AKBANK T.A.Ş.

PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT 31 MARCH 2019 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 2019 include a free provision amounting to to TL 650.000 thousand which consist of TL 550.000 thousand provided in prior periods and TL 100.000 thousand recognized in current period by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

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, 26 April 2019

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 2019

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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 CONSOLIDATED 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	-	-
5.	AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş.	-	-

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 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.

26 April 2019

Suzan SABANCI DİNÇER	Eyüp ENGİN	Ş.Yaman TÖRÜNER	S. Hakan BİNBAŞGİL	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:

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

(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 2019, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2018: 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	Graduate
Board of Directors:	Hayri ÇULHACI	Vice Chairman and Executive Board Member	Graduate
	Eyüp ENGİN	Executive Board Member	Undergraduate
	A. Fuat AYLA	Executive Board Member	Undergraduate
	Ş. Yaman TÖRÜNER	Board Member	Undergraduate
	I. Aydın GÜNTER	Board Member	Undergraduate
	Emre DERMAN	Board Member	Graduate
	Can PAKER	Board Member	PhD
	K. Özgür DEMİRTAŞ	Board Member	PhD
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
President and CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Head of Internal Audit:	Savas KÜLCÜ	Head of Internal Audit	Graduate
Executive Vice Presidents:	Bülent OĞUZ	Retail Banking	Graduate
	H.Burcu CİVELEK YÜCE	Human Resources and Strategy	Graduate
	Ege GÜLTEKİN	Credit Monitoring and Follow-up	Graduate
	Levent ÇELEBİOĞLU	Corporate and Investment Banking	Undergraduate
	Emin Tolga ULUTAŞ	Direct Banking	Graduate
	N. İlker ALTINTAŞ	Technology and Operation	PhD
	Mehmet Hakan TUGAL	Commercial Banking	Graduate
	Türker TUNALI	Financial Management	Undergraduate
	Şahin Alp KELER	Private Banking and Wealth Management	PhD
	Yunus Emre ÖZBEN	Credit Allocation	Graduate
	Zeynep ÖZTÜRK	Special Credits	Graduate
	Gamze Şebnem MURATOĞLU	Treasury	Graduate
Internal Audit Committee:	Eyüp ENGİN	Head of the Audit Committee	Undergraduate
	Ş. Yaman TÖRÜNER	Member of the Audit Committee	Undergraduate

The shares of individuals above are insignificant in the Bank.

Eyüp Engin, the Chairman of the Board of Inspectors, was appointed as the new member of the Bank's Board of Directors at the Ordinary General Assembly,head of audit committee, dated 25 March 2019, replacing A. Aykut Demiray. On 2 April 2019, the Chairman of the Board of Inspectors was assigned as Savaş Külcü instead of Eyüp Engin by attorney.

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

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.	2.119.027	40,75 %	2.119.027	-

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

The Bank's core business activities consist of retail banking, commercial banking, corporate-investment banking and private banking and wealth management, 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. via it's branch network. As of 31 March 2019, the Bank has 779 branches dispersed throughout the country and 1 branch operating abroad (31 December 2018: 780 branches and 1 branch operating abroad). As of 31 March 2019, the Bank has 13.165 employees (31 December 2018: 13.367).

The Parent Bank and its subsidiaries, Ak Finansal Kiralama A.Ş., Ak Yatırım Menkul Değerler A.Ş., AK Portföy Yönetimi A.Ş., Akbank AG, AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş. and together with A.R.T.S. Ltd., which is not subsidiary of the Bank, but over which the Bank has 100% controlling power due to the reason that this company is a "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 2019, the Group employed 13.552 people (31 December 2018: 13.757).

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

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SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.Ş.
I. CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2019 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL).)

	ASSETS	Note (Section Five)	CURRENT PERIOD (31/03/2019) TL	FC	Total	PRIOR PERIOD (31/12/2018) TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**47.490.004**	**98.049.982**	**145.539.986**	**46.382.717**	**77.050.098**	**123.432.815**
1.1	**Cash and Cash Equivalents**		**4.741.748**	**57.670.015**	**62.411.763**	**4.742.816**	**44.875.030**	**49.617.846**
1.1.1	Cash and Balances with Central Bank	(I-a)	4.222.616	32.414.616	36.637.232	4.725.334	25.388.490	30.113.824
1.1.2	Banks	(I-d)	519.134	25.255.412	25.774.546	12.206	18.947.192	18.959.398
1.1.3	Money Markets		3	-	3	5.283	539.374	544.657
1.1.4	Expected Loss Provision (-)		5	13	18	7	26	33
1.2	**Financial Assets at Fair Value Through Profit or Loss**	**(I-b)**	**43.539**	**6.994.414**	**7.037.953**	**41.355**	**6.827.669**	**6.869.024**
1.2.1	Government Debt Securities		11.053	-	11.053	10.113	-	10.113
1.2.2	Equity Instruments		15.262	173.245	188.507	13.223	137.461	150.684
1.2.3	Other Financial Assets		17.224	6.821.169	6.838.393	18.019	6.690.208	6.708.227
1.3	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(I-e)**	**24.212.188**	**27.496.025**	**51.708.213**	**24.621.916**	**19.718.126**	**44.340.042**
1.3.1	Government Debt Securities		23.652.046	15.044.167	38.696.213	23.928.005	12.574.559	36.502.564
1.3.2	Equity Instruments		15.777	607	16.384	13.013	607	13.620
1.3.3	Other Financial Assets		544.365	12.451.251	12.995.616	680.898	7.142.960	7.823.858
1.4	**Derivative Financial Assets**	**(I-c, I-l)**	**18.492.529**	**5.889.528**	**24.382.057**	**16.976.630**	**5.629.273**	**22.605.903**
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		16.093.279	5.726.568	21.819.847	15.240.691	5.375.604	20.616.295
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		2.399.250	162.960	2.562.210	1.735.939	253.669	1.989.608
II.	**FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)**		**133.266.189**	**95.354.409**	**228.620.598**	**127.799.798**	**91.661.834**	**219.461.632**
2.1	**Loans**	**(I-f)**	**133.626.439**	**86.214.328**	**219.840.767**	**127.299.268**	**82.014.178**	**209.313.446**
2.2	**Lease Receivables**	**(I-k)**	**1.922.825**	**4.341.405**	**6.264.230**	**1.885.058**	**4.530.478**	**6.415.536**
2.3	**Factoring Receivables**		**-**	**-**	**-**	**-**	**-**	**-**
2.4	**Other Financial Assets Measured at Amortised Cost**	**(I-g)**	**6.076.987**	**6.013.574**	**12.090.561**	**5.942.844**	**6.320.637**	**12.263.481**
2.4.1	Government Debt Securities		**6.076.987**	**3.332.153**	**9.409.140**	5.942.844	3.811.339	9.754.183
2.4.2	Other Financial Assets		**-**	**2.681.421**	**2.681.421**	-	2.509.298	2.509.298
2.5	**Expected Credit Loss (-)**		**8.360.062**	**1.214.898**	**9.574.960**	**7.327.372**	**1.203.459**	**8.530.831**
III.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE**				-			
	AND RELATED TO DISCONTINUED OPERATIONS (Net)	**(I-o)**	**263.366**	**-**	**263.366**	**264.384**	**-**	**264.384**
3.1	Held for Sale Purpose		263.366	-	263.366	264.384	-	264.384
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		**5.521**	**-**	**5.521**	**5.521**	**-**	**5.521**
4.1	**Investments in Associates (Net)**	**(I-h)**	**5.521**	**-**	**5.521**	**5.521**	**-**	**5.521**
4.1.1	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		5.521	-	5.521	5.521	-	5.521
4.2	**Subsidiaries (Net)**	**(I-i)**	**-**	**-**	**-**	**-**	**-**	**-**
4.2.1	Unconsolidated Financial Subsidiaries				-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries				-	-	-	-
4.3	**Joint Ventures (Net)**	**(I-j)**	**-**	**-**	**-**	**-**	**-**	**-**
4.3.1	Joint Ventures Valued Based on Equity Method				-	-	-	-
4.3.2	Unconsolidated Joint Ventures				-	-	-	-
V.	**PROPERTY AND EQUIPMENT (Net)**		**4.398.537**	**54.527**	**4.453.064**	**3.951.289**	**7.763**	**3.959.052**
VI.	**INTANGIBLE ASSETS (Net)**		**647.196**	**5.322**	**652.518**	**640.599**	**5.594**	**646.193**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		647.196	5.322	652.518	640.599	5.594	646.193
VII.	**INVESTMENT PROPERTY (Net)**	**(I-m)**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**CURRENT TAX ASSET**		**614.456**	**33.669**	**648.125**	**274.086**	**31.948**	**306.034**
IX.	**DEFERRED TAX ASSET**	**(I-n)**	**93.318**	**3.176**	**96.494**	**102.264**	**41.544**	**143.808**
X.	**OTHER ASSETS (Net)**	**(I-p)**	**3.048.145**	**2.681.408**	**5.729.553**	**2.781.989**	**3.680.182**	**6.462.171**
	TOTAL ASSETS		**189.826.732**	**196.182.493**	**386.009.225**	**182.202.647**	**172.478.963**	**354.681.610**

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 2019 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL).)

	LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/03/2019) TL	FC	Total	PRIOR PERIOD (31/12/2018) TL	FC	Total
I.	**DEPOSITS**	**(II-a)**	**80.749.820**	**147.329.980**	**228.079.800**	**81.384.628**	**127.245.272**	**208.629.900**
II.	**FUNDS BORROWED**	**(II-c)**	**535.984**	**42.159.538**	**42.695.522**	**756.713**	**42.893.170**	**43.649.883**
III.	**MONEY MARKETS**		**7.626.887**	**10.652.295**	**18.279.182**	**3.918.298**	**10.356.718**	**14.275.016**
IV.	**SECURITIES ISSUED (Net)**	**(II-d)**	**8.669.647**	**8.254.702**	**16.924.349**	**4.854.728**	**8.216.719**	**13.071.447**
4.1	Bills		6.338.680	-	6.338.680	2.847.485	-	2.847.485
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		2.330.967	8.254.702	10.585.669	2.007.243	8.216.719	10.223.962
V.	**FUNDS**		**-**	**-**	**-**	**-**	**-**	**-**
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		**-**	**-**	**-**	**-**	**-**	**-**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**(II-b, II-g)**	**10.331.399**	**1.507.427**	**11.838.826**	**11.323.624**	**1.501.379**	**12.825.003**
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		9.614.028	1.507.427	11.121.455	10.678.666	1.501.379	12.180.045
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		717.371	-	717.371	644.958	-	644.958
VIII.	**FACTORING LIABILITIES**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**LEASE LIABILITIES (Net)**	**(II-f)**	**557.099**	**48.357**	**605.456**	-	-	**-**
X.	**PROVISIONS**	**(II-h)**	**1.266.681**	**173.097**	**1.439.778**	**1.080.235**	**262.149**	**1.342.384**
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		364.704	446	365.150	324.504	745	325.249
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		901.977	172.651	1.074.628	755.731	261.404	1.017.135
XI.	**CURRENT TAX LIABILITY**	**(II-i)**	**499.936**	**70.610**	**570.546**	**465.431**	**65.112**	**530.543**
XII.	**DEFERRED TAX LIABILITY**		**737.697**	**133.836**	**871.533**	**283.695**	**128.970**	**412.665**
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)**	**-**	**5.080.025**	**5.080.025**	**-**	**4.784.477**	**4.784.477**
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	5.080.025	5.080.025	-	4.784.477	4.784.477
XV.	**OTHER LIABILITIES**		**5.820.636**	**6.311.293**	**12.131.929**	**7.784.203**	**3.589.048**	**11.373.251**
XVI.	**SHAREHOLDERS' EQUITY**	**(II-k)**	**49.241.836**	**(1.749.557)**	**47.492.279**	**44.778.283**	**(991.242)**	**43.787.041**
16.1	Paid-in capital		5.200.000	-	5.200.000	4.000.000	-	4.000.000
16.2	Capital Reserves		5.320.613	-	5.320.613	3.607.551	-	3.607.551
16.2.1	Share Premium		3.505.742	-	3.505.742	1.700.000	-	1.700.000
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		1.814.871	-	1.814.871	1.907.551	-	1.907.551
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		2.083.588	6.055	2.089.643	2.094.642	6.055	2.100.697
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(100.273)	(1.755.612)	(1.855.885)	(267.437)	(997.297)	(1.264.734)
16.5	Profit Reserves		34.575.474	-	34.575.474	28.961.397	-	28.961.397
16.5.1	Legal Reserves		1.626.891	-	1.626.891	1.621.374	-	1.621.374
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		32.684.032	-	32.684.032	27.075.472	-	27.075.472
16.5.4	Other Profit Reserves		264.551	-	264.551	264.551	-	264.551
16.6	Income or (Loss)		2.162.285	-	2.162.285	6.382.004	-	6.382.004
16.6.1	Prior Periods' Income or (Loss)		754.549	-	754.549	672.838	-	672.838
16.6.2	Current Period Income or (Loss)		1.407.736	-	1.407.736	5.709.166	-	5.709.166
16.7	Minority Interest		149	-	149	126		126
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**166.037.622**	**219.971.603**	**386.009.225**	**156.629.838**	**198.051.772**	**354.681.610**

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

II. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 MARCH 2019

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

		Note (Section Five)	CURRENT PERIOD (31/03/2019) TL	FC	Total	PRIOR PERIOD (31/12/2018) TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)			**214.871.163**	**565.877.534**	**780.748.697**	**217.077.279**	**503.919.575**	**720.996.854**
I.	**GUARANTEES AND WARRANTIES**	**(III-2, 3)**	**21.408.807**	**29.119.097**	**50.527.904**	**22.122.020**	**30.673.351**	**52.795.371**
1,1	Letters of Guarantee		18.483.087	15.980.455	34.463.542	19.262.070	15.680.573	34.942.643
1.1.1	Guarantees Subject to State Tender Law		362.866	1.975.884	2.338.750	404.937	2.056.174	2.461.111
1.1.2	Guarantees Given for Foreign Trade Operations		-	2.850.987	2.850.987	-	2.836.723	2.836.723
1.1.3	Other Letters of Guarantee		18.120.221	11.153.584	29.273.805	18.857.133	10.787.676	29.644.809
1.2	Bank Acceptances		-	950.471	950.471	-	2.740.341	2.740.341
1.2.1	Import Letter of Acceptance		-	950.471	950.471	-	2.740.341	2.740.341
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		24.852	5.849.400	5.874.252	47.035	6.485.727	6.532.762
1.3.1	Documentary Letters of Credit		24.852	5.258.779	5.283.631	47.035	5.905.823	5.952.858
1.3.2	Other Letters of Credit		-	590.621	590.621	-	579.904	579.904
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		-	12.266	12.266	-	24.353	24.353
1.8	Other Guarantees		38.351	6.319.886	6.358.237	14.645	5.734.646	5.749.291
1.9	Other Collaterals		2.862.517	6.619	2.869.136	2.798.270	7.711	2.805.981
II.	**COMMITMENTS**	**(III-1)**	**44.693.002**	**20.779.859**	**65.472.861**	**42.300.534**	**12.166.965**	**54.467.499**
2.1	Irrevocable Commitments		43.810.385	20.297.088	64.107.473	41.404.186	11.705.009	53.109.195
2.1.1	Asset Purchase Commitments		8.217.948	17.340.224	25.558.172	6.589.831	8.568.468	15.158.299
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		8.031.476	2.954.322	10.985.798	8.203.743	3.134.146	11.337.889
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		3.015.809	-	3.015.809	2.514.769	-	2.514.769
2.1.8	Tax and Fund Liabilities from Export Commitments		3.028	-	3.028	3.693	-	3.693
2.1.9	Commitments for Credit Card Limits		20.282.058	-	20.282.058	19.788.847	-	19.788.847
2.1.10	Commitments for Credit Cards and Banking Services Promotions		87.039	-	87.039	82.378	-	82.378
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		4.173.027	2.542	4.175.569	4.220.925	2.395	4.223.320
2.2	Revocable Commitments		882.617	482.771	1.365.388	896.348	461.956	1.358.304
2.2.1	Revocable Loan Granting Commitments		811.300	-	811.300	837.281	-	837.281
2.2.2	Other Revocable Commitments		71.317	482.771	554.088	59.067	461.956	521.023
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**		**148.769.354**	**515.978.578**	**664.747.932**	**152.654.725**	**461.079.259**	**613.733.984**
3.1	Hedging Derivative Financial Instruments		16.002.400	50.995.145	66.997.545	16.237.238	45.937.006	62.174.244
3.1.1	Fair Value Hedges		4.757.125	20.695.029	25.452.154	4.768.063	16.510.663	21.278.726
3.1.2	Cash Flow Hedges		11.245.275	30.300.116	41.545.391	11.469.175	29.426.343	40.895.518
3.1.3	Foreign Net Investment Hedges		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		132.766.954	464.983.433	597.750.387	136.417.487	415.142.253	551.559.740
3.2.1	Forward Foreign Currency Buy/Sell Transactions		6.746.267	13.944.032	20.690.299	10.443.845	17.807.630	28.251.475
3.2.1.1	Forward Foreign Currency Transactions-Buy		5.593.154	5.040.154	10.633.308	6.988.529	7.632.814	14.621.343
3.2.1.2	Forward Foreign Currency Transactions-Sell		1.153.113	8.903.878	10.056.991	3.455.316	10.174.816	13.630.132
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		113.645.990	390.028.170	503.674.160	98.347.488	324.424.673	422.772.161
3.2.2.1	Foreign Currency Swap-Buy		43.277.465	125.078.154	168.355.619	37.673.866	105.283.829	142.957.695
3.2.2.2	Foreign Currency Swap-Sell		58.986.605	106.352.002	165.338.607	57.920.302	84.122.398	142.042.700
3.2.2.3	Interest Rate Swap-Buy		5.690.960	79.299.007	84.989.967	1.376.660	67.509.223	68.885.883
3.2.2.4	Interest Rate Swap-Sell		5.690.960	79.299.007	84.989.967	1.376.660	67.509.223	68.885.883
3.2.3	Foreign Currency, Interest Rate and Securities Options		9.071.639	32.213.455	41.285.094	27.559.961	47.939.566	75.499.527
3.2.3.1	Foreign Currency Options-Buy		3.933.407	6.562.951	10.496.358	12.676.191	15.377.034	28.053.225
3.2.3.2	Foreign Currency Options-Sell		5.138.232	5.562.950	10.701.182	14.883.770	13.150.254	28.034.024
3.2.3.3	Interest Rate Options-Buy		-	10.043.777	10.043.777	-	9.706.139	9.706.139
3.2.3.4	Interest Rate Options-Sell		-	10.043.777	10.043.777	-	9.706.139	9.706.139
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		3.229.798	3.222.061	6.451.859	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	3.222.061	3.222.061	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		3.229.798	-	3.229.798	-	-	-
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		73.260	25.575.715	25.648.975	66.193	24.970.384	25.036.577
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)			**858.874.235**	**319.646.540**	**1.178.520.775**	**832.861.014**	**307.602.995**	**1.140.464.009**
IV.	**ITEMS HELD IN CUSTODY**		**70.225.104**	**21.881.456**	**92.106.560**	**55.629.940**	**19.655.922**	**75.285.862**
4.1	Customer Fund and Portfolio Balances		7.052.069	-	7.052.069	3.954.484	-	3.954.484
4.2	Investment Securities Held in Custody		30.070.676	2.512.585	32.583.261	18.877.625	2.062.528	20.940.153
4.3	Cheques Received for Collection		26.463.155	2.982.027	29.445.182	26.095.801	2.704.389	28.800.190
4.4	Commercial Notes Received for Collection		6.036.855	3.901.760	9.938.615	6.151.125	3.550.546	9.701.671
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		602.349	12.485.084	13.087.433	550.905	11.338.459	11.889.364
4.8	Custodians		-	-	-	-	-	-
V.	**PLEDGES RECEIVED**		**206.455.035**	**92.130.788**	**298.585.823**	**202.720.210**	**89.021.704**	**291.741.914**
5.1	Marketable Securities		1.989.281	935.608	2.924.890	805.358	1.368.190	2.173.548
5.2	Guarantee Notes		724.898	613.431	1.338.328	763.134	565.924	1.329.058
5.3	Commodity		82.000	136.841	218.841	113.226	7.890	121.116
5.4	Warranty		-	-	-	-	-	-
5.5	Immovables		166.318.096	69.839.849	236.157.945	165.010.393	65.430.456	230.440.849
5.6	Other Pledged Items		37.340.760	20.605.059	57.945.819	36.028.099	21.649.244	57.677.343
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	**ACCEPTED BILL, GUARANTEES AND WARRANTEES**		**582.194.096**	**205.634.296**	**787.828.392**	**574.510.864**	**198.925.369**	**773.436.233**
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		**1.073.745.398**	**885.524.074**	**1.959.269.472**	**1.049.938.293**	**811.522.570**	**1.861.460.863**

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 2019
(Amounts are expressed in thousands of Turkish Lira (TL).)

	INCOME AND EXPENSE ITEMS	Note (Section Five)	CURRENT PERIOD (01/01-31/03/2019)	PRIOR PERIOD (01/01-31/03/2018)
I.	**INTEREST INCOME**	**(IV-a)**	**9.198.445**	**7.158.466**
1.1	Interest on Loans	(IV-a-1)	7.176.464	5.741.880
1.2	Interest on Reserve Requirements		120.363	92.176
1.3	Interest on Banks	(IV-a-2)	194.827	93.585
1.4	Interest on Money Market Transactions		519	41.440
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	1.546.016	1.071.321
1.5.1	Fair Value Through Profit or Loss		740	1.210
1.5.2	Fair Value Through Other Comprehensive Income		1.231.760	823.771
1.5.3	Measured at Amortised Cost		313.516	246.340
1.6	Financial Lease Interest Income		123.137	108.757
1.7	Other Interest Income		37.119	9.307
II.	**INTEREST EXPENSE (-)**	**(IV-b)**	**5.532.837**	**3.835.700**
2.1	Interest on Deposits	(IV-b-4)	4.030.165	2.963.977
2.2	Interest on Funds Borrowed	(IV-b-1)	467.138	257.764
2.3	Interest Expense on Money Market Transactions		450.076	239.117
2.4	Interest on Securities Issued	(IV-b-3)	493.052	348.769
2.5	Interest on Leases		23.523	-
2.6	Other Interest Expenses		68.883	26.073
III.	**NET INTEREST INCOME (I - II)**		**3.665.608**	**3.322.766**
IV.	**NET FEES AND COMMISSIONS INCOME**		**1.192.810**	**810.264**
4.1	Fees and Commissions Received		1.501.983	1.012.215
4.1.1	Non-cash Loans		145.102	74.147
4.1.2	Other		1.356.881	938.068
4.2	Fees and Commissions Paid (-)		309.173	201.951
4.2.1	Non-cash Loans		141	113
4.2.2	Other		309.032	201.838
V.	**DIVIDEND INCOME**		**3.993**	**1.666**
VI.	**TRADING INCOME / (LOSS) (Net)**	**(IV-c)**	**200.532**	**(197.217)**
6.1	Trading Gains / (Losses) on Securities		64.294	7.344
6.2	Gains / (Losses) on Derivative Financial Transactions		2.611.801	697.169
6.3	Foreign Exchange Gains / (Losses)		(2.475.563)	(901.730)
VII.	**OTHER OPERATING INCOME**	**(IV-d)**	**225.592**	**304.050**
VIII.	**GROSS OPERATING INCOME (III+IV+V+VI+VII)**		**5.288.535**	**4.241.529**
IX.	**EXPECTED CREDIT LOSS (-)**	**(IV-e)**	**1.264.826**	**703.365**
X.	**OTHER PROVISION EXPENSES (-)**		**494.864**	**-**
XI.	**PERSONNEL EXPENSE (-)**		**679.651**	**567.052**
XII.	**OTHER OPERATING EXPENSES (-)**	**(IV-f)**	**999.286**	**794.735**
XIII.	**NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)**		**1.849.908**	**2.176.377**
XIV.	**EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER**		**-**	**-**
XV.	**INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD**		**-**	**-**
XVI.	**INCOME/(LOSS) ON NET MONETARY POSITION**		**-**	**-**
XVII.	**PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)**		**1.849.908**	**2.176.377**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(IV-h)**	**442.168**	**482.512**
18.1	Current Tax Provision		47.499	309.870
18.2	Deferred Tax Income Effect (+)		1.058.215	320.565
18.3	Deferred Tax Expense Effect (-)		663.546	147.923
XIX.	**CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)**	**(IV-i)**	**1.407.740**	**1.693.865**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		**-**	**-**
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	**EXPENSES FOR DISCONTINUED OPERATIONS (-)**		**-**	**-**
21.1	Expenses for Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXII.	**PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)**		**-**	**-**
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		**-**	**-**
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	**CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)**		**-**	**-**
XXV.	**NET INCOME/(LOSS) (XIX+XXIV)**	**(IV-i)**	**1.407.740**	**1.693.865**
25.1	Income/(Loss) from the Group	(IV-g)	**1.407.736**	1.693.860
25.2	Income/(Loss) from Minority Interest		**4**	5
	Earning/(Loss) per share (in TL full)		0,00271	0,00423

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 2019
(Amounts are expressed in thousands of Turkish Lira (TL).)

		CURRENT PERIOD (31/03/2019)	PRIOR PERIOD (31/03/2018)
I.	**CURRENT PERIOD INCOME/LOSS**	**1.407.740**	**1.693.865**
II.	**OTHER COMPREHENSIVE INCOME**	**(602.205)**	**(23.618)**
2.1	**Not Reclassified Through Profit or Loss**	**(11.054)**	**(9)**
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	(14.172)	(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	3.118	3
2.2	**Reclassified Through Profit or Loss**	**(591.151)**	**(23.609)**
2.2.1	Foreign Currency Translation Differences	193.302	237.750
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(1.116.515)	(427.151)
2.2.3	Cash Flow Hedge Income/Loss	196.790	205.483
2.2.4	Foreign Net Investment Hedge Income/Loss	(85.984)	(113.407)
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	221.256	73.716
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**805.535**	**1.670.247**

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 2019

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

							Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
		Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	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)	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
	PRIOR 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		-	-	-	-	-	(9)	-	237.750	(333.177)	71.819	-	-	1.693.860	1.670.243	4	1.670.247
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		-	-	-	-	(136.823)	-	-	-	-	-	80.056	(80.056)	-	(136.823)	-	(136.823)
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	4.420.273	-	(6.020.273)	(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+...+X+XI)		**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**

							Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
		Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	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)	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
	CURRENT PERIOD (31/03/2019)																	
I.	**Prior Period End Balance**		4.000.000	1.700.000	-	1.907.551	2.207.533	(110.731)	3.895	2.329.472	(2.979.278)	(614.928)	28.961.397	672.838	5.709.166	43.786.915	126	43.787.041
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**		-	-	-	(92.680)	-	-	-	-	-	-	-	-	-	(92.680)	-	(92.680)
2.1	Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	(92.680)	-	-	-	-	-	-	-		-	(92.680)	-	(92.680)
III.	**Adjusted Beginning Balance (I+II)**		4.000.000	1.700.000	-	1.814.871	2.207.533	(110.731)	3.895	2.329.472	(2.979.278)	(614.928)	28.961.397	672.838	5.709.166	43.694.235	126	43.694.361
IV.	Total Comprehensive Income		-	-	-	-	-	(11.054)	-	193.302	(870.882)	86.429	-	-	1.407.736	805.531	4	805.535
V.	Capital Increase by Cash		1.200.000	1.805.742	-	-	-	-	-	-	-	-	-	-	-	3.005.742	19	3.005.761
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		-	-	-	-	-	-	-	-	-	-	5.614.077	81.711	-	5.695.788	-	5.695.788
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	-	(5.709.166)	(5.709.166)	-	(5.709.166)
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	(5.709.166)	(5.709.166)	-	(5.709.166)
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period-End Balance (I+II+III+...+X+XI)		**5.200.000**	**3.505.742**	**-**	**1.814.871**	**2.207.533**	**(121.785)**	**3.895**	**2.522.774**	**(3.850.160)**	**(528.499)**	**34.575.474**	**754.549**	**1.407.736**	**47.492.130**	**149**	**47.492.279**

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 2019
(Amounts are expressed in thousands of Turkish Lira (TL)).

		Note (Section Five)	CURRENT PERIOD (31/03/2019)	PRIOR PERIOD (31/03/2018)
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	Operating Profit before changes in operating assets and liabilities		3.830.257	2.558.050
1.1.1	Interest received		8.563.818	6.386.312
1.1.2	Interest paid		(5.298.539)	(3.793.961)
1.1.3	Dividend received		-	1.666
1.1.4	Fees and commissions received		1.465.588	1.007.768
1.1.5	Other income		236.568	(177.153)
1.1.6	Collections from previously written-off loans and other receivables		353.930	403.210
1.1.7	Payments to personnel and service suppliers		(730.720)	(618.083)
1.1.8	Taxes paid		(54.373)	(43.435)
1.1.9	Other		(706.015)	(608.274)
1.2	Changes in operating assets and liabilities		13.666.419	(5.952.905)
1.2.1	Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss		(328.052)	(117.321)
1.2.2	Net (increase) / decrease in due from banks and other financial institutions		8.624.562	884.196
1.2.3	Net (increase) / decrease in loans		(10.616.805)	(10.657.253)
1.2.4	Net (increase) / decrease in other assets		(7.693.181)	(6.431.297)
1.2.5	Net increase / (decrease) in bank deposits		1.525.137	(979.397)
1.2.6	Net increase / (decrease) in other deposits		17.842.183	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		(270.986)	1.720.046
1.2.9	Net increase / (decrease) in payables		-	-
1.2.10	Net increase / (decrease) in other liabilities		4.583.561	(1.003.027)
I.	Net cash provided from banking operations		17.496.676	(3.394.855)
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	Net cash provided from investing activities		(4.021.956)	3.022.116
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		(373.186)	(139.703)
2.4	Disposals of property and equipment		178.869	14.235
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(8.512.726)	(11.425.768)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		1.295.659	3.615.040
2.7	Purchase of Financial Assets Measured at Amortised Cost		5.841	-
2.8	Sale of Financial Assets Measured at Amortised Cost		1.086.086	12.046.348
2.9	Other		2.297.501	(1.088.036)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	Net cash provided from financing activities		3.578.916	(2.245.748)
3.1	Cash obtained from funds borrowed and securities issued		18.871.757	6.500.971
3.2	Cash used for repayment of funds borrowed and securities issued		(14.687.385)	(7.146.719)
3.3	Issued equity instruments		-	-
3.4	Dividends paid		-	(1.600.000)
3.5	Payments for finance leases		(605.456)	-
3.6	Other		-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents		(2.837.539)	589.951
V.	Net increase in cash and cash equivalents (I+II+III+IV)		14.216.097	(2.028.536)
VI.	Cash and cash equivalents at beginning of the period	**(V-a)**	18.432.454	12.697.466
VII.	Cash and cash equivalents at end of the period	**(V-a)**	32.648.551	10.668.930

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

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 Standard 34 ("TAS 34") Interim Financial Reporting Standard 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 TFRS 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 to English:

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

c. Accounting policies and valuation principles used in the preparation of the financial statements:

Accounting policies and valuation principles adopted when preparing financial statements are in line with the legislation, communiqué, explanation and circular released by BRSA concerning accounting and financial reporting, and, for matters which are not regulated by the foregoing, with the provisions of TAS/TFRS (together "BRSA Accounting and Financial Reporting Legislation) put into force by Public Oversight, Accounting and Auditing Standards Authority (POA). As per the TFRS 16 provisions related to the transition, financial statements and footnotes of previous periods have not readjusted. Impact and application regarding TFRS 16 transition process have been explained in footnote XXIX of Section Three.

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

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

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

The Group's core business activities include retail banking, commercial banking, and corporate-investment banking and private banking and wealth management, 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 2019, foreign currency denominated balances are translated into TL using the exchange rates of TL 5,6000 and TL 6,2869 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.

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

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

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

Akbank AG operates in Germany, providing corporate, consumer and private banking services.

Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş., 100% owned by the Bank, has been established on 19 February 2018 to provide payment services and electronic money issuance 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 FORWARD TRANSACTIONS OPTIONS AND DERIVATIVE INSTRUMENTS:

The Group's major derivative instruments consists of foreign currency and interest rate swaps, cross currency swaps, currency options and currency forwards.

The Bank classifies its derivative instruments as "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income" in accordance with "TFRS 9 Financial Instruments" (TFRS 9) .

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

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income"; if the fair value difference is negative, it is disclosed in "Derivative Financial Liabilities Measured at Fair Value Through Profit and Loss" or "Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement. The basis on accounting of derivative instruments for hedging purposes are explained in Note VIII of Section Four. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Embedded derivatives have not been separated from its host contract and accounted under host contracts' accounting standards. As of 31 March 2019, the Group has no embedded derivative instruments.

V. 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 to calculate 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.

VI. 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" and TFRS 15 "Revenue from Contracts with Customers" according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Group categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortised 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.

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 Bank's claim to cash flows from specified assets
- Features that modify consideration for the time value of money – e.g. periodic reset of interest rates.

The 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, amortised cost or fair value through other comprehensive income.

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 Group management is changed, all financial assets affected by this change are reclassified and the reclassification is applied in the future. In this case, no adjustment is made for the gain, loss or interest rates previously recognized 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-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 amortised 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 the Bank can choose in an irrevocable 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 Amortised Cost:

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

Financial assets measured at amortised cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortised cost by using effective interest rate method. Interest income obtained from financial assets measured at amortised cost is accounted in income statement.

"Fair value through other comprehensive income" and "measured at amortised 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 "TFRS 9 Financial Instruments" ("TFRS 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

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. When inactive market conditions exist, observable inputs used in the determination of fair values are adjusted using appropriate assumptions and considering the volume and level of activity in the markets.

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 amortised cost using the "Effective Interest Rate (internal rate of return) Method".

1. Loans measured at amortised cost:

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.

2. Loans measured at fair value through profit or loss:

Loans at fair value through profit and loss, terms of the contract for loans, if at certain dates it does not result in cash flows involving interest payments arising from the principal and principal balances, it is recorded at fair value and is subject to fair value assessment following the recognition. Gains and losses resulting from the valuation are included in profit/loss accounts.

In certain circumstances, restructuring or altering the contractual cash flows of a financial instrument may result in the disposal of the existing financial asset in accordance with TFRS 9. A revised financial asset is considered as a new financial asset when the change in the financial asset is once excluded from the financial statement and the revised financial asset is recognized in accordance with TFRS 9.

The Bank assesses whether the new financial asset contains solely payments of principal and interest when the new conditions for the instrument have determined that there are significant changes compared to the initial conditions in the relevant contracts.

In the event that the contractual conditions for the financial asset do not result in cash flows that include solely payments of principal and interest on certain dates, the related financial asset is recognized with its fair value and is subject to valuation.

Significant increase in credit risk:

If the credit risk of financial assets determined to be significantly increasing, afore-mentioned assets are transferred to the stage II. For stage I loans expected loss (provision) amounts are calculated for 1-year and for stage II loans expected loss (provision) is calculated for the remaining life of the loan.

In addition, the key considerations in determining whether a significant increase in the credit risk of financial asset and transferring it to stage 2, but are not limited with these, the following;

- Number of over due date is 30 or more
- Restructuring of loans

- If the loan classified as under follow-up

- Assessment of significant increase in the probability of impairment based on rating notes.

Definition of increase in the probability of default is the comparison between the probability of default on loan's opening date, obtained from bank's internal rating-based credit rating models and probability of default on reporting date. If the loan's estimated probability of default on reporting date exceeds the threshold values determined, it is considered to be worsening of the probability of default.

Definition of Default:

The Bank considers that there is a default on the relevant debt in the following two cases:

1. Objective Default Definition: It means that the debt is overdue by more than 90 days. The definition of default, which is applicable to the Bank and its consolidated financial institutions, is based on the criteria that the debt is overdue by more than 90 days. If the debt is delayed by 90 days, it is not considered as a default. The situation of default is valid after 91th days.

2. Subjective Default Definition: It means that it is determined the debt will not be paid off. If the borrower deemed to be unable to fulfill the debt obligations, borrower should be considered as defaulted whether there is a overdue payment or number of days.

Write-off Policy:

The Group writes off financial assets when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery legally and effectively.

Partial write-off means that, when the Group and counterparty has an agreement on collection of partial contractual amount and after collecting related amount, remaining balance has been written-off from financial statements.

VIII. EXPLANATIONS ON EXPECTED CREDIT LOSS:

The Group allocates impairment for expected loss on financial assets measured at amortised 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.

Expected Credit Loss (ECL) Calculation – Input and Forecasting Methodologies

Expected Credit Loss (ECL) is calculated as 12 months or lifetime, depending on whether there is a significant increase in credit risk after initial recognition or whether an asset is considered as a credit loss. Expected Credit Loss is calculated by using the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) components.

- Probability of Default (PD): PD indicates the probability of default due to inability of the borrower to meet its debt obligations. It has been calculated for 12 months or lifetime depends on increase on borrower's credit risk.

- Loss Given Default (LGD): In case of default of the borrower, Loss Given Default has been calculated as dividing Expected Credit Loss to Exposure at Default (EAD). LGD models includes data such as product type, customer segment, collateral structure, customer repayment performance. Calculated LGD remains constant until its overdue.

- Exposure at Default: Specifies the amount of risk that the borrower should pay in case of default. It is kept in the system by constantly calculated until the bmaturity of the borrower. The amount of extra risk that can be incurred in the event of default is included in the calculations by using the credit conversion rate (CCR) calculated for the irrevocable commitment products.

Expected Credit Loss is calculated over the remaining maturity using the PD, LGD and EAD components. Calculated values are discounted on a monthly basis using the original effective interest rate or an approximate value of the discount rate. The expected credit loss value is calculated for all customers over the maturity period. However, for those who do not have a significant increase in credit risk, the 12-month ECL is taken into account, and for those with a significant increase in credit risk, the ECL value calculated over the remaining period is taken into account.

Macro-economic indicators are taken into account in determining the PD component in the expected credit loss calculation. Macro-economic indicators vary on a product-by-product basis for individual products and on a segment basis for commercial products. Future macroeconomic forecasts are reflected in the ECLs using more than one scenario.

The ECL calculations are reviewed once a year. After the last review during the reporting period;

- There is no update in the assumptions in the estimation techniques.

- Model risk parameters and macroeconomic estimation models have been updated with recent data.

- Expected Credit Loss calculation has been made with using multi-scenario structure by using updated macroeconomic model scenarios

Within the scope of TFRS 9, models of Probability of default (PD), Lost given default (LGD) and Exposure at default (EAD) have been developed. The models used by the IRB "(Internal Rating Based Approach)" are taken into account when creating these models. The models developed under TFRS 9 have a detailed segment structure. Loans that have similar characteristics are segmented in order to reflect the expected credit losses collectively in financial reports. When creating the segmentation structure, the following information of the loans is taken into consideration.

1. Customer type (retail or corporate / commercial)
2. Product type
3. IRB rating notes /scores
4. Customer credit performance
5. Collateral type
6. Collection Period
7. Exposure at default

Macro-economic indicators are taken into account in determining the PD component in the expected credit loss calculation. Macro-economic indicators vary on a product-by-product basis for individual products and on a segment basis for commercial products. Future macroeconomic forecasts are reflected in the ECLs using more than one scenario.

The risk parameters used in the IFRS 9 calculations include prospective macroeconomic information. While macroeconomic information is included, models and estimates reflecting the relationships between model risk parameters and macroeconomic variables are taken into consideration. The main macroeconomic indicators of these estimation models are the Gross Domestic Product (GDP) growth rate and the policy interest rate. Macroeconomic estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

The ECL calculations are reviewed once a year. After the last review during the reporting period. There is no update in the assumptions in the estimation techniques.

Within the scope IFRS 9, macroeconomic expectations directly affect provisions (Expected Credit Loss-ECL). Related impact is realized when the default ratio of the Bank moves the default rate calculated for each maturity up or down.The main parameters of default ratio model are "Growth Rate" and "Policy Interest". Therefore, the calculated provisions can change when the macroeconomic expectations are taken into consideration.

The PD values subject to the ECL calculation have been obtained for the following portfolios.

Consumer/Commercial	Portfolio
Consumer	Consumer
Consumer	Automotive
Consumer	Mortgage
Consumer	Credit Card
Consumer	Overdraft Account
Commercial	Micro
Commercial	Company
Commercial	Commercial
Commercial	Corporate

The prospective expectations have been determined based on 2 scenarios, base scenario and negative scenario. Each scenario has predetermined weights. Final allowances are calculated by weighting the probability given to the scenarios.

IX. 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.

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

Securities subject to repurchase agreements ("Repos") are classified as "Financial assets at fair value difference through profit or loss", "Financial assets at fair value difference through other comprehensive income" and "Measured at amortised 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".

The Group has securities lending transactions amounting TL 687.762 as of 31 March 2019 (31 December 2018: TL 335.021).

XI. 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 (TFRS 5)".

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Group has no goodwill.

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

Intangibles are amortised 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.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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.

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

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	3-7 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.

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "Lower of the fair value of the leased asset or the present value of the lease installments that are going to be paid for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any impairment in value of the leased asset, an impairment loss is recognized. Liabilities arising from the leasing transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

With the "TFRS 16 Leases" standard which became effective as of 01 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognised under "Tangible Fixed Assets" as an asset (tenure) and under "Liabilities from Leasing" as a liability. Impact and application of TFRS 16 concerning the transition were explained in Section three, footnote XXIX.

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.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

Obligations related to employment termination and vacation rights are accounted 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 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 paragraph (I) of Article 203 of Law no. 703 which published İn the Official Gazette no. 30473 dated 9 July 2018, the phrase, placed in 20th provisional article of Social Insurance and General Health Insurance Law no.5510, "Council of Ministers" is authorized to determine the date of transfer to the Social Security Institution has been replaced with "president".

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 2018 prepared considering the related articles of the New Law regarding the transferrable benefit obligations for the non-transferrable social benefits and payments which are included in the articles of association, the Fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

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

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

XVIII. EXPLANATIONS ON TAXATION:

a. Current Tax:

In Turkey, corporate tax rate is 20%. Corporate tax rate will be applied as 22% for a period of three years in 2018-2020, 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.

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

XIX. EXPLANATIONS ON BORROWINGS:

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

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

Issued capital of the bank was increased by TL 1.200.000.000 (full TL) from TL 4.000.000.000 (full TL) to TL 5.200.000.000 (full TL).

Within this scope,

- The total of funds earned were TL 3.005.741.611.22 (full TL) and TL 2.996.306.795,62 (full TL) of this amount results from using right of purchasing amounting TL 2.5 for each stock with a nominal value of TL 1 with the usage period of right of purchasing new stocks between 3 January 2019 and 17 January 2019, and TL 9.434.815,60 (full TL) results from the sales of the stock, which were left after using the right of purchasing new stocks, at the primary market of Borsa İstanbul A.Ş.

- Rights issue was completed on 28 February 2019 through completing registration and announcements pursuant to receiving the approvals from Capital Markets Board and Banking Regulation and Supervision Agency.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 March 2019 and 31 December 2018, there is no government grant for the Bank.

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

a. that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

b. whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

c. for which discrete financial information is available.

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

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

Under the Turkish Commercial Code, legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of 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.

Ordinary General Assembly Meeting of the Bank was held on 25 March 2019. In the General Assembly Meeting, it was decided to allocate the entire unconsolidated net profit amounting TL 5.689.644, which was earned from activities in 2018, as extraordinary legal reserve.

XXV. EARNINGS PER SHARE:

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

	Current Period 31 March 2019	**Prior Period 31 March 2018**
Net Profit for the Year	1.407.736	1.693.860
Average Number of Issued Common Shares (Thousand)	520.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	**0,00271**	**0,00423**

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.

The number of rights issued in 2019 is 120.000.000.000 (2018: None).

XXVI. 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 VI of Section Five.

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

Some classifications were made on statement of financial position dated 31 December 2018 and profit or loss statement, other comprehensive income, statement of changes in shareholders' equity and cash flow dated 31 March 2018 to be in compliance with the presentation of financial statements dated 31 March 2019.

XXIX. DISCLOSURES OF TFRS 16 LEASES:

The Bank has applied the new standards, amendments and interpretations effective from 1 January 2019, in accordance with the transition obligations of the related standard.

TFRS 16 "Leases" Standard

Group – lessee :

The Group assesses whether the contract has the quality of a lease or whether the lease includes the transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Group reflects the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

Right of use assets:

The right to use asset is first recognized by cost method and includes:

a) The initial measurement amount of the lease obligation,

b) the amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;

c) all initial direct costs incurred by the Bank and

When Group applying the cost method, the existence of the right to use:

a) accumulated depreciation and accumulated impairment losses are deducted and

b) Measures the restatement of the lease obligation at the restated cost.

The Lease Obligations:

At the effective date of the lease, the Group measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Group's average borrowing interest rates.

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

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

After the effective date of the lease, the Group measures the leasing liability as follows:

a) Increase the book value to reflect the interest on the lease obligation

b) Reduces the book value to reflect the lease payments made and

c) The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

The interest on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

First Transition to TFRS 16 Leasing Standard

"TFRS 16 Leasing" Standard was promulgated in Official Gazette No. 29826, dated 16 April 2018 to be applied in the accounting period starting on 31 December 2018. The Group applied TFRS 16 "Leasing" standard, which replaced TAS 17 "Leasing", as of 01 January 2019, the date of first implementation. The impact of the said transition on the equities were classified under "Other Capital Reserves" in expense equities amounting TL 118.848 Within this scope, deferred tax asset amounting TL 26.168 was reflected in the financial figures of 31 March 2019 and classified under "Other Capital Reserves" in equities. The Bank re-arranged the comparable amounts for the previous year by using the retrospective mixed transition practice. With this method, all tenure assets were measured based on the leasing debts (which are adjusted according to leasing costs paid in cash or accrued) in the transition period. Right and liability to use the asset pertaining to the lease, which were previously classified as financial leasing, were measured based on the carrying amount of the said assets before the transition.

During the first implementation, the Group recognised lease liability concerning the lease which were previously recognised as operational leasing as per TAS 17. These liabilities were measured based on the discounted current value by using the alternative borrowing rate of interest of remaining lease payments on 01 January 2019.

Right and liability to use the asset pertaining to the lease, which were previously classified as financial leasing, were measured based on the carrying amount of the said assets before the transition.

Details based on the asset with regard to the recognised asset tenure is as follows:

	31 March 2019	1 January 2019
Real estate	753.051	811.017
Total asset tenure	**753.051**	**811.017**

Details of depreciation expense based on the asset with regard to the recognised asset tenure is as follows:

	31 March 2019	1 January 2019
Real estate	311.799	315.566
Total asset tenure depreciation expense	**311.799**	**315.566**

Lease agreements for vehicles and ATMs, which are determined as low value by the Bank with short-term lease agreements with a duration of 12 months or less, have been evaluated within the scope of the exemption granted by the standard. Within this scope, TL 27.359 has been paid in the relevant period.

The right and obligation of the lessee to use assets classified as finance leases has been measured at the carrying amount of such assets before the transition period.

	1 January 2019
Operational leasing commitments	1.233.152
- Contracts that are excluded from the scope of TFRS 16 (-)	113.106
Total leasing liability	**1.120.046**
Discount obligations with an alternative borrowing rate	**660.638**

(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 2019, the current period equity of the Bank has been calculated as TL 54.369.669 (31 December 2018: TL 50.233.673), the capital adequacy ratio is 16,21% (31 December 2018: 16,77%). This ratio is above the minimum ratio required by the legislation.

a. Information about total consolidated capital items:

	Current Period 31 March 2019	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	7.014.872	
Share issue premiums	3.505.742	
Reserves	34.575.474	
Gains recognized in equity as per TAS	4.730.307	
Profit	2.162.285	
Current Period Profit	1.407.736	
Prior Period Profit	754.549	
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	149	
Common Equity Tier 1 Capital Before Deductions	**51.992.724**	
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	3.535	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	4.983.412	
Improvement costs for operating leasing	31.423	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	576.990	576.990
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	**5.595.360**	
Total Common Equity Tier 1 Capital	**46.397.364**	

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

	Current Period 31 March 2019	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)	**46.397.364**	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	5.040.000	
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)	2.935.332	
Tier II Capital Before Deductions	**7.975.332**	
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	**7.975.332**	
Total Capital (The sum of Tier I Capital and Tier II Capital)	**54.372.696**	
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 (-)	3.027	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deduct 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	-	

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

	Current Period 31 March 2019	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital	54.369.669	
Total risk weighted amounts	335.472.094	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	13,83%	
Tier 1 Capital Adequacy Ratio	13,83%	
Capital Adequacy Ratio	16,21%	
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	4,57%	
a) Bank specific total common equity tier 1 capital ratio	2,50%	
b) Capital conservation buffer requirement	0,02%	
c) Systemic significant bank buffer ratio (**)	2,00%	
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	5,83%	
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	(775.039)	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	4.461.288	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.935.332	
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.

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

	Prior Period 31 December 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	28.961.397	
Gains recognized in equity as per TAS	4.537.005	
Profit	6.382.004	
Current Period Profit	5.709.166	
Prior Period Profit	672.838	
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	126	
Common Equity Tier 1 Capital Before Deductions	**47.491.978**	
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	295	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	4.034.408	
Improvement costs for operating leasing	33.984	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	570.758	570.758
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	**4.639.445**	
Total Common Equity Tier 1 Capital	**42.852.533**	

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

	Prior Period 31 December 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)	**42.852.533**	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	4.734.000	
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)	2.650.648	
Tier II Capital Before Deductions	**7.384.648**	
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	**7.384.648**	
Total Capital (The sum of Tier I Capital and Tier II Capital)	**50.237.181**	
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 (-)	3.508	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deduct 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	-	

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

	Prior Period 31 December 2018	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital	50.233.673	
Total risk weighted amounts	299.614.763	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	14,30%	
Tier 1 Capital Adequacy Ratio	14,30%	
Capital Adequacy Ratio	16,77%	
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	3,43%	
a) Bank specific total common equity tier 1 capital ratio	1,88%	
b) Capital conservation buffer requirement	0,05%	
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	6,30%	
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	143.808	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	4.040.886	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.650.648	
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.

(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 2019
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)	2.800 million TL (in full TL amount)
Nominal value of instrument	2.800 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 2.800 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.

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

	Current Period 31 March 2019
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)	2.240 million TL (in full TL amount)
Nominal value of instrument	2.240 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 2.240 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 incompliances with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

(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 expected credit loss 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, 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 5,6000	TL 6,2869
1.Day bid rate	TL 5,6000	TL 6,2869
2.Day bid rate	TL 5,5423	TL 6,2335
3.Day bid rate	TL 5,3307	TL 6,0091
4.Day bid rate	TL 5,4945	TL 6,2162
5.Day bid rate	TL 5,6458	TL 6,3858

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 5,4661
EURO : TL 6,1770

As of 31 December 2018;

	USD	EURO
Balance Sheet Evaluation Rate	TL 5,2600	TL 6,0182

(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 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 2019	EURO	USD	Other FC	Total
Assets				
Cash Equivalents and Central Bank (**)	16.614.981	12.305.125	3.494.510	**32.414.616**
Banks	5.913.189	15.682.958	3.659.265	**25.255.412**
Financial Assets at Fair Value through Profit or Loss (Net)	-	6.994.414	-	**6.994.414**
Interbank Money Market Placements	-	-	-	**-**
Financial Assets measured at other comprehensive income (Net)	7.902.269	18.949.583	644.173	**27.496.025**
Loans (*****)	52.559.325	40.173.448	44.447	**92.777.220**
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	**-**
Financial assets measured at amortised cost (Net)	1.002.751	5.010.823	-	**6.013.574**
Hedging Derivative Financial Assets	55.902	190.585	79.123	**325.610**
Tangible Assets (Net)	47.505	7.022	-	**54.527**
Intangible Assets (Net)	5.300	22	-	**5.322**
Other Assets (****)	1.845.457	4.873.700	4.792	**6.723.949**
Total Assets	**85.946.679**	**104.187.680**	**7.926.310**	**198.060.669**
Liabilities				
Bank Deposits (**)	2.828.065	2.114.066	2.140.593	**7.082.724**
Foreign Currency Deposits (**)	50.709.726	84.040.907	5.496.623	**140.247.256**
Funds from Interbank Money Market	1.528.259	9.124.036	-	**10.652.295**
Borrowings	10.652.770	31.506.768	-	**42.159.538**
Marketable Securities Issued (Net) (***)	62.960	13.146.728	125.039	**13.334.727**
Miscellaneous Payables	3.543.641	2.472.238	8.063	**6.023.942**
Hedging Derivative Financial Liabilities	-	80.660	-	**80.660**
Other Liabilities	892.892	1.216.001	31.125	**2.140.018**
Total Liabilities	**70.218.313**	**143.701.404**	**7.801.443**	**221.721.160**
Net on Balance Sheet Position	**15.728.366**	**(39.513.724)**	**124.867**	**(23.660.491)**
Net off-Balance Sheet Position (*)	**(13.041.615)**	**37.985.607**	**(322.723)**	**24.621.269**
Financial Derivative Assets	49.284.099	112.087.302	1.883.224	**163.254.625**
Financial Derivative Liabilities	62.325.714	74.101.695	2.205.947	**138.633.356**
Non-cash Loans	**14.078.052**	**14.524.632**	**516.413**	**29.119.097**
Prior Period - 31 December 2018				
Total Assets	72.825.804	96.596.689	5.912.155	**175.334.648**
Total Liabilities	57.159.165	134.910.552	6.973.297	**199.043.014**
Net on-Balance Sheet Position	**15.666.639**	**(38.313.863)**	**(1.061.142)**	**(23.708.366)**
Net off-Balance Sheet Position (*)	**(13.231.094)**	**38.120.115**	**831.974**	**25.720.995**
Financial Derivative Assets	33.384.001	107.101.730	3.366.893	**143.852.624**
Financial Derivative Liabilities	46.615.095	68.981.615	2.534.919	**118.131.629**
Non-cash Loans	**13.863.804**	**16.296.526**	**513.021**	**30.673.351**

(*) Presents the net balance of receivables and payables from derivative transactions. Foreign Exchange spot dealings shown under "Asset purchase commitments" in the financial statements are included in the net off-balance sheet position.
(**) Of the Cash Equivalents and Central Bank and Other FC, TL 3.328.768 (31 December 2018: TL 3.490.205) of the foreign currency deposits TL 2.974.206 (31 December 2018: TL 2.484.399) and Bank Deposits Other FC of the TL 2.487 (31 December 2018: TL 1.892) are precious metal deposit account in demand.
(***) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.
(****)Derivative financial and expected credit loss are classified under other assets . The foreign currency indexed loans balance is TL 269.271 (31 December 2018: TL 120.518). Prepaid expenses in the financial statement amounting to TL 104.040 (31 December 2018 TL 86.577) is excluded.
(*****) The foreign currency indexed loans balance in the Turkish Lira accounts is TL 2.221.487 (31 December 2018: TL 3.062.779). Included lease receivables.

(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 2019	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	21.719.792	-	-	-	-	14.917.440	**36.637.232**
Banks	10.455.372	353.554	-	-	-	14.965.620	**25.774.546**
Financial Assets at Fair Value Through Profit or Loss (Net)	12.865	3.067	6.833.514	-	-	188.507	**7.037.953**
Interbank Money Market Placements	3	-	-	-	-	-	**3**
Financial Assets at measured Fair Value Other Comprehensive Income (Net)	6.403.108	6.351.540	11.579.419	19.286.956	7.813.028	274.162	**51.708.213**
Loans (***)	59.048.792	31.844.523	53.441.850	64.087.589	7.743.523	9.938.720	**226.104.997**
Financial Assets measured at amortised cost (Net)	1.461.876	1.196.129	5.521.156	2.721.779	1.189.621	-	**12.090.561**
Other Assets (****)	6.063.312	10.137.353	7.594.365	2.047.400	2.098.617	(1.285.327)	**26.655.720**
Total Assets	**105.165.120**	**49.886.166**	**84.970.304**	**88.143.724**	**18.844.789**	**38.999.122**	**386.009.225**
Liabilities							
Bank Deposits	6.108.231	1.172.179	434.923	-	-	1.861.259	**9.576.592**
Other Deposits	131.660.049	19.147.908	15.861.473	6.087.195	654.886	45.091.697	**218.503.208**
Funds from Interbank Money Market	8.067.821	3.632.529	6.115.236	-	-	463.596	**18.279.182**
Miscellaneous Payables	1.722.473	2.389.303	1.386.426	333.972	1.842	5.108.803	**10.942.819**
Marketable Securities Issued (Net) (*)	3.437.269	3.176.920	3.401.821	4.261.103	7.727.261	-	**22.004.374**
Borrowings	14.064.532	23.258.354	1.509.779	1.149.553	2.713.304	-	**42.695.522**
Other Liabilities (**)	2.842.369	5.651.894	3.739.631	1.084.536	544.986	50.144.112	**64.007.528**
Total Liabilities	**167.902.744**	**58.429.087**	**32.449.289**	**12.916.359**	**11.642.279**	**102.669.467**	**386.009.225**
Balance Sheet Long Position	-	-	52.521.015	75.227.365	7.202.510	-	**134.950.890**
Balance Sheet Short Position	(62.737.624)	(8.542.921)	-	-	-	(63.670.345)	**(134.950.890)**
Off-balance Sheet Long Position	3.821.564	20.137.519	-	733.934	2.057.947	-	**26.750.964**
Off-balance Sheet Short Position	-	-	(10.769.878)	-	-	-	**(10.769.878)**
Total Position	**(58.916.060)**	**11.594.598**	**41.751.137**	**75.961.299**	**9.260.457**	**(63.670.345)**	**15.981.086**

(*) 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.

(***) Included lease receivables. Non-performing loans are shown in the" non-interest bearing " column. Interest rediscount started to be calculated for non-performing loans as of 1 January 2018, said amount was indicated on "without interest" column since there is no other suitable column in the above table.

(****) Derivative financial assets and expected credit losses are classified under other assets..

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

Prior Period – 31 December 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	14.451.277	-	-	-	-	15.662.547	**30.113.824**
Banks	5.669.725	691.374	-	-	-	12.598.299	**18.959.398**
Financial Assets at Fair Value Through Profit or Loss (Net)	7.759	4.134	10.113	-	-	156.810	**178.816**
Interbank Money Market Placements	544.657	-	-	-	-	-	**544.657**
Financial Assets at Fair Value Other Comprehensive Income (Net)	3.678.381	4.880.167	13.649.466	15.263.375	6.617.448	251.205	**44.340.042**
Loans (***)	58.270.975	25.574.235	58.416.662	63.467.197	7.843.859	363.816	**213.936.744**
Financial Assets measured at amortised cost (Net)	2.486.106	1.484.991	4.220.066	2.968.019	1.104.299	-	**12.263.481**
Other Assets(****)	6.154.935	10.223.954	5.407.231	2.593.071	2.392.992	7.572.465	**34.344.648**
Total Assets	**91.263.814**	**42.858.855**	**81.703.538**	**84.291.662**	**17.958.598**	**36.605.142**	**354.681.610**
Liabilities							
Bank Deposits	4.793.806	1.364.602	406.303	-	-	1.486.674	**8.051.385**
Other Deposits	113.941.371	24.915.246	18.030.445	5.511.751	535.332	37.644.369	**200.578.514**
Funds from Interbank Money Market	6.411.083	4.890.617	2.529.534	443.782	-	-	**14.275.016**
Miscellaneous Payables	1.144.009	1.264.025	730.525	186.714	4.232	4.679.675	**8.009.180**
Marketable Securities Issued (Net) (*)	764.991	2.408.787	566.668	6.802.096	7.313.382	-	**17.855.924**
Borrowings	6.007.889	28.133.604	8.091.870	1.220.030	196.490	-	**43.649.883**
Other Liabilities (**)	3.295.363	5.533.259	3.363.956	991.854	90.491	48.986.785	**62.261.708**
Total Liabilities	**136.358.512**	**68.510.140**	**33.719.301**	**15.156.227**	**8.139.927**	**92.797.503**	**354.681.610**
Balance Sheet Long Position	-	-	47.984.237	64.816.933	10.184.783	-	**126.938.343**
Balance Sheet Short Position	(45.094.697)	(25.651.285)	-	-	-	(56.192.361)	**(126.938.343)**
Off-balance Sheet Long Position	9.526.754	12.226.615	-	1.712.968	1.699.121	-	**25.165.458**
Off-balance Sheet Short Position	-	-	(11.734.925)	-	-	-	**(11.734.925)**
Total Position	**(35.567.943)**	**(13.424.670)**	**36.249.312**	**70.848.403**	**11.517.792**	**(56.192.361)**	**13.430.533**

(*) 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.
(***) Included lease receivables.Non-performing loans are shown in the" non-interest bearing " column. Interest rediscount started to be calculated for non-performing loans as of 1 January 2018, said amount was indicated on "without interest" column since there is no other suitable column in the above table.
(****) Derivative financial assets and expected credit losses are classified under other assets..

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 2019	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	2,00	-	13,00
Banks	1,19	2,58	-	22,48
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	15,54
Interbank Money Market Placements	-	-	-	25,11
Financial Assets at Fair Value Other Comprehensive Income (Net)	2,58	4,97	3,09	15,74
Loans	4,27	7,40	6,61	18,71
Financial Assets measured at amortised cost (Net)	3,58	5,12	-	18,68
Liabilities				
Bank Deposits (**)	0,22	2,67	-	23,26
Other Deposits (**)	0,89	2,73	0,02	14,99
Funds from Interbank Money Market	0,61	3,30	-	24,70
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net) (*)	4,00	5,68	1,29	19,57
Borrowings	1,54	4,53	-	15,66

(*) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.
(**) Demand deposit balances are included in average interest rate calculation.

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

Prior Period – 31 December 2018	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	2,00	-	13,00
Banks	0,22	2,35	-	23,83
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	13,22
Interbank Money Market Placements	-	2,27	-	23,64
Financial Assets at Fair Value Other Comprehensive Income (Net)	2,38	4,55	3,09	20,97
Loans	4,28	7,26	9,06	18,41
Financial Assets measured at amortised cost (Net)	3,58	4,89	-	26,70
Liabilities				
Bank Deposits (**)	0,26	3,51	-	22,55
Other Deposits (**)	0,90	3,42	0,01	17,18
Funds from Interbank Money Market	0,15	3,19	-	23,80
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net) (*)	4,00	5,63	1,29	19,42
Borrowings	2,32	4,57	-	14,04

(*) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.
(**) Demand deposit balances are included in average interest rate calculation.

IV. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES:

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 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.

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.

(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 (*)	
Current Period – 31 March 2019		**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			65.712.335	41.450.283
CASH OUTFLOWS					
2	Retail and Customers Deposits	135.883.661	74.032.011	12.548.349	7.403.201
3	Stable deposits	20.800.351	-	1.040.018	-
4	Less stable deposits	115.083.310	74.032.011	11.508.331	7.403.201
5	Unsecured Funding other than Retail and Small Business Customers Deposits	71.245.998	45.971.635	39.530.798	25.709.382
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	63.757.981	42.363.210	33.120.368	22.101.408
8	Other Unsecured Funding	7.488.017	3.608.425	6.410.430	3.607.974
9	Secured funding	-	-	3.194	3.194
10	Other Cash Outflows	85.517.768	59.339.462	75.376.055	49.804.109
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	74.231.365	48.746.607	74.231.365	48.746.607
12	Debts related to the structured financial products	22.834	-	22.834	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	11.263.569	10.592.855	1.121.856	1.057.502
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	772.535	-	38.627	-
15	Other irrevocable or conditionally revocable commitments	56.404.562	12.125.834	2.820.228	606.292
16				**130.317.251**	**83.526.178**
CASH INFLOWS					
17	Secured Lending Transactions	11.643	11.643	-	-
18	Unsecured Lending Transactions	29.310.600	17.269.326	22.156.050	15.645.792
19	Other contractual cash inflows	70.330.478	47.696.742	70.329.747	47.696.708
20	**TOTAL CASH INFLOWS**	**99.652.721**	**64.977.711**	**92.485.797**	**63.342.500**
				Upper limit applied amounts	
21	**TOTAL HQLA STOCK**			**65.712.335**	**41.450.283**
22	**TOTAL NET CASH OUTFLOWS**			**38.251.745**	**21.429.991**
23	**Liquidity Coverage Ratio (%)**			**171,85**	**194,37**

(*) 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.

(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 (*)	
Prior Period – 31 December 2018		**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			62.115.029	41.023.489
CASH OUTFLOWS					
2	Retail and Customers Deposits	135.961.243	70.812.253	12.528.138	7.081.225
3	Stable deposits	21.359.720	-	1.067.986	-
4	Less stable deposits	114.601.523	70.812.253	11.460.152	7.081.225
5	Unsecured Funding other than Retail and Small Business Customers Deposits	76.724.402	54.574.871	38.672.168	26.678.979
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	73.644.112	54.302.703	36.742.368	26.408.105
8	Other Unsecured Funding	3.080.290	272.168	1.929.800	270.874
9	Secured funding	-	-	55.501	55.501
10	Other Cash Outflows	62.457.150	40.461.061	52.748.041	31.451.064
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	51.674.570	30.452.091	51.674.570	30.452.091
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	10.782.580	10.008.970	1.073.471	998.973
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	775.027	-	38.751	-
15	Other irrevocable or conditionally revocable commitments	62.153.153	17.346.360	3.107.658	867.318
16	**TOTAL CASH OUTFLOWS**			**107.150.257**	**66.134.087**
CASH INFLOWS					
17	Secured Lending Transactions	3.774.025	3.774.025	-	-
18	Unsecured Lending Transactions	41.387.759	28.394.466	33.782.118	26.630.775
19	Other contractual cash inflows	45.640.815	29.873.356	45.637.514	29.873.279
20	**TOTAL CASH INFLOWS**	**90.802.599**	**62.041.847**	**79.419.632**	**56.504.054**
				Upper limit applied amounts	
21	**TOTAL HQLA STOCK**			**62.115.029**	**41.023.489**
22	**TOTAL NET CASH OUTFLOWS**			**28.967.779**	**16.533.522**
23	**Liquidity Coverage Ratio (%)**			**216,23**	**248,58**

(*) 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.

(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 164% during the period and remain at a quite higher level that the legal lower limit.

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

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 47% and securities issued by Treasury of Republic of Turkey by 45%. Funding sources are mainly distributed between individual and retail deposits by 64%, corporate deposits by 24%, borrowings from banks by 5% and collateralized borrowings such as repurchase agreements by 3%.

Cash outflow amounting to TL 1.501 million is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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

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

	Current Period - 31.03.2019	
	TL+FC	**FC**
January	173,23	205,30
February	178,19	197,46
March	164,12	180,35

	Prior Period - 31.12.2018	
	TL+FC	**FC**
October	205,37	246,10
November	245,86	274,78
December	197,45	224,87

(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 2019	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	18.374.460	18.142.409	120.363	-	-	-	-	**36.637.232**
Banks	14.965.620	10.436.562	372.364	-	-	-	-	**25.774.546**
Financial Assets at Fair Value Through Profit or Loss (Net)	188.507	-	9.542	6.824.181	15.723	-	-	**7.037.953**
Interbank Money Market Placements	-	3	-	-	-	-	-	**3**
Financial Assets measured at other comprehensive income (Net)	336.331	1.659.633	1.112.341	4.004.794	33.879.174	10.715.940	-	**51.708.213**
Loans (*****)	394.657	41.017.927	25.858.918	50.360.074	75.389.183	23.540.171	9.544.067	**226.104.997**
Financial Assets measured at amortised cost (Net)	-	900.742	319.826	2.141.209	7.539.163	1.189.621	-	**12.090.561**
Other Assets (*)	1.046.004	1.477.872	1.370.841	4.436.141	12.945.236	8.672.802	(3.293.176)	**26.655.720**
Total Assets	**35.305.579**	**73.635.148**	**29.164.195**	**67.766.399**	**129.768.479**	**44.118.534**	**6.250.891**	**386.009.225**
Liabilities								
Bank Deposits	1.861.259	6.108.242	1.172.168	434.923	-	-	-	**9.576.592**
Other Deposits	48.392.764	128.476.511	17.811.055	10.997.618	9.668.262	3.156.998	-	**218.503.208**
Borrowings	-	6.976.373	3.620.087	12.083.361	14.443.146	5.572.555	-	**42.695.522**
Funds from Interbank Money Market	-	7.527.175	392.100	2.568.723	5.814.937	1.976.247	-	**18.279.182**
Marketable Securities Issued (Net) (**)	-	2.946.342	3.667.848	3.401.821	4.261.103	7.727.260	-	**22.004.374**
Miscellaneous Payables	548.745	5.386.181	615.386	869.867	2.236.392	1.286.248	-	**10.942.819**
Other Liabilities (***)	21.049	1.952.542	1.576.678	2.149.845	7.511.318	3.303.816	47.492.279	**64.007.528**
Total Liabilities	**50.823.817**	**159.373.366**	**28.855.322**	**32.506.158**	**43.935.158**	**23.023.124**	**47.492.279**	**386.009.225**
Net Liquidity Excess/ (Gap)	**(15.518.238)**	**(85.738.217)**	**308.873**	**35.260.240**	**85.833.320**	**21.095.410**	**(41.241.388)**	**-**
Net Off-balance sheet Position	**-**	**408.858**	**(996.726)**	**2.976.578**	**7.370.802**	**6.221.574**	**-**	**15.981.086**
Financial Derivative Assets	-	82.351.473	43.388.940	47.474.982	106.252.257	73.280.843	-	**352.748.495**
Financial Derivative Liabilities	-	81.942.615	44.385.666	44.498.404	98.881.455	67.059.269	-	**336.767.409**
Non-cash Loans (****)	**-**	**3.871.387**	**4.950.895**	**15.347.135**	**4.848.026**	**21.510.461**	-	**50.527.904**
Prior Period - 31 December 2018								
Total Assets	32.514.274	57.967.946	27.870.057	60.347.221	128.102.097	42.260.891	5.619.124	**354.681.610**
Total Liabilities	42.327.806	131.577.083	34.759.169	43.587.819	39.780.479	18.862.213	43.787.041	**354.681.610**
Net Liquidity Excess/ (Gap)	**(9.813.532)**	**(73.609.137)**	**(6.889.112)**	**16.759.402**	**88.321.618**	**23.398.678**	**(38.167.917)**	**-**
Net Off-balance sheet Position	**-**	**77.620**	**(1.315.703)**	**333.174**	**8.660.889**	**5.674.553**	**-**	**13.430.533**
Financial Derivative Assets	-	72.096.655	34.606.470	46.684.420	101.972.261	65.710.763	-	**321.070.569**
Financial Derivative Liabilities	-	72.019.035	35.922.173	46.351.246	93.311.372	60.036.210	-	**307.640.036**
Non-cash Loans (****)	**-**	**4.239.932**	**5.288.100**	**16.267.385**	**4.944.533**	**22.055.421**	-	**52.795.371**

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, derivative financial assets, investments, subsidiaries, stationery, pre-paid expenses and loans under follow-up, are shown in this column. Expected credit losses are included.
(**) 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.
(*****) Included lease receivables. The non-performing loans is presented "Unallocatable" column.

(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 2019, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is 9,47% (31 December 2018: 9,03%). 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 2019 (**)	Current Period 31 December 2018 (**)
1	Total assets in the consolidated financial statements prepared in accordance with TAS (*)	366.924.111	371.069.543
2	Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communique on Preparation of Consolidated Financial Statements of the Banks	(128.333)	(106.333)
3	Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	5.644.034	5.052.237
4	Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(13.803.046)	(18.663.166)
5	Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(1.259.637)	(1.655.423)
6	Other differences in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	123.534.559	136.053.411
7	Total Risk	480.911.688	491.750.269

(*) The consolidated financial statements prepared in accordance with the sixth paragraph of the Article 5 in the Communique on Preparation of Consolidated Financial Statements of the Banks.
(**) The arithmetic average of the last 3 months in the related periods.

c. Disclosure of Leverage ratio template :

		Current Period 31 March 2019 (*)	Current Period 31 December 2018 (*)
	Balance sheet Assets		
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	344.813.013	345.914.898
2	(Assets deducted from Core capital)	-	-
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	344.813.013	345.914.898
	Derivative financial assets and credit derivatives		
4	Cost of replenishment for derivative financial assets and credit derivatives	15.016.701	16.077.472
5	Potential credit risk amount of derivative financial assets and credit derivatives	5.644.033	5.052.237
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	20.660.734	21.129.709
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity	3.227.952	3.552.867
8	Risk amount arising from intermediary transactions	-	-
9	Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	3.227.952	3.552.867
	Off-balance sheet transactions		
10	Gross notional amount of off-balance sheet transactions	113.469.626	122.808.218
11	(Correction amount due to multiplication with credit conversion rates)	(1.259.637)	(1.655.423)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	112.209.989	121.152.795
	Capital and total risk		
13	Core Capital	45.529.573	44.224.046
14	Total risk amount(sum of lines 3, 6, 9 and 12)	480.911.688	491.750.269
	Leverage ratio		
15	Leverage ratio	9,47	9,03

(*) Three months average values.

(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 2019	**Prior Period 31 December 2018**	**Current Period 31 March 2019**
1	Credit risk (excluding counterparty credit risk) (CCR)	275.609.908	248.816.671	22.048.793
2	Standardized approach (SA)	275.609.908	248.816.671	22.048.793
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	25.192.046	22.807.044	2.015.364
5	Standardized approach for counterparty credit risk (SA-CCR)	25.192.046	22.807.044	2.015.364
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	257.777	237.585	20.622
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	5.519.697	5.087.744	441.576
17	Standardized approach (SA)	5.519.697	5.087.744	441.576
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	28.892.666	22.665.719	2.311.413
20	Basic Indicator Approach	28.892.666	22.665.719	2.311.413
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)**	**335.472.094**	**299.614.763**	**26.837.768**

(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 Accumulated 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.

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 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 Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss" whereas ineffective part is accounted in the income statement.

As of 31 March 2019, 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 2019			Prior Period 31 December 2018		
	Notional Amount	**Assets**	**Liabilities**	**Notional Amount**	**Assets**	**Liabilities**
Interest Rate and Cross Currency Swaps						
-TL	16.002.400	5.773.725	723.267	16.237.237	4.693.776	647.569
-FC	50.995.145	325.610	80.659	45.937.007	364.658	41.041
Total	**66.997.545**	**6.099.335**	**803.926**	**62.174.244**	**5.058.434**	**688.610**

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

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 EUR 320 million which represents share premiums and paid-in-capital of Akbank AG, one of its subsidiaries. EUR 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 2019

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 financial assets at other comprehensive income	Interest rate risk	(124.941)	119.477	(5.464)
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, FC borrowings	Interest rate and currency risk	2.943.105	(2.920.674)	22.431
Cross-currency swap	Fixed interest rate FC Issued Eurobond, FC Lease Receivables	Interest rate and currency risk	(10.878)	10.878	-
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	58	(60)	(2)

(*) 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 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 financial assets at other comprehensive income	Interest rate risk	(43.581)	33.893	(9.688)
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, FC borrowings	Interest rate and currency risk	2.632.655	(2.658.615)	(25.960)
Cross-currency swap	Fixed interest rate FC Issued Eurobond, FC Lease Receivables	Interest rate and currency risk	9.438	(9.438)	-
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	93	(95)	(2)
Cross-currency swap	Fixed interest rate FC Issued Eurobond, FC Lease Receivables	Interest rate and currency risk	22.074	(22.686)	(612)

(*) 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 2019 fair value hedge transactions have been proven to be effective.

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

- As of 31 March 2019, related to fair value hedge transactions, the remaining net amount after amortization of the fair value change of the hedged items since the beginning of hedge accounting is TL 8.214 (31 December 2018: TL 7.263).

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

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
			Assets	Liabilities			
Interest Rate Swap	Floating-rate long Term FC funds borrowed	Cash Flow risk due to changes in interest rate of funds	162.960	-	(59.362)	24.171	(3.570)
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	1.987.370	7.137	(215.125)	(437.681)	(147.499)
Cross Currency Swap	Floating-rate FC given loans	Cash Flow risk due to changes in interest rate of funds	-	464.652	122.489	132.148	(10.030)
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	7.253	252.719	70.532	4.840	61.336

As of 31 March 2019 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 2019, 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 (3.204) (31 December 2018: TL (6.113)).

- In order to hedge the cash flow risk of short-term FC commercial deposits, a cross-currency swap amounting to TL 755 million with nominal value which included in hedge accounting, has been closed out before the maturity date and hedge accounting related to aforementioned transaction has been terminated.

IX. EXPLANATIONS ON BUSINESS SEGMENTS:

The Group operates in three main business segments including retail banking, commercial banking, and corporate-investment and private banking and wealth management 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.

Retail banking offers a variety of retail services such as deposit accounts, retail 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.

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

Information on business segments as of 31 March 2019 and 31 December 2018 presented in the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

	Retail Banking (**)	**Commercial Banking, SME Banking, Corporate-Investment and Private Banking**	**Treasury**	**Other and Unallocated**	**Bank's Total Activities**
Current Period – 31 March 2019					
Operating Income	3.295.224	963.477	175.078	850.763	5.284.542
Profit from Operating Activities	840.325	486.860	73.579	445.151	1.845.915
Income from Subsidiaries	-	-	-	3.993	3.993
Profit before Tax	840.325	486.860	73.579	449.144	1.849.908
Tax Expense	-	-	-	(442.168)	(442.168)
Minority Shares	-	-	-	4	4
Net Profit for the Period	840.325	486.860	73.579	6.980	1.407.740
Segment Assets	72.764.812	162.893.936	121.356.067	7.618.522	364.633.337
Investments in Associates.	-	-	-	5.521	5.521
Undistributed Assets	-	-	-	21.370.367	21.370.367
Total Assets					386.009.225
Segment Liabilities	137.344.031	82.885.992	97.103.044	7.649.374	324.982.441
Undistributed Liabilities	-	-	-	13.534.505	13.534.505
Shareholders' Equity	-	-	-	47.492.279	47.492.279
Total Liabilities					386.009.225
Other Segment Items					
Capital Investment	-	-	-	117.367	117.367
Amortization	(34.069)	(1.708)	(142)	(89.325)	(125.244)
Non-cash Other Income-Expense	(848.729)	(153.577)	(71.112)	(196.835)	(1.270.253)

	Retail Banking (**)	**Commercial Banking, SME Banking, Corporate-Investment and Private Banking**	**Treasury**	**Other and Unallocated**	**Bank's Total Activities**
Prior Period – 31 December 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	71.535.564	155.414.381	106.291.403	7.093.603	340.334.951
Investments in Associates.	-	-	-	5.521	5.521
Undistributed Assets	-	-	-	14.341.141	14.341.141
Total Assets					354.681.610
Segment Liabilities	131.439.325	70.722.739	89.927.997	6.902.026	298.992.087
Undistributed Liabilities	-	-	-	11.902.485	11.902.485
Shareholders' Equity	-	-	-	43.787.041	43.787.041
Total Liabilities					354.681.610
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)

(*) 31 March 2018 amounts are used for income statement accounts.
(**) As of 22 November 2018, individual banking and SME banking business units were merged and began to operate as retail banking business units. The balances for the statement of income for the previous period are the amounts before the merger.

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

SECTION FIVE
INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

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

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	**FC**	**TL**	**FC**
Cash/Foreign Currency	1.480.081	1.469.343	1.796.419	1.826.133
The CBRT (*)	2.742.535	30.892.916	2.928.915	23.504.830
Other (**)	-	52.357	-	57.527
Total	**4.222.616**	**32.414.616**	**4.725.334**	**25.388.490**

(*) Precious metal account amounting to TL 3.276.436 are included in FC (31 December 2018: TL 3.432.683).
(**) Precious metal account amounting to TL 52.333 are included in FC (31 December 2018: TL 57.522).

2. Information related to the account of the CBRT:

	Current Period 31 March 2018		Prior Period 31 December 2018	
	TL	**FC**	**TL**	**FC**
Unrestricted Demand Deposits	561	-	124	-
Unrestricted Time Deposits	-	7.544.280	-	-
Restricted Time Deposits	-	-	-	-
Reserve Requirement	2.741.974	23.348.636	2.928.791	23.504.830
Total	**2.742.535**	**30.892.916**	**2.928.915**	**23.504.830**

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 1 % and 7% for TL deposits and other liabilities according to their maturities as of 31 March 2019 (31 December 2018: 1,5% and 8% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 4% and 20% for deposit and other foreign currency liabilities according to their maturities as of 31 March 2019 (31 December 2018: 4% and 20% for all foreign currency liabilities).

b. Financial Assets at Fair Value Through Profit or Loss

As of 31 March 2019, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 10.532 (31 December 2018: TL 10.599); and there are no financial assets subject to repo transactions (31 December 2018: None).

Other Financial Assets:

In the previous period, syndicated loans previously granted to Ojer Telekomünikasyon A.Ş. were restructured. Within this scope, the transfer of 192.500.000.000 of Group A shares which consist of 55% of Türk Telekom's issued capital and are pledged in favor of the creditors in order to establish the collateral of the loans to Levent Yapılandırma Yönetimi A.Ş. which was established as a special purpose company, where all of the creditors were directly or indirectly shared was completed on 21 December 2018. The Bank participated in LYY with a share of 35.56% in receivables from OTAŞ. Within the scope of the acquisition of Türk Telekom shares by LYY and within the framework of the related agreements, the total amount of the loan granted to LYY by the Bank for the acquisition of shares, which are the guarantee of OTAŞ loans, is TL

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

6.821 million and has been classified under "Financial Assets At Fair Value Through Profit And Loss" as "Other Financial Assets" in the financial statements. As of 31 March 2019, the fair values are based on the results of an independent valuation firm. The potential changes in the fundamental assumptions used in the valuation can affect the carrying value of the loan. The maturity of this loan is 1 year and can be extended. Within the framework of the signed agreements on this loan, a part of the loan granted to LYY is estimated to be converted from loan to capital and added to LYY's capital in the following period. Türk Telekom shares which are transferred to LYY and subject to loan consists of the collateral of the loan granted to LYY. The main objective of LYY is to transfer these Turk Telekom shares to an expert investor by providing the necessary conditions as quickly as possible.

c. Trading derivative financial assets:

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

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	**FC**	**TL**	**FC**
Forward Transactions	406.143	-	1.004.135	-
Swap Transactions	12.252.505	5.403.357	11.211.063	4.810.361
Futures Transactions	-	-	-	-
Options	60.156	160.561	67.656	454.254
Other	-	-	-	-
Total	**12.718.804**	**5.563.918**	**12.282.854**	**5.264.615**

(*)Excluding hedging derivatives financial assets.

d. Information on banks account and foreign banks:

Information on banks account:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	**FC**	**TL**	**FC**
Banks				
Domestic	512.122	2.083.284	9.099	664.819
Foreign	7.012	23.172.127	3.107	18.282.373
Head Quarters and Branches Abroad	-	-	-	-
Total	**519.134**	**25.255.412**	**12.206**	**18.947.192**

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

1. As of 31 March 2019, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 16.064.016 (31 December 2018: TL 12.114.655); and those given as collateral/blocked amounting to TL 9.910.608 (31 December 2018: TL 8.854.043).

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

	Current Period 31 March 2019	Prior Period 31 December 2018
Debt Securities	55.225.988	46.920.338
Quoted at Stock Exchange (*)	53.937.385	45.524.169
Unquoted at Stock Exchange	1.288.603	1.396.169
Share Certificates	16.384	13.620
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	16.384	13.620
Impairment Provision (-)	3.534.159	2.593.916
Total	**51.708.213**	**44.340.042**

(*) Investment funds are included.

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

f. Information related to loans:

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

	Current Period 31 March 2019		Prior Period 31 December 2018	
	Cash	**Non-cash**	**Cash**	**Non-cash**
Direct Loans Granted to Shareholders	-	-	-	1.440
Corporate Shareholders	-	-	-	1.440
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	7.075.392	762.530	5.476.437	1.073.121
Loans Granted to Employees	118.343	-	114.675	-
Total	**7.193.735**	**762.530**	**5.591.112**	**1.074.561**

2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled:
(i). Loans at amortised cost (*):

Current Period - 31 March 2019			Loans and other receivables under follow up	
			Restructured Loans and Receivables	
	Standard Loans and Other Receivables	**Loans and Receivables Not Subject to restructuring**	**Loans and Receivables with Revised Contract Terms**	**Refinance**
Non-specialized Loans				
Loans given to enterprises	31.423.301	2.047.850	4.812	3.211.059
Export Loans	14.504.366	305.081	159	204.778
Import Loans	2.371.932	-	-	-
Loans Given to Financial Sector	12.788.211	885	-	-
Consumer Loans	24.832.681	2.533.247	1.034.030	100.965
Credit Cards	12.556.318	883.733	789.689	-
Other	86.682.086	9.596.485	477.702	10.211.560
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	**185.158.895**	**15.367.281**	**2.306.392**	**13.728.362**

(*) The balances of loans at fair value profit or loss has not been included. Included lease receivables. The amount of expected loss provision related to finance lease receivables are also included.

	Current Period 31 March 2019		Prior Period 31 December 2018	
Expected Credit Loss Stage I and Stage II	**Standard Loans**	**Loans under Follow-up**	**Standard Loans**	**Loans under Follow-up**
12 Month Expected Credit Losses	781.092	-	737.932	-
Significant Increase in Credit Risk	-	3.240.849	-	2.863.613
Total	**781.092**	**3.240.849**	**737.932**	**2.863.613**

(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– 31.03.2019	Short-term	Medium and Long-term	Total
Consumer Loans-TL	**619.157**	**26.424.520**	**27.043.677**
Mortgage Loans	1.632	10.290.443	10.292.075
Automotive Loans	1.046	118.634	119.680
Consumer Loans	616.479	16.015.443	16.631.922
Other	-	-	-
Consumer Loans- Indexed to FC	**-**	**1.232**	**1.232**
Mortgage Loans	-	1.232	1.232
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	**11.054.382**	**621.274**	**11.675.656**
With Installment	3.811.973	619.778	4.431.751
Without Installment	7.242.409	1.496	7.243.905
Consumer Credit Cards-FC	**14.012**	**-**	**14.012**
With Installment	-	-	-
Without Installment	14.012	-	14.012
Personnel Loans-TL	**4.329**	**63.641**	**67.970**
Mortgage Loans	-	3.131	3.131
Automotive Loans	-	116	116
Consumer Loans	4.329	60.394	64.723
Other	-	-	-
Personnel Loans- Indexed to FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	**49.919**	**16**	**49.935**
With Installment	19.715	16	19.731
Without Installment	30.204	-	30.204
Personnel Credit Cards-FC	**438**	**-**	**438**
With Installment	-	-	-
Without Installment	438	-	438
Credit Deposit Account-TL (Real Person)	**1.388.044**	**-**	**1.388.044**
Credit Deposit Account-FC (Real Person)	**-**	**-**	**-**
Total Consumer Loans	**13.130.281**	**27.110.683**	**40.240.964**

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

Prior Period– 31.12.2018	Short-term	Medium and Long-term	Total
Consumer Loans-TL	**641.242**	**27.032.858**	**27.674.100**
Mortgage Loans	1.600	10.799.366	10.800.966
Automotive Loans	1.211	136.735	137.946
Consumer Loans	638.431	16.096.757	16.735.188
Other	-	-	-
Consumer Loans- Indexed to FC	**-**	**1.289**	**1.289**
Mortgage Loans	-	1.289	1.289
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	**-**	**-**	**-**
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	**11.428.605**	**568.087**	**11.996.692**
With Installment	3.869.730	566.715	4.436.445
Without Installment	7.558.875	1.372	7.560.247
Consumer Credit Cards-FC	**11.816**	**-**	**11.816**
With Installment	-	-	-
Without Installment	11.816	-	11.816
Personnel Loans-TL	**5.100**	**57.903**	**63.003**
Mortgage Loans	-	3.592	3.592
Automotive Loans	-	36	36
Consumer Loans	5.100	54.275	59.375
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	**51.496**	**24**	**51.520**
With Installment	16.959	24	16.983
Without Installment	34.537	-	34.537
Personnel Credit Cards-FC	**152**	**-**	**152**
With Installment	-	-	-
Without Installment	152	-	152
Credit Deposit Account-TL (Real Person)	**1.403.700**	**-**	**1.403.700**
Credit Deposit Account-FC (Real Person)	**-**	**-**	**-**
Total Consumer Loans	**13.542.111**	**27.660.161**	**41.202.272**

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

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

Current Period – 31.03.2019	**Short-term**	**Medium and Long-term**	**Total**
Commercial Installment Loans-TL	**894.592**	**15.355.209**	**16.249.801**
Mortgage Loans	2.995	7.640	10.635
Automotive Loans	25.630	56	25.686
Consumer Loans	865.967	15.347.513	16.213.480
Other	-	-	-
FC Indexed Commercial Installment Loans	**1.353**	**293.501**	**294.854**
Mortgage Loans	-	865	865
Automotive Loans	-	-	-
Consumer Loans	1.353	292.636	293.989
Other	-	-	-
Commercial Installment Loans-FC	**21.278**	**238.457**	**259.735**
Mortgage Loans	-	-	-
Automotive Loans	2.147	-	2.147
Consumer Loans	19.131	238.457	257.588
Other	-	-	-
Corporate Credit Cards-TL	**2.485.272**	**55**	**2.485.327**
With Installment	683.740	45	683.785
Without Installment	1.801.532	10	1.801.542
Corporate Credit Cards-FC	**4.373**	**-**	**4.373**
With Installment	-	-	-
Without Installment	4.373	-	4.373
Credit Deposit Account-TL (Legal Person)	**1.000.538**	**-**	**1.000.538**
Credit Deposit Account-FC (Legal person)	**-**	**-**	**-**
Total	**4.407.406**	**15.887.222**	**20.294.628**

Prior Period – 31.12.2018	**Short-term**	**Medium and Long-term**	**Total**
Commercial Installment Loans-TL	**1.013.895**	**12.614.322**	**13.628.217**
Mortgage Loans	5.555	8.397	13.952
Automotive Loans	38.764	66	38.830
Consumer Loans	969.576	12.605.859	13.575.435
Other	-	-	-
FC Indexed Commercial Installment Loans	**4.555**	**353.390**	**357.945**
Mortgage Loans	-	1.019	1.019
Automotive Loans	-	-	-
Consumer Loans	4.555	352.371	356.926
Other	-	-	-
Commercial Installment Loans-FC	**8.487**	**199.661**	**208.148**
Mortgage Loans	-	-	-
Automotive Loans	3.515		3.515
Consumer Loans	4.972	199.661	204.633
Other	-	-	-
Corporate Credit Cards-TL	**2.693.636**	**50**	**2.693.686**
With Installment	795.746	43	795.789
Without Installment	1.897.890	7	1.897.897
Corporate Credit Cards-FC	**2.752**	**-**	**2.752**
With Installment		-	
Without Installment	2.752	-	2.752
Credit Deposit Account-TL (Legal Person)	**1.159.752**	**-**	**1.159.752**
Credit Deposit Account-FC (Legal person)	**-**	**-**	**-**
Total	**4.883.077**	**13.167.423**	**18.050.500**

(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 2019	Prior Period 31 December 2018
Domestic Loans	217.342.892	206.437.542
Foreign Loans	8.762.105	9.291.440
Total	**226.104.997**	**215.728.982**

(*) Included leasing receivables.

6. Loans granted to investments in associates and subsidiaries: None.
7. (i) Credit-Impaired Losses (Stage III / Special Provision):

	Current Period 31 March 2019	Prior Period 31 December 2018
Loans and Other Receivables with Limited Collectibility	553.941	724.871
Loans and Other Receivables with Doubtful Collectibility	1.701.065	1.226.217
Uncollectible Loans and Receivables	3.269.379	2.929.813
Total	**5.524.385**	**4.880.901**

(*) Included leasing receivables.

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

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

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period: 31 March 2019			
(Gross Amounts Before Specific Provisions)	71.948	187.246	153.528
Rescheduled Loans and Other Receivables	71.948	187.246	153.528
Prior Period: 31 December 2018			
(Gross Amounts Before Specific Provisions)	37.886	108.383	106.612
Rescheduled Loans and Other Receivables	37.886	108.383	106.612

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

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2018	**1.681.186**	**2.853.788**	**3.904.054**
Additions (+)	1.095.867	243.990	139.190
Transfers from Other Categories of Non-Performing Loans (+)	-	1.459.656	403.968
Transfers to Other Categories of Non-Performing Loans (-)	1.459.656	403.968	-
Collections (-)	127.731	133.386	110.890
Write-offs (-)	534	547	920
Sold Portfolio	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	**1.189.132**	**4.019.533**	**4.335.402**
Specific Provisions (-)	553.941	1.701.065	3.269.379
Net Balance at Balance Sheet	**635.191**	**2.318.468**	**1.066.023**

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

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 2019			
Balance at the End of the Period	64.468	1.844.629	578.437
Specific Provision (-)	33.257	591.808	332.144
Net Balance on Balance Sheet	31.211	1.252.821	246.293
Prior Period: 31 December 2018			
Balance at the End of the Period	239.210	1.583.409	533.704
Specific Provision (-)	87.114	532.960	279.665
Net Balance at Balance Sheet	152.096	1.050.449	254.039

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net): 31 March 2019			
Loans granted to corporate entities and real persons (Gross)	1.189.132	4.019.533	4.335.402
Specific Provision Amount (-)	553.941	1.701.065	3.269.379
Loans granted to corporate entities and real persons (Net)	635.191	2.318.468	1.066.023
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 2018			
Loans granted to corporate entities and real persons (Gross)	1.681.186	2.853.788	3.904.054
Specific Provision Amount (-)	724.871	1.226.217	2.929.813
Loans granted to corporate entities and real persons (Net)	956.315	1.627.571	974.241
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

(*)Included leasing receivables.

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

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. 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 2019			
Interest accruals and valuation differences	119.545	589.500	231.553
Provision (-)	68.388	257.258	167.402
Prior Period: 31 December 2018			
Interest accruals and valuation differences	163.127	361.402	139.094
Provision (-)	84.613	168.980	105.678

(*)Included leasing receivables.

g. Financial Assets Measured at Amortised Cost

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

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Given as collateral/blocked	-	629.291	-	659.977
Subject to repurchase agreements	450.611	1.972.909	151.531	2.482.866
Total	**450.611**	**2.602.200**	**151.531**	**3.142.843**

2. Information about Government debt securities:

	Current Period 31 March 2019	Prior Period 31 December 2018
Government debt	8.664.443	9.062.489
Treasury bonds	-	-
Other government debts	744.697	691.694
Total	**9.409.140**	**9.754.183**

3. Information on financial assets measured at amortised cost:

	Current Period 31 March 2019	Prior Period 31 December 2018
Debt Securities	12.127.447	12.328.066
Quoted at stock exchange	12.127.447	12.328.066
Not quoted at stock exchange	-	-
Impairment (-)	36.886	64.585
Total	**12.090.561**	**12.263.481**

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

4. The movement of financial assets at amortised costs:

	Current Period 31 March 2019	**Prior Period 31 December 2018**
Balance at the Beginning of the Period	12.263.481	18.883.032
Foreign Currency Differences on Monetary Assets	337.865	1.683.147
Purchases During Year	5.841	1.654.189
Disposals Through Sales and Redemptions (*)	(714.895)	(10.713.907)
Impairment Provision (-)	27.699	184.506
Change in Amortised Cost	170.570	572.514
Balance at the End of the Period	**12.090.561**	**12.263.481**

(*) The Bank has reviewed its management model for securities in accordance with TFRS 9 standard in the prior period. Securities amounting to TL 4.927.185 previously classified as held to maturity and measured at amortised cost are classified to fair value through other comprehensive income because of the appropriate management model is intended to be used for selling or financing cash flows.

h. Information on investments in associates (Net):

1. Non-consolidated associates:

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

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

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

1 (iii). 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 2018.

	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	117.093	64.965	56.060	3.632	-	15.953	9.004	-
2	342.784	211.006	206.137	16.750	-	41.206	44.798	-

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

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

	Current Period 31 March 2019	**Prior Period 31 December 2018**
Balance at the Beginning of the Period	5.521	3.923
Movements During the Period		
Purchases	-	-
Bonus Shares and Contributions to Capital (*)	-	1.598
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Impairment Provision (-)	-	-
Balance at the End of the Period	5.521	5.521
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The amount is derived from the increase in the capital of Bankalararası Kart Merkezi A.Ş., 9,98% subsidiary of the Bank, by TL 16.000.

2. Consolidated subsidiaries within the current period: None.

(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:

The following amounts have been obtained from the financial statements as of 31 March 2019 prepared in accordance with legislation in which companies are subject to.

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	AkÖde A.Ş
Paid in Capital	360.007	96.802	10.534	740.648	12.000
Share Premium	-	-	-	-	-
Reserves	494.060	66.598	18.310	3.728.519	-
Gains recognized in equity as per TAS	-	(1.642)	(150)		
Profit/Loss	29.480	263.106	55.930	80.896	(3.671)
- Net Current Period Profit	29.480	29.252	13.099	80.896	(579)
- Prior Year Profit/Loss	-	233.854	42.831	-	(3.092)
Development Cost of Operating Lease (-)	25	1.150	-	272	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	1.396	13.317	185	5.170	-
Total Common Equity	**882.126**	**410.397**	**84.439**	**4.544.621**	**8.329**
Total Additional Tier I Capital	**-**	**-**	**-**	**-**	**-**
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	-	-	-	-	-
Total Tier I Capital	**882.126**	**410.397**	**84.439**	**4.544.621**	**8.329**
Tier II Capital	**163.868**	**450**	**2**	**43.954**	**-**
CAPITAL	**1.045.994**	**410.847**	**84.441**	**4.588.575**	**8.329**
Deductions from Capital	**-**	**-**	**-**	**-**	**-**
TOTAL CAPITAL	**1.045.994**	**410.847**	**84.441**	**4.588.575**	**8.329**

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:

	Title	Address (City / Country)	Bank's Share Percentage-If Different Voting Percentage (%)	Bank's Risk Group Share Percentage (%)
1	Ak Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	99,99
2	Ak Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	100,00	100,00
3	Ak Portföy Yönetimi A.Ş.	Istanbul/Turkey	100,00	100,00
4	Akbank AG	Frankfurt/Germany	100,00	100,00
5	AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş.	İstanbul/Turkey	100,00	100,00

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

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

The following amounts have been obtained from the financial statements as of 31 March 2019 prepared in accordance with legislation in which companies are subject to.

	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	6.947.805	881.807	165.291	131.173	-	29.480	32.795	-
2	1.390.558	424.382	24.597	102.719	400	29.252	25.021	-
3	94.439	84.547	2.121	4.352	-	13.099	9.279	-
4	31.403.621	4.550.063	52.805	316.365	19.857	80.896	52.260	-
5	9.376	8.315	1.015	461	-	(579)	(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. Movement schedule for consolidated subsidiaries:

	Current Period 31 March 2019	Prior Period 31 December 2018
Balance at the Beginning of the Period	5.452.141	4.133.098
Movements During the Period		
Additions (*)	125.000	62.000
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	151.261	304.959
Sales/Liquidation	-	-
Revaluation Increase (**)	220.580	952.084
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	-	-
Balance at the End of the Period	5.948.982	5.452.141
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) These amounts arise from the capital increase of Ak Finansal Kiralama A.Ş. which is 99.99% subsidiary of the Bank by TL 125,000 for the current period, and for the prior period, TL 12,000 that was paid by the Bank for AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş. which is a wholly-owned subsidiary of the Bank as founding capital and the capital increase Ak Yatırım Menkul Değerler A.Ş. which is a wholly-owned subsidiary of the Bank by TL 50,000.
(**) 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. Sectoral information on consolidated financial subsidiaries and the related carrying amounts:

Subsidiaries	Current Period 31 March 2019	Prior Period 31 December 2018
Banks	4.550.063	4.248.193
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	881.675	727.051
Finance Companies	-	-
Other Financial Subsidiaries	517.244	476.897

7. Subsidiaries quoted to a stock exchange: None.

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

j. Information on joint ventures: None.

k. Information on finance lease receivables (Net):

	Current Period 31 March 2019		Prior Period 31 December 2018	
	Gross	**Net**	**Gross**	**Net**
2018	2.002.682	1.768.802	2.480.090	2.178.794
2019	1.670.696	1.411.206	1.568.621	1.341.508
2020 and following years	2.764.132	2.465.598	2.563.373	2.294.827
Total	**6.437.510**	**5.645.606**	**6.612.084**	**5.815.129**

l. Information on the hedging derivative financial assets:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	**FC**	**TL**	**FC**
Fair Value Hedge	3.374.474	162.650	2.957.837	110.989
Cash Flow Hedge	2.399.250	162.960	1.735.939	253.669
Net Investment Hedge in a foreign operation	-	-	-	-
Total	**5.773.725**	**325.610**	**4.693.776**	**364.658**

m. Information on the investment properties: None.

n. Information on deferred tax asset:

As of 31 March 2019, foreign currency deferred tax asset of the Group is TL 96.494 (31 December 2018: TL 192.614). 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 XVII of Section Three, for the purposes of consolidated financial statements deferred taxes arising from different consolidated subsidiaries are presented separately in assets and liabilities. There are no carry forward tax losses that can be used as deductions for the tax calculation. An explanation about the net deferred tax liability is given in Note II-i-2 of Section Five.

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

	Current Period 31 March 2019	Prior Period 31 December 2018
Cost	263.443	264.463
Accumulated Depreciation (-)	77	79
Net Book Value	**263.366**	**264.384**

	Current Period 31 March 2019	Prior Period 31 December 2018
Opening Balance Net Book Value	**264.384**	**133.515**
Additions (*)	14.182	180.171
Disposals (-), net	15.200	49.220
İmpairment (-)	-	82
Depreciation (-)	-	-
Closing Net Book Value	**263.366**	**264.384**

(*) The Bank has participated in 35,56% of recently established Levent Yapılandırma Yönetimi A.Ş. and the Bank's share of TL 18 has been classified under property and equipment held for sale purpose, as stated in I-f-2 in section V. Related amount reflected on "additions" row of table above.

p. Information on other assets:

Other assets amounting to TL 5.729.553 (31 December 2018: TL 6.462.174) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

(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 2019:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	8.054.663	5.786.524	32.440.026	421.605	3.003.064	1.096.059	18.413	**50.820.354**
Foreign Currency Deposits	28.809.497	13.320.296	69.536.278	3.461.150	6.168.540	15.975.613	1.676	**137.273.050**
Residents in Turkey	24.657.679	13.003.801	64.572.927	2.194.791	1.981.818	2.895.457	1.500	**109.307.973**
Residents Abroad	4.151.818	316.495	4.963.351	1.266.359	4.186.722	13.080.156	176	**27.965.077**
Public Sector Deposits	515.989	14.609	31.419	570	191	418	-	**563.196**
Commercial Deposits	8.046.524	6.179.557	8.749.744	45.768	128.152	362.513	-	**23.512.258**
Other Institutions Deposits	232.168	199.971	2.230.445	4.046	546.711	146.803	-	**3.360.144**
Precious metals Deposits	2.733.923	-	6.358	-	191.474	42.451	-	**2.974.206**
Interbank Deposits	1.861.269	2.312.199	4.373.850	250.355	739.234	39.685	-	**9.576.592**
The CBRT	-	-	-	-	-	-	-	**-**
Domestic Banks	7.825	2.262.603	82.118	-	639.840	32.097	-	**3.024.483**
Foreign Banks	256.689	49.596	4.291.732	250.355	99.394	7.588	-	**4.955.354**
Participation Banks	1.596.755	-	-	-	-	-	-	**1.596.755**
Other	-	-	-	-	-	-	-	**-**
Total	**50.254.033**	**27.813.156**	**117.368.120**	**4.183.494**	**10.777.366**	**17.663.542**	**20.089**	**228.079.800**

1 (ii). Prior period - 31 December 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	6.822.980	6.345.091	36.807.411	1.723.512	3.056.761	1.092.246	20.081	**55.868.082**
Foreign Currency Deposits	23.465.232	14.864.820	54.167.714	2.668.885	7.938.266	15.349.849	1.782	**118.456.548**
Residents in Turkey	19.626.445	14.444.683	50.220.130	1.518.271	1.709.742	2.829.814	1.623	**90.350.708**
Residents Abroad	3.838.787	420.137	3.947.584	1.150.614	6.228.524	12.520.035	159	**28.105.840**
Public Sector Deposits	1.071.679	18.189	24.832	2.937	175	410	-	**1.118.222**
Commercial Deposits	6.762.192	5.773.856	6.509.480	244.718	153.281	333.052	-	**19.776.579**
Other Institutions Deposits	250.105	469.459	1.277.232	10.479	629.880	237.530	-	**2.874.685**
Precious metals Deposits	2.274.974	1.274	-	4.647	185.632	17.872	-	**2.484.399**
Interbank Deposits	1.487.220	1.476.252	4.329.783	301.072	457.058	-	-	**8.051.385**
The CBRT	-	-	-	-	-	-	-	**-**
Domestic Banks	9.795	1.438.343	345.038	6.275	342.171	-	-	**2.141.622**
Foreign Banks	123.202	37.909	3.984.745	294.797	114.887	-	-	**4.555.540**
Participation Banks	1.354.223	-	-	-	-	-	-	**1.354.223**
Other	-	-	-	-	-	-	-	**-**
Total	**42.134.382**	**28.948.941**	**103.116.452**	**4.956.250**	**12.421.053**	**17.030.959**	**21.863**	**208.629.900**

(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 2019	**Prior Period 31 December 2018**	**Current Period 31 March 2019**	**Prior Period 31 December 2018**
Saving Deposits	22.228.711	23.246.737	28.588.929	32.618.885
Foreign Currency Saving Deposits	12.362.013	10.341.024	55.767.693	50.682.638
Other Deposits in the Form of Saving Deposits	1.470.425	1.256.207	1.269.700	1.034.751
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 2019	**Prior Period 31 December 2018**
Foreign Branches' Deposits and other accounts	47	375
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	1.481.602	1.208.455
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:

(i). Table of derivative financial liabilities (*):

	Current Period 31 March 2019		**Prior Period 31 December 2018**	
	TL	**FC**	**TL**	**FC**
Forward Transactions	338.496	-	344.315	-
Swap Transactions	9.252.180	1.105.599	10.328.830	853.826
Futures Transactions	-	-	-	-
Options	17.456	321.169	2.910	606.512
Other	-	-	-	-
Total	**9.608.132**	**1.426.768**	**10.676.055**	**1.460.338**

(*) Excluding hedge transactions.

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

c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	**FC**	**TL**	**FC**
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	471.729	1.340.896	279.606	1.268.471
From Foreign Banks, Institutions and Funds	64.255	40.818.642	477.107	41.624.699
Total	**535.984**	**42.159.538**	**756.713**	**42.893.170**

2. Information on maturity structure of borrowings:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	**FC**	**TL**	**FC**
Short-term	270.834	718.195	253.087	1.223.517
Medium and Long-term	265.150	41.441.343	503.626	41.669.653
Total	**535.984**	**42.159.538**	**756.713**	**42.893.170**

Securitized borrowings procured via A.R.T.S. Ltd. ("Structured Entity") which the Bank has 100% controlling power, are included in external funding sources of the Bank. Under the securitization program agreements, the Bank has sold foreign trade and customer receivables to A.R.T.S. Ltd.

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):

	Curren Period 31 March 2019		Prior Period 31 December 2018	
	TL	**FC**	**TL**	**FC**
Bank bills	6.338.680	-	2.847.485	-
Bonds	2.330.967	8.254.702	2.007.243	8.216.719
Total	**8.669.647**	**8.254.702**	**4.854.728**	**8.216.719**

e. Information on other foreign liabilities:

Other foreign liabilities amounting to TL 1.189.111 under "Other Liabilities" (31 December 2018: TL 3.364.074) and do not exceed 10% of the total balance sheet.

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

f. Information on financial leasing agreements:

With the "TFRS 16 Leases" standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the "Lease Payables" as liability by lessees. Implementation and impacts on transition of TFRS 16 are presented in Note XXIX of Section Three.

Liabilities incurred due to financial leasing agreements:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	Gross	**Net**	**Gross**	**Net**
Less Than 1 Year	160.675	76.840	-	-
Between 1-4 Years	351.400	157.515	-	-
More Than 4 Years	556.611	371.101	-	-
Total	**1.068.686**	**605.456**	**-**	**-**

g. Information on the hedging derivative financial liabilities:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	**FC**	**TL**	**FC**
Fair Value Hedge	5.895	80.660	2.611	41.041
Cash Flow Hedge	717.371		644.958	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	**723.267**	**80.660**	**647.569**	**41.041**

h. Information on provisions:

1. (i) Information on reserves for employee 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 2019	Prior Period 31 December 2018
Discount Rate (%)	4,99	5,73
Rate for the Probability of Retirement (%)	94,65	94,45

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 6.017,60 (1 January 2018: TL 5.001,76) effective from 1 January 2019 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:

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

	Current Period 31 March 2019	Prior Period 31 December 2018
Prior Period Closing Balance	**215.202**	**209.829**
Recognized as an Expense During the Period	23.354	69.921
Actuarial Loss / (Gain)	14.172	(6.951)
Paid During the Period	(17.880)	(57.597)
Balance at the End of the Period	**234.848**	**215.202**

As of 31 March 2019, the Group has allocated vacation liability amounting to TL 130.302 (31 December 2018: TL 110.046).

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

As of 31 March 2019, the Bank has no provision related to foreign currency differences of foreign indexed loans (31 December 2018: None) and the related prior period amount is offset with the balance of foreign currency indexed loans.

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

Expected loss provisions for non-cash loans that are non-funded and non-transformed into cash amounting to TL 340.256 as of 31 March 2019 (31 December 2018: TL 381.930).

4. Information on other provisions:
4 (i). Information on free provision for possible risks: TL 650.000 (31 December 2018: TL 550.000).

The Bank has been allocated free provision amounting TL 650.000 thousand which has been recognised TL 100.000 thousand in current period and TL 550.000 thousand had been recognised in prior periods. (31 December 2018: TL 550.000).

4 (ii). The Group has provision for credit cards and banking services promotion activities amounting to TL 45.711 (31 December 2018: TL 50.044).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Group are explained in Note XVII of Section Three. As of 31 March 2019, the corporate tax liability after the deduction of temporary taxes paid is TL 11.147 (31 December 2018: TL 8.037). The current tax asset is TL 648.125 as of 31 March 2019 (31 December 2018: TL 306.034).

1 (i). Information on taxes payable:

	Current Period 31 March 2019	Prior Period 31 December 2018
Corporate Taxes Payable	11.147	8.037
Taxation on Marketable Securities	229.008	165.369
Property Tax	2.408	1.983
Banking Insurance Transaction Tax (BITT)	164.239	198.927
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	15.913	24.042
Other	136.243	125.982
Total	**558.958**	**524.340**

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

1 (ii). Information on premium payables:

	Current Period 31 March 2019	Prior Period 31 December 2018
Social Security Premiums – Employee	2.516	1.162
Social Security Premiums – Employer	452	257
Bank Social Aid Pension Fund Premium- Employee	3	3
Bank Social Aid Pension Fund Premium – Employer	3	3
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	2.936	1.525
Unemployment Insurance – Employer	5.451	2.873
Other	228	380
Total	**11.589**	**6.203**

2. Information on deferred tax liability:

As of 31 March 2019, Turkish Lira deferred tax liability of the Group amounts to TL 871.533 (31 December 2018: TL 412.665). 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 2019		Prior Period 31 December 2018	
	TL	**FC**	**TL**	**FC**
Debt Instruments subject to common equity	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Debt Instruments subject to tier 2 equity	-	5.080.025	-	4.784.477
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	5.080.025	-	4.784.477
Total	**-**	**5.080.025**	**-**	**4.784.477**

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 31 March 2019	Prior Period 31 December 2018
Common Stock	5.200.000	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	5.200.000	10.000.000

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

3. Capital increases and sources in the current period and other information based on increased capital shares:

Date	Amount	Cash	Profit reserves subject to increase	Capital reserves subject to increase
22 February 2019	1,200,000	1,200,000	-	-

The explanation of the capital increase is disclosed in the footnote XX of Section Three.

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

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

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

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

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

8. Information on marketable securities value increase fund:

	Current Period 31 March 2019		**Prior Period 31 December 2018**	
	TL	**FC**	**TL**	**FC**
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(2.398.369)	(1.451.791)	(1.769.593)	(1.209.685)
Foreign Currency Differences	-	-	-	-
Total	**(2.398.369)**	**(1.451.791)**	**(1.769.593)**	**(1.209.685)**

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

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

a. Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 25.558.172 asset purchase commitments (31 December 2018: TL 15.158.299), TL 20.282.058 commitments for credit card limits (31 December 2018: TL 19.788.847) and TL 3.015.809 commitments for cheque books (31 December 2018: TL 2.514.769).

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 2019	**Prior Period 31 December 2018**
Bank Acceptance Loans	950.471	2.740.341
Letters of Credit	5.874.252	6.532.762
Other Guarantees and Warranties	9.239.639	8.579.625
Total	**16.064.362**	**17.852.728**

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

	Current Period 31 March 2019	**Prior Period 31 December 2018**
Revocable Letters of Guarantee	1.087.278	1.015.501
Irrevocable Letters of Guarantee	20.023.971	20.344.230
Letters of Guarantee Given in Advance	2.454.319	2.723.574
Guarantees Given to Customs	1.979.554	2.096.019
Other Letters of Guarantee	8.918.420	8.763.319
Total	**34.463.542**	**34.942.643**

3. Information on non-cash loans:

   Total amount of non-cash loans:

	Current Period 31 March 2019	**Prior Period 31 December 2018**
Non-cash Loans Given against Cash Loans	10.311.754	10.507.617
With Original Maturity of 1 Year or Less Than 1 Year	5.569.849	5.190.839
With Original Maturity of More Than 1 Year	4.741.905	5.316.779
Other Non-cash Loans	40.216.150	42.287.753
Total	**50.527.904**	**52.795.371**

(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 2019		Prior Period 31 March 2018	
	TL	FC	TL	FC
Short-term Loans	2.728.706	174.411	1.820.664	44.327
Medium and Long-term Loans	2.850.257	1.137.970	2.945.374	891.244
Interest on Loans Under Follow-Up	285.120	-	40.271	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	**5.864.083**	**1.312.381**	**4.806.309**	**935.571**

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

2. Information on interest income on banks:

	Current Period 31 March 2019		Prior Period 31 March 2018	
			TL	FC
From the CBRT	-	-	43.408	-
From Domestic Banks	21.026	75.653	19.840	2.978
From Foreign Banks	2.759	95.389	951	26.408
From Headquarters and Branches Abroad	-	-	-	-
Total	**23.785**	**171.042**	**64.199**	**29.386**

3. Information on interest income on marketable securities:

	Current Period 31 March 2019		Prior Period 31 March 2018	
	TL	FC	TL	FC
From Financial Assets at Fair Value through Profit or Loss	740	-	1.210	-
Financial Assets at Fair Value through Other Comprehensive Income	987.530	244.230	635.255	188.517
Financial Assets Measured at Amortised Cost	247.974	65.542	136.632	109.708
Total	**1.236.244**	**309.772**	**773.097**	**298.225**

As stated in note VI of Section Three, 6-month real coupon rates remaining constant throughout the maturity, government bonds with 5-10 years maturity and CPI index in the fair value through other comprehensive income of the Bank is included in the securities portfolio, which are reflected at other comprehensive income and are valued at amortized cost. As stated in Investor's Guide on CPI-Indexed Government Bonds published by Undersecretariat of Treasury, the reference indices used in the calculation of actual coupon payment amounts is based on CPI of two months ago. The Bank sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. As of 31 March 2019, the valuation of these securities is based on 14,00% annual inflation forecast. If the valuation of these CPI-indexed securities was made according to the reference index valid for 31 March 2019, the revaluation differences of financial assets within the equity of the Bank would increase 467 million (full TL amount), the net profit for the period would be 793 million TL (full TL amount) with a decrease of 620 million TL (full TL amount).

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

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

b. Information on interest expense:

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

	Current Period 31 March 2019		Prior Period 31 March 2018	
	TL	FC	TL	FC
Banks	28.811	432.573	8.006	229.075
The CBRT	-	-	-	-
Domestic Banks	11.059	15.272	5.925	3.634
Foreign Banks	17.751	413.069	2.081	225.441
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	9.987	-	20.683
Total	**28.810**	**438.328**	**8.006**	**249.758**

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

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

3. Information on interest expense given to securities issued:

	Current Period 31 March 2019		Prior Period 31 March 2018	
	TL	FC	TL	FC
Interest expense on securities issued	306.058	186.994	204.385	144.384

4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

		Time Deposits					
Current Period - 31.03.2019	**Demand Deposits**	**Up to 1 Month**	**Up to 3 Months**	**Up to 6 Months**	**Up to 1 Year**	**1 Year and Over**	**Total**
TL							
Bank Deposits	6.227	68.397	5.047	742	327	915	**81.655**
Saving Deposits	-	219.218	1.743.116	64.031	168.719	53.322	**2.248.406**
Public Sector Deposits	-	710	1.395	22	2	12	**2.141**
Commercial Deposits	-	304.039	443.190	15.711	7.682	15.206	**785.828**
Other Deposits	1	14.141	93.270	313	39.131	7.404	**154.260**
Total	**6.228**	**606.505**	**2.286.018**	**80.819**	**215.861**	**76.859**	**3.272.290**
FC							
Foreign Currency Deposits	3.314	79.928	510.867	16.120	42.863	64.307	**717.399**
Bank Deposits	62	1.055	32.611	1.353	4.519	49	**39.649**
Precious Metals Deposits	-	1	18	-	622	186	**827**
Total	**3.376**	**80.984**	**543.496**	**17.473**	**48.004**	**64.542**	**757.875**
Grand Total	**9.604**	**687.489**	**2.829.514**	**98.292**	**263.865**	**141.401**	**4.030.165**

		Time Deposits					
Prior Period – 31.03.2018	**Demand Deposits**	**Up to 1 Month**	**Up to 3 Months**	**Up to 6 Months**	**Up to 1 Year**	**1 Year and Over**	**Total**
TL							
Bank Deposits	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**

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

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

	Current Period 31 March 2019	Prior Period 31 March 2018
Profit	**285.935.484**	**132.350.206**
Income From Capital Market Transactions	136.184	122.163
Income From Derivative Financial Transactions (*)	14.472.090	7.300.452
Foreign Exchange Gains	271.327.210	124.927.591
Loss (-)	**285.734.952**	**132.547.423**
Loss from Capital Market Transactions	71.890	114.819
Loss from Derivative Financial Transactions (*)	11.860.289	6.603.283
Foreign Exchange Loss	273.802.773	125.829.321
Total (Net)	**200.532**	**(197.217)**

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 2.708.704 (31 March 2018: TL 916.321).

As The TL yield curves used in the valuation of derivative transactions as of 31 March 2019 do not reflect the market conditions, necessary adjustments have been made for the determination of fair values of the related derivatives.

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.

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

f. (i) Expected provision expense:

	Current Period 31 March 2019	Prior Period 31 March 2018
Expected Credit Loss	1.264.826	703.365
12 month expected credit loss (stage 1)	186.468	54.323
Significant increase in credit risk (stage 2)	259.034	251.305
Non-performing loans (stage 3)	819.324	397.737
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Investments in Associates and Subsidiaries Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	494.864	-
Total	**1.759.690**	**703.365**

(*)Includes provisions for impairment losses on financial assets at fair value through profit or loss and free provision allocated in the current year.

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

f. Information related to other operating expenses:

	Current Period 31 March 2019	Prior Period 31 March 2018
Reserve for Employee Termination Benefits	5.427	2.615
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	72.870	42.621
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	52.373	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	659.973	538.513
Leasing Expenses on TFRS 16 Exceptions (*)	27.131	53.765
Maintenance Expenses	16.476	6.778
Advertisement Expenses	29.262	25.733
Other Expenses	587.104	452.237
Loss on Sales of Assets	-	126
Other	208.643	171.314
Total	**999.286**	**794.734**

(*) 31 March 2018 amounts are all finance lease expenses.

g. Information on income/loss from minority interest:

	Current Period 31 March 2019	Prior Period 31 March 2018
Income/(loss) from minority interest	4	5

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

As of 31 March 2019, the Group has a current tax expense of TL 47.499, deferred tax expense of TL 1.058.215 and deferred tax income of TL 663.546.

The Group has no discontinued operations.

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

Net profit of the Group is TL 1.407.736 (31 March 2018: 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.

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

	Current Period 31 March 2019	Prior Period 31 March 2018
Cash	**11.904.016**	**5.790.226**
Cash, Foreign Currency and Other	3.622.557	2.205.232
Demand Deposits in Banks (*)	8.281.459	3.584.994
Cash Equivalents	**6.528.438**	**6.907.240**
Interbank Money Market Placements	543.010	1.544.455
Time Deposits in Banks	5.977.566	5.356.284
Marketable Securities	7.862	6.501
Total Cash and Cash Equivalents	**18.432.454**	**12.697.466**

(*) The restricted demand accounts are not included.

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

	Current Period 31 March 2019	Prior Period 31 March 2018
Cash	**14.191.852**	**4.969.582**
Cash, Foreign Currency and Other	2.949.447	2.118.128
Demand Deposits in Banks (*)	11.242.405	2.851.454
Cash Equivalents	**18.456.699**	**5.699.348**
Interbank Money Market Placements	186	2.073.668
Time Deposits in Banks	18.397.164	3.387.153
Marketable Securities	59.349	238.527
Total Cash and Cash Equivalents	**32.648.551**	**10.668.930**

(*) The restricted demand accounts are not included.

(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 2019:

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	-	-	5.476.437	1.074.561	10.973	7.684
Balance at the End of the Period	-	-	7.075.392	762.530	9.457	5.698
Interest and Commission Income Received	-	-	180.178	2.056	182	22

2. Prior Period – 31 December 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	-	-	5.476.437	1.074.561	10.973	7.684
Interest and Commission Income Received (*)	-	-	135.150	1.723	-	-

(*) 31 March 2018 balances used for income/expense accounts.

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31.03.2019	Prior Period 31.12.2018	Current Period 31.03.2019	Prior Period 31.12.2018	Current Period 31.03.2019	Prior Period 31.12.2018
Balance at the Beginning of the Period	-	-	5.011.321	3.074.721	1.228.947	2.311.399
Balance at the End of the Period	-	-	5.246.676	5.011.321	1.269.572	1.228.947
Interest expense on Deposits (*)	-	-	86.344	65.467	34.208	108.540

(*) 31 March 2018 balances used for income/expense accounts.

(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:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31.03.2019	Prior Period 31.12.2018	Current Period 31.03.2019	Prior Period 31.12.2018	Current Period 31.03.2019	Prior Period 31.12.2018
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	10.451.000	13.638.708	-	-
Balance at the End of the Period	-	-	15.744.442	10.451.000	-	-
Total Income/Loss (*)	-	-	52.831	13.507	-	-
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 March 2019, the net exposure for direct and indirect shareholders of the Group is TL (613.942).

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

As of 31 March 2019 benefits provided to the Group's key management amounting to TL 32.879 (31 March 2018: TL 24.708).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SIX
EXPLANATIONS ON AUDITOR'S REVIEW REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements for the interim period ended 31 March 2019 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 26 April 2019 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

SECTION SEVEN (*)
INFORMATION ON INTERIM ACTIVITY REPORT

Message from the Chairman of the Board:

In the first quarter of 2019; the positive progress achieved in the trade negotiations between the US and China, Brexit developments, concerns about global growth, monetary policy decisions of major central banks have become the main determinants on the direction of financial markets.

Fed stated that growth of economic activity has slowed down from its solid rates more recently, however, labor market has remained strong. Accordingly; growth projections for 2019 and 2020 were somewhat revized down. Fed also revised down its 2019 median interest rate projections from two hikes to zero. It additionally announced that balance sheet reduction will be slowed in May and completed in September.

Leading indicators regarding the economic activity in Euro Area imply an economic slowdown in the region. European Central Bank (ECB) stated that it will keep short term interest rates at its low levels at least until 2019 year-end to support the economy. Additionally; it introduced a new targeted long term refinancing operation program, TLTRO-3, which is going to take place for 2-year term and quarterly starting from September 2019 until March 2021. The new TLTRO decision is expected to support the credit conditions in the region. In addition; ECB revized down its growth and inflation projections for 2019.

On the Brexit front; after a Brexit without any deal has been ruled out by the British Parliament, the official deadline for the United Kingdom to leave the European Union has been extended to 31 October.

Chinese government revized its 2019 growth target to 6% - 6.5% range while it announced tax cuts and credit stimulus to support the economy.

OECD; revized down its global growth forecasts by emphasizing the ongoing economic deceleration, continuing risks and sharper-than-expected deceleration in Europe. More recently; IMF also revized down its growth projections.

Domestically; economy grew by 2.6% in 2018, full year. In year-over-year terms; after growing by an average of 6.3% in the first half of the year, domestic economy grew by 1.8% in the third quarter and contracted by 3% in the last quarter. In 2018 full year; while private investment activities contributed negatively to annual economic growth, net exports' contribution became considerably positive. Leading indicators observed in the first quarter of 2019 signal that a recovery in the economy has started. The most recent seasonally-adjusted industrial production figures are pointing to an increase on a month-on-month basis; there is also an increase in credit activity. Postponement of deadline for the tax cuts extended to some selected sectors to the end of June is also giving some support to durable goods production.

While the contraction tendency in external trade is continuing, we expect net exports to continue providing positive contribution to growth in the first quarter and the declining trend in 12-month-cumulative current account to continue. On the other hand; the growth tendency in exports is slowing down partly due to the weakening in external demand originating from Europe.

Annual inflation was realized at 19.71% in March, after declining to its lowest level of the last 6 months in February. Core inflation; on the other hand, slid to 17.53%, its lowest level in seven months. CBRT continued to iterate that tight monetary stance will be maintained until inflation outlook displays a significant improvement. Budget deficit became 36.2 billion TL in the first quarter of 2019 due to higher year-on-year growth of expenditures vis-à-vis fiscal revenues.

In our banking sector; there is an increase in credit activity especially experienced in commercial loans, recently. Non-performing loan ratio increased to 4.1% in February but still remain low. Capital adequacy ratio is standing at 17%, above the targeted and legal tresholds.

Looking forward; developments about the trade negotiations between the US and China, monetary policy decisions of major central banks, Brexit and other global geopolitical developments would continue to affect global financial markets.

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

Message from the CEO

After a year marked by volatility, our economy has entered a successful period of rebalancing. The banking sector has continued to support the economy. Akbank increased its efficiency in the sector through its strong equity, risk management and its trust-based approach to banking.

In this period, the support we provided to the economy increased to a total of TL 270 billion, with TL 220 billion in cash loans. We achieved a high growth of 9% in commercial loans, which act as a driving force for the real sector. Akbank continued to provide sources for the growth and development of the real sector, our SME and corporate loans reached TL 230 billion in the first quarter. Our bank's deposits reached TL 228 billion, and our assets reached TL 386 billion. Our bank reported a net profit of TL 1 billion 408 million, after TL 442 million tax provisions.

Akbank continues to lead the way in determining the strategy and pricing of syndicated loans. Our March syndication was well-received and once again opened the syndication market. After announcing that Akbank will only roll-over USD 600 million equivalent of its syndicated loan, we received a significant oversubscription by 160% (equivalent to USD 950 million) even with the reduced 25bps in costs. On the back of robust oversubscription, we slightly revised our initial target to USD 700 million. Compared to Akbank's 2018 syndicated loan, the number of participant banks increased from 23 to 34. This successful result is a significant indicator of the trust placed in our bank and the continuing interest of international investors in our country.

We continue to invest in our bank's and our country's future. In addition to our strong balance sheet, our excellent human resources and technological infrastructure are among the strongest assets of our bank. We attach great importance to the development of these two areas and we continue our comprehensive investments. We will complete our Akbank Data and Living Center project, which broke ground in 2017, very soon. This important initiative will enable the innovation culture to grow stronger in our bank and to increase our competitive advantage. While shaping the future of banking, we will continue to attract Turkey's most talented human resources to our new center. I am happy to work with such a talented and successful team. I would like to thank our customers, shareholders and employees for this stable and strong performance.

A. INTRODUCTION

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

There are changes in the Articles of Association during the period.

NEW FORM

Capital and Mode and Terms of Payment of Capital: Article: 9 –

A- The Bank adopted the authorized capital system in accordance with the provisions of Capital Market Law and implemented the authorized capital system pursuant to the Capital Markets Board's permission No. 116/1376 dated December 2, 1999. The authorized capital of the Bank is TL 10,000,000,000 (ten billion) (full TL) divided into 1,000,000,000,000 (one trillion) registered shares each with a nominal value of 1 Kuruș (full TL).

Capital Markets Board's approval of the authorized capital is valid between 2017 and 2021 (5 years). Even if the authorized capital has not been reached at the end of 2021, in order for the Board of Directors to take a decision to raise the Bank's capital after 2021, the Board is required obtain get the authorization of the General Assembly not longer than 5 years for a new time period after obtaining the permission of the Capital Markets Board for the previously approved authorized capital or a new authorized capital level. In case the aforementioned authorization is not obtained, the Bank shall not increase its capital with a Board of Directors' resolution.The Board of Directors is authorized to issue new shares and raise the issued capital up to the authorized capital in accordance with the provisions of the Capital Markets Law.

B- The issued capital of the Bank is TL 5.200.000.000 (five billion and two hundred million) (full TL) divided into 520.000.000.000 (five hundred and twenty billion) registered shares each with a nominal value of 1 Kurus.

C- The issued capital of TL 5.200.000.000 (five billion and two hundred million) (full TL) is paid fully and in cash, free from collusion.

The shares which represent the capital are registered in accordance with the principles of dematerialization.

When necessary, the Bank's capital can be raised or lowered within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Law.

D- Unless resolved otherwise by the General Assembly, the existing shareholders of the Bank are entitled to acquire, in proportion to their current shareholding, new shares to be issued against new cash capital injection. The unused preemptive rights of the shareholders entitled to these shares - in accordance with the related communiqués of the Capital Markets Board and the applicable provisions of the Turkish Commercial Code, by addressing the Bank in the time period to be determined by the Board of Directors which is not to be shorter than 15 or longer than 60 days commencing from the event depicted by the aforementioned legislation - shall be void. The shares released due to unused preemptive rights shall be subject to the applicable legislation.

E- All shares must be registered and listed on the Stock Exchange.

F- The Board of Directors is authorized to pass resolutions with respect to issuing shares at a premium or at a discount to the nominal value accordance with the provisions of the Capital Markets Law.

Meetings of the Board of Directors: Article: 27 –

The Board of Directors meets as rendered necessary by the business and transactions of the Bank. However, a minimum of one meeting per month is mandatory. Each member may request the Chairman in writing to call a meeting of the Board. The meetings of the Board of Directors take place at the Bank's headquarters. Meeting at another location which is deemed appropriate is permitted with the approval of more than half of the members and due to exceptional reasons.

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

Those entitled to attend the Board of Directors' meeting of the Bank may do so by electronic means pursuant to Article 1527 of the Turkish Commercial Code. The Bank may establish an Electronic Meetings System by itself to enable those entitled to attend such meetings and vote by electronic means or purchase service from the systems made for this purpose pursuant to the provisions of Communiqué on Attendance at Meetings of Trading Companies by Electronic Means other than Joint Stock Companies' General Assembly Meetings. The Bank shall enable those entitled to exercise their rights set forth in the relevant regulations within the scope of the Communiqué via the said system or the service to be purchased from system providers pursuant to this provision of the Articles of Association at all meetings.

2. Important Issues and Transactions during the period

CMB approval and ohter procedures regarding our Bank's 30% paid-in-capital increase from TL 4.000.000.000 (full TL) to TL 5.200.000.000 (full TL) -paid in cash have been completed and the new version of our Articles of Association Article 9 titled "Capital and Mode and Terms of Payment of Capital" has been registered by Istanbul Trade Registry Office on 22 February 2019

Akbank secured a multi-currency syndicated loan facility from international markets equivalent to US 700 million, comprised of USD 356 million and EUR 303 million with 367 days maturity on 27 March 2019,

Issuance of the Covered Bond with nominal value of TL 200.000.000 (full TL)and with 5 years maturity has been completed on 15 March 2019.

Capital of Ak Lease A.Ş. which is a 99,99% subsidiary of the Bank was increased to TL 373.400.000 (full TL), via TL 125.000.000 (full TL) rights issue.

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B. BANKING SECTOR FIRST QUARTER OVERVIEW

In the the first three months of 2019, loan growth in the sector was 5,1% and deposit growth in the funding side was 7,9%.

C. CONSOLIDATED FINANCIAL RESULTS

1. Main Balance Sheet Items (TL Million):

	31.03.2019 Consolidated Financial Results	**31.12.2018 Consolidated Financial Results**
Total Asset	386.009	354.682
Loans (including Non-Performing Loans)	219.841	209.313
Deposits	228.080	208.630
Equity	47.492	43.787
Net Income (31.03.2018)	1.408	1.694

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

2. Main Financial Ratios (%):

	31.03.2019 Consolidated Financial Results	**31.12.2018 Consolidated Financial Results**
Loan / Total Assets:	57,0	59,0
Deposit / Total Assets:	59,1	58,8
Return on Equity (31.03.2018)	12,3	16,6
Return on Assets (31.03.2018)	1,5	2,0
NPL Ratio:	41	4,0
Capital Adequacy Ratio:	16,21	16,8
Earnings Per Share (TL) (31.03.2018)	0,00272	0,00423

3. Akbank 1Q19 Results Overview:

Akbank reported a gross profit of TL 1,850 million, setting aside TL 442 million million of tax provisions, the bank reported a net consolidated profit of TL 1.408 million in the three months of the year. Capital adequency ratio of the bank has realized at 16,21% by the end of 1Q19.

As of March 2019, Akbank's consolidated total asset realized TL 386 billion, cash loans are approximately TL 220 billion and total deposits are approximately TL 228 billion.

Akbank'ın NPL ratio increased by 4,2% compared to the end of the year.

4. Bank's Expectations For 2019 :

Banks' future looking expectations which was announced publicly on January 8, 2019 were below.

2019 Guidance (%)	
Loan Growth	~10
Deposit Growth	~10
Net Interest Margin (swap adjusted (*)	⩾3,5
Net Fees & Commission Growth	>20
Operational Expense Growth	~ CPI
Operational Expense/Income	⩽35
Total Cost of Risk	<300 bps
NPL Ratio (**)	<6
Capital Adequacy Ratio	~6
Tier 1	~13,5
Return on Assets	⩾1,4
Return on Equity	⩾12
2020 and after	
Return on Asset	1,7-1,9%
Return on Equity	15-17%

(*) Including short and long term swap transactions.
(**) Excluding any possible NPL sales.