

**AKBANK T.A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES  
AT 31 MARCH 2020 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 2020 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 this 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; he accompanying unconsolidated financial statements as at 31 March 2020 include a free provision amounting to TL 900.000 thousand which consist of TL 650.000 thousand provided in prior years and TL 250.000 thousand recognized in the 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 2020 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, 28 April 2020

**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 2020**

Address : Sabancı Center 34330, 4. Levent / İstanbul  
Telephone : (0 212) 385 55 55  
Fax : (0 212) 319 52 52  
Website : [www.akbank.com](http://www.akbank.com)  
E-mail : <http://www.akbank.com/tr-tr/genel/Sayfalar/Iletisim-Formu.aspx>

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.

28 April 2020

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:

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

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## AKBANK T.A.Ş.

### NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020

[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 THAT 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 2020, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2019: 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>
<b>Chairman:</b>	Suzan SABANCI DİNÇER	Chairman of the Board of Directors	Graduate
<b>Board of Directors:</b>	Eyüp ENGİN	Vice Chairman and 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
	N. Can PAKER	Board Member	PhD
	K. Özgür DEMİRTAŞ	Board Member	PhD
	Mehmet Tuğrul BELLİ	Board Member	Graduate
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
<b>CEO:</b>	S. Hakan BİNBAŞGİL	CEO	Graduate
<b>Head of Internal Audit:</b>	Savas KÜLCÜ	Head of Internal Audit	Graduate
<b>Executive Vice Presidents:</b>	Bülent OĞUZ	Retail Banking	Graduate
	H.Burcu CİVELEK YÜCE	Strategy, Digital Banking and Payment Systems	Graduate
	Ege GÜLTEKİN	Credit Monitoring and Follow-up	Graduate
	Levent ÇELEBİOĞLU	Corporate and Investment Banking	Undergraduate
	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 ŞARSEL	Special Credits	Graduate
	Gamze Şebnem MURATOĞLU	Treasury	Graduate
	Pınar ANAPA	People and Culture	Graduate
<b>Internal Audit Committee:</b>	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.

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**

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

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Executive Director and Chairman of the Audit Committee, Eyüp Engin was appointed as the Vice Chairman of the Board of Directors, instead of Hayri Çulhacı, at the new Bank's Board of Directors elected at the Bank's Ordinary General Assembly Meeting held on March 23, 2020..

Mehmet Tuğrul Belli was elected as a member of the board of directors at the Bank's Ordinary General Assembly Meeting held on March 23, 2020.

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

<b>Name/Commercial Title</b>	<b>Share Amounts (Nominal)</b>	<b>Share Percentages</b>	<b>Paid-in Capital (Nominal)</b>	<b>Unpaid Portion</b>
Hacı Ömer Sabancı Holding A.Ş.	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 2020, the Bank has 757 branches dispersed throughout the country and 1 branch operating abroad (31 December 2019: 770 branches and 1 branch operating abroad).

As of 31 March 2020, the Bank the Bank has 12.682 employees (31 December 2019: 12.750).

**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.S.**

**I. UNCONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2020 (STATEMENT OF FINANCIAL POSITION)**

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/03/2020)			PRIOR PERIOD (31/12/2019)		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>59.757.424</b>	<b>96.723.457</b>	<b>156.480.881</b>	<b>50.399.066</b>	<b>84.383.650</b>	<b>134.782.716</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>11.705.620</b>	<b>53.295.473</b>	<b>65.001.093</b>	<b>2.494.673</b>	<b>43.995.536</b>	<b>46.490.209</b>
1.1.1 Cash and Balances with Central Bank	(I-a)	7.596.128	37.090.682	44.686.810	2.243.224	27.650.693	29.893.917
1.1.2 Banks	(I-d)	1.563.374	16.205.026	17.768.400	251.462	16.345.284	16.596.746
1.1.3 Money Markets		2.546.136	-	2.546.136	-	-	-
1.1.4 Expected Loss Provision [-]		18	235	253	13	441	454
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>(I-b)</b>	<b>66.137</b>	<b>7.665.712</b>	<b>7.731.849</b>	<b>170.989</b>	<b>7.069.120</b>	<b>7.240.109</b>
1.2.1 Government Debt Securities		50.081	198.248	248.329	170.486	92.378	262.864
1.2.2 Equity Instruments		-	208.681	208.681	-	220.294	220.294
1.2.3 Other Financial Assets		16.056	7.258.783	7.274.839	503	6.756.448	6.756.951
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>(I-e)</b>	<b>34.485.971</b>	<b>29.617.908</b>	<b>64.103.879</b>	<b>36.087.714</b>	<b>28.554.393</b>	<b>64.642.107</b>
1.3.1 Government Debt Securities		33.944.685	16.157.301	50.101.986	35.534.282	16.168.796	51.703.078
1.3.2 Equity Instruments		15.610	607	16.217	15.610	607	16.217
1.3.3 Other Financial Assets		525.676	13.460.000	13.985.676	537.822	12.384.990	12.922.812
<b>1.5 Derivative Financial Assets</b>	<b>(I-c, I-l)</b>	<b>13.499.696</b>	<b>6.144.364</b>	<b>19.644.060</b>	<b>11.645.690</b>	<b>4.764.601</b>	<b>16.410.291</b>
1.5.1 Derivative Financial Assets at Fair Value Through Profit or Loss		10.486.421	6.144.364	16.630.785	9.551.895	4.731.384	14.283.279
1.5.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		3.013.275	-	3.013.275	2.093.795	33.217	2.127.012
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>149.962.881</b>	<b>67.667.390</b>	<b>217.630.271</b>	<b>143.880.604</b>	<b>63.238.520</b>	<b>207.119.124</b>
<b>2.1 Loans</b>	<b>(I-f)</b>	<b>144.717.803</b>	<b>64.833.636</b>	<b>209.551.439</b>	<b>142.634.804</b>	<b>61.199.371</b>	<b>203.834.175</b>
<b>2.2 Lease Receivables</b>	<b>(I-k)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.3 Factoring Receivables</b>	<b>(I-l)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.4 Other Financial Assets Measured at Amortised Cost</b>	<b>(I-g)</b>	<b>16.482.378</b>	<b>4.744.922</b>	<b>21.227.300</b>	<b>11.814.099</b>	<b>3.760.759</b>	<b>15.574.858</b>
Government Debt Securities		16.178.441	3.531.493	19.709.934	11.479.840	2.379.418	13.859.258
Other Financial Assets		303.937	1.213.429	1.517.366	334.259	1.381.341	1.715.600
<b>2.5 Expected Credit Loss [-]</b>		<b>11.237.300</b>	<b>1.911.168</b>	<b>13.148.468</b>	<b>10.568.299</b>	<b>1.721.610</b>	<b>12.289.909</b>
<b>III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(I-o)</b>	<b>163.650</b>	<b>-</b>	<b>163.650</b>	<b>636.017</b>	<b>-</b>	<b>636.017</b>
3.1 Held for Sale Purpose		163.650	-	163.650	636.017	-	636.017
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>1.600.377</b>	<b>5.396.416</b>	<b>6.996.793</b>	<b>1.625.290</b>	<b>5.111.016</b>	<b>6.736.306</b>
<b>4.1 Investments in Associates (Net)</b>	<b>(I-h)</b>	<b>8.421</b>	<b>-</b>	<b>8.421</b>	<b>5.521</b>	<b>-</b>	<b>5.521</b>
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		8.421	-	8.421	5.521	-	5.521
<b>4.2 Subsidiaries (Net)</b>	<b>(I-i)</b>	<b>1.591.956</b>	<b>5.396.416</b>	<b>6.988.372</b>	<b>1.619.769</b>	<b>5.111.016</b>	<b>6.730.785</b>
4.2.1 Unconsolidated Financial Subsidiaries		1.591.956	5.396.416	6.988.372	1.619.769	5.111.016	6.730.785
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>	<b>(I-j)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. PROPERTY AND EQUIPMENT (Net)</b>		<b>4.989.568</b>	<b>6.997</b>	<b>4.996.565</b>	<b>4.857.006</b>	<b>6.976</b>	<b>4.863.982</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>947.532</b>	<b>15</b>	<b>947.547</b>	<b>933.963</b>	<b>16</b>	<b>933.979</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		947.532	15	947.547	933.963	16	933.979
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(I-m)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(I-n)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.438</b>	<b>2.438</b>
<b>X. OTHER ASSETS (Net)</b>	<b>(I-p)</b>	<b>2.251.972</b>	<b>4.464.652</b>	<b>6.716.624</b>	<b>1.842.217</b>	<b>3.584.333</b>	<b>5.426.550</b>
<b>TOTAL ASSETS</b>		<b>219.673.404</b>	<b>174.258.927</b>	<b>393.932.331</b>	<b>204.174.163</b>	<b>156.326.949</b>	<b>360.501.112</b>

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

**AKBANK T.A.Ş.**  
**I. UNCONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2020 (STATEMENT OF FINANCIAL POSITION)**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/03/2020)			PRIOR PERIOD (31/12/2019)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>106.451.437</b>	<b>142.029.211</b>	<b>248.480.648</b>	<b>96.271.886</b>	<b>127.782.641</b>	<b>224.054.527</b>
<b>II. FUNDS BORROWED</b>	<b>(II-c)</b>	<b>324.671</b>	<b>31.983.937</b>	<b>32.308.608</b>	<b>302.890</b>	<b>31.068.206</b>	<b>31.371.096</b>
<b>III. MONEY MARKETS</b>		<b>6.777.399</b>	<b>10.459.484</b>	<b>17.236.883</b>	<b>612.415</b>	<b>8.199.349</b>	<b>8.811.764</b>
<b>IV. SECURITIES ISSUED (Net)</b>	<b>(II-d)</b>	<b>5.172.593</b>	<b>6.522.412</b>	<b>11.695.005</b>	<b>4.905.531</b>	<b>8.612.669</b>	<b>13.518.200</b>
4.1 Bills		2.982.641	-	2.982.641	2.372.587	-	2.372.587
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		2.189.952	6.522.412	8.712.364	2.532.944	8.612.669	11.145.613
<b>V. FUNDS</b>		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-b, II-g)</b>	<b>7.591.834</b>	<b>3.259.483</b>	<b>10.851.317</b>	<b>7.203.320</b>	<b>1.655.523</b>	<b>8.858.843</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		6.889.877	2.909.433	9.799.310	6.355.281	1.602.458	7.957.739
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		701.957	350.050	1.052.007	848.039	53.065	901.104
<b>VIII. FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX. LEASE LIABILITIES (Net)</b>	<b>(II-f)</b>	<b>575.079</b>	-	<b>575.079</b>	<b>574.553</b>	-	<b>574.553</b>
<b>X. PROVISIONS</b>	<b>(II-h)</b>	<b>1.645.959</b>	<b>122.199</b>	<b>1.768.158</b>	<b>1.362.723</b>	<b>168.354</b>	<b>1.531.077</b>
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		455.227	-	455.227	434.942	-	434.942
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.190.732	122.199	1.312.931	927.781	168.354	1.096.135
<b>XI. CURRENT TAX LIABILITY</b>	<b>(II-i)</b>	<b>610.955</b>	<b>2.954</b>	<b>613.909</b>	<b>735.341</b>	<b>23.651</b>	<b>758.992</b>
<b>XII. DEFERRED TAX LIABILITY</b>		<b>248.619</b>	-	<b>248.619</b>	<b>704.309</b>	-	<b>704.309</b>
<b>XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND RELATED TO THE DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	<b>(II-j)</b>	-	<b>5.918.959</b>	<b>5,918,959</b>	-	<b>5,381,534</b>	<b>5,381,534</b>
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	5,918,959	5,918,959	-	5,381,534	5,381,534
<b>XV. OTHER LIABILITIES</b>	<b>(II-e)</b>	<b>6,306,847</b>	<b>4,026,676</b>	<b>10,333,523</b>	<b>6,917,863</b>	<b>3,635,927</b>	<b>10,553,790</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(II-k)</b>	<b>55,903,518</b>	<b>(2,001,895)</b>	<b>53,901,623</b>	<b>54,116,424</b>	<b>266,003</b>	<b>54,382,427</b>
16.1 Paid-in capital		5,200,000	-	5,200,000	5,200,000	-	5,200,000
16.2 Capital Reserves		5,400,628	-	5,400,628	5,400,628	-	5,400,628
16.2.1 Share Premium		3,505,742	-	3,505,742	3,505,742	-	3,505,742
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		1,894,886	-	1,894,886	1,894,886	-	1,894,886
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		2,947,651	719,030	3,666,681	2,884,029	831,140	3,715,169
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		1,690,529	(2,720,925)	(1,030,396)	1,289,985	(565,137)	724,848
16.5 Profit Reserves		39,354,663	-	39,354,663	33,924,314	-	33,924,314
16.5.1 Legal Reserves		1,772,027	-	1,772,027	1,532,027	-	1,532,027
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		37,306,183	-	37,306,183	32,128,715	-	32,128,715
16.5.4 Other Profit Reserves		276,453	-	276,453	263,572	-	263,572
16.6 Income or (Loss)		1,310,047	-	1,310,047	5,417,468	-	5,417,468
16.6.1 Prior Periods' Income or (Loss)		-	-	-	-	-	-
16.6.2 Current Period Income or (Loss)		1,310,047	-	1,310,047	5,417,468	-	5,417,468
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>191,608,911</b>	<b>202,323,420</b>	<b>393,932,331</b>	<b>173,707,255</b>	<b>186,793,857</b>	<b>360,501,112</b>

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



**AKBANK T.A.Ş.**
**II. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 MARCH 2020**

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

	Note (Section Five)	CURRENT PERIOD (31/03/2020)			PRIOR PERIOD (31/12/2019)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>146.135.044</b>	<b>483.293.248</b>	<b>629.428.292</b>	<b>160.597.907</b>	<b>479.564.186</b>	<b>640.162.093</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(III-a-2, 3)</b>	<b>19.679.218</b>	<b>24.110.200</b>	<b>43.789.418</b>	<b>19.912.014</b>	<b>23.535.399</b>	<b>43.447.413</b>
1.1 Letters of Guarantee		16.741.631	15.069.934	31.811.565	16.956.203	14.167.206	31.123.409
1.1.1 Guarantees Subject to State Tender Law		273.837	1.531.932	1.805.769	282.800	1.422.854	1.705.654
1.1.2 Guarantees Given for Foreign Trade Operations		-	2.264.032	2.264.032	-	2.221.818	2.221.818
1.1.3 Other Letters of Guarantee		16.467.794	11.273.970	27.741.764	16.673.403	10.522.534	27.195.937
1.2 Bank Acceptances		-	54.751	54.751	-	50.678	50.678
1.2.1 Import Letter of Acceptance		-	54.751	54.751	-	50.678	50.678
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		13.336	4.485.832	4.499.168	8.409	4.358.456	4.366.865
1.3.1 Documentary Letters of Credit		13.336	3.754.670	3.768.006	8.409	3.685.663	3.694.072
1.3.2 Other Letters of Credit		-	731.162	731.162	-	672.793	672.793
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		-	13.706	13.706	-	14.790	14.790
1.8 Other Guarantees		3.990	4.481.054	4.485.044	5.990	4.931.215	4.937.205
1.9 Other Collaterals		2.920.261	4.923	2.925.184	2.941.412	13.054	2.954.466
<b>II. COMMITMENTS</b>	<b>(III-a-1)</b>	<b>46.084.978</b>	<b>18.838.709</b>	<b>64.923.687</b>	<b>43.532.774</b>	<b>23.710.713</b>	<b>67.243.487</b>
2.1 Irrevocable Commitments		45.055.176	18.838.709	63.893.885	42.539.957	23.710.713	66.250.670
2.1.1 Asset Purchase Commitments		2.218.876	6.004.130	8.223.006	3.512.234	11.250.734	14.762.968
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		8.499.483	1.318.978	9.818.461	8.228.762	1.423.408	9.652.170
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		2.878.088	-	2.878.088	2.632.311	-	2.632.311
2.1.8 Tax and Fund Liabilities from Export Commitments		4.506	-	4.506	4.430	-	4.430
2.1.9 Commitments for Credit Card Limits		26.186.031	-	26.186.031	23.193.073	-	23.193.073
2.1.10 Commitments for Credit Cards and Banking Services Promotions		106.275	-	106.275	94.381	-	94.381
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		5.161.917	11.515.601	16.677.518	4.874.766	11.036.571	15.911.337
2.2 Revocable Commitments		1.029.802	-	1.029.802	992.817	-	992.817
2.2.1 Revocable Loan Granting Commitments		1.029.802	-	1.029.802	992.817	-	992.817
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>80.370.848</b>	<b>440.344.339</b>	<b>520.715.187</b>	<b>97.153.119</b>	<b>432.318.074</b>	<b>529.471.193</b>
3.1 Hedging Derivative Financial Instruments		16.155.682	56.361.459	72.517.141	13.674.935	50.919.357	64.594.292
3.1.1 Fair Value Hedges		3.557.987	23.358.925	26.916.912	4.122.135	22.626.912	26.749.047
3.1.2 Cash Flow Hedges		12.597.695	33.002.534	45.600.229	9.552.800	28.292.445	37.845.245
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		64.215.166	383.982.880	448.198.046	83.478.184	381.398.717	464.876.901
3.2.1 Forward Foreign Currency Buy/Sell Transactions		5.531.973	13.566.901	19.098.874	6.344.720	14.293.529	20.638.249
3.2.1.1 Forward Foreign Currency Transactions-Buy		5.192.306	4.493.611	9.685.917	5.802.042	4.831.696	10.633.738
3.2.1.2 Forward Foreign Currency Transactions-Sell		339.667	9.073.290	9.412.957	542.678	9.461.833	10.004.511
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		53.092.215	313.910.973	367.003.188	72.288.056	317.407.670	389.695.726
3.2.2.1 Foreign Currency Swap-Buy		15.036.509	85.240.085	100.276.594	22.894.573	93.779.012	116.673.585
3.2.2.2 Foreign Currency Swap-Sell		31.737.706	71.768.388	103.506.094	47.063.483	72.653.394	119.716.877
3.2.2.3 Interest Rate Swap-Buy		3.159.000	78.451.250	81.610.250	1.165.000	75.487.632	76.652.632
3.2.2.4 Interest Rate Swap-Sell		3.159.000	78.451.250	81.610.250	1.165.000	75.487.632	76.652.632
3.2.3 Foreign Currency, Interest Rate and Securities Options		5.121.193	29.699.883	34.821.076	4.668.517	27.522.912	32.191.429
3.2.3.1 Foreign Currency Options-Buy		1.853.879	4.080.136	5.934.015	1.934.397	3.443.224	5.377.621
3.2.3.2 Foreign Currency Options-Sell		3.267.314	2.835.975	6.103.289	2.734.120	2.804.616	5.538.736
3.2.3.3 Interest Rate Options-Buy		-	11.391.886	11.391.886	-	10.637.536	10.637.536
3.2.3.4 Interest Rate Options-Sell		-	11.391.886	11.391.886	-	10.637.536	10.637.536
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		381.834	388.241	770.075	85.946	85.005	170.951
3.2.4.1 Foreign Currency Futures-Buy		381.834	-	381.834	85.946	-	85.946
3.2.4.2 Foreign Currency Futures-Sell		-	388.241	388.241	-	85.005	85.005
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		87.951	26.416.882	26.504.833	90.945	22.089.601	22.180.546
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>872.279.442</b>	<b>376.237.421</b>	<b>1.248.516.863</b>	<b>856.292.085</b>	<b>337.560.592</b>	<b>1.193.852.677</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>49.735.471</b>	<b>28.072.267</b>	<b>77.807.738</b>	<b>47.522.044</b>	<b>24.508.688</b>	<b>72.030.732</b>
4.1 Customer Fund and Portfolio Balances		9.879.078	2.174.551	12.053.629	9.483.940	1.309.375	10.793.315
4.2 Investment Securities Held in Custody		4.206.626	3.896.041	8.102.667	3.496.688	2.996.399	6.493.087
4.3 Cheques Received for Collection		29.109.070	3.534.188	32.643.258	28.123.634	3.036.679	31.160.313
4.4 Commercial Notes Received for Collection		6.239.523	3.503.904	9.743.427	6.116.849	3.118.920	9.235.769
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		301.174	14.963.583	15.264.757	300.933	14.047.315	14.348.248
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>215.621.371</b>	<b>114.799.596</b>	<b>330.420.967</b>	<b>208.267.187</b>	<b>102.985.636</b>	<b>311.252.823</b>
5.1 Marketable Securities		2.770.419	1.427.849	4.198.268	785.963	1.137.538	1.923.501
5.2 Guarantee Notes		648.951	629.953	1.278.904	652.116	574.500	1.226.616
5.3 Commodity		155.288	150.000	305.288	-	135.780	135.780
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		168.277.096	89.642.778	257.919.874	165.999.748	81.577.712	247.577.460
5.6 Other Pledged Items		43.769.617	22.949.016	66.718.633	40.829.360	19.560.106	60.389.466
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>606.922.600</b>	<b>233.365.558</b>	<b>840.288.158</b>	<b>600.502.854</b>	<b>210.066.268</b>	<b>810.569.122</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>1.018.414.486</b>	<b>859.530.669</b>	<b>1.877.945.155</b>	<b>1.016.889.992</b>	<b>817.124.778</b>	<b>1.834.014.770</b>

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 2020**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

<b>INCOME AND EXPENSE ITEMS</b>		<b>Note</b>	<b>CURRENT PERIOD</b>	<b>PRIOR PERIOD</b>
		<b>(Section Five)</b>	<b>(01/01-31/03/2020)</b>	<b>(01/01-31/03/2019)</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(IV-a)</b>	<b>8.072.797</b>	<b>8.614.792</b>
1.1	Interest on Loans	(IV-a-1)	5.854.750	6.798.390
1.2	Interest on Reserve Requirements		13.689	120.363
1.3	Interest on Banks	(IV-a-2)	102.097	145.073
1.4	Interest on Money Market Transactions		46.663	459
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	2.048.556	1.525.419
1.5.1	Fair Value Through Profit or Loss		5.590	-
1.5.2	Fair Value Through Other Comprehensive Income		1.497.448	1.211.903
1.5.3	Measured at Amortised Cost		545.518	313.516
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		7.042	25.088
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>(IV-b)</b>	<b>3.093.984</b>	<b>5.241.312</b>
2.1	Interest on Deposits	(IV-b-4)	2.201.020	3.955.169
2.2	Interest on Funds Borrowed	(IV-b-1)	301.107	426.086
2.3	Interest Expense on Money Market Transactions		153.980	408.308
2.4	Interest on Securities Issued	(IV-b-3)	329.593	424.068
2.5	Interest on Leases		23.216	23.078
2.6	Other Interest Expenses		85.068	4.603
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>4.978.813</b>	<b>3.373.480</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>1.125.870</b>	<b>1.126.299</b>
4.1	Fees and Commissions Received		1.362.133	1.430.352
4.1.1	Non-cash Loans		112.622	145.060
4.1.2	Other		1.249.511	1.285.292
4.2	Fees and Commissions Paid (-)		236.263	304.053
4.2.1	Non-cash Loans		1.036	141
4.2.2	Other		235.227	303.912
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>235</b>	<b>3.993</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>(IV-c)</b>	<b>(433.651)</b>	<b>293.590</b>
6.1	Trading Gains / (Losses) on Securities		(17.943)	64.633
6.2	Gains / (Losses) on Derivative Financial Transactions		401.928	2.670.866
6.3	Foreign Exchange Gains / (Losses)		(817.636)	(2.441.909)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(IV-d)</b>	<b>381.821</b>	<b>207.513</b>
<b>VIII.</b>	<b>GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>6.053.088</b>	<b>5.004.875</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSS (-)</b>	<b>(IV-e)</b>	<b>1.438.492</b>	<b>1.266.304</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>		<b>1.124.049</b>	<b>494.864</b>
<b>XI.</b>	<b>PERSONNEL EXPENSE (-)</b>		<b>760.224</b>	<b>637.591</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(IV-f)</b>	<b>1.191.951</b>	<b>960.763</b>
<b>XIII.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>1.538.372</b>	<b>1.645.353</b>
<b>XIV.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>174.485</b>	<b>151.261</b>
<b>XVI.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XVII.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)</b>	<b>(IV-g)</b>	<b>1.712.857</b>	<b>1.796.614</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(IV-g)</b>	<b>402.810</b>	<b>384.082</b>
18.1	Current Tax Provision		214.029	-
18.2	Deferred Tax Income Effect (+)		604.354	1.049.796
18.3	Deferred Tax Expense Effect (-)		415.573	665.714
<b>XVIII.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(IV-h)</b>	<b>1.310.047</b>	<b>1.412.532</b>
<b>XIX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XX.</b>	<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XXI.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)</b>		<b>-</b>	<b>-</b>
<b>XXII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
<b>XXIII.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>
<b>XXIV.</b>	<b>NET INCOME/(LOSS) (XIX+XXIV)</b>		<b>1.310.047</b>	<b>1.412.532</b>
Earning/(Loss) per share (in TL full)			0,00252	0,00320

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 2020**

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

	<b>CURRENT PERIOD</b>	<b>PRIOR PERIOD</b>
	<b>(31/03/2020)</b>	<b>(31/03/2019)</b>
<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>1.310.047</b>	<b>1.412.532</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(1.791.024)</b>	<b>(572.146)</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>(35.780)</b>	<b>102.200</b>
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Plan Remeasurement Gain/Loss	-	(14.208)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(35.780)	113.282
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	3.126
<b>2.2 Reclassified Through Profit or Loss</b>	<b>(1.755.244)</b>	<b>(674.346)</b>
2.2.1 Foreign Currency Translation Differences	239.142	107.317
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(2.466.633)	(1.112.714)
2.2.3 Cash Flow Hedge Income/Loss	82.048	196.566
2.2.4 Foreign Net Investment Hedge Income/Loss	(172.320)	(85.984)
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	562.519	220.469
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>(480.977)</b>	<b>840.386</b>

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 2020

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

	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Other (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)			Accumulated Other Comprehensive Income or Expense Reclassified through Other (Cash Flow Hedge Gain/Loss, 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 Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders' Equity		
						Accumulated Revaluation Increase/Decr ease of Property and Equipment	Accumulated Remeasurme nt Gain/Loss of Defined Benefit Plan	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	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, 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)				Profit Reserves	
<b>CURRENT PERIOD</b>																
<b>(31/03/2020)</b>																
I.		5.200.000	3.505.742	-	1.894.886	2.207.594	(178.102)	1.685.677	1.879.830	85.691	(1.240.673)	33.924.314	-	5.417.468	54.382.427	
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.		5.200.000	3.505.742	-	1.894.886	2.207.594	(178.102)	1.685.677	1.879.830	85.691	(1.240.673)	33.924.314	-	5.417.468	54.382.427	
IV.		-	-	-	-	-	-	(35.780)	239.142	(1.923.974)	(70.412)	-	-	1.310.047	(480.977)	
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.		-	-	-	-	(12.708)	-	-	-	-	-	-	12.881	-	173	
XI.		-	-	-	-	-	-	-	-	-	-	5.417.468	-	(5.417.468)	-	
11.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2		-	-	-	-	-	-	-	-	-	-	5.417.468	-	(5.417.468)	-	
11.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Period-End Balance [(I+II)+...+X+XI]</b>		<b>5.200.000</b>	<b>3.505.742</b>	<b>-</b>	<b>1.894.886</b>	<b>2.194.886</b>	<b>(178.102)</b>	<b>1.649.897</b>	<b>2.118.972</b>	<b>(1.838.283)</b>	<b>(1.311.085)</b>	<b>39.354.663</b>	<b>-</b>	<b>1.310.047</b>	<b>53.901.623</b>	

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 (TL)).

	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Other (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)			Accumulated Other Comprehensive Income or Expense Reclassified through Other (Cash Flow Hedge Gain/Loss, 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)			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders' Equity	
						Accumulated Revaluation Increase/Decr ease of	Accumulated Remeasureme nt Gain/Loss of	Property and Equipment	Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other Profit or Loss					Profit Reserves
<b>PRIOR PERIOD</b>																
<b>(31/03/2019)</b>																
I.	<b>Prior Period End Balance</b>	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.	<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	[91.412]	-	-	-	-	-	-	-	-	-	[91.412]	
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effects of the Changes in Accounting Policies	-	-	-	[91.412]	-	-	-	-	-	-	-	-	-	[91.412]	
III.	<b>Adjusted Beginning Balance (I+II)</b>	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Period-End Balance (I+II+III+...+X+XI)</b>		<b>5.200.000</b>	<b>3.505.742</b>	<b>-</b>	<b>1.894.886</b>	<b>2.207.533</b>	<b>[119.993]</b>	<b>1.555.690</b>	<b>1.732.123</b>	<b>[3.779.307]</b>	<b>31.216</b>	<b>33.923.383</b>	<b>-</b>	<b>1.412.532</b>	<b>47.563.805</b>	

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 2020**

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

	Note (Section Five)	CURRENT PERIOD (31/03/2020)	PRIOR PERIOD (31/03/2019)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1		3.958.764	2.589.155
1.1.1		7.365.996	7.101.379
1.1.2		(3.125.723)	(5.199.002)
1.1.3		235	-
1.1.4		1.331.128	1.393.957
1.1.5		(644.491)	236.907
1.1.6		550.786	362.968
1.1.7		(818.347)	(688.321)
1.1.8		(72.604)	(52.194)
1.1.9	<b>(VI-b)</b>	(628.216)	(566.539)
1.2		4.786.483	7.482.797
1.2.1		(675.045)	(320.868)
1.2.2		(1.796.334)	8.005.074
1.2.3		(6.249.023)	(10.037.678)
1.2.4		(16.398.599)	(6.898.001)
1.2.5		(1.163.446)	2.067.491
1.2.6		25.610.003	15.984.649
1.2.7		-	-
1.2.8		939.546	(813.664)
1.2.9		-	-
1.2.10	<b>(VI-b)</b>	4.519.381	(504.206)
I.		8.745.247	10.071.952
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
II.		(5.786.034)	(6.548.545)
2.1		-	(125.000)
2.2		-	-
2.3		(309.321)	(113.244)
2.4		34.194	49
2.5		(7.630.687)	(8.512.726)
2.6		9.269.222	2.482.878
2.7		(5.798.089)	(5.841)
2.8		713.021	714.895
2.9		(2.064.374)	(989.556)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
III.		(1.307.457)	7.360.778
3.1		6.362.387	19.108.851
3.2		(7.601.381)	(14.687.385)
3.3		-	3.005.742
3.4		-	-
3.5		(68.463)	(66.430)
3.6		-	-
IV.	<b>(VI-b)</b>	1.661.040	1.285.139
V.		3.312.796	12.169.324
VI.	<b>(VI-a)</b>	15.835.984	17.480.198
VII.	<b>(VI-a)</b>	19.148.780	29.649.522

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 2020**

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

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**SECTION THREE  
EXPLANATIONS ON ACCOUNTING POLICIES**

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

**a. The preparation of the 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"), Turkey Accounting Standard 34 ("IAS 34") Interim Financial Reporting Standard which is constituted by Accounting and Auditing Standards Authority ("POA") and in case where a specific regulation is not made by BRSA, "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.

The COVID-19 pandemic caused serious effects on health systems and the economy as the virus spread to the world in the first quarter of 2020, Widespread closure of businesses and unprecedented constraints in social interactions have significantly affected economic activity. Countries have taken measures to slow the spread of the pandemic, such as testing and treating patients, applying travel restrictions, quarantining citizens and canceling large meetings. Along with these social measures, comprehensive financial measures were taken simultaneously to reduce the negative effects on the economic outlook. Similarly, Turkey has many citizens' health and safety measures, as well as to ensure that companies and regulators to support the households in these challenging circumstances, fiscal and monetary actions have been implemented. Additional measures are being announced to tackle adverse impacts on companies and certain sectors. On the other hand, estimations and assumptions used to reflect COVID 19 impacts on 31 March 2020 financial statements of the Bank are explained in the relevant footnotes. A limited time has passed to evaluate the reflections of the measures taken on economic activity regarding the reporting period that ended on March 31, 2020. Therefore, it is still too early to estimate the impact of these reflections on the future financial results and afterwards on asset quality. Meanwhile, the progress of the epidemic disease and the duration of movement restrictions across the country will be closely monitored and evaluated for impact assessment.

Due to COVID-19, The Bank has provided opportunity to postpone the principal, interest and installment payments of its individual and corporate customers with the existing conditions, and has started to apply the postponement within this scope.

**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.

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**

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

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**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 gains/losses".

As of 31 March 2020, foreign currency denominated balances are translated into TL using the exchange rates of TL 6,5400 and TL 7,1782 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 and Derivative Financial Liabilities Measured at Fair Value Through Profit and Loss" 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 are explained in Note XI of Section Four. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.



**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**

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

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Embedded derivatives have not been separated from its host contract and accounted under host contracts' accounting standards. As of 31 March 2020, the Bank has no embedded derivatives (31 December 2019: None).

**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 "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 ("POA"). 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.

***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.

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.

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**

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

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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 instruments classified as financial assets at fair value though other comprehensive income are accounted at their fair values. Exceptionally, cost can be an appropriate estimation method in determining fair value. This is only possible if there is insufficient recent information on the measurement of fair value or if fair value can be measured by more than one method, and the cost reflects the fair value estimate in the best way. In the case of using this method, the accumulated fair value differences will not be reflected in the income statement.

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".

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 XI 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.

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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;

- Past 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.

However, due to COVID-19, the "more than 90 days past due" condition used in the definition of default for the classification of loans has started to be applied as "more than 180 days past due" as of 17 March 2020 in accordance with the decision of BRSA. This application will be valid until December 31, 2020. In accordance with the related amendment, the Bank has made provision in accordance with its risk policies.

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.

However, due to COVID-19, the "more than 90 days delay" condition used in the definition of default in accordance with the related legislation of BRSA started to be applied as "more than 180 days delay" as of 17 March 2020. This application will be valid until December 31, 2020.

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:**

Loans and provision ratio of a financial asset in the Bank, which have been completely write-off, do not have any expectation that it will be recovered, are applied in cases where these expectations are documented by legal means or are not classified under the 5th group and do not have reasonable expectations for recovery. It is a transaction applied to all 100% fraud and fraud-based follow-up accounts.

Partial write-off transactions mean that the financial asset will be reimbursed at a certain rate by the debtor, and the amount remaining after the payment of the amount in question or the part of the bank that is classified under group 5 and which does not have reasonable expectations to be recovered from the financial statements.

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**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.

- 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.

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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 has been no change in the assumptions in forecasting techniques.
- Model risk parameters and macroeconomic forecast models have been updated with recent data.
- The 2-scenario structure consisting of base-case scenario and negative scenario has been increased to 3 with the updated model. The expected credit loss calculation is made through these 3 scenarios.

Within the scope TFRS 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.

<b>Consumer/Commercial</b>	<b>Portfolio</b>
Retail	Consumer
Retail	Automotive
Retail	Mortgage
Retail	Credit Card
Retail	Overdraft Account
Commercial	Micro
Commercial	Company
Commercial	Commercial
Commercial	Corporate

In forward-looking expectations, 3 scenarios are being used: the base scenario, the bad scenario and the good scenario. Each scenario has predetermined weights. Final allowances are calculated by weighting the probability given to the scenarios. Within the scope of COVID-19 impact to the ECL, since the macroeconomic data used in the scenarios are not clearly predictable as of 31 March 2020, the weight of the negative scenario was increased by reducing the weights of the base and positive scenarios from the 3 scenarios used in line with the estimates of the Economic Research Unit.

**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".

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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 2020, the Bank has marketable securities amounting to TL 167.296 (31 December 2019: TL 474.457).

**XI. EXPLANATIONS ON ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (NET):**

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.

**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.

The Bank reassessed the immovable properties accounted for with its revalued amounts, as of the reporting period, taking the current market conditions and macroeconomic indicators into account, and did not change its recorded values as of the end of the year.

As of each reporting date, the Bank evaluates whether there is any indication that its assets may be impaired; If such indication exists, it estimates the recoverable amount of the related asset in accordance with TAS 36 - Impairment in Assets and if the recoverable amount is below the book value of the related asset, it reserves provision for impairment.

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	5-50 years
Transportation Vehicles	5 years
Other property and equipments	3-15 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.

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**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

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.

**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 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 30 June 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.



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

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

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

The Bank has made a provision in the financial statements for the technical deficit amounted 38.125 TL determined by the report prepared by an actuary registered in the actuaries register.

**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, 2019 and 2020, according to Law No: 7061 "The Law regarding amendments on Certain Tax Laws and their implications on Deferred Tax Calculations" published in the Official Gazette dated 5 December 2017. The corporate tax rate is applied to tax base which is calculated by adding certain non deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and exclusion of deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

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

Corporations calculate advance tax with their current rate on quarterly profits and pay until the evening of the same day by declaring until the 17th day of the second month following that period.

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 last day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five

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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 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. 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:**

There is no share certificate issuance in 2020.

**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 2020 and 31 December 2019, 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 DISTRIBUTION:**

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 23 March 2020. In the General Assembly Meeting, it was decided to transfer the remaining amount of TL 5.177.468 to extraordinary reserves after allocating TL 240.000 of the unconsolidated net profit amounting to TL 5.417.468 from 2019 activities.

**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.

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
Net Profit for the Period	1.310.047	1.412.532
Average Number of Issued Common Shares (Thousand)	520.000.000	441.333.333
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,00252</b>	<b>0,00320</b>

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

No bonus shares issued in 2020 (2019: 120.000.000.000'dir).

**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:**

Within the scope of "The Communiqué On The Amendments To The Communiqué Regarding Disclosures about Financial Statements and Related Notes to be Announced to Public by Banks " published in the Official Gazette No. 30673 dated 1 February 2019, the Bank made some classifications on statement of financial position dated 31 December 2019 and profit or loss statement, and cash flow dated 31 December 2019 to be in compliance with the presentation of financial statements dated 31 December 2019.

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**XXIX. DISCLOSURES OF TFRS 16 LEASES:**

The group has implemented accounting policy changes resulting from the initial implementation of the "TFRS 16 Leases" standard from the new standard, amendments and interpretations effective from 1 January 2019 in accordance with the transitional provisions of the relevant standard.

**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.

*Right of use assets:*

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

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.

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Details based on the asset with regard to the recognised right of use is as follows:

	<b>31 March 2020</b>	<b>31 December 2019</b>
Real estate	771.330	767.786
<b>Total right of use asset</b>	<b>771.330</b>	<b>767.786</b>

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

	<b>31 March 2020</b>	<b>31 December 2019</b>
Real estate	311.147	308.558
<b>Total right of use asset depreciation expense</b>	<b>311.147</b>	<b>308.558</b>

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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 28.413 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.

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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", additionally, calculated according to BRSA regulations dated 23 March 2020 and numbered 3397. Based on recent regulation changes ;

1) In calculating the amount subject to credit risk, the purchase rate of foreign exchange, which is the basis for the preparation of the financial statements dated 31 December 2019, can be used while calculating the valued amounts in foreign currency.

2) As of 23 March 2020, if the net valuation differences of the securities held by banks in the portfolio of "Financial Assets at Fair Value through Other Comprehensive Income" are negative, these differences may not be taken into consideration in the equity amount.

As of 31 March 2020, taking into consideration the above-mentioned regulations, the current period equity of the Bank has been calculated as TL 65.217.395 (31 December 2019: TL 62.933.513), and the capital adequacy ratio is 21,52% (31 December 2019: 20,97%). This ratio is above the minimum ratio required by the legislation.

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

	<b>Current Period 31 March 2020</b>	<b>Amounts related to treatment before 1/1/2014(*)</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.094.886	
Share issue premiums	3.505.742	
Reserves	39.354.663	
Gains recognized in equity as per TAS	5.957.314	
Profit	1.310.047	
Current Period Profit	1.310.047	
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	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>57.229.092</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	1.642	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	411.577	
Improvement costs for operating leasing	37.466	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	755.974	755.974
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>1.206.659</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>56.022.433</b>	

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	Current Period 31 March 2020	Amounts related to treatment before 1/1/2014 (*)
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
<b>Additional Tier I Capital before Deductions</b>	-	
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of 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	-	
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
<b>Total Deductions From Additional Tier I Capital</b>	-	
<b>Total Additional Tier I Capital</b>	-	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>56.022.433</b>	
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	5.872.992	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.323.281	
<b>Tier II Capital Before Deductions</b>	<b>9.196.273</b>	
<b>Deductions From Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
<b>Total Deductions from Tier II Capital</b>	-	
<b>Total Tier II Capital</b>	<b>9.196.273</b>	
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>65.218.706</b>	
<b>Deductions from Total Capital</b>		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	1.311	
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deducted Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	



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	<b>Current Period 31 March 2020</b>	<b>Amounts related to treatment before 1/1/2014(*)</b>
<b>TOTAL CAPITAL</b>		
Total Capital	65.217.395	
Total Risk Weighted Amounts	303.077.350	
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio (%)	18,48%	
Tier 1 Capital Adequacy Ratio (%)	18,48%	
Capital Adequacy Ratio (%)	21,52%	
<b>BUFFERS</b>		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2,57%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific total common equity tier 1 capital ratio (%)	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 (%)	10,48%	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Portion of the total of net long positions of investments in equity items of 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	(248.619)	
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	4.409.021	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3.323.281	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

(\*\*) 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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	Prior Period 31 December 2019	Amounts related to treatment before 1/1/2014(*)
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.094.886	
Share issue premiums	3.505.742	
Reserves	33.924.314	
Gains recognized in equity as per TAS	5.852.352	
Profit	5.417.468	
Current Period Profit	5.417.468	
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	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>55.801.202</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	86	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	717.837	
Improvement costs for operating leasing	40.431	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	760.999	760.999
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>1.519.353</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>54.281.849</b>	

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	Prior Period 31 December 2019	Amounts related to treatment before 1/1/2014 (*)
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
<b>Additional Tier I Capital before Deductions</b>	-	
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of 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	-	
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
<b>Total Deductions From Additional Tier I Capital</b>	-	
<b>Total Additional Tier I Capital</b>	-	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>54.281.849</b>	
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	5.328.000	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.325.313	
<b>Tier II Capital Before Deductions</b>	<b>8.653.313</b>	
<b>Deductions From Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
<b>Total Deductions from Tier II Capital</b>	-	
<b>Total Tier II Capital</b>	<b>8.653.313</b>	
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>62.935.162</b>	
<b>Deductions from Total Capital</b>		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	1.649	
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deducted Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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	Prior Period 31 December 2019	Amounts related to treatment before 1/1/2014(*)
<b>TOTAL CAPITAL</b>		
Total Capital	62.933.513	
Total Risk Weighted Amounts	300.070.001	
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio (%)	18,09%	
Tier 1 Capital Adequacy Ratio (%)	18,09%	
Capital Adequacy Ratio (%)	20,97%	
<b>BUFFERS</b>		
Bank specific total Common Equity Tier 1 Capital Ratio	2,57%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific counter-cyclical 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 (%)	10,09%	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Portion of the total of net long positions of investments in equity items of 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	(701.871)	
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	4.384.835	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3.325.313	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

(\*\*) 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 2020**

<b>Details on Subordinated Liabilities:</b>	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1574750292 / US00972BAB53
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	3.270 million TL (in full TL amount)
Nominal value of instrument	3.270 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 3.270 million TL (in full TL amount)
Subsequent call dates, if applicable	-
<b>Coupon/dividend payment</b>	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	7,2%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
<b>Convertible or non-convertible into equity shares</b>	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except for 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 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 2020**

<b>Details on Subordinated Liabilities:</b>	
Issuer	AKBANK T.A.Ş
Identifier(s) (CUSIP, ISIN vb.)	XS1772360803 / US00972BAC37
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	2.603 million TL (in full TL amount)
Nominal value of instrument	2.603 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 2.603 million TL (in full TL amount)
Subsequent call dates, if applicable	-
<b>Coupon/dividend payment</b>	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
<b>Convertible or non-convertible into equity shares</b>	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliance with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

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- c. The difference between Total Capital and Equity in the 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 100% 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:

	<b>USD</b>	<b>EURO</b>
Balance Sheet Evaluation Rate	6,5400 TL	7,1782 TL
1.Day bid rate	6,5160 TL	7,2150 TL
2.Day bid rate	6,4346 TL	7,0896 TL
3.Day bid rate	6,4346 TL	7,0896 TL
4.Day bid rate	6,4346 TL	7,0896 TL
5.Day bid rate	6,4560 TL	7,0610 TL

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 6,3221

EURO : TL 6,9929

As of 31 December 2019;

	<b>USD</b>	<b>EURO</b>
Balance Sheet Evaluation Rate	TL 5,9200	TL 6,6397

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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.

<b>Current Period – 31 March 2020</b>	<b>EURO</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash and Balances with Central Bank (*)	16.862.378	17.464.688	2.763.616	<b>37.090.682</b>
Banks	1.399.689	12.592.654	2.212.683	<b>16.205.026</b>
Financial Assets at Fair Value through Profit or Loss	112.616	7.553.096	-	<b>7.665.712</b>
Money Markets	-	-	-	<b>-</b>
Financial Assets at Fair Value Through Other Comprehensive Income	4.959.175	23.605.319	1.053.414	<b>29.617.908</b>
Loans and Lease Receivables (**)	38.849.276	26.748.295	64.608	<b>65.662.179</b>
Investments in Associates, Subsidiaries and Joint Ventures	5.396.416	-	-	<b>5.396.416</b>
Other financial assets measured at amortised cost	935.499	3.809.423	-	<b>4.744.922</b>
Hedging Derivative Financial Assets	151.199	239	63.196	<b>214.634</b>
Tangible Assets (Net)	-	6.997	-	<b>6.997</b>
Intangible Assets (Net)	-	15	-	<b>15</b>
Other Assets (***)	2.790.867	5.611.275	7.887	<b>8.410.029</b>
<b>Total Assets</b>	<b>71.457.115</b>	<b>97.392.001</b>	<b>6.165.404</b>	<b>175.014.520</b>
<b>Liabilities</b>				
Bank Deposits (****)	1.107.844	532.759	2.744.284	<b>4.384.887</b>
Foreign Currency Deposits (****)	48.594.548	78.915.972	10.133.804	<b>137.644.324</b>
Money Markets	366.317	10.093.167	-	<b>10.459.484</b>
Borrowings	5.786.735	26.197.202	-	<b>31.983.937</b>
Securities Issued (Net) (*****)	71.885	12.369.486	-	<b>12.441.371</b>
Miscellaneous Payables	2.367.894	1.263.174	220.871	<b>3.851.939</b>
Hedging Derivative Financial Liabilities	-	842.371	-	<b>842.371</b>
Other Liabilities	663.440	2.030.817	22.745	<b>2.717.002</b>
<b>Total Liabilities</b>	<b>58.958.663</b>	<b>132.244.948</b>	<b>13.121.704</b>	<b>204.325.315</b>
<b>Net on Balance Sheet Position</b>	<b>12.498.452</b>	<b>(34.852.947)</b>	<b>(6.956.300)</b>	<b>(29.310.795)</b>
<b>Net off-Balance Sheet Position (*****)</b>	<b>(8.991.499)</b>	<b>32.037.580</b>	<b>6.987.995</b>	<b>30.034.076</b>
Financial Derivative Assets	34.043.767	78.641.896	9.747.119	<b>122.432.782</b>
Financial Derivative Liabilities	43.035.266	46.604.316	2.759.124	<b>92.398.706</b>
<b>Non-cash Loans</b>	<b>12.535.553</b>	<b>11.174.396</b>	<b>400.251</b>	<b>24.110.200</b>
<b>Prior Period - 31 December 2019</b>				
Total Assets	58.660.493	93.659.574	4.862.717	<b>157.182.784</b>
Total Liabilities	51.687.857	124.974.355	9.865.642	<b>186.527.854</b>
<b>Net on-Balance Sheet Position</b>	<b>6.972.636</b>	<b>(31.314.781)</b>	<b>(5.002.925)</b>	<b>(29.345.070)</b>
<b>Net off-Balance Sheet Position (*****)</b>	<b>(4.202.223)</b>	<b>31.635.898</b>	<b>4.974.513</b>	<b>32.408.188</b>
Financial Derivative Assets	35.152.740	85.357.790	7.202.967	<b>127.713.497</b>
Financial Derivative Liabilities	39.354.963	53.721.892	2.228.454	<b>95.305.309</b>
<b>Non-cash Loans</b>	<b>11.695.617</b>	<b>11.330.391</b>	<b>509.391</b>	<b>23.535.399</b>

(\*) Of the Cash Equivalents and Central Bank and Other FC, TL 2.554.917 (31 December 2019: TL 1.224.161 ) are precious metal deposit account in demand.

(\*\*) The foreign currency indexed loans balance in the Turkish Lira accounts is TL 828.543 (31 December 2019: TL 936.478).

(\*\*\*) Derivative financial assets and expected credit losses are classified under other assets. The expected loss amount of foreign currency indexed loans balance is TL 18.690 (31 December 2019: TL 17.794). Prepaid assets amounted TL 54.260 (31 December 2019: TL 62.849) is excluded in the financial statements.

(\*\*\*\*) Of the foreign currency deposits TL 4.481 (31 December 2019: TL 3.314) and Bank Deposits Other FC of the TL 6.984.883 (31 December 2019: TL 4.491.847) are precious metal deposit account in demand.

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

(\*\*\*\*\*) 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.



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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):**

<b>Current Period – 31 March 2020</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash and Balances with Central Bank	5.820.315	-	-	-	-	38.866.495	<b>44.686.810</b>
Banks	5.120.283	986.990	-	-	-	11.661.127	<b>17.768.400</b>
Financial assets at fair value through profit or loss (Net)	44.555	119.778	7.226.392	71.738	44.649	224.737	<b>7.731.849</b>
Money Markets	2.546.136	-	-	-	-	-	<b>2.546.136</b>
Financial Assets at Fair Value Through Other Comprehensive Income	3.781.757	12.165.455	15.406.275	24.491.235	7.975.791	283.366	<b>64.103.879</b>
Loans and Lease Receivables (*)	56.163.201	23.954.371	49.416.353	58.275.345	6.158.124	15.584.045	<b>209.551.439</b>
Other financial assets measured at amortised cost	374.391	2.716.105	10.400.167	6.999.422	737.215	-	<b>21.227.300</b>
Other Assets (**)	5.985.177	6.035.679	8.588.326	2.896.638	982.490	1.828.208	<b>26.316.518</b>
<b>Total Assets</b>	<b>79.835.815</b>	<b>45.978.378</b>	<b>91.037.513</b>	<b>92.734.378</b>	<b>15.898.269</b>	<b>68.447.978</b>	<b>393.932.331</b>
<b>Liabilities</b>							
Bank Deposits	4.209.435	1.012.717	75.455	-	-	699.944	<b>5.997.551</b>
Other Deposits	151.097.429	26.882.140	5.710.187	22.808	3	58.770.530	<b>242.483.097</b>
Money Markets	8.673.952	2.883.985	5.678.946	-	-	-	<b>17.236.883</b>
Miscellaneous Payables	656.271	1.082.291	1.297.291	300.382	11.030	4.777.448	<b>8.124.713</b>
Securities Issued (Net) (***)	1.556.754	1.761.474	154.489	8.236.636	5.904.611	-	<b>17.613.964</b>
Borrowings	11.397.113	20.139.732	531.661	235.486	4.616	-	<b>32.308.608</b>
Other Liabilities (****)	2.414.481	3.536.439	4.429.124	1.139.854	518.842	58.128.775	<b>70.167.515</b>
<b>Total Liabilities</b>	<b>180.005.435</b>	<b>57.298.778</b>	<b>17.877.153</b>	<b>9.935.166</b>	<b>6.439.102</b>	<b>122.376.697</b>	<b>393.932.331</b>
Balance Sheet Long Position	-	-	73.160.360	82.799.212	9.459.167	-	<b>165.418.739</b>
Balance Sheet Short Position	(100.169.620)	(11.320.400)	-	-	-	(53.928.719)	<b>(165.418.739)</b>
Off-balance Sheet Long Position	3.139.837	12.918.256	-	1.548.505	976.149	-	<b>18.582.747</b>
Off-balance Sheet Short Position	-	-	(7.289.185)	-	-	-	<b>(7.289.185)</b>
<b>Total Position</b>	<b>(97.029.783)</b>	<b>1.597.856</b>	<b>65.871.175</b>	<b>84.347.717</b>	<b>10.435.316</b>	<b>(53.928.719)</b>	<b>11.293.564</b>

(\*)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.

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

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

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Prior Period – 31 December 2019	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash and Balances with Central Bank	726.416	-	-	-	-	29.167.501	<b>29.893.917</b>
Banks	3.979.324	-	1.193.354	-	-	11.424.068	<b>16.596.746</b>
Financial assets at fair value through profit or loss (Net)	9.925	529	6.860.315	121.421	27.121	220.798	<b>7.240.109</b>
Money Markets	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	5.617.995	5.476.910	20.781.475	22.820.519	9.619.718	325.490	<b>64.642.107</b>
Loans and Lease Receivables (*)	62.395.237	22.648.615	44.723.561	53.352.076	5.857.606	14.857.080	<b>203.834.175</b>
Other financial assets measured at amortised cost	2.843.838	1.155.013	6.008.502	4.907.947	659.558	-	<b>15.574.858</b>
Other Assets (**)	5.387.843	6.120.417	4.844.638	2.849.011	1.066.276	2.451.015	<b>22.719.200</b>
<b>Total Assets</b>	<b>80.960.578</b>	<b>35.401.484</b>	<b>84.411.845</b>	<b>84.050.974</b>	<b>17.230.279</b>	<b>58.445.952</b>	<b>360.501.112</b>
<b>Liabilities</b>							
Bank Deposits	3.974.517	1.381.058	258.941	-	-	1.547.408	<b>7.161.924</b>
Other Deposits	131.177.949	31.545.296	6.070.321	27.154	3	48.071.880	<b>216.892.603</b>
Money Markets	2.846.632	3.738.623	2.226.509	-	-	-	<b>8.811.764</b>
Miscellaneous Payables	656.743	1.362.641	1.111.224	176.860	2.155	5.116.395	<b>8.426.018</b>
Securities Issued (Net) (***)	4.455.944	1.136.243	246.560	4.878.114	8.182.873	-	<b>18.899.734</b>
Borrowings	10.436.203	20.093.515	615.878	221.321	4.179	-	<b>31.371.096</b>
Other Liabilities (****)	1.899.570	3.668.212	3.277.469	646.475	496.092	58.950.155	<b>68.937.973</b>
<b>Total Liabilities</b>	<b>155.447.558</b>	<b>62.925.588</b>	<b>13.806.902</b>	<b>5.949.924</b>	<b>8.685.302</b>	<b>113.685.838</b>	<b>360.501.112</b>
Balance Sheet Long Position	-	-	70.604.943	78.101.050	8.544.977	-	<b>157.250.970</b>
Balance Sheet Short Position	(74.486.980)	(27.524.104)	-	-	-	(55.239.886)	<b>(157.250.970)</b>
Off-balance Sheet Long Position	6.094.495	8.848.980	-	1.853.963	921.275	-	<b>17.718.713</b>
Off-balance Sheet Short Position	-	-	(7.839.876)	-	-	-	<b>(7.839.876)</b>
<b>Total Position</b>	<b>(68.392.485)</b>	<b>(18.675.124)</b>	<b>62.765.067</b>	<b>79.955.013</b>	<b>9.466.252</b>	<b>(55.239.886)</b>	<b>9.878.837</b>

(\*) 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.

(\*\*\*) 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.

**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 2020	EURO	USD	Yen	TL
<b>Assets</b>				
Cash and Balances with Central Bank	-	-	-	8,00
Banks	0,01	1,46	-	9,05
Financial Assets at Fair Value Through Profit or Loss (Net)	0,89	5,41	-	10,24
Money Markets	-	-	-	9,13
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	2,82	5,28	3,09	14,32
Loans and Lease Receivables	4,63	7,38	7,19	13,73
Other financial assets measured at amortised cost	1,58	5,19	-	13,74
<b>Liabilities</b>				
Bank Deposits (*)	0,09	1,39	-	8,18
Other Deposits (*)	0,17	1,09	0,11	7,85
Money Markets	2,39	1,85	-	9,57
Miscellaneous Payables	-	1,23	-	-
Securities Issued (Net) (**)	4,00	6,06	-	11,97
Borrowings	1,71	3,15	-	10,84

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

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

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<b>Prior Period – 31 December 2019</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>				
Cash and Balances with Central Bank	-	-	-	10,00
Banks	0,01	1,39	-	10,50
Financial Assets at Fair Value Through Profit or Loss (Net)	0,90	5,62	-	11,20
Money Markets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	2,86	5,22	3,09	14,19
Loans and Lease Receivables	4,85	7,45	7,19	15,40
Other financial assets measured at amortised cost	3,46	5,22	-	14,74
<b>Liabilities</b>				
Bank Deposits (*)	0,05	1,92	-	9,43
Other Deposits (*)	0,21	1,57	0,01	8,40
Money Markets	2,39	2,34	-	9,33
Miscellaneous Payables	-	2,16	-	-
Securities Issued (Net) (**)	4,00	5,68	-	12,18
Borrowings	1,72	4,03	-	12,29

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

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

**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.

**ç) 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.

**d) 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.

**e) 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.

Considering the negative economic general impact caused by the COVID-19 pandemic, it is aimed to measure the liquidity vulnerabilities that may arise by performing different scenario analyzes with using stress tests which are already part of the risk management process. The effects of cash inflows and outflows under different stress scenarios have been studied and evaluated.

**f) General information on urgent and unexpected liquidity situation plans:**

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

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**Liquidity Coverage Ratio:**

		Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
<b>Current Period – 31.03.2020</b>					
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>					
1	High quality liquid assets			82.645.264	38.868.245
<b>CASH OUTFLOWS</b>					
2	Retail and Customers Deposits	156.705.862	84.432.893	14.206.886	8.443.289
3	Stable deposits	29.274.004	-	1.463.700	-
4	Less stable deposits	127.431.858	84.432.893	12.743.186	8.443.289
5	Unsecured Funding other than Retail and Small Business Customers Deposits	83.185.624	52.902.805	44.620.885	28.972.296
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	75.349.240	48.479.219	37.946.750	24.548.844
8	Other Unsecured Funding	7.836.384	4.423.586	6.674.135	4.423.452
9	Secured funding	-	-	433.625	433.625
10	Other Cash Outflows	20.649.296	25.446.062	12.955.281	18.562.832
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	11.943.541	17.799.726	11.943.541	17.799.726
12	Debts related to the structured financial products	160.240	-	160.240	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	8.545.515	7.646.336	851.500	763.106
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	986.736	-	49.337	-
15	Other irrevocable or conditionally revocable commitments	58.593.175	11.493.015	2.929.659	574.651
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>75.195.673</b>	<b>56.986.693</b>
<b>CASH INFLOWS</b>					
17	Secured Lending Transactions	718.299	5.057	-	-
18	Unsecured Lending Transactions	30.438.313	16.367.567	22.954.530	14.597.212
19	Other contractual cash inflows	8.081.503	26.274.674	8.081.341	26.274.673
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>39.238.115</b>	<b>42.647.298</b>	<b>31.035.871</b>	<b>40.871.885</b>
<b>21</b>	<b>TOTAL HQLA STOCK</b>			<b>82.645.264</b>	<b>38.868.245</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>44.159.802</b>	<b>16.114.808</b>
<b>23</b>	<b>Liquidity Coverage Ratio (%)</b>			<b>187,15</b>	<b>241,20</b>

(\*) 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 – 31.12.2019	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 High quality liquid assets			78.871.351	36.994.257
<b>CASH OUTFLOWS</b>				
2 Retail and Customers Deposits	148.574.144	80.759.264	13.484.808	8.075.926
3 Stable deposits	27.452.122	-	1.372.606	-
4 Less stable deposits	121.122.022	80.759.264	12.112.202	8.075.926
5 Unsecured Funding other than Retail and Small Business Customers Deposits	78.674.112	49.981.150	41.660.832	26.802.191
6 Operational deposits	-	-	-	-
7 Non-Operational Deposits	70.275.142	45.964.848	34.547.992	22.786.173
8 Other Unsecured Funding	8.398.970	4.016.302	7.112.840	4.016.018
9 Secured funding	-	-	504.452	504.452
10 Other Cash Outflows	85.563.903	53.290.693	76.402.345	44.735.234
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	75.377.691	43.786.831	75.377.691	43.786.831
12 Debts related to the structured financial products	10.980	-	10.980	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	10.175.232	9.503.862	1.013.674	948.403
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	1.003.538	-	50.177	-
15 Other irrevocable or conditionally revocable commitments	56.282.290	10.549.964	2.814.115	527.498
<b>16 TOTAL CASH OUTFLOWS</b>			<b>134.916.729</b>	<b>80.645.301</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	994.368	352.830	-	-
18 Unsecured Lending Transactions	28.057.223	12.455.922	20.971.133	11.643.168
19 Other contractual cash inflows	71.575.077	53.064.819	71.574.708	53.064.794
<b>20 TOTAL CASH INFLOWS</b>	<b>100.626.668</b>	<b>65.873.571</b>	<b>92.545.841</b>	<b>64.707.962</b>
			<b>Upper limit applied amounts</b>	
<b>21 TOTAL HQLA STOCK</b>			<b>78.871.351</b>	<b>36.994.257</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>42.370.888</b>	<b>20.260.773</b>
<b>23 Liquidity Coverage Ratio (%)</b>			<b>186,92</b>	<b>183,29</b>

(\*) 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 165% during the period and remain at a quite higher level that 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 39% and securities issued by Undersecretariat of the Treasury by 57%. Funding sources are mainly distributed between individual and retail deposits by 64%, corporate deposits by 25%, and borrowings from banks by 3% and collateralized borrowings such as repurchase agreements by 2%.

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Cash outflow amounting to TL 1.612 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.

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.

	<b>Current Period – 31.03.2020</b>	
	<b>TL+FC</b>	<b>FC</b>
Lowest	165,30	158,61
Week	27.03.2020	27.03.2020
Highest	209,76	300,57
Week	28.02.2020	28.02.2020

  

	<b>Prior Period - 31.12.2019</b>	
	<b>TL+FC</b>	<b>FC</b>
Lowest	172,33	152,05
Week	4.10.2019	13.12.2019
Highest	207,73	208,93
Week	20.12.2019	18.10.2019

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

<b>Current Period – 31 March 2020</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets</b>								
Cash and Balances with Central Bank	24.388.698	20.284.423	13.689	-	-	-	-	<b>44.686.810</b>
Banks	11.661.127	5.120.283	986.990	-	-	-	-	<b>17.768.400</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	224.737	44.555	119.778	7.226.242	71.888	44.649	-	<b>7.731.849</b>
Money Markets	-	2.546.136	-	-	-	-	-	<b>2.546.136</b>
Financial Assets at Fair Value Through Other Comprehensive Income	283.366	846.504	5.732.206	10.002.890	36.990.656	10.248.257	-	<b>64.103.879</b>
Loans and Lease Receivables (*)	-	41.816.540	19.029.738	39.760.868	71.273.248	22.087.000	15.584.045	<b>209.551.439</b>
Other financial assets measured at amortised cost	-	374.391	390.069	3.737.156	12.948.707	3.776.977	-	<b>21.227.300</b>
Other Assets (**)	-	1.480.721	471.274	4.262.203	11.626.020	6.648.092	1.828.208	<b>26.316.518</b>
<b>Total Assets</b>	<b>36.557.928</b>	<b>72.513.553</b>	<b>26.743.744</b>	<b>64.989.359</b>	<b>132.910.519</b>	<b>42.804.975</b>	<b>17.412.253</b>	<b>393.932.331</b>
<b>Liabilities</b>								
Bank Deposits	699.944	4.209.435	1.012.717	75.455	-	-	-	<b>5.997.551</b>
Other Deposits	58.770.530	151.097.429	26.882.140	5.710.187	22.808	3	-	<b>242.483.097</b>
Borrowings	-	4.673.061	1.421.711	9.906.678	13.147.590	3.159.568	-	<b>32.308.608</b>
Money Markets	-	8.540.227	2.112.608	133.725	4.524.300	1.926.023	-	<b>17.236.883</b>
Securities Issued (Net) (***)	-	1.556.754	1.761.474	154.489	8.236.636	5.904.611	-	<b>17.613.964</b>
Miscellaneous Payables	-	155.524	120.375	450.380	1.818.478	802.508	4.777.448	<b>8.124.713</b>
Other Liabilities (****)	455.227	2.387.603	418.061	1.683.568	6.061.283	3.084.689	56.077.084	<b>70.167.515</b>
<b>Total Liabilities</b>	<b>59.925.701</b>	<b>172.620.033</b>	<b>33.729.086</b>	<b>18.114.482</b>	<b>33.811.095</b>	<b>14.877.402</b>	<b>60.854.532</b>	<b>393.932.331</b>
<b>Net Liquidity Excess/ (Gap)</b>	<b>(23.367.773)</b>	<b>(100.106.480)</b>	<b>(6.985.342)</b>	<b>46.874.877</b>	<b>99.099.424</b>	<b>27.927.573</b>	<b>(43.442.279)</b>	<b>-</b>
<b>Net off-balance sheet position</b>	<b>-</b>	<b>551.967</b>	<b>(123.265)</b>	<b>1.716.518</b>	<b>5.522.732</b>	<b>3.625.610</b>	<b>-</b>	<b>11.293.562</b>
Financial Derivative Assets	-	57.140.888	18.875.714	46.082.158	93.584.819	54.292.036	-	<b>269.975.615</b>
Financial Derivative Liabilities	-	56.588.921	18.998.979	44.365.640	88.062.087	50.666.426	-	<b>258.682.053</b>
<b>Non-cash loans (*****)</b>	<b>-</b>	<b>3.363.257</b>	<b>267.229</b>	<b>6.719.552</b>	<b>12.077.266</b>	<b>21.362.114</b>	<b>-</b>	<b>43.789.418</b>
<b>Prior Period - 31 December 2019</b>								
Total Assets	29.329.474	66.382.770	24.621.990	60.045.178	124.166.928	38.646.677	17.308.095	<b>360.501.112</b>
Total Liabilities	50.054.230	143.169.458	37.166.936	22.716.866	28.752.584	16.582.779	62.058.259	<b>360.501.112</b>
<b>Net Liquidity Gap</b>	<b>(20.724.756)</b>	<b>(76.786.688)</b>	<b>(12.544.946)</b>	<b>37.328.312</b>	<b>95.414.344</b>	<b>22.063.898</b>	<b>(44.750.164)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>443.279</b>	<b>518.593</b>	<b>226.870</b>	<b>5.843.566</b>	<b>2.846.529</b>	<b>-</b>	<b>9.878.837</b>
Financial Derivative Assets	-	56.730.752	27.319.181	43.838.394	92.859.957	56.042.115	-	<b>276.790.399</b>
Financial Derivative Liabilities	-	56.287.473	26.800.588	43.611.524	87.016.391	53.195.586	-	<b>266.911.562</b>
<b>Non-cash Loans (*****)</b>	<b>-</b>	<b>2.453.295</b>	<b>193.530</b>	<b>6.944.422</b>	<b>12.452.299</b>	<b>21.403.867</b>	<b>-</b>	<b>43.447.413</b>

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

(\*\*) 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.



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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 2020, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is 11,15 % (31 December 2019: 11,08%). This ratio is above the minimum ratio which is 3%.

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2020 (*)</b>	<b>31 December 2019 (*)</b>
<b>Balance sheet Assets</b>		
1		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	365.145.662	342.271.786
2		
(Assets deducted from Core capital)	-	-
3		
Total risk amount of balance sheet assets (sum of lines 1 and 2)	365.145.662	342.271.786
<b>Derivative financial assets and credit derivatives</b>		
4		
Cost of replenishment for derivative financial assets and credit derivatives	13.102.370	12.596.877
5		
Potential credit risk amount of derivative financial assets and credit derivatives	5.141.009	4.879.314
6		
Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	18.243.379	17.476.191
<b>Financing transactions secured by marketable security or commodity</b>		
7		
Risk amount of financing transactions secured by marketable security or commodity	2.223.856	1.559.964
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)	2.223.856	1.559.964
<b>Off-balance sheet transactions</b>		
10		
Gross notional amount of off-balance sheet transactions	109.921.243	122.150.500
11		
(Correction amount due to multiplication with credit conversion rates)	(882.011)	(886.628)
12		
Total risk of off-balance sheet transactions (sum of lines 10 and 11)	109.039.232	121.263.872
<b>Capital and total risk</b>		
13		
Core Capital	55.113.403	53.421.955
14		
Total risk amount(sum of lines 3, 6, 9 and 12)	494.652.129	482.571.813
<b>Leverage ratio</b>		
15		
Leverage ratio	11,15	11,08

(\*) 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.

In the event of unexpected negative economic conditions, stress tests are carried out regularly considering the exchange rate and interest rate shocks and the deterioration of the loan portfolio at different stress rates. Also, for stresses caused by the COVID-19 pandemic, the intensities are increased and the effects on equity and capital adequacy ratios are measured.

**Overview of RWA:**

	Risk Weighted Amount		Minimum capital requirement
	Current Period 31 March 2020	Prior Period 31 December 2019	Current Period 31 March 2020
1 Credit risk (excluding counterparty credit risk) (CCR)	247.726.565	249.073.962	19.818.125
2 Standardized approach (SA)	247.726.565	249.073.962	19.818.125
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	17.868.786	16.641.838	1.429.503
5 Standardized approach for counterparty credit risk (SA-CCR)	17.868.786	16.641.838	1.429.503
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	267.149	309.273	21.372
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	4.718.581	6.775.331	377.486
17 Standardized approach (SA)	4.718.581	6.775.331	377.486
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	32.496.270	27.269.597	2.599.702
20 Basic Indicator Approach	32.496.270	27.269.597	2.599.702
21 Standard Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>303.077.350</b>	<b>300.070.001</b>	<b>24.246.188</b>

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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 due to ineffectiveness of efficiency tests;

- 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 risk hedging in order to hedge its foreign currency risk from its investments abroad. The effective part of the fair value change of the hedging instrument in the hedging transaction in question was accounted in the "Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss" account under equity.

According to the Financial Stability Board's report of "Major Indicator Interest Rates Reform" which was dated July 2014, the Bank evaluates the transition effects related to hedging transactions within the scope of the 'Indicator Interest Rate Reform' which expresses the market-wide reform regarding the interest rate.

Based on the "Main Benchmark Interest Rates Reform" report of the Financial Stability Board dated July 2014, it is expected that the hedging transactions within the scope of the "Benchmark Interest Rate Reform" are reviewed and the possible effects of the reform are reflected in the financial statements. The bank has made foreign currency interest rate swaps to hedge the cash flow risk of USD 1,009,018 of its floating rate USD LIBOR-indexed debts directly affected by the interest rate reform. In addition to this; with the regulation titled "Changes in TFRS 9, TMS 39 and TFRS 7 Benchmark Interest Rate Reform" published by the International Accounting Standards Board in September 2019, the applications related to the termination of hedge accounting required by the reform were temporarily exempted. Within this scope, there is no risk accounting transaction that was terminated due to reform in the 31 March 2020 reports.

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As of 31 March 2020, 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 2020			Prior Period 31 December 2019		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	16.155.682	5.714.738	756.628	13.674.935	5.166.090	919.269
-FC	56.361.459	214.634	842.371	50.919.357	184.595	244.871
<b>Total</b>	<b>72.517.141</b>	<b>5.929.372</b>	<b>1.598.999</b>	<b>64.594.292</b>	<b>5.350.685</b>	<b>1.164.140</b>

**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: 31.03.2020**

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	(532.728)	509.737	(22.991)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	9.600	(8.088)	1.512
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(63.785)	63.246	(539)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	1.481.234	(1.476.645)	4.589
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	(43.535)	44.163	628
Cross-currency swap	Fixed interest rate TL Commercial Loans, FC borrowings	Interest rate and currency risk	(23.858)	23.492	(366)

(\*) 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.

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**Prior Period: 31.12.2019**

<b>Hedging Instrument</b>	<b>Hedged Item</b>	<b>Risk Exposure</b>	<b>Fair Value Difference of Hedging Instrument</b>	<b>Fair Value Difference of Hedged Items (*)</b>	<b>Ineffective Portion (**)</b>
Interest Rate Swap	Fixed interest rate FC financial assets at fair value through other comprehensive income	Interest rate risk	(265.774)	230.915	(34.859)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(76.688)	73.920	(2.768)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	2.101.157	(2.092.746)	8.411
Cross-currency swap	Fixed interest rate TL Commercial Loans, FC borrowings	Interest rate and currency risk	(23.858)	23.858	-

(\*) 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 2020 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 due to ineffectiveness of efficiency tests with the information related discontinuous transactions are given below:

- As of 31 March 2020, 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 (4.251) (31 December 2019: TL 1.566).

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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	-	350.050	(378.123)	(338)	(6.835)
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	3.001.837	108.164	124.458	(250.468)	8.865
Cross Currency Swap	Floating-rate FC given loans	Cash Flow risk due to changes in interest rate of funds	-	137.048	10.815	17.028	43
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	11.439	456.745	54.119	(31.691)	769

As of 31 March 2020 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 2020, 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 15.544 (31 December 2019: TL (10.260).

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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 2020 and 31 December 2019 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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	<b>Retail Banking</b>	<b>Commercial Banking, Corporate-Investment, Private Banking and Wealth Management</b>	<b>Treasury</b>	<b>Other and Unallocated</b>	<b>Bank's Total Activities</b>
<b>Current Period - 31 March 2020</b>					
Operating Income	2.181.026	1.498.942	2.331.173	41.712	6.052.853
Profit from Operating Activities	303.685	(325.757)	2.220.874	(660.665)	1.538.137
Income from Subsidiaries	-	-	-	235	235
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	174.485	174.485
Profit before Tax	303.685	(325.757)	2.220.874	(485.945)	1.712.857
Corporate Tax	-	-	-	(402.810)	(402.810)
Net Profit for the Period	303.685	(325.757)	2.220.874	(888.755)	1.310.047
Segment Assets	88.168.572	147.379.196	134.506.197	-	370.053.965
Investments in Associates	-	-	-	6.996.793	6.996.793
Undistributed Assets	-	-	-	16.881.573	16.881.573
Total Assets					393.932.331
Segment Liabilities	158.465.571	84.710.097	83.315.751	-	326.491.419
Undistributed Liabilities	-	-	-	13.539.289	13.539.289
Shareholders' Equity	-	-	-	53.901.623	53.901.623
Total Liabilities					393.932.331

	<b>Retail Banking</b>	<b>Commercial Banking, Corporate-Investment, Private Banking and Wealth Management</b>	<b>Treasury</b>	<b>Other and Unallocated</b>	<b>Bank's Total Activities</b>
<b>Prior Period - 31 December 2019(*)</b>					
Operating Income	2.369.069	1.668.102	250.319	713.394	5.000.884
Profit from Operating Activities	654.769	478.376	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	654.769	478.376	151.806	511.663	1.796.614
Corporate Tax	-	-	-	(384.082)	(384.082)
Net Profit for the Period	654.769	478.376	151.806	127.581	1.412.532
Segment Assets	78.687.822	140.181.290	119.395.316	-	338.264.428
Investments in Associates	-	-	-	6.736.306	6.736.306
Undistributed Assets	-	-	-	15.500.378	15.500.378
Total Assets					360.501.112
Segment Liabilities	148.360.737	69.572.454	74.062.774	-	291.995.965
Undistributed Liabilities	-	-	-	14.122.720	14.122.720
Shareholders' Equity	-	-	-	54.382.427	54.382.427
Total Liabilities					360.501.112

(\*) 31 March 2019 amounts are used for income statement accounts.



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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 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Cash/Foreign Currency	1.769.202	2.028.014	1.510.065	1.772.119
The CBRT (*)	5.826.926	34.995.422	733.159	25.808.586
Other (**)	-	67.246	-	69.988
<b>Total</b>	<b>7.596.128</b>	<b>37.090.682</b>	<b>2.243.224</b>	<b>27.650.693</b>

(\*) Precious metal account amounting to TL 2.487.672 are included in FC. (31 December 2019: TL 1.154.187)

(\*\*) Precious metal account amounting to TL 67.245 are included in FC. (31 December 2019: TL 69.974)

2. Information related to the account of the CBRT:

	Current Period 31 March 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Unrestricted Demand Deposits	6.625	-	6.753	-
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Reserve Requirement	5.820.301	34.995.422	726.406	25.808.586
<b>Total</b>	<b>5.826.926</b>	<b>34.995.422</b>	<b>733.159</b>	<b>25.808.586</b>

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. The CBRT pays interest to banks that provide credit growth in accordance with the communiqué principles dated December 9, 2019 and numbered 2019/19, for Turkish Lira required reserves.

The required rates for the required reserves established in the CBRT are between 1% and 7% according to the maturity structure in Turkish currency (31 December 2019: between 1% and 7%); in foreign currency, it is between 5% and 21% depending on the maturity structure (31 December 2019: between 5% and 21%) as of 31 March 2020.

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

As of 31 March 2020, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2019: None) and given as collateral/blocked (31 December 2019: None).

Other Financial Assets:

In the previous period, syndication loans extended to Ojer Telekomünikasyon A.Ş. were restructured. Within this scope, a pledge was established in favor of lenders in order to establish collateral for these loans. LYY Telekomünikasyon A.Ş., which was established as a special-purpose company in which 192.500.000.000 Group A shares, which constitute 55% of Türk Telekom's issued capital, are all direct or indirect partners. The acquisition of the company (formerly Levent Yapılandırma Yönetimi A.Ş.) was completed on 21 December 2018. The Bank has participated in LYY Telekomünikasyon A.Ş. with a 35.56% share in the receivables from OTAŞ.

Later on, at the Ordinary General Assembly Meeting of LYY Telekomünikasyon A.Ş. which was held on 23 September 2019, it was decided to convert some of the loan into capital and add it to the capital of LYY Telekomünikasyon A.Ş. The nominal value of their shares in TL increased from 18 TL to 1.416.090 TL. This amount is classified in the financial statements under the line "Assets for Sale and Discontinued Operations". As of 31 March 2020, the value of the part pursued as loan is TL 7.594.385, and it is classified under "Other Financial Assets" under "Financial Assets at Fair

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Value through Profit Loss". The total fair value impairment accounted for the total amount turned into credit and capital is TL 1.809.806 and the amount of TL 1.416.090 of this amount is accounted under the "Assets Held for Sale and Discontinued Operations" and TL 393.716 is accounted under "Other Financial Assets" which is the sub-item of "Financial Assets at Fair Value through Profit Loss".

Financial assets, whose fair value difference is reflected in profit and loss and the part that is transformed into capital, amount to TL 7.200.669 in total, these are measured at fair value within the scope of TFRS 9 Financial Instruments Standard and TFRS 5 Non-current Assets Held for Sale and Discontinued Operations Standard. This value is determined based on the valuation study of an independent valuation company. In this valuation study, the fair value was determined by taking into account the average of different methods (discounted cash flows, similar market multipliers, similar transaction multipliers in the same sector, market value and analyst reports). Within the scope of IFRS 13, loans are followed under Level 3. Possible changes in the basic assumptions in the valuation study will affect the carrying value of the loan and the amount converted into capital.

If the growth rate and risk-free return rate on investment used in the discounted cash flow method in the valuation report are increased or decreased by 0.25%, provided that all other variables are constant, the total value of assets recognized in the financial statements and profit before tax will increase by about TL 170 million or will decrease by TL 150 million.

The main purpose of the creditor banks is to transfer the mentioned Türk Telekom shares to an expert investor by providing the necessary conditions as quickly as possible. An international investment bank has been assigned as consultant for the sale of LYY Telekomünikasyon A.Ş.'s 55% shares in Türk Telekomünikasyon A.Ş. on 19 September 2019. Within this context, necessary work and discussions with potential investors will be initiated.

As of the reporting date, the Bank has reevaluated the fair value of LYY Telekomünikasyon A.Ş. by considering current market conditions and macroeconomic indicators and accordingly, there has been no change in the fair value of the financial asset as of the year-end.

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

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

	Current Period 31 March 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Forward Transactions	382.726	-	482.816	-
Swap Transactions	7.379.619	5.857.863	5.987.707	4.519.244
Futures Transactions	-	-	-	-
Options	22.613	71.867	9.077	60.763
Other	-	-	-	-
<b>Total</b>	<b>7.784.958</b>	<b>5.929.730</b>	<b>6.479.600</b>	<b>4.580.007</b>

(\*) Excluding hedging derivatives financial assets.

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

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

	Current Period 31 March 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Banks				
Domestic	1.563.374	1.036.354	371	799.261
Foreign	-	15.168.672	251.091	15.546.023
Head Quarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>1.563.374</b>	<b>16.205.026</b>	<b>251.462</b>	<b>16.345.284</b>

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

1. As of 31 March 2020, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 13.167.513 (31 December 2019: TL 7.479.313); and those given as collateral/blocked amounting to TL 13.553.558 (31 December 2019: 16.700.959).

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

	Current Period 31 March 2020		Prior Period 31 December 2019	
	Debt Securities			
Quoted at Stock Exchange (*)		66.510.571		65.544.278
Unquoted at Stock Exchange		66.054.197		63.642.115
Share Certificates		456.374		1.902.163
Quoted at Stock Exchange		16.217		16.217
Unquoted at Stock Exchange		-		-
Impairment Provision (-)		16.217		16.217
		2.422.909		918.388
<b>Total</b>		<b>64.103.879</b>		<b>64.642.107</b>

(\*) Investment funds are included.

**f. Information related to loans:**

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

	Current Period 31 March 2020		Prior Period 31 December 2019	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders				
Corporate Shareholders	-	97	-	97
Real Person Shareholders	-	97	-	97
Indirect Loans Granted to Shareholders	7.043.605	1.621.020	6.444.515	1.048.264
Loans Granted to Employees	129.577	-	132.254	-
<b>Total</b>	<b>7.173.182</b>	<b>1.621.117</b>	<b>6.576.769</b>	<b>1.048.361</b>

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

<b>Current Period - 31 March 2020</b>	<b>Loans under follow-up</b>			
	<b>Standard Loans</b>	<b>Loans not subject to restructuring</b>	<b>Loans with revised contract terms</b>	<b>Refinance</b>
<b>Cash Loans</b>				
Non-specialized Loans				
Loans given to enterprises	21.087.707	2.909.306	6.327	2.327.031
Export Loans	11.357.092	271.912	-	101.653
Import Loans	-	-	-	-
Loans Given to Financial Sector	9.589.187	757	-	4.573
Consumer Loans	33.070.989	1.609.706	869.925	4.948
Credit Cards	14.746.782	681.727	662.713	-
Other	75.756.437	5.288.745	644.957	12.974.920
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>165.608.194</b>	<b>10.762.153</b>	<b>2.183.922</b>	<b>15.413.125</b>

		<b>Current Period 31 March 2020</b>		<b>Prior Period 31 December 2019</b>
<b>Expected Credit Loss Stage I and Stage II</b>	<b>Standard Loans</b>	<b>Loans under Follow-up</b>	<b>Standard Loans</b>	<b>Loans under Follow-up</b>
12 Month Expected Credit Losses	630.012	-	578.360	-
Significant Increase in Credit Risk	-	3.341.754	-	3.355.385
<b>Total</b>	<b>630.012</b>	<b>3.341.754</b>	<b>578.360</b>	<b>3.355.385</b>

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

<b>Current Period - 31.03.2020</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>578.856</b>	<b>33.468.711</b>	<b>34.047.567</b>
Mortgage Loans	865	9.550.201	9.551.066
Automotive Loans	212	139.128	139.340
Consumer Loans	577.779	23.779.382	24.357.161
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>-</b>	<b>1.002</b>	<b>1.002</b>
Mortgage Loans	-	1.002	1.002
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Credit Cards-TL</b>	<b>12.906.838</b>	<b>630.733</b>	<b>13.537.571</b>
With Installment	4.346.294	629.740	4.976.034
Without Installment	8.560.544	993	8.561.537
<b>Consumer Credit Cards-FC</b>	<b>8.597</b>	<b>-</b>	<b>8.597</b>
With Installment	-	-	-
Without Installment	8.597	-	8.597
<b>Personnel Loans-TL</b>	<b>3.891</b>	<b>75.949</b>	<b>79.840</b>
Mortgage Loans	-	3.217	3.217
Automotive Loans	-	37	37
Consumer Loans	3.891	72.695	76.586
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>49.471</b>	<b>115</b>	<b>49.586</b>
With Installment	17.622	115	17.737
Without Installment	31.849	-	31.849
<b>Personnel Credit Cards-FC</b>	<b>151</b>	<b>-</b>	<b>151</b>
With Installment	-	-	-
Without Installment	151	-	151
<b>Credit Deposit Account - TL (Real Person)</b>	<b>1.427.159</b>	<b>-</b>	<b>1.427.159</b>
<b>Credit Deposit Account - FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>14.974.963</b>	<b>34.176.510</b>	<b>49.151.473</b>

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<b>Prior Period - 31.12.2019</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>416.245</b>	<b>30.237.038</b>	<b>30.653.283</b>
Mortgage Loans	641	9.304.396	9.305.037
Automotive Loans	499	136.892	137.391
Consumer Loans	415.105	20.795.750	21.210.855
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>-</b>	<b>1.065</b>	<b>1.065</b>
Mortgage Loans	-	1.065	1.065
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Credit Cards-TL</b>	<b>12.854.524</b>	<b>617.059</b>	<b>13.471.583</b>
With Installment	4.719.975	616.476	5.336.451
Without Installment	8.134.549	583	8.135.132
<b>Consumer Credit Cards-FC</b>	<b>14.658</b>	<b>-</b>	<b>14.658</b>
With Installment	-	-	-
Without Installment	14.658	-	14.658
<b>Personnel Loans-TL</b>	<b>3.762</b>	<b>70.496</b>	<b>74.258</b>
Mortgage Loans	-	3.117	3.117
Automotive Loans	-	80	80
Consumer Loans	3.762	67.299	71.061
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>57.635</b>	<b>108</b>	<b>57.743</b>
With Installment	20.366	108	20.474
Without Installment	37.269	-	37.269
<b>Personnel Credit Cards-FC</b>	<b>253</b>	<b>-</b>	<b>253</b>
With Installment	-	-	-
Without Installment	253	-	253
<b>Credit Deposit Account-TL (Real Person)</b>	<b>1.385.726</b>	<b>-</b>	<b>1.385.726</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>14.732.803</b>	<b>30.925.766</b>	<b>45.658.569</b>

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

<b>Current Period - 31.03.2020</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>345.568</b>	<b>12.409.767</b>	<b>12.755.335</b>
Mortgage Loans	369	8.180	8.549
Automotive Loans	9.455	751	10.206
Consumer Loans	335.744	12.400.836	12.736.580
Other	-	-	-
<b>FC Indexed Commercial Installment Loans</b>	<b>-</b>	<b>73.350</b>	<b>73.350</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	73.350	73.350
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>6.044</b>	<b>364.076</b>	<b>370.120</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	6.044	364.076	370.120
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>2.482.442</b>	<b>11.521</b>	<b>2.493.963</b>
With Installment	789.648	11.473	801.121
Without Installment	1.692.794	48	1.692.842
<b>Corporate Credit Cards-FC</b>	<b>1.354</b>	<b>-</b>	<b>1.354</b>
With Installment	-	-	-
Without Installment	1.354	-	1.354
<b>Credit Deposit Account - TL (Legal Person)</b>	<b>1.047.148</b>	<b>-</b>	<b>1.047.148</b>
<b>Credit Deposit Account - FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3.882.556</b>	<b>12.858.714</b>	<b>16.741.270</b>

<b>Prior Period - 31.12.2019</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>159.072</b>	<b>13.267.296</b>	<b>13.426.368</b>
Mortgage Loans	236	6.130	6.366
Automotive Loans	4.912	809	5.721
Consumer Loans	153.924	13.260.357	13.414.281
Other	-	-	-
<b>FC Indexed Commercial Installment Loans</b>	<b>-</b>	<b>98.153</b>	<b>98.153</b>
Mortgage Loans	-	521	521
Automotive Loans	-	-	-
Consumer Loans	-	97.632	97.632
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>9.807</b>	<b>353.752</b>	<b>363.559</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	9.807	353.752	363.559
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>2.561.575</b>	<b>10.361</b>	<b>2.571.936</b>
With Installment	842.379	10.344	852.723
Without Installment	1.719.196	17	1.719.213
<b>Corporate Credit Cards-FC</b>	<b>3.715</b>	<b>-</b>	<b>3.715</b>
With Installment	-	-	-
Without Installment	3.715	-	3.715
<b>Credit Deposit Account - TL (Legal Person)</b>	<b>1.029.463</b>	<b>-</b>	<b>1.029.463</b>
<b>Credit Deposit Account - FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3.763.632</b>	<b>13.729.562</b>	<b>17.493.194</b>

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

	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 December 2019</b>
Domestic Loans	202.267.424	197.042.913
Foreign Loans	7.284.015	6.791.262
<b>Total</b>	<b>209.551.439</b>	<b>203.834.175</b>

6. Loans granted to investments in associates and subsidiaries:

	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 December 2019</b>
Direct Loans Granted to Investments in Associates and Subsidiaries	527.258	727.217
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
<b>Total</b>	<b>527.258</b>	<b>727.217</b>

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

	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 December 2019</b>
Loans with Limited Collectibility	597.792	2.109.995
Loans with Doubtful Collectibility	3.699.502	2.054.098
Uncollectible Loans	4.868.652	4.182.743
<b>Total</b>	<b>9.165.946</b>	<b>8.346.836</b>

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

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

	<b>III. Group Loans with Limited Collectibility</b>	<b>IV. Group Loans with Doubtful Collectibility</b>	<b>V. Group Uncollectible Loans</b>
<b>Current Period: 31 March 2020</b>			
(Gross Amounts Before Specific Provisions)	57.369	452.140	298.680
Rescheduled Loans and Other Receivables	57.369	452.140	298.680
<b>Prior Period: 31 December 2019</b>			
(Gross Amounts Before Specific Provisions)	65.197	336.693	324.109
Rescheduled Loans and Other Receivables	65.197	336.693	324.109



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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with</b>	<b>Loans with</b>	<b>Uncollectible Loans</b>
	<b>Limited Collectibility</b>	<b>Doubtful Collectibility</b>	
<b>Prior Period End Balance: 31 December 2019</b>	<b>3.878.210</b>	<b>4.057.692</b>	<b>6.921.178</b>
Additions (+)	1.048.990	89.825	140.868
Transfers from Other Categories of Non-Performing Loans (+)	-	3.916.996	975.140
Transfers to Other Categories of Non-Performing Loans (-)	3.916.996	975.140	-
Collections (-)	105.857	169.952	274.977
Write-offs (-) (**)	450	639	843
Sold Portfolio (-) (*)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>903.897</b>	<b>6.918.782</b>	<b>7.761.366</b>
Specific Provisions (-)	597.796	3.699.502	4.868.648
<b>Net Balance at Balance Sheet</b>	<b>306.101</b>	<b>3.219.280</b>	<b>2.892.718</b>

(\*) There is no write-off process made 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 27 November 2019 and numbered 30961. ( 31 December 2019 : TL 1.119.998 ) and its effect on the NPL ratio is 51 basis point.

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with</b>	<b>Loans with</b>	<b>Uncollectible Loans</b>
	<b>Limited Collectibility</b>	<b>Doubtful Collectibility</b>	
<b>Current Period: 31 March 2020</b>			
Balance at the End of the Period	253.680	1.384.947	2.511.607
Specific Provision (-)	172.771	509.318	1.189.721
Net Balance on Balance Sheet	80.909	875.629	1.321.886
<b>Prior Period: 31 December 2019</b>			
Balance at the End of the Period	233.478	1.205.378	2.406.060
Specific Provision (-)	77.439	454.769	1.084.871
<b>Net Balance at Balance Sheet</b>	<b>156.039</b>	<b>750.609</b>	<b>1.321.189</b>

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:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with</b>	<b>Loans with</b>	<b>Uncollectible Loans</b>
	<b>Limited Collectibility</b>	<b>Doubtful Collectibility</b>	
<b>Current Period (Net): 31 March 2020</b>			
Loans granted to corporate entities and real persons (Gross)	903.897	6.918.782	7.761.366
Specific Provision Amount (-)	597.796	3.699.502	4.868.648
Loans granted to corporate entities and real persons (Net)	306.101	3.219.280	2.892.718
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-
<b>Prior Period (Net): 31 December 2019</b>			
Loans granted to corporate entities and real persons (Gross)	3.878.210	4.057.692	6.921.178
Specific Provision Amount (-)	2.109.995	2.054.098	4.182.743
Loans granted to corporate entities and real persons (Net)	1.768.215	2.003.594	2.738.435
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:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
<b>Current Period: 31 March 2020</b>			
Interest accruals and valuation differences	63.299	809.564	1.561.481
Provision (-)	41.161	435.239	904.197
<b>Prior Period: 31 December 2019</b>			
Interest accruals and valuation differences	240.638	601.068	1.269.183
Provision (-)	126.357	342.227	755.419

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**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 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Given as collateral/blocked	4.000.095	-	352.296	-
Subject to repurchase agreements	2.375.803	2.381.063	145.327	1.229.269
<b>Total</b>	<b>6.375.898</b>	<b>2.381.063</b>	<b>497.623</b>	<b>1.229.269</b>

2. Information on government debt securities:

	Current Period 31 March 2020	Prior Period 31 December 2019
Government Bonds	18.839.461	13.080.081
Treasury Bills	-	-
Other Government Debt Securities	870.473	779.177
<b>Total</b>	<b>19.709.934</b>	<b>13.859.258</b>

3. Information on financial assets measured at amortised cost:

	Current Period 31 March 2020	Prior Period 31 December 2019
Debt Securities	21.269.842	15.602.379
Quoted at Stock Exchange	21.269.842	15.602.379
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	42.542	27.521
<b>Total</b>	<b>21.227.300</b>	<b>15.574.858</b>

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

	Current Period 31 March 2020	Prior Period 31 December 2019
Balance at the Beginning of the Period	15.574.858	12.263.481
Foreign Currency Differences on Monetary Assets	428.118	414.623
Purchases During Year	5.798.089	5.397.163
Disposals Through Sales and Redemptions (*)	(713.021)	(3.214.762)
Impairment Provision (-)	(15.021)	37.065
Change in Amortized Cost	154.277	677.288
<b>Balance at the End of the Period</b>	<b>21.227.300</b>	<b>15.574.858</b>

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

1. Information about investments in associates:

<b>Title</b>	<b>Address (City / Country)</b>	<b>Bank's share percentage- If different voting percentage (%)</b>	<b>Bank's risk group share percentage (%)</b>
1 Bankalararası Kart Merkezi A.Ş.	Istanbul/Turkey	9,98	9,98
2 Kredi Kayıt Bürosu A.Ş.	Istanbul/Turkey	9,09	9,09
3 JCR Avrasya Derecelendirme A.Ş.	Istanbul/Turkey	2,86	2,86
4 Birleşik İpotek Finansmanı A.Ş.	Istanbul/Turkey	8,33	8,33

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 30 September 2019.

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit/ Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value</b>
1	151.277	91.498	77.572	5.102	-	26.624	15.953	-
2	384.403	220.221	249.087	11.258	-	22.180	41.206	-
3	31.238	25.827	971	666	-	6.146	2.082	-

Birleşik İpotek Finansmanı A.Ş. started its operations in 2020 and is not included in the table above since have any published financial statements yet.

3. Movement schedule of investments in associates:

	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 December 2019</b>
Balance at the Beginning of the Period	5.521	5.521
Movements During the Period		
Purchases (*)	2.900	-
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Impairment Provision (-)	-	-
Balance at the End of the Period	8.421	5.521
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(\*) The mentioned amounts arise from the Bank's association to JCR Avrasya Derecelendirme A.Ş. to 2.067 TL for a share of 2.86% and TL 833 for a share of 8.33% to Birleşik İpotek Finansmanı A.Ş.

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**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 2020 prepared in accordance with legislation in which companies are subject to.

	<b>Ak Finansal Kiralama A.Ş.</b>	<b>Ak Yatırım Menkul Değerler A.Ş.</b>	<b>Ak Portföy Yönetimi A.Ş.</b>	<b>Akbank AG</b>	<b>AkÖde A.Ş.</b>
Paid in Capital	360.007	96.802	10.534	740.648	27.000
Share Premium	-	-	-	-	-
Reserves	589.210	76.251	24.157	4.574.592	(13)
Gains recognized in equity as per TAS	-	(2.852)	(318)	-	(32)
Profit/Loss	34.216	340.504	63.096	81.176	(25.312)
- Net Current Period Profit	34.216	49.917	19.924	81.176	(5.768)
- Prior Year Profit/Loss	-	290.587	43.172	-	(19.544)
Development Cost of Operating Lease (-)	38	1.123	-	-	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	1.203	11.936	325	4.563	-
<b>Total Common Equity</b>	<b>982.192</b>	<b>497.646</b>	<b>97.144</b>	<b>5.391.853</b>	<b>1.643</b>
<b>Total Additional Tier I Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	-	-	-	-	-
<b>Total Tier I Capital</b>	<b>982.192</b>	<b>497.646</b>	<b>97.144</b>	<b>5.391.853</b>	<b>1.643</b>
<b>Tier II Capital</b>	<b>67.610</b>	<b>196</b>	<b>1</b>	<b>37.725</b>	<b>-</b>
<b>CAPITAL</b>	<b>1.049.802</b>	<b>497.842</b>	<b>97.145</b>	<b>5.429.578</b>	<b>1.643</b>
<b>Deductions from Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CAPITAL</b>	<b>1.049.802</b>	<b>497.842</b>	<b>97.145</b>	<b>5.429.578</b>	<b>1.643</b>

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.

3. Information on subsidiaries:

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

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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 2020 prepared in accordance with local regulations.

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit/ Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value</b>
1	5.808.954	982.288	29.964	109.735	-	34.216	29.480	-
2	1.091.214	510.704	24.134	26.016	(11.363)	49.917	29.252	-
3	113.932	97.469	5.239	454	-	19.924	13.099	-
4	30.318.703	5.396.416	53.058	257.778	40.401	81.176	80.896	-
5	9.922	1.642	1.052	200	-	(5.768)	(579)	-

5. Movement schedule of subsidiaries:

	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 December 2019</b>
Balance at the Beginning of the Period	6.730.785	5.452.141
Movements During the Period		
Additions (*)	-	139.981
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	174.485	640.370
Sales/Liquidation	-	-
Revaluation Increase (**)	83.102	498.293
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	-	-
Balance at the End of the Period	6.988.372	6.730.785
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(\*)These amounts are 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 prior period and also arise from 15.000 TL increase on AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş. which is a wholly- owned subsidiary of the Bank.

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

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

<b>Subsidiaries</b>	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 December 2019</b>
Banks	5.396.416	5.111.016
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	982.140	947.751
Finance Companies	-	-
Other Financial Subsidiaries	609.816	672.018

7. Subsidiaries quoted to a stock exchange: None.

**j. Information on joint ventures:** None (31 December 2019: None).

**k. Information on finance lease receivables (Net):** None (31 December 2019: None).

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**l. Information on the Hedging Derivative Financial Assets:**

	Current Period 31 March 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Fair Value Hedge	2.701.463	214.634	3.072.295	151.377
Cash Flow Hedge	3.013.275	-	2.093.795	33.218
Net Investment Hedge in a foreign operation	-	-	-	-
<b>Total</b>	<b>5.714.738</b>	<b>214.634</b>	<b>5.166.090</b>	<b>184.595</b>

**m. Information on the investment properties:** None (31 December 2019: None).

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

As of 31 March 2020, the Bank has no deferred tax asset (31 December 2019: TL 2.438 ). 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 2020	Prior Period 31 December 2019
Cost	163.721	636.090
Accumulated Depreciation (-)	71	73
<b>Net Book Value</b>	<b>163.650</b>	<b>636.017</b>

	Current Period 31 March 2020	Prior Period 31 December 2019
<b>Opening Balance Net Book Value</b>	<b>636.017</b>	<b>90.305</b>
Additions (*)	38.573	1.519.564
Disposals (-), net	33.519	34.985
Impairment (-)	477.421	938.867
Depreciation (-)	0	-
<b>Closing Net Book Value</b>	<b>163.650</b>	<b>636.017</b>

(\*) For the prior period, the Bank's share in the capital of LYY Telekomünikasyon A.Ş. has increased from TL 18 to 1.416.090. Related amounts are presented in the "additions" row of table above. The total decrease in fair value allocated by the bank and the capital amount detailed in Note I-b of Section Five are presented as TL 1.416.090 in the line "Impairment (-)".

**p. Information on other assets:**

Other assets amounting to TL 6.716.624 (31 December 2019: TL 5.426.550) 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 2020:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	11.726.006	10.406.514	43.825.347	192.031	252.988	530.951	11.374	<b>66.945.211</b>
Foreign Currency Deposits	30.729.579	11.842.992	79.609.800	3.026.038	1.469.301	3.980.749	983	<b>130.659.442</b>
Residents in Turkey	29.270.481	11.594.021	76.010.663	2.836.072	950.596	2.348.808	940	<b>123.011.581</b>
Residents Abroad	1.459.098	248.971	3.599.137	189.966	518.705	1.631.941	43	<b>7.647.861</b>
Public Sector Deposits	1.099.638	19.245	30.580	1.383	351	469	-	<b>1.151.666</b>
Commercial Deposits	8.458.435	11.771.766	12.384.729	203.934	60.894	58.166	-	<b>32.937.924</b>
Other Institutions Deposits	264.127	348.940	2.926.839	257.079	6.258	728	-	<b>3.803.971</b>
Precious metals Deposits	6.492.745	-	4.730	-	403.963	83.445	-	<b>6.984.883</b>
Interbank Deposits	699.944	931.869	4.013.960	33.591	303.399	14.788	-	<b>5.997.551</b>
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	9.898	481.506	33.486	-	182.713	-	-	<b>707.603</b>
Foreign Banks	299.418	450.363	3.980.474	33.591	120.686	14.788	-	<b>4.899.320</b>
Participation Banks	390.628	-	-	-	-	-	-	<b>390.628</b>
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>59.470.474</b>	<b>35.321.326</b>	<b>142.795.985</b>	<b>3.714.056</b>	<b>2.497.154</b>	<b>4.669.296</b>	<b>12.357</b>	<b>248.480.648</b>

1 (ii). Prior period - 31 December 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	10.127.048	10.183.799	41.122.113	182.618	262.221	531.691	12.977	<b>62.422.467</b>
Foreign Currency Deposits	23.853.639	13.620.278	72.689.822	1.976.053	1.398.287	3.965.590	1.154	<b>117.504.823</b>
Residents in Turkey	22.388.628	13.463.878	69.046.946	1.838.378	900.541	2.387.611	1.102	<b>110.027.084</b>
Residents Abroad	1.465.011	156.400	3.642.876	137.675	497.746	1.577.979	52	<b>7.477.739</b>
Public Sector Deposits	1.137.518	14.279	27.440	3.371	359	454	-	<b>1.183.421</b>
Commercial Deposits	8.529.451	8.303.694	10.753.261	229.160	83.142	58.392	-	<b>27.957.100</b>
Other Institutions Deposits	272.526	829.067	2.177.831	46.465	6.085	971	-	<b>3.332.945</b>
Precious metals Deposits	4.151.698	-	3.971	-	268.345	67.833	-	<b>4.491.847</b>
Interbank Deposits	1.547.408	480.512	4.436.295	430.526	254.539	12.644	-	<b>7.161.924</b>
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	11.470	19.373	200.551	332.045	173.450	-	-	<b>736.889</b>
Foreign Banks	238.602	461.139	4.235.744	98.481	81.089	12.644	-	<b>5.127.699</b>
Participation Banks	1.297.336	-	-	-	-	-	-	<b>1.297.336</b>
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>49.619.288</b>	<b>33.431.629</b>	<b>131.210.733</b>	<b>2.868.193</b>	<b>2.272.978</b>	<b>4.637.575</b>	<b>14.131</b>	<b>224.054.527</b>



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2. Information on saving deposits insurance:

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 31 March 2020	Prior Period 31 December 2019	Current Period 31 March 2020	Prior Period 31 December 2019
Saving Deposits	32.280.280	30.875.550	34.664.931	30.609.809
Foreign Currency Saving Deposits	16.072.408	16.110.198	61.410.300	56.626.928
Other Deposits in the Form of Saving Deposits	3.367.123	2.373.387	3.080.333	1.807.082
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

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

	Current Period 31 March 2020	Prior Period 31 December 2019
Foreign Branches' Deposits and other accounts	19	18
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	1.718.649	1.625.947
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 31 March 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Forward Transactions	370.744	-	143.501	-
Swap Transactions	6.462.457	2.306.403	6.134.864	1.316.141
Futures Transactions	-	-	-	-
Options	2.005	110.709	5.686	94.511
Other	-	-	-	-
<b>Total</b>	<b>6.835.206</b>	<b>2.417.112</b>	<b>6.284.051</b>	<b>1.410.652</b>

(\*) Excluding hedge transactions.

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**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	Current Period 31 March 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	324.671	851.782	302.890	801.659
From Foreign Banks, Institutions and Funds	-	31.132.155	-	30.266.547
<b>Total</b>	<b>324.671</b>	<b>31.983.937</b>	<b>302.890</b>	<b>31.068.206</b>

2. Information on maturity structure of borrowings

	Current Period 31 March 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Short-term	324.671	716.873	302.890	641.868
Medium and Long-term	-	31.267.064	-	30.426.338
<b>Total</b>	<b>324.671</b>	<b>31.983.937</b>	<b>302.890</b>	<b>31.068.206</b>

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 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Bank bills	2.982.641	-	2.372.587	-
Bonds	2.189.952	6.522.412	2.532.944	8.612.669
<b>Total</b>	<b>5.172.593</b>	<b>6.522.412</b>	<b>4.905.531</b>	<b>8.612.669</b>

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

Other foreign liabilities listed in "Other Liabilities" amounting to TL 2.208.811 (31 December 2019: TL 2.127.772) and do not exceed 10% of the total balance sheet.

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**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.

Liabilities incurred due to financial leasing agreements:

	Current Period 31 March 2020		Prior Period 31 December 2019	
	Gross	Net	Gross	Net
Less Than 1 Year	151.927	65.425	150.140	63.805
Between 1-4 Years	391.758	193.577	388.038	188.559
More Than 4 Years	477.204	316.077	490.565	322.189
<b>Total</b>	<b>1.020.889</b>	<b>575.079</b>	<b>1.028.743</b>	<b>574.553</b>

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

	Current Period 31 March 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Fair Value Hedge	54.671	492.321	71.230	191.806
Cash Flow Hedge	701.957	350.050	848.039	53.065
Net Investment Hedge in a foreign operation	-	-	-	-
<b>Total</b>	<b>756.628</b>	<b>842.371</b>	<b>919.269</b>	<b>244.871</b>

**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 2020	Prior Period 31 December 2019
Discount Rate (%)	3,97	3,97
Rate for the Probability of Retirement (%)	95,13	95,13

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 6.730,15 [full TL] (1 January 2019: TL 6.017,60 [full TL]) effective from 1 January 2020 has been taken into consideration in calculating the reserve for employee termination benefits.

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Prior Period Closing Balance</b>	<b>316.980</b>	<b>208.631</b>
Recognized as an Expense During the Period	21.789	84.344
Actuarial Loss / (Gain)	-	88.706
Paid During the Period	(17.609)	(64.701)
<b>Balance at the End of the Period</b>	<b>321.160</b>	<b>316.980</b>

As of 31 March 2020, the Bank has allocated vacation liability amounting to TL 134.067 (31 December 2019: TL 117.962 ).

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

As of 31 March 2020, the Bank has no provision related to foreign currency differences of foreign indexed loans (31 December 2019: None).

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 283.923 as of 31 March 2020 (31 December 2019: TL 297.102).

4. Information on other provisions:

4 (i). Information on free provision for possible risks: TL 900.000 (31 December 2019: TL 650.000).

The Bank has provided free provision amounting TL 250.000 thousand out of which TL 650.000 thousand had been recognized in current period and TL 900.000 thousand had been recognized in prior years. (31 December 2019: TL 650.000).

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

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 54.600 (31 December 2019: TL 52.721).

**i. Explanations on tax liability:**

1. Explanations on tax liability:

Tax calculations of the Bank are explained in Note XVIII of Section Three. As of 31 March 2020, the corporate tax liability after the deduction of temporary taxes paid is TL 278.829 (31 December 2019: 273.982). As of 31 March 2020, the Bank has no current tax asset (31 December 2019: None).

1 (i). Information on taxes payable:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2020</b>	<b>31 December 2019</b>
Corporate Taxes Payable	278.829	273.982
Taxation on Marketable Securities	150.957	187.962
Property Tax	2.798	2.383
Banking Insurance Transaction Tax (BITT)	129.537	182.507
Foreign Exchange Transaction Tax	10.637	4.875
Value Added Tax Payable	5.656	12.527
Other	31.315	89.368
<b>Total</b>	<b>609.729</b>	<b>753.604</b>

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

1 (ii). Information on premium payables:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2020</b>	<b>31 December 2019</b>
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	1.305	1.678
Unemployment Insurance – Employer	2.609	3.355
Other	259	348
<b>Total</b>	<b>4.180</b>	<b>5.388</b>

2. Information on deferred tax liability:

As of 31 March 2020, Turkish Lira deferred tax liability of the Bank amounts to TL 248.619 (31 December 2019: TL 704.309). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

**j. Information on subordinated loan (\*):**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>31 March 2020</b>		<b>31 December 2019</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
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	-	5.918.959	-	5.381.534
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	5.918.959	-	5.381.534
<b>Total</b>	<b>-</b>	<b>5.918.959</b>	<b>-</b>	<b>5.381.534</b>

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

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

1. Presentation of paid-in capital:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2020</b>	<b>31 December 2019</b>
Common Stock	5.200.000	5.200.000
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:

<b>Capital System</b>	<b>Paid-in capital</b>	<b>Ceiling</b>
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: None.

4. Information on share capital increases from capital reserves during the current period: None.

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>31 March 2020</b>		<b>31 December 2019</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures (*)	930.480	712.975	854.152	825.085
Valuation Difference	(83.403)	(1.816.143)	113.916	(83.371)
Foreign Currency Differences	-	-	-	-
<b>Total</b>	<b>847.077</b>	<b>(1.103.168)</b>	<b>968.068</b>	<b>741.714</b>

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

**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 8.223.006 asset purchase commitments (31 December 2019: TL 14.762.968), TL , 26.186.031 commitments for credit card limits (31 December 2019: TL 23.193.073), TL 2.878.088 commitments for cheque books (31 December 2019: 2.632.311 TL).

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:

	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 December 2019</b>
Bank Acceptance Loans	54.751	50.678
Letters of Credit	4.499.168	4.366.865
Other Guarantees and Warranties	7.423.934	7.906.461
<b>Total</b>	<b>11.977.853</b>	<b>12.324.004</b>

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

	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 December 2019</b>
Revocable Letters of Guarantee	1.157.211	1.081.737
Irrevocable Letters of Guarantee	18.024.806	17.634.443
Letters of Guarantee Given in Advance	1.872.838	1.922.507
Guarantees Given to Customs	2.281.278	2.249.728
Other Letters of Guarantee	8.475.432	8.234.994
<b>Total</b>	<b>31.811.565</b>	<b>31.123.409</b>

3. Information on non-cash loans:

	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 December 2019</b>
Total amount of non-cash loans:		
Non-cash Loans Given against Cash Loans	11.877.664	12.783.000
With Original Maturity of 1 Year or Less Than 1 Year	4.190.462	5.064.000
With Original Maturity of More Than 1 Year	7.687.202	7.719.000
Other Non-cash Loans	31.911.754	30.664.413
<b>Total</b>	<b>43.789.418</b>	<b>43.447.413</b>

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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**

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

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT**

**a. Information on interest income:**

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

	Current Period 31 March 2020		Prior Period 31 March 2019	
	TL	FC	TL	FC
Short-term Loans	1.654.879	173.754	2.613.684	147.173
Medium and Long-term Loans	2.903.335	865.853	2.920.720	986.164
Interest on Loans Under Follow-Up	256.929	-	130.649	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>4.815.143</b>	<b>1.039.607</b>	<b>5.665.053</b>	<b>1.133.337</b>

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

2. Information on interest income on banks:

	Current Period 31 March 2020		Prior Period 31 March 2019	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	40.563	577	17.895	2.206
From Foreign Banks	2.752	58.205	29.583	95.389
From Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>43.315</b>	<b>58.782</b>	<b>47.478</b>	<b>97.595</b>

3. Information on interest income on marketable securities:

	Current Period 31 March 2020		Prior Period 31 March 2019	
	TL	FC	TL	FC
From Financial Assets at Fair Value through Profit or Loss	4.113	1.477	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1.151.897	345.551	987.530	224.373
Financial Assets Measured at Amortised Cost	501.197	44.321	247.974	65.542
<b>Total</b>	<b>1.657.207</b>	<b>391.349</b>	<b>1.235.504</b>	<b>289.915</b>

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

	Current Period 31 March 2020	Prior Period 31 March 2019
Interests Received From Investments in Associates and Subsidiaries	16.271	11.750



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[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 2020		Prior Period 31 March 2019	
	TL	FC	TL	FC
Banks	8.575	251.158	21.821	394.278
The CBRT	-	-	-	-
Domestic Banks	8.575	2.093	7.891	2.442
Foreign Banks	-	249.065	13.930	391.836
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	41.374	-	9.987
<b>Total</b>	<b>8.575</b>	<b>292.532</b>	<b>21.821</b>	<b>404.265</b>

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

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

	Current Period 31 March 2020	Prior Period 31 March 2019
To Associates and Subsidiaries	4.714	7.967

3. Information on interest expense given to securities issued:

	Current Period 31 March 2020		Prior Period 31 March 2019	
	TL	FC	TL	FC
Interest expense on securities issued	144.535	185.058	237.073	186.995

4. Maturity structure of the interest expense on deposits:

There are no seven-day notification deposits.

Current Period - 31.03.2020	Time Deposits						Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
<b>TL</b>							
Bank Deposits	9.573	28.352	14.573	-	63	-	<b>52.561</b>
Saving Deposits	-	216.359	1.017.228	4.087	6.912	17.750	<b>1.262.336</b>
Public Sector Deposits	-	337	693	25	8	16	<b>1.079</b>
Commercial Deposits	-	221.679	306.609	7.012	2.311	1.535	<b>539.146</b>
Other Deposits	-	7.915	77.369	544	151	17	<b>85.996</b>
<b>Total</b>	<b>9.573</b>	<b>474.642</b>	<b>1.416.472</b>	<b>11.668</b>	<b>9.445</b>	<b>19.318</b>	<b>1.941.118</b>
<b>FC</b>							
Foreign Currency Deposits	-	42.874	182.429	5.285	3.642	13.382	<b>247.612</b>
Bank Deposits	217	79	10.345	98	876	42	<b>11.657</b>
Precious Metals Deposits	-	-	6	-	429	198	<b>633</b>
<b>Total</b>	<b>217</b>	<b>42.953</b>	<b>192.780</b>	<b>5.383</b>	<b>4.947</b>	<b>13.622</b>	<b>259.902</b>
<b>Grand Total</b>	<b>9.790</b>	<b>517.595</b>	<b>1.609.252</b>	<b>17.051</b>	<b>14.392</b>	<b>32.940</b>	<b>2.201.020</b>

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

Prior Period - 31.03.2019	Time Deposits						Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
<b>TL</b>							
Bank Deposits	6.227	69.989	3.919	742	327	915	<b>82.119</b>
Saving Deposits	-	219.218	1.743.116	63.885	168.719	53.322	<b>2.248.260</b>
Public Sector Deposits	-	710	1.395	22	2	12	<b>2.141</b>
Commercial Deposits	-	304.039	448.819	10.137	7.682	15.206	<b>785.883</b>
Other Deposits	1	14.141	93.270	313	39.131	7.404	<b>154.260</b>
<b>Total</b>	<b>6.228</b>	<b>608.097</b>	<b>2.290.519</b>	<b>75.099</b>	<b>215.861</b>	<b>76.859</b>	<b>3.272.663</b>
<b>FC</b>							
Foreign Currency Deposits	-	79.404	507.958	10.928	31.998	16.784	<b>647.072</b>
Bank Deposits	62	1.055	27.570	1.353	4.519	49	<b>34.608</b>
Precious Metals Deposits	-	1	17	-	622	186	<b>826</b>
<b>Total</b>	<b>62</b>	<b>80.460</b>	<b>535.545</b>	<b>12.281</b>	<b>37.139</b>	<b>17.019</b>	<b>682.506</b>
<b>Grand Total</b>	<b>6.290</b>	<b>688.557</b>	<b>2.826.064</b>	<b>87.380</b>	<b>253.000</b>	<b>93.878</b>	<b>3.955.169</b>

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

	Current Period 31 March 2020	Prior Period 31 March 2019
<b>Profit</b>	<b>249.374.693</b>	<b>286.069.379</b>
Income From Capital Market Transactions	70.355	132.247
Income From Derivative Financial Transactions (*)	12.296.466	14.611.305
Foreign Exchange Gains	237.007.872	271.325.827
<b>Loss (-)</b>	<b>249.808.344</b>	<b>285.775.789</b>
Loss from Capital Market Transactions	88.298	67.614
Loss from Derivative Financial Transactions (*)	11.894.538	11.940.439
Foreign Exchange Loss	237.825.508	273.767.736
<b>Total (Net)</b>	<b>(433.651)</b>	<b>293.590</b>

(\*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 1.437.921 (31 December 2019: TL 2.686.963).

**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.

**AKBANK T.A.Ş.**

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

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

	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 March 2019</b>
Expected Credit Loss	1.438.492	1.266.304
12 month expected credit loss (Stage 1)	187.641	200.673
Significant increase in credit risk (Stage 2)	95.000	253.055
Non-performing loans (Stage 3)	1.155.851	812.576
Marketable Securities Impairment Expense	7	-
Financial Assets at Fair Value through Profit or Loss	7	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	1.124.042	494.864
<b>Total</b>	<b>2.562.541</b>	<b>1.761.168</b>

(\*) Includes provisions for impairment losses on assets held for sale and related to discontinued operations, impairment losses on financial assets at fair value difference through profit or loss, lawsuit provision expenses and free provision allocated in the current year.

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

	<b>Current Period 31 March 2020</b>	<b>Prior Period 31 March 2019</b>
Reserve for Employee Termination Benefits	4.180	5.372
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	104.139	70.042
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	46.112	50.480
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	153	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	791.667	650.632
Leasing Expenses on TFRS 16 Exceptions (*)	28.413	27.359
Maintenance Expenses	11.159	16.429
Advertisement Expenses	31.339	27.611
Other Expenses	720.756	579.233
Loss on Sales of Assets	-	-
Other	245.700	184.237
<b>Total</b>	<b>1.191.951</b>	<b>960.763</b>

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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**

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

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

As of 31 March 2020, the Bank has a current tax expense of TL 214.029 (31 March 2019:None ), deferred tax expense of TL 604.354 (31 March 2019: TL 1.049.796) and a deferred tax income of TL 415.573 (31 March 2019: TL 665.714).

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 1.310.047 (31 March 2019: TL 1.412.532).

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.

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

Disclosures are not prepared in accordance with the Article 25 of the "Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced".

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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**

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

**VI. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE BANK BELONGS TO**

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 2020:

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	727.217	297.220	6.444.515	1.048.361	6.429	1.096
Balance at the End of the Period	527.258	302.845	7.043.605	1.621.117	4.692	908
Interest and Commission Income Received	16.271	14	197.931	2.678	126	6

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 11.512.700 as of 31 March 2020 (31 December 2019: TL 11.033.880).

2. Prior Period - 31 December 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	727.217	297.220	6.444.515	1.048.361	6.429	1.096
Interest and Commission Income Received(*)	11.750	57	164.495	2.056	182	22

(\*) 31 March 2019 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
	31.03.2020	31.12.2019	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Balance at the Beginning of the Period	569.432	417.786	4.572.838	5.011.285	1.403.075	1.228.947
Balance at the End of the Period	642.292	569.432	6.484.709	4.572.838	558.828	1.403.075
Interest expense on Deposits(*)	4.174	7.967	43.495	86.344	7.502	34.207

(\*) 31 March 2019 balances used for income/expense accounts.

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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**

[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
	31.03.2020	31.12.2019	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Transactions at Fair Value						
Through Profit or Loss						
Beginning of the Period	2.916.547	3.860.965	11.408.705	10.451.000	-	-
Balance at the End of the Period	2.751.294	2.916.547	11.811.366	11.408.705	-	-
Total Income/Loss (*)	1.428	11.175	6.132	52.831	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss(*)	-	-	-	-	-	-

(\*) 31 March 2019 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 2020, the net exposure for investments in associates and subsidiaries is TL (68.553) [31 December 2019: TL (822)]. For direct and indirect shareholders of the Bank TL (322.559) [31 December 2019: TL (184.042)].

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

As of 31 March 2020 benefits provided to the Bank's key management amounting to TL 37.210 [31 March 2019: TL 26.761].

**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 2020 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 28 April 2020 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 2020**

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

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

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

In the first quarter of 2020; the novel Corona virus, that had first appeared in China, started to be observed all over the world. Total number of cases affected by the virus continues to increase all over the world, and the economic activities of the countries are also negatively affected. In the World Economic Outlook Report; due to Corona virus developments, IMF revised its global economic growth expectations downwards. The global economy is projected to contract by 3% in 2020. With the weakening in demand, oil prices also fell sharply, even though OPEC + countries agreed to reduce their daily oil production considerably. Central banks and governments announced strong monetary and fiscal measures against the negative effects of the virus. Countries have also taken various isolation measures such as travel restrictions and lockdowns in some sectors.

Fed cut its policy rate by 150 basis points to of 0-0.25% and made swap agreements with 14 central banks in order to meet the increasing dollar liquidity need. Fed also lifted the ceiling of maximum amount of assets to be purchased within its asset purchase program and announced additional liquidity measures. It also activated the temporary repo facility to provide dollars to other central banks to meet the dollar demand outside the US. With this opportunity, foreign central banks will have the opportunity to replace their US treasury issuances with dollar liquidity. Within the scope of the fight against the virus, 2.2 trillion dollar stimulus package has also been approved.

Due to lockdowns; especially service sectors are more affected by the virus. As a matter fact; service sector is currently experiencing a severe impact from the COVID-19 outbreak in Euro Area. The ECB has announced comprehensive monetary policy measures to support economic activity. In this context; with the long-term repo operations, liquidity support were provided with more favorable conditions, and a new asset purchase program was announced. Fiscal packages were also announced by the governments in the region.

Monetary and fiscal measures were taken to support the economy in the UK, as well. Bank of England cut its policy rate by 65 basis points to 0.10%, and increased the amount of asset purchase program. The government has also taken fiscal measures.

In our country, the economy continued to perform favorably in the first two months of the year. As of March, our government, the CBRT and BRSA announced measures and incentives, due to the spread of the virus in Europe, and in our country. The CBRT cut its policy rate and announced liquidity measures. The government has also announced the economic stability package in the amount of 100 billion TL. In this context, the Credit Guarantee Fund limit was increased from 25 billion TL to 50 billion TL. Within the fiscal package, deferral options for tax and debt payments were also announced.

In the first quarter of the year, we estimate that the economy will grow by about 5% a year, mainly due to the positive performance of the first two months. While a decrease was observed in exports, annual increase in imports lost momentum in March. In the second quarter of the year; due to virus developments, this trend can be expected to continue for a while. We anticipate that the downward trend in inflation will continue and will complete the year at 8%.

The budget balance gave a deficit of 29.6 billion TL in the January-March period, the primary balance gave a surplus of 8.7 billion TL. In the New Economy Program, the budget is expected to give 138.9 billion TL deficit by the end of 2020.

In our banking sector, steps continue to be taken to support the credit flow in the domestic economy. The NPL ratio in the sector is 5.2% as of February and the capital adequacy ratio is 17.7%.

In the second half of 2020, with the potential decrease of the Covid-19 a gradual lifting of containment measures and gradual normalization in economic activity are expected.

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

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## AKBANK T.A.Ş.

### NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020

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

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#### Message from the CEO

First of all, we respectfully remember those who lost their lives due to the COVID-19 pandemic, and extend our best wishes to all affected. We would like to thank everyone, especially our healthcare professionals, who are at the forefront of this extraordinary struggle. With our solid financials, strong technological infrastructure and qualified employees, we are prioritising providing uninterrupted service as well as standing by our customers in this tough period.

Since the very beginning, the well-being of our customers and employees, and provision of uninterrupted service have been our priorities. This tough period underlined the importance and necessity of the extensive investments we have made in our systems, technology and people. Thanks to our strong digital infrastructure, we have provided continuous service. While most of our employees have started to work remotely, for those who cannot, we have taken various measures including strict social distancing implementations and extensive disinfection activities. With all our employees, we are working devotedly to serve our customers. We fully recognize the importance of supporting our country, society and our customers in this challenging period.

Akbank owes its 72 years of existence to its customers who are the key to its success. Standing by our customers, we will emerge from this period together.

Our retail and corporate customers are able to defer their principal, interest and instalment payments with the same conditions, upon their request. In this context, the payment of almost 550.000 loans belonging to nearly 340.000 customers have been deferred. The principal amount of those loans is about TL 14 billion while their due payment is almost TL 3 billion. Furthermore, we have participated in The Banks Association of Turkey's Treasury-backed, Credit Guarantee Fund bonded, credit protocol for businesses. During this period, we will continue to evaluate all our customers' demands with great care and speed as well as doing our best to support them.

In a world where digitalization trend is changing consumer behaviour faster than ever, we have never made any compromises in our long-term innovation-driven mind set. Our digitalization strategy is a holistic one and we keep on reconsidering and designing our service models and business approach. We invested over USD 200 million on technology and infrastructure last year alone. Today, we are seeing the benefits of our vision and investments with our customers.

With rapid actions, we have introduced many measures and conveniences for the well-being of our customers. For example, healthcare professionals or customers aged over 65 calling our call centre are now directly connected to a customer representative.

Akbank Mobile's share in total number of financial transactions increased by 7%. Compared to the beginning of last year, the number of mobile customers performing transactions such as credit card debt payments and money transfers has increased 24%. The share of our direct channels on our consumer loans and credit card sales, which was already high, exceeded 80% during the pandemic.

Following this period, like all companies, banks should become more agile, take quick decisions, create meaningful digital experiences and work more productively. We are already trying to predict what this "new normal" will bring. With this awareness, our teams keep on developing new digital services as well as swiftly putting them into practice for our customers. With the experiences gained during the pandemic, we will further focus on our digital capabilities. Named as "World's Best Digital Bank" by Euromoney in 2019, Akbank will continue to lead digital transformation in both national and international level.

In this tough period, the support we provided to the economy increased to a total of TL 275 billion, with TL 232 billion in cash loans. Our deposits increased to TL 271 billion while our assets reached TL 421 billion. With our strong capital adequacy ratio of 20.4, we will continue to support the growth and development of the real sector.

In a period marked by a decrease in access to liquidity and FX, our syndicated loan facility has once again attracted a strong global response from international banks. Despite negative developments in the markets and our lowered interest rate; by 25 bps in USD tranche and 40 bps in Euro tranche, our syndicated loan exceeded our initial target and reached USD \$605 million with the participation of 29 banks from 15 countries. Our syndication renewal is a concrete sign of confidence in Akbank and in Turkey, even in this tough period.

Akbank will continue to invest in Turkey's future. With our qualified employees and strong technological infrastructure, we are resilient and well prepared against any challenges. We strongly believe that, with our sense of responsibility and solidarity culture, we will soon leave these days behind. I would like to thank our customers and shareholders for their confidence; our employees for their strong performance.



**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**

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

**INTRODUCTION**

**1. Changes in the Articles of Association During the Period:**

There have been no changes in the Articles of Association during the period.

**2. Important Issues and Transactions during the period**

With regards to the guidance of the BRSA communicated to the banking sector on sustaining the strength of capital structures and therefore refraining from the distribution of net profit, the Board of Directors has decided to propose to the General Assembly not to distribute the net profit of TL 5.417.467.871,42 resulting from operations conducted in 2019, and to allocate all of the net profit to "Extraordinary Reserves" after the allocation of TL 240.000.000 to general legal reserves.

**A. BANKING SECTOR FIRST QUARTER OVERVIEW**

In the the first three months of 2020, loan growth in the sector was 7,4% and deposit growth on the funding side was 7,3%.

**B. UNCONSOLIDATED FINANCIAL RESULTS AND FIRST QUARTER OVERVIEW**

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

	<b>31.03.2020</b>	<b>31.12.2019</b>
	<b>Unconsolidated</b>	<b>Unconsolidated</b>
	<b>Financial Results</b>	<b>Financial Results</b>
Total Asset	393.932	360.501
Loans	209.551	203.834
Deposits	248.481	224.055
Equity	53.902	54.382
Net Income (31.03.2019)	1.310	1.413

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

	<b>31.03.2020</b>	<b>31.12.2019</b>
	<b>Unconsolidated</b>	<b>Unconsolidated</b>
	<b>Financial Results</b>	<b>Financial Results</b>
Loan / Total Assets	53,2	56,5
Deposit / Total Assets	63,1	62,2
Return on Equity (31.03.2019)	9,7	12,4
Return on Assets (31.03.2019)	1,4	1,7
NPL Ratio	7,4	7,3
Capital Adequacy Ratio	21,5	21,0
Earnings Per Share (TL)	0,00252	0,00320

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**

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

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**3. Akbank 1Q20 Results Overview:**

Akbank reported a gross profit of TL 1.713 million, setting aside TL 403 million of tax provisions, reporting a net unconsolidated profit of TL 1.310 million in the first three months of the year. Capital adequacy ratio of the bank has realized at 21,5% in this period.

As of March 2020, Akbank's unconsolidated total asset realized at TL 394 billion, loans are approximately TL 210 billion and total deposits are approximately TL 248 billion.

Akbank's NPL ratio increased to 7,4 % compared to the end of the year.

**4. Bank's Expectations For 2020:**

Banks' forward-looking expectations which was announced publicly on January 7, 2020 are stated below:

**2020 Guidance Outlook (%)**

TL Loan Growth	High-teens
FX Loan Growth (in USD)	Low-single digit
Leverage	> 8x
ROE	Mid-teens
NIM (swap ad.)	≤ %4.0
Net fees&comm. growth	High-single digit
Opex growth	Mid-teens
Cost/income	≤ %34
NPL	< % 6
Net total CoC	~200 bps

(\*) CIR calculation excludes FX gain from long FX position related with stage 1&2 provisions.