

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 30 SEPTEMBER 2017 TOGETHER WITH
AUDITOR'S REVIEW REPORT**

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

AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor's review report originally issued

in Turkish, See Note I of Section Three)

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

Introduction

We have reviewed the consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") at 30 September 2017 and the related consolidated income statement, consolidated statement of income and expense items under shareholders' equity, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

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

Basis for the Qualified Conclusion

As mentioned in Section Five Part II h.5 (i) of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 30 September 2017 include a free provision amounting to TL 200.000 thousand which had been recognized by the Bank management in the prior periods in line with the conservatism principle considering the circumstances that may arise from possible changes in the economy and market conditions.

Qualified Conclusion

Based on our review, except for the effects of the matter on the consolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information do not present fairly in all material respects the financial position of Akbank T.A.Ş. and its consolidated subsidiaries at 30 September 2017 and the results of its operations and its cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Other Matter

The consolidated financial statements of the Bank and its consolidated subsidiaries as at 31 December 2016 were audited by another auditor, whose report dated 31 January 2017 expressed a qualified opinion for the related consolidated financial statements for the inclusion a general reserve for possible risks amounting to TL 200.000 thousands, provided by the Bank management and carried forward from 2014, for considering the circumstances that may arise from possible changes in the economy and market conditions.

Report on other regulatory requirements arising from legislation

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

Additional Paragraph for Convenience Translation:

The effects of differences between accounting principles and standards explained in detail in Section Three and accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Talar Gül, SMMM
Partner
Istanbul, 25 October 2017

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

**THE CONSOLIDATED FINANCIAL REPORT OF
AKBANK T.A.Ş. AS OF 30 SEPTEMBER 2017**

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

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

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

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

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

25 October 2017

Suzan SABANCI DİNÇER	Hayri ÇULHACI	Ş.Yaman TÖRÜNER	S. Hakan BİNBAŞGİL	Türker TUNALI	Emine T. ÇEPPIOĞLU
Chairman of the Board of Directors	Head of the Audit Committee	Member of the Audit Committee	CEO	Executive Vice President	Vice President

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

Name-Surname / Title : Emine T. ÇEPPIOĞLU / Vice President
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AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

SECTION ONE GENERAL INFORMATION ABOUT THE BANK

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

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

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

The Bank's shares have been quoted on the Borsa Istanbul ("BIST") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depository Receipts ("ADRs"). As of 30 September 2017, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2016: 51%).

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

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

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

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

As of 1 February 2017, İlker Altıntaş has been assigned as Executive Vice President responsible of Technology and Operation Unit instead of Turgut Güney who has resigned from his position on 31 January 2017.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

As of July 12, 2017, Cem Mengi, Executive Board Member of the Bank, resigned from his position. On the same date, Ahmet Fuat Ayla, Executive Vice President responsible for the Credit Allocation Business Unit has been elected to replace the position of Cem Mengi. This election will be submitted for approval to the upcoming General Assembly. It has been also decided that Hasan Recai Anbarcı is appointed as the Executive Vice President responsible for the Credit Allocation Business Unit, which has been vacated from Ahmet Fuat Ayla.

Mehmet Hakan Tugal has been assigned as Executive Vice President responsible of Commercial Banking Unit instead of Kaan Gür who has resigned from his position on 15 September 2017.

Türker Tunalı has been assigned as Executive Vice President responsible of Financial Coordination Unit instead of Atıl Özus who has resigned from his position on 17 October 2017.

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

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

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

The Bank's core business activities consist of consumer banking, commercial banking, SME banking, corporate-investment and private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş.. As of 30 September 2017, the Bank has 825 branches dispersed throughout the country and 1 branch operating abroad (31 December 2016: 840 branches and 1 branch operating abroad). As of 30 September 2017, the Bank the Bank has 13.898 employees (31 December 2016: 13.843).

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

As at 30 September 2017, the Group employed 14.268 people (31 December 2016: 14.218).

VI. A SHORT EXPLANATION ON THE DIFFERENCES BETWEEN THE COMMUNIQUE ON CONSOLIDATED FINANCIAL STATEMENT REPORTING AND THE CONSOLIDATION PROCEDURES REQUIRED BY TURKISH ACCOUNTING STANDARDS AND ABOUT INSTITUTIONS THAT ARE SUBJECT TO FULL CONSOLIDATION, PROPORTIONAL CONSOLIDATION, BY WAY OF DEDUCTION FROM CAPITAL OR THOSE THAT ARE SUBJECT TO NONE:

The Bank sees no difference between the Communiqué on Consolidated Financial Reporting and the consolidation procedures required by Turkish Accounting Standards. Information in regards to consolidated subsidiaries and consolidation methods are given in Section III. Note III.

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

None.

SECTION TWO - CONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.Ş.

I. CONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2017 (STATEMENT OF FINANCIAL POSITION)

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

ASSETS	Note (Section Five)	CURRENT PERIOD (30/09/2017)			PRIOR PERIOD (31/12/2016)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(I-a)	4.086.430	30.814.207	34.900.637	5.363.604	29.648.681	35.012.285
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	(I-b)	4.889.198	2.783.204	7.672.402	4.264.928	3.419.931	7.684.859
2.1 Trading Financial Assets		4.889.198	2.783.204	7.672.402	4.264.928	3.419.931	7.684.859
2.1.1 Government Debt Securities		9.360	-	9.360	9.865	-	9.865
2.1.2 Equity Securities		29.591	-	29.591	7.268	-	7.268
2.1.3 Trading Derivative Financial Assets		4.833.880	2.783.204	7.617.084	4.201.007	3.419.931	7.620.938
2.1.4 Other Marketable Securities		16.367	-	16.367	46.788	-	46.788
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)	21.070	6.470.094	6.491.164	150.527	10.235.651	10.386.178
IV. MONEY MARKETS		483.199	-	483.199	37	-	37
4.1 Interbank Money Market Placements		1.832	-	1.832	37	-	37
4.2 Istanbul Stock Exchange Money Market Placements		481.367	-	481.367	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(I-d)	21.013.581	18.419.281	39.432.862	18.145.438	16.661.619	34.807.057
5.1 Equity Securities		13.013	73.884	86.897	12.836	54.505	67.341
5.2 Government Debt Securities		20.718.119	12.983.564	33.701.683	17.912.731	11.328.132	29.240.863
5.3 Other Marketable Securities		282.449	5.361.833	5.644.282	219.871	5.278.982	5.498.853
VI. LOANS and RECEIVABLES	(I-e)	126.120.442	69.339.982	195.460.424	108.979.221	69.914.012	178.893.233
6.1 Loans and Receivables		125.968.025	69.339.982	195.308.007	108.824.251	69.914.012	178.738.263
6.1.1 Loans to Bank's Risk Group	(VI)	3.058.568	1.925.548	4.984.116	3.469.677	1.122.120	4.591.797
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		122.909.457	67.414.434	190.323.891	105.354.574	68.791.892	174.146.466
6.2 Loans under Follow-up		4.140.679	-	4.140.679	4.267.191	-	4.267.191
6.3 Specific Provisions [-]		3.988.262	-	3.988.262	4.112.221	-	4.112.221
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD-TO-MATURITY SECURITIES (Net)	(I-f)	5.755.957	12.080.614	17.836.571	5.485.602	12.491.268	17.976.870
8.1 Government Debt Securities		5.755.957	9.499.549	15.255.506	5.485.602	9.976.303	15.461.905
8.2 Other Marketable Securities		-	2.581.065	2.581.065	-	2.514.965	2.514.965
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)	1.603.408	4.102.426	5.705.834	1.202.964	3.805.636	5.008.600
12.1 Financial Lease Receivables		1.968.573	4.623.615	6.592.188	1.528.271	4.334.700	5.862.971
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income [-]		365.165	521.189	886.354	325.307	529.064	854.371
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	(I-j)	715.220	93.434	808.654	682.966	124.908	807.874
13.1 Fair Value Hedge		715.220	19.423	734.643	682.966	30.570	713.536
13.2 Cash Flow Hedge		-	74.011	74.011	-	94.338	94.338
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)	(I-k)	3.290.399	7.839	3.298.238	878.932	2.428	881.360
XV. INTANGIBLE ASSETS (Net)		334.969	1.649	336.618	360.570	957	361.527
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		334.969	1.649	336.618	360.570	957	361.527
XVI. INVESTMENT PROPERTY (Net)	(I-l)	-	-	-	-	-	-
XVII. TAX ASSET		11.378	110	11.488	11.942	14.392	26.334
17.1 Current Tax Asset		-	-	-	2.561	-	2.561
17.2 Deferred Tax Asset	(I-m)	11.378	110	11.488	9.381	14.392	23.773
XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-n)	125.004	-	125.004	74.188	-	74.188
18.1 Held for Sale Purpose		125.004	-	125.004	74.188	-	74.188
18.2 Related to Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(I-o)	1.443.871	1.463.677	2.907.548	1.186.816	1,389.682	2,576.498
TOTAL ASSETS		169.898.049	145.576.517	315.474.566	146.791.658	147.709.165	294.500.823

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

AKBANK T.A.S.
I. CONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2017 (STATEMENT OF FINANCIAL POSITION)

LIABILITIES	Note (Section Five)	CURRENT PERIOD (30/09/2017)			PRIOR PERIOD (31/12/2016)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	92.086.439	95.789.833	187.876.272	84.428.188	89.539.616	173.967.804
1.1 Deposits of Bank's Risk Group	(VII)	2.177.145	2.939.419	5.116.564	2.430.241	2.058.194	4.488.435
1.2 Other		89.909.294	92.850.414	182.759.708	81.997.947	87.481.422	169.479.369
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	(II-b)	2.423.391	1.088.007	3.511.398	3.648.925	950.922	4.599.847
III. FUNDS BORROWED	(II-c)	344.215	30.297.190	30.641.405	421.737	31.882.549	32.304.286
IV. MONEY MARKETS		1.679.925	23.232.275	24.912.200	5.725.625	21.594.417	27.320.042
4.1 Funds from Interbank Money Market		1.474.637	-	1.474.637	1.222.174	-	1.222.174
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	55.199	-	55.199
4.3 Funds Provided Under Repurchase Agreements		205.288	23.232.275	23.437.563	4.448.252	21.594.417	26.042.669
V. SECURITIES ISSUED (Net)	(II-d)	4.525.940	9.957.455	14.483.395	2.556.267	9.977.034	12.533.301
5.1 Bills		2.059.312	-	2.059.312	776.911	-	776.911
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		2.466.628	9.957.455	12.424.083	1.779.356	9.977.034	11.756.390
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		4.402.253	2.452.034	6.854.287	3.966.117	1.413.354	5.379.471
VIII. OTHER LIABILITIES	(II-e)	972.860	233.671	1.206.531	1.249.388	187.509	1.436.897
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)	-	118.406	118.406	-	98.991	98.991
11.1 Fair Value Hedge		-	107.715	107.715	-	98.645	98.645
11.2 Cash Flow Hedge		-	10.691	10.691	-	346	346
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(II-h)	2.813.026	842.665	3.655.691	2.678.915	878.986	3.557.901
12.1 General Loan Loss Provisions		2.222.693	833.108	3.055.801	2.069.292	858.453	2.927.745
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		237.084	112	237.196	227.221	861	228.082
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		353.249	9.445	362.694	382.402	19.672	402.074
XIII. TAX LIABILITY	(II-i)	1.172.958	147.119	1.320.077	692.521	117.495	810.016
13.1 Current Tax Liability		514.526	30.338	544.864	567.678	14.619	582.297
13.2 Deferred Tax Liability		658.432	116.781	775.213	124.843	102.876	227.719
XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1 Held for Sale Purpose		-	-	-	-	-	-
14.2 Related to Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(II-j)	-	1.757.497	1,757,497	-	-	-
XVI. SHAREHOLDERS' EQUITY	(II-k)	39.270.489	(133.282)	39,137,407	33,014,327	(522,060)	32,492,247
16.1 Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2 Capital Reserves		4.470.887	(133.282)	4.337.605	2.122.151	(522.060)	1.600.091
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		(426.001)	(173.442)	(599.443)	(587.935)	(573.267)	(1.161.202)
16.2.4 Property and Equipment Revaluation Differences		2.343.079	6.055	2.349.134	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	3.895	-	3.895
16.2.8 Hedging Funds (Effective portion)		(482.883)	34.105	(448.778)	(373.697)	51.207	(322.490)
16.2.9 Value Increase of Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.332.797	-	1.332.797	1.332.782	-	1,332,782
16.3 Profit Reserves		25.530.007	-	25,530,007	21,492,133	-	21,492,133
16.3.1 Legal Reserves		1,469,241	-	1,469,241	1,386,657	-	1,386,657
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		22,724,398	-	22,724,398	19,199,849	-	19,199,849
16.3.4 Other Profit Reserves		1,336,368	-	1,336,368	905,627	-	905,627
16.4 Income or (Loss)		5,269,654	-	5,269,654	5,399,913	-	5,399,913
16.4.1 Prior Periods' Income or (Loss)		752,895	-	752,895	545,745	-	545,745
16.4.2 Current Period Income or (Loss)		4,516,759	-	4,516,759	4,854,168	-	4,854,168
16.5 Minority Interest		141	-	141	130	-	130
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		149,691,696	165,782,870	315,474,566	138,382,010	156,118,813	294,500,823

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

AKBANK T.A.Ş.

II. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 30 SEPTEMBER 2017

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

	Note (Section Five)	CURRENT PERIOD (30/09/2017)			PRIOR PERIOD (31/12/2016)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		175.538.726	393.175.212	568.713.938	147.851.229	356.210.504	504.061.733
I. GUARANTEES AND WARRANTIES	(III-2, 3)	19.913.558	29.778.055	49.691.613	15.976.452	24.370.684	40.347.136
1.1 Letters of Guarantee		17.214.133	15.799.048	33.013.181	13.721.435	13.430.357	27.151.792
1.1.1 Guarantees Subject to State Tender Law		382.380	2.732.353	3.114.733	388.011	2.543.143	2.931.154
1.1.2 Guarantees Given for Foreign Trade Operations		-	3.404.114	3.404.114	-	3.219.372	3.219.372
1.1.3 Other Letters of Guarantee		16.831.753	9.662.581	26.494.334	13.333.424	7.667.842	21.001.266
1.2 Bank Acceptances		396	3.764.630	3.765.026	-	3.583.229	3.583.229
1.2.1 Import Letter of Acceptance		396	3.764.630	3.765.026	-	3.583.229	3.583.229
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		8.228	6.190.251	6.198.479	260	5.232.516	5.232.776
1.3.1 Documentary Letters of Credit		8.228	5.646.420	5.654.648	260	4.722.556	4.722.816
1.3.2 Other Letters of Credit		-	543.831	543.831	-	509.960	509.960
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		-	11.949	11.949	-	18.849	18.849
1.8 Other Guarantees		33.975	4.003.788	4.037.763	38.726	2.086.153	2.124.879
1.9 Other Collaterals		2.656.826	8.389	2.665.215	2.216.031	19.580	2.235.611
II. COMMITMENTS	(III-1)	40.310.780	11.950.030	52.260.810	41.336.640	13.619.711	54.956.351
2.1 Irrevocable Commitments		39.394.049	11.616.053	51.010.102	40.690.428	13.304.259	53.994.687
2.1.1 Asset Purchase Commitments		3.570.172	8.471.393	12.041.565	7.444.452	9.261.461	16.705.913
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		7.035.062	3.142.717	10.177.779	6.195.974	4.040.927	10.236.901
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		6.622.294	-	6.622.294	6.200.426	-	6.200.426
2.1.8 Tax and Fund Liabilities from Export Commitments		5.143	-	5.143	4.526	-	4.526
2.1.9 Commitments for Credit Card Limits		18.310.326	-	18.310.326	17.397.602	-	17.397.602
2.1.10 Commitments for Credit Cards and Banking Services Promotions		55.721	-	55.721	121.979	-	121.979
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		3.795.331	1.943	3.797.274	3.325.469	1.871	3.327.340
2.2 Revocable Commitments		916.731	333.977	1.250.708	646.212	315.452	961.664
2.2.1 Revocable Loan Granting Commitments		671.897	-	671.897	527.125	-	527.125
2.2.2 Other Revocable Commitments		244.834	333.977	578.811	119.087	315.452	434.539
III. DERIVATIVE FINANCIAL INSTRUMENTS		115.314.388	351.447.127	466.761.515	90.538.137	318.220.109	408.758.246
3.1 Hedging Derivative Financial Instruments		2.497.225	29.612.562	32.109.787	2.497.225	20.894.823	23.392.048
3.1.1 Fair Value Hedges		2.497.225	15.966.565	18.463.790	2.497.225	15.885.640	18.382.865
3.1.2 Cash Flow Hedges		-	13.645.997	13.645.997	-	5.009.183	5.009.183
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		112.817.163	321.834.565	434.651.728	88.040.912	297.325.286	385.366.198
3.2.1 Forward Foreign Currency Buy/Sell Transactions		9.122.163	13.846.831	22.968.994	9.200.025	16.578.421	25.778.444
3.2.1.1 Forward Foreign Currency Transactions-Buy		4.998.689	6.521.728	11.520.417	3.360.716	9.502.584	12.863.300
3.2.1.2 Forward Foreign Currency Transactions-Sell		4.123.474	7.325.103	11.448.577	5.839.309	7.075.837	12.915.146
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		84.575.673	211.832.506	296.408.179	67.936.685	192.861.386	260.798.071
3.2.2.1 Foreign Currency Swap-Buy		34.803.368	73.618.564	108.421.932	35.263.207	52.719.664	87.982.871
3.2.2.2 Foreign Currency Swap-Sell		47.258.625	55.226.068	102.484.693	29.765.278	57.044.998	86.810.276
3.2.2.3 Interest Rate Swap-Buy		1.256.840	41.493.937	42.750.777	1.454.100	41.548.362	43.002.462
3.2.2.4 Interest Rate Swap-Sell		1.256.840	41.493.937	42.750.777	1.454.100	41.548.362	43.002.462
3.2.3 Foreign Currency, Interest Rate and Securities Options		19.033.987	82.176.083	101.210.070	10.848.869	75.616.092	86.464.961
3.2.3.1 Foreign Currency Options-Buy		10.048.488	11.758.422	21.806.910	5.594.038	8.759.955	14.353.993
3.2.3.2 Foreign Currency Options-Sell		8.985.499	12.955.899	21.941.398	5.254.831	9.273.601	14.528.432
3.2.3.3 Interest Rate Options-Buy		-	28.730.881	28.730.881	-	28.791.268	28.791.268
3.2.3.4 Interest Rate Options-Sell		-	28.730.881	28.730.881	-	28.791.268	28.791.268
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		85.340	13.979.145	14.064.485	55.333	12.269.387	12.324.720
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		700.350.007	202.152.643	902.502.650	605.782.406	194.315.315	800.097.721
IV. ITEMS HELD IN CUSTODY		45.615.854	10.882.755	56.498.609	38.200.062	9.892.470	48.092.532
4.1 Customer Fund and Portfolio Balances		3.823.201	-	3.823.201	3.505.508	-	3.505.508
4.2 Investment Securities Held in Custody		16.460.587	1.013.462	17.474.049	13.745.747	1.126.900	14.872.647
4.3 Cheques Received for Collection		20.003.687	1.402.679	21.406.366	16.330.556	1.218.160	17.548.716
4.4 Commercial Notes Received for Collection		4.839.548	2.060.432	6.899.980	4.135.405	1.799.253	5.934.658
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		488.831	6.406.182	6.895.013	482.846	5.748.157	6.231.003
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		145.830.764	67.589.160	213.419.924	134.780.657	67.444.634	202.225.291
5.1 Marketable Securities		968.626	526.417	1.495.043	301.052	514.939	815.991
5.2 Guarantee Notes		1.068.555	639.574	1.708.129	975.905	667.148	1.643.053
5.3 Commodity		66.843	269.194	336.037	65.766	24.531	90.297
5.4 Warrant		9.931	2.604	12.535	9.931	2.304	12.235
5.5 Immovables		108.311.126	48.596.900	156.908.026	99.808.370	49.799.045	149.607.415
5.6 Other Pledged Items		35.402.915	17.526.221	52.929.136	33.617.244	16.409.120	50.026.364
5.7 Pledged Items-Depository		2.768	28.250	31.018	2.389	29.547	29.936
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		508.903.389	123.680.728	632.584.117	432.801.687	116.978.211	549.779.898
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		875.888.733	595.327.855	1.471.216.588	753.633.635	550.525.819	1.304.159.454

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 SEPTEMBER 2017

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

INCOME AND EXPENSE ITEMS		Note	CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		(Section Five)	(01/01-30/09/2017)	(01/01-30/09/2016)	(01/07-30/09/2017)	(01/07-30/09/2016)
I.	INTEREST INCOME	(IV-a)	17.385.789	14.033.881	6.141.505	4.838.975
1.1	Interest on Loans	(IV-a-1)	13.857.618	11.016.009	4.909.495	3.855.377
1.2	Interest on Reserve Requirements		176.905	150.613	71.219	55.053
1.3	Interest on Banks	(IV-a-2)	171.581	80.705	60.890	35.835
1.4	Interest on Money Market Transactions		15.189	18.962	7.357	16.595
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	2.837.825	2.500.801	974.649	782.167
1.5.1	Trading Financial Assets		5.840	8.737	1.649	2.453
1.5.2	Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3	Available-for-sale Financial Assets		2.095.738	2.022.237	728.098	621.967
1.5.4	Held-to-maturity Investments		736.247	469.827	244.902	157.747
1.6	Financial Lease Income		300.002	233.967	108.642	82.457
1.7	Other Interest Income		26.669	32.824	9.253	11.491
II.	INTEREST EXPENSE	(IV-b)	9.399.199	7.757.341	3.455.781	2.630.314
2.1	Interest on Deposits	(IV-b-4)	7.410.334	5.946.372	2.758.270	2.061.738
2.2	Interest on Funds Borrowed	(IV-b-1)	617.577	414.365	205.067	157.719
2.3	Interest Expense on Money Market Transactions		581.936	767.225	197.130	208.663
2.4	Interest on Securities Issued	(IV-b-3)	746.263	598.561	290.776	193.213
2.5	Other Interest Expenses		43.089	30.818	4.538	8.981
III.	NET INTEREST INCOME (I - II)		7.986.590	6.276.540	2.685.724	2.208.661
IV.	NET FEES AND COMMISSIONS INCOME		2.166.496	1.905.776	741.523	618.814
4.1	Fees and Commissions Received		2.682.218	2.292.188	933.873	755.964
4.1.1	Non-cash Loans		192.004	151.378	65.281	53.019
4.1.2	Other		2.490.214	2.140.810	868.592	702.945
4.2	Fees and Commissions Paid		515.722	386.412	192.350	137.150
4.2.1	Non-cash Loans		336	238	127	58
4.2.2	Other		515.386	386.174	192.223	137.092
V.	DIVIDEND INCOME		2.640	2.599	83	-
VI.	TRADING INCOME/(LOSS) (Net)	(IV-c)	(292.084)	557.499	(123.780)	278.370
6.1	Trading Gains / (Losses) on Securities		244.194	237.881	90.820	63.778
6.2	Gains / (Losses) on Derivative Financial Transactions		102.395	434.989	678.136	488.018
6.3	Foreign Exchange Gains / (Losses)		(638.673)	(115.371)	(892.736)	(273.426)
VII.	OTHER OPERATING INCOME	(IV-d)	603.566	795.392	147.008	130.692
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		10.467.208	9.537.806	3.450.558	3.236.537
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(IV-e)	1.227.246	1.585.800	368.114	537.136
X.	OTHER OPERATING EXPENSES (-)	(IV-f)	3.521.789	3.271.817	1.191.731	1.145.315
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		5.718.173	4.680.189	1.890.713	1.554.086
XII.	EXCESS AMOUNT RECORDED		-	-	-	-
XIII.	AS INCOME AFTER MERGER		-	-	-	-
XIII.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)		5.718.173	4.680.189	1.890.713	1.554.086
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-h)	1.201.403	998.538	397.047	357.042
16.1	Current Tax Provision		923.152	880.344	178.016	234.063
16.2	Deferred Tax Provision		278.251	118.194	219.031	122.979
XVII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)		4.516.770	3.681.651	1.493.666	1.197.044
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1	Income from Non-current Assets Held for Sale		-	-	-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3	Income from Other Discontinued Operations		-	-	-	-
XIX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Expenses for Non-current Assets Held for Sale		-	-	-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3	Expenses for Other Discontinued Operations		-	-	-	-
XX.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1	Current Tax Provision		-	-	-	-
21.2	Deferred Tax Provision		-	-	-	-
XXII.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	(IV-i)	4.516.770	3.681.651	1.493.666	1.197.044
23.1	Income/(Loss) from the Group		4.516.759	3.681.642	1.493.659	1.197.041
23.2	Income/(Loss) from Minority Interest	(IV-g)	11	9	7	3
	Earning/(Loss) per share (in TL full)		0,01129	0,00920	0,00373	0,00299

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

AKBANK T.A.Ş.**IV. CONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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

INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD (30/09/2017)	PRIOR PERIOD (30/09/2016)
I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE- FOR- SALE FINANCIAL ASSETS	702.199	498.281
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	2.461.164	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. TRANSLATION DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	290.856	123.372
V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of Fair Value Changes)	(9.124)	15.119
VI. PROFIT/LOSS FROM FOREIGN NET INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion) (*)	(148.736)	(68.033)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	19	-
IX. TAX RELATED TO VALUATION DIFFERENCES	(268.009)	(89.073)
X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	3.028.369	479.666
XI. CURRENT PERIOD INCOME / LOSS	4.516.770	3.681.651
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	106.009	194.001
11.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(29.474)	(29.014)
11.3 Part of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	4.440.235	3.516.664
XII. TOTAL INCOME / LOSS ACCOUNTED FOR THE PERIOD (X±XI)	7.545.139	4.161.317

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

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

AKBANK T.A.Ş.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital(*)	Share Premiums	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Valuation Differences	Property & Equipment Revaluation Differences	Bonus Shares from Invest. in Ass., Subs. and J.V.	Hedging Transactions	Val. Chan. in Prop. and Eq. HFS Purp./ Disc. Opr.	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD																			
(30/09/2016)																			
I.	Beginning Balance	4.000.000	1.405.892	1.700.000	-	1.336.311	-	16.772.396	510.020	3.229.357	402.833	(1.114.408)	47.106	3.895	(278.630)	-	28.014.772	119	28.014.891
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	4.000.000	1.405.892	1.700.000	-	1.336.311	-	16.772.396	510.020	3.229.357	402.833	(1.114.408)	47.106	3.895	(278.630)	-	28.014.772	119	28.014.891
Changes in the period																			
IV.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences	(II-k-8)	-	-	-	-	-	-	-	-	-	398.625	-	-	-	-	398.625	-	398.625
VI.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	(42.331)	-	(42.331)	-	(42.331)
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.095	-	12.095	-
6.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(54.426)	-	(54.426)	-
VII.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation Differences	-	-	-	-	-	-	-	123.372	-	-	-	-	-	-	-	123.372	-	123.372
XI.	Changes due to the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of Changes in Equity of Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	3.681.642	-	-	-	-	-	-	3.681.642	9	3.681.651
XX.	Profit distribution	-	-	-	-	50.346	-	2.427.453	8.646	(3.229.357)	142.912	-	-	-	-	-	(600.000)	-	(600.000)
20.1	Dividends paid	-	-	-	-	-	-	-	-	(600.000)	-	-	-	-	-	-	(600.000)	-	(600.000)
20.2	Transfers to Reserves	-	-	-	-	50.346	-	2.427.453	8.646	(2.629.357)	142.912	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance (III+IV+V+...+XVIII+XX+XXI)		4.000.000	1.405.892	1.700.000	-	1.386.657	-	19.199.849	642.038	3.681.642	545.745	(715.783)	47.106	3.895	(320.961)	-	31.576.080	128	31.576.208
CURRENT PERIOD																			
(30/09/2017)																			
I.	Prior Period End Balance	4.000.000	1.405.892	1.700.000	-	1.386.657	-	19.199.849	832.517	4.854.168	545.745	(1.161.202)	47.106	3.895	(322.490)	-	32.492.137	130	32.492.267
Changes in the period																			
II.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	(II-k-8)	-	-	-	-	-	-	-	-	-	561.759	-	-	-	-	561.759	-	561.759
IV.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	(126.288)	-	(126.288)	-	(126.288)
4.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.299)	-	(7.299)	-
4.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(118.989)	-	(118.989)	-
V.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	2.302.028	-	-	-	2.302.028	-	2.302.028
VI.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation Differences	-	-	-	-	-	-	-	290.856	-	-	-	-	-	-	-	290.856	-	290.856
IX.	Changes due to the Disposal of Assets (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes due to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effects of Changes in Equity of Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other (***)	-	-	-	-	-	-	-	15	-	-	-	-	-	-	-	15	-	15
XVII.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	4.516.759	-	-	-	-	-	-	4.516.759	11	4.516.770
XVIII.	Profit distribution	-	-	-	-	82.584	-	3.524.549	139.885	(4.854.168)	207.150	-	-	-	-	-	(900.000)	-	(900.000)
18.1	Dividends paid	-	-	-	-	-	-	-	-	(900.000)	-	-	-	-	-	-	(900.000)	-	(900.000)
18.2	Transfers to Reserves	-	-	-	-	82.584	-	3.524.549	139.885	(3.954.168)	207.150	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance (II+III+IV+...+XVI+XVII+XVIII)		4.000.000	1.405.892	1.700.000	-	1.469.241	-	22.724.398	1.263.273	4.516.759	752.895	(599.443)	2.349.136	3.895	(448.778)	-	39.137.266	141	39.137.407

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

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

AKBANK T.A.Ş.**VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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

	Note (Section Five)	CURRENT PERIOD (30/09/2017)	PRIOR PERIOD (30/09/2016)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities	3.363.957	2.782.303
1.1.1	Interest received	16.435.574	13.420.663
1.1.2	Interest paid	(9.303.838)	(7.580.322)
1.1.3	Dividend received	2.640	2.599
1.1.4	Fees and commissions received	2.799.132	2.292.644
1.1.5	Other income	(115.878)	(914.558)
1.1.6	Collections from previously written-off loans and other receivables	708.422	510.031
1.1.7	Payments to personnel and service suppliers	(1.591.232)	(1.423.778)
1.1.8	Taxes paid	(1.656.011)	(1.429.666)
1.1.9	Other	(3.914.852)	(2.095.310)
1.2	Changes in operating assets and liabilities	(10.615.621)	3.168.616
1.2.1	Net decrease in trading securities	8.550	(392)
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	814.285	8.855.824
1.2.4	Net (increase) / decrease in loans	(16.452.445)	(16.225.161)
1.2.5	Net (increase) / decrease in other assets	(6.471.081)	(11.122.423)
1.2.6	Net increase / (decrease) in bank deposits	2.951.775	(2.858.108)
1.2.7	Net increase / (decrease) in other deposits	10.869.857	17.251.386
1.2.8	Net increase / (decrease) in funds borrowed	(1.470.158)	3.500.644
1.2.9	Net increase / (decrease) in payables	-	-
1.2.10	Net increase / (decrease) in other liabilities	(866.404)	3.766.846
I.	Net cash provided from banking operations	(7.251.664)	5.950.919
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	(3.483.864)	4.700.821
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	(135.457)	(154.670)
2.4	Disposals of property and equipment	32.773	165.281
2.5	Cash paid for purchase of investments available-for-sale	(13.217.513)	(11.314.161)
2.6	Cash obtained from sale of investments available-for-sale	9.946.691	16.373.431
2.7	Cash paid for purchase of investment securities	(407)	-
2.8	Cash obtained from sale of investment securities	766.197	130.051
2.9	Other	(876.148)	(499.111)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	2.847.502	(1.020.287)
3.1	Cash obtained from funds borrowed and securities issued	6.442.598	4.834.444
3.2	Cash used for repayment of funds borrowed and securities issued	(2.695.096)	(5.254.731)
3.3	Issued equity instruments	-	-
3.4	Dividends paid	(900.000)	(600.000)
3.5	Payments for finance leases	-	-
3.6	Other	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	410.418	158.109
V.	Net increase in cash and cash equivalents (I+II+III+IV)	(7.477.608)	9.789.562
VI.	Cash and cash equivalents at beginning of the period	(VI) 12.827.451	7.109.441
VII.	Cash and cash equivalents at end of the period	(VII) 5.349.843	16.899.003

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

**SECTION THREE
EXPLANATIONS ON ACCOUNTING POLICIES**

I. EXPLANATIONS ON BASIS OF PRESENTATION:

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

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

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value. Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.

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

The amendments of TAS and TFRS which have entered into force as of 1 January 2017 have no material impact on the Group's accounting policies, financial position and performance. The amendments of TAS and TFRS will be effective as of 1 January 2018, except TFRS 9 Financial Instruments, will have no impact on the accounting policies, financial condition and performance of the Group. The Group continues works in order to comply with TFRS 9 Financial Instruments Standard.

b. Explanation for convenience translation into English:

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

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

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS, and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2016 except for applying revaluation model in the properties in accordance with TAS 16 Plant and Equipment as explained in the note of I-k of the Fifth Section. 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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

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

The Group's core business activities include consumer banking, commercial banking, SME banking, and corporate-investment and 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, marketable securities issued, money market borrowings and mostly borrowings from foreign financial institutions. The Group follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the Group's exposure to liquidity risk, interest rate risk, currency risk and credit risk while increasing profitability and strengthening the Group's equity. The Asset-Liability Committee ("ALCO") manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Risk Committee ("ERC").

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

As of 30 September 2017, foreign currency denominated balances are translated into TL using the exchange rates of TL 3,5200 and TL 4,1545 for USD, EURO respectively.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

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

Consolidation principles for subsidiaries:

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

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

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

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

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

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 A.R.T.S. Ltd., which is not subsidiary of the Bank, but the Bank has 100% control power due to the reason that this company is "Structured Entity", has been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are referred to as the "Group" in these consolidated financial statements.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

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

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

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

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

Akbank (Dubai) Limited was established in December 2009 in Dubai International Finance Center (DIFC) had served delivering intermediary services on acquisition and mergers, consultancy about financial instruments, intermediary services on loan and investment instruments. As of 27 December 2016, The Board of Directors of the Bank decided to liquidate Akbank (Dubai) Limited and open a representative office in same location. The process of opening the representative office has been ended with a decision of the Board of Directors of the bank, dated 24 July 2017. The liquidation process of Akbank (Dubai) Limited is continuing.

A.R.T.S. Ltd. is a "Structured Entity" which was established in November 1999 for the purpose of supplying long term financing. Ak Receivables Corporation which was established in July 1998 for the similar purposes has been liquidated on March 1, 2016 due to the termination of financing program provided.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS OPTIONS AND DERIVATIVE INSTRUMENTS:

The major derivative instruments utilized by the Bank are foreign currency 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"). 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 disclosed in "Trading derivative financial liabilities" or "Hedging derivative financial liabilities". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement. The basis on accounting of derivative instruments for hedging purposes are explained in Note VIII of Section Four. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

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

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

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

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V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognized in the income statement by using the "Effective interest rate 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 rate method" according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

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 aiming at short-term profit making.

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

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

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

b. Available-for-sale financial assets:

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

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

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

c. Loans and Receivables:

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or available-for-sale financial assets, are unlisted in an active market and whose payments are fixed or can be determined. Loans and receivables are carried initially by adding acquisition cost which reflect fair value to transaction costs and subsequently

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recognized at the discounted value calculated using the "Effective interest rate method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

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

Specific provisions are accounted under "Provision for Loan Losses and Other Receivables" in the income statement and deducted from the net income of the period. If a receivable is collected which is provisioned in the same year, it is deducted from the "Provision for Loan Losses and Other Receivables". If there is a subsequent collection from a receivable which has already been provisioned in previous years, the recovery amount is classified under "Other Operating Income". Uncollectible receivables are written-off after all the legal procedures are finalized.

d. Held-to-maturity financial assets:

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

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

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

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL INSTRUMENTS:

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 rate method" and its carrying value. In case an impairment occurs, the impairment amount is deducted from the carrying value of the asset and the impairment loss is recognized in profit and loss. Regarding available-for-sale financial assets, when there is objective evidence that the asset is impaired the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized. An explanation about the impairment of loans and receivables is given in Note VII-c of Section Three.

IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS:

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

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

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

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

The Group has no securities lending transactions.

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

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the regulations of "Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TAS 5)".

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Group has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

Buildings	50 years
Vault	5 years
Transportation Vehicles	5 years
Other property and equipments	4-7 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

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transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

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

The Group provides specific provisions for financial lease receivables in accordance with the "Communiqué Regarding the Principles and Procedures for the Provisions Provided for Receivables by Financial Leasing, Factoring and Finance Companies" published in Official Gazette no. 28861, dated 24 December 2013. The Group provides general provisions for non-impaired financial lease receivables.

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

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

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

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b. Retirement rights:

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

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

Following the publication of the reasoned decree of the Constitutional Court, Turkish Grand National Assembly commenced to work on a new law regarding the transfer of the members of funds to the Social Security Institution; the related articles of the Social Security Law ("New Law") numbered 5754 regarding the transfer of the funds, were ratified by the TGNA General Meeting on 17 April 2008 and came into effect following the publication in the Official Gazette numbered 26870, dated 8 May 2008.

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

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

According to 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 2016 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 this time period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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

Information on taxation in foreign associates are given below:

Akbank AG (Germany)

German-resident corporations (i.e. corporations with legal or business centers located in Germany) are subject to corporate taxation in Germany over their total income. Regardless of any profit distribution corporate tax is levied at 15% over total income. Effective corporate tax rate is 15,825% since an additional solidarity tax of 5,5% is applied over the calculated corporate tax. In addition to that, trade income tax at an approximate rate of 16% is levied by the local city governance. Accordingly, the total tax burden including all types of tax (corporate tax, solidarity tax and trade income tax) is approximately 32%.

Akbank (Dubai) Limited (United Arab Emirates)

Akbank Dubai is not subject to taxes according to the legislations of this country.

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:

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2017.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 September 2017 and 31 December 2016, there is no government grant for the Bank.

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

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

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

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

The Ordinary General Assembly Meeting of the Bank was held on 28 March 2017. In the Ordinary General Assembly, it was decided to distribute a TL 900.000 cash dividend over the TL 4.528.712 net income from 2016 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 139.885 to special funds account under other capital reserves, to allocate TL 70.000 as legal and TL 3.418.827 as extraordinary reserves.

XXV. EARNINGS PER SHARE:

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

	Current Period	Prior Period
	30 September 2017	30 September 2016
Net Profit for the Year	4.516.759	3.681.642
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,01129	0,00920

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In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

No bonus shares issued in 2017 (2016: None).

XXVI. RELATED PARTIES:

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

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

In order to be consistent with the presentation of financial statements dated 30 September 2017, there are certain reclassifications made on income statement and cash flows statement dated 30 September 2016.

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

I. EXPLANATIONS ON EQUITY:

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

As of 30 September 2017, total current year equity of the Group has been calculated as TL 43.561.456 (31 December 2016: 34.871.848), the capital adequacy ratio is 16,35 % (31 December 2016:14,16 %). This ratio is well above the minimum ratio required by the legislation.

a. Information about total consolidated capital items:

	Current Period 30 September 2017	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.405.892	
Share issue premiums	1.700.000	
Reserves	25.530.007	
Gains recognized in equity as per TAS	2.349.134	
Profit	5.269.654	
Current Period Profit	4.516.759	
Prior Period Profit	752.895	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	3.895	
Minorities' Share	141	
Common Equity Tier 1 Capital Before Deductions	40.258.723	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	21.644	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.149.692	
Improvement costs for operating leasing	19.111	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	238.346	297.932
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	1.428.793	
Total Common Equity Tier 1 Capital	38.829.930	

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	Current Period 30 September 2017	Amounts related to treatment before 1/1/2014(*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	59.586	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	38.770.344	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.760.000	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (Temporary Article 3)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.038.523	
Tier II Capital Before Deductions	4.798.523	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	4.798.523	
Total Capital (The sum of Tier I Capital and Tier II Capital)	43.568.867	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	7.411	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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	Current Period 30 September 2017	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital	43.561.456	
Total risk weighted amounts	266.503.299	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	14,57%	
Tier 1 Capital Adequacy Ratio	14,55%	
Capital Adequacy Ratio	16,35%	
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2,27%	
a) Bank specific total common equity tier 1 capital ratio	1,25%	
b) Capital conservation buffer requirement	0,02%	
c) Systemic significant bank buffer ratio (**)	1,00%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	6,57%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	215.636	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	3.055.801	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3.038.523	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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	Prior Period 31 December 2016	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.405.892	
Share issue premiums	1.700.000	
Reserves	21.492.133	
Gains recognized in equity as per TAS	47.106	
Profit	5.399.913	
Current Period Profit	4.854.168	
Prior Period Profit	545.745	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	3.895	
Minorities' Share	130	
Common Equity Tier 1 Capital Before Deductions	34.049.069	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	28.760	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.592.477	
Improvement costs for operating leasing	28.863	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	192.456	320.760
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	1.842.556	
Total Common Equity Tier 1 Capital	32.206.513	

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	Prior Period 31 December 2016	Amounts related to treatment before 1/1/2014(*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	128.304	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	32.078.209	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (Temporary Article 3)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.804.483	
Tier II Capital Before Deductions	2.804.483	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	2.804.483	
Total Capital (The sum of Tier I Capital and Tier II Capital)	34.882.692	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	19	
Other items to be defined by the BRSA (-)	10.825	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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	Prior Period 31 December 2016	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital	34.871.848	
Total risk weighted amounts	246.205.794	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	13,08%	
Tier 1 Capital Adequacy Ratio	13,03%	
Capital Adequacy Ratio	14,16%	
BUFFERS		
Bank specific total common equity tier 1 capital ratio	5,52%	
Capital conservation buffer requirement	0,63%	
Bank specific counter-cyclical buffer requirement	0,39%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	5,12%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	451.915	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	2.927.745	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.804.483	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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

**Current Period
30 September 2017**

Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1574750292 / US00972BAB53
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	1.760 million TL (in full TL amount)
Nominal value of instrument	1.760 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	15 March 2017
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 1 day (Maturity date: 16 March 2027)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 16.03.2022. The reimbursement amount is 1.760 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	7,2%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

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

II. EXPLANATIONS ON CURRENCY RISK

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

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

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

	USD	EURO
Balance Sheet Evaluation Rate	TL 3,5200	TL 4,1545
1.Day bid rate	TL 3,5720	TL 4,2023
2.Day bid rate	TL 3,5657	TL 4,1891
3.Day bid rate	TL 3,5344	TL 4,1747
4.Day bid rate	TL 3,5162	TL 4,1818
5.Day bid rate	TL 3,4862	TL 4,1763

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

USD :TL 3,4797
EURO :TL 4,1320

As of 31 December 2016;

	USD	EURO
Balance Sheet Evaluation Rate	TL 3,5000	TL 3,6897

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Information related to Group's Currency Risk:

The table below summarizes the Group's net foreign currency position, categorized by currency. Foreign currency indexed assets are classified as Turkish Lira assets according to the Uniform Chart of Accounts. In currency risk calculation, foreign currency indexed assets are considered as foreign currency items. In accordance with the "Communiqué on Calculation of Foreign Currency Net Position/Capital Standard Ratio by banks in stand-alone and consolidated basis"; prepaid expenses in assets, general loan loss provision and shareholders' equity in liabilities are excluded in the currency risk calculation. Therefore, there are differences between the amounts of foreign currency denominated assets and liabilities demonstrated on the table below and the amounts on the balance sheet.

Current Period – 30 September 2017	EURO	USD	Other FC	Total
Assets				
Cash Equivalents and Central Bank(**)	4.973.141	20.900.039	4.941.027	30.814.207
Banks	1.344.803	5.070.364	54.927	6.470.094
Financial Assets at Fair Value through Profit or Loss (Net)	510.372	2.115.488	157.344	2.783.204
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	3.225.839	14.655.629	537.813	18.419.281
Loans	36.861.361	36.334.000	108.532	73.303.893
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments (Net)	3.166.557	8.914.057	-	12.080.614
Hedging Derivative Financial Assets	793	92.641	-	93.434
Tangible Assets (Net)	796	7.043	-	7.839
Intangible Assets (Net)	1.649	-	-	1.649
Other Assets	3.163.197	2.330.418	539	5.494.154
Total Assets	53.248.508	90.419.679	5.800.182	149.468.369
Liabilities				
Bank Deposits	2.763.760	4.554.438	1.059.441	8.377.639
Foreign Currency Deposits (**)	35.585.617	48.883.014	2.943.563	87.412.194
Funds from Interbank Money Market	918.634	22.313.641	-	23.232.275
Borrowings	10.122.283	20.173.427	1.480	30.297.190
Marketable Securities Issued (Net) (***)	41.604	11.511.392	161.956	11.714.952
Miscellaneous Payables	1.539.131	907.188	5.715	2.452.034
Hedging Derivative Financial Liabilities	-	118.406	-	118.406
Other Liabilities	935.684	535.642	7.028	1.478.354
Total Liabilities	51.906.713	108.997.148	4.179.183	165.083.044
Net on Balance Sheet Position	1.341.795	(18.577.469)	1.620.999	(15.614.675)
Net off-Balance Sheet Position (*)	(1.455.087)	18.538.619	(1.509.455)	15.574.077
Financial Derivative Assets	26.952.569	68.605.993	3.304.336	98.862.898
Financial Derivative Liabilities	28.407.656	50.067.374	4.813.791	83.288.821
Non-cash Loans	11.713.731	17.792.012	272.312	29.778.055
Prior Period - 31 December 2016				
Total Assets	52.054.227	97.959.465	1.623.901	151.637.593
Total Liabilities	50.248.734	101.834.814	3.698.872	155.782.420
Net on-Balance Sheet Position	1.805.493	(3.875.349)	(2.074.971)	(4.144.827)
Net off-Balance Sheet Position (*)	(247.988)	2.694.400	2.186.692	4.633.104
Financial Derivative Assets	23.610.103	54.216.249	3.126.154	80.952.506
Financial Derivative Liabilities	23.858.091	51.521.849	939.462	76.319.402
Non-cash Loans	9.300.574	14.739.107	331.003	24.370.684

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

(**) Of the Cash Equivalents and Central Bank and Other FC, TL 4.847.989 (31 December 2016: TL 739.794) and of the foreign currency deposits TL 1.317.864 (31 December 2016: TL 1.166.647) are precious metal deposit account in demand.

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

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III. EXPLANATIONS ON INTEREST RATE RISK:

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

The 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 September 2017	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	23.246.442	-	-	-	-	11.654.195	34.900.637
Banks	1.137.262	428.306	-	-	-	4.925.596	6.491.164
Financial Assets at Fair Value Through Profit or Loss (Net)	917.534	3.823.650	2.381.017	364.968	146	185.087	7.672.402
Interbank Money Market Placements	483.199	-	-	-	-	-	483.199
Available-for-sale Financial Assets (Net)	4.168.493	5.176.859	7.881.736	15.790.971	6.072.896	341.907	39.432.862
Loans	48.054.651	23.708.036	50.151.448	64.256.039	9.137.833	152.417	195.460.424
Held-to-maturity Investments (Net)	559.860	632.405	6.964.580	8.767.352	912.374	-	17.836.571
Other Assets	1.332.562	1.092.506	1.704.868	2.720.032	563.387	5.783.952	13.197.307
Total Assets	79.900.003	34.861.762	69.083.649	91.899.362	16.686.636	23.043.154	315.474.566
Liabilities							
Bank Deposits	5.509.375	2.726.429	666.337	-	-	1.251.137	10.153.278
Other Deposits	104.813.102	22.282.285	10.907.637	6.396.334	617.506	32.706.130	177.722.994
Funds from Interbank Money Market	4.592.441	12.659.046	7.354.360	-	-	306.353	24.912.200
Miscellaneous Payables	566.072	856.297	658.094	151.454	-	4.622.370	6.854.287
Marketable Securities Issued (Net) (*)	2.460.373	1.513.247	3.947.655	2.450.118	5.869.499	-	16.240.892
Borrowings	1.877.454	18.445.444	8.597.797	1.553.149	167.561	-	30.641.405
Other Liabilities (**)	684.086	1.681.547	1.349.057	422.673	1.052	44.811.095	48.949.510
Total Liabilities	120.502.903	60.164.295	33.480.937	10.973.728	6.655.618	83.697.085	315.474.566
Balance Sheet Long Position	-	-	35.602.712	80.925.634	10.031.018	-	126.559.364
Balance Sheet Short Position	(40.602.900)	(25.302.533)	-	-	-	(60.653.931)	(126.559.364)
Off-balance Sheet Long Position	5.391.139	20.860.170	5.163.542	-	-	-	31.414.851
Off-balance Sheet Short Position	-	-	-	(20.428.480)	(6.620.024)	-	(27.048.504)
Total Position	(35.211.761)	(4.442.363)	40.766.254	60.497.154	3.410.994	(60.653.931)	4.366.347

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

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

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Prior Period – 31 December 2016	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	27.670.460	-	-	-	-	7.341.825	35.012.285
Banks	3.352.046	526.653	35.765	-	-	6.471.714	10.386.178
Financial Assets at Fair Value Through Profit or Loss (Net)	1.429.587	3.240.326	1.778.638	831.953	397.087	7.268	7.684.859
Interbank Money Market Placements	37	-	-	-	-	-	37
Available-for-sale Financial Assets (Net)	2.728.783	3.812.803	10.226.314	12.060.817	5.698.755	279.585	34.807.057
Loans	48.869.828	23.856.332	44.775.558	52.007.808	9.228.737	154.970	178.893.233
Held-to-maturity Investments (Net)	2.280.482	576.857	1.788.154	11.961.634	1.369.743	-	17.976.870
Other Assets	1.618.679	1.607.946	1.304.507	2.044.110	290.805	2.874.257	9.740.304
Total Assets	87.949.902	33.620.917	59.908.936	78.906.322	16.985.127	17.129.619	294.500.823
Liabilities							
Bank Deposits	4.079.131	1.693.367	456.626	-	-	973.398	7.202.522
Other Deposits	93.336.342	23.513.023	15.107.142	6.063.731	470.442	28.274.602	166.765.282
Funds from Interbank Money Market	10.370.994	11.826.881	4.850.089	272.078	-	-	27.320.042
Miscellaneous Payables	232.555	281.232	593.932	209.928	70.024	3.991.800	5.379.471
Marketable Securities Issued (Net)	855.665	629.450	1.959.159	5.703.582	3.385.445	-	12.533.301
Borrowings	2.032.329	26.445.184	2.992.424	728.260	106.089	-	32.304.286
Other Liabilities (*)	589.218	1.255.622	2.170.074	870.686	248.617	37.861.702	42.995.919
Total Liabilities	111.496.234	65.644.759	28.129.446	13.848.265	4.280.617	71.101.502	294.500.823
Balance Sheet Long Position	-	-	31.779.490	65.058.057	12.704.510	-	109.542.057
Balance Sheet Short Position	(23.546.332)	(32.023.842)	-	-	-	(53.971.883)	(109.542.057)
Off-balance Sheet Long Position	-	26.563.269	3.978.071	-	-	-	30.541.340
Off-balance Sheet Short Position	-	-	-	(19.059.608)	(7.766.384)	-	(26.825.992)
Total Position	(23.546.332)	(5.460.573)	35.757.561	45.998.449	4.938.126	(53.971.883)	3.715.348

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

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

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

Current Period – 30 September 2017	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	1,25	-	7,86
Banks	0,14	1,56	-	16,61
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	14,42
Interbank Money Market Placements	-	-	-	13,63
Available-for-sale Financial Assets (Net)	2,43	4,07	3,09	11,22
Loans	3,70	5,70	4,40	13,99
Held-to-maturity Investments (Net)	3,62	4,11	-	11,51
Liabilities				
Bank Deposits	0,37	2,01	-	11,41
Other Deposits	1,01	2,58	1,28	10,18
Funds from Interbank Money Market	0,62	2,31	-	9,83
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net) (*)	4,00	5,21	1,29	11,90
Borrowings	1,27	3,08	-	8,80

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

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Prior Period – 31 December 2016	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	0,75	-	5,31
Banks	0,19	2,24	-	12,00
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	12,27
Interbank Money Market Placements	-	-	-	9,84
Available-for-sale Financial Assets (Net)	2,38	3,71	3,79	9,52
Loans	3,66	5,07	4,27	13,04
Held-to-maturity Investments (Net)	3,62	4,05	-	9,82
Liabilities				
Bank Deposits	0,43	1,62	-	9,42
Other Deposits	1,13	2,45	0,07	8,78
Funds from Interbank Money Market	0,56	1,98	-	8,03
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	4,00	4,87	1,29	9,40
Borrowings	1,04	2,62	-	9,17

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

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

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

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

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

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

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

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

The different categories of defined limits are;

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

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

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

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

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

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

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

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

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

e) Information on liquidity risk mitigation techniques:

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

f) Information on the use of stress tests:

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

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

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

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Liquidity Coverage Ratio:

		Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Current Period – 30.09.2017					
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			53.143.746	33.038.606
CASH OUTFLOWS					
2	Retail and Customers Deposits	111.272.080	47.700.670	10.064.939	4.770.067
3	Stable deposits	21.245.380	-	1.062.269	-
4	Less stable deposits	90.026.700	47.700.670	9.002.670	4.770.067
5	Unsecured Funding other than Retail and Small Business Customers Deposits	65.109.276	36.617.753	33.863.852	19.637.063
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	61.185.017	35.909.195	31.221.817	18.928.890
8	Other Unsecured Funding	3.924.259	708.558	2.642.035	708.173
9	Secured funding			39.545	39.545
10	Other Cash Outflows	49.593.165	27.700.941	41.885.639	20.260.169
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	41.032.992	19.434.911	41.032.992	19.434.911
12	Debts related to the structured financial products Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
13		8.560.173	8.266.030	852.647	825.258
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	660.320	-	33.016	-
15	Other irrevocable or conditionally revocable commitments	57.007.667	16.058.707	2.850.383	802.935
16	TOTAL CASH OUTFLOWS			88.737.374	45.509.779
CASH INFLOWS					
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	15.801.838	6.549.635	10.372.833	5.355.016
19	Other contractual cash inflows	37.594.753	32.254.704	37.594.387	32.254.688
20	TOTAL CASH INFLOWS	53.396.591	38.804.339	47.967.220	37.609.704
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			53.143.746	33.038.606
22	TOTAL NET CASH OUTFLOWS			40.770.154	11.377.445
23	Liquidity Coverage Ratio (%)			130,48	292,41

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

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Prior Period – 31.12.2016	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)		
	TL+FC	FC	TL+FC	FC	
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets		44.220.285	27.611.709	
CASH OUTFLOWS					
2	Retail and Customers Deposits	95.843.696	40.420.913	8.614.548	4.042.091
3	Stable deposits	19.396.433	-	969.822	-
4	Less stable deposits	76.447.263	40.420.913	7.644.726	4.042.091
5	Unsecured Funding other than Retail and Small Business Customers Deposits	60.880.264	33.548.206	30.803.352	17.305.123
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	57.984.140	33.093.978	28.952.075	16.854.049
8	Other Unsecured Funding	2.896.124	454.228	1.851.277	451.074
9	Secured funding				
10	Other Cash Outflows	36.183.727	23.298.800	33.180.019	20.470.668
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	32.849.260	20.157.913	32.849.260	20.157.913
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	3.334.467	3.140.887	330.759	312.755
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	561.720	-	28.086	-
15	Other irrevocable or conditionally revocable commitments	52.151.420	16.101.047	2.607.571	805.052
16	TOTAL CASH OUTFLOWS			75.233.576	42.622.934
CASH INFLOWS					
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	15.903.166	6.960.917	10.349.421	5.634.160
19	Other contractual cash inflows	30.532.866	22.223.618	30.532.362	22.223.331
20	TOTAL CASH INFLOWS	46.436.032	29.184.535	40.881.783	27.857.491
			Upper limit applied amounts		
21	TOTAL HQLA STOCK			44.220.285	27.611.709
22	TOTAL NET CASH OUTFLOWS			34.351.793	14.990.017
23	Liquidity Coverage Ratio (%)			129,12	187,06

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

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Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the Bank to net cash outflow in one month maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, marketable securities that are not subject to repurchase agreements or not given as collateral, corporate deposits, bank deposits, foreign funds and borrowings from banks. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

Periodic increases are observed in the liquidity coverage ratio during the weeks where the foreign currency reserve option is used in reserve requirements in CBRT, high amounts are maintained in bank placements or repurchase agreement volume decreases, on the other hand, fluctuations may occur in the liquidity coverage ratio during the weeks where the share of corporate or bank funds increase, or long term foreign funds which are replaced when due, such as syndicated loans are due in one month. Despite these fluctuations, it is observed that the ratio does not decrease below 121% during the period and remain at a quite higher level than the legal lower limit.

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

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 58% and securities issued by Treasury of Republic of Turkey by 38%. Funding sources are mainly distributed between individual and retail deposits by 63%, corporate deposits by 27%, borrowings from banks by 5% and collateralized borrowings such as repurchase agreements by 1%.

Cash outflow amounting to TL 2.939 million (in full TL amount) is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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

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

	Current Period - 30.09.2017	
	TL+FC	FC
July	128,51	246,31
August	123,79	303,33
September	139,15	329,10

	Prior Period - 31.12.2016	
	TL+FC	FC
October	122,85	149,72
November	120,89	220,90
December	143,62	190,56

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 30 September 2017	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	12.316.288	22.513.129	71.220	-	-	-	-	34.900.637
Banks	4.925.596	1.151.290	414.278	-	-	-	-	6.491.164
Financial Assets at Fair Value Through Profit or Loss (Net)	185.087	316.990	587.046	1.181.678	3.128.048	2.273.553	-	7.672.402
Interbank Money Market Placements Available-for-sale Financial Assets (Net)	-	483.199	-	-	-	-	-	483.199
Loans	-	25.863.046	25.450.376	39.941.074	81.733.011	22.320.500	152.417	195.460.424
Held-to-maturity Investments (Net)	-	-	-	3.929.177	12.362.616	1.544.778	-	17.836.571
Other Assets	1.138.487	719.603	348.201	1.266.086	4.317.937	898.899	4.508.094	13.197.307
Total Assets	18.907.365	51.076.442	27.413.892	48.379.487	126.808.954	38.227.915	4.660.511	315.474.566
Liabilities								
Bank Deposits	1.251.137	5.509.375	2.726.429	666.337	-	-	-	10.153.278
Other Deposits	34.400.060	103.121.034	22.282.285	10.905.775	6.396.334	617.506	-	177.722.994
Borrowings	-	340.728	2.342.671	13.537.698	10.101.998	4.318.310	-	30.641.405
Funds from Interbank Money Market	-	652.806	1.261.409	5.506.793	16.068.576	1.422.616	-	24.912.200
Marketable Securities Issued (Net) (**)	-	2.421.708	1.513.247	3.986.320	2.450.118	5.869.499	-	16.240.892
Miscellaneous Payables	185.591	4.745.250	131.648	440.842	789.017	561.939	-	6.854.287
Other Liabilities (***)	114.539	1.285.807	409.676	1.415.821	5.543.323	1.042.937	39.137.407	48.949.510
Total Liabilities	35.951.327	118.076.708	30.667.365	36.459.586	41.349.366	13.832.807	39.137.407	315.474.566
Net Liquidity Excess/ (Gap)	(17.043.962)	(67.000.266)	(3.253.473)	11.919.901	85.459.588	24.395.108	(34.476.896)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	77.339	219.447	933.575	2.193.858	942.128	-	4.366.347
Financial Derivative Liabilities	-	33.379.323	30.774.451	40.334.713	93.812.448	37.262.996	-	235.563.931
Non-cash Loans (****)	-	4.046.215	5.606.233	16.197.809	5.431.163	18.410.193	-	49.691.613
Prior Period - 31 December 2016								
Total Assets	20.707.106	51.034.043	26.248.536	44.500.270	109.566.525	40.557.632	1.886.711	294.500.823
Total Liabilities	30.674.751	110.012.320	33.935.018	33.579.825	40.616.104	13.190.538	32.492.267	294.500.823
Net Liquidity Excess/ (Gap)	(9.967.645)	(58.978.277)	(7.686.482)	10.920.445	68.950.421	27.367.094	(30.605.556)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	210.927	(542.535)	458.147	2.218.108	1.370.701	-	3.715.348
Financial Derivative Liabilities	-	18.596.432	22.825.652	45.712.330	83.437.964	35.664.419	-	206.236.797
Non-cash Loans (****)	-	2.164.751	4.218.702	13.602.349	3.675.985	16.685.349	-	40.347.136

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

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

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

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

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VI. EXPLANATIONS ON LEVERAGE RATIO:

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

As of 30 September 2017, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is 9,05% (31 December 2016: 8,32%). This ratio is above the minimum ratio which is 3%. The leverage ratio is almost on the same level in the current and prior period.

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

	Current Period	Prior Period
	30 September 2017(**)	31 December 2016(**)
1 Total assets in the consolidated financial statements prepared in accordance with TAS (*)	311.959.257	283.957.197
2 Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communique on Preparation of Consolidated Financial Statements of the Banks	2.352.690	2.227.699
3 Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	4.635.782	4.026.602
4 Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(23.704.868)	(26.043.948)
5 Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(1.331.833)	(913.573)
6 Other differences in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	129.738.279	119.792.270
7 Total Risk	423.649.307	383.046.247

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

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

Disclosure of Leverage ratio template :

	Current Period	Prior Period
	30 September 2017 (*)	31 December 2016(*)
Balance sheet Assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	306.150.986	279.032.802
2 (Assets deducted from Core capital)	(59.692)	(100.744)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	306.091.294	278.932.058
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	8.136.166	7.140.932
5 Potential credit risk amount of derivative financial assets and credit derivatives	4.635.782	4.026.602
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	12.771.948	11.167.534
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity	5.000.609	3.076.086
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	5.000.609	3.076.086
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	101.117.289	90.784.142
11 (Correction amount due to multiplication with credit conversion rates)	(1.331.833)	(913.573)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	99.785.456	89.870.569
Capital and total risk		
13 Core Capital	38.331.115	31.856.783
14 Total risk amount(sum of lines 3, 6, 9 and 12)	423.649.307	383.046.247
Leverage ratio		
15 Leverage ratio	9,05	8,32

(*) Three months average values.

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VII. EXPLANATIONS ON RISK MANAGEMENT :

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

a. Overview of RWA:

	Risk Weighted Amount		Minimum capital requirement
	Current Period 30 September 2017	Prior Period 31 December 2016	Current Period 30 September 2017
1 Credit risk (excluding counterparty credit risk) (CCR)	227.311.399	210.883.890	18.184.912
2 Standardized approach (SA)	227.311.399	210.883.890	18.184.912
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	15.515.458	13.262.393	1.241.237
5 Standardized approach for counterparty credit risk (SA-CCR)	15.515.458	13.262.393	1.241.237
6 Internal model method (IMM)	-	-	-
7 Basic risk weight approach to internal models equity position in the banking account	-	-	-
8 Investments made in collective investment companies – look-through approach	-	-	-
9 Investments made in collective investment companies – mandate-based approach	255.010	212.244	20.401
10 Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11 Settlement risk	-	75	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach (RBA)	-	-	-
14 IRB Supervisory Formula Approach (SFA)	-	-	-
15 SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	3.951.178	4.527.375	316.094
17 Standardized approach (SA)	3.951.178	4.527.375	316.094
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	19.470.254	17.319.817	1.557.620
20 Basic Indicator Approach	19.470.254	17.319.817	1.557.620
21 Standard Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	266.503.299	246.205.794	21.320.264

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VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:

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

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

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

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

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

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

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

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

As of 30 September 2017, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet of the Bank are summarized in the following table:

	Current Period 30 September 2017			Prior Period 31 December 2016		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	2.497.225	715.220	-	2.497.225	682.966	-
-FC	29.612.562	93.434	118.406	20.894.823	124.908	98.991
Total	32.109.787	808.654	118.406	23.392.048	807.874	98.991

1. Explanations on Accounting Net Investment Hedge:

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

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2. Explanations on Fair Value Hedge:

Current Period - 30 September 2017

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC available-for-sale financial assets	Interest rate risk	(122.498)	114.584	(7.914)
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	58	(64)	(6)
Cross-currency swap	Fixed interest rate FC Issued Eurobond, FC Lease Receivables	Interest rate and currency risk	645	(645)	-
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, FC borrowings	Interest rate and currency risk	822.628	(813.806)	8.823

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

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

Prior Period - 31 December 2016

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC available-for-sale financial assets	Interest rate risk	(94.580)	89.557	(5.023)
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	260	(246)	14
Cross-currency swap	Fixed interest rate FC Issued Eurobond, FC Lease Receivables	Interest rate and currency risk	599	(732)	(133)
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, FC borrowings	Interest rate and currency risk	784.031	(776.488)	7.543

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

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

As of 30 September 2017 fair value hedge transactions have been proven to be effective.

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

- As of 30 September 2017, 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 15.524 (31 December 2016: TL 12.845).

3. Explanations on Cash Flow Hedge:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in OCI during the period	Net gain/(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
Interest Rate Swap	Floating-rate long Term FC funds borrowed	Cash Flow risk due to changes in interest rate of funds	63.320	-	(45.966)	(16.103)	88

As of 30 September 2017 cash flow hedge transactions have been determined as effective.

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

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

- As of 30 September 2017, 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 (23.125) (31 December 2016: TL (43.790)).

IX. EXPLANATIONS ON BUSINESS SEGMENTS:

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

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

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

Corporate Banking and Commercial Banking and SME Banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the Bank provides timely and permanent solutions for corporate customers' working capital management, delivers cash management services tailored based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities. In the scope of private banking, The Bank serves the members of the high-income customers who have expectations for upper-class service quality both in banking and investment transactions.

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

Information on business segments as of 30 September 2017 and 31 December 2016 presented in the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

	Consumer Banking	Commercial Banking, SME Banking, Corporate-Investment and Private Banking	Treasury	Other and Unallocated	Bank's Total Activities
Current Period – 30 September 2017					
Operating Income	3.531.437	5.242.192	681.284	1.009.655	10.464.568
Profit from Operating Activities	1.543.838	3.602.523	463.790	105.382	5.715.533
Income from Subsidiaries	-	-	-	2.640	2.640
Profit before Tax	1.543.838	3.602.523	463.790	108.022	5.718.173
Corporate Tax	-	-	-	(1.201.403)	(1.201.403)
Minority Shares	-	-	-	(11)	(11)
Net Profit for the Period	1.543.838	3.602.523	463.790	(1.093.392)	4.516.759
Segment Assets	53.086.447	164.233.682	82.941.215	6.660.267	306.921.611
Investments in Associates.	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	8.549.032
Total Assets	-	-	-	-	315.474.566
Segment Liabilities	95.140.419	90.499.499	75.703.997	5.424.836	266.768.751
Undistributed Liabilities	-	-	-	-	9.568.408
Shareholders' Equity	-	-	-	-	39.137.407
Total Liabilities	-	-	-	-	315.474.566
Other Segment Items	-	-	-	135.457	135.457
Capital Investment	-	-	-	135.457	135.457
Amortization	(15.190)	(12.347)	(97)	(173.286)	(200.920)
Non-cash Other Income-Expense	(221.682)	(357.363)	(10.187)	(639.777)	(1.229.009)

	Consumer Banking	Commercial Banking, SME Banking, Corporate-Investment and Private Banking	Treasury	Other and Unallocated	Bank's Total Activities
Prior Period – 31 December 2016(*)					
Operating Income	3.207.866	4.662.654	709.513	958.641	9.538.674
Profit from Operating Activities	1.186.690	3.103.969	538.551	(151.620)	4.677.590
Income from Subsidiaries	-	-	-	2.599	2.599
Profit before Tax	1.186.690	3.103.969	538.551	(149.021)	4.680.189
Corporate Tax	-	-	-	(998.538)	(998.538)
Minority Shares	-	-	-	(9)	(9)
Net Profit for the Period	1.186.690	3.103.969	538.551	(1.147.568)	3.681.642
Segment Assets	50.388.066	147.186.165	80.504.590	5.614.790	283.693.611
Investments in Associates.	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	10.803.289
Total Assets	-	-	-	-	294.500.823
Segment Liabilities	85.174.995	87.332.818	76.307.706	4.662.127	253.477.646
Undistributed Liabilities	-	-	-	-	8.530.910
Shareholders' Equity	-	-	-	-	32.492.267
Total Liabilities	-	-	-	-	294.500.823
Other Segment Items	-	-	-	102.127	102.127
Capital Investment	-	-	-	102.127	102.127
Amortization	(21.935)	(17.312)	(74)	(119.072)	(158.393)
Non-cash Other Income-Expense	(438.585)	(536.916)	(61.338)	(552.748)	(1.589.587)

(*) 30 September 2016 amounts are used for income statement accounts.

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**SECTION FIVE
 INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

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

	Current Period 30 September 2017		Prior Period 31 December 2016	
	TL	FC	TL	FC
Cash/Foreign Currency	1.379.064	707.009	1.135.291	559.576
The CBRT (*)	2.705.876	29.985.981	4.228.312	28.943.471
Other (**)	1.490	121.217	1	145.634
Total	4.086.430	30.814.207	5.363.604	29.648.681

(*) Precious metal account amounting to TL 4.799.002 are included in FC (31 December 2016: TL 734.867).

(**) Precious metal account amounting to TL 48.987 are included in FC (31 December 2016: TL 4.947).

2. Information related to the account of the CBRT:

	Current Period 30 September 2017		Prior Period 31 December 2016	
	TL	FC	TL	FC
Unrestricted Demand Deposits	4.651	-	1.530	-
Unrestricted Time Deposits	-	-	-	5.173.596
Restricted Time Deposits	-	-	-	-
Reserve Requirement	2.701.225	29.985.981	4.226.782	23.769.875
Total	2.705.876	29.985.981	4.228.312	28.943.471

3. Explanation on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold. CBRT pays interest on reserve balances held in TL and USD.

The required reserve rates for TL liabilities vary between 4% and 10,5% for TL deposits and other liabilities according to their maturities as of 30 September 2017 (31 December 2016: 4% and 10,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 4% and 24% for deposit and other foreign currency liabilities according to their maturities as of 30 September 2017 (31 December 2016: 4,5% and 24,5% for all foreign currency liabilities)

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

1. As of 30 September 2017, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 9.400 (31 December 2016: TL 9.721); and those subject to repo transactions TL 229 (31 December 2016: TL 569).

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

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

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
	TL	FC	TL	FC
Forward Transactions	319.416	-	471.979	-
Swap Transactions	4.494.465	2.591.168	3.702.044	3.184.326
Futures Transactions	-	-	-	-
Options	19.999	192.036	26.984	235.605
Other	-	-	-	-
Total	4.833.880	2.783.204	4.201.007	3.419.931

c. Information on banks account:

1. Information on banks account:	Current Period		Prior Period	
	30 September 2017		31 December 2016	
	TL	FC	TL	FC
Banks				
Domestic	21.053	1.135.150	149.080	2.574.639
Foreign	17	5.334.944	1.447	7.661.012
Head Quarters and Branches Abroad	-	-	-	-
Total	21.070	6.470.094	150.527	10.235.651

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

1. As of 30 September 2017, available-for-sale financial assets subject to repurchase agreements amounting to TL 16.297.094 [31 December 2016: TL 16.282.871]; and those given as collateral/blocked amounting to TL 3.625.481 [31 December 2016: TL 2.062.303].

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

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
Debt Securities		40.043.737		35.630.700
Quoted at Stock Exchange (*)		39.902.275		35.462.993
Unquoted at Stock Exchange		141.462		167.707
Share Certificates		86.897		67.341
Quoted at Stock Exchange		-		-
Unquoted at Stock Exchange		86.897		67.341
Impairment Provision (-)		697.772		890.984
Total		39.432.862		34.807.057

[*] Investment funds are included.

e. Information related to loans:

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

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	246	-	245
Corporate Shareholders	-	246	-	245
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	4.984.116	997.146	4.591.797	900.355
Loans Granted to Employees	103.614	-	105.759	-
Total	5.087.730	997.392	4.697.556	900.600

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

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

	Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Extension of Repayment Plan	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Extension of Repayment Plan
			Other Changes			Other Changes
Non-specialized Loans	190.199.477	3.613.081	-	5.108.530	2.925.333	-
Loans given to enterprises	34.851.728	958.028	-	1.398.610	1.057.060	-
Export Loans	9.478.523	56.586	-	90.982	7.841	-
Import Loans	2.168.376	-	-	-	-	-
Loans Given to Financial Sector	10.254.046	6.275	-	-	-	-
Consumer Loans	29.619.253	594.370	-	1.274.735	711.194	-
Credit Cards	13.129.851	431.293	-	502.813	350.004	-
Other	90.697.700	1.566.529	-	1.841.390	799.234	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	190.199.477	3.613.081	-	5.108.530	2.925.333	-

The Bank has a cash loan exposure with a principal balance of USD 1.5 billion related with the acquisition finance of a telecommunication company within a syndicate formed by various domestic and foreign banks, where the financing structure includes acquired company's shares pledged as collateral. Negotiations on restructuring of the loan have been continuing among the telecommunication company's shareholders, creditor banks and related public authorities, which may also include a change in the shareholder structure of the Company and it is expected that negotiations will produce a positive outcome. Respective loan is classified under "Standard loans and other receivables" as of 30 September 2017.

Number of Extension	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	3.438.487	2.240.305
Extended by 3,4 or 5 times	171.261	659.381
Extended by more than 5 times	3.333	25.647
Total	3.613.081	2.925.333

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	604.669	542.389
6 - 12 Months	143.829	264.039
1 - 2 Years	714.489	389.431
2 - 5 Years	1.182.737	1.203.026
5 Years and over	967.357	526.448
Total	3.613.081	2.925.333

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

Current Period- 30.09.2017	Short-term	Medium and Long-term	Total
Consumer Loans-TL	589.632	29.191.093	29.780.725
Mortgage Loans	5.571	13.350.860	13.356.431
Automotive Loans	3.174	275.307	278.481
Consumer Loans	580.887	15.564.926	16.145.813
Other	-	-	-
Consumer Loans- Indexed to FC	-	5.870	5.870
Mortgage Loans	-	5.235	5.235
Automotive Loans	-	-	-
Consumer Loans	-	635	635
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	10.566.628	636.135	11.202.763
With Installment	4.355.547	632.150	4.987.697
Without Installment	6.211.081	3.985	6.215.066
Consumer Credit Cards-FC	12.590	-	12.590
With Installment	-	-	-
Without Installment	12.590	-	12.590
Personnel Loans-TL	4.316	55.754	60.070
Mortgage Loans	-	3.196	3.196
Automotive Loans	-	58	58
Consumer Loans	4.316	52.500	56.816
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	43.243	24	43.267
With Installment	18.311	24	18.335
Without Installment	24.932	-	24.932
Personnel Credit Cards-FC	277	-	277
With Installment	-	-	-
Without Installment	277	-	277
Credit Deposit Account-TL (Real Person)	1.047.323	-	1.047.323
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	12.264.009	29.888.876	42.152.885

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Prior Period- 31.12.2016	Short-term	Medium and Long-term	Total
Consumer Loans-TL	453.953	27.962.936	28.416.889
Mortgage Loans	8.491	13.548.749	13.557.240
Automotive Loans	5.413	372.723	378.136
Consumer Loans	440.049	14.041.464	14.481.513
Other	-	-	-
Consumer Loans- Indexed to FC	-	10.708	10.708
Mortgage Loans	-	9.601	9.601
Automotive Loans	-	-	-
Consumer Loans	-	1.107	1.107
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	9.862.772	747.868	10.610.640
With Installment	4.152.291	745.705	4.897.996
Without Installment	5.710.481	2.163	5.712.644
Consumer Credit Cards-FC	9.319	-	9.319
With Installment	-	-	-
Without Installment	9.319	-	9.319
Personnel Loans-TL	2.966	62.162	65.128
Mortgage Loans	-	3.000	3.000
Automotive Loans	-	147	147
Consumer Loans	2.966	59.015	61.981
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	40.491	38	40.529
With Installment	16.120	38	16.158
Without Installment	24.371	-	24.371
Personnel Credit Cards-FC	102	-	102
With Installment	-	-	-
Without Installment	102	-	102
Credit Deposit Account-TL (Real Person)	938.942	-	938.942
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	11.308.545	28.783.712	40.092.257

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

Current Period – 30.09.2017	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	1.116.360	16.537.607	17.653.967
Mortgage Loans	10.195	3.962	14.157
Automotive Loans	48.645	32	48.677
Consumer Loans	1.057.520	16.533.613	17.591.133
Other	-	-	-
FC Indexed Commercial Installment Loans	41.123	479.578	520.701
Mortgage Loans	-	2.390	2.390
Automotive Loans	5.545	-	5.545
Consumer Loans	35.578	477.188	512.766
Other	-	-	-
Commercial Installment Loans-FC	181	130.253	130.434
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	181	130.253	130.434
Other	-	-	-
Corporate Credit Cards-TL	2.370.564	183	2.370.747
With Installment	1.035.564	56	1.035.620
Without Installment	1.335.000	127	1.335.127
Corporate Credit Cards-FC	3.020	-	3.020
With Installment	-	-	-
Without Installment	3.020	-	3.020
Credit Deposit Account-TL (Legal Person)	728.945	-	728.945
Credit Deposit Account-FC (Legal person)	-	-	-
Total	4.260.193	17.147.621	21.407.814
Prior Period – 31.12.2016	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	1.111.879	6.336.363	7.448.242
Mortgage Loans	2.111	8.541	10.652
Automotive Loans	47.976	2.097	50.073
Consumer Loans	1.061.792	6.325.725	7.387.517
Other	-	-	-
FC Indexed Commercial Installment Loans	39.970	166.395	206.365
Mortgage Loans	-	3.040	3.040
Automotive Loans	6.296	1.056	7.352
Consumer Loans	33.674	162.299	195.973
Other	-	-	-
Commercial Installment Loans-FC	84	153.604	153.688
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	84	153.604	153.688
Other	-	-	-
Corporate Credit Cards-TL	2.157.063	127	2.157.190
With Installment	952.803	80	952.883
Without Installment	1.204.260	47	1.204.307
Corporate Credit Cards-FC	1.436	-	1.436
With Installment	-	-	-
Without Installment	1.436	-	1.436
Credit Deposit Account-TL (Legal Person)	726.714	-	726.714
Credit Deposit Account-FC (Legal person)	-	-	-
Total	4.037.146	6.656.489	10.693.635

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

	Current Period 30 September 2017	Prior Period 31 December 2016
Domestic Loans	188.387.844	171.595.025
Foreign Loans	6.920.163	7.143.238
Total	195.308.007	178.738.263

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

7. Specific provisions accounted for loans:

	Current Period 30 September 2017	Prior Period 31 December 2016
Loans and Other Receivables with Limited Collectibility	386.374	587.401
Loans and Other Receivables with Doubtful Collectibility	674.057	815.140
Uncollectible Loans and Receivables	2.927.831	2.709.680
Total	3.988.262	4.112.221

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

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

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period: 30 September 2017			
(Gross Amounts Before Specific Provisions)	28.063	37.791	74.332
Restructured Loans and Other Receivables	27.925	37.434	73.509
Rescheduled Loans and Other Receivables	138	357	823
Prior Period: 31 December 2016			
(Gross Amounts Before Specific Provisions)	38.292	63.415	76.164
Restructured Loans and Other Receivables	36.475	62.859	74.909
Rescheduled Loans and Other Receivables	1.817	556	1.255

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

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2016	587.401	815.140	2.864.650
Additions (+)	1.230.621	11.575	14.166
Transfers from Other Categories of Non-Performing Loans (+)	-	1.270.753	1.218.464
Transfers to Other Categories of Non-Performing Loans (-)	1.270.753	1.218.464	-
Collections (-)	160.023	201.819	301.180
Write-offs (-) (*)	872	3.128	715.852
Corporate and Commercial Loans	54	1.430	179.807
Consumer Loans	525	1.067	217.810
Credit Cards	293	631	318.235
Other	-	-	-
Balance at the End of the Period	386.374	674.057	3.080.248
Specific Provisions (-)	386.374	674.057	2.927.831
Net Balance at Balance Sheet (**)	-	-	152.417

(*) TL 709 million (in full TL amount) portion of the Bank's non-performing loan portfolio, for which in the previous periods 100% provision is reserved, has been sold at a price of TL 39 million (in full TL amount) to 4 companies, Istanbul Varlık Yönetimi A.Ş., Efes Varlık Yönetim A.Ş., Hayat Varlık Yönetimi A.Ş. and Final Varlık Yönetimi A.Ş.

(**) The Bank has sold non-performing loan portfolio, for which 100% provision was provided and which is worth TL 203 million, (in full TL amount) for an amount of TL 51 million (in full TL amount).

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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 September 2017			
Balance at the End of the Period	27.859	68.097	341.123
Specific Provision (-)	27.859	68.097	212.859
Net Balance on Balance Sheet	-	-	128.264
Prior Period: 31 December 2016			
Balance at the End of the Period	54.196	56.434	245.869
Specific Provision (-)	54.196	56.434	114.793
Net Balance at Balance Sheet	-	-	131.076

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 September 2017			
Loans granted to corporate entities and real persons (Gross)	369.675	674.057	3.080.248
Specific Provision Amount (-)	369.675	674.057	2.927.831
Loans granted to corporate entities and real persons (Net)	-	-	152.417
Banks (Gross)	16.699	-	-
Specific Provision Amount (-)	16.699	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-
Prior Period (Net): 31 December 2016			
Loans granted to corporate entities and real persons (Gross)	587.401	815.140	2.864.650
Specific Provision Amount (-)	587.401	815.140	2.709.680
Loans granted to corporate entities and real persons (Net)	-	-	154.970
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

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f. Held-to-maturity investments:

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

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
	TL	FC	TL	FC
Given as collateral/blocked	342.822	1.969.219	113.728	2.122.032
Subject to repurchase agreements	2.952.175	7.946.707	3.625.467	7.110.699
Total	3.294.997	9.915.926	3.739.195	9.232.731

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

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
Government Bonds		12.863.276		13.091.240
Treasury Bills		-		-
Other Government Debt Securities		2.392.230		2.370.665
Total		15.255.506		15.461.905

3. Information on held-to-maturity investments:

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
Debt Securities		18.077.018		18.150.663
Quoted at Stock Exchange		18.077.018		18.150.663
Unquoted at Stock Exchange		-		-
Impairment Provision (-)		240.447		173.793
Total		17.836.571		17.976.870

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

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
Balance at the Beginning of the Period		17.976.870		10.688.439
Foreign Currency Differences on Monetary Assets		412.217		1.269.337
Purchases During Year (*)		407		5.882.218
Disposals Through Sales and Redemptions (-)		766.197		130.259
Impairment Provision (-)		65.213		100.753
Change in Amortized Cost		278.487		367.888
Balance at the End of the Period		17.836.571		17.976.870

(*) Due to the change of intention, the Bank has classified its Government Debt Securities with the notional amount EUR 96.359 thousand and USD 1.591.672 thousand from Available For Sale Financial Assets portfolio to Held to Maturity Securities portfolio in the prior year. As of classification date, the book value which reflects the fair value of the related securities are EUR 98.531 thousand and USD 1.650.112 thousand respectively and these amounts are accepted as the new costs of related securities. The Marketable Securities Valuation Differences of classified securities are amortized throughout the remaining term of held to maturity investments by using effective interest rate method.

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g. Information on investments in associates (Net):

1. Non-consolidated associates:

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

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

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

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

The financial figures stated below have been obtained from the financial statements dated 30 June 2017.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	80.785	43.157	49.254	701	-	3.260	9.586	-
2	242.828	166.867	175.758	2.392	64	28.103	10.180	-

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

	Current Period 30 September 2017	Prior Period 31 December 2016
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	-	-
Impairment Provision (-)	-	-
Balance at the End of the Period	3.923	3.923
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

2. Consolidated subsidiaries within the current period: None.

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h. Information on subsidiaries (Net):

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

The amounts below are obtained from the 30 September 2017 financial data which were subject to the regulations of the related companies. Akbank (Dubai) Limited, a subsidiary of the Bank, is in liquidation process and not included in the table presented below.

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG
Paid in Capital	235.007	46.802	10.534	740.648
Share Premium	-	-	-	-
Reserves	567.939	61.081	13.834	1.812.184
Gains recognized in equity as per TAS	-	(1.603)	17	-
Profit/Loss	75.591	104.891	21.360	159.200
-Net Current Period Profit	75.591	34.182	20.896	159.200
-Prior Year Profit/Loss	-	70.709	464	-
Development Cost of Operating Lease (-)	33	1.235	-	241
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	1.629	1.544	70	1.228
Total Common Equity	876.875	208.392	45.675	2.710.563
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" (-)	407	386	18	307
Total Tier I Capital	876.468	208.006	45.657	2.710.256
Tier II Capital	50.853	-	-	3.884
CAPITAL	927.321	208.006	45.657	2.714.140
Deductions from Capital	-	-	-	-
TOTAL CAPITAL	927.321	208.006	45.657	2.714.140

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

2. Non-consolidated subsidiaries: None.

3. Consolidated subsidiaries:

3 (i). Information about consolidated subsidiaries:

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

(*) As of 27 December 2016, The Board of Directors of the Bank decided to liquidate Akbank (Dubai) Limited and open a representative office in same location. The process of opening the representative office has been ended with a decision of the Board of Directors of the bank, dated 24 July 2017. The liquidation process of Akbank (Dubai) Limited is continuing.

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

The financial figures have been obtained from the financial statements as at 30 September 2017 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	6.228.935	878.721	77.786	317.423	-	75.591	94.773	-
2	955.225	211.171	8.451	105.541	23.658	34.182	21.939	-
3	53.870	45.745	835	3.593	13	20.896	14.650	-
4	20.269.880	2.712.032	2.445	549.290	59.303	159.200	125.518	-
5	-	-	-	-	-	-	-	-

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

3 (ii). Movement schedule for consolidated subsidiaries:

	Current Period 30 September 2017	Prior Period 31 December 2016
Balance at the Beginning of the Period	3.334.164	2.679.977
Movements During the Period		
Additions (*)	6.455	-
Bonus Shares and Contributions to Capital (*)	1.545	-
Dividends from Current Year Income	289.840	347.546
Sales/Liquidation	-	-
Revaluation Increase (**)	244.737	306.641
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries (*)	-	-
Balance at the End of the Period	3.876.741	3.334.164
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

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

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

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

Subsidiaries	Current Period 30 September 2017	Prior Period 31 December 2016
Banks	2.712.032	2.261.599
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	878.721	802.821
Finance Companies	-	-
Other Financial Subsidiaries	285.988	269.744

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

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

i. Information on finance lease receivables (Net):

	Current Period 30 September 2017		Prior Period 31 December 2016	
	Gross	Net	Gross	Net
2017	2.305.201	2.064.811	1.902.135	1.640.186
2018	1.775.631	1.463.593	1.242.683	1.018.701
2019	1.033.028	874.480	932.451	780.873
2020 and following years	1.478.328	1.302.950	1.785.702	1.568.840
Total	6.592.188	5.705.834	5.862.971	5.008.600

j. Information on the hedging derivative financial assets:

	Current Period 30 September 2017		Prior Period 31 December 2016	
	TL	FC	TL	FC
Fair Value Hedge	715.220	19.423	682.966	30.570
Cash Flow Hedge	-	74.011	-	94.338
Net Investment Hedge in a foreign operation	-	-	-	-
Total	715.220	93.434	682.966	124.908

k. Information on the investment properties:

The Bank has started to account properties under the tangible assets with their revalued amount instead of cost values in accordance with "TAS 16 Plant and Equipment" on 31 January 2017. The revaluation difference amounting to TL 2.302.028 arising from the valuations made by the appraisal firms authorized by CMB and BRSA is accounted in investment properties revaluation differences line under the shareholders' equity.

l. Information on the investment properties: None.

m. Information on deferred tax asset:

As of 30 September 2017, foreign currency deferred tax asset of the Group is TL 11.488 (31 December 2016: TL 23.773). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values, tax values and debts of fixed assets and financial assets, and provision for employee rights.

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

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

	Current Period	Prior Period
	30 September 2017	31 December 2016
Cost	125.379	74.980
Accumulated Depreciation (-)	375	792
Net Book Value	125.004	74.188

	Current Period	Prior Period
	30 September 2017	31 December 2016
Opening Balance Net Book Value	74.188	179.866
Additions	76.823	70.537
Disposals (-), net	25.948	174.552
Impairment (-)	59	-
Depreciation (-)	-	1.663
Closing Net Book Value	125.004	74.188

o. Information on other assets:

Other assets amounting to TL 2.907.548 (31 December 2016: TL 2.576.498) 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 September 2017:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	8.299.496	14.663.276	31.321.028	618.840	524.550	622.829	36.818	56.086.837
Foreign Currency Deposits	15.184.208	18.091.364	28.899.595	4.914.780	7.304.200	11.699.627	1.777	86.095.551
Residents in Turkey	12.987.208	17.083.065	26.152.901	769.360	1.364.219	1.722.019	1.597	60.080.369
Residents Abroad	2.197.000	1.008.299	2.746.694	4.145.420	5.939.981	9.977.608	180	26.015.182
Public Sector Deposits	471.211	77.165	27.693	3.896	174	192	-	580.331
Commercial Deposits	8.997.957	6.770.304	12.054.089	849.254	957.731	152.766	-	29.782.101
Other Institutions Deposits	245.983	442.221	2.423.648	29.803	571.798	148.078	-	3.861.531
Precious metals Deposits	1.201.205	-	-	-	115.438	-	-	1.316.643
Interbank Deposits	1.251.137	1.879.268	4.690.540	1.614.801	688.869	28.663	-	10.153.278
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	11.136	943.102	-	-	147.797	-	-	1.102.035
Foreign Banks	304.685	936.166	4.690.540	1.614.801	541.072	28.663	-	8.115.927
Participation Banks	935.316	-	-	-	-	-	-	935.316
Other	-	-	-	-	-	-	-	-
Total	35.651.197	41.923.598	79.416.593	8.031.374	10.162.760	12.652.155	38.595	187.876.272

1 (ii). Prior period - 31 December 2016:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	8.069.435	13.958.692	25.950.507	593.510	682.811	639.454	54.663	49.949.072
Foreign Currency Deposits	12.192.760	15.829.619	31.151.998	6.485.790	5.854.907	11.295.040	3.038	82.813.152
Residents in Turkey	10.007.922	15.346.925	28.828.328	2.452.915	1.227.788	3.700.666	2.950	61.567.494
Residents Abroad	2.184.838	482.694	2.323.670	4.032.875	4.627.119	7.594.374	88	21.245.658
Public Sector Deposits	293.278	17.272	46.506	20.012	2.006	51	-	379.125
Commercial Deposits	7.529.160	7.573.160	8.379.056	715.839	2.302.032	476.238	-	26.975.485
Other Institutions Deposits	273.469	382.938	2.498.253	1.081.325	1.017.328	229.385	-	5.482.698
Precious metals Deposits	1.077.890	-	3.952	-	80.519	3.051	-	1.165.412
Interbank Deposits	973.736	391.288	4.969.500	452.015	365.039	51.282	-	7.202.860
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	14.504	213.948	361.173	-	30.070	4.288	-	623.983
Foreign Banks	263.561	177.340	4.608.327	452.015	334.969	46.994	-	5.883.206
Participation Banks	695.671	-	-	-	-	-	-	695.671
Other	-	-	-	-	-	-	-	-
Total	30.409.728	38.152.969	72.999.772	9.348.491	10.304.642	12.694.501	57.701	173.967.804

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2. Information on saving deposits insurance:

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 30 September 2017	Prior Period 31 December 2016	Current Period 30 September 2017	Prior Period 31 December 2016
Saving Deposits	24.219.297	22.883.007	31.862.979	27.066.065
Foreign Currency Saving Deposits	8.528.964	6.941.623	33.316.551	31.775.332
Other Deposits in the Form of Saving Deposits	647.877	557.174	550.338	499.777
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

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

	Current Period 30 September 2017	Prior Period 31 December 2016
Foreign Branches' Deposits and other accounts	1.462	2.891
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	895.623	858.961
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

b. Information on trading derivative financial liabilities:

Table of negative differences for trading derivative financial liabilities:

	Current Period 30 September 2017		Prior Period 31 December 2016	
	TL	FC	TL	FC
Forward Transactions	283.786	-	409.197	-
Swap Transactions	2.134.075	825.344	3.227.474	673.404
Futures Transactions	-	-	-	-
Options	5.530	262.663	12.254	277.518
Other	-	-	-	-
Total	2.423.391	1.088.007	3.648.925	950.922

c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 30 September 2017		Prior Period 31 December 2016	
	TL	FC	TL	FC
Borrowings from the CBRT	-	143.470	-	-
From Domestic Banks and Institutions	286.301	600.411	294.726	472.133
From Foreign Banks, Institutions and Funds	57.914	29.553.309	127.011	31.410.416
Total	344.215	30.297.190	421.737	31.882.549

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2. Information on maturity structure of borrowings:

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
	TL	FC	TL	FC
Short-term	188.939	1.178.894	175.931	1.800.256
Medium and Long-term	155.276	29.118.296	245.806	30.082.293
Total	344.215	30.297.190	421.737	31.882.549

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

d. Information on securities issued (Net):

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
	TL	FC	TL	FC
Bank bills	2.059.312	-	776.911	-
Bonds	2.466.628	9.957.455	1.779.356	9.977.034
Total	4.525.940	9.957.455	2.556.267	9.977.034

e. Information on other foreign liabilities:

Other foreign liabilities amounting to TL 1.206.531 (31 December 2016: TL 1.436.897) and do not exceed 10% of the total balance sheet.

f. Information on financial leasing agreements: None.

g. Information on the hedging derivative financial liabilities:

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
	TL	FC	TL	FC
Fair Value Hedge	-	107.715	-	98.645
Cash Flow Hedge	-	10.691	-	346
Net Investment Hedge in a foreign operation	-	-	-	-
Total	-	118.406	-	98.991

h. Information on provisions:

1. Information on general provisions:

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
General Provisions	3.055.801		2.927.745	
Provisions for Group I. Loans and Receivables	2.411.679		2.313.404	
Provisions for Group II. Loans and Receivables	291.444		317.165	
Provisions for Non-cash Loans	137.023		132.523	
Other	215.655		164.653	

As of 30 September 2017 the Bank has booked general provision by considering minimum provision rates in accordance with "Amendment of Regulation on Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made" published in the Official Gazette dated 14 December 2016, no: 29918. The Bank's provision ratios are over these minimum ratios. If the minimum provision ratios stated in the Regulation had been applied, the general provision amount in the financial statements would be lower by TL 1,8 billion (in full TL amount).

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2. Employment termination benefits and unused vacation rights:

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

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

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

	Current Period	Prior Period
	30 September 2017	31 December 2016
Discount Rate (%)	3,64	3,64
Rate for the Probability of Retirement (%)	94,07	94,07

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. The amount of TL 4.732,48 (1 January 2017: TL 4.426,16) effective from 1 July 2017 has been taken into consideration in calculating the reserve for employee termination benefits.

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

	Current Period	Prior Period
	30 September 2017	31 December 2016
Prior Period Closing Balance	146.105	124.027
Recognized as an Expense During the Period	24.221	49.704
Actuarial Loss/(Gain)	-	20.240
Paid During the Period	(23.202)	(47.867)
Balance at the End of the Period.	147.124	146.104

As of 30 September 2017, the Group has allocated vacation liability amounting to TL 90.072 (31 December 2016: TL 81.978).

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

As of 30 September 2017, the provision related to foreign currency differences of foreign indexed loans amounts to TL 19.980 (31 December 2016: TL 1.741), which is offset with the balance of foreign currency indexed loans in these financial statements.

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

Provision for non-cash loans that are non-funded and non-transformed into cash as of 30 September 2017 is amounting to TL 58.521 (31 December 2016: 73.086).

5. Information on other provisions:

5 (i). Information on free provision for possible risks: TL 200.000 (31 December 2016: TL 200.000).

The Bank recognized free provision amounting to TL 200.000 in line with the conservatism principle considering the circumstances that may arise from possible changes in the economy and financial markets.

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

The Group has provisions for credit cards and banking services promotion activities amounting to TL 74.314 (31 December 2016: TL 89.968).

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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 September 2017, the corporate tax liability after the deduction of temporary taxes paid is TL 21.868 (31 December 2016: TL 288.226).

1 (i). Information on taxes payable:

	Current Period 30 September 2017	Prior Period 31 December 2016
Corporate Taxes Payable	211.868	288.226
Taxation on Marketable Securities	152.847	112.225
Property Tax	1.894	1.798
Banking Insurance Transaction Tax (BITT)	113.155	105.455
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	1.849	7.236
Other	53.933	59.822
Total	535.546	574.762

1 (ii). Information on premium payables:

	Current Period 30 September 2017	Prior Period 31 December 2016
Social Security Premiums – Employee	1.807	1.376
Social Security Premiums – Employer	470	325
Bank Social Aid Pension Fund Premium- Employee	3	97
Bank Social Aid Pension Fund Premium – Employer	3	134
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	2.436	1.939
Unemployment Insurance – Employer	4.577	3.656
Other	22	8
Total	9.318	7.535

2. Information on deferred tax liability:

As of 30 September 2017, Turkish Lira deferred tax liability of the Group amounts to TL 775.213. (31 December 2016: TL 227.719). An explanation about the net deferred tax asset is given in Note I-l of Section Five.

j. Information on subordinated loan:

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1.757.497	-	-
From Other Foreign Institutions	-	-	-	-
Total	-	1.757.497	-	-

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

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k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period 30 September 2017	Prior Period 31 December 2016
Common Stock	4.000.000	4.000.000
Preferred Stock	-	-

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

Capital System	Paid-in capital	Ceiling
Registered Share Capital	4.000.000	10.000.000

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

3. Information on the share capital increases during the period and their sources: None.
4. Information on share capital increases from capital reserves during the current period: None.
5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.
6. The effects of anticipations based on the financial figures for prior periods regarding the Group's income, profitability and liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainties at these indicators;

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

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

8. Information on marketable securities value increase fund:

	Current Period		Prior Period	
	30 September 2017		31 December 2016	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(426.001)	(173.442)	(587.935)	(573.267)
Foreign Currency Differences	-	-	-	-
Total	(426.001)	(173.442)	(587.935)	(573.267)

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

Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 12.041.565 asset purchase commitments (31 December 2016: TL 16.705.913), TL 18.310.326 commitments for credit card limits (31 December 2016: TL 17.397.602) and TL 6.622.294 commitments for cheque books (31 December 2016: TL 6.200.426).

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	Prior Period
	30 September 2017	31 December 2016
Bank Acceptance Loans	3.765.026	3.583.229
Letters of Credit	6.198.479	5.232.776
Other Guarantees and Warranties	6.714.927	4.379.339
Total	16.678.432	13.195.344

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

	Current Period	Prior Period
	30 September 2017	31 December 2016
Revocable Letters of Guarantee	1.520.879	984.154
Irrevocable Letters of Guarantee	17.372.684	13.700.319
Letters of Guarantee Given in Advance	3.835.266	3.179.535
Guarantees Given to Customs	2.481.565	2.642.796
Other Letters of Guarantee	7.802.787	6.644.988
Total	33.013.181	27.151.792

3. Information on non-cash loans:

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

	Current Period	Prior Period
	30 September 2017	31 December 2016
Non-cash Loans Given against Cash Loans	8.461.803	5.574.735
With Original Maturity of 1 Year or Less Than 1 Year	4.828.206	2.778.785
With Original Maturity of More Than 1 Year	3.633.597	2.795.950
Other Non-cash Loans	41.229.810	34.772.401
Total	49.691.613	40.347.136

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

	Current Period		Prior Period	
	30 September 2017		30 September 2016	
	TL	FC	TL	FC
Short-term Loans	4.092.002	111.398	3.547.784	79.956
Medium and Long-term Loans	7.294.245	2.334.180	5.461.229	1.908.408
Interest on Loans Under Follow-Up	25.793	-	18.632	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	11.412.040	2.445.578	9.027.645	1.988.364

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

2. Information on interest income on banks:

	Current Period		Prior Period	
	30 September 2017		30 September 2016	
	TL	FC	TL	FC
From the CBRT	67.142	1.458	-	4.703
From Domestic Banks	36.964	12.000	49.318	7.256
From Foreign Banks	4.313	49.704	523	18.905
From Headquarters and Branches Abroad	-	-	-	-
Total	108.419	63.162	49.841	30.864

3. Information on interest income on marketable securities:

	Current Period		Prior Period	
	30 September 2017		30 September 2016	
	TL	FC	TL	FC
From Trading Financial Assets	5.840	-	8.736	1
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	1.574.488	521.250	1.410.532	611.705
From Held-to-Maturity Investments	409.892	326.355	339.849	129.978
Total	1.990.220	847.605	1.759.117	741.684

As stated in Note VII of Section Three, available for sale and held to maturity securities portfolios of the Bank include Consumer Price Indexed (CPI) Bonds. The reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of two months ago. The Bank also sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. As of September 30, 2017, the annual inflation forecast has been updated and taken into consideration as 9.50%. If the valuation of these securities had been made according to the reference index valid for 30 September 2017, the Bank's valuation difference in equity would decrease by TL 96 Million (full TL amount) and net period profit would increase by TL 136 Million (full TL amount) to TL 4.653 Million (full TL amount).

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 September 2017		Prior Period 30 September 2016	
	TL	FC	TL	FC
Banks	29.182	535.196	30.345	369.436
The CBRT	-	-	-	-
Domestic Banks	18.272	8.451	29.050	5.512
Foreign Banks	10.910	526.745	1.295	363.924
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	53.199	-	14.584
Total	29.182	588.395	30.345	384.020

(*) 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 September 2017		Prior Period 30 September 2016	
	TL	FC	TL	FC
Interest expense on securities issued	319.355	426.908	293.972	304.589

4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

Current Period- 30.09.2017	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	459	89.594	73.052	2.729	258	76	166.168
Saving Deposits	-	1.184.584	2.401.346	44.296	40.278	51.370	3.721.874
Public Sector Deposits	-	7.444	2.813	389	83	2	10.731
Commercial Deposits	-	583.489	959.504	147.718	77.616	43.443	1.811.770
Other Deposits	3	44.344	178.228	43.290	107.511	19.047	392.423
Total	462	1.909.455	3.614.943	238.422	225.746	113.938	6.102.966
FC							
Foreign Currency Deposits	4.932	338.195	587.442	104.757	79.761	113.024	1.228.111
Bank Deposits	149	16.485	44.059	11.795	5.391	407	78.286
Precious Metals Deposits	-	-	1	-	707	263	971
Total	5.081	354.680	631.502	116.552	85.859	113.694	1.307.368
Grand Total	5.543	2.264.135	4.246.445	354.974	311.605	227.632	7.410.334

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

Prior Period – 30.09.2016	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	137	56.473	65.510	1.938	1.737	162	125.957
Saving Deposits	-	896.902	1.994.511	38.233	37.040	46.382	3.013.068
Public Sector Deposits	-	5.138	2.888	982	115	41	9.164
Commercial Deposits	-	479.516	685.005	189.386	134.672	29.221	1.517.800
Other Deposits	3	47.395	190.886	45.286	51.234	13.438	348.242
Total	140	1.485.424	2.938.800	275.825	224.798	89.244	5.014.231
FC							
Foreign Currency Deposits	2.161	224.669	377.079	65.400	36.179	140.977	846.465
Bank Deposits	-	5.829	25.630	41.969	11.159	578	85.165
Precious Metals Deposits	-	-	1	-	352	158	511
Total	2.161	230.498	402.710	107.369	47.690	141.713	932.141
Grand Total	2.301	1.715.922	3.341.510	383.194	272.488	230.957	5.946.372

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

	Current Period 30 September 2017	Prior Period 30 September 2016
Profit	449.051.455	3.031.893.732
Income From Capital Market Transactions	371.091	656.036
Income From Derivative Financial Transactions (*)	12.203.641	6.179.905
Foreign Exchange Gains	436.476.723	3.025.057.791
Loss (-)	449.343.539	3.031.336.233
Loss from Capital Market Transactions	126.897	418.155
Loss from Derivative Financial Transactions (*)	12.101.246	5.744.916
Foreign Exchange Loss	437.115.396	3.025.173.162
Total (Net)	(292.084)	557.499

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 680.094 (30 September 2016: TL 444.541)

d. Explanations on other operating income:

"Other Operating Income" in the Income Statement mainly includes collections from receivables for which provision has been allocated in prior periods and the sale from non-performing loans portfolio.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

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

	Current Period	Prior Period
	30 September 2017	30 September 2016
Specific Provisions for Loans and Other Receivables	1.045.344	1.306.786
III. Group Loans and Receivables	387.070	484.967
IV. Group Loans and Receivables	631.823	778.499
V. Group Loans and Receivables	26.451	43.320
General Provision Expenses	128.045	227.036
Free Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Available-for-sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-maturity	-	-
Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	-	-
Other	53.857	51.978
Total	1.227.246	1.585.800

f. Information related to other operating expenses:

	Current Period	Prior Period
	30 September 2017	30 September 2016
Personnel Expenses	1.441.326	1.297.444
Reserve for Employee Termination Benefits	1.763	320
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	1.473	-
Depreciation Expenses of Fixed Assets	113.155	95.299
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	87.765	61.662
Impairment Expenses of Equity Participations for which	-	-
Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	59	-
Depreciation Expenses of Assets Held for Resale	-	1.432
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.436.189	1.259.122
Operational Leasing Expenses	150.458	137.632
Maintenance Expenses	20.873	17.772
Advertisement Expenses	97.513	95.619
Other Expenses	1.167.345	1.008.099
Loss on Sales of Assets	161	24
Other(*)	439.898	556.514
Total	3.521.789	3.271.817

(*) The balance shown in the "other" line includes fees and commissions reimbursements as per the decision of Consumer Arbitration Board, Courts and Offices of Enforcement amounting to TL 23.247 (30 September 2016: TL 76.564).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

g. Information on income/loss from minority interest:

	Current Period	Prior Period
	30 September 2017	30 September 2016
Income/(loss) from minority interest	11	9

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

As of 30 September 2017, the Group has a current tax expense of TL 923.152 and deferred tax income of TL 278.251. The amount of deferred tax income that occurred due to the temporary differences is TL 7.992 and deferred tax expense is TL 311.055 the amounts of deferred tax income occurred due to the closing of temporary differences is TL 146.238 and deferred tax expense is TL 140.299 respectively.

The Group 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, money transfer and insurance transactions.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

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

Information on cash and cash equivalents:

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

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

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

	Current Period	Prior Period
	30 September 2017	30 September 2016
Cash	3.750.722	3.049.765
Cash, Foreign Currency and Other	1.835.555	1.409.698
Demand Deposits in Banks (*)	1.915.167	1.640.067
Cash Equivalents	9.076.729	4.059.676
Interbank Money Market Placements	37	98
Time Deposits in Banks	9.029.952	4.031.890
Marketable Securities	46.740	27.688
Total Cash and Cash Equivalents	12.827.451	7.109.441

(*) The restricted demand accounts are not included.

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

	Current Period	Prior Period
	30 September 2017	30 September 2016
Cash	3.636.508	3.418.609
Cash, Foreign Currency and Other	2.159.793	1.661.880
Demand Deposits in Banks (*)	1.476.715	1.756.729
Cash Equivalents	1.713.335	13.480.394
Interbank Money Market Placements	482.635	2.476.323
Time Deposits in Banks	1.210.618	10.965.966
Marketable Securities	20.082	38.105
Total Cash and Cash Equivalents	5.349.843	16.899.003

(*) The restricted demand accounts are not included.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

(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 September 2017:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables					
Balance at the Beginning of the Period	-	-	4.591.797	900.600	-	-
Balance at the End of the Period	-	-	4.984.116	997.392	-	-
Interest and Commission Income Received	-	-	369.946	2.988	-	-

2. Prior Period – 31 December 2016:

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	-	-	3.421.775	1.447.302	-	-
Balance at the End of the Period	-	-	4.591.797	900.600	-	-
Interest and Commission Income Received (*)	-	-	251.125	3.515	-	-

(*) 30 September 2016 amounts are used for income statement accounts.

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	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Deposit						
Balance at the Beginning of the Period	-	-	2.172.789	2.102.633	2.315.646	2.181.203
Balance at the End of the Period	-	-	2.902.990	2.172.789	2.213.574	2.315.646
Interest on Expense Deposits (*)	-	-	158.262	182.765	138.266	114.623

(*) 30 September 2016 amounts are used for income statement accounts.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

(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
	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	10.110.973	3.501.482	-	-
Balance at the End of the Period	-	-	11.517.640	10.110.973	-	-
Total Income/Loss (*)	-	-	(69.003)	9.274	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss (*)	-	-	-	-	-	-

(*) 30 September 2016 amounts are used for income statement accounts.

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 September 2017, the net exposure for direct and indirect shareholders of the Group is TL (18.903) (31 December 2016: TL 34.978).

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

As of 30 September 2017 benefits provided to the Group's key management amounting to TL 37.675 (30 September 2016: TL 30.965).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

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

I. EXPLANATIONS ON AUDITOR'S REVIEW REPORT

The consolidated financial statements for the period ended 30 September 2017 have been reviewed by PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 25 October 2017 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

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

MESSAGE FROM THE CHAIRMAN

While global economic activity continued to gain ground, inflation is trending below target levels in advanced economies. Due to this subdued tendency in inflation; Fed, ECB and BOJ continue with their accommodative monetary policies and monetary policy normalization is taking place very gradually. With the support of lingering accommodative monetary policies, cross-border capital inflows to emerging markets continues. Geopolitical uncertainties regarding North Korea and Northern Iraq as well as strengthening populist and protectionist tendencies in the US and Europe, however, pose risk on global market sentiment. Additionally; the pace of policy normalization of Fed, which seems also to be shaped in the tenure of the new Fed chairman, will likely be major determinant on capital flows prospects towards emerging markets.

Fed is starting to reduce its balance sheet size from its current \$4,5 trillion level. Regarding its interest policy, it has already made two measured rate hikes in 2018. Along with the strong economic data flow, it envisages one additional rate hike this year and another 3 hikes next year.

In Europe; ECB is expected to continue with its accommodative policy stance until a considerable improvement in inflation outlook occurs. The current low interest rate environment is stated as an opportunity for completing the necessary structural reforms. Additionally; German general elections and the referendum that took place in Catalan region have become political developments affecting the financial market trends.

On the domestic front; economy grew by 5,1% yoy in 2Q2017 with the considerable contributions of investments and net exports. Construction investment is observed to support the pick up in investments. Dataflow for the third quarter so far indicates that acceleration in economic activity is continuing.

Inflation accelerated to 11,2% in September and the increasing trend in core inflation continued. In the last quarter of 2017, we expect inflation to decline due to favorable base effect originating from the previous year and close the year at around 10%. In parallel, we envisage Central Bank of Turkey to continue with its tight monetary policy.

In the first nine months of 2017, central budget deficit is realized at 31.6 billion TL, whereas primary surplus stands at 15 billion TL. The incentives given to stimulate the economy and tax cuts are the main factors effective in the increase of budget deficit, in comparison to the previous year. Budget deficit in 2017 for the whole year is expected to become 61,7 billion TL, 2% of GDP. Additionally; medium term program for 2018-2020 has been announced. Private investments, consumption, exports are expected to trend robust and along with the stable trend in TL, strong economic growth is projected for the program period. Inflation is expected to gradually decline and reach 5% target in 2020. And tight monetary policy is expected to continue until a considerable improvement in inflation outlook is experienced. Budget deficit to GDP ratio is projected to slightly decline to 1,9% in 2018 and drop further to 1,6% in 2020.

In our banking sector, credit growth continued and reached 24% yoy as of the end of September. Thanks to effective supervision and the pick up in domestic economic activity, NPL ratio remains low and stable. Capital adequacy ratio is continued with its increasing trend and reached 17,2% in August.

In the near future; potential statements and actions of developed country central banks regarding the normalization of their monetary policies will be closely monitored by financial markets. In addition to economic policies, geopolitical developments will also be closely by financial markets. Along with developments, we may experience higher volatility in cross border capital flows, from time to time.

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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MESSAGE FROM THE CEO

Our economy showed a resilient performance despite geopolitical developments, and we were able to regain our place among the top performing countries in terms of economic growth. Our bank continued to support our economy with a strong balance sheet and long-term financing we have provided from abroad. Despite our fast growth, our effective risk management and asset quality were among the features that distinguished Akbank.

The support we provided to the economy via our loans increased by 12 percent to a total of TL 245 billion, with TL 195 billion in cash loans. Within the Loan Guarantee Fund (KGF) Program, we provided TL 16 billion loans to companies in Turkey. In the first 9 months of the year, we increased our assets by 7,1 percent to TL 315 billion. Our bank reported a net profit of TL 4 billion 517 million after TL 1 billion 201 million tax provisions

It is important for a healthy banking system that deposits develop in parallel with the loans. Our total deposits increased by 8 percent in the first 9 months of the year and reached TL 188 billion. Thanks to this strong growth in deposits, it will be easier for us to support our economy via our loans. The increase in savings is also important for the country's economy. Akbank's Wealth Management, our investment platform with a unique place in Turkey's banking sector, will continue to support the boost of savings and add value to our customers with our expert team.

Akbank's NPL ratio has been 2,1 percent in this period. While maintaining our strong growth performance by the end of the third quarter, we were able to keep our NPL ratio at a low level. Our bank has set aside 170 percent provisioning for its non-performing loans taking into account the general loan provisions.

Akbank provides international financing on favorable terms to support the Turkish economy and the real sector. With its strong financial structure and resources, Akbank was able to renew the USD 1,15 billion part of its syndicated loan with a record amount of demand. This transaction, which proves Akbank's expertise in foreign borrowing and its reputation in the eyes of investors, also shows the confidence in our economy.

Akbank will continue to make significant contributions to the Turkish economy in all areas of banking through innovation and expertise. As technology creates new opportunities, we are constantly renewing ourselves. We have launched human focused transformation shaped by technology to offer our customers the most innovative products and services. Over the last 5 years we have invested over USD 500 million in technology. We set up an innovation center that coordinates our bank's innovation-focused work. We also make significant investments in the training and development of our employees. I would like to thank all our stakeholders, mainly our customers, shareholders and employees for the strong performance in the first quarter of the year.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

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

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

OLD VERSION	NEW VERSION
<p>Capital and Mode and Terms of Payment of Capital Article: 9</p> <p>A. The Bank adopted the authorized capital system in accordance with the provisions of Law No. 2499 and implemented the authorized capital system pursuant to the Capital Markets Board's permission No. 116/1376 dated December 2, 1999. The authorized capital of the Bank is TL 8.000.000.000 (eight billion) divided into 800.000.000.000 (Eight hundred billion) registered shares each with a nominal value of 1 Kuruş.</p> <p>Capital Markets Board's approval of the authorized capital is valid between 2012 and 2016 (5 years). Even if the authorized capital has not been reached at the end of 2016, in order for the Board of Directors to take a decision to raise the Bank's capital after 2016, the Board is required obtain get the authorization of the General Assembly for a new time period after obtaining the permission of the Capital Markets Board for the previously approved authorized capital or a new authorized capital level. In case the aforementioned authorization is not obtained, the Bank is considered to have abandoned the authorized capital system. The Board of Directors is authorized to issue new shares and raise the issued capital up to the authorized capital in accordance with the provisions of the Capital Markets Law.</p> <p>B. The issued capital of the Bank is TL 4.000.000.000 (four billion) divided into 400.000.000.000 (four hundred billion) registered shares each with a nominal value of 1 Kuruş.</p> <p>C. The issued capital of TL 4.000.000.000 (four billion) is paid fully and in cash, free from collusion.</p> <p>The shares which represent the capital are registered in accordance with the principles of dematerialization. When necessary, the Bank's capital can be raised or lowered within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Law.</p> <p>D. Unless resolved otherwise by the General Assembly, the existing shareholders of the Bank are entitled to acquire, in proportion to their current shareholding, new shares to be issued against new cash capital injection. The unused preemptive rights of the shareholders entitled to these shares - in accordance with the related communiqués of the Capital Markets Board and the applicable provisions of the Turkish Commercial Code, by addressing the Bank in the time period to be determined by the Board of Directors which is not to be shorter than 15 or longer than 60 days commencing from the event depicted by the aforementioned legislation - shall be void. The shares released due to unused preemptive rights shall be subject to the applicable legislation.</p> <p>E. All shares must be registered and listed on the Stock Exchange.</p>	<p>Capital and Mode and Terms of Payment of Capital Article: 9</p> <p>A. The Bank adopted the authorized capital system in accordance with the provisions of Capital Market Law and implemented the authorized capital system pursuant to the Capital Markets Board's permission No. 116/1376 dated December 2, 1999. The authorized capital of the Bank is TL 10.000.000.000 (ten billion) divided into 1.000.000.000.000 (one trillion) registered shares each with a nominal value of 1 Kuruş. Capital Markets Board's approval of the authorized capital is valid between 2017 and 2021 (5 years). Even if the authorized capital has not been reached at the end of 2021, in order for the Board of Directors to take a decision to raise the Bank's capital after 2021, the Board is required obtain get the authorization of the General Assembly not longer than 5 years for a new time period after obtaining the permission of the Capital Markets Board for the previously approved authorized capital or a new authorized capital level. In case the aforementioned authorization is not obtained, the Bank shall not increase its capital with a Board of Directors' resolution. The Board of Directors is authorized to issue new shares and raise the issued capital up to the authorized capital in accordance with the provisions of the Capital Markets Law.</p> <p>B. The issued capital of the Bank is TL 4.000.000.000 (four billion) divided into 400.000.000.000 (four hundred billion) registered shares each with a nominal value of 1 Kuruş.</p> <p>C. The issued capital of TL 4.000.000.000 (four billion) is paid fully and in cash, free from collusion.</p> <p>The shares which represent the capital are registered in accordance with the principles of dematerialization. When necessary, the Bank's capital can be raised or lowered within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Law.</p> <p>D. Unless resolved otherwise by the General Assembly, the existing shareholders of the Bank are entitled to acquire, in proportion to their current shareholding, new shares to be issued against new cash capital injection. The unused preemptive rights of the shareholders entitled to these shares - in accordance with the related communiqués of the Capital Markets Board and the applicable provisions of the Turkish Commercial Code, by addressing the Bank in the time period to be determined by the Board of Directors which is not to be shorter than 15 or longer than 60 days commencing from the event depicted by the aforementioned legislation - shall be void. The shares released due to unused preemptive rights shall be subject to the applicable legislation.</p> <p>E. All shares must be registered and listed on the Stock Exchange.</p>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

General Management Article: 48	General Management Article: 48
<p>The Board of Directors may appoint a General Manager to run the management and transactions of the Bank in accordance with the Turkish Commercial Code, provisions of the Banking Code and other relevant legislation, provisions of this Articles of Association and within powers to be granted to such person and where necessary, with a term of office which exceeds that of the Board of Directors. The Board of Directors may remove the General Manager if deemed necessary. The appointment and removal shall be registered and announced.</p> <p>The General Manager:</p> <p>a) is the highest officer of management and execution after the Board of Directors and represents the Bank within the framework of the powers conferred upon it by such Board.</p> <p>b) determines, amends, reinforces and if necessary submits to approval of the Board of Directors, regulations and principles concerning the Bank's activities and transactions and distribution of work.</p> <p>c) may give mandate for certain transactions in accordance with article 345 of the Turkish Commercial Code but may not transfer the duty of management.</p> <p>d) is liable, under the provisions concerning the liability of the members of the Board of Directors, to the Bank, shareholders and creditors of the Bank for non or insufficient fulfillment of the obligations imposed or conferred on him. The fact that the General Manager is under the orders and supervision of the Board of Directors does not eliminate this liability.</p> <p>e) the General Manager and his Assistants make an oath according to the Banking Code.</p>	<p>The Board of Directors may appoint a General Manager to run the management and transactions of the Bank in accordance with the Turkish Commercial Code, provisions of the Banking Code and other relevant legislation, provisions of this Articles of Association and within powers to be granted to such person and where necessary, with a term of office which exceeds that of the Board of Directors. The Board of Directors may remove the General Manager if deemed necessary. The appointment and removal shall be registered and announced.</p> <p>The General Manager:</p> <p>a) is the highest officer of management and execution after the Board of Directors and represents the Bank within the framework of the powers conferred upon it by such Board.</p> <p>b) determines, amends, reinforces and if necessary submits to approval of the Board of Directors, regulations and principles concerning the Bank's activities and transactions and distribution of work.</p> <p>c) may give mandate for certain transactions but may not transfer the duty of management.</p> <p>d) is liable, under the provisions concerning the liability of the members of the Board of Directors, to the Bank, shareholders and creditors of the Bank for non or insufficient fulfillment of the obligations imposed or conferred on him. The fact that the General Manager is under the orders and supervision of the Board of Directors does not eliminate this liability.</p> <p>e) the General Manager and other officials accepted by the law make an oath according to the Banking Code.</p>

2. Important Issues and Transactions during the period:

International rating agency Fitch downgraded Akbank's long-term foreign and local currency deposit and unsecured debt ratings from BBB- to BB+ on February 2, 2017. Also short-term foreign and local currency deposit and senior unsecured ratings were downgraded to B from F3 and viability rating "VR" was downgraded to bb+ from bbb-. National Long-Term Rating affirmed at AA+.

Bank has issued a bill with a nominal value of TL 103,1 million and term of 107 days to qualified investors on 27 February 2017.

Bank has issued the subordinated notes with a nominal value of USD 500 million on 15 March 2017. The notes' due date is 16 March 2027 with a call option on 16 March 2022 (with a maturity of 3,653 days) and their coupon rate has been set at 7.20% (coupon interest payable semi-annually)

Akbank has signed a dual currency, multi-tranche syndicated loan facility of which USD 219,5 million and EUR 738,3 million for 1 year tenor, and USD 185 million for 2 years with an equivalent of USD 1,2 billion on March 22nd, 2017. All-in cost for the 1 year tranche is Libor+1,45% and Euribor+1,35%; and 2 year facility with an all-in cost of Libor+2,20%

Moody's has affirmed Akbank's rating on March 20rd, 2017. The outlook of long term foreign and local currency debt ratings and of long term foreign and local currency deposit ratings have been changed to negative from stable.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

Bank has issued a bill with a nominal value of TL 200 million and term of 94 days to qualified investors on 14 April 2017.

Bank has issued a bill with a nominal value of TL 158 million and term of 114 days to qualified investors on 29 May 2017.

International rating agency Fitch affirmed Akbank's ratings on 9 June 2017.

Bank has sold a non-performing loan portfolio of TL 709 million for TL 39 million to İstanbul Varlık Yönetim A.Ş., Efes Varlık Yönetim A.Ş., Hayat Varlık Yönetimi A.Ş. and Final Varlık Yönetimi A.Ş. on 14 June 2017.

It was announced that Akbank had signed an agreement to secure financing of EUR 200 million equivalent in Turkish Lira with European Investment Bank ("EIB") under the bank's Covered Bond Programme proceeds of which will be on-lent to SME's /MidCAP's and for the financing of the renewable energy and energy efficiency projects. In this context; 649.776.000 TL financing has been secured by a 6 year tenor covered bond issuance on 28 July 2017. Second tranche of the financing will be secured in the forthcoming period.

Akbank has secured a multi-currency syndicated loan facility from international markets at amount of USD 1,15 billion equivalent comprised of USD 543 million and EUR 515 million. The USD equivalent of 945 million – has a one year tenor, whereas the 2 year tenor is USD 205 million on 15 August 2017. All-in cost for the one year tranches are Libor+1,35% p.a. and Euribor+1,25% p.a.; and for 2 year tranche is Libor+2,20% p.a.

Bank has issued a bill with a nominal value of TL 170.220.000 and term of 118 days to be sold to qualified investors on 17 August 2017.

Bank has issued a bill with a nominal value of TL 618.400.000 and term of 105 days to be sold to qualified investors on 6 September 2017.

3. BANKING SECTOR 3Q17 OVERVIEW

In the second quarter of 2017, loan growth in the sector was 14,8% and deposit growth in the sector was 11,6%.

As of September 30, 2017, NPL ratio of the sector was at 3,0%.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

B. CONSOLIDATED FINANCIAL RESULTS

1. Main Balance Sheet Items (TL Million) :

	30.09.2017	31.12.2016
	Consolidated	Consolidated
	Financial Results	Financial Results
Total Assets	315.475	294.501
Loans	195.460	178.893
Deposits	187.876	173.968
Equity	39.137	32.492
Net Income (30.09.2016)	4.517	3.682

2. Main Financial Ratios (%) :

	30.09.2017	31.12.2016
	Consolidated	Consolidated
	Financial Results	Financial Results
Loans / Total Assets:	62,0	60,7
Deposits / Total Assets:	59,6	59,1
ROE (30.09.2016):	16,6	16,5
ROA (30.09.2016):	2,0	1,9
NPL Ratio:	2,1	2,3
CAR:	%16,35	%14,16
EPS (30.09.2016) (TL):	0,01129	0,00920

3. Akbank 3Q17 Results Overview:

Akbank reported a gross profit of TL 5 billion 718 million while setting aside TL 1 billion and 201 million of tax provisions, the bank reported a net consolidated profit of TL 4 billion 517 million in the third quarter of the year. ROE of the bank has realized at 16.6% by the end of third quarter of the year.

As of 30 September 2017 Akbank's consolidated total assets increased by 7.1% up to TL 315 billion. Total cash loans grew by 9.3% to TL 195 billion while total deposits was up to TL 188 billion with an increase of 8.0%.

Akbank's NPL ratio decreased to 2.1% as of 30 September 2017 compared to year-end. While 22% of total cash loans based on consolidated financials are comprised of consumer loans, 35% are corporate, 34% are commercial and remaining 9% are other commercial loans.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

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

4. Bank's Expectations For 2017:

On 23.06.2017, an immaterial change has been made in Bank's "Forward Looking Expectations" which has been disclosed to public as Material Events Disclosure earlier. In this contexts; our Bank's inflation rate for the CPI linked securities valuation has been also revised as 9,5%. The resulting impact is reflected to the financial statements in June.

Macroeconomic Indicators (%)	2017	
GDP growth, real terms	3,0 – 3,5	
CPI Inflation	~9.5	

Banking Sector Growth (%)	2017	CAGR 2017-2019 (%)
Asset Growth	10-12	11-13
Loan Growth	10-12	11-13
Deposit Growth	10-12	11-13

Akbank Growth Guidance (Consolidated)	2017 (%)	CAGR 2017-2019 (%)
Asset Growth	10-12	11-13
Loan Growth	10-12	11-13
TL	10-12	11-13
FX (USD terms)	2-4	5-7
Deposit Growth	10-12	11-13
TL	10-12	11-13
FX (USD terms)	2-4	5-7

	2017
Net Interest Margin	~3.4%
Net fees&com. Growth	~10%
Opex Growth	~6%
Cost / Income	~36%
Cost / Assets	~1.5%
Cost of risk	~90 bps
NPL ratio	~2.5%
Capital Adequacy Ratio	~14%
Loan to Deposit Ratio	Max 105%
Return on Assets	~1.7%
Return on Equity	~15%
Leverage	~9.0x
EPS Growth	~10%

	2018 and Beyond
Return on Asset	1.7-1.9%
Return on Equity	15-17%
Leverage	9.0x-9.5x