

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 31 DECEMBER 2022 TOGETHER WITH INDEPENDENT
AUDITOR'S 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)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)**

INDEPENDENT AUDITOR'S REPORT

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

A. Audit of the Unconsolidated Financial Statements

1. Opinion

We have audited the accompanying unconsolidated financial statements of Akbank T.A.Ş. (the "Bank"), which comprise the statement of unconsolidated balance sheet as at 31 December 2022, unconsolidated income statement, 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 for the year then ended and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

In our opinion, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2022, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended 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 Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Opinion

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements" section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the unconsolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans in accordance with TFRS 9

The Bank has total provision for impairment of TL 21.462.642 thousands in respect to loans of TL 560.350.188 thousands which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as at 31 December 2022. Explanations and notes related to provision for impairment of loans are presented section III part VII-e, section III part VIII, section IV part II-h, section IV part II-l, section IV part II-j, section IV part X-c, section V part I-f and section V part II-h in the accompanying unconsolidated financial statements as at 31 December 2022.

The Bank recognizes provisions for impairment in accordance with "TFRS 9 Financial Instruments" requirements in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost. In addition, the operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of the data are key in the determination of expected credit losses on loans. Impairment allowances are calculated on a collective basis for portfolios of loans of a similar nature and on individual basis for significant loans taking into account Management's best estimate at the balance sheet date and historical losses incurred.

Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as developing macro-economic scenarios and their weightings, current conditions, historical loss experiences; the significance of the loan balances; the appropriateness of classification of loans as per their credit risk (staging) in accordance with applicable regulation and the importance of determination of the associated impairment allowances. Timely and correctly identification of loss event and the level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.

Within our audit procedures, we assessed policies and procedures together with the overall governance established by the Bank with respect to classification of loans and estimation of impairment in-line with the TFRS 9 framework. We have tested the design and operating effectiveness of controls implemented by the Bank in line with its governance, policies and procedures.

Together with our modelling specialists, we have evaluated and tested the methodologies used in building impairment models in line with the requirement of TFRS 9 and the Bank's policies for the significant portfolio of loans. We have tested model calculations through re-performance together with our modelling specialists on a sample basis. We have independently assessed together with our related specialists methodologies used in the models with respect to segmentation, life time expected credit losses, losses given default and use of macro-economic expectations, life time expected credit losses, losses given default.

We have carried loan review on a selected sample of loans with the objective to identify whether the classification of loans is performed appropriately in accordance with the applicable regulation, whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the TFRS 9 framework.

In addition, for non-performing loans and other significant loans that are subject to individual assessment based on the Bank policies, we have evaluated the appropriateness of specific impairment provision with supportable input. Based on our discussions with the Bank management, we have evaluated and challenged whether the key assumptions and other judgements, underlying the estimation of impairment were reasonable.

We have reviewed the appropriateness and sufficiency of disclosures made in the financial statements of the Bank with respect to loan and related impairment provision.

Valuation of Pension Fund Obligations

The Bank has booked provision amounting to TL 935.201 thousand for Pension Fund Liabilities in the accompanying unconsolidated financial statements as at 31 December 2022. Explanations on Valuation of Pension Obligations are presented in the section III part XVII-b and section V part II-h in the accompanying unconsolidated financial statements.

The Bank's Personnel Pension Fund Foundation ("Pension Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds to be transferred to the Social Security Institution ("SSI"). The President of the Republic of Turkey is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The valuations of the pension obligations require significant judgement and technical expertise in choosing appropriate assumptions. The Bank's management uses external actuarial consulting firm for the purpose of valuations of pension obligations.

The reason we focused on this area during our audit is; uncertainty of the transfer date, the importance of the actuarial and economic assumptions such as technical interest rate determined by the law, salary increases, demographic assumptions used in the valuation of pension obligations with respect to social benefits and the significant impact that may arise from the possible change in the assumptions used in the evaluation of pension fund liabilities.

Within our audit, we tested on a sample basis the accuracy of the employee data supplied by the Bank management to the external consulting firm for the purpose of evaluation pension obligation. In addition, we have verified the existence and values of the Pension Fund assets.

We checked whether significant changes in actuarial assumptions used in calculation, employee benefits in the year, plan assets and liabilities, and laws and regulations related to valuations exist, and tested significant changes.

Through use of actuarial specialists, we assessed the reasonableness of assumptions and evaluation made by the external actuaries in the calculation of the liability.

In addition to the above procedures, we evaluated the adequacy of the disclosures made with respect to Pension Fund in the accompanying unconsolidated financial statements.

4. Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

The Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2022. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

Zeynep Uras, SMMM
Partner

Istanbul, 31 January 2023

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

THE UNCONSOLIDATED FINANCIAL REPORT OF AKBANK T.A.Ş. AS OF 31 DECEMBER 2022

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

The unconsolidated financial report, 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** - OTHER EXPLANATIONS
- **Section Seven** - INDEPENDENT AUDITOR'S REPORT

The accompanying unconsolidated financial statements and notes to these financial statements 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 have been independently reviewed.

31 January 2023

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

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

Name-Surname / Title : Gökhan KAZCILAR / Senior Vice President
Phone No : (0 212) 385 55 55
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AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2022

[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 31 December 2022, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2021: 51%).

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

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

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman:	Suzan SABANCI DİNÇER	Chairman of the Board of Directors	Graduate
Board of Directors:	Eyüp ENGİN	Vice Chairman and Executive Board Member	Undergraduate
	A. Fuat AYLA	Executive Board Member	Undergraduate
	Ş. Yaman TÖRÜNER	Board Member	Undergraduate
	Emre DERMAN	Board Member	Graduate
	N. Orhun KÖSTEM	Board Member	Graduate
	K. Özgür DEMİRTAŞ	Board Member	PhD
	Mehmet Tuğrul BELLİ	Board Member	Graduate
	Levent DEMİRAĞ	Board Member	Undergraduate
	S. Hakan BİNBAŞGİL	Board Member and CEO	Graduate
CEO:	S. Hakan BİNBAŞGİL	CEO	Graduate
Head of Internal Audit:	Savaş KÜLCÜ	Head of Internal Audit	Graduate
Executive Vice Presidents:	Bülent OĞUZ	SME Banking	Graduate
	H.Burcu CİVELEK YÜCE	Consumer Banking and Digital Solutions	Graduate
	Ege GÜLTEKİN	Credit Monitoring and Follow-up	Graduate
	Levent ÇELEBİOĞLU	Corporate and Investment Banking	Undergraduate
	N. İlker ALTINTAŞ	Technology and Operation	PhD
	Mehmet Hakan TUGAL	Commercial Banking	Graduate
	Türker TUNALI	Financial Management	Undergraduate
	Şahin Alp KELER	Private Banking and Wealth Management	PhD
	Yunus Emre ÖZBEN	Credit Allocation	Graduate
	Zeynep ÖZTÜRK ŞARSEL	Special Credits	Graduate
	Gamze Şebnem MURATOĞLU	Treasury	Graduate
	Pınar ANAPA	People and Culture	Graduate
Internal Audit Committee:	Eyüp ENGİN	Head of the Audit Committee	Undergraduate
	Levent DEMİRAĞ	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 31 DECEMBER 2022

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

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

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

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

The Bank's core business activities consist of consumer banking, SME 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 31 December 2022, the Bank has 710 branches dispersed throughout the country and 1 branch operating abroad (31 December 2021: 710 branches and 1 branch operating abroad).

As of 31 December 2022, the Bank has 12.717 employees (31 December 2021: 12.184).

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.

AKBANK T.A.Ş.
I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 (STATEMENT OF FINANCIAL POSITION)

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		147.844.008	228.509.557	376.353.565	92.656.769	200.971.445	293.528.214
1.1 Cash and Cash Equivalents		26.564.458	134.027.828	160.592.286	14.850.943	128.510.890	143.361.833
1.1.1 Cash and Balances with Central Bank	(I-a)	23.686.721	103.846.022	127.532.743	11.895.572	79.991.153	91.886.725
1.1.2 Banks	(I-d)	1.423.105	30.182.611	31.605.716	132.292	48.520.144	48.652.436
1.1.3 Money Markets		1.459.782	-	1.459.782	2.823.223	-	2.823.223
1.1.4 Expected Loss Provision (-)		5.150	805	5.955	144	407	551
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	2.188.078	947.850	3.135.928	1.447.537	8.360.046	9.807.583
1.2.1 Government Debt Securities		146.840	164.826	311.666	133.543	337.168	470.711
1.2.2 Equity Instruments		-	555.909	555.909	-	282.498	282.498
1.2.3 Other Financial Assets		2.041.238	227.115	2.268.353	1.313.994	7.740.380	9.054.374
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-e)	87.872.549	76.998.106	164.870.655	35.739.765	54.941.506	90.681.271
1.3.1 Government Debt Securities		82.359.177	57.983.499	140.342.676	34.746.069	41.067.134	75.813.203
1.3.2 Equity Instruments		96.962	109	97.071	15.610	109	15.719
1.3.3 Other Financial Assets		5.416.410	19.014.498	24.430.908	978.086	13.874.263	14.852.349
1.5 Derivative Financial Assets	(I-c, I-l)	31.218.923	16.535.773	47.754.696	40.518.524	9.159.003	49.677.527
1.5.1 Derivative Financial Assets at Fair Value Through Profit or Loss		12.404.259	14.473.293	26.877.552	27.275.288	8.969.678	36.244.966
1.5.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		18.814.664	2.062.480	20.877.144	13.243.236	189.325	13.432.561
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		477.776.995	159.214.550	636.991.545	263.774.618	123.543.878	387.318.496
2.1 Loans	(I-f)	408.925.740	151.424.448	560.350.188	236.264.729	117.107.101	353.371.830
2.2 Lease Receivables	(I-k)	-	-	-	-	-	-
2.3 Factoring Receivables	(I-g)	-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost	(I-g)	86.174.630	11.980.146	98.154.676	42.169.862	10.415.698	52.585.560
Government Debt Securities		86.174.530	10.660.402	96.834.932	42.169.862	9.446.135	51.615.997
Other Financial Assets		-	1.319.744	1.319.744	-	969.563	969.563
2.5 Expected Credit Loss (-)		17.323.275	4.190.044	21.513.319	14.659.973	3.978.921	18.638.894
III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-r)	565.378	-	565.378	170.756	-	170.756
3.1 Held for Sale Purpose		565.378	-	565.378	170.756	-	170.756
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		4.810.233	18.736.762	23.546.995	2.862.756	13.215.503	16.078.259
4.1 Investments in Associates (Net)	(I-h)	18.957	-	18.957	18.129	-	18.129
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		18.957	-	18.957	18.129	-	18.129
4.2 Subsidiaries (Net)	(I-l)	4.791.276	18.736.762	23.528.038	2.844.627	13.215.503	16.060.130
4.2.1 Unconsolidated Financial Subsidiaries		4.791.276	18.736.762	23.528.038	2.844.627	13.215.503	16.060.130
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)	(I-j)	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)	(I-m)	15.089.012	38.270	15.127.282	5.811.559	17.668	5.829.227
VI. INTANGIBLE ASSETS (Net)	(I-n)	2.652.021	-	2.652.021	1.465.638	1	1.465.639
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		2.652.021	-	2.652.021	1.465.638	1	1.465.639
VII. INVESTMENT PROPERTY (Net)	(I-o)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(I-p)	-	192.285	192.285	-	73.610	73.610
X. OTHER ASSETS (Net)	(I-s)	19.130.112	627.272	19.757.384	4.301.347	145.747	4.447.094
TOTAL ASSETS		667.867.759	407.318.696	1.075.186.455	370.943.443	337.967.852	708.911.295

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

AKBANK T.A.S.**I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022 (STATEMENT OF FINANCIAL POSITION)**

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	370.352.913	308.971.849	679.324.762	151.975.048	261.285.686	413.260.734
II. FUNDS BORROWED	(II-c)	217.420	64.179.340	64.396.760	235.575	53.261.238	53.496.813
III. MONEY MARKETS		26.207.940	27.821.915	54.029.855	34.515.352	26.491.283	61.006.635
IV. SECURITIES ISSUED (Net)	(II-d)	2.716.114	19.723.455	22.439.569	8.711.844	20.830.603	29.542.447
4.1 Bills		-	-	-	6.317.699	-	6.317.699
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		2.716.114	19.723.455	22.439.569	2.394.145	20.830.603	23.224.748
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(II-b, II-g)	11.239.687	3.212.323	14.452.010	21.982.296	3.304.939	25.287.235
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		10.745.211	3.212.322	13.957.533	21.706.040	3.091.924	24.797.964
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		494.476	1	494.477	276.256	213.015	489.271
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(II-f)	799.166	-	799.166	535.440	-	535.440
X. PROVISIONS	(II-h)	5.270.485	395.003	5.665.488	3.094.834	130.367	3.225.201
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		2.183.677	-	2.183.677	745.039	-	745.039
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		3.086.808	395.003	3.481.811	2.349.795	130.367	2.480.162
XI. CURRENT TAX LIABILITY	(II-l)	10.191.104	478.156	10.669.260	1.975.622	257.473	2.233.095
XII. DEFERRED TAX LIABILITY	(II-l)	3.027.248	-	3.027.248	171.341	-	171.341
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND RELATED TO THE DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(II-l)	-	16.800.082	16.800.082	-	18.725.534	18.725.534
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	16.800.082	16.800.082	-	18.725.534	18.725.534
XV. OTHER LIABILITIES	(II-e)	24.271.242	25.711.129	49.982.371	11.528.675	13.943.194	25.471.869
XVI. SHAREHOLDERS' EQUITY	(II-k)	161.430.206	(7.830.322)	153.599.884	83.571.770	(7.616.819)	75.954.951
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		8.001.283	677.895	8.679.178	3.325.779	649.363	3.975.142
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		26.733.806	(8.508.217)	18.225.589	12.494.457	(8.266.182)	4.228.275
16.5 Profit Reserves		56.070.405	-	56.070.405	45.024.998	-	45.024.998
16.5.1 Legal Reserves		1.903.795	-	1.903.795	1.808.635	-	1.808.635
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		53.991.428	-	53.991.428	43.068.048	-	43.068.048
16.5.4 Other Profit Reserves		175.182	-	175.182	148.315	-	148.315
16.6 Income or (Loss)		60.024.084	-	60.024.084	12.125.908	-	12.125.908
16.6.1 Prior Periods' Income or (Loss)		-	-	-	-	-	-
16.6.2 Current Period Income or (Loss)		60.024.084	-	60.024.084	12.125.908	-	12.125.908
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		615.723.525	459.462.930	1.075.186.455	318.297.797	390.613.498	708.911.295

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

AKBANK T.A.S.
II. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2022
(Amounts are expressed in thousands of Turkish Lira (TL).)

	Note (Section Five)	CURRENT PERIOD (31/12/2022)			PRIOR PERIOD (31/12/2021)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		523.387.252	1.007.840.124	1.531.227.376	334.075.943	869.088.666	1.203.164.609
I. GUARANTEES AND WARRANTIES	(III-a-2, 3)	68.059.558	72.542.148	140.601.706	32.764.411	55.057.939	87.822.350
1.1 Letters of Guarantee		51.739.505	44.729.387	96.468.892	26.592.620	31.278.272	57.870.892
1.1.1 Guarantees Subject to State Tender Law		1.375.563	6.044.920	7.420.483	1.155.719	3.175.131	4.330.850
1.1.2 Guarantees Given for Foreign Trade Operations		-	2.582.504	2.582.504	-	2.601.276	2.601.276
1.1.3 Other Letters of Guarantee		50.363.942	36.101.963	86.465.905	25.436.901	25.501.865	50.938.766
1.2 Bank Acceptances		4.785	190.323	195.108	-	159.525	159.525
1.2.1 Import Letter of Acceptance		4.785	190.323	195.108	-	159.525	159.525
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		2.058.977	19.240.609	21.299.586	49.289	15.073.346	15.122.635
1.3.1 Documentary Letters of Credit		2.058.977	16.898.022	18.956.999	49.289	13.479.532	13.528.821
1.3.2 Other Letters of Credit		-	2.342.587	2.342.587	-	1.593.814	1.593.814
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		-	12.651	12.651	-	23.003	23.003
1.8 Other Guarantees		5.349.753	8.363.051	13.712.804	100.457	8.507.143	8.607.600
1.9 Other Collaterals		8.906.538	6.127	8.912.665	6.022.045	16.650	6.038.695
II. COMMITMENTS	(III-a-1)	154.279.332	15.161.502	169.440.834	68.266.362	39.846.412	108.112.774
2.1 Irrevocable Commitments		152.086.287	15.161.502	167.247.789	66.901.506	39.846.412	106.747.918
2.1.1 Asset Purchase Commitments		1.025.346	6.826.708	7.852.054	7.164.528	14.383.952	21.548.480
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		23.069.404	8.330.744	31.400.148	13.266.649	6.041.228	19.307.877
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		4.523.116	-	4.523.116	3.394.242	-	3.394.242
2.1.8 Tax and Fund Liabilities from Export Commitments		5.260	-	5.260	5.934	-	5.934
2.1.9 Commitments for Credit Card Limits		106.067.149	-	106.067.149	34.314.098	-	34.314.098
2.1.10 Commitments for Credit Cards and Banking Services Promotions		125.777	-	125.777	130.112	-	130.112
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		17.270.235	4.050	17.274.285	8.625.943	19.421.232	28.047.175
2.2 Revocable Commitments		2.193.045	-	2.193.045	1.364.856	-	1.364.856
2.2.1 Revocable Loan Granting Commitments		2.193.045	-	2.193.045	1.364.856	-	1.364.856
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(III-b)	301.048.362	920.136.474	1.221.184.836	233.045.170	774.184.315	1.007.229.485
3.1 Hedging Derivative Financial Instruments		31.550.734	137.049.473	168.600.207	168.600.207	122.991.616	161.155.386
3.1.1 Fair Value Hedges		20.741	57.422.029	57.442.770	2.471.040	56.739.869	59.210.909
3.1.2 Cash Flow Hedges		31.529.993	79.627.444	111.157.437	35.692.730	66.251.747	101.944.477
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		269.497.628	783.087.001	1.052.584.629	194.881.400	651.192.699	846.074.099
3.2.1 Forward Foreign Currency Buy/Sell Transactions		41.831.750	63.823.351	105.655.101	15.801.559	38.391.025	54.192.584
3.2.1.1 Forward Foreign Currency Transactions-Buy		40.929.678	13.131.610	54.061.288	15.557.894	10.352.662	25.910.556
3.2.1.2 Forward Foreign Currency Transactions-Sell		902.072	50.691.741	51.593.813	243.665	28.038.363	28.282.028
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		193.562.550	568.870.277	762.432.827	160.953.319	505.546.140	666.499.459
3.2.2.1 Foreign Currency Swap-Buy		19.963.353	219.565.005	239.528.358	14.906.795	187.588.786	202.495.581
3.2.2.2 Foreign Currency Swap-Sell		128.901.159	139.793.964	268.695.123	87.801.938	129.344.010	217.145.948
3.2.2.3 Interest Rate Swap-Buy		22.349.019	104.755.654	127.104.673	29.122.293	94.306.672	123.428.965
3.2.2.4 Interest Rate Swap-Sell		22.349.019	104.755.654	127.104.673	29.122.293	94.306.672	123.428.965
3.2.3 Foreign Currency, Interest Rate and Securities Options		15.707.125	54.269.717	69.976.842	9.735.945	43.924.035	53.659.980
3.2.3.1 Foreign Currency Options-Buy		14.853.112	9.143.046	23.996.158	6.157.981	6.443.609	12.601.590
3.2.3.2 Foreign Currency Options-Sell		854.013	22.589.883	23.443.896	3.577.964	10.124.782	13.702.746
3.2.3.3 Interest Rate Options-Buy		-	11.268.394	11.268.394	-	13.677.822	13.677.822
3.2.3.4 Interest Rate Options-Sell		-	11.268.394	11.268.394	-	13.677.822	13.677.822
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		17.799.388	17.211.205	35.010.593	8.206.775	8.114.789	16.321.564
3.2.4.1 Foreign Currency Futures-Buy		16.167.045	1.519.274	17.686.319	8.206.775	-	8.206.775
3.2.4.2 Foreign Currency Futures-Sell		1.632.343	15.691.931	17.324.274	-	8.114.789	8.114.789
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		596.815	78.912.451	79.509.266	183.802	55.216.710	55.400.512
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		1.649.986.327	1.105.560.976	2.755.547.303	1.075.455.203	790.972.547	1.866.427.750
IV. ITEMS HELD IN CUSTODY		120.301.657	145.032.321	265.333.978	70.854.516	87.054.819	157.909.335
4.1 Customer Fund and Portfolio Balances		46.396.383	12.805.794	59.202.177	17.288.136	6.693.055	23.981.191
4.2 Investment Securities Held in Custody		3.422.376	28.918.489	32.340.865	4.032.388	19.165.189	23.197.577
4.3 Cheques Received for Collection		59.865.366	9.750.401	69.615.767	41.556.021	8.993.088	50.549.109
4.4 Commercial Notes Received for Collection		9.930.098	14.741.077	24.671.175	7.595.783	10.212.171	17.807.954
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		687.434	78.816.560	79.503.994	382.188	41.991.316	42.373.504
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		432.902.956	280.114.115	713.017.071	261.417.076	211.157.958	472.575.034
5.1 Marketable Securities		481.495	5.799.505	6.281.000	449.676	4.510.927	4.960.603
5.2 Guarantee Notes		1.004.209	2.039.754	3.043.963	797.853	1.391.005	2.188.858
5.3 Commodity		842.908	653.844	1.496.752	347.908	305.712	653.620
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		267.693.248	223.653.844	491.347.092	181.905.088	164.039.171	345.944.259
5.6 Other Pledged Items		162.881.096	47.967.168	210.848.264	77.916.551	40.911.143	118.827.694
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTS		1.096.781.714	680.414.540	1.777.196.254	743.183.611	492.759.770	1.235.943.381
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		2.173.373.579	2.113.401.100	4.286.774.679	1.409.531.146	1.660.061.213	3.069.592.359

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 31 DECEMBER 2022**

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

INCOME AND EXPENSE ITEMS		Note	CURRENT PERIOD	PRIOR PERIOD
		(Section Five)	(01/01-31/12/2022)	(01/01-31/12/2021)
I.	INTEREST INCOME	(IV-a)	127.815.468	48.802.008
1.1	Interest on Loans	(IV-a-1)	66.507.535	33.535.367
1.2	Interest on Reserve Requirements		282.414	881.784
1.3	Interest on Banks	(IV-a-2)	536.015	76.740
1.4	Interest on Money Market Transactions		192.015	143.079
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	60.165.274	14.066.747
1.5.1	Fair Value Through Profit or Loss		27.487	21.365
1.5.2	Fair Value Through Other Comprehensive Income		21.443.232	6.960.492
1.5.3	Measured at Amortised Cost		38.694.555	7.084.890
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		132.215	98.291
II.	INTEREST EXPENSE (-)	(IV-b)	50.943.763	25.967.296
2.1	Interest on Deposits	(IV-b-4)	38.408.677	17.529.660
2.2	Interest on Funds Borrowed	(IV-b-1)	2.598.141	994.281
2.3	Interest Expense on Money Market Transactions		4.104.135	4.600.231
2.4	Interest on Securities Issued	(IV-b-3)	3.605.253	2.720.752
2.5	Interest on Leases		109.794	85.599
2.6	Other Interest Expenses		2.117.763	36.773
III.	NET INTEREST INCOME (I - II)		76.871.705	22.834.712
IV.	NET FEES AND COMMISSIONS INCOME		10.315.549	5.232.526
4.1	Fees and Commissions Received		13.662.846	6.909.828
4.1.1	Non-cash Loans		982.481	571.025
4.1.2	Other		12.680.365	6.338.803
4.2	Fees and Commissions Paid (-)		3.347.297	1.677.302
4.2.1	Non-cash Loans		4.722	5.062
4.2.2	Other		3.342.575	1.672.240
V.	DIVIDEND INCOME	(IV-c)	32.338	5.246
VI.	TRADING INCOME / (LOSS) (Net)	(IV-d)	15.059.509	6.449.208
6.1	Trading Gains / (Losses) on Securities		851.571	660.783
6.2	Gains / (Losses) on Derivative Financial Transactions		(12.860.617)	(841.552)
6.3	Foreign Exchange Gains / (Losses)		27.068.555	6.629.977
VII.	OTHER OPERATING INCOME	(IV-e)	3.735.599	2.244.262
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		106.014.700	36.765.954
IX.	EXPECTED CREDIT LOSS (-)	(IV-f)	6.859.313	5.139.830
X.	OTHER PROVISION EXPENSES (-)		3.830.656	7.791.329
XI.	PERSONNEL EXPENSE (-)		6.338.060	3.274.275
XII.	OTHER OPERATING EXPENSES (-)	(IV-g)	12.800.004	6.051.897
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		76.186.667	14.508.623
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		3.073.735	1.557.517
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(IV-I)	79.260.402	16.066.140
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-J)	19.236.318	3.940.232
18.1	Current Tax Provision		19.823.331	2.969.973
18.2	Deferred Tax Expense Effect (+)		5.767.410	5.272.335
18.3	Deferred Tax Income Effect (-)		6.354.423	4.302.076
XVIII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(IV-k)	60.024.084	12.125.908
XIX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXI.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)	(IV-l)	-	-
XXII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(IV-j)	-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIII.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	(IV-k)	-	-
XXIV.	NET INCOME/(LOSS) (XIX+XXIV)	(IV-l)	60.024.084	12.125.908
Earning/(Loss) per share (in TL full)			0,11543	0,02332

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 31 DECEMBER 2022**

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

	CURRENT PERIOD (31/12/2022)	PRIOR PERIOD (31/12/2021)
I. CURRENT PERIOD INCOME/LOSS	60.024.084	12.125.908
II. OTHER COMPREHENSIVE INCOME	18.831.085	1.536.130
2.1 Not Reclassified Through Profit or Loss	4.833.771	(318.586)
2.1.1 Property and Equipment Revaluation Increase/Decrease	7.317.241	13.183
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Plan Remeasurement Gain/Loss	(1.776.350)	(155.155)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(9.257)	(205.008)
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(697.863)	28.394
2.2 Reclassified Through Profit or Loss	13.997.314	1.854.716
2.2.1 Foreign Currency Translation Differences	4.452.298	5.137.658
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	13.431.770	(2.588.189)
2.2.3 Cash Flow Hedge Income/Loss	2.555.107	3.176.188
2.2.4 Foreign Net Investment Hedge Income/Loss	(3.815.477)	(4.698.557)
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(2.626.384)	827.616
III. TOTAL COMPREHENSIVE INCOME (I+II)	78.855.169	13.662.038

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 31 DECEMBER 2022

(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			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)	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
CURRENT PERIOD (31/12/2022)															
I. Prior Period End Balance		5.200.000	3.505.742	-	1.894.886	2.997.832	(356.691)	1.334.001	9.173.818	(1.725.442)	(3.220.101)	45.024.998	-	12.125.908	75.954.951
II. Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		5.200.000	3.505.742	-	1.894.886	2.997.832	(356.691)	1.334.001	9.173.818	(1.725.442)	(3.220.101)	45.024.998	-	12.125.908	75.954.951
IV. Total Comprehensive Income		-	-	-	-	6.152.997	(1.309.969)	(9.257)	4.452.298	10.291.377	(746.361)	-	-	60.024.084	78.855.169
V. Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources		-	-	-	-	-	-	1.364	-	-	-	-	-	-	1.364
VII. Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes		-	-	-	-	(131.099)	-	-	-	-	-	131.099	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	10.914.308	-	(12.125.908)	(1.211.600)
11.1 Dividends paid	(V-a)	-	-	-	-	-	-	-	-	-	-	-	-	(1.211.600)	(1.211.600)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	10.914.308	-	(10.914.308)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (I+II+III+...+X+XI)		5.200.000	3.505.742	-	1.894.886	9.019.730	(1.666.660)	1.326.108	13.626.116	8.565.935	(3.966.462)	56.070.405	-	60.024.084	153.599.884

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

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V. UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

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

	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Property and Equipment	Accumulated Revaluation Increase/Decrease of	Accumulated Remeasurement Gain/Loss of Defined Benefit Plan	Accumulated Other Comprehensive Income or Expense Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss	Foreign Currency Translation Differences	Accumulated Other Comprehensive Income or Expense Reclassified through 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
PRIOR PERIOD																
(31/12/2021)																
I. Prior Period End Balance		5.200.000	3.505.742	-	1.894.886	3.016.534	(232.567)		1.539.009	4.036.160	342.100	(2.004.701)	39.354.663	-	6.267.167	62.918.993
II. Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		5.200.000	3.505.742	-	1.894.886	3.016.534	(232.567)		1.539.009	4.036.160	342.100	(2.004.701)	39.354.663	-	6.267.167	62.918.993
IV. Total Comprehensive Income		-	-	-	-	10.546	(124.124)		(205.008)	5.137.658	(2.067.542)	(1.215.400)	-	-	12.125.908	13.662.038
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	(V-a)	-	-	-	-	-	-	-	-	-	-	-	-	-	(626.080)	(626.080)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	5.641.087	-	(5.641.087)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (I+II+III+...+X+XI)		5.200.000	3.505.742	-	1.894.886	2.997.832	(356.691)		1.334.001	9.173.818	(1.725.442)	(3.220.101)	45.024.998	-	12.125.908	75.954.951

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 31 DECEMBER 2022**

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

	Note (Section Five)	CURRENT PERIOD (31/12/2022)	PRIOR PERIOD (31/12/2021)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1		10.957.713	9.083.942
1.1.1		77.938.548	40.557.946
1.1.2		(46.149.742)	(25.282.392)
1.1.3		32.338	5.246
1.1.4		14.081.661	6.938.297
1.1.5		(13.160.914)	(6.989.804)
1.1.6		3.903.880	2.855.106
1.1.7		(6.964.236)	(3.532.182)
1.1.8		(12.156.830)	(2.825.944)
1.1.9	(VI-b)	(6.566.992)	(2.642.331)
1.2		31.277.398	39.686.965
1.2.1		15.829.836	(8.312.650)
1.2.2		8.938.673	(13.179.692)
1.2.3		(220.296.965)	(96.498.644)
1.2.4		(76.440.736)	(44.027.041)
1.2.5		1.965.784	1.689.343
1.2.6		259.942.395	142.539.875
1.2.7		-	-
1.2.8		10.426.579	17.291.372
1.2.9		-	-
1.2.10	(VI-b)	30.911.832	40.184.402
I.		42.235.111	48.770.907
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.		(52.054.063)	(47.247.206)
2.1		(70.000)	(10.180)
2.2		-	-
2.3		(4.112.971)	(1.078.757)
2.4		63.083	219.394
2.5		(79.364.378)	(53.514.673)
2.6		28.078.861	14.615.419
2.7		(12.928.334)	(17.887.458)
2.8		6.056.237	15.853.467
2.9		10.223.439	(5.444.418)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.		(10.716.437)	21.323.857
3.1		29.888.261	44.356.091
3.2		(38.979.583)	(22.115.394)
3.3		-	-
3.4		(1.211.600)	(626.080)
3.5		(413.515)	(290.760)
3.6		-	-
IV.	(VI-b)	11.958.820	10.377.982
V.		(8.576.569)	33.225.540
VI.	(VI-a)	43.756.671	10.531.131
VII.	(VI-a)	35.180.102	43.756.671

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

AKBANK T.A.Ş.**VII. PROFIT APPROPRIATION STATEMENT**

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

	CURRENT PERIOD (31/12/2022)	PRIOR PERIOD (31/12/2021)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	79.260.402	16.066.140
1.2	19.236.318	3.940.232
1.2.1	19.823.331	2.969.973
1.2.2	-	-
1.2.3	(587.013)	970.259
A.	60.024.084	12.125.908
1.3	-	-
1.4	-	-
1.5	-	-
B.	60.024.084	12.125.908
1.6	-	260.000
1.6.1	-	260.000
1.6.2	-	-
1.6.3	-	-
1.6.4	-	-
1.6.5	-	-
1.7	-	-
1.8	-	-
1.9	-	951.600
1.9.1	-	951.600
1.9.2	-	-
1.9.3	-	-
1.9.4	-	-
1.9.5	-	-
1.10	-	-
1.11	-	-
1.12	-	10.818.494
1.13	-	95.160
1.14	-	654
II. DISTRIBUTION OF RESERVES		
2.1	-	-
2.2	-	-
2.3	-	-
2.3.1	-	-
2.3.2	-	-
2.3.3	-	-
2.3.4	-	-
2.3.5	-	-
2.4	-	-
2.5	-	-
III. EARNINGS PER SHARE (*)		
3.1	0,115	0,023
3.2	11,5	2,3
3.3	-	-
3.4	-	-
IV. DIVIDEND PER SHARE		
4.1	-	0,002
4.2	-	0,2
4.3	-	-
4.4	-	-

(*) Amounts are expressed in TL.

NOTES:

- (1) Authorized body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.
- (2) Profit appropriation is being done according to unconsolidated financial statements.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2022

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

**SECTION THREE
EXPLANATIONS ON ACCOUNTING POLICIES**

I. EXPLANATIONS ON BASIS OF PRESENTATION:

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

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

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

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

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.

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

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

On 20 January 2022, the Public Oversight Authority made a statement on whether the Financial Reporting Standard ("TAS 29") in Hyperinflationary Economies shall be applied within the scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that companies applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies. As of the preparation date of these financial statements, no new announcement has been made by the Public Oversight Authority in this context, and no inflation adjustment has been made in the financial statements dated 31 December 2022 within the scope of TAS 29 Financial Reporting Standard in Hyperinflationary Economies.

The tension between Russia and Ukraine since the beginning of 2022 has turned into a crisis and a hot conflict and continues as of the date of preparation of these financial statements. The Bank does not have operations in either country, and the said crisis is not expected to have a direct impact on the Bank's operations. Developments are followed and their estimated effects are

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2022

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

evaluated within the scope of the relevant accounting standards and reflected in the financial statements.

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

The Bank's core business activities include consumer banking, SME 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 31 December 2022, foreign currency denominated balances are translated into TL using the exchange rates of TL 18,6983 and TL 19,9349 for USD and EURO respectively.

III. EXPLANATIONS ON EQUITY INVESTMENTS:

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

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

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

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

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

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

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

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2022

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As of 31 December 2022, the Bank has no embedded derivative instruments (31 December 2021: 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.

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.

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

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

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

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

b. Financial Assets at Fair Value Through Other Comprehensive Income

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

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement.

"Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

Equity instruments classified as financial assets at fair value 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 way to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

c. Financial Assets Measured at Amortized Cost:

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

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

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

At the end of the year, the real inflation rate is used.

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d. Derivative Financial Assets:

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

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

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

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

e. Loans

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

1. Loans measured at amortised cost:

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

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

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

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

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

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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.

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.
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, SME and consumer 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

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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.

- 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. Within the scope of individual evaluations, regional developments are also taken into account as well as sectoral risks.

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Macro-economic indicators are taken into account in determining the PD component in the expected credit loss calculation. Future macroeconomic forecasts are reflected in the ECLs using more than one scenario.

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

Expected credit loss calculations are reviewed at least once a year, and the macroeconomic model used in the process has been revised during the reporting period.

No revisions were made to the scenario weights after the review.

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

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

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

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS:

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

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

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

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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 31 December 2022, the Bank has marketable securities amounting to TL 1.733.498 (31 December 2021: TL 1.024.696).

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

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

The Bank has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Bank has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

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

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

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

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

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

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XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

With the "IFRS 16 Leases" standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease 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 the footnotes.

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

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

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

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

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 December 31, 2022, the Bank has booked provision in its financial statements within the scope of TAS 19 - Employee Benefits for the entire technical gap determined by the report prepared by an actuary registered in the actuaries register. This amount has been classified as other provision item.

XVIII. EXPLANATIONS ON TAXATION:

a. Current Tax:

As of 31 December 2022, 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 was determined as 23% for the taxation period of 2022. However, with the publication of the Law No. 7394 in the Official Gazette dated 15 April 2022, for banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, the corporate tax rate has been permanently increased to 25%. The tax rate applied to the cumulative earnings of 2022 is taken into account as 25%.

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 10%. 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

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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.

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the regulation made with the Law No. 7352 dated 20 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this; TPL financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the TPL financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in VUK financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

b. Deferred Tax:

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In 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 7 January 2021 and to be valid for the taxation period starting from 1 January 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, this rate was applied as 20% for the taxation periods of 2023. However, with the publication of the Law No. 7394 in the Official Gazette dated 15.04.2022, for banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, the corporate tax rate has been permanently increased to 25%, and the tax rate applied to the cumulative earnings of 2022 is considered as 25%. As of 31 December 2022, deferred tax is calculated over 25%, and as of 31 December 2021, the enacted tax rates valid in accordance with the tax legislation in force as of the reporting dates are used, in accordance with their lives, for the items subject to deferred tax calculation.

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

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

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

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XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2022.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 December 2022 and 31 December 2021, 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 XIII 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 28 March 2022. In the Ordinary General Assembly, it was decided to distribute TL 1.211.600 cash dividend over the TL 12.125.908 net income from 2021 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 654 to special funds account under other capital reserves, to allocate TL 95.160 as legal and TL 10.818.494 as extraordinary reserves.

XXV. EARNINGS PER SHARE:

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

	Current Period	Prior Period
	31 December 2022	31 December 2021
Net Profit for the Period	60.024.084	12.125.908
Average Number of Issued Common Shares (Thousand)	520.000.000	520.000.000
Earnings Per Share (Amounts presented as full TL)	0,11543	0,02332

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 2022 (2021: None).

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XXVI. RELATED PARTIES:

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

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

None.

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.

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

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

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

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

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

	31 December 2022	31 December 2021
Real estate	1.061.102	766.666
Total right of use asset	1.061.102	766.666

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

	31 December 2022	31 December 2021
Real estate	381.778	348.114
Total right of use asset depreciation expense	381.778	348.114

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 212.846 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 21 December 2021, numbered 9996 and 28 April 2022, numbered 10188. As of 31 December 2022 based on recent regulation changes;

- 1) In the calculation of the amount based on credit risk, the CBRT exchange rate for 31 December 2021 can be used when calculating the valuation amounts in foreign currency,
- 2) In case the net valuation differences of the securities owned by banks and acquired before 21 December 2021 in the "Securities at Fair Value through Other Comprehensive Income" portfolio are negative, these differences may not be taken into account in the equity amount.

As of 31 December 2022, taking into consideration the above-mentioned regulations, the current period equity of the Bank has been calculated as TL 174.006.093 (31 December 2021: TL 100.057.828), and the capital adequacy ratio is 24,60% (31 December 2021: 22,17%). This ratio is above the minimum ratio required by the legislation.

a. Information about total capital items:

	Current Period 31 December 2022	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.094.886	
Share issue premiums	3.505.742	
Reserves	56.070.405	
Gains recognized in equity as per TAS	36.560.844	
Profit	60.024.084	
Current Period Profit	60.024.084	
Prior Period Profit	-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	13.490	
Common Equity Tier 1 Capital Before Deductions	163.269.451	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	286	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	7.514.331	
Improvement costs for operating leasing	89.961	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	2.279.464	2.279.464
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	4.036.445	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	13.920.487	
Total Common Equity Tier 1 Capital	149.348.964	

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	Current Period 31 December 2022	Amounts related to treatment before 1/1/2014 (*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	149.348.964	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	16.695.703	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	8.018.164	-
Tier II Capital Before Deductions	24.713.867	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	24.713.867	
Total Capital (The sum of Tier I Capital and Tier II Capital)	174.062.831	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA (-)	56.738	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deducted Components		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

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	Current Period 31 December 2022	Amounts related to treatment before 1/1/2014(*)
TOTAL CAPITAL		
Total Capital	174.006.093	
Total Risk Weighted Amounts	707.367.032	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	21,11%	
Tier 1 Capital Adequacy Ratio (%)	21,11%	
Capital Adequacy Ratio (%)	24,60%	
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2,51%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific total common equity tier 1 capital ratio (%)	0,01%	
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 (%)	13,11%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital		-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital		-
Amount arising from mortgage-servicing rights		-
Amount arising from deferred tax assets based on temporary differences	(2.834.963)	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	10.756.607	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	8.018.164	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation		-
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation		-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		-
Upper limit for Additional Tier I Capital subjected to temporary Article 4		-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4		-
Upper limit for Additional Tier II Capital subjected to temporary Article 4		-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4		-

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

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

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	Prior Period 31 December 2021	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.094.886	
Share issue premiums	3.505.742	
Reserves	45.024.998	
Gains recognized in equity as per TAS	15.757.476	
Profit	12.125.908	
Current Period Profit	12.125.908	
Prior Period Profit	-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	12.126	
Common Equity Tier 1 Capital Before Deductions	83.521.136	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	1.657	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	3.331.876	
Improvement costs for operating leasing	52.113	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.158.817	1.158.817
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	2.263.950	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	6.808.413	
Total Common Equity Tier 1 Capital	76.712.723	

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	Prior Period 31 December 2021	Amounts related to treatment before 1/1/2014 (*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	76.712.723	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	18.509.855	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	4.858.574	-
Tier II Capital Before Deductions	23.368.429	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	23.368.429	
Total Capital (The sum of Tier I Capital and Tier II Capital)	100.081.152	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA (-)	23.324	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deducted Components		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

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	Prior Period 31 December 2021	Amounts related to treatment before 1/1/2014(*)
TOTAL CAPITAL		
Total Capital	100.057.828	
Total Risk Weighted Amounts	451.398.782	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	16,99%	
Tier 1 Capital Adequacy Ratio (%)	16,99%	
Capital Adequacy Ratio (%)	22,17%	
BUFFERS		
Bank specific total Common Equity Tier 1 Capital Ratio	2,51%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific counter-cyclical buffer requirement (%)	0,01%	
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 (%)	8,99%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	(97.731)	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	7.358.048	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4.858.574	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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

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

**Current Period
31 December 2022**

Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1772360803 / US00972BAC37
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	7.473 million TL (in full TL amount)
Nominal value of instrument	7.473 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	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 7.473 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

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**Current Period
31 December 2022**

Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS2355183091 / US00971YAJ91
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	9.349 million TL (in full TL amount)
Nominal value of instrument	9.349 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans [347011 Accounting Number]
Issuance date of instrument	22 June 2021
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	Maturity date: 22 June 2031
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 22.06.2026. The reimbursement amount is 9.349 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

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

II. EXPLANATIONS ON CREDIT RISK:

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

During loan extensions, limits determined on a customer and product basis are essentially followed up; information on risk and limits is closely monitored.

For daily treasury operations limit allocation and follow-up is performed by the Treasury.Business Unit.

Credit worthiness of loan and other receivable debtors are watched regularly and in line with related regulations. In case of an increase in credit debtor's risk level credit limits are re-determined or additional guarantee is taken. For new credit accounts, account follow-up documents are taken in accordance with the related regulation.

The explanations on definition of overdue and impaired loans and information related to impairment and loan loss provisions are provided in Note X-c-4-a of Section Four.

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount
Conditional and unconditional receivables from central governments and Central Banks	352.881.781	299.928.854
Conditional and unconditional receivables from regional or local governments	70.956	99.669
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	875.624	547.131
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	121.473.649	124.866.340
Conditional and unconditional receivables from corporates	386.638.831	343.802.933
Conditional and unconditional receivables from retail portfolios	273.573.527	184.461.204
Conditional and unconditional receivables secured by mortgages	42.125.640	35.943.141
Past due receivables	5.582.249	5.980.509
Receivables defined under high risk category by BRSA	74.713.162	45.415.207
Collateralized securities	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	1.176.544	880.211
Equity security investments	24.105.665	20.153.565
Other receivables	44.286.820	29.336.051
Total	1.327.504.448	1.091.414.815

(*) The figures represent total risk amounts before Credit Risk Mitigation and before credit conversion factor.

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- b. Control limits exist on forward transaction and option agreements and other positions that are held in terms of similar other agreements. Credit risk born out of these types of instruments is managed together with market risk.
- c. The risks of the forward, option and other similar type agreements are followed regularly and as deemed necessary based on the credit risk, the risks are tried to be minimized.
- d. Non-cash loans turned into cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk. Rescheduled or restructured loans are followed in their relevant groups until all receivables from the loans are collected. Monitoring also continues until the receivables from the loans are completely collected.

The Bank considers that long-term commitments are more exposed to credit risk than short-term commitments, and points such as defining risk limits for long-term risks and obtaining collateral are treated in a wider extent than short-term risks.

- e. The Bank's banking activities in foreign countries and credit transactions do not constitute an important risk in terms of the related countries' economic conditions and activities of customers and companies.

When considered within the financial activities of other financial institutions, the Bank as an active participant in the national and international banking market is not exposed to significant credit risk concentration.

As seen in the Bank's balance sheet, the ratio of loans under follow-up to total loans is 3,0% (31 December 2021: 5,0%).

- f. 1. The proportion of the Bank's top 100 and 200 cash loan customers' in total cash loans is 35% and 43% respectively. (31 December 2021: 37% and 46%).
2. The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 52% and 63%. (31 December 2021: 62% and 74%)
3. The proportion of the Bank's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans is 19% and 24% respectively. (31 December 2021: 20% and 25%)
- g. The Bank provided a general expected credit loss provision (Stage 1 and Stage 2) amounting to TL 10.074.318 (31 December 2021 : TL 7.015.433).

h. Information on loan types and expected credit loss provisions:

Current Period- 31.12.2022	Commercial Loans		Consumer Loans		Credit Cards		Total	
	Balance	Expected Credit Loss	Balance	Expected Credit Loss	Balance	Expected Credit Loss	Balance	Expected Credit Loss
Loans	400.357.013	15.556.726	98.139.136	2.940.596	61.854.039	2.965.320	560.350.188	21.462.642
Stage 1	353.003.247	1.106.903	92.226.596	911.107	58.220.799	1.448.193	503.450.642	3.466.203
Stage 2	33.725.176	5.595.866	3.911.213	473.599	2.356.173	538.650	39.992.562	6.608.115
Stage 3	13.628.590	8.853.957	2.001.327	1.555.890	1.277.067	978.477	16.906.984	11.388.324
Financial Assets	296.094.843	479.757	-	-	-	-	296.094.843	479.757
Other	34.078.902	56.608	-	-	-	-	34.078.902	56.608
Non-Cash Loans	140.601.706	457.083	-	-	-	-	140.601.706	457.083
Stage 1 and 2	139.044.002	145.924	-	-	-	-	139.044.002	145.924
Stage 3	1.557.704	311.159	-	-	-	-	1.557.704	311.159
Total	871.132.464	16.550.174	98.139.136	2.940.596	61.854.039	2.965.320	1.031.125.639	22.456.090

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i. Information on the expected credit loss of loans: (*)**

	Stage 1	Stage 2	Stage 3
Opening (31 December 2021)	1.513.243	5.502.190	11.605.038
Additions (*)	1.821.299	2.186.902	13.450.580
Disposal (**)	(379.827)	(909.906)	(1.031.718)
Effect of change in foreign exchange	28.712	1.604.978	-
Stage 1 and 2 movement			
Loans classified under Stage 1 in two periods (Model effect)	11.152	-	-
Loans classified under Stage 1 in two periods (Change in balance effect)	478.531	-	-
Transfers from Stage 1 to Stage 2 (Stating and balance change effect)	(52.079)	423.728	-
Loans classified under Stage 2 in two periods (Model effect)	-	2.651.891	-
Loans classified under Stage 2 in two periods (Change in balance effect)	-	(4.317.616)	-
Transfers from Stage 2 to Stage 1 (Stating and balance change effect)	59.159	(366.906)	-
Stage 3 movement			
Transfers from Stage 1 to Stage 3	(13.987)	-	358.559
Transfers from Stage 2 to Stage 3	-	(177.040)	953.642
Transfers from Stage 3 to Stage 2	-	9.894	(193.007)
Transfers from Stage 3 to Stage 1	-	-	-
Loans classified under Stage 2 in two periods (Change in balance and model effect)	-	-	392.356
Write-offs	-	-	(14.146.324)
Sold Portfolio effect	-	-	(802)
Closing (31 December 2022)	3.466.203	6.608.115	11.388.324

(*) Loans which are not included in the loan portfolio as of 31 December 2021 and included in the loan portfolio and calculated provisions as of 31 December 2022.

(**) Loans which are included in the loan portfolio and calculated provisions as of 31 December 2021 but which are not included in the loan portfolio as of 31 December 2022.

(***) In the calculations the transitions between the records in both periods have been considered by making additions and disposals.

j. Information on movement of loans:

	Stage 1	Stage 2	Stage 3	Total
Opening (31 December 2021)	296.545.550	39.057.734	17.768.546	353.371.830
Additions	308.877.153	5.796.966	13.505.599	328.179.718
Disposals	(122.825.026)	(8.310.822)	(1.705.873)	(132.841.721)
Sold portfolio	-	-	(802)	(802)
Write-offs	-	-	(14.146.324)	(14.146.324)
Transfers to Stage 1	3.841.884	(3.841.884)	-	-
Transfers to Stage 2	(2.188.594)	2.416.314	(227.720)	-
Transfers to Stage 3	(542.155)	(1.171.403)	1.713.558	-
Foreign exchange effect	19.741.830	6.045.657	-	25.787.487
Closing (31 December 2022)	503.450.642	39.992.562	16.906.984	560.350.188

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k. Information on debt securities, treasury bills and other eligible bills:

Current Period - 31 December 2022	Financial Assets at Fair Value Through P&L	Financial Assets at Fair Value Through Other Comprehensive Income	Financial Assets Measured at Amortised Cost	Total
Moody's Rating				
Aaa	8.216	10.866.459	-	10.874.675
A1, A2, A3	-	-	-	-
Baa1, Baa2, Baa3	-	-	-	-
Ba1	-	-	-	-
Ba2	-	-	-	-
Ba3	-	-	-	-
B1, B2, B3	326.981	152.372.710	98.154.675	250.854.366
C and lower than C	2.217	-	-	2.217
NR	-	129.843	-	129.843
Total	337.414	163.369.012	98.154.675	261.861.101

Prior Period - 31 December 2021	Financial Assets at Fair Value Through P&L	Financial Assets at Fair Value Through Other Comprehensive Income	Financial Assets Measured at Amortised Cost	Total
Moody's Rating				
Aaa	-	1.326.892	-	1.326.892
A1, A2, A3	-	-	-	-
Baa1, Baa2, Baa3	-	-	-	-
Ba1	-	-	-	-
Ba2	-	-	-	-
Ba3	-	-	-	-
B1, B2, B3	495.492	88.552.685	52.585.560	141.633.737
C and lower than C	91.320	-	-	91.320
NR	-	105.496	-	105.496
Total	586.812	89.985.073	52.585.560	143.157.445

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I. Profile on significant risks in significant regions:

Current Period (**)	Risk Categories (*)																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
31 December 2022																		
Domestic	338.680.624	70.956	745.529	-	-	24.881.402	334.459.364	138.244.554	39.702.521	5.582.145	74.118.501	-	-	-	1.176.544	-	44.286.820	1.001.948.960
European Union Countries	6.350.509	-	-	-	-	66.510.734	1.538.410	46.781	12.092	85	3.287	-	-	-	-	-	-	74.461.898
OECD Countries(***)	-	-	-	-	-	7.345.166	22	3.356	2.323	-	195	-	-	-	-	-	-	7.351.062
Off- Shore Regions	-	-	-	-	-	248	118.400	14	-	2	-	-	-	-	-	-	-	118.664
USA, Canada	7.746.107	-	-	-	-	12.313.781	-	4.329	6.466	-	177	-	-	-	-	-	-	20.070.860
Other Countries	-	-	-	-	-	1.264.374	1.447.016	20.277	6.787	17	741	-	-	-	-	-	-	2.739.212
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.105.665	-	24.105.665
Undistributed Assets / Liabilities(****)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	352.777.240	70.956	745.529	-	-	112.315.705	337.563.212	138.319.311	39.730.189	5.582.249	74.122.901	-	-	-	1.176.544	24.105.665	44.286.820	1.130.796.321
Prior Period (**)	Risk Categories (*)																	
31 December 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
Domestic	209.734.221	134.452	390.381	-	-	16.019.553	221.260.185	88.657.343	25.807.745	6.188.564	18.274.244	-	-	-	546.622	-	17.653.789	604.667.099
European Union Countries	1.158.911	-	-	-	-	42.235.494	1.815.287	24.130	13.602	59	2.001	-	-	-	-	-	-	45.249.484
OECD Countries(***)	-	-	-	-	-	7.147.516	442	3.035	976	2	217	-	-	-	-	-	-	7.152.188
Off- Shore Regions	-	-	-	-	-	165	375.948	9	-	2	-	-	-	-	-	-	-	376.124
USA, Canada	880.637	-	-	-	-	21.711.399	2	8.522	2.592	4	228	-	-	-	-	-	-	22.603.384
Other Countries	-	-	-	-	-	2.437.328	681.281	9.526	2.495	6	1.362	-	-	-	-	-	-	3.131.998
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	212.428	1.519.745	-	-	-	-	-	-	-	-	16.474.353	-	18.206.526
Undistributed Assets / Liabilities(****)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	211.773.769	134.452	390.381	-	-	89.763.883	225.652.890	88.702.565	25.827.410	6.188.637	18.278.052	-	-	-	546.622	16.474.353	17.653.789	701.386.803

(*) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks."

(**) It represents the risk amounts before credit risk mitigation and after conversion to credit.

- | | |
|--|--|
| 1. Conditional and unconditional receivables from central governments and Central Banks | 9. Conditional and unconditional receivables secured by mortgages |
| 2. Conditional and unconditional receivables from regional or local governments | 10. Past due receivables |
| 3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises | 11. Receivables defined under high risk category by BRSA |
| 4. Conditional and unconditional receivables from multilateral development banks | 12. Collateralized securities |
| 5. Conditional and unconditional receivables from international organizations | 13. Securitization positions |
| 6. Conditional and unconditional receivables from banks and brokerage houses | 14. Short-term receivables from banks, brokerage houses and corporates |
| 7. Conditional and unconditional receivables from corporates | 15. Investments similar to collective investment funds |
| 8. Conditional and unconditional receivables from retail portfolios | 16. Equity security transactions |
| | 17. Other receivables |

(***) EU countries, OECD countries other than USA and Canada

(****) Assets and liabilities that are not distributed according to a consistent principle

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m. Risk Profile according to sectors and counterparties:

Current Period (**)	Risk Classifications (*)																	TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17				
31 December 2022																					
Agricultural	-	-	1	-	-	-	582.731	539.718	437.237	4.541	73.000	-	-	-	-	-	-	1.446.786	190.442	1.637.228	
Farming and raising livestock	-	-	1	-	-	-	10.951	315.933	256.934	1.629	21.544	-	-	-	-	-	-	601.745	5.247	606.992	
Forestry	-	-	-	-	-	-	571.780	218.494	175.921	465	50.989	-	-	-	-	-	-	832.454	185.195	1.017.649	
Fishing	-	-	-	-	-	-	-	5.291	4.382	2.447	467	-	-	-	-	-	-	12.587	-	12.587	
Manufacturing	-	-	92.550	-	-	-	144.393.620	11.641.854	8.788.586	1.133.430	8.001.539	-	-	-	-	-	-	114.099.198	59.952.381	174.051.579	
Mining	-	-	-	-	-	-	19.228.959	1.876.817	1.234.304	163.348	661.049	-	-	-	-	-	-	13.454.002	9.710.475	23.164.477	
Production	-	-	92.550	-	-	-	92.577.869	9.574.044	7.179.289	318.458	6.950.191	-	-	-	-	-	-	89.711.828	26.980.573	116.692.401	
Electricity, Gas, Water	-	-	-	-	-	-	32.586.792	190.993	374.993	651.624	390.299	-	-	-	-	-	-	10.933.368	23.261.333	34.194.701	
Construction	-	-	564	-	-	-	51.450.011	3.869.643	3.222.314	1.949.803	2.804.621	-	-	-	-	-	-	23.536.510	39.760.446	63.296.956	
Services	133.846.900	70.956	592.756	-	-	110.359.049	135.902.582	39.974.268	18.019.355	1.817.469	20.797.245	-	-	-	-	23.557.785	-	268.505.034	216.433.331	484.938.365	
Wholesale and Retail Trade	-	-	221.184	-	-	-	53.944.946	26.220.332	10.488.914	445.502	12.775.890	-	-	-	-	-	-	94.831.970	9.264.798	104.096.768	
Hotel, Food, Beverage Services	-	-	256	-	-	-	13.136.745	2.341.770	3.053.411	495.239	195.107	-	-	-	-	-	-	8.249.192	10.973.336	19.222.528	
Transportation and Telecommunication	-	-	30.780	-	-	-	11.834.883	3.899.460	873.209	25.581	1.795.279	-	-	-	-	-	-	10.315.807	8.143.385	18.459.192	
Financial Institutions	133.845.178	-	130	-	-	110.359.049	46.472.953	191.480	669.944	669.918	3.753.987	-	-	-	-	23.548.211	-	133.404.439	186.106.411	319.510.850	
Real Estate and Lending Services	-	-	6.351	-	-	-	1.444.591	504.734	338.145	25.203	143.677	-	-	-	-	-	-	2.380.264	82.437	2.462.701	
Self employment Service	691	70.956	138.381	-	-	-	6.723.888	4.792.571	1.716.394	138.623	1.722.636	-	-	-	-	9.574	-	14.655.853	657.861	15.313.714	
Education Service	1.031	-	38.066	-	-	-	279.587	444.416	180.190	1.627	128.434	-	-	-	-	-	-	888.816	184.535	1.073.351	
Health and social Services	-	-	157.608	-	-	-	2.064.989	1.579.505	699.148	15.776	282.235	-	-	-	-	-	-	3.778.693	1.020.568	4.799.261	
Other	218.930.340	-	59.658	-	-	1.956.656	5.234.268	82.293.828	9.262.697	677.006	42.446.496	-	-	-	1.176.544	547.880	44.286.820	346.393.834	60.478.359	406.872.193	
Total	352.777.240	70.956	745.529	-	-	112.315.705	337.563.212	138.319.311	39.730.189	5.582.249	74.122.901	-	-	-	1.176.544	24.105.665	44.286.820	753.981.362	376.814.959	1.130.796.321	

(*) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks."

(**) It represents the risk amounts before credit risk mitigation and after conversion to credit.

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| 1. Conditional and unconditional receivables from central governments and Central Banks | 9. Conditional and unconditional receivables secured by mortgages |
| 2. Conditional and unconditional receivables from regional or local governments | 10. Past due receivables |
| 3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises | 11. Receivables defined under high risk category by BRSA |
| 4. Conditional and unconditional receivables from multilateral development banks | 12. Collateralized securities |
| 5. Conditional and unconditional receivables from international organizations | 13. Securitization positions |
| 6. Conditional and unconditional receivables from banks and brokerage houses | 14. Short-term receivables from banks, brokerage houses and corporates |
| 7. Conditional and unconditional receivables from corporates | 15. Investments similar to collective investment funds |
| 8. Conditional and unconditional receivables from retail portfolios | 16. Equity security transactions |
| | 17. Other receivables |

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

Prior Period (**)	Risk Classifications (*)																	TL	FC	Total	
	31 December 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				17
Agricultural	-	-	1	-	-	-	2.145.259	471.370	218.203	4.248	11.054	-	-	-	-	-	-	-	2.286.831	563.304	2.850.135
Farming and raising livestock	-	-	1	-	-	-	2.111.314	376.319	188.392	3.707	9.629	-	-	-	-	-	-	-	2.146.913	542.449	2.689.362
Forestry	-	-	-	-	-	-	33.945	90.299	28.875	474	1.053	-	-	-	-	-	-	-	133.791	20.855	154.646
Fishing	-	-	-	-	-	-	4.752	936	67	372	-	-	-	-	-	-	-	-	6.127	-	6.127
Manufacturing	-	-	78	-	-	-	73.858.821	6.415.566	4.426.881	1.368.941	113.903	-	-	-	-	-	-	-	42.432.693	43.751.497	86.184.190
Mining	-	-	-	-	-	-	9.922.683	1.059.885	710.289	417.680	25.485	-	-	-	-	-	-	-	5.300.412	6.835.610	12.136.022
Production	-	-	78	-	-	-	37.414.947	5.223.294	3.591.093	238.437	76.894	-	-	-	-	-	-	-	28.460.246	18.084.497	46.544.743
Electricity, Gas, Water	-	-	-	-	-	-	26.521.191	132.387	125.499	712.824	11.524	-	-	-	-	-	-	-	8.672.035	18.831.390	27.503.425
Construction	-	-	751	-	-	-	29.511.438	2.299.014	1.757.742	1.653.790	405.177	-	-	-	-	-	-	-	13.959.696	21.668.216	35.627.912
Services	2.020.732	131.095	323.237	-	-	89.758.273	102.815.853	23.690.651	9.630.900	1.826.428	439.977	-	-	-	-	16.083.318	-	-	117.941.495	128.778.969	246.720.464
Wholesale and Retail Trade	-	-	161.277	-	-	-	42.312.725	18.671.159	6.399.369	724.263	236.857	-	-	-	-	-	-	-	61.197.360	7.308.290	68.505.650
Hotel, Food, Beverage Services	-	-	63	-	-	-	9.260.810	1.267.553	1.555.999	496.052	32.800	-	-	-	-	-	-	-	4.067.309	8.545.968	12.613.277
Transportation and Telecommunication	1.031	-	11.767	-	-	-	15.994.883	1.959.611	536.473	33.855	45.519	-	-	-	-	-	-	-	5.211.795	13.371.344	18.583.139
Financial Institutions	2.018.846	-	165	-	-	89.758.273	31.878.120	64.921	183.040	516.889	9.337	-	-	-	-	16.083.318	-	-	42.570.627	97.942.282	140.512.909
Real Estate and Lending Services	-	-	5	-	-	-	357.093	195.877	207.806	1.129	13.140	-	-	-	-	-	-	-	710.763	64.287	775.050
Self employment Service	-	-	102	-	-	-	431.876	315.527	149.586	803	48.517	-	-	-	-	-	-	-	809.481	136.930	946.411
Education Service	3	-	59.448	-	-	-	130.855	264.815	192.071	38.816	7.709	-	-	-	-	-	-	-	655.076	38.641	693.717
Health and social Services	852	131.095	90.410	-	-	-	2.449.491	951.188	406.556	14.621	46.098	-	-	-	-	-	-	-	2.719.084	1.371.227	4.090.311
Other	209.753.037	3.357	66.314	-	-	5.610	17.321.519	55.825.964	9.793.684	1.335.230	17.307.941	-	-	-	546.622	391.035	17.653.789	230.009.447	99.994.655		330.004.102
Total	211.773.769	134.452	390.381	-	-	89.763.883	225.652.890	88.702.565	25.827.410	6.188.637	18.278.052	-	-	-	546.622	16.474.353	17.653.789	406.630.162	294.756.641	701.386.803	

(*) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks."

(**) It represents the risk amounts before credit risk mitigation and after conversion to credit.

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|----|---|-----|--|
| 1. | Conditional and unconditional receivables from central governments and Central Banks | 9. | Conditional and unconditional receivables secured by mortgages |
| 2. | Conditional and unconditional receivables from regional or local governments | 10. | Past due receivables |
| 3. | Conditional and unconditional receivables from administrative bodies and non-commercial enterprises | 11. | Receivables defined under high risk category by BRSA |
| 4. | Conditional and unconditional receivables from multilateral development banks | 12. | Collateralized securities |
| 5. | Conditional and unconditional receivables from international organizations | 13. | Securitization positions |
| 6. | Conditional and unconditional receivables from banks and brokerage houses | 14. | Short-term receivables from banks, brokerage houses and corporates |
| 7. | Conditional and unconditional receivables from corporates | 15. | Investments similar to collective investment funds |
| 8. | Conditional and unconditional receivables from retail portfolios | 16. | Equity security transactions |
| | | 17. | Other receivables |

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n. Term distribution of risks with term structure (*):

31 December 2022 Risk Categories	Time to Maturity					
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Unallocated
Conditional and unconditional receivables from central governments and Central Banks	30.689.288	91.452.196	14.496.894	15.365.477	200.773.385	-
Conditional and unconditional receivables from regional or local governments	-	-	431	31.576	38.949	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	98.787	40.097	104.282	379.340	123.023	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	41.672.295	15.037.331	9.839.683	8.916.178	36.850.218	-
Conditional and unconditional receivables from corporates	15.427.679	53.702.238	58.591.358	68.039.883	141.802.054	-
Conditional and unconditional receivables from retail portfolios	2.490.729	6.319.228	15.589.616	44.246.337	69.673.401	-
Conditional and unconditional receivables secured by mortgages	685.108	2.478.435	2.824.509	8.882.820	24.859.317	-
Past due receivables	-	-	-	-	-	5.582.249
Receivables defined under high risk category by BRSA	1.198.064	3.954.651	7.377.131	13.919.950	47.673.105	-
Collateralized securities	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	1.176.544	-	-	-	-	-
Equity security investments	-	24.105.665	-	-	-	-
Other Receivables	-	-	-	-	-	44.286.820
Total	93.438.494	197.089.841	108.823.904	159.781.561	521.793.452	49.869.069

(*): It represents the risk amounts before credit risk mitigation and after conversion to credit.

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o. Explanations regarding risk categories mentioned in 6th clause of Capital Adequacy Measurement and Evaluation Communiqué:

Ratings given by Fitch Ratings are used in determining risk weight class of the counterparties. Countries' credit note is considered all risk class of receivables from central governments and Central Banks. The ratings of Fitch Ratings are used for Banks and Corporate Receivables asset class and are limited to receivables that have counterparties abroad. If the risk weight class solely consists of receivables from central governments and central banks, the credit ratings of the countries are taken into account. The ratings given by JCR-ER are used for TL receivables whose counterparty is corporate asset class. "Credit Quality Degrees" corresponding to the grades of Fitch Ratings and JCR-ER are given in the table below.

Credit Quality Degrees	Fitch	JCR-ER
1	AAA and AA-	AAA and AA-
2	A+ and A-	A+ and A-
3	BBB+ and BBB-	BBB+ and BB-
4	BB+ and BB-	
5	B+ and B-	BB- below
6	CCC+ and below	

p. Risk amounts according to risk weights (*):

31 December 2022	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Weights	Deducted from Equity
Risk Weights												
Amount Before Credit Risk Mitigation												
Amount After Credit Risk Mitigation	331.230.355	-	64.290.250	-	-	75.571.542	125.515.314	349.780.449	44.813.245	-	29.635.859	-
Amount Before Credit Risk Mitigation												
Amount After Credit Risk Mitigation	336.798.721	-	63.866.758	-	14.150.599	95.396.071	102.390.350	327.691.425	44.648.690	-	29.635.859	-

(*Excludes counterparty credit risk and securitization positions.

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q. Miscellaneous information regarding important sectors or counterparty type:

31 December 2022 Sectors/Counterparties	Loans (*)		Provisions (*)
	Impaired Receivables		Expected Credit Loss Provisions
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III / Specific Provision)	
Agricultural	17.774	22.701	20.693
Farming and raising livestock	13.364	13.290	13.843
Forestry	4.298	3.092	2.965
Fishing	112	6319	3885
Manufacturing	5.738.922	3.607.597	4.019.132
Mining	4.572	132.644	106.333
Production	1.779.860	1.599.945	1.550.633
Electricity, Gas, Water	3.954.490	1.875.008	2.362.166
Construction	15.529.508	5.859.554	5.891.619
Services	3.945.367	4.203.488	3.356.635
Wholesale and Retail Trade	1.091.456	1.797.333	1.637.654
Hotel, Food, Beverage Services	2.251.124	569.832	666.888
Transportation and Telecommunication	93.203	116.799	112.493
Financial Institutions	3.378	1.275.682	606.533
Real Estate and Lending Service	16.232	72.539	50.302
Self Employment Service	48.200	288.889	172.726
Education Service	18.821	14.889	15.723
Health and social services	422.953	67.525	94.316
Other	14.760.991	3.213.644	4.708.360
Total	39.992.562	16.906.984	17.996.439

(*) Breakdown of cash loans

r. Information related to impairment and loan loss provisions:

31 December 2022	Opening Balance	Provisions recognised during the period	Provision reversal	Other measurements (*)	Closing Balance
Stage 3 Provisions	11.605.038	15.655.137	(1.724.725)	(14.147.126)	11.388.324
Stage 1 and 2 Provisions	7.015.433	3.058.885	-	-	10.074.318

(*) Consists of write-offs and sold portfolio from non-performing loans.

s. Risk involved in counter-cyclical capital buffer calculation:

31 December 2022	Private sector credit exposures in banking book	Risk Weighted Equivalent trading book	Total
Turkey	512.396.445	9.375.517	521.771.962
Ireland	1.340.127	8.607	1.348.734
Russian Federation	509.271	5.679	514.950
United Arab Emirates	257.364	267	257.631
Other	941.292	3.415	944.707

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III. EXPLANATIONS ON CURRENCY RISK:

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

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

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

	USD	EURO
Balance Sheet Evaluation Rate	TL 18,6983	TL 19,9349
1.Day bid rate	TL 18,6983	TL 19,9349
2.Day bid rate	TL 18,6966	TL 19,8816
3.Day bid rate	TL 18,6964	TL 19,8946
4.Day bid rate	TL 18,6813	TL 19,9087
5.Day bid rate	TL 18,6649	TL 19,8324

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 18,6404

EURO : TL 19,7480

As of 31 December 2021;

	USD	EURO
Balance Sheet Evaluation Rate	TL 13,3290	TL 15,0867

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Information related to Bank's Currency Risk:

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

Current Period – 31 December 2022	EURO	USD	Other FC	Total
Assets				
Cash and Balances with Central Bank (*)	39.089.730	59.873.434	4.882.858	103.846.022
Banks [*****]	6.130.636	20.657.782	3.394.193	30.182.611
Financial Assets at Fair Value through Profit or Loss	19.962	927.888	-	947.850
Money Markets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3.684.128	71.087.918	2.226.060	76.998.106
Loans and Lease Receivables (**)	89.536.020	62.150.220	45.725	151.731.965
Investments in Associates, Subsidiaries and Joint Ventures	18.736.762	-	-	18.736.762
Other financial assets measured at amortised cost	-	11.980.146	-	11.980.146
Hedging Derivative Financial Assets	-	3.805.172	1.118.351	4.923.523
Tangible Assets (Net)	-	38.270	-	38.270
Intangible Assets (Net)	-	-	-	-
Other Assets (***)	(22.676)	8.107.954	22.824	8.108.102
Total Assets	157.174.562	238.628.784	11.690.011	407.493.357
Liabilities				
Bank Deposits [****]	2.344.703	7.984.892	2.217.719	12.547.314
Foreign Currency Deposits [****]	83.688.704	167.452.558	45.283.273	296.424.535
Money Markets	-	27.821.915	-	27.821.915
Borrowings	12.441.601	51.737.739	-	64.179.340
Securities Issued (Net) [*****]	201.621	36.321.916	-	36.523.537
Miscellaneous Payables	1.678.536	23.358.845	61.669	25.099.050
Hedging Derivative Financial Liabilities	-	1	-	1
Other Liabilities	1.661.504	2.965.824	70.232	4.697.560
Total Liabilities	102.016.669	317.643.690	47.632.893	467.293.252
Net on Balance Sheet Position	55.157.893	(79.014.906)	(35.942.882)	(59.799.895)
Net off-Balance Sheet Position [*****]	(51.820.284)	80.661.731	36.184.249	65.025.696
Financial Derivative Assets	32.546.408	226.483.305	48.608.795	307.638.508
Financial Derivative Liabilities	84.366.692	145.821.574	12.424.546	242.612.812
Non-cash Loans	33.539.115	36.160.254	2.842.779	72.542.148
Prior Period - 31 December 2021				
Total Assets	130.023.020	197.882.758	10.416.660	338.322.438
Total Liabilities	84.442.741	277.356.738	36.430.838	398.230.317
Net on-Balance Sheet Position	45.580.279	(79.473.980)	(26.014.178)	(59.907.879)
Net off-Balance Sheet Position [*****]	(45.170.773)	82.955.039	26.688.753	64.473.019
Financial Derivative Assets	40.338.733	180.244.654	33.508.475	254.091.862
Financial Derivative Liabilities	85.509.506	97.289.615	6.819.722	189.618.843
Non-cash Loans	23.294.189	30.343.694	1.420.056	55.057.939

[*] Of the Cash Equivalents and Central Bank and Other FC, TL 4.174.588 [31 December 2021: TL 2.152.617] are precious metal deposit account in demand.

[**] The foreign currency indexed loans balance in the Turkish Lira accounts is TL 307.517 [31 December 2021: TL 470.265].

[***] Derivative financial assets and expected credit losses are classified under other assets. The expected loss amount of foreign currency indexed loans balance is TL 2.716 [31 December 2021: TL 10.333]. Prepaid assets amounted TL 130.140 [31 December 2021: TL 105.347] is excluded in the financial statements.

[****] Of the foreign currency deposits TL 35.783.135 [31 December 2021: TL 25.869.116] and Bank Deposits Other FC of the TL 58.579 [31 December 2021: TL 36.900] 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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IV. EXPLANATIONS ON INTEREST RATE RISK:

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

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

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

Current Period – 31 December 2022	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash and Balances with Central Bank	22.974.985	-	-	-	-	104.557.758	127.532.743
Banks (****)	3.559.377	3.725.053	15.156	-	-	24.306.130	31.605.716
Financial assets at fair value through profit or loss (Net)	1	291	53.036	119.991	164.095	2.798.514	3.135.928
Money Markets	983.080	476.702	-	-	-	-	1.459.782
Financial Assets at Fair Value Through Other Comprehensive Income	16.585.316	17.444.458	38.539.336	67.104.478	23.695.425	1.501.642	164.870.655
Loans and Lease Receivables (*)	172.880.005	110.168.717	172.805.178	70.132.041	17.457.263	16.906.984	560.350.188
Other financial assets measured at amortised cost	40.382.262	1.103.650	38.665.799	14.935.049	3.067.916	-	98.154.676
Other Assets (**)	7.919.920	31.292.454	10.805.340	291.211	-	37.767.842	88.076.767
Total Assets	265.284.946	164.211.325	260.883.845	152.582.770	44.384.699	187.838.870	1.075.186.455
Liabilities							
Bank Deposits	5.749.449	6.638.654	2.369.133	-	-	1.448.252	16.205.488
Other Deposits	272.044.950	131.472.144	29.441.298	89.219	-	230.071.663	663.119.274
Money Markets	41.657.450	10.871.401	1.501.004	-	-	-	54.029.855
Miscellaneous Payables	5.001.718	10.685.700	7.748.181	342.177	-	20.340.264	44.118.040
Securities Issued (Net) (***)	79.732	358.202	1.493.577	20.413.088	16.895.052	-	39.239.651
Borrowings	9.547.202	36.820.956	17.915.065	113.537	-	-	64.396.760
Other Liabilities (****)	3.514.341	6.543.715	5.908.849	847.825	614.619	176.648.038	194.077.387
Total Liabilities	337.594.842	203.390.772	66.377.107	21.805.846	17.509.671	428.508.217	1.075.186.455
Balance Sheet Long Position	-	-	194.506.738	130.776.924	26.875.028	-	352.158.690
Balance Sheet Short Position	(72.309.896)	(39.179.447)	-	-	-	(240.669.347)	(352.158.690)
Off-balance Sheet Long Position	8.835.650	41.732.537	-	-	-	-	50.568.187
Off-balance Sheet Short Position	-	-	(23.559.562)	(1.048.630)	-	-	(24.608.192)
Total Position	(63.474.246)	2.553.090	170.947.176	129.728.294	26.875.028	(240.669.347)	25.959.995

(*) 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 2021	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash and Balances with Central Bank	9.933.401	-	-	-	-	81.953.324	91.886.725
Banks (****)	2.996.556	1.782.285	16.483	-	-	43.857.112	48.652.436
Financial assets at fair value through profit or loss (Net)	584	17.380	7.456.963	327.949	126.846	1.877.861	9.807.583
Money Markets	2.823.223	-	-	-	-	-	2.823.223
Financial Assets at Fair Value Through Other Comprehensive Income	9.667.117	10.748.997	16.616.256	34.187.908	18.764.795	696.198	90.681.271
Loans and Lease Receivables (*)	108.411.508	44.159.654	92.451.148	71.556.484	19.024.490	17.768.546	353.371.830
Other financial assets measured at amortised cost	16.202.199	2.776.285	24.752.525	8.685.943	168.608	-	52.585.560
Other Assets (**)	11.740.870	25.574.866	12.959.667	178.860	206.566	8.441.838	59.102.667
Total Assets	161.775.458	85.059.467	154.253.042	114.937.144	38.291.305	154.594.879	708.911.295
Liabilities							
Bank Deposits	5.942.155	5.071.358	1.358.720	-	-	1.754.508	14.126.741
Other Deposits	174.083.002	65.319.532	8.337.728	64.899	-	151.328.832	399.133.993
Money Markets	44.765.335	8.471.826	7.769.474	-	-	-	61.006.635
Miscellaneous Payables	3.016.018	5.696.232	4.243.520	178.528	-	8.442.224	21.576.522
Securities Issued (Net) (***)	2.317.988	2.535.651	9.633.865	15.119.756	18.660.721	-	48.267.981
Borrowings	10.955.391	27.868.588	14.446.921	225.913	-	-	53.496.813
Other Liabilities (****)	6.015.032	10.979.535	8.672.213	658.154	421.567	84.556.109	111.302.610
Total Liabilities	247.094.921	125.942.722	54.462.441	16.247.250	19.082.288	246.081.673	708.911.295
Balance Sheet Long Position	-	-	99.790.601	98.689.894	19.209.017	-	217.689.512
Balance Sheet Short Position	(85.319.463)	(40.883.255)	-	-	-	(91.486.794)	(217.689.512)
Off-balance Sheet Long Position	8.883.879	31.499.430	-	-	144.887	-	40.528.196
Off-balance Sheet Short Position	-	-	(19.309.639)	(11.307)	-	-	(19.320.946)
Total Position	(76.435.584)	(9.383.825)	80.480.962	98.678.587	19.353.904	(91.486.794)	21.207.250

(*) 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 – 31 December 2022	EURO	USD	Yen	TL
Assets				
Cash and Balances with Central Bank	-	-	-	-
Banks	-	2,38	-	20,17
Financial Assets at Fair Value Through Profit or Loss (Net)	4,89	7,36	-	10,78
Money Markets	-	-	-	14,88
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	4,20	5,73	3,09	29,35
Loans and Lease Receivables	5,83	9,29	-	18,18
Other financial assets measured at amortised cost	-	6,22	-	76,44
Liabilities				
Bank Deposits (*)	2,77	4,84	-	14,51
Other Deposits (*)	0,23	1,71	0,01	15,79
Money Markets	-	5,06	-	9,14
Miscellaneous Payables	-	3,65	-	-
Securities Issued (Net) (**)	4,00	6,43	-	13,17
Borrowings	4,18	6,72	-	19,40

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

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

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Prior Period – 31 December 2021	EURO	USD	Yen	TL
Assets				
Cash and Balances with Central Bank	-	-	-	8,50
Banks	-	0,15	-	22,70
Financial Assets at Fair Value Through Profit or Loss (Net)	2,48	6,66	-	18,07
Money Markets	-	-	-	17,05
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	4,10	5,27	3,09	18,35
Loans and Lease Receivables	4,13	5,33	-	17,59
Other financial assets measured at amortised cost	-	5,89	-	20,90
Liabilities				
Bank Deposits (*)	0,20	1,19	-	17,60
Other Deposits (*)	0,05	0,37	-	14,67
Money Markets	-	0,82	-	13,95
Miscellaneous Payables	-	0,08	-	-
Securities Issued (Net) (**)	4,00	6,31	-	16,76
Borrowings	1,64	2,46	-	15,88

(*) 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.

V. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES:

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

VI. 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

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reports prepared to be discussed in the ERC and ALCO meetings, stress tests, scenario analyses, risk limit compliance reports and legal liquidity reports.

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. The effects of cash inflows and outflows under different stress scenarios have been studied and evaluated.

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

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

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Liquidity Coverage Ratio:

		Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Current Period – 31.12.2022					
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			239.433.160	144.339.483
CASH OUTFLOWS					
2	Retail and Customers Deposits	444.770.037	213.952.822	41.236.127	21.395.282
3	Stable deposits	64.817.551	-	3.240.878	-
4	Less stable deposits	379.952.486	213.952.822	37.995.249	21.395.282
5	Unsecured Funding other than Retail and Small Business Customers Deposits	244.650.107	134.155.002	129.295.179	78.376.010
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	206.805.836	105.508.556	94.876.343	49.731.489
8	Other Unsecured Funding	37.844.271	28.646.446	34.418.836	28.644.521
9	Secured funding	-	-	491.846	491.846
10	Other Cash Outflows	21.175.052	33.073.310	8.642.808	25.245.405
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	7.261.888	24.383.177	7.261.888	24.383.177
12	Debts related to the structured financial products	9.240	-	9.240	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	13.903.924	8.690.133	1.371.680	862.228
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	1.994.365	-	99.718	-
15	Other irrevocable or conditionally revocable commitments	192.018.843	58.576.360	9.600.942	2.928.818
16	TOTAL CASH OUTFLOWS			189.366.620	128.437.361
CASH INFLOWS					
17	Secured Lending Transactions	36.841	-	-	-
18	Unsecured Lending Transactions	62.926.251	26.551.939	44.050.892	24.085.689
19	Other contractual cash inflows	3.225.651	88.243.815	3.217.596	88.241.580
20	TOTAL CASH INFLOWS	66.188.743	114.795.754	47.268.488	112.327.269
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			239.433.160	144.339.483
22	TOTAL NET CASH OUTFLOWS			142.098.132	32.109.340
23	Liquidity Coverage Ratio (%)			168,50	449,52

(*) 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 – 31.12.2021	Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 High quality liquid assets			127.987.254	84.617.634
CASH OUTFLOWS				
2 Retail and Customers Deposits	257.423.356	150.585.489	23.875.798	15.058.549
3 Stable deposits	37.365.709	-	1.870.033	-
4 Less stable deposits	220.057.647	150.585.489	22.005.765	15.058.549
5 Unsecured Funding other than Retail and Small Business Customers Deposits	128.011.403	77.886.498	71.077.883	44.417.187
6 Operational deposits	2.661	-	665	-
7 Non-Operational Deposits	109.360.446	66.560.770	54.262.902	33.091.965
8 Other Unsecured Funding	18.648.296	11.325.728	16.814.316	11.325.222
9 Secured funding	-	-	551.794	551.794
10 Other Cash Outflows	16.696.243	24.763.153	7.961.919	16.305.384
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	7.026.808	15.406.811	7.026.808	15.406.811
12 Debts related to the structured financial products	12.184	-	12.184	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	9.657.251	9.356.342	922.927	898.573
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	1.209.668	-	60.483	-
15 Other irrevocable or conditionally revocable commitments	101.950.967	35.586.890	5.097.548	1.779.345
16 TOTAL CASH OUTFLOWS			108.625.425	78.112.259
CASH INFLOWS				
17 Secured Lending Transactions	598.501	-	-	-
18 Unsecured Lending Transactions	49.882.914	30.697.608	37.059.615	26.016.029
19 Other contractual cash inflows	5.742.586	27.341.042	5.725.878	27.340.750
20 TOTAL CASH INFLOWS	56.224.001	58.038.650	42.785.493	53.356.779
			Upper limit applied amounts	
21 TOTAL HQLA STOCK			127.987.254	84.617.634
22 TOTAL NET CASH OUTFLOWS			65.839.932	24.755.480
23 Liquidity Coverage Ratio (%)			194,39	341,81

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

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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 150% 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 50% and securities issued by Undersecretariat of the Treasury by 39%. Funding sources are mainly distributed between individual and retail deposits by 62%, corporate deposits by 26%, and borrowings from banks by 3% and collateralized borrowings such as repurchase agreements by 4%.

Cash outflow amounting to TL 669 million (in full TL amount) is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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

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

	Current Period – 31.12.2022	
	TL+FC	FC
Lowest	150,09	408,68
Week	16.12.2022	30.12.2022
Highest	190,61	523,59
Week	4.11.2022	11.11.2022

	Prior Period - 31.12.2021	
	TL+FC	FC
Lowest	155,41	192,95
Week	1.10.2021	1.10.2021
Highest	259,07	493,52
Week	3.12.2021	3.12.2021

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2022	Demand	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Unallocated (*)	Total
Assets								
Cash and Balances with Central Bank	68.481.617	59.051.126	-	-	-	-	-	127.532.743
Banks (*****)	24.306.130	3.559.377	3.419.448	320.761	-	-	-	31.605.716
Financial Assets at Fair Value Through Profit or Loss (Net)	2.798.514	-	291	52.380	120.648	164.095	-	3.135.928
Money Markets	-	983.080	476.702	-	-	-	-	1.459.782
Financial Assets at Fair Value Through Other Comprehensive Income	1.501.642	90.645	1.241.335	22.824.434	98.028.189	41.184.410	-	164.870.655
Loans and Lease Receivables (*****)	-	121.353.670	95.937.644	161.401.803	109.244.617	55.505.470	16.906.984	560.350.188
Other financial assets measured at amortised cost	-	431.008	544.883	12.231.910	47.499.344	37.447.531	-	98.154.676
Other Assets (*)	-	3.348.392	1.526.080	6.299.149	19.034.910	20.100.394	37.767.842	88.076.767
Total Assets	97.087.903	188.817.298	103.146.383	203.130.437	273.927.708	154.401.900	54.674.826	1.075.186.455
Liabilities								
Bank Deposits	1.448.252	5.749.449	6.638.654	2.369.133	-	-	-	16.205.488
Other Deposits	230.071.663	272.044.950	131.472.144	29.441.298	89.219	-	-	663.119.274
Borrowings	-	254.967	5.471.988	33.346.755	23.853.458	1.469.592	-	64.396.760
Money Markets	-	37.498.073	7.558.568	1.906.130	4.813.837	2.253.247	-	54.029.855
Securities Issued (Net) (**)	-	79.732	358.202	1.493.577	20.413.088	16.895.052	-	39.239.651
Miscellaneous Payables	-	1.582.762	660.560	6.902.415	11.708.476	2.923.563	20.340.264	44.118.040
Other Liabilities (***)	2.183.677	5.122.476	450.486	5.394.797	7.756.203	2.391.545	170.778.203	194.077.387
Total Liabilities	233.703.592	322.332.409	152.610.602	80.854.105	68.634.281	25.932.999	191.118.467	1.075.186.455
Net Liquidity Excess/ (Gap)	(136.615.689)	(133.515.111)	(49.464.219)	122.276.332	205.293.427	128.468.901	(136.443.641)	-
Net off-balance sheet position	-	1.379.505	1.489.559	1.993.738	8.020.409	13.076.784	-	25.959.995
Financial Derivative Assets	-	194.423.409	112.489.759	80.767.340	146.191.938	93.520.414	-	627.392.860
Financial Derivative Liabilities	-	193.043.904	111.000.200	78.773.602	138.171.529	80.443.630	-	601.432.865
Non-cash loans (****)	-	5.631.091	969.017	40.568.684	45.159.062	48.273.852	-	140.601.706
Prior Period - 31 December 2021								
Total Assets	93.310.705	133.116.739	61.380.826	107.862.840	186.426.354	100.603.447	26.210.384	708.911.295
Total Liabilities	153.828.379	233.613.998	85.732.063	66.418.920	51.245.245	28.790.917	89.281.773	708.911.295
Net Liquidity Gap	(60.517.674)	(100.497.259)	(24.351.237)	41.443.920	135.181.109	71.812.530	(63.071.389)	-
Net Off-balance sheet Position	-	4.261.412	(989.744)	3.135.306	6.733.762	8.066.514	-	21.207.250
Financial Derivative Assets	-	110.483.665	100.896.928	95.842.008	135.226.656	82.455.429	-	524.904.686
Financial Derivative Liabilities	-	106.222.253	101.886.672	92.706.702	128.492.894	74.388.915	-	503.697.436
Non-cash Loans (****)	-	4.142.443	933.445	25.099.215	22.856.508	34.790.739	-	87.822.350

(*) 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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Breakdown of liabilities due to their remaining contractual maturities:

Current Period - 31 December 2022	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities						
Deposits	545.456.712	105.991.060	33.864.615	103.263	-	685.415.650
Funds borrowed from other financial institutions	393.547	5.976.639	35.893.887	26.057.693	1.588.130	69.909.896
Funds from interbank money market	37.616.959	7.701.286	2.260.876	5.789.756	2.459.951	55.828.828
Marketable Securities Issued (Net)	86.516	535.070	3.322.211	28.031.189	19.516.453	51.491.439

Prior Period - 31 December 2021	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities						
Deposits	363.858.990	41.053.180	9.876.619	75.382	-	414.864.171
Funds borrowed from other financial institutions	153.360	3.031.785	27.960.057	23.231.886	1.987.463	56.364.551
Funds from interbank money market	43.251.945	2.460.315	10.298.806	1.491.234	4.077.582	61.579.882
Marketable Securities Issued (Net)	2.447.928	2.814.154	11.562.886	23.126.380	21.634.758	61.586.106

Breakdown of derivative instruments due to their remaining contractual maturities:

Current Period - 31 December 2022	Up to 1 month	1-3 months	3-12 months	1-5 years	5 Years and Over
Derivatives held for trading					
Foreign exchange derivatives:					
- Inflow	173.549.935	100.663.808	54.617.044	19.808.607	6.313.217
- Outflow	(183.619.423)	(116.195.702)	(55.711.346)	(18.671.335)	(5.827.772)
Interest rate derivatives:					
- Inflow	654.473	944.056	5.165.553	8.197.593	1.358.391
- Outflow	(551.571)	(960.684)	(4.341.652)	(7.855.240)	(1.250.171)
Derivatives held for hedging					
Foreign exchange derivatives:					
- Inflow	945.384	303.012	2.379.012	5.980.162	20.591.405
- Outflow	(316.205)	(246.364)	(896.534)	(3.163.337)	(7.337.791)
Interest rate derivatives:					
- Inflow	423.413	1.040.097	4.117.787	8.784.124	1.638.450
- Outflow	(412.244)	(790.608)	(2.217.546)	(5.170.987)	(1.486.620)
Total Inflow	175.573.205	102.950.973	66.279.396	42.770.486	29.901.463
Total Outflow	(184.899.443)	(118.193.358)	(63.167.078)	(34.860.899)	(15.902.354)

Prior Period - 31 December 2021	Up to 1 month	1-3 months	3-12 months	1-5 years	5 Years and Over
Derivatives held for trading					
Foreign exchange derivatives:					
- Inflow	95.152.423	93.499.696	56.144.544	29.859.646	6.393.372
- Outflow	(99.684.375)	(105.587.069)	(55.679.894)	(29.646.639)	(5.920.722)
Interest rate derivatives:					
- Inflow	379.106	934.972	2.334.452	4.078.103	1.235.062
- Outflow	(379.445)	(848.877)	(2.076.920)	(3.616.493)	(1.093.669)
Derivatives held for hedging					
Foreign exchange derivatives:					
- Inflow	3.004.059	99.193	1.838.063	4.694.245	14.653.748
- Outflow	(659.456)	(253.115)	(1.353.414)	(4.010.544)	(7.341.117)
Interest rate derivatives:					
- Inflow	217.937	786.064	2.819.865	5.904.526	1.780.110
- Outflow	(295.460)	(954.479)	(2.803.513)	(4.721.133)	(1.909.851)
Total Inflow	98.753.525	95.319.925	63.136.924	44.536.520	24.062.292
Total Outflow	(101.018.736)	(107.643.540)	(61.913.741)	(41.994.809)	(16.265.359)

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VII. EXPLANATIONS ON LEVERAGE RATIO:

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

As of 31 December 2022, the leverage ratio of the Bank calculated from 3 months average amounts is 10,47% (31 December 2021: 8,71%). This ratio is above the minimum ratio which is 3%.

b. Disclosure of Leverage ratio template:

	Current Period	Prior Period
	31 December 2022 (*)	31 December 2021 (*)
Balance sheet Assets		
1		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	1.004.782.453	623.115.015
2		
[Assets deducted from Core capital]	-	-
3		
Total risk amount of balance sheet assets (sum of lines 1 and 2)	1.004.782.453	623.115.015
Derivative financial assets and credit derivatives		
4		
Cost of replenishment for derivative financial assets and credit derivatives	40.359.075	23.823.423
5		
Potential credit risk amount of derivative financial assets and credit derivatives	10.090.907	5.680.557
6		
Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	50.449.982	29.503.980
Financing transactions secured by marketable security or commodity		
7		
Risk amount of financing transactions secured by marketable security or commodity	9.465.773	5.065.628
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)	9.465.773	5.065.628
Off-balance sheet transactions		
10		
Gross notional amount of off-balance sheet transactions	288.053.067	176.342.934
11		
(Correction amount due to multiplication with credit conversion rates)	(1.812.291)	(1.129.588)
12		
Total risk of off-balance sheet transactions (sum of lines 10 and 11)	286.240.776	175.213.346
Capital and total risk		
13		
Core Capital	141.505.576	72.517.950
14		
Total risk amount(sum of lines 3, 6, 9 and 12)	1.350.938.984	832.897.969
Leverage ratio		
15		
Leverage ratio	10,47	8,71

(*) Three months average values.

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VIII. EXPLANATIONS ON PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES

a. Calculations of financial assets and liabilities at their fair values:

The fair values of financial assets measured at amortised cost are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand deposit represents the amount to be paid upon request. The fair value of the overnight deposit represents the carrying value. The expected fair value of the fixed rate deposit is calculated by discounted cash flow with the use of the market interest rates of similar liabilities and loans.

The fair value of marketable securities issued is calculated according to broker price quotations and if these are not available, amounts derived from discounted cash flow models.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

	Carrying Value		Fair Value	
	Current Period 31 December 2022	Prior Period 31 December 2021	Current Period 31 December 2022	Prior Period 31 December 2021
Financial Assets	856.441.017	548.114.320	912.886.247	562.572.192
Money Markets	1.459.782	2.823.223	1.465.871	2.823.356
Banks	31.605.716	48.652.436	31.596.673	48.653.498
Financial Assets at Fair Value Through Other Comprehensive Income	164.870.655	90.681.271	164.870.655	90.681.271
Other Financial Assets Measured at Amortised Cost	98.154.676	52.585.560	133.750.871	58.406.922
Loans	560.350.188	353.371.830	581.202.177	362.007.145
Financial Liabilities	827.079.213	536.602.050	828.285.003	538.051.068
Bank Deposits	16.205.488	14.126.741	16.229.876	14.146.704
Other Deposits	663.119.274	399.133.993	664.517.435	399.368.060
Borrowings	64.396.760	53.496.813	66.275.073	55.543.045
Securities Issued (Net)	39.239.651	48.267.981	37.144.579	47.416.737
Miscellaneous Payables	44.118.040	21.576.522	44.118.040	21.576.522

b. Fair value hierarchy:

IFRS 13 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

- Quoted market prices (non-adjusted) (1st level).
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level).
- Data not based on observable data regarding assets or liabilities (3rd level).

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Fair value hierarchy of the financial assets and liabilities of the Bank according to the foregoing principles is given in the table below:

Current Period - 31 December 2022	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	311.666	-	-	311.666
- Share Certificates	555.909	-	-	555.909
- Other Financial Assets	227.115	2.041.238	-	2.268.353
Financial Assets at Fair Value Through Other Comprehensive Income				
- Government Debt Securities	140.342.676	-	-	140.342.676
- Share Certificates	97.071	-	-	97.071
- Other Financial Assets	17.246.977	7.183.931	-	24.430.908
Derivative Financial Assets				
- Derivative Financial Assets at Fair Value Through Profit or Loss	-	26.877.552	-	26.877.552
- Derivative Financial Assets at Fair Value Through Other Comprehensive				
Income	-	20.877.144	-	20.877.144
Loans	-	581.202.177	-	581.202.177
Financial Assets Measured at Amortised Cost				
- Government Debt Securities	132.442.825	-	-	132.442.825
- Other Financial Assets	1.308.046	-	-	1.308.046
Total Assets	292.532.285	638.182.042	-	930.714.327
Derivative Financial Liabilities				
- Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	13.957.533	-	13.957.533
- Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income				
Deposits	-	680.747.311	-	680.747.311
Funds Borrowed	-	66.275.073	-	66.275.073
Money Markets	-	54.107.636	-	54.107.636
Securities Issued (Net)	-	37.144.579	-	37.144.579
Total Liabilities	-	852.726.609	-	852.726.609

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Prior Period - 31 December 2021	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	470.711	-	-	470.711
- Share Certificates	282.498	-	-	282.498
- Other Financial Assets	397.493	1.313.971	7.342.910	9.054.374
Financial Assets at Fair Value Through Other Comprehensive Income				
- Government Debt Securities	75.813.203	-	-	75.813.203
- Share Certificates	-	-	-	-
- Other Financial Assets	11.881.147	2.971.202	-	14.852.349
Derivative Financial Assets				
- Derivative Financial Assets at Fair Value Through Profit or Loss	-	36.244.966	-	36.244.966
- Derivative Financial Assets at Fair Value Through Other Comprehensive Income	-	13.432.561	-	13.432.561
Loans (*)	-	362.007.145	-	362.007.145
Financial Assets Measured at Amortised Cost				
- Government Debt Securities	57.421.367	-	-	57.421.367
- Other Financial Assets	985.556	-	-	985.556
Total Assets	147.251.975	415.969.845	7.342.910	570.564.730
Derivative Financial Liabilities				
- Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	24.797.964	-	24.797.964
- Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	489.271	-	489.271
Deposits	-	413.514.764	-	413.514.764
Funds Borrowed	-	55.543.045	-	55.543.045
Money Markets	-	61.009.971	-	61.009.971
Securities Issued (Net)	-	47.416.737	-	47.416.737
Total Liabilities	-	602.771.752	-	602.771.752

(*) Fair value of the financial assets at fair value through profit or loss classified under third level, has been determined based on results of valuation work that include various valuation technics. The potential changes in the fundamental estimations and assumptions included in the valuation work can affect the carrying fair value of the loan.

As explained in the note of VII-b of the Third Section, share certificates classified as financial assets at fair value through other comprehensive income are carried at cost less impairment since they are not traded in active markets and their fair values cannot be measured reliably.

There are no transfers between the 1st and the 2nd levels in the current year.

The movement of financial assets in Level 3 is presented below:

	Current Period	Prior Period
	31 December 2022	31 December 2021
Balances at Beginning of Period	7.342.910	7.342.910
Purchases During the Period	-	-
Disposals Through Sale/Redemptions (*)	(7.342.910)	-
Valuation Effect	-	-
Transfers	-	-
Balances at the End of Period	-	7.342.910

(*)As explained in the footnote of Section I-b, share transfer agreement was signed with the Turkey Wealth Fund regarding the sale of all of Türk Telekomünikasyon A.Ş.'s shares in LYY Telekomünikasyon A.Ş.'s assets. The sale and transfer transaction was realized on 31 March 2022.

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IX. EXPLANATION ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions.

X. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

a. Explanations on Risk Management and Risk Weighted Amount (RWA)

1. The Bank's risk management approach:

Effective risk management constitutes one of the most important competitive strength of the Bank. Risk management system is assessed as a critical process which includes all units starting from the Board of Directors level. General strategies regarding Bank's risk management are given below:

- Effective risk management within the Bank's risk profile based on materiality; implementing a centralized risk framework that includes all major risk areas.
- Managing existing and potential risks from the beginning through forward looking risk strategies, policies and procedures, models and parameters,
- Applying a risk-focused management approach in the strategic decision process,
- Complying with all national risk management requirements, where the Bank operates.

The Bank's Board of Directors has the ultimate responsibility for setting-up and monitoring the efficiency of such a risk management system. The Board of Directors fulfills its monitoring responsibility through the Auditing Committee, the Executive Risk Committee, the Credit Committee and other related intermediary committees and by means of regular risk, control and audit reporting system.

The Board of Directors regularly reviews and approves Bank's main risk approach, risk principles and policies which are initially discussed and decided by the Executive Risk Committee. The Board of Directors also determines Bank's risk appetite by risk limits taking market conditions and Bank's risk taking capacity into consideration. Risk limits are made up of regulatory and internal limits on the basis of risk types.

Bank's Senior Management is responsible to the Bank's Board of Directors that daily activities are executed within the risk management procedures and risk limits determined by the Board of Directors and that risk management system operates in effective and efficient manner. The Internal Audit, the Internal Control, Compliance Presidency and The Risk Management Presidency which directly report to the Board of Directors operate in coordination with the business units of the Bank. In this scope, it is also Senior Management's responsibility to take necessary measures in order to resolve identified weaknesses, deficiencies and errors stated in the reports of internal and external audits, internal control and risk management.

Locally and internationally accepted risk models and parameters are used in the identification, measurement and monitoring of risks within the scope of risk management. The Bank strives continuously for development and improvement of internal methods and models. Forward looking risk reports prepared through regular and close monitoring of the market developments are made available for the Senior Management and the Board of Directors. In order to analyze the potential risks that the Bank may be exposed in extreme cases, various scenario analyses are performed and contingency plans are prepared. The Bank's internal capital adequacy assessment process ("ICAAP") has been established and the ICAAP has been performed parallel to the annual budget process on an annual basis. Moreover, various risk mitigation techniques are utilized to limit and provide protection against risks the Bank is exposed to. The effectiveness and efficiency of the risk mitigation techniques are regularly monitored.

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.

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2. Overview of RWA:

	Risk Weighted Amount		Minimum capital requirement	
	Current Period	Prior Period	Current Period	
	31 December 2022	31 December 2021	31 December 2022	
1	Credit risk (excluding counterparty credit risk) (CCR)	594.806.949	358.124.256	47.584.556
2	Standardized approach (SA)	594.806.949	358.124.256	47.584.556
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	45.241.607	29.880.388	3.619.329
5	Standardized approach for counterparty credit risk (SA-CCR)	45.241.607	29.880.388	3.619.329
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	1.404.572	680.479	112.366
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	800	-
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	17.887.418	24.343.231	1.430.993
17	Standardized approach (SA)	17.887.418	24.343.231	1.430.993
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	48.026.486	38.369.628	3.842.119
20	Basic Indicator Approach	48.026.486	38.369.628	3.842.119
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	707.367.032	451.398.782	56.589.363

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b. Linkages between financial statements and regulatory exposures:

1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories:

Current Period - 31.12.2022	Carrying values of items						
	Carrying values as reported in published financial statements (*)	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework (**)	Not subject to capital requirements or subject to deduction from capital	
Assets							
Cash and balances at central bank	127.532.743	127.532.743	-	-	-	-	
Banks	31.599.761	31.599.761	-	-	-	-	
Receivables from money markets	1.459.782	1.459.782	-	-	-	-	
Financial assets at fair value through P&L	3.135.928	2.798.522	-	-	337.406	-	
Financial assets at fair value through other comprehensive income	164.870.655	164.870.369	41.237.315	-	-	286	
Derivative financial assets	47.754.696	-	47.754.696	-	5.386.865	-	
Loans (net)	538.887.546	538.830.808	-	-	-	56.738	
Lease Receivables (net)	-	-	-	-	-	-	
Factoring Receivables (net)	-	-	-	-	-	-	
Financial assets measured at amortised cost (net)	98.103.999	98.103.999	22.917.094	-	-	-	
Non-current assets and disposal groups classified as held for sale (net)	565.378	565.378	-	-	-	-	
Investments in associates (net)	18.957	18.957	-	-	-	-	
Investments in subsidiaries (net)	23.528.038	23.528.038	-	-	-	-	
Investments in joint ventures (net)	-	-	-	-	-	-	
Tangible assets (net)	15.127.282	15.037.321	-	-	-	89.961	
Intangible assets (net)	2.652.021	-	-	-	-	2.652.021	
Investment properties (net)	-	-	-	-	-	-	
Tax assets	-	-	-	-	-	-	
Deferred tax assets	192.285	192.285	-	-	-	-	
Other assets	19.757.384	19.757.384	-	-	-	-	
Total assets	1.075.186.455	1.024.295.347	111.909.10	5	-	5.724.271	2.799.006
Liabilities							
Deposits	679.324.762	-	-	-	-	679.324.762	
Loans	64.396.760	-	-	-	-	64.396.760	
Debt to money markets	54.029.855	-	53.979.833	-	-	-	
Debt securities in issue	22.439.569	-	-	-	-	22.439.569	
Funds	-	-	-	-	-	-	
Financial liabilities at fair value through P&L	-	-	-	-	-	-	
Derivative financial liabilities	14.452.010	-	-	-	3.430.152	-	
Factoring debts	-	-	-	-	-	-	
Debts from leasing transactions	799.166	-	-	-	-	799.166	
Provisions	5.665.488	-	-	-	-	5.665.488	
Tax liability	10.669.260	-	-	-	-	10.669.260	
Deferred tax liability	3.027.248	-	-	-	-	3.027.248	
Liabilities included in disposal groups classified as held for sale (net)	-	-	-	-	-	-	
Subordinated debts	16.800.082	-	-	-	-	16.800.082	
Other liabilities	49.982.371	-	-	-	-	49.982.371	
Equity	153.599.884	-	-	-	-	153.599.884	
Total liabilities	1.075.186.455	-	53.979.833	-	3.430.152	1.006.704.590	

(*) Since the accounting and legal consolidation scope of the Bank are identical, the financial statement information is shown in one column.

(**) The Amounts of financial instruments, which are measured in accordance with TAS and included in trading accounts within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" are represented in "Subject to market risk framework" column.

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Prior Period - 31.12.2021	Carrying values of items					
	Carrying values as reported in published financial statements (*)	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework (**)	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and balances at central bank	91.886.725	91.886.725	-	-	-	-
Banks	48.651.885	48.651.885	-	-	-	-
Receivables from money markets	2.823.223	2.823.223	-	-	-	-
Financial assets at fair value through P&L	9.807.583	9.220.771	-	-	586.812	-
Financial assets at fair value through other comprehensive income	90.681.271	90.678.652	39.118.367	-	-	2.619
Derivative financial assets	49.677.527	-	49.677.527	-	4.232.256	-
Loans (net)	334.751.359	334.728.035	-	-	-	23.324
Lease Receivables (net)	-	-	-	-	-	-
Factoring Receivables (net)	-	-	-	-	-	-
Financial assets measured at amortised cost (net)	52.567.137	52.567.137	25.564.815	-	-	-
Non-current assets and disposal groups classified as held for sale (net)	170.756	170.756	-	-	-	-
Investments in associates (net)	18.129	18.129	-	-	-	-
Investments in subsidiaries (net)	16.060.130	16.060.130	-	-	-	-
Investments in joint ventures (net)	-	-	-	-	-	-
Tangible assets (net)	5.829.227	5.777.114	-	-	-	52.113
Intangible assets (net)	1.465.639	-	-	-	-	1.465.639
Investment properties (net)	-	-	-	-	-	-
Tax assets	-	-	-	-	-	-
Deferred tax assets	73.610	73.610	-	-	-	-
Other assets	4.447.094	4.447.094	-	-	-	-
Total assets	708.911.295	657.103.261	114.360.709	-	4.819.068	1.543.695
Liabilities						
Deposits	413.260.734	-	-	-	-	413.260.734
Loans	53.496.813	-	-	-	-	53.496.813
Debt to money markets	61.006.635	-	60.866.590	-	-	-
Debt securities in issue	29.542.447	-	-	-	-	29.542.447
Funds	-	-	-	-	-	-
Financial liabilities at fair value through P&L	-	-	-	-	-	-
Derivative financial liabilities	25.287.235	-	-	-	2.572.491	-
Factoring debts	-	-	-	-	-	-
Debts from leasing transactions	535.440	-	-	-	-	535.440
Provisions	3.225.201	-	-	-	-	3.225.201
Tax liability	2.233.095	-	-	-	-	2.233.095
Deferred tax liability	171.341	-	-	-	-	171.341
Liabilities included in disposal groups classified as held for sale (net)	-	-	-	-	-	-
Subordinated debts	18.725.534	-	-	-	-	18.725.534
Other liabilities	25.471.869	-	-	-	-	25.471.869
Equity	75.954.951	-	-	-	-	75.954.951
Total liabilities	708.911.295	-	60.866.590	-	2.572.491	622.617.425

(*) Since the accounting and legal consolidation scope of the Bank are identical, the financial statement information is shown in one column.

(**) The Amounts of financial instruments, which are measured in accordance with TAS and included in trading accounts within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" are represented in "Subject to market risk framework" column

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2. Main sources of differences between regulatory exposure amounts and carrying values in financial statements:

	Total	Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework[*]
Current Period - 31.12.2022					
1 Asset carrying value amount under scope of regulatory consolidation	1.072.387.449	1.024.295.347	-	111.909.105	5.724.271
2 Liabilities carrying value amount under regulatory scope of consolidation	68.481.865	-	-	53.979.833	3.430.152
3 Total net amount under regulatory scope of consolidation	1.003.905.584	1.024.295.347	-	57.929.272	2.294.119
4 Off-balance sheet amounts	416.572.509	86.984.286	-	38.874.416	-
5 Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7 Differences due to consideration of provisions	-	-	-	-	-
8 Differences due to prudential filters	-	(90.045.230)	-	(32.799.289)	15.593.299
9 Differences due to risk reduction	-	(6.655.929)	-	-	-
10 Exposure amounts considered for regulatory purposes		1.014.578.474	-	64.004.399	17.887.418

[*]The Amounts of financial instruments, which are measured according to TAS and included in trading accounts within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", are represented in "Subject to market risk framework" column are presented.

	Total	Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework[*]
Prior Period - 31.12.2021					
1 Asset carrying value amount under scope of regulatory consolidation	707.367.600	657.103.261	-	114.360.709	4.819.068
2 Liabilities carrying value amount under regulatory scope of consolidation	86.293.870	-	-	60.866.590	2.572.491
3 Total net amount under regulatory scope of consolidation	621.073.730	657.103.261	-	53.494.119	2.246.577
4 Off-balance sheet amounts	697.048.620	48.005.517	-	4.828.489	-
5 Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7 Differences due to consideration of provisions	-	-	-	-	-
8 Differences due to prudential filters	-	(94.447.414)	-	(17.771.786)	22.096.654
9 Differences due to risk reduction	-	(2.436.726)	-	-	-
10 Exposure amounts considered for regulatory purposes		608.224.638	-	40.550.822	24.343.231

[*] The Amounts of financial instruments, which are measured according to TAS and included in trading accounts within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", are represented in "Subject to market risk framework" column are presented.

3. Explanations of differences between accounting and regulatory exposure amounts:

a) Differences between accounting and regulatory exposure amounts

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On counterparty credit risk related transactions, the differences between the valued amounts in accordance with TAS in the scope statutory consolidation and the amounts after risk reduction arise from the addition of potential risk amounts per maturity and transaction type to renewal cost of derivative transactions related to counterparty credit risk.

The valued amounts of the items which are subject to market risk per TAS represent the fair value of trading financial instruments. Despite that, the amount at the risk amount line represents the amount which is subject market risk that derives from the calculation of capital requirements due to the loss on interest rate risk of market risk, share price risk, currency risk in the scope of "Regulation on Measurement and Evaluation of Banks Capital Adequacy Ratio".

- b) Explanations related to the systems and controls which are defined to ensure prudence and reliability of valuation estimates in accordance with prudent valuation procedures and principles within the scope of appendix 3 of "Regulation on Measurement and Evaluation of Capital Adequacy of Banks":

In case financial instruments that are accounted at their fair values are traded in an active market, the valuation is made based on market price. The accuracy of market price that is used at valuation is being confirmed periodically. The fair value of financial instruments that are not traded in an active market are being calculated in accordance TFRS 13. Derivative financial instruments are valued by discounted cash flow model with the use of market data. For the valuation of certain financial instruments, third party valuations and generally accepted valuation models can be used. The accuracy and independence of inputs that are used at the valuation of market value and/or used at valuation methods by modelling are being controlled periodically. In addition, there are control processes for the comparison of the current market value of financial instruments with the recalculated values.

c. Credit risk explanations:

1. General qualitative information about credit risk:

Risk limits are defined by Board of Directors in a such manner that covers all possible important risk components, in accordance with the Bank's operations and the size and complexity of products and services. Care is taken to ensure that the risk limits are in line with market expectations and reflect the Bank's risk appetite and Bank's strategies. The credit policies are established in consistence with risk limits.

Credit rating models are used in loan allocation processes in accordance with the risk appetite, credit policies and targets of the Bank. Rating all credit customers is essential for the Bank. Credit ratings are used as the main factor in determining target segments, authority levels, prices, limits and collateralization levels in loan portfolios. Application models are used during initial loan underwriting and behavioral models are used for customers whose previous credit performance could be monitored. Behavioral models are mainly used in the credit monitoring process and in the evaluation process of portfolio risk.

In order to ensure timely and complete fulfillment of all obligations arising from the loan, it is essential to obtain adequate collateral from the customers. The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risk. In this context, the minimum margin is determined by considering the quality of the collateral and collection expectancy in case of default and it is ensured that appropriate collateral is obtained for the loan type.

Credit risk is encountered when the counterparty is unable to fulfill its obligations defined with the agreement. All credit risk bearing banking products are managed with prudent credit policies and procedures in the Bank. The credit quality of the counterparty is evaluated with an internal rating score in all credit transactions. In order to monitor the credit risk, internal limits are determined on the basis of sector, customer, credit type and customer segment.

Credit risk management is a process in which credit risks are assessed and monitored in a consistent manner, besides all credit portfolios are included on a consolidated basis. During the process of credit risk management, the Risk Management Presidency conducts measurement, monitoring and reporting activities of the credit risk using statistical models. In addition to the credit risk-related risk limits, various concentrations in the loan portfolio are also analyzed. It is assured to act within the policy of allocation, monitoring, Limit Follow-up and management, by establishing policy regarding to Country risk and concentration risk management. Cost of loan and collections of non-performing loans are monitored periodically. In addition, stress testing and scenario analysis studies are carried out on the loan portfolio.

Assessment of the internal systems established to encompass all branches and departments and related entities are among the highest priorities of the Board of Directors to ensure the continuity of its operations, competencies and activities. Within the scope of internal systems, the duties and responsibilities of the Board of Directors are carried out by the Board of Directors, the Audit

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Committee, the Executive Risk Committee, Internal Audit, Internal Control, Risk Management activities and Internal Systems Responsible.

The Board of Directors is responsible for determining the risk baseline of the Bank, the risk approach and the level of risk taking. The Board of Directors manages the risks through the Executive Risk Committee. The committee is responsible for establishing risk policies, determining methods for measuring and managing risks, and establishing and monitoring appropriate risk limits. All risk policies established by the Executive Risk Committee are written and integrated into the Bank's long-term general strategy.

2. Credit quality of assets:

		Gross carrying values of (according to TAS)			
Current Period - 31.12.2022		Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values
1	Loans	16.906.984	543.443.204	21.462.642	538.887.546
2	Debt Securities	-	262.062.469	461.949	261.600.520
3	Off-balance sheet exposures	1.557.705	306.291.790	487.004	307.362.491
4	Total	18.464.689	1.111.797.463	22.411.595	1.107.850.557

		Gross carrying values of (according to TAS)			
Prior Period - 31.12.2021		Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values
1	Loans	17.768.546	335.603.284	18.620.471	334.751.359
2	Debt Securities	-	150.781.725	78.177	150.703.548
3	Off-balance sheet exposures	1.544.171	193.026.097	653.180	193.917.088
4	Total	19.312.717	679.411.106	19.351.828	679.371.995

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

	Current Period 31 December 2022	Prior Period 31 December 2021
Defaulted loans and debt securities at end of the previous reporting period	19.312.717	18.251.681
Loans and debt securities that have defaulted since the last reporting period	17.202.977	5.438.664
Returned to non-defaulted status	105.622	78.299
Amounts written off	14.147.126	1.522.522
Other changes	3.798.257	2.776.807
Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) Definitions	18.464.689	19.312.717

4. Additional disclosure related to the credit quality of assets:

a) Definitions of overdue and provision allocated receivables are presented below:

The Bank considers loans that have overdue principal and interest payments and are classified as 2nd Group in accordance with Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made" as "past due loans." Loans that have overdue principal and interest payments for more than 90 days after the maturity date or the debtor of which are deemed unworthy by the Bank are considered impaired loans. Impaired consumer loans are evaluated on account basis and commercial loans on customer basis.

The Bank calculates expected credit loss for overdue loans in accordance with Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made".

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b) The part of the overdue receivables (past 90 days) for which provision is not allocated and reasons for this application:

All loans that have completed the 90 day overdue period are automatically taken into follow-up accounts and they are subjected to specific provision within the related month at the Bank. In exceptional cases, the delinquency process is suspended due to a court decision and the Bank's credit amount in this scope is insignificant as of 31 December 2022.

c) Definitions of the methods used when determining the provision amount, are presented in Note VIII-c of Section Three.

d) Definitions of restructured receivables:

Banks can restructure both the first, second group loans and other receivables as well as non-performing loans and receivables. The first, second group loans and other receivables are restructured to enhance customer's ability to repay the loan. Besides, it involves changes in the contractual conditions with the demand of customer. While Non-performing loans and receivables are restructured to ensure the collection of the receivables by changing the cash flow of the loan.

e) Breakdown of receivables by geographical area, sector and outstanding maturity:

Breakdown by geographical area:

	Current Period 31.12.2022	Prior Period 31.12.2021
Domestic	542.282.821	334.000.195
European Union Countries	65.562	894.991
OECD Countries (*)	3.892	3.638
Off-Shore Banking Regions	270	286
USA, Canada	7.247	6.851
Other	1.083.412	697.323
Total	543.443.204	335.603.284

(*) OECD Countries other than EU countries, USA and Canada.

Breakdown by sector:

	Current Period 31.12.2022	Prior Period 31.12.2021
Agricultural	1.038.819	319.364
Farming and raising livestock	401.360	230.206
Forestry	630.713	86.538
Fishing	6.746	2.620
Manufacturing	145.332.865	86.051.926
Mining	6.270.669	3.586.701
Production	104.740.285	51.540.114
Electricity, Gas, Water	34.321.911	30.925.111
Construction	56.859.560	40.223.951
Services	138.912.075	85.922.600
Wholesale and Retail Trade	69.949.935	40.768.844
Hotel, Food, Beverage Services	17.373.370	9.822.326
Transportation and Telecommunication	13.218.426	12.896.099
Financial Institutions	29.655.341	17.843.349
Real Estate and Lending Services	1.517.909	595.265
Self employment Service	3.284.762	530.793
Education Service	532.289	550.390
Health and social Services	3.380.043	2.915.534
Other	201.299.885	123.085.443
Total	543.443.204	335.603.284

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Breakdown by outstanding maturity:

Current Period - 31.12.2022	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Total
Loans	121.353.670	95.937.644	161.401.803	109.244.617	55.505.470	543.443.204

Prior Period - 31.12.2021	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Total
Loans	73.382.779	47.130.736	78.329.215	95.427.937	41.332.617	335.603.284

f) Amounts of provision allocated receivables based on geographical area and sector and amounts deducted from the assets with the related provisions:

Breakdown by geographical area:

	Current Period - 31.12.2022		Prior Period - 31.12.2021	
	Loans Under Follow-up	Stage 3 Provisions	Loans Under Follow-up	Stage 3 Provisions
Domestic	15.889.044	10.905.892	16.846.231	11.080.189
European Union Countries	1.017.835	482.344	922.208	524.755
OECD Countries (*)	-	-	6	3
Off-Shore Banking Regions	30	30	30	30
USA, Canada	1	1	24	20
Other	74	57	47	41
Total	16.906.984	11.388.324	17.768.546	11.605.038

(*) OECD Countries other than EU countries, USA and Canada.

Breakdown by sector:

	Current Period- 31.12.2022		Prior Period - 31.12.2021	
	Loans Under Follow-up	Stage 3 Provisions	Loans Under Follow-up	Stage 3 Provisions
Agricultural	22.701	18.418	20.282	18.281
Farming and raising livestock	13.290	11.911	16.185	14.726
Forestry	3.092	2.635	3.772	3.297
Fishing	6319	3872	325	258
Manufacturing	3.607.597	2.481.680	3.795.929	2.354.113
Mining	132.644	105.813	585.302	276.460
Production	1.599.945	1.151.798	1.461.059	1.040.223
Electricity, Gas, Water	1.875.008	1.224.069	1.749.568	1.037.430
Construction	5.859.554	3.914.519	6.596.198	4.134.578
Services	4.203.488	2.459.685	4.362.612	2.747.244
Wholesale and Retail Trade	1.797.333	1.361.099	2.321.629	1.688.480
Hotel,Food,Beverage Services	569.832	120.089	540.347	163.110
Transportation and Telecommunication	116.799	93.588	131.226	98.006
Financial Institutions	1.275.682	605.763	1.173.050	656.165
Real Estate and Lending Services	72.539	47.681	6.988	5.953
Self employment Service	288.889	165.194	4.231	3.435
Education Service	14.889	13.842	114.525	75.722
Health and social Services	67.525	52.429	70.616	56.373
Other	3.213.644	2.514.022	2.993.525	2.350.822
Total	16.906.984	11.388.324	17.768.546	11.605.038

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g) Aging analysis for overdue receivables:

	Current Period 31.12.2022	Prior Period 31.12.2021
30-60 days overdue	965.191	1.347.820
60-90 days overdue	489.887	762.964
More than 90 days overdue	79.407	7.791
Total	1.534.485	2.118.575

h) Breakdown of restructured receivables based on whether or not provisions are allocated:

Restructured Receivables	Current Period 31.12.2022	Prior Period 31.12.2021
Loans restructured from Loans under Follow-up and Other Receivables	34.528.715	26.125.932
Loans restructured from Non-Performing Loans	1.250.431	1.950.158

General provision is allocated for the loans restructured from standard loans and loans under follow-up and other receivables, specific provision is allocated for the loans restructured from non-performing loans.

i) Credit risk mitigation techniques:

In order to ensure timely and complete fulfillment of all obligations arising from the loan, it is essential to obtain appropriate collaterals.

The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risk. Within this scope, the minimum margin of guarantee is determined and the guarantees suitable for the loan types are obtained. There is collateral matching in the system for each loan. In addition, the appropriateness of the margin for each guarantee is also checked.

The risk amount and the amount of collateral are also compared against the value losses that may occur in the collateral, and in case of gap between risk and collateral, the Bank Monitoring System automatically generates "Risky Transaction Registration".

In the calculation of capital adequacy ratio, real estate mortgages are subject to valuation process in accordance with the related legislation. There is no physical collateral used for risk reduction other than real estate.

Financial guarantees used in capital adequacy calculations are blocked deposits held at the bank and there is no netting other than these.

Collateral management processes are written in credit policies and checks are made to ensure that there is no concentration of third party guarantor type and collateral.-

5. Credit risk mitigation techniques – overview:

Current Period - 31.12.2022	Exposures unsecured of (according to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	528.300.705	10.586.841	6.655.930	6.522.812	5.568.364	-	-
2 Debt Securities	261.600.520	-	-	-	-	-	-
3 Total	789.901.225	10.586.841	6.655.930	6.522.812	5.568.364	-	-
4 Of which defaulted	18.464.689	-	-	-	-	-	-

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		Exposures unsecured of (according to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
Prior Period - 31.12.2021								
1	Loans	331.649.281	3.102.078	1.855.859	1.113.349	936.284	-	-
2	Debt Securities	150.703.548	-	-	-	-	-	-
3	Total	482.352.829	3.102.078	1.855.859	1.113.349	936.284	-	-
4	Of which defaulted	19.312.717	-	-	-	-	-	-

6. Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk:

The ratings given by Fitch Ratings and JCR-ER are used to determine the risk weights to be applied in the capital adequacy calculation. The degrees of Fitch Ratings are limited to the receivables whose counterparty is a resident abroad; receivables from central governments or central banks, banks and corporate receivables are used for asset classes. JCR-ER's ratings are used for TL-denominated receivables whose counterparty is corporate asset class.

7. Standardised approach – Credit risk exposure and credit risk mitigation (CRM) effects:

Current Period - 31.12.2022		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off- balance sheet amount	RWA	RWA density
Asset classes							
1	Exposures to central governments or central banks	318.546.663	143.566	324.115.027	39.024	303.362	0,09%
2	Exposures to regional governments or local authorities	70.956	-	70.956	-	35.478	50,00%
3	Exposures to public sector entities	566.967	293.367	558.647	158.520	717.168	100,00%
4	Exposures to multilateral development banks	-	-	-	-	-	0,00%
5	Exposures to international organisations	-	-	-	-	-	0,00%
6	Exposures to institutions	39.894.345	17.742.062	39.880.587	8.572.230	16.657.209	34,38%
7	Exposures to corporates	260.185.978	115.423.836	253.072.744	66.184.583	262.190.531	82,13%
8	Retail exposures	128.886.141	143.804.290	124.749.748	8.334.410	107.426.996	80,72%
9	Exposures secured by residential property	13.935.128	526.436	13.908.038	233.699	4.949.608	35,00%
10	Exposures secured by commercial real estate	22.591.282	5.072.794	22.591.282	2.968.128	15.175.172	59,37%
11	Past-due loans	5.579.141	-	5.579.141	-	4.411.888	79,08%
12	Higher-risk categories by the Agency Board	73.627.063	1.086.099	73.498.987	493.693	125.668.813	169,84%
13	Collateralized securities	-	-	-	-	-	0,00%
14	Exposures to institutions and corporates with a short- term credit assessment	-	-	-	-	-	0,00%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	1.176.544	-	1.176.544	-	1.176.544	100,00%
16	Other assets	44.286.820	-	44.286.820	-	33.393.087	75,40%
17	Investments in equities	24.105.665	-	24.105.665	-	24.105.665	100,00%
18	Total	933.452.693	284.092.450	927.594.186	86.984.287	596.211.521	58,76%

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Prior Period - 31.12.2021		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes							
1	Exposures to central governments or central banks	170.037.523	8.280.789	170.973.807	132.500	72.829	0,04%
2	Exposures to regional governments or local authorities	134.452	-	134.452	-	67.226	50,00%
3	Exposures to public sector entities	316.824	160.645	311.122	64.525	375.648	100,00%
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	47.259.400	27.456.787	47.248.656	3.506.886	14.447.880	28,47%
7	Exposures to corporates	179.317.150	64.719.455	177.835.998	36.092.519	206.399.978	96,48%
8	Retail exposures	81.897.066	59.727.507	80.725.522	6.360.658	66.988.638	76,92%
9	Exposures secured by residential property	11.717.212	292.510	11.701.470	125.110	4.139.303	35,00%
10	Exposures secured by commercial real estate	12.682.057	2.194.420	12.682.057	1.301.773	8.501.516	60,80%
11	Past-due loans	6.188.640	-	6.188.640	-	4.876.574	78,80%
12	Higher-risk categories by the Agency Board	17.849.894	939.438	17.742.633	421.546	27.049.784	148,92%
13	Collateralized securities	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	546.622	-	546.622	-	546.622	100,00%
16	Other assets	17.653.789	-	17.653.789	-	8.863.802	50,21%
17	Investments in equities	16.474.353	-	16.474.353	-	16.474.353	100,00%
18	Total	562.074.982	163.771.551	560.219.121	48.005.517	358.804.153	%58,99

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

Current Period - 31.12.2022												
Asset Classes / Risk Weight	%0	%10	%20	%25	%35	%50	%75	%100	%150	%250	Other	Total risk amount[*]
1 Exposures to central governments or central banks	322.640.199	-	1.511.882	-	-	1.970	-	-	-	-	-	324.154.051
2 Exposures to regional governments or local authorities	-	-	-	-	-	70.956	-	-	-	-	-	70.956
3 Exposures to public sector entities	-	-	-	-	-	-	-	717.167	-	-	-	717.167
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to institutions	898.565	-	23.819.891	-	-	23.682.260	-	52.101	-	-	-	48.452.817
7 Exposures to corporates	2.306.654	-	38.534.981	-	-	47.864.318	-	230.551.374	-	-	-	319.257.327
8 Retail exposures	59.574	-	-	-	-	-	-	102.390.350	30.634.234	-	-	133.084.158
9 Exposures secured by residential property	-	-	-	-	14.141.737	-	-	-	-	-	-	14.141.737
10 Exposures secured by commercial real estate	-	-	-	-	-	20.768.475	-	4.790.935	-	-	-	25.559.410
11 Past-due loans	-	-	-	-	-	2.982.585	-	1.948.478	648.078	-	-	5.579.141
12 Higher-risk categories by the Agency Board	-	-	-	-	8.862	25.507	-	321.840	44.000.612	-	29.635.859	73.992.680
13 Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	1.176.544	-	-	-	1.176.544
16 Investments in equities	-	-	-	-	-	-	-	24.105.665	-	-	-	24.105.665
17 Other assets	10.893.729	-	4	-	-	-	-	33.393.087	-	-	-	44.286.820
18 Total	336.798.721	-	63.866.758	-	14.150.599	95.396.071	102.390.350	327.691.425	44.648.690	-	29.635.859	1.014.578.473

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

Prior Period - 31.12.2021												
Asset Classes / Risk Weight	%0	%10	%20	%25	%35	%50	%75	%100	%150	%250	Other	Total risk amount[*]
1 Exposures to central governments or central banks	170.721.442	-	361.843	-	-	-	-	-	-	-	23.022	171.106.307
2 Exposures to regional governments or local authorities	-	-	-	-	-	134.452	-	-	-	-	-	134.452
3 Exposures to public sector entities	-	-	-	-	-	-	-	375.647	-	-	-	375.647
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to institutions	355.588	-	35.993.790	-	-	14.314.146	-	91.957	61	-	-	50.755.542
7 Exposures to corporates	1.519.495	-	2.021.784	-	-	8.783.233	-	201.604.005	-	-	-	213.928.517
8 Retail exposures	-	-	-	-	-	-	-	80.390.170	6.696.010	-	-	87.086.180
9 Exposures secured by residential property	-	-	-	-	11.826.580	-	-	-	-	-	-	11.826.580
10 Exposures secured by commercial real estate	-	-	-	-	-	10.964.630	-	3.019.200	-	-	-	13.983.830
11 Past-due loans	-	-	-	-	-	3.528.806	-	1.755.160	904.674	-	-	6.188.640
12 Higher-risk categories by the Agency Board	-	-	-	-	16.052	-	-	356.048	17.792.079	-	-	18.164.179
13 Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	546.622	-	-	-	546.622
16 Investments in equities	-	-	-	-	-	-	-	16.474.353	-	-	-	16.474.353
17 Other assets	8.789.861	-	156	-	-	-	-	8.863.772	-	-	-	17.653.789
18 Total	181.386.386	-	38.377.573	-	11.842.632	37.725.267	80.390.170	239.782.774	18.696.814	-	23.022	608.224.638

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

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d. Counterparty Credit Risk (CCR) Explanations:

1. Qualitative disclosure related to counterparty credit risk:

The CCR strategy is determined by counterparty type and product categories. Counterparties are categorized as central counterparties, banks, corporate and commercial companies, corporate segment, micro segment customers, private banking customers and individual customers. The products are grouped as interest swap transactions, foreign currency option transactions (plain vanilla), foreign exchange option transactions (exotic), interest option transactions, commodity Transactions, credit derivatives and repo transactions.

"Conformity Test" is applied to the customers to determine whether the products to be presented to the customers are in compliance with the customers' financial status and their knowledge and experience. The tests to be applied are prepared in a way that bank can evaluate the information received from the customers with the method including "risk and return preference" and knowledge and experience" classifications determined by the Bank.

The creditworthiness of the counterparty is analyzed prior to the transactions leading to the CCR and subsequently the creditworthiness of the counter parties is reviewed at regular intervals. The frequency of inspections is increased when necessary.

The scope and level of information providing the opportunity to assess the creditworthiness of the counterparty shall be differentiated depending on the volume of the transaction to be realized, the level of the CCR and / or the counterparty.

For the transactions within the scope of the CCR, appropriate limits to the risk appetite, policies and strategies of the Bank are determined. The determined limits are approved by the Board of Directors for the banks. For the firms and individuals apart from banks regular loan approval processes and limits are conducted.

The counterparty credit risk limits for financial institutions are also determined separately and presented to the Board of Directors for approval. The determined limits are reviewed at least once a year. In case of deterioration of market conditions or in case of dweterioration of credit quality of some counterparties, limits are reviewd and necessary changes are made. If deemed necessary, the approved limits are blocked by the Credit Committee / Credit Allocation Business Unit and by the approval of the Board of Directors.

In counterparty credit risk management of financial institutions, risk mitigation methods such as netting agreements, collateral and "margin" agreements are used. Collateralization principles and procedures are applied for companies and individuals other than financial institutions within the framework of credit policies and application principles currently applied in the Bank.

The potential, current and maximum risk amounts of the transactions are calculated / determined in order to determine the CCR. The risks of transactions that are subject to the legally binding bilateral netting agreement and to which the netting transaction can be applied are followed together.

The risk of reverse tendency within the scope of the CCR appears in two ways as the risk of general reversal and the risk of specific reversal.

To avoid the general counter trend risk;

- Depending on the direction of the financing expenses of the corporate and commercial companies, it is taken care that the interest swap transactions made are aimed at "hedging". If the short-term liability of the firm is more than short-term liabilities susceptible to interest, interest rate swaps will be applied to the firm with the fixed interest rate. In the other case, interest rate swap transactions that the company pays variable interest are made.
- It is also important to note that the transactions are "hedged" for foreign currency transactions. If the firm is in a long position in the foreign exchange market, the transactions that the foreign exchange seller is the company and if the company is in the short position in the foreign exchange market, the transactions that the foreign exchange buyer is the company are taken into consideration.

To avoid the risk of specific counter trend risk;

- In the option transactions made on the other party's own shares, transactions are not made where the same counterparty is the option seller.

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- In the credit derivative transactions on the counterparty's own credit risk, there are no transactions that the counterparty is the protection seller

For the actions taken under the CCR, the obligation to provide additional collateral due to the possible decline in the credibility of the Bank is followed.

2. Analysis of counterparty credit risk exposure by approach:

	Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
Current Period - 31.12.2022						
1	32.756.537	10.305.180	-	1,4	43.061.717	21.823.898
2	-	-	-	-	-	-
3	-	-	-	-	-	-
4	-	-	-	-	14.789.811	4.138.373
5	-	-	-	-	14.789.811	4.138.373
6 Total						25.962.271

(*) Effective Expected Positive Exposure

	Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
Prior Period - 31.12.2021						
1	26.259.557	4.828.489	-	1,4	31.088.046	16.010.437
2	-	-	-	-	-	-
3	-	-	-	-	-	-
4	-	-	-	-	8.443.973	2.625.470
5	-	-	-	-	8.443.973	2.625.470
6 Total						18.635.907

(*) Effective Expected Positive Exposure

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3. Credit valuation adjustment (CVA) capital charge:

	Current Period - 31.12.2022		Prior Period - 31.12.2021	
	Exposure at default post-CRM	RWA	Exposure at default post-CRM	RWA
Total portfolios subject to the Advanced CVA capital charge				
1 (i) Value at Risk (VaR) component (including the 3×multiplier)	-	-	-	-
2 (ii) Stressed VaR component (including the 3×multiplier)	-	-	-	-
3 All portfolios subject to the Standardised CVA capital charge	43.061.717	19.040.827	31.088.046	11.208.163
4 Total subject to the CVA capital charge	43.061.717	19.040.827	31.088.046	11.208.163

4. Standardised approach – CCR exposures by regulatory portfolio and risk weights:

Current Period - 31.12.2022									
Risk Weight	0%	10%	20%	50%	75%	100%	150%	Other	Total credit
Regulatory portfolio									
Claims from central governments and central banks	2.710.254	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	-	-	-	-	-	-	-	-
Claims from administration and non commercial en	-	-	-	-	-	7.742	-	-	7.742
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	3.126	-	17.564.997	26.020.006	-	-	-	-	16.523.002
Corporates	31.866	-	2.229.182	258.986	-	8.339.356	-	-	8.914.685
Retail portfolios	-	-	-	-	682.907	-	-	-	512.180
Other claims**	-	-	-	-	-	-	3.108	-	4.662
Total	2.745.246	-	19.794.179	26.278.992	682.907	8.347.098	3.108	-	25.962.271

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

[**]Other receivables: Includes the amounts excluded in counterparty credit risk reported in CCR8.

Prior Period - 31.12.2021									
Risk Weight	0%	10%	20%	50%	75%	100%	150%	Other	Total credit
Regulatory portfolio									
Claims from central governments and central banks	7.108.305	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	-	-	-	-	-	-	-	-
Claims from administration and non commercial entity	-	-	-	-	-	158	-	-	158
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	-	-	7.810.565	14.688.222	-	-	-	-	8.906.224
Corporates	-	-	196.992	20	-	9.563.340	-	-	9.602.748
Retail portfolios	-	-	-	-	159.799	-	-	-	119.849
Other claims**	-	-	-	-	-	-	4.618	-	6.927
Total	7.108.305	-	8.007.557	14.688.242	159.799	9.563.498	4.618	-	18.635.907

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

[**] Other receivables: Includes the amounts excluded in counterparty credit risk reported in CCR8.

5. Composition of collateral for CCR exposure:

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

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6. Credit derivatives exposures:

	Current Period- 31.12.2022		Prior Period - 31.12.2021	
	Protection bought	Protection sold	Protection bought	Protection sold
Nominal				
Single-name credit default swaps	2.281.193	-	2.292.588	-
Index credit default swaps	-	-	-	-
Total return swaps	-	13.088.810	-	11.329.650
Credit options	-	-	-	-
Other credit derivatives	-	-	-	-
Total notionals	2.281.193	13.088.810	2.292.588	11.329.650
Fair values				
Positive fair value (asset)	176.001	5.567.837	243.166	4.456.373
Negative fair value (liability)	-	-	-	-

7. Exposures to central counterparties (CCP):

	Current Period - 31.12.2022		Prior Period - 31.12.2021	
	Exposure at default (post-CRM)	RWA	Exposure at default (post-CRM)	RWA
1 Exposure to Qualified Central Counterparties (QCCPs) (total)		238.509		36.900
Exposures for trades at QCCPs				
2 (excluding initial margin and default fund contributions); of which	6.152.871	238.296	1.018.803	36.317
3 (i) OTC Derivatives	6.152.871	238.296	1.018.803	36.317
4 (ii) Exchange-traded Derivatives	-	-	-	-
5 (iii) Securities financing transactions	-	-	-	-
6 (iv) Netting sets where cross-product				
7 ting has been approved	-	-	-	-
8 Segregated initial margin	-	-	-	-
9 Non-segregated initial margin				
10 Pre-funded default fund contributions	94.804	213	25.902	583
11 Unfunded default fund contributions	-	-	-	-
11 Exposures to non-QCCPs (total)				
Exposures for trades at non-QCCPs				
12 (excluding initial margin and default fund contributions); of which	-	-	-	-
13 (i) OTC Derivatives	-	-	-	-
14 (ii) Exchange-traded Derivatives	-	-	-	-
15 (iii) Securities financing transactions	-	-	-	-
16 (iv) Netting sets where cross-product				
17 ting has been approved	-	-	-	-
18 Segregated initial margin	-	-	-	-
19 Non-segregated initial margin	-	-	-	-
20 Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-

e. Securitization explanations: The Bank has no securitization transactions.

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f. Explanations on market risk:

1. Qualitative disclosure requirements related to market risk:

The risk principles, policies and risk limits related to the management of market risk are approved by the Board of Directors and reviewed on a regular basis. The Bank's Senior Management performs day to day management of the market risk in accordance with the limits assigned by the Board of Directors. The Bank is exposed to market risk as a result of fluctuations in foreign exchange rates, interest rates, and market prices of stocks. Exchange rate risk and interest rate risk are evaluated as the two most important components of market risk. The Bank engages in derivative transactions for hedge purposes when found necessary.

Market risk is calculated by two different methods, namely the "inherent model" and the "standard method". According to inherent model market risk is measured by Value at Risk ("VaR") approach which takes into account different risk factors. VaR calculations use historical simulation and Monte Carlo simulation methods. The software used can perform calculations with an advanced yield curve and volatility models. The VaR model is based on the assumptions of 99% confidence interval and a 10-day holding period. VaR analyses are performed on a daily basis and reported to the Senior Management. VaR analyses are also used as risk and limit management instrument for trading transactions. The limits are reviewed periodically according to market conditions and the application of specified limits is subject to authority restrictions and therefore the control effectiveness is increased. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which have significant impact and the effects of market fluctuations. Retrospective tests of the model outputs are performed regularly. The standard method is used for the legal reporting.

The following table indicates the details of the market risk calculation as of 31 December 2022, in accordance with the Market Risk Calculation principles pursuant to the Third Section of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette no. 29511 on 23 October 2015.

2. Standardised approach:

	Current Period	Prior Period
	31.12.2022	31.12.2021
	RWA	RWA
Outright products (*)		
1 Interest rate risk (general and specific)	3.399.450	2.911.663
2 Equity risk (general and specific)	-	-
3 Foreign exchange risk	13.678.130	21.098.693
4 Commodity risk	-	-
Options		
5 Simplified approach	-	-
6 Delta-plus method	809.838	332.875
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	17.887.418	24.343.231

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

g. Explanations on operational risk:

The "Basic Indicator Method" that is mentioned in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué published in the Official Gazette no. 29511 on 23 October 2015 and entered into force as of 31 March 2016 is used in the operational risk calculation of the Bank. The amount subject to the operational risk as of 31 December 2022 is calculated once a year by using the gross income of the Bank in 2019, 2020 and 2021.

Annual gross revenue is calculated by deduction of profit/loss derived from the sale of financial assets at fair value through other comprehensive income and financial assets measured at amortised cost, extraordinary income and indemnity insurance gains from the total of net interest income and non interest income.

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	31.12.2019	31.12.2020	31.12.2021	Total/Positive GI year number	Ratio (%)	Total
Gross income	19.579.051	22.667.570	34.595.757	3	15	3.842.119
Amount subject to Operational Risk (Amount*12,5)						48.026.486

h. Interest rate risk related to banking book:

Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Interest rate risk related to the trading portfolio is followed under market risk.

ALCO performs daily management of interest rate risk in accordance with the risk limits set by the Executive Risk Committee in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.

In addition to interest rate sensitivities measured and reported weekly, daily and transaction-based analyses are also performed when significant fluctuations occur in markets.

Repricing term mismatch and duration mismatch analyses, net economic value change analyses under different interest rate stress scenarios and income simulations are used for interest rate risk management. Repricing risk, yield curve risk, basis risk and optionality are considered under interest rate risk scope.

The interest rate risk arising from banking book is calculated and reported on a monthly basis according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no. 28034 on 23 August 2011.

Calculation of the interest rate risk derived from banking books is presented below:

Currency	Applied Shock (+/- x basis points)	Gains / Losses	Gains / Shareholders' Equity - Losses/ Shareholders' Equity
TL	(400)	4.440.082	2,57%
TL	500	(4.981.959)	-2,88%
USD	(200)	(277.565)	-0,16%
USD	200	397.472	0,23%
EURO	(200)	(549.837)	-0,32%
EURO	200	649.162	0,38%
Total (for negative shocks)		3.612.680	2,09%
Total (for positive shocks)		(3.935.325)	-2,27%

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XI. 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 in 2022, 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 2,3 years and the remaining amount is USD 681.550. 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 31 December 2022, 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 31 December 2022			Prior Period 31 December 2021		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	31.550.734	18.868.111	494.476	38.163.770	15.412.862	331.573
-FC	137.049.473	4.923.523	1	122.991.616	776.704	694.631
Total	168.600.207	23.791.634	494.477	161.155.386	16.189.566	1.026.204

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 2021: 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:

Current Period: 31.12.2022

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	1.511.190	(1.573.124)	(61.934)
Cross-currency swap	Fixed interest rate FC financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	48.507	(48.327)	180
Cross-currency swap	Fixed interest rate TL Commercial Loans. FC borrowings	Interest rate and currency risk	8.096	(8.574)	(478)

(*) 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: 31.12.2021

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	(293.557)	255.051	(38.506)
Cross-currency swap	Fixed interest rate FC financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	39.753	(39.469)	284
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(91.345)	84.039	(7.306)
Cross-currency swap	Fixed interest rate TL Commercial Loans. FC borrowings	Interest rate and currency risk	44	(187)	(143)
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	8.600	(8.558)	42
Cross-currency swap	Fixed interest rate TL Commercial Loans. FC borrowings	Interest rate and currency risk	(46.140)	49.696	3.556

(*) 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 31 December 2022, 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 (38) (31 December 2021: TL 2.779).

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3. Explanations on Cash Flow Hedge:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in OCI during the period	Net gain/(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
Interest Rate Swap	Floating-rate long Term FC funds borrowed	Cash Flow risk due to changes in interest rate of funds	465.457	-	629.053	(140)	10.919
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	17.374.460	-	(49.398)	(389.885)	52.163
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	1.417.214	460.359	59.712	76.819	12.054
Interest Rate Swap	Short term FC deposits	Cash Flow risk due to changes in interest rate of funds	1.597.022	-	1.496.053	160.720	(2.583)
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	22.991	34.118	617.610	351.107	(1.851)

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

- As of 31 December 2022, related to cash flow hedge transactions, there is no remaining before tax amount in equity after amortization of the fair value change of the hedging instruments, from the beginning of hedge accounting (31 December 2021: TL 34.396).

XII. EXPLANATIONS ON QUALITATIVE DISCLOSURES ON REMUNERATION POLICIES

Explanations on Remuneration Committee

The Remuneration Committee consisting of two members from the board of directors who have no executive duties convened and evaluated the remuneration policies twice in 2022. As a result of the meeting and related evaluations, the committee decided on updating of the policies in accordance with the existing practices. The main duties and responsibilities of the Remuneration Committee have been determined briefly as follows:

- Overseeing the remuneration processes and practices with the aim of providing an independent and effective remuneration system.
- Reviewing the remuneration policy practices within the framework of the Corporate Governance principles and ensuring that the remuneration management system is up to date.
- Submitting the evaluation and recommendations on remuneration policies and practices within the framework of Corporate Governance principles to the Board of Directors as an annual report
- Reviewing as to whether remuneration policies, processes and practices comply with risk appetite, strategies and long term targets of the Bank
- Ensuring the implementation of premium payments within the framework of Corporate Governance principles.
- Determining payments to the members of the Board of Directors if they assume a different function in the bank
- Ensuring the preparation of the decisions regarding the remuneration, particularly the decisions about the remuneration of qualified employees, submitted to the approval of the Board of Directors; the regular observation of compliance and effectiveness of the remuneration policies with the risk appetite and targets of the bank; providing support and opinion to the Board of Directors with regard to the establishment and supervising of the operations of the remuneration system; overseeing the remuneration of the senior management of the units within the scope of Internal Systems

The general principles of the Bank's remuneration policy apply to all bank employees.

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Members of the Board of Directors and senior executives that have a significant impact on the Bank's risk profile are classified under the qualified employees. By the end of 2022, there are 27 employees that are considered as qualified employees in the Bank.

Information on the Design and Structure of the Remuneration Process:

While determining the Bank's wage structure;

- Internal balance of wages and budgetary opportunities,
- Job description and level of responsibility of employees,
- Individual performance of each employee,
- The overall performance of the team and general performance of the bank,
- Employee competencies,
- Compliance with the Bank's internal and external legislation

are taken into consideration.

Structured the Remuneration Policy for gaining, keeping, rewarding and motivating human resources are necessary for sustainable success to the bank is created as follows.

- Complying with the scope and structure of the Bank's operations, strategies, long-term targets and risk management structures,
- Preventing the excessive risk taking and contributing the effective risk management

Evaluation of Remuneration Process Regarding the Methods of Addressing Current and Future Risks:

In the remuneration processes, credit risk, operational risk, legal risk and reputation risk are taken into consideration with the applied risk management. The risks arising from employees during the determination of premiums are also taken into consideration. Some portion of the premium payments of the qualified employees are paid with non-cash assets indexed to the Bank's share value and some portion of them is postponed. In certain cases, written agreements have been made with these employees for the cancellation of deferred payments. In the recent year, there has been no change in the methods of handling risks in remuneration practices.

Evaluation of the Methods of Associating Premiums with Performance

Performance and risks generally determined for the Bank are considered on a preferential basis for calculating the total amount of premiums. The premium budget is distributed to the employees in line with the unit performance affiliated with individual performance and fixed income.

The units within the scope of Internal Systems have independent premium systems from Bank's performance system hence their budgets are separately managed. All decisions regarding the wage and premium processes of these units are agreed at the Board of Directors level.

XIII. EXPLANATIONS ON BUSINESS SEGMENTS:

The Bank operates in three main business segments including consumer banking, SME 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.

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

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Corporate banking, 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 31 December 2022 and 31 December 2021 presented in the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

	Consumer Banking	Commercial Banking, SME Banking, Corporate Banking and Private Banking	Treasury	Other and Unallocated	Bank's Total Activities
Current Period - 31 December 2022					
Operating Income	19.817.572	31.295.152	54.362.543	608.843	106.084.110
Profit from Operating Activities	5.016.790	26.160.260	53.095.670	(8.118.391)	76.154.329
Income from Subsidiaries	-	-	-	32.338	32.338
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	3.073.735	3.073.735
Profit before Tax	5.016.790	26.160.260	53.095.670	(5.012.318)	79.260.402
Corporate Tax	-	-	-	(19.236.318)	(19.236.318)
Net Profit for the Period	5.016.790	26.160.260	53.095.670	(24.248.636)	60.024.084
Segment Assets	190.937.387	433.472.211	374.455.783	-	998.865.381
Investments in Associates	-	-	-	23.546.995	23.546.995
Undistributed Assets	-	-	-	52.774.079	52.774.079
Total Assets					1.075.186.455
Segment Liabilities	375.880.715	293.443.729	182.118.596	-	851.443.040
Undistributed Liabilities	-	-	-	70.143.531	70.143.531
Shareholders' Equity	-	-	-	153.599.884	153.599.884
Total Liabilities					1.075.186.455

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	Consumer Banking	Commercial Banking, SME Banking, Corporate Banking and Private Banking	Treasury	Other and Unallocated	Bank's Total Activities
Prior Period - 31 December 2021					
Operating Income	9.758.016	11.224.247	2.960.129	12.818.315	36.760.708
Profit from Operating Activities	2.612.297	7.920.485	2.423.532	1.547.063	14.503.377
Income from Subsidiaries	-	-	-	5.246	5.246
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	1.557.517	1.557.517
Profit before Tax	2.612.297	7.920.485	2.423.532	3.109.826	16.066.140
Corporate Tax	-	-	-	(3.940.232)	(3.940.232)
Net Profit for the Period	2.612.297	7.920.485	2.423.532	(830.406)	12.125.908
Segment Assets	121.818.120	278.807.495	269.604.308	-	670.229.923
Investments in Associates	-	-	-	16.078.259	16.078.259
Undistributed Assets	-	-	-	22.603.113	22.603.113
Total Assets					708.911.295
Segment Liabilities	232.639.935	171.464.590	197.214.873	-	601.319.398
Undistributed Liabilities	-	-	-	31.636.946	31.636.946
Shareholders' Equity	-	-	-	75.954.951	75.954.951
Total Liabilities					708.911.295

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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 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Cash/Foreign Currency	3.041.404	7.978.757	1.953.656	7.989.419
The CBRT (*)	20.645.317	95.135.790	9.941.916	71.850.576
Other (**)	-	731.475	-	151.158
Total	23.686.721	103.846.022	11.895.572	79.991.153

(*) Precious metal account amounting to TL 3.443.117 are included in FC (31 December 2021: TL 2.001.693).

(**) Precious metal account amounting to TL 731.471 are included in FC (31 December 2021: TL 150.924).

2. Information related to the account of the CBRT:

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1.214	-	8.574	-
Unrestricted Time Deposits	-	2.330.773	-	-
Restricted Time Deposits	-	-	-	-
Reserve Requirement	20.644.103	92.805.017	9.933.342	71.850.576
Total	20.645.317	95.135.790	9.941.916	71.850.576

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 2021: between 3% and 8%); in foreign currency, it is between 5% and 31% depending on the maturity structure (31 December 2021: between 5% and 26%) as of 31 December 2022.

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

As of 31 December 2022, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2021: None) and given as collateral/blocked (31 December 2021: None).

Other Financial Assets:

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

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Later on, at the Ordinary General Assembly Meeting of LYY Telekomünikasyon A.Ş. which was held on 23 September 2019, it was decided to convert some of the loan into capital and add it to the capital of LYY Telekomünikasyon A.Ş. The nominal value of their shares increased from TL 18 to TL 1.416.090.

As of 10 March 2022, LYY Telekomünikasyon A.Ş. signed a share transfer agreement with the Turkey Wealth Fund regarding the sale of all of its shares within Türk Telekomünikasyon A.Ş. In this context, Türk Telekomünikasyon A.Ş. the sale and transfer of 192.500.000.000 Group A registered shares, corresponding to 55% of its capital, to the Turkish Wealth Fund for a price of 1.650.000.000 (full USD amount), was realized on 31 March 2022. In addition, pursuant to the Agreement, the amount corresponding to the 55% share to which LYY transferred from the dividend amount decided to be distributed by the General Assembly based on the independently audited 2021 consolidated financial statements of Türk Telekomünikasyon A.Ş. and has been paid to LYY Telekomünikasyon A.Ş.

LYY used the remaining amount from the sales amount, excluding the part required for its liabilities, to pay off its debts to the banks. Receivables amounting to TL 12.626.511, which was accounted for under "Other Financial Assets" under "Financial Assets at Fair Value Through Profit and Loss" after collection and fully provisioned, was classified as non-performing loans as of 30 June 2022, since there is no reasonable expectation for its recovery, it has been deducted from the records together with the amount of special provisions set aside within the scope of TFRS 9. The Bank's participation rate increased to 40,46% with the restructuring on 17 August 2022 and no price has been paid by the bank.

At the General Assembly Meeting of LYY Telekomünikasyon A.Ş. dated 27.12.2022, the liquidation decision was taken and the liquidation of the company was registered by the Istanbul Trade Registry Directorate on 28.12.2022. In this context, the amount of the partnership share, which was provided for in previous years and followed under the item " Non-current assets and disposal groups classified as held for sale", is deducted from the records together with its provision.

TL 2.041.238 (31 December 2021: TL 1.313.971) 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 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Forward Transactions	2.276.623	-	754.771	-
Swap Transactions	10.064.350	10.903.175	24.336.485	8.110.649
Futures Transactions	-	-	-	-
Options	9.839	709.075	14.406	271.650
Other	-	-	-	-
Total	12.350.812	11.612.250	25.105.662	8.382.299

(*) Excluding hedging derivatives financial assets.

d. Information on banks account and foreign banks:

1. Information on banks account:

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Banks				
Domestic	2.142	1.404.336	23.156	138.600
Foreign (*)	1.420.963	28.778.275	109.136	48.381.544
Head Quarters and Branches Abroad	-	-	-	-
Total	1.423.105	30.182.611	132.292	48.520.144

(*) Includes collateral of TL 7.486.972 for derivative transactions made with foreign banks (31 December 2021: TL 11.435.331).

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2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount (**)	
	Current Period 31 December 2022	Prior Period 31 December 2021	Current Period 31 December 2022	Prior Period 31 December 2021
European Union Countries	4.325.067	3.979.261	4.286.385	14.604.778
USA, Canada	8.405.815	9.877.794	1.150.802	1.147.984
OECD Countries (*)	6.523.640	16.903.000	5.357.959	1.888.214
Off-Shore Banking Regions	-	-	-	-
Other	145.565	89.305	4.005	344
Total	19.400.087	30.849.360	10.799.151	17.641.320

(*) OECD Countries other than EU countries, USA and Canada.

(**) Restricted amounts which mainly consist of collaterals related to borrowings are kept in several banks.

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

1. As of 31 December 2022, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 41.237.315 [31 December 2021: TL 39.118.367]; and those given as collateral/blocked amounting to TL 58.996.672 [31 December 2021: 27.921.542].

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

	Current Period 31 December 2022	Prior Period 31 December 2021
Debt Securities	169.972.217	95.313.952
Quoted at Stock Exchange (*)	162.536.493	92.328.602
Unquoted at Stock Exchange	7.435.724	2.985.350
Share Certificates	97.071	15.719
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	97.071	15.719
Impairment Provision (-)	5.198.633	4.648.400
Total	164.870.655	90.681.271

(*) Investment funds are included.

f. Information related to loans:

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

	Current Period 31 December 2022		Prior Period 31 December 2021	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	450.000	159	-	159
Corporate Shareholders	450.000	159	-	159
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	10.508.788	4.863.784	8.759.296	2.829.869
Loans Granted to Employees	322.086	-	177.638	-
Total	11.280.874	4.863.943	8.936.934	2.830.028

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

Current Period - 31 December 2022	Loans under follow-up			
	Standard Loans	Loans not subject to restructuring	Restructured Loans	
Loans with revised contract terms			Refinance	
Cash Loans				
Non-specialized Loans				
Loans given to enterprises	44.457.895	1.109.617	87.665	6.602.379
Export Loans	77.416.881	51.389	11.799	57.049
Import Loans	-	-	-	-
Loans Given to Financial Sector	38.460.255	207	-	162
Consumer Loans	92.226.596	2.600.386	1.164.048	146.779
Credit Cards	58.220.799	1.023.001	1.333.172	-
Other	192.668.216	415.685	2.069.264	23.319.960
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	503.450.642	5.200.285	4.665.948	30.126.329

Expected Credit Loss Stage I and Stage II	Current Period 31 December 2022		Prior Period 31 December 2021	
	Standard Loans	Loans under Follow-up	Standard Loans	Loans under Follow-up
12 Month Expected Credit Losses	3.466.203	-	1.513.243	-
Significant Increase in Credit Risk	-	6.608.115	-	5.502.190
Total	3.466.203	6.608.115	1.513.243	5.502.190

3. Breakdown of loans according to their maturities:

	Loans Under Follow-Up		
	Standard Loans	Non-restructured	Restructured or rescheduled
Short-term Loans	250.456.077	1.782.558	1.547.260
Medium and Long-Term Loans	252.994.565	3.417.727	33.245.017
Total	503.450.642	5.200.285	34.792.277

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

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

Current Period - 31.12.2022	Short-term	Medium and Long-term	Total
Consumer Loans-TL	16.262.853	74.752.442	91.015.295
Mortgage Loans	22.517	16.421.141	16.443.658
Automotive Loans	91.910	2.299.009	2.390.919
Consumer Loans	16.148.426	56.032.292	72.180.718
Other	-	-	-
Consumer Loans- Indexed to FC	-	216	216
Mortgage Loans	-	216	216
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	46.660.620	1.298.001	47.958.621
With Installment	20.100.091	1.297.905	21.397.996
Without Installment	26.560.529	96	26.560.625
Consumer Credit Cards-FC	68.410	-	68.410
With Installment	-	-	-
Without Installment	68.410	-	68.410
Personnel Loans-TL	32.393	126.927	159.320
Mortgage Loans	-	5.783	5.783
Automotive Loans	79	2.289	2.368
Consumer Loans	32.314	118.855	151.169
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	161.739	257	161.996
With Installment	75.006	257	75.263
Without Installment	86.733	-	86.733
Personnel Credit Cards-FC	770	-	770
With Installment	-	-	-
Without Installment	770	-	770
Credit Deposit Account - TL (Real Person)	4.962.978	-	4.962.978
Credit Deposit Account - FC (Real Person)	-	-	-
Total Consumer Loans	68.149.763	76.177.843	144.327.606

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Prior Period - 31.12.2021	Short-term	Medium and Long-term	Total
Consumer Loans-TL	2.659.206	55.312.555	57.971.761
Mortgage Loans	13.863	13.558.860	13.572.723
Automotive Loans	12.340	311.999	324.339
Consumer Loans	2.633.003	41.441.696	44.074.699
Other	-	-	-
Consumer Loans- Indexed to FC	-	321	321
Mortgage Loans	-	321	321
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	23.723.629	1.101.725	24.825.354
With Installment	7.522.539	1.101.003	8.623.542
Without Installment	16.201.090	722	16.201.812
Consumer Credit Cards-FC	17.283	-	17.283
With Installment	-	-	-
Without Installment	17.283	-	17.283
Personnel Loans-TL	7.277	90.425	97.702
Mortgage Loans	-	3.814	3.814
Automotive Loans	-	125	125
Consumer Loans	7.277	86.486	93.763
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	79.650	41	79.691
With Installment	27.030	41	27.071
Without Installment	52.620	-	52.620
Personnel Credit Cards-FC	245	-	245
With Installment	-	-	-
Without Installment	245	-	245
Credit Deposit Account-TL (Real Person)	2.639.476	-	2.639.476
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	29.126.766	56.505.067	85.631.833

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

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

Current Period - 31.12.2022	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	12.048.304	24.623.556	36.671.860
Mortgage Loans	67.077	1.353.369	1.420.446
Automotive Loans	3.243.506	9.517.469	12.760.975
Consumer Loans	8.737.721	13.752.718	22.490.439
Other	-	-	-
FC Indexed Commercial Installment Loans	-	2.709	2.709
Mortgage Loans	-	1.450	1.450
Automotive Loans	-	364	364
Consumer Loans	-	895	895
Other	-	-	-
Commercial Installment Loans-FC	7.111	818.084	825.195
Mortgage Loans	-	-	-
Automotive Loans	-	100.600	100.600
Consumer Loans	7.111	717.484	724.595
Other	-	-	-
Corporate Credit Cards-TL	12.099.444	279.187	12.378.631
With Installment	6.344.982	279.136	6.624.118
Without Installment	5.754.462	51	5.754.513
Corporate Credit Cards-FC	8.544	-	8.544
With Installment	32	-	32
Without Installment	8.512	-	8.512
Credit Deposit Account - TL (Legal Person)	983.429	-	983.429
Credit Deposit Account - FC (Legal person)	-	-	-
Total	25.146.832	25.723.536	50.870.368
Prior Period - 31.12.2021	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	3.083.080	13.411.389	16.494.469
Mortgage Loans	9.287	6.175	15.462
Automotive Loans	227.399	301	227.700
Consumer Loans	2.846.394	13.404.913	16.251.307
Other	-	-	-
FC Indexed Commercial Installment Loans	-	15.076	15.076
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	15.076	15.076
Other	-	-	-
Commercial Installment Loans-FC	35.587	948.327	983.914
Mortgage Loans	-	-	-
Automotive Loans	839	-	839
Consumer Loans	34.748	948.327	983.075
Other	-	-	-
Corporate Credit Cards-TL	5.167.673	66.011	5.233.684
With Installment	2.290.396	65.972	2.356.368
Without Installment	2.877.277	39	2.877.316
Corporate Credit Cards-FC	4.635	-	4.635
With Installment	-	-	-
Without Installment	4.635	-	4.635
Credit Deposit Account - TL (Legal Person)	875.173	-	875.173
Credit Deposit Account - FC (Legal person)	-	-	-
Total	9.166.148	14.440.803	23.606.951

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6. Loans according to types of borrowers:

	Current Period 31 December 2022	Prior Period 31 December 2021
Public	24.509.769	9.636.027
Private	535.840.419	343.735.803
Total	560.350.188	353.371.830

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

	Current Period 31 December 2022	Prior Period 31 December 2021
Domestic Loans	558.861.138	351.498.142
Foreign Loans	1.489.050	1.873.688
Total	560.350.188	353.371.830

8. Loans granted to investments in associates and subsidiaries:

	Current Period 31 December 2022	Prior Period 31 December 2021
Direct Loans Granted to Investments in Associates and Subsidiaries	2.541.725	1.352.221
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
Total	2.541.725	1.352.221

9. Credit-Impaired Losses Stage III Provisions:

	Current Period 31 December 2022	Prior Period 31 December 2021
Loans with Limited Collectibility	632.447	1.156.845
Loans with Doubtful Collectibility	825.923	720.526
Uncollectible Loans	9.929.954	9.727.667
Total	11.388.324	11.605.038

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

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

	III. Group Loans with Limited Collectibility	IV. Group Loans with Doubtful Collectibility	V. Group Uncollectible Loans
Current Period: 31 December 2022			
(Gross Amounts Before Specific Provisions)	34.957	96.976	854.936
Rescheduled Loans and Other Receivables	34.957	96.976	854.936
Prior Period: 31 December 2021			
(Gross Amounts Before Specific Provisions)	50.000	66.001	1.720.918
Rescheduled Loans and Other Receivables	50.000	66.001	1.720.918

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

	III. Group	IV. Group	V. Group
	Loans with	Loans with	Uncollectible Loans
	Limited Collectibility	Doubtful Collectibility	
Prior Period End Balance: 31 December 2021	1.779.809	1.063.877	14.924.860
Additions (+)	3.936.509	103.918	13.149.017
Transfers from Other Categories of Non-Performing Loans (+)	-	3.906.228	3.358.989
Transfers to Other Categories of Non-Performing Loans (-)	3.906.228	3.358.989	-
Collections (-)	645.700	541.373	2.716.807
Write-offs (-) (*)	6.904	11.366	14.128.054
Sold Portfolio (-)	-	-	802
Corporate and Commercial Loans	-	-	579
Consumer Loans	-	-	6
Credit Cards	-	-	217
Other	-	-	-
Balance at the End of the Period	1.157.486	1.162.295	14.587.203
Specific Provisions (-)	632.447	825.923	9.929.954
Net Balance at Balance Sheet	525.039	336.372	4.657.249

(*) In the current period, the fifth section of the report "b. Information on financial assets at fair value through profit or loss", LYY Telecommunication receivables amounting to TL 12.626.511, which is reported as financial assets at fair value through profit or loss, is classified as non-performing receivables, together with its 100% specific provision. Since there is no reasonable expectation regarding its recovery, it has been deducted from the records in the scope of the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided". The effect of the accounting write-off under TFRS 9 on the NPL ratio is 239 basis points. (31 December 2021: TL 1.450.497 and its effect on the NPL ratio is 39 basis points.

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

	III. Group	IV. Group	V. Group
	Loans with	Loans with	Uncollectible Loans
	Limited Collectibility	Doubtful Collectibility	
Current Period: 31 December 2022			
Balance at the End of the Period	209.018	184.569	5.971.061
Specific Provision (-)	63.434	136.763	3.424.575
Net Balance on Balance Sheet	145.584	47.806	2.546.486
Prior Period: 31 December 2021			
Balance at the End of the Period	1.086.945	207.566	5.490.778
Specific Provision (-)	675.570	125.208	3.009.581
Net Balance at Balance Sheet	411.375	82.358	2.481.197

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

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

	III. Group	IV. Group	V. Group
	Loans with	Loans with	Uncollectible Loans
	Limited Collectibility	Doubtful Collectibility	
Current Period (Net): 31 December 2022			
Loans granted to corporate entities and real persons (Gross)	1.157.486	1.162.295	14.587.203
Specific Provision Amount (-)	632.447	825.923	9.929.954
Loans granted to corporate entities and real persons (Net)	525.039	336.372	4.657.249
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-
Prior Period (Net): 31 December 2021			
Loans granted to corporate entities and real persons (Gross)	1.779.809	1.063.877	14.924.860
Specific Provision Amount (-)	1.156.845	720.526	9.727.667
Loans granted to corporate entities and real persons (Net)	622.964	343.351	5.197.193
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

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

	III. Group	IV. Group	V. Group
Current Period: 31 December 2022			
Interest accruals and valuation differences	93.443	108.193	3.473.851
Provision (-)	49.389	75.608	2.208.740
Prior Period: 31 December 2021			
Interest accruals and valuation differences	78.530	119.421	3.490.421
Provision (-)	55.145	82.141	2.089.348

11. 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.

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

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g. Other financial assets measured at amortised cost:

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

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Given as collateral/blocked	59.862.341	-	7.895.351	90.724
Subject to repurchase agreements	12.345.942	10.571.152	16.631.679	8.933.136
Total	72.208.283	10.571.152	24.527.030	9.023.860

2. Information about government debt securities:

	Current Period 31 December 2022	Prior Period 31 December 2021
Government Bonds	95.023.206	50.326.448
Treasury Bills	-	-
Other Government Debt Securities	1.811.726	1.289.549
Total	96.834.932	51.615.997

3. Information on other financial assets measured at amortised cost:

	Current Period 31 December 2022	Prior Period 31 December 2021
Debt Securities	98.157.324	52.663.336
Quoted at Stock Exchange	98.157.324	52.663.336
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	2.648	77.776
Total	98.154.676	52.585.560

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

	Current Period 31 December 2022	Prior Period 31 December 2021
Balance at the Beginning of the Period	52.585.560	41.885.059
Foreign Currency Differences on Monetary Assets	3.327.702	4.555.125
Purchases During Year	12.928.334	17.887.458
Disposals Through Sales and Redemptions	(6.056.237)	(15.853.468)
Impairment Provision	75.128	(39.254)
Change in Amortized Cost	35.294.189	4.150.640
Balance at the End of the Period	98.154.676	52.585.560

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h. Information on investments in associates (Net):

1. Information about investments in associates:

Title	Address (City / Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1 Bankalararası Kart Merkezi A.Ş.	Istanbul/Turkey	4,89	4,89
2 Kredi Kayıt Bürosu A.Ş.	Istanbul/Turkey	9,09	9,09
3 JCR Avrasya Derecelendirme A.Ş.	Istanbul/Turkey	2,86	2,86
4 Birleşik İpotek Finansmanı A.Ş.	Istanbul/Turkey	8,33	8,33

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

The financial figures stated below have been obtained from the financial statements date 30 September 2022 (*).

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	679.563	579.361	119.394	53.202	-	207.418	93.651	-
2	766.973	155.774	323.981	25.990	-	29.975	47.719	-
3	104.324	86.888	31.175	4.486	-	58.825	2.467	-
4	76.125	68.736	2.658	8.665	-	16.684	2.508	-

(*)In the table above, 31 December 2021 financial data of JCR Avrasya Rating A.Ş. is used.

3. Movement schedule of investments in associates:

	Current Period 31 December 2022	Prior Period 31 December 2021
Balance at the Beginning of the Period	18.129	14.795
Movements During the Period		
Purchases (*)	-	3.334
Bonus Shares and Contributions to Capital	828	-
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Impairment Provision [-]	-	-
Balance at the End of the Period	18.957	18.129
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 the previous period.

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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 31 December 2022 prepared in accordance with legislation in which companies are subject to.

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	AkÖde A.Ş.
Paid in Capital	360.007	96.802	10.534	740.648	142.000
Share Premium	-	-	-	-	-
Reserves	968.184	76.251	50.028	14.283.228	(14)
Gains recognized in equity as per TAS	(4.419)	(16.194)	(2.682)	-	(612)
Profit/Loss	670.272	2.126.536	416.906	3.712.886	(102.323)
- Net Current Period Profit	670.272	1.067.686	373.476	1.061.076	(99.662)
- Prior Year Profit/Loss	-	1.058.850	43.430	2.651.810	(2.661)
Development Cost of Operating Lease (-)	28	1.567	-	2.093	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	7.647	20.652	1.427	18.391	-
Total Common Equity	1.986.369	2.261.176	473.359	18.716.278	39.051
Total Additional Tier I Capital	-	-	-	-	-
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	-	-	-	-	-
Total Tier I Capital	1.986.369	2.261.176	473.359	18.716.278	39.051
Tier II Capital	98.822	786	-	238.190	-
CAPITAL	2.085.191	2.261.962	473.359	18.954.468	39.051
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	2.085.191	2.261.962	473.359	18.954.468	39.051

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

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

3. Information on subsidiaries:

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

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

The financial figures have been obtained from the financial statements as at 31 December 2022 prepared in accordance with local regulations.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	16.673.748	1.994.044	43.919	1.328.167	86.469	670.272	224.008	-
2	14.666.014	2.283.395	30.981	650.197	2.049.957	1.067.686	446.764	-
3	574.813	474.786	32.979	22.589	37.260	373.476	174.811	-
4	71.803.631	18.736.762	87.401	2.165.187	364.266	1.061.076	755.407	-
5	100.099	39.051	1.298	9.824	-	(99.662)	(43.138)	-

5. Movement schedule of subsidiaries:

	Current Period 31 December 2022	Prior Period 31 December 2021
Balance at the Beginning of the Period	16.060.130	9.605.628
Movements During the Period		
Additions (*)	70.000	10.180
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	3.073.735	1.557.517
Sales/Liquidation	-	-
Revaluation Increase (**)	4.324.173	4.886.805
Revaluation/Impairment	-	-
Balance at the End of the Period	23.528.038	16.060.130
Capital Commitments	-	-
Share Percentage at the End of the Period [%]	-	-

(*)The mentioned amounts arise from the net increase of TL 70.000 in the capital of AkÖde Elektronik Para ve Dağıtım Hizmetleri A.Ş. which is the Bank's 100% subsidiary, for the prior period considering the capital decrease of AkÖde Elektronik Para ve Dağıtım Hizmetleri A.Ş. taken into account net increase of TL 10.000, and due to the acquisition of 0.01% share of Ak Finansal Kiralama A.Ş.

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

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

Subsidiaries	Current Period 31 December 2022	Prior Period 31 December 2021
Banks	18.736.762	13.215.503
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	1.994.044	1.327.425
Finance Companies	-	-
Other Financial Subsidiaries	2.797.232	1.517.202

7. Subsidiaries quoted to a stock exchange: None. (31 December 2021: None).

j. Information on joint ventures: None (31 December 2021: None).

k. Information on finance lease receivables (Net): None (31 December 2021: None).

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

l. Information on the Hedging Derivative Financial Assets:

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	53.447	2.861.043	2.169.626	587.379
Cash Flow Hedge	18.814.664	2.062.480	13.243.236	189.325
Net Investment Hedge in a foreign operation	-	-	-	-
Total	18.868.111	4.923.523	15.412.862	776.704

m. Information on property and equipment:

	Immovables(*)	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2021				
Cost	5.018.803	2.980.515	18.691	8.018.009
Accumulated Depreciation (-)	533.246	1.655.536	-	2.188.782
Net Book Value	4.485.557	1.324.979	18.691	5.829.227
Current Period End: 31 December 2022				
Net Book Value at the Beginning of the Period	4.485.557	1.324.979	18.691	5.829.227
Additions	458.659	2.274.756	74.210	2.807.625
Investment Properties Revaluation differences	7.322.171	-	-	7.322.171
Transferred	42.185	-	(42.185)	-
Disposals (-), net	79.057	3.298	-	82.355
Depreciation (-)	184.744	569.612	-	754.356
Impairment	4.970	-	-	4.970
Cost at Period End	12.601.144	5.188.891	50.716	17.840.751
Accumulated Depreciation at Period End (-)	551.403	2.162.066	-	2.713.469
Closing Net Book Value	12.049.741	3.026.825	50.716	15.127.282

(*) Immovables includes the asset usage rights of the real estates rented under the "IFRS 16 Leases" Standard. As of 31 December 2022, asset usage rights are TL 1.061.102, and accumulated depreciation amount is TL 381.778.

	Immovables(*)	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2020				
Cost	5.107.146	2.689.411	10.224	7.806.781
Accumulated Depreciation (-)	441.204	1.409.077	-	1.850.281
Net Book Value	4.665.942	1.280.334	10.224	5.956.500
Current Period End: 31 December 2021				
Net Book Value at the Beginning of the Period	4.665.942	1.280.334	10.224	5.956.500
Additions	139.727	429.807	35.239	604.773
Investment Properties Revaluation differences	-	-	-	-
Transferred	26.772	-	26.772	-
Disposals (-), net	204.521	19.351	-	223.872
Depreciation (-)	142.363	365.811	-	508.174
Impairment	-	-	-	-
Cost at Period End	5.018.803	2.980.515	18.691	8.018.009
Accumulated Depreciation at Period End (-)	533.246	1.655.536	-	2.188.782
Closing Net Book Value	4.485.557	1.324.979	18.691	5.829.227

(*) Immovables includes the asset usage rights of the real estates rented under the "IFRS 16 Leases" Standard. As of 31 December 2021, asset usage rights are TL 766.666, and accumulated depreciation amount is TL 348.114.

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n. Information on intangible assets:

1. Cost and accumulated amortization at the beginning and end of the period:

	Current Period	Prior Period
	31 December 2022	31 December 2021
Cost	4.119.112	2.425.542
Accumulated Amortization (-)	1.467.091	959.903
Net Book Value	2.652.021	1.465.639

2. Reconciliation of movements for the current period and prior period:

	Current Period	Prior Period
	31 December 2022	31 December 2021
Opening Balance Net Book Value	1.465.640	1.168.372
Additions	1.693.570	586.581
Disposals (-), net	-	11.290
Depreciation (-)	507.189	278.024
Closing Net Book Value	2.652.021	1.465.639

o. Information on the investment properties: None (31 December 2021: None).

p. Information on deferred tax asset:

As of 31 December 2022, the Bank has deferred tax asset TL 192.285 (31 December 2021: TL 73.610). 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.

	Accumulated temporary differences		Deferred tax assets/(liabilities)	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Employee benefits	2.183.677	745.039	545.919	149.008
Stage 1 and 2 loans provisions	10.756.607	7.358.048	2.689.152	1.522.230
Differences between book value and tax base of property, plant and equipment	(2.776.126)	(2.018.402)	(694.032)	(403.680)
Differences between book value and tax base of financial assets	(18.054.479)	(14.823.845)	(4.513.620)	(3.237.791)
Investment Properties Revaluation differences	(10.383.529)	(3.119.611)	(1.526.464)	(362.222)
Other	2.656.323	11.173.619	664.082	2.234.724
Deferred Tax Asset/(Liabilities) Net			(2.834.963)	(97.731)

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

	Current Period 31 December 2022	Prior Period 31 December 2021
Cost	565.378	170.756
Accumulated Depreciation (-)	-	-
Net Book Value	565.378	170.756

	Current Period 31 December 2022	Prior Period 31 December 2021
Opening Balance Net Book Value	170.756	173.416
Additions	591.783	178.818
Disposals (-), net	197.036	179.961
Impairment (-)	125	1.517
Depreciation (-)	-	-
Closing Net Book Value	565.378	170.756

r. Information on other assets:

Other assets amounting to TL 19.757.284 (31 December 2021: TL 4.447.094) 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 – 31 December 2022:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	32.784.230	15.364.567	126.007.327	51.514.569	4.730.496	9.088.080	5.978	239.495.247
Foreign Currency Deposits	127.534.670	13.317.447	105.978.750	6.657.366	2.344.883	4.807.341	942	260.641.399
Residents in Turkey	123.054.550	12.881.851	101.026.860	6.448.554	1.484.930	2.636.813	942	247.534.500
Residents Abroad	4.480.120	435.596	4.951.890	208.812	859.953	2.170.528	-	13.106.899
Public Sector Deposits	2.229.173	6.791	84.763	1.297	800	46	-	2.322.870
Commercial Deposits	33.576.066	27.359.244	32.701.826	8.878.054	9.344.361	7.367.667	-	119.227.218
Other Institutions Deposits	777.277	480.397	4.047.773	251.217	73.528	19.213	-	5.649.405
Precious metals Deposits	33.170.247	108.459	635.352	301.858	1.402.738	164.481	-	35.783.135
Interbank Deposits	1.448.252	2.064.939	4.782.005	2.303.118	5.579.339	27.835	-	16.205.488
The CBRT	26.673	-	-	-	-	-	-	26.673
Domestic Banks	944.105	1.643.635	995.325	-	2.000.620	-	-	5.583.685
Foreign Banks	421.172	421.304	3.786.680	2.303.118	3.578.719	27.835	-	10.538.828
Participation Banks	56.302	-	-	-	-	-	-	56.302
Other	-	-	-	-	-	-	-	-
Total	231.519.915	58.701.844	274.237.796	69.907.479	23.476.145	21.474.663	6.920	679.324.762

Foreign exchange-protected deposit instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign exchange rates, is offered to bank customers. As of 31 December 2022, TL deposit amount includes TL 98.451.375 (31 December 2021: 4.875.953 TL) thousand TL deposits within this scope.

1 (ii). Prior period - 31 December 2021:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	16.220.310	17.312.809	52.488.052	290.188	819.167	1.662.919	6.767	88.800.212
Foreign Currency Deposits	95.299.954	31.442.097	88.041.307	2.440.898	2.488.855	4.311.149	1.310	224.025.570
Residents in Turkey	91.847.858	30.767.706	83.333.103	2.274.520	1.606.903	2.241.447	1.310	212.072.847
Residents Abroad	3.452.096	674.391	4.708.204	166.378	881.952	2.069.702	-	11.952.723
Public Sector Deposits	1.428.883	8.524	36.624	322	2.600	96	-	1.477.049
Commercial Deposits	13.773.179	22.543.811	15.879.382	194.556	462.797	123.863	-	52.977.588
Other Institutions Deposits	409.829	528.782	3.029.456	616.258	909.300	490.833	-	5.984.458
Precious metals Deposits	24.196.677	52.845	363.534	-	1.116.370	139.690	-	25.869.116
Interbank Deposits	1.754.508	1.297.391	7.735.717	1.980.405	1.358.720	-	-	14.126.741
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	13.092	326.476	628.901	-	1.358.720	-	-	2.327.189
Foreign Banks	351.379	970.915	7.106.816	1.980.405	-	-	-	10.409.515
Participation Banks	1.390.037	-	-	-	-	-	-	1.390.037
Other	-	-	-	-	-	-	-	-
Total	153.083.340	73.186.259	167.574.072	5.522.627	7.157.809	6.728.550	8.077	413.260.734

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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 31 December 2022	Prior Period 31 December 2021	Current Period 31 December 2022	Prior Period 31 December 2021
Saving Deposits	82.641.629	36.088.544	156.853.618	52.711.668
Foreign Currency Saving Deposits	30.778.917	26.052.560	133.373.036	121.287.412
Other Deposits in the Form of Saving Deposits	12.176.457	8.767.847	19.450.803	14.796.515
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

(*In accordance with the "Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, official institutions in the presence of credit institutions, credit institutions and financial institutions other than those belonging to the credit institutions all deposit and participation funds have been insured. In this context, commercial deposits covered by the insurance amount to TL 11.734.677 and the said amount is not included in the footnote.

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

	Current Period 31 December 2022	Prior Period 31 December 2021
Foreign Branches' Deposits and other accounts	33	40
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	2.265.541	2.457.795
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

b. Information on trading derivative financial liabilities:

Table of derivative financial liabilities (*):

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Forward Transactions	468.099	-	3.902.610	-
Swap Transactions	10.276.548	2.940.015	17.748.113	2.046.184
Futures Transactions	-	-	-	-
Options	564	272.307	-	564.124
Other	-	-	-	-
Total	10.745.211	3.212.322	21.650.723	2.610.308

(* Excluding hedge transactions.

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	217.419	2.612.509	235.575	3.020.670
From Foreign Banks, Institutions and Funds	-	61.566.831	-	50.240.568
Total	217.419	64.179.340	235.575	53.261.238

2. Information on maturity structure of borrowings:

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Short-term	206.371	3.010.180	188.072	2.094.685
Medium and Long-term	11.048	61.169.160	47.503	51.166.553
Total	217.419	64.179.340	235.575	53.261.238

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 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Bank bills	-	-	6.317.699	-
Bonds	2.716.114	19.723.455	2.394.145	20.830.603
Total	2.716.114	19.723.455	8.711.844	20.830.603

e. Information on other foreign liabilities:

Other foreign liabilities listed in "Other Liabilities" amounting to TL 5.864.329 (31 December 2021: TL 3.895.346) and do not exceed 10% of the total balance sheet.

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f. Information on financial leasing agreements:

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

Liabilities incurred due to financial leasing agreements:

	Current Period 31 December 2022		Prior Period 31 December 2021	
	Gross	Net	Gross	Net
Less Than 1 Year	222.354	101.967	149.709	67.943
Between 1-4 Years	572.553	316.650	384.315	208.890
More Than 4 Years	537.420	380.549	375.080	258.607
Total	1.332.327	799.166	909.104	535.440

g. Information on the hedging derivative financial liabilities:

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	55.317	481.616
Cash Flow Hedge	494.476	1	276.256	213.015
Net Investment Hedge in a foreign operation	-	-	-	-
Total	494.476	1	331.573	694.631

h. Information on provisions:

1. Information on reserves for employee rights:

	Current Period 31 December 2022	Prior Period 31 December 2021
Balance Sheet Obligations for:		
- Reserve for employment termination benefits	1.768.175	603.639
- Reserve for unused vacation	415.502	141.400
Total	2.183.677	745.039

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 31 December 2022	Prior Period 31 December 2021
Discount Rate (%)	0,50	3,54
Rate for the Probability of Retirement (%)	94,96	95,35

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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.

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

	Current Period 31 December 2022	Prior Period 31 December 2021
Prior Period Closing Balance	603.639	416.588
Recognized as an Expense During the Period	201.266	94.607
Actuarial Loss / (Gain)	1.033.904	155.155
Paid During the Period	(70.634)	(62.711)
Balance at the End of the Period	1.768.175	603.639

As of 31 December 2022, the Bank has allocated vacation liability amounting to TL 415.502 (31 December 2021: TL 141.400).

1. (ii). Post-employment benefits:

The Bank's obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been calculated by a registered actuary. In this context, the value of the obligation regarding these benefits to be transferred to SSI as of the balance sheet date would equal the approximate payment amount that would need to be made to SSI as part of the transfer. The actuarial parameters and results used for the calculation of this amount reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%). The deficit amounting to TL 935.201 (31 December 2021: TL 294.503) calculated according to the relevant Actuarial Report is in accordance with TAS 19 – Employee Benefits standard, service and interest costs are accounted for in profit and loss accounts, actuarial losses and gains are accounted under equity.

	Current Period 31 December 2022	Prior Period 31 December 2021
Total Obligations	(16.151.721)	(9.063.017)
Cash value of future contributions	12.388.781	6.336.667
Total Transfer Obligations to SSI	(3.762.940)	(2.726.350)
Past service obligation	(1.267.060)	(452.546)
Total Transfer to SSI and Other Obligations	(5.030.000)	(3.178.896)
Fair value of assets	4.094.799	2.884.393
Deficit	(935.201)	(294.503)

The amount of the post-employment medical benefits transferrable to SSI is calculated over discounted net present value of medical liabilities and health premiums. Movements of the Plan Asset deficit during the period is as follows:

	Current Period 31 Aralık 2022	Prior Period 31 Aralık 2021
Opening (31 December 2021)	294.503	126.263
Employer contributions	(898.934)	(498.701)
Amount recorded in the income statement (*)	797.187	666.941
Amount recorded in other comprehensive income	742.445	-
Closing (31 December 2022)	935.201	294.503

(*)The amount recorded in the income statement have been expressed in the "XI. Personnel Expenses (-) in the income statement with the employer contributions.

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The principal actuarial assumptions used were as follows:

Discount rate	Current Period 31 December 2022	Prior Period 31 December 2021
- Pension benefits transferrable to SSI	9,80%	9,80%
- Post-employment medical benefits transferrable to SSI	9,80%	9,80%
- Other non-transferrable benefits	0,50%	3,54%

Mortality rate

The CSO 1980 mortality table has been used in order to calculate the liabilities to be transferred to SSI, life expectancy at a 60 year-old men is 18 years and a 58-year-old women is 24 years in accordance with this table.

The movement in the fair value of plan assets of the year is as follows:

	Current Period 31 December 2022	Prior Period 31 December 2021
Prior period end	2.884.393	2.329.229
Actual return on plan assets	1.014.061	477.814
Employer contributions	898.934	501.937
Employee contributions	48.683	24.964
Benefits paid	(751.272)	(449.551)
Period end	4.094.799	2.884.393

Plan assets are comprised as follows:

	Current Period 31 December 2022		Prior Period 31 December 2021	
Bank placements	487.995	12%	546.798	19%
Property and equipment	44.012	1%	15.955	1%
Marketable securities and share certificates	3.487.089	85%	2.238.676	78%
Other	75.703	2%	82.964	2%
Period end	4.094.799	100%	2.884.393	100%

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

As of 31 December 2022, the Bank has no provision related to foreign currency differences of foreign indexed loans (31 December 2021: 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 457.083 as of 31 December 2022 (31 December 2021: TL 641.035).

4. Information on other provisions:

(i). Information on free provision for possible risks: TL 1.400.000 (31 December 2021: TL 1.400.000).

(ii). Information on provisions for banking services promotion: The Bank has provisions for credit cards and banking services promotion activities amounting to TL 202.113 (31 December 2021: TL 85.010).

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 31 December 2022, the remaining tax liability after deducting the taxes paid during the period from corporate tax is TL 9.585.893 (31 December 2021: TL 1.361.556).

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1 (i). Information on taxes payable:

	Current Period	Prior Period
	31 December 2022	31 December 2021
Corporate Taxes Payable	9.585.893	1.361.556
Taxation on Marketable Securities	250.818	206.958
Property Tax	3.937	2.502
Banking Insurance Transaction Tax (BITT)	477.215	287.100
Foreign Exchange Transaction Tax	27.075	69.469
Value Added Tax Payable	127.231	54.465
Other	183.425	244.305
Total	10.655.594	2.226.355

1 (ii). Information on premium payables:

	Current Period	Prior Period
	31 December 2022	31 December 2021
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	4.466	2.203
Unemployment Insurance – Employer	8.932	4.407
Other	261	123
Total	13.666	6.740

2. Information on deferred tax liability:

The Bank has deferred tax liabilities amounting to TL 3.027.248 as of 31 December 2022 (31 December 2021: TL 171.341). Information on the deferred tax asset is given in Note I-n of Section Five.

j. Information on subordinated loan (*):

	Current Period		Prior Period	
	31 December 2022		31 December 2021	
	TL	FC	TL	FC
To be included in the calculation of additional capital borrowing instruments	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	16.800.082	-	18.725.534
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	16.800.082	-	18.725.534
Total	-	16.800.082	-	18.725.534

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

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k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period 31 December 2022	Prior Period 31 December 2021
Common Stock	5.200.000	5.200.000
Preferred Stock	-	-

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

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

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

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

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

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

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

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

8. Information on marketable securities value increase fund:

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures (*)	672.071	640.548	689.213	632.663
Valuation Difference	10.460.819	(2.306.156)	1.021.928	(2.807.123)
Foreign Currency Differences	-	-	-	-
Total	11.132.890	(1.665.608)	1.711.141	(2.174.460)

(*) 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

a. Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 7.852.054 asset purchase commitments (31 December 2021: TL 21.548.480), TL 106.067.149 commitments for credit card limits (31 December 2021: TL 34.314.098), TL 4.523.116 commitments for cheque books (31 December 2021: TL 3.394.242).

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

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

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

	Current Period	Prior Period
	31 December 2022	31 December 2021
Bank Acceptance Loans	195.108	159.525
Letters of Credit	21.299.586	15.122.635
Other Guarantees and Warranties	22.638.120	14.669.298
Total	44.132.814	29.951.458

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

	Current Period	Prior Period
	31 December 2022	31 December 2021
Revocable Letters of Guarantee	3.848.901	3.007.119
Irrevocable Letters of Guarantee	47.315.452	28.770.082
Letters of Guarantee Given in Advance	14.444.317	5.813.769
Guarantees Given to Customs	3.393.112	3.041.100
Other Letters of Guarantee	27.467.110	17.238.822
Total	96.468.892	57.870.892

3. Information on non-cash loans:

- i. Total amount of non-cash loans:

	Current Period	Prior Period
	31 December 2022	31 December 2021
Non-cash Loans Given against Cash Loans	41.287.868	26.184.515
With Original Maturity of 1 Year or Less Than 1 Year	16.472.708	9.852.927
With Original Maturity of More Than 1 Year	24.815.160	16.331.588
Other Non-cash Loans	99.313.838	61.637.835
Total	140.601.706	87.822.350

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

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(ii). Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2022				Current Period 31 December 2021			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	417.532	0,62	255.926	0,35	43.137	0,13	875	-
Farming and Raising	5.183	0,01	-	-	1.096	-	-	-
Livestock								
Forestry	412.221	0,61	255.926	0,35	41.683	0,13	875	-
Fishing	128	-	-	-	358	-	-	-
Manufacturing	17.697.720	26,00	30.292.283	41,76	6.763.308	20,65	26.787.018	48,65
Mining	314.479	0,46	484.374	0,67	163.896	0,50	325.398	0,59
Production	15.559.850	22,86	25.571.376	35,25	5.466.832	16,69	23.492.000	42,67
Electric, Gas and Water	1.823.391	2,68	4.236.533	5,84	1.132.580	3,46	2.969.620	5,39
Construction	9.349.768	13,74	16.465.767	22,70	5.243.489	16,00	10.130.239	18,40
Services	37.136.325	54,56	20.699.091	28,53	19.688.067	60,08	14.406.753	26,17
Wholesale and Retail Trade	25.096.688	36,87	8.345.324	11,50	14.135.956	43,14	6.480.534	11,77
Hotel, Food and Beverage Services	861.555	1,27	534.700	0,74	225.950	0,69	627.491	1,14
Transportation and Telecommunication	1.606.499	2,36	3.632.680	5,01	967.103	2,95	2.405.909	4,37
Financial Institutions	7.549.762	11,09	7.606.906	10,49	3.853.162	11,76	4.641.504	8,43
Real Estate and Leasing Services	83.659	0,12	61.254	0,08	35.253	0,11	50.278	0,09
Self-Employment Services	928.828	1,36	459.622	0,63	94.105	0,29	4.287	0,01
Education Services	65.247	0,10	8.844	0,01	37.582	0,11	11.903	0,02
Health and Social Services	944.087	1,39	49.761	0,07	338.956	1,03	184.847	0,34
Other	3.458.213	5,08	4.829.081	6,66	1.026.410	3,14	3.733.054	6,78
Total	68.059.558	100,00	72.542.148	100,00	32.764.411	100,00	55.057.939	100,00

(iii). Information on the non-cash loans classified in Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	67.214.710	70.790.348	649.892	389.052
Letters of Guarantee	50.938.806	43.045.700	605.744	320.938
Bank Acceptances	4.785	190.323	-	-
Letters of Credit	2.058.977	19.172.494	-	68.114
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	12.651	-	-
Other Commitments and Contingencies	14.212.142	8.369.180	44.148	-

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

b. Information on derivative transactions:

	Current Period	Prior Period
	31 December 2022	31 December 2021
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	696.329.229	516.460.013
FC Trading Forward Transactions	105.655.101	54.192.584
Trading Swap Transactions	508.223.481	419.641.529
Futures Transactions	35.010.593	16.321.564
Trading Option Transactions	47.440.054	26.304.336
Interest Related Derivative Transactions (II)	276.746.134	274.213.574
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	254.209.346	246.857.930
Interest Rate Options	22.536.788	27.355.644
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	79.509.266	55.400.512
A. Total Trading Derivative Transactions (I+II+III)	1.052.584.629	846.074.099
Types of Hedging Transactions		
Fair Value Hedges	57.442.770	59.210.909
Cash Flow Hedges	111.157.437	101.944.477
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	168.600.207	161.155.386
Total Derivative Transactions (A+B)	1.221.184.836	1.007.229.485

c. Explanations on credit derivatives and risks beared due to these:

As of 31 December 2022, the Bank has credit default swap of TL 2.281.193 (31 December 2021: TL 2.292.588).

d. Explanations on contingent assets and liabilities:

1. Contingent Liabilities:

The Bank has accounted a provision amounting to TL 168.779 (31 December 2021: TL 80.597) for the contingent liabilities with a high probability of realization regarding continuing opposing trials. There are also some other opposing trials. In Addition the probability of realization of these trials is low so no cash outflow expected regarding these trials.

2. Contingent Assets:

None (31 December 2021: None).

e. Explanations on the activities carried out on behalf and account of other persons:

The policy is explained on note IX in Section Four.

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

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

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

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
Short-term Loans	31.790.051	2.207.706	13.415.346	1.064.402
Medium and Long-term Loans	25.622.436	6.351.508	15.118.739	3.366.784
Interest on Loans Under Follow-Up	535.834	-	570.096	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	57.948.321	8.559.214	29.104.181	4.431.186

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

2. Information on interest income on banks:

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
From the CBRT	-	19.967	-	-
From Domestic Banks	13.629	6.373	46.698	202
From Foreign Banks	68.658	427.388	1.364	28.476
From Headquarters and Branches Abroad	-	-	-	-
Total	82.287	453.728	48.062	28.678

3. Information on interest income on marketable securities:

	Current Period 31 December 2022		Prior Period 31 December 2021	
	TL	FC	TL	FC
From Financial Assets at Fair Value through Profit or Loss	12.959	14.528	9.009	12.356
Financial Assets at Fair Value through Other Comprehensive Income	17.623.440	3.819.792	5.146.257	1.814.235
Financial Assets Measured at Amortised Cost	38.011.270	683.285	6.678.362	406.528
Total	55.647.669	4.517.605	11.833.628	2.233.119

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 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. At the end of the year, the real inflation rate is used. Within this scope, as of 31 December 2022, the valuation of the mentioned securities was made according to an annual inflation rate of 85.5%.

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

	Current Period	Prior Period
	31 December 2022	31 December 2021
Interests Received From Investments in Associates and Subsidiaries	319.535	118.313

b. Information on interest expense:

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

	Current Period		Prior Period	
	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Banks	43.818	2.176.375	35.290	790.195
The CBRT	-	-	-	-
Domestic Banks	43.818	17.215	35.290	9.928
Foreign Banks	-	2.159.160	-	780.267
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	377.948	-	168.796
Total	43.818	2.554.323	35.290	958.991

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

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

	Current Period	Prior Period
	31 December 2022	31 December 2021
To Associates and Subsidiaries	112.598	60.670

3. Information on interest expense given to securities issued:

	Current Period		Prior Period	
	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Interest expense on securities issued	1.051.157	2.554.096	1.188.041	1.532.711

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4. Maturity structure of the interest expense on deposits:

There are no seven-day notification deposits.

Current Period - 31.12.2022	Time Deposits						Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	-	964.331	440.386	-	-	-	1.404.717
Saving Deposits	-	1.977.106	11.898.922	5.619.665	481.517	561.197	20.538.407
Public Sector Deposits	-	847	6.966	97	650	3	8.563
Commercial Deposits	-	4.987.853	3.446.006	849.648	2.079.830	449.704	11.813.041
Other Deposits	-	128.989	831.470	28.937	56.508	24.549	1.070.453
Total	-	8.059.126	16.623.750	6.498.347	2.618.505	1.035.453	34.835.181
FC							
Foreign Currency Deposits	-	530.794	1.977.460	202.449	17.577	26.706	2.754.986
Bank Deposits	3.822	18.583	296.214	215.311	271.689	1.271	806.890
Precious Metals Deposits	-	181	3.583	1.811	4.350	1.695	11.620
Total	3.822	549.558	2.277.257	419.571	293.616	29.672	3.573.496
Grand Total	3.822	8.608.684	18.901.007	6.917.918	2.912.121	1.065.125	38.408.677

Prior Period - 31.12.2021	Time Deposits						Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	-	155.061	319.285	-	-	-	474.346
Saving Deposits	-	1.826.724	8.668.597	313.423	172.842	197.596	11.179.182
Public Sector Deposits	-	1.010	4.920	203	56	15	6.204
Commercial Deposits	-	2.649.109	1.697.006	36.257	52.546	55.339	4.490.257
Other Deposits	-	67.800	324.597	25.723	107.398	60.299	585.817
Total	-	4.699.704	11.014.405	375.606	332.842	313.249	16.735.806
FC							
Foreign Currency Deposits	-	118.870	525.920	15.274	9.790	15.311	685.165
Bank Deposits	78	3.778	83.794	6.165	10.459	-	104.274
Precious Metals Deposits	-	142	1.134	73	2.419	647	4.415
Total	78	122.790	610.848	21.512	22.668	15.958	793.854
Grand Total	78	4.822.494	11.625.253	397.118	355.510	329.207	17.529.660

c. Information on dividend income:

	Current Period 31 December 2022	Prior Period 31 December 2021
From Financial Assets at Fair Value Through Profit or Loss	3.737	1.751
From Financial Assets at Fair Value Through Other Comprehensive Income	5.973	3.495
Other	22.628	-
Total	32.338	5.246

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

	Current Period 31 December 2022	Prior Period 31 December 2021
Profit	2.282.201.827	3.850.923.995
Income From Capital Market Transactions	1.879.978	791.957
Income From Derivative Financial Transactions (*)	71.705.304	56.277.730
Foreign Exchange Gains	2.208.616.545	3.793.854.308
Loss (-)	2.267.142.318	3.844.474.787
Loss from Capital Market Transactions	1.028.407	131.174
Loss from Derivative Financial Transactions (*)	84.565.921	57.119.282
Foreign Exchange Loss	2.181.547.990	3.787.224.331
Total (Net)	15.059.509	6.449.208

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL (4.173.038) (31 December 2021: TL 14.464.369).

e. 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.

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

	Current Period 31 December 2022	Prior Period 31 December 2021
Expected Credit Loss	6.859.313	5.139.830
12 month expected credit loss (Stage 1)	1.952.791	99.081
Significant increase in credit risk (Stage 2)	1.445.768	1.107.493
Non-performing loans (Stage 3)	3.460.754	3.933.256
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	3.830.656	7.791.329
Total	10.689.969	12.931.159

(*) 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.

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g. Information related to other operating expenses:

	Current Period 31 December 2022	Prior Period 31 December 2021
Reserve for Employee Termination Benefits	130.632	31.896
Bank Social Aid Fund Deficit Provision (*)	-	168.240
Impairment Expenses of Fixed Assets	6.010	-
Depreciation Expenses of Fixed Assets	754.356	508.174
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	507.189	278.024
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	125	1.517
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	9.325.726	3.929.752
Leasing Expenses on TFRS 16 Exceptions	212.846	134.294
Maintenance Expenses	127.295	68.922
Advertisement Expenses	520.323	208.801
Other Expenses	8.465.262	3.517.735
Loss on Sales of Assets	4.196	7.341
Other	2.071.770	1.126.953
Total	12.800.004	6.051.897

(*) As explained in the note of II. Explanations and footnotes on liabilities" titled " "Explanations on provisions", "XI. Personnel Expenses (-)" have been expressed in the "Income Statement XI. Personnel Expenses (-)" in the current period.

h. Fees for Services Received from Independent Auditor / Independent Audit Firm:

In accordance with the decision of the KGK dated 26 March 2021, the fee information for the reporting period regarding the services received from the independent auditor or independent audit firm is given in the table below over VAT excluded amounts. These fees include the fees for services rendered to the Bank's foreign and domestic subsidiaries.

(Excluding VAT.)	Current Period 31 December 2022	Prior Period 31 December 2021
Independent Audit Fee	10.121	4.753
Other Assurance Services Fee	2.990	1.519
Other Non-Audit Services Fee	472	988
Total	13.583	7.260

i. Information on profit/(loss) from continued and discontinued operations before tax:

The Bank's income before tax consists of net interest income amounting to TL 76.871.705, net fees and commission income amounting to TL 10.315.549 and the amount of other operating and personal expenses are TL 19.239.812.

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

As of 31 December 2022, the Bank has current tax expense of TL 19.823.331 (31 December 2021: 2.969.973), deferred tax expense of TL 5.767.410 (31 December 2021: TL 5.272.335) and a deferred tax income of TL 6.354.423 (31 December 2021: TL 4.302.076).

The Bank has no discontinued operations.

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

Net profit of the Bank is TL 60.024.084 (31 December 2021: TL 12.125.908).

The Bank has no discontinued operations.

l. Explanations on current period net profit and loss:

1. Explanation on the quality, amount and frequency of the figures of the income and expense stemming from ordinary banking operations, if necessary to understand the performance of the Bank for the current period: None (31 December 2021: None).
2. Explanation on the changes in the estimations regarding the figures on the financial statements, if there is a possibility that the profit and loss for the current or the following periods will be impacted: None (31 December 2021: None).

m. 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.

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V. EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

a. Information on distribution of profit:

The Ordinary General Assembly Meeting of the Bank was held on 28 March 2022. In the Ordinary General Assembly, it was decided to distribute TL 1.211.600 cash dividend over the TL 12.125.908 net income from 2021 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 654 to special funds account under other capital reserves, to allocate TL 95.160 as legal and TL 10.818.494 as extraordinary reserves.

General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of these financial statements.

b. Information on hedge funds:

Information on cash flow hedge:

Due to facts described in "Explanations of Hedging Transactions" section in Note XI of Section Four, there are discontinued hedge accounting transactions. As of 31 December 2022, the fair value change of the hedging instrument since the beginning of hedge accounting left after amortization has been reflected to profit/loss accounts that is shown under "hedging funds" in equity is TL (38) (31 December 2021: TL 2.779).

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

"Unrealized gains and losses" arising from changes in the fair value of securities classified as financial assets at fair value through other comprehensive income are not recognized in current year income statements; they are recognized in the "Marketable securities valuation differences" account under equity, until the financial assets are sold, disposed of or impaired.

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VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

a. Information on cash and cash equivalents:

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency, money in transit, bought bank cheques together with demand deposits at banks including the CBRT are defined as "Cash"; Interbank money market and time deposits in banks with original maturities less than three months and investment in marketable securities excluding equity securities are defined as "Cash equivalents".

1. Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
	31 December 2022	31 December 2021
Cash	37.922.801	10.012.965
Cash, Foreign Currency and Other	9.943.310	4.936.234
Demand Deposits in Banks (*)	27.979.491	5.076.731
Cash Equivalents	5.833.870	518.166
Interbank Money Market Placements	2.811.411	487.425
Time Deposits in Banks	3.016.047	28.194
Marketable Securities	6.412	2.547
Total Cash and Cash Equivalents	43.756.671	10.531.131

(*) The restricted demand accounts are not included.

2. Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
	31 December 2022	31 December 2021
Cash	27.236.842	37.922.801
Cash, Foreign Currency and Other	11.020.166	9.943.310
Demand Deposits in Banks (*)	16.216.676	27.979.491
Cash Equivalents	7.943.260	5.833.870
Interbank Money Market Placements	1.451.037	2.811.411
Time Deposits in Banks	6.492.220	3.016.047
Marketable Securities	3	6.412
Total Cash and Cash Equivalents	35.180.102	43.756.671

(*) The restricted demand accounts are not included.

b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to TL (6.566.992) (31 December 2021: TL (2.642.331) TL) consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 30.911.832 (31 December 2021: TL 40.184.402 TL) consists mainly of changes in funds from repurchase agreements, miscellaneous payables and other liabilities.

The effect of changes in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the three months periods, and amounts to TL 11.958.820 (31 December 2021: TL 10.377.982).

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

VII. 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 – 31 December 2022:

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	1.352.221	416.959	8.759.296	2.830.028	7.260	2.617
Balance at the End of the Period	2.541.725	594.490	10.958.788	4.863.943	78.905	18.261
Interest and Commission Income Received	319.535	29	1.387.170	23.277	5.709	125

Additionally, although not in the current period, in the prior period, the bank provided the German Banks Association with a "letter of undertaking" which is a commitment amounting to TL 19.415.978 relating Akbank AG to compliance with German deposit insurance law.

2. Prior Period - 31 December 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	1.352.221	416.959	8.759.296	2.830.028	7.260	2.617
Interest and Commission Income Received	118.313	39	622.960	10.305	833	24

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
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Balance at the Beginning of the Period	1.600.276	806.713	9.970.388	5.935.681	916.184	618.986
Balance at the End of the Period	1.399.573	1.600.276	11.004.604	9.970.388	1.206.207	916.184
Interest expense on Deposits	112.598	60.670	859.882	393.987	59.422	38.926

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Transactions at Fair Value						
Through Profit or Loss						
Beginning of the Period	2.416.897	3.815.631	23.469.742	10.166.262	-	-
Balance at the End of the Period	3.804.006	2.416.897	18.150.160	23.469.742	-	-
Total Income/Loss	(58.985)	(16.426)	(281.436)	(159.510)	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

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 31 December 2022, the net exposure for investments in associates and subsidiaries is TL 155.654 (31 December 2021: TL 26.815). For direct and indirect shareholders of the Bank TL (348.103) (31 December 2021: TL 2.354.032).

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

As of 31 December 2022 benefits provided to the Bank's key management amounting to TL 118.787 (31 December 2021: TL 69.252).

VIII. EXPLANATIONS AND NOTES RELATED TO DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK

1. Information on the domestic and foreign branches and representatives of the bank:

	Number	Number of Employees		
Domestic Branches	710	12.704		
			Country of Incorporation	
Foreign Representation Office	-	-	-	
				Total Assets
Foreign Branch	-	-	-	-
Off-shore Banking Region Branches	1	13	Malta	88.512.028
				Statutory Share Capital
				-

3. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure:

In 2022, the Bank has closed up 2 domestic branches.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2022

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

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

The Assistant General Manager in charge of the Technology and Operations Business Unit, Nesip İlker Altıntaş, has resigned on January 20, 2023. The technology functions of the Technology and Operations Business Unit will be carried out under the newly established Technology Business Unit, and Gökhan Gökçay, who served as the Head of the Architecture and Data Technologies Department, was the Deputy General Manager of this business unit. Operations functions were transferred under the Human and Culture Business Unit and managed by Pınar Anapa, Deputy General Manager of the Business Unit. In addition, effective from February 1, 2023 it has been decided to appoint Çetin Düz to replace Mehmet Hakan Tugal, who has been serving as the Assistant General Manager of Commercial Banking Business Unit.

With the Board Decision of the BRSA dated 31 January 2023, in accordance with the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks, in the calculation of the amount based on credit risk for TRY amount, the foreign currency items are calculated using the CBRT foreign exchange buying rate of 30 December 2022, instead of the CBRT foreign exchange buying rate of 31 December 2021 and decided to update SME and retail limits.

**SECTION SIX
OTHER EXPLANATIONS**

I. OTHER EXPLANATIONS

None.

**SECTION SEVEN
EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT**

I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements for the period ended 31 December 2022 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 31 January 2023 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.