

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 30 SEPTEMBER 2020 TOGETHER WITH
AUDITOR'S REVIEW REPORT**

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

AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

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

Introduction

We have reviewed the unconsolidated balance sheet of Akbank T.A.Ş. ("the Bank") at 30 September 2020 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 nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

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

Basis for the Qualified Conclusion

As mentioned in Section Five Part II h.4 (i) of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 30 September 2020 include a free provision amounting to TL 1.150.000 thousand which consist of TL 650.000 thousand provided in prior years and TL 500.000 thousand recognized in the current period by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

Qualified Conclusion

Based on our review, except for the effects of the matter on the unconsolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information do not present fairly in all material respects the financial position of Akbank T.A.Ş. at 30 September 2020 and the results of its operations and its cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

Additional Paragraph for Convenience Translation:

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

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

Talar Gül, SMMM
Partner

Istanbul, 27 October 2020

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

THE UNCONSOLIDATED FINANCIAL REPORT OF AKBANK T.A.Ş. AS OF 30 SEPTEMBER 2020

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

The unconsolidated financial report for the nine-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 nine-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.

27 October 2020

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

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

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

SECTION ONE

General Information about the Bank

	Page
I. Bank's foundation date, start-up status, history regarding the changes in this status	1
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	1
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	1
IV. Information on the individual and corporate shareholders having control shares of the Bank	2
V. Information on the Bank's service types and fields of operation	2
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	2

SECTION TWO

Unconsolidated Financial Statements of the Bank

I. Balance sheet	3
II. Off Balance Sheet Commitments	5
III. Income statement	6
IV. Income and expenses accounted under shareholders' equity	7
V. Statement of changes in shareholders' equity	8
VI. Statement of cash flows	10

SECTION THREE

Explanations on Accounting Policies

I. Explanations on basis of presentation	11
II. Explanations on strategy of using financial instruments and explanations on foreign currency transactions	12
III. Explanations on equity investments	12
IV. Explanations on forward transactions, options and derivative instruments	12
V. Explanations on interest income and expense	13
VI. Explanations on fee and commission income and expenses	13
VII. Explanations on financial assets	13
VIII. Explanations on expected credit losses	17
IX. Explanations on offsetting financial instruments	18
X. Explanations on sales and repurchase agreements and securities lending transactions	18
XI. Explanations on assets held for sale and related to discontinued operations(Net)	19
XII. Explanations on goodwill and other intangible assets	19
XIII. Explanations on property and equipment	19
XIV. Explanations on leasing transactions	19
XV. Explanations on provisions and contingent liabilities	20
XVI. Explanations on contingent assets	20
XVII. Explanations on obligations related to employee rights	20
XVIII. Explanations on taxation	21
XIX. Explanations on borrowings	22
XX. Explanations on issuance of share certificates	22
XXI. Explanations on avalized drafts and acceptances	22
XXII. Explanations on government grants	22
XXIII. Explanations on segment reporting	22
XXIV. Profit reserves and profit distribution	23
XXV. Earnings per share	23
XXVI. Related parties	23
XXVII. Cash and cash equivalent assets	23
XXVIII. Reclassifications	23
XXIX. Disclosures of TFRS 16 Leases	23

SECTION FOUR

Information Related to Financial Position and Risk Management of the Bank

I. Explanations on equity	25
II. Explanations on currency risk	34
III. Explanations on interest rate risk	36
IV. Explanations on position risk of equity securities	38
V. Explanations on liquidity risk management and liquidity coverage ratio	38
VI. Explanations on leverage ratio	44
VII. Explanations on risk management target and policies	45
VIII. Explanations on hedge transactions	46
IX. Explanations on business segments	49

SECTION FIVE

Information and Disclosures Related to Unconsolidated Financial Statements

I. Explanations and notes related to assets	51
II. Explanations and notes related to liabilities	65
III. Explanations and notes related to off-balance sheet accounts	72
IV. Explanations and notes related to income statement	73
V. Explanations and notes related to statement of cash flows	77
VI. Explanations and notes related to risk group that the Bank belongs to	79
VII. Explanations and notes related to subsequent events	79

SECTION SIX

Explanations on Auditor's Review Report

I. Explanations on Auditor's Review Report	79
II. Explanations on notes prepared by independent auditors	79

SECTION SEVEN

Explanations on Interim Activity Report

I. Interim period activity report included chairman of the board of directors and CEO's assessments for the interim activities	80
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AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

SECTION ONE GENERAL INFORMATION ABOUT THE BANK

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

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

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

The Bank's shares have been quoted on the Borsa Istanbul ("BIST") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depository Receipts ("ADRs"). As of 30 September 2020, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2019: 51%).

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

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

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
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 SEPTEMBER 2020

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

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

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

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

The Bank's core business activities consist of retail banking, commercial banking, corporate-investment banking and private banking and wealth management, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AvivaSA Emeklilik ve Hayat A.Ş. As of 30 September 2020, the Bank has 718 branches dispersed throughout the country and 1 branch operating abroad (31 December 2019: 770 branches and 1 branch operating abroad).

As of 30 September 2020, the Bank the Bank has 12.547 employees (31 December 2019: 12.750).

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

None.

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.S.

I. UNCONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2020 (STATEMENT OF FINANCIAL POSITION)

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

ASSETS	Note (Section Five)	CURRENT PERIOD (30/09/2020)			PRIOR PERIOD (31/12/2019)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		54.534.342	98.211.244	152.745.586	50.399.066	84.383.650	134.782.716
1.1 Cash and Cash Equivalents		7.188.125	59.569.368	66.757.493	2.494.673	43.995.536	46.490.209
1.1.1 Cash and Balances with Central Bank	(I-a)	5.170.068	37.939.435	43.109.503	2.243.224	27.650.693	29.893.917
1.1.2 Banks	(I-d)	1.509.579	21.630.251	23.139.830	251.462	16.345.284	16.596.746
1.1.3 Money Markets		508.492	-	508.492	-	-	-
1.1.4 Expected Loss Provision [-]		14	318	332	13	441	454
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	49.534	7.922.978	7.922.512	170.989	7.069.120	7.240.109
1.2.1 Government Debt Securities		15.992	153.044	169.036	170.486	92.378	262.864
1.2.2 Equity Instruments		-	303.422	303.422	-	220.294	220.294
1.2.3 Other Financial Assets		33.542	7.416.512	7.450.054	503	6.756.448	6.756.951
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-e)	26.952.577	24.313.120	51.265.697	36.087.714	28.554.393	64.642.107
1.3.1 Government Debt Securities		26.364.509	18.012.890	44.377.399	35.534.282	16.168.796	51.703.078
1.3.2 Equity Instruments		15.610	607	16.217	15.610	607	16.217
1.3.3 Other Financial Assets		572.458	4.299.623	6.872.081	537.822	12.384.990	12.922.812
1.5 Derivative Financial Assets	(I-c, I-l)	20.344.106	6.455.778	26.799.884	11.645.690	4.764.601	16.410.291
1.5.1 Derivative Financial Assets at Fair Value Through Profit or Loss		15.121.229	6.455.778	21.577.007	9.551.895	4.731.384	14.283.279
1.5.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		5.222.877	-	5.222.877	2.093.795	33.217	2.127.012
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		195.835.938	80.609.991	276.445.929	143.880.604	63.238.520	207.119.124
2.1 Loans	(I-f)	173.689.071	76.788.678	250.477.749	142.634.804	61.199.371	203.834.175
2.2 Lease Receivables	(I-k)	-	-	-	-	-	-
2.3 Factoring Receivables	(I-l)	-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost	(I-g)	35.166.274	7.616.001	42.782.275	11.814.099	3.760.759	15.574.858
Government Debt Securities		35.166.274	6.924.419	42.090.693	11.479.840	2.379.418	13.859.258
Other Financial Assets		-	691.582	691.582	334.259	1.381.341	1.715.600
2.5 Expected Credit Loss [-]		13.019.407	3.794.688	16.814.095	10.568.299	1.721.610	12.289.909
III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-o)	177.877	-	177.877	636.017	-	636.017
3.1 Held for Sale Purpose		177.877	-	177.877	636.017	-	636.017
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		1.908.143	7.240.547	9.148.690	1.625.290	5.111.016	6.736.306
4.1 Investments in Associates (Net)	(I-h)	14.795	-	14.795	5.521	-	5.521
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		14.795	-	14.795	5.521	-	5.521
4.2 Subsidiaries (Net)	(I-i)	1.893.348	7.240.547	9.133.895	1.619.769	5.111.016	6.730.785
4.2.1 Unconsolidated Financial Subsidiaries		1.893.348	7.240.547	9.133.895	1.619.769	5.111.016	6.730.785
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)		5.275.354	7.155	5.282.509	4.857.006	6.976	4.863.982
VI. INTANGIBLE ASSETS (Net)		1.056.864	11	1.056.875	933.963	16	933.979
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.056.864	11	1.056.875	933.963	16	933.979
VII. INVESTMENT PROPERTY (Net)	(I-m)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		366.480	-	366.480	-	-	-
IX. DEFERRED TAX ASSET	(I-n)	-	-	-	-	2.438	2.438
X. OTHER ASSETS (Net)	(I-p)	2.922.184	5.442.730	8.364.914	1.842.217	3.584.333	5.426.550
TOTAL ASSETS		262.077.182	191.511.678	453.588.860	204.174.163	156.326.949	360.501.112

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

AKBANK T.A.Ş.
I. UNCONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2020 (STATEMENT OF FINANCIAL POSITION)

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (30/09/2020)			PRIOR PERIOD (31/12/2019)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	106.609.812	162.604.664	269.214.476	96.271.886	127.782.641	224.054.527
II. FUNDS BORROWED	(II-c)	233.461	39.323.362	39.556.823	302.890	31.068.206	31.371.096
III. MONEY MARKETS		10.086.513	13.732.756	23.819.269	612.415	8.199.349	8.811.764
IV. SECURITIES ISSUED (Net)	(II-d)	10.527.332	12.030.996	22.558.328	4.905.531	8.612.669	13.518.200
4.1 Bills		8.057.848	-	8.057.848	2.372.587	-	2.372.587
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		2.469.484	12.030.996	14.500.480	2.532.944	8.612.669	11.145.613
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)	9.764.092	3.937.928	13.702.020	7.203.320	1.655.523	8.858.843
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		9.370.544	3.544.553	12.915.097	6.355.281	1.602.458	7.957.739
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		393.548	393.375	786.923	848.039	53.065	901.104
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(II-f)	503.519	-	503.519	574.553	-	574.553
X. PROVISIONS	(II-h)	1.956.077	172.055	2.128.132	1.362.723	168.354	1.531.077
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		477.040	-	477.040	434.942	-	434.942
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.479.037	172.055	1.651.092	927.781	168.354	1.096.135
XI. CURRENT TAX LIABILITY	(II-i)	450.433	3.398	453.831	735.341	23.651	758.992
XII. DEFERRED TAX LIABILITY		664.793	-	664.793	704.309	-	704.309
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)	-	7.008.986	7.008.986	-	5.381.534	5.381.534
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	7.008.986	7.008.986	-	5.381.534	5.381.534
XV. OTHER LIABILITIES	(II-e)	8.703.942	6.302.010	15.005.952	6.917.863	3.635.927	10.553.790
XVI. SHAREHOLDERS' EQUITY	(II-k)	61.426.744	(2.454.013)	58.972.731	54.116.424	266.003	54.382.427
16.1 Paid-in capital		5.200.000	-	5.200.000	5.200.000	-	5.200.000
16.2 Capital Reserves		5.400.628	-	5.400.628	5.400.628	-	5.400.628
16.2.1 Share Premium		3.505.742	-	3.505.742	3.505.742	-	3.505.742
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		1.894.886	-	1.894.886	1.894.886	-	1.894.886
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		2.839.880	702.104	3.541.984	2.884.029	831.140	3.715.169
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		4.212.479	(3.156.117)	1.056.362	1.289.985	(565.137)	724.848
16.5 Profit Reserves		39.354.663	-	39.354.663	33.924.314	-	33.924.314
16.5.1 Legal Reserves		1.772.027	-	1.772.027	1.532.027	-	1.532.027
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		37.306.183	-	37.306.183	32.128.715	-	32.128.715
16.5.4 Other Profit Reserves		276.453	-	276.453	263.572	-	263.572
16.6 Income or (Loss)		4.419.094	-	4.419.094	5.417.468	-	5.417.468
16.6.1 Prior Periods' Income or (Loss)		-	-	-	-	-	-
16.6.2 Current Period Income or (Loss)		4.419.094	-	4.419.094	5.417.468	-	5.417.468
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		210.926.718	242.662.142	453.588.860	173.707.255	186.793.857	360.501.112

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

	Note (Section Five)	CURRENT PERIOD (30/09/2020)			PRIOR PERIOD (31/12/2019)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		190.759.270	570.489.896	761.249.164	160.597.907	479.564.186	640.162.093
I. GUARANTEES AND WARRANTIES	(III-a-2, 3)	21.691.663	25.953.605	47.645.268	19.912.014	23.535.399	43.447.413
1.1 Letters of Guarantee		18.353.427	16.807.325	35.160.752	16.956.203	14.167.206	31.123.409
1.1.1 Guarantees Subject to State Tender Law		303.967	1.864.007	2.167.974	282.800	1.422.854	1.705.654
1.1.2 Guarantees Given for Foreign Trade Operations		-	2.037.194	2.037.194	-	2.221.818	2.221.818
1.1.3 Other Letters of Guarantee		18.049.460	12.906.124	30.955.584	16.673.403	10.522.534	27.195.937
1.2 Bank Acceptances		-	56.067	56.067	-	50.678	50.678
1.2.1 Import Letter of Acceptance		-	56.067	56.067	-	50.678	50.678
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		7.935	3.131.660	3.139.595	8.409	4.358.456	4.366.865
1.3.1 Documentary Letters of Credit		7.935	2.496.270	2.504.205	8.409	3.685.663	3.694.072
1.3.2 Other Letters of Credit		-	635.390	635.390	-	672.793	672.793
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	13.434	13.434	-	14.790	14.790
1.8 Other Guarantees		130.443	5.937.636	6.068.079	5.990	4.931.215	4.937.205
1.9 Other Collaterals		3.199.858	7.483	3.207.341	2.941.412	13.054	2.954.466
II. COMMITMENTS	(III-a-1)	50.143.219	46.617.435	96.760.654	43.532.774	23.710.713	67.243.487
2.1 Irrevocable Commitments		49.223.234	46.617.435	95.840.669	42.539.957	23.710.713	66.250.676
2.1.1 Asset Purchase Commitments		4.524.135	32.445.214	36.969.349	3.512.234	11.250.734	14.762.968
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		7.682.045	1.859.593	9.541.638	8.228.762	1.423.408	9.652.170
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		2.712.701	-	2.712.701	2.632.311	-	2.632.311
2.1.8 Tax and Fund Liabilities from Export Commitments		4.800	-	4.800	4.430	-	4.430
2.1.9 Commitments for Credit Card Limits		27.969.954	-	27.969.954	23.193.073	-	23.193.073
2.1.10 Commitments for Credit Cards and Banking Services Promotions		142.948	-	142.948	94.381	-	94.381
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		6.186.651	12.312.628	18.499.279	4.874.766	11.036.571	15.911.337
2.2 Revocable Commitments		919.985	-	919.985	992.817	-	992.817
2.2.1 Revocable Loan Granting Commitments		919.985	-	919.985	992.817	-	992.817
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		118.924.388	497.918.856	616.843.244	97.153.119	432.318.074	529.471.193
3.1 Hedging Derivative Financial Instruments		19.503.263	69.387.240	88.890.503	13.674.935	50.919.357	64.594.292
3.1.1 Fair Value Hedges		5.539.568	27.490.280	33.029.848	4.122.135	22.626.912	26.749.047
3.1.2 Cash Flow Hedges		13.963.695	41.896.960	55.860.655	9.552.800	28.292.445	37.845.245
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		99.421.125	428.531.616	527.952.741	83.478.184	381.398.717	464.876.901
3.2.1 Forward Foreign Currency Buy/Sell Transactions		6.466.491	13.749.939	20.216.430	6.344.720	14.293.529	20.638.249
3.2.1.1 Forward Foreign Currency Transactions-Buy		6.305.938	3.748.693	10.054.631	5.802.042	4.831.696	10.633.738
3.2.1.2 Forward Foreign Currency Transactions-Sell		160.553	10.001.246	10.161.799	542.678	9.461.833	10.004.511
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		86.994.305	337.573.749	424.568.054	72.288.056	317.407.670	389.695.726
3.2.2.1 Foreign Currency Swap-Buy		11.504.093	104.917.859	116.421.952	22.894.573	93.779.012	116.673.585
3.2.2.2 Foreign Currency Swap-Sell		54.343.322	86.392.408	140.735.730	47.063.483	72.653.394	119.716.877
3.2.2.3 Interest Rate Swap-Buy		10.573.445	73.131.741	83.705.186	1.165.000	75.487.632	76.652.632
3.2.2.4 Interest Rate Swap-Sell		10.573.445	73.131.741	83.705.186	1.165.000	75.487.632	76.652.632
3.2.3 Foreign Currency, Interest Rate and Securities Options		2.492.650	25.193.090	27.685.740	4.668.517	27.522.912	32.191.429
3.2.3.1 Foreign Currency Options-Buy		1.270.341	3.018.252	4.288.593	1.934.397	3.443.224	5.377.621
3.2.3.2 Foreign Currency Options-Sell		1.222.309	2.633.104	3.855.413	2.734.120	2.804.616	5.538.736
3.2.3.3 Interest Rate Options-Buy		-	9.770.867	9.770.867	-	10.637.536	10.637.536
3.2.3.4 Interest Rate Options-Sell		-	9.770.867	9.770.867	-	10.637.536	10.637.536
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		3.385.513	3.425.945	6.811.458	85.946	85.005	170.951
3.2.4.1 Foreign Currency Futures-Buy		1.277.228	2.110.676	3.387.904	85.946	-	85.946
3.2.4.2 Foreign Currency Futures-Sell		2.108.285	1.315.269	3.423.554	-	85.005	85.005
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		82.166	48.588.893	48.671.059	90.945	22.089.601	22.180.546
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		910.585.994	451.816.806	1.362.402.800	856.292.085	337.560.592	1.193.852.677
IV. ITEMS HELD IN CUSTODY		55.101.723	41.564.995	96.666.718	47.522.044	24.508.688	72.030.732
4.1 Customer Fund and Portfolio Balances		11.348.785	3.971.491	15.320.276	9.483.940	1.309.375	10.793.315
4.2 Investment Securities Held in Custody		5.724.884	9.838.971	15.563.855	3.496.688	2.996.399	6.493.087
4.3 Cheques Received for Collection		31.231.425	4.047.082	35.278.507	28.123.634	3.036.679	31.160.313
4.4 Commercial Notes Received for Collection		6.495.455	4.392.161	10.887.616	6.116.849	3.118.920	9.235.769
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		301.174	19.315.290	19.616.464	300.933	14.047.315	14.348.248
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		231.997.190	130.141.862	362.139.052	208.267.187	102.985.636	311.252.823
5.1 Marketable Securities		938.540	2.222.842	3.161.382	785.963	1.137.538	1.923.501
5.2 Guarantee Notes		605.711	737.422	1.343.133	652.116	574.500	1.226.616
5.3 Commodity		178.400	177.803	356.203	-	135.780	135.780
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		181.086.789	102.734.168	283.820.957	165.999.748	81.577.712	247.577.460
5.6 Other Pledged Items		49.187.750	24.269.627	73.457.377	40.829.360	19.560.106	60.389.466
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		623.487.081	280.109.949	903.597.030	600.502.854	210.066.268	810.569.122
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		1.101.345.264	1.022.306.702	2.123.651.966	1.016.889.992	817.124.778	1.834.014.770

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 SEPTEMBER 2020

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

INCOME AND EXPENSE ITEMS		Note (Section Five)	CURRENT PERIOD	CURRENT PERIOD	PRIOR PERIOD	PRIOR PERIOD
			(01/01-30/09/2020)	(01/07-30/09/2020)	(01/01-30/09/2019)	(01/07-30/09/2019)
I.	INTEREST INCOME	(IV-a)	23.837.453	7.912.093	26.309.903	8.786.970
1.1	Interest on Loans	(IV-a-1)	17.035.814	5.611.787	20.589.549	6.806.097
1.2	Interest on Reserve Requirements		33.344	19.655	357.618	105.551
1.3	Interest on Banks	(IV-a-2)	183.852	59.066	536.261	192.155
1.4	Interest on Money Market Transactions		94.066	42.340	138.023	65.011
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	6.470.053	2.171.361	4.589.997	1.593.926
1.5.1	Fair Value Through Profit or Loss		11.792	2.684	-	-
1.5.2	Fair Value Through Other Comprehensive Income		3.954.241	1.114.617	3.703.555	1.288.584
1.5.3	Measured at Amortised Cost		2.504.020	1.054.060	886.442	305.342
1.6	Financial Lease Interest Income		-	-	-	-
1.7	Other Interest Income		20.324	7.884	98.455	24.230
II.	INTEREST EXPENSE (-)	(IV-b)	9.535.479	3.303.779	15.224.541	4.767.577
2.1	Interest on Deposits	(IV-b-4)	5.966.382	1.962.383	11.564.821	3.749.134
2.2	Interest on Funds Borrowed	(IV-b-1)	785.970	236.418	1.176.588	343.243
2.3	Interest Expense on Money Market Transactions		1.069.671	423.863	828.267	121.109
2.4	Interest on Securities Issued	(IV-b-3)	1.352.272	560.862	1.578.472	529.898
2.5	Interest on Leases		67.906	21.593	69.783	23.682
2.6	Other Interest Expenses		293.278	98.660	6.610	511
III.	NET INTEREST INCOME (I - II)		14.301.974	4.608.314	11.085.362	4.019.393
IV.	NET FEES AND COMMISSIONS INCOME		2.999.102	1.035.167	3.407.296	1.138.785
4.1	Fees and Commissions Received		3.720.072	1.286.364	4.419.509	1.517.830
4.1.1	Non-cash Loans		328.837	103.072	430.637	125.893
4.1.2	Other		3.391.235	1.183.292	3.988.872	1.391.937
4.2	Fees and Commissions Paid (-)		720.970	251.197	1.012.213	379.045
4.2.1	Non-cash Loans		3.099	1.037	481	177
4.2.2	Other		717.871	250.160	1.011.732	378.868
V.	DIVIDEND INCOME		3.724	-	6.059	656
VI.	TRADING INCOME /(LOSS) (Net)	(IV-c)	979.664	1.066.576	(513.430)	(534.100)
6.1	Trading Gains / (Losses) on Securities		317.792	34.936	168.859	88.057
6.2	Gains / (Losses) on Derivative Financial Transactions		3.369.979	3.320.379	2.066.793	(751.808)
6.3	Foreign Exchange Gains / (Losses)		(2.708.107)	(2.288.739)	(2.749.082)	129.651
VII.	OTHER OPERATING INCOME	(IV-d)	895.996	306.367	550.009	184.344
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		19.180.460	7.016.424	14.535.296	4.809.078
IX.	EXPECTED CREDIT LOSS (-)	(IV-e)	5.624.533	2.183.956	4.235.970	1.527.226
X.	OTHER PROVISION EXPENSES (-)		2.883.694	1.199.114	811.567	62.954
XI.	PERSONNEL EXPENSE (-)		2.136.615	684.451	1.938.422	645.410
XII.	OTHER OPERATING EXPENSES (-)	(IV-f)	3.503.525	1.250.954	2.913.704	997.960
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		5.032.093	1.697.949	4.635.633	1.575.528
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		646.595	259.975	493.858	167.981
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)		5.678.688	1.957.924	5.129.491	1.743.509
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-g)	1.259.594	435.125	1.041.538	346.210
18.1	Current Tax Provision		643.346	(454.308)	1.006.743	635.639
18.2	Deferred Tax Expense Effect (+)		2.007.083	1.360.081	534.991	(403.137)
18.3	Deferred Tax Income Effect (-)		1.390.835	470.648	500.196	(113.708)
XVIII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(IV-h)	4.419.094	1.522.799	4.087.953	1.397.299
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)		4.419.094	1.522.799	4.087.953	1.397.299
Earning/(Loss) per share (in TL full)			0,00850	0,00293	0,00827	0,00283

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

AKBANK T.A.Ş.**IV. UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

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

	CURRENT PERIOD	PRIOR PERIOD
	(30/09/2020)	(30/09/2019)
I. CURRENT PERIOD INCOME/LOSS	4.419.094	4.087.953
II. OTHER COMPREHENSIVE INCOME	171.036	728.974
2.1 Not Reclassified Through Profit or Loss	(160.478)	41.222
2.1.1 Property and Equipment Revaluation Increase/Decrease	157.929	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Plan Remeasurement Gain/Loss	(17.412)	(32.797)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(285.889)	66.804
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(15.106)	7.215
2.2 Reclassified Through Profit or Loss	331.514	687.752
2.2.1 Foreign Currency Translation Differences	2.133.349	38.857
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(1.300.221)	1.914.476
2.2.3 Cash Flow Hedge Income/Loss	428.824	(1.043.199)
2.2.4 Foreign Net Investment Hedge Income/Loss	(1.438.648)	(39.360)
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	508.210	(183.022)
III. TOTAL COMPREHENSIVE INCOME (I+II)	4.590.130	4.816.927

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 SEPTEMBER 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	Accumulated Remeasureme nt Gain/Loss of	Property and Equipment	Defined Benefit Plan	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																		
(30/09/2020)																		
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	-	-	-	-	138.992	(13.581)		(285.889)	2.133.349	(1.014.172)	(787.663)	-	-	4.419.094	4.590.130		
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
X.	Increase/Decrease by Other Changes	-	-	-	-	(12.707)	-	-	-	-	-	-	12.881	-	-	174		
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+...+XI)		5.200.000	3.505.742	-	1.894.886	2.333.879	(191.683)		1.399.788	4.013.179	(928.481)	(2.028.336)	39.354.663	-	4.419.094	58.972.731		

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 SEPTEMBER 2019

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

	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Other (Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)			Accumulated Other Comprehensive Income or Expense Reclassified through Other (Cash Flow Hedge Gain/Loss, Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders' Equity		
						Accumulated Revaluation Increase/Decrease of Property and Equipment	Accumulated Remeasurement Gain/Loss of Defined Benefit Plan	Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Foreign Currency Translation Differences	Other Profit or Loss					Profit Reserves	
PRIOR PERIOD (30/09/2019)																	
I.	Prior Period End Balance	4.000.000	1.700.000	-	1.986.298	2.207.533	(108.911)	1.442.408	1.624.806	(2.911.390)	(55.038)	28.233.739	-	5.689.644	43.809.089		
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	(91.412)	-	-	-	-	-	-	-	-	-	(91.412)		
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.2	Effects of the Changes in Accounting Policies	-	-	-	(91.412)	-	-	-	-	-	-	-	-	-	(91.412)		
III.	Adjusted Beginning Balance (I+II)	4.000.000	1.700.000	-	1.894.886	2.207.533	(108.911)	1.442.408	1.624.806	(2.911.390)	(55.038)	28.233.739	-	5.689.644	43.717.677		
IV.	Total Comprehensive Income	-	-	-	-	-	(25.582)	66.804	38.857	1.493.291	(844.396)	-	-	4.087.953	4.816.927		
V.	Capital Increase by Cash	1.200.000	1.805.742	-	-	-	-	-	-	-	-	-	-	-	3.005.742		
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
X.	Increase/Decrease by Other Changes	-	-	-	-	98	-	-	-	-	-	-	931	-	1.029		
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	5.689.644	(5.689.644)	-		
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	5.689.644	(5.689.644)	-		
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Period-End Balance (I+II+III+...+X+XI)		5.200.000	3.505.742	-	1.894.886	2.207.631	(134.493)	1.509.212	1.663.663	(1.418.099)	(899.434)	33.924.314	-	4.087.953	51.541.375		

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 SEPTEMBER 2020**

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

	Note (Section Five)	CURRENT PERIOD (30/09/2020)	PRIOR PERIOD (30/09/2019)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1		11.939.589	10.325.034
1.1.1		21.382.564	22.504.845
1.1.2		(9.515.113)	(15.504.339)
1.1.3		3.724	3.297
1.1.4		3.733.758	4.392.816
1.1.5		(789.616)	1.626.118
1.1.6		1.395.578	1.162.605
1.1.7		(2.297.813)	(2.101.068)
1.1.8		(217.128)	(163.439)
1.1.9		(1.756.365)	(1.595.801)
1.2		(8.099.076)	685.351
1.2.1		(2.152.715)	(250.172)
1.2.2		(1.504.533)	180.871
1.2.3		(46.408.787)	(6.343.967)
1.2.4		(21.664.616)	(6.165.402)
1.2.5		2.508.824	(797.505)
1.2.6		42.690.747	27.578.651
1.2.7		-	-
1.2.8		8.197.504	(8.771.457)
1.2.9		-	-
1.2.10		10.234.500	(4.745.668)
I.		3.840.513	11.010.385
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.		(10.885.960)	(18.910.916)
2.1		(35.000)	(125.000)
2.2		-	-
2.3		(872.237)	(782.418)
2.4		2.672	12.004
2.5		(12.599.176)	(21.878.607)
2.6		25.862.919	5.137.201
2.7		(24.199.869)	(3.714.492)
2.8		3.224.165	2.583.389
2.9		(2.269.434)	(142.993)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.		10.411.853	3.811.687
3.1		33.463.618	26.266.909
3.2		(22.775.163)	(25.236.850)
3.3		-	3.005.742
3.4		-	-
3.5		(276.602)	(224.114)
3.6		-	-
IV.		3.460.123	1.508.314
V.		6.826.529	(2.580.530)
VI.		15.835.984	17.480.198
VII.		22.662.513	14.899.668

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

**SECTION THREE
EXPLANATIONS ON ACCOUNTING POLICIES**

I. EXPLANATIONS ON BASIS OF PRESENTATION:

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

The unconsolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Law numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), 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. On the other hand, estimations and assumptions used to reflect COVID-19 impacts on 30 September 2020 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 possibility of postponement will continue until the end of the year.

b. Explanation for convenience translation to English:

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

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

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

As of 30 September 2020, foreign currency denominated balances are translated into TL using the exchange rates of TL 7,7522 and TL 9,0835 for USD and EURO respectively.

III. EXPLANATIONS ON EQUITY INVESTMENTS:

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

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

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

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

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

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

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

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income"; if the fair value difference is negative, it is disclosed in "Derivative Financial Liabilities Measured at Fair Value Through Profit and Loss" or "Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement. The basis on accounting of derivative instruments for hedging purposes are explained in Note 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.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

Embedded derivatives have not been separated from its host contract and accounted under host contracts' accounting standards. As of 30 September 2020, the Bank has no embedded derivatives (31 December 2019: None).

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

Classification and measurement of financial assets

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

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

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

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

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

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

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

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

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

b. Financial Assets at Fair Value Through Other Comprehensive Income

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

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

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

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

c. Financial Assets Measured at Amortized Cost:

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

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

d. Derivative Financial Assets:

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

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

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

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

e. Loans

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

1. Loans measured at amortised cost:

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

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

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

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

Significant increase in credit risk:

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

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

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

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

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

Definition of Default:

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

1.Objective Default Definition: It means that the debt is overdue by more than 90 days. The definition of default, which is applicable to the Bank and its consolidated financial institutions, is based on the criteria that the debt is overdue by more than 90 days.

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

According to these amendments, the Bank has made provisions for loans with a delay of 91-180 days according to its own risk policies and models, where the conditions of the borrower are also evaluated.

2. Subjective Default Definition: It means that it is determined the debt will not be paid off. If the borrower deemed to be unable to fulfill the debt obligations, borrower should be considered as defaulted whether there is a overdue payment or number of days.

Write-off Policy:

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES:

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

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

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

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

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

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

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

Expected Credit Loss is calculated over the remaining maturity using the PD, LGD and EAD components. Calculated values are discounted on a monthly basis using the original effective interest rate or an approximate value of the discount rate. The expected credit loss value is calculated for all customers over the maturity period.

However, for those who do not have a significant increase in credit risk, the 12-month ECL is taken into account, and for those with a significant increase in credit risk, the ECL value calculated over the remaining period is taken into account.

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

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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 once a year. After the last review during the reporting period;

- There has been no change in the assumptions in estimation techniques and model risk parameters.
- The macroeconomic model used in the process has been redeveloped. The parameter estimates used in the macroeconomic model were updated.
- The expected credit loss calculation is made by considering 3 different scenarios the best, the worst, and the base.

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

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

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

In forward-looking expectations, 3 scenarios are being used. Final provisions are calculated by weighting on the possibilities given to the scenarios. Within the scope of the effects of COVID-19's Expected Credit Loss (SEE) calculations, the macro-economic model used in the process as of September 30, 2020 has been re-developed and the macroeconomic data used in the model has been updated in line with the most up-to-date estimates of the Economic Research Unit. In the first two quarters, the weight of the bad scenario was increased by decreasing the weight of the base scenario from 3 scenarios, while no change was made in the third quarter. As of September 30, 2020, cash flows expected to affect the effects of COVID-19 in loans evaluated individually have been updated and taken into account.

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".

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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 September 2020, the Bank has marketable securities amounting to TL 529.296 (31 December 2019: TL 474.457).

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

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

The Bank has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Bank has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

The Bank has started to account properties under the tangible assets with their revalued amount instead of cost values in accordance with "TAS 16 Plant and Equipment". 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.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

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

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

b. Retirement Rights:

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

Temporary 23rd article paragraph ("the paragraph") 1 of the Banking Law No 5411 published in the Official Gazette no. 25983 dated 1 November 2005 envisaged that Banks would transfer their pension funds to the Social Security Institution ("SSI") within three years following the publication date of the Banking Law, and regulated the principles of this transfer. The first paragraph of the related article was rescinded as from the 30 September 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.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

The New Law was requiring that present value of post-employment benefits at the transfer date shall be calculated by a commission consisting of the representatives of SSI, Ministry of Finance, Undersecretariat of Treasury, Undersecretariat of State Planning Organization, BRSA, SDIF and banks and funds, by using a technical discount rate of 9,8 percent taking into consideration the transferrable contributions and payments of the funds including any monthly payment differences paid by the funds above the limits within the framework of SSI regulations. Accordingly the transfer required by the New Law was to be completed until 8 May 2011. According to the decision of the Council of Ministers published on the Official Gazette dated 9 April 2011 no. 27900, the time frame for related transfer has been extended for two years. Within the postponement right granted to the Council of Ministers through the change in the first clause of the 20th provisional article of the "Social Insurance and General Health Insurance Law no. 5510" published on the Official Gazette no. 28227 dated 8 March 2012, the transfer process has been postponed for one more year with the decision of the Council of Ministers published in the Official Gazette no. 28987 dated 30 April 2014. The Council of Ministers has been authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated 23 April 2015 and numbered 29335. According to paragraph (I) of Article 203 of Law no. 703 which published on the Official Gazette no. 30473 dated 9 July 2018, the phrase, placed in 20th provisional article of Social Insurance and General Health Insurance Law no.5510, "Council of Ministers" is authorized to determine the date of transfer to the Social Security Institution has been replaced with "President".

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

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

XVIII. EXPLANATIONS ON TAXATION:

a. Current Tax:

In Turkey, corporate tax rate is 20%. Corporate tax rate will be applied as 22% for a period of three years in 2018, 2019 and 2020, according to Law No: 7061 "The Law regarding amendments on Certain Tax Laws and their implications on Deferred Tax Calculations" published in the Official Gazette dated 5 December 2017. The corporate tax rate is applied to tax base which is calculated by adding certain non deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and exclusion of deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

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

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

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

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

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

b. Deferred Tax:

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. Accordingly, the corporate income tax rate will be increased from 20% to 22% for the years 2018, 2019 and 2020. According to the Law that have been enacted, deferred tax asset and liabilities shall be measured at the tax rate 22% that are expected to apply to these periods when the assets is

realised or the liability is settled. For the periods 2021 and after deferred tax assets and liabilities were measured by 20% tax rate. Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

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

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2020.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 September 2020 and 31 December 2019, there is no government grant for the Bank.

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

- a. 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),
- b. 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,
- c. for which discrete financial information is available.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

XXIV. PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

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

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

XXV. EARNINGS PER SHARE:

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

	Current Period	Prior Period
	30 September 2020	30 September 2019
Net Profit for the Period	4.419.094	4.087.953
Average Number of Issued Common Shares (Thousand)	520.000.000	494.065.934
Earnings Per Share (Amounts presented as full TL)	0,00850	0,00827

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

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

XXVI. RELATED PARTIES:

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

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

The Bank has made some classifications on the 30 September 2019 cash flow statement in order to comply with the presentation of the financial statements dated 30 September 2020.

XXIX. DISCLOSURES OF TFRS 16 LEASES:

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

TFRS 16 "Leases" Standard

Bank – lessee :

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

Right of use assets:

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

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

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

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

The Lease Obligations:

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

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

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

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

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

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

	30 September 2020	31 December 2019
Real estate	702.919	767.786
Total right of use asset	702.919	767.786

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

	30 September 2020	31 December 2019
Real estate	308.497	308.558
Total right of use asset depreciation expense	308.497	308.558

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 86.285 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.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

I. EXPLANATIONS ON EQUITY:

Total capital amount and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks", additionally, calculated according to BRSA regulations dated 23 March 2020, numbered 3397 and dated 16 April 2020, numbered 3984. Based on recent regulation changes;

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

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

3) Within the scope of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks, published in the Official Gazette dated 23 May 2015 and numbered 29511 and in accordance with the Standard Approach, 0% risk weight can be applied in calculating the amount subject to credit risk to receivables in foreign currency and from the centralized administration of Republic of Turkey.

As of 30 September 2020, taking into consideration the above-mentioned regulations, the current period equity of the Bank has been calculated as TL 69.647.894 (31 December 2019: TL 62.933.513), and the capital adequacy ratio is 22,98% (31 December 2019: 20,97%). This ratio is above the minimum ratio required by the legislation.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

a. Information about total capital items:

	Current Period 30 September 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	7.734.720	
Profit	4.419.094	
Current Period Profit	4.419.094	
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	62.121.231	
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	111	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.548.129	
Improvement costs for operating leasing	36.824	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.042.971	1.042.971
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	2.628.035	
Total Common Equity Tier 1 Capital	59.493.196	

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

	Current Period 30 September 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)	59.493.196	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	6.906.630	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.248.786	
Tier II Capital Before Deductions	10.155.416	
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	10.155.416	
Total Capital (The sum of Tier I Capital and Tier II Capital)	69.648.612	
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 (-)	718	
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	-	

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

	Current Period 30 September 2020	Amounts related to treatment before 1/1/2014(*)
TOTAL CAPITAL		
Total Capital	69.647.894	
Total Risk Weighted Amounts	303.068.120	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	19,63%	
Tier 1 Capital Adequacy Ratio (%)	19,63%	
Capital Adequacy Ratio (%)	22,98%	
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2,56%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific total common equity tier 1 capital ratio (%)	0,06%	
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 (%)	11,63%	
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	(671.957)	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	7.305.072	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3.248.786	
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".

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

	Prior Period 31 December 2019	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.094.886	
Share issue premiums	3.505.742	
Reserves	33.924.314	
Gains recognized in equity as per TAS	5.852.352	
Profit	5.417.468	
Current Period Profit	5.417.468	
Prior Period Profit	-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	6.440	
Common Equity Tier 1 Capital Before Deductions	55.801.202	
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	86	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	717.837	
Improvement costs for operating leasing	40.431	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	760.999	760.999
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	1.519.353	
Total Common Equity Tier 1 Capital	54.281.849	

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

	Prior Period 31 December 2019	Amounts related to treatment before 1/1/2014 (*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	54.281.849	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	5.328.000	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.325.313	
Tier II Capital Before Deductions	8.653.313	
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	8.653.313	
Total Capital (The sum of Tier I Capital and Tier II Capital)	62.935.162	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immoveables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	1.649	
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	-	

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

	Prior Period 31 December 2019	Amounts related to treatment before 1/1/2014(*)
TOTAL CAPITAL		
Total Capital	62.933.513	
Total Risk Weighted Amounts	300.070.001	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	18,09%	
Tier 1 Capital Adequacy Ratio (%)	18,09%	
Capital Adequacy Ratio (%)	20,97%	
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 (%)	10,09%	
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	(701.871)	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	4.384.835	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3.325.313	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
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".

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

**Current Period
30 September 2020**

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)	3.876 million TL (in full TL amount)
Nominal value of instrument	3.876 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	15 March 2017
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 1 day (Maturity date: 16 March 2027)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 16.03.2022. The reimbursement amount is 3.876 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 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.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

**Current Period
30 September 2020**

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)	3.101 million TL (in full TL amount)
Nominal value of instrument	3.101 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 3.101 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.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

- 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 7,7522	TL 9,0835
1.Day bid rate	TL 7,7522	TL 9,0835
2.Day bid rate	TL 7,8080	TL 9,1281
3.Day bid rate	TL 7,7507	TL 9,0268
4.Day bid rate	TL 7,5546	TL 8,8050
5.Day bid rate	TL 7,5546	TL 8,8050

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 7,5160

EURO : TL 8,8653

As of 31 December 2019;

	USD	EURO
Balance Sheet Evaluation Rate	TL 5,9200	TL 6,6397

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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 September 2020	EURO	USD	Other FC	Total
Assets				
Cash and Balances with Central Bank (*)	15.117.061	20.796.122	2.026.252	37.939.435
Banks	1.291.797	18.190.853	2.147.601	21.630.251
Financial Assets at Fair Value through Profit or Loss	45.506	7.827.472	-	7.872.978
Money Markets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3.671.391	19.410.511	1.231.218	24.313.120
Loans and Lease Receivables (**)	46.053.107	31.319.381	63.321	77.435.809
Investments in Associates, Subsidiaries and Joint Ventures	7.240.547	-	-	7.240.547
Other financial assets measured at amortised cost	1.224.263	6.391.738	-	7.616.001
Hedging Derivative Financial Assets	-	-	62.386	62.386
Tangible Assets (Net)	-	7.155	-	7.155
Intangible Assets (Net)	-	11	-	11
Other Assets (***)	1.594.990	6.358.882	5.431	7.959.303
Total Assets	76.238.662	110.302.125	5.536.209	192.076.996
Liabilities				
Bank Deposits (****)	1.207.005	5.767.257	2.049.344	9.023.606
Foreign Currency Deposits (****)	42.898.405	90.773.034	19.909.619	153.581.058
Money Markets	-	13.732.756	-	13.732.756
Borrowings	8.003.340	31.320.022	-	39.323.362
Securities Issued (Net) (*****)	90.965	18.949.017	-	19.039.982
Miscellaneous Payables	2.936.841	2.840.621	329.044	6.106.506
Hedging Derivative Financial Liabilities	48.789	952.372	-	1.001.161
Other Liabilities	1.234.230	2.062.968	10.526	3.307.724
Total Liabilities	56.419.575	166.398.047	22.298.533	245.116.155
Net on Balance Sheet Position	19.819.087	(56.095.922)	(16.762.324)	(53.039.159)
Net off-Balance Sheet Position (*****)	(16.267.337)	56.332.072	16.336.892	56.401.627
Financial Derivative Assets	26.673.883	121.061.348	31.592.879	179.328.110
Financial Derivative Liabilities	42.941.220	64.729.276	15.255.987	122.926.483
Non-cash Loans	14.366.518	11.084.725	502.362	25.953.605
Prior Period - 31 December 2019				
Total Assets	58.660.493	93.659.574	4.862.717	157.182.784
Total Liabilities	51.687.857	124.974.355	9.865.642	186.527.854
Net on-Balance Sheet Position	6.972.636	(31.314.781)	(5.002.925)	(29.345.070)
Net off-Balance Sheet Position (*****)	(4.202.223)	31.635.898	4.974.513	32.408.188
Financial Derivative Assets	35.152.740	85.357.790	7.202.967	127.713.497
Financial Derivative Liabilities	39.354.963	53.721.892	2.228.454	95.305.309
Non-cash Loans	11.695.617	11.330.391	509.391	23.535.399

(*) Of the Cash Equivalents and Central Bank and Other FC, TL 1.585.549 (31 December 2019: TL 1.224.161) are precious metal deposit account in demand.

(**) The foreign currency indexed loans balance in the Turkish Lira accounts is TL 647.131 (31 December 2019: TL 936.478).

(***) Derivative financial assets and expected credit losses are classified under other assets. The expected loss amount of foreign currency indexed loans balance is TL 25.648 (31 December 2019: TL 17.794). Prepaid assets amounted TL 56.165 (31 December 2019: TL 62.849) is excluded in the financial statements.

(****) Of the foreign currency deposits TL 8.803 (31 December 2019: TL 3.314) and Bank Deposits Other FC of the TL 15.856.883 (31 December 2019: TL 4.491.847) are precious metal deposit account in demand.

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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 September 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	3.296.108	-	-	-	-	39.813.395	43.109.503
Banks	4.937.838	1.172.364	-	-	-	17.029.628	23.139.830
Financial assets at fair value through profit or loss (Net)	1.206	-	7.423.838	85.994	74.510	336.964	7.922.512
Money Markets	508.492	-	-	-	-	-	508.492
Financial Assets at Fair Value Through Other Comprehensive Income	4.709.622	5.979.565	15.618.572	18.336.477	6.254.883	366.578	51.265.697
Loans and Lease Receivables (*)	72.233.895	30.700.304	63.397.536	62.304.224	5.876.437	15.965.353	250.477.749
Other financial assets measured at amortised cost	1.292.206	6.911.380	20.454.548	12.888.494	1.235.647	-	42.782.275
Other Assets (**)	6.197.432	10.290.010	11.762.687	3.020.659	1.533.459	1.578.555	34.382.802
Total Assets	93.176.799	55.053.623	118.657.181	96.635.848	14.974.936	75.090.473	453.588.860
Liabilities							
Bank Deposits	6.861.923	2.492.273	11.613	-	-	305.897	9.671.706
Other Deposits	146.370.050	18.988.690	4.964.859	106.713	4	89.112.454	259.542.770
Money Markets	11.627.956	3.075.008	9.116.305	-	-	-	23.819.269
Miscellaneous Payables	1.282.070	1.715.896	2.229.946	639.526	105.404	5.776.637	11.749.479
Securities Issued (Net) (***)	222.207	3.265.390	5.865.972	9.357.328	10.856.417	-	29.567.314
Borrowings	13.710.876	22.699.263	2.983.318	163.366	-	-	39.556.823
Other Liabilities (****)	3.235.881	3.969.763	5.503.082	1.663.663	632.337	64.676.773	79.681.499
Total Liabilities	183.310.963	56.206.283	30.675.095	11.930.596	11.594.162	159.871.761	453.588.860
Balance Sheet Long Position	-	-	87.982.086	84.705.252	3.380.774	-	176.068.112
Balance Sheet Short Position	(90.134.164)	(1.152.660)	-	-	-	(84.781.288)	(176.068.112)
Off-balance Sheet Long Position	1.498.637	14.158.983	-	1.053.491	1.162.724	-	17.873.835
Off-balance Sheet Short Position	-	-	(2.662.732)	-	-	-	(2.662.732)
Total Position	(88.635.527)	13.006.323	85.319.354	85.758.743	4.543.498	(84.781.288)	15.211.103

(*) 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.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

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

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

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

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

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

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

Current Period – 30 September 2020	EURO	USD	Yen	TL
Assets				
Cash and Balances with Central Bank	-	-	-	7,00
Banks	-	0,19	-	12,08
Financial Assets at Fair Value Through Profit or Loss (Net)	2,99	4,39	-	10,50
Money Markets	-	-	-	12,51
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	3,03	4,94	3,09	12,13
Loans and Lease Receivables	4,49	6,09	7,50	11,67
Other financial assets measured at amortised cost	1,70	5,86	-	11,01
Liabilities				
Bank Deposits (*)	0,66	1,70	-	8,05
Other Deposits (*)	0,17	1,08	-	8,05
Money Markets	-	1,12	-	11,02
Miscellaneous Payables	-	0,45	-	-
Securities Issued (Net) (**)	4,00	6,22	-	10,30
Borrowings	1,69	2,36	-	8,86

(*) 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.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

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

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

IV. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES:

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

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

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

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

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

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

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

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

The different categories of defined limits are;

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

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

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

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

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

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

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

d) Information on liquidity risk mitigation techniques:

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

e) Information on the use of stress tests:

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

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

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

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

Liquidity Coverage Ratio:

		Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Current Period – 30.09.2020					
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			87.394.177	43.945.902
CASH OUTFLOWS					
2	Retail and Customers Deposits	176.526.985	97.260.702	16.027.428	9.726.070
3	Stable deposits	32.505.408	-	1.625.270	-
4	Less stable deposits	144.021.577	97.260.702	14.402.158	9.726.070
5	Unsecured Funding other than Retail and Small Business Customers Deposits	81.815.567	51.838.390	44.346.173	29.272.215
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	73.535.585	46.674.895	37.500.303	24.108.953
8	Other Unsecured Funding	8.279.982	5.163.495	6.845.870	5.163.262
9	Secured funding	-	-	1.545.312	1.545.312
10	Other Cash Outflows	21.111.777	21.576.156	11.715.835	13.586.931
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	10.653.983	12.700.022	10.653.983	12.700.022
12	Debts related to the structured financial products	20.001	-	20.001	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	10.437.793	8.876.134	1.041.851	886.909
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	1.034.166	-	51.708	-
15	Other irrevocable or conditionally revocable commitments	63.027.043	12.912.752	3.151.352	645.638
16	TOTAL CASH OUTFLOWS			76.837.808	54.776.166
CASH INFLOWS					
17	Secured Lending Transactions	401.022	-	-	-
18	Unsecured Lending Transactions	28.885.101	15.501.130	22.857.311	14.633.163
19	Other contractual cash inflows	6.413.024	19.970.021	6.412.813	19.969.963
20	TOTAL CASH INFLOWS	35.699.147	35.471.151	29.270.124	34.603.126
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			87.394.177	43.945.902
22	TOTAL NET CASH OUTFLOWS			47.567.684	20.173.040
23	Liquidity Coverage Ratio (%)			183,73	217,84

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

(*) 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 167% during the period and remain at a quite higher level that the legal lower limit.

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

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 41% and securities issued by Undersecretariat of the Treasury by 53%. Funding sources are mainly distributed between individual and retail deposits by 64%, corporate deposits by 22%, and borrowings from banks by 4% and collateralized borrowings such as repurchase agreements by 7%.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

Cash outflow amounting to TL 1.484 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 – 30.09.2020	
	TL+FC	FC
Lowest	167,54	167,48
Week	3.07.2020	3.07.2020
Highest	203,20	273,98
Week	28.08.2020	28.08.2020

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 30 September 2020	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	24.981.522	18.108.326	19.655	-	-	-	-	43.109.503
Banks	17.029.628	4.937.838	1.172.364	-	-	-	-	23.139.830
Financial Assets at Fair Value Through Profit or Loss (Net)	336.964	678	-	7.423.838	86.522	74.510	-	7.922.512
Money Markets	-	508.492	-	-	-	-	-	508.492
Financial Assets at Fair Value Through Other Comprehensive Income	366.578	719.049	1.149.689	10.437.559	31.351.666	7.241.156	-	51.265.697
Loans and Lease Receivables (*)	-	52.851.478	21.256.742	60.159.271	73.994.987	26.249.918	15.965.353	250.477.749
Other financial assets measured at amortised cost	-	1.246.612	-	16.352.914	20.771.643	4.411.106	-	42.782.275
Other Assets (**)	-	1.663.746	1.759.121	10.076.043	10.859.006	8.446.331	1.578.555	34.382.802
Total Assets	42.714.692	80.036.219	25.357.571	104.449.625	137.063.824	46.423.021	17.543.908	453.588.860
Liabilities								
Bank Deposits	305.897	6.861.923	2.492.273	11.613	-	-	-	9.671.706
Other Deposits	89.112.454	146.370.050	18.988.690	4.964.859	106.713	4	-	259.542.770
Borrowings	-	7.023.328	1.357.532	13.980.485	15.132.727	2.062.751	-	39.556.823
Money Markets	-	11.470.218	2.162.944	2.548.290	5.355.497	2.282.320	-	23.819.269
Securities Issued (Net) (***)	-	222.207	3.265.390	5.865.972	9.357.328	10.856.417	-	29.567.314
Miscellaneous Payables	-	271.314	142.606	1.136.320	3.184.320	1.238.282	5.776.637	11.749.479
Other Liabilities (****)	477.040	3.374.435	360.554	2.994.246	7.501.555	3.231.220	61.742.449	79.681.499
Total Liabilities	89.895.391	175.593.475	28.769.989	31.501.785	40.638.140	19.670.994	67.519.086	453.588.860
Net Liquidity Excess/ (Gap)	(47.180.699)	(95.557.256)	(3.412.418)	72.947.840	96.425.684	26.752.027	(49.975.178)	-
Net off-balance sheet position	-	493.637	778.364	5.256.100	3.882.286	4.800.716	-	15.211.103
Financial Derivative Assets	-	85.197.387	29.008.875	67.806.622	90.146.617	62.209.476	-	334.368.977
Financial Derivative Liabilities	-	84.703.750	28.230.511	62.550.522	86.264.331	57.408.760	-	319.157.874
Non-cash loans (*****)	-	2.181.829	201.438	8.728.598	13.114.911	23.418.492	-	47.645.268
Prior Period - 31 December 2019								
Total Assets	29.329.474	66.382.770	24.621.990	60.045.178	124.166.928	38.646.677	17.308.095	360.501.112
Total Liabilities	50.054.230	143.169.458	37.166.936	22.716.866	28.752.584	16.582.779	62.058.259	360.501.112
Net Liquidity Gap	(20.724.756)	(76.786.688)	(12.544.946)	37.328.312	95.414.344	22.063.898	(44.750.164)	-
Net Off-balance sheet Position	-	443.279	518.593	226.870	5.843.566	2.846.529	-	9.878.837
Financial Derivative Assets	-	56.730.752	27.319.181	43.838.394	92.859.957	56.042.115	-	276.790.399
Financial Derivative Liabilities	-	56.287.473	26.800.588	43.611.524	87.016.391	53.195.586	-	266.911.562
Non-cash Loans (*****)	-	2.453.295	193.530	6.944.422	12.452.299	21.403.867	-	43.447.413

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

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

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

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

VI. EXPLANATIONS ON LEVERAGE RATIO:

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

As of 30 September 2020, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is 10,49% (31 December 2019: 11,08%). This ratio is above the minimum ratio which is 3%.

b. Disclosure of Leverage ratio template:

	Current Period	Prior Period
	30 September 2020 (*)	31 December 2019 (*)
Balance sheet Assets		
1		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	420.541.971	342.271.786
2		
(Assets deducted from Core capital)	-	-
3		
Total risk amount of balance sheet assets (sum of lines 1 and 2)	420.541.971	342.271.786
Derivative financial assets and credit derivatives		
4		
Cost of replenishment for derivative financial assets and credit derivatives	13.799.375	12.596.877
5		
Potential credit risk amount of derivative financial assets and credit derivatives	4.273.429	4.879.314
6		
Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	18.072.804	17.476.191
Financing transactions secured by marketable security or commodity		
7		
Risk amount of financing transactions secured by marketable security or commodity	4.122.558	1.559.964
8		
Risk amount arising from intermediary transactions	-	-
9		
Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	4.122.558	1.559.964
Off-balance sheet transactions		
10		
Gross notional amount of off-balance sheet transactions	123.447.119	122.150.500
11		
(Correction amount due to multiplication with credit conversion rates)	(899.704)	(886.628)
12		
Total risk of off-balance sheet transactions (sum of lines 10 and 11)	122.547.415	121.263.872
Capital and total risk		
13		
Core Capital	59.216.123	53.421.955
14		
Total risk amount(sum of lines 3, 6, 9 and 12)	565.284.749	482.571.813
Leverage ratio		
15		
Leverage ratio	10,49	11,08

(*) Three months average values.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

VII. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

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

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

Overview of RWA:

	Risk Weighted Amount		Minimum capital requirement
	Current Period 30 September 2020	Prior Period 31 December 2019	Current Period 30 September 2020
1 Credit risk (excluding counterparty credit risk) (CCR)	242.605.496	249.073.962	19.408.440
2 Standardized approach (SA)	242.605.496	249.073.962	19.408.440
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	16.946.993	16.641.838	1.355.759
5 Standardized approach for counterparty credit risk (SA-CCR)	16.946.993	16.641.838	1.355.759
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	350.361	309.273	28.029
10 Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11 Settlement risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach (RBA)	-	-	-
14 IRB Supervisory Formula Approach (SFA)	-	-	-
15 SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	10.669.000	6.775.331	853.520
17 Standardized approach (SA)	10.669.000	6.775.331	853.520
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	32.496.270	27.269.597	2.599.702
20 Basic Indicator Approach	32.496.270	27.269.597	2.599.702
21 Standard Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	303.068.120	300.070.001	24.245.450

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:

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

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

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

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

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

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

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

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

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

Based on the "Main Benchmark Interest Rates Reform" report of the Financial Stability Board dated July 2014, it is expected that the hedging transactions within the scope of the "Benchmark Interest Rate Reform" are reviewed and the possible effects of the reform are reflected in the financial statements. The Bank has made foreign currency interest rate swap transactions in order to hedge the cash flow risk of average 4,6 year terms of USD 995.268 of its floating rate USD LIBOR-indexed debts directly affected by the interest rate reform. In addition to this; with the regulation titled "Changes in TFRS 9, TMS 39 and TFRS 7 Benchmark Interest Rate Reform" published by the International Accounting Standards Board in September 2019, the applications related to the termination of hedge accounting required by the reform were temporarily exempted. Within this scope, there is no risk accounting transaction that was terminated due to reform in the 30 September 2020 reports.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

As of 30 September 2020, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet are summarized in the following table:

	Current Period 30 September 2020			Prior Period 31 December 2019		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	19.503.263	8.725.092	463.343	13.674.935	5.166.090	919.269
-FC	69.387.240	62.386	1.001.161	50.919.357	184.595	244.871
Total	88.890.503	8.787.478	1.464.504	64.594.292	5.350.685	1.164.140

1. Explanations on Net Investment Risk:

The Bank also applies fair value hedge strategy against the foreign currency risk arising from share premiums and paid-in-capital of Akbank AG, one of Bank's subsidiaries, amounting to EUR 787 million. EUR 787 million of syndication loans used by the Bank have been determined as "hedging instruments".

2. Explanations on Fair Value Hedge:

Current Period: 30.09.2020

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC financial assets at fair value through other comprehensive income	Interest rate risk	(605.580)	565.293	(40.287)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	28.073	(28.336)	(263)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(62.215)	59.835	(2.380)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	2.066.770	(2.060.232)	6.538
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	(6.277)	8.556	2.279
Cross-currency swap	Fixed interest rate TL Commercial Loans. FC borrowings	Interest rate and currency risk	(28.292)	28.190	(102)
Interest Rate Swap	Fixed interest rate TL Securities Issued.	Interest rate risk	(57.776)	62.022	4.246

(*) 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.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

Prior Period: 31.12.2019

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

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

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

As of 30 September 2020 fair value hedge transactions have been proven to be effective.

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

- As of 30 September 2020, related to fair value hedge transactions, the remaining net amount after amortization of the fair value change of the hedged items since the beginning of hedge accounting is TL (294) (31 December 2019: TL 1.566).

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	-	389.678	(446.803)	(69.048)	(7.515)
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	5.170.157	-	(236.501)	(837.446)	31.103
Cross Currency Swap	Floating-rate FC given loans	Cash Flow risk due to changes in interest rate of funds	-	-	20.346	29.569	(259)
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	52.223	385.050	119.692	(84.170)	1.345
Interest Rate Swap	Short term FC deposits	Cash Flow risk due to changes in interest rate of funds	-	3.696	42	(629)	(2.690)
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	-	3.481	(4.031)	40	(757)

As of 30 September 2020 cash flow hedge transactions have been determined as effective.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

- As of 30 September 2020, related to cash flow hedge transactions, the remaining before tax amount in equity after amortization of the fair value change of the hedging instruments, since the beginning of hedge accounting is TL 24.610 (31 December 2019: TL 10.260).

IX. EXPLANATIONS ON BUSINESS SEGMENTS:

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

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

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

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

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

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

Information on business segments as of 30 September 2020 and 31 December 2019 presented in the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

	Retail Banking	Commercial Banking, Corporate-Investment, Private Banking and Wealth Management	Treasury	Other and Unallocated	Bank's Total Activities
Current Period - 30 September 2020					
Operating Income	6.906.963	4.604.385	6.927.249	738.139	19.176.736
Profit from Operating Activities	1.505.450	(667.590)	6.625.472	(2.434.963)	5.028.369
Income from Subsidiaries	-	-	-	3.724	3.724
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	646.595	646.595
Profit before Tax	1.505.450	(667.590)	6.625.472	(1.784.644)	5.678.688
Corporate Tax	-	-	-	(1.259.594)	(1.259.594)
Net Profit for the Period	1.505.450	(667.590)	6.625.472	(3.044.238)	4.419.094
Segment Assets	94.612.554	174.542.565	155.047.491	-	424.202.610
Investments in Associates	-	-	-	9.148.690	9.148.690
Undistributed Assets	-	-	-	20.237.560	20.237.560
Total Assets					453.588.860
Segment Liabilities	181.770.107	83.523.368	110.566.430	-	375.859.905
Undistributed Liabilities	-	-	-	18.756.224	18.756.224
Shareholders' Equity	-	-	-	58.972.731	58.972.731
Total Liabilities					453.588.860

	Retail Banking	Commercial Banking, Corporate- Investment, Private Banking and Wealth Management	Treasury	Other and Unallocated	Bank's Total Activities
Prior Period - 31 December 2019 (*)					
Operating Income	7.255.069	5.160.315	1.358.223	755.630	14.529.237
Profit from Operating Activities	2.255.817	1.252.913	1.049.682	71.162	4.629.574
Income from Subsidiaries	-	-	-	6.059	6.059
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	493.858	493.858
Profit before Tax	2.255.817	1.252.913	1.049.682	571.079	5.129.491
Corporate Tax	-	-	-	(1.041.538)	(1.041.538)
Net Profit for the Period	2.255.817	1.252.913	1.049.682	(470.459)	4.087.953
Segment Assets	78.687.822	140.181.290	119.395.316	-	338.264.428
Investments in Associates	-	-	-	6.736.306	6.736.306
Undistributed Assets	-	-	-	15.500.378	15.500.378
Total Assets					360.501.112
Segment Liabilities	148.360.737	69.572.454	74.062.774	-	291.995.965
Undistributed Liabilities	-	-	-	14.122.720	14.122.720
Shareholders' Equity	-	-	-	54.382.427	54.382.427
Total Liabilities					360.501.112

(*) 30 September 2019 amounts are used for income statement accounts.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

**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 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Cash/Foreign Currency	1.873.533	2.751.157	1.510.065	1.772.119
The CBRT (*)	3.296.535	35.068.328	733.159	25.808.586
Other (**)	-	119.950	-	69.988
Total	5.170.068	37.939.435	2.243.224	27.650.693

(*) Precious metal account amounting to TL 1.465.640 are included in FC. (31 December 2019: TL 1.154.187)

(**) Precious metal account amounting to TL 119.909 are included in FC. (31 December 2019: TL 69.974)

2. Information related to the account of the CBRT:

	Current Period 30 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Unrestricted Demand Deposits	446	-	6.753	-
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Reserve Requirement	3.296.089	35.068.328	726.406	25.808.586
Total	3.296.535	35.068.328	733.159	25.808.586

3. Explanation on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold. The CBRT pays interest to banks that provide credit growth in accordance with the communiqué principles dated December 9, 2019 and numbered 2019/19, for Turkish Lira required reserves.

The required rates for the required reserves established in the CBRT are between 1% and 4% according to the maturity structure in Turkish currency (31 December 2019: between 1% and 7%); in foreign currency, it is between 5% and 21% depending on the maturity structure (31 December 2019: between 5% and 21%) as of 30 September 2020.

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

As of 30 September 2020, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2019: None) and given as collateral/blocked (31 December 2019: None).

Other Financial Assets:

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

Later on, at the Ordinary General Assembly Meeting of LYY Telekomünikasyon A.Ş. which was held on 23 September 2019, it was decided to convert some of the loan into capital and add it to the capital of LYY Telekomünikasyon A.Ş. The nominal value of their shares in TL increased from 18 TL to 1.416.090 TL. This amount is classified in the financial statements under the line "Assets for Sale and Discontinued Operations". As of 30 September 2020, the value of the part pursued as loan is TL 9.206.455, and it is classified under "Other Financial Assets" under "Financial Assets at Fair

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

Value through Profit Loss". The total fair value impairment accounted for the total amount turned into credit and capital is TL 3.279.635 and the amount of TL 1.416.090 of this amount is accounted under the "Assets Held for Sale and Discontinued Operations" and TL 1.863.545 is accounted under "Other Financial Assets" which is the sub-item of "Financial Assets at Fair Value through Profit Loss".

Financial assets, whose fair value difference is reflected in profit and loss and the part that is transformed into capital, amount to TL 7.342.910 in total, these are measured at fair value within the scope of TFRS 9 Financial Instruments Standard and TFRS 5 Non-current Assets Held for Sale and Discontinued Operations Standard. In this valuation study, the fair value was determined by taking into account the average of different methods (discounted cash flows, similar market multipliers, similar transaction multipliers in the same sector, market value and analyst reports). Within the scope of IFRS 13, loans are followed under Level 3. Possible changes in the basic assumptions in the valuation study will affect the carrying value of the loan and the amount converted into capital.

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

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

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

	Current Period 30 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Forward Transactions	211.931	-	482.816	-
Swap Transactions	11.366.037	6.291.620	5.987.707	4.519.244
Futures Transactions	-	-	-	-
Options	41.046	101.772	9.077	60.763
Other	-	-	-	-
Total	11.619.014	6.393.392	6.479.600	4.580.007

(*) Excluding hedging derivatives financial assets.

d. Information on banks and foreign banks:

	Current Period 30 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Banks				
Domestic	1.509.579	676	371	799.261
Foreign	-	21.629.575	251.091	15.546.023
Head Quarters and Branches Abroad	-	-	-	-
Total	1.509.579	21.630.251	251.462	16.345.284

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

- As of 30 September 2020, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 12.861.634 [31 December 2019: TL 7.479.313]; and those given as collateral/blocked amounting to TL 17.391.977 [31 December 2019: 16.700.959].

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

	Current Period 30 September 2020	Prior Period 31 December 2019
Debt Securities	52.803.303	65.544.278
Quoted at Stock Exchange (*)	52.344.239	63.642.115
Unquoted at Stock Exchange	459.064	1.902.163
Share Certificates	16.217	16.217
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	16.217	16.217
Impairment Provision (-)	1.553.823	918.388
Total	51.265.697	64.642.107

[*] 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 September 2020		Prior Period 31 December 2019	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	97	-	97
Corporate Shareholders	-	97	-	97
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	8.484.330	1.943.745	6.444.515	1.048.264
Loans Granted to Employees	150.620	-	132.254	-
Total	8.634.950	1.943.842	6.576.769	1.048.361

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

Current Period - 30 September 2020	Loans under follow-up			
	Cash Loans	Standard Loans	Loans not subject to restructuring	Restructured Loans
			Loans with revised contract terms	Refinance
Non-specialized Loans				
Loans given to enterprises	21.214.917	3.557.542	12.094	2.499.289
Export Loans	17.974.195	381.977	301	41.014
Import Loans	-	-	-	-
Loans Given to Financial Sector	8.435.266	9.451	-	4.361
Consumer Loans	36.554.515	1.646.444	693.709	304.675
Credit Cards	17.975.028	766.861	567.437	-
Other	100.452.619	3.917.866	748.104	16.754.731
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	202.606.540	10.280.141	2.021.645	19.604.070

	Current Period 30 September 2020		Prior Period 31 December 2019	
	Standard Loans	Loans under Follow-up	Standard Loans	Loans under Follow-up
Expected Credit Loss Stage I and Stage II				
12 Month Expected Credit Losses	1.397.925	-	578.360	-
Significant Increase in Credit Risk	-	5.363.024	-	3.355.385
Total	1.397.925	5.363.024	578.360	3.355.385

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

Current Period - 30.09.2020	Short-term	Medium and Long-term	Total
Consumer Loans-TL	1.068.085	36.467.043	37.535.128
Mortgage Loans	1.808	9.054.003	9.055.811
Automotive Loans	1.734	149.557	151.291
Consumer Loans	1.064.543	27.263.483	28.328.026
Other	-	-	-
Consumer Loans- Indexed to FC	-	639	639
Mortgage Loans	-	639	639
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	15.833.812	597.073	16.430.885
With Installment	5.469.782	594.498	6.064.280
Without Installment	10.364.030	2.575	10.366.605
Consumer Credit Cards-FC	7.689	-	7.689
With Installment	-	-	-
Without Installment	7.689	-	7.689
Personnel Loans-TL	7.873	85.811	93.684
Mortgage Loans	-	3.448	3.448
Automotive Loans	-	-	-
Consumer Loans	7.873	82.363	90.236
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	56.636	202	56.838
With Installment	20.249	202	20.451
Without Installment	36.387	-	36.387
Personnel Credit Cards-FC	98	-	98
With Installment	-	-	-
Without Installment	98	-	98
Credit Deposit Account - TL (Real Person)	1.569.892	-	1.569.892
Credit Deposit Account - FC (Real Person)	-	-	-
Total Consumer Loans	18.544.085	37.150.768	55.694.853

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

Current Period - 30.09.2020	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	4.652.105	11.179.798	15.831.903
Mortgage Loans	2.301	7.269	9.570
Automotive Loans	75.078	631	75.709
Consumer Loans	4.574.726	11.171.898	15.746.624
Other	-	-	-
FC Indexed Commercial Installment Loans	-	44.625	44.625
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	44.625	44.625
Other	-	-	-
Commercial Installment Loans-FC	12.813	455.522	468.335
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	12.813	455.522	468.335
Other	-	-	-
Corporate Credit Cards-TL	2.787.665	24.816	2.812.481
With Installment	1.147.006	24.654	1.171.660
Without Installment	1.640.659	162	1.640.821
Corporate Credit Cards-FC	1.335	-	1.335
With Installment	-	-	-
Without Installment	1.335	-	1.335
Credit Deposit Account - TL (Legal Person)	940.700	-	940.700
Credit Deposit Account - FC (Legal person)	-	-	-
Total	8.394.618	11.704.761	20.099.379

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

	Current Period 30 September 2020	Prior Period 31 December 2019
Domestic Loans	242.073.782	197.042.913
Foreign Loans	8.403.967	6.791.262
Total	250.477.749	203.834.175

6. Loans granted to investments in associates and subsidiaries:

	Current Period 30 September 2020	Prior Period 31 December 2019
Direct Loans Granted to Investments in Associates and Subsidiaries	1.017.999	727.217
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
Total	1.017.999	727.217

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

	Current Period 30 September 2020	Prior Period 31 December 2019
Loans with Limited Collectibility	34.150	2.109.995
Loans with Doubtful Collectibility	1.182.197	2.054.098
Uncollectible Loans	8.822.327	4.182.743
Total	10.038.674	8.346.836

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 September 2020			
(Gross Amounts Before Specific Provisions)	82	178.374	709.894
Rescheduled Loans and Other Receivables	82	178.374	709.894
Prior Period: 31 December 2019			
(Gross Amounts Before Specific Provisions)	65.197	336.693	324.109
Rescheduled Loans and Other Receivables	65.197	336.693	324.109

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

(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 2019	3.878.210	4.057.692	6.921.178
Additions (+)	1.302.714	846.092	364.762
Transfers from Other Categories of Non-Performing Loans (+)	-	5.032.086	7.708.596
Transfers to Other Categories of Non-Performing Loans (-)	5.032.086	7.708.596	-
Collections (-)	112.539	346.919	936.120
Write-offs (-) (**)	499	3.187	6.031
Sold Portfolio (-) (*)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	35.800	1.877.168	14.052.385
Specific Provisions (-)	34.150	1.182.197	8.822.327
Net Balance at Balance Sheet	1.650	694.971	5.230.058

(*) There is no write-off process made according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 27 November 2019 and numbered 30961. (31 December 2019 : TL 1.119.998) and its effect on the NPL ratio is 51 basis point.

(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 September 2020			
Balance at the End of the Period	-	454.787	3.939.062
Specific Provision (-)	-	274.522	1.883.686
Net Balance on Balance Sheet	-	180.265	2.055.376
Prior Period: 31 December 2019			
Balance at the End of the Period	233.478	1.205.378	2.406.060
Specific Provision (-)	77.439	454.769	1.084.871
Net Balance at Balance Sheet	156.039	750.609	1.321.189

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

(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 September 2020			
Loans granted to corporate entities and real persons (Gross)	35.800	1.877.168	14.052.385
Specific Provision Amount (-)	34.150	1.182.197	8.822.327
Loans granted to corporate entities and real persons (Net)	1.650	694.971	5.230.058
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 2019			
Loans granted to corporate entities and real persons (Gross)	3.878.210	4.057.692	6.921.178
Specific Provision Amount (-)	2.109.995	2.054.098	4.182.743
Loans granted to corporate entities and real persons (Net)	1.768.215	2.003.594	2.738.435
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

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

	III. Group	IV. Group	V. Group
Current Period: 30 September 2020			
Interest accruals and valuation differences	1.357	220.296	2.731.186
Provision (-)	1.101	126.644	1.613.600
Prior Period: 31 December 2019			
Interest accruals and valuation differences	240.638	601.068	1.269.183
Provision (-)	126.357	342.227	755.419

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Given as collateral/blocked	13.734.982	1.322.127	352.296	-
Subject to repurchase agreements	9.689.005	3.905.413	145.327	1.229.269
Total	23.423.987	5.227.540	497.623	1.229.269

2. Information on government debt securities:

	Current Period 30 September 2020	Prior Period 31 December 2019
Government Bonds	41.058.660	13.080.081
Treasury Bills	-	-
Other Government Debt Securities	1.032.058	779.177
Total	42.090.718	13.859.258

3. Information on financial assets measured at amortised cost:

	Current Period 30 September 2020	Prior Period 31 December 2019
Debt Securities	42.825.717	15.602.379
Quoted at Stock Exchange	42.825.717	15.602.379
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	43.442	27.521
Total	42.782.275	15.574.858

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

	Current Period 30 September 2020	Prior Period 31 December 2019
Balance at the Beginning of the Period	15.574.858	12.263.481
Foreign Currency Differences on Monetary Assets	4.983.117	414.623
Purchases During Year	24.199.869	5.397.163
Disposals Through Sales and Redemptions (*)	(3.224.165)	(3.214.762)
Impairment Provision	(15.921)	37.065
Change in Amortized Cost	1.264.517	677.288
Balance at the End of the Period	42.782.275	15.574.858

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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 30 June 2020.

	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	247.600	201.657	79.862	2.372	-	19.616	17.418	-
2	377.846	250.947	251.972	3.421	-	33.800	16.401	-
3	31.238	25.827	971	666	-	6.146	2.082	-

31 December 2019 financial data of JCR Avrasya Derecelendirme A.Ş. has been used in the table above. Birleşik İpotek Finansmanı A.Ş. started its operations in 2020 and is not included in the table above since have any published financial statements yet.

3. Movement schedule of investments in associates:

	Current Period 30 September 2020	Prior Period 31 December 2019
Balance at the Beginning of the Period	5.521	5.521
Movements During the Period		
Purchases (*)	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	14.795	5.521
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The mentioned amounts arise from the Bank's association to JCR Avrasya Derecelendirme A.Ş. to 2.755 TL for a share of 2.86% and TL 833 for a share of 8.33% to Birleşik İpotek Finansmanı A.Ş.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	AkÖde A.Ş.
Paid in Capital	360.007	96.802	10.534	740.648	62.000
Share Premium	-	-	-	-	-
Reserves	589.209	76.251	24.157	6.213.039	(13)
Gains recognized in equity as per TAS	-	(2.996)	(318)	-	(32)
Profit/Loss	101.788	503.750	117.670	286.860	(44.269)
- Net Current Period Profit	101.788	213.163	74.445	286.860	(24.725)
- Prior Year Profit/Loss	-	290.587	43.225	-	(19.544)
Development Cost of Operating Lease (-)	69	943	-	854	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	1.318	10.305	287	4.164	-
Total Common Equity	1.049.617	662.559	151.756	7.235.529	17.686
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	1.049.617	662.559	151.756	7.235.529	17.686
Tier II Capital	83.242	182	-	54.615	-
CAPITAL	1.132.859	662.741	151.756	7.290.144	17.686
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	1.132.859	662.741	151.756	7.290.144	17.686

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

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

3. Information on subsidiaries:

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

The financial figures have been obtained from the financial statements as at 30 September 2020 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	7.075.803	1.049.970	95.884	332.768	1.164	101.788	76.287	-
2	2.552.399	673.807	19.908	90.911	(41.803)	213.163	92.089	-
3	179.655	152.044	4.891	1.154	-	74.445	46.595	-
4	34.478.085	7.240.547	63.647	745.142	156.189	286.860	281.470	-
5	34.997	17.685	1.222	676	-	(24.725)	(1.690)	-

5. Movement schedule of subsidiaries:

	Current Period 30 September 2020	Prior Period 31 December 2019
Balance at the Beginning of the Period	6.730.785	5.452.141
Movements During the Period		
Additions (*)	35.000	139.981
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	646.595	640.370
Sales/Liquidation	-	-
Revaluation Increase (**)	1.721.515	498.293
Revaluation/Impairment	-	-
Increase/decrease due to foreign exchange valuation of foreign subsidiaries	-	-
Balance at the End of the Period	9.133.895	6.730.785
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*)The mentioned amounts are increased by 35.000 TL for the capital of AkÖde Elektronik Para ve Payment Hizmetleri A.Ş., which is the 100% subsidiary of the Bank for the current period; increased by 125.000 TL for the capital of Ak Finansal Kiralama A.Ş., which is the 99,99% subsidiary of the Bank for the previous period; increased by 15.000 TL for the capital of AkÖde Elektronik Para ve Payment Hizmetleri A.Ş. which is the 100% subsidiary of the Bank for the previous period.

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

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

Subsidiaries	Current Period 30 September 2020	Prior Period 31 December 2019
Banks	7.240.547	5.111.016
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	1.049.812	947.751
Finance Companies	-	-
Other Financial Subsidiaries	843.536	672.018

7. Subsidiaries quoted to a stock exchange: None.

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

l. Information on the Hedging Derivative Financial Assets:

	Current Period 30 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Fair Value Hedge	3.502.215	62.386	3.072.295	151.377
Cash Flow Hedge	5.222.877	-	2.093.795	33.218
Net Investment Hedge in a foreign operation	-	-	-	-
Total	8.725.092	62.386	5.166.090	184.595

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

n. Information on deferred tax asset:

As of 30 September 2020, the Bank has no deferred tax asset (31 December 2019: TL 2.438). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values and tax values of fixed assets, financial assets and liabilities and provision for employee rights.

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

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

	Current Period	Prior Period
	30 September 2020	31 December 2019
Cost	177.927	636.090
Accumulated Depreciation (-)	50	73
Net Book Value	177.877	636.017

	Current Period	Prior Period
	30 September 2020	31 December 2019
Opening Balance Net Book Value	636.017	90.305
Additions (*)	108.680	1.519.564
Disposals (-), net	76.660	34.985
Impairment (-)	490.160	938.867
Depreciation (-)	-	-
Closing Net Book Value	177.877	636.017

(*) For the prior period, the Bank's share in the capital of LYY Telekomünikasyon A.Ş. has increased from TL 18 to 1.416.090. Related amounts are presented in the "additions" row of table above. The total decrease in fair value allocated by the bank and the capital amount detailed in Note I-b of Section Five is TL 1.416.090 and the amount of TL 477,268 allocated in the current period is presented in the line "Impairment (-)".

p. Information on other assets:

Other assets amounting to TL 8.364.913 (31 December 2019: TL 5.426.550) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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 September 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	15.166.185	8.921.186	45.097.879	141.730	190.787	427.657	8.702	69.954.126
Foreign Currency Deposits	44.545.640	15.516.880	70.629.093	1.344.194	1.668.521	4.018.945	903	137.724.176
Residents in Turkey	41.901.878	15.318.756	66.574.488	1.188.824	931.257	1.951.201	903	127.867.307
Residents Abroad	2.643.762	198.124	4.054.605	155.370	737.264	2.067.744	-	9.856.869
Public Sector Deposits	1.101.838	14.498	32.469	3.625	647	482	-	1.153.559
Commercial Deposits	13.108.818	7.504.173	10.645.700	66.985	34.590	36.345	-	31.396.611
Other Institutions Deposits	352.972	576.365	2.520.595	2.955	3.804	724	-	3.457.415
Precious metals Deposits	14.837.001	5.228	145.509	13.730	731.475	123.940	-	15.856.883
Interbank Deposits	305.897	497.473	8.079.776	89.687	695.589	3.284	-	9.671.706
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	15.634	17.028	200.425	-	683.727	-	-	916.814
Foreign Banks	253.717	480.445	7.879.351	89.687	11.862	3.284	-	8.718.346
Participation Banks	36.546	-	-	-	-	-	-	36.546
Other	-	-	-	-	-	-	-	-
Total	89.418.351	33.035.803	137.151.021	1.662.906	3.325.413	4.611.377	9.605	269.214.476

1 (ii). Prior period - 31 December 2019:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	10.127.048	10.183.799	41.122.113	182.618	262.221	531.691	12.977	62.422.467
Foreign Currency Deposits	23.853.639	13.620.278	72.689.822	1.976.053	1.398.287	3.965.590	1.154	117.504.823
Residents in Turkey	22.388.628	13.463.878	69.046.946	1.838.378	900.541	2.387.611	1.102	110.027.084
Residents Abroad	1.465.011	156.400	3.642.876	137.675	497.746	1.577.979	52	7.477.739
Public Sector Deposits	1.137.518	14.279	27.440	3.371	359	454	-	1.183.421
Commercial Deposits	8.529.451	8.303.694	10.753.261	229.160	83.142	58.392	-	27.957.100
Other Institutions Deposits	272.526	829.067	2.177.831	46.465	6.085	971	-	3.332.945
Precious metals Deposits	4.151.698	-	3.971	-	268.345	67.833	-	4.491.847
Interbank Deposits	1.547.408	480.512	4.436.295	430.526	254.539	12.644	-	7.161.924
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	11.470	19.373	200.551	332.045	173.450	-	-	736.889
Foreign Banks	238.602	461.139	4.235.744	98.481	81.089	12.644	-	5.127.699
Participation Banks	1.297.336	-	-	-	-	-	-	1.297.336
Other	-	-	-	-	-	-	-	-
Total	49.619.288	33.431.629	131.210.733	2.868.193	2.272.978	4.637.575	14.131	224.054.527

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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 September 2020	Prior Period 31 December 2019	Current Period 30 September 2020	Prior Period 31 December 2019
Saving Deposits	32.541.050	30.875.550	37.413.076	30.609.809
Foreign Currency Saving Deposits	18.648.481	16.110.198	68.744.300	56.626.928
Other Deposits in the Form of Saving Deposits	6.929.358	2.373.387	7.472.549	1.807.082
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

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

	Current Period 30 September 2020	Prior Period 31 December 2019
Foreign Branches' Deposits and other accounts	24	18
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse and Children in care	1.939.861	1.625.947
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

b. Information on trading derivative financial liabilities:

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

	Current Period 30 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Forward Transactions	600.926	-	143.501	-
Swap Transactions	8.699.569	2.798.512	6.134.864	1.316.141
Futures Transactions	-	-	-	-
Options	254	138.255	5.686	94.511
Other	-	-	-	-
Total	9.300.749	2.936.767	6.284.051	1.410.652

(*) Excluding hedge transactions.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 30 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	233.461	1.380.230	302.890	801.659
From Foreign Banks, Institutions and Funds	-	37.943.132	-	30.266.547
Total	233.461	39.323.362	302.890	31.068.206

2. Information on maturity structure of borrowings

	Current Period 30 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Short-term	224.016	717.651	302.890	641.868
Medium and Long-term	9.445	38.605.711	-	30.426.338
Total	233.461	39.323.362	302.890	31.068.206

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

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

d. Information on securities issued (Net):

	Current Period 30 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Bank bills	8.057.848	-	2.372.587	-
Bonds	2.469.484	12.030.996	2.532.944	8.612.669
Total	10.527.332	12.030.996	4.905.531	8.612.669

e. Information on other foreign liabilities:

Other foreign liabilities listed in "Other Liabilities" amounting to TL 3.256.473 (31 December 2019: TL 2.127.772) and do not exceed 10% of the total balance sheet.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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 September 2020		Prior Period 31 December 2019	
	Gross	Net	Gross	Net
Less Than 1 Year	137.238	61.596	150.140	63.805
Between 1-4 Years	347.055	178.136	388.038	188.559
More Than 4 Years	394.463	263.787	490.565	322.189
Total	878.756	503.519	1.028.743	574.553

g. Information on the hedging derivative financial liabilities:

	Current Period 30 September 2020		Prior Period 31 December 2019	
	TL	FC	TL	FC
Fair Value Hedge	69.795	607.786	71.230	191.806
Cash Flow Hedge	393.548	393.375	848.039	53.065
Net Investment Hedge in a foreign operation	-	-	-	-
Total	463.343	1.001.161	919.269	244.871

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

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation.

The amount of TL 7.117,17 (full TL) (1 January 2020: TL 6.730,15 (full TL)) effective from 1 July 2020 has been taken into consideration in calculating the reserve for employee termination benefits.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

	Current Period	Prior Period
	30 September 2020	31 December 2019
Prior Period Closing Balance	316.980	208.631
Recognized as an Expense During the Period	49.764	84.344
Actuarial Loss / (Gain)	17.412	88.706
Paid During the Period	(27.916)	(64.701)
Balance at the End of the Period	356.240	316.980

As of 30 September 2020, the Bank has allocated vacation liability amounting to TL 120.800 (31 December 2019: TL 117.962).

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

As of 30 September 2020, the Bank has no provision related to foreign currency differences of foreign indexed loans (31 December 2019: None).

3. Information on provisions for non-cash loans that are non-funded and non-transformed into cash: Expected loss provisions for non-cash loans that are non-funded and non-transformed into cash amounting to TL 343.051 as of 30 September 2020 (31 December 2019: TL 297.102).

4. Information on other provisions:

4 (i). Information on free provision for possible risks: TL 1.150.000 (31 December 2019: TL 650.000).

The Bank has provided free provision amounting TL 500.000 thousand out of which TL 650.000 thousand had been recognized in current period and TL 1.150.000 thousand had been recognized in prior years. (31 December 2019: TL 650.000).

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

The Bank has provisions for credit cards and banking services promotion activities amounting to TL 45.745 (31 December 2019: TL 52.721).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Bank are explained in Note XVIII of Section Three. As of 30 September 2020, the Bank has no corporate tax liability (31 December 2019: 273.982). As of 30 September 2020, the Bank has TL 366.480 current tax asset (31 December 2019: None).

1 (i). Information on taxes payable:

	Current Period	Prior Period
	30 September 2020	31 December 2019
Corporate Taxes Payable	-	273.982
Taxation on Marketable Securities	181.471	187.962
Banking Insurance Transaction Tax (BITT)	114.684	182.507
Other	92.993	89.368
Foreign Exchange Transaction Tax	41.253	4.875
Value Added Tax Payable	16.585	12.527
Property Tax	1.209	2.383
Total	448.195	753.604

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

1 (ii). Information on premium payables:

	Current Period	Prior Period
	30 September 2020	31 December 2019
Social Security Premiums – Employee	-	-
Social Security Premiums – Employer	1	1
Bank Social Aid Pension Fund Premium- Employee	3	3
Bank Social Aid Pension Fund Premium – Employer	3	3
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	1.861	1.678
Unemployment Insurance – Employer	3.722	3.355
Other	46	348
Total	5.636	5.388

2. Information on deferred tax liability:

As of 30 September 2020, Turkish Lira deferred tax liability of the Bank amounts to TL 664.793 (31 December 2019: TL 704.309). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

j. Information on subordinated loan (*):

	Current Period		Prior Period	
	30 September 2020		31 December 2019	
	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	-	7.008.986	-	5.381.534
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	7.008.986	-	5.381.534
Total	-	7.008.986	-	5.381.534

(*) 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	Prior Period
	30 September 2020	31 December 2019
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.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period: None.
6. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties at these indicators;
The Bank has been continuing its operations with high profitability and has been retaining most of its net profit in the equity, either by increasing its capital or transferring it into reserves. On the other hand, only a small part of the equity is allocated to investment such as associates and fixed assets, thus giving a chance for considerably high free capital which provides funds for liquid and interest bearing assets. Considering all these factors, the Bank continues to its operations with strong shareholders' equity.
7. Information on privileges given to shares representing the capital: None.
8. Information on marketable securities value increase fund:

	Current Period		Prior Period	
	30 September 2020		31 December 2019	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures (*)	930.448	1.438.110	854.152	825.085
Valuation Difference	275.539	(1.249.357)	113.916	(83.371)
Foreign Currency Differences	-	-	-	-
Total	1.205.987	188.753	968.068	741.714

(*) 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.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

a. Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 36.969.350 asset purchase commitments (31 December 2019: TL 14.762.968), TL 27.969.954 commitments for credit card limits (31 December 2019: TL 23.193.073), TL 2.712.701 commitments for cheque books (31 December 2019: 2.632.311 TL).

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

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

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

	Current Period 30 September 2020	Prior Period 31 December 2019
Bank Acceptance Loans	56.067	50.678
Letters of Credit	3.139.595	4.366.865
Other Guarantees and Warranties	9.288.854	7.906.461
Total	12.484.516	12.324.004

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

	Current Period 30 September 2020	Prior Period 31 December 2019
Revocable Letters of Guarantee	1.293.591	1.081.737
Irrevocable Letters of Guarantee	18.664.720	17.634.443
Letters of Guarantee Given in Advance	1.788.814	1.922.507
Guarantees Given to Customs	2.607.725	2.249.728
Other Letters of Guarantee	10.805.902	8.234.994
Total	35.160.752	31.123.409

3. Information on non-cash loans:

	Current Period 30 September 2020	Prior Period 31 December 2019
Total amount of non-cash loans:		
Non-cash Loans Given against Cash Loans	15.333.270	12.783.000
With Original Maturity of 1 Year or Less Than 1 Year	5.559.319	5.064.000
With Original Maturity of More Than 1 Year	9.773.951	7.719.000
Other Non-cash Loans	32.311.998	30.664.413
Total	47.645.268	43.447.413

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

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

	Current Period 30 September 2020		Prior Period 30 September 2019	
	TL	FC	TL	FC
Short-term Loans	5.191.509	561.261	7.379.685	491.346
Medium and Long-term Loans	8.013.220	2.490.336	9.208.083	3.029.779
Interest on Loans Under Follow-Up	779.488	-	480.656	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	13.984.217	3.051.597	17.068.424	3.521.125

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

2. Information on interest income on banks:

	Current Period 30 September 2020		Prior Period 30 September 2019	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	94.873	1.014	175.362	5.019
From Foreign Banks	2.752	85.213	61.413	294.467
From Headquarters and Branches Abroad	-	-	-	-
Total	97.625	86.227	236.775	299.486

3. Information on interest income on marketable securities:

	Current Period 30 September 2020		Prior Period 30 September 2019	
	TL	FC	TL	FC
From Financial Assets at Fair Value through Profit or Loss	5.489	6.303	-	-
Financial Assets at Fair Value through Other Comprehensive Income	3.008.443	945.798	2.887.955	815.600
Financial Assets Measured at Amortised Cost	2.299.248	204.772	713.322	173.120
Total	5.313.180	1.156.873	3.601.277	988.720

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

	Current Period 30 September 2020	Prior Period 30 September 2019
Interests Received From Investments in Associates and Subsidiaries	47.247	40.147

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

b. Information on interest expense:

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

	Current Period 30 September 2020		Prior Period 30 September 2019	
	TL	FC	TL	FC
Banks	20.982	655.256	44.478	967.197
The CBRT	-	-	-	-
Domestic Banks	20.982	5.744	30.547	7.474
Foreign Banks	-	649.512	13.931	959.723
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	109.732	-	164.913
Total	20.982	764.988	44.478	1.132.110

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

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

	Current Period 30 September 2020	Prior Period 30 September 2019
To Associates and Subsidiaries	9.308	24.597

3. Information on interest expense given to securities issued:

	Current Period 30 September 2020		Prior Period 30 September 2019	
	TL	FC	TL	FC
Interest expense on securities issued	700.576	651.696	997.643	580.829

4. Maturity structure of the interest expense on deposits:

There are no seven-day notification deposits.

Current Period - 30.09.2020	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	20.483	101.208	56.025	-	198	-	177.914
Saving Deposits	-	633.497	2.825.396	10.663	16.294	46.408	3.532.258
Public Sector Deposits	-	845	2.102	106	22	36	3.111
Commercial Deposits	-	582.558	775.853	11.572	3.936	4.203	1.378.122
Other Deposits	-	18.159	173.204	841	288	46	192.538
Total	20.483	1.336.267	3.832.580	23.182	20.738	50.693	5.283.943
FC							
Foreign Currency Deposits	-	106.968	458.600	13.019	8.405	27.707	614.699
Bank Deposits	246	2.226	56.694	987	5.306	67	65.526
Precious Metals Deposits	-	34	174	31	1.416	559	2.214
Total	246	109.228	515.468	14.037	15.127	28.333	682.439
Grand Total	20.729	1.445.495	4.348.048	37.219	35.865	79.026	5.966.382

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

Prior Period - 30.09.2019	Time Deposits						Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	30.681	81.643	40.643	4.427	2.228	1.865	161.487
Saving Deposits	-	832.837	5.179.927	90.266	296.982	168.604	6.568.616
Public Sector Deposits	-	2.380	3.675	245	9	41	6.350
Commercial Deposits	-	969.591	1.359.906	16.156	26.039	43.854	2.415.546
Other Deposits	4	48.227	352.905	6.061	64.014	11.335	482.546
Total	30.685	1.934.678	6.937.056	117.155	389.272	225.699	9.634.545
FC							
Foreign Currency Deposits	-	286.687	1.397.584	30.909	59.353	52.625	1.827.158
Bank Deposits	460	2.105	78.948	7.018	12.213	195	100.939
Precious Metals Deposits	-	1	32	-	1.651	495	2.179
Total	460	288.793	1.476.564	37.927	73.217	53.315	1.930.276
Grand Total	31.145	2.223.471	8.413.620	155.082	462.489	279.014	11.564.821

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

	Current Period 30 September 2020	Prior Period 30 September 2019
Profit	763.882.876	788.486.810
Income From Capital Market Transactions	466.040	316.033
Income From Derivative Financial Transactions (*)	24.503.918	33.622.824
Foreign Exchange Gains	738.912.918	754.547.953
Loss (-)	762.903.212	789.000.240
Loss from Capital Market Transactions	148.248	147.174
Loss from Derivative Financial Transactions (*)	21.133.939	31.556.031
Foreign Exchange Loss	741.621.025	757.297.035
Total (Net)	979.664	(513.430)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 5.764.194 (30 September 2019: TL 2.776.456).

d. Explanations on other operating income:

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

	Current Period 30 September 2020	Prior Period 30 September 2019
Expected Credit Loss	5.624.533	4.235.970
12 month expected credit loss (Stage 1)	983.194	144.297
Significant increase in credit risk (Stage 2)	2.195.498	710.758
Non-performing loans (Stage 3)	2.445.841	3.380.915
Marketable Securities Impairment Expense	9	-
Financial Assets at Fair Value through Profit or Loss	9	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	2.883.685	811.567
Total	8.508.227	5.047.537

(*) 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 September 2020	Prior Period 30 September 2019
Reserve for Employee Termination Benefits	21.848	9.956
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	332.462	230.123
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	149.325	142.322
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	12.893	44
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	2.287.349	1.999.034
Leasing Expenses on TFRS 16 Exceptions (*)	86.285	82.051
Maintenance Expenses	34.270	50.181
Advertisement Expenses	83.186	105.550
Other Expenses	2.083.608	1.761.252
Loss on Sales of Assets	-	39
Other	699.648	532.186
Total	3.503.525	2.913.704

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

As of 30 September 2020, the Bank has a current tax expense of TL 643.346 (30 September 2019: TL 1.006.743), deferred tax expense of TL 2.007.083 (30 September 2019: TL 534.991) and a deferred tax income of TL 1.390.835 (30 September 2019: TL 500.196).

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 4.419.094 (30 September 2019: TL 4.087.953).

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".

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

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

1. Current Period – 30 September 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	1.017.999	326.552	8.484.330	1.943.842	2.287	1.164
Interest and Commission Income Received	47.247	37	598.481	7.076	355	14

According to the German deposit insurance law, the Bank has given a "letter of undertaking" to the German Banking Institute related to Akbank AG, a subsidiary of the Bank. This letter of undertaking amounts to TL 12.309.053 as of 30 September 2020 (31 December 2019: TL 11.033.880).

2. Prior Period - 31 December 2019:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans					
Balance at the Beginning of the Period	291.767	410.809	5.281.095	1.074.561	10.973	7.684
Balance at the End of the Period	727.217	297.220	6.444.515	1.048.361	6.429	1.096
Interest and Commission Income Received(*)	40.147	151	648.976	5.662	529	67

(*) 30 September 2019 balances used for income/expense accounts.

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	30.09.2020	31.12.2019	30.09.2020	31.12.2019	30.09.2020	31.12.2019
Balance at the Beginning of the Period	569.432	417.786	4.572.838	5.011.285	1.403.075	1.228.947
Balance at the End of the Period	660.842	569.432	6.289.245	4.572.838	553.040	1.403.075
Interest expense on Deposits(*)	9.308	24.597	126.084	91.286	17.244	103.005

(*) 30 September 2019 balances used for income/expense accounts.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	30.09.2020	31.12.2019	30.09.2020	31.12.2019	30.09.2020	31.12.2019
Transactions at Fair Value						
Through Profit or Loss						
Beginning of the Period	2.916.547	3.860.965	11.408.705	10.451.000	-	-
Balance at the End of the Period	3.179.717	2.916.547	10.539.660	11.408.705	-	-
Total Income/Loss (*)	2.787	(3.887)	9.239	(10.216)	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss(*)	-	-	-	-	-	-

(*) 30 September 2019 balances used for income/expense accounts.

Figures presented in the table above show the total of "sale" and "purchase" amounts of related transactions. Due to the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Bank. As of 30 September 2020, the net exposure for investments in associates and subsidiaries is TL (254.212) (31 December 2019: TL (822)). For direct and indirect shareholders of the Bank TL (572.830) (31 December 2019: TL (184.042)).

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

As of 30 September 2020 benefits provided to the Bank's key management amounting to TL 53.345 (30 September 2019: TL 40.365).

VII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

On 14 October 2020, Akbank secured an approximate equivalent of USD 700 million, multi-currency syndicated term loan facility from international markets, comprised of 2 tranches: USD 288 million and EUR 348,5 million with 367 days maturity. All-in cost for the tranches are Libor+2,50% p.a. and Euribor+2,25% p.a., respectively. As a result of additional commitments received until the expiry of the commitment period through the accordion feature of the facility, the total loan amount increased up to USD 388 million and EUR 348.5 million to an approximate equivalent of USD 800 million. 36 banks from 19 countries participated to this successful loan renewal including 9 new banks from US, Europe, Middle East and Asia which were not involved in last year's transaction. The roll-over ratio rose to 95% following the new participations in the deal.

**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 September 2020 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 27 October 2020 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

[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:

The measures taken by countries against the coronavirus, which spread to countries before the end of the first quarter of 2020, have caused an unprecedented loss of economic activity globally. Towards the end of the second quarter, with the gradual normalization steps taken by countries, economic activity began to recover. Recently, the number of cases has started to increase again, and some countries are again announcing some new measures. However, more targeted isolation measures are preferred rather than the complete lock downs observed in April-May.

Central banks and governments continue to announce stimulus packages. In developed countries, policy interest rates were pulled down to 0%, and, in addition to interest rate policy, central banks in major economies have been pursuing rapid balance sheet expansion with large-scale asset purchase programs and financial and real sector-targeted financing methods. Many countries especially the USA and European countries, announced expansionary fiscal measures.

In the latest World Economic Outlook Report, IMF made a limited upward revision in global growth forecasts and revised its growth forecast for 2020 to -4.4% from -4.9% in 2020. The IMF stated that the amount of measures taken by governments on a global scale to mitigate the effects of the pandemic and associated lockdowns reached \$ 11.7 trillion as of September 11, which corresponds to 12% of the global economy. IMF predicted that the global public debt to GDP ratio will reach record levels and approach 100% in 2020. IMF states that the global economic recovery continues but it will likely be long, uneven and uncertain.

After the Fed lowered the policy rate by a total of 150 basis points in March to 0.25%, it kept the policy rate unchanged at this level. The Fed continues its circa \$ 120 billion monthly asset purchase program. It states that they aim to increase inflation moderately above 2% and reach 2% on average in the medium term. The interest rates will be kept at the low levels until the labor market is considered to have reached full employment and inflation reaches the targeted levels. In the last updated projections; it predicts that the economy will contract by 3.7% in 2020.

The European Central Bank (ECB) announced an asset purchase program of 750 billion Euros within the scope of combating the virus in March, and increased the Pandemic Emergency Procurement Program by another 600 billion Euros in June, thus the total asset purchase reached 1.35 trillion Euros. The ECB has not changed interest rates and asset purchase programs in the last meetings. The ECB revised its forecast for economic activity in 2020 from -8.7% to -8.0%. However, while drawing attention to the downside risks due to the epidemic, he states that large monetary incentives are necessary to support the economic recovery and achieve medium-term price stability.

Uncertainties regarding Brexit continue in the UK. After Britain left the EU on January 31, negotiations on bilateral relations, especially regarding the trade between two sides, are being carried out, but no agreement has been reached yet in the transition period, which will end on December 31st. In China, the economy showed a rapid recovery, after contracting in the first quarter, and it has been growing for two quarters. In the third quarter of the year, the economy grew by 4.9% annually.

Domestically; since the middle of March, the pandemic had been seen in our country and caused economic shutdowns in April. With the downward trend in the number of cases since May, gradual normalization steps have been taken. In the second quarter of the year, the economy contracted by 9.9% on an annual basis. Leading economic data such as the PMI index, the real sector and sectoral confidence indexes, signaled to the continuation of economic recovery. The 12-month cumulative current account balance, on the other hand, had a deficit of \$ 23.2 billion as of August 2020, due to weak service revenues stemming from the pandemic, contraction in exports due to weak external demand conditions, and high gold imports.

Since the beginning of pandemic, intensive supportive measures have been taken on both fiscal and monetary policy fronts. The pandemic-related, temporary measures taken have started to lift along with the economic recovery. After the CBRT raised the policy rate from 8.25% to 10.25% in September, the weighted average funding rate rose from below 7.5% in mid-July to its current 12%.

The New Economic Program has been announced. In 2020, the economy is expected to grow by 0.3% and the budget balance is expected to have a deficit of TRY239 billion. The budget balance had a deficit of TRY140.6 billion and the primary balance TRY32.8 billion in the January-September period. In our banking sector, there is also a normalization in loan growth. The NPL ratio in the sector is 4.2% as of August and the capital adequacy ratio stands at 19.3%. Coronavirus, Brexit, presidential elections to be held in the USA in November, and US-China relations will be continued to follow in the rest of the year.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

Message from the CEO

Due to the pandemic, we are going through an extraordinary period. Following the many measures taken regarding our economy, recent normalization steps suggest a rapid recovery and growth process ahead. With its determined stance, Turkish banking sector continues to support the sustainable growth of our country. Akbank will also continue to support our country, society and its customers in this challenging period, with its solid financials, strong technological infrastructure and highly skilled employees.

The loan support we provided to the economy increased to a total of TL 298 billion in the first nine months of 2020, with TL 250 billion in cash loans. Our deposits reached TL 269 billion, while our assets reached TL 454 billion. In the first nine months of 2020, Akbank reported a net profit of TL 4 billion 419 million, after TL 1 billion 260 million tax provisions. With TL 500 million free provisions reserved this year, our total free provisions reached TL 1 billion 150 million.

Akbank completed another successful syndicated loan transaction. With this transaction, which is a reference for the Turkish banking sector's syndications in the second half of the year, we have acted as the leading bank that has reopened the syndicated loan market. With the participation of 36 banks from 19 countries, we have completed a syndicated loan of c. US \$800 million. 9 new banks from US, Europe, Middle East and Asia, which were not involved in last year's transaction, participated in this transaction. The interest in our syndication renewal is a concrete sign of confidence in Akbank and Turkey's banking sector even in this challenging period.

Akbank is taking important steps on sustainability. Following the global pandemic, Akbank also issued the first Green Bond in the Turkish banking sector which amounts to USD 50 million with a 4 year 110 days maturity. This financing will also support our country's transition to a low carbon economy.

Technological developments and digitalization trend are changing consumer behaviour faster than ever. With our 'future of banking' vision, we have been making important investments in technology and innovation for years. The challenges of the current period demonstrated the importance of these investments. Thanks to our robust digital infrastructure, despite the decreasing customer traffic in our branches due to the pandemic, we are experiencing an increase in the total number of transactions. The number of financial transactions made on Akbank Mobile increased by 62%.

In this period, marked by rapid digitalization, as our customers have become more interested in digital solutions, we have been the first bank in Turkey to implement a 'Digital First' program in credit cards. Accordingly, upon the approval of their applications, our customers can view their card information on Axess Mobile and Akbank Mobile and use their cards instantly. With our new card design, we offer simple and innovative experience to our customers via Turkey's first numberless credit cards. The importance we have attached to innovation, our significant technological investments and our efforts in digitalization have greatly contributed to our achievements in the pandemic period. As a global brand that goes beyond Turkey's borders, we will continue to invest in the future of our country.

We are proud to be named as the best bank of an area which represents over 160 countries and about 85% of the world population by one of the world's leading financial publishing groups. Being the first Turkish bank to be named as "Best Bank in the Emerging Markets", we are delighted to bring this award to Turkey and to its banking sector. We have raised the bar with this important achievement and it puts a huge responsibility on us. We will continue to work to supporting the sustainable growth of the Turkish economy and strengthen our country. I would like to thank all our stakeholders, especially our employees, who have contributed greatly to our success.

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

A. INTRODUCTION

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

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

2. Important Issues and Transactions during the period

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

Following the outlook revision of Turkey's Long Term IDR on August 21st, 2020 to "Negative" from "Stable", Fitch Ratings has revised Long Term Local Currency IDR Outlook of Akbank T.A.Ş. from "Stable" to "Negative" while maintaining Akbank T.A.Ş.' all ratings unchanged.

Following the country's rating change on September 11th, 2020, Moody's downgraded ratings of 13 Turkish banks, including Akbank. Moody's downgraded Akbank's Long-Term Foreign Currency Bank Deposit Rating by one notch from "B3" to "Caa1" and maintained negative outlook.

B. BANKING SECTOR THIRD QUARTER OVERVIEW

In the the first nine months of 2020, loan growth in the sector was 30,1% and deposit growth on the funding side was 32,3 %.

C. UNCONSOLIDATED FINANCIAL RESULTS AND THIRD QUARTER OVERVIEW

1. Main Balance Sheet Items (TL Million):

	30.09.2020	31.12.2019
	Unconsolidated	Unconsolidated
	Financial Results	Financial Results
Total Asset	453.589	360.501
Loans	250.478	203.834
Deposits	269.214	224.055
Equity	58.973	54.382
Net Income (30.09.2019)	4.419	4.088

2. Main Financial Ratios (%):

	30.09.2020	31.12.2019
	Unconsolidated	Unconsolidated
	Financial Results	Financial Results
Loan / Total Assets	55,2	56,5
Deposit / Total Assets	59,4	62,2
Return on Equity (30.09.2019)	10,5	11,3
Return on Assets (30.09.2019)	1,5	1,6
NPL Ratio	6,4	7,3
Capital Adequacy Ratio	23,0	21,0
Earnings Per Share (TL) (30.09.2019)	0,00850	0,00827

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

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

3. Akbank 3Q20 Results Overview:

Akbank reported a gross profit of TL 5.679 million, setting aside TL 1.260 million of tax provisions, reporting a net unconsolidated profit of TL 4.419 million in the first nine months of the year. Capital adequacy ratio of the bank has realized at 23,0% in this period.

As of 30 September 2020, Akbank's unconsolidated total asset realized at TL 454 billion, loans are approximately TL 250 billion and total deposits are approximately TL 269 billion.

Akbank's NPL ratio realized at 6,4% as of 30 September 2020.

4. Bank's Expectations For 2020:

Banks' forward-looking expectations which was announced publicly on 28 July 2020, are stated below:

2020 Guidance Outlook (%)

TL Loan Growth	Low-twenties
FX Loan Growth (in USD)	Negative ~10%
Leverage	~8x
ROE	Low-teens
NIM (Swap ad.)	%4.2 – 4.5%
Net fees&comm. growth	Neg. high-single digit
Opex growth	Mid-teens
Cost/income	≤ 34%
NPL	< 6%
Net total CoC	250-300 bps

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