

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 30 JUNE 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 30 June 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 six-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 30 June 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 30 June 2021 and the results of its operations and its cash flows for the six-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 July 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 30 JUNE 2021**

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The consolidated financial report for the six-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 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 six-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 July 2021

Suzan SABANCI DİNÇER	Eyüp ENGİN	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
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AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 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 30 June 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:

Title	Name	Responsibility	Education
Chairman:	Suzan SABANCI DİNÇER	Chairman of the Board of Directors	Graduate
Board of Directors:	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
President and CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Head of Internal Audit:	Savaş KÜLCÜ	Head of Internal Audit	Graduate
Executive Vice Presidents:	Bülent OĞUZ	Retail Banking	Graduate
	H. Burcu CİVELEK YÜCE	Strategy, Digital Banking and Payment Systems	Graduate
	Ege GÜLTEKİN	Credit Monitoring and Follow-up	Graduate
	Levent ÇELEBİOĞLU	Corporate and Investment Banking	Undergraduate
	N. İlker ALTINTAŞ	Technology and Operation	PhD
	Mehmet Hakan TUGAL	Commercial Banking	Graduate
	Türker TUNALI	Financial Management	Undergraduate
	Şahin Alp KELER	Private Banking and Wealth Management	PhD
	Yunus Emre ÖZBEN	Credit Allocation	Graduate
	Zeynep ÖZTÜRK ŞARSEL	Special Credits	Graduate
	Gamze Şebnem MURATOĞLU	Treasury	Graduate
	Pınar ANAPA	People and Culture	Graduate
Internal Audit Committee:	Eyüp ENGİN	Head of the Audit Committee	Undergraduate
	Ş. Yaman TÖRÜNER	Member of the Audit Committee	Undergraduate

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 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:

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

V. INFORMATION ON THE 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 AgeSA Emeklilik ve Hayat A.Ş. via its branch network. As of 5 July 2021, the title of AvivaSA Emeklilik ve Hayat A.Ş. was changed to AgeSA Emeklilik ve Hayat A.Ş. As of 30 June 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 30 June 2021, the Bank has 12.326 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, 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 30 June 2021, the Group employed 12.718 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 30 JUNE 2021 (STATEMENT OF FINANCIAL POSITION)
(Amounts are expressed in thousands of Turkish Lira [TL].)

ASSETS	Note (Section Five)	CURRENT PERIOD (30/06/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		52.497.589	136.926.406	189.423.995	46.137.924	109.631.454	155.769.378
1.1 Cash and Cash Equivalents		6.116.901	78.201.791	84.318.692	4.894.531	60.632.924	65.527.455
1.1.1 Cash and Balances with Central Bank	(I-a)	5.966.233	45.636.987	51.603.220	4.398.630	43.277.691	47.676.321
1.1.2 Banks	(I-d)	95.362	32.565.647	32.661.009	7.375	17.408.700	17.416.075
1.1.3 Money Markets		55.390	-	55.390	488.547	-	488.547
1.1.4 Expected Loss Provision [-]		84	843	927	21	53.467	53.488
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	1.395.260	7.965.118	9.360.378	1.266.896	7.912.516	9.179.412
1.2.1 Government Debt Securities		18.188	146.072	164.260	22.607	167.331	189.938
1.2.2 Equity Instruments		177.831	198.498	376.329	146.997	158.714	305.711
1.2.3 Other Financial Assets		1.199.241	7.620.548	8.819.789	1.097.292	7.586.471	8.683.763
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-e)	27.818.489	44.684.101	72.502.590	23.750.325	34.453.820	58.204.145
1.3.1 Government Debt Securities		27.030.313	28.720.484	55.750.797	23.067.781	21.352.442	44.420.223
1.3.2 Equity Instruments		15.777	109	15.886	15.777	607	16.384
1.3.3 Other Financial Assets		772.399	15.963.508	16.735.907	666.767	13.100.771	13.767.538
1.4 Derivative Financial Assets	(I-c, I-l)	17.166.939	6.075.396	23.242.335	16.226.172	6.632.194	22.858.366
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		10.696.420	6.075.396	16.771.816	11.487.693	6.632.194	18.119.887
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		6.470.519	-	6.470.519	4.738.479	-	4.738.479
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		218.043.308	117.701.961	335.745.269	206.642.060	103.077.185	309.719.245
2.1 Loans	(I-f)	197.584.558	109.671.867	307.256.425	184.860.198	94.373.036	279.233.234
2.2 Lease Receivables	(I-k)	1.708.732	4.363.155	6.071.887	1.569.491	4.013.358	5.582.849
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost	(I-g)	33.560.397	6.971.818	40.532.215	34.523.108	7.361.951	41.885.059
2.4.1 Government Debt Securities		33.560.397	6.195.553	39.755.950	34.523.108	6.693.715	41.216.823
2.4.2 Other Financial Assets		-	776.265	776.265	-	668.236	668.236
2.5 Expected Credit Loss [-]		14.810.379	3.304.879	18.115.258	14.310.737	2.671.160	16.981.897
III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-o)	277.930	-	277.930	250.778	-	250.778
3.1 Held for Sale Purpose		277.930	-	277.930	250.778	-	250.778
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		18.129	-	18.129	14.795	-	14.795
4.1 Investments In Associates (Net)	(I-h)	18.129	-	18.129	14.795	-	14.795
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		18.129	-	18.129	14.795	-	14.795
4.2 Subsidiaries (Net)	(I-i)	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)	(I-j)	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)		5.790.806	57.146	5.847.952	5.948.874	54.532	6.003.406
VI. INTANGIBLE ASSETS (Net)		1.198.451	5.930	1.204.381	1.185.653	5.256	1.190.909
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.198.451	5.930	1.204.381	1.185.653	5.256	1.190.909
VII. INVESTMENT PROPERTY (Net)	(I-m)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(I-n)	52.379	-	52.379	147.990	-	147.990
X. OTHER ASSETS (Net)	(I-p)	4.826.352	442.188	5.268.540	4.879.644	340.430	5.220.074
TOTAL ASSETS		282.704.944	255.133.631	537.838.575	265.207.718	213.108.857	478.316.575

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 30 JUNE 2021 (STATEMENT OF FINANCIAL POSITION)

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (30/06/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	122.692.514	204.212.455	326.904.969	108.361.772	184.157.235	292.519.007
II. FUNDS BORROWED	(II-c)	491.864	43.314.459	43.806.323	367.411	39.895.203	40.262.614
III. MONEY MARKETS		17.969.435	14.141.822	32.111.257	4.029.807	16.877.537	20.907.344
IV. SECURITIES ISSUED (Net)	(II-d)	6.950.053	13.552.656	20.502.709	7.712.928	11.593.289	19.306.217
4.1 Bills		4.719.299	-	4.719.299	5.313.725	-	5.313.725
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		2.230.754	13.552.656	15.783.410	2.399.203	11.593.289	13.992.492
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(II-b, II-g)	8.135.470	3.456.559	11.592.029	11.277.350	3.563.623	14.840.973
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		7.850.766	3.194.040	11.044.806	10.933.746	3.228.358	14.162.104
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		284.704	262.519	547.223	343.604	335.265	678.869
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(II-f)	525.612	38.748	564.360	507.578	34.981	542.559
X. PROVISIONS	(II-h)	2.509.125	105.097	2.614.222	2.431.126	69.929	2.501.055
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		634.848	2.017	636.865	556.168	1.453	557.621
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.874.277	103.080	1.977.357	1.874.958	68.476	1.943.434
XI. CURRENT TAX LIABILITY	(II-i)	1.488.319	139.865	1.628.184	1.541.750	125.492	1.667.242
XII. DEFERRED TAX LIABILITY	(II-i)	285.319	133.190	418.509	370	124.088	124.458
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND RELATED TO THE DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(II-j)	-	12.179.052	12.179.052	-	6.718.414	6.718.414
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	12.179.052	12.179.052	-	6.718.414	6.718.414
XV. OTHER LIABILITIES	(II-e)	10.827.872	7.378.525	18.206.397	9.473.651	6.528.984	16.002.635
XVI. SHAREHOLDERS' EQUITY	(II-k)	69.779.462	(2.468.898)	67.310.564	64.500.621	(1.576.564)	62.924.057
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		2.718.815	16.699	2.735.514	2.772.942	16.699	2.789.641
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		6.033.100	(2.485.597)	3.547.503	4.237.723	(1.593.263)	2.644.460
16.5 Profit Reserves		45.953.298	-	45.953.298	40.117.963	-	40.117.963
16.5.1 Legal Reserves		1.933.583	-	1.933.583	1.882.950	-	1.882.950
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		43.869.490	-	43.869.490	37.956.649	-	37.956.649
16.5.4 Other Profit Reserves		150.225	-	150.225	278.364	-	278.364
16.6 Income or (Loss)		4.553.440	-	4.553.440	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)		4.134.409	-	4.134.409	6.259.625	-	6.259.625
16.7 Minority Interest		196	-	196	182	-	182
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		241.655.045	296.183.530	537.838.575	210.204.364	268.112.211	478.316.575

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 30 JUNE 2021
(Amounts are expressed in thousands of Turkish Lira (TL).)

	Note (Section Five)	CURRENT PERIOD (30/06/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		228.119.066	555.208.837	783.327.903	220.743.425	495.624.636	716.368.061
I. GUARANTEES AND WARRANTIES	(III-3)	28.284.768	37.111.700	65.396.468	24.900.974	26.534.678	51.435.652
1,1 Letters of Guarantee		23.642.691	20.187.745	43.830.436	21.256.883	16.267.735	37.524.618
1.1.1 Guarantees Subject to State Tender Law		458.440	2.118.642	2.577.082	340.040	1.654.714	1.994.754
1.1.2 Guarantees Given for Foreign Trade Operations		-	2.004.110	2.004.110	-	1.913.491	1.913.491
1.1.3 Other Letters of Guarantee		23.184.251	16.064.993	39.249.244	20.916.843	12.699.530	33.616.373
1.2 Bank Acceptances		-	88.114	88.114	-	47.814	47.814
1.2.1 Import Letter of Acceptance		-	88.114	88.114	-	47.814	47.814
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		4.236	9.467.369	9.471.605	7.931	4.653.058	4.660.989
1.3.1 Documentary Letters of Credit		4.236	8.784.023	8.788.259	7.931	3.645.457	3.653.388
1.3.2 Other Letters of Credit		-	683.346	683.346	-	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		-	19.543	19.543	-	19.269	19.269
1.8 Other Guarantees		57.374	7.338.152	7.395.526	156.440	5.535.604	5.692.044
1.9 Other Collaterals		4.580.467	10.777	4.591.244	3.479.720	11.198	3.490.918
II. COMMITMENTS	(III-1)	57.942.462	9.092.370	67.034.832	51.463.917	6.392.539	57.856.456
2.1 Irrevocable Commitments		56.715.564	8.528.643	65.244.207	50.214.657	6.061.181	56.275.838
2.1.1 Asset Purchase Commitments		1.024.470	6.575.550	7.600.020	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		12.505.555	1.949.355	14.454.910	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		3.233.962	-	3.233.962	2.730.978	-	2.730.978
2.1.8 Tax and Fund Liabilities from Export Commitments		6.525	-	6.525	4.702	-	4.702
2.1.9 Commitments for Credit Card Limits		32.553.465	-	32.553.465	29.118.196	-	29.118.196
2.1.10 Commitments for Credit Cards and Banking Services Promotions		128.199	-	128.199	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		7.263.388	3.738	7.267.126	6.225.474	3.548	6.229.022
2.2 Revocable Commitments		1.226.898	563.727	1.790.625	1.249.260	331.358	1.580.618
2.2.1 Revocable Loan Granting Commitments		824.086	-	824.086	817.508	-	817.508
2.2.2 Other Revocable Commitments		402.812	563.727	966.539	431.752	331.358	763.110
III. DERIVATIVE FINANCIAL INSTRUMENTS		141.891.836	509.004.767	650.896.603	144.378.534	462.697.419	607.075.953
3.1 Hedging Derivative Financial Instruments		23.263.641	73.982.171	97.245.812	20.923.980	63.594.359	84.518.339
3.1.1 Fair Value Hedges		2.966.796	40.334.278	43.301.074	4.331.785	25.448.217	29.780.002
3.1.2 Cash Flow Hedges		20.296.845	33.647.893	53.944.738	16.592.195	38.146.142	54.738.337
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		118.628.195	435.022.596	553.650.791	123.454.554	399.103.060	522.557.614
3.2.1 Forward Foreign Currency Buy/Sell Transactions		7.153.862	12.744.179	19.898.041	7.440.107	13.005.673	20.445.780
3.2.1.1 Forward Foreign Currency Transactions-Buy		6.608.371	3.497.182	10.105.553	6.721.463	3.767.041	10.488.504
3.2.1.2 Forward Foreign Currency Transactions-Sell		545.491	9.246.997	9.792.488	718.644	9.238.632	9.957.276
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		102.689.467	355.899.644	458.589.131	110.110.958	325.531.230	435.642.188
3.2.2.1 Foreign Currency Swap-Buy		11.113.027	122.838.996	133.952.023	13.751.901	109.034.329	122.786.230
3.2.2.2 Foreign Currency Swap-Sell		56.643.584	93.325.490	149.969.074	61.180.287	78.721.439	139.901.726
3.2.2.3 Interest Rate Swap-Buy		17.466.428	69.867.589	87.334.017	17.589.385	68.887.731	86.477.116
3.2.2.4 Interest Rate Swap-Sell		17.466.428	69.867.589	87.334.017	17.589.385	68.887.731	86.477.116
3.2.3 Foreign Currency, Interest Rate and Securities Options		6.171.430	27.770.523	33.941.953	2.945.911	23.477.844	26.423.755
3.2.3.1 Foreign Currency Options-Buy		3.527.060	2.981.324	6.508.384	1.146.399	3.242.182	4.388.581
3.2.3.2 Foreign Currency Options-Sell		2.624.291	3.955.281	6.579.572	1.772.821	2.481.696	4.254.517
3.2.3.3 Interest Rate Options-Buy		-	10.416.959	10.416.959	-	8.876.983	8.876.983
3.2.3.4 Interest Rate Options-Sell		-	10.416.959	10.416.959	-	8.876.983	8.876.983
3.2.3.5 Securities Options-Buy		8.478	-	8.478	5.815	-	5.815
3.2.3.6 Securities Options-Sell		11.601	-	11.601	20.876	-	20.876
3.2.4 Foreign Currency Futures		2.497.940	2.460.208	4.958.148	2.845.954	2.639.110	5.485.064
3.2.4.1 Foreign Currency Futures-Buy		2.494.859	10.331	2.505.190	312.150	2.344.916	2.657.066
3.2.4.2 Foreign Currency Futures-Sell		3.081	2.449.877	2.452.958	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		115.496	36.148.022	36.263.518	111.624	34.449.203	34.560.827
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		988.170.253	532.776.121	1.520.946.374	946.736.961	446.524.338	1.393.261.299
IV. ITEMS HELD IN CUSTODY		79.271.290	49.588.200	128.859.490	72.046.274	41.179.943	113.226.217
4.1 Customer Fund and Portfolio Balances		12.182.189	2.699.766	14.881.955	11.866.024	2.573.098	14.439.122
4.2 Investment Securities Held in Custody		23.397.942	9.338.511	32.736.453	20.299.073	9.387.822	29.686.895
4.3 Cheques Received for Collection		36.327.245	4.955.895	41.283.140	32.938.939	4.497.006	37.435.945
4.4 Commercial Notes Received for Collection		7.027.209	5.999.684	13.026.893	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	26.594.344	26.931.049	307.705	20.024.308	20.332.013
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		234.841.920	162.096.325	396.938.245	239.703.675	134.185.437	373.889.112
5.1 Marketable Securities		374.191	2.617.649	2.991.840	430.796	2.246.129	2.676.925
5.2 Guarantee Notes		705.151	829.354	1.534.505	652.787	695.879	1.348.666
5.3 Commodity		225.408	199.090	424.498	178.400	170.170	348.570
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		166.192.041	123.927.350	290.119.391	182.754.710	101.663.294	284.418.004
5.6 Other Pledged Items		67.345.129	34.522.882	101.868.011	55.686.982	29.409.965	85.096.947
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTS		674.057.043	321.091.596	995.148.639	634.987.012	271.158.958	906.145.970
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		1.216.289.319	1.087.984.958	2.304.274.277	1.167.480.386	942.148.974	2.109.629.360

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

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.S.

III. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2021

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

INCOME AND EXPENSE ITEMS	Note (Section Five)	CURRENT PERIOD (01/01-30/06/2021)	CURRENT PERIOD (01/04-30/06/2021)	PRIOR PERIOD (01/01-30/06/2020)	PRIOR PERIOD (01/04-30/06/2020)
I. INTEREST INCOME	(IV-a)	21.427.825	11.665.182	16.709.074	8.248.593
1.1 Interest on Loans	(IV-a-1)	15.203.448	8.128.128	11.904.321	5.804.892
1.2 Interest on Reserve Requirements		339.828	210.803	13.689	-
1.3 Interest on Banks	(IV-a-2)	87.992	39.801	120.937	22.534
1.4 Interest on Money Market Transactions		94.092	26.041	53.937	5.162
1.5 Interest on Marketable Securities Portfolio	(IV-a-3)	5.373.612	3.089.835	4.381.177	2.299.679
1.5.1 Fair Value Through Profit or Loss		12.283	7.321	9.574	3.710
1.5.2 Fair Value Through Other Comprehensive Income		2.787.110	1.583.485	2.921.426	1.391.310
1.5.3 Measured at Amortised Cost		2.574.219	1.499.029	1.450.177	904.659
1.6 Financial Lease Interest Income		256.081	136.061	209.212	103.680
1.7 Other Interest Income		72.772	34.513	25.801	12.646
II. INTEREST EXPENSE (-)	(IV-b)	11.897.826	6.327.906	6.475.245	3.255.890
2.1 Interest on Deposits	(IV-b-4)	8.001.756	4.269.659	4.160.049	1.878.655
2.2 Interest on Funds Borrowed	(IV-b-1)	557.320	296.951	623.642	283.571
2.3 Interest Expense on Money Market Transactions		2.141.548	1.124.984	655.229	497.120
2.4 Interest on Securities Issued	(IV-b-3)	1.139.411	605.457	794.478	463.380
2.5 Interest on Leases		43.037	21.569	46.972	23.357
2.6 Other Interest Expenses		14.754	9.286	194.875	109.807
III. NET INTEREST INCOME (I - II)		9.529.999	5.337.276	10.233.829	4.992.703
IV. NET FEES AND COMMISSIONS INCOME		2.809.624	1.347.962	2.262.304	998.321
4.1 Fees and Commissions Received		3.490.492	1.725.890	2.740.060	1.231.059
4.1.1 Non-cash Loans		285.826	141.804	227.023	113.797
4.1.2 Other		3.204.666	1.584.086	2.513.037	1.117.262
4.2 Fees and Commissions Paid (-)		680.868	377.928	477.756	232.738
4.2.1 Non-cash Loans		1.264	246	2.062	1.026
4.2.2 Other		679.604	377.682	475.694	231.712
V. DIVIDEND INCOME		9.582	4.188	3.813	3.578
VI. TRADING INCOME / (LOSS) (Net)	(IV-c)	145.788	(474.565)	(182.770)	302.914
6.1 Trading Gains / (Losses) on Securities		357.251	189.909	292.401	314.247
6.2 Gains / (Losses) on Derivative Financial Transactions		(509.033)	(6.320.525)	(69.291)	(436.338)
6.3 Foreign Exchange Gains / (Losses)		297.570	5.656.051	(405.880)	425.005
VII. OTHER OPERATING INCOME	(IV-d)	1.246.493	483.967	625.517	232.271
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)		13.741.486	6.698.828	12.942.693	6.529.787
IX. EXPECTED CREDIT LOSS (-)	(IV-e)	2.056.782	861.724	3.493.919	2.038.448
X. OTHER PROVISION EXPENSES (-)	(IV-e)	1.757.376	553.711	1.689.531	560.827
XI. PERSONNEL EXPENSE (-)		1.695.682	885.805	1.546.070	738.172
XII. OTHER OPERATING EXPENSES (-)	(IV-f)	2.631.562	1.354.367	2.352.365	1.105.256
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		5.600.084	3.043.221	3.860.808	2.086.884
XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV. INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XVI. INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)		5.600.084	3.043.221	3.860.808	2.086.884
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-h)	1.465.661	936.947	975.496	504.243
18.1 Current Tax Provision		1.068.156	969.063	1.227.829	952.515
18.2 Deferred Tax Expense Effect (+)		911.252	59.719	668.165	54.091
18.3 Deferred Tax Income Effect (-)		513.747	91.835	920.498	502.363
XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)		4.134.423	2.106.274	2.885.312	1.582.641
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1 Income from Non-current Assets Held for Sale		-	-	-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1 Expenses for Non-current Assets Held for Sale		-	-	-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3 Expenses for Other Discontinued Operations		-	-	-	-
XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1 Current Tax Provision		-	-	-	-
23.2 Deferred Tax Expense Effect (+)		-	-	-	-
23.3 Deferred Tax Income Effect (-)		-	-	-	-
XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV. NET INCOME/(LOSS) (XIX+XXIV)		4.134.423	2.106.274	2.885.312	1.582.641
25.1 Income/(Loss) from the Group		4.134.409	2.106.267	2.885.303	1.582.637
25.2 Income/(Loss) from Minority Interest	(IV-g)	14	7	9	4
Earning/(Loss) per share (in TL full)		0,00795	0,00405	0,00555	0,00304

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 30 JUNE 2021**

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

	CURRENT PERIOD	PRIOR PERIOD
	(30/06/2021)	(30/06/2020)
I. CURRENT PERIOD INCOME/LOSS	4.134.423	2.885.312
II. OTHER COMPREHENSIVE INCOME	878.164	270.068
2.1 Not Reclassified Through Profit or Loss	(24.880)	129.913
2.1.1 Property and Equipment Revaluation Increase/Decrease	2.719	157.929
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Plan Remeasurement Gain/Loss	(33.819)	(18.932)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	5.687
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	6.220	(14.771)
2.2 Reclassified Through Profit or Loss	903.044	140.155
2.2.1 Foreign Currency Translation Differences	1.005.027	816.505
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(662.439)	(436.096)
2.2.3 Cash Flow Hedge Income/Loss	1.498.401	(100.683)
2.2.4 Foreign Net Investment Hedge Income/Loss	(951.076)	(330.336)
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	13.131	190.765
III. TOTAL COMPREHENSIVE INCOME (I+II)	5.012.587	3.155.380

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 30 JUNE 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					Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest		Total Shareholders' Equity	
		Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Increase/Decrease of Property and Equipment	Accumulated Revaluation Gain/Loss of Defined Benefit Plan	Accumulated Remeasurement and Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss	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		Total Minority Interest
CURRENT PERIOD																	
(30/06/2021)																	
I. Prior Period End Balance		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
II. Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		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		-	-	-	-	2.175	(27.055)	-	1.005.027	(531.389)	429.406	-	-	4.134.409	5.012.573	14	5.012.587
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		-	-	-	-	(29.248)	-	-	-	-	-	-	-	29.248	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	5.806.087	(172.542)	(6.259.625)	(626.080)	(626.080)
11.1 Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	(626.080)	(626.080)	-	(626.080)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	5.806.087	(172.542)	(5.633.545)	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (I+II+III+...+X+XI)		5.200.000	3.505.742	-	1.814.871	2.989.461	(263.529)	9.582	5.745.855	(64.230)	(2.134.122)	45.953.298	419.031	4.134.409	67.310.368	196	67.310.564

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

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V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 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)
PRIOR PERIOD																	
(30/06/2020)																	
I.	Prior Period End Balance	5.200.000	3.505.742	-	1.814.871	2.207.594	(180.262)	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.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	5.200.000	3.505.742	-	1.814.871	2.207.594	(180.262)	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	-	-	-	-	138.993	(14.767)	5.687	816.505	(340.155)	(336.195)	-	-	2.885.303	3.155.371	9	3.155.380
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	-	-	-	-	(12.708)	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	189.232	(176.353)	171	-	171
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(5.352.325)	-	-	-
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	5.352.325	-	(5.352.325)	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (I+II+III+...+X+XI)		5.200.000	3.505.742	-	1.814.871	2.333.879	(195.029)	9.582	3.599.883	(208.996)	(2.136.938)	40.117.963	891.873	2.885.303	57.517.834	168	57.518.004

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 30 JUNE 2021

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

	Note (Section Five)	CURRENT PERIOD (30/06/2021)	PRIOR PERIOD (30/06/2020)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1		7.102.606	7.373.550
1.1.1		19.758.594	15.000.429
1.1.2		(11.332.456)	(6.584.023)
1.1.3		9.582	3.813
1.1.4		3.494.082	2.749.864
1.1.5		(1.956.425)	(386.927)
1.1.6		1.516.970	930.756
1.1.7		(1.805.840)	(1.653.234)
1.1.8		(1.118.412)	(951.431)
1.1.9		(1.463.489)	(1.735.697)
1.2		10.847.742	(9.083.668)
1.2.1		(1.708.304)	(1.469.296)
1.2.2		(5.816.742)	(1.844.445)
1.2.3		(27.860.018)	(26.782.275)
1.2.4		(1.626.338)	(20.342.741)
1.2.5		(1.164.995)	4.749.084
1.2.6		35.051.361	9.940.183
1.2.7		-	-
1.2.8		3.802.802	2.943.084
1.2.9		-	-
1.2.10		10.169.976	23.722.738
I.		17.950.348	(1.710.118)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.		(11.347.164)	(11.710.940)
2.1		-	-
2.2		-	-
2.3		(242.868)	(611.888)
2.4		63.531	2.259
2.5		(24.383.430)	(41.609.739)
2.6		10.067.606	52.257.983
2.7		(10.055.158)	(23.934.207)
2.8		12.925.076	1.985.038
2.9		278.079	199.614
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.		5.853.493	6.247.577
3.1		18.679.743	26.952.093
3.2		(12.047.642)	(20.554.922)
3.3		-	-
3.4		(626.080)	-
3.5		(152.528)	(149.594)
3.6		-	-
IV.		2.022.025	2.178.962
V.		14.478.702	(4.994.519)
VI.		13.495.306	18.691.977
VII.		27.974.008	13.697.458

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

**SECTION THREE
EXPLANATIONS ON ACCOUNTING POLICIES**

I. EXPLANATIONS ON BASIS OF PRESENTATION:

a. The preparation of the 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. Intensive vaccination campaign has been continuing in Turkey as in many parts of the world. On the other hand, estimations and assumptions used to reflect COVID-19 impacts on 30 June 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 September 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

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 30 June 2021, for the Parent Bank foreign currency denominated balances are translated into TL using the exchange rates of TL 8,6803 and TL 10,3249 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" ("TFRS 10") and "Communiqué on Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette no.26340 dated 8 November 2006.

Consolidation principles for subsidiaries:

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

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

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

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

The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and resulting unrealized profits and losses are eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

Group in order to arrive at the net income attributable to the Group and presented separately in the Group's income. Minority interests are presented in the consolidated balance sheet, in the shareholders' equity.

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

The Parent Bank and its subsidiaries Ak Yatırım Menkul Değerler A.Ş., Ak Portfolio Management A.Ş., Akbank AG, Ak Financial Leasing A.Ş., AkÖde Elektronik Para ve Dağıtım Hizmetleri A.Ş. and A.R.T.S., which is not subsidiary of the Bank, 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" 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 Sompō 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 30 June 2021, the Group has no embedded derivative instruments (31 December 2020: None).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognized in the income 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

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.

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 30 June 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. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

Equity instruments classified as financial assets at fair value 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 30 June 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.

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"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 14,00% as of 30 June 2021. At the end of the year, the real inflation rate is used.

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 "IFRS 9 Financial Instruments" ("IFRS 9"), "Derivative Financial Assets Designated at Fair Value through Profit or Loss".

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

Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions. The principles for the recognition of derivative transactions intended for hedging purposes are disclosed in the note numbered 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.

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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.

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. The relevant issue will be valid until 30 September 2021 according to the decision of the BRSA dated 17 June 2021 and numbered 9624. 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 9624 dated 17 June 2021, this period was extended until 30 September 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.

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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:

Within the framework of the provisions of the "Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions for These" published in the Official Gazette dated 27 November 2019 and numbered 30961 the portion of the loans that are classified under "Fifth Group-Loans with a Loss Qualification" and for which a lifetime expected loan loss provision or special provision is made due to the default of the borrower, for which there are no reasonable expectations for the recovery of the loans, It can be deducted from the records within the scope of TFRS 9. In determining the cluster within this scope, the following indicators are used;

- In the corporate, commercial and retail segment follow-up portfolio, with very low or no collection expectation
- Monitored in the 5th group as of the last reporting period,
- Having a provision rate of 90% or more,
- No active payment plans
- No Credit Guarantee Fund (CGF) secured loan

Loans and provision ratio of 100% all abusive and fraudulent tracking accounts are included in the deletion of the active account.

The process of write-off the loans is an accounting practice and does not result in waiving the right to receivable regarding the related loans. Existing administrative and legal follow-up processes regarding the loans deducted from the record are continued. Partial write-off transactions mean that the financial asset will be repaid at a certain rate by the debtor, and the remaining amount after the payment or the part within the Bank that is classified under group 5 and has no reasonable expectations for its recovery will be removed from the financial statements. Regarding the write-off (asset disposal) process; the effect of the amount written off during the period and the amount written off on the NPL ratio is disclosed in the footnotes of the financial statements.

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. Calculation of the lifetime default rate is carried out by drawing the actual default rate figures to the long term using various functions, based on historical data.

- 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

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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.

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 and 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 at the end of 2020

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.

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

Consumer/Commercial	Portfolio
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 805.622 as of 30 June 2021 (31 December 2020: TL 618.534).

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.

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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 "IFRS 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.

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

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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.

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

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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.

As of 30 June 2021, 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 30 June 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, this rate will be applied as 23% for the taxation period of 2022 and 20% for the taxation period of 2023 and beyond.

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

Corporations calculate advance tax with their current rate on quarterly profits and pay until the evening of the same day by declaring until the 17th day of the second month following that period. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

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

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns until the last day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five 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:

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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. As of 30 June 2021, for assets and liabilities subject to deferred tax calculation, enacted tax rates in accordance with the current tax legislation are used in accordance with their lifetime. 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 Group calculated its deferred tax over 20% as of 31 December 2020.

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".

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2021.

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 30 June 2021 and 31 December 2020, there is no government grant for the Bank.

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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.

	Current Period 30 June 2021	Prior Period 30 June 2020
Net Profit for the Period of the Group	4.134.409	2.885.303
Average Number of Issued Common Shares (Thousand)	520.000.000	520.000.000
Earnings Per Share (Amounts presented as full TL)	0,00795	0,00555

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).

XXVI. RELATED PARTIES:

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

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

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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 30 June 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 TAS 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.

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

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

	30 June 2021	31 December 2020
Real estate	803.528	756.191
Total right of use assets	803.528	756.191

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

	30 June 2021	31 December 2020
Real estate	354.337	328.392
Total right of use assets depreciation	354.337	328.392

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 65.578 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 17 June 2021, numbered 9624. As of 30 June 2021 based on recent regulation changes;

1) In the calculation of the amount subject to credit risk, the method of calculating the valued amounts in foreign currency by using the simple arithmetic average of the CBRT's purchase foreign exchange rates for the 252 weekdays before cut-off date, will continue to be used.

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 are no longer allowed to not take into consideration in the equity amount. As of 31 December 2020, the negative net valuation differences of the relevant portfolio were not taken into consideration in the capital adequacy standard ratio calculation.

As of 30 June 2021, taking into consideration the above-mentioned regulations, the current period equity of the Group has been calculated as TL 81.598.546 (31 December 2020: TL 73.356.889), and the capital adequacy ratio is 20,92% (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:

	Current Period 30 June 2021	Amounts related to treatment before 1/1/2014[*]
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.014.871	
Share issue premiums	3.505.742	
Reserves	45.953.298	
Gains recognized in equity as per TAS	9.647.053	
Profit	4.553.440	
Current Period Profit	4.134.409	
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	196	
Common Equity Tier 1 Capital Before Deductions	70.684.181	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	186	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	3.373.617	
Improvement costs for operating leasing	42.422	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	934.023	934.023
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	911.736	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	5.261.984	
Total Common Equity Tier 1 Capital	65.422.197	

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	Current Period 30 June 2021	Amounts related to treatment before 1/1/2014(*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties' share in the Additional Tier I capital	-	-
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of 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	-	-
Transition from the Core Capital to Continue to deduct Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital+Common Equity+Additional Tier I Capital)	65.422.197	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	12.039.365	-
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)	4.137.261	-
Tier II Capital Before Deductions	16.176.626	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	16.176.626	
Total Capital (The sum of Tier I Capital and Tier II Capital)	81.598.823	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	277	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deduct Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

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	Current Period 30 June 2021	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital (Total of Tier I and Tier II Capital)	81.598.546	
Total Risk Weighted Amounts	389.997.072	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	16,78%	
Tier 1 Capital Adequacy Ratio (%)	16,78%	
Capital Adequacy Ratio (%)	20,92%	
BUFFERS		
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 (%)	8,78%	
Amounts below the Excess Limits as per the Deduction Principles		
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	(366.130)	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	7.111.437	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4.137.261	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014 (*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.014.871	
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	
Common Equity Tier 1 Capital Before Deductions	65.724.060	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	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	-	
Total Deductions From Common Equity Tier 1 Capital	2.769.483	
Total Common Equity Tier 1 Capital	62.954.577	

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	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014 (*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of 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	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	62.954.577	
TIER II CAPITAL		
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	
Tier II Capital Before Deductions	10.402.770	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	10.402.770	
Total Capital (The sum of Tier I Capital and Tier II Capital)	73.357.347	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	458	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deduct Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital (Total of Tier I and Tier II Capital)	73.356.889	
Total Risk Weighted Amounts	354.300.757	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	17,77%	
Tier 1 Capital Adequacy Ratio (%)	17,77%	
Capital Adequacy Ratio (%)	20,70%	
BUFFERS		
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%	
Amounts below the Excess Limits as per the Deduction Principles		
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	
Limits related to provisions considered in Tier II calculation		
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	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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

**Current Period
30 June 2021**

Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1574750292 / US00972BAB53
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	4.334 million TL (in full TL amount)
Nominal value of instrument	4.334 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 4.334 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	7,2%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliance with article number 7 and 8 of " Own fund regulation "	The instrument is not in compliant with article numbered 7.

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**Current Period
30 June 2021**

Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1772360803 / US00972BAC37
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	3.463 million TL (in full TL amount)
Nominal value of instrument	3.463 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 3.463 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliance with article number 7 and 8 of " Own fund regulation "	The instrument is not in compliant with article numbered 7.

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**Current Period
30 June 2021**

Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS2355183091 / US00971YAJ91
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	4.337 million TL (in full TL amount)
Nominal value of instrument	4.337 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	22 June 2021
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	Maturity date: 22 June 2031
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 22.06.2026. The reimbursement amount is 4.337 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliance with article number 7 and 8 of " Own fund regulation "	The instrument is not in compliant with article numbered 7.

- 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

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Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

II. EXPLANATIONS ON CURRENCY RISK:

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

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

	USD	EURO
Balance Sheet Evaluation Rate	TL 8,6803	TL 10,3249
1.Day bid rate	TL 8,6803	TL 10,3249
2.Day bid rate	TL 8,7052	TL 10,3645
3.Day bid rate	TL 8,7219	TL 10,4077
4.Day bid rate	TL 8,6772	TL 10,3646
5.Day bid rate	TL 8,6593	TL 10,3356

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 8,6022
EURO : TL 10,3617

As of 31 December 2020;

	USD	EURO
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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Current Period – 30 June 2021	EURO	USD	Other FC	Total
Assets				
Cash Equivalents and Central Bank (*)	17.650.070	25.394.537	2.592.380	45.636.987
Banks (*****)	13.881.319	17.086.963	1.597.365	32.565.647
Financial Assets at Fair Value through Profit or Loss	35.229	7.929.889	-	7.965.118
Interbank Money Market Placements	-	-	-	-
Financial Assets measured at other comprehensive income	3.368.729	39.713.912	1.601.460	44.684.101
Loans (**)	69.784.583	44.643.264	41.392	114.469.239
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial assets measured at amortised cost	100.858	6.870.960	-	6.971.818
Hedging Derivative Financial Assets	-	29.522	162.240	191.762
Tangible Assets (Net)	39.418	17.728	-	57.146
Intangible Assets (Net)	5.925	5	-	5.930
Other Assets (***)	(1.162.239)	4.105.028	4.674	2.947.463
Total Assets	103.703.892	145.791.808	5.999.511	255.495.211
Liabilities				
Bank Deposits (****)	2.184.806	6.030.417	2.099.276	10.314.499
Foreign Currency Deposits (****)	65.301.553	105.808.912	22.787.491	193.897.956
Funds from Interbank Money Market	1.738.746	12.403.076	-	14.141.822
Borrowings	11.251.969	32.062.490	-	43.314.459
Marketable Securities Issued (Net) (*****)	104.426	25.627.282	-	25.731.708
Miscellaneous Payables	1.008.775	5.920.284	13.491	6.942.550
Hedging Derivative Financial Liabilities	-	708.517	-	708.517
Other Liabilities	1.405.711	2.181.068	14.138	3.600.917
Total Liabilities	82.995.986	190.742.046	24.914.396	298.652.428
Net on Balance Sheet Position	20.707.906	(44.950.238)	(18.914.885)	(43.157.217)
Net off-Balance Sheet Position (*****)	(20.523.105)	51.671.322	19.305.464	50.453.681
Financial Derivative Assets	30.551.268	111.224.047	21.984.963	163.760.278
Financial Derivative Liabilities	51.074.373	59.552.725	2.679.499	113.306.597
Non-cash Loans	15.531.950	20.710.885	868.865	37.111.700
Prior Period – 31 December 2020				
Total Assets	90.441.150	117.646.707	5.503.193	213.591.050
Total Liabilities	77.704.643	167.640.875	24.343.257	269.688.775
Net on-Balance Sheet Position	12.736.507	(49.994.168)	(18.840.064)	(56.097.725)
Net off-Balance Sheet Position (*****)	(14.675.745)	57.816.372	18.840.769	61.981.396
Financial Derivative Assets	28.010.596	109.314.635	21.223.764	158.548.995
Financial Derivative Liabilities	42.686.341	51.498.263	2.382.995	96.567.599
Non-cash Loans	13.220.443	12.656.933	657.302	26.534.678

(*) Of the Cash Equivalents and Central Bank and Other FC, TL 2.249.455 (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 434.217 (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 11.132 (31 December 2020: TL 9.785). Prepaid assets amounted TL 61.505 (31 December 2020: TL 62.570) is excluded in the financial statements.

(****) Of Bank Deposits Other FC of the TL 25.421 (31 December 2020: TL 22.911) and the foreign currency deposits TL 17.907.541 (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)

Current Period - 30 June 2021	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	4.114.795	-	-	-	-	47.488.425	51.603.220
Banks [****]	1.977.359	1.257.938	-	-	-	29.425.712	32.661.009
Financial Assets at Fair Value Through Profit or Loss	3.556	57.929	7.388.899	135.182	65.548	1.709.264	9.360.378
Interbank Money Market Placements	55.390	-	-	-	-	-	55.390
Financial Assets at measured Fair Value Other Comprehensive Income	7.203.308	7.593.605	13.630.254	32.140.565	11.388.461	546.397	72.502.590
Loans (*)	84.213.833	29.812.548	80.999.003	83.329.602	17.423.784	17.549.542	313.328.312
Financial Assets measured at amortised cost	14.303.756	1.412.434	16.607.949	7.858.973	349.103	-	40.532.215
Other Assets (**)	4.845.690	8.343.669	6.956.057	4.031.403	198.239	(6.579.597)	17.795.461
Total Assets	116.717.687	48.478.123	125.582.162	127.495.725	29.425.135	90.139.743	537.838.575
Liabilities							
Bank Deposits	8.348.077	1.147.295	826.540	-	-	1.085.572	11.407.484
Other Deposits	154.179.026	33.594.199	13.357.104	10.459.693	1.137.272	102.770.191	315.497.485
Funds from Interbank Money Market	23.394.385	5.798.944	1.586.815	1.331.113	-	-	32.111.257
Miscellaneous Payables	1.372.377	2.750.238	1.548.806	691.454	31.829	7.601.152	13.995.856
Marketable Securities Issued (Net) (***)	2.396.074	1.886.123	1.682.375	14.569.386	12.142.614	5.189	32.681.761
Borrowings	17.454.183	20.388.527	4.268.419	1.695.194	-	-	43.806.323
Other Liabilities (****)	2.772.197	5.047.937	3.241.972	1.534.104	620.903	75.121.296	88.338.409
Total Liabilities	209.916.319	70.613.263	26.512.031	30.280.944	13.932.618	186.583.400	537.838.575
Balance Sheet Long Position	-	-	99.070.131	97.214.781	15.492.517	-	211.777.429
Balance Sheet Short Position	(93.198.632)	(22.135.140)	-	-	-	(96.443.657)	(211.777.429)
Off-balance Sheet Long Position	6.575.154	19.789.768	54.145	2.810.047	81.913	-	29.311.027
Off-balance Sheet Short Position	(12.226)	(2.967)	(18.541.088)	22.272	-	-	(18.534.009)
Total Position	(86.635.704)	(2.348.339)	80.583.188	100.047.100	15.574.430	(96.443.657)	10.777.018

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

[*] 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 - 30 June 2021	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	-	-	13,50
Banks	0,42	0,65	-	18,96
Financial Assets at Fair Value Through Profit or Loss	3,59	5,56	-	20,25
Interbank Money Market Placements	-	-	-	19,27
Financial Assets at Fair Value Other Comprehensive Income	3,36	4,99	3,09	16,54
Loans	3,91	5,04	-	16,14
Financial Assets measured at amortised cost	4,29	5,93	-	15,18
Liabilities				
Bank Deposits (**)	0,25	0,91	-	16,51
Other Deposits (**)	0,17	0,77	0,14	13,20
Funds from Interbank Money Market	-	0,67	-	18,75
Miscellaneous Payables	-	0,07	-	-
Marketable Securities Issued (Net) (*)	4,00	5,17	-	17,35
Borrowings	2,17	2,39	-	16,28

[*] 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
Assets				
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
Liabilities				
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	
Current Period - 30 June 2021					
HIGH QUALITY LIQUID ASSETS (HQLA)					
1			105.184.947	64.592.366	
CASH OUTFLOWS					
2	Retail and Customers Deposits	216.045.673	125.279.793	19.978.487	12.527.979
3	Stable deposits	32.530.313	-	1.626.951	-
4	Less stable deposits	183.515.360	125.279.793	18.351.536	12.527.979
Unsecured Funding other than Retail and Small Business					
5	Customers Deposits	88.701.983	57.387.783	50.368.926	33.897.527
6	Operational deposits	6.169	-	1.542	-
7	Non-Operational Deposits	76.821.833	50.095.934	39.856.325	26.605.950
8	Other Unsecured Funding	11.873.981	7.291.849	10.511.059	7.291.577
9	Secured funding			1.209.504	1.209.504
10	Other Cash Outflows	12.722.705	17.483.238	5.510.463	10.549.049
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	4.737.555	9.810.511	4.737.555	9.810.511
12	Debts related to the structured financial products	10.130	-	10.130	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	7.975.020	7.672.727	762.778	738.538
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	840.973	-	42.049	-
15	Other irrevocable or conditionally revocable commitments	86.115.920	25.661.840	4.305.796	1.283.092
16	TOTAL CASH OUTFLOWS			81.415.225	59.467.151
CASH INFLOWS					
17	Secured Lending Transactions	478.643	-	-	-
18	Unsecured Lending Transactions	37.808.923	20.472.266	27.370.273	17.937.710
19	Other contractual cash inflows	2.167.841	18.157.476	2.167.507	18.157.476
20	TOTAL CASH INFLOWS	40.455.407	38.629.742	29.537.780	36.095.186
			Upper limit applied amounts		
21	TOTAL HQLA STOCK			105.184.947	64.592.366
22	TOTAL NET CASH OUTFLOWS			51.877.445	23.371.965
23	Liquidity Coverage Ratio (%)			202,76	276,37

(*) 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
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 High quality liquid assets			94.323.115	54.937.446
CASH OUTFLOWS				
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
16 TOTAL CASH OUTFLOWS			86.351.436	65.996.431
CASH INFLOWS				
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
20 TOTAL CASH INFLOWS	55.845.928	46.154.650	44.108.116	44.421.308
21 TOTAL HQLA STOCK			94.323.115	54.937.446
22 TOTAL NET CASH OUTFLOWS			42.243.320	21.575.123
23 Liquidity Coverage Ratio (%)			223,29	254,63

(*) 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 198% during the period and remain at a quite higher level that the legal lower limit.

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

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 46% and securities issued by Treasury of Republic of Turkey by 41%. 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 1.116 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.

	Current Period - 30 June 2021	
	TL+FC	FC
April	198,48	220,75
May	203,80	301,49
June	207,81	345,73

	Prior Period - 31 December 2020	
	TL+FC	FC
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:

Current Period – 30 June 2021	Demand	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Unallocated	Total
Assets								
Cash Equivalents and Central Bank Banks (*****)	27.899.358	23.493.059	210.803	-	-	-	-	51.603.220
Financial Assets at Fair Value Through Profit or Loss	29.425.712	1.977.359	1.257.938	-	-	-	-	32.661.009
Interbank Money Market Placements	1.709.264	3.556	3.013	7.403.154	175.843	65.548	-	9.360.378
Financial Assets measured at other comprehensive income	-	55.390	-	-	-	-	-	55.390
Loans (*)	546.397	36.903	287.773	9.634.313	46.924.255	15.072.949	-	72.502.590
Financial Assets measured at amortised cost	63.621	57.442.450	35.964.927	70.851.132	97.113.730	34.406.531	17.485.921	313.328.312
Other Assets (**)	-	-	367.333	7.672.013	17.682.738	14.810.131	-	40.532.215
Other Assets (**)	1.539.379	831.601	1.919.509	3.415.591	10.069.469	7.584.479	(7.564.567)	17.795.461
Total Assets	61.183.731	83.840.318	40.011.296	98.976.203	171.966.035	71.939.638	9.921.354	537.838.575
Liabilities								
Bank Deposits	1.085.572	8.348.077	1.147.295	826.540	-	-	-	11.407.484
Other Deposits	102.770.191	154.179.026	32.597.046	14.008.522	10.805.428	1.137.272	-	315.497.485
Borrowings	-	3.098.022	2.533.736	19.758.706	17.364.565	1.051.294	-	43.806.323
Funds from Interbank Money Market	-	20.797.793	1.150.276	3.384.423	4.222.349	2.556.416	-	32.111.257
Marketable Securities Issued (Net) (***)	-	2.398.797	1.888.589	1.682.375	14.569.386	12.142.614	-	32.681.761
Miscellaneous Payables	880.481	139.262	565.690	424.560	4.017.367	1.241.116	6.727.380	13.995.856
Other Liabilities (****)	2.112.370	3.842.195	1.026.528	1.381.503	7.576.654	2.856.695	69.542.464	88.338.409
Total Liabilities	106.848.614	192.803.172	40.909.160	41.466.629	58.555.749	20.985.407	76.269.844	537.838.575
Net Liquidity Excess / (Gap)	(45.664.883)	(108.962.854)	(897.864)	57.509.574	113.410.286	50.954.231	(66.348.490)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	299.071	(40.118)	2.108.362	4.151.813	4.257.890	-	10.777.018
Financial Derivative Liabilities	-	60.501.215	61.122.786	49.277.017	105.832.277	57.381.904	-	334.115.199
Non-cash Loans (*****)	-	2.486.548	387.404	19.627.546	16.054.082	26.840.888	-	65.396.468
Prior Period - 31 December 2020								
Total Assets	46.279.850	82.941.832	34.070.858	99.369.383	160.449.749	45.111.336	10.093.567	478.316.575
Total Liabilities	94.265.352	159.465.962	46.805.038	38.623.592	49.201.039	19.221.024	70.734.568	478.316.575
Net Liquidity Excess/ (Gap)	(47.985.502)	(76.524.130)	(12.734.180)	60.745.791	111.248.710	25.890.312	(60.641.001)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	(1.211.272)	(15.662)	3.174.289	4.405.896	3.263.040	-	9.616.291
Financial Derivative Liabilities	-	68.673.800	54.345.993	46.822.858	86.707.425	55.643.891	-	312.193.967
Financial Derivative Liabilities	-	69.885.072	54.361.655	43.648.569	82.301.529	52.380.851	-	302.577.676
Non-cash Loans (*****)	-	1.704.272	1.110.275	11.024.630	13.213.186	24.383.289	-	51.435.652

(*) 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 30 June 2021, the leverage ratio of the Group calculated from 3 months average amounts is 9,70% (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:

	Current Period 30 June 2021 (**)	Prior Period 31 December 2020 (**)
1 Total assets in the consolidated financial statements prepared in accordance with TAS (*)	533.153.161	497.936.391
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 Communique on Preparation of Consolidated Financial Statements of the Banks	-	-
3 Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	5.443.799	4.804.212
4 Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(40.611.147)	(35.080.452)
5 Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(1.540.368)	(1.497.887)
6 Other differences in the consolidated financial statements prepared in accordance with the Communique on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	176.293.520	142.201.626
7 Total Risk	672.738.965	608.363.890

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

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

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c. Disclosure of Leverage ratio template:

	Current Period 30 June 2021 (*)	Prior Period 31 December 2020 (*)
Balance sheet Assets		
1		
1		
2		
3		
Derivative financial assets and credit derivatives		
4		
5		
6		
Financing transactions secured by marketable security or commodity		
7		
8		
9		
Off-balance sheet transactions		
10		
11		
12		
Capital and total risk		
13		
14		
Leverage ratio		
15		

[*] 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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a. Overview of RWA:

	Risk Weighted Amount		Minimum capital requirement
	Current Period 30 June 2021	Prior Period 31 December 2020	Current Period 30 June 2021
1 Credit risk (excluding counterparty credit risk) (CCR)	311.174.408	282.417.186	24.893.952
2 Standardized approach (SA)	311.174.408	282.417.186	24.893.952
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	19.352.497	21.018.707	1.548.200
5 Standardized approach for counterparty credit risk (SA-CCR)	19.352.497	21.018.707	1.548.200
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	453.673	405.280	36.294
10 Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11 Settlement risk	281	-	23
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	18.177.274	16.091.736	1.454.182
17 Standardized approach (SA)	18.177.274	16.091.736	1.454.182
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	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	389.997.072	354.300.757	31.199.766

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b. Credit Risk Explanations:

1. Credit quality of assets:

	Current Period – 30 June	Gross carrying values of (according to TAS)		Allowances/ impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
1	Loans	17.485.921	295.842.391	18.101.858	295.226.454
2	Debt Securities	-	120.414.208	109.167	120.305.041
3	Off-balance sheet exposures	1.104.942	129.535.733	525.565	130.115.110
4	Total	18.590.863	545.792.332	18.736.590	545.646.605

	Prior Period – 31 December	Gross carrying values of (according to TAS)		Allowances/ impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
1	Loans	17.880.294	266.935.789	16.969.515	267.846.568
2	Debt Securities	-	107.445.266	100.734	107.344.532
3	Off-balance sheet exposures	939.098	106.772.392	500.379	107.211.111
4	Total	18.819.392	481.153.447	17.570.628	482.402.211

2. Changes in stock of defaulted loans and debt securities:

	Current Period 30 June 2021	Prior Period 31 December 2020	
1	Defaulted loans and debt securities at end of the previous reporting period	18.819.392	15.689.052
2	Loans and debt securities that have defaulted since the last reporting period	1.359.905	6.092.759
3	Returned to non-defaulted status	43.291	77.266
4	Amounts written off	71.464	805.049
5	Other changes	1.473.679	2.080.104
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	18.590.863	18.819.392

3. Credit risk mitigation techniques – overview:

Current Period – 30 June 2021	Exposures unsecured of (according to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1	Loans	284.302.608	10.923.846	8.551.035	1.194.291	955.913	-
2	Debt Securities	120.305.041	-	-	-	-	-
3	Total	404.607.649	10.923.846	8.551.035	1.194.291	955.913	-
4	Of which defaulted	18.590.863	-	-	-	-	-

Prior Period – 31 December 2020	Exposures unsecured of (according to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1	Loans	258.266.270	9.580.298	7.687.915	3.798.864	3.040.211	-
2	Debt Securities	107.344.532	-	-	-	-	-
3	Total	365.610.802	9.580.298	7.687.915	3.798.864	3.040.211	-
4	Of which defaulted	18.819.392	-	-	-	-	-

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4. Standardised approach – Credit risk exposure and Credit Risk Mitigation (CRM) effects:

Current Period - 30.06.2021		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes							
1	Exposures to central governments or central banks	140.858.465	19.506.219	141.829.488	2.169.568	495.650	%0,34
2	Exposures to regional governments or local authorities	155.791	-	155.791	-	77.896	%50,00
3	Exposures to public sector entities	230.461	129.194	215.566	51.152	266.718	%100,00
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	39.868.860	38.344.783	39.848.376	20.226.512	21.169.523	%35,24
7	Exposures to corporates	179.772.335	65.062.538	172.312.064	39.704.598	205.237.405	%96,80
8	Retail exposures	82.109.227	53.307.914	80.880.374	4.829.878	64.282.689	%75,00
9	Exposures secured by residential property	9.365.012	288.109	9.356.226	129.488	3.320.000	%35,00
10	Exposures secured by commercial real estate	16.199.143	1.665.534	16.098.036	1.052.229	12.995.611	%75,77
11	Past-due loans	6.149.963	-	6.149.963	-	5.226.159	%84,98
12	Higher-risk categories by the Agency Board	-	677.622	-	323.322	316.326	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	1.556.066	-	1.556.066	-	1.556.066	%100,00
16	Other assets	14.984.730	-	14.984.730	-	9.426.556	%62,91
17	Investments in equities	430.353	-	430.353	-	430.353	%100,00
18	Total	491.680.406	178.981.913	483.817.033	68.486.747	324.800.952	%58,81
Prior Period - 31.12.2020		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes							
1	Exposures to central governments or central banks	127.563.092	3.905.151	130.626.174	1.009.416	602.278	%0,46
2	Exposures to regional governments or local authorities	172.157	16	172.157	8	86.083	%50,00
3	Exposures to public sector entities	300.129	112.545	294.609	42.512	337.121	%100,00
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	26.949.463	44.236.810	26.944.167	21.276.821	18.154.921	%37,65
7	Exposures to corporates	173.473.322	51.806.876	166.063.248	33.880.958	194.552.781	%97,30
8	Retail exposures	72.270.640	47.912.182	69.676.523	4.538.403	55.661.195	%75,00
9	Exposures secured by residential property	8.035.345	265.748	8.029.452	113.675	2.850.095	%35,00
10	Exposures secured by commercial real estate	9.672.736	1.351.953	9.539.042	935.821	7.085.104	%67,64
11	Past-due loans	6.783.197	-	6.783.197	-	5.990.558	%88,31
12	Higher-risk categories by the Agency Board	-	634.643	-	293.057	342.736	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	1.465.529	177.537	1.465.529	5.011	1.470.540	%100,00
16	Other assets	15.167.978	-	15.167.978	-	10.096.032	%66,56
17	Investments in equities	348.521	-	348.521	-	348.521	%100,00
18	Total	442.202.109	150.403.461	435.110.597	62.095.682	297.577.965	%59,85

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5. Standardised Approach – Exposures by asset classes and risk weights:

Current Period - 30.06.2021

Asset classes / Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	Other risk weights	Total risk amount (*)
1 Exposures to central governments or central banks	142.655.400	-	274.078	-	-	-	415.944	-	-	653.634	143.999.056
2 Exposures to regional governments or local authorities	-	-	-	-	155.791	-	-	-	-	-	155.791
3 Exposures to public sector entities	-	-	-	-	-	-	266.718	-	-	-	266.718
4 Exposures to multilateral development banks	98.761	-	-	-	-	-	-	-	-	-	98.761
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to institutions	321.306	-	29.095.617	-	30.615.131	-	42.834	-	-	-	60.074.888
7 Exposures to corporates	1.517.353	-	400.669	-	9.882.738	-	200.215.902	-	-	-	212.016.662
8 Retail exposures	-	-	-	-	-	85.710.252	-	-	-	-	85.710.252
9 Exposures secured by residential property	-	-	-	9.485.714	-	-	-	-	-	-	9.485.714
10 Exposures secured by commercial real estate	-	-	-	-	8.309.308	-	8.840.957	-	-	-	17.150.265
11 Past-due loans	-	-	-	-	2.920.856	-	2.155.858	1.073.249	-	-	6.149.963
12 Higher-risk categories by the Agency Board	-	-	-	-	76.525	-	184.265	62.532	-	-	323.322
13 Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	1.556.066	-	-	-	1.556.066
16 Investments in equities	-	-	-	-	-	-	430.353	-	-	-	430.353
17 Other assets	5.269.984	-	360.235	-	-	-	9.354.511	-	-	-	14.984.730
18 Total	149.764.043	-	30.130.599	9.485.714	51.960.349	85.710.252	223.463.408	1.135.781	-	653.634	552.303.780

[*] Total credit risk exposure amount after Credit Conversion Factor (CCF) and Credit Risk Mitigation (CRM).

Prior Period - 31.12.2020

Asset classes / Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	Other risk weights	Total risk amount (*)
1 Exposures to central governments or central banks	130.202.523	-	281.014	-	-	-	522.571	-	-	629.482	131.635.590
2 Exposures to regional governments or local authorities	-	-	-	-	172.165	-	-	-	-	-	172.165
3 Exposures to public sector entities	-	-	-	-	-	-	337.121	-	-	-	337.121
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to institutions	351.113	-	20.459.325	-	26.694.988	-	715.562	-	-	-	48.220.988
7 Exposures to corporates	906.093	-	873.497	-	7.573.067	-	190.591.549	-	-	-	199.944.206
8 Retail exposures	-	-	-	-	-	74.214.926	-	-	-	-	74.214.926
9 Exposures secured by residential property	-	-	-	8.143.127	-	-	-	-	-	-	8.143.127
10 Exposures secured by commercial real estate	-	-	-	-	6.779.517	-	3.695.346	-	-	-	10.474.863
11 Past-due loans	-	-	-	-	3.062.901	-	2.242.673	1.477.623	-	-	6.783.197
12 Higher-risk categories by the Agency Board	-	-	-	-	72.219	-	49.261	171.577	-	-	293.057
13 Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	1.470.540	-	-	-	1.470.540
16 Investments in equities	-	-	-	-	-	-	348.521	-	-	-	348.521
17 Other assets	5.071.921	-	29	-	-	-	10.096.028	-	-	-	15.167.978
18 Total	136.531.650	-	21.613.865	8.143.127	44.354.857	74.214.926	210.069.172	1.649.200	-	629.482	497.206.279

[*] Total credit risk exposure amount after Credit Conversion Factor (CCF) and Credit Risk Mitigation (CRM).

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c. Counterparty Credit Risk (CCR) Explanations:

1. Analysis of counterparty credit risk exposure by approach:

		Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
Current Period - 30.06.2021							
1	Standardised Approach (for derivatives)	14.829.568	5.198.182		1,4	20.003.599	11.418.431
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					4.872.280	1.729.550
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					4.872.280	1.729.550
6	Total						13.147.981

(*) Effective Expected Positive Exposure

		Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
Prior Period - 31.12.2020							
1	Standardised Approach (for derivatives)	14.951.216	4.966.890		1,4	19.918.106	12.197.577
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					-	-
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					6.679.608	2.534.421
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					6.679.608	2.534.421
6	Total						14.731.998

(*) Effective Expected Positive Exposure

2. Credit valuation adjustment (CVA) capital charge:

	Current Period - 30.06.2021		Prior Period - 31.12.2020	
	Exposure at default post-CRM	RWA	Exposure at default post-CRM)	RWA
Total portfolios subject to the Advanced CVA capital charge				
1 (i) Value at Risk (VaR) component (including the 3×multiplier)	-	-	-	-
2 (ii) Stressed VaR component (including the 3×multiplier)	-	-	-	-
3 All portfolios subject to the Standardised CVA capital charge	20.003.599	6.179.692	19.918.106	6.263.204
4 Total subject to the CVA capital charge	20.003.599	6.179.692	19.918.106	6.263.204

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3. Standardised approach of CCR exposures by regulatory portfolio and risk weights:

Current Period - 30.06.2021

Risk Weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Regulatory portfolio									
Claims from central governments and central banks	1.514.900	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	-	-	-	-	-	-	-	-
Claims from administration and non commercial entity	-	-	-	-	-	147	-	-	147
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	-	-	5.826.680	11.056.537	-	23.411	-	-	6.717.016
Corporates	-	-	3.070	11.288	-	6.378.703	-	-	6.384.961
Retail portfolios	-	-	-	-	61.143	-	-	-	45.857
Claims on landed real estate	-	-	-	-	-	-	-	-	-
Past due loans	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-
Other claims.	-	-	-	-	-	-	-	-	-
Other assets**	-	-	-	-	-	-	-	-	-
Total	1.514.900	-	5.829.750	11.067.825	61.143	6.402.261	-	-	13.147.981

(*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(**) Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

Prior Period - 31.12.2020

Risk Weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Regulatory portfolio									
Claims from central governments and central banks	377.881	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	-	-	-	-	-	-	-	-
Claims from administration and non commercial entity	-	-	-	-	-	11	-	-	11
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	-	-	7.425.455	11.060.997	-	41.907	-	-	7.057.497
Corporates	-	-	-	1.132	-	7.619.692	-	-	7.620.258
Retail portfolios	-	-	-	-	65.629	-	-	-	49.222
Claims on landed real estate	-	-	-	-	-	-	-	-	-
Past due loans	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	5.011	-	-	5.011
Stock investment	-	-	-	-	-	-	-	-	-
Other claims.	-	-	-	-	-	-	-	-	-
Other assets**	-	-	-	-	-	-	-	-	-
Total	377.881	-	7.425.455	11.062.129	65.629	7.666.621	-	-	14.731.998

(*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(**) Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

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4. Composition of collateral for CCR exposure:

Related table is not presented due to not having derivative collaterals which is considered in the calculation of capital adequacy ratio.

5. Credit derivatives exposures:

	Current Period - 30.06.2021		Prior Period - 31.12.2020	
	Protection bought	Protection sold	Protection bought	Protection sold
Nominal				
Single-name credit default swaps	1.493.012	-	1.276.137	22.258
Index credit default swaps	-	-	-	-
Total return swaps	-	8.170.875	-	7.842.346
Credit options	-	-	-	-
Other credit derivatives	-	-	-	-
Total notional	1.493.012	8.170.875	1.276.137	7.864.604
Fair values				
Positive fair value (asset)	110.175	3.052.661	72.533	2.855.790
Negative fair value (liability)	-	-	-	-

6. Exposures to central counterparties (CCP):

	Current Period - 30.06.2021		Prior Period - 31.12.2020	
	Exposure at default (post-CRM)	RWA	Exposure at default (post-CRM)	RWA
1 Exposure to Qualified Central Counterparties (QCCPs) (total)		63.189		56.693
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	653.364	24.890	629.483	23.505
3 (i) OTC Derivatives	653.364	24.890	629.483	23.505
4 (ii) Exchange-traded Derivatives	-	-	-	-
5 (iii) Securities financing transactions	-	-	-	-
6 (iv) Netting sets where cross-product netting has been approved	-	-	-	-
7 Segregated initial margin	-	-	-	-
8 Non-segregated initial margin	-	-	-	-
9 Pre-funded default fund contributions	38.299	38.299	33.188	33.188
10 Unfunded default fund contributions	-	-	-	-
11 Exposures to non-QCCPs (total)				
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which)	-	-	-	-
13 (i) OTC Derivatives	-	-	-	-
14 (ii) Exchange-traded Derivatives	-	-	-	-
15 (iii) Securities financing transactions	-	-	-	-
16 (iv) Netting sets where cross-product netting has been approved	-	-	-	-
17 Segregated initial margin	-	-	-	-
18 Non-segregated initial margin	-	-	-	-
19 Pre-funded default fund contributions	-	-	-	-
20 Unfunded default fund contributions	-	-	-	-

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d. Securitization Explanations:

The Bank has no securitization transactions.

e. Market Risk Explanations:

Standardised approach:

	Current Period	Prior Period
	30.06.2021	31.12.2020
	RWA	RWA
Outright products (*)		
1 Interest rate risk (general and specific)	2.189.200	2.116.008
2 Equity risk (general and specific)	444.300	438.762
3 Foreign exchange risk	15.177.674	13.494.266
4 Commodity risk	-	-
Options		
5 Simplified approach	-	-
6 Delta-plus method	366.100	42.700
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	18.177.274	16.091.736

(*) Outright products refer to positions in products that are not optional.

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.

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.

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

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

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

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 3,8 years and the remaining amount is USD 974.643. 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 30 June 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:

	Current Period 30 June 2021			Prior Period 31 December 2020		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	23.363.641	8.229.438	374.331	20.923.980	7.956.205	424.660
-FC	73.982.171	191.762	708.517	63.594.359	12.998	1.015.179
Total	97.345.812	8.421.200	1.082.848	84.518.339	7.969.203	1.439.839

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	(442.856)	328.743	(114.113)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	19.649	(19.403)	246
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(71.377)	66.124	(5.253)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	117.760	(115,643)	2,117
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	1.070	(1.021)	49
Cross-currency swap	Fixed interest rate TL Commercial Loans, FC borrowings	Interest rate and currency risk	6.039	(6.166)	(127)
Interest Rate Swap	Fixed interest rate TL Securities Issued	Interest rate risk	(71.507)	79.899	8.392
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	(13)	11	(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:

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- As of 30 June 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 39.146 (31 December 2020: TL 695).

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	-	259.717	(4.524)	(78.003)	3.634
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	5.953.977	-	294.877	(532.169)	23.464
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	511.378	226.427	679.227	65.868	344
Interest Rate Swap	Short term FC deposits	Cash Flow risk due to changes in interest rate of funds	-	2.801	(270)	(463)	10
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	126	58.276	(61.825)	(33.130)	(741)

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 30 June 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 32.495 (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. Retail Banking provides financial solutions and banking services to SME customers.

Corporate Banking and Commercial Banking and SME Banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the Bank provides

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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. In addition to marketing and pricing activities for the branch network of Treasury products and customers, foreign trade financing, foreign exchange and TL "clearing" services are also carried out for customers.

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.

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Information on business segments as of 30 June 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.

	Commercial Banking, SME Banking, Retail Corporate- Investment and Private Banking	Treasury	Other and Unallocated	Group's Total Activities	
Current Period - 30 June 2021					
Operating Income	5.964.609	4.145.936	(1.045.004)	4.666.363	13.731.904
Profit from Operating Activities	2.188.971	3.129.991	(1.297.739)	1.569.279	5.590.502
Income from Subsidiaries	-	-	-	9.582	9.582
Profit before Tax	2.188.971	3.129.991	(1.297.739)	1.578.861	5.600.084
Tax Expense	-	-	-	(1.465.661)	(1.465.661)
Net Profit for the Period	2.188.971	3.129.991	(1.297.739)	113.200	4.134.423
Segment Assets	112.861.050	215.580.261	182.281.101	10.151.390	520.873.802
Investments in Associates.	-	-	-	18.129	18.129
Undistributed Assets	-	-	-	16.946.644	16.946.644
Total Assets					537.838.575
Segment Liabilities	215.311.799	106.232.918	119.312.378	9.825.528	450.682.623
Undistributed Liabilities	-	-	-	19.845.388	19.845.388
Shareholders' Equity	-	-	-	67.310.564	67.310.564
Total Liabilities					537.838.575

	Commercial Banking, SME Banking, Retail Banking	Commercial Banking, SME Banking, Corporate- Investment and Private Banking	Treasury	Other and Unallocated	Group's Total Activities
Prior Period - 31 December 2020					
Operating Income	4.196.486	3.311.787	5.273.943	156.664	12.938.880
Profit from Operating Activities	549.930	(632.560)	4.924.854	(985.229)	3.856.995
Income from Subsidiaries	-	-	-	3.813	3.813
Profit before Tax	549.930	(632.560)	4.924.854	(981.416)	3.860.808
Tax Expense	-	-	-	(975.496)	(975.496)
Net Profit for the Period	549.930	(632.560)	4.924.854	(1.956.912)	2.885.312
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

[*] 30 June 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 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Cash/Foreign Currency	1.850.962	3.340.396	1.770.526	3.165.685
The CBRT (*)	4.115.271	41.857.726	2.628.104	39.976.266
Other (**)	-	438.865	-	135.740
Total	5.966.233	45.636.987	4.398.630	43.277.691

(*) Precious metal account amounting to TL 2.170.825 are included in FC (31 December 2020: TL 2.037.937).

(**) Precious metal account amounting to TL 78.630 are included in FC (31 December 2020: TL 135.710).

2. Information related to the account of the CBRT:

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Unrestricted Demand Deposits	558	-	433	-
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Reserve Requirement	4.114.713	41.857.726	2.627.671	39.976.266
Total	4.115.271	41.857.726	2.628.104	39.976.266

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 30 June 2021 (31 December 2020: 1% and 6% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 21% for deposit and other foreign currency liabilities according to their maturities as of 30 June 2021 (31 December 2020: 5% and 22% for all foreign currency liabilities).

b. Financial Assets at Fair Value Through Profit or Loss

As of 30 June 2021, financial assets at fair value through profit or loss given as collateral/blocked amount to TL 10.117 (31 December 2020: TL 9.995); and there are no financial assets subject to repo transactions (31 December 2020: None).

Other Financial Assets:

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

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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 30 June 2021, the value of the part pursued as loan is TL 10.719.641 (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 4.792.821 (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 3.376.731 (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 1.122.068 (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 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Forward Transactions	218.396	32	414.145	-
Swap Transactions	8.701.146	5.797.984	7.817.657	6.504.867
Futures Transactions	-	-	-	-
Options	18.049	85.618	38.165	114.329
Other	-	-	-	-
Total	8.937.591	5.883.634	8.269.967	6.619.196

(*) Excluding hedging derivatives financial assets.

d. Information on banks account and foreign banks:

Information on banks account:

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Banks				
Domestic	95.356	1.051.603	7.375	30.971
Foreign (*)	6	31.514.044	-	17.377.729
Head Quarters and Branches Abroad	-	-	-	-
Total	95.362	32.565.647	7.375	17.408.700

(*) Includes collateral of TL 6.783.706 for derivative transactions made with foreign banks (31 December 2020: 5.004.862 TL).

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

1. As of 30 June 2021, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 16.688.120 (31 December 2020: TL 16.984.050); and those given as collateral/blocked amounting to TL 9.422.290 (31 December 2020: TL 18.374.196).

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

	Current Period 30 June 2021	Prior Period 31 December 2020
Debt Securities	73.661.066	58.851.820
Quoted at Stock Exchange (*)	71.092.343	56.760.569
Unquoted at Stock Exchange	2.568.723	2.091.251
Share Certificates	15.886	16.384
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	15.886	16.384
Impairment Provision (-)	1.174.362	664.059
Total	72.502.590	58.204.145

[*] 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 30 June 2021		Prior Period 31 December 2020	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	174	-	97
Corporate Shareholders	-	174	-	97
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	8.188.305	2.680.662	7.661.495	2.175.254
Loans Granted to Employees	147.722	-	152.213	-
Total	8.336.027	2.680.836	7.813.708	2.175.351

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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 – 30 June 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	
Cash Loans				
Non-specialized Loans				
Loans given to enterprises	44.950.355	2.374.461	97.593	2.306.043
Export Loans	24.110.605	249.655	17.683	17.206
Import Loans	1.643.581	-	-	-
Loans Given to Financial Sector	16.796.115	20	-	979
Consumer Loans	46.862.337	1.973.249	677.392	434.733
Credit Cards	23.470.287	861.309	738.186	-
Other	103.604.554	3.755.364	8.088.294	12.812.390
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	261.437.834	9.214.058	9.619.148	15.571.351

(*) 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
		30 June 2021		31 December 2020
		Loans under Follow-up		Loans under Follow-up
12 Month Expected Credit Losses	1.254.911	-	1.521.946	-
Significant Increase in Credit Risk	-	5.536.857	-	4.354.331
Total	1.254.911	5.536.857	1.521.946	4.354.331

(*) Included expected credit losses of lease receivables.

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

	Current Period	Prior Period
	30 June 2021	31 December 2020
30-60 days overdue	690.955	598.530
60-90 days overdue	426.466	421.459
More than 90 days overdue	1.321.109	1.165.481
Total	2.438.530	2.185.470

(*) 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 delay day. The relevant issue will be valid until 30 September 2021 according to the decision of the BRSA dated 17 June 2021 and numbered 9624.

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

Current Period – 30 June 2021	Short-term	Medium and Long-term	Total
Consumer Loans-TL	1.515.490	46.299.228	47.814.718
Mortgage Loans	11.841	11.096.404	11.108.245
Automotive Loans	20.057	355.308	375.365
Consumer Loans	1.483.592	34.847.516	36.331.108
Other	-	-	-
Consumer Loans- Indexed to FC	-	403	403
Mortgage Loans	-	403	403
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	20.444.403	633.695	21.078.098
With Installment	5.862.678	631.630	6.494.308
Without Installment	14.581.725	2.065	14.583.790
Consumer Credit Cards-FC	11.847	-	11.847
With Installment	-	-	-
Without Installment	11.847	-	11.847
Personnel Loans-TL	5.009	78.730	83.739
Mortgage Loans	-	2.271	2.271
Automotive Loans	50	294	344
Consumer Loans	4.959	76.165	81.124
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	63.758	94	63.852
With Installment	21.043	94	21.137
Without Installment	42.715	-	42.715
Personnel Credit Cards-FC	131	-	131
With Installment	-	-	-
Without Installment	131	-	131
Credit Deposit Account-TL (Real Person)	2.048.851	-	2.048.851
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	24.089.489	47.012.150	71.101.639

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

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

Current Period – 30 June 2021	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	2.203.953	12.722.266	14.926.219
Mortgage Loans	1.813	5.715	7.528
Automotive Loans	172.317	439	172.756
Consumer Loans	2.029.823	12.716.112	14.745.935
Other	-	-	-
FC Indexed Commercial Installment Loans	-	24.766	24.766
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	24.766	24.766
Other	-	-	-
Commercial Installment Loans-FC	11.547	791.745	803.292
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	11.547	791.745	803.292
Other	-	-	-
Corporate Credit Cards-TL	3.874.875	38.841	3.913.716
With Installment	1.537.361	38.695	1.576.056
Without Installment	2.337.514	146	2.337.660
Corporate Credit Cards-FC	2.137	-	2.137
With Installment	6	-	6
Without Installment	2.131	-	2.131
Credit Deposit Account-TL (Legal Person)	898.337	-	898.337
Credit Deposit Account-FC (Legal person)	-	-	-
Total	6.990.849	13.577.618	20.568.467
Prior Period - 31.12.2020	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	3.609.665	11.901.365	15.511.030
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	-	-	-
FC Indexed Commercial Installment Loans	-	39.952	39.952
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	39.952	39.952
Other	-	-	-
Commercial Installment Loans-FC	12.771	505.040	517.811
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	12.771	505.040	517.811
Other	-	-	-
Corporate Credit Cards-TL	3.206.720	33.257	3.239.977
With Installment	1.358.425	33.162	1.391.587
Without Installment	1.848.295	95	1.848.390
Corporate Credit Cards-FC	1.693	-	1.693
With Installment	-	-	-
Without Installment	1.693	-	1.693
Credit Deposit Account-TL (Legal Person)	934.652	-	934.652
Credit Deposit Account-FC (Legal person)	-	-	-
Total	7.765.501	12.479.614	20.245.115

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

	Current Period 30 June 2021	Prior Period 31 December 2020
Domestic Loans	301.989.088	272.211.163
Foreign Loans	11.339.224	12.604.920
Total	313.328.312	284.816.083

(*) Included leasing receivables.

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

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

	Current Period 30 June 2021	Prior Period 31 December 2020
Loans and Other Receivables with Limited Collectibility	11.886	1.226.937
Loans and Other Receivables with Doubtful Collectibility	1.753.125	623.643
Uncollectible Loans and Receivables	9.545.079	9.242.658
Total	11.310.090	11.093.238

(*) Included leasing receivables.

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

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

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period: 30 June 2021			
(Gross Amounts Before Specific Provisions)	237	59.222	1.605.121
Rescheduled Loans and Other Receivables	237	59.222	1.605.121
Prior Period: 31 December 2020			
(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 (*):

	III. Group	IV. Group	V. Group
	Loans and Other	Loans and Other	Uncollectible Loans
	Receivables with	Receivables with	and Other
	Limited Collectibility	Doubtful Collectibility	Receivables
Prior Period End Balance: 31 December 2020	2.221.345	946.928	14.712.021
Additions (+)	128.118	609.987	455.956
Transfers from Other Categories of Non-Performing Loans (+)	-	2.317.237	734.731
Transfers to Other Categories of Non-Performing Loans (-)	2.317.237	734.731	-
Collections (-)	14.509	418.027	1.084.434
Write-offs (-) (**)	1.016	22.689	47.759
Sold Portfolio	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	16.701	2.698.705	14.770.515
Specific Provisions (-)	11.886	1.753.125	9.545.079
Net Balance at Balance Sheet	4.815	945.580	5.225.436

(*): 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 774.976 and its effect on the NPL ratio is 23 basis point).

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

	III. Group	IV. Group	V. Group
	Loans and Other	Loans and Other	Uncollectible Loans
	Receivables with	Receivables with	and Other
	Limited	Doubtful	Receivables
	Collectibility	Collectibility	Receivables
Current Period: 30 June 2021			
Balance at the End of the Period	-	1.979.148	4.564.187
Specific Provision (-)	-	1.241.531	2.393.763
Net Balance on Balance Sheet	-	737.617	2.170.424
Prior Period: 31 December 2020			
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 (*):

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period (Net): 30 June 2021			
Loans granted to corporate entities and real persons (Gross)	16.701	2.698.705	14.770.515
Specific Provision Amount (-)	11.886	1.753.125	9.545.079
Loans granted to corporate entities and real persons (Net)	4.815	945.580	5.225.436
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-
Prior Period (Net): 31 December 2020			
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 (*):

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectibility	Loans and Other Receivables with Doubtful Collectibility	Uncollectible Loans and Other Receivables
Current Period: 30 June 2021			
Interest accruals and valuation differences	1.028	169.253	3.262.274
Provision (-)	714	108.002	1.971.933
Prior Period: 31 December 2020			
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: Disclosed in Note VII of Section Three.

g. Financial Assets Measured at Amortised Cost:

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

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Given as collateral/blocked	11.311.766	84.093	7.470.796	1.216.927
Subject to repurchase agreements	13.514.825	2.701.783	1.693.302	4.547.790
Total	24.826.591	2.785.876	9.164.098	5.764.717

2. Information about Government debt securities:

	Current Period 30 June 2021	Prior Period 31 December 2020
Government debt	38.916.607	40.239.483
Treasury bonds	-	-
Other government debts	839.343	977.340
Total	39.755.950	41.216.823

3. Information on financial assets measured at amortised cost:

	Current Period 30 June 2021	Prior Period 31 December 2020
Debt Securities	40.591.074	41.923.581
Quoted at stock exchange	40.591.074	41.923.581
Not quoted at stock exchange	-	-
Impairment (-)	58.859	38.522
Total	40.532.215	41.885.059

4. The movement of financial assets at amortised costs:

	Current Period 30 June 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	996.565	4.715.654
Purchases During Year	10.055.158	25.884.971
Disposals Through Sales and Redemptions	(12.925.076)	(4.774.521)
Impairment Provision	(20.337)	(11.001)
Change in Amortised Cost	540.846	495.098
Balance at the End of the Period	40.532.215	41.885.059

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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 31 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	317.815	262.940	96.441	7.428	-	27.999	8.961	-
2	469.437	306.989	298.383	3.880	-	14.770	11.740	-
3	34.723	27.961	26.355	487	-	2.467	6.146	-
4	51.021	50.248	727	985	-	248	-	-

[*] In the table above, JCR Avrasya Derecelendirme A.Ş. and Birleşik İpotek Finansmanı A.Ş., 31 December 2020 financial data are used.

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

	Current Period 30 June 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., an 8,33% 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 30 June 2021 prepared in accordance with legislation in which companies are subject to.

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	AkÖde A.Ş.
Paid in Capital	360.007	96.802	10.534	740.648	72.000
Share Premium	-	-	-	-	-
Reserves	744.175	76.251	34.192	7.816.958	(14)
Gains recognized in equity as per TAS	-	(3.546)	(405)	-	(109)
Profit/Loss	94.108	858.650	117.834	284.153	(19.209)
- Net Current Period Profit	94.108	246.616	74.609	284.153	(18.949)
- Prior Year Profit/Loss	-	612.034	43.225	-	(260)
Development Cost of Operating Lease (-)	56	778	-	1.053	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	1.636	15.120	299	5.767	-
Total Common Equity	1.196.598	1.012.259	161.856	8.834.939	52.668
Total Additional Tier I Capital	-	-	-	-	-
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	-	-	-	-	-
Total Tier I Capital	1.196.598	1.012.259	161.856	8.834.939	52.668
Tier II Capital	82.387	270	-	72.810	-
CAPITAL	1.278.985	1.012.529	161.856	8.907.749	52.668
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	1.278.985	1.012.529	161.856	8.907.749	52.668

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:

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

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

The following amounts have been obtained from the financial statements as of 30 June 2021 prepared in accordance with legislation in which companies are subject to.

	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	7.889.117	1.198.235	80.292	281.461	185	94.108	60.711	-
2	3.113.910	1.028.157	25.606	187.901	55.262	246.616	122.946	-
3	193.833	162.155	4.328	7.056	8.871	74.609	44.026	-
4	43.440.515	8.841.759	45.344	509.766	114.145	284.153	178.069	-
5	72.704	52.668	935	293	-	(18.949)	(14.148)	-

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"

5. Movement schedule for consolidated subsidiaries:

	Current Period 30 June 2021	Prior Period 31 December 2020
Balance at the Beginning of the Period	9.605.628	6.730.785
Movements During the Period		
Additions (*)	10.000	35.000
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	680.187	956.126
Sales/Liquidation	-	-
Revaluation Increase (**)	986.980	1.883.717
Revaluation/Impairment	-	-
Balance at the End of the Period	11.282.795	9.605.628
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The mentioned amounts arise from the net increase of TL 10.000 in the capital of AkÖde Elektronik Para ve Dağıtım Hizmetleri A.Ş., which is the Bank's 100% subsidiary, when the capital decrease made during the current period is taken into account, and due to the increase in the previous period by TL 35.000 in the capital of AkÖde Elektronik Para ve Dağıtım Hizmetleri A.Ş., the Bank's 100% subsidiary

(**) 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:

Subsidiaries	Current Period 30 June 2021	Prior Period 31 December 2020
Banks	8.841.759	7.525.427
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	1.198.056	1.103.162
Finance Companies	-	-
Other Financial Subsidiaries	1.242.980	977.039

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

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

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k. Information on finance lease receivables (Net):

	Current Period 30 June 2021		Prior Period 31 December 2020	
	Gross	Net	Gross	Net
2021	1.375.599	1.225.788	2.122.120	1.871.231
2022	1.943.386	1.666.565	1.463.086	1.278.772
2023 and following years	3.008.586	2.709.418	2.061.533	1.865.136
Total	6.327.571	5.601.771	5.646.739	5.015.139

l. Information on the hedging derivative financial assets:

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	1.758.829	191.762	3.217.726	12.998
Cash Flow Hedge	6.470.519	-	4.738.479	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	8.229.348	191.762	7.956.205	12.998

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

n. Information on deferred tax asset:

As of 30 June 2021, the Group has TL 52.379 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 30 June 2021	Prior Period 31 December 2020
Cost	277.930	250.782
Accumulated Depreciation (-)	-	4
Net Book Value	277.930	250.778

	Current Period 30 June 2021	Prior Period 31 December 2020
Opening Balance Net Book Value	250.778	666.067
Additions	107.500	265.721
Disposals (-), net	79.871	184.122
Impairment (-)	477	496.888
Depreciation (-)	-	-
Closing Net Book Value	277.930	250.778

p. Information on other assets:

Other assets amounting to TL 5.268.540 (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 – 30 June 2021:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	14.937.768	9.944.287	52.752.199	3.400.259	1.449.522	1.398.243	7.774	83.890.052
Foreign Currency Deposits	56.385.592	11.839.345	78.246.343	4.321.872	6.224.342	18.971.980	941	175.990.415
Residents in Turkey	48.235.263	11.599.866	72.633.341	2.490.546	2.272.695	3.241.372	941	140.474.024
Residents Abroad	8.150.329	239.479	5.613.002	1.831.326	3.951.647	15.730.608	-	35.516.391
Public Sector Deposits	1.363.565	2.771	30.765	815	596	95	-	1.398.607
Commercial Deposits	12.905.514	12.470.985	6.536.217	306.747	228.216	462.472	-	32.910.151
Other Institutions Deposits	378.087	342.465	1.585.858	28.180	635.336	430.793	-	3.400.719
Precious metals Deposits	16.799.665	11.554	203.152	17.578	783.303	92.289	-	17.907.541
Interbank Deposits	1.085.572	537.538	8.877.516	66.210	840.648	-	-	11.407.484
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	10.060	214.604	235.148	-	826.540	-	-	1.286.352
Foreign Banks	206.353	322.934	8.642.368	66.210	14.108	-	-	9.251.973
Participation Banks	869.159	-	-	-	-	-	-	869.159
Other	-	-	-	-	-	-	-	-
Total	103.855.763	35.148.945	148.232.050	8.141.661	10.161.963	21.355.872	8.715	326.904.969

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

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

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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 30 June 2021	Prior Period 31 December 2020	Current Period 30 June 2021	Prior Period 31 December 2020
Saving Deposits	35.297.878	30.216.189	48.579.768	39.523.989
Foreign Currency Saving Deposits	18.326.065	18.887.429	82.071.023	68.523.730
Other Deposits in the Form of Saving Deposits	7.415.256	7.892.207	9.074.933	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 30 June 2021	Prior Period 31 December 2020
Foreign Branches' Deposits and other accounts	28	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	2.030.040	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 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Forward Transactions	194.778	3	231.359	405
Swap Transactions	7.527.249	2.634.717	10.615.699	2.390.107
Futures Transactions	-	-	-	-
Options	39.112	113.322	5.632	157.932
Other	-	-	-	-
Total	7.761.139	2.748.042	10.852.690	2.548.444

(*) Excluding hedge transactions.

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	491.864	3.607.974	367.411	4.939.707
From Foreign Banks, Institutions and Funds	-	39.706.485	-	34.955.496
Total	491.864	43.314.459	367.411	39.895.203

2. Information on maturity structure of borrowings:

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Short-term	236.110	1.586.905	256.276	705.426
Medium and Long-term	255.754	41.727.554	111.135	39.189.777
Total	491.864	43.314.459	367.411	39.895.203

Securitized borrowings procured via A.R.T.S. Ltd. ("Structured Entity") 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 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Bank bills	4.719.299	-	5.313.725	-
Bonds	2.230.754	13.552.656	2.399.203	11.593.289
Total	6.950.053	13.552.656	7.712.928	11.593.289

e. Information on other foreign liabilities:

Other foreign liabilities amounting to TL 4.210.541 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 30 June 2021		Prior Period 31 December 2020	
	Gross	Net	Gross	Net
Less Than 1 Year	148.622	69.901	139.140	63.288
Between 1-4 Years	366.686	194.456	351.773	183.105
More Than 4 Years	422.918	300.003	425.611	296.166
Total	938.226	564.360	916.524	542.559

g. Information on the hedging derivative financial liabilities:

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	89.627	445.998	81.056	679.914
Cash Flow Hedge	284.704	262.519	343.604	335.265
Net Investment Hedge in a foreign operation	-	-	-	-
Total	374.331	708.517	424.660	1.015.179

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 30 June 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 8.284,51 [1 January 2021: TL 7.638,96] effective from 1 July 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:

	Current Period	Prior Period
	30 June 2021	31 December 2020
Prior Period Closing Balance	428.234	324.669
Recognized as an Expense During the Period	49.095	77.788
Actuarial Loss / (Gain)	33.819	68.211
Paid During the Period	(35.501)	(42.434)
Balance at the End of the Period	475.647	428.234

As of 30 June 2021, the Group has allocated vacation liability amounting to TL 161.218 (31 December 2020: TL 129.387).

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

As of 30 June 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 517.088 as of 30 June 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 75.924 (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 30 June 2021, the remaining tax liability after the deduction of taxes paid is TL 1.069.337 (31 December 2020: TL 1.126.257). There is no current tax asset as of 30 June 2021 (31 December 2020: None).

1 (i). Information on taxes payable:

	Current Period 30 June 2021	Prior Period 31 December 2020
Corporate Taxes Payable	1.069.337	1.126.257
Taxation on Marketable Securities	151.185	162.786
Property Tax	1.336	1.210
Banking Insurance Transaction Tax (BITT)	185.382	172.963
Foreign Exchange Transaction Tax	9.917	9.632
Value Added Tax Payable	19.860	11.499
Other	181.862	174.939
Total	1.618.879	1.659.286

1 (ii). Information on premium payables:

	Current Period 30 June 2021	Prior Period 31 December 2020
Social Security Premiums – Employee	1.667	1.516
Social Security Premiums – Employer	119	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	2.511	2.038
Unemployment Insurance – Employer	4.700	3.818
Other	302	270
Total	9.305	7.956

2. Information on deferred tax liability:

As of 30 June 2021, Turkish Lira deferred tax liability of the Group amounts to TL 418.509 (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:

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Debt Instruments subject to common equity	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Debt Instruments subject to tier 2 equity	-	12.179.052	-	6.718.414
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	12.179.052	-	6.718.414
Total	-	12.179.052	-	6.718.414

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:

	Current Period 30 June 2021	Prior Period 31 December 2020
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:

Capital System	Paid-in capital	Ceiling
Registered Share Capital	5.200.000	10.000.000

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

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:

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(270.532)	110.535	73.752	305.059
Foreign Currency Differences	-	-	-	-
Total	(270.532)	110.535	73.752	305.059

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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 7.600.020 asset purchase commitments (31 December 2020: TL 7.908.110), TL 32.553.465 commitments for credit card limits (31 December 2020: TL 29.118.196) and TL 3.233.962 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:

	Current Period	Prior Period
	30 June 2021	31 December 2020
Bank Acceptance Loans	88.114	47.814
Letters of Credit	9.471.605	4.660.989
Other Guarantees and Warranties	12.006.313	9.202.231
Total	21.566.032	13.911.034

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

	Current Period	Prior Period
	30 June 2021	31 December 2020
Revocable Letters of Guarantee	1.856.231	1.961.090
Irrevocable Letters of Guarantee	21.226.260	18.532.178
Letters of Guarantee Given in Advance	2.763.096	1.920.439
Guarantees Given to Customs	3.319.884	3.529.766
Other Letters of Guarantee	14.664.965	11.581.145
Total	43.830.436	37.524.618

3. Information on non-cash loans:

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

	Current Period	Prior Period
	30 June 2021	31 December 2020
Non-cash Loans Given against Cash Loans	21.748.798	20.144.761
With Original Maturity of 1 Year or Less Than 1 Year	8.620.617	6.778.686
With Original Maturity of More Than 1 Year	13.128.181	13.366.075
Other Non-cash Loans	43.647.670	31.290.891
Total	65.396.468	51.435.652

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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 30 June 2021		Prior Period 30 June 2020	
	TL	FC	TL	FC
Short-term Loans	5.832.704	480.055	3.541.957	404.653
Medium and Long-term Loans	6.566.149	2.043.706	5.483.133	1.949.895
Interest on Loans Under Follow-Up	280.834	-	524.683	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	12.679.687	2.523.761	9.549.773	2.354.548

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

2. Information on interest income on banks:

	Current Period 30 June 2021		Prior Period 30 June 2020	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	40.161	32.895	47.813	3.615
From Foreign Banks	177	14.759	2.752	66.757
From Headquarters and Branches Abroad	-	-	-	-
Total	40.338	47.654	50.565	70.372

3. Information on interest income on marketable securities:

	Current Period 30 June 2021		Prior Period 30 June 2020	
	TL	FC	TL	FC
From Financial Assets at Fair Value through Profit or Loss	5.606	6.677	5.454	4.120
Financial Assets at Fair Value through Other Comprehensive Income	1.908.697	878.413	2.156.195	765.231
Financial Assets Measured at Amortised Cost	2.388.045	186.174	1.332.649	117.528
Total	4.302.348	1.071.264	3.494.298	886.879

As stated in the Note VII of Section Three, there are bonds indexed to consumer prices ("CPI") in the securities portfolios of the 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 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 30 June 2021, the valuation of these securities was made according to an annual inflation forecast of 14,00%. As of 30 June 2021, in case of the CPI estimate increases or decreases by 1%, the profit before tax will increase by approximately TL 160 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 30 June 2021		Prior Period 30 June 2020	
	TL	FC	TL	FC
Banks	32.094	443.344	31.831	515.535
The CBRT	-	-	-	-
Domestic Banks	31.762	26.519	31.676	8.227
Foreign Banks	332	416.825	155	507.308
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	81.882	-	76.276
Total	32.094	525.226	31.831	591.811

(*) 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 30 June 2021		Prior Period 30 June 2020	
	TL	FC	TL	FC
Interest expense on securities issued	529.797	609.614	412.058	382.420

4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

Current Period - 30.06.2021	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	
TL							
Bank Deposits	-	81.931	135.627	-	-	-	217.558
Saving Deposits	-	832.835	3.855.747	235.618	74.905	69.510	5.068.615
Public Sector Deposits	-	503	2.225	37	26	11	2.802
Commercial Deposits	-	1.057.251	694.305	27.527	16.829	24.350	1.820.262
Other Deposits	-	22.622	153.621	3.527	32.287	19.403	231.460
Total	-	1.995.142	4.841.525	266.709	124.047	113.274	7.340.697
FC							
Foreign Currency Deposits	2.914	88.873	355.082	18.682	27.151	92.760	585.462
Bank Deposits	46	2.696	58.778	5.848	6.101	-	73.469
Precious Metals Deposits	-	67	513	41	1.203	304	2.128
Total	2.960	91.636	414.373	24.571	34.455	93.064	661.059
Grand Total	2.960	2.086.778	5.255.898	291.280	158.502	206.338	8.001.756

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Prior Period - 30.06.2020	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	
TL							
Bank Deposits	17.900	84.506	4.888	-	110	-	107.404
Saving Deposits	-	390.290	1.912.292	8.195	12.483	33.997	2.357.257
Public Sector Deposits	-	571	1.463	47	13	26	2.120
Commercial Deposits	-	373.631	514.375	16.623	3.405	3.045	911.079
Other Deposits	-	12.197	117.739	610	229	33	130.808
Total	17.900	861.195	2.550.757	25.475	16.240	37.101	3.508.668
FC							
Foreign Currency Deposits	2.836	73.298	364.166	15.450	19.874	138.900	614.524
Bank Deposits	232	734	24.520	7.460	2.457	54	35.457
Precious Metals Deposits	-	33	40	10	938	379	1.400
Total	3.068	74.065	388.726	22.920	23.269	139.333	651.381
Grand Total	20.968	935.260	2.939.483	48.395	39.509	176.434	4.160.049

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

	Current Period 30 June 2021	Prior Period 30 June 2020
Profit	944.974.476	480.834.636
Income From Capital Market Transactions	536.465	446.829
Income From Derivative Financial Transactions (*)	23.581.350	15.436.501
Foreign Exchange Gains	920.856.661	464.951.306
Loss (-)	944.828.688	481.017.406
Loss from Capital Market Transactions	179.214	154.428
Loss from Derivative Financial Transactions (*)	24.090.383	15.505.792
Foreign Exchange Loss	920.559.091	465.357.186
Total (Net)	145.788	(182.770)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 2.311.826 (30 June 2020: TL 1.226.971).

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.

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

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

Expected provision expense:

	Current Period 30 June 2021	Prior Period 30 June 2020
Expected Credit Loss	2.056.782	3.493.919
12 month expected credit loss (stage 1)	452.132	335.923
Significant increase in credit risk (stage 2)	291.754	1.295.142
Non-performing loans (stage 3)	1.312.896	1.862.854
Marketable Securities Impairment Expense	-	8
Financial Assets at Fair Value through Profit or Loss	-	8
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Investments in Associates and Subsidiaries Securities		
Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	1.757.376	1.689.523
Total	3.814.158	5.183.450

(*) 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:

	Current Period 30 June 2021	Prior Period 30 June 2020
Reserve for Employee Termination Benefits	13.594	14.981
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	256.352	223.454
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	133.596	100.325
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	477	153
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1.616.448	1.472.788
Leasing Expenses on TFRS 16 Exceptions	65.578	56.462
Maintenance Expenses	25.880	23.898
Advertisement Expenses	87.574	63.650
Other Expenses	1.437.416	1.328.778
Loss on Sales of Assets	3.818	-
Other	607.277	540.664
Total	2.631.562	2.352.365

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

g. Information on income/loss from minority interest:

	Current Period	Prior Period
	30 June 2021	30 June 2020
Income/(loss) from minority interest	14	9

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

As of 30 June 2021, the Group has a current tax expense of TL 1.068.156 (30 June 2020: TL 1.227.829), deferred tax expense of TL 911.252 (30 June 2020: TL 668.165) and deferred tax income of TL 513.747 (30 June 2020: TL 920.498). The Group's current tax expense of TL 105.673 (30 June 2020: TL 88.094) and deferred tax income of TL 4.821 (30 June 2020: TL (621)) 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".

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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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 – 30 June 2021:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans					
Balance at the Beginning of the Period	-	-	7.661.495	2.175.351	2.134	1.576
Balance at the End of the Period	-	-	8.188.305	2.680.836	4.605	1.860
Interest and Commission Income Received	-	-	301.355	5.210	272	13

2. Prior Period – 31 December 2020:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables					
Balance at the Beginning of the Period	-	-	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(*)	-	-	378.952	4.615	251	9

(*) 30 June 2020 balances used for income/expense accounts.

3. Information on deposits of 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		Current		Current	
	Period 30.06.2021	Prior Period 31.12.2020	Period 30.06.2021	Prior Period 31.12.2020	Period 30.06.2021	Prior Period 31.12.2020
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	-	-	5.841.177	5.935.731	678.417	633.839
Interest expense on Deposits(*)	-	-	224.339	82.745	21.162	12.303

(*) 30 June 2020 balances used for income/expense accounts.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 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
	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	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	-	-	8.973.099	10.166.262	-	-
Total Income/Loss (*)	-	-	5.108	22.008	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

[*] 30 June 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 30 June 2021, the net exposure for direct and indirect shareholders of the Group is TL (480.065) (31 December 2020: TL (358.416)).

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

As of 30 June 2021, benefits provided to the Group's key management amounting to TL 71.467 (30 June 2020: TL 62.201).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

Service interruption occurred on 6-7 July 2021 due to a technical problem with the Parent Bank's main computer. After carrying out actions, the systems were gradually opened on the same day and service has started in all channels. No cyber-attacks were related to this process, and no security problems occurred regarding the information and records of the Bank and its customers. It is considered that the impact of the service interruption on the financial statements will be insignificant.

**SECTION SIX
EXPLANATIONS ON AUDIT REVIEW REPORT**

I. EXPLANATIONS ON AUDITOR'S REVIEW REPORT

The consolidated financial statements for the interim period ended 30 June 2021 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 28 July 2021 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

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

Message from the Chairman of the Board:

In the second quarter of the year, the recovery in the global economy continued with the vaccination developments and the gradual lifting of the related restrictions. Currently, the number of people vaccinated worldwide has reached 3.54 billion. Although there is a decrease in the number of cases with the acceleration of vaccination in developed countries, the concerns about the new variants have recently increased. Another issues that had the most impact on the markets in this quarter was the accelerating inflation in the US and the debate on when the Fed would reduce its asset purchases.

Fed states that economic activity grew faster in the second quarter compared to the previous quarter, while inflation increased significantly due to the low base in the previous year, stronger demand and supply constraint yet these increases are temporary. Fed revised its growth and inflation data upwards depending on the developments in the latest data. One of the remarkable developments is that Fed members predicted at least two interest rate hikes in 2023.

The ECB recently published its new monetary policy strategy. ECB underlined that price stability is best maintained by aiming for a 2% inflation target over the medium term and this target is symmetric. ECB stated that the main policy tools for reaching the inflation target are policy interest rates. ECB also stated that it will incorporate climate change assessments into its monetary policy framework.

In the first quarter of the year, the domestic economy maintained its strong trend and recorded 7% growth. In addition to domestic demand, net exports made a positive contribution to economic growth. Leading data for the second quarter indicates that economic activity continues its strong course driven by domestic demand and especially private consumption. In addition, double-digit growth in the second quarter would be achieved at the low level of the previous year. On the foreign demand side; exports maintain their strong course due to the low base of the previous year and the recovery in global demand. We estimate that this trend will continue throughout the year. While the normalization in gold imports continues, imports increase due to the increase in international commodity prices and the positive course of domestic demand. The course of cases and vaccination developments continue to be the determinants on tourism revenues. We anticipate that the gradual improvement in the current account deficit will continue due to the positive performance in exports and travel revenues.

Inflation was realized at 17.53% in June due to the economic reopening, cost pressures and the continued rise in commodity prices. The continuation of the rise in producer price inflation, the high course in global commodity prices, the ongoing risks stemming from the supply chain, the increases to be seen in the services sector together with the economic reopening create an upward pressure on inflation. With the current inflation outlook, the CBRT maintains its tight monetary stance.

On the fiscal side, the budget balance continues to perform well. In the January-June period, budget revenues posted a strong 38.5% year-over-year increase, while the increase in budget expenditures remained below revenue increase of 17.4% in the same period. The budget balance posted a deficit of TRY 32.5 billion in the January-June period. According to the revised figures for the whole of 2021, the ratio of the budget deficit to GDP ratio is expected to be 3.5%, and the latest data indicate that the target can be reached.

In the banking sector; there is some acceleration retail loans, the negative impact of the acceleration in retail loans on inflation and current account balance is tried to be reduced with the macro-prudential measures taken. On the other hand, a moderate course is observed in commercial loans. As of May, the NPL ratio in the sector was 3.7% and the capital adequacy ratio was 17.9%.

In the second half of the year, the course of the cases, vaccination developments, inflation realizations and the steps of the central banks of developed countries will continue to be followed.

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

Message from the CEO:

The ongoing successful vaccination campaigns in many parts of the world, including Turkey, raises our hope that the impact of the pandemic, against which we have been fighting for over a year, will diminish. In this context, the revived economic activity we are seeing signals the potential for a rapid global recovery. The Turkish banking sector, which plays an important role in the pandemic response, will support the sustainable growth of our country in this new period, as it always has. Believing in Turkey's future, Akbank will continue to provide resources for the economy and the real sector.

In the first half of 2021, the loan support we provided to the economy increased to a total of TL 373 billion, with TL 307 billion in cash loans. Our deposits reached TL 327 billion, while our assets reached TL 538 billion. With our strong capital adequacy ratio of 20,9%, we continued to consistently support the growth and development of the real sector. Akbank reported a net profit of TL 4 billion 134 million, after TL 1 billion 466 million tax provisions.

As Akbank, we became first deposit bank in Turkey to issue sustainable subordinated debt. Our US \$500 million subordinated debt, which has a maturity of 10 years and a call option at the end of 5 years, received subscriptions around US \$1.4 billion with an oversubscription rate of nearly three times the issuance from more than 150 foreign investors. This strong demand is a reflection of our expertise in wholesale funding, successful borrowing strategies and leading sustainability strategy. We will use the proceeds of the issuance to finance projects that will support our country's transition to a low-carbon economy. We will continue to take responsibility and action for a more habitable world while also providing resources to our real sector. As one of the leading banks in Turkish banking sector in setting concrete sustainability targets, we believe that we will achieve our targets in sustainable finance, people and community, ecosystem management and climate change with the support of our colleagues.

'People and Community' which represents one of the four key areas of our sustainability strategy includes our diversity and inclusion activities. In line with our equality in opportunity focused studies, we run processes focused entirely on competence and performance. Social gender equality stands out as an issue that we attach importance and priority to in this framework. In this context, we are proud that 53% of our colleagues are women and that a significant share of our senior management positions are comprised of women. We will continue to work to create a work environment that offers equal opportunities for all.

Our most important asset is our development-oriented, innovative and sophisticated colleagues. We look to help them continually transform their skill sets, as we look to build the banking of the future today. I would like to extend my deep gratitude to our employees for their strong performance, to our shareholders, our customers for the trust they place in us, and all other stakeholders.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

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.

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

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.

2. Important Issues and Transactions during the period

The dividend to be distributed from 2020 net profit of TL 6.267.167.124,74 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.

As announced with the disclosure dated February 28, 2021 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 stated in the disclosure dated May 5, 2021 Fitch Ratings has affirmed credit ratings of Akbank T.A.S. Existing outlooks of these ratings remain unchanged.

BANKING SECTOR SECOND QUARTER OVERVIEW

In the the first six months of 2021, loan growth in the sector was 10,0% and deposit growth on the funding side was 11,8%.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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B. CONSOLIDATED FINANCIAL RESULTS

1. Main Balance Sheet Items (TL Million):

	30.06.2021	31.12.2020
	Consolidated	Consolidated
	Financial Results	Financial Results
Total Assets	537.839	478.317
Loans	307.256	279.233
Deposits	326.905	292.519
Equity	67.311	62.924
Net Income (30.06.2020)	4.134	2.885

2. Main Financial Ratios (%):

	30.06.2021	31.12.2020
	Consolidated	Consolidated
	Financial Results	Financial Results
Loan / Total Assets	57,1	58,4
Deposit / Total Assets	60,8	61,2
Return on Equity (30.06.2020)	12,8	10,4
Return on Assets(30.06.2020)	1,6	1,4
NPL Ratio (*)	5,5	6,2
Capital Adequacy Ratio	20,9	20,7
Earnings Per Share (TL) (30.06.2020)	0,00795	0,00555

(*) Excluded leasing receivables.

3. Akbank 2Q21 Results Overview:

Akbank reported a gross profit of TL 5.600 million, setting aside TL 1.466 million of tax provisions, reporting a net consolidated profit of TL 4.134 million in the first six months of the year.

Capital adequacy ratio of the bank has realized at 20,92% as of 30 June 2021.

As of 30 June 2021, Akbank's consolidated total asset realized at TL 538 billion, loans are TL 307 billion and total deposits are TL 327 billion.

Akbank's NPL ratio realized at 6,0% as of 30 June 2021.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

4. Bank's Expectations for 2021:

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

2021 Guidance Outlook (%)

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

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

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