



2015

SUSTAINABILITY REPORT

AKBANK

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2015/SUSTAINABILITY REPORT

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SUZAN SABANCI D N ER

Chairman

Suzan Sabancı D n er

In addition to supporting economic growth, Akbank considers raising Turkey's educational and cultural development and fostering the country's entrepreneurial dynamism as a strategic priority.

MESSAGE FROM THE CHAIRMAN

Esteemed Stakeholders,

Akbank, one of the key players in the Turkish private sector, maintained strong support for the country's growth and development in 2015. Conducting all business operations with the aim of creating value for its stakeholders, the Bank assumed the financing of a large number of high value-added investments during this past year while also adding value to customers' savings. Bolstering its sustainability approach by embracing economic, social and moral responsibilities in addition to pursuing financial targets, the Bank also significantly contributed to social development through corporate social responsibility projects in arts & culture, entrepreneurship, and education. We encouraged Akbankers to volunteer in initiatives carried out by the Bank in order to leverage our employees' experience and efforts to make more lasting contributions to a larger number of people.

Global Economic Slowdown

The world economy in 2015 was characterized by an overall slowdown in activity, highlighted by rising geopolitical risks, declining growth prospects in China's economy, and accelerating capital flows out of emerging markets and into developed countries. Global economic growth for the year is projected to come in at 3.1%, with expectations to rise moderately to 3.4% in 2016. In the face of worldwide economic vulnerabilities and falling growth projections, we expect macroeconomic measures aimed at boosting domestic demand to be implemented in all markets.

Sound Macroeconomic Fundamentals Resilient to Risk and Vulnerabilities...

Expanding steadily over the last decade thanks to reliable macroeconomic strategies and prudent fiscal policies, the Turkish economy grew more than 3% in 2015 despite the vulnerabilities prevalent in the global economic environment. Due in part to declining energy prices, which helps Turkey as a net energy importer, and a healthy banking industry, we expect Turkey to maintain macroeconomic stability as well as its growth momentum in the coming year.

Akbank: The Strong Representative of Sustainability Initiatives in the Banking Industry

We hereby present to our stakeholders the Sustainability Report of Akbank – the first Turkish deposit bank to publish a Sustainability Report in accordance with GRI standards – which assesses the Bank's economic, social and environmental performance in 2015. We believe that our efforts related to the Bank's sustainability strategy, which we define as "ensuring economic growth and raising the standard of living while protecting the environment and the quality of life of the society," will generate significant corporate development opportunities for the stakeholders within our sphere of influence.

Our Sustainability-Oriented Financial Performance...

Akbank, one of the strongest players in the Turkish banking industry, reported total assets of TL 252,467 million and total deposits of TL 149,470 million as of year-end 2015. Thanks to our ever-increasing deposits and assets, we continued to contribute significantly to Turkey's high value-added, export-oriented growth vision with a total loan portfolio of TL 153,466 million. The fact that the Bank's non-performing loan (NPL) ratio remained flat at 2% despite the expansion in total loans demonstrates our successful management in financial sustainability.

Always Backing Original and "Young" Ideas...

Akbank believes that fresh, innovative ideas inspire development in every field. Opportunities created by ambitious entrepreneurs, who are the pioneers of innovation for Akbank, will make major contributions to Turkey's social and economic development. We always strive to provide them with proper guidance so they can access the support they need. As part of this effort, the Center of Excellence in Finance (CEF), launched in partnership with Sabancı University, aims to deliver high-quality financial information to broader audiences. Meanwhile, we provide credit facilities to help young entrepreneurs implement their original ideas through a joint venture between the Bank and Endeavor. The CaseCampus project, another joint initiative of Akbank and Endeavor, brings entrepreneurs whose "unique and free" ideas have reached success with university students.

A Heartfelt Belief in Turkey since the day we were founded...

From day one, we have always strived to realize Turkey's dreams and to advance the country's vision on an ongoing basis, and we continue to work toward these goals. We recognize that creating the Turkey of tomorrow is a responsibility that goes well beyond banking. Akbank is committed to carrying out its duties fully and completely in this regard.

As Turkey's most valuable brand, Akbank has done everything it has to date straight from the heart. We always hope for the best for Turkey and we work directly from the heart to implement those ideas that will move our country forward. I would like to thank all of our stakeholders for supporting our operations that are focused on ever more ambitious goals. ●

Yours sincerely,



Suzan Sabancı Dinçer
Chairman

HAKAN BİNBAŞGİL
CEO

Binbaşgil



As part of our sustainable growth strategy, we will continue to work wholeheartedly to implement the ideas that will move our country forward.

MESSAGE FROM THE CEO

Dear Stakeholders,

Executing a growth strategy that creates value-added across all business operations to achieve its long-term goals, Akbank achieved successful financial and operational results in 2015. In addition, the Bank unveiled innovative practices across a broad spectrum, from corporate governance to banking products and services, which are widely recognized as reference points in the industry. Believing that success is possible only by creating long-term value, Akbank continued to deploy its highly competent human capital and financial strength toward the cause of social development in light of its sustainability-oriented management approach. Our seventh Sustainability Report summarizes the Bank's comprehensive and systematic initiatives carried out with the strong support of our Board of Directors, under the coordination of the Corporate Governance Committee and in accordance with GRI indicators. We believe this report will create new development opportunities for stakeholders within our sphere of influence as well as all companies active in the banking industry.

Sound Capital Position, Effective Risk Management...

Conducting its operations on the solid foundation of its sound capital position and effective risk management in the face of vulnerabilities in the global economy in 2015, Akbank posted total assets of TL 252,467 million and total deposits of TL 149,470 million at year's end. Standing out with competitive products and services designed to respond to the needs and expectations of various customer segments, the Bank announced consolidated net profit of TL 3,329 million in 2015. Akbank, which maintained its high credibility in the international and domestic financial markets owing to its strong capital adequacy ratio, also kept its non-performing loan (NPL) ratio at 2% and sustained its healthy return on equity.

Strong Support for Environmental Sustainability Initiatives...

Firmly committed to the ideal of leaving behind a more habitable planet to future generations, Akbank continued to successfully undertake initiatives that minimized the environmental impact of its operations in 2015. The Bank also assessed company loan applicants based on social and environmental criteria using the Akbank Social and Environmental Management System. In addition, Akbank continued to carry out efforts to boost the share of financing for sustainable energy production from renewable sources and energy efficiency projects within its overall loan portfolio.

Proactively taking part in international environmental sustainability initiatives, the Bank demonstrated its position as a global corporate citizen by becoming a signatory to the Pledge for Action, which allows non-party stakeholders to welcome the Paris Agreement on climate change and commit to implement the new roadmap that circulated at the COP21 Conference of Parties in Paris. The new roadmap, supported by 400 private corporations including Akbank, and 120 investors representing total assets of USD 11 trillion, sets the goal of keeping the world on a trajectory that limits the global warming temperature rise to less than two degrees Celsius.

Center of Excellence in Finance (CEF): A New Joint Venture with Sabancı University

Akbank took a major step in 2015 to establish the Center of Excellence in Finance (CEF), a significant educational initiative with Sabancı University which is a highly reputable institution of higher education in Turkey. Devised as a new outlet to raise the quality of financial know-how in the country, the Center aspires to bring together academics, professionals, policy makers and students via certificate programs, seminar series, workshops, comprehensive conferences, and in-depth research studies. Designed in line with Akbank's operational excellence criteria, the Center will commence operations in 2016. The outputs of the Center's research will be made available online to domestic and international finance audience as research reports and articles in the future.

A New Era in Turkey's Entrepreneurship Ecosystem...

In 2015, Akbank continued to support the Turkish operations of Endeavor, a global organization that supports entrepreneurs active in emerging markets. With the motto "Follow the Footsteps of Entrepreneurs to Your Dreams", the CaseCampus Project, a joint venture between Akbank and Endeavor Turkey, will provide innovative training opportunities for participants by presenting the true stories and challenges of Turkey's leading exemplary entrepreneurs. Structured around the principle "No training can be as instructive as a case study," the program will be administered in two separate periods in 2016, spring and fall, and will initially be made available to 200 young aspiring business owners. We expect the innovative nature of the CaseCampus initiative to radically change the Turkish entrepreneurship ecosystem.

Akbank "Children: Heroes of the Economy" Project Reaches 55,000 Youth...

Standing out with a social responsibility approach focused on generating social awareness, Akbank made significant progress toward its goal of raising awareness of the importance of savings among the country's youth with the "Children: Heroes of the Economy" project that we have carried out across Turkey since 2012.

Akbank has reached some 55,000 elementary and middle school students as of year-end 2015. Efforts associated with this initiative included a website created exclusively for this project, classroom activity materials, the Akbank Ladybug Bank "Kumbirik" that is handed out to the children at the conclusion of the activities, and the savings-themed plays of Akbank Children's Theatre.

Akbank "Istanbul's Jazz State of Mind" Project

Reflecting an innovative approach to management in its corporate social responsibility efforts, Akbank launched "Istanbul's Jazz State of Mind," a volunteer-driven project targeting young people, as part of the 25th Akbank Jazz Festival. Having engaged its employees, their families, and the Bank's customers in activities that create social value under the "Volunteers of Akbank" umbrella for years, the Bank now included youth in its volunteering structure with "The Good State of the City" initiative. As part of the project, 400 young persons volunteered in the various activities of the Community Volunteers Foundation of Turkey, the Friends of the Yedikule Animal Shelter Association, and the Deniztemiz/ Turmepa - (Turkish Marine Environment Protection Association). Subsequently, the young volunteers were had the opportunity to attend the Belle & Sebastian Concert at the 25th Akbank Jazz Festival.

Our Achievements to Date Serve as a Launch Pad for Even Greater Accomplishments...

Akbank plans to leverage the proven success of its sustainable growth strategy to register more ambitious accomplishments in the coming years. We have no doubt that the Bank, conducting its operations in keeping with the principle of continuous development, will reach this goal. We will do so with the dedicated efforts of our 14,000 employees, comprised of the best talent in their respective areas, the constant support of our partners, and our strong synergy with the entire stakeholder community. I hope that our accomplishments in the upcoming period will open up new horizons for all of our stakeholders. ●

Respectfully yours,



Hakan Binbaşlı
CEO

AKBANK AND SUSTAINABILITY-A TIMELINE

Corporate Development of Akbank

January 1948

Established in the city of Adana to finance cotton producers in the region.

1950

First branch in Istanbul opened in Sirkeci.

1954

Akbank Head Office moved to Istanbul.

1963

Automation of all banking operations.

1964

First representative office opened in Frankfurt, Germany for bank transfers of Turkish workers.

1981

All banking operations computerized and online transactions started.

1990

Akbank shares offered to public.

1996

AkSecurities established.

Investor Relations Group established to manage relations with shareholders.

1998

With a secondary public offering, Akbank shares started trading in international markets as an American Depository Receipt (ADR).

Akbank Representative Office in Frankfurt transformed into a branch.

1999

Akbank Internet Banking started.

2000

Ak-Portfolio Management and Private Banking Business Units established.

Akbank Malta branch opened.

2001

Akbank N.V. established in the Netherlands.

Akbank Call Center started operations.

2005

Akbank became the first bank to repurchase its founders shares.

AkLease incorporated.

2009

Akbank International Advisory Board established.

Akbank (Dubai) Limited as the first Turkish bank established in Dubai International Finance Center.

2010

Akbank Banking Center put into service with a capacity of approximately 5,000 people.

2011

Send Money and Pay Mobile -the first of its kind in Europe- operations facilitated customers' access to financial services.

2012

"Akbank Direkt" brand that combines the Internet and Mobile Banking services launched.

Akbank N.V. in the Netherlands ceased operations and merged with our 100% subsidiary in Germany: Akbank AG.

2014

Akbank was chosen as one of only 15 companies to be included in the BIST Sustainability Index within Borsa Istanbul.

2015

The Akbank 2014 Sustainability Report is prepared in accordance with the GRI G4 "Comprehensive" Reporting Principles.

The first version of the Investor Relations app, which launched in January 2016, was completed for the iOS operating system in December 2015.

TIMELINE OF AKBANK'S SUSTAINABILITY INITIATIVES

Timeline of Akbank's Sustainability Initiatives

2000

Akbank Information Technologies obtained ISO 9001 Quality Certificate.

2003

Became the first bank to publicly declare its dividend policy.

Became the first bank to announce Corporate Governance Principles in the annual report.

2004

Became the first bank to publish Corporate Governance Principles in its website.

2005

Became the sponsor of the "Make a Wish" foundation, established to fulfill the wishes of children aged 3-18, fighting against life-threatening diseases.

2007

Became the first Turkish bank to sign the UN Global Compact.

Started cooperation with Endeavor-an international non-governmental organization aimed to contribute to economic development by supporting active entrepreneurs in developing countries.

Akbank Customer Complaint Management System obtained ISO 10002 Quality Certificate.

Supported entrepreneurs with its "Ideas Paving the Way to Business" program.

2008

Established "Akbank Thinking Club" with the aim of thinking together with the young and co-creating values for the future of Turkey.

2009

Corporate Governance and Social Responsibility Committee (CGSRC) established under the Board of Directors.

Women's Development Center "BiZ", established by KAGİDER (Women Entrepreneurs Association of Turkey) with the aim of helping women improve their individual productivities, opened with Akbank as the main sponsor.

2010

Became the first Turkish bank to publish UN Global Compact Communication on Progress Report.

Drew attention to environmental transparency by supporting the implementation of the Carbon Disclosure Project (CDP) in Turkey.

Became the first Turkish deposit bank to publish a Sustainability Report in accordance with the GRI standards.

Became the first and only Turkish institution to take place in the CDP 2010-Global 500 reporting and received scores that carry the Bank to the World Sector Leaders category.

"Akbank Energy-Friendly Loan" put into effect.

A loan pool with favorable terms launched for entrepreneurs selected by Endeavor Turkey.

Supported the "Before They Disappear" Project implemented in Turkey in coordination with the Regional Environment Center (REC) with the aim of drawing attention to regions at risk due to climate change.

TIMELINE OF AKBANK'S SUSTAINABILITY INITIATIVES

2010 and 2011

Signed the Cancun and Durban Communiqués prepared prior to the United Nations 2010 and 2011 Climate Change Summits.

2011

Akbank Volunteers System put into effect.

Akbank supported Global Student Entrepreneurs Awards.

Akbank employees started to attend sustainability trainings.

2012

Became one of first companies in the world to sign the "Carbon Price Communiqué" prepared by The Prince of Wales's Corporate Leaders Group on Climate Change (CLG) to draw attention to the need to develop a clear and transparent pricing policy for carbon emissions.

To struggle with savings deficit which is an important barrier against the development of Turkey, Akbank initiated a social responsibility program named "Savings Campaign" to complement its banking products and services.

2013

Akbank consolidated its services for the artisans under the "Craftsmen Fraternity" concept. The "Pay When You Can Loan", the first product unveiled under this concept, provided artisans with the flexibility of making loan payments according to their income streams.

2014

Under the "Craftsmen Fraternity" concept, Akbank continued to deliver exclusive products and services for craftsmen customers. These special offerings include Axxess SME, "Pay as You Wish Craftsmen," complimentary tablet in return for POS turnover commitment, TESK (Confederation of Turkish Tradesmen and Craftsmen) cooperation agreement, Craftsmen Internship, and Craftsmen Festival.

2015

Akbank became a signatory to the Pledge for Action, which allows non-party stakeholders to welcome the Paris Agreement on climate change and commit to implement the new roadmap circulated at the COP21 Conference of Parties in Paris.

Under "The Good State of the City" initiative, Akbank carried out more than 30 volunteering projects in wide-ranging issues, from shore clean-up and education to animal rights and health, in 26 provinces with the participation of university students.

Akbank launched the CaseCampus project in partnership with Endeavor for young people who aspire to become entrepreneurs.

Akbank initiated efforts to establish the Center of Excellence in Finance (CEF), an important initiative in the education field, as a joint venture with Sabancı University.

Timeline of Akbank's Culture & Art Initiatives

1972

Akbank Children's Theatre started performances.

1991

Akbank Jazz Festival started with the aim of creating a well-established musical culture in Turkey, by bringing world's most famous jazz performers to large audiences.

1993

Akbank Art Center established.

1998-2000

Ottoman Calligraphy Exhibition "Golden Letters", containing numerous valuable works, exhibited in New York Metropolitan, Los Angeles County Museum of Art, and Paris Louvre with the sponsorship of Akbank.

2003

Akbank Art Center restructured itself towards modern arts and accelerated artistic dynamics of our country by drawing attention to the local and international qualities of globalizing tendency of arts with its exhibitions.

2003-2007

Became the sponsor of Rock'n Coke Festival where world-famous rock stars meet the youth.

2004

Akbank Short Film Festival was initiated.

Akbank started to support the International Istanbul Film Festival and later became the main supporter.

2006

Rodin's works were exhibited at Sakıp Sabancı Museum with support from Akbank.

2007

Sponsoring the modern and contemporary arts event "Contemporary Istanbul", Akbank contributed to the realization of Turkey's most important contemporary arts fair.

2008

With the sponsorship of Akbank, art fans had the opportunity to see the works of Salvador Dali -one of the most important artists of the surrealist movement- at the Sakıp Sabancı Museum. The exhibition has been the largest Salvador Dali exhibition outside Spain.

Akbank Children's Theatre got on Hürriyet Newspaper's "Human Rights Train" to once again carry the excitement, gloom, and beauties of theatre to 45 cities in Turkey.

Rock legend Metallica came to Turkey with the sponsorship of Akbank and 37,000 fans had the opportunity to watch the band live on stage.

2009

Latin Rock legend Carlos Santana gave a concert in Istanbul with the sponsorship of the Wings.

2010

Around 75,000 people participated in the Sonisphere Festival that brought world-famous heavy metal bands with the sponsorship of our exi26 brand.

2011

Akbank became the prominent supporter of Turkish National Youth Philharmonic Orchestra.

Akbank sponsored the "Cirque Du Soleil-Saltimbanco" show.

2012

Akbank Children's Theater celebrated its 40th anniversary by performing the first musical version of the Oscar-winning animation Shrek in Turkish.

2013

As part of its 65th establishment anniversary festivities, Akbank sponsored the first comprehensive exhibition in Turkey of the leading international artist Anish Kapoor.

2014

Akbank Children's Theatre reached 6,500 elementary school children during an Anatolia Tour that spanned six provinces with a new play, "Family Tree," which communicates the importance of savings.

2015

Akbank partnered with Sakıp Sabancı Museum to bring the "Zero: Countdown to the Future" exhibition to arts enthusiasts in Turkey.

The "Louise Bourgeois: Larger than Life" exhibit, featuring works of one of the most influential artists of the 20th century, was presented to Turkish art lovers with the support of Akbank.

"A"



01. ABOUT
AKBANK



AKBANK IN BRIEF

Pioneering Change in the Turkish Banking Industry...

Akbank has been one of the most respected, reliable, and valuable brands not just in the banking industry but also in the entire private sector since the day it was founded. The Bank's strategic priorities include constantly reinventing itself; developing quick and effective solutions to meet customer needs and expectations; and contributing to Turkey's development journey.

Our Bank offers consumer banking, commercial and SME banking, corporate banking, private banking, foreign exchange, money markets and securities (treasury transactions), and international banking services and provides world-class services to customers. Non-bank financial services as well as capital markets and investment services are carried out by Akbank's subsidiaries.

Increasing Profitability Performance without Sacrificing Service Quality

Gaining an edge over the competition with its steadily growing business volume, an ever expanding customer base, sound capital position and access to low-cost overseas funding resources, Akbank continued to undertake innovative initiatives in 2015. Through a strong and widespread domestic delivery network with more than 900 branches, 14,050 employees and almost 4,150 ATMs, Akbank operates via its Head Office in Istanbul and 23 regional directorates throughout Turkey. The Bank provides a vast array of banking products and services with more than 13.4 million consumers, approximately 1 million commercial and SME customers, and over 6,000 corporate customers via Alternative Delivery Channels such as internet and telephone banking.

The Bank reported net profit of TL 3,229 million as of year-end 2015. Instilling confidence in stakeholders with a sustainable financial performance, the Bank's consolidated assets climbed to TL 252 billion (US\$ 94 billion), up 15.4% compared to year-end 2014. Akbank's consolidated capital adequacy ratio of 14.5% is one of the highest in the Turkish banking sector.

NUMBER OF
EMPLOYEES*

14,050

NUMBER OF
CREDIT CARDS

5.7 Million

NUMBER OF
CUSTOMERS

14.4 Million

NUMBER OF
DEBIT CARDS

6.5 Million

NUMBER OF
BRANCHES*

902

NUMBER
OF POS **~420 thousand**

NUMBER OF
ATMS

4,150

*Including the Malta branch.

Our Main Brands

AKBANK

AKBANK **DİREKT**

20. yıla **AKBANK**
SANAT



axess
Wings

free
axess

neo

AKBANK'S CORPORATE BUILDING BLOCKS: VISION, MISSION AND VALUES

Vision: To become a sustainable leader by rendering excellent banking experience and supporting the Turkey's growth.

Mission: To become the most admired Turkish company, by continuously delivering significant value to its stakeholders via its highly skilled human resources.

Values: Empathy, Inventiveness, Team Spirit, Enthusiasm, Ownage

STRONG FOUNDATION GUIDING OUR GOALS

Strong Foundations

- Turkey's most valuable banking brand.
- One of Turkey's most valuable companies.
- Long-term strategic management with successful implementations.
- 901 branches and high-tech delivery channels throughout Turkey.
- Turkey's innovative force with countless "firsts" in the sector.
- Permanent and extensive funding base.
- Sustainable profitability as well as high return on equity and assets.
- A robust capital structure with 14.5% capital adequacy ratio.
- A superior asset quality with a very low non-performing loans ratio of 2.2%.
- High level of efficiency with an operational expense/assets ratio of 1.7%.
- Stronger growth advantage in loans thanks to its low leverage rate.

Strategic Goals

- To achieve a long-term sustainable return on equity of at least 14-16%.
- To be the leading bank in Turkey in terms of critical market shares.
- To be the best bank in Turkey in terms of customer experience and satisfaction.
- To be Turkey's most valuable bank.

AKBANK IN FIGURES

Branch Network based Outstanding Services Quality, Encompassing All of Turkey...

With its over 900 branches Akbank continued to focus on delivering superior-quality products and services to customers in every corner of Turkey in 2015.

Customer Base Comprised of Diverse Segments...

Aiming to deliver customized financial solutions to diversified customer segments, Akbank executes its business operations under four major business lines: Corporate Banking, Commercial Banking, SME Banking, Consumer Banking, and Private Banking. The Bank undertook innovative projects in accordance with long-term strategic goals and continued to increase the number of clients in each segment during 2015.

Segments	Corporate and Investment Banking	Commercial Banking	SME* Banking	Consumer Banking	Private Banking
Branches	Corporate Banking Branches 8	Commercial, SME and Consumer Banking Branches 886			Private Banking Branches 7
Number of Customers	5,700	36,000	960,000	13,400,000	7,900

*SME Banking serves customers that the Bank identified in accordance with its business model.

SUSTAINABLE FINANCIAL ACCOMPLISHMENTS

Despite vulnerabilities in the global markets, Akbank's total assets rose to TL 252,467 million and net profit went up to TL 3,229 million as of year-end 2015.

Key Financial Indicators

Akbank's key consolidated financial indicators for the last three years are presented in the table below:

Key Consolidated Financial Indicators (TL million)	2013	2014	2015
Total Assets	195,482	218,697	252,467
Loans	118,010	136,131	153,466
Deposits	112,473	122,294	149,470
Funds Borrowed	19,899	21,269	26,176
Shareholders' Equity	22,135	26,140	28,015
Net Profit	3,077	3,379	3,229
Return on Equity (ROE)	14%	14.1%	12.1%
Capital Adequacy Ratio (BIS)	14.7%	14.9%	14.5%

Market Capitalization (USD million) **9,184**

Loans

Breakdown of loans made by Akbank to clients by customer segment and currency denomination is presented in the table below:

Loans*	2014	2015
Corporate TL Loans (TL million)	7,818	14,309
Corporate Foreign Currency Loans (USD million)	15,643	14,660
Commercial TL Loans (TL million)	19,332	22,503
Commercial Foreign Currency Loans (USD million)	7,627	7,566
Other Commercial TL Loans (TL million)	12,271	13,108
Consumer (TL million)	30,975	28,645
Credit Cards (TL million)	11,587	10,888

*Excluding accruals

Stakeholder-Supported Value Creation

Executing its banking activities in pursuit of value added-oriented projects, Akbank generated TL 19,212 million in economic value in 2015, up 9.23% compared to the previous year. Payments made by the Bank to the employees, community investments, the government, investors and suppliers as well as the distribution of the economic value generated by Akbank in cooperation with various stakeholder groups are presented in the table below:

Economic Value Generated and Distributed (TL million)	2013	2014	2015
Direct Economic Value Generated	15,100	17,588	19,212
a) Revenues	15,100	17,588	19,212
Economic Value Distributed	10,607	13,250	14,580
b) Operating costs	1,900	2,130	2,496
c) Employee wages and other benefits	1,423	1,485	1,671
d) Payments to providers of capital	6,371	8,333	9,303
e) Payments to the government	891	1,292	1,096
f) Community investments	22	10	13
Economic Value Retained	4,492	4,338	4,632

a) Gross revenue in the Bank's income statement is taken into consideration (interest income, fees and commissions collected, dividend income, commercial profit-loss and other income).

b) Covers all operating costs of the Bank, excluding employee expenses.

c) Covers employee wages, bonuses, and all payments made to the government on behalf of employees.

d) Covers dividends distributed to investors and all interest expenses of the Bank in the given year.

e) Covers all taxes paid to the government.

f) Covers donations to charities and expenses for various culture-arts events.

Note 1: Provisions for non-performing loans are not included in the calculation of the Economic Value Retained.

Note 2: This table is based upon Akbank's consolidated financial statements. Therefore, these figures also include consolidated subsidiaries.

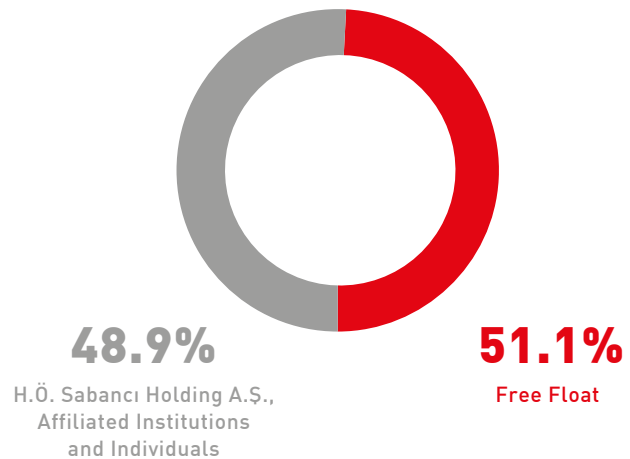
CONFIDENTIAL SUBSIDIARY STRUCTURE

Akbank was founded on January 30, 1948 as a private-capital commercial bank and it continues to operate successfully in the same area today.

Akbank was founded on January 30, 1948 as a private-capital commercial bank and it continues to operate successfully in the same area today. Back in 2011, Akbank stock traded on Borsa Istanbul (BIST) with a free float ratio of 31%. Citigroup Inc. announced its decision to focus on its core business activities and exit minority interests in other companies due to ongoing capital planning initiatives. Citigroup finalized the sale of its stake in Akbank – corresponding to 9.9% of the Bank's share capital – to a large number of potential buyers that were predetermined via an accelerated equity offering in March 2015. Prior, Citigroup Inc. had divested a stake corresponding to 10.1% of Akbank's share capital in May 2012. After these Citigroup share sales, Akbank's free float ratio stands at 51.1%.

Detailed information on the Bank's operations and financial performance in 2015 is published in the Akbank 2015 Annual Report. Akbank 2015 Annual Report can be reached at the link below:
<http://www.akbank.com/yatirimci-iliskileri/yatirim-bilgileri/sayfalar/faaliyet-raporu.aspx>

Akbank's Level 1 American Depositary Receipts are traded at the OTC market in the USA. Our shareholder structure as of December 31st, 2015 is shown in the pie chart.



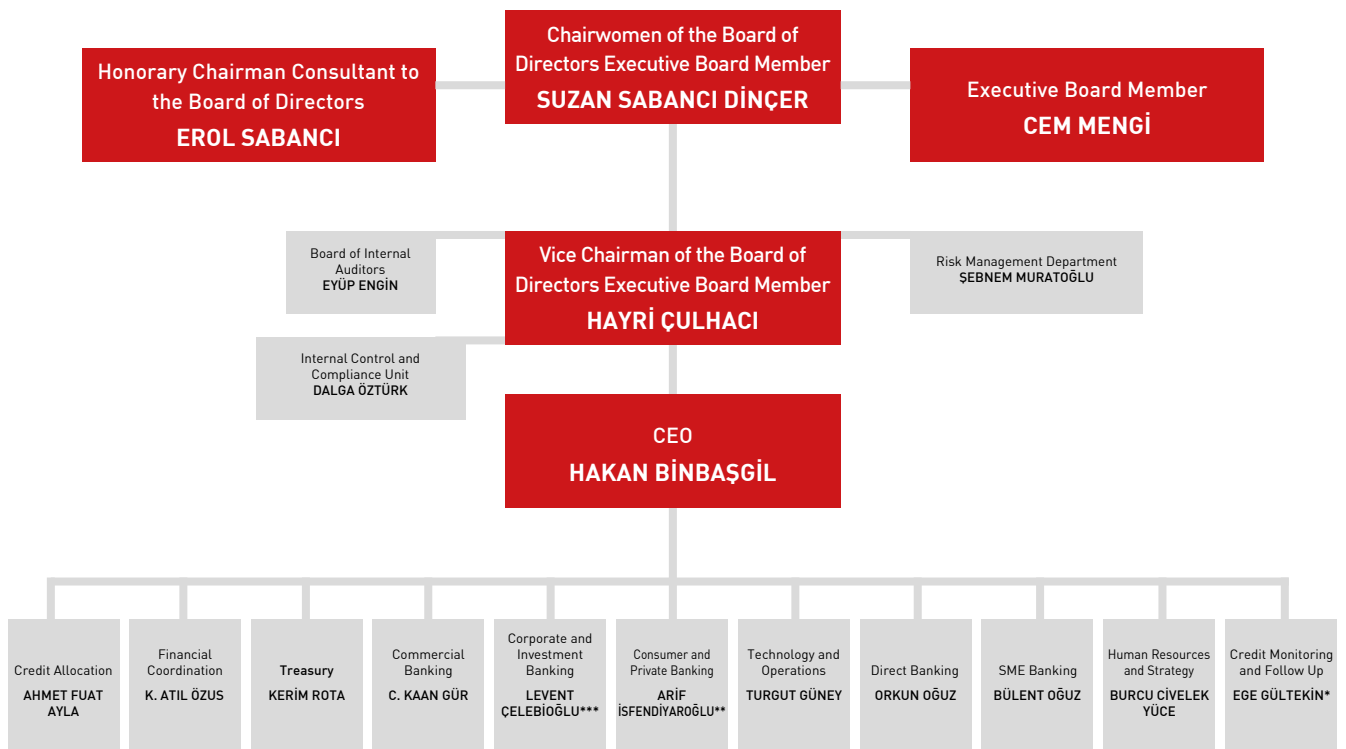
Our Subsidiaries

Akbank's direct and indirect subsidiaries and our shares as of December 31st, 2015 are presented below:

Direct and Indirect Subsidiaries	Area of Operations	Share (%)	Country of Operations
Akbank AG	Banking	100.00	Germany
Akbank (Dubai) Limited	Banking	100.00	UAE
AkLease	Financial Leasing	99.99	Turkey
AkSecurities	Stock Exchange Brokerage Services	100.00	Turkey
AkAsset Management	Portfolio Management	100.00	Turkey

Akbank's Competency-Oriented Organizational Plan

The Bank's latest organization chart is presented below. As of December 31, 2015, there are 11 Executive Vice Presidents reporting to the CEO. Board of Internal Auditors, Internal Control and Compliance Unit, and Risk Management Department report directly to the Bank's Board of Directors.



* Ege Gültekin was appointed to the position of Executive Vice President in charge of the newly established Loan Monitoring and Collection Business Unit as of February 13, 2015.

** Arif Özer İsfendiyaroğlu was appointed to the position of Executive Vice President in charge of the newly established Consumer Banking and Payment Systems Business Unit as of March 2, 2015.

*** Alper Hakan Yüksel vacated his position as Executive Vice President of Corporate Banking as of May 8, 2015. The Corporate Banking Business Unit currently continues operations under the Corporate and Investment Banking Business Unit. Levent Çelebioğlu was appointed to the position of Executive Vice President in charge of the newly established Corporate and Investment Banking Business Unit as of the same date.

James Charles Cowles and M. Kaan Terzioğlu were replaced with Emre Derman and Can Paker on the Bank's new Board of Directors that was elected at the Ordinary General Assembly Meeting dated March 26, 2015.

Executive Vice President of Corporate Communication Mehmet Sindel and Executive Vice President of Private Banking Saltık Galatalı vacated their respective positions as of June 30, 2015. The Consumer Banking and Payment Systems Business Unit, the Private Banking Business Unit, and the Corporate Communication Business Unit were consolidated under the name of the Consumer and Private Banking Business Unit as of the same date.

Hülya Kefeli vacated her position as Executive Vice President of the International Banking as of July 31, 2015. The International Banking Business Unit and the Treasury Business Unit were merged as of the same date.

Özlen Sanıbelli vacated her position as Executive Vice President of Operations as of August 28, 2015. The Information Technologies Business Unit and the Operations Business Unit were consolidated under the name of the Technology and Operations Business Unit as of the same date.

Pursuant to the resolution of the Akbank Board of Directors, Turgut Güney was appointed from his previous position of Executive Vice President of Technology and Operations to the post of Consumer Relations Coordination Officer as of September 14, 2015.

AWARD WINNING PRODUCTS AND SERVICES

Akbank is focused on perfecting its products and services based on the feedback it receives from the platforms it participates in.

In addition to membership in industry bodies at the corporate level, Akbank actively participates in public relations competitions held by independent organizations in order to better promote the superior quality standards of its products and services.

Deemed worthy of a large number of awards on both domestic and international platforms thanks to the exceptional quality of its products and services, the Bank is focused on perfecting its product and service offering based on feedback received from the platforms it participates in.

Akbank was recognized with the following awards in 2015:

Brand Finance

Turkey's Most Valuable Brands Ranking, Turkey's Most Valuable Brand,

World's Top 500 Most Valuable Banking Brands 2015 Survey, "The Most Valuable Banking Brand in Turkey" for the Fourth Consecutive Year,

EMEA Finance

Best Bank in Turkey Award,

Best Cash Management Bank in Turkey Award,

Euromoney

Best Bank in Turkey,

Best Private Banking Services Overall in Turkey,

Felis Awards

Innovative Use of Audience Felis Award in the Mobile category,

Foreign Policy Association

Corporate Social Responsibility Award,

Global Finance

"The World's Best Digital Banks-Western Europe" Award in Best Digital Bank Awards,

"The World's Best Digital Banks" Award in Best Mobile Banking App Category,

"World's Best Digital Banks Awards in Western Europe" Award,

"Best Online Deposit, Credit and Investment Product Offerings" Award,

"Best Web Site Design" Award,

"Best Information Security Initiatives" Award,

First Prize in "Best Mobile Banking App" Category,

Vocational Institute of Graphic Designers

Best Calendar Award,

Best Day Book Award,

IBM “The 2015 Mainframe Mobile App Throwdown”

Second Prize to Akbank Direct Mobile for iBeacon withdrawal,

Best Advertisement Awards in Red Media,

Best Advertising Copy in Media,

Best Culture, Art and Entertainment Advertisement Award,

Crystal Apple Awards

1 Gold, 2 Silver, 3 Bronze Awards

LACP Vision Awards

“Best Report of the Year” Award to Akbank Annual Report 2014,

“Best Report of the Year” Award to Akbank Sustainability Report 2014,

MMA Smarties 2015

“Best mobile App” Award to Akbank Direkt Mobile Application,

Stevie International Business Awards

[2 Gold, 3 Silver and 3 Bronze Awards]

First Prize in “Experimental & Innovation” Category to Akbank Direkt Mobile Application,

Second Prize in “Banking Category” to Akbank Web-Site,

Second Prize awarded to System Test Tools and Process Team in the “IT Team of the Year” category,

Second Prize granted to Direkt Mobile Team in the “IT Team of the Year” category,

Third Prize granted to Senior Vice President in charge of Akbank Project Management Department in the “IT Executive of the Year” category,

Third Prize awarded to IT Akbank Direkt Banking in the “IT Department of the Year” category,

Best Private Banking Services Overall in Turkey,

Best Cash Management Banking Overall in Turkey,

Best Digital Banking App in Western Europe in the Consumer Banking Category,

Best Digital Bank in Turkey,

World’s Best Mobile Banking App,

The Asian Banker

Best Bank in Turkey,

The Banker

Best Private Banking Services Overall in Turkey,

The Cloud Awards

First Prize - “Best Hybrid Cloud Solution” category with the infrastructure established under the “Unified Communications” program at The Cloud Awards, one of the leading award platforms in cloud computing,

Turkey Customer Satisfaction Index

Consumer Banking - First Place among Private Sector Banks,

VISA Europe Turkey Awards

Fastest Growing Bank in Visa Debit Card Transaction Volume,

World Finance

Best Bank in Turkey



02. ABOUT THE REPORT



OUR APPROACH TO REPORTING

In an effort to facilitate easy access to information, the Akbank 2015 Sustainability Report was prepared in a reader-friendly layout.

G4-22
G4-26
G4-27

Designing all of its business processes in line with the sustainability approach, Akbank presents the sustainability-related progress it makes to its stakeholders by way of the Sustainability Reporting that the Bank has carried out since 2009. The Bank's Seventh Sustainability Report, prepared in accordance with GRI standards for the information of its stakeholders, highlights a number of innovative projects it has undertaken in a wide-range of areas, from corporate governance and social responsibility to environmental impact mitigation efforts and sustainable financial and operational performance.

Pioneer of GRI Reporting in the Banking Industry...

The first bank to publish a Sustainability Report in accordance with GRI standards in the Turkish banking industry, Akbank has prepared its Sustainability Reports in accordance with GRI G4 "Comprehensive" Reporting Option since 2014. The report's content and scope have been determined based on the Bank's primary business areas and corporate goals.

Report Design Facilitates Access to Information

In an effort to make it easier and more convenient to access information, Akbank 2015 Sustainability Report was designed with a more reader-friendly layout. This report makes use of data compilation methods that were employed in previous years' reports. Further explanations are provided where new and different methods are used.

THE SCOPE AND FRAMEWORK OF THE REPORT

A GRI Index is provided at the end of the Report in order to facilitate easy access to the information within the scope of the GRI indicators.

G4-22

Akbank 2015 Sustainability Report covers the Bank's social, environmental and economic initiatives and its related corporate performance between January 1, 2015 and December 31, 2015. The Report was prepared according to the G4 version, the next generation reporting framework of the GRI Sustainability Reporting Guidelines, and complies with the requirements of G4's comprehensive option. A GRI Index is provided at the end of the Report in order to facilitate easy access to the information within the scope of the GRI indicators.

Akbank's Second Initiative under the G4 Reporting Framework

The GRI Guidelines allow the comparison of Akbank's sustainability performance to that of local and international peers while also serving as a reference for the Bank's stakeholders.

These guidelines also spearhead the continuous development of Akbank's sustainability initiatives. Version G4 of the GRI Sustainability Reporting Guidelines and the Turkish application booklet is available at the link below.

<https://www.globalreporting.org/resourcelibrary/Turkish-G4-Part-One.pdf>
<https://www.globalreporting.org/resourcelibrary/Turkish-G4-Part-Two.pdf>

The GRI Guidelines allow the comparison of Akbank's sustainability performance to that of its local and international peers while also serving as a reference for the Bank's stakeholders. ●

Integrated Reporting Approach that Adheres to Global Reporting Principles and Standard Disclosures

This Report also includes the progress Akbank has made pursuant to its commitments within the scope of the United Nations Global Compact (UNGC). A UNGC Index that allows easy access to information regarding four elements of UNGC (labor, human rights, environment, and anti-corruption) and the related 10 principles is provided at the end of the Report.

REPORT SCOPE AND BOUNDARY



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Unless otherwise noted, data and information contained in Akbank's 2015 Sustainability Report encompass the banking operations and locations of Akbank T.A.Ş. in Turkey. While the figures in the "Our Employees" section of the report are inclusive of Akbank's Malta Branch personnel, the Report's scope does not include the impacts stemming from the Bank's overseas operations, joint ventures or suppliers. Generated and distributed economic value tables that include financial statements reflect consolidated figures.

Scope of Report Focused on Domestic Operations

Akbank 2015 Sustainability Report covers the operations of the Bank's Head Office in Istanbul as well as 901 Akbank branches.

Despite geographic and operational differences, Akbank continues to develop products and services under identical standards throughout the entire service network, spanning every corner of Turkey.

In this Report, the words "Akbank T.A.Ş.", "Akbank", "our Bank", "the Bank", "We/us" all mean Akbank T.A.Ş. unless mentioned otherwise.

Setting out the Content of the Report

While the process of preparing the content of Akbank Annual Report 2015, we used two international standards as our bases. The first one of these standards is the "AA1000 Stakeholder Engagement Standard" devised by Accountability, a UK-based organization. AA1000 APS is a globally recognized standard that is based upon the principles of "Inclusiveness, Materiality and Accountability". The second one is the "GR4 Sustainability Reporting Guidelines" of the Global Reporting Initiative.

A Reporting Process that Recognizes Stakeholder Feedback...

Important and priority matters related to the Bank's corporate strategies as well as major issues within Akbank's stakeholder dialogue were assessed as part of the process to set the content for the Akbank 2015 Sustainability Report. Therefore Sustainability Report 2015 includes our practices and performance related to issues considered to be material by both our Bank and our stakeholders. Detailed information on selection of material issues and stakeholder dialogue is available in "Our Approach to Sustainability" section of the Report. Prepared with contribution from almost all units of the Bank, the final version of this Report has been approved by the Corporate Governance Committee and Board of Directors of Akbank.



03. OUR APPROACH TO SUSTAINABILITY

Akbank sees the Sustainability Report, which the Bank is publishing for the seventh time this year, as an effective channel for stakeholder dialogue.

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As a difference of approach from the Bank's peers, Akbank sees its sustainability initiatives as a productivity strategy to increase value added rather than a public relations effort. Also seeing sustainability initiatives as an opportunity to foster stakeholder dialogue, the Bank engages stakeholders in its sustainability goals using corporate communication platforms and makes improvements to business processes in line with the feedback it receives.

Sustainability Reporting: An Effective Tool for Stakeholder Dialogue

Akbank sees the sustainability report, which the Bank is publishing for the seventh time this year, as an effective channel for stakeholder dialogue. Issued annually, the report shares with the public at large the contribution of stakeholders in the Bank's business processes.

OUR SUSTAINABILITY VISION, STRATEGY, AND COMMITMENTS

Our Sustainability Vision

Our sustainability vision is to become the leader in Turkey and one of the leading institutions in the world.

Our Sustainability Strategy

In order for Akbank to reach its sustainability vision, we aim to efficiently manage significant and material environmental, social, ethical, and economic risks and opportunities that arise in our products, services and operations. By performing a materiality analysis, we identified the material issues that our stakeholders expect good performance from the Bank and that are required for the Bank to succeed. We created a sustainability strategy by identifying related risks and opportunities and started to implement this strategy.

Core Priorities: Supporting Turkey's Sustainable Development and Unconditional Customer Satisfaction

Differentiating from the competition with its sound financial fundamentals and mutual interaction-based relationships with stakeholders, Akbank's sustainability strategy can be summarized as: supporting the economic growth of Turkey and the Bank's customers; delivering products and services that raise society's standard of living while adhering to a code of ethics and providing secure banking; and minimizing the environmental impact of its operations.

While implementing this strategy, our aim is to improve our performance day by day, following roadmaps we devise for each and every significant and material issue and making commitments.

OUR SUSTAINABILITY VISION, STRATEGY, AND COMMITMENTS

Corporate Governance Committee: The Highest Authority in Sustainability Initiatives

The Corporate Governance Committee (CGC), which directly reports to the Board of Directors, is the highest executive post within the Bank that deals with sustainability related matters. Responsible for ensuring that sustainability efforts are carried out in a holistic manner throughout all business units within the Akbank organization, the Committee also has an oversight function. Akbank's International Advisory Board, comprised of experts who have well-respected accomplishments in their respective fields, also adds value to the Bank's sustainability vision. (The International Advisory Board is discussed in more detail in Section 4 of this Report.)

Combating Climate Change is among the Corporate Governance Committee's Core Responsibilities.

The Committee is responsible for ensuring compliance with Akbank's Corporate Management Principles; monitoring the operations of the Investor Relations and Sustainability Department; determination, conformation of accordance and evaluation of ethical values; creating a transparent system to identify, evaluate and train suitable candidates for the Board of Directors; and working on related policies and strategies. The Chairman and majority of the members of the Committee are independent Board Members.

The Committee was established in 2009 with the name "Corporate Governance and Social Responsibility Committee" (CGSRC). In early 2012, "remuneration" task was also given to the Committee and thus its name was changed to "Corporate Governance, Remuneration and Social Responsibility Committee" (CGRSRC). In early 2013 "nominating candidates" was included in the Committee's tasks and thus the name was updated as "Corporate Governance Committee" (CGC).

The Committee meets at least twice a year. Among the items in 2015 agenda were the analysis of the Bank's current position in terms of sustainability, assessment of future steps, climate change strategies and action plan, entrepreneurship, training and social responsibility projects as community investments.

Sustainability Reporting Coordination Unit: Sustainability Team

The holistic management approach set forth by the Corporate Governance Committee covers issues such as integrating environmental, social and ethical aspects into our products and services with a strategic view and developing sustainability policies. An example is that our departments performing core banking functions and our purchasing departments internalize sustainability by integrating environmental and social elements into their own processes and products. Environmental loans for corporate and SME customers and environmental and social criteria applied to our suppliers are the results of the policies that we implement within the framework of our holistic approach. In addition, there are various significant and material issues handled by related departments of Akbank within the scope of our general business management. These cover issues such as employee satisfaction, ensuring equal opportunities for all employees, customer satisfaction, information security, and employee volunteering. These issues are managed by related departments and have an important role in the Bank's sustainability strategy. Employee satisfaction and customer satisfaction are monitored and these are among the key success indicators for our executive management.

A Sustainability (Corporate Social Responsibility) Team composed of representatives from most of the business units in Akbank and operating under the leadership of the CSR Sub-Group performs the sustainability reporting process that feeds Akbank's annually issued Sustainability Report.

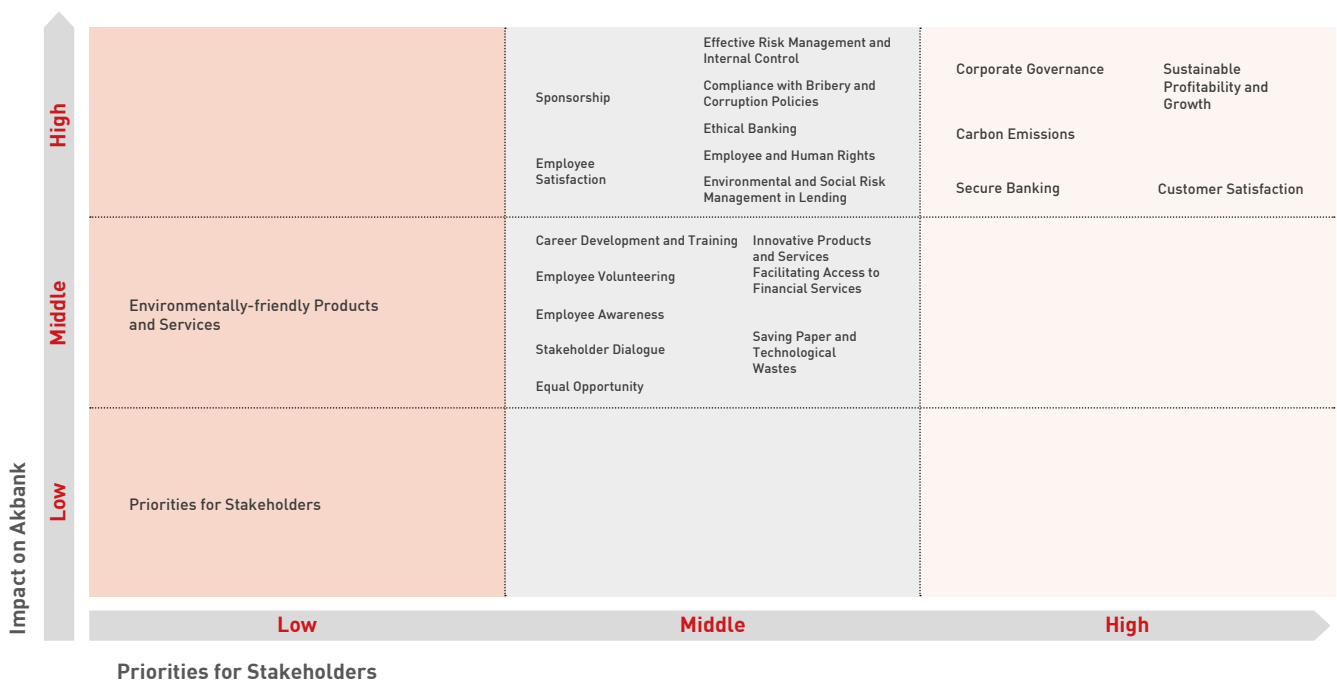
Our Priority Topics in the Sustainability Reporting

The Corporate Social Responsibility Sub-Group under the Investor Relations and Sustainability Department coordinates the process of prioritizing topics to be included in the Bank's 2015 Sustainability Report, which is prepared according to the "comprehensive" option of the G4 Version of GRI. The Working Group conducted a survey that asked the Bank's Sustainability Organization and stakeholders to rank by importance the topics that form the basis of G4 Reporting Guidelines. Based on the feedback received, it came up with the prioritization analysis presented below that informed the reporting process.

The Topics Prioritization Study carried out by the Akbank Corporate Social Responsibility Sub-Group, in keeping with stakeholder opinions, identified the topics of Corporate Governance, Sustainable Profitability and Growth, Reduction of Carbon Emissions, Secure Banking, and Customer Satisfaction as those with

the highest priority both for Akbank and the Bank's stakeholders. As a result of this effort, the sections "Corporate Governance at Akbank," "Value Created for Customers," "Our Operations and the Environment," and "Our Sustainability Approach" were added to the 2015 Sustainability Report. The priority-setting study revealed that "Effective Risk Management and Internal Control," "Compliance with Bribery and Corruption Policy," "Ethical Banking," "Employee and Human Rights," "Environmental and Social Risk Management in Lending," "Sponsorship," and "Employee Satisfaction" as second tier priorities for both Akbank and its stakeholders. As a result, we focused on the Bank's related initiatives and added the "Risk Management and Legal Compliance" and "Our Contribution to the Society" sections to the 2015 Sustainability Report. In addition to the sustainability reporting, Akbank also designed the prioritization of topics study as a guide for internal corporate sustainability initiatives.

Akbank 2015 Sustainability Report Topics Prioritization Study G4-18



OUR SUSTAINABILITY VISION, STRATEGY, AND COMMITMENTS

Akbank keeps its employees informed via various internal communication channels.

Akbank's Sustainability Management Model



Awareness Training for Employees

Placing great importance on engaging the Bank's staff in its corporate sustainability goals, Akbank keeps its employees informed via various internal communication channels while also carrying out sustainability training activities for its personnel. Field work is conducted for staff members employed at the Akbank branches that span the entire country.

Continuous Training Activities in Line with the Global Compact

The more prominent such channels include classroom training and e-learning programs as well as the corporate portal. Thanks to the classroom training sessions organized to increase the awareness of branch employees, the Bank administered sustainability training to its field employees serving in every corner of Turkey. As a result of these efforts, 2,985 employees in 2012, 1,274 employees in 2013, 1,082 employees in 2014 and 91 employees in 2015, for a total of 5,432 employees, received basic sustainability training. As part of this applied training effort based on the 10 principles of the United

Managing all supplier relations through an effective central organization, Akbank places great importance on employing standard principles in supplier management, increasing transparency in internal and external communication, and developing new supplier management strategies using the total quality management principle. ●

Nations Global Compact, participants were educated particularly in sustainability management initiatives in banking.

Another comprehensive classroom training instituted by Akbank in this subject is the Sustainability Approach training that is mandatory for all new employees of the Bank. This training aims to arm new employees with basic sustainability awareness through a training package the content of which is custom-designed by the Bank.

Sustainability Training through Internal Communication Channels

The Sustainability Approach e-learning program has been completed by 17,144 employees since its launch in 2011. In an attempt to increase the awareness on Akbank's sustainability initiatives within the Bank, the Akbank Sustainability Report published in light of the GRI Guidelines is shared with all managers and senior vice presidents annually. Criticisms and suggestions are assessed as feedback and help inform the content development process.

There is "Corporate Social Responsibility" section of the corporate portal, to which employees have full access, in the report. As part of this effort, the related section was enriched with a wide variety of contemporary information, from the Bank's sustainability approach to its corporate social responsibility projects. We present information on volunteer efforts and opportunities in the "Volunteering" section on our internal communication portal. In addition, the Bank's sustainability initiatives are also shared with the employees via corporate TV screens located in Akbank branches as well as through e-mail messages.

Sustainability Approach Encompassing All Links of the Value Chain

Successfully managing an wide-ranging operational process that also includes an extensive network of suppliers due to the nature of its business activity, Akbank encourages suppliers to embrace the Bank's corporate values. Under its industry standard-setting Supplier Management Policy, the Bank supports supplier firms in complying with the principles stipulated in the United Nations Global Compact. In addition, Akbank gives priority to vendors who employ more environmentally friendly and socially sensitive systems in purchasing services and products as part of its procurement strategy. The Company pays utmost attention to using transparent and accountable procurement processes that comply with national and international standards as well as laws, rules and regulations.

Managing all supplier relations through an effective central organization, Akbank places great importance on employing standard principles in supplier management, increasing transparency in internal and external communication, and developing new supplier management strategies using the total quality management principle.

Half of Suppliers Committed to Comply with Akbank's Principles

Nearly 50% of the companies within the Bank's supplier portfolio signed declarations committing to comply with Akbank's principles and policies during the course of their operations. Continuously auditing its supplier firms to ensure their compliance, the Bank's undertakes ongoing systematic efforts to increase the number of suppliers operating in line with Akbank's principles and policies.

Managing all supplier relations through an effective central organization, Akbank places great importance on employing standard principles in supplier management, increasing transparency in internal and external communication, and developing new supplier management strategies using the total quality management principle.

OUR SUSTAINABILITY VISION, STRATEGY, AND COMMITMENTS

Our Sustainability Commitment

Moving forward confidently towards its corporate goals with a sustainable financial and operational performance, Akbank conducts all its operations with awareness of the Bank's environmental and social impacts. A summary of the Bank's sustainability-related commitments to stakeholders is provided below.

Subject of Commitment	2015 Status Evaluation	Our Commitments
Financial Performance		
Sustainable profitability and growth	Differentiated from the competition with its sound capital position, Akbank maintained its sustainable financial and operational performance in 2015.	Akbank aims to diversify its lineup of products based on customer needs and expectations and ensure the sustainability of the Bank's financial and operational success.
Sustainability Management		
Roles and Responsibilities	We officially included related responsibilities into the job definitions of Sustainability Team leader and its members. The Bank took the necessary steps to include sustainability in the performance evaluation criteria of team members.	In coordination with the Investor Relations and Sustainability Department, the Bank aims to formulate action plans to guide the Akbank sustainability strategy and to implement them by way of the Sustainability Team.
Sustainability in the supply chain	Nearly 50% of the companies within the Bank's supplier portfolio signed declarations committing to complying with Akbank's principles and policies as well as with the UN Global Compact.	Akbank plans to secure from the Bank's suppliers declarations of commitment to comply with Akbank's Code of Ethics and sustainability policies.
Employee awareness	As of year-end 2015, the Bank delivered sustainability approach awareness training to nearly 9,700 employees via the custom-designed classroom sustainability training course.	Akbank intends to leverage advances in education and training technologies to deliver more comprehensive and creative sustainability training to stakeholders.
Dialog with shareholders	Akbank maintains fresh stakeholder dialogue via a large number of platforms. These include Live Broadcasts; Akbank For You Meetings; Agricultural Fairs; Breakfast with the CEO events; Motivational Activities for Employees; Exclusive Events for the Customer in Various Segments; Corporate TVs; Volunteer Initiatives; Customer Satisfaction Surveys; Akbank Branches; Akbank Call Center; Contact Us Website; Social Media (1.5 Million Followers in Total); Customer Relationship Manager (CRM) Activities in Various Segments; Leaders' Summit; E-Mail Notifications; Customer Business Development Meetings; Akbank Analyst and Investor Days; SME Informational Meetings; www.kobilersizincin.com Website; Akbank Art Center Events; Media, Advertising and Promotional Campaigns; Workshops; among other events.	Akbank aims to increase stakeholder engagement and further improve operational efficiency.
Corporate Governance, Risk Management and Legal Compliance		
Transparent corporate management	The Investor Relations and Sustainability Division, in conjunction with the Bank's senior executives, participated in a total of 17 investor conferences in Turkey and abroad in 2015 and met with nearly 256 international investor funds and four rating agencies.	Embracing the principle of developing mutual trust-based relations with shareholders as well as current and potential investors, Akbank is committed to strengthening the Bank's corporate governance in terms of accountability.
Information security	Akbank continuously carries out educational initiatives to raise information security literacy among employees to create a staff that has a higher level of awareness of this key issue.	Closely monitoring advances and developments in information security, Akbank plans to design and administer more comprehensive training programs.

Our Customers		
Customer Satisfaction	As a result of the improvements in the Bank's customer complaint management system infrastructure, average time of resolution for the 1 million customer complaint submittals annually was reduced from three days to two days.	Akbank plans to continue improving its products and services in pursuit of unconditional customer satisfaction.
Environment-friendly products and services	Between 2011 and 2013 Akbank disbursed the entirety of the USD 100 million MidSeff credit facility, which was obtained from the EBRD to finance medium-scale renewable energy and energy conservation projects in Turkey; nearly 83% of this resource was deployed to fund four energy efficiency projects.	Akbank aims to contribute to environmental sustainability by extending loans to energy conservation and renewable energy projects.
Environmental and Social Risk Management in Loans	Akbank's Loan Appraisal Supervisors are charged with effectively managing risk in the Bank's lending processes, including environmental risks.	Akbank intends to raise the environmental and social risk management awareness among all employees involved in lending processes.
Innovative products and services to facilitate access to financial services.	As of year-end 2015, Akbank Direct serves nearly 3 million customers through the internet and mobile channels.	The Bank aims to continue using an innovative approach and maintaining a competitive edge in technology.
Our Employees		
Employee Engagement	The Bank continued to carry out initiatives to ensure the sustainability of employee engagement in 2015.	Akbank aims to properly identify employee perception of the workplace in various dimensions through periodically conducted Employee Engagement Surveys and take action based on personnel feedback.
Training	Akbank employees attended a total of 673,553 hours of training in 2015, corresponding to 7 business days of training per employee.	Conducting its business activities in line with the principle of continuous improvement, Akbank aims to contribute to the personal and professional development of the Bank's employees via internal training programs.
Equal opportunity	In the evaluation conducted based on 22 criteria within the scope of the "Equal Opportunity Model Project", Akbank received FEM certificate.	Akbank strives to ensure the sustainability of operational efficiency by providing an equal opportunity-based professional environment for Bank personnel.
Environmental Impacts of Our Operations		
Our environmental impact	Akbank continued to successfully undertake initiatives to minimize the environmental impact of its operations in 2015.	Akbank plans to minimize the environmental impact and natural resource utilization of its operations in the coming period.
Carbon emissions	Akbank continued to attain major reductions in carbon emissions from its operations in 2015 owing to the energy efficiency projects it has implemented.	Akbank plans to continue actively supporting initiatives to combat climate change in the coming year.
Investing in Communities		
Community investment through sponsorships	The ZERO and Louise Bourgeois exhibitions were presented to arts enthusiasts in Turkey in 2015 with the support of Akbank. In addition, as part of "The Good State of the City" project, 400 young people participated in volunteer activities; subsequently, they were afforded the opportunity to attend the Belle & Sebastian Concert at the Jazz Festival.	Akbank, which positions itself as an exemplary corporate citizen, plans to continue of lending sponsorship support to qualified projects in education, youth, entrepreneurialism, culture-art and environment in next period.
Community investment through employee volunteering	Under the "Akbank Volunteers" system, the Bank carried out volunteering projects in every corner of Turkey with the support of Volunteer Leaders from across the country.	Akbank embraces the principle of encouraging its employees to volunteer in community projects.

STAKEHOLDER ENGAGEMENT

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Akbank's stakeholder map includes all companies and organizations that are impacted by its operations, products or services and that directly or indirectly influence the Bank's performance. Understanding that stakeholder dialogue constitutes the core principle of corporate responsibility, the Bank conducts its sustainability initiatives in light of stakeholder expectations and opinions. The Bank uses a diverse set of corporate communication channels in its stakeholder dialogue process.

Dialogue Platforms based on Mutual Communication and Transparency

The Bank implements a multi-channel stakeholder communication strategy that leverages the strength of the Bank's long-standing corporate structure and the latest advances in information technology. Akbank website (www.akbank.com) and the regularly issued Annual Report and Sustainability Report are the main platforms used to inform the stakeholders. In addition, Akbank also benefits from multi-faceted dialogue platforms specially designed for each stakeholder group in order to receive feedback from and establish dialogue with them.

Examples of the Bank's dialogues with key stakeholders are presented in the table below:

Stakeholder Groups and Dialogue Platforms	Our Approach	Examples
Shareholders, Investors, Analysts		
General Assembly Meetings and Minutes, Face-to-Face and E-Dialogue (Meetings and Conferences in Turkey and Abroad, Presentations and Briefings via Webcast and E-mail), Public Disclosure Platform, Annual Report, "e-Manage: Corporate Governance and Investor Relations Portal" of the Central Registry Agency, Capital Markets Board of Turkey (CMB) Corporate Governance Principles Compliance Report Press Releases, Investor Presentations	The dialogue mechanism that was developed to ensure continuous communication between the Bank management and shareholders is based upon the principles of "transparency, accountability, and regular information dissemination".	Akbank's Corporate Social Responsibility Sub-Group within the Investor Relations and Sustainability Department informs investors on the Bank's environmental, social and economic sustainability performance both in writing and verbally.
Employees		
Quarterly live TV broadcasts by the Bank's CEO, live broadcast of "Permanent Leadership Meetings," Breakfast with the CEO events, Akbank Volunteers program Akbank Volunteers Program, Employee Satisfaction Survey, Corporate Performance System, Meetings (e.g. Regional Directorates and Customer Relationship Management Performance Reviews, Leaders' Summit, Brainstorming Sessions), Coaching system, Corporate Portal "For Us", Suggestion System, BANKSIS (Union of Bank and Insurance Employees), Akbank Retirement Fund, Ethics Line, E-Bulletins, E-mails, Corporate TVs	Akbank is aware that high motivation and satisfaction levels among its employees are determinant in ensuring long-standing business performance. The Bank takes heed of regularly eliciting its employees' opinions and expectations and tries to bring related practices to life. Akbank established effective channels of communication to ensure effective internal communication.	Messages of the senior management and the Bank's quarterly performance results are communicated first-hand to employees via the quarterly-held live TV broadcast by the CEO, an initiative that started in 2012. This project aims to keep internal synergy dynamic, improve bilateral communication, and increase all employees' motivation to reach common goals. Participants from various departments of the Bank are provided the opportunity to exchange opinions with Akbank's CEO at monthly "Breakfast with the CEO" meetings. As part of the "Akbank Volunteers" program, volunteer leaders across the entire country carry out social responsibility projects that create value for the locations they live and work in.
Customers		
Akbank For You Meetings; Agricultural Fairs; Exclusive Events for Direct Deposit Customers and One-to-One Segment Clients; Iftar Dinners for SME and Agriculture Banking Customers; SME Export Academy Seminars; Family-Owned Business Academy; Investor Seminars for One-to-One Segment Clients; Customer Satisfaction Surveys; Akbank Branches; Akbank Call Center; Contact Us Website; Social Media (1.5 Million Followers in Total); E-Mail Notifications; Customer Business Development Meetings; SME Informational Meetings; www.kobilersizinin.com Website; Akbank Art Center Events; Media, Advertising and Promotional Campaigns; E-Mail Messages; and Corporate TVs	Customer satisfaction is Akbank's first priority. Opinions and expectations of customers guide the Bank in developing products and services. In order to sustain customer satisfaction; Akbank implements numerous practices, from information security to responsible marketing communications, innovative and environmentally friendly products, and supporting customers in business development.	"Akbank for You Meetings" were held in nine provinces in 2015 in order to facilitate meeting with customers and local authorities to exchange opinions in line with Akbank's philosophy of "being Turkey's bank"; hearing local problems and finding solutions; and sharing the economic developments in the world and in Turkey with the customer base. Akbank focused on reaching its customers directly by way of exclusive events for clients in each segment. Akbank is in constant contact with customers via 19 different Akbank accounts in the social media. Our agents, specially trained for this media and offering services 24/7, respond to more than 20 thousand comments monthly, offer solutions to complaints, and record the suggestions.

International Financial Institutions		
One-to-One and Joint Meetings, Audits, Negotiations, Reports, Presentations	Loans that Akbank secures from international financial institutions such as IFC, EBRD, and EIB to be lent out to customers mostly carry the conditions of being environment-friendly and supporting development. Akbank establishes dialogues with these institutions with the aim of building management systems to monitor environmental and social performances of its customers pursuant to the conditions attached to these loans.	As part of this effort, Akbank secured a fresh USD 110 million resource from the EBRD in 2015 to finance renewable energy and energy efficiency projects. The Sustainable Energy Financing Fund (TurSEFF) of USD 60 million that Akbank had obtained from EBRD in 2010 was made completely available to customers in 2012 and a total of 50 customers benefited from this fund. As a result of this process, EBRD granted Akbank excellence awards in areas such as "the first bank to make the whole of TurSEFF available, the first bank to perform supplier financing, and the bank with the highest loan volume in renewable energy projects". In addition, Akbank became one of the financial institution signatories to the Energy Efficiency Manifesto at the forum. The forum was organized jointly by the European Bank for Reconstruction and Development (EBRD) and the United Nations Environment Programme (UNEP) in Istanbul in September 2015.
Legislators and Regulatory Bodies		
Public-Private Sector Cooperation Workshop, Meetings, Forums and Conferences, Various Working Groups, Verbal and Written Notifications, Declarations, Press Releases, Compliance Reports	Akbank is committed to thoroughly complying with all related laws and regulations in all of its activities. Akbank participates in forums, conferences and working groups with the aim of closely following the agenda, identifying trends, and developing and adapting its products and services in line with expectations of customers and legislators in a timely manner. In addition, the Bank closely monitors developments related to the banking industry and presents its opinions on legislation amendments to related authorities.	
Suppliers		
Supplier Identification Forms, Meetings, Akbank Code of Ethics	Akbank expects its cooperating suppliers to act in accordance with the Bank's principles and values. The Bank also supports their development through continuous information transfer.	As a result of informing the companies in its supplier portfolio on Akbank's Code of Ethics and sustainability policies, approximately 50% of them declared their commitment to comply with Akbank's principles and policies.
University Students		
Activities Organized and Supported Directly by Akbank, CaseCampus Entrepreneurship Program, Akbank Thinking Club, Information Meetings, Youth Banking, Campus Branches, Brochures and Promotion Campaigns	Caring about university students' requests, opinions, and expectations, Akbank continuously improves its investments in support of their education and development. Akbank cooperates with student clubs to support university students in entering the business world and to further introduce Akbank to those who will graduate soon.	Akbank also undertook efforts for CaseCampus, a program developed in partnership with Endeavor for young people who aspire to become entrepreneurs. Akbank held a "job interview simulation" at Boğaziçi University and had one-to-one interviews with students pretending that we were in a recruiting process. Participants were provided with feedback after the mock interviews.
Local Community		
Activities Akbank organizes and participates (e.g. "Akbank for You Meetings"), National Sponsorship, Volunteer Activities, Culture&Art Activities, Press Releases	Akbank strives to support numerous activities that offer social benefits and to reach local communities in areas it operates.	The Bank held "Akbank for You Meetings" in 19 cities and shared the economic developments in the world and in Turkey, met with local authorities to hear local problems and find solutions, and exchanged opinions. Akbank volunteers across the nation carry out social responsibility projects that create value for the locations they live and work in. The Bank sponsored local organizations such as the Adana Orange Blossoms Festival and Gaziantep Children's Festival.
Non-Governmental Organizations		
Cooperation in Social Engagement Practices, Sponsorships, Meetings, Conferences, Studying Groups	Akbank pays attention to improving cooperation with non-governmental organizations, being in continuous communication with them, taking their opinions and expectations about its activities into consideration.	While developing its social investment projects, the Bank cooperates with non-governmental organizations. Akbank invites representatives of NGOs to its events and receives their opinions on related issues. In addition, Akbank participates in the working groups of the non-governmental organizations and provides input.
Media		
Press Conferences, Press Releases, Daily Economic Bulletins	Akbank aims to maintain continuous dialogue with national and international media, to inform them promptly and accurately through press releases, and to share opinions with opinion leaders at press conferences.	Akbank senior management and relevant managers regularly meet with prominent figures of the media community and exchange opinions at press conferences organized to discuss industry trends and the Bank's products and services.

STAKEHOLDER ENGAGEMENT

Memberships in Associations and Unions, Signed Initiatives

As a good corporate citizen keenly aware of its social responsibilities, Akbank places great importance on being an active corporate member of various associations and unions. The Bank chooses which organizations to join while remaining mindful of the Bank's corporate reputation.

Our memberships in associations and unions, as well as the local and global initiatives we signed within the framework of sustainability are grouped below:

- European Association of Communication
- Directorates (EACD)
European Union Green Banking in the Mediterranean Project
- Interbank Card Center (BKM)
- United Nations Global Compact (UNGC)
- Cancun and Durban Communiqués drawn prior to Conference of the Parties to the United Nations Framework Convention on Climate Change to make a call of action to governments from the private sector
- Endeavor Assessment (Support for Active Entrepreneurs)
- Turkish Ethics and Reputation Society (TEID)
- Financial Literacy and Inclusion Association (FODER)
- The Prince of Wales's Corporate Leaders Group on Climate Change (CLG)
- Association of Advertisers
- Istanbul Foundation for Culture and Arts
- Istanbul Stock Exchange Sustainability Index (ISESI) Project
- Carbon Disclosure Project (CDP)
- TÜYİD Investor Relations Association
- Credit Cards Registry Office
- Association of Corporate Communicators
- Climate Platform and Turkish Leaders Group on Climate Change established by REC and TUSIAD
- Association of Advertisers
- Private Sector Volunteers Association
- The Banks Association of Turkey (TBB)

- Studying Group of Sector's Role on Sustainable Growth of The Banks Association of Turkey
- Public Relations Association of Turkey (TUHİD)
- Corporate Governance Association of Turkey (TKYD)
- Turkish Industry and Business Association (TUSIAD)
- Turkish Industry and Business Association (TUSIAD) Sustainable Development Task Force
- Visa Colorful Horizons
- The European Association of Communication Directors (EACD)

UN Global Compact-Compliant Business Processes

The biggest evidence of Akbank's commitment to universal principles of human rights, labor conditions, environment, and anti-corruption is its signature under the United Nations Global Compact (UNGC) – one of the important corporate social responsibility initiatives worldwide. With this signature, Akbank takes responsibilities such as respect for human rights, providing a safe and healthy work environment, protecting the environment, offering sustainable values and benefits to employees and the society by means of policies and practices that cover transparent corporate management. Thus, Akbank pledges to fulfill its duties in creating a more humanistic globalization.

Leveraging Corporate Know-How and Experience to Contribute to Public Policy

It is an utmost priority for Akbank representatives to participate in forums, conferences and working groups as a speaker or an observer in order to make the Company's banking industry experience and knowhow available to stakeholders. The Bank also sponsors events that are in line with its corporate policy and strategy.

With the capability to make coordinated use of various communication channels thanks to a sound corporate structure, Akbank's Senior Management attends President and Cabinet level meetings regarding such issues as the country's economy and financial affairs as part of the Bank's leader communications. A good

example of Akbank's contributions to public policy are the initiatives of Ms. Suzan Sabancı Dinçer, Chairwomen of the Board of Directors of Akbank, as a Member of the Board of Trustees of Chatham House, in promoting Turkey's economic and strategic role internationally through this platform.

Activities Sponsored in 2015

Committed to providing support to projects that add value to Turkey's development journey, Akbank continued to sponsor a large number of activities carried out by the most respected organizations in Turkey in 2015. The major activities the Bank sponsored or took part in during 2015 are listed below.

Events Bringing Together Finance Industry Thought Leaders

FT Turkey Summit 2015

The Financial Times Turkey Summit was held in Istanbul under the sponsorship of Akbank and Citibank in partnership with the Turkish-British Business Council of the Foreign Economic Relations Board of Turkey (DEİK). Organized around the theme "Economic Development in a Challenging Region," the summit included discussions on opportunities and challenges that Turkey faces in its efforts to become a rich country. The summit's opening addresses featured Ms. Suzan Sabancı Dinçer, Chairwoman and Executive Member of Akbank's Board of Directors, and David Gardner, International Affairs Editor of the Financial Times. Abdullah Gül, the 11th President of Turkey, and Adnan Yıldırım, Deputy Minister of the Ministry of the Economy, each gave a talk as part of the event. Many corporate leaders also attended the summit.

EuroFinance Cash, Treasury and Risk Management in Turkey Conference

The 11th Cash, Treasury and Risk Management in Turkey Conference of EuroFinance was held under Akbank's main sponsorship in Istanbul. Organized around the theme "Starting the Business of the Future," the conference hosted corporate leaders from the world financial industry, executives, and academics. Attended by a large number of

The Financial Times Turkey Summit was held in Istanbul under the sponsorship of Akbank and Citibank in partnership with the Turkish-British Business Council of Foreign Economic Relations Board of Turkey (DEİK). ●

experts from the United States, United Kingdom, and Switzerland as well as Turkey, the conference facilitated discussion on global economic developments, scenarios that will shape the future of business, risk management, innovation, digital transactions, and financing strategies.

Forum Istanbul

Since 2009, Akbank has sponsored "Forum Istanbul," a national and international platform to facilitate medium and long-term thinking on Turkey's present and future. Forum Istanbul brings together academics, statesmen, international organizations, trade unions, media, civil society organizations, politicians and clerics in order to discuss the problems of Turkey, Eastern and Southern Europe, the Balkans, Middle East and Asia; promote entrepreneurship for the benefit of the people of these regions; debate these problems and offer solutions; and contribute to real and lasting change.

Stars of Export – Export Promotion Awards

Held by Dünya newspaper in partnership with DHL, the "Stars of Export - Export Incentive Awards" competition has been organized under the Bank's main sponsorship since 2002. Ali Babacan, Deputy Prime Minister responsible for the economy, also delivered a speech at the event. Companies that won awards also received a certificate and a gift from Akbank.

CLIMATE CHANGE MANAGEMENT UNDER CORPORATE GOVERNANCE COMMITTEE GUIDANCE

Akbank regularly updates its risk management approach in the face of the adverse impacts of climate change on human activities.

Akbank's solution strategies for the global climate change are shaped by the Corporate Governance Committee that directly reports to our Board of Directors. In addition, the International Advisory Board also contributes to the Bank's vision. Investor Relations and Sustainability Department ensures coordination and management of the issue within our Bank. Other departments such as Branch Operations, Architectural Works, and Personnel Management are responsible for collecting data, including energy consumption and implementation of energy saving practices.

Risk and Opportunity Oriented Assessment Approach

Climate change, which is caused by increasing levels of greenhouse gas emissions in the earth's atmosphere, poses major risks for societies today. Heat waves of increasing frequency and intensity, floods, droughts, and extreme weather conditions due to climate change have the potential to have negative impacts on industries such as forestry, fishing, agriculture, healthcare, tourism, and construction, among others. Climate change laws, rules and regulations that have been enacted or are likely be put into effect in Turkey and its trading partners pose the risk of legal incompliance and extra investment costs to fight climate change. It is anticipated that companies with large amounts of greenhouse gas emissions such as the ones in transportation and aviation industries will be impacted by the aforementioned laws and regulations.

A Service Approach to Mitigate Risks

Akbank continually updates its risk management approach in the face of the adverse impacts of climate change on human activities. By embracing a proactive approach to risk management, the Bank strives to effectively manage climate change-based risks and turn threats into opportunities.

Akbank closely monitors the changes in laws and regulations related to energy efficiency and renewable energy, which gain in prominence in Turkey by the day, with its specialized staff, and carries out comprehensive compliance efforts.

In addition, Akbank continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms. In addition, the Bank measures the carbon emissions stemming from its operations and business travel, and undertakes initiatives to minimize these emissions.

Akbank actively tracks the energy consumption and greenhouse gas emissions of its branches.

Carbon Management Practices that Encompass All Business Process

Following its participation in the Carbon Disclosure Project in 2009, the Bank began undertaking more comprehensive and systematic studies to measure the greenhouse gas emissions (in equivalent carbon dioxide terms) resulting from the Bank's operations and to take measures to reduce this emission level. A number of initiatives were launched geared toward measuring, tracking and reducing the greenhouse gas emissions resulting from electricity and fuel use in Akbank buildings and from fuels used in employees' business and training travels. Akbank launched a system to systematically monitor and report energy consumption and greenhouse gas data of its branches. Thanks to this system, Akbank began to track the data for business units. (Detailed information on energy and carbon management is presented in the "Our Operations and the Environment" section of this Report.)

Akbank shares its climate change strategies and greenhouse gas emissions data with stakeholders by way of the annually-published Sustainability Report as well as the CDP Report. The Bank submitted the sixth Report to the CDP Secretariat in 2015 and plans to release the seventh report in 2016.

"Climate-Friendly" Products and Services

In addition to efforts to reduce greenhouse gas emissions resulting from its own operations, the Bank offers innovative products and services to encourage loan customers to conserve energy and thus reduce their CO₂ emissions. Detailed information on these products, including the Akbank Energy-Friendly Loan, is provided under the sub-title of "Climate-Friendly Loans" within the "Value Added to Our Customers" section of this Report.



04. CORPORATE GOVERNANCE AT AKBANK

Ranking among the leading players in the Turkish banking industry thanks to its sustainable financial and operational performance, Akbank has adopted a professional corporate governance approach in line with international standards and that complies with applicable laws, rules and regulations. Akbank's corporate governance practices are assessed under the following categories:

- Relations with Shareholders
- Public Disclosure and Transparency Policy
- Duties, Responsibilities, and Authorities of the Board of Directors
- Relations with Stakeholders

First Bank to Publish Corporate Governance Principles on Its Website.

Relations with Stakeholders are covered in another section of the Report, the other three subjects have been detailed in this section.

In Turkey, Akbank is the first bank;

- to publicly announce its dividend policy (2003).
- to announce its Corporate Governance Principles in its annual report (2003).
- to announce its Corporate Governance Principles in its website (2004).
- to buy back its founders' shares (2005).
- to Sign the United Nations Global Compact (2007).
- to Publish UN Global Compact Communication on Progress Report (2010).
- Pioneer in Supporting the Implementation of the Carbon Disclosure Project (CDP) in Turkey (2010).
- to Publish a Sustainability Report in Accordance with GRI Standards (2010).
- to Participate in Carbon Disclosure Project (CDP) Global 500 Reporting (2010).

Akbank is committed to abiding by the Corporate Governance Principles as set forth by the Banking Law, Capital Markets Board, and Turkish Commercial Code. The Bank pays utmost attention to the implementation of these principles. Akbank is in compliance with the mandatory provisions of the Corporate Governance Principles as published by the Capital Markets Board in the Official Gazette No. 28871 dated January 3, 2014.

RELATIONS WITH SHAREHOLDERS AND INVESTORS

Establishing a mutual trust-based relationship with its shareholders in keeping with the responsibility of a publicly-traded company, Akbank created information disclosure channels for all its shareholders. The Bank's goal in this approach is to solidify its position as an attractive and predictable investment vehicle for current shareholders and potential investors.

Mutual Trust-Based Investor Relations Policy

In order to manage and strengthen relations with both existing and potential shareholders, Akbank established an "Investor Relations Group" in 1996. The Investor Relations and Sustainability Department (IRSD) replies all questions that are not related to commercial secrets, taking the principle of equality into consideration and thus it is ensured that the Bank management and shareholders are in continuous communication. In addition, there is a "Financial Accounting and Shareholders Transactions Directorate" in Akbank to facilitate monitoring the rights of shareholders.

Comprehensive Information Disclosure Processes for Investors

The Investor Relations and Sustainability Department is responsible for presenting the Bank's performance and strategies accurately and transparently to existing and potential investors. IRSD also plays an active role in facilitating protection and use of shareholders' rights – especially the rights of getting information and examining the data. The Department informs investors on environmental, social and economic sustainability.

Regular Participation in International and Domestic Investment Conferences

In 2015, the Investor Relations and Sustainability Department attended a total of 17 domestic and foreign investor conferences together with executive management of Akbank and had meetings with approximately 256 international investment funds and four rating institutions. Also, more than 500 questions posed by investors and analysts via telephone and e-mails were answered.

Information on the General Assembly meetings is announced in the Turkish Trade Registry Gazette, in a national newspaper, on the corporate website, at the Public Disclosure Platform www.kap.gov.tr, e-Governance Corporate Governance and Coordination and International Reporting on the Central Registry Agency www.mkk.com.tr, and on the e-GEM Electronic General Assembly System at least three weeks before the event. The Annual Report is submitted to the shareholders through our Bank's website, at the Shareholder Transactions Subdivision, as well as at the Ankara, Adana and Izmir Commercial Branches three weeks before the General Assembly. In addition, matters stipulated in article numbered 1.3.1 of the Capital Markets Board Corporate Governance Principles are disclosed to the shareholders on the Bank's website correspondingly with the announcement for the General Assembly Meeting of Shareholders.

According to Akbank Articles of Association, shareholders may assign another shareholder as a representative with a right to vote. Shareholders may exercise their right to vote either in person or through another person or shareholder at General Assemblies. Media outlets are permitted to attend and cover the Bank's General Assembly Meetings.

Mechanisms for Shareholder Representation at the General Assembly

General Assemblies are held in Akbank Head Office (Sabancı Center) in a way that increases participation of shareholders, avoids injustice, and allows for participation with a minimum cost for shareholders. Those who have the right to participate in the Bank's General Assembly meetings may also vote via the Electronic General Assembly System.

OUR PUBLIC DISCLOSURE POLICY

Akbank's Public Disclosure Policy was formulated by the Board of Directors within the framework of the Capital Markets Board's Corporate Governance Principles in accordance with capital markets laws and regulations, and then approved and announced to the public on Akbank's website. The Board of Directors is authorized and responsible for informing the public, as well as for monitoring, supervising, and improving the public disclosure policy.

The Financial Coordination and International Reporting Department, Investor Relations and Sustainability Department, and the Corporate Communication Department, which collectively serve as the Shareholder Relations Unit under the Financial Coordination business unit, are assigned to oversee and monitor all issues pertaining to public disclosures.

Various Information Disclosure Channels for the Public at Large

Akbank Website, material disclosures, Akbank branches, Call Center, Akbank IR Apps (iOS) social media (Twitter, Facebook), media, advertising and promotion campaigns, Annual Report and Sustainability Report are the most important platforms to inform the Bank's shareholders. In addition, the "e-MANAGE: Corporate Governance and Investor Relations Portal" of the Central Registry Agency is also utilized in disseminating information to stakeholders.

AKBANK BOARD OF DIRECTORS

Structure of the Board of Directors

As of year-end 2015 there are three executive and seven non-executive members on Akbank's Board of Directors. The Chairman of the Board of Directors of the Bank is also an Executive Member with responsibility in all areas. The Bank's Board of Directors had three Independent Members during 2015.

According to the Capital Markets Board's corporate governance practices, audit committee members of banks are considered independent members of the board of directors. Hayri Çulhacı and Yaman Törüner, Members of the Audit Committee, are Independent Members. The other Independent Member of the Bank's Board of Directors is Aydın Günter, who satisfies all the independence criteria of the Capital Markets Board and who was ratified for a one-year term by the shareholders at the Ordinary General Assembly Meeting on March 26, 2015. The report of the Corporate Governance Committee dated January 12, 2015 stating that Aydın Günter satisfies all the independence criteria was submitted to the Board of Directors; the Board of Directors resolved to refer Aykut Demiray to the Capital Markets Board as an independent board member nominee.

The terms of the Members of the Board of Directors who were elected in March 2015 will expire in 2016. All Members of the Board of Directors attend meetings unless excused.

There is a secretariat for informing and communicating with the Members of the Board of Akbank. The Board meets at least 12 times a year. Board Members pay attention to participating and contributing to every meeting. The Chairman consults to other Board Members and the CEO to define the agenda of the meeting. Information and documentation on the agenda are presented to the Members of the Board prior to the meeting.

In order for the Board of Directors to make a resolution, one more than half of its members must attend the meeting. Therefore all resolutions are made with the majority of members attending the meeting. Negotiations of the Board are routinely recorded by a secretary selected amongst the members or by someone hired outside the Bank. Minutes must be signed by attendees and if there are opponent members, the reason of opposition to the resolution must be stated in the minutes which must be signed by the voter. Board Members are not entitled to have weighted votes and/or to veto resolutions. Each member of the Board of Directors is entitled to one vote.

Roles and Responsibilities of the Board

The core duties of Akbank's Board of Directors include making the strategic decisions that strike the optimal balance between risk, growth and return, and pursuing a rational and cautious risk management approach that safeguards the long-term interests of the corporate organization that it represents.

Important Job Description in Pursuit of Strategic Goals

The Board of Directors sets the Bank's strategic objectives, determines the human and financial resources Akbank will need, and supervises the performance of the management team. The Board of Directors oversees the compliance of the Bank's activities with the laws and regulations, the Articles of Association, internal regulations and policies.

The Board of Directors operates in a transparent, accountable, fair, and responsible manner. The Board plays an active role in maintaining an efficient communication between the Bank and shareholders as well as in resolving potential disputes.

Akbank's Highest Approval Body

The Board of Directors approves Akbank's annual budget and strategic plan, closely monitors actual comparisons with the budget, receives information on deviations, and reviews the resolutions made. If there are any significant deviations in macroeconomic conditions compared to the budget estimates, the budget is revised and resubmitted to the Board of Directors for approval. The Board monitors strategic goals, budget targets and actual figures on a daily, weekly or monthly basis, depending on the nature of the issue. In addition to the hard copy reports it receives, the Board of Directors also has access to the Bank's financial statements, various financial and non-financial indicators on the basis of customer, branch, business unit, and the overall Bank through the Management Information System.

The Bank's administrative structure and organization is given in the third section of the Articles of Association. This section explains roles and capacities of the Board Members and other executives: Roles and responsibilities of the Board of Directors are subject to the provisions of the Turkish Commercial Code and Banking Law as well as to the provisions of the Articles of Association.

Board of Directors Committees

In Akbank's Board of Directors, there are various committees for different tasks. In addition to such committees, Board of Internal Auditors, Internal Control and Compliance Division, and Risk Management Department directly report to the Board of Directors.

Audit Committee: The Bank's Utmost Auditing Body

The Audit Committee helps the Board in the performance of supervision and oversight functions; oversees the functioning and adequacy of the internal systems as well as the accounting and reporting systems. The Committee convenes at least four times a year.

The Body Responsible for Social Responsibility Initiatives: Corporate Governance Committee

CGC was established in 2009 with the aim of monitoring compliance with corporate governance principles and supervising the implementation of corporate social responsibility activities, under the name of "Corporate Governance and Social Responsibility Committee" in 2009. In 2013, "nomination" task was also given to the Committee and its name was changed to "Corporate Governance Committee". The Committee is responsible for ensuring, monitoring and communicating compliance with Akbank's Corporate Management Principles; monitoring the operations of the Investor Relations and Sustainability Department; creating a transparent system to identify, evaluate and train suitable candidates for the Board of Directors; and working on related policies and strategies. Members of the Remuneration Committee are responsible for monitoring, auditing, and reporting remuneration operations on behalf of the Board of Directors. The Committee convenes at least twice a year. The chairman and majority of the members of the Committee are independent Board Members.

Credit Committee: The Key Authority in Lending Processes

The Credit Committee is a loan assignment resolution center that examines loan offers which have passed loan processes of the General Directorate in terms of compliance with legal regulations, banking principles, the Bank's goals and loan policies.

The Body that Determines the Risk Policy: Executive Risk Committee

Executive Risk Committee (ERC) is responsible for creating risk policies, identifying methods to measure and manage risks, setting and monitoring suitable risk limits. All risk policies are put down in writing and integrated into the long-term overall strategy of the Bank. The Risk Committee convenes at least four times each year.

The Authority that Sets the Bank's Funding Strategies: Asset-Liability Committee

The Asset-Liability Committee (ALC) is chaired by the CEO and is responsible for the daily liquidity and cash management. ALC meets at least twice a week to discuss the latest developments in the economy and the markets. It is also responsible for devising investment, pricing, and funding strategies.

Rights of the Board Members

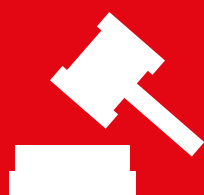
Remuneration policy of the Bank is implemented in accordance with the regulations by the Banking Regulation and Supervision Agency (BRSA) and the CMB. Basis of remuneration for the Board Members and senior executives are communicated at the Bank's website.

Transparent Senior Management Compensation Policy

According to the Akbank Articles of Association, Members of the Board of Directors are paid a monthly fee or remuneration is fixed by the General Assembly. Salaries paid to board members who assume various prescribed duties at Akbank are determined within the scope of authorization granted by the General Assembly. The Bank's compensation policy complies with the regulations of the Banking Regulation and Supervision Agency (BDDK) and Capital Markets Board (SPK). The compensation policy has been documented in writing, presented to the shareholders at the General Assembly, and published on the Bank's website. These payments are determined annually by the Board of Directors. The Banking Code limits loans to be granted by Akbank to the Board Members and they are not granted any loans against this mandate.

International Advisory Board: Evidence of Akbank's International Vision

The Akbank International Advisory Board was established to monitor global and local economic developments and make strategic recommendations for Akbank. The Board consists of a total of 12 Turkish and foreign members, each with extensive knowledge and experience in their respective areas. Chaired by Ms. Suzan Sabancı Dinçer, the Board convened twice during 2015. At these meetings, latest trends in the global economy, main trends in monetary and finance policies, and current opportunities for the Turkish economy were discussed with a global perspective.



05. RISK MANAGEMENT AND COMPLIANCE

RISK PERCEPTION DEFINED IN LIGHT OF CURRENT DEVELOPMENTS

Akbank formulates its risk policies in consideration of the Bank's long-term strategies, corporate goals, and scope of operations.

The Board of Directors is charged with the primary responsibility of establishing and executing an effective risk management policy across the entire organization. The Board of Directors, with the help of the Audit Committee and the Executive Risk Committee, assess current developments and determine Akbank's risk categories.

The Risk Management, the Internal Control and Compliance Division and the Board of Internal Auditors units, which report directly to the Board of Directors, perform coordination and assessment functions to ensure the expected efficacy.

Risk Management Policies Bolstered by Employee Support

All Akbank employees are responsible for compliance with policies and strategies drawn by the Board of Directors, for effective management of risks related to their own areas of operation, and for taking necessary actions to comply with the legislation.

Effective Risk Management

Akbank formulates the Bank's risk policies in consideration of long-term strategies, corporate goals and the scope of operations. The Bank has adopted a multi-faceted approach that encompasses risk management, legal and regulatory compliance, and environmental-social impact analysis in making major decisions such as capital allocation, portfolio/investment choices, and launching new products or initiatives.

Internationally Accepted Risk Management Practices

The Bank constantly reviews the risks that it may be exposed to during the course of its operations and makes the necessary policy, procedure or application updates as required by prevailing circumstances.

Such updates are performed by closely following and implementing changes, innovations, arrangements and models in internationally-recognized risk management principles. All of the analyses, calculations, simulations, scenarios, stress tests and other efforts play a determinant role in the strategic decisions made by our Bank's Board of Directors and senior executive management.

Sustainability-oriented Pluralistic Risk Perception

The issues below come to the fore when sustainability in risk management is considered:

Market Risks

Market risks emerging due to fluctuations in foreign exchange rates, interest rates, and market prices of stocks are measured by using internationally-recognized models. Limits are identified for the Bank or Group and compliance with these limits is continuously monitored.

Liquidity Risks

Akbank has created a liquidity management framework for maintaining required liquidity resources to perform legal liabilities in a timely manner to depositors, creditors and corporations that it has made a commitment to. The Bank protects itself from any negative impacts to be caused by liquidity risks thanks to its widespread deposit base, robust capital structure, and varied foreign borrowing sources. In addition, extra liquidity sources are made available with limits allocated by the Central Bank, BIST Repo Market and the Settlement and Custody Bank as well as the liquid securities portfolio in hand. By being cautious in foreign currency liquidity management, reserves sufficient to fulfill liquidity needs are maintained.

Management and monitoring of market and liquidity risks had an increasingly important role in the cautious and farsighted management of the probable negative impacts of the crises and challenges experienced recently in the global economy.

Credit Risks

All banking products with credit risks (such as credit placements and commitments to customers, letters of credit) are managed with assistance from cautious loan policies and procedures in Akbank. In all credit transactions, loan quality (credit worthiness), purpose of use, and environmental and social effects are assessed via an internal customer rating system. Sector, customer, loan type, customer segment-based limits are identified in order to monitor credit risks.

Reputation Risks

Reputation risk is a significant risk in terms of sustainability. All Akbank employees, notably the Board of Directors, are held responsible for the management of this risk. Within the scope of the management of this risk, policies and practices were identified (including areas such as full compliance with legislation, establishing and exercising trust-based relationships with stakeholders, efficient and fast solutions to customer complaints) and these have been put down in writing. Akbank Ethical Principles serve as an important guide in this sense.

New Products and Services Risks

In addition to risks identified for existing products and activities, risks that may arise from development of new products and services are also assessed. Potential financial, operational, legal and reputation risks of newly-developed products or services; methods to be used in measuring and managing these risks; and control mechanisms to be established are identified with contribution from related departments of the Bank. Since 2011, "New Product and Service Evaluation Committee" comprising managers of all departments involved in product development decides on the suitability of all product and service in terms of legislation and technical qualifications. When the Board of Directors approves the extensive risk assessment made by the Committee, necessary actions are taken for risk management.

Operational Risks

Operational risks are another major risk category with great significance for banking activities. In general, operational risks result from overlooking errors and irregularities due to failures in the control of business processes, bank management's and employees' failure to act in accordance with the time and conditions, errors and irregularities in IT systems, or natural disasters. Akbank effectively employs mechanisms such as differentiated and diversified controls, insurance, and limits to manage operational risks, which are related to all risk categories led by legal compliance and reputation risks. The Operational Risk Committee, which was established at the Senior Management level in 2011, discusses subjects that are of importance from operational risk perspective and actively monitors the actions taken at its regularly-held meetings.

Legal Risks

Operating flawlessly in terms of compliance with legislation is a fundamental priority for us. For following legislation related to the banking sector and adaptation to developments and changes, various departments work to ensure compliance in the Bank's system infrastructure, business processes, rules, and limits.

INTERNAL CONTROL AND INTERNAL AUDIT SYSTEM

By way of the Bank's internal control system, Akbank aims to protect its assets; conduct operations effectively and efficiently, in compliance with laws, rules and regulations; and establish a reliable and holistic accounting and financial reporting system. The responsibility of managing the system in a way that creates value-added for the Bank falls on all employees, led by the Board of Directors. The Audit Committee's function is to aid the Board of Directors in its activities within this scope.

Dynamic Control and Audit Infrastructure

The most important component of an effective internal control system is the control environment. The control environment at Akbank is defined within certain rules and designed to contribute to all business processes. In addition, arrangements on issues such as organization structure, Ethical Principles, distribution of authority and responsibility are also performed. Our employees are encouraged to identify and assess risks that may prevent the Bank from reaching its targets and are continuously reminded of the importance of control activities in managing such risks.

In line with this understanding, effectiveness of the internal control system is ensured by using certain mechanisms including;

- Identification of functional differences, separation of the functions of marketing and operations,
- Documentation of job definitions and specific responsibilities in the control system of each employee at every level,
- Documentation of all workflows and checkpoints throughout the Bank via the Business Process Management (BPM),
- Establishing information systems that are in compliance with the volume and quality of the Bank's activities,
- Establishing effective and comprehensive communication channels, hearing suggestions of employees on processes and activities, and implementing them.

The Internal Control and Compliance Division

The Division performs periodical controls in branches and the Head Office Departments to measure the effectiveness and adequacy of internal controls performed during the execution of the Bank's operations and to see whether the internal controls are in conformity with the laws and internal legislation and are performed effectively and efficiently. The Division also works to establish control systems in required areas.

Four-Pronged Internal Control and Legal Compliance Processes

The Internal Control and Compliance Division conducts its operations under four main categories: branch controls, which are designed in accordance with the Bank's Regional and Branch organization; Head Office controls, which include reviewing processes and transactions throughout the bank by business line; information system controls; and compliance controls. Findings from control related activities are shared with the related branches and head office units, and the Division monitors the status of improvements and mitigation actions.

In order to ensure timely and full legal and regulatory compliance, the Division analyzes the impacts of new regulations on Akbank's operations, assesses whether the Bank is compliant under existing arrangements, and informs the management of the relevant units. These initiatives are planned with the participation of the relevant units and developments are monitored. The Division also conducts controls related to the Bank's information security and information technology systems infrastructure.

The Board of Internal Auditors

The Board of Internal Auditors performs audits and evaluations in order to ensure that the Bank's activities are in accordance with legislation as well as with strategies and policies identified by the Board of Directors, productivity is improved, service quality is enhanced, effectiveness and competence of the Bank's internal control and risk management systems as well as corporate governance processes are retained.

Board of Internal Auditors: Coordinator of Internal Audit Activities

Internal audits are performed in a way that covers all units, processes and operations and are planned with a risk-oriented point of view. Examples to the work done by the Board of Internal Auditors are evaluating the compliance of branch transactions with the provisions and liabilities stated in internal and external legislation investigating; analyzing and assessing existing or probable, actual or potential risks resulting from negligence, misconduct, fraud etc. in our branches, units and affiliates; and eliminating risks.

Audit Mechanisms against Claims of Irregularity

The Board of Internal Auditors examines the reliability and integrity of the Bank's information systems and checks whether information is accessed on time. It performs information security audits based upon international standards. It also puts in effort to identify and solve probable irregularity notifications from legal bodies (including those via the Ethics Line), the Bank itself, and our customers. The Board of Internal Auditors also investigates and resolves all probable fraud notifications.

As a result of the operations of the Board of Internal Auditors, findings are identified through internal control and suggestions are made to develop the processes, increase efficiency, and strengthen internal systems. Furthermore, actions taken accordingly are actively monitored.

Results of the operations by the Board of Internal Auditors and the Internal Control and Compliance Division are regularly monitored and evaluated by the Control Committee and Board of Directors.

TOTAL HARMONY WITH LEGAL LEGISLATION

Akbank executes the compliance process stemming from legal, rule and regulatory changes with the coordination of various units and the support of all Akbank employees.

As part of the Bank's sustainability approach, Akbank places great importance on legal compliance initiatives in two areas in particular:

Prevention of Laundering of Proceeds of Crime

As stipulated by international banking regulations and governing legislation, Akbank's risk management pays significant attention to guarding against laundering the proceeds of crime and financing terrorism. In this context, implementation details of precautions and principles aimed to identify, rate, monitor, evaluate, and prevent potential risks are fulfilled by considering the liabilities in relation to knowing the customer.

Compliance with International Regulatory Authority Standards Initiatives

Akbank operates within the framework of the "Know Your Customer Policy" ("Know Your Customer Policy and Principles to Prevent Laundering of Proceeds of Crime and Financing of Terrorism") prepared in accordance with national legislation as well as principles, regulations, and standards set by international authorities. In line with the standards issued by the United Nations Security Council and Financial Action Task Force, systemic controls are made to prevent mediating in banking transactions for laundering proceeds of crime, financing of terrorism, and illegal activities.

The Internal Control and Compliance Division is also responsible for conducting the controls regarding the transactions with high-risk countries in accordance with the regulations published by international regulatory authorities (OFAC, EU, UN, etc.). In addition, the policies and procedures formulated regarding this subject are announced to the entire Bank.

Compliance in Product Promotions and Marketing Communication

All kinds of communication operations performed with the aim of promotion and marketing of banking products and services are subject to various laws and regulations. Every employee who communicates with customers, including the Corporate Communications Department, is responsible for the compliance of our communication activities with the laws and regulations.

Product Promotion Efforts that Protect Customer Rights

In all efforts related to product promotions, sales and marketing communications (including advertisements and sponsorships), Akbank's priority is to abide by generally accepted ethical rules, privacy of personal information, laws and regulations (Turkish Commercial Code, Consumer Protection Law, Directive for Commercial Advertisement and Announcement Principles and Codes of Practice by the Turkish Ministry of Industry and Commerce, Banking Law, Capital Markets Law, regulations of the Banking Regulation and Supervision Agency related to our products, and regulations by the Banks Association of Turkey and Interbank Card Center), industry standards, and all rules of institutions that we are a member of, such as Visa and MasterCard.

Transparent Information Disclosure Policy

Akbank pays maximum attention while promoting and marketing its products and services in order to avoid any loss of rights of its customers. For instance, in credit card commercials broadcast on TV, the Bank makes sure that informative subtitles are used and the size of letters as well as the flow rate of subtitles is appropriate and legible. Akbank announces the campaigns and innovations regarding its products on the Akbank corporate website as well as transmitting them via e-mail and SMS to customers who opt for such communication. Pursuant to its transparent pricing policy and taking legal obligations into consideration, Akbank announces to its customers the terms and conditions of all of its banking products and services, and information such as fees, commissions and interest rates, through various channels, including Akbank website.

SECURE BANKING WITH STATE-OF-THE-ART TECHNOLOGY APPLICATIONS

Security in banking products and services can be addressed under two main areas: confidentiality and safety of customer information and information safety.

Responsibility in providing secure banking services begins as soon as the product or service is sold and continues for the entire lifecycle of it. Any negative experience in any phase of this cycle could result in losing a customer and adversely affect our reputation and thus, "secure banking" principle is fundamental to Akbank's services.

Confidentiality of Customer Information is an Utmost Priority

Ensuring confidentiality of customer information is a requirement by the law as well as by our Bank's rules and ethical principles. Therefore, only related and authorized employees can have access to customer information and transactions made using such information are regularly monitored and recorded. Using customer information outside the Bank is limited only to legally authorized people and institutions.

Our new employees are trained in information security when they first start working and are regularly updated on the issue throughout their careers. Surveys are held to measure our employees' level of awareness in information security. In accordance with the results of these surveys, we plan information security awareness activities and provide training and information to employees on issues to be paid attention to.

Information Security Oriented Online Banking Service

Operations held in cooperation with companies providing support services should be approved after security processes are applied and only those that meet the security standards of Akbank are approved. As a part of secure banking, to ensure maximum financial security of our customers, our systems are protected with various information security measures and technology-based threats are regularly monitored. Additional measures such as sector, transaction, and total sum limits and multi-digit password use are employed especially in products including the Internet, telephone, and credit card products. VirtualCard, Mobil Signature, SMS Agent and the “Security Picture” proving that the website seen on the screen belongs to Akbank are among the safety measures we take for customers who want to shop safely on the Internet.

In addition, to increase awareness, we continuously inform customers on measures they can take and make announcements in our website regarding the threats they must pay attention to.

Security Governance against Potential Threats and the Security Committee

Akbank’s security stakeholders conduct monitoring and prevention activities against existing and potential threats using internationally-accepted tools as well as new procedures developed by Akbank, and carry out continuous efforts to protect customer and Bank information. The Bank’s Security Committee works to proactively deter potential threats stemming from cyber security, technology and processes, and evaluates all manner of upgrading and development options.

BUSINESS CONTINUITY MANAGEMENT

In order to ensure continuity of critical business processes as well as to ensure recovery of the system in case of failure, to prevent customer losses, and to maintain corporate reputation, Akbank executes the Business Continuity Management Program. This Program is devised on the basis of business continuity and disaster management system defined in the British Standard Institute’s internationally recognized BS 25999 Standard and was updated in 2012 following the release of ISO 22301:2012 Social Security Business Continuity Management System standard.

Advanced Technical Infrastructure that Ensures the Sustainability of Efficiency

In Akbank, organization chart, roles and responsibilities for business continuity is defined clearly. The Business Continuity Committee that convenes twice a year monitors the performance of the Business Continuity Management Program, checks and guides the operations, and provides the resources required for business continuity.

Security risk management proactively defines the service disruption threats and the impacts on business operations if these threats are realized, and devises plans that ensure uninterrupted operation. To this end, the Bank defined the corporate goals, responsibilities and priorities pertaining to the critical services that shall be rescued in the event of a disaster; created business continuity plans to ensure quick and accurate decision-making in an emergency; and backed up its data processing center at the Disaster Recovery Center located in Izmir. The Bank’s business continuity plans are constantly reviewed, updated and tested via unannounced drills.

In order to internalize business continuity management within Akbank’s corporate culture and to raise business continuity awareness across the organization, the Bank carries out various training and informational initiatives. The Bank’s annual disaster drills are conducted with high levels of participation.

OUR ETHICAL BANKING APPROACH

Akbank has embraced a management approach that values financial success and brand reputation equally. As part of this approach, stakeholders and employees are encouraged not merely to comply with Akbank's Code of Ethics, but also to embody these principles before various actors.

Strengthening Akbank Business Culture with a Code of Ethics

The Code of Ethics, which went into effect after the approval of the Board of Directors, governs the behavior and conduct of Bank employees, as well as their relations with persons and institutions within and outside the Bank. Akbank's Code of Ethics is made available on the Bank's website and corporate portal; all personnel also receive obligatory e-training on these principles.

Respect for Society and the Environment Included in Code of Ethics

Last updated in 2015, the Code of Ethics includes four main headings. The first subject covers our responsibility towards the society and the environment in accordance with our commitment to the UN Global Compact.

Notifications of Suspected Violations of Ethical Principles

In case of suspected violations of Ethical Principles, employees and stakeholders can notify Akbank's related units within the framework of the confidentiality principle via various channels.

Ethics Line: A Powerful Channel for Stakeholder Feedback

The Bank's stakeholders can inform the Board of Internal Auditors of suspected violations directly at our Call Center - 444 25 25. Such notifications can also be made through e-mails to be sent to etik@akbank.com.

Akbank's employees believe that there are practices contradicting to the Ethical Principles in their units, but refrain from taking actions as being part of the same unit, to solve the problem, they can use our Ethics Line. The existence of the Ethics Line, areas of practice, means to reach the line are announced to all employees regularly via e-mails. Employees may have access to the Ethics Line any time of the day via telephone and e-mail. Callers are not required to give their names and if they do, the information is kept confidential.

All notifications are evaluated by the Ethics Line Officer (an auditor assigned by the Board of Internal Auditors). The notification is transferred to the Board of Internal Auditors in cases that require examining or investigation, otherwise to the Executive Vice President (EVP) of the related business unit to take necessary actions. In accordance with the disciplinary regulations, any employee found to be failing to abide by our Ethical Principles despite all communication and training efforts, warnings and measures is subject to various disciplinary actions, including discharge.

Active Fight against Bribery and Corruption

The Anti-Bribery & Anti-Corruption Policy, formulated to comply with the anti-bribery and anti-corruption laws and regulations in effect in all countries in which Akbank operates, with code of ethics and professional principles, and with universal rules, was approved by the Board of Directors and announced publicly.



**06. VALUE ADDED
TO OUR CUSTOMERS**



Industry players that develop fast and effective financial solutions to meet evolving customer needs and expectations gain a competitive edge in the current market environment. Standing out with world-class banking products and services, Akbank is focused on closely monitoring the prevailing trends of today's world and sustaining its competitive edge. Boasting a diversified portfolio of products and services, the Bank invests in distribution channels that benefit the local economy while also rolling out various innovations to facilitate easier access to financial services for every individual across the country.

BANKING SERVICES THAT RAISE THE QUALITY OF LIFE

Akbank's core banking services consist of Consumer Banking and Private Banking services for retail customers as well as SME Banking, Commercial Banking and Corporate Banking offered in light of the differentiating needs of SMEs, commercial customers and corporate clients, respectively. In addition, Akbank's International Banking unit provides overseas-based financing to customers. Credit cards for customers in every segment are also an important part of Akbank's banking services. Non-banking financial services and capital markets investment services are provided by Akbank's subsidiaries.

Our "Customer Specific" Consumer Banking Approach

Akbank continues to be the industry leader in consumer banking with its service approach based on customer characteristics, continuous innovation in technological infrastructure, and extensive domestic branch network. In consumer banking, the Bank embraces the principle that each and every product and service developed and offered is customer-oriented. The Bank's consumer banking services evolve constantly on the basis of customer satisfaction and in light of the expectations of more than 13 million retail customers, requirements of the day, market conditions, and its social responsibilities.

Indispensable Solution Partner to Corporate Clients

Serving nearly 6,000 corporate clients as of year-end 2015, Akbank continues to be the indispensable solution partner of its customers. Reorganized by the Bank in line with evolving market needs, Akbank Corporate Banking began operating under the name Corporate and Investment Banking Business Unit.

In light of its restructured corporate banking approach, the Bank provides broad and structured corporate finance solutions tailored to meet customer needs in accordance with international standards, in addition to financial intermediation services.

Thanks to the synergy created with AkInvestment, Aklease, AkInsurance, AvivaSA, Akbank AG (Germany) and Akbank (Dubai) Limited, Akbank's corporate banking customers have convenient access to a wide range of financial products and services.

Extensive Commercial Banking Product Portfolio

As part of its commercial banking operations, Akbank generates innovative solutions in such areas as cash management, foreign trade, treasury and project finance with its specialist staff and products tailored to customer needs with the aim of being the main bank and solution partner of medium-sized and large companies.

The Bank serves its commercial segment clients via Commercial Customer Relationship Managers while also offering access to a large number of financial products and services thanks to its synergy with AkInvestment, AkLease, AkInsurance, AvivaSA, Akbank AG (Germany) and Akbank (Dubai) Limited.

Dynamic SME Banking Products and Services

Akbank's SME Banking Department offers products, services and solutions tailored to the needs of small businesses and micro enterprises. SME Banking Department continued to offer innovative financial products and services to SMEs and organize informational meetings and various campaigns in 2015. Customer Relationship Managers within the Akbank branches serve clients in this segment.

Generational Wealth Management via Private Banking and Creating Value for the Client

Offering Private Banking services since 2001, Akbank renders services to clients in this segment at seven private branches – five in Istanbul and one each in Ankara and Izmir. In addition, a Private Banking corner is located in the Akbank Zorlu Branch and in the Bursa Fatih Sultan Mehmet Bulvarı Branch. Aiming to provide privileged service to clients, assist with their investment decisions, and generate custom solutions tailored to specific clients as needed, Akbank Private Banking serves individuals with assets exceeding TL 1 million. Akbank Private Banking was named the “Best Private Bank in Turkey” by the renowned international financial publications Euromoney, The Banker, and Global Finance in 2015.

Akbank Private Banking delivers core banking products along with alternative financial product offerings to its clients with a greater level of specialization. In order to get to know clients better, differentiate their needs, and provide suitable solutions, the Private Banking Department generates the fastest and most tailor-made solutions to meet clients’ financial needs and expectations while also touching their lives with culture and arts related activities. Akbank Private Banking works closely with clients to protect the family assets and values, assisting customers in passing these on to the next generations. The “Next Generation Program,” launched as of year-end 2015 with the support of Sabancı University, is the first of its kind service in Turkey and is designed to prepare the next generation for the future. As part of the program, Akbank meets with high school and college age young people to educate them on such subjects as the responsibility that comes with the family wealth, diversity of investment products, the concept of risk, the global economy, and philanthropy.

To render the best and highest quality service for clients’ pension, insurance and leasing demands in addition to their investment and other needs with a one-stop shop approach, Akbank Private Banking focuses on establishing cooperation with Group companies and maintaining the vibrant intra-Group

synergy. Private bankers, supported by experts and specialists from AkInvestment and AKAsset Management, constantly monitor their customers’ investment strategies and provide them with exclusive solutions.

Operational Excellence Oriented Telephone Banking and Call Center Infrastructure

Akbank designs all of its operational business processes with the objective of achieving operational excellence. The 444 25 25 Akbank Telephone Branch and Voice Response System, which allows customers to perform a wide variety of core banking transactions quickly and effectively, continued to be used by many clients in 2015. Boasting one of the most state-of-the-art service infrastructures in the banking sector, Akbank Call Center handled nearly 60 million customer contacts in 2015.

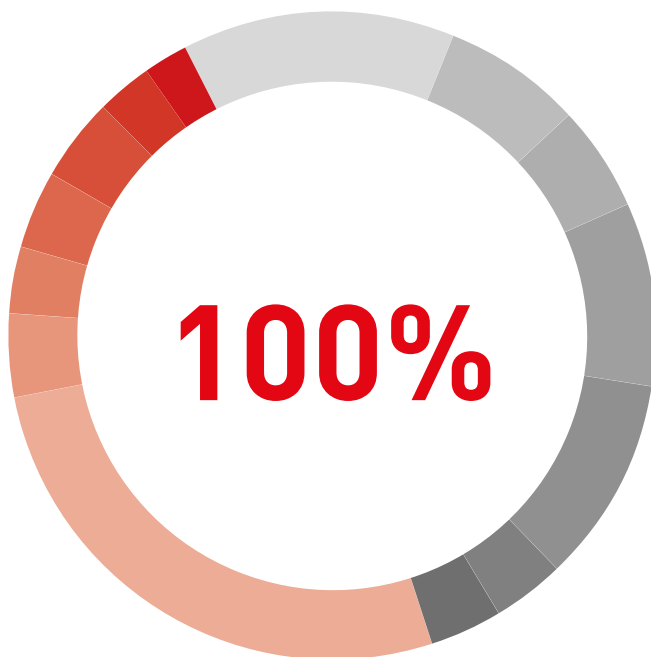
A Banking Approach that Combines Cash Management and Foreign Trade Services

With a business approach that combines cash management and foreign trade services, Akbank Cash Management and Foreign Trade Department delivers financial solutions for the domestic and overseas operations of the Bank’s clients in an integrated manner via products and applications designed for the Corporate, Commercial, SME and Consumer segments. With the vision of being the technology business partner of clients, the Bank aims to always back customers with solutions to meet all domestic/overseas cash flow, inventory management and financing needs from the initial order to the payment process. Developing service packages for all parties within the value chain of clients, the Cash Management and Foreign Trade Department contributes to the operational efficiency and business processes of customers through and innovative technology systems infrastructure and flexible customized customer solutions.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT FOR LENDING PROCESSES

Embracing a holistic approach to sustainability, Akbank performs an environmental and social risk assessment for the loans it extends to clients in the Corporate, Commercial and SME Banking segments, depending on certain factors, such as the funding source of the loan. Pursuant to the environmental sustainability policy it has adopted, the Bank gives priority to projects that turn risks into opportunities during the process of forming the loan portfolio.

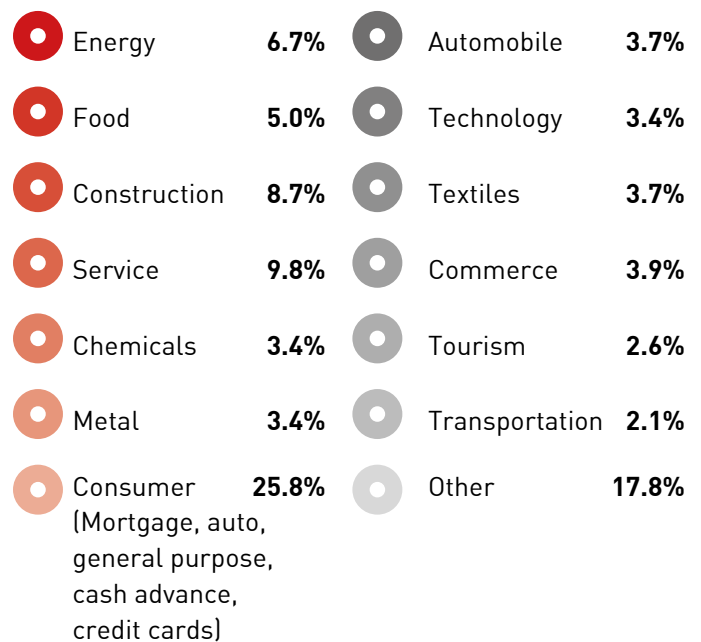
Breakdown by Industry



Breakdown of Customer Loans by Industry

Akbank offers borrowing options to customers operating in various industries for a wide variety of purposes, from growing sales volume to expanding into overseas markets.

Breakdown of Akbank's consolidated cash loans by industry as of year-end 2015 is as follows:



Environmental and Social Policy Practices

Since 2010, projects with a loan sum in excess of USD 50 million and with a term of over five years are subject to “Akbank Environmental and Social Policies.” Project financing loans with a sum less than USD 50 million are also evaluated in terms of environmental risks. With this system, we aim to proactively and effectively manage potential environmental and social risks and opportunities during the project, including pre-project phase.

Environmental and Social Impact Assessment in Lending Processes

Pursuant to Akbank’s Environmental and Social Policies, we pay due attention that all elements stated in the United Nations Global Compact are implemented by the customers that we grant loans to. For instance, in line with our social criteria, businesses that are proved to employ child labor are not granted any loans. In accordance with our Policies, considering that a project may cause severe and important impact on the environment, we request submission of Environmental Impact Assessment (EIA) reports or proof of exemption from EIA in financing projects in sectors within the scope of the Environmental Impact Assessment Regulations. Among projects that require EIA approval certificate are long-term infrastructure projects that have a high level of impact on the environment, such as hydroelectric power plants (HEPPs) and highways.

Assessment under the Responsibility of the Credit Preauthorization Committee and Loans Business Unit

Our branches, Pre-Credit Committee at the Head Office, and Credits Business Unit are responsible for the evaluation of loans in terms of compliance with the policies and preparation of the required action plans. Loans are approved by the Credit Committee within the Board of Directors.

Engineers in the Credits Business Unit make field controls both during the evaluation of loan applications and during execution of projects – especially those requiring construction.

Interaction with the Local Population as a Core Priority

Akbank investigates relevant issues such as the project’s compliance with EIA and local community’s reactions to the prospective project as part of the pre-project controls. During the project, main focus shifts to issues such as compliance with occupational health and safety standards.

Within the framework of Akbank Environmental and Social Policies, projects that allow transforming environmental risks into opportunities are given priority. Among these are renewable energy investments, waste recycling investments or those which reduce carbon emissions or improve efficiency.

Environmental Risk Analysis of Corporate and Commercial Loans

Pursuant to a practice that Akbank adopted internally in 2011, aside from the loan applications that require Credit Committee and Board of Directors approval, the Bank began authorizing Loan Appraisal Supervisors for all loan applications submitted to corporate and commercial branches. The specialists working in this role, who also receive environmental and social risk training, assess all risks that need to be evaluated in loan applications and record their analysis results in the application file.

International Financing Facilities for Sustainability Lending

With the business partnerships that we establish with international financial institutions, we aim to continuously offer new loan opportunities to our customers and contribute to the economic growth in Turkey. Loans obtained from international financial institutions such as IFC, EBRD, EIB and OPIC are of environment-friendly nature and generally support sustainable development.

In such loans we require our customers to abide by a variety of social and environmental performance criteria depending on the source of the loan. In addition, we provide our customers with financing from international sources for affordable loans to be used in energy efficiency and renewable energy projects.

Akbank Social & Environmental Management System (SEMS): An Exemplary Application in Turkish Banking

Within the scope of the loan contract we signed with IFC in 2010, we established the Akbank Social & Environmental Management System (SEMS), which is based upon IFC's social and environmental performance standards. Akbank Social & Environmental Management System (SEMS), a standard-setting practice in the Turkish banking system, covers a host of issues that include environmental and social assessment and management; labor force and working conditions; prevention and mitigation of pollution; public health, safety and security; protection of biological diversity; sustainable management of natural resources; and protection of cultural heritage. Through SEMS, we evaluate and manage the social and environmental risks of the projects of the SME and Corporate customers that we finance with IFC loans.

World-Class Environmental and Social Performance Criteria

Akbank SEMS is managed by a committee composed of representatives of Credits, Marketing and Sales Management, International Banking, and Corporate Social Responsibility Departments, in the leadership of a coordinator. In 2011 IFC administered a training course to SEMS Committee members and the Bank's staff who are in charge of disbursing similar loans on environmental and social performance standards. As part of the Akbank Social and Environmental Management System (SEMS), the Bank continued to monitor the compliance of IFC loans that were disbursed during 2015 with environmental and social criteria.

EBRD Loans: A Prestigious Fund for Energy Project Financing

Loans that we offer to our customers via the European Bank for Reconstruction and Development (EBRD) finance renewable energy and energy saving projects. In addition, loan contracts include criteria that require identification and mitigation of environmental and social impacts that such projects may have in the related region. In projects that we offer loans from EBRD, compliance with the requirements of national environmental, health and safety legislation as well as with EBRD's environmental and social performance criteria is sought. EBRD offers independent project consultancy to our customers and environmental and social compliance audits are performed as well.

European Investment Bank Loans

Akbank figures among the Turkey-based business partners of the European Investment Bank (EIB), an international financial institution that provides financing for sustainability investments in European Union member and candidate countries. Disbursing EIB funds to its SME, commercial and corporate clients for their project finance needs for many years, Akbank secured TL 407 million in funding facilities in 2015 under the Mortgage Backed Security (MBS) Program.

CLIMATE-FRIENDLY LOANS

Akbank uses the Bank's own resources as well as borrowings from international funding facilities to develop financing solutions for energy efficiency and renewable energy projects, which figure among the most important areas of global sustainability initiatives.

Financing Solutions for Renewable Energy Projects

Making significant contributions to help develop Turkey's energy industry, Akbank pays close attention to environmental impacts in the Bank's project financing operations. Conducting its business activities in line with this approach in 2015, the Bank undertook initiatives that became model practices in the industry.

Renewable Energy Investments to Reduce Dependence on Foreign Energy

Dependence on foreign energy plays a significant role in the magnitude of the country's current account deficit, which ranks among Turkey's leading economic problems. As a result, renewable energy investments that will reduce dependence on imported fuels such as natural gas and coal are critically important. Akbank develops unique financing solutions for solar energy and geothermal energy projects, which have recently gained the support of both the public and the government. In response to the accelerating investments in this segment, the Bank plans to develop more attractive financing options in terms of the maturity term and cost of the loan in the coming period.

A Fresh MidSEFF Loan

As part of its MidSEFF program, the European Bank for Reconstruction and Development allocated a fresh USD 110 million facility to the Bank in 2015 to finance medium-scale renewable energy and energy efficiency projects in Turkey. It is estimated that the projects financed by the MidSEFF program-sourced loans in 2011 have conserved 161 GWh of electricity and avoided 132,000 tons of carbon dioxide emissions annually. Akbank is committed to continuing support of renewable energy and energy efficiency investments in the upcoming years.

Energy Efficiency Loan by OPIC

In an effort to ensure the sustainability of the Bank's support for renewable energy projects, Akbank signed an agreement for a 15-year, US\$ 175 million credit facility with Overseas Private Investment Corporation (OPIC), the development finance institution of the United States, in October 2014. Through this attractive loan package, Akbank financed customers' energy efficiency investments in addition to machinery and equipment purchases that achieve energy savings of at least 20% as well as renewable energy investments in 2015.

30% of Energy Project Loans Go to Renewable Energy

Akbank extended project finance loans to renewable energy projects valued at US\$ 10+ million totaling US\$ 1,024 million as of December 31, 2015. Meanwhile, the share of renewable energy loans in total energy project loans rose to 30%.

Renewable energy investment projects that total 1,416 MW of installed capacity financed by the Bank are expected to generate 5,580 GWh of electricity and reduce CO₂ emissions by 3.4 million tons each year.

One of the biggest supporters of renewable energy project investments among banks in Turkey, Akbank provided long-term financing for the following projects in 2015:

- USD 76 million for the 90 MW Kızıldere III Geothermal Energy project to be built in Denizli province
- EUR 54 million for the 46 MW Amasya Wind Energy project to be built in Amasya province

- USD 8.7 million for the 7 MW Konya Wind Energy project to be built in Konya province
- USD 8 million for the 7 MW Solar Energy project to be built in Konya province
- USD 15 million for the 16 MW installed capacity increase to the İncesu Wind Energy project located in Afyon province

The renewable energy projects financed by Akbank in 2015 are expected to generate 796 GWh of electricity and reduce CO₂ emissions by 479,000 tons once they commence operation.

FINANCING SOLUTIONS FOR INFRASTRUCTURE PROJECTS

Innovative Approaches to Project Financing

In 2015, Akbank continued efforts to provide structured financing to many different "greenfield" projects among Turkey's leading infrastructure project portfolio, such as public-private partnership hospitals and the Gebze-Izmir Highway project.

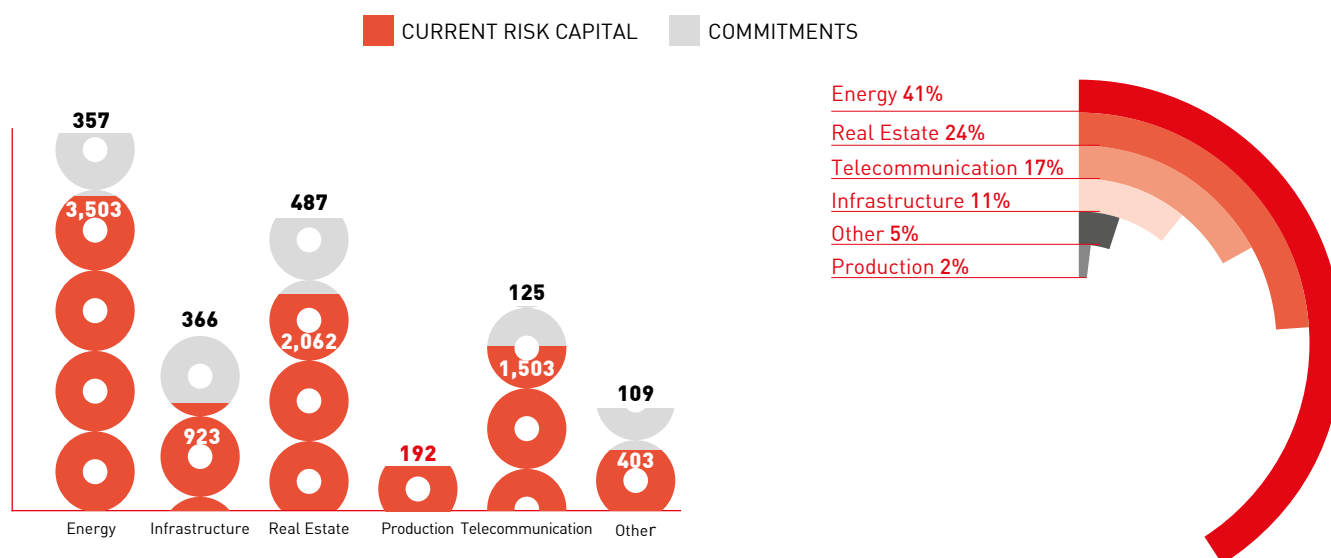
Diversified Loan Portfolio

Akbank shares its deep-rooted knowhow in project financing with clients at the investment planning stage and creates roadmaps for structuring the financing deal. During this process, by cooperating with local and international banks as well as multilateral financial institutions such as IFC, EBRD, and EIB, the Bank strives to create the financing structure that offers the greatest value-added to all parties, and especially to our customers.

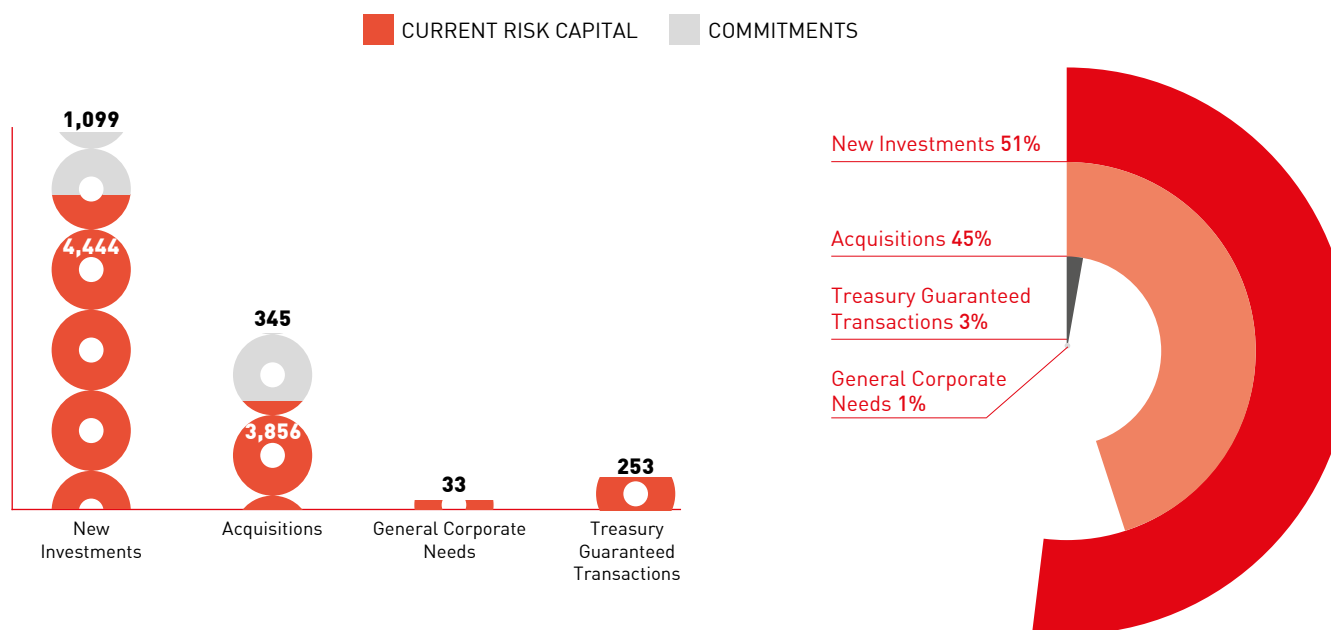
Successfully executing its annual plans and attaining its corporate goals thanks to a diversified loan portfolio composition, the Bank boasts one of the lowest non-performing loan ratios in the industry. Akbank originates loans to the energy, infrastructure, real estate, and telecommunication, transportation, and petrochemicals industries in order to maintain a balanced and diversified credit portfolio.

Breakdown of project financing loans by industry share is presented below:

Project Financing Loans (By Industry) (US Dollar million)



Project Financing Loans – by Type of Transaction (US Dollar million)



EXCLUSIVE SERVICES FOR CLIENTS

Innovation Support For SMEs

Playing a key role in Turkey's development, SMEs need not only financing support but also knowledge and guidance that will create value for their businesses. The Bank stands out with innovative practices in the SME Banking segment that simplify customer transactions and support their growth.

Akbank's Initiative to Boost Exports

As part of efforts to support sustainable growth of the Turkish economy, Akbank launched a broad initiative for exporters with the slogan "Let's Move Forward, Friends." The Bank's export support initiative aims to open new horizons to enterprises that have no prior experience in exporting and to boost Turkey's export volume.

The Bank's foreign trade specialists employed at the Akbank Banking Center where the Bank's foreign trade operations are carried out provide advisory services for all foreign trade transactions of companies.

The Bank leverages its extensive international network of more than 2,500 correspondent banks to help exporters reach new markets easily and transact under advantageous terms and conditions. In addition, Akbank created a special tariff plan based on the most frequently performed foreign trade transactions by exporter SMEs. Thanks to this tariff plan, SMEs avoid paying separate fees for banking transactions and know in advance how much they will pay to conduct banking transactions. Further, they can take advantage of the Foreign Trade Law Banking Practices support service, reachable by dialing 444 23 23, for any questions regarding legal and regulatory matters.

Akbank Export Academy: A New Partnership with Sabancı University

"Akbank Export Academy" was established as a joint venture between Akbank and the Sabancı University Executive Development Unit (EDU) in order to enhance the knowledge and skills of SMEs in exports and support their sustainable development.

For various reasons, SMEs often struggle to channel their businesses into export-oriented operations or are unable to attain the success originally hoped for from the export-led businesses they venture into. This is generally due to inadequate knowledge of export marketing and lack of a strategy. Akbank Export Academy was developed to help the Bank's clients find answers to many important questions, such as "How will I Formulate My Export Strategy?"; "Who Would Buy from Me and Why?"; "What are the Key Global Developments and Prevailing Trends?"; "How will I Overcome Cultural Differences?"; and "What are the Government Subsidies/Incentives I can Take Advantage of?"

Cooperation with KOSGEB for "Social Development"

KOSGEB (Small and Medium Enterprises Development Organization) and Akbank cooperated in 2015 to rejuvenate economic activity in the Ermenek, Başyayla and Sarıveliler districts of Karaman province that had nearly come to a complete stop. KOSGEB also partnered with Akbank with regard to loan interest support for the investments needed to upgrade the equipment of the firms located in the Kayseri Organized Industrial Zone, a pilot area for this initiative, to high-efficiency motors. This was part of the "Transformation of Inefficient Electric Motors Used in the Industry" component of the priority transformation program called "Increasing Energy Efficiency in the Industry," which in turn is included in the Tenth Development Plan (2014-2018). Under these programs, the Bank provided equal-installment commercial loans with terms up to 36 months.

“Craftsmen Fraternity” from Akbank

Believing that supporting SMEs in any way is equivalent to providing support to the Turkish economy as a whole, Akbank acts with the “SMEs Power Turkey, Akbank Powers SMEs” philosophy. Akbank executes initiatives for artisans, which account for a significant share of SMEs, under the “Craftsmen Fraternity from Akbank” concept. Launched with the “Pay When You Can Loan,” which offers flexible repayment terms for the credit that craftsmen need, the offerings in this segment continued to expand with the “Axess SME,” “Pay as You Wish, Craftsmen,” “Complimentary Tablet in Return for POS Turnover Commitment” campaigns, in addition to the “First Sale Savings Account,” and “Cost Saving Tariffs.” Akbank also signed a cooperation agreement with TESK (Confederation of Turkish Tradesmen and Craftsmen), the trade body of tradesmen and craftsmen.

Pay When You Can Loan

The “Pay When You Can Loan” is the first product Akbank rolled out under the “Craftsmen Fraternity” concept.

Artisans who take out the Pay When You Can Loan can make principal payments at the time and in the amount of their choice within the life of the loan. Saying “get your loan today, pay it back when you have the money” to the artisans, the Bank permits “more or less” repayment amounts based on their cash flows.

Axess SME

Unveiled after the Pay When You Can Loan, Axess SME differs from other commercial cards in that it carries a ready-to-use Installment Commercial Loan limit separate from and in addition to the credit card limit. Cardholders can also access their Installment Commercial Loan on a 24/7 basis without having to visit a branch using Akbank ATMs, Akbank Direkt Internet and the 444 23 23 Akbank SME Line.

Pay as You Wish Craftsmen

Due to the irregular nature of their cash flows, the Bank’s craftsman customers would like to have flexibility in making loan payments. In response to this need, Akbank developed another innovative financing

model exclusively for craftsmen allowing them to meet their cash needs under their own terms with various repayment alternatives. The “Pay as You Wish Craftsmen” campaign offered craftsmen loans of up to 36-month maturity and TL 50,000 with six different repayment options, thus permitting craftsmen to make loan payments according to their business cycle and preferences.

EkoPOS Tariffs for TESK Members

In an effort to reach craftsmen in every corner of Turkey with the Bank’s products, services and support, Akbank signed a cooperation agreement with TESK (Confederation of Turkish Tradesmen and Craftsmen), the umbrella organization of this key segment. Tradesmen and craftsmen generally do not know their POS cost in advance due to expenses such as low turnover and per-transaction commission. As part of this cooperation, all craftsmen represented by TESK have access to EkoPOS tariffs on discounted terms. “Craftsmen EkoPOS Tariffs” fix POS expenses of TESK members at the beginning of the month, giving them certainty about their monthly budgets and costs.

Complimentary Tablet in Return for POS Turnover Commitment

The Bank presented complimentary tablets to customers in return for POS turnover commitment as part of the campaign organized pursuant to its mission of “introducing technology to craftsmen.” Craftsmen who take advantage of this promotional campaign can use the Akbank Direkt Mobile app on the tablet to easily access the account activity and POS transactions for their businesses anywhere they wish, in the workplace, at home or on holiday.

“Craftsman Internship” for Customer Relationship Managers

Under the Akbank-TESK cooperation, Akbank SME Customer Relationship Manager (CRM)s visited tradesmen and craftsmen that are referred to the Bank by TESK, which operates across the entire country, in 2015. CRMs spent time with craftsmen and monitored their daily business cycle more closely, from the viewpoint of the customer, the Bank and the supplier. This approach allows CRMs to grasp the

craftsmen's most pertinent issues, and learn their concerns and problems, which is very important for CRMs in order to effectively do their jobs. Visits to craftsmen also provided critical feedback for Akbank's product development efforts in the SME segment.

Inspired by the Turkish saying "The first sale is blessed," the "First Sale Savings Account" aims to encourage craftsmen to save more. This groundbreaking product, offered for the first time in Turkey by Akbank, allows all artisans who use the Akbank POS to set aside the proceeds from the first sale of each day. Artisans, who typically experience irregular cash flows, are able to use the balance in their First Sale Savings Accounts at any time without incurring a fee or a penalty.

Cost Saving Tariffs

SMEs often encounter a number of expense items, such as goods purchases and fixed payments, during the course of their business dealings. In response to this fact, Akbank SME Banking developed the "Cost Saving Tariffs" where SMEs can perform a certain number of banking transactions per month, per six months, or per year, including money transfers, EFT, checkbooks, and check collection, for a predetermined fee. Since they do not pay separate fees for each transaction they perform, the customers have cost certainty before the fact. SME clients can select the best tariff for their needs based on the frequency of transactions and product and channel use.

Automated Tax Payment

Akbank launched an important service for customers by rolling out the "Automated Tax Payment" product which helps SMEs make their legally-obligated payments on time. This service allows SME customers to instruct Akbank to make their tax payments, in addition to their bill and social security premium payments. Akbank also generated effective solutions for SMEs engaged in foreign trade to make their customs duty payments from anywhere and anytime on a 24/7 basis.

More Reliable Commerce with QR Coded Check

Rolling out the "QR Coded Check" product for its customers in partnership with the Credit Bureau of Turkey (KKB), Akbank made the past check clearance performance of the SMEs query-able from a reliable source. Thanks to this new feature, which serves as a reliable indicator of reputation, persons receiving a QR coded check can reach the summary check-writing report of the issuer.

As the QR coded check application gains traction in the marketplace, checks written by customers whose checks clear promptly and who have high check-clearing index values are expected to become more prevalent. This in turn will put commerce in the domestic market on more sound footing and make check-based collections more reliable.

Direct Debiting System

The Direct Debiting System is yet another service offering by Akbank for SME clients. The system allows SMEs to make payments to the companies they purchased goods or services from on the due date. The automated nature of money transfers from the dealer accounts to the main company accounts eliminates the risk of missed payments. In addition, the DBS Credit Line allocated to SME customers under this system functions as a loan under convenient terms. Further, customers can receive reminder notifications regarding bills that are approaching their due date, view their bills on Akbank Direkt Internet without having to visit a branch, and obtain a report of their payments.

E-Bill Support for SMEs

E-Bill is one of the most important steps of electronic transformation in commerce today. The Ministry of Finance initially restricted the transition to E-Bill to a limited scope. Recognizing the central role E-Bill will play in commerce in the near future, Akbank began providing E-Bill support for SMEs. SME customers can easily receive, send, archive, and report bills via the E-Bill application, and pay those bills they have accepted with a single click using the same application.

SMEs can make their salary payments with a single order to Akbank. Specified amounts are automatically transferred from the SME's account to the employees' accounts on the specified date. As a result, SME clients can perform and track a large number of transactions quickly and securely via electronic means, boosting their efficiency.

Supplier Finance

Akbank's supplier finance product finances commerce between corporate clients and suppliers, creating positive value-added for both sides. Corporate clients need to lower their working capital requirements and bring order to their payment dates. Suppliers, on the other hand, try to provide quick and convenient financing at low funding costs. As part of this product, the Bank enters into agreements with purchaser companies in various industries, including white goods, large retail chains, automotive, logistics, and textiles. Consequently, corporate clients make payments under terms convenient for them; meanwhile, supplier SMEs meet their financing needs under attractive conditions by discounting their receivables.

Bulk Payment Option from Akbank

For SMEs with a large number of payments, it is very time-consuming and conducive to operational errors to track and make these payment transactions one by one. To address this issue, Akbank developed the bulk payment service for SMEs. Now, they can make a large number of money transfer and EFT payments electronically at once automatically.

Akbank Entrepreneur Development Program

Akbank continued to successfully administer the Akbank Entrepreneur Development Program, a certificate program launched jointly with Sabancı University in 2015 in order to provide guidance, support and training to entrepreneurs. The program accepts applications from all individuals who are actively engaged, as a founding partner or executive, in the management of an enterprise established in Turkey. Applications for the program, which is free of

charge for participants, were accepted online at www.akbank.com. In its evaluation and selection process, the Sabancı University Entrepreneurship Board assessed the projects based on the value-added they create, how innovative they are, how much progress they have made to date, their potential for future growth, and their goals. As a result of the selection process, 50 entrepreneurs earned the opportunity to attend the comprehensive training program. Participants received training and knowledge transfer in a number of subject areas. These ranged from managing finances during an organization's growth phase and drafting marketing and operations plans according to different business models, to raising capital for financing needs and expanding in domestic and overseas markets. As part of the program, leading academics and specialists taught classes on strategy, marketing, innovation, finance, law, operations, leadership, human resources, and government subsidies. Participants also had the opportunity to hear successful entrepreneurs who attended the program as guest speakers, and to join office visits to well-known entrepreneurs to meet them. Akbank's objective in this program is to pave the way for a long-term development strategy and sustainable growth for Turkey's promising entrepreneurs.

Cooperation with Endeavor

Within the scope of the cooperation with Endeavor, Akbank continued to offer loans with advantages such as more favorable collateral requirements, longer terms and lower interest rates to effective entrepreneurs in 2015.

Akbank Family-Owned Business Academy

Akbank unveiled a new program in partnership with Sabancı University's Executive Development Unit (EDU) for family members who own or work for the family business. "Akbank Family-Owned Business Academy" aims to increase the competitive power of these unique businesses, help them grow healthily, and support their sustainability and corporate development efforts.

Pursuant to extremely positive feedback from the participants, the “Akbank Family-Owned Business Academy,” initially launched as a joint venture of Akbank and Sabancı University in 2014, was organized for the fourth time this year. The Akbank Family-Owned Business Academy covers a wide variety of topics of particular interest to family-owned business representatives. These subject areas include strategic management, business development, innovation, institutionalization, finance, best corporate governance practices, legal matters and human resource management.

“Ask an Akbank Specialist”

During the course of our interaction with SMEs, we have observed that small businesses are in need of information mostly regarding grants/incentives in addition to legal and financial matters. The “Ask an Akbank Specialist” service was developed based on this need. It provides detailed information to SME clients on the grants offered by the Development Agency, KOSGEB (Small and Medium Enterprises Development Organization), and TÜBİTAK (The Scientific and Technological Research Council of Turkey) as well as domestic and international incentives in areas such as investment incentive certificates, foreign trade, and entrepreneurship.

SME customers can take advantage of the “Ask an Akbank Specialist” service simply by filling out the form on the Akbank website or dialing the 444 23 23 Akbank SME Line.

Akbank’s affiliated specialists get in touch with SME clients via e-mail or phone in short order and provide the advisory service in the related area free of charge.

Responsible Practices in Consumer Banking

Financial habits and service expectations of individuals may vary depending on age, education, and occupation. Based upon this fact, Akbank addresses different financial needs of customers with its wide variety of personal loan and deposit products.

Encouraging Deposits and Facilitating Investments Savings Campaign

The biggest challenge in the Turkish economy which has become highly stable in recent years is the current account deficit resulting from the low levels of domestic savings. In order for Turkey to attain its goal of rapid economic growth, current account deficit must be reduced and thus personal savings must increase.

To support this important national objective, Akbank launched a “Savings Campaign” in April 2012. As part of this campaign, Akbank offers advantageous products and services to encourage savings while also carrying out corporate social responsibility projects to raise awareness on savings. Akbank Volunteers also support the broad-based financial training projects. Detailed information on these projects is presented in “Our Community Investment” section of this Report.

Akbank Deposit Savings Account

“Akbank Deposit Savings Account” – a product unveiled as part of the Savings Campaign – was met with heavy interest by Akbank customers thanks to its innovative approach. Akbank Deposit Savings Account has a 5-year maturity and enables individuals to gain the habit and discipline of saving money. The Account allows monthly transfer of a pre-determined amount of money from a regular deposit account to the savings account. As a result, savings holders can earn interest even on very small term deposits. Every month, approximately 130,000 Akbank customers save money with this approach.

Akbank Flexible Savings Account

Another product to encourage savings is the “Akbank Flexible Savings Account”, which allows savings in gold and foreign currencies (US Dollars, Euro, Japanese Yen, British Pound, Russian Ruble) without any term limits simply by giving orders for transfer from credit cards or deposit accounts. With the Flexible Savings Account, customers wishing to save money even in very small sums can open savings accounts and save in various currencies.

Akbank Direct Serbest Account (Freedom Account) Exclusive to the Digital Channel

To provide support to its broad-based deposit strategy, the Bank rolled out the Akbank Direct Serbest Account (Freedom Account) for the small amount savers in 2015. Obviating the need to wait until the maturity date of the account, the Akbank Direct Serbest Account gives deposit holders the freedom to add to or withdraw from their accounts. In addition, the Akbank Direct Serbest Account (Freedom Account), designed exclusively for digital channels, enables savings between TL 1,000 and TL 200,000 to grow at attractive interest rates; expands the Bank's deposit customer base; and allows customers to perform their account transactions quickly without having to visit a branch.

Gold Deposit Account Creates Value for Individual Savings

The value of the gold held by households in Turkey is estimated to be around USD 100-300 billion. The fact that a great portion of this stock is kept under the mattress means the contribution of such savings to the economy is very little. On the other hand, savings injected into the banking system are transferred by banks to those in need of resources and thus support the Turkish economy.

Akbank developed a product to encourage contribution of idle under-the-mattress savings to the economy. With the "Gold Deposit Account" launched in 2012, Akbank customers can buy gold even with a savings of TL 2. In addition, with the "Invitation for Gold" service, scrap gold and jewelry are converted into equivalent grams of gold by special experts at the Bank's branches and then these can be deposited to Gold Deposit Accounts in Turkish liras. The amount deposited into the savings account fluctuates in parallel with gold prices while Akbank customers can invest their gold without the risk of theft or loss under the Bank's guarantee.

NAR Account Channels Small Savings into the Economy

The "Nar Account" is a new product that rolled out with the aim of offering accretion even for small savings and thus bringing these savings into the financial system. As a product that offers solutions for all cash management needs of customers, the most important feature of the Nar Account is that it offers daily interest for even small sums.

One-to-One Banking Privileged Service Model

The One-to-One Banking Privileged Service Model is a comprehensive and exclusive set of services which provides banking services for Akbank customers under advantageous terms while also meeting their expectations regarding social activities. Expanding in scope across Turkey, Akbank's One-to-One Banking Privileged Service Model offers a diversified lineup of products, special pricing, priority service on every channel, and daily financial notifications complemented by benefits in many areas in addition to exclusive social events. The unique "World of One-to-One Privileges" aims to enhance Akbank One-to-One Banking clients' social lives, serve their financial needs and enrich the lives of customers' families and loved ones with exclusive benefits for every moment of everyday life. The privileged service is available to eligible customers.

"One-to-One Banking Investor Meetings" assess the domestic and global investment environment and address the expectations and questions of Akbank One-to-One Banking customers regarding the markets as part of Akbank Investment Services. During the year, these meetings were organized in Istanbul, Izmir, and Ankara.

Akbank One-to-One Banking continued to invite clients to unique events, bringing them together at social occasions held with special themed concepts in 2015.

PRODUCTS DESIGNED FOR EVERYDAY LIFE

exi26: Banking Services for the Youth

A significant majority of the people in Turkey who have not yet been introduced to banking services is the young people. Akbank has developed products to serve the banking needs of these students and to support them. An example of the products and applications offered to students between the ages of 16 and 26 who are part of the customer segment Akbank refers to as Exi26 is the "Student Account". Young accountholders can withdraw money free of charge at any ATM abroad with their neoexi26 debit card, withdraw money at other banks' ATMs free of charge twice a month to facilitate fast money transfer with their families, and shop on the Internet. Axxess exi26 credit card is yet another product Akbank offers students. Axxess exi26 credit card holders benefit from special campaigns for education, school expenses, and stationary expenses as well as all Axxess campaigns free of charge.

Refinancing Solutions for Consumer Loan Debt

In recent years, with the increase in the debts of individuals and the effect of economic fluctuations, we try to provide a certain level of convenience for customers who had trouble in paying back personal loan or credit card debts, by taking into consideration the limitations imposed by legal authorities. We evaluate the requests of customers who demand changes in payment plans or who are believed to recover defaults and make regular payments with a new payment plan. We offer some of such cardholders and loan users the opportunity to pay their debt before legal proceedings are initiated.

RESPONSIBLE LOANS AND INSURANCE PRODUCTS

Contribution to Professional Development: "From Kitchen to Life"

"From Kitchen to Life" is a special loan package that we created for the Culinary Arts Academy of Istanbul (MSA) students in cooperation with Endeavor Turkey. Approved by the Turkish Ministry of National Education, MSA is the first and only private vocational education institution to give internationally accepted diplomas in the area of professional cookery, pastry and bakery. With this loan, MSA students only pay the interest rates during their education and make the principal repayments in installments when they start working. With the "From Kitchen to Life" loan, we aim to support future chefs in their professional lives.

Solutions for the Rapidly Growing Housing Market

Over 300,000 Akbank customers purchased houses since 2005 when the mortgage market gained huge momentum. We offer mortgage loans for up to 75% of the house value with up to 120-month terms and exemption from Banking and Insurance Transaction Tax and Resource Utilization Support Fund on condition that the house to be purchased is given as guarantee. By cooperating with construction companies such as the Housing Development Administration of Turkey (TOKİ) and Emlak Real Estate Investment Trust, we support urban transformation activities through earthquake-resistant, exclusive architectural projects with strong infrastructures not only in metropolitan cities, but also in Anatolia.

Customers applying to the Bank's special call center (Big Red Line – 44 44 253) can both obtain all kinds of legal and technical assistance from mortgage consultants and apply for mortgage.

STRONG RELATIONS WITH ASSOCIATED COMPANIES

“Have it insured is more easy”

Our major principle in bank assurance is allowing customers to reach insurance and pension products in the easiest and fastest way thanks to our widespread delivery channels. Considering lifetime risks of customers, Akbank offers products with affordable prices and coverage for all customer segments. Private pension and corporate insurance products of AvivaSA Pension and Life and AkInsurance can be reached through all delivery channels including Akbank ATMs and Call Center.

DEBIT AND CREDIT CARDS WHICH ADD VALUE TO LIFE

In 2015, Akbank continued to create value for the lives of customers with the Axess, Axess Business, Axess exi26, Wings, Wings Business, and Free credit cards as along with the Neo debit card.

As of December 2015, a portfolio of approximately 5 million credit cards with our four leading credit card brands – Axess, and Free, A portfolio of 6.3 million debit cards (Neo). “Member Business Network” of 323,000 members (those using our POS machines).

OUR CUSTOMER-FRIENDLY CREDIT CARD BRANDS

Axess: A Credit Card with Special Benefits

Axess, one of the Bank’s major credit card brands, continued to offer exclusive benefits to cardholders in 2015, such as convenient shopping anywhere in the world, earning chip-money, installment opportunities, and special offers from distinctive brands. Other features include helping customers with their cash needs including fast money, cash advance, installment cash advance, and SMS money that can be purchased via SMS. In addition, the Cash-Para (Cash-Money) program offers interest-free cash advance opportunity to customers for their purchases.

Ever-Expanding Portfolio of Features

Cardholders who commit to using Axess in purchases continue to earn additional chip-money or benefit from interest discounting. A new feature introduced in 2015 allows customers to obtain an interest-free installment cash advance by making a purchase commitment. Further, Shopping Tariffs give instant discounts to clients for fuel station and grocery store purchases as well the opportunity to pay for credit card purchases in three installments.

Also providing convenient repayment options for cardholders, Axess promotional campaigns offer payment in installments and deferred payment. “Installment Request” presents an installment opportunity after a purchase is made from merchants not participating in the campaign while “Deferral Request” allows payment for purchases to be deferred to future months. In addition, the Statement Separation feature enables statement balances to be paid in installments.

Reward Campaigns for Customers

The opportunities provided to Axess cardholders domestically, Akbank began conducting campaigns that offer chip-money, installment options, and hotel and restaurant discounts for overseas purchases this year.

Akbank actively communicates with Axess cardholders through its updated website and social media channels such as Facebook and Twitter. The Bank also has the Axess exi26 credit card for university students and young professionals.

For more information please visit:
<http://www.axess.com.tr/>

Wings: Mile Accumulation Program

Wings is a credit card for Akbank's high-income customers who have an active social life and who travel frequently for either business or pleasure. Cardholders earn miles with each purchase as part of Wings' exclusive miles program. They can then use their Wings Miles to purchase airline tickets as well as hotel accommodation, international travel insurance, and tours via www.GezginslerAleml.com. Wings holders can also use the advance miles feature to book their trips even if they do not have a sufficient miles balance for their travel plans.

The Privileged World of Wings

The installment and campaign opportunities offered expressly for Wings holders provide special benefits for cardholder purchases while rapidly accumulating miles brings them closer to realizing their travel dreams. With the "Miles on Land" program, cardholders can use their Wings Miles to make payments at about 100 Wings Style-member restaurants, hotels, spas, and sports centers. Thanks to the rich travel and lifestyle content available on wingscard.com.tr, Wings cardholders can make advance travel plans, access information on dining venues and events in the city, and lead well-informed social lives.

Wings customers can be picked up from any location they choose and dropped off at the airport in Turkey's major cities, including Istanbul, Ankara, and Izmir, and take advantage of the discounted airport transfer service.

In addition to the domestic promotional campaigns, Wings also continued to offer installment as well as hotel and restaurant discount campaigns abroad during 2015.

For more information please visit:
<http://www.wingscard.com.tr/>

Free: A No-Annual Fee Credit Card

Customers of Free, another important card in the Bank's portfolio, earn substantial chip-money and enjoy installment benefits at hundreds of thousands of Axxess member merchants without paying an annual credit card fee. In addition, many other benefits are available to Free cardholders, including cash solutions, tariffs, orders, additional card, and insurance.

SMS Notification Option from Free My Budget Service

The Free Budget service allows cardholders to manage their budgets by sending an SMS notification stating that they reached the pre-determined expense level. They can also learn about their available limit, current debt balance, and payment due date via SMS. In addition to not paying an annual card fee, Free cardholders have the option to enroll in periodic campaigns such as extra installments, payment deferrals, and chip-money. They can benefit from these campaigns in return for a certain fee.

For more information please visit:
<https://www.kartfree.com/>

Neo: Standing Out with Special Discounts

Neo, the debit card that gives chip-money for purchases and allows cardholders to use their chip-money balances for free shopping, boosted the card's frequency of use by also offering purchase discounts. Carrying either the MasterCard or the Visa brand, Neo also contributed to the prevention of off-the-books transactions thanks to its widespread use in shopping, e-commerce and installment payments.

For more information please visit: <http://www.akbank.com/consumer/cards/neo.aspx>

INNOVATIVE APPLICATIONS IN DEBIT CARDS AND CREDIT CARDS

Akbank continued to render innovative services in 2015 in line with the expectations of its credit card and debit card customers whose numbers soared compared to the previous year. These innovations include:

Debit Cards and Prepaid Cards

Combining Neo, the debit card of limit-conscious consumers, with the Artı Para (Plus Money) product, Akbank offered installments for customers who prefer to use debit cards for shopping. This practice boosted the bank's interest income while encouraging the use of Neo in shopping transactions.

Innovative Benefits in the Debit Card Sector

In addition to the Neo-related marketing initiatives carried out throughout the year, Akbank began issuing Neo instantly at branches to enhance operational efficiency. This resulted in material savings in card delivery costs as well as faster card activation and improved customer satisfaction. As a first in the debit card sector, Akbank unveiled a loyalty program for a select group of Akbank customers with high propensity to travel where they can convert the points earned from purchases made by Neo into airline tickets. This innovation differentiated Akbank in the industry.

Business Credit Card Products

Akbank serves the business credit cards segment with the Axess Business and Wings Business brands to meet the various needs of small, medium and large-size enterprises, such as fuel and wholesale purchase, business travel, accommodation, and office supplies. In 2015, the Bank increased the number of cards in circulation in this segment to more than 210,000, up 42% compared to the previous year. Companies can monitor their business card payment transactions regularly, earn mile points and chip-money, and benefit from a variety of promotional campaigns. Akbank activated the shared credit line project in 2015 which allows sole proprietorships that engage in commercial activities but who use consumer credits to obtain commercial cards.

Axess SME: A Card Designed to Meet SME Needs

A new commercial card product, Axess SME is now an integral part of the Akbank Commercial Cards portfolio. Offered exclusively to craftsmen, Axess SME differs from other commercial cards in that it carries a ready-to-use Installment Commercial Loan limit separate from and in addition to the credit card limit. Since launch, it has gained brand recognition very quickly. In line with the Bank's focus on the SME sector, Akbank intends to increase the penetration of its commercial cards in this segment in the coming period.

For more information please visit:

<http://www.axess.com.tr/ticarikartlar/>

<http://www.wingscard.com.tr/wings-info/kartlar/wings-business>

INSURANCE SERVICES PROVIDING COVERAGE FOR CARDHOLDERS

Responsible Practices in Debit and Credit Cards Insurance Services in Credit Cards

We offer our credit card customers a variety of insurance products so as to protect them in the event of accidents, loss, and theft. If the cardholder loses his/her job, AKSigorta Credit Card Unemployment Insurance insures all credit card debts of the cardholder.

Environmental E-Statement Solutions

Since 2008, we have had the capability to send customer credit card account statements via e-mail or SMS. To encourage our customers to receive their account statements exclusively via e-statements, the Bank continues its communication efforts under the slogan "Give Life to Trees" via IVN calls and SME notifications. An application allows customers to switch to e-statement for all of their cards with a single SMS. By increasing the frequency of IVN calls in 2015, Akbank raised the number of cards receiving e-statements to 2.89 million as of year-end 2015.

Member Merchant Activities and Creative Campaigns

Acquiring 43,000 new members, Akbank's member merchant network climbed to 323,000 businesses with 385,000 POS terminals as of year-end 2015, continuing a strong performance in this segment. The Bank's shared POS terminal initiatives, which are essential to the efficient operation of a POS network, continued during the year and reached 160,000 shared POS terminals.

The Bank's shared POS terminal initiatives continued in 2015, 51,500 of which are Akbank-owned. Akbank has further strengthened its market position by broadening the Bank's member merchant network via agreements with sector-leading companies and conducting consumer-oriented promotional campaigns. As of end-2015, some 230,000 member merchants offers installment and rewards benefits to Axxess cardholders.

Growing Contactless POS Network

Akbank continued to expand the contactless POS network in 2015, as the number of member merchants capable of contactless transactions topped 35,000. Member merchants using EkoPOS tariffs, introduced in 2013 to allow Akbank member merchants to operate with a fixed monthly fee of as little as TL 29 without incurring any other commission or fees, reached 21,000 in 2015. Akbank customers were enabled to perform transactions with different terms using the Bank's Virtual POS terminals. Pursuant to communiqués numbered 69 and 70 published by the Revenue Administration, as of October 1, 2013, taxpayers who operate a cash register and use a portable POS device are required to start using a next generation payment-recording device. Akbank performed the requisite work with cash register manufacturers and offered member merchants the option of using one of four different cash register POS brands in conjunction with Akbank's POS application. As of year-end 2015, Akbank has ongoing cash register POS initiatives with more than 53,000 member merchants.

Continued Expansion of Direct Banking Channels via Innovative Banking Approach

As time becomes more valuable each passing day and the variety of transactions performable on direct banking channels expands, customers are driven to use direct banking channels more extensively for their banking transactions. According to Banks Association of Turkey (TBB)'s December 2015, more than 17 million banking customers actively use internet banking; meanwhile, active users of mobile banking number more than 12 million in Turkey. Digital banking users increase every day in tandem with rising internet and smartphone penetration. Direct Banking channels are very popular in particular for viewing account information and balances, money transfers, and payment transactions. These alternative channels also make significant contributions to products sales, rising by the day.

As of year-end 2015, nearly 3 million Akbank customers each month execute banking transactions using the Bank's Direct Banking channels without ever visiting a branch.

The share of mobile channel use in banking is growing worldwide alongside the digitalization trend. A typical Akbank customer visits a branch 2-3 times each year while using Internet Banking 4-5 times a month and Mobile Banking 15-20 times each month. Some 80% of Akbank Direct Mobile users in particular now utilize this channel regularly every month. The customers who actively use Akbank's mobile channels have cross-selling scores nearly twice the Bank average and profitability 3.5 times the Bank average.

Akbank Consumer Banking customers prefer digital channels especially for payment and money transfer transactions due to convenience and speed advantages. Some 92% of EFTs and 87% of bill payments at Akbank are performed through Direct Banking channels. The share of cash withdrawal transactions performed at branches is in decline, as nine out of every 10 cash withdrawals are conducted using the ATMs.

Innovative Steps in Call Center Management

Striving to deliver exceptional experiences at every point of contact with customers with its customer-oriented service approach, Akbank Call Center continued to pioneer the industry in 2015. This was achieved with its well-trained, experienced, highly-qualified, and solutions oriented staff; rich array of transactions; and creative, results-oriented approaches paired with superior use of technology.

Making nearly 60 million customer contacts in 2015, Akbank Call Center continued to distinguish itself by delivering quick, easy access with more than 1,000 employees. Leveraging its powerful CRM infrastructure to make dynamic offers to customers in line with their needs, the Bank boosts its effectiveness and share in insurance, credit card, revolving credit card loan, and general purpose loan sales each passing day.

Making utmost use of every available advanced call center technology, Akbank Call Center continued to invest in new technologies in 2015. The Call Steering application, which interprets customer answers in the interactive voice response system and guides them to the appropriate point, directs callers to the correct customer representative in the first connection. The Speech Analytics application was deployed to, and began to be used by, all customer representatives in 2015. As a result, the Bank is now capable of conducting multi-faceted and detailed analysis of all incoming calls.

Call Center Service via Social Media Channels

As one of the first companies in Turkey to integrate with social media in a comprehensive fashion, Akbank Call Center also serves customers via the Facebook, Twitter, chat and video chat channels in addition to voice calls.

Akbank Call Center provides specialized services to more than 100,000 customers who prefer to receive service remotely. These services are concentrated in the areas of relationship and asset management rendered to Consumer, One-to-One, and SME segment clients.

Akbank Call Center will continue to operate with a Direct Banking point of view and a vision centered on boosting sales, achieving higher efficiency via technological innovation and process improvements, and gaining a larger share in profit-making initiatives by providing specialized services.

ATM Network Innovations

Akbank ATMs served about 5 million customers and performed 17 million transactions on average each month during 2015. The Bank continues to leverage the functionality range of its ATM network to reduce the branch workload and generate income. To this end, efforts that were completed and rolled out in 2015 include:

- Neo card and credit card PIN creation
- Addition of new bill payment organizations
- Provision of balance inquiry and PIN change services for foreign cards
- Cash withdrawal from Akbank Direct Mobile using a reference code

Customer Experience Management

Akbank's core priority is to deliver an excellent customer experience across all channels. Conducting regular measurements and making continuous improvements to attain this goal, the Bank elicits feedback and insights from customers via experience and satisfaction surveys for all points of contact, user surveys, and ease of use testing. The Bank analyzes all data collected from customers to determine courses of action and to improve the customer experience on all channels on a continuous basis.

The Bank continued to conduct ease of use testing and surveys for all channels using globally-accepted metrics while monitoring the customer experience scores of the various channels in 2015. The Bank's results in this area approximated the scores of the world's best technology companies, demonstrating that the customer experience rendered by the Bank in particular on digital channels figures among those of global leaders. As part of its customer and design-oriented project management approach, Akbank conducted ethnographic user surveys in 2015 in order to design all digital banking channel experiences and products in a customer-friendly manner.

The end goal of these initiatives and customer-centric principles is to position Akbank Direct channels as the most preferred within the Bank and to become the most popular Direct Banking brand in Turkey.

Akbank Direct Innovations

Akbank Direct continued to undertake successful initiatives in 2015 to provide products to customers specific to Akbank Direct channels so as to address their financial needs with the fastest, most practical tools. Standing out with its state-of-the-art technology infrastructure and highly competent human resources, the Bank launched the Akbank Direct Serbest Account (Freedom Account) for those customers who prefer to access their savings instantly without having to wait until the maturity date of the account. The Akbank Direct Serbest Account is designed exclusively for the internet and mobile banking channels. Aside from a limited number of transactions that have to be performed at a physical branch, such as opening or closing an account, all account transactions can be executed via Akbank Direct Internet and Mobile, Akbank's international award-winning Digital Banking channels. A supporter of small saving amounts, Akbank offers the same attractive interest rate to all deposits between TL 1,000 and TL 100,000. Offering an introductory rate to customers during the first 30 days after the account opening, the Akbank Direct Serbest Account (Freedom Account) provides deposit holders with a highly competitive rate sector-wide.

The Akbank Direct Loan, another digital product launched by Akbank in early 2015, enables customers to take out a general purpose loan exclusively through the Bank's digital channels without having to visit a branch. Akbank customers can apply for the Akbank Direct Loan through Akbank Direct without the need for any documents, signature, or a branch visit by just entering the amount and the term of the loan they are requesting; the amount they request arrives in their account within seconds. Customers can apply for the Akbank Direct Loan on akbank.com, through Akbank Call Center and via Akbank Direct Internet and Mobile.

Adopting advanced technologies to banking services, such as cash withdrawal with iBeacon, Widget, and transaction confirmation with touch ID, Akbank broke new ground again with the Akbank Direct application developed exclusively for Apple TV. As a result, the Bank maintained its pioneering role in adapting the latest technology to banking products and services in Turkey. All investors, without the requirement to be an Akbank customer, can use Akbank Direct to follow stock prices and foreign exchange rates, monitor BIST data, and reach video investment news on Apple TV. Equity investors can access Apple TV through Akbank Direct, a market standout with its investment transactions-friendly front page design, with a QR Code and follow real-time BIST 100 data on Apple TV.

Mobile Banking Innovations

Downloaded by more than 3 million users to date, the Akbank Direct Mobile application has also won a number of prestigious international awards. Voted the "Best Digital Bank in Western Europe" by Global Finance, Akbank Direct was named one of the world's top 10 banks in mobile banking according to a Forrester survey. Recognized for the "World's Best Mobile Banking App" by Global Finance in 2015 after winning the "Smartphone App of The Year" award from GSMA in 2014 is yet more evidence of the Bank's resounding success. Akbank was presented with these awards thanks to its forward-looking technology investments that focus on mobile banking, people-oriented innovations, and creative marketing initiatives.

Rapidly adapting the "3D Touch" functionality of Apple iPhone 6s and iPhone 6s Plus to banking products and services, Akbank Direct became the first bank to offer three-dimensional banking to its customers. Registering major accomplishments in mobile banking not just in Turkey but also globally, Akbank Direct broke more new ground with the application it developed that enables customers to perform cash withdrawal, payment, and money transfer transactions with a "single touch" for the first time. Akbank Direct adapted the "3D Touch" functionality of the new iPhone 6s and iPhone 6s Plus smartphones to its banking

products and services and unveiled the innovation for customer use simultaneously with the launch of these devices. Akbank customers are able to withdraw cash from the Bank's ATMs within seconds without the use of a card, with just a mobile phone using SMS, reference code or iBeacon. As a bank that follows advances in technology closely and adapts them quickly, Akbank enabled customers to withdraw cash using only a mobile phone without having to scan a QR code on ATM screens or worrying about forgetting to take their cards with them. This feature, rolled out in September 2015, allows customers to withdraw cash from the Bank's ATMs instantly, up to TL 5,000, with a reference code obtained from Akbank Direct Mobile or an SMS sent from Akbank Direct Mobile.

The Akbank Direct Apple Watch application, a pioneer of wearable technology use in Turkey, took its place in the App Store prior to the launch date of Apple Watch with its ease of use, simple design, and easy access. Featuring a visual quality specific to Apple Watch, the Akbank Direct Mobile application was designed to be user-friendly for the Bank's customers. The transactions that are performed most frequently by the customers within a day while logged into mobile banking were enabled for the watch, creating an all-encompassing app, from viewing the available limit to withdrawing cash. Akbank continues to undertake innovation efforts in mobile banking with a staff of the very best specialists in their respective areas.

Akbank has posted 600% growth in the Turkish mobile banking market, which grew nearly 400% over the last two years, significantly boosting both its mobile customer count and market share in mobile transactions. Akbank owes its success in the mobile space to its mobile-first strategy, pioneering role in innovations, and the world-leading customer experience it provides. Akbank will continue to develop and enhance the Akbank Direct Mobile application with its specialized in-house staff in 2016. The Bank will also continue to lead, setting an example for its rivals, and pioneering the development of the industry, both in Turkey and worldwide.

Akbank continued to invest in wearable technology in 2015.

The Akbank Direct Apple Watch application, a pioneer of wearable technology use in Turkey, took its place in the App Store prior to the launch date of Apple Watch with its ease of use, simple design, and easy access.

Akbank has posted 600% growth in the Turkish mobile banking market, which grew nearly 400% over the last two years, significantly boosting both its mobile customer count and market share in mobile transactions. Akbank will continue to develop and enhance the Akbank Direct Mobile application with its specialized in-house staff in 2016.

Customized Capital Markets Communication with Clients

In an effort to boost the Bank's equity trading market share and commission income in a broad-based manner, Akbank launched a customer communication strategy exclusive to this service area with the STOCKS DIRECT staff positioned within the One-to-One Specialist Line. The Bank aims to enhance the broad-based communication, which we call Direct Banking, and show that it also stands by its customers in the capital markets.

Training Programme for Employees

Thanks to internal improvements and employee training programs, Akbank Call Center achieved major efficiency gains in terms of meeting the customer's need on a single call. Leveraging 15 years of sales and service culture experience, Akbank Call Center continues to record major accomplishments in customer calls, product sales, specialist lines, complaint management, and other related operations. Akbank Call Center employees are also a source of skilled human resources for all other Bank units (e.g. Head Office and branches).

DECISIVE STEPS TOWARD OUTSTANDING CUSTOMER SATISFACTION

Pursuant to its customer satisfaction-centric service approach, Akbank expends continuous efforts to constantly improve customer satisfaction and raise it to new heights. The Bank executes various measurement, evaluation and enhancement processes in accordance with its objective of ensuring outstanding customer satisfaction at every point of contact with clients.

Service Quality Measurement, Evaluation and Enhancement Processes

Akbank employs advanced “customer satisfaction measurement and evaluation” systems pursuant to its service approach centered on customer satisfaction. Service quality levels at points of contact with customers, which comprise Branches, Direct Channels, and Customer Complaint Management staff, are measured regularly and they are certified twice a year. Measurements are conducted daily and feedback is solicited from nearly 200,000 customers each year. Measurement results are monitored at the branch and employee level and they are shared with related personnel transparently. In addition to daily feedback, “Service Quality Scorecards” are created every six months in order to identify strengths as well as areas of improvement. Actions plans are devised for areas of improvement; enhancements and continuous development are accomplished through these closely-monitored plans.

Service Quality Measurement in Light of Customer Feedback

In addition to daily measurements, Akbank periodically organizes focus groups that bring together customers from various segments to listen to their opinions on the Bank’s services in person. Akbank conducts in-depth interviews at customer visits and elicits feedback on service quality. The feedback gathered from these interviews is used as input into customer satisfaction enhancement initiatives.

Practices Regarding Internal Processes

Service levels of Head of Units, which support the points of customer contact, are also of utmost importance in enhancing customer satisfaction. Within Akbank, quality levels of support services given to branches and Alternative Delivery Channels are put under the guarantee of Service Level Agreements (SLA). SLAs cover features such as quality, amount, frequency, delivery date, involvement and problem solving time expected from the units providing the support service. The situation in SLAs is regularly reported, actions for improvement are adopted in areas where the target is not met and targets are increased in areas where SLAs perform better than the target.

Internal Customer Satisfaction Survey

In addition to SLAs, satisfaction level of Akbank’s branches with internal teams is assessed via Internal Customer Satisfaction Survey. Results of the survey are shared transparently in the Bank and action plans are devised for continuous development.

Providing comprehensible, simple and user-friendly screens at every point of contact with Akbank customers and employees is an integral element of service quality. In 2014 Akbank began measuring the user experience of its screens via lab studies participated by customers. Designs of the Bank systems and user interfaces are reviewed continuously based on the results of these measurements.

Permanent Solutions for Areas in Need of Improvement

Akbank regularly analyzes customer complaints and demands that are received from various channels and generates permanent solutions for frequently mentioned areas of improvement. A senior-level committee tracks the changes in the number and content of customer feedback and implements concrete and permanent actions in the areas in need of improvement.

Customer Satisfaction Survey

Our customers can inform us on their expectations via different channels but in addition to these, we also perform regular customer satisfaction surveys and researches to get feedback. Within this scope, we daily monitor customer satisfaction levels with feedback from the kiosks (interactive information terminals), web applications, and direct phone calls. Outputs of the surveys and areas to be improved are regularly shared with the channels and employees delivering the related services in a special area in the portal. Areas that are below the target scores are considered as areas for improvement and development and efforts are started. In addition, in order to assess expectations and satisfaction levels of our customers from various segments and to identify areas to be improved, we hold a Customer Satisfaction Survey every year.

2015 Survey Covering a Sample of 5,000 People

Akbank surveyed 5,000 customers for its 2015 Customer Satisfaction Survey aimed at identifying the level of satisfaction of customers in the Corporate, Commercial, SME, Private, One-to-One, Consumer, and Credit Card segments with Akbank and with rival banks; uncovering the Bank's strengths and weaknesses; and determining the course of action.

Innovative Ideas of Our Customers and Employees

Akbank takes heed of customer feedback and creative ideas and suggestions from its employees in light of its target to fulfill the ever-changing and diversifying customer demands and to serve them better.

Initiatives are carried out throughout Akbank to develop innovative ideas and to objectively evaluate and implement these ideas. There is a team of Innovation Envoys, made up of 178 employees from the Head Office, Regional Directorates and branch employees. Innovation Envoys attend periodical workshops to create new ideas identified in accordance with the Bank's strategy and needs of its business units, using their learning on creative and innovative thinking techniques and internal innovation leadership.

Innovation-Oriented 1001 News Bulletin

Publishing a monthly bulletin, "1001 News," to create innovation awareness among its employees, Akbank reports on innovative practices in the banking industry and other sectors for the reference of its personnel.

1001 Ideas Suggestion System

All of the employees can make suggestions via the 1001 Ideas and Suggestions System. After a pre-evaluation, ideas that are considered to be applicable are selected and action plans are made. Every month "suggestion of the month" is chosen and the suggestion and its originator are announced to all of the employees. In addition, customer suggestions received via Akbank Call Center and the social media are also regularly included in the Suggestion System and evaluated in the same way.

2,982 Suggestions were submitted

During the 2015 operating year, a total of 2,982 suggestions -2,230 from employees and 752 from customers- were submitted to the Akbank Suggestion System. Since the launch of the Suggestion System in 2008, a total of 5,038 suggestions were accepted and 40% of these were implemented.

COMPLAINT MANAGEMENT

Sustainable financial success is dependent on high customer satisfaction and loyalty in today's fiercely competitive environment. Attaining and retaining the loyalty of existing customers is just as important as acquiring new clients. Addressing complaints effectively, the single most important determinant of customer satisfaction, helps the Bank understand customers' experience, improve its services and processes, meet customer expectations in new products at the highest level, and boost its credibility and reputation.

The Akbank Customer Complaint Management Team was established in 2003 to listen to customers within this extensive area and to address their complaints and expectations. The Team, positioned centrally at single location and highly visible to the entire organization, renders outstanding services to its one million-strong customer base.

Customer Complaint Management

Positioned under the Quality and Process Management Department within the Akbank organizational chart, the "Customer Complaint Management" operation is administered centrally from a single location. Feedback provided to customers during the resolution process is communicated through the legally-compliant alternative channels.

The Customer Complaint Management Team operates under a customer-centric mission where it is responsible for receiving, resolving, and concluding all customer communication including complaints, demands, objections, information, suggestions, and appreciation as well as closing the ticket by getting in touch with the customer.

Akbank's in-house Customer Complaint Management system has an integrated and flexible infrastructure. The system performs the end-to-end management process of customer feedback submitted through any channel including the branches; monitors many details within this life cycle including SLA/OLA compliance; operates in a paperless environment; is capable of effective reporting; and, most importantly, can be enhanced based on needs. Akbank Customer Complaint Management reduced the resolution time for more than 1.5 million customer inquiries annually from three days to two days, raised SLA compliance to 91% from the 60s, and increased the ratio of resolutions with a single contact from 65% to 95%.

Some 95% of the applications, each of which is tracked on a customer basis during the resolution process, are resolved at the stage where they are submitted to the Customer Complaint Management Department.

Cases requiring support are transmitted to the branches and subject matter expert business units by way of work order assignments through the SAP CRM system for their input and opinions. There are currently 29 Service Level Agreement (SLA)s in place with all business units whose input is sought for resolutions as well as with Akbank Branches; these SLAs are tracked periodically through the system. Automatic notification and escalation processes for SLA/OLA tracking are functioning flawlessly within the system, and the results are reported regularly to the organization.

Since the day the Customer Complaint Management System was activated, the outcome of all submissions can be viewed in real time through the Call Center and Branch channels. Customers can obtain the latest update on the status of their complaints by contacting the Call Center or visiting an Akbank Branch. In addition to these channels, customers can also reach the outcome information on the internet branch, which is a self-service channel. Akbank will also launch "Complaint Status Inquiry" on akbank.com in 2016.

In keeping with the goal of quick resolution of customer complaints, the Bank rolled out the Live Chat service on the Akbank Mobile Branch app, following its launch on the internet branch. In addition to live chat, the Bank monitors all complaints and demands on social media accounts such as Facebook, Twitter, and Instagram; on consumer websites; and in print and broadcast media.

Customer Complaint Management is in close interaction with the entire organization due to the nature of its existence. All Call Center employees and experienced staff personnel hold associate or undergraduate degrees. In addition to the Bank's mandatory training, all employees are supported by personal development training. This staff is equipped with the banking skills and financial competency needed to maximize resolution-at-first-contact performance. In an effort to increase the complaint management processes and awareness and to integrate inputs and outputs into the corporate culture, awareness-oriented actions are implemented for the entire organization including e-learning training, animated brochures and handbooks.

Information on the Bank's complaint management policy and related procedures are available in writing on the corporate portal for the employees and under the "Our Customer Satisfaction Policy" heading at the www.akbank.com/Contact Us tab for customers.

As part of the Bank's efforts to measure customer satisfaction, Akbank regularly reaches out to customers who have submitted a complaint to conduct surveys and assesses customer satisfaction from the customer's perspective.

The Bank performs periodically customer surveys and Mystery Shopper Studies to measure the satisfaction levels at every channel that comes into contact with customers, including the complaint management function, and tracks this metric at the channel scorecard level. Customer calls made after the resolution of the complaint measure speed, engagement and conduct, likelihood of working with the Bank, satisfaction from the process and from the resolution, which are used as inputs to generate satisfaction indices, considered to be a key performance indicator.

As the last steps of the Complaint Management process, monitoring of complaint data is conducted regularly, both within the Bank and as various reports to regulators. In addition, the Bank uses the knowledge it has gained and customer experiences in systematic analyses. The root cause analyses of the complaints are utilized in continuous improvement efforts for products, services, and processes; allow for customer expectation analyses for new products and services that are being contemplated; and become the de facto voice of the customer.

Successful Performance Bolstered by Awards and Certifications

After receiving ISO 10002:2004 Complaint Management quality certification from the international firm BSI (British Standards Institute) in 2007, Akbank successfully renews its certification process through regular audits conducted on an annual basis. Pursuant to the complaint management model put in place under the certification process which was renewed for the eighth time in 2015, the customer satisfaction policy, related goals, and continuous improvement principles are under the Bank's commitment. Further, business conduct and processes were raised to much higher levels in terms of quality and standardization.

The Customer Complaint Management System, which was integrated in 2009 with a large number of channels that customers make submissions through, was published by SAP as a global success story in the banking industry the same year. The Bank's Social Media Management initiative, carried out under the Customer Complaint Management Department since May 2012, registered a major accomplishment in its first year of operation by winning the gold award in the "Customer Complaint Management Department of the Year" category at the competition organized by IMI Conferences, the most prestigious organization in its field in Turkey, in October 2012. In addition, the Bank won the Gold award in the "Customer Service Complaints Team of the Year" category at the international Stevie Awards competition in 2014.

Akbank is committed to administering the customer complaint management initiative effectively in accordance with service quality and customer experience principles as well as efficiency.

Digital (Social) Media and Community Management

Akbank has a total of 2.5 million followers in social media channels. The Bank communicates with customers through 30 Akbank accounts on various social media channels.

Customers receive instant support thanks to the infrastructure integrated with the Call Center systems. Using the sales-oriented “Custom Audience” application based on customer data on Facebook, Akbank began showing users products and campaigns they need with targeted ads.

Akbank is undertaking efforts for credit card sales, loan origination, Serbest account opening, and download/use of our mobile app on social media. As a result of its work, Akbank generated 327,000 leads in 2015. Some 28% of credit card sales made on the web are initiated on the Facebook channel. Costs of card sales and mobile downloads on this channel were below those of digital channel averages.

CRM

Akbank CRM Department completed comprehensive projects under the major categories of sales and marketing automation, real-time marketing, customer analytics, pricing and optimization, and designed and implemented its CRM approach in 2010.

Akbank received the “CRM Excellence” Award from GARTNER in the “Integrated Marketing” category in 2011, “Customer Analytics” category in 2013, and “Sales Effectiveness” category in 2014, becoming the first Turkish bank and Turkish company to win the “CRM Excellence” Award for the third time. The “Spot on, Akbanker” application is a new digital platform that was developed to manage the Bank’s targets more effectively within the day to day workflow and which is designed to award success. The platform aims to maintain a fast pace within a pleasantly competitive environment, and enhance sales motivation and concentration on periodic targets. This gamification platform, a first in its respective area nationally, supports Akbank’s customer-oriented strategy. The “Key” application combined customer and CRM portfolio priorities in the portfolio management approach, creating a construct that ensures multi-purpose work reflex, proactive multiple sales and marketing, deeper client relationships, and efficiency gains.

Akbank will sustain its industry leadership in CRM, particularly in next generation analytic solutions, customer-based pricing, and revenue optimization, will continue in 2016 under digital and real-time banking vision.

PROCESS MANAGEMENT AND BUSINESS DEVELOPMENT

Akbank adopted the Business Process Management (BPM) approach as the methodology for business processes management. With this approach, all elements are evaluated in a holistic manner (especially information technologies, data, organization and product) and thus customers' needs are met more efficiently and quickly. Akbank adopted the Business Process Management (BPM) approach as the methodology for business processes management. Customer-oriented and efficient processes are designed and implemented under this approach.

Continuous Development is Main Goal

Akbank's business development initiatives are carried out using "Continuous Improvement" techniques and the "Lean Methodology". Continuous Improvement refers to using the results of the customer satisfaction surveys and service level reports to review and improve business processes from the viewpoint of customers as well as improving existing processes, products and services so as to meet customer expectations as effectively as possible. The "Lean Methodology" consists of radically overhauling and redesigning business models in a customer-centric manner and rearranging the organization and roles.

OPERATIONAL EFFICIENCY

Continuing to expand steadily, Akbank aims to manage the growth process via effective resource management policies. Launching the "Improvements for You" program to boost work efficiency at the branches and Operations Center, Akbank closely analyzed more than 1,250 processes and implemented over 250 process improvements in 2015. The Lean Operations Center Project that launched in 2014 continued in 2015; central operations processes were analyzed with a lean approach and improved accordingly. We expect to make further improvements in the years ahead in keeping with the project roadmap.

As a joint outcome of the "Improvements for You" and "Lean Operations Center" initiatives, additional capacity corresponding to a workforce capability of 800 employees was created in 2015.

Akbank plans to carry out initiatives related to effective utilization of technology, migration of operations to automated channels, and further automation opportunities in 2016 in order to attain the best customer experience and more efficient business processes.



07. OUR DISTINCTIVE EMPLOYEES

Our Human Resources Vision

Employing the most qualified human resources in the Turkish banking industry and investing in this resource to create value for all of our stakeholders.

Our Human Resources Mission

In an effort to support the Bank in its journey toward “Sustainable Leadership”, retaining highly qualified human resources at Akbank and recruiting new ones, improving the existing human resources systems and practices as part of this process, designing new ones and carrying out effective communication regarding these.

Purpose of Our Human Resources Management

- Recruiting the best candidates for the Bank,
- Constantly developing the corporate culture and business conduct,
- Building the organizational structure in accordance with strategic objectives and ensuring its continuity in order to safeguard the Bank’s effective and productive operation,
- Making effective investments in human resources in accordance with targets and strategies,
- Carrying out participatory career planning,
- Rewarding mechanism that encourages and supports superior performance of employees by way of a goal and competence-based, transparent performance management system,
- Undertaking system and process improvements for employee engagement. During the course of carrying out these objectives, Akbank’s Human Resources Department embraces the principle of being the “strategic business partner” of the business units.

Human Resources Operating Principles

- Structuring and assessing all employees in accordance with the objectives and performance of the organization,
- Recruiting new employees who will fit in with the Bank’s culture and values,
- Being internal and external customer-oriented, always prioritizing this focus in work relationships,
- Supporting all employees with the best human

resources applications without discriminating on the basis of language, religion and sect, race, gender, age, political belief or faith,

- Ensuring the coherence between business objectives and HR practices by having a technical understanding of major business lines of banking and speaking the same language with other employees in the organization on a technical level,
- Continuously helping the Bank’s employees with its expertise, know-how and experience in order for them to improve the performance of their units as well their own personal performance,
- Respecting open communication, confidentiality of personal information, sense of justice, and compliance with code of ethics,
- Planning and implementing proactive applications and activities with regard to the management of the organization and its human capital without waiting to be asked to do so,
- Establishing and implementing coherent, integrated and sustainable systems throughout the Bank, creating a harmonious synergy by ensuring the participation of all units in this effort,
- Developing practices to help individual business units attain their goals or making adjustments to existing Bank practices on an as-needed basis,
- Creating an environment where employees can improve themselves and support their development,
- Ensuring that everybody at the Bank acts with the awareness that human resource management is the core function of all managers,
- Taking heed of and solidifying the Bank’s corporate culture in all decisions taken and all practices carried out.

The Essential Compass of the Employees: “Akbank Values”

Actions of people and organizations are determined by their values. Values are the glue that holds us together and the guides that steer us.

Five shared values that define Akbank and Akbankers are listed below.

Empathy

We understand internal and external customers well and we develop each other with our knowledge and experiences.

Innovation

We value creative ideas and we pioneer the industry through technology and innovation.

Enthusiasm

We perform our jobs with excitement, cheerfully, and lovingly with the confidence of being an Akbanker.

Ownership

We act with determination and decisively; we reach the solution by way of quick, effective decision-making.

Team Spirit

We embrace teamwork and open communication; we safeguard all our values together.

Akbank: The Center of Attraction for Young Professionals

Akbank strives to be the choice of “best professionals” in its recruiting practices in order to ensure the sustainability of its financial and operational success.

Akbank’s human resources practices are aimed at making the Bank “the leader among the most preferred employers where creative, dynamic and confident people who create value choose to work and a company which employees are proud to be a part of.”

Human Resources Focused on Continuous Development

The Bank’s recruitment policy is to hire qualified, well-educated, innovative people who are open to learning and developing constantly and who are eager to create value for Akbank and its stakeholders, without discriminating on the basis of race, language, religious belief, gender and age. Akbank pursues a fair hiring policy focused on equal opportunity, based upon predefined recruitment criteria. As part of this effort, Akbank strives to hire the most appropriate candidates in the most suitable position by employing competence-based objective measurement and evaluation methods. To this end, it is among Akbank’s utmost priorities to recruit new graduates who do not have professional experience in order to develop future leaders and to offer them career opportunities within the banking sector.

Social Policy Practices Supportive of Local Employment

Within the framework of business performance and productivity, vacant positions within the organization are first announced to Akbank employees. Applications of Akbank employees for new positions are evaluated quickly and appointments of worthy candidates are made. While recruiting for the Head Office and branches, Akbank prefers to recruit candidates living in regions close to its service locations. In our Malta branch, Akbank pursues a policy of employing local residents.

Tenure and Expertise-Based Compensation Policy

Compensation policies of companies are among the important factors in employee loyalty and performance improvement. Therefore, Akbank’s compensation policy is structured to attract the human capital required for continuous success and to reward, to motivate and to retain high-performing employees. Akbank’s compensation policy is formulated compatible with the Bank’s operations, long-term objectives, and risk management structure. In order to ensure fair compensation, employees with similar roles and responsibilities are paid similar salaries and those who perform better than their benchmarks based on the results of the Performance Evaluation System receive higher raises and bonuses.

In an effort to encourage the development of personal growth and competencies within Akbank, the Bank pays an additional salary to employees who speak a foreign language.

Fair Compensation Policy

Akbank's entry level compensation policy is the same in all branches and service points. In recruitment of employees with no previous work experience, 28% more than minimum wage for Assistants, and above 74% for Management Trainees.

Full Compliance with Legal Reporting Processes

If significant changes occur in the employment contracts of employees, notice and notification periods stipulated in the Labor Code and Collective Bargaining Contract are in effect. The minimum notice period varies based on the tenure of the employee. It is set at two weeks for employees who have been with the Bank for less than six months; four weeks for employees who have been with the Bank between six months and 1.5 years; six weeks for employees who have been with the Bank between 1.5 years and three years; and eight weeks for employees who have been with the Bank for more than three years. In case of transfers, employees are given three days for commencing their new posts in the same province and 15 days in another province. If an employee is transferred to a different unit, he/she can communicate with the Human Resources Unit to state opinions on the change.

Human Resources Profile

Some 95% of Akbank employees are university graduates. The average tenure at Akbank, which differentiates from the competition with its skilled human capital, is 8.0 years while the average time of service is 8.8 years in the banking industry. 68% of Akbank employees work at branches, which are one-to-one contact points with customers.

Our Employees in Figures

At Akbank, which boasts a continuously expanding service network, as of December 31, 2015, Akbank has a total of 14,059 employees, including the Members of the Board of Directors.

There are no part-time employees in Akbank, with the exception of a consultant. Including one to three months of internship period of university students, all employees are permanent and "full-time". Benefits provided for full-time employees may only vary depending on the person's performance.

Breakdown of our employees by service location is presented in the table below.

Number of Our Employees	2013	2014	2015
Head Office*	1,821	1,819	1,598
Akbank Banking Center	3,166	3,080	2,546
Regional Directorates**	777	923	900
Branches***	10,485	10,483	9,006
Overall	16,249	16,305	14,050

* Excluding the Board of Directors.

** As reported in previous years, employees at the Regional Credit Directorates are included in the Regional Directorates, not the Head Office, although they report to the Credits Business Unit located at the Head Office. The reason is that these employees are actually working in the field.

*** Including employees at Malta branch.

In case of necessity, Akbank generates employment through outsourcing. Number of employees working especially in Direct Banking, Consumer Banking, Information Technologies, and Operations Business Units are available in the table below.

	2013	2014	2015
Number of Employees within the Outsourcing System*	1,409	1,668	2,837

* The private security staff of 1,050 employees was outsourced in February 2015.

Gender Distribution

Akbank embraces the principle of equality of opportunity without any discrimination on the basis of gender or age. Ratio of female and male employees within the Bank have remained roughly the same over the years. End of year 2015, share of female employees decreased by 2.8 percentage points to 53.8%.

Breakdown by Gender [%]	2013		2014		2015		Total Number of Employees	
	Male	Female	Male	Female	Male	Female	Male	Female
Board of Directors	88.9	11.1	88.9	11.1	88.9	11.1	8	1
Senior Management	64.5	35.5	65	35	65.7	34.3	834	436
Mid-level Management	46.0	54.0	47.3	52.7	48.2	51.8	1,590	1,711
Auditors	70.1	29.9	66.7	33.3	67.3	32.7	152	74
Assistant Managers	39.7	60.3	39.9	60.1	41.7	58.3	3,797	5,310
Other*	73.5	26.5	74.0	26.0	74.1	25.9	108	38
Security	99.5	0.5	99.4	0.6	0.0	0.0	0	0
Overall	48.2	51.8	48.9	51.1	46.2	53.8	6,489	7,570

* Includes non-banking posts such as lawyers, architects, engineers, support staff, and technicians.

Age Distribution

The average age of Akbank employees is 34.2 as of year-end 2015. In almost every staff category, the largest age group is 30-50. The largest groups in the “under 30” category are “assistant managers” and “auditors”.

Pursuant to the Bank’s recruitment policy, only those of full legal age can work at Akbank. There are no employees under the categories of child labor (employees under 15 years of age, at which compulsory education ends) or young labor (over the minimum age for employment and under 18 years of age) categories at Akbank. Students and young workers applying for an internship at Akbank must be seniors if they are high school students and sophomores or juniors if they are university students. 94 university students were employed as interns at the Head Office units between June 2015 and September 2015. Number of student interns at Akbank has a seasonal pattern; there are no interns on the Bank’s payroll as of year-end 2015.

Breakdown by Age (%)	2013			2014			2015		
	Under 30	Between 30 and 50	Over 50	Under 30	Between 30 and 50	Over 50	Under 30	Between 30 and 50	Over 50
Staff									
Board of Directors	-	22.2	77.8	-	33.3	66.7	11.1	88.9	88.9
Senior Management	0.1	95.3	4.7	-	95.7	4.3	95.9	4.1	4.1
Mid-level Management	3.3	94.9	1.8	2.1	96.5	1.4	1.3	97.8	4.1
Auditors	51.9	48.1	-	46.6	53.4	45.6	54.4	54.4	
Assistant Managers	40	59.8	0.2	39.8	60.0	0.2	39.0	60.9	0.1
Other*	19.9	75.9	4.2	15.4	79.3	5.3	11.6	81.0	7.4
Security	42.7	57.3	-	42.8	57.2	69.5	0.0	0.0	0
Overall	31.5	67.6	0.9	29.7	69.5	0.8	26.4	72.8	0.8

* Includes non-banking posts such as lawyers, architects, engineers, support staff, and technicians.

High Rate of Continuous Workforce

Employee turnover rates and numbers based on location are presented in the table below. The Bank's employee turnover rate decreased by 0.47 points to 9.98. Human Resources Department analyzes the feedback from employees who have left the Bank regarding their reasons for leaving and improvements are made in business processes according to these findings.

Employee Turnover Rate*	2013		2014		2015	
	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number
Head Office	11.39	230	12.27	234	22.16	363
Akbank Banking Center	14.2	459	11.31	347	20.29	591
Regional Directorates**	7.22	53	8.55	75	11.69	104
Branches	9.33	970	9.30	976	15.25	1,392
Overall (average)	10.45	1,712	9.98	1,632	16.82	2,450

* Employees who have left the Bank (including those who retired, resigned, and those whose work contracts were terminated)

** As in the previous years, employees at the Regional Credit Directorates are included in the Regional Directorates category, rather than the Head Office category, even though they report to the Credits Business Unit located at the Head Office, since these employees are actually working in the field.

Employees are free to resign so long as they comply with the terms on their employment contracts. Forced labor is outside of Akbank's business principles.

Employee turnover rates depending on the age group are presented in the table below:

Employee Turnover Rate by Age Group																		
	Under 30						Between 30 and 50						Over 50					
	2013		2014		2015		2013		2014		2015		2013		2014		2015	
	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number
Head Office	14.27	78	17.22	62	19.67	53	6.09	145	11.00	164	22.10	290	12.9	6	14.24	8	34.43	20
Akbank Banking Center	22.38	218	19.77	177	31.16	227	18.22	231	7.75	166	15.79	340	29.4	11	12.83	4	77.63	24
Regional Directorates*	14.2	20	18.91	36	18.18	36	5.35	31	5.48	37	9.41	64	14.72	2	17.91	2	33.33	4
Branches	10.69	265	12.15	310	19.68	379	8.58	673	8.01	631	13.77	984	43.39	32	54.40	35	55.77	29
Overall (average)	14.03	581	14.63	585	22.26	695	8.95	1,080	8.19	998	14.86	1,678	29.78	51	30.09	49	50.33	77

* As in the previous years, employees at the Regional Credit Directorates are included in the Regional Directorates category, rather than the Head Office category. Even though they report to the Credits Business Unit located at the Head Office, these employees are actually working in the field.

Employee turnover rates depending on the gender is presented in the table below. Percentages of male and female workers who left their jobs are close to each other. The reason for higher employee turnover rate among females compared to males at the Akbank Banking Center is that number of female employees is higher at the center.

Employee Turnover Rate by Gender													
	Male						Female						
	2013		2014		2015		2013		2014		2015		
	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Number
Head Office	10.31	118	14.94	171	19.61	180	12.80	112	8.35	63	25.41	183	
Akbank Banking Center	13.28	184	7.85	101	15.28	197	14.88	275	13.81	246	24.28	394	
Regional Directorates*	6.59	30	8.50	46	8.87	47	8.26	23	8.64	29	15.81	57	
Branches	8.93	438	8.81	437	14.41	558	9.69	532	9.73	539	15.88	834	
Overall (average)	9.76	770	9.52	755	14.85	982	11.09	942	10.43	877	18.45	1,468	

* As in the previous years, employees at the Regional Credit Directorates are included in the Regional Directorates category, rather than the Head Office category. Even though they report to the Credits Business Unit located at the Head Office, these employees are actually working in the field.

PERFORMANCE MANAGEMENT OF SHARED GOALS

Akbank's transparent and flexible Performance Management System is capable of responding to changing needs and conducive to improvement in managing the talents and experience of its employees effectively in accordance with its corporate goals. In an effort to sustain the Bank's successful financial performance, Head Office employees go through performance evaluation once a year while field personnel perform this process twice each year. As a result of this evaluation, areas of development are identified for employees and various training and development opportunities are organized in these areas to support their career development. Performance evaluation allow the Bank to determine employees' competence levels for a variety of roles and responsibilities. Accordingly, the Bank's employees get the opportunity to continue their Akbank careers in other business units based on organizational needs and their own preferences.

The aims of the Performance Management System developed with a management approach that supports and encourages high-level performance are:

- To enable employees realize their corporate targets and to increase corporate performance,
- To guide and develop employees in order to meet their changing and developing needs better,
- To align the Bank's goals with personal goals of employees,
- To ensure that employees understand what is expected of them better, get involved with their jobs and stay motivated to attain their targets,
- To encourage continuous development via open communication and regular feedback and to increase motivation,
- To evaluate contributions and performances of employees in a fair and objective manner and to shape their competence in line with the needs of Akbank,
- To make correct decisions about career planning, training and other human resources processes of employees and to ensure their personal development in line with such processes.

Increasing Employee Productivity via Self-Evaluation Approach

"Self- Assessment" was an innovative and important application launched in 2012 in order to increase the effectiveness of the Performance Management System. In the evaluation process, employees evaluate their own achievements and performances according to their targets through the Self- Assessment system. The effectiveness of the performance system depends on the transparency, simplicity, and accurate measurement of the system. To ensure the system's efficacy, the Bank conducted a goal-setting project in 2015. In addition to improving the target allocation methodology of the regions, branches, and CRMs, Akbank also made improvements to the core elements of the system such as goal-setting and measurement.

Transparent Processes for Evaluating Senior Management's Performance

Performance evaluation of Akbank's Senior Management is based on both the Bank's overall year-end performance and success criteria that support long-term sustainable performance. As part of this effort, Akbank employs the Balanced Scorecard application. Performance of the Senior Management is measured on the basis of such perspectives as finance, customer, internal processes, and human resources. Therefore, the Senior Management's indicators of goals and success also include performance criteria such as customer satisfaction, employee satisfaction, and employee turnover rate in addition to financial criteria.

The criteria of the Akbank Performance Management System are based upon personal goals and competencies. The types, weights and numbers of goals and competencies in the performance forms are determined by cooperation between the business units and the Human Resources Department.

Career Management Policy

The career management function plays a strategic business partner role in supporting the realization of the Bank's goals. To this end, Akbank's priority is to position the existing human resources in the most productive way while creating effective medium and long-term career plans to ensure the development of the Bank and the employee.

Fair and Effective Performance Management

Pursuing a career management policy that gives priority to promotions and transfers from within the organization, Akbank continued efforts to develop a fair and effective performance management function; to identify, monitor and develop skills; and to provide career opportunities for employees where they can prove themselves in 2015. To ensure the continuity of the organization in the future, the Bank devises succession plans for each position based on the level of experience, competencies and technical skills of employees; implements the training and development programs to prepare the related employees for the envisioned positions; and closely monitors the course of action in conjunction with the Business Units. In addition, branches and units are visited to make career interviews and this creates effective communication in terms of career management.

Employee Career Maps on the Corporate Portal

“Career maps” that encompass career steps are posted on the “corporate portal”. As a result, employees have access to detailed information on career maps and job families as well as the contact information of Human Resources team member assigned to support them and consult with them regarding their career development. Entirety of career principles are stipulated in detail in the Human Resources Implementation Principles document and shared with the employees.

BENEFITS TO EMPLOYEES

Akbank Staff Retirement Fund Trust (Akbank Tekaüt Sandığı)

All of our current and retired Akbank employees and their dependents are registered at the Akbank Staff Retirement Fund Trust (Akbank Tekaüt Sandığı), independent of Turkey’s Social Security Agency. Pensions and healthcare services offered to the members of this Fund Trust are in better conditions than the basic services offered by the state owned Social Security Agency.

Retirement Applications

Akbank Staff Retirement Fund Trust is a social security institution as a legal person that provides social insurance support to members using the insurance premiums collected from employees and employer, with the provided rights not being inferior to those provided by the Social Security Agency. Conditions for earning the right to benefit from insurance support are in parallel with legal regulations; however, with additional rights inherent in Akbank Staff Retirement Fund Trust’s status, this support is improved.

Retirement Practices Based on Employee Tenure

Premium injections into Aksandık (Akbank Staff Retirement Fund Trust) are 33.5% of the employee salary, on condition that it is taken within the maximum monthly revenue identified by the law annually for insurance premiums. 14% of this is deducted from the employee’s salary and 19.5% is the contribution of Akbank. In addition, premiums amounting to 2% of total annual revenues of employees are deposited by Akbank to the Trust’s account, again on condition that these are within the stated limits.

In order to earn the right to benefit from retirement, employees should fulfill requirements such as completing a certain period of insurance, having fully paid premiums for the required number of days, and having reached a certain age. Employees who fulfill these conditions are provided with pension by Akbank Staff Retirement Fund Trust upon their demand. In calculating the pension, main parameters are the working period of the employee, total income within this period and age, as well as consumer price index change rates and development rates in our country. Due to such variable parameters, monthly pensions may differ for each employee.

Akbank Private Pension System with Corporate Contribution

In addition to AKSandık pension, Akbank employees are also offered Private Pension System (PPS) Services with some corporate contribution. Senior and mid-level managers and auditors are included in this PPS plan with corporate contribution. Our Bank contributes to savings of such employees by making

additional payments to the PPS contracts of the above-mentioned employees in a certain ratio of their monthly gross salary. Thus we help Akbank employees make savings and continue with the same living standards in their retirement.

Optional Private Pension System Plan

Participation in PPS is optional. The purpose of the system is to ensure that our employees have the same living conditions as today when they are retired. In order to improve employee loyalty and motivation, we attach a special importance to the PPS with corporate contribution and try to increase the number of employees participating in this plan. As a result of such efforts, number of employees participating in PPS with corporate contribution increased from 4.215 in 2015 year-end.

Collective Bargaining Agreement

In our Bank, all employees can become members of BANKSİS (Union of Bank and Insurance Employees) on their own preferences and exercise their rights of collective bargaining agreement. As of the end of 2015, 34% of our employees (4,760 people) are within the scope of collective bargaining agreement. Financial rights and administrative relations of BANKSİS non-members are defined by our Bank, while those of members are defined by the Collective Bargaining Agreement.

The Collective Bargaining Agreement also covers the following health-related topics:

- Sick Leave and Unpaid Leave
- Restarting the Job after Sickness

Due to promotions from positions within the scope of collective bargaining to senior and mid-level management positions that are out of the scope, number of posts within the scope has not increased compared to 2013. Within the framework of the collective bargaining agreement, we provide our employees working at posts within the scope with rights such as death benefits, natural disaster benefits, disability compensation, death and injury compensation, and emigration compensation for personnel moving to another city.

Other Employee Benefits

Attaching great importance to employee satisfaction in boosting work productivity, Akbank offers employees various fringe benefits based on the position in addition to the core benefits such as salary, bonus, incentive compensation, and foreign language allowance. The position-specific fringe benefits category includes financial liability allowance, vehicle, fuel limit, toll allowance (OGS/HGS), mobile phone and/or voice line, internet access, iPad/tablet, laptop computer, transportation, parking, public transit fares, and clothing assistance, while the social assistance category comprises relocation allowance, travel per diem, goods transportation fee, death and injury indemnity, and natural disaster assistance.

Akbank got involved in the Equal Opportunity Model (EOM) Project

We completed the preparations for the Equal Opportunity Model (EOM) project in cooperation with KAGİDER (Women Entrepreneurs Association of Turkey) in 2011 and the project was launched in 2012 with technical support from the World Bank. 11 corporations -including Akbank- that agreed to take part in the project were audited by an independent institution in line with 22 criteria.

These criteria are divided into two parts -namely main criteria and supporting criteria. The main criteria are as follows:

- The management's commitment to equal opportunity
- Equal opportunity in recruitment and selection
- Equal opportunity in access to trainings
- Equal opportunity in performance evaluation and promotions
- Career support practices
- Investigation of feedback and complaints
- Communication and corporate advertising

In the independent audit for the EOM project, it was examined whether Akbank's corporate policies and procedures, recruitment and selection processes, training, performance evaluation, promotion, career support practices, corporate communication activities, etc. support the concept of equal opportunity. As a result of the audit, Akbank earned the Equal Opportunity Certificate, which is valid for two years.

EMPLOYEE HEALTH AND SAFETY

Fully complying with its legal and regulatory obligations in occupational health and safety, Akbank employed an occupational physician and an occupational safety specialist at the Akbank Head Office and Banking Center. Akbank aims to employ an occupational physician and an occupational safety specialist in all branches and service buildings of the Bank as of July 1, 2016 in compliance with the governing legislation.

In addition to its occupational health and safety practices that were designed in accordance with international standards, Akbank also ensures the sustainability of the work productivity of its staff with high-quality health services. Employees are entitled to services at healthcare centers in certain provinces as part of Aksandık's healthcare services. Employees who reside in the provinces where a Foundation Healthcare Center does not exist can get service from affiliated healthcare providers.

Health Information Processes through Internal Communication Channels

Information on epidemics and other important diseases is provided regularly under the "Health Column" published on the Aksandık website. In cases of emergency, e-mail notifications are sent. In addition, the Bank conducts fire and earthquake drills and administers natural disaster trainings.

Parental Leave

Akbank's female employees are entitled to 16 weeks of paid maternal leave -eight weeks before and eight weeks after the birth. They can also take unpaid maternal leave for up to six months and 1.5 hours per day for breastfeeding until the child reaches the age of 1. Employees whose wives have given birth are also entitled to three days of paid leave. Aksandık Fund meets child delivery costs Akbank our employees and provides a variety of additional benefits. 812 Akbank employees went on maternity leave during 2014; 19 of these employees resigned from the Bank at the completion of their maternity leave or unpaid leave.

Lost Workdays which have been consistently decreasing

Due to the nature of its operations and as a result of its systematic occupational health and safety initiatives, occupational diseases or workplace accidents are not experienced at Akbank. Yet, the total absenteeism (lost days) of 6,013 employees who received sick leaves with official health reports amounted to 54.331 calendar days in 2015.

Average sick leave per person, calculated by dividing this figure by the average number of employees, is 3.7 days per year. This average ticked up compared to the previous year due to the outsourcing of the private security staff of 1,250 employees in 2015. This ratio was 2.6 days in 2015, 2.8 days in 2014, and 3.02 days in 2012.

Occupational Health and Safety Councils Open to Employee Participation

Complying meticulously with occupational health and safety laws and regulations, Akbank formed an Occupational Health and Safety Council, at the Head Office and at the Banking Center. The council meetings are held quarterly and attended by Employer Liaison, Occupational Safety Specialist, Workplace Physician, HR/Social Affairs Liaison, and Employee Representative.

CAREER DEVELOPMENT

Continuous Development and Training to Achieve Corporate Goals

Akbank's training system, which has a strategic significance for the Bank, supports the development of all employees and aims to increase motivation and work satisfaction. In full awareness of the fact that information is a significant asset and well-equipped human resource is a major competitive advantage, the Bank organizes training activities to contribute to the personal and professional development of its employees. Akbank designs its training courses in accordance with corporate goals and strategies, needs of the sector, and areas of development that were identified based upon employee potential and preferences.

In line with the goal of moving Akbank forward into the future, the Bank's career management strategy is based on a multifaceted approach to ensure success. This approach underscores relationship management, quality, efficiency, and sustainability; offers recommendations to the business units and field operations under a proactive business model; embraces a customer focus rather than a product focus; and focuses on development sources.

Akbank Academy

Akbank Academy continued its successful operations in 2015. The Academy aims to develop the best professionals in the industry and to transform training into an investment tool for staff members. As part of its activities in 2015, the Academy focused on the employees' areas of development and initiated efforts to increase the penetration of personalized and easily accessible training methods. By actively encouraging participation in overseas and domestic summits, conferences and seminars, the Bank enabled employees to closely follow relevant developments in the world and in the banking industry.

This academic organization created by Akbank helps employees successfully carry out their existing job functions while also preparing them for the position they are applying for. Management Trainees and Head Office and branch employees with "Assistant"

designation in their job titles, who just joined the Bank without any prior experience in the banking industry, attend "Management Trainee" and "Core Banking" programmes.

Akbank managers, who are the leaders of today, are supported via classroom training, one-to-one consulting and online applications in executive development training programmes to groom the leaders of tomorrow.

Feedback from the participants is of critical importance for the effectiveness and success of the training efforts. All feedback is submitted to Akbank Academy by way of online surveys. Survey results are significant in terms of evaluating and improving the content of the training, instructors and training environment. All questions, requests, suggestions and opinions regarding the training courses can be e-mailed to Akbank Academy at akbank.akademi@akbank.com.

Classroom training is also supported by distance learning tools in Akbank Academy's training and development programs. We administer orientation training through a combination of classroom based training and remote training for employees who just joined the Bank or were recently appointed to a new position. The Academy designs e-learning programs to accelerate the learning curve of trainees regarding new products and processes while also offering supplemental distance learning modules in a variety of technical subjects. Akbank Academy provides personal development-oriented classroom training programs such as customer-oriented service, phone communication, presentation techniques, negotiation strategies, innovation, creative thinking techniques, and managerial skills. The Academy also employs both classroom training and distance learning tools for development programs that will help staff members adapt to working life while also benefiting them in their personal lives. Relevant topics covered include stress management, time management, communication techniques and team building.

Pursuant to applicable laws and regulations, the Bank administers Occupational Health and Safety training for all employees, in both classroom training and e-learning formats.

Pursuant to the amendments to Communiqués numbered 37 and 39 of the Capital Markets Board in 2015, Akbank administered “Contemporary Information and Processes regarding Capital Markets” training to 4,280 staff members. The trainees included the Bank’s Regional Directors, Managers, Customer Relationship Manager (CRM)s, Customer Service Manager (CSM)s, Regional Field Sales staff and Call Center personnel who received classroom and webinar training on this topic between April and June 2015.

It is critical for the Bank’s future success that Akbank employees whose positions require professional certifications possess Capital Markets Board (SPK), Insurance Training Center (SEGEM), and Private Pension System (BES) licenses, both to comply with the legal mandates and to support staff development. Akbank encourages broad participation in these exams. Akbank Academy supported the licensing exam preparation efforts of employees by administering classroom training, e-learning and practice tests and by making available question banks.

Some 312 employees were licensed out of the 535 staff members who took the BES licensing exam, while 4,972 employees were licensed out of the 7,780 who took the SEGEM certification exam in 2015. The number of personnel who reported taking the SPK exam was 3,973 for the May 30-31 test and 3,672 for the December 19-20 test.

A total of 673,553 hours of training was administered in 2015, corresponding to average of 7 days of training per employee.

We’re ready for the future (Akbank Academy Portal)

The Akbank Development Center portal, restructured with the motto “We’re ready for the future”, Akbank Academy Portal, is a platform within Akbank continuously supporting the development of the Bank’s employees where they can manage their training planning in accordance with their career progression. Akbank employees can continue their development 24/7 at home or in the office via the “Akbank Development Center”, which contains all employee e-training modules and can be reached online at any time from any location. Employees can see their individual training calendar, request training, and get information on questionnaires, exam results, e-learning and training organizations via the portal.

The Bank launched efforts in 2015 to enable staff access to the Akbank Academy portal functions through mobile devices; this project is expected go live shortly. Akbank also initiated preliminary work for a number of platform related projects during the year such as Academy mobile app, gamification, social learning, digital catalog, and advanced Corporate TV.

Diploma System (Lifelong Learning)

Some of Akbank’s training is subject to the certification system, where employees attend specified training programs and take exams to be certified. Personnel who participate in such activities as homework, project presentation and online simulation in pursuit of a certification also move forward on their career development roadmaps. The certification system grooms well-equipped, competent, innovative, and high performing employees in terms of professional and managerial skills, striving to build a corporate culture that “creates its own leaders.”

As part of its certification training initiatives in 2015, Akbank focused on corporate strategies, industry developments and segment needs; administered programs that will support employees in pursuit of their career roadmaps; and integrated career principles with training. In addition, the Bank retooled the content and scope of its training for branch manager candidates, designed training programs specific to skills needed for leadership positions, and finalized the process of harmonization with existing career principles.

Akbank also initiated systemic efforts to make the Bank’s current career certification process specific to the segment, person, and need; more compact; and easier to reach information without time and location limitations. The Bank also began revising the content of its training modules.

Other Training Opportunities for Employees

Akbank supports its employees in obtaining especially internationally recognized certifications in their areas of specialization. Fees for such exams are covered by Akbank pursuant to certain criteria. While the number of employees taking such exams in accordance with their specialization in 2015 was 128.

Some of the exams the Bank supports are as follows:

- Chartered Financial Analyst (CFA) exam held by the CFA Institute: Exam on treasury transactions
- Certified Internal Auditor (CIA) exam held by the CIA Institute and CMA (Certified Management Accountants) held by ICMA: Exams on internal audit
- The Project Management Professional - PMP exam held by the Project Management Institute (PMI), which awards the most widely accepted certificate on Project Management
- The Certified Documentary Credit Specialist (CDCS) exam held by the ICC National Committee of Turkey, which offers the opportunity of earning the internationally accepted title of Certified Letter of Credit Specialist
- Certified Information Security Manager (CISM) Information technologies security management exam held by ISACA (Information Systems Audit and Control Association)
- Financial Risk Manager (FRM) exam held by New York-based GARP (Global Association of Risk Professionals)
- Software Testing Expertise Certification exam coordinated by the Turkish Testing Board - representative of International Software Testing Qualifications Board (ISTQB) in Turkey
- Various technical trainings and certificates by Oracle and Microsoft.

In addition to these, every year certain number of Akbank employees are selected as future leaders due to their high performance and potential get the opportunity to attend the Sabancı University Executive MBA program with full scholarship. Since 2001, 90 employees participated in this program. Six employees benefited from this opportunity during the 2015-2016 academic year.

In line with their roles and responsibilities some staff members attended summits, conferences and seminars both in Turkey and abroad. The number of Akbank employees participating in training programs overseas since 2013 reached 373, with 123 in 2015.

BANK OF INSTRUCTORS

Retired and Internal Instructor Practice

Know-how and experience of retired Akbank employees are highly valuable for the Bank. Successful Akbank retirees who possess the skills and interest in carrying out training are hired as “instructors” in return for a fee. In particular, almost all of the Core Banking training classes for new recruits are administered by retiree instructors.

Similarly, active employees who are specialists in their fields and who possess the skill to teach can become internal instructors. To become an instructor, one should comply with certain criteria and successfully complete the “Training of the Instructor Program”. Internal instructors are paid an hourly fee for their teaching load in addition to the salaries they receive for their regular jobs.

On-the-job Trainings and Coaching System

Within the scope of efforts to become a learning organization, on-the-job trainings focusing on sharing experiences comes forward. Newly assigned Customer Relationship Managers are matched with high-performing and experienced Training Envoys to get on-the-job trainings structured in areas such as loan analysis, foreign trade, deposits and investment products. Experienced employees in branches also share their knowledge and analyze cases with their teams. On-the-job trainings are recorded and monitored in the training system and their results are measured.

There are training programs and professional coaching practices designed to help Head of Departments and Managers at Akbank General Directorate, regional directors and regional sales managers with expertise in Consumer, Commercial and SME Banking to improve competence in technical banking, sales and management. Through such trainings, managers can coach their teams in an effective and target-oriented way.

The Mentoring Program Akbank carries out for the management trainees is aimed at completing their orientation of new graduate employees to the organization as soon as possible and having them embrace the experience, know-how and corporate culture within the Bank.

Employees enlisted in the programme are supported by their mentors in a wide variety of ways, from personal development to career advancement, while the mentors hone their management and leadership skills.

Anti-Corruption Training

The banking sector faces corruption risks due to its size and the magnitude of monetary transactions. It has been determined that corruption can be prevented to a great extent by control systems and training. Armed with this awareness, Akbank organizes internal classroom training sessions and e-learning applications on technical issues as well as on actions to be taken and to be avoided.

Content of these training programmes is determined in accordance with the needs of the target audience. Majority of the anti-corruption trainings are for the employees working in Akbank branches and especially at counters, but all employees also attend training on Code of Ethics and Information Security. International Sanctions/Combating Proceeds of Crime training was conducted to related Head Office and branch personnel in a classroom training format.

Akbank continuously reviews and reevaluates the topics and contents of its anti-corruption training programmes based on developments and needs in this area. In 2014 Combating Proceeds of Crime were shared these with all employees. Critical training such as risky teller transactions, document protection, detection and prevention of fraud, operational risk, and security awareness are administered to the appropriate audience by assignment. Akbank continuously tracks the level of participation in training activities and undertakes efforts to boost attendance.

Sustainability Trainings

Nearly 9,700 employees to date have attended the classroom Sustainability trainings that were initiated in January 2011 in order to create an Akbank employee profile sensitive to environmental and social problems and committed to ethical values. This training covers the topics of the concept of sustainability, practices in the industry and at Akbank, and ethics.

Objectives of the sustainability training are:

- Contributing first to the comprehension, and then to the internalization of Akbank's sustainability strategy by all employees,
- Creating awareness for integrating the concept of sustainability in business processes,
- Ensuring that the concept of sustainability is rooted in the corporate culture and creating a shared language in this area.

In 2014 the Bank made major strides in integrating sustainability into Akbank's corporate culture and continued to organize a variety of sustainability trainings. These training programs continued in 2015; however, e-learning modules were not offered during 2015 due to ongoing revisions.

The table below provides information on participation in sustainability trainings in 2015:

Name/Content of the Training		2014				2015			
	Target Audience	Type of Training	Number of Participants	Total Hours of Training	Percentage of Coverage as of Year-end (%)	Number of Participants	Total Hours of Training	Percentage of Coverage as of Year-end (%)	
Sustainability at Akbank	Employees who have recently started their jobs and who have not completed the previous year's training	E-learning	2,365	1,183	100	-	-	-	-
	Experienced personnel who have recently started new jobs and who are SME field sales and management candidates	Classroom	1,082	1,889	100	91	127	31	

Internal Communication and Activities at Akbank

The Bank carries out intra-company communication activities and organizes events through various channels in order to facilitate communication between employees at every level, foster team spirit, strengthen employee motivation and engagement, and share the management's objectives and strategies.

Akbank's intra-company communication and events are guided by the following goals:

- Creating an effective communication synergy and communicating this synergy at the right time and through the right channels; encouraging the employees to use the right communication channel,
- Making the employees feel the brand spirit and turning them into agents of the brand, and conveying the corporate culture with right messages,
- Ensuring the continuity of supporting organizations and practices geared toward solidifying team spirit.

Effective Intra-Company Communication Channels

Akbank's intra-company communication initiatives are aimed at informing the employees regarding the Bank's goals and strategies and encouraging them to operate with a customer-centric approach. The most frequently used internal communication channels are the corporate portal, corporate TV, e-mailing, quarterly performance live meetings, breakfast meetings with the CEO, and directors meetings. As a result of the changes implemented at the end of 2012, the employees can also be reached outside of business hours via the interactive platforms on the intranet as well as the corporate TV, which is also available to customers. Special discount campaigns and events organized exclusively for the Akbank family are communicated to the employees via e-mail and posted on the intranet.

Breakfast with the CEO

Once a month Akbank employees from various segments and units attend a breakfast meeting with Akbank's CEO. At the breakfast gathering attended by high-performing employees of the year, employees share their opinions and suggestions on the industry with the CEO and convey the topics on which they need more support.

Permanent Leadership Messages from the Senior Management via Live Broadcast

Live broadcast sessions are organized in order to establish a closer and more regular communication between the senior management and employees, either face-to-face or through other communication tools as well as to reach to the teams in branches. This common ground keeps the internal synergy dynamic and reinforces mutual communication and increases employee motivation to reach common targets. Every three months, Akbank's CEO shares the quarterly performance evaluation messages live via computer screens with all employees. Before the broadcast, questions of employees are collected and the CEO answers these questions live in person.

Akbank BizBize: The main Intra-Company Communication Channel

Akbank employs an internal intranet system in order to ensure effective and easy access to information by employees and to reinforce communication. The improvements put in place in 2015 transformed Akbank Intranet into a platform with more interactive sections.

The aim of the renewal was to allow internal and external information transfer, to increase operational efficiency in all processes thanks to state-of-the-art technologies, to create a common platform for information, and to ensure easy access to information and consolidation.

Intra-Company Social Networks, "For Us" and "Congratulations Akbanker" Areas

The intra-company social networks of Akbank Between Us was restructured as an interactive platform where employees share their opinions, ideas and knowledge. It has been transformed into a major channel that strengthens intra-company communications. Similarly, the "Award Winning Akbanker" and "For Us" platforms were upgraded to enhance the interaction between personnel.

Content Examples from "For Us":

- Social activities attended by employees
- Albums from which employees can download photos from the social events they attended
- Volunteering activities
- Special offers for Akbank employees from companies in various industries
- Interactive pages of social clubs
- Bulletin boards on which employees put various items and estates on sale

Mechanisms for Expressing Employee Opinions and Suggestions

There are various mechanisms for employees to express their opinions and suggestions to the Senior Management. In addition to the "Permanent Leadership Messages from the Senior Management via Live Broadcast" practices employees convey their expectations, opinions and suggestions to the Senior Management through the annual Employee Satisfaction Survey.

Employees can also share their suggestions about business processes through the "Suggestion" system on the Corporate Portal. In addition, "Ethics Line" is a tool that enables employees to express issues which they believe should be resolved within their departments but they cannot share with their direct managers; and to provide support and advice to employees in such circumstances when necessary.

Company Events Reinforcing Employee Engagement

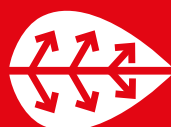
Akbank organizes social events in order to improve motivation, reinforce team spirit, and to strengthen internal communications.

Some of the major events organized for Akbank employees during 2015 are as follows:

- April 2015: Akbank Children's Festival attended by nearly 700 people where employees and their children enjoyed a carnival-like day
- May 2015: Akbankers on the Court Basketball Tournament, played 3-on-3 with the participation of Akbank employees
- September 2015: Inter-Company Basketball Tournament where the Bank was represented by the three top men's teams and the top women's team in the Akbankers on the Court Basketball Tournament
- September 2015: Inter-Company Soccer Tournament,
- May 2015 – September 2015: Akbank Bowling Tournament that was organized in 23 region, 15 provinces in order to reach Akbank employees in Istanbul as well as in various other Anatolian provinces
- June 2015: A special showing of the play "We Exaggerated a Bit," which was performed by Akbank Information Technology staff after taking acting classes.

VALUE CREATED BY HIGH EMPLOYEE ENGAGEMENT

A key factor in maintaining the motivation and performance of employees at a high level, and reflecting these in business results, is the presence of a desirable work environment and corporate culture. Closely monitoring the needs and expectations of employees via its effective internal communication channels, Akbank also conducts an Employee Engagement Survey annually. The survey is performed by an independent research company on a confidential basis. Necessary improvement and development initiatives are carried out based on the results of the survey. According to the results of the 2015 survey, opportunities for improvement will be focused on human focus, processes and recognition. Armed with the awareness of the relationship between happy employees and high corporate performance, the Bank believes in the value created by employee engagement and the importance of increasing employee engagement and increases its investments by the day in pursuit of this vision.



08. OUR OPERATIONS AND ENVIRONMENT

OUR ENVIRONMENTAL POLICY AND COMMITMENTS

Within Akbank, a system was implemented to closely and regularly monitor the environmental aspects from all Akbank branches.

Positioned as a model corporate citizen in every respect, Akbank set identified consumption, greenhouse gas emissions, paper use, and disposal of technological waste as its priority environmental topics.

The Bank measures these factors in line with internationally-accepted quantitative methods and implements initiatives in the areas where improvement is needed.

Strong Infrastructure for Environmental Performance Measurement

Within Akbank, a system was implemented to regularly and closely monitor the environmental aspects from all Akbank branches. Thus, in the upcoming years, measures that will enhance the environmental performance of our Bank will be specified and practiced and their results will be monitored more effectively.

With the aim of actualizing its environmental policy Akbank has adopted the following commitments:

- Taking necessary steps to fully comply with the environmental laws and regulations,
- Contributing to the protection of natural resources by using energy, water and paper economically,
- Carrying out tasks to reduce the amount of waste produced in business processes as much as possible, and to rationally recycle the wastes in incase waste reduction is not possible,
- Covering the environmental sustainability issues in the training programs provided for our employees in order to reduce the environmental impacts of activities of our Bank.

- Supporting education and awareness projects that will increase environmental awareness in society and among young persons in particular,
- With international collaborations, supporting transparency policies that will help reduce greenhouse gas emissions of our Bank and corporate shareholders.

EFFECTIVE NATURAL RESOURCE CONSUMPTION STRATEGY

Energy consumption and its outcome “greenhouse gases” that trigger global climate change are among the major environmental aspects deemed important by our Bank. The proof of the importance given by our Bank to this issue is the support we provided for the “Carbon Transparency Project” actualized in 2009 by the Sabancı University Corporate Governance Forum. Akbank is one of the first companies in Turkey that has committed to implement climate change strategies and greenhouse gas emission reporting in compliance with the international standards.

Sustainability-Oriented Energy Conservation Practices

Direct and Indirect Energy Consumption Indicators

In 2010, a wide scale project was practiced to create an energy management system and to calculate fuel consumption made for electricity and heating purposes in the buildings where Akbank carries out its activities. Within the scope of this project, consumption figures of all buildings including branches were collected in a database.

Akbank Banking Center, a high-tech complex located in Şekerpınar, commenced operation in 2010; some of the Bank's buildings previously located in Istanbul moved to the Akbank Banking Center in 2010 and 2011.

Measurement and Evaluation Compliant with International Standards

Energy figures collected and reported in international standards within Akbank are divided into two main groups. The first is the direct consumption of energy obtained from different sources (of energy) in our

Bank. In this group, the main component is the natural gas used for heating purposes. Natural gas is used as the main fuel at the Akbank Sabancı Center, ABC and in most of the other Akbank centers and branches.

In addition; diesel, butane (LPG), coke (coal) and fuel oil are also used in Akbank branches. The second is the electricity purchased by our Bank as an "indirect energy"

Direct" and "indirect" energy consumption figures are as follows:

Fuel Consumption (Gigajoules/year)	2013	2014	2015
Akbank Sabancı Center	7,861	6,337	8,082
ABC and Other Centers*	15,242	18,300	22,412
Region Offices and Branches (All Fuels)	91,167	79,132	92,012
TOTAL	114,270	103,769	122,506

* Other centers: Zincirlikuyu and Silivri service buildings.

Electricity Consumption (Gigajoules/year)	2013	2014	2015
Akbank Sabancı Center	67,556	70,704	64,854
ABC and Other Centers*	67,509	65,713	63,243
Region Offices and Branches (All Fuels)	264,920	215,329	196,319
TOTAL	399,985	351,745	324,416

* Other centers: Zincirlikuyu and Silivri service buildings.

Our Bank continues to make technological infrastructure investments in order to carry on providing its modern banking services with the latest technology. For this reason, the demand for electrical energy is increasing.

Energy Efficiency Initiatives

On one hand Akbank aims to use energy more economically and to make practices that enable energy efficiency in line with the target of reducing the amount of energy required in its operations while on the other hand it continues its activities for raising awareness among its employees.

Energy Conservation Applications for Reducing Operational Cost

Akbank is aware of the fact that measurement and monitoring are important factors for the management of energy used in its branches reaching 1,000. In line with this aim, in 2011, Akbank established a new infrastructure necessary for remote measurement and monitoring of the electrical energy used in its branches. This infrastructure contains a remote monitoring system that will minimize the loss of electrical energy in the system. The system launched in approximately 300 Akbank branches in the first phase, started working with full capacity as of 2014 year-end covering the other branches in need of the system. Enabling a more efficient use of electrical energy, the system will help reduce carbon emissions and operational costs.

Moreover, the overhaul of the mechanical automation of the heating/ventilating/air-conditioning (HVAC) system in the branches to ensure that the system runs with appropriate configuration according to indoor air quality, which launched in 2010 continued in 2015. Seventy-five branches were retrofitted during the year. This system was directly deployed in the new branches.

In addition to the aforementioned energy projects, the Bank activated an infrastructure in 100 branches that rationalizes energy consumption of idle computers under the GreenIT program in 2015. Computers that sit idle outside of business hours in these branches are turned off remotely, reducing energy costs.

Energy Efficiency Applications in Information Technology Infrastructure

Utilization of information technologies in the banking sector, is a significant energy consuming factor. Thus, our Bank pays utmost attention to save energy used in data centers. The most important step taken in this direction is the process of transition to virtualization technology deployed in 2007. In spite of the rising demand, this technology helped reduce significantly the amount of energy required for running the servers in the data center and for cooling the system rooms they operate in.

Another measure taken in our Bank's "data centers", is to prefer products that consume less energy in all new systems purchased in order to make sure that the energy consumption does not increase in parallel to the increase in the demand for devices. In 2014, systems older than five years were discarded and new devices consuming less energy were purchased instead.

As of 2015, Akbank initiated efforts to build a new data center. The new facility, which will feature "free cooling" technology that utilizes the cooler outdoor air, is expected to boost energy efficiency significantly.

Fuel Saving with Videoconference and Telepresence

Videoconference and telepresence devices enable our staff to make meetings with their contacts in and outside the country without having to travel. In our Bank, such systems are increasingly being used and installed. For example, the "telepresence system," a virtual conference room table, between our Headquarters in Istanbul 4. Levent and the Akbank Banking Center in Gebze, was used for about 5,280 hours in 2015.

In meetings held via these systems, not only visual communication but also mutual document and presentation transfer is also possible. This allows reductions in fuel consumption and resulting greenhouse gas emissions due to business travels; we also save work time that otherwise would be spent in commuting.

Fuel Savings in Cash Operations

The Akbank Cash Operations Unit, which offers cash and cash value transfer to nearly 5,600 customers and four banks across Turkey, began to benefit from the latest advances in geographical positioning technologies. Thanks to efficient route planning, our teams traveled 7.9 km and consumed 0.9 liters of fuel per transaction in 2015, down from 10.2 km and 1 liter of fuel per transaction in 2010. This created 22.6% increase in efficiency and 11% less fuel consumption per transaction.

Description	2013	2014	2015
Kilometers Consumed Per Unit Work	8.2	7.7	7.9
Fuel Consumed Per Unit Work	1.1	0.9	0.9

CONTRIBUTION TO FIGHT AGAINST CLIMATE CHANGE

Akbank's Carbon Footprint

The fuel and electricity (purchased from the third persons) used in our activities, cause greenhouse gas emission that triggers global climate change. Moreover, the fuel used in personnel shuttles and company cars allocated to senior managers, also lead to greenhouse gas emissions.

Akbank closely monitors the latest advances in technology and international initiatives in order to minimize greenhouse gas emissions from its operations. The carbon footprint our Bank is regularly calculated every year to monitor the outcomes of the measures taken. Akbank's target is to gradually reduce its carbon footprint calculated (based on the sources of the consumed energy) in international standards.

Carbon Emissions by Primary Energy Source

CO₂-equivalent carbon emissions caused by fuels used for heating purposes in our Bank are given in the table below:

Carbon Emission Caused by the Use of Primary Energy (tons CO₂-e/year)	2013	2014	2015
Akbank Sabancı Center	550	328	564
ABC and Other Centers*	1,067	948	1,563
Region Offices and Branches (All Fuels)	7,293	4,869	6,481
TOTAL	8,910	6,145	8,609

* Other Centers: Zincirlikuyu and Silivri service buildings.

Our Bank continues its activities for raising awareness among its employees with efforts for reducing emissions, and increasing energy efficiency and conservation.

Carbon Emission Caused by Electricity Consumption

CO₂-equivalent carbon emission caused by electricity consumption is given in the table below:

Carbon Emission Caused by Electricity Consumption (tons CO₂-e/year)	2013	2014	2015
Akbank Sabancı Center	8,215	8,598	8,503
ABC and Other Centers*	8,209	7,991	8,292
Region Offices, Branches and ATM/BTMs	32,707	26,341	25,739
TOTAL	49,131	42,929	42,534

* Other Centers: Zincirlikuyu and Silivri service buildings.

Management of Environmental Impact of Personnel Transportation

Personnel service buses are used for mass transportation of employees working at the Sabancı Center and Gebze Akbank Banking Center, where our Head Office units operate. In addition the senior management commutes by private vehicles. CO₂-equivalent carbon emissions generated by fuels used in transportation are available in the table below.

Carbon Emission Caused by Personnel Transportation (tons CO₂-e/year)	2013	2014	2015
Number of personnel using shuttles	4,530	4,600	4,175
Distance (km)	8,011,500	9,425,000	9,588,700
Total tons of CO₂-e	3,204	3,777	3,853

An important part of our employees go to work by service buses. The resulting 3,853 tons of CO₂-equivalent carbon emission would increase significantly due to individual commute. Therefore, by providing employees with service buses, Akbank achieves an important level of savings in carbon emissions.

* Total amount of paper does not include A4 photocopy papers used in branches and materials printed by suppliers (such as reports, etc.).

INNOVATIVE PROJECTS IN PAPER SAVINGS

9.5% Savings in Printer Paper Consumption

The Laser Printer Management Application, which Akbank adopted in 2015, reduced paper consumption by 9.5% by adjusting employee printer settings to double-sided printing.

Operation Strategic Roadmap Program

One of the most important aims of Akbank's Operation Strategic Roadmap program is to implement a "paperless" business model. To this end, the Bank launched three separate projects in 2015: "Paperless Operations," "Paperless Head Office" and "Paperless Field." These projects will continue in 2016. The goal of these projects is to review the processes that use paper from end to end, to digitalize them completely, and to reduce the use of printed materials.

Digital Constitution and the Goal of "Paperless"

The "Digital Constitution," scheduled for launch by Akbank in 2016, defines the goal of "paperless" as follows: The Bank uses paper internally and externally only to the extent that regulations require it. All other notifications, presentations, reports, documents, statements, posts, and storage are handled digitally.

Paper Recycling Practices

In addition to paper conservation, Akbank is also engaged in paper recycling and continues to reduce its environmental footprint steadily.

In addition to saving paper, we aim to reduce our environmental footprint by recycling paper wastes. At Kınalı Archives Center in which all branch and Head Office archives are kept, 635 tons of paper were disposed and recycled in 2015 after the legal preservation period ended.

Documents that have completed their legal preservation periods at the Archives Center are sent to a contracted paper company for secure disposal every year. The company applies chemical processes on the slit and baled paper to make pulp and this pulp is used to reproduce paper.

Our branches dispose of their own archived documents or send them to the Archives Center for disposal. In addition to the paper sent to recycle by the Archives Center, in branches, some precious papers are slit and regular paper is used in both sides when possible. Then, these are collected in recycling boxes provided by municipalities and non-governmental organizations such as TEMA (The Turkish Foundation for Combating Erosion Reforestation and the Protection of Natural Habitats) to be recycled later on.

WATER USE AND CONSERVATION

Water Use

Water consumption in Our Bank can be summarized as; water used by the employees, water used in cleaning activities and irrigation used in the maintenance of landscapes., Akbank has a limited water consumption compared to manufacturing companies. Our water use does not have significant impact on a specific water source.

Water Consumption (m3/year)

	2013	2014	2015
Akbank Sabancı Center	34,046	32,879	30,996
ABM and Other Centers*	87,060	113,739	115,493
TOTAL	121,106	146,618	146,489

* Other Centers: Zincirlikuyu and Silivri service buildings.

Water Conservation Practices Mandatory for All Business Units

With the aim of achieving water savings, depressurizing systems and aerators that mix water with air are used in the taps in our branches, the Akbank Head Office (HO) and the Akbank Banking Center (ABC). In addition, in the HO and ABC, photocell taps are used in WCs where water is used in great amounts, in order to achieve water savings.

Recycling-Oriented Waste Management Policy

Akbank uses a great number and variety of electric and electronic devices due to the nature of banking operations, which require electronic means in a number of transactions. These devices contain not only valuable metals that should be brought back to the economy, but also environmentally harmful materials. Therefore, we have several measures to ensure recovery of devices that have gone out of use within the economy or to reduce potential environmental impact.

In our main buildings, we sort and collect wastes to deliver them to recycling companies. For instance, used paper, plastics, glass and metals are collected in separate boxes and sent to recycling. In addition, oil retainers are placed between the wastewater line and the city sewer lines in the kitchens to collect waste oils. These waste oils are sent to oil recovery stations to be recycled.

When floor coverings in buildings need to be replaced, we take the environmental performance of carpets and other floor coverings into consideration.

Recycling Toner Cartridges

Empty toner cartridges of printers have negative impacts on the environment if they are not disposed of properly. To minimize this impact, we initiated a project to recycle the toner cartridges used in printers in August 2010. Since then, empty cartridges in all of Akbank buildings, including branches have been sent to an electronic waste recovery company for recycling. Employees who order new cartridges see a warning on their computer screens to send the empty cartridges to a recovery company. This recovery company uses the recycled cartridges as fuel for energy generation.

Some 1,365 empty toner cartridges collected at the Head Office and Akbank Banking Center were sent to the recycling company in 2015.

Electronic devices that are no longer appropriate for use according to Akbank's standards are sold to companies in Turkey, as scrap or second-hand products for recovery of the metals and electronic parts. In addition, some of these devices are donated as per the requests made to the Bank.

Technological Wastes were Gained to the Economy

Electronic devices that are no longer appropriate for use according to Akbank's standards are sold to companies in Turkey, as scrap or second-hand products for recovery of the metals and electronic parts. In addition, some of these devices are donated as per the requests made to the Bank.

Type and Quantity of Technological Waste

	2013		2014		2015	
	Salvage Auctions	Disposal	Salvage Auctions	Disposal	Salvage Auctions	Disposal
Computer	6,751	263	2,003	66	8,958	49
Screen	4,176	255	1,991	66	2,201	42
Passbook Printer	898	-	381	-	496	-
Dot Matrix Printer	43	-	87	-	127	-
Laser Printer	1,199	2	177	2	359	1
POS Device	19,539	-	39,750	-	74,133	-
ATM Device	143	-	123	-	430	-



09. OUR COMMUNITY INVESTMENT

CULTURE AND ART

Akbank Art Center's Modern Art Gallery, which hosts domestic and international exhibitions, features the works of world-renowned Turkish and foreign artists.

Akbank Art Center

Established in 1993, Akbank Art Center began to focus exclusively on modern art in 2003, adopting the all-important mission of pioneering the development of modern art in Turkey. Akbank Art Center completed its 22nd success-filled year in 2015. Akbank Art Center hosts more than 700 events each year of wide-ranging types, from exhibitions, modern dance performances, classical music recitals, and jazz concerts to panel discussions, children's workshops, film screenings, and theatre performances. Operating as "The place where change never ceases," Akbank Art Center stands out as a culture and arts hub that appeals to audiences from every segment of society.

Akbank Art Center's Modern Art Gallery, which hosts domestic and international exhibitions, features the works of world-renowned Turkish and foreign artists. Hosting at least four exhibitions each year, the Center is one of the focal points of modern art in Turkey.

Akbank Art Center successfully carries out its mission by providing the opportunity for young curators and artists to hold exhibitions through the International Curation Competition and the Akbank Contemporary Artists Award initiatives.

In addition, Akbank Art Center organizes mini festivals such as "Piano Days," "Guitar Days," "World Music Days" and "Jazz Days"; in addition, it hosts modern dance performances that feature internationally-renowned dance masters as part of the Dance Studio. Akbank Art Center also hold events in many provinces of Turkey led by Akbank Jazz Festival and including Akbank Children's Theatre and Akbank Short Film Festival.

Akbank Children's Theater

Akbank Children's Theatre, Turkey's longest-running children's theatre company, celebrated its 43rd anniversary in 2015. Having played a major role in raising a theatre-loving generation, Akbank Children's Theatre reached more than 2 million children during these years, participated in countless social responsibility projects, and opened new horizons for thousands of children across Anatolia. Greeting audiences with many different plays over the years, Akbank Children's Theatre is preparing to present its new play entitled "Around the World in 80 Days," adopted from a novel by Jules Verne with the same title, in the new season. Akbank Children's Theatre's new play will take children on one of the most famous journeys ever in world literature.

Akbank Jazz Festival

One of Turkey's longest-running festivals and one of the most important demonstrations of Akbank's commitment to creating lasting values and ensuring the sustainability of these values, Akbank Jazz Festival celebrated its 25th anniversary in 2015. Thanks to the high-quality lineup of artists and groups it features, the Festival has become a widely anticipated event not just in Turkey, but also on the international stage.

The 25th Akbank Jazz Festival presented nearly 300 artists to audiences in 54 concerts October 21-31, 2015. Featuring a “Festival within the Festival,” “Jazz on Campus” was held on university campuses in eight different provinces November 3-14. Akbank Art Center also undertook a brand new initiative combining art and music this year in celebration of the Festival’s 25th anniversary. Under the “25 Years of Akbank Jazz Festival” project, the Center presented Illustrations from Turkey’s nine top illustrators that provides a retrospective, artistic look at the Festival’s quarter-century history.

In addition to the distinguished works from American and European jazz, the Festival’s program featured a wide variety of audio experiences for audiences, from classic jazz and avant-garde tones to world music and the limits of electronic. Panels, talks, and workshops complemented concerts for a content rich, multi-faceted program experience.

Akbank Short Film Festival

Akbank Short Film Festival, launched in 2004 as a prominent platform for short films in Turkey that strives to support new ideas and contributes to short film culture, presented many renowned directors to cinema enthusiasts during these years. Films that made their way into the Festival’s program and won prizes were also commended and recognized with awards on the international stage, demonstrating once again that the Festival is on the right track.

Having carved a special place for itself in the Turkish movie industry and become indispensable for the young film producers in particular, the Festival appeals to all movie lovers with its workshops and panels in addition to the film screenings. The Festival, which will celebrate its 12th anniversary March 7-17, 2016, is preparing to present an enjoyable 10-day program to cinema lovers with workshops and talks participated widely by attendees from Turkey and abroad.

“Youth” Oriented Culture & Art Events

Akbank Art Center organized the Jazz in High Schools and Children’s Workshops, Jazz on Campus activities as part of the Akbank Jazz Festival in 2015. Akbank Short Film Festival’s award-winning films were screened on 40 university campuses in 21 provinces across the country.

Map of Contemporary Art

As another activity of Akbank Art Center, the Akbank Map of Contemporary Art continues to reach Turkish and foreign art-enthusiasts in print form and on the Internet with the aim of reflecting the artistic life in Istanbul in the best way possible in 2015. The Map was printed five times in 2015 with a total volume of 100,000 and reached more people especially during fair and biennial periods.

International Istanbul Film Festival

For 11 years, Akbank has been the biggest sponsor of the International Istanbul Film Festival which brings the most exclusive and original films to cinemagoers, hosts movie stars and master directors, and contributes to the growth of a well-rooted cinema culture in Turkey. Attended by a large audience majority of which comprises young people, the Festival is a window to brand-new worlds thanks to the different lives and various perspectives it portrays as well as its rich program. Akbank plans to continue sponsorship of the International Istanbul Film Festival in the coming year in cooperation with the Istanbul Foundation for Culture and Arts (İKSİV).

Contemporary Istanbul

The most encompassing “modern and contemporary art” event ever organized in Turkey, Contemporary Istanbul aims to showcase Turkey’s cultural and artistic life to the world. Sponsoring Contemporary Istanbul since 2007, Akbank also has a place in the international art arena owing to its support for Turkey’s most important contemporary art fair. In addition to the fair event, Contemporary Istanbul also features many complementary activities and art projects, from panel discussions to exhibitions.

ZERO Exhibition in Istanbul

One of the major supporters of modern and contemporary art in Turkey, Akbank Art Center collaborated with Sabancı University Sakıp Sabancı Museum to bring the works of world-renowned painters and sculptors, such as Auguste Rodin, Salvador Dali, and Anish Kapoor, to Turkish arts enthusiasts. As a continuation of these initiatives, “ZERO” was presented to art lovers between September 2, 2015 and January 10, 2016 as a result of a cooperation between Akbank Art Center and Sabancı University Sakıp Sabancı Museum. ZERO is an art movement that came about amid the physical, emotional and cultural destruction in the aftermath of World War II, when a group of artists came together and began producing individual as well as joint works under the “starting over” philosophy. The exhibition featured more than 100 works, produced in various media, by the founders of the ZERO movement Heinz Mack, Otto Piene, and Günther Uecker, as well as of Yves Klein, Piero Manzoni, and Lucio Fontana, major artists who contributed to the movement.

EDUCATION

Cooperation with Sabancı University: Center of Excellence in Finance (CEF)

Established to serve as a bridge between academia, the finance industry, policy makers, and the real sector, the Center of Excellence in Finance (CEF) is launching under the founding sponsorship of Akbank, which was named the “Most Valuable Brand in Turkey” in the Most Valuable Brands in Turkey survey by Brand Finance. CEF is a center within Sabancı University, an AACSB-accredited institution that is ranked by Times Higher Education (THE) among the top 13 universities in the world less than 50 years old. Sabancı University is also the highest-ranked university in Turkey on this list.

CEF will operate with the aim of bringing academics, finance industry professionals, and investors together and transforming core knowledge into applications that have real utility in today’s world. Designed as

a new outlet to raise the quality of financial know-how in Turkey, the Center aspires to bring together academics, professionals, policy makers and student via certificate programs, seminar series, workshops, comprehensive conferences, and research studies. The Center’s research outputs will be made available online to the domestic and international finance community in report and article format in the period ahead.

Akbank “Children: Heroes of the Economy” Project

Akbank actively supports initiatives to improve financial literacy and encourage savings. As part of this effort, Akbank launched “Children: Heroes of the Economy” in 2012. Aimed to reach out to children at the age they begin forming lasting habits, the campaign featured special project materials, including a website prepared exclusively for this initiative, a board game played with children as part of classroom learning activities, a savings poster, and certificates of completion. In 2015, Akbank retooled the project’s content and the training materials in line with the project goals. As a result, a board game about various uses for children’s allowances and savings habits was developed; in addition, Akbank’s Ladybug Bank was redesigned and rolled out to students under the name “Kumbirik.”

Akbank Children’s Theatre also launched its 2014-2015 academic year program with a new play that delivers savings-related messaging. The play titled “Family Tree,” written by Rachel Barnett, delivered key messages to elementary school students on savings and family values during an Anatolia Tour spanning six provinces (Trabzon, Ordu, Samsun, Amasya, Ankara, and Kayseri) and at the Gaziantep Children’s Festival.

Akbank “Children: Heroes of the Economy” has reached 55,000 students in total as of year-end 2015 with its various activities and the play. Events organized at schools as well as the Ladybug Banks given out after performances resulted in significant progress in raising savings awareness among Turkey’s youth.

Akbank Thinking Club

Akbank established the “Akbank Thinking Club” in September 2008 in order to think alongside the young people, the natural stakeholders of continuous development and innovation, and to create value for Turkey’s future with them. Open to applications from university juniors from across Turkey, the Club is growing its membership base with each passing year.

Club members work in teams on the themes assigned to them each year to generate creative ideas, scenarios and projects. These projects are assessed by a special jury comprised of academics, specialists and members of the press; the team that generates the most admired work wins a scholarship for Harvard University Summer School. Akbank Thinking Club members continued to develop projects on “entrepreneurship” during the 2014-2015 activity year.

Growing its membership steadily, Akbank Thinking Club provides young people, the innovative power of tomorrow and owners of Turkey’s future, with an opportunity to gain experience today in order to expand and realize their potential down the road.

Sabancı University

Sabancı University was founded with the mission of developing internationally competent and confident individuals enriched with the ability to reflect critically and independently, combined with a strong sense of social responsibility; and contributing to the development of science and technology on a global level, as well as disseminating the knowledge created to the benefit of the community. Akbank’s total direct cash donations to Sabancı University since its establishment reached US\$ 73 million. Dividend income earned by Sabancı University since 2005 from the Akbank shares donated to the University at the time of its establishment amounts to US\$ 7.3 million as of 2015.

Akbank Family-Owned Business Academy

Launched by Akbank in 2014, the “Family-Owned Business Academy” is an academic program comprised of three two-day modules. The Family-Owned Business Academy aims to instill a professional perspective in its participants; support their efforts to institutionalize; equip participants with applications that will help them reflect on themselves and their organizations; and assist them in understanding their personal and institutional developmental needs.

The Family-Owned Business Academy is a series of training program activities that was initially unveiled by the Bank in 2014 for its SME Banking customers in partnership with Sabancı University-EDU under the name Akbank Family-Owned Business Academy. Subsequently, it continued as a joint venture of Akbank, Sabancı University-EDU, and Brisa under the name Akbank-Brisa Family-Owned Business Academy.

In fourth quarter 2015, the Akbank-Philip Morris Family-Owned Business Academy initiative was organized with the participation of Sabancı University-EDU and Philip Morris distributors, some of which are commercial banking customers of the Bank.

ENTREPRENEURSHIP

In 2015 Akbank continued to support the efforts to spread the spirit of entrepreneurship in Turkey, train a greater number of entrepreneurs, and increase opportunities for them. Examples of such efforts are provided below.

Collaboration with Endeavor

In 2015, Akbank continued to partner with Endeavor, an international non-governmental organization established to contribute to economic development by supporting active entrepreneurs in emerging markets. Developing various joint financial and non-financial projects with Endeavor, the Bank recently created a credit pool for active entrepreneurs selected by Endeavor Turkey.

CaseCampus Program

Adding to its long list of entrepreneurship initiatives, Akbank took a major step forward with the CaseCampus project in partnership with Endeavor in 2015. Adopting the slogan “Follow in the Footsteps of Entrepreneurs to Your Dreams,” CaseCampus will be administered in two distinct periods in 2016, spring and fall. The project will provide an innovative education and training opportunity for participants by presenting the true stories of and dilemmas facing Turkey’s leading exemplary entrepreneurs, in light of the principle “No training can be as instructive as a study.” The training modules of the program will be made available to 200 young aspiring business owners each year and promise to create a radical change in Turkey’s entrepreneurship ecosystem.

Akbank Entrepreneur Development Program

Akbank Entrepreneur Development Program is one of the projects carried out by the Bank in order to support entrepreneurs. A training program launched in cooperation with Sabancı University Entrepreneurship Committee (SUGK) and Akbank to guide and support entrepreneurs who are just starting out, the Akbank Entrepreneur Development Program received 500 applications in 2015.

During the five-day training that can be characterized as a mini MBA program, 50 SMEs that were admitted to the Program received basic training on lean management, leadership, finance, strategy, innovation, law, intellectual property, government support and incentives, and marketing. In addition, program participants attended office visits where they got together with executives from famous ventures such as Yemeksepeti.com and found the opportunity to meet famous entrepreneurs in various industries.

VOLUNTEERISM

Akbank Volunteers

Volunteers of Akbank, comprised of Akbank employees, undertake initiatives for the social good as part of various volunteering projects. To this end, Akbank employees and their families, as well as Bank customers and business partners, take part in social responsibility projects carried out by Volunteers of Akbank in every corner of Turkey. Some of the projects undertaken by Volunteers of Akbank to date include: Donation Campaign for Hopa in the Aftermath of the Flood Disaster; Reading to the Visually Impaired; Visits and Donations to Animal Shelters; Book and Toy Collection Campaigns; Donation Campaigns for Schools in Need; Blood Donation Campaigns in partnership with the Turkish Red Crescent Association (Kızılay); Sponsoring Runners in the Eurasia Marathon to Benefit Civil Society Organizations; Stand Sales at the Sabancı Center and Akbank Banking Center for the Benefit of Civil Society Organizations.

The most recent efforts carried out by Volunteers of Akbank include painting school buildings and collecting toys for financially challenged children in Trabzon by Eastern Black Sea Region Volunteers; and partnering with the Make A Wish Association to realize the wishes of children who suffer from life-threatening conditions.

The Good State of the City

The Bank expanded the volunteer projects it has undertaken for years through Akbankers with “The Good State of the City” initiative in 2015 with the participation of university students. As part of this effort, the Bank invited all university students to take part in its nationwide public benefit initiatives. Subsequently, the volunteers attended the Belle & Sebastian Concert at the 25th Akbank Jazz Festival, seated in the front rows in a section designated exclusively for them.

“The Good State of the City” met with heavy interest by university students. The quota of 400 students was reached within three days of the announcement of the application for the project on social media.

As part of the project carried out in partnership with the Community Volunteers Foundation of Turkey, the Friends of the Yedikule Animal Shelter Association, and the Deniztemiz/Turmepa (Turkish Marine Environment Protection Association), young people became acquainted with these civil society organizations that operate in diverse areas, gaining in-depth understanding of the activities of these establishments.

Four hundred university students cleaned our shores, painted schools, helped homeless pets, and organized events for orphans as part of the joint initiative of Akbank and various civil society organizations. Thirty social responsibility projects for public benefit were carried out in Istanbul and 25 other provinces under this initiative.

Charitable Donations

Akbank customers can donate money from their demand deposit accounts and credit cards to a variety of associations and foundations that operate in Turkey on behalf of the public interest. Donors who are not Akbank customers can make cash donations at Akbank branches. Customers can donate funds for one-time only or with automatic payment orders to an association or foundation of their choice.

In 2015, customers’ donations amounting to TL 12.7 million were transferred to the 23 associations and foundations listed below. Akbank does not charge any fees for these donation payments.

Associations and Foundations that Received Donations from Akbank Customers in 2015

LÖSEV Lösemili Çocuklar Vakfı, TEMA Vakfı, Bir Dilek Tut, Darüşşafaka Cemiyeti, TSK Güçlendirme Vakfı, Türk Hava Kurumu, Türkiye Kanserle Savaş Vakfı, Türkiye Kızılay Derneği, TSK Mehmetçik Vakfı, Darülaceze Müessesesi, Tohum Otizm Vakfı, Türkiye Spastik Çocuklar Vakfı, Kadın Girişimciler, Özürlüler Vakfı, Çocuk Böbrek Vakfı, Türkiye Omurilik Felçlileri Derneği, Türkiye Korunmaya Muhtaç Çocuklar Vakfı, Türkiye Multipl Skleroz Derneği, Türkiye Eğitim Gönüllüleri Vakfı, Türkiye Diyanet Vakfı, Zihinsel Yetersiz Çocukları Yetiştirme ve Koruma Vakfı, UNICEF Türkiye, Türk Eğitim Vakfı, TSK Eğitim Vakfı, Sabancı Üniversitesi, Türk Kalp Vakfı, Otizm Vakfı, TEMA Türkiye Erozyonla Mücadele Vakfı, Toplum Gönüllüleri Vakfı, AÇEV Anne ve Çocuk Eğitim Vakfı, and Açıkkapı S.S. Derneği.

GLOBAL REPORTING INITIATIVE (GRI) INDEX

This report contains information on the actions Akbank took to improve its social, environmental and economic performance and the results it achieved during the period between January 1, 2015 and December 31, 2015. The contents of the report are developed in compliance with the Comprehensive option of the G4 version of the GRI (Global Reporting Initiative) Sustainability Reporting Guidelines, which is an internationally recognized reporting standard. The table below has been prepared to facilitate access to information provided within the framework of GRI's Comprehensive level application.

Material Aspects and Boundaries

G4-19

G4-20

G4-21

Material Aspects and Boundaries

Material Aspect	Material to Akbank	Related Topic in Prioritizing Analysis (page:27)	Boundary inside Akbank	Boundary outside Akbank
Economic Performance	High Priority	Sustainable Profitability and Growth (see: Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	This aspect defines high priority for the whole business units of Akbank.	This aspect defines high priority for the whole stakeholders of Akbank. The economic performance of Akbank have direct impact on public authorities, shareholders, employees and suppliers.
Market Presence	High Priority	Sustainable Profitability and Growth (see: Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	This aspect defines high priority for the whole business units of Akbank.	This aspect defines high priority for the whole stakeholders of Akbank. Market position and value-added by Bank correspond to high priority for all Akbank stakeholders.
Indirect Economic Impacts	High Priority	Sustainable Profitability and Growth (see: Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	This aspect defines high priority for the whole business units of Akbank.	This aspect represents high priority for the development of local enterprises and local communities.

Material Aspect	Material to Akbank	Related Topic in Prioritizing Analysis (page:27)	Boundary inside Akbank	Boundary outside Akbank
Procurement Practices	Low Priority	Sustainability in Supply Chain (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	This aspect defines low priority for all business units of Akbank	Although this aspect defines low priority for Akbank, Akbank monitors the environmental and social risks of its suppliers' activities.
Energy	High Priority	Carbon Emissions (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank gives high priority to energy efficiency in terms of environmental sustainability.	This aspect represents high priority for the whole Akbank stakeholders in terms of environmental sustainability.
Emissions	High Priority	Carbon Emissions (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank give high priority to minimise emissions, concerned with its activities.	Minimizing carbon emissions corresponds to high priority for all stakeholders of Akbank.
Products and Services	High Priority	Customer Satisfaction (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank gives high priority to product and services in terms of customer satisfaction.	This aspect corresponds to high priority especially for customers.
Environmental Compliance	High Priority	Customer Satisfaction (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank gives high priority to diminish its environmental impact.	This aspect represents high priority for the corporate customers that are benefited from Akbank credits.
Transport	Low Priority	Sustainability in Supply Chain (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank's transportation activities are mostly substituted by suppliers. So, Akbank gives low priority to this aspect.	Akbank monitors the activities of suppliers in order to diminish the impacts on this field.

Material Aspect	Material to Akbank	Related Topic in Prioritizing Analysis (page:27)	Boundary inside Akbank	Boundary outside Akbank
Overall	High Priority, Medium Priority	Environmental and Social Risk Management in Lending (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	This aspect defines high priority for the whole business units of Akbank	This aspect corresponds to medium priority for the customers that borrow high quantity of credit from Akbank and have social and environmental risk-based activities.
Supplier Environmental Assessment	Low Priority	Sustainability in Supply Chain (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	This aspect defines limited effect on the activities of Akbank.	Akbank regulates permanent monitoring activities for the suppliers that exercise in the riskful areas.
Employment	High Priority, Medium Priority	Employee and Human Rights (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank perceives the employment as one of the most significant priorities.	Akbank, outstanding bank of Turkish banking system, actively supports employment. In terms of Akbank stakeholders, this aspect defines medium priority.
Labour/ Management Relations	High Priority, Medium Priority	Employee and Human Rights (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank gives high priority to the social rights of its employees.	This aspect corresponds to medium priority for the whole Akbank stakeholders.
Occupational Health and Safety	High Priority, Medium Priority	Employee and Human Rights (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank gives high priority to occupational health and safety conditions of employees.	This aspect corresponds to medium priority for the whole Akbank stakeholders.
Training and Education	Medium Priority	Career Development and Training (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank gives medium priority to the career development of its employees.	This aspect corresponds to medium priority for the Akbank stakeholders.

Material Aspect	Material to Akbank	Related Topic in Prioritizing Analysis (page:27)	Boundary inside Akbank	Boundary outside Akbank
Diversity and Equal Opportunity	Medium Priority	Equal Opportunity (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank introduces a range of rights in the light of the principle of equal opportunity.	This aspect corresponds to medium priority for the whole stakeholders of Akbank.
Equal Remuneration for Women and Men	Medium Priority	Equal Opportunity (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Equal Remuneration for Women and Men is indispensable part of Akbank culture.	Akbank actively supports the woman employment in the Turkish labour market.
Labour Practices Grievance Mechanisms	High Priority, Medium Priority	Employee Satisfaction (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank gives high priority to employee satisfaction to increase efficiency.	This aspect corresponds to medium priority for the Akbank stakeholders.
Investment	High Priority	Secure Banking (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank supports the service quality and securing banking practices through investments.	Akbank's investment program corresponds to high priority in terms of service quality of stakeholders.
Non-discrimination	Medium Priority	Equal Opportunity, (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank puts a set of rules to prevent the discrimination cases.	This aspect corresponds to medium priority for the stakeholders of Akbank.
Freedom of Association and Collective Bargaining	High Priority Medium Priority	Employee and Human Rights (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank respects the employees' freedom of association and collective bargaining.	This aspect corresponds to medium priority for Akbank's stakeholders.
Security Practices	High Priority	Secure Banking (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank gives high priority to security practices to maintain efficiency of its activities.	This aspect corresponds to high priority for the whole stakeholders of Akbank.

Material Aspect	Material to Akbank	Related Topic in Prioritizing Analysis (page:27)	Boundary inside Akbank	Boundary outside Akbank
HR Assessment	Medium Priority	Career Development and Education (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank introduces a set of training program for the career development of its employees.	This aspect corresponds to medium priority for Akbank stakeholders.
Human Rights Grievance Mechanisms	High Priority, Medium Priority	Employee and Human Rights (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank gives high priority to human rights grievance mechanisms to increase employee loyalty.	This aspect corresponds to medium priority for Akbank stakeholders.
Local Communities	Medium Priority	Innovative Products and Services Facilitating Access to Financial Services (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank develops innovative product and services to facilitate the access of local communities to financial services.	This aspect corresponds to medium priority for Akbank stakeholders.
Anti-corruption	High Priority	Corporate Governance (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Depending on professional corporate governance understanding, Akbank actively struggle with corruption.	Anti-corruption measures corresponds to high priority for Akbank stakeholders.
Public Policy	High Priority	Corporate Governance (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Contribution to the public policy is high priority for Akbank.	The development of public policy, especially in the field of finance sector, corresponds to high priority for the whole Akbank stakeholders.
Anti-competitive Behavior	High Priority, Medium Priority	Ethical Banking (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	In the light of principle of ethical banking, Akbank doesn't perform anti-competitive behavior.	This aspect corresponds to medium priority for the Akbank stakeholders.

Material Aspect	Material to Akbank	Related Topic in Prioritizing Analysis (page:27)	Boundary inside Akbank	Boundary outside Akbank
Product and Service Labeling	Medium Low Priority	Environmentally-friendly products and services (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank give medium priority to the product and service labelling.	This aspect corresponds to low priority for the stakeholders of Akbank.
Marketing Communications	High Priority	Customer Satisfaction (see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank targets at increasing customer satisfaction through transparent marketing communication practices.	This aspect corresponds to high priority for the whole stakeholders of Akbank.
Customer Privacy	High Priority	Secure Banking see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank gives high priority to customer privacy through secure banking practices.	The Customer privacy corresponds to high priority for customers and other stakeholder group.
Compliance	High and medium priority	Effective Risk Management and Internal Control, see. Akbank 2015 Sustainability Report Prioritizing of Aspects Study, page:27)	Akbank always compliance with law and regulations through efficient risk management and internal control mechanisms.	This aspect corresponds to medium priority for Akbank stakeholders.

GRI G4 CONTENT INDEX



General Standard				
Disclosures	Description	Page	Omissions	External Assurance
Strategy and Analysis				
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Message from CEO, Page; 5		No
G4-2	Description of key impacts, risks and opportunities	Message from CEO, Page; 5 Risk Perception Defined in Light of Current Developments Page; 45-46		No

General Standard				
Disclosures	Description	Page	Omissions	External Assurance
Organisation Profile				
G4-3	Name of the organization	Akbank T.A.Ş.		No
G4-4	Primary brands, products, and/or services.	About Akbank, Page; 10-20		No
G4-5	Location of organization's headquarters	Headquarters Sabancı Center, 4. Levent 34330 İstanbul Telefon: (0 212) 385 55 55 Telefaks 1: (0 212) 269 77 87 Telefaks 2: (0 212) 269 73 83		No
G4-6	Number of countries where the organization operates.	About Akbank, Page; 10-20		No
G4-7	Nature of ownership and legal form	About Akbank, Page; 10-20		No
G4-8	Markets served	About Akbank, Page; 10-20		No
G4-9	Scale of the reporting organization	About Akbank, Page; 10-20		No
G4-10	Number of employees by employment contract, region and gender	Human Resources Profile, Page; 83-86		No

General Standard Disclosures				External Assurance
	Description	Page	Omissions	
Organisation Profile				
G4-11	Percentage of total employees covered by collective bargaining agreements	Collective Bargaining Contract, Page; 89		No
G4-12	Organization's supply chain	Sustainability Approach Encompassing All Links of the Value Chain, Page; 29		No
G4-13	Significant changes during the reporting period regarding size, structure, form of ownership and supply chain.	About Akbank, Page; 10-20		No
G4-14	Explanation of whether and how the precautionary principle is addressed by the organization	Akbank accepts the precautionary principle of UN Global Compact for all activities.		No
G415	Externally developed economic, environmental and social charters, principles, or other initiatives, to which the organization subscribes or which it endorses.	Memberships in Associations and Unions, Signed Initiatives, Page; 34		No
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations	Memberships in Associations and Unions, Signed Initiatives, Page; 34		No

General Standard Disclosures	Description	Page	Omissions	External Assurance
Identified Material Aspects and Boundaries				
G4-17	a) List all entities included in the organization's consolidated financial statements or equivalent documents. (b) Entities included in the organization's consolidated financial statements or equivalent documents are not covered by the report.	Report Scope and Boundary, Page; 20		No
G4-18	(a) Process for defining the report content and Aspect Boundaries. (b) How the organization has implemented the Reporting Principles for Defining Report Content	Akbank 2015 Sustainability Report, Prioritizing of Topics Study, Page; 27		No
G4-19	(a) List of all the material Aspects identified in the process for defining report content	Akbank 2015 Sustainability Report, Prioritizing of Topics Study, Page; 27		No
G4-20	(a) Materiality of Aspects within the organization.	Akbank 2015 Sustainability Report, Prioritizing of Topics Study, Page; 27		No
G4-21	(a) Materiality of Aspects outside the organization	Akbank 2015 Sustainability Report, Prioritizing of Topics Study, Page; 27		No
G4-22	(a) The effect of any restatements of information provided in previous reports, and the reasons for such restatement	About Report, Page; 10-20		No
G4-23	a) Significant changes in the Scope and Aspect Boundaries.	While Akbank 2013 Sustainability Report was prepared with the GRI G3.1. reporting principles, Akbank 2014 and 2015 Sustainability Reports are based on GRI G4 "Comprehensive" Reporting Principles.		No

General Standard				
Disclosures	Description	Page	Omissions	External Assurance
Stakeholder Engagement				
G4-24	(a) List of stakeholder groups engaged by the organization.	Dialogue Platforms based on Mutual Communication and Transparency, Page; 32-33		No
G4-25	(a) Basis for identification and selection of stakeholders with whom to engage.	Dialogue Platforms based on Mutual Communication and Transparency, Page; 32-33		No
G4-26	(a) Organization's approach to stakeholder engagement.	Our Sustainability Approach, Page; 24-38 Dialogue Platforms based on Mutual Communication and Transparency, Page; 32-33		No
G4-27	a) Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Our Sustainability Approach, Page; 24-38 Dialogue Platforms based on Mutual Communication and Transparency, Page; 32-33		No

General Standard				
Disclosures	Description	Page	Omissions	External Assurance
Report Profile				
G4-28	Reporting period	1 January 2015 - 31 December 2015		No
G4-29	Date of the most recent previous report.	1 January 2015 - 31 December 2015		No
G4-30	Reporting cycle	Annually		No
G4-31	Contact point for questions.	Identity, Page: 142		No
G4-32	GRI Content Index and 'in accordance' option.	Comprehensive, About Report		No
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report.	Akbank 2015 Sustainability Report doesn't subject to external assurance.		

General Standard Disclosures	Description	Page	Omissions	External Assurance
Governance				
G4-34	Governance structure of the organization	Akbank's Competency-Oriented Organizational Plan, Page: 17		No
G4-35	The process for delegating authority for sustainability topic	Sustainability Management Model at Akbank, Page: 28		No
G4-36	Executive-level positions with responsibility for sustainability topics	Sustainability Management Model at Akbank, Page: 28		No
G4-37	Processes for consultation between stakeholders and the highest governance body	Sustainability Management Model at Akbank, Page: 28 Dialogue Platforms based on Mutual Communication and Transparency, Page: 32-33		No
G4-38	Composition of the highest governance body and its committees	Akbank Board of Directors, Page: 41-43		No
G4-39	Position of the chair of the board of directors	Akbank Board of Directors, Page: 41-43		No
G4-40	Nomination and selection processes for the highest governance body and its committees	Akbank Board of Directors, Page: 41-43		No
G4-41	Avoiding conflicts of interest	Risk Management and Compliance, Page: 44-52		
G4-42	The role of the highest governance body and senior executives in setting purpose, values and strategy	Akbank Board of Directors, Page: 41-43		
G4-43	Measures taken to enhance the Board of Directors' collective knowledge of sustainability topics	Akbank Board of Directors, Page: 41-43		

General Standard				External Assurance
Disclosures	Description	Page	Omissions	
Governance				
G4-44	Evaluating board performance with respects to sustainability topic	Akbank Board of Directors, Page: 41-43		No
G4-45	The role of Board of Directors in the identification and management of economic, environmental and social impacts, risks and opportunities	Akbank Board of Directors, Page: 41-43		No
G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Akbank Board of Directors, Page: 41-43		No
G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Sustainability Management Model at Akbank, Akbank Board of Directors		No
G4-48	The highest committee or position to formally approve this report and its materiality review	Akbank Board of Directors, Page: 41-43		No
G4-49	Process for communicating critical concerns to the highest governance body	Akbank Board of Directors, Page: 41-43		No

General Standard				
Disclosures	Description	Page	Omissions	External Assurance
Governance				
G4-50	Nature and number of critical concerns communicated to the highest governance body	Akbank Board of Directors, Pages: 41-43 1001 Ideas and Suggestions System, Page: 78		No
G4-51	Remuneration policies for the Board of Directors and senior executives	Akbank Board of Directors, Pages: 41-43		No
G4-52	Process for determining remuneration	Akbank Board of Directors, Pages: 41-43		No
G4-53	Inclusiveness of stakeholders' views regarding remuneration	Akbank Board of Directors, Pages: 41-43		No
G4-54	Ratio of the annual total compensation for the organization's highestpaid individual to the median annual total compensation	Akbank doesn't declare this topic due to its corporate policy.		No
G4-55	Ratio of percentage increase with regards to G4-54	Akbank doesn't declare this topic due to its corporate policy.		No

General Standard				External
Disclosures	Description	Page	Omissions	Assurance
Ethics and Integrity				
G4-56	The organization's values, principles, standards and norms of behaviour, such as codes of conduct and codes of ethics.	Our Bank's Vision, Mission and Values, Page: 51		No
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour	Our Ethical Banking Approach, Page: 51		No
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour	Our Ethical Banking Approach, Page: 51		No

G4 SPECIFIC STANDARD DISCLOSURES

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Economic				
Economic Performance	DMA	Our Sustainability-Oriented Financial Performance, Page: 14-15		No
G4-EC1	Direct economic value generated and distributed	Our Sustainability-Oriented Financial Performance, Page: 14-15		No
G4-EC2	Risks and opportunities due to climate change	Risk and Opportunity Oriented Assessment Approach, Page: 36		No
G4-EC3	Coverage of defined benefit plan obligations	Retirement Practices, Page: 88		No
G4-EC4	Financial assistance from government	Akbank doesn't receive any financial aid during the reporting period.		No
Market Presence				
G4-EC5	Entry level wage by gender compared to minimum wage	The wages of all Akbank employees have been above the minimum wage without taking gender difference into consideration.		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Economic				
G4-EC6	Local hiring	Akbank actively supports local employment as one of the most significant banks of Turkey that have service network all over Turkey.		No
Indirect Economic Impacts	DMA	Our Community Investment, Page: 106-113		No
G4EC7	Development and impact of infrastructure investments and services supported	Environmental and Social Policy Practices, Page: 56		No
G4-EC8	Significant indirect economic impacts	Environmental and Social Policy Practices, Page: 56		No
Procurement Practices	DMA	Encompassing All Links of the Value Chain, Page: 29		No
G4-EC9	Spending on local suppliers	Encompassing All Links of the Value Chain, Page: 29		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Environmental				
Materials	DMA	Our Operations and Environment, Page: 98-106		No
G4-EN1	Materials used by weight or volume	Our Operations and Environment, Page: 98-106		No
G4-EN2	Percentage of materials used that are recycled input materials	Our Operations and Environment, Page: 98-106		No
Energy	DMA	Our Operations and Environment, Page: 98-106		No
G4-EN3	Energy consumption within the organisation	Direct and Indirect Energy Consumption, Page: 99-100		No
G4-EN4	Energy consumption outside of the organization	Direct and Indirect Energy Consumption, Page: 99-100		No
G4-EN5	Energy intensity	Direct and Indirect Energy Consumption, Page: 99-100		No
G4-EN6	Reduction of energy consumption	Effective Natural Resource Consumption Strategy, Page: 100		No
G4-EN7	Reductions in energy requirements of products and services	Effective Natural Resource Consumption Strategy, Page: 100		No
Emissions	DMA	Contribution to Fight against Climate Change, Page: 102-103		No
G4-EN15	Direct Greenhouse Gas (ghg) Emissions (scope 1)	Contribution to Fight against Climate Change, Page: 102-103		No
G4-EN16	Energy Indirect Greenhouse Gas (ghg) Emissions (scope 2)	Contribution to Fight against Climate Change, Page: 102-103		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Environmental				
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	Contribution to Fight against Climate Change, Page: 102-103		No
G4-EN18	Greenhouse gas (GHG) emissions intensity	Contribution to Fight against Climate Change, Page: 102-103		No
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Contribution to Fight against Climate Change, Page: 102-103		No
G4-EN20	Emissions of ozone-depleting substances (ODS)	Contribution to Fight against Climate Change, Page: 102-103		No
G4-EN21	NOx, SOx, and other significant air emissions	Contribution to Fight against Climate Change, Page: 102-103		No
Products and Services	DMA	Energy Conservation Applications for Reducing Operational Cost, Page: 101-102 Recycling-Oriented Waste Management Policy, Page: 105		No
G4-EN27	Mitigation of environmental impacts of products and services	Energy Conservation Applications for Reducing Operational Cost, Page: 101-102 Constantly Improving Infrastructure in Terms of Water Consumption, Page: 104-105		No
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Recycling-Oriented Waste Management Policy, Page: 105		No
Environmental Compliance	DMA	Our Operations and Environment, Page: 98-106		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Environmental				
G4-EN29	Fines and sanctions for noncompliance with environmental regulation	Akbank doesn't subject to any fines or sanction concerning with noncompliance with environmental regulation in the reporting period.		No
Transportation	DMA	Management of Environmental Impact of Personnel Transportation, Page: 103		No
G4-EN30	Significant environmental impacts of transportation	Management of Environmental Impact of Personnel Transportation, Page: 103		No
Overall	DMA	Our Operations and Environment, Page: 98-106		No
G4-EN31	Environmental expenditures and investments	Corporate Sponsor of Carbon Disclosure Project, "Climate-Friendly" Products and Services, Page: 37		No
Supplier Environmental Assessment	DMA	Encompassing All Links of the Value Chain		No
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Encompassing All Links of the Value Chain, Page: 29		No
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain	Encompassing All Links of the Value Chain, Page: 29		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Social: Labour Practices and Decent Work				
Employment	DMA	Our Employees, Page: 80-98		No
G4-LA1	New employee hires and employee turnover	Our Employees, Page: 80-98		No
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Employees, Page: 80-98		No
G4-LA3	Return to work and retention rates after parental leave	Parental Leave, Page: 90		No
Labour/ Management Relations	DMA	Collective Bargain Contract, Page: 89		No
G4-LA4	Minimum notice periods regarding operational changes	Notification of Employees about Major Operational Changes, Page: 90		No
Occupational Health and Safety	DMA	Our Health and Safety, Page: 90		No
G4-LA5	Percentage of workforce represented in formal joint management-worker health and safety committees	Occupational Health and Safety Councils Open to Employee Participation, Page: 90		No
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Steady Diminishing Lost Days, Page: 90		No
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	In relation to the white collar-labour force character of banking sector, there is no high risk of occupational disease in Akbank.		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Social: Labour Practices and Decent Work				
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Collective Bargaining Agreement, Page: 89		No
Training and Education	DMA	Career Development and Education in Akbank, Page: 90-93		No
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Career Development and Education in Akbank, Page: 90-93		No
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Career Development and Education in Akbank, Page: 90-93		No
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Career Development and Education in Akbank, Page: 90-93		No
Diversity and Equal Opportunity	DMA	Human Resources Principles of Akbank, Page: 81		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Social: Labour Practices and Decent Work				
G4-LA12	Composition of governance bodies and employee breakdown	Akbank Board of Directors, Page: 41-44 Human Resources Profile, Page: 82-84		No
Equal Remuneration for Women and Men	DMA	Human Resources Principles, Page: 81		No
G4-LA13	Ratio of basic salary and remuneration of women to men	Akbank accept a gender-neutral remuneration policy that is based on competency and professional experience.		No
Labour Practices Grievance Mechanisms	DMA	Occupational Health and Safety Councils Open to Employee Participation, Page: 90		No
G4-LA16	Grievances about labor practices through Formal grievance mechanisms	Occupational Health and Safety Councils Open to Employee Participation, Page: 90		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Social: Human Rights				
Investment	DMA	Akbank Social & Environmental Management System (SEMS), Page: 57		No
G4-HR1	Human rights screening or clauses included in significant investment agreements	Akbank Social & Environmental Management System (SEMS), Page: 57		No
G4-HR2	Employee training on human rights	Career Development and Education, Page: 91-93		No
Non discrimination	DMA	Human Resources Principles, Page: 81		No
G4-HR3	Actions taken in incidents of discrimination	There were no incidents of discrimination reported in Akbank during the reporting period.		No
Freedom of Association and Collective Bargaining	DMA	Collective Bargaining Contract, Page: 89		No
G4-HR4	Supporting right to freedom of association and collective bargaining in risk areas	Human Resources Principles, Page: 81, Collective Bargaining Contract, Page: 89, Encompassing All Links of the Value Chain, Page: 29		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Social: Human Rights				
Security	DMA	Secure Banking with State-of-the-Art Technology Applications, Page: 49		No
G4-HR7	Percentage of security personnel trained in human rights policies or procedures	All of Security personnel receives trainings about Akbank corporate values, including respect to universal human rights.		No
HR Assessment	DMA	Akbank Social & Environmental Management System (SEMS), Page: 57		No
G4-HR9	Operations subject to human rights reviews or impact assessments	Akbank Social & Environmental Management System (SEMS), Page: 57		No
Human Rights Grievance Mechanism	DMA			No
G4-HR12	Grievances about human rights through formal grievance mechanisms	In the reporting period, no complaints are recorded through formal grievance Mechanisms.		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Social: Society				
Local Communities	DMA			
G4-S01	Local community engagement, impact assessments, and development programs	Dialogue with our Stakeholders, Page: 32-33 Akbank Social & Environmental Management System (SEMS), Page: 57		No
G4-S02	Operations with significant negative impacts on local communities	In the reporting period, there was no a spesific operation that would negatively affect local communities.		No
FS-13	Access points in low-populated or economically disadvantaged areas.	About Akbank, Page: 10-20 Akbank has been one of the most significant banks of Turkey with its extensive network of branches all over Turkey.		No
FS-14	Initiatives to improve access to financial services for disadvantaged people	Innovative Products and Services Facilitating Access to Financial Services, Page: 53		No
Anti-corruption	DMA	Ethical Banking, Page: 51		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Social: Society				
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	The Activities of Board of Internal Auditors, Page: 48		No
G4-S04	Communication and training on anti-corruption policies and procedures	Anti-corruption training, Page: 94		No
G4S05	Confirmed incidents of corruption and actions taken	The Activities of Board of Internal Auditors, Page: 48		No
Anti-competitive Behaviour	DMA	Principle of Full Compliance with Laws and Regulations, Page: 44-52		No
G4-S07	Total number of legal actions for anti-competitive behavior, and anti-trust and monopoly practices and their outcomes.	In the reporting period, Akbank doesn't subject to any legal action concerning with violation of anti-competitive regulations.		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Social: Product Responsibility				
Product and Service Labelling	DMA			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirement	Akbank respects the regulations of banking sector, concerning with the service information and labelling. In this respect, the Bank accepts the principle of transparency about product and service labelling.		No
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	In the reporting period, there is no incident of non-compliance with regulations and voluntary codes concerning product and service information.		No
G4-PR5	Results of surveys measuring customer satisfaction	Service Quality Measurement, Page: 74 Evaluation and Enhancement Processes, Page: 74		No
Marketing Communications	DMA	Compliance in Product Promotions and Marketing Communication, Page: 49		No
G4-PR6	Sale of banned or disputed products	Akbank respects laws as well as international regulations concerning the supply of product and services.		No
G4-PR7	Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.	In the reporting period, Akbank doesn't subject to any sanctions or fine concerning with non-compliance of marketing communications.		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Social: Product Responsibility				
Customer Privacy	DMA	Product Promotion Activities that Protect Customer Rights, Page: 49		No
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	In the reporting period, there is no record of complaints regarding breaches of customer privacy and losses of customer data.		No
Compliance	DMA	Principle of Full Compliance with Laws and Regulations, Page: 44-52		No
G4-PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	In the reporting period, there is no significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.		No
Product Portfolio	DMA	About Akbank, Page: 10-20		No
FS-6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/ SME/large) and by sector.	Our Sustainable Financial Performance-Credits, Project Finance Credits, Page: 59		No
FS-7	Monetary value of products and services designed to deliver specific social benefit for each business line, broken down by purpose.	Implementation of Akbank's Environmental and Social Policies, Page: 56		No

Aspect	DMA/ G4 Indicator	Page	Omissions	External Assurance
Social: Product Responsibility				
FS-8	Monetary value of products and services designed to deliver specific environmental benefit for each business line, broken down by purpose	Climate-Friendly Loans, Page: 57-58 Financing Solutions For Energy Saving, Page: 58		No
Audit	DMA	Risk Management and Legal Compliance, Page: 44-52		No
Active Ownership	DMA	About Akbank, Page: 10-20		No
FS-10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Akbank Social & Environmental Management System (SEMS), Page: 57		No
FS-11	Percentage of assets subject to positive and negative environmental or social screening	Akbank Social & Environmental Management System (SEMS), Page: 57		No

UNITED NATIONS GLOBAL COMPACT (UNGC) INDEX

In 2007, Akbank became the first Turkish Bank to sign the United Nations Global Compact (UNGC). Pursuant to requirements of being a signatory to UNGC, Akbank communicate its progress regarding putting the UNGC Principles into action. 2015 Sustainability Report contains information on our current actions and performance it has achieved as a result. Information disclosed in the report on each aspect can be found using the table below.

UN Global Compact Principles	Page of the Performance Information
Human Rights	
Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	24-38
Principle 2. Businesses should make sure that they are not complicit in human rights abuses.	24-38
Labour	
Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	52-80
Principle 4. The elimination of all forms of forced and compulsory labour	52-80
Principle 5. The effective abolition of child labour	52-80
Principle 6. The elimination of discrimination in respect of employment and occupation	52-80
Environment	
Principle 7. Businesses should support a precautionary approach to environmental challenges.	98-106
Principle 8. Undertake initiatives to promote greater environmental responsibility	98-106
Principle 9. Encourage the development and diffusion of environmentally friendly technologies.	98-106
Anti-Corruption	
Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery	44-52

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