

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 30 JUNE 2014 TOGETHER WITH
LIMITED REVIEW REPORT**

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

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

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

We have reviewed the consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") at 30 June 2014 and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders' equity, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity for the period then ended and a summary of significant accounting policies and other explanatory notes.

We conducted our review in accordance with the regulations on account and booking system and accounting and independent audit principles set out as per the Banking Act No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Bank's management, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Subsequent to the reversal of TL 70.000 thousands during the current period, the accompanying consolidated financial statements as at 30 June 2014 include a general reserve amounting to TL 200.000 thousands which is fully provided in 2013 by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Based on our review, except for the effect of the matter referred in the preceding paragraph on the consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Akbank T.A.Ş. at 30 June 2014 and of the the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 and 38 of Banking Law No. 5411 and other regulations, communiqués, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for convenience translation to English:

As explained in detail in Note I.b. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Fatma Ebru Yücel,
SMMM, Partner

Istanbul, 23 July 2014

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

**THE CONSOLIDATED FINANCIAL REPORT OF
AKBANK T.A.Ş. AS OF
30 JUNE 2014**

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

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

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

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

Ak Receivables Corporation and A.R.T.S. Ltd., which are not subsidiaries of the Bank but over which the Bank has 100% controlling power, have been included in the consolidation due to the reason that these companies are "Structured Entities".

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

23 July 2014

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

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

Name-Surname / Title : Türker TUNALI / Senior Vice President
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**CONVENIENCE TRANSLATION OF
PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY
ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE**

**AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2014**

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

**SECTION ONE
GENERAL INFORMATION ABOUT THE GROUP**

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

Akbank T.A.Ş. ("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 PARENT BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE PARENT BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE PARENT 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) (Formerly Istanbul Stock Exchange ("ISE")) 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 30 June 2014, approximately 41% of the shares are publicly traded, including the ADRs (31 December 2013: 41%).

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

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

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman:	Suzan SABANCI DİNÇER	Chairman and Executive Board Member	Graduate
Honorary Chairman, Board member, Consultant:	Erol SABANCI	Honorary Chairman, Board Member and Consultant	Undergraduate
Board of Directors:	Hayri ÇULHACI Cem MENĞİ Ş. Yaman TÖRÜNER James Charles COWLES A. Aykut DEMİRAY M. Kaan TERZİOĞLU İ. Aydın GÜNTER S. Hakan BİNBAŞGİL	Vice Chairman and Executive Board Member Executive Board Member Board Member Board Member Board Member Board Member Board Member Board Member and CEO	Graduate Undergraduate Undergraduate Graduate Undergraduate Undergraduate Undergraduate Graduate
President and CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Director of Internal Audit:	Eyüp ENGİN	Head of Internal Audit	Undergraduate

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**AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2014**

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

Executive Vice Presidents:	A. Fuat AYLA	Loans	Undergraduate
	Hülya KEFELİ	International Banking	Undergraduate
	K. Atıl ÖZUS	Financial Coordination	Undergraduate
	A. Galip TÖZGE	Consumer Banking	Graduate
	O. Mehmet SİNDEL	Payment Systems and Corporate Communication	Undergraduate
	Kerim ROTA	Treasury	Graduate
	C. Kaan GÜR	Commercial Banking	Undergraduate
	A. Hakan YÜKSEL	Corporate Banking	Undergraduate
	O. Saltık GALATALI	Private Banking	Graduate
	Turgut GÜNEY	Information Technologies	Graduate
	Orkun OĞUZ	Direct Banking	Graduate
	Bülent OĞUZ	SME's Banking	Graduate
	Ozlen SANIBELLİ	Operation	Graduate
	H. Burcu CİVELEK YÜCE	Human Resources and Strategy	Graduate
Internal Audit Committee:	Hayri ÇULHACI	Head of the Audit Committee	Graduate
	Ş. Yaman TÖRÜNER	Member of the Audit Committee	Undergraduate

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

According to the Board of Directors' decision dated 24 January 2014, Mehmet Hikmet Bayar has resigned from the Board membership as of 31 January 2014.

According to the Board of Directors' decision dated 7 February 2014, Cem Mengi has been elected as Board Member as of 10 February 2014 on the condition of the approval of the first General Assembly to be held, Özen Göksel has resigned from his position as Executive Board Member to continue his position as Board Member effective from 28 February 2014, and Cem Mengi has been appointed as Executive Board Member as of 10 February 2014.

During The Ordinary General Assembly Meeting of the Bank dated 28 March 2014 in the election of new Board of Directors, İ.Aydın Günter has been appointed as a Board Member in lieu of Özen Göksel.

As of 23 May 2014, Human Resources Unit's Executive Vice President Bade Sipahioğlu Işık has resigned from the position. As part of organizational change, Human Resources Unit and Strategy Management Department have been merged and Human Resources and Strategy Unit has been established. With the decision dated 25 May 2014, H. Burcu Civelek Yüce has been appointed as this Unit's Executive Vice President.

IV. INFORMATION ON SHAREHOLDERS HAVING CONTROL SHARES:

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

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

**AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2014**

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

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

The Bank's core business activities include retail banking, commercial banking and SME banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş. As of 30 June 2014, the Bank has 993 branches dispersed throughout the country and 1 branch operating abroad (31 December 2013: 985 branches and 1 branch operating abroad). As of 30 June 2014, the Bank employed 16.365 people (31 December 2013: 16.249).

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

As at 30 June 2014, the Group employed 16.594 people (31 December 2013: 16.473).

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 3 Note III.

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

None.

AKBANK T.A.S.
I. CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2014 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL)).

ASSETS	Note (Section Five)	CURRENT PERIOD (30/06/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(I-a)	1.990.100	18.769.124	20.759.224	935.764	17.287.355	18.223.119
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	(I-b)	295.742	595.884	891.626	1.021.067	870.543	1.891.610
2.1 Trading Financial Assets		295.742	595.884	891.626	1.021.067	870.543	1.891.610
2.1.1 Government Debt Securities		8.267	2.320	10.587	8.701	2.167	10.868
2.1.2 Equity Securities		26.181	-	26.181	58.377	-	58.377
2.1.3 Trading Derivative Financial Assets		209.222	593.564	802.786	898.494	868.376	1.766.870
2.1.4 Other Marketable Securities		52.072	-	52.072	55.495	-	55.495
2.2 Financial Assets at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Equity Securities		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	(I-c)	280.337	4.276.575	4.556.912	201.368	5.637.731	5.839.099
IV. MONEY MARKETS		1.460.404	-	1.460.404	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		1,460,404	-	1,460,404	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(I-d)	24,262,856	13,174,474	37,437,330	23,261,560	9,903,422	33,164,982
5.1 Equity Securities		12,326	161	12,487	11,159	161	11,320
5.2 Government Debt Securities		24,148,584	9,648,502	33,797,086	23,173,174	6,902,969	30,076,143
5.3 Other Marketable Securities		101,946	3,525,811	3,627,757	77,227	3,000,292	3,077,519
VI. LOANS and RECEIVABLES	(I-e)	82,269,510	44,642,287	126,911,797	75,531,639	42,477,866	118,009,505
6.1 Loans and Receivables		82,118,980	44,642,287	126,761,267	75,438,789	42,477,866	117,916,655
6.1.1 Loans to Bank's Risk Group	(VI)	1,459,477	1,204,358	2,663,835	1,562,015	806,082	2,368,097
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		80,659,503	43,437,929	124,097,432	73,876,774	41,671,784	115,548,558
6.2 Loans under Follow-up		1,999,398	-	1,999,398	1,676,682	-	1,676,682
6.3 Specific Provisions (-)		1,848,868	-	1,848,868	1,583,832	-	1,583,832
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD-TO-MATURITY SECURITIES (Net)	(I-f)	5,627,270	4,802,222	10,429,492	7,219,023	4,934,430	12,153,453
8.1 Government Debt Securities		5,627,270	4,802,222	10,429,492	7,219,023	4,934,430	12,153,453
8.2 Other Marketable Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(I-g)	3,923	-	3,923	3,923	-	3,923
9.1 Associates Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Associates Unconsolidated		3,923	-	3,923	3,923	-	3,923
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3,923	-	3,923	3,923	-	3,923
X. SUBSIDIARIES (Net)	(I-h)	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)		-	-	-	-	-	-
11.1 Joint Ventures Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. FINANCIAL LEASE RECEIVABLES (Net)	(I-i)	654,100	2,695,338	3,349,438	569,198	2,648,318	3,217,516
12.1 Financial Lease Receivables		833,270	3,102,938	3,936,208	709,963	3,012,978	3,722,941
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		179,170	407,600	586,770	140,765	364,660	505,425
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	(I-j)	281,047	461	281,508	582,455	47,722	630,177
13.1 Fair Value Hedge		281,047	461	281,508	582,455	47,722	630,177
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)		823,221	2,453	825,674	848,596	2,624	851,220
XV. INTANGIBLE ASSETS (Net)		180,142	536	180,678	161,733	482	162,215
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		180,142	536	180,678	161,733	482	162,215
XVI. INVESTMENT PROPERTY (Net)	(I-k)	-	-	-	-	-	-
XVII. TAX ASSET		80,305	6,295	86,600	49,102	25,903	75,005
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(I-l)	80,305	6,295	86,600	49,102	25,903	75,005
XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-m)	157,235	-	157,235	34,699	-	34,699
18.1 Held for Sale Purpose		157,235	-	157,235	34,699	-	34,699
18.2 Related to Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(I-n)	1,388,765	82,173	1,470,938	1,133,108	92,632	1,225,740
TOTAL ASSETS		119,754,957	89,047,822	208,802,779	111,553,235	83,929,028	195,482,263

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

AKBANK T.A.S.
I. CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2014 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL)).

LIABILITIES	Note (Section Five)	CURRENT PERIOD (30/06/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	63.663.841	52.628.187	116.292.028	56.262.093	56.210.590	112.472.683
1.1 Deposits of Bank's Risk Group	(VI)	2.855.465	1.258.846	4.114.311	2.391.083	1.413.538	3.804.621
1.2 Other		60.808.376	51.369.341	112.177.717	53.871.010	54.797.052	108.668.062
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	(II-b)	322.076	600.622	922.698	240.019	938.729	1.178.748
III. FUNDS BORROWED	(II-c)	591.389	19.320.114	19.911.503	438.486	19.260.114	19.898.600
IV. MONEY MARKETS		5.036.561	22.789.526	27.826.087	3.509.017	19.721.734	23.230.751
4.1 Funds from Interbank Money Market		408.574	-	408.574	331.154	-	331.154
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		4.627.987	22.789.526	27.417.513	3.177.863	19.721.734	22.899.597
V. SECURITIES ISSUED (Net)	(II-d)	3.368.876	7.193.070	10.561.946	3.139.050	5.588.792	8.727.842
5.1 Bills		1.360.920	1.522.533	2.883.453	923.917	-	923.917
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		2.007.956	5.670.537	7.678.493	2.215.133	5.588.792	7.803.925
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		2.811.151	640.644	3.451.795	2.987.598	737.393	3.724.991
VIII. OTHER LIABILITIES	(II-e)	2.008.889	299.433	2.308.322	1.193.502	285.227	1.478.729
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCIAL LEASE PAYABLES (Net)	(II-f)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	(II-g)	-	55.368	55.368	-	63.810	63.810
11.1 Fair Value Hedge		-	55.368	55.368	-	63.810	63.810
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(II-h)	1.912.094	454.254	2.366.348	1.798.972	468.603	2.267.575
12.1 General Loan Loss Provisions		1.427.010	438.896	1.865.906	1.252.095	444.023	1.696.118
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		118.203	49	118.252	111.036	123	111.159
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		366.881	15.309	382.190	435.841	24.457	460.298
XIII. TAX LIABILITY	(II-i)	575.995	61.355	637.350	243.529	60.026	303.555
13.1 Current Tax Liability		571.387	20.942	592.329	243.529	16.793	260.322
13.2 Deferred Tax Liability		4.608	40.413	45.021	-	43.233	43.233
XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1 Held for Sale Purpose		-	-	-	-	-	-
14.2 Related to Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(II-j)	24.690.115	(220.781)	24.469.334	22.833.450	(698.471)	22.134.979
16.1 Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2 Capital Reserves		2.940.664	(220.781)	2.719.883	2.213.524	(698.471)	1.515.053
16.2.1 Share Premium		1.700.000	-	1.700.000	1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences	(II-k)	6.502	(191.123)	(184.621)	(702.498)	(665.848)	(1.368.346)
16.2.4 Property and Equipment Revaluation Differences		47.106	-	47.106	47.106	-	47.106
16.2.5 Intangible Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Investment Properties Revaluation Differences		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		3.895	-	3.895	2.729	-	2.729
16.2.8 Hedging Funds (Effective portion)		(222.731)	(29.658)	(252.389)	(239.705)	(32.623)	(272.328)
16.2.9 Value Increase of Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.405.892	-	1.405.892	1,405.892	-	1,405.892
16.3 Profit Reserves		15,876,861	-	15,876,861	13,333,443	-	13,333,443
16.3.1 Legal Reserves		1,295,468	-	1,295,468	1,259,069	-	1,259,069
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		14,150,654	-	14,150,654	11,631,754	-	11,631,754
16.3.4 Other Profit Reserves		430,739	-	430,739	442,620	-	442,620
16.4 Income or (Loss)		1,872,494	-	1,872,494	3,286,398	-	3,286,398
16.4.1 Prior Periods' Income or (Loss)		260,884	-	260,884	209,221	-	209,221
16.4.2 Current Year Income or (Loss)		1,611,610	-	1,611,610	3,077,177	-	3,077,177
16.5 Minority Interest	(II-l)	96	-	96	85	-	85
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		104.980.987	103.821.792	208.802.779	92.845.716	102.636.547	195.482.263

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

AKBANK T.A.Ş.
II. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2014

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

INCOME AND EXPENSE ITEMS		Note	CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		(Section Five)	(01/01-30/06/2014)	(01/01-30/06/2013)	(01/04-30/06/2014)	(01/04-30/06/2013)
I.	INTEREST INCOME	(III-a)	7.244.246	5.652.901	3.733.339	2.756.961
1.1	Interest on Loans	(III-a-1)	5.066.181	4.010.699	2.607.012	1.995.722
1.2	Interest on Reserve Requirements		-	-	-	-
1.3	Interest on Banks	(III-a-2)	17.661	17.831	9.195	8.390
1.4	Interest on Money Market Transactions		21.115	10.983	10.804	4.443
1.5	Interest on Marketable Securities Portfolio	(III-a-3)	2.002.026	1.528.247	1.034.094	698.965
1.5.1	Trading Financial Assets		3.777	981	1.763	689
1.5.2	Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3	Available-for-sale Financial Assets		1.647.235	1.378.315	859.317	669.266
1.5.4	Held- to- maturity Investments		351.014	148.951	173.014	29.010
1.6	Financial Lease Income		111.162	78.271	54.856	44.187
1.7	Other Interest Income		26.101	6.870	17.378	5.254
II.	INTEREST EXPENSE	(III-b)	3.797.124	2.482.907	2.022.800	1.199.065
2.1	Interest on Deposits	(III-b-4)	2.704.870	1.844.356	1.444.772	859.886
2.2	Interest on Funds Borrowed	(III-b-1)	190.891	163.441	93.385	79.024
2.3	Interest Expense on Money Market Transactions		593.837	244.762	323.801	139.700
2.4	Interest on Securities Issued	(III-b-3)	296.962	221.917	156.227	116.943
2.5	Other Interest Expenses		10.564	8.431	4.615	3.512
III.	NET INTEREST INCOME (I - II)		3.447.122	3.169.994	1.710.539	1.557.896
IV.	NET FEES AND COMMISSIONS INCOME		1.200.292	1.157.907	675.822	598.162
4.1	Fees and Commissions Received		1.375.535	1.291.568	769.783	669.376
4.1.1	Non-cash Loans		76.149	55.919	37.851	28.211
4.1.2	Other		1.299.386	1.235.649	731.932	641.165
4.2	Fees and Commissions Paid		175.243	133.661	93.961	71.214
4.2.1	Non-cash Loans		1.319	740	673	269
4.2.2	Other		173.924	132.921	93.288	70.945
V.	DIVIDEND INCOME		1.381	4.970	150	857
VI.	TRADING INCOME/(LOSS) (Net)	(III-c)	(156.047)	685.301	74.654	377.629
6.1	Trading Gains / (Losses) on Securities		335.201	647.805	362.377	228.274
6.2	Gains / (Losses) on Derivative Financial Transactions		(1.206.586)	391.421	(471.010)	429.878
6.3	Foreign Exchange Gains / (Losses)		715.338	(353.925)	183.287	(280.523)
VII.	OTHER OPERATING INCOME	(III-d)	406.628	222.765	211.328	131.779
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		4.899.376	5.240.937	2.672.493	2.666.323
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(III-e)	1.021.408	999.602	528.523	551.849
X.	OTHER OPERATING EXPENSES (-)	(III-f)	1.828.368	1.804.636	943.680	830.154
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		2.049.600	2.436.699	1.200.290	1.284.320
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XIII.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XIV.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)		2.049.600	2.436.699	1.200.290	1.284.320
XV.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(III-h)	437.987	611.670	249.637	332.413
16.1	Current Tax Provision		642.946	592.707	306.614	299.818
16.2	Deferred Tax Provision		(204.959)	18.963	(56.977)	32.595
XVII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)		1.611.613	1.825.029	950.653	951.907
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1	Income from Non-current Assets Held for Sale		-	-	-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3	Income from Other Discontinued Operations		-	-	-	-
XIX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Expenses for Non-current Assets Held for Sale		-	-	-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3	Expenses for Other Discontinued Operations		-	-	-	-
XX.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1	Current Tax Provision		-	-	-	-
21.2	Deferred Tax Provision		-	-	-	-
XXII.	CURRENT YEAR PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	(III-i)	1.611.613	1.825.029	950.653	951.907
23.1	Income/(Loss) from the Group		1.611.610	1.825.027	950.651	951.906
23.2	Income/(Loss) from Minority Interest	(III-g)	3	2	2	1
	Earning/(Loss) per share (in TL full)		0,00403	0,00456	0,00238	0,00238

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

III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 30 JUNE 2014

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

	Note (Section Five)	CURRENT PERIOD (30/06/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		89.169.510	146.619.954	235.789.464	93.891.891	157.955.849	251.847.740
I. GUARANTEES AND WARRANTIES	(IV-2, 3)	15.102.599	15.338.265	30.440.864	13.049.180	17.228.728	30.277.908
1.1 Letters of Guarantee		13.814.054	7.406.680	21.220.734	11.716.391	7.469.072	19.185.463
1.1.1 Guarantees Subject to State Tender Law		293.419	1.384.075	1.677.494	287.732	1.340.785	1.628.517
1.1.2 Guarantees Given for Foreign Trade Operations		-	3.311.642	3.311.642	-	3.547.914	3.547.914
1.1.3 Other Letters of Guarantee		13.520.635	2.710.963	16.231.598	11.428.659	2.580.373	14.009.032
1.2 Bank Acceptances		-	1.139.849	1.139.849	-	1.705.986	1.705.986
1.2.1 Import Letter of Acceptance		-	1.139.849	1.139.849	-	1.705.986	1.705.986
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	4.541.122	4.541.122	1.355	6.205.829	6.207.184
1.3.1 Documentary Letters of Credit		-	3.803.261	3.803.261	1.355	5.639.926	5.641.281
1.3.2 Other Letters of Credit		-	737.861	737.861	-	565.903	565.903
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	18.155	18.155	-	23.852	23.852
1.8 Other Guarantees		37.918	2.209.254	2.247.172	59.250	1.800.260	1.859.510
1.9 Other Collaterals		1.250.627	23.205	1.273.832	1.272.184	23.729	1.295.913
II. COMMITMENTS	(IV-1)	40.478.309	7.121.947	47.600.256	41.112.347	7.588.719	48.701.066
2.1 Irrevocable Commitments		40.104.242	7.121.947	47.226.189	40.607.424	7.588.719	48.196.143
2.1.1 Asset Purchase Commitments		4.225.576	5.379.545	9.605.121	4.892.917	5.552.036	10.444.953
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		5.170.351	1.417.285	6.587.636	4.887.523	1.616.081	6.503.604
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		5.357.548	-	5.357.548	5.051.733	-	5.051.733
2.1.8 Tax and Fund Liabilities from Export Commitments		1.657	-	1.657	1.242	-	1.242
2.1.9 Commitments for Credit Card Limits		21.640.705	-	21.640.705	21.362.853	-	21.362.853
2.1.10 Commitments for Credit Cards and Banking Services Promotions		95.828	-	95.828	130.439	-	130.439
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		3.612.577	325.117	3.937.694	4.280.717	420.602	4.701.319
2.2 Revocable Commitments		374.067	-	374.067	504.923	-	504.923
2.2.1 Revocable Loan Granting Commitments		374.067	-	374.067	504.923	-	504.923
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		33.588.602	124.159.742	157.748.344	39.730.364	133.138.402	172.868.766
3.1 Hedging Derivative Financial Instruments		1.508.213	7.468.300	8.976.513	2.640.102	9.876.850	12.516.952
3.1.1 Fair Value Hedges		1.508.213	7.468.300	8.976.513	2.640.102	9.876.850	12.516.952
3.1.2 Cash Flow Hedges		-	-	-	-	-	-
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		32.080.389	116.691.442	148.771.831	37.090.262	123.261.552	160.351.814
3.2.1 Forward Foreign Currency Buy/Sell Transactions		4.482.991	5.899.612	10.382.603	5.498.056	6.577.166	12.075.222
3.2.1.1 Forward Foreign Currency Transactions-Buy		1.871.501	3.294.400	5.165.901	1.993.163	4.053.487	6.046.650
3.2.1.2 Forward Foreign Currency Transactions-Sell		2.611.490	2.605.212	5.216.702	3.504.893	2.523.679	6.028.572
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		18.486.841	63.237.213	81.724.054	18.685.004	66.288.511	84.973.515
3.2.2.1 Foreign Currency Swap-Buy		3.950.454	20.534.660	24.485.114	2.810.181	21.228.640	24.038.821
3.2.2.2 Foreign Currency Swap-Sell		12.317.221	10.230.569	22.547.790	13.655.657	8.916.441	22.572.098
3.2.2.3 Interest Rate Swap-Buy		1.109.583	16.235.992	17.345.575	1.109.583	18.071.715	19.181.298
3.2.2.4 Interest Rate Swap-Sell		1.109.583	16.235.992	17.345.575	1.109.583	18.071.715	19.181.298
3.2.3 Foreign Currency, Interest Rate and Securities Options		8.733.110	45.224.361	53.957.471	12.444.886	48.639.479	61.084.365
3.2.3.1 Foreign Currency Options-Buy		3.947.859	6.751.068	10.698.927	5.310.223	8.230.190	13.540.413
3.2.3.2 Foreign Currency Options-Sell		4.407.559	6.299.069	10.706.628	6.715.937	6.702.419	13.418.356
3.2.3.3 Interest Rate Options-Buy		-	16.214.468	16.214.468	-	16.853.435	16.853.435
3.2.3.4 Interest Rate Options-Sell		257.390	15.959.756	16.217.146	-	16.853.435	16.853.435
3.2.3.5 Securities Options-Buy		60.151	-	60.151	209.363	-	209.363
3.2.3.6 Securities Options-Sell		60.151	-	60.151	209.363	-	209.363
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		377.447	2.330.256	2.707.703	462.316	1.756.396	2.218.712
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		515.401.283	116.006.856	631.408.139	460.544.679	114.649.945	575.194.624
IV. ITEMS HELD IN CUSTODY		48.402.797	8.365.273	56.768.070	45.452.552	6.897.506	52.350.058
4.1 Customer Fund and Portfolio Balances		2.827.741	-	2.827.741	3.327.038	-	3.327.038
4.2 Investment Securities Held in Custody		13.960.283	881.523	14.841.806	14.433.403	935.571	15.368.974
4.3 Cheques Received for Collection		28.532.591	482.400	29.014.991	24.842.054	439.276	25.281.330
4.4 Commercial Notes Received for Collection		2.594.044	836.491	3.430.535	2.362.060	694.580	3.056.640
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		488.138	6.164.859	6.652.997	487.997	4.828.079	5.316.076
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		141.560.257	39.998.040	181.558.297	117.618.025	40.296.298	157.914.323
5.1 Marketable Securities		43.245.624	140.038	43.385.662	26.778.749	102.646	26.881.395
5.2 Guarantee Notes		872.573	414.564	1.287.137	813.436	366.230	1.179.666
5.3 Commodity		35.703	19.239	54.942	41.302	20.529	61.831
5.4 Warranty		1.277	942	2.219	1.437	953	2.390
5.5 Immovables		54.930.852	26.501.071	81.431.923	49.073.146	26.018.725	75.091.871
5.6 Other Pledged Items		42.468.929	12.919.663	55.388.592	40.906.149	13.786.261	54.692.410
5.7 Pledged Items-Depository		5.299	2.523	7.822	3.806	954	4.760
VI. ACCEPTED BILL, GUARANTEES AND WARRANTS		325.438.229	67.643.543	393.081.772	297.474.102	67.456.141	364.930.243
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		604.570.793	262.626.810	867.197.603	554.436.570	272.605.794	827.042.364

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

AKBANK T.A.Ş.**IV. STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER CONSOLIDATED SHAREHOLDERS' EQUITY
AT 30 JUNE 2014**

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

INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD (30/06/2014)	PRIOR PERIOD (30/06/2013)
I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE- FOR- SALE FINANCIAL ASSETS	1.479.656	(3.191.458)
II. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. TRANSLATION DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	(14.613)	52.315
V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion)	16.894	94.702
VI. PROFIT/LOSS FROM FOREIGN NET INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion) (*)	8.030	(28.645)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	-	-
IX. TAX RELATED TO VALUATION DIFFERENCES	(300.916)	625.080
X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	1.189.051	(2.448.006)
XI. CURRENT PERIOD INCOME / LOSS	1.611.613	1.825.029
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	395.814	596.042
11.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(13.515)	(39.685)
11.3 Part of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	1.229.314	1.268.672
XII. TOTAL INCOME / LOSS ACCOUNTED FOR THE PERIOD (X±XI)	2.800.664	(622.977)

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

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

AKBANK T.A.S.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2014

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

	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital(*)	Share Premiums	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Value Increase Fund	Revaluation Fund	Bonus Shares from Invest. in Ass., Subs. and J.V.	Hedging Transactions	Val. Chan. in Prop. and Eq. HFS Purp./ Disc. Opr.	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD																			
(30/06/2013)																			
I.	Beginning Balance	4.000.000	1.405.892	1.700.000	-	1.213.707	-	9.115.974	242.712	3.004.910	344.264	1.673.778	47.106	236	(272.884)	-	22.475.695	73	22.475.768
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (II-II)	(II-II) 4.000.000	1.405.892	1.700.000	-	1.213.707	-	9.115.974	242.712	3.004.910	344.264	1.673.778	47.106	236	(272.884)	-	22.475.695	73	22.475.768
Changes in the period																			
IV.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	(2.553.166)	-	-	-	-	(2.553.166)	-	(2.553.166)
VI.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	52.845	-	52.845	-	52.845
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	75.761	-	75.761	-	75.761
6.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(22.916)	-	(22.916)	-	(22.916)
VII.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint	-	-	-	-	-	-	-	-	-	-	-	-	2.478	-	-	2.478	-	2.478
X.	Translation Differences	-	-	-	-	-	-	-	52.315	-	-	-	-	-	-	-	52.315	-	52.315
XI.	Changes due to the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of Changes in Equity of Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	8.295	-	181.796	-	-	(190.091)	-	-	-	-	-	-	-	-
XIX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	1.825.027	-	-	-	-	-	-	1.825.027	2	1.825.029
XX.	Profit distribution	-	-	-	-	37.067	-	2.333.984	8.141	(3.004.910)	55.048	-	-	-	-	-	(570.670)	-	(570.670)
20.1	Dividends paid	-	-	-	-	-	-	-	-	(570.670)	-	-	-	-	-	-	(570.670)	-	(570.670)
20.2	Transfers to Reserves	-	-	-	-	37.067	-	2.333.984	8.141	(2.434.240)	55.048	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance (III+IV+V+...+XVIII+XIX+XX)		4.000.000	1.405.892	1.700.000	-	1.259.069	-	11.631.754	303.168	1.825.027	209.221	(879.388)	47.106	2.714	(220.639)	-	21.284.524	75	21.284.599
CURRENT PERIOD																			
(30/06/2014)																			
I.	Prior Period End Balance	4.000.000	1.405.892	1.700.000	-	1.259.069	-	11.631.754	442.620	3.077.177	209.221	(1.368.346)	47.106	2.729	(272.328)	-	22.134.894	85	22.134.979
Changes in the period																			
II.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	1.183.725	-	-	-	-	1.183.725	-	1.183.725
IV.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	19.939	-	19.939	-	19.939
4.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	13.515	-	13.515	-	13.515
4.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	6.424	-	6.424	-	6.424
V.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint	-	-	-	-	-	-	-	-	-	-	-	-	1.166	-	-	1.166	-	1.166
VIII.	Translation Differences	-	-	-	-	-	-	-	(14.613)	-	-	-	-	-	-	-	(14.613)	-	(14.613)
IX.	Changes due to the Disposal of Assets (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes due to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effects of Changes in Equity of Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
12.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
XIII.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	1.611.610	-	-	-	-	-	-	1.611.610	3	1.611.613
XVIII.	Profit distribution	-	-	-	-	36.399	-	2.518.900	2.732	(3.077.177)	51.663	-	-	-	-	-	(467.483)	-	(467.483)
18.1	Dividends paid	-	-	-	-	-	-	-	-	(467.483)	-	-	-	-	-	-	(467.483)	-	(467.483)
18.2	Transfers to Reserves	-	-	-	-	36.399	-	2.518.900	2.732	(2.609.694)	51.663	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance (I+II+III+...+XVIII+XIX+XX)		4.000.000	1.405.892	1.700.000	-	1.295.468	-	14.150.654	430.739	1.611.610	260.884	(184.621)	47.106	3.895	(252.389)	-	24.469.238	96	24.469.334

(*) The amounts for the current period under "Adjustment to Share Capital" column are presented under "Other Capital Reserves" in the financial statements.

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

AKBANK T.A.Ş.**VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2014**

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

	Note (Section Five)	CURRENT PERIOD (30/06/2014)	PRIOR PERIOD (30/06/2013)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities	4.530.160	1.138.147
1.1.1	Interest received	7.768.804	4.935.421
1.1.2	Interest paid	(3.714.085)	(2.345.415)
1.1.3	Dividend received	1.381	4.970
1.1.4	Fees and commissions received	1.312.746	1.309.129
1.1.5	Other income	195.645	333.649
1.1.6	Collections from previously written-off loans and other receivables	293.599	193.100
1.1.7	Payments to personnel and service suppliers	(1.620.387)	(1.620.738)
1.1.8	Taxes paid	(525.190)	(487.944)
1.1.9	Other	817.647	(1.184.025)
1.2	Changes in operating assets and liabilities	(2.456.016)	964.365
1.2.1	Net decrease in trading securities	39.891	(79.508)
1.2.2	Net (increase) / decrease in fair value through profit/(loss) financial assets	-	-
1.2.3	Net increase / (decrease) in due from banks and other financial institutions	947.092	(988.604)
1.2.4	Net (increase) / decrease in loans	(9.713.761)	(12.194.322)
1.2.5	Net (increase) / decrease in other assets	(2.997.830)	628.394
1.2.6	Net increase / (decrease) in bank deposits	1.864.662	5.836.264
1.2.7	Net increase / (decrease) in other deposits	6.417.441	7.128.277
1.2.8	Net increase / (decrease) in funds borrowed	62.442	371.258
1.2.9	Net increase / (decrease) in payables	-	-
1.2.10	Net increase / (decrease) in other liabilities	924.047	262.606
I.	Net cash provided from banking operations	2.074.144	2.102.512
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	(2.798.768)	(3.457.526)
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	(100.385)	(49.753)
2.4	Disposals of property and equipment	27.626	2.471
2.5	Cash paid for purchase of investments available-for-sale	(22.244.010)	(25.690.978)
2.6	Cash obtained from sale of investments available-for-sale	18.193.318	21.172.773
2.7	Cash paid for purchase of investment securities	(6.741)	-
2.8	Cash obtained from sale of investment securities	1.774.615	1.553.180
2.9	Other	(443.191)	(445.219)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	1.343.529	1.010.530
3.1	Cash obtained from funds borrowed and securities issued	4.179.853	3.561.594
3.2	Cash used for repayment of funds borrowed and securities issued	(2.368.841)	(1.980.394)
3.3	Issued equity instruments	-	-
3.4	Dividends paid	(467.483)	(570.670)
3.5	Payments for finance leases	-	-
3.6	Other	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	(28.946)	229.713
V.	Net increase in cash and cash equivalents (I+II+III+IV)	589.959	(114.771)
VI.	Cash and cash equivalents at beginning of the period	(VI) 4.933.284	4.072.442
VII.	Cash and cash equivalents at end of the period	(VII) 5.523.243	3.957.671

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2014

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

**SECTION THREE
ACCOUNTING POLICIES**

I. EXPLANATIONS ON BASIS OF PRESENTATION:

a. The preparation of the consolidated financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures numbered 5411 Regarding Banks’ Accounting Application and Keeping Documents:

The consolidated financial statements have been prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006, which refers to “Turkish Accounting Standards” (“TAS”), put into effect by Public Oversight Accounting and Auditing Standards Authority (“KGK”), and “Turkish Financial Reporting Standards” (“TFRS”) issued by the “Turkish Accounting Standards Board” (“TASB”) and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the Banking Regulation and Supervision Agency (“BRSA”). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

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

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

The amendments of TAS and TFRS which have entered into force as of 1 January 2014 have no material impact on the Group’s accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, will have no significant impact on the accounting policies, financial condition and performance of the Group. The Group assesses the impact of TFRS 9 Financial Instruments standard.

b. Explanation for convenience translation into English:

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

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

**AKBANK T.A.Ş.
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AT 30 JUNE 2014**

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

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

The accounting policies and valuation principles applied in the preparation of consolidated financial statements are determined and applied in accordance with TAS and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2013. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVIII below.

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

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

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

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

For covering foreign currency exposures arising from the foreign currency transactions, the Group uses derivatives and asset-liability balancing transactions.

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”.

The Bank applies fair value hedge to hedge the foreign currency risk arising from share premium and paid-in-capital of Akbank AG, one of Bank’s subsidiaries amounting EURO 220 million. EURO 220 million of syndication loans used by the Bank are designated as “the hedging instrument”.

As of 30 June 2014, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,1226, TL 2,8979 and TL 2,0886 for USD, EURO and Yen respectively.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2014

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

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

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

Consolidation principles for subsidiaries:

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

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

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

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

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

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

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

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

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

The Bank’s Frankfurt Branch was established on 5 April 1998 for banking operations abroad. As of 1 September 2006, the Frankfurt Branch has been converted to a 100% subsidiary of the Bank. As of 31 May 2007, shares of Akbank AG were transferred to Akbank N.V resident in the Netherlands through capital in kind. Based on restructuring of the Parent Bank’s foreign subsidiaries, Akbank NV and Akbank AG have merged in Akbank AG with the discontinuation of activities of Akbank N.V effective from 15 June 2012. Akbank AG operates in Germany, providing corporate and retail banking services.

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

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

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

Ak Receivables Corporation and A.R.T.S Ltd. are “Structured Entities” established in July 1998 and November 1999, respectively, in connection with raising long-term financing.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:

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

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

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

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

Within the scope of cash flow hedge accounting, effective part of the fair value changes of the hedging instrument are accounted in equity under “Hedging reserves” whereas the 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 instrument is taken out of the equity and reflected on the income statement.

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

Prospective tests are performed regularly at the inception of the hedge relationship 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.

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

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. When the host contract and embedded derivative are closely related, embedded derivatives are not separated from the host contract and are accounted according to the standard applied to the host contract.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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

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

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

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

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

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

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b. Financial assets available-for-sale:

Financial assets available-for-sale consist of financial assets other than “Loans and receivables”, “Held-to-maturity”, “Financial assets at fair value through profit or loss” and non-derivative financial assets. Financial assets available-for-sale are recorded by adding transaction cost to acquisition cost reflecting the fair value of the financial asset.

After the recognition, financial assets available-for-sale are remeasured at fair value. Interest income arising from available-for-sale calculated with “Effective interest method” and dividend income from equity securities are reflected to income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of securities classified as available-for-sale are recognized in the account of “Marketable securities valuation differences” under shareholders’ equity, unless these assets are impaired, collected, sold, or disposed of. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement.

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

c. Loans and Receivables:

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale, are unlisted in an active market and whose payments are fixed or can be determined. Loans and receivables are carried initially by adding acquisition cost which reflect fair value to transaction costs and subsequently recognized at the discounted value calculated using the “Effective interest method”. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

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

d. Held-to-maturity financial assets:

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

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

The Bank has Consumer Price Index (“CPI”) linked government bonds under available-for-sale and held-to maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated

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inflation rate. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

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

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

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

Funds given against securities purchased under agreements to resell (“Reverse repos”) are accounted under “Receivables from reverse repurchase agreements” in the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the “Effective interest method”. The Group has no securities lending transactions.

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

The Group has no discontinued operations.

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

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

As of 30 June 2014, the Group has no goodwill.

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

Intangibles are amortized over three to five years (their estimated useful lives) using the straight-line method. The useful life of the asset is determined by assessing the expected useful time of the asset, technical, technological

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and other kinds of wear and tear and all required maintenance expenses necessary to utilize the economic benefit from the asset.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

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

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

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

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

The Group provides specific provisions for financial lease receivables in accordance with the “Communiqué Regarding the Principles and Procedures for the Provisions Provided for Receivables by Financial Leasing, Factoring and Finance Companies” published in Official Gazette no. 26588, dated 20 July 2007. The Group provides general provisions for non-impaired financial lease receivables.

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

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XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

Provisions are recognized when the 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. When the amount of the obligation cannot be reliably estimated and there is no possibility of an outflow of resources from the Group, it is considered that a “Contingent” liability exists and it is disclosed in the related notes to the financial statements.

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 for in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) and are classified under the “Reserve for Employee Rights” account in the balance sheet.

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

b. Retirement rights:

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

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

Following the publication of the reasoned decree of the Constitutional Court, Turkish Grand National Assembly commenced to work on a new law regarding the transfer of the members of funds to the Social Security

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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. Accordingly, the process will have to be completed until 8 May 2015.

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 2013 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.

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XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

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

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

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

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

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

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

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

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

b. Deferred tax:

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

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

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

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

XIX. EXPLANATIONS ON BORROWINGS:

Derivative financial liabilities are carried at their fair values and other financial liabilities are carried at amortized cost using “Effective interest rate method” for the periods following their recognition.

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no security issuance as of 30 June 2014.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 June 2014 and 31 December 2013, there is no government grant for the Group.

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

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

(c) for which discrete financial information is available.

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

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

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

The Ordinary General Assembly Meeting of the Bank was held on 27 March 2014. In the Ordinary General Assembly, it was decided to distribute TL 467.483 of the net income from 2013 operations amounting to TL 2.942.042 to the Bank's shareholders, Chairman and Members of the Board of Directors in form of cash dividend, to transfer TL 2.732 to special funds account under other capital reserves and to allocate TL 26.748 as legal and TL 2.445.079 as extraordinary reserves respectively.

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XXV. EARNINGS PER SHARE:

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

	Current Period 30 June 2014	Prior Period 30 June 2013
Net Profit for the Year	1.611.610	1.825.027
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00403	0,00456

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.

No bonus shares issued in 2014 (2013: (-))

XXVI. RELATED PARTIES:

Parties defined in article 49 of the Banking Law No.5411, Bank’s senior management, and Board Members are deemed as related parties. Transactions regarding related parties are presented in Note VI of Section Five.

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

In order to be consistent with the presentation of financial statements dated 30 June 2014, there are certain reclassifications made on off-balance sheet accounts as of 31 December 2013, statement of income and expenses accounted under shareholders’ equity and cash flow statements as of 30 June 2013.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

- a. The Group’s and Bank’s capital adequacy ratio, calculated in accordance with the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which became effective as of 1 July 2012, are respectively 14,65% (31 December 2013: 14,71%) and 15,01% (31 December 2013: 14,95%). This ratio is well above the minimum ratio required by the legislation.
- b. Capital adequacy ratio has been calculated in accordance with the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, “Credit Risk Mitigation Techniques” and “Calculation of Risk-Weighted Amounts for Securitizations” Communiqués that have been published in Official Gazette no. 28337 on 28 June 2012 and became effective as of 1 July 2012 and “Regulation on Equity of Banks” that has been published in Official Gazette no. 26333 on November 1, 2006.

Capital adequacy ratio is calculated based on total capital requirements needed for credit risk, market risk and operational risk. Credit risk is calculated by holding risk-weighted assets and non-cash loans subject to risk-weights in the relevant legislation and taking risk mitigation techniques into account; the standard method is used to calculate market risk and the basic indicator approach is used to calculate operational risk.

The following tables show the details of risk-weighted assets which constitute the basis for calculating the Bank’s capital adequacy ratio and Bank’s equity calculation.

c. Information related to consolidated capital adequacy ratio:

	Consolidated									
	Risk Weights									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Weighted Credit Risk	-	-	1.772.105	20.159.950	23.050.882	88.474.500	3.572.183	27.174.596	1.548.440	-
Risk classifications:										
Conditional and unconditional receivables from central governments and Central Banks	50.127.009	-	153.573	15.516.271	-	14.923	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	43	-	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	37.490	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	8.677.350	11.913.817	-	373.718	-	-	-	-
Conditional and unconditional receivables from corporates	6.630	-	-	-	-	80.406.373	-	-	-	-
Conditional and unconditional receivables from retail portfolios	-	-	-	-	30.734.509	3.217.089	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	12.889.769	-	1.591.554	-	-	-	-
Past due receivables	-	-	-	-	-	162.203	9.829	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	2.371.626	13.587.298	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	619.376	-
Investments similar to collective investment funds	-	-	-	-	-	279.087	-	-	-	-
Other receivables	1.452.682	-	29.603	-	-	2.392.063	-	-	-	-

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	Bank										
	Risk Weights										
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	
Weighted Credit Risk	-	-	1.671.507	19.441.919	22.973.072	79.658.673	3.557.439	27.174.596	1.548.440	-	
Risk classifications:											
Conditional and unconditional receivables from central governments and Central Banks	49.583.374	-	153.573	15.516.271	-	14.923	-	-	-	-	
Conditional and unconditional receivables from regional or local governments	-	-	-	43	-	-	-	-	-	-	
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	37.490	-	-	-	-	
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from banks and brokerage houses	709.553	-	8.174.360	10.477.754	-	83.761	-	-	-	-	
Conditional and unconditional receivables from corporates	6.630	-	-	-	-	71.052.320	-	-	-	-	
Conditional and unconditional receivables from retail portfolios	-	-	-	-	30.630.762	3.217.089	-	-	-	-	
Conditional and unconditional receivables secured by mortgages	-	-	-	12.889.769	-	1.591.554	-	-	-	-	
Past due receivables	-	-	-	-	-	150.530	-	-	-	-	
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	2.371.626	13.587.298	-	-	
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	
Securitization positions	-	-	-	-	-	-	-	-	-	-	
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	619.376	-	
Investments similar to collective investment funds	-	-	-	-	-	279.087	-	-	-	-	
Other receivables	1.452.667	-	29.603	-	-	3.231.919	-	-	-	-	

d. Summary information related to capital adequacy ratio:

	Bank		Consolidated	
	Current Period 30 June 2014	Prior Period 31 December 2013	Current Period 30 June 2014	Prior Period 31 December 2013
Capital Requirement for Credit Risk (Value at credit risk*0,08) (CRCR)	12.482.052	11.312.547	13.260.212	11.979.369
Capital Requirement for Market Risk (CRMR)	129.956	252.559	127.838	183.182
Capital Requirement for Operational Risk (CROR)	973.611	832.024	1.014.044	868.247
Total Capital (*)	25.495.562	23.170.989	26.367.624	23.959.927
Total Equity/((CRCR+CRMR+CROR)*12,5)*100	15,01	14,95	14,65	14,71
Additional Tier I Capital/(((KRSY+PRSY+ORSY)*12,5*100)	13,94	-	13,63	-
Common Equity/(((KRSY+PRSY+ORSY)*12,5*100)	14,01	-	13,70	-

(*)Total Capital calculation has been changed with the “Regulation on Equity of Banks” which has become effective as of 1 January 2014. The information given regarding the prior period, has been calculated in accordance with the abolished Regulation.

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e. Information about consolidated total capital items:

The Current period Total Capital amount has been made in accordance with the “Regulation on Equity of Banks” published in the Official Gazette No.28756 dated 5 September 2013 and has been effective as of 1 January 2014.

	Current Period 30 June 2014
COMMON EQUITY	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.405.892
Share premium	1.700.000
Share cancellation profits	-
Reserves	15.876.861
Gains recognized in equity as per TAS	47.106
Profit	1.872.494
Current Period Profit	1.611.610
Prior Period Profit	260.884
Provisions for Possible Risks	200.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	3.895
Minorities' Share	96
Common Equity Before Deductions	25.106.344
Deductions from Common Equity	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	346.757
Leasehold improvements (-)	52.659
Goodwill or other intangible assets and deferred tax liability related to these items (-)	33.235
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own Common Equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-).	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-)	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Common Equity	432.651
Total Common Equity	24.673.693
ADDITIONAL TIER I CAPITAL	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)	-
Third parties' share in the Tier II Capital	-
Additional Tier I Capital before Deductions	-

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	Current Period 30 June 2014
Deductions from Additional Tier I Capital	
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Deductions from Tier I Capital	
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	132.942
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Total Tier I Capital	24.540.751
TIER II CAPITAL	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	1.865.906
Third parties' share in the Tier II Capital	-
Tier II Capital Before Deductions	1.865.906
Deductions From Tier II Capital	
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	1.865.906
CAPITAL BEFORE DEDUCTIONS	
	26.406.657
Deductions from Capital	
Loans granted contrary to the 50th and 51th Article of the Law (-)	-
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	368
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-
Other items to be defined by the BRSA (-)	38.665
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
TOTAL CAPITAL	26.367.624
Amounts below the Excess Limits as per the Deduction Principles	
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	-

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	Prior Period
CORE CAPITAL	
Paid-in capital	4.000.000
Nominal Capital	4.000.000
Capital Commitments (-)	-
Inflation Adjustment to Share Capital	1.405.892
Share Premium	1.700.000
Share Cancellation Profits	-
Legal Reserves, Status Reserves and Extraordinary Reserves	13.164.882
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves	-
Profit	3.286.398
Net Income for the Period	3.077.177
Prior Period Profit	209.221
Provisions for Possible Risks up to 25% of Core Capital	270.000
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to Share Capital	47.106
Primary Subordinated Loans up to 15% of Core Capital.	-
Minority Rights	85
Uncovered Portion of Loss with Reserves (-)	-
Net Current Period Loss	-
Prior Period Loss	-
Leasehold Improvements (-)	60.571
Intangible Assets (-)	162.215
Deferred Tax Asset Amount Exceeding 10% of Core Capital (-)	-
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	-
Consolidation Goodwill (net)	-
Total Core Capital	23.651.577
SUPPLEMENTARY CAPITAL	
General Provisions	1.696.118
45% of the Increase in Movables Revaluation Fund	-
45% of the Increase in Immovables Revaluation Fund	-
Bonus Shares from Investment in Associates, Subsidiaries and Joint Ventures that are not recognized in	2.729
Primary Subordinated Loans which are not considered in the calculation of Core Capital	-
Secondary Subordinated Loans	-
45% of Value Increase Fund of Financial Assets Available-For-Sale, Associates and Subsidiaries(*)	(1.368.346)
Inflation Adjustment to Capital Reserves, Profit Reserves and Prior Year’s Income or Loss (Excluding	
Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves)	-
Minority share	-
Total Supplementary Capital	330.501
CAPITAL	23.982.078
DEDUCTIONS FROM THE CAPITAL	22.151
Shareholdings in those of banks and financial organizations (both local and foreign) in which ten percent or	-
Sum of shareholdings in the banks and financial organizations (both local and domestic) in which less than	-
Credits having the nature of secondary subordinated loan to banks and financial organizations (both local	-
Loans Extended contrary to the provisions of Articles 50 and 51 of the Law	-
Net Book Value of Immovables exceeding 50% of Bank’s Equity and Immovables acquired against Bank’s	378
Securitization positions to be deducted from Equity	-
Other	21.773
TOTAL CAPITAL	23.959.927

(*) If the total amount of the items that are subject to value increase fund of marketable securities is negative, the value given in this line will be the absolute value of this amount. If the aforementioned amount is positive, the value given in this line will be 45 % of it.

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f. Information about items that are subject to the temporary application regarding the total capital calculation:

Current Period 30 June 2014	Bank		Consolidation	
	Current Period The Considered Amount in Equity Calculation	Total Amount	Current Year The Considered Amount in Equity Calculation	Total Amount
Minorities' share in the Common Equity	-	-	96	96
Third parties' share in the Additional Tier I capital	-	-	-	-
Third parties' share in the Tier II Capital	-	-	-	-
Debt instruments and premiums deemed suitable by BRSB (issued before 1.1.2014)	-	-	-	-

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

II. EXPLANATIONS ON CREDIT RISK :

Credit risk is the risk that the counterparties may be unable to meet the terms of their agreements. This risk is monitored by reference to credit risk ratings and managed by limiting the aggregate risk to any individual counterparty, group of companies and industry. Credit risks are determined for each individual customer, enterprise, business group and risk groups separately. While determining credit risk, criteria such as the customers' financial strength, commercial capacities, sectors, geographic areas and capital structure are evaluated. Analyses of the financial position of the customers are based on the statements of account and other information in accordance with the related legislation. Previously determined credit limits are constantly revised according to changing conditions. The type and amount of collateral and guarantees to be obtained are specified on a customer basis during the determination of credit limits.

During loan extensions, limits determined on a customer and product basis are essentially followed up; information on risk and limits is closely monitored.

For daily Treasury operations limit allocation and follow-up is performed by the treasury.

Credit worthiness of loan and other receivable debtors are watched regularly and in line with related regulations. In case of an increase in credit debtor's risk level credit limits are re-determined or additional guarantee is taken. For new credit accounts, account follow-up documents are taken in accordance with the related regulation.

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III. EXPLANATIONS ON MARKET RISK:

The risk principles, policies and risk limits related to the management of market risk are approved by the Board of Directors and reviewed on a regular basis. The Bank's Senior Management performs day to day management of the market risk in accordance with the limits assigned by the Board of Directors. The Bank is exposed to market risk as a result of fluctuations in foreign exchange rates, interest rates, and market prices of stocks. Exchange rate risk and interest rate risk are evaluated as the two most important components of market risk. The Bank engages in derivative transactions for hedge purposes when found necessary.

Market risk is calculated by two different methods, namely the "inherent model" and the "standard method". According to inherent model market risk is measured by Value at Risk ("VaR") approach which takes into account different risk factors. VaR calculations use variance-covariance, historical simulation and Monte Carlo simulation methods. The software used can perform calculations with an advanced yield curve and volatility models. The VaR model is based on the assumptions of 99% confidence interval and a 10-day holding period. VaR analyses are performed on a daily basis and reported to the Senior Management. VaR analyses are also used as risk and limit management instrument for trading transactions. The limits are reviewed periodically according to market conditions and the application of specified limits is subject to authority restrictions and therefore the control effectiveness is increased. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which have significant impact and the effects of market fluctuations. Retrospective tests of the model outputs are performed regularly. The standard method is used for the legal reporting.

The following table indicates the details of the market risk calculation as of 30 June 2014, in accordance with the Market Risk Calculation principles pursuant to the Part 2 of the Second Section of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette no. 28337 on 28 June 2012.

Information on Market Risk:

	Balance
(I) Capital requirement for general market risk – Standard Method	51.964
(II) Capital requirement for specific risk – Standard Method	3.958
(III) Capital requirement for specific risk in securitisation positions- Standard Method	-
(IV) Capital requirement for currency risk – Standard Method	-
(V) Capital requirement for stocks – Standard Method	-
(VI) Capital requirement for clearing risk – Standard Method	-
(VII) Total capital requirement for market risk from options – Standard Method	6.728
(VIII) Capital requirement for counterparty credit risk - Standard Method	65.188
(IX) Total capital requirement for market risk for banks applying Risk Measurement Model	-
(X) Total capital requirement for market risk (I+II+III+IV+V+VI+VII+VIII)	127.838
(XI) Amount subject to market risk (12,5 x IX) or (12,5 x X)	1.597.969

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IV. EXPLANATIONS ON CURRENCY RISK:

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

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

	USD	EURO	Yen
Balance Sheet Evaluation Rate	2,1226 TL	2,8979 TL	2,0886 TL
1.Day bid rate	2,1234 TL	2,8919 TL	2,0894 TL
2.Day bid rate	2,1292 TL	2,8992 TL	2,0872 TL
3.Day bid rate	2,1384 TL	2,9104 TL	2,0931 TL
4.Day bid rate	2,1312 TL	2,9024 TL	2,0862 TL
5.Day bid rate	2,1392 TL	2,9070 TL	2,0953 TL

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	: 2,1107 TL
EURO	: 2,8726 TL
Yen	: 2,0659 TL

As of 31 December 2013;

	USD	EURO	Yen
Balance Sheet Evaluation Rate	2,1304 TL	2,9344 TL	2,0240 TL

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

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

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Current Period – 30 June 2014	EURO	USD	Other FC(*)	Total
Assets				
Cash Equivalents and Central Bank(**)	3.789.699	11.603.309	3.376.116	18.769.124
Banks	1.853.559	2.347.174	75.842	4.276.575
Financial Assets at Fair Value through Profit or Loss (Net)	179	2.141	-	2.320
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	2.454.664	10.719.810	-	13.174.474
Loans	15.477.066	32.722.613	58.813	48.258.492
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments (Net)	2.292.551	2.509.671	-	4.802.222
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	647	1.806	-	2.453
Intangible Assets (Net)	522	14	-	536
Other Assets	1.461.701	1.291.419	650	2.753.770
Total Assets	27.330.588	61.197.957	3.511.421	92.039.966
Liabilities				
Bank Deposits	1.646.047	5.705.685	1.055.173	8.406.905
Foreign Currency Deposits (***)	18.036.059	23.798.125	2.387.098	44.221.282
Funds from Interbank Money Market	2.517.254	20.272.272	-	22.789.526
Borrowings	7.760.445	11.556.996	2.673	19.320.114
Marketable Securities Issued (Net)	14.459	7.143.054	35.557	7.193.070
Miscellaneous Payables	92.871	493.464	54.309	640.644
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	172.566	136.458	26.709	335.733
Total Liabilities	30.239.701	69.106.054	3.561.519	102.907.274
Net on Balance Sheet Position	(2.909.113)	(7.908.097)	(50.098)	(10.867.308)
Net off-Balance Sheet Position (**)	3.619.038	7.985.928	41.769	11.646.735
Financial Derivative Assets	9.680.451	23.017.176	2.293.273	34.990.900
Financial Derivative Liabilities	6.061.413	15.031.248	2.251.504	23.344.165
Non-cash Loans	5.087.550	9.960.068	290.647	15.338.265
Prior Period - 31 December 2013				
Total Assets	27.876.766	55.532.473	3.064.907	86.474.146
Total Liabilities	31.427.113	66.546.407	3.871.703	101.845.223
Net on-Balance Sheet Position	(3.550.347)	(11.013.934)	(806.796)	(15.371.077)
Net off-Balance Sheet Position (**)	4.538.484	10.813.621	791.652	16.143.757
Financial Derivative Assets	11.126.996	25.388.900	2.241.730	38.757.626
Financial Derivative Liabilities	6.588.512	14.575.279	1.450.078	22.613.869
Non-cash Loans	6.718.605	10.122.593	387.530	17.228.728

(*) Of the “Other FC” total assets amounting to TL 3.511.421 (31 December 2013: TL 3.064.907), TL 72.304 is in British Pounds (31 December 2013: TL 68.979), and TL 31.130 is in Swiss Francs (31 December 2013: TL 37.611), 22.333 is in Japanese Yen (31 December 2013: TL 17.121). Of the total liabilities amounting to TL 3.561.519 (31 December 2013: TL 3.871.703) TL 1.252.316 is in British Pounds (31 December 2013: TL 1.141.166) and TL 598.941 is in Swiss Francs (31 December 2013: TL 643.150), TL 48.143 is in Japanese Yen (31 December 2013: TL 22.055).

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

(***)Of the Cash Equivalents and Central Bank TL 3.314.151 (31 December 2013: TL 2.892.268) and of the foreign currency deposits TL 1.280.514 (31 December 2013: TL 1.766.526) are precious metal deposit account in demand.

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V. EXPLANATIONS ON INTEREST RATE RISK:

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

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

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

Current Period – 30 June 2014	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	-	-	-	-	-	20.759.224	20.759.224
Banks	980.653	346.674	81.273	-	-	3.148.312	4.556.912
Financial Assets at Fair Value Through Profit or Loss (Net)	106.391	133.950	449.537	48.300	127.267	26.181	891.626
Interbank Money Market Placements	1.460.404	-	-	-	-	-	1.460.404
Available-for-sale Financial Assets (Net)	3.650.697	8.405.607	9.067.218	8.794.580	7.231.509	287.719	37.437.330
Loans	35.500.247	20.161.851	35.577.719	31.063.947	4.457.503	150.530	126.911.797
Held-to-maturity Investments (Net)	1.900.447	1.403.280	855.446	5.412.461	857.858	-	10.429.492
Other Assets	1.130.353	619.291	516.038	1.337.874	201.360	2.551.078	6.355.994
Total Assets	44.729.192	31.070.653	46.547.231	46.657.162	12.875.497	26.923.044	208.802.779
Liabilities							
Bank Deposits	5.673.294	3.641.996	632.947	-	-	292.169	10.240.406
Other Deposits	56.200.185	19.697.723	7.496.156	3.972.905	310.162	18.374.491	106.051.622
Funds from Interbank Money Market	12.376.256	3.508.528	3.818.658	4.915.672	3.206.973	-	27.826.087
Miscellaneous Payables	119.234	-	-	-	-	3.332.561	3.451.795
Marketable Securities Issued (Net)	997.329	1.576.127	1.439.968	5.478.179	1.070.343	-	10.561.946
Borrowings	1.891.540	12.275.236	5.123.317	563.291	58.119	-	19.911.503
Other Liabilities (*)	209.256	224.217	504.128	174.949	163.876	29.482.994	30.759.420
Total Liabilities	77.467.094	40.923.827	19.015.174	15.104.996	4.809.473	51.482.215	208.802.779
Balance Sheet Long Position	-	-	27.532.057	31.552.166	8.066.024	-	67.150.247
Balance Sheet Short Position	(32.737.902)	(9.853.174)	-	-	-	(24.559.171)	(67.150.247)
Off-balance Sheet Long Position	693.664	3.450.409	-	-	-	-	4.144.073
Off-balance Sheet Short Position	-	-	(2.940.685)	(894.982)	(315.289)	-	(4.150.956)
Total Position	(32.044.238)	(6.402.765)	24.591.372	30.657.184	7.750.735	(24.559.171)	(6.883)

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

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Prior Period - 31 December 2013	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	-	-	-	-	-	18.223.119	18.223.119
Banks	1.810.355	303.086	-	-	-	3.725.658	5.839.099
Financial Assets at Fair Value Through Profit or Loss (Net)	384.177	516.155	682.213	69.796	180.892	58.377	1.891.610
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-sale Financial Assets (Net)	5.220.043	5.654.176	11.205.832	3.811.421	7.013.500	260.010	33.164.982
Loans	33.928.299	27.286.063	22.217.461	30.086.403	4.398.429	92.850	118.009.505
Held-to-maturity Investments (Net)	1.820.058	2.679.219	1.265.436	3.077.666	3.311.074	-	12.153.453
Other Assets	1.414.722	641.704	487.548	1.297.440	198.123	2.160.958	6.200.495
Total Assets	44.577.654	37.080.403	35.858.490	38.342.726	15.102.018	24.520.972	195.482.263
Liabilities							
Bank Deposits	7.312.938	2.935.599	485.461	-	-	687.555	11.421.553
Other Deposits	53.029.384	19.292.836	8.012.292	4.097.715	235.057	16.383.846	101.051.130
Funds from Interbank Money Market	7.703.947	3.630.120	4.911.257	2.634.366	4.351.061	-	23.230.751
Miscellaneous Payables	106.379	-	-	-	-	3.618.612	3.724.991
Marketable Securities Issued (Net)	254.519	1.203.349	625.456	5.564.222	1.080.296	-	8.727.842
Borrowings	1.932.832	11.410.559	5.940.489	558.172	56.548	-	19.898.600
Other Liabilities (*)	171.841	377.049	608.587	211.060	221.129	25.837.730	27.427.396
Total Liabilities	70.511.840	38.849.512	20.583.542	13.065.535	5.944.091	46.527.743	195.482.263
Balance Sheet Long Position	-	-	15.274.948	25.277.191	9.157.927	-	49.710.066
Balance Sheet Short Position	(25.934.186)	(1.769.109)	-	-	-	(22.006.771)	(49.710.066)
Off-balance Sheet Long Position	2.374.046	4.915.509	-	-	-	-	7.289.555
Off-balance Sheet Short Position	-	-	(129.765)	(2.919.864)	(3.356.016)	-	(6.405.645)
Total Position	(23.560.140)	3.146.400	15.145.183	22.357.327	5.801.911	(22.006.771)	883.910

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

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

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

Current Period – 30 June 2014	EURO	USD	Yen	TL
Assets	%	%	%	%
Cash Equivalents and Central Bank	-	-	-	-
Banks	0,13	0,38	-	10,55
Financial Assets at Fair Value Through Profit or Loss (Net)	3,16	3,92	-	12,31
Interbank Money Market Placements	-	-	-	10,09
Available-for-sale Financial Assets (Net)	3,80	3,53	-	10,75
Loans	4,30	4,65	4,66	12,29
Held-to-maturity Investments (Net)	3,00	3,42	-	11,21
Liabilities				
Bank Deposits	1,25	1,43	-	8,89
Other Deposits	1,53	1,85	0,20	8,02
Funds from Interbank Money Market	0,71	1,19	-	8,24
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	1,93	4,36	-	8,83
Borrowings	1,36	1,65	-	8,43

Prior Period – 31 December 2013	EURO	USD	Yen	TL
Assets	%	%	%	%
Cash Equivalents and Central Bank	-	-	-	-
Banks	0,12	0,21	-	9,37
Financial Assets at Fair Value Through Profit or Loss (Net)	2,89	3,92	-	11,38
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	3,75	3,52	-	9,44
Loans	4,31	4,67	4,23	11,23
Held-to-maturity Investments (Net)	3,00	3,42	-	9,96
Liabilities				
Bank Deposits	1,28	1,53	-	6,55
Other Deposits	1,97	2,28	0,19	6,67
Funds from Interbank Money Market	1,65	1,20	-	6,38
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	5,22	-	8,20
Borrowings	1,19	1,58	-	7,70

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c. Interest rate risk related to banking book

Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Interest rate risk related to the trading portfolio is followed under market risk.

ALCO performs daily management of interest rate risk in accordance with the risk limits set by the Executive Risk Committee in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.

In addition to interest rate sensitivities measured and reported weekly, daily and transaction-based analyses are also performed when significant fluctuations occur in markets.

Repricing term mismatch and duration mismatch analyses, net economic value change analyses under different interest rate stress scenarios and income simulations are used for interest rate risk management. Repricing risk, yield curve risk, basis risk and optionality are considered under interest rate risk scope.

The interest rate risk arising from banking book is calculated and reported on a monthly basis according to “Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method” published in the Official Gazette no 28034 on 23 August 2011.

Currency	Applied Shock (+/- x basis points)	Gains / Losses	Gains / Shareholders' Equity - Losses/ Shareholders' Equity
TL	-400	3.358.514	12,74%
TL	500	(3.503.830)	(13,29%)
USD	-200	348.116	1,32%
USD	200	(430.220)	(1,63%)
EURO	-200	100.122	0,38%
EURO	200	(315.098)	(1,20%)
Total (for negative shocks)		3.806.752	14,44%
Total (for positive shocks)		(4.249.148)	(16,12%)

VI. EXPLANATIONS ON EQUITY SECURITIES POSITION RISK DERIVED FROM BANKING BOOKS

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

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VII. EXPLANATIONS ON LIQUIDITY RISK:

The Group manages liquidity risk through broad deposit base, strong capital structure and diversified foreign borrowing facilities. The Bank maintains additional resources to provide liquidity when necessary through allocated limits in Central Bank of Turkey, BIST Money Market, ISE Settlement and Custody Bank Money Market and other banks, and through liquid marketable securities portfolio. The Bank acts conservative on foreign currency liquidity management and in order to meet liquidity needs completely, maintains adequate reserves.

Short-term funding needs are provided by using deposits. The Bank’s broad deposit base and high ratio of core deposit enable long-term funding. Long-term placements can be provided by means of long-term foreign funds.

In accordance with the “Communiqué on the Measurement and Assessment of Liquidity of the Banks” published in the Official Gazette dated 1 November 2006 No. 26333, beginning from 1 June 2007 liquidity ratio of the banks on a weekly and monthly basis should not be less than 80% for foreign currency denominated assets and liabilities, and for total assets and liabilities it should not be less than 100%. Liquidity ratios of the Bank as at 30 June 2014 and 31 December 2013 are presented below:

Current Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
	FC	FC+TL	FC	FC+TL
30 June 2014				
Average (%)	158,1	130,1	134,3	108,8

Prior Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
	FC	FC+TL	FC	FC+TL
31 December 2013				
Average (%)	158,1	140,3	120,0	109,0

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 30 June 2014	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	20.759.224	-	-	-	-	-	-	20.759.224
Banks	3.148.312	980.653	346.674	81.273	-	-	-	4.556.912
Financial Assets at Fair Value Through Profit or Loss (Net)	26.181	67.209	84.720	160.004	150.302	403.210	-	891.626
Interbank Money Market Placements	-	1.460.404	-	-	-	-	-	1.460.404
Available-for-sale Financial Assets (Net)	287.719	878.314	232.324	6.274.804	11.812.864	17.951.305	-	37.437.330
Loans	-	19.754.829	18.623.465	27.678.206	43.818.484	16.886.283	150.530	126.911.797
Held-to-maturity Investments (Net)	-	-	-	869.398	5.412.667	4.147.427	-	10.429.492
Other Assets	219.479	1.034.807	134.007	899.561	1.980.948	638.430	1.448.762	6.355.994
Total Assets	24.440.915	24.176.216	19.421.190	35.963.246	63.175.265	40.026.655	1.599.292	208.802.779
Liabilities								
Bank Deposits	292.169	5.673.294	3.641.996	632.947	-	-	-	10.240.406
Other Deposits	19.423.391	55.151.285	19.697.723	7.496.156	3.972.905	310.162	-	106.051.622
Borrowings	-	1.205.844	5.575.589	8.864.698	3.982.162	283.210	-	19.911.503
Funds from Interbank Money Market	-	12.376.256	3.508.528	3.818.658	4.915.672	3.206.973	-	27.826.087
Marketable Securities Issued (Net)	-	603.203	1.576.131	1.834.093	5.478.174	1.070.345	-	10.561.946
Miscellaneous Payables	75.185	2.094.941	1.281.669	-	-	-	-	3.451.795
Other Liabilities (**)	148.287	2.257.455	316.402	669.044	2.430.472	468.426	24.469.334	30.759.420
Total Liabilities	19.939.032	79.362.278	35.598.038	23.315.596	20.779.385	5.339.116	24.469.334	208.802.779
Net Liquidity Gap	4.501.883	(55.186.062)	(16.176.848)	12.647.650	42.395.880	34.687.539	(22.870.042)	-
Prior Period - 31 December 2013								
Total Assets	22.633.693	24.627.404	21.211.065	33.171.160	54.459.436	37.953.821	1.425.684	195.482.263
Total Liabilities	18.514.071	71.652.638	32.276.405	25.187.591	19.247.968	6.468.611	22.134.979	195.482.263
Net Liquidity Gap	4.119.622	(47.025.234)	(11.065.340)	7.983.569	35.211.468	31.485.210	(20.709.295)	-

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

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

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VIII. EXPLANATIONS ON SECURITIZATION POSITIONS:

None.

IX. EXPLANATIONS ON CREDIT RISK MITIGATION TECHNIQUES:

The Bank applies the Comprehensive Financial Collateral Techniques explained in “Credit Risk Mitigation Techniques Communiqué” published in Official Gazette no. 28337 on June 28, 2012, In application of the method, volatility adjusted values of financial guarantees and credits are calculated with the standard volatility adjustment approach and adjusted amounts are deducted from credit risk.

The Bank does not utilize balance sheet and off-balance sheet netting, guarantees and credit derivatives in credit risk mitigation, but financial collaterals fulfilling relevants requirements are taken into account. Basic financial covenants considered in the calculation of Bank’s capital adequacy are foreign currency and TL deposit pledges.

Risk classifications:	Amount(*)	Financial Guarantees	Other/Physical Guarantees	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments and Central Banks	70.194.017	4.285.992	-	-
Conditional and unconditional receivables from regional or local governments	215	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	80.863	31.979	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	53.642.627	22.373.008	-	-
Conditional and unconditional receivables from corporates	99.509.087	4.117.889	-	-
Conditional and unconditional receivables from retail portfolios	58.475.110	252.999	-	-
Conditional and unconditional receivables secured by mortgages	14.808.396	1.744	-	-
Past due receivables	172.032	-	-	-
Receivables defined under high risk category by BRSA	16.578.300	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	320.087	41.000	-	-
Other receivables	3.874.348	-	-	-
Total	317.655.082	31.104.611	-	-

(*) Represents the total risk amount after credit mitigation techniques are applied.

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X. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

Effective risk management constitutes one of the most important competitive strength of the Bank. Risk management system is assessed as a critical process which includes all units starting at the Board of Directors level. General strategies regarding Bank's risk management are given below:

- Effective management of risks within the Bank's risk profile based on materiality; implementing a centralized risk framework that includes all major risk areas.
- Managing existing and potential risks from the beginning through forward looking risk strategies, policies and procedures, models and parameters,
- Applying a risk-focused management approach in the strategic decision making process,
- Complying with all national risk management requirements, where the Bank operates.

The Bank's Board of Directors has the ultimate responsibility for setting up and monitoring the efficiency of such a risk management system. The Board of Directors fulfills its monitoring responsibility through the Auditing Committee, the Executive Risk Committee, the Credit Committee and other related intermediary committees and by means of regular risk, control and audit reporting system.

The Board of Directors approves and regularly reviews Bank's main risk approach, risk principles and policies which are initially discussed and decided by the Executive Risk Committee. The Board of Directors also determines Bank's risk appetite by risk limits taking market conditions and Bank's risk taking capacity into consideration. Risk limits are made up of regulatory and internal limits on the basis of risk types.

Bank's Senior Management is responsible to the Bank's Board of Directors that daily activities are executed within the risk management procedures and risk limits determined by the Board of Directors and that risk management system operates in effective and efficient manner. The Internal Audit, the Internal Control and the Risk Management Departments which directly report to the Board of Directors operate in coordination with the business units of the Bank. In this scope, it is also Senior Management's responsibility to take necessary measures in order to resolve identified weaknesses, deficiencies and errors stated in the reports of internal and external audits, internal control and risk management.

Locally and internationally accepted risk models and parameters are used in the identification, measurement and monitoring of risks within the scope of risk management. The Bank strives continuously for development and improvement of internal methods and models. Forward looking risk reports prepared through regular and close monitoring of the market developments are made available for the Senior Management and the Board of Directors. In order to analyze the potential risks that the Bank may be exposed in extreme cases, various scenario analyses are performed and contingency plans are prepared. The Bank's internal capital adequacy assessment process ("ICAAP") has been established and the ICAAP has been performed parallel to the annual budget process on an annual basis. Moreover, various risk mitigation techniques are utilized to limit and provide protection against risks the Bank is exposed. The effectiveness and efficiency of the risk mitigation techniques are regularly monitored.

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XI. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions.

XII. EXPLANATIONS ON BUSINESS SEGMENTS:

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

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

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

Corporate banking, commercial banking and SME banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans, financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the Group provides timely and permanent solutions for corporate customers’ working capital management, delivers cash management services tailored based on customers’ requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities.

The Treasury Unit conducts TL and FC spot and forward transactions, treasury bonds, government bonds, Eurobond and private sector bond transactions and also derivative trading activities within determined limits. These transactions are performed according to the Bank’s requirements. Furthermore, Treasury Unit also carries out marketing and pricing activities of treasury products for customers and branch network.

Private banking serves the members of the upper-income groups who have expectations for upper-class service quality both in banking and investment transactions.

International Banking activities are managed by International Banking Unit. The Group provides services for foreign trade financing, foreign currency and TL clearances, and money transfers through agent financial institutions. The international banking unit serves in fundamental areas such as providing long-term funding opportunities, creating funding facility at lower prices that fully reflect country risk, diversifying funding resources and creating a base of international investors for that purpose.

Other activities including leasing services provided by Ak Finansal Kiralama A.Ş., Ak Yatırım Menkul Değerler A.Ş., Ak Portföy Yönetim A.Ş are the consolidated subsidiaries of the Bank.

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Information on business segments as of 30 June 2014 and 31 December 2013 are presented on the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

	Retail Banking	Corporate Banking and Commercial and SME Banking	Treasury	Private Banking	International Banking	Other and Unallocated	Bank's Total Activities
Current Period – 30 June 2014							
Operating Income	1.933.576	1.961.993	709.437	119.931	109.941	63.117	4.897.995
Profit from Operating Activities	353.584	1.043.736	482.845	75.408	70.253	22.393	2.048.219
Income from Subsidiaries	-	-	-	-	-	1.381	1.381
Profit before Tax	353.584	1.043.736	482.845	75.408	70.253	23.774	2.049.600
Corporate Tax	-	-	-	-	-	(437.987)	(437.987)
Minority Shares	-	-	-	-	-	(3)	(3)
Net Profit for the Period	353.584	1.043.736	482.845	75.408	70.253	(414.216)	1.611.610
Segment Assets							
Investments in Associates	48.755.198	88.588.362	55.042.422	1.238.479	7.136.607	3.573.067	204.334.135
Undistributed Assets	-	-	-	-	-	-	3.923
Total Assets	-	-	-	-	-	-	4.464.721
Segment Liabilities	-	-	-	-	-	-	208.802.779
Undistributed Liabilities	58.677.392	42.041.650	52.624.509	13.977.379	7.940.099	2.418.948	177.679.977
Shareholders' Equity	-	-	-	-	-	-	6.653.468
Total Liabilities	-	-	-	-	-	-	24.469.334
	-	-	-	-	-	-	208.802.779
Other Segment Items							
Capital Investment	35.665	1	1.984	78	-	54.293	92.021
Amortization	(87.014)	(6.868)	(1.368)	(1.341)	(250)	(465)	(97.306)
Non-cash Other Income-Expense	(326.252)	(571.871)	(123.895)	(1.474)	(9)	(1.411)	(1.024.912)
Restructuring Costs	-	-	-	-	-	-	-

	Retail Banking	Corporate Banking and Commercial and SME Banking	Treasury	Private Banking	International Banking	Other and Unallocated	Bank's Total Activities
Prior Period – 31 December 2013(*)							
Operating Income	1.933.576	1.961.993	709.437	119.931	109.941	63.117	4.897.995
Profit from Operating Activities	353.584	1.043.736	482.845	75.408	70.253	22.393	2.048.219
Income from Subsidiaries	-	-	-	-	-	1.381	1.381
Profit before Tax	353.584	1.043.736	482.845	75.408	70.253	23.774	2.049.600
Corporate Tax	-	-	-	-	-	(437.987)	(437.987)
Minority Shares	-	-	-	-	-	(3)	(3)
Net Profit for the Period	353.584	1.043.736	482.845	75.408	70.253	(414.216)	1.611.610
Segment Assets							
Investments in Associates.	48.755.198	88.588.362	55.042.422	1.238.479	7.136.607	3.573.067	204.334.135
Undistributed Assets	-	-	-	-	-	-	3.923
Total Assets	-	-	-	-	-	-	4.464.721
Segment Liabilities	58.677.392	42.041.650	52.624.509	13.977.379	7.940.099	2.418.948	177.679.977
Undistributed Liabilities	-	-	-	-	-	-	6.653.468
Shareholders' Equity	-	-	-	-	-	-	24.469.334
Total Liabilities	-	-	-	-	-	-	208.802.779
Other Segment Items							
Capital Investment	35.665	1	1.984	78	-	54.293	92.021
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Non-cash Other Income-Expense	(326.252)	(571.871)	(123.895)	(1.474)	(9)	(1.411)	(1.024.912)
Restructuring Costs	-	-	-	-	-	-	-

(*)30 June 2013 amounts are used for income statement accounts.

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**SECTION FIVE
INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED
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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 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Cash/Foreign Currency	958.751	459.655	814.114	717.563
The CBRT	1.031.143	18.245.795	121.630	16.569.052
Other(*)	206	63.674	20	740
Total	1.990.100	18.769.124	935.764	17.287.355

(*) As of 30 June 2014, precious metal account amounts to TL 34.277 (31 December 2013: TL 655).

2. Information related to the account of the CBRT:

	Current Period 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Demand Unrestricted Account	23.609	-	8.475	-
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	1.007.534	18.245.795	113.155	16.569.052
Total	1.031.143	18.245.795	121.630	16.569.052

3. Explanation on reserve requirements:

In accordance with the “Communiqué Regarding the Reserve Requirements no. 2005/1”, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EURO and standard gold.

The reserve rates for TL liabilities vary between 5% and 11,5% for TL deposits and other liabilities according to their maturities as of 30 June 2014 (31 December 2013: 5% and 11,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 6% and 13% for deposit and other foreign currency liabilities according to their maturities as of 30 June 2014 (31 December 2013: 6% and 13% for all foreign currency liabilities).

The Bank has been required to maintain additional reserves at CBRT amounting to USD 742 million on average for approximately 3,5 years regarding a judgmental difference between the Bank and the CBRT with respect to the reserve requirements for syndication loans borrowed by Malta Branch. The Bank has met its additional reserve requirements as of 30 January 2014 and as of this date there have been no additional reserve requirements left. However, the lawsuit for the cancellation of the Central Bank’s said decision was filed with a motion for stay of execution. The 10th Division of the Administrative Court has rejected the motion for stay of execution. It is continuing to hear the case on the merits.

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

1. As of 30 June 2014, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 5.239 (31 December 2013: TL 5.116); and those subject to repo transactions amount to TL (-). (31 December 2013: TL (-)).

2. Positive differences table related to trading derivative financial assets:

	Current Period 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Forward Transactions	65.274	-	207.282	-
Swap Transactions	88.434	414.728	607.384	400.487
Futures Transactions	44.957	2.772	52.398	26.615
Options	10.557	176.064	31.430	441.274
Other	-	-	-	-
Total	209.222	593.564	898.494	868.376

c. Information on banks account:

1. Information on banks:

	Current Period 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Banks	280.337	4.276.575	201.368	5.637.731
Domestic	280.337	42.249	201.368	114.049
Foreign	-	4.234.326	-	5.523.682
Head Quarters and Branches Abroad	-	-	-	-
Total	280.337	4.276.575	201.368	5.637.731

d. Information on available-for-sale financial assets, net values:

1. As of 30 June 2014, available-for-sale financial assets subject to repurchase agreements amount to TL 24.423.842 (31 December 2013: TL 19.534.511); and those given as collateral/blocked amount to TL 2.796.717 (31 December 2013: TL 3.919.373).

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

	Current Period 30 June 2014	Prior Period 31 December 2013
Debt Securities	37.670.132	34.024.190
Quoted to Stock Exchange	37.450.603	33.754.089
Not Quoted to Stock Exchange	219.529	270.101
Share Certificates	12.487	11.320
Quoted to Stock Exchange	-	-
Not Quoted to Stock Exchange	12.487	11.320
Impairment Provision (-)	245.289	870.528
Total	37.437.330	33.164.982

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e. Information related to loans:

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

	Current Period 30 June 2014		Prior Period 31 December 2013	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	373.600	325	250.320	378
Corporate Shareholders	373.600	325	250.320	378
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	2.290.235	2.522.806	2.117.777	2.413.639
Loans Granted to Employees	95.934	-	101.100	-
Total	2.759.769	2.523.131	2.469.197	2.414.017

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

	Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Non-specialized Loans	122.975.644	873.327	-	3.785.623	1.674.110	-
Business Loans	23.488.121	621.126	-	1.031.107	227.390	-
Export Loans	5.487.903	14.869	-	20.204	545	-
Import Loans	-	-	-	-	-	-
Loans Granted to Financial Sector	1.953.119	-	-	-	-	-
Consumer Loans (Including Overdraft Loans)	28.456.820	171.423	-	1.253.992	506.957	-
Credit Cards	12.503.198	-	-	905.441	850.860	-
Other	51.086.483	65.909	-	574.879	88.358	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	122.975.644	873.327	-	3.785.623	1.674.110	-

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Number of extensions	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	862.550	1.627.033
Extended by 3,4 or 5 times	10.777	2.079
Extended by more than 5 times	-	44.998
Total	873.327	1.674.110

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	97.527	237.834
6 - 12 Months	36.086	191.470
1 - 2 Years	67.018	441.806
2 - 5 Years	626.006	723.565
5 Years and over	46.690	79.435
Total	873.327	1.674.110

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

Current Period- 30.06.2014	Short-term	Medium and Long-term	Total
Consumer Loans-TL	246.822	28.784.423	29.031.245
Mortgage Loans	11.307	12.475.868	12.487.175
Automotive Loans	7.078	866.719	873.797
Consumer Loans	219.571	14.657.425	14.876.996
Other	8.866	784.411	793.277
Consumer Loans- Indexed to FC	-	32.157	32.157
Mortgage Loans	-	30.913	30.913
Automotive Loans	-	-	-
Consumer Loans	-	57	57
Other	-	1.187	1.187
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	10.490.988	1.714.490	12.205.478
With Installment	4.076.351	1.714.490	5.790.841
Without Installment	6.414.637	-	6.414.637
Consumer Credit Cards-FC	13.935	-	13.935
With Installment	3.680	-	3.680
Without Installment	10.255	-	10.255
Personnel Loans-TL	3.099	55.493	58.592
Mortgage Loans	-	1.537	1.537
Automotive Loans	25	127	152
Consumer Loans	3.074	53.823	56.897
Other	-	6	6
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	40.327	842	41.169
With Installment	15.805	842	16.647
Without Installment	24.522	-	24.522
Personnel Credit Cards-FC	335	-	335
With Installment	92	-	92
Without Installment	243	-	243
Credit Deposit Account-TL (Real Person)	588.818	-	588.818
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	11.384.324	30.587.405	41.971.729

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Prior Period – 31.12.2013	Short-term	Medium and Long-term	Total
Consumer Loans-TL	74.979	27.093.914	27.168.893
Mortgage Loans	2.135	12.552.324	12.554.459
Automotive Loans	636	992.941	993.577
Consumer Loans	67.723	12.728.122	12.795.845
Other	4.485	820.527	825.012
Consumer Loans- Indexed to FC	-	38.165	38.165
Mortgage Loans	-	36.837	36.837
Automotive Loans	-	-	-
Consumer Loans	-	77	77
Other	-	1.251	1.251
Consumer Loans-FC	-	11.808	11.808
Mortgage Loans	-	11.808	11.808
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	11.320.667	2.205.250	13.525.917
With Installment	5.035.137	2.205.250	7.240.387
Without Installment	6.285.530	-	6.285.530
Consumer Credit Cards-FC	22.247	-	22.247
With Installment	11.861	-	11.861
Without Installment	10.386	-	10.386
Personnel Loans-TL	1.483	55.116	56.599
Mortgage Loans	-	1.080	1.080
Automotive Loans	-	158	158
Consumer Loans	1.483	53.868	55.351
Other	-	10	10
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	42.634	1.524	44.158
With Installment	18.567	1.524	20.091
Without Installment	24.067	-	24.067
Personnel Credit Cards-FC	343	-	343
With Installment	205	-	205
Without Installment	138	-	138
Credit Deposit Account-TL (Real Person)	468.128	-	468.128
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	11.930.481	29.405.777	41.336.258

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

Current Period – 30.06.2014	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	877.383	4.799.197	5.676.580
Mortgage Loans	528	106.502	107.030
Automotive Loans	24.161	126.045	150.206
Consumer Loans	822.946	4.448.145	5.271.091
Other	29.748	118.505	148.253
FC Indexed Commercial Installment Loans	35.226	101.824	137.050
Mortgage Loans	-	12.009	12.009
Automotive Loans	3.037	22.843	25.880
Consumer Loans	73	44.131	44.204
Other	32.116	22.841	54.957
Commercial Installment Loans-FC	745	213.614	214.359
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	745	213.614	214.359
Corporate Credit Cards-TL	1.136.049	9.725	1.145.774
With Installment	515.952	9.725	525.677
Without Installment	620.097	-	620.097
Corporate Credit Cards-FC	1.948	-	1.948
With Installment	18	-	18
Without Installment	1.930	-	1.930
Credit Deposit Account-TL (Legal Person)	580.795	-	580.795
Credit Deposit Account-FC (Legal person)	-	-	-
Total	2.632.146	5.124.360	7.756.506

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Prior Period – 31.12.2013	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	87.079	5.365.443	5.452.522
Mortgage Loans	1.162	147.568	148.730
Automotive Loans	1.000	240.777	241.777
Consumer Loans	76.445	4.851.425	4.927.870
Other	8.472	125.673	134.145
FC Indexed Commercial Installment Loans	11.202	152.801	164.003
Mortgage Loans	-	13.520	13.520
Automotive Loans	75	41.094	41.169
Consumer Loans	74	70.392	70.466
Other	11.053	27.795	38.848
Commercial Installment Loans-FC	-	279.110	279.110
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	279.110	279.110
Corporate Credit Cards-TL	1.084.576	14.225	1.098.801
With Installment	508.836	14.225	523.061
Without Installment	575.740	-	575.740
Corporate Credit Cards-FC	1.865	-	1.865
With Installment	226	-	226
Without Installment	1.639	-	1.639
Credit Deposit Account-TL (Legal Person)	465.343	-	465.343
Credit Deposit Account-FC (Legal person)	-	-	-
Total	1.650.065	5.811.579	7.461.644

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

	Current Period 30 June 2014	Prior Period 31 December 2013
Domestic Loans	125.189.217	116.445.272
Foreign Loans	1.572.050	1.471.383
Total	126.761.267	117.916.655

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

7. Specific provisions accounted for loans:

	Current Period 30 June 2014	Prior Period 31 December 2013
Loans and Receivables with Limited Collectibility	407.495	342.385
Loans and Receivables with Doubtful Collectibility	626.594	492.160
Uncollectible Loans and Receivables	814.779	749.287
Total	1.848.868	1.583.832

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 30 June 2014			
(Gross Amounts Before Specific Provisions)	27.409	54.597	39.820
Restructured Loans and Other Receivables	26.958	44.765	38.846
Rescheduled Loans and Other Receivables	451	9.832	974
Prior Period: 31 December 2013			
(Gross Amounts Before Specific Provisions)	22.617	34.908	28.903
Restructured Loans and Other Receivables	21.845	33.566	28.541
Rescheduled Loans and Other Receivables	772	1.342	362

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2013			
Additions (+)	957.899	13.983	8.668
Transfers from Other Categories of Non-performing Loans (+)	-	654.126	451.858
Transfers to Other Categories of Non-Performing Loans (-)	654.126	451.858	-
Collections (-) (*)	87.686	80.030	216.373
Write-offs (-) (**)	447	1.787	271.511
Corporate and Commercial Loans	35	587	79.552
Retail Loans	178	227	63.956
Credit Cards	234	973	128.003
Other	-	-	-
Balance at the End of the Period	558.025	626.594	814.779
Specific Provisions (-)	407.495	626.594	814.779
Net Balance (***)	150.530	-	-

(*) The Bank has collected a non-performing commercial loan by acquiring the property subject to loan guarantee from judicial sale. In the prior year, the Bank had allocated specific provision by 100% after taking the related guarantees into account for this loan. The property acquired with an amount of TL 140 million, has been reclassified to “Property and equipment held for sale and related to discontinued operations”.

(**) TL 252,2 million of the Bank’s non-performing loan portfolio has been sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 44 million.

(***) As of 30 June 2014, the Bank has set 100% specific provision amounting to TL 51 million after taking the collaterals into consideration for one of its commercial loans amounting to TL 202 million.

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 30 June 2014			
Balance at the End of the Period	175.448	33.449	19.816
Specific Provision (-)	44.338	33.449	19.816
Net Balance on Balance Sheet	131.110	-	-
Prior Period: 31 December 2013			
Balance at the End of the Period	27.107	6.135	154.261
Specific Provision (-)	27.107	6.135	61.411
Net Balance	-	-	92.850

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): 30 June 2014			
Loans granted to corporate entities and real persons (Gross)	558.025	626.594	814.779
Specific Provision (-)	407.495	626.594	814.779
Loans granted to corporate entities and real persons (Net)	150.530	-	-
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provision (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
Prior Period (Net): 31 December 2013			
Loans granted to corporate entities and real persons (Gross)	342.385	492.160	842.137
Specific Provisions Amount(-)	342.385	492.160	749.287
Loans granted to corporate entities and real persons (Net)	-	-	92.850
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-

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9. 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.

10. Information on the write-off policy:

Write-off policy of the Bank for receivables under follow-up is to retire the receivables from assets in case of verification of the inability of collection through the legal follow-up process.

f. Held-to-maturity investments:

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

	Current Period 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Given as collateral/blocked	255.591	1.990.651	1.910.954	1.964.710
Subject to repurchase agreements	4.559.727	2.708.958	4.178.386	2.886.067
Total	4.815.318	4.699.609	6.089.340	4.850.777

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

	Current Period 30 June 2014	Prior Period 31 December 2013
Government Bonds	9.679.143	11.403.933
Treasury Bills	-	-
Other Government Debt Securities	750.349	749.520
Total	10.429.492	12.153.453

3. Information on Held-to-maturity investments:

	Current Period 30 June 2014	Prior Period 31 December 2013
Debt Securities	10.429.710	12.153.453
Quoted to Stock Exchange	10.429.710	12.153.453
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	218	-
Total	10.429.492	12.153.453

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

	Current Period 30 June 2014	Prior Period 31 December 2013
Balance at the Beginning of the Period	12.153.453	3.637.468
Foreign Currency Differences on Monetary Assets	(37.932)	172.739
Purchases During Year(*)	6.741	9.969.319
Disposals Through Sales and Redemptions (**)	1.774.615	1.788.154
Impairment Provision (-)	218	-
Change in Amortized Cost	82.063	162.081
Balance at the End of the Period	10.429.492	12.153.453

(*) The Bank has reclassified debt securities of the nominal value of thousands TL 4.863.357, thousands EURO 721.540 and thousands USD 1.092.397 from available-for-sale portfolio to held-to-maturity portfolio due to change in the intention to hold such securities in the prior period. Reclassified debt securities have a fair value of TL 5.398.459, thousands EURO 815.927 and thousands USD 1.189.524 respectively as of reclassification date. Valuation differences of these securities which have been accounted under equity before, are being amortized using effective interest method over the remaining maturity.

g. Information on investments in associates (Net):

1. Non-consolidated associates:

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

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

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

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

The financial figures have been obtained from the financial statements dated 31 March 2014.

	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	46.505	25.427	31.918	189	-	3.047	282	-
2	104.072	79.180	51.628	1.111	1	9.275	5.365	-

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

	Current Period 30 June 2014	Prior Period 31 December 2013
Balance at the Beginning of the Period	3.923	3.923
Movements During the Period		
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Balance at the End of the Period	3.923	3.923
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

2. Consolidated subsidiaries within the current period: None.

h. Information on subsidiaries (Net):

1. Information on shareholders' equity of major subsidiaries:

The amounts below are obtained from the 30 June 2014 financial data which were subject to the regulations of the related companies.

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	Akbank (Dubai) Limited
Paid in Capital	175.007	46.802	4.079	442.518	2.243
Share Premium	-	-	-	-	-
Reserves	288.541	59.231	8.169	547.991	2.111
Profit/Loss	34.585	21.698	4.048	49.376	9.461
<i>Net Current Period Profit</i>	34.585	10.804	4.048	49.376	1.228
<i>Prior Year Profit/Loss</i>	-	10.894	-	-	8.233
Development Cost of Operating Lease (-)	340	450	-	59	-
Goodwill or Other Intangible Assets and Deferred Tax Liability related to these items (-)	115	36	18	104	-
Total Common Equity	497.678	127.245	16.278	1.039.722	13.815
Total Additional Tier I Capital	-	-	-	-	-
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1 st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	459	143	71	418	-
Total Tier I Capital	497.219	127.102	16.207	1.039.304	13.815
Tier II Capital	9.403	-	-	-	-
CAPITAL	506.622	127.102	16.207	1.039.304	13.815
Deductions From Capital	-	-	-	-	-
TOTAL CAPITAL	506.622	127.102	16.207	1.039.304	13.815

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

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2. Non-consolidated subsidiaries: None.
3. Consolidated subsidiaries:
- 3(i). Information about consolidated subsidiaries:

Title	Address (City / Country)	Bank’s Share Percentage-If Different Voting Percentage (%)	Other Shareholder Share Percentage (%)	Consolidation Method
1 Ak Finansal Kiralama A.Ş.	İstanbul/Turkey	99,99	0,01	Full Consolidation
2 Ak Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	100,00	-	Full Consolidation
3 Ak Portföy Yönetimi A.Ş.	İstanbul/Turkey	100,00	-	Full Consolidation
4 Akbank AG	Frankfurt/Germany	100,00	-	Full Consolidation
5 Akbank (Dubai) Limited	Dubai/The United Arab Emirates	100,00	-	Full Consolidation

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

The financial figures have been obtained from the financial statements as at 30 June 2014 prepared in accordance with local regulations.

	Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	3.652.244	498.133	1.636	121.361	-	34.585	21.154	-
2	615.814	127.731	1.585	24.026	3.671	10.804	11.816	-
3	18.944	16.296	617	1.038	-	4.048	3.911	-
4	11.449.102	1.039.885	1.168	183.260	19.482	49.376	34.151	-
5	14.189	13.815	25	-	-	1.228	1.548	-

Though not being the subsidiaries of the Bank, Ak Receivables Corporation and A.R.T.S Ltd. which were established in July 1998 and November 1999 respectively in connection with rising long-term financing, are included in the full scope of consolidation as “Structured Entity” due to the 100% control of these entities by the Group.

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3(ii). Movement schedule for consolidated subsidiaries:

	Current Period 30 June 2014	Prior Period 31 December 2013
Balance at the Beginning of the Period	879.821	582.944
Movements During the Period		
Additions (*)	49.993	190.933
Bonus Shares and Contributions to Capital(**)	1.000	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Additions to Consolidation	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	(8.030)	105.944
Balance at the End of the Period	922.784	879.821
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The amount shown in the “Additions” line of current period is due to the increase of TL 50.000 of Aklease’s share capital. TL 140.940 of the amount shown in the “Additions” line of prior period is due to the increase of thousands EURO 50.000 of Akbank AG’s share capital. TL 49.993 of it is due to the increase of TL 50.000 of Aklease’s share capital.

(**) The amount shown in the “Bonus Shares and Contributions to Capital” line of current period is due to the increase of TL 1.000 of Ak Portföy Yönetimi A.Ş. share capital.

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

Subsidiaries	Current Period 30 June 2014	Prior Period 31 December 2013
Banks	633.216	641.246
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	221.074	171.081
Finance Companies	-	-
Other Financial Subsidiaries	68.494	67.494

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

i. Information on finance lease receivables (Net):

	Current Period 30 June 2014		Prior Period 31 December 2013	
	Gross	Net	Gross	Net
2014	823.292	840.213	1.330.612	1.350.612
2015	857.622	861.690	698.834	706.316
2016	692.516	604.795	565.975	401.154
2017	504.767	331.458	401.865	270.214
2018	369.473	248.405	280.303	191.107
2019 and following years	688.538	462.877	445.352	298.113
Total	3.936.208	3.349.438	3.722.941	3.217.516

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j. Information on the Hedging Derivative Financial Assets:

	Current Period 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Fair Value Hedge	281.047	461	582.455	47.722
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
Total	281.047	461	582.455	47.722

The Bank’s transactions subject to fair value hedge accounting as of 30 June 2014 are as follows:

- The Parent Bank hedges certain part of its fixed rate TL denominated mortgage portfolio against fair value risk arising from the fluctuations in the market interest rates and certain part of its foreign currency denominated borrowings from the fluctuations in the foreign exchange rates with cross currency swaps. The fair value change of the hedged item since the beginning of hedge accounting is TL (6.610).
- The Parent Bank hedges certain part of its fixed rate TL denominated available for sale government bonds against fair value risk arising from the fluctuations in the market interest rates and certain part of its foreign currency denominated borrowings from the fluctuations in the foreign exchange rates with cross currency swaps. The fair value change of the hedged item since the beginning of hedge accounting is TL (17.803) and this amount has been reclassified from equity to income statement.
- The Parent Bank hedges certain part of its fixed rate FC denominated available-for-sale investment securities against fair value changes due to interest rate fluctuations with interest rate swap transactions. The change in the fair value of the hedged item since the beginning of hedge accounting is TL 73.146 and this amount has been reclassified from equity to income statement..
- The Group applies fair value hedge to hedge the foreign currency risk arising from share premium and paid-in-capital of Akbank AG, one of Bank’s subsidiaries amounting EURO 220 million. EURO 220 million of syndication loans used by the Bank have been classified as “hedge instruments.”
- As of 30 June 2014, fair value hedge transactions as stated above have been proven to be effective.

In addition, information about discontinued hedge accounting relations arising from the expiration , execution or sale of the hedging instrument; hedge relationship becoming ineffective or discontinuance of the hedge relationship as a result of being revoked by the Bank is as follows;

- As of 30 June 2014, 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 12.388.
- As of 30 June 2014, 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 (112.815).

k. Information on the investment properties: None.

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l. Information on deferred tax asset :

The Group’s deferred tax asset as of 30 June 2014 amounts to TL 86.600 (31 December 2013: TL 75.005). Provisional differences subject to deferred tax calculation result from mainly the differences between the book values, tax values and debts of fixed assets and financial assets, and provision for employee rights.

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

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

	Current Period 30 June 2014	Prior Period 31 December 2013
Cost	157.584	34.958
Accumulated Depreciation (-)	349	259
Net Book Value	157.235	34.699

	Current Period 30 June 2014	Prior Period 31 December 2013
Net Book Value	34.699	15.048
Additions(*)	148.364	31.351
Disposals (-), net	25.714	11.577
Depreciation (-)	114	123
Closing Net Book Value	157.235	34.699

n. Information on other assets:

Other assets amount to TL 1.470.938 (31 December 2013: TL 1.225.740) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of the deposits:

There are no seven-day notification deposits.

1(i). Current Period – 30 June 2014:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Cumulative	Total
Saving Deposits	4.393.078	8.791.158	21.309.463	1.066.477	605.728	665.106	103.285	36.934.295
Foreign Currency Deposits	6.784.227	8.701.881	13.055.181	2.649.000	4.439.802	7.306.384	4.293	42.940.768
Residents in Turkey	5.547.841	8.301.528	11.904.949	791.548	760.344	2.938.251	4.190	30.248.651
Residents Abroad	1.236.386	400.353	1.150.232	1.857.452	3.679.458	4.368.133	103	12.692.117
Public Sector Deposits	2.086.515	10.080	120.548	28.155	3.244	3.983	-	2.252.525
Commercial Deposits	4.758.039	6.538.479	6.404.015	562.627	286.731	76.563	-	18.626.454
Other Institutions Deposits	158.907	682.362	2.099.136	637.711	389.273	49.677	-	4.017.066
Gold Vault	1.242.625	5.655	9.170	20.902	2.162	-	-	1.280.514
Bank Deposits	292.169	2.204.285	3.552.278	3.648.159	534.074	9.441	-	10.240.406
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	14.708	1.223.285	-	4.009	30.069	6.013	-	1.278.084
Foreign Banks	92.016	981.000	3.552.278	3.644.150	504.005	3.428	-	8.776.877
Special Finance Institutions	185.445	-	-	-	-	-	-	185.445
Other	-	-	-	-	-	-	-	-
Total	19.715.560	26.933.900	46.549.791	8.613.031	6.261.014	8.111.154	107.578	116.292.028

1(ii). Prior period – 31 December 2013:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Cumulative	Total
Saving Deposits	3.898.691	8.444.283	18.763.388	942.910	578.295	1.338.972	111.187	34.077.726
Foreign Currency Deposits	6.147.478	9.776.778	13.455.160	3.889.872	5.718.467	7.036.572	5.933	46.030.260
Residents in Turkey	4.800.035	9.574.413	11.845.562	1.038.317	928.421	2.895.980	5.822	31.088.550
Residents Abroad	1.347.443	202.365	1.609.598	2.851.555	4.790.046	4.140.592	111	14.941.710
Public Sector Deposits	761.362	17.976	100.940	12.591	3.805	3.809	-	900.483
Commercial Deposits	4.787.640	5.484.776	5.595.179	210.466	73.448	120.796	-	16.272.305
Other Institutions Deposits	140.922	136.103	1.044.701	404.079	132.594	145.431	-	2.003.830
Gold Vault	1.722.852	3.914	8.435	26.889	4.436	-	-	1.766.526
Bank Deposits	687.555	2.105.221	6.511.411	1.590.562	526.804	-	-	11.421.553
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	12.341	1.345.098	7.205	-	16.034	-	-	1.380.678
Foreign Banks	348.749	760.123	6.504.206	1.590.562	510.770	-	-	9.714.410
Special Finance Institutions	326.465	-	-	-	-	-	-	326.465
Other	-	-	-	-	-	-	-	-
Total	18.146.500	25.969.051	45.479.214	7.077.369	7.037.849	8.645.580	117.120	112.472.683

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2. Information on saving deposits insurance:

2(i). 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	Prior Period	Current Period	Prior Period
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Saving Deposits	17.567.366	16.560.665	19.366.929	17.007.941
Foreign Currency Saving Deposits	6.285.950	6.104.124	15.754.759	14.291.268
Other Deposits in the Form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

2(ii). Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	Current Period 30 June 2014	Prior Period 31 December 2013
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse and Children in care	976.222	1.021.540
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

b. Information on trading derivative financial liabilities:

Table of negative differences for trading derivative financial liabilities:

	Current Period 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Forward Transactions	89.232	-	142.013	-
Swap Transactions	228.537	397.743	56.809	553.996
Futures Transactions	2.262	6.343	22.001	9.311
Options	2.045	196.536	19.196	375.422
Other	-	-	-	-
Total	322.076	600.622	240.019	938.729

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	447.177	605.715	457.357	426.991
From Foreign Banks, Institutions and Funds	144.212	18.714.399	181.129	18.833.123
Total	591.389	19.320.114	638.486	19.260.114

2. Information on maturity structure of borrowings:

	Current Period 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Short-term	477.344	13.379.269	545.268	13.470.434
Medium and Long-term	114.045	5.940.845	93.218	5.789.680
Total	591.389	19.320.114	638.486	19.260.114

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-finance obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Group.

d. Information on securities issued (Net):

	Current Period 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Bank bills	1.360.920	1.522.533	923.917	-
Bonds	2.007.956	5.670.537	2.215.133	5.588.792
Total	3.368.876	7.193.070	3.139.050	5.588.792

The Bank has a bond issuance program (Global Medium Term Note Program) valued USD 3 Billion from which the Bank's subsidiary Ak Finansal Kiralama A.Ş. can also make issuance from.

e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 2.308.322 (31 December 2013: TL 1.478.729) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

f. Information on financial leasing agreements: None.

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g. Information on the Hedging Derivative Financial Liabilities:

	Current Period 30 June 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Fair value Hedge	-	55.368	-	63.810
Cash Flow Hedge	-	-	-	-
Net investment Hedge	-	-	-	-
Total	-	55.368	-	63.810

h. Information on provisions:

1. Information on general provisions:

	Current Period 30 June 2014	Prior Period 31 December 2013
General Provisions	1.865.906	1.696.118
Provisions for Group I. Loans and Receivables	1.549.052	1.403.027
- Additional Provision for loans with extended payment period	32.582	20.850
Provisions for Group II. Loans and Receivables	160.871	138.423
- Additional Provision for loans with extended payment period	50.055	45.731
Provisions for Non-cash Loans	110.086	105.108
Other	45.897	49.560

2. Information on reserve for employment termination benefits:

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

The amount payable consists of one month's salary limited to a maximum of TL 3.438,22 (in full TL amount) (31 December 2013: TL 3.254,44 (in full TL amount)) for each year of service. This liability is legally not funded and there is no funding requirement.

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

	Current Period 30 June 2014	Prior Period 31 December 2013
Discount Rate (%)	4,43	4,43
Rate for the Probability of Retirement (%)	94,25	94,25

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 3.438,22 (1 January 2013: TL 3.125,01) effective from 1 January 2014 has been taken into consideration in calculating the reserve for employee termination benefits.

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

	Current Period	Prior Period
	30 June 2014	31 December 2013
Balance at the Beginning of the Period	59.720	58.620
Provisions Recognized During the Period	18.966	28.221
Paid During the Period	(15.552)	(27.121)
Balance at the End of the Period.	63.134	59.720

As of 30 June 2014, the Bank has allocated vacation liability amounting to TL 55.118 (31 December 2013: TL 51.439).

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

As of 30 June 2014, the provision related to foreign currency differences of foreign indexed loans amounts to TL 30.985 (31 December 2013: TL 1.442), which is offset with the balance of foreign currency indexed loans in these financial statements.

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

Provision for non-cash loans that are non-funded and non-transformed into cash as of 30 June 2014 is amounting to TL 53.725 (31 December 2013: TL 52.027)

5. Information on other provisions:

5(i). Information on general reserves for possible risks: TL 200.000 (31 December 2013: 270.000 TL).

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

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 107.914 (31 December 2013: TL 113.443).

i. Explanations on tax liability :

1. Explanations on tax liability:

Tax calculations of the Group are explained in Note XVIII of Section Three. As of 30 June 2014, the corporate tax liability after the deduction of temporary taxes paid is TL 393.773 (31 December 2013: TL 74.369).

1(i). Information on taxes payable:

	Current Period	Prior Period
	30 June 2014	31 December 2013
Corporate Taxes Payable	393.773	74.369
Taxation on Marketable Securities	82.890	68.545
Property Tax	1.731	1.488
Banking Insurance Transaction Tax (BITT)	72.759	60.005
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	2.289	10.204
Other	36.045	43.035
Total	589.487	257.646

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1(ii). Information on premium payables:

	Current Period 30 June 2014	Prior Period 31 December 2013
Social Security Premiums – Employee	52	46
Social Security Premiums – Employer	106	94
Bank Social Aid Pension Fund Premium- Employee	12	6
Bank Social Aid Pension Fund Premium – Employer	16	6
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	885	839
Unemployment Insurance – Employer	1.738	1.650
Other	33	35
Total	2.842	2.676

2. Information on deferred tax liability:

As of 30 June 2014, the deferred tax liability of the Group amounts to TL 45.021 (31 December 2013: TL 43.233). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

j. Information on shareholders’ equity:

1. Presentation of paid-in capital:

	Current Period 30 June 2014	Prior Period 31 December 2013
Common Stock	4.000.000	4.000.000
Preferred Stock	-	-

2. Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so, the amount of registered share capital ceiling:

Capital System	Paid-in capital	Ceiling
Registered Share Capital	4.000.000	8.000.000

3. Information on the share capital increases during the period and their sources: None.

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

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

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

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

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

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k. Information on marketable securities value increase fund:

	Current Period		Prior Period	
	30 June 2014		31 December 2013	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	6.502	(191.123)	(702.498)	(665.848)
Foreign Currency Differences	-	-	-	-
Total	6.502	(191.123)	(702.498)	(665.848)

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

	Current Period 30 June 2014		Prior Period 30 June 2013	
	TL	FC	TL	FC
Short-term Loans	1.666.742	65.816	1.268.320	68.034
Medium and Long-term Loans	2.399.532	914.457	1.918.449	746.169
Interest on Loans Under Follow-Up	19.634	-	9.727	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	4.085.908	980.273	3.196.496	814.203

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

2. Information on interest income on banks:

	Current Period 30 June 2014		Prior Period 30 June 2013	
	TL	FC	TL	FC
From the CBRT	-	44	-	-
From Domestic Banks	14.684	917	14.330	949
From Foreign Banks	4	2.012	508	2.044
From Headquarters and Branches Abroad	-	-	-	-
Total	14.688	2.973	14.838	2.993

3. Information on interest income on marketable securities:

	Current Period 30 June 2014		Prior Period 30 June 2013	
	TL	FC	TL	FC
From Trading Financial Assets	3.711	66	930	51
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	1.375.213	272.022	1.141.469	236.846
From Held-to-maturity Investments	271.690	79.324	148.951	-
Total	1.650.614	351.412	1.291.350	236.897

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available-for sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the actual payments is determined based on the inflation rates of two months before. The Bank determines the estimated inflation rates in line with this. In this context, as of 30 June 2014, valuation of such assets is made according to estimated annual inflation rate of 9.00 %. If valuation of these securities indexed to the CPI had been done by the reference index valid through 30 June 2014, the Bank's equity securities valuation differences would decrease by TL 108 million, net profit would increase by TL 140 million and be TL 1.752 million.

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

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b. Information on interest expense:

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

	Current Period 30 June 2014		Prior Period 30 June 2013	
	TL	FC	TL	FC
Banks	27.427	162.088	18.121	143.713
The CBRT	-	-	-	-
Domestic Banks	24.464	2.904	10.064	18.725
Foreign Banks	2.963	159.184	8.057	124.988
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	1.376	-	1.607
Total	27.427	163.464	18.121	145.320

(*) 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 30 June 2014		Prior Period 30 June 2013	
	TL	FC	TL	FC
Interest expense on securities issued	156.033	140.929	114.337	107.580

4. Maturity structure of the interest expense on deposits:

There are no deposits with 7-days notification deposits.

Current Period-30.06.2014	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	21	38.441	62.847	8.354	2.727	347	112.737
Saving Deposits	-	328.489	968.429	41.077	23.290	33.536	1.394.821
Public Sector Deposits	2	505	4.941	610	113	162	6.333
Commercial Deposits	-	270.577	250.002	17.137	6.614	2.403	546.733
Other Deposits	1	11.947	79.208	24.084	12.698	2.212	130.150
Total	24	649.959	1.365.427	91.262	45.442	38.660	2.190.774
FC							
Foreign Currency Deposits	6.303	106.012	154.746	40.793	49.277	91.259	448.390
Bank Deposits	-	8.039	31.963	21.543	4.000	10	65.555
Precious Metals Deposits	-	-	3	-	143	5	151
Total	6.303	114.051	186.712	62.336	53.420	91.274	514.096
Grand Total	6.327	764.010	1.552.139	153.598	98.862	129.934	2.704.870

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Prior Period - 30.06.2013	Demand Deposit	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	-	41.873	46.420	10.706	3.476	-	102.475
Saving Deposits	52	198.136	623.123	43.572	42.345	44.553	951.781
Public Sector Deposits	1	871	4.589	216	1.411	141	7.229
Commercial Deposits	386	152.136	154.327	10.324	16.275	3.356	336.804
Other Deposits	6	6.673	23.464	3.075	35.379	6.597	75.194
Total	445	399.689	851.923	67.893	98.886	54.647	1.473.483
FC							
Foreign Currency Deposits	7.424	62.165	119.475	13.297	43.860	65.846	312.067
Bank Deposits	-	12.526	32.938	8.053	5.206	18	58.741
Precious Metals Deposits	-	-	-	-	63	2	65
Total	7.424	74.691	152.413	21.350	49.129	65.866	370.873
Grand Total	7.869	474.380	1.004.336	89.243	148.015	120.513	1.844.356

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

	Current Period 30 June 2014	Prior Period 30 June 2013
Profit	550.632.740	102.814.508
Income From Capital Market Transactions	611.547	1.164.798
Income From Derivative Financial Transactions (*)	3.319.298	2.170.677
Foreign Exchange Gains	546.701.895	99.479.033
Loss (-)	550.788.787	102.129.207
Loss from Capital Market Transactions	276.346	516.993
Loss from Derivative Financial Transactions (*)	4.525.884	1.779.256
Foreign Exchange Loss	545.986.557	99.832.958
Total (Net)	(156.047)	685.301

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL (-) 673.424 (30 June 2013: TL 434.296).

d. Explanations on other operating income:

“Other Operating Income” in the Income Statement mainly includes collections from receivables for which provisions have been provided in prior periods and the reversal of the general reserve.

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

	Current Period 30 June 2014	Prior Period 30 June 2013
Specific Provisions for Loans and Other Receivables	763.626	501.882
III. Group Loans and Receivables	407.853	247.376
IV. Group Loans and Receivables	346.104	242.488
V. Group Loans and Receivables	9.669	12.018
General Provision Expenses	176.238	280.097
Provision Expense for Possible Risks	-	175.000
Marketable Securities Impairment Expense	71.538	36.167
Financial Assets at Fair Value through Profit or Loss	18	6
Available-for-sale Financial Assets	71.520	36.161
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	433	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	433	-
Other	9.573	6.456
Total	1.021.408	999.602

f. Information related to other operating expenses:

	Current Period 30 June 2014	Prior Period 30 June 2013
Personnel Expenses	742.270	715.332
Reserve for Employee Termination Benefits	3.504	10.939
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	66.476	61.025
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	30.716	20.781
Impairment Expenses of Equity Participations for Which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	114	45
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	700.405	626.634
Operational Leasing Expenses	78.738	68.897
Maintenance Expenses	10.363	10.091
Advertisement Expenses	51.478	55.734
Other Expenses	559.826	491.912
Loss on Sales of Assets	143	522
Other (*)	284.740	369.358
Total	1.828.368	1.804.636

(*) The investigation initiated by the Competition Board on November 2011 in accordance with Law No. 4054 on the Protection of Competition against 12 banks and 2 firms in the financial services industry, including the Bank, to determine whether the 4th clause of the aforementioned Law was violated through agreements limiting competition has been finalized and the Competition Board has decided for an administrative fine amounting to TL 172.165. The prior period balance in the “Other” line includes the provision amounting to TL 129.124 (Three-fourth of the subject administrative fine in accordance with framework of 17th clause of Misdemeanor Law).

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g. Information on income/loss from minority interest:

	Current Period 30 June 2014	Prior Period 30 June 2013
Income/(loss) from minority interest	3	2

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

As of 30 June 2014, the Group has a current tax expense of TL 642.946 and deferred tax expense of TL 204.959. The amount of deferred tax income that occurred due to the temporary differences is TL 48.260 and deferred tax expense is TL 130; the amounts of deferred tax income occurred due to the closing of temporary differences is TL 179.445 and deferred tax expense is TL 22.616 respectively.

The Bank has no discontinued operations.

i. Explanation on current period net profit and loss:

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

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, mutual fund and common stock transactions.

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IV. 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 9.605.121 asset purchase commitments (31 December 2013: TL 10.444.953), TL 21.640.705 commitment for credit card limits (31 December 2013: TL 21.362.853) and TL 5.357.548 commitments for cheque books (31 December 2013: TL 5.051.733).

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 30 June 2014	Prior Period 31 December 2013
Bank Acceptance Loans	1.139.849	1.705.986
Letters of Credit	4.541.122	6.207.184
Other Commitments and Contingencies	3.539.159	3.179.275
Total	9.220.130	11.092.445

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

	Current Period 30 June 2014	Prior Period 31 December 2013
Revocable Letters of Guarantee	402.093	470.540
Irrevocable Letters of Guarantee	11.251.926	11.177.820
Letters of Guarantee Given in Advance	2.344.973	2.620.959
Guarantees Given to Customs	4.433.442	2.761.667
Other Letters of Guarantee	2.788.300	2.154.477
Total	21.220.734	19.185.463

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

	Current Period 30 June 2014	Prior Period 31 December 2013
Non-cash Loans Given against Cash Loans	3.226.823	1.808.542
With Original Maturity of 1 Year or Less Than 1 Year	2.139.887	1.329.228
With Original Maturity of More Than 1 Year	1.086.936	479.314
Other Non-cash Loans	27.214.041	28.469.366
Total	30.440.864	30.277.908

4. Mutual Funds :

As of 30 June 2014, the Group is the founder of 54 mutual funds (31 December 2013: 51 mutual funds) with a unaudited total fund value of TL 3.201.629 (31 December 2013: TL 2.982.884). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Istanbul Settlement and Custody Bank, Inc.

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V. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH FLOW

Information on cash and cash equivalents:

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

Cash and foreign currency 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 are defined as “Cash equivalents”.

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

	Current Period 30 June 2014	Prior Period 30 June 2013
Cash	2.600.510	1.896.814
Cash, Foreign Currency and Other	1.531.782	1.393.924
Demand Deposits in Banks (*)	1.068.728	502.890
Cash Equivalents	2.332.774	2.175.628
Interbank Money Market Placements	-	-
Time Deposits in Banks	1.810.690	1.386.514
Marketable Securities	522.084	789.114
Total Cash and Cash Equivalents	4.933.284	4.072.442

(*) The restricted demand accounts are not included.

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

	Current Period 30 June 2014	Prior Period 30 June 2013
Cash	2.922.028	2.091.922
Cash, Foreign Currency and Other	1.448.009	1.481.455
Demand Deposits in Banks (*)	1.474.019	610.467
Cash Equivalents	2.601.215	1.865.749
Interbank Money Market Placements	1.460.000	-
Time Deposits in Banks	1.060.882	781.848
Marketable Securities	80.333	1.083.901
Total Cash and Cash Equivalents	5.523.243	3.957.671

(*) The restricted demand accounts are not included.

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

**AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2014**

(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 – 30 June 2014:

Group’s Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	2.368.097	2.414.017	-	-
Balance at the End of the Period	-	-	2.663.835	2.523.131	-	-
Interest and Commission Income Received	-	-	83.539	1.482	-	-

2. Prior Period -31 December 2013:

Group’s Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	2.090.840	327.121	9	-
Balance at the End of the Period	-	-	2.368.097	2.414.017	-	-
Interest and Commission Income Received[*]	-	-	51.069	874	-	-

(*) Represents 30 June 2013 values.

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

Group’s Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 30 June 2014	Prior Period 31 December 2013	Current Period 30 June 2014	Prior Period 31 December 2013	Current Period 30 June 2014	Prior Period 31 December 2013
Deposit						
Balance at the Beginning of the Period	-	-	1.809.565	2.389.225	1.995.056	1.729.420
Balance at the End of the Period	-	-	2.133.907	1.809.565	1.980.404	1.995.056
Interest on Deposits[*]	-	-	85.617	60.563	60.377	41.270

(*) Prior period balances represent 30 June 2013 amounts.

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

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

Group’s risk group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	2.626.534	2.177.864	-	-
Balance at the End of the Period	-	-	2.359.041	2.626.534	-	-
Total Income/Loss(*)	-	-	(11.172)	17.946	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss(*)	-	-	-	-	-	-

(*)Prior period balances represent 30 June 2013 amounts.

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 30 June 2014, the net exposure for direct and indirect shareholders of the Group is TL (-) 2.857 (31 December 2013: TL 6.775).

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

As of 30 June 2014 benefits provided to the Group’s key management amount to TL 20.900 (30 June 2013: 18.151).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

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AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2014

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

**SECTION SIX
OTHER EXPLANATIONS**

I. OTHER EXPLANATIONS

None.

**SECTION SEVEN
EXPLANATIONS ON AUDITOR’S REVIEW REPORT**

I. EXPLANATIONS ON AUDITOR’S REVIEW REPORT

The consolidated financial statements for the period ended 30 June 2014 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor’s review report dated 23 July 2014 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.