

**AKBANK T.A.Ş.**

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES  
AT 31 MARCH 2021 WITH  
AUDITOR'S REVIEW REPORT**

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



## AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

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

### **Introduction**

We have reviewed the consolidated balance sheet of Akbank T.A.Ş. ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") at 31 March 2021 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

### **Scope of Review**

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

### **Basis for the Qualified Conclusion**

As mentioned in Section Five Part II h.4 (i) of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 March 2021 include a free provision amounting to TL 1.150.000 thousand provided in prior years 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 consolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information do not present fairly in all material respects the financial position of Akbank T.A.Ş. and its consolidated subsidiaries at 31 March 2021 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 consolidated financial statements and disclosures in all material respects.

### **Additional Paragraph for Convenience Translation:**

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

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

Zeynep Uras, SMMM  
Partner

Istanbul, 28 April 2021

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

**THE CONSOLIDATED FINANCIAL REPORT OF  
AKBANK T.A.Ş. AS OF 31 MARCH 2021**

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The consolidated 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 PARENT BANK
- **Section Two** - CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP
- **Section Five** - INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** - INTERIM REVIEW REPORT
- **Section Seven** - INTERIM ACTIVITY REPORT

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

	Subsidiaries	Investments in Associates	Joint Ventures
1.	Ak Finansal Kiralama A.Ş.	-	-
2.	Ak Yatırım Menkul Değerler A.Ş.	-	-
3.	Ak Portföy Yönetimi A.Ş.	-	-
4.	Akbank AG	-	-
5.	AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş.	-	-

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

The accompanying consolidated financial statements and notes to these financial statements for 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, related appendices and interpretations on these, and have been independently reviewed.

28 April 2021

Suzan SABANCI DİNÇER	Eyüp ENGIN	Ş.Yaman TÖRÜNER	S. Hakan BİNBAŞGİL	Türker TUNALI	Gökhan KAZCILAR
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 : Gökhan KAZCILAR / Senior Vice President  
Phone No : (0 212) 385 55 55  
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## AKBANK T.A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021

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

#### SECTION ONE GENERAL INFORMATION ABOUT THE BANK

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

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

##### II. EXPLANATION ABOUT THE PARENT 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 PARENT 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 2021, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2020: 51%).

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

##### III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, IF AVAILABLE, SHARES OF THE PARENT 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 DINÇER	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>President and CEO:</b>	S. Hakan BİNBAŞGİL	CEO	Graduate
<b>Head of Internal Audit:</b>	Savaş KÜLCÜ	Head of Internal Audit	Graduate
<b>Executive Vice Presidents:</b>	Bülent OĞUZ	Retail Banking	Graduate
	H. Burcu ÇİVELEK 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
	Pinar 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 Parent Bank.

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

**IV. INFORMATION ON THE INDIVIDUAL AND CORPORATE SHAREHOLDERS HAVING CONTROL SHARES OF THE PARENT 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 PARENT 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. via its branch network. As of 31 March 2021, the Bank has 713 branches dispersed throughout the country and 1 branch operating abroad (31 December 2020: 715 branches and 1 branch operating abroad). As of 31 March 2021, the Bank has 12.399 employees (31 December 2020: 12.459).

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

As at 31 March 2021, the Group employed 12.806 people (31 December 2020: 12.862).

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

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

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

None.

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

**AKBANK T.A.Ş.**

**I. CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2021 (STATEMENT OF FINANCIAL POSITION)**

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/03/2021)			PRIOR PERIOD (31/12/2020)		Total
		TL	FC	Total	TL	FC	
<b>I. FINANCIAL ASSETS (Net)</b>		<b>55.023.449</b>	<b>119.450.544</b>	<b>174.473.993</b>	<b>44.137.924</b>	<b>109.631.454</b>	<b>155.769.378</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>7.554.676</b>	<b>68.735.479</b>	<b>76.290.155</b>	<b>4.894.531</b>	<b>60.632.924</b>	<b>65.527.455</b>
1.1.1 Cash and Balances with Central Bank	(I-a)	6.892.568	43.207.364	50.099.932	4.398.630	43.277.691	47.676.321
1.1.2 Banks	(I-d)	661.159	25.560.864	26.222.023	7.375	17.408.700	17.416.075
1.1.3 Money Markets		1.160	-	1.160	488.547	-	488.547
1.1.4 Expected Loss Provision (-)		211	32.749	32.960	21	53.467	53.488
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>(I-b)</b>	<b>1.381.087</b>	<b>7.885.139</b>	<b>9.266.226</b>	<b>1.266.896</b>	<b>7.912.516</b>	<b>9.179.412</b>
1.2.1 Government Debt Securities		16.870	116.572	133.442	22.607	167.331	189.938
1.2.2 Equity Instruments		201.478	172.404	373.882	146.997	158.714	305.711
1.2.3 Other Financial Assets		1.162.739	7.596.163	8.758.902	1.097.292	7.586.471	8.683.763
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>(I-e)</b>	<b>24.707.863</b>	<b>36.993.153</b>	<b>61.701.016</b>	<b>23.750.325</b>	<b>34.453.820</b>	<b>58.204.145</b>
1.3.1 Government Debt Securities		24.141.561	21.707.984	45.849.545	23.067.781	21.352.442	44.420.223
1.3.2 Equity Instruments		15.777	607	16.384	15.777	607	16.384
1.3.3 Other Financial Assets		550.525	15.284.562	15.835.087	666.767	13.100.771	13.767.538
<b>1.4 Derivative Financial Assets</b>	<b>(I-c, I-l)</b>	<b>21.379.823</b>	<b>6.036.773</b>	<b>27.416.596</b>	<b>16.226.172</b>	<b>6.632.194</b>	<b>22.858.366</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		15.581.699	6.036.773	21.618.472	11.487.693	6.632.194	18.119.887
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		5.798.124	-	5.798.124	4.738.479	-	4.738.479
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>214.020.213</b>	<b>116.397.020</b>	<b>330.417.233</b>	<b>206.642.060</b>	<b>103.077.185</b>	<b>309.719.245</b>
<b>2.1 Loans</b>	<b>(I-f)</b>	<b>190.764.406</b>	<b>108.359.726</b>	<b>299.124.132</b>	<b>184.860.198</b>	<b>94.373.036</b>	<b>279.233.234</b>
<b>2.2 Lease Receivables</b>	<b>(I-k)</b>	<b>1.548.755</b>	<b>4.182.476</b>	<b>5.731.231</b>	<b>1.569.491</b>	<b>4.013.358</b>	<b>5.582.849</b>
<b>2.3 Factoring Receivables</b>		-	-	-	-	-	-
<b>2.4 Other Financial Assets Measured at Amortised Cost</b>	<b>(I-g)</b>	<b>36.247.545</b>	<b>6.971.658</b>	<b>43.219.203</b>	<b>34.523.108</b>	<b>7.361.951</b>	<b>41.885.059</b>
2.4.1 Government Debt Securities		36.247.545	6.223.784	42.471.329	34.523.108	6.693.715	41.216.823
2.4.2 Other Financial Assets		-	747.874	747.874	-	668.236	668.236
<b>2.5 Expected Credit Loss (-)</b>		<b>14.540.493</b>	<b>3.116.840</b>	<b>17.657.333</b>	<b>14.310.737</b>	<b>2.671.160</b>	<b>16.981.897</b>
<b>III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(I-o)</b>	<b>277.008</b>	-	<b>277.008</b>	<b>250.778</b>	-	<b>250.778</b>
3.1 Held for Sale Purpose		277.008	-	277.008	250.778	-	250.778
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>18.129</b>	-	<b>18.129</b>	<b>14.795</b>	-	<b>14.795</b>
<b>4.1 Investments in Associates (Net)</b>	<b>(I-h)</b>	<b>18.129</b>	-	<b>18.129</b>	<b>14.795</b>	-	<b>14.795</b>
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		18.129	-	18.129	14.795	-	14.795
<b>4.2 Subsidiaries (Net)</b>	<b>(I-i)</b>	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>	<b>(I-j)</b>	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. PROPERTY AND EQUIPMENT (Net)</b>		<b>5.852.046</b>	<b>56.073</b>	<b>5.908.119</b>	<b>5.948.074</b>	<b>54.532</b>	<b>6.003.406</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>1.175.590</b>	<b>5.349</b>	<b>1.180.939</b>	<b>1.185.653</b>	<b>5.256</b>	<b>1.190.909</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.175.590	5.349	1.180.939	1.185.653	5.256	1.190.909
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(I-m)</b>	-	-	-	-	-	-
<b>VIII. CURRENT TAX ASSET</b>		-	-	-	-	-	-
<b>IX. DEFERRED TAX ASSET</b>	<b>(I-n)</b>	<b>132.073</b>	-	<b>132.073</b>	<b>147.990</b>	-	<b>147.990</b>
<b>X. OTHER ASSETS (Net)</b>	<b>(I-p)</b>	<b>4.121.349</b>	<b>560.951</b>	<b>4.682.300</b>	<b>4.879.644</b>	<b>340.430</b>	<b>5.220.074</b>
<b>TOTAL ASSETS</b>		<b>280.619.857</b>	<b>236.669.937</b>	<b>517.289.794</b>	<b>265.207.718</b>	<b>213.108.857</b>	<b>478.316.575</b>

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

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

**AKBANK T.A.Ş.**

**I. CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2021 (STATEMENT OF FINANCIAL POSITION)**

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/03/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>118.963.434</b>	<b>191.044.958</b>	<b>310.008.392</b>	<b>108.361.772</b>	<b>184.157.235</b>	<b>292.519.007</b>
<b>II. FUNDS BORROWED</b>	<b>(II-c)</b>	<b>564.772</b>	<b>43.467.474</b>	<b>44.032.246</b>	<b>367.411</b>	<b>39.895.203</b>	<b>40.262.614</b>
<b>III. MONEY MARKETS</b>		<b>19.376.879</b>	<b>17.652.519</b>	<b>37.029.398</b>	<b>4.029.807</b>	<b>16.877.537</b>	<b>20.907.344</b>
<b>IV. SECURITIES ISSUED (Net)</b>	<b>(II-d)</b>	<b>6.473.957</b>	<b>12.933.875</b>	<b>19.407.832</b>	<b>7.712.928</b>	<b>11.593.289</b>	<b>19.306.217</b>
4.1 Bills		4.019.095	-	4.019.095	5.313.725	-	5.313.725
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		2.454.862	12.933.875	15.388.737	2.399.203	11.593.289	13.992.492
<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>8.536.158</b>	<b>3.736.079</b>	<b>12.272.237</b>	<b>11.277.350</b>	<b>3.563.623</b>	<b>14.840.973</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		8.163.300	3.455.070	11.618.370	10.933.746	3.228.358	14.162.104
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		372.858	281.009	653.867	343.604	335.265	678.869
<b>VIII. FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX. LEASE LIABILITIES (Net)</b>	<b>(II-f)</b>	<b>516.555</b>	<b>37.527</b>	<b>554.082</b>	<b>507.578</b>	<b>34.981</b>	<b>542.559</b>
<b>X. PROVISIONS</b>	<b>(II-h)</b>	<b>2.436.453</b>	<b>88.027</b>	<b>2.524.480</b>	<b>2.431.126</b>	<b>69.929</b>	<b>2.501.055</b>
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		585.046	1.733	586.779	556.168	1.453	557.621
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.851.407	86.294	1.937.701	1.874.958	68.476	1.943.434
<b>XI. CURRENT TAX LIABILITY</b>	<b>(II-i)</b>	<b>753.008</b>	<b>135.632</b>	<b>888.640</b>	<b>1.541.750</b>	<b>125.492</b>	<b>1.667.242</b>
<b>XII. DEFERRED TAX LIABILITY</b>	<b>(II-i)</b>	<b>382</b>	<b>80.316</b>	<b>80.698</b>	<b>370</b>	<b>124.088</b>	<b>124.458</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>7.521.772</b>	<b>7.521.772</b>	-	<b>6.718.414</b>	<b>6.718.414</b>
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	7.521.772	7.521.772	-	6.718.414	6.718.414
<b>XV. OTHER LIABILITIES</b>	<b>(II-e)</b>	<b>9.719.140</b>	<b>10.213.331</b>	<b>19.932.471</b>	<b>9.473.651</b>	<b>6.528.984</b>	<b>16.002.635</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(II-k)</b>	<b>66.478.166</b>	<b>(3.440.620)</b>	<b>63.037.546</b>	<b>64.500.621</b>	<b>(1.576.564)</b>	<b>62.924.057</b>
16.1 Paid-in capital		5.200.000	-	5.200.000	5.200.000	-	5.200.000
16.2 Capital Reserves		5.320.613	-	5.320.613	5.320.613	-	5.320.613
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		1.814.871	-	1.814.871	1.814.871	-	1.814.871
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		2.774.870	16.699	2.791.569	2.772.942	16.699	2.789.641
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		4.811.271	(3.457.319)	1.353.952	4.237.723	(1.593.263)	2.644.460
16.5 Profit Reserves		45.924.050	-	45.924.050	40.117.963	-	40.117.963
16.5.1 Legal Reserves		1.929.592	-	1.929.592	1.882.950	-	1.882.950
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		43.715.391	-	43.715.391	37.956.649	-	37.956.649
16.5.4 Other Profit Reserves		279.067	-	279.067	278.364	-	278.364
16.6 Income or (Loss)		2.447.173	-	2.447.173	6.851.198	-	6.851.198
16.6.1 Prior Periods' Income or (Loss)		419.031	-	419.031	591.573	-	591.573
16.6.2 Current Period Income or (Loss)		2.028.142	-	2.028.142	6.259.625	-	6.259.625
16.7 Minority Interest		189	-	189	182	-	182
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>233.818.904</b>	<b>283.470.890</b>	<b>517.289.794</b>	<b>210.204.366</b>	<b>268.112.211</b>	<b>478.316.575</b>

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



**AKBANK T.A.S.**  
**II. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 MARCH 2021**  
(Amounts are expressed in thousands of Turkish Lira (TL).)

	Note (Section Five)	CURRENT PERIOD (31/03/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>214.020.761</b>	<b>536.261.975</b>	<b>750.282.736</b>	<b>220.743.425</b>	<b>495.624.636</b>	<b>716.368.061</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(III-2, 3)</b>	<b>26.663.987</b>	<b>32.955.732</b>	<b>59.619.719</b>	<b>24.900.974</b>	<b>26.534.678</b>	<b>51.435.652</b>
1.1 Letters of Guarantee		22.401.912	18.858.448	41.260.360	21.256.883	16.267.735	37.524.618
1.1.1 Guarantees Subject to State Tender Law		393.382	1.692.832	2.086.214	340.040	1.654.714	1.994.754
1.1.2 Guarantees Given for Foreign Trade Operations		-	1.963.436	1.963.436	-	1.913.491	1.913.491
1.1.3 Other Letters of Guarantee		22.008.530	15.202.180	37.210.710	20.916.843	12.699.530	33.616.373
1.2 Bank Acceptances		-	79.839	79.839	-	47.814	47.814
1.2.1 Import Letter of Acceptance		-	79.839	79.839	-	47.814	47.814
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		30.100	5.963.940	5.994.040	7.931	4.653.058	4.660.989
1.3.1 Documentary Letters of Credit		30.100	5.260.691	5.290.791	7.931	3.645.457	3.653.388
1.3.2 Other Letters of Credit		-	703.249	703.249	-	1.007.601	1.007.601
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		-	15.874	15.874	-	19.269	19.269
1.8 Other Guarantees		155.883	8.028.575	8.184.458	156.440	5.535.604	5.692.044
1.9 Other Collaterals		4.076.092	9.056	4.085.148	3.479.720	11.198	3.490.918
<b>II. COMMITMENTS</b>	<b>(III-1)</b>	<b>52.951.470</b>	<b>11.601.513</b>	<b>64.552.983</b>	<b>51.463.917</b>	<b>6.392.539</b>	<b>57.856.456</b>
2.1 Irrevocable Commitments		51.720.443	11.182.827	62.903.270	50.214.657	6.061.181	56.275.838
2.1.1 Asset Purchase Commitments		1.453.275	10.309.385	11.762.660	2.918.552	4.989.558	7.908.110
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		9.491.587	869.538	10.361.125	9.086.285	1.068.075	10.154.360
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		3.270.827	-	3.270.827	2.730.978	-	2.730.978
2.1.8 Tax and Fund Liabilities from Export Commitments		7.308	-	7.308	4.702	-	4.702
2.1.9 Commitments for Credit Card Limits		31.035.224	-	31.035.224	29.118.196	-	29.118.196
2.1.10 Commitments for Credit Cards and Banking Services Promotions		128.447	-	128.447	130.470	-	130.470
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		6.333.775	3.904	6.337.679	6.225.474	3.548	6.229.022
2.2 Revocable Commitments		1.231.027	418.686	1.649.713	1.249.260	331.358	1.580.618
2.2.1 Revocable Loan Granting Commitments		801.188	-	801.188	817.508	-	817.508
2.2.2 Other Revocable Commitments		429.839	418.686	848.525	431.752	331.358	763.110
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>134.405.304</b>	<b>491.704.730</b>	<b>626.110.034</b>	<b>144.378.534</b>	<b>462.697.419</b>	<b>607.075.953</b>
3.1 Hedging Derivative Financial Instruments		24.600.932	59.721.611	84.322.543	20.923.980	63.594.359	84.518.339
3.1.1 Fair Value Hedges		3.617.612	21.453.084	25.070.696	4.331.785	25.448.217	29.780.002
3.1.2 Cash Flow Hedges		20.983.320	38.268.527	59.251.847	16.592.195	38.146.142	54.738.337
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		109.804.372	431.983.119	541.787.491	123.454.554	399.103.060	522.557.614
3.2.1 Forward Foreign Currency Buy/Sell Transactions		6.148.389	11.896.016	18.044.405	7.440.107	13.005.673	20.445.780
3.2.1.1 Forward Foreign Currency Transactions-Buy		5.430.859	3.684.304	9.115.163	6.721.463	3.767.041	10.488.504
3.2.1.2 Forward Foreign Currency Transactions-Sell		717.530	8.211.712	8.929.242	718.644	9.238.632	9.957.276
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		98.082.017	350.450.857	448.532.874	110.110.958	325.531.230	435.642.188
3.2.2.1 Foreign Currency Swap-Buy		9.627.567	110.826.127	120.453.694	13.751.901	109.034.329	122.786.230
3.2.2.2 Foreign Currency Swap-Sell		50.143.024	84.686.350	134.829.374	61.180.287	78.721.439	139.901.726
3.2.2.3 Interest Rate Swap-Buy		19.155.713	77.469.190	96.624.903	17.589.385	68.887.731	86.477.116
3.2.2.4 Interest Rate Swap-Sell		19.155.713	77.469.190	96.624.903	17.589.385	68.887.731	86.477.116
3.2.3 Foreign Currency, Interest Rate and Securities Options		3.319.573	27.670.807	30.990.380	2.945.911	23.477.844	26.423.755
3.2.3.1 Foreign Currency Options-Buy		1.341.874	3.260.163	4.602.037	1.146.399	3.242.182	4.388.581
3.2.3.2 Foreign Currency Options-Sell		1.796.102	3.134.162	4.930.264	1.772.821	2.481.696	4.254.517
3.2.3.3 Interest Rate Options-Buy		-	10.638.241	10.638.241	-	8.876.983	8.876.983
3.2.3.4 Interest Rate Options-Sell		-	10.638.241	10.638.241	-	8.876.983	8.876.983
3.2.3.5 Securities Options-Buy		102.618	-	102.618	5.815	-	5.815
3.2.3.6 Securities Options-Sell		78.979	-	78.979	20.876	-	20.876
3.2.4 Foreign Currency Futures		2.136.087	2.452.775	4.588.862	2.845.954	2.639.110	5.485.064
3.2.4.1 Foreign Currency Futures-Buy		1.410.973	855.586	2.266.559	312.150	2.344.916	2.657.066
3.2.4.2 Foreign Currency Futures-Sell		725.114	1.597.189	2.322.303	2.533.804	294.194	2.827.998
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		118.306	39.512.664	39.630.970	111.624	34.449.203	34.560.827
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>980.814.977</b>	<b>499.789.369</b>	<b>1.480.604.346</b>	<b>946.736.961</b>	<b>446.524.338</b>	<b>1.393.261.299</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>74.084.344</b>	<b>45.442.747</b>	<b>119.527.091</b>	<b>72.046.274</b>	<b>41.179.943</b>	<b>113.226.217</b>
4.1 Customer Fund and Portfolio Balances		11.746.248	2.688.978	14.435.226	11.866.024	2.573.098	14.439.122
4.2 Investment Securities Held in Custody		21.148.900	9.716.523	30.865.423	20.299.073	9.387.822	29.686.895
4.3 Cheques Received for Collection		34.066.780	4.807.260	38.874.040	32.938.939	4.497.006	37.435.945
4.4 Commercial Notes Received for Collection		6.785.711	5.343.100	12.128.811	6.634.533	4.697.709	11.332.242
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		336.705	22.886.886	23.223.591	307.705	20.024.308	20.332.013
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>251.049.887</b>	<b>155.406.260</b>	<b>406.456.147</b>	<b>239.703.675</b>	<b>134.185.437</b>	<b>373.889.112</b>
5.1 Marketable Securities		339.745	2.373.625	2.713.370	430.794	2.246.129	2.676.925
5.2 Guarantee Notes		644.687	780.606	1.425.293	652.787	695.879	1.348.666
5.3 Commodity		179.400	190.959	370.359	178.400	170.170	348.570
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		188.550.033	118.503.936	307.053.969	182.754.710	101.663.294	284.418.004
5.6 Other Pledged Items		61.336.022	33.557.134	94.893.156	55.686.982	29.409.965	85.096.947
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>655.680.746</b>	<b>298.940.362</b>	<b>954.621.108</b>	<b>634.987.012</b>	<b>271.158.958</b>	<b>906.145.970</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>1.194.835.738</b>	<b>1.036.051.344</b>	<b>2.230.887.082</b>	<b>1.167.480.386</b>	<b>942.148.974</b>	<b>2.109.629.360</b>

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

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

**AKBANK T.A.Ş.**

**III. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2021**

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

INCOME AND EXPENSE ITEMS	Note (Section Five)	CURRENT PERIOD (01/01-31/03/2021)	PRIOR PERIOD (01/01-31/03/2020)
<b>I. INTEREST INCOME</b>	<b>(IV-a)</b>	<b>9.762.643</b>	<b>8.460.481</b>
1.1 Interest on Loans	(IV-a-1)	7.075.320	6.099.429
1.2 Interest on Reserve Requirements		129.025	13.689
1.3 Interest on Banks	(IV-a-2)	48.191	98.403
1.4 Interest on Money Market Transactions		68.051	48.775
1.5 Interest on Marketable Securities Portfolio	(IV-a-3)	2.283.777	2.081.498
1.5.1 Fair Value Through Profit or Loss		4.962	5.864
1.5.2 Fair Value Through Other Comprehensive Income		1.203.625	1.530.116
1.5.3 Measured at Amortised Cost		1.075.190	545.518
1.6 Financial Lease Interest Income		120.020	105.532
1.7 Other Interest Income		38.259	13.155
<b>II. INTEREST EXPENSE (-)</b>	<b>(IV-b)</b>	<b>5.569.920</b>	<b>3.219.355</b>
2.1 Interest on Deposits	(IV-b-4)	3.732.097	2.281.394
2.2 Interest on Funds Borrowed	(IV-b-1)	260.369	340.071
2.3 Interest Expense on Money Market Transactions		1.016.564	158.109
2.4 Interest on Securities Issued	(IV-b-3)	533.954	331.098
2.5 Interest on Leases		21.468	23.615
2.6 Other Interest Expenses		5.468	85.068
<b>III. NET INTEREST INCOME (I - II)</b>		<b>4.192.723</b>	<b>5.241.126</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>1.461.662</b>	<b>1.263.983</b>
4.1 Fees and Commissions Received		1.764.602	1.509.001
4.1.1 Non-cash Loans		144.022	113.226
4.1.2 Other		1.620.580	1.395.775
4.2 Fees and Commissions Paid (-)		302.940	245.018
4.2.1 Non-cash Loans		1.018	1.036
4.2.2 Other		301.922	243.982
<b>V. DIVIDEND INCOME</b>		<b>5.394</b>	<b>235</b>
<b>VI. TRADING INCOME / (LOSS) (Net)</b>	<b>(IV-c)</b>	<b>620.353</b>	<b>(485.684)</b>
6.1 Trading Gains / (Losses) on Securities		167.342	(21.846)
6.2 Gains / (Losses) on Derivative Financial Transactions		5.811.492	367.047
6.3 Foreign Exchange Gains / (Losses)		(5.358.481)	(830.885)
<b>VII. OTHER OPERATING INCOME</b>	<b>(IV-d)</b>	<b>762.526</b>	<b>393.246</b>
<b>VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>7.042.658</b>	<b>6.412.906</b>
<b>IX. EXPECTED CREDIT LOSS (-)</b>	<b>(IV-e)</b>	<b>1.195.058</b>	<b>1.455.271</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>		<b>1.203.665</b>	<b>1.128.704</b>
<b>XI. PERSONNEL EXPENSE (-)</b>		<b>809.877</b>	<b>807.898</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>(IV-f)</b>	<b>1.277.195</b>	<b>1.247.109</b>
<b>XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>2.556.863</b>	<b>1.773.924</b>
<b>XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>XV. INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XVI. INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)</b>		<b>2.556.863</b>	<b>1.773.924</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(IV-h)</b>	<b>528.714</b>	<b>471.253</b>
18.1 Current Tax Provision		99.093	275.314
18.2 Deferred Tax Expense Effect (+)		851.533	614.074
18.3 Deferred Tax Income Effect (-)		421.912	418.135
<b>XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(IV-i)</b>	<b>2.028.149</b>	<b>1.302.671</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</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>XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)</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>XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		-	-
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
23.1 Current Tax Provision		-	-
23.2 Deferred Tax Expense Effect (+)		-	-
23.3 Deferred Tax Income Effect (-)		-	-
<b>XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-
<b>XXV. NET INCOME/(LOSS) (XIX+XXIV)</b>	<b>(IV-i)</b>	<b>2.028.149</b>	<b>1.302.671</b>
25.1 Income/(Loss) from the Group		2.028.142	1.302.666
25.2 Income/(Loss) from Minority Interest	(IV-g)	7	5
Earning/(Loss) per share (in TL full)		0,00390	0,00251

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

**AKBANK T.A.Ş.****IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2021**

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

	<b>CURRENT PERIOD</b> <b>(31/03/2021)</b>	<b>PRIOR PERIOD</b> <b>(31/03/2020)</b>
<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>2.028.149</b>	<b>1.302.671</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(1.290.481)</b>	<b>(1.758.889)</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>26</b>	<b>(1.042)</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	33	[1.336]
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(7)	294
<b>2.2 Reclassified Through Profit or Loss</b>	<b>(1.290.507)</b>	<b>(1.757.847)</b>
2.2.1 Foreign Currency Translation Differences	541.111	411.459
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(2.446.905)	(2.691.568)
2.2.3 Cash Flow Hedge Income/Loss	659.664	82.726
2.2.4 Foreign Net Investment Hedge Income/Loss	(513.431)	(172.320)
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	469.054	611.856
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>737.668</b>	<b>(456.218)</b>

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

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

**AKBANK T.A.Ş.**

**V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2021**

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

	Note (Section Five)	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss					Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss					Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity			
		Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Revaluation Increase/Decrease of Property and Equipment	Accumulated Remeasurement Gain/Loss of Defined Benefit Plan	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	Foreign Currency Translation Differences	Accumulated Other 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	Prior Period Profit or (Loss)	Current Period Profit or (Loss)
<b>CURRENT PERIOD</b>																	
<b>(31/03/2021)</b>																	
<b>I. Prior Period End Balance</b>		5.200.000	3.505.742	-	1.814.871	3.016.534	(236.474)	9.582	4.740.828	467.159	(2.563.528)	40.117.963	591.573	6.259.625	62.923.875	182	62.924.057
<b>II. Corrections and Accounting Policy Changes Made According to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Beginning Balance (I+II)</b>		5.200.000	3.505.742	-	1.814.871	3.016.534	(236.474)	9.582	4.740.828	467.159	(2.563.528)	40.117.963	591.573	6.259.625	62.923.875	182	62.924.057
IV. Total Comprehensive Income		-	-	-	-	-	26	-	541.111	(1.948.403)	116.985	-	2.028.142	737.661	7	737.668	-
V. Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes		-	-	-	-	1.901	-	-	-	-	-	-	-	-	1.901	-	1.901
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance (I+III+IV+V+VI+VII+VIII+IX+X+XI)</b>		<b>5.200.000</b>	<b>3.505.742</b>	<b>-</b>	<b>1.814.871</b>	<b>3.016.534</b>	<b>(236.448)</b>	<b>9.582</b>	<b>5.281.939</b>	<b>(1.481.444)</b>	<b>(2.446.543)</b>	<b>40.117.963</b>	<b>419.091</b>	<b>2.028.142</b>	<b>63.037.387</b>	<b>189</b>	<b>63.037.546</b>

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

AKBANK T.A.Ş.

V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

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

	Note (Section Five)	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss										Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss					Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
		Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Revaluation Increase/Decrease of Property and Equipment	Accumulated Remeasurement Gain/Loss of Defined Benefit Plan	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)	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	Prior Period Profit or (Loss)	Current Period Profit or (Loss)					
<b>PRIOR PERIOD</b>																			
<b>(31/03/2020)</b>																			
I.	<b>Prior Period End Balance</b>	5.200.000	3.505.742	-	1.814.871	2.207.594	(180.242)	3.895	2.783.378	131.159	(1.800.740)	34.576.406	767.926	5.352.325	54.362.294	159	54.362.453		
II.	<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
III.	<b>Adjusted Beginning Balance (I+II)</b>	5.200.000	3.505.742	-	1.814.871	2.207.594	(180.242)	3.895	2.783.378	131.159	(1.800.740)	34.576.406	767.926	5.352.325	54.362.294	159	54.362.453		
IV.	Total Comprehensive Income	-	-	-	-	-	(1.042)	-	411.459	(2.099.423)	(69.883)	-	-	1.302.666	(456.223)	5	(456.218)		
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
X.	Increase/Decrease by Other Changes	-	-	-	-	(12.707)	-	-	-	-	-	189.232	(176.353)	-	172	-	172		
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	5.352.325	-	(5.352.325)	-	-	-		
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	5.352.325	-	(5.352.325)	-	-	-		
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Period-End Balance (I+III+...+XI)</b>		<b>5.200.000</b>	<b>3.505.742</b>	<b>-</b>	<b>1.814.871</b>	<b>2.194.887</b>	<b>(101.304)</b>	<b>3.895</b>	<b>3.194.837</b>	<b>(1.968.264)</b>	<b>(1.870.623)</b>	<b>40.117.963</b>	<b>891.873</b>	<b>1.302.666</b>	<b>83.906.243</b>	<b>164</b>	<b>83.906.407</b>		

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

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

**AKBANK T.A.Ş.**

**VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021**

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

	Note (Section Five)	CURRENT PERIOD (31/03/2021)	PRIOR PERIOD (31/03/2020)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1		2.909.696	3.728.918
1.1.1		8.964.507	7.917.920
1.1.2		(5.341.362)	(3.210.857)
1.1.3		5.394	235
1.1.4		1.762.435	1.477.996
1.1.5		(577.386)	(648.394)
1.1.6		788.367	555.462
1.1.7		(865.043)	(866.507)
1.1.8		(1.024.471)	(591.631)
1.1.9		(802.745)	(905.306)
1.2		12.651.100	5.689.269
1.2.1		(1.147.486)	(675.852)
1.2.2		(2.489.614)	(2.576.147)
1.2.3		(19.413.347)	(5.986.595)
1.2.4		1.062.492	(16.121.087)
1.2.5		(1.762.799)	(1.196.028)
1.2.6		19.141.027	27.272.756
1.2.7		-	-
1.2.8		3.613.256	884.902
1.2.9		-	-
1.2.10		13.647.571	4.087.320
I.		15.560.796	9.418.187
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
II.		(6.064.447)	(6.680.199)
2.1		-	-
2.2		-	-
2.3		(88.242)	(312.615)
2.4		36.420	33.960
2.5		(9.080.724)	(8.675.951)
2.6		5.093.013	9.269.222
2.7		(3.695.965)	(5.798.089)
2.8		3.596.755	713.021
2.9		(1.925.704)	(1.909.747)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
III.		259.968	(1.324.893)
3.1		9.016.203	6.343.642
3.2		(8.055.130)	(7.601.381)
3.3		-	-
3.4		(626.080)	-
3.5		(75.025)	(67.154)
3.6		-	-
IV.		1.007.748	1.881.579
V.		10.764.065	3.294.674
VI.		13.495.306	18.691.977
VII.		24.259.371	21.986.651

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

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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**SECTION THREE  
EXPLANATIONS ON ACCOUNTING POLICIES**

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

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

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

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

The preparation of consolidated financial statements in conformity with 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 global 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 2021 financial statements of the Bank are explained in the relevant footnotes.

Due to COVID-19, the Parent Bank has been given the opportunity to postpone the principal, interest and installment payments of its individual and corporate customers if they request, and the postponement within this scope has been applied and the postponement opportunity was extended until 30 June 2021. The Parent Bank has evaluated the risks of postponed loans on an individual and portfolio basis and those risks have been taken into account in the provision calculations.

**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 consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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

Accounting policies and valuation principles adopted when preparing financial statements are in line with the legislation, communiqué, explanation and circular released by BRSA concerning accounting and financial reporting, and, for matters which are not regulated by the foregoing, with the provisions of TAS/IFRS (together "BRSA Accounting and Financial Reporting Legislation") put into force by Public Oversight, Accounting and Auditing Standards Authority (POA).

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

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

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

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

Foreign currency denominated monetary assets and liabilities have been evaluated by buying exchange rates of last period for the Parent Bank and by the exchange rates of the Central Bank of the Republic of Turkey for domestic subsidiaries. Gains and losses arising from such transactions are recognized in the income statement under the account of "Net foreign exchange income/expense". Assets and liabilities of foreign subsidiaries are translated into Turkish lira using the foreign exchange rates prevailing at the balance sheet date, income and expenses of foreign subsidiaries are translated into Turkish Lira at the average exchange rates and all resulting exchange differences are accounted in the shareholders' equity under "Other profit reserves".

As of 31 March 2021, for the Parent Bank foreign currency denominated balances are translated into TL using the exchange rates of TL 8,3258 and TL 9,7688 for USD, EURO respectively.

**III. EXPLANATIONS ON EQUITY INVESTMENTS:**

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

Consolidation principles for subsidiaries:

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

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

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

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, income, expense and off-balance sheet items.

The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and resulting unrealized profits and losses are eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Group and presented separately in the Group's income. Minority interests are presented in the consolidated balance sheet, in the shareholders' equity.



## **AKBANK T.A.Ş.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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

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

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

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

Ak Portföy Yönetimi A.Ş. was established on 28 June 2000 and manages its own investment (mutual) funds and AvivaSA Emeklilik ve Hayat A.Ş. and some of the pension funds established by Axa Hayat Emeklilik A.Ş., Allianz Hayat Emeklilik A.Ş. and Allianz Yaşam Emeklilik A.Ş., The company also is managing both individual and institutional customers' portfolios, it continues investing in the Fund SICAV 2 Turkey on the international market and founder of 1 Sampo Japan in money market funds management activities.

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

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

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

#### **IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS:**

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

The Bank classifies its derivative instruments as "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" 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 VIII of Section Four. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Embedded derivatives have not been separated from its host contract and accounted under host contracts' accounting standards. As of 31 March 2021, the Group has no embedded derivative instruments (31 December 2020: None).

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#### **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, Group has started to calculate interest accrual on non-performing loans. Net book value of the non-performing loans (Gross Book Value – Expected Credit Loss) are rediscounted with effective interest rate and recognized with the gross book value of the non-performing loan. Non-performing loans rediscounts are evaluated on customer basis and are discontinued if there is in case of low collectibility.

#### **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 Group categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortised 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 Group will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group consider:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the 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 Group fulfills the on-balance sheet classification and measurement criteria by applying the procedures described above for all financial assets.

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

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

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When the business model determined by the Group 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. The Group reviewed the valuation of financial assets and liabilities at fair value through profit / loss and as of the reporting date, there are no changes that would require any adjustments in fair value measurement as of 31 March 2021, due to the negative effects of the COVID-19 pandemic.

#### **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 amortised cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity.

Equity instruments classified as financial assets at fair value through 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. The Group reviewed the valuation of financial assets and liabilities at fair value through other comprehensive income and as of the reporting date, there are no changes that would require any adjustments in fair value measurement as of 31 March 2021, due to the negative effects of the COVID-19 pandemic.

#### **c. Financial assets measured at amortised 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 amortised cost.

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

"Fair value through other comprehensive income" and "measured at amortised cost" securities portfolio of the Group include Consumer Price Indexed (CPI) Bonds. These securities are valued and accounted using the effective interest rate method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of prior two months. The Bank also sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. In this context, the valuation of these securities was made according to an annual inflation forecast of 11,00% as of 31 March 2021. 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 Group are foreign currency and interest rate swaps, cross currency swaps, currency options and currency forwards.

Derivative financial instruments of the Group are classified under "TFRS 9 Financial Instruments" ("TFRS 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 VIII of Section Four. The fair value of derivative instruments is calculated by taking into account the market value of the derivatives or by using the discounted cash flow model. When inactive market conditions exist, observable inputs used in the determination of fair values are adjusted using appropriate assumptions and considering the volume and level of activity in the markets.

#### **e. Loans**

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

##### 1. Loans measured at amortised cost:

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

##### *Stage 1:*

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

##### *Stage 2:*

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined based on 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, restructuring or altering the contractual cash flows of a financial instrument may result in the disposal of the existing financial asset in accordance with TFRS 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 TFRS 9.

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.

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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, with the decision of BRSA dated 23 March 2020 and numbered 8970, the entry limit for close monitoring due to the delay day has been moved from the 30th delay day to the 90th delay day as of 17 March 2020. Based on the BRSA Decision numbered 9312 dated 8 December 2020, this period was extended until 30 June 2021. Although the Bank applies the aforementioned regulation of BRSA for the classification of loans, lifetime expected loss provision is reserved for loans with a delay of 30-90 days. The regulation change in question does not include loans with a delay of 90 days before 17 March 2020.

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. Based on the BRSA decision numbered 9312 dated 8 December 2020, this period was extended until 30 June 2021.

With the aforementioned classification changes, the Bank allocates provisions for loans with a delay of 90-180 days in accordance with the requirements of TFRS 9 according to its own risk policies and models, which also evaluate the borrower's conditions.

2. Subjective Default Definition: It means the determination that the debt will not be paid. If it is determined that the borrower cannot fulfill its debts related to the loan, regardless of whether there is a balance in delay or the number of days of delay, the debtor is considered in default.

#### **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 LOSS:**

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

As of 1 January 2018, the Group recognize provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. 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.
- 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.

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

In addition, in the calculation of Expected Credit Loss in accordance with TFRS 9, certain part of commercial and corporate loans are subject to individual assessment on a customer basis due to internal policies. This calculation is made by discounting the expected cash flows from the customer or the collateral sales to their present value with the effective interest rate.

The Parent Bank reflected the possible effects of COVID-19 on its cash flow estimates in the calculation of the Expected Credit Loss provision for the loans it is subject to individual assessment, taking into account the reasonable and relevant information available. Sectoral risks are also considered within the scope of individual assessment.

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 TFRS 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 indicator of these estimation models are the Gross Domestic Product (GDP) growth 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 at least once a year. After review at the end of 2020;

- There has been no change in the assumptions in estimation techniques. The macroeconomic model used in the process has been re-developed. The parameter estimates used in the macroeconomic model were updated.
- Model risk parameters and macroeconomic estimation models have been updated with recent data.

Within the scope of the effects of COVID-19's Expected Credit Loss (ECL) calculations, the macroeconomic model data and scenario weights used in the process are also reviewed at the end of the interim period and updates are made if deemed necessary.

- The expected credit loss calculation is made by considering 3 different scenarios the best, the worst, and the base.

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 macroeconomic variables and the provision figures change when prospective estimations are revised.

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 prospective expectations, 3 scenarios are being used as the base, the worst and the best. Final provisions are calculated by weighting on the possibilities given to the scenarios.

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

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

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

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

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

The Group has securities lending transactions amounting TL 618.534 as of 31 March 2021 (31 December 2020: TL 618.534).

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

Assets 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 Group has no discontinued operations.

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

The Group does not have any goodwill items that should be reflected in the consolidated financial statements.

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 amortised 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 Group 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". 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.

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.

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

With the "TFRS 16 Leases" standard, which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognised under "Tangible Fixed Assets" as an asset (tenure) and under "Liabilities from Leasing" as a liability.

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



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

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

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

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

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

**XVI. EXPLANATIONS ON CONTINGENT ASSETS:**

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

**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 Group arising from this liability. In accordance with TAS 19, actuarial gains and losses are recognized in equity.

**b. Retirement Rights:**

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

Temporary 23rd article paragraph ("the paragraph") 1 of the Banking Law No 5411 published in the Official Gazette no 25983 dated 1 November 2005 envisaged that Banks would transfer their pension funds to the Social Security Institution ("SSI") within three years following the publication date of the Banking Law, and regulated the principles of this transfer. The first paragraph of the related article was rescinded as from the 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 on the Official Gazette no. 28987 dated 30 April 2014. The Council of Ministers has been lastly authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated 23 April 2015 and numbered 29335. According to paragraph (I) of Article 203 of Law no. 703 which published in the Official Gazette no. 30473 dated 9 July 2018, the phrase, placed in 20th provisional article of Social Insurance and General Health Insurance Law no.5510, "Council of Ministers" is authorized to determine the date of transfer to the Social Security Institution has been replaced with "President".

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

The Group has made a provision in the financial statements for the all technical deficit amounted TL 126.263 (31 December 2020: TL 126.263) determined by the report prepared by an actuary registered in the actuaries register. This amount has been classified as other provision item.

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

#### **XVIII. EXPLANATIONS ON TAXATION:**

##### **a. Current Tax:**

As of 31 March 2021, the current corporate tax rate is 20%. In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, starting from the declarations that must be submitted as of 1/7/2021 and to be valid for the taxation period starting from 1/1/2021, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022. The impact of the change in the corporate tax rate is insignificant as of 31 March 2021

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.

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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 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.

Information on taxation in foreign associates are given below:

**Akbank AG (Germany)**

German-resident corporations (i.e. corporations with legal or business centers located in Germany) are subject to corporate taxation in Germany over their total income. Regardless of any profit distribution corporate tax is levied at 15% over total income. Effective corporate tax rate is 15,825% since an additional solidarity tax of 5,5% is applied over the calculated corporate tax. In addition to that, trade income tax is applied on the basis of local governments. Akbank AG moved its headquarters from Frankfurt am Main to Eschborn as of June 2020, and the commercial income tax rate, which was applied at the level of 16% until 1 July 2020, decreased to 11.5% as of 1 July 2020. Accordingly, as of July 1, 2020, when all tax types (corporate tax, solidarity tax and commercial income tax) of Akbank AG are considered, the tax burden is at the level of 27.4%.

**b. Deferred Tax:**

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. The Group calculated its deferred tax assets or liabilities over 20% as of 31 December 2020 and 31 March 2021 within the scope of TAS 12. In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, starting from the declarations that must be submitted as of 1/7/2021 and to be valid for the taxation period starting from 1/1/2021, the corporate tax rate is 25% for the taxation period of 2021. and this rate will be applied as 23% for the taxation period of 2022. The impact of the change in the corporate tax rate is insignificant as of 31 March 2021

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.

Calculated deferred tax receivables and deferred tax liabilities have shown in net balances in the financial statements separately for domestic and international branches and for different subsidiaries subject to consolidation. Net balances of deferred tax assets and liabilities from companies are shown separately in assets and liabilities.

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

**XIX. EXPLANATIONS ON BORROWINGS:**

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

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**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 2021 and 31 December 2020, 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 IX of Section Four.

**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 24 March 2021. In the Ordinary General Assembly, it was decided to distribute TL 626.080 cash dividend over the TL 6.267.167 net income from 2020 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 702 to special funds account under other capital reserves, to allocate TL 36.608 as legal and TL 5.603.777 as extraordinary reserves.

**XXV. EARNINGS PER SHARE:**

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

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 March 2020</b>
Net Profit for the Period of the Group	2.028.142	1.302.666
Average Number of Issued Common Shares (Thousand)	520.000.000	520.000.000
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,00390</b>	<b>0,00251</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.

The number of rights issued in 2021: None (2020: None).

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#### **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 VII 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:**

The Group made some classifications on balance sheet and cash flow statement dated 31 December 2020 to be in compliance with the presentation of financial statements dated 31 March 2021. Collaterals given for derivative transactions with foreign banks, which are shown under the item "Other Assets" in the balance sheet of 31 December 2020, were classified under the "Banks" item in accordance with the amendments made within the scope of the Regulation on Uniform Chart of Accounts effective as of 1 January 2021.

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

##### **TFRS 16 "Leases" Standard**

##### **Group – lessee :**

The Group 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 Group 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 Group

When Group 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 group applies the provisions of depreciation regulated under the TMS 16 Tangible Assets Standards, while depreciating the rights of use assets.

##### *The Lease Obligations:*

At the effective date of the lease, the Group measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Group'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 Group 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.

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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.

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

	<b>31 March 2021</b>	<b>31 December 2020</b>
Real estate	779.415	756.191
<b>Total right of use assets</b>	<b>779.415</b>	<b>756.191</b>

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

	<b>31 March 2021</b>	<b>31 December 2020</b>
Real estate	339.652	328.392
<b>Total right of use assets depreciation</b>	<b>339.652</b>	<b>328.392</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 31.675 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 GROUP**

**I. EXPLANATIONS ON EQUITY:**

Total capital amount and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". Additionally, calculated according to BRSA regulations dated 8 December 2020, numbered 9312. Based on recent regulation changes;

1) In calculating the amount subject to credit risk, the foreign exchange, which may be used the simple arithmetic average of the CBRT's purchase foreign exchange rates for the 252 weekdays before cut-off date, can be used while calculating the valued amounts in foreign currency.

2) 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 2021, taking into consideration the above-mentioned regulations, the current period equity of the Group has been calculated as TL 75.415.944 (31 December 2020: TL 73.356.889), and the capital adequacy ratio is 19,95% (31 December 2020: 20,70%). This ratio is above the minimum ratio required by the legislation.

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

	<b>Current Period 31 March 2021</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	7.014.871	
Share issue premiums	3.505.742	
Reserves	45.924.050	
Gains recognized in equity as per TAS	8.549.574	
Profit	2.447.173	
Current Period Profit	2.028.142	
Prior Period Profit	419.031	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	9.581	
Minorities' Share	189	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>67.451.180</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	51	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	2.209.806	
Improvement costs for operating leasing	43.206	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	964.980	964.980
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	249.199	
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>3.467.342</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>63.983.938</b>	



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	<b>Current Period 31 March 2021</b>	<b>Amounts related to treatment before 1/1/2014[*]</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	
<b>Additional Tier I Capital before Deductions</b>	-	
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
<b>Total Deductions From Additional Tier I Capital</b>	-	
<b>Total Additional Tier I Capital</b>	-	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>63.983.938</b>	
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	7.411.669	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (Temporary Article 3)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	4.020.650	
<b>Tier II Capital Before Deductions</b>	<b>11.432.319</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>11.432.319</b>	
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>75.416.257</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	313	
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deduct 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 2021</b>	<b>Amounts related to treatment before 1/1/2014 (*)</b>
<b>TOTAL CAPITAL</b>		
Total Capital (Total of Tier I and Tier II Capital)	75.415.944	
Total Risk Weighted Amounts	378.053.022	
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio (%)	16,93%	
Tier 1 Capital Adequacy Ratio (%)	16,93%	
Capital Adequacy Ratio (%)	19,95%	
<b>BUFFERS</b>		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	4,08%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific total common equity tier 1 capital ratio (%)	0,08%	
c) Systemic significant bank buffer ratio (%)	1,50%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	8,92%	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	51.375	
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	6.785.634	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4.020.650	
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.

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	<b>Prior Period 31 December 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	7.014.871	
Share issue premiums	3.505.742	
Reserves	40.117.963	
Gains recognized in equity as per TAS	8.224.523	
Profit	6.851.198	
Current Period Profit	6.259.625	
Prior Period Profit	591.573	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	9.581	
Minorities' Share	182	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>65.724.060</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	194	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.750.885	
Improvement costs for operating leasing	46.082	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	972.322	972.322
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>2.769.483</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>62.954.577</b>	

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	Prior Period 31 December 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)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	
<b>Additional Tier I Capital before Deductions</b>	-	
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
<b>Total Deductions From Additional Tier I Capital</b>	-	
<b>Total Additional Tier I Capital</b>	-	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>62.954.577</b>	
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	6.604.755	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (Temporary Article 3)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.798.015	
<b>Tier II Capital Before Deductions</b>	<b>10.402.770</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>10.402.770</b>	
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>73.357.347</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 (-)	458	
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deduct 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>Prior Period 31 December 2020</b>	<b>Amounts related to treatment before 1/1/2014 [*]</b>
<b>TOTAL CAPITAL</b>		
Total Capital (Total of Tier I and Tier II Capital)	73.356.889	
Total Risk Weighted Amounts	354.300.757	
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio (%)	17,77%	
Tier 1 Capital Adequacy Ratio (%)	17,77%	
Capital Adequacy Ratio (%)	20,70%	
<b>BUFFERS</b>		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	4,58%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific total common equity tier 1 capital ratio (%)	0,08%	
c) Systemic significant bank buffer ratio (%)	2,00%	
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	9,77%	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	23.532	
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	6.354.158	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3.798.015	
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.

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

		<b>Current Period 31 March 2021</b>
<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)	4.157 million TL (in full TL amount)	
Nominal value of instrument	4.157 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 4.157 million TL (in full TL amount)	
Subsequent call dates, if applicable	-	
<b>Coupon/dividend payment</b>		
Fixed or floating coupon/dividend payments	Fixed	
Coupon rate and any related index	7,2%	
Existence of any dividend payment restriction	None	
Fully discretionary, partially discretionary or mandatory	None	
Existence of step up or other incentive to redeem	None	
Noncumulative or cumulative	Noncumulative	
<b>Convertible or non-convertible into equity shares</b>		
If convertible, conversion trigger (s)	None	
If convertible, fully or partially	None	
If convertible, conversion rate	None	
If convertible, mandatory or optional conversion	None	
If convertible, type of instrument convertible into	None	
If convertible, issuer of instrument to be converted into	None	
<b>Write-down feature</b>		
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.	
If bond can be written-down, full or partial	Partially or fully	
If bond can be written-down, permanent or temporary	Continuously	
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.	
Position in subordination hierarchy in case of liquidation ( instrument type immediately senior to the instrument )	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.	
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.	
Details of incompliances with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.	

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**Current Period  
31 March 2021**

<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)	3.327 million TL (in full TL amount)
Nominal value of instrument	3.327 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 3.327 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 incompliances with article number 7 and 8 of " Own fund regulation "	The instrument is not in compliant with article numbered 7.

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- 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:**

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

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

	<b>USD</b>	<b>EURO</b>
Balance Sheet Evaluation Rate	TL 8,3258	TL 9,7688
1.Day bid rate	TL 8,3258	TL 9,7688
2.Day bid rate	TL 8,3260	TL 9,7741
3.Day bid rate	TL 8,1192	TL 9,5618
4.Day bid rate	TL 7,9893	TL 9,4150
5.Day bid rate	TL 7,9409	TL 9,3778

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

USD : TL 7,6592  
EURO : TL 9,1086

As of 31 December 2020;

	<b>USD</b>	<b>EURO</b>
Balance Sheet Evaluation Rate	TL 7,4194	TL 9,1164

**Information related to Group's Currency Risk:**

The table below summarizes the Group's net foreign currency position, categorized by currency. Foreign currency indexed assets are classified as Turkish Lira assets according to the Uniform Chart of Accounts. In currency risk calculation, foreign currency indexed assets are considered as foreign currency items. In accordance with the "Communiqué on Calculation of Foreign Currency Net Position/Capital Standard Ratio by banks in stand-alone and consolidated basis"; prepaid expenses in assets and 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.



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<b>Current Period – 31 March 2021</b>	<b>EURO</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash Equivalents and Central Bank (*)	17.095.003	23.262.681	2.849.680	<b>43.207.364</b>
Banks (*****)	6.071.673	18.325.483	1.163.708	<b>25.560.864</b>
Financial Assets at Fair Value through Profit or Loss	18.723	7.866.416	-	<b>7.885.139</b>
Interbank Money Market Placements	-	-	-	<b>-</b>
Financial Assets measured at other comprehensive income	2.357.849	33.110.317	1.524.987	<b>36.993.153</b>
Loans (**)	68.484.318	44.490.139	55.821	<b>113.030.278</b>
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	<b>-</b>
Financial assets measured at amortised cost	94.424	6.877.234	-	<b>6.971.658</b>
Hedging Derivative Financial Assets	-	-	165.979	<b>165.979</b>
Tangible Assets (Net)	38.309	17.764	-	<b>56.073</b>
Intangible Assets (Net)	5.342	7	-	<b>5.349</b>
Other Assets (***)	[758.882]	3.942.423	34.928	<b>3.218.469</b>
<b>Total Assets</b>	<b>93.406.759</b>	<b>137.892.464</b>	<b>5.795.103</b>	<b>237.094.326</b>
<b>Liabilities</b>				
Bank Deposits (****)	1.167.177	5.625.954	2.188.026	<b>8.981.157</b>
Foreign Currency Deposits (****)	61.201.092	99.003.004	21.859.705	<b>182.063.801</b>
Funds from Interbank Money Market	1.961.287	15.691.232	-	<b>17.652.519</b>
Borrowings	11.407.753	32.059.721	-	<b>43.467.474</b>
Marketable Securities Issued (Net) (****)	97.828	20.357.819	-	<b>20.455.647</b>
Miscellaneous Payables	3.140.029	6.681.258	6.929	<b>9.828.216</b>
Hedging Derivative Financial Liabilities	-	663.046	-	<b>663.046</b>
Other Liabilities	1.302.483	2.490.906	6.261	<b>3.799.650</b>
<b>Total Liabilities</b>	<b>80.277.649</b>	<b>182.572.940</b>	<b>24.060.921</b>	<b>286.911.510</b>
<b>Net on Balance Sheet Position</b>	<b>13.129.110</b>	<b>(44.680.476)</b>	<b>(18.265.818)</b>	<b>(49.817.184)</b>
<b>Net off-Balance Sheet Position (*****)</b>	<b>(12.995.384)</b>	<b>49.487.097</b>	<b>18.799.691</b>	<b>55.291.404</b>
Financial Derivative Assets	28.205.973	107.235.680	24.203.351	<b>159.645.004</b>
Financial Derivative Liabilities	41.201.357	57.748.583	5.403.660	<b>104.353.600</b>
<b>Non-cash Loans</b>	<b>15.059.027</b>	<b>17.160.116</b>	<b>736.589</b>	<b>32.955.732</b>
<b>Prior Period - 31 December 2020</b>				
Total Assets	90.441.150	117.646.707	5.503.193	<b>213.591.050</b>
Total Liabilities	77.704.643	167.640.875	24.343.257	<b>269.688.775</b>
<b>Net on-Balance Sheet Position</b>	<b>12.736.507</b>	<b>(49.994.168)</b>	<b>(18.840.064)</b>	<b>(56.097.725)</b>
<b>Net off-Balance Sheet Position (*****)</b>	<b>(14.675.745)</b>	<b>57.816.372</b>	<b>18.840.769</b>	<b>61.981.396</b>
Financial Derivative Assets	28.010.596	109.314.635	21.223.764	<b>158.548.995</b>
Financial Derivative Liabilities	42.686.341	51.498.263	2.382.995	<b>96.567.599</b>
<b>Non-cash Loans</b>	<b>13.220.443</b>	<b>12.656.933</b>	<b>657.302</b>	<b>26.534.678</b>

(\*) Of the Cash Equivalents and Central Bank and Other FC, TL 2.494.177 (31 December 2020: TL 2.173.647) are precious metal deposit account in demand.

(\*\*) The foreign currency indexed loans balance in the Turkish Lira accounts is TL 488.076 (31 December 2020: TL 554.548).

(\*\*\*) Derivative financial assets and expected credit losses are classified under other assets. The expected loss amount of foreign currency indexed loans balance is TL 8.390 (31 December 2020: TL 9.785). Prepaid assets amounted TL 55.296 (31 December 2020: TL 62.570) is excluded in the financial statements.

(\*\*\*\*) Of Bank Deposits Other FC of the TL 23.283 (31 December 2020: TL 22.911) and the foreign currency deposits TL 17.409.954 (31 December 2020: TL 17.561.462) 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.

(\*\*\*\*\*) Derivative collaterals given to foreign banks are included.

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**III. EXPLANATIONS ON INTEREST RATE RISK:**

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

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

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

<b>Current Period - 31 March 2021</b>	<b>Up to 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash Equivalents and Central Bank	5.223.012	-	-	-	-	44.876.920	<b>50.099.932</b>
Banks (****)	4.964.888	1.447.526	-	-	-	19.809.609	<b>26.222.023</b>
Financial Assets at Fair Value Through Profit or Loss	16.738	93.488	7.379.596	83.662	31.056	1.661.686	<b>9.266.226</b>
Interbank Money Market Placements	1.160	-	-	-	-	-	<b>1.160</b>
Financial Assets at measured Fair Value Other Comprehensive Income	7.124.668	5.503.575	12.187.656	27.485.203	8.872.023	527.891	<b>61.701.016</b>
Loans (*)	85.969.627	45.092.046	64.603.722	83.455.865	7.972.059	17.762.044	<b>304.855.363</b>
Financial Assets measured at amortised cost	59.378	14.503.474	17.794.528	9.695.480	1.166.343	-	<b>43.219.203</b>
Other Assets (**)	344.285	352.046	22.764.337	5.181.751	34.057	(6.751.605)	<b>21.924.871</b>
<b>Total Assets</b>	<b>103.703.756</b>	<b>66.992.155</b>	<b>124.729.839</b>	<b>125.901.961</b>	<b>18.075.538</b>	<b>77.886.545</b>	<b>517.289.794</b>
<b>Liabilities</b>							
Bank Deposits	8.435.262	1.855.826	13.486	-	-	507.602	<b>10.812.176</b>
Other Deposits	140.137.619	33.397.771	19.017.553	10.831.840	1.030.381	94.781.052	<b>299.196.216</b>
Funds from Interbank Money Market	20.767.436	7.451.198	8.016.659	794.105	-	-	<b>37.029.398</b>
Miscellaneous Payables	45.459	26.868	8.138.777	1.083.490	18.041	7.707.755	<b>17.020.390</b>
Marketable Securities Issued (Net) (***)	2.483.470	1.935.183	763.328	7.382.633	14.351.549	13.441	<b>26.929.604</b>
Borrowings	15.582.781	22.926.780	3.756.549	1.766.136	-	-	<b>44.032.246</b>
Other Liabilities (****)	250.628	100.086	11.086.325	1.682.477	549.562	68.600.686	<b>82.269.764</b>
<b>Total Liabilities</b>	<b>187.702.655</b>	<b>67.693.712</b>	<b>50.792.677</b>	<b>23.540.681</b>	<b>15.949.533</b>	<b>171.610.536</b>	<b>517.289.794</b>
Balance Sheet Long Position	-	-	73.937.162	102.361.280	2.126.005	-	<b>178.424.447</b>
Balance Sheet Short Position	(83.998.899)	(701.557)	-	-	-	(93.723.991)	<b>(178.424.447)</b>
Off-balance Sheet Long Position	(89)	56.829	16.083.072	(12.757)	-	-	<b>16.127.055</b>
Off-balance Sheet Short Position	(10.576)	(352)	(21.038)	(833.022)	-	-	<b>(864.988)</b>
<b>Total Position</b>	<b>(84.009.564)</b>	<b>(645.080)</b>	<b>89.999.196</b>	<b>101.515.501</b>	<b>2.126.005</b>	<b>(93.723.991)</b>	<b>15.262.067</b>

(\*) Included lease receivables. Non-performing loans are shown 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.

(\*\*\*\*\*) Derivative collaterals given to foreign banks are included.

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Prior Period – 31 December 2020	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash Equivalents and Central Bank	2.627.707	-	-	-	-	45.048.614	<b>47.676.321</b>
Banks (****)	28.207	1.118.581	-	-	-	16.269.287	<b>17.416.075</b>
Financial Assets at Fair Value Through Profit or Loss	16.862	20.202	7.426.015	107.610	48.403	1.560.320	<b>9.179.412</b>
Interbank Money Market Placements	488.547	-	-	-	-	-	<b>488.547</b>
Financial Assets at measured Fair Value Other Comprehensive Income	9.376.431	5.447.357	10.414.147	24.163.846	8.295.652	506.712	<b>58.204.145</b>
Loans (*)	75.512.873	34.422.911	71.705.957	78.477.567	6.688.433	18.008.342	<b>284.816.083</b>
Financial Assets measured at amortised cost	8.835.555	2.287.297	19.059.289	10.526.018	1.176.900	-	<b>41.885.059</b>
Other Assets (**)	5.571.782	8.977.709	6.301.169	3.173.131	105.494	(5.478.352)	<b>18.650.933</b>
<b>Total Assets</b>	<b>102.457.964</b>	<b>52.274.057</b>	<b>114.906.577</b>	<b>116.448.172</b>	<b>16.314.882</b>	<b>75.914.923</b>	<b>478.316.575</b>
<b>Liabilities</b>							
Bank Deposits	7.795.846	3.792.220	704.937	-	-	280.804	<b>12.573.807</b>
Other Deposits	134.522.966	32.469.410	11.968.798	8.870.972	1.085.209	91.027.845	<b>279.945.200</b>
Funds from Interbank Money Market	10.019.030	7.416.294	2.730.948	741.072	-	-	<b>20.907.344</b>
Miscellaneous Payables	1.947.451	2.340.060	1.247.428	227.435	-	7.238.271	<b>13.000.645</b>
Marketable Securities Issued (Net) (***)	3.013.848	2.526.286	1.082.283	8.996.764	10.390.107	15.343	<b>26.024.631</b>
Borrowings	13.819.271	20.707.922	4.445.398	1.290.023	-	-	<b>40.262.614</b>
Other Liabilities (****)	4.460.892	6.732.581	3.947.744	865.978	574.419	69.020.720	<b>85.602.334</b>
<b>Total Liabilities</b>	<b>175.579.304</b>	<b>75.984.773</b>	<b>26.127.536</b>	<b>20.992.244</b>	<b>12.049.735</b>	<b>167.582.983</b>	<b>478.316.575</b>
Balance Sheet Long Position	-	-	88.779.041	95.455.928	4.265.147	-	<b>188.500.116</b>
Balance Sheet Short Position	(73.121.340)	(23.710.716)	-	-	-	(91.668.060)	<b>(188.500.116)</b>
Off-balance Sheet Long Position	3.900.378	11.078.296	77.555	2.827.555	56.135	-	<b>17.939.919</b>
Off-balance Sheet Short Position	193.278	9.140	(8.572.053)	37.805	8.202	-	<b>(8.323.628)</b>
<b>Total Position</b>	<b>(69.027.684)</b>	<b>(12.623.280)</b>	<b>80.284.543</b>	<b>98.321.288</b>	<b>4.329.484</b>	<b>(91.668.060)</b>	<b>9.616.291</b>

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

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

(\*\*\*) Included lease receivables. Non-performing loans are shown 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.

(\*\*\*\*\*) Derivative collaterals given to foreign banks are included.

**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 2021	EURO	USD	Yen	TL
<b>Assets</b>				
Cash Equivalents and Central Bank	-	-	-	13,50
Banks	0,42	0,34	-	18,76
Financial Assets at Fair Value Through Profit or Loss	3,42	4,09	-	21,58
Interbank Money Market Placements	-	-	-	18,73
Financial Assets at Fair Value Other Comprehensive Income	3,08	4,85	3,09	13,67
Loans	3,96	5,69	-	14,67
Financial Assets measured at amortised cost	4,29	5,86	-	11,94
<b>Liabilities</b>				
Bank Deposits (**)	0,42	0,98	-	16,66
Other Deposits (**)	0,20	0,89	0,01	12,94
Funds from Interbank Money Market	-	0,96	-	18,87
Miscellaneous Payables	-	0,08	-	-
Marketable Securities Issued (Net) (*)	4,00	6,21	-	15,98
Borrowings	2,10	2,42	-	14,00

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

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

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Prior Period – 31 December 2020	EURO	USD	Yen	TL
<b>Assets</b>				
Cash Equivalents and Central Bank	-	-	-	12,00
Banks	0,47	0,54	-	17,36
Financial Assets at Fair Value Through Profit or Loss	3,36	5,80	-	14,92
Interbank Money Market Placements	-	-	-	17,97
Financial Assets at Fair Value Other Comprehensive Income	2,92	5,20	3,09	12,75
Loans	3,78	5,15	7,69	13,21
Financial Assets measured at amortised cost	1,70	5,86	-	12,18
<b>Liabilities</b>				
Bank Deposits (**)	0,72	1,83	-	16,30
Other Deposits (**)	0,31	1,27	-	12,07
Funds from Interbank Money Market	-	1,14	-	16,62
Miscellaneous Payables	-	0,09	-	-
Marketable Securities Issued (Net) (*)	4,00	6,22	-	10,38
Borrowings	2,07	2,42	-	11,22

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

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

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

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

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

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

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

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

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

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

The different categories of defined limits are;

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

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

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

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

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

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

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

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

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

**e) Information on liquidity risk mitigation techniques:**

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

**f) Information on the use of stress tests:**

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

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

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

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**Liquidity Coverage Ratio:**

	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
	TL+FC	FC	TL+FC	FC
<b>Current Period - 31 March 2021</b>				
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1	High quality liquid assets		95.525.610	56.426.291
<b>CASH OUTFLOWS</b>				
2	Retail and Customers Deposits		199.863.703	116.139.757
3	Stable deposits		30.085.993	-
4	Less stable deposits		169.777.710	116.139.757
Unsecured Funding other than Retail and Small Business				
5	Customers Deposits		83.202.447	51.790.804
6	Operational deposits		-	-
7	Non-Operational Deposits		71.973.925	45.278.962
8	Other Unsecured Funding		11.228.522	6.511.842
9	Secured funding		-	-
10	Other Cash Outflows		13.218.649	18.302.837
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions		6.243.522	11.657.147
12	Debts related to the structured financial products		25.427	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities		6.949.700	6.645.690
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments		813.873	-
15	Other irrevocable or conditionally revocable commitments		77.695.387	20.986.560
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>		<b>78.219.371</b>	<b>57.345.729</b>
<b>CASH INFLOWS</b>				
17	Secured Lending Transactions		947.907	-
18	Unsecured Lending Transactions		37.049.213	20.292.491
19	Other contractual cash inflows		2.893.184	19.134.072
<b>20</b>	<b>TOTAL CASH INFLOWS</b>		<b>40.890.304</b>	<b>39.426.563</b>
			<b>Upper limit applied amounts</b>	
<b>21</b>	<b>TOTAL HQLA STOCK</b>		<b>95.525.610</b>	<b>56.426.291</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>		<b>47.471.805</b>	<b>19.757.749</b>
<b>23</b>	<b>Liquidity Coverage Ratio [%]</b>		<b>201,23</b>	<b>285,59</b>

[\*] Simple arithmetic average calculated for the last three months of values calculated by taking the simple arithmetic average was used for calculating the average in last days of the related last three months.

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Prior Period - 31 December 2020	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			94.323.115	54.937.446
<b>CASH OUTFLOWS</b>				
2 Retail and Customers Deposits	197.692.680	117.924.753	18.270.258	11.792.475
3 Stable deposits	29.980.213	-	1.499.011	-
4 Less stable deposits	167.712.467	117.924.753	16.771.247	11.792.475
5 Unsecured Funding other than Retail and Small Business Customers Deposits	93.965.339	63.913.035	51.369.973	35.573.074
6 Operational deposits	-	-	-	-
7 Non-Operational Deposits	83.052.766	57.396.025	41.839.841	29.056.304
8 Other Unsecured Funding	10.912.573	6.517.010	9.530.132	6.516.770
9 Secured funding			1.174.897	1.174.897
10 Other Cash Outflows	21.413.142	24.692.260	12.060.275	16.674.526
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	11.033.977	15.803.687	11.033.977	15.803.687
12 Debts related to the structured financial products	11.075	-	11.075	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	10.368.090	8.888.573	1.015.223	870.839
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	934.540	-	46.727	-
15 Other irrevocable or conditionally revocable commitments	68.586.120	15.629.187	3.429.306	781.459
<b>16 TOTAL CASH OUTFLOWS</b>			<b>86.351.436</b>	<b>65.996.431</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	3.679.842	-	-	-
18 Unsecured Lending Transactions	45.843.762	18.378.084	37.791.900	16.645.865
19 Other contractual cash inflows	6.322.324	27.776.566	6.316.216	27.775.443
<b>20 TOTAL CASH INFLOWS</b>	<b>55.845.928</b>	<b>46.154.650</b>	<b>44.108.116</b>	<b>44.421.308</b>
			<b>Upper limit applied amounts</b>	
<b>21 TOTAL HQLA STOCK</b>			<b>94.323.115</b>	<b>54.937.446</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>42.243.320</b>	<b>21.575.123</b>
<b>23 Liquidity Coverage Ratio (%)</b>			<b>223,29</b>	<b>254,63</b>

(\*) Simple arithmetic average calculated for the last three months of values calculated by taking the simple arithmetic average was used for calculating the average in last days of the related last three months.

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 209% during the period and remain at a quite higher level than the legal lower limit.

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

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The Bank's high quality liquid assets mainly comprise of CBRT accounts by 45% and securities issued by Treasury of Republic of Turkey by 45%. Funding sources are mainly distributed between individual and retail deposits by 65%, corporate deposits by 19%, borrowings from banks by 4% and collateralized borrowings such as repurchase agreements by 8%.

Cash outflow amounting to TL 1.646 million is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last 2 years.

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

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

	<b>Current Period - 31 March 2021</b>	
	<b>TL+FC</b>	<b>FC</b>
October	203,39	347,21
November	208,91	313,57
December	196,78	236,49

  

	<b>Prior Period - 31 December 2020</b>	
	<b>TL+FC</b>	<b>FC</b>
October	209,16	229,25
November	239,61	281,26
December	223,66	257,43



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

<b>Current Period – 31 March 2021</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 Equivalents and Central Bank Banks (*****)	27.538.037	22.432.870	129.025	-	-	-	-	<b>50.099.932</b>
Financial Assets at Fair Value Through Profit or Loss	19.809.609	4.964.888	1.447.526	-	-	-	-	<b>26.222.023</b>
Interbank Money Market Placements	1.661.686	9.990	49.410	7.400.066	114.018	31.056	-	<b>9.266.226</b>
Financial Assets measured at other comprehensive income	-	1.160	-	-	-	-	-	<b>1.160</b>
Loans (*)	527.891	385.328	628.402	8.161.994	42.453.989	9.543.412	-	<b>61.701.016</b>
Financial Assets measured at amortised cost	71.428	65.221.016	36.337.336	61.696.473	97.753.139	26.085.355	17.690.616	<b>304.855.363</b>
Other Assets (**)	-	11.799	7.033.866	8.783.545	17.684.564	9.705.429	-	<b>43.219.203</b>
	1.650.210	344.246	-	9.803.250	10.903.257	7.112.848	(7.888.940)	<b>21.924.871</b>
<b>Total Assets</b>	<b>51.258.861</b>	<b>93.371.297</b>	<b>45.625.565</b>	<b>95.845.328</b>	<b>168.908.967</b>	<b>52.478.100</b>	<b>9.801.676</b>	<b>517.289.794</b>
<b>Liabilities</b>								
Bank Deposits	507.602	8.435.262	1.855.826	13.486	-	-	-	<b>10.812.176</b>
Other Deposits	94.781.052	140.137.619	32.800.768	19.570.213	10.876.183	1.030.381	-	<b>299.196.216</b>
Borrowings	-	5.476.946	3.765.133	15.809.709	17.839.407	1.141.051	-	<b>44.032.246</b>
Funds from Interbank Money Market	-	21.629.280	5.406.491	3.777.225	3.768.605	2.447.797	-	<b>37.029.398</b>
Marketable Securities Issued (Net) (***)	-	2.489.740	1.942.354	763.328	7.382.633	14.351.549	-	<b>26.929.604</b>
Miscellaneous Payables	1.421.266	47.054	-	1.914.923	5.538.984	1.786.401	6.311.762	<b>17.020.390</b>
Other Liabilities (****)	1.931.110	2.396.001	77.562	3.006.214	7.589.418	2.919.541	64.349.918	<b>82.269.764</b>
<b>Total Liabilities</b>	<b>98.641.030</b>	<b>180.611.902</b>	<b>45.848.134</b>	<b>44.855.098</b>	<b>52.995.230</b>	<b>23.676.720</b>	<b>70.661.680</b>	<b>517.289.794</b>
<b>Net Liquidity Excess / (Gap)</b>	<b>(47.382.169)</b>	<b>(87.240.605)</b>	<b>(222.569)</b>	<b>50.990.230</b>	<b>115.913.737</b>	<b>28.801.380</b>	<b>(60.860.004)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	-	(10.666)	10.973	5.823.036	5.115.252	4.323.472	-	<b>15.262.067</b>
Financial Derivative Assets	-	910.533	1.136.915	149.911.996	107.421.797	66.649.835	-	<b>326.031.076</b>
Financial Derivative Liabilities	-	921.199	1.125.942	144.088.960	102.306.545	62.326.363	-	<b>310.769.009</b>
<b>Non-cash Loans (*****)</b>	<b>-</b>	<b>1.356.460</b>	<b>176.794</b>	<b>17.174.561</b>	<b>14.587.473</b>	<b>26.324.431</b>	<b>-</b>	<b>59.619.719</b>
<b>Prior Period - 31 December 2020</b>								
Total Assets	46.279.850	82.941.832	34.070.858	99.369.383	160.449.749	45.111.336	10.093.567	<b>478.316.575</b>
Total Liabilities	94.265.352	159.465.962	46.805.038	38.623.592	49.201.039	19.221.024	70.734.568	<b>478.316.575</b>
<b>Net Liquidity Excess/ (Gap)</b>	<b>(47.985.502)</b>	<b>(76.524.130)</b>	<b>(12.734.180)</b>	<b>60.745.791</b>	<b>111.248.710</b>	<b>25.890.312</b>	<b>(60.641.001)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	-	(1.211.272)	(15.662)	3.174.289	4.405.896	3.263.040	-	<b>9.616.291</b>
Financial Derivative Assets	-	68.673.800	54.345.993	46.822.858	86.707.425	55.643.891	-	<b>312.193.967</b>
Financial Derivative Liabilities	-	69.885.072	54.361.655	43.648.569	82.301.529	52.380.851	-	<b>302.577.676</b>
<b>Non-cash Loans (*****)</b>	<b>-</b>	<b>1.704.272</b>	<b>1.110.275</b>	<b>11.024.630</b>	<b>13.213.186</b>	<b>24.383.289</b>	<b>-</b>	<b>51.435.652</b>

(\*) Included lease receivables. The non-performing loans is presented "Unallocatable" column.

(\*\*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, derivative financial assets, investments, subsidiaries, stationery, pre-paid 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.

(\*\*\*\*\*) Derivative collaterals given to foreign banks are included.

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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 2021, the leverage ratio of the Group calculated from 3 months average amounts is 10,41% (31 December 2020: 10,10%). This ratio is above the minimum ratio which is 3%.

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

	<b>Current Period 31 March 2021 (**)</b>	<b>Prior Period 31 December 2020 (**)</b>
1 Total assets in the consolidated financial statements prepared in accordance with TAS (*)	494.880.948	498.189.391
2 Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communiqué on Preparation of Consolidated Financial Statements of the Banks	-	(253.000)
3 Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	5.239.214	4.804.212
4 Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(38.031.629)	(35.080.452)
5 Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(1.453.742)	(1.497.887)
6 Other differences in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	151.690.771	142.201.626
7 Total Risk	612.325.562	608.363.890

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

(\*\*) Three months average values in the related periods.

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

	<b>Current Period 31 March 2021 (*)</b>	<b>Prior Period 31 December 2020 (*)</b>	
<b>Balance sheet Assets</b>			
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	471.712.446	470.896.975
2	(Assets deducted from Core capital)	-	-
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	471.712.446	470.896.975
<b>Derivative financial assets and credit derivatives</b>			
4	Cost of replenishment for derivative financial assets and credit derivatives	15.331.130	15.100.108
5	Potential credit risk amount of derivative financial assets and credit derivatives	5.239.214	4.804.212
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	20.570.344	19.904.320
<b>Financing transactions secured by marketable security or commodity</b>			
7	Risk amount of financing transactions secured by marketable security or commodity	2.730.672	5.858.367
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)	2.730.672	5.858.367
<b>Off-balance sheet transactions</b>			
10	Gross notional amount of off-balance sheet transactions	118.765.842	113.202.115
11	(Correction amount due to multiplication with credit conversion rates)	(1.453.742)	(1.497.887)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	117.312.100	111.704.228
<b>Capital and total risk</b>			
13	Core Capital	63.674.330	61.394.635
14	Total risk amount (sum of lines 3, 6, 9 and 12)	612.325.562	608.363.890
<b>Leverage ratio</b>			
15	Leverage ratio	10,41	10,10

(\*) Three months average values.

**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.

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**Overview of RWA:**

	Risk Weighted Amount		Minimum capital requirement
	Current Period 31 March 2021	Prior Period 31 December 2020	Current Period 31 March 2021
1 Credit risk (excluding counterparty credit risk) (CCR)	301.487.323	282.417.186	24.118.986
2 Standardized approach (SA)	301.487.323	282.417.186	24.118.986
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	19.742.734	21.018.707	1.579.419
5 Standardized approach for counterparty credit risk (SA-CCR)	19.742.734	21.018.707	1.579.419
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	421.909	405.280	33.753
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	15.562.117	16.091.736	1.244.969
17 Standardized approach (SA)	15.562.117	16.091.736	1.244.969
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	40.838.939	34.367.848	3.267.115
20 Basic Indicator Approach	40.838.939	34.367.848	3.267.115
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>378.053.022</b>	<b>354.300.757</b>	<b>30.244.242</b>

**VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:**

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

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

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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.

Within the scope of the Major Indicative Interest Rates Reform, reference interest rates will be converted as of the beginning of 2021, and new alternative interest rates will be used instead of the current benchmark interest rates, especially Libor. In addition to floating rate assets such as securities indexed to benchmark interest rates and loans, Banks' financial statements include liabilities such as securities issued, borrowed loans and derivative transactions, and off-balance sheet instruments. With the regulations published in September 2019 and December 2020 regarding the implementation of the aforementioned reform, early implementation of the amendments was permitted, while temporary exemption was given to the applications related to the determination of cash flows of hedge accounting and the termination of transactions. A working group was established to evaluate the impact of the interest rate reform on the financial statements and to adapt to reform. Reform changes have not been implemented early and developments are followed by the working group.

The average remaining maturity of the floating-rate USD Libor-Indexed borrowings directly affected by the interest rate reform is 4 years and the remaining amount is USD 981.518. Foreign currency interest swap transactions were made to hedge the cash flow risk of the aforementioned borrowing and subject to hedge accounting. There is no hedge accounting transaction terminated under the published exceptions.

As of 31 March 2021, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet of the Bank are summarized in the following table:

	<b>Current Period 31 March 2021</b>			<b>Prior Period 31 December 2020</b>		
	<b>Notional Amount</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Notional Amount</b>	<b>Assets</b>	<b>Liabilities</b>
Interest Rate and Cross Currency Swaps						
-TL	24.600.932	8.672.722	495.685	20.923.980	7.956.205	424.660
-FC	59.721.611	165.979	663.046	63.594.359	12.998	1.015.179
<b>Total</b>	<b>84.322.543</b>	<b>8.838.701</b>	<b>1.158.731</b>	<b>84.518.339</b>	<b>7.969.203</b>	<b>1.439.839</b>

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

The Group has been using hedge against fair value strategy to hedge against foreign currency risk born of EUR 787 million (31 December 2020: EUR 787 million) which represents share premiums and paid-in-capital of Akbank AG, one of its subsidiaries. EUR 787 million of syndication loans used by the Group have been classified as "hedge instruments."

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

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 other comprehensive income	Interest rate risk	(433.251)	368.545	(64.706)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	17.688	(17.324)	364
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(66.467)	62.290	(4.177)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	1.361.108	(1.358.866)	2.242
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	71	(89)	(18)
Cross-currency swap	Fixed interest rate TL Commercial Loans, FC borrowings	Interest rate and currency risk	6.981	(7.029)	(48)
Interest Rate Swap	Fixed interest rate TL Securities Issued	Interest rate risk	(103.287)	112.585	9.298
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	(18)	16	(2)

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

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

**Prior Period - 31 December 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 other comprehensive income	Interest rate risk	(534.522)	487.716	(46.806)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	16.031	(16.419)	(388)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(67.317)	63.459	(3.858)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	1.896.556	(1.890.232)	6.324
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	(4.070)	4.181	111
Cross-currency swap	Fixed interest rate TL Commercial Loans, FC borrowings	Interest rate and currency risk	(28.992)	28.662	(330)
Interest Rate Swap	Fixed interest rate TL Securities Issued	Interest rate risk	(64.929)	69.179	4.250
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	(26)	23	(2)

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

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

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 2021, 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 2.455 (31 December 2020: TL 695).

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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	-	278.210	14.060	(38.161)	2.132
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	5.394.087	-	7.937	(286.778)	19.750
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	402.301	270.905	387.439	7.616	4.873
Interest Rate Swap	Short term FC deposits	Cash Flow risk due to changes in interest rate of funds	-	2.798	(394)	(270)	790
Interest Rate Swap	Floating-rate TL financial assets at fair value through other comprehensive income	Cash Flow risk due to changes in interest rate of funds	-	101.953	(85.054)	(17.507)	(3.605)

As of 31 March 2021 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 2021, 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 31.250 (31 December 2020: TL 28.746).

**IX. EXPLANATIONS ON BUSINESS SEGMENTS:**

The Group operates retail banking, commercial banking, and corporate-investment and private banking and wealth 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.

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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.

Other operations includes activities of Ak Finansal Kiralama A.Ş., Ak Yatırım Menkul Değerler A.Ş., Ak Portföy Yönetim A.Ş., Akbank AG and AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş as subsidiaries of the Bank in consolidation.

Information on business segments as of 31 March 2021 and 31 December 2020 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, SME Banking, Corporate-Investment and Private Banking</b>	<b>Treasury</b>	<b>Other and Unallocated</b>	<b>Group's Total Activities</b>
<b>Current Period - 31 March 2021</b>					
Operating Income	3.054.722	2.085.707	(908.360)	2.805.195	7.037.264
Profit from Operating Activities	1.247.376	1.581.395	(1.033.945)	756.643	2.551.469
Income from Subsidiaries	-	-	-	5.394	5.394
Profit before Tax	1.247.376	1.581.395	(1.033.945)	762.037	2.556.863
Tax Expense	-	-	-	(528.714)	(528.714)
Net Profit for the Period	1.247.376	1.581.395	(1.033.945)	233.323	2.028.149
Segment Assets	106.685.708	213.552.442	172.343.984	9.180.613	501.762.747
Investments in Associates.	-	-	-	18.129	18.129
Undistributed Assets	-	-	-	15.508.918	15.508.918
Total Assets					517.289.794
Segment Liabilities	201.553.174	102.873.908	119.900.028	9.766.254	434.093.364
Undistributed Liabilities	-	-	-	20.158.884	20.158.884
Shareholders' Equity	-	-	-	63.037.546	63.037.546
Total Liabilities					517.289.794

	<b>Retail Banking</b>	<b>Commercial Banking, SME Banking, Corporate-Investment and Private Banking</b>	<b>Treasury</b>	<b>Other and Unallocated</b>	<b>Group's Total Activities</b>
<b>Prior Period - 31 December 2020</b>					
Operating Income	2.160.138	1.700.554	2.293.765	258.214	6.412.671
Profit from Operating Activities	277.924	(139.007)	2.048.239	(413.467)	1.773.689
Income from Subsidiaries	-	-	-	235	235
Profit before Tax	277.924	(139.007)	2.048.239	(413.232)	1.773.924
Tax Expense	-	-	-	(471.253)	(471.253)
Net Profit for the Period	277.924	(139.007)	2.048.239	(884.485)	1.302.671
Segment Assets	101.012.305	198.994.220	148.545.090	8.974.388	457.526.003
Investments in Associates.	-	-	-	14.795	14.795
Undistributed Assets	-	-	-	20.775.777	20.775.777
Total Assets					478.316.575
Segment Liabilities	190.212.425	96.610.017	103.254.640	8.770.417	398.847.499
Undistributed Liabilities	-	-	-	16.545.019	16.545.019
Shareholders' Equity	-	-	-	62.924.057	62.924.057
Total Liabilities					478.316.575

[\*] 31 March 2020 amounts are used for income statement accounts.

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

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

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

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

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Cash/Foreign Currency	1.667.554	3.186.803	1.770.526	3.165.685
The CBRT (*)	5.225.014	39.842.046	2.628.104	39.976.266
Other (**)	-	178.515	-	135.740
<b>Total</b>	<b>6.892.568</b>	<b>43.207.364</b>	<b>4.398.630</b>	<b>43.277.691</b>

(\*) Precious metal account amounting to TL 2.418.244 are included in FC (31 December 2020: TL 2.037.937).

(\*\*) Precious metal account amounting to TL 75.933 are included in FC (31 December 2020: TL 135.710).

2. Information related to the account of the CBRT:

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Unrestricted Demand Deposits	2.044	-	433	-
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Reserve Requirement	5.222.970	39.842.046	2.627.671	39.976.266
<b>Total</b>	<b>5.225.014</b>	<b>39.842.046</b>	<b>2.628.104</b>	<b>39.976.266</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 required reserve rates for TL liabilities vary between 3% and 8% for TL deposits and other liabilities according to their maturities as of 31 March 2021 (31 December 2020: 1% and 6% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 22% for deposit and other foreign currency liabilities according to their maturities as of 31 March 2021 (31 December 2020: 5% and 22% for all foreign currency liabilities).

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

As of 31 March 2021, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 10.116 (31 December 2020: TL 9.995); and there are no financial assets subject to repo transactions (31 December 2020: None).

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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 2021, the value of the part pursued as loan is TL 10.172.020 (31 December 2020: TL 8.968.855), and it is classified under "Other Financial Assets" under "Financial Assets at Fair Value through Profit Loss". The total fair value impairment accounted for the total amount turned into credit and capital is TL 4.245.200 (31 December 2020: TL 3.042.035 ) and the amount of TL 1.416.090 (31 December 2020: TL 1.416.090) of this amount is accounted under the "Assets Held for Sale and Discontinued Operations" and TL 2.829.110 (31 December 2020: 1.625.945) is accounted under "Other Financial Assets" which is the sub-item of "Financial Assets at Fair Value through Profit Loss".

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 have been initiated.

TL 1.101.416 (31 December 2020: TL 1.094.617 ) of other financial assets consist Fourth Real Estate Investment Fund of Ak Portföy Yönetimi A.Ş. established by Ak Portföy Yönetimi A.Ş. and the fund is followed at its fair value and the related valuation differences are recognized in profit or loss.

**c. Trading derivative financial assets:**

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

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Forward Transactions	245.232	953	414.145	-
Swap Transactions	12.415.359	5.736.104	7.817.657	6.504.867
Futures Transactions	-	-	-	-
Options	46.510	133.737	38.165	114.329
Other	-	-	-	-
<b>Total</b>	<b>12.707.101</b>	<b>5.870.794</b>	<b>8.269.967</b>	<b>6.619.196</b>

(\*) Excluding hedging derivatives financial assets.

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

Information on banks account:

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Banks				
Domestic	661.159	340.631	7.375	30.971
Foreign (*)	-	25.220.233	-	17.377.729
Head Quarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>661.159</b>	<b>25.560.864</b>	<b>7.375</b>	<b>17.408.700</b>

(\*) Includes collateral of TL 3.171.705 for derivative transactions made with foreign banks (31 December 2020: 5.004.862 TL).

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

1. As of 31 March 2021, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 18.546.391 (31 December 2020: TL 16.984.050); and those given as collateral/blocked amounting to TL 15.774.738 (31 December 2020: TL 18.374.196).

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

	Current Period 31 March 2021	Prior Period 31 December 2020
Debt Securities	64.017.327	58.851.820
Quoted at Stock Exchange (*)	62.059.793	56.760.569
Unquoted at Stock Exchange	1.957.534	2.091.251
Share Certificates	16.384	16.384
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	16.384	16.384
Impairment Provision (-)	2.332.695	664.059
<b>Total</b>	<b>61.701.016</b>	<b>58.204.145</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 2021		Prior Period 31 December 2020	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	97	-	97
Corporate Shareholders	-	97	-	97
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	8.037.052	2.010.982	7.661.495	2.175.254
Loans Granted to Employees	145.612	-	152.213	-
<b>Total</b>	<b>8.182.664</b>	<b>2.011.079</b>	<b>7.813.708</b>	<b>2.175.351</b>

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2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled (\*):  
(i). Loans at amortised cost (\*)

Current Period – 31 March 2021	Loans and other receivables under follow up			
	Standard Loans and Other Receivables	Loans and Receivables Not Subject to restructuring	Restructured Loans and Receivables	
Loans and Receivables with Revised Contract Terms			Refinance	
<b>Cash Loans</b>				
Non-specialized Loans				
Loans given to enterprises	44.358.153	2.397.000	89.880	2.429.042
Export Loans	23.845.156	256.869	381	25.857
Import Loans	1.905.474	-	-	-
Loans Given to Financial Sector	13.898.737	35	-	1.035
Consumer Loans	43.751.127	1.718.261	564.161	335.230
Credit Cards	21.856.495	748.353	664.110	-
Other	108.815.362	1.874.672	5.868.793	11.760.564
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>258.430.504</b>	<b>6.995.190</b>	<b>7.187.325</b>	<b>14.551.728</b>

(\*) The balances of loans at fair value profit or loss has not been included. Included lease receivables.

Expected Credit Loss Stage I and Stage II (*)	Standard Loans	Current Period	Standard Loans	Prior Period
		31 March 2021		Loans under Follow-up
				Loans under Follow-up
12 Month Expected Credit Losses	1.639.850	-	1.521.946	-
Significant Increase in Credit Risk	-	4.812.912	-	4.354.331
<b>Total</b>	<b>1.639.850</b>	<b>4.812.912</b>	<b>1.521.946</b>	<b>4.354.331</b>

(\*) Included expected credit losses of lease receivables.

- (ii). Aging analysis for overdue receivables (\*):

	Current Period	Prior Period
	31 March 2021	31 December 2020
30-60 days overdue	854.667	598.530
60-90 days overdue	564.132	421.459
More than 90 days overdue	1.386.708	1.165.481
<b>Total</b>	<b>2.805.507</b>	<b>2.185.470</b>

(\*)Within the scope of the decisions taken by the BRSA, the delay period foreseen for classification in the Second Group due to delay days has been moved from the 30th delay day to the 90th delay day, and the delay period for classification as non-performing loans has been moved from the 90th delay day to the end of the 180th day. The relevant issue will be valid until 30 June 2021 according to the decision of the BRSA dated 8 December 2020 and numbered 9312..

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

<b>Current Period – 31 March 2021</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>1.364.987</b>	<b>42.922.654</b>	<b>44.287.641</b>
Mortgage Loans	10.690	10.630.897	10.641.587
Automotive Loans	19.896	308.770	328.666
Consumer Loans	1.334.401	31.982.987	33.317.388
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>-</b>	<b>380</b>	<b>380</b>
Mortgage Loans	-	380	380
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>19.072.891</b>	<b>615.703</b>	<b>19.688.594</b>
With Installment	5.732.104	613.630	6.345.734
Without Installment	13.340.787	2.073	13.342.860
<b>Consumer Credit Cards-FC</b>	<b>8.687</b>	<b>-</b>	<b>8.687</b>
With Installment	3	-	3
Without Installment	8.684	-	8.684
<b>Personnel Loans-TL</b>	<b>4.942</b>	<b>80.660</b>	<b>85.602</b>
Mortgage Loans	-	2.678	2.678
Automotive Loans	-	251	251
Consumer Loans	4.942	77.731	82.673
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>59.730</b>	<b>147</b>	<b>59.877</b>
With Installment	20.120	147	20.267
Without Installment	39.610	-	39.610
<b>Personnel Credit Cards-FC</b>	<b>133</b>	<b>-</b>	<b>133</b>
With Installment	-	-	-
Without Installment	133	-	133
<b>Credit Deposit Account-TL (Real Person)</b>	<b>1.995.156</b>	<b>-</b>	<b>1.995.156</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>22.506.526</b>	<b>43.619.544</b>	<b>66.126.070</b>

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<b>Prior Period – 31 December 2020</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>1.248.879</b>	<b>38.839.207</b>	<b>40.088.086</b>
Mortgage Loans	3.455	9.578.655	9.582.110
Automotive Loans	14.541	214.523	229.064
Consumer Loans	1.230.883	29.046.029	30.276.912
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>-</b>	<b>610</b>	<b>610</b>
Mortgage Loans	-	610	610
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>17.738.135</b>	<b>611.742</b>	<b>18.349.877</b>
With Installment	5.973.122	609.846	6.582.968
Without Installment	11.765.013	1.896	11.766.909
<b>Consumer Credit Cards-FC</b>	<b>7.496</b>	<b>-</b>	<b>7.496</b>
With Installment	-	-	-
Without Installment	7.496	-	7.496
<b>Personnel Loans-TL</b>	<b>6.912</b>	<b>83.923</b>	<b>90.835</b>
Mortgage Loans	-	3.209	3.209
Automotive Loans	-	78	78
Consumer Loans	6.912	80.636	87.548
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>61.063</b>	<b>198</b>	<b>61.261</b>
With Installment	20.703	198	20.901
Without Installment	40.360	-	40.360
<b>Personnel Credit Cards-FC</b>	<b>117</b>	<b>-</b>	<b>117</b>
With Installment	-	-	-
Without Installment	117	-	117
<b>Credit Deposit Account-TL (Real Person)</b>	<b>1.734.475</b>	<b>-</b>	<b>1.734.475</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>20.797.077</b>	<b>39.535.680</b>	<b>60.332.757</b>

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

<b>Current Period – 31 March 2021</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>2.456.451</b>	<b>12.577.711</b>	<b>15.034.162</b>
Mortgage Loans	2.744	6.160	8.904
Automotive Loans	95.248	505	95.753
Consumer Loans	2.358.459	12.571.046	14.929.505
Other	-	-	-
<b>FC Indexed Commercial Installment Loans</b>	<b>-</b>	<b>27.144</b>	<b>27.144</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	27.144	27.144
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>16.971</b>	<b>750.484</b>	<b>767.455</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	16.971	750.484	767.455
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>3.470.159</b>	<b>39.714</b>	<b>3.509.873</b>
With Installment	1.382.012	39.603	1.421.615
Without Installment	2.088.147	111	2.088.258
<b>Corporate Credit Cards-FC</b>	<b>1.794</b>	<b>-</b>	<b>1.794</b>
With Installment	-	-	-
Without Installment	1.794	-	1.794
<b>Credit Deposit Account-TL (Legal Person)</b>	<b>883.116</b>	<b>-</b>	<b>883.116</b>
<b>Credit Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6.828.491</b>	<b>13.395.053</b>	<b>20.223.544</b>

<b>Prior Period - 31.12.2020</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>3.609.665</b>	<b>11.901.365</b>	<b>15.511.030</b>
Mortgage Loans	1.572	6.755	8.327
Automotive Loans	99.845	569	100.414
Consumer Loans	3.508.248	11.894.041	15.402.289
Other	-	-	-
<b>FC Indexed Commercial Installment Loans</b>	<b>-</b>	<b>39.952</b>	<b>39.952</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	39.952	39.952
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>12.771</b>	<b>505.040</b>	<b>517.811</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	12.771	505.040	517.811
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>3.206.720</b>	<b>33.257</b>	<b>3.239.977</b>
With Installment	1.358.425	33.162	1.391.587
Without Installment	1.848.295	95	1.848.390
<b>Corporate Credit Cards-FC</b>	<b>1.693</b>	<b>-</b>	<b>1.693</b>
With Installment	-	-	-
Without Installment	1.693	-	1.693
<b>Credit Deposit Account-TL (Legal Person)</b>	<b>934.652</b>	<b>-</b>	<b>934.652</b>
<b>Credit Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7.765.501</b>	<b>12.479.614</b>	<b>20.245.115</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 2021</b>	<b>Prior Period 31 December 2020</b>
Domestic Loans	292.145.992	272.211.163
Foreign Loans	12.709.371	12.604.920
<b>Total</b>	<b>304.855.363</b>	<b>284.816.083</b>

(\*) Included leasing receivables.

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

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

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 December 2020</b>
Loans and Other Receivables with Limited Collectibility	8.016	1.226.937
Loans and Other Receivables with Doubtful Collectibility	1.800.589	623.643
Uncollectible Loans and Receivables	9.383.045	9.242.658
<b>Total</b>	<b>11.191.650</b>	<b>11.093.238</b>

(\*) Included leasing receivables.

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and Other Receivables with Limited Collectibility</b>	<b>Loans and Other Receivables with Doubtful Collectibility</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Current Period: 31 March 2021</b>			
(Gross Amounts Before Specific Provisions)	54	64.856	1.537.120
Rescheduled Loans and Other Receivables	54	64.856	1.537.120
<b>Prior Period: 31 December 2020</b>			
(Gross Amounts Before Specific Provisions)	30	103.154	2.201.152
Rescheduled Loans and Other Receivables	30	103.154	2.201.152

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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 and Other Receivables with Limited Collectibility</b>	<b>Loans and Other Receivables with Doubtful Collectibility</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Prior Period End Balance: 31 December 2020</b>	<b>2.221.345</b>	<b>946.928</b>	<b>14.712.021</b>
Additions (+)	96.952	294.850	231.900
Transfers from Other Categories of Non-Performing Loans (+)	-	2.295.667	398.187
Transfers to Other Categories of Non-Performing Loans (-)	2.295.667	398.187	-
Collections (-)	10.681	107.552	670.134
Write-offs (-) (**)	283	6.472	18.258
Sold Portfolio	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>11.666</b>	<b>3.025.234</b>	<b>14.653.716</b>
Specific Provisions (-)	8.016	1.800.589	9.383.045
<b>Net Balance at Balance Sheet</b>	<b>3.650</b>	<b>1.224.645</b>	<b>5.270.671</b>

[\*] Included leasing receivables.

[\*\*] There is no write-off 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 2020: TL 692.841 and its effect on the NPL ratio is 23 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 and Other Receivables with Limited Collectibility</b>	<b>Loans and Other Receivables with Doubtful Collectibility</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Current Period: 31 March 2021</b>			
Balance at the End of the Period	-	2.198.741	4.485.915
Specific Provision (-)	-	1.230.940	2.336.645
Net Balance on Balance Sheet	-	967.801	2.149.270
<b>Prior Period: 31 December 2020</b>			
Balance at the End of the Period	2.043.398	154.266	4.547.430
Specific Provision (-)	1.102.493	92.004	2.350.414
Net Balance at Balance Sheet	940.905	62.262	2.197.016

In Parent Bank, 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 and Other Receivables with Limited Collectibility</b>	<b>Loans and Other Receivables with Doubtful Collectibility</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Current Period (Net): 31 March 2021</b>			
Loans granted to corporate entities and real persons (Gross)	11.666	3.025.234	14.653.716
Specific Provision Amount (-)	8.016	1.800.589	9.383.045
Loans granted to corporate entities and real persons (Net)	3.650	1.224.645	5.270.671
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 2020</b>			
Loans granted to corporate entities and real persons (Gross)	2.221.345	946.928	14.712.021
Specific Provision Amount (-)	1.226.937	623.643	9.242.658
Loans granted to corporate entities and real persons (Net)	994.408	323.285	5.469.363
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

(\*) Included leasing receivables.

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>Loans and Other Receivables with Limited Collectibility</b>	<b>Loans and Other Receivables with Doubtful Collectibility</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Current Period: 31 March 2021</b>			
Interest accruals and valuation differences	970	205.161	3.085.153
Provision (-)	668	124.105	1.858.857
<b>Prior Period: 31 December 2020</b>			
Interest accruals and valuation differences	101.483	128.971	2.947.315
Provision (-)	55.746	81.547	1.766.352

(\*) Included leasing receivables.

9. Information on the collection policy of non-performing loans and other receivables:

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

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10. Information on the write-off policy:

The general policy of the Group in the deletion of NPLs from assets is that the receivables that are documented that the collection is not possible during the legal follow-up process and that are classified under the 5th group and do not have reasonable expectations regarding their recovery and 100% of all fraud and fraud-related follow-up accounts with a provision ratio. Legal proceedings are tracked from where they left off for the follow-up accounts that are not recorded in the legal proceedings.

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

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

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Given as collateral/blocked	6.169.843	79.816	7.470.796	1.216.927
Subject to repurchase agreements	14.116.568	5.655.456	1.693.302	4.547.790
<b>Total</b>	<b>20.286.411</b>	<b>5.735.272</b>	<b>9.164.098</b>	<b>5.764.717</b>

2. Information about Government debt securities:

	Current Period 31 March 2021	Prior Period 31 December 2020
Government debt	41.362.240	40.239.483
Treasury bonds	-	-
Other government debts	1.109.089	977.340
<b>Total</b>	<b>42.471.329</b>	<b>41.216.823</b>

3. Information on financial assets measured at amortised cost:

	Current Period 31 March 2021	Prior Period 31 December 2020
Debt Securities	43.275.839	41.923.581
Quoted at stock exchange	43.275.839	41.923.581
Not quoted at stock exchange	-	-
Impairment (-)	56.636	38.522
<b>Total</b>	<b>43.219.203</b>	<b>41.885.059</b>

4. The movement of financial assets at amortised costs:

	Current Period 31 March 2021	Prior Period 31 December 2020
Balance at the Beginning of the Period	41.885.059	15.574.858
Foreign Currency Differences on Monetary Assets	746.969	4.715.654
Purchases During Year	3.695.965	25.884.971
Disposals Through Sales and Redemptions	(3.596.755)	(4.774.521)
Impairment Provision	(18.114)	(11.001)
Change in Amortised Cost	506.079	495.098
<b>Balance at the End of the Period</b>	<b>43.219.203</b>	<b>41.885.059</b>

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

1. Non-consolidated associates:

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

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

Title	Address (City / Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1 Bankalararası Kart Merkezi A.Ş.	Istanbul/Turkey	4,89	4,89
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

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

The financial figures stated below have been obtained from the financial statements date 30 March 2021.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	292.614	234.941	95.642	11.857	-	53.042	26.624	-
2	493.445	292.956	295.150	9.516	-	76.415	22.180	-
3	34.723	27.961	26.355	487	-	2.467	6.146	-
4	51.021	50.248	727	985	-	248	-	-

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

	Current Period 31 March 2021	Prior Period 31 December 2020
Balance at the Beginning of the Period	14.795	5.521
Movements During the Period		
Purchases (*)	3.334	3.588
Bonus Shares and Contributions to Capital	-	5.686
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Impairment Provision (-)	-	-
Balance at the End of the Period	18.129	14.795
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(\*) The mentioned amounts are due to the increase of the capital of Birleşik İpotek Finansmanı A.Ş., a subsidiary of the Bank, by TL 40.000 for the current period, and the share of the Bank to JCR Avrasya Rating A.Ş. by 2,86% for the previous period. 2.755 TL for the shares and 833 TL for the 8,33% share of Birleşik İpotek Finansmanı A.Ş.

2. Consolidated subsidiaries within the current period: None.

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

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

The following amounts have been obtained from the financial statements as of 31 March 2021 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	62.000
Share Premium	-	-	-	-	-
Reserves	744.175	76.251	34.192	7.251.130	(14)
Gains recognized in equity as per TAS	-	(3.367)	(405)	-	(109)
Profit/Loss	44.775	760.541	81.595	121.742	(64.262)
- Net Current Period Profit	44.775	148.507	38.370	121.742	(9.002)
- Prior Year Profit/Loss	-	612.034	43.225	-	(55.260)
Development Cost of Operating Lease (-)	61	865	-	967	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	1.500	13.741	296	5.216	-
<b>Total Common Equity</b>	<b>1.147.396</b>	<b>915.621</b>	<b>125.620</b>	<b>8.107.337</b>	<b>(2.385)</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>1.147.396</b>	<b>915.621</b>	<b>125.620</b>	<b>8.107.337</b>	<b>(2.385)</b>
<b>Tier II Capital</b>	<b>86.831</b>	<b>330</b>	<b>-</b>	<b>73.987</b>	<b>-</b>
<b>CAPITAL</b>	<b>1.234.227</b>	<b>915.951</b>	<b>125.620</b>	<b>8.181.324</b>	<b>(2.385)</b>
<b>Deductions from Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CAPITAL</b>	<b>1.234.227</b>	<b>915.951</b>	<b>125.620</b>	<b>8.181.324</b>	<b>(2.385)</b>

(\* ) The 20.000 TL capital advance paid by the Parent Bank to AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş. in 2021 is not shown in the above table, and the amount is followed under the Miscellaneous Payables item of the company until the required transactions are completed.

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

2. Non-consolidated subsidiaries: None.

3. Consolidated subsidiaries:

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

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

The following amounts have been obtained from the financial statements as of 31 March 2021 prepared in accordance with legislation in which companies are subject to.

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit/ Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value</b>
1	7.758.353	1.148.250	87.979	129.984	185	44.775	34.216	-
2	2.944.738	930.227	25.830	84.066	18.202	148.507	49.917	-
3	151.692	125.916	4.302	4.400	4.814	38.370	19.924	-
4	38.649.536	8.113.520	43.652	235.689	54.908	121.742	81.176	-
5	33.458	[2.385]	1.121	129	-	[9.002]	[5.768]	-

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

5. Movement schedule for consolidated subsidiaries:

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 December 2020</b>
Balance at the Beginning of the Period	9.605.628	6.730.785
Movements During the Period		
Additions (*)	-	35.000
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	344.050	956.126
Sales/Liquidation	-	-
Revaluation Increase (**)	365.678	1.883.717
Revaluation/Impairment	-	-
Balance at the End of the Period	10.315.356	9.605.628
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(\*) The mentioned amounts arise from the capital increase of 35.000 TL of AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş., which is a 100% subsidiary of the Bank, for the previous period.

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

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

<b>Subsidiaries</b>	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 December 2020</b>
Banks	8.113.520	7.525.427
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	1.148.078	1.103.162
Finance Companies	-	-
Other Financial Subsidiaries	1.053.758	977.039

7. Subsidiaries quoted to a stock exchange: None (31 December 2020: None).

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**j. Information on joint ventures:** None (31 December 2020: None).

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

	Current Period 31 March 2021		Prior Period 31 December 2020	
	Gross	Net	Gross	Net
2020	-	-	-	-
2021	1.786.350	1.581.017	2.122.120	1.871.231
2022 and following years	4.123.328	3.669.875	3.524.619	3.143.908
<b>Total</b>	<b>5.909.678</b>	<b>5.250.892</b>	<b>5.646.739</b>	<b>5.015.139</b>

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

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	2.874.598	165.979	3.217.726	12.998
Cash Flow Hedge	5.798.124	-	4.738.479	-
Net Investment Hedge in a foreign operation	-	-	-	-
<b>Total</b>	<b>8.672.722</b>	<b>165.979</b>	<b>7.956.205</b>	<b>12.998</b>

**m. Information on the investment properties:** None (31 December 2020: None).

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

As of 31 March 2021, the Group has TL 132.073 deferred tax asset (31 December 2020: TL 147.990). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values, tax values and debts of fixed assets and financial assets, and provision for employee rights.

Deferred tax assets and liabilities, which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation in the Bank and in consolidated subsidiaries, are presented as net on an individual entity level. As noted in Note XVIII of Section Three, for the purposes of consolidated financial statements deferred taxes arising from different consolidated subsidiaries are presented separately in assets and liabilities. There are no carry forward tax losses that can be used as deductions for the tax calculation. 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 2021	Prior Period 31 December 2020
Cost	277.011	250.782
Accumulated Depreciation (-)	3	4
<b>Net Book Value</b>	<b>277.008</b>	<b>250.778</b>
	Current Period 31 March 2021	Prior Period 31 December 2020
<b>Opening Balance Net Book Value</b>	<b>250.778</b>	<b>666.067</b>
Additions	79.951	265.721
Disposals (-), net	53.340	184.122
Impairment (-)	381	496.888
Depreciation (-)	-	-
<b>Closing Net Book Value</b>	<b>277.008</b>	<b>250.778</b>

**p. Information on other assets:**

Other assets amounting to TL 4.682.300 (31 December 2020: TL 5.220.074) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.



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

**a. Information on deposits:**

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

1 (i). Current Period – 31 March 2021:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>Deposits Cumulative</b>	<b>Total</b>
Saving Deposits	12.556.603	8.436.874	46.746.596	6.049.367	1.301.518	1.249.098	7.947	<b>76.348.003</b>
Foreign Currency Deposits	51.094.691	8.521.616	76.744.365	4.760.292	5.798.732	17.733.184	967	<b>164.653.847</b>
Residents in Turkey	44.034.631	8.321.295	71.938.561	2.019.938	2.295.405	3.432.027	967	<b>132.042.824</b>
Residents Abroad	7.060.060	200.321	4.805.804	2.740.354	3.503.327	14.301.157	-	<b>32.611.023</b>
Public Sector Deposits	1.378.623	7.015	29.733	684	582	525	-	<b>1.417.162</b>
Commercial Deposits	13.110.131	14.505.028	7.561.059	259.629	247.894	429.028	-	<b>36.112.769</b>
Other Institutions Deposits	336.907	279.898	1.542.416	72.436	621.458	401.366	-	<b>3.254.481</b>
Precious metals Deposits	16.304.097	10.671	266.523	14.738	728.518	85.407	-	<b>17.409.954</b>
Interbank Deposits	507.602	1.210.565	8.243.789	101.831	748.389	-	-	<b>10.812.176</b>
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	34.932	683.706	267.247	-	734.314	-	-	<b>1.720.199</b>
Foreign Banks	237.792	526.859	7.976.542	101.831	14.075	-	-	<b>8.857.099</b>
Participation Banks	234.878	-	-	-	-	-	-	<b>234.878</b>
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>95.288.654</b>	<b>32.971.667</b>	<b>141.134.481</b>	<b>11.258.977</b>	<b>9.447.091</b>	<b>19.898.608</b>	<b>8.914</b>	<b>310.008.392</b>

1 (ii). Prior period - 31 December 2020:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>Deposits Cumulative</b>	<b>Total</b>
Saving Deposits	12.219.978	12.032.234	44.243.460	435.333	316.374	485.258	8.061	<b>69.740.698</b>
Foreign Currency Deposits	49.705.965	15.155.554	67.252.208	3.171.751	4.735.719	16.111.230	950	<b>156.133.377</b>
Residents in Turkey	42.865.558	14.956.249	62.805.067	1.162.030	2.081.927	3.187.223	950	<b>127.059.004</b>
Residents Abroad	6.840.407	199.305	4.447.141	2.009.721	2.653.792	12.924.007	-	<b>29.074.373</b>
Public Sector Deposits	1.041.580	12.763	35.227	3.617	644	520	-	<b>1.094.351</b>
Commercial Deposits	11.118.180	9.619.587	10.810.507	146.115	72.611	297.154	-	<b>32.064.154</b>
Other Institutions Deposits	352.519	474.871	2.466.462	36.556	19.203	1.547	-	<b>3.351.158</b>
Precious metals Deposits	16.589.623	10.417	142.711	13.185	710.877	94.649	-	<b>17.561.462</b>
Interbank Deposits	280.804	757.377	10.126.576	715.540	692.597	913	-	<b>12.573.807</b>
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	16.068	456.097	135.598	173.372	684.219	-	-	<b>1.465.354</b>
Foreign Banks	228.705	301.280	9.990.978	542.168	8.378	913	-	<b>11.072.422</b>
Participation Banks	36.031	-	-	-	-	-	-	<b>36.031</b>
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>91.308.649</b>	<b>38.062.803</b>	<b>135.077.151</b>	<b>4.522.097</b>	<b>6.548.025</b>	<b>16.991.271</b>	<b>9.011</b>	<b>292.519.007</b>

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2. Information on saving deposits insurance:

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 31 March 2021	Prior Period 31 December 2020	Current Period 31 March 2021	Prior Period 31 December 2020
Saving Deposits	31.844.399	30.216.189	44.463.403	39.523.989
Foreign Currency Saving Deposits	17.924.384	18.887.429	75.603.900	68.523.730
Other Deposits in the Form of Saving Deposits	7.439.705	7.892.207	8.612.942	8.201.705
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 2021	Prior Period 31 December 2020
Foreign Branches' Deposits and other accounts	26	24
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	1.986.001	1.855.160
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

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

Table of derivative financial liabilities (\*):

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Forward Transactions	342.917	-	231.359	405
Swap Transactions	7.657.187	2.885.677	10.615.699	2.390.107
Futures Transactions	-	-	-	-
Options	40.369	187.356	5.632	157.932
Other	-	-	-	-
<b>Total</b>	<b>8.040.473</b>	<b>3.073.033</b>	<b>10.852.690</b>	<b>2.548.444</b>

(\* ) Excluding hedge transactions.

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**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	564.772	2.866.378	367.411	4.939.707
From Foreign Banks, Institutions and Funds	-	40.601.096	-	34.955.496
<b>Total</b>	<b>564.772</b>	<b>40.467.474</b>	<b>367.411</b>	<b>39.895.203</b>

2. Information on maturity structure of borrowings:

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Short-term	221.327	752.553	256.276	705.426
Medium and Long-term	343.445	42.714.921	111.135	39.189.777
<b>Total</b>	<b>564.772</b>	<b>43.467.474</b>	<b>367.411</b>	<b>39.895.203</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 Group are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Group and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and securitized borrowings and post-financing obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Group.

**d. Information on securities issued (Net):**

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Bank bills	4.019.095	-	5.313.725	-
Bonds	2.454.862	12.933.875	2.399.203	11.593.289
<b>Total</b>	<b>6.473.957</b>	<b>12.933.875</b>	<b>7.712.928</b>	<b>11.593.289</b>

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

Other foreign liabilities amounting to TL 2.912.082 under "Other Liabilities" (31 December 2020: TL 3.001.989) 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 2021		Prior Period 31 December 2020	
	Gross	Net	Gross	Net
Less Than 1 Year	142.957	65.938	139.140	63.288
Between 1-4 Years	361.680	191.095	351.773	183.105
More Than 4 Years	423.087	297.049	425.611	296.166
<b>Total</b>	<b>927.724</b>	<b>554.082</b>	<b>916.524</b>	<b>542.559</b>

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

	Current Period 31 March 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	122.827	382.037	81.056	679.914
Cash Flow Hedge	372.858	281.009	343.604	335.265
Net Investment Hedge in a foreign operation	-	-	-	-
<b>Total</b>	<b>495.685</b>	<b>663.046</b>	<b>424.660</b>	<b>1.015.179</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 Group arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	Current Period 31 March 2021	Prior Period 31 December 2020
Discount Rate (%)	3,64	3,64
Rate for the Probability of Retirement (%)	95,52	95,52

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 7.638,96 (1 January 2020: TL 6.730,15) effective from 1 January 2021 has been taken into consideration in calculating the reserve for employee termination benefits (in full TL amount).

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

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 December 2020</b>
<b>Prior Period Closing Balance</b>	<b>428.234</b>	<b>324.669</b>
Recognized as an Expense During the Period	19.558	77.788
Actuarial Loss / (Gain)	(33)	68.211
Paid During the Period	(13.620)	(42.434)
<b>Balance at the End of the Period</b>	<b>434.139</b>	<b>428.234</b>

As of 31 March 2021, the Group has allocated vacation liability amounting to TL 152.639 (31 December 2020: TL 129.387).

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

As of 31 March 2021, the Bank has no provision related to foreign currency differences of foreign indexed loans (31 December 2020: None) and the related prior period amount is offset with the balance of foreign currency indexed loans.

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

Expected loss provisions for non-cash loans that are non-funded and non-transformed into cash amounting to TL 491.046 as of 31 March 2021 (31 December 2020: TL 492.437).

4. Information on other provisions:

4 (i). Information on free provision for possible risks: TL 1.150.000 (31 December 2020: TL 1.150.000).

(ii). Information on provisions for banking services promotion: The Group has provision for credit cards and banking services promotion activities amounting to TL 73.677 (31 December 2020: TL 64.932).

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**i. Explanations on tax liability:**

1. Explanations on tax liability:

Tax calculations of the Group are explained in Note XVIII of Section Three. As of 31 March 2021, the remaining tax liability after the deduction of taxes paid is TL 287.597 (31 December 2020: TL 1.126.257). There is no current tax asset as of 31 March 2021 (31 December 2020: None).

1 (i). Information on taxes payable:

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 December 2020</b>
Corporate Taxes Payable	287.597	1.126.257
Taxation on Marketable Securities	226.638	162.786
Property Tax	1.405	1.210
Banking Insurance Transaction Tax (BITT)	159.276	172.963
Foreign Exchange Transaction Tax	9.730	9.632
Value Added Tax Payable	18.003	11.499
Other	177.825	174.939
<b>Total</b>	<b>880.474</b>	<b>1.659.286</b>

1 (ii). Information on premium payables:

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 December 2020</b>
Social Security Premiums – Employee	1.950	1.516
Social Security Premiums – Employer	366	308
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	1.948	2.038
Unemployment Insurance – Employer	3.562	3.818
Other	334	270
<b>Total</b>	<b>8.166</b>	<b>7.956</b>

2. Information on deferred tax liability:

As of 31 March 2021, Turkish Lira deferred tax liability of the Group amounts to TL 80.698 (31 December 2020: TL 124.458). 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 31 March 2021</b>		<b>Prior Period 31 December 2020</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Debt Instruments subject to common equity	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Debt Instruments subject to tier 2 equity	-	7.521.772	-	6.718.414
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	7.521.772	-	6.718.414
<b>Total</b>	<b>-</b>	<b>7.521.772</b>	<b>-</b>	<b>6.718.414</b>

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

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

1. Presentation of paid-in capital:

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 December 2020</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.

5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the "subsequent interim period: None.

6. The effects of anticipations based on the financial figures for prior periods regarding the Group's income, profitability and liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainties at these indicators:

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

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

8. Information on marketable securities value increase fund:

	<b>Current Period 31 March 2021</b>		<b>Prior Period 31 December 2020</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(382.149)	(1.196.212)	73.752	305.059
Foreign Currency Differences	-	-	-	-
<b>Total</b>	<b>(382.149)</b>	<b>(1.196.212)</b>	<b>73.752</b>	<b>305.059</b>

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

**Explanations on off-balance sheet commitments:**

1. Type and amount of irrevocable commitments: TL 11.762.660 asset purchase commitments (31 December 2020: TL 7.908.110), TL 31.035.224 commitments for credit card limits (31 December 2020: TL 29.118.196) and TL 3.270.827 commitments for cheque books (31 December 2020: TL 2.730.978).

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

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

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

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 December 2020</b>
Bank Acceptance Loans	79.839	47.814
Letters of Credit	5.994.040	4.660.989
Other Guarantees and Warranties	12.285.480	9.202.231
<b>Total</b>	<b>18.359.359</b>	<b>13.911.034</b>

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

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 December 2020</b>
Revocable Letters of Guarantee	1.650.911	1.961.090
Irrevocable Letters of Guarantee	20.036.547	18.532.178
Letters of Guarantee Given in Advance	2.500.839	1.920.439
Guarantees Given to Customs	3.587.837	3.529.766
Other Letters of Guarantee	13.484.226	11.581.145
<b>Total</b>	<b>41.260.360</b>	<b>37.524.618</b>

3. Information on non-cash loans:

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

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 December 2020</b>
Non-cash Loans Given against Cash Loans	21.822.438	20.144.761
With Original Maturity of 1 Year or Less Than 1 Year	9.824.683	6.778.686
With Original Maturity of More Than 1 Year	11.997.755	13.366.075
Other Non-cash Loans	37.797.281	31.290.891
<b>Total</b>	<b>59.619.719</b>	<b>51.435.652</b>



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

**a. Information on interest income:**

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

	Current Period 31 March 2021		Prior Period 31 March 2020	
	TL	FC	TL	FC
Short-term Loans	2.689.561	217.122	1.689.292	195.775
Medium and Long-term Loans	3.090.128	959.330	2.933.770	1.023.663
Interest on Loans Under Follow-Up	119.179	-	256.929	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>5.898.868</b>	<b>1.176.452</b>	<b>4.879.991</b>	<b>1.219.438</b>

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

2. Information on interest income on banks:

	Current Period 31 March 2021		Prior Period 31 March 2020	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	26.025	13.230	38.890	3.474
From Foreign Banks	-	8.936	2.752	53.287
From Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>26.025</b>	<b>22.166</b>	<b>41.642</b>	<b>56.761</b>

3. Information on interest income on marketable securities:

	Current Period 31 March 2021		Prior Period 31 March 2020	
	TL	FC	TL	FC
From Financial Assets at Fair Value through Profit or Loss	1.852	3.110	4.387	1.477
Financial Assets at Fair Value through Other Comprehensive Income	804.052	399.573	1.151.897	378.219
Financial Assets Measured at Amortised Cost	986.191	88.999	501.197	44.321
<b>Total</b>	<b>1.792.095</b>	<b>491.682</b>	<b>1.657.481</b>	<b>424.017</b>

As stated in the Note VII of Section Three, there are bonds indexed to consumer prices ("CPI") in the securities portfolios of the Parent Bank whose fair value difference is reflected to other comprehensive income and measured with their amortized cost. The mentioned securities are valued and accounted for according to the effective interest method based on the index calculated based on the real coupon rates and the reference inflation index on the issue date and the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months ago. The Parent Bank determines the estimated inflation rate accordingly. The estimated inflation rate used is updated during the year when deemed necessary. In this context, as of 31 March 2021, the valuation of these securities was made according to an annual inflation forecast of 11.00%. As of 31 March 2021, in case of the CPI estimate increases or decreases by 1%, the profit before tax will increase by approximately TL 79 million (full amount) or decrease by the same amount.

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

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**b. Information on interest expense:**

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

	Current Period 31 March 2021		Prior Period 31 March 2020	
	TL	FC	TL	FC
Banks	12.526	209.002	18.148	280.549
The CBRT	-	-	-	-
Domestic Banks	12.408	11.750	18.071	12.476
Foreign Banks	118	197.252	77	268.073
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	38.841	-	41.374
<b>Total</b>	<b>12.526</b>	<b>247.843</b>	<b>18.148</b>	<b>321.923</b>

[\*] Fee and commission expense from cash loans are included.

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

3. Information on interest expense given to securities issued:

	Current Period 31 March 2021		Prior Period 31 March 2020	
	TL	FC	TL	FC
Interest expense on securities issued	250.347	283.607	146.040	185.058

4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

Current Period - 31.03.2021	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
<b>TL</b>							
Bank Deposits	-	52.598	57.357	-	-	-	109.955
Saving Deposits	-	454.327	1.773.033	28.979	14.970	18.967	2.290.276
Public Sector Deposits	-	377	1.139	17	12	10	1.555
Commercial Deposits	-	474.098	374.111	10.224	7.122	10.418	875.973
Other Deposits	-	12.618	87.600	1.821	3.588	1.353	106.980
<b>Total</b>	<b>-</b>	<b>994.018</b>	<b>2.293.240</b>	<b>41.041</b>	<b>25.692</b>	<b>30.748</b>	<b>3.384.739</b>
<b>FC</b>							
Foreign Currency Deposits	1.342	50.200	184.993	11.996	13.003	46.225	307.759
Bank Deposits	46	1.696	31.331	2.315	3.242	-	38.630
Precious Metals Deposits	-	14	220	8	579	148	969
<b>Total</b>	<b>1.388</b>	<b>51.910</b>	<b>216.544</b>	<b>14.319</b>	<b>16.824</b>	<b>46.373</b>	<b>347.358</b>
<b>Grand Total</b>	<b>1.388</b>	<b>1.045.928</b>	<b>2.509.784</b>	<b>55.360</b>	<b>42.516</b>	<b>77.121</b>	<b>3.732.097</b>

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

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

Prior Period - 31.03.2020	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
<b>TL</b>							
Bank Deposits	9.573	28.352	13.072	-	63	-	<b>51.060</b>
Saving Deposits	-	216.359	1.017.228	4.292	6.912	17.750	<b>1.262.541</b>
Public Sector Deposits	-	337	693	25	8	16	<b>1.079</b>
Commercial Deposits	-	221.679	306.609	14.366	2.311	1.535	<b>546.500</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>1.414.971</b>	<b>19.227</b>	<b>9.445</b>	<b>19.318</b>	<b>1.947.176</b>
<b>FC</b>							
Foreign Currency Deposits	1.618	43.202	190.907	8.230	9.207	73.283	<b>326.447</b>
Bank Deposits	217	79	2.110	3.814	876	42	<b>7.138</b>
Precious Metals Deposits	-	-	6	-	429	198	<b>633</b>
<b>Total</b>	<b>1.835</b>	<b>43.281</b>	<b>193.023</b>	<b>12.044</b>	<b>10.512</b>	<b>73.523</b>	<b>334.218</b>
<b>Grand Total</b>	<b>11.408</b>	<b>517.923</b>	<b>1.607.994</b>	<b>31.271</b>	<b>19.957</b>	<b>92.841</b>	<b>2.281.394</b>

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

	Current Period 31 March 2021	Prior Period 31 March 2020
<b>Profit</b>	<b>557.469.098</b>	<b>249.351.491</b>
Income From Capital Market Transactions	312.169	90.207
Income From Derivative Financial Transactions (*)	23.334.086	12.250.689
Foreign Exchange Gains	533.822.843	237.010.595
<b>Loss (-)</b>	<b>556.848.745</b>	<b>249.837.175</b>
Loss from Capital Market Transactions	144.827	112.053
Loss from Derivative Financial Transactions (*)	17.522.594	11.883.642
Foreign Exchange Loss	539.181.324	237.841.480
<b>Total (Net)</b>	<b>620.353</b>	<b>(485.684)</b>

(\*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 6.521.394 (31 March 2020: TL 1.487.856).

As of 31 March 2021, necessary adjustments have been made in the TL yield curves used in the valuation of derivative transactions, since they do not fully reflect market conditions.

**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.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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

Expected provision expense:

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 March 2020</b>
Expected Credit Loss	1.195.058	1.455.271
12 month expected credit loss (stage 1)	329.055	196.781
Significant increase in credit risk (stage 2)	95.228	77.360
Non-performing loans (stage 3)	770.775	1.181.130
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 and Subsidiaries Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	1.203.665	1.128.697
<b>Total</b>	<b>2.398.723</b>	<b>2.583.975</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 2021</b>	<b>Prior Period 31 March 2020</b>
Reserve for Employee Termination Benefits	5.938	4.474
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	127.191	108.019
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	65.144	48.159
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	381	153
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	769.367	809.828
Leasing Expenses on TFRS 16 Exceptions	31.675	28.446
Maintenance Expenses	10.212	11.230
Advertisement Expenses	20.541	32.927
Other Expenses	706.939	737.225
Loss on Sales of Assets	1.367	-
Other	307.807	276.476
<b>Total</b>	<b>1.277.195</b>	<b>1.247.109</b>

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS  
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**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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

	<b>Current Period 31 March 2021</b>	<b>Prior Period 31 March 2020</b>
Income/(loss) from minority interest	7	5

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

As of 31 March 2021, the Group has a current tax expense of TL 99.093 (31 March 2020: TL 275.314), deferred tax expense of TL 851.533 (31 March 2020: TL 614.074) and deferred tax income of TL 421.912 (31 March 2020: TL 418.135). The Group's current tax expense of TL 51.948 (31 March 2020: TL 43.201 ) and deferred tax income of TL 4.278 (31 March 2020: TL 3.341) belong to Akbank AG, its subsidiary operating in Germany.

The Group 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 CONSOLIDATED 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".

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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

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

1. Current Period – 31 March 2021:

<b>Group's Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)</b>		<b>Direct and Indirect Shareholders of the Group</b>		<b>Other Real and Legal Persons that have been included in the Risk Group</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
Loans						
Balance at the Beginning of the Period	-	-	7.661.495	2.175.351	2.134	1.576
Balance at the End of the Period	-	-	8.037.052	2.011.079	2.832	1.703
Interest and Commission Income Received	-	-	127.877	2.556	260	5

2. Prior Period – 31 December 2020:

<b>Group's Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)</b>		<b>Direct and Indirect Shareholders of the Group</b>		<b>Other Real and Legal Persons that have been included in the Risk Group</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	6.723.184	1.048.361	6.429	1.096
Balance at the End of the Period	-	-	7.661.495	2.175.351	2.134	1.576
Interest and Commission Income Received(*)	-	-	199.643	2.678	126	6

(\*) 31 March 2020 balances used for income/expense accounts.

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

<b>Bank's Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)</b>				<b>Other Real and Legal Persons that have been included in the Risk Group</b>			
	<b>Current Period</b>		<b>Prior Period</b>		<b>Current Period</b>		<b>Prior Period</b>	
	<b>31.03.2021</b>	<b>31.12.2020</b>	<b>31.03.2021</b>	<b>31.12.2020</b>	<b>31.03.2021</b>	<b>31.12.2020</b>	<b>31.03.2021</b>	<b>31.12.2020</b>
Balance at the Beginning of the Period	-	-	5.935.731	4.572.874	633.839	1.403.075		
Balance at the End of the Period	-	-	6.987.620	5.935.731	686.319	633.839		
Interest expense on Deposits(*)	-	-	115.382	43.495	10.344	7.503		

(\*) 31 March 2020 balances used for income/expense accounts.

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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

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
	31.03.2021	31.12.2020	31.03.2021	31.12.2020	31.03.2021	31.12.2020
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	10.166.262	11.408.705	-	-
Balance at the End of the Period	-	-	8.019.073	10.166.262	-	-
Total Income/Loss (*)	-	-	80.965	6.132	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

(\*) 31 March 2020 balances used for income/expense accounts.

Figures presented in the table above show the total of "sale" and "purchase" amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Group. As of 31 March 2021, the net exposure for direct and indirect shareholders of the Group is TL (463.026) (31 March 2020: TL (358.416)).

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

As of 31 March 2021, benefits provided to the Group's key management amounting to TL 37.498 (31 March 2020: TL 48.343).

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

The Parent Bank has secured a multi-currency syndicated term loan facility from international markets, comprised of 2 tranches: USD 344.5 million and EUR 279 million with 367 days maturity. All-in cost for the tranches are Libor+2,50% p.a. and Euribor+2,25% p.a. respectively.

In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, starting from the declarations that must be submitted as of 1/7/2021 and to be valid for the taxation period starting from 1/1/2021, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022. The impact of the change in the corporate tax rate is insignificant as of 31 March 2021.

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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**SECTION SIX  
EXPLANATIONS ON AUDIT REVIEW REPORT**

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

The consolidated financial statements for the interim period ended 31 March 2021 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 28 April 2021 is presented preceding the consolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS**

None.

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

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

While leaving a year behind in the Covid-19 pandemic, countries on a global scale continue to face intense social and economic difficulties. Tragically, more than 3 million people died globally, while the number of cases worldwide reached 143 million. At this point, the speed of vaccination is critical. However, it is observed that the vaccination rate varies significantly between countries due to some supply problems. It is expected that it will take a very long time to gain herd immunity on a global scale due to this imbalance in vaccinations. The IMF also states that it is very important for every region to have a fair vaccination. It is considered that central banks may consider leaving their ultra-supportive policies after worldwide progress has been achieved.

The IMF revised its global growth forecasts upwards as a result of the improvement in the growth outlook due to the vaccination developments and the support packages in developed countries. On a global scale, a US\$16 trillion support package was announced through fiscal policy, while central banks announced US\$ 10 trillion monetary support programs.

On the other hand, there are serious differences among countries on a global scale regarding growth. The US is expected to reach pre-pandemic levels this year, and some other countries in 2022. On the other hand, it is stated that especially low-income countries and countries whose economies are reliant on tourism are more affected in the pandemic, and many countries are not expected to reach pre-pandemic levels until 2023.

Economic data announced in the US point out to a faster growth trend than previously expected. The increase in inflation expectations caused a rapid increase in long-term dollar-denominated interest rates and significant fund outflows from developing countries. However, the Fed states that inflation pressures are expected to be temporary, and it has tools to deal with it, if necessary. There is also a recovery in economic data in the Euro Zone. The ECB keeps the size of the Pandemic Emergency Purchase Program constant at 1.85 trillion euros, and stated that it will significantly increase the pace of asset purchases in the next quarter compared to the first months of the year in order to prevent financial tightening due to increases in market interest rates.

In 2020, the domestic economy recovered rapidly in the second half of the year, with favorable credit conditions supporting domestic demand, and grew by 1.8% for the whole year. Turkey was one of the rare countries to achieve positive growth in 2020. Leading indicators for the first quarter of the year point out that the economic activity continues its strong course driven by domestic demand and especially private consumption. On the foreign demand side; exports remain strong, driven by the recovery in global demand and the low base effect of the previous year. While there is normalization in gold imports, strong domestic demand and high commodity prices continue to affect the imports and thus current account balance negatively. On the other hand, we consider that weak service revenues, which is one of the factors affecting the high current account deficit in 2020, may show some recovery this year due to vaccine developments.

Domestic demand conditions, cumulative cost effects, especially the exchange rate, rising food and commodity prices and the high course of inflation expectations continue to affect the inflation outlook adversely. Although it is expected that inflation will peak in April and then gradually decline, cost pressures that have started to increase again may limit the downward trend in inflation. With this inflation outlook, the CBRT continues to maintain its tight monetary stance.



**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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In the first quarter of the year, central government budget revenues increased at a rate above that of budget expenditures - thanks to the increase in tax revenues. Thus, the budget balance posted a surplus of TRY22.8 billion. The ratio of budget deficit to GDP is targeted to be 3.5% in 2021.

In the banking sector; while commercial loans increase moderately, retail loan growth accelerates despite the financial tightening. The non-performing loan ratio in the sector is 4.0%, and the capital adequacy ratio is 18.2% as of February.

For the remainder of the year, developments in coronavirus and vaccines and trends in global economic policies will continue to be followed.

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

**Message from the CEO:**

We continue to go through a period in which the pandemic is front of the agenda both in the world and in Turkey with developments regarding health driving the economic developments. In face of this important test, the Turkish banking sector continues to perform well. Through their advanced digital and technological infrastructures, banks that have quickly adapted to the new environment, continue all their activities and maintain the functioning of the financial system. As Akbank, we continue to provide uninterrupted service thanks to the extensive investments we have made in both our employees and our technological infrastructure over many years. In this challenging period, we continue to make important innovations without compromising from our vision for the future of banking.

The loan support we provided to the economy increased to a total of TL 359 billion with TL 299 billion in cash loans. Our deposits reached TL 310 billion, while our assets reached TL 517 billion. With our strong capital adequacy ratio of 20%, we continued to support the growth and development of the real sector consistently. Akbank reported a net profit of TL 2 billion 28 million, after TL 529 million tax provisions.

To our successful syndication transaction, which includes sustainability criteria, we received a record demand of US \$792 million, which is 126% of our total renewal amount. Following this strong oversubscription, we have renewed our syndication above our initial target, over US \$675 million. Thus, our roll-over ratio became 107%. In such a challenging environment, Akbank successfully renewed its syndicated loan with the participation of 35 banks from 18 countries while keeping our costs at the same level as our October 2020 transaction. 8 new banks from the US, Europe, Middle East and Asia, which were not involved in last year's transaction, participated in this transaction. With our transaction, which represents a reference point for our sector, we have paved the way for Turkish banks' further syndications. We believe that our transaction is a positive example for all our stakeholders with its focus on sustainability. In line with our sustainability strategy, we will look to continue to lead our sector.

It is the Akbank people who make the transformation possible at Akbank. Therefore, we believe in the importance of preparing our colleagues for the future with new competencies and skills. As an institution, which has recognised the importance of this, we are very pleased to be able to make 'continuous learning' and 'development' parts of our corporate culture. As our colleagues prepare for the future with personalized programs, they find the opportunity to develop themselves in many fields from social competencies such as flexibility, agility, and resilience to skills such as design, analytics and cybersecurity. As an institution, which has embraced those values in its culture, we now share our knowledge and experiences with young people. With the Akbank Youth Academy, we aim to prepare young people for the skills needed for the future and the evolving business world. In our first year, we aim to reach 15,000 university students.

We see sustainability as an important part of our business strategy and approach all our activities in line with these priorities. Our diversity and inclusion activities are an important part of this approach. We see diversity as an opportunity to reveal the human potential of our country and inclusiveness; as a richness that gathers creative thoughts and inspiring people together. We are delighted to help drive increased awareness in this field with our practices and approach. In the 2021 OMFIF Gender Balance Index, we were named the best bank in emerging markets, while we also took part in the Bloomberg Gender Equality Index, one of the most comprehensive worldwide surveys to measure the performance of companies committed to gender equality. Moreover, we became the first Turkish bank and company to join The Valuable 500, which was established to support the participation of people with disabilities in business and raise awareness about the value they create. I would like to congratulate all our stakeholders once again, especially our colleagues who have played a part in our successes and extend my deep gratitude.

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**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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**A. INTRODUCTION**

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

**OLD FORM**

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

A-The Bank adopted the authorized capital system in accordance with the provisions of Capital Market Law and implemented the authorized capital system pursuant to the Capital Markets Board's permission No. 116/1376 dated December 2, 1999. The authorized capital of the Bank is TL 10,000,000,000 (ten billion) divided into 1,000,000,000,000 (one trillion) registered shares each with a nominal value of 1 Kuruş.

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

B-The issued capital of the Bank is TL 5,200,000,000 (five billion and two hundred million) divided into 520,000,000,000 (five hundred and twenty billion) registered shares each with a nominal value of 1 Kuruş.

C-The issued capital of TL 5,200,000,000 (five billion and two hundred million) is paid fully and in cash, free from collusion.

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

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

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

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

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

**NEW FORM**

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

A-The Bank adopted the authorized capital system in accordance with the provisions of Capital Market Law and implemented the authorized capital system pursuant to the Capital Markets Board's permission No. 116/1376 dated December 2, 1999. The authorized capital of the Bank is TL 10,000,000,000 (ten billion) divided into 1,000,000,000,000 (one trillion) registered shares each with a nominal value of 1 Kuruş.

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**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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Capital Markets Board's approval of the authorized capital is valid between 2021 and 2025 (5 years). Even if the authorized capital has not been reached at the end of 2025, in order for the Board of Directors to take a decision to raise the Bank's capital after 2025, the Board is required obtain get the authorization of the General Assembly not longer than 5 years for a new time period after obtaining the permission of the Capital Markets Board for the previously approved authorized capital or a new authorized capital level. In case the aforementioned authorization is not obtained, the Bank shall not increase its capital with a Board of Directors' resolution. The Board of Directors is authorized to issue new shares and raise the issued capital up to the authorized capital in accordance with the provisions of the Capital Markets Law.

B-The issued capital of the Bank is TL 5,200,000,000 (five billion and two hundred million) divided into 520,000,000,000 (five hundred and twenty billion) registered shares each with a nominal value of 1 Kurus.

C-The issued capital of TL 5,200,000,000 (five billion and two hundred million) is paid fully and in cash, free from collusion.

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

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

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

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

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

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

The dividend to be distributed from 2020 net profit of TL 6.267.167.124,74 at our Bank's Ordinary General Assembly Meeting held on 24 March 2021 will be as follows;

· Gross TL 260.000.000 equal to 5% of Bank's paid-in capital of TL 5.200.000.000 as of December 31, 2020 will be allocated as primary cash gross dividend; and gross TL 366.080.000 will be allocated as secondary cash gross dividend. Total gross dividend of TL 626.080.000 equal to 12,04% of the paid in capital, will be distributed to shareholders,

Notification Regarding Dividend Payment

· Cash dividend payment to start from 26th of March, 2021,

· In accordance with the first paragraph clause (e) of article 5 of the Corporate Tax Law, TL 702.497,79 which is exempt from corporate tax to be allocated to a "Special Fund Account" and

after allocating TL 36.608.000 to Legal Reserves, the remaining profit will be retained under Extraordinary Reserves.

Following the outlook revision of Turkey's Long Term IDR to "Stable" from "Negative", Fitch Ratings has revised Long Term Local Currency IDR Outlook of Akbank T.A.S from "Negative" to "Stable" as of 28 February 2021.

**BANKING SECTOR FIRST QUARTER OVERVIEW**

In the the first three months of 2021, loan growth in the sector was 3,7% and deposit growth on the funding side was 4,0%.

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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**B. CONSOLIDATED FINANCIAL RESULTS**

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

	<b>31.03.2021</b>	<b>31.12.2020</b>
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>Financial Results</b>	<b>Financial Results</b>
Total Assets	517.290	478.317
Loans	299.124	279.233
Deposits	310.008	292.519
Equity	63.038	62.924
Net Income (31.03.2020)	2.028	1.303

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

	<b>31.03.2021</b>	<b>31.12.2020</b>
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>Financial Results</b>	<b>Financial Results</b>
Loan / Total Assets	57,8	58,4
Deposit / Total Assets	59,9	61,2
Return on Equity (31.03.2020)	12,9	9,6
Return on Assets(31.03.2020)	1,6	1,3
NPL Ratio (*)	5,8	6,2
Capital Adequacy Ratio	20,0	20,7
Earnings Per Share (TL) (31.03.2020)	0,00390	0,00251

(\*) Excluded leasing receivables.

**3. Akbank 1Q21 Results Overview:**

Akbank reported a gross profit of TL 2.557 million, setting aside TL 529 million of tax provisions, reporting a net unconsolidated profit of TL 2.028 million in the first three months of the year.

Capital adequacy ratio of the bank has realized at 20,0% in this period.

As of 31 March 2021, Akbank's consolidated total asset realized at TL 517 billion, loans are TL 299 billion and total deposits are TL 310 billion.

Akbank's NPL ratio realized at 5,8% as of 31 March 2021.

**AKBANK T.A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2021**

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

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**4. Bank's Expectations for 2021:**

Banks' forward-looking consolidated expectations which was announced publicly on 5 January 2021 are stated below:

<b>2021 Guidance Outlook (%)</b>	
TL Loan Growth	~20%
FX Loan Growth (in USD)	Flattish
Leverage	>8x
ROE	Mid-teens
NIM (Swap ad.)	20-30 bps contraction
Net fees&comm. growth	High-teens
Opex growth	Mid-teens
Cost/income (*)	≤ 34%
NPL (**)	< 6%
Net total CoC	< 200 bps

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

(\*\*) Including potential write-off & NPL sale.