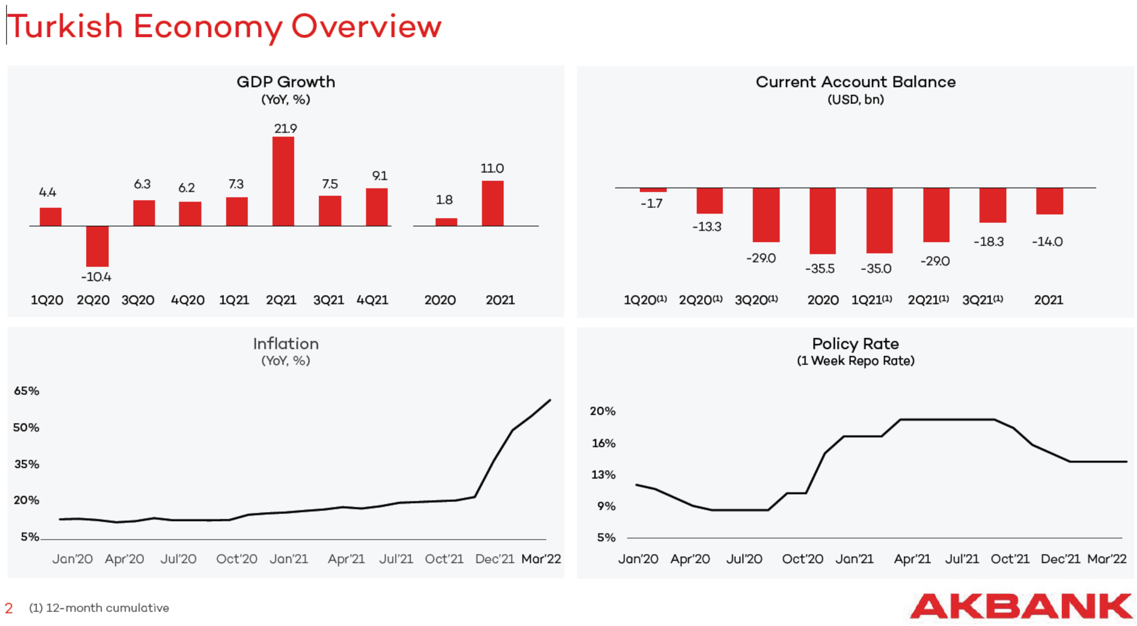

AKBANK
1Q22 Earnings Call
Management Discussion
27 April 2022
Participants:
Hakan Binbaşgil, CEO
Türker Tunalı, CFO
Ebru Güvenir, SVP, IR & Sustainability
Nazlı Çelem, VP, IR

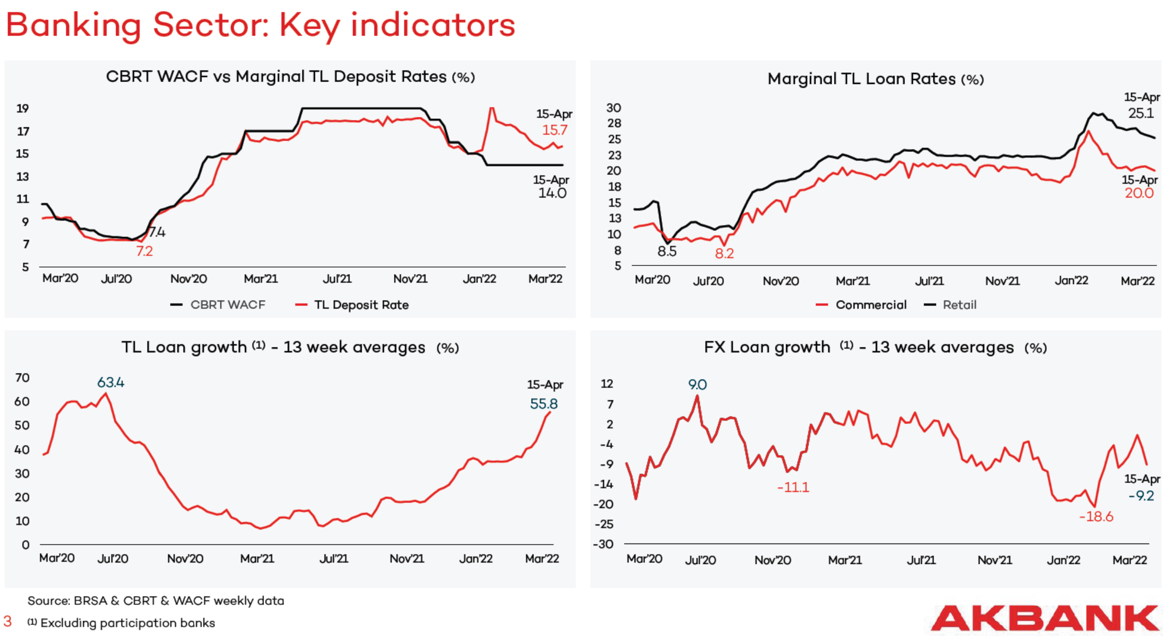


Hakan Binbaşgil:

Dear friends, this is Hakan speaking. Thank you all for joining our 1Q22 Earnings Call. I hope you are all well. And I'd like to start by expressing my deepest sympathies to all those affected by the conflict in the region. I sincerely hope that there is some resolution in the immediate future.

Today, I have Turker and Ebru with me. And before leaving the floor to Ebru to share our strong first quarter performance, I'd like to say a few words about the operating environment. Obviously, this is another challenging year, both for the world and Turkey. World is going through a very high inflationary period. We already had supply related issues after COVID. And now, on top of this, we have the war further fueling this inflationary environment. And FED, on the other side, there will be some potential several rate hikes, which will bring additional challenges. And of course, that will be specially very challenging for the EMs.

Turkey on the other side, we had a very good growth. Growth was quite positive.There's a lot of activity in the country, especially on the commercial side. We were aiming current account surplus this year. However, this is, is a little bit unlikely because of the high commodity and energy prices. But having said this, we are very optimistic about the tourism season this year. Of course, we will be losing some Russian and Ukrainian tourists, but there is quite a lot of demand from European and Middle Eastern destinations. So I think Turkey will be able to achieve around US$35 billion tourism revenue this year. And high inflation environment still continues. And of course this high energy and commodity prices were not really very helpful like the rest of the world.



The banking sector is quite healthy and quite profitable, more profitable compared to the past. And as you know, we have a new deposit scheme, that's reached around roughly speaking TL 750 billion. That was really very helpful in stabilizing the currency. And when you look at the local currency LDRs in the system, there is a significant improvement. And when you look at the local currency deposit maturities, there is also some expansion, which is also quite healthy.

On the loan side, TL loans were up like roughly speaking 22%, and the main contribution came from the business banking loans, which were up like 28%. FX loans on the other side was flat.

If you look at the operating environment that we are in, obviously there is this constant change environment that we are operating in. First of all, there is a significant change in customer needs and behavior. They are more digital, more demanding. There's a lot of regulatory change. Now digital onboarding, digital banking, and open banking these are all available in the country. So competition is evolving who have banks and non-banks as competitors and last but not the least, sustainability is actually on the rise. So these are some of the factors that we are operating in.

Banks they are actually well positioned to meet such challenges. They were embedding themselves in customer's lives, and there key strength is actually trust-based, established relationship with their customers. So that is a big plus for the banks. However, having said this, I think there will be big divergence of performance between banks, the ones who do their homework and adapt well, and the ones slow can adapting themselves to this new changing environment.

Akbank is actually is for sure, one of the best positioned banks in this environment. Our several years of consistent investments in technology and our people were critical in this. And as I have shared with you earlier this year, now, we have a new organization structure in the bank. We do not have a digital banking division anymore, because the whole bank is now digital. So we don't have a channel based organization anymore. But we have acustomer based organization with a holistic approach. And I think we are the first bank to do this because we were digitally ready to do this big transformation.

And now we have consumer banking, SME banking, commercial banking, corporate banking, and private banking. These are like different business units. And my colleagues there are in-charge of the whole customer business, and they are fully responsible, and they have a 360 degrees view of the customer. And I think this will bring us great competitive advantage in the coming months in the coming years, and we have already started seeing the results.

We are also the first bank to invest in e-money company, which is called Akode, which has been operational for some time. Actually in a way, this is our own challenger bank. And this company already has 2 million customers. And what is really more important, these are young customers. These are the future Akbank clients. So I think this is a beautiful positioning looking forward. We have been investing in block chain technologies, new technologies for quite a while, and recently, we took a significant step in the digitalization of our foreign trades. And we are the first Turkish bank to join the we.trade block chain platform, and we have just recently successfully completed our first transaction.

Another very important development which I have been sharing with you is the digitalization of our SME banking. So this is an area which has been actually overlooked by many banks, not only in Turkey but globally. We have been actually spending tremendous effort in this over the last couple of years. We launched this SME digital banking at the beginning of this year. And I have high expectations. And I am very optimistic about this looking forward.

So all these have already been reflected into our solid numbers, which Ebru will share with us shortly. There's a lot of dynamism, motivation at the bank at every level. There is significant customer acquisition. There are significant market share gains. Our number of customers increased roughly by 1 million. And this 1 million is a net figure in the last two quarters, in only two quarters. And I think this is a very significant customer gain and also an indication of Akbank's marketing capabilities. There is obviously a very significant contribution coming from the digital. And I am especially very happy about it, since we have been investing so heavily in this area for the last several years.

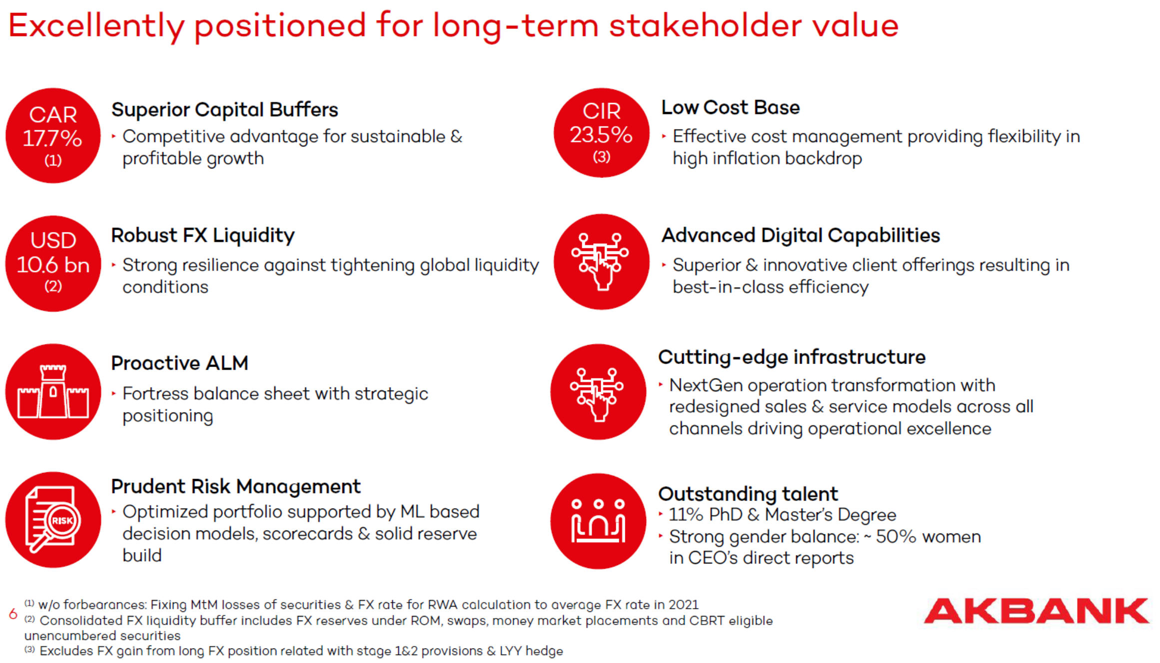
Our subsidiaries also did very well. And I think this high momentum across the board will likely to continue.

Now to our digital playbook. We have four strategic pillars, first, the digital onboarding. Actually, this became available in May last year, and Akbank does extremely well in this, because of the seamless design, seamless processes and maybe more important, the advanced analytics behind this.

Secondly, open banking, banking as a service is a key focus area for us. We have an increase in our digital footprint in the ecosystem. We have very recently relaunched our Akbank API portal. So we will be continuing with this banking as a service vision in the coming months and in the coming years.

As you know, we have been continuously stressing this mobile banking, our mobile experience, which we have been investing significantly. This mobile 3.0 transformation started in year 2019, still continuing, delivering the one of the best experiences, and not only in here maybe, maybe globally. And we have a page in our presentation. So the growth, the numbers, I think these are all very phenomenal on the digital side.

So we basically try to digitize every product, every service that we have. So our goal is to increase mobile share to 95% in financial transactions, and we are not really too far from that ambition.



So as a result, I'm very happy to say that we excellently positioned the bank despite all the volatility and the challenging market conditions. Our strategic priorities have always remained intact, and positioned Akbank to generate long-term stakeholder value.

First of all, we have superior capital buffers, which is 17.7%, the highest among the peers.Therefore, we have more ammunition for further growth in the coming months, in the coming years. We have robust FX liquidity. We are very proactive on the ALM side, maturity mismatch management, etc. We have excellent positioning on the treasury and we have one of the largest CPI-linker portfolio in the country.

And more important than this our core business development. The growth is extremely well, revenue growth is also extremely well. So no matter how you look at it and from which angle you look at, fee generation, NII generation, subsidiary income,when you look at all those developments, the growth, these are all well above inflation levels which is actually already high in the country. So this is I think something that I'm very happy about looking forward. So the number seems to be actually quite sustainable, the numbers that we will be sharing with you looking forward, we will continue. So this is my actually basic message here.

Prudent risk management. So with all the advanced technologies that we have, advanced analytics, we continue to do this in a more advanced fashion, optimized portfolios, there is a significant cost benefit analysis. So the bank is actually very advanced in those areas.

When you look at the cost base, our cost income ratio this quarter is 23.5%, and this is a record low number. We have always been extremely well in this, but 23.5%, I repeat. And this is because of the income contribution and also because of the relatively low cost base that we have, and which is actually the lowest among the peers. And I think this is particularly very important in a high global inflation environment, and thanks to our sophistication in digital transformation.

Advanced digital capabilities, I have already stressed this. So this contributes not only on the risk side, but also on the revenue generation side, customer acquisition side, cross-sell side, new sales, so that there is a significant contribution from digital capabilities.

This cutting-edge infrastructure, we have very recently designed the bank's operation center, which will further support our growth and efficiency.

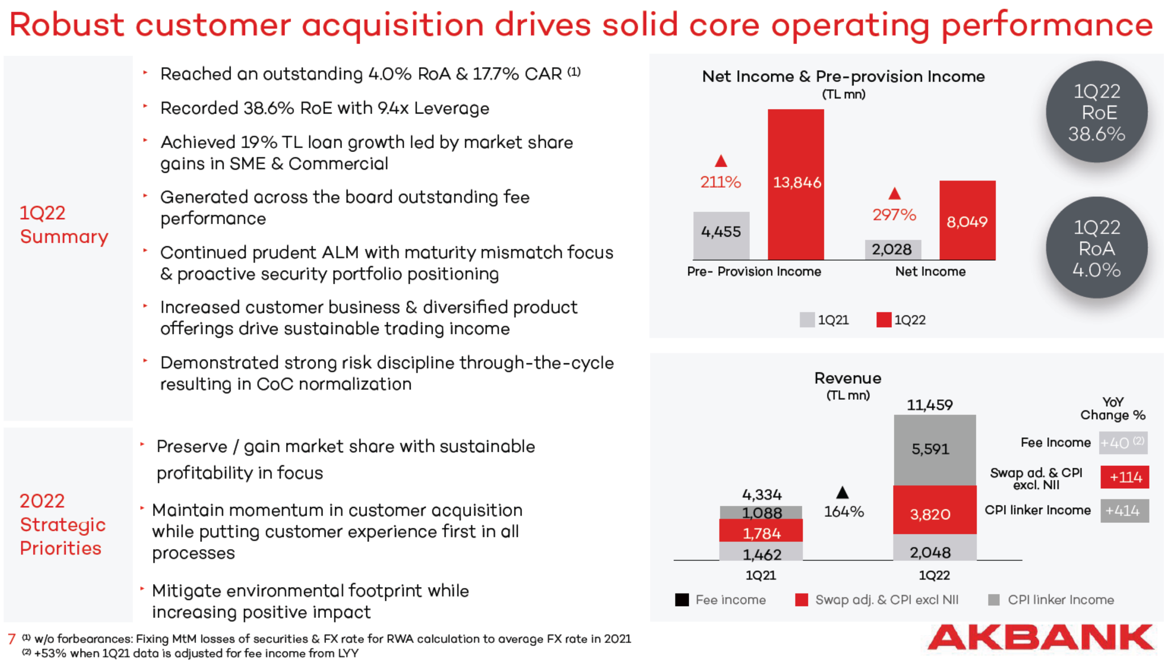
Last, but certainly not the least our more important pillar is our outstanding talent. We have been non stop investing into our future, through upskilling our people. After all, without them, none of this would bepossible. And I'd like to extend my sincere gratitude for all their hard work. I also would like to reiterate our strong gender diversity culture. And I'm very proud to say that, 50% of the direct reports to me are women, so I'm really very proud of this.

Before I pass it to Ebru, I also would like to mention an important development, which I'm sure you are all aware, which is the sale of Turk Telekom. Aside from this, one-off gains this deal also frees up 1% to 1.5% of RoE on a sustainable basis.

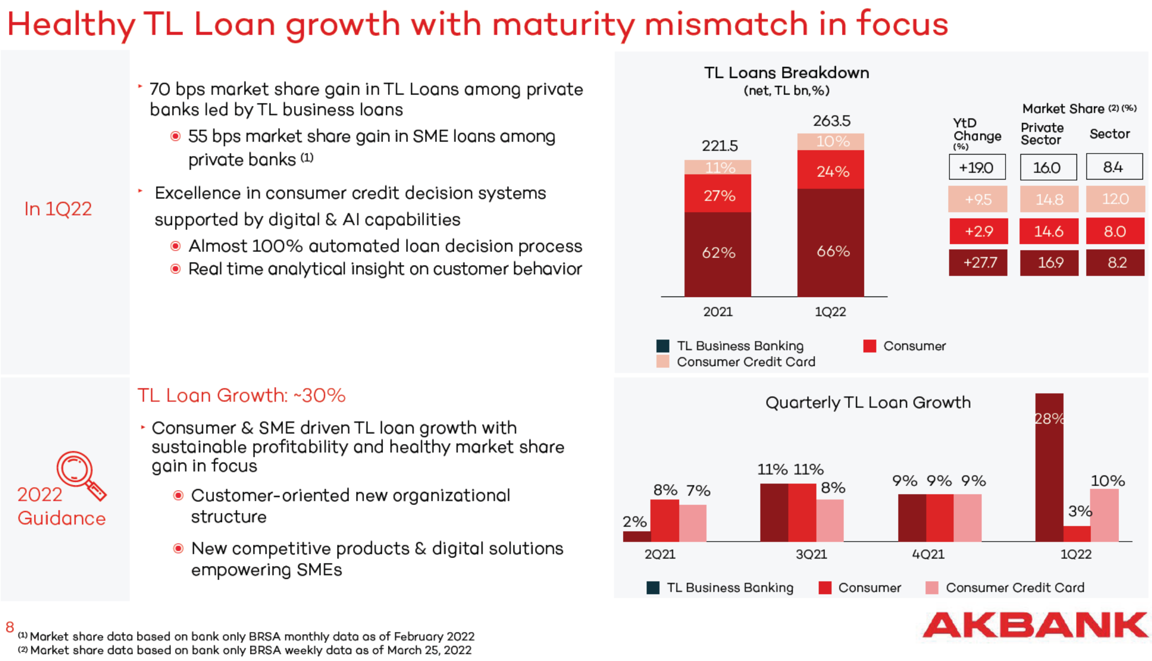
And on that note, I’d like to now leave the floor to Ebru, who will share our robust 1Q numbers with you.

Ebru Güvenir:

Thank you Hakan Bey. Hi everybody, I am very happy to be with you again today for our 1Q22 earnings call.

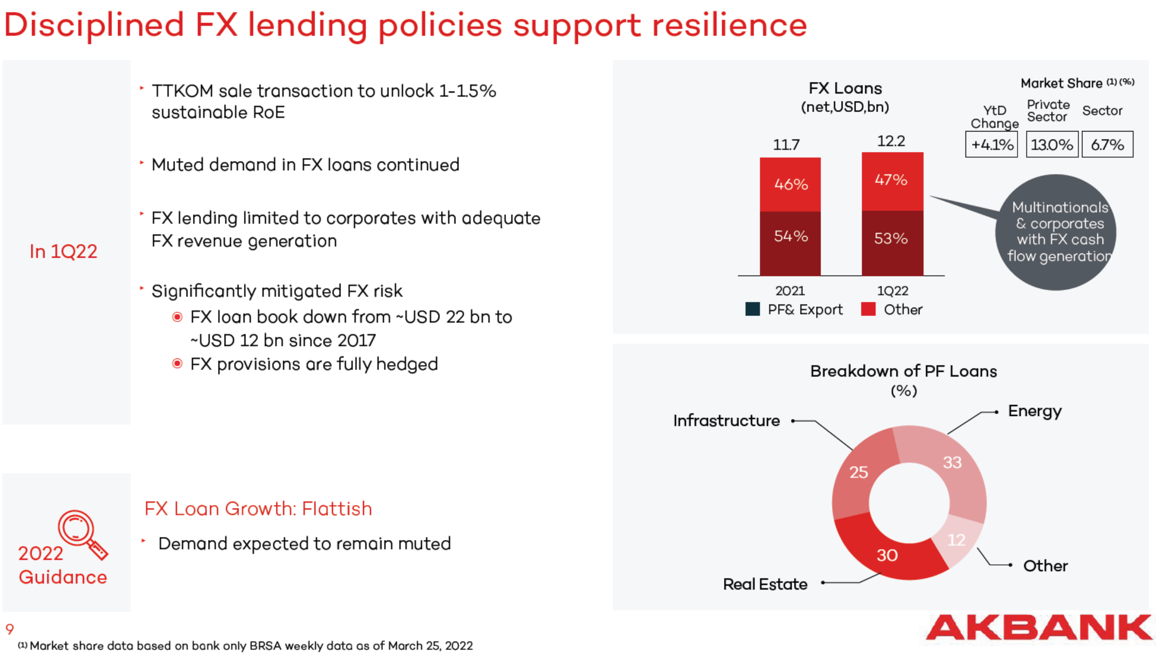


We had a remarkable start to the year. Our quarterly net income of above 8 billion TL is almost 4 times of first quarter last year. As a result, we achieved an eye-catching 4% ROA and around 39% ROE- well ahead of our guidance. We have further built capital during quarter, reaching a robust figure of 17.7%. Contributors to this outstanding performance were across board, as guided. Our strong performance at the start of the year, makes us even more confident in beating our guidance in general, especially for the bottom-line. So let’s now dive deeper into this solid performance.

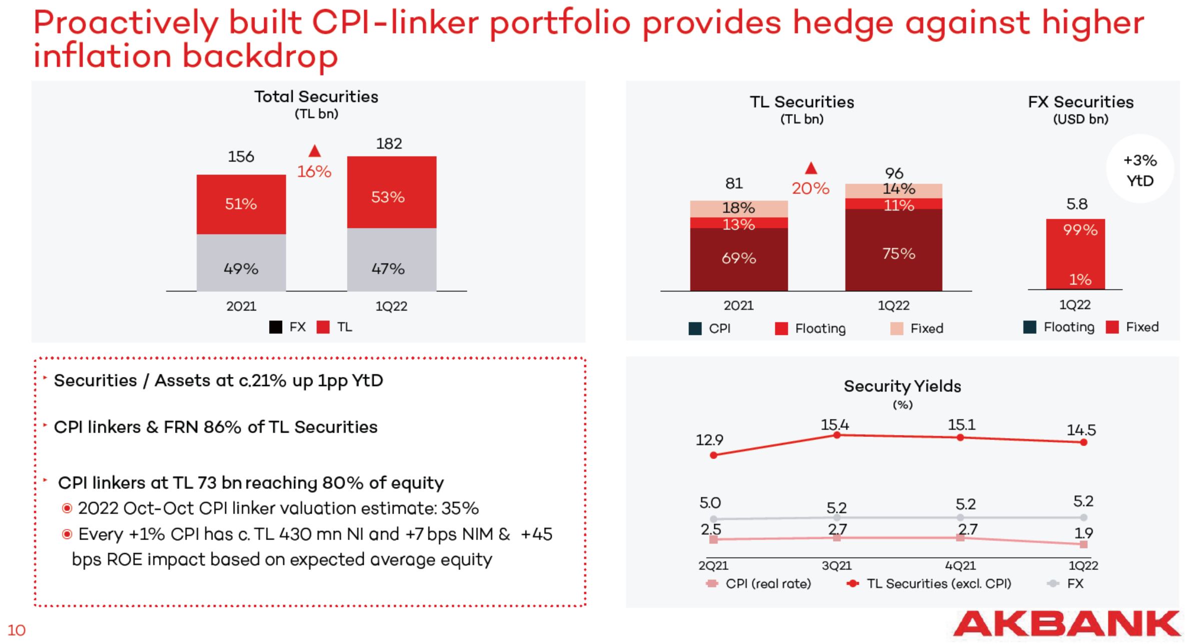


Our TL loan growth has been stellar during the Quarter up 19% ytd, indicating a run rate that will beat our FY guidance of 30%. On top of last year's 60 bps market share gain in TL loans among private banks, we further added 70bps in 1Q. Main contributor ytd was business banking up 28%. In business banking, once again - I would especially like to highlight our success in the SME segment, where we gained close to 60bps market share among private banks. This segment's 1Q volume growth is equal to all of 2021, thanks to our ongoing momentum in customer acquisition and new product offerings. Our new 360 degrees customer focused organization structure, and comprehensive SME movement package, designed to empower SME's, both which Hakan Bey just mentioned, have definitely been among the supportive factors in this success.

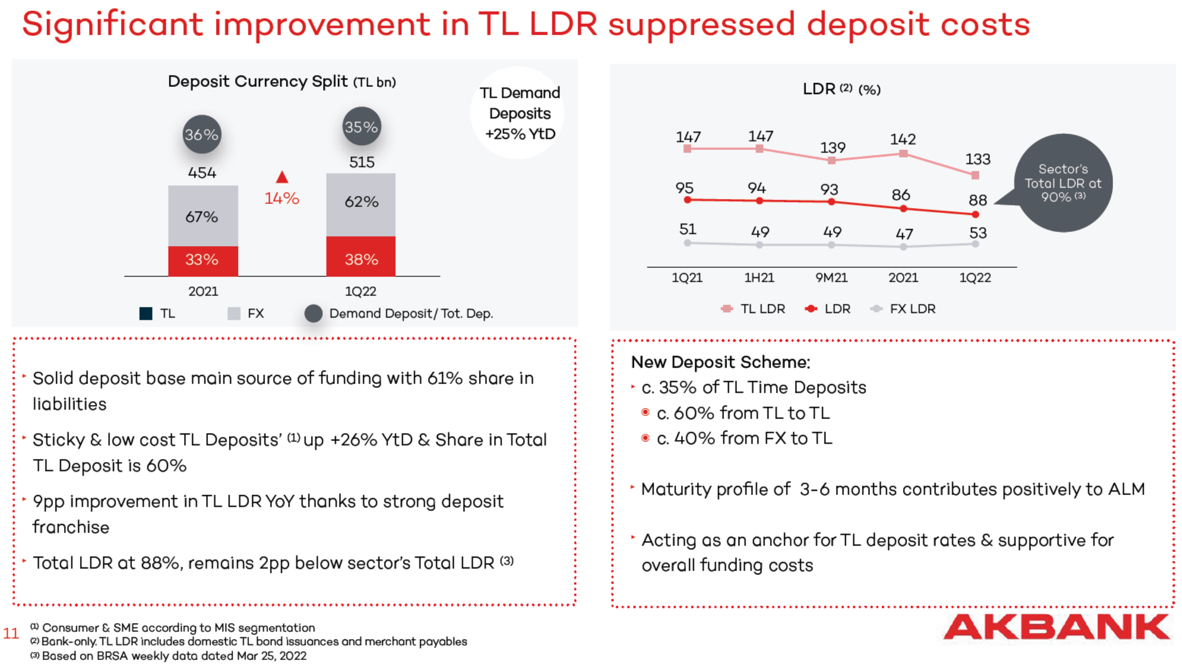
Following our consecutive market share gains in consumer loans of 160 bps last year, we started the year more flattish, up 2.9% on this side. Which is inline with both sector and private banks. Due to the global uncertainties, while growing, we have been very careful in our maturity mismatch. To that extend we have been active in variable loans such as CGF. TL 6bn of CGF loans have been granted in 1Q. These are small ticket loans, which are all variable.



Over the last few several years, we have already taken several actions to mitigate FX risk and feel comfortable with our delevered FC book. Also, most importantly, as Hakan Bey just mentioned, with TTKOM's sale we will now be able to generate 1-1.5% sustainable ROE going forward. Our net FX loans grew by 4% yoy vs our low base of YE. We still observe muted demand for investment loans… also given volatile currency environment, we do not expect imminent change to this trend. Which is inline with our flattish FC loan growth guidance of this year.

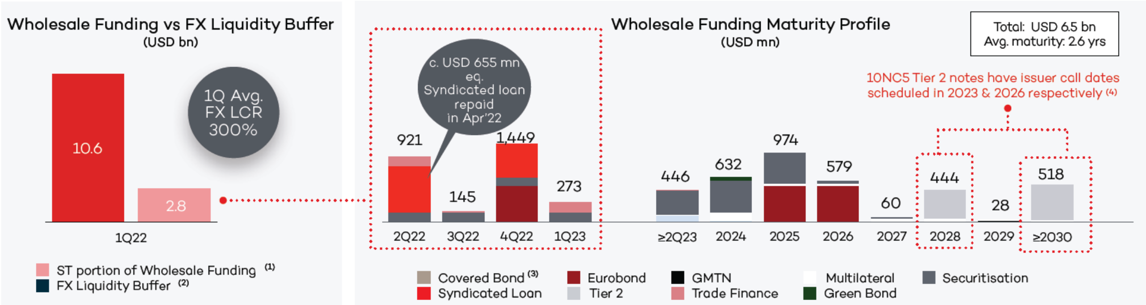


Our Treasury once again did a phenomenal job last quarter. The fixed portion of our TL securities has declined to only 14% and a quarter of that with low yield will be maturing in 2 quarter. Ytd increase in TL securities took place due to CPI linkers, which are now 75% of the total. This portfolio now equates to 73 bn TL, reaching 80% of the total equity. Our main purchases in CPI-linkers took place in January after which we maintained our market share. As you may remember, our Oct-Oct CPI-linker valuation estimate was 30% in our guidance. Taking into consideration recent trends, we have revised it to 35%. Every additional 1% CPI will have around TL 430 mn NI, 7 bps NIM and 45 bps ROE impact, based on this year's expected average equity. Therefore, along with our customer based revenue growth, CPI-linkers will also be a supportive factor for NII. As for our FC securities, we are hedged against global rate hikes.



On the funding, we maintained our focus on well-diversified and disciplined funding mix. Deposits continue to be our main source of funding equating to 61% of total liabilities. Our TL deposits were up strongly by 31%, increasing its share in our total deposits and resulting in an eye-catching 9ppts improvement in our TL LDR to 133%. Our solid customer franchise, customer acquisition along with the new deposit scheme were supportive factors. The new deposit scheme amounts to 35% of our TL time deposits, of which 40% have 6 month maturity. The renewal of the ones that have been maturing recently continues to be strong. Worth to mention that our sticky low cost TL deposits & zero cost demand deposits were up by 25% and 26% ytd. Our FC deposits, on the other hand, were down by 4% in USD terms...which is again a result of the new deposit scheme. However, our sound FX liquidity with an FX LDR of 53% remains as one of our strong muscles.

ESG remains key priority in wholesale funding



- In March, paid back USD 500 mn 10NC5 Tier 2 notes, which was pre-funded in Jun'21 via Sustainable Tier 2 issuance
- In April, successfully rolled-over syndicated loan with Akbank's 3rd ESG-linked loan amounting to USD 700 mn
  - Akbank's first SOFR facility, priced without credit adjustment spread
  - 32 banks (3 new) from 15 countries participated with final roll-over ratio at 108%
  - Improved performance criteria of energy sourcing of the Bank & utilizing a new KPI of replacing credit cards with recycled PVC credit cards, a first in Turkey
- Total sustainable funding share in wholesale transactions are at 45%

As communicated regularly to our investors, we continuously evaluate opportunities as part of our prudent and diligent liquidity and capital management and to duly take the necessary actions. In this regard, we continuously monitor windows of opportunities to issue debt instruments in Turkish lira or foreign currency, domestically or abroad, including senior and/or Tier 2 issuances. We will promptly inform our investors on any developments accordingly.

Balances based on principal outstanding and bank-only MIS data

12 (1) ≤ 1 year tenor

(2) Consolidated FX liquidity buffer includes FX reserves under ROM, swaps, money market placements and CBRT eligible unencumbered securities

(3) USD equivalent of TL 1.4 bn Covered Bond issuances

(4) Call exercise in year 5 is subject to BRSA approval

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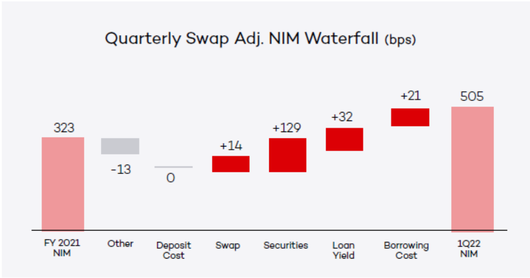
We kept our balanced funding profile along with robust FC liquidity. Our 1Q average FC LCR was solid at 300%. And our FC liquidity buffer was noteworthy at around USD 11bn, versus our next 12 months rollovers around USD 3bn of which USD 655n was already repaid & refinanced with an ESG-linked USD 700m loan in April. Please note that we have also paid back our prefunded USD 500m Tier 2 in March. Due to our ample FX liquidity and low FX loan demand, we will continue to be opportunistic in our borrowing strategies, prioritizing sustainable funding while extending overall maturity.

Solid NIM performance indicates beat to FY guidance

In 1Q22

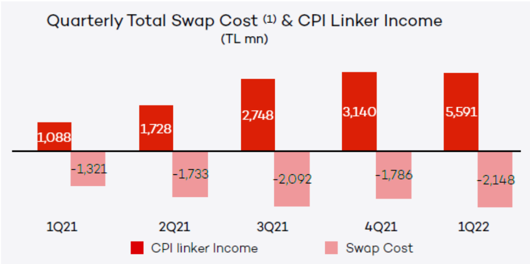
- Sound NIM improvement of 182 bps YtD
  - Benign funding costs & ongoing asset repricing
  - Strategically built CPI-linker portfolio
- Every +1% CPI has c. TL 430 mn NI and +7 bps NIM & +45 bps ROE impact based on expected average equity
- 2022 Oct-Oct CPI linker valuation estimate: 35%
  - 40 bps NIM impact vs 30% estimate in guidance



2022 Guidance

NIM (Swap Adj.): ~ 150 bps YoY improvement

- Asset repricing to continue
  - Dynamic maturity mismatch management
  - Growth in high margin segments to support NIM
- Proactive securities management with significant CPI linker portfolio build



13 (1) Includes short and long-term swaps

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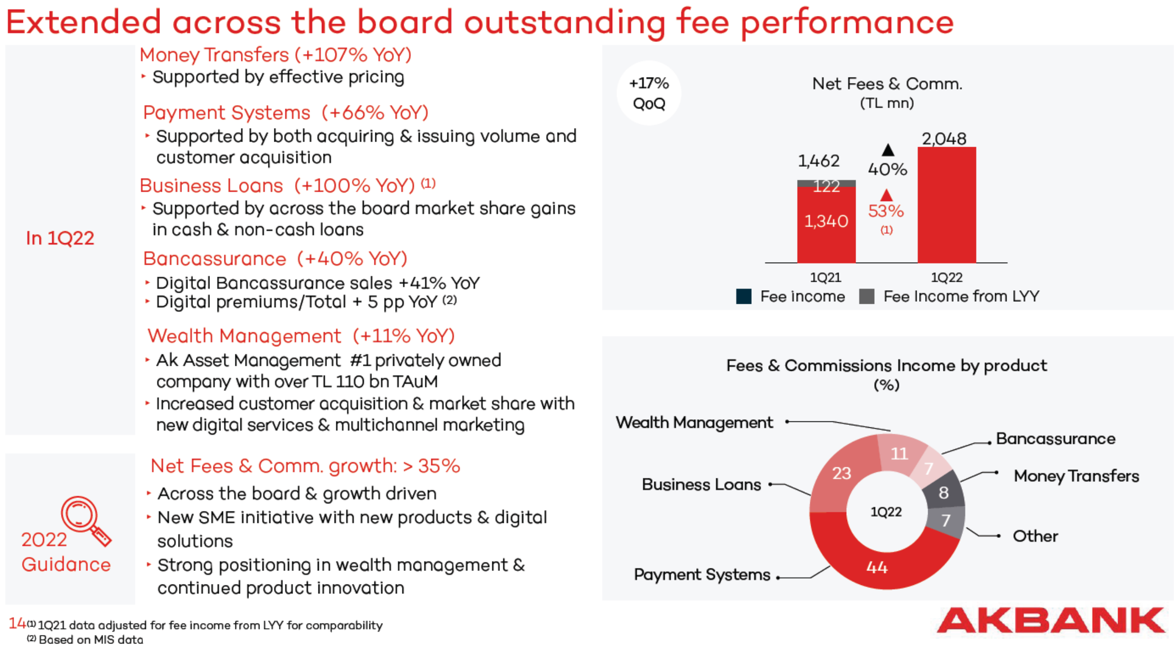
Our dynamic asset liability management, benign funding costs, ongoing asset repricing as well as our strategic & timely positioning in CPI-linkers have all contributed to our 182 basis ytd NIM improvement.

Even excluding 40bps CPI- adjustment impact coming from 35% CPI estimate vs 30% shared during our guidance, I am very happy to share that we have almost reached our FY guidance for NIM.

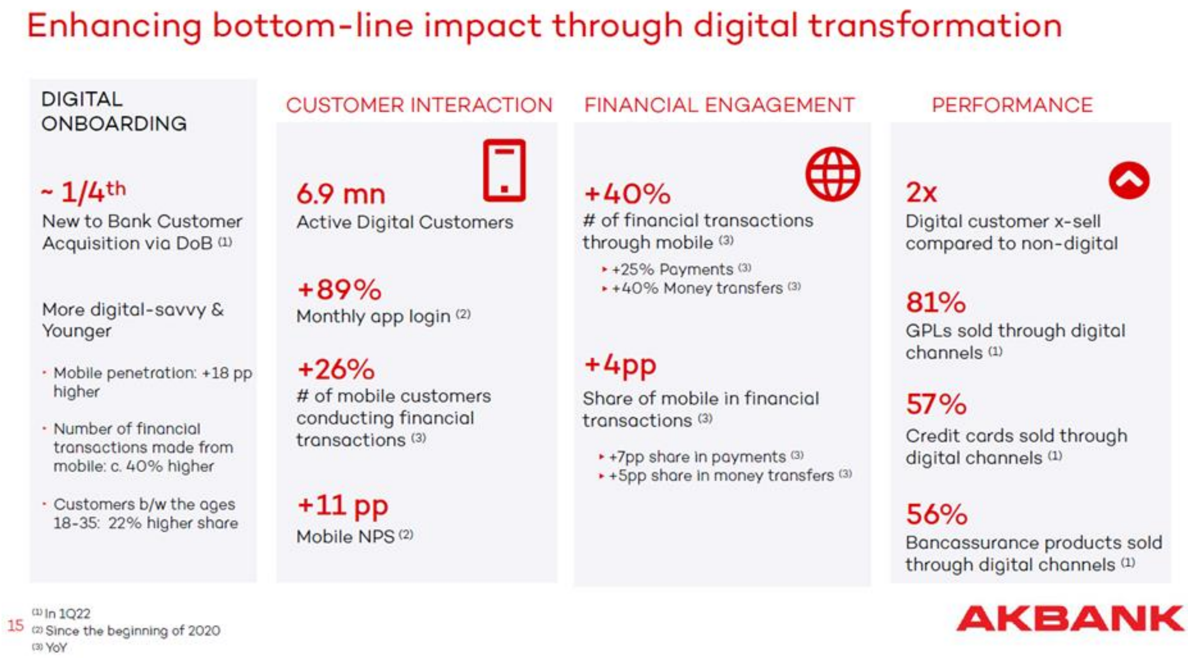
Going forward, assuming current interest rate environment prevail, we have confidence in beating our guidance.



On the commission revenue side, we had an outstanding performance across the board, up 40% yoy. As you can recall, last year in 1Q we had a one-off commission gain from LYY, adjusted for that, our yoy fee income was even more eye-catching at 52%.

As you can see on this slide, all businesses have positively contributed to the revenue base, indicating the sustainability of our fee generation Reasons behind this accomplishment: Customer oriented solutions leading to customer acquisition, product innovation and diversity, increased transactions, pricing due to either ccy or inflation, and, the success of our digital channels all played a role.

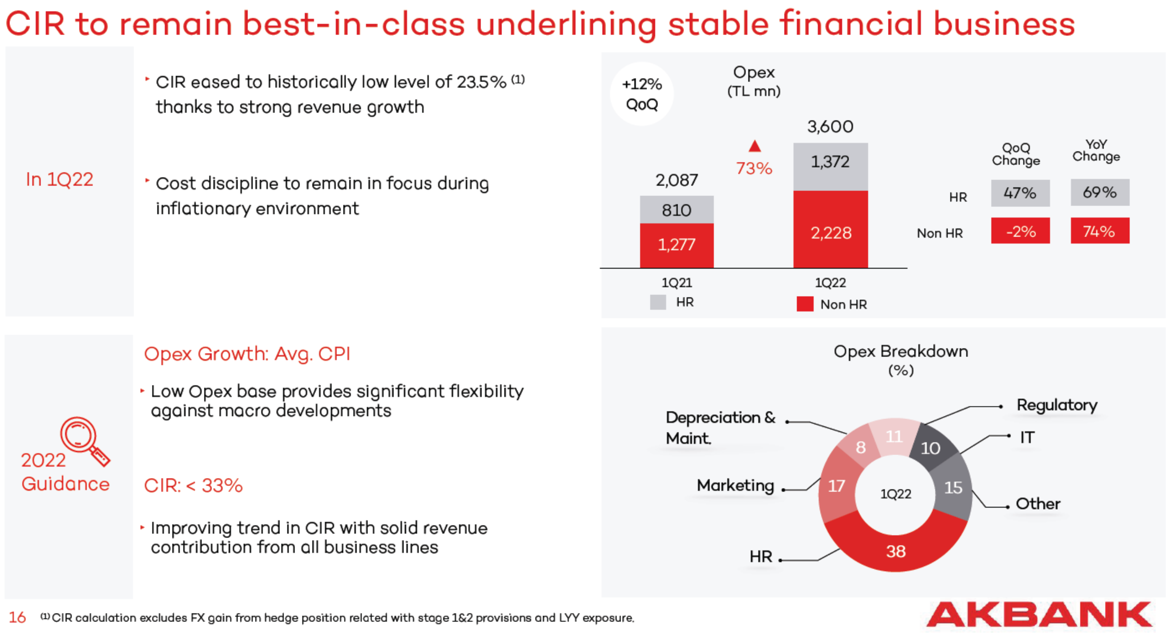
Going forward we believe fee income will be another area where we will beat our guidance.



We continue to leverage our digital capabilities with our 6.9mn active digital customers. Our digital strategy- which is based on our customer's journey, has enabled us to gain record-breaking net customer growth for two consecutive quarters of close to 1m. Close to ~1/4th of NTB customer acquisition is realized through DoB. Customer growth has been reflected to our numbers.

There has been solid growth in the number of broad-based customer deposits. We reached around 3x the net growth level of last year in only one quarter. Also, monthly number of customers from which we collect commission is all time high, which solidifies our fee performance for the coming periods. On this slide, please notice that digital interaction is also at its highest level. There was 40% YoY growth in daily financial transactions and 26% YoY increase in number of mobile customers conducting financial transactions. During the quarter, we further enriched our digital channels' sales and service capabilities and these efforts are delivering promising results. e.g. Automatic billing order performance from mobile increased throughout the quarter, setting a new all-time high which is important for demand deposits. We also broke a new ground in commercial cards with our Digital-first Commercial Credit Card. SMEs can now start to use their cards instantly for internet spending and mobile payments without physical cards.

To sum up, we will continue non-stop to invest in our digital customer experience. Our mobile NPS being up by +11 pp since the beginning of 2020 also underlines the success of this commitment.



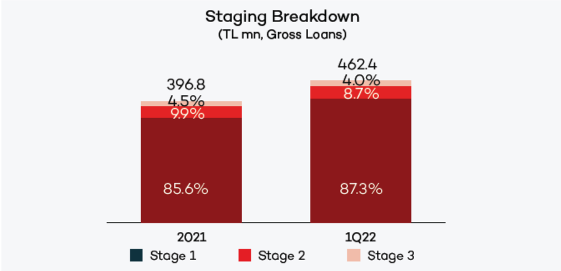
This year will be a challenging year, due to high global inflationary pressure as well as pass-through of weaker currency of last quarter. We have a low cost base but still cost discipline remains in focus.

With our significantly high revenue generation, CIR further improved to historical low level 23.5% this level is obviously not sustainable in the long-term however we feel very confident that our CIR will remain well below our FY guidance this year.

Healthy loan portfolio composition

In 1Q22

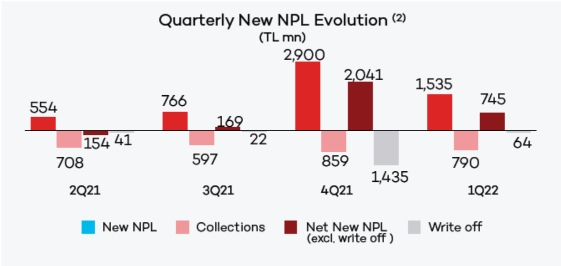
- Asset quality performance remains solid as guided
- No net inflow into Stage 2 excluding currency impact, for which provisions are hedged
- Broad- based collection performance continued in 1Q22



2022 Guidance

2022 FY NPL ratio: ~ 4% (1)

- We do not expect a material increase in NPL inflow
- Collection performance expected to remain robust



17 All restructured loans (TL 26.4 bn) are followed under Stage 2
1Q22 NPL ratios by segment: Business 4.2%, Consumer: 3.0%, Credit Cards: 4.0%
(1) Including potential write-off & NPL sales
(2) Bank-only

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This quarter there were no net inflows into stage 2 when excluding currency impact, for which provisions are hedged. As a result our stage 2 declined to 8.7%. Also, across the board collection performance remains strong. As for stage 3, the inflows were broad-based. Since we have taken necessary actions on all major files, we believe there won't be a material increase in NPL inflows, therefore expect our NPL ratio to be around 4% this year.

CoC evolution demonstrates long-term proactive risk management

In 1Q22

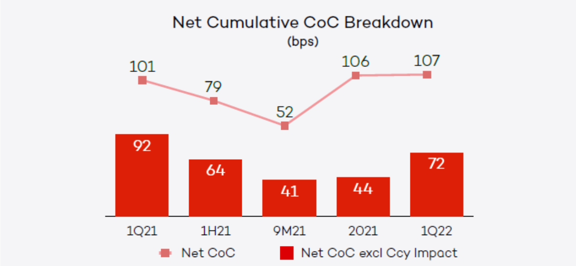
- CoC performance underlines proactive provisioning
  - Positive impact coming from improved collateral values & ongoing strong collections
  - 30 bps impact in CoC due to model recalibration
- Maintained solid coverage ratios with further provision build
- FX provisions are hedged

2022 Guidance

2022 CoC (excl. Currency): ~ 100 bps

- Significant provision build & solid collateral values to limit additional provision need
- No change expected in coverages

(%)	2021	1Q22
Stage 1 Coverage	0.5	0.5
Stage 2 Coverage	14.0	14.3
Stage 3 Coverage (1)	65.3	65.7
Free Provisions	TL 1,400 mn	TL 1,400 mn
Total Provision Build (2)	TL 18.7 bn	TL 19.8 bn



18 (1) Adjusted for TL 1.4 bn write-off in 4Q21 Stage 3 Coverage ratio is 67.9%
(2) Excluding MtM for LYY & free provisions

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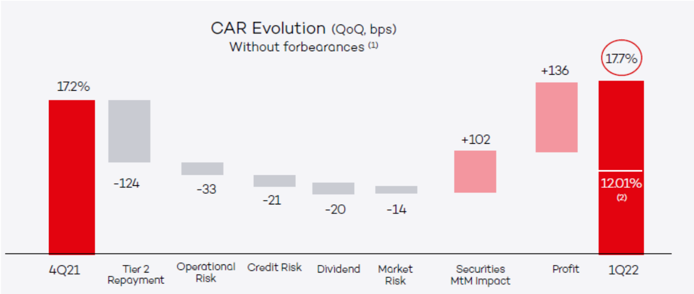
Our CoC evolution underlines our proactive provisioning. We had a model update in the 1Q, which had around 30 bps impact. Also, improved collateral values and ongoing strong collection performance contribute positively to our CoC evolution. As a result, our net CoC excluding currency has remained low at 72bps, thanks to our strong risk discipline through the cycle. Including currency impact, our net COC would be at 107bps – flat vs end of last year. Our coverage ratios for all 3 stages remained at their YE levels, which is inline with our guidance. We believe our significant provision build and solid increases in collateral values limit the need for additional provisions.

Superior capital buffers provide significant competitive advantage to unlock franchise power



Sensitivity of Solvency Ratios:

- 10% TL depreciation: c. 70 bps
- 1% NPL increase : c. 30 bps

(%, TL bn)	CAR	Excess Capital (3)	Tier 1	Excess Tier 1 (3)	CET-1	Excess CET-1(3)
Without forbearances (1)	17.7%	33.8	14.4%	26.2	14.4%	35.1
With forbearances (1)	22.0%	49.0	18.3%	40.6	18.3%	48.0

(1) Fixing MtM losses of securities & FX rate for RWA calculation to average FX rate in 2021
(2) Min Basel III required: Including buffers (Capital Conservation Buffer: 2.50%, D-SIB Buffer: 1.50%, Countercyclical Capital Buffer: 0.01%)
(3) Basel III min. requirements: CAR: 12.01%, Tier-1: 10.01%, CET-1 8.51%

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Record high profitability also reflected onto capital position as our internal capital generation added 136bps to our total Capital. Excluding BRSA forbearances, our total capital further improved by 50bps to 17.7%. And please note that this improvement was despite, Repayment of Tier 2 during 1Q, significant growth, operational risk – which a sectoral implementation during first quarter every year.

Also, I would like to underline the 150bps QoQ improvement in our Tier 1 and CET 1 ratios to 14.4%. Our sound capital buffers serve as shield against unprecedented challenges and volatility, and also create significant ammunition for sustainable profitable growth. Our important competitive advantage on the Capital side continues at full pace.

2022: Leveraging our strength while carrying out priorities

	2022 Guidance	1Q22
TL Loan Growth	~ 30%	19.0%
FX Loan Growth (in USD)	Flattish	4.1%
NIM (swap adj.)	~150 bps improvement	+182 bps
Net fees&com. growth	> 35%	40.1%
Opex growth	Avg. CPI	72.5%
Cost/ income (1)	< 33%	23.5%
NPL (2)	~ 4%	4.0%
Net total CoC (excl. ccy impact)	~ 100 bps	72 bps
ROE	~ 30%	38.6%

2022 Guidance Key Drivers

- Our robust 17.7% CAR (3) & 14.4% Tier 1 (3) creates ammunition for sustainable profitable growth while providing resilience
- TL loan growth with sustainable profitability and healthy market share gain in focus
- Tailor-made solutions for customers' transition to a low carbon economy
- Asset repricing, contained funding costs & proactive CPI linker positioning to be supportive for NII growth & NIM
- Improving trend in CIR with solid revenue contribution from all business lines
- Significant provision build & solid collateral values to limit additional provision need

1Q22
Cheat sheet

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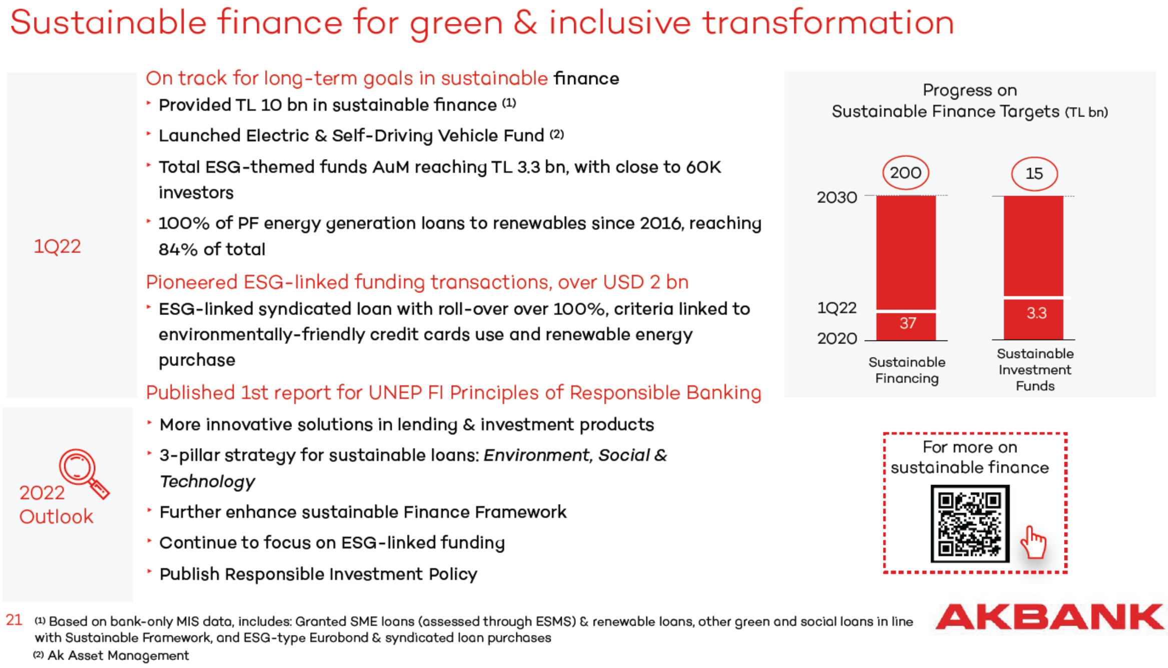
20 (1) CIR calculation excludes FX gain from hedge position related with stage 1&2 provisions and LYY exposure
(2) Including potential write-off & NPL sales
(3) w/o forbearances: Fixing MtM losses of securities & FX rate for RWA calculation to average FX rate in 2021

On this slide, you may find the summary of our financial performance. We have almost outperformed on every metric, and believe there is material upside to our FY ROE guidance.



Moving on to our achievements in ESG. In line with our long-term strategy, we continued to work on mitigating our environmental footprint while increasing our positive impact. We are well on track for delivering our sustainability targets across the board. In 1Q22, we provided TL 10 billion sustainable finance. Since the commitment at the beginning of last year, total sustainable loans have reached TL 37 billion. This performance was driven by our market expertise in offering our clients products and services for a transition to a low-carbon economy. The progress so far indicates that we are very likely to exceed our 10-year target of TL 200 bn. On the sustainable investments side, our subsidiary Ak Asset Management introduced Electric & Self-driving Vehicles Fund in Q1. There has been good demand for this fund new fund so far. The total AuM of our ESG-themed funds has reached TL 3.3 bn, up from TL 2.5bn at YE.

Innovative products & services to enhance businesses and financial health

1Q22

Empowering SMEs with financial support

- Over TL 500 mn provided to women-owned SMEs with EBRD cooperation
- New partnerships with e-commerce giants Hepsiburada, Çiçeksepeti

Non-financial support for SMEs

- "Green transformation" themed seminars with UNDP and industry organizations Turkonfed & KAS to continue in 2022
- Collaboration with Frankfurt School and EBRD for woman-owned SMEs, with mentorship and thematic workshop
- E-SME Program for women entrepreneurs with TOBB and Akbank Transformation Academy

2022 Outlook

- Launched first of its kind, comprehensive SME Movement Package in Turkey, empowering SMEs through digital solutions
- Akbank Transformation Academy to offer seminars, customized training programs, networking opportunities and collaborations for SMEs, to support their digital & green transformation

For more on how we empower SMEs

22

AKBANK

Our impressive performance in our SME segment was also supported by our tailor-made solutions we offered to women-owned businesses, which has significant untapped potential. We supported women entrepreneurs, both through access to financial and non-financial resources. We granted close to 500 million TL loans to women entrepreneurs in Q1, with the fund provided by EBRD. We observed strong demand, a testament to our foresight in tapping the potential of this underserved but critical group of businesses. In collaboration with EBRD and Frankfurt School, we also provided women business owners with non-financial resources, such as support to gain critical skills, networking opportunities, one-on-one mentoring and so forth. In addition to these, we also support our SMEs by strengthening our SME ecosystem. In line with this holistic approach, we continue to collaborate with e-commerce companies.

Empowering our people and communities

1Q22

Further strengthened Diversity & Inclusion

- Strong gender balance: ~ 50% of CEO's direct reports women
- Zero Tolerance to Violence Guide published
- Expanded paid parental leave to 10 days for men
- Entered Bloomberg Gender Equality Index for 2nd time

Akbank Youth Academy

- Upskilled 4K young people for job market, partnerships with Microsoft, Pearson & UPSchool

Our communities

- Endeavor Boost the Future Accelerator Program

For more on D&I

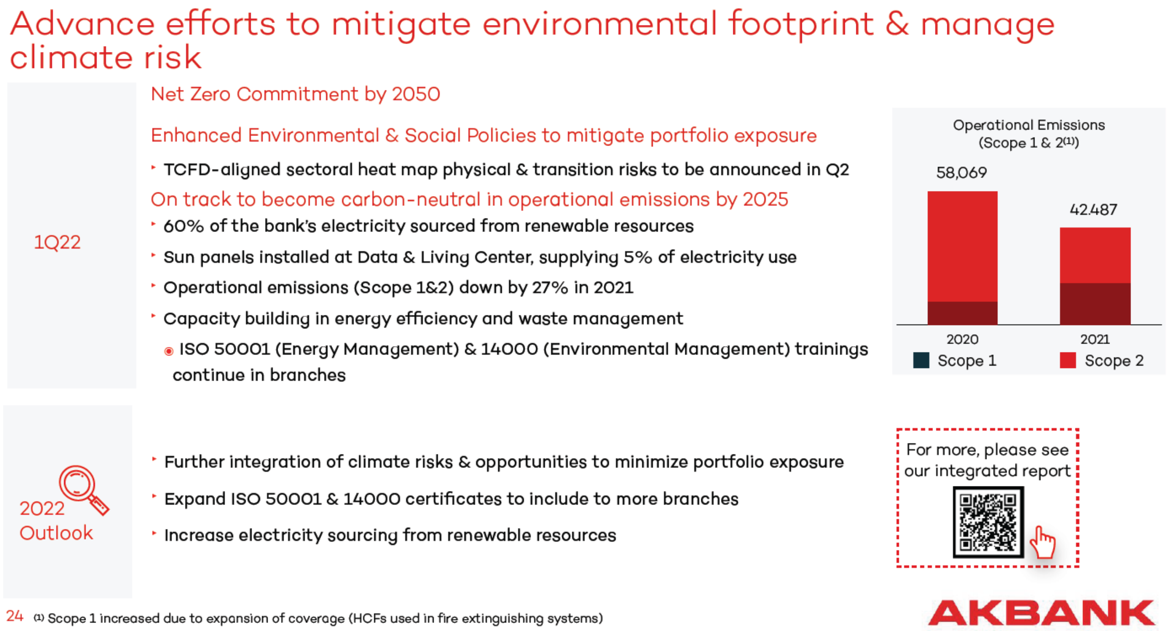
2022 Outlook

- Continue efforts for a more diverse & inclusive workplace, with focus on women, youth, vulnerable groups
  - Flagship projects include "Strong Women in Technology" and "Accessible Akbank"
- Publish first impact report on community investments
- Launch digital platform for Akbank volunteers

23 (1) Official Monetary and Financial Institutions Forum

AKBANK

Hakan Bey already mentioned our focus on gender balance and how we continue to invest in our people. I'd like to also add that we also continue to invest in our communities this quarter we upskilled 4k young people for the future of work.



As some of you remember, we had already pledged to decrease the impact of our portfolio on climate change by 2030. Today, we are happy to announce our commitment to become a net-zero bank by 2050 we will update you regarding the developments on our decarbonisation roadmap & journey in the near future. As for climate-related risk exposure in our portfolio, we are finalizing a bank-wide project which will enable us to better assess and manage climate-related risks, such as TCFD-aligned sectoral heat map for physical and transition risks. A comprehensive update of our environmental and social management system.

Hakan Binbaşgil:

We started the year on a very strong note. There is a lot of momentum across all business lines, and subsidiaries, Customer acquisition, growth, core revenue generation. Akbank is exceptionally well positioned for strong financial results in the coming years. Excellent balance sheet management, robust capital (highest among peers), solid liquidity, highest level of efficiency, outstanding talent and technology. We will continue to support our ecosystem on their transformation to be a part of a greener, more inclusive economy. Having been through many cycles, I have full faith in our people's capacity and execution and, I would like to once again express my ample gratitude for their exceptional efforts. I would also like to thank all our stakeholders for their consistent trust and confidence in us. Keep well. See you all again soon.