

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 30 JUNE 2021 TOGETHER WITH
AUDITOR'S REVIEW REPORT**

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

AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

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

Introduction

We have reviewed the unconsolidated balance sheet of Akbank T.A.Ş. ("the Bank") at 30 June 2021 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the six-months-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 Unconsolidated Financial Statements; the accompanying unconsolidated 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 unconsolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information do not present fairly in all material respects the financial position of Akbank T.A.Ş. at 30 June 2021 and the results of its operations and its cash flows for the six-months period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

Additional Paragraph for Convenience Translation:

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

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

Zeynep Uras, SMMM
Partner

Istanbul, 28 July 2021

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

THE UNCONSOLIDATED FINANCIAL REPORT OF AKBANK T.A.Ş. AS OF 30 JUNE 2021

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

The accompanying unconsolidated financial statements and notes to these financial statements for 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, and the related appendices and interpretations on these, and are 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 UNCONSOLIDATED 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. BANK'S FOUNDATION DATE, START-UP STATUS, HISTORY REGARDING THE CHANGES IN THIS STATUS:

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

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

The Bank's shares have been quoted on the Borsa Istanbul ("BIST") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depositary 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 Bank, directly or indirectly, is Sabancı Group.

III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, IF AVAILABLE, SHARES OF THE BANK THEY POSSESS AND THEIR AREAS OF RESPONSIBILITY:

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman:	Suzan SABANCI DİNÇER	Chairman 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
CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Head of Internal Audit:	Savas KÜLCÜ	Head of Internal Audit	Graduate
Executive Vice Presidents:	Bülent OĞUZ	Retail Banking	Graduate
	H.Burcu 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 Bank.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED 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 BANK:

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

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

The Bank's core business activities consist of retail banking, commercial banking, corporate-investment banking and private banking and wealth management, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AgeSA Emeklilik ve Hayat A.Ş. 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 12.313 employees (31 December 2020: 12.459).

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

None.

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.Ş.

I. UNCONSOLIDATED BALANCE SHEET AS OF 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)		52.093.257	123.107.781	175.201.038	46.162.992	101.436.583	147.599.575
1.1 Cash and Cash Equivalents		6.034.806	69.820.597	75.855.403	4.892.544	57.958.870	62.851.414
1.1.1 Cash and Balances with Central Bank	(I-a)	5.966.233	45.636.950	51.603.183	4.398.630	43.277.684	47.676.314
1.1.2 Banks	(I-d)	13.557	24.183.845	24.197.402	5.749	14.734.608	14.740.357
1.1.3 Money Markets		55.031	-	55.031	488.179	-	488.179
1.1.4 Expected Loss Provision (-)		15	198	213	14	53.422	53.436
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	1.143.158	7.965.118	9.108.276	1.108.586	7.912.516	9.021.102
1.2.1 Government Debt Securities		8.071	146.072	154.143	12.612	167.331	179.943
1.2.2 Equity Instruments		-	198.498	198.498	-	158.714	158.714
1.2.3 Other Financial Assets		1.135.087	7.620.548	8.755.635	1.095.974	7.586.471	8.682.445
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-e)	27.741.484	39.302.094	67.043.578	23.665.110	29.417.592	53.082.702
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		15.610	109	15.719	15.610	607	16.217
1.3.3 Other Financial Assets		695.561	10.581.501	11.277.062	581.719	8.064.543	8.646.262
1.5 Derivative Financial Assets	(I-c, I-I)	17.173.809	6.019.972	23.193.781	16.496.752	6.147.605	22.644.357
1.5.1 Derivative Financial Assets at Fair Value Through Profit or Loss		10.703.290	6.019.972	16.723.262	11.758.273	6.147.605	17.905.878
1.5.2 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)		216.423.928	83.400.435	299.824.363	204.405.636	74.269.325	278.674.961
2.1 Loans	(I-f)	197.436.404	79.583.587	277.019.991	183.882.588	69.435.940	253.318.528
2.2 Lease Receivables	(I-k)	-	-	-	-	-	-
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
Government Debt Securities		33.560.397	6.195.553	39.755.950	34.523.108	6.693.715	41.216.823
Other Financial Assets		-	776.265	776.265	-	668.236	668.236
2.5 Expected Credit Loss (-)	-	14.572.873	3.154.970	17.727.843	14.000.060	2.528.566	16.528.626
III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-o)	201.095	-	201.095	173.416	-	173.416
3.1 Held for Sale Purpose		201.095	-	201.095	173.416	-	173.416
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		2.459.165	8.841.759	11.300.924	2.094.996	7.525.427	9.620.423
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)	2.441.036	8.841.759	11.282.795	2.080.201	7.525.427	9.605.628
4.2.1 Unconsolidated Financial Subsidiaries		2.441.036	8.841.759	11.282.795	2.080.201	7.525.427	9.605.628
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)		5.778.475	17.728	5.796.403	5.938.700	17.800	5.956.500
VI. INTANGIBLE ASSETS (Net)		1.180.719	5	1.180.724	1.168.363	9	1.168.372
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.180.719	5	1.180.724	1.168.363	9	1.168.372
VII. INVESTMENT PROPERTY (Net)	(I-m)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(I-n)	-	-	-	88.226	-	88.226
X. OTHER ASSETS (Net)	(I-p)	3.545.514	95.141	3.640.655	2.701.666	117.662	2.819.328
TOTAL ASSETS		281.682.353	215.462.849	497.145.202	262.733.995	183.366.806	446.100.801

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

AKBANK T.A.Ş.
I. UNCONSOLIDATED 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)	122.988.035	172.648.239	295.656.274	108.487.593	160.082.602	268.570.195
II. FUNDS BORROWED	(II-c)	258.423	38.670.104	38.928.527	257.770	36.006.231	36.264.001
III. MONEY MARKETS		17.255.538	12.403.075	29.658.613	3.600.713	15.407.153	19.007.866
IV. SECURITIES ISSUED (Net)	(II-d)	6.427.153	13.552.656	19.979.809	7.564.687	11.593.289	19.157.976
4.1 Bills		4.196.399	-	4.196.399	5.125.237	-	5.125.237
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		2.230.754	13.552.656	15.783.410	2.439.450	11.593.289	14.032.739
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)	8.132.631	3.388.214	11.520.845	11.232.111	3.784.919	15.017.030
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		7.847.927	3.125.695	10.973.622	10.888.507	3.449.654	14.338.161
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)	520.343	-	520.343	505.660	-	505.660
X. PROVISIONS	(II-h)	2.440.654	81.470	2.522.124	2.361.273	55.589	2.416.862
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		610.350	-	610.350	535.221	-	535.221
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.830.304	81.470	1.911.774	1.826.052	55.589	1.881.641
XI. CURRENT TAX LIABILITY	(II-i)	1.392.651	106.168	1.498.819	1.477.891	93.789	1.571.680
XII. DEFERRED TAX LIABILITY	(II-i)	284.978	-	284.978	-	16.161	16.161
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)	10.108.557	6.982.200	17.090.757	8.067.980	5.867.983	13.935.963
XVI. SHAREHOLDERS' EQUITY	(II-k)	69.063.313	(1.758.252)	67.305.061	63.786.711	(867.718)	62.918.993
16.1 Paid-in capital		5.200.000	-	5.200.000	5.200.000	-	5.200.000
16.2 Capital Reserves		5.400.628	-	5.400.628	5.400.628	-	5.400.628
16.2.1 Share Premium		3.505.742	-	3.505.742	3.505.742	-	3.505.742
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		1.894.886	-	1.894.886	1.894.886	-	1.894.886
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		3.417.298	879.503	4.296.801	3.470.625	852.351	4.322.976
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		5.888.223	(2.637.755)	3.250.468	4.093.628	(1.720.069)	2.373.559
16.5 Profit Reserves		45.024.998	-	45.024.998	39.354.663	-	39.354.663
16.5.1 Legal Reserves		1.808.635	-	1.808.635	1.772.027	-	1.772.027
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		43.068.048	-	43.068.048	37.306.183	-	37.306.183
16.5.4 Other Profit Reserves		148.315	-	148.315	276.453	-	276.453
16.6 Income or (Loss)		4.132.166	-	4.132.166	6.267.167	-	6.267.167
16.6.1 Prior Periods' Income or (Loss)		-	-	-	-	-	-
16.6.2 Current Period Income or (Loss)		4.132.166	-	4.132.166	6.267.167	-	6.267.167
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		238.872.276	258.272.926	497.145.202	207.342.389	238.758.412	446.100.801

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

AKBANK T.A.S.
II. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 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)		226.440.154	558.307.139	784.947.293	220.683.948	501.071.252	721.755.200
I. GUARANTEES AND WARRANTIES	(III-3)	28.286.937	37.015.661	65.302.598	24.904.256	27.330.766	52.235.022
1.1 Letters of Guarantee		23.844.860	19.965.548	43.610.408	21.260.165	16.215.511	37.475.676
1.1.1 Guarantees Subject to State Tender Law		458.440	-	2.118.642	2.577.082	340.040	1.994.754
1.1.2 Guarantees Given for Foreign Trade Operations		-	1.999.771	1.999.771	-	1.908.879	1.908.879
1.1.3 Other Letters of Guarantee		23.186.420	15.847.135	39.033.555	20.920.125	12.651.918	33.572.043
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	9.397.506	9.401.742	7.931	4.597.968	4.605.899
1.3.1 Documentary Letters of Credit		4.236	8.706.416	8.710.652	7.931	3.583.529	3.591.460
1.3.2 Other Letters of Credit		-	691.090	691.090	-	1.014.439	1.014.439
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	7.534.173	7.591.547	156.440	6.439.006	6.595.444
1.9 Other Collaterals		4.580.467	10.777	4.591.244	3.479.720	11.198	3.490.918
II. COMMITMENTS	(III-1)	57.539.650	25.446.596	82.986.246	51.032.165	17.014.857	68.047.022
2.1 Irrevocable Commitments		56.715.564	25.446.596	82.162.160	50.214.657	17.014.857	67.229.514
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	16.921.691	24.185.079	6.225.474	10.957.224	17.182.698
2.2 Revocable Commitments		824.086	-	824.086	817.508	-	817.508
2.2.1 Revocable Loan Granting Commitments		824.086	-	824.086	817.508	-	817.508
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		140.813.567	495.844.882	636.658.449	144.747.527	456.725.629	601.473.156
3.1 Hedging Derivative Financial Instruments		23.263.641	73.957.604	97.221.245	20.931.023	63.575.943	84.506.966
3.1.1 Fair Value Hedges		2.966.796	40.309.711	43.276.507	4.338.828	25.429.801	29.768.629
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		117.549.926	421.887.278	539.437.204	123.816.504	393.149.686	516.966.190
3.2.1 Forward Foreign Currency Buy/Sell Transactions		7.153.862	12.536.672	19.690.534	7.430.425	12.905.210	20.335.635
3.2.1.1 Forward Foreign Currency Transactions-Buy		6.608.371	3.393.320	10.001.691	6.721.463	3.713.210	10.434.673
3.2.1.2 Forward Foreign Currency Transactions-Sell		545.491	9.143.352	9.688.843	708.962	9.192.000	9.900.962
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		101.631.277	342.971.870	444.603.147	110.509.281	319.678.319	430.187.600
3.2.2.1 Foreign Currency Swap-Buy		10.111.765	116.826.138	126.937.903	14.224.154	105.618.937	119.843.091
3.2.2.2 Foreign Currency Swap-Sell		56.586.656	86.446.066	143.032.722	61.106.357	76.325.072	137.431.429
3.2.2.3 Interest Rate Swap-Buy		17.466.428	69.849.833	87.316.261	17.589.385	68.867.155	86.456.540
3.2.2.4 Interest Rate Swap-Sell		17.466.428	69.849.833	87.316.261	17.589.385	68.867.155	86.456.540
3.2.3 Foreign Currency, Interest Rate and Securities Options		6.151.351	27.770.506	33.921.857	2.919.220	23.477.844	26.397.064
3.2.3.1 Foreign Currency Options-Buy		3.527.060	3.527.060	2.981.311	1.146.399	3.242.182	4.388.581
3.2.3.2 Foreign Currency Options-Sell		2.624.291	3.955.277	6.579.568	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		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
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)		967.191.621	522.474.525	1.489.666.146	929.689.537	437.684.523	1.367.374.060
IV. ITEMS HELD IN CUSTODY		58.959.139	49.588.200	108.547.339	55.727.406	41.179.943	96.907.349
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		3.085.791	9.338.511	12.424.302	3.980.205	9.387.822	13.368.027
4.3 Cheques Received for Collection		36.327.245	4.955.895	41.283.140	32.938.939	4.697.006	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		234.175.439	151.794.729	385.970.168	238.975.119	125.345.622	364.320.741
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		165.959.506	119.022.386	284.981.892	182.485.731	97.605.054	280.090.785
5.6 Other Pledged Items		66.911.183	29.126.250	96.037.433	55.227.405	24.628.390	79.855.795
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		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)		1.193.831.775	1.080.781.664	2.274.613.439	1.150.373.485	938.755.775	2.089.129.260

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

AKBANK T.A.S.
III. UNCONSOLIDATED 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	CURRENT PERIOD	PRIOR PERIOD	PRIOR PERIOD
			(01/01-30/06/2021)	(01/04-30/06/2021)	(01/01-30/06/2020)	(01/04-30/06/2020)
I.	INTEREST INCOME	(IV-a)	20.408.522	11.120.829	15.925.360	7.852.563
1.1	Interest on Loans	(IV-a-1)	14.631.483	7.824.822	11.424.027	5.569.277
1.2	Interest on Reserve Requirements		339.828	210.803	13.689	-
1.3	Interest on Banks	(IV-a-2)	46.042	15.483	124.786	22.689
1.4	Interest on Money Market Transactions		93.019	25.543	51.726	5.063
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	5.255.007	3.027.466	4.298.692	2.250.136
1.5.1	Fair Value Through Profit or Loss		7.691	4.189	9.108	3.518
1.5.2	Fair Value Through Other Comprehensive Income		2.673.097	1.524.248	2.839.624	1.342.176
1.5.3	Measured at Amortised Cost		2.574.219	1.499.029	1.449.960	904.442
1.6	Financial Lease Interest Income		-	-	-	-
1.7	Other Interest Income		43.143	16.712	12.440	5.398
II.	INTEREST EXPENSE (-)	(IV-b)	11.597.923	6.159.877	6.231.700	3.137.716
2.1	Interest on Deposits	(IV-b-4)	7.867.322	4.198.097	4.003.999	1.802.979
2.2	Interest on Funds Borrowed	(IV-b-1)	472.428	250.241	549.552	248.445
2.3	Interest Expense on Money Market Transactions		2.091.017	1.094.998	645.808	491.828
2.4	Interest on Securities Issued	(IV-b-3)	1.110.251	586.102	791.410	461.817
2.5	Interest on Leases		42.151	21.153	46.313	23.097
2.6	Other Interest Expenses		14.754	9.286	194.618	109.550
III.	NET INTEREST INCOME (I - II)		8.810.599	4.960.952	9.693.660	4.714.847
IV.	NET FEES AND COMMISSIONS INCOME		2.397.673	1.169.833	1.963.935	838.065
4.1	Fees and Commissions Received		3.059.282	1.537.063	2.433.708	1.071.575
4.1.1	Non-cash Loans		282.590	140.667	225.765	113.143
4.1.2	Other		2.776.692	1.396.396	2.207.943	958.432
4.2	Fees and Commissions Paid (-)		661.609	367.230	469.773	233.510
4.2.1	Non-cash Loans		2.271	1.253	2.062	1.026
4.2.2	Other		659.338	365.977	467.711	232.484
V.	DIVIDEND INCOME		4.177	369	3.724	3.489
VI.	TRADING INCOME /(LOSS) (Net)	(IV-c)	97.118	(523.286)	(86.912)	346.739
6.1	Trading Gains / (Losses) on Securities		297.578	151.925	282.856	300.799
6.2	Gains / (Losses) on Derivative Financial Transactions		(527.185)	(6.308.380)	49.600	(352.328)
6.3	Foreign Exchange Gains / (Losses)		326.725	5.633.169	(419.368)	398.268
VII.	OTHER OPERATING INCOME	(IV-d)	1.228.165	475.270	589.629	207.808
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		12.537.732	6.083.138	12.164.036	6.110.948
IX.	EXPECTED CREDIT LOSS (-)	(IV-e)	2.044.233	863.219	3.440.577	2.002.085
X.	OTHER PROVISION EXPENSES (-)	(IV-e)	1.750.786	547.621	1.684.580	560.531
XI.	PERSONNEL EXPENSE (-)		1.570.259	819.347	1.452.164	691.940
XII.	OTHER OPERATING EXPENSES (-)	(IV-f)	2.499.042	1.284.958	2.252.571	1.060.620
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		4.673.412	2.567.993	3.334.144	1.795.772
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		680.187	336.137	386.620	212.135
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)		5.353.599	2.904.130	3.720.764	2.007.907
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-g)	1.221.433	799.260	824.469	421.659
18.1	Current Tax Provision		836.368	836.368	1.097.654	883.625
18.2	Deferred Tax Expense Effect (+)		903.685	63.105	647.002	42.648
18.3	Deferred Tax Income Effect (-)		518.620	100.213	920.187	504.614
XVIII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(IV-h)	4.132.166	2.104.870	2.896.295	1.586.248
XIX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income from Non-current Assets Held for Sale		-	-	-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Income from Other Discontinued Operations		-	-	-	-
XX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-	-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Expenses for Other Discontinued Operations		-	-	-	-
XXI.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)		-	-	-	-
XXII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
XXIII.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXIV.	NET INCOME/(LOSS) (XIX+XXIV)		4.132.166	2.104.870	2.896.295	1.586.248
Earning/(Loss) per share (in TL full)			0,00795	0,00405	0,00557	0,00305

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

AKBANK T.A.Ş.**IV. UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 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	4.132.166	2.896.295
II. OTHER COMPREHENSIVE INCOME	879.982	237.791
2.1 Not Reclassified Through Profit or Loss	3.073	392.575
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	(33.627)	(17.412)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	27.799	267.163
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	6.182	(15.105)
2.2 Reclassified Through Profit or Loss	876.909	(154.784)
2.2.1 Foreign Currency Translation Differences	1.005.027	486.169
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(699.827)	(389.906)
2.2.3 Cash Flow Hedge Income/Loss	1.499.674	(101.492)
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	23.111	180.781
III. TOTAL COMPREHENSIVE INCOME (I+II)	5.012.148	3.134.086

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

AKBANK T.A.Ş.

V. UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

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

	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Other (Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)			Accumulated Other Comprehensive Income or Expense Reclassified through Other (Cash Flow Hedge Gain/Loss, Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders' Equity	
						Accumulated Revaluation Increase/Decrease of Property and Equipment	Accumulated Remeasurement Gain/Loss of Defined Benefit Plan	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	Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss					Profit Reserves
CURRENT PERIOD																
(30/06/2021)																
I.	Prior Period End Balance	5.200.000	3.505.742	-	1.894.886	3.016.534	(232.567)	1.539.009	4.036.160	342.100	(2.004.701)	39.354.663	-	6.267.167	62.918.993	
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	-	1.894.886	3.016.534	(232.567)	1.539.009	4.036.160	342.100	(2.004.701)	39.354.663	-	6.267.167	62.918.993	
IV.	Total Comprehensive Income	-	-	-	-	2.175	(26.901)	27.799	1.005.027	(558.542)	430.424	-	-	4.132.166	5.012.148	
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	-	-	-	-	-	-	-	-	-	-	5.641.087	-	(6.267.167)	(626.080)	
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(626.080)	(626.080)	
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	5.641.087	-	(5.641.087)	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Period-End Balance (I+II+III+...+XI)		5.200.000	3.505.742	-	1.894.886	2.989.461	(259.468)	1.566.808	5.041.187	(216.442)	(1.574.277)	45.024.998	-	4.132.166	67.305.061	

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

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V. UNCONSOLIDATED 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)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Other (Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)			Accumulated Other Comprehensive Income or Expense Reclassified through Other (Cash Flow Hedge Gain/Loss, Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders' Equity	
						Accumulated Revaluation Increase/Decr ease of Equipment	Accumulated Remeasureme nt Gain/Loss of Defined Benefit Plan	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)					
PRIOR PERIOD																
(30/06/2020)																
I.	Prior Period End Balance	5.200.000	3.505.742	-	1.894.886	2.207.594	(178.102)	1.685.677	1.879.830	85.691	(1.240.673)	33.924.314	-	5.417.468	54.382.427	
II.	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	-	1.894.886	2.207.594	(178.102)	1.685.677	1.879.830	85.691	(1.240.673)	33.924.314	-	5.417.468	54.382.427	
IV.	Total Comprehensive Income	-	-	-	-	138.993	(13.581)	267.163	486.169	(304.127)	(336.826)	-	-	2.896.295	3.134.086	
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)	-	-	-	-	-	-	12.881	-	173	
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	5.417.468	(5.417.468)	-	
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	5.417.468	(5.417.468)	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Period-End Balance (I+II+III+...+X+XI)		5.200.000	3.505.742	-	1.894.886	2.333.879	(191.683)	1.952.840	2.365.999	(218.436)	(1.577.499)	39.354.643	-	2.896.295	57.516.686	

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

AKBANK T.A.Ş.**VI. UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 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		6.817.866	7.092.570
1.1.1		18.744.164	14.055.380
1.1.2		(11.032.908)	(6.354.444)
1.1.3		4.177	3.724
1.1.4		3.062.872	2.443.512
1.1.5		(2.016.098)	(396.472)
1.1.6		1.398.805	897.479
1.1.7		(1.678.699)	(1.558.356)
1.1.8		(984.594)	(850.163)
1.1.9		(679.853)	(1.148.090)
1.2		7.691.168	(8.442.686)
1.2.1		(1.616.018)	(1.009.529)
1.2.2		(5.847.630)	(406.866)
1.2.3		(23.405.677)	(27.569.198)
1.2.4		(1.535.493)	(19.387.754)
1.2.5		(1.123.289)	4.323.553
1.2.6		27.718.243	9.075.438
1.2.7		-	-
1.2.8		2.636.723	2.720.846
1.2.9		-	-
1.2.10		10.864.309	23.810.824
I.		14.509.034	(1.350.116)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.		(12.717.039)	(10.735.773)
2.1		(10.000)	(15.000)
2.2		-	-
2.3		(237.769)	(607.144)
2.4		63.530	2.493
2.5		(23.602.303)	(39.336.504)
2.6		9.586.854	52.016.220
2.7		(10.055.158)	(23.934.207)
2.8		12.925.076	1.985.038
2.9		(1.387.269)	(846.669)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.		5.499.500	5.902.947
3.1		18.317.029	26.604.752
3.2		(12.047.642)	(20.554.922)
3.3		-	-
3.4		(626.080)	-
3.5		(143.807)	(146.883)
3.6		-	-
IV.		1.657.854	1.920.213
V.		8.949.349	(4.262.729)
VI.		10.531.131	15.835.984
VII.		19.480.480	11.573.255

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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**SECTION THREE
EXPLANATIONS ON ACCOUNTING POLICIES**

I. EXPLANATIONS ON BASIS OF PRESENTATION:

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

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

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

The preparation of unconsolidated financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The COVID-19 pandemic caused serious effects on health systems and the 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 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 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.

b. Explanation for convenience translation to English:

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

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

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

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

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

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

As of 30 June 2021, foreign currency denominated balances are translated into TL using the exchange rates of TL 8,6803 and TL 10,3249 for USD and EURO respectively.

III. EXPLANATIONS ON EQUITY INVESTMENTS:

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

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

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

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

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

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

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

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income"; if the fair value difference is negative, it is disclosed in "Derivative Financial Liabilities Measured at Fair

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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 Bank has no embeded derivatives (31 December 2020: None).

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognized in the income statement by using the "Effective interest rate method". Starting from 1 January 2018, the Bank has started to calculate interest accrual on non-performing loans. Net book value of the non-performing loans (Gross Book Value – Expected Credit Loss) are rediscounted with effective interest rate and recognized with the gross book value of the non-performing loan. 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 Bank categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

Classification and measurement of financial assets

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

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

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

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

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

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

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

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

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

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

"Financial assets at fair value through profit/loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. The Bank 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 amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

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

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

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c. Financial Assets Measured at Amortized Cost:

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

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

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

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

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

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

e. Loans

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

1. Loans measured at amortised cost:

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

Stage 1:

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

Stage 2:

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

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Stage 3:

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

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

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

In certain circumstances cases, restructuring or altering the contractual cash flows of a financial instrument may result in the disposal of the existing financial asset in accordance with 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.

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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.

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 LOSSES:

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

As of 1 January 2018, the Bank recognize provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

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

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

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

- Probability of Default (PD): PD indicates the probability of default due to inability of the borrower to meet its debt obligations. It has been calculated for 12 months or lifetime depends on increase on borrower's credit risk. 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 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 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 IFRS 9 calculations include prospective macroeconomic information. While macroeconomic information is included, models and estimates reflecting the relationships between model risk parameters and macroeconomic variables are taken into consideration. The main macroeconomic 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.
-

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

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

Within the scope TFRS 9, macroeconomic expectations directly affect provisions (Expected Credit Loss-ECL). Related impact is realized when the default ratio of the Bank moves the default rate calculated for each maturity up or down. The main parameters of default ratio model are macroeconomic variables and the provision figures change when prospective estimations are revised.

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

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

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

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

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

As of 30 June 2021, the Bank has marketable securities amounting to TL 805.622 (31 December 2020: TL 618.534).

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

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

The Bank has no discontinued operations.

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XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Bank has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment is carried at cost less accumulated depreciation and provision for value decrease.

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

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

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

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

A liability is recognized as a contingent liability where a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of more than one events not wholly within the control of the Bank; or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will

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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 notes.

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

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

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

b. Retirement Rights:

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

Temporary 23rd article paragraph ("the paragraph") 1 of the Banking Law No 5411 published in the Official Gazette no. 25983 dated 1 November 2005 envisaged that Banks would transfer their pension funds to the Social Security Institution ("SSI") within three years following the publication date of the Banking Law, and regulated the principles of this transfer. The first paragraph of the related article was rescinded as from the 30 June 2007, the publication date of the decision of the Constitutional Court dated 22 March 2007. The reasoned decree regarding the rescission of the mentioned paragraph was published in the Official Gazette numbered 26731, dated 15 December 2007.

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

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

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

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

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

As of 30 June 2021, The Bank has made 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.

XVIII. EXPLANATIONS ON TAXATION:

a. Current Tax:

As of 30 June 2021, the current corporate tax rate is 25%. 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.

The corporate tax rate is applied to tax base which is calculated by adding certain non deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and exclusion of deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

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

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

Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

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

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

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

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

b. Deferred Tax:

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. 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 Bank calculated its deferred tax over 20% as of 31 December 2020.

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

Deferred tax asset had not been provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004. Deferred tax rate calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles from 1 January 2018. Deferred tax calculation is not made for free provisions.

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2020.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

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

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

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

XXIV. PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

Under the Turkish Commercial Code, legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of 10% of distributions in excess of 5% of issued and fully paid-in share capital, but Holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

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

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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	4.132.166	2.896.295
Average Number of Issued Common Shares (Thousand)	520.000.000	520.000.000
Earnings Per Share (Amounts presented as full TL)	0,00795	0,00557

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

No bonus shares issued in 2021 (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.

XXVIII. RECLASSIFICATIONS:

The Bank 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

Bank – lessee :

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

Right of use assets:

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

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

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

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

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

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

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

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

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

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

	30 June 2021	31 December 2020
Real estate	746.792	706.655
Total right of use asset	746.792	706.655

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

	30 June 2021	31 December 2020
Real estate	338.665	314.165
Total right of use asset depreciation expense	338.665	314.165

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 65.257 has been paid in the relevant period.

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

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

I. EXPLANATIONS ON EQUITY:

Total capital amount and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". Additionally, calculated according to BRSA regulations dated 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 Bank has been calculated as TL 81.375.823 (31 December 2020: TL 73.158.466), and the capital adequacy ratio is 22,15% (31 December 2020: 21,84%). This ratio is above the minimum ratio required by the legislation.

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a. Information about total 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	7.094.886	
Share issue premiums	3.505.742	
Reserves	45.024.998	
Gains recognized in equity as per TAS	10.497.120	
Profit	4.132.166	
Current Period Profit	4.132.166	
Prior Period Profit	-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	12.126	
Common Equity Tier 1 Capital Before Deductions	70.267.038	
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	2.961.977	
Improvement costs for operating leasing	40.535	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	912.766	912.766
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	911.790	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	4.827.254	
Total Common Equity Tier 1 Capital	65.439.784	

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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)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	65.439.784	
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)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.896.951	
Tier II Capital Before Deductions	15.936.316	
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	15.936.316	
Total Capital (The sum of Tier I Capital and Tier II Capital)	81.376.100	
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 Deducted Components		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the	-	

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	Current Period 30 June 2021	Amounts related to treatment before 1/1/2014(*)
Regulation on Banks' Own Funds		
TOTAL CAPITAL		
Total Capital		
Total Risk Weighted Amounts	81.375.823	
Capital Adequacy Ratios	367.341.319	
Core Capital Adequacy Ratio (%)		
Tier 1 Capital Adequacy Ratio (%)	17,81%	
Capital Adequacy Ratio (%)	17,81%	
BUFFERS	22,15%	
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)		
a) Capital conservation buffer requirement (%)	2,57%	
b) Bank specific total common equity tier 1 capital ratio (%)	2,50%	
c) Systemic significant bank buffer ratio (**) (%)	0,07%	
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 (%)	0,00%	
Amounts below the Excess Limits as per the Deduction Principles		9,81%
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital		
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital		-
Amount arising from mortgage-servicing rights		-
Amount arising from deferred tax assets based on temporary differences		-
Limits related to provisions considered in Tier II calculation		(284.978)
General provisions for standard based receivables (before tenthousandtwentyfive limitation)		
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	6.895.661	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	3.896.951	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation		-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		-
Upper limit for Additional Tier I Capital subjected to temporary Article 4		-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4		-
Upper limit for Additional Tier II Capital subjected to temporary Article 4		-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4		-

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

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

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	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	7.094.886	
Share issue premiums	3.505.742	
Reserves	39.354.663	
Gains recognized in equity as per TAS	8.921.677	
Profit	6.267.167	
Current Period Profit	6.267.167	
Prior Period Profit	-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	12.126	
Common Equity Tier 1 Capital Before Deductions	65.156.261	
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	1.188.772	
Improvement costs for operating leasing	44.135	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	951.808	951.808
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	2.184.909	
Total Common Equity Tier 1 Capital	62.971.352	

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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)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	62.971.352	
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)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.582.817	
Tier II Capital Before Deductions	10.187.572	
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	10.187.572	
Total Capital (The sum of Tier I Capital and Tier II Capital)	73.158.924	
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 Deducted Components		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014(*)
TOTAL CAPITAL		
Total Capital	73.158.466	
Total Risk Weighted Amounts	334.925.491	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	18,80%	
Tier 1 Capital Adequacy Ratio (%)	18,80%	
Capital Adequacy Ratio (%)	21,84%	
BUFFERS		
Bank specific total Common Equity Tier 1 Capital Ratio	2,57%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific counter-cyclical buffer requirement (%)	0,07%	
c) Systemic significant bank buffer ratio (**) (%)	0,00%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	10,80%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	72.065	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	6.151.472	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3.582.817	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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

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

**Current Period
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 incompliances with article number 7 and 8 of "Own fund regulation"	The instrument is not in compliant with article numbered 7.

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**Current Period
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	10 Year (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 incompliances with article number 7 and 8 of " Own fund regulation "	The instrument is not in compliant with article numbered 7.

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- c. The difference between Total Capital and Equity in the unconsolidated balance sheet mainly arises from expected credit loss provisions arising from loans classified under stage I and stage II and subordinated loans. In the calculation of Total Capital, up to 1,25% of expected credit loss from stage 1 and stage 2 over the credit risk amount and subordinated loans with nominal amounts, by reducing 20% each year if the remaining maturity is 100% less than 5 year, are taken into consideration as Tier II Capital. Additionally, the losses reflected to equity under TAS which is subject to deduction from TIER I capital are determined by excluding the losses from cash flow hedging. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

II. EXPLANATIONS ON CURRENCY RISK

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

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

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

	USD	EURO
Balance Sheet Evaluation Rate	TL 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 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

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Information related to Bank's Currency Risk:

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

Current Period – 30 June 2021	EURO	USD	Other FC	Total
Assets				
Cash and Balances with Central Bank (*)	17.650.033	25.394.538	2.592.379	45.636.950
Banks (*****)	6.396.810	16.200.529	1.586.506	24.183.845
Financial Assets at Fair Value through Profit or Loss	35.229	7.929.889	-	7.965.118
Money Markets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1.939.629	35.761.005	1.601.460	39.302.094
Loans and Lease Receivables (**)	48.892.558	31.083.854	41.392	80.017.804
Investments in Associates, Subsidiaries and Joint Ventures	8.841.759	-	-	8.841.759
Other 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)	-	17.728	-	17.728
Intangible Assets (Net)	-	5	-	5
Other Assets (***)	(1.296.316)	3.987.168	4.694	2.695.546
Total Assets	82.560.560	127.275.198	5.988.671	215.824.429
Liabilities				
Bank Deposits (****)	2.080.546	6.019.011	2.096.675	10.196.232
Foreign Currency Deposits (****)	46.048.017	93.673.205	22.750.785	162.472.007
Money Markets	-	12.403.075	-	12.403.075
Borrowings	8.265.427	30.404.677	-	38.670.104
Securities Issued (Net) (*****)	104.426	25.627.282	-	25.731.708
Miscellaneous Payables	799.177	5.814.379	12.885	6.626.441
Hedging Derivative Financial Liabilities	-	708.428	-	708.428
Other Liabilities	1.088.126	2.120.947	14.110	3.223.183
Total Liabilities	58.385.719	176.771.004	24.874.455	260.031.178
Net on Balance Sheet Position	24.174.841	(49.495.806)	(18.885.784)	(44.206.749)
Net off-Balance Sheet Position (*****)	(23.980.127)	56.024.779	19.275.368	51.320.020
Financial Derivative Assets	25.594.603	110.094.074	21.954.867	157.643.544
Financial Derivative Liabilities	49.574.730	54.069.295	2.679.499	106.323.524
Non-cash Loans	15.577.973	20.742.863	694.825	37.015.661
Non-cash Loans	17.650.033	25.394.538	2.592.379	45.636.950
Prior Period - 31 December 2020				
Total Assets	74.467.998	103.906.172	5.474.829	183.848.999
Total Liabilities	57.385.307	157.926.661	24.314.162	239.626.130
Net on-Balance Sheet Position	17.082.691	(54.020.489)	(18.839.333)	(55.777.131)
Net off-Balance Sheet Position (*****)	(19.735.604)	61.874.240	18.839.063	60.977.699
Financial Derivative Assets	24.101.396	109.802.491	21.198.412	155.102.299
Financial Derivative Liabilities	43.837.000	47.928.251	2.359.349	94.124.600
Non-cash Loans	14.116.871	12.712.145	501.750	27.330.766

(*) 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 the foreign currency deposits TL 17.907.541 (31 December 2020: TL 17.561.462) and Bank Deposits Other FC of the TL 25.421 (31 December 2020: TL 22.911) 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 Bank. The ERC sets limits for the interest rate sensitivity of on and off-balance sheet items and the sensitivity is closely monitored and reported weekly. In the case of high market fluctuations, daily transaction based reporting and analyses are made.

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

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

Current Period – 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 and Balances with Central Bank	4.114.797	-	-	-	-	47.488.386	51.603.183
Banks (****)	914.059	1.153.383	-	-	-	22.129.960	24.197.402
Financial assets at fair value through profit or loss (Net)	3.556	2	7.372.555	135.182	65.548	1.531.433	9.108.276
Money Markets	55.031	-	-	-	-	-	55.031
Financial Assets at Fair Value Through Other Comprehensive Income	7.203.307	7.378.833	12.377.544	28.312.400	11.302.102	469.392	67.043.578
Loans and Lease Receivables (*)	79.925.863	27.669.861	75.167.199	60.058.985	17.182.278	17.015.805	277.019.991
Other 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 (**)	4.845.374	7.954.015	6.869.354	3.959.818	192.087	3.764.878	27.585.526
Total Assets	111.365.743	45.568.528	118.394.601	100.325.358	29.091.118	92.399.854	497.145.202
Liabilities							
Bank Deposits	8.263.650	1.146.469	826.540	-	-	1.072.154	11.308.813
Other Deposits	150.590.791	29.840.072	6.868.496	38.631	23	97.009.448	284.347.461
Money Markets	22.776.071	5.305.910	1.576.632	-	-	-	29.658.613
Miscellaneous Payables	1.382.926	2.686.236	1.548.806	691.454	31.829	6.727.380	13.068.631
Securities Issued (Net) (***)	2.163.839	1.885.153	1.397.869	14.569.386	12.142.614	-	32.158.861
Borrowings	16.437.039	20.237.277	2.098.178	156.033	-	-	38.928.527
Other Liabilities (****)	2.754.883	4.908.609	3.211.122	1.499.249	454.909	74.845.524	87.674.296
Total Liabilities	204.369.199	66.009.726	17.527.643	16.954.753	12.629.375	179.654.506	497.145.202
Balance Sheet Long Position	-	-	100.866.958	83.370.605	16.461.743	-	200.699.306
Balance Sheet Short Position	(93.003.456)	(20.441.198)	-	-	-	(87.254.652)	(200.699.306)
Off-balance Sheet Long Position	6.572.547	19.760.298	-	2.830.766	81.913	-	29.245.524
Off-balance Sheet Short Position	-	-	(18.544.002)	-	-	-	(18.544.002)
Total Position	(86.430.909)	(680.900)	82.322.956	86.201.371	16.543.656	(87.254.652)	10.701.522

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

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

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

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

(*****) 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 and Balances with Central Bank	2.627.708	-	-	-	-	45.048.606	47.676.314
Banks (****)	28.193	1.118.376	-	-	-	13.593.788	14.740.357
Financial assets at fair value through profit or loss (Net)	16.394	15.941	7.419.431	107.610	48.403	1.413.323	9.021.102
Money Markets	488.179	-	-	-	-	-	488.179
Financial Assets at Fair Value Through Other Comprehensive Income	9.376.431	5.255.819	9.554.501	20.728.748	7.745.706	421.497	53.082.702
Loans and Lease Receivables (*)	72.080.962	32.526.297	63.908.093	61.011.874	6.478.719	17.312.583	253.318.528
Other 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 (**)	5.571.416	8.767.247	5.933.093	3.092.887	98.783	2.425.134	25.888.560
Total Assets	99.024.838	49.970.977	105.874.407	95.467.137	15.548.511	80.214.931	446.100.801
Liabilities							
Bank Deposits	7.803.740	3.655.093	704.937	-	-	270.288	12.434.058
Other Deposits	133.682.524	29.901.216	5.910.732	143.988	11	86.497.666	256.136.137
Money Markets	9.590.949	6.685.969	2.730.948	-	-	-	19.007.866
Miscellaneous Payables	1.518.708	2.333.374	1.247.428	227.435	-	5.961.440	11.288.385
Securities Issued (Net) (***)	3.007.308	2.523.783	958.428	8.996.764	10.390.107	-	25.876.390
Borrowings	12.780.120	20.576.247	2.860.313	47.321	-	-	36.264.001
Other Liabilities (****)	4.411.172	6.593.891	3.923.841	860.490	386.026	68.918.544	85.093.964
Total Liabilities	172.794.521	72.269.573	18.336.627	10.275.998	10.776.144	161.647.938	446.100.801
Balance Sheet Long Position	-	-	87.537.780	85.191.139	4.772.367	-	177.501.286
Balance Sheet Short Position	(73.769.683)	(22.298.596)	-	-	-	(81.433.007)	(177.501.286)
Off-balance Sheet Long Position	3.834.541	10.980.855	-	2.865.359	64.337	-	17.745.092
Off-balance Sheet Short Position	-	-	(8.568.613)	-	-	-	(8.568.613)
Total Position	(69.935.142)	(11.317.741)	78.969.167	88.056.498	4.836.704	(81.433.007)	9.176.479

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

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

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

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

(*****) 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 and Balances with Central Bank	-	-	-	13,50
Banks	-	0,38	-	-
Financial Assets at Fair Value Through Profit or Loss (Net)	3,59	5,56	-	14,82
Money Markets	-	-	-	20,27
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	3,94	4,86	3,09	16,60
Loans and Lease Receivables	4,20	5,42	-	16,08
Other financial assets measured at amortised cost	4,29	5,93	-	15,18
Liabilities				
Bank Deposits (*)	0,25	0,93	-	16,51
Other Deposits (*)	0,08	0,72	0,14	13,20
Money Markets	-	0,67	-	18,73
Miscellaneous Payables	-	0,07	-	-
Securities Issued (Net) (**)	4,00	5,17	-	17,23
Borrowings	1,87	2,33	-	14,38

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

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

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Prior Period – 31 December 2020	EURO	USD	Yen	TL
Assets				
Cash and Balances with Central Bank	-	-	-	12,00
Banks	-	0,35	-	-
Financial Assets at Fair Value Through Profit or Loss (Net)	3,36	5,80	-	13,75
Money Markets	-	-	-	18,02
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	3,02	5,08	3,09	12,81
Loans and Lease Receivables	4,45	5,59	7,69	13,24
Other financial assets measured at amortised cost	1,70	5,86	-	12,18
Liabilities				
Bank Deposits (*)	0,77	1,83	-	16,30
Other Deposits (*)	0,28	1,26	0,47	12,07
Money Markets	-	1,14	-	16,46
Miscellaneous Payables	-	0,09	-	-
Securities Issued (Net) (**)	4,00	6,22	-	10,19
Borrowings	1,78	2,36	-	10,72

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

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

IV. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES:

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

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

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

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

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

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

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

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

The different categories of defined limits are;

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

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

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

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

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

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

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:

Current Period – 30.06.2021	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			98.593.797	58.068.123
CASH OUTFLOWS				
2 Retail and Customers Deposits	210.071.944	119.633.129	19.387.205	11.963.313
3 Stable deposits	32.408.396	-	1.620.850	-
4 Less stable deposits	177.663.548	119.633.129	17.766.355	11.963.313
5 Unsecured Funding other than Retail and Small Business Customers Deposits	86.022.238	54.669.279	49.160.954	32.741.277
6 Operational deposits	6.243	-	1.561	-
7 Non-Operational Deposits	74.097.778	47.284.954	38.597.189	25.357.231
8 Other Unsecured Funding	11.918.217	7.384.325	10.562.204	7.384.046
9 Secured funding	-	-	1.190.166	1.190.166
10 Other Cash Outflows	12.739.185	17.557.515	5.544.559	10.641.128
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	4.773.743	9.904.537	4.773.743	9.904.537
12 Debts related to the structured financial products	9.936	-	9.936	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	7.955.506	7.652.978	760.880	736.591
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	839.785	-	41.989	-
15 Other irrevocable or conditionally revocable commitments	85.880.077	25.530.875	4.294.004	1.276.544
16 TOTAL CASH OUTFLOWS			79.618.877	57.812.428
CASH INFLOWS				
17 Secured Lending Transactions	487.976	-	-	-
18 Unsecured Lending Transactions	36.114.581	18.951.733	26.291.557	16.978.536
19 Other contractual cash inflows	2.180.409	17.992.761	2.180.043	17.992.759
20 TOTAL CASH INFLOWS	38.782.966	36.944.494	28.471.600	34.971.295
			Upper limit applied amounts	
21 TOTAL HQLA STOCK			98.593.797	58.068.123
22 TOTAL NET CASH OUTFLOWS			51.147.277	22.841.133
23 Liquidity Coverage Ratio (%)			192,76	254,23

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

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Prior Period – 31.12.2020	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			89.061.012	49.693.315
CASH OUTFLOWS				
2 Retail and Customers Deposits	192.468.766	112.728.242	17.744.159	11.272.824
3 Stable deposits	30.054.343	-	1.502.717	-
4 Less stable deposits	162.414.423	112.728.242	16.241.442	11.272.824
5 Unsecured Funding other than Retail and Small Business Customers Deposits	91.354.155	61.560.132	50.205.152	34.649.465
6 Operational deposits				
7 Non-Operational Deposits	80.545.785	55.031.343	40.784.584	28.120.923
8 Other Unsecured Funding	10.808.370	6.528.789	9.420.568	6.528.542
9 Secured funding	-	-	1.118.241	1.118.241
10 Other Cash Outflows	21.967.578	25.026.844	12.435.894	16.889.617
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	11.387.034	16.003.280	11.387.034	16.003.280
12 Debts related to the structured financial products	11.238	-	11.238	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	10.569.306	9.023.564	1.037.622	886.337
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	939.000	-	46.950	-
15 Other irrevocable or conditionally revocable commitments	68.244.696	15.418.281	3.412.235	770.914
16 TOTAL CASH OUTFLOWS			84.962.631	64.701.061
CASH INFLOWS				
17 Secured Lending Transactions	3.272.515	-	-	-
18 Unsecured Lending Transactions	43.821.255	16.852.144	36.333.365	15.548.548
19 Other contractual cash inflows	6.792.498	28.021.975	6.786.732	28.020.896
20 TOTAL CASH INFLOWS	53.886.268	44.874.119	43.120.097	43.569.444
			Upper limit applied amounts	
21 TOTAL HQLA STOCK			89.061.012	49.693.315
22 TOTAL NET CASH OUTFLOWS			41.842.534	21.131.617
23 Liquidity Coverage Ratio (%)			212,85	235,16

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

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

Periodic increases are observed in the liquidity coverage ratio during the weeks where the foreign currency reserve option is used in reserve requirements in CBRT, high amounts are maintained in bank placements or repurchase agreement volume decreases, on the other hand, fluctuations may occur in the liquidity coverage ratio during the weeks where the share of corporate or bank funds increase, or long term foreign funds which are replaced when due, such as syndicated loans are due in one month. Despite these fluctuations, it is observed that the ratio does not decrease below 177% during the period and remain at a quite higher level than the legal lower limit.

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

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 49% and securities issued by Undersecretariat of the Treasury by 43%. Funding sources are mainly distributed between individual and retail deposits by 65%, corporate deposits by 19%, and borrowings from banks by 4% and collateralized borrowings such as repurchase agreements by 8%.

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Cash outflow amounting to TL 1.130 million (in full TL amount) is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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

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

	Current Period – 30.06.2021	
	TL+FC	FC
Lowest	177,09	186,40
Week	2.04.2021	9.04.2021
Highest	211,10	402,47
Week	4.06.2021	4.06.2021

	Prior Period - 31.12.2020	
	TL+FC	FC
Lowest	182,41	193,44
Week	2.10.2020	2.10.2020
Highest	239,54	321,99
Week	13.11.2020	20.11.2020

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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 and Balances with Central Bank	27.899.319	23.493.061	210.803	-	-	-	-	51.603.183
Banks (*****)	22.129.960	914.059	1.153.383	-	-	-	-	24.197.402
Financial Assets at Fair Value Through Profit or Loss (Net)	1.531.433	3.556	2	7.372.553	135.184	65.548	-	9.108.276
Money Markets	-	55.031	-	-	-	-	-	55.031
Financial Assets at Fair Value Through Other Comprehensive Income	469.392	36.901	223.485	8.381.603	42.945.607	14.986.590	-	67.043.578
Loans and Lease Receivables (*****)	-	54.478.082	32.586.513	64.142.559	74.632.007	34.165.025	17.015.805	277.019.991
Other financial assets measured at amortised cost	-	-	367.333	7.672.013	17.682.738	14.810.131	-	40.532.215
Other Assets (*)	-	831.600	1.919.509	3.415.591	10.069.469	7.584.479	3.764.878	27.585.526
Total Assets	52.030.104	79.812.290	36.461.028	90.984.319	145.465.005	71.611.773	20.780.683	497.145.202
Liabilities								
Bank Deposits	1.072.154	8.263.650	1.146.469	826.540	-	-	-	11.308.813
Other Deposits	97.009.448	150.590.791	29.840.072	6.868.496	38.631	23	-	284.347.461
Borrowings	-	2.151.510	2.449.783	18.356.592	14.919.348	1.051.294	-	38.928.527
Money Markets	-	20.179.479	657.242	3.374.240	2.891.236	2.556.416	-	29.658.613
Securities Issued (Net) (**)	-	2.163.839	1.885.153	1.397.869	14.569.386	12.142.614	-	32.158.861
Miscellaneous Payables	-	149.811	508.397	424.560	4.017.367	1.241.116	6.727.380	13.068.631
Other Liabilities (***)	610.350	3.749.091	951.891	1.168.580	7.541.799	2.651.953	71.000.632	87.674.296
Total Liabilities	98.691.952	187.248.171	37.439.007	32.416.877	43.977.767	19.643.416	77.728.012	497.145.202
Net Liquidity Excess/ (Gap)	(46.661.848)	(107.435.881)	(977.979)	58.567.442	101.487.238	51.968.357	(56.947.329)	-
Net off-balance sheet position	-	295.348	(18.064)	2.061.467	4.104.881	4.257.890	-	10.701.522
Financial Derivative Assets	-	58.095.061	59.647.655	47.108.040	104.725.714	57.381.904	-	326.958.374
Financial Derivative Liabilities	-	57.799.713	59.665.719	45.046.573	100.620.833	53.124.014	-	316.256.852
Non-cash loans (****)	-	2.487.123	406.516	19.593.103	15.882.648	26.933.208	-	65.302.598
Prior Period - 31 December 2020								
Total Assets	40.269.849	81.087.077	31.860.976	90.389.082	138.513.461	44.242.639	19.737.717	446.100.801
Total Liabilities	87.303.175	157.194.365	43.262.450	30.613.300	37.465.143	17.912.452	72.349.916	446.100.801
Net Liquidity Gap	(47.033.326)	(76.107.288)	(11.401.474)	59.775.782	101.048.318	26.330.187	(52.612.199)	-
Net Off-balance sheet Position	-	(1.464.684)	(41.099)	3.162.138	4.265.286	3.254.838	-	9.176.479
Financial Derivative Assets	-	68.216.815	53.217.303	46.123.576	85.894.557	55.720.412	-	309.172.663
Financial Derivative Liabilities	-	69.681.499	53.258.402	42.961.438	81.629.271	52.465.574	-	299.996.184
Non-cash Loans (****)	-	1.696.520	1.095.192	11.703.494	13.254.924	24.484.892	-	52.235.022

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments, subsidiaries, stationery, prepaid expenses and loans under follow-up, are shown in this column. Expected credit losses are included.

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

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

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

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

(*****) 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 Bank calculated from 3 months average amounts is 10,20% (31 December 2020: 10,44%). This ratio is above the minimum ratio which is 3%.

b. Disclosure of Leverage ratio template:

	Current Period	Prior Period
	30 June 2021 (*)	31 December 2020 (*)
Balance sheet Assets		
1		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	469.825.637	438.312.076
2		
(Assets deducted from Core capital)	-	-
3		
Total risk amount of balance sheet assets (sum of lines 1 and 2)	469.825.637	438.312.076
Derivative financial assets and credit derivatives		
4		
Cost of replenishment for derivative financial assets and credit derivatives	16.300.032	15.205.466
5		
Potential credit risk amount of derivative financial assets and credit derivatives	5.311.950	4.762.358
6		
Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	21.611.982	19.967.824
Financing transactions secured by marketable security or commodity		
7		
Risk amount of financing transactions secured by marketable security or commodity	4.149.839	6.025.857
8		
Risk amount arising from intermediary transactions	-	-
9		
Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	4.149.839	6.025.857
Off-balance sheet transactions		
10		
Gross notional amount of off-balance sheet transactions	144.717.197	125.087.328
11		
(Correction amount due to multiplication with credit conversion rates)	(741.363)	(807.197)
12		
Total risk of off-balance sheet transactions (sum of lines 10 and 11)	143.975.834	124.280.131
Capital and total risk		
13		
Core Capital	65.247.713	61.386.632
14		
Total risk amount(sum of lines 3, 6, 9 and 12)	639.563.292	588.585.888
Leverage ratio		
15		
Leverage ratio	10,20	10,44

(*) Three months average values.

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VII. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

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

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

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)	292.110.595	265.269.441	23.368.847
2 Standardized approach (SA)	292.110.595	265.269.441	23.368.847
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	19.191.546	20.950.677	1.535.324
5 Standardized approach for counterparty credit risk (SA-CCR)	19.191.546	20.950.677	1.535.324
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	17.215.596	15.803.823	1.377.248
17 Standardized approach (SA)	17.215.596	15.803.823	1.377.248
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	38.369.628	32.496.270	3.069.570
20 Basic Indicator Approach	38.369.628	32.496.270	3.069.570
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)	367.341.319	334.925.491	29.387.306

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b.Credit Risk Explanations

1. Credit quality of assets:

	Current Period 30.06.2021	Gross carrying values of (according to TAS)		Allowances/ impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
1	Loans	17.015.805	260.004.186	17.714.798	259.305.193
2	Debt Securities	-	114.881.092	64.344	114.816.748
3	Off-balance sheet exposures	1.104.942	146.359.816	525.565	146.939.193
4	Total	18.120.747	521.245.094	18.304.707	521.061.134

	Prior Period 31.12.2020	Gross carrying values of (according to TAS)		Allowances/ impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
1	Loans	17.312.583	236.005.945	16.516.411	236.802.117
2	Debt Securities	-	102.312.677	56.920	102.255.757
3	Off-balance sheet exposures	939.098	118.525.438	500.379	118.964.157
4	Total	18.251.681	456.844.060	17.073.710	458.022.031

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	18.251.681	15.115.586
2	Loans and debt securities that have defaulted since the last reporting period	1.333.469	5.922.727
3	Returned to non-defaulted status	43.291	77.266
4	Amounts written off	65.598	710.731
5	Other changes	1.355.514	1.998.635
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	18.120.747	18.251.681
	Definitions	18.120.747	18.251.681

3. Credit risk mitigation techniques – overview:

Current Period 30.06.2021	Exposures unsecured of (according to TAS)		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	254.442.247	4.862.946	2.529.812	1.194.291	955.913
2	Debt Securities	114.816.748	-	-	-	-	-
3	Total	369.258.995	4.862.946	2.529.812	1.194.291	955.913	-
4	Of which defaulted	18.120.747	-	-	-	-	-

Prior Period 31.12.2020	Exposures unsecured of (according to TAS)		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	232.722.958	4.079.159	2.227.568	3.798.864	3.040.211
2	Debt Securities	102.255.757	-	-	-	-	-
3	Total	334.978.715	4.079.159	2.227.568	3.798.864	3.040.211	-
4	Of which defaulted	18.251.681	-	-	-	-	-

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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	133.505.066	19.491.308	134.476.089	2.154.657	495.351	%0,36
2	Exposures to regional governments or local authorities	155.791	-	155.791	-	77.896	%50,00
3	Exposures to public sector entities	223.742	129.194	208.848	51.152	259.999	%100,00
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	33.474.248	56.165.013	33.453.764	20.055.402	18.365.550	%34,32
7	Exposures to corporates	148.788.319	64.073.851	147.349.273	39.662.007	179.331.190	%95,89
8	Retail exposures	81.627.164	53.244.998	80.398.311	4.815.734	63.910.534	%75,00
9	Exposures secured by residential property	9.365.011	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	5.909.325	-	5.909.325	-	4.952.554	%83,81
12	Higher-risk categories by the Agency Board	-	677.622	-	323.322	316.326	%97,84
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	13.944.937	-	13.944.937	-	8.386.798	%60,14
17	Investments in equities	11.648.248	-	11.648.248	-	11.648.248	%100,00
18	Total	456.397.060	195.735.629	454.554.914	68.243.991	305.616.123	%58,46

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							
	Exposures to central governments or central banks	124.160.679	3.897.904	127.223.761	1.002.169	602.133	%0,47
	Exposures to regional governments or local authorities	172.157	16	172.157	8	86.083	%50,00
	Exposures to public sector entities	290.124	112.545	284.605	42.512	327.117	%100,00
	Exposures to multilateral development banks	-	-	-	-	-	-
	Exposures to international organisations	-	-	-	-	-	-
	Exposures to institutions	21.343.611	55.558.555	21.338.315	21.232.467	14.986.645	%35,20
	Exposures to corporates	147.007.179	51.834.928	145.057.451	34.568.991	173.539.865	%96,61
	Retail exposures	71.851.552	47.832.122	69.257.435	4.520.439	55.333.406	%75,00
	Exposures secured by residential property	8.035.345	265.748	8.029.452	113.675	2.850.095	%35,00
	Exposures secured by commercial real estate	9.672.736	1.351.953	9.539.042	935.821	7.085.104	%67,64
	Past-due loans	6.523.806	-	6.523.806	-	5.709.544	%87,52
	Higher-risk categories by the Agency Board	-	634.643	-	293.057	342.736	%116,95
	Exposures in the form of covered bonds	-	-	-	-	-	-
	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
	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
	Other assets	13.168.654	-	13.168.654	-	8.096.717	%61,48
	Investments in equities	9.953.989	-	9.953.989	-	9.953.989	%100,00
Total		413.645.361	161.665.951	412.014.196	62.714.150	280.383.974	%59,06

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

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

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	135.302.001	-	274.078	-	-	-	415.944	-	-	638.723	136.630.746
2 Exposures to regional governments or local authorities	-	-	-	-	155.791	-	-	-	-	-	155.791
3 Exposures to public sector entities	-	-	-	-	-	-	260.000	-	-	-	260.000
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to institutions	360.367	-	27.434.222	-	25.671.743	-	42.834	-	-	-	53.509.166
7 Exposures to corporates	2.895.573	-	333.489	-	9.035.452	-	174.746.766	-	-	-	187.011.280
8 Retail exposures	-	-	-	-	-	85.214.045	-	-	-	-	85.214.045
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	-	-	-	-	2.846.415	-	2.130.037	932.873	-	-	5.909.325
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	-	-	-	-	-	-	11.648.248	-	-	-	11.648.248
17 Other assets	5.269.951	-	360.235	-	-	-	8.314.751	-	-	-	13.944.937
18 Total	143.827.892	-	28.402.024	9.485.714	46.095.234	85.214.045	208.139.868	995.405	-	638.723	522.798.905

(*) 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	126.800.109	-	281.014	-	-	-	522.571	-	-	622.236	128.225.930
2 Exposures to regional governments or local authorities	-	-	-	-	172.165	-	-	-	-	-	172.165
3 Exposures to public sector entities	-	-	-	-	-	-	327.117	-	-	-	327.117
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to institutions	386.679	-	20.485.689	-	21.617.815	-	80.599	-	-	-	42.570.782
7 Exposures to corporates	1.957.839	-	873.497	-	6.859.880	-	169.935.226	-	-	-	179.626.442
8 Retail exposures	-	-	-	-	-	73.777.874	-	-	-	-	73.777.874
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	-	-	-	-	2.970.810	-	2.210.710	1.342.286	-	-	6.523.806
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	-	-	-	-	-	-	9.953.989	-	-	-	9.953.989
17 Other assets	5.071.914	-	29	-	-	-	8.096.711	-	-	-	13.168.654
18 Total	134.216.541	-	21.640.229	8.143.127	38.472.406	73.777.874	196.342.070	1.513.863	-	622.236	474.728.346

(*) 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)	14.761.510	5.068.407		1,4	19.829.917	11.344.700
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)					4.812.034	1.682.562
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					4.812.034	1.682.562
6 Total						13.027.262

(*) 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)	14.957.247	4.899.221	-	1,4	19.856.468	12.151.473
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						14.685.894

(*) Effective Expected Positive Exposure

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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	19.829.917	6.139.692	19.856.468	6.241.423
4 Total subject to the CVA capital charge	19.829.917	6.139.692	19.856.468	6.241.423

3. Standardised approach – 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	4	-	5.766.409	10.906.722	-	23.411	-	-	6.630.054
Corporates	9.921	-	3.070	11.288	-	6.344.979	-	-	6.351.237
Retail portfolios	-	-	-	-	61.099	-	-	-	45.824
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	1.524.825	-	5.769.479	10.918.010	61.099	6.368.537	-	-	13.027.262

[*] 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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Prior Period - 31.12.2020

Risk Weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit
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	-	-	7.414.343	10.973.233	-	41.907	-	-	7.011.392
Corporates	37.238	-	-	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	415.119	-	7.414.343	10.974.365	65.629	7.666.621	-	-	14.685.894

(*) 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.

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 notionals	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)	-	-	-	-

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6. Exposures to central counterparties (CCP):

	Current Period - 30.06.2021		Prior Period - 31.12.2020		
	Current Period - 30.06.2021	Exposure at default (post-CRM)	RWA	Exposure at default (post-CRM)	RWA
1 Exposure to Qualified Central Counterparties (QCCPs) (total)			62.891		56.548
Exposures for trades at QCCPs (excluding					
2 initial margin and default fund contributions); of which		638.723	24.592	622.236	23.360
3 (i) OTC Derivatives		638.723	24.592	622.236	23.360
4 (ii) Exchange-traded Derivatives		-	-	-	-
5 (iii) Securities financing transactions		-	-	-	-
6 (iv) Netting sets where cross-product					
ting 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)					
Exposures for trades at non-QCCPs					
12 (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					
ting has been approved		-	-	-	-
17 Segregated initial margin		-	-	-	-
18 Non-segregated initial margin		-	-	-	-
19 Pre-funded default fund contributions		-	-	-	-
20 Unfunded default fund contributions		-	-	-	-

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)	1.865.038	2.235.808
2 Equity risk (general and specific)	-	-
3 Foreign exchange risk	14.984.458	13.525.315
4 Commodity risk	-	-
Options		
5 Simplified approach	-	-
6 Delta-plus method	366.100	42.700
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	17.215.596	15.803.823

Outright products refer to positions in products that are not optional

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VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:

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

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

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

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

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

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

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

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

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.

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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 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	23.263.641	8.229.348	374.331	20.931.023	7.956.205	424.660
-FC	73.957.604	191.762	708.428	63.575.943	12.998	1.015.020
Total	97.221.245	8.421.110	1.082.759	84.506.966	7.969.203	1.439.680

1. Explanations on Accounting Net Investment Hedge:

The Bank 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."

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 fair value through other comprehensive income	Interest rate risk			
			[442.856]	328.743	[114.113]
Cross-currency swap	Fixed interest rate FC 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

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

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

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Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC financial assets at fair value through other comprehensive income	Interest rate risk	(534.522)	487.716	(46.806)
Cross-currency swap	Fixed interest rate FC 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

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

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

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

- As of 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)

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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 32.563 (31 December 2020: TL 28.837).

IX. EXPLANATIONS ON BUSINESS SEGMENTS:

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

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

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

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

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

The Treasury Unit conducts TL and FC spot and forward transactions, treasury bonds, government bonds, Eurobond and private sector bond transactions and also derivative trading activities within determined limits. These transactions are performed according to the Bank's requirements. 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.

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.

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	Retail Banking	Commercial Banking, Corporate- Investment, Private Banking and Wealth Management	Treasury	Other and Unallocated	Bank's Total Activities
Current Period - 30 June 2021					
Operating Income	5.997.910	3.723.245	(1.117.018)	3.929.418	12.533.555
Profit from Operating Activities	2.238.040	2.755.414	(1.366.876)	1.042.657	4.669.235
Income from Subsidiaries	-	-	-	4.177	4.177
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	680.187	680.187
Profit before Tax	2.238.040	2.755.414	(1.366.876)	1.727.021	5.353.599
Corporate Tax	-	-	-	(1.221.433)	(1.221.433)
Net Profit for the Period	2.238.040	2.755.414	(1.366.876)	505.588	4.132.166
Segment Assets	112.861.050	186.638.931	169.538.176	-	469.038.157
Investments in Associates	-	-	-	11.300.924	11.300.924
Undistributed Assets	-	-	-	16.806.121	16.806.121
Total Assets					497.145.202
Segment Liabilities	205.020.217	85.462.718	117.440.186	-	407.923.121
Undistributed Liabilities	-	-	-	21.917.020	21.917.020
Shareholders' Equity	-	-	-	67.305.061	67.305.061
Total Liabilities					497.145.202

	Retail Banking	Commercial Banking, Corporate- Investment, Private Banking and Wealth Management	Treasury	Other and Unallocated	Bank's Total Activities
Prior Period - 31 December 2020 (*)					
Operating Income	4.237.313	2.931.055	5.294.843	(302.899)	12.160.312
Profit from Operating Activities	600.688	(969.991)	5.082.319	(1.382.596)	3.330.420
Income from Subsidiaries	-	-	-	3.724	3.724
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	386.620	386.620
Profit before Tax	600.688	(969.991)	5.082.319	(992.252)	3.720.764
Corporate Tax	-	-	-	(824.469)	(824.469)
Net Profit for the Period	600.688	(969.991)	5.082.319	(1.816.721)	2.896.295
Segment Assets	101.012.305	174.161.605	140.545.806	-	415.719.716
Investments in Associates	-	-	-	9.620.423	9.620.423
Undistributed Assets	-	-	-	20.760.662	20.760.662
Total Assets					446.100.801
Segment Liabilities	180.896.443	82.206.790	101.632.251	-	364.735.484
Undistributed Liabilities	-	-	-	18.446.324	18.446.324
Shareholders' Equity	-	-	-	62.918.993	62.918.993
Total Liabilities					446.100.801

(*) 30 June 2020 amounts are used for income statement accounts.

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

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

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

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Cash/Foreign Currency	1.850.962	3.340.359	1.770.526	3.165.678
The CBRT (*)	4.115.271	41.857.726	2.628.104	39.976.266
Other (**)	-	438.865	-	135.740
Total	5.966.233	45.636.950	4.398.630	43.277.684

(*) 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 rates for the required reserves established in the CBRT are between 3% and 8% according to the maturity structure in Turkish currency (31 December 2020: between 1% and 6%); in foreign currency, it is between 5% and 21% depending on the maturity structure (31 December 2020: between 5% and 22%) as of 30 June 2021.

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

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

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

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

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	-	414.145	-
Swap Transactions	8.708.232	5.742.592	8.088.603	6.020.278
Futures Transactions	-	-	-	-
Options	17.833	85.618	37.799	114.329
Other	-	-	-	-
Total	8.944.461	5.828.210	8.540.547	6.134.607

(*) Excluding hedging derivatives financial assets.

d. Information on banks and foreign banks:

Information on banks account:

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Banks				
Domestic	13.557	1.955	5.749	28.868
Foreign (*)	-	24.181.890	-	14.705.740
Head Quarters and Branches Abroad	-	-	-	-
Total	13.557	24.183.845	5.749	14.734.608

(*) Includes collateral of TL 6.804.046 for derivative transactions made with foreign banks (31 December 2020: 5.292.940 TL).

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e. Information on financial assets at 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 15.804.343 (31 December 2020: TL 16.984.050); and those given as collateral/blocked amounting to TL 9.422.290 (31 December 2020: 17.595.922).

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

	Current Period 30 June 2021	Prior Period 31 December 2020
Debt Securities	68.202.221	53.730.544
Quoted at Stock Exchange (*)	65.710.336	51.774.324
Unquoted at Stock Exchange	2.491.885	1.956.220
Share Certificates	15.719	16.217
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	15.719	16.217
Impairment Provision (-)	1.174.362	664.059
Total	67.043.578	53.082.702

(*) 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	7.444.983	2.680.662	7.514.006	2.175.254
Loans Granted to Employees	147.722	-	152.213	-
Total	7.592.705	2.680.836	7.666.219	2.175.351

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

		Loans under follow-up			
		Standard Loans	Loans not subject to restructuring	Loans with revised contract terms	Refinance
Current Period - 30 June 2021					
Cash Loans					
Non-specialized Loans					
Loans given to enterprises	27.761.927	2.374.461	97.593	2.306.043	
Export Loans	18.831.406	249.655	17.683	17.206	
Import Loans	-	-	-	-	
Loans Given to Financial Sector	14.297.252	20	-	979	
Consumer Loans	46.862.337	1.973.249	677.392	434.733	
Credit Cards	23.470.286	861.309	738.186	-	
Other	94.687.372	3.741.165	7.791.542	12.812.390	
Specialized Loans	-	-	-	-	
Other Receivables	-	-	-	-	
Total	225.910.580	9.199.859	9.322.396	15.571.351	

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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	1.147.583	-	1.414.274	-
Significant Increase in Credit Risk	-	5.473.945	-	4.303.353
Total	1.147.583	5.473.945	1.414.274	4.303.353

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

	Current Period	Prior Period
	30 June 2021	31 December 2020
30-60 days overdue	634.035	590.377
60-90 days overdue	424.204	337.011
More than 90 days overdue	1.294.782	1.071.450
Total	2.353.021	1.998.838

(*). 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 - 30.06.2021	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 - 31.12.2020	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 - 30.06.2021	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	269.503.589	245.260.489
Foreign Loans	7.516.402	8.058.039
Total	277.019.991	253.318.528

6. Loans granted to investments in associates and subsidiaries:

	Current Period 30 June 2021	Prior Period 31 December 2020
Direct Loans Granted to Investments in Associates and Subsidiaries	1.220.577	903.971
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
Total	1.220.577	903.971

7. Credit-Impaired Losses Stage III Provisions:

	Current Period 30 June 2021	Prior Period 31 December 2020
Loans with Limited Collectibility	11.886	1.226.937
Loans with Doubtful Collectibility	1.748.247	622.402
Uncollectible Loans	9.333.137	8.949.445
Total	11.093.270	10.798.784

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

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

	III. Group Loans with Limited Collectibility	IV. Group Loans with Doubtful Collectibility	V. Group Uncollectible Loans
Current Period: 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	2.101.152
Rescheduled Loans and Other Receivables	30	103.154	2.101.152

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

	III. Group	IV. Group	V. Group
	Loans with	Loans with	Uncollectible Loans
	Limited Collectibility	Doubtful Collectibility	
Prior Period End Balance: 31 December 2020	2.221.345	944.772	14.146.466
Additions (+)	128.105	603.462	436.058
Transfers from Other Categories of Non-Performing Loans (+)	-	2.317.237	732.726
Transfers to Other Categories of Non-Performing Loans (-)	2.317.237	732.726	-
Collections (-)	14.496	417.859	966.450
Write-offs (-) (*)	1.016	22.689	41.893
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	16.701	2.692.197	14.306.907
Specific Provisions (-)	11.886	1.748.247	9.333.137
Net Balance at Balance Sheet	4.815	943.950	4.973.770

(*) 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 25 basis point).

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

	III. Group	IV. Group	V. Group
	Loans with	Loans with	Uncollectible Loans
	Limited Collectibility	Doubtful Collectibility	
Current Period: 30 June 2021			
Balance at the End of the Period	-	1.979.148	4.283.173
Specific Provision (-)	-	1.241.531	2.228.552
Net Balance on Balance Sheet	-	737.617	2.054.621
Prior Period: 31 December 2020			
Balance at the End of the Period	2.043.398	154.266	4.178.610
Specific Provision (-)	1.102.493	92.004	2.106.340
Net Balance at Balance Sheet	940.905	62.262	2.072.270

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

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

	III. Group	IV. Group	V. Group
	Loans with	Loans with	Uncollectible Loans
	Limited Collectibility	Doubtful Collectibility	
Current Period (Net): 30 June 2021			
Loans granted to corporate entities and real persons (Gross)	16.701	2.692.197	14.306.907
Specific Provision Amount (-)	11.886	1.748.247	9.333.137
Loans granted to corporate entities and real persons (Net)	4.815	943.950	4.973.770
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	944.772	14.146.466
Specific Provision Amount (-)	1.226.937	622.402	8.949.445
Loans granted to corporate entities and real persons (Net)	994.408	322.370	5.197.021
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

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

	III. Group	IV. Group	V. Group
Current Period: 30 June 2021			
Interest accruals and valuation differences	1.028	169.253	3.243.779
Provision (-)	714	108.002	1.956.391
Prior Period: 31 December 2020			
Interest accruals and valuation differences	101.483	128.971	2.910.057
Provision (-)	55.746	81.547	1.734.054

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.

10. Information on the write-off policy: Disclosed in Note VII of Section Three.

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g. Financial assets measured at amortised cost:

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

	Current Period 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 on government debt securities:

	Current Period 30 June 2021	Prior Period 31 December 2020
Government Bonds	38.916.607	40.239.483
Treasury Bills	-	-
Other Government Debt Securities	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
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	58.859	38.522
Total	40.532.215	41.885.059

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

	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 Amortized 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. Information about investments in associates:

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

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

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

3. Movement schedule of investments in associates:

	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.

i. Information related to subsidiaries (Net):

1. Information on shareholders' equity of subsidiaries:

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

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ORIGINALLY ISSUED IN TURKISH, SEE NOTE I.b OF SECTION THREE

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	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.

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

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

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

The financial figures have been obtained from the financial statements as at 30 June 2021 prepared in accordance with local regulations.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	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)	-

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5. Movement schedule of subsidiaries:

	Current Period	Prior Period
	30 June 2021	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 financial subsidiaries and the related carrying amounts:

Subsidiaries	Current Period	Prior Period
	30 June 2021	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.

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

k. Information on finance lease receivables (Net): None (31 December 2020: None).

l. Information on the Hedging Derivative Financial Assets:

	Current Period		Prior Period	
	30 June 2021		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).

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n. Information on deferred tax asset:

As of 30 June 2021, the Bank does not have deferred tax asset. (31 December 2020: TL 88.226). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values and tax values of fixed assets, financial assets and liabilities and provision for employee rights.

Deferred tax assets and liabilities which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation are netted-off and accounted. There are no carry forward tax losses that can be used as deductions for the tax calculation. An explanation about the net deferred tax liability is given in Note II-i-2 of Section Five.

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

	Current Period 30 June 2021	Prior Period 31 December 2020
Cost	201.095	173.420
Accumulated Depreciation (-)	-	4
Net Book Value	201.095	173.416

	Current Period 30 June 2021	Prior Period 31 December 2020
Opening Balance Net Book Value	173.416	636.017
Additions	85.920	184.488
Disposals (-), net	57.764	150.201
Impairment (-)	477	496.888
Depreciation (-)	-	-
Closing Net Book Value	201.095	173.416

p. Information on other assets:

Other assets amounting to TL 3.640.655 (31 December 2020: TL 2.819.328) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

a. Information on deposits:

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

1 (i). Current Period – 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	9.944.288	52.739.792	3.400.259	1.449.522	1.398.243	7.774	83.877.646
Foreign Currency Deposits	50.516.345	9.788.821	76.329.569	2.326.492	2.256.941	3.345.356	941	144.564.465
Residents in Turkey	47.967.125	9.649.368	72.200.494	2.167.923	1.630.132	1.549.475	941	135.165.458
Residents Abroad	2.549.220	139.453	4.129.075	158.569	626.809	1.795.881	-	9.399.007
Public Sector Deposits	1.363.565	2.771	30.765	815	596	95	-	1.398.607
Commercial Deposits	13.014.018	12.678.968	6.588.729	306.762	228.796	381.210	-	33.198.483
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	1.072.154	556.426	8.773.375	66.210	840.648	-	-	11.308.813
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	9.357	214.492	235.148	-	826.540	-	-	1.285.537
Foreign Banks	193.638	341.934	8.538.227	66.210	14.108	-	-	9.154.117
Participation Banks	869.159	-	-	-	-	-	-	869.159
Other	-	-	-	-	-	-	-	-
Total	98.081.602	33.325.293	146.251.240	6.146.296	6.195.142	5.647.986	8.715	295.656.274

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	12.219.977	12.032.234	44.242.941	435.333	316.374	485.258	8.061	69.740.178
Foreign Currency Deposits	45.149.118	15.113.211	65.671.747	989.182	2.200.279	3.082.082	950	132.206.569
Residents in Turkey	42.678.240	14.927.292	62.017.174	867.748	1.568.788	1.333.681	950	123.393.873
Residents Abroad	2.470.878	185.919	3.654.573	121.434	631.491	1.748.401	-	8.812.696
Public Sector Deposits	1.041.580	12.763	35.227	3.617	644	520	-	1.094.351
Commercial Deposits	11.144.849	9.691.771	10.910.581	146.130	73.147	215.941	-	32.182.419
Other Institutions Deposits	352.519	474.871	2.466.462	36.556	19.203	1547	-	3.351.158
Precious metals Deposits	16.589.623	10.417	142.711	13.185	710.877	94.649	-	17.561.462
Interbank Deposits	270.288	765.271	9.989.449	715.540	692.597	913	-	12.434.058
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	15.922	455.984	135.598	173372	684.219	-	-	1.465.095
Foreign Banks	218.335	309.287	9.853.851	542.168	8.378	913	-	10.932.932
Participation Banks	36.031	-	-	-	-	-	-	36.031
Other	-	-	-	-	-	-	-	-
Total	86.767.954	38.100.538	133.459.118	2.339.543	4.013.121	3.880.910	9.011	268.570.195

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2. Information on saving deposits insurance:

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 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	-	230.712	-
Swap Transactions	7.525.139	2.566.464	10.571.107	2.611.967
Futures Transactions	-	-	-	-
Options	38.383	113.322	5.632	157.932
Other	-	-	-	-
Total	7.758.300	2.679.786	10.807.451	2.769.899

(*) 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	258.423	2.066.820	257.770	959.258
From Foreign Banks, Institutions and Funds	-	36.603.284	-	35.046.973
Total	258.423	38.670.104	257.770	36.006.231

2. Information on maturity structure of borrowings:

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Short-term	236.026	1.586.905	256.221	705.426
Medium and Long-term	22.397	37.083.199	1.549	35.300.805
Total	258.423	38.670.104	257.770	36.006.231

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 Bank are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Bank and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and securitized borrowings and post-financing obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Bank.

d. Information on securities issued (Net):

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Bank bills	4.196.399	-	5.125.237	-
Bonds	2.230.754	13.552.656	2.439.450	11.593.289
Total	6.427.153	13.552.656	7.564.687	11.593.289

e. Information on other foreign liabilities:

Other foreign liabilities listed in "Other Liabilities" amounting to TL 4.022.124 (31 December 2020: TL 2.647.576) and do not exceed 10% of the total balance sheet.

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f. Information on financial leasing agreements:

With the "TFRS 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	147.703	69.013	139.106	63.254
Between 1-4 Years	366.604	194.374	351.706	183.042
More Than 4 Years	376.203	256.956	384.311	259.364
Total	890.510	520.343	875.123	505.660

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	445.909	81.056	679.755
Cash Flow Hedge	284.704	262.519	343.604	335.265
Net Investment Hedge in a foreign operation	-	-	-	-
Total	374.331	708.428	424.660	1.015.020

h. Information on provisions:

1. Information on reserves for employee rights:

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

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

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

	Current Period 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 (full TL) (1 January 2021: TL 7.638,96 (full TL)) effective from 1 July 2021 has been taken into consideration in calculating the reserve for employee termination benefits.

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

	Current Period	Prior Period
	30 June 2021	31 December 2020
Prior Period Closing Balance	416.588	316.980
Recognized as an Expense During the Period	47.311	75.183
Actuarial Loss / (Gain)	33.627	66.027
Paid During the Period	(34.899)	(41.602)
Balance at the End of the Period	462.627	416.588

As of 30 June 2021, the Bank has allocated vacation liability amounting to TL 147.723 (31 December 2020: TL 118.633).

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).

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).

4 (ii). Information on provisions for banking services promotion: The Bank has provisions for credit cards and banking services promotion activities amounting to TL 75.924 (31 December 2020: TL 64.932).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Bank are explained in Note XVIII of Section Three. As of 30 June 2021, the remaining tax liability after deducting the taxes paid during the period from corporate tax is TL 959.402 (31 December 2020: TL 1.052.158).

1 (i). Information on taxes payable:

	Current Period	Prior Period
	30 June 2021	31 December 2020
Corporate Taxes Payable	959.402	1.052.158
Taxation on Marketable Securities	151.185	162.786
Property Tax	1.336	1.210
Banking Insurance Transaction Tax (BITT)	180.634	167.322
Foreign Exchange Transaction Tax	9.913	9.632
Value Added Tax Payable	17.838	10.597
Other	171.610	162.025
Total	1.491.918	1.565.730

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1 (ii). Information on premium payables:

	Current Period 30 June 2021	Prior Period 31 December 2020
Social Security Premiums – Employee	-	-
Social Security Premiums – Employer	1	1
Bank Social Aid Pension Fund Premium- Employee	3	3
Bank Social Aid Pension Fund Premium – Employer	3	3
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	2.197	1.891
Unemployment Insurance – Employer	4.395	3.782
Other	302	270
Total	6.901	5.950

2. Information on deferred tax liability:

As of 30 June 2021, the Bank has deferred tax liability TL 284.978 (31 December 2020: TL 16.161). 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
To be included in the calculation of additional capital borrowing instruments	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	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.

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.

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

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

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

	Current Period 30 June 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures (*)	691.877	862.804	691.231	835.651
Valuation Difference	(270.532)	2.789	73.752	223.644
Foreign Currency Differences	-	-	-	-
Total	421.345	865.593	764.983	1.059.295

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

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

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), TL 3.233.962 commitments for cheque books (31 December 2020: 2.730.978 TL).

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

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

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

	Current Period 30 June 2021	Prior Period 31 December 2020
Bank Acceptance Loans	88.114	47.814
Letters of Credit	9.401.742	4.605.899
Other Guarantees and Warranties	12.202.334	10.105.633
Total	21.692.190	14.759.346

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

	Current Period 30 June 2021	Prior Period 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	3.315.545	3.525.154
Other Letters of Guarantee	14.449.276	11.536.815
Total	43.610.408	37.475.676

3. Information on non-cash loans:

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

	Current Period 30 June 2021	Prior Period 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	43.553.800	32.090.261
Total	65.302.598	52.235.022

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IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

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

	Current Period 30 June 2021		Prior Period 30 June 2020	
	TL	FC	TL	FC
Short-term Loans	5.697.107	398.470	3.450.888	349.505
Medium and Long-term Loans	6.593.582	1.661.490	5.452.783	1.646.168
Interest on Loans Under Follow-Up	280.834	-	524.683	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	12.571.523	2.059.960	9.428.354	1.995.673

(*) 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	31.033	99	46.993	617
From Foreign Banks	177	14.733	2.752	74.424
From Headquarters and Branches Abroad	-	-	-	-
Total	31.210	14.832	49.745	75.041

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	1.013	6.678	4.988	4.120
Financial Assets at Fair Value through Other Comprehensive Income	1.908.697	764.400	2.156.195	683.429
Financial Assets Measured at Amortised Cost	2.388.045	186.174	1.332.433	117.527
Total	4.297.755	957.252	3.493.616	805.076

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:

	Current Period 30 June 2021	Prior Period 30 June 2020
Interests Received From Investments in Associates and Subsidiaries	28.164	30.942

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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	15.475	375.071	15.928	457.348
The CBRT	-	-	-	-
Domestic Banks	15.475	5.775	15.928	3.754
Foreign Banks	-	369.296	-	453.594
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	81.882	-	76.276
Total	15.475	456.953	15.928	533.624

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

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

	Current Period 30 June 2021	Prior Period 30 June 2020
To Associates and Subsidiaries	22.680	7.919

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	500.638	609.613	408.990	382.420

4. Maturity structure of the interest expense on deposits:

There are no seven-day notification deposits.

Current Period - 30.06.2021	Time Deposits						Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	-	81.931	137.114	-	-	-	219.045
Saving Deposits	-	832.835	3.855.747	234.015	74.905	69.510	5.067.012
Public Sector Deposits	-	503	2.225	37	26	11	2.802
Commercial Deposits	-	1.057.251	715.413	19.110	16.829	24.350	1.832.953
Other Deposits	-	22.622	153.621	3.527	32.287	19.403	231.460
Total	-	1.995.142	4.864.120	256.689	124.047	113.274	7.353.272
FC							
Foreign Currency Deposits	-	75.919	346.317	7.827	5.569	7.754	443.386
Bank Deposits	46	2.696	59.027	666	6.101	-	68.536
Precious Metals Deposits	-	67	513	41	1.203	304	2.128
Total	46	78.682	405.857	8.534	12.873	8.058	514.050
Grand Total	46	2.073.824	5.269.977	265.223	136.920	121.332	7.867.322

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Prior Period - 30.06.2020	Time Deposits						Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	17.900	84.506	18.387	-	110	-	120.903
Saving Deposits	-	390.290	1.912.292	7.927	12.483	33.997	2.356.989
Public Sector Deposits	-	571	1.463	47	13	26	2.120
Commercial Deposits	-	373.631	514.375	10.276	3.405	3.045	904.732
Other Deposits	-	12.197	117.739	610	229	33	130.808
Total	17.900	861.195	2.564.256	18.860	16.240	37.101	3.515.552
FC							
Foreign Currency Deposits	-	71.610	348.125	10.623	6.572	21.501	458.431
Bank Deposits	232	734	24.520	619	2.457	54	28.616
Precious Metals Deposits	-	33	40	10	938	379	1.400
Total	232	72.377	372.685	11.252	9.967	21.934	488.447
Grand Total	18.132	933.572	2.936.941	30.112	26.207	59.035	4.003.999

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

	Current Period 30 June 2021	Prior Period 30 June 2020
Profit	944.741.252	480.880.525
Income From Capital Market Transactions	379.408	411.687
Income From Derivative Financial Transactions (*)	23.513.087	15.533.039
Foreign Exchange Gains	920.848.757	464.935.799
Loss (-)	944.644.134	480.967.437
Loss from Capital Market Transactions	81.830	128.831
Loss from Derivative Financial Transactions (*)	24.040.272	15.483.439
Foreign Exchange Loss	920.522.032	465.355.167
Total (Net)	97.118	(86.912)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 2.193.236 (30 June 2020: TL 1.186.566).

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

	Current Period 30 June 2021	Prior Period 30 June 2020
Expected Credit Loss	2.044.233	3.440.577
12 month expected credit loss (Stage 1)	464.370	316.245
Significant increase in credit risk (Stage 2)	279.819	1.306.048
Non-performing loans (Stage 3)	1.300.044	1.818.284
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, Subsidiaries Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	1.750.786	1.684.572
Total	3.795.019	5.125.157

(*) 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	12.412	14.356
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	248.222	215.204
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	129.537	96.085
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	1.584.299	1.440.903
Leasing Expenses on TFRS 16 Exceptions	65.257	56.616
Maintenance Expenses	25.574	23.767
Advertisement Expenses	83.805	60.737
Other Expenses	1.409.663	1.299.783
Loss on Sales of Assets	3.818	-
Other	520.277	485.870
Total	2.499.042	2.252.571

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

As of 30 June 2021, the Bank has current tax expense of TL 836.368 (30 June 2020: TL 1.097.654), deferred tax expense of TL 903.685 (30 June 2020: TL 647.002) and a deferred tax income of TL 518.620 (30 June 2020: TL 920.187).

The Bank has no discontinued operations.

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

Net profit of the Bank is TL 4.132.166 (30 June 2020: TL 2.896.295).

The Bank has no discontinued operations.

i. Other figures on profit and loss statement:

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

V. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

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

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

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

1. Current Period – 30 June 2021:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans					
Balance at the Beginning of the Period	903.971	288.551	7.514.006	2.175.351	2.134	1.576
Balance at the End of the Period	1.220.577	331.996	7.444.983	2.680.836	4.605	1.860
Interest and Commission Income Received	28.164	23	293.024	5.210	272	13

According to the German deposit insurance law, the Bank has given a "letter of undertaking" to the German Banking Institute related to Akbank AG, a subsidiary of the Bank. This letter of undertaking amounts to TL 16.917.953 as of 30 June 2021 (31 December 2020: TL 10.953.676).

2. Prior Period - 31 December 2020:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans					
Balance at the Beginning of the Period	727.217	297.220	6.444.515	1.048.361	6.429	1.096
Balance at the End of the Period	903.971	288.551	7.514.006	2.175.351	2.134	1.576
Interest and Commission Income Received(*)	30.942	25	375.089	4.615	251	9

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

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Balance at the Beginning of the Period	806.713	569.432	5.935.681	4.572.838	618.986	1.403.075
Balance at the End of the Period	1.107.574	806.713	5.841.039	5.935.681	630.394	618.986
Interest expense on Deposits (*)	22.680	7.919	224.339	82.745	20.802	12.303

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

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	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	3.815.631	2.916.547	10.166.262	11.408.705	-	-
Balance at the End of the Period	2.018.874	3.815.631	8.973.099	10.166.262	-	-
Total Income/Loss (*)	1.149	(6.138)	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 related transactions. Due to the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Bank. As of 30 June 2021, the net exposure for investments in associates and subsidiaries is TL (18.593) (31 December 2020: TL (294.045)). For direct and indirect shareholders of the Bank TL (480.065) (31 December 2020: TL (358.416)).

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

As of 30 June 2021 benefits provided to the Bank's key management amounting to TL 50.449 (30 June 2020: TL 45.294).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

Service interruption occurred on 6-7 July 2021 due to a technical problem with the 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 AUDITOR'S REVIEW REPORT**

I. EXPLANATIONS ON AUDITOR'S REVIEW REPORT

The unconsolidated 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 unconsolidated financial statements

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

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NOTES TO UNCONSOLIDATED 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 UNCONSOLIDATED 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 UNCONSOLIDATED 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.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

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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.

B. BANKING SECTOR SECOND QUARTER OVERVIEW

In the the first six months of 2021, loan growth in the sector was 9,4% and deposit growth on the funding side was 10,1%.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

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

C. UNCONSOLIDATED FINANCIAL RESULTS AND SECOND QUARTER OVERVIEW

1. Main Balance Sheet Items (TL Million):

	30.06.2021	31.12.2020
	Unconsolidated	Unconsolidated
	Financial Results	Financial Results
Total Asset	497.145	446.101
Loans	277.020	253.319
Deposits	295.656	268.570
Equity	67.305	62.919
Net Income (30.06.2020)	4.132	2.896

2. Main Financial Ratios (%):

	30.06.2021	31.12.2020
	Unconsolidated	Unconsolidated
	Financial Results	Financial Results
Loan / Total Assets	55,7	56,8
Deposit / Total Assets	59,5	60,2
Return on Equity (30.06.2020)	12,8	10,5
Return on Assets (30.06.2020)	1,7	1,5
NPL Ratio	6,1	6,8
Capital Adequacy Ratio	22,15	21,84
Earnings Per Share (TL) (30.06.2020)	0,00795	0,00557

3. Akbank 2Q21 Results Overview:

Akbank reported a gross profit of TL 5.354 million, setting aside TL 1.221 million of tax provisions, reporting a net unconsolidated profit of TL 4.132 million in the first six months of the year.

Capital adequacy ratio of the bank has realized at 22,15 % as of 30 June 2021.

As of 30 June 2021, Akbank's unconsolidated total asset realized at TL 497 billion, loans are TL 277 billion and total deposits are TL 296 billion.

Akbank's NPL ratio realized at 6,1% as of 30 June 2021.

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NOTES TO UNCONSOLIDATED 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.