

**AKBANK T.A.Ş.**

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES  
AT 30 SEPTEMBER 2018 TOGETHER WITH  
AUDITOR'S REVIEW REPORT**

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



## AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

in Turkish, See Note I of Section Three)

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

### Introduction

We have reviewed the consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") at 30 September 2018 and the related consolidated income statement, consolidated statement of income and expense items under shareholders' equity, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the 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.4 (i) of Explanations and Notes to the Consolidated Financial Statements; a portion of free provision amounting to TL 250.000 thousand has been reversed and recorded as other operating income, in the period ended 30 September 2018, out of total free provision of TL 700.000 thousand provided in the prior years by the Bank Management considering the possible effect of the circumstances that may arise from the changes in the economy and market conditions. The amount of free provision in the accompanying consolidated financial statements is TL 450.000 thousand as at 30 September 2018.

### 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 2018 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.

### 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, 24 October 2018

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

**THE CONSOLIDATED FINANCIAL REPORT OF  
AKBANK T.A.Ş. AS OF 30 SEPTEMBER 2018**

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

- **Section One** - GENERAL INFORMATION ABOUT THE PARENT BANK
- **Section Two** - CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP
- **Section Five** - INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** - 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.	AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş.	-	-

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

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

24 October 2018

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

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

Name-Surname / Title : Zeynep TERZİOĞLU / Senior Vice President  
Phone No : (0 212) 385 55 55  
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## AKBANK T.A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018

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

#### SECTION ONE GENERAL INFORMATION ABOUT THE BANK

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

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

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

The Bank's shares have been quoted on the Borsa Istanbul ("BIST") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depository Receipts ("ADRs"). As of 30 September 2018, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2017: 51%).

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

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

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

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

Yunus Emre Özben has been assigned on 28 August 2018 as Executive Vice President responsible of Credit Allocation Unit instead of Hasan Recai Arabacı who has resigned from his position on 14 August 2018.

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

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

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

The Bank's core business activities consist of consumer banking, commercial banking, SME banking, corporate-investment banking and private banking and wealth management, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş.. As of 30 September 2018, the Bank has 781 branches dispersed throughout the country and 1 branch operating abroad (31 December 2017: 800 branches and 1 branch operating abroad). As of 30 September 2018, the Bank the Bank has 13.485 employees (31 December 2017: 13.884).

The Parent Bank and its subsidiaries, Ak Yatırım Menkul Değerler A.Ş., AK Portföy Yönetimi A.Ş., Akbank AG, Ak Finansal Kiralama A.Ş., 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 2018, the Group employed 13.878 people (31 December 2017: 14.253).

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

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

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

None.

**SECTION TWO**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**AKBANK T.A.S.**  
**I. CONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2018 (STATEMENT OF FINANCIAL POSITION)**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

ASSETS	Note (Section Five)	CURRENT PERIOD (30/09/2018)		Total
		TL	FC	
<b>I. FINANCIAL ASSETS (NET)</b>		<b>64.635.420</b>	<b>109.806.091</b>	<b>174.441.511</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>7.406.099</b>	<b>71.132.282</b>	<b>78.538.381</b>
1.1.1 Cash and Balances with Central Bank	(I-a)	5.137.802	28.793.376	33.931.178
1.1.2 Banks	(I-d)	399.743	36.551.199	36.950.942
1.1.3 Money Markets		1.868.554	5.787.707	7.656.261
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>(I-b)</b>	<b>37.303</b>	<b>177.503</b>	<b>214.806</b>
1.2.1 Government Debt Securities		9.525	-	9.525
1.2.2 Equity Instruments		6.241	177.503	183.744
1.2.3 Other Financial Assets		21.537	-	21.537
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>(I-e)</b>	<b>22.675.494</b>	<b>23.578.213</b>	<b>46.253.707</b>
1.3.1 Government Debt Securities		22.505.707	14.866.786	37.372.493
1.3.2 Equity Instruments		13.013	607	13.620
1.3.3 Other Financial Assets		156.774	8.710.820	8.867.594
<b>1.4 Financial Assets Measured at Amortised Cost</b>	<b>(I-g)</b>	<b>4.317.311</b>	<b>6.621.376</b>	<b>10.938.687</b>
1.4.1 Government Debt Securities		4.317.311	4.695.913	9.013.224
1.4.2 Other Financial Assets		-	1.925.463	1.925.463
<b>1.5 Derivative Financial Assets</b>	<b>(I-c, I-U)</b>	<b>30.273.371</b>	<b>8.335.375</b>	<b>38.608.746</b>
1.5.1 Derivative Financial Assets at Fair Value Through Profit or Loss		27.248.671	7.882.108	35.130.779
1.5.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		3.024.700	453.267	3.477.967
<b>1.6 Non-Performing Financial Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>1.7 Expected Loss Provision (-)</b>		<b>74.158</b>	<b>38.658</b>	<b>112.816</b>
<b>II. LOANS (NET)</b>	<b>(I-f)</b>	<b>131.944.385</b>	<b>106.681.788</b>	<b>238.626.173</b>
<b>2.1 Loans</b>		<b>129.170.620</b>	<b>105.509.646</b>	<b>234.680.266</b>
2.1.1 Measured at Amortised Cost		129.170.620	105.509.646	234.680.266
2.1.2 Fair Value Through Profit or Loss		-	-	-
2.1.3 Fair Value Through Other Comprehensive Income		-	-	-
<b>2.2 Lease Receivables</b>	<b>(I-k)</b>	<b>1.413.187</b>	<b>5.297.362</b>	<b>6.710.549</b>
2.2.1 Financial Lease Receivables		1.729.703	5.910.833	7.640.536
2.2.2 Operating Lease Receivables		-	-	-
2.2.3 Unearned Income (-)		316.516	613.471	929.987
<b>2.3 Factoring Receivables</b>		<b>-</b>	<b>-</b>	<b>-</b>
2.3.1 Measured at Amortised Cost		-	-	-
2.3.2 Fair Value Through Profit or Loss		-	-	-
2.3.3 Fair Value Through Other Comprehensive Income		-	-	-
<b>2.4 Non-Performing Loans</b>		<b>7.839.243</b>	<b>-</b>	<b>7.839.243</b>
<b>2.5 Expected Credit Loss (-)</b>		<b>6.478.665</b>	<b>4.125.220</b>	<b>10.603.885</b>
2.5.1 12 Month Expected Credit Losses (Stage I)		641.100	217.050	858.150
2.5.2 Significant Increase in Credit Risk (Stage II)		1.298.766	3.908.170	5.206.936
2.5.3 Credit-Impaired Losses (Stage III / Special Provision)		4.538.799	-	4.538.799
<b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(I-o)</b>	<b>260.327</b>	<b>-</b>	<b>260.327</b>
3.1 Held for Sale Purpose		260.327	-	260.327
3.2 Related to Discontinued Operations		-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>5.521</b>	<b>-</b>	<b>5.521</b>
<b>4.1 Investments in Associates (Net)</b>	<b>(I-h)</b>	<b>5.521</b>	<b>-</b>	<b>5.521</b>
4.1.1 Associates Valued Based on Equity Method		-	-	-
4.1.2 Unconsolidated Associates		5.521	-	5.521
<b>4.2 Subsidiaries (Net)</b>	<b>(I-i)</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-
<b>4.3 Joint Ventures (Net)</b>	<b>(I-j)</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-
<b>V. PROPERTY AND EQUIPMENT (Net)</b>		<b>3.640.865</b>	<b>8.048</b>	<b>3.648.913</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>547.632</b>	<b>6.107</b>	<b>553.739</b>
6.1 Goodwill		-	-	-
6.2 Other		547.632	6.107	553.739
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(I-m)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>116.509</b>	<b>54.705</b>	<b>171.214</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(I-n)</b>	<b>179.411</b>	<b>13.203</b>	<b>192.614</b>
<b>X. OTHER ASSETS</b>	<b>(I-p)</b>	<b>2.446.485</b>	<b>5.721.887</b>	<b>8.168.372</b>
<b>TOTAL ASSETS</b>		<b>203.776.555</b>	<b>222.291.829</b>	<b>426.068.384</b>

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

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

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

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

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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 2018 (STATEMENT OF FINANCIAL POSITION)**

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (30/09/2018)		Total
		TL	FC	
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>88.884.545</b>	<b>156.095.839</b>	<b>244.980.384</b>
<b>II. FUNDS BORROWED</b>	<b>(II-c)</b>	<b>763.503</b>	<b>49.797.619</b>	<b>50.561.122</b>
<b>III. MONEY MARKETS</b>		<b>16.340.835</b>	<b>15.154.941</b>	<b>31.495.776</b>
<b>IV. SECURITIES ISSUED (Net)</b>	<b>(II-d)</b>	<b>4.087.354</b>	<b>9.285.069</b>	<b>13.372.423</b>
4.1 Bills		1.482.662	-	1.482.662
4.2 Asset Backed Securities		-	-	-
4.3 Bonds		2.604.692	9.285.069	11.889.761
<b>V. FUNDS</b>		-	-	-
5.1 Borrower Funds		-	-	-
5.2 Other		-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-b, II-g)</b>	<b>22.206.690</b>	<b>3.126.500</b>	<b>25.333.190</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		20.945.935	3.126.500	24.072.435
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		1.260.755	-	1.260.755
<b>VIII. FACTORING LIABILITIES</b>		-	-	-
<b>IX. LEASE LIABILITIES (Net)</b>	<b>(II-f)</b>	-	-	-
9.1 Financial Lease		-	-	-
9.2 Operating Lease		-	-	-
9.3 Other		-	-	-
9.4 Deferred Financial Lease Expenses (-)		-	-	-
<b>X. PROVISIONS</b>	<b>(II-h)</b>	<b>955.788</b>	<b>249.910</b>	<b>1.205.698</b>
10.1 Restructuring Provisions		-	-	-
10.2 Reserve for Employee Benefits		314.869	198	315.067
10.3 Insurance Technical Provisions (Net)		-	-	-
10.4 Other Provisions		640.919	249.712	890.631
<b>XI. CURRENT TAX LIABILITY</b>	<b>(II-i)</b>	<b>532.451</b>	<b>51.552</b>	<b>584.003</b>
<b>XII. DEFERRED TAX LIABILITY</b>	<b>(II-i)</b>	-	<b>153.869</b>	<b>153.869</b>
<b>XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>		-	-	-
13.1 Held for Sale Purpose		-	-	-
13.2 Related to Discontinued Operations		-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	<b>(II-j)</b>	-	<b>5.422.330</b>	<b>5.422.330</b>
14.1 Loans		-	-	-
14.2 Other Debt Instruments		-	5.422.330	5.422.330
<b>XV. OTHER LIABILITIES</b>		<b>6.386.069</b>	<b>3.427.470</b>	<b>9.813.539</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(II-k)</b>	<b>44.476.443</b>	<b>(1.330.393)</b>	<b>43.146.050</b>
16.1 Paid-in capital		4.000.000	-	4.000.000
16.2 Capital Reserves		3.607.551	-	3.607.551
16.2.1 Share Premium		1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-
16.2.3 Other Capital Reserves		1.907.551	-	1.907.551
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		2.094.962	6.055	2.101.017
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		451.416	(1.336.448)	(885.032)
16.5 Profit Reserves		28.961.397	-	28.961.397
16.5.1 Legal Reserves		1.621.374	-	1.621.374
16.5.2 Status Reserves		-	-	-
16.5.3 Extraordinary Reserves		27.065.472	-	27.065.472
16.5.4 Other Profit Reserves		274.551	-	274.551
16.6 Income or (Loss)		5.360.980	-	5.360.980
16.6.1 Prior Periods' Income or (Loss)		672.838	-	672.838
16.6.2 Current Period Income or (Loss)		4.688.142	-	4.688.142
16.7 Minority Interest	<b>(II-l)</b>	137	-	137
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>184.633.678</b>	<b>241.434.706</b>	<b>426.068.384</b>

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

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

LIABILITIES	Note (Section Five)	PRIOR PERIOD (31/12/2017)		Total
		TL	FC	
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>92.792.353</b>	<b>108.663.175</b>	<b>201.455.528</b>
1.1 Deposits of Bank's Risk Group	<b>(VI)</b>	2.265.188	3.120.932	5.386.120
1.2 Other		90.527.165	105.542.243	196.069.408
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-b)</b>	<b>4.170.579</b>	<b>1.253.249</b>	<b>5.423.828</b>
<b>III. FUNDS BORROWED</b>	<b>(II-c)</b>	<b>375.074</b>	<b>33.252.125</b>	<b>33.627.199</b>
<b>IV. MONEY MARKETS</b>		<b>4.516.895</b>	<b>24.840.903</b>	<b>29.357.798</b>
4.1 Funds from Interbank Money Market		507.522	-	507.522
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-
4.3 Funds Provided Under Repurchase Agreements		4.009.373	24.840.903	28.850.276
<b>V. SECURITIES ISSUED (Net)</b>	<b>(II-d)</b>	<b>7.137.270</b>	<b>8.717.955</b>	<b>15.855.225</b>
5.1 Bills		4.012.498	-	4.012.498
5.2 Asset Backed Securities		-	-	-
5.3 Bonds		3.124.772	8.717.955	11.842.727
<b>VI. FUNDS</b>		-	-	-
6.1 Borrower Funds		-	-	-
6.2 Other		-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>4.911.265</b>	<b>1.729.825</b>	<b>6.641.090</b>
<b>VIII. OTHER LIABILITIES</b>	<b>(II-e)</b>	<b>940.960</b>	<b>237.400</b>	<b>1.178.360</b>
<b>IX. FACTORING PAYABLES</b>		-	-	-
<b>X. FINANCIAL LEASE PAYABLES (Net)</b>	<b>(II-f)</b>	-	-	-
10.1 Financial Lease Payables		-	-	-
10.2 Operating Lease Payables		-	-	-
10.3 Other		-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-g)</b>	-	<b>74.911</b>	<b>74.911</b>
11.1 Fair Value Hedge		-	74.911	74.911
11.2 Cash Flow Hedge		-	-	-
11.3 Foreign Net Investment Hedge		-	-	-
<b>XII. PROVISIONS</b>	<b>(II-h)</b>	<b>2.896.523</b>	<b>964.423</b>	<b>3.860.946</b>
12.1 General Loan Loss Provisions		1.736.416	950.455	2.686.871
12.2 Restructuring Provisions		-	-	-
12.3 Reserve for Employee Benefits		300.792	161	300.953
12.4 Insurance Technical Provisions (Net)		-	-	-
12.5 Other Provisions		859.315	13.807	873.122
<b>XIII. TAX LIABILITY</b>	<b>(II-i)</b>	<b>1.432.408</b>	<b>188.093</b>	<b>1.620.501</b>
13.1 Current Tax Liability		1.040.244	97.421	1.137.665
13.2 Deferred Tax Liability		392.164	90.672	482.836
<b>XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS</b>		-	-	-
14.1 Held for Sale Purpose		-	-	-
14.2 Related to Discontinued Operations		-	-	-
<b>XV. SUBORDINATED LOANS</b>	<b>(II-j)</b>	-	<b>1.900.999</b>	<b>1,900.999</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(II-k)</b>	<b>40.688.789</b>	<b>(75.217)</b>	<b>40.613.572</b>
16.1 Paid-in capital		4.000.000	-	4.000.000
16.2 Capital Reserves		4.171.089	(75.217)	4.095.872
16.2.1 Share Premium		1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-
16.2.3 Marketable Securities Valuation Differences		(600.631)	(169.489)	(770.120)
16.2.4 Property and Equipment Revaluation Differences		2.343.606	5.356	2.348.962
16.2.5 Intangible Assets Revaluation Differences		-	-	-
16.2.6 Investment Properties Revaluation Differences		-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		3.895	-	3.895
16.2.8 Hedging Funds (Effective portion)		(565.520)	88.916	(476.604)
16.2.9 Value Increase of Assets Held for Sale		-	-	-
16.2.10 Other Capital Reserves		1.289.739	-	1.289.739
16.3 Profit Reserves		25.744.393	-	25.744.393
16.3.1 Legal Reserves		1.469.241	-	1.469.241
16.3.2 Status Reserves		-	-	-
16.3.3 Extraordinary Reserves		22.724.398	-	22.724.398
16.3.4 Other Profit Reserves		1.550.754	-	1.550.754
16.4 Income or (Loss)		6.773.168	-	6.773.168
16.4.1 Prior Periods' Income or (Loss)		752.895	-	752.895
16.4.2 Current Period Income or (Loss)		6.020.273	-	6.020.273
16.5 Minority Interest	<b>(II-l)</b>	139	-	139
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>159.862.116</b>	<b>181.747.841</b>	<b>341.609.957</b>

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

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

**AKBANK T.A.S.**  
**II. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 30 SEPTEMBER 2018**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

	Note (Section Five)	CURRENT PERIOD (30/09/2018)		Total
		TL	FC	
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>215.510.859</b>	<b>665.186.272</b>	<b>880.697.131</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(III-2, 3)</b>	<b>23.211.467</b>	<b>41.132.660</b>	<b>64.344.127</b>
1.1 Letters of Guarantee		20.131.152	20.244.138	40.375.290
1.1.1 Guarantees Subject to State Tender Law		418.807	2.716.083	3.134.890
1.1.2 Guarantees Given for Foreign Trade Operations		-	3.778.492	3.778.492
1.1.3 Other Letters of Guarantee		19.712.345	13.749.563	33.461.908
1.2 Bank Acceptances		-	5.043.576	5.043.576
1.2.1 Import Letter of Acceptance		-	5.043.576	5.043.576
1.2.2 Other Bank Acceptances		-	-	-
1.3 Letters of Credit		2.499	10.722.532	10.725.031
1.3.1 Documentary Letters of Credit		2.499	9.893.588	9.896.087
1.3.2 Other Letters of Credit		-	828.944	828.944
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		-	17.480	17.480
1.8 Other Guarantees		15.289	5.099.983	5.115.272
1.9 Other Collaterals		3.062.527	4.951	3.067.478
<b>II. COMMITMENTS</b>	<b>(III-1)</b>	<b>45.959.599</b>	<b>16.420.799</b>	<b>62.380.398</b>
2.1 Irrevocable Commitments		45.137.812	15.283.596	60.421.408
2.1.1 Asset Purchase Commitments		7.446.572	10.974.270	18.420.842
2.1.2 Deposit Purchase and Sales Commitments		-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		7.000	-	7.000
2.1.4 Loan Granting Commitments		7.356.614	4.306.077	11.662.691
2.1.5 Securities Issue Brokerage Commitments		-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-
2.1.7 Commitments for Cheque Payments		6.545.326	-	6.545.326
2.1.8 Tax and Fund Liabilities from Export Commitments		1.987	-	1.987
2.1.9 Commitments for Credit Card Limits		19.361.640	-	19.361.640
2.1.10 Commitments for Credit Cards and Banking Services Promotions		72.718	-	72.718
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-
2.1.13 Other Irrevocable Commitments		4.345.955	3.249	4.349.204
2.2 Revocable Commitments		821.787	1.137.203	1.958.990
2.2.1 Revocable Loan Granting Commitments		777.913	859.680	1.637.593
2.2.2 Other Revocable Commitments		43.874	277.523	321.397
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>146.339.793</b>	<b>607.632.813</b>	<b>753.972.606</b>
3.1 Hedging Derivative Financial Instruments		11.626.205	49.884.069	61.510.274
3.1.1 Fair Value Hedges		2.497.225	17.198.385	19.695.610
3.1.2 Cash Flow Hedges		9.128.980	32.685.684	41.814.664
3.1.3 Foreign Net Investment Hedges		-	-	-
3.2 Trading Derivative Financial Instruments		134.713.588	557.748.744	692.462.332
3.2.1 Forward Foreign Currency Buy/Sell Transactions		13.494.919	23.974.567	37.469.486
3.2.1.1 Forward Foreign Currency Transactions-Buy		8.354.453	10.829.594	19.184.047
3.2.1.2 Forward Foreign Currency Transactions-Sell		5.140.466	13.144.973	18.285.439
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		87.300.311	377.540.044	464.840.355
3.2.2.1 Foreign Currency Swap-Buy		35.527.409	107.610.716	143.138.125
3.2.2.2 Foreign Currency Swap-Sell		48.545.682	91.333.490	139.879.172
3.2.2.3 Interest Rate Swap-Buy		1.613.610	89.297.919	90.911.529
3.2.2.4 Interest Rate Swap-Sell		1.613.610	89.297.919	90.911.529
3.2.3 Foreign Currency, Interest Rate and Securities Options		33.853.274	129.996.592	163.849.866
3.2.3.1 Foreign Currency Options-Buy		15.654.348	23.301.302	38.955.650
3.2.3.2 Foreign Currency Options-Sell		18.198.926	20.619.506	38.818.432
3.2.3.3 Interest Rate Options-Buy		-	43.037.892	43.037.892
3.2.3.4 Interest Rate Options-Sell		-	43.037.892	43.037.892
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		65.084	26.237.541	26.302.625
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>780.763.453</b>	<b>349.012.698</b>	<b>1.129.776.151</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>52.044.879</b>	<b>21.729.115</b>	<b>73.773.994</b>
4.1 Customer Fund and Portfolio Balances		4.008.475	-	4.008.475
4.2 Investment Securities Held in Custody		16.636.857	2.143.692	18.780.549
4.3 Cheques Received for Collection		24.657.614	2.769.697	27.427.311
4.4 Commercial Notes Received for Collection		6.248.038	4.198.032	10.446.070
4.5 Other Assets Received for Collection		-	-	-
4.6 Assets Received for Public Offering		-	-	-
4.7 Other Items Under Custody		493.895	12.617.694	13.111.589
4.8 Custodians		-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>162.142.369</b>	<b>110.734.775</b>	<b>272.877.144</b>
5.1 Marketable Securities		558.873	7.140.545	7.699.418
5.2 Guarantee Notes		805.632	668.409	1.474.041
5.3 Commodity		5.000	8.955	13.955
5.4 Warranty		-	-	-
5.5 Immovables		123.132.364	74.099.115	197.231.479
5.6 Other Pledged Items		37.640.500	28.817.751	66.458.251
5.7 Pledged Items-Depository		-	-	-
<b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>566.576.205</b>	<b>216.548.808</b>	<b>783.125.013</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>996.274.312</b>	<b>1.014.198.970</b>	<b>2.010.473.282</b>

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

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

**AKBANK T.A.S.**  
**II. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2017**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

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

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

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

**AKBANK T.A.S.**
**III. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

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

INCOME AND EXPENSE ITEMS		Note (Section Five)	CURRENT PERIOD (01/01-30/09/2018)	CURRENT PERIOD (01/07-30/09/2018)
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(IV-a)</b>	<b>24.841.512</b>	<b>9.638.041</b>
1.1	Interest on Loans	(IV-a-1)	19.142.807	7.101.322
1.2	Interest on Reserve Requirements		333.057	133.276
1.3	Interest on Banks	(IV-a-2)	548.754	241.238
1.4	Interest on Money Market Transactions		175.008	71.486
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	4.216.806	1.926.862
1.5.1	Fair Value Through Profit or Loss		3.545	931
1.5.2	Fair Value Through Other Comprehensive Income		3.407.212	1.569.316
1.5.3	Measured at Amortised Cost		806.049	356.615
1.6	Financial Lease Income		389.857	148.644
1.7	Other Interest Income		35.223	15.213
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>(IV-b)</b>	<b>13.521.337</b>	<b>5.529.777</b>
2.1	Interest on Deposits	(IV-b-4)	9.974.409	3.903.284
2.2	Interest on Funds Borrowed	(IV-b-1)	1.177.776	528.558
2.3	Interest Expense on Money Market Transactions		1.062.148	587.953
2.4	Interest on Securities Issued	(IV-b-3)	1.236.115	500.513
2.5	Other Interest Expenses		70.889	9.469
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>11.320.175</b>	<b>4.108.264</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>2.683.486</b>	<b>946.727</b>
4.1	Fees and Commissions Received		3.397.579	1.229.387
4.1.1	Non-cash Loans		277.406	119.893
4.1.2	Other		3.120.173	1.109.494
4.2	Fees and Commissions Paid		714.093	282.660
4.2.1	Non-cash Loans		345	134
4.2.2	Other		713.748	282.526
<b>V.</b>	<b>PERSONNEL EXPENSE (-)</b>		<b>1.667.798</b>	<b>575.263</b>
<b>VI.</b>	<b>DIVIDEND INCOME</b>		<b>6.195</b>	<b>1.366</b>
<b>VII.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>(IV-c)</b>	<b>292.552</b>	<b>564.989</b>
7.1	Trading Gains / (Losses) on Securities		(1.050.497)	(1.040.682)
7.2	Gains / (Losses) on Derivative Financial Transactions		6.696.550	5.098.677
7.3	Foreign Exchange Gains / (Losses)		(5.353.501)	(3.493.006)
<b>VIII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(IV-d)</b>	<b>828.121</b>	<b>106.519</b>
<b>IX.</b>	<b>GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)</b>		<b>13.462.731</b>	<b>5.152.602</b>
<b>X.</b>	<b>EXPECTED CREDIT LOSS (-)</b>		<b>4.967.648</b>	<b>2.469.523</b>
<b>XI.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(IV-f)</b>	<b>2.517.373</b>	<b>867.181</b>
<b>XII.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>5.977.710</b>	<b>1.815.898</b>
<b>XIII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)</b>		<b>5.977.710</b>	<b>1.815.898</b>
<b>XVII.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(IV-h)</b>	<b>1.289.569</b>	<b>407.339</b>
17.1	Current Tax Provision		1.079.557	412.755
17.2	Deferred Tax Income Effect (+)		1.497.962	584.164
17.3	Deferred Tax Expense Effect (-)		1.287.950	589.580
<b>XVIII.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)</b>	<b>(IV-i)</b>	<b>4.688.141</b>	<b>1.408.559</b>
<b>XIX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
19.1	Income from Non-current Assets Held for Sale		-	-
19.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
19.3	Income from Other Discontinued Operations		-	-
<b>XX.</b>	<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-
20.1	Expenses for Non-current Assets Held for Sale		-	-
20.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Expenses for Other Discontinued Operations		-	-
<b>XXI.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)</b>		-	-
<b>XXII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	<b>(IV-h)</b>	-	-
22.1	Current Tax Provision		-	-
22.2	Deferred Tax Expense Effect (+)		-	-
22.3	Deferred Tax Income Effect (-)		-	-
<b>XXIII.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)</b>		-	-
<b>XXIV.</b>	<b>NET INCOME/(LOSS) (XVIII+XXIII)</b>	<b>(IV-i)</b>	<b>4.688.141</b>	<b>1.408.559</b>
24.1	Income/(Loss) from the Group		4.688.142	1.408.566
24.2	Income/(Loss) from Minority Interest	<b>(IV-g)</b>	(1)	(7)
	Earning/(Loss) per share (in TL full)		0,01172	0,00352

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

**AKBANK T.A.Ş.**
**III. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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

INCOME AND EXPENSE ITEMS		Note (Section Five)	PRIOR PERIOD (01/01-30/09/2017)	PRIOR PERIOD (01/07-30/09/2017)
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(IV-a)</b>	<b>17.385.789</b>	<b>6.141.505</b>
1.1	Interest on Loans	(IV-a-1)	13.857.618	4.909.495
1.2	Interest on Reserve Requirements		176.905	71.219
1.3	Interest on Banks	(IV-a-2)	171.581	60.890
1.4	Interest on Money Market Transactions		15.189	7.357
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	2.837.825	974.649
1.5.1	Trading Financial Assets		5.840	1.649
1.5.2	Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		2.095.738	728.098
1.5.4	Held- to- maturity Investments		736.247	244.902
1.6	Financial Lease Income		300.002	108.642
1.7	Other Interest Income		26.669	9.253
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(IV-b)</b>	<b>9.399.199</b>	<b>3.455.781</b>
2.1	Interest on Deposits	(IV-b-4)	7.410.334	2.758.270
2.2	Interest on Funds Borrowed	(IV-b-1)	617.577	205.067
2.3	Interest Expense on Money Market Transactions		581.936	197.130
2.4	Interest on Securities Issued	(IV-b-3)	746.263	290.776
2.5	Other Interest Expenses		43.089	4.538
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>7.986.590</b>	<b>2.685.724</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>2.166.496</b>	<b>741.523</b>
4.1	Fees and Commissions Received		2.682.218	933.873
4.1.1	Non-cash Loans		192.004	65.281
4.1.2	Other		2.490.214	868.592
4.2	Fees and Commissions Paid		515.722	192.350
4.2.1	Non-cash Loans		336	127
4.2.2	Other		515.386	192.223
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>2.640</b>	<b>83</b>
<b>VI.</b>	<b>TRADING INCOME /(LOSS) (Net)</b>	<b>(IV-c)</b>	<b>(292.084)</b>	<b>(123.780)</b>
6.1	Trading Gains / (Losses) on Securities		244.194	90.820
6.2	Gains / (Losses) on Derivative Financial Transactions		102.395	678.136
6.3	Foreign Exchange Gains / (Losses)		(638.673)	(892.736)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(IV-d)</b>	<b>603.566</b>	<b>147.008</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>10.467.208</b>	<b>3.450.558</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(IV-e)</b>	<b>1.227.246</b>	<b>368.114</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(IV-f)</b>	<b>3.521.789</b>	<b>1.191.731</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>5.718.173</b>	<b>1.890.713</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XIII.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XIV.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)</b>		<b>5.718.173</b>	<b>1.890.713</b>
<b>XV.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(IV-h)</b>	<b>1.201.403</b>	<b>397.047</b>
16.1	Current Tax Provision		923.152	178.016
16.2	Deferred Tax Provision		278.251	219.031
<b>XVII.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)</b>		<b>4.516.770</b>	<b>1.493.666</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
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		-	-
<b>XIX.</b>	<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-
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		-	-
<b>XX.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1	Current Tax Provision		-	-
21.2	Deferred Tax Provision		-	-
<b>XXII.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>NET INCOME/(LOSS) (XVII+XXII)</b>	<b>(IV-i)</b>	<b>4.516.770</b>	<b>1.493.666</b>
23.1	Income/(Loss) from the Group		<b>4.516.759</b>	<b>1.493.659</b>
23.2	Income/(Loss) from Minority Interest	<b>(IV-g)</b>	11	7
	Earning/(Loss) per share (in TL full)		0,01129	0,00373

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

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

**AKBANK T.A.Ş.****IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

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

**CURRENT PERIOD  
(30/09/2018)**

<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>4.688.141</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(1.031.469)</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>5.742</b>
2.1.1 Property and Equipment Revaluation Increase/Decrease	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	7.362
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(1.620)
<b>2.2 Reclassified Through Profit or Loss</b>	<b>(1.037.211)</b>
2.2.1 Foreign Currency Translation Differences	1.680.654
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(3.866.362)
2.2.3 Cash Flow Hedge Income/Loss	1.165.857
2.2.4 Foreign Net Investment Hedge Income/Loss	(783.937)
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Losses	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	766.577
<b>XII. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>3.656.672</b>

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

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

**AKBANK T.A.Ş.**  
**IV. UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER**  
**SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2017**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

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

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

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

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



AKBANK T.A.Ş.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2018

(Amounts are expressed in thousands of Turkish Lira)

	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
						Accumulated Revaluation Increase/Decrease of Fixed Assets	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)						
<b>CURRENT PERIOD (30/09/2018)</b>																	
I.	<b>Prior Period End Balance</b>	4.000.000	1.700.000	-	1.405.892	2.348.962	(116.153)	3.895	1.287.933	(770.120)	(476.604)	24.456.460	752.895	6.020.273	40.613.433	139	40.613.572
II.	<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	501.659	-	-	-	-	110.969	-	-	-	-	612.628	-	612.628
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	501.659	-	-	-	-	110.969	-	-	-	-	612.628	-	612.628
III.	<b>Adjusted Beginning Balance (I+II)</b>	4.000.000	1.700.000	-	1.907.551	2.348.962	(116.153)	3.895	1.287.933	(659.151)	(476.604)	24.456.460	752.895	6.020.273	41.226.061	139	41.226.200
IV.	Total Comprehensive Income	-	-	-	-	-	5.742	-	1.680.654	(3.015.762)	297.898	-	4.688.142	3.656.674	[2]	3.656.672	
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes	-	-	-	-	(141.429)	-	-	-	-	-	84.664	(80.057)	-	(136.822)	-	(136.822)
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	4.420.273	-	(6.020.273)	(1.600.000)	-	(1.600.000)
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(1.600.000)	(1.600.000)	-	(1.600.000)
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	4.420.273	-	(4.420.273)	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance (I+II+III+...+XVI+XVII+XVIII)</b>		<b>4.000.000</b>	<b>1.700.000</b>	<b>-</b>	<b>1.907.551</b>	<b>2.207.533</b>	<b>(110.411)</b>	<b>3.895</b>	<b>2.968.587</b>	<b>(3.674.913)</b>	<b>(178.706)</b>	<b>28.961.397</b>	<b>672.838</b>	<b>4.688.142</b>	<b>43.145.913</b>	<b>137</b>	<b>43.146.050</b>

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

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
<b>PRIOR PERIOD</b>																			
<b>(30/09/2017)</b>																			
I.	Beginning Balance	4.000.000	1.405.892	1.700.000	-	1.386.657	-	19.199.849	832.517	4.854.168	545.745	(1.161.202)	47.106	3.895	(322.490)	-	32.492.137	130	32.492.267
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	4.000.000	1.405.892	1.700.000	-	1.386.657	-	19.199.849	832.517	4.854.168	545.745	(1.161.202)	47.106	3.895	(322.490)	-	32.492.137	130	32.492.267
<b>Changes in the period</b>																			
IV.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	561.759	-	-	-	-	561.759	-	561.759
VI.	Hedging transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	(126.288)	-	(126.288)	-	(126.288)
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.299)	-	(7.299)	-	(7.299)
6.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(118.989)	-	(118.989)	-	(118.989)
VII.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	2.302.028	-	-	-	2.302.028	-	2.302.028
VIII.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Translation Differences	-	-	-	-	-	-	-	290.856	-	-	-	-	-	-	-	290.856	-	290.856
XI.	Changes due to the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of changes in equity of investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	15	-	-	-	-	-	-	-	15	-	15
XIX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	4.516.759	-	-	-	-	-	-	4.516.759	11	4.516.770
XX.	Profit Distribution	-	-	-	-	82.584	-	3.524.549	139.885	(4.854.168)	207.150	-	-	-	-	-	(900.000)	-	(900.000)
20.1	Dividends paid	-	-	-	-	82.584	-	3.524.549	139.885	(900.000)	207.150	-	-	-	-	-	(900.000)	-	(900.000)
20.2	Transfers to Reserves	-	-	-	-	-	-	-	-	(3.954.168)	-	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance (III+IV+.....+XVIII+XIX+XX)</b>		<b>4.000.000</b>	<b>1.405.892</b>	<b>1.700.000</b>	<b>-</b>	<b>1.469.241</b>	<b>-</b>	<b>22.724.398</b>	<b>1.263.273</b>	<b>4.516.759</b>	<b>752.895</b>	<b>(599.443)</b>	<b>2.349.134</b>	<b>3.895</b>	<b>(448.778)</b>	<b>-</b>	<b>39.137.266</b>	<b>141</b>	<b>39.137.407</b>

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

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

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

## VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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

	Note (Section Five)	CURRENT PERIOD (30/09/2018)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
1.1	Operating Profit before changes in operating assets and liabilities	6.621.208
1.1.1	Interest received	20.576.493
1.1.2	Interest paid	(12.829.471)
1.1.3	Dividend received	3.382
1.1.4	Fees and commissions received	3.422.071
1.1.5	Other income	(453.068)
1.1.6	Collections from previously written-off loans and other receivables	1.226.766
1.1.7	Payments to personnel and service suppliers	(1.832.734)
1.1.8	Taxes paid	(886.204)
1.1.9	Other	(2.606.027)
1.2	Changes in operating assets and liabilities	23.260.447
1.2.1	Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss	(171.482)
1.2.2	Net (increase) / decrease in due from banks and other financial institutions	(1.293.002)
1.2.3	Net (increase) / decrease in loans	(25.664.756)
1.2.4	Net (increase) / decrease in other assets	(23.798.427)
1.2.5	Net increase / (decrease) in bank deposits	(5.640.663)
1.2.6	Net increase / (decrease) in other deposits	48.570.411
1.2.7	Net Increase/Decrease in Financial Liabilities at Fair Value Through Profit or Loss	-
1.2.8	Net increase / (decrease) in funds borrowed	19.593.230
1.2.9	Net increase / (decrease) in payables	-
1.2.10	Net increase / (decrease) in other liabilities	11.665.136
I.	Net cash provided from banking operations	29.881.655
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
II.	Net cash provided from investing activities	(2.411.179)
2.1	Cash paid for acquisition of investments, associates and subsidiaries	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries	1.214
2.3	Purchases of property and equipment	(731.117)
2.4	Disposals of property and equipment	45.712
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(11.775.319)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	6.965.927
2.7	Purchase of Financial Assets Measured at Amortised Cost	(124.364)
2.8	Sale of Financial Assets Measured at Amortised Cost	3.206.768
2.9	Other	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
III.	Net cash provided from financing activities	(504.570)
3.1	Cash obtained from funds borrowed and securities issued	21.780.895
3.2	Cash used for repayment of funds borrowed and securities issued	(20.685.465)
3.3	Issued equity instruments	-
3.4	Dividends paid	(1.600.000)
3.5	Payments for finance leases	-
3.6	Other	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	4.598.984
V.	Net increase in cash and cash equivalents (I+II+III+IV)	31.564.890
VI.	Cash and cash equivalents at beginning of the period	(V) 12.697.466
VII.	Cash and cash equivalents at end of the period	(V) 44.262.356

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

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

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

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

	<b>Note</b> <b>(Section Five)</b>	<b>PRIOR PERIOD</b> <b>(30/09/2017)</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1</b>	Operating Profit before changes in operating assets and liabilities	5.035.482
<b>1.1.1</b>	Interest received	16.435.574
<b>1.1.2</b>	Interest paid	(9.303.838)
<b>1.1.3</b>	Dividend received	2.640
<b>1.1.4</b>	Fees and commissions received	2.799.132
<b>1.1.5</b>	Other income	(322.667)
<b>1.1.6</b>	Collections from previously written-off loans and other receivables	708.422
<b>1.1.7</b>	Payments to personnel and service suppliers	(1.591.232)
<b>1.1.8</b>	Taxes paid	(1.515.571)
<b>1.1.9</b>	Other	(2.176.978)
<b>1.2</b>	Changes in operating assets and liabilities	(13.163.294)
<b>1.2.1</b>	Net decrease in trading securities	8.550
<b>1.2.2</b>	Net (increase) / decrease in fair value through profit/(loss) financial assets	-
<b>1.2.3</b>	Net (increase) / decrease in due from banks and other financial institutions	814.285
<b>1.2.4</b>	Net (increase) / decrease in loans	(16.452.445)
<b>1.2.5</b>	Net (increase) / decrease in other assets	(5.861.170)
<b>1.2.6</b>	Net increase / (decrease) in bank deposits	2.951.775
<b>1.2.7</b>	Net increase / (decrease) in other deposits	10.869.857
<b>1.2.8</b>	Net increase / (decrease) in funds borrowed	(1.470.158)
<b>1.2.9</b>	Net increase / (decrease) in payables	-
<b>1.2.10</b>	Net increase / (decrease) in other liabilities	(4.023.988)
<b>I.</b>	Net cash provided from banking operations	(8.127.812)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II.</b>	Net cash provided from investing activities	(2.607.716)
<b>2.1</b>	Cash paid for acquisition of investments, associates and subsidiaries	-
<b>2.2</b>	Cash obtained from disposal of investments, associates and subsidiaries	-
<b>2.3</b>	Purchases of property and equipment	(135.457)
<b>2.4</b>	Disposals of property and equipment	32.773
<b>2.5</b>	Cash paid for purchase of investments available-for-sale	(13.217.513)
<b>2.6</b>	Cash obtained from sale of investments available-for-sale	9.946.691
<b>2.7</b>	Cash paid for purchase of investment securities	(407)
<b>2.8</b>	Cash obtained from sale of investment securities	766.197
<b>2.9</b>	Other	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III.</b>	Net cash provided from financing activities	2.847.502
<b>3.1</b>	Cash obtained from funds borrowed and securities issued	6.442.598
<b>3.2</b>	Cash used for repayment of funds borrowed and securities issued	(2.695.096)
<b>3.3</b>	Issued equity instruments	-
<b>3.4</b>	Dividends paid	(900.000)
<b>3.5</b>	Payments for finance leases	-
<b>3.6</b>	Other	-
<b>IV.</b>	Effect of change in foreign exchange rate on cash and cash equivalents	410.418
<b>V.</b>	Net increase in cash and cash equivalents (I+II+III+IV)	(7.477.608)
<b>VI.</b>	Cash and cash equivalents at beginning of the period	(V) 12.827.451
<b>VII.</b>	Cash and cash equivalents at end of the period	(V) 5.349.843

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

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

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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**SECTION THREE  
EXPLANATIONS ON ACCOUNTING POLICIES**

**I. EXPLANATIONS ON BASIS OF PRESENTATION:**

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

The consolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Law numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, Turkish Accounting Standard 34 ("TAS 34") Interim Financial Reporting Standard and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA"). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements" and "Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks" and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

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

The preparation of consolidated financial statements in conformity with 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 Bank has started to work on compliance with the TFRS 16 Leases Standard effective from 1 January 2019 and continues its works in order to comply with related standard as of 30 September 2018.

**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 used in the preparation of the financial statements:**

Accounting policies and valuation principles used in the preparation of the consolidated financial statements are determined in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA"). In accordance with the transition requirements of TFRS 9, the prior period financial statements and notes are not restated. Accounting policies and valuation principles used for the year 2018 and 2017 periods are separately presented in the notes and the accounting policies for the period 2017 are included in Section three notes XXIX. Implementation and effects for the transition of TFRS9 are explained in Section three notes XXVIII. Accounting policies and valuation principles used by the Bank are explained in footnotes II through XXVIII below.

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

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

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

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

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

As of 30 September 2018, foreign currency denominated balances are translated into TL using the exchange rates of TL 5,9700 and TL 6,9271 for USD, EURO respectively.

**III. EXPLANATIONS ON EQUITY INVESTMENTS:**

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

Consolidation principles for subsidiaries:

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

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

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

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

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

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

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

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

Ak Portföy 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.

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

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

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

**IV. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:**

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

**V. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:**

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

**VI. EXPLANATIONS ON FINANCIAL ASSETS:**

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

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

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

"Financial assets at fair value through profit/loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement.

**b. Financial Assets at Fair Value Through Other Comprehensive Income**

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

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

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

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

**c. Financial Assets Measured at Amortized Cost:**

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

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

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

**d. Derivative Financial Assets:**

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

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

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

Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions. The principles for the recognition of derivative transactions intended for hedging purposes are disclosed in the footnote numbered VIII of Section Four. The fair value of derivative instruments is calculated by taking into account the market value of the derivatives or by using the discounted cash flow model.

**e. Loans**

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

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

**VII. EXPLANATIONS ON EXPECTED CREDIT LOSS:**

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

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

Within the scope of TFRS 9, models of Probability of default (PD), Lost given default (LGD) and Exposure at default (EAD) have been developed. The models used by the IRB "(Internal Rating Based Approach)" are taken into account when creating these models. The models developed under TFRS 9 have a detailed segment structure. Segmentation is performed by taking into consideration the following factors.

- Customer type (retail or corporate / commercial)
- Product type
- IRB rating notes /scores
- Customer credit performance
- Collateral type
- Collection Period
- Exposure at default

Forward-looking macroeconomic information is incorporated into risk parameters used in the TFRS 9 calculations. Macroeconomic information used under Internal Capital Adequacy Assessment Process (ICAAP) is taken into consideration while macroeconomic forecasting models are included.

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

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*Stage 1:*

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

*Stage 2:*

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

*Stage 3:*

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

**VIII. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS:**

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

**IX. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:**

Securities subject to repurchase agreements ("Repos") are classified as "Financial assets at fair value difference through profit or loss", "Financial assets at fair value difference through other comprehensive income" and "Measured at amortized cost" in the balance sheet according to the investment purposes and measured according to the portfolio of the Bank to which they belong. Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts and differences between the sale and repurchase prices determined by these repurchase agreements are accrued evenly over the life of the repurchase agreement using the "Effective interest (internal return) method".

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

The Group has no securities lending transactions.

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

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

The Group has no discontinued operations.

**XI. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:**

The Group has no goodwill.

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

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

**XII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:**

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

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

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

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

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

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

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

**XIII. EXPLANATIONS ON LEASING TRANSACTIONS:**

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

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

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

**XIV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:**

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

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

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

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**XV. EXPLANATIONS ON CONTINGENT ASSETS:**

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

**XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:**

**a. Employment termination benefits and vacation rights:**

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

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

**b. Retirement Rights:**

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

Temporary 23rd article paragraph ("the paragraph") 1 of the Banking Law No 5411 published in the Official Gazette no 25983 dated 1 November 2005 envisaged that Banks would transfer their pension funds to the Social Security Institution ("SSI") within three years following the publication date of the Banking Law, and regulated the principles of this transfer. The first paragraph of the 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

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with the decision of the Council of Ministers published on the Official Gazette no. 28987 dated 30 April 2014. The Council of Ministers has been lastly authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated 23 April 2015 and numbered 29335. According to paragraph (I) of Article 203 of Law no. 703 which published in the Official Gazette no. 30473 dated 9 July 2018, the phrase, placed in 20th provisional article of Social Insurance and General Health Insurance Law no.5510, "Council of Ministers" is authorized to determine the date of transfer to the Social Security Institution has been replaced with "president".

According to the New Law, following the transfer of the members of the fund to the SSI, the funds and institutions will continue to provide the non-transferrable social benefits and payments which are included in the articles of association of the fund.

With respect to that, according to the technical balance sheet report as at 31 December 2017 prepared considering the related articles of the New Law regarding the transferrable benefit obligations for the non-transferrable social benefits and payments which are included in the articles of association, the Fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank's financial statements.

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

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

**XVII. EXPLANATIONS ON TAXATION:**

**a. Current Tax:**

In Turkey, corporate tax rate is 20%. Corporate tax rate will be applied as 22% for a period of three years in 2018-2020, according to Law No: 7061 "The Law regarding amendments on Certain Tax Laws and their implications on Deferred Tax Calculations" published in the Official Gazette dated 5 December 2017. The corporate tax rate is applied to tax base which is calculated by adding certain non deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and exclusion of deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

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

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

A 75% portion of the capital gains derived from the sale of equity investments and a 50% portion of the capital gains derived from the sale of immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

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

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

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

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Information on taxation in foreign associates are given below:

**Akbank AG (Germany)**

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

**b. Deferred Tax:**

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. The Law regarding amendments on Certain Tax Laws was approved in The Grand National Assembly of Turkey on 28 November 2017 and the Law was published in the Official Gazette on 5 December 2017. Accordingly, the corporate income tax rate will be increased from 20% to 22% for the years 2018, 2019 and 2020. According to the Law that have been enacted, deferred tax asset and liabilities shall be measured at the tax rate 22% that are expected to apply to these periods when the assets is realised or the liability is settled. For the periods 2021 and after deferred tax assets and liabilities were measured by 20% tax rate.

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

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

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

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

**XVIII. EXPLANATIONS ON BORROWINGS:**

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

**XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:**

There is no share certificate issuance in 2018.

**XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:**

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

**XXI. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 30 September 2018 and 31 December 2017, there is no government grant for the Bank.

**XXII. EXPLANATIONS ON SEGMENT REPORTING:**

An operating segment is a component of an entity:

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

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- b. whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- c. for which discrete financial information is available.

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

**XXIII. PROFIT RESERVES AND PROFIT APPROPRIATION:**

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

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

The Ordinary General Assembly Meeting of the Bank was held on 26 March 2018. In the Ordinary General Assembly, it was decided to distribute a TL 1.600.000 cash dividend over the TL 6.039.069 net income from 2017 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 7.123 to special funds account under other capital reserves, to allocate TL 140.000 as legal and TL 4.291.946 as extraordinary reserves.

**XXIV. EARNINGS PER SHARE:**

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

	<b>Current Period</b>
	<b>30 September 2018</b>
Net Profit for the Year	4.688.142
Average Number of Issued Common Shares (Thousand)	400.000.000
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,01172</b>
	<b>Prior Period</b>
	<b>30 September 2017</b>
Net Profit for the Year	4.516.759
Average Number of Issued Common Shares (Thousand)	400.000.000
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,01129</b>

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

No bonus shares issued in 2018 (2017: None).

**XXV. RELATED PARTIES:**

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

**XXVI. CASH AND CASH EQUIVALENT ASSETS:**

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

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**XXVII. RECLASSIFICATIONS:**

The prior period financial statements have been restated in order to be consistent with the presentation of financial statements dated 30 September 2018.

**XXVIII. DISCLOSURES OF TFRS 9 FINANCIAL INSTRUMENTS STANDART:**

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

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

***Classification and measurement of financial assets***

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

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

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

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

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

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

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

***Significant increase in credit risk:***

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

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



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- Number of over due date is 30 or more
- Restructuring of loans
- If the loan classified as under follow-up
- Assessment of significant increase in the probability of impairment based on rating notes.

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

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

**a. Classification and measurement of financial assets:**

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

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**b. Reconciliation of statement of financial position balances from TAS 39 to TFRS 9:**

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

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

**1. Financial assets classified as fair value through other comprehensive income according to TFRS 9:**

The Group has reassessed the management model for the collection of contractual cash flows in the security portfolio or for the sale of the financial assets and cash flows depending on the contract. The Bank has classified the securities portfolio amounting 4.927.185 TL, which were classified as measured at amortized cost, as fair value through other comprehensive income due to the reason that appropriate management model of those marketable securities have the purpose of collecting cash flows or selling financial assets.

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

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

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

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

**4. Reclassification of categorised items without a change in measurement:**

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

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

**c. Reconciliation of the opening balances of the provision for expected credit losses to TFRS 9:**

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

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

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

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

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

**d. Effects on equity with TFRS 9 transition:**

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

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

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

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

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

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

The 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 Bank management, taking into consideration the purpose of the investment.

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

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

**d. Held-to-maturity financial assets:**

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to held-to-maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available-for-sale; and those that meet the definition of loans and receivables. Held-to-maturity financial assets are initially recognized at acquisition cost including the

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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.

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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" and in accordance with the requirements of BRSA numbered 10513 dated 12 August 2018 and numbered 10578 dated 13 August 2018. Recent regulatory changes are as follows:

1) Regulation No: 10513, dated August 12, 2018: The valuation differences of the securities included in the "Financial Assets at Fair Value through Other Comprehensive Income" portfolio shall be calculated in accordance with the regulation and shall not be taken into consideration in the equity amount that in the capital adequacy ratio calculation as of 12 August 2018.

2) Regulation No: 10578, dated August 13, 2018: In the calculation of amount subject to credit risk, the foreign exchange bid rate to be used shall be determined as the higher of average CBRT's foreign exchange bid rate of 252 business days prior to the calculation date or foreign exchange bid rate used in the preparation of financial statements as of 30 June 2018.

As of 30 September 2018, the current period equity of the Bank has been calculated as TL 53.240.157 (31 December 2017: TL 44.617.102), the capital adequacy ratio is 17,20% (31 December 2017: 15,79%). This ratio is above the minimum ratio required by the legislation.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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**a. Information about total consolidated capital items:**

	Current Period 30 September 2018	Amounts related to treatment before 1/1/2014(*)
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.907.551	
Share issue premiums	1.700.000	
Reserves	28.961.397	
Gains recognized in equity as per TAS	5.176.120	
Profit	5.360.980	
Current Period Profit	4.688.142	
Prior Period Profit	672.838	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	3.895	
Minorities' Share	137	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>47.110.080</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	74	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.424.099	
Improvement costs for operating leasing	17.246	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	492.802	492.802
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	-	
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>1.934.221</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>45.175.859</b>	

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	Current Period 30 September 2018	Amounts related to treatment before 1/1/2014(*)
<b>ADDITIONAL TIER I CAPITAL</b>		
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)	-	
<b>Additional Tier I Capital before Deductions</b>	-	
<b>Deductions from Additional Tier I Capital</b>		
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	-	
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
<b>Total Deductions From Additional Tier I Capital</b>	-	
<b>Total Additional Tier I Capital</b>	-	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>45.175.859</b>	
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	5.373.000	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (Temporary Article 3)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.695.625	
<b>Tier II Capital Before Deductions</b>	<b>8.068.625</b>	
<b>Deductions From Tier II Capital</b>		
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 (-)	-	
<b>Total Deductions from Tier II Capital</b>	-	
<b>Total Tier II Capital</b>	<b>8.068.625</b>	
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>53.244.484</b>	
<b>Deductions from Total Capital</b>		
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 (-)	4.327	
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
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 2018	Amounts related to treatment before 1/1/2014 (*)
<b>TOTAL CAPITAL</b>		
Total Capital	53.240.157	
Total risk weighted amounts	309.447.767	
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio	14,60%	
Tier 1 Capital Adequacy Ratio	14,60%	
Capital Adequacy Ratio	17,20%	
<b>BUFFERS</b>		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	3,43%	
a) Bank specific total common equity tier 1 capital ratio	1,88%	
b) Capital conservation buffer requirement	0,05%	
c) Systemic significant bank buffer ratio (**)	1,50%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	6,64%	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
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	192.614	
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	6.425.206	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.695.625	
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	-	
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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

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

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	Prior Period 31 December 2017	Amounts related to treatment before 1/1/2014(*)
<b>ADDITIONAL TIER I CAPITAL</b>		
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)	-	
<b>Additional Tier I Capital before Deductions</b>	-	
<b>Deductions from Additional Tier I Capital</b>		
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	-	
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	84.759	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
<b>Total Deductions From Additional Tier I Capital</b>	-	
<b>Total Additional Tier I Capital</b>	-	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>40.066.782</b>	
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.870.000	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (Temporary Article 3)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.686.871	
<b>Tier II Capital Before Deductions</b>	<b>4.556.871</b>	
<b>Deductions From Tier II Capital</b>		
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 (-)	-	
<b>Total Deductions from Tier II Capital</b>	-	
<b>Total Tier II Capital</b>	<b>4.556.871</b>	
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>44.623.653</b>	
<b>Deductions from Total Capital</b>		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immoveables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	6.521	
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
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 2017	Amounts related to treatment before 1/1/2014 (*)
<b>TOTAL CAPITAL</b>		
Total Capital	44.617.132	
Total risk weighted amounts	282.611.034	
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio	14,21%	
Tier 1 Capital Adequacy Ratio	14,18%	
Capital Adequacy Ratio	15,79%	
<b>BUFFERS</b>		
Bank specific total common equity tier 1 capital ratio	2,28%	
Capital conservation buffer requirement	1,25%	
Bank specific counter-cyclical buffer requirement	0,03%	
Systemic significant bank buffer ratio	1,00%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	6,21%	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
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	-	
<b>Limits related to provisions considered in Tier II calculation</b>	395.911	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)		
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.686.871	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	2.686.871	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	-	
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 2018**

<b>Details on Subordinated Liabilities:</b>	
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.
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	2.985 million TL (in full TL amount)
Nominal value of instrument	2.985 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	15 March 2017
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 1 day (Maturity date: 16 March 2027)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 16.03.2022. The reimbursement amount is 2.985 million TL (in full TL amount)
Subsequent call dates, if applicable	-
<b>Coupon/dividend payment</b>	
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
<b>Convertible or non-convertible into equity shares</b>	
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
<b>Write-down feature</b>	
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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**Current Period  
30 September 2018**

<b>Details on Subordinated Liabilities:</b>	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1772360803 / US00972BAC37
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	2.388 million TL (in full TL amount)
Nominal value of instrument	2.388 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	27 February 2018
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 60 day (Maturity date: 27 April 2028)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 27.04.2023. The reimbursement amount is 2.388 million TL (in full TL amount)
Subsequent call dates, if applicable	-
<b>Coupon/dividend payment</b>	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
<b>Convertible or non-convertible into equity shares</b>	
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
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation ( instrument type immediately senior to the instrument )	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliance with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

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

**II. EXPLANATIONS ON CURRENCY RISK**

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

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

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

	<b>USD</b>	<b>EURO</b>
Balance Sheet Evaluation Rate	5,9700 TL	6,9271 TL
1.Day bid rate	5,9700 TL	6,9271 TL
2.Day bid rate	5,9700 TL	6,9271 TL
3.Day bid rate	6,0752 TL	7,1130 TL
4.Day bid rate	6,1242 TL	7,2007 TL
5.Day bid rate	6,1240 TL	7,2057 TL

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

USD :TL 6,3107  
EURO :TL 7,3611

As of 31 December 2017;

	<b>USD</b>	<b>EURO</b>
Balance Sheet Evaluation Rate	TL 3,7400	TL 4,4773

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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 and expected credit loss for loans classified under Stage I and Stage II 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.

<b>Current Period – 30 September 2018</b>	<b>EURO</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash Equivalents and Central Bank (**)	8.198.279	16.680.830	3.914.267	<b>28.793.376</b>
Banks	2.456.397	32.806.797	1.288.005	<b>36.551.199</b>
Financial Assets at Fair Value through Profit or Loss (Net)	-	177.503	-	<b>177.503</b>
Interbank Money Market Placements	-	5.787.707	-	<b>5.787.707</b>
Available-for-sale Financial Assets (Net)	6.316.433	16.483.763	778.017	<b>23.578.213</b>
Loans (****)	59.883.677	51.464.527	93.976	<b>111.442.180</b>
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	<b>-</b>
Held-to-maturity Investments (Net)	963.105	5.658.271	-	<b>6.621.376</b>
Hedging Derivative Financial Assets	150	563.734	-	<b>563.884</b>
Tangible Assets (Net)	1.043	7.005	-	<b>8.048</b>
Intangible Assets (Net)	6.081	26	-	<b>6.107</b>
Other Assets (****)	4.491.204	8.792.380	157.100	<b>13.440.684</b>
<b>Total Assets</b>	<b>82.316.369</b>	<b>138.422.543</b>	<b>6.231.365</b>	<b>226.970.277</b>
<b>Liabilities</b>				
Bank Deposits (**)	2.312.876	2.330.265	2.154.242	<b>6.797.383</b>
Foreign Currency Deposits (**)	53.059.655	90.970.994	5.267.807	<b>149.298.456</b>
Funds from Interbank Money Market	1.182.289	13.972.652	-	<b>15.154.941</b>
Borrowings	9.920.403	39.873.498	3.718	<b>49.797.619</b>
Marketable Securities Issued (Net) (***)	69.370	14.487.038	150.991	<b>14.707.399</b>
Miscellaneous Payables	1.509.643	1.710.943	7.969	<b>3.228.555</b>
Hedging Derivative Financial Liabilities	-	17.182	-	<b>17.182</b>
Other Liabilities	1.415.073	2.265.999	82.493	<b>3.763.565</b>
<b>Total Liabilities</b>	<b>69.469.309</b>	<b>165.628.571</b>	<b>7.667.220</b>	<b>242.765.100</b>
<b>Net on Balance Sheet Position</b>	<b>12.847.060</b>	<b>(27.206.028)</b>	<b>(1.435.855)</b>	<b>(15.794.823)</b>
<b>Net off-Balance Sheet Position (*)</b>	<b>(9.756.104)</b>	<b>26.300.365</b>	<b>1.321.877</b>	<b>17.866.138</b>
Financial Derivative Assets	41.110.110	111.749.494	4.213.144	<b>157.072.748</b>
Financial Derivative Liabilities	50.866.214	85.449.129	2.891.267	<b>139.206.610</b>
<b>Non-cash Loans</b>	<b>18.067.154</b>	<b>22.476.893</b>	<b>588.613</b>	<b>41.132.660</b>
<b>Prior Period - 31 December 2017</b>				
Total Assets	59.054.320	92.899.652	6.157.739	<b>158.111.711</b>
Total Liabilities	58.556.164	117.832.888	4.483.551	<b>180.872.603</b>
<b>Net on-Balance Sheet Position</b>	<b>498.156</b>	<b>(24.933.236)</b>	<b>1.674.188</b>	<b>(22.760.892)</b>
<b>Net off-Balance Sheet Position (*)</b>	<b>124.378</b>	<b>25.986.201</b>	<b>(1.691.694)</b>	<b>24.418.885</b>
Financial Derivative Assets	34.312.853	71.877.089	3.153.372	<b>109.343.314</b>
Financial Derivative Liabilities	34.188.475	45.890.888	4.845.066	<b>84.924.429</b>
<b>Non-cash Loans</b>	<b>11.770.459</b>	<b>18.137.662</b>	<b>407.820</b>	<b>30.315.941</b>

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

(\*\*) Of the Cash Equivalents and Central Bank and Other FC, TL 3.654.348 (31 December 2017: TL 5.220.523) of the foreign currency deposits TL 2.439.317 (31 December 2017: TL 1.451.430) and Bank Deposits Other FC of the TL 1.900 (31 December 2017: TL 1.426) are precious metal deposit account in demand.

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

(\*\*\*\*) Trading derivative financial assets are classified under other assets and prepaid assets amounted TL 81.945 (31 December 2017: TL 67.506) is excluded in the financial statements.

(\*\*\*\*\*) The foreign currency indexed loans balance in the Turkish Lira accounts is TL 4.760.392 (31 December 2017: TL 4.511.626)



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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):**

<b>Current Period – 30 September 2018</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash Equivalents and Central Bank	17.943.575	-	-	-	-	15.987.603	<b>33.931.178</b>
Banks	23.256.469	81.521	-	-	-	13.612.952	<b>36.950.942</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	6.372	2.196	9.797	-	-	196.441	<b>214.806</b>
Interbank Money Market Placements	5.308.126	2.348.135	-	-	-	-	<b>7.656.261</b>
Financial Assets at Fair Value Other Comprehensive Income (Net)	5.496.725	5.189.884	11.236.124	17.165.251	6.878.333	287.390	<b>46.253.707</b>
Loans (***)	67.899.229	34.222.901	60.031.994	68.993.504	9.765.096	(2.286.551)	<b>238.626.173</b>
Financial Asset measured at amortized cost (Net)	795.733	884.065	5.501.354	2.505.904	1.251.631	-	<b>10.938.687</b>
Other Assets (****)	3.389.274	6.421.963	9.343.795	17.275.474	8.423.180	6.642.944	<b>51.496.630</b>
<b>Total Assets</b>	<b>124.095.503</b>	<b>49.150.665</b>	<b>86.123.064</b>	<b>105.940.133</b>	<b>26.318.240</b>	<b>34.440.779</b>	<b>426.068.384</b>
<b>Liabilities</b>							
Bank Deposits	6.007.420	723.465	137.898	-	-	1.421.720	<b>8.290.503</b>
Other Deposits	146.268.236	22.597.216	19.777.016	6.198.665	741.453	41.107.295	<b>236.689.881</b>
Funds from Interbank Money Market	18.170.397	6.654.868	6.159.707	510.804	-	-	<b>31.495.776</b>
Miscellaneous Payables	1.054.199	1.109.617	1.125.071	218.947	73	5.021.740	<b>8.529.647</b>
Marketable Securities Issued (Net) (*)	1.235.876	1.234.811	441.628	7.045.824	8.836.614	-	<b>18.794.753</b>
Borrowings	6.416.465	30.713.485	11.485.022	1.671.877	274.273	-	<b>50.561.122</b>
Other Liabilities (**)	2.283.134	4.128.089	6.002.043	10.528.751	2.837.697	45.926.988	<b>71.706.702</b>
<b>Total Liabilities</b>	<b>181.435.727</b>	<b>67.161.551</b>	<b>45.128.385</b>	<b>26.174.868</b>	<b>12.690.110</b>	<b>93.477.743</b>	<b>426.068.384</b>
Balance Sheet Long Position	-	-	40.994.679	79.765.265	13.628.130	-	<b>134.388.074</b>
Balance Sheet Short Position	(57.340.224)	(18.010.886)	-	-	-	(59.036.964)	<b>(134.388.074)</b>
Off-balance Sheet Long Position	9.334.329	25.683.914	6.623.907	-	-	-	<b>41.642.150</b>
Off-balance Sheet Short Position	-	-	-	[18.914.821]	[9.287.913]	-	<b>(28.202.734)</b>
<b>Total Position</b>	<b>(48.005.895)</b>	<b>7.673.028</b>	<b>47.618.586</b>	<b>60.850.444</b>	<b>4.340.217</b>	<b>(59.036.964)</b>	<b>13.439.416</b>

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

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

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

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

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

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

(\*) 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 2018	EURO	USD	Yen	TL
<b>Assets</b>				
Cash Equivalents and Central Bank	-	1,50	-	13,00
Banks	0,31	2,25	-	27,93
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	24,01
Interbank Money Market Placements	-	2,10	-	27,27
Available-for-sale Financial Assets (Net)	2,45	4,51	3,09	15,93
Loans	4,25	6,89	10,24	18,88
Held-to-maturity Investments (Net)	3,57	4,35	-	20,37
<b>Liabilities</b>				
Bank Deposits (**)	0,74	3,48	-	20,54
Other Deposits (**)	1,45	4,69	0,01	17,18
Funds from Interbank Money Market	0,27	3,17	-	23,99
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net) (*)	4,00	5,63	1,29	17,01
Borrowings	1,24	4,13	-	12,65

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

(\*\*) Demand deposit balances are included in average interest rate calculation.

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

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

(\*\*) Demand deposit balances are included in average interest rate calculation.

**IV. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES:**

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

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

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

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

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

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

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

The different categories of defined limits are;

- Limits related to wholesale funding sources,
- Limits related to liquid asset buffer,
- Limits related to 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
<b>Current Period – 30 September 2018</b>					
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>					
1	High quality liquid assets			63.960.880	43.841.408
<b>CASH OUTFLOWS</b>					
2	Retail and Customers Deposits	134.728.946	69.680.240	12.346.773	6.968.024
3	Stable deposits	22.522.433	-	1.126.122	-
4	Less stable deposits	112.206.513	69.680.240	11.220.651	6.968.024
5	Unsecured Funding other than Retail and Small Business Customers Deposits	89.307.901	62.348.832	46.523.339	31.377.488
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	83.248.436	61.775.414	41.737.843	30.805.496
8	Other Unsecured Funding	6.059.465	573.418	4.785.496	571.992
9	Secured funding	-	-	75.511	75.511
10	Other Cash Outflows	73.861.458	51.213.492	64.239.750	42.279.952
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	63.156.556	41.289.715	63.156.556	41.289.715
12	Debts related to the structured financial products Commitment related to debts to financial markets and other off balance sheet liabilities	19.742	-	19.742	-
13	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	10.685.160	9.923.777	1.063.452	990.237
14	Other irrevocable or conditionally revocable commitments	783.673	-	39.184	-
15		67.854.380	22.671.233	3.392.719	1.133.562
<b>16</b>				<b>126.617.276</b>	<b>81.834.537</b>
<b>CASH INFLOWS</b>					
17	Secured Lending Transactions	1.437.235	1.437.235	-	-
18	Unsecured Lending Transactions	36.377.940	24.343.349	29.109.725	22.290.147
19	Other contractual cash inflows	56.849.520	44.115.131	56.847.973	44.115.120
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>94.664.695</b>	<b>69.895.715</b>	<b>85.957.698</b>	<b>66.405.267</b>
				<b>Upper limit applied amounts</b>	
<b>21</b>	<b>TOTAL HQLA STOCK</b>			<b>63.960.880</b>	<b>43.841.408</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>40.659.578</b>	<b>20.458.634</b>
<b>23</b>	<b>Liquidity Coverage Ratio (%)</b>			<b>157,29</b>	<b>216,33</b>

(\*) 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 December 2017	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	
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>					
1	High quality liquid assets		57.356.860	35.189.011	
<b>CASH OUTFLOWS</b>					
2	Retail and Customers Deposits	116.724.897	51.004.677	10.590.423	5.100.468
3	Stable deposits	21.641.340	-	1.082.067	-
4	Less stable deposits	95.083.557	51.004.677	9.508.356	5.100.468
5	Unsecured Funding other than Retail and Small Business Customers Deposits	68.389.435	39.408.225	35.901.299	20.625.619
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	64.160.093	39.014.358	32.976.990	20.231.814
8	Other Unsecured Funding	4.229.342	393.867	2.924.309	393.805
9	Secured funding			54.653	54.653
10	Other Cash Outflows	63.378.622	37.476.116	55.384.349	29.841.706
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	54.500.292	28.995.136	54.500.292	28.995.136
12	Debts related to the structured financial products Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
13		8.878.330	8.480.980	884.057	846.570
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	687.407	-	34.370	-
15	Other irrevocable or conditionally revocable commitments	59.049.427	16.451.353	2.952.471	822.568
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>104.917.565</b>	<b>56.445.014</b>
<b>CASH INFLOWS</b>					
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	16.928.994	6.286.740	10.858.602	5.049.374
19	Other contractual cash inflows	51.421.592	39.563.176	51.420.709	39.563.159
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>68.350.586</b>	<b>45.849.916</b>	<b>62.279.311</b>	<b>44.612.533</b>
			<b>Upper limit applied amounts</b>		
<b>21</b>	<b>TOTAL HQLA STOCK</b>			<b>57.356.860</b>	<b>35.189.011</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>42.638.254</b>	<b>14.201.746</b>
<b>23</b>	<b>Liquidity Coverage Ratio (%)</b>			<b>134,98</b>	<b>248,95</b>

(\*) 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 154% 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 54% and securities issued by Treasury of Republic of Turkey by 35%. Funding sources are mainly distributed between individual and retail deposits by 59%, corporate deposits by 30%, borrowings from banks by 5% and collateralized borrowings such as repurchase agreements by 2%.

Cash outflow amounting to TL 7,092 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.

	<b>Current Period - 30.09.2018</b>	
	<b>TL+FC</b>	<b>FC</b>
July	160,40	237,91
August	157,08	219,67
September	154,40	191,40

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

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**Breakdown of assets and liabilities according to their outstanding maturities:**

Current Period – 30 September 2018	Demand	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Unallocated (*)	Total
<b>Assets</b>								
Cash Equivalents and Central Bank	23.725.965	10.071.937	133.276	-	-	-	-	<b>33.931.178</b>
Banks	13.612.952	23.256.469	81.521	-	-	-	-	<b>36.950.942</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	196.441	5.318	1.234	9.618	2.195	-	-	<b>214.806</b>
Interbank Money Market Placements	-	5.308.126	2.348.135	-	-	-	-	<b>7.656.261</b>
Available-for-sale Financial Assets (Net)	287.390	1.180.629	313.455	4.529.400	29.300.822	10.642.011	-	<b>46.253.707</b>
Loans [****]	478.093	42.779.274	29.567.375	44.943.107	93.722.433	29.900.534	(2.764.643)	<b>238.626.173</b>
Held-to-maturity Investments (Net)	-	305.036	127.613	2.558.805	6.695.602	1.251.631	-	<b>10.938.687</b>
Other Assets (*)	900.640	2.979.616	3.356.071	7.907.069	20.445.489	10.530.839	5.376.906	<b>51.496.630</b>
<b>Total Assets</b>	<b>39.201.481</b>	<b>85.886.405</b>	<b>35.928.680</b>	<b>59.947.999</b>	<b>150.166.541</b>	<b>52.325.015</b>	<b>2.612.263</b>	<b>426.068.384</b>
<b>Liabilities</b>								
Bank Deposits	1.421.720	6.007.420	723.465	137.898	-	-	-	<b>8.290.503</b>
Other Deposits	44.390.183	143.000.376	22.590.764	19.729.964	6.237.141	741.453	-	<b>236.689.881</b>
Borrowings	14.465	1.620.730	3.944.317	19.680.244	17.683.677	7.617.689	-	<b>50.561.122</b>
Funds from Interbank Money Market	-	17.885.102	589.847	3.771.882	7.144.002	2.104.943	-	<b>31.495.776</b>
Marketable Securities Issued (Net) [**]	-	1.235.877	1.234.811	441.628	7.045.824	8.836.613	-	<b>18.794.753</b>
Miscellaneous Payables	504.573	5.131.432	314.462	928.752	1.122.211	528.217	-	<b>8.529.647</b>
Other Liabilities [***]	66.537	4.590.301	2.848.863	8.054.947	9.167.687	3.835.730	43.142.637	<b>71.706.702</b>
<b>Total Liabilities</b>	<b>46.397.478</b>	<b>179.471.238</b>	<b>32.246.529</b>	<b>52.745.315</b>	<b>48.400.542</b>	<b>23.664.645</b>	<b>43.142.637</b>	<b>426.068.384</b>
<b>Net Liquidity Excess/ (Gap)</b>	<b>(7.195.997)</b>	<b>(93.584.833)</b>	<b>3.682.151</b>	<b>7.202.684</b>	<b>101.765.999</b>	<b>28.660.370</b>	<b>(40.530.374)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>								
Financial Derivative Assets	-	(729.346)	(289.707)	(753.923)	9.756.660	5.455.732	-	<b>13.439.416</b>
Financial Derivative Liabilities	-	47.137.223	29.478.806	79.082.361	154.533.878	73.473.743	-	<b>383.706.011</b>
<b>Non-cash Loans [****]</b>	<b>-</b>	<b>3.389.838</b>	<b>7.297.281</b>	<b>21.900.944</b>	<b>5.904.888</b>	<b>25.851.176</b>	<b>-</b>	<b>64.344.127</b>
<b>Prior Period – 31 December 2017</b>								
Total Assets	21.089.212	56.004.929	30.183.597	51.539.944	135.644.063	42.232.985	4.915.227	<b>341.609.957</b>
Total Liabilities	37.520.284	134.218.733	39.061.245	33.928.712	43.408.774	12.858.637	40.613.572	<b>341.609.957</b>
<b>Net Liquidity Excess/ (Gap)</b>	<b>(16.431.072)</b>	<b>(78.213.804)</b>	<b>(8.877.648)</b>	<b>17.611.232</b>	<b>92.235.289</b>	<b>29.374.348</b>	<b>(35.698.345)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>								
Financial Derivative Assets	-	(401.391)	(373.017)	19.810	2.525.235	952.436	-	<b>2.723.073</b>
Financial Derivative Liabilities	-	42.558.873	22.594.319	41.040.668	101.394.645	39.240.417	-	<b>246.828.922</b>
<b>Non-cash Loans [***]</b>	<b>-</b>	<b>3.439.487</b>	<b>5.149.695</b>	<b>17.863.873</b>	<b>5.714.862</b>	<b>19.795.878</b>	<b>-</b>	<b>51.963.795</b>

[\*] 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.

[\*\*\*\*\*]The non-performing loans and netted amounts of the third stage expected loss provisions for these loans are stated in the "Unallocatable" column with the first and second stage expected loss provisions for performing loans.



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**VI. EXPLANATIONS ON LEVERAGE RATIO:**

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

As of 30 September 2018, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is 7,45% (31 December 2017: 8,54%). This ratio is above the minimum ratio which is 3%. The leverage ratio is almost on the same level in the current and prior period.

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

		<b>Current Period 30 September 2018 (**)</b>
1	Total assets in the consolidated financial statements prepared in accordance with TAS (*)	426.973.711
2	Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communiqué on Preparation of Consolidated Financial Statements of the Banks	4.472.221
3	Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	4.818.309
4	Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(28.986.655)
5	Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(1.953.935)
6	Other differences in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	144.636.264
7	<b>Total Risk</b>	<b>549.959.915</b>

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

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

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

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

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

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**c. Disclosure of Leverage ratio template :**

		<b>Current Period 30 September 2018 (*)</b>
<b>Balance sheet Assets</b>		
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	395.884.988
2	[Assets deducted from Core capital]	-
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	395.884.988
<b>Derivative financial assets and credit derivatives</b>		
4	Cost of replenishment for derivative financial assets and credit derivatives	22.888.400
5	Potential credit risk amount of derivative financial assets and credit derivatives	4.818.309
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	27.706.709
<b>Financing transactions secured by marketable security or commodity</b>		
7	Risk amount of financing transactions secured by marketable security or commodity	4.042.555
8	Risk amount arising from intermediary transactions	-
9	Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	4.042.555
<b>Off-balance sheet transactions</b>		
10	Gross notional amount of off-balance sheet transactions	124.279.598
11	[Correction amount due to multiplication with credit conversion rates]	(1.953.935)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	122.325.663
<b>Capital and total risk</b>		
13	Core Capital	40.946.157
14	Total risk amount (sum of lines 3, 6, 9 and 12)	549.959.915
<b>Leverage ratio</b>		
15	Leverage ratio	7,45

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

(\*) Three months average values.

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**VII. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:**

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

**a. Overview of RWA:**

	<b>Risk Weighted Amount</b>		<b>Minimum capital requirement</b>	
	<b>Current Period</b>		<b>Current Period</b>	
	<b>30 September 2018</b>		<b>30 September 2018</b>	
1	Credit risk (excluding counterparty credit risk) (CCR)	244.982.451	19.598.596	
2	Standardized approach (SA)	244.982.451	19.598.596	
3	Internal rating-based (IRB) approach	-	-	
4	Counterparty credit risk	31.218.165	2.497.453	
5	Standardized approach for counterparty credit risk (SA-CCR)	31.218.165	2.497.453	
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	273.770	21.902	
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	
11	Settlement risk	-	-	
12	Securitization positions in banking accounts	-	-	
13	IRB ratings-based approach (RBA)	-	-	
14	IRB Supervisory Formula Approach (SFA)	-	-	
15	SA/simplified supervisory formula approach (SSFA)	-	-	
16	Market risk	10.307.662	824.613	
17	Standardized approach (SA)	10.307.662	824.613	
18	Internal model approaches (IMM)	-	-	
19	Operational Risk	22.665.719	1.813.257	
20	Basic Indicator Approach	22.665.719	1.813.257	
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	-	-	
<b>25</b>	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>309.447.767</b>	<b>24.755.821</b>	

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

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

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

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

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

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

The replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the entity's documented hedging strategy.

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

	<b>Current Period</b>		
	<b>30 September 2018</b>		
	<b>Notional</b>		
	<b>Amount</b>	<b>Assets</b>	<b>Liabilities</b>
Interest Rate and Cross Currency Swaps			
-TL	11.626.204	6.566.468	1.260.755
-FC	49.884.069	563.884	17.182
<b>Total</b>	<b>61.510.273</b>	<b>7.130.352</b>	<b>1.277.937</b>

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

**1. Explanations on Accounting Net Investment Hedge:**

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

**2. Explanations on Fair Value Hedge:**

**Current Period – 30 September 2018**

<b>Hedging Instrument</b>	<b>Hedged Item</b>	<b>Risk Exposure</b>	<b>Fair Value Difference of Hedging Instrument</b>	<b>Fair Value Difference of Hedged Items (*)</b>	<b>Ineffective Portion (**)</b>
Interest Rate Swap	Fixed interest rate FC available-for-sale financial assets	Interest rate risk	36.499	(45.706)	(9.207)
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	145	(147)	(2)
Cross-currency swap	Fixed interest rate FC Issued Eurobond, FC Lease Receivables	Interest rate and currency risk	25.749	(26.263)	(514)
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, FC borrowings	Interest rate and currency risk	3.668.170	(3.632.126)	36.044

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

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

**Prior Period - 31 December 2017**

<b>Hedging Instrument</b>	<b>Hedged Item</b>	<b>Risk Exposure</b>	<b>Fair Value Difference of Hedging Instrument</b>	<b>Fair Value Difference of Hedged Items (*)</b>	<b>Ineffective Portion (**)</b>
Interest Rate Swap	Fixed interest rate FC available-for-sale financial assets	Interest rate risk	(70.981)	63.778	(7.203)
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	273	(281)	(8)
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, FC borrowings	Interest rate and currency risk	1.115.949	(1.104.587)	11.362
Cross-currency swap	Fixed interest rate FC Issued Eurobond, FC Lease Receivables	Interest rate and currency risk	661	(663)	(2)

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

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

As of 30 September 2018 fair value hedge transactions have been proven to be effective.

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

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- As of 30 September 2018, related to fair value hedge transactions, the remaining net amount after amortization of the fair value change of the hedged items since the beginning of hedge accounting is TL 22.474 (31 December 2017: TL 15.256).

**3. Explanations on Cash Flow Hedge:**

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in OCI during the period	Net gain/(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
Interest Rate Swap	Floating-rate long Term FC funds borrowed	Cash Flow risk due to changes in interest rate of funds	453.267	-	391.567	29.252	322
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	3.024.700	-	866.303	(222.770)	(58.720)
Cross Currency Swap	Floating-rate FC given loans	Cash Flow risk due to changes in interest rate of funds	-	1.238.216	(101.556)	172.341	49.814
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	-	22.539	(18.553)	533	(4.307)

As of 30 September 2018 cash flow hedge transactions have been determined as effective.

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

- As of 30 September 2018, related to cash flow hedge transactions, the remaining before tax amount in equity after amortization of the fair value change of the hedging instruments, since the beginning of hedge accounting is TL (5.957) (31 December 2017: TL (20.091)).

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

**IX. EXPLANATIONS ON BUSINESS SEGMENTS:**

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

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

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

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities. In the scope of private banking, The Bank serves the members of the high-income customers who have expectations for upper-class service quality both in banking and investment transactions. Within the scope of international banking activities, activities are also being carried out in order to provide long-term funding, to provide funding under a price reflecting the country's risk, to diversify funding resources and to form an international investor base on this area.

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

Information on business segments as of 30 September 2018 and 31 December 2017 presented in the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.



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 2018**

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

	Consumer Banking	Commercial Banking, SME Banking, Corporate-Investment, Private Banking and Wealth Management	Treasury	Other and Unallocated	Bank's Total Activities
<b>Current Period – 30 September 2018</b>					
Operating Income	4.366.413	6.372.937	162.692	4.222.292	15.124.334
Profit from Operating Activities	1.987.174	4.365.228	(38.798)	(342.089)	5.971.515
Income from Subsidiaries	-	-	-	6.195	6.195
Profit before Tax	1.987.174	4.365.228	(38.798)	(335.894)	5.977.710
Tax Expense	-	-	-	(1.289.569)	(1.289.569)
Minority Shares	-	-	-	(1)	(1)
Net Profit for the Period	1.987.174	4.365.228	(38.798)	(1.625.463)	4.688.141
Segment Assets	52.886.274	198.909.631	148.709.367	8.693.348	409.198.620
Investments in Associates.	-	-	-	-	5.521
Undistributed Assets	-	-	-	-	16.864.243
Total Assets					426.068.384
Segment Liabilities	123.294.734	115.505.709	126.722.289	8.967.256	374.489.988
Undistributed Liabilities	-	-	-	-	8.432.346
Shareholders' Equity	-	-	-	-	43.146.050
Total Liabilities					426.068.384
Other Segment Items					
Capital Investment	-	-	-	568.739	568.739
Amortization	(40.567)	(458)	2.417	(220.607)	(259.215)
Non-cash Other Income-Expense	(306.310)	(4.047.607)	(56.461)	(565.373)	(4.975.751)

	Consumer Banking	Commercial Banking, SME Banking, Corporate-Investment and Private Banking	Treasury	Other and Unallocated	Bank's Total Activities
<b>Prior Period – 31 December 2017 (*)</b>					
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	53.929.605	176.148.618	91.331.453	7.385.344	328.795.020
Investments in Associates.	-	-	-	3.923	3.923
Undistributed Assets	-	-	-	12.811.014	12.811.014
Total Assets					341.609.957
Segment Liabilities	98.126.490	97.357.169	89.058.408	6.558.817	291.100.884
Undistributed Liabilities	-	-	-	9.895.501	9.895.501
Shareholders' Equity	-	-	-	40.613.572	40.613.572
Total Liabilities					341.609.957
Other Segment Items					
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)

(\*) 30 September 2017 amounts are used for income statement accounts.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

The prior period financial statements are not restated according to transition requirements of TFRS 9. Prior year disclosures prepared under different bases are presented separately.

**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS**

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

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

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Cash/Foreign Currency	1.715.027	3.165.604
The CBRT (*)	3.422.774	25.346.398
Other (**)	1	281.374
<b>Total</b>	<b>5.137.802</b>	<b>28.793.376</b>

(\*) Precious metal account amounting to TL 3.595.317 are included in FC.

(\*\*) Precious metal account amounting to TL 59.032 are included in FC.

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

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

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

2. Information related to the account of the CBRT:

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Unrestricted Demand Deposits	4.463	-
Unrestricted Time Deposits	-	-
Restricted Time Deposits	-	-
Reserve Requirement	3.418.311	25.346.398
<b>Total</b>	<b>3.422.774</b>	<b>25.346.398</b>

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

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3. Explanation on reserve requirements:

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

The required reserve rates for TL liabilities vary between 1,5% and 8% for TL deposits and other liabilities according to their maturities as of 30 September 2018 (31 December 2017: 4% and 10,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 4% and 20% for deposit and other foreign currency liabilities according to their maturities as of 30 September 2018 (31 December 2017: 4% and 24% for all foreign currency liabilities).

**b. Financial Assets at Fair Value Through Profit or Loss**

As of 30 September 2018, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 9.371 (31 December 2017: TL 9.731); and there are no financial assets subject to repo transactions (31 December 2017: TL 200).

**c. Trading derivative financial assets:**

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

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Forward Transactions	2.584.006	-
Swap Transactions	20.964.812	5.712.971
Futures Transactions	-	-
Options	158.085	2.058.520
Other	-	-
<b>Total</b>	<b>23.706.903</b>	<b>7.771.491</b>

(\*)Excluding hedging derivatives financial assets

(ii) Table of positive differences related to trading derivative financial assets

	<b>Prior Period</b>	
	<b>31 December 2017</b>	
	<b>TL</b>	<b>FC</b>
Forward Transactions	421.168	-
Swap Transactions	4.941.019	2.751.338
Futures Transactions	-	-
Options	31.866	170.658
Other	-	-
<b>Total</b>	<b>5.394.053</b>	<b>2.921.996</b>

**d. Information on banks account and foreign banks:**

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Banks		
Domestic	399.743	1.299.817
Foreign	-	35.251.382
Head Quarters and Branches Abroad	-	-
<b>Total</b>	<b>399.743</b>	<b>36.551.199</b>

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

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

1. As of 30 September 2018, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 23.486.552 (31 December 2017: TL 20.055.533); and those given as collateral/blocked amounting to TL 10.098.963 (31 December 2017: TL 3.470.880).

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

	<b>Current Period</b>	
	<b>30 September 2018</b>	
Debt Securities	50.258.475	
Quoted at Stock Exchange (*)	50.258.402	
Unquoted at Stock Exchange	73	
Share Certificates	13.620	
Quoted at Stock Exchange	-	
Unquoted at Stock Exchange	13.620	
Impairment Provision (-)	4.018.388	
<b>Total</b>	<b>46.253.707</b>	

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

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

(\*) Investment funds are included

**f. Information related to loans:**

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

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>Cash</b>	<b>Non-cash</b>
Direct Loans Granted to Shareholders	-	260
Corporate Shareholders	-	260
Real Person Shareholders	-	-
Indirect Loans Granted to Shareholders	5.443.054	1.184.212
Loans Granted to Employees	114.574	-
<b>Total</b>	<b>5.557.628</b>	<b>1.184.472</b>

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

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

<b>Current Period - 30 September 2018</b>	<b>Loans and other receivables under follow up</b>			
	<b>Restructured Loans and Receivables</b>			
	<b>Standard Loans and Other Receivables</b>	<b>Loans and Receivables Not Subject to restructuring</b>	<b>Loans and Receivables with Revised Contract Terms</b>	<b>Refinance</b>
Non-specialized Loans				
Loans given to enterprises	33.372.149	2.064.641	19.182	1.696.942
Export Loans	12.995.708	500.474	2.732	67.887
Import Loans	2.687.239	-	-	-
Loans Given to Financial Sector	12.484.913	112	-	-
Consumer Loans	28.376.090	1.764.686	868.124	70.196
Credit Cards	13.744.283	745.972	-	636.922
Other	105.085.027	18.334.603	157.654	5.715.279
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>208.745.409</b>	<b>23.410.488</b>	<b>1.047.692</b>	<b>8.187.226</b>

The Bank has a cash loan exposure to Ojer Telekomunikasyon A.Ş. (OTAŞ) with a principal balance of USD 1.783 million included accrued interest related with the acquisition finance of Türk Telekomunikasyon A.Ş. (Türk Telekom) within a syndicate formed by various domestic and foreign banks, where the financing structure includes acquired company's shares pledged as collateral. The respective loan is classified as loans under follow up as of 30 September 2018. All creditors including our Bank have reached an agreement on restructuring the related loan. As per the agreed structure, it is contemplated that OTAŞ's 1.925.000.000 Class A shares in Türk Telekom, representing 55% of Türk Telekom's issued share capital, which have been pledged as security for the existing facilities would be taken over by a special purpose vehicle incorporated or to be incorporated directly or indirectly by the creditors in the Republic of Turkey. The transaction expected to be completed following agreements with respect to the facilities to be restructured at the new company level being agreed, all requisite corporate, governmental and any other approvals and consents being obtained and all requisite conditions under the agreements being met. Currently the necessary permissions and approvals from the authorized bodies and the agreements related to the loan have been completed to a large extent.

**Current Period - 30 September 2018**

<b>Expected Credit Loss Stage I and Stage II</b>	<b>Loans and other receivables under follow up</b>	
	<b>Standard Loans</b>	<b>Loans and other receivables under follow up</b>
12 Month Expected Credit Losses	858.150	-
Significant Increase in Credit Risk	-	5.206.936
<b>Total</b>	<b>858.150</b>	<b>5.206.936</b>

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The main reasons for the increase between calculated provision amounts on 1 January 2018 and 30 September 2018, are as follows:

- For Stage 1 and Stage 2 loans, increase of commercial loans due to currency fluctuation, and increase of probability of default for the commercial loans product.
- For Stage 3, it is the increase of default amount (Section 5. Part 1 f – Note 8.(ii)).

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

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

**Current Period - 30 September 2018**

<b>Number of Extension</b>	<b>Standard loans and other receivables</b>	<b>Loans and other receivables under follow up</b>
Extended by 1 or 2 times	5.801.767	9.412.921
Extended by 3,4 or 5 times	25.149	512.419
Extended by more than 5 times	114	134.442
<b>Total</b>	<b>5.827.030</b>	<b>10.059.782</b>

<b>Extension periods</b>	<b>Standard loans and other receivables</b>	<b>Loans and other receivables under follow up</b>
0 - 6 Months	2.286.926	717.627
6 - 12 Months	277.855	811.492
1 - 2 Years	304.221	1.804.805
2 - 5 Years	1.908.557	5.447.050
5 Years and over	1.049.471	1.278.808
<b>Total</b>	<b>5.827.030</b>	<b>10.059.782</b>

**AKBANK T.A.Ş.**

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

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

<b>Current Period- 30.09.2018</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>665.969</b>	<b>29.049.848</b>	<b>29.715.817</b>
Mortgage Loans	4.842	11.451.485	11.456.327
Automotive Loans	1.974	164.911	166.885
Consumer Loans	659.153	17.433.452	18.092.605
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>-</b>	<b>1.377</b>	<b>1.377</b>
Mortgage Loans	-	1.377	1.377
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Credit Cards-TL</b>	<b>11.563.471</b>	<b>546.768</b>	<b>12.110.239</b>
With Installment	4.214.667	544.565	4.759.232
Without Installment	7.348.804	2.203	7.351.007
<b>Consumer Credit Cards-FC</b>	<b>12.429</b>	<b>-</b>	<b>12.429</b>
With Installment	-	-	-
Without Installment	12.429	-	12.429
<b>Personnel Loans-TL</b>	<b>4.255</b>	<b>57.443</b>	<b>61.698</b>
Mortgage Loans	-	3.860	3.860
Automotive Loans	-	41	41
Consumer Loans	4.255	53.542	57.797
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>52.544</b>	<b>17</b>	<b>52.561</b>
With Installment	19.767	17	19.784
Without Installment	32.777	-	32.777
<b>Personnel Credit Cards-FC</b>	<b>315</b>	<b>-</b>	<b>315</b>
With Installment	-	-	-
Without Installment	315	-	315
<b>Credit Deposit Account-TL (Real Person)</b>	<b>1.300.204</b>	<b>-</b>	<b>1.300.204</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>13.599.187</b>	<b>29.655.453</b>	<b>43.254.640</b>

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

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



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

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

<b>Current Period – 30.09.2018</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>1.043.527</b>	<b>14.062.365</b>	<b>15.105.892</b>
Mortgage Loans	9.987	9.095	19.082
Automotive Loans	52.758	78	52.836
Consumer Loans	980.782	14.053.192	15.033.974
Other	-	-	-
<b>FC Indexed Commercial Installment Loans</b>	<b>116.116</b>	<b>415.531</b>	<b>531.647</b>
Mortgage Loans	-	1.190	1.190
Automotive Loans	-	-	-
Consumer Loans	116.116	414.341	530.457
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>13.031</b>	<b>229.547</b>	<b>242.578</b>
Mortgage Loans	-	-	-
Automotive Loans	5.821	-	5.821
Consumer Loans	7.210	229.547	236.757
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>2.947.889</b>	<b>74</b>	<b>2.947.963</b>
With Installment	1.097.805	45	1.097.850
Without Installment	1.850.084	29	1.850.113
<b>Corporate Credit Cards-FC</b>	<b>3.670</b>	<b>-</b>	<b>3.670</b>
With Installment	7	-	7
Without Installment	3.663	-	3.663
<b>Credit Deposit Account-TL (Legal Person)</b>	<b>984.067</b>	<b>-</b>	<b>984.067</b>
<b>Credit Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5.108.300</b>	<b>14.707.517</b>	<b>19.815.817</b>
<b>Prior Period – 31.12.2017</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>1.119.222</b>	<b>16.749.813</b>	<b>17.869.035</b>
Mortgage Loans	14.390	3.147	17.537
Automotive Loans	54.110	30	54.140
Consumer Loans	1.050.722	16.746.636	17.797.358
Other	-	-	-
<b>FC Indexed Commercial Installment Loans</b>	<b>42.260</b>	<b>505.766</b>	<b>548.026</b>
Mortgage Loans	-	1.422	1.422
Automotive Loans	3.424	-	3.424
Consumer Loans	38.836	504.344	543.180
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>192</b>	<b>130.514</b>	<b>130.706</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	192	130.514	130.706
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>2.590.251</b>	<b>144</b>	<b>2.590.395</b>
With Installment	1.143.897	54	1.143.951
Without Installment	1.446.354	90	1.446.444
<b>Corporate Credit Cards-FC</b>	<b>2.912</b>	<b>-</b>	<b>2.912</b>
With Installment	-	-	-
Without Installment	2.912	-	2.912
<b>Credit Deposit Account-TL (Legal Person)</b>	<b>745.285</b>	<b>-</b>	<b>745.285</b>
<b>Credit Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4.500.122</b>	<b>17.386.237</b>	<b>21.886.359</b>

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

	<b>Current Period 30 September 2018</b>
Domestic Loans	225.280.984
Foreign Loans	9.399.282
<b>Total</b>	<b>234.680.266</b>

	<b>Prior Period 31 December 2017</b>
Domestic Loans	202.254.225
Foreign Loans	7.071.545
<b>Total</b>	<b>209.325.770</b>

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

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

	<b>Current Period 30 September 2018</b>
Loans and Other Receivables with Limited Collectibility	673.576
Loans and Other Receivables with Doubtful Collectibility	774.548
Uncollectible Loans and Receivables	3.090.675
<b>Total</b>	<b>4.538.799</b>

(ii) Specific provisions accounted for loans:

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

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

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

	<b>III. Group Loans and Other Receivables with Limited Collectibility</b>	<b>IV. Group Loans and Other Receivables with Doubtful Collectibility</b>	<b>V. Group Uncollectible Loans and Other Receivables</b>
<b>Current Period: 30 September 2018</b>			
(Gross Amounts Before Specific Provisions)	28.778	47.504	95.534
Rescheduled Loans and Other Receivables	28.778	47.504	95.534
<b>Prior Period: 31 December 2017</b>			
(Gross Amounts Before Specific Provisions)	31.843	39.558	74.640
Rescheduled Loans and Other Receivables	31.843	39.558	74.640

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
<b>Prior Period End Balance: 31 December 2017</b>	<b>579.034</b>	<b>650.121</b>	<b>3.731.468</b>
Additions (+)	4.114.083	222.146	685.239
Transfers from Other Categories of Non-Performing Loans (+)	-	2.482.944	985.044
Transfers to Other Categories of Non-Performing Loans (-)	2.482.944	985.044	-
Collections (-)	642.369	170.254	450.243
Write-offs (-) (**)	1.201	1.623	104.490
Sold Portfolio (*)	-	-	772.668
Corporate and Commercial Loans	-	-	221.834
Consumer Loans	-	-	266.110
Credit Cards	-	-	284.724
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>1.566.603</b>	<b>2.198.290</b>	<b>4.074.350</b>
Specific Provisions (-)	673.576	774.548	3.090.675
<b>Net Balance at Balance Sheet</b>	<b>893.027</b>	<b>1.423.742</b>	<b>983.675</b>

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

(\*\*) In write-offs line, TL 100 million amount (full TL amount) which is related to Group's subsidiary that belongs to V.Group, classified under "Property and Equipment Held for Sale Purpose and Related to Discontinued Operations"

8. (iii) Information on non-performing loans granted as foreign currency 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
<b>Current Period: 30 September 2018</b>			
Balance at the End of the Period	706.652	1.174.758	399.787
Specific Provision (-)	260.093	257.153	240.107
Net Balance on Balance Sheet	446.559	917.605	159.680
<b>Prior Period: 31 December 2017</b>			
Balance at the End of the Period	17.562	28.123	749.304
Specific Provision (-)	17.562	28.123	439.455
<b>Net Balance at Balance Sheet</b>	-	-	309.849

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

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

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and Other Receivables with Limited Collectibility</b>	<b>Loans and Other Receivables with Doubtful Collectibility</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Current Period (Net): 30 September 2018</b>			
Loans granted to corporate entities and real persons (Gross)	1.566.603	2.198.290	4.074.350
Specific Provision Amount (-)	673.576	774.548	3.090.675
Loans granted to corporate entities and real persons (Net)	893.027	1.423.742	983.675
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-
<b>Prior Period (Net): 31 December 2017</b>			
Loans granted to corporate entities and real persons (Gross)	579.034	650.121	3.731.468
Specific Provision Amount (-)	579.034	650.121	3.154.088
Loans granted to corporate entities and real persons (Net)	-	-	363.747
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

8. (v) Information on the collection policy of non-performing loans and other receivables:

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals.

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
<b>Current Period: 30 September 2018</b>			
Interest accruals and valuation differences	149.378	169.533	69.804
Provision (-)	73.897	69.307	56.171
<b>Prior Period: 31 December 2017</b>			
Interest accruals and valuation differences	-	-	-
Provision (-)	-	-	-

9. As of 30 September 2018, the sectoral breakdown of loans is as follows:

<b>Sector</b>	<b>Share</b>
Consumer Loans	17,3%
Construction Investment	10,7%
Services	7,5%
Energy Production	6,2%
Informatics	4,7%
Transportation Vehicles and Subsidiary Industry	4,6%
Textile and Apparel	4,4%
Construction Contract	4,3%
Finance	3,8%
Food	3,7%
Metal and Metal Products	3,5%
Retail and Wholesale Trade	3,5%
Tourism	3,4%
Leasing - Factoring	2,6%
Transportation and Logistics	2,3%
Other	17,4%
<b>Total</b>	<b>100,0%</b>

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

**g. Financial Assets Measured at Amortised Cost**

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

- (i). Financial assets measured at amortised cost:

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Given as collateral/blocked	-	756.321
Subject to repurchase agreements	1.401.823	2.984.958
<b>Total</b>	<b>1.401.823</b>	<b>3.741.279</b>

- (ii). Held-to-maturity investments:

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

2. Information about Government debt securities:

- (i). Financial assets measured at amortized cost:

	<b>Current Period</b>	
	<b>30 September 2018</b>	
Government debt		7.788.754
Treasury bonds		124.364
Other government debts		1.100.106
<b>Total</b>		<b>9.013.224</b>

- (ii). Held-to-maturity:

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

3. (i). Measured at amortized cost:

	<b>Current Period</b>	
	<b>30 September 2018</b>	
Debt Securities		11.025.819
Quoted at stock exchange		11.025.819
Not quoted at stock exchange		-
Impairment (-)		87.132
<b>Total</b>		<b>10.938.687</b>

- (ii). Held-to-maturity:

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

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

	<b>Current Period 30 September 2018</b>
Balance at the Beginning of the Period	18.883.032
Foreign Currency Differences on Monetary Assets	2.462.078
Purchases During Year	124.364
Disposals Through Sales and Redemptions (*)	(10.720.395)
Impairment Provision	161.961
Change in Amortized Cost	27.647
<b>Balance at the End of the Period</b>	<b>10.938.687</b>

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

- (ii). Held-to-maturity:

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

**h. Information on investments in associates (Net):**

1. Non-consolidated associates:

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

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

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

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

The financial figures stated below have been obtained from the financial statements date 30 September 2018.

	.Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	94.425	57.724	48.696	1.137	-	8.630	3.260	-
2	296.536	193.394	177.837	5.984	39	23.681	28.103	-

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

	<b>Current Period</b>
	<b>30 September 2018</b>
Balance at the Beginning of the Period	3.923
Movements During the Period	
Purchases	-
Bonus Shares and Contributions to Capital (*)	1.598
Dividends from Current Year Income	-
Sales/Liquidation	-
Revaluation Increase	-
Impairment Provision (-)	-
Balance at the End of the Period	5.521
Capital Commitments	-
Share Percentage at the End of the Period (%)	-

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

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

2. Consolidated subsidiaries within the current period: None.

**AKBANK T.A.Ş.**

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

**i. Information on subsidiaries (Net):**

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

The following amounts have been obtained from the financial statements as of 30 September 2018 prepared in accordance with legislation in which companies are subject to.

	<b>Ak Finansal Kiralama A.Ş.</b>	<b>Ak Yatırım Menkul Değerler A.Ş.</b>	<b>Ak Portföy Yönetimi A.Ş.</b>	<b>Akbank AG</b>	<b>AkÖde A.Ş.</b>
Paid in Capital	284.488	96.802	10.534	740.648	5.000
Share Premium	-	-	-	-	-
Reserves	575.244	61.081	18.310	3.913.548	-
Gains recognized in equity as per TAS	-	(1.973)	(234)	-	-
Profit/Loss	(7.714)	216.255	29.136	170.855	(1.587)
- Net Current Period Profit	(7.714)	89.734	28.582	170.855	(1.587)
- Prior Year Profit/Loss	-	126.521	554	-	-
Development Cost of Operating Lease (-)	34	1.182	-	353	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	1.580	10.880	137	5.954	-
<b>Total Common Equity</b>	<b>850.404</b>	<b>360.103</b>	<b>57.609</b>	<b>4.818.744</b>	<b>3.413</b>
<b>Total Additional Tier I Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	-	-	-	-	-
<b>Total Tier I Capital</b>	<b>850.404</b>	<b>360.103</b>	<b>57.609</b>	<b>4.818.744</b>	<b>3.413</b>
<b>Tier II Capital</b>	<b>105.405</b>	<b>479</b>	<b>5</b>	<b>31.413</b>	<b>-</b>
<b>CAPITAL</b>	<b>955.809</b>	<b>360.582</b>	<b>57.614</b>	<b>4.850.157</b>	<b>3.413</b>
<b>Deductions from Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CAPITAL</b>	<b>955.809</b>	<b>360.582</b>	<b>57.614</b>	<b>4.850.157</b>	<b>3.413</b>

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:

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



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

The following amounts have been obtained from the financial statements as of 30 September 2018 prepared in accordance with legislation in which companies are subject to.

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit/ Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value</b>
1	8.078.450	796.885	176.233	414.966	-	(7.714)	36.283	-
2	1.618.754	372.165	14.528	165.239	30.597	89.734	20.605	-
3	68.771	57.746	761	6.468	-	28.582	13.882	-
4	32.897.399	4.825.051	7.123	890.700	50.628	170.855	104.223	-
5	3.544	3.413	140	181	-	(1.587)	-	-

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

5. Movement schedule for consolidated subsidiaries:

	<b>Current Period 30 September 2018</b>
Balance at the Beginning of the Period	4.133.098
Movements During the Period	
Additions (*)	55.000
Bonus Shares and Contributions to Capital	-
Dividends from Current Year Income	279.872
Sales/Liquidation	-
Revaluation Increase (**)	1.587.169
Revaluation/Impairment	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	-
Balance at the End of the Period	6.055.139
Capital Commitments	-
Share Percentage at the End of the Period (%)	-

(\*) Amounts refers to TL 5.000 that the Bank pays for the establishment capital of AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş., and the capital increase of Ak Yatırım Menkul Değerler by TL 50.000 which are wholly owned subsidiaries of the Bank.

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

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

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

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

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

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

<b>Subsidiaries</b>	<b>Current Period 30 September 2018</b>
Banks	4.825.051
Insurance Companies	-
Factoring Companies	-
Leasing Companies	769.765
Finance Companies	-
Other Financial Subsidiaries	433.323

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

7. Subsidiaries quoted to a stock exchange: None.

**j. Information on joint ventures:** None

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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**k. Information on finance lease receivables (Net):**

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>Gross</b>	<b>Net</b>
2017	-	-
2018	1.076.723	1.011.971
2019	2.209.255	1.857.042
2020 and following years	4.354.558	3.841.536
<b>Total</b>	<b>7.640.536</b>	<b>6.710.549</b>

  

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

**l. Information on the hedging derivative financial assets:**

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Fair Value Hedge	3.541.767	110.617
Cash Flow Hedge	3.024.700	453.267
Net Investment Hedge in a foreign operation	-	-
<b>Total</b>	<b>6.566.467</b>	<b>563.884</b>

  

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

**m. Information on the investment properties:** None

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**n. Information on deferred tax asset:**

As of 30 September 2018, foreign currency deferred tax asset of the Group is TL 192.614 (31 December 2017: TL 37.525). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values, tax values and debts of fixed assets and financial assets, and provision for employee rights.

Deferred tax assets and liabilities, which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation in the Bank and in consolidated subsidiaries, are presented as net on an individual entity level. As noted in Note XVII of Section Three, for the purposes of consolidated financial statements deferred taxes arising from different consolidated subsidiaries are presented separately in assets and liabilities.

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

	<b>Current Period</b>
	<b>30 September 2018</b>
Cost	260.421
Accumulated Depreciation (-)	94
<b>Net Book Value</b>	<b>260.327</b>

	<b>Current Period</b>
	<b>30 September 2018</b>
<b>Opening Balance Net Book Value</b>	<b>133.515</b>
Additions	167.988
Disposals (-), net	41.094
Impairment (-)	82
Depreciation (-)	-
<b>Closing Net Book Value</b>	<b>260.327</b>

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

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

**p. Information on other assets:**

Other assets amounting to TL 8.168.372 (31 December 2017: TL 4.036.435) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES**

**a. Information on deposits:**

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

1 (i). Current Period – 30 September 2018:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>Deposits Cumulative</b>	<b>Total</b>
Saving Deposits	8.479.582	6.741.268	41.579.248	675.665	621.861	624.313	23.985	<b>58.745.922</b>
Foreign Currency Deposits	25.044.612	10.281.077	75.354.959	4.488.644	13.314.158	18.373.603	2.085	<b>146.859.138</b>
Residents in Turkey	20.641.361	9.904.110	71.401.400	2.625.551	2.262.844	3.070.129	1.893	<b>109.907.288</b>
Residents Abroad	4.403.251	376.967	3.953.559	1.863.093	11.051.314	15.303.474	192	<b>36.951.850</b>
Public Sector Deposits	519.008	14.626	22.255	3.194	166	514	-	<b>559.763</b>
Commercial Deposits	7.880.737	3.832.214	12.327.827	362.049	205.183	352.297	-	<b>24.960.307</b>
Other Institutions Deposits	227.682	351.597	2.064.400	97.743	156.135	227.876	-	<b>3.125.433</b>
Precious metals Deposits	2.238.482	1	9.636	-	172.578	18.621	-	<b>2.439.318</b>
Interbank Deposits	1.421.720	1.241.784	4.447.618	949.602	229.779	-	-	<b>8.290.503</b>
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	11.560	735.350	208.163	-	27.866	-	-	<b>982.939</b>
Foreign Banks	217.953	506.434	4.239.455	949.602	201.913	-	-	<b>6.115.357</b>
Participation Banks	1.192.207	-	-	-	-	-	-	<b>1.192.207</b>
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>45.811.823</b>	<b>22.462.567</b>	<b>135.805.943</b>	<b>6.576.897</b>	<b>14.699.860</b>	<b>19.597.224</b>	<b>26.070</b>	<b>244.980.384</b>

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

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

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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.

	<b>Under the Guarantee of Deposit Insurance</b>	<b>Exceeding the Limit of Deposit Insurance</b>
	<b>Current Period 30 September 2018</b>	<b>Current Period 30 September 2018</b>
Saving Deposits	24.271.786	34.469.499
Foreign Currency Saving Deposits	10.578.948	54.205.169
Other Deposits in the Form of Saving Deposits	1.167.339	1.079.173
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-

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

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

	<b>Current Period 30 September 2018</b>
Foreign Branches' Deposits and other accounts	841
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse and Children in care	1.262.821
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	-

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	<b>Prior Period 31 December 2017</b>
Foreign Branches' Deposits and other accounts	1.381
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse and Children in care	926.384
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-

**b. Information on trading derivative financial liabilities:**

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

	<b>Current Period 30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Forward Transactions	1.812.350	-
Swap Transactions	19.021.007	1.284.304
Futures Transactions	-	-
Options	112.578	1.825.014
Other	-	-
<b>Total</b>	<b>20.945.935</b>	<b>3.109.318</b>

(\*). Excluding hedge transactions

(ii). Table of negative differences for trading derivative financial liabilities:

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

**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	<b>Current Period 30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Borrowings from the CBRT	-	-
From Domestic Banks and Institutions	269.497	1.109.142
From Foreign Banks, Institutions and Funds	494.006	48.688.477
<b>Total</b>	<b>763.503</b>	<b>49.797.619</b>

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	<b>Prior Period</b>	
	<b>31 December 2017</b>	
	<b>TL</b>	<b>FC</b>
Borrowings from the CBRT	-	474.031
From Domestic Banks and Institutions	325.546	688.817
From Foreign Banks, Institutions and Funds	49.528	32.089.277
<b>Total</b>	<b>375.074</b>	<b>33.252.125</b>

2. Information on maturity structure of borrowings:

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Short-term	241.480	3.506.566
Medium and Long-term	522.023	46.291.053
<b>Total</b>	<b>763.503</b>	<b>49.797.619</b>

	<b>Prior Period</b>	
	<b>31 December 2017</b>	
	<b>TL</b>	<b>FC</b>
Short-term	232.934	2.047.389
Medium and Long-term	142.140	31.204.736
<b>Total</b>	<b>375.074</b>	<b>33.252.125</b>

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):**

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Bank bills	1.482.662	-
Bonds	2.604.692	9.285.069
<b>Total</b>	<b>4.087.354</b>	<b>9.285.069</b>

	<b>Prior Period</b>	
	<b>31 December 2017</b>	
	<b>TL</b>	<b>FC</b>
Bank bills	4.012.498	-
Bonds	3.124.772	8.717.955
<b>Total</b>	<b>7.137.270</b>	<b>8.717.955</b>



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**e. Information on other foreign liabilities:**

Other foreign liabilities amounting to TL 1.283.892 under "Other Liabilities" (31 December 2017: TL 1.178.360) and do not exceed 10% of the total balance sheet.

**f. Information on financial leasing agreements:** None.

**g. Information on the hedging derivative financial liabilities:**

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Fair Value Hedge	-	17.182
Cash Flow Hedge	1.260.755	-
Net Investment Hedge in a foreign operation	-	-
<b>Total</b>	<b>1.260.755</b>	<b>17.182</b>

Table of negative differences for the hedging derivative financial liabilities:

	<b>Prior Period</b>	
	<b>31 December 2017</b>	
	<b>TL</b>	<b>FC</b>
Fair Value Hedge	-	74.911
Cash Flow Hedge	-	-
Net Investment Hedge in a foreign operation	-	-
<b>Total</b>	<b>-</b>	<b>74.911</b>

**h. Information on provisions:**

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

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

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

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

	<b>Current Period</b>	
	<b>30 September 2018</b>	
Discount Rate (%)		4,91
Rate for the Probability of Retirement (%)		94,45

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

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The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. The amount of TL 5.434,42 (1 July 2018: TL 5.001,76) effective from 1 July 2018 has been taken into consideration in calculating the reserve for employee termination benefits.

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

	<b>Current Period</b>
	<b>30 September 2018</b>
<b>Prior Period Closing Balance</b>	<b>209.829</b>
Recognized as an Expense During the Period	51.030
Actuarial Loss/(Gain)	(7.363)
Paid During the Period	(42.926)
<b>Balance at the End of the Period.</b>	<b>210.570</b>

As of 30 September 2018, the Group has allocated vacation liability amounting to TL 104.501

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

As of 31 December 2017, the Group has allocated vacation liability amounting to TL 91.124.

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

As of 30 September 2018, the Bank has no provision related to foreign currency differences of foreign indexed loans (31 December 2017: TL 24.016) and the related prior period amount is offset with the balance of foreign currency indexed loans.

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

Provision for non-cash loans that are non-funded and non-transformed into cash as of 30 September 2018 is amounting to TL 66.218 (31 December 2017: TL 67.754).

4. Information on other provisions:

4 (i). Information on free provision for possible risks: TL 450.000 (31 December 2017: TL 700.000).

A portion of free provision amounting to TL 250.000 thousand has been reversed, during the period ended 30 September 2018. Out of free provision of TL 500.000 thousand has been recognised in year of 2017 and TL 200.000 thousand had been recognised in prior periods by the Bank management considering the possible effects of the circumstances that may arise from the changes in the economy and market conditions. The amount of free provision in the accompanying consolidated financial statements is TL 450.000 thousand as at 30 September 2018.

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

The Group has provision for credit cards and banking services promotion activities amounting to TL 49.180 (31 December 2017: TL 69.284).

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**i. Explanations on tax liability:**

1. Explanations on tax liability:

Tax calculations of the Group are explained in Note XVII of Section Three. As of 30 September 2018, the corporate tax liability after the deduction of temporary taxes paid is TL 50.942 (31 December 2017: TL 751.698). The current tax asset is TL 171.214 as of 30 September 2018 (31 December 2017: None).

1 (i). Information on taxes payable:

	<b>Current Period</b>
	<b>30 September 2018</b>
Corporate Taxes Payable	50.942
Taxation on Marketable Securities	217.579
Property Tax	2.367
Banking Insurance Transaction Tax (BITT)	174.434
Foreign Exchange Transaction Tax	-
Value Added Tax Payable	14.348
Other	116.684
<b>Total</b>	<b>576.354</b>

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

1 (ii). Information on premium payables:

	<b>Current Period</b>
	<b>30 September 2018</b>
Social Security Premiums – Employee	2.081
Social Security Premiums – Employer	491
Bank Social Aid Pension Fund Premium- Employee	3
Bank Social Aid Pension Fund Premium – Employer	3
Pension Fund Membership Fees and Provisions – Employee	-
Pension Fund Membership Fees and Provisions – Employer	-
Unemployment Insurance – Employee	1.764
Unemployment Insurance – Employer	3.205
Other	102
<b>Total</b>	<b>7.649</b>

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

2. Information on deferred tax liability:

As of 30 September 2018, Turkish Lira deferred tax liability of the Group amounts to TL 153.869 (31 December 2017: TL 482.836). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

**j. Information on subordinated loan:**

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Debt Instruments subject to common equity	-	-
Subordinated Loans	-	-
Subordinated Debt Instruments	-	-
Debt Instruments subject to tier 2 equity	-	5.422.330
Subordinated Loans	-	-
Subordinated Debt Instruments	-	5.422.330
<b>Total</b>	<b>-</b>	<b>5.422.330</b>

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

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

**k. Information on shareholders' equity:**

1. Presentation of paid-in capital:

	<b>Current Period</b>
	<b>30 September 2018</b>
Common Stock	4.000.000
Preferred Stock	-
	<b>Prior Period</b>
	<b>31 December 2017</b>
Common Stock	4.000.000
Preferred Stock	-

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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:

<b>Capital System</b>	<b>Paid-in capital</b>	<b>Ceiling</b>
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:

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-
Valuation Difference	(1.962.398)	(1.712.515)
Foreign Currency Differences	-	-
<b>Total</b>	<b>(1.962.398)</b>	<b>(1.712.515)</b>
	<b>Prior Period</b>	
	<b>31 December 2017</b>	
	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-
Valuation Difference	(600.631)	(169.489)
Foreign Currency Differences	-	-
<b>Total</b>	<b>(600.631)</b>	<b>(169.489)</b>

**I. Information on minority shares:**

	<b>Current Period</b>
	<b>30 September 2018</b>
Beginning Balance	139
Net Profit Share of other shareholders	(2)
Previous Term Dividend	-
Net Currency difference due to foreign subsidiaries	-
Effect of Changes within scope of consolidation	-
<b>Balance end of Period</b>	<b>137</b>

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

**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 18.420.842 asset purchase commitments (31 December 2017: TL 10.596.665), TL 19.361.640 commitments for credit card limits (31 December 2017: TL 18.431.137) and TL 6.545.326 commitments for cheque books (31 December 2017: TL 6.679.928).

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

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

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

	<b>Current Period 30 September 2018</b>
Bank Acceptance Loans	5.043.576
Letters of Credit	10.725.031
Other Guarantees and Warranties	8.200.230
<b>Total</b>	<b>23.968.837</b>

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

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

	<b>Current Period 30 September 2018</b>
Revocable Letters of Guarantee	1.249.603
Irrevocable Letters of Guarantee	22.912.114
Letters of Guarantee Given in Advance	3.758.896
Guarantees Given to Customs	2.046.247
Other Letters of Guarantee	10.408.430
<b>Total</b>	<b>40.375.290</b>

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

3. Information on non-cash loans:

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

	<b>Current Period 30 September 2018</b>
Non-cash Loans Given against Cash Loans	10.106.303
With Original Maturity of 1 Year or Less Than 1 Year	4.465.527
With Original Maturity of More Than 1 Year	5.640.776
Other Non-cash Loans	54.237.824
<b>Total</b>	<b>64.344.127</b>

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

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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 (\*):

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Short-term Loans	6.846.756	193.763
Medium and Long-term Loans	8.525.960	3.204.170
Interest on Loans Under Follow-Up	372.158	-
Premiums Received from the Resource Utilization Support Fund	-	-
<b>Total</b>	<b>15.744.874</b>	<b>3.397.933</b>

	<b>Prior Period</b>	
	<b>30 September 2017</b>	
	<b>TL</b>	<b>FC</b>
Short-term Loans	4.092.002	111.398
Medium and Long-term Loans	7.294.245	2.334.180
Interest on Loans Under Follow-Up	25.793	-
Premiums Received from the Resource Utilization Support Fund	-	-
<b>Total</b>	<b>11.412.040</b>	<b>2.445.578</b>

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

2. Information on interest income on banks:

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
From the CBRT	205.557	1.673
From Domestic Banks	120.198	18.285
From Foreign Banks	4.241	198.800
From Headquarters and Branches Abroad	-	-
<b>Total</b>	<b>329.996</b>	<b>218.758</b>

	<b>Prior Period</b>	
	<b>30 September 2017</b>	
	<b>TL</b>	<b>FC</b>
From the CBRT	67.142	1.458
From Domestic Banks	36.964	12.000
From Foreign Banks	4.313	49.704
From Headquarters and Branches Abroad	-	-
<b>Total</b>	<b>108.419</b>	<b>63.162</b>



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3. Information on interest income on marketable securities:

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
From Financial Assets at Fair Value through Profit or Loss	3.545	-
Financial Assets at Fair Value through Other Comprehensive Income	2.716.897	690.315
Financial Assets Measured at Amortised Cost	569.960	236.089
<b>Total</b>	<b>3.290.402</b>	<b>926.404</b>

	<b>Prior Period</b>	
	<b>30 September 2017</b>	
	<b>TL</b>	<b>FC</b>
From Trading Financial Assets	5.840	-
From Financial Assets at Fair Value through Profit or Loss	-	-
From Available-for-sale Financial Assets	1.574.488	521.250
From Held-to-Maturity Investments	409.892	326.355
<b>Total</b>	<b>1.990.220</b>	<b>847.605</b>

As stated in Section Three disclosure VI, the Bank has inflation indexed (CPI) government bonds in its fair value through other comprehensive income" and "measured at amortized cost portfolios with semi-annual fixed real coupon rates with a maturity of 5 to 10 years. As stated in the Undersecretariat of Treasury's Investor Guide for CPI indexed government bonds, the reference indices used in calculating the actual coupon payment amounts of these assets are based on the CPI of two months ago. The Bank also sets the estimated inflation rate accordingly. Related inflation rate is updated during the year when necessary. In this context, the estimated annual inflation rate, which was determined as 9,00% on 1 January 2018, was updated as 11% as of 30 June 2018. Annual inflation rate has been updated as 17,00% as of 30 September 2018 and the valuation of the related securities have been calculated according to this estimation. If the valuation of these securities indexed to CPI was made according to the reference index valid for June 30, 2018, the Bank's equity valuation differences on equity would increase by TL 43 million (full TL amount) and the net profit for the period would decrease by TL 57 million to 4.631 TL (full TL amount).

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

**b. Information on interest expense:**

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

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Banks	58.293	1.028.064
The CBRT	-	-
Domestic Banks	17.377	27.429
Foreign Banks	40.916	1.000.635
Headquarters and Branches Abroad	-	-
Other Institutions	-	91.419
<b>Total</b>	<b>58.293</b>	<b>1.119.483</b>

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

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	<b>Prior Period</b>	
	<b>30 September 2017</b>	
	<b>TL</b>	<b>FC</b>
Banks	29.182	535.196
The CBRT	-	-
Domestic Banks	18.272	8.451
Foreign Banks	10.910	526.745
Headquarters and Branches Abroad	-	-
Other Institutions	-	53.199
<b>Total</b>	<b>29.182</b>	<b>588.395</b>

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

3.Information on interest expense given to securities issued:

	<b>Current Period</b>	
	<b>30 September 2018</b>	
	<b>TL</b>	<b>FC</b>
Interest expense on securities issued	738.282	497.833

	<b>Prior Period</b>	
	<b>30 September 2017</b>	
	<b>TL</b>	<b>FC</b>
Interest expense on securities issued	319.355	426.908

4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

<b>Current Period - 30.09.2018</b>	<b>Demand Deposits</b>	<b>Time Deposits</b>					<b>Total</b>
		<b>Up to 1 Month</b>	<b>Up to 3 Months</b>	<b>Up to 6 Months</b>	<b>Up to 1 Year</b>	<b>1 Year and Over</b>	
<b>TL</b>							
Bank Deposits	7.235	150.031	29.505	5.523	2.089	-	<b>194.383</b>
Saving Deposits	-	1.193.120	3.638.595	57.428	61.074	53.175	<b>5.003.392</b>
Public Sector Deposits	-	5.234	1.799	150	6	33	<b>7.222</b>
Commercial Deposits	-	747.501	1.318.489	58.739	40.534	42.013	<b>2.207.276</b>
Other Deposits	3	48.782	164.006	17.341	10.696	26.418	<b>267.246</b>
<b>Total</b>	<b>7.238</b>	<b>2.144.668</b>	<b>5.152.394</b>	<b>139.181</b>	<b>114.399</b>	<b>121.639</b>	<b>7.679.519</b>
<b>FC</b>							
Foreign Currency Deposits	7.860	387.842	1.281.491	80.403	229.967	150.171	<b>2.137.734</b>
Bank Deposits	145	31.605	102.700	13.901	6.773	313	<b>155.437</b>
Precious Metals Deposits	-	-	166	-	1.105	448	<b>1.719</b>
<b>Total</b>	<b>8.005</b>	<b>419.447</b>	<b>1.384.357</b>	<b>94.304</b>	<b>237.845</b>	<b>150.932</b>	<b>2.294.890</b>
<b>Grand Total</b>	<b>15.243</b>	<b>2.564.115</b>	<b>6.536.751</b>	<b>233.485</b>	<b>352.244</b>	<b>272.571</b>	<b>9.974.409</b>

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

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

	<b>Current Period 30 September 2018</b>
<b>Profit</b>	<b>1.146.626.274</b>
Income From Capital Market Transactions	520.541
Income From Derivative Financial Transactions (*)	39.530.969
Foreign Exchange Gains	1.106.574.764
<b>Loss (-)</b>	<b>1.146.333.722</b>
Loss from Capital Market Transactions	1.571.038
Loss from Derivative Financial Transactions (*)	32.834.419
Foreign Exchange Loss	1.111.928.265
<b>Total (Net)</b>	<b>292.552</b>

(\*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 1.359.873

	<b>Prior Period 30 September 2017</b>
<b>Profit</b>	<b>449.051.455</b>
Income From Capital Market Transactions	371.091
Income From Derivative Financial Transactions (*)	12.203.641
Foreign Exchange Gains	436.476.723
<b>Loss (-)</b>	<b>449.343.539</b>
Loss from Capital Market Transactions	126.897
Loss from Derivative Financial Transactions (*)	12.101.246
Foreign Exchange Loss	437.115.396
<b>Total (Net)</b>	<b>(292.084)</b>

(\*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 680.094.

**d. Explanations on other operating income:**

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

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

e. (i) Expected provision expense:

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	<b>Current Period 30 September 2018</b>
Expected Credit Loss	4.967.266
12 month expected credit loss (stage 1)	263.780
Significant increase in credit risk (stage 2)	2.887.708
Non-performing loans (stage 3)	1.815.778
Marketable Securities Impairment Expense	382
Financial Assets at Fair Value through Profit or Loss	-
Financial Assets at Fair Value through Other	-
Comprehensive Income	382
Investments in Associates and Subsidiaries Securities	
Value Decrease	
Investments in Associates	-
Subsidiaries	-
Joint Ventures	-
Other	-
<b>Total</b>	<b>4.967.648</b>

e. (ii) Provision expenses related to loans and other receivables of the Bank:

	<b>Prior Period 30 September 2017</b>
Specific Provisions for Loans and Other Receivables	1.045.344
III. Group Loans and Receivables	387.070
IV. Group Loans and Receivables	631.823
V. Group Loans and Receivables	26.451
General Provision Expenses	128.045
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
<b>Total</b>	<b>1.227.246</b>

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**f. Information related to other operating expenses:**

	<b>Current Period</b>
	<b>30 September 2018</b>
Personnel Expenses	1.667.798
Reserve for Employee Termination Benefits	8.103
Bank Social Aid Fund Deficit Provision	-
Impairment Expenses of Fixed Assets	-
Depreciation Expenses of Fixed Assets	133.983
Impairment Expenses of Intangible Assets	-
Goodwill Impairment Expenses	-
Amortization Expenses of Intangible Assets	125.232
Impairment Expenses of Equity Participations for which Equity Method is Applied	-
Impairment Expenses of Assets Held for Resale	82
Depreciation Expenses of Assets Held for Resale	-
Impairment Expenses of Fixed Assets Held for Sale	-
Other Operating Expenses	1.736.974
Operational Leasing Expenses	172.946
Maintenance Expenses	35.863
Advertisement Expenses	86.040
Other Expenses	1.442.125
Loss on Sales of Assets	433
Other(*)	512.562
<b>Total</b>	<b>4.185.167</b>

(\*) Includes "Personnel Expenses" which is not exist in "Other Operating Expenses" in the Income Statement.

	<b>Prior Period</b>
	<b>30 September 2017</b>
Personnel Expenses	1.441.326
Reserve for Employee Termination Benefits	1.763
Bank Social Aid Fund Deficit Provision	-
Impairment Expenses of Fixed Assets	1.473
Depreciation Expenses of Fixed Assets	113.155
Impairment Expenses of Intangible Assets	-
Goodwill Impairment Expenses	-
Amortization Expenses of Intangible Assets	87.765
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	-
Impairment Expenses of Fixed Assets Held for Sale	-
Other Operating Expenses	1.436.189
Operational Leasing Expenses	150.458
Maintenance Expenses	20.873
Advertisement Expenses	97.513
Other Expenses	1.167.345
Loss on Sales of Assets	161
Other	439.898
<b>Total</b>	<b>3.521.789</b>

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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**g. Information on income/loss from minority interest:**

	<b>Current Period</b>
	<b>30 September 2018</b>
Income/(loss) from minority interest	(1)

  

	<b>Prior Period</b>
	<b>30 September 2017</b>
Income/(loss) from minority interest	11

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

As of 30 September 2018, the Group has a current tax expense of TL 1.079.557, deferred tax expense of TL 1.497.962 and deferred tax income of TL 1.287.950.

The Group has no discontinued operations.

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

Net profit of the Group is TL 4.688.142 (30 September 2017: TL 4.516.759).

The Group has no discontinued operations.

**j. Other figures on profit and loss statement:**

"Other Fee and Commission Income" in the Income Statement mainly consists of commissions received from credit card, money transfer and insurance transactions.

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

**a. Information on cash and cash equivalents:**

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

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

**1. Current Period - 30 September 2018**

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

	<b>Current Period 30 September 2018</b>
<b>Cash</b>	<b>5.790.226</b>
Cash, Foreign Currency and Other	2.205.232
Demand Deposits in Banks	3.584.994
<b>Cash Equivalents</b>	<b>6.907.240</b>
Interbank Money Market Placements	1.544.455
Time Deposits in Banks	5.356.284
Marketable Securities	6.501
<b>Total Cash and Cash Equivalents</b>	<b>12.697.466</b>

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

	<b>Current Period 30 September 2018</b>
<b>Cash</b>	<b>13.247.165</b>
Cash, Foreign Currency and Other	5.102.975
Demand Deposits in Banks	8.144.190
<b>Cash Equivalents</b>	<b>31.015.191</b>
Interbank Money Market Placements	7.645.129
Time Deposits in Banks	23.240.562
Marketable Securities	129.500
<b>Total Cash and Cash Equivalents</b>	<b>44.262.356</b>

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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**2. Prior Period - 30 September 2017**

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

	<b>Prior Period 30 September 2017</b>
<b>Cash</b>	<b>3.750.722</b>
Cash, Foreign Currency and Other	1.835.555
Demand Deposits in Banks (*)	1.915.167
<b>Cash Equivalents</b>	<b>9.076.729</b>
Interbank Money Market Placements	37
Time Deposits in Banks	9.029.952
Marketable Securities	46.740
<b>Total Cash and Cash Equivalents</b>	<b>12.287.451</b>

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

	<b>Prior Period 30 September 2017</b>
<b>Cash</b>	<b>3.636.508</b>
Cash, Foreign Currency and Other	2.159.793
Demand Deposits in Banks (*)	1.476.715
<b>Cash Equivalents</b>	<b>1.713.335</b>
Interbank Money Market Placements	482.635
Time Deposits in Banks	1.210.618
Marketable Securities	20.082
<b>Total Cash and Cash Equivalents</b>	<b>5.349.843</b>

(\*) The restricted demand accounts are not included.



**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

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

1. Current Period – 30 September 2018:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables	-	-	-	-	-
Balance at the Beginning of the Period	-	-	5.605.978	923.699	-	-
Balance at the End of the Period	-	-	5.443.054	1.184.472	15.389	7.210
Interest and Commission Income Received	-	-	377.051	4.467	441	17

2. Prior Period – 31 December 2017:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables	-	-	-	-	-
Balance at the Beginning of the Period	-	-	4.591.797	900.600	-	-
Balance at the End of the Period	-	-	5.605.978	923.699	-	-
Interest and Commission Income Received (*)	-	-	369.946	2.988	-	-

(\*) 30 September 2017 balances used for Income accounts.

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

<b>Group's Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)</b>	<b>Direct and Indirect Shareholders of the Group</b>	<b>Other Real and Legal Persons that have been included in the Risk Group</b>
	<b>Current Period 30.09.2018</b>	<b>Current Period 30.09.2018</b>	<b>Current Period 30.09.2018</b>
<b>Deposit</b>			
Balance at the Beginning of the Period	-	3.074.721	2.311.399
Balance at the End of the Period	-	7.562.561	1.257.927
Interest on Expense Deposits	-	302.509	69.878

<b>Group's Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)</b>	<b>Direct and Indirect Shareholders of the Group</b>	<b>Other Real and Legal Persons that have been included in the Risk Group</b>
	<b>Prior Period 31.12.2017</b>	<b>Prior Period 31.12.2017</b>	<b>Prior Period 31.12.2017</b>
<b>Deposit</b>			
Balance at the Beginning of the Period	-	2.172.789	2.315.646
Balance at the End of the Period	-	3.074.721	2.311.399
Interest on Expense Deposits (*)	-	158.262	138.266

(\*) 30 September 2017 balances used for Income accounts.

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

<b>Group's Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)</b>	<b>Direct and Indirect Shareholders of the Group</b>	<b>Other Real and Legal Persons that have been included in the Risk Group</b>
	<b>Current Period 30.09.2018</b>	<b>Current Period 30.09.2018</b>	<b>Current Period 30.09.2018</b>
Transactions at Fair Value			
Through Profit or Loss			
Beginning of the Period	-	13.638.708	-
Balance at the End of the Period	-	13.830.028	-
Total Income/Loss	-	81.568	-
Transactions for Hedging Purposes			
Beginning of the Period	-	-	-
Balance at the End of the Period	-	-	-
Total Income/Loss	-	-	-

Figures presented in the table above show the total of "sale" and "purchase" amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Group. As of 30 September 2018, the net exposure for direct and indirect shareholders of the Group is TL (818.647).

<b>Group's Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)</b>	<b>Direct and Indirect Shareholders of the Group</b>	<b>Other Real and Legal Persons that have been included in the Risk Group</b>
	<b>Prior Period 31.12.2017</b>	<b>Prior Period 31.12.2017</b>	<b>Prior Period 31.12.2017</b>
Transactions at Fair Value			
Through Profit or Loss			
Beginning of the Period	-	10.110.973	-
Balance at the End of the Period	-	13.638.708	-
Total Income/Loss (*)	-	(69.003)	-
Transactions for Hedging Purposes			
Beginning of the Period	-	-	-
Balance at the End of the Period	-	-	-
Total Income/Loss (*)	-	-	-

(\*) 30 September 2017 balances used for income 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 31 December the net exposure for direct and indirect shareholders of the Group is TL (153.254).

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

As of 30 September 2018 benefits provided to the Group's key management amounting to TL 50.176 (30 September 2017: TL 37.675).

**VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

None:

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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

**I. EXPLANATIONS ON INTERIM REVIEW AUDITOR'S REPORT**

The interim period consolidated financial statements for the period ended 30 September 2018 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 24 October 2018 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 2018**

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

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

**Message from the Chairman of the Board:**

In the third quarter of 2018; financial market volatility increased due to continuing trade tensions between the US and China, Fed monetary policy normalization and geopolitical uncertainties. After 2008, with the lower levels of interest rates in developed markets, emerging countries increased their borrowings from abroad. After Fed started rising short-term interest rates, tightening financial conditions resulted in episodes of higher market volatility, weakening capital flows and, thus, local currency depreciations, especially in countries with high current account deficits.

Looking forward; strong dollar, increasing interest rates, trade tensions and consequent political uncertainties, Brexit process, US sanctions on Iran and its impact on oil prices will be important risk factors to be monitored regarding the market appetite for emerging markets, globally.

Since the start of the year Fed increased short term rates by 75 basis points, in total, to 2%-2.25% range and continued to gradually decrease the size of its balance sheet. Under the base scenario of continued robust economic activity in the US, its members expect Fed to deliver one more rate hike this year, 3 rate hikes in 2019 and 1 rate hike in 2020.

European Central Bank is planning to end its net asset purchases in December and keep the short term interest rates unchanged, at least until mid-2019. Although there has been some deceleration in the economic activity in the region, general positive economic growth trend is expected to continue broad-based and close to its potential in the near future. Despite the existence of some risk factors such as global trade uncertainties, rising oil prices and more volatile trend in emerging markets, the risks are considered as balanced.

Domestically; a rebalancing process was experienced in the second quarter: GDP growth was 5.2% in year-on-year terms. While private consumption's contribution became the highest, net exports also contributed positively to overall growth. In the third quarter, economic data point to a deceleration in economic activity. In the New Economic Program, 2019 growth expectation was announced as 3,8%.

With the declining trend in trade deficit and strong tourism revenues, we expect net exports to continue delivering positive contributions to growth and current account deficit to continue declining. Export activity is getting support from strong EU demand and low real effective levels of Turkish Lira. Despite the increase in oil prices, the normalization in gold imports and deceleration in economic activity lead to a declining trend in imports. As a result of these developments, current account produced a surplus in August. We expect this trend to continue in September.

Due to the recent depreciation in TL, inflation accelerated to 24.52% and core inflation became 24% in September. Recently; Treasury and Finance Minister Albayrak announced the new program to fight inflation. Along with steps taken by voluntarily participating firms, inflation is expected to decline somewhat in the near future.

Central Bank of Turkey made a strong 625-basis-point rate hike to contain risks against price stability and increased policy rate to 24%. The bank also stated that tight monetary policy will be maintained.

In the first nine months of the year; central budget gave a 56.7 billion TL deficit, while primary surplus became 3.7 billion TL. New Economic Program envisages budget deficit become 72.1 billion TL and primary surplus be realized at 4.3 billion TL, in 2018 whole year.

In the banking sector; a deceleration in annual credit growth was experienced. Turkish banking sector's NPL ratio has continued to trend low and its capital adequacy ratio is standing high at 17.3%.

In the future; developments regarding the trade tensions especially between the US and China, monetary policy steps of developed countries' central banks, geopolitical developments and domestic economic developments will be monitored closely.

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

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**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

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**Message from the CEO**

In a period marked by volatility in emerging markets, we were able to sustain our strong performance in the third quarter of the year. Our strong balance sheet and asset quality are results of our disciplined and transparent management as well as the high standards in our approach to banking.

In this period, the support we provided to the economy increased to a total of TL 306 billion, with TL 241 billion in cash loans. Our bank's deposits increased by 22 percent to TL 245 billion, and our assets increased by 25 percent to TL 426 billion in the first nine months of the year. Our bank reported a net profit of TL 4 billion 688 million in the first half of 2018, after TL 1 billion 290 million tax provisions. Our total provisions for this period remain at 135% of our non-performing loans.

Akbank has successfully rolled over its loan due in September by 104%, providing USD 980 million of resources to Turkey's economy. Following the fluctuations in the markets in recent months, this agreement was seen as a critical test in terms of foreign bank appetite in lending to Turkish banks. Akbank has done its part, with its successful management and history of seventy years. Thanks to its strong balance sheet, transparency and prudent banking approach, Akbank successfully carried out this deal. As a result of this recent syndicated loan deal, Akbank has provided USD 4.6 billion worth of foreign resources to the economy in 2018, the highest contribution to our country through syndication loans.

Akbank will continue to make significant contributions to the Turkish economy in all areas of banking through innovation and expertise. We continue our investments to create more value for our country, and to offer the banking of the future to our customers today. Our focus in these investments are technology and our highly-qualified human resources. I am honored to be working alongside with such a highly motivated and dedicated group of people. I would also like to take this opportunity to extend my deep gratitude to our employees for their strong performance, and to our customers and shareholders for the trust they place in us.

## AKBANK T.A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018

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

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#### A. INTRODUCTION

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

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

##### 2. Important Issues and Transactions during the period:

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

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

Under the securitization program based on the future cash flows of our bank, a total of 795 million USD financing was provided in 5 separate segments with the longest maturity of 7,5 years on 27 March 2018.

Akbank issued subordinated notes (Basel III compliant) amounting to USD 400 mn on 28 February 2018. The subordinated notes' coupon rate has been set at 6.797%, with a call option on 27 April 2023 and due 27 April 2028. The issuance will be completed on 27 February 2018 and the application regarding the issuance of subordinated notes will be sent to the Capital Markets Board.

Akbank provided syndication loans worth US \$ 1.24 billion to international markets at US \$ 604.5 million and Euro 483 million on 27 March 2018. The portion of the loan equivalent USD 950 million is 1 year; And 250 million US Dollars were provided with a 2 year maturity. The total cost of the 1-year maturity term of the loan is Libor + 1,30% and Euribor + 1,20%; The total cost of the 2-year maturity term is Libor + 2.10%.

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

Capital increase of Ak Yatırım Menkul Değerler A.Ş. which is a %100 subsidiary of the Bank, via TL 50.000.000 rights issue, from TL 30.000.000 to TL 80.000.000 has been completed.

International rating agency Moody's has downgraded and placed on review for further downgrade. Accordingly, Akbank's Long-term Bank Deposits (Local Currency) weredowngraded to "Ba3", rating under review from "Ba2" Stable. Baseline and Adjusted Baseline Credit Assessment, were downgraded to "b1" from "ba3". Akbank's Long-term Bank Deposits (Foreign Currency), currently "Ba3", and Long-term Counterparty Risk Assessment, currently "Ba2(cr)" have been placed on the review for downgrade. Short term ratings have been affirmed.

On June 4,2018, Fitch Ratings has placed 25 Turkish Banks' Long-Term Foreign-Currency (FC) Issuer Default Ratings (IDRs) and Viability Ratings on Rating Watch Negative. Accordingly, following ratings of Akbank have been placed on "Rating Watch Negative"; Long-term FC and LC IDR's "BB+", Viability Rating "bb+", National Long-Term Rating "AA+(tur)", Long-Term Senior unsecured notes "BB+", Subordinated notes "BB". Additionally, Fitch Ratings affirmed Akbank's Short-term FC and LC IDRs, as "B", Support Rating as "4", Support Rating Floor as "B+" and Short-term Senior Unsecured Notes as "B".

Following its rating downgrade for Turkey, Fitch has downgraded various ratings of 24 Turkish banks, including Akbank on July 22, 2018. Accordingly Akbank's Long Term Foreign Currency (FC) IDR downgraded from BB+ to BB-, Long Term Local Currency IDR from BB+ to BB, National Long Term rating from AA+ to AA, Viability Rating from bb+ to bb-, Senior Unsecured note from BB+ to BB- and Subordinated note from BB to B+ and short- term ratings are affirmed.

Following the Turkey's rating change on September 17, 2018, Moody's downgraded ratings of 18 Turkish banks, including Akbank. Moody's downgraded Akbank's long-term ratings and credit assessments by one notch and assigned negative outlook. Accordingly Akbank's Long term FC Bank Deposit rating is downgraded from "Ba3" to "B1", Long term LC Bank Deposit from "Ba3" to "B1", Senior Unsecured – Medium Term Note Program from "Ba3/(P)Ba3" to "B1/(P)B1", Baseline Credit Assessment from "b1" to "b2". Additionally short term ratings are affirmed. Following lowering of Turkey's foreign currency deposit ceiling from "B1" to "B2" on 24 September 2018, Moody's downgraded long-term foreign currency deposit ratings of 9 Turkish banks, including Akbank. Accordingly, Moody's downgraded Akbank's long-term foreign currency deposit ratings from "B1" to "B2" and other ratings remained unchanged.

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**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018**

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

On September, 27 2018, Akbank has secured a multi-currency syndicated loan facility from international markets equivalent to USD 980 million, comprised of USD 285 million and EUR 591 million with 367 days maturity. All-in cost for the tranches are Libor+2,75% p.a. and Euribor+2,65% p.a. respectively.

**B. BANKING SECTOR THIRD QUARTER OVERVIEW**

In the nine months of 2018, loan growth in the sector was 24,4% and deposit growth in the funding side was 25,8%.

As of September 30, 2018, NPL ratio of the sector was at 3,1%.

**C. CONSOLIDATED FINANCIAL RESULTS**

**1. Main Balance Sheet Items (TL Million) :**

	<b>30.09.2018</b>
	<b>Consolidated</b>
	<b>Financial Results</b>
Total Asset	426.068
Loans	238.626
Deposits	244.980
Equity	43.146
Net Income	4.688

  

	<b>31.12.2017</b>
	<b>Consolidated</b>
	<b>Financial Results</b>
Total Asset	341.610
Loan	209.478
Deposit	201.456
Equity	40.614
Net Income (30.09.2017)	4.517

**2. Main Financial Ratios (%) :**

	<b>30.09.2018</b>
	<b>Consolidated</b>
	<b>Financial Results</b>
Loan / Total Assets:	56,0
Deposit / Total Assets:	57,5
Return on Equity:	15,0
Return on Assets:	1,7
NPL Ratio:	3,1
Capital Adequacy Ratio:	17,3
Earnings Per Share (TL):	0,0117

  

	<b>31.12.2017</b>
	<b>Consolidated</b>
	<b>Financial Results</b>
Loan / Total Assets:	61,3
Deposit / Total Assets:	59,0
Return on Equity: (30.09.2017)	16,6
Return on Assets: (30.09.2017)	2,0
NPL Ratio:	2,1
Capital Adequacy Ratio:	15,79
Earnings Per Share (TL): (30.09.2017)	0,01129



## AKBANK T.A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2018

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

#### 3. Akbank 3Q18 Results Overview:

Akbank reported a gross profit of TL 5.978 million, setting aside TL 1.290 million million of tax provisions, the bank reported a net consolidated profit of TL 4.688 million in the nine months of the year. ROE of the bank has realized at 15,0% by the end of 3Q18.

As of September 2018, Akbank's consolidated total asset realize TL 426 billion, cash loans are approximately TL 239 billion and total deposit is TL 245 billion.

Akbank'in NPL ratio increased by 3,1% compared to the end of the year.

#### 4. Bank's Expectations For 2018:

On October 17, 2018 Banks' future looking expectations which was announced publicly earlier were updated. Accordingly, the 11% inflation expectation to be used in the Bank's CPI-Linkers' valuation has been revised to 17%. The resulting impact will be reflected to the financial statements as of September 2018.

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

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

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