting Commitments		7.362.642	3.763.572	11.126.214
2.1.5 Securities Issue Brokerage Commitments		-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-
2.1.7 Commitments for Cheque Payments		7.554.397	-	7.554.397
2.1.8 Tax and Fund Liabilities from Export Commitments		6.199	-	6.199
2.1.9 Commitments for Credit Card Limits		19.228.211	-	19.228.211
2.1.10 Commitments for Credit Cards and Banking Services Promotions		73.949	-	73.949
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-
2.1.13 Other Irrevocable Commitments		3.949.526	2.238	3.951.764
2.2 Revocable Commitments		854.238	381.968	1.236.206
2.2.1 Revocable Loan Granting Commitments		686.295	-	686.295
2.2.2 Other Revocable Commitments		167.943	381.968	549.911
III. DERIVATIVE FINANCIAL INSTRUMENTS		133.191.524	422.504.842	555.696.366
3.1 Hedging Derivative Financial Instruments		6.792.455	31.818.132	38.610.587
3.1.1 Fair Value Hedges		2.497.225	12.676.318	15.173.543
3.1.2 Cash Flow Hedges		4.295.230	19.141.814	23.437.044
3.1.3 Foreign Net Investment Hedges		-	-	-
3.2 Trading Derivative Financial Instruments		126.399.069	390.686.710	517.085.779
3.2.1 Forward Foreign Currency Buy/Sell Transactions		14.034.967	20.688.998	34.723.965
3.2.1.1 Forward Foreign Currency Transactions-Buy		6.765.146	10.567.209	17.332.355
3.2.1.2 Forward Foreign Currency Transactions-Sell		7.269.821	10.121.789	17.391.610
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		87.987.430	264.216.255	352.203.685
3.2.2.1 Foreign Currency Swap-Buy		30.812.161	95.826.565	126.638.726
3.2.2.2 Foreign Currency Swap-Sell		53.386.269	67.886.176	121.272.445
3.2.2.3 Interest Rate Swap-Buy		1.894.500	50.251.757	52.146.257
3.2.2.4 Interest Rate Swap-Sell		1.894.500	50.251.757	52.146.257
3.2.3 Foreign Currency, Interest Rate and Securities Options		24.286.467	90.631.344	114.917.811
3.2.3.1 Foreign Currency Options-Buy		11.200.383	14.736.696	25.937.079
3.2.3.2 Foreign Currency Options-Sell		13.086.084	13.030.110	26.116.194
3.2.3.3 Interest Rate Options-Buy		-	31.432.269	31.432.269
3.2.3.4 Interest Rate Options-Sell		-	31.432.269	31.432.269
3.2.3.5 Securities Options-Buy		-	-	-
3.2.3.6 Securities Options-Sell		-	-	-
3.2.4 Foreign Currency Futures		-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-
3.2.5 Interest Rate Futures		-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-
3.2.6 Other		90.205	15.150.113	15.240.318
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		754.521.838	229.903.617	984.425.455
IV. ITEMS HELD IN CUSTODY		49.522.448	13.608.171	63.130.619
4.1 Customer Fund and Portfolio Balances		4.661.026	-	4.661.026
4.2 Investment Securities Held in Custody		15.739.301	1.154.660	16.893.961
4.3 Cheques Received for Collection		23.018.472	1.756.642	24.775.114
4.4 Commercial Notes Received for Collection		5.609.677	2.778.614	8.388.291
4.5 Other Assets Received for Collection		-	-	-
4.6 Assets Received for Public Offering		-	-	-
4.7 Other Items Under Custody		493.972	7.918.255	8.412.227
4.8 Custodians		-	-	-
V. PLEDGES RECEIVED		157.718.728	73.750.043	231.468.771
5.1 Marketable Securities		999.028	638.478	1.637.506
5.2 Guarantee Notes		1.078.766	599.922	1.678.688
5.3 Commodity		-	5.880	5.880
5.4 Warranty		-	-	-
5.5 Immovables		118.227.263	51.120.734	169.347.997
5.6 Other Pledged Items		37.413.671	21.385.029	58.798.700
5.7 Pledged Items-Depository		-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTS		547.280.662	142.545.403	689.826.065
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		960.572.347	705.862.254	1.666.434.601

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AKBANK T.A.Ş.
II. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2017

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

	Note (Section Five)	PRIOR PERIOD (31/12/2017)		Total
		TL	FC	
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		179.669.683	414.581.289	594.250.972
I. GUARANTEES AND WARRANTIES	(III-a-2, 3)	21.647.854	30.315.941	51.963.795
1.1 Letters of Guarantee		18.791.169	16.142.039	34.933.208
1.1.1 Guarantees Subject to State Tender Law		492.470	2.884.919	3.377.389
1.1.2 Guarantees Given for Foreign Trade Operations		-	3.297.312	3.297.312
1.1.3 Other Letters of Guarantee		18.298.699	9.959.808	28.258.507
1.2 Bank Acceptances		198	3.757.904	3.758.102
1.2.1 Import Letter of Acceptance		198	3.757.904	3.758.102
1.2.2 Other Bank Acceptances		-	-	-
1.3 Letters of Credit		7.257	6.927.068	6.934.325
1.3.1 Documentary Letters of Credit		7.257	6.357.468	6.364.725
1.3.2 Other Letters of Credit		-	569.600	569.600
1.4 Prefinancing Given as Guarantee		-	-	-
1.5 Endorsements		-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-
1.5.2 Other Endorsements		-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-
1.7 Factoring Guarantees		-	10.757	10.757
1.8 Other Guarantees		28.469	3.466.915	3.495.384
1.9 Other Collaterals		2.820.761	11.258	2.832.019
II. COMMITMENTS	(III-a-1)	39.587.905	11.764.500	51.352.405
2.1 Irrevocable Commitments		38.813.809	11.625.354	50.439.163
2.1.1 Asset Purchase Commitments		2.668.087	7.928.578	10.596.665
2.1.2 Deposit Purchase and Sales Commitments		-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-
2.1.4 Loan Granting Commitments		7.108.285	3.694.692	10.802.977
2.1.5 Securities Issue Brokerage Commitments		-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-
2.1.7 Commitments for Cheque Payments		6.679.928	-	6.679.928
2.1.8 Tax and Fund Liabilities from Export Commitments		5.586	-	5.586
2.1.9 Commitments for Credit Card Limits		18.431.137	-	18.431.137
2.1.10 Commitments for Credit Cards and Banking Services Promotions		66.262	-	66.262
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-
2.1.13 Other Irrevocable Commitments		3.854.524	2.084	3.856.608
2.2 Revocable Commitments		774.096	139.146	913.242
2.2.1 Revocable Loan Granting Commitments		684.444	-	684.444
2.2.2 Other Revocable Commitments		89.652	139.146	228.798
III. DERIVATIVE FINANCIAL INSTRUMENTS	(III-b)	118.433.924	372.500.848	490.934.772
3.1 Hedging Derivative Financial Instruments		2.497.225	27.012.330	29.509.555
3.1.1 Fair Value Hedges		2.497.225	12.659.318	15.156.543
3.1.2 Cash Flow Hedges		-	14.353.012	14.353.012
3.1.3 Foreign Net Investment Hedges		-	-	-
3.2 Trading Derivative Financial Instruments		115.936.699	345.488.518	461.425.217
3.2.1 Forward Foreign Currency Buy/Sell Transactions		12.282.414	17.635.529	29.917.943
3.2.1.1 Forward Foreign Currency Transactions-Buy		5.985.150	8.969.994	14.955.144
3.2.1.2 Forward Foreign Currency Transactions-Sell		6.297.264	8.665.535	14.962.799
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		86.592.072	229.461.255	316.053.327
3.2.2.1 Foreign Currency Swap-Buy		32.237.645	80.929.409	113.167.054
3.2.2.2 Foreign Currency Swap-Sell		51.016.127	57.681.478	108.697.605
3.2.2.3 Interest Rate Swap-Buy		1.669.150	45.425.184	47.094.334
3.2.2.4 Interest Rate Swap-Sell		1.669.150	45.425.184	47.094.334
3.2.3 Foreign Currency, Interest Rate and Securities Options		16.974.837	83.630.054	100.604.891
3.2.3.1 Foreign Currency Options-Buy		7.744.739	11.982.227	19.726.966
3.2.3.2 Foreign Currency Options-Sell		9.230.098	10.813.503	20.043.601
3.2.3.3 Interest Rate Options-Buy		-	30.417.162	30.417.162
3.2.3.4 Interest Rate Options-Sell		-	30.417.162	30.417.162
3.2.3.5 Securities Options-Buy		-	-	-
3.2.3.6 Securities Options-Sell		-	-	-
3.2.4 Foreign Currency Futures		-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-
3.2.5 Interest Rate Futures		-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-
3.2.6 Other		87.376	14.761.680	14.849.056
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		730.313.032	217.860.085	948.173.117
IV. ITEMS HELD IN CUSTODY		47.355.366	12.571.070	59.926.436
4.1 Customer Fund and Portfolio Balances		4.329.384	13.103	4.342.487
4.2 Investment Securities Held in Custody		15.331.148	1.062.605	16.393.753
4.3 Cheques Received for Collection		21.906.910	1.675.367	23.582.277
4.4 Commercial Notes Received for Collection		5.293.887	2.661.455	7.955.342
4.5 Other Assets Received for Collection		-	-	-
4.6 Assets Received for Public Offering		-	-	-
4.7 Other Items Under Custody		494.037	7.158.540	7.652.577
4.8 Custodians		-	-	-
V. PLEDGES RECEIVED		154.062.256	70.259.533	224.321.789
5.1 Marketable Securities		1.533.214	570.101	2.103.315
5.2 Guarantee Notes		1.061.747	555.781	1.617.528
5.3 Commodity		-	25.310	25.310
5.4 Warranty		-	-	-
5.5 Immovables		114.165.824	50.890.890	165.056.714
5.6 Other Pledged Items		37.301.471	18.217.451	55.518.922
5.7 Pledged Items-Depository		-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTS		528.895.410	135.029.482	663.924.892
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		909.982.715	632.441.374	1.542.424.089

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

AKBANK T.A.Ş.
III. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2018

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

INCOME AND EXPENSE ITEMS		Note (Section Five)	CURRENT PERIOD (01/01-31/03/2018)
I.	INTEREST INCOME	(IV-a)	7.158.466
1.1	Interest on Loans	(IV-a-1)	5.741.880
1.2	Interest on Reserve Requirements		92.176
1.3	Interest on Banks	(IV-a-2)	93.585
1.4	Interest on Money Market Transactions		41.440
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	1.071.321
1.5.1	Fair Value Through Profit or Loss		1.210
1.5.2	Fair Value Through Other Comprehensive Income		823.771
1.5.3	Measured at Amortised Cost		246.340
1.6	Financial Lease Income		108.757
1.7	Other Interest Income		9.307
II.	INTEREST EXPENSE (-)	(IV-b)	3.835.700
2.1	Interest on Deposits	(IV-b-4)	2.963.977
2.2	Interest on Funds Borrowed	(IV-b-1)	257.764
2.3	Interest Expense on Money Market Transactions		239.117
2.4	Interest on Securities Issued	(IV-b-3)	348.769
2.5	Other Interest Expenses		26.073
III.	NET INTEREST INCOME (I - II)		3.322.766
IV.	NET FEES AND COMMISSIONS INCOME		810.264
4.1	Fees and Commissions Received		1.012.215
4.1.1	Non-cash Loans		74.147
4.1.2	Other		938.068
4.2	Fees and Commissions Paid		201.951
4.2.1	Non-cash Loans		113
4.2.2	Other		201.838
V.	PERSONNEL EXPENSE (-)		567.052
VI	DIVIDEND INCOME		1.666
VII.	TRADING INCOME /(LOSS) (Net)	(IV-c)	(197.217)
7.1	Trading Gains / (Losses) on Securities		7.344
7.2	Gains / (Losses) on Derivative Financial Transactions		697.169
7.3	Foreign Exchange Gains / (Losses)		(901.730)
VIII.	OTHER OPERATING INCOME	(IV-d)	304.050
IX.	GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)		3.674.477
X.	EXPECTED CREDIT LOSS (-)		703.365
XI.	OTHER OPERATING EXPENSES (-)	(IV-f)	794.735
XII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		2.176.377
XIII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-
XV.	INCOME/(LOSS) ON NET MONETARY POSITION		-
XVI.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)		2.176.377
XVII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-h)	482.512
17.1	Current Tax Provision		309.870
17.2	Deferred Tax Income Effect (+)		320.565
17.3	Deferred Tax Expense Effect (-)		147.923
XVIII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)	(IV-i)	1.693.865
XIX.	INCOME FROM DISCONTINUED OPERATIONS		-
19.1	Income from Non-current Assets Held for Sale		-
19.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-
19.3	Income from Other Discontinued Operations		-
XX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-
20.1	Expenses for Non-current Assets Held for Sale		-
20.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-
20.3	Expenses for Other Discontinued Operations		-
XXI.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)		-
XXII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(IV-h)	-
22.1	Current Tax Provision		-
22.2	Deferred Tax Expense Effect (+)		-
22.3	Deferred Tax Income Effect (-)		-
XXIII.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-
XXIV.	NET INCOME/(LOSS) (XVIII+XXIII)	(IV-i)	1.693.865
24.1	Income/(Loss) from the Group		1.693.860
24.2	Income/(Loss) from Minority Interest	(IV-g)	5
	Earning/(Loss) per share (in TL full)		0,00423

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AKBANK T.A.Ş.
III. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2017
(Amounts are expressed in thousands of Turkish Lira (TL).)

INCOME AND EXPENSE ITEMS		Note	PRIOR PERIOD
		(Section Five)	(01/01-31/03/2017)
I.	INTEREST INCOME	(IV-a)	5.378.521
1.1	Interest on Loans	(IV-a-1)	4.318.851
1.2	Interest on Reserve Requirements		49.458
1.3	Interest on Banks	(IV-a-2)	38.894
1.4	Interest on Money Market Transactions		7.451
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	860.776
1.5.1	Trading Financial Assets		2.435
1.5.2	Financial Assets at Fair Value Through Profit or Loss		-
1.5.3	Available-for-sale Financial Assets		626.687
1.5.4	Held- to- maturity Investments		231.654
1.6	Financial Lease Income		93.913
1.7	Other Interest Income		9.178
II.	INTEREST EXPENSE	(IV-b)	2.826.578
2.1	Interest on Deposits	(IV-b-4)	2.196.034
2.2	Interest on Funds Borrowed	(IV-b-1)	202.248
2.3	Interest Expense on Money Market Transactions		192.439
2.4	Interest on Securities Issued	(IV-b-3)	201.635
2.5	Other Interest Expenses		34.222
III.	NET INTEREST INCOME (I - II)		2.551.943
IV.	NET FEES AND COMMISSIONS INCOME		680.079
4.1	Fees and Commissions Received		835.469
4.1.1	Non-cash Loans		59.118
4.1.2	Other		776.351
4.2	Fees and Commissions Paid		155.390
4.2.1	Non-cash Loans		22
4.2.2	Other		155.368
V.	DIVIDEND INCOME		908
VI.	TRADING INCOME /(LOSS) (Net)	(IV-c)	(15.783)
6.1	Trading Gains / (Losses) on Securities		36.601
6.2	Gains / (Losses) on Derivative Financial Transactions		(375.849)
6.3	Foreign Exchange Gains / (Losses)		323.465
VII.	OTHER OPERATING INCOME	(IV-d)	241.828
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		3.458.975
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(IV-e)	472.941
X.	OTHER OPERATING EXPENSES (-)	(IV-f)	1.146.687
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1.839.347
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-
XIII.	ON EQUITY METHOD INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED		-
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION		-
XV.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)		1.839.347
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-h)	387.144
16.1	Current Tax Provision		444.053
16.2	Deferred Tax Provision		(56.909)
XVII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)		1.452.203
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-
18.1	Income from Non-current Assets Held for Sale		-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-
18.3	Income from Other Discontinued Operations		-
XIX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-
19.1	Expenses for Non-current Assets Held for Sale		-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-
19.3	Expenses for Other Discontinued Operations		-
XX.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-
21.1	Current Tax Provision		-
21.2	Deferred Tax Provision		-
XXII.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	(IV-i)	1.452.203
23.1	Income/(Loss) from the Group		1.452.200
23.2	Income/(Loss) from Minority Interest	(IV-g)	3
	Earning/(Loss) per share (in TL full)		0,00363

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

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

AKBANK T.A.Ş.**IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2018**

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

**CURRENT PERIOD
(31/03/2018)**

I. CURRENT PERIOD INCOME/LOSS	1.693.865
II. OTHER COMPREHENSIVE INCOME	(49.471)
2.1 Not Reclassified Through Profit or Loss	-
2.1.1 Property and Equipment Revaluation Increase/Decrease	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	(12)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(136.820)
2.2 Reclassified Through Profit or Loss	-
2.2.1 Foreign Currency Translation Differences	237.750
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(284.882)
2.2.3 Cash Flow Hedge Income/Loss	92.076
2.2.4 Foreign Net Investment Hedge Income/Loss	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Losses	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	42.417
	-
XII. TOTAL COMPREHENSIVE INCOME (I+II)	1.644.394

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

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

AKBANK T.A.Ş.
IV. UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017
(Amounts are expressed in thousands of Turkish Lira (TL).)

INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	PRIOR PERIOD (31/03/2017)
I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE- FOR- SALE FINANCIAL ASSETS	712.983
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	2.465.549
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-
IV. TRANSLATION DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	95.590
V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of Fair Value Changes)	10.273
VI. PROFIT/LOSS FROM FOREIGN NET INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion)	(50.144)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND CORRECTIONS	-
VIII. OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	19
IX. TAX RELATED TO VALUATION DIFFERENCES	(298.229)
X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	2.936.041
XI. CURRENT PERIOD INCOME / LOSS	1.452.203
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	(8.767)
11.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(5.566)
11.3 Part of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-
11.4 Other	1.466.536
XII. TOTAL INCOME / LOSS ACCOUNTED FOR THE PERIOD (X±XI)	4.388.244

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

(*) 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.

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

AKBANK T.A.Ş.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

(Amounts are expressed in thousands of Turkish Lira)

	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
						Accumulated Revaluation Increase/Decrease of Fixed Assets	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)						
CURRENT PERIOD																	
[31/03/2018]																	
I.	Prior Period End Balance	4.000.000	1.700.000	-	1.405.892	2.348.962	[116.153]	3.895	1.287.933	[770.120]	[476.604]	24.456.460	752.895	6.020.273	40.613.433	139	40.613.572
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	501.659	-	-	-	-	110.969	-	-	-	-	612.628	-	612.628
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	501.659	-	-	-	-	110.969	-	-	-	-	612.628	-	612.628
III.	Adjusted Beginning Balance (I+II)	4.000.000	1.700.000	-	1.907.551	2.348.962	[116.153]	3.895	1.287.933	[659.151]	[476.604]	24.456.460	752.895	6.020.273	41.226.061	139	41.226.200
IV.	Total Comprehensive Income	-	-	-	-	[136.823]	[9]	-	237.750	[333.177]	71.819	-	-	-	[160.440]	-	[160.440]
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	80.056	(80.056)	1.693.860	1.693.860	4	1.693.864
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	4.420.273	-	(4.020.273)	(1.600.000)	-	(1.600.000)
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(1.600.000)	(1.600.000)	-	(1.600.000)
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	4.420.273	-	(4.420.273)	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (I+II+III+...+XVI+XVII+XVIII)		4.000.000	1.700.000	-	1.907.551	2.212.139	[116.162]	3.895	1.525.683	[992.328]	[404.785]	28.956.789	672.839	1.693.860	41.159.481	143	41.159.624

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

AKBANK T.A.Ş.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2017

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

	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital(*)	Share Premiums	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Valuation Differences	Property & Equipment Revaluation Differences	Bonus Shares from Invest. in Ass., Subs. and J.V.	Hedging Transactions	Val. Chan. in Prop. and Eq. HFS Purp./ Disc. Opr.	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
RESTATED PRIOR PERIOD (31/03/2017)																			
I.	Beginning Balance	4.000.000	1.405.892	1.700.000	-	1.386.657	-	19.199.849	832.517	4.854.168	545.745	(1.161.202)	47.106	3.895	(322.490)	-	32.492.137	130	32.492.267
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance [I+II]	4.000.000	1.405.892	1.700.000	-	1.386.657	-	19.199.849	832.517	4.854.168	545.745	(1.161.202)	47.106	3.895	(322.490)	-	32.492.137	130	32.492.267
Changes in the period																			
IV.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	570.386	-	-	-	-	570.386	-	570.386
VI.	Hedging transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	(31.897)	-	(31.897)	-	(31.897)
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	8.218	-	8.218	-	8.218
6.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(40.115)	-	(40.115)	-	(40.115)
VII.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	2.301.948	-	-	-	2.301.948	-	2.301.948
VIII.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation Differences	-	-	-	-	-	-	-	95.590	-	-	-	-	-	-	-	95.590	-	95.590
XI.	Changes due to the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of changes in equity of investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	15	-	-	-	-	-	-	-	15	-	15
XIX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	1.452.200	-	-	-	-	-	-	1.452.200	3	1.452.203
XX.	Profit Distribution	-	-	-	-	82.584	-	3.524.549	139.885	(4.854.168)	207.150	-	-	-	-	-	(900.000)	-	(900.000)
20.1	Dividends paid	-	-	-	-	-	-	-	-	(900.000)	-	-	-	-	-	-	(900.000)	-	(900.000)
20.2	Transfers to Reserves	-	-	-	-	82.584	-	3.524.549	139.885	(3.954.168)	207.150	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+IV+V+.....+XVIII+XIX+XX)		4.000.000	1.405.892	1.700.000	-	1.469.241	-	22.724.398	1.068.007	1.452.200	752.895	(590.816)	2.349.054	3.895	(354.387)	-	35.980.379	133	35.980.512

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

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

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

AKBANK T.A.Ş.**VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2018**

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

	Note (Section Five)	CURRENT PERIOD (31/03/2018)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit before changes in operating assets and liabilities	97.878
		-
1.1.1	Interest received	6.386.312
1.1.2	Interest paid	(3.793.961)
1.1.3	Dividend received	1.666
1.1.4	Fees and commissions received	1.007.768
1.1.5	Other income	(695.583)
1.1.6	Collections from previously written-off loans and other receivables	403.210
1.1.7	Payments to personnel and service suppliers	(618.083)
1.1.8	Taxes paid	(666.244)
1.1.9	Other	(1.927.207)
1.2	Changes in operating assets and liabilities	(3.295.627)
1.2.1	Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss	(117.321)
1.2.2	Net (increase) / decrease in due from banks and other financial institutions	884.196
1.2.3	Net (increase) / decrease in loans	(10.838.733)
1.2.4	Net (increase) / decrease in other assets	(4.239.149)
1.2.5	Net increase / (decrease) in bank deposits	(979.397)
1.2.6	Net increase / (decrease) in other deposits	10.631.148
1.2.7	Net Increase/Decrease in Financial Liabilities at Fair Value Through Profit or Loss	-
1.2.8	Net increase / (decrease) in funds borrowed	1.720.046
1.2.9	Net increase / (decrease) in payables	-
1.2.10	Net increase / (decrease) in other liabilities	(356.417)
I.	Net cash provided from banking operations	(3.197.749)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net cash provided from investing activities	2.951.332
2.1	Cash paid for acquisition of investments, associates and subsidiaries	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries	-
2.3	Purchases of property and equipment	(139.703)
2.4	Disposals of property and equipment	14.235
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(1.642.183)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	3.615.040
2.7	Purchase of Financial Assets Measured at Amortised Cost	-
2.8	Sale of Financial Assets Measured at Amortised Cost	2.191.978
2.9	Other	(1.088.035)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash provided from financing activities	(2.245.748)
3.1	Cash obtained from funds borrowed and securities issued	6.500.971
3.2	Cash used for repayment of funds borrowed and securities issued	(7.146.719)
3.3	Issued equity instruments	-
3.4	Dividends paid	(1.600.000)
3.5	Payments for finance leases	-
3.6	Other	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	463.629
V.	Net increase in cash and cash equivalents (I+II+III+IV)	(2.028.536)
VI.	Cash and cash equivalents at beginning of the period	(VI) 12.697.466
VII.	Cash and cash equivalents at end of the period	(VI) 10.668.930

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

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

AKBANK T.A.Ş.**VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2017**

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

	Note (Section Five)	PRIOR PERIOD (31/03/2017)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit before changes in operating assets and liabilities	768.784
1.1.1	Interest received	4.983.162
1.1.2	Interest paid	(2.833.943)
1.1.3	Dividend received	908
1.1.4	Fees and commissions received	904.871
1.1.5	Other income	(682.689)
1.1.6	Collections from previously written-off loans and other receivables	212.246
1.1.7	Payments to personnel and service suppliers	(1.013.291)
1.1.8	Taxes paid	(323.608)
1.1.9	Other	(478.872)
1.2	Changes in operating assets and liabilities	(4.229.379)
1.2.1	Net decrease in trading securities	(2.153)
1.2.2	Net (increase) / decrease in fair value through profit/(loss) financial assets	-
1.2.3	Net (increase) / decrease in due from banks and other financial institutions	2.306.383
1.2.4	Net (increase) / decrease in loans	(7.724.542)
1.2.5	Net (increase) / decrease in other assets	(5.007.967)
1.2.6	Net increase / (decrease) in bank deposits	912.778
1.2.7	Net increase / (decrease) in other deposits	4.479.143
1.2.8	Net increase / (decrease) in funds borrowed	3.266.121
1.2.9	Net increase / (decrease) in payables	-
1.2.10	Net increase / (decrease) in other liabilities	(2.459.142)
I.	Net cash provided from banking operations	(3.460.595)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net cash provided from investing activities	(2.586.019)
2.1	Cash paid for acquisition of investments, associates and subsidiaries	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries	-
2.3	Purchases of property and equipment	(22.986)
2.4	Disposals of property and equipment	8.725
2.5	Cash paid for purchase of investments available-for-sale	(5.703.697)
2.6	Cash obtained from sale of investments available-for-sale	3.231.322
2.7	Cash paid for purchase of investment securities	(24.564)
2.8	Cash obtained from sale of investment securities	25.063
2.9	Other	(99.882)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash provided from financing activities	163.279
3.1	Cash obtained from funds borrowed and securities issued	1.250.166
3.2	Cash used for repayment of funds borrowed and securities issued	(697.913)
3.3	Issued equity instruments	-
3.4	Dividends paid	(388.974)
3.5	Payments for finance leases	-
3.6	Other	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	457.621
V.	Net increase in cash and cash equivalents (I+II+III+IV)	(5.425.714)
VI.	Cash and cash equivalents at beginning of the period	(V) 12.827.451
VII.	Cash and cash equivalents at end of the period	(V) 7.401.737

Note: The prior period financial statements and related disclosures are not restated as permitted by TFRS 9 transition rules. Since, 2017 and 2018 financial statements are prepared on different principles, 2017 financial statements are presented separately.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

**SECTION THREE
EXPLANATIONS ON 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 Law numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA"). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements" and "Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks" and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, 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. Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.

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.

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 used in the preparation of the financial statements:

Accounting policies and valuation principles used in the preparation of the consolidated financial statements are determined 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"). In accordance with the transition rules of TFRS 9, the prior period financial statements and notes are not restated. Accounting policies and valuation principles used for the year 2018 and 2017 periods are separately presented in the notes and the accounting policies for the year 2017 are included in Section three notes XXIX. Impacts of transition to TFRS 9 and its adoption is disclosed in Section three notes XXVIII. Accounting policies and valuation principles used by the Bank are explained in footnotes II through XXIX below.

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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

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

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

As of 31 March 2018, foreign currency denominated balances are translated into TL using the exchange rates of TL 3,9200 and TL 4,8317 for USD, EURO respectively.

III. EXPLANATIONS ON EQUITY INVESTMENTS:

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.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

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

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

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

Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş., which is 100% owned by the Bank, has been established on 19 February 2018 to provide payment services and issue electronic money under the Law No. 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions registered in the trade registry.

A.R.T.S. Ltd. is a "Structured Entity" which was established in November 1999 for the purpose of supplying long term financing.

IV. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognized in the income statement by using the "Effective interest rate method". Starting from 1 January 2018, Group has started accruing interest accrual on non-performing loans. Net book value of the non-performing loans (Gross Book Value – Expected Credit Loss) are rediscounted with effective interest rate and recognized with the gross book value of the non-performing loan.

V. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

Fees and commission income/expenses are primarily recognized on an accrual basis or "Effective interest rate 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.

VI. EXPLANATIONS ON FINANCIAL ASSETS:

The Group categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

The Group recognize a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Bank's management is changed, all affected financial assets are reclassified and this reclassification is applied prospectively. In such cases, no adjustments is made to earnings, losses or interest that were previously recorded in the financial statements.

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

"Financial assets at fair value through profit/loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short-

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss 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.

b. Financial Assets at Fair Value Through Other Comprehensive Income

In addition to Financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. 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.

During initial recognition an entity can choose in a irrecovable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

c. Financial Assets Measured at Amortized Cost:

Financial assets that are held for collection of contractual cash flows where those cash fows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost 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 financial assets measured at amortized cost is accounted in income statement.

"Fair value through other comprehensive income" and "measured at amortized cost" securities portfolio of the Group include Consumer Price Indexed (CPI) Bonds. These securities are valued and accounted using the effective interest rate method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of prior two months. The Bank also sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. At the end of the year, the real inflation rate is used.

d. Derivative Financial Assets:

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

Derivative financial instruments of the Group are classified under "IFRS 9 Financial Instruments" ("IFRS 9"), "Derivative Financial Assets Designated at Fair Value through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value through Other Comprehensive Income".

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

Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions. The principles for the recognition of derivative transactions intended for hedging purposes are disclosed in the footnote numbered VIII of Section Four. The fair value of derivative instruments is calculated by taking into account the market value of the derivatives or by using the discounted cash flow model.

e. Loans

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method".

Group's loans are recorded under the "Measured at Amortized Cost" account.

VII. EXPLANATIONS ON EXPECTED CREDIT LOSS:

The Group allocates impairment for expected loss on financial assets measured at amortized cost and measured at fair value through other comprehensive income.

As of 1 January 2018, the Group recognize provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as of 31 December 2017, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9. The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses.

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses.

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized and interest revenue is calculated on the net carrying amount.

VIII. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS:

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.

IX. 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", "Financial assets at fair value difference through other comprehensive income" and "Measured at amortized cost" 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 money market" 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 rate method".

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

The Group has no securities lending transactions.

X. EXPLANATIONS ON PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS AND LIABILITIES RELATED WITH THESE ASSETS:

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 regulations of "Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TAS 5)".

The Group has no discontinued operations.

XI. 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 fifteen 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.

XII. 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.

The Bank has started to account properties under the tangible assets with their revalued amount instead of cost values in accordance with "TAS 16 Plant and Equipment" on 31 January 2017. The revaluation difference arising from the valuations made by the appraisal firms authorized by Capital Markets Board ("CMB") and BRSA is accounted in Investment Properties Revaluation Differences line under the Shareholders' Equity.

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.

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

Buildings	50 years
Vault	5 years
Transportation Vehicles	5 years
Other property and equipments	2-7 years

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.

XIII. 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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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.

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

XIV. 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.

XV. 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.

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

Obligations related to employment termination and vacation rights are accounted 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 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, temporary 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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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.

With respect to that, according to the technical balance sheet report as at 31 December 2017 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.

XVII. EXPLANATIONS ON TAXATION:

a. Current tax:

In Turkey, corporate tax rate is 20%. Corporate tax rate will be applied as 22% for a period of three years, according to Law No: 7061 "The Law regarding amendments on Certain Tax Laws and their implications on Deferred Tax Calculations" published in the Official Gazette dated 5 December 2017. The corporate tax rate is applied to tax base which is calculated by adding certain non deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and exclusion of deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Corporations are required to pay advance corporate tax quarterly on their corporate income with current rate. 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 a 50% portion of the capital gains derived from the sale of 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 this 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%.

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. The Law regarding amendments on Certain Tax Laws was approved in The Grand National Assembly of Turkey on 28 November 2017 and the Law was published in the Official Gazette on 5 December 2017. Accordingly, the corporate income tax rate will be increased from 20% to 22% for the years 2018, 2019 and 2020. According to the Law that have been enacted, deferred tax asset and liabilities shall be measured at the tax rate 22% that are expected to apply to these periods when the assets is realised or the liability is settled. For the periods 2021 and after deferred tax assets and liabilities were measured by 20% tax rate.

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 had not been 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 rate calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles from 1 January 2018. Deferred tax calculation is not made for free provisions.

Deferred tax assets and liabilities are presented on a net basis by considering the domestic and foreign branches' financial statements separately.

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

XVIII. 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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

major funding source of the Group. Mentioned borrowings are carried initially at acquisition cost and subsequently recognized at the discounted value calculated using by "Effective interest rate method".

XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2018.

XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXI. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 March 2018 and 31 December 2017, there is no government grant for the Bank.

XXII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

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

XXIII. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

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

The Ordinary General Assembly Meeting of the Bank was held on 28 March 2018. In the Ordinary General Assembly, it was decided to distribute a TL 1.600.000 cash dividend over the TL 6.039.069 net income from 2017 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 7.123 to special funds account under other capital reserves, to allocate TL 140.000 as legal and TL 4.291.946 as extraordinary reserves.

XXIV. 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 related period concerned.

	Current Period
	31 March 2018
Net Profit for the Year	1.693.860
Average Number of Issued Common Shares (Thousand)	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00423

	Current Period
	31 March 2017
Net Profit for the Year	1.452.200
Average Number of Issued Common Shares (Thousand)	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00363

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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 2018 (2017: None).

XXV. RELATED PARTIES:

Parties defined in Article 49 of the Banking Law No.5411 are deemed as related parties. Transactions with related parties are presented in Note VII of Section Five.

XXVI. 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.

XXVII. RECLASSIFICATIONS:

None.

XXVIII. DISCLOSURES OF TFRS 9 FINANCIAL INSTRUMENTS STANDART:

TFRS 9 "Financial Instruments", which is effective as at 1 January 2018 is published by the Public Oversight Accounting and Auditing Standards Authority ("POA") in the Official Gazette numbered 29953 dated 19 January 2017. TFRS 9 will replace TAS 39 Financial Instruments: recognition and measurement, related to the classification and measurement of financial instruments.

TFRS 9 sets out the new principles for the classification and measurement of financial instruments, impairment for credit risk on financial assets and hedge accounting.

Classification and measurement of financial assets

According to TFRS 9 requirements, classification and measurement of financial assets will depend on the business model within which financial assets are managed and their contractual cash flow characteristics whether the cash flows represent "solely payments of principal and interest (SPPI).

Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group consider:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets – e.g. non-recourse asset arrangements; and
- Features that modify consideration for the time value of money – e.g. periodic reset of interest rates.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Group fulfills the on-balance sheet classification and measurement criteria by applying the procedures described above for all financial assets.

Upon initial recognition each financial asset will be classified as either fair value through profit or loss ("FVTPL"), amortized cost or fair value through other comprehensive income ("FVOCI"). As the requirements under TFRS 9 are different than the assessments under the existing TAS 39 rules, the classification and measurement of financial liabilities remain largely unchanged under TAS 39.

Explanations of the effect from Bank's application of TFRS 9 can be found below:

a) Classification and measurement of financial assets

Financial assets	Before TFRS 9		In scope of TFRS 9	
	Measurement Bases	Book value	Measurement Bases	Book value
		31 December 2017		1 January 2018
Cash and Balances with the Central Bank	Measured at amortized cost	35.363.176	Measured at amortized cost	35.363.176
Banks and Money Markets	Measured at amortized cost	11.582.075	Measured at amortized cost	11.582.075
Marketable Securities	Fair value through profit and loss	39.890	Fair value through profit and loss	124.755
	Fair value through other comprehensive income	42.829.788	Fair value through other comprehensive income	47.814.376
	Measured at amortized cost	18.883.032	Measured at amortized cost	13.956.847
Derivative Financial Assets	Fair value through profit and loss	9.320.885	Fair value through profit and loss	9.320.885
	Fair value through other comprehensive income	131.448	Fair value through other comprehensive income	131.448
Loans (Gross)	Measured at amortized cost	213.858.481	Measured at amortized cost	213.858.481

b) Reconciliation of statement of financial position balances from TAS 39 to TFRS 9

Financial Instruments	Book Value before TFRS 9 31 December 2017	Reclassifications	Remeasurements	Book value after TFRS 9 1 January 2018
Measured at amortized cost				
Balance before classification (held-to-maturity)	18.883.032	-	-	-
Classified to Fair Value Through Other Comprehensive Income		(4.927.185)		
Book value after classification	-			13.956.847
Fair value through P/L				
Balance before classification (alım-satım amaçlı)	39.890	-	-	-
Classified from available-for-sale	-	84.865	-	-
Book value after classification	-	-	-	124.755
Fair Value Through Other Comprehensive Income				
Book value before classification (available-for-sale)	42.829.788	-	-	-
Classified from held-to-maturity	-	4.927.185	-	-
Available-for-sale financial assets valuation difference	-	-	142.269	-
Financial Assets At Fair Value Through Profit Or Loss	-	(84.865)	-	-
Book value after classification	-	-	-	47.814.377

The reasons for the classification of certain financial assets held by the Group as above in accordance with the TFRS 9 classification and measurement provisions are explained below:

1) Financial assets classified as fair value through other comprehensive income according to TFRS 9

The Group has reassessed the management model for the collection of contractual cash flows in the security portfolio or for the sale of the financial assets and cash flows depending on the contract. The Bank has classified the securities portfolio amounting

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

4.927.185 TL, which were classified as measured at amortized cost, as fair value through other comprehensive income due to the reason that appropriate management model of those marketable securities have the purpose of collecting cash flows or selling financial assets.

2) Equity securities designated at fair value through profit or loss in accordance with TFRS 9 standard:

The Group has classified equity securities amounting to TL 84.865, which were classified as available-for-sale financial assets to designated at fair value through profit or loss as of the first application date of TFRS 9.

3) Classification of financial instruments based on equity in accordance with TFRS 9 standard:

The Group has decided to allocate the strategic investments to financial instruments based on equity which are not traded in the organized markets, that were previously classified as available-for-sale, as Designated at Fair Value Through Other Comprehensive Income irrevocably. The fair value changes of those marketable securities is not reclassified to profit and loss when they are sold.

4) Reclassification of categorised items without a change in measurement

In addition to the statements above, since the previous categories under IAS 39 of the debt instruments below were "out of action" under IAS 39, the following borrowing instruments are reclassified in new categories under TFRS 9 without changing any measurement principles.

- (i) Previously classified as "available-for-sale" and as of 1 January 2018 classified as "Fair Value Through Other Comprehensive Income".
- (ii) Previously classified as held-to-maturity and as of 1 January 2018 classified as "measured at amortized cost".

c) Reconciliation of the opening balances of the provision for expected credit losses to TFRS 9

The table below shows the reconciliation of the provision for impairment of the Group as of 31 December 2017 and the provision for the expected loss model as measured in accordance with TFRS 9 as of 1 January 2018.

	Book value before TFRS 9 31 December 2017	Remeasurements	Book value after TFRS 9 1 January 2018
Loans	7.069.820	79.061	7.148.882
Stage 1	964.316	(271.288)	693.028
Stage 2	121.358	2.389.069	2.510.428
Stage 3	4.536.546	(591.120)	3.945.426
Other (*)	1.447.600	(1.447.600)	-
Financial Assets (**)	89.369	(2.629)	86.740
Non-Cash Loans (***)	131.983	11.078	143.061
Stage 1 and 2	64.229	18.302	82.531
Stage 3	67.754	(7.224)	60.530
Total	7.291.172	87.510	7.378.683

(*) As of 31 December 2017 the Bank has booked general provision by considering minimum provision rates in accordance with "Amendment of Regulation on Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made" published in the Official Gazette dated 14 December 2016, no: 29918. The Bank's provision ratios are over these minimum ratios. Surplus provision amount of TL 1.4 billion over the minimum provision ratios is included in the "Other" line on the table above.

(**) Within the scope of TFRS 9, provisions include provisions for Amortized Cost, Fair Value Through Other Comprehensive Income, Receivables from Banks and Receivables from Money Markets.

(***) Before TFRS 9, the expected credit loss for stage 1 and 2 non-cash loans is classified "12. General Provision" and expected credit loss for stage 3 non-cash loans is classified "12.5. Other Provisions" under liabilities. In accordance with TFRS 9, the expected loss provisions for the 1st, 2nd and 3rd stage non-cash loans are in the "10.4 Other Provisions" column in the liabilities.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

d) Effects on equity with TFRS 9 transition:

According to paragraph 15 of Article 7 of TFRS 9 Financial Instruments Standards published in the Official Gazette numbered 29953 dated 19 January 2017, it is stated that it is not compulsory to restate previous period information in accordance with TFRS 9 and if the previous period information is not revised, it is stated that the difference between the book value of 1 January 2018 at the date of application should be reflected in the opening aspect of equity. The explanations about the transition effects to IFRS 9 presented in the equity items under the scope of this article are given below.

The amounting to TL 87.510 difference which is an expense between the provision for impairment of the previous period of the Bank and the provision for loss that is measured in accordance with TFRS 9 impairment model as of 1 January 2018 is classified as "Other Capital Reserves" in shareholders' equity.

As stated in the Communiqué on "Uniform Chart of Accounts and Prospectus" issued on 20 September 2017, for general provisions (TFRS 9 expected loss provisions for the loans at first and second stages), deferred tax assets calculation has started as of 1 January 2018,. Within this scope, deferred tax assets amounting to TL 734.076 have been reflected to the opening financials of January 1, 2018 and the related amount has been classified under "Other Capital Reserves" in shareholders' equity. For the specific provisions (TFRS 9 expected loss provisions for third stage loans), which have been cancelled due to TFRS 9 transition, corporate tax loss amounting to TL 144.907 is classified under "Other Capital Reserves" in equity as of 1 January 2018.

Remeasurement difference regarding the after tax effect, amounting TL 110.969, for the securities amounting TL 4.927.185 classified as held to maturity and measured at amortized cost before 1 January 2018 and with the TFRS 9 transition classified as designated fair value through other comprehensive income.

XXIX. EXPLANATIONS ON PRIOR PERIOD ACCOUNTING POLICIES NOT VALID FOR THE CURRENT PERIOD:

"TFRS 9 Financial Instruments" standard came into effect instead of "TAS 39 Financial Instruments: Recognition and Measurement" as of 1 January 2018. Accounting policies lost their validity with the transition of TFRS 9 are given below:

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 aiming at short-term profit making. All regular 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 Bank has no financial assets designated as financial assets at fair value through profit or loss.

b. Available-for-sale financial assets:

Available-for-sale financial assets 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. Available-for-sale financial assets are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, available-for-sale financial assets are remeasured at fair value. Interest income arising from available-for-sale calculated with effective interest rate 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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

account of "Marketable securities valuation differences" under shareholders' equity, unless these assets are impaired, collected, sold, or disposed of. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

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

c. Loans and Receivables:

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or available-for-sale financial assets, 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 rate method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

The Bank classifies its loans and receivables to related groups and calculates specific or general provisions in accordance with the "Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" published in the Official Gazette dated 1 November 2006, no.26333 and by considering other regulations and explanations announced by BRSA.

Specific provisions are accounted under "Provision for Loan Losses and Other Receivables" in the income statement and recorded as expense in the related year. 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.

Available for sale and held to maturity securities portfolio of the Bank include Consumer Price Indexed (CPI) Bonds. These securities are valued and accounted according to the effective interest rate method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of two months ago. The Bank also sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

I. EXPLANATIONS ON EQUITY:

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

As of 31 March 2018, total current year equity of the Group has been calculated as TL 46.587.190 (31 December 2017: 44.617.132), the capital adequacy ratio is 15,62 % (31 December 2017:15,79 %). This ratio is above the minimum ratio required by the legislation.

a. Information about total consolidated capital items:

	Current Period 31 March 2018	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.907.551	
Share issue premiums	1.700.000	
Reserves	30.482.472	
Gains recognized in equity as per TAS	2.212.139	
Profit	2.366.699	
Current Period Profit	1.693.860	
Prior Period Profit	672.839	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	3.895	
Minorities' Share	143	
Common Equity Tier 1 Capital Before Deductions	42.672.899	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	28.706	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.756.739	
Improvement costs for operating leasing	18.320	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	429.170	429.170
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	2.232.935	
Total Common Equity Tier 1 Capital	40.439.964	

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Current Period 31 March 2018	Amounts related to treatment before 1/1/2014(*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	40.439.964	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	3.528.000	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (Temporary Article 3)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.625.026	
Tier II Capital Before Deductions	6.153.026	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	6.153.026	
Total Capital (The sum of Tier I Capital and Tier II Capital)	46.592.990	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	5.801	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Current Period 31 March 2018	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital	46.587.189	
Total risk weighted amounts	298.253.761	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	13,56%	
Tier 1 Capital Adequacy Ratio	13,56%	
Capital Adequacy Ratio	15,62%	
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	3,41%	
a) Bank specific total common equity tier 1 capital ratio	1,88%	
b) Capital conservation buffer requirement	0,04%	
c) Systemic significant bank buffer ratio (**)	1,50%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	5,56%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	1.225.300	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	3.677.696	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.625.026	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

(**)The deferred tax asset represents the net amount.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Prior Period 31 December 2017	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.405.892	
Share issue premiums	1.700.000	
Reserves	25.744.393	
Gains recognized in equity as per TAS	2.348.962	
Profit	6.773.168	
Current Period Profit	6.020.273	
Prior Period Profit	752.895	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	3.895	
Minorities' Share	139	
Common Equity Tier 1 Capital Before Deductions	41.976.449	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	20.035	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.446.064	
Improvement costs for operating leasing	19.772	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	339.037	423.796
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	1.824.908	
Total Common Equity Tier 1 Capital	40.151.541	

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Prior Period 31 December 2017	Amounts related to treatment before 1/1/2014(*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	84.759	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	40.066.782	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.870.000	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (Temporary Article 3)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.686.871	
Tier II Capital Before Deductions	4.556.871	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	4.556.871	
Total Capital (The sum of Tier I Capital and Tier II Capital)	44.623.653	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	6.521	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Prior Period 31 December 2017	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital	44.617.132	
Total risk weighted amounts	282.611.034	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	14,21%	
Tier 1 Capital Adequacy Ratio	14,18%	
Capital Adequacy Ratio	15,79%	
BUFFERS		
Bank specific total common equity tier 1 capital ratio	2,28%	
Capital conservation buffer requirement	1,25%	
Bank specific counter-cyclical buffer requirement	0,03%	
Systemic significant bank buffer ratio	1,00%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	6,21%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	-	
Limits related to provisions considered in Tier II calculation	395.911	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)		
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.686.871	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	2.686.871	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

b. Information about instruments that will be included in total capital calculation:

**Current Period
 31 March 2018**

Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1574750292 / US00972BAB53
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	1.960 million TL (in full TL amount)
Nominal value of instrument	1.960 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	15 March 2017
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 1 day (Maturity date: 16 March 2027)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 16.03.2022. The reimbursement amount is 1.870 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	7,2%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

**Current Period
31 March 2018**

Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1772360803 / US00972BAC37
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities [Securities]
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	1.568 million TL (in full TL amount)
Nominal value of instrument	1.568 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans [347011 Accounting Number]
Issuance date of instrument	27 February 2018
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 60 day (Maturity date: 27 April 2028)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 27.04.2023. The reimbursement amount is 1.568 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliance with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

c. The difference between Total Capital and Equity in the consolidated balance sheet mainly arises from expected credit loss provisions arising from loans classified under stage I and stage II and subordinated loans. In the calculation of Total Capital, up to 1,25% of general provision from stage 1 and stage 2 over the credit risk amount and subordinated loans with nominal amounts, by reducing 20% each year if the remaining maturity is less than 5 year, are taken into consideration as Tier II Capital. Additionally, the losses reflected to equity under TAS which is subject to deduction from TIER I capital are determined by excluding the losses from cash flow hedging. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, net book value of immovables that are acquired against overdue receivables and retained more than five years, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital

II. EXPLANATIONS ON CURRENCY RISK

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

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
Balance Sheet Evaluation Rate	TL 3,9200	TL 4,8317
1.Day bid rate	TL 3,9949	TL 4,9191
2.Day bid rate	TL 3,9931	TL 4,9500
3.Day bid rate	TL 3,9757	TL 4,9414
4.Day bid rate	TL 3,9742	TL 4,9251
5.Day bid rate	TL 3,9608	TL 4,8853

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 3,8572
EURO :TL 4,7566

As of 31 December 2017;

	USD	EURO
Balance Sheet Evaluation Rate	TL 3,7400	TL 4,4773

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Information related to Group's Currency Risk:

The table below summarizes the Group's net foreign currency position, categorized by currency. Foreign currency indexed assets are classified as Turkish Lira assets according to the Uniform Chart of Accounts. In currency risk calculation, foreign currency indexed assets are considered as foreign currency items. In accordance with the "Communiqué on Calculation of Foreign Currency Net Position/Capital Standard Ratio by banks in stand-alone and consolidated basis"; prepaid expenses in assets and expected credit loss provision for loans classified under Stage I and Stage II, provision and shareholders' equity in liabilities 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.

Current Period – 31 March 2018	EURO	USD	Other FC	Total
Assets				
Cash Equivalents and Central Bank(**)	5.510.098	20.398.472	5.720.988	31.629.558
Banks	2.662.481	6.217.343	101.833	8.981.657
Financial Assets at Fair Value through Profit or Loss (Net)	-	92.924	-	92.924
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	5.385.061	16.791.847	644.788	22.821.696
Loans	46.232.711	43.029.145	109.067	89.370.923
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments (Net)	697.968	6.653.517	-	7.351.485
Hedging Derivative Financial Assets	305	314.265	-	314.570
Tangible Assets (Net)	859	7.025	-	7.884
Intangible Assets (Net)	2.024	12	-	2.036
Other Assets	1.604.440	4.430.919	35.721	6.071.080
Total Assets	62.095.947	97.935.469	6.612.397	166.643.813
Liabilities				
Bank Deposits	3.823.747	5.338.720	1.187.636	10.350.103
Foreign Currency Deposits (**)	38.991.920	64.979.429	3.387.017	107.358.366
Funds from Interbank Money Market	1.074.187	20.043.604	-	21.117.791
Borrowings	9.868.162	24.812.696	4.294	34.685.152
Marketable Securities Issued (Net) (***)	48.386	10.445.870	189.130	10.683.386
Miscellaneous Payables	1.604.696	837.745	8.962	2.451.403
Hedging Derivative Financial Liabilities	-	25.909	-	25.909
Other Liabilities	1.458.416	590.678	48.219	2.097.313
Total Liabilities	56.869.514	127.074.651	4.825.258	188.769.423
Net on Balance Sheet Position	5.226.433	(29.139.182)	1.787.139	(22.125.610)
Net off-Balance Sheet Position (*)	(4.718.813)	32.037.389	(1.853.847)	25.464.729
Financial Derivative Assets	37.957.542	91.901.030	3.654.345	133.512.917
Financial Derivative Liabilities	42.676.355	59.863.641	5.508.192	108.048.188
Non-cash Loans	12.820.137	18.284.843	365.738	31.470.718
Prior Period – 31 December 2017				
Total Assets	59.054.320	92.899.652	6.157.739	158.111.711
Total Liabilities	58.556.164	117.832.888	4.483.551	180.872.603
Net on-Balance Sheet Position	498.156	(24.933.236)	1.674.188	(22.760.892)
Net off-Balance Sheet Position (*)	124.378	25.986.201	(1.691.694)	24.418.885
Financial Derivative Assets	34.312.853	71.877.089	3.153.372	109.343.314
Financial Derivative Liabilities	34.188.475	45.890.888	4.845.066	84.924.429
Non-cash Loans	11.770.459	18.137.662	407.820	30.315.941

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

(**) Of the Cash Equivalents and Central Bank and Other FC, TL 5.638.335 (31 December 2017: TL 5.220.523), of the foreign currency deposits TL 1.536.722 (31 December 2017: TL 1.451.430) and Bank Deposits Other FC of the TL 1.392 (31 December 2017: 1.426 TL) are precious metal deposit account in demand.

(***) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

(****) Trading Derivative Financial Assets are classified under "Other Assets"

(****) Trading Derivative Financial Assets are classified under "Other Assets"

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

III. EXPLANATIONS ON INTEREST RATE RISK:

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

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

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

Current Period – 31 March 2018	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	23.153.885	-	-	-	-	12.976.164	36.130.049
Banks	2.434.329	351.082	8.457	-	-	6.828.862	9.622.730
Financial Assets at Fair Value Through Profit or Loss (Net)	969	7.680	9.761	-	-	138.926	157.336
Interbank Money Market Placements	2.079.797	-	-	-	-	-	2.079.797
Financial Assets at Fair Value Other Comprehensive Income (Net)	5.257.830	4.867.456	9.722.782	19.320.675	6.615.663	291.319	46.075.725
Loans (***)	56.775.269	28.111.889	55.719.862	74.750.134	9.103.956	(1.888.806)	222.572.304
Financial Asset measured at amortized cost (Net)	1.394.344	680.563	4.842.434	3.410.747	820.875	-	11.148.963
Other Assets (****)	1.175.771	1.705.339	1.494.298	6.353.080	3.405.720	6.533.196	20.667.404
Total Assets	92.272.194	35.724.009	71.797.594	103.834.636	19.946.214	24.879.661	348.454.308
Liabilities							
Bank Deposits	8.319.232	2.724.713	685.457	-	-	1.221.762	12.951.164
Other Deposits	117.624.134	21.294.023	16.578.729	6.925.261	643.016	35.156.620	198.221.783
Funds from Interbank Money Market	7.419.771	12.170.408	6.146.389	356.292	-	-	26.092.860
Miscellaneous Payables	626.794	827.286	497.740	165.472	-	5.076.496	7.193.788
Marketable Securities Issued (Net) (*)	2.388.330	2.425.944	1.156.709	4.432.722	6.634.787	-	17.038.492
Borrowings	2.732.592	22.870.386	8.440.114	1.140.979	226.868	-	35.410.939
Other Liabilities (**)	557.926	990.726	699.996	3.016.227	1.143.984	45.136.423	51.545.282
Total Liabilities	139.668.779	63.303.486	34.205.134	16.036.953	8.648.655	86.591.301	348.454.308
Balance Sheet Long Position	-	-	37.592.460	87.797.683	11.297.559	-	136.687.702
Balance Sheet Short Position	(47.396.585)	(27.579.477)	-	-	-	(61.711.640)	(136.687.702)
Off-balance Sheet Long Position	4.820.200	25.642.713	32.799.144	-	-	-	63.262.057
Off-balance Sheet Short Position	-	-	-	[23.586.242]	[36.062.897]	-	(59.649.139)
Total Position	(42.576.385)	(1.936.764)	70.391.604	64.211.441	(24.765.338)	(61.711.640)	3.612.918

(*) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

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

(***) Non-performing loans net-off related provision for expected loss of stage 3 loans an expected losses for stage 1 and stage 2 are presented in "non-interest bearing" column. Despite the fact that interest accrued is accounted for non-performing loans since 1 January 2018, these amounts are included in "non-interest bearing" in the lack of other relevant column.

(****) Trading derivative financial assets are classified under other assets.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Prior Period – 31 December 2017	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	22.746.114	-	-	-	-	12.617.062	35.363.176
Banks	1.717.994	715.305	8.190	-	-	7.588.240	10.029.729
Financial Assets at Fair Value Through Profit or Loss (Net)	2.129.012	601.972	997.618	3.118.746	1.271.347	237.244	8.355.939
Interbank Money Market Placements	1.552.346	-	-	-	-	-	1.552.346
Available-for-sale Financial Assets (Net)	2.741.826	4.194.516	11.749.801	16.282.390	7.485.228	376.027	42.829.788
Loans	47.002.505	29.609.725	53.475.551	69.485.600	9.752.389	152.619	209.478.389
Held-to-maturity Investments (Net)	2.548.880	3.854.641	2.623.044	8.897.479	958.988	-	18.883.032
Other Assets	1.485.306	1.267.210	1.286.805	3.910.183	948.012	6.220.042	15.117.558
Total Assets	81.923.983	40.243.369	70.141.009	101.694.398	20.415.964	27.191.234	341.609.957
Liabilities							
Bank Deposits	9.142.618	2.946.956	651.894	-	-	1.187.569	13.929.037
Other Deposits	110.630.292	21.596.675	14.287.831	6.693.448	596.050	33.722.195	187.526.491
Funds from Interbank Money Market	10.389.624	14.217.274	4.420.744	-	-	330.156	29.357.798
Miscellaneous Payables	564.066	523.969	439.295	106.715	-	5.007.045	6.641.090
Marketable Securities Issued (Net)	1.531.445	4.873.764	2.104.041	4.367.000	4.879.974	-	17.756.224
Borrowings	2.970.947	22.192.051	6.386.128	1.822.433	255.640	-	33.627.199
Other Liabilities (*)	567.653	1.252.877	1.116.185	2.219.502	875.855	46.740.046	52.772.118
Total Liabilities	135.796.645	67.603.566	29.406.118	15.209.098	6.607.519	86.987.011	341.609.957
Balance Sheet Long Position	-	-	40.734.891	86.485.300	13.808.445	-	141.028.636
Balance Sheet Short Position	(53.872.662)	(27.360.197)	-	-	-	(59.795.777)	(141.028.636)
Off-balance Sheet Long Position	6.871.805	21.147.637	193.808	-	-	-	28.213.250
Off-balance Sheet Short Position	-	-	-	(19.495.499)	(5.994.678)	-	(25.490.177)
Total Position	(47.000.857)	(6.212.560)	40.928.699	66.989.801	7.813.767	(59.795.777)	2.723.073

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

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

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

Current Period – 31 March 2018	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	1,50	-	6,52
Banks	-	2,24	-	14,45
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	16,13
Interbank Money Market Placements	-	-	-	13,87
Available-for-sale Financial Assets (Net)	2,50	4,21	3,09	11,32
Loans	3,82	6,14	4,23	15,79
Held-to-maturity Investments (Net)	3,57	4,10	-	12,11
Liabilities				
Bank Deposits	0,72	2,30	-	12,77
Other Deposits	1,06	3,42	0,05	12,95
Funds from Interbank Money Market	0,56	2,89	-	12,63
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net) (*)	4,00	5,48	1,29	13,34
Borrowings	1,24	3,83	-	11,85

(*) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Prior Period – 31 December 2017	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	1,50	-	7,83
Banks	0,10	1,79	-	16,21
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	16,16
Interbank Money Market Placements	-	-	-	14,21
Available-for-sale Financial Assets (Net)	2,47	4,20	3,09	12,48
Loans	3,73	5,93	4,24	14,55
Held-to-maturity Investments (Net)	3,62	4,11	-	13,22
Liabilities				
Bank Deposits	0,49	1,97	-	10,81
Other Deposits	1,02	2,76	0,04	10,52
Funds from Interbank Money Market	1,92	2,39	-	12,62
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net) (*)	4,00	5,44	1,29	12,79
Borrowings	1,23	3,29	-	8,54

(*) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included

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

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

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

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

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

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

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

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

The different categories of defined limits are;

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

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

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

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

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

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

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

e) Information on liquidity risk mitigation techniques:

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

f) Information on the use of stress tests:

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

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

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Liquidity Coverage Ratio:

		Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Current Period – 31 March 2018					
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			58.109.175	36.819.183
CASH OUTFLOWS					
2	Retail and Customers Deposits	119.639.700	54.253.160	10.889.793	5.425.316
3	Stable deposits	21.483.527	-	1.074.176	-
4	Less stable deposits	98.156.173	54.253.160	9.815.617	5.425.316
5	Unsecured Funding other than Retail and Small Business Customers Deposits	74.377.379	46.149.827	39.649.922	25.127.200
6	Operational deposits	69.428.282	44.768.921	35.949.113	23.746.791
7	Non-Operational Deposits	4.949.097	1.380.906	3.700.809	1.380.409
8	Other Unsecured Funding			227.764	227.764
9	Secured funding	56.676.556	33.676.032	49.536.254	26.944.962
10	Other Cash Outflows	48.727.671	26.199.152	48.727.671	26.199.152
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions				
12	Debts related to the structured financial products	20.232	-	20.232	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	7.928.653	7.476.880	788.351	745.810
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	709.140	-	35.457	-
15	Other irrevocable or conditionally revocable commitments	60.895.993	16.962.807	3.044.800	848.140
16	TOTAL CASH OUTFLOWS			103.383.990	58.573.382
CASH INFLOWS					
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	18.503.422	6.589.988	12.289.035	5.560.036
19	Other contractual cash inflows	45.761.628	36.201.677	45.761.326	36.201.397
20	TOTAL CASH INFLOWS	64.265.050	42.791.665	58.050.361	41.761.433
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			58.109.175	36.819.183
22	TOTAL NET CASH OUTFLOWS			45.333.629	17.062.216
23	Liquidity Coverage Ratio (%)			128,38	224,68

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
	TL+FC	FC	TL+FC	FC
Prior Period – 31 December 2017				
HIGH QUALITY LIQUID ASSETS (HQLA)				
1	High quality liquid assets		57.356.860	35.189.011
CASH OUTFLOWS				
2	Retail and Customers Deposits		116.724.897	51.004.677
3	Stable deposits		21.641.340	-
4	Less stable deposits		95.083.557	51.004.677
5	Unsecured Funding other than Retail and Small Business Customers Deposits		68.389.435	39.408.225
6	Operational deposits		-	-
7	Non-Operational Deposits		-	-
8	Other Unsecured Funding		64.160.093	39.014.358
9	Secured funding		4.229.342	393.867
10	Other Cash Outflows		-	54.653
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions		63.378.622	37.476.116
12	Debts related to the structured financial products		54.500.292	28.995.136
13	Commitment related to debts to financial markets and other off balance sheet liabilities		-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments		-	-
15	Other irrevocable or conditionally revocable commitments		8.878.330	8.480.980
16	TOTAL CASH OUTFLOWS		104.917.565	56.445.014
CASH INFLOWS				
17	Secured Lending Transactions		-	-
18	Unsecured Lending Transactions		16.928.994	6.286.740
19	Other contractual cash inflows		51.421.592	39.563.176
20	TOTAL CASH INFLOWS		68.350.586	45.849.916
			Upper limit applied amounts	
21	TOTAL HQLA STOCK		57.356.860	35.189.011
22	TOTAL NET CASH OUTFLOWS		42.638.254	14.201.746
23	Liquidity Coverage Ratio (%)		134,98	248,95

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

(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 116% during the period and remain at a quite higher level than the legal lower limit.

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

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 56% and securities issued by Treasury of Republic of Turkey by 40%. Funding sources are mainly distributed between individual and retail deposits by 60%, corporate deposits by 28%, borrowings from banks by 5% and collateralized borrowings such as repurchase agreements by 12%.

Cash outflow amounting to TL 2.767 million (in full TL amount) is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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

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

	Current Period - 31.03.2018	
	TL+FC	FC
January	133,80	261,78
February	128,94	240,14
March	122,40	172,12

	Prior Period - 31.12.2017	
	TL+FC	FC
October	135,57	249,01
November	127,11	233,99
December	142,25	263,84

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 March 2018	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	10.188.321	25.849.552	92.176	-	-	-	-	36.130.049
Banks	6.828.862	2.434.329	351.082	8.457	-	-	-	9.622.730
Financial Assets at Fair Value Through Profit or Loss (Net)	138.925	900	661	16.732	118	-	-	157.336
Interbank Money Market Placements	-	2.079.797	-	-	-	-	-	2.079.797
Available-for-sale Financial Assets (Net)	291.319	1.045.470	144.945	3.283.897	29.313.438	11.996.656	-	46.075.725
Loans (****)	671.885	31.095.672	30.820.376	43.650.369	95.373.357	23.521.343	(2.560.698)	222.572.304
Held-to-maturity Investments (Net)	-	947.190	-	2.172.673	6.527.662	1.501.438	-	11.148.963
Other Assets	925.906	1.501.153	584.334	1.105.562	7.536.935	4.049.871	4.963.643	20.667.404
Total Assets	19.045.218	64.954.063	31.993.574	50.237.690	138.751.510	41.069.308	2.402.945	348.454.308
Liabilities								
Bank Deposits	1.221.821	8.073.578	2.970.308	685.457	-	-	-	12.951.164
Other Deposits	37.440.264	115.340.504	21.294.009	16.554.571	6.949.419	643.016	-	198.221.783
Borrowings	-	522.408	1.466.306	13.260.811	16.147.336	4.014.078	-	35.410.939
Funds from Interbank Money Market	-	6.119.897	1.062.448	5.128.937	12.400.203	1.381.375	-	26.092.860
Marketable Securities Issued (Net) (**)	-	2.380.483	2.425.944	1.164.556	4.432.722	6.634.787	-	17.038.492
Miscellaneous Payables	448.283	4.912.807	121.771	302.494	890.769	517.664	-	7.193.788
Other Liabilities (***)	85.215	2.259.052	690.091	1.765.948	7.494.799	1.666.277	37.583.900	51.545.282
Total Liabilities	39.195.583	139.608.729	30.030.877	38.862.774	48.315.248	14.857.197	37.583.900	348.454.308
Net Liquidity Excess/ (Gap)	(20.150.365)	(74.654.666)	1.962.697	11.374.916	90.436.262	26.212.111	(35.180.955)	-
Net Off-balance sheet Position	-	(64.687)	7.850	(80.986)	2.731.089	1.019.652	-	3.612.918
Financial Derivative Assets	-	47.573.366	23.763.181	56.876.965	106.172.260	45.268.871	-	279.654.643
Financial Derivative Liabilities	-	47.638.053	23.755.331	56.957.951	103.441.171	44.249.219	-	276.041.725
Non-cash Loans (****)	-	2.852.317	5.059.051	20.581.072	5.160.623	19.849.904	-	53.502.967
Prior Period - 31 December 2017								
Total Assets	21.089.212	56.004.929	30.183.597	51.539.944	135.644.063	42.232.985	4.915.227	341.609.957
Total Liabilities	37.520.284	134.218.733	39.061.245	33.928.712	43.408.774	12.858.637	40.613.572	341.609.957
Net Liquidity Excess/ (Gap)	(16.431.072)	(78.213.804)	(8.877.648)	17.611.232	92.235.289	29.374.348	(35.698.345)	-
Net Off-balance sheet Position	-	(401.391)	(373.017)	19.810	2.525.235	952.436	-	2.723.073
Financial Derivative Assets	-	42.558.873	22.594.319	41.040.668	101.394.645	39.240.417	-	246.828.922
Financial Derivative Liabilities	-	42.960.264	22.967.336	41.020.858	98.869.410	38.287.981	-	244.105.849
Non-cash Loans (***)	-	3.439.487	5.149.695	17.863.873	5.714.862	19.795.878	-	51.963.795

(*) 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.

(**) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

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

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

(*****) Non-performing loans net-off related provision for expected loss of stage 3 loans an expected losses for stage 1 and stage 2 are presented in "unallocated" column.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

VI. EXPLANATIONS ON LEVERAGE RATIO:

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

As of 31 March 2018, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is 8,52% (31 December 2017: 8,54%). This ratio is above the minimum ratio which is 3%. The leverage ratio is almost on the same level in the current and prior period.

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

		Current Period 31 March 2018(**)
1	Total assets in the consolidated financial statements prepared in accordance with TAS (*)	294.310.436
2	Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communiqué on Preparation of Consolidated Financial Statements of the Banks	2.681.078
3	Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	1.204.472
4	Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(23.518.945)
5	Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(1.046.888)
6	Other differences in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	202.260.478
7	Total Risk	475.890.631
		Prior Period 31 December 2017(**)
1	Total assets in the consolidated financial statements prepared in accordance with TAS (*)	335.704.036
2	Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communiqué on Preparation of Consolidated Financial Statements of the Banks	2.316.761
3	Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	4.058.535
4	Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(26.625.733)
5	Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(908.290)
6	Other differences in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	147.699.092
7	Total Risk	462.244.401

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

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

c. Disclosure of Leverage ratio template :

	Current Period 31 March 2018 (*)
Balance sheet Assets	
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals) 335.020.076
2	[Assets deducted from Core capital] -
3	Total risk amount of balance sheet assets (sum of lines 1 and 2) 335.020.076
Derivative financial assets and credit derivatives	
4	Cost of replenishment for derivative financial assets and credit derivatives 10.259.317
5	Potential credit risk amount of derivative financial assets and credit derivatives 1.204.472
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5) 11.463.789
Financing transactions secured by marketable security or commodity	
7	Risk amount of financing transactions secured by marketable security or commodity 4.824.485
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) 4.824.485
Off-balance sheet transactions	
10	Gross notional amount of off-balance sheet transactions 125.629.169
11	[Correction amount due to multiplication with credit conversion rates] (1.046.888)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11) 124.582.281
Capital and total risk	
13	Core Capital 40.550.317
14	Total risk amount(sum of lines 3, 6, 9 and 12) 475.890.631
Leverage ratio	
15	Leverage ratio 8,52

(*) Three months average values.

	Prior Period 31 December 2017 (*)
Balance sheet Assets	
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals) 327.881.977
2	[Assets deducted from Core capital] (70.760)
3	Total risk amount of balance sheet assets (sum of lines 1 and 2) 327.811.217
Derivative financial assets and credit derivatives	
4	Cost of replenishment for derivative financial assets and credit derivatives 10.069.803
5	Potential credit risk amount of derivative financial assets and credit derivatives 4.058.535
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5) 14.128.338
Financing transactions secured by marketable security or commodity	
7	Risk amount of financing transactions secured by marketable security or commodity 5.324.702
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) 5.324.702
Off-balance sheet transactions	
10	Gross notional amount of off-balance sheet transactions 115.888.434
11	[Correction amount due to multiplication with credit conversion rates] (908.290)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11) 114.980.144
Capital and total risk	
13	Core Capital 39.482.908
14	Total risk amount(sum of lines 3, 6, 9 and 12) 462.244.401
Leverage ratio	
15	Leverage ratio 8,54

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

VII. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

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

Overview of RWA:

	Risk Weighted Amount		Minimum capital requirement	
	Current Period 31 March 2018		Current Period 31 March 2018	
1	Credit risk (excluding counterparty credit risk) (CCR)	252.256.815	20.180.545	
2	Standardized approach (SA)	252.256.815	20.180.545	
3	Internal rating-based (IRB) approach	-	-	
4	Counterparty credit risk	16.394.744	1.311.579	
5	Standardized approach for counterparty credit risk (SA-CCR)	16.394.744	1.311.579	
6	Internal model method (IMM)	-	-	
7	Basic risk weight approach to internal models equity position in the banking account	-	-	
8	Investments made in collective investment companies – look-through approach	-	-	
9	Investments made in collective investment companies – mandate-based approach	277.953	22.236	
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	
11	Settlement risk	-	-	
12	Securitization positions in banking accounts	-	-	
13	IRB ratings-based approach (RBA)	-	-	
14	IRB Supervisory Formula Approach (SFA)	-	-	
15	SA/simplified supervisory formula approach (SSFA)	-	-	
16	Market risk	6.354.557	508.365	
17	Standardized approach (SA)	6.354.557	508.365	
18	Internal model approaches (IMM)	-	-	
19	Operational Risk	22.665.719	1.813.258	
20	Basic Indicator Approach	22.665.719	1.813.258	
21	Standard Approach	-	-	
22	Advanced measurement approach	-	-	
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	303.973	24.318	
24	Floor adjustment	-	-	
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	298.253.761	23.860.301	

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Risk Weighted Amount		Minimum capital requirement	
	Prior Period	Prior Period	Prior Period	Prior Period
	31 December 2017	31 December 2017	31 December 2017	31 December 2017
1	Credit risk (excluding counterparty credit risk) (CCR)	242.425.715		19.394.057
2	Standardized approach (SA)	242.425.715		19.394.057
3	Internal rating-based (IRB) approach	-		-
4	Counterparty credit risk	15.737.019		1.258.962
5	Standardized approach for counterparty credit risk (SA-CCR)	15.737.019		1.258.962
6	Internal model method (IMM)	-		-
7	Basic risk weight approach to internal models equity position in the banking account	-		-
8	Investments made in collective investment companies – look-through approach	-		-
9	Investments made in collective investment companies – mandate-based approach	277.987		22.239
10	Investments made in collective investment companies – 1250% weighted risk approach	-		-
11	Settlement risk	625		50
12	Securitization positions in banking accounts	-		-
13	IRB ratings-based approach (RBA)	-		-
14	IRB Supervisory Formula Approach (SFA)	-		-
15	SA/simplified supervisory formula approach (SSFA)	-		-
16	Market risk	4.699.434		375.955
17	Standardized approach (SA)	4.699.434		375.955
18	Internal model approaches (IMM)	-		-
19	Operational Risk	19.470.254		1.557.620
20	Basic Indicator Approach	19.470.254		1.557.620
21	Standard Approach	-		-
22	Advanced measurement approach	-		-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-		-
24	Floor adjustment	-		-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	282.611.034		22.608.883

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:

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

The Group hedges against its cash flow risk stemming from foreign currency denominated floating rate financial liabilities with interest rate and cross currency swaps. Within the scope of cash flow hedge accounting, effective part of the fair value changes of the hedging instrument are accounted in equity under "Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss" whereas ineffective part is accounted in the income statement. At instances when cash flows relating to hedged item (interest expense) affect the income statement, profit/loss of the related hedging item is taken out of the equity and reflected on the income statement.

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

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

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

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

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

The Group also applies fair value hedge to hedge the foreign currency risk arising from investments abroad. Effective portion of the fair value change of the hedging instrument is accounted under "Hedging funds" under equity. Ineffective portion is accounted under income statement.

As of 31 March 2018, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet of the Bank are summarized in the following table:

	Current Period 31 March 2018		
	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps			
-TL	6.792.455	1.380.677	9.435
-FC	31.818.132	314.570	25.909
Total	38.610.587	1.695.247	35.344

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Prior Period		
	31 December 2017		
	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps			
-TL	2.497.225	973.630	-
-FC	27.012.330	162.654	74.911
Total	29.509.555	1.136.284	74.911

1. Explanations on Accounting Net Investment Hedge:

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

2. Explanations on Fair Value Hedge:

Current Period - 31 March 2018

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	641	(7.137)	(6.496)
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	121	(123)	(2)
Cross-currency swap	Fixed interest rate FC Issued Eurobond, FC Lease Receivables	Interest rate and currency risk	36.847	(37.098)	(251)
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, FC borrowings	Interest rate and currency risk	1.327.328	(1.313.533)	13.795

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

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

Prior Period - 31 December 2017

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	(70.981)	63.778	(7.203)
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	273	(281)	(8)
Cross-currency swap	Fixed interest rate FC Issued Eurobond, FC Lease Receivables	Interest rate and currency risk	661	(663)	(2)
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, FC borrowings	Interest rate and currency risk	1.115.949	(1.104.587)	11.362

(*) 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 March 2018 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:

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

- As of 31 March 2018, 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 19.901 (31 December 2017: TL 15.256).

3. Explanations on Cash Flow Hedge:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in OCI during the period	Net gain/(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
Interest Rate Swap	Floating-rate long Term FC funds borrowed	Cash Flow risk due to changes in interest rate of funds	249.644	-	121.095	(360)	728
Cross-currency swap	Fixed-interest rate deposits	Cash Flow risk due to changes in interest rate of funds	149.955	9.435	48.468	(30.664)	(8.353)

As of 31 March 2018 cash flow hedge transactions have been determined as effective.

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

- As of 31 March 2018, 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 (15.317) (31 December 2017: TL (19.006)).

IX. EXPLANATIONS ON BUSINESS SEGMENTS:

The Group operates in three main business segments including consumer banking, commercial banking, SME banking, and corporate-investment and private banking with treasury activities. These segments have been determined considering customer segments and branch network providing services to customers in accordance with the Bank's organizational structure.

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

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

Corporate Banking 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. In the scope of private banking, The Bank serves the members of the high-income customers who have expectations for upper-class service quality both in banking and investment transactions. Within the scope of international banking activities, activities are also being carried out in order to provide long-term funding, to provide funding under a price reflecting the country's risk, to diversify funding resources and to form an international investor base on this area.

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.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Information on business segments as of 31 March 2018 and 31 December 2017 presented in the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

	Consumer Banking	Commercial Banking, SME Banking, Corporate-Investment and Private Banking	Treasury	Other and Unallocated	Bank's Total Activities
Current Period – 31 March 2018					
Operating Income	1.315.147	1.982.700	237.379	759.376	4.294.602
Profit from Operating Activities	576.142	1.344.100	166.947	87.522	2.174.711
Income from Subsidiaries	-	-	-	1.666	1.666
Profit before Tax	576.142	1.344.100	166.947	89.188	2.176.377
Corporate Tax	-	-	-	(482.512)	(482.512)
Minority Shares	-	-	-	(5)	(5)
Net Profit for the Period	576.142	1.344.100	166.947	(393.329)	1.693.860
Segment Assets					
Investments in Associates.	54.820.158	185.261.462	89.339.651	7.234.766	336.656.037
Undistributed Assets	-	-	-	-	3.923
Total Assets	-	-	-	-	11.794.348
Segment Liabilities					
Undistributed Liabilities	103.403.415	100.556.132	86.242.375	6.432.692	296.634.614
Shareholders' Equity	-	-	-	-	10.660.071
Total Liabilities	-	-	-	-	41.159.624
Other Segment Items					
Capital Investment	-	-	-	139.703	139.703
Amortization	(6.502)	(5.414)	(42)	(70.198)	(82.156)
Non-cash Other Income-Expense	(73.007)	(276.489)	(134.332)	(276.889)	(760.717)

	Consumer Banking	Commercial Banking, SME Banking, Corporate-Investment and Private Banking	Treasury	Other and Unallocated	Bank's Total Activities
Prior Period – 31 December 2017					
Operating Income	4.628.723	6.907.217	1.086.473	1.850.369	14.472.782
Profit from Operating Activities	2.083.222	4.861.910	838.666	(132.221)	7.651.577
Income from Subsidiaries	-	-	-	2.658	2.658
Profit before Tax	2.083.222	4.861.910	838.666	(129.563)	7.654.235
Corporate Tax	-	-	-	(1.633.953)	(1.633.953)
Minority Shares	-	-	-	(9)	(9)
Net Profit for the Period	2.083.222	4.861.910	838.666	(1.763.525)	6.020.273
Segment Assets					
Investments in Associates.	53.929.605	176.148.618	91.331.453	7.385.344	328.795.020
Undistributed Assets	-	-	-	-	3.923
Total Assets	-	-	-	-	12.811.014
Segment Liabilities					
Undistributed Liabilities	98.126.490	97.357.169	89.058.408	6.558.817	291.100.884
Shareholders' Equity	-	-	-	-	9.895.501
Total Liabilities	-	-	-	-	40.613.572
Other Segment Items					
Capital Investment	-	-	-	483.566	483.566
Amortization	(21.292)	(17.510)	(123)	(236.854)	(275.779)
Non-cash Other Income-Expense	(284.492)	(113.897)	(54.123)	(1.500.356)	(1.952.868)

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

The prior year financial statements are not restated as permitted by TFRS 9. Prior year disclosures prepared under different principal are presented separately.

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

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

	Current Period	
	31 March 2018	
	TL	FC
Cash/Foreign Currency	1.315.886	800.373
The CBRT (*)	3.184.604	30.705.038
Other (**)	1	124.147
Total	4.500.491	31.629.558

(*) Precious metal account amounting to TL 5.516.056 are included in FC.

(**) Precious metal account amounting to TL 122.279 are included in FC.

	Prior Period	
	31 December 2017	
	TL	FC
Cash/Foreign Currency	1.427.724	735.960
The CBRT (*)	7.033.859	26.021.620
Other (**)	1	144.012
Total	8.461.584	26.901.592

(*) Precious metal account amounting to TL 5.118.058 are included in FC.

(**) Precious metal account amounting to TL 102.465 are included in FC.

2. Information related to the account of the CBRT:

	Cari Dönem	
	31 Mart 2018	
	TL	FC
Unrestricted Demand Deposits	1.873	-
Unrestricted Time Deposits	916.487	-
Restricted Time Deposits	-	-
Reserve Requirement	2.266.244	30.705.038
Total	3.184.604	30.705.038

	Prior Period	
	31 December 2017	
	TL	FC
Unrestricted Demand Deposits	1.647	-
Unrestricted Time Deposits	3.080.092	-
Restricted Time Deposits	-	-
Reserve Requirement	3.952.120	26.021.620
Total	7.033.859	26.021.620

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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 pays interest on reserve balances held in TL and USD.

The required reserve rates for TL liabilities vary between 4% and 10,5% for TL deposits and other liabilities according to their maturities as of 31 March 2018 (31 December 2017: 4% and 10,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 4% and 24% for deposit and other foreign currency liabilities according to their maturities as of 31 March 2018 (31 December 2017: 4% and 24% for all foreign currency liabilities)

b. Financial Assets at Fair Value Through Profit or Loss

As of 31 March 2018, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 10.180 (31 December 2017: TL 9.731); and those subject to repo transactions TL 639 (31 December 2017: TL 200).

c. Trading derivative financial assets:

i. Table of positive differences related to derivative financial assets (*)

	Current Period	
	TL	FC
Forward Transactions	461.649	-
Swap Transactions	5.885.347	3.127.891
Futures Transactions	-	-
Options	36.534	230.686
Other	-	-
Total	6.383.530	3.358.577

*Excluding hedging derivatives financial assets

ii. Table of positive differences related to trading derivative financial assets

	Prior Period	
	TL	FC
Forward Transactions	454.410	-
Swap Transactions	3.713.361	1.013.844
Futures Transactions	-	-
Options	2.808	239.405
Other	-	-
Total	4.170.579	1.253.249

d. Information on banks account and foreign banks:

	Current Period	
	TL	FC
Banks		
Domestic	610.771	1.781.830
Foreign	30.302	7.199.827
Head Quarters and Branches Abroad	-	-
Total	641.073	8.981.657

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Prior Period	
	31 December 2017	
	TL	FC
Banks		
Domestic	289.699	1.549.027
Foreign	-	8.191.003
Head Quarters and Branches Abroad	-	-
Total	289.699	9.740.030

e. Information on financial assets fair value through other comprehensive income:

1. As of 31 March 2018, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 19.237.562 (31 December 2017: TL 20.055.533); and those given as collateral/blocked amounting to TL 5.198.249 (31 December 2017: TL 3.470.880).

2. (i). Information on financial assets fair value through other comprehensive income:

	Current Period	
	31 March 2018	
Debt Securities	47.461.857	
Quoted at Stock Exchange (*)	47.461.857	
Unquoted at Stock Exchange	-	
Share Certificates	13.366	
Quoted at Stock Exchange	-	
Unquoted at Stock Exchange	13.366	
Impairment Provision (-)	1.399.498	
Toplam	46.075.725	

ii) Information on available-for-sale financial assets:

	Prior Period	
	31 December 2017	
Debt Securities	43.531.669	
Quoted at Stock Exchange (*)	43.392.550	
Unquoted at Stock Exchange	139.119	
Share Certificates	98.040	
Quoted at Stock Exchange	-	
Unquoted at Stock Exchange	98.040	
Impairment Provision (-)	799.921	
Toplam	42.829.788	

(*) Investment funds are included

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

(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 Mart 2018	
	Cash	Non-cash
Direct Loans Granted to Shareholders	-	246
Corporate Shareholders	-	246
Real Person Shareholders	-	-
Indirect Loans Granted to Shareholders	5.319.917	1.028.553
Loans Granted to Employees	110.808	-
Total	5.430.725	1.028.553

	Prior Period	
	31 December 2017	
	Cash	Non-cash
Direct Loans Granted to Shareholders	-	246
Corporate Shareholders	-	246
Real Person Shareholders	-	-
Indirect Loans Granted to Shareholders	5.605.978	923.453
Loans Granted to Employees	113.133	-
Total	5.719.111	923.699

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

	Standard Loans and Other Receivables	Loans and Receivables Not Subject to restructuring	Loans and other receivables under close monitoring	
			Restructured Loans and Receivables	
			Loans and Receivables with Revised Contract Terms	Refinance
Non-specialized Loans	202.620.198	18.329.035	900.643	3.109.402
Loans given to enterprises	34.730.878	2.205.804	-	471.428
Export Loans	10.833.415	153.028	-	16.138
Import Loans	2.511.975	-	-	-
Loans Given to Financial Sector	11.953.151	417	-	-
Consumer Loans	30.036.846	1.512.802	174.167	1.118.186
Credit Cards	12.611.117	600.723		754.490
Other	99.942.815	13.856.261	726.476	749.160
Specialized Loans	-	-		
Other Receivables	-	-		
Total	202.620.198	18.329.035	900.643	3.109.402

The Bank has a cash loan exposure with a principal balance of USD 1.708 million included accrued interest related with the acquisition finance of a telecommunication company within a syndicate formed by various domestic and foreign banks, where the financing structure includes acquired company's shares pledged as collateral. Negotiations on restructuring of the loan have been continuing among the telecommunication company's creditor banks and related public authorities, which may also include a change in the shareholder structure of the Company and it is expected that negotiations will produce a positive outcome. Respective loan is classified "loans and other receivables" under close monitoring as of 31 March 2018.

Expected Credit Loss Stage I and Stage II	Standard Loans	Loans and other receivables under close monitoring
12 Month Expected Credit Losses (Stage I)	666.010	-
Significant Increase in Credit Risk (Stage II)	-	2.810.658
Total	666.010	2.810.658

	Prior Period 31 December 2017
General Provisions	2.686.871
Provisions for Group I. Loans and Receivables	964.317
Provisions for Group II. Loans and Receivables	121.358
Provisions for Non-cash Loans	64.229
Other	1.536.967

As of 31 December 2017 the Bank has booked general provision by considering minimum provision rates in accordance with "Amendment of Regulation on Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made" published in the Official Gazette dated 14 December 2016, no: 29918. The Bank's

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

provision ratios are over these minimum ratios. Surplus provision amount of TL 1.4 billion over the minimum provision ratios is included in the "Other" line on the table above.

Number of Extension	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	3.072.097	4.360.509
Extended by 3,4 or 5 times	76.746	638.935
Extended by more than 5 times	3.279	79.790
Total	3.152.122	5.079.234

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	914.037	851.959
6 - 12 Months	88.553	285.233
1 - 2 Years	439.583	887.019
2 - 5 Years	674.640	1.806.730
5 Years and over	1.035.309	1.248.293
Total	3.152.122	5.079.234

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

Current Period- 31.03.2018	Short-term	Medium and Long-term	Total
Consumer Loans-TL	719.765	30.889.802	31.609.567
Mortgage Loans	5.452	12.764.165	12.769.617
Automotive Loans	3.085	221.215	224.300
Consumer Loans	711.228	17.904.422	18.615.650
Other	-	-	-
Consumer Loans- Indexed to FC	-	2.044	2.044
Mortgage Loans	-	2.044	2.044
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	10.615.958	578.357	11.194.315
With Installment	4.145.357	9.041	4.154.398
Without Installment	6.470.601	569.316	7.039.917
Consumer Credit Cards-FC	12.284	-	12.284
With Installment	-	-	-
Without Installment	12.284	-	12.284
Personnel Loans-TL	4.398	62.272	66.670
Mortgage Loans	-	4.544	4.544
Automotive Loans	-	49	49
Consumer Loans	4.398	57.679	62.077
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	43.869	31	43.900
With Installment	18.251	31	18.282
Without Installment	25.618	-	25.618
Personnel Credit Cards-FC	238	-	238
With Installment	-	-	-
Without Installment	238	-	238
Credit Deposit Account-TL (Real Person)	1.163.720	-	1.163.720
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	12.560.232	31.532.506	44.092.738

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Prior Period– 31.12.2017	Short-term	Medium and Long-term	Total
Consumer Loans-TL	716.767	30.274.352	30.991.119
Mortgage Loans	7.443	13.217.359	13.224.802
Automotive Loans	3.517	251.107	254.624
Consumer Loans	705.807	16.805.886	17.511.693
Other	-	-	-
Consumer Loans- Indexed to FC	-	4.382	4.382
Mortgage Loans	-	3.778	3.778
Automotive Loans	-	-	-
Consumer Loans	-	604	604
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	10.791.056	605.582	11.396.638
With Installment	4.455.077	602.801	5.057.878
Without Installment	6.335.979	2.781	6.338.760
Consumer Credit Cards-FC	12.439	-	12.439
With Installment	-	-	-
Without Installment	12.439	-	12.439
Personnel Loans-TL	4.504	62.087	66.591
Mortgage Loans	-	3.904	3.904
Automotive Loans	-	54	54
Consumer Loans	4.504	58.129	62.633
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	46.298	27	46.325
With Installment	18.202	27	18.229
Without Installment	28.096	-	28.096
Personnel Credit Cards-FC	217	-	217
With Installment	-	-	-
Without Installment	217	-	217
Credit Deposit Account-TL (Real Person)	1.063.092	-	1.063.092
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	12.634.373	30.946.430	43.580.803

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

Current Period – 31.03.2018	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	1.197.717	16.912.243	18.109.960
Mortgage Loans	15.685	10.678	26.363
Automotive Loans	69.991	131	70.122
Consumer Loans	1.112.041	16.901.434	18.013.475
Other	-	-	-
FC Indexed Commercial Installment Loans	37.367	489.466	526.833
Mortgage Loans	-	1.375	1.375
Automotive Loans	1.247	-	1.247
Consumer Loans	36.120	488.091	524.211
Other	-	-	-
Commercial Installment Loans-FC	2.002	146.364	148.366
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	2.002	146.364	148.366
Other	-	-	-
Corporate Credit Cards-TL	2.711.780	144	2.711.924
With Installment	1.126.951	51	1.127.002
Without Installment	1.584.829	93	1.584.922
Corporate Credit Cards-FC	3.669	-	3.669
With Installment	-	-	-
Without Installment	3.669	-	3.669
Credit Deposit Account-TL (Legal Person)	874.904	-	874.904
Credit Deposit Account-FC (Legal person)	-	-	-
Total	4.827.439	17.548.217	22.375.656

Prior Period – 31.12.2017	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	1.119.222	16.749.813	17.869.035
Mortgage Loans	14.390	3.147	17.537
Automotive Loans	54.110	30	54.140
Consumer Loans	1.050.722	16.746.636	17.797.358
Other	-	-	-
FC Indexed Commercial Installment Loans	42.260	505.766	548.026
Mortgage Loans	-	1.422	1.422
Automotive Loans	3.424	-	3.424
Consumer Loans	38.836	504.344	543.180
Other	-	-	-
Commercial Installment Loans-FC	192	130.514	130.706
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	192	130.514	130.706
Other	-	-	-
Corporate Credit Cards-TL	2.590.251	144	2.590.395
With Installment	1.143.897	54	1.143.951
Without Installment	1.446.354	90	1.446.444
Corporate Credit Cards-FC	2.912	-	2.912
With Installment	-	-	-
Without Installment	2.912	-	2.912
Credit Deposit Account-TL (Legal Person)	745.285	-	745.285
Credit Deposit Account-FC (Legal person)	-	-	-
Total	4.500.122	17.386.237	21.886.359

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

	Current Period 31 March 2018
Domestic Loans	217.774.985
Foreign Loans	7.184.293
Toplam	224.959.278

	Prior Period 31 December 2017
Domestic Loans	202.254.225
Foreign Loans	7.071.545
Toplam	209.325.770

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

7. (i) Credit-Impaired Losses (Stage III / Special Provision)

	Current Period 31 March 2018
Loans and Other Receivables with Limited Collectibility	267.158
Loans and Other Receivables with Doubtful Collectibility	582.750
Uncollectible Loans and Receivables	2.490.786
Total	3.340.694

(ii) Specific provisions accounted for loans:

	Prior Period 31 December 2017
Loans and Other Receivables with Limited Collectibility	579.034
Loans and Other Receivables with Doubtful Collectibility	650.121
Uncollectible Loans and Receivables	3.150.937
Total	4.380.092

8 (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 March 2018			
(Gross Amounts Before Specific Provisions)	26.381	52.140	85.856
Rescheduled Loans and Other Receivables	26.381	52.140	85.856
Prior Period: 31 December 2017			
(Gross Amounts Before Specific Provisions)	31.843	39.558	74.640
Rescheduled Loans and Other Receivables	31.843	39.558	74.640

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

8 (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 2017	579.033	650.121	3.731.468
Additions (+)	506.622	5.563	69.708
Transfers from Other Categories of Non- Performing Loans (+)	-	536.956	294.089
Transfers to Other Categories of Non-Performing Loans (-)	536.956	294.089	-
Collections (-)	100.192	61.269	205.649
Write-offs (-) (*)	555	850	774.061
Sold Porfolio	-	-	772.668
Corporate and Commercial Loans	-	-	221.834
Consumer Loans	-	-	266.110
Credit Cards	-	-	284.724
Other	-	-	-
Non Performing Loan Accruals	4.698	12.037	13.714
Balance at the End of the Period	452.650	848.469	3.129.269
Specific Provisions (-)	267.156	582.750	2.490.788
Net Balance at Balance Sheet (**)	185.494	265.719	638.481

(*)TL 774 million (in full TL principal amount) portion of the Bank's non-performing loan portfolio has been sold at a price of TL 36 million (in full TL amount) to 3 companies Efes Varlık Yönetim A.Ş., Hayat Varlık Yönetimi A.Ş. and Final Varlık Yönetimi A.Ş.

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 31 March 2018			
Balance at the End of the Period	125.966	45.004	627.666
Specific Provision (-)	82.021	34.318	321.982
Net Balance on Balance Sheet	43.945	10.686	305.684
Prior Period: 31 December 2017			
Balance at the End of the Period	17.562	28.123	749.304
Specific Provision (-)	17.562	28.123	439.455
Net Balance at Balance Sheet	-	-	309.849

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net): 31 March 2018			
Loans granted to corporate entities and real persons (Gross)	452.650	848.469	3.129.269
Specific Provision Amount (-)	267.156	582.750	2.490.788
Loans granted to corporate entities and real persons (Net)	185.494	265.719	638.481
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 2017			
Loans granted to corporate entities and real persons (Gross)	579.034	650.120	3.731.468
Specific Provision Amount (-)	579.034	650.120	3.154.088
Loans granted to corporate entities and real persons (Net)	-	-	363.747
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

8. (v) 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.

	III. Grup	IV. Grup	V. Grup
Current Period: 31 March 2018			
Interest accruals and valuation differences	4.698	12.037	13.714
Provision (-)	2.869	6.873	10.541
Prior Dönem: 31 December 2017			
Interest accruals and valuation differences	-	-	-
Provision (-)	-	-	-

9. Financial Assets Measured at Amortised Cost

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

i. Financial assets measured at amortised cost

	Current Period 31 March 2018	
	TL	FC
Given as collateral/blocked	-	62.670
Subject to repurchase agreements	3.285.913	5.832.421
Total	3.285.913	5.895.091

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

ii. Held-to-maturity investments

	Prior Period	
	31 December 2017	
	TL	FC
Given as collateral/blocked	116.330	1.842.301
Subject to repurchase agreements	4.089.705	8.110.245
Total	4.206.035	9.952.546

2. Information about Government debt securities:

(i) Financial assets measured at amortized cost:

	Current Period
	31 March 2018
Government debt	9.347.242
Treasury bonds	-
Other government debts	722.508
Total	10.069.750

(ii) Held-to-maturity:

	Prior Period
	31 December 2017
Government debt	13.596.948
Treasury bonds	-
Other government debts	2.546.431
Total	16.143.379

3.(i) Measured at amortized cost:

	Current Period
	31 March 2018
Debt Securities	11.390.320
Quoted at stock exchange	11.390.320
Not quoted at stock exchange	-
Impairment (-)	241.357
Total	11.148.963

(ii) Held-to-maturity:

	Prior Period
	31 December 2017
Debt Securities	19.132.124
Quoted at stock exchange	19.132.124
Not quoted at stock exchange	-
Impairment (-)	249.092
Total	18.883.032

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

4.(i)The movement of financial assets at amortized costs:

	Current Period 31 March 2017
Balance at the Beginning of the Period	18.883.032
Foreign Currency Differences on Monetary Assets	364.595
Purchases During Year (*)	-
Disposals Through Sales and Redemptions (-)	7.732.600
Impairment Provision (-)	(7.736)
Change in Amortized Cost	(373.800)
Balance at the End of the Period	11.148.963

(ii) Held-to-maturity:

	Prior Period 31 December 2017
Balance at the Beginning of the Period	17.976.870
Foreign Currency Differences on Monetary Assets	1.223.819
Purchases During Year (*)	226
Disposals Through Sales and Redemptions (-)	766.185
Impairment Provision (-)	75.298
Change in Amortized Cost	523.600
Balance at the End of the Period	18.883.032

h. Information on investments in associates (Net):

1.Information about investments in associates:

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

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

The financial figures stated below have been obtained from the financial statements date 31 December 2017.

	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	90.246	49.094	47.325	1.656	-	9.004	10.403	-
2	282.149	183.485	179.270	6.467	166	44.798	34.759	-

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

	Current Period 31 March 2018
Balance at the Beginning of the Period	3.923
Movements During the Period	
Purchases	-
Bonus Shares and Contributions to Capital	-
Dividends from Current Year Income	-
Sales/Liquidation	-
Revaluation Increase	-
Impairment Provision (-)	-
Balance at the End of the Period	3.923
Capital Commitments	-
Share Percentage at the End of the Period (%)	-

	Prior Period 31 December 2017
Balance at the Beginning of the Period	3.923
Movements During the Period	
Purchases	-
Bonus Shares and Contributions to Capital	-
Dividends from Current Year Income	-
Sales/Liquidation	-
Revaluation Increase	-
Impairment Provision (-)	-
Balance at the End of the Period	3.923
Capital Commitments	-
Share Percentage at the End of the Period (%)	-

2. Consolidated subsidiaries within the current period: None.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

i. Information on subsidiaries (Net):

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

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	Aköde
Paid in Capital	235.007	46.802	10.534	740.648	5.000
Share Premium	-	-	-	-	-
Reserves	575.244	61.081	18.310	2.479.487	-
Gains recognized in equity as per TAS	-	(1.885)	(235)	-	-
Profit/Loss	32.795	151.542	9.833	52.260	(180)
-Net Current Period Profit	32.795	25.021	9.279	52.260	(180)
-Prior Year Profit/Loss	-	126.521	554	-	-
Development Cost of Operating Lease (-)	41	1.217	-	266	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	1.800	2.572	134	1.904	-
Total Common Equity	841.205	253.751	38.308	3.270.225	4.820
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" (-)	-	-	-	-	-
Total Tier I Capital	841.205	253.751	38.308	3.270.225	4.820
Tier II Capital	47.396	404	3	-	-
CAPITAL	888.601	254.155	38.311	3.270.225	4.820
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	888.601	254.155	38.311	3.270.225	4.820

The Bank's subsidiaries, included in the consolidated calculation of capital requirement, do not have additional capital 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 (%)	Risk Group of Bank's Percentage (%)
1 Ak Finansal Kiralama A.Ş.	İstanbul/Turkey	99,99	99,99
2 Ak Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	100,00	100,00
3 Ak Portföy Yönetimi A.Ş.	İstanbul/Turkey	100,00	100,00
4 Akbank AG	Frankfurt/Germany	100,00	100,00
5 AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş.	İstanbul/Türkiye	100,00	100,00

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

The financial figures have been obtained from the financial statements as at 31 March 2018 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	7.255.642	842.803	178.222	118.183	-	32.795	29.347	-
2	1.225.276	257.540	11.559	39.543	9.220	25.021	11.600	-
3	46.155	38.442	776	2.359	-	9.279	6.900	-
4	24.341.226	3.272.395	2.883	250.154	14.831	52.260	50.850	-
5	5.065	4.820	187	-	-	(180)	-	-

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

5 (ii). Movement schedule for consolidated subsidiaries:

	Current Period 31 March 2018
Balance at the Beginning of the Period	4.133.098
Movements During the Period	
Additions (*)	5.000
Bonus Shares and Contributions to Capital (*)	-
Dividends from Current Year Income	119.170
Sales/Liquidation (**)	-
Revaluation Increase (***)	158.606
Revaluation/Impairment	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	-
Balance at the End of the Period	4.415.874
Capital Commitments	-
Share Percentage at the End of the Period (%)	-

(*) The said amount refers to the amount that the Bank pays for the establishment capital of AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş., which is a wholly owned subsidiary.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Prior Period 31 December 2017
Balance at the Beginning of the Period	3.334.164
Movements During the Period	
Additions (*)	6.455
Bonus Shares and Contributions to Capital (*)	1.545
Dividends from Current Year Income	365.117
Sales/Liquidation (**)	2.243
Revaluation Increase (***)	423.574
Revaluation/Impairment	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	-
Balance at the End of the Period	4.133.098
Capital Commitments	-
Share Percentage at the End of the Period (%)	-

(*) Amounts arises from the capital of Ak Portföy Yönetimi A.Ş is increased by TL 8.000 including TL 6.455 in cash and 1.545 TL from internal sources.

(**) The amount represents the liquidation of Akbank (Dubai) Limited which is %100 subsidiary of the Bank.

(***) Amounts refer to revaluation differences arising from accounting of financial associates and subsidiaries under the equity method as explained in the Note III of the Section Three.

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

Subsidiaries	Current Period 31 March 2018
Banks	3.272.395
Insurance Companies	-
Factoring Companies	-
Leasing Companies	842.803
Finance Companies	-
Other Financial Subsidiaries	300.676

Subsidiaries	Prior Period 31 December 2017
Banks	2.982.385
Insurance Companies	-
Factoring Companies	-
Leasing Companies	859.897
Finance Companies	-
Other Financial Subsidiaries	290.816

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

j. Information on finance lease receivables (Net):

	Current Period 31 March 2018	
	Gross	Net
2017	-	-
2018	1.934.891	1.721.484
2019	1.595.688	1.345.155
2020 and following years	2.980.394	2.629.292
Total	6.510.973	5.695.931

	Prior Period 31 December 2017	
	Gross	Net
2017	-	-
2018	2.463.302	2.160.175
2019	1.477.983	1.237.783
2020 and following years	2.800.478	2.467.460
Total	6.741.763	5.865.418

k. Information on the hedging derivative financial assets:

	Current Period 31 March 2018	
	TL	FC
Fair Value Hedge	1.230.722	64.926
Cash Flow Hedge	149.955	249.644
Net Investment Hedge in a foreign operation	-	-
Total	1.380.677	314.570

	Prior Period 31 December 2017	
	TL	FC
Fair Value Hedge	973.630	31.206
Cash Flow Hedge	-	131.448
Net Investment Hedge in a foreign operation	-	-
Total	973.630	162.654

l. Information on the investment properties: None

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

m. Information on deferred tax asset:

As of 31 March 2018, foreign currency deferred tax asset of the Group is TL 169.003 (31 December 2017: TL 37.525). 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.

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

	Current Period 31 March 2018
Cost	242.254
Accumulated Depreciation (-)	298
Net Book Value	241.956

	Current Period 31 March 2018
Opening Balance Net Book Value	133.515
Additions	118.497
Disposals (-), net	10.046
Impairment (-)	10
Depreciation (-)	-
Closing Net Book Value	241.956

	Prior Period 31 December 2017
Cost	133.682
Accumulated Depreciation (-)	167
Net Book Value	133.515

	Prior Period 31 December 2017
Opening Balance Net Book Value	74.188
Additions	101.666
Disposals (-), net	42.179
Impairment (-)	160
Depreciation (-)	-
Closing Net Book Value	133.515

o. Information on other assets:

Other assets amounting to TL 4.909.981(31 December 2017: TL 4.036.435) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

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

1 (i). Current Period – 31 March 2018:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	8.691.240	17.478.482	31.199.215	506.916	645.808	648.886	30.694	59.201.241
Foreign Currency Deposits	17.358.876	20.836.140	40.285.461	3.447.317	10.979.191	12.909.480	1.700	105.818.165
Residents in Turkey	14.143.531	20.005.647	37.194.391	1.864.731	1.273.810	2.155.865	1.499	76.639.474
Residents Abroad	3.215.345	830.493	3.091.070	1.582.586	9.705.381	10.753.615	201	29.178.691
Public Sector Deposits	558.543	76.851	25.426	816	176	509	-	662.321
Commercial Deposits	9.163.626	8.826.411	8.560.442	240.859	685.731	303.886	-	27.780.955
Other Institutions Deposits	263.313	205.165	2.108.185	252.724	119.617	274.759	-	3.223.763
Precious metals Deposits	1.404.667	-	-	-	117.417	13.254	-	1.535.338
Interbank Deposits	1.221.821	2.949.700	7.154.917	746.159	845.275	33.292	-	12.951.164
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	13.671	2.751.855	12.390	-	164.704	-	-	2.942.620
Foreign Banks	412.270	197.845	7.142.527	746.159	680.571	33.292	-	9.212.664
Participation Banks	795.880	-	-	-	-	-	-	795.880
Other	-	-	-	-	-	-	-	-
Total	38.662.086	50.372.749	89.333.646	5.194.791	13.393.215	14.184.066	32.394	211.172.947

1 (ii). Prior period – 31 December 2017:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	8.420.445	15.472.883	32.004.674	492.472	646.290	637.816	33.627	57.708.207
Foreign Currency Deposits	16.199.712	20.066.109	34.211.237	2.671.605	8.981.737	12.617.477	1.760	94.749.637
Residents in Turkey	13.484.283	19.229.083	31.769.630	1.204.784	1.228.293	1.852.106	1.559	68.769.738
Residents Abroad	2.715.429	837.026	2.441.607	1.466.821	7.753.444	10.765.371	201	25.979.899
Public Sector Deposits	309.841	16.456	11.269	3.526	184	175	-	341.451
Commercial Deposits	9.223.734	7.766.297	11.749.333	238.126	802.779	283.133	-	30.063.402
Other Institutions Deposits	236.231	234.193	2.501.398	22.089	65.272	153.181	-	3.212.364
Precious metals Deposits	1.332.683	-	3.320	-	115.427	-	-	1.451.430
Interbank Deposits	1.187.569	3.958.736	6.544.389	1.487.055	720.384	30.904	-	13.929.037
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	15.006	3.594.150	394.002	6.134	158.491	-	-	4.167.783
Foreign Banks	378.083	364.586	6.150.387	1.480.921	561.893	30.904	-	8.966.774
Participation Banks	794.480	-	-	-	-	-	-	794.480
Other	-	-	-	-	-	-	-	-
Total	36.910.215	47.514.674	87.025.620	4.914.873	11.332.073	13.722.686	35.387	201.455.528

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

2. Information on saving deposits insurance:

Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund: The deposit amounts of the consolidated subsidiaries located abroad are subject to local insurance regulations and are not included in the table below.

	Under the Guarantee of Deposit Insurance	Exceeding the Limit of Deposit Insurance
	Current Period 31 March 2018	Current Period 31 March 2018
Saving Deposits	25.065.274	34.132.489
Foreign Currency Saving Deposits	8.369.306	39.343.544
Other Deposits in the Form of Saving Deposits	752.342	632.611
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-

	Under the Guarantee of Deposit Insurance	Exceeding the Limit of Deposit Insurance
	Prior Period 31 December 2017	Prior Period 31 December 2017
Saving Deposits	24.508.782	33.195.768
Foreign Currency Saving Deposits	8.512.809	36.271.768
Other Deposits in the Form of Saving Deposits	736.725	594.201
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-

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

	Current Period 31 March 2018
Foreign Branches' Deposits and other accounts	1.182
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	733.733
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	-

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Current Period 31 December 2017
Foreign Branches' Deposits and other accounts	1.381
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	926.384
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-

b. Information on trading derivative financial liabilities:

Table of negative differences for trading derivative financial liabilities:

	Current Period 31 March 2018	
	TL	FC
Forward Transactions	516.475	1.561
Swap Transactions	3.900.881	1.323.091
Futures Transactions	-	-
Options	1.461	283.814
Other	-	-
Total	4.418.817	1.608.466

	Prior Period 31 December 2017	
	TL	FC
Forward Transactions	453.595	-
Swap Transactions	3.714.176	1.013.844
Futures Transactions	-	-
Options	2.808	239.405
Other	-	-
Total	4.170.579	1.253.249

c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 March 2018	
	TL	FC
Borrowings from the CBRT	-	-
From Domestic Banks and Institutions	284.320	540.214
From Foreign Banks, Institutions and Funds	441.467	34.144.938
Total	725.787	34.685.152

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Prior Period	
	31 December 2018	
	TL	FC
Borrowings from the CBRT	-	474.031
From Domestic Banks and Institutions	325.546	688.817
From Foreign Banks, Institutions and Funds	49.528	32.089.277
Total	375.074	33.252.125

2. Information on maturity structure of borrowings:

	Current Period	
	31 March 2018	
	TL	FC
Short-term	209.647	1.797.781
Medium and Long-term	516.140	32.887.371
Toplam	725.787	34.685.152

	Prior Period	
	31 December 2017	
	TL	FC
Short-term	232.934	2.047.389
Medium and Long-term	142.140	31.204.736
Toplam	375.074	33.252.125

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

d. Information on securities issued (Net):

	Current Period	
	31 Mart 2018	
	TL	FC
Bank bills	3.832.901	-
Bonds	2.522.205	7.155.925
Total	6.355.106	7.155.925

	Prior Period	
	31 March 2017	
	TL	FC
Bank bills	4.012.498	-
Bonds	3.124.772	8.717.955
Total	7.137.270	8.717.955

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

e. Information on other foreign liabilities:

Other foreign liabilities amounting to TL 1.870.358 under "Other Liabilities" (31 December 2017: TL 1.178.360) and do not exceed 10% of the total balance sheet.

f. Information on financial leasing agreements: None.

g. Information on the hedging derivative financial liabilities:

	Current Period 31 March 2018	
	TL	FC
Fair Value Hedge	-	25.909
Cash Flow Hedge	9.435	-
Net Investment Hedge in a foreign operation	-	-
Total	9.435	25.909

	Current Period 31 December 2018	
	TL	FC
Fair Value Hedge	-	74.911
Cash Flow Hedge	-	-
Net Investment Hedge in a foreign operation	-	-
Total	-	74.911

h. Information on provisions:

1 (i). Employment termination benefits and unused vacation rights:

According to 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 compensation amount equals to one month's salary of an employee for each year of service, but this amount is limited up to severance limit decided by law. This liability is not subject to any funding legally and there is no funding requirement.

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

	Current Period 31 March 2018
Discount Rate (%)	4,00
Rate for the Probability of Retirement (%)	94,45

	Prior Period 31 December 2017
Discount Rate (%)	4,00
Rate for the Probability of Retirement (%)	94,45

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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 5.001,76 (1 January 2017: TL 4.426,16) effective from 1 January 2018 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
	31 March 2018
Prior Period Closing Balance	209.829
Recognized as an Expense During the Period	13.571
Actuarial Loss/(Gain)	12
Paid During the Period	(10.961)
Balance at the End of the Period.	212.451

	Prior Period
	31 December 2017
Prior Period Closing Balance	146.105
Recognized as an Expense During the Period	46.243
Actuarial Loss/(Gain)	53.510
Paid During the Period	(36.029)
Balance at the End of the Period.	209.829

As of 31 March 2018, the Group has allocated vacation liability amounting to TL 94.287 (31 December 2017: TL 91.124).

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

As of 31 March 2018, the provision related to foreign currency differences of foreign indexed loans amounts to TL 5.896 (31 December 2017: TL 24.016), which is offset with the balance of foreign currency indexed loans in these financial statements.

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

Provision for non-cash loans that are non-funded and non-transformed into cash as of 31 March 2018 is amounting to TL 52.439 (31 December 2017: 67.754).

4. Information on other provisions:

4 (i). Information on free provision for possible risks: TL 700.000 (31 December 2017: TL 700.000).

A free provision total amounting to TL 700.000 thousand which consist of amounting to TL 500.000 thousand has been recognized in the current period and amounting to TL 200.000 thousand had been recognized in prior periods by the Bank management in line with the conservatism principle considering the circumstances that may arise from possible changes in the economy and market conditions.

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

The Group has provisions for credit cards and banking services promotion activities amounting to TL 56.170 (31 December 2017: TL 69.284).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Group are explained in Note XVIII of Section Three. As of 31 March 2018, the corporate tax liability after the deduction of temporary taxes paid is TL 579.728 (31 December 2017: TL 288.226).

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

1 (i). Information on taxes payable:

	Current Period 31 March 2018
Corporate Taxes Payable	579.728
Taxation on Marketable Securities	283.839
Property Tax	2.178
Banking Insurance Transaction Tax (BITT)	128.725
Foreign Exchange Transaction Tax	-
Value Added Tax Payable	3.550
Other	95.511
Total	1.093.531

	Prior Period 31 December 2017
Corporate Taxes Payable	751.698
Taxation on Marketable Securities	145.567
Property Tax	1.811
Banking Insurance Transaction Tax (BITT)	127.075
Foreign Exchange Transaction Tax	-
Value Added Tax Payable	10.845
Other	91.876
Total	1.128.872

1 (ii). Information on premium payables:

	Current Period 31 March 2018
Social Security Premiums – Employee	1.952
Social Security Premiums – Employer	399
Bank Social Aid Pension Fund Premium- Employee	3
Bank Social Aid Pension Fund Premium – Employer	3
Pension Fund Membership Fees and Provisions – Employee	-
Pension Fund Membership Fees and Provisions – Employer	-
Unemployment Insurance – Employee	2.422
Unemployment Insurance – Employer	4.524
Other	66
Total	9.369

	Current Period 31 December 2017
Social Security Premiums – Employee	1.656
Social Security Premiums – Employer	349
Bank Social Aid Pension Fund Premium- Employee	109
Bank Social Aid Pension Fund Premium – Employer	150
Pension Fund Membership Fees and Provisions – Employee	-
Pension Fund Membership Fees and Provisions – Employer	-
Unemployment Insurance – Employee	2.252
Unemployment Insurance – Employer	4.231
Other	46
Total	8.793

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

2. Information on deferred tax liability:

As of 31 March 2018, Turkish Lira deferred tax liability of the Group amounts to TL 101.895 (31 December 2017: TL 482.836). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

j. Information on subordinated loan:

	Current Period	
	31 March 2018	
	TL	FC
Debt Instruments subject to common equity	-	-
Subordinated Loans	-	-
Subordinated Debt Instruments	-	-
Debt Instruments subject to tier 2 equity	-	3.527.461
Subordinated Loans	-	3.527.461
Subordinated Debt Instruments	-	-
Total	-	3.527.461

	Prior Period	
	31 December 2017	
	TL	FC
From Domestic Banks	-	-
From Other Domestic Institutions	-	-
From Foreign Banks	-	1.900.999
From Other Foreign Institutions	-	-
Total	-	1.900.999

Explanation about the subordinated loans is given in Note I-b of Section Four.

k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period	Prior Period
	31 March 2018	31 December 2017
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	10.000.000

In the Ordinary General Assembly Meeting of the Bank, which was held on 28 March 2017, amendment to the articles of association regarding the increase of the upper limit of registered capital from TL 8.000.000 to TL 10.000.000 is accepted and the registration process has been completed as of 29 March 2017.

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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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.

8. Information on marketable securities value increase fund:

	Current Period	
	31 March 2018	
	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-
Valuation Difference	(655.059)	(337.269)
Foreign Currency Differences	-	-
Total	(655.059)	(337.269)

	Prior Period	
	31 December 2017	
	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-
Valuation Difference	(600.631)	(169.489)
Foreign Currency Differences	-	-
Total	(600.631)	(169.489)

I. Information on minority shares:

	Current Period	
	31 March 2018	
Beginning Balance		139
Net Profit Share of other shareholders		4
Previous Term Dividend		-
Net Currency difference due to foreign subsidiaries		-
Effect of Changes within scope of consolidation		-
Balance end of Period		143

	Prior Period	
	31 December 2017	
Beginning Balance		130
Net Profit Share of other shareholders		9
Previous Term Dividend		-
Net Currency difference due to foreign subsidiaries		-
Effect of Changes within scope of consolidation		-
Balance end of Period		139

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 29.625.873 asset purchase commitments (31 December 2017: TL 10.596.665), TL 19.228.211 commitments for credit card limits (31 December 2017: TL 18.431.137) and TL 7.554.397 commitments for cheque books (31 December 2017: TL 6.679.928).
2. Type and amount of probable losses and obligations arising from off-balance sheet items:

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

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

	Current Period 31 March 2018
Bank Acceptance Loans	4.653.047
Letters of Credit	7.833.289
Other Guarantees and Warranties	5.901.026
Total	18.387.362

	Prior Period 31 December 2017
Bank Acceptance Loans	3.758.102
Letters of Credit	6.934.325
Other Guarantees and Warranties	6.338.160
Total	17.030.587

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

	Current Period 31 March 2018
Revocable Letters of Guarantee	1.414.608
Irrevocable Letters of Guarantee	19.487.265
Letters of Guarantee Given in Advance	3.766.483
Guarantees Given to Customs	2.240.387
Other Letters of Guarantee	8.206.862
Total	35.115.605

	Prior Period 31 December 2017
Revocable Letters of Guarantee	1.279.965
Irrevocable Letters of Guarantee	19.276.192
Letters of Guarantee Given in Advance	4.148.237
Guarantees Given to Customs	2.483.647
Other Letters of Guarantee	7.745.167
Total	34.933.208

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

3. Information on non-cash loans:

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

	Current Period 31 March 2018
Non-cash Loans Given against Cash Loans	7.167.645
With Original Maturity of 1 Year or Less Than 1 Year	2.958.430
With Original Maturity of More Than 1 Year	4.209.215
Other Non-cash Loans	46.335.322
Total	53.502.967

	Prior Period 31 December 2017
Non-cash Loans Given against Cash Loans	7.958.951
With Original Maturity of 1 Year or Less Than 1 Year	3.949.119
With Original Maturity of More Than 1 Year	4.009.832
Other Non-cash Loans	44.004.844
Total	51.963.795

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

	Current Period	
	31 March 2018	
	TL	FC
Short-term Loans	1.820.664	44.327
Medium and Long-term Loans	2.945.374	891.244
Interest on Loans Under Follow-Up	40.271	-
Premiums Received from the Resource	-	-
Utilization Support Fund	-	-
Total	4.806.309	935.571

	Prior Period	
	31 March 2017	
	TL	FC
Short-term Loans	1.364.172	36.227
Medium and Long-term Loans	2.130.839	777.815
Interest on Loans Under Follow-Up	9.798	-
Premiums Received from the Resource	-	-
Utilization Support Fund	-	-
Total	3.504.809	814.042

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

2. Information on interest income on banks:

	Current Period	
	31 March 2018	
	TL	FC
From the CBRT	43.408	-
From Domestic Banks	19.840	2.978
From Foreign Banks	951	26.408
From Headquarters and Branches Abroad	-	-
Total	64.199	29.386

	Prior Period	
	31 March 2017	
	TL	FC
From the CBRT	-	1.458
From Domestic Banks	21.625	2.707
From Foreign Banks	9	13.095
From Headquarters and Branches Abroad	-	-
Total	21.634	17.260

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

3. Information on interest income on marketable securities:

	Current Period	
	31 March 2018	
	TL	FC
From Trading Financial Assets	1.210	-
From Financial Assets at Fair Value through Profit or Loss	-	-
From Available-for-sale Financial Assets	635.255	188.517
From Held-to-Maturity Investments	136.632	109.708
Total	773.097	298.225

	Prior Period	
	31 March 2017	
	TL	FC
From Trading Financial Assets	2.435	-
From Financial Assets at Fair Value through Profit or Loss	-	-
From Available-for-sale Financial Assets	462.903	163.784
From Held-to-Maturity Investments	119.146	112.508
Total	584.484	276.292

As stated in the footnote numbered to Part VII, the real value of the Bank is reflected in the other comprehensive income and in the securities portfolio valued at amortized cost, the 6-month real coupon rates are fixed at maturity, indexed state treasuries. As stated in the Undersecretariat of Treasury's Guide to Indexes for Vitriified Investors in Turkey, the reference indices used in calculating the actual coupon payment amounts of these assets are based on the TUF of two months ago. The Bank also sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. As of 31 March 2018, the valuation of the related securities was based on an annual inflation forecast of 9,00%. If the valuation of these securities indexed to TÜFE was made according to the reference index valid for 31 March 2018, the Bank's equity valuation differences on equity would decrease by TL 95 million (full TL) and the net profit for the period would increase by TL 126 million 1.820 Million TL (full TL amount).

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

b. Information on interest expense:

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

	Current Period	
	31 March 2018	
	TL	FC
Banks	37.272	745.111
The CBRT	-	-
Domestic Banks	24.768	11.469
Foreign Banks	12.504	733.642
Headquarters and Branches Abroad	-	-
Other Institutions	-	73.698
Total	37.272	818.809

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

	Prior Period 31 March 2017	
	TL	FC
Banks	37.272	745.111
The CBRT	-	-
Domestic Banks	24.768	11.469
Foreign Banks	12.504	733.642
Headquarters and Branches Abroad	-	-
Other Institutions	-	73.698
Total	37.272	818.809

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

3.Information on interest expense given to securities issued:

	Current Period 31 March 2018	
	TL	FC
Interest expense on securities issued	204.385	144.384

	Prior Period 31 March 2017	
	TL	FC
Interest expense on securities issued	502.136	569.117

4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

Current Period- 31.03.2018	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	1.166	29.320	10.050	2.271	-	-	42.807
Saving Deposits	-	487.797	983.146	13.629	20.021	18.747	1.523.340
Public Sector Deposits	-	2.081	754	35	2	4	2.876
Commercial Deposits	-	254.839	426.376	10.576	19.818	16.120	727.729
Other Deposits	1	12.480	58.458	1.541	4.617	7.614	84.711
Total	1.167	786.517	1.478.784	28.052	44.458	42.485	2.381.463
FC							
Foreign Currency Deposits	2.523	139.294	284.924	15.614	57.405	40.077	539.837
Bank Deposits	80	5.523	30.985	2.748	2.753	151	42.240
Precious Metals Deposits	-	-	-	-	313	124	437
Total	2.603	144.817	315.909	18.362	60.471	40.352	582.514
Grand Total	3.770	931.334	1.794.693	46.414	104.929	82.837	2.963.977

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Prior Period – 31.03.2017	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	165	21.020	23.098	446	236	76	45.041
Saving Deposits	-	362.048	670.873	13.968	15.180	16.797	1.078.866
Public Sector Deposits	-	2.281	920	273	45	1	3.520
Commercial Deposits	-	188.713	242.667	39.194	36.948	12.949	520.471
Other Deposits	1	15.141	50.525	30.820	29.577	6.317	132.381
Total	166	589.203	988.083	84.701	81.986	36.140	1.780.279
FC							
Foreign Currency Deposits	1.224	113.696	180.262	37.753	27.536	35.182	395.653
Bank Deposits	-	1.611	13.180	3.168	1.658	198	19.815
Precious Metals Deposits	-	-	1	-	225	61	287
Total	1.224	115.307	193.443	40.921	29.419	35.441	415.755
Grand Total	1.390	704.510	1.181.526	125.622	111.405	71.581	2.196.034

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

	Current Period 31 March 2018
Profit	132.350.206
Income From Capital Market Transactions	122.163
Income From Derivative Financial Transactions (*)	7.300.452
Foreign Exchange Gains	124.927.591
Loss (-)	132.547.423
Loss from Capital Market Transactions	114.819
Loss from Derivative Financial Transactions (*)	6.603.283
Foreign Exchange Loss	125.829.321
Total (Net)	(197.217)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 916.321.

	Prior Period 31 March 2017
Profit	207.643.645
Income From Capital Market Transactions	95.001
Income From Derivative Financial Transactions (*)	5.710.777
Foreign Exchange Gains	201.837.867
Loss (-)	207.659.428
Loss from Capital Market Transactions	58.400
Loss from Derivative Financial Transactions (*)	6.086.626
Foreign Exchange Loss	201.514.402
Total (Net)	(15.783)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL (280.757).

d. Explanations on other operating income:

Other Operating Income" in the Income Statement mainly includes collections from receivables for which provision has been allocated in prior periods and provisions that have been set aside in prior periods and reversed in the current year with the sale from non-performing loans portfolio.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

	Current Period
	31 March 2018
Expected Credit Loss	703.365
12 month expected credit loss (stage 1)	54.323
Significant increase in credit risk (stage 2)	251.305
Non-performing loans (stage 3)	397.737
Marketable Securities Impairment Expense	-
Financial Assets at Fair Value through Profit or Loss	-
Available-for-sale Financial Assets	-
Investments in Associates, Subsidiaries and Held-to-maturity	-
Securities Value Decrease	-
Investments in Associates	-
Subsidiaries	-
Joint Ventures	-
Held-to-maturity Investments	-
Other	-
Total	703.365

	Prior Period
	31 March 2017
Specific Provisions for Loans and Other Receivables	414.505
III. Group Loans and Receivables	394.319
IV. Group Loans and Receivables	16.087
V. Group Loans and Receivables	4.099
General Provision Expenses	38.187
Free Provision Expense for Possible Risks	-
Marketable Securities Impairment Expense	-
Financial Assets at Fair Value through Profit or Loss	-
Available-for-sale Financial Assets	-
Investments in Associates, Subsidiaries and Held-to-maturity	-
Securities Value Decrease	-
Investments in Associates	-
Subsidiaries	-
Joint Ventures	-
Held-to-maturity Investments	-
Other	20.249
Total	472.941

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

f. Information related to other operating expenses:

	Current Period 31 March 2018
Personnel Expenses	567.052
Reserve for Employee Termination Benefits	2.615
Bank Social Aid Fund Deficit Provision	-
Impairment Expenses of Fixed Assets	-
Depreciation Expenses of Fixed Assets	42.621
Impairment Expenses of Intangible Assets	-
Goodwill Impairment Expenses	-
Amortization Expenses of Intangible Assets	39.535
Impairment Expenses of Equity Participations for which Equity Method is Applied	-
Impairment Expenses of Assets Held for Resale	10
Depreciation Expenses of Assets Held for Resale	-
Impairment Expenses of Fixed Assets Held for Sale	-
Other Operating Expenses	538.513
Operational Leasing Expenses	53.765
Maintenance Expenses	6.778
Advertisement Expenses	25.733
Other Expenses	452.237
Loss on Sales of Assets	126
Other(*)	171.314
Total	1.361.786

(*)"Personnel Expenses", which is not included in "Other Operating Expenses" in the Income Statement as a separate item, is also included in this table.

	Prior Period 31 March 2017
Personnel Expenses	467.156
Reserve for Employee Termination Benefits	651
Bank Social Aid Fund Deficit Provision	-
Impairment Expenses of Fixed Assets	1.473
Depreciation Expenses of Fixed Assets	38.321
Impairment Expenses of Intangible Assets	-
Goodwill Impairment Expenses	-
Amortization Expenses of Intangible Assets	28.965
Impairment Expenses of Equity Participations for which Equity Method is Applied	-
Impairment Expenses of Assets Held for Resale	27
Depreciation Expenses of Assets Held for Resale	-
Impairment Expenses of Fixed Assets Held for Sale	-
Other Operating Expenses	452.384
Operational Leasing Expenses	48.207
Maintenance Expenses	7.201
Advertisement Expenses	28.209
Other Expenses	368.767
Loss on Sales of Assets	-
Other(*)	157.710
Total	467.156

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

g. Information on income/loss from minority interest:

	Current Period
	31 March 2018
Income/(loss) from minority interest	5

	Prior Period
	31 March 2017
Income/(loss) from minority interest	9

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

As of 31 March 2018, the Group has a current tax expense of TL 309.870, deferred tax expense of TL 320.565 and deferred tax income of TL 147.923.

The Group has no discontinued operations.

i. Explanation on current period net profit and loss of continued and discontinued operations:

Net profit of the Bank is TL 1.693.860

The Group has no discontinued operations

j. 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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

V. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED 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. Current period – 31 March 2018

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

	Current Period 31 March 2018
Cash	5.790.226
Cash, Foreign Currency and Other	2.205.232
Demand Deposits in Banks	3.584.994
Cash Equivalents	6.907.240
Interbank Money Market Placements	1.544.455
Time Deposits in Banks	5.356.284
Marketable Securities	6.501
Total Cash and Cash Equivalents	12.697.466

1.(ii) Cash and cash equivalents at the end of period:

	Current Period 31 March 2018
Cash	4.969.582
Cash, Foreign Currency and Other	2.118.128
Demand Deposits in Banks	2.851.454
Cash Equivalents	5.699.348
Interbank Money Market Placements	2.073.668
Time Deposits in Banks	3.387.153
Marketable Securities	238.527
Total Cash and Cash Equivalents	10.668.930

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

1. Prior period – 31 December 2017

2.(i) Cash and cash equivalents at the beginning of the period:

	Prior Period 31 March 2017
Cash	3.750.722
Cash, Foreign Currency and Other	1.835.555
Demand Deposits in Banks (*)	1.915.167
Cash Equivalents	9.076.729
Interbank Money Market Placements	37
Time Deposits in Banks	9.029.952
Marketable Securities	46.740
Total Cash and Cash Equivalents	12.827.451

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

	Prior Period 31 March 2017
Cash	3.327.914
Cash, Foreign Currency and Other	1.714.135
Demand Deposits in Banks (*)	1.613.779
Cash Equivalents	4.073.823
Interbank Money Market Placements	30.354
Time Deposits in Banks	4.042.210
Marketable Securities	1.259
Total Cash and Cash Equivalents	7.401.737

(*) The restricted demand accounts are not included.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

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

1. Current Period – 31 March 2018:

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	-	-	5.605.978	923.699	-	-
Balance at the End of the Period	-	-	5.319.917	1.028.553	-	-
Interest and Commission Income Received	-	-	135.150	1.723	-	-

2. Prior Period – 31 December 2017:

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	-	-	4.591.797	900.600	-	-
Balance at the End of the Period	-	-	5.605.978	923.699	-	-
Interest and Commission Income Received	-	-	117.799	759	-	-

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

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period		Current Period		Current Period	
	31.03.2018		31.03.2018		31.03.2018	
Deposit						
Balance at the Beginning of the Period	-	-	3.074.721		2.311.399	
Balance at the End of the Period	-	-	3.568.743		2.686.577	
Interest on Expense Deposits	-	-	65.467		56.501	

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period		Current Period		Current Period	
	31.12.2017		31.12.2017		31.12.2017	
Deposit						
Balance at the Beginning of the Period	-	-	2.172.789		2.315.646	
Balance at the End of the Period	-	-	3.074.721		2.311.399	
Interest on Expense Deposits	-	-	49.177		41.166	

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)	Direct and Indirect Shareholders of the Group	Other Real and Legal Persons that have been included in the Risk Group
	Current Period 31.03.2018	Current Period 31.03.2018	Current Period 31.03.2018
Transactions at Fair Value Through Profit or Loss			
Beginning of the Period	-	13.638.708	-
Balance at the End of the Period	-	13.712.695	-
Total Income/Loss	-	13.507	-
Transactions for Hedging Purposes			
Beginning of the Period	-	-	-
Balance at the End of the Period	-	-	-
Total Income/Loss	-	-	-
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
	Prior Period 31.12.2017	Prior Period 31.12.2017	Prior Period 31.12.2017
Transactions at Fair Value Through Profit or Loss			
Beginning of the Period	-	10.110.973	-
Balance at the End of the Period	-	13.638.708	-
Total Income/Loss	-	(11.859)	-
Transactions for Hedging Purposes			
Beginning of the Period	-	-	-
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 2017, the net exposure for direct and indirect shareholders of the Group is TL(266.202) (31 December 2017: TL (153.254)).

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

As of 31 March 2018 benefits provided to the Group's key management amounting to TL 24.708 (31 December 2017: TL 20.854).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

The paid-up capital of Ak Yatırım Menkul Değerler A.Ş., a wholly-owned subsidiary of the Bank, is TL 50,000,000 from TL 30,000,000 to TL 80,000,000.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

**SECTION SIX
EXPLANATIONS ON AUDITOR'S REPORT**

I. EXPLANATIONS ON AUDITOR'S REPORT

The interim period consolidated financial statements for the period ended 31 December 2018 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 31 January 2017 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

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

Message from the Chairman of the Board:

In 2017, global economic growth strengthened and became more broad-based in parallel to the acceleration of trade activity. This outlook is expected continue in 2018. In the meantime; trade tensions between the US and China poses risks around multinational trade agreements. More recently; new sanctions to Russia and developments about Syria cause fluctuations in financial markets. On the domestic front; leading parameters indicate the continuation of robust growth in Turkish economy. Due to higher in oil prices and domestic demand, current account deficit and inflation are also trending higher.

With the bilateral trade deficit of the US against China reaching 376 billion \$, US' decision to lift the tax for some imports from China caused considerable volatility in markets. Milder and more constructive tone of statements, however, led to some stabilization. Trump administration is focusing on a more protectionist approach and leaning towards bilateral negotiations with individual countries rather than taking part in large multinational agreements. In this respect; although uncertainties about international trade seem to have diminished somewhat, potential developments in the coming months will be closely watched by investors.

After the new Fed governor, Powell, came to office in February, Fed raised the FOMC target range by 25 basis points to 1.50%-1.75%. In the meeting, especially economic growth and policy rate projections have also been revized upward. Although a further two rate hikes are projected, three more rate hikes this year is likely due to robust growth and better inflation outlook.

The most important development in Europe was European Central Bank's drop of its guidance about the possibility of expanding asset purchase program. In Euro Area; while economic growth is robust, inflation is still trending subdued. ECB expects, however, core inflation to rise in the medium term.

Domestically; economic growth became 7.4% in 2017, highest in the last four years. Private consumption and investments made the highest contributions. Due to acceleration of imports in the last quarter of 2017, contribution of net exports has become close to zero. In the first quarter of 2018, despite the continuing rise in exports due to robust demand from EU; the pace of increase in imports is higher owing to higher energy prices, gold imports and robust domestic demand. Along with these developments; trade and current account deficit have widened.

Trends in the economic parameters that are announced earlier than GDP figures, such as industrial production and manufacturing sector expectations index, indicate that robust domestic economic activity is continuing in 2018.

While annual inflation declined to 10.23% in March, food price dynamics, local currency depreciation and higher levels of oil prices limit further potential decline in inflation. We expect inflation to close the year at around 10% and Central Bank of Turkey to continue its tight monetary policy stance.

In the first quarter of 2018, budget deficit became 20,4 billion TL, primary balance also print a deficit of 1.9 billion TL. Although central budget expenditures increased along with the rises in capital and interest rate expenditures, revenues are also strong due to robust economic activity. With these dynamics, budget deficit increased by 37% in the first quarter. Budget figures are aligned with medium-term program targets.

Although there has been some deceleration in credit activity, annualized credit growth is 20% as of the end of March. Non-performing loan ratio is trending low at 2.9% and capital adequacy ratio is high at 16.7%.

Developments on trade tensions, geopolitical uncertainties and policy guidance of developed countries' central banks will continue to affect financial markets. As developments on these fronts would likely impact the capital flows towards emerging markets, one has to remain prepared for potential market volatilities.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

Message from the CEO

The country's banking sector is one of the Turkish economy's fundamental strengths. Over the past quarter, our stability and dependability continued to inform our way of doing business as we galvanised our strong balance sheet with international financing at very reasonable rates. Our effective risk management and subsequently our good quality asset structure have aided in our healthy growth performance, which has set us apart from our peers.

Our assets increased to TL 348 billion in the first quarter of 2018. Compared to the year-end, we increased our deposits by 4.8 percent to over TL 211 billion. Our bank reported a net profit of TL 1 billion 694 million after TL 482 million tax provisions. The support we provided to the economy increased to a total of TL 278 billion, with TL 225 billion in cash loans. Our support to the real sector increased by 5.6 percent to TL 175 billion.

Asset quality remains as one of the top priorities of our bank. Over the past quarter, our NPL has remained at 1.9%, which was lower than the sector average and also pointed towards our healthy, high-quality, and disciplined growth performance. Our loan provision for this period remains at 154% of our frozen receivables.

We are dedicated to supporting the Turkish economy and the real sector by providing financing from international markets on favourable terms. With its strong financials, Akbank has secured a total of USD 2.4 billion financing through the equivalent of USD 1.2 billion syndicated loan facility, USD 795 million securitisation issuance and USD 400 million Tier 2 eurobond issuance. High participation in the syndicated loan deals speaks to Akbank's strong reputation and is significant in demonstrating the investors' faith in the Turkish economy as well as showing increasing foreign investor interest.

Sustaining our customers' trust and satisfaction has always been our core responsibility. As we celebrate Akbank's 70th year, we became Turkey's most valuable banking brand for the seventh time in a row. This consistent performance is a sign of our vision of sustainable success. The past few months have also seen a particularly exciting development for our future plans. We have recently launched our new branch concept, destined to be a milestone for the sector not just in Turkey but also globally. We're happy to see that it has our new model has had a positive impact on both our customer satisfaction numbers as well as our financial results. In the days ahead, we will keep concentrating on further projects and investments in innovation; not just to benefit our bank but also the country as a whole.

Akbankers remain our key, most important asset. As we venture into the future, I am honored to be working alongside with such a highly motivated and dedicated group of people. I am convinced that our team is the best in our sector, and I would like to thank each and every one of them from the bottom of my heart. I would also like to take this opportunity to extend my deep gratitude to our customers and shareholders.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

A. INTRODUCTION

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

There are no changes in the Articles of Association during the period.

2. Important Issues and Transactions during the period

Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş., which is 100% owned by the Bank, has been established on 20 February 2018.

TL 774 million (in full TL principal amount) portion of the Bank's non-performing loan portfolio has been sold at a price of TL 36 million (in full TL amount) to 3 companies Efes Varlık Yönetim A.Ş., Hayat Varlık Yönetimi A.Ş. and Final Varlık Yönetimi A.Ş.

Under the securitization program based on the future cash flows of our bank, a total of 795 million USD financing was provided in 5 separate segments with the longest maturity of 7,5 years.

Akbank provided syndication loans worth US \$ 1.24 billion to international markets at US \$ 604.5 million and Euro 483 million. The portion of the loan equivalent to USD 950 million is 1 year; And 250 million US Dollars were provided with a 2 year maturity. The total cost of the 1-year maturity term of the loan is Libor + 1,30% and Euribor + 1,20%; The total cost of the 2-year maturity term is Libor + 2.10%.

International rating agency Moody's has reduced March 7, 2018 from the date of Turkey's credit rating to Ba1 from Ba2, he had turned from stable its outlook to negative. Moody's said that after the downgrade, 14 banks, including Akbank, have lowered their long-term credit ratings from Ba1 to Ba2. Akbank's view of the note turned from a negative to a standstill.

B. BANKING SECTOR FIRST QUARTER OVERVIEW

In the first quarter of 2018, loan growth in the sector was 4,8% and deposit growth in the funding side was 4,3%.

As of March 31, 2018, NPL ratio of the sector was at 2,8%.

C. UNCONSOLIDATED FINANCIAL RESULTS

1. Main Balance Sheet Items (TL Million) :

	31.03.2018
	Consolidated
	Financial Results
Total Asset	348.454
Loans	222.572
Deposits	211.173
Equity	41.160
Net Income	1.694
	31.12.2017
	Consolidated
	Financial Results
Total Asset	341.610
Loan	209.478
Deposit	201.456
Equity	40.614
Net Income (31.03.2017)	1.452

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

2. Main Financial Ratios (%) :

	31.03.2018
	Consolidated
	Financial Results
Loan / Total Assets:	63,9
Deposit / Total Assets:	60,6
Return on Equity:	16,6
Return on Assets:	2,0
NPL Ratio:	1,9
Capital Adequacy Ratio:	15,62
Earnings Per Share (TL):	0,00423

	31.12.2017
	Consolidated
	Financial Results
Loan / Total Assets:	61,3
Deposit / Total Assets:	60,0
Return on Equity: (31.03.2017)	17,0
Return on Assets: (31.03.2017)	1,9
NPL Ratio:	2,0
Capital Adequacy Ratio:	15,8
Earnings Per Share (TL): (31.03.2017)	0,00363

3. Akbank 1Q18 Results Overview:

Akbank reported a gross profit of TL 2.176 million. setting aside TL 483 million million of tax provisions, the bank reported a net unconsolidated profit of TL 1.694 million in the first quarter of the year. ROE of the bank has realized at 16.6% by the end of first quarter of the year.

As of March 2018, Akbank's consolidated total asset realize TL 348 billion, cash loans are approximately TL 223 billion, total deposit is TL 211 billion.

Akbank'in NPL ratio decreased by 1.9% compared to the end of the year.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2018

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

4. Bank's Expectations For 2018:

There is no change "Forward Looking Expectations" of Bank which has been disclosed to public on 8 January 2018.

Macroeconomic Indicators (%)	2018
GDP Growth	4,5
CPI	~9,0
Banking Sector Expectation (%)	2018
Asset Growth	12-14
Loan Growth	12-14
Deposit Growth	12-14
Akbank Growth Guidance (Consolidated)	2018
Asset Growth	13-15
Loan Growth	13-15
Deposit Growth	13-15
	2018
Return on Asset	~%1,8
Leverage Ratio	~9,0x
Return on Equity	%15,5-16
Net Interest Margin	~%3,5
Net fees&com. Growth	~%15
Opex Growth	~%13
Cost / Income	~%35
Cost / Asset	~%1,6
Capital Adequacy Ratio	~%15
Loan / Deposit Ratio	%Max 105%
NPL Ratio	~%2,1
Cost of Risk(**)	~50 bps
EPS Growth	~%12
	2018 ve beyond
Return on Asset	%1,7-1,9
Leverage	9,0x-9,5x
Return on Equity	%15-17

(*)Approximately 2% of operational expenses are related to non-recurring investments.

(**) According to Turkey Financial Reporting Standart 9 (TFRS) and ve the specific loan loss provision rate of about 80%.