

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 31 DECEMBER 2014 TOGETHER WITH
AUDIT REPORT**

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

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

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

We have audited the consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") at 31 December 2014 and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders' equity, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity for the period then ended and a summary of significant accounting policies and other explanatory notes.

Disclosure for the responsibility of the Bank's board of directors:

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette dated 1 November 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error and selecting and applying appropriate accounting policies.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these consolidated financial statements based on our audit. Our audit has been performed in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

Basis for Qualified Opinion:

Subsequent to the reversal of TL 70.000 thousands during the current period, the accompanying consolidated financial statements as at 31 December 2014 include a general reserve amounting to TL 200.000 thousands which is fully provided in 2013 by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Independent Auditors' Opinion:

In our opinion, except for the effect of the matter referred in the preceding paragraph on the consolidated financial statements, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Akbank T.A.Ş. at 31 December 2014 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Articles 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

Report on other responsibilities arising from regulatory requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 – December 31, 2014 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Additional paragraph for convenience translation to English:

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

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

Fatma Ebru Yücel,
SMMM, Partner

Istanbul, 2 February 2015

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

**THE CONSOLIDATED FINANCIAL REPORT OF
AKBANK T.A.Ş. AS OF
31 DECEMBER 2014**

Adress : Sabancı Center 34330, 4. Levent / İstanbul
Telephone : (0 212) 385 55 55
Fax : (0 212) 319 52 52
Website : www.akbank.com
E-mail : <http://www.akbank.com/bize-ulasin/gorus-onerileriniz-icin.aspx>

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

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

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

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

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

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

2 February 2015

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

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

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

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

**AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2014**

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

**SECTION ONE
GENERAL INFORMATION ABOUT THE GROUP**

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

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

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

The Bank's shares have been quoted on the Borsa Istanbul (BIST) (Formerly Istanbul Stock Exchange ("ISE")) since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depository Receipts ("ADRs"). As of 31 December 2014, approximately 41% of the shares are publicly traded, including the ADRs (31 December 2013: 41%).

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

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

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

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**AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2014**

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

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

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

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

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

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

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

As of 31 December 2014, Retail Banking Business Unit's Executive Vice President A. Galip Tözge, has resigned from his position. SME Banking Vice President Bülent Oğuz will deputize the position until new appointment is made.

IV. INFORMATION ON SHAREHOLDERS HAVING CONTROL SHARES:

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

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

**AKBANK T.A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2014**

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

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

The Bank's core business activities include retail banking, commercial banking, SME banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş and AvivaSA Emeklilik ve Hayat A.Ş. As of 31 December 2014, the Bank has 990 branches dispersed throughout the country and 1 branch operating abroad (31 December 2013: 985 branches and 1 branch operating abroad). As of 31 December 2014, the Bank employed 16.305 people (31 December 2013: 16.249).

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

As at 31 December 2014, the Group employed 16.543 people (31 December 2013: 16.473).

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

The Bank sees no difference between the Communiqué on Consolidated Financial Reporting and the consolidation procedures required by Turkish Accounting Standards. Information in regards to consolidated subsidiaries and consolidation methods are given in Section 3 Note III.

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

None.

AKBANK T.A.S.
I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2014 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL)).

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(I-a)	3.518.600	16.921.457	20.440.057	935.764	17.287.355	18.223.119
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	(I-b)	599.900	865.803	1.465.703	1.021.067	870.543	1.891.610
2.1 Trading Financial Assets		599.900	865.803	1.465.703	1.021.067	870.543	1.891.610
2.1.1 Government Debt Securities		8.525	2.491	11.016	8.701	2.167	10.868
2.1.2 Equity Securities		68	-	68	58.377	-	58.377
2.1.3 Trading Derivative Financial Assets		547.427	863.312	1.410.739	898.494	868.376	1.766.870
2.1.4 Other Marketable Securities		43.880	-	43.880	55.495	-	55.495
2.2 Financial Assets at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Equity Securities		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	(I-c)	611.373	4.600.744	5.212.117	201.368	5.637.731	5.839.099
IV. MONEY MARKETS		700.215	-	700.215	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		700.215	-	700.215	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(I-d)	21.390.273	16.213.559	37.603.832	23.261.560	9.903.422	33.164.982
5.1 Equity Securities		12.326	161	12.487	11.159	161	11.320
5.2 Government Debt Securities		21.283.380	11.154.528	32.437.908	23.173.174	6.902.969	30.076.143
5.3 Other Marketable Securities		94.567	5.058.870	5.153.437	77.227	3.000.292	3.077.519
VI. LOANS and RECEIVABLES	(I-e)	85.861.033	50.270.367	136.131.400	75.531.639	42.477.866	118.009.505
6.1 Loans and Receivables		85.709.707	50.270.367	135.980.074	75.438.789	42.477.866	117.916.655
6.1.1 Loans to Bank's Risk Group	(VII)	1.511.963	952.585	2.464.548	1.562.015	806.082	2.368.097
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		84.197.744	49.317.782	133.515.526	73.876.774	41.671.784	115.548.558
6.2 Loans under Follow-up		2.330.155	-	2.330.155	1.676.682	-	1.676.682
6.3 Specific Provisions (-)		2.178.829	-	2.178.829	1.583.832	-	1.583.832
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD-TO-MATURITY SECURITIES (Net)	(I-f)	5.790.655	5.009.456	10.800.111	7.219.023	4.934.430	12.153.453
8.1 Government Debt Securities		5.790.655	5.009.456	10.800.111	7.219.023	4.934.430	12.153.453
8.2 Other Marketable Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(I-g)	3.923	-	3.923	3.923	-	3.923
9.1 Associates Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Associates Unconsolidated		3.923	-	3.923	3.923	-	3.923
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-Financial Investments in Associates		3.923	-	3.923	3.923	-	3.923
X. SUBSIDIARIES (Net)	(I-h)	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)		-	-	-	-	-	-
11.1 Joint Ventures Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. FINANCIAL LEASE RECEIVABLES (Net)	(I-i)	910.569	2.784.737	3.695.306	569.198	2.648.318	3.217.516
12.1 Financial Lease Receivables		1.182.008	3.237.330	4.419.338	709.963	3.012.978	3.722.941
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		271.439	452.593	724.032	140.765	364.660	505.425
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	(I-j)	284.135	406	284.541	582.455	47.722	630.177
13.1 Fair Value Hedge		284.135	406	284.541	582.455	47.722	630.177
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)	(I-k)	860.758	2.596	863.354	848.596	2.624	851.220
XV. INTANGIBLE ASSETS (Net)	(I-l)	228.548	456	229.004	161.733	482	162.215
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		228.548	456	229.004	161.733	482	162.215
XVI. INVESTMENT PROPERTY (Net)	(I-m)	-	-	-	-	-	-
XVII. TAX ASSET		11.497	9.548	21.045	49.102	25.903	75.005
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(I-n)	11.497	9.548	21.045	49.102	25.903	75.005
XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-o)	158.652	-	158.652	34.699	-	34.699
18.1 Held for Sale Purpose		158.652	-	158.652	34.699	-	34.699
18.2 Related to Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(I-p)	993.288	94.050	1.087.338	1.133.108	92.632	1.225.740
TOTAL ASSETS		121.923.419	96.773.179	218.696.598	111.553.235	83.929.028	195.482.263

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

AKBANK T.A.Ş.
I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2014 (STATEMENT OF FINANCIAL POSITION)

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	65.253.709	57.040.367	122.294.076	56.262.093	56.210.590	112.472.683
1.1 Deposits of Bank's Risk Group	(VII)	2.093.788	1.358.897	3.452.685	2.391.083	1.413.538	3.804.621
1.2 Other		63.159.921	55.681.470	118.841.391	53.871.010	54.797.052	108.668.062
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	(II-b)	222.348	984.865	1.207.213	240.019	938.729	1.178.748
III. FUNDS BORROWED	(II-c)	454.961	20.814.400	21.269.361	638.486	19.260.114	19.898.600
IV. MONEY MARKETS		4.872.461	23.978.899	28.851.360	3.509.017	19.721.734	23.230.751
4.1 Funds from Interbank Money Market		441.722	-	441.722	331.154	-	331.154
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		4.430.739	23.978.899	28.409.638	3.177.863	19.721.734	22.899.597
V. SECURITIES ISSUED (Net)	(II-d)	3.172.404	7.368.020	10.540.424	3.139.050	5.588.792	8.727.842
5.1 Bills		1.485.149	769.015	2.254.164	923.917	-	923.917
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		1.687.255	6.599.005	8.286.260	2.215.133	5.588.792	7.803.925
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		3.027.706	471.106	3.498.812	2.987.598	737.393	3.724.991
VIII. OTHER LIABILITIES	(II-e)	1.327.744	200.986	1.528.730	1.193.502	285.227	1.478.729
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCIAL LEASE PAYABLES (Net)	(II-f)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	(II-g)	-	105.952	105.952	-	63.810	63.810
11.1 Fair Value Hedge		-	105.952	105.952	-	63.810	63.810
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(II-h)	2.108.801	544.825	2.653.626	1.798.972	468.603	2.267.575
12.1 General Loan Loss Provisions		1.588.276	515.988	2.104.264	1.252.095	444.023	1.696.118
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		127.450	187	127.637	111.036	123	111.159
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		393.075	28.650	421.725	435.841	24.457	460.298
XIII. TAX LIABILITY	(II-i)	528.243	78.757	607.000	243.529	60.026	303.555
13.1 Current Tax Liability		522.289	31.129	553.418	243.529	16.793	260.322
13.2 Deferred Tax Liability		5.954	47.628	53.582	-	43.233	43.233
XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1 Held for Sale Purpose		-	-	-	-	-	-
14.2 Related to Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(II-j)	26.257.874	(117.830)	26.140.044	22.833.450	(698.471)	22.134.979
16.1 Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2 Capital Reserves		2.772.404	(117.830)	2.654.574	2.213.524	(698.471)	1.515.053
16.2.1 Share Premium		1.700.000	-	1.700.000	1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences	(II-k)	(181.747)	(88.432)	(270.179)	(702.498)	(665.848)	(1.368.346)
16.2.4 Property and Equipment Revaluation Differences		47.106	-	47.106	47.106	-	47.106
16.2.5 Intangible Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Investment Properties Revaluation Differences		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		3.895	-	3.895	2.729	-	2.729
16.2.8 Hedging Funds (Effective portion)		(202.742)	(29.398)	(232.140)	(239.705)	(32.623)	(272.328)
16.2.9 Value Increase of Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.405.892	-	1.405.892	1.405.892	-	1.405.892
16.3 Profit Reserves		15.845.847	-	15.845.847	13.333.443	-	13.333.443
16.3.1 Legal Reserves		1.295.468	-	1.295.468	1.259.069	-	1.259.069
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		14.150.654	-	14.150.654	11.631.754	-	11.631.754
16.3.4 Other Profit Reserves		399.725	-	399.725	442.620	-	442.620
16.4 Income or (Loss)		3.639.523	-	3.639.523	3.286.398	-	3.286.398
16.4.1 Prior Periods' Income or (Loss)		260.884	-	260.884	209.221	-	209.221
16.4.2 Current Year Income or (Loss)		3.378.639	-	3.378.639	3.077.177	-	3.077.177
16.5 Minority Interest	(II-l)	100	-	100	85	-	85
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		107.226.251	111.470.347	218.696.598	92.845.716	102.636.547	195.482.263

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

AKBANK T.A.S.
II. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2014
(Amounts are expressed in thousands of Turkish Lira (TL)).

INCOME AND EXPENSE ITEMS		Note	CURRENT PERIOD	PRIOR PERIOD
		(Section Five)	(01/01-31/12/2014)	(01/01-31/12/2013)
I.	INTEREST INCOME	(III-a)	14.690.586	11.891.833
1.1	Interest on Loans	(III-a-1)	10.595.948	8.317.433
1.2	Interest on Reserve Requirements		-	-
1.3	Interest on Banks	(III-a-2)	36.747	32.736
1.4	Interest on Money Market Transactions		63.676	25.497
1.5	Interest on Marketable Securities Portfolio	(III-a-3)	3.718.611	3.311.800
1.5.1	Trading Financial Assets		6.628	3.272
1.5.2	Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		3.020.875	3.056.974
1.5.4	Held- to- maturity Investments		691.108	251.554
1.6	Financial Lease Income		235.838	186.186
1.7	Other Interest Income		39.766	18.181
II.	INTEREST EXPENSE	(III-b)	7.470.308	5.510.286
2.1	Interest on Deposits	(III-b-4)	5.457.539	4.062.573
2.2	Interest on Funds Borrowed	(III-b-1)	375.206	330.875
2.3	Interest Expense on Money Market Transactions		1.002.028	627.980
2.4	Interest on Securities Issued	(III-b-3)	612.542	469.917
2.5	Other Interest Expenses		22.993	18.941
III.	NET INTEREST INCOME (I - II)		7.220.278	6.381.547
IV.	NET FEES AND COMMISSIONS INCOME		2.436.707	2.233.319
4.1	Fees and Commissions Received		2.832.387	2.523.649
4.1.1	Non-cash Loans		156.199	111.204
4.1.2	Other		2.676.188	2.412.445
4.2	Fees and Commissions Paid		395.680	290.330
4.2.1	Non-cash Loans		3.218	3.197
4.2.2	Other		392.462	287.133
V.	DIVIDEND INCOME	(III-c)	1.381	4.970
VI.	TRADING INCOME/(LOSS) (Net)	(III-d)	(75.476)	491.008
6.1	Trading Gains / (Losses) on Securities		721.224	656.935
6.2	Gains / (Losses) on Derivative Financial Transactions		(1.313.027)	755.735
6.3	Foreign Exchange Gains / (Losses)		516.327	(921.662)
VII.	OTHER OPERATING INCOME	(III-e)	633.895	418.409
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		10.216.785	9.529.253
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(III-f)	2.076.858	1.936.548
X.	OTHER OPERATING EXPENSES (-)	(III-g)	3.806.435	3.528.724
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		4.333.492	4.063.981
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER			
	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES		-	-
XIII.	CONSOLIDATED BASED ON EQUITY METHOD		-	-
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)		4.333.492	4.063.981
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(III-j)	954.846	986.800
16.1	Current Tax Provision		1.109.941	707.290
16.2	Deferred Tax Provision		(155.095)	279.510
XVII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)		3.378.646	3.077.181
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Income from Non-current Assets Held for Sale		-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
18.3	Income from Other Discontinued Operations		-	-
XIX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
19.1	Expenses for Non-current Assets Held for Sale		-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
19.3	Expenses for Other Discontinued Operations		-	-
XX.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
21.1	Current Tax Provision		-	-
21.2	Deferred Tax Provision		-	-
XXII.	CURRENT YEAR PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	(III-l)	3.378.646	3.077.181
23.1	Income/(Loss) from the Group		3.378.639	3.077.177
23.2	Income/(Loss) from Minority Interest	(III-h)	7	4
	Earning/(Loss) per share (in TL full)		0,00845	0,00769

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

AKBANK T.A.Ş.

III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2014

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

	Note (Section Five)	CURRENT PERIOD (31/12/2014)			PRIOR PERIOD (31/12/2013)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		86.440.978	167.542.323	253.983.301	93.891.891	157.955.849	251.847.740
I. GUARANTEES AND WARRANTIES	(IV-a-2, 3)	14.838.169	17.405.294	32.243.463	13.049.180	17.228.728	30.277.908
1.1 Letters of Guarantee		13.277.182	9.085.634	22.362.816	11.716.391	7.469.072	19.185.463
1.1.1 Guarantees Subject to State Tender Law		303.407	1.575.448	1.878.855	287.732	1.340.785	1.628.517
1.1.2 Guarantees Given for Foreign Trade Operations		-	3.467.645	3.467.645	-	3.547.914	3.547.914
1.1.3 Other Letters of Guarantee		12.973.775	4.042.541	17.016.316	11.428.659	2.580.373	14.009.032
1.2 Bank Acceptances		-	1.130.533	1.130.533	-	1.705.986	1.705.986
1.2.1 Import Letter of Acceptance		-	1.130.533	1.130.533	-	1.705.986	1.705.986
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	5.463.720	5.463.720	1.355	6.205.829	6.207.184
1.3.1 Documentary Letters of Credit		-	4.921.555	4.921.555	1.355	5.639.926	5.641.281
1.3.2 Other Letters of Credit		-	542.165	542.165	-	565.903	565.903
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	22.745	22.745	-	23.852	23.852
1.8 Other Guarantees		76.813	1.686.271	1.763.084	59.250	1.800.260	1.859.510
1.9 Other Collaterals		1.484.174	16.391	1.500.565	1.272.184	23.729	1.295.913
II. COMMITMENTS	(IV-a-1)	38.752.269	9.062.927	47.815.176	41.112.347	7.588.719	48.701.066
2.1 Irrevocable Commitments		38.365.810	9.062.927	47.428.737	40.607.424	7.588.719	48.196.143
2.1.1 Asset Purchase Commitments		2.523.406	7.203.835	9.727.241	4.892.917	5.552.036	10.444.953
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		5.397.158	1.793.569	7.190.727	4.887.523	1.616.081	6.503.604
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		5.409.062	-	5.409.062	5.051.733	-	5.051.733
2.1.8 Tax and Fund Liabilities from Export Commitments		2.196	-	2.196	1.242	-	1.242
2.1.9 Commitments for Credit Card Limits		21.109.490	-	21.109.490	21.362.853	-	21.362.853
2.1.10 Commitments for Credit Cards and Banking Services Promotions		126.962	-	126.962	130.439	-	130.439
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		3.797.536	65.523	3.863.059	4.280.717	420.602	4.701.319
2.2 Revocable Commitments		386.459	-	386.459	504.923	-	504.923
2.2.1 Revocable Loan Granting Commitments		386.459	-	386.459	504.923	-	504.923
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(IV-b)	32.850.540	141.074.102	173.924.642	39.730.364	133.138.402	172.868.766
3.1 Hedging Derivative Financial Instruments		871.688	8.767.178	9.638.866	2.640.102	9.876.850	12.516.952
3.1.1 Fair Value Hedges		871.688	8.767.178	9.638.866	2.640.102	9.876.850	12.516.952
3.1.2 Cash Flow Hedges		-	-	-	-	-	-
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		31.978.852	132.306.924	164.285.776	37.090.262	123.261.552	160.351.814
3.2.1 Forward Foreign Currency Buy/Sell Transactions		4.072.104	5.019.986	9.092.090	5.498.056	6.577.166	12.075.222
3.2.1.1 Forward Foreign Currency Transactions-Buy		1.889.739	2.611.651	4.501.390	1.993.163	4.053.487	6.046.650
3.2.1.2 Forward Foreign Currency Transactions-Sell		2.182.365	2.408.335	4.590.700	3.504.893	2.523.679	6.028.572
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		19.980.217	74.833.436	94.813.653	18.685.004	66.288.511	84.973.515
3.2.2.1 Foreign Currency Swap-Buy		4.575.643	24.769.928	29.345.571	2.810.181	21.228.640	24.038.821
3.2.2.2 Foreign Currency Swap-Sell		13.085.408	11.984.784	25.070.192	13.655.657	8.916.441	22.572.098
3.2.2.3 Interest Rate Swap-Buy		1.159.583	19.039.362	20.198.945	1.109.583	18.071.715	19.181.298
3.2.2.4 Interest Rate Swap-Sell		1.159.583	19.039.362	20.198.945	1.109.583	18.071.715	19.181.298
3.2.3 Foreign Currency, Interest Rate and Securities Options		7.776.789	46.175.887	53.952.676	12.444.886	48.639.479	61.084.365
3.2.3.1 Foreign Currency Options-Buy		3.802.404	5.939.815	9.742.219	5.310.223	8.230.190	13.540.413
3.2.3.2 Foreign Currency Options-Sell		3.974.385	5.754.002	9.728.387	6.715.937	6.702.419	13.418.356
3.2.3.3 Interest Rate Options-Buy		-	17.241.035	17.241.035	-	16.853.435	16.853.435
3.2.3.4 Interest Rate Options-Sell		-	17.241.035	17.241.035	-	16.853.435	16.853.435
3.2.3.5 Securities Options-Buy		-	-	-	209.363	-	209.363
3.2.3.6 Securities Options-Sell		-	-	-	209.363	-	209.363
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		149.742	6.277.615	6.427.357	462.316	1.756.396	2.218.712
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		556.134.233	134.930.774	691.065.007	460.544.679	114.649.945	575.194.624
IV. ITEMS HELD IN CUSTODY		50.211.717	10.755.475	60.967.192	45.452.552	6.897.506	52.350.058
4.1 Customer Fund and Portfolio Balances		2.883.149	-	2.883.149	3.327.038	-	3.327.038
4.2 Investment Securities Held in Custody		14.041.992	957.671	14.999.663	14.433.403	935.571	15.368.974
4.3 Cheques Received for Collection		29.969.396	690.016	30.659.412	24.842.054	439.276	25.281.330
4.4 Commercial Notes Received for Collection		2.828.122	1.084.489	3.912.611	2.362.060	694.580	3.056.640
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		489.058	8.023.299	8.512.357	487.997	4.828.079	5.316.076
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		158.052.034	45.054.596	203.106.630	117.618.025	40.296.298	157.914.323
5.1 Marketable Securities		59.432.194	128.592	59.560.786	26.778.749	102.646	26.881.395
5.2 Guarantee Notes		744.854	423.272	1.168.126	813.436	366.230	1.179.666
5.3 Commodity		68.907	28.634	97.541	41.302	20.529	61.831
5.4 Warranty		1.277	668	1.945	1.437	953	2.390
5.5 Immovables		63.940.850	30.269.306	94.210.156	49.073.146	26.018.725	75.091.871
5.6 Other Pledged Items		33.858.772	14.188.464	48.047.236	40.906.149	13.786.261	54.692.410
5.7 Pledged Items-Depository		5.180	15.660	20.840	3.806	954	4.760
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		347.870.482	79.120.703	426.991.185	297.474.102	67.456.141	364.930.243
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		642.575.211	302.473.097	945.048.308	554.436.570	272.605.794	827.042.364

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

AKBANK T.A.Ş.**IV. STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER CONSOLIDATED SHAREHOLDERS' EQUITY
AT 31 DECEMBER 2014**

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

INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD (31/12/2014)	PRIOR PERIOD (31/12/2013)
I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE- FOR- SALE FINANCIAL ASSETS	1.372.709	(3.802.655)
II. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. TRANSLATION DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	(40.999)	193.042
V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion)	26.651	106.639
VI. PROFIT/LOSS FROM FOREIGN NET INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion) (*)	23.584	(105.944)
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	(5.785)	(1.594)
IX. TAX RELATED TO VALUATION DIFFERENCES	(283.432)	760.711
X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	1.092.728	(2.849.801)
XI. CURRENT PERIOD INCOME / LOSS	3.378.646	3.077.181
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	543.335	615.584
11.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(21.321)	(49.235)
11.3 Part of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	2.856.632	2.510.832
XII. TOTAL INCOME / LOSS ACCOUNTED FOR THE PERIOD (X±XI)	4.471.374	227.380

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

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

AKBANK T.A.Ş.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2014

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

	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital(*)	Share Premiums	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Value Increase Fund	Revaluation Fund	Bonus Shares from Invest. in Ass., Subs. and J.V.	Hedging Transactions	Val. Chan. in Prop. and Eq. HFS Purp./ Disc. Opr.	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD (31/12/2013)																			
I.		4.000.000	1.405.892	1.700.000	-	1.213.707	-	9.115.974	242.712	3.004.910	344.264	1.673.778	47.106	236	(272.884)	-	22.475.695	73	22.475.768
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		4.000.000	1.405.892	1.700.000	-	1.213.707	-	9.115.974	242.712	3.004.910	344.264	1.673.778	47.106	236	(272.884)	-	22.475.695	73	22.475.768
Changes in the period																			
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	(3.042.124)	-	-	-	-	(3.042.124)	-	(3.042.124)
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1		-	-	-	-	-	-	-	-	-	-	-	-	-	556	-	556	-	556
6.2		-	-	-	-	-	-	-	-	-	-	-	-	-	85.311	-	85.311	-	85.311
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	(84.755)	-	(84.755)	-	(84.755)
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	2.493	-	-	2.493	-	2.493
X.		-	-	-	-	-	-	-	193.042	-	-	-	-	-	-	-	193.042	-	193.042
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
14.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	8.295	-	181.794	(1.275)	-	(190.091)	-	-	-	-	-	(1.275)	-	(1.275)
XIX.		-	-	-	-	-	-	-	-	3.077.177	-	-	-	-	-	-	3.077.177	4	3.077.181
XX.		-	-	-	-	37.067	-	2.333.984	8.141	(3.004.910)	55.048	-	-	-	-	-	(570.670)	-	(570.670)
20.1		-	-	-	-	-	-	-	-	(570.670)	-	-	-	-	-	-	(570.670)	-	(570.670)
20.2		-	-	-	-	37.067	-	2.333.984	8.141	(2.434.240)	55.048	-	-	-	-	-	-	-	-
20.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance [(III+IV+V+.....+XVIII+XX+XXI)]		4.000.000	1.405.892	1.700.000	-	1.259.069	-	11.631.754	442.620	3.077.177	209.221	(1.368.346)	47.106	2.729	(272.328)	-	22.134.894	85	22.134.979
CURRENT PERIOD (31/12/2014)																			
I.		4.000.000	1.405.892	1.700.000	-	1.259.069	-	11.631.754	442.620	3.077.177	209.221	(1.368.346)	47.106	2.729	(272.328)	-	22.134.894	85	22.134.979
Changes in the period																			
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	1.098.167	-	-	-	-	1.098.167	-	1.098.167
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	40.188	-	40.188	-	40.188
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	21.321	-	21.321	-	21.321
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	18.867	-	18.867	-	18.867
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	1.166	-	-	1.166	-	1.166
VIII.		-	-	-	-	-	-	-	(40.999)	-	-	-	-	-	-	-	(40.999)	-	(40.999)
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	(4.628)	-	-	-	-	-	-	-	(4.628)	-	(4.628)
XVII.		-	-	-	-	-	-	-	-	3.378.639	-	-	-	-	-	-	3.378.639	7	3.378.646
XVIII.		-	-	-	-	36.399	-	2.518.900	2.732	(3.077.177)	51.663	-	-	-	-	-	(467.483)	-	(467.483)
18.1		-	-	-	-	-	-	-	-	(467.483)	-	-	-	-	-	-	(467.483)	-	(467.483)
18.2		-	-	-	-	36.399	-	2.518.900	2.732	(2.609.694)	51.663	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance [(I+II+III+.....+XVI+XVII+XVIII)]		4.000.000	1.405.892	1.700.000	-	1.295.468	-	14.150.654	399.725	3.378.639	240.884	(270.179)	47.106	3.895	(232.140)	-	26.139.944	100	26.140.044

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

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

AKBANK T.A.Ş.

VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2014

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

	Note (Section Five)	CURRENT PERIOD (31/12/2014)	PRIOR PERIOD (31/12/2013)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities	6.487.175	2.107.911
1.1.1	Interest received	14.896.443	11.345.260
1.1.2	Interest paid	(7.421.785)	(5.373.274)
1.1.3	Dividend received	1.381	4.970
1.1.4	Fees and commissions received	2.716.328	2.552.390
1.1.5	Other income	205.032	(334.318)
1.1.6	Collections from previously written-off loans and other receivables	564.506	441.919
1.1.7	Payments to personnel and service suppliers	(3.380.856)	(3.138.147)
1.1.8	Taxes paid	(1.202.318)	(800.906)
1.1.9	Other	108.444	(2.589.983)
	(VI-b)		
1.2	Changes in operating assets and liabilities	(5.037.727)	(29.120)
1.2.1	Net decrease in trading securities	69.951	(92.265)
1.2.2	Net (increase) / decrease in fair value through profit/(loss) financial assets	-	-
1.2.3	Net increase / (decrease) in due from banks and other financial institutions	39.663	(1.630.034)
1.2.4	Net (increase) / decrease in loans	(19.623.221)	(26.342.068)
1.2.5	Net (increase) / decrease in other assets	(2.606.644)	(2.390.622)
1.2.6	Net increase / (decrease) in bank deposits	6.377.130	9.120.037
1.2.7	Net increase / (decrease) in other deposits	8.907.943	15.694.658
1.2.8	Net increase / (decrease) in funds borrowed	1.479.167	4.242.539
1.2.9	Net increase / (decrease) in payables	-	-
1.2.10	Net increase / (decrease) in other liabilities	318.284	1.368.635
	(VI-b)		
I.	Net cash provided from banking operations	1.449.448	2.078.791
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	(2.487.434)	(3.322.653)
2.1	Cash paid for acquisition of investments, associates and subsidiaries	-	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries	-	-
2.3	Purchases of property and equipment	(296.257)	(310.474)
2.4	Disposals of property and equipment	31.505	20.036
2.5	Cash paid for purchase of investments available-for-sale	(25.314.010)	(22.899.653)
2.6	Cash obtained from sale of investments available-for-sale	21.760.012	18.418.129
2.7	Cash paid for purchase of investment securities	(6.405)	-
2.8	Cash obtained from sale of investment securities	1.798.189	1.788.154
2.9	Other	(460.468)	(338.845)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	1.317.425	1.485.912
3.1	Cash obtained from funds borrowed and securities issued	8.869.161	5.201.675
3.2	Cash used for repayment of funds borrowed and securities issued	(7.084.253)	(3.145.093)
3.3	Issued equity instruments	-	-
3.4	Dividends paid	(467.483)	(570.670)
3.5	Payments for finance leases	-	-
3.6	Other	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	132.806	618.792
V.	Net increase in cash and cash equivalents (I+II+III+IV)	412.245	860.842
VI.	Cash and cash equivalents at beginning of the period	4.933.284	4.072.442
	(VI-a)		
VII.	Cash and cash equivalents at end of the period	5.345.529	4.933.284
	(VI-a)		

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

AKBANK T.A.Ş.**VII. PROFIT APPROPRIATION STATEMENT**

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

	CURRENT PERIOD (31/12/2014)	PRIOR PERIOD (31/12/2013)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	4.037.966	3.853.607
1.2	878.288	911.565
1.2.1	1.039.327	625.107
1.2.2	-	-
1.2.3	(161.039)	286.458
A.	3.159.678	2.942.042
1.3	-	-
1.4	-	-
1.5	-	-
B.	3.159.678	2.942.042
1.6	-	200.000
1.6.1	-	200.000
1.6.2	-	-
1.6.3	-	-
1.6.4	-	-
1.6.5	-	-
1.7	-	-
1.8	-	683
1.9	-	266.800
1.9.1	-	266.800
1.9.2	-	-
1.9.3	-	-
1.9.4	-	-
1.9.5	-	-
1.10	-	26.748
1.11	-	-
1.12	-	2.445.079
1.13	-	-
1.14	-	2.732
II. DISTRIBUTION OF RESERVES		
2.1	-	-
2.2	-	-
2.3	-	-
2.3.1	-	-
2.3.2	-	-
2.3.3	-	-
2.3.4	-	-
2.3.5	-	-
2.4	-	-
2.5	-	-
III. EARNINGS PER SHARE (*)		
3.1	0,008	0,007
3.2	0,8	0,7
3.3	-	-
3.4	-	-
IV. DIVIDEND PER SHARE		
4.1	-	0,001
4.2	-	0,1
4.3	-	-
4.4	-	-

(*) Amounts are expressed in TL.

NOTES:**(1)** Authorized body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.**(2)** Profit appropriation is being done according to unconsolidated financial statements.

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2014

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

**SECTION THREE
ACCOUNTING POLICIES**

I. EXPLANATIONS ON BASIS OF PRESENTATION:

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

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

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

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

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

b. Explanation for convenience translation into English:

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2014

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

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

The accounting policies and valuation principles applied in the preparation of consolidated financial statements are determined and applied in accordance with TAS and TFRS and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2014. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVIII below.

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

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

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

The Group’s core business activities include retail banking, commercial banking, SME banking, corporate banking, private banking, foreign exchange, money markets, securities transactions (Treasury transactions) and international banking services. The Group performs financial leasing transactions through Ak Finansal Kiralama A.Ş. By nature the Group’s activities are principally related to the use of financial instruments. As the main funding source, the Group accepts deposits from customers for various periods and invests these funds in high quality assets with high interest margins. Other than deposits, the Group’s most important funding sources are equity, 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-Liabilities Committee (“ALCO”) manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Market Risk Committee (“EMRC”).

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

As of 31 December 2014, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,3269, TL 2,8272 and TL 1,9424 for USD, EURO and Yen respectively.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2014

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

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

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

Consolidation principles for subsidiaries:

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

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

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

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

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

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

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

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

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

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

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

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

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IV. EXPLANATIONS ON FORWARD TRANSACTIONS AND DERIVATIVE INSTRUMENTS:

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

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

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

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

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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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 aimed at short-term profit making.

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

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

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

b. Financial assets available-for-sale:

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

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

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

c. Loans and Receivables:

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

If the collectability of any receivable is identified as limited or doubtful by the management through assessments and estimates, the Group provides general and specific provisions for these loans and receivables in accordance with the “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” and with the scope of IAS, published in the Official Gazette dated 1 November 2006, no. 26333. If a receivable is collected which is provisioned in the same year, it is deducted from the “Special Provisions for Loans and Other Receivables”. Provision expenses are accounted under “Provision for Loan Losses and Other Receivables” in the income statement and deducted from the net income of the period. If a receivable is collected which is provisioned in the same year, it is

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deducted from the “Provision for Loan Losses and Other Receivables”. If there is a subsequent collection from a receivable which has already been provisioned in previous years, the recovery amount is classified under “Other Operating Income”. Uncollectible receivables are written-off after all the legal procedures are finalized.

d. Held-to-maturity financial assets:

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

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

The Bank has Consumer Price Index (“CPI”) linked government bonds under available-for-sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate. As disclosed in ‘Inflation Indexed Bonds Manual’ published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

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

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

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

Funds given against securities purchased under agreements to resell (“Reverse repos”) are accounted under “Receivables from reverse repurchase agreements” in the balance sheet. The difference between the purchase

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and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the “Effective interest method”. The Group has no securities lending transactions.

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

The Group has no discontinued operations.

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

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

As of 31 December 2014, the Group has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

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

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

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the “Lower of the fair value of the leased asset or the present value of the lease installments that are going to be paid for the leased asset”. Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any impairment in value of the leased asset, an impairment loss is

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recognized. Liabilities arising from the leasing transactions are included in “Finance lease payables” in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

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

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

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the periodicity principle. When the amount of the obligation cannot be reliably estimated and there is no possibility of an outflow of resources from the Group, it is considered that a “Contingent” liability exists and it is disclosed in the related notes to the financial statements.

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

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XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

Obligations related to employment termination and vacation rights are accounted for in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) and are classified under the “Reserve for Employee Rights” account in the balance sheet.

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

b. Retirement rights:

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

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

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

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

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

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the Official Gazette no. 28987 dated 30 April 2014. Accordingly, the process will have to be completed until 8 May 2015.

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

With respect to that, according to the technical balance sheet report as at 31 December 2013 prepared considering the related articles of the New Law regarding the transferrable benefit obligations for the non-transferrable social benefits and payments which are included in the articles of association, the Fund has no technical or actual deficit which requires a provision. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

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

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

XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

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

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

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

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

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

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until the 25th day of the following fourth month after the closing of the accounting year to which they

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relate. Tax returns are open for five years from the beginning of the year following the date of filing during which time period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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

Information on taxation in foreign associates are given below:

Akbank AG (Germany)

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

Akbank (Dubai) Limited (United Arab Emirates)

Akbank Dubai, operating in Dubai International Finance Center, is not subject to taxes according to the legislations of this country.

b. Deferred tax:

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

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

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no security issuance as of 31 December 2014.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

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XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

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

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

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

(c) for which discrete financial information is available.

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

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

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

XXV. EARNINGS PER SHARE:

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

	Current Period	Prior Period
	31 December 2014	31 December 2013
Net Profit for the Year	3.378.639	3.077.177
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00845	0.00769

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“Bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

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

XXVI. RELATED PARTIES:

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

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XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

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

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

- a. The Group's and Bank's capital adequacy ratio, calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which became effective as of 1 July 2012, are respectively 14,89% (31 December 2013: 14,71%) and 15,16% (31 December 2013: 14,95%). This ratio is well above the minimum ratio required by the legislation.
- b. Capital adequacy ratio has been calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", "Credit Risk Mitigation Techniques" and "Calculation of Risk-Weighted Amounts for Securitizations" Communiqués that have been published in Official Gazette no. 28337 on 28 June 2012 and became effective as of 1 July 2012 and "Regulation on Equity of Banks" that has been published in Official Gazette no. 26333 on November 1, 2006.

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

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

c. Information related to consolidated capital adequacy ratio:

	Consolidated									
	Risk Weights									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Weighted Credit Risk	-	-	2.175.787	22.942.114	24.598.835	92.462.571	4.144.772	27.558.630	1.151.010	-
Risk classifications:										
Conditional and unconditional receivables from central governments and Central Banks	44.551.919	-	155.782	16.939.979	-	3.392	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	44	-	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	26.350	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	10.710.626	13.876.617	-	296.554	-	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	84.317.396	9	-	-	-
Conditional and unconditional receivables from retail portfolios	-	-	-	-	32.798.447	3.212.966	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	15.067.588	-	2.036.583	-	-	-	-
Past due receivables	-	-	-	-	-	168.588	8.625	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	2.754.548	13.779.315	460.404	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	289.909	-	-	-	-
Other receivables	1.507.727	-	12.527	-	-	2.110.833	-	-	-	-

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	Bank										
	Risk Weights										
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	
Weighted Credit Risk	-	-	2.103.028	23.312.236	24.485.003	82.215.882	4.131.835	27.558.630	1.151.010	-	
Risk classifications:											
Conditional and unconditional receivables from central governments and Central Banks	44.324.502	-	155.782	16.939.979	-	3.392	-	-	-	-	
Conditional and unconditional receivables from regional or local governments	-	-	-	44	-	-	-	-	-	-	
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	26.350	-	-	-	-	
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from banks and brokerage houses	780.231	-	10.346.832	14.616.861	-	15.139	-	-	-	-	
Conditional and unconditional receivables from corporates	-	-	-	-	-	73.709.921	9	-	-	-	
Conditional and unconditional receivables from retail portfolios	-	-	-	-	32.646.671	3.212.966	-	-	-	-	
Conditional and unconditional receivables secured by mortgages	-	-	-	15.067.588	-	2.036.583	-	-	-	-	
Past due receivables	-	-	-	-	-	151.326	-	-	-	-	
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	2.754.548	13.779.315	460.404	-	
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	
Securitization positions	-	-	-	-	-	-	-	-	-	-	
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	
Investments similar to collective investment funds	-	-	-	-	-	289.909	-	-	-	-	
Other receivables	1.507.715	-	12.527	-	-	2.770.295	-	-	-	-	

d. Summary information related to capital adequacy ratio:

	Bank		Consolidated	
	Current Period 31 December 2014	Prior Period 31 December 2013 (*)	Current Period 31 December 2014	Prior Period 31 December 2013(*)
Capital Requirement for Credit Risk (Value at credit risk*0,08) (CRCR)	13.196.610	11.312.547	14.002.698	11.979.369
Capital Requirement for Market Risk (CRMR)	150.850	252.559	158.643	183.182
Capital Requirement for Operational Risk (CROR)	973.611	832.024	1.014.044	868.247
Total Capital	27.132.960	23.170.989	28.236.377	23.959.927
Total Equity/((CRCR+CRMR+CROR)*12,5)*100	15,16	14,95	14,89	14,71
Additional Tier I Capital/(((KRSY+PRSY+ORSY)*12,5)*100)	14,04	-	13,79	-
Common Equity/(((KRSY+PRSY+ORSY)*12,5)*100)	14,13	-	13,88	-

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

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e. Information about consolidated total capital items:

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

	Current Period 31 December 2014
COMMON EQUITY	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.405.892
Share premium	1.700.000
Share cancellation profits	-
Reserves	15.845.847
Gains recognized in equity as per TAS	47.106
Profit	3.639.523
Current Period Profit	3.378.639
Prior Period Profit	260.884
Provisions for Possible Risks	200.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	3.895
Minorities' Share	100
Common Equity Before Deductions	26.842.363
Deductions from Common Equity	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	419.871
Leasehold improvements (-)	53.057
Goodwill or other intangible assets and deferred tax liability related to these items (-)	41.395
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own Common Equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-)	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-)	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Common Equity	514.323
Total Common Equity	26.328.040
ADDITIONAL TIER I CAPITAL	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)	-
Third parties' share in the Tier II Capital	-
Additional Tier I Capital before Deductions	-

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	Current Period 31 December 2014
Deductions from Additional Tier I Capital	
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Deductions from Tier I Capital	
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	165.578
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Total Tier I Capital	26.162.462
TIER II CAPITAL	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	2.104.264
Third parties' share in the Tier II Capital	-
Tier II Capital Before Deductions	2.104.264
Deductions From Tier II Capital	
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	2.104.264
CAPITAL BEFORE DEDUCTIONS	28.266.726
Deductions from Capital	
Loans granted contrary to the 50th and 51th Article of the Law (-)	-
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	218
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	26
Other items to be defined by the BRSA (-)	30.105
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
TOTAL CAPITAL	28.236.377
Amounts below the Excess Limits as per the Deduction Principles	
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	202.838

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

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

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

Temporary 2nd article, 1st clause of “Regulation on Equity of Banks” is applied for deductions from Tier 1 Capital.

Current Period 31 December 2014	Bank		Consolidation	
	Current Period The Considered Amount in Equity Calculation	Total Amount	Current Year The Considered Amount in Equity Calculation	Total Amount
Minorities’ share in the Common Equity	-	-	100	100
Third parties’ share in the Additional Tier I capital	-	-	-	-
Third parties’ share in the Tier II Capital	-	-	-	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-	-	-	-

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

h. The approach used to evaluate the internal capital requirement for the purpose of evaluating its adequacy for the current and future operations within the internal capital adequacy process:

In parallel with the Bank’s preparation of yearly business plan and 3 year strategic plan, the legal and internal capital adequacy requirements are evaluated prospectively. In the legal capital requirement calculations the credit risk within the first pillar block, the market risk and the operational risk are included, whereas in the internal capital requirement calculations, the second pillar concepts such as interest rate risk of banking accounts, concentration risk, business risk, reputational risk, model risk, trade risk are included in addition to the first pillar blocks.

In addition to normal planning conditions, legal and capital adequacy ratio are also evaluated under stress conditions. Capital adequacy calculations are performed under two different stress scenarios being mild and strong. Within the scope of stress scenarios the effect of these variables on credit cost and market risk factors (FX currency, interest rate etc.) is modelled after forecasting macroeconomic variables. The effect of stress scenarios on equity, income, risk weighted assets and capital adequacy is calculated.

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II. EXPLANATIONS ON CREDIT RISK :

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

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

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

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

The Bank considers loans that have overdue principal and interest payments and are classified as 2nd Group according to the “Communiqué on “Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made” as “past due loans.” Loans that have overdue principal and interest payments for more than 90 days after the maturity date or the debtor of which are deemed unworthy by the Bank are considered “impaired loans.”

The Bank calculates general loan loss provision for “past due loans” and special provision for “impaired loans” according to the Communiqué on “Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made.

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount
Conditional and unconditional receivables from central governments and Central Banks	65.866.308	69.086.202
Conditional and unconditional receivables from regional or local governments	220	221
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	44.172	83.250
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	59.086.865	52.245.575
Conditional and unconditional receivables from corporate	105.855.019	95.995.635
Conditional and unconditional receivables from retail portfolios	60.693.962	57.914.846
Conditional and unconditional receivables secured by mortgages	17.505.057	19.245.192
Past due receivables	177.214	127.834
Receivables defined under high risk category by BRSA	16.994.266	16.405.529
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	289.909	1.618.282
Other receivables	3.631.087	3.824.779
Total	330.144.079	316.547.345

(*) The figures represent total risk amounts before Credit Risk Mitigation and before credit conversion factor.

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- b.** Risk control limits exist that are placed against credit and market risk from of forward transaction and option agreements and other similar agreements. Control limits exist on forward and option agreements and other similar agreements. The undertaken credit risk of these types of instruments is managed together with market risk.
- c.** The risks of the forward, option and other similar type agreements are followed regularly and as deemed necessary based on the credit risk, the risks are tried to be minimized.
- d.** Non-cash loans turned into cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk.

Rescheduled or restructured loans are followed according to Group’s credit risk management and follow-up principles. Relevant customer’s financial status and commercial operations are constantly analyzed and payment schedule is closely monitored by related business segment. Monitoring continues until the receivables from the loans are completely collected.

The Group considers that long-term commitments are more exposed to credit risk than short-term commitments, and points such as defining risk limits for long-term risks and obtaining collateral are treated in a wider extent than short-term risks.

- e.** The Group’s banking activities in foreign countries and credit transactions do not constitute an important risk in terms of the related countries’ economic conditions and activities of customers and companies.

When considered within the financial activities of other financial institutions, the Group as an active participant in the national and international banking market is not exposed to a significant credit risk concentration.

As seen in the Group’s balance sheet, the ratio of loans under follow-up to total loans is as low as 1,7% (31 December 2013: 1,4%).

- f.** 1. The proportion of the Group’s top 100 and 200 cash loan balances in total cash loans is 29% and 34% respectively. (31 December 2013: 27% and 33%).
2. The proportion of the Group’s top 100 and 200 customers’ non-cash loan balances in total non-cash loans is 65% and 73%. (31 December 2013: 63% and 72%)
3. The proportion of the Group’s top 100 and 200 customers’ cash and non-cash loan balances in total balance sheet assets and non-cash loans is 21% and 25% respectively. (31 December 2013: 20% and 24%)
- g.** The Bank provided a general loan loss provision amounting to TL 2.104.264 (31 December 2013: TL 1.696.118).

h. Information on loan types and provisions:

Current Period - 31 December 2014	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	90.241.516	29.426.001	12.039.233	131.706.750
Close Monitoring Loans	1.835.940	1.573.038	864.346	4.273.324
Loans Under Follow-up	751.403	685.612	893.140	2.330.155
Specific Provision (-)	600.077	685.612	893.140	2.178.829
Total	92.228.782	30.999.039	12.903.579	136.131.400

As of 31 December 2014, the Bank has set 100% specific provision amounting to TL 55 million after taking the collaterals into consideration for one of its non-performing commercial loans amounting to TL 206 million

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Prior Period - 31 December 2013	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	74.033.515	26.638.453	13.694.013	114.365.981
Close Monitoring Loans	1.446.216	1.105.140	999.318	3.550.674
Loans Under Follow-up	543.860	449.485	683.337	1.676.682
Specific Provision (-)	451.010	449.485	683.337	1.583.832
Total	75.572.581	27.743.593	14.693.331	118.009.505

As of 31 December 2013, the Bank has set 100% specific provision amounting to TL 41 million after taking the collaterals into consideration for one of its non-performing commercial loans amounting to TL 134 million. The respective amount has been collected in 2014 by means of real estate execution sales in loan guarantees.

i. Information on the movement of provision for loans and other receivables of the Bank:

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2014	451.010	449.485	683.337	1.583.832
Transferred during the period	450.783	548.660	704.622	1.704.065
Collection	(143.719)	(173.701)	(203.725)	(521.145)
Write-off (*)	(157.997)	(138.832)	(291.094)	(587.923)
Currency difference	-	-	-	-
31 December 2014	600.077	685.612	893.140	2.178.829

(*)TL 252,2 million of the Bank’s non-performing loan portfolio were sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 44 million and TL 250,5 million of the Bank’s non-performing loan portfolio were sold to Efes Varlık Yönetim A.Ş. at a price of TL 41 million. Specific provision previously allocated for this amount is, included in “Write-off” section in above table.

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2013	392.099	299.777	330.730	1.022.606
Transferred during the period	236.576	393.211	648.445	1.278.232
Collection	(98.106)	(148.040)	(137.473)	(383.619)
Write-off (*)	(79.559)	(95.463)	(158.365)	(333.387)
Currency difference	-	-	-	-
31 December 2013	451.010	449.485	683.337	1.583.832

(*)TL 250,5 million of the Bank’s non-performing loan portfolio were sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 58.3 million. Specific provision previously allocated for this amount is, included in “Write-off” section in above table.

j. Information on debt securities, treasury bills and other eligible bills:

Current Period - 31 December 2014	Trading Financial Assets	Available-for-Sale Financial Assets	Held-to- Maturity Securities	Total
Moody’s Rating				
Aaa	-	73.883	-	73.883
Aa1, Aa2, Aa3	680	-	-	680
A1, A2, A3	16.593	119.431	-	136.024
Baa1, Baa2, Baa3	37.623	36.699.503	10.800.111	47.537.237
Ba1	-	289.512	-	289.512
Ba2	-	119.107	-	119.107
Total	54.896	37.301.436	10.800.111	48.156.443

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Prior Period - 31 December 2013	Trading Financial Assets	Available-for-Sale Financial Assets	Held-to- Maturity Securities	Total
Moody’s Rating				
Aaa	-	-	-	-
Aa1, Aa2, Aa3	6.138	-	-	6.138
A1, A2, A3	17.883	452.596	-	470.479
Baa1, Baa2, Baa3	42.342	32.312.917	12.153.453	44.508.712
Ba1	-	69.696	-	69.696
Ba2	-	69.763	-	69.763
Total	66.363	32.904.972	12.153.453	45.124.788

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k. Profile on significant risks in significant regions:

Current Period 31 December 2014	Risk Categories (*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Domestic	65.411.293	43	32.761	-	-	10.611.861	84.767.455	36.185.899	16.928.574	177.214	16.983.803	-	-	-	289.909	3.630.926	235.019.738
European Union Countries	383.200	-	244	-	-	32.193.324	1.760.734	22.846	168.193	-	5.561	-	-	-	-	161	34.534.263
OECD Countries(**)	-	-	-	-	-	2.403.590	1.137.792	4.930	1.456	-	1.341	-	-	-	-	-	3.549.109
Off- Shore Regions	-	-	-	-	-	828.060	11.650	24.580	45	-	139	-	-	-	-	-	864.474
USA, Canada	-	-	-	-	-	1.345.986	127.448	6.908	3.012	-	1.603	-	-	-	-	-	1.484.957
Other Countries	-	-	23	-	-	468.104	513.000	15.163	4.414	-	1.820	-	-	-	-	-	1.002.524
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets / Liabilities***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	65.794.493	43	33.028	-	-	47.850.925	88.318.079	36.260.326	17.105.694	177.214	16.994.267	-	-	-	289.909	3.631.087	276.455.065

Prior Period 31 December 2013	Risk Categories (*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Domestic	61.763.113	44	99.198	-	-	8.684.659	66.894.681	30.754.508	23.964.210	106.369	15.554.626	-	-	-	1.653.407	-	209.474.815
European Union Countries	613.169	-	225	-	-	22.182.848	914.740	1.260	9.758	-	2.394	-	-	-	-	-	23.724.394
OECD Countries(**)	920	-	-	-	-	1.978.224	6.193	585	2.829	-	78	-	-	-	-	-	1.988.829
Off- Shore Regions	-	-	-	-	-	588	11	-	65	-	355	-	-	-	-	-	1.019
USA, Canada	-	-	-	-	-	5.580.378	210.794	76	1.626	-	2	-	-	-	-	-	5.792.876
Other Countries	-	-	11	-	-	567.532	507.368	285	2.803	-	63	-	-	-	-	-	1.078.062
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets / Liabilities***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.643.662
Total	62.377.202	44	99.434	-	-	38.994.229	68.533.787	30.756.714	23.981.291	106.369	15.557.518	-	-	-	1.653.407	3.643.662	245.703.657

(*) Risk categories that are defined in "Communiqué on Measurement and Assessment of Capital Adequacy of Banks"

- | | |
|--|--|
| 1. Conditional and unconditional receivables from central governments and Central Banks | 9. Conditional and unconditional receivables secured by mortgages |
| 2. Conditional and unconditional receivables from regional or local governments | 10. Past due receivables |
| 3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises | 11. Receivables defined under high risk category by BRSA |
| 4. Conditional and unconditional receivables from multilateral development banks | 12. Securities collateralized by mortgages |
| 5. Conditional and unconditional receivables from international organizations | 13. Securitization positions |
| 6. Conditional and unconditional receivables from banks and brokerage houses | 14. Short-term receivables from banks, brokerage houses and corporates |
| 7. Conditional and unconditional receivables from corporates | 15. Investments similar to collective investment funds |
| 8. Conditional and unconditional receivables from retail portfolios | 16. Other receivables |

(**) EU countries, OECD countries other than USA and Canada

(***) Assets and liabilities that are not distributed according to a consistent principle

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I. Risk Profile according to sectors and counterparties:

31 December 2014	Risk Classifications (*)																TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Agricultural	1	-	5	-	-	-	71.313	176.367	42.021	85	17.697	-	-	-	-	-	299.257	8.232	307.489	
Farming and raising livestock	1	-	5	-	-	-	48.836	111.883	21.652	85	16.806	-	-	-	-	-	199.042	226	199.268	
Forestry	-	-	-	-	-	-	15.785	63.539	20.062	-	545	-	-	-	-	-	97.643	2.288	99.931	
Fishing	-	-	-	-	-	-	6.692	945	307	-	346	-	-	-	-	-	2.572	5.718	8.290	
Manufacturing	12	-	272	-	-	-	34.639.831	3.290.050	2.267.996	1.299	50.129	-	-	-	-	-	17.128.509	23.121.080	40.249.589	
Mining	-	-	-	-	-	-	1.065.601	98.926	57.859	-	645	-	-	-	-	-	338.013	885.018	1.223.031	
Production	12	-	270	-	-	-	23.643.718	3.152.526	2.012.999	1.299	48.860	-	-	-	-	-	13.996.094	14.863.590	28.859.684	
Electricity, Gas, Water	-	-	2	-	-	-	9.930.512	38.598	197.138	-	624	-	-	-	-	-	2.794.402	7.372.472	10.166.874	
Construction	-	-	369	-	-	-	12.789.449	888.516	2.165.320	1.626	11.972	-	-	-	-	-	5.627.907	10.229.345	15.857.252	
Services	65.410.946	33	23.915	-	-	46.288.847	35.575.659	10.954.846	5.249.274	163.121	306.702	-	-	-	-	8.308	81.915.756	82.065.895	163.981.651	
Wholesale and retail trade	45	8	102	-	-	256.508	15.935.581	8.639.184	3.757.042	2.661	191.539	-	-	-	-	-	22.544.963	6.237.707	28.782.670	
Hotel, Food, Beverage services	4	-	25	-	-	-	2.213.418	429.080	694.737	153.308	17.041	-	-	-	-	-	1.351.859	2.155.754	3.507.613	
Transportation and telecommunication	5.590	-	7	-	-	-	5.304.302	930.124	221.336	850	20.312	-	-	-	-	-	1.895.166	4.587.355	6.482.521	
Financial Institutions	65.405.197	3	226	-	-	46.013.366	8.619.644	39.445	49.681	-	1.872	-	-	-	-	6.484	53.454.629	66.681.289	120.135.918	
Real Estate and Lending Service	-	-	13	-	-	-	1.512.293	50.132	118.421	6.302	4.515	-	-	-	-	-	266.501	1.425.175	1.691.676	
Self employment service	-	-	34	-	-	-	471.075	116.897	44.088	-	20.648	-	-	-	-	-	238.703	414.039	652.742	
Education Service	86	-	5.273	-	-	-	208.047	75.269	85.159	-	3.330	-	-	-	-	-	347.909	29.255	377.164	
Health and social services	24	22	18.235	-	-	18.973	1.311.299	674.715	278.810	-	47.445	-	-	-	-	1.824	1.816.026	535.321	2.351.347	
Other	383.534	10	8.467	-	-	1.562.078	5.241.827	20.950.547	7.381.083	11.083	16.607.767	-	-	-	-	289.909	3.622.779	52.109.698	3.949.386	
Total	65.794.493	43	33.028	-	-	47.850.925	88.318.079	36.260.326	17.105.694	177.214	16.994.267	-	-	-	-	289.909	3.631.087	157.081.127	119.373.938	276.455.065

(*) Stands for the risk categories listed in “Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks.”

- | | | | |
|----|---|-----|--|
| 1. | Conditional and unconditional receivables from central governments and Central Banks | 9. | Conditional and unconditional receivables secured by mortgages |
| 2. | Conditional and unconditional receivables from regional or local governments | 10. | Past due receivables |
| 3. | Conditional and unconditional receivables from administrative bodies and non-commercial enterprises | 11. | Receivables defined under high risk category by BRSA |
| 4. | Conditional and unconditional receivables from multilateral development banks | 12. | Securities collateralized by mortgages |
| 5. | Conditional and unconditional receivables from international organizations | 13. | Securitization positions |
| 6. | Conditional and unconditional receivables from banks and brokerage houses | 14. | Short-term receivables from banks, brokerage houses and corporates |
| 7. | Conditional and unconditional receivables from corporates | 15. | Investments similar to collective investment funds |
| 8. | Conditional and unconditional receivables from retail portfolios | 16. | Other receivables |

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m. Term distribution of risks with term structure:

31 December 2014	Time to Maturity					Total
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	
Conditional and unconditional receivables from central governments and Central Banks	4.879.709	20.976.688	2.465.258	740.422	36.732.416	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	43	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	7.153	1.994	144	2.910	20.827	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	11.821.414	10.034.364	3.344.755	4.070.323	18.580.069	-
Conditional and unconditional receivables from corporates	3.264.980	7.333.499	9.755.817	15.059.741	52.904.042	-
Conditional and unconditional receivables from retail portfolios	672.024	8.991.346	5.257.301	4.497.238	16.842.417	-
Conditional and unconditional receivables secured by mortgages	212.299	512.261	930.347	1.883.775	13.567.012	-
Past due receivables	-	-	-	-	-	177.214
Receivables defined under high risk category by BRSA	-	-	-	556.017	16.438.250	-
Securities collateralized by mortgages	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	-	289.909	-	-	-	-
Other Receivables	-	-	-	-	-	3.631.087
Total	20.857.579	48.140.061	21.753.622	26.810.426	155.085.076	3.808.301

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n. Explanations regarding risk categories mentioned in 6th clause of Capital Adequacy Measurement and Evaluation Communiqué:

Ratings given by Fitch Ratings are used in determining risk weight class of the counterparties. The ratings of Fitch Ratings are used for Banks and Corporate Receivables asset class and are limited to receivables that have counterparties abroad. If the risk weight class solely consists of receivables from central governments and central banks, the credit ratings of the countries are taken into account. As of 6 November 2012, Fitch Ratings has increased Turkey’s long-term foreign currency credit note from BB+ to BBB-. After the increase, the ratings of Fitch are also used for foreign currency bonds issued by Turkish Treasury and other foreign currency risks that are related to the Turkish central management. Below are the Credit Quality Degrees corresponding to Fitch Ratings.

Ratings to be matched	Credit Quality Degrees	Fitch
Ratings of long-term credits	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below
Ratings of short-term credits	1	F1+ and F1
	2	F2
	3	F3
	4	Below F3
	5	---
	6	---
Long-term securitization position ratings	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and below
Short-term securitization position ratings	1	F1+ and F1
	2	F2
	3	F3
	Others	Below F3
Matchings regarding collective investment institutes	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

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Risk Amounts according to Risk Weights:

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	Deducted from Equity
Amount Before											
Credit Risk Mitigation	50.203.068	-	22.018.196	42.644.503	43.731.777	100.854.620	2.763.182	13.779.315	460.404	-	30.349
Amount After Credit Risk Mitigation	46.059.646	-	10.878.935	45.884.229	32.798.447	92.462.570	2.763.182	13.779.315	460.404	-	30.349

o. Miscellaneous Information regarding Important Sectors or Counterparty Type:

Methods related to impairment and provisions and notes related to passed due and impaired receivables are provided in Note 2-a of Section Four.

Sectors/Counterparties	Loans(*)		Impairment	Provisions
	Impaired Receivables	Past Due Receivables		
Agricultural	12.281	1.274	30	12.281
Farming and raising livestock	11.195	1.001	20	11.195
Forestry	1.021	185	6	1.021
Fishing	65	88	4	65
Manufacturing	162.106	856.059	21.929	162.106
Mining	3.672	1.055	21	3.672
Production	157.575	107.351	3.711	157.575
Electricity, Gas, Water	859	747.653	18.197	859
Construction	65.209	58.972	2.077	65.209
Services	624.789	140.903	3.207	473.463
Wholesale and retail trade	352.444	103.647	2.409	352.444
Hotel, Food, Beverage services	219.994	12.555	264	68.668
Transportation and Telecommunication	26.462	10.880	227	26.462
Financial Institutions	337	10.253	218	337
Real Estate and Lending Service	1.789	93	2	1.789
Self-employment service	2.169	391	8	2.169
Education Service	1.571	527	11	1.571
Health and social services	20.023	2.557	68	20.023
Other	1.465.770	1.168.482	102.220	1.465.770
Total	2.330.155	2.225.690	129.463	2.178.829

(*) Represents cash loans.

p. Information related to Impairment and Loan Loss Provisions:

	Opening Balance	Provisions made within the term	Provision Cancellations	Other Adjustments (*)	Closing Balance
Special Provisions	1.583.832	1.704.065	(521.145)	(587.923)	2.178.829
General Provisions	1.696.118	408.146	-	-	2.104.264

(*) Determined according to currency differences, operation mergings, acquisition operations and selling of subsidiaries.

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III. EXPLANATIONS ON MARKET RISK:

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

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

The following table indicates the details of the market risk calculation as of 31 December 2014, in accordance with the Market Risk Calculation principles pursuant to the Part 2 of the Second Section of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette no. 28337 on 28 June 2012.

a. Information on Market Risk:

	Balance
(I) Capital requirement for general market risk – Standard Method	62.303
(II) Capital requirement for specific risk – Standard Method	9.944
(III) Capital requirement for specific risk in securitisation positions- Standard Method	-
(IV) Capital requirement for currency risk – Standard Method	-
(V) Capital requirement for stocks – Standard Method	-
(VI) Capital requirement for clearing risk – Standard Method	26
(VII) Total capital requirement for market risk from options – Standard Method	4.039
(VIII) Capital requirement for counterparty credit risk - Standard Method	82.331
(IX) Total capital requirement for market risk for banks applying Risk Measurement Model	-
(X) Total capital requirement for market risk (I+II+III+IV+V+VI+VII+VIII)	158.643
(XI) Amount subject to market risk (12,5 x IX) or (12,5 x X)	1.983.033

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b. Average Market Risk Table of Calculated Market Risk for Period Ends:

	Current Period 31 December 2014			Prior Period 31 December 2013		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	66.069	81.004	53.173	69.453	82.977	57.404
Share Certificates Risk	1.630	999	466	1.411	595	3.306
Currency Risk	11.866	84.774	-	25.608	-	-
Commodity Risk	-	-	-	-	-	-
Settlement Risk	2	-	-	-	-	-
Option Risk	5.725	4.577	1.354	1.518	1.516	1.450
Counterparty Credit Risk	81.610	136.206	46.572	96.864	190.522	39.185
Total Amount Subject to Risk	166.902	307.560	101.565	194.854	275.610	101.345

c. Information related to counterparty credit risk:

The counterparty credit risk is calculated via "Fair Value Valuation Method" mentioned in Communiqué on "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette No. 28337 on June 28, 2012 and entered into force as of July 1, 2012 and its annex "Derivative financial instruments, repurchase transactions, securities or commodities lending or borrowing transactions, Long Settlement Transactions with Counterparty Credit Risk in Credit Securities Transactions" is used.

Counterparty credit risk is the sum of potential credit risk amounts and credit risk operations' positively valued replacement costs. Limit allocations are determined taking into consideration the maximum risk amounts. On counterparty basis limits are determined for different types of operations. The compliance with the limits are controlled on transaction basis. Limits are regularly viewed and within this process the changes in the counterparty credit ratings are also taken into consideration. Internal capital is provided for counterparty credit risks.

Agreements of International Swaps and Derivatives Association (ISDA), Credit Support Annex (CSA) are used in the management of derivative transactions' counterparty risk management. Within the scope of these agreements cash guarantees are taken or given based on the transactions' fair value changes on a daily basis.

In the management of marketable securities purchase/sell commitments' trade risk Delivery Versus Payment (DVP) trade method is used.

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Quantitative information on Counterparty Risk:

	Amount
Interest Rate Based Contracts	30.279.925
Foreign Currency Based Contracts	26.623.631
Commodity Based Contracts	168.992
Stock Based Contracts	-
Other	359.736
Positive Fair Value Gross Amount	761.975
Benefits of Offsetting	-
Offsetting Current Risk Amount	-
Retained Guarantee	-
Net Positions on derivatives	1.623.106

- d. Standard method is used for calculation of capital requirements.

IV. EXPLANATION ON OPERATIONAL RISK:

The "Basic Indicator Method" that is mentioned in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué published in the Official Gazette no. 28337 on June 28, 2012 and entered into force as of July 1, 2012, is used in the annual operational risk calculation of the Bank. The amount subject to the operational risk is calculated by using the gross income of the Bank in 2011, 2012 and 2013.

Annual gross revenue is calculated by deduction of profit/loss derived from the sale of available-for-sale assets and held-to-maturity securities, extraordinary income and indemnity insurance gains from the total of net interest income and non interest income.

	31.12.2011	31.12.2012	31.12.2013	Total/Positive BG year number	Ratio (%)	Total
Gross income	5.429.329	6.345.429	8.506.114	3	15	1.014.044
Amount subject to Operational Risk (Amount*12,5)						12.675.545

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V. EXPLANATIONS ON CURRENCY RISK:

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

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

	USD	EURO	Yen
Balance Sheet Evaluation Rate	TL 2,3269	TL 2,8272	TL 1,9424
1.Day bid rate	TL 2,3189	TL 2,8207	TL 1,9347
2.Day bid rate	TL 2,3235	TL 2,8339	TL 1,9249
3.Day bid rate	TL 2,3182	TL 2,8255	TL 1,9220
4.Day bid rate	TL 2,3177	TL 2,8368	TL 1,9246
5.Day bid rate	TL 2,3209	TL 2,8312	TL 1,9224

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 2,2762
EURO	: TL 2,8118
Yen	: TL 1,9079

As of 31 December 2013;

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

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

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

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Current Period – 31 December 2014	EURO	USD	Other FC(*)	Total
Assets				
Cash Equivalents and Central Bank(**)	3.185.913	10.368.000	3.367.544	16.921.457
Banks	1.052.048	3.459.530	89.166	4.600.744
Financial Assets at Fair Value through Profit or Loss (Net)	179	2.312	-	2.491
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	2.761.968	13.451.591	-	16.213.559
Loans	17.096.104	36.994.072	58.182	54.148.358
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments (Net)	2.277.852	2.731.604	-	5.009.456
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	812	1.784	-	2.596
Intangible Assets (Net)	447	9	-	456
Other Assets	1.479.983	1.365.452	602	2.846.037
Total Assets	27.855.306	68.374.354	3.515.494	99.745.154
Liabilities				
Bank Deposits	1.558.037	7.643.117	1.060.972	10.262.126
Foreign Currency Deposits (***)	19.011.141	25.356.180	2.410.920	46.778.241
Funds from Interbank Money Market	1.963.206	22.015.693	-	23.978.899
Borrowings	7.816.166	12.996.174	2.060	20.814.400
Marketable Securities Issued (Net)	28.594	7.304.501	34.925	7.368.020
Miscellaneous Payables	176.761	253.488	40.857	471.106
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	121.073	135.598	4.281	260.952
Total Liabilities	30.674.978	75.704.751	3.554.015	109.933.744
Net on Balance Sheet Position	(2.819.672)	(7.330.397)	(38.521)	(10.188.590)
Net off-Balance Sheet Position (**)	3.335.263	7.757.838	20.381	11.113.482
Financial Derivative Assets	8.076.949	26.870.326	4.363.506	39.310.781
Financial Derivative Liabilities	4.741.686	19.112.488	4.343.125	28.197.299
Non-cash Loans	5.432.766	11.667.069	305.459	17.405.294
Prior Period - 31 December 2013				
Total Assets	27.876.766	55.532.473	3.064.907	86.474.146
Total Liabilities	31.427.113	66.546.407	3.871.703	101.845.223
Net on-Balance Sheet Position	(3.550.347)	(11.013.934)	(806.796)	(15.371.077)
Net off-Balance Sheet Position (**)	4.538.484	10.813.621	791.652	16.143.757
Financial Derivative Assets	11.126.996	25.388.900	2.241.730	38.757.626
Financial Derivative Liabilities	6.588.512	14.575.279	1.450.078	22.613.869
Non-cash Loans	6.718.605	10.122.593	387.530	17.228.728

(*) Of the “Other FC” total assets amounting to TL 3.515.494 (31 December 2013: TL 3.064.907), TL 83.803 is in British Pounds (31 December 2013: TL 68.979), and TL 43.564 is in Swiss Francs (31 December 2013: TL 37.611), 9.865 is in Japanese Yen (31 December 2013: TL 17.121). Of the total liabilities amounting to TL 3.554.015 (31 December 2013: TL 3.871.703) TL 1.316.334 is in British Pounds (31 December 2013: TL 1.141.266) and TL 604.974 is in Swiss Francs (31 December 2013: TL 643.150), TL 62.502 is in Japanese Yen (31 December 2013: TL 22.055).

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

(***)Of the Cash Equivalents and Central Bank TL 3.308.533 (31 December 2013: TL 2.892.268) and of the foreign currency deposits TL 1.225.353 (31 December 2013: TL 1.766.526) are precious metal deposit account in demand.

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Currency Risk Sensitivity Analysis:

The following table details the Parent Bank’s sensitivity to a 10% change in exchange rates.

Change in exchange rate	Effect on Profit/Loss(*)	
	Current period 31 December 2014	Prior period 31 December 2013
(+) 10%	3.975	(60.718)
(-)10%	(3.975)	60.718

(*)Represents the pre-tax amounts.

VI. EXPLANATIONS ON INTEREST RATE RISK:

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

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

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

Current Period – 31 December 2014	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	2.580.424	-	-	-	-	17.859.633	20.440.057
Banks	1.941.201	13.114	14.667	-	-	3.243.135	5.212.117
Financial Assets at Fair Value Through Profit or Loss (Net)	337.319	407.438	346.688	205.480	168.710	68	1.465.703
Interbank Money Market Placements	700.215	-	-	-	-	-	700.215
Available-for-sale Financial Assets (Net)	6.259.041	3.764.713	9.905.492	9.508.929	7.863.261	302.396	37.603.832
Loans	32.660.125	29.519.434	33.094.770	35.090.339	5.615.406	151.326	136.131.400
Held-to-maturity Investments (Net)	2.409.039	501.192	1.421.534	5.615.108	853.238	-	10.800.111
Other Assets	1.153.009	668.659	537.832	1.533.449	198.488	2.251.726	6.343.163
Total Assets	48.040.373	34.874.550	45.320.983	51.953.305	14.699.103	23.808.284	218.696.598
Liabilities							
Bank Deposits	8.541.972	3.801.412	738.731	-	-	501.286	13.583.401
Other Deposits	65.247.015	12.017.068	8.863.370	4.129.092	260.244	18.193.886	108.710.675
Funds from Interbank Money Market	9.823.044	6.843.282	4.399.211	4.445.487	3.338.218	2.118	28.851.360
Miscellaneous Payables	26.519	-	-	-	-	3.472.293	3.498.812
Marketable Securities Issued (Net)	711.396	1.646.185	3.183.244	3.793.497	1.206.102	-	10.540.424
Borrowings	1.931.385	13.139.831	4.143.807	849.993	1.204.345	-	21.269.361
Other Liabilities (*)	201.653	333.572	585.146	314.508	163.571	30.644.115	32.242.565
Total Liabilities	86.482.984	37.781.350	21.913.509	13.532.577	6.172.480	52.813.698	218.696.598
Balance Sheet Long Position	-	-	23.407.474	38.420.728	8.526.623	-	70.354.825
Balance Sheet Short Position	(38.442.611)	(2.906.800)	-	-	-	(29.005.414)	(70.354.825)
Off-balance Sheet Long Position	900.638	739.907	830.021	-	178.603	-	2.649.169
Off-balance Sheet Short Position	-	-	-	(2.280.619)	-	-	(2.280.619)
Total Position	(37.541.973)	(2.166.893)	24.237.495	36.140.109	8.705.226	(29.005.414)	368.550

(*) Shareholders’ equity is presented under “Other liabilities” item in “Non-interest bearing”.

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Prior Period - 31 December 2013	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	-	-	-	-	-	18.223.119	18.223.119
Banks	1.810.355	303.086	-	-	-	3.725.658	5.839.099
Financial Assets at Fair Value Through Profit or Loss (Net)	384.177	516.155	682.213	69.796	180.892	58.377	1.891.610
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-sale Financial Assets (Net)	5.220.043	5.654.176	11.205.832	3.811.421	7.013.500	260.010	33.164.982
Loans	33.928.299	27.286.063	22.217.461	30.086.403	4.398.429	92.850	118.009.505
Held-to-maturity Investments (Net)	1.820.058	2.679.219	1.265.436	3.077.666	3.311.074	-	12.153.453
Other Assets	1.414.722	641.704	487.548	1.297.440	198.123	2.160.958	6.200.495
Total Assets	44.577.654	37.080.403	35.858.490	38.342.726	15.102.018	24.520.972	195.482.263
Liabilities							
Bank Deposits	7.312.938	2.935.599	485.461	-	-	687.555	11.421.553
Other Deposits	53.029.384	19.292.836	8.012.292	4.097.715	235.057	16.383.846	101.051.130
Funds from Interbank Money Market	7.703.947	3.630.120	4.911.257	2.634.366	4.351.061	-	23.230.751
Miscellaneous Payables	106.379	-	-	-	-	3.618.612	3.724.991
Marketable Securities Issued (Net)	254.519	1.203.349	625.456	5.564.222	1.080.296	-	8.727.842
Borrowings	1.932.832	11.410.559	5.940.489	558.172	56.548	-	19.898.600
Other Liabilities (*)	171.841	377.049	608.587	211.060	221.129	25.837.730	27.427.396
Total Liabilities	70.511.840	38.849.512	20.583.542	13.065.535	5.944.091	46.527.743	195.482.263
Balance Sheet Long Position	-	-	15.274.948	25.277.191	9.157.927	-	49.710.066
Balance Sheet Short Position	(25.934.186)	(1.769.109)	-	-	-	(22.006.771)	(49.710.066)
Off-balance Sheet Long Position	2.374.046	4.915.509	-	-	-	-	7.289.555
Off-balance Sheet Short Position	-	-	(129.765)	(2.919.864)	(3.356.016)	-	(6.405.645)
Total Position	(23.560.140)	3.146.400	15.145.183	22.357.327	5.801.911	(22.006.771)	883.910

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

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

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

Current Period – 31 December 2014	EURO	USD	Yen	TL
Assets	%	%	%	%
Cash Equivalents and Central Bank	-	-	-	1,51
Banks	0,09	0,44	-	10,46
Financial Assets at Fair Value Through Profit or Loss (Net)	3,55	4,13	-	11,60
Interbank Money Market Placements	-	-	-	11,24
Available-for-sale Financial Assets (Net)	3,68	3,67	-	10,02
Loans	4,11	4,34	3,69	12,01
Held-to-maturity Investments (Net)	3,69	3,83	-	11,22
Liabilities				
Bank Deposits	0,77	1,19	-	9,89
Other Deposits	1,26	1,72	0,22	7,90
Funds from Interbank Money Market	0,75	1,18	-	8,32
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	4,00	4,66	-	8,28
Borrowings	1,17	1,68	-	8,05

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

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c. Interest rate risk related to banking book:

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

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

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

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

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

Currency	Applied Shock (+/- x basis points)	Gains / Losses	Gains / Shareholders' Equity - Losses/ Shareholders' Equity
TL	-400	3.327.669	11,79%
TL	500	(3.481.510)	(12,33%)
USD	-200	583.134	2,07%
USD	200	(609.306)	(2,16%)
EURO	-200	73.285	0,25%
EURO	200	(330.476)	(1,17%)
Total (for negative shocks)		3.984.088	14,11%
Total (for positive shocks)		(4.421.292)	(15,66%)

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

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

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VIII. EXPLANATIONS ON LIQUIDITY RISK:

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

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

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

Current Period	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
	FC	FC+TL	FC	FC+TL
31 December 2014				
Average (%)	165,1	134,9	136,2	109,9

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

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2014	Demand	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Unallocated (*)	Total
Assets								
Cash Equivalents and Central Bank	17.770.375	2.669.682	-	-	-	-	-	20.440.057
Banks	3.243.135	1.941.201	13.114	14.667	-	-	-	5.212.117
Financial Assets at Fair Value Through Profit or Loss (Net)	68	292.260	151.472	222.884	323.163	475.856	-	1.465.703
Interbank Money Market Placements	-	700.215	-	-	-	-	-	700.215
Available-for-sale Financial Assets (Net)	302.396	141.046	2.789.707	3.777.760	10.104.763	20.488.160	-	37.603.832
Loans	-	18.381.120	20.909.900	30.085.077	47.514.119	19.089.858	151.326	136.131.400
Held-to-maturity Investments (Net)	-	206	471.886	427.441	5.615.109	4.285.469	-	10.800.111
Other Assets	272.456	668.602	155.847	762.983	2.244.059	742.303	1.496.913	6.343.163
Total Assets	21.588.430	24.794.332	24.491.926	35.290.812	65.801.213	45.081.646	1.648.239	218.696.598
Liabilities								
Bank Deposits	501.286	8.541.972	3.801.412	738.731	-	-	-	13.583.401
Other Deposits	19.090.261	64.350.640	12.017.068	8.863.370	4.129.092	260.244	-	108.710.675
Borrowings	-	658.153	4.613.552	9.713.186	4.388.608	1.895.862	-	21.269.361
Funds from Interbank Money Market	2.118	9.823.044	6.843.282	4.399.211	4.445.487	3.338.218	-	28.851.360
Marketable Securities Issued (Net)	-	304.720	1.914.637	3.340.505	3.774.458	1.206.104	-	10.540.424
Miscellaneous Payables	175.497	2.047.663	1.275.652	-	-	-	-	3.498.812
Other Liabilities (**)	137.161	1.470.809	371.282	798.243	2.804.697	520.329	26.140.044	32.242.565
Total Liabilities	19.906.323	87.197.001	30.836.885	27.853.246	19.542.342	7.220.757	26.140.044	218.696.598
Net Liquidity Gap	1.682.107	(62.402.669)	(6.344.959)	7.437.566	46.258.871	37.860.889	(24.491.805)	-
Prior Period - 31 December 2013								
Total Assets	22.633.693	24.627.404	21.211.065	33.171.160	54.459.436	37.953.821	1.425.684	195.482.263
Total Liabilities	18.514.071	71.652.638	32.276.405	25.187.591	19.247.968	6.468.611	22.134.979	195.482.263
Net Liquidity Gap	4.119.622	(47.025.234)	(11.065.340)	7.983.569	35.211.468	31.485.210	(20.709.295)	-

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

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

Breakdown of liabilities due to their remaining contractual maturities:

Current Period - 31 December 2014	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Liabilities						
Deposits	93.038.854	16.201.413	9.893.806	4.303.705	285.965	123.723.743
Funds borrowed from other financial institutions	669.439	4.664.976	9.973.939	5.217.211	4.176.020	24.701.585
Funds from interbank money market	9.839.876	6.885.026	4.562.835	5.153.034	3.649.287	30.090.058
Marketable Securities Issued (Net)	353.968	2.020.344	3.600.434	4.525.030	1.303.482	11.803.258
Non-cash Loans	57.786	424.439	8.437.113	5.926.939	17.397.186	32.243.463
Prior Period - 31 December 2013	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Liabilities						
Deposits	78.131.623	22.636.484	8.777.908	4.337.428	256.939	114.140.382
Funds borrowed from other financial institutions	1.168.029	4.096.881	10.799.015	4.434.029	321.093	20.819.047
Funds from interbank money market	8.113.019	3.847.765	5.198.333	2.767.416	4.599.908	24.526.441
Marketable Securities Issued (Net)	187.997	1.174.177	928.374	6.847.475	1.193.160	10.331.183
Non-cash Loans (*)	47.939	726.175	9.314.792	5.199.334	14.989.668	30.277.908

(*) Balances of letter of guarantees, which have demand nature due to their callable status are shown according to the contractual maturities.

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Breakdown of derivative instruments due to their remaining contractual maturities:

Current Period – 31 December 2014	Up to 1 month	1-3 months	3-12 months	1-5 years	5 Years and Over
Derivatives held for trading					
Foreign exchange derivatives:					
– Inflow	19.741.834	7.435.731	9.619.370	7.733.826	808.820
– Outflow	(19.038.090)	(5.636.409)	(9.631.873)	(9.422.950)	(1.675.181)
Interest rate derivatives:					
– Inflow	1.633	37.474	264.106	762.609	230.087
– Outflow	(4.138)	(53.350)	(295.886)	(805.692)	(222.685)
Derivatives held for hedging					
Foreign exchange derivatives:					
– Inflow	2.018	75	3.341	527.248	698.610
– Outflow	(17.936)	-	(41.322)	(536.560)	(574.496)
Interest rate derivatives:					
– Inflow	9.907	36.688	142.438	985.091	488.459
– Outflow	(13.816)	(56.558)	(196.899)	(1.044.662)	(504.065)
Total Inflow	19.755.392	7.509.968	10.029.255	10.008.774	2.225.976
Total Outflow	(19.073.980)	(5.746.317)	(10.165.980)	(11.809.864)	(2.976.427)

Prior Period – 31 December 2013	Up to 1 month	1-3 months	3-12 months	1-5 years	5 Years and Over
Derivatives held for trading					
Foreign exchange derivatives:					
– Inflow	16.106.075	10.544.854	10.910.829	5.673.868	338.939
– Outflow	(13.802.600)	(8.044.564)	(10.909.243)	(8.773.597)	(911.513)
Interest rate derivatives:					
– Inflow	1.876	31.044	247.285	894.651	300.600
– Outflow	(3.449)	(45.895)	(280.699)	(976.680)	(279.444)
Derivatives held for hedging					
Foreign exchange derivatives:					
– Inflow	2.587	802	7.747	2.638.422	691.930
– Outflow	(19.270)	(6.609)	(157.205)	(2.623.522)	(610.367)
Interest rate derivatives:					
– Inflow	9.226	30.638	127.624	802.532	888.052
– Outflow	(12.789)	(41.812)	(144.753)	(860.245)	(844.498)
Total Inflow	16.119.764	10.607.338	11.293.485	10.009.473	2.219.521
Total Outflow	(13.838.108)	(8.138.880)	(11.491.900)	(13.234.044)	(2.645.822)

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IX. EXPLANATIONS ON SECURITIZATION POSITIONS: None.

X. EXPLANATIONS ON CREDIT RISK MITIGATION TECHNIQUES:

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

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

Risk classifications:	Amount(*)	Financial Guarantees	Other/Physical Guarantees	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments and Central Banks	54.716.214	4.143.421	-	-
Conditional and unconditional receivables from regional or local governments	220	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	44.172	6.678	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	58.769.978	22.967.124	-	-
Conditional and unconditional receivables from corporates	105.855.019	5.948.905	-	-
Conditional and unconditional receivables from retail portfolios	60.693.962	248.911	-	-
Conditional and unconditional receivables secured by mortgages	17.505.057	1.524	-	-
Past due receivables	177.214	-	-	-
Receivables defined under high risk category by BRSA	16.994.266	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	289.909	-	-	-
Other receivables	3.631.087	-	-	-
Total	318.677.098	33.316.563	-	-

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

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XI. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

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

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

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

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

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

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

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XII. EXPLANATIONS ON PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:

a. Calculations of financial assets and liabilities at their fair values:

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand deposits represents the amount to be paid upon request. The fair values of the overnight deposits and floating rate placements represent the carrying value. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the market interest rates of similar liabilities and loans.

The fair value of marketable securities issued is calculated according to broker price quotations and if these are not available, amounts derived from discounted cash flow models.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

	Carrying Value		Fair Value	
	Current Period 31 December 2014	Prior Period 31 December 2013	Current Period 31 December 2014	Prior Period 31 December 2013
Financial Assets	190.447.675	169.167.039	193.448.579	168.104.989
Interbank Money Market Placements	700.215	-	700.215	-
Banks	5.212.117	5.839.099	5.212.117	5.839.099
Available-for-sale Financial Assets (Net)	37.603.832	33.164.982	37.603.832	33.164.982
Held-to-maturity Investments (Net)	10.800.111	12.153.453	11.202.659	11.983.445
Loans	136.131.400	118.009.505	138.729.756	117.117.463
Financial Liabilities	157.602.673	144.824.116	157.452.910	144.527.211
Bank Deposits	13.583.401	11.421.553	13.606.383	11.441.043
Other Deposits	108.710.675	101.051.130	108.958.275	101.112.454
Borrowings	21.269.361	19.898.600	21.075.647	19.670.246
Marketable Securities Issued (Net)	10.540.424	8.727.842	10.313.793	8.578.477
Miscellaneous Payables	3.498.812	3.724.991	3.498.812	3.724.991

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b. Fair value hierarchy:

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

a) Quoted market prices (non-adjusted) (1st level)

b) Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)

c) Data not based on observable data regarding assets or liabilities (3rd level)

Fair value hierarchy of the financial assets and liabilities of the Group according to the foregoing principles is given in the table below:

Current Period - 31 December 2014	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	11.016	-	-	11.016
- Share Certificates	68	-	-	68
- Trading Derivative Financial Assets	35.922	1.374.817	-	1.410.739
- Other Marketable Securities	43.880	-	-	43.880
Available-For-Sale Financial Assets				
- Government Debt Securities	32.437.908	-	-	32.437.908
- Share Certificates	-	-	-	-
- Other Marketable Securities	4.932.490	220.947	-	5.153.437
Hedging Derivative Financial Assets	-	284.541	-	284.541
Loans	-	138.729.756	-	138.729.756
Held To Maturity Investments (Net)	12.202.659	-	-	12.202.659
Total Assets	48.663.943	140.610.061	-	189.274.004
- Trading Derivative Financial Liabilities	4.475	1.202.738	-	1.207.213
- Hedging Derivative Financial Liabilities	-	105.952	-	105.952
Deposits	-	122.564.658	-	122.564.658
Funds Borrowed	-	21.075.647	-	21.075.647
Funds from Interbank Money Market	-	28.549.634	-	28.549.634
Securities Issued (Net)	-	10.313.793	-	10.313.793
Total Liabilities	4.475	183.812.422	-	183.816.897

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Prior Period - 31 December 2013	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	10.868	-	-	10.868
- Share Certificates	58.377	-	-	58.377
- Trading Derivative Financial Assets	79.013	1.687.857	-	1.766.870
- Other Marketable Securities	55.495	-	-	55.495
Available-For-Sale Financial Assets				
- Government Debt Securities	30.076.143	-	-	30.076.143
- Share Certificates	-	-	-	-
- Other Marketable Securities	2.807.417	270.102	-	3.077.519
Hedging Derivative Financial Assets	-	630.177	-	630.177
Loans	-	117.117.463	-	117.117.463
Held To Maturity Investments (Net)	11.983.445	-	-	11.983.445
Total Assets	45.070.758	119.705.599	-	164.776.357
- Trading Derivative Financial Liabilities	31.312	1.147.436	-	1.178.748
- Hedging Derivative Financial Liabilities	-	63.810	-	63.810
Deposits	-	112.553.497	-	112.553.497
Funds Borrowed	-	19.670.246	-	19.670.246
Funds from Interbank Money Market	-	22.873.824	-	22.873.824
Securities Issued (Net)	-	8.578.477	-	8.578.477
Total Liabilities	31.312	164.887.290	-	164.918.602

As explained in the note of VII-b of the Third Section, share certificates classified as available-for-sale are carried at cost less impairment since they are not traded in active markets and their fair values cannot be measured reliably.

There are no transfers between the 1st and the 2nd levels in the current year.

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

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

XIV. EXPLANATIONS ON HEDGE TRANSACTIONS:

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

Prospective tests are performed regularly at the inception of the hedge relationship and both prospective and retrospective tests are performed at each reporting period-end regularly by using "Dollar off-set method". In this method, changes in the fair value of the hedged item and changes in the fair value of the hedging instruments

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between the designation date and each reporting period-end are compared and effectiveness ratio is calculated. In the determination of the fair values of hedging instruments and hedged item, market yield curves are used. Hedge accounting principles are applied by assessing the calculated effectiveness ratio within the scope of TAS 39.

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

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

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

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

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

As at 31 December 2014, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet are summarized in the following table:

	Current Period			Prior Period		
	31 December 2014			31 December 2013		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency						
Swaps						
-TL	871.688	284.135	-	2.640.102	582.455	-
-FC	8.754.550	-	105.952	9.876.850	47.722	63.810
Total	9.626.238	284.135	105.952	12.516.952	630.177	63.810

1. Explanation on hedge accounting net investment hedges:

The Group has been using hedge against fair value strategy to hedge against foreign currency risk born of EURO 220 million which represents share premiums and paid-in-capital of Akbank AG, one of its subsidiaries. EURO 220 million of syndication loans used by the Group have been classified as “hedge instruments.”

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2. Explanations on Fair Value Hedges:

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items(*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC available-for-sale financial assets	Interest rate risk	(119.171)	117.347	(1.824)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	70.419	(69.859)	560
Cross-currency swap	Fixed interest rate TL available-for-sale financial assets, FC borrowings	Interest rate and currency risk	109.947	(108.613)	1.334

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

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

As of 31 December 2014 fair value hedge transactions have been proven to be effective.

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 are given below:

- As of 31 December 2014, related to fair value hedge transactions, the remaining net amount after amortization of the fair value change of the hedged items since the beginning of hedge accounting is TL 5.036.

3. Explanation on Cash Flow Hedge:

a) Explanations on derivative transactions used in cash flow hedges:

There are no derivative transactions used in cash flow hedges as of 31 December 2014.

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

- As of 31 December 2014, related to cash flow hedge transactions, the remaining before tax amount in equity after amortization of the fair value change of the hedging instruments, since the beginning of hedge accounting is TL (103.059).

b) Contractual maturity analysis of the derivative transactions subject to cash flow hedges:

Maturity analysis of the derivative transactions subject to cash flow hedges is provided in the Note VII of Section Four.

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XV. EXPLANATIONS ON BUSINESS SEGMENTS:

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

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

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

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

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

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

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

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

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

	Retail Banking	Corporate Banking, Commercial Banking and SME Banking	Treasury	Private Banking	International Banking	Other and Unallocated	Bank’s Total Activities
Current Period – 31 December 2014							
Operating Income	3.891.565	4.156.906	1.625.073	223.839	253.276	64.745	10.215.404
Profit from Operating Activities	709.488	2.264.171	1.139.658	137.348	161.222	(79.776)	4.332.111
Income from Subsidiaries	-	-	-	-	-	1.381	1.381
Profit before Tax	709.488	2.264.171	1.139.658	137.348	161.222	(78.395)	4.333.492
Corporate Tax	-	-	-	-	-	(954.846)	(954.846)
Minority Shares	-	-	-	-	-	(7)	(7)
Net Profit for the Period	709.488	2.264.171	1.139.658	137.348	161.222	(1.033.248)	3.378.639
Segment Assets	49.442.812	97.198.934	56.121.019	1.214.103	6.616.721	3.884.161	214.477.750
Investments in Associates	-	-	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	-	-	4.214.925
Total Assets	-	-	-	-	-	-	218.696.598
Segment Liabilities	62.727.893	41.008.789	55.610.242	15.846.146	8.921.091	2.401.197	186.515.358
Undistributed Liabilities	-	-	-	-	-	-	6.041.196
Shareholders’ Equity	-	-	-	-	-	-	26.140.044
Total Liabilities	-	-	-	-	-	-	218.696.598
Other Segment Items							
Capital Investment	114.006	3	5.838	229	-	163.691	283.767
Amortization	(181.096)	(13.623)	(2.890)	(2.758)	(557)	(952)	(201.876)
Non-cash Other Income-Expense	(631.552)	(1.203.889)	(235.808)	(3.165)	(4)	(4.016)	(2.078.434)
Restructuring Costs	-	-	-	-	-	-	-
Prior Period – 31 December 2013							
Operating Income	3.681.643	3.206.766	2.076.366	273.639	186.236	99.633	9.524.283
Profit from Operating Activities	718.940	1.839.088	1.683.497	190.794	121.547	(494.855)	4.059.011
Income from Subsidiaries	-	-	-	-	-	4.970	4.970
Profit before Tax	718.940	1.839.088	1.683.497	190.794	121.547	(489.885)	4.063.981
Corporate Tax	-	-	-	-	-	(986.800)	(986.800)
Minority Shares	-	-	-	-	-	(4)	(4)
Net Profit for the Period	718.940	1.839.088	1.683.497	190.794	121.547	(1.476.689)	3.077.177
Segment Assets	47.307.720	79.340.202	53.184.605	1.237.150	6.488.081	3.470.108	191.027.866
Investments in Associates	-	-	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	-	-	4.450.474
Total Assets	-	-	-	-	-	-	195.482.263
Segment Liabilities	53.922.281	41.418.193	46.607.578	14.888.255	8.236.576	2.471.744	167.544.627
Undistributed Liabilities	-	-	-	-	-	-	5.802.657
Shareholders’ Equity	-	-	-	-	-	-	22.134.979
Total Liabilities	-	-	-	-	-	-	195.482.263
Other Segment Items							
Capital Investment	119.116	3	5.249	207	-	154.419	278.994
Amortization	(98.895)	(7.768)	(1.747)	(1.492)	(275)	(60.835)	(171.012)
Non-cash Other Income-Expense	(552.524)	(897.195)	(206.879)	(4.252)	-	(275.820)	(1.936.670)
Restructuring Costs	-	-	-	-	-	-	-

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**SECTION FIVE
INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED
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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

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

	Current Period		Prior Period	
	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Cash/Foreign Currency	932.647	533.635	814.114	717.563
The CBRT	2.585.518	16.334.281	121.630	16.569.052
Other(*)	435	53.541	20	740
Total	3.518.600	16.921.457	935.764	17.287.355

(*) As of 31 December 2014, precious metal account amounts to TL 41.449 (31 December 2013: TL 655).

2. Information related to the account of the CBRT:

	Current Period		Prior Period	
	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Demand Unrestricted Account	5.094	-	8.475	-
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	89.258	-	-
Reserve Requirement	2.580.424	16.245.023	113.155	16.569.052
Total	2.585.518	16.334.281	121.630	16.569.052

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, EURO and standard gold. Starting from November 2014, interest is paid on reserve requirements held in TL. There is no interest payment on reserve requirements held in FC.

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

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

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execution. The 10th Division of the Administrative Court has rejected the motion for stay of execution. It is continuing to hear the case on the merits.

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

1. As of 31 December 2014, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 5.820 (31 December 2013: TL 5.116); and those subject to repo transactions amount to TL (-). (31 December 2013: TL (-)).

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

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Forward Transactions	70.893	-	207.282	-
Swap Transactions	441.546	628.278	607.384	400.487
Futures Transactions	33.748	2.174	52.398	26.615
Options	1.240	232.860	31.430	441.274
Other	-	-	-	-
Total	547.427	863.312	898.494	868.376

c. Information on banks account:

1. Information on banks:

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Banks	611.373	4.600.744	201.368	5.637.731
Domestic	611.373	617.595	201.368	114.049
Foreign	-	3.983.149	-	5.523.682
Head Quarters and Branches Abroad	-	-	-	-
Total	611.373	4.600.744	201.368	5.637.731

2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount (**)	
	Current Period 31 December 2014	Prior Period 31 December 2013	Current Period 31 December 2014	Prior Period 31 December 2013
European Union Countries	1.031.402	1.562.134	2.646.683	2.660.014
USA, Canada	239.867	554.101	16.793	308.602
OECD Countries (*)	23.389	19.032	8.235	-
Off-shore Banking Regions	-	-	-	-
Other	16.780	419.799	-	-
Total	1.311.438	2.555.066	2.671.711	2.968.616

(*) OECD Countries except EU countries, USA and Canada.

(**) Restricted amounts which mainly consist of collaterals related to the borrowings, are kept in several banks.

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

1. As of 31 December 2014, available-for-sale financial assets subject to repurchase agreements amount to TL 24.823.669 (31 December 2013: TL 19.534.511); and those given as collateral/blocked amount to TL 3.691.128 (31 December 2013: TL 3.919.373).

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Debt Securities	37.821.917	34.024.190
Quoted to Stock Exchange	37.585.353	33.754.089
Not Quoted to Stock Exchange	236.564	270.101
Share Certificates	12.487	11.320
Quoted to Stock Exchange	-	-
Not Quoted to Stock Exchange	12.487	11.320
Impairment Provision (-)	230.572	870.528
Total	37.603.832	33.164.982

e. Information related to loans:

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

	Current Period 31 December 2014		Prior Period 31 December 2013	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	141	250.320	378
Corporate Shareholders	-	141	250.320	378
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	2.464.548	1.986.344	2.117.777	2.413.639
Loans Granted to Employees	105.144	-	101.100	-
Total	2.569.692	1.986.485	2.469.197	2.414.017

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

	Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring				
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Extension of Repayment Plan	Other Changes	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Extension of Repayment Plan	Other Changes
Non-specialized Loans	131.706.750	1.166.384	-	-	4.273.324	1.620.310	-	-
Business Loans	21.618.300	625.583	-	-	1.092.237	300.563	-	-
Export Loans	5.993.324	9.358	-	-	15.403	-	-	-
Import Loans	-	-	-	-	-	-	-	-
Loans Granted to Financial Sector	4.200.870	-	-	-	-	-	-	-
Consumer Loans (Including Overdraft Loans)	29.426.001	98.711	-	-	1.573.038	612.251	-	-
Credit Cards	12.039.233	305.058	-	-	864.346	626.760	-	-
Other	58.429.022	127.674	-	-	728.300	80.736	-	-
Specialized Loans	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Total	131.706.750	1.166.384	-	-	4.273.324	1.620.310	-	-

Number of extensions	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	1.153.125	1.616.349
Extended by 3,4 or 5 times	11.309	1.270
Extended by more than 5 times	1.950	2.691
Total	1.166.384	1.620.310

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	97.472	304.397
6 - 12 Months	67.701	209.689
1 - 2 Years	188.157	413.223
2 - 5 Years	380.667	639.525
5 Years and over	432.387	53.476
Total	1.166.384	1.620.310

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3. Breakdown of loans according to their maturities:

	Standard Loans and Other Receivables		Loans and Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-Term Loans and Other Receivables	35.852.326	404.362	1.174.740	351.398
Non-Specialized Loans	35.852.326	404.362	1.174.740	351.398
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	95.854.424	762.022	3.098.584	1.268.912
Non-Specialized Loans	95.854.424	762.022	3.098.584	1.268.912
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	131.706.750	1.166.384	4.273.324	1.620.310

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

Current Period- 31.12.2014	Short-term	Medium and Long-term	Total
Consumer Loans-TL	293.002	29.924.787	30.217.789
Mortgage Loans	7.896	13.022.493	13.030.389
Automotive Loans	7.706	802.180	809.886
Consumer Loans	274.094	15.355.989	15.630.083
Other	3.306	744.125	747.431
Consumer Loans- Indexed to FC	-	26.115	26.115
Mortgage Loans	-	24.949	24.949
Automotive Loans	-	-	-
Consumer Loans	-	49	49
Other	-	1.117	1.117
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	10.297.754	1.229.280	11.527.034
With Installment	4.223.691	1.229.280	5.452.971
Without Installment	6.074.063	-	6.074.063
Consumer Credit Cards-FC	14.942	-	14.942
With Installment	4.709	-	4.709
Without Installment	10.233	-	10.233
Personnel Loans-TL	2.899	60.097	62.996
Mortgage Loans	-	1.135	1.135
Automotive Loans	-	138	138
Consumer Loans	2.899	58.824	61.723
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	41.544	396	41.940
With Installment	15.653	396	16.049
Without Installment	25.891	-	25.891
Personnel Credit Cards-FC	208	-	208
With Installment	68	-	68
Without Installment	140	-	140
Credit Deposit Account-TL (Real Person)	692.139	-	692.139
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	11.342.488	31.240.675	42.583.163

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

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

Current Period – 31.12.2014	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	1.322.602	4.922.919	6.245.521
Mortgage Loans	6.147	69.966	76.113
Automotive Loans	54.581	64.026	118.607
Consumer Loans	1.226.137	4.648.491	5.874.628
Other	35.737	140.436	176.173
FC Indexed Commercial Installment Loans	38.984	84.719	123.703
Mortgage Loans	275	8.400	8.675
Automotive Loans	840	13.304	14.144
Consumer Loans	78	28.864	28.942
Other	37.791	34.151	71.942
Commercial Installment Loans-FC	1.913	134.557	136.470
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	1.913	134.557	136.470
Corporate Credit Cards-TL	1.313.204	4.443	1.317.647
With Installment	589.999	4.443	594.442
Without Installment	723.205	-	723.205
Corporate Credit Cards-FC	1.808	-	1.808
With Installment	18	-	18
Without Installment	1.790	-	1.790
Credit Deposit Account-TL (Legal Person)	628.848	-	628.848
Credit Deposit Account-FC (Legal person)	-	-	-
Total	3.307.359	5.146.638	8.453.997

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

6. Loans according to types of borrowers:

	Current Period 31 December 2014	Prior Period 31 December 2013
Public	2.256.645	1.801.756
Private	133.723.429	116.114.899
Total	135.980.074	117.916.655

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Domestic Loans	133.697.580	116.445.272
Foreign Loans	2.282.494	1.471.383
Total	135.980.074	117.916.655

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

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9. Specific provisions accounted for loans:

	Current Period 31 December 2014	Prior Period 31 December 2013
Loans and Receivables with Limited Collectibility	407.881	342.385
Loans and Receivables with Doubtful Collectibility	774.084	492.160
Uncollectible Loans and Receivables	996.864	749.287
Total	2.178.829	1.583.832

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

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

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period: 31 December 2014			
(Gross Amounts Before Specific Provisions)	34.896	65.245	179.358
Restructured Loans and Other Receivables	34.324	62.698	177.462
Rescheduled Loans and Other Receivables	572	2.547	1.896
Prior Period: 31 December 2013			
(Gross Amounts Before Specific Provisions)	22.617	34.908	28.903
Restructured Loans and Other Receivables	21.845	33.566	28.541
Rescheduled Loans and Other Receivables	772	1.342	362

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2014	342.385	492.160	842.137
Additions (+)	1.827.780	14.401	13.210
Transfers from Other Categories of Non-performing Loans (+)	-	1.619.076	1.038.834
Transfers to Other Categories of Non-Performing Loans (-)	1.619.076	1.038.834	-
Collections (-) (*)	127.212	155.402	331.381
Write-offs (-) (**)	15.996	5.991	565.936
Corporate and Commercial Loans	14.838	2.384	140.775
Retail Loans	547	1.299	136.986
Credit Cards	611	2.308	288.175
Other	-	-	-
Balance at the End of the Period	407.881	925.410	996.864
Specific Provisions (-)	407.881	774.084	996.864
Net Balance (***)	-	151.326	-

(*)The Bank has set 100% specific provision amounting to TL 41 million after taking the collaterals into consideration for one of its non-performing loans amounting to TL 134 million. The respective amount has been collected in 2014 by means of real estate execution sales in loan guarantees.

(**)TL 252,2 million of the Bank’s non-performing loan portfolio has been sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 44 million and TL 250,5 million of the Bank’s non-performing loan portfolio has been sold to Efes Varlık Yönetim A.Ş. at a price of TL 41 million. Effective from 1 July 2013, the Bank has restructured Commercial and SME Banking Business Unit as two different business units, Commercial Banking and SME Banking.

(***)As of 31 December 2014, the Bank has set 100% specific provision amounting to TL 55 million after taking the collaterals into consideration for one of its commercial loans amounting to TL 206 million.

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 31 December 2014			
Balance at the End of the Period	11.925	234.608	47.204
Specific Provision (-)	11.925	103.516	47.204
Net Balance on Balance Sheet	-	131.092	-
Prior Period: 31 December 2013			
Balance at the End of the Period	27.107	6.135	154.261
Specific Provision (-)	27.107	6.135	61.411
Net Balance on Balance Sheet	-	-	92.850

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net): 31 December 2014			
Loans granted to corporate entities and real persons (Gross)	407.881	925.410	996.864
Specific Provision (-)	407.881	774.084	996.864
Loans granted to corporate entities and real persons (Net)	-	151.326	-
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provision (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
Prior Period (Net): 31 December 2013			
Loans granted to corporate entities and real persons (Gross)	342.385	492.160	842.137
Specific Provisions Amount(-)	342.385	492.160	749.287
Loans granted to corporate entities and real persons (Net)	-	-	92.850
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-

11. 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.

12. Information on the write-off policy:

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

f. Held-to-maturity investments:

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

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Given as collateral/blocked	446.840	1.707.276	1.910.954	1.964.710
Subject to repurchase agreements	4.302.822	2.988.291	4.178.386	2.886.067
Total	4.749.662	4.695.567	6.089.340	4.850.777

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Government Bonds	9.973.280	11.403.933
Treasury Bills	-	-
Other Government Debt Securities	826.831	749.520
Total	10.800.111	12.153.453

3. Information on held-to-maturity investments:

	Current Period 31 December 2014	Prior Period 31 December 2013
Debt Securities	10.809.411	12.153.453
Quoted to Stock Exchange	10.809.411	12.153.453
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	9.300	-
Total	10.800.111	12.153.453

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Balance at the Beginning of the Period	12.153.453	3.637.468
Foreign Currency Differences on Monetary Assets	145.662	172.739
Purchases During Year(*)	6.405	9.969.319
Disposals Through Sales and Redemptions (**)	1.798.189	1.788.154
Impairment Provision (-)	9.300	-
Change in Amortized Cost	302.080	162.081
Balance at the End of the Period	10.800.111	12.153.453

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

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g. Information on investments in associates (Net):

1. Non-consolidated associates:

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

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

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

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

The financial figures have been obtained from the financial statements dated 30 September 2014.

	Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	52.777	30.264	32.405	681	-	7.882	3.902	-
2	105.453	88.452	52.574	3.178	8	18.547	28.150	-

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

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

2. Consolidated subsidiaries within the current period: None.

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h. Information on subsidiaries (Net):

1. Information on shareholders’ equity of major subsidiaries:

The amounts below are obtained from the 31 December 2014 financial data which were subject to the regulations of the related companies.

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	Akbank (Dubai) Limited
Paid in Capital	175.007	46.802	4.079	442.518	2.243
Share Premium	-	-	-	-	-
Reserves	288.542	59.231	8.169	521.839	3.647
Profit/Loss	75.879	33.984	12.495	116.388	12.932
<i>Net Current Period Profit</i>	75.879	23.090	12.495	116.388	4.699
<i>Prior Year Profit/Loss</i>	-	10.894	-	-	8.233
Development Cost of Operating Lease (-)	308	362	-	165	-
Goodwill or Other Intangible Assets and Deferred Tax Liability related to these items (-)	91	162	35	89	-
Total Common Equity	539.029	139.493	24.708	1.080.491	18.822
Total Additional Tier I Capital	-	-	-	-	-
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1 st Clause of Provisional Article 2 of the “Regulation on the Equity of Banks” (-)	364	648	140	356	-
Total Tier I Capital	538.665	138.845	24.568	1.080.135	18.822
Tier II Capital	11.985	-	-	-	-
CAPITAL	550.650	138.845	24.568	1.080.135	18.822
Deductions From Capital	-	-	-	-	-
TOTAL CAPITAL	550.650	138.845	24.568	1.080.135	18.822

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

2. Non-consolidated subsidiaries: None.

3. Consolidated subsidiaries:

3(i). Information about consolidated subsidiaries:

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

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

The financial figures have been obtained from the financial statements as at 31 December 2014 prepared in accordance with local regulations.

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	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	3.996.229	539.428	1.300	254.870	-	75.879	40.900	-
2	764.289	140.017	2.067	24.696	6.513	23.090	16.010	-
3	30.257	24.743	664	2.058	-	12.495	11.923	-
4	12.487.477	1.080.745	1.258	396.188	43.794	116.388	58.933	-
5	19.779	18.822	17	-	-	4.699	5.363	-

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

3(ii). Movement schedule for consolidated subsidiaries:

	Current Period 31 December 2014	Prior Period 31 December 2013
Balance at the Beginning of the Period	879.821	582.944
Movements During the Period		
Additions (*)	49.993	190.933
Bonus Shares and Contributions to Capital(**)	1.000	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Additions to Consolidation	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	(23.584)	105.944
Balance at the End of the Period	907.230	879.821
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

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

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

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

Subsidiaries	Current Period 31 December 2014	Prior Period 31 December 2013
Banks	617.662	641.246
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	221.074	171.081
Finance Companies	-	-
Other Financial Subsidiaries	68.494	67.494

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

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i. Information on finance lease receivables (Net):

	Current Period 31 December 2014		Prior Period 31 December 2013	
	Gross	Net	Gross	Net
2014	-	-	1.330.612	1.350.612
2015	1.211.403	1.012.669	698.834	706.316
2016	909.635	729.531	565.975	401.154
2017	720.382	589.378	401.865	270.214
2018	557.475	468.697	280.303	191.107
2019 and following years	1.020.443	895.031	445.352	298.113
Total	4.419.338	3.695.306	3.722.941	3.217.516

j. Information on the Hedging Derivative Financial Assets:

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Fair Value Hedge	284.135	406	582.455	47.722
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
Total	284.135	406	582.455	47.722

k. Information on property and equipment:

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2013				
Cost	838.592	884.370	203	1.723.165
Accumulated Depreciation(-)	280.230	591.715	-	871.945
Net Book Value	558.362	292.655	203	851.220
Current Period End: 31 December 2014				
Net Book Value at the Beginning of the Period	558.362	292.655	203	851.220
Additions	18.494	131.209	2.292	151.995
Transferred	-	-	-	-
Disposals(-), net	2.301	952	-	3.253
Depreciation (-)	30.356	106.252	-	136.608
Impairment	-	-	-	-
Cost at Period End	852.693	985.242	2.495	1.840.430
Accumulated Depreciation at Period End (-)	308.494	668.582	-	977.076
Closing Net Book Value	544.199	316.660	2.495	863.354

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	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2012				
Cost	818.932	828.574	2.578	1.650.084
Accumulated Depreciation(-)	276.388	573.793	-	850.181
Net Book Value	542.544	254.781	2.578	799.903
Current Period End: 31 December 2013				
Net Book Value at the Beginning of the Period	542.544	254.781	2.578	799.903
Additions	28.164	135.549	14.242	177.955
Transferred	16.617	-	(16.617)	-
Disposals(-), net	1.663	1.286	-	2.949
Depreciation (-)	27.300	96.389	-	123.689
Impairment	-	-	-	-
Cost at Period End	838.592	884.370	203	1.723.165
Accumulated Depreciation at Period End (-)	280.230	591.715	-	871.945
Closing Net Book Value	558.362	292.655	203	851.220

l. Informations on intangible assets:

1. Cost and accumulated amortization at the beginning and end of the period :

	Current Period 31 December 2014	Prior Period 31 December 2013
Cost	503.566	371.794
Accumulated Amortization (-)	274.562	209.579
Net Book Value	229.004	162.215

2. Reconciliation of movements for the current period and prior period:

	Current Period 31 December 2014	Prior Period 31 December 2013
Opening Balance Net Book Value	162.215	113.757
Additions	131.815	101.168
Disposals (-), net	-	5.510
Depreciation (-)	65.026	47.200
Closing Net Book Value	229.004	162.215

m. Information on the investment properties: None.

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n. Information on deferred tax asset :

The Group's deferred tax asset as of 31 December 2014 amounts to TL 21.045 (31 December 2013: TL 75.005). Provisional differences subject to deferred tax calculation result from mainly the differences between the book values, tax values and debts of fixed assets and financial assets, and provision for employee rights.

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

	Accumulated temporary differences		Deferred tax assets/liabilities	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Employee benefits	127.637	111.159	25.550	21.975
Differences between fair value and book value of financial assets	524.361	1.252.909	107.773	251.899
Other	311.251	343.194	61.428	69.583
Deferred Tax Asset			194.751	343.457
Differences between book value and tax base of property, plant and equipment	126.098	71.392	(25.220)	(14.278)
Differences between book value and tax base of financial assets	772.794	1.257.047	(156.573)	(251.619)
Country risk provision	142.171	143.091	(45.495)	(45.788)
Deferred Tax Liabilities			(227.288)	(311.685)
Deferred Tax Asset/(Liabilities) Net			(32.537)	31.772

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

	Current Period	Prior Period
	31 December 2014	31 December 2013
Cost	158.928	34.958
Accumulated Depreciation (-)	276	259
Net Book Value	158.652	34.699

	Current Period	Prior Period
	31 December 2014	31 December 2013
Net Book Value	34.699	15.048
Additions(*)	152.447	31.351
Disposals (-), net	28.252	11.577
Depreciation (-)	242	123
Closing Net Book Value	158.652	34.699

p. Information on other assets:

Other assets amount to TL 1.087.338 (31 December 2013: TL 1.225.740) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of the deposits:

There are no seven-day notification deposits.

- 1(i). Current Period – 31 December 2014:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Cumulative	Total
Saving Deposits	4.764.506	11.032.937	21.778.811	1.126.844	578.554	626.932	100.087	40.008.671
Foreign Currency Deposits	7.282.224	10.478.509	11.285.571	2.956.797	5.601.377	7.943.878	4.532	45.552.888
Residents in Turkey	5.967.014	10.299.399	10.056.550	885.007	702.133	3.170.236	4.467	31.084.806
Residents Abroad	1.315.210	179.110	1.229.021	2.071.790	4.899.244	4.773.642	65	14.468.082
Public Sector Deposits	828.740	19.149	80.872	61.574	2.632	4.214	-	997.181
Commercial Deposits	4.865.220	6.732.744	4.553.885	941.592	298.919	115.266	-	17.507.626
Other Institutions Deposits	169.932	372.447	1.613.470	596.256	587.414	79.437	-	3.418.956
Gold Vault	1.179.639	5.931	16.504	19.264	4.015	-	-	1.225.353
Bank Deposits	501.286	1.869.383	6.473.494	3.672.826	1.049.493	16.919	-	13.583.401
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	16.011	1.566.449	1.216.250	84.191	94.569	8.015	-	2.985.485
Foreign Banks	162.567	302.934	5.257.244	3.588.635	954.924	8.904	-	10.275.208
Special Finance Institutions	322.708	-	-	-	-	-	-	322.708
Other	-	-	-	-	-	-	-	-
Total	19.591.547	30.511.100	45.802.607	9.375.153	8.122.404	8.786.646	104.619	122.294.076

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

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

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2. Information on saving deposits insurance:

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Saving Deposits	18.858.943	16.560.665	21.149.728	17.007.941
Foreign Currency Saving Deposits	6.515.893	6.104.124	17.001.254	14.291.268
Other Deposits in the Form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse and Children in care	1.030.337	1.021.540
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

b. Information on trading derivative financial liabilities:

Table of negative differences for trading derivative financial liabilities:

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Forward Transactions	156.777	-	142.013	-
Swap Transactions	64.647	733.173	56.809	553.996
Futures Transactions	822	3.653	22.001	9.311
Options	102	248.039	19.196	375.422
Other	-	-	-	-
Total	222.348	984.865	240.019	938.729

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	318.759	376.626	457.357	426.991
From Foreign Banks, Institutions and Funds	136.202	20.437.774	181.129	18.833.123
Total	454.961	20.814.400	638.486	19.260.114

2. Information on maturity structure of borrowings:

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Short-term	397.020	13.022.712	545.268	13.470.434
Medium and Long-term	57.941	7.791.688	93.218	5.789.680
Total	454.961	20.814.400	638.486	19.260.114

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

d. Information on securities issued (Net):

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Bank bills	1.485.149	769.015	923.917	-
Bonds	1.687.255	6.599.005	2.215.133	5.588.792
Total	3.172.404	7.368.020	3.139.050	5.588.792

e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 1.528.730 (31 December 2013: TL 1.478.729) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

f. Information on financial leasing agreements: None.

g. Information on the hedging derivative financial liabilities:

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Fair Value Hedge	-	105.952	-	63.810
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
Total	-	105.952	-	63.810

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h. Information on provisions:

1. Information on general provisions:

	Current Period	Prior Period
	31 December 2014	31 December 2013
General Provisions	2.104.264	1.696.118
Provisions for Group I. Loans and Receivables	1.742.001	1.403.027
- Additional Provision for loans with extended payment period	47.098	20.850
Provisions for Group II. Loans and Receivables	189.154	138.423
- Additional Provision for loans with extended payment period	47.264	45.731
Provisions for Non-cash Loans	115.383	105.108
Other	57.726	49.560

Information on reserve for employment termination benefits:

	Current Period	Prior Period
	31 December 2014	31 December 2013
Balance Sheet Obligations for:		
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	67.034	59.720
- Reserve for unused vacation	60.603	51.439
Total	127.637	111.159

As explained in Note 2(ii) below, there is no liability that needs to be accounted under the balance sheet since the Fund’s fair value compensates for defined benefit obligations as explained in Note 2(ii).

	Current Period	Prior Period
	31 December 2014	31 December 2013
Income Statement Charge for:		
- Post-employment benefits (pension and medical)	(146.273)	(133.857)
- Reserve for employment termination benefits	(29.612)	(26.627)
- Reserve for unused vacation	(9.164)	(8.318)
Toplam	(185.049)	(168.802)

The charge for the post-employment benefits represents the cash payments, which represent the employer’s contribution determined by the Social Security Law no: 506 and additional 2% contribution of the employer. The employer’s contribution amounting to TL 146.273 (31 December 2013: TL 133.857) during the year has been included in employee costs under operating expenses.

2. Information on reserve for employment termination benefits:

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

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

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

	Current Period	Prior Period
	31 December 2014	31 December 2013
Discount Rate (%)	3,62	4,43
Rate for the Probability of Retirement (%)	93,94	94,25

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. The amount of TL 3.541,37 (1 January 2014: TL 3.438,22) effective from 1 January 2015 has been taken into consideration in calculating the reserve for employee termination benefits.

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

	Current Period	Prior Period
	31 December 2014	31 December 2013
Balance at the Beginning of the Period	59.720	58.620
Provisions Recognized During the Period	29.612	26.627
Actuarial Loss/(Gain)	5.785	1.594
Paid During the Period	(28.083)	(27.121)
Balance at the End of the Period.	67.034	59.720

As of 31 December 2014, the Bank has allocated vacation liability amounting to TL 60.603 (31 December 2013: TL 51.439).

2 (ii). Post-employment benefits:

The Group’s obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been calculated by a registered actuary. In this context, the value of the obligation regarding these benefits to be transferred to SSI as of the balance sheet date would equal the approximate payment amount that would need to be made to SSI as part of the transfer. The actuarial parameters and results used for the calculation of this amount reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%). Accordingly, as of 31 December 2014, the surplus of the Fund, including the obligation for other non-transferable benefits of TL 314.431 (31 December 2013: TL 225.809) amounts to TL 392.975 (31 December 2013: TL 444.642).

	Current Period	Prior Period
	31 December 2014	31 December 2013
Present value of funded obligations	(812.717)	(681.635)
- Pension benefits transferrable to SSI	(1.125.845)	(1.008.716)
- Post-employment medical benefits transferrable to SSI	627.559	552.890
- Other non-transferrable benefits	(314.431)	(225.809)
Fair value of plan assets	1.205.692	1.126.277
Surplus	392.975	444.642

The amount of the post-employment medical benefits transferrable to SSI are calculated over the net present value of medical liabilities and health premiums.

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The principal actuarial assumptions used were as follows:

Discount rate	Current Period 31 December 2014	Prior Period 31 December 2013
- Pension benefits transferrable to SSI	% 9,80	% 9,80
- Post-employment medical benefits transferrable to SSI	% 9,80	% 9,80
- Other non-transferrable benefits	% 3,43	% 4,34

Mortality rate

The average life expectancy in years of a pensioner retiring at age 60 for men, 58 for women determined using mortality table depending on statistical data is 17 years for men and 23 years for women.

The movement in the fair value of plan assets of the year is as follows:

	Current Period 31 December 2014	Prior Period 31 December 2013
Prior period end	1.126.277	989.836
Actual return on plan assets	148.312	193.840
Employer contributions	146.273	133.857
Employee contributions	124.982	114.785
Benefits paid	(340.152)	(306.041)
Period end	1.205.692	1.126.277

Plan assets are comprised as follows:

	Current Period 31 December 2014		Prior Period 31 December 2013	
Bank placements	839.215	70%	781.086	%69
Premises and equipment	20.104	2%	19.354	%2
Marketable securities and share certificates	290.010	24%	290.025	%26
Other	56.363	4%	35.812	%3
Period end	1.205.692	100%	1.126.277	% 100

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

As of 31 December 2014, the provision related to foreign currency differences of foreign indexed loans amounts to TL 21.290 (31 December 2013: TL 1.442), which is offset with the balance of foreign currency indexed loans in these financial statements.

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

Provision for non-cash loans that are non-funded and non-transformed into cash as of 31 December 2014 is amounting to TL 66.434 (31 December 2013: TL 52.027).

5. Information on other provisions:

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

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

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 118.379 (31 December 2013: TL 113.443).

i. Explanations on tax liability :

1. Explanations on tax liability:

Tax calculations of the Group are explained in Note XVIII of Section Three. As of 31 December 2014, the corporate tax liability after the deduction of temporary taxes paid is TL 325.142 (31 December 2013: TL 74.369).

1(i). Information on taxes payable:

	Current Period	Prior Period
	31 December 2014	31 December 2013
Corporate Taxes Payable	325.142	74.369
Taxation on Marketable Securities	83.108	68.545
Property Tax	1.768	1.488
Banking Insurance Transaction Tax (BITT)	75.557	60.005
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	7.691	10.204
Other	57.219	43.035
Total	550.485	257.646

1(ii). Information on premium payables:

	Current Period	Prior Period
	31 December 2014	31 December 2013
Social Security Premiums – Employee	61	46
Social Security Premiums – Employer	127	94
Bank Social Aid Pension Fund Premium- Employee	10	6
Bank Social Aid Pension Fund Premium – Employer	13	6
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	919	839
Unemployment Insurance – Employer	1.803	1.650
Other	-	35
Total	2.933	2.676

2. Information on deferred tax liability:

As of 31 December 2014, the deferred tax liability of the Group amounts to TL 53.582 (31 December 2013: TL 43.233). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

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j. Information on shareholders’ equity:

1. Presentation of paid-in capital:

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

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

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

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

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

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

k. Information on marketable securities value increase fund:

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(181.747)	(88.432)	(702.498)	(665.848)
Foreign Currency Differences	-	-	-	-
Total	(181.747)	(88.432)	(702.498)	(665.848)

l. Information on minority shares:

	Cari Dönem 31 December 2014	Önceki Dönem 31 December 2013
Beginning Balance	85	73
Net Profit Share of other shareholders	7	4
Previous Term Dividend	-	-
Net Currency difference due to foreign subsidiaries	-	-
Effect of Changes within scope of consolidation	8	8
Balance end of Period	100	85

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Short-term Loans	3.455.287	128.196	2.499.460	119.272
Medium and Long-term Loans	5.096.879	1.881.402	4.082.751	1.594.796
Interest on Loans Under Follow-Up	34.184	-	21.154	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	8.586.350	2.009.598	6.603.365	1.714.068

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

2. Information on interest income on banks:

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
From the CBRT	2.915	44	-	-
From Domestic Banks	27.919	1.881	25.309	1.694
From Foreign Banks	473	3.515	1.812	3.921
From Headquarters and Branches Abroad	-	-	-	-
Total	31.307	5.440	27.121	5.615

3. Information on interest income on marketable securities:

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
From Trading Financial Assets	6.499	129	3.163	109
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	2.456.361	564.514	2.543.989	512.985
From Held-to-maturity Investments	525.095	166.013	246.398	5.156
Total	2.987.955	730.656	2.793.550	518.250

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available-for sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and a maturity of 5 to 10 years. For the valuation of these marketable securities the Bank uses and estimated inflation rate based on CPI. Estimated inflation rate is updated when necessary during the year. As of 31 December 2014, the valuation of these securities is made by considering the real coupon rates together with the changes in the CPI references between the issuance date and balance sheet date.

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

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b. Information on interest expense:

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

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Banks	51.579	319.762	37.994	289.841
The CBRT	-	-	-	-
Domestic Banks	40.817	10.633	26.308	8.736
Foreign Banks	10.762	309.129	11.686	281.105
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	3.865	-	3.040
Total	51.579	323.627	37.994	292.881

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

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

	Current Period 31 December 2014		Prior Period 31 December 2013	
	TL	FC	TL	FC
Interest expense on securities issued	324.620	287.922	240.935	228.982

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4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

Current Period-31.12.2014	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	21	51.164	137.917	14.232	5.407	842	209.583
Saving Deposits	-	793.975	1.890.305	92.817	52.068	63.061	2.892.226
Public Sector Deposits	4	1.145	9.848	3.028	222	354	14.601
Commercial Deposits	-	527.692	491.308	53.114	26.745	5.144	1.104.003
Other Deposits	3	27.669	161.090	49.529	35.514	5.850	279.655
Total	28	1.401.645	2.690.468	212.720	119.956	75.251	4.500.068
FC							
Foreign Currency Deposits	10.555	210.873	262.554	69.666	89.323	183.694	826.665
Bank Deposits	-	18.179	59.123	44.801	8.274	34	130.411
Precious Metals Deposits	-	-	16	-	365	14	395
Total	10.555	229.052	321.693	114.467	97.962	183.742	957.471
Grand Total	10.583	1.630.697	3.012.161	327.187	217.918	258.993	5.457.539

Prior Period – 31.12.2013	Demand Deposit	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	-	100.937	78.528	27.772	4.606	-	211.843
Saving Deposits	52	438.224	1.380.108	72.279	80.868	96.729	2.068.260
Public Sector Deposits	1	1.249	9.263	942	2.120	275	13.850
Commercial Deposits	384	368.169	295.903	21.437	27.238	7.257	720.388
Other Deposits	7	16.255	68.499	11.553	56.267	13.960	166.541
Total	444	924.834	1.832.301	133.983	171.099	118.221	3.180.882
FC							
Foreign Currency Deposits	12.477	152.536	287.213	40.964	115.267	140.801	749.258
Bank Deposits	-	23.267	81.228	17.242	10.423	18	132.178
Precious Metals Deposits	-	-	-	-	249	6	255
Total	12.477	175.803	368.441	58.206	125.939	140.825	881.691
Grand Total	12.921	1.100.637	2.200.742	192.189	297.038	259.046	4.062.573

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c. Explanations on dividend income:

	Current Period 31 December 2014	Prior Period 31 December 2013
From Trading Financial Assets	151	857
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-sale Financial Assets	-	2.597
Other (*)	1.230	1.516
Total	1.381	4.970

(*)Discloses the dividend income received from non-consolidated investments in associates and subsidiaries.

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Profit	1.630.212.358	266.871.966
Income From Capital Market Transactions	1.221.991	1.689.256
Income From Derivative Financial Transactions (*)	4.414.415	5.230.818
Foreign Exchange Gains	1.624.575.952	259.951.892
Loss (-)	1.630.287.834	266.380.958
Loss from Capital Market Transactions	500.767	1.032.321
Loss from Derivative Financial Transactions (*)	5.727.442	4.475.083
Foreign Exchange Loss	1.624.059.625	260.873.554
Total (Net)	(75.476)	491.008

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 190.050 (31 December 2013: TL 908.972).

e. Explanations on other operating income:

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

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Specific Provisions for Loans and Other Receivables	1.520.251	1.066.526
III. Group Loans and Receivables	275.842	333.124
IV. Group Loans and Receivables	925.809	496.485
V. Group Loans and Receivables	318.600	236.917
General Provision Expenses	426.285	528.519
Provision Expense for Possible Risks	-	270.000
Marketable Securities Impairment Expense	102.313	45.941
Financial Assets at Fair Value through Profit or Loss	32	17
Available-for-sale Financial Assets	102.281	45.924
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	8.447	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	8.447	-
Other	19.562	25.562
Total	2.076.858	1.936.548

g. Information related to other operating expenses:

	Current Period 31 December 2014	Prior Period 31 December 2013
Personnel Expenses	1.484.508	1.423.142
Reserve for Employee Termination Benefits	1.576	122
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	136.608	123.689
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	65.026	47.200
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	23	-
Depreciation Expenses of Assets Held for Resale	242	123
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.458.177	1.447.821
Operational Leasing Expenses	164.220	146.380
Maintenance Expenses	24.289	25.464
Advertisement Expenses	108.291	120.936
Other Expenses (*)	1.161.377	1.155.041
Loss on Sales of Assets	506	756
Other	659.769	485.871
Total	3.806.435	3.528.724

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

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h. Information on income/loss from minority interest:

	Current Period	Prior Period
	31 December 2014	31 December 2013
Income/(loss) from minority interest	7	4

i. Information on profit/(loss) from continued and discontinued operations before tax:

The Bank's income before tax consists of net interest income amounting to TL 7.220.278, net fees and commission income amounting to TL 2.436.707 and the amount of other operating expense is TL 3.806.435.

The Bank has no discontinued operations.

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

As of 31 December 2014, the Group has a current tax expense of TL 1.109.941 and deferred tax income of TL 155.095. The amount of deferred tax income that occurred due to the temporary differences is TL 61.592 and deferred tax expense is TL 37.038; the amounts of deferred tax income occurred due to the closing of temporary differences is TL 140.638 and deferred tax expense is TL 10.097 respectively.

The Bank has no discontinued operations.

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

Net profit of the Bank is TL 3.378.646.

The Group has no discontinued operations.

l. Explanation current period net profit and loss:

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

m. Other figures on profit and loss statement:

“Other Fee and Commission Income” in the Income Statement mainly consists of commissions received from credit card, mutual fund and common stock transactions.

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

a. Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 9.727.241 asset purchase commitments (31 December 2013: TL 10.444.953), TL 21.109.490 commitment for credit card limits (31 December 2013: TL 21.362.853) and TL 5.409.062 commitments for cheque books (31 December 2013: TL 5.051.733).

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

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

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Bank Acceptance Loans	1.130.533	1.705.986
Letters of Credit	5.463.720	6.207.184
Other Commitments and Contingencies	3.286.394	3.179.275
Total	9.880.647	11.092.445

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Revocable Letters of Guarantee	513.423	470.540
Irrevocable Letters of Guarantee	11.414.007	11.177.820
Letters of Guarantee Given in Advance	2.334.608	2.620.959
Guarantees Given to Customs	4.119.296	2.761.667
Other Letters of Guarantee	3.981.482	2.154.477
Total	22.362.816	19.185.463

3. Information on non-cash loans:

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Non-cash Loans Given against Cash Loans	3.347.008	1.808.542
With Original Maturity of 1 Year or Less Than 1 Year	1.710.716	1.329.228
With Original Maturity of More Than 1 Year	1.636.292	479.314
Other Non-cash Loans	28.896.455	28.469.366
Total	32.243.463	30.277.908

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3 (ii). Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2014				Prior Period 31 December 2013			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	18.441	0,12	236	-	12.899	0,10	14.902	0,09
Farming and Raising	396	-	-	-	2.296	0,02	-	-
Livestock								
Forestry	18.043	0,12	236	-	10.544	0,08	14.902	0,09
Fishing	2	-	-	-	59	-	-	-
Manufacturing	6.074.553	40,95	6.353.506	36,51	6.330.201	48,51	5.295.127	30,73
Mining	88.492	0,60	128.708	0,74	48.891	0,37	28.172	0,16
Production	4.140.882	27,91	5.197.003	29,86	3.883.350	29,76	4.732.260	27,47
Electric, Gas and Water	1.845.179	12,44	1.027.795	5,91	2.397.960	18,38	534.695	3,10
Construction	1.412.181	9,52	1.543.664	8,87	1.395.505	10,69	1.403.315	8,15
Services	7.078.556	47,71	8.883.324	51,04	5.105.090	39,12	9.830.826	57,07
Wholesale and Retail Trade	4.963.029	33,45	5.524.605	31,74	3.064.923	23,49	5.675.861	32,94
Hotel, Food and Beverage Services	47.058	0,32	57.302	0,33	47.270	0,36	237.082	1,38
Transportation and Telecommunication	169.498	1,14	202.063	1,16	170.100	1,30	347.216	2,02
Financial Institutions	1.703.808	11,48	3.047.274	17,51	1.570.987	12,04	3.070.109	17,82
Real Estate and Leasing Services	6.211	0,04	64	-	9.096	0,07	3.923	0,02
Self-Employment Services	22.379	0,15	12.494	0,07	20.641	0,16	31.896	0,19
Education Services	12.817	0,09	1.054	0,01	14.334	0,11	1.127	0,01
Health and Social Services	153.756	1,04	38.468	0,22	207.739	1,59	463.612	2,69
Other	254.438	1,70	624.564	3,58	205.485	1,58	684.558	3,96
Total	14.838.169	100,00	17.405.294	100,00	13.049.180	100,00	17.228.728	100,00

3 (iii.) Information on the non-cash loans classified in Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	14.711.753	17.325.401	96.861	96.496
Letters of Guarantee	13.152.563	9.011.055	95.484	90.077
Bank Acceptances	-	1.130.533	-	-
Letters of Credit	-	5.458.406	-	6.419
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	22.745	-	-
Other Commitments and Contingencies	1.559.190	1.702.662	1.377	-

4. Mutual Funds :

As of 31 December 2014, the Group is the founder of 44 mutual funds (31 December 2013: 51 mutual funds) with a unaudited total fund value of TL 3.233.211 (31 December 2013: TL 2.982.884). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Istanbul Settlement and Custody Bank, Inc.

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b. Explanation on derivative instruments:

	Current Period 31 December 2014	Prior Period 31 December 2013
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	82.978.459	85.644.910
FC Trading Forward Transactions	9.092.090	12.075.222
Trading Swap Transactions	54.415.763	46.610.919
Futures Transactions	-	-
Trading Option Transactions	19.470.606	26.958.769
Interest Related Derivative Transactions (II)	74.879.960	72.069.466
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	40.397.890	38.362.596
Interest Rate Options	34.482.070	33.706.870
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	6.427.357	2.637.438
A. Total Trading Derivative Transactions (I+II+III)	164.285.776	160.351.814
Types of Hedging Transactions		
Fair Value Hedges	9.638.866	12.516.952
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	9.638.866	12.516.952
Total Derivative Transactions (A+B)	173.924.642	172.868.766

As of 31 December 2014, the Group has an embedded derivative instrument related to a loan granted by the Bank amounting to USD 300 million.

c. Information on Credit Derivatives and risk beared due to these: None.

d. Explanations on contingent assets and liabilities:

1. Contingent Liabilities:

The Bank has accounted a provision amounting to TL 11.086 (31 December 2013: 8.406 TL) for the contingent liabilities with a high probability of realization regarding continuing opposing trials.

2. Contingent Assets:

None.

e. Explanations on the activities carried out on behalf and account of other persons:

The policy is explained on note XIII in Section Four.

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V. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

a. Information on distribution of profit:

The Ordinary General Assembly Meeting of the Parent Bank was held on 28 March 2013. In the Ordinary General Assembly, it was resolved to distribute a TL 467.483 cash dividend over the TL 2.942.042 net unconsolidated income from 2013 operations to the Bank's shareholders, Chairman and Members of the Board of Directors. It was also resolved in the General Assembly to transfer TL 2.732 to other capital reserves, to allocate TL 26.748 as legal and TL 2.445.079 as extraordinary reserves.

General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of these financial statements.

b. Information on hedge funds:

1. Information on cash flow hedge:

Due to facts described in "Explanations of Hedging Transactions" section in Note XIV of Section Four, there are discontinued hedge accounting transactions. As of 31 December 2014, the fair value change of the hedging instrument since the beginning of hedge accounting left after amortization has been reflected to profit/loss accounts that is shown under "hedging funds" in equity is TL (-) 82.447 (31 December 2013: TL (-) 103.768)

2. Information on net investment hedge:

The Bank is hedged against net investment risk arising from fluctuations in foreign exchange rates through the use of foreign currency denominated financial borrowings. In this context, effective portion of the change in foreign currency denominated financial liabilities resulting from changes in the foreign exchange rates is recognized under "Hedging reserves" within equity. As of 31 December 2014, the amount directly recognized in equity is (-) TL 149.693 (31 December 2013: TL (-) 168.560)

c. Information on to foreign exchange difference:

Within the financial statements of the Group's subsidiaries founded abroad, balance sheet items are translated into Turkish Lira with the foreign exchange rates prevailing at the balance sheet date, and income statements items are translated into Turkish Lira with the average foreign exchange rates. Related foreign exchange differences are accounted in the shareholders' equity under "Other profit reserves."

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

"Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities valuation differences" account under equity, until the financial assets are sold, disposed or impaired.

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

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 together with demand deposits at banks including the CBRT are defined as “Cash”; interbank money market and time deposits in banks with original maturities less than three months are defined as “Cash equivalents”.

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Cash	2.600.510	1.896.814
Cash, Foreign Currency and Other	1.531.782	1.393.924
Demand Deposits in Banks (*)	1.068.728	502.890
Cash Equivalents	2.332.774	2.175.628
Interbank Money Market Placements	-	-
Time Deposits in Banks	1.810.690	1.386.514
Marketable Securities	522.084	789.114
Total Cash and Cash Equivalents	4.933.284	4.072.442

(*) The restricted demand accounts are not included.

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

	Current Period 31 December 2014	Prior Period 31 December 2013
Cash	2.247.086	2.600.510
Cash, Foreign Currency and Other	1.478.809	1.531.782
Demand Deposits in Banks (*)	768.277	1.068.728
Cash Equivalents	3.098.443	2.332.774
Interbank Money Market Placements	700.000	-
Time Deposits in Banks	1.512.927	1.810.690
Marketable Securities	885.516	522.084
Total Cash and Cash Equivalents	5.345.529	4.933.284

(*) The restricted demand accounts are not included.

b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:

The “Other” item under “Operating profit before changes in operating assets and liabilities” amounting to (-) TL 108.444 (31 December 2013: (-)TL 2.589.983) consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expenses.

The “Net increase/decrease in other liabilities” item under “Changes in operating assets and liabilities” amounting to TL 318.284 (31 December 2013: TL 1.368.635) consists mainly of changes in miscellaneous payables and other liabilities.

The effect of changes in the foreign currency rates on the cash and cash equivalents is calculated approximately as TL 132.806 as of 31 December 2014. (31 December 2013: TL 618.792).

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VII. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP

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

1. Current Period – 31 December 2014:

Group’s Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables					
Balance at the Beginning of the Period	-	-	2.368.097	2.414.017	-	-
Balance at the End of the Period	-	-	2.464.548	1.986.485	-	-
Interest and Commission Income Received	-	-	172.665	3.559	-	-

2. Prior Period -31 December 2013:

Group’s Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables					
Balance at the Beginning of the Period	-	-	2.090.840	327.121	9	-
Balance at the End of the Period	-	-	2.368.097	2.414.017	-	-
Interest and Commission Income Received	-	-	105.433	2.426	-	-

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

Group’s Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Deposit						
Balance at the Beginning of the Period	-	-	1.809.565	2.389.225	1.995.056	1.729.420
Balance at the End of the Period	-	-	1.137.174	1.809.565	2.115.511	1.995.056
Interest on Deposits	-	-	167.987	131.805	116.414	86.874

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

Group’s risk group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	2.626.534	2.177.864	-	-
Balance at the End of the Period	-	-	2.364.278	2.626.534	-	-
Total Income/Loss	-	-	(12.534)	9.026	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

Figures presented in the table above show the total of “sale” and “purchase” amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the “sale” and “purchase” transactions affects the net exposure of the Group. As of 31 December 2014, the net exposure for direct and indirect shareholders of the Group is TL 1.184 (31 December 2013: TL 6.775).

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

As of 31 December 2014 benefits provided to the Group’s key management amount to TL 33.326 (31 December 2013: TL 29.853).

VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK

1. Information on the domestic and foreign branches and representatives of the bank:

	Number	Number of Employees			
Domestic Branches	990	16.292			
			Country of Incorporation		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch Off-shore Banking Region Branches	- 1	- 13	- Malta	- 39.710.550	- -

2. Information on the Bank’s branch or representative office openings, closings, significant changes in the organizational structure: In 2014, the Bank has opened 26 domestic branches and closed up 21 domestic branches.

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IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

TL 248,5 million of the Bank's non-performing loan portfolio were sold to Girişim Varlık Yönetimi A.Ş. at a price of TL 40,3 million.

**SECTION SIX
OTHER EXPLANATIONS**

I. OTHER EXPLANATIONS

None.

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

I. EXPLANATIONS ON AUDITOR'S REPORT

The consolidated financial statements for the period ended 31 December 2014 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's report dated 2 February 2015 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.