

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 31 MARCH 2019 TOGETHER WITH
AUDITOR'S REVIEW REPORT**

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

AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

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

Introduction

We have reviewed the unconsolidated balance sheet of Akbank T.A.Ş. ("the Bank") at 31 March 2019 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders' equity, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on or review.

Scope of Review

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

Basis for the Qualified Conclusion

As mentioned in Section Five Part II h.4 (i) of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 31 March 2019 include a free provision amounting to TL 650.000 thousand which consist of TL 550.000 thousand provided in prior periods and TL 100.000 thousand recognized in current period by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

Qualified Conclusion

Based on our review, except for the effects of the matter on the unconsolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information do not present fairly in all material respects the financial position of Akbank T.A.Ş. at 31 March 2019 and the results of its operations and its cash flows for the three-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

Additional Paragraph for Convenience Translation:

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

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

Talar Gül, SMMM
Partner

Istanbul, 26 April 2019

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

THE UNCONSOLIDATED FINANCIAL REPORT OF AKBANK T.A.Ş. AS OF 31 MARCH 2019

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

- **Section One** - GENERAL INFORMATION ABOUT THE BANK
- **Section Two** - UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- **Section Five** - INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** - INTERIM REVIEW REPORT
- **Section Seven** - INTERIM ACTIVITY REPORT

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

26 April 2019

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

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

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AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

(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" 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 March 2019, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2018: 51%).

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 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	Graduate
Board of Directors:	Hayri ÇULHACI	Vice Chairman and Executive Board Member	Graduate
	Eyüp ENGİN	Executive Board Member	Undergraduate
	A. Fuat AYLA	Executive Board Member	Undergraduate
	Ş. Yaman TÖRÜNER	Board Member	Undergraduate
	I. Aydın GÜNTER	Board Member	Undergraduate
	Emre DERMAN	Board Member	Graduate
	Can PAKER	Board Member	PhD
	K. Özgür DEMİRTAŞ	Board Member	PhD
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
President and CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Head of Internal Audit:	Savas KÜLCÜ	Head of Internal Audit	Graduate
Executive Vice Presidents:	Bülent OĞUZ	Retail Banking	Graduate
	H.Burcu ÇİVELEK YÜCE	Human Resources and Strategy	Graduate
	Ege GÜLTEKİN	Credit Monitoring and Follow-up	Graduate
	Levent ÇELEBİOĞLU	Corporate and Investment Banking	Undergraduate
	Emin Tolga ULUTAŞ	Direct Banking	Graduate
	N. İlker ALTINTAŞ	Technology and Operation	PhD
	Mehmet Hakan TUGAL	Commercial Banking	Graduate
	Türker TUNALI	Financial Management	Undergraduate
	Şahin Alp KELER	Private Banking and Wealth Management	PhD
	Yunus Emre ÖZBEN	Credit Allocation	Graduate
	Zeynep ÖZTÜRK	Special Credits	Graduate
	Gamze Şebnem MURATOĞLU	Treasury	Graduate
Internal Audit Committee:	Eyüp ENGİN	Head of the Audit Committee	Undergraduate
	Ş. Yaman TÖRÜNER	Member of the Audit Committee	Undergraduate

The shares of individuals above are insignificant in the Bank.

Eyüp Engin, the Chairman of the Board of Inspectors, was appointed as the new member of the Bank's Board of Directors at the Ordinary General Assembly and Head of the Audit Committee dated 25 March 2019, replacing A. Aykut Demiryay. On 2 April 2019, the Chairman of the Board of Inspectors was assigned as Savaş Külcü instead of Eyüp Engin by attorney.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

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

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

Name/Commercial Title	Share Amounts (Nominal)	Share Percentages	Paid-in Capital (Nominal)	Unpaid Portion
Hacı Ömer Sabancı Holding A.Ş.	2.119.027	40,75 %	2.119.027	-

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

The Bank's core business activities consist of retail banking, commercial banking, corporate-investment banking and private banking and wealth management, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş. As of 31 March 2019, the Bank has 779 branches dispersed throughout the country and 1 branch operating abroad (31 December 2018: 780 branches and 1 branch operating abroad).

As of 31 March 2019, the Bank the Bank has 13.165 employees (31 December 2018: 13.367).

VI. EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES TO IMMEDIATE TRANSFER OF SHAREHOLDER'S EQUITY BETWEEN PARENT BANK AND ITS SUBSIDIARIES OR REPAYMENT OF DEBTS:

None.

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.Ş.

I. UNCONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2019 (STATEMENT OF FINANCIAL POSITION)

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/03/2019)			PRIOR PERIOD (31/12/2018)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		48.381.382	91.861.976	140.243.358	47.023.958	73.508.477	120.532.435
1.1 Cash and Cash Equivalents		5.490.997	54.531.526	60.022.523	5.189.272	43.465.853	48.655.125
1.1.1 Cash and Balances with Central Bank	(I-a)	4.222.616	32.414.560	36.637.176	4.725.332	25.388.460	30.113.792
1.1.2 Banks	(I-d)	1.268.381	22.116.979	23.385.360	463.940	17.538.045	18.001.985
1.1.3 Money Markets		-	-	-	-	539.374	539.374
1.1.4 Expected Loss Provision (-)		-	13	13	-	26	26
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	-	6.994.414	6.994.414	6.126	6.827.669	6.833.795
1.2.1 Government Debt Securities		-	-	-	-	-	-
1.2.2 Equity Instruments		-	173.245	173.245	-	137.461	137.461
1.2.3 Other Financial Assets		-	6.821.169	6.821.169	6.126	6.690.208	6.696.334
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-e)	24.149.851	24.679.463	48.829.314	24.621.751	17.751.756	42.373.507
1.3.1 Government Debt Securities		23.652.046	15.044.167	38.696.213	23.928.005	12.574.559	36.502.564
1.3.2 Equity Instruments		15.610	607	16.217	12.848	607	13.455
1.3.3 Other Financial Assets		482.195	9.634.689	10.116.884	680.898	5.176.590	5.857.488
1.5 Derivative Financial Assets	(I-c, I-l)	18.740.534	5.656.573	24.397.107	17.206.809	5.463.199	22.670.008
1.5.1 Derivative Financial Assets at Fair Value Through Profit or Loss		16.341.284	5.493.613	21.834.897	15.470.870	5.209.530	20.680.400
1.5.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		2.399.250	162.960	2.562.210	1.735.939	253.669	1.989.608
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		129.411.634	70.476.736	199.888.370	124.113.901	66.550.651	190.664.552
2.1 Loans	(I-f)	131.312.005	65.515.565	196.827.570	125.059.399	61.316.901	186.376.300
2.2 Lease Receivables	(I-k)	-	-	-	-	-	-
2.3 Factoring Receivables	(I-l)	-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost	(I-g)	6.076.987	6.013.574	12.090.561	5.942.844	6.320.637	12.263.481
Government Debt Securities		6.076.987	3.332.153	9.409.140	5.942.844	3.811.339	9.754.183
Other Financial Assets		-	2.681.421	2.681.421	-	2.509.298	2.509.298
2.5 Expected Credit Loss (-)		7.977.358	1.052.403	9.029.761	6.888.342	1.086.887	7.975.229
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-o)	102.195	-	102.195	90.305	-	90.305
3.1 Held for Sale Purpose		102.195	-	102.195	90.305	-	90.305
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		1.404.440	4.550.063	5.954.503	1.209.469	4.248.193	5.457.662
4.1 Investments in Associates (Net)	(I-h)	5.521	-	5.521	5.521	-	5.521
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		5.521	-	5.521	5.521	-	5.521
4.2 Subsidiaries (Net)	(I-i)	1.398.919	4.550.063	5.948.982	1.203.948	4.248.193	5.452.141
4.2.1 Unconsolidated Financial Subsidiaries		1.398.919	4.550.063	5.948.982	1.203.948	4.248.193	5.452.141
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)	(I-j)	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)		4.383.791	7.022	4.390.813	3.961.378	7.039	3.968.417
VI. INTANGIBLE ASSETS (Net)		631.909	22	631.931	624.219	24	624.243
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		631.909	22	631.931	624.219	24	624.243
VII. INVESTMENT PROPERTY (Net)	(I-m)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		601.308	-	601.308	262.217	-	262.217
IX. DEFERRED TAX ASSET	(I-n)	-	-	-	-	23.410	23.410
X. OTHER ASSETS (Net)	(I-p)	2.369.367	2.651.420	5.020.787	2,412.567	3,626.317	6,038.884
TOTAL ASSETS		187.286.026	169.547.239	356.833.265	179.678.014	147.964.111	327.642.125

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

AKBANK T.A.S.
I. UNCONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2019 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira (TL).)

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/03/2019)			PRIOR PERIOD (31/12/2018)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	80.792.256	125.712.907	206.505.163	81.460.817	106.930.236	188.391.053
II. FUNDS BORROWED	(II-c)	270.535	38.286.062	38.556.597	651.246	39.075.919	39.727.165
III. MONEY MARKETS		7.218.236	9.276.674	16.494.910	3.852.509	9.209.690	13.062.199
IV. SECURITIES ISSUED (Net)	(II-d)	7.987.593	8.254.702	16.242.295	3.949.642	8.202.364	12.152.006
4.1 Bills		5.772.941	-	5.772.941	2.042.561	-	2.042.561
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		2.214.652	8.254.702	10.469.354	1.907.081	8.202.364	10.109.445
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(II-b, II-g)	10.287.033	1.615.995	11.903.028	11.333.092	1.623.362	12.956.454
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		9.569.662	1.615.995	11.185.657	10.688.134	1.623.362	12.311.496
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		717.371	-	717.371	644.958	-	644.958
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(II-f)	568.094	-	568.094	25.048	-	25.048
X. PROVISIONS	(II-h)	1.244.536	156.998	1.401.534	1.044.801	250.177	1.294.978
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		350.515	-	350.515	311.510	-	311.510
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		894.021	156.998	1.051.019	733.291	250.177	983.468
XI. CURRENT TAX LIABILITY	(II-i)	461.874	66.376	528.250	442.133	62.261	504.394
XII. DEFERRED TAX LIABILITY		737.697	-	737.697	283.695	-	283.695
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	0
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(II-j)	-	5.080.025	5.080.025	-	4.784.477	4.784.477
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	5.080.025	5.080.025	-	4.784.477	4.784.477
XV. OTHER LIABILITIES		5.363.139	5.888.728	11.251.867	7.461.507	3.190.060	10.651.567
XVI. SHAREHOLDERS' EQUITY	(II-k)	48.547.438	(983.633)	47.563.805	42.910.657	898.462	43.809.089
16.1 Paid-in capital		5.200.000	-	5.200.000	4.000.000	-	4.000.000
16.2 Capital Reserves		5.400.628	-	5.400.628	3.686.298	-	3.686.298
16.2.1 Share Premium		3.505.742	-	3.505.742	1.700.000	-	1.700.000
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		1.894.886	-	1.894.886	1.986.298	-	1.986.298
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		2.942.028	701.202	3.643.230	1.328.679	2.212.351	3.541.030
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(331.133)	(1.684.835)	(2.015.968)	(27.703)	(1.313.919)	(1.341.622)
16.5 Profit Reserves		33.923.383	-	33.923.383	28.233.739	-	28.233.739
16.5.1 Legal Reserves		1.532.027	-	1.532.027	1.532.027	-	1.532.027
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		32.128.716	-	32.128.716	26.439.072	-	26.439.072
16.5.4 Other Profit Reserves		262.640	-	262.640	262.640	-	262.640
16.6 Income or (Loss)		1.412.532	-	1.412.532	5.689.644	-	5.689.644
16.6.1 Prior Periods' Income or (Loss)		-	-	-	-	-	-
16.6.2 Current Period Income or (Loss)		1.412.532	-	1.412.532	5.689.644	-	5.689.644
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		163.478.431	193.354.834	356.833.265	153.415.147	174.226.978	327.642.125

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

AKBANK T.A.S.
II. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 MARCH 2019

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

	Note (Section Five)	CURRENT PERIOD (31/03/2019)			PRIOR PERIOD (31/12/2018)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I-III)		214.319.529	568.555.990	782.875.519	214.635.098	509.745.510	726.400.408
I. GUARANTEES AND WARRANTIES	(III-2, 3)	21.408.807	29.663.752	51.072.559	22.150.509	31.187.047	53.337.556
1.1 Letters of Guarantee		18.483.087	16.090.364	34.573.451	19.272.359	15.784.791	35.057.150
1.1.1 Guarantees Subject to State Tender Law		362.866	1.975.884	2.338.750	404.937	2.056.174	2.461.111
1.1.2 Guarantees Given for Foreign Trade Operations		-	2.849.918	2.849.918	-	2.835.700	2.835.700
1.1.3 Other Letters of Guarantee		18.120.221	11.264.562	29.384.783	18.867.422	10.892.917	29.760.339
1.2 Bank Acceptances		-	950.471	950.471	-	2.740.341	2.740.341
1.2.1 Import Letter of Acceptance		-	950.471	950.471	-	2.740.341	2.740.341
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		24.852	5.899.993	5.924.845	47.035	6.515.924	6.562.959
1.3.1 Documentary Letters of Credit		24.852	5.185.834	5.210.686	47.035	5.817.762	5.864.797
1.3.2 Other Letters of Credit		-	714.159	714.159	-	698.162	698.162
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		-	12.266	12.266	-	24.353	24.353
1.8 Other Guarantees		38.351	6.704.039	6.742.390	32.845	6.113.927	6.146.772
1.9 Other Collaterals		2.862.517	6.619	2.869.136	2.798.270	7.711	2.805.981
II. COMMITMENTS	(III-1)	44.621.685	32.478.939	77.100.624	42.241.467	22.317.747	64.559.214
2.1 Irrevocable Commitments		43.810.385	32.478.939	76.289.324	41.404.186	22.317.747	63.721.933
2.1.1 Asset Purchase Commitments		8.217.948	17.340.224	25.558.172	6.589.831	8.568.468	15.158.299
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		8.031.476	2.954.322	10.985.798	8.203.743	3.133.344	11.337.087
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		3.015.809	-	3.015.809	2.514.769	-	2.514.769
2.1.8 Tax and Fund Liabilities from Export Commitments		3.028	-	3.028	3.693	-	3.693
2.1.9 Commitments for Credit Card Limits		20.282.058	-	20.282.058	19.788.847	-	19.788.847
2.1.10 Commitments for Credit Cards and Banking Services Promotions		87.039	-	87.039	82.378	-	82.378
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		4.173.027	12.184.393	16.357.420	4.220.925	10.615.935	14.836.860
2.2 Revocable Commitments		811.300	-	811.300	837.281	-	837.281
2.2.1 Revocable Loan Granting Commitments		811.300	-	811.300	837.281	-	837.281
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		148.289.037	506.413.299	654.702.336	152.263.122	456.260.716	608.503.838
3.1 Hedging Derivative Financial Instruments		16.002.400	50.912.286	66.914.686	16.237.238	45.826.317	62.063.555
3.1.1 Fair Value Hedges		4.757.125	20.612.170	25.369.295	4.768.063	16.399.974	21.168.037
3.1.2 Cash Flow Hedges		11.245.275	30.300.116	41.545.391	11.469.175	29.426.343	40.895.518
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		132.286.637	455.501.013	587.787.650	136.005.884	410.434.399	546.440.283
3.2.1 Forward Foreign Currency Buy/Sell Transactions		6.746.267	13.944.032	20.690.299	10.443.845	17.807.630	28.251.475
3.2.1.1 Forward Foreign Currency Transactions-Buy		5.593.154	5.040.154	10.633.308	6.988.529	7.632.814	14.621.343
3.2.1.2 Forward Foreign Currency Transactions-Sell		1.153.113	8.903.878	10.056.991	3.455.316	10.174.816	13.630.132
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		113.165.673	380.545.750	493.711.423	97.935.885	319.716.819	417.652.704
3.2.2.1 Foreign Currency Swap-Buy		43.254.652	120.288.773	163.543.425	37.673.866	102.692.502	140.366.368
3.2.2.2 Foreign Currency Swap-Sell		58.529.101	102.108.981	160.638.082	57.508.699	82.085.637	139.594.336
3.2.2.3 Interest Rate Swap-Buy		5.690.960	79.073.998	84.764.958	1.376.660	67.469.340	68.846.000
3.2.2.4 Interest Rate Swap-Sell		5.690.960	79.073.998	84.764.958	1.376.660	67.469.340	68.846.000
3.2.3 Foreign Currency, Interest Rate and Securities Options		9.071.639	32.213.455	41.285.094	27.559.961	47.939.566	75.499.527
3.2.3.1 Foreign Currency Options-Buy		3.933.407	6.562.951	10.496.358	12.676.191	15.377.034	28.053.225
3.2.3.2 Foreign Currency Options-Sell		5.138.232	5.562.950	10.701.182	14.883.770	13.150.254	28.034.024
3.2.3.3 Interest Rate Options-Buy		-	10.043.777	10.043.777	-	9.706.139	9.706.139
3.2.3.4 Interest Rate Options-Sell		-	10.043.777	10.043.777	-	9.706.139	9.706.139
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		3.229.798	3.222.061	6.451.859	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	3.222.061	3.222.061	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		3.229.798	-	3.229.798	-	-	-
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		73.260	25.575.715	25.648.975	66.193	24.970.384	25.036.577
B. CUSTODY AND PLEDGES RECEIVED (IV-V+VI)		835.582.184	313.261.129	1.148.843.313	816.015.391	301.573.528	1.117.588.919
IV. ITEMS HELD IN CUSTODY		47.603.162	21.881.456	69.484.618	39.434.419	19.655.922	59.090.341
4.1 Customer Fund and Portfolio Balances		7.052.069	-	7.052.069	3.954.484	-	3.954.484
4.2 Investment Securities Held in Custody		7.448.734	2.512.585	9.961.319	2.682.104	2.062.528	4.744.632
4.3 Cheques Received for Collection		26.463.155	2.982.027	29.445.182	26.095.801	2.704.389	28.800.190
4.4 Commercial Notes Received for Collection		6.036.855	3.901.760	9.938.615	6.151.125	3.550.546	9.701.671
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		602.349	12.485.084	13.087.433	550.905	11.338.459	11.889.364
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		205.784.926	85.745.377	291.530.303	202.070.108	82.992.237	285.062.345
5.1 Marketable Securities		1.989.281	935.608	2.924.889	805.358	1.368.190	2.173.548
5.2 Guarantee Notes		724.898	613.431	1.338.329	763.134	565.924	1.329.058
5.3 Commodity		82.000	136.841	218.841	113.226	7.890	121.116
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		166.032.366	67.019.346	233.051.712	164.735.077	62.749.122	227.484.199
5.6 Other Pledged Items		36.956.381	17.040.151	53.996.532	35.653.313	18.301.111	53.954.424
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		582.194.096	205.634.296	787.828.392	574.510.864	198.925.369	773.436.233
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		1.049.901.713	881.817.119	1.931.718.832	1.032.650.489	811.339.038	1.843.989.527

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

AKBANK T.A.Ş.
III. UNCONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2019

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

INCOME AND EXPENSE ITEMS		Note (Section Five)	CURRENT PERIOD (01/01-31/03/2019)	PRIOR PERIOD (01/01-31/03/2018)
I.	INTEREST INCOME	(IV-a)	8.680.050	6.757.647
1.1	Interest on Loans	(IV-a-1)	6.863.648	5.489.913
1.2	Interest on Reserve Requirements		120.363	92.176
1.3	Interest on Banks	(IV-a-2)	145.073	74.515
1.4	Interest on Money Market Transactions		459	41.438
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	1.525.419	1.055.356
1.5.1	Fair Value Through Profit or Loss		-	-
1.5.2	Fair Value Through Other Comprehensive Income		1.211.903	809.016
1.5.3	Measured at Amortised Cost		313.516	246.340
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		25.088	4.249
II.	INTEREST EXPENSE (-)	(IV-b)	5.306.570	3.658.621
2.1	Interest on Deposits	(IV-b-4)	3.955.169	2.885.478
2.2	Interest on Funds Borrowed	(IV-b-1)	426.086	227.321
2.3	Interest Expense on Money Market Transactions		408.308	215.102
2.4	Interest on Securities Issued	(IV-b-3)	424.068	304.582
2.5	Interest on Leases		23.078	1.600
2.6	Other Interest Expenses		69.861	24.538
III.	NET INTEREST INCOME (I - II)		3.373.480	3.099.026
IV.	NET FEES AND COMMISSIONS INCOME		1.126.299	742.716
4.1	Fees and Commissions Received		1.430.352	938.112
4.1.1	Non-cash Loans		145.060	74.126
4.1.2	Other		1.285.292	863.986
4.2	Fees and Commissions Paid (-)		304.053	195.396
4.2.1	Non-cash Loans		141	113
4.2.2	Other		303.912	195.283
V.	DIVIDEND INCOME		3.993	1.333
VI.	TRADING INCOME/(LOSS) (Net)	(IV-c)	293.590	(143.513)
6.1	Trading Gains / (Losses) on Securities		64.633	(742)
6.2	Gains / (Losses) on Derivative Financial Transactions		2.670.866	779.250
6.3	Foreign Exchange Gains / (Losses)		(2.441.909)	(922.021)
VII.	OTHER OPERATING INCOME	(IV-d)	207.513	294.519
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		5.004.875	3.994.081
IX.	EXPECTED CREDIT LOSS (-)	(IV-e)	1.266.304	698.162
X.	OTHER PROVISION EXPENSES (-)		494.864	-
XI.	PERSONNEL EXPENSE (-)		637.591	535.242
XII.	OTHER OPERATING EXPENSES (-)	(IV-f)	960.763	764.319
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		1.645.353	1.996.358
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		151.261	119.170
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)		1.796.614	2.115.528
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-g)	384.082	406.314
18.1	Current Tax Provision		-	223.705
18.2	Deferred Tax Income Effect (+)		1.049.796	319.621
18.3	Deferred Tax Expense Effect (-)		665.714	137.012
XVIII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(IV-h)	1.412.532	1.709.214
XIX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXI.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)		-	-
XXII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIII.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXIV.	NET INCOME/(LOSS) (XIX+XXIV)		1.412.532	1.709.214
	Earning/(Loss) per share (in TL full)		0,00272	0,00427

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

AKBANK T.A.Ş.**IV. UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2019**

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

	CURRENT PERIOD (31/03/2019)	PRIOR PERIOD (31/03/2018)
I. CURRENT PERIOD INCOME/LOSS	1.412.532	1.709.214
II. OTHER COMPREHENSIVE INCOME	(572.146)	111.792
2.1 Not Reclassified Through Profit or Loss	102.200	234.446
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	(14.208)	-
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	113.282	234.446
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	3.126	-
2.2 Reclassified Through Profit or Loss	(674.346)	(122.654)
2.2.1 Foreign Currency Translation Differences	107.317	124.341
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(1.112.714)	(408.727)
2.2.3 Cash Flow Hedge Income/Loss	196.566	205.473
2.2.4 Foreign Net Investment Hedge Income/Loss	(85.984)	(113.407)
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	220.469	69.666
III. TOTAL COMPREHENSIVE INCOME (I+II)	840.386	1.821.006

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

AKBANK T.A.Ş.

V. UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2019

(Amounts are expressed in thousands of Turkish Lira)

	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders' Equity		
						Increase/Decrease of Fixed Assets	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)						
PRIOR PERIOD																	
(31/03/2018)																	
I. Prior Period End Balance		4.000.000	1.700.000	-	1.405.892	2.348.962	(114.042)		1.113.024	835.299	(777.134)		83.373	23.790.063	-	6.039.069	40.424.506
II. Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	580.406	-	-		(58.324)	-	110.969	-	-	-	-	-	633.051
2.1 Effects of Corrections		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	580.406	-	-		(58.324)	-	110.969	-	-	-	-	-	633.051
III. Adjusted Beginning Balance (I+II)		4.000.000	1.700.000	-	1.986.298	2.348.962	(114.042)		1.054.700	835.299	(666.165)		83.373	23.790.063	-	6.039.069	41.057.557
IV. Total Comprehensive Income		-	-	-	-	-	-		234.444	124.341	(318.807)		71.812	-	-	1.709.214	1.821.006
V. Capital Increase by Cash		-	-	-	-	-	-		-	-	-		-	-	-	-	-
VI. Capital Increase by Internal Sources		-	-	-	-	-	-		-	-	-		-	-	-	-	-
VII. Paid-in capital inflation adjustment difference		-	-	-	-	-	-		-	-	-		-	-	-	-	-
VIII. Convertible Bonds to Shares		-	-	-	-	-	-		-	-	-		-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-		-	-	-		-	-	-	-	-
X. Increase/Decrease by Other Changes		-	-	-	-	(136.822)	-		-	-	-		-	-	-	-	(136.822)
XI. Profit Distribution		-	-	-	-	-	-		-	-	-		-	-	4.439.069	-	(1.600.000)
11.1 Dividends paid		-	-	-	-	-	-		-	-	-		-	-	-	-	(1.600.000)
11.2 Transfers to Reserves		-	-	-	-	-	-		-	-	-		-	-	4.439.069	-	(1.600.000)
11.3 Other		-	-	-	-	-	-		-	-	-		-	-	-	-	-
Period-End Balance (I+II+III+IV+V+VI+VII+VIII+IX+X+XI)		4.000.000	1.700.000	-	1.986.298	2.212.140	(114.042)		1.289.144	959.640	(964.972)		185.185	28.229.132	-	1.709.214	41.141.741
		4.000.000	1.700.000	-	1.986.298	2.212.140	(114.042)		1.289.144	959.640	(964.972)		185.185	28.229.132	-	1.709.214	41.141.741
CURRENT PERIOD																	
(31/03/2019)																	
I. Prior Period End Balance		4.000.000	1.700.000	-	1.986.298	2.207.533	(108.911)		1.442.408	1.624.806	(2.911.390)		(55.038)	28.233.739	-	5.689.644	43.809.089
II. Corrections and Accounting Policy Changes Made		-	-	-	(91.412)	-	-		-	-	-		-	-	-	-	(91.412)
2.1 Effects of Corrections		-	-	-	-	-	-		-	-	-		-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	(91.412)	-	-		-	-	-		-	-	-	-	(91.412)
III. Adjusted Beginning Balance (I+II)		4.000.000	1.700.000	-	1.894.886	2.207.533	(108.911)		1.442.408	1.624.806	(2.911.390)		(55.038)	28.233.739	-	5.689.644	43.717.677
IV. Total Comprehensive Income		-	-	-	-	-	(11.082)		113.282	107.317	(867.917)		86.254	-	-	1.412.532	840.386
V. Capital Increase by Cash		1.200.000	1.805.742	-	-	-	-		-	-	-		-	-	-	-	3.005.742
VI. Capital Increase by Internal Sources		-	-	-	-	-	-		-	-	-		-	-	-	-	-
VII. Paid-in capital inflation adjustment difference		-	-	-	-	-	-		-	-	-		-	-	-	-	-
VIII. Convertible Bonds to Shares		-	-	-	-	-	-		-	-	-		-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-		-	-	-		-	-	-	-	-
X. Increase/Decrease by Other Changes		-	-	-	-	-	-		-	-	-		-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-		-	-	-		-	-	5.689.644	-	(5.689.644)
11.1 Dividends paid		-	-	-	-	-	-		-	-	-		-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-		-	-	-		-	-	5.689.644	-	(5.689.644)
11.3 Other		-	-	-	-	-	-		-	-	-		-	-	-	-	-
Period-End Balance (I+II+III+IV+V+VI+VII+VIII+IX+X+XI)		5.200.000	3.505.742	-	1.894.886	2.207.533	(119.993)		1.555.690	1.732.123	(3.779.307)		31.216	33.923.383	-	1.412.532	47.563.805

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

AKBANK T.A.Ş.**VI. UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2019**

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

	Note (Section Five)	CURRENT PERIOD (31/03/2019)	PRIOR PERIOD (31/03/2018)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before changes in operating assets and liabilities	3.642.927	1.978.443
1.1.1	Interest received	8.178.229	6.003.883
1.1.2	Interest paid	(5.222.080)	(3.633.041)
1.1.3	Dividend received	-	1.333
1.1.4	Fees and commissions received	1.393.957	933.666
1.1.5	Other income	236.907	(185.239)
1.1.6	Collections from previously written-off loans and other receivables	362.968	299.452
1.1.7	Payments to personnel and service suppliers	(688.321)	(585.499)
1.1.8	Taxes paid	(52.194)	(41.541)
1.1.9	Other	(566.539)	(814.571)
1.2	Changes in operating assets and liabilities	9.283.257	(4.959.579)
1.2.1	Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss	(320.868)	(111.773)
1.2.2	Net (increase) / decrease in due from banks and other financial institutions	8.005.074	702.352
1.2.3	Net (increase) / decrease in loans	(10.532.542)	(9.538.558)
1.2.4	Net (increase) / decrease in other assets	(7.777.397)	(5.390.111)
1.2.5	Net increase / (decrease) in bank deposits	2.067.491	(730.538)
1.2.6	Net increase / (decrease) in other deposits	15.984.649	9.337.539
1.2.7	Net Increase/Decrease in Financial Liabilities at Fair Value Through Profit or Loss	-	-
1.2.8	Net increase / (decrease) in funds borrowed	(813.664)	1.640.859
1.2.9	Net increase / (decrease) in payables	-	-
1.2.10	Net increase / (decrease) in other liabilities	2.670.514	(869.349)
I.	Net cash provided from banking operations	12.926.184	(2.981.136)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	(3.332.282)	2.487.455
2.1	Cash paid for acquisition of investments, associates and subsidiaries	(125.000)	(5.000)
2.2	Cash obtained from disposal of investments, associates and subsidiaries	-	-
2.3	Purchases of property and equipment	(350.151)	(137.163)
2.4	Disposals of property and equipment	110.448	13.783
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(8.512.726)	(11.407.569)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	2.482.878	3.400.261
2.7	Purchase of Financial Assets Measured at Amortised Cost	5.841	-
2.8	Sale of Financial Assets Measured at Amortised Cost	1.086.086	12.046.348
2.9	Other	1.970.342	(1.423.205)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	3.878.420	(2.184.991)
3.1	Cash obtained from funds borrowed and securities issued	19.108.851	6.567.563
3.2	Cash used for repayment of funds borrowed and securities issued	(14.687.385)	(7.146.719)
3.3	Issued equity instruments	-	-
3.4	Dividends paid	-	(1.600.000)
3.5	Payments for finance leases	(543.046)	(5.835)
3.6	Other	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	(1.302.998)	463.629
V.	Net increase in cash and cash equivalents (I+II+III+IV)	12.169.324	(2.215.043)
VI.	Cash and cash equivalents at beginning of the period	(V-a) 17.480.198	10.935.232
VII.	Cash and cash equivalents at end of the period	(V-a) 29.649.522	8.720.189

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

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

**SECTION THREE
EXPLANATIONS ON ACCOUNTING POLICIES**

I. EXPLANATIONS ON BASIS OF PRESENTATION:

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

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

The preparation of unconsolidated financial statements in conformity with TFRS 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.

b. Explanation for convenience translation to English:

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

c. Accounting policies and valuation principles used in the preparation of the financial statements:

Accounting policies and valuation principles adopted when preparing financial statements are in line with the legislation, communiqué, explanation and circular released by BRSA concerning accounting and financial reporting, and, for matters which are not regulated by the foregoing, with the provisions of TAS/TFRS (together "BRSA Accounting and Financial Reporting Legislation) put into force by Public Oversight. As per the TFRS 16 provisions related to the transition, financial statements and footnotes of previous periods have not readjusted. Impact and application of TFRS 16 concerning the transition have been explained in Section three, footnote XXIX.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

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

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

The Bank's core business activities include retail banking, commercial banking, and corporate-investment banking and private banking and wealth management, foreign exchange, money markets, securities transactions (Treasury transactions) and international banking services. By nature, the Bank's activities are principally related to the use of financial instruments. As the main funding source, the Bank accepts deposits from customers for various periods and invests these funds in high quality assets with high interest margins. Other than deposits, the Bank's most important funding sources are equity, marketable securities issued, money market borrowings and mostly borrowings from foreign financial institutions. The Bank 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 Bank's exposure to liquidity risk, interest rate risk, currency risk and credit risk while increasing profitability and strengthening the Bank's equity. The Asset-Liability Committee ("ALCO") manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Risk Committee ("ERC").

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the income statement under the account of "Net foreign exchange income/expense".

As of 31 March 2019, foreign currency denominated balances are translated into TL using the exchange rates of TL 5,6000 and TL 6,2869 for USD and EURO respectively.

III. EXPLANATIONS ON EQUITY INVESTMENTS:

Investments in associates and subsidiaries are accounted in accordance with the "Turkish Accounting Standard on Consolidated and Separate Financial Statements Standard" ("TAS 27").

Financial associates and subsidiaries are accounted by using the equity method as described in the "Turkish Accounting Standard for Investments in Associates and Joint Ventures" ("TAS 28"). The carrying value of financial subsidiaries with the equity method is reflected to the financial statements considering the Bank's share of the net assets of the subsidiary. While the Bank's share on profits or losses of financial subsidiaries are accounted in the Bank's income statement, the Bank's share in other equity of financial subsidiaries are reflected in the Bank's shareholders' equity. Dividend income from those subsidiaries are accounted by reducing the book value of the subsidiary.

Non-financial associates and subsidiaries are stated with their cost values at the financial statements in accordance with the "Turkish Accounting Standard on Consolidated and Separate Financial Statements Standard" ("TAS 27"). The right to receive dividends from non-financial subsidiaries is reflected to the income statement.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS OPTIONS AND DERIVATIVE INSTRUMENTS:

The Bank's major derivative instruments consists of foreign currency and interest rate swaps, cross currency swaps, currency options and currency forwards.

The Bank classifies its derivative instruments as "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income" in accordance with "IFRS 9 Financial Instruments" (IFRS 9).

Liabilities 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 "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income"; if the fair value difference is negative, it is disclosed in "Derivative Financial Liabilities Measured at Fair Value Through Profit and Loss" or "Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income". 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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

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

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

Embedded derivatives have not been separated from its host contract and accounted under host contracts' accounting standards. As of 31 March 2019, the Bank has no embedded derivatives.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

Classification and measurement of financial assets

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

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

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

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

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

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

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Upon initial recognition each financial asset will be classified as either fair value through profit or loss, amortised cost or fair value through other comprehensive income.

The Bank recognize a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by Bank management and the nature of contractual cash flows of the financial asset are taken into consideration.

When the business model determined by the bank management is changed, all financial assets affected by this change are reclassified and the reclassification is applied in the future. In this case, no adjustment is made for the gain, loss or interest rates previously recognized in the financial statements.

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

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

b. Financial Assets at Fair Value Through Other Comprehensive Income

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

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

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

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

c. Financial Assets Measured at Amortized Cost:

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

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

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

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d. Derivative Financial Assets:

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

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

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

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

e. Loans

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

1. Loans measured at amortised cost:

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

2. Loans measured at fair value through profit or loss:

Loans at fair value through profit and loss, terms of the contract for loans, if at certain dates it does not result in cash flows involving interest payments arising from the principal and principal balances, it is recorded at fair value and is subject to fair value assessment following the recognition. Gains and losses resulting from the valuation are included in profit/loss accounts.

In certain circumstances cases, restructuring or altering the contractual cash flows of a financial instrument may result in the disposal of the existing financial asset in accordance with IFRS 9. A revised financial asset is considered as a new financial asset when the change in the financial asset is once excluded from the financial statement and the revised financial asset is recognized in accordance with IFRS 9.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

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The Bank assesses whether the new financial asset contains solely payments of principal and interest when the new conditions for the instrument have determined that there are significant changes compared to the initial conditions in the relevant contracts.

In the event that the contractual conditions for the financial asset do not result in cash flows that include solely payments of principal and interest on certain dates, the related financial asset is recognized with its fair value and is subject to valuation.

Significant increase in credit risk:

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

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

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

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

Definition of Default:

The Bank considers that there is a default on the relevant debt in the following two cases:

1. Objective Default Definition: It means that the debt is overdue by more than 90 days. The definition of default, which is applicable to the Bank and its consolidated financial institutions, is based on the criteria that the debt is overdue by more than 90 days.
2. Subjective Default Definition: It means that it is determined the debt will not be paid off. If the borrower deemed to be unable to fulfill the debt obligations, borrower should be considered as defaulted whether there is a overdue payment or number of days.

Write-off Policy:

The Bank writes off financial assets when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery legally and effectively.

Partial write-off means that, when the Bank and counterparty has an agreement on collection of partial contractual amount and after collecting related amount, remaining balance has been written-off from financial statements.

VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES:

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

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

Expected Credit Loss (ECL) Calculation – Input and Forecasting Methodologies

Expected Credit Loss (ECL) is calculated as 12 months or lifetime, depending on whether there is a significant increase in credit risk after initial recognition or whether an asset is considered as a credit loss. Expected Credit Loss is calculated by using the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) components.

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- Exposure at Default: Specifies the amount of risk that the borrower should pay in case of default. It is kept in the system by constantly calculated until the maturity of the borrower. The amount of extra risk that can be incurred in the event of default is included in the calculations by using the credit conversion rate (CCR) calculated for the irrevocable commitment products.

- Probability of Default (PD): PD indicates the probability of default due to inability of the borrower to meet its debt obligations. It has been calculated for 12 months or lifetime depends on increase on borrower's credit risk. In case of default of the borrower, Loss Given Default has been calculated as dividing Expected Credit Loss to Exposure at Default (EAD). LGD models includes data such as product type, customer segment, collateral structure, customer repayment performance.

- Loss Given Default (LGD): In case of default of the borrower, Loss Given Default has been calculated as dividing Expected Credit Loss to Exposure at Default (EAD). LGD models includes data such as product type, customer segment, collateral structure, customer repayment performance. Calculated LGD remains constant until its overdue.

Expected Credit Loss is calculated over the remaining maturity using the PD, LGD and EAD components. Calculated values are discounted on a monthly basis using the original effective interest rate or an approximate value of the discount rate. The expected credit loss value is calculated for all customers over the maturity period. However, for those who do not have a significant increase in credit risk, the 12-month ECL is taken into account, and for those with a significant increase in credit risk, the ECL value calculated over the remaining period is taken into account.

Within the scope of TFRS 9, models of Probability of default (PD), Lost given default (LGD) and Exposure at default (EAD) have been developed. The models used by the IRB "(Internal Rating Based Approach)" are taken into account when creating these models. The models developed under TFRS 9 have a detailed segment structure. Loans that have similar characteristics are segmented in order to reflect the expected credit losses collectively in financial reports. When creating the segmentation structure, the following information of the loans is taken into consideration.

1. Customer type (retail or corporate / commercial)
2. Product type
3. IRB rating notes /scores
4. Customer credit performance
5. Collateral type
6. Collection Period
7. Exposure at default

Macro-economic indicators are taken into account in determining the PD component in the expected credit loss calculation. Macro-economic indicators vary on a product-by-product basis for individual products and on a segment basis for commercial products. Future macroeconomic forecasts are reflected in the ECLs using more than one scenario.

The risk parameters used in the IFRS 9 calculations include prospective macroeconomic information. While macroeconomic information is included, models and estimates reflecting the relationships between model risk parameters and macroeconomic variables are taken into consideration. The main macroeconomic indicators of these estimation models are the Gross Domestic Product (GDP) growth rate and the policy interest rate. Macroeconomic estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

The ECL calculations are reviewed once a year. After the last review during the reporting period. There is no update in the assumptions in the estimation techniques.

Within the scope IFRS 9, macroeconomic expectations directly affect provisions (Expected Credit Loss-ECL). Related impact is realized when the default ratio of the Bank moves the default rate calculated for each maturity up or down. The main parameters of default ratio model are "Growth Rate" and "Policy Interest". Therefore, the calculated provisions can change when the macroeconomic expectations are taken into consideration.

The PD values subject to the ECL calculation have been obtained for the following portfolios.

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Consumer/Commercial	Portfolio
Consumer	Consumer
Consumer	Automotive
Consumer	Mortgage
Consumer	Credit Card
Consumer	Overdraft Account
Commercial	Micro
Commercial	Company
Commercial	Commercial
Commercial	Corporate

The prospective expectations have been determined based on 2 scenarios, base scenario and negative scenario. Each scenario has predetermined weights. Final allowances are calculated by weighting the probability given to the scenarios.

IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS:

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

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

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

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

As of 31 March 2019, the Bank has marketable securities amounting to TL 687.762 (31 December 2018: TL 335.021).

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

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

The Bank has no discontinued operations.

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XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Bank has no goodwill.

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

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

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.

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

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

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

Buildings	50 years
Vault	5 years
Transportation Vehicles	5 years
Other property and equipments	3-7 years

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

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

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". Fixed assets obtained through financial leasing are classified in tangible assets and depreciation is charged on a straight-line basis over the useful life of the asset. If there is impairment in value of the leased asset, an impairment 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 Bank does not provide financial leasing services as a "Lessor".

With the "IFRS 16 Leases" standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease was removed and the lease transactions were started to be recognised under "Tangible Fixed Assets" as an asset (tenure) and under "Liabilities from Leasing" as a liability. Impact and application of IFRS 16 concerning the transition were explained in Section three, footnote XXIX.

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 Bank 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

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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 notes.

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, the asset and the related income are recognized in the financial statements in which the change occurs.

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

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

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

b. Retirement Rights:

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

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

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

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

The New Law was requiring that present value of post-employment benefits at the transfer date shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using a technical discount rate of 9,8 percent taking into consideration

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

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

With respect to that, according to the technical balance sheet report as at 31 December 2018 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.

XVIII. EXPLANATIONS ON TAXATION:

a. Current Tax:

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

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

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

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

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

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

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

b. Deferred Tax:

The Bank 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

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

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

Deferred tax asset had not been provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

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

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

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

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 Bank. Mentioned borrowings are carried initially at acquisition cost and subsequently recognized at the discounted value calculated by using the "Effective interest rate method".

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

Issued capital of the bank was increased by TL 1.200.000.000 (full TRY) from TL 4.000.000.000 (full TL) to TL 5.200.000.000 (full TL).

Within this scope,

- The total of funds earned were TL 3.005.741.611,22 (full TL) and TL 2.996.306.795,62 (full TL) of this amount results from using right of purchasing amounting TL 2.5 for each stock with a nominal value of TL 1 with the usage period of right of purchasing new stocks between 3 January 2019 and 17 January 2019, and TL 9.434.815,60 (full TL) results from the sales of the stock, which were left after using the right of purchasing new stocks, at the primary market of Borsa İstanbul A.Ş.

- Rights issue was completed on 28 February 2019 through completing registration and announcements pursuant to receiving the approvals from Capital Markets Board and Banking Regulation and Supervision Agency.

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 March 2019 and 31 December 2018, there is no government grant for the Bank.

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

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

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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 10% of distributions in excess of 5% of issued and fully paid-in share capital, but Holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

The Ordinary General Assembly Meeting of the Bank was held on 25 March 2019. In the General Assembly Meeting, it was decided to allocate the entire unconsolidated net profit amounting TL 5.689.644, which was earned from activities in 2018, as extraordinary legal reserve.

XXV. EARNINGS PER SHARE:

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

	Current Period 31 March 2019	Prior Period 31 March 2018
Net Profit for the Year	1.412.532	1.709.214
Average Number of Issued Common Shares (Thousand)	520.000.000	400.000.000
Earnings Per Share (Amounts presented as full TL)	0,00272	0,00427

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.

The number of rights issued in 2019 is 120.000.000.000 (2018: None).

XXVI. RELATED PARTIES:

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

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

Some classifications were made on statement of financial position dated 31 December 2018 and profit or loss statement, other comprehensive income, statement of changes in shareholders' equity and cash flow dated 31 March 2018 to be in compliance with the presentation of financial statements dated 31 March 2019.

XXIX. DISCLOSURES OF TFRS 16 LEASES:

The Bank has applied the new standards, amendments and interpretations effective from 1 January 2019, in accordance with the transition obligations of the related standard.

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TFRS 16 "Leases" Standard

Bank – lessee :

The Bank assesses whether the contract has the quality of a lease or whether the lease includes the transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Bank reflects the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

Existence of right to use:

The right to use asset is first recognized by cost method and includes:

- a) The initial measurement amount of the lease obligation,
- b) the amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;
- c) all initial direct costs incurred by the Bank and

When applying the cost method, the existence of the right to use:

- a) accumulated depreciation and accumulated impairment losses are deducted and
- b) Measures the restatement of the lease obligation at the restated cost.

The Lease Obligations:

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank's average borrowing interest rates.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

After the effective date of the lease, the Bank measures the leasing liability as follows:

- a) Increase the book value to reflect the interest on the lease obligation
- b) Reduces the book value to reflect the lease payments made and
- c) The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

The interest on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

First Transition to TFRS 16 Leasing Standard

"TFRS 16 Leases" Standard was promulgated in Official Gazette No. 29826, dated 16 April 2018 to be applied in the accounting period starting on 31 December 2018. The Bank applied TFRS 16 "Leasing" standard, which replaced TAS 17 "Leasing", as of 1 January 2019, the date of first implementation. The impact of the said transition on the equities were classified under "Other Capital Reserves" in expense equities amounting TL 117.196. Within this scope, deferred tax asset amounting TL 25.783 was reflected in the financial figures of 31 March 2019 and classified under "Other Capital Reserves" in equities. The Bank re-arranged the comparable amounts for the previous year by using the retrospective mixed transition practice. With this method, all tenure assets were measured based on the leasing debts (which are adjusted according to leasing costs paid in cash or accrued) in the transition period. Right and liability to use the asset pertaining to the lease, which were previously classified as financial leasing, were measured based on the carrying amount of the said assets before the transition.

During the first implementation, the Bank recognised lease liability concerning the lease which were previously recognised as operational leasing as per TAS 17. These liabilities were measured based on the discounted current value by using the alternative borrowing rate of interest of remaining lease payments on 1 January 2019.

Right and liability to use the asset pertaining to the lease, which were previously classified as financial leasing, were measured based on the carrying amount of the said assets before the transition.

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Details based on the asset with regard to the recognised asset tenure is as follows:

	31 March 2019	1 January 2019
Real estate	747.649	766.892
Total asset tenure	747.649	766.892

Details of depreciation expense based on the asset with regard to the recognised asset tenure is as follows:

	31 March 2019	1 January 2019
Real estate	308.217	300.624
Total asset tenure depreciation expense	308.217	300.624

Lease agreements for vehicles and ATMs, which are determined as low value by the Bank with short-term lease agreements with a duration of 12 months or less, have been evaluated within the scope of the exemption granted by the standard. Within this scope, TL 27.359 has been paid in the relevant period.

The right and obligation of the lessee to use assets classified as finance leases has been measured at the carrying amount of such assets before the transition period.

	1 January 2019
Operational leasing commitments	1.180.394
- Contracts that are excluded from the scope of TFRS 16 (-)	113.106
Total leasing liability	1.067.288
Discount obligations with an alternative borrowing rate	612.159

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

I. EXPLANATIONS ON EQUITY:

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

As of 31 March 2019, the current period equity of the Bank has been calculated as TL 54.244.495 (31 December 2018: TL 50.058.868), the capital adequacy ratio is 17,40% (31 December 2018: 18,16%). This ratio is above the minimum ratio required by the legislation.

a. Information about total capital items:

	Current Period 31 March 2019	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.094.886	
Share issue premiums	3.505.742	
Reserves	33.923.383	
Gains recognized in equity as per TAS	5.488.906	
Profit	1.412.532	
Current Period Profit	1.412.532	
Prior Period Profit	-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	6.440	
Common Equity Tier 1 Capital Before Deductions	51.431.889	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	3.535	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	4.350.976	
Improvement costs for operating leasing	30.014	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	558.047	558.047
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	4.942.572	
Total Common Equity Tier 1 Capital	46.489.317	

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

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	Current Period 31 March 2019	Amounts related to treatment before 1/1/2014 (*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA [Temporary Article 4]	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	46.489.317	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	5.040.000	
Debt instruments and share issue premiums deemed suitable by BRSA [Temporary Article 4]	-	
Provisions [Article 8 of the Regulation on the Equity of Banks]	2.718.205	
Tier II Capital Before Deductions	7.758.205	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	7.758.205	
Total Capital (The sum of Tier I Capital and Tier II Capital)	54.247.522	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	3.027	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deducted Components		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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	Current Period 31 March 2019	Amounts related to treatment before 1/1/2014(*)
TOTAL CAPITAL		
Total Capital	54.244.495	
Total risk weighted amounts	311.729.159	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	14,91%	
Tier 1 Capital Adequacy Ratio	14,91%	
Capital Adequacy Ratio	17,40%	
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2,57%	
a) Bank specific total common equity tier 1 capital ratio	2,50%	
b) Capital conservation buffer requirement	0,07%	
c) Systemic significant bank buffer ratio (**)	0,00%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	6,91%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	(737.697)	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	4.253.524	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used (***)	2.718.205	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

(**) Systemically Important Bank Buffer ratio represented as 0.00% since it is necessary to fill systemically Important Bank Buffer Ratio for systematic important banks that are not obligated to prepare consolidated financial statements in accordance with the "Systemically Important Banks Regulation, Article 4 paragraph 4".

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

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	Prior Period 31 December 2018	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.986.298	
Share issue premiums	1.700.000	
Reserves	28.233.739	
Gains recognized in equity as per TAS	5.268.307	
Profit	5.689.644	
Current Period Profit	5.689.644	
Prior Period Profit	-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	6.440	
Common Equity Tier 1 Capital Before Deductions	46.884.428	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	295	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	3.404.909	
Improvement costs for operating leasing	32.437	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	548.673	548.673
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	3.986.314	
Total Common Equity Tier 1 Capital	42.898.114	

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	Prior Period 31 December 2018	Amounts related to treatment before 1/1/2014 (*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	42.898.114	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	4.734.000	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.430.262	
Tier II Capital Before Deductions	7.164.262	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	7.164.262	
Total Capital (The sum of Tier I Capital and Tier II Capital)	50.062.376	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immoveables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	3.508	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deducted Components		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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	Prior Period 31 December 2018	Amounts related to treatment before 1/1/2014(*)
TOTAL CAPITAL		
Total Capital	50.058.868	
Total risk weighted amounts	275.675.906	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	15,56%	
Tier 1 Capital Adequacy Ratio	15,56%	
Capital Adequacy Ratio	18,16%	
BUFFERS		
Bank specific total common equity tier 1 capital ratio	1,93%	
a) Capital conservation buffer requirement	1,88%	
b) Bank specific counter-cyclical buffer requirement	0,05%	
c) Systemic significant bank buffer ratio (**)	0,00%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	7,56%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital		-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital		-
Amount arising from mortgage-servicing rights		-
Amount arising from deferred tax assets based on temporary differences	(260.285)	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	3.799.798	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.430.262	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation		-
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation		-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4		-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4		-
Upper limit for Additional Tier II Capital subjected to temporary Article 4		-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4		-

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

(**) Systemically Important Bank Buffer ratio represented as 0.00% since it is necessary to fill systemically Important Bank Buffer Ratio for systematic important banks that are not obligated to prepare consolidated financial statements in accordance with the "Systemically Important Banks Regulation, Article 4 paragraph 4".

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

**Current Period
31 March 2019**

Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş.
Identifier(s) [CUSIP, ISIN vb.]	XS1574750292 / US00972BAB53
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	2.800 million TL (in full TL amount)
Nominal value of instrument	2.800 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	15 March 2017
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 1 day (Maturity date: 16 March 2027)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 16.03.2022. The reimbursement amount is 2.800 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	7,2%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of "Own fund regulation"	The instrument is in compliance with article number 8.
Details of incompliance with article number 7 and 8 of "Own fund regulation"	The instrument is not in compliant with article numbered 7.

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**Current Period
31 March 2019**

Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) (CUSIP, ISIN vb.)	XS1772360803 / US00972BAC37
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	2.240 million TL (in full TL amount)
Nominal value of instrument	2.240 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	27 February 2018
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 60 day (Maturity date: 27 April 2028)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 27.04.2023. The reimbursement amount is 2.240 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliance with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

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

II. EXPLANATIONS ON CURRENCY RISK

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

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

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

	USD	EURO
Balance Sheet Evaluation Rate	TL 5,6000	TL 6,2869
1.Day bid rate	TL 5,6000	TL 6,2869
2.Day bid rate	TL 5,5423	TL 6,2335
3.Day bid rate	TL 5,3307	TL 6,0091
4.Day bid rate	TL 5,4945	TL 6,2162
5.Day bid rate	TL 5,6458	TL 6,3858

The simple arithmetic average of the 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 5,4661
EURO : TL 6,1770

As of 31 December 2018;

	USD	EURO
Balance Sheet Evaluation Rate	TL 5,2600	TL 6,0182

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Information related to Bank's Currency Risk:

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

Current Period – 31 March 2019	EURO	USD	Other FC	Total
Assets				
Cash Equivalents and Central Bank (**)	16.614.925	12.305.125	3.494.510	32.414.560
Banks	1.176.219	17.284.456	3.656.304	22.116.979
Financial Assets at Fair Value through Profit or Loss (Net)	-	6.994.414	-	6.994.414
Interbank Money Market Placements	-	-	-	-
Financial assets measured at other comprehensive income (Net)	6.724.988	17.310.301	644.174	24.679.463
Loans (****)	35.846.092	31.846.514	44.446	67.737.052
Investments in Associates, Subsidiaries and Joint Ventures	4.550.063	-	-	4.550.063
Financial assets measured at amortised cost (Net)	1.002.751	5.010.823	-	6.013.574
Hedging Derivative Financial Assets	55.902	189.943	79.123	324.968
Tangible Assets (Net)	-	7.022	-	7.022
Intangible Assets (Net)	-	22	-	22
Other Assets (****)	1.699.040	4.883.466	4.792	6.587.298
Total Assets	67.669.980	95.832.086	7.923.349	171.425.415
Liabilities				
Bank Deposits (**)	2.795.673	2.087.880	2.139.057	7.022.610
Foreign Currency Deposits (**)	35.272.519	77.939.834	5.477.946	118.690.299
Funds from Interbank Money Market	320.874	8.955.800	-	9.276.674
Borrowings	8.303.229	29.982.833	-	38.286.062
Marketable Securities Issued (Net) (***)	62.959	13.146.729	125.039	13.334.727
Miscellaneous Payables	3.236.769	2.431.986	4.521	5.673.276
Hedging Derivative Financial Liabilities	-	80.659	-	80.659
Other Liabilities	748.993	1.194.043	31.124	1.974.160
Total Liabilities	50.741.016	135.819.764	7.777.687	194.338.467
Net on Balance Sheet Position	16.928.964	(39.987.678)	145.662	(22.913.052)
Net off-Balance Sheet Position (*)	(14.252.248)	38.668.125	(340.968)	24.074.909
Financial Derivative Assets	46.284.614	110.315.651	1.864.979	158.465.244
Financial Derivative Liabilities	60.536.862	71.647.526	2.205.947	134.390.335
Non-cash Loans	14.621.704	14.529.947	512.101	29.663.752
Prior Period – 31 December 2018				
Total Assets	57.458.155	87.452.157	5.909.483	150.819.795
Total Liabilities	39.104.415	127.285.799	6.938.332	173.328.546
Net on-Balance Sheet Position	18.353.740	(39.833.642)	(1.028.849)	(22.508.751)
Net off-Balance Sheet Position (*)	(16.122.157)	39.852.964	804.793	24.535.600
Financial Derivative Assets	31.450.484	107.136.471	3.339.712	141.926.667
Financial Derivative Liabilities	47.572.641	67.283.507	2.534.919	117.391.067
Non-cash Loans	14.405.397	16.299.783	481.867	31.187.047

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

(**) Of the Cash Equivalents and Central Bank and Other FC, TL 3.328.768 (31 December 2018: TL 3.490.205) of the foreign currency deposits TL 2.974.206 (31 December 2018: TL 2.484.399) and Bank Deposits Other FC of the TL 2.487 (31 December 2018: TL 1.892) are precious metal deposit account in demand.

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

(****) Derivative financial assets and expected loss provision are classified under other assets. The expected loss amount of foreign currency indexed loans balance is TL 269.271 (31 December 2018: TL 120.518). Prepaid assets amounted TL 74.040 (31 December 2018: TL 86.577) is excluded in the financial statements.

(*****) The foreign currency indexed loans balance in the Turkish Lira accounts is TL 2.221.487 (31 December 2018: TL 3.062.779).

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III. EXPLANATIONS ON INTEREST RATE RISK:

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

The Bank 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 March 2019	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	21.719.792	-	-	-	-	14.917.384	36.637.176
Banks	11.501.847	1.194.007	-	-	-	10.689.506	23.385.360
Financial assets at fair value through profit or loss (Net)	-	-	6.821.169	-	-	173.245	6.994.414
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial assets measured at other comprehensive income (Net)	6.403.108	6.230.661	11.204.297	17.139.145	7.578.109	273.994	48.829.314
Loans (***)	58.097.909	27.242.538	40.142.206	54.846.238	7.573.236	8.925.443	196.827.570
Financial assets measured at amortised cost (Net)	1.461.876	1.196.129	5.521.156	2.721.779	1.189.621	-	12.090.561
Other Assets (****)	5.944.671	10.059.822	7.739.470	2.170.319	2.095.122	4.059.466	32.068.870
Total Assets	105.129.203	45.923.157	71.428.298	76.877.481	18.436.088	39.039.038	356.833.265
Liabilities							
Bank Deposits	6.107.271	1.172.168	386.563	-	-	1.851.978	9.517.980
Other Deposits	128.978.303	16.172.921	6.687.124	15.346	1	45.133.488	196.987.183
Funds from Interbank Money Market	7.944.332	3.263.962	5.286.616	-	-	-	16.494.910
Miscellaneous Payables	1.262.865	2.388.568	1.386.426	333.972	1.842	4.785.543	10.159.216
Marketable Securities Issued (Net) (*)	2.914.515	3.118.137	3.301.304	4.261.104	7.727.260	-	21.322.320
Borrowings	13.470.725	23.417.576	1.483.095	173.343	11.858	-	38.556.597
Other Liabilities (**)	2.814.742	5.329.009	3.559.360	934.403	460.439	50.697.106	63.795.059
Total Liabilities	163.492.753	54.862.341	22.090.488	5.718.168	8.201.400	102.468.115	356.833.265
Balance Sheet Long Position	-	-	49.337.810	71.159.313	10.234.688	-	130.731.811
Balance Sheet Short Position	(58.363.550)	(8.939.184)	-	-	-	(63.429.077)	(130.731.811)
Off-balance Sheet Long Position	3.780.442	19.965.063	-	783.794	2.056.936	-	26.586.235
Off-balance Sheet Short Position	-	-	(10.717.829)	-	-	-	(10.717.829)
Total Position	(54.583.108)	11.025.879	38.619.981	71.943.107	12.291.624	(63.429.077)	15.868.406

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

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

(***) Non-performing loans are presented in the "non-interest bearing" column. Interest rediscount started to be calculated for non-performing loans as of 1 January 2018, said amount was indicated on "without interest" column since there is no other suitable column in the above table.

(****) Derivative financial assets and expected credit losses are classified under other assets.

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Prior Period – 31 December 2018	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	14.451.277	-	-	-	-	15.662.515	30.113.792
Banks	6.075.151	685.932	300.997	-	-	10.939.905	18.001.985
Financial assets at fair value through profit or loss (Net)	-	-	6.690.208	-	-	143.587	6.833.795
Interbank Money Market Placements	539.374	-	-	-	-	-	539.374
Financial assets measured at other comprehensive income (Net)	3.678.380	4.887.321	13.359.043	13.580.275	6.617.448	251.040	42.373.507
Loans (***)	55.087.838	21.142.152	40.875.569	53.797.444	7.634.676	7.838.621	186.376.300
Financial assets measured at amortised cost (Net)	2.486.106	1.484.991	4.220.066	2.968.019	1.104.299	-	12.263.481
Other Assets (****)	6.104.539	10.197.376	5.470.269	2.639.713	2.176.093	4.551.901	31.139.891
Total Assets	88.422.665	38.397.772	70.916.152	72.985.451	17.532.516	39.387.569	327.642.125
Liabilities							
Bank Deposits	4.705.106	860.447	406.303	-	-	1.477.434	7.449.290
Other Deposits	109.552.447	22.853.750	10.806.988	54.868	12	37.673.698	180.941.763
Funds from Interbank Money Market	6.282.201	4.659.775	2.120.223	-	-	-	13.062.199
Miscellaneous Payables	760.770	1.263.581	730.525	186.714	4.232	4.459.366	7.405.188
Marketable Securities Issued (Net) (*)	513.813	1.840.646	466.547	6.802.095	7.313.382	-	16.936.483
Borrowings	5.189.460	27.458.373	6.896.462	171.731	11.139	-	39.727.165
Other Liabilities (**)	3.363.061	5.593.390	3.404.785	953.110	18.968	48.786.723	62.120.037
Total Liabilities	130.366.858	64.529.962	24.831.833	8.168.518	7.347.733	92.397.221	327.642.125
Balance Sheet Long Position	-	-	46.084.319	64.816.933	10.184.783	-	121.086.035
Balance Sheet Short Position	(41.944.193)	(26.132.190)	-	-	-	(53.009.652)	(121.086.035)
Off-balance Sheet Long Position	9.508.780	12.014.068	-	1.746.729	1.699.121	-	24.968.698
Off-balance Sheet Short Position	-	-	(11.680.714)	-	-	-	(11.680.714)
Total Position	(32.435.413)	(14.118.122)	34.403.605	66.563.662	11.883.904	(53.009.652)	13.287.984

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

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

(***) Non-performing loans are shown in the "non-interest bearing" column. Interest discount started to be calculated for non-performing loans as of 1 January 2018, said amount was indicated on "without interest" column since there is no other suitable column in the above table.

(****) Derivative financial assets and expected credit losses are classified under other assets.

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

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

Current Period – 31 March 2019	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	2,00	-	13,00
Banks	-	2,56	-	24,16
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets (Net)	2,68	4,94	3,09	15,74
Loans	4,64	7,95	6,61	18,60
Held-to-maturity Investments (Net)	3,58	5,12	-	18,68
Liabilities				
Bank Deposits (**)	0,22	3,01	-	23,26
Other Deposits (**)	0,96	2,70	0,02	14,98
Funds from Interbank Money Market	2,39	3,27	-	24,77
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net) (*)	4,00	5,68	1,29	19,41
Borrowings	1,40	4,51	-	12,95

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

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

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Prior Period – 31 December 2018	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	2,00	-	13,00
Banks	0,42	2,34	-	24,00
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	-
Interbank Money Market Placements	-	2,27	-	-
Available-for-sale Financial Assets (Net)	2,55	4,60	3,09	20,97
Loans	4,72	7,87	9,06	18,70
Held-to-maturity Investments (Net)	3,58	4,89	-	26,70
Liabilities				
Bank Deposits (**)	0,21	3,34	-	22,55
Other Deposits (**)	1,00	3,44	0,01	17,20
Funds from Interbank Money Market	2,39	3,19	-	23,80
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net) (*)	4,00	5,63	1,29	18,62
Borrowings	2,40	4,55	-	13,51

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

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

IV. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES:

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

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

The liquidity risk of the Bank is the risk of being unable to fulfill its payment obligations on time due to not having enough cash sources or cash inflows to finance its cash outflows fully and on time due to cash flow instabilities.

Liquidity risk arises from situations in which the Bank is unable to meet the cash outflows with its cash sources and borrowing opportunities over collateralizing marketable securities, in case of sudden fund withdrawals by the individual/institutional funders of the Bank.

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

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

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

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

The different categories of defined limits are;

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

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

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

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

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

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

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

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

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

e) Information on liquidity risk mitigation techniques:

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

f) Information on the use of stress tests:

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

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

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

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Liquidity Coverage Ratio:

		Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Current Period – 31.03.2019					
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			63.109.443	38.892.585
CASH OUTFLOWS					
2	Retail and Customers Deposits	132.450.061	70.604.000	12.204.967	7.060.400
3	Stable deposits	20.800.791	-	1.040.040	-
4	Less stable deposits	111.649.270	70.604.000	11.164.927	7.060.400
5	Unsecured Funding other than Retail and Small Business Customers Deposits	68.817.330	44.696.117	37.674.683	25.012.790
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	61.509.868	41.119.994	31.521.731	21.437.229
8	Other Unsecured Funding	7.307.462	3.576.123	6.152.952	3.575.561
9	Secured funding	-	-	-	-
10	Other Cash Outflows	85.034.115	58.955.037	74.892.048	49.419.144
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	73.747.254	48.361.582	73.747.254	48.361.582
12	Debts related to the structured financial products	22.901	-	22.901	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	11.263.960	10.593.455	1.121.893	1.057.562
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	825.780	-	41.289	-
15	Other irrevocable or conditionally revocable commitments	56.433.186	12.158.610	2.821.659	607.931
16	TOTAL CASH OUTFLOWS			127.634.646	82.100.265
CASH INFLOWS					
17	Secured Lending Transactions	17.808	17.808	-	-
18	Unsecured Lending Transactions	26.493.796	15.710.974	20.426.374	14.575.396
19	Other contractual cash inflows	70.019.815	47.513.913	70.019.367	47.513.879
20	TOTAL CASH INFLOWS	96.531.419	63.242.695	90.445.741	62.089.275
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			63.109.443	38.892.585
22	TOTAL NET CASH OUTFLOWS			37.417.809	20.990.135
23	Liquidity Coverage Ratio (%)			169,65	187,75

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

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Prior Period – 31.12.2018	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 High quality liquid assets			60.025.493	39.034.305
CASH OUTFLOWS				
2 Retail and Customers Deposits	132.751.704	67.576.217	12.206.839	6.757.622
3 Stable deposits	21.366.636	-	1.068.332	-
4 Less stable deposits	111.385.068	67.576.217	11.138.507	6.757.622
5 Unsecured Funding other than Retail and Small Business Customers Deposits	73.951.844	52.982.997	36.477.135	25.690.445
6 Operational deposits	-	-	-	-
7 Non-Operational Deposits	70.967.382	52.694.173	34.741.930	25.403.022
8 Other Unsecured Funding	2.984.462	288.824	1.735.205	287.423
9 Secured funding	-	-	49.042	49.042
10 Other Cash Outflows	62.451.184	40.437.642	52.745.407	31.431.163
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	51.672.308	30.432.582	51.672.308	30.432.582
12 Debts related to the structured financial products	-	-	-	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	10.778.876	10.005.060	1.073.099	998.581
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	835.255	-	41.763	-
15 Other irrevocable or conditionally revocable commitments	62.212.690	17.395.360	3.110.634	869.768
16 TOTAL CASH OUTFLOWS			104.630.820	64.798.040
CASH INFLOWS				
17 Secured Lending Transactions	3.797.452	3.797.452	-	-
18 Unsecured Lending Transactions	38.549.640	26.912.078	32.293.832	25.922.641
19 Other contractual cash inflows	45.627.671	29.869.981	45.624.117	29.869.903
20 TOTAL CASH INFLOWS	87.974.763	60.579.511	77.917.949	55.792.544
			Upper limit applied amounts	
21 TOTAL HQLA STOCK			60.025.493	39.034.305
22 TOTAL NET CASH OUTFLOWS			28.620.215	16.258.677
23 Liquidity Coverage Ratio (%)			212,05	241,44

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

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 147% during the period and remain at a quite higher level than the legal lower limit.

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

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 49% and securities issued by Undersecretariat of the Treasury by 47%. Funding sources are mainly distributed between individual and retail deposits by 64%, corporate deposits by 24%, and borrowings from banks by 4% and collateralized borrowings such as repurchase agreements by 3%.

Cash outflow amounting to TL 1,549 million (in full TL amount) is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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The Bank follows up and manages the liquidity coverage ratio including its foreign branch. There is no limitation which avoids liquidity transfer between the Bank and the foreign branch. In this context, the foreign branch does not create any additional liquidity risk for the Bank. The Bank follows up and manages the liquidity coverage ratio including its foreign branch. There is no limitation which avoids liquidity transfer between the Bank and the foreign branch. In this context, the foreign branch does not create any additional liquidity risk for the Bank.

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

	Current Period - 31.03.2019	
	TL+FC	FC
Lowest	147,40	160,44
Week	29.03.2019	22.03.2019
Highest	188,78	214,40
Week	11.01.2019	18.01.2019

	Prior Period - 31.12.2018	
	TL+FC	FC
Lowest	180,81	189,41
Week	21.12.2018	28.12.2018
Highest	257,19	286,89
Week	9.11.2018	9.11.2018

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 March 2019	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	18.374.404	18.142.409	120.363	-	-	-	-	36.637.176
Financial Assets at Fair Value Through Profit or Loss (Net)	10.689.506	11.501.847	1.194.007	-	-	-	-	23.385.360
Interbank Money Market Placements Available-for-sale Financial Assets (Net)	173.245	-	-	6.821.169	-	-	-	6.994.414
Loans (****)	-	1.659.633	1.047.695	3.629.672	31.737.318	10.481.002	-	48.829.314
Held-to-maturity Investments (Net)	-	40.568.003	22.854.380	38.552.307	62.675.728	23.251.714	8.925.438	196.827.570
Other Assets (*)	430.538	1.319.944	1.246.688	4.525.757	12.982.462	8.672.802	2.890.679	32.068.870
Total Assets	29.941.687	74.092.578	26.782.959	55.670.114	114.934.671	43.595.139	11.816.117	356.833.265
Liabilities								
Bank Deposits	1.851.978	6.107.271	1.172.168	386.562	-	-	-	9.517.979
Other Deposits	45.133.488	128.978.303	16.172.921	6.687.124	15.346	1	-	196.987.183
Borrowings	-	6.684.237	3.358.756	11.411.785	11.735.489	5.366.331	-	38.556.598
Funds from Interbank Money Market	-	7.356.690	70.529	1.740.102	5.351.341	1.976.247	-	16.494.909
Marketable Securities Issued (Net) (**)	-	2.914.515	3.118.137	3.301.304	4.261.103	7.727.260	-	21.322.319
Miscellaneous Payables	-	5.053.562	615.386	869.867	2.334.153	1.286.248	-	10.159.216
Other Liabilities (***)	-	1.842.015	1.403.621	2.175.974	7.504.164	3.305.481	47.563.805	63.795.060
Total Liabilities	46.985.466	158.936.593	25.911.518	26.572.718	31.201.596	19.661.568	47.563.805	356.833.265
Net Liquidity Excess/ (Gap)	(17.043.779)	(84.844.015)	871.441	29.097.395	83.733.075	23.933.571	(35.747.688)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	405.538	(993.899)	3.018.927	7.216.265	6.221.574	-	15.868.405
Financial Derivative Liabilities	-	81.505.907	42.038.462	46.027.959	104.833.106	73.280.843	-	347.686.277
Non-cash Loans (****)	-	3.860.685	4.936.915	15.584.234	5.099.738	21.590.987	-	51.072.559
Prior Period - 31 December 2018								
Total Assets	30.157.222	55.863.956	25.660.302	49.954.105	113.297.191	41.904.217	10.805.132	327.642.125
Total Liabilities	39.151.131	124.745.358	31.275.409	35.173.053	30.931.885	18.096.834	48.268.455	327.642.125
Net Liquidity Gap	(8.993.909)	(68.881.402)	(5.615.107)	14.781.052	82.365.306	23.807.383	(37.463.323)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	73.346	(1.322.979)	378.942	8.484.122	5.674.553	-	13.287.984
Financial Derivative Liabilities	-	72.069.893	34.473.264	45.284.995	100.845.307	65.710.763	-	318.384.222
Non-cash Loans (****)	-	4.242.599	5.288.100	16.489.306	5.188.166	22.129.385	-	53.337.556

(*) 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, prepaid expenses and loans under follow-up, are shown in this column. Expected credit losses are included.

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

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

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

(*****) The non-performing loans are stated in the "Unallocatable" column.

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VI. EXPLANATIONS ON LEVERAGE RATIO:

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

As of 31 March 2019, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is 9,86% (31 December 2018: 9,37%). This ratio is above the minimum ratio which is 3%. The leverage ratio is almost on the same level in the current and prior period.

b. Disclosure of Leverage ratio template:

	Current Period 31 March 2019 (*)	Prior Period 31 December 2018 (*)
Balance sheet Assets		
1		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	316.042.984	317.742.753
2		
(Assets deducted from Core capital)	-	-
3		
Total risk amount of balance sheet assets (sum of lines 1 and 2)	316.042.984	317.742.753
Derivative financial assets and credit derivatives		
4		
Cost of replenishment for derivative financial assets and credit derivatives	14.947.892	16.039.665
5		
Potential credit risk amount of derivative financial assets and credit derivatives	5.594.680	4.898.308
6		
Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	20.542.572	20.937.973
Financing transactions secured by marketable security or commodity		
7		
Risk amount of financing transactions secured by marketable security or commodity	2.840.437	3.296.687
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)	2.840.437	3.296.687
Off-balance sheet transactions		
10		
Gross notional amount of off-balance sheet transactions	124.426.319	132.769.389
11		
(Correction amount due to multiplication with credit conversion rates)	(719.807)	(1.189.952)
12		
Total risk of off-balance sheet transactions (sum of lines 10 and 11)	123.706.512	131.579.437
Capital and total risk		
13		
Core Capital	45.628.522	44.231.597
14		
Total risk amount (sum of lines 3, 6, 9 and 12)	463.132.505	473.556.850
Leverage ratio		
15		
Leverage ratio	9,86	9,37

(*) Three months average values.

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VII. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

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

Overview of RWA:

	Risk Weighted Amount		Minimum capital requirement
	Current Period 31 March 2019	Prior Period 31 December 2018	Current Period 31 March 2019
1 Credit risk (excluding counterparty credit risk) (CCR)	253.885.294	226.613.119	20.310.824
2 Standardized approach (SA)	253.885.294	226.613.119	20.310.824
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	24.647.187	22.406.964	1.971.775
5 Standardized approach for counterparty credit risk (SA-CCR)	24.647.187	22.406.964	1.971.775
6 Internal model method (IMM)	-	-	-
7 Basic risk weight approach to internal models equity position in the banking account	-	-	-
8 Investments made in collective investment companies – look-through approach	-	-	-
9 Investments made in collective investment companies – mandate-based approach	257.777	237.585	20.622
10 Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11 Settlement risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach (RBA)	-	-	-
14 IRB Supervisory Formula Approach (SFA)	-	-	-
15 SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	5.669.303	5.071.915	453.544
17 Standardized approach (SA)	5.669.303	5.071.915	453.544
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	27.269.597	21.346.323	2.181.568
20 Basic Indicator Approach	27.269.597	21.346.323	2.181.568
21 Standard Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	311.729.158	275.675.906	24.938.333

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VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:

The Bank hedges its TL and foreign denominated fixed rate financial assets with cross currency swaps and interest rate 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 in the balance sheet for TL denominated fixed rate mortgage loans. Fair value changes which have already been booked in equity, have been reclassified from equity to income statement for TL and FC denominated fixed rate available-for-sale financial assets.

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

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

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

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

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

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

The Bank also applies net investment 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 March 2019, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet are summarized in the following table:

	Current Period 31 March 2019			Prior Period 31 December 2018		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	16.002.400	5.773.724	723.266	16.237.238	4.693.776	647.569
-FC	50.912.286	324.968	80.659	45.826.317	363.508	41.041
Total	66.914.686	6.098.693	803.927	62.063.555	5.057.284	688.610

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1. Explanations on Net Investment Risk:

The Group also applies fair value hedge strategy against the foreign currency risk arising from share premiums and paid-in-capital of Akbank AG, one of Bank's subsidiaries, amounting to EUR 320 Million. EUR 320 Million of syndication loans used by the Bank have been determined as "hedging instruments".

2. Explanations on Fair Value Hedge:

Current Period: 31.03.2019

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 financial assets at fair value through other comprehensive income	Interest rate risk	(124.941)	119.477	(5.464)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	2.943.105	(2.920.674)	22.431
Cross-currency swap	Fixed interest rate TL Commercial Loans, FC borrowings	Interest rate and currency risk	(10.878)	10.878	-

(*) Includes fair value differences arising from changes in foreign exchange rates for the hedge transactions having risk exposure of both interest rate and foreign currency.

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

Prior Period: 31.12.2018

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 financial assets at fair value through other comprehensive income	Interest rate risk	(43.581)	33.893	(9.688)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	2.632.655	(2.658.615)	(25.960)
Cross-currency swap	Fixed interest rate TL Commercial Loans, FC borrowings	Interest rate and currency risk	9.438	(9.438)	-

(*) Includes fair value differences arising from changes in foreign exchange rates for the hedge transactions having risk exposure of both interest rate and foreign currency.

(**) 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 March 2019 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 March 2019, 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 8.214 (31 December 2018: TL 7.263).

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3. Explanations on Cash Flow Hedge:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in OCI during the period	Net gain/(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
Interest Rate Swap	Floating-rate long Term FC funds borrowed	Cash Flow risk due to changes in interest rate of funds	162.960	-	(59.362)	24.171	(3.570)
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	1.987.370	7.137	(215.125)	(437.681)	(147.499)
Cross Currency Swap	Floating-rate FC given loans	Cash Flow risk due to changes in interest rate of funds	-	464.652	122.489	132.148	(10.030)
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	7.253	252.719	70.532	4.840	61.336

As of 31 March 2019 cash flow hedge transactions have been determined as effective.

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

- As of 31 March 2019, 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 (3.030) (31 December 2018: TL (5.927)).
- In order to hedge the cash flow risk of short-term FC commercial deposits, a cross-currency swap amounting to TL 755 million with nominal value which included in hedge accounting, has been closed out before the maturity date and hedge accounting related to aforementioned transaction has been terminated.

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IX. EXPLANATIONS ON BUSINESS SEGMENTS:

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

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

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

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

Within the scope of international banking activities, activities are also being carried out in order to provide long-term funding, to provide funding under a price reflecting the country's risk, to diversify funding resources and to form an international investor base on this area.

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

Information on business segments as of 31 March 2019 and 31 December 2018 presented in the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

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	Retail Banking (**)	Commercial Banking, Corporate-Investment, Private Banking and Wealth Management	Treasury	Other and Unallocated	Bank's Total Activities
Current Period – 31 March 2019					
Operating Income	3.221.417	815.754	250.319	713.394	5.000.884
Profit from Operating Activities	778.605	354.540	151.806	356.409	1.641.360
Income from Subsidiaries	-	-	-	3.993	3.993
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	151.261	151.261
Profit before Tax	778.605	354.540	151.806	511.663	1.796.614
Corporate Tax	-	-	-	(384.082)	(384.082)
Minority Shares	-	-	-	-	-
Net Profit for the Period	778.605	354.540	151.806	127.581	1.412.532
Segment Assets	72.764.812	140.177.876	116.514.689	-	329.457.377
Investments in Associates	-	-	-	5.954.503	5.954.503
Undistributed Assets	-	-	-	21.421.385	21.421.385
Total Assets					356.833.265
Segment Liabilities	129.839.687	68.979.834	95.962.497	-	294.782.018
Undistributed Liabilities	-	-	-	14.487.442	14.487.442
Shareholders' Equity	-	-	-	47.563.805	47.563.805
Total Liabilities					356.833.265
Other Segment Items					
Capital Investment	-	-	-	113.244	113.244
Amortization	(33.713)	(1.009)	-	(85.798)	(120.520)
Non-cash Other Income-Expense	(856.007)	(154.884)	(71.722)	(189.065)	(1.271.678)

	Retail Banking (**)	Commercial Banking, Corporate-Investment, Private Banking and Wealth Management	Treasury	Other and Unallocated	Bank's Total Activities
Prior Period – 31 December 2018 (*)					
Operating Income	1.236.708	1.823.280	301.701	631.060	3.992.749
Profit from Operating Activities	500.753	1.198.896	234.025	61.351	1.995.025
Income from Subsidiaries	-	-	-	1.333	1.333
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	119.170	119.170
Profit before Tax	500.753	1.198.896	234.025	181.854	2.115.528
Corporate Tax	-	-	-	(406.314)	(406.314)
Minority Shares	-	-	-	-	-
Net Profit for the Period	500.753	1.198.896	234.025	(224.460)	1.709.214
Segment Assets	71.535.564	132.521.609	103.342.019	-	307.399.192
Investments in Associates	-	-	-	5.457.662	5.457.662
Undistributed Assets	-	-	-	14.785.271	14.785.271
Total Assets					327.642.125
Segment Liabilities	124.653.231	57.955.297	88.464.828	-	271.073.356
Undistributed Liabilities	-	-	-	12.759.680	12.759.680
Shareholders' Equity	-	-	-	43.809.089	43.809.089
Total Liabilities					327.642.125
Other Segment Items					
Capital Investment	-	-	-	137.163	137.163
Amortization	(6.473)	(5.219)	-	(69.220)	(80.912)
Non-cash Other Income-Expense	(75.338)	(285.401)	(138.673)	(226.098)	(725.510)

(*) 31 March 2018 amounts are used for income statement accounts.

(**) As of 22 November 2018, individual banking and SME banking business units were merged and began to operate as retail banking business units. The balances for the statement of income for the previous period are the amounts before the merger.

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

I. EXPLANATIONS AND NOTES RELATED TO 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 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Cash/Foreign Currency	1.480.081	1.469.288	1.796.417	1.826.103
The CBRT (*)	2.742.535	30.892.916	2.928.915	23.504.830
Other (**)	-	52.356	-	57.527
Total	4.222.616	32.414.560	4.725.332	25.388.460

(*) Precious metal account amounting to TL 3.276.436 are included in FC. (31 December 2018: TL 3.432.683)

(**) Precious metal account amounting to TL 52.332 are included in FC. (31 December 2018: TL 57.522)

2. Information related to the account of the CBRT:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Unrestricted Demand Deposits	561	-	124	-
Unrestricted Time Deposits	-	7.544.280	-	-
Restricted Time Deposits	-	-	-	-
Reserve Requirement	2.741.974	23.348.636	2.928.791	23.504.830
Total	2.742.535	30.892.916	2.928.915	23.504.830

3. Explanation on reserve requirements:

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

The required reserve rates for TL liabilities vary between 1% and 7% for TL deposits and other liabilities according to their maturities as of 31 March 2019 (31 December 2018: 1,5% and 8% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 4% and 20% for deposit and other foreign currency liabilities according to their maturities as of 31 March 2019 (31 December 2018: 4% and 20% for all foreign currency liabilities).

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

As of 31 March 2019, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2018: None) and given as collateral/blocked (31 December 2018: None).

Other Financial Assets:

In the previous period, syndicated loans previously granted to Ojer Telekomünikasyon A.Ş. were restructured. Within this scope, the transfer of 192.500.000.000 of Group A shares which consist of 55% of Türk Telekom's issued capital and are pledged in favor of the creditors in order to establish the collateral of the loans to Levent Yapılandırma Yönetimi A.Ş. which was established as a special purpose company, where all of the creditors were directly or indirectly shared was completed on 21 December 2018. The Bank participated in LYY with a share of 35.56% in receivables from OTAŞ. Within the scope of the acquisition of Türk Telekom shares by LYY and within the framework of the related agreements, the total amount of the loan granted to LYY by the Bank for the acquisition of shares, which are the guarantee of OTAŞ loans, is TL 6.821 million and has been classified under "Financial Assets At Fair Value Through Profit And Loss" as "Other Financial Assets" in the financial statements. As of 31 March 2019, the fair values are based on the results of an independent valuation firm. The potential changes in the fundamental assumptions used in the valuation can affect the carrying value of the loan. Within the framework of the signed agreements on this loan, a part of the loan granted to LYY is estimated to be converted from loan to capital and added to LYY's capital in the following period. Türk Telekom shares which are transferred to LYY and subject to loan consists of the collateral of the loan granted to LYY. The main objective of LYY is to transfer these Turk Telekom shares to an expert investor by providing the necessary conditions as quickly as possible.

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c. Information on derivative financial assets held-for-trading:

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

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Forward Transactions	406.143	-	1.004.135	-
Swap Transactions	12.501.144	5.171.045	11.441.676	4.645.436
Futures Transactions	-	-	-	-
Options	59.523	160.561	67.222	454.254
Other	-	-	-	-
Total	12.966.810	5.331.605	12.513.033	5.099.690

(*)Excluding hedging derivatives financial assets.

d. Information on banks and foreign banks:

1. Information on banks account:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Banks				
Domestic	497.406	1.635.972	207	601.823
Foreign	770.975	20.481.007	463.733	16.936.222
Head Quarters and Branches Abroad	-	-	-	-
Total	1.268.381	22.116.979	463.940	17.538.045

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

1. As of 31 March 2019, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 14.768.458 (31 December 2018: TL 11.515.081); and those given as collateral/blocked amounting to TL 9.273.694 (31 December 2018: TL 8.421.116).

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

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Debt Securities		52.347.256		44.953.968
Quoted at Stock Exchange (*)		51.058.653		43.557.799
Unquoted at Stock Exchange		1.288.603		1.396.169
Share Certificates		16.217		13.455
Quoted at Stock Exchange		-		-
Unquoted at Stock Exchange		16.217		13.455
Impairment Provision (-)		3.534.159		2.593.916
Total		48.829.314		42.373.507

(*) Investment funds are included.

f. Information related to loans:

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

	Current Period 31 March 2019		Prior Period 31 December 2018	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	-	-	1.440
Corporate Shareholders	-	-	-	1.440
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	6.894.479	762.530	5.281.095	1.073.121
Loans Granted to Employees	118.343	-	114.675	-
Total	7.012.822	762.530	5.395.770	1.074.561

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2. Information on standard loans and loans under follow-up including loans that have been restructured or rescheduled:

Current Period – 31 March		Loans under follow-up		
		Standard Loans	Loans not subject to restructuring	Restructured Loans
Cash Loans				
Non-specialized Loans				
Loans given to enterprises	19.457.487	2.047.850	4.812	3.211.059
Export Loans	9.649.016	305.081	159	204.778
Import Loans	-	-	-	-
Loans Given to Financial Sector	10.517.772	885	-	-
Consumer Loans	24.832.681	2.533.247	1.034.030	100.965
Credit Cards	12.556.319	883.733	789.689	-
Other	80.034.253	9.518.242	8.509	10.211.560
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	157.047.528	15.289.038	1.837.199	13.728.362

Expected Credit Loss Stage I and Stage II	Current Period 31 March 2019		Prior Period 31 December 2018	
	Standard Loans	Loans under Follow-up	Standard Loans	Loans under Follow-up
12 Month Expected Credit Losses	704.554	-	637.503	-
Significant Increase in Credit Risk	-	3.129.714	-	2.741.613
Total	704.554	3.129.714	637.503	2.741.613

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

Current Period – 31.03.2019	Short-term	Medium and Long-term	Total
Consumer Loans-TL	619.157	26.424.520	27.043.677
Mortgage Loans	1.632	10.290.443	10.292.075
Automotive Loans	1.046	118.634	119.680
Consumer Loans	616.479	16.015.443	16.631.922
Other	-	-	-
Consumer Loans- Indexed to FC	-	1.232	1.232
Mortgage Loans	-	1.232	1.232
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	11.054.382	621.274	11.675.656
With Installment	3.811.973	619.778	4.431.751
Without Installment	7.242.409	1.496	7.243.905
Consumer Credit Cards-FC	14.012	-	14.012
With Installment	-	-	-
Without Installment	14.012	-	14.012
Personnel Loans-TL	4.329	63.641	67.970
Mortgage Loans	-	3.131	3.131
Automotive Loans	-	116	116
Consumer Loans	4.329	60.394	64.723
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	49.919	16	49.935
With Installment	19.715	16	19.731
Without Installment	30.204	-	30.204
Personnel Credit Cards-FC	438	-	438
With Installment	-	-	-
Without Installment	438	-	438
Credit Deposit Account-TL (Real Person)	1.388.044	-	1.388.044
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	13.130.281	27.110.683	40.240.964

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Prior Period – 31.12.2018	Short-term	Medium and Long-term	Total
Consumer Loans-TL	641.242	27.032.858	27.674.100
Mortgage Loans	1.600	10.799.366	10.800.966
Automotive Loans	1.211	136.735	137.946
Consumer Loans	638.431	16.096.757	16.735.188
Other	-	-	-
Consumer Loans- Indexed to FC	-	1.289	1.289
Mortgage Loans	-	1.289	1.289
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	11.428.605	568.087	11.996.692
With Installment	3.869.730	566.715	4.436.445
Without Installment	7.558.875	1.372	7.560.247
Consumer Credit Cards-FC	11.816	-	11.816
With Installment	-	-	-
Without Installment	11.816	-	11.816
Personnel Loans-TL	5.100	57.903	63.003
Mortgage Loans	-	3.592	3.592
Automotive Loans	-	36	36
Consumer Loans	5.100	54.275	59.375
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	51.496	24	51.520
With Installment	16.959	24	16.983
Without Installment	34.537	-	34.537
Personnel Credit Cards-FC	152	-	152
With Installment	-	-	-
Without Installment	152	-	152
Credit Deposit Account-TL (Real Person)	1.403.700	-	1.403.700
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	13.542.111	27.660.161	41.202.272

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

Current Period – 31.03.2019	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	894.592	15.355.209	16.249.801
Mortgage Loans	2.995	7.640	10.635
Automotive Loans	25.630	56	25.686
Consumer Loans	865.967	15.347.513	16.213.480
Other	-	-	-
FC Indexed Commercial Installment Loans	1.353	293.501	294.854
Mortgage Loans	-	865	865
Automotive Loans	-	-	-
Consumer Loans	1.353	292.636	293.989
Other	-	-	-
Commercial Installment Loans-FC	21.278	238.457	259.735
Mortgage Loans	-	-	-
Automotive Loans	2.147	-	2.147
Consumer Loans	19.131	238.457	257.588
Other	-	-	-
Corporate Credit Cards-TL	2.485.272	55	2.485.327
With Installment	683.740	45	683.785
Without Installment	1.801.532	10	1.801.542
Corporate Credit Cards-FC	4.373	-	4.373
With Installment	-	-	-
Without Installment	4.373	-	4.373
Credit Deposit Account-TL (Legal Person)	1.000.538	-	1.000.538
Credit Deposit Account-FC (Legal person)	-	-	-
Total	4.407.406	15.887.222	20.294.628

Prior Period – 31.12.2018	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	1.013.895	12.614.322	13.628.217
Mortgage Loans	5.555	8.397	13.952
Automotive Loans	38.764	66	38.830
Consumer Loans	969.576	12.605.859	13.575.435
Other	-	-	-
FC Indexed Commercial Installment Loans	4.555	353.390	357.945
Mortgage Loans	-	1.019	1.019
Automotive Loans	-	-	-
Consumer Loans	4.555	352.371	356.926
Other	-	-	-
Commercial Installment Loans-FC	8.487	199.661	208.148
Mortgage Loans	-	-	-
Automotive Loans	3.515	-	3.515
Consumer Loans	4.972	199.661	204.633
Other	-	-	-
Corporate Credit Cards-TL	2.693.636	50	2.693.686
With Installment	795.746	43	795.789
Without Installment	1.897.890	7	1.897.897
Corporate Credit Cards-FC	2.752	-	2.752
With Installment	-	-	-
Without Installment	2.752	-	2.752
Credit Deposit Account-TL (Legal Person)	1.159.752	-	1.159.752
Credit Deposit Account-FC (Legal person)	-	-	-
Total	4.883.077	13.167.423	18.050.500

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

	Current Period 31 March 2019	Prior Period 31 December 2018
Domestic Loans	190.768.352	179.566.003
Foreign Loans	6.059.218	6.810.297
Total	196.827.570	186.376.300

6. Loans granted to investments in associates and subsidiaries:

	Current Period 31 March 2019	Prior Period 31 December 2018
Direct Loans Granted to Investments in Associates and Subsidiaries	471.140	291.767
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
Total	471.140	291.767

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

	Current Period 31 March 2019	Prior Period 31 December 2018
Loans and Other Receivables with Limited Collectibility	553.941	724.871
Loans and Other Receivables with Doubtful Collectibility	1.701.065	1.226.217
Uncollectible Loans and Receivables	2.931.555	2.611.760
Total	5.186.561	4.562.848

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

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

	III. Group Loans with Limited Collectibility	IV. Group Loans with Doubtful Collectibility	V. Group Uncollectible Loans
Current Period: 31 March 2019			
(Gross Amounts Before Specific Provisions)	71.948	187.246	153.528
Rescheduled Loans and Other Receivables	71.948	187.246	153.528
Prior Period: 31 December 2018			
(Gross Amounts Before Specific Provisions)	37.886	108.383	106.612
Rescheduled Loans and Other Receivables	37.886	108.383	106.612

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2018	1.681.186	2.853.788	3.303.647
Additions (+)	1.095.867	243.990	111.934
Transfers from Other Categories of Non-Performing Loans (+)	-	1.459.656	403.968
Transfers to Other Categories of Non-Performing Loans (-)	1.459.656	403.968	-
Collections (-)	127.731	133.386	101.851
Write-offs (-)	534	547	920
Sold Portfolio	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	1.189.132	4.019.533	3.716.778
Specific Provisions (-)	553.941	1.701.065	2.931.555
Net Balance at Balance Sheet	635.191	2.318.468	785.223

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 31 March 2019			
Balance at the End of the Period	64.468	1.844.629	578.437
Specific Provision (-)	33.257	591.808	332.144
Net Balance on Balance Sheet	31.211	1.252.821	246.293
Prior Period: 31 December 2018			
Balance at the End of the Period	239.210	1.583.409	533.704
Specific Provision (-)	87.114	532.960	279.665
Net Balance at Balance Sheet	152.096	1.050.449	254.039

Non-performing loans granted as foreign currency are followed under TL accounts of balance sheet.

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

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net): 31 March 2019			
Loans granted to corporate entities and real persons (Gross)	1.189.132	4.019.533	3.716.778
Specific Provision Amount (-)	553.941	1.701.065	2.931.555
Loans granted to corporate entities and real persons (Net)	635.191	2.318.468	785.223
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 2018			
Loans granted to corporate entities and real persons (Gross)	1.681.186	2.853.788	3.303.647
Specific Provision Amount (-)	724.871	1.226.217	2.611.760
Loans granted to corporate entities and real persons (Net)	956.315	1.627.571	691.887
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

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

	III. Group	IV. Group	V. Group
Current Period: 31 March 2019			
Interest accruals and valuation differences	119.545	589.500	218.501
Provision (-)	68.388	257.258	155.532
Prior Period: 31 December 2018			
Interest accruals and valuation differences	163.127	361.402	119.378
Provision (-)	84.613	168.980	88.875

g. Financial assets measured at amortised cost:

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

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Given as collateral/blocked	-	629.291	-	659.977
Subject to repurchase agreements	450.611	1.972.909	151.531	2.482.866
Total	450.611	2.602.200	151.531	3.142.843

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2. Information on government debt securities:

	Current Period 31 March 2019	Prior Period 31 December 2018
Government Bonds	8.664.443	9.062.489
Treasury Bills	-	-
Other Government Debt Securities	744.697	691.694
Total	9.409.140	9.754.183

3. Information on financial assets measured at amortised cost:

	Current Period 31 March 2019	Prior Period 31 December 2018
Debt Securities	12.127.447	12.328.067
Quoted at Stock Exchange	12.127.447	12.328.067
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	36.886	64.586
Total	12.090.561	12.263.481

4. The movement of financial assets measured at amortised cost:

	Current Period 31 March 2019	Prior Period 31 December 2018
Balance at the Beginning of the Period	12.263.481	18.883.032
Foreign Currency Differences on Monetary Assets	337.865	1.683.147
Purchases During Year	5.841	1.654.189
Disposals Through Sales and Redemptions (*)	(714.895)	(10.713.907)
Impairment Provision	27.699	184.506
Change in Amortized Cost	170.570	572.514
Balance at the End of the Period	12.090.561	12.263.481

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

h. Information on investments in associates (Net):

1. Information about investments in associates:

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

2. Main financial figures of associates, in the order of the above table:

The financial figures stated below have been obtained from the financial statements date 31 December 2018.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	117.093	64.965	56.060	3.632	-	15.953	9.004	-
2	342.784	211.006	206.137	16.750	-	41.206	44.798	-

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3. Movement schedule of investments in associates:

	Current Period 31 March 2019	Prior Period 31 December 2018
Balance at the Beginning of the Period	5.521	3.923
Movements During the Period		
Purchases	-	-
Bonus Shares and Contributions to Capital	-	1.598
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Impairment Provision (-)	-	-
Balance at the End of the Period	5.521	5.521
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

i. Information related to subsidiaries (Net):

1. Information on shareholders' equity of subsidiaries:

The following amounts have been obtained from the financial statements as of 31 March 2019 prepared in accordance with legislation in which companies are subject to.

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	AkÖde A.Ş.
Paid in Capital	360.007	96.802	10.534	740.648	12.000
Share Premium	-	-	-	-	-
Reserves	494.060	66.598	18.310	3.728.519	-
Gains recognized in equity as per TAS	-	(1.642)	(150)	-	-
Profit/Loss	29.480	263.106	55.930	80.896	(3.671)
- Net Current Period Profit	29.480	29.252	13.099	80.896	(579)
- Prior Year Profit/Loss	-	233.854	42.831	-	(3.092)
Development Cost of Operating Lease (-)	25	1.150	-	272	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	1.396	13.317	185	5.170	-
Total Common Equity	882.126	410.397	84.439	4.544.621	8.329
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 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	-	-	-	-	-
Total Tier I Capital	882.126	410.397	84.439	4.544.621	8.329
Tier II Capital	163.868	450	2	43.954	-
CAPITAL	1.045.994	410.847	84.441	4.588.575	8.329
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	1.045.994	410.847	84.441	4.588.575	8.329

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

2. Accounting method used for the valuation of subsidiaries: Disclosed in Note III of Section Three.

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3. Information on subsidiaries:

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

4. 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 March 2019 prepared in accordance with local regulations.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	6.947.805	881.807	165.291	131.173	-	29.480	32.795	-
2	1.390.558	424.382	24.597	102.719	400	29.252	25.021	-
3	94.439	84.547	2.121	4.352	-	13.099	9.279	-
4	31.403.621	4.550.063	52.805	316.365	19.857	80.896	52.260	-
5	9.376	8.315	1.015	461	-	(579)	(180)	-

5. Movement schedule of subsidiaries:

	Current Period 31 March 2019	Prior Period 31 December 2018
Balance at the Beginning of the Period	5.452.141	4.133.098
Movements During the Period		
Additions (*)	125.000	62.000
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	151.261	304.959
Sales/Liquidation	-	-
Revaluation Increase (**)	220.580	952.084
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	-	-
Balance at the End of the Period	5.948.982	5.452.141
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) These amounts arise from the capital increase of Ak Finansal Kiralama A.Ş. which is 99.99% subsidiary of the Bank by TL 125.000 for the current period, and for the prior period, TL 12,000 that was paid by the Bank for AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş. which is a wholly-owned subsidiary of the Bank as founding capital and the capital increase Ak Yatırım Menkul Değerler A.Ş. which is a wholly-owned subsidiary of the Bank by TL 50.000.

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

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

Subsidiaries	Current Period 31 March 2019	Prior Period 31 December 2018
Banks	4.550.063	4.248.193
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	881.675	727.051
Finance Companies	-	-
Other Financial Subsidiaries	517.244	476.897

7. Subsidiaries quoted to a stock exchange: None.

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j. Information on joint ventures: None.

k. Information on finance lease receivables (Net): None.

l. Information on the Hedging Derivative Financial Assets:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Fair Value Hedge	3.374.474	162.008	2.957.837	109.839
Cash Flow Hedge	2.399.250	162.960	1.735.939	253.669
Net Investment Hedge in a foreign operation	-	-	-	-
Total	5.773.724	324.968	4.693.776	363.508

m. Information on the investment properties: None.

n. Information on deferred tax asset:

As of 31 March 2019, the Bank has no deferred tax asset (31 December 2018: TL 23.410). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values and tax values of fixed assets, financial assets and liabilities 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 are netted-off and accounted. There are no carry forward tax losses that can be used as deductions for the tax calculation. An explanation about the net deferred tax liability is given in Note II-i-2 of Section Five.

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

	Current Period 31 March 2019	Prior Period 31 December 2018
Cost	102.272	90.384
Accumulated Depreciation (-)	77	79
Net Book Value	102.195	90.305

	Current Period 31 March 2019	Prior Period 31 December 2018
Opening Balance Net Book Value	90.305	57.520
Additions (*)	14.182	70.412
Disposals (-), net	2.292	37.545
Impairment (-)	-	82
Depreciation (-)	-	-
Closing Net Book Value	102.195	90.305

(*) The Bank has participated in 35,56% of recently established Levent Yapılandırma Yönetimi A.Ş. and the Bank's share of TL 18 has been classified under property and equipment held for sale purpose in prior period, as stated in I-f-2 in Section Five related amount reflected on "additions" row of table above.

p. Information on other assets:

Other assets amounting to TL 5.020.787 (31 December 2018: TL 6.038.884) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO 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 March 2019:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	8.054.663	5.786.148	32.440.026	421.605	3.000.726	1.096.059	18.413	50.817.640
Foreign Currency Deposits	25.541.060	13.509.299	68.121.294	2.067.685	3.253.704	3.221.375	1.676	115.716.093
Residents in Turkey	24.653.164	13.193.372	64.349.532	1.816.476	1.301.272	1.567.645	1.500	106.882.961
Residents Abroad	887.896	315.927	3.771.762	251.209	1.952.432	1.653.730	176	8.833.132
Public Sector Deposits	515.989	14.609	31.419	570	191	418	-	563.196
Commercial Deposits	8.055.685	6.175.838	8.843.520	45.768	128.320	306.773	-	23.555.904
Other Institutions Deposits	232.168	199.971	2.230.445	4.046	546.711	146.803	-	3.360.144
Precious metals Deposits	2.733.923	-	6.358	-	191.474	42.451	-	2.974.206
Interbank Deposits	1.851.978	2.311.239	4.373.850	233.465	707.763	39.685	-	9.517.980
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	9.729	2.262.492	82.118	-	639.840	32.097	-	3.026.276
Foreign Banks	245.494	48.747	4.291.732	233.465	67.923	7.588	-	4.894.949
Participation Banks	1.596.755	-	-	-	-	-	-	1.596.755
Other	-	-	-	-	-	-	-	-
Total	46.985.466	27.997.104	116.046.912	2.773.139	7.828.889	4.853.564	20.089	206.505.163

1 (ii). Prior period - 31 December 2018:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	6.822.980	6.345.090	36.807.153	1.721.311	3.056.761	1.092.246	20.081	55.865.622
Foreign Currency Deposits	20.486.286	14.924.449	53.057.717	1.775.228	5.318.165	3.180.646	1.781	98.744.272
Residents in Turkey	19.558.995	14.662.394	49.737.935	1.291.185	1.135.781	1.590.011	1.622	87.977.923
Residents Abroad	927.291	262.055	3.319.782	484.043	4.182.384	1.590.635	159	10.766.349
Public Sector Deposits	1.071.679	18.189	24.832	2.937	175	410	-	1.118.222
Commercial Deposits	6.767.674	5.804.222	6.575.839	247.305	153.440	306.084	-	19.854.564
Other Institutions Deposits	250.105	469.459	1.277.231	10.479	629.880	237.530	-	2.874.684
Precious metals Deposits	2.274.974	1.274	-	4.647	185.632	17.872	-	2.484.399
Interbank Deposits	1.477.434	1.476.165	3.737.561	301.072	457.058	-	-	7.449.290
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	10.485	1.438.256	81.704	6.275	342.171	-	-	1.878.891
Foreign Banks	112.726	37.909	3.655.857	294.797	114.887	-	-	4.216.176
Participation Banks	1.354.223	-	-	-	-	-	-	1.354.223
Other	-	-	-	-	-	-	-	-
Total	39.151.132	29.038.848	101.480.333	4.062.979	9.801.111	4.834.788	21.862	188.391.053

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2. Information on saving deposits insurance:

Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund:

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Saving Deposits	22.228.711	23.246.737	28.588.929	32.618.885
Foreign Currency Saving Deposits	12.362.013	10.341.024	55.767.693	50.682.638
Other Deposits in the Form of Saving Deposits	1.470.425	1.256.207	1.269.700	1.034.751
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	Prior Period
	31 March 2019	31 December 2018
Foreign Branches' Deposits and other accounts	47	375
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse and Children in care	1.481.602	1.208.455
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

b. Information on trading derivative financial liabilities:

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

	Current Period		Prior Period	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	TL	FC	TL	FC
Forward Transactions	338.496	-	344.315	-
Swap Transactions	9.213.676	1.214.167	10.338.317	975.810
Futures Transactions	-	-	-	-
Options	11.595	321.169	2.892	606.511
Other	-	-	-	-
Total	9.563.767	1.535.336	10.685.524	1.582.321

(*) Excluding hedge transactions.

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	270.535	404.030	253.088	375.142
From Foreign Banks, Institutions and Funds	-	37.882.032	398.158	38.700.777
Total	270.535	38.286.062	651.246	39.075.919

2. Information on maturity structure of borrowings

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Short-term	270.535	1.055.178	253.088	1.515.561
Medium and Long-term	-	37.230.884	398.158	37.560.358
Total	270.535	38.286.062	651.246	39.075.919

Securitized borrowings procured via A.R.T.S. Ltd. ("Structured Entity") which the Bank has 100% controlling power, are included in external funding sources of the Bank. Under the securitization program agreements, the Bank has sold foreign trade and customer receivables to A.R.T.S. Ltd.

3. The liabilities providing the funding sources of the Bank are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Bank 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 Bank.

d. Information on securities issued (Net):

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Bank bills	5.772.941	-	2.042.561	-
Bonds	2.214.652	8.254.702	1.907.081	8.202.364
Total	7.987.593	8.254.702	3.949.642	8.202.364

e. Information on other foreign liabilities:

Other foreign liabilities listed in "Other Liabilities" amounting to TL 1.092.651 (31 December 2018: TL 3.246.378) and do not exceed 10% of the total balance sheet.

f. Information on financial leasing agreements:

With the "IFRS 16 Leases" standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the "Lease Payables" as liability by lessees. Implementation and impacts on transition of IFRS 16 are presented in Note XXIX of Section Three.

Liabilities incurred due to financial leasing agreements:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	Gross	Net	Gross	Net
Less Than 1 Year	159.527	75.747	29.392	25.048
Between 1-4 Years	369.315	174.656	-	-
More Than 4 Years	498.118	317.691	-	-
Total	1.026.960	568.094	29.392	25.048

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g. Information on the hedging derivative financial liabilities:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
Fair Value Hedge	5.895	80.659	2.611	41.041
Cash Flow Hedge	717.371	-	644.958	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	723.266	80.659	647.569	41.041

h. Information on provisions:

1. Information on reserves for employee rights:

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

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

The reserve has been calculated by estimating the present value of the future probable obligation of the Bank 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 31 March 2019	Prior Period 31 December 2018
Discount Rate (%)	4,99	5,73
Rate for the Probability of Retirement (%)	94,65	94,45

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 6.017,60 (1 January 2018: TL 5.001,76) effective from 1 January 2019 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 31 March 2019	Prior Period 31 December 2018
Prior Period Closing Balance	208.631	204.276
Recognized as an Expense During the Period	22.729	68.105
Actuarial Loss / (Gain)	14.208	(6.579)
Paid During the Period	(17.356)	(57.171)
Balance at the End of the Period	228.212	208.631

As of 31 March 2019, the Bank has allocated vacation liability amounting to TL 122.303 (31 December 2018: TL 102.878).

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

As of 31 March 2019, the Bank has no provision related to foreign currency differences of foreign indexed loans (31 December 2018: None) and the related prior period amount is offset with the balance of foreign currency indexed loans.

3. Information on provisions for non-cash loans that are non-funded and non-transformed into cash: Expected loss provisions for non-cash loans that are non-funded and non-transformed into cash amounting to TL 340.256 as of 31 March 2019 (31 December 2018: TL 378.740).

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4. Information on other provisions:

4 (i). Information on free provision for possible risks: TL 650.000 (31 December 2018: TL 550.000).

The Bank has been allocated free provision amounting TL 650.000 thousand which has been recognised TL 100.000 thousand in current period and TL 550.000 thousand had been recognised in prior periods. (31 December 2018: TL 550.000).

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

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 45.711 (31 December 2018: TL 50.044).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Bank are explained in Note XVII of Section Three. As of 31 March 2019, The Bank has no corporate tax liability after the deduction of temporary taxes (31 December 2018: None). As of 31 March 2019, current tax asset is TL 601.308 (31 December 2018: TL 262.217).

1 (i). Information on taxes payable:

	Current Period 31 March 2019	Prior Period 31 December 2018
Corporate Taxes Payable	-	-
Taxation on Marketable Securities	229.008	165.369
Property Tax	2.408	1.983
Banking Insurance Transaction Tax (BITT)	160.194	196.929
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	3.677	13.657
Other	124.652	121.816
Total	519.939	499.754

1 (ii). Information on premium payables:

	Current Period 31 March 2019	Prior Period 31 December 2018
Social Security Premiums – Employee	-	-
Social Security Premiums – Employer	1	1
Bank Social Aid Pension Fund Premium- Employee	3	3
Bank Social Aid Pension Fund Premium – Employer	3	3
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	2.696	1.423
Unemployment Insurance – Employer	5.393	2.847
Other	215	363
Total	8.311	4.640

2. Information on deferred tax liability:

As of 31 March 2019, Turkish Lira deferred tax liability of the Bank amounts to TL 737.697 (31 December 2018: TL 283.695). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

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j. Information on subordinated loan (*):

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
To be included in the calculation of additional capital				
borrowing instruments	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	5.080.025	-	4.784.477
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	5.080.025	-	4.784.477
Total	-	5.080.025	-	4.784.477

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

k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period 31 March 2019	Prior Period 31 December 2018
Common Stock	5.200.000	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	5.200.000	10.000.000

3. Capital increases and sources in the current period and other information based on increased capital shares:

Date	Amount	Cash	Profit reserves subject to increase	Capital reserves subject to increase
22 February 2019	1.200.000	1.200.000	-	-

The explanation of the capital increase is disclosed in the footnote XX of Section Three

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 Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties at these indicators;

The Bank 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 Bank continues to its operations with strong shareholders' equity.

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7. Information on privileges given to shares representing the capital: None.
8. Information on marketable securities value increase fund:

	Current Period 31 March 2019		Prior Period 31 December 2018	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures (*)	854.103	695.147	854.478	581.490
Valuation Difference	(2.398.369)	(1.380.938)	(1.769.593)	(1.141.797)
Foreign Currency Differences	-	-	-	-
Total	(1.544.266)	(685.791)	(915.115)	(560.307)

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

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

a. Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 25.558.172 asset purchase commitments (31 December 2018: TL 15.158.299), TL 20.282.058 commitments for credit card limits (31 December 2018: TL 19.788.847), TL 3.015.809 commitments for cheque books (31 December 2018: TL 2.514.769).

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

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

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

	Current Period 31 March 2019	Prior Period 31 December 2018
Bank Acceptance Loans	950.471	2.740.341
Letters of Credit	5.924.845	6.562.959
Other Guarantees and Warranties	9.623.792	8.977.106
Total	16.499.108	18.280.406

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

	Current Period 31 March 2019	Prior Period 31 December 2018
Revocable Letters of Guarantee	1.087.278	1.015.501
Irrevocable Letters of Guarantee	20.023.971	20.344.230
Letters of Guarantee Given in Advance	2.454.319	2.723.574
Guarantees Given to Customs	1.978.486	2.094.996
Other Letters of Guarantee	9.029.397	8.878.849
Total	34.573.451	35.057.150

3. Information on non-cash loans:

	Current Period 31 March 2019	Prior Period 31 December 2018
Total amount of non-cash loans:		
Non-cash Loans Given against Cash Loans	10.970.623	10.507.617
With Original Maturity of 1 Year or Less Than 1 Year	5.869.849	5.190.839
With Original Maturity of More Than 1 Year	5.100.774	5.316.778
Other Non-cash Loans	40.101.936	42.829.939
Total	51.072.559	53.337.556

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IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

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

	Current Period 31 March 2019		Prior Period 31 March 2018	
	TL	FC	TL	FC
Short-term Loans	2.613.684	147.173	1.723.168	28.544
Medium and Long-term Loans	2.831.507	986.164	2.918.443	779.487
Interest on Loans Under Follow-Up	285.120	-	40.271	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	5.730.311	1.133.337	4.681.882	808.031

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

2. Information on interest income on banks:

	Current Period 31 March 2019		Prior Period 31 March 2018	
	TL	FC	TL	FC
From the CBRT	-	-	43.408	-
From Domestic Banks	17.895	2.206	1.470	2.984
From Foreign Banks	29.583	95.389	951	25.702
From Headquarters and Branches Abroad	-	-	-	-
Total	47.478	97.595	45.829	28.686

3. Information on interest income on marketable securities:

	Current Period 31 March 2019		Prior Period 31 March 2018	
	TL	FC	TL	FC
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	987.530	224.373	635.254	173.762
Financial Assets Measured at Amortised Cost	247.974	65.542	136.632	109.708
Total	1.235.504	289.915	771.886	283.470

As stated in Note VI of Section Three, 6-month real coupon rates remaining constant throughout the maturity, government bonds with 5-10 years maturity and CPI index in the fair value through other comprehensive income of the Bank is included in the securities portfolio, which are reflected at other comprehensive income and are valued at amortized cost. As stated in Investor's Guide on CPI-Indexed Government Bonds published by Undersecretariat of Treasury, the reference indices used in the calculation of actual coupon payment amounts is based on CPI of two months ago. The Bank sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. As of 31 March 2019, the valuation of these securities is based on 14,00% annual inflation forecast. If the valuation of these CPI-indexed securities was made according to the reference index valid for 31 March 2019, the revaluation differences of financial assets within the equity of the Bank would increase 467 million (full TL amount), the net profit for the period would be 793 million TL (full TL amount) with a decrease of 620 million TL (full TL amount).

4. Information on interest income received from associates and subsidiaries:

	Current Period 31 March 2019	Prior Period 31 March 2018
Interests Received From Investments in Associates and Subsidiaries	11.750	8.043

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

[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 31 March 2019		Prior Period 31 March 2018	
	TL	FC	TL	FC
Banks	21.821	394.278	4.276	202.365
The CBRT	-	-	-	-
Domestic Banks	7.891	2.442	3.647	1.450
Foreign Banks	13.930	391.836	629	200.915
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	9.987	-	20.680
Total	21.821	404.265	4.276	223.045

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

2. Information on interest expense given to associates and subsidiaries:

	Current Period 31 March 2019	Prior Period 31 March 2018
To Associates and Subsidiaries	7.967	14.066

3. Information on interest expense given to securities issued:

	Current Period 31 March 2019		Prior Period 31 March 2018	
	TL	FC	TL	FC
Interest expense on securities issued	237.073	186.995	169.002	135.580

4. Maturity structure of the interest expense on deposits:

There are no seven-day notification deposits.

Current Period- 31.03.2019	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	6.227	69.989	3.919	742	327	915	82.119
Saving Deposits	-	219.218	1.743.116	63.885	168.719	53.322	2.248.260
Public Sector Deposits	-	710	1.395	22	2	12	2.141
Commercial Deposits	-	304.039	448.819	10.137	7.682	15.206	785.883
Other Deposits	1	14.141	93.270	313	39.131	7.404	154.260
Total	6.228	608.097	2.290.519	75.099	215.861	76.859	3.272.663
FC							
Foreign Currency Deposits	-	79.404	507.958	10.928	31.998	16.784	647.072
Bank Deposits	62	1.055	27.570	1.353	4.519	49	34.608
Precious Metals Deposits	-	1	17	-	622	186	826
Total	62	80.460	535.545	12.281	37.139	17.019	682.506
Grand Total	6.290	688.557	2.826.064	87.380	253.000	93.878	3.955.169

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

Prior Period – 31.03.2018	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	1.166	29.320	10.050	2.271	-	-	42.807
Saving Deposits	-	487.797	983.146	13.508	20.021	18.747	1.523.219
Public Sector Deposits	-	2.081	754	35	2	4	2.876
Commercial Deposits	-	261.817	385.220	10.576	19.818	16.120	693.551
Other Deposits	1	12.480	58.458	1.541	4.617	7.614	84.711
Total	1.167	793.495	1.437.628	27.931	44.458	42.485	2.347.164
FC							
Foreign Currency Deposits	-	144.089	283.831	12.211	47.991	10.424	498.546
Bank Deposits	80	5.523	28.076	2.748	2.753	151	39.331
Precious Metals Deposits	-	-	-	-	313	124	437
Total	80	149.612	311.907	14.959	51.057	10.699	538.314
Grand Total	1.247	943.107	1.749.535	42.890	95.515	53.184	2.885.478

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

	Current Period 31 March 2019	Prior Period 31 March 2018
Profit	286.069.379	132.153.392
Income From Capital Market Transactions	132.247	114.077
Income From Derivative Financial Transactions (*)	14.611.305	7.132.015
Foreign Exchange Gains	271.325.827	124.907.300
Loss (-)	285.775.789	132.296.905
Loss from Capital Market Transactions	67.614	114.819
Loss from Derivative Financial Transactions (*)	11.940.439	6.352.765
Foreign Exchange Loss	273.767.736	125.829.321
Total (Net)	293.590	(143.513)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 2.686.963 (31 March 2018: TL 929.955).

As the TL yield curves used in the valuation of derivative transactions as of 31 March 2019 do not reflect the market conditions, necessary adjustments have been made for the determination of fair values of the related derivatives.

d. Explanations on other operating income:

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

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

e. (i) Expected provision expenses:

	Current Period 31 March 2019	Prior Period 31 March 2018
Expected Credit Loss	1.266.304	698.162
12 month expected credit loss (Stage 1)	200.673	53.916
Significant increase in credit risk (Stage 2)	253.055	246.509
Non-performing loans (Stage 3)	812.576	397.737
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	494.864	-
Total	1.761.168	698.162

(*) Includes provisions for impairment losses on financial assets at fair value through profit or loss and free provision allocated in the current year.

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

f. Information related to other operating expenses:

	Current Period 31 March 2019	Prior Period 31 March 2018
Reserve for Employee Termination Benefits	5.372	2.466
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	70.042	42.100
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	50.480	38.812
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	10
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	650.632	530.685
Leasing Expenses on TFRS 16 Exceptions (*)	27.359	51.459
Maintenance Expenses	16.429	6.682
Advertisement Expenses	27.611	24.532
Other Expenses	579.233	448.012
Loss on Sales of Assets	-	126
Other	184.237	150.120
Total	960.763	764.319

(*) 31 March 2018 amounts are all finance lease expenses.

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

As of 31 March 2019, the Bank has a current tax expense of TL 1.049.796, deferred tax expense of TL 665.714 and has no deferred tax income.

The Bank has no discontinued operations.

h. Explanations on current period net profit and loss of continued and discontinued operations:

Net profit of the Bank is TL 1.412.532 (31 March 2018: TL 1.709.214)

The Bank has no discontinued operations.

i. Other figures on profit and loss statement:

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

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

V. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

a. Information on cash and cash equivalents:

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

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

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

	Current Period	Prior Period
	31 March 2019	31 March 2018
Cash	10.245.590	4.266.470
Cash, Foreign Currency and Other	3.622.525	2.205.222
Demand Deposits in Banks (*)	6.623.065	2.061.248
Cash Equivalents	7.234.608	6.668.762
Interbank Money Market Placements	537.746	1.544.270
Time Deposits in Banks	6.689.000	5.117.991
Marketable Securities	7.862	6.501
Total Cash and Cash Equivalents	17.480.198	10.935.232

(*) The restricted demand accounts are not included.

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

	Current Period	Prior Period
	31 March 2019	31 March 2018
Cash	9.915.681	3.253.060
Cash, Foreign Currency and Other	2.949.392	2.118.108
Demand Deposits in Banks (*)	6.966.289	1.134.952
Cash Equivalents	19.733.841	5.467.129
Interbank Money Market Placements	-	2.072.738
Time Deposits in Banks	19.674.492	3.155.863
Marketable Securities	59.349	238.528
Total Cash and Cash Equivalents	29.649.522	8.720.189

(*) The restricted demand accounts are not included.

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

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

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

1. Current Period – 31 March 2019:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans					
Balance at the Beginning of the Period	291.767	410.809	5.281.095	1.074.561	10.973	7.684
Balance at the End of the Period	471.140	407.392	6.894.479	762.530	9.457	5.698
Interest and Commission Income Received	11.750	57	164.495	2.056	182	22

According to the German deposit insurance law, the Bank has given a "letter of undertaking" to the German Banking Institute related to Akbank AG, a subsidiary of the Bank. This letter of undertaking amounts to TL 12.181.851 as of 31 March 2019. (31 December 2018: TL 10.613.539)

2. Prior Period - 31 December 2018:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans					
Balance at the Beginning of the Period	346.273	274.819	5.560.592	923.699	-	-
Balance at the End of the Period	291.767	410.809	5.281.095	1.074.561	10.973	7.684
Interest and Commission Income Received (*)	8.043	43	130.478	1.723	-	-

(*) 31 March 2018 balances used for income/expense accounts.

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		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
	31.03.2019	31.12.2018	31.03.2019	31.12.2018	31.03.2019	31.12.2018
Balance at the Beginning of the Period	417.786	836.532	5.011.285	3.074.694	1.228.947	2.311.399
Balance at the End of the Period	360.950	417.786	5.246.638	5.011.285	1.269.572	1.228.947
Interest expense on Deposits (*)	7.967	14.066	86.344	65.467	34.207	56.500

(*) 31 March 2018 balances used for income/expense accounts.

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

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		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
	31.03.2019	31.12.2018	31.03.2019	31.12.2018	31.03.2019	31.12.2018
Transactions at Fair Value						
Through Profit or Loss						
Beginning of the Period	3.860.965	3.501.130	10.451.000	13.638.708	-	-
Balance at the End of the Period	3.330.432	3.860.965	15.744.442	10.451.000	-	-
Total Income/Loss (*)	11.175	2.673	52.831	13.507	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss (*)	-	-	-	-	-	-

(*) 31 March 2018 balances used for income/expense accounts.

Figures presented in the table above show the total of "sale" and "purchase" amounts of related transactions. Due to the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Bank. As of 31 March 2019, the net exposure for investments in associates and subsidiaries is TL 82.321. For direct and indirect shareholders of the Bank TL (613.942).

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

As of 31 March 2019 benefits provided to the Bank's key management amounting to TL 26.761 (31 March 2018: TL 18.440).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

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

I. EXPLANATIONS ON AUDITOR'S REVIEW REPORT

The unconsolidated financial statements for the interim period ended 31 March 2019 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 26 April 2019 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

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

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

The Message of the Chairman of the Board:

In the first quarter of 2019; the positive progress achieved in the trade negotiations between the US and China, Brexit developments, concerns about global growth, monetary policy decisions of major central banks have become the main determinants on the direction of financial markets.

Fed stated that growth of economic activity has slowed down from its solid rates more recently, however, labor market has remained strong. Accordingly; growth projections for 2019 and 2020 were somewhat revized down. Fed also revised down its 2019 median interest rate projections from two hikes to zero. It additionally announced that balance sheet reduction will be slowed in May and completed in September.

Leading indicators regarding the economic activity in Euro Area imply an economic slowdown in the region. European Central Bank (ECB) stated that it will keep short term interest rates at its low levels at least until 2019 year-end to support the economy. Additionally; it introduced a new targeted long term refinancing operation program, TLTRO-3, which is going to take place for 2-year term and quarterly starting from September 2019 until March 2021. The new TLTRO decision is expected to support the credit conditions in the region. In addition; ECB revized down its growth and inflation projections for 2019.

On the Brexit front; after a Brexit without any deal has been ruled out by the British Parliament, the official deadline for the United Kingdom to leave the European Union has been extended to 31 October.

Chinese government revized its 2019 growth target to 6% - 6.5% range while it announced tax cuts and credit stimulus to support the economy.

OECD; revized down its global growth forecasts by emphasizing the ongoing economic deceleration, continuing risks and sharper-than-expected deceleration in Europe. More recently; IMF also revized down its growth projections.

Domestically; economy grew by 2.6% in 2018, full year. In year-over-year terms; after growing by an average of 6.3% in the first half of the year, domestic economy grew by 1.8% in the third quarter and contracted by 3% in the last quarter. In 2018 full year; while private investment activities contributed negatively to annual economic growth, net exports' contribution became considerably positive. Leading indicators observed in the first quarter of 2019 signal that a recovery in the economy has started. The most recent seasonally-adjusted industrial production figures are pointing to an increase on a month-on-month basis; there is also an increase in credit activity. Postponement of deadline for the tax cuts extended to some selected sectors to the end of June is also giving some support to durable goods production.

While the contraction tendency in external trade is continuing, we expect net exports to continue providing positive contribution to growth in the first quarter and the declining trend in 12-month-cumulative current account to continue. On the other hand; the growth tendency in exports is slowing down partly due to the weakening in external demand originating from Europe.

Annual inflation was realized at 19.71% in March, after declining to its lowest level of the last 6 months in February. Core inflation; on the other hand, slid to 17.53%, its lowest level in seven months. CBRT continued to iterate that tight monetary stance will be maintained until inflation outlook displays a significant improvement. Budget deficit became 36.2 billion TL in the first quarter of 2019 due to higher year-on-year growth of expenditures vis-à-vis fiscal revenues.

In our banking sector; there is an increase in credit activity especially experienced in commercial loans, recently. Non-performing loan ratio increased to 4.1% in February but still remain low. Capital adequacy ratio is standing at 17%, above the targeted and legal thresholds.

Looking forward; developments about the trade negotiations between the US and China, monetary policy decisions of major central banks, Brexit and other global geopolitical developments would continue to affect global financial markets.

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

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

Message from the CEO

After a year marked by volatility, our economy has entered a successful period of rebalancing. The banking sector has continued to support the economy. Akbank increased its efficiency in the sector through its strong equity, risk management and its trust-based approach to banking.

In this period, the support we provided to the economy increased to a total of TL 248 billion, with TL 197 billion in cash loans. We achieved a high growth of 9% in commercial loans, which act as a driving force for the real sector. Akbank continued to provide sources for the growth and development of the real sector, our SME and corporate loans reached TL 208 billion in the first quarter. Our bank's deposits reached TL 207 billion, and our assets reached TL 357 billion. Our bank reported a net profit of TL 1 billion 413 million, after TL 384 million tax provisions.

Akbank continues to lead the way in determining the strategy and pricing of syndicated loans. Our March syndication was well-received and once again opened the syndication market. After announcing that Akbank will only roll-over USD 600 million equivalent of its syndicated loan, we received a significant oversubscription by 160% (equivalent to USD 950 million) even with the reduced 25bps in costs. On the back of robust oversubscription, we slightly revised our initial target to USD 700 million. Compared to Akbank's 2018 syndicated loan, the number of participant banks increased from 23 to 34. This successful result is a significant indicator of the trust placed in our bank and the continuing interest of international investors in our country.

We continue to invest in our bank's and our country's future. In addition to our strong balance sheet, our excellent human resources and technological infrastructure are among the strongest assets of our bank. We attach great importance to the development of these two areas and we continue our comprehensive investments. We will complete our Akbank Data and Living Center project, which broke ground in 2017, very soon. This important initiative will enable the innovation culture to grow stronger in our bank and to increase our competitive advantage. While shaping the future of banking, we will continue to attract Turkey's most talented human resources to our new center. I am happy to work with such a talented and successful team. I would like to thank our customers, shareholders and employees for this stable and strong performance.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

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A. INTRODUCTION

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

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

NEW FORM

Capital and Mode and Terms of Payment of Capital: Article: 9 –

A- The Bank adopted the authorized capital system in accordance with the provisions of Capital Market Law and implemented the authorized capital system pursuant to the Capital Markets Board's permission No. 116/1376 dated December 2, 1999. The authorized capital of the Bank is TL 10.000.000.000 (ten billion) (full TL) divided into 1.000.000.000.000 (one trillion) registered shares each with a nominal value of 1 Kuruş (full TL).

Capital Markets Board's approval of the authorized capital is valid between 2017 and 2021 (5 years). Even if the authorized capital has not been reached at the end of 2021, in order for the Board of Directors to take a decision to raise the Bank's capital after 2021, the Board is required obtain get the authorization of the General Assembly not longer than 5 years for a new time period after obtaining the permission of the Capital Markets Board for the previously approved authorized capital or a new authorized capital level. In case the aforementioned authorization is not obtained, the Bank shall not increase its capital with a Board of Directors' resolution. The Board of Directors is authorized to issue new shares and raise the issued capital up to the authorized capital in accordance with the provisions of the Capital Markets Law.

B- The issued capital of the Bank is TL 5.200.000.000 (five billion and two hundred million) divided into 520.000.000.000 (five hundred and twenty billion) (full TL) registered shares each with a nominal value of 1 Kuruş.

C- The issued capital of TL 5.200.000.000 (five billion and two hundred million) (full TL) is paid fully and in cash, free from collusion.

The shares which represent the capital are registered in accordance with the principles of dematerialization.

When necessary, the Bank's capital can be raised or lowered within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Law.

D- Unless resolved otherwise by the General Assembly, the existing shareholders of the Bank are entitled to acquire, in proportion to their current shareholding, new shares to be issued against new cash capital injection. The unused preemptive rights of the shareholders entitled to these shares - in accordance with the related communiqués of the Capital Markets Board and the applicable provisions of the Turkish Commercial Code, by addressing the Bank in the time period to be determined by the Board of Directors which is not to be shorter than 15 or longer than 60 days commencing from the event depicted by the aforementioned legislation - shall be void. The shares released due to unused preemptive rights shall be subject to the applicable legislation.

E- All shares must be registered and listed on the Stock Exchange.

F- The Board of Directors is authorized to pass resolutions with respect to issuing shares at a premium or at a discount to the nominal value accordance with the provisions of the Capital Markets Law.

Meetings of the Board of Directors: Article: 27 –

The Board of Directors meets as rendered necessary by the business and transactions of the Bank. However, a minimum of one meeting per month is mandatory. Each member may request the Chairman in writing to call a meeting of the Board. The meetings of the Board of Directors take place at the Bank's headquarters. Meeting at another location which is deemed appropriate is permitted with the approval of more than half of the members and due to exceptional reasons.

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

Those entitled to attend the Board of Directors' meeting of the Bank may do so by electronic means pursuant to Article 1527 of the Turkish Commercial Code. The Bank may establish an Electronic Meetings System by itself to enable those entitled to attend such meetings and vote by electronic means or purchase service from the systems made for this purpose pursuant to the provisions of Communiqué on Attendance at Meetings of Trading Companies by Electronic Means other than Joint Stock Companies' General Assembly Meetings. The Bank shall enable those entitled to exercise their rights set forth in the relevant regulations within the scope of the Communiqué via the said system or the service to be purchased from system providers pursuant to this provision of the Articles of Association at all meetings.

2. Important Issues and Transactions during the period

CMB approval and other procedures regarding our Bank's 30% paid-in-capital increase from TL 4.000.000.000 (full TL) to TL 5.200.000.000 (full TL) paid in cash have been completed and the new version of our Articles of Association Article 9 titled "Capital and Mode and Terms of Payment of Capital" has been registered by Istanbul Trade Registry Office on 22 November 2019.

Akbank secured a multi-currency syndicated loan facility from international markets equivalent to US 700 million, comprised of USD 356 million and EUR 303 million with 367 days maturity on 27 March 2019.

Issuance of the Covered Bond with nominal value of TL 200.000.000 (full TL) and with 5 years maturity has been completed on 15 March 2019.

Capital of Ak Lease A.Ş. which is a 99,99% subsidiary of the Bank was increased to TL 373.400.000 (full TL) via TL 125.000.000 (full TL) rights issue.

B. BANKING SECTOR FIRST QUARTER OVERVIEW

In the the first three months of 2019, loan growth in the sector was 5.5% and deposit growth in the funding side was 7,8%.

As of 31 March 2019, NPL ratio of the sector was at 3,9%.

C. UNCONSOLIDATED FINANCIAL RESULTS

1. Main Balance Sheet Items (TL Million):

	31.03.2019	31.12.2018
	Unconsolidated	Unconsolidated
	Financial Results	Financial Results
Total Asset	356.833	327.642
Loans (including Non-Performing Loans)	196.828	186.376
Deposits	206.505	188.391
Equity	47.564	43.809
Net Income (31.03.2018)	1.413	1.709

2. Main Financial Ratios (%):

	31.03.2019	31.12.2018
	Unconsolidated	Unconsolidated
	Financial Results	Financial Results
Loan / Total Assets:	55,2	56,9
Deposit / Total Assets:	57,9	57,5
Return on Equity (31.03.2018)	12,4	16,8
Return on Assets (31.03.2018)	1,7	2,1
NPL Ratio:	4,5	4,2
Capital Adequacy Ratio:	17,40	18,2
Earnings Per Share (TL) (31.03.2018)	0,00272	0,00427

3. Akbank 1Q19 Results Overview:

Akbank reported a gross profit of TL 1.797 million, setting aside TL 384 million million of tax provisions, the bank reported a net unconsolidated profit of TL 1.413 million in the three months of the year. Capital adequacy ratio of the bank has realized at 17,40% by the end of 1Q19.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

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

As of March 2019, Akbank's unconsolidated total asset realize TL 357 billion, cash loans are approximately TL 197 billion and total deposits are approximately TL 207 billion.

Akbank'in NPL ratio increased by 4,5% compared to the end of the year.

4. Bank's Expectations For 2019:

Banks' future looking expectations which was announced publicly on 8 January 2019 were below.

2019 Guidance (%)

Loan Growth	~10
Deposit Growth	~10
Net Interest Margin (swap adjusted) (*)	≥3,5
Net Fees & Commission Growth	>20
Operational Expense Growth	~ CPI
Operational Expense/Income	≤35
Total Cost of Risk	<300 bps
NPL Ratio (**)	<6
Capital Adequacy Ratio	~%16
Tier 1	~13,5
Return on Assets	≥1,4
Return on Equity	≥12

2020 and after (*)

Return on Asset	1,7-1,9%
Return on Equity	15-17%

(*) Including short and long term swap transactions.

(**) excluding any possible NPL sales.