

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 31 DECEMBER 2015 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)

Independent auditor report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries (together will be referred as "the Group") as at December 31, 2015, and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders' equity, consolidated statement of cash flows and consolidated statement of changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Bank's Board of Directors for the financial statements

Bank management is responsible for the preparation and fair presentation of the consolidated financial statement in accordance with "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA), circulars, interpretations published by BRSA and BRSA Accounting and Reporting Legislation which includes the provisions of Turkish Accounting Standards for the matters which are not regulated by these regulation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Independent Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with communiqué "Independent Audit of Banks" published by BRSA on the Official Gazette No.29314 dated April 2, 2015 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"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the independent auditor's professional judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the independent auditor considers the internal control relevant to bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An independent audit also includes evaluating the appropriateness of accounting policies used by the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

Subsequent to the reversal of TL 70.000 thousands during the year 2014, the accompanying consolidated financial statements as at December 31, 2015 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.

Qualified 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 presents fairly, in all material respects, the financial position of Akbank T.A.Ş. and its subsidiaries as at December 31, 2015 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 in accordance with BRSA Accounting and Reporting Legislation.

Reports on arising from other regulatory requirements

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, 2015 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.

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, accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation, 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

Damla Harman, SMMM,
SMMM, Partner

Istanbul, 2 February 2016

**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 2015**

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

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

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

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

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

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

2 February 2016

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

	Page:
SECTION ONE	
General Information about the Group	
I. Parent Bank's foundation date, start-up status, history regarding the changes in this status	1
II. Explanation about the Parent Bank's capital structure and 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 Parent Bank belongs to	1
III. Explanation on the board of directors, members of the audit committee, president and executive vice presidents, if available, and the shares of the Parent Bank they possess and their areas of responsibility	1
IV. Information on shareholder's having control shares	2
V. Explanations on the Parent Bank's service types and fields of operation	2
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	3
VII. Existing or potential, actual or legal obstacles to immediate transfer of capital between Parent Bank and its subsidiaries and repayment of debts	3
SECTION TWO	
Consolidated Financial Statements of the Group	
I. Balance sheet	4
II. Income statement	6
III. Off-Balance Sheet Commitments	7
IV. Income and expenses accounted under shareholders' equity	8
V. Statement of changes in shareholders' equity	9
VI. Statement of cash flows	10
VII. Statement of profit appropriation	11
SECTION THREE	
Accounting Policies	
I. Explanations on basis of presentation	12
II. Explanations on strategy of using financial instruments and explanations on foreign currency transactions	13
III. Explanations on investments in associates and subsidiaries	13
IV. Explanations on forward transactions and derivative instruments	14
V. Explanations on interest income and expense	15
VI. Explanations on fee and commission income and expenses	15
VII. Explanations on financial assets	15
VIII. Explanations on impairment of financial assets	16
IX. Explanations on offsetting financial assets	16
X. Explanations on sales and repurchase agreements and securities lending transactions	17
XI. Explanations on property and equipment held for sale purpose and related to discontinued operations	17
XII. Explanations on goodwill and other intangible assets	17
XIII. Explanations on property and equipment	17
XIV. Explanations on leasing transactions	17
XV. Explanations on provisions and contingent liabilities	18
XVI. Explanations on contingent assets	18
XVII. Explanations on obligations related to employee rights	19
XVIII. Explanations on taxation	20
XIX. Explanations on borrowings	21
XX. Explanations on issuance of share certificates	21
XXI. Explanations on avalized drafts and acceptances	21
XXII. Explanations on government grants	21
XXIII. Explanations on segment reporting	21
XXIV. Profit reserves and profit appropriation	21
XXV. Earnings per share	22
XXVI. Related parties	22
XXVII. Cash and cash equivalent assets	22
XXVIII. Reclassifications	22
SECTION FOUR	
Information Related to Financial Position of the Group	
I. Explanations on capital adequacy ratio	23
II. Explanations on credit risk	27
III. Explanations on market risk	36
IV. Explanations on operational risk	37
V. Explanations on currency risk	38
VI. Explanations on interest rate risk	40
VII. Explanations on equity securities position risk derived from banking books	42
VIII. Explanations on liquidity risk	43
IX. Explanations on securitization positions	50
X. Explanations on credit risk mitigation techniques	50
XI. Explanations on Leverage Ratio	51
XII. Explanations on risk management target and policies	53
XIII. Explanations on the presentation of financial assets and liabilities at their fair values	53
XIV. Explanations on the activities carried out on behalf and account of other persons	55
XV. Explanations on hedge transactions	55
XVI. Explanations on business segments	58
SECTION FIVE	
Information and Disclosures Related to Consolidated Financial Statements	
I. Explanations and notes related to consolidated assets	60
II. Explanations and notes related to consolidated liabilities	78
III. Explanations and notes related to consolidated income statement	87
IV. Explanations and notes related to consolidated off-balance sheet accounts	93
V. Explanations and notes related to unconsolidated statement of changes in the shareholders' equity	96
VI. Explanations and notes related to consolidated statement of cash flows	97
VII. Explanations and notes related to Group's risk group	98
VIII. Explanations and notes related to the domestic, foreign, off-shore branches and foreign representatives of the bank	99
IX. Explanations and notes related to subsequent events	99
SECTION SIX	
Other Explanations	
I. Other explanations	100
SECTION SEVEN	
Explanations on Auditor's Report	
I. Explanations on auditor's report	100
II. Explanations and notes prepared by independent auditor	100

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

SECTION ONE GENERAL INFORMATION ABOUT THE BANK

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

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

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

The Bank's shares have been quoted on the Borsa Istanbul ("BIST") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depository Receipts ("ADRs"). As of 31 December 2015, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2014: 41%).

The major shareholder of the 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,		Honorary Chairman,	
Board Member, Consultant:	Erol SABANCI	Board Member and Consultant	Undergraduate
Board of Directors:	Hayri ÇULHACI	Vice Chairman and Executive Board Member	Graduate
	Cem MENĞİ	Executive Board Member	Undergraduate
	Ş. Yaman TÖRÜNER	Board Member	Undergraduate
	A. Aykut DEMİRAY	Board Member	Undergraduate
	I. Aydın GÜNTER	Board Member	Undergraduate
	Emre DERMAN	Board Member	Graduate
	Can PAKER	Board Member	PhD
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
President and CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Head of Internal Audit:	Eyüp ENGIN	Head of Internal Audit	Undergraduate
Executive Vice Presidents:	A. Fuat AYLA	Credit Allocation	Undergraduate
	K. Atıl ÖZUS	Financial Coordination	Undergraduate
	Kerim ROTA	Treasury	Graduate
	C. Kaan GÜR	Commercial Banking	Undergraduate
	Turgut GÜNEY	Technology and Operation	Graduate
	Orkun OĞUZ	Direct Banking	Graduate
	Bülent OĞUZ	SME Banking	Graduate
	H. Burcu CİVELEK YÜCE	Human Resources and Strategy	Graduate
	Ege GÜLTEKİN	Credit Monitoring and Follow-up	Graduate
	A. Özer İSFENDİYAROĞLU	Consumer and Private Banking	Graduate
	Levent ÇELEBİOĞLU	Corporate and Investment Banking	Undergraduate
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.

**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 2015

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

As of 13 February 2015, Ege Gültekin has been assigned as Executive Vice President responsible from the newly established Credit Monitoring and Follow up Unit.

As of 2 March 2015, Arif Özer İsfendiyaroğlu has been assigned as Executive Vice President responsible from the newly established Retail Banking and Payment Systems Unit.

During The Ordinary General Assembly Meeting of the Bank dated 26 March 2015, Emre Derman and Can Paker have been appointed as a Board Member in lieu of James Charles Cowles and M. Kaan Terzioğlu in the election of new Board of Directors.

As of 8 May 2015, Corporate Banking Unit's Executive Vice President Alper Hakan Yüksel has resigned from his position. Corporate Banking Unit is continuing its operations as Corporate and Investment Banking and Levent Çelebioğlu has been appointed as the new established Unit's Executive Vice President as of the same date.

As of 30 June 2015, Corporate Communication Unit's Executive Vice President Mehmet Sindel and Private Banking Unit's Executive Vice President Saltık Galatalı have resigned from their positions. Consumer Banking and Payment Systems Unit has merged with Private Banking Unit and Corporate Communications Unit and is continuing its operations as Consumer and Private Banking Unit as of the same date.

As of, 31 July 2015, International Banking Unit's Executive Vice President Hülya Kefeli has resigned from her position. International Banking Unit has merged with Treasury Unit as of the same date.

As of 28 August 2015, Operation Unit's Executive Vice President Özlen Sanıbelli has resigned from her position. Information Technologies Unit has merged with Operation Unit and is continuing its operations as Technology and Operation Unit as of the same date.

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	-

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

The Bank's core business activities include consumer and private banking, commercial banking, SME banking, corporate and investment 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 2015, the Bank has 901 branches dispersed throughout the country and 1 branch operating abroad (31 December 2014: 990 branches and 1 branch operating abroad). As of 31 December 2015, the Bank employed 14.050 people (31 December 2014: 16.305). A major part of the decrease in the Bank's personnel is caused by the transfer of private security guards to an outsource firm.

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 2015, the Group employed 14.418 people (31 December 2014: 16.543).

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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

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

None

AKBANK T.A.Ş.
I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2015 (STATEMENT OF FINANCIAL POSITION)

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(I-a)	2.165.780	23.307.659	25.473.439	3.518.600	16.921.457	20.440.057
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(I-b)	816.680	1.920.990	2.737.670	599.900	865.803	1.465.703
2.1 Trading Financial Assets		816.680	1.920.990	2.737.670	599.900	865.803	1.465.703
2.1.1 Government Debt Securities		9.996	107	10.103	8.525	2.491	11.016
2.1.2 Equity Securities		6.532	-	6.532	68	-	68
2.1.3 Trading Derivative Financial Assets		776.274	1.920.883	2.697.157	547.427	863.312	1.410.739
2.1.4 Other Marketable Securities		23.878	-	23.878	43.880	-	43.880
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)	1.586.889	7.228.274	8.815.163	611.373	4.600.744	5.212.117
IV. MONEY MARKETS		98	-	98	700.215	-	700.215
4.1 Interbank Money Market Placements		98	-	98	-	-	-
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)	19.567.662	23.816.778	43.384.440	21.390.273	16.213.559	37.603.832
5.1 Equity Securities		12.836	115.958	128.794	12.326	161	12.487
5.2 Government Debt Securities		19.376.723	15.929.478	35.306.201	21.283.380	11.154.528	32.437.908
5.3 Other Marketable Securities		178.103	7.771.342	7.949.445	94.567	5.058.870	5.153.437
VI. LOANS and RECEIVABLES	(I-e)	93.013.626	60.452.870	153.466.496	85.861.033	50.270.367	136.131.400
6.1 Loans and Receivables		92.866.313	60.452.870	153.319.183	85.709.707	50.270.367	135.980.074
6.1.1 Loans to Bank's Risk Group	(VII)	2.247.912	1.173.863	3.421.775	1.511.963	952.585	2.464.548
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		90.618.401	59.279.007	149.897.408	84.197.744	49.317.782	133.515.526
6.2 Loans under Follow-up		3.373.323	-	3.373.323	2.330.155	-	2.330.155
6.3 Specific Provisions (-)		3.226.010	-	3.226.010	2.178.829	-	2.178.829
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD-TO-MATURITY SECURITIES (Net)	(I-f)	5.184.759	5.503.681	10.688.440	5.790.655	5.009.456	10.800.111
8.1 Government Debt Securities		5.184.759	5.503.681	10.688.440	5.790.655	5.009.456	10.800.111
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)	994.415	2.981.366	3.975.781	910.569	2.784.737	3.695.306
12.1 Financial Lease Receivables		1.278.004	3.421.676	4.699.680	1.182.008	3.237.330	4.419.338
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		283.589	440.310	723.899	271.439	452.593	724.032
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	(I-j)	648.858	2.510	651.368	284.135	406	284.541
13.1 Fair Value Hedge		648.858	575	649.433	284.135	406	284.541
13.2 Cash Flow Hedge		-	1.935	1.935	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)	(I-k)	793.600	2.530	796.130	860.758	2.596	863.354
XV. INTANGIBLE ASSETS (Net)	(I-l)	223.486	619	224.105	228.548	456	229.004
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		223.486	619	224.105	228.548	456	229.004
XVI. INVESTMENT PROPERTY (Net)	(I-m)	-	-	-	-	-	-
XVII. TAX ASSET		139.013	23.140	162.153	11.497	9.548	21.045
17.1 Current Tax Asset		-	-	-	-	-	-
17.2 Deferred Tax Asset	(I-n)	139.013	23.140	162.153	11.497	9.548	21.045
XVIII. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-o)	179.866	-	179.866	158.652	-	158.652
18.1 Held for Sale Purpose		179.866	-	179.866	158.652	-	158.652
18.2 Related to Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(I-p)	1.327.027	581.081	1.908.108	993.288	94.050	1.087.338
TOTAL ASSETS		126.645.682	125.821.498	252.467.180	121.923.419	96.773.179	218.696.598

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

AKBANK T.A.S.
I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2015 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL)).

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	68.978.602	80.492.216	149.470.818	65.253.709	57.040.367	122.294.076
1.1 Deposits of Bank's Risk Group	(VI)	2.435.612	1.848.224	4.283.836	2.093.788	1.358.897	3.452.685
1.2 Other		66.542.990	78.643.992	145.186.982	63.159.921	55.681.470	118.841.391
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	(II-b)	479.349	1.288.502	1.767.851	222.368	984.865	1.207.213
III. FUNDS BORROWED	(II-c)	303.083	25.873.792	26.176.875	454.961	20.814.400	21.269.361
IV. MONEY MARKETS		6.249.039	18.000.200	24.249.239	4.872.461	23.978.899	28.851.360
4.1 Funds from Interbank Money Market		80.031	-	80.031	441.722	-	441.722
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		6.169.008	18.000.200	24.169.208	4.430.739	23.978.899	28.409.638
V. SECURITIES ISSUED (Net)	(II-d)	3.373.821	9.036.968	12.410.789	3.172.404	7.368.020	10.540.424
5.1 Bills		1.548.685	892.932	2.441.617	1.485.149	769.015	2.254.164
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		1.825.136	8.144.036	9.969.172	1.687.255	6.599.005	8.286.260
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		3.832.655	1.010.762	4.843.417	3.027.706	471.106	3.498.812
VIII. OTHER LIABILITIES	(II-e)	1.358.302	134.559	1.492.861	1.327.744	200.986	1.528.730
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)	-	158.960	158.960	-	105.952	105.952
11.1 Fair Value Hedge		-	157.528	157.528	-	105.952	105.952
11.2 Cash Flow Hedge		-	1.432	1.432	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(II-h)	2.500.234	695.462	3.195.696	2.108.801	544.825	2.653.626
12.1 General Loan Loss Provisions		1.868.060	675.132	2.543.192	1.588.276	515.988	2.104.264
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		192.286	620	192.906	127.450	187	127.637
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		439.888	19.710	459.598	393.075	28.650	421.725
XIII. TAX LIABILITY	(II-i)	607.179	78.604	685.783	528.263	78.757	607.000
13.1 Current Tax Liability		607.179	21.152	628.331	522.289	31.129	553.418
13.2 Deferred Tax Liability		-	57.452	57.452	5.954	47.628	53.582
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)	28.527.127	(512.236)	28.014.891	26.257.874	(117.830)	26.140.044
16.1 Paid-in capital		4.000.000	-	4.000.000	4.000.000	-	4.000.000
16.2 Capital Reserves		2.219.173	(512.236)	1.706.937	2.772.404	(117.830)	2.654.574
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)	(627.540)	(486.868)	(1.114.408)	(181.747)	(88.432)	(270.179)
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	3.895	-	3.895
16.2.8 Hedging Funds (Effective portion)		(253.262)	(25.368)	(278.630)	(202.742)	(29.398)	(232.140)
16.2.9 Value Increase of Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.348.974	-	1.348.974	1.405.892	-	1.405.892
16.3 Profit Reserves		18.675.645	-	18.675.645	15.845.847	-	15.845.847
16.3.1 Legal Reserves		1.336.311	-	1.336.311	1.295.468	-	1.295.468
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		16.772.396	-	16.772.396	14.150.654	-	14.150.654
16.3.4 Other Profit Reserves		566.938	-	566.938	399.725	-	399.725
16.4 Income or (Loss)		3.632.190	-	3.632.190	3.639.523	-	3.639.523
16.4.1 Prior Periods' Income or (Loss)		402.833	-	402.833	260.884	-	260.884
16.4.2 Current Year Income or (Loss)		3.229.357	-	3.229.357	3.378.639	-	3.378.639
16.5 Minority Interest	(II-l)	119	-	119	100	-	100
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		116.209.391	136.257.789	252.467.180	107.226.251	111.470.347	218.696.598

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

AKBANK T.A.Ş.
II. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015

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

INCOME AND EXPENSE ITEMS	Note (Section Five)	CURRENT PERIOD (01/01-31/12/2015)	PRIOR PERIOD (01/01-31/12/2014)
I. INTEREST INCOME	(III-a)	15.997.657	14.690.586
1.1 Interest on Loans	(III-a-1)	12.367.124	10.595.948
1.2 Interest on Reserve Requirements		58.992	2.915
1.3 Interest on Banks	(III-a-2)	60.560	33.832
1.4 Interest on Money Market Transactions		128.543	63.676
1.5 Interest on Marketable Securities Portfolio	(III-a-3)	3.052.027	3.718.611
1.5.1 Trading Financial Assets		9.422	6.628
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3 Available-for-sale Financial Assets		2.399.893	3.020.875
1.5.4 Held- to- maturity Investments		642.712	691.108
1.6 Financial Lease Income		294.510	235.838
1.7 Other Interest Income		35.901	39.766
II. INTEREST EXPENSE	(III-b)	8.266.368	7.470.308
2.1 Interest on Deposits	(III-b-4)	6.161.481	5.457.539
2.2 Interest on Funds Borrowed	(III-b-1)	436.249	375.206
2.3 Interest Expense on Money Market Transactions		899.474	1.002.028
2.4 Interest on Securities Issued	(III-b-3)	744.167	612.542
2.5 Other Interest Expenses		24.997	22.993
III. NET INTEREST INCOME (I - II)		7.731.289	7.220.278
IV. NET FEES AND COMMISSIONS INCOME		2.486.906	2.436.707
4.1 Fees and Commissions Received		2.953.752	2.832.387
4.1.1 Non-cash Loans		179.669	156.199
4.1.2 Other		2.774.083	2.676.188
4.2 Fees and Commissions Paid		466.846	395.680
4.2.1 Non-cash Loans		3.435	3.218
4.2.2 Other		463.411	392.462
V. DIVIDEND INCOME	(III-c)	2.275	1.381
VI. TRADING INCOME/(LOSS) (Net)	(III-d)	66.146	(75.476)
6.1 Trading Gains / (Losses) on Securities		226.135	721.224
6.2 Gains / (Losses) on Derivative Financial Transactions		(580.609)	(1.313.027)
6.3 Foreign Exchange Gains / (Losses)		420.620	516.327
VII. OTHER OPERATING INCOME	(III-e)	613.927	633.895
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		10.900.543	10.216.785
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(III-f)	2.363.666	2.076.858
X. OTHER OPERATING EXPENSES (-)	(III-g)	4.357.805	3.806.435
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		4.179.072	4.333.492
XII. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XIII. INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XIV. INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)		4.179.072	4.333.492
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(III-j)	949.706	954.846
16.1 Current Tax Provision		919.344	1.109.941
16.2 Deferred Tax Provision		30.362	(155.095)
XVII. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)		3.229.366	3.378.646
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)	3.229.366	3.378.646
23.1 Income/(Loss) from the Group		3.229.357	3.378.639
23.2 Income/(Loss) from Minority Interest	(III-h)	9	7
Earning/(Loss) per share (in TL full)		0,00807	0,00845

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

AKBANK T.A.Ş.
III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2015

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

	Note (Section Five)	CURRENT PERIOD (31/12/2015)			PRIOR PERIOD (31/12/2014)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		97.206.807	228.649.384	325.856.191	86.440.978	167.542.323	253.983.301
I. GUARANTEES AND WARRANTIES	(IV-a-2, 3)	13.762.954	18.593.766	32.356.720	14.838.169	17.405.294	32.243.463
1.1 Letters of Guarantee		11.863.179	10.688.085	22.551.264	13.277.182	9.085.634	22.362.816
1.1.1 Guarantees Subject to State Tender Law		489.460	1.799.894	2.289.354	303.407	1.575.448	1.878.855
1.1.2 Guarantees Given for Foreign Trade Operations		-	4.121.220	4.121.220	-	3.467.645	3.467.645
1.1.3 Other Letters of Guarantee		11.373.719	4.766.971	16.140.690	12.973.775	4.042.541	17.016.316
1.2 Bank Acceptances		-	933.230	933.230	-	1.130.533	1.130.533
1.2.1 Import Letter of Acceptance		-	933.230	933.230	-	1.130.533	1.130.533
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		396	5.358.740	5.359.136	-	5.463.720	5.463.720
1.3.1 Documentary Letters of Credit		396	4.846.143	4.846.539	-	4.921.555	4.921.555
1.3.2 Other Letters of Credit		-	512.597	512.597	-	542.165	542.165
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		-	22.866	22.866	-	22.745	22.745
1.8 Other Guarantees		115.520	1.577.180	1.692.700	76.813	1.686.271	1.763.084
1.9 Other Collaterals		1.783.859	13.665	1.797.524	1.484.174	16.391	1.500.565
II. COMMITMENTS	(IV-a-1)	35.121.845	7.466.643	42.588.488	38.752.269	9.062.927	47.815.196
2.1 Irrevocable Commitments		34.577.080	7.298.052	41.875.132	38.365.810	9.062.927	47.428.737
2.1.1 Asset Purchase Commitments		2.190.531	2.963.600	5.154.131	2.523.406	7.203.835	9.727.241
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		5.643.211	4.333.444	9.976.655	5.397.158	1.793.569	7.190.727
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		5.764.751	-	5.764.751	5.409.062	-	5.409.062
2.1.8 Tax and Fund Liabilities from Export Commitments		2.956	-	2.956	2.196	-	2.196
2.1.9 Commitments for Credit Card Limits		17.672.898	-	17.672.898	21.109.490	-	21.109.490
2.1.10 Commitments for Credit Cards and Banking Services Promotions		95.366	-	95.366	126.962	-	126.962
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		3.207.367	1.008	3.208.375	3.797.536	65.523	3.863.059
2.2 Revocable Commitments		544.765	168.591	713.356	386.459	-	386.459
2.2.1 Revocable Loan Granting Commitments		505.135	-	505.135	386.459	-	386.459
2.2.2 Other Revocable Commitments		39.630	168.591	208.221	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(IV-b)	48.322.008	202.588.975	250.910.983	32.850.540	141.074.102	173.924.642
3.1 Hedging Derivative Financial Instruments		1.228.638	11.575.795	12.804.433	871.688	8.767.178	9.638.866
3.1.1 Fair Value Hedges		1.228.638	11.298.317	12.526.955	871.688	8.767.178	9.638.866
3.1.2 Cash Flow Hedges		-	277.478	277.478	-	-	-
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		47.093.370	191.013.180	238.106.550	31.978.852	132.306.924	164.285.776
3.2.1 Forward Foreign Currency Buy/Sell Transactions		6.129.024	8.981.501	15.110.525	4.072.104	5.019.986	9.092.090
3.2.1.1 Forward Foreign Currency Transactions-Buy		2.647.607	4.857.383	7.504.990	1.889.739	2.611.651	4.501.390
3.2.1.2 Forward Foreign Currency Transactions-Sell		3.481.417	4.124.118	7.605.535	2.182.365	2.408.335	4.590.700
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		29.861.447	112.566.425	142.427.872	19.980.217	74.833.436	94.813.653
3.2.2.1 Foreign Currency Swap-Buy		11.458.152	31.255.612	42.713.764	4.575.643	24.769.928	29.345.571
3.2.2.2 Foreign Currency Swap-Sell		15.583.295	23.734.909	39.318.204	13.085.408	11.984.784	25.070.192
3.2.2.3 Interest Rate Swap-Buy		1.410.000	28.787.952	30.197.952	1.159.583	19.039.362	20.198.945
3.2.2.4 Interest Rate Swap-Sell		1.410.000	28.787.952	30.197.952	1.159.583	19.039.362	20.198.945
3.2.3 Foreign Currency, Interest Rate and Securities Options		10.274.802	58.882.918	69.157.720	7.776.789	46.175.887	53.952.676
3.2.3.1 Foreign Currency Options-Buy		4.938.312	7.023.471	11.961.783	3.802.404	5.939.815	9.742.219
3.2.3.2 Foreign Currency Options-Sell		5.336.490	6.753.791	12.090.281	3.974.385	5.754.002	9.728.387
3.2.3.3 Interest Rate Options-Buy		-	22.552.828	22.552.828	-	17.241.035	17.241.035
3.2.3.4 Interest Rate Options-Sell		-	22.552.828	22.552.828	-	17.241.035	17.241.035
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		828.097	10.582.336	11.410.433	149.742	6.277.615	6.427.357
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		623.498.370	160.734.015	784.232.385	556.134.233	134.930.774	691.065.007
IV. ITEMS HELD IN CUSTODY		38.949.600	11.806.667	50.756.267	50.211.717	10.755.475	60.967.192
4.1 Customer Fund and Portfolio Balances		2.820.657	-	2.820.657	2.883.149	-	2.883.149
4.2 Investment Securities Held in Custody		17.319.495	818.636	18.138.131	14.041.992	957.671	14.999.663
4.3 Cheques Received for Collection		14.928.116	876.770	15.804.886	29.969.396	690.016	30.659.412
4.4 Commercial Notes Received for Collection		3.395.579	1.454.631	4.850.210	2.828.122	1.084.489	3.912.611
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		485.753	8.656.630	9.142.383	489.058	8.023.299	8.512.357
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		201.769.401	49.562.840	251.332.241	158.052.034	45.054.596	203.106.630
5.1 Marketable Securities		93.300.273	443.023	93.743.296	59.432.194	128.592	59.560.786
5.2 Guarantee Notes		764.035	596.171	1.360.206	744.854	423.272	1.168.126
5.3 Commodity		63.620	37.493	101.113	68.907	28.634	97.541
5.4 Warranty		277	-	277	1.277	668	1.945
5.5 Immovables		78.618.442	36.241.798	114.860.240	63.940.850	30.269.306	94.210.156
5.6 Other Pledged Items		29.019.718	12.223.598	41.243.316	33.858.772	14.188.464	48.047.238
5.7 Pledged Items-Depository		3.036	20.757	23.793	5.180	15.660	20.840
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		382.779.369	99.364.508	482.143.877	347.870.482	79.120.703	426.991.185
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		720.705.177	389.383.399	1.110.088.576	642.575.211	302.473.097	945.048.308

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

AKBANK T.A.Ş.**IV. CONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2015**

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

INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY	CURRENT PERIOD (31/12/2015)	PRIOR PERIOD (31/12/2014)
I. ADDITIONS TO MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE- FOR- SALE FINANCIAL ASSETS	(1.055.286)	1.372.709
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. TRANSLATION DIFFERENCES FROM FOREIGN CURRENCY TRANSACTIONS	156.806	(40.999)
V. PROFIT/LOSS FROM CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion)	27.277	26.651
VI. PROFIT/LOSS FROM FOREIGN NET INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion) (*)	(85.390)	23.584
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND CORRECTIONS	-	-
VIII. OTHER INCOME/EXPENSE ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	(63.770)	(5.785)
IX. TAX RELATED TO VALUATION DIFFERENCES	235.434	(283.432)
X. NET INCOME/EXPENSE DIRECTLY ACCOUNTED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(784.929)	1.092.728
XI. CURRENT PERIOD INCOME / LOSS	3.229.366	3.378.646
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)	16.286	543.335
11.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	(22.070)	(21.321)
11.3 Part of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	3.235.150	2.856.632
XII. TOTAL INCOME / LOSS ACCOUNTED FOR THE PERIOD (X±XI)	2.444.437	4.471.374

(*) 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.

İlişikteki açıklama ve dipnotlar bu finansal tabloların tamamlayıcı bir parçasıdır.

AKBANK T.A.Ş.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2015
(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																			
(31/12/2014)																			
I.	Beginning Balance	4.000.000	1.405.892	1.700.000	-	1.259.069	-	11.631.754	442.620	3.077.177	209.221	(1.368.346)	47.106	2.729	(272.328)	-	22.134.894	85	22.134.979
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	4.000.000	1.405.892	1.700.000	-	1.259.069	-	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																			
IV.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	1.098.167	-	-	-	-	1.098.167	-	1.098.167
VI.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	40.188	-	40.188	-	40.188
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	21.321	-	21.321	-	21.321
6.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	18.867	-	18.867	-	18.867
VII.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	1.166	-	-	1.166	-	1.166
X.	Translation Differences	-	-	-	-	-	-	-	(40.999)	-	-	-	-	-	-	-	(40.999)	-	(40.999)
XI.	Changes due to the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of Changes in Equity of Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
14.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
14.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current Year Income or (Loss)	-	-	-	-	-	-	-	(4.628)	-	-	-	-	-	-	-	(4.628)	-	(4.628)
XX.	Profit distribution	-	-	-	-	-	-	-	-	3.378.639	-	-	-	-	-	-	3.378.639	7	3.378.646
20.1	Dividends paid	-	-	-	-	36.399	-	2.518.900	2.732	(3.077.177)	-	-	-	-	-	-	(467.483)	-	(467.483)
20.2	Transfers to Reserves	-	-	-	-	36.399	-	2.518.900	2.732	(467.483)	-	-	-	-	-	-	(467.483)	-	(467.483)
20.3	Other	-	-	-	-	-	-	-	-	(2.609.694)	-	-	-	-	-	-	-	-	-
Ending Balance (III+IV+V+...+XVIII+XIX+XX)		4.000.000	1.405.892	1.700.000	-	1.295.668	-	14.150.654	399.725	3.378.639	260.884	(270.179)	47.106	3.895	(232.140)	-	26.139.944	100	26.140.044
CURRENT PERIOD																			
(31/12/2015)																			
I.	Prior Period End Balance	4.000.000	1.405.892	1.700.000	-	1.295.668	-	14.150.654	399.725	3.378.639	260.884	(270.179)	47.106	3.895	(232.140)	-	26.139.944	100	26.140.044
Changes in the period																			
II.	Increase/Decrease due to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	(844.229)	-	-	-	-	(844.229)	-	(844.229)
IV.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	(46.490)	-	(46.490)	-	(46.490)
4.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	21.822	-	21.822	-	21.822
4.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(68.312)	-	(68.312)	-	(68.312)
V.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes due to the Disposal of Assets (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes due to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effects of Changes in Equity of Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10
12.1	Cash Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10
12.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other (***)	-	-	-	-	-	-	-	(51.016)	-	-	-	-	-	-	-	(51.016)	-	(51.016)
XVII.	Current Year Income or (Loss)	-	-	-	-	-	-	-	-	3.229.357	-	-	-	-	-	-	3.229.357	9	3.229.366
XVIII.	Profit distribution	-	-	-	-	40.843	-	2.621.742	4.505	(3.378.639)	-	141.949	-	-	-	-	(569.600)	-	(569.600)
18.1	Dividends paid	-	-	-	-	40.843	-	2.621.742	4.505	(569.600)	-	-	-	-	-	-	(569.600)	-	(569.600)
18.2	Transfers to Reserves	-	-	-	-	40.843	-	2.621.742	4.505	(2.809.039)	-	141.949	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance (I+II+III+...+XVI+XVII+XVIII)		4.000.000	1.405.892	1.700.000	-	1.336.311	-	16.772.396	510.020	3.229.357	402.833	(1.114.408)	47.106	3.895	(278.630)	-	28.014.772	119	28.014.891

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

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

AKBANK T.A.Ş.**VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2015**

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

	Note (Section Five)	CURRENT PERIOD (31/12/2015)	PRIOR PERIOD (31/12/2014)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities	2.538.367	6.573.648
1.1.1	Interest received	15.164.411	14.896.443
1.1.2	Interest paid	(8.205.358)	(7.421.785)
1.1.3	Dividend received	2.275	1.381
1.1.4	Fees and commissions received	2.905.632	2.716.328
1.1.5	Other income	(1.101.719)	205.032
1.1.6	Collections from previously written-off loans and other receivables	674.604	564.506
1.1.7	Payments to personnel and service suppliers	(3.887.212)	(3.380.856)
1.1.8	Taxes paid	(929.202)	(1.202.318)
1.1.9	Other	(2.085.064)	194.917
	(VI-b)		
1.2	Changes in operating assets and liabilities	3.405.844	(5.505.210)
1.2.1	Net decrease in trading securities	14.400	69.951
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	(77.879)	39.663
1.2.4	Net (increase) / decrease in loans	(18.834.902)	(19.623.221)
1.2.5	Net (increase) / decrease in other assets	(5.927.390)	(2.606.644)
1.2.6	Net increase / (decrease) in bank deposits	(6.599.851)	6.377.130
1.2.7	Net increase / (decrease) in other deposits	29.504.611	8.907.943
1.2.8	Net increase / (decrease) in funds borrowed	4.516.333	1.479.167
1.2.9	Net increase / (decrease) in payables	-	-
1.2.10	Net increase / (decrease) in other liabilities	810.522	(149.199)
	(VI-b)		
I.	Net cash provided from banking operations	5.944.211	1.068.438
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	(6.394.030)	(2.026.966)
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	(202.385)	(296.257)
2.4	Disposals of property and equipment	27.194	31.505
2.5	Cash paid for purchase of investments available-for-sale	(25.760.266)	(25.314.010)
2.6	Cash obtained from sale of investments available-for-sale	18.428.960	21.760.012
2.7	Cash paid for purchase of investment securities	(382)	(6.405)
2.8	Cash obtained from sale of investment securities	1.112.849	1.798.189
2.9	Other	-	-
	(VI-b)		
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	1.279.391	1.317.425
3.1	Cash obtained from funds borrowed and securities issued	13.785.368	8.869.161
3.2	Cash used for repayment of funds borrowed and securities issued	(11.936.377)	(7.084.253)
3.3	Issued equity instruments	-	-
3.4	Dividends paid	(569.600)	(467.483)
3.5	Payments for finance leases	-	-
3.6	Other	-	-
	(VI-b)		
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	934.340	53.348
	(VI-b)		
V.	Net increase in cash and cash equivalents (I+II+III+IV)	1.763.912	412.245
VI.	Cash and cash equivalents at beginning of the period	5.345.529	4.933.284
	(VI-a)		
VII.	Cash and cash equivalents at end of the period	7.109.441	5.345.529
	(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 (31/12/2015)	PRIOR PERIOD (31/12/2014)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	3.827.671	4.037.966
1.2	832.823	878.288
1.2.1	806.798	1.039.327
1.2.2	-	-
1.2.3	26.025	(161.039)
A. NET INCOME FOR THE YEAR (1.1-1.2)	2.994.848	3.159.678
1.3	-	-
1.4	-	-
1.5	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	2.994.848	3.159.678
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	-	-
1.9	-	369.600
1.9.1	-	369.600
1.9.2	-	-
1.9.3	-	-
1.9.4	-	-
1.9.5	-	-
1.10	-	36.960
1.11	-	-
1.12	-	2.548.613
1.13	-	-
1.14	-	4.505
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	0,007	0,008
3.2	0,7	0,8
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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(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 Accounting Applications for Banks and Safeguarding of Documents:

The consolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA").The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", 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 2015 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 (2011 Version), will have no 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.

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

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS, and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2014.The aforementioned accounting policies and valuation principles are explained in Notes II to XXVIII below.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 consumer and private banking, commercial banking, SME banking, corporate and investment 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 2015, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,8800, TL 3,1422 and TL 2,3864 for USD, EURO and Yen respectively.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

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

Consolidation principles for subsidiaries:

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

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

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

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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.

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 XII of Section Four. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

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

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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

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

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

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

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

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

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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

d. Held-to-maturity financial assets:

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

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

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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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

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

The Group has no securities lending transactions.

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

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.

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Group has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

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

The Group provides specific provisions for financial lease receivables in accordance with the "Communiqué Regarding the Principles and Procedures for the Provisions Provided for Receivables by Financial Leasing, Factoring and Finance Companies" published in Official Gazette no. 28861, dated 23 December 2013. The Group provides general provisions for non-impaired financial lease receivables.

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 TAS 19, actuarial gains and losses are recognized in equity.

b. Retirement rights:

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

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

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

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

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

With respect to that, according to the technical balance sheet report as at 31 December 2014 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 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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 share certificate issuance in 2015.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 December 2015 and 31 December 2014, 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 XIII of Section Four.

XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION:

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

The Ordinary General Assembly Meeting of the Bank was held on 26 March 2015. In the Ordinary General Assembly, it was decided to distribute a TL 569.600 cash dividend over the TL 3.159.678 net income from 2015 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 4.505 to special funds account under other capital reserves, to allocate TL 36.960 as legal and TL 2.548.613 as extraordinary reserves.

XXV. EARNINGS PER SHARE:

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Net Profit for the Year	3.229.357	3.378.639
Average Number of Issued Common Shares (Thousand)	400.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00807	0,00845

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

No bonus shares issued in 2015 (2014: (-)).

XXVI. RELATED PARTIES:

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

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

In order to be consistent with the presentation of financial statements dated 31 December 2015, there are certain reclassifications made on income statement, off-balance sheet commitments and cash flow statement of 31 December 2014.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

I. EXPLANATIONS ON 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 14,46% (31 December 2014: 14,89%) and 14,58% (31 December 2014: 15,16%). 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. 28756 on 5 September 2013 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 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	-	-	2.017.166	30.641.752	22.721.765	111.422.758	8.591.403	14.862.974	1.026.195	-	-
Risk classifications:											
Conditional and unconditional receivables from central governments and Central Banks	49.036.963	-	168.608	21.996.703	-	1.265	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	48	-	-	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	21.697	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	9.891.433	20.591.559	-	120.554	-	-	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	102.637.269	21.505	-	-	-	-
Conditional and unconditional receivables from retail portfolios	-	-	-	-	30.295.687	3.064.311	-	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	18.695.193	-	2.271.921	-	-	-	-	-
Past due receivables	-	-	-	-	-	158.845	28.365	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	5.677.732	7.431.487	410.478	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	271.086	-	-	-	-	-
Other receivables	1.440.316	-	25.788	-	-	2.875.810	-	-	-	-	-

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 2015

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

Weighted Credit Risk	The Parent Bank's Risk Weights									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Weighted Credit Risk	-	-	1.861.848	30.944.569	22.601.744	100.662.815	8.518.560	14.862.974	1.026.195	-
Risk classifications:										
Conditional and unconditional receivables from central governments and Central Banks	48.444.148	-	168.608	21.996.703	-	1.265	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	48	-	-	-	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	-	-	-	-	-	21.692	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	878.472	-	9.114.843	21.197.194	-	82.338	-	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	91.004.202	1.308	-	-	-
Conditional and unconditional receivables from retail portfolios	-	-	-	-	30.135.659	3.064.311	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	18.695.193	-	2.271.921	-	-	-	-
Past due receivables	-	-	-	-	-	147.314	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	-	-	5.677.732	7.431.487	410.478	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	271.086	-	-	-	-
Other receivables	1.440.307	-	25.788	-	-	3.798.686	-	-	-	-

d. Summary information related to capital adequacy ratio:

	The Parent Bank's		Consolidated	
	Current Period 31 December 2015	Prior Period 31 December 2014	Current Period 31 December 2015	Prior Period 31 December 2014
Capital Requirement for Credit Risk (Value at credit risk*0,08) (CRCR)	14.438.296	13.196.610	15.302.721	14.002.698
Capital Requirement for Market Risk (CRMR)	301.959	150.850	331.804	158.643
Capital Requirement for Operational Risk (CROR)	1.143.676	973.611	1.192.459	1.014.044
Total Capital	28.954.803	27.132.960	30.410.851	28.236.377
Total Equity/((CRCR+CRMR+CROR)*12,5)*100	14,58	15,16	14,46	14,89
Additional Tier I Capital/((KRSY+PRSY+ORSY)*12,5)*100	13,46	14,04	13,33	13,79
Common Equity/((KRSY+PRSY+ORSY)*12,5)*100	13,52	14,13	13,39	13,88

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 2015

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

e. Information about consolidated total capital items:

	Current Period	Prior Period
	31 December 2015	31 December 2014
COMMON EQUITY		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.405.892	5.405.892
Share premium	1.700.000	1.700.000
Share cancellation profits	-	-
Reserves	18.675.645	15.845.847
Gains recognized in equity as per TAS	47.106	47.106
Profit	3.632.190	3.639.523
Current Period Profit	3.229.357	3.378.639
Prior Period Profit	402.833	260.884
Provisions for Possible Risks	200.000	200.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	3.895	3.895
Minorities' Share	116	100
Common Equity Before Deductions	29.664.847	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 (-)	1.389.331	419.871
Leasehold improvements (-)	36.670	53.057
Goodwill or other intangible assets and deferred tax liability related to these items (-)	79.516	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	1.505.517	514.323
Total Common Equity	28.159.330	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 BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-	-
Third parties' share in the Tier II Capital	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-	-
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 (-)z	-	-
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 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 (-)	119.274	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	28.040.056	26.162.462

**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 2015

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

	Current Period 31 December 2015	Prior Period 31 December 2014
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	2.391.050	2.104.264
Third parties' share in the Tier II Capital	-	-
Tier II Capital Before Deductions	2.391.050	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	2.391.050	2.104.264
CAPITAL BEFORE DEDUCTIONS	30.431.106	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 (-)	75	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 (-)	-	-
Amounts to be deducted from equity as per the 2nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	171	26
Other items to be defined by the BRSA (-)	20.009	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	30.410.851	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	358.124	202.838

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.

	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	-	-	119	119
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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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.

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 Business Unit.

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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount
Conditional and unconditional receivables from central governments and Central Banks	76.833.561	72.760.445
Conditional and unconditional receivables from regional or local governments	240	236
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	38.740	55.431
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	53.477.253	58.129.563
Conditional and unconditional receivables from corporate	126.451.292	120.669.404
Conditional and unconditional receivables from retail portfolios	55.736.349	57.140.940
Conditional and unconditional receivables secured by mortgages	21.498.672	19.984.356
Past due receivables	187.210	177.900
Receivables defined under high risk category by BRSA	13.519.697	15.194.267
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	278.802	1.411.323
Other receivables	4.341.914	4.253.292
Total	352.363.730	349.777.157

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

- 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 2,2% (31 December 2014: 1,7%).

- f.** 1. The proportion of the Group's top 100 and 200 cash loan balances in total cash loans is 33% and 39% respectively. (31 December 2014: 29% and 34%).
- 2. The proportion of the Group's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 59% and 68%. (31 December 2014: 65% and 73%).
- 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 26% respectively. (31 December 2014: 21% and 25%).
- g.** The Bank provided a general loan loss provision amounting to TL 2.543.192 (31 December 2014: TL 2.104.264).

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

h. Information on loan types and provisions:

Current Period - 31 December 2015	Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	109.865.327	26.821.142	11.723.535	148.410.004
Close Monitoring Loans	2.249.269	1.853.129	806.781	4.909.179
Loans Under Follow-up	1.016.088	1.184.274	1.172.961	3.373.323
Specific Provision (-)	868.775	1.184.274	1.172.961	3.226.010
Total	112.261.909	28.674.271	12.530.316	153.466.496

As of 31 December 2015, the Bank has set 100% specific provision amounting to TL 59 million after taking the collaterals into consideration for one of its non-performing commercial loans amounting to TL 206 million

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

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

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2015	600.077	685.612	893.140	2.178.829
Transferred during the period	585.733	787.671	650.058	2.023.462
Collection	(182.014)	(230.670)	(221.620)	(634.304)
Write-off (*)	(135.021)	(58.339)	(148.617)	(341.977)
31 December 2015	868.775	1.184.274	1.172.961	3.226.010

(*)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. 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 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)
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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Current Period - 31 December 2015	Trading Financial Assets	Available-for-Sale Financial Assets	Held-to-Maturity Securities	Total
Moody's Rating				
Aaa	-	-	-	-
Aa1, Aa2, Aa3	171	-	-	171
A1, A2, A3	8.434	255.376	-	263.810
Baa1, Baa2, Baa3	15.418	42.220.320	10.688.440	52.924.178
Ba1	-	509.323	-	509.323
Ba2	-	-	-	-
Toplam	24.023	42.985.019	10.688.440	53.697.482

Prior 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
Toplam	54.896	37.301.436	10.800.111	48.156.443

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 2015

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

k. Profile on significant risks in significant regions:

Current Period	Risk Categories (*)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
31 December 2015																	
Domestic	76.063.029	48	27.013	-	-	17.366.984	101.423.711	33.496.207	20.620.877	187.210	13.507.875	-	-	-	278.802	4.341.753	267.313.509
European Union Countries	761.423	-	258	-	-	25.119.208	4.484.984	18.069	341.906	-	7.021	-	-	-	-	161	30.733.030
OECD Countries(**)	-	-	-	-	-	1.497.054	397.106	2.744	2.258	-	1.078	-	-	-	-	-	1.900.240
Off- Shore Regions	-	-	-	-	-	579.036	147.376	514	264	-	104	-	-	-	-	-	727.294
USA, Canada	-	-	-	-	-	1.817.962	119.676	6.444	3.398	-	1.238	-	-	-	-	-	1.948.718
Other Countries	-	-	25	-	-	598.292	953.639	16.184	4.023	-	2.381	-	-	-	-	-	1.574.544
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets / Liabilities***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	76.824.452	48	27.296	-	-	46.978.536	107.526.492	33.540.162	20.972.726	187.210	13.519.697	-	-	-	278.802	4.341.914	304.197.335
Prior Period	Risk Categories (*)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
31 December 2014																	
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

(*) 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

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 2015

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

I. Risk Profile according to sectors and counterparties:

31 December 2015	Risk Classifications (*)																TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
Agricultural	1	-	3	-	-	-	59.014	176.173	56.587	32	12.801	-	-	-	-	-	302.979	1.632	304.611
Farming and raising livestock	1	-	3	-	-	-	45.239	105.837	34.637	32	11.434	-	-	-	-	-	197.043	140	197.183
Forestry	-	-	-	-	-	-	13.254	69.167	21.524	-	1.151	-	-	-	-	-	103.604	1.492	105.096
Fishing	-	-	-	-	-	-	521	1.169	426	-	216	-	-	-	-	-	2.332	-	2.332
Manufacturing	13	-	318	-	-	-	39.479.737	3.138.877	2.342.893	10.980	46.936	-	-	-	-	-	18.928.037	26.091.717	45.019.754
Mining	-	-	-	-	-	-	1.664.671	76.379	66.763	-	555	-	-	-	-	-	387.361	1.421.007	1.808.368
Production	13	-	315	-	-	-	25.263.326	3.022.440	2.224.301	10.980	45.851	-	-	-	-	-	15.257.096	15.310.130	30.567.226
Electricity, Gas, Water	-	-	3	-	-	-	12.551.740	40.058	51.829	-	530	-	-	-	-	-	3.283.580	9.360.580	12.644.160
Construction	-	-	855	-	-	-	16.280.919	909.739	2.463.080	19.972	10.997	-	-	-	-	-	7.486.109	12.199.453	19.685.562
Services	3.365	37	16.139	-	-	46.511.033	44.455.710	10.569.437	6.804.967	152.742	250.662	-	-	-	-	8.294	40.747.987	68.024.399	108.772.386
Wholesale and Retail Trade	52	9	98	-	-	108.279	17.749.788	8.308.198	5.134.642	5.246	160.540	-	-	-	-	-	24.737.904	6.728.948	31.466.852
Hotel,Food,Beverage																			
Services	133	-	29	-	-	-	2.443.683	387.474	595.961	147.418	13.225	-	-	-	-	-	1.542.057	2.045.866	3.587.923
Transportation and																			
Telecommunication	3.058	-	7	-	-	-	6.999.950	959.742	310.184	78	18.160	-	-	-	-	-	2.074.183	6.216.996	8.291.179
Financial Institutions	3	3	352	-	-	46.399.642	13.262.158	10.255	82.765	-	1.332	-	-	-	-	6.470	9.201.247	50.561.733	59.762.980
Real Estate and Lending																			
Services	-	-	14	-	-	-	1.512.298	55.981	133.723	-	4.153	-	-	-	-	-	463.369	1.242.800	1.706.169
Self employment Service	-	-	48	-	-	-	499.227	124.678	51.164	-	14.195	-	-	-	-	-	238.413	450.899	689.312
Education Service	96	-	1.892	-	-	-	206.161	85.944	116.340	-	2.737	-	-	-	-	-	362.199	50.971	413.170
Health and social Services	23	25	13.699	-	-	3.112	1.782.445	637.165	380.188	-	36.320	-	-	-	-	1.824	2.128.615	726.186	2.854.801
Other	76.821.073	11	9.981	-	-	467.503	7.251.112	18.745.936	9.305.199	3.484	13.198.301	-	-	-	278.802	4.333.620	102.362.469	28.052.553	130.415.022
Total	76.824.452	48	27.296	-	-	46.978.536	107.526.492	33.540.162	20.972.726	187.210	13.519.697	-	-	-	278.802	4.341.914	169.827.581	134.369.754	304.197.335

[*]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 |

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

m. Term distribution of risks with term structure:

31 December 2015 Risk Categories	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	6.635.753	24.333.844	69.755	410.506	45.374.594	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	48	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	6.034	2.110	523	1.990	16.639	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	13.086.193	3.131.463	2.802.677	3.010.061	24.948.142	-
Conditional and unconditional receivables from corporates	4.531.839	6.584.322	10.836.042	19.814.779	65.759.510	-
Conditional and unconditional receivables from retail portfolios	656.184	8.701.379	5.031.223	3.989.608	15.161.768	-
Conditional and unconditional receivables secured by mortgages	295.869	718.396	1.152.480	2.283.051	16.522.930	-
Past due receivables	-	-	-	-	-	187.210
Receivables defined under high risk category by BRSA	-	-	-	-	13.519.697	-
Securities collateralized by mortgages	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	8.175	270.627	-	-	-	-
Other Receivables	-	-	-	-	-	4.341.914
Total	25.220.047	43.742.141	19.892.700	29.509.995	181.303.328	4.529.124

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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 2015

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

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											
Risk Mitigation	56.098.192	-	14.898.433	54.148.468	43.900.266	121.582.409	5.727.602	7.431.487	410.478	-	20.255
Amount After Credit Risk Mitigation											
Mitigation	50.477.279	-	10.085.829	61.283.503	30.295.687	111.422.758	5.727.602	7.431.487	410.478	-	20.255

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(*)			
	Impaired Receivables	Past Due Receivables	Impairment	Provisions
Agricultural	10.693	968	19	10.693
Farming and raising livestock	9.407	856	17	9.407
Forestry	1.257	112	2	1.257
Fishing	29	-	-	29
Manufacturing	203.030	968.186	28.421	203.030
Mining	5.828	18.624	777	5.828
Production	193.943	69.680	2.014	193.943
Electricity, Gas, Water	3.259	879.882	25.630	3.259
Construction	58.069	126.322	3.715	58.069
Services	874.681	252.234	6.914	727.368
Wholesale and retail trade	568.200	178.062	4.873	568.200
Hotel, Food, Beverage services	226.590	32.331	896	79.277
Transportation and Telecommunication	46.949	21.856	513	46.949
Financial Institutions	729	2.483	50	729
Real Estate and Lending Service	2.616	107	3	2.616
Self-employment service	2.858	574	21	2.858
Education Service	2.412	4.604	92	2.412
Health and social services	24.327	12.217	466	24.327
Other	2.226.850	1.006.856	84.911	2.226.850
Total	3.373.323	2.354.566	123.980	3.226.010

(*) Represents cash loans.

p. Information related to Impairment and Loan Loss Provisions:

	Opening Balance	Provisions provided during the period	Provision Reversals	Other Adjustments (*)	Closing Balance
Special Provisions	2.178.829	2.023.462	(634.304)	(341.977)	3.226.010
General Provisions	2.104.264	438.928	-	-	2.543.192

(*) Presents the Write-Offs and Sales from Loans under Follow-up portfolio.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 2015, 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 related to Market Risk:

	Balance
(I) Capital requirement for general market risk – Standard Method	85.834
(II) Capital requirement for specific risk – Standard Method	21.887
(III) Capital requirement for specific risk in securitization positions- Standard Method	-
(IV) Capital requirement for currency risk – Standard Method	75.263
(V) Capital requirement for stocks – Standard Method	-
(VI) Capital requirement for clearing risk – Standard Method	171
(VII) Total Capital requirement for market risk from options – Standard Method	2.889
(VIII) Capital requirement for counterparty credit risk – Standard Method	145.760
(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)	331.804
(XI) Amount subject to market risk (12,5 x IX) or (12,5 x X)	4.147.548

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

	Current Period			Prior Period		
	31 December 2015			31 December 2014		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	98.051	104.576	76.059	66.069	81.004	53.173
Share Certificates Risk	178	31	230	1.630	999	466
Currency Risk	59.743	81.212	46.269	11.866	84.774	-
Commodity Risk	-	-	-	-	-	-
Settlement Risk	69	142	47	2	-	-
Option Risk	1.788	689	412	5.725	4.577	1.354
Counterparty Credit Risk	134.879	168.912	104.838	81.610	136.206	46.572
Total Amount Subject to Risk	294.708	355.562	227.855	166.902	307.560	101.565

Table below shows the calculated average and the maximum and the minimum level of market risk amount as of month ends.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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.

Quantitative information on Counterparty Risk:

	Amount
Interest Rate Based Contracts	56.412
Foreign Currency Based Contracts	50.091
Commodity Based Contracts	1.176
Stock-Based Contracts	2
Other	1.018
Positive Fair Value Gross Amount	-
Benefits of Offsetting	-
Offsetting Current Risk Amount	-
Retained Guarantee	3.978
Net Positions on derivatives	115.013

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

IV. EXPLANATIONS 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 2012, 2013 and 2014.

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.

	31.12.2012	31.12.2013	31.12.2014	Total/Positive GI year number	Ratio (%)	Total
Gross income	6.345.429	8.506.114	8.997.640	3	15	1.192.459
Amount subject to Operational Risk (Amount*12,5)						14.905.739

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 2,8800	TL 3,1422	TL 2,3864
1.Day bid rate	TL 2,9076	TL 3,1776	TL 2,4078
2.Day bid rate	TL 2,9084	TL 3,1921	TL 2,4098
3.Day bid rate	TL 2,9157	TL 3,2006	TL 2,4133
4.Day bid rate	TL 2,9123	TL 3,1904	TL 2,4146
5.Day bid rate	TL 2,9187	TL 3,1968	TL 2,4189

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 2,9165
EURO	: TL 3,1752
Yen	: TL 4,3674

As of 31 December 2014;

	USD	EURO	Yen
Balance Sheet Evaluation Rate	TL 2,3269	TL 2,8272	TL 1,9424

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:

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 2015

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

Current Period – 31 December 2015	EURO	USD	Other FC(*)	Total
Assets				
Cash Equivalents and Central Bank(***)	4.040.191	15.552.088	3.715.380	23.307.659
Banks	1.708.743	5.486.676	32.855	7.228.274
Financial Assets at Fair Value through Profit or Loss (Net)	107	-	-	107
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	3.779.549	20.037.229	-	23.816.778
Loans	25.256.262	38.613.400	62.886	63.932.548
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments (Net)	2.173.949	3.329.732	-	5.503.681
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	769	1.761	-	2.530
Intangible Assets (Net)	619	-	-	619
Other Assets	1.646.338	1.864.648	2.383	3.513.369
Total Assets	38.606.527	84.885.534	3.813.504	127.305.565
Liabilities				
Bank Deposits	1.238.976	9.585.506	780.445	11.604.927
Foreign Currency Deposits (***)	24.296.355	42.425.291	2.165.643	68.887.289
Funds from Interbank Money Market	1.151.694	16.848.506	-	18.000.200
Borrowings	8.764.521	17.108.627	644	25.873.792
Marketable Securities Issued (Net)	139.029	8.722.907	175.032	9.036.968
Miscellaneous Payables	578.509	428.286	3.967	1.010.762
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	91.793	79.966	4.282	176.041
Total Liabilities	36.260.877	95.199.089	3.130.013	134.589.979
Net on Balance Sheet Position	2.345.650	(10.313.555)	683.491	(7.284.414)
Net off-Balance Sheet Position (**)	(1.060.502)	9.696.914	(711.580)	7.924.832
Financial Derivative Assets	11.691.940	35.565.987	2.383.944	49.641.871
Financial Derivative Liabilities	12.752.442	25.869.073	3.095.524	41.717.039
Non-cash Loans	5.540.104	12.755.039	298.623	18.593.766
Prior Period – 31 December 2014				
Total Assets	27.855.306	68.374.354	3.515.494	99.745.154
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

(*) Of the "Other FC" total assets amounting to TL 3.813.504 (31 December 2014: TL 3.515.494), TL 48.078 is in British Pounds (31 December 2014: TL 83.803), and TL 25.397 is in Swiss Francs (31 December 2014: TL 43.564), 14.378 is in Japanese Yen (31 December 2014: TL 9.865). Of the total liabilities amounting to TL 3.130.013 (31 December 2014: TL 3.554.015) TL 1.525.121 is in British Pounds (31 December 2014: TL 1.316.334) and TL 287.999 is in Swiss Francs (31 December 2014: TL 604.974), TL 43.054 is in Japanese Yen (31 December 2014: TL 62.502).

(**) 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 3.663.362 (31 December 2014: TL 3.308.533) and of the foreign currency deposits TL 777.277 (31 December 2014: TL 1.225.353) are precious metal deposit account in demand.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 2015	Prior period 31 December 2014
(+)10 %	(39.952)	3.975
(-)10 %	39.952	(3.975)

(*) Presents amounts before Tax.

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 2015	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	19.599.410	-	-	-	-	5.874.029	25.473.439
Banks	4.001.869	221.525	-	-	-	4.591.769	8.815.163
Financial Assets at Fair Value Through Profit or Loss (Net)	161.639	1.370.672	779.958	192.113	216.798	16.490	2.737.670
Interbank Money Market Placements	98	-	-	-	-	-	98
Available-for-sale Financial Assets (Net)	3.027.883	3.772.412	8.434.421	20.027.889	7.722.413	399.422	43.384.440
Loans	38.680.211	23.311.515	47.377.144	38.271.874	5.678.439	147.313	153.466.496
Held-to-maturity Investments (Net)	2.129.916	538.768	1.146.641	6.873.115	-	-	10.688.440
Other Assets	1.313.094	1.164.992	802.088	1.668.782	359.191	2.593.287	7.901.434
Total Assets	68.914.120	30.379.884	58.540.252	67.033.773	13.976.841	13.622.310	252.467.180
Liabilities							
Bank Deposits	7.555.987	4.837.964	267.238	-	-	256.697	12.917.886
Other Deposits	83.384.520	18.655.798	10.386.797	2.656.181	323.741	21.145.895	136.552.932
Funds from Interbank Money Market	9.126.813	1.716.681	867.723	10.328.904	2.209.118	-	24.249.239
Miscellaneous Payables	248.647	125.858	245.043	75.900	96.075	4.051.894	4.843.417
Marketable Securities Issued (Net)	257.468	1.461.110	1.473.515	6.489.944	2.728.752	-	12.410.789
Borrowings	2.761.728	18.122.250	4.345.062	724.989	222.846	-	26.176.875
Other Liabilities (*)	395.911	511.549	623.125	290.189	198.837	33.296.431	35.316.042
Total Liabilities	103.731.074	45.431.210	18.208.503	20.566.107	5.779.369	58.750.917	252.467.180
Balance Sheet Long Position	-	-	40.331.749	46.467.666	8.197.472	-	94.996.887
Balance Sheet Short Position	(34.816.954)	(15.051.326)	-	-	-	(45.128.607)	(94.996.887)
Off-balance Sheet Long Position	1.059.384	5.965.675	4.161.014	-	-	-	11.186.073
Off-balance Sheet Short Position	-	-	-	(5.180.675)	(4.240.072)	-	(9.420.747)
Total Position	(33.757.570)	(9.085.651)	44.492.763	41.286.991	3.957.400	(45.128.607)	1.765.326

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

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 2015

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

Prior 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".

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 2015	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	0,49	-	5,81
Banks	0,47	0,48	-	10,86
Financial Assets at Fair Value Through Profit or Loss (Net)	3,26	-	-	13,12
Interbank Money Market Placements	-	-	-	9,37
Available-for-sale Financial Assets (Net)	2,46	3,80	-	9,68
Loans	3,56	4,35	3,36	12,93
Held-to-maturity Investments (Net)	3,69	3,83	-	9,71
Liabilities				
Bank Deposits	0,51	1,02	-	9,53
Other Deposits	1,12	1,94	0,06	9,10
Funds from Interbank Money Market	0,05	1,50	-	7,69
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	1,57	4,48	-	10,02
Borrowings	1,06	1,86	-	8,00

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Prior 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

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.

The Group's calculation of the interest rate risk derived from banking books is presented below:

Currency	Applied Shock (+/- x basis points)	Gains / Losses	Gains / Shareholders' Equity - Losses/ Shareholders' Equity
TL	-400	3.388.004	11,14%
TL	500	(3.577.919)	(11,77%)
USD	-200	567.488	1,87%
USD	200	(592.080)	(1,94%)
EURO	-200	84.302	0,27%
EURO	200	(500.965)	(1,65%)
Total (for negative shocks)		4.039.794	13,28%
Total (for positive shocks)		(4.670.964)	(15,36%)

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".

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

VIII. EXPLANATIONS ON LIQUIDITY RISK:

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

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

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

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

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

The different categories of defined limits are;

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

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

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

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

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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

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

e) Information on liquidity risk mitigation techniques:

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

f) Information on the use of stress tests:

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

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

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

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 2015

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

Liquidity Coverage Ratio:

	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
	TL+FC	FC	TL+FC	FC
Current Period- 31.12.2015				
HIGH QUALITY LIQUID ASSETS				
1	High quality liquid assets		40.208.564	28.575.791
CASH OUTFLOWS				
2	Retail and Small Business Customers Deposits		85.208.857	36.772.343
3	Stable deposits		24.044.967	6.532.367
4	Less stable deposits		61.163.890	30.239.977
5	Unsecured Funding other than Retail and Small Business Customers Deposits		51.313.589	32.992.218
	Operational deposits		3.594.333	1.348.712
6	Non-Operational Deposits		45.116.389	30.780.807
7	Other Unsecured Funding		2.602.867	862.699
8	Secured funding			76.445
9	Other Cash Outflows		22.328.218	14.385.247
10	Liquidity needs related to derivatives and market valuation changes on derivatives transactions		20.240.581	12.497.597
11	Debts related to the structured financial products Commitment related to debts to financial markets and other off balance sheet liabilities		2.087.637	1.887.650
12	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments		513.147	-
13	Other irrevocable or conditionally revocable commitments		47.384.793	12.505.733
14	TOTAL CASH OUTFLOWS		57.106.129	35.207.988
CASH INFLOWS				
17	Secured Lending Transactions		-	-
18	Unsecured Lending Transactions		15.290.277	7.301.889
19	Other contractual cash inflows		18.723.880	15.588.966
20	TOTAL CASH INFLOWS		34.014.157	22.890.855
			Upper limit applied amounts	
21	TOTAL HQLA		40.208.564	28.575.791
22	TOTAL NET CASH OUTFLOWS		27.925.186	13.481.523
23	Liquidity Coverage Ratio (%)		144,64	214,80

(*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages

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 2015

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

Prior Period- 31.12.2014	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)		
	TL+FC	FC	TL+FC	FC	
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets		38.280.670	27.582.206	
CASH OUTFLOWS					
2	Retail and Small Business Customers Deposits	84.405.153	36.357.267	7.370.411	3.363.252
3	Stable deposits	21.402.087	5.449.487	1.070.104	272.474
4	Less stable deposits	63.003.066	30.907.780	6.300.307	3.090.778
5	Unsecured Funding other than Retail and Small Business Customers Deposits	47.693.954	29.753.041	26.206.497	18.246.627
6	Operational deposits	4.626.028	1.021.413	1.156.507	255.353
7	Non-Operational Deposits	40.148.983	28.118.650	23.052.800	17.378.296
8	Other Unsecured Funding	2.918.943	612.978	1.997.190	612.978
9	Secured funding			463.561	463.561
10	Other Cash Outflows	23.857.151	16.993.969	21.937.832	15.247.046
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	21.726.388	15.053.959	21.726.388	15.053.959
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	2.130.763	1.940.010	211.444	193.087
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	33.450.420	8.760.600	1.672.521	438.030
15	Other irrevocable or conditionally revocable commitments	16.534.307	4.687.480	826.715	234.374
16	TOTAL CASH OUTFLOWS			58.477.538	37.992.890
CASH INFLOWS					
17	Secured Lending Transactions	3.333	-	-	-
18	Unsecured Lending Transactions	17.373.767	10.236.884	12.687.829	9.013.601
19	Other contractual cash inflows	20.232.002	14.896.883	20.232.002	14.896.883
20	TOTAL CASH INFLOWS	37.609.102	25.133.766	32.919.831	23.910.484
			Upper limit applied amounts		
21	TOTAL HQLA			38.280.670	27.582.206
22	TOTAL NET CASH OUTFLOWS			25.557.707	14.082.406
23	Liquidity Coverage Ratio (%)			152,22	207,87

(*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Periodic increases are observed in the liquidity coverage ratio during the weeks where the foreign currency reserve option is used in reserve requirements in CBRT, high amounts are maintained in bank placements or repurchase agreement volume decreases, on the other hand, fluctuations may occur in the liquidity coverage ratio during the weeks where the share of corporate or bank funds increase, or long term foreign funds which are replaced when due, such as syndicated loans are due in one month. Despite these fluctuations, it is observed that the ratio does not decrease below 120% during the period and remain at a quite higher level than the legal lower limit.

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

The Bank's high quality liquid assets comprise of CBRT accounts by 55% and securities issued by Treasury of Republic of Turkey by 42%.

Funding sources are distributed between individual and retail deposits by 59%, corporate deposits by 25%, borrowings from banks by 7% and collateralized borrowings such as repurchase agreements by 6%.

Cash outflow amounting to TL 1.229 million is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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

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

	Current Period - 31.12.2015	
	TL+FC	FC
October	155,95	239,12
November	137,50	184,31
December	140,46	220,97

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2015	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 Banks	5.727.508	19.717.150	28.781	-	-	-	-	25.473.439
Financial Assets at Fair Value Through Profit or Loss (Net)	4.591.769	4.001.326	222.068	-	-	-	-	8.815.163
Interbank Money Market Placements	16.490	64.252	152.020	484.439	738.393	1.282.076	-	2.737.670
Available-for-sale Financial Assets (Net)	-	98	-	-	-	-	-	98
Loans	399.422	60.895	300.719	908.428	25.422.382	16.292.594	-	43.384.440
Held-to-maturity Investments (Net)	276.934	21.069.774	21.465.812	36.211.285	54.660.266	19.635.112	147.313	153.466.496
Other Assets	-	-	-	121.031	7.364.090	3.203.319	-	10.688.440
Total Assets	11.468.251	45.879.443	22.389.295	38.514.973	91.141.869	41.421.849	1.651.500	252.467.180
Liabilities								
Bank Deposits	256.697	7.555.987	4.837.964	267.238	-	-	-	12.917.886
Other Deposits	22.168.783	82.367.812	18.655.798	10.366.477	2.670.321	323.741	-	136.552.932
Borrowings	-	838.242	5.623.055	10.612.649	6.287.134	2.815.795	-	26.176.875
Funds from Interbank Money Market	-	9.126.813	1.716.681	867.723	10.328.904	2.209.118	-	24.249.239
Marketable Securities Issued (Net)	-	257.467	1.480.193	1.454.433	6.489.944	2.728.752	-	12.410.789
Miscellaneous Payables	289.480	3.967.833	75.679	106.356	162.822	241.247	-	4.843.417
Other Liabilities (**)	279.003	1.683.582	527.977	759.380	3.447.529	603.680	28.014.891	35.316.042
Total Liabilities	22.993.963	105.797.736	32.917.347	24.434.256	29.386.654	8.922.333	28.014.891	252.467.180
Net Liquidity Excess/ (Gap)	(11.525.712)	(59.918.293)	(10.528.052)	14.080.717	61.755.215	32.499.516	(26.363.391)	-
Net Off-balance sheet Position	-	(282.597)	(133.237)	521.381	764.726	895.056	-	1.765.329
Financial Derivative Assets	-	23.205.575	13.692.495	22.971.630	22.967.966	43.500.490	-	126.338.156
Financial Derivative Liabilities	-	23.488.172	13.825.732	22.450.249	22.203.240	42.605.434	-	124.572.827
Non-cash Loans (***)	-	2.052.141	3.048.802	7.778.711	4.302.278	15.174.788	-	32.356.720
Prior Period – 31 December 2014								
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
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 Excess/ (Gap)	1.682.107	(62.402.669)	(6.344.959)	7.437.566	46.258.871	37.860.889	(24.491.805)	-
Net Off-balance sheet Position	-	187.325	889.428	(93.994)	(812.485)	198.274	-	368.548
Financial Derivative Assets	-	20.315.180	9.085.250	13.428.007	13.636.315	30.681.843	-	87.146.595
Financial Derivative Liabilities	-	20.127.855	8.195.822	13.522.001	14.448.800	30.483.569	-	86.778.047
Non-cash Loans (***)	-	1.396.640	4.173.919	7.197.876	2.365.595	17.109.433	-	32.243.463

(*) 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.

(***) Amounts related to Guarantee Letters represent contractual maturity and related amounts. Amounts are demand and can be withdrawn optional.

Breakdown of liabilities due to their remaining contractual maturities:

Current Period – 31 December 2015	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities						
Deposits	112.893.811	23.464.980	11.043.222	2.901.340	346.376	150.649.729
Funds borrowed from other financial institutions	821.475	5.714.588	10.946.996	7.104.743	3.124.309	27.712.111
Funds from interbank money market	9.149.762	1.649.709	1.042.155	11.137.190	2.409.030	25.387.846
Marketable Securities Issued (Net)	291.026	1.647.741	1.825.794	7.666.653	3.123.350	14.554.564
Prior Period – 31 December 2014						
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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Breakdown of derivative instruments due to their remaining contractual maturities:

Current Period – 31 December 2015	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	23.521.509	11.659.292	21.402.437	9.573.309	2.256.618
– Outflow	(21.963.394)	(9.919.847)	(19.927.033)	(11.379.826)	(3.463.635)
Interest rate derivatives:					
– Inflow	7.376	91.693	541.979	1.761.854	864.766
– Outflow	(8.009)	(111.650)	(566.608)	(1.733.348)	(804.294)
Derivatives held for hedging					
Foreign exchange derivatives:					
– Inflow	2.706	1.123	11.010	1.334.715	651.433
– Outflow	(17.936)	-	(78.691)	(1.239.213)	(422.920)
Interest rate derivatives:					
– Inflow	12.590	45.028	194.717	1.016.733	446.745
– Outflow	(17.292)	(66.692)	(250.531)	(1.126.186)	(477.654)
Total Inflow	23.544.181	11.797.136	22.150.143	13.686.611	4.219.562
Total Outflow	(22.006.631)	(10.098.189)	(20.822.863)	(15.478.573)	(5.168.503)

Prior 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)

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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	76.833.561	5.620.913	-	-
Conditional and unconditional receivables from regional or local governments	240	-	-	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	38.740	5.599	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	53.477.253	16.383.898	-	-
Conditional and unconditional receivables from corporates	126.451.292	6.599.486	-	-
Conditional and unconditional receivables from retail portfolios	55.736.349	180.164	-	-
Conditional and unconditional receivables secured by mortgages	21.498.672	5.612	-	-
Past due receivables	187.210	-	-	-
Receivables defined under high risk category by BRSA	13.519.697	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	278.802	7.716	-	-
Other receivables	4.341.914	-	-	-
Total	352.363.730	28.803.388	-	-

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

XI. EXPLANATIONS ON LEVERAGE RATIO:

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

As of 31 December 2015, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is %8,33 (31 December 2014: % 8,63). This ratio is above the minimum required. The most important reason for the difference in leverage ratio between current and previous period is the increase in the balance sheet assets.

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
1 Total assets in the consolidated financial statements prepared in accordance with TAS (*)	249.562.331	212.610.900
2 Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communique on Preparation of Consolidated Financial Statements of the Banks	1.967.300	1.597.236
3 Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	1.740.097	959.825
4 Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	-	-
5 Differences between off- balance sheet itmes in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(619.515)	(563.126)
6 Other differences in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	80.909.767	84.990.505
7 Total Risk	333.559.980	299.595.340

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Disclosure of Leverage ratio template :

	Current Period 31 December 2015 (*)	Prior Period 31 December 2014(*)	
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	247.950.964	212.774.678
2	Assets deducted from Core capital]	21.023	31.442
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	247.929.941	212.743.236
Derivative financial assets and credit derivatives			
4	Cost of replenishment for derivative financial assets and credit derivatives	2.574.641	1.244.007
5	Potential credit risk amount of derivative financial assets and credit derivatives	1.740.097	959.825
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	4.314.738	2.203.832
Financing transactions secured by marketable security or commodity			
7	Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	3.004.421	4.970.618
8	Risk amount arising from intermediary transactions	-	-
9	Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	3.004.421	4.970.618
Off-balance sheet transactions			
10	Gross notional amount of off-balance sheet transactions	78.930.395	80.240.356
11	(Correction amount due to multiplication with credit conversion rates)	[619.515]	(563.126)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	78.310.880	79.677.230
Capital and total risk			
13	Core Capital	27.782.477	25.854.691
14	Total risk amount(sum of lines 3, 6, 9 and 12)	333.559.980	299.594.916
Leverage ratio			
15	Leverage ratio	8,33	8,63

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

XII. 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 Compliance Presidency 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.

XIII. 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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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	Prior Period 31 December	Current Period 31 December 2015	Prior Period 31 December
Financial Assets	216.354.637	190.447.675	217.085.528	193.448.579
Interbank Money Market Placements	98	700.215	98	700.215
Banks	8.815.163	5.212.117	8.815.163	5.212.117
Available-for-Sale Financial Assets	43.384.440	37.603.832	43.384.440	37.603.832
Held-to-Maturity Investments (Net)	10.688.440	10.800.111	10.840.922	11.202.659
Loans	153.466.496	136.131.400	154.044.905	138.729.756
Financial Liabilities	192.901.899	157.602.673	192.616.778	157.452.910
Bank Deposits	12.917.886	13.583.401	12.927.163	13.606.383
Other Deposits	136.552.932	108.710.675	136.696.723	108.958.275
Borrowings	26.176.875	21.269.361	25.879.551	21.075.647
Marketable Securities Issued (Net)	12.410.789	10.540.424	12.269.924	10.313.793
Miscellaneous Payables	4.843.417	3.498.812	4.843.417	3.498.812

b. Fair value hierarchy:

IFRS 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.

- Quoted market prices (non-adjusted) (1st level).
- 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).
- 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 2015	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	10.103	-	-	10.103
- Share Certificates	6.532	-	-	6.532
- Trading Derivative Financial Assets	-	2.697.157	-	2.697.157
- Other Marketable Securities	23.878	-	-	23.878
Available-For-Sale Financial Assets				
- Government Debt Securities	35.306.201	-	-	35.306.201
- Share Certificates	-	115.958	-	115.958
- Other Marketable Securities	7.723.004	226.441	-	7.949.445
Hedging Derivative Financial Assets	-	651.368	-	651.368
Loans	-	154.044.905	-	154.044.905
Held To Maturity Investments (Net)	10.840.922	-	-	10.840.922
Total Assets	53.910.640	157.735.829	-	211.646.469
- Trading Derivative Financial Liabilities	-	1.767.851	-	1.767.851
- Hedging Derivative Financial Liabilities	-	158.960	-	158.960
Deposits	-	149.623.886	-	149.623.886
Funds Borrowed	-	25.879.551	-	25.879.551
Funds from Interbank Money Market	-	24.195.012	-	24.195.012
Securities Issued (Net)	-	12.269.924	-	12.269.924
Total Liabilities	-	213.895.184	-	213.895.184

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Prior 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

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

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

XIV. 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.

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

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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

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

As of 31 December 2015, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet of the Bank are summarized in the following table:

	Current Period 31 December 2015			Prior Period 31 December 2014		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	1.228.638	648.858	-	871.688	284.135	-
-FC	11.575.795	2.510	158.960	8.767.178	406	105.952
Total	12.804.433	651.368	158.960	9.638.866	284.541	105.952

1. Explanations on Accounting Net Investment Hedge:

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

2. Explanations on Fair Value Hedge:

Current Period - 31 December 2015

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	(175.849)	170.936	(4.913)
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	88	(93)	(5)
Cross-currency swap	Fixed interest rate FC Issued Bonds, FC Lease Receivables	Interest rate and currency risk	412	(447)	(35)
Cross-currency swap	Fixed interest rate TL Mortgage Loans Portfolio, FC borrowings	Interest rate and currency risk	236.846	(233.961)	2.885
Cross-currency swap	Fixed interest rate TL available-for-sale financial assets, FC borrowings	Interest rate and currency risk	312.135	(307.153)	4.982

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Prior Period - 31 December 2014

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 FC Issued Bonds, FC Lease Receivables	Interest rate and currency risk	422	(237)	185
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 from the interest rate and foreign exchange risks.

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

As of 31 December 2015 fair value hedge transactions have been proven to be effective.

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

- As of 31 December, related to fair value hedge transactions, the remaining net amount after amortization of the fair value change of the hedged items since the beginning of hedge accounting is TL 8.588 (31 December 2014: 5.036 TL).

3. Explanations on Cash Flow Hedge:

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Cross-currency swap	Değişken faizli İhraç edilen YP Eurobond, YP Finansal Kiralama Alacak	Faiz ve kur riski	(911)	842	(69)
Cross-currency swap	Değişken Faizli YP Kredi Portföyü, YP Finansal Kiralama Alacak	Faiz ve kur riski	557	(602)	(45)
Interest Rate Swap	Değişken Faizli YP Kredi Portföyü	Interest rate risk	(81)	75	(6)

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

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 2015, 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 (-) 75.471 (31 December 2014: (-) 103.059) TL.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

XVI. EXPLANATIONS ON BUSINESS SEGMENTS:

The Group operates in three main business segments including Retail and Private Banking, Commercial Banking and SME Banking, Corporate Banking, Treasury activities, These segments have been determined considering customer segments and branch network providing services to customers in accordance with the Bank's organizational structure.

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

In scope of Retail and Private Banking, the Bank 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. Also Private Banking serves the members of the upper-income groups who have expectations for upper-class service quality both in banking and investment transactions

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

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

Other Business segments consist of the operations of Ak Finansal Kiralama A.Ş., Ak Yatırım Menkul Değerler A.Ş., Ak Portföy Yönetim A.Ş. and Akbank (Dubai) Limited which are consolidated as subsidiary of Bank.

**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 2015

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

Information on business segments, in accordance with the changes disclosed in Note I of Section Three, as of 31 December 2015 and 31 December 2014 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	Other and Unallocated	Bank's Total Activities
Current Period – 31 December 2015					
Operating Income	3.940.610	4.902.934	968.050	1.086.674	10.898.268
Profit from Operating Activities	680.052	3.385.161	734.418	(622.834)	4.176.797
Income from Subsidiaries	-	-	-	2.275	2.275
Profit before Tax	680.052	3.385.161	734.418	(620.559)	4.179.072
Corporate Tax	-	-	-	(949.706)	(949.706)
Minority Shares	-	-	-	(9)	(9)
Net Profit for the Period	680.052	3.385.161	734.418	(1.570.274)	3.229.357
Segment Assets	49.331.189	118.578.688	75.311.131	4.599.381	247.820.389
Investments in Associates.	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	4.642.868
Total Assets	-	-	-	-	252.467.180
Segment Liabilities	94.752.440	55.026.875	64.354.829	3.445.966	217.580.110
Undistributed Liabilities	-	-	-	-	6.872.179
Shareholders' Equity	-	-	-	-	28.014.891
Total Liabilities	-	-	-	-	252.467.180
Other Segment Items					
Capital Investment	-	-	-	159.528	159.528
Amortization	(40.894)	(23.904)	(462)	(160.840)	(226.100)
Non-cash Other Income-Expense	(961.397)	(491.120)	(183.562)	(728.915)	(2.364.994)

	Retail Banking	Corporate Banking, Commercial Banking and SME Banking	Treasury	Other and Unallocated	Bank's Total Activities
Prior Period – 31 December 2014					
Operating Income	4.011.744	4.032.651	1.636.977	534.032	10.215.404
Profit from Operating Activities	923.572	2.473.765	1.401.674	(466.899)	4.332.112
Income from Subsidiaries	-	-	-	1.381	1.381
Profit before Tax	923.572	2.473.765	1.401.674	(465.518)	4.333.493
Corporate Tax	-	-	-	(954.846)	(954.846)
Minority Shares	-	-	-	(8)	(8)
Net Profit for the Period	923.572	2.473.765	1.401.674	(1.420.372)	3.378.639
Segment Assets	50.656.915	97.198.934	62.737.740	3.884.161	214.477.750
Investments in Associates.	-	-	-	-	3.923
Undistributed Assets	-	-	-	-	4.214.925
Total Assets	-	-	-	-	218.696.598
Segment Liabilities	78.574.039	41.008.789	64.531.333	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	-	-	-	283.767	283.767
Amortization	(60.179)	(4.459)	(983)	(136.255)	(201.876)
Non-cash Other Income-Expense	(926.529)	(440.949)	(135.252)	(575.704)	(2.078.434)

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

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

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Cash/Foreign Currency	935.450	448.460	932.647	533.635
The CBRT	1.230.328	22.776.999	2.585.518	16.334.281
Other(*)	2	82.200	435	53.541
Total	2.165.780	23.307.659	3.518.600	16.921.457

(*) As of 31 December 2015, precious metal account amounts to TL 56.414 (31 December 2014: TL 41.449).

2. Information related to the account of the CBRT:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Demand Unrestricted Account	1.830	-	5.094	-
Time Unrestricted Account	-	853.816	-	-
Time Restricted Account	-	-	-	89.258
Reserve Requirement	1.228.498	21.923.183	2.580.424	16.245.023
Total	1.230.328	22.776.999	2.585.518	16.334.281

3. Explanation on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold. CBRT started paying interest on reserve balances held in USD starting from May 2015 and held in TL starting from November 2014.

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 2015 (31 December 2014: 5% and 11,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 25% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2015 (31 December 2014: 6% and 13% for all foreign currency liabilities)

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

1. As of 31 December 2015, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 8.463 (31 December 2014: TL 5.820); and those subject to repo transactions amount to TL 1.489. (31 December 2014: TL (-)).

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Forward Transactions	198.176	-	70.893	-
Swap Transactions	577.202	1.699.565	441.546	628.278
Futures Transactions	-	-	33.748	2.174
Options	896	221.318	1.240	232.860
Other	-	-	-	-
Total	776.274	1.920.883	547.427	863.312

c. Information on banks account:

1. Information on banks account:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Banks	1.586.889	7.228.274	611.373	4.600.744
Domestic	1.586.889	1.834.297	611.373	617.595
Foreign	-	5.393.977	-	3.983.149
Head Quarters and Branches Abroad	-	-	-	-
Total	1.586.889	7.228.274	611.373	4.600.744

2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount (**)	
	Current Period 31 December 2015	Prior Period 31 December 2014	Current Period 31 December 2015	Prior Period 31 December 2014
European Union Countries	1.446.858	1.031.402	3.144.498	2.646.683
USA, Canada	786.390	239.867	1.754	16.793
OECD Countries (*)	9.996	23.389	-	8.235
Off-Shore Banking Regions	-	-	-	-
Other	4.481	16.780	-	-
Total	2.247.725	1.311.438	3.146.252	2.671.711

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

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

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

1. As of 31 December 2015, available-for-sale financial assets subject to repurchase agreements amount to TL 20.185.224 (31 December 2014: TL 24.823.669); and those given as collateral/blocked amounting to TL 1.939.145 (31 December 2014: TL 3.691.128).

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

	Current Period 31 December 2015	Prior Period 31 December 2014
	Debt Securities	44.023.242
Quoted to Stock Exchange	43.796.801	37.585.353
Not Quoted to Stock Exchange	226.441	236.564
Share Certificates	128.794	12.487
Quoted to Stock Exchange	-	-
Not Quoted to Stock Exchange	128.794	12.487
Impairment Provision (-)	767.596	230.572
Total	43.384.440	37.603.832

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 2015		Prior Period 31 December 2014	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	82	-	141
Corporate Shareholders	-	82	-	141
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	3.421.775	1.447.220	2.464.548	1.986.344
Loans Granted to Employees	99.195	-	105.144	-
Total	3.520.970	1.447.302	2.569.692	1.986.485

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

	Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Extension of Repayment Plan	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Extension of Repayment Plan
Non-specialized Loans	148.410.004	1.798.517	-	4.909.179	2.648.299	-
Business Loans	25.826.562	220.002	-	1.499.659	637.502	-
Export Loans	6.882.449	75.800	-	55.160	19.007	-
Import Loans	146.850	-	-	-	-	-
Loans Granted to Financial Sector	6.348.565	7.740	-	-	-	-
Consumer Loans	26.821.142	212.204	-	1.853.129	1.084.044	-
Credit Cards	11.723.535	426.891	-	806.781	681.054	-
Other	70.660.901	855.880	-	694.450	226.692	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	148.410.004	1.798.517	-	4.909.179	2.648.299	-

	Standard loans and other receivables	Loans and other receivables under close monitoring
Number of Extension		
Extended by 1 or 2 times	1.747.490	2.280.345
Extended by 3,4 or 5 times	50.096	365.117
Extended by more than 5 times	931	2.837
Total	1.798.517	2.648.299

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	222.137	493.910
6 - 12 Months	127.505	197.611
1 - 2 Years	453.454	680.820
2 - 5 Years	506.735	1.091.005
5 Years and over	488.686	184.953
Total	1.798.517	2.648.299

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				
Non-Specialized Loans	37.835.788	641.936	1.139.485	831.457
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables				
Non-Specialized Loans	110.574.216	1.156.581	3.769.694	1.816.842
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	148.410.004	1.798.517	4.909.179	2.648.299

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Current Period- 31.12.2015	Short-term	Medium and Long-term	Total
Consumer Loans-TL	116.139	27.719.566	27.835.705
Mortgage Loans	1.485	13.428.250	13.429.735
Automotive Loans	725	538.497	539.222
Consumer Loans	113.929	13.752.819	13.866.748
Other	-	-	-
Consumer Loans- Indexed to FC	-	16.613	16.613
Mortgage Loans	-	15.454	15.454
Automotive Loans	-	-	-
Consumer Loans	-	1.159	1.159
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	10.011.944	831.329	10.843.273
With Installment	4.269.698	831.329	5.101.027
Without Installment	5.742.246	-	5.742.246
Consumer Credit Cards-FC	15.969	-	15.969
With Installment	5.457	-	5.457
Without Installment	10.512	-	10.512
Personnel Loans-TL	1.225	58.407	59.632
Mortgage Loans	-	1.730	1.730
Automotive Loans	-	167	167
Consumer Loans	1.225	56.510	57.735
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	39.312	69	39.381
With Installment	15.348	69	15.417
Without Installment	23.964	-	23.964
Personnel Credit Cards-FC	182	-	182
With Installment	79	-	79
Without Installment	103	-	103
Credit Deposit Account-TL (Real Person)	762.321	-	762.321
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	10.947.092	28.625.984	39.573.076

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Prior 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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Current Period – 31.12.2015	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	167.589	6.257.337	6.424.926
Mortgage Loans	2.477	25.413	27.890
Automotive Loans	5.309	12.919	18.228
Consumer Loans	159.803	6.219.005	6.378.808
Other	-	-	-
FC Indexed Commercial Installment Loans	4.138	127.182	131.320
Mortgage Loans	-	3.954	3.954
Automotive Loans	330	4.479	4.809
Consumer Loans	3.808	118.749	122.557
Other	-	-	-
Commercial Installment Loans-FC	1.431	133.731	135.162
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	1.431	133.731	135.162
Other	-	-	-
Corporate Credit Cards-TL	1.629.075	899	1.629.974
With Installment	698.710	899	699.609
Without Installment	930.365	-	930.365
Corporate Credit Cards-FC	1.537	-	1.537
With Installment	17	-	17
Without Installment	1.520	-	1.520
Credit Deposit Account-TL (Legal Person)	733.897	-	733.897
Credit Deposit Account-FC (Legal person)	-	-	-
Total	2.537.667	6.519.149	9.056.816

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

Prior 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

6. Loans according to types of borrowers:

	Current Period 31 December 2015	Prior Period 31 December 2014
Public	1.520.933	2.256.645
Private	151.798.250	133.723.429
Total	153.319.183	135.980.074

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Domestic Loans	148.428.324	133.697.580
Foreign Loans	4.890.859	2.282.494
Total	153.319.183	135.980.074

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

9. Specific provisions accounted for loans:

	Current Period 31 December 2015	Prior Period 31 December 2014
Loans and Other Receivables with Limited Collectibility	448.339	407.881
Loans and Other Receivables with Doubtful Collectibility	869.262	774.084
Uncollectible Loans and Receivables	1.908.409	996.864
Total	3.226.010	2.178.829

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 31 December 2015			
(Gross Amounts Before Specific Provisions)	35.103	55.654	56.366
Restructured Loans and Other Receivables	34.624	55.457	52.131
Rescheduled Loans and Other Receivables	479	197	4.235
Prior 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

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			
Additions (+)	1.946.010	23.016	50.423
Transfers from Other Categories of Non-Performing Loans (+)	-	1.742.563	1.615.478
Transfers to Other Categories of Non-Performing Loans (-)	1.742.563	1.615.478	-
Collections (-)	161.882	202.591	269.831
Write-offs (-) (*)	1.107	3.658	337.212
Corporate and Commercial Loans	604	1.003	133.414
Retail Loans	337	1.313	56.689
Credit Cards	166	1.342	147.109
Other	-	-	-
Balance at the End of the Period	448.339	869.262	2.055.722
Specific Provisions (-)	448.339	869.262	1.908.409
Net Balance at Balance Sheet (**)	-	-	147.313

(*) The Bank has sold non-performing loan portfolio, for which 100% provision was provided and which is worth TL 248,5 million, for an amount of TL 40,3 million to Girişim Varlık Yönetimi A.Ş.

(**) The bank has allocated 100% specific provision amounting to TL 59 million after taking the collaterals into consideration for one of its commercial loans amounting to TL 206 million.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 2015			
Balance at the End of the Period	14.731	10.469	224.180
Specific Provision (-)	14.731	10.469	93.568
Net Balance on Balance Sheet	-	-	130.612
Prior 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 at Balance Sheet	-	131.092	-

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

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 2015			
Loans granted to corporate entities and real persons (Gross)	448.339	869.262	2.055.722
Specific Provision Amount (-)	448.339	869.262	1.908.409
Loans granted to corporate entities and real persons (Net)	-	-	147.313
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-
Prior Period (Net): 31 December 2014			
Loans granted to corporate entities and real persons (Gross)	407.881	925.410	996.864
Specific Provision Amount (-)	407.881	774.084	996.864
Loans granted to corporate entities and real persons (Net)	-	151.326	-
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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		Prior Period	
	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Given as collateral/blocked	133.637	1.903.784	446.840	1.707.276
Subject to repurchase agreements	2.918.515	3.011.127	4.302.822	2.988.291
Total	3.052.152	4.914.911	4.749.662	4.695.567

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

	Current Period		Prior Period	
	31 December 2015		31 December 2014	
Government Bonds		9.654.713		9.973.280
Treasury Bills		-		-
Other Government Debt Securities		1.033.727		826.831
Total		10.688.440		10.800.111

3. Information on held-to-maturity investments:

	Current Period		Prior Period	
	31 December 2015		31 December 2014	
Debt Securities		10.761.480		10.809.411
Quoted to Stock Exchange		10.761.480		10.809.411
Not Quoted to Stock Exchange		-		-
Impairment Provision (-)		73.040		9.300
Total		10.688.440		10.800.111

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

	Current Period		Prior Period	
	31 December 2015		31 December 2014	
Balance at the Beginning of the Period		10.800.111		12.153.453
Foreign Currency Differences on Monetary Assets		864.389		145.662
Purchases During Year (*)		382		6.405
Disposals Through Sales and Redemptions		1.112.849		1.798.189
Impairment Provision (-)		63.740		9.300
Change in Amortized Cost		200.147		302.080
Balance at the End of the Period		10.688.440		10.800.111

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

g. Information on investments in associates (Net):

1. Non-consolidated associates:

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

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

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

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

The financial figures have been obtained from the financial statements dated 30 September 2015.

	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	68.358	29.660	42.971	1.019	-	3.869	3.490	-
2	129.527	104.842	62.914	3.663	-	26.782	18.547	-

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Balance at the Beginning of the Period	3.923	3.923
Movements During the Period		
Additions	-	-
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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

h. Information on subsidiaries (Net):

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

The amounts below are obtained from the 31 December 2015 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	235.007	46.802	4.079	740.648	2.243
Share Premium	-	-	-	-	-
Reserves	364.421	59.230	9.300	780.798	8.340
Gains recognized in equity as per TAS	-	-	12	-	-
Profit/Loss	89.530	60.927	23.200	148.039	16.629
-Net Current Period Profit	89.530	26.942	22.909	148.039	3.697
-Prior Year Profit/Loss	-	33.985	291	-	12.932
Development Cost of Operating Lease (-)	163	1.452	-	198	-
Goodwill or Other Intangible Assets and Deferred Tax Liability related to these items (-)	225	811	50	233	-
Total Common Equity	688.570	164.696	36.541	1.669.054	27.212
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" (-)	337	1.216	75	349	-
Total Tier I Capital	688.233	163.480	36.466	1.668.705	27.212
Tier II Capital	17.330	-	-	-	-
CAPITAL	705.563	163.480	36.466	1.668.705	27.212
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	705.563	163.480	36.466	1.668.705	27.212

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)	The Parent 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/TheUnitedArab Emirates	100,00	-	Full Consolidation

**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 2015

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

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 2015 prepared in accordance with local regulations.

	Total Assets	Shareholders ' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	4.516.222	689.979	1.465	316.909	-	89.530	75.879	-
2	556.065	166.959	6.060	28.970	17.178	26.942	23.090	-
3	44.708	36.591	571	2.838	-	22.909	12.495	-
4	15.158.208	1.669.485	1.389	460.059	38.963	148.039	116.388	-
5	28.479	27.212	16	-	-	3.697	4.699	-

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 2015	Prior Period 31 December 2014
Balance at the Beginning of the Period	907.230	879.821
Movements During the Period		
Additions (*)	358.121	49.993
Bonus Shares and Contributions to Capital (**)	-	1.000
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries (***)	85.390	(23.584)
Balance at the End of the Period	1.350.741	907.230
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) Additions in the current period include share capital increases of Ak Finansal Kiralama A.Ş. and Akbank AG amounting to TL 60.000 and EUR 100 Million, respectively. Additions in the prior period include share capital increase of Ak Finansal Kiralama A.Ş. amounting to TL 50.000.

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

(***) The amount represents the value changes within the scope of fair value hedge as described in Section 4 Note XV.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Subsidiaries	Current Period 31 December 2015	Prior Period 31 December 2014
Banks	1.001.182	617.662
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	281.065	221.074
Finance Companies	-	-
Other Financial Subsidiaries	68.494	68.494

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

i. Information on finance lease receivables (Net):

	Current Period 31 December 2015		Prior Period 31 December 2014	
	Gross	Net	Gross	Net
2015	-	-	1.211.403	1.012.669
2016	1.461.941	1.232.830	909.635	729.531
2017	1.009.706	822.731	720.382	589.378
2018	784.343	656.898	557.475	468.697
2019	892.889	468.864	392.022	335.051
2020 and following years	550.801	794.458	628.421	559.980
Total	4.699.680	3.975.781	4.419.338	3.695.306

j. Information on the hedging derivative financial assets:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Fair Value Hedge	648.858	575	284.135	406
Cash Flow Hedge	-	1.935	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	648.858	2.510	284.135	406

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

k. Information on on property and equipment:

	Immovables	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2014				
Cost	852.693	985.242	2.495	1.840.430
Accumulated Depreciation(-)	308.494	668.582	-	977.076
Net Book Value	544.199	316.660	2.495	863.354
Current Period End: 31 December 2015				
Net Book Value at the Beginning of the Period	544.199	316.660	2.495	863.354
Additions	6.084	73.275	5.467	84.826
Transferred	6.306	-	(6.306)	-
Disposals (-), net	7.165	1.269	-	8.434
Depreciation (-)	30.289	113.327	-	143.616
Impairment	-	-	-	-
Cost at Period End	843.368	988.790	1.656	1.833.814
Accumulated Depreciation at Period End (-)	324.233	713.451	-	1.037.684
Closing Net Book Value	519.135	275.339	1.656	796.130

	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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

l. Informations on intangible assets:

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Cost	576.407	503.566
Accumulated Amortization (-)	352.302	274.562
Net Book Value	224.105	229.004

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Opening Balance Net Book Value	229.004	162.215
Additions	74.285	131.815
Disposals (-), net	-	-
Depreciation (-)	79.184	65.026
Closing Net Book Value	224.105	229.004

m. Information on the investment properties: None.

n. Information on deferred tax asset :

As of 31 December 2015, deferred tax asset of the Group is TL 162.153 (31 December 2014: TL 21.045). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values, tax values and debts of fixed assets and financial assets, and provision for employee rights.

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

	Accumulated temporary differences		Deferred tax assets/liabilities	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Employee benefits	192.906	127.637	38.502	25.550
Differences between fair value and book value of financial assets	1.244.837	524.361	252.769	107.773
Other	334.492	311.251	66.898	61.428
Deferred Tax Asset			358.169	194.751
Differences between book value and tax base of property, plant and equipment	123.540	126.098	(24.708)	(25.220)
Differences between book value and tax base of financial assets	982.104	772.794	(183.724)	(156.573)
Country risk provision	140.736	142.171	(45.036)	(45.495)
Deferred Tax Liabilities			(253.468)	(227.288)
Deferred Tax Asset/(Liabilities) Net			104.701	(32.537)

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Cost	183.237	158.928
Accumulated Depreciation (-)	3.371	276
Net Book Value	179.866	158.652

	Current Period	Prior Period
	31 December 2015	31 December 2014
Opening Balance Net Book Value	158.652	34.699
Additions(*)	42.857	152.447
Disposals (-), net	18.343	28.252
Depreciation (-)	3.300	242
Closing Net Book Value	179.866	158.652

p. Information on other assets:

Other assets amount to TL 1.908.108 (31 December 2014: TL 1.087.338) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

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

1 (i). Current Period – 31 December 2015:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	5.854.541	11.048.811	25.059.860	533.204	423.784	607.126	88.074	43.615.400
Foreign Currency Deposits	9.425.204	16.275.713	26.262.848	1.836.401	5.101.733	9.203.957	4.156	68.110.012
Residents in Turkey	8.162.755	15.755.616	24.538.202	1.076.617	798.916	3.129.479	4.064	53.465.649
Residents Abroad	1.262.449	520.097	1.724.646	759.784	4.302.817	6.074.478	92	14.644.363
Public Sector Deposits	827.355	9.616	38.014	10.414	1.593	2.313	-	889.305
Commercial Deposits	5.139.789	6.149.494	7.277.063	441.389	414.558	252.271	-	19.674.564
Other Institutions Deposits	200.889	480.886	2.227.357	192.340	171.088	213.814	-	3.486.374
Gold Vault	721.005	4.502	22.633	23.092	6.045	-	-	777.277
Interbank Deposits	256.697	1.503.563	4.122.452	6.749.223	217.182	68.769	-	12.917.886
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	8.656	162.141	247.674	-	-	-	-	418.471
Foreign Banks	207.791	1.341.422	3.874.778	6.749.223	217.182	68.769	-	12.459.165
Participation Banks	40.250	-	-	-	-	-	-	40.250
Other	-	-	-	-	-	-	-	-
Total	22.425.480	35.472.585	65.010.227	9.786.063	6.335.983	10.348.250	92.230	149.470.818

1 (ii). Prior period - 31 December 2014:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits 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
Interbank 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
Participation Banks	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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

2. Information on saving deposits insurance:

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 31 December 2015	Prior Period 31 December 2014	Current Period 31 December 2015	Prior Period 31 December 2014
Saving Deposits	21.092.387	18.858.943	22.523.013	21.149.728
Foreign Currency Saving Deposits	7.409.503	6.515.893	26.265.420	17.001.254
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 2015	Prior Period 31 December 2014
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	926.599	1.030.337
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 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Forward Transactions	249.438	-	156.777	-
Swap Transactions	229.908	1.030.603	64.647	733.173
Futures Transactions	-	-	822	3.653
Options	3	257.899	102	248.039
Other	-	-	-	-
Total	479.349	1.288.502	222.348	984.865

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	286.556	520.324	318.759	376.626
From Foreign Banks, Institutions and Funds	16.527	25.353.468	136.202	20.437.774
Total	303.083	25.873.792	454.961	20.814.400

2. Information on maturity structure of borrowings:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Short-term	209.421	3.284.045	397.020	13.022.712
Medium and Long-term	93.662	22.589.747	57.941	7.791.688
Total	303.083	25.873.792	454.961	20.814.400

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 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Bank bills	1.548.685	892.932	1.485.149	769.015
Bonds	1.825.136	8.144.036	1.687.255	6.599.005
Total	3.373.821	9.036.968	3.172.404	7.368.020

e. Information on other foreign liabilities:

Other foreign liabilities amount to TL 1.492.861 [31 December 2014: TL 1.528.730] and do not exceed 10% of the total balance sheet.

f. Information on financial leasing agreements: None.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

g. Information on the hedging derivative financial liabilities:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Fair Value Hedge	-	157.528	-	105.952
Cash Flow Hedge	-	1.432	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	-	158.960	-	105.952

h. Information on provisions:

1. Information on general provisions:

	Current Period 31 December 2015	Prior Period 31 December 2014
General Provisions	2.543.192	2.104.264
Provisions for Group I. Loans and Receivables	2.046.557	1.742.001
- Additional Provision for loans with extended payment period	70.085	47.098
Provisions for Group II. Loans and Receivables	305.259	189.154
- Additional Provision for loans with extended payment period	62.876	47.264
Provisions for Non-cash Loans	108.853	115.383
Other	82.523	57.726

2. Information on reserves for employee rights:

	Current Period 31 December 2015	Prior Period 31 December 2014
Balance Sheet Obligations for:		
- Post-employment benefits (pension and medical)	-	-
- Reserve for employment termination benefits	124.027	67.034
- Reserve for unused vacation	68.879	60.603
Total	192.906	127.637

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 31 December 2015	Prior Period 31 December 2014
Income Statement Charge for:		
- Post-employment benefits (pension and medical)	(154.457)	(146.273)
- Reserve for employment termination benefits	(62.388)	(29.612)
- Reserve for unused vacation	(8.277)	(9.164)
Total	(225.122)	(185.049)

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 154.457 (31 December 2014:TL 146.273) during the year has been included in employee costs under operating expenses.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

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 3.828,37 (in full TL amount) (31 December 2014: TL 3.438,22 (in full TL amount)) for each year of service. This liability is legally not funded and there is no funding requirement.

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Discount Rate (%)	4,17	3,62
Rate for the Probability of Retirement (%)	93,88	93,94

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. The amount of TL 4.092,53 (1 January 2015: TL 3.541,37) effective from 1 January 2016 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 2015	31 December 2014
Prior Period Closing Balance	67.034	59.720
Provisions Recognized During the Period	62.388	29.612
Actuarial Loss/(Gain)	63.770	5.785
Paid During the Period	(69.165)	(28.083)
Balance at the End of the Period.	124.027	67.034

As of 31 December 2015, the Group has allocated vacation liability amounting to TL 68.879 (31 December 2014: TL 60.603).

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 2015, the surplus of the Fund, including the obligation for other non-transferable benefits of TL 275.785 (31 December 2014: TL 314.431) amounts to TL 302.564 (31 December 2014: TL 392.975).

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Present value of funded obligations	(986.395)	(812.717)
- Pension benefits transferrable to SSI	(1.377.543)	(1.125.845)
- Post-employment medical benefits transferrable to SSI	666.933	627.559
- Other non-transferrable benefits	(275.785)	(314.431)
Fair value of plan assets	1.288.959	1.205.692
Surplus	302.564	392.975

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

The principal actuarial assumptions used were as follows:

Discount rate	Current Period 31 December 2015	Prior Period 31 December 2014
- Pension benefits transferrable to SSI	% 9,80	% 9,80
- Post-employment medical benefits transferrable to SSI	% 9,80	% 9,80
- Other non-transferrable benefits	% 4,27	% 3,43

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 2015	Prior Period 31 December 2014
Prior period end	1.205.692	1.126.277
Actual return on plan assets	166.008	148.312
Employer contributions	154.457	146.273
Employee contributions	132.086	124.982
Benefits paid	(369.284)	(340.152)
Period end	1.288.959	1.205.692

Plan assets are comprised as follows:

	Current Period 31 December 2015		Prior Period 31 December 2014	
Bank placements	938.789	73%	839.215	70%
Property and equipment	18.739	1%	20.104	2%
Marketable securities and share certificates	240.010	19%	290.010	24%
Other	91.421	7%	56.363	4%
Period end	1.288.959	100%	1.205.692	100%

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

As of 31 December 2015, the provision related to foreign currency differences of foreign indexed loans amounts to TL 23.811 (31 December 2014: TL 21.290), 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 2015 is amounting to TL 83.868 (31 December 2014: TL 66.434).

5. Information on other provisions:

5 (i). Information on general reserves for possible risks: TL 200.000 (31 December 2014: TL 200.000).

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

The Group has provisions for credit cards and banking services promotion activities amounting to TL 139.240 (31 December 2014: TL 118.379).

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 2015, the corporate tax liability after the deduction of temporary taxes paid is TL 379.083 (31 December 2014: TL 325.142).

1 (i). Information on taxes payable:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Corporate Taxes Payable	379.083	325.142
Taxation on Marketable Securities	96.179	83.108
Property Tax	1.706	1.768
Banking Insurance Transaction Tax (BITT)	90.711	75.557
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	4.831	7.691
Other	52.145	57.219
Total	624.655	550.485

1 (ii). Information on premium payables:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Social Security Premiums – Employee	592	61
Social Security Premiums – Employer	184	127
Bank Social Aid Pension Fund Premium- Employee	9	10
Bank Social Aid Pension Fund Premium – Employer	11	13
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	977	919
Unemployment Insurance – Employer	1.866	1.803
Other	37	-
Total	3.676	2.933

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

2. Information on deferred tax liability:

As of 31 December 2015, the deferred tax liability of the Group amounts to TL 57.452. (31 December 2014: TL 53.582). An explanation about the net deferred tax asset is given in Note I-l of Section Five.

j. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period	Prior Period
	31 December 2015	31 December 2014
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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

k. Information on marketable securities value increase fund:

	Current Period		Prior Period	
	31 December 2015		31 December 2014	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(627.540)	(486.868)	(181.747)	(88.432)
Foreign Currency Differences	-	-	-	-
Total	(627.540)	(486.868)	(181.747)	(88.432)

l. Information on minority shares:

	Current Period		Prior Period	
	31 December 2015		31 December 2014	
Beginning Balance		100		85
Net Profit Share of other shareholders		9		7
Previous Term Dividend		-		-
Net Currency difference due to foreign subsidiaries		-		-
Effect of Changes within scope of consolidation		10		8
Balance end of Period		119		100

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
Short-term Loans	4.027.347	121.525	3.455.287	128.196
Medium and Long-term Loans	5.901.808	2.288.878	5.096.879	1.881.402
Interest on Loans Under Follow-Up	27.565	1	34.184	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	9.956.720	2.410.404	8.586.350	2.009.598

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

2. Information on interest income on banks:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
From the CBRT	396	310	-	44
From Domestic Banks	44.202	3.284	27.919	1.881
From Foreign Banks	120	12.248	473	3.515
From Headquarters and Branches Abroad	-	-	-	-
Total	44.718	15.842	28.392	5.440

3. Information on interest income on marketable securities:

	Current Period 31 December 2015		Prior Period 31 December 2014	
	TL	FC	TL	FC
From Trading Financial Assets	9.353	69	6.499	129
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	1.561.618	838.275	2.456.361	564.514
From Held-to-Maturity Investments	418.215	224.497	525.095	166.013
Total	1.989.186	1.062.841	2.987.955	730.656

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 users and estimated inflation rate based on CPI. Estimated inflation rate is updated when necessary during the year. As of 31 December 2015, 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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

b. Information on interest expense:

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

	Current Period		Prior Period	
	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Banks	34.161	391.408	51.579	319.762
The CBRT	-	-	-	-
Domestic Banks	26.345	5.401	40.817	10.633
Foreign Banks	7.816	386.007	10.762	309.129
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	10.680	-	3.865
Total	34.161	402.088	51.579	323.627

(*) 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		Prior Period	
	31 December 2015		31 December 2014	
	TL	FC	TL	FC
Interest expense on securities issued	304.399	439.768	324.620	287.922

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

Current Period-31.12.2015	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	34	22.137	83.777	5.310	2.756	431	114.445
Saving Deposits	-	1.139.410	2.172.407	55.074	42.284	55.563	3.464.738
Public Sector Deposits	-	1.428	4.352	4.251	168	212	10.411
Commercial Deposits	-	42.410	144.657	10.436	54.773	54.773	272.817
Other Deposits	3	612.154	489.128	55.802	56.811	15.526	1.229.421
Total	37	1.817.539	2.894.321	130.873	156.792	92.270	5.091.832
FC							
Foreign Currency Deposits	7.867	248.291	334.061	45.422	103.246	190.771	929.658
Bank Deposits	15	20.430	50.064	63.707	4.684	500	139.400
Precious Metals Deposits	-	-	13	-	465	113	591
Total	7.882	268.721	384.138	109.129	108.395	191.384	1.069.649
Grand Total	7.919	2.086.260	3.278.459	240.002	265.187	283.654	6.161.481

Prior 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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

c. Explanations on dividend income:

	Current Period 31 December 2015	Prior Period 31 December 2014
From Trading Financial Assets	11	151
From Financial Assets at Fair Value Through Profit or Loss	-	-
From Available-for-sale Financial Assets	509	-
Other (*)	1.755	1.230
Total	2.275	1.381

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

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Profit	6.878.067.093	1.630.212.358
Income From Capital Market Transactions	867.639	1.221.991
Income From Derivative Financial Transactions (*)	5.680.437	4.414.415
Foreign Exchange Gains	6.871.519.017	1.624.575.952
Loss (-)	6.878.000.947	1.630.287.834
Loss from Capital Market Transactions	641.504	500.767
Loss from Derivative Financial Transactions (*)	6.261.046	5.727.442
Foreign Exchange Loss	6.871.098.397	1.624.059.625
Total (Net)	66.146	(75.476)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 30.596 (31 December 2014: TL (-) 190.050)

e. Explanations on other operating income:

"Other Operating Income" in the Income Statement mainly includes collections from receivables for which provision has been allocated in prior periods and the sale from non-performing loans portfolio. In addition, prior period balances includes the reversal of the general reserve.

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

	Current Period 31 December 2015	Prior Period 31 December 2014
Specific Provisions for Loans and Other Receivables	1.757.858	1.520.251
III. Group Loans and Receivables	449.245	275.842
IV. Group Loans and Receivables	870.334	925.809
V. Group Loans and Receivables	438.279	318.600
General Provision Expenses	463.224	426.285
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	87.910	102.313
Financial Assets at Fair Value through Profit or Loss	-	32
Available-for-sale Financial Assets	87.910	102.281
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	54.674	8.447
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	54.674	8.447
Other	-	19.562
Total	2.363.666	2.076.858

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

g. Information related to other operating expenses:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Personnel Expenses	1.671.033	1.484.508
Reserve for Employee Termination Benefits	1.328	1.576
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	143.616	136.608
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	79.184	65.026
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	3.300	242
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.613.654	1.458.177
Operational Leasing Expenses	177.543	164.220
Maintenance Expenses	23.497	24.289
Advertisement Expenses	120.577	108.291
Other Expenses	1.292.037	1.161.377
Loss on Sales of Assets	326	506
Other(*)	845.364	659.769
Total	4.357.805	3.806.435

(*) The balance shown in the "other" line includes fees and commissions reimbursements as per the decision of Consumer Arbitration Board, Courts and Offices of Enforcement amounting to TL 217.281 (31 December 2014: TL 109.431).

h. Information on income/loss from minority interest:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Income/(loss) from minority interest	9	7

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 7.731.289, net fees and commission income amounting to TL 2.486.906 and the amount of other operating expense is TL 4.357.805.

The Bank has no discontinued operations

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

As of 31 December 2015, the Group has a current tax expense of TL 919.344 and deferred tax expense of TL 30.362. The amount of deferred tax income that occurred due to the temporary differences is TL 18.634 and deferred tax expense is TL 69.669 the amounts of deferred tax income occurred due to the closing of temporary differences is TL 66.502 and deferred tax expense is TL 45.829 respectively.

The Group has no discontinued operations.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Net profit of the Bank is TL 3.229.357.

The Group has no discontinued operations

l. Explanations on current period net profit and loss:

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

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, money transfer and insurance transactions.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 5.154.131 asset purchase commitments (31 December 2014: TL 9.727.241), TL 17.672.898 commitments for credit card limits (31 December 2014: TL 21.109.490) and TL 5.764.751 commitments for cheque books (31 December 2014: TL 5.409.062).

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

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

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Bank Acceptance Loans	933.230	1.130.533
Letters of Credit	5.359.136	5.463.720
Other Guarantees	3.513.090	3.286.394
Total	9.805.456	9.880.647

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Revocable Letters of Guarantee	651.210	513.423
Irrevocable Letters of Guarantee	12.025.211	11.414.007
Letters of Guarantee Given in Advance	2.681.029	2.334.608
Guarantees Given to Customs	3.019.643	4.119.296
Other Letters of Guarantee	4.174.171	3.981.482
Total	22.551.264	22.362.816

3. Information on non-cash loans:

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Non-cash Loans Given against Cash Loans	3.411.739	3.347.008
With Original Maturity of 1 Year or Less Than 1 Year	1.614.511	1.710.716
With Original Maturity of More Than 1 Year	1.797.228	1.636.292
Other Non-cash Loans	28.944.981	28.896.455
Total	32.356.720	32.243.463

**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 2015

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

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

	Current Period 31 December 2015				Prior Period 31 December 2014			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	14.438	0,11	360	-	18.441	0,12	236	-
Farming and Raising	973	0,01	-	-	396	-	-	-
Livestock	13.457	0,10	360	-	18.043	0,12	236	-
Forestry	8	-	-	-	2	-	-	-
Fishing	5.141.241	37,36	6.728.786	35,39	6.074.553	40,95	6.353.506	36,51
Manufacturing	79.290	0,58	81.367	0,43	88.492	0,60	128.708	0,74
Mining	3.758.802	27,31	5.279.412	27,73	4.140.882	27,91	5.197.003	29,86
Production	1.303.149	9,47	1.368.007	7,23	1.845.179	12,44	1.027.795	5,91
Electric, Gas and Water	1.720.886	12,50	2.137.690	11,30	1.412.181	9,52	1.543.664	8,87
Construction	6.468.781	47,04	8.662.656	47,71	7.078.556	47,71	8.883.324	51,04
Services	4.909.257	35,67	4.697.020	24,83	4.963.029	33,45	5.524.605	31,74
Wholesale and Retail Trade	55.337	0,40	68.933	0,36	47.058	0,32	57.302	0,33
Hotel, Food and Beverage Services	180.641	1,31	198.981	1,02	169.498	1,14	202.063	1,16
Transportation and Telecommunication	1.103.071	8,05	3.581.190	20,88	1.703.808	11,48	3.047.274	17,51
Financial Institutions	4.967	0,04	95	-	6.211	0,04	64	-
Real Estate and Leasing Services	17.778	0,13	8.961	0,05	22.379	0,15	12.494	0,07
Self-Employment Services	13.957	0,10	2.272	0,01	12.817	0,09	1.054	0,01
Education Services	183.773	1,34	105.204	0,56	153.756	1,04	38.468	0,22
Health and Social Services	417.608	2,99	1.064.274	5,60	254.438	1,70	624.564	3,58
Other								
Total	13.762.954	100,00	18.593.766	100,00	14.838.169	100,00	17.405.294	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	13.649.728	18.510.434	113.226	83.332
Letters of Guarantee	11.752.214	10.608.778	110.965	79.307
Bank Acceptances	-	933.230	-	-
Letters of Credit	396	5.355.939	-	2.801
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	22.866	-	-
Other Commitments and Contingencies	1.897.118	1.589.621	2.261	1224

4. Mutual Funds :

As of 31 December 2015, the Group is the founder of 43 mutual funds (31 December 2014: 44 mutual funds) with an unaudited total fund value of TL 3.283.444 (31 December 2014: TL 3.233.211). 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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

b. Information on derivative transactions:

	Current Period	Prior Period
	31 December 2015	31 December 2014
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	121.194.558	82.978.459
FC Trading Forward Transactions	15.110.525	9.092.090
Trading Swap Transactions	82.031.968	54.415.763
Futures Transactions	-	-
Trading Option Transactions	24.052.064	19.470.606
Interest Related Derivative Transactions (II)	105.501.560	74.879.960
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	60.395.904	40.397.890
Interest Rate Options	45.105.656	34.482.070
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	11.410.433	6.427.357
A. Total Trading Derivative Transactions (I+II+III)	238.106.551	164.285.776
Types of Hedging Transactions		
Fair Value Hedges	12.526.955	9.638.866
Cash Flow Hedges	277.478	-
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	12.804.433	9.638.866
Total Derivative Transactions (A+B)	250.910.984	173.924.642

c. Explanations on credit derivatives and risks beared due to these:

Credit derivative transactions are also part of Bank's trading activities due to which the Bank is exposed to fair value risk. The transactions made are credit default swaps that carry Turkish Treasury credit risk. As of 31 December 2015 the Bank holds credit default swaps with 5 year maturity and a nominal value of USD 55 million.

d. Explanations on contingent assets and liabilities:

1. Contingent Liabilities:

The Bank has accounted a provision amounting to TL 10.312 (31 December 2014:11.086 TL) for the contingent liabilities with a high probability of realization regarding continuing opposing trials. There are also some other opposing trials. In Addition the probability of realization of these trials is low so no cash outflow expected regarding these 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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 26 March 2015. In the Ordinary General Assembly, it was resolved to distribute a TL 3.159.678 cash dividend over the TL 569.600 net unconsolidated income from 2014 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 4.505 to other capital reserves, to allocate TL 36.960 as legal and TL 2.548.613 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 XV of Section Four, there are discontinued hedge accounting transactions. As of 31 December 2015, 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 (-) 60.625 (31 December 2014: TL (-) 82.447)

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 2015, the amount directly recognized in equity is (-) TL 218.005 (31 December 2014: TL (-) 149.693)

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.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

VI. INFORMATION ON CASH AND CASH EQUIVALENTS:

a. Information on cash and cash equivalents:

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

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

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
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.

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

	Current Period	Prior Period
	31 December 2015	31 December 2014
Cash	3.049.765	2.247.086
Cash, Foreign Currency and Other	1.409.698	1.478.809
Demand Deposits in Banks (*)	1.640.067	768.277
Cash Equivalents	4.059.676	3.098.443
Interbank Money Market Placements	98	700.000
Time Deposits in Banks	4.031.890	1.512.927
Marketable Securities	27.688	885.516
Total Cash and Cash Equivalents	7.109.441	5.345.529

(*) 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 2.085.064 (31 December 2014: (-) TL 194.917) 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 810.522 (31 December 2014 (-) TL 149.199) consists mainly of changes in miscellaneous payables and other liabilities

The effect of changes in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the three months periods, and amounts to TL934.340 (31 December 2014: TL 53.348).

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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 2015:

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	-	-	2.464.548	1.986.485	-	-
Balance at the End of the Period	-	-	3.421.775	1.447.302	-	-
Interest and Commission Income Received	-	-	253.718	5.321	-	-

2. Prior 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	-	-

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
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Deposit						
Balance at the Beginning of the Period	-	-	1.337.174	1.809.565	2.115.511	1.995.056
Balance at the End of the Period	-	-	2.102.633	1.337.174	2.181.203	2.115.511
Interest on Deposits(*)	-	-	194.782	167.987	129.147	86.874

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

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

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	2.364.278	2.626.534	-	-
Balance at the End of the Period	-	-	3.501.482	2.364.278	-	-
Total Income/Loss(*)	-	-	(2.082)	(12.534)	-	-
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 2015, the net exposure for direct and indirect shareholders of the Group is TL (-) 10.244 (31 December 2014: TL (-) 1.184).

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

As of 31 December 2015 benefits provided to the Group's key management amount to TL 36.406 (31 December 2014: TL 33.326).

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	901	14.037			
			Country of Incorporation		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch Off-shore Banking Region Branches	- 1	- 13	- Malta	- 35.322.514	- -

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure: In 2015, the Bank has opened 4 domestic branches and closed up 93 domestic branches.

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

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

**SECTION SIX
OTHER EXPLANATIONS**

I. OTHER EXPLANATIONS

None.

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

I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements for the period ended 31 December 2015 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 02 February 2016 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.