

**AKBANK T.A.Ş.**

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

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

## **AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION**

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

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

### ***Introduction***

We have reviewed the unconsolidated balance sheet of Akbank T.A.Ş. ("the Bank") at 30 September 2021 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine-months-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

### ***Scope of Review***

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

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

As mentioned in Section Five Part II h.4 (i) of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 30 September 2021 include a free provision amounting to TL 1.150.000 thousand provided in prior years by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

### ***Qualified Conclusion***

Based on our review, except for the effects of the matter on the unconsolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information do not present fairly in all material respects the financial position of Akbank T.A.Ş. at 30 September 2021 and the results of its operations and its cash flows for the nine-months period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

### ***Report on other regulatory requirements arising from legislation***

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

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

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

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

Zeynep Uras, SMMM  
Partner

Istanbul, 26 October 2021

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

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

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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.

26 October 2021

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

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

Name-Surname / Title : Gökhan KAZCILAR / Senior Vice President  
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## AKBANK T.A.Ş.

### NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021

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

#### SECTION ONE GENERAL INFORMATION ABOUT THE BANK

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

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

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

The Bank's shares have been quoted on the Borsa Istanbul ("BIST") since 1990. In 1998, 4,03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depository Receipts ("ADRs"). As of 30 September 2021, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2020: 51%).

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

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

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

The shares of individuals above are insignificant in the Bank.

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

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

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

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

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

The Bank's core business activities consist of retail banking, commercial banking, corporate-investment banking and private banking and wealth management, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AgeSA Hayat ve Emeklilik A.Ş. As of 5 July 2021, the title of AvivaSA Emeklilik ve Hayat A.Ş. was changed to AgeSA Hayat ve Emeklilik A.Ş. As of 30 September 2021, the Bank has 710 branches dispersed throughout the country and 1 branch operating abroad (31 December 2020: 715 branches and 1 branch operating abroad).

As of 30 September 2021, the Bank has 12.141 employees (31 December 2020: 12.459).

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

None.

**SECTION TWO**  
**UNCONSOLIDATED FINANCIAL STATEMENTS**

**AKBANK T.A.S.**

**I. UNCONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2021 (STATEMENT OF FINANCIAL POSITION)**

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

ASSETS	Note (Section Five)	CURRENT PERIOD (30/09/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>74.623.630</b>	<b>125.627.688</b>	<b>200.251.318</b>	<b>46.162.992</b>	<b>101.436.583</b>	<b>147.599.575</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>26.191.225</b>	<b>72.779.317</b>	<b>98.970.542</b>	<b>4.892.544</b>	<b>57.958.870</b>	<b>62.851.414</b>
1.1.1 Cash and Balances with Central Bank	(I-a)	22.245.928	49.255.548	71.501.476	4.398.630	43.277.684	47.676.314
1.1.2 Banks	(I-d)	3.359.921	23.523.921	26.883.842	5.749	14.734.608	14.740.357
1.1.3 Money Markets		585.403	-	585.403	488.179	-	488.179
1.1.4 Expected Loss Provision (-)		27	152	179	14	53.422	53.436
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>(I-b)</b>	<b>1.150.615</b>	<b>7.927.229</b>	<b>9.077.844</b>	<b>1.108.586</b>	<b>7.912.516</b>	<b>9.021.102</b>
1.2.1 Government Debt Securities		3.681	131.929	135.610	12.612	167.331	179.943
1.2.2 Equity Instruments		-	193.418	193.418	-	158.714	158.714
1.2.3 Other Financial Assets		1.146.934	7.601.882	8.748.816	1.095.974	7.586.471	8.682.445
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>(I-e)</b>	<b>31.268.109</b>	<b>38.534.657</b>	<b>69.802.766</b>	<b>23.665.110</b>	<b>29.417.592</b>	<b>53.082.702</b>
1.3.1 Government Debt Securities		30.541.457	28.548.199	59.089.656	23.067.781	21.352.442	44.420.223
1.3.2 Equity Instruments		15.610	109	15.719	15.610	607	16.217
1.3.3 Other Financial Assets		711.042	9.986.349	10.697.391	581.719	8.064.543	8.646.262
<b>1.5 Derivative Financial Assets</b>	<b>(I-c, I-l)</b>	<b>16.013.681</b>	<b>6.386.485</b>	<b>22.400.166</b>	<b>16.496.752</b>	<b>6.147.605</b>	<b>22.644.357</b>
1.5.1 Derivative Financial Assets at Fair Value Through Profit or Loss		9.494.554	6.352.594	15.847.148	11.758.273	6.147.605	17.905.878
1.5.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		6.519.127	33.891	6.553.018	4.738.479	-	4.738.479
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>243.961.079</b>	<b>85.030.484</b>	<b>328.991.563</b>	<b>204.405.636</b>	<b>74.269.325</b>	<b>278.674.961</b>
<b>2.1 Loans</b>	<b>(I-f)</b>	<b>217.070.231</b>	<b>81.237.981</b>	<b>298.308.212</b>	<b>183.882.588</b>	<b>69.435.940</b>	<b>253.318.528</b>
<b>2.2 Lease Receivables</b>	<b>(I-k)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.3 Factoring Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.4 Other Financial Assets Measured at Amortised Cost</b>	<b>(I-g)</b>	<b>41.365.145</b>	<b>7.077.577</b>	<b>48.442.722</b>	<b>34.523.108</b>	<b>7.361.951</b>	<b>41.885.059</b>
Government Debt Securities		41.365.145	6.331.790	47.696.935	34.523.108	6.693.715	41.216.823
Other Financial Assets		-	745.787	745.787	-	668.236	668.236
<b>2.5 Expected Credit Loss (-)</b>		<b>14.474.297</b>	<b>3.285.074</b>	<b>17.759.371</b>	<b>14.000.060</b>	<b>2.528.566</b>	<b>16.528.626</b>
<b>III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(I-o)</b>	<b>241.070</b>	<b>-</b>	<b>241.070</b>	<b>173.416</b>	<b>-</b>	<b>173.416</b>
3.1 Held for Sale Purpose		241.070	-	241.070	173.416	-	173.416
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>2.619.291</b>	<b>8.944.012</b>	<b>11.563.303</b>	<b>2.094.996</b>	<b>7.525.427</b>	<b>9.620.423</b>
<b>4.1 Investments in Associates (Net)</b>	<b>(I-h)</b>	<b>18.129</b>	<b>-</b>	<b>18.129</b>	<b>14.795</b>	<b>-</b>	<b>14.795</b>
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		18.129	-	18.129	14.795	-	14.795
<b>4.2 Subsidiaries (Net)</b>	<b>(I-i)</b>	<b>2.601.162</b>	<b>8.944.012</b>	<b>11.545.174</b>	<b>2.080.201</b>	<b>7.525.427</b>	<b>9.605.628</b>
4.2.1 Unconsolidated Financial Subsidiaries		2.601.162	8.944.012	11.545.174	2.080.201	7.525.427	9.605.628
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>	<b>(I-j)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. PROPERTY AND EQUIPMENT (Net)</b>		<b>5.779.057</b>	<b>17.692</b>	<b>5.796.749</b>	<b>5.938.700</b>	<b>17.800</b>	<b>5.956.500</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>1.205.772</b>	<b>3</b>	<b>1.205.775</b>	<b>1.168.363</b>	<b>9</b>	<b>1.168.372</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.205.772	3	1.205.775	1.168.363	9	1.168.372
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(I-m)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(I-n)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88.226</b>	<b>-</b>	<b>88.226</b>
<b>X. OTHER ASSETS (Net)</b>	<b>(I-p)</b>	<b>4.360.459</b>	<b>97.194</b>	<b>4.457.653</b>	<b>2.701.666</b>	<b>117.662</b>	<b>2.819.328</b>
<b>TOTAL ASSETS</b>		<b>332.790.358</b>	<b>219.717.073</b>	<b>552.507.431</b>	<b>262.733.995</b>	<b>183.366.806</b>	<b>446.100.801</b>

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 2021 (STATEMENT OF FINANCIAL POSITION)**

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (30/09/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>(II-a)</b>	<b>143.148.420</b>	<b>177.147.377</b>	<b>320.295.797</b>	<b>108.487.593</b>	<b>160.082.602</b>	<b>268.570.195</b>
<b>II. FUNDS BORROWED</b>	<b>(II-c)</b>	<b>286.068</b>	<b>35.695.241</b>	<b>35.981.309</b>	<b>257.770</b>	<b>36.006.231</b>	<b>36.264.001</b>
<b>III. MONEY MARKETS</b>		<b>42.800.126</b>	<b>14.399.956</b>	<b>57.200.082</b>	<b>3.600.713</b>	<b>15.407.153</b>	<b>19.007.866</b>
<b>IV. SECURITIES ISSUED (Net)</b>	<b>(II-d)</b>	<b>8.226.662</b>	<b>13.802.386</b>	<b>22.029.048</b>	<b>7.564.687</b>	<b>11.593.289</b>	<b>19.157.976</b>
4.1 Bills		5.849.075	-	5.849.075	5.125.237	-	5.125.237
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		2.377.587	13.802.386	16.179.973	2.439.450	11.593.289	14.032.739
<b>V. FUNDS</b>		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(II-b, II-g)</b>	<b>7.819.297</b>	<b>3.193.661</b>	<b>11.012.958</b>	<b>11.232.111</b>	<b>3.784.919</b>	<b>15.017.030</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		7.627.157	2.949.719	10.576.876	10.888.507	3.449.654	14.338.161
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		192.140	243.942	436.082	343.604	335.265	678.869
<b>VIII. FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX. LEASE LIABILITIES (Net)</b>	<b>(II-f)</b>	<b>511.265</b>	-	<b>511.265</b>	<b>505.660</b>	-	<b>505.660</b>
<b>X. PROVISIONS</b>	<b>(II-h)</b>	<b>2.506.759</b>	<b>80.504</b>	<b>2.587.263</b>	<b>2.361.273</b>	<b>55.589</b>	<b>2.416.862</b>
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		603.154	-	603.154	535.221	-	535.221
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.903.605	80.504	1.984.109	1.826.052	55.589	1.881.641
<b>XI. CURRENT TAX LIABILITY</b>	<b>(II-i)</b>	<b>1.982.301</b>	<b>108.589</b>	<b>2.090.890</b>	<b>1.477.891</b>	<b>93.789</b>	<b>1.571.680</b>
<b>XII. DEFERRED TAX LIABILITY</b>	<b>(II-i)</b>	<b>27.321</b>	-	<b>27.321</b>	-	<b>16.161</b>	<b>16.161</b>
<b>XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND RELATED TO THE DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	<b>(II-j)</b>	-	<b>12.523.395</b>	<b>12.523.395</b>	-	<b>6.718.414</b>	<b>6.718.414</b>
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	12.523.395	12.523.395	-	6.718.414	6.718.414
<b>XV. OTHER LIABILITIES</b>	<b>(II-e)</b>	<b>11.166.242</b>	<b>6.830.126</b>	<b>17.996.368</b>	<b>8.067.980</b>	<b>5.867.983</b>	<b>13.935.963</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(II-k)</b>	<b>72.310.689</b>	<b>(2.058.954)</b>	<b>70.251.735</b>	<b>63.786.711</b>	<b>(867.718)</b>	<b>62.918.993</b>
16.1 Paid-in capital		5.200.000	-	5.200.000	5.200.000	-	5.200.000
16.2 Capital Reserves		5.400.628	-	5.400.628	5.400.628	-	5.400.628
16.2.1 Share Premium		3.505.742	-	3.505.742	3.505.742	-	3.505.742
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		1.894.886	-	1.894.886	1.894.886	-	1.894.886
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		3.418.195	830.326	4.248.521	3.470.625	852.351	4.322.976
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		5.924.154	[2.889.280]	3.034.874	4.093.628	[1.720.069]	2.373.559
16.5 Profit Reserves		45.024.998	-	45.024.998	39.354.663	-	39.354.663
16.5.1 Legal Reserves		1.808.635	-	1.808.635	1.772.027	-	1.772.027
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		43.068.048	-	43.068.048	37.306.183	-	37.306.183
16.5.4 Other Profit Reserves		148.315	-	148.315	276.453	-	276.453
16.6 Income or (Loss)		7.342.714	-	7.342.714	6.267.167	-	6.267.167
16.6.1 Prior Periods' Income or (Loss)		-	-	-	-	-	-
16.6.2 Current Period Income or (Loss)		7.342.714	-	7.342.714	6.267.167	-	6.267.167
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>290.785.150</b>	<b>261.722.281</b>	<b>552.507.431</b>	<b>207.342.389</b>	<b>238.758.412</b>	<b>446.100.801</b>

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



**AKBANK T.A.Ş.**
**II. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 30 SEPTEMBER 2021**

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

	Note (Section Five)	CURRENT PERIOD (30/09/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>250.709.788</b>	<b>601.030.736</b>	<b>851.740.524</b>	<b>220.683.948</b>	<b>501.071.252</b>	<b>721.755.200</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(III-3)</b>	<b>30.158.867</b>	<b>39.913.987</b>	<b>70.072.854</b>	<b>24.904.256</b>	<b>27.330.766</b>	<b>52.235.022</b>
1.1 Letters of Guarantee		25.429.976	20.510.775	45.940.751	21.260.165	16.215.511	37.475.676
1.1.1 Guarantees Subject to State Tender Law		1.029.449	2.162.609	3.192.058	340.040	1.654.714	1.994.754
1.1.2 Guarantees Given for Foreign Trade Operations		-	1.756.765	1.756.765	-	1.908.879	1.908.879
1.1.3 Other Letters of Guarantee		24.400.527	16.591.401	40.991.928	20.920.125	12.651.918	33.572.043
1.2 Bank Acceptances		-	124.378	124.378	-	47.814	47.814
1.2.1 Import Letter of Acceptance		-	124.378	124.378	-	47.814	47.814
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		13.402	11.145.627	11.159.029	7.931	4.597.968	4.605.899
1.3.1 Documentary Letters of Credit		13.402	10.408.838	10.422.240	7.931	3.583.529	3.591.460
1.3.2 Other Letters of Credit		-	736.789	736.789	-	1.014.439	1.014.439
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	16.227	16.227	-	19.269	19.269
1.8 Other Guarantees		45.569	8.109.621	8.155.190	156.440	6.439.006	6.595.446
1.9 Other Collaterals		4.669.920	7.359	4.677.279	3.479.720	11.198	3.490.918
<b>II. COMMITMENTS</b>	<b>(III-1)</b>	<b>60.527.408</b>	<b>27.653.440</b>	<b>88.180.848</b>	<b>51.032.165</b>	<b>17.014.857</b>	<b>68.047.022</b>
2.1 Irrevocable Commitments		59.548.515	27.653.440	87.201.955	50.214.657	17.014.857	67.229.514
2.1.1 Asset Purchase Commitments		1.620.134	11.647.135	13.267.269	2.918.552	4.989.558	7.908.110
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		13.293.528	1.598.983	14.892.511	9.086.285	1.068.075	10.154.360
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		3.216.992	-	3.216.992	2.730.978	-	2.730.978
2.1.8 Tax and Fund Liabilities from Export Commitments		7.239	-	7.239	4.702	-	4.702
2.1.9 Commitments for Credit Card Limits		33.466.419	-	33.466.419	29.118.196	-	29.118.196
2.1.10 Commitments for Credit Cards and Banking Services Promotions		134.041	-	134.041	130.470	-	130.470
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		7.810.162	14.407.322	22.217.484	6.225.474	10.957.224	17.182.698
2.2 Revocable Commitments		978.893	-	978.893	817.508	-	817.508
2.2.1 Revocable Loan Granting Commitments		978.893	-	978.893	817.508	-	817.508
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>160.023.513</b>	<b>533.463.309</b>	<b>693.486.822</b>	<b>144.747.527</b>	<b>456.725.629</b>	<b>601.473.156</b>
3.1 Hedging Derivative Financial Instruments		27.518.225	84.549.127	112.067.352	20.931.023	63.575.943	84.506.966
3.1.1 Fair Value Hedges		2.731.780	37.835.792	40.567.572	4.338.828	25.429.801	29.768.629
3.1.2 Cash Flow Hedges		24.786.445	46.713.335	71.499.780	16.592.195	38.146.142	54.738.337
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		132.505.288	448.914.182	581.419.470	123.816.504	393.149.686	516.966.190
3.2.1 Forward Foreign Currency Buy/Sell Transactions		9.303.145	22.015.977	31.319.122	7.430.425	12.905.210	20.335.635
3.2.1.1 Forward Foreign Currency Transactions-Buy		8.625.525	7.234.056	15.859.581	6.721.463	3.713.210	10.434.673
3.2.1.2 Forward Foreign Currency Transactions-Sell		677.620	14.781.921	15.459.541	708.962	9.192.000	9.900.962
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		108.110.697	349.214.207	457.324.904	110.509.281	319.678.319	430.187.600
3.2.2.1 Foreign Currency Swap-Buy		7.093.927	126.267.613	133.361.540	14.224.154	105.618.937	119.843.091
3.2.2.2 Foreign Currency Swap-Sell		60.047.250	91.464.486	151.511.736	61.106.357	76.325.072	137.431.429
3.2.2.3 Interest Rate Swap-Buy		20.484.760	65.741.054	86.225.814	17.589.385	68.867.155	86.456.540
3.2.2.4 Interest Rate Swap-Sell		20.484.760	65.741.054	86.225.814	17.589.385	68.867.155	86.456.540
3.2.3 Foreign Currency, Interest Rate and Securities Options		9.045.978	30.826.570	39.872.548	2.919.220	23.477.844	26.397.064
3.2.3.1 Foreign Currency Options-Buy		5.469.323	4.199.779	9.669.102	1.146.399	3.242.182	4.388.581
3.2.3.2 Foreign Currency Options-Sell		3.576.655	6.309.433	9.886.088	1.772.821	2.481.696	4.254.517
3.2.3.3 Interest Rate Options-Buy		-	10.158.679	10.158.679	-	8.876.983	8.876.983
3.2.3.4 Interest Rate Options-Sell		-	10.158.679	10.158.679	-	8.876.983	8.876.983
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		5.925.184	5.889.897	11.815.081	2.845.954	2.639.110	5.485.064
3.2.4.1 Foreign Currency Futures-Buy		5.924.491	7.779	5.932.270	312.150	2.344.916	2.657.066
3.2.4.2 Foreign Currency Futures-Sell		693	5.882.118	5.882.811	2.533.804	294.194	2.827.998
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		120.284	40.967.531	41.087.815	111.624	34.449.203	34.560.827
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>1.011.744.569</b>	<b>520.915.047</b>	<b>1.532.659.616</b>	<b>929.689.537</b>	<b>437.684.523</b>	<b>1.367.374.060</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>62.047.963</b>	<b>56.098.099</b>	<b>118.146.062</b>	<b>55.727.406</b>	<b>41.179.943</b>	<b>96.907.349</b>
4.1 Customer Fund and Portfolio Balances		12.751.141	3.583.283	16.334.424	11.866.024	2.573.098	14.439.122
4.2 Investment Securities Held in Custody		3.582.996	11.036.198	14.619.194	3.980.205	9.387.822	13.368.027
4.3 Cheques Received for Collection		38.179.376	5.282.232	43.461.608	32.938.939	4.497.006	37.435.945
4.4 Commercial Notes Received for Collection		7.200.424	6.040.656	13.241.080	6.634.533	4.697.709	11.332.242
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		334.026	30.155.730	30.489.756	307.705	20.024.308	20.332.013
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>243.458.779</b>	<b>136.944.739</b>	<b>380.423.518</b>	<b>238.975.119</b>	<b>125.345.622</b>	<b>364.320.741</b>
5.1 Marketable Securities		883.419	2.852.680	3.736.099	430.796	2.246.129	2.676.925
5.2 Guarantee Notes		755.811	849.902	1.605.713	652.787	695.879	1.348.666
5.3 Commodity		337.908	203.636	541.544	178.400	170.170	348.570
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		170.939.414	104.873.032	275.812.446	182.485.731	97.605.054	280.090.785
5.6 Other Pledged Items		70.542.227	28.185.489	98.727.716	55.227.405	24.628.390	79.855.795
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>706.237.827</b>	<b>327.852.209</b>	<b>1.034.090.036</b>	<b>634.987.012</b>	<b>271.158.958</b>	<b>906.145.970</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>1.262.454.357</b>	<b>1.121.945.783</b>	<b>2.384.400.140</b>	<b>1.150.373.485</b>	<b>938.755.775</b>	<b>2.089.129.260</b>

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 2021**

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

INCOME AND EXPENSE ITEMS		Note (Section Five)	CURRENT PERIOD	CURRENT PERIOD	PRIOR PERIOD	PRIOR PERIOD
			(01/01-30/09/2021)	(01/07-30/09/2021)	(01/01-30/09/2020)	(01/07-30/09/2020)
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(IV-a)</b>	<b>33.383.669</b>	<b>12.975.147</b>	<b>23.837.453</b>	<b>7.912.093</b>
1.1	Interest on Loans	(IV-a-1)	23.475.882	8.844.399	17.035.814	5.611.787
1.2	Interest on Reserve Requirements		594.499	254.671	33.344	19.655
1.3	Interest on Banks	(IV-a-2)	55.752	9.710	183.852	59.066
1.4	Interest on Money Market Transactions		96.054	3.035	94.066	42.340
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	9.095.225	3.840.218	6.470.053	2.171.361
1.5.1	Fair Value Through Profit or Loss		12.265	4.574	11.792	2.684
1.5.2	Fair Value Through Other Comprehensive Income		4.587.534	1.914.437	3.954.241	1.114.617
1.5.3	Measured at Amortised Cost		4.495.426	1.921.207	2.504.020	1.054.060
1.6	Financial Lease Interest Income		-	-	-	-
1.7	Other Interest Income		66.257	23.114	20.324	7.884
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>(IV-b)</b>	<b>18.256.991</b>	<b>6.659.068</b>	<b>9.535.479</b>	<b>3.303.779</b>
2.1	Interest on Deposits	(IV-b-4)	12.555.614	4.688.292	5.966.382	1.962.383
2.2	Interest on Funds Borrowed	(IV-b-1)	708.893	236.465	785.970	236.418
2.3	Interest Expense on Money Market Transactions		3.093.064	1.002.047	1.069.671	423.863
2.4	Interest on Securities Issued	(IV-b-3)	1.812.836	702.585	1.352.272	560.862
2.5	Interest on Leases		63.382	21.231	67.906	21.593
2.6	Other Interest Expenses		23.202	8.448	293.278	98.660
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>15.126.678</b>	<b>6.316.079</b>	<b>14.301.974</b>	<b>4.608.314</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>3.742.400</b>	<b>1.344.727</b>	<b>2.999.102</b>	<b>1.035.167</b>
4.1	Fees and Commissions Received		4.862.864	1.803.582	3.720.072	1.286.364
4.1.1	Non-cash Loans		409.881	127.291	328.837	103.072
4.1.2	Other		4.452.983	1.676.291	3.391.235	1.183.292
4.2	Fees and Commissions Paid (-)		1.120.464	458.855	720.970	251.197
4.2.1	Non-cash Loans		3.832	1.561	3.099	1.037
4.2.2	Other		1.116.632	457.294	717.871	250.160
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>4.550</b>	<b>373</b>	<b>3.724</b>	<b>-</b>
<b>VI.</b>	<b>TRADING INCOME / (LOSS) (Net)</b>	<b>(IV-c)</b>	<b>(1.275.695)</b>	<b>(1.372.813)</b>	<b>979.664</b>	<b>1.066.576</b>
6.1	Trading Gains / (Losses) on Securities		429.095	131.517	317.792	34.936
6.2	Gains / (Losses) on Derivative Financial Transactions		(2.972.132)	(2.444.947)	3.369.979	3.320.379
6.3	Foreign Exchange Gains / (Losses)		1.267.342	940.617	(2.708.107)	(2.288.739)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(IV-d)</b>	<b>1.594.277</b>	<b>366.112</b>	<b>895.996</b>	<b>306.367</b>
<b>VIII.</b>	<b>GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>19.192.210</b>	<b>6.654.478</b>	<b>19.180.460</b>	<b>7.016.424</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSS (-)</b>	<b>(IV-e)</b>	<b>2.348.985</b>	<b>304.752</b>	<b>5.624.533</b>	<b>2.183.956</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>(IV-e)</b>	<b>2.015.082</b>	<b>264.296</b>	<b>2.883.694</b>	<b>1.199.114</b>
<b>XI.</b>	<b>PERSONNEL EXPENSE (-)</b>		<b>2.414.269</b>	<b>864.010</b>	<b>2.136.615</b>	<b>684.451</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(IV-f)</b>	<b>3.889.026</b>	<b>1.389.984</b>	<b>3.503.525</b>	<b>1.250.954</b>
<b>XIII.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>8.524.848</b>	<b>3.851.436</b>	<b>5.032.093</b>	<b>1.697.949</b>
<b>XIV.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-	-	-
<b>XV.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>1.013.888</b>	<b>333.701</b>	<b>646.595</b>	<b>259.975</b>
<b>XVI.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>XVII.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)</b>		<b>9.538.736</b>	<b>4.185.137</b>	<b>5.678.688</b>	<b>1.957.924</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(IV-g)</b>	<b>2.196.022</b>	<b>974.589</b>	<b>1.259.594</b>	<b>435.125</b>
18.1	Current Tax Provision		2.009.089	1.172.721	643.346	(454.308)
18.2	Deferred Tax Expense Effect (+)		973.607	69.922	2.007.083	1.360.081
18.3	Deferred Tax Income Effect (-)		786.674	268.054	1.390.835	470.648
<b>XVIII.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(IV-h)</b>	<b>7.342.714</b>	<b>3.210.548</b>	<b>4.419.094</b>	<b>1.522.799</b>
<b>XIX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
20.1	Income from Non-current Assets Held for Sale		-	-	-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Income from Other Discontinued Operations		-	-	-	-
<b>XX.</b>	<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-	-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Expenses for Other Discontinued Operations		-	-	-	-
<b>XXI.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)</b>		-	-	-	-
<b>XXII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
<b>XXIII.</b>	<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-	-	-
<b>XXIV.</b>	<b>NET INCOME/(LOSS) (XIX+XXIV)</b>		<b>7.342.714</b>	<b>3.210.548</b>	<b>4.419.094</b>	<b>1.522.799</b>
Earning/(Loss) per share (in TL full)			0,01412	0,00617	0,00850	0,00293

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

**AKBANK T.A.Ş.****IV. UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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

	<b>CURRENT PERIOD (30/09/2021)</b>	<b>PRIOR PERIOD (30/09/2020)</b>
<b>CURRENT PERIOD INCOME/LOSS</b>	<b>7.342.714</b>	<b>4.419.094</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>616.108</b>	<b>171.036</b>
<b>Not Reclassified Through Profit or Loss</b>	<b>(45.207)</b>	<b>(160.478)</b>
Property and Equipment Revaluation Increase/Decrease	3.641	157.929
Intangible Assets Revaluation Increase/Decrease	-	-
Defined Benefit Plan Remeasurement Gain/Loss	(33.627)	(17.412)
Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(21.219)	(285.889)
Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	5.998	(15.106)
<b>Reclassified Through Profit or Loss</b>	<b>661.315</b>	<b>331.514</b>
Foreign Currency Translation Differences	982.721	2.133.349
Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(1.225.171)	(1.300.221)
Cash Flow Hedge Income/Loss	1.751.149	428.824
Foreign Net Investment Hedge Income/Loss	(926.207)	(1.438.648)
Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	78.823	508.210
<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>7.958.822</b>	<b>4.590.130</b>

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

AKBANK T.A.Ş.

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

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

Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not		Accumulated Other Comprehensive Income or Expense Reclassified through		Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders' Equity
					Accumulated Revaluation Increase/Decrease of Property and Equipment	Accumulated Remeasurement Gain/Loss of Defined Benefit Plan	Other (Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	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)							
<b>CURRENT PERIOD</b>															
<b>(30/09/2021)</b>															
I.	Prior Period End Balance	5.200.000	3.505.742	-	1.894.886	3.016.534	[232.567]	1.539.009	4.036.160	342.100	(2.004.701)	39.354.663	-	6.267.167	62.918.993
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	5.200.000	3.505.742	-	1.894.886	3.016.534	[232.567]	1.539.009	4.036.160	342.100	(2.004.701)	39.354.663	-	6.267.167	62.918.993
IV.	Total Comprehensive Income	-	-	-	-	2.913	[26.901]	[21.219]	982.721	(979.952)	658.546	-	-	7.342.714	7.958.822
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes	-	-	-	-	[29.248]	-	-	-	-	-	29.248	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	5.641.087	-	[6.267.167]	[626.080]
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	[626.080]	[626.080]
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	5.641.087	-	[5.641.087]	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance (I+II+III+...+XI)</b>		<b>5.200.000</b>	<b>3.505.742</b>	<b>-</b>	<b>1.894.886</b>	<b>2.990.199</b>	<b>[259.468]</b>	<b>1.517.790</b>	<b>5.018.881</b>	<b>[637.852]</b>	<b>[1.346.155]</b>	<b>45.024.998</b>	<b>-</b>	<b>7.342.714</b>	<b>70.251.735</b>

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

AKBANK T.A.Ş.

V. UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 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 Revaluation Increase/Decrease of Property and Equipment	Accumulated Remeasurement Gain/Loss of Defined Benefit Plan	Other (Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders' Equity	
															Accumulated Other Comprehensive Income or Expense Not
<b>PRIOR PERIOD</b>															
<b>(30/09/2020)</b>															
<b>I.</b>	<b>Prior Period End Balance</b>	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
<b>II.</b>	<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>Adjusted Beginning Balance (I+II)</b>	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance (I+II+III+...+X+XI)</b>		<b>5.200.000</b>	<b>3.505.742</b>	<b>-</b>	<b>1.894.886</b>	<b>2.333.879</b>	<b>(191.683)</b>	<b>1.399.788</b>	<b>4.013.179</b>	<b>(928.481)</b>	<b>(2.028.336)</b>	<b>39.354.663</b>	<b>-</b>	<b>4.419.094</b>	<b>58.972.731</b>

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

**AKBANK T.A.Ş.****VI. UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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

	Note (Section Five)	CURRENT PERIOD (30/09/2021)	PRIOR PERIOD (30/09/2020)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1	Operating Profit before changes in operating assets and liabilities	8.900.652	10.383.547
1.1.1	Interest received	28.902.820	21.382.564
1.1.2	Interest paid	(17.576.687)	(9.515.113)
1.1.3	Dividend received	4.550	3.724
1.1.4	Fees and commissions received	4.873.008	3.733.758
1.1.5	Other income	(3.606.661)	(789.616)
1.1.6	Collections from previously written-off loans and other receivables	1.996.321	1.395.578
1.1.7	Cash Payments to personnel and service suppliers	(2.593.480)	(2.297.813)
1.1.8	Taxes paid	(1.689.826)	(1.773.170)
1.1.9	Other	(1.409.393)	(1.756.365)
1.2	Changes in operating assets and liabilities	15.480.902	(6.543.034)
1.2.1	Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss	(1.694.558)	(2.152.715)
1.2.2	Net (increase) / decrease in due from banks and other financial institutions	(5.728.334)	(1.504.533)
1.2.3	Net (increase) / decrease in loans	(44.774.566)	(46.408.787)
1.2.4	Net (increase) / decrease in other assets	(22.549.978)	(21.664.616)
1.2.5	Net increase / (decrease) in bank deposits	(1.472.414)	2.508.824
1.2.6	Net increase / (decrease) in other deposits	52.618.961	42.690.747
1.2.7	Net Increase/Decrease in Financial Liabilities at Fair Value Through Profit or Loss	-	-
1.2.8	Net increase / (decrease) in funds borrowed	(290.287)	8.197.504
1.2.9	Net increase / (decrease) in payables	-	-
1.2.10	Net increase / (decrease) in other liabilities	39.372.078	11.790.542
I.	Net cash provided from banking operations	24.381.554	3.840.513
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
II.	Net cash provided from investing activities	(21.915.100)	(10.885.960)
2.1	Cash paid for acquisition of investments, associates and subsidiaries	(10.000)	(35.000)
2.2	Cash obtained from disposal of investments, associates and subsidiaries	-	-
2.3	Purchases of property and equipment	(484.012)	(872.237)
2.4	Disposals of property and equipment	97.358	2.672
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(28.846.506)	(12.599.176)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	12.664.292	25.862.919
2.7	Purchase of Financial Assets Measured at Amortised Cost	(17.190.851)	(24.199.869)
2.8	Sale of Financial Assets Measured at Amortised Cost	13.771.354	3.224.165
2.9	Other	(1.916.735)	(2.269.434)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
III.	Net cash provided from financing activities	7.885.315	10.411.853
3.1	Cash obtained from funds borrowed and securities issued	24.723.354	33.463.618
3.2	Cash used for repayment of funds borrowed and securities issued	(15.994.297)	(22.775.163)
3.3	Issued equity instruments	-	-
3.4	Dividends paid	(626.080)	-
3.5	Payments for finance leases	(217.662)	(276.602)
3.6	Other	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	1.945.935	3.460.123
V.	Net increase in cash and cash equivalents (I+II+III+IV)	12.297.704	6.826.529
VI.	Cash and cash equivalents at beginning of the period	10.531.131	15.835.984
VII.	Cash and cash equivalents at end of the period	22.828.835	22.662.513

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 2021**

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

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**SECTION THREE  
EXPLANATIONS ON ACCOUNTING POLICIES**

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

**a. The preparation of the 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. Intensive vaccination campaign has been continuing in Turkey as in many parts of the world. On the other hand, estimations and assumptions used to reflect COVID-19 impacts on 30 September 2021 financial statements of the Bank are explained in the relevant footnotes.

Due to COVID-19, the Bank has been given the opportunity to postpone the principal, interest and installment payments of its individual and corporate customers if they request, and the postponement within this scope, and the postponement opportunity ended as of 30 September 2021, according to the BRSA's regulation dated 16 September 2021 and numbered 9795. The Bank has evaluated the risks of postponed loans on an individual and portfolio basis and those risks have been taken into account in the provision calculations.

**b. Explanation for convenience translation to English:**

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

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

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

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

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

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

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

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

As of 30 September 2021, foreign currency denominated balances are translated into TL using the exchange rates of TL 8,8785 and TL 10,2933 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 "TFRS 9 Financial Instruments" (TFRS 9).

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

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

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**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

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

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Value Through Profit and Loss" or "Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement. The basis on accounting of derivative instruments for hedging purposes are explained in Note VIII of Section Four. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

As of 30 September 2021, the Bank has no embedded derivative in istrument (31 December 2020: None).

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:**

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

**VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:**

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

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

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

***Classification and measurement of financial assets***

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

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

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

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

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

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

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

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

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

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

"Financial assets at fair value through profit/loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. The Bank reviewed the valuation of financial assets and liabilities at fair value through profit / loss as of the reporting date, there are no changes caused by the effects of the COVID-19 pandemic that would require any adjustments in fair value measurement as of 30 September 2021.

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

During initial recognition the Bank can choose in an irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss. The Bank reviewed the valuation of financial assets and liabilities at fair value through other comprehensive income as of the reporting date, there are no changes caused by the effects of the COVID-19 pandemic that would require any adjustments in fair value measurement as of 30 September 2021.

**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.

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

"Fair value through other comprehensive income" and "measured at amortized cost" securities portfolio of the Bank include Consumer Price Indexed (CPI) Bonds. These securities are valued and accounted using the effective interest rate method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of prior two months. The Bank also sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. In this context, the valuation of these securities was made according to an annual inflation forecast of 17,00% as of 30 September 2021. At the end of the year, the real inflation rate is used.

**d. Derivative Financial Assets:**

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

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

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

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

**e. Loans**

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

1. Loans measured at amortised cost:

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

*Stage 1:*

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

*Stage 2:*

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

*Stage 3:*

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

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

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

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

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

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

***Significant increase in credit risk:***

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

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

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

However, with the decision of BRSA dated 23 March 2020 and numbered 8970, the entry limit for close monitoring due to the delay day has been moved from the 30th delay day to the 90th delay day as of 17 March 2020. The relevant issue ended as of 1 October 2021, according to the BRSA Decision dated 17 June 2021 and numbered 9624. Although the Bank applies the aforementioned regulation of BRSA for the classification of loans, lifetime expected loss provision is reserved for loans with a delay of 30-90 days. The regulation change in question does not include loans with a delay of 90 days before 17 March 2020. However, according to the BRSA's decision dated 16 September 2021 and numbered 9795, as of 1 October 2021, application will continue for loans with a delay period of more than 31 days and not exceeding 90 days. However, according to the BRSA's decision dated 16 September 2021 and numbered 9795, as of 1 October 2021, application will continue for loans with a delay period of more than 31 days and not exceeding 90 days.

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

**Definition of Default:**

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

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

However, due to COVID-19, the "more than 90 days delay" condition used in the definition of default in accordance with the related legislation of BRSA started to be applied as "more than 180 days delay" as of 17 March 2020. Based on the BRSA Decision numbered 9624 dated 17 June 2021, the relevant issue ended as of 1 October 2021. However, according to the BRSA's decision dated 16 September 2021 and numbered 9795, as of 1 October 2021, application will continue for loans with a delay period of more than 91 days and not exceeding 180 days.

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

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

**Write-off Policy:**

Within the framework of the provisions of the "Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions for These" published in the Official Gazette dated 6 July 2021 and numbered 31533 the portion of the loans that are classified under "Fifth Group-Loans with a Loss Qualification" and for which a lifetime expected loan loss provision or special provision is made due to the default of the borrower, for which there are no reasonable expectations for the recovery of the loans, within the scope of TFRS 9, as of the first reporting period (interim or year-end reporting period) following their classification in this Group, deducted from the records within the period deemed appropriate by the bank, taking into account the situation of the debtor. In determining the cluster within this scope, the following indicators are used;

- In the corporate, commercial and retail segment follow-up portfolio, with very low or no collection expectation
  - Monitored in the 5th group as of the last reporting period,
  - Having a provision rate of 90% or more,
  - No active payment plans
  - No Credit Guarantee Fund (CGF) secured loan
- Loans and provision ratio of 100% all abusive and fraudulent tracking accounts are included in the deletion of the active account.

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

**VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES:**

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

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

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

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

- Exposure at Default: Specifies the amount of risk that the borrower should pay in case of default. It is kept in the system by constantly calculated until the maturity of the borrower. The amount of extra risk that can be incurred in the event of default is included in the calculations by using the credit conversion rate (CCR) calculated for the irrevocable commitment products.
- Probability of Default (PD): PD indicates the probability of default due to inability of the borrower to meet its debt obligations. It has been calculated for 12 months or lifetime depends on increase on borrower's credit risk. Calculation of the lifetime default rate is carried out by drawing the actual default rate figures to the long term using various functions, based on historical data.

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

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

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

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

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

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

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

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

The risk parameters used in the IFRS 9 calculations include prospective macroeconomic information. While macroeconomic information is included, models and estimates reflecting the relationships between model risk parameters and macroeconomic variables are taken into consideration. The main macroeconomic indicator of these estimation models are the Gross Domestic Product (GDP) growth rate. Macroeconomic estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

The ECL calculations are reviewed at least once a year. After review at the end of 2020;

- There has been no change in the assumptions in estimation techniques and the macroeconomic model used in the process has been re-developed. The parameter estimates used in the macroeconomic model were updated.
- Model risk parameters and macroeconomic estimation models have been updated with recent data at the end of 2020.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Bank has no discontinued operations.

**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.

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

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:**

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

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

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

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

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

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

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

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

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

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

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

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

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

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assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

**XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:**

**a. Employment termination benefits and vacation rights:**

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

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

**b. Retirement Rights:**

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

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

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

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

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

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

As of 30 September 2021, The Bank has made provision of TL 176.263 in the financial statements for technical deficit of Pension Fund (31 December 2020: TL 126.263). This amount has been classified as other provision item.

#### XVIII. EXPLANATIONS ON TAXATION:

##### a. Current Tax:

As of 30 September 2021, the current corporate tax rate is 25%. In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, starting from the declarations that must be submitted as of 1/7/2021 and to be valid for the taxation period starting from 1/1/2021, the corporate tax rate is 25% for the taxation period of 2021, this rate will be applied as 23% for the taxation period of 2022 and 20% for the taxation period of 2023 and beyond.

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

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

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

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

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

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

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

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

##### b. Deferred Tax:

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. As of 30 September 2021, for assets and liabilities subject to deferred tax calculation, enacted tax rates in accordance with the current tax legislation are used in accordance with their lifetime. In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, starting from the declarations that must be submitted as of 1/7/2021 and to be valid for the taxation period starting from 1/1/2021, the corporate tax rate is 25% for the taxation period of 2021. and this rate will be applied as 23% for the taxation period of 2022. The Bank calculated its deferred tax over 20% as of 31 December 2020.

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.

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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 2021.

**XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:**

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

**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

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

**XXIII. EXPLANATIONS ON SEGMENT REPORTING:**

An operating segment is a component of an entity:

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

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

**XXIV. PROFIT RESERVES AND PROFIT DISTRIBUTION:**

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

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

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

**XXV. EARNINGS PER SHARE:**

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>30 September 2021</b>	<b>30 September 2020</b>
Net Profit for the Period	7.342.714	4.419.094
Average Number of Issued Common Shares (Thousand)	520.000.000	520.000.000
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,01412</b>	<b>0,00850</b>

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

No bonus shares issued in 2021 (2020: None).

**XXVI. RELATED PARTIES:**

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

**XXVII. CASH AND CASH EQUIVALENT ASSETS:**

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

**XXVIII. RECLASSIFICATIONS:**

The Bank made some classifications on balance sheet and cash flow statement dated 31 December 2020 to be in compliance with the presentation of financial statements dated 30 September 2021. Collaterals given for derivative transactions with foreign banks, which are shown under the item "Other Assets" in the balance sheet of 31 December 2020, were classified under the "Banks" item in accordance with the amendments made within the scope of the Regulation on Uniform Chart of Accounts effective as of 1 January 2021.

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

**TFRS 16 "Leases" Standard**

**Bank – lessee :**

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

*Right of use assets:*

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

- 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 Bank applies the provisions of depreciation regulated under the TAS 16 Tangible Assets Standards, while depreciating the rights of use assets.

*The Lease Obligations:*

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

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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:

- Increase the book value to reflect the interest on the lease obligation
- Reduces the book value to reflect the lease payments made and
- 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:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Real estate	739.750	706.655
<b>Total right of use asset</b>	<b>739.750</b>	<b>706.655</b>

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

	<b>30 September 2021</b>	<b>31 December 2020</b>
Real estate	340.784	314.165
<b>Total right of use asset depreciation expense</b>	<b>340.784</b>	<b>314.165</b>

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 102.548 has been paid in the relevant period.

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

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

**I. EXPLANATIONS ON EQUITY:**

Total capital amount and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". Additionally, calculated according to BRSA regulations dated 16 September 2021, numbered 9795. As of 30 September 2021 based on recent regulation changes;

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

As of 30 September 2021, taking into consideration the above-mentioned regulations, the current period equity of the Bank has been calculated as TL 84.759.270 (31 December 2020: TL 73.158.466), and the capital adequacy ratio is 21,17% (31 December 2020: 21,84%). This ratio is above the minimum ratio required by the legislation.

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

	Current Period 30 September 2021	Amounts related to treatment before 1/1/2014[*]
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.094.886	
Share issue premiums	3.505.742	
Reserves	45.024.998	
Gains recognized in equity as per TAS	10.634.761	
Profit	7.342.714	
Current Period Profit	7.342.714	
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	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>73.615.227</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	757	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	3.363.492	
Improvement costs for operating leasing	39.078	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	932.512	932.512
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	1.120.017	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>5.455.856</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>68.159.371</b>	

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	Current Period 30 September 2021	Amounts related to treatment before 1/1/2014 (*)
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	-	-
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions From Additional Tier I Capital</b>	-	-
<b>Total Additional Tier I Capital</b>	-	-
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>68.159.371</b>	-
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	12.323.585	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	4.307.466	-
<b>Tier II Capital Before Deductions</b>	<b>16.631.051</b>	-
<b>Deductions From Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>16.631.051</b>	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>84.790.422</b>	-
<b>Deductions from Total Capital</b>		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and 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 (-)	31.152	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deducted Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

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	<b>Current Period 30 September 2021</b>	<b>Amounts related to treatment before 1/1/2014(*)</b>
<b>TOTAL CAPITAL</b>		
Total Capital	84.759.270	
Total Risk Weighted Amounts	400.462.336	
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio (%)	17,02%	
Tier 1 Capital Adequacy Ratio (%)	17,02%	
Capital Adequacy Ratio (%)	21,17%	
<b>BUFFERS</b>		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2,53%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific total common equity tier 1 capital ratio (%)	0,03%	
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 (%)	9,02%	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital		-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital		-
Amount arising from mortgage-servicing rights		-
Amount arising from deferred tax assets based on temporary differences	(27.320)	
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	6.583.585	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4.307.466	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation		-
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation		-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4		-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4		-
Upper limit for Additional Tier II Capital subjected to temporary Article 4		-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4		-

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

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



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	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014(*)
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.094.886	
Share issue premiums	3.505.742	
Reserves	39.354.663	
Gains recognized in equity as per TAS	8.921.677	
Profit	6.267.167	
Current Period Profit	6.267.167	
Prior Period Profit	-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	12.126	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>65.156.261</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	194	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.188.772	
Improvement costs for operating leasing	44.135	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	951.808	951.808
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>2.184.909</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>62.971.352</b>	

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	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014 (*)
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
<b>Additional Tier I Capital before Deductions</b>	-	
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
<b>Total Deductions From Additional Tier I Capital</b>	-	
<b>Total Additional Tier I Capital</b>	-	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>62.971.352</b>	
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	6.604.755	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.582.817	
<b>Tier II Capital Before Deductions</b>	<b>10.187.572</b>	
<b>Deductions From Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
<b>Total Deductions from Tier II Capital</b>	-	
<b>Total Tier II Capital</b>	<b>10.187.572</b>	
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>73.158.924</b>	
<b>Deductions from Total Capital</b>		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and 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 (-)	458	
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deducted Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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

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

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

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

**Current Period  
30 September 2021**

<b>Details on Subordinated Liabilities:</b>	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1574750292 / US00972BAB53
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	4.433 million TL (in full TL amount)
Nominal value of instrument	4.433 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	15 March 2017
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 1 day (Maturity date: 16 March 2027)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 16.03.2022. The reimbursement amount is 4.433 million TL (in full TL amount)
Subsequent call dates, if applicable	-
<b>Coupon/dividend payment</b>	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	7,2%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
<b>Convertible or non-convertible into equity shares</b>	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of "Own fund regulation"	The instrument is in compliance with article number 8.
Details of incompliance with article number 7 and 8 of "Own fund regulation"	The instrument is not in compliant with article numbered 7.

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**Current Period  
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<b>Details on Subordinated Liabilities:</b>	
Issuer	AKBANK T.A.Ş.
Identifier(s) (CUSIP, ISIN vb.)	XS1772360803 / US00972BAC37
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	3.551 million TL (in full TL amount)
Nominal value of instrument	3.551 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 3.551 million TL (in full TL amount)
Subsequent call dates, if applicable	-
<b>Coupon/dividend payment</b>	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
<b>Convertible or non-convertible into equity shares</b>	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of "Own fund regulation"	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of "Own fund regulation"	The instrument is not in compliant with article numbered 7.

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**Current Period  
30 September 2021**

<b>Details on Subordinated Liabilities:</b>	
Issuer	AKBANK T.A.Ş.
Identifier(s) [CUSIP, ISIN vb.]	XS2355183091 / US00971YAJ91
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	4.433 million TL (in full TL amount)
Nominal value of instrument	4.433 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans [347011 Accounting Number]
Issuance date of instrument	22 June 2021
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year (Maturity date: 22 June 2031)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 22.06.2026. The reimbursement amount is 4.433 million TL (in full TL amount)
Subsequent call dates, if applicable	-
<b>Coupon/dividend payment</b>	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
<b>Convertible or non-convertible into equity shares</b>	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation "	The instrument is not in compliant with article numbered 7.

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

**II. EXPLANATIONS ON CURRENCY RISK**

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

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

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

	<b>USD</b>	<b>EURO</b>
Balance Sheet Evaluation Rate	TL 8,8785	TL 10,2933
1.Day bid rate	TL 8,8785	TL 10,2933
2.Day bid rate	TL 8,8433	TL 10,3135
3.Day bid rate	TL 8,8585	TL 10,3486
4.Day bid rate	TL 8,8355	TL 10,3364
5.Day bid rate	TL 8,8240	TL 10,3526

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

USD : TL 8,5339  
EURO : TL 10,0528

As of 31 December 2020;

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

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

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

<b>Current Period – 30 September 2021</b>	<b>EURO</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash and Balances with Central Bank (*)	18.362.993	27.871.107	3.021.448	<b>49.255.548</b>
Banks (*****)	5.769.639	16.415.217	1.339.065	<b>23.523.921</b>
Financial Assets at Fair Value through Profit or Loss	28.620	7.898.609	-	<b>7.927.229</b>
Money Markets	-	-	-	<b>-</b>
Financial Assets at Fair Value Through Other Comprehensive Income	2.723.957	34.174.098	1.636.602	<b>38.534.657</b>
Loans and Lease Receivables (**)	52.541.544	29.025.842	40.278	<b>81.607.664</b>
Investments in Associates, Subsidiaries and Joint Ventures	8.944.012	-	-	<b>8.944.012</b>
Other financial assets measured at amortised cost	53.435	7.024.142	-	<b>7.077.577</b>
Hedging Derivative Financial Assets	-	71.125	215.212	<b>286.337</b>
Tangible Assets (Net)	-	17.692	-	<b>17.692</b>
Intangible Assets (Net)	-	3	-	<b>3</b>
Other Assets (***)	(930.768)	3.760.289	9.220	<b>2.838.741</b>
<b>Total Assets</b>	<b>87.493.432</b>	<b>126.258.124</b>	<b>6.261.825</b>	<b>220.013.381</b>
<b>Liabilities</b>				
Bank Deposits (****)	3.109.061	4.336.961	1.509.314	<b>8.955.336</b>
Foreign Currency Deposits (****)	48.014.715	98.232.233	21.945.093	<b>168.192.041</b>
Money Markets	-	14.399.956	-	<b>14.399.956</b>
Borrowings	7.248.640	28.446.601	-	<b>35.695.241</b>
Securities Issued (Net) (*****)	103.080	26.222.701	-	<b>26.325.781</b>
Miscellaneous Payables	376.759	6.111.469	31.108	<b>6.519.336</b>
Hedging Derivative Financial Liabilities	-	592.556	-	<b>592.556</b>
Other Liabilities	829.465	2.248.122	23.401	<b>3.100.988</b>
<b>Total Liabilities</b>	<b>59.681.720</b>	<b>180.590.599</b>	<b>23.508.916</b>	<b>263.781.235</b>
<b>Net on Balance Sheet Position</b>	<b>27.811.712</b>	<b>(54.332.475)</b>	<b>(17.247.091)</b>	<b>(43.767.854)</b>
<b>Net off-Balance Sheet Position (*****)</b>	<b>(26.808.107)</b>	<b>59.316.919</b>	<b>17.795.725</b>	<b>50.304.537</b>
Financial Derivative Assets	30.683.937	122.680.127	24.306.438	<b>177.670.502</b>
Financial Derivative Liabilities	57.492.044	63.363.208	6.510.713	<b>127.365.965</b>
<b>Non-cash Loans</b>	<b>16.801.771</b>	<b>22.397.770</b>	<b>714.446</b>	<b>39.913.987</b>
<b>Prior Period - 31 December 2020</b>				
Total Assets	74.467.998	103.906.172	5.474.829	<b>183.848.999</b>
Total Liabilities	57.385.307	157.926.661	24.314.162	<b>239.626.130</b>
<b>Net on-Balance Sheet Position</b>	<b>17.082.691</b>	<b>(54.020.489)</b>	<b>(18.839.333)</b>	<b>(55.777.131)</b>
<b>Net off-Balance Sheet Position (*****)</b>	<b>(19.735.604)</b>	<b>61.874.240</b>	<b>18.839.063</b>	<b>60.977.699</b>
Financial Derivative Assets	24.101.396	109.802.491	21.198.412	<b>155.102.299</b>
Financial Derivative Liabilities	43.837.000	47.928.251	2.359.349	<b>94.124.600</b>
<b>Non-cash Loans</b>	<b>14.116.871</b>	<b>12.712.145</b>	<b>501.750</b>	<b>27.330.766</b>

(\*) Of the Cash Equivalents and Central Bank and Other FC, TL 2.654.259 (31 December 2020: TL 2.173.647) are precious metal deposit account in demand.

(\*\*) The foreign currency indexed loans balance in the Turkish Lira accounts is TL 369.683 (31 December 2020: TL 554.548).

(\*\*\*) Derivative financial assets and expected credit losses are classified under other assets. The expected loss amount of foreign currency indexed loans balance is TL 16.842 (31 December 2020: TL 9.785). Prepaid assets amounted TL 56.533 (31 December 2020: TL 62.570) is excluded in the financial statements.

(\*\*\*\*) Of the foreign currency deposits TL 17.172.594 (31 December 2020: TL 17.561.462) and Bank Deposits Other FC of the TL 24.843 (31 December 2020: TL 22.911) are precious metal deposit account in demand.

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

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

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



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

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

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

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

<b>Current Period – 30 September 2021</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash and Balances with Central Bank	20.282.507	-	-	-	-	51.218.969	<b>71.501.476</b>
Banks (****)	6.325.028	1.172.476	-	-	-	19.386.338	<b>26.883.842</b>
Financial assets at fair value through profit or loss (Net)	6.361	7.349.355	24.342	108.749	55.901	1.533.136	<b>9.077.844</b>
Money Markets	585.403	-	-	-	-	-	<b>585.403</b>
Financial Assets at Fair Value Through Other Comprehensive Income	7.635.410	12.295.026	12.411.544	21.817.771	15.163.799	479.216	<b>69.802.766</b>
Loans and Lease Receivables (*)	93.864.154	24.534.645	86.181.888	65.170.591	11.394.728	17.162.206	<b>298.308.212</b>
Other financial assets measured at amortised cost	2.174.255	17.469.070	22.789.774	5.649.679	359.944	-	<b>48.442.722</b>
Other Assets (**)	4.034.540	11.777.566	6.313.823	927.446	197.012	4.654.779	<b>27.905.166</b>
<b>Total Assets</b>	<b>134.907.658</b>	<b>74.598.138</b>	<b>127.721.371</b>	<b>93.674.236</b>	<b>27.171.384</b>	<b>94.434.644</b>	<b>552.507.431</b>
<b>Liabilities</b>							
Bank Deposits	7.145.203	2.267.186	-	-	-	1.558.910	<b>10.971.299</b>
Other Deposits	149.160.542	46.276.784	11.276.740	44.493	-	102.565.939	<b>309.324.498</b>
Money Markets	44.214.778	1.700.791	11.284.513	-	-	-	<b>57.200.082</b>
Miscellaneous Payables	1.766.138	1.616.907	1.925.300	713.176	90.526	7.349.411	<b>13.461.458</b>
Securities Issued (Net) (***)	2.127.918	3.191.951	1.739.683	15.066.372	12.426.519	-	<b>34.552.443</b>
Borrowings	14.064.739	18.843.227	2.895.851	177.492	-	-	<b>35.981.309</b>
Other Liabilities (****)	3.480.008	2.949.551	3.952.808	1.548.633	546.031	78.539.311	<b>91.016.342</b>
<b>Total Liabilities</b>	<b>221.959.326</b>	<b>76.846.397</b>	<b>33.074.895</b>	<b>17.550.166</b>	<b>13.063.076</b>	<b>190.013.571</b>	<b>552.507.431</b>
Balance Sheet Long Position	-	-	94.646.476	76.124.070	14.108.308	-	<b>184.878.854</b>
Balance Sheet Short Position	(87.051.668)	(2.248.259)	-	-	-	(95.578.927)	<b>(184.878.854)</b>
Off-balance Sheet Long Position	1.310.421	21.767.743	-	121.582	-	-	<b>23.199.746</b>
Off-balance Sheet Short Position	-	-	(12.974.313)	-	-	-	<b>(12.974.313)</b>
<b>Total Position</b>	<b>(85.741.247)</b>	<b>19.519.484</b>	<b>81.672.163</b>	<b>76.245.652</b>	<b>14.108.308</b>	<b>(95.578.927)</b>	<b>10.225.433</b>

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

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

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

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

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

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Prior Period – 31 December 2020	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash and Balances with Central Bank	2.627.708	-	-	-	-	45.048.606	<b>47.676.314</b>
Banks (****)	28.193	1.118.376	-	-	-	13.593.788	<b>14.740.357</b>
Financial assets at fair value through profit or loss (Net)	16.394	15.941	7.419.431	107.610	48.403	1.413.323	<b>9.021.102</b>
Money Markets	488.179	-	-	-	-	-	<b>488.179</b>
Financial Assets at Fair Value Through Other Comprehensive Income	9.376.431	5.255.819	9.554.501	20.728.748	7.745.706	421.497	<b>53.082.702</b>
Loans and Lease Receivables (*)	72.080.962	32.526.297	63.908.093	61.011.874	6.478.719	17.312.583	<b>253.318.528</b>
Other financial assets measured at amortised cost	8.835.555	2.287.297	19.059.289	10.526.018	1.176.900	-	<b>41.885.059</b>
Other Assets (**)	5.571.416	8.767.247	5.933.093	3.092.887	98.783	2.425.134	<b>25.888.560</b>
<b>Total Assets</b>	<b>99.024.838</b>	<b>49.970.977</b>	<b>105.874.407</b>	<b>95.467.137</b>	<b>15.548.511</b>	<b>80.214.931</b>	<b>446.100.801</b>
<b>Liabilities</b>							
Bank Deposits	7.803.740	3.655.093	704.937	-	-	270.288	<b>12.434.058</b>
Other Deposits	133.682.524	29.901.216	5.910.732	143.988	11	86.497.666	<b>256.136.137</b>
Money Markets	9.590.949	6.685.969	2.730.948	-	-	-	<b>19.007.866</b>
Miscellaneous Payables	1.518.708	2.333.374	1.247.428	227.435	-	5.961.440	<b>11.288.385</b>
Securities Issued (Net) (***)	3.007.308	2.523.783	958.428	8.996.764	10.390.107	-	<b>25.876.390</b>
Borrowings	12.780.120	20.576.247	2.860.313	47.321	-	-	<b>36.264.001</b>
Other Liabilities (****)	4.411.172	6.593.891	3.923.841	860.490	386.026	68.918.544	<b>85.093.964</b>
<b>Total Liabilities</b>	<b>172.794.521</b>	<b>72.269.573</b>	<b>18.336.627</b>	<b>10.275.998</b>	<b>10.776.144</b>	<b>161.647.938</b>	<b>446.100.801</b>
Balance Sheet Long Position	-	-	87.537.780	85.191.139	4.772.367	-	<b>177.501.286</b>
Balance Sheet Short Position	(73.769.683)	(22.298.596)	-	-	-	(81.433.007)	<b>(177.501.286)</b>
Off-balance Sheet Long Position	3.834.541	10.980.855	-	2.865.359	64.337	-	<b>17.745.092</b>
Off-balance Sheet Short Position	-	-	(8.568.613)	-	-	-	<b>(8.568.613)</b>
<b>Total Position</b>	<b>(69.935.142)</b>	<b>(11.317.741)</b>	<b>78.969.167</b>	<b>88.056.498</b>	<b>4.836.704</b>	<b>(81.433.007)</b>	<b>9.176.479</b>

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

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

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

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

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

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

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

Current Period – 30 September 2021	EURO	USD	Yen	TL
<b>Assets</b>				
Cash and Balances with Central Bank	-	-	-	12,50
Banks	-	0,21	-	18,50
Financial Assets at Fair Value Through Profit or Loss (Net)	4,95	5,44	-	17,60
Money Markets	-	-	-	19,02
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	4,09	5,15	3,09	17,69
Loans and Lease Receivables	3,93	5,25	-	16,54
Other financial assets measured at amortised cost	4,34	5,93	-	17,28
<b>Liabilities</b>				
Bank Deposits (*)	0,16	0,50	-	17,09
Other Deposits (*)	0,04	0,37	0,00	13,83
Money Markets	-	0,72	-	17,95
Miscellaneous Payables	-	0,09	-	-
Securities Issued (Net) (**)	4,00	6,31	-	16,12
Borrowings	1,81	2,43	-	15,49

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The different categories of defined limits are;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**Liquidity Coverage Ratio:**

Current Period – 30.09.2021	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 High quality liquid assets			108.904.628	61.369.189
<b>CASH OUTFLOWS</b>				
2 Retail and Customers Deposits	214.108.728	119.966.970	19.734.506	11.996.697
3 Stable deposits	33.527.325	-	1.676.366	-
4 Less stable deposits	180.581.403	119.966.970	18.058.140	11.996.697
5 Unsecured Funding other than Retail and Small Business Customers Deposits	91.105.977	54.825.535	49.297.412	30.750.859
6 Operational deposits	1.784	-	446	-
7 Non-Operational Deposits	80.420.278	48.775.611	40.304.639	24.701.455
8 Other Unsecured Funding	10.683.915	6.049.924	8.992.327	6.049.404
9 Secured funding	-	-	721.621	721.621
10 Other Cash Outflows	13.595.272	17.753.848	6.154.760	10.590.395
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	5.339.978	9.819.124	5.339.978	9.819.124
12 Debts related to the structured financial products	19.324	-	19.324	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	8.235.970	7.934.724	795.458	771.271
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	901.276	-	45.064	-
15 Other irrevocable or conditionally revocable commitments	89.916.982	27.521.874	4.495.849	1.376.094
<b>16 TOTAL CASH OUTFLOWS</b>			<b>80.449.212</b>	<b>55.435.666</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	36.303	-	-	-
18 Unsecured Lending Transactions	31.711.518	16.632.025	23.149.507	15.094.989
19 Other contractual cash inflows	975.075	18.743.117	974.907	18.742.985
<b>20 TOTAL CASH INFLOWS</b>	<b>32.722.896</b>	<b>35.375.142</b>	<b>24.124.414</b>	<b>33.837.974</b>
			<b>Upper limit applied amounts</b>	
<b>21 TOTAL HQLA STOCK</b>			<b>108.904.628</b>	<b>61.369.189</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>56.324.798</b>	<b>21.597.692</b>
<b>23 Liquidity Coverage Ratio (%)</b>			<b>193,35</b>	<b>284,15</b>

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

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Prior Period – 31.12.2020	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 High quality liquid assets			89.061.012	49.693.315
<b>CASH OUTFLOWS</b>				
2 Retail and Customers Deposits	192.468.766	112.728.242	17.744.159	11.272.824
3 Stable deposits	30.054.343	-	1.502.717	-
4 Less stable deposits	162.414.423	112.728.242	16.241.442	11.272.824
5 Unsecured Funding other than Retail and Small Business Customers Deposits	91.354.155	61.560.132	50.205.152	34.649.465
6 Operational deposits				
7 Non-Operational Deposits	80.545.785	55.031.343	40.784.584	28.120.923
8 Other Unsecured Funding	10.808.370	6.528.789	9.420.568	6.528.542
9 Secured funding	-	-	1.118.241	1.118.241
10 Other Cash Outflows	21.967.578	25.026.844	12.435.894	16.889.617
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	11.387.034	16.003.280	11.387.034	16.003.280
12 Debts related to the structured financial products	11.238	-	11.238	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	10.569.306	9.023.564	1.037.622	886.337
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	939.000	-	46.950	-
15 Other irrevocable or conditionally revocable commitments	68.244.696	15.418.281	3.412.235	770.914
<b>16 TOTAL CASH OUTFLOWS</b>			<b>84.962.631</b>	<b>64.701.061</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	3.272.515	-	-	-
18 Unsecured Lending Transactions	43.821.255	16.852.144	36.333.365	15.548.548
19 Other contractual cash inflows	6.792.498	28.021.975	6.786.732	28.020.896
<b>20 TOTAL CASH INFLOWS</b>	<b>53.886.268</b>	<b>44.874.119</b>	<b>43.120.097</b>	<b>43.569.444</b>
			<b>Upper limit applied amounts</b>	
<b>21 TOTAL HQLA STOCK</b>			<b>89.061.012</b>	<b>49.693.315</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>41.842.534</b>	<b>21.131.617</b>
<b>23 Liquidity Coverage Ratio (%)</b>			<b>212,85</b>	<b>235,16</b>

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

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

Periodic increases are observed in the liquidity coverage ratio during the weeks where the foreign currency reserve option is used in reserve requirements in CBRT, high amounts are maintained in bank placements or repurchase agreement volume decreases, on the other hand, fluctuations may occur in the liquidity coverage ratio during the weeks where the share of corporate or bank funds increase, or long term foreign funds which are replaced when due, such as syndicated loans are due in one month. Despite these fluctuations, it is observed that the ratio does not decrease below 179% during the period and remain at a quite higher level than the legal lower limit.

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

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 45% and securities issued by Undersecretariat of the Treasury by 48%. Funding sources are mainly distributed between individual and retail deposits by 65%, corporate deposits by 21%, and borrowings from banks by 3% and collateralized borrowings such as repurchase agreements by 7%.

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Cash outflow amounting to TL 1.401 million (in full TL amount) is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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

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

	<b>Current Period – 30.09.2021</b>	
	<b>TL+FC</b>	<b>FC</b>
Lowest	179,07	218,18
Week	10.09.2021	2.07.2021
Highest	216,75	378,38
Week	13.08.2021	20.08.2021

  

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

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

<b>Current Period – 30 September 2021</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 12 Months</b>	<b>1 – 5 Years</b>	<b>5 Years and Over</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets</b>								
Cash and Balances with Central Bank	44.470.375	26.776.430	254.671	-	-	-	-	<b>71.501.476</b>
Banks (*****)	19.386.338	6.325.028	1.172.476	-	-	-	-	<b>26.883.842</b>
Financial Assets at Fair Value Through Profit or Loss (Net)	1.533.136	6.359	7.349.353	24.342	108.753	55.901	-	<b>9.077.844</b>
Money Markets	-	585.403	-	-	-	-	-	<b>585.403</b>
Financial Assets at Fair Value Through Other Comprehensive Income	479.216	144.788	1.349.228	9.136.207	41.589.559	17.103.768	-	<b>69.802.766</b>
Loans and Lease Receivables (*****)	-	65.635.335	28.019.257	79.438.981	79.980.974	28.071.459	17.162.206	<b>298.308.212</b>
Other financial assets measured at amortised cost	-	2.124.357	53.435	7.940.754	16.042.557	22.281.619	-	<b>48.442.722</b>
Other Assets (*)	-	993.700	1.439.245	3.556.674	9.597.630	7.663.138	4.654.779	<b>27.905.166</b>
<b>Total Assets</b>	<b>65.869.065</b>	<b>102.591.400</b>	<b>39.637.665</b>	<b>100.096.958</b>	<b>147.319.473</b>	<b>75.175.885</b>	<b>21.816.985</b>	<b>552.507.431</b>
<b>Liabilities</b>								
Bank Deposits	1.558.910	7.145.203	2.267.186	-	-	-	-	<b>10.971.299</b>
Other Deposits	102.565.939	149.160.542	46.276.784	11.276.740	44.493	-	-	<b>309.324.498</b>
Borrowings	-	6.734.894	1.692.870	11.450.034	14.747.850	1.355.661	-	<b>35.981.309</b>
Money Markets	-	44.214.777	442.809	9.109.822	822.589	2.610.085	-	<b>57.200.082</b>
Securities Issued (Net) (**)	-	2.127.918	3.191.951	1.739.683	15.066.372	12.426.519	-	<b>34.552.443</b>
Miscellaneous Payables	-	396.299	256.895	982.659	3.441.286	1.034.908	7.349.411	<b>13.461.458</b>
Other Liabilities (***)	603.154	4.593.875	499.021	2.254.314	6.464.262	2.247.661	74.354.055	<b>91.016.342</b>
<b>Total Liabilities</b>	<b>104.728.003</b>	<b>214.373.508</b>	<b>54.627.516</b>	<b>36.813.252</b>	<b>40.586.852</b>	<b>19.674.834</b>	<b>81.703.466</b>	<b>552.507.431</b>
<b>Net Liquidity Excess/ (Gap)</b>	<b>(38.858.938)</b>	<b>(111.782.108)</b>	<b>(14.989.851)</b>	<b>63.283.706</b>	<b>106.732.621</b>	<b>55.501.051</b>	<b>(59.886.481)</b>	<b>-</b>
<b>Net off-balance sheet position</b>	<b>-</b>	<b>(138.408)</b>	<b>257.180</b>	<b>1.562.861</b>	<b>4.093.808</b>	<b>4.449.992</b>	<b>-</b>	<b>10.225.433</b>
Financial Derivative Assets	-	72.932.305	51.918.968	71.841.745	103.301.038	58.217.194	-	<b>358.211.250</b>
Financial Derivative Liabilities	-	73.070.713	51.661.788	70.278.884	99.207.230	53.767.202	-	<b>347.985.817</b>
<b>Non-cash loans (****)</b>	<b>-</b>	<b>3.583.341</b>	<b>824.261</b>	<b>20.776.860</b>	<b>15.940.117</b>	<b>28.948.275</b>	<b>-</b>	<b>70.072.854</b>
<b>Prior Period - 31 December 2020</b>								
Total Assets	40.269.849	81.087.077	31.860.976	90.389.082	138.513.461	44.242.639	19.737.717	<b>446.100.801</b>
Total Liabilities	87.303.175	157.194.365	43.262.450	30.613.300	37.465.143	17.912.452	72.349.916	<b>446.100.801</b>
<b>Net Liquidity Gap</b>	<b>(47.033.326)</b>	<b>(76.107.288)</b>	<b>(11.401.474)</b>	<b>59.775.782</b>	<b>101.048.318</b>	<b>26.330.187</b>	<b>(52.612.199)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>(1.464.684)</b>	<b>(41.099)</b>	<b>3.162.138</b>	<b>4.265.286</b>	<b>3.254.838</b>	<b>-</b>	<b>9.176.479</b>
Financial Derivative Assets	-	68.216.815	53.217.303	46.123.576	85.894.557	55.720.412	-	<b>309.172.663</b>
Financial Derivative Liabilities	-	69.681.499	53.258.402	42.961.438	81.629.271	52.465.574	-	<b>299.996.184</b>
<b>Non-cash Loans (****)</b>	<b>-</b>	<b>1.696.520</b>	<b>1.095.192</b>	<b>11.703.494</b>	<b>13.254.924</b>	<b>24.484.892</b>	<b>-</b>	<b>52.235.022</b>

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

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

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

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

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

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



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**VI. EXPLANATIONS ON LEVERAGE RATIO:**

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

As of 30 September 2021, the leverage ratio of the Bank calculated from 3 months average amounts is 10,02% (31 December 2020: 10,44%). This ratio is above the minimum ratio which is 3%.

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>30 September 2021 (*)</b>	<b>31 December 2020 (*)</b>
<b>Balance sheet Assets</b>		
1		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	496.412.002	438.312.076
2		
(Assets deducted from Core capital)	-	-
3		
Total risk amount of balance sheet assets (sum of lines 1 and 2)	496.412.002	438.312.076
<b>Derivative financial assets and credit derivatives</b>		
4		
Cost of replenishment for derivative financial assets and credit derivatives	12.887.955	15.205.466
5		
Potential credit risk amount of derivative financial assets and credit derivatives	5.471.713	4.762.358
6		
Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	18.359.668	19.967.824
<b>Financing transactions secured by marketable security or commodity</b>		
7		
Risk amount of financing transactions secured by marketable security or commodity	3.527.091	6.025.857
8		
Risk amount arising from intermediary transactions	-	-
9		
Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	3.527.091	6.025.857
<b>Off-balance sheet transactions</b>		
10		
Gross notional amount of off-balance sheet transactions	151.013.736	125.087.328
11		
(Correction amount due to multiplication with credit conversion rates)	(816.708)	(807.197)
12		
Total risk of off-balance sheet transactions (sum of lines 10 and 11)	150.197.028	124.280.131
<b>Capital and total risk</b>		
13		
Core Capital	67.010.877	61.386.632
14		
Total risk amount(sum of lines 3, 6, 9 and 12)	668.495.789	588.585.888
<b>Leverage ratio</b>		
15		
Leverage ratio	10,02	10,44

(\*) Three months average values.

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**VII. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:**

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

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

**a.Overview of RWA:**

	Risk Weighted Amount		Minimum capital requirement
	Current Period 30 September 2021	Prior Period 31 December 2020	Current Period 30 September 2021
1 Credit risk (excluding counterparty credit risk) (CCR)	325.736.070	265.269.441	26.058.886
2 Standardized approach (SA)	325.736.070	265.269.441	26.058.886
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	18.397.613	20.950.677	1.471.809
5 Standardized approach for counterparty credit risk (SA-CCR)	18.397.613	20.950.677	1.471.809
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	463.497	405.280	37.080
10 Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11 Settlement risk	122	-	10
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach (RBA)	-	-	-
14 IRB Supervisory Formula Approach (SFA)	-	-	-
15 SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	17.495.406	15.803.823	1.399.632
17 Standardized approach (SA)	17.495.406	15.803.823	1.399.632
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	38.369.628	32.496.270	3.069.570
20 Basic Indicator Approach	38.369.628	32.496.270	3.069.570
21 Standard Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity [subject to a 250% risk weight]	-	-	-
24 Floor adjustment	-	-	-
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>400.462.336</b>	<b>334.925.491</b>	<b>32.036.987</b>

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**VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:**

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

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

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

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

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

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

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

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

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

The average remaining maturity of the floating-rate USD Libor-Indexed borrowings directly affected by the interest rate reform is 3,6 years and the remaining amount is USD 965.768. Foreign currency interest swap transactions were made to hedge the cash flow risk of the aforementioned borrowing and subject to hedge accounting. There is no hedge accounting transaction terminated under the published exceptions.

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As of 30 September 2021, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet are summarized in the following table:

	Current Period 30 September			Prior Period 31 December 2020		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	27.518.225	7.856.476	261.651	20.931.023	7.956.205	424.660
-FC	84.549.127	286.337	592.556	63.575.943	12.998	1.015.020
<b>Total</b>	<b>112.067.352</b>	<b>8.142.813</b>	<b>854.207</b>	<b>84.506.966</b>	<b>7.969.203</b>	<b>1.439.680</b>

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

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

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

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC financial assets at fair value through other comprehensive income	Interest rate risk	(358.387)	330.754	(27.633)
Cross-currency swap	Fixed interest rate FC financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	32.133	(31.801)	332
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(81.199)	74.948	(6.251)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	-	-	-
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	413	(523)	(110)
Cross-currency swap	Fixed interest rate TL Commercial Loans, FC borrowings	Interest rate and currency risk	5.818	(6.621)	(803)
Interest Rate Swap	Fixed interest rate TL Securities Issued.	Interest rate risk	(48.444)	55.719	7.275

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

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

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**Prior Period: 31.12.2020**

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

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

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

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

- As of 30 September 2021, related to fair value hedge transactions, the remaining net amount after amortization of the fair value change of the hedged items since the beginning of hedge accounting is TL 2.570 (31 December 2020: TL 695).

**3. Explanations on Cash Flow Hedge:**

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in OCI during the period	Net gain/(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
Interest Rate Swap	Floating-rate long Term FC funds borrowed	Cash Flow risk due to changes in interest rate of funds	-	226.508	(12.388)	(116.251)	7.651
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	6.009.856	-	154.734	(790.931)	32.858
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	505.680	153.622	805.885	117.039	13.817
Interest Rate Swap	Short term FC deposits	Cash Flow risk due to changes in interest rate of funds	33.891	17.433	1.423	(16.501)	3.603
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	3.591	38.519	(57.962)	(47.255)	707

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

- As of 30 September 2021, related to cash flow hedge transactions, the remaining before tax amount in equity after amortization of the fair value change of the hedging instruments, since the beginning of hedge accounting is TL 34.396 (31 December 2020: TL 28.837).

**IX. EXPLANATIONS ON BUSINESS SEGMENTS:**

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

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

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

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

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

The Treasury Unit conducts TL and FC spot and forward transactions, treasury bonds, government bonds, Eurobond and private sector bond transactions and also derivative trading activities within determined limits. These transactions are performed according to the Bank's requirements. In addition to marketing and pricing activities for the branch network of Treasury products and customers, foreign trade financing, foreign exchange and TL "clearing" services are also carried out for customers.

Information on business segments as of 30 September 2021 and 31 December 2020 presented in the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

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	<b>Retail Banking</b>	<b>Commercial Banking, Corporate-Investment, Private Banking and Wealth Management</b>	<b>Treasury</b>	<b>Other and Unallocated</b>	<b>Bank's Total Activities</b>
<b>Current Period - 30 September 2021</b>					
Operating Income	8.966.316	5.621.411	(348.526)	4.948.459	19.187.660
Profit from Operating Activities	3.091.570	4.650.079	(730.010)	1.508.659	8.520.298
Income from Subsidiaries	-	-	-	4.550	4.550
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	1.013.888	1.013.888
Profit before Tax	3.091.570	4.650.079	(730.010)	2.527.097	9.538.736
Corporate Tax	-	-	-	(2.196.022)	(2.196.022)
Net Profit for the Period	3.091.570	4.650.079	(730.010)	331.075	7.342.714
Segment Assets	133.636.658	201.720.313	187.895.920	-	523.252.891
Investments in Associates	-	-	-	11.563.303	11.563.303
Undistributed Assets	-	-	-	17.691.237	17.691.237
Total Assets					552.507.431
Segment Liabilities	212.264.328	102.206.059	144.572.205	-	459.042.592
Undistributed Liabilities	-	-	-	23.213.104	23.213.104
Shareholders' Equity	-	-	-	70.251.735	70.251.735
Total Liabilities					552.507.431

	<b>Retail Banking</b>	<b>Commercial Banking, Corporate-Investment, Private Banking and Wealth Management</b>	<b>Treasury</b>	<b>Other and Unallocated</b>	<b>Bank's Total Activities</b>
<b>Prior Period - 31 December 2020 (*)</b>					
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	101.012.305	174.161.605	140.545.806	-	415.719.716
Investments in Associates	-	-	-	9.620.423	9.620.423
Undistributed Assets	-	-	-	20.760.662	20.760.662
Total Assets					446.100.801
Segment Liabilities	180.896.443	82.206.790	101.632.251	-	364.735.484
Undistributed Liabilities	-	-	-	18.446.324	18.446.324
Shareholders' Equity	-	-	-	62.918.993	62.918.993
Total Liabilities					446.100.801

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

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

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

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

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

	Current Period 30 September 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Cash/Foreign Currency	1.962.978	3.541.292	1.770.526	3.165.678
The CBRT (*)	20.282.950	45.577.772	2.628.104	39.976.266
Other (**)	-	136.484	-	135.740
<b>Total</b>	<b>22.245.928</b>	<b>49.255.548</b>	<b>4.398.630</b>	<b>43.277.684</b>

(\*) Precious metal account amounting to TL 2.570.556 are included in FC. (31 December 2020: TL 2.037.937)

(\*\*) Precious metal account amounting to TL 83.703 are included in FC. (31 December 2020: TL 135.710)

2. Information related to the account of the CBRT:

	Current Period 30 September 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Unrestricted Demand Deposits	497	-	433	-
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Reserve Requirement	20.282.453	45.577.772	2.627.671	39.976.266
<b>Total</b>	<b>20.282.950</b>	<b>45.577.772</b>	<b>2.628.104</b>	<b>39.976.266</b>

3. Explanation on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold. According to the Communiqué on Required Reserves published in the Official Gazette dated 01.07.2021 and numbered 31528, the facility for maintain Turkish lira reserve requirements in foreign currency was terminated as of October 1, 2021.

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

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

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

Other Financial Assets:

In the previous period, syndication loans extended to Ojer Telekomünikasyon A.Ş. were restructured. Within this scope, a pledge was established in favor of lenders in order to establish collateral for these loans. LYY Telekomünikasyon A.Ş., which was established as a special-purpose company in which 192.500.000.000 Group A shares, which constitute 55% of Türk Telekom's issued capital, are all direct or indirect partners. The acquisition of the company (formerly Levent Yapılandırma Yönetimi A.Ş.) was completed on 21 December 2018. The Bank has participated in LYY Telekomünikasyon A.Ş. with a 35,56% share in the receivables from OTAŞ.

Later on, at the Ordinary General Assembly Meeting of LYY Telekomünikasyon A.Ş. which was held on 23 September 2019, it was decided to convert some of the loan into capital and add it to the capital of LYY Telekomünikasyon A.Ş. The nominal value of their shares in TL increased from 18 TL to 1.416.090 TL. This amount is classified in the financial statements under the line "Assets for Sale and Discontinued Operations". As of 30 September 2021, the value of the part pursued as loan is TL



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10.958.637 (31 December 2020: TL 8.968.855) , and it is classified under "Other Financial Assets" under "Financial Assets at Fair Value through Profit Loss". The total fair value impairment accounted for the total amount turned into credit and capital is TL 5.031.817 (31 December 2020: TL 3.042.035) and the amount of TL 1.416.090 (31 December 2020: TL 1.416.090) of this amount is accounted under the "Assets Held for Sale and Discontinued Operations" and TL 3.615.727 (31 December 2020: 1.625.945) is accounted under "Other Financial Assets" which is the sub-item of "Financial Assets at Fair Value through Profit Loss".

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

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

TL 1.135.035 (31 December 2020: TL 1.094.617 )of other financial assets consist Fourth Real Estate Investment Fund of Ak Portföy Yönetimi A.Ş. established by Ak Portföy Yönetimi A.Ş. and the fund is followed at its fair value and the related valuation differences are recognized in profit or loss.

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

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

	Current Period 30 September 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Forward Transactions	367.542	-	414.145	-
Swap Transactions	7.827.647	5.965.518	8.088.603	6.020.278
Futures Transactions	-	-	-	-
Options	7.689	134.630	37.799	114.329
Other	-	-	-	-
<b>Total</b>	<b>8.202.878</b>	<b>6.100.148</b>	<b>8.540.547</b>	<b>6.134.607</b>

[\*] Excluding hedging derivatives financial assets.

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

Information on banks account:

	Current Period 30 September 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Banks				
Domestic	3.044.761	3.602	5.749	28.868
Foreign (*)	315.160	23.520.319	-	14.705.740
Head Quarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>3.359.921</b>	<b>23.523.921</b>	<b>5.749</b>	<b>14.734.608</b>

[\*] Includes collateral of 6.471.355 for derivative transactions made with foreign banks (31 December 2020: 5.292.940 TL).

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

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

1. As of 30 September 2021, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 27.548.597 (31 December 2020: TL 16.984.050); and those given as collateral/blocked amounting to TL 9.647.271 (31 December 2020: 17.595.922).

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

	<b>Current Period 30 September 2021</b>	<b>Prior Period 31 December 2020</b>
Debt Securities	71.287.124	53.730.544
Quoted at Stock Exchange (*)	69.307.226	51.774.324
Unquoted at Stock Exchange	1.979.898	1.956.220
Share Certificates	15.719	16.217
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	15.719	16.217
Impairment Provision (-)	1.500.077	664.059
<b>Total</b>	<b>69.802.766</b>	<b>53.082.702</b>

(\*) Investment funds are included.

**f. Information related to loans:**

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

	<b>Current Period 30 September 2021</b>		<b>Prior Period 31 December 2020</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Direct Loans Granted to Shareholders	-	159	-	97
Corporate Shareholders	-	159	-	97
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	7.264.507	2.198.071	7.514.006	2.175.254
Loans Granted to Employees	162.991	-	152.213	-
<b>Total</b>	<b>7.427.498</b>	<b>2.198.230</b>	<b>7.666.219</b>	<b>2.175.351</b>

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

<b>Current Period - 30 September 2021</b>	<b>Loans under follow-up</b>			
	<b>Standard Loans</b>	<b>Loans not subject to restructuring</b>	<b>Restructured Loans Loans with revised contract terms</b>	<b>Refinance</b>
<b>Cash Loans</b>				
Non-specialized Loans				
Loans given to enterprises	28.236.018	1.947.990	118.372	4.537.534
Export Loans	23.115.858	235.006	20.006	8.933
Import Loans	-	-	-	-
Loans Given to Financial Sector	16.478.585	62.337	-	871
Consumer Loans	52.345.408	2.349.678	726.260	506.343
Credit Cards	25.548.063	946.076	894.420	-
Other	104.059.199	116.890	4.328.757	14.563.402
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>249.783.131</b>	<b>5.657.977</b>	<b>6.087.815</b>	<b>19.617.083</b>

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	<b>Current Period</b>		<b>Prior Period</b>	
	<b>30 September 2021</b>		<b>31 December 2020</b>	
<b>Expected Credit Loss Stage I and Stage II</b>	<b>Standard Loans</b>	<b>Loans under Follow-up</b>	<b>Standard Loans</b>	<b>Loans under Follow-up</b>
12 Month Expected Credit Losses	1.497.445	-	1.414.274	-
Significant Increase in Credit Risk	-	4.812.612	-	4.303.353
<b>Total</b>	<b>1.497.445</b>	<b>4.812.612</b>	<b>1.414.274</b>	<b>4.303.353</b>

(iii). Aging analysis for overdue receivables (\*):

	<b>Current Period</b>	<b>Prior Period</b>
	<b>30 September 2021</b>	<b>31 December 2020</b>
30-60 days overdue	858.680	590.377
60-90 days overdue	597.958	337.011
More than 90 days overdue	1.560.394	1.071.450
<b>Total</b>	<b>3.017.032</b>	<b>1.998.838</b>

(\*). Within the scope of the decisions taken by the BRSA, the delay period foreseen for classification in the Second Group due to delay days has been moved from the 30th delay day to the 90th delay day, and the delay period for classification as non-performing loans has been moved from the 90th delay day to the end of the 180th delay day. The relevant issue ended as of 1 October 2021 according to the decision of the BRSA dated 17 June 2021 and numbered 9624.

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

<b>Current Period - 30.09.2021</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>1.791.293</b>	<b>51.767.872</b>	<b>53.559.165</b>
Mortgage Loans	13.716	12.633.418	12.647.134
Automotive Loans	13.641	328.938	342.579
Consumer Loans	1.763.936	38.805.516	40.569.452
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>-</b>	<b>385</b>	<b>385</b>
Mortgage Loans	-	385	385
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Credit Cards-TL</b>	<b>22.253.158</b>	<b>730.048</b>	<b>22.983.206</b>
With Installment	6.553.807	728.710	7.282.517
Without Installment	15.699.351	1.338	15.700.689
<b>Consumer Credit Cards-FC</b>	<b>16.741</b>	<b>-</b>	<b>16.741</b>
With Installment	-	-	-
Without Installment	16.741	-	16.741
<b>Personnel Loans-TL</b>	<b>6.388</b>	<b>84.447</b>	<b>90.835</b>
Mortgage Loans	-	2.663	2.663
Automotive Loans	13	139	152
Consumer Loans	6.375	81.645	88.020
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>71.892</b>	<b>74</b>	<b>71.966</b>
With Installment	24.877	74	24.951
Without Installment	47.015	-	47.015
<b>Personnel Credit Cards-FC</b>	<b>190</b>	<b>-</b>	<b>190</b>
With Installment	-	-	-
Without Installment	190	-	190
<b>Credit Deposit Account - TL (Real Person)</b>	<b>2.277.304</b>	<b>-</b>	<b>2.277.304</b>
<b>Credit Deposit Account - FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>26.416.966</b>	<b>52.582.826</b>	<b>78.999.792</b>

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<b>Prior Period - 31.12.2020</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>1.248.879</b>	<b>38.839.207</b>	<b>40.088.086</b>
Mortgage Loans	3.455	9.578.655	9.582.110
Automotive Loans	14.541	214.523	229.064
Consumer Loans	1.230.883	29.046.029	30.276.912
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>-</b>	<b>610</b>	<b>610</b>
Mortgage Loans	-	610	610
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Credit Cards-TL</b>	<b>17.738.135</b>	<b>611.742</b>	<b>18.349.877</b>
With Installment	5.973.122	609.846	6.582.968
Without Installment	11.765.013	1.896	11.766.909
<b>Consumer Credit Cards-FC</b>	<b>7.496</b>	<b>-</b>	<b>7.496</b>
With Installment	-	-	-
Without Installment	7.496	-	7.496
<b>Personnel Loans-TL</b>	<b>6.912</b>	<b>83.923</b>	<b>90.835</b>
Mortgage Loans	-	3.209	3.209
Automotive Loans	-	78	78
Consumer Loans	6.912	80.636	87.548
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>61.063</b>	<b>198</b>	<b>61.261</b>
With Installment	20.703	198	20.901
Without Installment	40.360	-	40.360
<b>Personnel Credit Cards-FC</b>	<b>117</b>	<b>-</b>	<b>117</b>
With Installment	-	-	-
Without Installment	117	-	117
<b>Credit Deposit Account-TL (Real Person)</b>	<b>1.734.475</b>	<b>-</b>	<b>1.734.475</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>20.797.077</b>	<b>39.535.680</b>	<b>60.332.757</b>

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

<b>Current Period - 30.09.2021</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>2.772.450</b>	<b>13.621.214</b>	<b>16.393.664</b>
Mortgage Loans	8.253	6.725	14.978
Automotive Loans	181.253	371	181.624
Consumer Loans	2.582.944	13.614.118	16.197.062
Other	-	-	-
<b>FC Indexed Commercial Installment Loans</b>	<b>-</b>	<b>18.257</b>	<b>18.257</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	18.257	18.257
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>28.175</b>	<b>769.307</b>	<b>797.482</b>
Mortgage Loans	-	-	-
Automotive Loans	785	-	785
Consumer Loans	27.390	769.307	796.697
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>4.270.821</b>	<b>42.361</b>	<b>4.313.182</b>
With Installment	1.721.972	42.276	1.764.248
Without Installment	2.548.849	85	2.548.934
<b>Corporate Credit Cards-FC</b>	<b>3.274</b>	<b>-</b>	<b>3.274</b>
With Installment	6	-	6
Without Installment	3.268	-	3.268
<b>Credit Deposit Account - TL (Legal Person)</b>	<b>920.519</b>	<b>-</b>	<b>920.519</b>
<b>Credit Deposit Account - FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7.995.240</b>	<b>14.451.139</b>	<b>22.446.378</b>
<b>Prior Period - 31.12.2020</b>	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>3.609.665</b>	<b>11.901.365</b>	<b>15.511.030</b>
Mortgage Loans	1.572	6.755	8.327
Automotive Loans	99.845	569	100.414
Consumer Loans	3.508.248	11.894.041	15.402.289
Other	-	-	-
<b>FC Indexed Commercial Installment Loans</b>	<b>-</b>	<b>39.952</b>	<b>39.952</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	39.952	39.952
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>12.771</b>	<b>505.040</b>	<b>517.811</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	12.771	505.040	517.811
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>3.206.720</b>	<b>33.257</b>	<b>3.239.977</b>
With Installment	1.358.425	33.162	1.391.587
Without Installment	1.848.295	95	1.848.390
<b>Corporate Credit Cards-FC</b>	<b>1.693</b>	<b>-</b>	<b>1.693</b>
With Installment	-	-	-
Without Installment	1.693	-	1.693
<b>Credit Deposit Account - TL (Legal Person)</b>	<b>934.652</b>	<b>-</b>	<b>934.652</b>
<b>Credit Deposit Account - FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7.765.501</b>	<b>12.479.614</b>	<b>20.245.115</b>

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

	<b>Current Period 30 September 2021</b>	<b>Prior Period 31 December 2020</b>
Domestic Loans	294.692.337	245.260.489
Foreign Loans	3.615.875	8.058.039
<b>Total</b>	<b>298.308.212</b>	<b>253.318.528</b>

6. Loans granted to investments in associates and subsidiaries:

	<b>Current Period 30 September 2021</b>	<b>Prior Period 31 December 2020</b>
Direct Loans Granted to Investments in Associates and Subsidiaries	1.118.096	903.971
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
<b>Total</b>	<b>1.118.096</b>	<b>903.971</b>

7. Credit-Impaired Losses Stage III Provisions:

	<b>Current Period 30 September 2021</b>	<b>Prior Period 31 December 2020</b>
Loans with Limited Collectibility	28.136	1.226.937
Loans with Doubtful Collectibility	1.072.289	622.402
Uncollectible Loans	10.335.029	8.949.445
<b>Total</b>	<b>11.435.454</b>	<b>10.798.784</b>

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

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

	<b>III. Group Loans with Limited Collectibility</b>	<b>IV. Group Loans with Doubtful Collectibility</b>	<b>V. Group Uncollectible Loans</b>
<b>Current Period: 30 September 2021</b>			
(Gross Amounts Before Specific Provisions)	178	40.682	1.541.249
Rescheduled Loans and Other Receivables	178	40.682	1.541.249
<b>Prior Period: 31 December 2020</b>			
(Gross Amounts Before Specific Provisions)	30	103.154	2.101.152
Rescheduled Loans and Other Receivables	30	103.154	2.101.152

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with</b>	<b>Loans with</b>	<b>Uncollectible Loans</b>
	<b>Limited Collectibility</b>	<b>Doubtful Collectibility</b>	
<b>Prior Period End Balance: 31 December 2020</b>	<b>2.221.345</b>	<b>944.772</b>	<b>14.146.466</b>
Additions (+)	206.231	1.077.280	650.025
Transfers from Other Categories of Non-Performing Loans (+)	-	2.358.787	2.248.710
Transfers to Other Categories of Non-Performing Loans (-)	2.358.787	2.248.710	-
Collections (-)	21.719	523.181	1.451.421
Write-offs (-) (*)	1.944	24.494	61.154
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>45.126</b>	<b>1.584.454</b>	<b>15.532.626</b>
Specific Provisions (-)	28.136	1.072.289	10.335.029
<b>Net Balance at Balance Sheet</b>	<b>16.990</b>	<b>512.165</b>	<b>5.197.597</b>

(\*) There is no write-off made according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 27 November 2019 and numbered 30961. (31 December 2020: TL 774.976 and its effect on the NPL ratio is 25 basis point).

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with</b>	<b>Loans with</b>	<b>Uncollectible Loans</b>
	<b>Limited Collectibility</b>	<b>Doubtful Collectibility</b>	
<b>Current Period: 30 September 2021</b>			
Balance at the End of the Period	-	960.204	5.236.756
Specific Provision (-)	-	636.165	2.922.053
Net Balance on Balance Sheet	-	324.039	2.314.703
<b>Prior Period: 31 December 2020</b>			
Balance at the End of the Period	2.043.398	154.266	4.178.610
Specific Provision (-)	1.102.493	92.004	2.106.340
<b>Net Balance at Balance Sheet</b>	<b>940.905</b>	<b>62.262</b>	<b>2.072.270</b>

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



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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with</b>	<b>Loans with</b>	<b>Uncollectible Loans</b>
	<b>Limited Collectibility</b>	<b>Doubtful Collectibility</b>	
<b>Current Period (Net): 30 September 2021</b>			
Loans granted to corporate entities and real persons (Gross)	45.126	1.584.454	15.532.626
Specific Provision Amount (-)	28.136	1.072.289	10.335.029
Loans granted to corporate entities and real persons (Net)	16.990	512.165	5.197.597
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-
<b>Prior Period (Net): 31 December 2020</b>			
Loans granted to corporate entities and real persons (Gross)	2.221.345	944.772	14.146.466
Specific Provision Amount (-)	1.226.937	622.402	8.949.445
Loans granted to corporate entities and real persons (Net)	994.408	322.370	5.197.021
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
<b>Current Period: 30 September 2021</b>			
Interest accruals and valuation differences	3.556	133.863	3.464.814
Provision (-)	2.095	90.791	2.129.828
<b>Prior Period: 31 December 2020</b>			
Interest accruals and valuation differences	101.483	128.971	2.910.057
Provision (-)	55.746	81.547	1.734.054

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

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

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

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[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 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Given as collateral/blocked	7.926.532	84.759	7.470.796	1.216.927
Subject to repurchase agreements	26.600.545	5.788.910	1.693.302	4.547.790
<b>Total</b>	<b>34.527.077</b>	<b>5.873.669</b>	<b>9.164.098</b>	<b>5.764.717</b>

2. Information on government debt securities:

	Current Period 30 September 2021	Prior Period 31 December 2020
Government Bonds	46.828.516	40.239.483
Treasury Bills	-	-
Other Government Debt Securities	868.419	977.340
<b>Total</b>	<b>47.696.935</b>	<b>41.216.823</b>

3. Information on financial assets measured at amortised cost:

	Current Period 30 September 2021	Prior Period 31 December 2020
Debt Securities	48.521.535	41.923.581
Quoted at Stock Exchange	48.521.535	41.923.581
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	78.813	38.522
<b>Total</b>	<b>48.442.722</b>	<b>41.885.059</b>

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

	Current Period 30 September 2021	Prior Period 31 December 2020
Balance at the Beginning of the Period	41.885.059	15.574.858
Foreign Currency Differences on Monetary Assets	1.145.845	4.715.654
Purchases During Year	17.190.851	25.884.971
Disposals Through Sales and Redemptions	(13.771.354)	(4.774.521)
Impairment Provision	(40.291)	(11.001)
Change in Amortized Cost	2.032.612	495.098
<b>Balance at the End of the Period</b>	<b>48.442.722</b>	<b>41.885.059</b>

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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

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

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

1. Information about investments in associates:

<b>Title</b>	<b>Address (City / Country)</b>	<b>Bank's share percentage- If different voting percentage (%)</b>	<b>Bank's risk group share percentage (%)</b>
1 Bankalararası Kart Merkezi A.Ş.	Istanbul/Turkey	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 2021(\*).

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit/ Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value</b>
1	348.299	288.916	95.079	16.392	-	53.975	19.616	-
2	491.082	318.839	295.793	8.252	-	26.499	33.800	-
3	34.723	27.961	26.355	487	-	2.467	6.146	-
4	54.275	53.392	1.548	6.961	-	3.194	-	-

(\*). In the table above, JCR Avrasya Derecelendirme A.Ş., 31 December 2020 financial data are used.

3. Movement schedule of investments in associates:

	<b>Current Period 30 September 2021</b>	<b>Prior Period 31 December 2020</b>
Balance at the Beginning of the Period	14.795	5.521
Movements During the Period		
Purchases (*)	3.334	3.588
Bonus Shares and Contributions to Capital	-	5.686
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Impairment Provision (-)	-	-
Balance at the End of the Period	18.129	14.795
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

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

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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

[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 2021 prepared in accordance with legislation in which companies are subject to.

	<b>Ak Finansal Kiralama A.Ş.</b>	<b>Ak Yatırım Menkul Değerler A.Ş.</b>	<b>Ak Portföy Yönetimi A.Ş.</b>	<b>Akbank AG</b>	<b>AkÖde A.Ş.</b>
Paid in Capital	360.007	96.802	10.534	740.648	72.000
Share Premium	-	-	-	-	-
Reserves	744.175	76.251	34.192	7.745.475	(14)
Gains recognized in equity as per TAS	-	(3.440)	(406)	-	(108)
Profit/Loss	151.236	929.856	160.398	457.889	(30.133)
- Net Current Period Profit	151.236	317.822	117.173	457.889	(29.873)
- Prior Year Profit/Loss	-	612.034	43.225	-	(260)
Development Cost of Operating Lease (-)	51	692	-	1.019	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	1.875	14.512	356	5.598	-
<b>Total Common Equity</b>	<b>1.253.492</b>	<b>1.084.265</b>	<b>204.362</b>	<b>8.937.395</b>	<b>41.745</b>
<b>Total Additional Tier I Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	-	-	-	-	-
<b>Total Tier I Capital</b>	<b>1.253.492</b>	<b>1.084.265</b>	<b>204.362</b>	<b>8.937.395</b>	<b>41.745</b>
<b>Tier II Capital</b>	<b>80.831</b>	<b>257</b>	<b>2</b>	<b>80.524</b>	<b>-</b>
<b>CAPITAL</b>	<b>1.334.323</b>	<b>1.084.522</b>	<b>204.364</b>	<b>9.017.919</b>	<b>41.745</b>
<b>Deductions from Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CAPITAL</b>	<b>1.334.323</b>	<b>1.084.522</b>	<b>204.364</b>	<b>9.017.919</b>	<b>41.745</b>

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

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

3. Information on subsidiaries:

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

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 2021 prepared in accordance with local regulations.

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

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

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income from Marketable Securities Portfolio</b>	<b>Current Period Profit/ Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value</b>
1	7.434.968	1.255.418	64.793	432.293	185	151.236	101.788	-
2	3.124.441	1.099.469	23.508	276.003	88.385	317.822	213.163	-
3	237.585	204.718	4.082	10.160	14.577	117.173	74.445	-
4	41.297.759	8.944.012	44.755	779.782	203.721	457.889	286.860	-
5	65.721	41.745	750	1.754	-	[29.873]	[24.725]	-

5. Movement schedule of subsidiaries:

	<b>Current Period 30 September 2021</b>	<b>Prior Period 31 December 2020</b>
Balance at the Beginning of the Period	9.605.628	6.730.785
Movements During the Period		
Additions (*)	10.000	35.000
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	1.013.888	956.126
Sales/Liquidation	-	-
Revaluation Increase (**)	915.658	1.883.717
Revaluation/Impairment	-	-
Balance at the End of the Period	11.545.174	9.605.628
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

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

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

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

<b>Subsidiaries</b>	<b>Current Period 30 September 2021</b>	<b>Prior Period 31 December 2020</b>
Banks	8.944.012	7.525.427
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	1.255.230	1.103.162
Finance Companies	-	-
Other Financial Subsidiaries	1.345.932	977.039

7. Subsidiaries quoted to a stock exchange: None.

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

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

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

	Current Period 30 September 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	1.337.349	252.446	3.217.726	12.998
Cash Flow Hedge	6.519.127	33.891	4.738.479	-
Net Investment Hedge in a foreign operation	-	-	-	-
<b>Total</b>	<b>7.856.476</b>	<b>286.337</b>	<b>7.956.205</b>	<b>12.998</b>

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

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

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

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

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

	Current Period 30 September 2021	Prior Period 31 December 2020
Cost	241.070	173.420
Accumulated Depreciation (-)	-	4
<b>Net Book Value</b>	<b>241.070</b>	<b>173.416</b>

	Current Period 30 September 2021	Prior Period 31 December 2020
<b>Opening Balance Net Book Value</b>	<b>173.416</b>	<b>636.017</b>
Additions	156.444	184.488
Disposals (-), net	87.161	150.201
Impairment (-)	1.629	496.888
Depreciation (-)	-	-
<b>Closing Net Book Value</b>	<b>241.070</b>	<b>173.416</b>

**p. Information on other assets:**

Other assets amounting to TL 4.457.653 (31 December 2020: TL 2.819.328) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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

**a. Information on deposits:**

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

1 (i). Current Period – 30 September 2021:

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>Deposits Cumulative</b>	<b>Total</b>
Saving Deposits	14.589.533	12.792.166	57.375.038	3.517.906	899.258	1.655.456	7.249	<b>90.836.606</b>
Foreign Currency Deposits	56.696.106	24.153.762	63.669.827	1.059.488	2.346.511	3.092.855	898	<b>151.019.447</b>
Residents in Turkey	53.697.689	23.887.885	60.079.129	932.874	1.695.643	1.569.332	898	<b>141.863.450</b>
Residents Abroad	2.998.417	265.877	3.590.698	126.614	650.868	1.523.523	-	<b>9.155.997</b>
Public Sector Deposits	1.517.413	8.091	39.353	3.984	591	96	-	<b>1.569.528</b>
Commercial Deposits	13.384.582	15.251.297	13.686.715	274.890	531.855	399.108	-	<b>43.528.447</b>
Other Institutions Deposits	382.787	244.163	2.799.385	207.690	1.092.202	471.649	-	<b>5.197.876</b>
Precious metals Deposits	15.995.518	50.297	235.113	26.230	770.455	94.981	-	<b>17.172.594</b>
Interbank Deposits	1.558.910	501.732	7.226.302	859.115	825.240	-	-	<b>10.971.299</b>
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	13.693	251.752	237.380	-	825.240	-	-	<b>1.328.065</b>
Foreign Banks	261.640	249.980	6.988.922	859.115	-	-	-	<b>8.359.657</b>
Participation Banks	1.283.577	-	-	-	-	-	-	<b>1.283.577</b>
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>104.124.849</b>	<b>53.001.508</b>	<b>145.031.733</b>	<b>5.949.303</b>	<b>6.466.112</b>	<b>5.714.145</b>	<b>8.147</b>	<b>320.295.797</b>

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

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 – 3 Months</b>	<b>3 – 6 Months</b>	<b>6 Months – 1 Year</b>	<b>1 Year and Over</b>	<b>Deposits Cumulative</b>	<b>Total</b>
Saving Deposits	12.219.977	12.032.234	44.242.941	435.333	316.374	485.258	8.061	<b>69.740.178</b>
Foreign Currency Deposits	45.149.118	15.113.211	65.671.747	989.182	2.200.279	3.082.082	950	<b>132.206.569</b>
Residents in Turkey	42.678.240	14.927.292	62.017.174	867.748	1.568.788	1.333.681	950	<b>123.393.873</b>
Residents Abroad	2.470.878	185.919	3.654.573	121.434	631.491	1.748.401	-	<b>8.812.696</b>
Public Sector Deposits	1.041.580	12.763	35.227	3.617	644	520	-	<b>1.094.351</b>
Commercial Deposits	11.144.849	9.691.771	10.910.581	146.130	73.147	215.941	-	<b>32.182.419</b>
Other Institutions Deposits	352.519	474.871	2.466.462	36.556	19.203	1.547	-	<b>3.351.158</b>
Precious metals Deposits	16.589.623	10.417	142.711	13.185	710.877	94.649	-	<b>17.561.462</b>
Interbank Deposits	270.288	765.271	9.989.449	715.540	692.597	913	-	<b>12.434.058</b>
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	15.922	455.984	135.598	173.372	684.219	-	-	<b>1.465.095</b>
Foreign Banks	218.335	309.287	9.853.851	542.168	8.378	913	-	<b>10.932.932</b>
Participation Banks	36.031	-	-	-	-	-	-	<b>36.031</b>
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>86.767.954</b>	<b>38.100.538</b>	<b>133.459.118</b>	<b>2.339.543</b>	<b>4.013.121</b>	<b>3.880.910</b>	<b>9.011</b>	<b>268.570.195</b>

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2. Information on saving deposits insurance:

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 30 September 2021	Prior Period 31 December 2020	Current Period 30 September 2021	Prior Period 31 December 2020
Saving Deposits	36.757.268	30.216.189	54.079.338	39.523.989
Foreign Currency Saving Deposits	18.401.227	18.887.429	79.862.018	68.523.730
Other Deposits in the Form of Saving Deposits	6.902.012	7.892.207	9.044.619	8.201.705
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

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

	Current Period 30 September 2021	Prior Period 31 December 2020
Foreign Branches' Deposits and other accounts	27	24
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse and Children in care	2.062.154	1.855.160
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

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

Table of derivative financial liabilities (\*):

	Current Period 30 September 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Forward Transactions	335.300	-	230.712	-
Swap Transactions	7.196.185	2.388.456	10.571.107	2.611.967
Futures Transactions	-	-	-	-
Options	26.161	212.649	5.632	157.932
Other	-	-	-	-
<b>Total</b>	<b>7.557.646</b>	<b>2.601.105</b>	<b>10.807.451</b>	<b>2.769.899</b>

(\* ) Excluding hedge transactions.



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**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	Current Period 30 September 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	286.068	1.632.417	257.770	959.258
From Foreign Banks, Institutions and Funds	-	34.062.824	-	35.046.973
<b>Total</b>	<b>286.068</b>	<b>35.695.241</b>	<b>257.770</b>	<b>36.006.231</b>

2. Information on maturity structure of borrowings:

	Current Period 30 September 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Short-term	248.726	894.535	256.221	705.426
Medium and Long-term	37.342	34.800.706	1.549	35.300.805
<b>Total</b>	<b>286.068</b>	<b>35.695.241</b>	<b>257.770</b>	<b>36.006.231</b>

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

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

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

	Current Period 30 September 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Bank bills	5.849.075	-	5.125.237	-
Bonds	2.377.587	13.802.386	2.439.450	11.593.289
<b>Total</b>	<b>8.226.662</b>	<b>13.802.386</b>	<b>7.564.687</b>	<b>11.593.289</b>

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

Other foreign liabilities listed in "Other Liabilities" amounting to TL 4.534.907 (31 December 2020: TL 2.647.576) and do not exceed 10% of the total balance sheet.

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**f. Information on financial leasing agreements:**

With the "IFRS 16 Leases" standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the "Lease Payables" as liability by lessees.

Liabilities incurred due to financial leasing agreements:

	Current Period 30 September 2021		Prior Period 31 December 2020	
	Gross	Net	Gross	Net
Less Than 1 Year	144.356	66.766	139.106	63.254
Between 1-4 Years	364.429	196.756	351.706	183.042
More Than 4 Years	358.586	247.743	384.311	259.364
<b>Total</b>	<b>867.371</b>	<b>511.265</b>	<b>875.123</b>	<b>505.660</b>

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

	Current Period 30 September 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	69.511	348.614	81.056	679.755
Cash Flow Hedge	192.140	243.942	343.604	335.265
Net Investment Hedge in a foreign operation	-	-	-	-
<b>Total</b>	<b>261.651</b>	<b>592.556</b>	<b>424.660</b>	<b>1.015.020</b>

**h. Information on provisions:**

1. Information on reserves for employee rights:

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

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

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

	Current Period 30 September 2021	Prior Period 31 December 2020
Discount Rate (%)	3,64	3,64
Rate for the Probability of Retirement (%)	95,52	95,52

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

The amount of TL 8.284,51 (full TL) (1 January 2021: TL 7.638,96 (full TL)) effective from 1 July 2021 has been taken into consideration in calculating the reserve for employee termination benefits.

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>30 September 2021</b>	<b>31 December 2020</b>
<b>Prior Period Closing Balance</b>	<b>416.588</b>	<b>316.980</b>
Recognized as an Expense During the Period	75.024	75.183
Actuarial Loss / (Gain)	33.627	66.027
Paid During the Period	(59.780)	(41.602)
<b>Balance at the End of the Period</b>	<b>465.459</b>	<b>416.588</b>

As of 30 September 2021, the Bank has allocated vacation liability amounting to TL 137.695 (31 December 2020: TL 118.633).

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

As of 30 September 2021, the Bank has no provision related to foreign currency differences of foreign indexed loans (31 December 2020: None).

3. Information on provisions for non-cash loans that are non-funded and non-transformed into cash: Expected loss provisions for non-cash loans that are non-funded and non-transformed into cash amounting to TL 509.147 as of 30 September 2021 (31 December 2020: TL 492.437).

4. Information on other provisions:

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

4 (ii). Information on provisions for banking services promotion: The Bank has provisions for credit cards and banking services promotion activities amounting to TL 80.246 (31 December 2020: TL 64.932).

**i. Explanations on tax liability:**

1. Explanations on tax liability:

Tax calculations of the Bank are explained in Note XVIII of Section Three. As of 30 September 2021, the remaining tax liability after deducting the taxes paid during the period from corporate tax is TL 1.508.882 (31 December 2020: TL 1.052.158).

1 (i). Information on taxes payable:

	<b>Current Period</b>	<b>Prior Period</b>
	<b>30 September 2021</b>	<b>31 December 2020</b>
Corporate Taxes Payable	1.508.882	1.052.158
Taxation on Marketable Securities	161.778	162.786
Property Tax	1.355	1.210
Banking Insurance Transaction Tax (BITT)	208.477	167.322
Foreign Exchange Transaction Tax	8.780	9.632
Value Added Tax Payable	13.063	10.597
Other	181.841	162.025
<b>Total</b>	<b>2.084.176</b>	<b>1.565.730</b>

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1 (ii). Information on premium payables:

	<b>Current Period 30 September 2021</b>	<b>Prior Period 31 December 2020</b>
Social Security Premiums – Employee	-	-
Social Security Premiums – Employer	1	1
Bank Social Aid Pension Fund Premium- Employee	3	3
Bank Social Aid Pension Fund Premium – Employer	3	3
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	2.193	1.891
Unemployment Insurance – Employer	4.387	3.782
Other	127	270
<b>Total</b>	<b>6.714</b>	<b>5.950</b>

2. Information on deferred tax liability:

As of 30 September 2021, the Bank has deferred tax liability TL 27.321 (31 December 2020: TL 16.161). An explanation about the net deferred tax asset is given in Note I-n of Section Five.

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

	<b>Current Period 30 September 2021</b>		<b>Prior Period 31 December 2020</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
To be included in the calculation of additional capital borrowing instruments	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	12.523.395	-	6.718.414
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	12.523.395	-	6.718.414
<b>Total</b>	<b>-</b>	<b>12.523.395</b>	<b>-</b>	<b>6.718.414</b>

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

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

1. Presentation of paid-in capital:

	<b>Current Period 30 September 2021</b>	<b>Prior Period 31 December 2020</b>
Common Stock	5.200.000	5.200.000
Preferred Stock	-	-

2. Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so the amount of registered share capital ceiling:

<b>Capital System</b>	<b>Paid-in capital</b>	<b>Ceiling</b>
Registered Share Capital	5.200.000	10.000.000

3. Capital increases and sources in the current period and other information based on increased capital shares: None.

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

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>30 September 2021</b>		<b>31 December 2020</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures (*)	692.038	813.627	691.231	835.651
Valuation Difference	(382.145)	(301.333)	73.752	223.644
Foreign Currency Differences	-	-	-	-
<b>Total</b>	<b>309.893</b>	<b>512.294</b>	<b>764.983</b>	<b>1.059.295</b>

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

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

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

1. Type and amount of irrevocable commitments: TL 13.267.269 asset purchase commitments (31 December 2020: TL 7.908.110), TL 33.466.419 commitments for credit card limits (31 December 2020: TL 29.118.196), TL 3.216.992 commitments for cheque books (31 December 2020: 2.730.978 TL).

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>30 September 2021</b>	<b>31 December 2020</b>
Bank Acceptance Loans	124.378	47.814
Letters of Credit	11.159.029	4.605.899
Other Guarantees and Warranties	12.848.696	10.105.633
<b>Total</b>	<b>24.132.103</b>	<b>14.759.346</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>30 September 2021</b>	<b>31 December 2020</b>
Revocable Letters of Guarantee	2.943.343	1.961.090
Irrevocable Letters of Guarantee	22.292.639	18.532.178
Letters of Guarantee Given in Advance	2.932.617	1.920.439
Guarantees Given to Customs	3.214.282	3.525.154
Other Letters of Guarantee	14.557.870	11.536.815
<b>Total</b>	<b>45.940.751</b>	<b>37.475.676</b>

3. Information on non-cash loans:

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>30 September 2021</b>	<b>31 December 2020</b>
Non-cash Loans Given against Cash Loans	22.368.431	20.144.761
With Original Maturity of 1 Year or Less Than 1 Year	9.125.047	6.778.686
With Original Maturity of More Than 1 Year	13.243.384	13.366.075
Other Non-cash Loans	47.704.423	32.090.261
<b>Total</b>	<b>70.072.854</b>	<b>52.235.022</b>

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

**a. Information on interest income:**

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

	Current Period 30 September 2021		Prior Period 30 September 2020	
	TL	FC	TL	FC
Short-term Loans	9.286.167	702.701	5.191.509	561.261
Medium and Long-term Loans	10.592.345	2.417.942	8.013.220	2.490.336
Interest on Loans Under Follow-Up	476.727	-	779.488	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>20.355.239</b>	<b>3.120.643</b>	<b>13.984.217</b>	<b>3.051.597</b>

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

2. Information on interest income on banks:

	Current Period 30 September 2021		Prior Period 30 September 2020	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	34.485	122	94.873	1.014
From Foreign Banks	467	20.678	2.752	85.213
From Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>34.952</b>	<b>20.800</b>	<b>97.625</b>	<b>86.227</b>

3. Information on interest income on marketable securities:

	Current Period 30 September 2021		Prior Period 30 September 2020	
	TL	FC	TL	FC
From Financial Assets at Fair Value through Profit or Loss	3.371	8.894	5.489	6.303
Financial Assets at Fair Value through Other Comprehensive Income	3.378.435	1.209.099	3.008.443	945.798
Financial Assets Measured at Amortised Cost	4.212.045	283.381	2.299.248	204.772
<b>Total</b>	<b>7.593.851</b>	<b>1.501.374</b>	<b>5.313.180</b>	<b>1.156.873</b>

As stated in the Note VII of Section Three, there are bonds indexed to consumer prices ("CPI") in the securities portfolios of the Bank whose fair value difference is reflected to other comprehensive income and measured with their amortized cost. The mentioned securities are valued and accounted for according to the effective interest method based on the index calculated based on the real coupon rates and the reference inflation index on the issue date and the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months ago. The Bank determines the estimated inflation rate accordingly. The estimated inflation rate used is updated during the year when deemed necessary. In this context, as of 30 September 2021, the valuation of these securities was made according to an annual inflation forecast of 17,00%. As of 30 September 2021, in case of the CPI estimate increases or decreases by 1%, the profit before tax will increase by approximately TL 287 million (full amount) or decrease by the same amount.

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

	Current Period 30 September 2021	Prior Period 30 September 2020
Interests Received From Investments in Associates and Subsidiaries	72.702	47.247

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**b. Information on interest expense:**

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

	Current Period 30 September 2021		Prior Period 30 September 2020	
	TL	FC	TL	FC
Banks	25.327	561.811	20.982	655.256
The CBRT	-	-	-	-
Domestic Banks	25.327	7.556	20.982	5.744
Foreign Banks	-	554.255	-	649.512
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	121.755	-	109.732
<b>Total</b>	<b>25.327</b>	<b>683.566</b>	<b>20.982</b>	<b>764.988</b>

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

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

	Current Period 30 September 2021	Prior Period 30 September 2020
To Associates and Subsidiaries	40.292	9.308

3. Information on interest expense given to securities issued:

	Current Period 30 September 2021		Prior Period 30 September 2020	
	TL	FC	TL	FC
Interest expense on securities issued	802.834	1.010.002	700.576	651.696

4. Maturity structure of the interest expense on deposits:

There are no seven-day notification deposits.

Current Period - 30.09.2021	Time Deposits						Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
<b>TL</b>							
Bank Deposits	-	97.947	235.559	-	-	-	333.506
Saving Deposits	-	1.311.973	6.247.397	291.593	142.806	131.974	8.125.743
Public Sector Deposits	-	650	3.357	177	41	13	4.238
Commercial Deposits	-	1.802.013	1.137.343	27.603	29.921	39.703	3.036.583
Other Deposits	-	48.521	222.226	6.639	70.538	39.220	387.144
<b>Total</b>	<b>-</b>	<b>3.261.104</b>	<b>7.845.882</b>	<b>326.012</b>	<b>243.306</b>	<b>210.910</b>	<b>11.887.214</b>
<b>FC</b>							
Foreign Currency Deposits	-	96.805	448.020	13.451	7.654	11.596	577.526
Bank Deposits	61	3.317	73.202	2.814	8.161	-	87.555
Precious Metals Deposits	-	111	844	69	1.824	471	3.319
<b>Total</b>	<b>61</b>	<b>100.233</b>	<b>522.066</b>	<b>16.334</b>	<b>17.639</b>	<b>12.067</b>	<b>668.400</b>
<b>Grand Total</b>	<b>61</b>	<b>3.361.337</b>	<b>8.367.948</b>	<b>342.346</b>	<b>260.945</b>	<b>222.977</b>	<b>12.555.614</b>



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

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

	Current Period 30 September 2021	Prior Period 30 September 2020
<b>Profit</b>	<b>1.261.751.510</b>	<b>763.882.876</b>
Income From Capital Market Transactions	526.905	466.040
Income From Derivative Financial Transactions (*)	29.343.940	24.503.918
Foreign Exchange Gains	1.231.880.665	738.912.918
<b>Loss (-)</b>	<b>1.263.027.205</b>	<b>762.903.212</b>
Loss from Capital Market Transactions	97.810	148.248
Loss from Derivative Financial Transactions (*)	32.316.072	21.133.939
Foreign Exchange Loss	1.230.613.323	741.621.025
<b>Total (Net)</b>	<b>(1.275.695)</b>	<b>979.664</b>

(\*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 2.061.933 (30 September 2020: TL 5.764.194).

**d. Explanations on other operating income:**

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

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

	<b>Current Period 30 September 2021</b>	<b>Prior Period 30 September 2020</b>
Expected Credit Loss	2.348.985	5.624.533
12 month expected credit loss (Stage 1)	83.275	798.010
Significant increase in credit risk (Stage 2)	348.837	2.380.682
Non-performing loans (Stage 3)	1.916.873	2.445.841
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 (*)	2.015.082	2.883.685
<b>Total</b>	<b>4.364.067</b>	<b>8.508.227</b>

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

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

	<b>Current Period 30 September 2021</b>	<b>Prior Period 30 September 2020</b>
Reserve for Employee Termination Benefits	15.244	21.848
Bank Social Aid Fund Deficit Provision	50.000	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	375.853	332.462
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	200.409	149.325
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	1.629	12.893
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	2.489.678	2.287.349
Leasing Expenses on TFRS 16 Exceptions	102.548	86.285
Maintenance Expenses	41.091	34.270
Advertisement Expenses	124.577	83.186
Other Expenses	2.221.462	2.083.608
Loss on Sales of Assets	6.267	-
Other	749.946	699.648
<b>Total</b>	<b>3.889.026</b>	<b>3.503.525</b>

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

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

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

As of 30 September 2021, the Bank has current tax expense of TL 2.009.089 (30 September 2020: TL 643.346), deferred tax expense of TL 973.607 (30 September 2020: TL 2.007.083) and a deferred tax income of TL 786.674 (30 September 2020: TL 1.390.835).

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 7.342.714 (30 September 2020: TL 4.419.094).

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 2021**

[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 2021:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans					
Balance at the Beginning of the Period	903.971	288.551	7.514.006	2.175.351	2.134	1.576
Balance at the End of the Period	1.118.096	294.291	7.264.507	2.198.230	6.656	1.808
Interest and Commission Income Received	72.702	32	442.245	7.817	532	16

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 14.403.681 as of 30 September 2021 (31 December 2020: TL 10.953.676).

2. Prior Period - 31 December 2020:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans					
Balance at the Beginning of the Period	727.217	297.220	6.444.515	1.048.361	6.429	1.096
Balance at the End of the Period	903.971	288.551	7.514.006	2.175.351	2.134	1.576
Interest and Commission Income Received(*)	47.247	37	598.481	7.076	355	14

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

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	30.09.2021	31.12.2020	30.09.2021	31.12.2020	30.09.2021	31.12.2020
Balance at the Beginning of the Period	806.713	569.432	5.935.681	4.572.838	618.986	1.403.075
Balance at the End of the Period	1.000.326	806.713	6.073.958	5.935.681	651.943	618.986
Interest expense on Deposits (*)	40.292	9.308	312.046	126.084	29.608	17.244

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

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

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

4. Information on forward and option agreements and other similar agreements made with the 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
	30.09.2021	31.12.2020	30.09.2021	31.12.2020	30.09.2021	31.12.2020
Transactions at Fair Value						
Through Profit or Loss						
Beginning of the Period	3.179.717	2.916.547	10.539.660	11.408.705	-	-
Balance at the End of the Period	1.817.206	3.179.717	13.725.425	10.539.660	-	-
Total Income/Loss (*)	(5.350)	2.787	(40.408)	9.239	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

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

Figures presented in the table above show the total of "sale" and "purchase" amounts of related transactions. Due to the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Bank. As of 30 September 2021, the net exposure for investments in associates and subsidiaries is TL (6.234) (31 December 2020: TL (294.045)). For direct and indirect shareholders of the Bank TL (388.385) (31 December 2020: TL (358.416)).

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

As of 30 September 2021 benefits provided to the Bank's key management amounting to TL 59.849 (30 September 2020: TL 53.345) in the first nine months of 2021.

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

None.

**SECTION SIX  
EXPLANATIONS ON AUDITOR'S REVIEW REPORT**

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

The unconsolidated financial statements for the interim period ended 30 September 2021 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 26 October 2021 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 2021**

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

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**SECTION SEVEN (\*)**

**EXPLANATIONS ON INTERIM ACTIVITY REPORT**

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

In the third quarter of the year; vaccination developments, progress of the Delta variant, problems in the global supply chains, increases in commodity prices and the rising inflation risks, as well as the statements of central banks regarding their policies were followed. The number of people vaccinated worldwide has already reached approximately 6.8 billion. Although the economic recovery continues despite the rise in cases, it is observed that the momentum of the recovery has slowed down. There are divergences between countries due to access to vaccine and policy support. Depending on the latest developments, the IMF slightly lowered its global growth expectations from 6.0% to 5.9% for 2021, and kept its 2022 forecast at 4.9%. IMF evaluates the risks in growth on the downside and inflationary risks on the upside.

Supply chain problems and increases in commodity prices cause supply and cost pressures, and this causes inflation to rise on a global scale. However, central banks of the developed countries consider this rise in inflation as temporary.

Fed signaled that it could begin to decrease the monthly pace of asset purchases soon. Fed stated that if the economy develops as expected they evaluated that the reduction in asset purchases could be completed by the middle of next year. On the other hand, most of the Fed member still believe the inflationary pressures to be temporary. Upward revisions are seen in the Fed's inflation forecasts and interest rate projections. Half of Fed members consider that, on average, a measured rate hike could occur in 2022.

While the European Central Bank (ECB) keeps short-term interest rates and the size of the Pandemic Emergency Purchase Program of € 1.85 trillion. The size of the Pandemic Emergency Wealth Program will be maintained at least until the end of March 2022.

Domestic economic activity grew by 21.7% in the second quarter of the year, driven by both the low base of the previous year as well as strong domestic and foreign demand. According to the data for the third quarter, expectation index and confidence indices, foreign trade data indicate that economic activity continues its strong trend. On the foreign demand side; exports maintain their strong course due to the recovery in global demand, and we think that this trend will continue in the rest of the year. Imports, on the other hand, continue to increase due to the high rise in commodity prices and the positive course in domestic demand, although the normalization of gold imports continues. Tourism revenues continue to improve with the impact of vaccination developments and the removal of travel restrictions, but are still below the level of 2019. Despite the increase in imports, the gradual improvement in the current account deficit continues due to the strong trend in exports and tourism revenues. We expect that the positive contribution of net exports to economic growth continues. We expect economic growth to be 9% for the 2021.

Domestically, inflation continue their upward trend due to high commodity prices, rising global food prices, cumulative exchange rate effects, and high costs. As of September, annual inflation stood at 19.58%. The increase in producer price inflation continues. We think that after the headline inflation peaked in October, it will decline in the last two months of the year due to the base effect. CBRT stated that demand factors, core inflation developments and supply-side factors are evaluated separately in its last monetary policy meeting. Accordingly, CBRT reduced the policy rate by 100 basis points in September and 200 basis points in October to 16.00%.

The budget balance continues to perform positively. In the January-September period, budget revenues increased by 35.8% annually, while the increase in budget expenditures was realized at 20.9%. As a result, the budget balance had a deficit of TRY61.1 billion. In the Medium Term Program, the budget deficit estimate for this year is TRY230 billion and it is expected to be 3.5% as a ratio of GDP.

In the banking sector; the upward trend in retail loans continues. With the macro prudential measures taken, the negative impact of retail loans on inflation and current account balance is tried to be reduced. On the other hand, increases in commercial loans are at a moderate level. As of August, the NPL ratio in the sector was 3.7% and the capital adequacy ratio was 17.3%.

In the rest of the year, vaccination developments, inflation realizations, the course of commodity prices and the Fed's policy steps regarding its asset purchases will continue to be monitored.

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(\*) 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 2021**

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

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**Message from the CEO**

We are going through a period in which access to vaccines is more influential on the economic outlook than the pandemic itself. While countries with easy access to vaccines expect a rapid recovery, the ones that experience supply problems lag behind. We observe that, normalization process has positive effects on the economy of Turkey, which itself has conducted a successful vaccination campaign. In addition, Turkish banking sector continues to take steps to support the normalization process. As it has always been, Akbank will also continue to support our country, society and customers with its solid financials and highly skilled employees.

In the first nine months of 2021, the loan support we provided to the economy increased to a total of TL 400 billion, with TL 330 billion in cash loans. Our deposits reached TL 350 billion, while our assets reached TL 590 billion. With our strong capital adequacy ratio of 20%, we continued to consistently support the growth and development of the real sector. Our bank reported a net profit of TL 7 billion 344 million in the first nine months of 2021, after TL 2 billion 564 million tax provisions.

As Akbank, we work to support all kinds of initiatives that will benefit the world in terms of sustainability. We would like to leave a more habitable world to future generations. In line with this goal, we have entered a new period with our sustainability strategy and concrete targets. In the light of our environmental and societal responsibilities, which are at the heart of our culture, we work to create value for our community. Within this context, we are proud to become a member of United Nations Environment Programme Finance Initiative (UNEP FI) and commit to the Principles for Responsible Banking. Our sector has a critical role in the transition to a more sustainable and greener economy. Being aware of this, we will continue to work to fulfil our responsibility”

With its strong capital, solid liquidity and highly skilled employees, Akbank has a high growth potential. The last quarter was a period during which our strong appetite for growth had further increased. Moreover, during this period, we took particular action to support our country’s economy and achieved significant successes. We have achieved significant growth figures in many areas, as well as expanding a number of pioneering services that brought new customers to the Akbank family. I would like to extend my deep gratitude to our employees for their strong performance, to customers and shareholders for the trust they place in us.

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

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

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**A. INTRODUCTION**

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

OLD FORM

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

A- The Bank adopted the authorized capital system in accordance with the provisions of Capital Market Law and implemented the authorized capital system pursuant to the Capital Markets Board's permission No. 116/1376 dated December 2, 1999. The authorized capital of the Bank is TL 10.000.000.000 (ten billion) divided into 1.000.000.000.000 (one trillion) registered shares each with a nominal value of 1 Kuruş.

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

B- The issued capital of the Bank is TL 5.200.000.000 (five billion and two hundred million) divided into 520.000.000.000 (five hundred and twenty billion) registered shares each with a nominal value of 1 Kuruş.

C- The issued capital of TL 5.200.000.000 (five billion and two hundred million) is paid fully and in cash, free from collusion.

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

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

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

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

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

NEW FORM

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

A- The Bank adopted the authorized capital system in accordance with the provisions of Capital Market Law and implemented the authorized capital system pursuant to the Capital Markets Board's permission No. 116/1376 dated December 2, 1999. The authorized capital of the Bank is TL 10.000.000.000 (ten billion) divided into 1.000.000.000.000 (one trillion) registered shares each with a nominal value of 1 Kuruş.

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

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**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

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

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C- The issued capital of TL 5.200.000.000 (five billion and two hundred million) is paid fully and in cash, free from collusion.

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

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

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

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

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

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

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

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

Notification Regarding Dividend Payment

· Cash dividend payment to start from 26 March 2021,

· In accordance with the first paragraph clause (e) of article 5 of the Corporate Tax Law, TL 702.497,79 which is exempt from corporate tax to be allocated to a "Special Fund Account" and after allocating TL 36.608.000 to Legal Reserves, the remaining profit will be retained under Extraordinary Reserves.

As announced with the disclosure dated 28 February 2021 following the outlook revision of Turkey's Long Term IDR to "Stable" from "Negative", Fitch Ratings has revised Long Term Local Currency IDR Outlook of Akbank T.A.S from "Negative" to "Stable".

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

It is shared with the disclosure dated on 7 July 2021 that a service interruption due to a technical problem in the Akbank mainframe that began on 6 July 2021 continues. All our customer channels have been affected.

Our IT team has been working with our technology business partners since the identification of the issue. Rumors circulating on the internet and social media that the interruption has been due to a cyber-attack are completely unfounded and do not reflect the reality of the situation in any way.

There are no risks regarding our customers' records or their personal information. Regular transactions will resume once the interruption has been resolved. Our customers afflicted by the aforementioned issues may find information on Akbank.com all the necessary actions taken to rectify the situation and relieve their grievances.

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

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

As per our statement on 8 July 2021 Akbank has informed the public that with work from all parties involved, we have resolved the entire issue stated in the disclosure dated on 7 July 2021. It is shared that all our services are in operation. Our customers afflicted by the aforementioned issues may find information on Akbank.com all the necessary actions taken to rectify the situation and relieve their grievances.

Akbank has signed "COVID-19 Crisis Recovery Facility" with Asian Infrastructure Investment Bank (AIIB) in the amount of USD 100 million for a 7 year tenor.

There has been media news that Türkiye Varlık Fonu (Turkey Wealth Fund) is considering acquisition of Türk Telekom shares owned by LYY Telekomünikasyon A.Ş, in which our bank has ownership. Currently, there isn't any such transaction. Our bank is in continuous consideration regarding its options on the mentioned shares. In this regard, in accordance with regulations, our bank will publicly disclose if and when any concrete development takes place.

**B. BANKING SECTOR THIRD QUARTER OVERVIEW**

In the the first nine months of 2021, loan growth in the sector was 12% and deposit growth on the funding side was 17,6%.

**C. UNCONSOLIDATED FINANCIAL RESULTS AND THIRD QUARTER OVERVIEW**

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

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>Unconsolidated</b>	<b>Unconsolidated</b>
	<b>Financial Results</b>	<b>Financial Results</b>
Total Asset	552.507	446.101
Loans	298.308	253.319
Deposits	320.296	268.570
Equity	70.252	62.919
Net Income (30.09.2020)	7.343	4.419

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

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>Unconsolidated</b>	<b>Unconsolidated</b>
	<b>Financial Results</b>	<b>Financial Results</b>
Loan / Total Assets	54,0	56,8
Deposit / Total Assets	58,0	60,2
Return on Equity (30.09.2020)	14,9	10,5
Return on Assets (30.09.2020)	2,0	1,5
NPL Ratio	5,8	6,8
Capital Adequacy Ratio	21,17	21,84
Earnings Per Share (TL) (30.09.2020)	0,01412	0,00850

**AKBANK T.A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021**

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

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

Akbank reported a gross profit of TL 9.539 million, setting aside TL 2.196 million of tax provisions, reporting a net unconsolidated profit of TL 7.343 million in the first nine months of the year.

Capital adequacy ratio of the bank has realized at 21,17 % as of 30 September 2021.

As of 30 September 2021, Akbank's unconsolidated total asset realized at TL 553 billion, loans are TL 298 billion and total deposits are TL 320 billion.

Akbank's NPL ratio realized at 5,8% as of 30 September 2021.

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

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

**2021 Guidance Outlook (%)**

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

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

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