

2021

Akbank Integrated
Annual Report

AKBANK



While we offer the banking of the future to our customers today, we draw strength from our technological infrastructure and the expertise of our people.

We lead the industry with our trust-based banking approach, solid financials, and innovative products we offer to our customers.

For the transition to an inclusive and green economy, we continue to support our customers and all other stakeholders without slowing down.

We take responsibility to create a better world and support initiatives that support this vision.

In order to leave more livable earth to the future generations, we are reshaping the way we do business.

We are proud to be among the pioneer banks that set long-term sustainability targets.

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About the report

Akbank's first Integrated Annual Report

As Akbank T.A.Ş (Akbank), we have published sustainability reports annually since 2009 in accordance with the reporting standards and guidance provided by GRI (Global Reporting Initiative). We continued this journey with our first Integrated Report for 2020. We are proud to share our first Integrated Annual Report for the year 2021. We prepared our integrated annual report for the report period from 01.01.2021 to 31.12.2021, by complying with the requirements of the Value Reporting Foundation's (VRF) Integrated Reporting Framework (<IR> Framework).

In this report, we share the value we have created for all our stakeholders in the areas of Sustainable Finance, People and Community, Ecosystems Management, and Climate Change with our short-, medium- and long-term goals with our valued readers. We have created our report content according to GRI Standards: 'Core'.

In our report, we have covered Akbank's activities in Turkey. Unless otherwise stated, the performance data contained in the report does not cover the subsidiaries and overseas companies of our Bank. The employment data of our branch in Malta, which is within the scope of the report with respect to operations, is reflected in the total employment performance. With the pride of being the first Turkish bank to sign the United Nations Global Compact, we share with you our contribution to the UN Sustainable Development Goals (SDGs) from across our operations. In addition, in the process of preparing our report, we have taken into account the Banking Sector Criteria for the Borsa İstanbul Sustainability Index (BİST SI), as well as the United Nations Global Compact (UNGC), Task Force on Climate-Related Financial Disclosures (TCFD), UNEP FI Principles of Responsible Banking and Women's Empowerment Principles (WEPS).

Our report includes the Impact Report prepared this year in line with the Responsible Banking Principles created by the United Nations Environment Program Finance Initiative ('UNEP FI'). In addition, climate-related summary tables are in line with the GRI Index Compliance Table, the United Nations Global Compact ('UNGC') and the Women's Empowerment Principles ('WEPS') Progress Report, and the recommendations of the Task Force on Disclosure of Climate-Based Data (TCFD). We have included these in the appendices.

In our report, natural gas, electricity, fuel oil consumption, coal, diesel, gasoline, refrigerant gases, business travel, employee travel, extinguisher use, electricity use from renewable resources, water, scope 1, 2 and 3 greenhouse gas emissions, emissions intensity, hazardous and non-hazardous waste amount, amount of recycled waste, total plastic consumption, reused / recycled waste rate, number of projects evaluated within the scope of Environment and Social Impact Assessment (ESIA), number of projects rejected under Environment and Social Impact Assessment (ESIA), risk rating of projects evaluated within the scope of Environmental and Social Impact Assessment (ESIA), number of field visits within the scope of Environmental and Social Impact Assessment (ESIA), installed

power of renewable energy projects (MW) on a type basis by the end of 2021, number of renewable energy projects on a type basis by the end of 2021, number of employees by staff and gender, female employee ratio, number of female employees in entry level, middle and senior management, proportion of female employees in STEM (IT, engineering, etc.) roles, workforce turnover rate, proportion of female employees returning to work from maternity leave, female employee ration in revenue generating roles, employees using paternity leave, number of occupational accidents, number of fatal cases, number of occupational diseases, lost workday rate, total training hours,

the average training hours per employee, the number of sensitive audiences (young people, women and disabled people, etc.) reached out through inclusion programs, received "limited" assurance from an independent audit firm as per ISAE 3000 (Revised) and ISAE 3410 standards.

Please send your comments and queries related with the Report to investor.relations@akbank.com

Messages from Top Management

We are taking firm steps into the future.

Despite the challenging market conditions, Akbank achieved a successful year. During this period, we continued to prioritize the health of our employees and customers. In addition to technology and digital transformation, we continued to invest in the future for a sustainable world.





Message from the Chairman

For us, creating the Turkey of the future is a responsibility that goes beyond banking.

Starting in 2020, the coronavirus pandemic continued to pose uncertainty on the global economy in 2021 as well, with the effect of new variants. Especially with the Omicron variant, which emerged at the end of 2021, the number of cases started to rise again. The development of vaccines against the virus and the successful progress of vaccination efforts, especially in developed countries, helped the global economic activities recover significantly. However, the continued spread of the virus in the countries with more limited progress in vaccination paves the way for the emergence of new variants, and the new mutations that emerge continue to pose uncertainty all over the world. Therefore, the progress in the coming period, especially in countries with low vaccination levels, will be the most important success criterion in the global fight against the virus.

As to the global economy, 2021 has been a year of recovery. International Monetary Fund announced its 2021 economic growth forecast as 5.9%, and the growth is expected to be at high levels. Stronger-than-expected economic recovery led to rapid increases in global risky asset pricing and commodity prices. Increases in commodity prices and problems in the supply chain caused global inflation pressures to increase significantly in 2021.

The Fed states that with high inflation and a strengthening labor market, it is appropriate to conclude net asset purchases more rapidly, and that it may be required to normalize the policy rate earlier or at a higher speed. The Bank of England, on the other hand, surprisingly increased the policy rate by 15 basis points from 0.1% to 0.25% in December and stated that there might be some moderate tightening in the monetary policy.

Domestic economic activity, on the other hand, continued to grow strongly also in the third quarter of the year with 7.4%. Preliminary data for the last quarter indicate that economic activity continues its growth trend, although it lost some momentum. We consider that we will complete 2021 with double-digit growth. Our export continued its strong growth trend because of the recovery in foreign demand and closed the year at a record high of 225 billion dollars. As for imports, despite the decline in gold imports, the increase continued with the contribution of the strong increase in commodity prices and the positive course in domestic demand. Travel revenues continue to increase with the impact of higher vaccination and the removal of travel restrictions. Accordingly, a gradual improvement is observed in the current account deficit. The upward trend in the inflation continues due to high commodity prices, rising global food prices, cumulative exchange rate effects

and high costs. In 2021, inflation was 36.08%. The Central Bank of Republic of Turkey (CBRT) stated that demand factors, core inflation developments and supply-side factors were evaluated separately, and accordingly, it has reduced the policy rate by total 500 basis points to 14% since September. The budget balance continued to perform positively. In 2021, budget revenues showed a strong increase of 37% annually, while the increase in budget expenditures was 33%. As a result, the budget balance reported a deficit of TRY 192.2 billion. In the Medium Term Program, the budget deficit estimate for this year was TRY 230 billion, and the year ended below this level.

In the banking sector; while the upward trend in retail loans continues, macro-prudential measures are taken to reduce negative impact on inflation and current account balance. Commercial loans also had an upward trend. The non-performing loan ratio in the sector remained low at 3.2% as of November, while the capital adequacy ratio stood at 17.8%.

Globally, 2021 has been a year of increased number of natural disasters such as fire and flood due to global warming. If emissions are not reduced, there is a risk that our world will face bigger disasters in the coming years. Likewise, in terms of global economy, these

adverse events are expected to affect the economic parameters more and more. In this regard, the Paris Climate Agreement, which our country also signed, is of great importance in order to provide a better future for future generations. The recent increase in awareness on this matter in many countries, including Turkey, has brought environmental, social and governance (ESG) issues to the fore. Accordingly, sustainable finance principles have also become increasingly decisive in economic development, business decisions and investment strategies. In parallel with the strengthening of the ESG trend, investment and financing products to address these issues are also developing rapidly. In our country, the importance given to sustainable finance is increasing rapidly and it is becoming widespread in banking sector practices. We see that the amount of environmental/sustainable bonds issued by the banking sector has increased since 2016 and reached 2.7 billion dollars in total.

As one of Turkey's well-established institutions, we also consider sustainability as an important part of our business strategy. We position our activities, which we have continued for years, in line with the changing needs of our country, our society, the environment and our stakeholders. We are aware of the critical role and impact our industry has on sustainability issues. We are proud to be among the leading banks in our country's banking sector on such an important issue.

For us, creating the Turkey of the future is a responsibility that goes beyond banking. With this awareness, we work to provide value to our society in light of our environmental and social responsibilities, which are an important part of our bank's culture. We will continue to make all our investments and carry out all our operations for the future of our country and new generations, with a long-term perspective.



Suzan Sabancı Dinçer

Chairman of the Board of Directors



Message from the CEO

We have updated our sustainability approach in line with Turkey's development journey and evolving needs.



Total assets

763

TRY billion



Loans

485

TRY billion

Dear Esteemed Stakeholders,

With the impact of scientific developments, 2021 has been a year in which issues regarding the future of humanity have come to the fore, both in the world and our country. While trying to overcome the pandemic and the problems it caused, significant progress has been made to design the a green and inclusive economic recovery process.

As Akbank, one of the well-established institutions in our country, we have taken bold steps in the face of this comprehensive change the world is going through. We have updated our sustainability approach in line with the development journey of Turkey and the evolving needs of our society, our environment and our stakeholders. With our sustainability strategy which consists of concrete targets, we have confirmed our commitment to our vision of being the bank that will carry Turkey into the future.

With the strength of our sound balance sheet, we made efforts to bolster our sustainable finance efforts. As a bank that puts people at the center, we have paid attention to benefiting our society

at every step. We made sure that Akbank's future is shaped not only with banking but also with entrepreneurship, culture and arts, education, and volunteering. We strive to be everyone's bank with our strong technological and digital infrastructure, and increased our contribution to financial inclusion with our innovative products and services. We turned dreams into reality with our initiatives for women entrepreneurs and start-ups. In order to fulfill our duty in the fight against climate change, we have taken important steps to reduce the negative impact of our operations and loan portfolio.

In the light of our sustainability priorities, we worked together with our wide range of stakeholders, including participants from our bank's business units, our customers, employees as well as investors, to create the banking of the future. We contributed international cooperation on this front by taking responsibility for problems that will affect the future of the entire humanity. As a member of the United Nations Environment Program Finance Initiative (UNEP FI), we signed the Principles for Responsible Banking and became the founding signatory of the UNEP FI Financial Health and

Inclusion Commitment. We also announced our support for the Task Force on Climate-related Financial Disclosures (TCFD). As Akbank, we became the first signatory from our country for The Valuable 500, which was established to support the participation of disabled people in working life.

As a result of all these efforts, we have happily observed that our contributions to these pressing matters have been recognized by international research and evaluations. We were listed in the Bloomberg Gender Equality Index (GEI), one of the most comprehensive surveys conducted worldwide to measure the performance of companies committed to gender equality. In the gender equality survey conducted by OMFIF, we were among the top 5 banks at the global level, while we were the top bank in emerging markets. We have made significant progress with our sustainability strategy and have been listed in the "Low Risk" category in the Sustainalytics ESG assessment. Our MSCI ESG rating, on the other hand, received a double upgrade to BBB.



Message from
the CEO

We have developed many projects with Akbank Volunteers, ranging from health to education.

With the Akbank Youth Academy, one of our newest social initiatives, we organized programs to prepare young people both for the competencies of the future and the business world.



Total deposits

454

TRY billion

Another factor that we consider important in our attempt to move our country forward is social development. In this regard, the projects we have been carrying on with determination for years on arts and culture, entrepreneurship, education and volunteering are of great importance for us. In 2021, we celebrated the 28th anniversary of Akbank Sanat, which successfully implemented important projects in the field of arts and culture in Turkey. We continued to meet with art lovers both online and physically, on various platforms ranging from exhibitions to movies and from interviews to workshops. While continuing to meet with jazz lovers in the 31st year of Akbank Jazz Festival, we once again became the meeting point of moviegoers with the 17th Akbank Short Film Festival.

We took part in Contemporary Istanbul, of which we have been a supporter for 16 years, with our exhibitions "The Actual and Transcendence" at Lütfi Kırdar and "A Space Hidden to Itself" at Tersane İstanbul this year.

In the field of education, we continued our activities with trainings on various subjects with distinguished participants within the Center of Excellence in Finance - CEF, for which we are the founding sponsor. With the Akbank Youth Academy, one of our newest social initiatives, we organized programs to prepare young people both for the competencies of the future and the business world. Within this context, we have reached tens of thousands of young people through many programs and collaborations such as E-Bursum, and AI Academy with Microsoft.

Our volunteering activities have also continued at full speed in 2021. We have developed many projects dealing with subjects ranging from health to education and we have produced solutions for those in need, thanks to the coordination between our Akbank Volunteers and the local communities, non-governmental organizations and local administrations. Our volunteering project "The Good State of the City", which brings university students together with non-governmental organizations, again attracted great attention this year.

In 2021, the loan support we provided to the economy increased to a total of TL 485 billion, with TL 397 billion in cash loans. Our deposits reached TL 454 billion, while our assets reached TL 763 billion. With our strong capital adequacy ratio of 21,1%, we have one of the strongest capital structures in the sector. With the

strength driven by our structure, we continued to support the development of the real sector with the loans provided to our companies. Akbank reported a consolidated net profit of TL 12 billion 127 million after provisioning TL 4 billion 513 million for taxes.

In addition to all these, we will continue to work in line with our goal of leaving a livable world to future generations, without compromising our long-term, visionary perspective. I would like to thank our customers and shareholders, who always carry us forward and encourage us to do the best, and all our employees who carry our bank from success to success.



Hakan Binbaşgil
CEO



**We are working
to leave a more
habitable world
for the next
generations.**

With the awareness
of our environmental,
social and governance
responsibilities, we work
to provide value added
for our communities.

Akbank and our history in brief

We were established in Adana on January 30, 1948 as a privately-owned commercial bank.



Employees

12+

Thousand



Customers

19+

Millions



ATM

5,300+

Akbank T.A.Ş. was established in Adana on January 30, 1948 as a privately-owned commercial bank to provide resources and support to the local cotton producers, with the purpose of carrying out all kinds of banking transactions and performing any kind of economic, financial and commercial attempts and activities that are not prohibited by the Laws of the Republic of Turkey, in accordance with the permission granted by the Council of Ministers' decision no. 3/6710 dated 12.12.1947. We opened our first Istanbul branch on July 14, 1950 in Sirkeci. After our Head Office was relocated to Istanbul in 1954, we rapidly increased the number of our branches, and we automated all banking transactions in 1963.

With our public offering in 1990 and our secondary public offering in 1998, we started to trade in international markets as an American Depositary Receipt (ADR).

We continue to serve our customers in the fields of corporate and investment banking, commercial banking, SME banking, retail banking, payment systems, private banking, investment services and treasury transactions. In addition to our standard banking services, we also provide services in the insurance sector through our branches. We provide insurance agency services on behalf of Aksigorta A.Ş. and AgeSA Hayat ve Emeklilik A.Ş.

We are able to develop innovative product solutions for our customers' different financial needs via our affiliates Akbank AG, AkLease, Ak Investment, Ak Asset Management and AkÖde. We own products and services that make a difference in the national and international banking sector, such as Axxess, Wings and Private Banking, which are associated with Akbank's identity.

We serve over 19 million customers through our extensive service network and technological infrastructure, with our Head Office in Istanbul, our Data and Life Center, and 19 Regional Directorates, 711 branches and over 12 thousand employees in Turkey. Apart from one-on-one services we provide at our branches, we continue to create value for our customers through our investments in digital transformation, via Akbank Internet, Akbank Mobile, Call Center, approximately 5300 ATMs and 680 thousand POS terminals (including virtual POS). Moreover, we have added an international dimension to our operations through our affiliate Akbank AG in Germany and our branch in Malta, by drawing strength from our highly reputable identity in Turkey.

In 2021, the loan support we provided to the economy increased to a total of TL 485 billion, with TL 397 billion in cash loans. Our total deposits reached TRY 454 billion and our assets to TRY 763 billion. With our strong consolidated capital adequacy ratio reaching 21.1%, we have one of the strongest capital structures in our industry. With the strength we derive from this structure, we continued to contribute to the development of our real sector with the loans we offer to our companies.

As Akbank, we have been a part of many initiatives that contribute to the social development of our country, by providing financing without compromising our ethical, social and environmental values for 73 years. In 2020, as part of our sustainability strategy, we have identified four main focus areas: sustainable finance, people and communities, ecosystem management and climate change.

We became the first deposit bank in Turkey to set long-term goals in the field of sustainability. We know that the fight against climate change, the impact of which we will increasingly feel all over the world, can only be successful with a long-term perspective, strategies based on data and science, and inter-institutional cooperation.

With this awareness and responsibility, we are also committed to providing our country with sustainable loan financing of TRY 200 billion by 2030. In parallel to this loan volume, we aim also aim to increase the sustainability-linked funding secured by the bank. In addition, we are committed to increasing the volume of our sustainable investment products to TRY 15 billion by 2030.

In line with the responsibility we assumed in Turkey's transition to a sustainable economy, we focused on sustainable finance instruments. In this respect, in addition to the environmental and social impact assessment system and policy compliance processes, granting of loans to renewable energy projects, green bond practices and sustainable loan agreement practices, which we actively carry out, we included sustainable finance practices such as the United Nations Environment Program Finance Initiative's Principles for Responsible Banking, sustainable themed syndicated loans, blue finance product package, sustainable subordinated bond issuance, repo transactions with sustainability criteria, both in our way of doing business and in our services in 2021.



Environmental and Social Policies



Sustainable Loan Agreement



UNEP FI Principles of Responsible Banking



ESG-themed Sustainability Loans



Blue Financing Product Package



Green Bond and Sustainable Tier 2

Akbank and our
history in brief

We maintain our leading position in the digital transformation journey of the banking sector in Turkey.

We aim to strengthen our society financially with the products and services we provide in the field of financial inclusion and to ensure the participation of all our stakeholders, including disadvantaged groups, in the economy.



Founding Member of
the United Nations
Environment Program
Finance Initiative (UNEP FI)



The First Bank as
a Signatory of The
Valuable 500



Akbank LAB

In line with our sustainability strategy, we prioritize our work to foster our corporate culture based on diversity and inclusion principles. We aim to strengthen our society financially with the products and services we provide in the field of financial inclusion and to ensure the participation of all our stakeholders, including disadvantaged groups, in the economy. In 2021, we became a founding member of the United Nations Environment Program Finance Initiative's Financial Health and Inclusion Commitment.

We support efforts for disability inclusion in working life, gender equality, volunteering, women's empowerment, and equal opportunities in education with our volunteering activities. As a signatory of The Valuable 500, which was established as a global initiative in 2021, we became the first bank and institution from Turkey to join the initiative.

With "Akbank LAB", which we established in 2016 based on our innovative banking culture, we invest in pioneering projects in the domestic and international banking sector. We continue to undertake new projects with Akbank LAB, which aims to improve the customer experience and facilitate the operations of business units.

We adopt a banking culture that is open to innovation and change in order to respond to the changing needs of our customers and to adapt to the developments brought by technology to our lives. As part of our "Next Generation Akbank" program, we are constantly improving our redesigned "Akbank Mobile" application so that our customers can easily meet their financial needs, and we maintain our leading position in the digital transformation journey of the banking sector in Turkey. We became the first bank in our country to implement the "Digital First" program in order to provide convenience to our customers for credit cards during the COVID-19 pandemic, a period when remote services gained prominence.

We established Akbank Youth Academy, a new and exciting addition to our social investments. Within the scope of the Academy, we provide training in different fields to young people, who represent an important part of our society in order to provide them with the competencies of the future. We have reached 40 thousand students, exceeding the target of 15 thousand students anticipated for the first year of the Academy.

As Akbank, we develop products and services that meet the expectations of all our stakeholders with our technological infrastructure and understanding of financial inclusion in the banking sector. We continue to create special financing support for different groups such as SMEs, women entrepreneurs and start-ups.

In line with our work on gender equality, we were listed in the Bloomberg Gender Equality Index (GEI) in 2021, one of the most comprehensive surveys conducted worldwide to measure the performance of companies committed to gender equality. We were among the top 5 banks in the "Gender Balance Index" of Official Monetary and Financial Institutions Forum (OMFIF), a research project that is internationally accepted as an important reference point.

This project was established to encourage the best policies and practices in the global financial markets, and also have been selected as the best in emerging markets.

We review our activities and operational processes within the scope of the fight against climate change, and implement sustainable solutions which include efficiency, savings and mitigation efforts that will enable us to reduce our environmental footprint. We report to national and international sustainability indices, and we determine our areas of development by ensuring that our sustainability efforts are rated by third-parties. In addition to reducing greenhouse gas emissions caused by our operations, reducing the impact of our loan portfolio on climate change by 2030 is also among our goals to fight the climate crisis. Accordingly, we announced our support to the Task Force on Climate Related Financial Disclosures (TCFD) this year.



Akbank Youth
Academy



Bloomberg Gender
Equality Index (GEI)



Gender Balance Index
of OMFIF



CDP Climate Change B-



MSCI ESG rating upgrade
to BBB



Sustainability ESG Risk
Assessment "Low Risk"
Category



TCFD Supporter

Corporate profile



Our strong foundations

- Strong, local majority shareholder
- Solid capital structure
- Highly qualified team
- Prudent risk management and robust asset quality
- Proactive ALM and strong liquidity
- Favorable cost base and high efficiency
- Stable and broad based funding mix
- Well diversified and sustainable revenue generation
- Innovative initiatives that herald the future of banking

Our strategic goals

- To be the best bank in terms of customer experience and satisfaction
- Maintaining active quality with effective risk management
- Maintaining and advantageous cost structure
- Providing superior customer experience across all channels
- To increase the value offered to the customer with innovative solutions
- Building the banking of the future with investments in human resources, technology and advanced analytics

Corporate profile

Our Establishment Information

Akbank was established as a privately-owned commercial bank pursuant to the authorization issued by Resolution No. 3/6710 of the Council of Ministers of Turkey dated December 12, 1947 to conduct the full array of banking operations and all types of economic, financial, and commercial ventures and activities not prohibited by the laws of the Republic of Turkey. The Bank commenced operations on January 30, 1948 in Adana. The Bank's status has not changed since the day it was founded. Akbank's Commercial Registry Number is 90418.

Our corporate website: www.akbank.com

Address: Akbank Sabancı Center 4. Levent 34330 Istanbul
Tel: +90 (212) 385 55 55

Branch and ATM addresses: <https://www.akbank.com/tr-tr/hizmetler/Sayfalar/akbank-sube-ve-atm.aspx>.

Our Capital Structure

Akbank's issued capital is TL 5,200,000,000. As of December 31, 2021, Ms. Suzan Sabancı Dinçer, Chairman of the Board of Directors, owns 0.63% of Akbank shares.

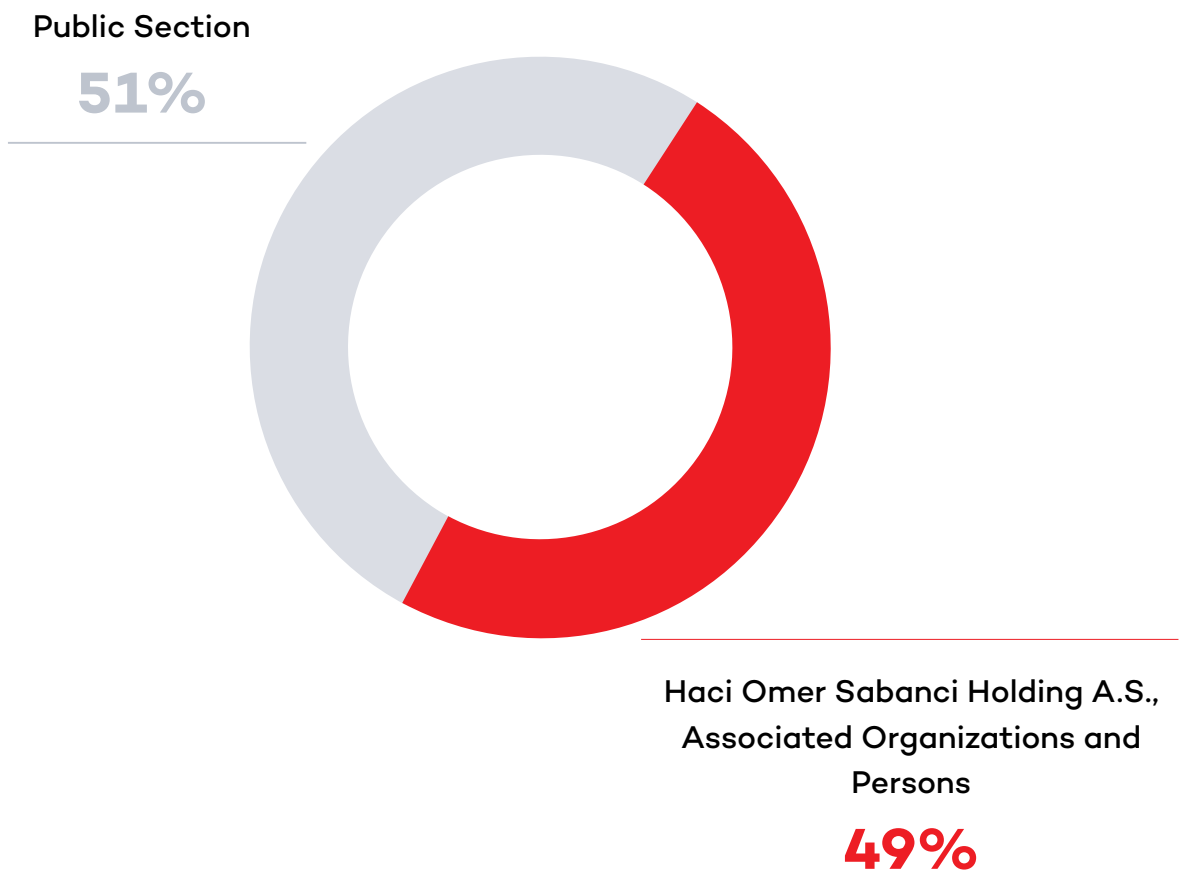
Amendments to the Articles of Association

At the Shareholders Ordinary General Assembly meeting held on 24.03.2021, Article 9 of our Articles of Association was amended, and this matter was registered by the Istanbul Trade Registry Office on 30.03.2021 and announced in the Turkish Trade Registry Gazette dated 30.03.2021 / 10298 and published in Ankara.

Our shareholder structure

We were established on January 30, 1948 as a privately owned commercial bank. In 2021, when we celebrated our 73rd anniversary, we continued to take innovative steps in line with our corporate goals, taking strength from our solid shareholder structure. As of 2021, our stocks continue to be traded on Borsa Istanbul (BIST) with a free float of 51.2%.

Our Level 1 Depositary Receipts continued to be traded on the US OTC Market in 2021 as well. You can find our shareholding structure as of 31 December 2021 in the chart.



Akbank's activities

We make a difference with our network of correspondent banks and export credit institutions in 130 countries.



Syndicated loan

675

USD million

CORPORATE AND INVESTMENT BANKING

INTERNATIONAL BANKING AND CORPORATE INVESTORS

We make a difference with our network of correspondent banks and export credit institutions located in approximately 130 countries around the world. Thanks to this strong network of relations, we are able to offer privileged services to all our solution partners in foreign trade, payment and letter of guarantee transactions in the international arena. We enable them to increase their competitiveness with medium and long-term sources, with our service understanding that is always in harmony with their different investment needs.

Our prestige in international markets and the trust we have created also facilitate our access to alternative funding sources. As of the end of 2021, the total foreign borrowing amounting to USD 7 billion, USD 3.8 billion of which is long-term and USD 3.2 billion is short-term borrowing, is an important indicator of this fact. The fact that 41% of this amount is sustainability-themed reveals that we have successfully implemented our sustainable growth strategy.

2021 has not only been a year in which we have successfully implemented our strategies, but also once again made us proud of being the bank that increased the reputation of the Turkish banking sector. We provided approximately USD 2.3 billion in syndication loans, Eurobond (T2) issuance, loans to provide working capital support to women SME entrepreneurs and regions affected by migration during the COVID-19 outbreak to respond to the adverse effects of the pandemic, and bilateral loan transactions, which we granted during the year.

High investor interest in our syndicated loan renewals

The COVID-19 pandemic, which affects the whole world, continues its negative effects on financial markets, real economies and daily life. In an environment where access to liquidity and foreign exchange sources became difficult, our Bank successfully renewed its syndications once again.

We created our Sustainable Finance Framework in February 2021 as a continuation of our sustainability strategy that we announced by leading the sector in January 2021. Accordingly, we received our first syndicated loan with the theme Environmental, Social and Governance (ESG) in April 2021 with a cost of Libor+2.50% and Euribor+2.25% and a maturity of 1 year.

Our syndicated loan, which was announced to the markets on April 10, 2021 on the Public Disclosure Platform (PDP), rose to USD 675 million with the participation of 35 banks from 18 countries, despite the fluctuations in the markets. After the demand of USD 792 million, corresponding to 126% of the renewal amount, and the participation of 8 new banks from America, Europe, the Middle East and Asia, our syndicated loan renewal rate stood at 107%.

Sustainability performance criteria consisting of gender equality in our bank, the decision of not providing any loan to new coal power plant projects, and the decision to procure our Bank's electricity supply from renewable sources, were added to the loan, and the loan was completed as an important step in sustainable finance-based borrowing transactions.

By adding sustainability performance criteria also to our October syndication, we became the first and only Turkish bank to associate both syndication transactions with sustainability. With this transaction, we have achieved another milestone that will set a reference for the sector in terms of both sustainability and pricing. The cost of our 1-year syndicated loan was Libor+2.15% and Euribor+1.75%.

We renewed our syndicated loan, which was announced to the markets on October 20, 2021, with a PDP statement, amounting to approximately US\$ 700 million in line with the needs of our Bank, despite the demand for US\$ 900 million from 20 countries and 36 banks. 7 new banks from 5 different countries, which were not included in the transaction of last year, also participated in this transaction.

In 2021, when the impact of the COVID-19 pandemic deepened, we completed our first sustainability-themed Tier II Eurobond issuance on June 22, 2021. The yield and coupon rate of the transaction amounting to USD 500 million with a 10-year maturity was 6.80%.

By adding sustainability performance criteria to our October syndication, we became the first and only Turkish bank to associate both syndication transactions with sustainability.

Our bond issuance, which we carried out in a period of high volatility in the markets and which attracted great interest, received a demand of around 1.4 billion dollars, almost three times the issuance, from over 150 foreign investors.

Moreover, carrying out the leading borrowing transactions of the Turkish banking sector, Akbank signed a loan agreement with the Asian Infrastructure Investment Bank (AIIB) on July 30, 2021, with a 7-year maturity and in the amount of USD 100 million, to repair the negative effects of COVID-19, and became the first Turkish deposit bank to receive funds from AIIB.

On November 10, 2021, we reached an agreement with the European Bank for Reconstruction and Development (EBRD) for the provision of a financing source in the amount of USD 50 million with a maturity of 2.5 years. The financing agreement was signed for financing the efforts for eliminating the effects of the COVID-19 pandemic and for covering the capital and liquidity needs of women entrepreneur SMEs.

On November 10, 2021, Akbank also signed an agreement with the International Finance Corporation (IFC) for a new source of USD 50 million, with a maturity of 3 years + 1 week, as part of the Refugee Impacted Areas project.

Access to finance is provided to support small businesses in 22 provinces identified under the project, mainly in the South and Southeast.



**Tier II Eurobond
issuance**

500
USD million

Our New Work Vision

In 2021, we expanded and reshaped our work vision. We approached our relations with financial institutions from a different perspective and created a new structure under the title of "Corporate Investors". With this approach, we work towards our goal to pursue sophisticated financial institutions with a special relationship management dedicated to them, while using our long-standing relationships to expand our fields of work and cooperation, to reveal and diversify new potentials, especially in corporate and commercial loans, and to gain more benefit and profit from these relationships. In this context, we plan to increase our buying and selling activities in primary and secondary credit markets and to establish a more efficient utilization model in terms of liquidity and capital while creating new assets on the balance sheet.

Akbank's
activities

We focused on financing sustainable investments and acquisitions.



Share of
renewable energy
projects in total
portfolio

76%

INVESTMENT BANKING

In this period when project investments are limited or abstained from, infrastructure and energy projects with predominantly foreign currency-indexed income or state support stand out, and the company acquisitions are well below the potential of our country, due to high volatility and the COVID-19 pandemic, we as Akbank have focused on providing financing for sustainable investments and acquisitions in economic, environmental, social and governance issues in line with our goals.

In addition to the infrastructure and energy sectors, we have enriched our portfolio in purchasing, refinancing and investment transactions in the tourism, health, aviation, mining and logistics sectors.

In the infrastructure and energy sectors, we have prioritized projects with a consolidated structure such as debt assumption and purchase-guaranteed transactions. As the "leading bank" in Turkish investment banking, we have included projects with strong collateral and sound repayment structures into our portfolio.

Using our rich sectoral experience in project finance transactions and with the support of our Sustainable Finance team, which we established under the roof of Investment Banking, we have accelerated our sustainable finance efforts in all segments and affiliates of our Bank. This year, we launched 7 sustainable finance products and continued to strengthen our social/green loan portfolio both under investment banking and in our other business units.

In the infrastructure and energy sectors, we gave priority to projects with a consolidated structure such as debt assumption and purchase-guaranteed transactions. As the "leading bank" in Turkish investment banking, we included projects with strong collateral and sound repayment structures into our portfolio.

Our prominent products in Sustainable Finance are presented below:

- **Blue Finance Product Package:** Our Blue Finance Product Package, consisting of Blue Port, Blue Transportation and Blue Tourism loan products, is designed to minimize the environmental footprint (This product package is designed to be used to minimize the environmental footprint in areas suitable for the green investment category in our sustainable finance framework).
- **Green Loans:** We carry out pioneering work in the transition to a low carbon economy with Renewable Energy Loans, loans targeting the production and purchase of electric vehicles, as well as the financing of Green Transportation projects.
- **Social Loans:** We lead the sector with loan financing packages that also include other social issues such as access to basic needs in many areas, increasing the quality in these needs, and gender equality.

In 2021, we provided a sustainable finance loan for the high-speed train project with a line length of 200 km. With this financing being the first Green Loan in this field in Turkey, we aimed to serve the objectives of establishing a low-cost, environmentally-friendly and sustainable transportation network by increasing the quality of transportation services.

In energy production, we have granted loans only for renewable energy production since 2016. While closely following different technologies and

We aimed to add transmission, electric charging and storage investments to our portfolio, which concentrates on production in the energy sector, in order to maintain our strong collateral structure and profitability in 2022, and to make our loan portfolio size and structure sustainable despite the shrinking market volume in 2021.

hybrid investments in the energy generation sector, we continued to strengthen our renewable energy portfolio in 2021 as well. The ratio of renewable energy projects in our total portfolio was 76%. As of the end of the year, 3,163 MW of the energy projects we have financed so far consisted of HEPP, 1,037 MW of WPP, 320 MW of GPP, 181 MW of SPP and 21 MW of Biomass facilities.

We aimed to add transmission, electric charging and storage investments to our portfolio, which concentrates on production in the energy sector, in order to make our loan portfolio size and structure sustainable despite the shrinking market volume in 2021, and to maintain our strong collateral structure and profitability also in 2022. In addition, we aim to diversify the investments where we are involved in infrastructure and motorway projects, to grow with new technologies and alternative energy investments, with our financing solutions specific to investments in sectors such as tourism, industry, health and logistics, and to maintain our leading role in this field.



Renewable energy portfolio total installed capacity

4,722 MW

Akbank's
activities

We support the financial development of local and multinational companies via our consultancy services.

With the motto 'digital solutions in every field', we have become accessible anytime and anywhere. In order to protect the health of our customers and our team members, we made most of our customer visits on digital platforms.

CORPORATE BANKING

As Akbank Corporate Banking, we support the financial development of our customers through the consultancy services we offer to local and multinational companies. In 2021, we continued to strengthen our strategy of establishing long-term business partnerships by offering fast and quality and customized solutions to our customers with our experienced and expert team.

In 2021, when the effect of COVID-19 still continues, we closely followed the changing global agenda and market conditions, and continued to support our customers with financial solutions that will facilitate their adaptation to every new situation. We provided our customers with up-to-date information on the economic outlook and expectations in the world and Turkey, especially with 6 different economic webinars we organized during the year, while also answering our customers' questions and creating a strong synergy in these meetings.

With the motto of providing digital solutions in every field, we have been accessible anytime and anywhere, and we have made most of our customer visits on digital platforms in order to protect the health of our customers and our team. We have responded to the needs of our customers with the fastest solutions through the working models that will adapt to our customers' own working conditions.

Within the scope of our sector-based efforts, we came together with different teams and created and implemented new ideas with a focus on the services we will provide to our customers.

As we leave behind a year in which we developed and renewed our business processes and the products and services we offer to our customers, with our customer experience-oriented strategy, we achieved the highest customer satisfaction, as usual.

In 2021, we renewed our attitude with a customer experience-oriented strategy, and kept digital transformation at the forefront by adapting to the rapidly-changing global conditions. We will continue to be the pioneer of change by adapting to every new situation that will occur also in 2022 as quickly as possible.

COMMERCIAL BANKING

With our Commercial Banking team consisting of 15 commercial branches, 164 mixed commercial branches and approximately 788 people focused on relationship management, we do our best to support our customers in order to make their growth sustainable. With the digital and physical visits we made in 2021, we continued to be the solution partners of our customers and to create added value for all their business processes.

Thanks to our wide correspondent network, we contribute to the competitive presence of our companies, for which we act as intermediary in foreign trade transactions in many different parts of the world, also in international markets.

We evaluate our customers with a different perspective, according to their fields of activity, product trends, managerial characteristics, and sizes. We determine the appropriate products by taking their needs that emerge during the use of digital banking into consideration and transforming their comments into data. We will focus more on this issue in the Corporate Digitalization study that will gain momentum in 2022.

In 2021, we established our priorities by identifying the sectors and customers with high strategic importance. During the COVID-19 pandemic, we increased our digital visits and tried to identify our customers' financing needs, and other banking and non-banking needs. As a result of these visits, we had the opportunity to create holistic solutions for their needs.

We listen to the digital banking needs of our customers, convert their comments into data and determine the appropriate products. We will focus more on this issue in the Corporate Digitalization work that will gain momentum in 2022.

We also met the support-related needs of our customers during the pandemic.

We continue to offer a wide variety of solutions such as Hedging Option, Forward, Zero Cost Collar, and Cross Currency Swap to our customers who want to be protected from exchange rate, interest and commodity price fluctuations.

We continued to expand our quality portfolio base, which we have built over the years in the field of project finance. Despite the cyclical exchange rate/interest rate fluctuations, we continued to provide long-term financing to renewable energy investments including those related to industrial energy efficiency, thermal rehabilitation of buildings, and geothermal, solar, biomass and biogas energy. We took part in studies that prioritized environmental, social and governance matters. Other renewable energy project financing works included HEPP, WPP and GPP project financing. In the challenging 2021 conditions, we managed to maintain our portfolio numbers and volumes in both corporate finance and project finance to a large extent.

Our need-oriented banking solutions and applications, our expertise, digital solutions, and effective risk management continue to be among our main competitive advantages in commercial banking. With this holistic approach, we continued our successful performance in the volatile market conditions of 2021.

We approach all of our customers' product and service needs as their solution partners.

Akbank's
activities

Putting our customers at the centre has been the foundation of our success in Retail Banking.

Digital processes, designed with an approach that considers consumers' ease of access to finance as the main success factor, enable us to meet the loan-related needs of our customers 24/7.

We also continue to offer solutions to our Commercial Banking customers through the products of Aklease, Aksigorta, Ak Yatırım, Ak Portföy and AgeSA, which are Akbank affiliates or subsidiaries.

RETAIL BANKING

With the changes in the needs, and consumption and behaviour patterns of our customers, the speed of digitalization has gained further momentum. Expectations from banking products and services have also increased with the COVID-19 outbreak. While mobile banking has become the main channel for the entire banking sector, remote customer management has become a service model that complements digital banking. The approach that meets all the banking needs of customers instead of meeting individual product needs has made it necessary to re-evaluate and redesign the way of doing business in recent years.

Putting our customers at the centre and shaping all our designs accordingly have been the foundation of our success in Retail Banking.

Making it Easy for Our Consumers to Access Finance

Digital processes, designed with an approach that considers consumers' ease of access to finance as the main success factor, enable us to meet the loan-related needs of our customers 24/7. Credit needs of our customers can be met within minutes, including the instant customer onboarding process through the digital platform. The limits that are offered regularly for our customers immediately become ready to use. As a result of our daily efforts to perfect the mobile banking experience, 83% of the consumer loans were used through digital channels in 2021. In addition, we continue to develop our network that allows the use of shopping loans quickly and easily from both physical and digital platforms.

Furthermore, our customers can now easily apply for vehicle and housing loans through “akbank.com”. In line with the importance we attach to the environment, sustainability and carbon emissions, we implemented the Environmentally-Friendly Vehicle Loan. We offer this loan with advantageous pricing options to our customers who need financing to purchase environmentally-friendly hybrid and electric vehicles. In 2022, we also continue our efforts to implement our “Digital Vehicle Loan” processes, which will be a first in the sector.

Our Product and Service Diversity

In 2021, we continued to act with a balanced funding strategy, extend our deposit account base, and expand our volume. We added new deposit account products to e-deposit account category with Nar account designed for different needs, Free Deposit Account, and attractive interest rates.

With “WinWin Account”, our customers earn interest in addition to their savings through the payments they make from their current accounts such as for EFT, money order, rent, monthly dues for housing estates and invoices, and the expenditures they make from their debit cards. While our customers manage their daily cash flows, they also have the opportunity to utilize their savings at attractive interest rates.

In 2021, we continued to act with a balanced funding strategy, expand our deposit base and expand our volume. We added new deposit account products to e-deposit account category with Nar account designed for different needs, Free Deposit Account, and attractive interest rates.

With the Currency-Protected TL Time Deposit Account, which we launched at the end of 2021, we offer our customers the opportunity to make use of their savings without being affected by the exchange rate difference. This product, which aims to protect savings account holders against possible fluctuations in the exchange rate, provides income from possible increases in the exchange rate in addition to the interest rate gain it offers.

Our Special Privileges for Pensioners

We continued to present attractive promotional offers throughout the year for our customers who want to transfer their SSI pensions to our Bank accounts. In addition, we also offer them the possibility of withdrawing money from their accounts 2 days before their pension is due and payable. With this privilege, which is available to our customers who receive their pensions from our bank and have a cashplus credit limit defined to their pension accounts, our customers can use their available cashplus credit limits interest-free from 2 days before the pension payment date until the pension payment day. Thus, they can easily and advantageously satisfy their cash needs in the last days before their next month's pension is due.

Akbank's
activities

We added new products to our product range that facilitate and encourage money saving culture in our country.

While presenting our products and services to our customers through our branches and digital channels, we also continue to cooperate with the platforms our customers use.

Private Banking for Youth

As Akbank, we attach great importance to young people; we try to sincerely understand what young people want and expect. We know that young people expect to be served with an approach that goes beyond physical banking in the ever-changing world in this era of digitalization. We are aware of the fact that "access to finance" and "financial literacy" are the most-pressing needs for young people over the age of 18. The fact that young people do not have a regular income or cannot declare their income constitutes an obstacle to accessing financial instruments. For this reason, we have created a scoring model that analyses many financial and non-financial data with an analytical approach in order to provide and increase access to financial instruments for young people.

We developed "Akbank FAV", which provides a completely digital experience that allows our bank to meet the new generation's expectations and needs according to their lifestyles and from a single point. Akbank FAV is a dynamic program that both facilitates the lives of our university students between the ages of 18-26 and provides them with financial relief. While this program includes free banking transactions, free overdraft accounts, and campaigns from many popular brands, it also offers personal improvement and career development programs to young people.

Collaborations with the Platforms Our Customers Use

While presenting our products and services to our customers through our branches and digital channels, we also continue to cooperate with the platforms our customers use.

Within the scope of our cooperation with the social enterprise E-Bursum, which aims to provide equal opportunities in education to young people, we organize trainings for young people regarding competencies of the future, such as artificial intelligence, innovation, design and coding, through the support of Akbank Academy, in addition to acting as intermediary in the payment transactions of nearly 200 institutions with scholarship holders.

In cooperation with the housing estate and apartment building management application "Apsiyon", we have covered the membership fees of our customers who have paid their monthly dues through our Bank throughout the year.

New Products for Future Investments

Knowing how important it is to increase the awareness on the topic of money saving in our country, we have added new products to our product range that facilitate and encourage the money saving culture. In addition to the deposit savings account, the flexible savings account, the Insurance of Good Odds, and the BES, we have also offered the products 'BES for under 18s' and the 'Mutual Funds of the Future' to our customers. We are planning to establish new collaborations in 2022 to produce solutions that will improve the awareness on money saving among children under the age of 18.

1-on-1 BANKING

With 1-on-1 Banking which produces personalized financial solutions in accordance with the needs and expectations of our customers, we offer our customers up-to-date products that are compatible with innovations and developments in the market.

With 1-on-1 Banking, which produces personalized financial solutions in accordance with the needs and expectations of our customers, we offer our customers up-to-date products that are compatible with innovations and developments in the market.

We serve our customers through our strong 1-on-1 Banking Executive team of 330 people in more than 250 branches across Turkey.

In 2021, we made improvements and developments in our products and services in accordance with the wishes of our customers. We intensified our work on core banking products such as deposit account products, housing, vehicle and consumer loans, and cashplus loans. With innovative products such as the Health Sector Foreign Equity Fund, New Technologies Fund, Transformative Technologies Fund, Gold Fund and Oil Fund created by Ak Portföy by closely following the market, we have enabled our customers with suitable profiles to diversify their risks.

In order to provide our customers with detailed information about investment products and to monitor their investment preferences, we activated the "1-on-1 Meeting Platform" this year. Through this new structure, we started to offer our customers the model portfolio proposals offered by Ak Yatırım and Ak Portföy. We will continue with the new projects we are working on to further raise the level of customer satisfaction in 2022 at the same pace.

Akbank's activities

We also became a pioneer in 2021 with our efforts to expand the Private Pension System and Automatic Enrolment.

In addition to our distinctive banking services offered to our notary public, medical doctor and dentist customers, which are designed to meet the different needs of professional occupational groups, we customized these services also for our lawyer customers this year.

We continue to enrich Akbank Mobile with new functions every year, with the aim of providing privileged services to our 1-on-1 customers. In 2021, we are expanding the products and services we offer with the Akbank customer onboarding opportunity through the Mobile channel, the WinWin deposit account, the expanding investment products menu, and new additions to the My Information page.

With "Expat Banking" which provides services under 1-on-1 Banking, we continue to provide services through our nine branches in two cities that have a large foreign employee population. In addition, in branches that do not have Expat Customer Representatives, our 1-on-1 Expert Line Expat team provides remote service in English.

In 2021, we also offered new services to our customers that made their lives easier. We made a difference in our customers' travel experience by offering them discounts on transport services from airports, in addition to our discount on airport parking services, which has been already offered for years. As part of this privileged offer, our 1-on-1 customers had the opportunity to visit many places, ranging from palaces to historical sites, by having a free Müzekart offered as a gift. Our 1-on-1 customers residing in Istanbul and nearby cities, on the other hand, had the opportunity to visit the Sabancı Museum, within the scope of an annual birthday gift offer valid for two people, free of charge during the month they were born.

With "Expat Banking", which operates under 1-on-1 Banking, we continue to provide services through our nine branches in two cities that have a large foreign employee population.

BANCASSURANCE

As Akbank, we are collaborating with Aksigorta A.Ş. and AgeSA Hayat ve Emeklilik A.Ş., which are among the most successful companies in their sectors, to create synergy. We enable our customers to access all the private pension, life and non-life insurance products they need, under the same roof while meeting their banking needs.

With our efforts to expand the Private Pension System and Automatic Enrolment, we also became a pioneer in 2021 in guiding our customers to making savings. The strong synergy we created with an extensive access network played a major role in AgeSA Hayat ve Emeklilik A.Ş.'s achievement of a strong position in the private pension and automatic participation market in terms of fund size.

In order to meet the protection needs of our customers in the insurance field, we maintained our high penetration rates in insurance products linked to loan products. On the other hand, as a result of our efforts to extend the use of free insurance products that are not related to loan and to deliver them to our customers through all channels, approximately 47% of our premium production consisted of premiums from free insurance products. By not deviating from our focus on free products, we contributed significantly to the premium production and market share achieved by both Aksigorta A.Ş. and AgeSA Hayat ve Emeklilik A.Ş.

Strong channel integration in bancassurance

In the field of bancassurance, we continue to grow by creating value for our customers and business partners. With this understanding, in 2021, we focused on making our existing bancassurance model more customer-oriented, expanding our product range through digital channels, and presenting the product processes in a simpler way.

With this approach in 2022, we will continue to improve the customer experience in all areas, especially in digital channels. Ensuring the full integration of bancassurance processes into the Bank's transformation projects and strategies will continue to be our main priority.

In 2021, we focused on making our existing bancassurance model more customer-oriented, expanding our product range through digital channels, and presenting product processes in a simpler way.

Akbank's
activities

As SME Banking, we serve with more than 1,200 expert customer representatives in our 638 branches.

We have supported our tradesmen and SME customers with our postponement programs since the first days of the COVID-19 outbreak, and we postponed our customers' loan and credit card payments that became due and payable, in accordance with their cash flows.

SME BANKING

As Akbank SME Banking, we serve our customers with more than 1,200 expert customer representatives in 638 branches across Turkey. We see that the COVID-19 pandemic has caused a change in the needs, and consumption and behaviour patterns of our customers, and we have all felt the importance of digitalization in this period. With this awareness, we constantly review our service models and ways of doing business, and redesign them when necessary. We are trying to develop new digital services that will make our customers' lives easier.

We have supported our tradesmen and SME customers operating in sectors directly affected by the COVID-19 pandemic, with our postponement programs since the first days of the COVID-19 pandemic, and we postponed our customers' overdue loan and credit card payments in accordance with their cash flows. In addition, we created new credit lines supported by the Credit Guarantee Fund (KGF) to be used in the related payments

of companies that are in need of check payments and working capital, and made them available to our customers. Thus, we have met our customers' daily needs and extended the maturity of their current debts to suitable terms.

We automatically offer free EFT, Swift, cheque and promissory notes, valid for 3 months, to our new customers who newly become Akbank customers as well as to our existing customers who become active again.

We took action together with the EBRD and KGF to support woman business owners and entrepreneurs and facilitate their access to finance. Within the scope of the "Financing and Consultancy Support Program for Women's Businesses" supported by the European Union and the Republic of Turkey Ministry of Treasury and Finance, we created the "Women SMEs" Package thanks to the EBRD source of 50 million dollars and a guarantee support of 80% by KGF. Under this Package, we offer commercial loans of up to TL 12 million to SMEs whose owners or managers are women and who are having difficulty in generating collateral. These commercial loans are payable in instalments with a grace period of up to 12 months and come with favourable interest rates that differ from standard rates.

In addition, our SMEs benefiting from the loan can make money transfers free of charge for 1 year. Within the scope of the package, advantages are offered in various banking products. In addition, women-owned/managed SMEs are supported free of charge through mentoring and consultancy services, and through industry-leading individuals and institutions determined according to their field of activity at every stage of their life cycle.

By continuing our support to our SMEs, we have made another innovation in the scope of the Corporate Digital Transformation project. Our SMEs are now able to conduct their business uninterruptedly by digitalizing all financial processes related to their business. Under the project, instead of a single product, we sell packages containing more than one product, which we have prepared in advance, through a single transaction, by considering their suitability for our SMEs who apply for POS through our mobile branch. In this context, we have created packages with different contents. We also provide financial benefits or cooperation within the packages. With this project, at the first stage, we offer our SMEs the 'Welcome to E-Commerce' and 'Turn Your Time into Cash' Packages. In our 'Welcome to E-Commerce' package, we offer commercial credit card, cashplus, and a 1-year Propars membership as an advantage in addition to the POS product, while in the 'Turn Your Time into Cash' package, we offer a commercial credit card and a 1-year Paraşüt subscription advantage to Akbank SMEs in addition to POS. We will also continue to offer the remaining packages gradually in 2022.

In addition, within the scope of Corporate Digital Transformation, in order to increase financial awareness of our commercial customers and to enable them to manage their financial transactions quickly and easily, we integrated our Bank's main systems and Akbank Mobile application with the BFM product offered as a financial management tool by the company Strands, so that our commercial

Akbank's support for SMEs is not limited to financing. We encourage the development of SMEs by providing consultancy and guidance services and by offering the necessary information for SMEs to access the required sources of finance.

customers can manage their transactions through the financial calendar by monitoring their access to daily financial transactions and past and future cash flows on graphs.

We have presented our SME Tariffs (KOTA) to our customers, which will increase efficiency in frequently-used transactions and meet the needs of SMEs. With the KOTA membership, our customers can easily perform their transactions covered by KOTA without paying a separate fee. We facilitate our customers' banking transactions with various KOTA options, which include different product and transaction fees such as commercial credit card membership fees and POS fees.

This year, we continued our collaborations that aim to contribute to the growth of SMEs. With our partnerships with technology companies such as Trendyol, n11 and ÇiçekSepeti, Propars, Mükellef, Multinet, and Logo, we facilitated SMEs' access to the tools they need on their e-commerce and digitalization journeys, in addition to the advantages we offer for their financial needs.

We support our SMEs to enable them to increase their competitiveness

Akbank's support for SMEs is not limited to financing. We encourage the development of SMEs by providing consultancy and guidance services and by providing the information necessary for SMEs to access the required sources of finance.

To this end, we informed our customers on important issues at our meetings where we used to come together in different cities

at various times, and during the COVID-19 pandemic, we moved our events to the digital environment in order to continue to support them and to maintain our communication. We held Akbank Exporters' Meetings, which brings exporters and leading names of the industries together, and our meetings where we inform all our SME customers about the economic developments during the COVID-19 outbreak, online.

We held an online event titled 'Turkey Technology Meetings' with a high level of participation, organized under the auspices of the Republic of Turkey Ministry of Commerce and the Union of Chambers and Commodity Exchanges of Turkey (TOBB), which we sponsored together with Vodafone.

We completed the 'Being a Century-Old Brand' research conducted jointly by Akbank, Deloitte, Sabancı University Executive Development Unit EDU, and the Association of Century-Old Brands. The research, which covers 32 well-established brands in Turkey, sheds light on the secrets of being a century-old brand.

Cash Management

In terms of cash management, we implemented innovations this year that take the service we provide to our customers in domestic and international money transfers, to the next level. At the same time, we focused on creating financing resources for our customers through different channels, via collaborations with our trade finance products.

We have implemented many innovations in order to facilitate and speed up our customers' SWIFT transfers, to enable them to make more secure transactions and to

Akbank's
activities

With our Akbank Cash Management service, we stood by our customers with our working capital solutions.

As part of our digitalization activities, we improved our customer experience by implementing many innovations in our Lump-Sum Payment Systems.

better monitor their incoming/outgoing transfers. In line with our digitalization goals, we renewed our process flows to improve the SWIFT experience in our mobile banking channels.

We have introduced a menu access that will facilitate our customers' future transfer planning. By allowing automatic recording of previous transfers, we have enabled our customers to easily repeat their transactions for SWIFT transfers to the same persons and/or accounts without re-entering information.

In order to prevent our customers from sending SWIFT to a wrong account, we have opened the IBAN Pre-Verification service for domestic SWIFT transactions, so that our customers will be able to check and verify that the account they send their SWIFT belongs to the right person, and that they can make their transactions more securely.

In order for our customers to monitor their SWIFT transactions step by step, we have offered SWIFT GPI services to our customers, both in our mobile and internet banking channels, which enable them to monitor transparently the SWIFT transfers which they send or which they expect to receive in their accounts. Likewise, we completed our integration by making sure that the status of SWIFT transfers made by our companies that are members of the SWIFT Pay&Trace service can be sent to the SWIFT addresses of the companies, so that these companies can also monitor their transactions.

In line with our digitalization goals, we launched the Western Union service, which is used extensively by our retail banking customers for international money transfers, on our mobile banking channel. We will continue to work on alternative and practical methods by which our customers can make international money transfers quickly and easily, throughout the next year.

In order for our customers to monitor their SWIFT transactions step by step, we have offered SWIFT GPI services to our customers, both in our mobile and internet banking channels, which enable them to monitor transparently the SWIFT transfers they send or expect to receive in their accounts.

In addition to providing our customers with the "Central Bank's Instant Transfer of Funds-FAST" system, which was put into practice last year, also through digital channels, we have integrated the Easy Address System into our Open Banking Money Transfers service and thus increased the number of instant transactions that pass

through this service. About half of the FAST transactions at our bank are carried out outside of working hours, and this rate shows that our customers are quite willing to transfer money 24/7. Our bank maintained its leading position among private banks in terms of the number of accounts defined to the Easy Address System in 2021 as well.

In 2021, we adapted the TR QR Code application, the infrastructure of which was provided by the Central Bank of the Republic of Turkey, to money transfers. Our customers can easily share the TR QR Codes of their accounts via mobile channels, if they wish, with or without indicating the amount.

With our Akbank Cash Management service, we stood by our customers with our working capital solutions. Collection guarantee, the ability to make collections on time, and the ability to collect receivables with future due dates earlier, stood out as the primary topics in terms of our customers' needs in their commercial lives on the collection side. We provide solutions with our supplier financing, e-discount, and direct debit discount products so that cash flow is not disrupted and our customers can provide early financing for their receivables. In 2021, we achieved an increase of 41% in these products. Our products work in an end-to-end digital environment with online services and companies' ERPs and provide convenience to our customers by offering automatic recognition in terms of accounting.

Being aware of the success and potential of the global platform and FinTechs in the financial world, we continue to enrich our channel diversity by collaborating with invoice discount platforms. As Akbank, we currently have agreements with 3 platforms for supplier financing transactions.

Being aware of the success and potential of the global platform and FinTechs in the financial world, we continue to enrich our channel diversity by collaborating with invoice discount platforms. As Akbank, we currently have agreements with three different platforms for supplier financing transactions.

Throughout the next year, we will continue to support our customers with our innovative solutions to facilitate and accelerate their transactions and to enable them to manage their cash flows efficiently.

Foreign Trade

We maintain our strong position in the sector with our vision of producing digital solutions for the needs of our customers in foreign trade transactions. We offer innovative and alternative solutions to our customers with our wide product range in foreign trade finance, long years of knowledge and experience, technological infrastructure and extensive international correspondent network, and our quality and continuous service understanding.

With the special solutions we offer, we enable large-scale projects to come to life.

Our global trade experts, who have full knowledge of all foreign trade instruments and legislation, stand by our customers throughout the country with fast, privileged and qualified solutions they develop.

By taking our innovation and digitalization-oriented investments in foreign trade one step further, we became the first Turkish bank to join the "we.trade" network, a blockchain-based foreign trade platform that includes Europe's leading banks. As of 2022, we aim to offer our customers financing products supported by blockchain technology, which will increase their competitiveness in international markets, through the we.trade platform, in addition to traditional foreign trade methods.

Akbank's
activities

We created the first “Green Foreign Trade Package” in Turkey, which offers various advantages to companies.

Exporters will be able to meet their debt guarantee and financing needs on the platform, while importers will be able to fulfil their payment guarantee requests in a secure and digital environment with smart contracts. In addition to these innovations, our customers will have the opportunity to monitor all stages of their trade on the platform from end to end.

We took our support to our exporters to the next level by enriching the “Exporter’s Power” Package, which we created for the first time in 2019, with solutions for digitalization and new foreign trade tariffs in 2021. With this package, we offer our exporters

many advantages such as tariff packages with renewed content, Ideasoft e-export package, as well as cash and non-cash loans with advantageous interest/commission rates.

We have built our 2022 strategy on the principles of acquiring new customers, deepening the relations with existing customers, gaining market share, increasing wallet share, and customer and employee productivity, within the scope of our perspective of creating shared value with our customers. We accelerated our efforts to offer fast and value-added solutions to our customers, primarily through digital channels.

We took our support to our exporters to the next level by enriching the “Exporter’s Power” Package, which we created for the first time in 2019, with solutions for digitalization and new foreign trade tariffs in 2021.

By adding a new product to our innovative and sustainability-oriented products, we created the first “Green Foreign Trade Package” in Turkey, which offers various advantages to companies operating within the scope of sustainability. We aimed to support nature and our foreign trade customers with the Green Foreign Trade Package, which offers many advantages ranging from advantageous foreign trade tariffs, appropriate correspondent bank charges, advantageous letter of credit pricing, to financial leasing.

We added incoming SWIFT transactions to the SWIFT Tracking System, which we started through our corporate internet branch. In addition, we made it possible to monitor the transaction status of incoming and outgoing foreign currency transfers via mobile banking channels. In this way, our customers have the opportunity to monitor all details, ranging from commission information to correspondent bank transactions, easily and end-to-end via digital channels.

We continue to meet the financing needs of companies engaged in export and foreign exchange-generating services and activities by acting as intermediary in Turkish Eximbank loans and export rediscount loans originating from the CBRT, as well as bank-derived loans. Export letter of credit discounts and export factoring are among the qualified solutions we offer to our customers in the field of export financing. Our customers benefit from guarantee, collection and financing services by assigning their short-term export receivables through export factoring.

We are advancing resolutely on our path in line with our goal of “becoming the first bank that comes to mind when talking about foreign trade” in Turkey. In 2022, we will continue to contribute to the development of exports, which play a key role in Turkish economy, by increasing our support to our foreign trade customers.

Akbank AG, our affiliate resident in Germany, continues to provide irrevocable and revocable discount services, with cost-effective resources, especially to exporters with European-oriented sales.

We carry out all our work with the determination to support Turkey's sustainable growth. In this context, we continued the “Akbank Exporters' Meetings”, which brings together exporters, which are the drivers of the economy, and the leading names of the industries, also in 2021. In these events, together with our panelists, we evaluated the effects of 2021 on global and Turkish economy, developments and opportunities in the field of foreign trade; we also had the opportunity to share information on Akbank's new services related to technology and sustainability in foreign trade.

We aim to reach our exporters all over Turkey and the potential exporters of the future through the online events of Akbank Exporters' Meetings, which we will continue to organize in 2022.

We are advancing resolutely on our path in line with our goal of “becoming the first bank that comes to mind when talking about foreign trade” in Turkey. In 2022, we will continue to contribute to the development of exports, which play a key role in Turkish economy, by increasing our support to our foreign trade customers.

Akbank's
activities

We continued to focus on the growth and development potential of the capital markets in Turkey.

All of the products of our Ak Portföy and Ak Yatırım and our Akbank Treasury products, operating together with our "Akbank Investment Services" which is taking firm steps towards its goal of becoming Turkey's leading brand in the field of investment, displayed strong performance in 2021.



Total managed
assets

101

TL billion

*Our Investments of the
Future product package
reached 137 thousands
investors, with AuM of
7,2 million TL AuM.*

PRIVATE BANKING AND INVESTMENT SERVICES

Since its establishment in 2018, our "Akbank Investment Services" has assumed the role of managing Ak Yatırım, Ak Portföy and the Treasury products and services in harmony, with a unique holistic structure in the market. This new structure under the Private Banking and Investment Services Unit has made important innovations and developments since its establishment, making our Bank one of the most important players in the market in the field of Investment Services.

This holistic structure, which is exemplary in the sector, has contributed significantly to our achievement of uninterrupted high growth rates despite the COVID-19 pandemic, which has been effective since the first quarter of 2020 and continued throughout 2021.

Akbank Investment Services

As Akbank Investment Services, we continued to focus on the growth and development potential of the capital markets in Turkey in 2021 as well. Thanks to our investments in digitalization, which has been our main priority in recent years, we have been minimally affected by the difficulties and problems brought by the COVID-19 pandemic.

With the development and upgrading works that we started in 2019 and continued rapidly in 2021, we offer our customers an investment experience at "Akbank Mobile" where technological innovations come to the fore. Throughout this process, Akbank Mobile has been our most important customer channel among all investment products.

All of the products of our Ak Portföy and Ak Yatırım and our Akbank Treasury products, operating together with our "Akbank Investment Services" which is taking firm steps towards its goal of becoming Turkey's leading brand in the field of investment, displayed strong performance in 2021. By using our strong technological infrastructure, we continue to expand our product range and increase our sector market share in these areas, in line with the needs of our customers, in main investment products such as mutual funds, stocks and bonds/bills.

With a growth of 118% in Ak Portföy mutual funds in 2021, we reached a total fund size of 39.4 billion TL and increased our market share to 13%. In addition, the total assets managed by Ak Portföy reached 101 billion TL. Our innovative products have helped us grow faster than our competitors in this field.

By expanding our product range on the mutual funds side, we have enabled our customers to invest in different and prominent sectors, especially in the last year. We brought funds investing in areas such as health, alternative energy, fintech, and domestic and foreign technology, and our customers together and gathered them under the umbrella of Future Investments.

In order to adapt quickly to the digitalizing world and changing customer habits that come along with it, our efforts to digitalize all of our processes continued rapidly in 2021 as well. We further expanded the scope of Investment Services under Akbank Mobile with an improved experience for stocks, mutual funds and foreign exchange transactions.

As a result of this; in 2021, 91% of our investor customers joined the group we call “digital investors”, which transacts through mobile and internet channels. 99% of the transactions of our stock trading customers, 89% of our foreign exchange transactions and 76% of our mutual fund transactions were realized through digital channels.

With the end-to-end digital processes that we offer to our customers through Akbank digital channels, we increased the number of customers with accounts at Ak Yatırım by 30% compared to the previous year. In 2021, we achieved a digital channel usage rate of over 90% in new account openings.

While warrants were issued for 13 underlying assets within the scope of the warrant product, which was added to our product range through Ak Yatırım in 2020, this number reached 26 in 2021.

With our innovative perspective and Ak Yatırım’s rapidly developing strong infrastructure, the rate of our customers using digital channels in stock transactions exceeded 95% in 2021. Our efforts to improve the experience we offer to our customers and to increase the number of services and products on our channels will continue in 2022 as well.

In 2021, our Akbank Gold Accounts continued to be the focus of attention of investors. Our Gold account balance, in which we offer additional investment opportunities to our customers with functions such as alarms, orders and instant foreign exchange transactions,

In 2021, we became the first bank to offer three investment product groups to individuals simultaneously in the “Sustainable Investments” category.

reached 25 billion TL. In addition, in 2021, we made 2 new precious metal account options in addition to gold, namely the Silver and Platinum accounts, available to our customers. In a period as short as 3 months, we opened Silver and Platinum accounts for 70 thousand customers in all channels, including the Mobile channel.

In line with Akbank’s Sustainability Goals, we established the “Sustainable Investments Management” under Akbank Investment Services in 2021. Here, we aimed to bring our customers together with products that will contribute to a better and sustainable world. We offered various ESG (Environmental, Social and Governance) product alternatives to many of our domestic individual investors with different asset and risk levels.

In line with Akbank’s Sustainability Goals, we established the “Sustainable Investments Management” under Akbank Investment Services in 2021.

Akbank's
activities

We serve our customers with assets of 3 million TL or more through our “Private Bankers”.



Size of IPO for
which we acted
as intermediary
in 2021 is

517
million TL

The first two of these were Ak Portföy Healthcare Sector and Ak Portföy Alternative Energy Foreign Equity Funds from our Mutual Funds category. In September, we completed the first Akbank Social Bond issuances for domestic individual investors.

Through the consortium formed under the leadership of Ak Yatırım, in October, we collected requests from a total of 113,032 investors for a public offering worth 517 million TL by a Turkish biotechnology company producing PCR kits, to serve the UN Sustainable Development Goal.

In the coming period, we will continue to bring our customers together with many sustainable investment products with different themes that contribute to the development of our country and increase the welfare of individuals.

We set out with the goal of providing an end-to-end investment experience at Akbank Mobile and we are improving our services by increasing the number of our products every day. In the coming period, we will continue to provide the best services to our customers with a wider product range and user-friendly channels, including especially Akbank Mobile. We will also improve and develop the processing technologies of the future in all our channels.

On this journey that we set out with the goal of providing an end-to-end investment experience at Akbank Mobile, we are improving our services by increasing the number of our products every day. In the coming period, we will continue to provide the best services to our customers with a wider product range and user-friendly channels, including especially Akbank Mobile.

Akbank Private Banking

We serve our customers with financial assets of 3 million TL or more with our wide range of products at global standards, through Akbank Private Banking's well-equipped "Private Bankers" and our digital infrastructure.

Across Turkey; we offer quality, reliable and easily-accessible financial services, as well as value propositions that contribute to the lifestyles of our customers themselves and their families, through two service points in Istanbul and Bursa, in addition to our six branches, four of which are in Istanbul and the others in Ankara and Izmir.

Thanks to our business model built on the synergy of Ak Portföy, Ak Yatırım and Akbank Treasury, we respond to our customers' investment needs and expectations from a single point.

Through our digital transformation, we enhance the customer experience and use the opportunities provided by technology and digital banking in the most efficient way. In addition to the investment needs of our customers, we cooperate with our group companies in order to provide the best and highest quality service for demands in relation to pension, insurance and financial leasing products and services.

With our UHNW service model, we approach our customers with financial assets over 30 million TL with a holistic service understanding and try to make sure that family assets pass on from generation to generation, by offering personalized innovative solutions.

The talent development of our employees is among the most important issues of our Bank. In order to increase the competencies of our Private Bankers and to give them a shared- perspective with our customers, we continue to implement our special development program with financial and life culture content.

During the COVID-19 pandemic in 2020, we took actions to protect our employees and customers and ensure our business continuity. Starting from the first days of the pandemic, our employees have continued to provide uninterrupted services to our customers, thanks to our technological infrastructure and strong asset management platform, by switching to the practice of remote working.

The talent development of our employees is among the most important issues of our Bank. In order to increase the competencies of our Private Bankers and to give them a shared perspective with our customers, we continue to implement our special development program with financial and life culture content.

As Akbank Private Banking, we see the services we offer to our customers as a whole and give them the opportunity to experience these services in every aspect of their lives. Since we believe in long-term sincere relations rather than short-term gains, we work to protect family assets and values and to preserve them so that they can be passed on from generation to generation.

Every year, we organize events on topics such as entrepreneurship, global trends, real estate, arts and social responsibility.

We offer a market information platform to investors through our Winvestors Investor Meetings, which we started to organize in 2020 and also continued in 2021.

With the perspective of establishing long-term relationships with our customers and preserving their assets so that they can be passed on from generation to generation, our "Next Generation" program, which we started in 2015 by breaking new ground in Turkey, aims to raise awareness among high school and university students with respect to responsibility concerning family wealth, the diversity of investment products, the concept of risk, global economy, and philanthropy. In our 'Influencers' meetings, which we started to organize in 2021 on the occasion of celebrating the 20th year anniversary of Akbank Private Banking, we bring world-renowned names in the fields of arts, sports and science and our customers together.

We share the latest developments on inspiring subjects such as arts, technology, architecture, fashion and music, with our customers through the digital life culture platform AJournal and blogs and Instagram account.

Akbank's
activities

We have been implementing a holistic digitalization strategy for a long time.

As Akbank, we have prepared our digital customer services together with all of our systems, infrastructure, mobile application and teams by working intensively on them for a long time.

DIGITAL BANKING AND PAYMENT SYSTEMS

Digital Banking

As Akbank, we have been implementing a holistic digitalization strategy for a long time. We are constantly renewing our service models and ways of doing business, and reshaping our points of interaction with our customers.

Thanks to the bank customer onboarding opportunity that has become available through an end-to-end digital process, a new era has begun in our industry. As Akbank, we have prepared our digital customer services together with all of our systems, infrastructure, mobile application and teams by working intensively on them for a long time. Within the scope of the new practice, users download the Akbank Mobile application and fill in their information. After passing the necessary security steps for identification and a video call with customer representatives, one can become a member of Akbank instantly, without the need to

go to the bank branch. With the improvements we have made, we made it possible in the last quarter of the year for individual customers as well as sole proprietorships to access our remote customer services in a period as short as 7-8 minutes.

In this process, we focused on customer needs and experience design as usual. In order to ensure that we do not only comply with the requirements of the regulation, but also provide the best services to our customers, we have also included some critical innovations in our remote customer service process. Those who download Akbank Mobile to become our customers can also make instant account, debit card, loan, and credit card applications in the same process. In this way, users can become Akbank customers within minutes, through an extremely simple and smooth experience, while also acquiring access to many basic banking products and benefiting from many advantages.

Approximately 20% of our bank's annual new customer acquisition rate was achieved in this way within a period of eight months. We explain the benefits of being a remote customer in all communication channels we have and aim to increase the number of customers we acquire from all channels, including the digital channel.

Renewed Akbank Mobile

We continued to develop Akbank Mobile, which we completely renewed in 2019 in cooperation with a world-renowned design agency, with new features and experiences also in 2021.

In the last quarter of this year, we added many new features to Akbank Mobile that will facilitate the work of our SME customers. With easy transition between accounts, we enabled our SME customers to switch between individual and company accounts from Akbank Mobile.

We continue to look deeper into our corporate client portfolio and offer a service model tailored to their needs. While grouping our customers, we rely on research and observation data, unlike definitions based on basic statistical figures such as sales, turnover and balance sheet size. Thus, we offer our products that we identify to be in line with the needs of our customers, through Akbank Mobile.

We also enabled our SME customers to purchase the most-used POS, commercial credit card, cashplus and POS Plus insurance products in the form of product packages, at advantageous prices through an end-to-end digital process. In this period when the entrepreneurship ecosystem is growing rapidly, we offered non-banking services to our customers who have established new companies or own start-ups, and we thereby aimed to increase their productivity and support them in growing their businesses.

Likewise, through Akbank Mobile, we have provided our SME customers with simple and user-friendly panels in order for them to view the balances and

cash flows of their accounts and cards through graphics, as well as financial analyses, financial calendars, and transaction planning and monitoring functions, within the scope of our Financial Management for Businesses (BFM) service. We have also developed artificial intelligence-based new smart applications that we have integrated into Akbank Mobile so that companies can spend as little time as possible on their banking transactions and spend more time on their core businesses.

We have expanded our services by further personalizing the experience we offer our customers. The communication area, which is fed with completely customer-specific content, offers personalized smart tips that support financial decisions, and our customers can access the products and services they may need as a result of these tips. In this area, our customers can instantly access information such as monthly and weekly cash flow abstracts, wage refund information, cash flow forecasts, credit card spending analyses, and savings suggestions.

In addition to the smart tips offered to them, Akbank Mobile users are also informed about the personalized campaigns we organize based on the data they share with us. Thanks to this artificial intelligence-based system, we make their financial lives easier with personalized offers.

We also developed artificial intelligence-based new smart applications that we integrated into Akbank Mobile. We have expanded our services by further personalizing the experience we offer our customers.

Akbank's
activities

Our customers can fulfil most of their banking needs through digital channels.



Number of digital
customers

6.6

Million

In 2021, we introduced Akbank Assistant, our speech-based artificial intelligence bot, to our customers. By actively using artificial intelligence algorithms such as natural language processing, automatic correction, and asset separation, it can assist Akbank Mobile users in nearly 200 transactions.

Thanks to the innovations we have implemented, Akbank customers are able to fulfil most of their daily banking needs through digital channels, at an ever-increasing rate. In 2021, the number of our digital customers reached 6.6 million. The number of monthly logins to the app has increased by nearly 50% compared to the end of 2020.

A significant part of our customers, who have previously used digital channels mainly for transactions such as viewing and getting information, has also started to make their financial transactions through the mobile channel. In this process, Akbank Mobile's share in the total number of financial transactions at the bank increased by 8 points, while the number of customers making financial transactions via mobile channel increased by 29%. Total payments made through Akbank Mobile increased by 25%. While the share of non-branch channels in consumer loan sales increased by 10 points and exceeded 80%, more

than half of our credit card sales are made through our non-branch channels. Akbank Mobile's share increased by 20 points in mutual fund transactions and by 5 points in foreign exchange transactions.

In short, the frequency of interaction of our already-digitalized customers with our digital interaction points and especially our mobile banking application, Akbank Mobile, has changed. Our customers have quickly acquired new habits and started to perform almost every transaction through this channel.

Digital Banking Design Office

We have introduced design competency to our team through our design studio. The studio not only works to spread the design culture in all units, but also designs new products and services by keeping in close contact with different teams. We change the flows that we can test very quickly, when necessary, and we constantly try to improve the customer experience.

Digital customer experience

As Akbank, we apply a customer experience-oriented management model in all our services and products, starting from design and extending to every step. Within the scope of this model; we enable our customers to participate in all design processes with the most up-to-date methods such

as neuro measurements, surveys, in-depth interviews, and usability tests. We have maintained our user-focused design principle in all circumstances, by conducting our user surveys which we used to carry out mostly face-to-face, through remote interview methods in 2021, just like in the past year, due to the COVID-19 outbreak.

One of our strategic priorities is to seize the opportunities brought by digitalization and to ensure that more people benefit from these opportunities. To this end, we first try the innovations we have implemented, in a pilot process with a test audience selected from among our customers. We implement our services by taking into account the experiences and suggestions for improvement observed in this process. For example, we first make sure that our disabled customers experience innovations concerning the accessible banking, and we then make the necessary improvements and changes in line with the findings we have obtained in this process.

We started to measure channel experience metrics in digital channels through a self-service model. Thus, we can understand the digital experience of the user while the user is using the channel and right at the end of the transaction, and we can develop solutions accordingly.

The data obtained as a result of research, analyses and all other methods carried out during the Akbank Mobile transformation process guide all units in designing smoother and personalized customer journeys. We continue to develop the Akbank Mobile's new world on this journey we set out with our customers.

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ATMs

As Akbank, we have one of the most widespread ATM networks in Turkey with our approximately 5,500 ATMs, which stand out with their wide geographical distribution and easy accessibility. We have cooperated with ING and HSBC in line with our strategy of making our ATMs easily accessible to everyone, whether they are our customers or not. Over 200 million transactions per year and 9 out of 10 cash transactions are made through our ATMs. In line with our bank's transformation strategy, our ATM renewal works have been completed with a holistic design approach that is easy to understand, plain, and offers personalized features by focusing on customer experience.

Payment Systems

From past to present, we have been among the first ones to implement innovations in every field of banking, and we continue to be among the pioneering and leading banks in the field of card payment systems. By the end of 2021, the number of customers using cards was 5 million, the number of our credit cards was 6.5 million, the number of our debit cards was 10.2 million, and the number of our card acceptor merchants was 337,646.

In 2021, we encouraged our customers to make mobile payments with QR codes as well as contactless payments with their phones. We followed the positive results of our mobile payment campaigns at Axess Mobile throughout the year in terms of market share implications. Besides rising to the market leader position in mobile payments with 25.01%, we rose to the second place in the market in QR payments with a market share of 17.36%.

Akbank's activities

In 2021, we introduced our “Pay with Chip-money” application, breaking new ground in Turkey.



Number of credit cards

6.5
million



Number of debit cards

10.2
million

In 2021, we continued to take the important steps we took to digitalize Akbank payment system products. Our customers showed great interest in Axess/Wings with its instant-use feature, which we launched in Turkey for the first time in September last year and which we further improved with our experience and the features we added in 2021. While our credit card sales increased by 20%, more than 85% of our card applications turned out to new card applications.

With the “card freezing” feature we introduced in our instantly-usable credit cards which offer an end-to-end digital experience, we enabled our customers as of the first quarter of 2021 to suspend the use of their cards over Axess Mobile when they cannot find their physical cards, and to resume their use when they find them.

In June, again by breaking new ground in Turkey, we introduced our “Pay with Chip-money” application, which allows our customers to clear their accumulated, ever-available chip-money with a single click on Axess Mobile for any type of spending they wish. We saw that this new feature has proven to be popular, with more than 423 thousand customers clearing their payments of 44 million TL in total in more than 957 thousand transactions with chip-money.

We celebrated the 20th year anniversary of Axess, our mass credit card, with our renewed brand identity and our new communication framework “The Good-Life Club”. Chip-money is not lost in this club where everyone who is a member of Axess is a member without any condition; Axess members clear their payments with chip-money, share the good deeds they do with the pennies they round up, and think not only of themselves but also of others around them. With the technology and values we offer to our customers through Axess, we focus on touching the lives of our customers and enabling them to take action today for a better life in the future.

In 2021, we expanded the scope of our “pay with miles” service, which we launched as another first in the sector in 2019, so that our customers can use the Miles Points they have accumulated with Wings, also for options other than flights. We have ensured that all purchases, including those made over the Internet, can be paid for with miles. More than 63 thousand of our customers benefited from this feature in their 154 thousand transactions with 4 billion Miles Points in 2021.

Commercial cards

Market share of Akbank commercial cards in the number of transactions in 2021 was 11.14%. Considering the impact of the COVID-19 pandemic, we have increased our special periodic benefits to support our commercial credit card customers' sectoral needs and daily expenses.

Debit cards

As part of our digitalization strategy, we offered our instantly-usable Akbank Debit Card to our customers. We can say that 44% of our customers who have this card actively use their cards.

Our Akbank Debit Card, which achieved a 32% growth rate in shopping turnover in 2021, has a market share of 8.23%. Among the expenditures made with Akbank cards, the ratio of shopping turnover made with Akbank Debit Card was over 14%. Due to the COVID-19 outbreak, we focused on our campaign setups and customer communication activities for contactless payments and e-commerce expenditures.

Card acceptor merchants

We continued to rapidly expand the use of our mobile POS application, Akbank Cebe POS (Akbank Mobile POS), which is one of the important steps of digitalization in Akbank Payment Systems. In addition to small businesses, we also offered an end-to-end digital experience to corporate customers in 2021. We continued to expand our card acceptor merchant network with our application that enables them to receive card and mobile payments.

We continued to rapidly expand the use of our mobile POS application, Akbank Cebe POS, which is one of the important steps of digitalization in Akbank Payment Systems. In addition to small businesses, we also offered an end-to-end digital experience to corporate customers in 2021.

At the end of the year, the number of card acceptor merchants reached 337,464 and the number of POS terminals reached 479 thousand. Thanks to the agreements we made with companies that are leading names in their sectors, we further strengthened our position in the market with our growing card acceptor merchant network and consumer-oriented campaigns, and we achieved a card acceptor merchant turnover market share of 8.35%. As of the end of the year, we offer our Axess cardholders the opportunity of making payments in instalments and winning rewards at 180 thousand card acceptor businesses.

In 2021, we continued to expand our Bank's contactless POS network. The number of POS devices capable of contactless transactions increased by 5%, exceeding 278 thousand, while our turnover through contactless POS devices grew by 322% and reached 4.9 billion TL per month. Businesses that accept QR codes continue to become more common, with the rate of terminals accepting payment with QR codes reaching 89%.



Monthly turnover
through POS

4.9
billion TL

Akbank's
activities

The most important development in Axess Mobile in 2021 was our “Pay with Axess Mobile” feature.

The fact that Axess Mobile recorded more than 16 million campaign participants in 2021 reveals that our application made a great contribution to our goals of ensuring the loyalty of our current customers and increasing our turnover and card market share.

Axess Mobile

In 2017, we launched Axess Mobile, the first mobile application in Turkey that offers special campaigns for Akbank's cards world, which are tailored to our customers' spending habits and are offered to all our card customers. Our customers can be informed about the campaigns through Axess Mobile where they can choose their favourite brands and sectors. Our app achieved over 2 million downloads throughout 2021. Both in the original vision adopted when launching Axess Mobile and in the updates we make continuously, our main principle has always been to ensure easy and effective use of the credit card loyalty system by our customers. The fact that Axess Mobile recorded more than 16 million campaign participants in 2021 reveals that our application made a great contribution to our goals of ensuring the loyalty of our current customers and increasing our turnover and card market share.

The most important development in Axess Mobile in 2021 was our “Pay with Axess Mobile” feature. With this new payment method, it became possible for Axess Mobile users to complete their payments at contracted companies in an easy, fast and reliable manner via Axess Mobile. At the same time, with “Subscription Management”, one of our new features, we have made sure that our customers can suspend, resume and cancel their subscriptions to certain credit cards, via Axess Mobile.

Our Axess Mobile application, which stands out with its “Banking Experience Shaped By Your Mode” feature, offers its users different and profitable campaigns, and also acts as a personal assistant with content that will help its users lead a healthy life, by featuring the Healthy Lifestyle Mode in 2021. This app continued to be an important part of the daily lives of its users by incorporating new functions in 2021, such as the ability to add Starbucks account and Istanbul Card, display balance amount, and balance top-up.

With the brand collaborations we made in 2021, we enriched the campaign world of Axsess Mobile and took important steps towards making it a platform where our card customers can meet their needs from a single service point.

Customer Contact Centre

With our Akbank Customer Communication Centre, we stand by our customers 24/7.

Aiming to create unique experiences in every communication activity through a customer-focused service approach, our Customer Contact Centre stood out in 2021 with its well-trained, experienced, solution-oriented staff consisting of over 3,000 members from 65 different cities, and its wide range of transactions, and completed nearly 62 million customer communication activities.

While carrying out these communication activities, we started to conduct surveys among all our customers receiving our services so that they can give clear recommendation scores in order for us to see customer expectations and areas of improvement.

Our Customer Contact Centre which focuses on customer experience increased its NPS score in 2021 to 72 points.

We achieved a 96% response rate by providing fast and uninterrupted services to our customers, and we brought together 86% of our customers with communication consultants within 30 seconds.

Our Service Approach to Our Customers

Our Customer Contact Centre continues its work that makes a difference with technological innovations, analytical systems and process improvements. With these studies, our voice response system has been improved and transformed into a structure that recognizes our customers better and enables easier and faster access to the desired action.

Aiming to create unique experiences in every communication activity through our customer-focused service approach, our Customer Contact Centre stood out in 2021 with its well-trained, experienced, solution-oriented staff consisting of over 3,000 members from 65 different cities, and its wide range of transactions, and completed nearly 62 million customer communication activities.

With our new call forwarding structure, we have enabled customers to receive services from a customer communication consultant suitable for their own characteristics. After this service, our Customer Contact Centre carried out more than 2.5 million sales in 2021 with the products it offers in line with customers' needs, by using the Financial Intelligence infrastructure.

In addition to voice calls, the Customer Contact Centre also provides services to our customers via social media, messages and video calls.

Our Customer Contact Centre's employees took part in social responsibility projects as well as serving customers. They participated in the Happy Tales project of the Laughter Heals Foundation that put a smile on children's face.

Remote Customer Management

The Customer Contact Centre serves more than 135 thousand one-on-one and SME segment customers who prefer remote services. It carries out portfolio management in line with customers' needs and preferences through its expert CMB-licensed employees who have knowledge of economy, deposit account and investment products. In 2021, it contacted our customers 749 thousand times and sold 63 thousand products.



MIM NPS score

86
points

Ak Portföy increased its qualified fund balance by 73% by informing its customers within the scope of suggestions and referrals. Increasing its focus on customer satisfaction with its remote service model, it completed 2021 with a NPS score of 86.

We aimed to keep the customer experience at the highest level by developing and improving the transactions of bank customers. By implementing the "Finish with Akbank Mobile" approval structure, we have made it possible to easily identify some banking transactions that were initiated in the Customer Contact Centre and required a wet signature. Thus, we enabled almost all of the individual transactions made at the branch to be carried out through the Customer Contact Centre.

Akbank's
activities

People and technology held an important place on the agenda of the strategy team in 2021 as well.

As Akbank, we aim to stand out among our competitors in terms of customer focus, the vision of being the preferred business partner, business model innovation, and sustainable income generation and growth over the cost of equity, within the scope of our strategic focus areas.

STRATEGY APPLICATIONS

Our strategy team undertakes the tasks of project and program management with a focus on strategic transformation throughout the bank, and takes an active role in the design, planning and implementation of strategic priorities and the sub-headings of these priorities in line with Akbank's medium and long-term vision.

As Akbank, we aim to stand out among our competitors in terms of customer focus, the vision of being the preferred business partner, business model innovation, and sustainable income generation and growth over the cost of equity, within the scope of our strategic focus areas.

People and technology, which are the central components of Akbank's strategy, held an important place on the agenda of the strategy team in 2021 as well. In 2021, we continued our projects with transformations, and different products and services.

On the other hand, the uncertainties created by the COVID-19 pandemic and the developments regarding the pandemic continued to be the main agenda item of all sectors throughout 2021. While the level of digital maturity in the sector used to advance at a different pace for each player in the past, with the COVID-19 pandemic, especially certain digital services have become the minimum requirement in terms of meeting the needs of customers, operational efficiency, risk management, and business continuity. Our digitalization strategy, which we have implemented through a holistic approach for a long time and our comprehensive transformation program, which we define as Next-Generation Akbank, have enabled us to be prepared for this process. We have quickly adapted to this process we faced and continued to serve our customers with our strong technological infrastructure.



The number of
branches which
completed their
transformation in
2021 is

85

While we quicken our pace in some of our medium-term strategic focus areas that we have determined in this respect, we prioritize some of them under the titles of “Integrated Interaction Points Management” and “Technological and Organizational Transformation”.

With Akbank Mobile, which was renewed under the title of “Integrated Interaction Points Management”, we aim to provide uninterrupted services to our customers thanks to our next-generation branches, effective sales force, and holistic digital interaction point management. With “Technological and Organizational Transformation”, we underline the breakthroughs we have achieved in technology and human resources programs. At the same time, we aim to enhance customer experience and satisfaction by using analytics and smart systems, to increase the efficiency of our employees, to expand the use of advanced analytics, and to take advantage of automation in virtual robot software.

As Akbank, we continue to make a difference in mobile banking, which is customer-oriented, based on modern designs and smart value propositions, and where we make use of the latest technologies, through the Mobile 3.0 transformation we are carrying out. We continue our efforts to create a structure that reflects the pioneering corporate identity in all channels by putting the strong mobile experience at the centre of the branch experience. These branch transformations, which form the basis of Akbank’s New Sales and Service Model and shape the banking understanding of the future,

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continued in 2021 as well, and the transformation of 85 more branches was completed. We continued our efforts to develop and improve qualified customer relations with our mobile service model, digital banking solutions, and remote service model for occasions where we could not reach our customers through our branch network. While continuing to provide uninterrupted services to our customers through our dialogue banking channels, we continued to improve our superior customer experience through new services.

By identifying the application areas of artificial intelligence and machine learning technologies, which we closely follow, at our Bank, we aimed to increase our data-based competencies in terms of internal and external customers by increasing the use of these applications. We aim to meet the financial and non-financial needs of customers with unique solutions through our strategic collaborations with players operating in different sectors. Moreover, we aim to shape customer needs and transform them with innovative processes that go beyond their imagination.

We will continue to collaborate with the companies with which we are in strategic cooperation, and to create value for our customers in 2022.

In summary, 2021 has been a year in which we, as Akbank, continued our digital transformation and growth without ever slowing down. We believe that the investments we make in technology, digital talents and our people in the upcoming period will further differentiate Akbank and carry us successfully into the future with a significant competitive advantage. In order to bring new approaches to banking and improve our service quality with new technologies, we will continue to invest in the future and carry out projects that will carry our Bank forward rapidly.

Akbank's
activities

We focus on stability in the rebalancing process in economy, with effective pricing policies.

TREASURY

As the Treasury Unit, we continue to offer effective solutions with our Trading, Balance Sheet Management, Treasury Marketing and Economic Research departments and make a difference in the sector with our service quality. With the effective pricing policies we follow, we focus on serving stability in the rebalancing process in economy.

TRADING DEPARTMENT

We continue to be one of the most important players in the Turkish monetary markets with our high transaction volume. We lead the way in terms of deepening of the market, with our leading position in different markets. Our group, which is a market maker in the over-the-counter derivatives markets and Borsa Istanbul, carries out effective pricing policies and manages derivative positions for our customers and foreign banks, taking into account the direction of the market. With a customer-oriented approach, we develop different derivative products for the needs of our customers.

We continue to be one of the most important players in the Turkish monetary markets with our high transaction volume. We lead the way in terms of deepening of the market, with our leading position in different markets.

As a market maker, we serve both our existing and potential customers in all currency pairs and precious metals that can be traded within our own organization. With the effective solutions we offer with a proactive approach, we aim to be the first bank that comes to mind for international investors who want to carry out transactions in Turkey.

BALANCE SHEET MANAGEMENT DEPARTMENT

We aim to manage our balance sheet and income statement in line with risk management principles. We carry out interest and currency swap transactions, structured derivative transactions and repo transactions in line with the aim of effectively managing our interest rate risk and our resource needs. In addition, with our Securities and Derivatives Group, we undertake the management of our Bank's Securities Portfolio and carry out the necessary transactions. We support the financial stability of our country with our market-maker role in the bonds and bills market.

Our Asset-Liability Management team, on the other hand, carries out fund transfer pricing activities for different business units within our organization. In addition, it monitors our entire balance sheet and offers suggestions to the Asset-Liability Committee regarding the actions to be taken.

Thanks to our meticulous pricing and effective interest rate risk management, we continue to contribute to the maintenance of our flexible balance sheet composition in line with the principle of sustainable profitability. Our Liquidity and Funding team, on the other hand, manages the short-term foreign currency and Turkish lira liquidity of our Bank by observing market conditions and making effective use of all instruments that are available to us. While doing this, we make borrowing or placement transactions in foreign currency and TL-denominated monetary markets, and use instruments such as TL-denominated repo-reverse repo. By making swap transactions

We keep a close eye on the economic situation and market developments both globally and domestically. We provide a fast and effective flow of information to all business units and provide insight into their possible consequences.

between different currencies, we try to manage foreign exchange and TL liquidity in the most effective way.

In line with the Central Bank's monetary policy implementations, we also fulfilled in 2021 our Bank's mandatory obligations to set aside provisions in TL and foreign currency, by effectively making use of the TL and foreign currency markets. We carried out our activities by making a dynamic evaluation of market conditions in both over-the-counter and organized markets.

TREASURY MARKETING DEPARTMENT

We serve customers in all segments at competitive prices with a wide range of products (spot foreign currency, forward foreign currency, gold, foreign currency/gold/interest options, foreign currency and interest rate swaps, government bonds and bills, bank bonds and Eurobonds).

ECONOMIC RESEARCH

We closely follow the economic situation and market developments both globally and domestically. We provide a fast and effective flow of information to all business units and provide insight into their possible consequences. In this way, we ensure that Akbank employees are equipped with up-to-date information on developments that shape the economy and the market and are prepared for customers' needs.

We contribute to the determination of our strategy and business unit budgets by preparing macroeconomic forecasts for the business units at the Headquarters. We regularly inform the Board of Directors, foreign investors and customers about the current economic situation and market data.

Akbank's
activities

Our cash and non-cash loans reached 485 billion TL in 2021.

Despite the fluctuations in global and domestic markets in 2021, we contributed to the preservation of our Bank's asset quality in line with our target of achieving a healthy growth.

CREDIT ALLOCATION

As Akbank Credit Allocation Business Unit, we evaluate loan offers in line with our bank's goals and loan policies. For this purpose, we play an active role in the healthy growth of our Bank by ensuring that risk analysis, financial analysis, and risk monitoring, scoring and intelligence processes are carried out in the most accurate way.

We strive to maintain our Bank's commitment to solid asset quality with our dynamic practices that are sensitive to cyclical developments, our rating policies, and periodic portfolio scans. In 2021, we established our advanced analytical infrastructures that allow us to dynamically manage all our retail loan portfolios in line with our Bank's targets and at the same time according to the conjuncture.

We put into practice advanced analytical decision models in which score cards, segmentation models and limit models, developed with machine learning algorithms, are at the centre. With regular and competent credit committees held at every level and in every segment, we provide quick responses to our customers' requests. In 2021, we increased the efficiency of our processes by standardizing our loan applications and prioritized offers for new customer acquisition. We aim to maintain our healthy growth also in 2022 by taking the necessary actions in line with the changing customer needs and sectoral developments. We will continue to manage our retail loan portfolio with a focus on digitalization, using the most advanced analytical approaches based on data on our automated decision systems, and with the principle of continuous improvement.

In 2021, we established our advanced analytical infrastructures that allow us to dynamically manage all our retail loan portfolios in line with our Bank's targets and at the same time according to the conjuncture of developments.

OUR TECHNOLOGICAL INFRASTRUCTURE AND OPERATIONS

Our Technological Infrastructure

As Akbank Technology and Operations, we continue to realize our vision of establishing a fast, agile and modern technology structure in order to better serve our customers in 2021, both through our works that support our remote working models and the works we do on our digital transformation journey. While implementing our holistic digital transformation strategy, we created and started to implement a comprehensive business continuity action plan in order to keep the continuity of the services we provide to our customers at the highest level. In parallel with all these transformation and continuity programs, we continued to develop new product and service projects in order to offer more value to our customers.

Information Technologies

We implemented more than 370 projects with a holistic digitalization strategy in the 2021 operating period.

Cloud-Based Technology Transformation Journey

We started to work with the international engineering firm ThoughtWorks on the extensive Cloud-Based Technology Transformation journey that began as a new phase of our holistic digitalization strategy, to provide superior customer experience across all channels with innovative solutions and increase the value we offer to our customers. We started to develop products and services using agile methodologies and the most up-to-date IT practices, within the scope of the efforts of making our application architecture suitable for today's world and establishing a cloud-based, flexible, high-performance, modular and scalable architectural structure. In 2022, we will continue to develop products and services that will create value for our customers, through our technological and organizational structure renewed through these steps.

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Technology Continuity Program

We have started the Technology Continuity Program so that our systems can provide reliable and uninterrupted services. In this context, we determined and planned the actions to be taken with a focus group in order to increase the durability of the application and infrastructure components and to make dynamic capacity planning, and we started to take the necessary steps by creating a governance model.

Digital Sales and Service Models

We continue to renew and develop our Next-Generation Sales and Service models on the axis of digitalization.

Within the scope of our Corporate Digitalization program; by focusing on the evolving and changing digital needs of our corporate customers, we initiated many different studies. We will continue to work with the same vision next year. Highlights of our innovations are listed below:

- We have developed a new gateway by making improvements in our Mobile application so that our private customers can access retail banking and commercial banking products and functions on the same platform. On this platform, we launched the financial management tool where our customers can manage their financial calendars, by presenting their past and future cash flows through graphs. At the same time, we made it possible for these customers to complete their transactions in a paperless manner with the 'Finish with Mobile' approval process.
- We created a new digital product sales infrastructure by creating a package of our commercial products with both financial and non-banking advantages. In terms of digital sales, we made improvements to our decision-making trees and improved our allocation processes. With new products and advantages, we will continue our efforts to enrich the advantageous packages we offer to our customers who apply for becoming a card acceptor merchant through our Mobile application.
- In order to transform trial balance data into value-added information for CRM and our customers, we processed the data and created early warning, suggestion and insight alerts.
- We have made new improvements in our bulk payment system for the needs of our customers. We have integrated our systems with SWIFT's new services, "Inbound Tracking" and "Pay&Trace". At the same time, we have enriched the SWIFT transfer experience in our Mobile application with new features, and completely renewed it visually.
- We have completed our infrastructural improvements in order to meet the more-flexible limit and approval needs of our customers using Corporate Internet and Corporate Mobile.

Akbank's
activities

We continue to expand the scope of Turkey's first Open Banking application, with new collaborations.



Number of projects implemented in 2021 based on the digitalization strategy

370+

We will continue to support sales and communication activities more effectively in digital channels with our Next-Generation CRM applications.

As part of our Front-End Renewal project, we offer our customers a brand new experience at our ATMs. In our work that is conducted with the strategy of "ATM; just like a mobile app", we not only renewed our software, but also worked for a holistic experience by investing in hardware.

While we digitalized our sales service model in line with our needs, we also renewed our individual mobile application technologically, functionally and visually.

We redesigned the next-generation MIM customer experience from end to end, and completed the individual transformation in 2021 by simplifying the technological aspects in addition to our new sales-oriented structure.

In line with the Next-Generation Akbank vision, we are renewing our Operations model in order to make it leaner, digital, compatible with all channels, end-to-end, and customer-oriented. In 2021, we completely reorganized the POS installation, breakdown, and company and stock management processes, and achieved significant improvements in our metrics and increased customer satisfaction. We continue to develop our Branch Operations with digital, easy and fast solutions on the basis of customer journeys.

Next-Generation Interaction

We enrich the MIM and Akbank mobile experience with next-generation interaction methods.

- With Akbank Assistant, we offer a next-generation dialog experience with 500 thousand dialogs and 2.5 million messages per month via Akbank.com, Retail Banking Internet Branch and Akbank Mobile.
- We continue to develop our application with NLP-supported broad interpretation competence.
- We complete 100 transactions and 200 transaction referrals through our correspondence platform.
- We create smart transaction suggestions with the Smart Search-Discover feature.

Ecosystems and Open Banking

We continue to expand the scope of Turkey's first Open Banking application with new collaborations. The number of services we offer not only to corporate entities but also to third party developers will continue to increase.

With the portal, we will be able to establish more manageable and easy collaborations with a larger ecosystem. We will continue to provide value-added services to the ecosystem and our customers, with both our B2B and public APIs.

Within the scope of the Central Bank regulations that we started to work on in 2021, we will implement the account information and payment initiation services simultaneously with the CBRT calendar.

Next-Generation Payment Systems

A more competitive and dynamic market is emerging with the new regulatory requirements and the developing technology. As we take our place in the digital payments world shaped by next-generation payment systems, we aim to modernize our existing Payment Systems infrastructures.

We launched the Akbank Cebe POS (Akbank Mobile POS) application which is a first in Turkey. We continue our digitalization journey by digitalizing the Wallet in our pocket and enriching Tosla's NeoBank features.

In order to renew our Payment Systems infrastructure, we are launching the "Payment Systems Modernization" program. With the Payment Systems Modernization program, we aim to meet our critical business needs while renewing our bank's card infrastructure.

Data Technologies and Governance

We strengthen our infrastructure with the latest technologies to provide accurate and timely data. In line with the data governance program, we have enriched and continue to enrich the common data layers in accordance with singularized data definitions. We support our employees with self-service and mobile tools so that they can use data effectively. In this way, we aim to enable data users to respond quickly to their own analysis needs without the need to rely on other teams or technology teams.

We launched the Akbank Cebe POS (Akbank Mobile POS) application, which is a first in Turkey. We continue our digitalization journey by digitalizing the Wallet in our pocket and enriching Tosla's NeoBank features.

By enabling the reports to be received via tablets, we started to serve the high design quality we offer to our customers, to our employees as well. We have completed the process of spreading the use of the reporting application, which we have made available to our Head Office employees, in the field as well, and we are making it possible for branches and regions to access data through a more modern platform. With this platform, we provide our users with the opportunity to easily access and analyse relevant data.

While promoting a data-oriented culture, we also continue to pay the utmost attention to data privacy. With this project, we ensure that the personal and sensitive data that are periodically discovered in the analytical environments used in the strategic decision-making processes of our bank, in accordance with the Personal Data Protection Law, PCI/DSS and Banking Legislation, are dynamically masked according to the authorizations of the users who access them, and data security is effectively ensured in these environments.

Advanced Analytics and Artificial Intelligence Technologies

We have made advanced analytics and artificial intelligence methods a part of our way of doing business.

We won the second prize in the category of "Governance, Risk and Compliance" in the "IDC Turkey 2021 Finance Technology Awards" program with our project "Privacy of Personal Data through Data Discovery and Dynamic Masking".

We automate and industrialize our artificial intelligence models. By making MLOps practices a part of our work, we can quickly implement our artificial intelligence projects.

In this way, we aim to proactively anticipate the needs of our customers and to offer the right product and service recommendations continuously. We continue to create value for our customers and operational efficiency for our bank with large and flowing data technologies. We can quickly provide support to our customers who have difficulties, by monitoring their channel usage patterns. We can instantly detect ATM malfunctions, transaction times such as money withdrawal/ deposit, the prevalence of problems in channels, and provide faster response.

Akbank's
activities

With its strong infrastructure, our New Emergency Centre will be an important gain for our Bank.

Infrastructure

In 2020, after successfully completing our project to move to the New Data Centre during the remote working period, we started working on our "New Emergency Centre" project, which will further enhance our business continuity. As part of this project, we have designated the Data Centre of the Credit Registration Bureau in Ankara as the New Emergency Data Centre. With this project, we aimed to create a backup data centre with a higher capacity and a more advanced infrastructure. We started to build the infrastructure in 2021, and we are planning to put it into operation in 2022.

While our New Emergency Centre will provide significant improvements in the continuity of the services we provide to our customers, it will also be an important gain as it will contribute to the resilience of our Bank for many years, with its strong infrastructure.

Business Intelligence Applications ARGUS

Within the scope of financial transformation; thanks to the screens that we have developed as a digital and innovative solution and made available at the beginning of the COVID-19 pandemic, and which we have diversified and enriched according to current needs in our "Mobile ARGUS" application that won the first prize in the "Digital Trailblazer" category at the IDC DX Awards 2020, we continue to support our managers' decision processes with up-to-date data, and to meet their information needs 24/7 through the mobile channel in an high-quality, fast and easy manner and without time/space restrictions.

Our mobile application, which we have designed and developed as a guiding, smart finance application with next-generation applications, and where more than 40 billion data are processed daily and transformed into and presented as information, enables our managers to catch important points at first glance, through the screens with a tailor-made design, along with powerful visuals that will increase financial literacy; it also offers the opportunity to easily make analytical analyses from different angles and to go into the details of summary data quickly and easily with interactive objects and related screens.

Thanks to the screens that we diversify and enrich according to current needs in our "Mobile ARGUS" application, we continue to support the decision processes of our managers at all levels with up-to-date data, and to meet their information needs 24/7 through the Mobile channel without any time/space restrictions.

It continues to provide competitive advantage with fast and correct decisions/actions, by being used intensively and actively in mid-term and strategic senior management decision processes, in daily operations, in tactical decisions such as sales management, marketing activities and campaigns, and in performance and productivity measurements.

Profitability System

Our Profitability System, which is among the “best practices” in Europe and the USA and is shown as an example, continues to be an important guide in reaching our sustainable profitability target, with multidimensional measurements.

We use the results retrieved from the system for the determination of our administrative and marketing strategies, for perfecting the services we provide to our customers through branches, and in our various decision-making processes such as taking daily pricing decisions, and in addition, we also use these results effectively as an important performance criterion in success assessments across Akbank.

We regularly analyse our profitability in different dimensions on a daily and monthly basis, through our Profitability System, the infrastructure of which is completely renewed in order to measure both channel profitability and customer, branch and CRM profitability in a more efficient and effective way, and on which approximately 20 billion data are processed every day.

Our Profitability System, which is among the “best practices” in Europe and the USA and is shown as an example, continues to be an important guide in reaching our sustainable profitability target, with multidimensional measurements.

Expense and Investment Management

At Akbank, we have been using the zero-based budgeting methodology for ten years. Within the scope of strategic expense and investment management studies, we continue to carry out analysis and modelling studies that will reinforce our position as the most efficient bank in the sector. In this context, we continue to consider and implement efforts to achieve sustainable cost savings with the working groups we have formed throughout our Bank, where we have achieved significant efficiency.

In addition, we updated our activity-based expense tracking processes and renewed our application that provides information to users for the management of expenses.

Budget

Our bank has an integrated, efficient and dynamic budgeting process that runs on the basis of business unit, region, branch and CRM.

We determine our medium and long-term goals and action plans by reviewing the three-year strategic plan together with the budget every year. We support the robust financial development of our Bank with monthly (updated on a weekly basis during volatile periods) forecasting studies throughout the year. In addition, we periodically monitor our overall performance by making a comparative analysis of the financial and operational achievements and the budget. We make revisions in the budget when required by cyclical economic changes. We measure performance through effective reporting for the performance monitoring of our business units and the field, and offer feedback and suggestions to improve our Bank's performance.

Our subsidiaries

As of December 2021, Akbank AG's balance sheet stood at €3.8 billion.

OUR SUBSIDIARIES

As of December 31, 2021, direct and indirect subsidiaries and our shares in these subsidiaries are as follows:

Our Subsidiaries	Area of Activity	Share (%)	Country of Activity
Akbank AG	Banking	100.00	Germany
Ak Finansal Kiralama A.Ş.	Financial Leasing	100.00	Turkey
Ak Yatırım Menkul Değerler A.Ş.	Stock Exchange Brokerage Services	100.00	Turkey
Ak Portföy Yönetimi A.Ş.	Portfolio Management	100.00	Turkey
AkÖde A.Ş.	Electronic Money and Payment Systems	100.00	Turkey

As Akbank AG, we provided support to the economy through our loans which amounted to 2.9 billion Euros.

AKBANK AG

AKBANK AG

As Akbank AG, we have taken inclusive measures for all our stakeholders during the COVID-19 pandemic. In addition to the importance we attach to business continuity, we continued to work harder than ever to protect the health of our employees and customers, as well as to maintain the satisfaction of our customers.

In 2021, we had a successful year in terms of profitability as well as the diversification of our fields of activity. As of December 2021, our bank's balance sheet was 3.8 billion Euros and its shareholders' equity was 818 million Euros.

As of December 31, 2021, our Bank's capital adequacy ratio, calculated according to Basel III criteria, was 26.5% and liquidity coverage ratio was 269%.

As Akbank AG, we have the title of the bank with the largest balance sheet among Turkish banks in Germany, thanks to our strong capital structure. In 2021, our share in consolidated assets was 7.5% and our share in consolidated profit was 6.2%.

As Akbank AG, we offer trade finance, factoring, money transfers and deposit account services through our wide range of credit instruments. The target customer group of our bank in the area of lending consists of international

companies located in Turkey, and the EU where there is an increasing volume of foreign trade. By standing out with our high asset quality since the day we were founded, we have not compromised on our asset quality and active risk management in 2021 as well. As a result of this, our non-performing loans ratio as Akbank AG was 0%.

Our Bank, which has a wide range of funding, provides funds within the framework of our corporate banking and retain banking deposit account products, as well as our murabaha products and our funding program (MRO and LTRO) provided by the European Central Bank.

Within Akbank AG where we also provide services in retail banking, we reach more than 20 thousand retain banking deposit account customers residing in Germany through our direct banking system. All these funding sources contribute greatly to the distribution of our Bank's deposit structure to a wide spectrum.

AKYatırım

AK YATIRIM

As Ak Yatırım, we create rich research reports with the help of our experienced and expert investment advisors and head office employees. In addition, with our customer-oriented and innovative service approach, we offer our retail banking and corporate banking customers products and services that will create added value for their investments in domestic and foreign capital markets. As one of the leading financial intermediaries in the capital markets, with the widest product range, we carry out both consultancy and intermediary activities through our branches in important centres, investment advisors, and digital trading platforms.

As a 100% Akbank T.A.Ş subsidiary, we celebrated our company's 25th anniversary in December 2021.

As Ak Yatırım, a 100% subsidiary of Akbank T.A.Ş, we celebrated our company's 25th anniversary in December 2021. When the balance sheets for the end of 2020 and 2021 are compared, it can be seen that we increased our net profit by 39%. Our net profit increased to 447 million TL by the end of 2021.

While offering Borsa İstanbul ("BIST") Equities, VIOPs, warrants and other Capital Market instruments to our domestic and international, retail banking and corporate banking customers with our professional and experienced staff, in the status of "Broadly-Authorized Intermediary Institution" (two customers); we offer fast, reliable and effective services through our sales teams and digital channels. With our effective working models, technological infrastructure and innovative service approach, we serve our customers through our 10 branches in 6 cities of Turkey, our sales teams in our headquarters, and our digital channels. Our Ak Yatırım branches also work effectively and in synergy with our Akbank branches, helping our customers direct their investments in all products concerning their field of activity. With our "TradeAll" brand, we transmit all kinds of transactions of investors in domestic and international markets, to the relevant markets in a safe, easy and fast manner.

When the balance sheets for the end of 2020 and 2021 are compared, we notice an increase in our net profit by 39%. Our net profit increased to 447 million TL by the end of 2021.

With the end-to-end processes we offer to our customers through our digital channels, we increased the number of our new customers by 30% compared to the previous year. With the issuance of 43 Private Sector Debt Instruments (PSDI), in which we acted as intermediary for 10 different companies other than Banks/Intermediary Institutions, we acted as intermediary in the creation of a resource of 5.2 Billion TL in 2021. We maintained our

leadership in the PSDI market in 2021 with a market share of 25.2% in the issuance market excluding banks and affiliates. In 2020, we added the Warrant product to our product range. While we issued warrants for 13 underlying assets as of the end of 2020, we issued warrants for 26 underlying assets in 2021.

In 2015, we started official market-making activities in Borsa İstanbul Futures and Options Market (VIOP). Currently, we send quotations in approximately 60 VIOP contracts of 20 different indices and stocks that are the underlying assets, with continuous and competitive buy/sell spreads. In addition, we offer liquidity to investors by constant pricing on demand for more than a thousand remaining futures and options contracts. The transaction volume achieved thanks to our Market-Maker activity contributed to the increase of our company's overall VIOP market share by creating a 13.7% addition to the total VIOP transaction volume for the same products across the organization.

In 2021, we took a leading position in structured debt instruments that offer fixed or high income, with the strategies we created with stocks and different instruments as underlying assets, within the scope of the recommendations of our Research Department. By issuing more than 600 Ak Yatırım Structured Debt Instruments to date, we have reached a total issuance amount of TL 1.5 billion.

Our subsidiaries

As of the end of 2021, Ak Portföy's total portfolio size exceeded 100 billion TL.

As Ak Portföy, which has introduced many firsts to the sector with its innovative products and services, we have become the leader among Turkey's private sector portfolio management companies, with an asset size of over 100 billion TL as of the end of 2021, according to CMB data.

We serve on digital channels with the main brand "TradeAll". In this context, we offer three markets to our customers through a single platform. We offer our customers the opportunity to trade in domestic markets with TradeAll TR, international markets with TradeAll UP, and forex markets with TradeAll FX.

We reached more than 100 thousand downloads in 2021 with our react native infrastructure, which was launched as of May 2021, and our TradeAll TR application, which is a trading platform for domestic markets. With TradeAll UP, we have offered the opportunity to instantly perform our customers' transactions in futures and options markets and international stock markets. TradeAll FX, on the other hand, allows you to trade more than 30 pairs of parity, precious metals and index contracts.

We build our corporate work on digital transformation. For this reason, we were awarded in three different fields as the Best Intermediary Institution in Turkey, the Most Innovative Digital Platform in Turkey and the Most Successful New Mobile Trading Platform in Turkey, at the 11th Global Banking & Finance Awards organized by the London-based Global Banking & Finance Review Magazine which is published in more than 200 countries around the world.

AKPortföy

AK PORTFÖY

As Ak Portföy Yönetimi A.Ş., we were established in 2000 to provide mutual funds and portfolio management services to our corporate and individual investors in the capital markets. Our organization, which is a 100% subsidiary of Akbank, operates in Mutual Funds, Pension Funds, and Corporate and Individual Portfolio Management business lines.

As of the end of 2021, the total portfolio size we manage exceeded 100 billion TL. At the same time, we became the first company among private portfolio management companies to exceed the 100 billion TL threshold with our managed assets. In 2021, our total assets under management grew by 69%.

We were praised with awards in three different fields at this year's 11th Global Banking & Finance Awards organized by the London-based Global Banking & Finance Review Magazine, published in more than 200 countries around the world.

In 2021, our mutual funds reached a size of 39.5 billion TL with an increase of 118% compared to the previous year. We manage 61 pension funds founded by leading global pension companies such as AgeSA, Allianz and Axa. We maintain our sector leadership among private organizations with our 45.3 billion TL fund size and 18.6% market share in this field.

In 2021, we increased our assets managed in the Corporate and Individual Portfolio Management business line to 14.7 billion TL with a growth of 67%.

With the increasing interest of investors in capital markets, especially in mutual funds, 2021 has been a positive year in terms of growth and transformation for the portfolio management sector. Accordingly, we focused on the changing needs and expectations of our investors.

In addition, we achieved leadership in terms of yield among all TEFAS funds in Turkey. As Ak Portföy, 3 of the 4 funds that provided the highest return in 2021 in TEFAS belong to us, namely the Petroleum Foreign Fund Basket, the American Foreign Equities and the Health Sector Foreign Equity Funds. According to the Pension Monitoring Centre's data, we are the leader in terms of yield among pension funds, with AgeSA Pension's Technology Sector Foreign Variable Pension Investment Fund, which we also manage this year.

As Ak Portföy, we work with the aim of making our investors benefit from the production of technology in the digitalizing world and the opportunities that this change will create in the future. To this end, we contribute to the future of portfolio management in our country with our funds designed under the theme of "Future of Investment". In addition, Ak Portföy Health Sector and Alternative Energy Investment Funds, which are under the "Future of Investment" product family, were the first funds to be evaluated in Turkey according to sustainability criteria by Refinitiv (London Stock Exchange Group), one of the world's leading financial data providers.

We have also presented Turkey's first Tourism and Travel Fund to savers, for our investors who want to take advantage of the investment opportunity that may arise after the end of the COVID-19 pandemic. With FonPRO, the first mobile pension investment management platform in our country, implemented in cooperation with AgeSA, we offer pension participants the most appropriate fund distribution recommendation for their personal preferences, by conducting an

"Investor Profile Analysis". We scale up Ak Portföy Robo Consulting services with digital technologies and ensure that they reach large audiences. As of the end of 2021, more than 70,000 of our savers shape the direction of their investments through FonPRO.

In 2021, we designed different pension funds that aim to add value to savers. With our AgeSA Life and Pension Fund Basket's Funds, which we have designed in this respect with a concept based on Life Cycle approach, our participants can find the opportunity to invest in a wide portfolio adjusted according to age range, from a single fund.

Until 2021, Ak Portföy has been selected as "Turkey's Best Investment Management Company" for 3 consecutive years by World Finance, one of the most prestigious publications in the world, and received "Best Fixed-Income Fund Strategy" award in the "Investor Awards" category from Bonds, Loans & Sukuk Turkey. In addition, we took our place among the world's top 500 portfolio management companies announced in the IPE Top 500 list this year.

Until 2021, Ak Portföy has been selected as the "Best Investment Management Company in Turkey" for 3 consecutive years by World Finance, one of the most prestigious publications in the world, and we received the award "Best-Fixed Income Fund Strategy" in the "Investor Awards" category from Bonds, Loans & Sukuk Turkey.

Our subsidiaries

As AKLease, we offer financial leasing solutions for investments from various sectors.

While we have been serving our customers with our innovative, long-term and cost-effective leasing solutions since our establishment; we also introduce the concept of leasing to our new customers from many different levels.

AKLease

AK FİNANSAL KİRALAMA A.Ş.

With our 34 years of experience in the sector, as AK Finansal Kiralama A.Ş. (AKLease), we offer financial leasing solutions for investments from various sectors, ranging from production, construction, transportation, energy, to health. We constantly support companies that want to invest, open up to new markets, and grow, especially our corporate and commercial customers, in financing their investments.

While we have been serving our customers with our innovative, long-term and cost-effective leasing solutions since our establishment; we also introduce the concept of leasing to our new customers from many different levels.

As AKLease, as of the end of 2021, we increased our net profit by 45% and our total asset size by 52% compared to the same period of 2020. As a 100% Akbank subsidiary, we continue to serve all our investors also in 2021 in line with the principles of customer satisfaction, with our solid financial structure, strong equity level, 10 branches, extensive funding network, and most importantly, our dynamic and expert employees.

Maintaining our pioneering and leading position in the non-bank finance sector, we also added important milestones to the company's history with the 'firsts' we achieved in 2021. In this context, we brought ECOLease to the sector, as the first and only sustainability-themed product of the leasing sector in Turkey, and supported investments in energy efficiency and renewable energy, with favourable terms and payment advantages. In addition to these, we will continue to finance our investments in this area with the only loan provided by Proparco in the Turkish finance sector in 2021, with a maturity of 5 years,

in the amount of \$35 million. In addition, we continue to support the economy uninterruptedly with the resources we transfer to investments in metro, motorway and other infrastructure/ superstructure investments, which are important building blocks of urban and intercity transportation networks, and investments in all sectors that support the country's exports.

We have passed important milestones in digital transformation with fast and easy processes by renewing our software on which we carry out financial leasing transactions, rendering it compatible for mobile use.

As AKLease, we fully comply with the legislation by taking timely steps to support the needs of our customers, employees and stakeholders. We contribute to the development of our industry with our continued profitability. With its stable and robust financial structure and strong capital structure, AKLease retained its place among the leading pacesetter companies of the sector in 2021 as well.

As AKLease, we will continue to work with the aim of leaving a more sustainable world to next generations with a focus on sustainability. We will also continue to be the 'complementary power of growth and economy' with our uninterrupted support for investments.

In 2021, the number of users increased by 2.2 times, the number of financial transaction users by 2 times, and the number of Tosla card users by 3.5 times compared to the previous year.

AKÖde

AK ÖDE

We were established in 2018 as AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş. ("AkÖde") which is 100% owned by our bank. Together with our young and innovative audience, we set out with the vision of solving the financial needs of everyone who is not included in the banking system, in an easy, fast and fun way. In this context, our first product, Tosla, a digital platform, entered the market quickly in September 2019 with the motto "social state of money". We have been the pioneer of innovations in financial transactions such as money transfer, payments, purchase of epin, and shopping with Tosla Card. We continued to renew and develop our product in its 2nd year in line with the new needs emerging in the changing and developing world of technology.

We invite students, young professionals and the working youth to the world of Tosla. In this context, with Tosback which makes the users earn money as they use it, Tosla users benefit from discount opportunities on many digital platforms such as TV series/films and music, online shopping, and in stores of their choice.

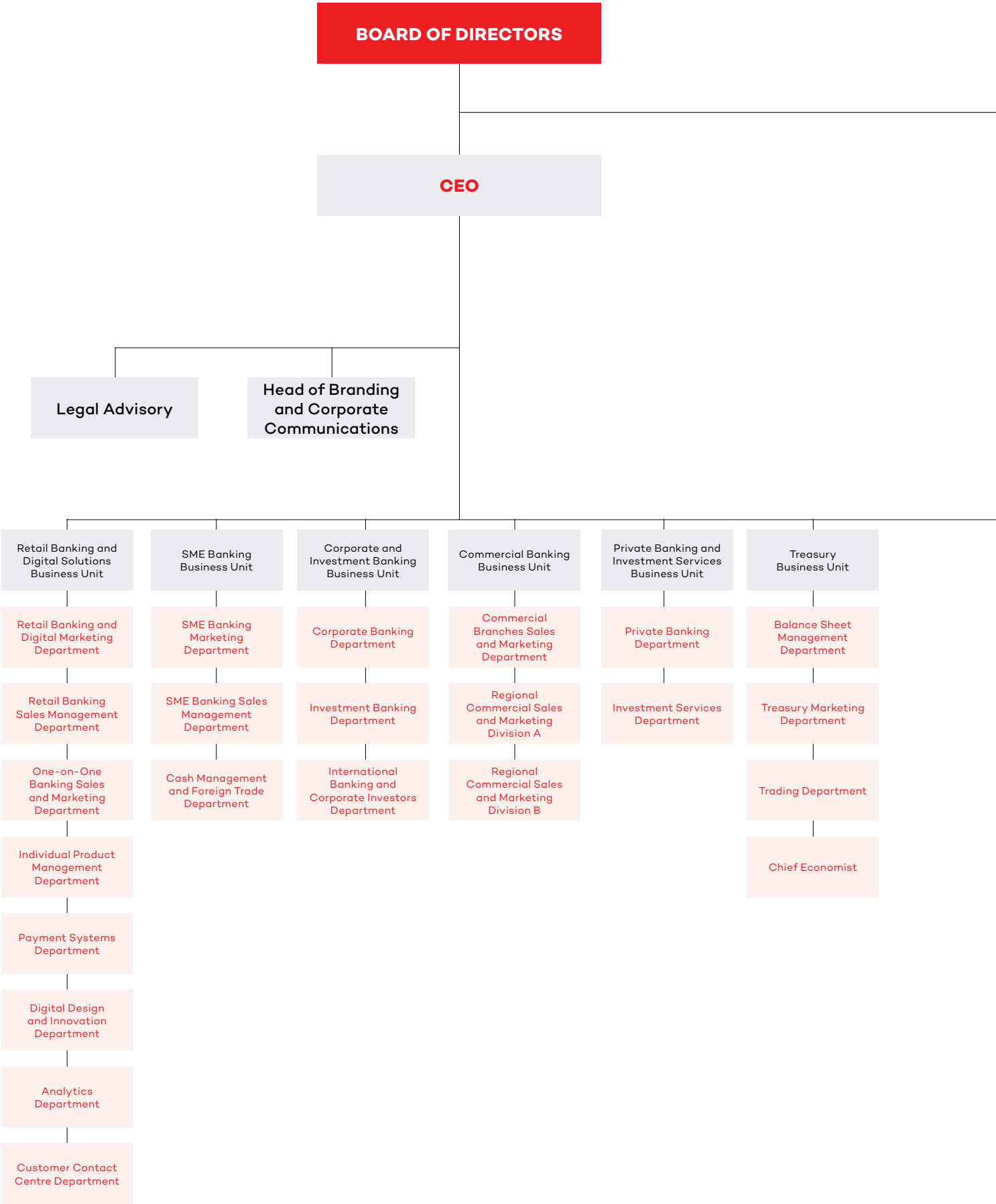
When our users make card applications through the tosla application, their digital cards can be activated instantly. With the digital card, we provided our users with advantages in terms of both e-commerce and mobile payment methods.

In 2021, we went beyond expectations and increased the transaction limits to 50,000 TL for Tosla users who verified their Tosla account.

We also simplified processes in 2021 with our user-friendly application, Tosla, and introduced new features. With our integration agreement with Belbim in the field of transportation, we have made it possible to top up Istanbulkart via the Tosla application.

Thanks to our major cooperation with Starbucks at the end of the year, Tosla users who add their Starbucks accounts to the Tosla application can easily and instantaneously do top-ups and give regular top-up orders. They can also view their Starbucks balance and make their payments.

Our organizational structure



The economic value we create

The economic value we created reached 24.3 million TL, with an increase of 70% by the end of 2021.

We believe that the economic and social value we create through our banking activities will increase exponentially with the participation of our stakeholders. The economic value we create in cooperation with various stakeholder groups through the payments we make to our employees, for social investments, and to the government, our investors and suppliers, has increased by 70%, reaching 24.3 million TL by the end of 2021.

Economic Value Created and Distributed (million TL)	2019	2020	2021
Direct Economic Value Generated	41,843	40,303	65,958
• Incomes	41,843	40,303	65,958
Economic Value Distributed	29,607	25,978	41,644
• Operating Costs	3,891	4,532	5,982
• Employee wages and other benefits	2,758	3,040	3,537
• Payments to investors and funders	20,894	15,484	28,338
• Payments to the government	2,052	2,898	3,778
• Social investments	13	24	20
Protected Economic Value	12,236	14,326	24,314

Note 1: Provisions for non-performing loans are included in the calculations of the Protected Economic Value.

Note 2: The data in this table include our subsidiaries under consolidation.

Ordinary general assembly meeting agenda

In the meeting of our Bank's Board of Directors on 28.02.2022; our Board of Directors resolved to hold the Ordinary General Assembly Meeting of our Bank on Monday, March 28, 2022, at 2:00 p.m., at Sabancı Centre service building to discuss the agenda items.

Agenda of the Shareholders' Ordinary General Assembly Meeting for 2021

1. Opening and creation of the Meeting Council,
2. Reading and discussion of the Board of Directors Activity Report,
3. Reading of the Auditor's Reports,
4. Reading, discussion and approval of the Financial Statements for 2021,
5. Release of the Members of the Board of Directors,
6. Adoption of a resolution on distribution of the profit for the year 2021,
7. Election of the Members of the Board of Directors and determination of their terms of office,
8. Determination of the payments to be made to the Members of the Board of Directors,
9. Election of the auditor,
10. Provision of information on donations made in 2021,
11. Determination of the Bank's donation limit for 2022,
12. Authorization of the Board of Directors to empower the Members of the Board of Directors on matters falling within the scope of Articles 395 and 396 of the Turkish Commercial Code.

Compliance opinion regarding annual activity report



INDEPENDENT AUDITOR'S REPORT ON ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS

To Akbank T.A.Ş.'s General Assembly

1. Clean Opinion with Reservation

We have audited the annual report of Akbank T.A.Ş. (the "Bank") and its subsidiaries for the accounting period of January 1 - December 31, 2021.

In our opinion, except for the matter stated in the Basis for Clean Opinion with Reservation section, the financial information in the Board of Directors' annual report and the Board's analyses of the Bank's situation using the information in the audited consolidated and unconsolidated financial statements, are consistent in all material aspects with the full set of consolidated and unconsolidated financial statements audited and with the information we obtained during the independent audit, and reflect the truth.

2. Basis for Clean Opinion with Reservation.

As we have stated in our auditor's reports dated February 1, 2022 on full set of consolidated and unconsolidated financial statements of the Bank for the accounting period of January 1 - December 31, 2021; the full set of consolidated and unconsolidated financial statements prepared as of December 31, 2021 include a total free provision of TL 1,400,000, of which TL 1,150,000 was reserved in previous years and TL 250,000 was reserved in the current year by the Bank's management, outside of the scope of the requirements of BRSA Accounting and Financial Reporting Legislation.

Our independent audit is conducted in accordance with the Independent Auditing Standards ("BDS"), which is a part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"), and "Banks' Auditing Standards" published in the Official Gazette dated April 2, 2015 and numbered 29314. It was carried out in accordance with the provisions of the "Regulation on Independent Auditing". Our responsibilities under these standards are explained in detail in the 'Independent Auditor's Responsibilities for the Independent Audit of the Annual Report' of our report. We declare that we are independent from the Bank in accordance with the Code of Ethics for Independent Auditors (Including Independence Standards) ("Ethical Rules") issued by the KGK, and the ethical provisions in the legislation on independent auditing. Other ethical responsibilities within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Auditor's Opinion on Full Set of Consolidated and Unconsolidated Financial Statements

We have expressed a clean opinion with reservation in our auditor's report dated February 1, 2022 on full set of consolidated and unconsolidated financial statements of the Bank for the accounting period of January 1 - December 31, 2021.

4. Responsibility of the Board of Directors for the Annual Report

According to Articles 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC"), the provisions of the Capital Markets Board's ("CMB") "Communiqué No. II-14.1 on Principles Regarding Financial Reporting in the Capital Markets" ("Communiqué"), and the provisions of the "Regulation on Procedures and Principles Regarding the Preparation and Publication of Annual Reports by Banks" published in the Official Gazette dated November 1, 2006 and numbered 26333, the Bank's management is responsible for the following items regarding the annual report:

- a) It prepares the annual activity report within the first three months following the balance sheet day and presents it to the general assembly.
- b) It prepares the annual report in a way that it accurately, completely, directly, truthfully and honestly reflects the flow of the Bank's activities for that year and its financial position in all aspects. In this report, the financial situation is evaluated according to the financial statements. The report also clearly demonstrates the development of the Bank and the possible risks it may face. The evaluation of the board of directors on these issues is also included in the report.
- c) The annual report also includes the following:
 - Events of special importance occurring in the company after the end of the operating year,
 - The company's research and development work,
 - Financial benefits such as wages, premiums, bonuses, allowances, travel, accommodation and representation expenses, in-kind and cash benefits, insurances, and similar guarantees paid to the members of the board of directors and senior executives.

While preparing the annual report, the Board of Directors also takes into account the secondary legislation enacted by the Banking Regulation and Supervision Agency, the Ministry of Commerce, and related institutions.

5. Responsibility of the Independent Auditor for the Independent Audit of the Annual Report

Our aim is to express an opinion on whether or not the financial information in the annual report, and the Board of Directors' analyses made by using the information in the audited financial statements are consistent with the audited consolidated and unconsolidated financial statements of the Bank and with the information we obtained during the independent audit, and whether or not they reflect the truth, within the framework of the provisions of the TCC, the Communiqué, and the "Regulation on Independent Audit of Banks" published in the Official Gazette dated April 2, 2015 and numbered 29314, and to prepare a report containing our opinion.

Our independent audit was carried out in accordance with BDS. These standards require compliance with ethical provisions and make it necessary for the independent audit to be planned and carried out in a way that will make it possible to obtain reasonable assurance as to whether or not the financial information in the annual report, and the Board of Directors' analyses made by using the information in the audited financial statements are consistent with the consolidated and unconsolidated financial statements and the information obtained during the audit, and whether or not they reflect the truth.

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

Zeynep Uras, CPA
Auditor in Charge

Istanbul, March 4, 2022

Corporate Management

We are a big and strong family that takes on responsibility for the future.

Akbank's employees, who are Turkey's best bankers, have contributed significantly to the efforts that have carried our bank to its today's position. Instead of merely keeping up with the change, we act as the drivers of the change in banking with the help of our employees. We build a different future with our employees who internalize corporate sustainability goals and take on responsibility with a sense of team spirit.





Akbank corporate governance

We continue all our activities with the goal of ensuring full compliance with corporate management principles.

As Akbank, we operate as a leading name in sustainability as well as breaking new ground in the Turkish banking sector. We continue to reinforce our financial success on a daily basis and to achieve sustainable growth on an annual basis. While providing high return amounts for our investors and shareholders, we also comply with all legal regulations and processes, both at national and international level, with the awareness and responsibility of being a public company.

We continue all our activities with the goal of ensuring full compliance with corporate governance principles. To achieve this, we work in cooperation with all our stakeholders, and with our professional corporate management approach, we effectively monitor our risks and opportunities both in the long and short-term. We handle our corporate governance activities within the scope of the following topics:

- Our Relations with Shareholders,
- Our Public Disclosure and Transparency Policy,
- Duties, Responsibilities and Rights of Our Board of Directors,
- Our Relations with Stakeholders.

We strictly adhere to the Corporate Governance Principles determined by the Capital Markets Board, the Turkish Commercial Code, and the Banking Legislation. We continue to fully comply with the mandatory articles of the Corporate Governance Principles published by the Capital Markets Board.

With the awareness that the basic principle of corporate responsibility is stakeholder communication, we are working to develop a continuous and trust-based communication through our corporate governance policy which we follow by taking into account the opinions and expectations of our stakeholders. We regularly inform our stakeholders through many platforms such as Akbank Website, Akbank Investor Relations Website, Akbank branches, Customer Contact Centre, Public Disclosure Platform, and social media, and share our environmental-social and financial value creation performance with the public through our annual reports. Our shareholders can exercise their right to vote in person at our General Assembly Meetings, or they can vote through a shareholder or non-

shareholder proxy. In addition, our rights-holders who have the right to attend our General Assembly Meetings can attend these meetings via our Electronic General Assembly System and cast their votes thereon.

We are pleased to have a trust-based reputation in the eyes of our stakeholders thanks to our Ethical Principles, which each of our employees adopts and meticulously follows. We also stand out in our industry with our highly-efficient performance. Thanks to the Ethics Line which we have implemented within our bank, we are able to effectively monitor the ethical conduct and behaviours, both inside and outside the bank, together with our employees.

With our Diversity and Inclusion Approach, which we maintain in line with our corporate governance principles, we select our employees from among qualified people without any discrimination, and we transfer our professional corporate culture to the future of our business.

Our main priority is to recruit innovative and forward-thinking young people who are a good fit for our strategies, values and vision, and to place them in business areas where they can create value for our organization and for themselves. In this way, we aim to be in a process of continuous development together with our employees.

As a signatory to the United Nations Global Compact, we demonstrate our commitment and support to the universal principles of human rights, working conditions, environment and clean society in Turkey. With this awareness, we have progressed a lot over this long period since the day we became a signatory to the UN Global Compact, and we have become an institution that creates both national and international value through sustainable activities. This year too, we share the value we have created, with our integrated report which we have brought to your attention, and the pioneering steps we have taken while carrying Turkey to a sustainable future.

As Akbank, we have been shaping the corporate governance approach in Turkey since the day we were founded. We are leading the way in the Turkish banking sector with the firsts we achieve, and we set an example for every sector with our best practices.

2003

Announcing its dividend policy to the public, Announcing the Corporate Governance Principles in the Annual Report,

2004

Announcing the Corporate Governance Principles on its website,

2005

Repurchasing founders' shares,

2007

Becoming a signatory to the United Nations Global Compact,

2009

Publishing the Communication on Progress-COP, which we initially published in 2010, in the Turkish banking sector,

2010

Publishing the Global Compact Report,

Being the first bank among the deposit banks to publish the sustainability report according to GRI standards, and to be included in the Global 500 Report from Turkey, and

Supporting the implementation of the Carbon Disclosure Project (CDP) in Turkey,

2018

Being among the leading banks that have published the Digital Trust Principles,

2019

Chosen as the "World's Best Digital Bank" within the scope of "Awards for Excellence 2019" by Euromoney, one of the world's respected finance publishing groups,

2020

Issuing the first Green Bond during the COVID-19 pandemic,

2021

Being among the founding members of the UNEP FI Commitment to Financial Health and Inclusion

We are proud and happy to be one of Turkey's biggest supporters and pioneering institutions on the journey towards a sustainable future.

Our board of directors

Suzan Sabancı Dinçer – Board Chairman
Eyüp Engin – Vice Chairman and Executive Member
Ahmet Fuat Ayla – Executive Member
Can Paker – Member
Yaman Törüner – Member
Emre Derman – Member
Prof. Özgür Demirtaş (Ph.D.) – Member
Aydın Günter – Member
Tuğrul Belli – Member
Hakan Binbaşgil – Member and CEO

Suzan Sabancı Dinçer – Board Chairman

Suzan Sabancı Dinçer is the Chairman of Akbank's Board of Directors. Sabancı Dinçer is also a member of the Sabancı Holding's Board of Directors, Sabancı Foundation's Board of Trustees and Sabancı University's Board of Trustees. Furthermore, Suzan Sabancı Dinçer chairs the Akbank International Advisory Board which was formed through her initiative in 2009.

Beginning her banking career in 1986, Sabancı Dinçer joined Akbank as Executive Vice President in charge of Treasury. Having specialized in treasury and risk management, Sabancı Dinçer has been active in these two areas since 1993. Sabancı Dinçer became the Executive Board Member of Akbank in charge of Treasury and International Banking in 1997, and Executive Board Member in charge of Change Management in 2001. Suzan Sabancı Dinçer has been the Chairman of Akbank's Board of Directors since March 2008.

Suzan Sabancı Dinçer is a Board Member of the Institute of International Finance and a Member of the Developing Countries Advisory Board. Sabancı Dinçer is also a member of Harvard University's Global Advisory Board and Harvard Business School's Global Leaders' Community Advisory Board, and an Emeritus Member of the Harvard Business School Middle East and North Africa Advisory Board. Sabancı Dinçer further acts as co-chairman of the American-Turkish Society in New York, Member of the Council on Foreign Relations International Advisory Board, Venetian Heritage Inc.'s Member of the Board of Directors, and Serpentine Council Cultural and Social Affairs Committee Member.

Suzan Sabancı Dinçer served as the chairman of the DEİK/Turkish-British Business Council for two terms between 2010 and 2014 and was a member of the Chatham House Board of Trustees between 2009 and 2016. Sabancı Dinçer was awarded the "Commander of the Most Excellent Order of the British Empire-CBE" on behalf of Queen Elizabeth II, for her active and effective contributions to the development and strengthening of relations between the United Kingdom and Turkey.

Suzan Sabancı Dinçer took on many responsibilities in the field of social responsibility, especially in the fields of culture and arts, education, and entrepreneurship, and served as the Chairman of the Advisory Board of the Women's Association in the Board of Directors for two terms between 2014 and 2018. Sabancı Dinçer, who is still active in the association, is also a Founding Member and Member of the Board of Directors of Endeavor Turkey, a founding and honorary member of the Association of Women Entrepreneurs (KAGİDER), and the Chairman of the Contemporary Istanbul Advisory Supreme Board and an Honorary Board Member thereof. Furthermore, Sabancı Dinçer is the Honorary Consul of Istanbul Luxembourg. In 2014, Suzan Sabancı Dinçer was awarded Spain's "Orden del Merito Civil" (Orden of Civil Merit) by King Felipe VI for her contributions to the relations between the two countries and her support for cultural interaction.

Suzan Sabancı Dinçer received her undergraduate degree in Finance from Richmond College in the UK. She also holds a postgraduate (MBA) degree in business administration from Boston University in the USA. Sabancı Dinçer is married and has two children.

Eyüp Engin - Vice Chairman and Executive Member

Eyüp Engin started to work at Akbank in 1978 as an Assistant Inspector. Engin, who served as Department Manager in the fields of Treasury, International Banking, and Foreign Financial Institutions after his position in inspection, was appointed as the Corporate Banking Executive Vice President in 1996 and has continued his duty as Executive Vice President of the International Banking and Financial Institutions since 1998. Eyüp Engin, who was appointed as the Chairman of the Board of Inspectors in 2007, served on the Boards of Directors in all subsidiaries of the Bank as the Chairman of the Audit Committee between 2007 and 2019. A graduate of the Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration, Engin was elected as Executive Board Member in March 2019 and as Vice Chairman and Executive Board Member in March 2020. He also serves as the Vice Chairman of the Board of Directors at Türk Telekomünikasyon A.Ş. In addition, he is the Group Head of Banking, and Member of the Executive Board at Sabancı Holding, member of the board at TT Mobil A.Ş. and TT Net A.Ş. and Chairman of the Board of Argela Yazılım ve Bilişim Teknolojileri Sanayi ve Ticaret A.Ş..

Ahmet Fuat Ayla - Executive Member

Ahmet Fuat Ayla was elected as Executive Board Member in Charge of Credits on 12 July 2017. Ahmet Fuat Ayla started to work as the Western Corporate Branch Manager at Akbank in 2002, and was appointed Head of the Corporate and Commercial Loans Approval Department in 2005 and Deputy CEO of Corporate and Commercial Loans in 2007. Ahmet Fuat Ayla, who joined Akbank after working in marketing and sales fields in various private sector banks as CEO and in various branch positions, is a graduate of the Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration.

Can Paker - Member

He completed his higher education at the Technical University of Berlin and received a PhD in Mechanical Engineering, and in 1973, he completed his Master of Business Administration at Columbia University. He has served in the senior management levels of Türk Henkel A.Ş. since 1971 and served as the CEO of Turkish Henkel from 1984 to 2004. He has been a member of Sabancı Holding's Board of Directors, Sabancı University's Board of Trustees, TÜSİAD's Board of Directors, TÜSİAD's Honour Board, Istanbul Culture and Arts Foundation's Board of Directors, and Robert College's Board of Trustees. He continued his duties as the Chairman of the Board of TESEV Turkish Economic and Social Studies Foundation between 1997 and 2015. Currently, he is the founding and managing partner of B.O.Y Consulting and a founding member of PODEM, the Centre for Public Policy and Democracy Studies.

Our board of directors

Yaman Törüner - Member

Yaman Törüner was appointed as a Member of the Board of Directors in March 1998. Yaman Törüner, who was a member of parliament between 1995 and 1999, served as the Minister of State in 1996. Törüner was the Chairman of the Istanbul Stock Exchange between 1990 and 1994, and held various administrative positions at the Central Bank of the Republic of Turkey from 1972 to 1990. He also served as the Chairman of the Central Bank between February 1994 and January 1996.

Emre Derman - Member

Between 1989 and 2008, Emre Derman led the negotiations in many large projects as an Attorney and Managing Partner at White & Case, an international law firm. In addition to his experience in Turkey, Derman also worked at the firm's New York and London offices, and also took part in financing transactions in the former Soviet bloc and Eastern European countries as a lawyer at the European Bank for Reconstruction and Development between 1994 and 1995. Derman, who also served as a Member of Akbank's Board of Directors in 2010, was the CEO of JP Morgan Turkey between 2011 and 2014. Derman works in various institutions in the fields of education and yacht racing and still provides independent consultancy. Derman graduated from Istanbul University Faculty of Law and later received a master's degree from Harvard Law School.

Prof. Özgür Demirtaş (Ph.D.) - Member

After graduating from Boğaziçi University, Department of Electrical and Electronics Engineering, Özgür Demirtaş completed his Ph.D. studies in Finance at Boston College and earned his Ph.D.. Özgür Demirtaş received the title of Assistant Professor in 2003 and started to work at Baruch College, City University of New York, and has more than 30 academic publications. He then received the title of Associate Professor in 2007. Özgür Demirtaş, who was selected as the best faculty member in the field of education among all departments and all faculties, and was awarded the Outstanding Teaching Medal, was also entitled to receive the Eugene M. Lang and Marie Curie Reintegration grants in the field of research. He gave lectures at Boston College, CUNY and NYU-Stern School of Business and joined Sabancı University as the Chair of Finance in 2012. Since 2014, he has been working as the Founding President of the Sabancı University Finance Centre of Excellence.

Aydın Günter - Member

After serving in various positions within Sabancı Holding, including Head of Financial Affairs and Finance Department between 1974 and 1994, Aydın Günter established his own consultancy company in 1994 and has served as a member of various boards of directors since 1998. Before joining the Group, Aydın Günter worked as an Account Expert at the Ministry of Finance. Aydın Günter is a graduate of Ankara University, Faculty of Political Sciences.

Tuğrul Belli - Member

Tuğrul Belli started his career at İktisat Bank Corporate Finance Department in 1990. Beginning to work as the General Secretary at Turkish Bank in 1994, Belli then took part in the establishment of Turkish Investment, an affiliate of the bank, in 1997. Belli, who continued to be a member of the Board of Directors at the company in question until 2005, also served as the CEO for a period of time and still works as an Economic Advisor at Turkish Bank. He gave postgraduate courses on "Banking Management" at Istanbul Ticaret University between 2006 and 2012. Belli has also been a columnist for Dünya Newspaper since 2008. Tuğrul Belli is a graduate of the American Robert College. He completed his university education at the London School of Economics and Political Science and his master's degree at CUNY Baruch College.

Hakan Binbaşgil - Member and CEO

Hakan Binbaşgil joined Akbank in October 2002 as Executive Vice President in charge of Change Management. He has launched the "Restructuring and Change Program", which enables Akbank to become one of the most customer-oriented, modern and innovative financial institutions in Turkey. Hakan Binbaşgil became Executive Vice President in charge of Retail Banking in November 2003, Deputy CEO in May 2008, and has been serving as CEO and Board Member since January 2012. He also serves as the Chairman of the Supervisory Board of Akbank AG. Before joining Akbank, he worked as a Management Consultant at Accenture's London and Istanbul offices and as Executive Vice President at a different private sector bank. Binbaşgil also served as a Member of the Board of Directors in various institutions in Turkey and abroad.

Hakan Binbaşgil is a graduate of Robert College after which he graduated from Boğaziçi University, Department of Mechanical Engineering. Binbaşgil also holds master's degrees in business and finance from Louisiana State University, Baton Rouge.

Advisor to the board of directors and chairman of the inspection board

Erol Sabancı - Advisor to the Board

Erol Sabancı served as Akbank Board Member from 1967 to March 2018. He served as the Chairman of the Board of Directors for 10 years starting from March 1998, and has been serving as the Advisor to the Board of Directors since 26 March 2018. Erol Sabancı is also the Vice Chairman of Sabancı Holding's Board of Directors.

Savaş Külcü - Chairman of the Inspection Board

Savaş Külcü joined Akbank as an Inspector in 1998 and later served for 10 years as the Vice Chairman of the Board of Inspectors and for 2.5 years as the Head of Internal Control and Compliance. In 2019, he was appointed as the Chairman of the Akbank's Board of Inspectors. Külcü is also a member of the Board of Directors of Akbank's affiliates Ak Finansal Kiralama, Ak Portföy and AkÖde, and is the Chairman of the Audit Committee at Ak Finansal Kiralama and AkÖde. Külcü graduated from Boğaziçi University with a Bachelor of Economics and from Sabancı University with an Executive MBA. Külcü holds CIA (Certified Internal Auditor), CAMS (Certified Anti-Money Laundering Specialist), CAMS – FCI (Advanced Financial Crimes Investigator), CGSS (Certified Global Sanctions Specialist) and CDPSE (Certified Data Privacy Solutions Engineer) certificates. He also speaks advanced level of English, German, Dutch and Arabic.

Our international advisory board

Suzan Sabancı Dinçer, CBE Chairman

Hamid Biglari - Member

Hamid Biglari is the managing partner of TGG Group. During his previous tenure at Citigroup, he served as Vice President and Head of Emerging Markets Department, and as a member of the Management Committee, and assumed various senior management duties. Biglari also served as the Head of the Business Development Committee, the bank's top client committee, and COO in the Corporate Client Group, which is the bank's investment and corporate banking division, within Citigroup. Prior to joining Citigroup, Dr. Biglari was a Partner of McKinsey & Company, leading the company's investment banking advisory business. In this role, he has advised CEOs of the largest and most profitable investment banks, commercial banks, insurance companies, investor management firms and private equity firms. Dr. Biglari's field of experience covers all financial services. Dr Biglari previously worked as a theoretical nuclear physicist at Princeton University's Plasma Physics Laboratory, the largest controlled thermonuclear fusion research centre in the US. A member of the Council on Foreign Relations and a Board of Trustees of the Asia Society, Dr. Biglari also sits on the Princeton University Bendheim Financial Centre Advisory Board. In 2009, Dr. Biglari was awarded the Ellis Island Medal of Honour, which is awarded to immigrants who have made significant contributions to the United States. Dr Biglari holds a Ph.D. in Astrophysical Sciences from Princeton University.

Sir Winfried Bischoff - Member

Sir Winfried Bischoff served as the Chairman of the Board of Directors of Citigroup until February 2009 and then served as the Chairman of the Board of Directors of Lloyds Banking Group from September 2009 to April 2014. Sir Bischoff has been Chairman of the Board of JP Morgan Ltd. since August 2014. Sir Bischoff was appointed as Chairman of the Schroders Board in May 1995 after serving as a senior manager in the Schroders Group. In April 2000, after the acquisition of the Investment Banking division of the company by Citigroup, he was appointed as the Chairman of the Board of Citigroup Europe. Sir Winfried Bischoff was a Member of Akbank's Board of Directors from January 2007 to February 2008. He is a Member of the Board of Eli Lilly and McGraw-Hill in the USA and Prudential in the UK, and he is also the Chairman of the Board of the British Academic Career Foundation and the Chairman of the Financial Reporting Council. Serving as the Chairman of the Citigroup European Advisory Board, Sir Winfried Bischoff was inducted into the Hall of Fame in 2000 for his contributions to the banking sector and was awarded the title of knight.

Stephen K Green - Member

Stephen Green studied at Lancing College, Sussex, and then the University of Oxford where he graduated in 1969 with a First Class Honours in Politics, Philosophy and Economics. He also received an MA in Political Science from the Massachusetts Institute of Technology in 1975. He was made a Lifetime Member of the

House of Lords in 2010 and was appointed Minister of State for Trade and Investment in January 2011. He retired from this position in December 2013. Lord Green began his career in 1970 at the British Government's Department for Overseas Development. In 1977, he joined McKinsey & Co Inc's board of directors, performing assignments in Europe, North America and the Middle-East. He joined The Hongkong and Shanghai Banking Corporation (HSBC) in 1982 where he was responsible for corporate planning activities and in 1985 he was appointed head of the development of the bank's global treasury operations. In 1992, he became the Group Financial Manager of HSBC Holdings plc, responsible for the finance and capital markets companies of the HSBC Group worldwide. In 1998, he was appointed to the Board of HSBC Holdings plc as Executive Director. He became Group Chief Executive in 2003 and Group Chairman of the Board in 2006. He retired from HSBC in December 2010. Lord Green was Chairman of the British Bankers Association from 2006 to 2010. He also served as a Trustee of the British Museum. Until 2010, he served as an independent board member of BASF.se. He is President of the Natural History Museum, Chairman of the British Chamber of Commerce International Advisory Council, and a member of the House of Lords EU Select Committee. Stephen Green is married and has two daughters.

Our international advisory board

Michael Klein - Member

Michael Klein is Associate Director of M. Klein and Company, LLC; a leading independent consulting firm providing financial and strategic advice to companies, investors and governments. Klein was previously Head of Citi's Corporate Client Group and served as Vice President of the company Citi. Inc.. In this capacity, Klein has been responsible for managing the Bank's relationships with leading companies, mutual funds and governments in more than 100 countries. Previously, Klein held a number of roles at Citigroup and Salomon Smith Barney, including Director of Investment Banking. Klein led Citigroup's European business creation initiatives, including the acquisition of Investment Bank Schroder's PLC. He has also co-founded the company's advisory and fundraising initiatives on private equity and other alternative investment firms. He is a Board Member of many institutions including Michael Klein, Dow Agrosiences Chemical Company Board, IHS Inc., Peterson Institute of International Economics, American Academy of Berlin, Mount Sinai Medical Centre and Harvard Belfer Centre. He is also a founding member of the United Nations World Food Program Investment Advisory Board. Klein serves as a visiting professor at Columbia, Harvard, London School of Business and St. Petersburg University, and also many educational programs organized by the US Government, including the Federal Reserve and the Securities and Exchange Commission.

Lubna Olayan - Member

Lubna Olayan is the Vice Chairman of the Board of Directors and CEO at Olayan Financing Company, a subsidiary of the Olayan Group operating in Saudi Arabia and the Middle East. Olayan is also a Member of the Board of Directors of Saudi Hollandi Bank, a publicly traded company in Saudi Arabia, and a Member of the Board of WPP since March 2005. Lubna Olayan is a Member of the International Advisory Board of the Council of Foreign Relations, a Member of the Board of INSEAD, and a Member of the Board of Trustees of Cornell University and KAUST (King Abdullah University of Science and Technology). Olayan was also elected as a Member of the Rolls Royce International Advisory Board in October 2006.

Dante Roscini - Member

Dante Roscini teaches the International Trade and Investment Management elective at Harvard Business School's Department of Business, Government, and International Economics. Roscini, who started to work at Harvard Business School in 2008, has published case studies on public debt, monetary policy, central banking and international investment. Roscini holds an MBA from Harvard University and earned his bachelor's degree in Nuclear Engineering from the University of Rome with honours. Before returning to Harvard Business School, he spent two decades working in senior positions at three of the most prestigious US investment banking companies in New York and London.

Roscini worked as Head of European Capital Markets at Goldman Sachs, Head of Global Equity Markets, and Head of European Capital Markets and Finance Group at Merrill Lynch, as well as a member of the Capital Commitment and Senior Management Promotion committees at Merrill Lynch. Most recently, he served as Country Manager in Italy and Head of European Capital Markets at Morgan Stanley, as well as serving as a Board Member at Morgan Stanley International Bank. Prior to his investment banking career, Roscini worked as a nuclear archaeometry researcher at the University of Rome, a design engineer and project manager at Westinghouse Electric in the USA, and a management consultant at the Boston Consulting Group in Paris.

Tom de Swaan - Member

Tom de Swaan has been in the Dutch banking industry for over 40 years. He joined De Nederlandsche Bank N.V. in 1972 and served as a board member from 1986 to 1998. In January 1999, he assumed the duties of executive board member and financial director of ABN AMRO Bank. He retired from ABN AMRO Bank in May 2006, but continued to serve as an advisor to the board of directors until June 2007. He was chairman of the Amsterdam Financial Centre from 1987 to

1988 and chairman of the banking supervisory subcommittee of the European Monetary Institute from 1995 to 1997. He was a member of the Basel Committee on Banking Supervision from 1991 to 1996, its chairman from 1997 to 1998, and also an independent board member on the UK Financial Services Authority's board from January 2001 to the end of 2006. From 2006 to May 2015, he served on the board of GlaxoSmithKline Plc as an independent board member. From 2008 to February 2016, de Swaan was a member of the supervisory board of Van Lanschot NV, the holding company of F. Van Lanschot Bankiers, an independent Dutch bank. He also served as the chairman of this board until December 2015. He has been a board member of Zurich Insurance Group Ltd. and Zurich Insurance Company Ltd. since April 2006. He was elected as vice president in March 2012 and has served as its president since August 2013. He was elected as the Chairman of the Board of Directors in September 2013. De Swaan also served as CEO from December 2015 to early March 2016.

Lorenzo Bini Smaghi - Member

Lorenzo Bini Smaghi holds a degree in Economics from the Université Catholique de Louvain (Belgium) and a Ph.D. in Economics from the University of Chicago. He started his career as an economist in the Research Department of Banca d'Italia in 1983. In 1994, he became Head of the Policy Division of the European Monetary Institute. In October 1998, he became Director General of International Financial Relations at the Italian Ministry of Economy and Finance. He was the President of SACE from 2001 to 2005. From June 2005 to December 2011, he served as a member of the Executive Board of the European Central Bank. From 2012 to 2016, he was the Chairman of the Board of SNAM (Italy). He has been the Chairman of the Board of Societe Generale and Italgas (Italy) since 2015.

Hakan Binbaşgil Member

Eyüp Engin Member

Ahmet Fuat Ayla Member

Our senior management



TOP ROW, FROM LEFT TO RIGHT

Emel Arseven
CEO AkÖde

Çetin Düz
CEO Aklease

Pınar Anapa
Deputy CEO People and Culture

Yunus Emre Özben
Executive Vice President Credit Allocation

Şebnem Muratoğlu
Deputy CEO Treasury

İlker Altıntaş
Executive Vice President Technology and Operations

Mehmet Tugal
Executive Vice President Commercial Banking

Berna Avdan
General Counsel

Mehmet Ali Ersarı
CEO Ak Portföy Yönetimi



BOTTOM ROW, FROM LEFT TO RIGHT

Mert Erdoğan
CEO Ak Yatırım

Ege Gültekin
Executive Vice President Credit Monitoring and Tracking

Levent Çelebioğlu
Executive Vice President Corporate and Investment Banking

Bülent Oğuz
Executive Vice President SME Banking

Hakan Binbaşgil
CEO

Burcu Civelek Yüce
Executive Vice President Retail Banking and Digital Solutions

Türker Tunalı
Executive Vice President Financial Management

Zeynep Öztürk
Executive Vice President Specialty Loans

Dr. Alp Keler
Executive Vice President Private Banking and Investment Services

Beril Alakoç
Head of Branding and Communication

Our senior management

Hakan Binbaşgil - Board Member - CEO

Bülent Oğuz - Executive Vice President - SME Banking

Bülent Oğuz joined Akbank in March 2003 and served as Manager and Department Head in SME and Retail Banking business units, respectively. After being appointed as Akbank SME Banking Executive Vice President in 2013, Oğuz assumed the position of Akbank Retail Banking Executive Vice President in November 2018. As of January 2022, he has been serving as Akbank SME Banking Executive Vice President. Bülent Oğuz is the Vice Chairman of Aköde Elektronik Para ve Ödeme Hizmetleri and a Member of the Board of Ak Portföy Yönetimi. Prior to joining Akbank, Oğuz worked as a manager in corporate banking and loans in various private sector banks. He holds a BA from Middle East Technical University, Department of Political Science and Public Administration, and an Executive MBA from Sabancı University.

Burcu Civelek Yüce - Executive Vice President - Retail Banking and Digital Solutions

Burcu Civelek Yüce joined Akbank in 2006 and served as Head of the Strategy Department between 2009 and 2014 and Executive Vice President of Human Resources and Strategy between 2014 and 2019. In June 2019, she started serving as Executive Vice President of Strategy, Digital Banking and Payment Systems. As of January 2022, she has been serving as Akbank Retail Banking and Digital Solutions Executive Vice President. Before joining Akbank, she worked in international management consultancy and technology companies. She graduated from Boğaziçi University, Industrial

Engineering and Executive MBA programs with First-Class Honours, and attended various trainings at Harvard Business School and Koç University. Burcu Civelek Yüce, one of the first members of the IIF Future Leaders group and a Mentee of the Women's Association in the Board of Directors, is also the Chairman of the Board of Directors of the e-money company AkÖde, a Member of the Supervisory Board of Akbank AG, a Member of the Board of Directors of Ak Yatırım, Aksigorta, Aagesa, MMA EMEA and SabancıDx.

Ege Gültekin - Executive Vice President - Credit Monitoring and Tracking

Ege Gültekin joined Akbank in February 2015 as the Executive Vice President of Credit Monitoring and Tracking. Gültekin is a Member of the Board of Ak Finansal Kiralama ve Kredi Kayıt Bürosu A.Ş., an affiliate of Akbank. Before joining Akbank, Gültekin held senior positions in various private sector banks and asset management companies. He holds a BA from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Economics, and an MA in Information and Telecommunication Systems from John Hopkins University.

Levent Çelebioğlu - Executive Vice President - Corporate and Investment Banking

Levent Çelebioğlu joined Akbank in May 2015 as Executive Vice President of Corporate and Investment Banking. Prior to joining Akbank, he held senior positions in various private sector banks as a manager. He is the Chairman of Ak Yatırım Menkul Değerler A.Ş., one of Akbank's affiliates, and the Deputy Chairman of the Supervisory Board of Akbank AG. He is also the

Head of TÜSİAD Banking Group. Çelebioğlu has a bachelor's degree from Dokuz Eylül University, Faculty of Economics and Administrative Sciences, Department of Economics.

İlker Altıntaş - Executive Vice President Technology and Operations

İlker Altıntaş joined Akbank in March 2012 as IT Enterprise Architecture Management Manager and served as Head of IT Architecture and Core Banking Department between 2012 and 2016. He has been working as Executive Vice President responsible for Technology and Operations since January 2017. Before joining Akbank, he worked as finance and banking manager and engineering director at technology companies. İlker Altıntaş is a Member of the Board of AkÖde, an affiliate of Akbank. He is a graduate of METU Computer Engineering and has a Ph.D. in Software Engineering from the same department. He also has an Executive MBA degree from Sabancı University. He has many scientific and technical articles published in international conferences and journals and is a program committee member at various national/international conferences.

Mehmet Tugal - Executive Vice President - Commercial Banking

Mehmet Tugal started to work in the Corporate Branch at Akbank in September 2005 and served as the Corporate Branch Manager and the Department Head in the Commercial Banking Business Unit, respectively. Tugal has been serving as Akbank Commercial Banking Executive Vice President since September 2017. He is the Chairman of the Board of Directors of Ak Finansal Kiralama A.Ş., one of Akbank's affiliates, and the

Vice Chairman of the Board of Ak Yatırım Menkul Değerler A.Ş., and a Member of the Board of Endeavor Turkey Active Entrepreneur Support Association. Prior to joining Akbank, Tugal worked as a manager in various private sector banks and holds a Bachelor of Business Administration from Bilkent University and an MBA from Central Michigan University.

Türker Tunalı - Executive Vice President - Financial Management

After working in various institutions since 1999, Türker Tunalı started to work at Akbank as Head of Financial Coordination and Reporting Department in September 2008 and was appointed as Executive Vice President for Financial Management in October 2017. Tunalı is the Vice Chairman of the Board of Directors at Ak Portföy Yönetimi, a Member of the Supervisory Board of Akbank AG, and a Member of the Board of Directors at Ak Finansal Kiralama and Aköde Elektronik Para ve Ödeme Hizmetleri. Türker Tunalı is a graduate of Boğaziçi University, Department of Business Administration and has the title of CFA (Chartered Financial Analyst) since 2006.

Dr. Alp Keler - Executive Vice President - Private Banking and Investment Services

Alp Keler has worked as a manager in senior positions in various institutions in the field of Capital Markets and Portfolio Management. He started to work as Ak Portföy CEO in 2011 and was appointed as Executive Vice President of Private Banking and Investment Services in January 2018. Alp Keler also serves as the Chairman of the Board of Ak Portföy. Keler holds a Civil Engineering degree from Middle East Technical University, an MBA from Bilkent University, an LLM in law of economics from Galatasaray University, a degree in Management program from Harvard Business School and a Ph.D. in Banking from Marmara University, and has the title of CFA (Chartered Financial Analyst). Keler also served as chairman, board member, and member of the board of auditors in many national and international professional organizations related to capital markets.

Yunus Emre Özben - Executive Vice President - Credit Allocation

After working in various institutions since 1996, Yunus Emre Özben started to work as a Manager in Akbank Project Finance Department in October 2005 and was promoted to Project Finance Department Head in March 2011. Subsequently, he was appointed as the Executive Vice President of Credit Allocation in August 2018. Özben is the Vice Chairman of the Board of Ak Finansal Kiralama and a Member of the Board of Ak Yatırım Menkul Değerler. Özben is a graduate of Marmara University, Faculty of Economics and Administrative Sciences, Department of Business Administration and holds an Executive MBA degree from Sabancı University.

Zeynep Öztürk - Executive Vice President - Specialty Loans

After working in various institutions in the sector since 1990, Zeynep Öztürk started to work as Head of the Department in Charge of Commercial Credit Monitoring in January 2011 and later served as Head of the Department of Commercial Loans Monitoring and Tracking, and Special Restructuring Consultancy, respectively. Subsequently, she was appointed as Executive Vice President of Specialty Loans in January 2019. Zeynep Öztürk is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Economics and holds an MBA from Bilkent University.

Şebnem Muratoğlu - Deputy CEO - Treasury

Şebnem Muratoğlu started to work at Akbank as an Assistant Specialist in 1995. Having worked in the fields of Treasury and Risk Management, Muratoğlu then became Chief Risk Officer (CRO) in 2017. Since January 2019, she has been serving as Deputy CEO of the Treasury. She is a graduate of the University of Kent's Department of Economics and earned a master's degree in Finance from Macquarie University. She has the title of FRM (Financial Risk Manager) since 2003. Şebnem Muratoğlu, who is a

mentee of the Women's Association on the Board of Directors, is a Board Member of Ak Portföy Yönetimi and Aklease.

Pınar Anapa - Deputy CEO - People and Culture

Pınar Anapa started to work on the Akbank Board of Inspectors in 1999 and took on responsibilities on different issues and served as Vice Chairman of the Board of Inspectors between 2007 and 2014. She is a Member of the Supervisory Board of Akbank AG and a Board Member of the Women in Technology Association.

Pınar Anapa, who started to work as Head of the Career Development Department in 2014, has been serving as Deputy CEO of People and Culture since June 2019. Anapa is responsible for career development, organizational development, training, architectural solutions and purchasing. Pınar Anapa graduated from Middle East Technical University Department of Economics in 1999 and from Sabancı University Executive MBA Program in 2006.

Beril Alakoç - Head of Branding and Communication

Beril Alakoç has worked in international companies since 1998 and started to work as Head of Branding and Communication in October 2021. Alakoç received a bachelor's degree in Economics from the University of Kent and completed her master's degree in marketing at the University of West of England. She is a member of Interactive Advertising Association, Advertisers Association, Private Sector Volunteers Association, and team captain of Han Batur Sports Club Association.

Berna Avdan - General Counsel

Berna Avdan started to work at Akbank in August 2021. Before joining Akbank, she worked in the field of law at various private sector banks. A graduate of Ankara University Faculty of Law, Avdan completed her LLM degree in Information and Technology Law at Bilgi University and on International Issues at New York University. She is a board member of Aksandık.

Our affiliates

Çetin Düz - Aklease CEO

A graduate of Boğaziçi University, Department of Political Science and International Relations, Çetin Düz holds an Executive MBA degree from Sabancı University. Düz started to serve on Akbank Board of Inspectors in 2004, and served as Vice Chairman of the Board of Inspectors between 2014 and 2015. Between 2015 and 2019, Düz served as Deputy CEO of Credits at AKLease, and since January 2019, he has been serving as a Member of the Board of Directors and CEO of AKLease.

Mert Erdoğan - Ak Yatırım CEO

Mert Erdoğan was appointed as CEO of Ak Yatırım Menkul Değerler A.Ş. in January 2015. Before joining Ak Yatırım, he worked in different positions in banks and financial institutions for more than 20 years. Erdoğan graduated from Istanbul University, Department of Business Administration in English, and received an MBA from Bloomsburg University of Pennsylvania.

**Mehmet Ali Ersarı - Ak Portföy
Yönetimi CEO**

Graduated from Middle East Technical University Civil Engineering department, Ersarı completed his MSc in Civil Engineering at the same university and his MBA at Bilkent University. Before joining Ak Portföy as Executive Vice President in 2008, he served as Treasury Director of ABN Amro Bank. Mehmet Ali Ersarı has held senior management positions in leading financial institutions for more than 20 years.

Emel Arseven - AkÖde CEO

Emel Arseven started to serve on Akbank Board of Inspectors in 2000, and after working at Merchant, Product Development, Direct Banking and Akbank Academy between 2006 and 2017, she became Head of the Digital Banking Department in 2017. She has been serving as CEO of Aköde since January 2022. Emel Arseven received her BA from Middle East Technical University Department of Economics and completed an Executive MBA Program at Sabancı University.







Changes in our organizational structure during the year


Burcu Civelek Yüce, who was Deputy CEO of Strategy, Digital Banking and Payment Systems, became Executive Vice President of Retail Banking and Digital Solutions on 04.01.2022, thereby taking on additional retail banking responsibilities.






Bülent Oğuz, who was Deputy CEO of Retail Banking, was appointed as Deputy CEO of the newly established SME Banking Business Unit on 04.01.2022.

Our board committees

Approximately 50 committees work within our bank in order to ensure effective management of all of our processes and to make sure that long and short-term risks and opportunities are taken into account in all strategic decisions. Below you can find the list of committees that our Board members are also members of:

 Audit Committee	 Corporate Governance Committee	 Senior Risk Committee	 Credit Committee	 Innovation Advisory Board
 Customer Experience and Clean Banking Oversight Committee	 Remuneration Committee	 Corporate Credits Committee	 Commercial Credits Committee	 Sustainability Committee

 Audit Committee	<p>Eyüp Engin, President (Executive Board Member)</p> <p>Yaman Törüner, Member (Board Member)</p>	<p>Our Committee which is responsible for auditing and supervision for the Board of Directors convenes at least 4 times a year and ensures the effectiveness of the internal control, risk management and internal audit systems. It makes preliminary evaluations of the independent audit firms to be selected and regularly monitors the activities of such institution to be selected by our Board of Directors. In addition, it notifies the Board of Directors of matters that may adversely affect the activities of our Bank and/or be in conflict with the legislation and internal regulations.</p>
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 <p>Corporate Governance Committee</p>	<p>Eyüp Engin, President (Executive Board Member; Remuneration Committee Member)</p> <p>Yaman Törüner, Member (Board member; Remuneration Committee Member)</p> <p>Türker Tunalı (Executive Vice President - Investor Relations Department Manager)</p>	<p>Our Committee, which convenes at least twice a year, audits compliance with Corporate Governance Principles and ethical values. It determines the relations with our investors and institutions and ensures the formation of an honest communication platform with our stakeholders. Responsible for determining policies regarding social responsibility projects, checking compliance of digital channels with principles, protecting our Bank's reputation, evaluating suitable candidates for our Board of Directors, and preparing annual activity reports and sustainability reports.</p>
 <p>Credit Committee</p>	<p>Ahmet Fuat Ayla, President (Executive Board Member)</p> <p>Eyüp Engin, Member (Vice Chairman of Board and Executive Board Member)</p> <p>Hakan Binbaşgil, Member (Member of Board of Directors and CEO)</p>	<p>It is the final loan allocation decision centre that examines the compliance of loan offers passed through our General Directorate with the legislation, banking principles and the Bank's policies. Our Credit Committee convenes twice a week. However, meeting frequency can be changed when deemed necessary.</p>
 <p>Senior Risk Committee</p>	<p>Eyüp Engin, President (Vice Chairman of Board and Executive Board Member)</p> <p>Ahmet Fuat Ayla, Member (Executive Board Member)</p> <p>Hakan Binbaşgil, Member (Board Member and CEO)</p>	<p>Our committee creates our risk management strategies and policies and ensures that the application principles, measurement methods, risk appetite and risk limits are determined in accordance with these elements. It convenes at least twice a year.</p>
 <p>Asset-Liability Committee</p>	<p>Hakan Binbaşgil, President (CEO)</p> <p>Türker Tunalı, Member (Executive Vice President - Financial Management)</p> <p>Şebnem Muratoğlu, Member (Executive Vice President - Treasury)</p> <p>Mehmet Tugal, Member (Executive Vice President - Commercial Banking)</p> <p>Bülent Oğuz, Member (Executive Vice President - SME Banking)</p> <p>Levent Çelebioğlu, Member (Executive Vice President - Corporate and Investment Banking)</p> <p>Alp Keler, Member (Executive Vice President - Private Banking and Investment Services)</p> <p>Burcu Civelek Yüce, Member (Executive Vice President - Retail Banking and Digital Solutions)</p> <p>Emre Kahraman, Member (Head of Risk Management)</p>	<p>Our Asset-Liability Committee convenes twice a week and is responsible for issues such as daily liquidity and cash management. It develops our investment, pricing and funding strategies by closely following the developments in the economy.</p>
 <p>Sustainability Committee</p>	<p>Eyüp Engin (Executive Board Member)</p> <p>Yaman Törüner (Independent Member of the Board of Directors)</p> <p>Hakan Binbaşgil (CEO)</p> <p>Türker Tunalı (Financial Management, Executive Vice President)</p> <p>Ebru Güvenir (Head of Investor Relations and Sustainability Department)</p>	<p>The Chairman of the Committee is the Executive Board Member. Established at the beginning of 2021, our committee is the supreme body for the management of economic, governance, environmental and social impacts. You can find detailed information about our Sustainability Committee in our Sustainability Management section.</p>

Our summary board report

As Akbank, we maintained our leading position in the Turkish banking sector in 2021, thanks to our strong balance sheet, effective risk management, customer-oriented approach, and solid and long-term relationships. In 2021, our consolidated gross profit reached 16,640 million TL, our consolidated net profit reached 12,127 million TL, our return on equity was 17.9%, and our return on assets was 2.1%.

Our consolidated total assets amounted to 763 billion TL, cash loans extended to 397 billion TL, and deposits amounted to 454 billion TL. Our capital adequacy ratio remained at a very high level at 21.1%, well above the 12% recommended rate in the Turkish banking sector.

Our bank's goal is to create sustainable and high value for all its stakeholders in every field of banking. We will continue our efforts and investments in the upcoming period in order to efficiently grow by taking our successful performance in 2021 even further with a focus on the sustainability strategy.

We would like to thank our employees, partners and social stakeholders for their contributions and support.

Information on people and organizations from which we receive support services

Within the scope of the Regulation on Banks' Procurement of Support Services; there are software, maintenance/repair, and patch and product development services in our areas of archiving, call centre, security, card and chip supply, card personalization, courier, operational services, marketing, and information systems. As of the end of 2021, we receive support services from 82 companies (7 companies are subcontractors). You can find these companies and their fields of activity in the table below.

In addition to the aforementioned companies and services; as of December 31, 2021, we receive support services for retail loan marketing activities from 784 sellers (1,412 stores) that are among the sellers/stores on AKON. (Out of 784 sellers, 743 are consumer loan companies and 41 are vehicle loan companies, and out of 1,412 stores, 1,358 are consumer loan stores and 54 are vehicle loan stores.)

SUPPORT SERVICE ORGANIZATIONS		ACTIVITIES FOR WHICH WE RECEIVE SUPPORT SERVICES
1	Hobim Arşivleme ve Basım Hizmetleri A.Ş.	Archiving Services / Operational Services
2	Tepe Servis ve Yönetim A.Ş.	
3	Atos Müşteri Hizmetleri A.Ş.	
4	CMC İletişim ve Çağrı Merkezi Hizm. A.Ş.	
5	COMDATA Teknoloji ve Müşteri Hizmetleri A.Ş.	Call Centre Services
6	Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hizmetleri A.Ş.	
7	Sestek Ses ve İletişim Bilgisayar Teknolojileri San. Tic. A.Ş.	
8	Webhelp Çağrı Merkezi ve Müşteri Hizmetleri A.Ş.	
9	Tepe Savunma Güvenlik Sistemleri A.Ş.	Security Services
10	Austria Card Turkey Kart Operasyonları A.Ş.	
11	E-Kart Elektronik Kart Sistemleri San. ve Tic. A.Ş.	
12	Plastikkart Akıllı Kart İletişim Sistemleri San. ve Tic. A.Ş.	
13	AGT Hızlı Kurye Hizmetleri A.Ş.	Courier Services (Contracted Company for Card Distribution Services)
14	Kurye Net Motorlu Kuryecilik Ve Dağıtım Hizmetleri A.Ş.	
15	Bilkay Danışmanlık ve Destek Hizmetler A.Ş.	
16	Brinks Güvenlik Hizmetleri A.Ş.	
17	Desmer Güvenlik Hiz. Tic. A.Ş.	Operational Services
18	Loomis Güvenlik Hizmetleri A.Ş.	
19	Fu Gayrimenkul Yatırım Danışmanlık A.Ş.	
20	USS Lojistik A.Ş. (subcontractor of Hobim archiving company)	
21	MTM Holografi Güvenlikli Basım ve Bilişim Tekn. San. Tic. A.Ş.	Marketing Services
22	Hangisi İnternet ve Bilgi Hizmetleri A.Ş.	
23	Konut Kredisi Com TR Danışmanlık A.Ş.	
24	Argedor Bilişim Teknolojileri Sanayi ve Ticaret A.Ş.	
25	Bilge Adam Bilgisayar ve Eğitim Hizm. San. Tic. A.Ş.	Software, Software Maintenance/Repair, Patching and Product Development Services
26	Bilişim Bilgisayar Hizmetleri A.Ş.	
27	Cyberwise Siber Güvenlik Ticaret A.Ş.	
28	DIP Bilgisayar Yazılım Ticaret Ltd. Şti.	
29	EGA Elektronik Güvenlik Altyapı A.Ş.	
30	Eretim Bilgisayar Hizmetleri ve Dan. Ltd. Şti.	
31	Etcbase Yazılım ve Bilişim Teknolojileri A.Ş.	
32	Evren Yönetim Danışmanlığı ve Bilişim Tekn. Paz. LTD. ŞTİ.	
33	Evrensel Yazılım Teknolojileri Bilişim San.ve TİC.LTD.ŞTİ.	
34	Fineksus Bilişim Çözümleri Tic. A.Ş.	

Information on people and organizations from which we receive support services

SUPPORT SERVICE ORGANIZATIONS		ACTIVITIES FOR WHICH WE RECEIVE SUPPORT SERVICES
35	Foreks Bilgi İletişim Hizmetleri A.Ş.	Software, Software Maintenance/ Repair, Patching and Product Development Services
36	Genbil Yazılım Ticaret ve Sanayi A.Ş.	
37	Genex Yazılım A.Ş.	
38	G Teknoloji Bilişim Sanayi ve Ticaret A.Ş.	
39	IBM Global Services İş ve Teknoloji Hizmetleri Tic. Ltd. Şti.	
40	Infina Yazılım A.Ş.	
41	Ingenico Ödeme Sistem Çözümleri A.Ş.	
42	Innova Bilişim Çözümleri A.Ş.	
43	Innovance Bilgi Teknolojileri A.Ş.	
44	Karbil Yazılım ve Bilişim Teknolojileri Tic. A.Ş.	
45	KA Dijital İnternet Pazarlama Reklamcılık Danışmanlık ve Bilişim Tic. Ltd. Şti	
46	Key Yazılım Çözümleri A.Ş.	
47	Kibele İletişim Sistem ve Servisleri Tic. Ltd. Şti.	
48	Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	
49	KKB Kredi Kayıt Bürosu A.Ş.	
50	Miris Bilgi Teknolojileri A.Ş.	
51	MOS Bilişim Danışmanlık Sanayi ve Ltd.	
52	MUREX SAS	
53	Netaş Telekomünikasyon A.Ş.	
54	BDH Bilişim Destek Hizmetleri San. ve Tic. A.Ş. (subcontractor of Netaş)	
55	NCR Bilişim Sistemleri Ltd. Şti.	
56	MAGICCLICK Teknoloji A.Ş.	
57	Netlab Arge Yazılım Hizmetleri Ticaret A.Ş.	
58	NGN Bilgi ve İletişim Hizmetleri Ticaret A.Ş.	
59	Novosoft Yazılım Teknolojiler Bilişim Sanayi ve Tic. A.Ş.	
60	NTT Data Business Solutions Bilgi Sistemleri A.Ş.	
61	Oredata Yazılım Ltd. Şti.	
62	OBSS Teknoloji A.Ş.	
63	Payten Teknoloji A.Ş.	
64	Prozek Bilişim Çözümleri Ltd. Şti.	
65	Protel Bilgisayar A.Ş.	
66	Platin Bilişim A.Ş.	
67	Sabancı Dijital Teknoloji Hizmetleri A.Ş.	
68	Detay Bilgi Hizm. San. Diş. Tic. A.Ş. (subcontractor of Sabancı Dijital)	
69	Glasshouse Bilgi Sistemleri Tic. A.Ş. (subcontractor of Sabancı Dijital)	
70	Teknova Yazılım Dan. Bil. Turz. Rek. Org. Tic. Ltd. (subcontractor of Sabancı Dijital)	
71	Smartın Bilgi Teknolojileri Hiz. Tic. Ltd. Şti.	
72	Seri Bilgi Teknolojileri ve Destek Hizmetleri ve Ticaret Limited Şirketi	
73	Destek Bilgisayar ve İletişim Hizmetleri Ticaret A.Ş. (subcontractor of Seri Bilgi Tekn.)	
74	Datassist Bilgi Teknolojileri A.Ş. (subcontractor of Seri Bilgi Tekn.)	
75	UCS Bilişim Sist. Ltd. Şti.	
76	VB T Yazılım A.Ş.	
77	Vega Bilgisayar Hizmetleri Ltd. Şti.	
78	Verifone Elektronik ve Danışmanlık Ltd. Şti.	
79	Veripark Yazılım A.Ş.	
80	Westerops Bilişim ve Yazılım Hizmetleri Ltd. Şti.	
81	Zenn Bilişim Teknolojileri San. ve Tic. A.Ş.	
82	32BİT Bilgisayar LTD. ŞTİ.	

Transactions with the risk group that our bank is included in

The Bank's relations with the risk group it is included in cover all kinds of banking transactions within the framework of normal bank-customer relations and market conditions in accordance with the Banking Law. Detailed explanations about these transactions are included in the Unconsolidated Financial Statements to be disclosed to the public as of December 31, 2021, the Related Disclosures and Footnotes, and footnote VII of the fifth section of the Independent Audit Report. In addition, the aforementioned information is also included in the Consolidated Financial Statements, Related Disclosures and Footnotes, and footnote VII of the fifth section of the Independent Auditor's Report.

Our loyalty report

Our Akbank Board of Directors has prepared a Loyalty Report on our Company's relations with the controlling shareholder and its subsidiaries for the 2021 operating year, and the conclusion of this report is given below in accordance with Article 199 of the Turkish Commercial Code No. 6102.

The necessary explanations about the transactions we, as Akbank, have made with the related parties are included in the Fifth Section Note VII of the Disclosures and Footnotes Related to the Consolidated Financial Statements. In the report prepared by our Akbank Board of Directors, the following explanation is given: "The legal transactions made by our bank with the controlling company Hacı Ömer Sabancı Holding A.Ş and Sabancı Group Companies are stated above. Due to the fact that our bank is included in the group of companies, it has no financial loss. All transactions have been concluded in accordance with market precedents, within the framework of ordinary customer relations."

Other disclosures on corporate governance

INFORMATION ABOUT THE LEGAL ACTIONS AGAINST THE BANK THAT MAY AFFECT THE FINANCIAL STATUS AND OPERATIONS OF THE BANK, AND THEIR POSSIBLE CONSEQUENCES

We do not have any lawsuits of this nature in the 2021 operating year.

1- ACTION FOR CANCELLATION OF THE ADMINISTRATIVE FINE IMPOSED BY THE COMPETITION BOARD:

As stated by our Bank in our statements on the Public Disclosure Platform dated 21.11.2011 and 05.08.2019; as a result of the investigation initiated against 12 banks, including Akbank TAŞ., and 2 companies operating in financial services, as per the Competition Board's decision dated 02.11.2011 and numbered 11-55/1438 - M, it was determined by the Competition Board's decision dated 08.03.2013, numbered 13-13/198-100, that 12 banks, including our bank, made a collusive agreement between the dates 21.08.2007 and 22.09.2011 regarding the determination of the "interest rate, fees and commissions for deposit account, loan and credit card services", thus violating the Law on Protection of Competition. An administrative fine was imposed on 12 banks in question, and an administrative fine of TL 172,165,155 was imposed on our Bank, in accordance with Article 5.1.b of the Penalty Regulation due to the violation of Article 4 of the Law on Protection of Competition. With ¼ discount, TL 129,123,866 was subsequently paid for the penalty amount in question. Our Bank filed an action for cancellation on 13.09.2013 with the request for the cancellation of this decision of the Competition Board and the refund of the fine paid. This case was dismissed by

the Ankara 2nd Administrative Court on 05.12.2014; the dismissal decision was appealed in an appeal application filed with the Council of State on 09.04.2015, and our appeal request was dismissed with the decision of 13th Civil Chamber of the Council of State, with file no. 2015/2974 E., decision no. 2015/4612 K., dated 16.12.2015. On 01.07.2016, our Bank filed a request with the Council of State for rectification of the decision, and the local court's decision was reversed in favour of our Bank and it was decided to send the case file to Ankara 2nd Administrative Court, which rendered the first decision, for issuance of a new decision. However, Ankara 2nd Administrative Court did not comply with the reversal decision of the Council of State and insisted on its previous decision. This decision was appealed by our Bank in an application filed with the Council of State Administrative Case Divisions on 02.08.2019. Our Bank's appeal request was accepted by the Council of State Council of Administrative Case Divisions, and this time it was decided to overturn the decision of insistence of Ankara 2nd Administrative Court, which was the subject of appeal, on 31.05.2021. The Competition Authority applied for a correction of decision for the mentioned decision rendered by the Council of State Administrative Case Divisions. The outcome of the decision correction process is awaited.

2- ACTION FOR CANCELLATION OF ADMINISTRATIVE FINE IMPOSED BY THE MINISTRY OF TRADE:

As stated by our Bank in our statements on the Public Disclosure Platform dated 26.09.2016 and 25.12.2020; in 2014, our Bank's contracts and practices, along

with other banks in the sector, were audited by the Ministry of Trade Guidance and Inspection Department "within the framework of the Consumer Protection Law No. 6502 and relevant implementing regulations". As a result of the examination, an administrative fine of TL 116,254,138.00 was notified to the Bank. 3/4 of the relevant fine, TL 87,190,603.50 was paid in advance before resorting to legal remedies, and a lawsuit was filed with the Administrative Court on 24.10.2016 with the request for cancellation of the said fine. On 13.02.2019, the court decided to dismiss the case. We appealed this decision. The Regional Administrative Court decided to obtain additional reports from experts, and objections were raised to the issues that were against us in the report. The Regional Administrative Court decided to dismiss our appeal request. We have filed an appeal application with the Council of State and the outcome of this application is awaited.

EXPLANATIONS ON ADMINISTRATIVE OR JUDICIAL SANCTIONS IMPOSED ON THE BANK AND MEMBERS OF ITS GOVERNING BODY DUE TO PRACTICES IN BREACH OF LEGISLATIVE PROVISIONS

In 2021, a total of 7.9 million TL of administrative fines were imposed on our Bank by regulatory and supervisory authorities on different subjects. 5.9 million TL was paid as an expense item for the said fines in 2021, by taking advantage of the advance payment discount. In addition, 2.9 million TL was paid to SDIF as a late fee related to the transfer of expired accounts/assets.

STATEMENT OF INDEPENDENCE OF INDEPENDENT BOARD MEMBER TUĞRUL BELLİ

According to the CMB corporate governance practices, the members of the audit committee of banks are accepted as independent members of the board of directors of such banks. Audit Committee Members Eyüp Engin and Yaman Törner are Independent Members. The other Independent Member of the Bank is Tuğrul Belli, who fulfils all the independence criteria and was approved by the Capital Markets Board at the Ordinary General Assembly Meeting held on March 24, 2021 to serve for a one-year term. The Corporate Governance Committee's report dated January 29, 2021, stating that Tuğrul Belli meets the independence criteria, was submitted to the Board of Directors and the Board of Directors decided to notify the Capital Markets Board of his nomination as an independent member candidate.

The declaration of independence of Tuğrul Belli, who was elected as an Independent Member of the Board of Directors at the Ordinary General Assembly Meeting held in 2021, is given below.

"I am a candidate to serve as an "independent member" on the Board of Directors of Akbank T.A.Ş (Company) within the scope of the criteria determined in the legislation, articles of association, and the Corporate Governance Principles announced by the Capital Markets Board. Accordingly, I declare as follows:

a) In the last five years, in terms of the relations between the company, the partnerships in which the company has

management control or significant influence, the shareholders who hold the management control of the company or have significant influence in the company, and the legal entities over which these shareholders have management control, and myself, my spouse and my relatives by blood and marriage up to the second degree, there has been no employment relationship involving a managerial position which would require the assumption of important duties and responsibilities; more than 5% of the capital or voting rights or preference shares are not owned jointly or individually, and no significant commercial relationship has been established,

b) In the last five years, in companies where the company has purchased or sold significant services or products within the framework of the agreements made, especially in relation to audit (including tax audit, legal audit, internal audit), rating and consultancy services for the company, I have not been a shareholder (with a shareholding of 5% or more), member of the board of directors, or a manager who would assume important duties and responsibilities, in the periods when the service or product in question was purchased or sold,

c) Since I am an independent member of the board of directors, I have the professional education, knowledge and experience necessary to fulfil the duties I will assume,

ç) I do not currently work full-time in public institutions and organizations and I will also not work in such places if I am elected as an Independent Member of the Board of Directors,

d) According to the Income Tax Law (G.V.K.) dated 31/12/1960 and numbered 193, I am deemed a resident of Turkey,

e) I have strong ethical standards, professional reputation and experience that can contribute positively to the company's activities, maintain my impartiality in conflicts of interest between the company and the shareholders, and allow me to decide freely by taking into account the rights of the stakeholders,

f) I will be able to devote enough time to company business to follow the operation of the company's activities and fully satisfy the requirements of the duties I have assumed,

g) I have not been a member of the board of directors of the company for more than six years in the last ten years,

ğ) I do not act as an independent member of the board of directors in more than three of the companies in which the same person, company, or the shareholders holding the management control of the company have management control, and in more than five of the companies listed on the stock exchange in total,

h) I have not been registered and announced on behalf of the legal entity that is elected as a member of the board of directors."

Our reports on compliance with corporate governance principles

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
Kurumsal Yönetim Uyum Raporu						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	X					
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			X			Article 65 of the Articles of Association states "Right to Participate in Meeting". According to this, the General Shareholders' Meeting is not held open to public nor to the stakeholders.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			There are no members elected by minority rights in the Board of Directors of the Bank. Minority rights are not determined as less than one twentieth of the Bank's capital in the Articles of Association of the Bank. Meanwhile, utmost attention is paid to the use of minority rights in conformity with the Turkish Commercial Code (TTK) and Capital Markets Board (SPK) regulations
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company	X					
1.7. TRANSFER OF SHARES						
"1.7.1 - There are no restrictions preventing shares from being transferred."	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					

Our reports on compliance with corporate governance principles

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	x					

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	x					
3.4.2 - Customers are notified of any delays in handling their requests.	x					
3.4.3 - The company complied with the quality standards with respect to its products and services	x					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	x					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				The Bank has insured itself against any damages resulting from unintentional errors by members of senior management, with an upper limit of USD 25 million

Our reports on compliance with corporate governance principles

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy			X			"Akbank's Chairman is female. However, the target ratio and timing regarding female member ratio is not determined by Board of Directors. In 2020, 10% of Board of Directors was composed of female members."
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.	X					The Bank's Articles of Association stipulate that members of the Board of Directors cannot undertake commercial transactions with the Bank in areas where the Bank is actively engaged either in person or by proxy, unless they have received the approval of the General Assembly. The provisions of Article 396 of the Turkish Commercial Code pertaining to the non-compete clause and the provisions of the Banking Law are reserved.

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Some board members serve in more than one Board committee. This enables increased coordination between different Board committees.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report	X					
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively			X			Board members are selected in General Assembly Meeting on a yearly basis. There is not any special performance evaluation conducted at the board level.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.			X			The loans provided by Akbank to be used by the Board members are limited through a framework specified by the Article 50 of the Banking Law. No other loans are extended to the Board members outside this framework.
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			This is disclosed as a total amount in the Annual report. In 2021, TL 105 million financial benefits were provided to the Group's senior management.

The Corporate Governance Compliance Report (URF), Corporate Governance Information Form (KYBF) and Sustainability Principles Compliance Report documents approved by our Bank's Board of Directors can be accessed from the links below on the Public Disclosure Platform:

<https://www.kap.org.tr/tr/Bildirim/1007110>

<https://www.kap.org.tr/tr/Bildirim/1007113>

<https://www.kap.org.tr/tr/Bildirim/1007111>

Our reports on compliance with corporate governance principles

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	“Investor Relations and Sustainability Department organized a video web-cast at the beginning of 2021, during which the bank’s budget guidance was announced. In addition, 4 web-cast meetings were organized with the participation of the Executive Management for the announcements of quarterly results, which included Q&A parts. Investor Relations and Sustainability Department and the Executive Management team participated in 33 domestic and overseas investor conferences in 2021. During 2021, the team met with approximately 238 different international investment funds as well as two separate rating agencies. 2 online panels were held with the participation of the Executive Management. In addition, the Department responded to more than 500 inquiries from investors and analysts via telephone and e-mail.”
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	None
The number of special audit requests that were accepted at the General Shareholders’ Meeting	None
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/914630
Whether the company provides materials for the General Shareholders’ Meeting in English and Turkish at the same time	Both in Turkish and English
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	None
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	None
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	None
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Donation-and-contribution-policy/170/310/0
The relevant link to the PDP with minute of the General Shareholders’ Meeting where the donation policy has been approved	https://www.kap.org.tr/Bildirim/269794
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders’ Meeting	None
Identified stakeholder groups that participated in the General Shareholders’ Meeting, if any	There was no participation from unidentified stakeholders for the Ordinary General Assembly Meeting held for the year 2020.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	0,4075
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Dividend-policy/165/287/0#:~:text=Provided%20that%20no%20adverse%20conditions,40%25%20of%20the%20Bank's%20distributable
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	-
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

General Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
24.03.2021	0	72,70%	0,00%	72,70%	https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Annual-general-assembly-documents/38/14/0	-	-	409	https://www.kap.org.tr/en/Bildirim/823088

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	https://www.akbankinvestorrelations.com/en/
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Capital-and-trade-registry-information/31/9/0
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	https://www.akbankinvestorrelations.com/en/about-akbank/detail/Shareholder-structure/16/19/0
List of languages for which the website is available	Both in Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	2021 Annual Report, pages 60-83; 101
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	2022 Annual Report, pages 94,95
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	2021 Annual Report, pages 114
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	2021 Annual Report, pages 273-282
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	2021 Annual Report, pages 110
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	-
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	2021 Annual Report, pages 64-69
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	2021 Annual Report, pages 219-223

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3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Compensation-policy/171/311/0
The number of definitive convictions the company was subject to in relation to breach of employee rights	438
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Board of Internal Control
The contact detail of the company alert mechanism.	etik@akbank.com 0212 385 77 77
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	-
Corporate bodies where employees are actually represented	No bodies present
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The bank has a succession plan for the key management positions and it is developed with the Board.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	https://www.akbankinvestorrelations.com/en/images/pdf/Akbank_Diversity_and_inclusion.pdf
Whether the company provides an employee stock ownership programme	There is no employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	https://www.akbankinvestorrelations.com/en/images/pdf/Akbank_Diversity_and_inclusion.pdf
The number of definitive convictions the company is subject to in relation to health and safety measures	None
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	https://www.akbankinvestorrelations.com/en/images/pdf/2018-0307-krm-etik-ilkelerimiz-ing-web.pdf
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	
Any measures combating any kind of corruption including embezzlement and bribery	https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Anti-Bribery-Anti-Corruption-policy/164/502/0

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	"Suzan Sabancı Dinçer - Chairman Eyüp Engin - Vice Chairman and Executive Board Member, responsible for overseeing all activities of the Bank, member responsible for Internal Systems, member responsible for Compliance Program Ahmet Fuat Ayla - Executive Board Member, responsible for overseeing and management of lending activities"
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	Akbank's Audit Committee held 4 meetings in 2021. Board of Internal Auditors, Board of Internal Control, Board of Compliance, Board of Risk Management and Board of Information Risk Management regularly report on Committee Meetings and their related activities as well.
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Report of the Audit Committee can be found on page 134-137 of Akbank Annual Report 2021
Name of the Chairman	Suzan Sabancı Dinçer
Name of the CEO	Sabri Hakan Binbaşgil
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	None
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None
Kadın üyelerin sayısı ve oranı	1 - %10

Our reports on compliance with corporate governance principles

Composition of Board of Directors

Name-Surname	Real Person Acting on Behalf of Legal Person Member	Gender	Title	Profession	The First Election Date To Board	Whether Executive Director or Not	Positions Held in the Company in the Last 5 Years
SUZAN SABANCI DİNÇER	-	Female	Chairman of the Board	Banker	35695	Non-Executive	Chairman of the Board, Executive Director
EYÜP ENGİN	-	Male	Deputy Chairman of the Board and Executive Director	Banker	43549	Non-Executive	Executive Director, Head of Board of Audit
AHMET FUAT AYLA	-	Male	Executive Director	Banker	42928	Executive	Executive Director, Executive Vice President
ŞAKİR YAMAN TÖRÜNER	-	Male	Member of the Board	Banker	35871	Non-Executive	Member of the Board
EMRE DERMAN	-	Male	Member of the Board	Banker	40263	Non-Executive	Member of the Board
NAFİZ CAN PAKER	-	Male	Member of the Board	Banker	42089	Non-Executive	Member of the Board
İSMAİL AYDIN GÜNTER	-	Male	Member of the Board	Banker	35871	Non-Executive	Member of the Board
KEMAL ÖZGÜR DEMİRTAŞ	-	Male	Member of the Board	Banker	43185	Non-Executive	Member of the Board
MEHMET TUĞRUL BELLİ	-	Male	Member of the Board	Banker	43913	Non-Executive	Board Member
SABRİ HAKAN BİNBAŞGİL	-	Male	Member of the Board	Banker	40913	Executive	Member of the Board and CEO

Current Positions Held Outside the Company	Denetim, Muhasebe ve/veya Finans Alanında En Az 5 Yıllık Deneyime Sahip Olup Olmadığı	Share in Capital (%)	The Share Group that the Board Member Representing	Independent Board Member or not	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Committees Charged and Task
H.Ö. Sabancı Vakfı - Mütevelli Heyeti Üyesi, H.Ö. Sabancı Holding A.Ş. - Yönetim Kurulu Üyesi, Sabancı Üniversitesi - Mütevelli Heyeti Üyesi	Evet	0,63	-	Not Independent Director			-	-
Akbank T.A.Ş. Mensupları Tekaüt Sandığı Vakfı - Yönetim Kurulu Başkanı, LYY Telekomünikasyon A.Ş. - Yönetim Kurulu Üyesi, TTNet A.Ş. - Yönetim Kurulu Üyesi, TT Mobil İletişim Hizm. A.Ş. - Yönetim Kurulu Üyesi, Argela Yazılım ve Bilişim Teknolojileri Sanayi ve Ticaret A.Ş. - Yönetim Kurulu Başkanı, Türk Telekomünikasyon A.Ş. - Yönetim Kurulu Başkan Vekili	Evet	-	-	Independent Director			-	Audit Committee Chairman, Executive Risk Committee Chairman, Corporate Governance Committee Chairman, Credit Committee Member.
-	Evet	-	-	Not Independent Director			-	Credit Committee Chairman, Executive Risk Committee Member.
Basın Konseyi - Yüksek İstişare Kurulu Üyesi	Evet	-	-	Independent Director			-	Audit Committee Member, Corporate Governance Committee Member.
Turcas Petrol A.Ş. - Bağımsız Yönetim Kurulu Üyesi, Dragut Limited - Yönetim Kurulu Üyesi ve Ortak İleri Eğitim Vakfı - Mütevelli Heyeti Üyesi, RC UK - Mütevelli Heyeti Üyesi, Robert Kolej - Mütevelli Heyet Üyesi	Evet	-	-	Not Independent Director			-	-
Inovent GOSB Teknopark - Yönetim Kurulu Başkanı, B.O.Y. Hiz. Paz. Dış Tic. A.Ş. - Kurucu Ortak/Yönetim Kurulu Üyesi	Evet	-	-	Not Independent Director			-	-
SS Otelcilik A.Ş. - Yönetim Kurulu Üyesi, Sabancı Üniversitesi - Mütevelli Heyet Üyesi, Akın Holding A.Ş. - Yönetim Kurulu Üyesi Türkish Yatırım A.Ş. - Yönetim Kurulu Üyesi Akın Faktoring A.Ş. - Yönetim Kurulu Üyesi	Evet	-	-	Not Independent Director			-	-
Sabancı Üniversitesi - Finans Kursu Başkanı/Öğretim Üyesi	Evet	-	-	Not Independent Director			-	-
Sera Filmcilik San. Tic. A.Ş. - Yönetim Kurulu Üyesi Türkish Bank - Ekonomi Danışmanı	Evet	-	-	Independent Director	-	Considered	-	
Akbank AG - Gözetim Kurulu Başkanı	Evet	-	-	Not Independent Director	-			Credit Committee Member, Executive Risk Committee Member

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4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	1 physical, 5 online meetings
Director average attendance rate at board meetings	98.3% (for the year 2021)
Whether the board uses an electronic portal to support its work or not	
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Information to directors, as per the board charter, is provided around 2 days ahead of the board meeting
The name of the section on the corporate website that demonstrates information about the board charter	Information about the board charter is detailed in Articles of Association of Akbank (Article 27&31) https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Articles-of-association/37/13/0
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	External commitments for board members are allowed in accordance with regulatory restrictions.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented.	Akbank Annual Report 2020, on pages 94 & 95
Link(s) to the PDP announcement(s) with the board committee charters	The information regarding the Board Committees is at the Bank's website: https://www.kap.org.tr/tr/Bildirim/668578

Yönetim Kurulu Komiteleri-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Combo seçenekleri: 1-Denetim Komitesi (Audit Committee) 2-Kurumsal yönetim komitesi (Corporate Governance Committee) 3-Aday gösterme Komitesi (Nomination Committee) 4-Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk) 5-Ücret Komitesi (Remuneration Committee) 5-Diğer (Other)			Combo seçenekleri 1-evet 2-hayır	Combo seçenekleri 1- Yönetim kurulu üyesi (Board member) 2- Yönetim kurulu üyesi değil (Not board member)
Audit Committee	-	Eyüp Engin	Yes	Board member
Audit Committee	-	Yaman Törüner	No	Board member
Corporate Governance Committee	-	Eyüp Engin	Yes	Board member
Corporate Governance Committee	-	Yaman Törüner	No	Board member
Corporate Governance Committee	-	Türker Tunalı	No	Not board member
Remuneration Committee	-	Eyüp Engin	Yes	Board member
Remuneration Committee	-	Yaman Törüner	No	Board member
Other	Credit Committee	Ahmet Fuat Ayla	Yes	Board member
Other	Credit Committee	Eyüp Engin	No	Board member
Other	Credit Committee	Hakan Binbaşgil	No	Board member
Other	Executive Risk Committee	Eyüp Engin	Yes	Board member
Other	Executive Risk Committee	Ahmet Fuat Ayla	No	Board member
Other	Executive Risk Committee	Hakan Binbaşgil	No	Board member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	https://www.akbankinvestorrelations.com/tr/kurumsal-yonetim/liste/Yonetim-kurulu-komiteleri/543/1166/0
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	https://www.akbankinvestorrelations.com/tr/kurumsal-yonetim/liste/Yonetim-kurulu-komiteleri/543/1166/0
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	-
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	https://www.akbankinvestorrelations.com/tr/kurumsal-yonetim/liste/Yonetim-kurulu-komiteleri/543/1166/0
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	https://www.akbankinvestorrelations.com/tr/kurumsal-yonetim/liste/Yonetim-kurulu-komiteleri/543/1166/0
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report, pages 268-269
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Annual Report, pages 215

Yönetim Kurulu Komiteleri-II

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee		100%	100%	4 online meetings	-
Corporate Governance Committee		67%	67%	2 online meetings	-
Credit Committee		33%	33%	Convening on an as-needed basis.	-
Executive Risk Committee		33%	33%	2 online meetings	-

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SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

Type of Principle	Principle Code	Definition	Compliance	Definition	Related Source(s)
General	A1. Strategy, Policy and Targets	The Board of Directors determines material ESG issues, risks and opportunities and creates ESG policies accordingly. In terms of the effective implementation of these policies; internal directives, business procedures of Companies etc. can be prepared. The Board of Directors takes decisions for these policies and they are publicly disclosed.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/detail/Akbanks-sustainability-governance/204/339/0 https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Policies/34/10/0 https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It determines the Company Strategy in line with the ESG policies, risks and opportunities. It determines the short and long term goals in line with the Company strategy and ESG policies and makes them public.	Yes		https://www.akbankinvestorrelations.com/en/news/detail/Akbank-commits-to-providing-TL-200-billion-for-a-more-sustainable-future/591/1389/0 https://www.akbankinvestorrelations.com/en/sustainability/detail/Akbanks-sustainability-commitments/74/54/0 https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
	A2. Implementation/ Monitoring	It determines the committees / units responsible for the execution of ESG policies and makes them public. The responsible committee / unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and in any case within the maximum periods determined for the public disclosure of the annual activity reports in the relevant regulations of the Board.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/detail/Akbanks-sustainability-governance/204/339/0 https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It creates and publicly discloses implementation and action plans in line with the short and long term goals determined.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/detail/Akbanks-sustainability-governance/204/339/0 https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Determines Key ESG Performance Indicators (KPIs) and explains them on a yearly basis. In the presence of verifiable data, it presents KPIs with local and international sector comparisons.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/detail/Akbanks-sustainability-governance/204/339/0 https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Explains the innovation activities that improve the sustainability performance for business processes or products and services.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0 https://www.akbankinvestorrelations.com/en/
	A3. Reporting	It reports its sustainability performance, goals and actions at least once a year and makes it public. Explains the information on sustainability activities within the scope of the annual report.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0 https://www.akbankinvestorrelations.com/en/
		It is essential to share information, which is important for stakeholders in understanding the position, performance and development of the Company, in a direct and concise manner. It can also explain detailed information and data on the corporate website, and prepare separate reports that directly meet the needs of different stakeholders.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0 https://www.akbankinvestorrelations.com/en/
		It takes maximum care in terms of transparency and reliability. It objectively explains all kinds of developments about material issues in disclosures and reporting within the scope of the balanced approach.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0 https://www.akbankinvestorrelations.com/en/
		It gives information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Makes an explanation regarding the lawsuits filed and / or concluded against environmental, social and corporate governance issues.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
	A4. Verification	If verified by independent third parties (independent sustainability assurance providers), it discloses its sustainability performance measurements to the public and endeavors to increase such verification processes.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0

Type of Principle	Principle Code	Definition	Compliance	Definition	Related Source(s)
Environment	B. Environmental Principles	Explains policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Complies with environmental laws and other relevant regulations and explains them.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It explains the limitations of the environmental report to be included in the report to be prepared within the scope of the Sustainability Principles, reporting period, reporting date, data collection process and reporting conditions.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/default/Sustainability/9/0/0
		Describes the highest responsible person, relevant committees and responsibilities in the Company on the issues of environment and climate change.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/detail/Akbanks-sustainability-governance/204/339/0
		Describes the incentives it offers for the management of environmental issues, including the achievement of objectives.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/default/Sustainability/9/0/0
		Explain how environmental problems are integrated into business goals and strategies.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/default/Sustainability/9/0/0
		It explains the sustainability performance of business processes or products and services and the activities to improve this performance.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It explains how it manages environmental issues along the Company's value chain and integrates suppliers and customers into its strategies, not just in terms of direct operations.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Whether it is involved in policy-making processes on environmental issues (sectoral, regional, national and international); it explains the cooperation it has made with the associations, related organizations and non-governmental organizations it is a member of on the subject of environment, and the duties it has taken, if any, and the activities it supports.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Reports information on its impacts in a periodically comparable manner within the scope of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)	Yes		https://www.akbankinvestorrelations.com/tr/surdurulebilirlik/yil-liste/Surdurulebilirlik-raporlari/323/0/0
		It describes the standard, protocol, methodology and base year details used to collect and calculate its data.	Yes		https://www.akbankinvestorrelations.com/en/images/pdf/akbank_cdp_report_2021.pdf
		Describes the status of environmental indicators for the reporting year (increase or decrease) in comparison with previous years.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/default/Sustainability/9/0/0
		Sets short and long-term goals to reduce their environmental impact and explains these goals. It is recommended that these goals be determined based on Science as suggested by the United Nations Conference of the Parties on Climate Change. If there is progress in the reporting year according to the targets set before, it provides information on the subject.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/default/Sustainability/9/0/0
		Explain the strategy and actions to combat the climate crisis.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Describes the program or procedures to prevent or minimize the potential negative impact of the products and / or services it offers; explains the actions of third parties to reduce greenhouse gas emissions.	Yes		https://www.akbankinvestorrelations.com/tr/surdurulebilirlik/yil-liste/Surdurulebilirlik-raporlari/323/0/0
		It explains the actions taken to reduce its environmental impacts, the total number of projects and initiatives carried out, and the environmental benefits / revenues and cost savings they provide.	Partial	The actions, projects and initiatives undertaken to reduce the environmental impact are being disclosed in our company's annual sustainability reports. The environmental benefits and cost reductions of these actions in question are planned to be disclosed in the upcoming period.	https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0

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Type of Principle	Principle Code	Definition	Compliance	Definition	Related Source(s)
Environment	B. Environmental Principles	It reports the total energy consumption data (excluding raw materials) and explains the energy consumption as Scope-1 and Scope-2.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Provides information on electricity, heat, steam and cooling generated and consumed in the reporting year.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It conducts studies on increasing the use of renewable energy, transition to zero or low carbon electricity and explains these studies.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Explain the renewable energy production and usage data.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It makes energy efficiency projects and explains the amount of energy consumption and emission reduction thanks to these studies.	Partial	The information regarding our company's energy efficiency projects are disclosed in annual sustainability reports, with more details to be disclosed in the upcoming period.	https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It reports the amount of water withdrawn, used, recycled and discharged from underground or above ground, its sources and procedures (Total water withdrawal by source, water resources affected by water withdrawal, percentage and total volume of recycled and reused water, etc.).	Partial	Information on rainwater storage in large underground tanks of the Data Center and using it when needed has been reported.	https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It explains whether operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).	Irrelevant	Our operations and activities are not part of a carbon pricing system.	
		Describes the carbon credit information accumulated or purchased during the reporting period.	Irrelevant	As there are no transactions on carbon credits, no information is disclosed on the issue.	
		Explains the details if carbon pricing is applied within the Company.	Irrelevant	As there are no transactions on carbon credits, no information is disclosed on the issue.	
Social	C1. Human Rights and Employee Rights	It explains all mandatory and voluntary platforms where it discloses environmental information.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Forms a Human Rights and Employee Rights Policy with a commitment to fully comply with the Universal Declaration of Human Rights, ILO Conventions which Turkey has confirmed and the legal framework and regulations governing the operation of corporate life in Turkey. Discloses the policy in question and the roles and responsibilities associated with its implementation.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Human-rights-policy/620/1523/0
		Provides equal opportunity in recruitment processes. Considering the supply and value chain effects, it includes fair labor, improvement of labor standards, women's employment and inclusion issues (such as women, men, religious belief, language, race, ethnic origin, age, disability, refugee, etc.) in its policies.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Human-rights-policy/620/1523/0 https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Diversity-and-inclusion-policy/614/1504/0
		Describes the measures taken along the value chain for the protection of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights / equality of opportunity.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Human-rights-policy/620/1523/0 https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Diversity-and-inclusion-policy/614/1504/0 https://www.akbankinvestorrelations.com/en/images/pdf/Akbank-Environmental-and-Social-Credit-Policies.pdf
		It reports developments regarding discrimination, inequality, human rights violations, forced labor, and corrective practices. Explains the regulations against child labor.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0

Type of Principle	Principle Code	Definition	Compliance	Definition	Related Source(s)
Social	C1. Human Rights and Employee Rights	Explains policies regarding investment in employees (training, development policies), compensation, vested benefits, right to unionize, work / life balance solutions and talent management. Determines dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. It regularly explains the activities carried out to ensure employee satisfaction.	Yes		https://www.akbankinvestorrelations.com/tr/surdurulebilirlik/yil-liste/Surdurulebilirlik-raporlari/323/0/0
		It creates occupational health and safety policies and makes them public. Explains the precautions and accident statistics taken to prevent work accidents and health.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It creates and publicly discloses personal data protection and data security policies.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It creates an ethical policy (including work, work ethics, compliance processes, advertising and marketing ethics, open information, etc.) and discloses it to the public.	Yes		https://www.akbank.com/en-us/Content/Pages/public-disclosure-text-on-protection-of-personal-data.aspx#:~:text=AKBANK%20T.A.%C5%9E%20is%20required,data%2C%20your%20such%20demand%20may
		Explains the work within the scope of social investment, social responsibility, financial inclusion and access to finance.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Ethical-principles/29/8/0
		Organizes information meetings and training programs for employees on ESG policies and practices.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
	C2. Paydaşlar, Uluslararası Standartlar ve İnisiyatifler	It carries out its activities in the field of sustainability by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.).	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It regulates and publicly discloses a customer satisfaction policy regarding the management and resolution of customer complaints.	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Conducts stakeholder communication continuously and transparently; It explains which stakeholders, for what purpose, on what issue and how often it communicated, and the developments in sustainability activities.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Ethical-principles/29/8/0
		It publicly discloses the international reporting standards it has adopted (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial Disclosures Task Force (TCFD), etc.).	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		Discloses the international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.) which it is a signatory or member of, and international principles adopted (International Capital Market Association (ICMA) Green / Sustainable Bond Principles).	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0
		It makes concrete efforts to be included in Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.).	Yes		https://www.akbankinvestorrelations.com/en/sustainability/year-list/Sustainability-reports/60/0/0

Our reports on compliance with corporate governance principles

Type of Principle	Principle Code	Definition	Compliance	Definition	Related Source(s)
Corporate Governance	D. Corporate Governance Principles	It makes maximum effort to comply with all Corporate Governance principles as well as the mandatory Corporate Governance principles within the scope of the Capital Markets Board Corporate Governance Communiqué numbered II-17.1.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Corporate-governance/17/1/0
		It takes into account the sustainability issue, the environmental impacts of its activities and the principles in this regard while determining its corporate management strategy.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Corporate-governance/17/1/0
		As stated in the Corporate Governance Principles, it takes the necessary measures to comply with the principles regarding the stakeholders and to strengthen the communication with the stakeholders. It applies to the opinions of stakeholders in determining the measures and strategies in the field of sustainability.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Corporate-governance/17/1/0
		It works on raising awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities and trainings.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Corporate-governance/17/1/0
		It strives to become a member of international standards and initiatives on sustainability and to contribute to studies.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Corporate-governance/17/1/0
		Explains policies and programs for the fight against bribery and corruption and the principle of tax integrity.	Yes		https://www.akbankinvestorrelations.com/en/corporate-governance/detail/Corporate-governance/17/1/0

Statement of responsibility

STATEMENT OF RESPONSIBILITY FOR THE INTEGRATED ANNUAL REPORT AND CORPORATE GOVERNANCE REPORTS FOR THE PERIOD JANUARY 1, 2021 - DECEMBER 31, 2021

The Integrated Annual Report for the period 01.01.2021 - 31.12.2021 prepared by our company in accordance with the Communiqué on Financial Reporting Principles in the Capital Markets (Communiqué) numbered II-14.1 of the Capital Markets Board (CMB) and the Corporate Governance Reports consisting of the Corporate Governance Compliance Report (KYUR) and the Corporate Governance Information Form (KYBF), which were prepared in accordance with the Capital Markets Board's (CMB) decision dated 10.01.2019 and numbered 2/49, were submitted to our review pursuant to Article 9 of the Communiqué;

- a) Integrated Annual Report and Corporate Governance Reports have been reviewed by us,
- b) Within the framework of the information we have as per our scope of duty and responsibility in the Bank, the Annual Report and the Corporate Governance Reports do not contain any untrue statement on important matters or any deficiencies that may result in misleading information as of the date of the disclosure,
- c) Within the framework of the information we have as per our scope of duty and responsibility in the Bank;
 - The Integrated Annual Report, prepared in accordance with the Communiqué, honestly reflects the development and performance of our Company, as well as the financial position of those within the scope of consolidation, together with the significant risks and uncertainties faced,
 - We disclose to the public that the Corporate Governance Reports provide sufficient information to our stakeholders about our corporate governance practices in line with the criteria determined in the Corporate Governance Principles and relevant regulations of the CMB, and we declare that we are responsible for the statements made.



Eyüp Engin
Audit Committee Chairman
















S. Hakan BİNBAŞGİL
CEO



Türker TUNALI
Deputy CEO

Our policies

Policies	Our Approach
 Ethical Principles	We follow the principles set to enlighten and guide us in all our transactions, conduct and decisions.
 Anti-Bribery and Anti-Corruption Policy	We aim to fully comply with anti-bribery and anti-corruption laws and regulations, clean banking rules, ethical principles and universal guidelines.
 Profit Distribution Policy	We distribute cash and/or share value up to 40% of the distributable profit.
 Information Policy	We follow close and transparent communication with the shareholders.
 Gift and Hospitality Policy	We maintain strict policies against giving and receiving gifts.
 Remuneration Policy	We follow a management approach that complies with the BRSA and CMB Corporate Governance Principles.

 Donation and Contribution Policy	<p>In accordance with the Capital Markets Law and the Banking Law, we donate up to a maximum of 0.4% of equity.</p>
 Employee Compensation Policy	<p>We ensure full compliance with the Labour Law.</p>
 Diversity and Inclusion Policy	<p>We aim to maintain a participatory, free and open corporate culture and work to create opportunities to unleash the human potential of our country.</p>
 Human Rights Policy	<p>We follow the principle of creating a modern and respectful work environment, conveying the approaches and principles in the field of human rights, and being sensitive on human rights issues within the framework of these principles in our relations with all our stakeholders.</p>
 Code of Conduct for Supplier	<p>As Akbank, we act in accordance with published policies and ethical rules in all purchasing processes.</p>
 “Zero Tolerance to Violence” Policy	<p>We know that it is important for a person to feel safe and secure at home and at work, and in parallel with this, we stand against all kinds of violence and abuse, which are the most critical factors that damage trust.</p>
 Cookie Policy	<p>We are working to provide convenience to users visiting our website and to improve the way it works.</p>

Our risk
management
and regulatory
compliance

Our management and decision mechanisms function effectively with the committees we have formed with a focus on the subject.

Akbank Risk Management System operates with a process in which risk, control and audit reporting of all units within our Bank is carried out regularly and in a coordinated manner. We analyse the risks by considering the materiality criteria, review the strategies, policies, procedures and models suitable for the risks identified, and manage them in line with our risk appetite and risk limits.

At Akbank, we maintain our multidimensional approach that includes risk management, compliance with legal regulations, and environmental-social impact analysis on key issues such as balance sheet management, capital allocation, portfolio/investment choice, new product and operating decision. In line with our long-term strategies and targets, we continue to give direction and momentum to our activities. By providing prior analysis of risks and opportunities, our Board of Directors will take the required steps which we determine through our Risk Management System, in cooperation with our Audit Committee and Senior Risk Committee. Our Risk Management Presidency continues its duty by reporting directly to our Board of Directors. We analyse our risks within the framework of the basic risk categories (credit, market, interest, liquidity, operational) and share information on the steps to be taken for each of them with all our units and employees and demonstrate a holistic approach. As in every reporting year, Risk Management Department, Internal Control Department, Compliance Department, Board of Inspectors and Information Risk Management Department assumed the coordination and evaluation responsibilities in the best way possible and actively took part in taking the expected actions in 2021 as well and thanks to our multidimensional risk management approach, we managed to keep the risks at the optimum level.

At Akbank, our management and decision mechanisms function effectively with the subject-oriented committees we have formed. Election of members to the committees takes place at the level of the Board of Directors and/or the CEO/Executive Vice President.

Our Audit Committee was established for the purpose of managing the authorities and responsibilities of internal audit, internal control, risk management and legal compliance activities separately but in harmony with each other. It ensures that the activities of our Bank are carried out safely and without disruption during the monitoring of audit institutions.

You can review our **Audit Committee Report** section of our Annual Report for detailed information about our 2021 Audit Committee Report and our Supervisory Committee chairs.

We actively manage risks by incorporating internationally accepted risk management regulations and models into our business processes. The simulations, scenarios, analyses, calculations, stress tests and other studies we carry out within the framework of risk management play a decisive and supportive role in the strategic decisions taken by our Bank's Board of Directors and Senior Management.

We have calculated the effects of crises of different severity levels on capital and equity adequacy ratios by increasing the number of stress tests we regularly perform throughout the COVID-19 pandemic. In this way, we aim to provide our Bank with an identity that is more resistant to shocks. In order to maintain our ability to fulfil our responsibilities toward our customers on time and at the highest level, we constantly monitor our reserves with the internal capital adequacy assessment process (İSEDES). At the same time, as a systemically important bank, we update the "Measure Plan", which includes the planning process in cases of stress, and share it with BRSA every year.

We follow national and international methodologies in transactions such as identifying risks, determining limits and evaluating loans. By supporting our employees to act in compliance with the Clean Banking Principles as well as legislation and methodologies, we protect the value of our Bank and build more sustainable relationships with both our customers and stakeholders.

The 11 risk categories determined by our Audit Committee and Senior Risk Committee as a result of their evaluations with the Board of Directors are as follows:

Market and Counterparty Credit Risk

In addition to determining limits by measuring the market risks encountered as a result of changes in exchange rates, stocks and interest rates that may occur in market prices, within the framework of internationally accepted models, we constantly monitor compliance with these limits.

In order to monitor market risk, we set limits on the basis of risk metrics, portfolio structure, transaction type, maturity and currency. However, model development and verification processes are managed by closely following market developments.

We have calculated the effects of crises of different severity levels on capital and equity adequacy ratios by increasing the number of stress tests we regularly perform throughout the COVID-19 pandemic. In this way, we aim to provide our Bank with an identity that is more resistant to shocks.

While our Board of Directors regularly reviews the limits; the Risk Management Department appointed by the Board is responsible for making the necessary changes in line with our strategies and market conditions. In the meetings of the Market Risk Committee, held regularly at the Senior Management level, important issues in terms of market risk are discussed and necessary actions are taken.

We monitor the highest value that the derivative transactions in our customers' portfolio can reach according to the possible future market prices, as the counterparty credit risk. In addition, we calculate credit valuation adjustments using parameters based on the internal model. APKO (Active Passive Committee) and Market Risk Committee act as committees involved in the management of market risk.

Liquidity Risk

We have established a liquidity management framework that will provide the necessary liquidity resources to fulfil our legal responsibilities toward our deposit holders, the companies to which we have made commitments, and our lenders providing funds. We protect the Bank from the possible negative impacts of the liquidity risk through a strong deposit base, a strong capital structure and a diverse domestic and international creditor base. We also use the limits allocated at the Central Bank, Takasbank Money Market, BIST Repo Market, and at other banks as well as the liquid securities portfolio as additional cash resources, when necessary. We act cautiously in foreign currency liquidity management, and we use

swap transactions effectively as well as holding sufficient reserves to fully meet our liquidity needs. We constantly monitor our liquidity situation with the liquidity stress test we carry out at regular intervals. Stress test results guide our liquidity risk management policy and strategy. We manage our liquidity risk in line with our liquidity risk appetite specified in this policy framework. The Market Risk Committee, APKO and, where necessary, the Liquidity Emergency Management Committee serve as the committees involved in the management of liquidity risk.

Interest Rate Risk

Within the framework of the policy approved by the Board of Directors, we follow the risk limits determined to control and limit risks while effectively managing the interest rate risk level. We conduct sensitivity analyses regarding the effects of fluctuations in interest rates on the financial statements of our bank's interest-sensitive assets and liabilities. We closely monitor, measure, and report interest rate sensitivity and scenario analyses prepared for the purpose of determining and managing the structural interest rate risk that may be exposed due to potential maturity mismatch in the balance sheet structure. In these analyses, by shocking interest rates, the economic value change approach and the impact of changes in interest rates on bank equities are analysed while calculating the changes that may occur in the bank's short term net interest income and interest-sensitive non-interest income/expense with its income/expense approach. Our committees involved in interest rate risk are APKO and Market Risk Committee.

Our risk
management
and regulatory
compliance

We manage all our banking products that carry credit risk with the help of our prudent credit policies.

We update our Environmental and Social Credit Policies by taking into account the best practices, trends and international standards in the sector and globally, with the sustainability strategy of our Bank in particular, and the update suggestions for the UN Global Compact Turkey Declaration on Sustainable Finance to which we are a signatory.

Credit Risk

We manage all our banking products that carry credit risk with the help of the credit policies and procedures we prepare. We use credit ratings and notes calculated by the internal models we have developed for the processes of regularly monitoring the quality of our existing loan portfolio, evaluating new loan requests, and determining the provisions to be set aside for loans. We develop all models used in loan processes within the scope of a certain procedure, validate them simultaneously, and continuously monitor their performance.

Furthermore, in order to control and closely monitor our credit risk, we set limits at many different levels, such as companies, groups, sectors, and countries. At the same time, we follow global developments closely and carry out innovative studies. In particular, we increase the efficiency of these processes by adapting machine learning techniques

to our model development and validation processes. We perform the Expected Credit Loss Provision (BKZK) calculations on a daily basis in accordance with TFRS-9 standards and follow the changes. We report monthly changes in the amount and ratio of provisions calculated both based on the model and expert opinion, and examine the reasons for the change.

We carry out all model development and validation studies of parameters that are considered as inputs to BKZK calculations. We simulate the effect of regular model updates and other parameter changes in the system. We perform system calculations and controls of provision figures. Our committees involved in the management of credit risk are the Credit Committee, APKO and the Retail Credit Committee.

We update our Environmental and Social Credit Policies by taking into account the best practices, trends and international standards in the sector and globally, with the sustainability strategy of our Bank in particular, and update suggestions for the UN Global Compact Turkey Declaration on Sustainable Finance to which we are a signatory. In the annex of our policy, we also include the "List of Unfunded Activities" and the "Environmental and Social Impact Assessment System".

In order to include it in our risk inventory, we have started a large-scale project on the identification, definition, evaluation and/or measurement, monitoring, control, reporting and management of climate change risks. With the project, we aim to take actions such as determining the roadmaps to be followed, increasing access to sustainable funding sources, and enriching the product and financing opportunities that will support the transition to a low carbon economy.

Operational Risk

Another area that we consider in the risk category in terms of our main activities is operational risks. We consider that the source of our operational risks are the failure to act timely in accordance with the conditions on part of both our Senior Management and our employees, failures in the control of our business processes which result in errors and irregularities to be overlooked, errors and disruptions in our information technology systems, or natural disasters and other external factors. In the management of our operational risks, which are related to all risk categories, especially legal risk and compliance risk, we make effective use of mechanisms such as tracking internal loss data, differentiated and diversified controls, key risk indicators, limitation scenario analyses and insurance. The Operational Risk Committee, which was established at the level of our Senior Management in 2011, not only discusses important issues in terms of operational risk but also actively monitors the actions taken at its regular meetings.

Our other committees involved in the management of operational risk are Information Security Committee, Business Continuity and Information Systems Continuity Committee, Disciplinary Committees, Customer Experience and Clean Banking Committees, Compliance Committee, and New Product/Service Evaluation Committee.

Legal Risk

We consider error-free and omission-free work in compliance with legal regulations as our main priority. Various units are responsible for following the legal regulations related to banking, ensuring compliance with the legal regulations in our system infrastructure, business processes, rules and limitations in order to adapt to developments and changes.

Other Risks

Within the scope of other risks in our bank; there are information security/fraud risk, reputation risk, clean banking risk, strategic risk, clearing risk, business risk, model risk, transfer risk and residual risk. Below you can find explanations on the types of risks that stand out among other risks:

Reputation Risk

Reputation risk is among the risks that are important for our sustainability management. All Akbank employees, especially our Board of Directors, are responsible for the management of reputational risk. In this context, we have determined and put into writing our policies and practices in important areas such as ensuring full compliance with legal regulations, developing trust-based relationships with stakeholders, and resolving our customers' complaints effectively and quickly. We see our Ethical Principles as an important guide in this context.

Clean Banking Risk

At Akbank; we define Clean Banking Risk when our unfair practices or conduct that affect our stakeholders, customers, and markets result in damages to customer, financial penalties or loss of reputation. Within the scope of Clean Banking, in our practices and behaviours towards our customers, we consider the customer's interest as well as the legal regulations. We believe that improving management of the operational and reputational risks of the Clean Banking Principles is very important in terms of eliminating possible legal risks and forming sustainable customer relations.

New Product and Service Evaluation Process

In addition to the risks determined for our existing products and activities, we also conduct risk assessments for newly developed products and services. The possible financial, legal, operational and reputational risks of our new product or service, the practices to be followed in their measurement and management, and the control mechanisms are determined with the participation of our relevant units. Since 2011, the suitability of all our proposed products and services is evaluated by our New Product and Service Evaluation Committee, which includes the managers of all units involved in the product development process. After the comprehensive evaluation made by the committee members and the latest opinion from the Compliance Department, we launch our new products and services following the approval of our Board of Directors.

Privacy and Information Security Risk

Privacy and Information Security are considered as one of the primary risks for corporations today. With digital transformation, the fact that value-added services can always be offered to users online and the services offered are open to the whole world naturally increase digital risks. With this transformation, digital trust has become an important phenomenon, and institutions need to manage privacy and information security risks well in order to ensure digital trust.

We, too, put into practice the necessary governance and business models in order to properly handle information security and privacy in a world that is changing very fast, in order to keep up with such change and to pay the required attention to the risks that come with innovation.

Our risk
management
and regulatory
compliance

Our centre is operational 24/7 to monitor and resolve cyber and fraud threats.

Information Security Management

Providing information security, managing information risks and protecting our customers against fraudulent events are among our priorities. In this area, we are not limited to the framework drawn by laws and regulations, and we aim to do even better.

In order to ensure that information security risks and fraud risks are directly audited by the Board of Directors at the highest level, we carry out all these activities with a unit directly reporting to the Board of Directors. Being one of the few companies that apply this organizational model worldwide, Akbank also has the distinction of being the first bank in the Turkish banking sector to do so. This model gathers information security risks

and fraud risks, which are related to each other to a great extent under one roof, and it separates them from other technology risks. This distinction provides an effective, holistic and independent risk management approach to risks. As part of this structure, these risks are managed with the participation of the bank's senior management.

We create an "Information Risk Management Strategy" in order to ensure cyber security and manage the risk of fraud. This strategy is regularly updated every year for significant changes in threats and is approved and operated by the board of directors. In this business model, the necessary organizational and technical structure is established for the governance of risks.

The governance structure of information risks is defined in the Information Security Policy and the documents supporting the policy. This policy covers all units, products and processes of the bank and its subsidiaries. All standards are established under this policy, based on best practices, and are periodically reviewed and updated based on the status of threats, technology development and business needs.

Providing information security, managing information risks and protecting our customers against fraudulent events are among our priorities. In this area, we are not limited to the framework drawn by laws and regulations; we aim to do even better.

We believe in the importance of sectoral cooperation and intelligence-sharing against cyber and fraud threats. While continuing our active membership in FS-ISAC in the international arena, as well as in different organizations at national level, we receive services from leading global companies that provide intelligence services.

Our centre is operational 24/7 to monitor cyber and fraud threats, respond to them, and resolve them when necessary. We lead the sector with our investments in innovative technologies in this field. Technology platforms using big data, artificial intelligence and machine learning technologies make defence and detection mechanisms effective against complex threats. We plan security technology investments in a way that allows redundant operation against system failures. In addition, our self-owned security technologies are updated online with global intelligence networks. In addition to preventing cyber and fraud threats, we also attach importance to capabilities and processes to eliminate incidents with minimal damage.

We are aware that we offer our services and products within an ecosystem that includes our affiliates and business partners. In accordance with our policies, we perform the necessary evaluation and control activities within the scope of services received from third parties. With risk scoring applications, we also monitor the security levels of service companies.

We consider the security of new services and the technology infrastructures and processes that make these services possible as a factor at the design stage. Thus, we offer services with reduced risks from the very first day.

We authorize access to information on a need-to-know basis with the lowest level of authorization required. We impose additional restrictions on accessing and processing data, including masking, tracking, and blocking.

We prepare the necessary plans against data leakage, fraud and incident interventions that affect business continuity, and periodically test the relevant plans.

Our business model ensures that our maturity level in these areas is regularly measured and areas of improvement are identified. In this context;

- We receive comprehensive audit services from leading international independent audit companies. This audit is also evaluated by the legal regulatory official institution.
- For the Cyber Security Centre and Fraud Risk Management, we work with internationally specialized technology and system providers. We regularly receive review and testing services to improve the maturity and effectiveness of our Cyber Security and Fraud Risk management technologies and processes.
- We carry out the continuous system and application vulnerability scanning activities, both with our internal resources and through the services we receive from companies that are experts in their fields.
- Internal audit units, which work independently under the Board of Directors of the Bank, regularly carry out audit and periodical control activities.

In the cases where information and data security is violated by the personnel through acts such as leaking information, damaging account confidentiality, damaging the system, and engaging in activities that will create vulnerability against cyber and fraud threats, the necessary administrative and legal action is taken within the framework of disciplinary regulations.

We conduct awareness-raising training activities on Information Security and Cyber Threats for our bank's and subsidiaries' employees.

We carry out regular studies to increase our customers' awareness on the risks while using banking products. In addition to our customers, we offer our business partners digital insurance package that provides protection against cyber-attacks such as identity theft, password theft, malware and fraud. With these efforts, we ensure that the risks and damages of our customers arising from cyber and fraud threats are minimized. We take the maximum precautions so that our customers can make secure banking transactions from the devices they use to receive financial services.

We believe in the importance of sectoral cooperation and intelligence-sharing against cyber and fraud threats. While continuing our active membership in FS-ISAC in the international arena, as well as in different organizations at national level, we receive services from leading global companies that provide intelligence services.

Our control and audit infrastructure

With our internal control system, we carry out activities effectively and in compliance with the legislation.

In line with our “open, transparent and reliable” banking principles that we have adopted as Akbank, we have created a strong internal audit mechanism by integrating international internal control and audit practices into all our business processes.

With the internal control system we have established, we carry out our activities effectively, efficiently and in compliance with the legal regulations. To this end, we protect our assets and aim to maintain a holistic accounting and financial reporting system. At Akbank, all our employees take responsibility for the effective maintenance of our bank's internal control system and infrastructure. In addition to this responsibility, our Audit Committee is tasked with assisting the activities of the Board of Directors.

Our internal control units, such as the Inspection, Compliance and Internal Control Departments of our Bank, work with great sensitivity and carry out internal audits and controls in order to monitor the tax liability created by the activities we carry out. We are among the institutions that regularly pay the highest tax to the state of the Republic of Turkey with all direct and indirect taxes we pay, especially the Corporate Tax. Considering the impact of the Tax Element on the “Development” strategy, especially at national level, we are aware of the contribution that the full management of this element will contribute first to the development of the country and then to the development of our Bank's field of activity. We embrace the importance of the subject in every department of our Bank.

OUR INTERNAL CONTROL DEPARTMENT

Our Internal Control Department assumes a critical responsibility. In this context, it is responsible for the correct execution of our activities in compliance with legal requirements and domestic legislation, and their effectiveness and efficiency. Our Internal Control Department, which plays an important role in the management of operational, legal, reputational and clean banking risks, helps us keep losses arising from operational risks at low levels.

Controls are also provided in different areas such as the design of systemic control processes, and the integrity and reliability of financial reporting systems. In addition, the possibility of abuse of our employees is routinely evaluated with monitoring systems designed and developed by our Internal Control Department. We are updating this system every day to make it more efficient in our developing technological innovations and the digital transformation process in which our Bank is involved.

OUR BOARD OF INSPECTORS

Our Board of Inspectors is responsible for the internal audit coordination of our bank's activities. Accordingly, it carries out risk-oriented audit activities with a holistic and integrated perspective, covering all units, processes and activities. It is among the duties of our Board of Inspectors to evaluate the compliance of the transactions carried out in our branches with national and international legislation, to investigate and examine the risks that may have arisen due to negligence, misconduct, fraud, corruption and similar reasons, and to liquidate the risks. In addition to these, studies are also carried out on issues such as information processing and data security. By fully complying with the legislation published by international regulatory authorities (OFAC, EU, UN, etc.), we carry out our controls in this area through our Compliance Department.

In addition to legal authorities, our Board of Inspectors is responsible for inspecting and analysing in detail possible irregularity notifications from internal sources (including the Ethical Banking Line) and customers. In addition, the audit of the reliability of our Bank's information systems is also among the duties of the Board of Inspectors. The results of the activities of our Board of Inspection and Internal Control and Compliance are regularly monitored and evaluated by the Audit Committee and the Board of Directors.

We conduct all our business processes in line with international banking regulations and local legal regulations. We take effective measures in the field of preventing laundering of proceeds of crime and financing of terrorism. In this context, the measures and principles to identify, rank, monitor, evaluate and prevent possible risks are determined and implemented by considering the Know Your Customer obligations. Our Compliance Department carries out the controls of our Bank, which fully complies with the regulations published by international regulatory authorities (OFAC, EU, UN, etc.).

All of our employees who are in contact with our customers, including those in the Corporate Communications Department, are responsible for the compliance of our bank's communication activities with laws and regulations. As Akbank, we attach great importance to protecting the privacy of our customers' information and adopt high ethical standards in all our communication activities for product promotion, sales and marketing, including advertising and sponsorships. By adopting an open disclosure policy in product and service promotions, our Bank carries out all business processes concerning customer relations management in the light of an open disclosure policy in order to prevent customers from being deprived of their rights.

The Business Continuity and Disaster Management System, which is implemented within our bank, operates in line with ISO 22301:2012 Social Security Business Continuity Management System standards. The Business Continuity Committee, which convenes twice a year, is responsible for monitoring and directing the work carried out within the scope of the Business Continuity and Disaster Management System.

In line with ISO 22301:2012 standard, we continued to implement the Business Continuity Management Program also in 2021 in order to ensure the continuity of our critical business processes, to make them work within the foreseen downtime in the case of malfunctions, to prevent customer losses, and to protect the corporate reputation. The implementation of the Technology Continuity Program established within the Bank is followed up at the level of the Board of Directors.

OUR COMPLIANCE DIVISION

Our presidency ensures that our Bank fully complies with national and international regulations on financial crime risks through banking regulations, competition law and regulations on protection of personal data. In its works within the scope of prevention of financial crime risks, by taking into account international

standards; it establishes and implements protective and preventive policies and control standards for the prevention of money laundering, financing of terrorism, international financial sanctions, bribery and corruption. Within the scope of the mentioned regulations, we act with a financial group corporate policy approach that covers all our domestic and foreign units in the planning of our efforts to ensure legal compliance. Our units and employees take the necessary responsibilities within the framework of this policy. We carry out regular and comprehensive training activities in order to increase the awareness of our employees on legal compliance and to refresh their knowledge.

Our Compliance Department assumes important roles and responsibilities in developing and presenting our new banking products and services designed with our current activities in line with the banking legislation. To this end, we continued to update the competition inventory work also in 2021 to cover our activities. Within the scope of this project, we aim to draw up maps of the units' working principles and competition legislation. These studies are carried out both through active participation of the bank's senior management and through the procurement of external expert consultancy services.

As of 2021, we have put into effect the comprehensive anti-competitive compliance program (AGRUP), which includes our Bank and its subsidiaries. Besides being a policy, AGRUP also includes administrative and practical procedures for implementation. It was shaped as a risk management mechanism as well as emphasizing the importance of compliance and respect for laws. Our goal is to keep compliance with competition at the highest level in the ever-changing legal and economic framework. Thanks to our bank's pro-active approach, behavioural models that are likely to be sensitive on a bank-wide and business unit basis are determined through an inventory prepared by our Compliance Division, and the relevant inventory continues to be developed and included in Akbank's business processes.

Our control
and audit
infrastructure

We aim to identify and prevent existing and potential risks and to develop solution proposals.

ANTI-BRIBERY AND CORRUPTION POLICY

With our internal audit and internal control practices, we aim to identify and prevent existing and potential risks and to develop solution proposals. In case a violation of our anti-bribery and anti-corruption policy is detected during the audits, we apply sanctions in accordance with the provisions of our Bank's Disciplinary Regulation as a result of the inspections by the Board of Inspectors. If the violation of this policy is confirmed by examining the organizations from which we receive external services and business partnerships, we inform the Board of Inspectors and terminate our business relationship with the specified organizations as a result of the inspections of the Board of Inspectors. All of our employees are subject to our Anti-Bribery and Corruption Policy, which can be easily accessed on our corporate website.

You can access our **Anti-Bribery and Corruption Policy** on our website.

We ensure compliance with the laws and regulations against bribery and corruption, clean banking, ethical principles and universal rules applicable in all countries where our bank operates. We continue to work in full compliance with the

obligations regarding the prevention of financial crimes. Within the scope of our Conflict-of-Interest Policy, we make sure to conduct our relations with our stakeholders and evaluate our customers, transactions, products and services with a risk-based approach, to determine our strategies, related controls and measures, operational rules and responsibilities to reduce possible risks, and to raise awareness of all our employees on these issues, in order to avoid negative situations.

You can access our **Ethical Principles Policies** on our website.

In line with our policy, we are preventing the placement and laundering of the proceeds of crime, the source of which is the crimes of bribery and corruption, and detecting as much as possible and eliminating any situation that may pave the way for crimes of bribery and corruption among our bank's employees, customers and business partners. We aim to fulfil the obligations and commitments related to the crimes of bribery and corruption. In the countries where we operate, we protect our bank against legal and reputational risks, with the policies we develop against corruption and bribery risks, taking into account the regulations of the countries in which we operate, our customers, suppliers, business partners, correspondent banks

with which we cooperate, and our national legislation. We ensure that our relations are carried out within the framework of a trust-based relationship.

We carry out assessments in terms of risks that are likely to emerge within the scope of certain services we provide to our customers which involve high levels of confidentiality, as well as control and analysis studies within the scope of politically exposed persons (PEP) and persons related to them and studies within the scope of risky sectors and business lines. Within the scope of our monitoring and control activities related to financial crime risks, the number of incidents associated with corruption and subject to investigation corresponds to 0.01% of our efforts in this area. As a result of our audit report, which we prepared this year and previously announced in our annual report, we have determined that no incidents of corruption have taken place within our Bank so far.

We aim to increase the sensitivity of our employees towards our ethics and reliability understanding by providing them with special training on corruption and financial crimes. While most of our corruption and bribery-oriented training are for our branch employees, all of our employees receive training such as Ethical Principles, Information Security, Data Leakage, and Personal Data Protection Law. We also provide in-class and online trainings on International Embargo/ Anti-Money Laundering of Proceeds of Crime for our employees at the relevant Headquarters and branches. We constantly update the subjects and contents of our anti-corruption training in line with the developments and needs in this context. Critical training on topics such as risky transactions, document security, fraud detection and prevention, and operational risks are given at the counters, by way of assignment of the relevant training to appropriate target groups. In 2021, 8,612 bank employees received a total of 7,331 hours of training. 70%

of our employees participating in the training consisted of the Branch employees, 24% of the Headquarters' employees, and 6% of the employees of the Regional Directorate.

ETHICS HOTLINE

Our employees and stakeholders have the opportunity to quickly report situations they believe to be ethical violations 24/7 through our 444 25 25 Call Centre as well as our etik@akbank.com e-mail address and by dialling 212 385 77 77. Notifications received on the Ethics Line are first reviewed by our Internal Control Department, and then, if deemed necessary, by our Board of Inspectors. Our employees have the right to anonymously submit their notifications through our Ethics Line and to keep their identities and information confidential.

OUR CREDIT TRACKING APPLICATIONS

At Akbank, we have an integrated Credit Monitoring and Tracking process consisting of credit evaluation, analysis, reporting, early warning, monitoring and tracking systems, designed in accordance with the relevant article of the Banking Law, BRSA regulations and International Banking Standards. This process, approved by our Board of Directors, operates according to the main policy text and detailed workflow texts adapted according to the main policy text. The job and task descriptions for each work step in this process are clearly included in our relevant policy document. All of our employees involved in the credit monitoring and tracking process have access to the policy document.

Among our main priorities is the completion of vocational training in accordance with the field of expertise of our personnel working in credit monitoring and tracking operations. In addition, every year, in accordance with our Bank's "training" and "personal development" strategies, our credit

monitoring and tracking team can participate in professional or personal development training programs, conferences and other internal or external activities determined for them, at the set rate of quotas.

OUR GOVERNANCE APPROACH TO CUSTOMER COMPLAINTS

As Akbank, we resolve complaints submitted by our customers through various channels regarding our products and services with a central and end-to-end approach. We regularly monitor the developments regarding customer complaints throughout the year and share them with the relevant units within our Bank monthly and with the Audit Committee and the relevant Official Institutions (BAT/ BRSA) on a quarterly basis.

In addition, customer complaint data shared with the public are consolidated by the BAT, bank rankings are determined in line with the reporting principles, and the results are shared with member banks. The sectoral and institution-based developments in customer complaints are reported to the banks periodically 4 times a year by BAT. In 2021, the number of notifications closed in favour of customers with "Positive" status increased by 7% compared to 2020.

Developments related to customer complaint management processes carried out by our Bank with respect to our products and services are monitored and audited by the Inspection Board and Internal Control Chairs, which work under the Board of Directors. Compliance performance is monitored by the Compliance and Information Risk Management Department within the scope of legal compliance-oriented issues and when necessary.

Audit committee report

Audit Committee Evaluation on Operations of Internal Control, Internal Audit, Risk Management Systems and Activities in 2021

Akbank Audit Committee held 4 meetings in 2021. At these meetings, Akbank Audit Committee worked to fulfil its duties and responsibilities, which are listed on page 94 of the annual report.

Internal audit, internal control, risk management and legal compliance activities at the Bank are carried out by the Inspection Board, Internal Control Department, Compliance Department, Risk Management Department, and the Information Risk Management Department, duties and responsibilities of which are separated and which report directly to the Board of Directors, and are organizationally independent from but working in coordination with each other.

Evaluating the internal systems established to cover all branches and units and subsidiaries subject to consolidated audit and ensuring the continuity of their functioning, adequacy and effectiveness are among the top priority responsibilities of the Akbank Board of Directors. Within the scope of internal systems, the duties and responsibilities of the Board of Directors are carried out by the Board of Directors, Audit Committee, Senior Risk Committee, Internal Audit, Internal Control, and the Officer in charge of Risk Management activities and Internal Systems.

Inspection Board made significant contributions to the management of risks that may arise from the Bank's activities, the compliance of transactions, practices, systems and models with internal and external legislation, the improvement of service quality, efficiency and performance, the improvement of cost management, the protection of assets, and the protection of the Bank's reputation and brand value.

Planning and executing its activities with a risk-oriented perspective and in line with legal obligations, Inspection Board evaluates possible risks in branches, subsidiaries, Head Office units and all Bank activities and practices, identifies areas that are open to development and improvement, and ensures compliance with internal control, risk management and corporate governance examines whether it is effective and sufficient. Reporting of the findings reached as a result of the audits is not the only process that is followed, and all kinds of recommendations for development and improvement as well as for reinforcing the internal systems, and value-added suggestions are also made, and the outcome of the actions taken in relation to them is monitored effectively and continuously.

Inspection Board carries out its internal audit activities in accordance with the International Internal Audit Standards and Professional Ethics rules determined by the International Institute of Internal Auditors (IIA). As a matter of fact, as a result of the Quality Assurance Evaluation Study carried out by the independent external evaluation, it has been confirmed that the efficiency, quality and value-added to the institution of internal auditing are at the level of International Internal Audit Standards. Inspection Board uses technology intensively in every field in order to continuously develop and improve its activities, creates certification and training opportunities for the professional development of inspectors, and makes sure to contribute to the Bank with its experienced, trained, qualified and equipped human resources.

As a result of the audits and evaluations carried out in 2021, no significant factor has been identified that may adversely affect the Bank's operations and prevent it from fulfilling its obligations. It has been determined that the Bank's internal control, risk management and corporate governance are working successfully and effectively, operations are generally low-risk, financial and legal reports are correct, and the legislation is complied with.

As a result, the internal audit system is effective and successful in preventing, detecting and eliminating risks with its risk-oriented approach, qualified human resources, intensive use of technology, experienced and prudent management, thanks to its strong, experienced and competent management staff.

The main purpose of the Internal Control Department is to ensure that the Bank's activities are carried out effectively and efficiently in compliance with the laws and other regulations within a strong internal control environment. In this context, control testing activities were carried out by internal control employees who are competent and experienced in their fields, in branches and Head Office units, both locally and centrally, supported by smart monitoring systems.

In the studies carried out; the internal control system continued to be continuously developed and updated, technical competency assessments were made for the companies that received support services, and local/central control tests were carried out at the Bank branches determined with a risk-oriented approach.

Studies carried out by the Internal Control Department made significant contributions to keeping the losses arising from operational risks at low levels, and to the continuation of our activities in an effective, efficient, regulatory and effective control environment.

The Compliance Department ensures that our Bank is fully compliant with the Banking Law and its sub-regulations, regulations on Competition Law and Protection of Personal Data, the responsibilities of the Precious Metals Supply Chain Internal Control and Compliance Officer, and the national and international regulations on financial crime risks. In its works within the scope of prevention of financial crime risks, by taking into account international standards, it establishes and implements protective and preventive policies and control standards for the prevention of money laundering, financing of terrorism, international financial sanctions, bribery and corruption. Within the scope of the regulations, in the planning of our efforts to ensure legal compliance, we act with the Financial Group Compliance Program approach, which covers all our domestic and foreign units, and our units and employees undertake the necessary responsibilities within the framework of the Financial Group Institution Policy. Regular and comprehensive training activities are carried out in order to increase the awareness of our employees on legal compliance and to update their knowledge.

Audit committee report

The Compliance Department, which has an important function in the management of our legal compliance and reputational risk, is responsible for taking effective measures against money laundering and financing of terrorism, maintaining monitoring and control activities, monitoring developments regarding international financial sanctions, taking preventive measures, controlling risky business and transactions and in this context. This year, it continued to provide consultancy, direction and solution suggestions to the bank management and business units in the business, transaction and related regulations regarding risks. In this context, the Compliance Department assumes important roles and responsibilities in developing and presenting our new banking products and services designed with our current activities in line with the banking legislation. The Financial Group Compliance Program and the Competition Group Compliance Program, which includes both banks and financial group companies to cover our activities, were implemented in 2021. Our efforts to implement the subjects in our areas of responsibility at the Financial Group continue, and the KVK Compliance Program is planned to be implemented by the Group.

The Risk Management Department continued its efforts to calculate and report the risks that the Bank may be exposed to in the most reliable way, within the framework of the materiality criterion, thanks to effective risk management measurements and techniques. Financial and economic developments in our country and world markets, Basel Principles and other international regulations and developments in the field of risk management were followed and improvements were made in current practices. Stress tests were renewed with different scenario analyses and assumptions, and vulnerabilities were measured, taking into account the negative economic general impact caused by the COVID-19 pandemic, which showed its effect especially as of March 2020. In addition, regulatory changes and temporary regulations were followed closely, impact analyses were carried out, and necessary systemic arrangements were made to ensure the consistency of reporting.

The Risk Management Department, with its qualified and qualified staff, increases its contribution to the Bank by closely following the changes and innovations in internationally accepted risk management principles, regulations and models.

Analyses, calculations, simulations, scenarios, stress tests and other studies carried out within the scope of risk management provide continuous and systematic input to the strategic decision process of the Bank's Board of Directors and senior management and support the decision-making mechanism. During the COVID-19 outbreak, the frequency of reporting and information has been increased.

The 2021 İSEDES report, which was prepared under the coordination of the Risk Management Department, and the validation and audit reports related to the report were evaluated and approved by the Audit Committee, and the 2021 İSEDES report set was sent to the BRSA following the approval of the Board of Directors. In addition, the "Measure Plan" study and audit report requested by the BRSA from systemically important banks were submitted to the Agency after receiving the approval of the Board of Directors as of the end of June 2021.

Bank information risk and fraud risk management activities are carried out by the Information Risk Management Department. Within the scope of activities, there are processes related to monitoring, detection, measurement, system management, reduction, control, and reporting of information security and external fraud risks. Information Risk Management Department determines policies, manages and implements security systems in order to ensure that the information processed within the Bank or shared and managed with external parties on the Bank's information systems is reliable, complete, traceable, consistent and in a way that meets the Bank's requirements and control activities. In addition, all kinds of external fraud (fraud) monitoring, detection, prevention and reduction activities are also carried out by the Information Risk Management Department.

Within the scope of information, risk controls are carried out by the Information Risk Management Department, BRSA legislation and COBIT, ISO, ITIL, COSO, NIST, PCI DSS etc. Studies are carried out for the controls created based on international standards. The controls take a broad view of information technology and utilize best practices and robotic automation opportunities when implementing controls.

Studies carried out by the Information Risk Management Department made significant contributions to keeping the risks arising from information systems and external fraud risks at manageable levels, and to establish an effective control environment for the Bank's activities to be carried out effectively, efficiently, safely and in compliance with the legislation.

When the activities and functioning of Akbank's internal control, internal audit, legal compliance and risk management systems in 2021 are evaluated in general; it is thought that the studies carried out are quite successful, effective, value-added, qualified and satisfactory.

Eyüp Engin
Chairman of the Audit Committee

Yaman Törüner
Audit Committee Member



A person is sitting at a desk, writing in a notebook with a black pen. On the desk, there is a white model of a wind turbine. The background is a plain, light-colored wall.

Our Sustainability Journey

We finance a sustainable future.

Our efforts to support our country's transition to a low-carbon economy continue unabated as we promised. As the first deposit bank in the banking sector to set a concrete target in the field of sustainable finance, we continue our efforts to provide our country with a sustainable loan financing of 200 billion TL until 2030.

Our materiality issues

In the process of determining our material issues, we benefited from various factors.

We are working for a sustainable future with our vision of “Being the Leading Bank Carrying Turkey to the Future”. In order to achieve this goal, we determined our material issues by carrying out extensive work in 2020.

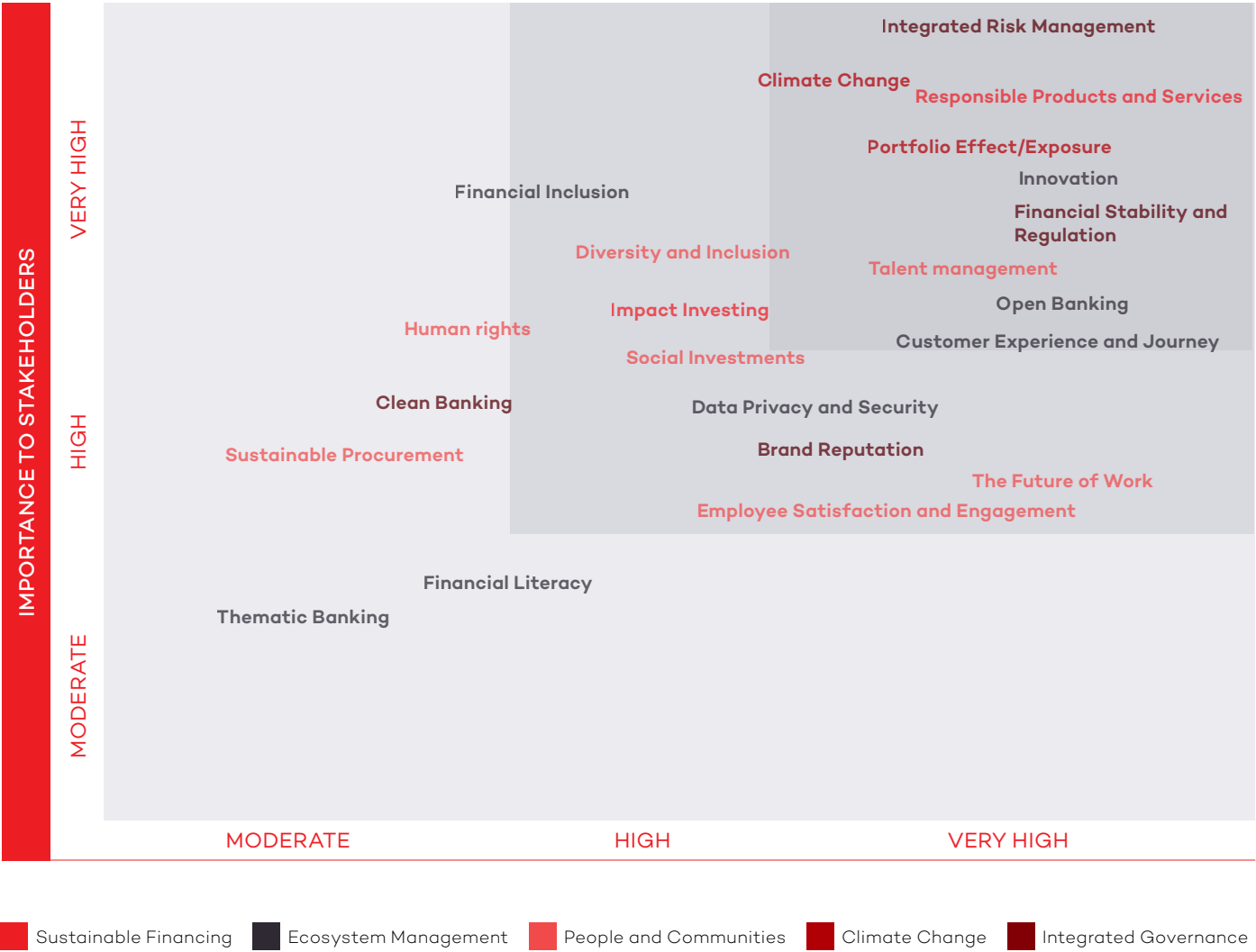
We have prepared a stakeholder list consisting of our stakeholders, those with direct economic impact, those with indirect economic impact, and those who bring new opportunities, knowledge and understanding.

Shareholders with Direct Economic Impact	Dolaylı Ekonomik Etkisi Olanlar	Shareholders bringing new Opportunities, Information & Understanding
<ul style="list-style-type: none"> • Employees • Affiliates • Customers • Business Partners and Suppliers • Investors and Analysts • Financial Institutions 	<ul style="list-style-type: none"> • Shareholders with Indirect Economic Impact Rating and Evaluation Institutions • Non-Governmental Organizations • Media 	<ul style="list-style-type: none"> • Entrepreneurs • Universities

In the process of determining our material issues, we benefited from various factors such as current developments, global trends, our bank’s long-term vision and the opinions of our stakeholders. We contacted our wide network of stakeholders and got their opinions through surveys. We have scrutinized examples of good practice. We held meetings with our senior management in order to include our bank’s perspective on the future in our analysis. In addition, by analysing the data obtained as a result of our business strategy and SASB 4-Stage Impact Analysis; we have identified our material issues. In addition to all these, we have positioned our priority issues according to the developments in international platforms and in our country, as well as our practices at Akbank.

You can review the details of the practices that we have included among our material issues and implement with the Integrated Risk Management approach in the sections “**Our Crisis Management and the COVID-19 Outbreak**” and “Our Corporate Governance”.

You can see the material issues that we have explained within our strategic focus areas in the table below. In addition, we present our material issues to our stakeholders by considering their “Importance for Stakeholders” and “Importance for Akbank”.



Our strategic focus areas

We assume responsibility for Turkey's transition to a sustainable economy.

While increasing our positive impact day by day, we reduce our environmental footprint at the same rate.

Our strategic focus areas: Through our long-term and "SMART" (Specific-Specific, Measurable-Measurable, Accepted, Realistic-Reasonable, Timely-Realistic) goals that we have determined on Sustainable Finance, People and Communities, Ecosystem Management, and Climate Change, we will reach future generations. We are working hard to leave a more liveable world.



Why Sustainable Finance?

The development of sustainable finance understanding, and practices has a transformative potential for all sectors, especially banking. In order to meet the requirements of the Sustainable Development Goals (SDGs) and reach the 2030 targets, an annual investment of around 2.5 - 3 billion USD is needed worldwide. As the first Turkish bank to sign the United

Nations Global Compact, we take responsibility for Turkey's transition to a sustainable economy, and we observe our environmental and social criteria in our lending activities. In order to accelerate our country's transition to a sustainable economy, we aim to increase the amount of our sustainable financing support and our products from year to year.

The total amount of sustainable financing we realized in 2021 is 25 billion TL, and we aim to increase the financing resources we allocate for sustainable projects to 200 billion TL until 2030. In addition, we are committed to increasing our sustainable mutual funds' balance to 15 billion TL by 2030. In parallel with the increase in our loans, which support the sustainable economy, we aim to increase the amount of financing we obtain from abroad for this purpose. In 2021, the amount of international borrowing we provided in relation to sustainability amounted to US\$ 2.054 billion.

Why People & Communities?

We are aware of the importance of strengthening our employees and our society, who play a key role in the development of our country. Believing that every investment we make in our employees will add value to our bank, we focus on competency development programs. In 2021, we provided an average of 35 hours of training to more than 12 thousand Akbank employees.

We see diversity and inclusion both as a part of our corporate culture and as an opportunity to unlock the potential of our society.

We contribute to our social development with our innovative social responsibility projects. We carry out all our investments and activities for our country and future generations with a long-term perspective. We play a role in transferring local and universal heritage to future generations with the important projects we carry out in the field of culture and art.

In 2021, despite the restrictions brought by the COVID-19 pandemic, we continued to bring together all our projects, which we have carried out with determination over the years, on arts and culture, entrepreneurship, education, and volunteering, to large audiences through online platforms. We had approximately 3,500 participants in different events, seminars and workshops that we held in 2021.

Why Ecosystem Management?

With the contribution of digitalization, we work with all the actors in our ecosystem to ensure that more individuals and companies have access to banking services and monitor their financial health. We offer services beyond traditional banking by diversifying our products and services for our customers who cannot or have difficulty accessing financial resources. We see financial inclusion as part of our business model. In this direction, we will develop the digital and innovative products and services that we offer to our customers by 2030. In this direction, we plan to develop and expand the digital and innovative products and services that we offer to our customers until 2030, and we are committed to increasing the number of financially empowered people.

In 2021, we interacted with over 300 innovation hubs, start-ups and universities in our ecosystem. While contributing to the protection of the environment with our products such as our environmentally-friendly card project and our Environmentally-Friendly Vehicle Loan; we are also improving our SME inclusiveness on a daily basis with our Women Entrepreneurship Package and strategic collaborations. As part of our barrier-free banking approach, we support our disabled customers in all our branches.

We are committed to increasing our sustainable mutual funds' balance to 15 billion TL by 2030.

Why Climate Change?

We see the fight against climate change as our responsibility to future generations. We evaluate the risks and opportunities brought by this important problem affecting the whole world and integrate them into our business model. In this context, we contribute to the transformation into a greener economy with the products we have developed. By 2030, we aim to reduce the impact of our loan portfolio on climate change and to minimize the exposure of our portfolio to the effects of climate change. In addition, we are committed to being a carbon-neutral bank by zeroing our operational greenhouse gas emissions by 2025.

In line with these goals, we have taken an important step by meeting 60% of the energy we use across Akbank with renewable energy in 2021. Within the scope of the Integrated Management System, we completed the ISO 45001 Occupational Health and Safety Management System certification process for Sabancı Centre, ABM and 42 branches. Aware of the importance of transparency and international cooperation in the fight against climate risks, we have become a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). We will soon share our TCFD-compliant reporting with the public.

Our sustainability management

We are advancing with great determination to our goal of being the leading bank that carries Turkey into the future.

We continue our activities to support the Turkish economy and lay the foundations for a sustainable future. We continue to create value by updating our business strategy and sustainability approach in line with the expectations and needs of our stakeholders.

We aim to reduce our environmental footprint while working to increase our positive impact along our entire value chain by integrating sustainability into our entire business model. In addition to our strong financial performance and integrated governance approach, we are advancing with great determination to our goal of being the leading bank that carries Turkey into the future by investing in sustainable products and services. We constantly update ourselves by continuing to consider international and local initiatives, global trends, expectations and opinions of our stakeholders in order to create holistic value with our strategic focus areas on Sustainable Finance, People and Communities, Ecosystem Management and Climate Change.

With our Sustainability Committee, we ensure that our sustainability activities and performance are monitored and reported on behalf of the Board of Directors. Among the permanent members of our Sustainability Committee are our Executive Board Member, Independent Board Member, CEO, Financial Management Executive Vice President, Investor Relations and Sustainability Department Head. Our committee meets at least twice a year.

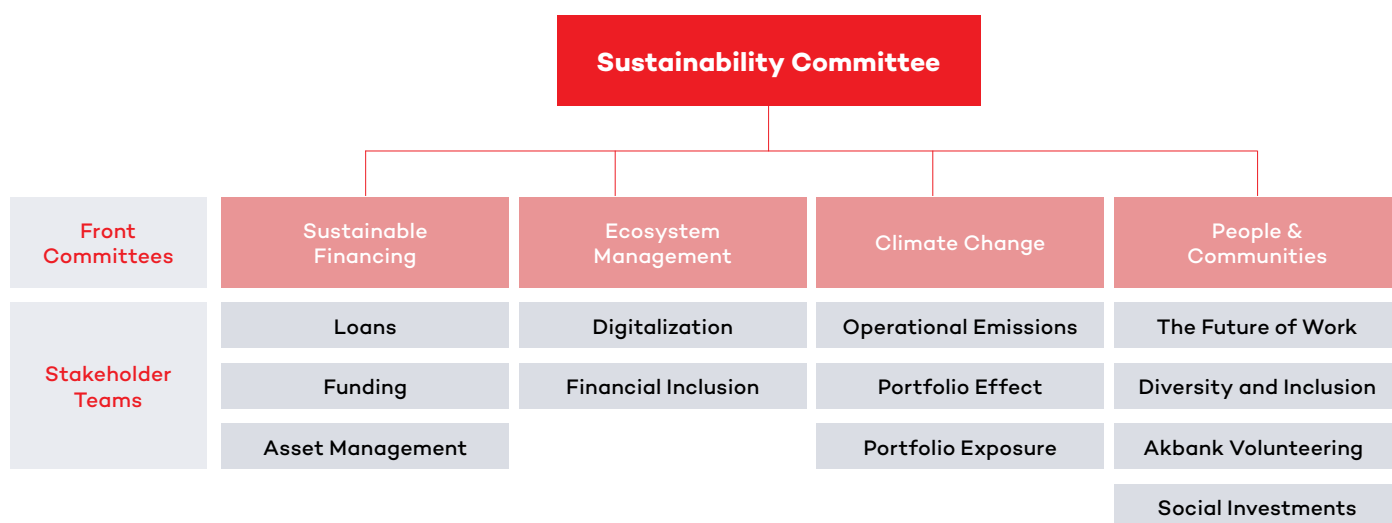
We make improvements or arrangements in sustainability actions and activities in parallel with the feedback given by our Board of Directors. In addition, our Committee closely monitors the sustainability performance of our bank. Thanks to these assessments, we can take fast and effective action on environmental, social and governance issues.

Our Investor Relations and Sustainability Department, which is responsible for the general sustainability coordination and follow-up of the bank, prepare our meeting agenda and the functioning of the decisions taken.

Under our Sustainability Committee, there are 4 pre-committees that we formed based on our strategic focus areas. These committees meet at least 3 times a year under the coordination of our Investor Relations and Sustainability Department, under the leadership of our relevant Executive Vice Presidents, and with our representatives from functions. We discuss the status of targets and actions specific to our strategic focus areas at these committee meetings. In addition, we regularly monitor our actions on a quarterly basis with representatives from relevant functions.

We follow more than 100 actions in 4 value areas to achieve sustainability goals.

Sustainability Governance



Duties and responsibilities of our Sustainability Committee:

- Preparing a sustainability strategy in line with our bank's business strategy, market conditions and developments,
- Carrying out all sustainability activities within the framework of our bank's sustainability strategy, priority areas and targets and strengthening our sustainability performance,
- Integrating sustainability into all our ways of doing business, identifying relevant risks and opportunities, ensuring that our Bank's priority issues are aligned with sustainability issues,
- Progress of our bank in harmony with the Sustainability Principles and other relevant legislation, follow-up and communication of the legislation,
- Determining and monitoring the relations within the framework of sustainability with national and international organizations and authorized institutions related to sustainability,

- Establishing and monitoring an honest and transparent communication platform with our bank's stakeholders on sustainability,
- To ensure that the reports containing our bank's sustainability activities and performance indicators, our corporate website and similar promotional channels are prepared and supervised in accordance with the Corporate Governance Principles and Sustainability Principles.

We have taken our Sustainability Reports, which we have published every year since 2009, one step further with our Integrated Report in 2020. We have reached a significant level of maturity in this field by preparing our Integrated Annual Report for the first time this year. We prepared this report with the coordination of our Investor Relations and Sustainability Department, together with all units of our bank.



















In order to measure our sustainability performance, we have determined performance criteria for all our employees, especially our CEO. By adding sustainability performance to the bank's performance criteria, we have taken an important step that will lead our sector.

By adding sustainability performance to the bank's performance criteria, we have taken an important step that will lead our sector.

Our sustainability management



























Our Goals and Contributions to Sustainable Development Goals

We contribute directly and indirectly to the United Nations Sustainable Development Goals (UN SDG) with our projects and works that we implement in line with our focus areas. As Akbank, you can examine our table below, which shows our contributions and targets in line with our material issues and relevant SDGs.

	Our Material Issues	Relevant Stakeholders	Relevant SDG
Sustainable Finance	Sustainable Finance		
	Responsible Products and Services	Customers, Shareholders, Investors and Analysts, International Finance Institutions	    
	Impact Investing	Shareholders, Investors and Analysts, Local Community, Non-Governmental Organizations, International Financial Institutions, University Youth	 
People and Communities	People and Communities		
	Human Rights	Employees, Suppliers, Non-Governmental Organizations	 
	Employee Satisfaction and Engagement	Employees	 
	Talent Management	Employees	
	The Future of Work	Employees, Local Community	 
	Diversity and Inclusion	Employees, Suppliers, Local Community	 
	Community Investments	Customers, Non-Governmental Organizations, Local Community, Entrepreneurs, Universities	 

Our Goals	Our Contribution
Sustainable Finance	
<ul style="list-style-type: none"> - Providing sustainable finance of TL 200 billion until 2030 -To increase our sustainable investment funds balance to 15 billion TL by 2030 	<ul style="list-style-type: none"> -In 2021, we made the first sustainable subordinated bond issuance among the Turkish banking sector deposit banks with a total transaction size of 500 million USD. - Our total balance of Health Sector and Alternative Energy funds received a demand of 2.5 billion TL with a total of 57 thousand investors in 2021, well above our target of 1 billion TL balance. In 2021, the share of renewable energy projects in our energy production loan portfolio reached 84%. -We made our first Green Bond Issuance during the COVID-19 pandemic. - We have become a partner in the continuity of the sustainable economy with the financial support we offer for our tradesmen and craftsmen, SMEs and individual customers. -We became one of the biggest "Sustainable Credit Agreement" signatories in Turkey, worth 650 million Euros. - In order to strengthen our financial support and resources against the negative effects of the COVID-19 pandemic on our tradesmen, businesses and companies, we signed an agreement with the European Bank for Reconstruction and Development (EBRD) on June 22, 2020 for the supply of funds amounting to USD 75 million with a 1-year maturity.
People and Communities	
<ul style="list-style-type: none"> -To increase the effectiveness of investments made in our employees -To keep our total female employee ratio above 50% -To increase the social return of social investments -To increase the effectiveness of Akbank volunteering in social investments 	<ul style="list-style-type: none"> -53% of our employees, 40% of senior management and 38.8% of technology teams are female. - We have been qualified to be included in the Bloomberg Gender-Equality Index, one of the most comprehensive surveys in the world that evaluates companies committed to gender equality. -As of the beginning of 2021, we are the first bank and institution from Turkey to join The Valuable 500, which was established as a global initiative to support the participation of people with disabilities in working life. -In cooperation with Endeavor Turkey, we bring together 75 young people interested in entrepreneurship, academics experienced in the field of entrepreneurship, investors and experts every year within the scope of the Boost the Future Entrepreneurship Program. -In 2021, we reached more than 40 thousand students with the training we carried out within the scope of Akbank Youth Academy. -In 2021, we provided a total of 423,987 hours (person *training hours) to our employees through Akbank Academy. -We have reached 2.5 million people to date with Akbank Jazz Festival and Akbank Children's Theatre. -In 2021, within the scope of our Good State of the City project, 3,400 university youth attended trainings and volunteered activities in online and field events. -In 2021, our expenditure on culture and arts events and sponsorship under Akbank Art amounted to TL 9.2 million.

Our sustainability management

	Our Material Issues	Relevant Stakeholders	Relevant SDG	
Ecosystem Management	Ecosystem Management			
	Financial Inclusion	Customers, Employees, International Financial Institutions	  	
	Open Banking	Suppliers	 	
	Customer Experience and Journey	Customers	  	
	Financial Literacy	Customers	 	
	Innovation	Employees, Shareholders, Investors and Analysts, Universities	 	
	Data Privacy and Security	Employees, Customers, Legislators and Regulators	 	
Climate Change	Climate Change			
	Climate Change	Investors, Local Community	  	
	Portfolio Impact/Exposure	International Financial Institutions	 	
Integrated Governance	Integrated Governance			
	Integrated Risk Management	Employees, Customers, Suppliers, International Financial Institutions, Legislators and Regulators		
	Financial Stability and Regulation	Investors, Local Community	 	
	Brand Reputation	Customers, Media		
	Clean Banking	Customers	  	

Our Goals	Our Contribution
Ecosystem Management	
<ul style="list-style-type: none"> - Increasing the number of financially empowered people -To increase the variety and scope of our digital and innovative products and services. 	<ul style="list-style-type: none"> -With our financial inclusion approach, we enable our disabled customers to participate in business life and the economy. -We find solutions with the Special Export Support Loan for the financial support they need to encourage women entrepreneurs to export -We feed the entrepreneurship ecosystem with the CaseCampus Online BootCamp Program, StartUpCampus Online Entrepreneurship Program, and ScaleUp Entrepreneurship Program that we run with Endeavor Turkey. We continue to develop solution partnerships with FinTechs that develop digital applications for the needs of SMEs. -Increasing the competitiveness of our SMEs and accelerating their adaptation to the digital economy. We carry out joint projects with industry-leading institutions such as Trendyol, Ideasoftware, Paraşüt, and Kolaylık. - We continue to provide tips to more than 26 million customers by providing the Artificial Intelligence integration of our Akbank Mobile application. - By launching the first Digital First credit card in Turkey, we started to offer credit support without going to a branch. -We accelerate our innovation efforts with our Analytical Lab organization, and we embrace new ideas with our support to various entrepreneurship competitions. In 2021, we increased the number of feedbacks we received from our customers nearly threefold to 1.5 million. In addition, we increased our performance to finalize notifications from our customers at the first point of contact to 90%. In 2021, our 8,315 employees received a total of 6,973 hours of training on the protection of personal data.
Climate Change	
<ul style="list-style-type: none"> -To be a Carbon Neutral Bank by 2025. (Scope 1 and Scope 2) -To reduce the impact of our portfolio on climate change by 2030 	<ul style="list-style-type: none"> - Since 2012, we have been reporting to the Climate Change Program of the Carbon Disclosure Project (CDP). Our 2021 CDP Climate Change rating was B-. -In 2021, we started to meet 60% of the energy we use across Akbank from renewable energy. - We prevented 3.8 million tons of CO2 emissions with the renewable energy generation projects we financed. -In 2021, we saved 86 million receipts and prevented 7300 trees from being cut.
Integrated Governance	
<ul style="list-style-type: none"> -To maintain asset quality with effective risk management. - Maintaining the advantageous cost structure. -To build the banking of the future with investments in human resources, technology and advanced analytics. 	<ul style="list-style-type: none"> In 2021, our MSCI ESG assessment score increased by two points from B to BBB. In 2021, we were placed in the "Low Risk" category in the Sustainability ESG risk assessment. In 2021, we started our membership to the United Nations Environment Program Finance Initiative (UNEP FI) and signed the United Nations Responsible Banking Principles, giving our activities in this area an international identity. In 2021, we announced our support for the Task Force on Climate-related Financial Disclosures (TCFD). In 2021, we rewarded our successful employees, who are highly aware and sensitive about Clean Banking and contribute to customer satisfaction, twice. -We strengthened our integrated governance structure with our newly created policies or the policies that we update every year. (Human Rights Policy, Zero Tolerance to Violence Policy, Diversity and Inclusion Policy, etc.) You can find all our policies on our corporate website.

Relations with our stakeholders

Stakeholder Groups and Dialogue Platforms	Our Approach	Our Communication Method	Relevant Material Issue	Capital Element Affected
Shareholders, Investors, Analysts				
<ul style="list-style-type: none"> General Assembly Meetings and Minutes, Face-to-Face and Electronic Dialogue (Meetings and Conferences at Home and Abroad, Presentation and Information by Webcast and E-Mail), Public Disclosure Platform, Annual Integrated Activity Reports, Central Registry Agency's "e-Management: Corporate Governance and Investor Relations Portal", CMB Corporate Governance Principles Compliance Report, Press Releases, Investor Presentations, Newspapers 	The dialogue mechanism we have developed and nurtured in order to ensure constant communication between our bank's management and shareholders is based on the principles of "openness, responsiveness and regular information".	We regularly inform the investors about the environmental, social and economic sustainability performance of our bank, both verbally and in writing. Detailed information about our Bank's activities in the fields of digitalization and sustainability is provided through online conversations we publish on our corporate website. Newspaper notifications about important developments in our bank are shared with investors and analysts.	Responsible Products and Services Innovation Impact Investing	Financial Capital Social and Relational Capital Natural Capital
Employees				
<ul style="list-style-type: none"> "Next Generation Akbank Meetings" held live quarterly with our CEO, Instant Motivation Activities for Our Employees, Akbank Volunteers Volunteering Program, Employee Engagement Research, Internal Customer Satisfaction Survey, Pulse Surveys, Corporate Performance System (Feedback page to Bizbize, Evaluation, Award Ceremonies, Generating Ideas), Meetings (e.g. Regional Offices and CRM), Coaching System, Corporate Portal "For Us", 1001 Idea Suggestion System, BANKSİS (Bank and Insurance Workers Union), Akbank Remuneration Fund Foundation, Ethics Line, E-Newsletters and E-Mail Submissions, Corporate TVs, Trend Talks, "We Chat with Our CEO" Events, "Just a Talk among Us" Meetings, Akbank Meetings, Future Club Meetings, "İyi Bir Sen" Wellbeing Program Events, Rotation Program, 1 Day Programs, Akbank Collective portal announcements and stories 	We are aware that the high motivation and satisfaction of our employees is a determining factor in ensuring permanent and good business performance in the long run. We attach importance to regularly taking the opinions and expectations of our employees and to implement the practices related to them. We use different channels effectively to ensure effective internal communication. Especially during the pandemic period, activities for our employees in the digital environment have become more frequent and diversified.	We ensure that management messages and quarterly performance results of our Bank are shared first-hand through the "Next Generation Akbank Meetings" held live quarterly by our CEO since 2012. In this way, we aim to keep the internal synergy dynamic, to strengthen the two-way communication and to increase the motivation of all employees towards common goals. As part of the "Akbank Volunteers" volunteering system, we carry out social responsibility projects that add value to their locations with volunteer leaders from all over Turkey. Within the scope of volunteering activities, we have implemented different projects, from education to aid campaigns for the disabled, to health issues. We reach thousands of people, most of whom are students, including 40 Akbank Volunteer Envoys and nearly 1000 Akbank Volunteers with our volunteering activities carried out every year.	Skill Management The Future of Work Diversity and Inclusion Employee Satisfaction and Engagement	Human Capital





Stakeholder Groups and Dialogue Platforms	Our Approach	Our Communication Method	Relevant Material Issue	Capital Element Affected
Customers				
<ul style="list-style-type: none"> Meetings on the economy during the COVID-19 pandemic, Information meetings for SMEs, Online export meetings, Corporate Banking, Special events for customers, Special events and sponsorships for customers who are interested in technology, Customer Satisfaction Surveys, Akbank Branches, Akbank Call Centre, Contact Us web page, Social media, informing by e-mail, Customer business development meetings, Akbank Art activities, Media, Advertising and promotional campaigns, E-mail submissions, Corporate TVs 	<p>Customer satisfaction ranks first among our priorities. Our customers' opinions and expectations guide our product and service development efforts. In order to maintain customer satisfaction, we have many applications in areas such as information security, responsible marketing communication, innovative and environmental products, and business development support.</p>	<p>We keep in touch with our customers through our 26 different Akbank accounts on social media channels. We respond to over 7,000 customer comments each month through our customer representatives, who are available 24 hours a day, 7 days a week. While offering solutions to complaints, we record the suggestions of our customers.</p> <p>We continued to stand by our customers, who experienced negative financial effects during the COVID-19 pandemic, by offering quick solutions to their loan delay and restructuring requests.</p> <p>While we periodically call our customers aged 65 and over to obtain information about their situation, we also tried to give morale and support within the scope of the COVID-19 pandemic process.</p>	<p>Customer Experience and Journey</p> <p>Brand Reputation</p> <p>Clean Banking</p>	<p>Social and Relational Capital</p> <p>Manufactured Capital</p>
International Financial Institutions				
<ul style="list-style-type: none"> One-on-one and joint meetings, Audits, Negotiations, Reports, Presentations 	<p>The loans we provide to customers from international financial institutions such as the International Finance Corporation (IFC, the European Bank for Reconstruction and Development (EBRD) and the Asian Infrastructure Investment Bank (AIIB)) generally include environmental friendliness and development support conditions. We are developing a dialogue with these organizations to establish a management system that will monitor their social performance.</p>	<p>As part of the USD 250 million securitization transaction with the International Finance Corporation (IFC), we started to establish Environmental and Social Management Systems to be applied to SME loans. With this system, we align Akbank SME loan processes with the environmental and social standards defined by IFC. Thus, as Akbank, we are furthering our pioneering efforts in the field of sustainability.</p>	<p>Thematic Banking</p> <p>Portfolio Effect / Exposure</p> <p>Responsible Products and Services</p> <p>Impact Investing</p> <p>Financial Inclusion</p>	<p>Financial Capital</p> <p>Social and Relational Capital</p>
Legislators and Regulators				
<ul style="list-style-type: none"> Public Private Cooperation Workshop, meetings, Forums and Conferences, Various Working Groups, Oral and written notifications, Declarations, press releases, Legal compliance reports 	<p>As Akbank, we are committed to fully complying with laws and regulations in all our activities. Our Bank participates in forums, conferences and working groups in order to closely monitor the agenda, identify trends, and develop and adapt products and services in line with the expectations of customers and legislators without delay. In addition, we closely follow the developments concerning the banking sector and convey their views on legislative changes to the relevant authorities.</p>	<p>In 2018, together with the UN Global Compact Working Group, we worked with other signatory banks to update the Sustainable Finance Statement signed in 2017. Regarding the Personal Data Protection Law, we created the personal data inventory required for registration in the data controllers registry and determined the contact persons. In addition, we continue the necessary infrastructure works to keep the personal data inventory up-to-date.</p>	<p>Data Privacy and Security</p>	<p>Social and Relational Capital</p> <p>Financial Capital</p> <p>Intellectual Capital</p>

Relations with our stakeholders






















Stakeholder Groups and Dialogue Platforms	Our Approach	Our Communication Method	Relevant Material Issue	Capital Element Affected
Suppliers				
<ul style="list-style-type: none"> • Supplier Identification Forms, • Meetings, • Akbank Ethical Principles, • Supplier Code of Conduct and Conduct, • IFC Commitment, 	<p>We expect our suppliers, with whom we work together to continue our activities, to act in the light of Akbank's principles and values and to comply with social and environmental responsibilities. We aim to establish value-creating, transparent, sustainable, reliable and quality business relationships with our suppliers. We support the continuous development of our suppliers through information exchange.</p>	<p>We inform the companies in our supplier portfolio about our Ethical Principles and Sustainability Policies. We request information on Diversity and Inclusion from our suppliers. We support small businesses and organizations belonging to vulnerable groups. For this reason, we encourage at least one of the selection options to be a business owned by women entrepreneurs, young entrepreneurs or disabled entrepreneurs during the supplier selection stage.</p> <p>In order to empower women, youth and people with disabilities in the economic field, we support supplier diversity by becoming a member of relevant platforms in our Bank and creating cooperation opportunities.</p> <p>Our bank's procurement policies and processes are in line with our diversity and inclusion policies. Our purchasing policies are updated periodically by making necessary checks.</p>	<p>Sustainable Procurement</p> <p>Open Banking</p> <p>Human rights</p> <p>Data Privacy and Security</p>	<p>Social and Relational Capital</p> <p>Financial Capital</p>
University Youth				
<ul style="list-style-type: none"> • Events Directly Organized or Supported by Akbank, • CaseCampus Entrepreneurship Development Program, • Akbank Thought Club, • Information Meetings, • Youth Banking, • Campus Branches, • Brochures and Promotion, • Campaigns 	<p>We care about the wishes, opinions and expectations of university youth, and we increase our investments in their education and development on a daily basis. We cooperate with university student clubs within the scope of our aim to support university youth in their entry into business life and to better introduce our Bank to new graduates. Participants of the Introduction to Competencies - 101 Trainings, which we organized in partnership with E-Bursum, receive training that focus on next-generation technologies and approaches, and that are prepared with a broad perspective, including many topics ranging from innovation, entrepreneurship, artificial intelligence, design, cyber security, to the climate crisis. Within the scope of E-Bursum, we reached 24 thousand young people in 2021.</p>	<p>As the first and only National Education Partner of the 10Million. AI project carried out worldwide by the Switzerland-based Global AI Hub. As part of the global social responsibility project that aims to provide young people in Turkey with qualified training in fields such as artificial intelligence, deep learning, machine learning and data analysis, we supported the education of young people with training at Akbank Youth Academy.</p> <p>We realized the program in cooperation with UP School, a young social enterprise that set out to raise role model women in technology and gave our first graduates. In order to contribute to the transformation in business life, the Fellowship program, which includes reverse mentoring, inspiration meetings and design-oriented thinking processes, where senior managers listen to young people, started in October with 20 young people.</p>	<p>Social Investments</p> <p>Impact Investing</p>	<p>Social and Relational Capital</p> <p>Financial Capital</p> <p>Intellectual Capital</p>

Stakeholder Groups and Dialogue Platforms	Our Approach	Our Communication Method	Relevant Material Issue	Capital Element Affected
Local Community				
<ul style="list-style-type: none"> Events organized and attended by our bank, Local Sponsorships, Volunteering Studies, Culture & Art Activities, Press Releases 	As Akbank, we aim to support many activities that will provide social benefits and to reach the local community where we operate.	<p>The films that won awards at the Akbank Short Film Festival met with students at many universities in Turkey with the "Akbank Short Film Festival at Universities" event after the festival.</p> <p>We are working on the ESIA for the communities affected by the Project Financing lending activity.</p>	<p>Social Investments</p> <p>Impact Investing</p>	<p>Social and Relational Capital</p> <p>Natural Capital</p>
Non-Governmental Organizations				
<ul style="list-style-type: none"> Cooperation in Social Participation Practices, sponsorships, meetings, conferences, Working Groups, Good State of the City 	We take care to develop collaborations with non-governmental organizations, to be in constant communication, and to take into account their opinions and expectations about our activities.	<p>While shaping our social contribution projects, we act in cooperation with non-governmental organizations. We exchange views by inviting representatives from non-governmental organizations to the events we organize. We also share our views by participating in working groups organized by non-governmental organizations. Within the scope of our volunteering activities, we have implemented different projects for the last eight years, on topics ranging from education, development issues for the disabled, aid campaigns, to health issues. In our volunteering activities carried out every year; we reach thousands of people, mostly students, with our 40 Akbank Volunteer Ambassadors and nearly 1000 Akbank Volunteers.</p> <p>Despite the conditions of the COVID-19 pandemic, we continued to carry out our volunteer activities under the name of "Good State of Home".</p>	<p>Social Investments</p> <p>Impact Investing</p> <p>Human rights</p>	Social and Relational Capital
Media				
<ul style="list-style-type: none"> Press Conferences, Press Releases, Daily Economic Bulletins 	We aim to stay in constant dialogue with the national and international media, to inform the media accurately and on time with press releases, and to exchange views with opinion leaders during press conferences.	Our senior management and related executives meet with prominent names of the media world at regular intervals to exchange views during industry evaluations or at press conferences about our Bank's products and services. We prepare press releases regarding our bank's products and services, and we report on important issues in the visual and printed media with special news works.	Brand Reputation	Social and Relational Capital

Our sustainability performance

Strategic Focus Area	KPI	
 SUSTAINABLE FINANCE	Emissions prevented through investments in renewable energy	
	Number of projects subject to environmental and social impact assessment	
	Number of projects rejected due to Environmental and Social Impact Assessment	
	Number of field visits to projects due to Environmental and Social Impact Assessment	
	Total investments in renewable energy projects	
	Installed power by renewable energy project types	
	Share of renewable energy loans in energy generation portfolio in tota	
 ECOSYSTEMS MANAGEMENT	Number of Digital Banking Users	
	Share of consumer loans through mobile channels	
	Share of credit cards sold through digital channels	
	Number of contacted and evaluated initiatives	
 CLIMATE CHANGE	Water consumption	
	Scope 1 emissions	
	Scope 2 emissions	
	Scope 3 emissions	
	Energy consumption (Gj)	
 PEOPLE AND COMMUNITIES	Share of women employees	
	Total training per employee	
	Percentage of women who return to work after maternity leave	
	Employee turnover ratio	
	Number of volunteers within the company	
	Share of women in top management	

Not (1): Çevrimiçi mecrada fiziksel ortamda birkaç sefer tekrarlayan etkinlikler 1 kere yayımlandı.

	2019 Performance	2020 Performance	2021 Performance	Target
	5.8 million tons CO ₂ e	5.8 million tons CO ₂ e	3.8 million tons CO ₂ e	- Providing sustainable financial resources of 200 billion TL by 2030 -Increasing the sum of sustainable investment funds to 15 billion TL by 2030
	4	4	14	
	31	26	25	
	9	13	27	
	USD 1,711 million	USD 1,577 million	USD 1,321 million	
	Hydro 2.986 Wind 780 Geothermal 320 Solar 181 Biomass 9,3 Total 4.276 MW	Hydro 2.967 Wind 955 Geothermal 320 Solar 181 Biomass 9 Total 4.162 MW	Hydro 3.163 Wind 1037 Geothermal 320 Solar 181 Biomass 21 Total 4.722 MW	
				
	5.1 million	5.5 million	6.6 million	-Extend the coverage of digital and innovative products and services -Increasing the number of financially empowered people
				
				
	100	243	311	
	399,544 m ³	180,592 m ³	144,450 m ³	-Being a carbon neutral bank with eliminating operational emissions by 2025 -Reducing the impact of our credit portfolio on climate change by 2030
	13.450 CO ₂ e	10,298 ton CO ₂ e	18.187 ton CO ₂ e	
	53.505 CO ₂ e	47,770 ton CO ₂ e	24.300 ton CO ₂ e	
			10.169 ton CO ₂ e	
	561,590	513,356	511.568	
				-Increasing the impact of investments in our employees Increasing the social benefits of investments in communities -Increasing the impact of Akbank volunteerism on social investments
	36	30	35	
				
				
	1,040	Close to 1000	Close to 1000	
				

The evolution of our sustainability efforts

We are building sustainable banking.

2003

Akbank became the first bank to announce its dividend policy to the public. Became the first bank to publish the Corporate Governance Principles in its annual report.

2004

Became the first bank to announce its Corporate Governance Principles on its website.

2007

Became the first Turkish bank to sign the United Nations Global Compact.

Collaboration with Endeavor, an international non-governmental organization established to contribute to economic development by supporting active entrepreneurs in developing countries, started.

2009

The Corporate Governance and Social Responsibility Committee (KYSSK) was established under the Board of Directors.

2010

Became the first Turkish bank to publish the United Nations Global Compact Communication on Progress.

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

It became the first Turkish deposit bank to publish its Sustainability Report in accordance with the Global Reporting Initiative (GRI) Principles.

As the first and only company from Turkey to be included in the 2010 Global 500 Report of the Carbon Disclosure Project, it was included in the World Sector Leaders category with its high score.

Akbank Energy Friendly Loan was launched.

2010 and 2011

It became a signatory to the Cancun and Durban statements prepared before the United Nations 2010 and 2011 Climate Change Summits.

Akbank Volunteering System was launched.

Sustainability Approach training started to be given to Akbank employees.

2012

It became one of the first companies in the world to sign the "Carbon Price Statement" prepared by the Prince of Wales Climate Change Leaders Group, which draws attention to the need to develop a clear and transparent pricing policy for carbon emissions.

In addition to its banking products and services, it launched a "Savings Mobilization" supported by a social responsibility project, against the savings gap, which is an important problem for Turkey's development.

2015

In order to create a new roadmap for the fight against global climate change, he signed the declaration that was opened for signature at the COP21 Conference of Parties (COP) in Paris, calling the parties to fight against climate change.

2016

Centre of Excellence in Finance (CEF), an important initiative in the field of education, started its activities with the cooperation of Akbank and Sabancı University.

2017

Akbank launched LAB to establish the Banking of the Future today.

It laid the groundwork for the "Akbank Data and Life Centre", which will include a high-tech operation centre and social facilities.

2018

It published the Digital Trust Principles as part of the digital transformation process.

Participated in the updating of the Sustainable Finance Declaration signed in 2017 with the UN Global Compact working group.

2019

Akbank reduced the Environmental and Social Impact Assessment limit to 20 million USD, in line with the UN Global Compact Turkey sustainable finance declaration of which it is a signatory.

2020

It reduced the Environmental and Social Impact Assessment limit to 10 million USD in order to better manage the impacts of the projects it financed.

2021

It published the Sustainable Finance Framework.

We qualify for the Bloomberg Gender-Equality Index.

Became the first bank and institution from Turkey to participate in The Valuable 500.

Became a supporter of UNEP FI Principles of Responsible Banking and TCFD.

Value creation model

		ENTRY	OUTPUT	KPI (THE UNIT BY WHICH WE MEASURE OUTPUT)		
Financial Capital (Sustainable Finance Focus Area)		Strong equity and strong financial structure (Total capital amount of 5.200.000.000 TL)	Loans to our economy and operating profit	17.9% Return on Equity	2.1% Return on Assets	21.1% Capital Adequacy Ratio
				34.8% Operational expense - income ratio	With a market value of US\$ 3.184 million, our bank's stocks are traded both on the Borsa Istanbul and on the OTC market in the USA.	
	Banking solutions for customer expectations	Investment Banking and Project Finance Loans, Corporate, Commercial, SME and Retail Banking Services		Cash loans, of which 76.51% are corporate, commercial and SME loans	23.49% personal loans and credit cards	
				The loan support we provided in 2021 reached a total of 485 billion TL, of which 397 billion TL was in cash.		
				25 billion TL sustainable finance amount	14 projects analysed by the Environmental and Social Impact Assessment	25 projects were rejected as a result of the Environmental and Social Impact Assessment
	Permanent and widespread funding base: International correspondent network, Sustainability-related external borrowing (25 billion TL of total financing received for sustainability-related use)	Financing activities for sustainable activities		Number of online site visits to projects due to Environmental and Social Impact Assessment: 27	USD 1,321 million investment in renewable energy projects (renewable energy loans, cash and non-cash total)	
			HEPP 3.163 MWh RES 1,037 MWh JES 320 MWh GES 181 MWh Biomass 21 MWh Total installed capacity of the projects we finance	A \$300 million sustainability-related repo agreement, the first in the Central and Eastern Europe, Middle East and Africa regions		
			First Social Bond Issue of 340 million TL for domestic individuals	3.8 tons of emissions prevented by financed renewable energy projects		

VALUE CREATED/REDUCED

AFFECTED STAKEHOLDER GROUP

SDG RELATIONSHIP

We are growing with our strong capital structure.



Shareholders,
Investors, Analysts



Employees

We anticipate the needs of our customers and offer them innovative solutions.



Customers



International Financial
Institutions



Local Community

We provide sustainable returns to our shareholders.

We strengthen our portfolio with financing diversity.

We contribute to reducing our country's dependence on foreign sources by financing the facilities that produce energy from renewable sources.



Value creation model

	ENTRY	OUTPUT	KPI (THE UNIT BY WHICH WE MEASURE OUTPUT)		
Human Capital (People and Communities Focus Area)	Diversity and inclusion activities (6,417 Female, 5,777 Male Employees)	<p>Development and training activities carried out by Akbank Academy</p> <p>Innovative ideas and business models that emerged thanks to human resources created by considering diversity</p> <p>A more diverse and inclusive corporate culture</p>	<p>90 branches with all disability accessibility applications</p> <p>Ratio of female employees in technology teams: 38.8%</p>	<p>83.2% High internal retention rate of</p> <p>1.132 yeni istihdam</p>	<p>40% of women working in senior management</p> <p>%7,02 çalışan devir oranı</p>
	Development and training activities conducted by Akbank Academy	<p>Employee development and performance management</p> <p>Innovative ideas and ways of doing business</p> <p>High standards of work output</p>	<p>Our employees, of whom we have carried out performance evaluations of 100%</p> <p>A total of 423,987 person*hours of training</p>	<p>35 hours of training per person</p> <p>2021 yılında 48 adet Akbanklı Buluşması /Girişim mentoru olarak eğitimlerini tamamlayan ve girişimlere destek veren 14 Akbanklı</p>	
Manufactured Capital (Ecosystem Management Focus Area)	Digital and Technological Infrastructure, Modern, Widespread Branch and ATM Network activities (Total 711 Branches and 5,300 ATMs)	Uninterrupted service	<p>711 branches in total, 494 of which have been transformed 600 bin POS terminali</p>	<p>More than 680,000 POS terminals</p>	<p>96% service coverage rate with the fast and uninterrupted service we provide to our customers</p>
	Financial inclusion activities	Providing services to all segments of society, including disadvantaged groups	<p>Engelliliğe Doğru Yaklaşım e-eğitimi tamamlayan 173 Akbanklı, %86 eğitim tamamlanma oranı</p>		<p>90 şubede engelli erişim uygulamaları (111 adet engelsiz ATM)</p>

VALUE CREATED/REDUCED

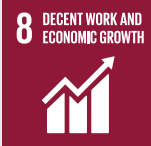
AFFECTED STAKEHOLDER GROUP

SDG RELATIONSHIP

We establish long-term business relationships by increasing the happiness and loyalty of our employees.



Employees



We closely monitor the development of our employees' competencies and skills, and prepare them for the business world of tomorrow with the training opportunities we provide.



Customers



We became the first Turkish bank to crown our banking approach, which carries the future to the present with our technology investments, with the title of "Best Bank in Emerging Markets".



Employees



With our financial inclusion approach, we make it easier for our disabled customers to integrate into business life and the economy.



Customers



Value creation model

	ENTRY	OUTPUT	KPI (THE UNIT BY WHICH WE MEASURE OUTPUT)		
Intellectual Capital (Ecosystem Management Focus Area)	Activities for integrating innovation and digitalization into corporate culture	Sales made through digital channels	While the share of our Direct Loan product in Akbank's consumer loans was 84% , the share of our credit card sales realized in non-branch channels was 52% .	Dijital kanallarımızı kullanan 6,6 milyon müşterimiz	
		Akbank Innovation Centre (Akbank LAB)	11 projects we implemented within Akbank LAB and 243 start-ups that we contacted and evaluated in 2021	2021 yılında ekosistemde 300'ün üzerinde inovasyon HUB'ı, girişim ve üniversite ile etkileşim	
Social and Relational Capital (People and Communities)	Strong relationships with stakeholders	Quick solutions that meet the problems and expectations of stakeholders	Meetings with 259 investors	We increased our response rate to the requests from our customers at the first point of contact to 90%.	4 point improvement in our customer satisfaction (NPS) score
		Solutions that focus on the benefits and satisfaction of our customers with a Clean Banking approach.			
	Social responsibility management	Working with NGOs and Local Organizations	In the Good State of the City, we have offered a total of 22,000 young people the opportunity to meet with 21 different NGOs in the last 7 years and take part in volunteering activities focused on creating benefits for the society.	We carried out volunteer activities with 21 NGOs and close to 7 thousand young people.	
		Akbank Volunteers	We reached approximately 7,000 young people at Akbank Youth Academy.	We continue our work with approximately 1,000 Akbank Volunteers.	
Contribution to culture and arts	Akbank Art	We reached over 500,000 viewers with the Akbank Jazz Festival.	As part of the Akbank Short Film Festival, we evaluated a total of 2,048 short film applications from 71 countries in 2021.		
	Akbank Jazz Festival				
	Akbank Short Film Festival				
	Akbank Children's Theatre	With Akbank Children's Theatre, we have reached 2 million children so far.			

VALUE CREATED/REDUCED

AFFECTED STAKEHOLDER GROUP

SDG RELATIONSHIP

We include digital transformation in all our business processes in order to continuously improve the experience and service quality we offer to our customers. With our "Mirror of the Future with Akbank" program, we offer tools that will support the personal development of our employees, enable them to develop their social and cognitive competencies, and turn their potential into performance.



Employees



Customers



Local Community



With the awareness that trust is the basis of our way of doing business, we provide our customers and all other stakeholders with clear, understandable and accurate information, and provide timely, complete and in line with the promises made. We contribute to sustainable growth with the strong brand reputation we have and the trust of our customers.



Customers



Suppliers



Non-Governmental Organizations



Shareholders and Investors



Media



Local Community

In the light of our environmental and social responsibilities, which are an important part of our bank's culture, we work to provide added value to our society.



We are working to support the development of art in our country and to transfer local and universal heritage to future generations.

Value creation model

		ENTRY	OUTPUT	KPI (THE UNIT BY WHICH WE MEASURE OUTPUT)	
Natural Capital (Climate Change)			Banking operations where natural resources are used effectively	27% reduction in Scope 1 and Scope 2 emissions since 2020	144,450 m³ our water consumption
				86 million paper savings and thus saved 7,300 trees	With our "Finish with Mobile" application, we process about 125 paperless products.
	Environmentally friendly banking approach			We have been in the BIST Sustainability Index since 2014.	Our CDP Climate Change rating is B-
	Environmental and social management system studies		Taking part in sustainability platforms closely followed by investors	We have been in the MSCI Developing Countries Index since 2002.	In the MSCI ESG assessment, our score increased by two grades from B to BBB as of October 2021.
	Sustainable management approach			We have been placed in the " Low Risk " category as of November 2021 in the Sustainalytics ESG risk assessment.	
	Effective use of natural resources in our operations				
			Environmentally friendly products and services	50 million USD We have our first green bond issuance.	650 million Euros We are part of Turkey's largest Sustainable Loan Agreement.
				With Finish with Mobil, we will reduce our paper consumption in 2021. We reduced it to 86 million and saved an average of 7,300 trees .	As of the beginning of 2021, we started to obtain 60% of the electrical energy we use in all our buildings and operations from renewable energy.

VALUE CREATED/REDUCED

AFFECTED STAKEHOLDER GROUP

SDG RELATIONSHIP

We reduce our environmental footprint while increasing our positive impact



Shareholders and Investors

We share our sustainability performance with the public on a transparent and regular basis.



Media



Local Community

We support our companies and individuals to use natural resources more efficiently through the products and services we provide for the transition to a sustainable economy.



Awards

ECHO Awards	Online Banking Category / First Place
Global Finance	Turkey's Best Bank
Mtn-i MTN Awards 2020	Socially Responsible Investment: Green, Social, Sustainable Category / Deal of the Year
IDC Turkey CIO Awards (4 first place, 1-second place, 2 third place)	IT Governance Category / Third place
	Customer Experience / First Place
	Employee Experience Category / Second Place
	Human-Machine Collaboration Category / First Place
	Innovation Category / First Place
iF Design Award 2021	Communications Category - ATM Design
	Communication Category - Integro
	Service Design Category - Customer Contact Centre
A'Design Awards 2021	ATM Interface and Interaction Design / Silver Award
	MiM Interface and Interaction Design / Gold Award
Social Media Awards	Viral Video Category / Bronze Award
EMEA Finance Europe Banking Awards 2020	Turkey's Best Bank
	Financial Inclusion Award for the 'Central and Eastern Europe' and 'Commonwealth of Independent States' Regions
PWM Wealth Tech Awards 2021	Best Private Banking Unit in Central and Eastern Europe in Digitally Empowering Customer Relationship Managers
Social Media Awards	Different Ideas Category / Silver
	Viral Video Category / Bronze

IDC Turkey Finance Technology Awards	Big Data and Analytics Category Award
	Governance, Risk and Compliance Category Award
	Digital Channels Category Award
A.C.E Awards (Achievement in Customer Excellence)	Banking A Segment Silver Award
Euromoney Awards for Excellence 2021	Turkey's Best Bank
World Finance Banking Awards 2021	Turkey's Best Bank
Brandon Hall Awards 2021	Most Innovative Sales Training Program Category / Gold Award with Dynamic Sales Development Program
	Gold Award for Best Leadership Development Program / Next Generation Leadership Development Program
Institutional Investor 2021 Emerging EMEA Executive Team Survey for Turkey (in BIST 30 category)	Best Investor Relations Program
	Best CEO in Investor Relations
	Best CFO in Investor Relations
PWM The Banker' - Global Private Banking Awards 2021	Turkey's Best Private Banking Unit
Sardis 2021	Akbank Jazz Festival Album Work "Yesterday Today Tomorrow" - Silver Sardis
MMA Turkey SMARTIES Awards	Offline Measurement and Optimization / Location Based Service and Targeting
	Offline Measurement and Optimization / Innovation
UBI Global 'Triumph of Innovation' Report	Most Successful Corporate Innovation Team
Bonds & Loans Turkey Awards 2021	International Borrowing Team of the Year in Banks and Financial Institutions

Akbank through the eyes of our stakeholders

Gün Bilgin - Turkish Down Syndrome Association, Chairman of the Board

As the Turkish Down Syndrome Association, I describe our relationship with Akbank as a partnership of ideas that goes beyond a business partnership. Pursuing the idea of contributing to a society based on all our joint work, with the awareness that a bright future can only be shaped by multi-faceted young people with an open perception and knowing that the way to achieve this is through human contact, two institutions come together in common ideals. For us, Akbank means permanent support, sustainable cooperation, and trust in our vision of social inclusion. In our work with Akbank, we see that our social sphere of influence has expanded. With these studies, university students are provided with the opportunity to meet the concept of social responsibility and the world of NGOs, thus enabling the expansion of our access ratio at the individual level, and meaningful growth in the level of social awareness with the effective use of (social and traditional) media.

Mina İlköz - Co-Founder & CEO, UP School

At UP School, our cooperation with Akbank started in 2021. At UP School, we offer software-oriented training programs to women and aim to close the talent gap in technology. In the journey we started with Akbank Youth Academy, we provided mobile application development-specific training to university graduate women. At the end of the 4-month intensive program, successful graduates started their careers at Akbank. We think that Akbank Youth Academy sets a very valuable example in this process at two points: First, it paves the way by collaborating with a start-up, and second, it takes concrete actions to support women's employment in technology. We are very excited to train women as software developers who will start their careers at Akbank this year as well.

Atahan Işık - Related&Co., Partner

Our business partnership with Akbank started in 2020, upon the dialogue we started with Akbank Academy and Innovation teams and meeting with a common perspective. With Akbank Academy, we started a successful process by reaching more than 200 Akbank employees online and offline with the Zero Gravity® - Innovation, Entrepreneurship & Disruption Readiness Program. Afterward, we have anchored the continuous innovation processes that the institution wants to create by executing our Innovation KPI Management™ innovation capacity process. It is also pleasing that we will work together to increase our field of work and influence future paths. The open, transparent, and high reaction rate of Akbank teams in these works was an important factor for us to create momentum. In our processes where we work with multiple disciplines and departments at Akbank, the fact that the institution reads the big picture not only within itself but also by considering critical factors such as social, youth, and environment has been a critical and common stakeholder for us. I would also like to say that we are happy to have the chance to work with institutions that are nationally rich for Turkey, such as Akbank.

Murat Sözen, Bilkay Consulting and Support Services Inc., Executive Vice President

The fact that Akbank, an important player in banking, which is the locomotive sector of the economy, is at the forefront with its brand value, makes us incredibly happy to be a part of this pride, even if it is at the rate of service we provide. It is especially proud to hear about Akbank's achievements, to learn about its pioneering or award-winning aspects, and to know that we have a share in this. We would very much like Akbank, which has already won our sympathy for being a national and important brand, to grow even more and achieve new successes and first places in every field. Akbank represents trust and stability for us and has always been one of the important references that we would like to have in our portfolio. I want Akbank, which I am happy with even when I see its advertisements, to climb to the top positions on a global scale.

İlhan Demir - IAB Academy, Manager

UniChallenge+ is one of the projects that we, as to attach the most important in terms of its target audience and human resources support to the sector. Akbank, on the other hand, is more than a business partner for us; it is a companion that gives the name Akbank at the head of UniChallenge+ the right one in every sense. His contributions to content, extracurricular activities, awards, and internships also give us a great moral strength to organize this event with great enthusiasm every year. Our cooperation with Akbank started in 2018. As the main sponsor of the project every year we work together, he strives with us to maximize the experience of the participants in the camp, as well as the economic support necessary for the realization of the program. Akbank's care and attention to the program as much as we do creates a great value in terms of being an event that university students follow with great interest every year.

Yağız Çağlar – Entek Elektrik, Finance Director

I see Akbank as a business and solution partner beyond a bank-customer relationship. Our common business understanding, which is in line with our company's values, also makes Akbank an important relationship bank for us. I think that this business partnership, which has been going on for many years, has mutually improved us and I believe that we will be together in many more works. I feel the solution-oriented approach of the bank, the importance and value they attach to their customers, in every business and transaction, from our daily operational bank work to our long-term projects, regardless of scale. Our company's mission is "We provide innovative solutions for future generations and a sustainable world; we produce quality energy." In addition to the economic benefits that working with a bank that supports its understanding, I think it also creates social and environmental value for our world and our future. Akbank has always played an important role in achieving our company's goals in line with our growth strategy in renewable energy.

Zümrüt Koç – Erikoğlu Holding, Budget and Finance Manager

Working with Akbank represents a trusted stakeholder for us. Akbank supports our sustainable value creation process with its dynamic and innovative structure and solutions suitable for our financial needs.

Crisis Management and Our Fight with COVID-19

We stand by our stakeholders in changing and challenging conditions.

While we continue to create value for our customers, employees, and the society during the COVID-19 pandemic, we create innovative solutions for their changing needs. In this process, we draw strength from our technological infrastructure and people-oriented approach.





Crisis management and our fight with COVID-19

Even in the difficult conditions of the COVID-19 pandemic, we continued to create value for our stakeholders.

We continue to see the effects of the COVID-19 pandemic in our country as well as all over the world. 2021 started with the COVID-19 pandemic, which left unforgettable effects in our country as well as all over the world. With the experiences we have gained on a global scale, we have once again realized that we need to prepare a sustainable world for future generations. We have started to adapt to the new period by changing our daily habits and business models in this period when all people are struggling with economic problems, especially health problems.

As Akbank, we continued to create value for our stakeholders by quickly adapting to the ever-changing and transforming world rules, while we were in the difficult conditions created by the COVID-19 pandemic. During the COVID-19 pandemic, we continued to achieve the goals we set in line with our strategic focus areas and to continue our activities using our digital infrastructure.

Within the scope of our Akbank Pandemic Prevention and Action Plan, we focused on health, business continuity, and limitation of economic impacts and worked in harmony with all our stakeholders in this process.

Within the scope of our Akbank Pandemic Prevention and Action Plan, we focused on health, business continuity, and limitation of economic impacts and worked in harmony with all our stakeholders in this process.

Our employees

We implemented our remote working model right after the first case was announced in our country.

Since the beginning of the COVID-19 pandemic, we have worked with all our resources to protect the health of our employees, who have the greatest role in the success of our bank, and to take quick measures against all risks.

Since the beginning of the COVID-19 pandemic, we have worked with all our resources to protect the health of our employees, who have the biggest role in the success of our bank, and to take quick measures against all risks. We implemented our remote working model right after the first case was announced in our country. We provided all necessary guiding support to accelerate the adaptation of our employees to this process.

Thanks to the transparent dialogue we established with our employees during the COVID-19 outbreak, we reviewed their feedback and answered their questions through our relevant teams.

We have prepared training and videos that aim to raise awareness of our employees in the fields of health and safety and that include both the physical measures of the COVID-19 outbreak and support their psychological well-being. We have published short videos about current developments in this period. We organized "Akbank Member Meetings" seminars to support their psychological and physical well-being, not only for our employees but also for their children, accompanied by experts.

We started the HEPP Code control and thermal camera/temperature measurement application by taking high-level security measures at our headquarters and branches. We have sent a phone line or tablet to all our security guards at our branches, to be used in querying the HEPP code. In addition to distributing basic hygiene equipment to all our units, we have increased the number of regular cleaning procedures. We continue to regularly disinfect our Head Office buildings and service vehicles. In case of a case in the branches or units, the area is disinfected.

Our employees

With the decrease in cases in 2021, we switched to rotational work in our head office teams.

We aimed to support the mental, emotional, and physical health of our employees with the “İyi Bir Sen (For Your Well-being)” program that we established to support their well-being. We organized events, seminars, digital concerts, digital museum tours, podcasts, international e-learning programs, and meetings that allow all our employees to participate.

By partnering with the Wellbees application, we have provided our employees with a free platform where they can both participate in activities and support mental and physical health.

We have developed different solutions to maintain social distance in our branches. In addition, we continued to provide uninterrupted service with a rotating working model in our branches and Cash Operations Centres, where there were cases of the COVID-19 outbreak.

With the decrease in cases in 2021, we switched to rotational work in our head office teams. In this process, we continued to prioritize the health and safety of all our employees by paying attention to the fact that our employees are fully vaccinated when they come to the office, and that they present a negative PCR test if there is an incomplete or unvaccinated situation. In 2021, we started to monitor the risk and vaccination status by integrating our systems with the Ministry of Health.

We have positioned the grey-coloured mask disposal boxes that we created within the scope of the “Akbank Pandemic Prevention and Action Plan” for our mask and glove waste generated in our branches and Headquarters buildings. In addition, as stated in the published regulation on the collection of these wastes, we left them in the landfill for at least 72 hours and then handed them over to the municipalities for disposal together with household waste.

We provided encouraging guidance to our employees to guide them through the remote working process, as well as create environments where they can create a private workspace, have daily team meetings with their colleagues, and create not only work but also social interactions. Our CEO and Executive Vice Presidents met with our employees and answered approximately 4000 questions.

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Our customers

We see that the COVID-19 pandemic has led to changes in the needs, consumption, and behaviour of our customers.

We see that the COVID-19 pandemic has led to changes in the needs, consumption, and behaviour of our customers.

While continuing to provide uninterrupted, safe, and fast service to our customers, we also delivered daily health surveys to our employees. In this way, we detected risky situations early and took the necessary precautions. With our support line, we continued to provide feedback from our call teams to protect the physical and mental health of our employees.

We continued to stand by our customers, who experienced the negative financial effects of the COVID-19 pandemic, by offering quick solutions to their loan postponement and restructuring requests.

We see that the COVID-19 pandemic has led to changes in the needs, consumption, and behaviour of our customers. With this awareness, we are constantly reviewing and improving our service models and ways of doing business. We create new digital services that will make our customers' lives easier.

To support our tradesmen and SME customers operating in sectors directly affected by the COVID-19 outbreak, we have prepared postponement programs. We postponed our customers' overdue loan and credit card payments in line with their cash flows. In addition, we have created new credit limits supported by the Credit Guarantee Fund (KGF) to use in the related payments of companies in need of check payments and working capital. In this way, we have both met the daily needs of our customers and extended their current debts to suitable maturities.

Some of the Applications We Implemented for Our Customers During the COVID-19 Pandemic:

Loans	<ul style="list-style-type: none"> We provided financing support for expenses such as pay checks, SGK premiums, and rent payments. We put the flow we created for the Turkish lira rediscount loan of the Central Bank of the Republic of Turkey into the service of our customers. We offered loan deferral and restructuring solutions.
Deposits	<ul style="list-style-type: none"> We have facilitated the partial closing process of deposits via the branch registered line. We increased the number of bill payments to make life easier for our customers on the Financial Intelligence - FİZ screens.
Fees and Commissions	<ul style="list-style-type: none"> We accelerated the "Finish Mobile" functions to increase investment product revenues and to be able to transact remotely with our customers.
Digital Applications	<ul style="list-style-type: none"> We implemented the SME-oriented corporate digitalization project with our strategy, digital banking, and business units. We started to fill out forms and contracts through our courier and digital platform channels. We brought together local and multinational companies through the webinar.
One-to-One and Salary Agreements	<ul style="list-style-type: none"> While we periodically call our customers over the age of 65 to obtain information about their situation, we also tried to provide morale and support within the scope of the COVID-19 pandemic process. We provided information through our SMS and Customer Communication Centres so that they can use mobile devices. We offered the opportunity to open an account remotely for our customers who receive a salary from our bank. We increased the cash withdrawal limit.

Our society

During the pandemic process, our priority at Akbank Sanat has always been the health of our society.

In 2021, we continued all our activities on online platforms, except for Akbank Art exhibitions, Akbank Jazz Festival, and Akbank Children's Theatre Storm Child. Akbank Sanat hosted 5 exhibitions in 2021.

During the pandemic process, our priority at Akbank Sanat has always been the health of our society. In 2021, we continued all our activities on online platforms, except for Akbank Art exhibitions, Akbank Jazz Festival, and Akbank Children's Theatre Storm Child. Akbank Sanat hosted 5 exhibitions in 2021. All recordings of seminars and conversations, ranging from philosophy, architecture, art history, cinema, exhibition interviews, Akbank Art Talks, children's workshops and contemporary dance technique lessons, to dance workshop performances took place on Akbank Sanat Youtube channel with 152 new content items under the roof of "Akbank Sanat is at Your Home".

We shared over 900 pieces of content with art lovers through our Social Media channels. We provided access to larger audiences by holding the events on digital platforms. The 31st Akbank Jazz Festival, Turkey's most rooted jazz festival, took place in 10 different venues with the performances of over 100 artists from the Turkish Jazz stage. This year, as part of Contemporary Istanbul, the stage of the 31st Akbank Jazz Festival took place at Shipyard Istanbul. This year, we participated in Contemporary Istanbul, which we have been supporting for 16 years and which has been one of Turkey's leading art events, with our exhibitions "Being and Transcendence" in Lutfi Kırdar and "Hidden Space" in Tersane Istanbul. Aware of the pioneering role of short films for the art of cinema, Akbank Short Film Festival was held online for the 17th time to create a platform in this field.

Service interruption on 6-7 July 2021

We continue to work to provide a superior customer experience across all our channels.

After the interruption caused by a technical problem in our bank's mainframe system on 6-7 July 2021, our systems were gradually opened on the evening of 7 July and started to serve from all channels. In the meantime, no data was lost, no situation would weaken data security, and no cyber-attacks were encountered. To eliminate the grievances experienced by our customers during this period as quickly as possible, the precautionary packages have been announced.

A comprehensive Business Continuity Program was initiated to further the business continuity practices of our bank, including the experiences gained from this interruption, and a series of actions and programs were put into practice to ensure both business and technology continuity. We continue our efforts to increase the value we offer to our customers with innovative solutions and to provide a superior customer experience in all our channels, together with the learnings from this process.






We support our companies in their transformation journey.

We provide financing to our companies in their transformation journey for a more sustainable economy. We act by focusing on an efficient and healthy future in all investment, fundraising, resource allocation, and product development stages.

Sustainable financing


We work in sustainable finance for a greener and more inclusive economy.

For a greener and more inclusive economy, we continue to offer our customers innovative products and services in the field of sustainable finance. Within the scope of our priority areas of responsible products and services and impact investing, we aim to make our investments more sustainable and create value for all our stakeholders. In line with our environmental and social credit policy, we consider our impact-value creation by considering environmental and social risks in our lending processes. Thus, while contributing to the Turkish economy, we create added value for our stakeholders for a sustainable future.

 Material Topic	 Related Capital Item	 Risks
<ul style="list-style-type: none"> Responsible Products and Services Impact Investing 	Financial Capital Natural Capital Social and Relational Capital	<ol style="list-style-type: none"> The change in the way of doing business of the sectors is a result of the effects of Climate Change and the uncertainties brought by this situation shortly. Obligations to be brought to the banking sector by national and international regulations (EU Green Agreement, Carbon Tax at the Border, Ministry of Environment & Urbanization, Ministry of Treasury and Finance, Banks Association of Turkey and Banking Regulation and Supervision Agency) The possibility that the actions to be taken for climate change may remain in the background as a result of the liquidity tightness that occurred with the COVID-19 pandemic.

Contributed SDGs



 Opportunities	 Performance Indicators	 Goals
<ol style="list-style-type: none"> 1. Carrying out studies to strengthen the ecosystem that will enable the development of green finance in Turkey within the scope of the European Green Consensus. 2. Turkey's ratification of the Paris Climate Agreement, updating the Statement of Contribution, and establishing the Climate Law 3. Possible incentives and supports (capital adequacy, provisions, intermediation costs, etc.) to be provided to banks 4. Accelerating the transition to a sustainable economy by supporting new initiatives with inclusive financial support provided to businesses 5. Strengthening cooperation with international financial institutions through efforts to combat the Climate Crisis 6. Expansion of sustainable finance products and services with the developing regulations in Turkey and the world 7. The bank's competitive advantage by developing products and services in new areas 8. Increasing the confidence in the Bank in the eyes of investors and customers with transparent reporting 9. Decarbonisation of the bank portfolio with developed sustainable finance products 10. Green and sustainability-related funding and credit volume 	<ul style="list-style-type: none"> • The ratio of renewable energy generation projects to our energy generation portfolio is 84% • 14 projects that we have taken into Environmental and Social Impact Assessment • 25 projects we rejected as a result of Environmental and Social Impact Assessment • 1.321 million US support for renewable energy projects • 3.8 million tons of emissions prevented by the renewable energy projects we finance • 25 billion TL sustainable finance 1 amount • The first "Green Foreign Trade Package" in Turkey with a sustainability-related funding rate with a share of over 40% in total financing • A \$300 million sustainability-related repo agreement, the first in the Central and Eastern Europe, Middle East and Africa regions • Turkey's first "Blue Financing Product Package" • Enabling the transition from mobility to low carbon with electric and hybrid vehicle loans • First Social Bond Issue of 340 million TL for Domestic Individuals • First sustainable subordinated bond issuance among Turkish deposit banks • Sustainable mutual funds reaching TL 2.5 billion in volume with more than 55,000 investors 	<p>Increasing our sustainable loan financing amount to 200 billion TL until 2030</p> <p>To increase our sustainable investment funds balance to 15 billion TL by 2030</p> <p>Increasing the share of borrowing transactions based on sustainable finance in total borrowing</p>

¹Based on unconsolidated management reporting, cash and non-cash SME loans (assessed by the ESIA) and renewable project finance loans are included, as well as Environmental Social Governance type Eurobond and syndicated purchases.

Sustainable
financing

We provide added value to the Turkish economy by providing sustainable and qualified financial services.

Our goals for sustainable finance

Providing sustainable loan financing of 200 billion TL by 2030

To reach the balance of sustainable mutual funds to 15 million AuM by 2030

Increasing the share of sustainability-related funding in total funding to 30% by 2021

We continue to provide added value to the Turkish economy by providing sustainable and qualified financial services. We analyse the environmental and social impacts of each project we support and the activities we are involved in and consider the benefit it will provide to our society as a priority. We maintain our position as the leading bank of digital transformation with the new technologies and digital products we have developed in the sector. In order to play a leading role in the transformation of our country to a greener and more inclusive economy, we announced long-term commitments at the beginning of 2021. Thus, we became the first deposit bank in Turkey to declare a long-term and concrete target in this field.

As Akbank, we started our membership in the United Nations Environment Program Finance Initiative (UNEP FI) in 2021, and by signing the United Nations Responsible Banking Principles, we gave an international identity to our activities in the field of sustainability. In all our sustainable finance efforts, we aim to support the Sustainable Development Goals.

Responsible products and services

We classify the projects that we provide sustainable financing in accordance with green and social criteria.

The total amount of sustainable finance we provided in 2021 reached 25 billion TL.

Issues such as the COVID-19 pandemic, climate change, depletion of natural resources and increasing population that we are facing around the world are also closely related to the country's economy and the financial world. In this context, we develop new sustainable products and services by addressing the risks and opportunities of global trends together.

We classify the projects that we provide sustainable financing in accordance with the green and social criteria in our Sustainable Finance Framework, which we put into practice in 2021. We provide Green, Social and Sustainability-related credit mechanisms in line with the principles of Green Credit, Green Bond, Social Bond, Sustainable Bond framework managed by ICMA (International Capital Markets Association) and LMA (Loan Market Association). In this context, energy efficiency, green buildings, sustainable water management and wastewater management, renewable energy, environmentally sustainable management of natural resources, clean transportation, pollution prevention and control, eco-efficient and/or products adapted to circular economy, production technologies processes, employment creation and programs

designed to prevent and/or reduce unemployment resulting from socioeconomic crises, including the potential impact of SME finance and microfinance, access to basic services, affordable housing. Accelerating the transition to a low-carbon economy will continue to be our top priority in our sustainable financing efforts.

While we continue to increase the size of our sustainable financing supports, which we offer to accelerate the transition to an innovative, equitable, inclusive and ecosystem sensitive economy, we update our project criteria according to global trends, regulations and sustainable development goals.

Considering that Turkey ratified the Paris Climate Agreement has set a net zero emission target to be achieved by 2053, we aim to offer new and innovative sustainable finance products and solutions in all sectors in order to accelerate the transition to a low carbon economy, especially in the fight against the climate crisis. We monitor the effects of the loans we provide as part of our Sustainable Finance efforts on climate change. As Akbank, we aim to reduce the negative effects of our loan portfolio on climate change until 2030. In this direction,

*Konsolide almayaa yönetim raporlamasına göre, kullanılan nakdi ve gayrinakdi KOBİ kredileri (ÇSED ile değerlendirilen) ve yenilenebilir proje finansman kredileri ile Çevresel Sosyal Yönetişim tipi Eurobond ve sendikasyon alımları dahildir.

Responsible
products and
services

We consider climate risks and opportunities as one of our Bank's top priorities.

The ratio of renewable energy generation projects to our project financing energy generation portfolio has reached a high rate of 84%.

Projects dealing with environmentally friendly energy generation sources such as wind, solar, biomass and geothermal are among the top priority projects in our project financing. We contribute to reducing our country's dependence on foreign sources by financing the facilities that produce energy from renewable energy sources. Accordingly, we continued to develop unique financing solutions for solar and geothermal energy projects that received public and government support. In parallel with the increasing investments in this area, we aim to develop advantageous funding options in terms of maturity and cost in the upcoming period.

we determined the "sectors with the highest carbon emission intensity" (cement, aluminium, machinery, automotive, textile, iron and steel and chemistry) and started our studies for the transition to a low carbon economy in all sectors, especially in these sectors.

We see climate risks and opportunities as one of our Bank's top priorities. Therefore; we aim to reduce our environmental footprint while increasing our positive impact by looking at all our decision-making processes from a sustainability perspective. In this context, after the basic evaluations, we started to make environmental, social and governance (ESG) evaluations in the selected sector in order to bring our sustainable finance products, which we developed for the sectors, to our customers by making sectoral evaluations in order to accelerate the transition to a low carbon economy. We will extend this assessment to other sectors as well. We make fundamental analyses based on all these main topics:

- In order to understand the current situation of the customers and to offer suggestions that will encourage transformation in the long term, we first conduct a basic sustainability analysis and understand the current situation of our customers who request low carbon credits.
- After understanding the basic sustainability performance of our customers, we recommend the most suitable sustainable finance product to our customers based on their demands.
- After creating the product package, we monitor our customers' sustainability performance throughout the loan term.

GREEN FINANCING

While aiming to reduce our country's dependence on foreign energy in the field of energy by conducting renewable energy projects thanks to our green financing supports, we also plan to minimize the effects of buildings on the environment and climate change. With our electric vehicle production, electric vehicle fleet purchase loans and electric/hybrid vehicle financing models in the retail segment, we carry out extensive and pioneering efforts to transition mobility from fossil fuels to a low carbon economy.

- With our Green Foreign Trade Loan, Transition Loan to Low Carbon Economy and Roof GES Investment Loan product that we offered to our customers in 2021, we supported our customers in their journey to transition to low carbon.

- With our Blue Financing Product Package, we provide a transformational opportunity to our tourism, port and transportation customers who want to invest in the green investment subcategories of our Sustainable Finance Framework. We became the first and only bank to develop a product package to minimize the environmental footprint of these sectors.
- In 2021, we provided a sustainable finance loan for the high-speed train project with a line length of 200 km. It will serve the objectives of establishing a low-cost, environmentally friendly and sustainable transportation network by increasing the quality of transportation services with the financing, which is the first Green Loan ("Green Loan") realized in this field in Turkey.
- With our agricultural loans, especially with drip irrigation loans, we prevent wild irrigation and ensure the protection of water resources with efficient irrigation.
- In the upcoming period, we will contribute to the improvement of our customers' environmental sustainability performance by launching new sustainable finance products in the SME and Retail segments.
- By providing financing for recycling projects, we want to accelerate the transition to the circular economy by easily overcoming the high costs that the project owners have to undertake.

As of the end of the year, 3,163 MW of the energy projects we have financed so far consisted of HEPP, 1,037 MW of WPP, 320 MW of GPP, 181 MW of GES and 21 MW of Biomass. By the end of 2021, the number of renewable energy projects we supported reached 185.

As in the last four years, we continue to provide 100% of the financing we allocate to projects in the construction phase in 2021 for renewable energy projects, while the share of renewable energy projects that we provide credit support in our total energy portfolio is 76%.

Project	2021 Total Installed Capacity (1) (MW)	2021 Credit Balance (2) (mn USD)
HEPP	1,854	614.1
WPP	865	454.8
GPP	320	168.3
GES	114	66.7
Biomass	21	16.9
Total	3,174	1,320.8

⁽¹⁾ Loans living as of the end of 2021

⁽²⁾ Includes cash and non-cash loans

In the upcoming period, we will contribute to the improvement of our customers' environmental sustainability performance by launching new sustainable finance products in the SME and Retail segments.

Responsible
products and
services

We realized the “First Domestic Social Bond Issuance for Individuals” worth 340 million TL.

For our SMEs, whose contributions to the Turkish economy are undeniable, we not only provide financial support, but also provide consultancy and guidance services, and encourage their development by providing the information necessary for our SMEs to reach the right financing source.

SOCIAL FINANCING

We aim to privatize our support and facilitate access to finance in order to support the development and inclusiveness of our country's social policies and improve living standards.

As Akbank, we provided sector-specific purchase loans in order to expand access to healthcare services to the general public, to increase the quality of service in the healthcare sector, to construct, renovate and modernize hospitals, and to provide free primary healthcare services. Within the scope of the related financing, we base on increasing the number of female employees in the health sector, providing basic health services and observing social and environmental targets. Within the scope of the social loans in our portfolio, we realized the “First Domestic Social Bond Issuance for Individuals” with a size of TL 340 million.

For our SMEs, whose contributions to the Turkish economy are undeniable, we not only provide financial support, but also provide consultancy and guidance services, and encourage their development by providing the information necessary for our SMEs to reach the right financing source.

In the coming period, we will increase our cooperation in many areas such as accounting, e-commerce integration and HR solutions that our SME customers need in their daily operations, as well as their banking needs. We want to both accelerate their business and accompany them on this journey by providing financing and meeting their banking and non-banking needs of all SMEs that want to expand their business or establish a new business.

In 2021, we also signed a cooperation agreement with the EBRD and KGF to support women business owners and entrepreneurs and facilitate their access to finance. Within the scope of the Financing and Consultancy Support Program for Women's Businesses, we aim to support our businesses that have difficulties in creating guarantees within the scope of the “Women SMEs Package”, whose founders or managers are women, with EBRD funding of 50 million dollars and 80% KGF guarantee support.

Opportunities We Provide to Our SMEs

- We implemented the “Secure Payment System” in used vehicle sales.
- We continue to hold Akbank Exporters’ Meetings and meetings with all our SME customers online.
- With the main sponsorship of Akbank and Vodafone, we continue our Turkey Technology Meetings.
- We offer banking products such as Drip Irrigation Loan specific to the agricultural sector and insurance services such as Drought Yield Insurance.
- We respond to our customers’ consumer loan requests within minutes through Akbank Mobile and Customer Communication Centre.
- We bring together locomotive exporters to make a sustainable contribution to the country’s economy.

We discussed the opportunities we offer to our SMEs in detail in the **Ecosystem Management** section of our report.

You can review the project criteria and types within the scope of Green and Social Projects in our **Annexes** section.

A total of 650 million Euros of financing was provided through the consortium we formed with 6 banks within the scope of the “Credit Mechanism Related to Sustainability” for the refinancing of long-term investment loans of Enerjisa Üretim.

Sustainability Related Loans

In 2020, we became part of Turkey’s largest Sustainability-Related Loan Agreement. A total of 650 million Euros of financing was provided through the consortium we formed with 6 banks within the scope of the “Credit Mechanism Related to Sustainability” for the refinancing of long-term investment loans of Enerjisa Üretim. Within the scope of this loan, the company undertakes to significantly increase the share of renewable energy in its energy investments portfolio and strives to achieve the best international standards in gender equality.

According to the unconsolidated management reporting, cash and non-cash SME loans (assessed by the ESIA) and renewable project finance loans are included, as well as Environmental Social Governance type Eurobond and syndicated purchases.

Sustainability-related borrowing

As Akbank, we became the first Turkish bank to associate both syndication transactions in 2021 with sustainability.



Loan agreement
with Asian
Infrastructure
Investment Bank
100
million USD

With our international banking network, we are further strengthening our project financing supports within the scope of Environmental Social Governance, which we have increased in scope in order to bring a sustainable quality to our national economy. At this point, we work with many international financial institutions such as the International Finance Corporation, the European Bank for Reconstruction and Development, the European Investment Bank, and the American International Financial Development Organization.

In order to make our support to renewable energy projects sustainable, we signed a 15-year loan agreement with DFC in October 2014, amounting to USD 175 million. With this loan package, which offers attractive opportunities for investors and project owners, we financed renewable energy investments as well as machinery equipment supplies and energy efficiency investments that provide energy savings of at least 20%. In addition to the loan agreement we signed with DFC, we signed a 12-year loan agreement with the EBRD in October 2015 and June 2016, totalling USD 220 million. With this loan package, we financed renewable energy investments with a total amount of approximately USD 208 million in 2015-2017 and continued to extend the remaining amount in 2021.

In June 2021, we made the first sustainable subordinated bond issuance among Turkish banking sector deposit banks. The size of the transaction, which has a maturity of 10 years and an early redemption option at the end of 5 years, was USD 500 million. As Akbank, we became the first Turkish bank to associate both syndication transactions in 2021 with sustainability. In July 2021, we signed a 7-year maturity, USD 100 million loan agreement with the Asian Infrastructure Investment Bank (AIIB) to repair the negative effects of COVID-19, making us the first Turkish deposit bank to obtain funds from the Asian Infrastructure Investment Bank. Within the scope of the cooperation initiated in November 2021, we will finance the effects of the COVID-19 pandemic to meet the capital and liquidity needs of women entrepreneurs SMEs by providing a financing source of USD 50 million with a maturity of 2.5 years with the European Bank for Reconstruction and Development (EBRD). As Akbank, we are providing access to financing to support small businesses in 22 provinces in the South and Southeast with a new resource of US\$ 50 million, with a maturity of 3 years + 1 week, within the scope of the Impacted Areas project with the International Finance Corporation (IFC).

Loan balances as of the end of 2021

Company	Amount (million \$)	Share
AIIB (Asian Infrastructure Investment Bank)	100	11%
DFC (American International Financial Development Corporation)	109	11%
EBRD (European Bank for Reconstruction and Development)	196	20%
EIB (European Investment Bank)	219	23%
IFC (International Finance Corporation)	340	35%
Total	964	100%

We realized all our foreign borrowings in 2021 with the theme of sustainability.

We set our sustainable funding share target as 100% for 2030.

While the negative effects of the pandemic continued in early 2021, the measures we took and the credit supports we provided increased our prestige and confidence in the international markets, while also facilitating our access to alternative funding sources. As of the end of 2021, our foreign borrowing amount of USD 3.8 billion long-term and USD 3.2 billion short-term, totalling USD 7 billion, is an important indicator that reflects this. The fact that 41% of this amount is sustainability themed reveals that we have successfully implemented our sustainable growth strategy.

In the last 3 years, the remaining amount of the financing we have provided under the Sustainable Financing Framework as of the end of 2020 was approximately USD 2.3 billion. Of this total, 48% consists of our projects in the green category and 52% in the social

category. While financial support to our SMEs, regional development and employment, and improvement studies are among the projects with a social scope; we consider works on topics such as renewable energy, clean transportation, and sustainable management of natural resources in the green projects category. We will continue to offer our financial support, whose inclusiveness and diversity has increased rapidly every year, in order to bring our country to the sustainable future it deserves.

A total of USD 2,054 billion in syndication loans, Eurobond issuances, Akbank's first foreign green bond issuance, first domestic social bond issuances, working capital support to our SMEs against the negative effects of the COVID-19 pandemic, and other mutual loans we made during the year.

Our environmental and social credit policies

We strive to reduce the environmental footprint of the activities we finance.

We take the risks and opportunities related to climate change into account when creating our policy and integrate them into our business processes.

Evaluating the financed activities according to our environmental and social credit policies, the Environmental and Social Impact Assessment (ESIA) System and Environmental and Social Management System established within this scope is the first step of our sustainable financing efforts. We try to reduce the environmental footprint of the activities we finance with our policy and systems, and we attach great importance to the social license of the project stakeholders. We evaluate the financial and non-financial values of our customers together and focus on long-term effects.

We support the inclusion of information on risks and opportunities caused by climate change in environmental and/or technical reports. Information on physical risks related to climate change defined by the Task Force on Climate Related Financial Disclosure (TCFD) in the Environmental and/or technical reports of all category A and category B large-scale infrastructure projects approved by the ESIA Team should be included in the independent consultant reports.

We question the existence of the Biodiversity Action Plan in the projects we finance and monitor the implementation of this plan. We require a variety of elements, including assessing project impacts in terms of biodiversity, monitoring impacts, setting targets, using performance indicators, reviewing impacts, and reporting results.

Evaluating the financed activities according to our environmental and social credit policies, the Environmental and Social Impact Assessment (ESIA) System and Environmental and Social Management System established within this scope is the first step of our sustainable financing efforts.

We also observe compliance with the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work in our loan activities. We demand that our clients respect fundamental human rights and comply with ILO standards of non-discrimination, child labour, forced labour, collective bargaining and freedom of association. We describe the activities that we will not finance without any amount limit and without the need for an environmental and social risk assessment, including the activities that are prohibited in accordance with the national legislation and international conventions to which our country is a party, especially the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration of Fundamental Principles and Rights in Working Life.

Our policy, which is revised in line with changing and developing needs, is revised every year with the approval of our Board of Directors in accordance with current conditions. The approvals of the financings we provide in accordance with our policy are given by the Credit Committee within our Board of Directors or by the allocation authority authorized by our Board of Directors. In this context; we expanded the scope of our work in this area by reducing the Environmental and Social Impact Assessment limit of our new investment loans from US\$ 50 million to US\$ 10 million.

Our Environmental and Social Impact Assessment (ESIA) team manages the impacts of projects and investment activities with an investment amount of 10 million USD or more. Our ESIA team works in coordination with our branches, regions, allocation teams and business units. The main areas of responsibility of our ESIA team are to evaluate and manage the environmental and social impacts of the projects and investment

activities to be financed, starting from the construction phase. We attach importance to keeping up to date with national and international trends and policies by closely following the rapidly changing sustainability agenda.

As a result of our evaluations made with certain criteria that we take as reference in the Environmental and Social Impact Assessment System we apply, we categorize new investment projects or loan requests that request financing under three headings as high, medium and low risk. In addition, we activate our additional evaluation criteria for projects and loan requests about sectors that are known to have high environmental and social risks. In all project finance and loan transactions that we finance independently of the sector;

- If there is a litigation regarding environmental and social issues,
- If there is an objection based on justified reasons by the local people,
- If it is close to sensitive and protected areas and habitat and is likely to have an adverse impact,
- If large-scale resettlement and expropriation have been made, then the project/credit is considered risky.

In addition to these, we consider the risks arising from the previous activities of the firm requesting financing and the way these risks are managed as criteria in this evaluation. For projects that we consider as high and medium risk, we request Environmental and Social Status Assessment Reports and Action Plans from the

We are committed to regularly reviewing our environmental policy.



**Environmental,
Social Impact
Assessment limit**

**10
million USD**

As a result of our evaluations made with certain criteria that we take as reference in the Environmental and Social Impact Assessment System we apply, we categorize new investment projects or loan requests that request financing under three headings as high, medium and low risk.

Our
environmental
and social credit
policies

In 2021, we rejected 25 loan applications because they were on the list of non-creditable activities.

For projects that we consider as high and medium risk, we request Environmental and Social Status Assessment Reports and Action Plans from the project owners, and we add this plan to the contract to be signed with the project owner.

project owners, and we add this plan to the contract to be signed with the project owner. We strive to minimize and evaluate the risks in the proposed actions for the management of environmental and social risks in high and medium-risk projects, through checking and taking into account stakeholder engagement and grievance mechanism processes, compliance of the company or the project owner with the legislation related to Occupational Health and Safety, the proximity of the project to the wetlands determined in the RAMSAR Agreement, or in projects involving land acquisition or resettlement, by considering the "Resettlement Action Plan" and thorough checking and taking into account the minimum level of tree cutting in the projects and by taking into account many criteria such as the best level of protection of the natural balance of the region covered by the project, the amount of carbon emissions

that high-risk projects in terms of carbon emissions will create during the operation process and the carbon cost that will occur, the evaluation processes of the effects on biodiversity, and the existence of an Environmental and Social Management System which the project owner already has or is developing. We evaluate every commercial loan that we have extended, regardless of the amount limit, within the scope of the "List of Activities that will not be Creditable", with the systemic controls we have added to our infrastructure in 2019. In 2021, as a result of these studies, we determined that 25 of 431 loan applications were included in the list of activities that will not be credited, and we rejected their requests. In 2021, a total of 14 projects were included in the Environmental and Social Impact Assessment, and we determined 7 projects as high risk, 2 projects as medium risk and 5 projects as low risk. Due to the pandemic measures, our ESIA team conducted the project site visits with online meetings. Our team held 27 meetings within this scope this year. Site visits are carried out by the project consultants, and we also conduct interviews with all stakeholders, especially the local people hosting the project.

We also protect the value creation of our activities for the local people, by exchanging opinions about the complaints, requests, and impacts, if any, about the project.

With our strategic focus areas that we determined in 2021, we aim to create value for all our stakeholders in the short, medium and long term throughout our operations. Akbank Environmental and Social Management System (ESMS), which is an exemplary practice in the field of environmental and social management system for SME customers, is the environmental and social management system of IFC within the scope of the loan agreement signed with the International Finance Corporation (IFC) in 2016. implemented on the basis of performance standards. Accordingly, our Environmental and Social Management System (ESMS) team holds regular meetings with our Regional ESMS Teams for the management of environmental and social risks of our SME customers.

Since 2017, we have been evaluating every SME that requests financing within the scope of our Environmental and Social Management System (ESMS). By gaining a strong competitive advantage with this practice, we make a difference and set an example against our competitors in the banking sector. ESMS SME portfolio, which is an application that is shown as a reference in the Turkish banking system, covers topics such as:

- Environmental and social assessment and management, workforce and working conditions, and prevention and reduction of pollution,
- Community health, safety, and security,
- Conservation of biodiversity,
- Sustainable natural resource management and protection of cultural heritage.

We made our loan activities and processes that we provide for our SME customers easily trackable and assessable with our Decision-Making Matrix and Environmental

& Social Risk Score system that we have added to our loan offer infrastructure. We create an action plan together with each Akbank SME that we consider risky, and we try to minimize the risks. In order to prevent these risks from happening, we aim to raise awareness of our customers and encourage them to take the necessary measures, and to prevent any negative environmental or social impact. We aim to reduce the energy use, water consumption and waste of the activities we are lending, and we demand that we work in accordance with the best practices of the industry.

Akbank Environmental and Social Management System consists of the following three main elements:

- To equip our employees with the necessary competencies to measure the environmental risks of our SME customers,
- To establish the infrastructure that allows the measurement of environmental and social risks in our credit processes,
- To carry out a report that allows us to measure and follow the risks.

Responsible Lending and Financial Inclusion

In order to simplify and enable our customers' daily banking transactions, we focus on providing innovative digital solutions and try to expand financial access. We apply responsible lending principles in our allocation processes. We support sustainable production and consumption, innovative and social initiatives.

We add the requirements of our environmental and social credit policies to the General Credit Agreement, and we also revise the relevant areas in the agreement with our updated policy articles.

In 2021, we supported SMEs by going through the environmental and social risk process and contributed to increasing employment.

Our policy practices activated by developing competencies and awareness

We strive to equip our employees with the competencies they need in order to efficiently measure and monitor the environmental and social risks of the projects financed among our primary objectives. For this purpose, a total of 471 employees completed our e-learning trainings on Environmental and Social Credit Policies, which were prepared in 3 different subjects, in 2021. In 2021, our ESIA Team took part in the event called "Akbank Members Meetings on the Management of Environmental and Social Risks in Loans" with the organization of Akbank Academy. We provided information to 224 Akbank employees on awareness and transmission of current developments for the management of environmental and social risks of our credit customers. In addition, our ESIA Team participated in the seminar on Sustainable Finance at the Young Akbank Experience Camp, reaching 185 students on E&S risks and opportunities. In addition, we talked about Climate Change and Sustainable Finance with approximately 80 students at the Anthropocene Age event organized by Dokuz Eylül University Industrial Engineering Society.

In order to simplify and enable our customers' daily banking transactions, we focus on providing innovative digital solutions and try to expand financial access. We apply responsible lending principles in our allocation processes.

Impact investing

We have played an important role in creating high sustainability sensitivity in investments in Turkey.

As the first Turkish bank among deposit banks to set a long-term target in this regard, we are committed to increasing our sustainable mutual fund balance to 15 billion TL AuM by 2030.

We also support environmentally sensitive companies and activities by developing investment products that will enable our customers to utilize their savings in these areas. Investors, while evaluating their savings, follow the effects of their investments by taking into account which projects their investments contribute to, with high sustainability sensitivity. As a part of our sustainability strategy, we have undertaken an important role in creating this awareness in Turkey. In this context, we aim to encourage individuals to direct their investments to investment products that benefit the world.

In 2021 and beyond, we aim to raise awareness about impact investing in Turkey and to diversify our sustainable product alternatives with a comprehensive perspective.

We aim to carry out sustainability evaluation studies by independent institutions for our sustainable investment funds.

Future Investments

At the beginning of 2021; we presented to deposit holders Ak Asset Management Funds, which consist of the themes of Alternative Energy, Health and Domestic and Foreign High Technology and which will allow investments to be made to the future of our world, country, and economy, under the umbrella of "Investments of the Future". In the following periods; we added Transformative Technologies, Financial Technology, Blockchain Technologies, and Tourism and Travel Industry funds under this umbrella category.

In 2021 and beyond, we aim to raise awareness about impact investing in Turkey and to diversify our sustainable product alternatives with a comprehensive perspective. We aim to carry out sustainability evaluation studies by independent institutions for our sustainable investment funds.

Ak Portföy Alternative Energy Fund is Turkey's first fund investing in alternative energy transformation. Thanks to this fund, we offered the opportunity to invest in 20 different companies that play an important role in the production and storage of alternative energy sources such as solar, wind, hydrogen and battery technologies, and in the development of technologies such as renewable energy, alternative fuels and energy efficiency.

With Ak Portföy Health Sector Fund, which is the first fund to invest in the health theme; we enabled investors to easily invest equally in 20 selected global companies in the fields of pharmaceuticals, vaccines, biotechnology, genetics and advanced health technology.

Particularly in the last quarter of 2021, the awareness level of investors increased with the communication activities carried out in this field and the awareness of impact investing spread to a wider audience.

You can access detailed information about the Mutual Funds of the Future on the Ak Portföy and Akbank web pages.

After our ESG funds established by Ak Portföy in 2021, we realized the first domestic Akbank Social Bond issuances for individuals in September. In this context, we provided the financing of 340 million TL for the social loans in our portfolio, and two different projects that serve the United Nations' "healthy and quality life" sustainable development purpose. In October, we collected requests from a total of 113 thousand investors, through the consortium formed under the leadership of Ak Yatırım, for the 517 million TL public offering of the Turkish biotechnology company that produces PCR kits. Our Sustainable Investment balance, which covers all these products, has reached a significant size of TL 3.1 billion thanks to the high interest of our investment customers.

Our total balance of Health Sector and Alternative Energy funds, which we evaluate in the category of Sustainable Mutual Funds, completed the year at a level well above our target of 1 billion TL. With a total of 57 thousand investors, it reached a volume of 2.5 billion.

People and Communities

**We are getting
stronger
together with our
employees and
our society.**

We are constantly enriching our corporate culture, which is nourished by different voices, is participatory, values people and encourages continuous learning. We contribute to our social development with our innovative social responsibility projects.






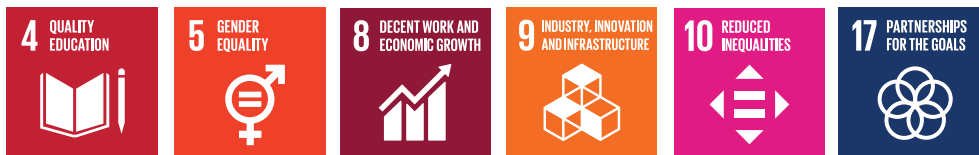
People and communities

Under the leadership of Akbank Volunteers, we develop projects for the future of our country.

While developing special programs for our employees for the future of work, we also continue our efforts to facilitate access of our youth to quality education. In this context, in addition to supporting economic growth, we consider the satisfaction and loyalty of our employees and raising the education and cultural level of our society among our priorities. We undertake important projects in the fields of education, entrepreneurship and culture and arts, by considering our diversity and inclusion approach in everything we do. Under the leadership of Akbank Volunteers, we support solutions to social problems and develop projects for the future of our country

 Material Topic	 Related Capital Item	 Risks
<ul style="list-style-type: none"> • The Future of Work • Diversity and Inclusion • Social Investments • Sustainable Procurement • Human rights • Employee Satisfaction and Loyalty • Skill management 	Human Capital Social & Relational Capital Intellectual Capital Manufactured Capital	<ol style="list-style-type: none"> 1. Increasing unemployment rate as a result of insufficient employment-creating activities in the face of the labour supply created by the increasing young population 2. With the increase in the variety of information sources, it becomes difficult to access accurate and reliable information. 3. Megacities that have become crowded with rapidly increasing rural-urban migration Difficulty of access to education and culture-arts activities due to the COVID-19 pandemic

Contributed SDGs



 Opportunities	 Performance Indicators	 Goals
<p>1. Banking services of increasing quality with staff whose diversity such as gender, disability, race, religion and language has increased, and equality of opportunity has been strengthened.</p> <p>2. Acquiring qualified human resources with a strong infrastructure by supporting young people's access to education services as well as employees.</p> <p>3. Contributing to the solution of social problems by disseminating volunteer activities</p> <p>4. Making cultural and artistic activities more accessible and inclusive by using digital platforms</p>	<ul style="list-style-type: none"> • An average of 35 hours of training with 2,175 virtual classrooms provided to over 12 thousand Akbank employees. • Ethical principles (4,357 hours), bribery and corruption (5,931 hours) and sustainability and environment (966 hours) trainings completed by Akbank employees • Our female employee rate of 53% • 40% of our female executives working in senior management • Our workforce turnover rate of 7.02% • Women's Empowerment Principles, of which we are a signatory • Our participation in the Bloomberg Gender Equality Index • Being the first Turkish bank to be a member of The Valuable 500 • Our local suppliers with whom we cooperate with 92% • Our employees, of whom we have carried out performance evaluations of 100% • Approximately 40 thousand young people we reached through Akbank Youth Academy • 1.125 computer donations to our secondary and higher education students -Over 500,000 viewers we reached with our Akbank Jazz Festival • A total of 2,048 short film applications from 71 countries that we evaluated in 2021 within the scope of our Akbank Short Film Festival • 2 million children we have reached so far with Akbank Children's Theatre • About 33,000 followers on our Youtube channel • Akbank Art investments amounting to TL 8.7 million 	<p>Increasing the effectiveness of investments made in our employees</p> <p>Increasing the social return on social investments</p> <p>Increasing the effectiveness of Akbank volunteering in social investments</p>

People and
communities

We are aware that qualified manpower plays a critical role in ensuring a more sustainable economy.

We design programs to increase the participation of not only our employees, but also young people, women, disabled people and people who have been away from work life for a long time, and their access to training and development programs.

We are aware that qualified manpower plays a critical role in ensuring a more sustainable economy. In this direction, we consider it among our primary objectives and responsibilities to prepare our employees for the business life of the future and to provide them with the necessary competencies in advance. We design programs to increase the participation of not only our employees, but also young people, women, disabled people and people who have been away from work life for a long time, and their access to training and development programs. In addition to these, we try to contribute to the cultural development of the society with our initiatives in the field of culture and art, and we increase our contributions in this field with new projects and activities every year.

The COVID-19 pandemic has greatly affected our daily lives and habits. In this direction, we have organized our works according to these effects.

During this period, we implemented many practices that prioritize the health of our employees and customers and aim to protect our ecosystem.

In the pandemic process, we have taken an important step with the transition to remote working, as well as taking many protective measures for hygiene in order to minimize the health risks of our employees. With the emergence of the first case in our country, almost all of the Headquarters teams switched to remote working, while our branches also switched to remote working alternately. In addition, we have ensured that the principles of remote working are determined in order to maintain the work-life balance and different activities are carried out to support the physical and emotional well-being of our employees. We stood by our employees and kept their morale high with many practices such as establishing open, transparent and continuous interactive communications at the CEO level and receiving continuous feedback from employees. During the COVID-19 pandemic, we conducted 110 online chat events with the participation of our employees and CEO, and 7 live broadcasts where the bank's agenda and strategies were shared with the participation of all our employees and the presentation of the bank management.

Our qualified human resources

We continue to make a difference in our sector with our expert and competent staff.

Our ratio of employees who have customer contact in the field and in the Customer Communication Centre has reached 61%.

We continue to make a difference in our sector with our expert and competent staff. With our People and Culture management, we aim:

- To work together with the most competent and best candidates in their job,
- To continuously enrich our corporate culture, which feeds on different voices, is participatory and innovative, values people and encourages continuous learning, and thus to add value to our customers, business partners and society,
- To invest in people and ensure continuous development in order to prepare our employees for business life and competencies of the future,
- To encourage and reward superior and sustainable performance with our transparent and fair performance management that emphasizes equal opportunities,
- To create a teamwork that encourages taking initiative and working together in harmony,
- To establish long-term business relationships by increasing the happiness and loyalty of our employees.

These goals guide us in determining our strategies, policies and principles on people and culture and creating value for our stakeholders.

All persons, regardless of religion, language, race, gender, age, who are open to continuous learning and development, innovative and compatible with our values, can become members of the Akbank family within the framework of our equal opportunity approach and our recruitment processes designed in parallel.

As of 2021, 94% of our employees are university graduates. In addition, the average experience of our employees in the banking sector was approximately 12.2 years, and their average experience in Akbank was 11.2 years.

The issue of gender equality stands out as an element that we reflect and prioritize in our business culture within the framework of our diversity and inclusion policy. In addition to the ratio of female employees in the staff, the ratio of female employees at the management level, in income-generating positions and in STEM (Science, Technology, Engineering, Mathematics) positions is among the indicators that we monitor and for which we plan corrective actions. While our total number of female employees was 6,417 in 2021, our total number of male employees was 5,777.

Our qualified
human resources

Career, development, performance, work environment We care about improving our applications.

Another indicator that we follow within the framework of our diversity and inclusion policy is our average age. While our employees aged 30-50 are predominant in management tasks that require experience (top management and middle management), we see that our employees under the age of 30 also come to the fore in “assistant manager” and “auditor” positions.

Another indicator that we follow within the framework of our diversity and inclusion policy is our average age. While our employees aged 30-50 are predominant in management tasks that require experience (top management and middle management), we see that our employees under the age of 30 also come to the fore in “assistant manager” and “auditor” positions. The average age of all our employees was 37.9 as of the end of 2021.

We support young people to gain experience in business life with our internship programs. We consider all our employees, including university students, who do internships between one and three months at our bank, as full-time and permanent staff. In 2021, a total of 76 young people did internships at our banks. In addition, our part-time team assistant posting remains active throughout the year.

With this role, we offer the opportunity to work in the Head Office units 2 or 3 days a week. We continue our efforts to include more of our young friends in the management candidate positions after internship and part-time work.

We aim to make our business relations with our employees more sustainable. In this respect, we find it very important to establish close and continuous communication, to receive evaluations and feedbacks on career, development, performance and working environments, and to make continuous improvements in policies and practices in line with these.

We conduct detailed interviews with our employees who want to leave the job, evaluate the reasons for leaving, and determine our improvement actions for general processes. We thank TEMA for their contributions to the bank at the time of departure by making donations on their behalf, and we aim to be with them in their careers after the bank by contacting them again within the first 6 months following the process.

We monitor the individual experience and performance of our employees with a transparent, flexible Performance Management System that can respond quickly to changing needs, in order to effectively manage them in line with our corporate goals.

After the legal paid maternity leave, we offer our employees the right to work part-time for half the weekly working hours within certain periods.

In order to make our successful performance line sustainable, we subject our Headquarters employees to performance evaluations once a year and our field employees twice a year. As a result of our evaluations, we identify areas where our employees need to improve, and support their career development by organizing various training and development opportunities for these areas. In our reporting period, we conducted performance evaluations with 100% of our employees in order to accelerate their development.

You can access our tables of our Human Resources indicators in the **Appendix** section.

Our Maternity Leave Applications

We care about making the pre and postpartum lives of our female employees easier. Accordingly, we provide them with a total of 16 weeks of maternity leave, eight weeks before and after the birth. In addition, we grant up to six months of unpaid maternity leave and 1.5 hours of breastfeeding leave a day until the child is 1 year old. We also enable the use of breastfeeding leave once a week, upon the request of our employees. Our male employees whose spouses have given birth can also take 10

working days of paid leave. In the case of adoption, we entitle one of the parents to 8 weeks postpartum leave for children under the age of three.

After the legal paid maternity leave, we offer our employees the right to work part-time for half the weekly working hours within certain periods. Upon the request of our employee, we grant the right to work part-time for 60 days for the first birth, 120 days for the second birth, and 180 days for subsequent births.

While this period may increase by 30 days in multiple pregnancy, this right can increase up to 360 days if the child has a disability.

In addition, after the legal maternity leave and then, if desired, a maximum of 6 months of unpaid maternity leave, the child has the opportunity to work part-time until the age of starting compulsory primary school age. It is possible to work 5 working days a week, 4 hours a day, 20 hours a week. Our rate of employees returning to work after maternity leave was 97% in 2021.

Rates of Returning to Work and Staying at Work After Maternity Leave by Gender

	2021	
	Female	Male
Number of Employees Entitled to Maternity Leave	351	267
Number of Employees Taking Maternity Leave	351	267
Number of Employees Returning to Work After Maternity Leave	349	265
Total Number of Employees Returning to Work After the End of Maternity Leave and Still at Work Twelve Months After Returning to Work	345	253
Rates of Returning to Work and Staying at Work After Maternity Leave	Return to Work Rate: 99.4% Retention Rate: 98.3%	Return to Work Rate: 99.3% Retention Rate: 94.8%

Our qualified
human resources

**In order to keep our
work efficiency at the
highest level, we are
trying to increase our
employee satisfaction
day by day.**

**Full Compliance with Legal
Notification Processes for Our
Employees**

In cases where there are significant changes regarding the employment contracts of our employees, we apply the notice and notification periods specified in the Labour Law and HR Practice Principles. The notice period varies according to the seniority of our employees, 2 weeks for those whose service period is less than 6 months, 4 weeks for those whose service period is between 6 months and 1.5 years, 6 weeks for those whose service period is between 1.5 years and 3 years. For those who work more than 3 years, it includes an 8-week process. Our employees are free to resign, provided that they abide by the terms of the employment contract. Forcing anyone to work is outside of our Bank's working principles.

**Opportunities We Provide to
Our Employees**

We are trying to increase our employee satisfaction day by day in order to keep our work efficiency at the highest level. At this point, in addition to the rights we offer to our employees such as wages, bonuses, performance bonuses, foreign language compensation, remote working support, we also grant different rights depending on their place of work. In the category of fringe benefits that we provide according to the position; we also offer benefits and rights to our employees such as cash compensation, vehicle, petrol limit, OGS/HGS, mobile phone and/or voice line, internet access, tablet, laptop computer, service, parking lot, road fee, clothing assistance. In addition, within the scope of our social assistance category; they can benefit from rights such as migration compensation, goods transportation fee, death and injury compensation, natural disaster relief.

In addition to the rights, we offer to our employees such as wages, bonuses, performance bonuses, foreign language compensation, remote work support, we also grant different rights depending on their place of work.

Aksandık (Akbank T.A.Ş. Members of the Pension Fund Foundation)

One of the special privileges we offer to our employees is the Akbank T.A.Ş. Members of the Pension Fund Foundation (Aksandık). Aksandık, which is independent of the Social Security Institution, is a social security institution with its own legal personality, which provides social security benefits to its members, not less than the rights provided by the Social Security Institution, with the insurance premiums it collects from the employees and employers.

All our employees can access health services from Aksandık centre if they are in the city they live in, and if they are not, they can benefit from the health institutions that provide services under contract with Aksandık. In cases where operation is required, service can be obtained from institutions contracted with Aksandık.

Akbank T.A.Ş. Members of the Pension Fund Foundation intensified its activities for working and retired members in the field of health services in 2021. With its modern, spacious and comfortable structure, Renovated Health Centre continues to provide services

with expert and experienced physicians. With the established call centre, all employees were provided with appointment and consultancy services. The renewed website can be used both as an appointment platform and provides services with many interactive applications such as user-friendly e-provision, e-dispatch, and follow-up of analysis results.

As of 31 December 2021, the main titles of their work are:

↗ The total assets of the foundation reached 3.094 million TL.

↗ The number of members to whom pensions were allocated increased to 12,615.

↗ 590 million TL was paid to retired, disabled, widows and orphans.

↗ Health benefits amounted to 220 million TL during the year.

Aksandık T.A.Ş. Members of the Pension Fund You can view the privileges we offer to our Foundation and our employees in this context, on **our corporate website**.

With the Private Pension System, another application we offer to our employees, we help them save and maintain their current standard of living in their retirement. Within the scope of this practice where there is the

right to voluntary participation; we pay our employees an additional contribution fee at a certain rate of their monthly gross salary. As of 2021, 5,527 of our employees are secure under the Private Pension System.

We follow an equal, fair and encouraging process with our merit-oriented remuneration policy. We ensure that our employees performing similar duties receive close remuneration. At the same time, according to our Performance Evaluation System results, we prioritize our employees who show outstanding performance development and effort in remuneration and rewarding practices, thus highlighting competence and performance.

Our entry-level wage policy is applied in the same way in all our branches and service points. We determine the entry fee for the assistant position in a way that is parallel to the minimum wage. We ensure that the entry fee of the Executive Candidate function is 27.5% above the minimum wage.

Our occupational health and safety practices

As Akbank, we care about the health and safety of our employees.

As Akbank, we care about the health and safety of our employees. Within the scope of our Occupational Health and Safety Policy, we consider the creation and protection of a safe and healthy working environment as a constant obligation and an indispensable part of our activities. In this context, we follow and fully implement legal requirements in all our processes. In 2021, we completed the ISO 45001 Occupational Health and Safety Management System certification process for our Sabancı Centre, ABM and 42 branches within the scope of the Integrated Management System.

Occupational Health and Safety specialists and workplace physicians work in our Headquarters buildings. In order to provide and maintain a safe and healthy working environment in our Headquarters, field inspections are carried out regularly by OHS professionals.

We hold quarterly meetings with our Occupational Health and Safety Board, located in our Headquarters service buildings. Employer's Deputy, Occupational Health and Safety Specialist, Workplace Physician, HR/Social Affairs Representative, Employee Representative attend these meetings.

We pay great attention to informing our employees about health and safety issues. We develop fast and effective solutions for dangerous situations or situations that may cause an accident. While constantly informing our employees about pandemics or important diseases via the Aksandik website, we also provide disaster training with regular fire and earthquake drills. During the reporting period, we reinforced the occupational health and safety awareness of our 3,031 employees through face-to-face training and e-learning. Subcontractor, outsourcing, etc. serving our bank. We started to give our trainings to our employees in the form of e-learning.

We pay great attention to informing our employees about health and safety issues. We develop fast and effective solutions for dangerous situations or situations that may cause an accident.

Our Occupational Health and Safety Performance

Thanks to our bank's field of activity and our systematic work in the field of occupational health and safety, while there is no occupational disease or fatal work accident at Akbank, situations that can be described as work accidents rarely occur. While there were a total of 5 work accidents reported within our bank in 2021, the total leave period (lost work days) used by our 5,741 employees who received a health report due to illness was equivalent to 89,189 calendar days. When this figure is compared with our average number of employees, the average number of days on health leave per person became 7.3 days per year. In 2020, this figure was 4.1 days while in 2019, it was 5.1 days. On the other hand, the average number of lost work days, including annual leaves and days for which a medical report was received due to illness, was 19. The ratio of the number of days not worked for various reasons to the total number of working days per year was 12%.

Work-Life Balance and "İyi Bir Sen" well-being program

With "İyi Bir Sen" well-being program, which we started in 2020, we implement practices that will support the physical, mental, emotional, social, digital and intellectual well-being of all our stakeholders. We organize special events and meetings for different target audiences. We bring together our periodic video and content suggestions on healthy life and culture/art with our stakeholders. To date, we have organized more than 30 competitions with different contents and shared various desktop messages with the themes of healthy life, environment, family and motivation in order to remind our employees about basic activities during the busy day and to keep them alive with the theme of "For Your Well-being".

We made more than 20 collaborations in 2021 to meet the needs of technology and domestic consumption products more easily with special discount agreements for our employees. We created awareness with our "For Your Well-being" messages by carrying out nearly 200 communication activities in order to share all the applications made with our employees.

We had close to 3,500 participants in different events, seminars and workshops that we held in 2021. In 2021, we also shared with all our employees a mobile application free of charge, which provides weekly special content, allows free meetings with experts such as dietitians, sports coaches and psychologists, and supports well-being with monthly themes. We also identified our "good ambassadors". We collect suggestions from all over Turkey through our goodness ambassadors, shape and implement our actions together with our employees.

We launched the "Being a Parent Social Room", where we brought together our employees, who are parents, with experts, and discussed different issues from infancy to adolescence, from child development to parenting competencies in the digital age, and we organized 13 events within this scope. We are working to develop new social rooms for the coming periods. On the other hand, we organized special events for 5 of our units by implementing the concept of "For Your Well-being" meetings, which we organized with experts, taking into account the motivational needs and preferences of the units.

We made more than 20 collaborations in 2021 to meet the needs of technology and domestic consumption products more easily with special discount agreements for our employees. We created awareness with our "For Your Well-being" messages by carrying out nearly 200 communication activities in order to share all the applications made with our employees.

In order to create a work-life balance, we reviewed our meeting processes, taking into account the busy meeting schedules that occurred during the COVID-19 pandemic, and prepared a guide for meeting culture in 2020 to find solutions to the needs. In this context, we have implemented a comprehensive communication plan for our meeting principles. In 2021, we regularly followed the development of our meeting habits and carried out internal communication studies to prevent situations that do not comply with our principles.

The future of work

We designed education and training activities in order to define the needs of the future today.



Number of Akbank Meetings

48

We designed education and training activities in order to define the needs of the future today, to develop competencies accordingly, and to increase the performance of our employees. In order to turn development into an investment tool for our employees, we closely follow all developments in the field of education that can respond quickly and effectively to changing needs. We make the trainings more enjoyable by presenting them with gamification infrastructure, and we use personalized learning tools in different options from in-class training to digital training tools. We offer innovations in terms of digital experience by combining modern education methodologies and technology. We started our work with the international engineering firm ThoughtWorks in our extensive Cloud-Based Technology Transformation journey, which we started to move to a new stage with the holistic digitalization strategy we are conducting. In addition, we

support our employees to certify their competencies related to their duties with national and international certificates. While doing all these, we evaluate the expertise we have, and we identify development needs and shape our plans accordingly.

We think that it is very important to trigger a sense of curiosity and to be fed from different disciplines in order to prepare for the competencies of the future. In addition to sustainability seminars covering topics such as gender equality and green reconciliation, we bring together guests and employees from different fields such as technology, analytics and entrepreneurship, as well as intellectual subjects such as art, healthy life and literature, with the Akbank Meetings that we have been holding for nearly 7 years. In 2021, we held 48 Akbank meetings in parallel with this. We continued to enrich our Healthy Life and Parent School channels, which we opened on Akademi TV, with short videos from experts. In order to develop today's leaders and to train future leaders, we attach importance to designing effective and transparent processes in competence development programs, while organizing different and sustainable programs, including solutions tailored to individual needs.

In addition to sustainability seminars covering topics such as gender equality and green reconciliation, we bring together guests and employees from different fields such as technology, analytics and entrepreneurship, as well as intellectual subjects such as art, healthy life and literature, with the Akbank Meetings that we have been holding for nearly 7 years.

DEVELOPMENT

With our “Mirror of the Future with Akbank” program, we offer tools that will support the personal development of our employees, enable them to develop their social and cognitive competencies, and turn their potential into performance. Distinguished from other talent management programs in that it offers a “personalized” development approach specifically to each of our employees and covers all of our employees, “Akbankli, the Mirror of the Future”, is thus positioned in the competency development category.

Setting off with the motto of “Development is not equal, only education”, we provide tools for all our employees to discover themselves, evaluate their strengths and areas of development in the program, in which we have built the individual development plan process as the building block of the program. This application allows our leaders to closely monitor the development of our employees and their personal competencies and skills, and to be supported with feedback, personalized career and development opportunities.

In 2021, approximately 10 thousand of our employees contributed to their personal development and career by preparing their own personal development plan. In addition, we shared with our employees the “Mirror of Today” application, which is applied every 2 years and where they can see the strengths and areas of development and the change in their previous evaluations in order to draw the development route for the next year. In addition, we shared with Akbank leaders the “Mirror of the Team” application, where they can see the strengths and areas of development of their teams in 2021, and the change in the previous evaluation. Up-to-date development plans for the upcoming period will be prepared for our employees with the results to be obtained from here.

We organize rotation programs to encourage our employees to see different jobs, responsibilities, perspectives and areas of duty, to diversify their career paths, and to increase their knowledge, skills and competencies. In these programs, our employees can better discover

With our “Mirror of the Future with Akbank” program, we offer tools that will support the personal development of our employees, enable them to develop their social and cognitive competencies, and turn their potential into performance.

themselves and their talents; at the same time, we enable them to improve their way of doing business by reviewing their current business from a different perspective. In 2021, we included 400 employees in the rotation processes of different units with 8 different rotation programs, enabling them to see different ways of doing business and gain new experience and perspective. In this way, we also ensure the development of understanding and harmony within the institution and between departments and support our culture of learning from each other.

In addition, we support the individual development actions of our employees with resource suggestions such as books, movies, TED talks, MOOC (free online learning). We publish videos, pill trainings and interviews about the program with Akbankli, the Mirror of the Future channel on Akademi TV.

As Akbank, providing development opportunities to our employees and supporting continuous development is a factor that we attach importance to in terms of increasing the bank's competence as well as in terms of employer branding inside and outside the bank. For this purpose, we started the Development Hour in December 2021, in which our employees are encouraged to devote time to their personal or professional development at a time they can determine each week during working hours.

In 2021, we created our unlimited learning catalogue that includes thousands of different resources, from book summaries to online trainings, development journeys and audio recordings, which will contribute to the development and career of our employees.

On the other hand, we provide development opportunities such as Executive MBA (EMBA), designated postgraduate degree,

online certificate programs, individual participation training/seminar, platform memberships, professional coaching, and technical/personal development trainings.

We think that it is very important to increase and develop the technological competencies of our employees, who will use the changing technology, meet the customer demand in the best way, and develop new products and processes in today's world, where new technologies are gaining great importance and these developments are changing customer needs and ways of doing business. In this context, we designed the “We are Ready for the Future” program under the leadership of Akbank Academy and started to create skill centres. By inviting our friends from different teams to this program, we try to create a common language within the bank on topics such as developing technologies, innovation, and design-oriented thinking.

The Introduction to the Future module of the program appeals to a wide audience. In this module, we aim to increase the awareness of our employees and support them to look at their current jobs from different perspectives. Here, we have implemented a program where we will talk about all processes from technological changes to innovation and design thinking, and at the end we will organize a workshop where our employees will have the opportunity to practice it.

In addition to the Introduction to the Future module, we have programs that aim to raise awareness throughout the bank while focusing on specialization in different fields such as cyber security, robotics, advanced analytics, design thinking, next generation marketing, agile, open banking and innovation. In 2021, we realized the Design Thinking program, which aims to specialize in the experience-oriented “design thinking” approach, which puts our customers at the centre, with our own coaches.

The future
of work

There are 3,236 Akbank employees in the Dynamic Sales Development Program.

In 2021, we continued the Dynamic Sales Development Program, which we implemented specifically for our employees, in order to lay the foundations of an analytical sales culture in all our sales channels where we directly contact with our customers, to gain a customer-oriented and versatile perspective, and to analyse the sales results and to solve the needs and demands more effectively.

In 2021, we continued the “Zero Gravity” program, which includes entrepreneurship and preparation for destructive transformation, with which we aim to add different and innovative perspectives to business, processes and experience by supporting the innovation ecosystem. On the other hand, we have implemented the Experience and Service Design Program to equalize the knowledge levels on subjects such as research and insight analysis, experience design, and process design, for the service, process and UX/UI design expert teams affiliated to the Customer Experience and Service Design Department. In addition, we designed a special version of this program for the target audience in order to create similar awareness in other related units that work in partnership with these expert teams and to ensure that the teams speak the same language. 784 of our employees participated in these programs in 2021.

Skills Centre – (Open Banking)

In order to prepare for the new competition conditions based on Open Banking in 2021 and to be among the leading institutions of competition, we focus on the developments in our country, and we implemented the Open Banking Program, in which we follow the worldwide open banking trends. We aim to both increase the technical knowledge of our relevant teams and raise awareness across the bank.

We have been continuing training and development programs such as orientations, career training, sales support programs and clean banking programs since recruitment. In addition, we continue with many of our programs that prepare us for the business life of the future.

Dynamic Sales Development Program

In 2021, we continued the Dynamic Sales Development Program, which we implemented specifically for our employees, in order to lay the foundations of an analytical sales culture in all our sales channels where we directly contact with our customers, to gain a customer-oriented and versatile perspective, and to analyse the sales results and to solve the needs and demands more effectively. Our program, which includes 3,236 Akbank employees, greatly supports the competency and development processes of our employees. We create value for our customers and stakeholders with our platform, which has many different

learning models from games to virtual hands-on classrooms. With the Next Generation Sales Development Coaching application, which is an important part of the program, where the sales competencies of the sales teams are evaluated and prepared for the development of these competencies, we share with our employees a sales cycle that covers the entire sales process and the competencies that must be possessed at every stage of this cycle. We enable our sales teams to take actions that will increase their sales power together with sales coaches by identifying strengths and areas of development in the sales process through competencies. In this context, one-on-one development meetings were held with approximately 3,000 CRM sales coaches affiliated with the Retail Banking Business Unit.

Next Generation Leadership Program

We aim to improve and enrich the competency and leadership development processes with our program that we have designed specifically for our employees at manager and executive level within our bank. In 2021, we expanded the Next Generation Leadership Program, which we enriched and developed in 2020 in accordance with current developments in terms of content and practice. In 2021, our 472 Leaders completed the online development journey we designed for our experienced leaders to reinforce their knowledge again.

As part of the Next Generation Leadership program we designed for our leaders who have not participated in the development program before, we have prepared an educational journey through virtual classrooms supported by e-learning. We enriched this program, which we consider important in terms of branch and unit management, with experience sharing activities in 2021.

With these practices, which we maintain in a flexible, dynamic, renewable and digital structure, our employees can acquire both their current duties and different competencies they can undertake within the organization, in line with their potential and preferences. With the 2,175 virtual classrooms we held in 2021 and an average of

35 hours of training per person, we have made significant progress in the development of our 11,915 employees.

CAREER OPPORTUNITIES

In order to diversify career routes, increase talent mobility and create equal opportunities for employees in all processes, we aimed to increase the number of job transitions between our bank's subsidiaries, in addition to increasing the job transitions between our bank's own units with the internal announcement (Career Opportunities) system. In this process, we create multi-faceted development opportunities for employees through announcements made within the organization. While all vacancies for the institution are shared within the bank, our employees can apply for these postings and go through the evaluation processes.

As a result of the evaluation based on the competencies and performances of Akbank employees, we give personalized feedback to all our employees who apply for the posting. In 2021, we published a total of 361 internal advertisements. We held one-on-one interviews with 261 people who were in compliance with the announcement criteria and appointed 91 candidates who were found positive as a result of their interviews to their new duties.

While our workforce turnover rate was 7.02%, our employee retention rate was 83.2%.

LEARNING FROM EACH OTHER

As part of our bank's learning organization strategy, we attach great importance to learning from each other and manage platforms in this context. We benefit from Academy TV channels, You're the Expert, We Catch the Update in Digital Whatsapp group, coaching and mentoring processes. We organize experience sharing sessions where we invite speakers from within our bank in order to ensure the continuity of our special programs and to reinforce them. We carry out our training activities on many subjects with our internal trainers and benefit from their experience and expertise.

We provided a total of 35 hours of training per person.

*We provided a total of 423,987 hours of training (person*training hours) to our employees.*

7.02% employee turnover rate

83.2% high internal retention rate



Number of leaders who completed Leadership Program in 2021

472

You Are the Expert

In order to expand our learning organizational structure, we develop a culture of learning from each other, in which information is not one-sided, but spreads through a systematic method involving all our employees. In this direction, we launched our platform called "You are the Expert". With this platform, our employees can share this issue with all of our employees by shooting videos on their own phones on any subject they are experts in. Videos on the platform, which include critical experiences for business life, as well as social skills such as Golf, Mountaineering, Handmade Jewellery Design, are highly appreciated. Thus, we believe that we contribute to the technical and social skills of our employees, while adding a different dimension to the learning culture.

Diversity and inclusion

As Akbank, we also take responsibility for a future without inequalities.

As Akbank, we also take responsibility for a future where differences and diversity are embraced without being marginalized, there are no inequalities, and each segment can easily be involved in economic activities.

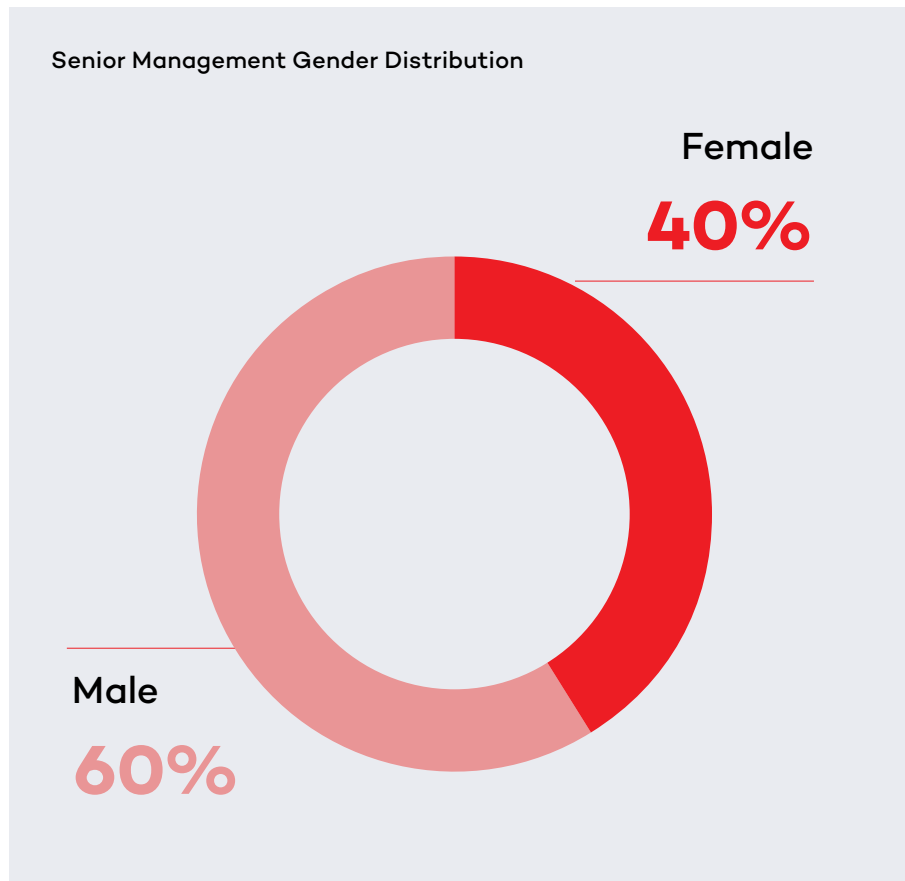
We regard women, youth, disabled, and long-term unemployed as vulnerable groups who find it difficult to find a place in the business world. We take initiatives

for these groups to participate and stay in business life by going beyond the legal obligations, and we do not include expressions that evoke discrimination in our job postings. We do not exclude disabled people with a license requirement, and young men with a military obligation.

We follow the legal regulations regarding working life; we fulfil the requirements of international conventions to which our country is a party, particularly the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights, and the basic principles of the International Labour Organization (ILO) on labour rights, human rights, and social justice.

We support different cultures, experiences, ways of thinking, and experiences of our employees; we adopt the basic principle that no discrimination is allowed based on individual characteristics such as race, gender, belief, religion, language, ethnic origin, nationality, political opinion, age, disability, marital status, and sexual orientation.

We follow the legal regulations regarding working life; we fulfil the requirements of international conventions to which our country is a party, particularly the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights, and the basic principles of the International Labour Organization (ILO) on labour rights, human rights, and social justice.



40% Ratio of female employees in senior management

53% Female employee ratio

57% Ratio of female employees who are working in income-generating roles

38.8% Ratio of female employees in technology teams

40.92% Ratio of female employees working in STEM roles

In the Gender Balance Index research conducted by OMFIF, we were among the top 5 banks at the global level and were chosen as the best in emerging markets.

In 2016, we signed the "Women's Empowerment Principles (WEPS)", a United Nations private sector initiative that aims to empower women in all sectors and at all levels to enable them to take part in economic life. In addition, with our 40% female employment rate in our senior management, we are also a member of the "30% Club", which was established to increase the effectiveness of women in senior management.

We have been awarded the Bloomberg Gender-Equality Index, one of the most comprehensive surveys conducted worldwide to measure the performance of companies committed to gender equality. In 2021, we became a member of UN Target Gender Equality. We continue our work for the membership of the global Unstereotype Alliance, which aims to transform harmful gender stereotypes in media content initiated by the UN Women.

We cooperate with institutions such as UN Women, UN Target Gender Equality, YenidenBiz, Mor Çatı Women's Shelter Foundation, ES Kariyer, Gender and Women's

Studies Research Centre at Kadir Has University, and Upschool to develop projects on gender and equal opportunities. We were deemed worthy of the "Equal Opportunity" certificate within the scope of the Equal Opportunity Model (FEM) program implemented by the Women Entrepreneurs Support Association (KAGIDER) and given by applying the World Bank procedures.

Within the scope of the "İkinci Bahar Project", which we have implemented together with the YenidenBiz Association, we offer flexible working opportunities (remote/hybrid/office) with different working methods (full time or part-time) for female candidates who have taken a break from their career for a certain period due to reasons such as elderly care or childcare and who want to rejoin the workforce. We provide training such as "New Century Technologies" and "Psychological Resilience" to female candidates involved in the project, include them in our recruitment pool, and provide them with the opportunity to meet with our relevant managers.

We aim to offer ease of access to our branches and ATMs to reduce inequalities and enable our disabled customers to benefit from our services in the most efficient way. You can have access to the high-quality services and products we offer to Akbank customers in the Ecosystems Management section using all our channels, including those intended for disadvantaged groups.

We have become the first bank from Turkey to join The Valuable 500, which aims to ensure equality for the disabled in the field of employment.

As Akbank, we respect the rights of our employees by adhering to national and international regulations. We take commitments from our suppliers against human rights violations such as child labour and forced labour, and we follow these principles while continuing our joint activities.

Diversity and inclusion

We develop our employee training with our ethical understanding, which we prioritize in line with our Clean Banking principle.

To further develop our principles and practices in this field in 2021, we shared our Diversity and Inclusion Policy, Human Rights Policy, and Zero Tolerance Policy for Violence with our employees, customers, suppliers, and all other stakeholders.

To further develop our principles and practices in this area, we shared our Diversity and Inclusion Policy, Human Rights Policy, and Zero Tolerance Policy for Violence with our employees, customers, suppliers, and all other stakeholders in 2021. In addition to our policies, we also shared the Inclusive Language Guide and Gender Equality in Childhood Guidelines with all our employees.

We develop our customer experience and employee training with our ethical understanding, which we prioritize in line with our Clean Banking principle. To make these values a part of the corporate culture, our employees will receive a total of 4,464 hours in 2021 with our Ethical Principles training prepared based on the human rights of the United Nations, and we provided a total of 5,931

hours of training with bribery and corruption training. We also opened e-learning platforms across our bank on Fundamental Sustainability (6,579 people) and Unconscious Bias (5,652 people). On the other hand, we conducted virtual classroom awareness training for leaders within the scope of the Zero Tolerance to Violence Policy, with 714 leaders participating in the training. In 2022, we aim to extend our awareness training to all our employees. During the reporting period, 47% of our employees completed the mentioned training. Thus, the ratio of our employees who have completed their training on human rights so far has reached 95%.

We have established an “Ethics Hotline” to create a healthy reporting process that will encourage the adoption of these values within our Bank. We have implemented this hotline to quickly evaluate the negative situations that our employees cannot resolve within their teams and the notification of behaviours that conflict with our ethical understanding and to ensure that the source of the risk situation is eliminated immediately.

We also have an HR Processes Feedback Evaluation Process, where our employees can share their feedback directly with the People and Culture teams. In 2021, we received 34 notifications that were evaluated as discrimination cases. After examining the notifications

made to our relevant units immediately, we continue our improvement processes by taking the necessary actions. We are continuing our “Zero Tolerance Support Line”, which we aim to open for use for our employees in 2022, for the follow-up of domestic violence and workplace violence cases.

All Akbank employees can become members of the Bank and Insurance Workers’ Union (BANKSIS) if they choose. The monetary rights and administrative relations of our in-scope employees are determined by the Collective Bargaining Agreement and our out of scope employees are determined within the framework of the HR Practice Principles.

The 19th term Collective Bargaining Agreement has expired as of 31.12.2021. The union did not submit an authorization document to our bank after that. Within the scope of the current legal regulations in our bank, the process of joining or leaving the union of our employees is not interfered with. Our employees can use their free will to organize, join a union and make collective bargaining agreements.

Other Information About Our Activities

↗ In 2021, 105 million TL financial rights were provided to the Group’s Senior Management.

↗ Information on donations and aids made during the period is given in a separate agenda item at the General Assembly.

All of our employees can become members of the Bank and Insurance Workers’ Union (BANKSIS) if they choose. The material rights and administrative relations of our in-scope employees are determined by the Collective Bargaining Agreement, and our out-of-scope employees are determined within the framework of HR Practice Principles.

Our strong
interaction with
our stakeholders

**We contribute to
sustainable growth by
means of the powerful
brand reputation we
have and the trust of
our customers.**



**A number of
institutions contacted
through Investor
Relations in 2021**

238

Trust is the basis of our way of doing business to provide clear, understandable, and accurate information to our customers and all other stakeholders, and to provide timely, complete, and in line with the promises made. We contribute to sustainable growth with the strong brand reputation we have and the trust of our customers. We aim to facilitate the lives of all our stakeholders, including our business partners, by offering quick solutions that meet their problems and expectations, and we continue to create value for them.

Within the scope of Investor Relations, we held meetings with 238 different institutions in 2021.

We particularly pay attention to working with local suppliers when choosing our suppliers for the purchases we make within the scope of our operations. Therefore, we aim to contribute to the national and regional economy and establish the future of work on a sound basis by supporting our local suppliers, one of the main players in our economy.

Compared to previous years, we continued to increase our cooperation with local suppliers in this reporting period as well.

Total Suppliers	Local Suppliers	Total Suppliers Payments	Local Suppliers Payments	New Number of Suppliers
1,779	1,361	2,283,703,353 TL	2,097,209,114 TL	208

We eliminate these risks by managing our purchasing activities, which contain a risk environment where our bank's sustainability activities may be exposed to negative external influences, in line with our sustainability policies. Thus, we make the positive value we create environmentally and socially permanent in our purchasing processes.

We carry out transparent and explainable operations with our purchasing activities, which we carry out by following our ethical principles, and we maximize the contribution and value we create.

OUR PURCHASING APPROACH

We carry out our purchasing activities in line with our ethical principles. Our main goal in our purchasing activities is to maximize the contribution and value provided by effective, cost-sensitive, and dynamic operations, in line with our Bank's sustainability policy. Our basic principles that will be taken as a basis in purchasing activities are as follows:

- We act in accordance with our published policies and ethical rules in all our purchasing processes.
- In order to prevent conflicts of interest, we maintain an effective mechanism at our Bank through our Purchasing Department and departments authorized to purchase.
- Our units authorized to make purchases determine and share the general ethical rules to be followed by the suppliers in their work with our suppliers.
- As Akbank;
 - We receive declarations from our suppliers regarding the implementation of all the elements
 - In the United Nations Global Compact by our suppliers,
 - In the provision of services and services, we give priority to suppliers that work with systems that are more sensitive to society and the environment,
- In order to evaluate the work and working conditions of the third-party employees we serve, within the scope of their commitments to international organizations, we strive to provide the relevant undertaking of an annual survey form
- Our purchasing processes should be transparent and explainable.
- We purchase all kinds of products and services within the financial authorities determined by our Board of Directors.
- We consider the purchasing of products and/or services that provide the optimum quality and price balance from our suppliers that can meet the needs of the requesters, within the needs of our Business Units and the interests of our Bank, as our main priority.
- Our purchasing fundamentals consist of the right price, the right quantity, the right source, the right quality, and the right time.

We carry out our purchasing activities in line with our ethical principles. Our main goal in our purchasing activities is to maximize the contribution and value provided by effective, cost-sensitive, and dynamic operations, in line with our Bank's sustainability policy.

Volunteering

Together with our volunteers, we develop projects with high added value in many fields from health to education.

With our Akbank Volunteers platform, which we have been operating since 2012, we develop and carry out projects in coordination with our customers, business partners, and other key stakeholders. Our 40 Akbank Volunteer Envoys and nearly 1000 Akbank Volunteers work together

with local people, NGOs, and local governments to develop projects with high added value in many fields from health to education and produce solutions for those in need. Despite the conditions of the COVID-19 outbreak, we continue our volunteering activities without slowing down.



Our young people, who participated in the Introduction to Competencies-101 Training organized in partnership with E-Bursum, focus on the technologies and approaches of the future; they receive training prepared with a broad perspective on topics ranging from innovation, entrepreneurship, artificial intelligence, design, cyber security, to climate crisis. Our trainings, in which Akbank leaders share their experiences, offer the opportunity to learn how theory has transitioned into practice in digital. Volunteers from Akbank participated in the Happy Tales project implemented by the Laughter Heals Association and sang beautiful tales. 80 fairy tale records read by our volunteers from our Customer Communication Centre and Expert Lines units, S.B.Ü. Bursa High Specialization E.A.H. It was delivered to 30 children who were treated in the Oncology and Haematology department.

Pursuing kindness in the Istanbul Marathon, Akbank Redrunners ran for the Köy Okulları Değişim Ağı (KODA), which works to empower village teachers. By collecting donations of 65 thousand TL from 39 runners and 399 donors, we supported the participation of 23 teachers in basic training camps. In addition, we have donated 1,125 computers to students within the scope of the computer grants project, which we have been continuing regularly for 6 years.



In the last 7 years, we have offered a total of 22.000 young people the opportunity to meet with 21 different NGOs and take part in volunteering activities in the Good State of the City, a volunteering project that brings our university youth aged 18-26 together with NGOs.



In our Wish Tree project, which we implement every year, we started a donation campaign in 2021 for KAÇUV's young people aged 12-18 who are undergoing cancer treatment and have completed their treatment.

161 Akbank volunteers exceeded our target in a very short time and collected 21,820 TL donations and ensured that the materials to meet the pre-New Year's needs of 154 young people were provided.



We mobilized to heal the wounds of the fires that took place in different parts of our country and that deeply affected all living things and all of us. In order to revitalize our forests, we supported the Tema Foundation on behalf of Akbank Volunteers with a donation of 50,000 saplings.

Social investments

We became a part of projects with high added value for the society with our different programs.

Gençlere Katkımız	Future of Work	<p>We organized the program in cooperation with UP School, a young social enterprise that set out to raise role model women in technology and gave our first graduates. As the first and only National Education Partner of the 10Million.AI project carried out worldwide by the Switzerland-based Global AI Hub. As part of the global social responsibility project that aims to provide young people in Turkey with qualified training in fields such as artificial intelligence, deep learning, machine learning and data analysis, we supported the education of young people with trainings at Akbank Youth Academy.</p>	<p>Centre of Excellence in Finance (CEF), which we launched in 2016 with our founding sponsorship within Sabancı University, serves to bring together academics, financial market actors and investors, and to transform basic information into applications that can be used in real life.</p>	<p>Through the Centre of Excellence in Finance, 408 people received training in 2021, 72 of whom were aged 25 and under.</p>
	Entrepreneurship	<p>Our CaseCampuss Bootcamp Live Program with Endeavor includes third- and fourth-year university undergraduate students, graduate students, and young people who have graduated from these programs in the last five years, and who consider entrepreneurship as a career option. With the program, we bring together 75 young people who are interested in entrepreneurship with successful entrepreneurs, academics, investors and experts experienced in the field of entrepreneurship. We provide young people with content such as case studies, entrepreneurship and innovation workshops, investor and entrepreneur meetings in this communication environment, and enable them to get to know the entrepreneurship ecosystem better.</p>	<p>Endeavor Turkey's StartUpCampus Program, which has been continuing since 2018 in partnership with Akbank, continues on its way as "Boost the Future" in 2021 with its strengthened content and mentor network. With Boost the Future, we support technology start-ups in scaling up their businesses and expanding abroad with a 10-week online program.</p>	<p>12 technology entrepreneurs selected for the program among 169 applications have the opportunity to work closely with Akbank LAB throughout the process by participating in online training and workshops to carry their companies into the future.</p>
	Volunteering	<p>With our Good State of the City project, we offer university students between the ages of 18-26 the opportunity to meet with non-governmental organizations and take part in volunteering activities. In 2021, we received more than 5,000 applications for the Good State of the City Project, 3,400 university students participated in training and volunteered work in both online and field events.</p>	<p>Akbank UniChallenge+ is a two-week training program designed to warm third and fourth-year students and new graduates to the digital sector.</p>	<p>UniChallenge+ was prepared with the concept of "Learning with Fun". While young people explore the digital world, they also produce projects. In addition to classes, she participates in activities that support teamwork and has the opportunity to chat with digital celebrities. We provide internship opportunities to those who are successful in the projects carried out in the camp.</p>

Social
investments

We believe that the right development investments made in people will benefit the continuity of the institution and the society.

Akbank Youth Academy was launched as an educational initiative established to prepare university students for the competencies of the future.

In addition to our employees, we have ensured equality in educational conditions with investments made for future generations, and we have become a part of projects with high added value for society with our different programs.

We believe that the right development investments made in people will benefit the processes, continuity, stakeholders, and communities of the institution. In this direction, Akbank Youth Academy was launched as an education initiative established to support university students in developing their competencies. We aim to prepare young people who will take part in the business life of the future for the business life of the future, and provide them with new competencies such as artificial intelligence, advanced analytics, robotics, design-oriented thinking, along with developing technologies

and changing processes, and we cooperate with various social enterprises or institutions in this context. Under the umbrella of Akbank Youth Academy, we support young people's learning by experience with introductory competency training and structured long-term programs, as well as practice-oriented programs and activities. We also offer internships, part-time or full-time career opportunities at Akbank to young people who successfully complete the programs. Together with the Youth Academy, we reached over 40,000 young people in 2021.

The Centre of Excellence in Finance (CEF), of which we are the founding sponsor, has been a bridge between our 5,055 participants from different sectors such as academia, finance sector and real sector since 2016, within Sabancı University, helping both the participants to develop themselves and the sector. We support academic contributions. CEF plays an intermediary role in establishing dialogues between academics, investors, and financial market actors through seminars, certificate programs, conferences, and research. In this way, CEF also contributes to the development

and deepening of financial literacy in Turkey. With the constantly updated curriculum structure of the Finance Centre of Excellence, we contributed to the participants online in 2021 with topics such as Artificial Intelligence, Asset Management, Asset Prices, Investor Attention, and Industrial Policies. With the contributions of educators from Sabancı University as well as other world-renowned institutions such as London Business School, New York University and Altınbaş University, the Centre of Excellence in Finance aims to be a quality academic resource.

Within the scope of our 101 training conducted in partnership with E-Bursum, we reached out to university students from many parts of Turkey and tried to raise awareness about today's prominent issues such as Career, Artificial Intelligence, Cyber Security, Blockchain, Climate Crisis and Sustainability, and Gender Equality in Society. In 2021, we held the 101 training with 42 Akbank Volunteers and Leaders and 10 guests who are experts in their fields, with the participation of 24,000 students by addressing the following topics.

At Akbank Youth Academy, we create Competency Development Programs (201) structured with strategic collaborations and offer training where we bring together experts in the sector and young people. We reach young people with these long-term, practice-based, and project-based training, which usually last from 1.5 months to 6 months.

We are preparing them for a career in the digital sector with 2-week training for selected university students and new graduates with

Akbank Unichallenge+, which has been organized with the Interactive Advertising Association (IAB Turkey) for 4 years. At the end of 4 years, we reached approximately 250 students. We provide internship opportunities to those who are successful in the projects carried out at the camp, and thus, we want young people at the beginning of their career journey to gain experience within Akbank and develop their competencies.

OUR CULTURE AND ART ACTIVITIES

While we continue supporting projects in every field that add value to society, we also ensure the continuity of the activities we perform to nurture people's love of art and culture.

As Akbank Sanat, which has been carrying out important projects in the field of culture and art for years, we celebrated our 28th anniversary in 2021. While reaching art lovers with our works, we also aim to preserve the local and universal heritage and transfer it to future generations. We maintain our pioneering role and continue our support in the development of contemporary art in Turkey and its delivery to large masses.

We reached over 40,000 young people in 2021 with the Youth Academy.

As Akbank Sanat, which has been carrying out important projects in the field of culture and art for years, we celebrated our 28th anniversary in 2021. While reaching art lovers with our works, we also aim to preserve the local and universal heritage and transfer it to future generations.

Social
investments

In 2021 Akbank Sanat hosted 5 exhibitions.

We continued our “Jazz State of the House” Youtube concert series, which hosted names from different generations in the Turkish jazz scene and lived in different cities of the country, sometimes from their homes, sometimes from the Akbank Sanat stage and sometimes in different venues.

With the COVID-19 outbreak, we moved all our events to online platforms, except for Akbank Art exhibitions, Akbank Jazz Festival and Akbank Children’s Theatre: Hurricane Boy. All recordings of seminars and conversations in 2021, on topics ranging from philosophy, architecture, art history, cinema, exhibition interviews, Akbank Art Talks, to children’s workshops and contemporary dance technique lessons, and dance workshop performances were featured on Akbank Sanat Youtube channel. Our Youtube channel, which has more than 150 new content items, has approximately 33,000 followers. We shared over 900 pieces of content with art lovers through our Social Media channels. We provided access to larger audiences with the realization of our events on digital platforms.

We continued our “Jazz State of the House” Youtube concert series, which hosted names from different generations in the Turkish jazz scene and lived in different cities of the country, sometimes from their homes, sometimes from the Akbank Sanat stage, and sometimes in different venues. We made recordings on many different disciplines, from philosophy to architecture, with the podcast channel “Tune into Akbank Sanat”, which started last year, and gained appreciation among the audience. As Akbank Sanat, we have been supporting this field for 21 years by organizing technical courses, workshops, and performances with foreign and Turkish choreographers in the field of contemporary dance. While Duos & Duets give the opportunity to perform together with artists who produce works in the field of music and dance, the “Dance is Always There” roof allows for works that combine music, choreography, and space. As Akbank Art Dance Workshop, we continued to perform performances within the scope of social responsibility, especially to support young dancers.

Akbank Sanat hosted 5 exhibitions in 2021. Akbank Art Gallery exhibitions, which started with the “6 Artists in Search of a Precedent” exhibition, continued with the “Dystopia Sound Art” exhibition. In the summer term, the exhibition “Intentions”, a documentation exhibition, and a series of events were held to showcase the graduation projects of the participants of the 2020 Contemporary Art and Curatorial Seminar Program. Akbank 39th Contemporary Artists Prize Exhibition, which we organized together with the Painting and Sculpture Museums Association and aims to support young artists, came to life as one of the longest-running exhibitions held in this field in our country. Our last exhibition was the “Chosen Ignorance” exhibition, which was built on knowledge and the things we do not want to know.

This year, we participated in Contemporary Istanbul, which we have been supporting for 16 years and which has been one of the leading art events in Turkey, with our exhibitions “The Actual and Transcendence” in Lutfi Kırdar and “A Space Hidden to Itself” in Tersane Istanbul.

We brought the Akbank Children’s Theatre play “Hurricane Boy” together with children in Istanbul and Anatolia.

The 31st Akbank Jazz Festival, Turkey’s most rooted jazz festival, took place in 10 different venues with the performances of over 100 artists from the Turkish Jazz stage. 10,000 people attended the festival, which attracted attention

The 31st Akbank Jazz Festival, the most perennial jazz festival in Turkey, took place in 10 different venues with the performances of over 100 artists from the Turkish Jazz stage. 10,000 people attended the festival, which attracted attention with its program that included different projects from classical and modern jazz and electronic music, hip-hop, and world music.

with its program that included different projects from classical and modern jazz and electronic music, hip-hop, and world music. This year, as part of Contemporary Istanbul, the 31st Akbank Jazz Festival stage took place at Tersane Istanbul.

Akbank Short Film Festival, which has become the meeting point of moviegoers, was held for the 17th time to create a platform in this field with the awareness of the pioneering role of short films for the art of cinema. All events at the festival were held online. A total of 2,048 short films from 71 countries took part in the festival. In addition to many films that took part in world festivals, 90 short and 3 feature films from 37 countries, including many new films that premiered in Turkey, met with the audience. Festival screenings and interviews were watched 26,615 times in total.

In 2021, the amount of expenditure we made within the scope of culture and arts events and sponsorship was 10.4 million TL. In addition, our aid and donation expenditure amounted to 9.2 million TL.





Ecosystem Management




**We facilitate
access to finance
with innovative
products and
services.**

We plan to develop and expand the digital and innovative products and services we offer to our customers by 2030, and we are committed to increasing the number of financially empowered people.

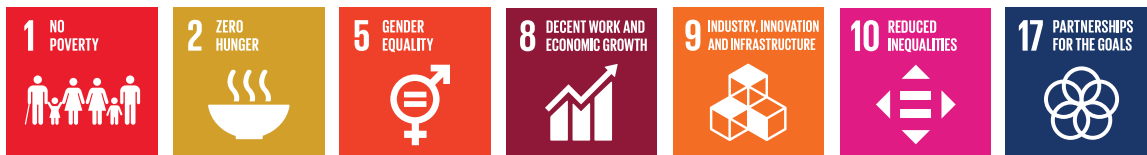
Ecosystem management



We are redefining ways of doing business with prominent digitalization trends in the changing world.

At Akbank, we redefine our ways of doing business with prominent digitalization trends in the changing world and make the lives of our stakeholders easier with our products specially designed for our customers from all walks of life. We support our customers, women entrepreneurs, young people, and SMEs with the products and services we offer in our digitalization journey. We adopt innovation as our corporate culture and work to make the innovation and entrepreneurship ecosystem in Turkey more qualified with science-based goals.

 Material Issue	 Related Capital Item	 Risks
<ul style="list-style-type: none"> • Innovation • Customer Experience and Journey • Financial Inclusion • Financial Literacy • Open Banking • Thematic Banking • Data Privacy and Data Security 	Financial Capital Intellectual Capital Human Capital Social and Relational Capital	<ol style="list-style-type: none"> 1. Default risk that may arise in case of failure of financed micro-enterprises and start-ups 2. Insufficient/lack of manpower with the necessary competencies (AI, IoT, data analytics, etc.) for new technological fields 3. Cyber security and fraud risks brought by new technologies 4. Customer and information security risks

SDG's to which contributions were made



 Opportunities	 Performance Indicators	 Goals
<p>1. Ensuring convenience and ease in accessing financial support for every individual and group in the society with customized and increased scope loan packages.</p> <p>2. Realization of sustainable economic growth by increasing the contribution of different segments of the society to the economy.</p> <p>3. Increasing employment and production by increasing the financial support that start-ups and micro-enterprises need at the beginning of their activities.</p> <p>4. Improving customer experience by increasing the digital maturity of banking products and services, accelerating the integration of financially vulnerable groups into the system and increasing operational efficiency.</p>	<ul style="list-style-type: none"> • A total of 711 branches, with 494 branches that we have completed transformation as of the end of 2021 • More than 680,000 POS terminals • Approximately 5,300 ATMs • Disabled access practices in 90 branches. • Our training completion rate of 86% with 173 Akbank employees who participated in the Human Rights-based Approach to Disability training • The number of our digital banking customers reaching 6.6 million • 11 projects we have implemented within Akbank LAB • 243 start-ups we connected and evaluated in 2021 • 14 Akbank employees who completed their training as entrepreneurial mentors and supported start-ups • 38 projects that we evaluated with the "Aş Kendini Innovation Competition" 	<p>Increasing the number of financially empowered people</p> <p>Increasing the scope and range of our digital and innovative products and services</p>

Ecosystem management

We aim to increase social welfare with the products and services we have developed for all segments of Turkey.

More than 680,000 POS terminals

Over 5,300 ATMs

711 branches

Nearly 20 million Akbank customers

In addition to our understanding of being a pioneer in change and development in the banking sector in which we operate, as Akbank, we carry out our operations with a sense of responsibility towards the environment and all our stakeholders. In line with our sustainability strategy, we implement our activities and investments that we have created in line with our focus areas. We care about the critical role of the added value we create in the Turkish economy through our operations in the development of our country. In addition to the banking activities we carry out, we establish valuable collaborations in the ecosystem with a wide range of stakeholders ranging from non-governmental organizations to start-ups, universities and our suppliers.

We aim to increase social welfare and create value in this context, with the products and services we have developed for all segments of Turkey. In line with our ecosystem banking and transparent banking approach, we communicate with our stakeholders in a flexible and open manner. We create opportunities that will enable our stakeholders to be directly involved in the products and services we will implement. We aim to increase the number of services we provide by expanding the number of services we provide with our new collaborations, by

opening Turkey's first Open Banking portal not only to corporate companies but also to third party developers.

Our technological infrastructure and innovation studies and the investments we have made in this regard have taken us one step ahead of our competitors in the sector, especially during the pandemic. We follow the global agenda in the fields of digitalization, innovation and technology. In this context, we offer quality products and services to our customers and stakeholders, helping them save time in banking transactions.

In addition to our understanding of improving our development-oriented banking ecosystem, we are constantly updating it. We continue to provide uninterrupted and inclusive service to our stakeholders with our modern, widespread branch and ATM network, which is covered by our digital and technological infrastructure.

In addition to all these, we are also implementing practices that will enable our disabled customers to access our branches and ATMs and facilitate their financial transactions. As Akbank, we continue our activities with our inclusive service approach.

Digitization and innovation

Our investments in digitalization and innovation give us a competitive advantage in the banking sector.

With our open banking services, we will work to meet the needs of our customers in the fastest and most effortless way, while offering the most advanced customer experience in our own channels.

At Akbank, our investments in digitalization and innovation provide us with a competitive advantage in the banking sector. In the technology age we live in, we continue our services with our Bank's strong infrastructure in digital technologies and our strong collaborations in the fields of innovation; we increase the added value in the ecosystem by creating a positive impact on our stakeholders.

OPEN BANKING

As a result of the Open Banking-focused studies that were carried out intensively by both the TCMB and the BDDK throughout 2021, which we followed closely, the "Regulation on Payment Services and Electronic Money Issuance" and "Regulation on The Operating Principles Of Digital Banks And Banking As A Service Model" regulations have been published.

In 2022, we will begin to see the innovations that Open Banking will bring, together with our industry and our customers. The most important gains of Open Banking: Focusing on improving the customer experience, services that will enable customer data to be consolidated in a single point and managed to manage their payments will be established. Banks will be able to position their existing services on non-financial platforms in line with business partnerships and customer needs, without being limited to their own channels. In the light of these developments, while we implement our works that will be pioneers in the sector, we will also launch our "Akbank API" portal, Turkey's first Open Banking portal, with its renewed face. With our open banking services, we will work to meet the needs of our customers in the fastest and most effortless way, while offering the most advanced customer experience in our own channels.

We work to create a unique banking experience with tailor-made solutions by accurately analysing changing trends and customer expectations. Thanks to our cultural transformation program, which we started in 2018 with great foresight, which supports and completes the digital transformation, we continued to provide uninterrupted and high quality service to our customers during the COVID-19 pandemic.

Digitization and innovation

We are diversifying the banking services we provide 24/7 through digital channels with each passing day.

As of the end of 2021, we meet the needs of our customers with a total of 711 modern branches, 494 of which have been renovated.

In 2021, the number of customers using our Akbank digital channels reached 6.6 million. While the share of our Direct Loan product in Akbank's consumer loans was 84%, the share of our credit card sales realized in non-branch channels was 52%.

With our solutions that make a difference, we continue to create value for our individual customers from all age groups and socioeconomic backgrounds, especially young people. In addition, we closely follow trends and new dynamics emerging in the real economy, and we constantly improve our products and services with a focus on convenience, simplicity and practicality. In this context, we include our branches in the steps we take.

During the COVID-19 pandemic, we have worked hard to complete the transactions in the digital environment as quickly as possible by prioritizing the health and safety of our customers and employees. To this end, we diversify the banking services we provide 24/7 through digital channels and offer our customers the opportunity to fulfil their requests within minutes, without having to go to a branch, via Akbank Mobile and Customer Communication Centre.

In order not to lag behind the developing and changing world, we continue to develop solution partnerships with FinTechs, which develop digital applications for the needs of SMEs. In this context, we offer an affordable platform to businesses that want to operate in online trade with IdeaSoft, an e-commerce infrastructure provider that offers web and

mobile-based software solutions. In this way, we support them to step into e-commerce. In addition to the virtual POS, we offer SMEs within our financial package, which includes loans with affordable interest rates that contribute to their working capital, and a commercial credit card with special campaigns that can be used in product purchases.

In order to meet the expectations of our customers in the digitalized world, we have implemented the "Secure Payment System" in order to eliminate the risk of carrying cash in second-hand vehicle sales transactions and to ensure the simultaneous and secure exchange of the sales price with the motor vehicle transfer registration transactions. In the Secure Payment System, the buyer sends the vehicle amount to the Akbank account before the registration process, ensuring that the amount is secured on behalf of the seller. Then, the registration process is done at the notary public and the money is transferred to the account of the seller by our bank. In this way, both the buyer and the seller complete the vehicle purchase and sale transaction safely.

Secure Payment System transactions can be carried out at Akbank Branches and over www.akbank.com, without the need for buyers and sellers to be customers.

AKBANK MOBILE

We continue our investments in Akbank Mobil, which we have completely renewed in order to meet the digital interaction needs of our customers in the most efficient way. Offering a simplified experience with a more modern design, Akbank Mobile now has a brand-new design and experience principle inspired by the daily life of our customers. With more than 300 functions, we offer the best solution to our customers' banking needs within the framework of a highly holistic approach. By integrating Akbank Assistant, our bank's chatbot, into Akbank Mobile, we enable our customers to access nearly 200 transactions from within the application. In addition, with the investment services menu we launched at the beginning of 2020, our customers can use Akbank Mobile effectively to evaluate their savings and investments. We generate and present personalized insights to our customers based on their own data. Today, we can offer more than 26 million personalized smart tips per month. Our customers can further personalize the content in this area by voting according to their liking. Our insights, which can be personalized by voting, have an appreciation rate of over 85%.

With its renewed design, Akbank Mobile won awards in the world's most important design competition, which made our Bank proud. In addition to the "Mobile Application Design" Award given by iF Design and the "A' Mobile Technologies, Applications and Software Design" Gold Award given by the A'Design Awards, we added the Red Dot 2020 award, increasing our number of international awards to three.

In the first half of 2020, we realized the end-to-end digitalizing process of becoming a bank customer with courier service within the scope of the regulation. New users can receive their bank cards when they download Akbank Mobile, enter their information, sign the contract

With Akbank Mobile, we offer the best solution to our customers' banking needs within the framework of a highly holistic approach through more than 300 functions.

sent by a courier after a short conversation with our Customer Communication Centre, and can benefit from the services we offer to them as Akbank customers. With the regulation that was put into effect in 2021, we completed the preparations for our work in line with the end-to-end digital customer acquisition process, and our application came to life in May 2021. In this way, anyone can become a member of Akbank whenever and wherever they want, without a wet signature. In this way, everyone will be able to become an Akbank customer whenever and wherever they want without a wet signature.

DIGITAL FIRST

As part of our digitalization journey, we launched the first Digital First credit card in Turkey. With this program, Akbank credit cards are now instantly pocketable and can be used for both online shopping and in-store mobile payments before the physical card reaches the customer. After the launch of the pocket card, which differs in design with the absence of a number on the physical card, 77% of our credit card applications are made up of new customers. We will continue to benefit. In addition to the contactless payment feature, which we are the leader in the debit card market, we will continue to provide benefits to customers in mobile usage and internet spending.

We've delivered more than 25 million personalized smart tips per month.

We sold over 83 thousand Digital First credit cards.

Digitization and
innovation

We have taken steps to support the innovation ecosystem in Turkey.

In our trade finance processes, which include multi-party and blockchain applications, we offer fast and reliable digital financing options that reduce risk without incurring high costs.

We became the first Turkish bank to join the we.trade network, a blockchain-based foreign trade platform.

AKBANK CEBE POS APP

With Akbank Cebe POS, launched in December 2020, we ensure that member merchants can easily and securely receive credit card or mobile payments with a PIN code, without the need for any additional device, thanks to the POS application that can be downloaded to their smart phones. With Cebe POS, which also offers the opportunity to use instalments and chip money for Akbank cards, all transactions that can be made from fixed POS can be carried out. At the same time, we reduce paper consumption by sharing the slips of transactions made in the application digitally with our customers.

In 2021, thanks to Akbank Lab, we took our expertise in foreign trade one step further with investments focused on innovation and digitalization, and joined the we.trade conglomerate of European banks. In addition to traditional foreign trade methods, we aim to

offer financing products supported by blockchain technology, which will increase the competitiveness of our foreign trade customers in international markets, through the we.trade platform. In our trade finance processes, which include multi-party and blockchain applications, we offer fast and reliable digital financing options that reduce risk without incurring high costs.

As Akbank, we will enable exporters and importers to trade in a reliable digital environment with smart contracts through this platform, which enables end-to-end monitoring of transactions, while at the same time providing additional working capital and financing solutions to contribute to the growth of their businesses.

AKBANK INNOVATION CENTRE

We launched the Akbank Innovation Centre (Akbank LAB) at the end of 2016 in order to develop innovative projects for the needs of our business units and to achieve the goal of perfect customer experience with financial solutions that will carry Akbank into the future.

In order to encourage innovative thinking and make it a part of Akbank's culture, we have been holding the "Aş Kendini" innovation competition every year since 2016.

With this established structure, by evaluating the cooperation options with the players in the entrepreneurship ecosystem. In addition to preparing our bank for the technology of the future today, we have taken steps to ensure that innovation is adopted as a part of our culture and to support the innovation ecosystem in Turkey. With the help of innovation processes developed by Akbank LAB specifically for Akbank's needs and with the help of our business units, we develop ideas in line with the focus areas and targets determined, and we design projects to provide value-added financial services. After the evaluations, we pass the successful ideas through the "PoC" (proof of concept) stage. At this stage, we test the feasibility of the ideas and evaluate the achievements for our Bank and our customers.

To date, we have implemented nearly 30 projects in many areas such as machine learning, blockchain, facial recognition and customer experience, and we have implemented 13 of them. We are in solution partnership with many start-ups and financial technology companies (FinTech) that we are in contact with at home and abroad.

Every year, we diversify the initiatives carried out to be more active in the local and global ecosystem, and improve our important role in the innovation and entrepreneurship ecosystem, in close communication with partners such as incubation centres, technoparks, TTOs, acceleration programs, investor and mentor networks.

As Akbank LAB, we focused on sustainable finance this year at the annual hackathon event. During this process, which did not fit into the planned format but expanded with various activities and lasted for about 2 months, we brought together developers, software developers, design professionals and students, and realized a program that developed solutions on sustainable finance, not limited to finance and banking. We implemented this program, which is a sustainability-focused first in banking and finance, under the name of "Sustainable Finance for the Future" in collaboration with Akbank LAB and İmece Lab.

In addition to all these, we implemented the second term of the Akbank LAB Entrepreneurship Mentoring Program, which we launched in 2020 to improve the working culture and competence of our employees, and enabled our employees to provide mentorship support to start-ups. In order to encourage innovative thinking within our bank and to make it a part of Akbank's culture, we have been holding an innovation competition under the name of "Aş Kendini" every year since 2016, thanks to the participation of our employees. We renewed the entrepreneurship and innovation competition that we started in 2016 for our employees in 2021. As part of this competition, we collaborated with GOINN to manage Akbank's innovation culture scientifically and rationally. In this way, we aim to improve the competence of our employees in innovation. We aim to complete the process, which started with a 15-week training program for the ideas and teams that made it to the finals in 2021, and online training for all our employees, with presentations to be made to the jury members in the first months of 2022. The 3 teams who successfully complete the process will have the opportunity to realize their ideas within the bank and participate in the Silicon Valley-based Founder Institute online program, in addition to winning financial rewards.

We implemented the second term of the Akbank LAB Entrepreneurship Mentoring Program, which we launched in 2020 to improve the working culture and competence of our employees, and enabled our employees to provide mentorship support to start-ups.

Digitization and
innovation

We are organizing the “CaseCampus Online BootCamp Program” for young people who want to be entrepreneurs.

We organize the “ScaleUp Entrepreneurship Program” for start-ups that have established their start-up companies but are seeking to gain momentum to achieve their globalization and scaling goals.

Within the scope of our cooperation with Endeavor Turkey since 2015, we organize the “CaseCampus Online BootCamp Program” for young people who design their career goals in line with being an entrepreneur, “Boost the Future Entrepreneurship Program” for entrepreneurs who have chosen entrepreneurship as a career path, established their company or launched their early-stage product to the market and made their first sale, and finally the “ScaleUp Entrepreneurship Program” for start-ups that have established their start-up companies but are seeking to gain momentum in order to achieve their globalization and scaling goals.

Casecampus Online Bootcamp Program

With the CaseCampus Online BootCamp Program, with the belief that “no training can be as instructive as a case”, we provided hands-on training and the opportunity to meet 75 entrepreneur candidates. The program includes university undergraduates, third and fourth-year undergraduate students, graduate students, and young people who have graduated from these programs in the last five years, under the age of 30, who consider entrepreneurship as a career option. We enable them to meet in a brand new and innovative, hands-on learning and networking environment with the “Endeavor Entrepreneurs” program.

Boost the Future Entrepreneurship Program

It is a 10-week program for entrepreneurs under the age of 35 who have chosen entrepreneurship as a career, established their company, or launched their early-stage product and made their first sale. In 2021, we mediated the benefits of 12 new young entrepreneurs.

As Akbank LAB, we were selected as the most successful corporate innovation team as a result of the impact report study titled “Innovation Wins” conducted by Sweden-based UBI Global, which also compares and provides research services for incubation and acceleration programs in 2021. In the study, which was carried out with the contributions of institutions from more than 45 countries, it was investigated how the global innovation ecosystem renews itself in the face of the COVID-19 pandemic. As Akbank, we stood out with our sustainability-focused approach, as innovation is embedded in our corporate culture and the COVID-19 pandemic has not affected our work in this area. In addition, we won the gold award in the Effective Competitiveness category at the PSM Awards 2021 with the Akbank LAB Innovation Governance Model.

In 2022, by achieving effective innovation processes under the coordination of Akbank LAB, we will continue develop new products, to provide mentorship support to start-ups through techno cities, technology transfer offices, and acceleration programs, and strengthen ecosystem collaborations to provide excellent services to our customers with technologies, such as machine learning, blockchain, artificial intelligence, and big data, which shape the world as well as the finance sector.

We believe that it is important to establish valuable collaborations with different stakeholder groups in addition to the financial activities we carry out. In 2021, we interacted with more than 250 innovation hubs, start-ups, and universities in the ecosystem. In September 2020, we created the relevant Wikipedia Pages in a marathon event, working with young people under the titles of “Environmental, Social and Corporate Governance” and “Impact Investing” determined together with the Akbank LAB team.

At the end of the program, Fray, who is one of the top three teams, used the award to develop a new product. We hold meetings to conduct “PoC” (proof of concept) within Akbank.

Yancep and Donut teams are establishing their company with this budget.

2 teams have been accepted into the Endeavor Boost The Future Program and will expand their ventures here.

As part of the Sustainable Finance for the Future program, which we have implemented under the main partnership of Akbank LAB and the management of imeceLAB, we have prepared a series of 4 bulletins. Here, we touched upon the topics of Sustainable Finance, Impact Investing, Financial Inclusion and Responsible Consumption and Sustainable Products and Services.

Together with experts in their fields, we held the Sustainable Finance for the Future Summit in 4 different panels. With the Sustainable Finance Issue Process for the Future, we support young participants working and/or aiming to work in the field of sustainable finance to produce projects. In this project, which was realized with the participation of 15 teams from 18 different cities, we continue to interact with the 3 teams that were ranked. Sustainable finance will continue to be an important part of our innovative way of doing business in the future.

In 2022, by achieving effective innovation processes under the coordination of Akbank LAB, we will continue to develop new products, provide mentorship support to start-ups through techno cities, technology transfer offices, and acceleration programs, and strengthen ecosystem collaborations to provide excellent services to our customers with technologies, such as machine learning, blockchain, artificial intelligence, and big data, which shape the world as well as the finance sector.

Financial inclusion

For many years, we have followed a holistic corporate strategy to create value for all our stakeholders.

For many years, we have followed a holistic corporate strategy to create value for all our stakeholders. We see our comprehensive sustainability program as an integral part of our corporate strategy. In this context, we also invest in the field of 'Financial Inclusion', which is one of the most important building blocks of a country's financial development indicators and is increasing its importance day by day.

According to the statistics of the World Bank, approximately 70% of the population in Turkey consists of the population that has a bank account, and that has at least one deposit account. However, about half of this segment consists of people who are "underbanked customers", that is, they use 1 or 2 products in a banking relationship, make 2 or less transactions per month on average, and cannot really benefit from the services of the financial system.

These rates also differ according to gender, regions and age. For example, we observe that although the rate of use of financial products has increased in households, this rate remains lower among women in the household. Even though many of our customers have gone digital due to the COVID-19 pandemic, for example, some of our customers over a certain age may still choose to use physical channels, especially for their financial transactions. We are aware that we need to do important work to increase the access of not only our individual customers but also SMEs to innovative financing products. We are aware that young people's access to financial tools is fast thanks to digitalized products and services, and our development area there is financial literacy.

We do not see the issue of financial inclusion as limited to actual access to products and services. In this context, our goal is to design all our products and services in the simplest and most understandable way, taking into account financial inclusion. Because, within the scope of "digital transformation" or "innovation", the number of approaches that ignore the human factor and transfer existing processes to the digital world is increasing day by day.

We do not see the issue of financial inclusion as limited to actual access to products and services. In this context, our goal is to design all our products and services in the simplest and most understandable way, taking into account financial inclusion.

As Akbank, we have been radically revamping Akbank Mobile since 2019 in order to meet our customers' digital interaction needs in the most efficient way. We focus on providing a simplified experience with a more modern design. Our customers can easily navigate through the application in 2 basic ways.

- They can access their daily banking needs very quickly from the main Page.
- They can enrich their journey with smart nudges according to the purpose of entering the application.

Another support we provide is our bank's chatbot "Akbank Assistant" and our smart search functions. Our customers can access over 300 functions in our mobile application. While doing this, they can easily access the process they are looking for from within the application with the Akbank Assistant or the Discover menu. Our chatbot Smart Assistant has a monthly usage rate of around 400 thousand, and our smart search function in our mobile application has an average of 2 million monthly usage rates. We see the increase in successful referral rates in these calls as an indication that our customers can easily find the information they are looking for.

At Akbank Mobile, we focused on showing only what our customers need and making our language more sincere, while trying to anticipate the mistakes that our customers may make and keep financial terms more in the background.

Financial Literacy

We also focus on making our customers' lives easier by generating and delivering meaningful, personalized insights based on their own big data. We convey directly in plain language

the financial insights that they will need both advanced financial literacy and plenty of time to seek and calculate. We bring more than 25 million unique and personalized financial insights to our customers per month.

As Akbank, we have produced 37 different video content items in which we show step by step how daily banking transactions are done on mobile, and we continue to offer this content to our customers through various channels such as our website and YouTube channel.

Environmental Card

Under the leadership of Axess Digital, we started a project covering all Akbank credit cards. With this project, we are switching to the use of recycled plastic, paper and envelopes in Axess, Wings, Akbank Kart, all free retail and commercial credit cards until the end of 2022. Until 2025, all Akbank cards will be made from recycled materials.

We deliver cards made of environmentally friendly materials to our customers who apply for a card to Axess Digital for the first time or who need to renew their card.

Today, nearly 18 million cards are used by our customers at our Bank. In this direction, we aim to reduce natural resource consumption and environmental impact by recycling and reusing possible materials.

We reduce the use of plastic by producing millions of our cards from recycled materials.

Collaboration with Yuvarla

Since 2019, as Axess and Wings, we have been collaborating with the social enterprise "Yuvarla", which aims to raise funds for non-governmental organizations working for the solution of social and environmental problems. With this cooperation, the fractions of the purchases made by our customers with the cards they registered on Yuru.com were rounded up to the next TL, and the difference was donated to the NGO they had chosen. Since April 2021, we have shared our own contribution with the meaningful contribution of our customers, and we have supported the charity movement by doubling the donations made by our customers as Axess and Wings, and we continue to do so.

We reached more than 6 million people via social media with our effective communications, which we focus on with a different NGO every month. Together with our extensive SMS sending, we have increased the awareness of our customers and achieved a 50% increase in the number and amount of donations made through Yuvarla from January 2021 to the end of the year. In 2022, we will continue to increase the awareness of our customers by continuing to provide strong communication support for our "Yuvarla" integration.

Today, nearly 18 million cards are used by our customers at our Bank. To this end, we aim to reduce natural resource consumption and environmental impact by recycling and reusing possible materials. We reduce the use of plastic by making millions of our cards from recycled materials.

Financial inclusion

We took action in cooperation with the EBRD and KGF to facilitate our women entrepreneurs' access to finance.

We offer commercial loans payable in instalments, the total amount of which can be up to 12 million TL, along with a grace period of up to 12 months and favourable interest rates that differ from standard rates, to our SMEs which have difficulty in creating collateral and whose founders or managers are women.

OUR SME INCLUSION & THEMATIC BANKING

Our Women's Entrepreneurship Package

We took action in cooperation with the EBRD and KGF to support our female business owners and entrepreneurs and facilitate their access to finance. We offer our "Women SME" Package with 50 million USD EBRD resource and 80% KGF guarantee support within the scope of the "Finance and Advice for Women in Business" supported by the European Union and the Turkish Ministry of Treasury and Finance. Within the scope of this package, we offer instalment commercial loans of up to 12 million TL, with a grace period of up to 12 months, with favourable interest rates differing from standard rates to our SMEs, which have difficulty in creating collateral and whose founders or managers are women. In addition, our SMEs who take advantage of this opportunity can make money transfers free of charge for 1 year. Within the

scope of our package, we also offer advantages in various banking products. In addition, we support our women's SMEs free of charge, thanks to our consultancy services, through individuals and institutions that are leaders in the sector and determined according to their fields of activity.

Our Strategic Collaborations and Transformations

- Within the scope of the agreements made with Trendyol, n11 and ÇiçekSepeti, exemptions for transfer, EFT and check transactions, chip-money gift for new commercial credit card expenditures, special working conditions and discounts for member workplaces, company and company and discounts for new salary agreements, in certain quantities for 1 year, to Akbank marketplace owners. We offer advantages for employees and advantageous interest rates for commercial loan requests.
- We collaborated with the e-commerce analytics platform Usersdot to enable our SMEs selling in the marketplaces to stay one step ahead of their competitors. We offer the "Datadot Vendor Expert" package, prepared by Usersdot specifically for this cooperation, at a discount of 250 TL to our SMEs using Akbank commercial credit cards. Thanks to this cooperation, our SMEs increase their sales and profitability with minimum effort.

- Through our cooperation with Mükellef, the online company establishment platform, we make the lives of those who want to start a business easier. In addition to establishing a business, we also provide the opportunity to manage all financial processes that entrepreneurs may need. In this context, we offer many free banking products and services, apart from discounts, to those who establish a company and become a member of Akbank.
- In cooperation with the next generation financial technology group Multinet Up, we offer restaurants that are MultiNet member businesses the opportunity to benefit from the commercial plus money loan offered by our bank. We offer the opportunity to top up MultiAvantaj cards with additional balance via Akbank Mobile, Akbank Internet, and ATMs. Restaurants with MultiNet member businesses can also use commercial plus money loans from our bank with 0% interest for 2 days. Our new customers, SMEs, on the other hand, can benefit from our privileges exclusive to MultiAvantaj members, such as free money transfer, EFT, swift, check, and promissory note transactions, which they can make from their accounts through all channels, with 50% discounted POS services offered by Akbank for the first 3 months.
- As Akbank, we come together with our SMEs at different times in many cities to organize meetings and inform our customers about important issues. During the COVID-19 pandemic, we held our events digitally in order to be with them and to maintain our communication. We held the "Akbank Exporters' Meetings", which brought together exporters and professionals, and our meetings, where we informed all our SME customers about the economic developments during the COVID-19 pandemic, online.
- We made another innovation in our Corporate Digital Transformation project. With

the project, we sell our packages containing more than one product, which we have prepared in advance, instead of a single product, with a single flow, if they are suitable for our SMEs who apply for POS through our mobile branch. In our e-commerce Welcome package, we offer commercial credit card, plus money and a 1-year Propars membership as an advantage in addition to the POS product, while in the Turn Your Time into Cash package, we offer a commercial credit card and a 1-year Paraşüt subscription to Akbank SMEs in addition to POS. we offer. We will continue to offer the remaining packages gradually in 2022.

In addition, within the scope of Corporate Digital Transformation, in order to increase the financial awareness of our commercial customers by managing their financial transactions quickly and easily, our Bank's BFM product of Strands, a financial management tool where they can manage their transactions on the financial calendar by monitoring their access to daily financial transactions, past and future cash flows through graphs. We integrated main systems and Akbank Mobile application.

YOUTH BANKING

As Akbank, we attach great importance to the priorities of young people; by carrying out many studies in this field, we try to sincerely understand what young people want and expect from us. We know that in a changing and digitalizing world, young people want to receive services with an approach other than conventional banking. We are aware of the fact that "access to finance" and "financial literacy" are the subjects where young people

over the age of 18 need support the most. The fact that young people do not have a regular income or cannot declare their income constitutes an obstacle to accessing financial instruments. For this reason, we have created a scoring model that analyses many financial and non-financial data with an analytical approach in order to provide and disseminate access to financial instruments.

In addition, we developed "Akbank FAV", which promises a completely digital experience by identifying the needs of the next generation according to their expectations and lifestyle, and allowing them to be met collectively from a single point. Akbank FAV is a dynamic program that both financially relieves university students between the ages of 18-26 and makes their lives easier. Through this program, we offer free banking transactions for young people, free overdraft accounts, as well as campaigns from many popular brands, and personal and career development programs.

Within the scope of our cooperation with the social enterprise called E-Bursum, in addition to mediating the payment transactions of scholarship holders of nearly 200 institutions, we provide equal opportunities in education by organizing trainings for young people on topics related to future competencies such as artificial intelligence, innovation, design and coding with the support of Akbank Academy.

In cooperation with the site and apartment management application Apsiyon, we have paid the membership fees of our young customers who have paid their dues through our Bank throughout the year.

As Akbank, we attach great importance to the priorities of young people; by carrying out many studies in this field, we try to sincerely understand what young people want and expect from us. We know that in a changing and digitalizing world, young people want to receive service with an approach other than conventional banking.

Financial inclusion

Within the scope of TOSLA, which is a digital application, we continue our work with our motto “the social state of money”.

We are trying to make it easier for our disabled customers to access our banking services within the scope of all our channels. We aim to ensure correct communication with our disabled customers by sharing the “Human Rights-based Approach to Disability” e-training with all our field employees under the guidance of Alternative Living Association.

OUR TOSLA APPLICATION

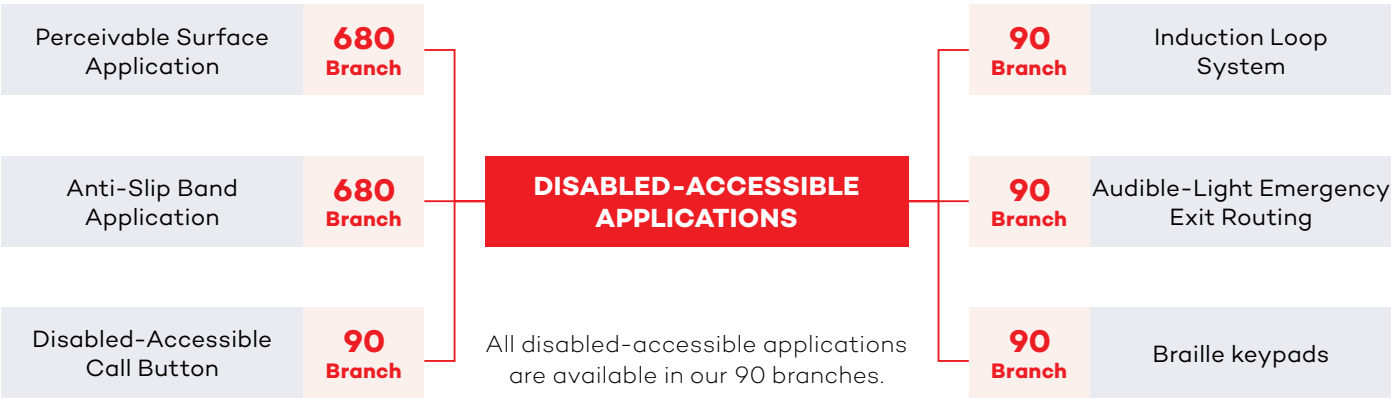
Within the scope of TOSLA, a digital application that we have implemented with our Ak-Öde subsidiary, we continue our work with our motto “the social state of money”. With the Tosla application that we offer to students, young professionals and working youth, we followed different opportunities in our 2nd year. In this context, we offer discounts on many digital platforms such as TV series/ films and music, online shopping and in stores. We've increased our transaction limits for Tosla users. With our collaborations with Istanbulkart, Zorlu PSM, the Community Volunteers Foundation (TOG), Starbucks, and HelpSteps, we expanded the scope of opportunities we offer to our Tosla users.

You can find detailed information about our Tosla application in the section where Ak Öde activities are explained.

OUR ACCESSIBLE BANKING APPROACH

We are trying to make it easier for our disabled customers to access our banking services within the scope of all our channels. We aim to ensure correct communication with our disabled customers by sharing the “Human Rights-based Approach to Disability” e-training with all our field employees under the guidance of Alternative Living Association. In our branches, which are suitable for the access of our disabled customers, we provide a ramp application to the branch entrances for the access of our orthopedically disabled customers, and a tactile surface for our visually impaired customers.

In addition to all these, we have placed our information boards, prepared in braille alphabet, describing the services we provide for our disabled customers, at the main entrance doors of our branches, together with information including the branch name and working hours. Our hearing-impaired customers can communicate in sign language by connecting to our customer representatives who speak sign language, working in our Call Centre, via video phones located at the desks of our customer representatives in our branches. We designed our Akbank Internet and Akbank Mobile applications to be compatible with screen reader programs. Our SMS texts sent for security purposes can also be read by these programs.



You can find the list of ATMs suitable for our disabled customers on [our corporate website](#).

OUR ENVIRONMENTALLY FRIENDLY VEHICLE LOAN

As Akbank, we are constantly developing our sustainable products and services that will play a role in transferring our natural resources to future generations. In this context, we closely monitor the direct or indirect effects of each of our products and services on our World. In this direction, we offer our customers our Environmentally Friendly Vehicle Loan, which is one of our steps to reduce carbon emissions within the scope of our fight against climate change. Our customers can easily purchase electric vehicles by taking advantage of this loan.

As Akbank, we are constantly developing our sustainable products and services that will play a role in transferring our natural resources to future generations. In this context, we closely monitor the direct or indirect effects of each of our products and services on our World.

Our customer experience and satisfaction studies

In 2021, we have continuously improved our customer experience by putting our customers at the centre.



Number of Next Generation Akbank branches

494

In 2021, by putting our employees and customers at the centre and by designing holistic, consistent and value-creating experiences at all interaction points; we have continuously improved our customer experience by effectively implementing such experience and feeding it with analytical data. In 2022, we will continue to work on end-to-end experience design, development and change management in order to create a better employee and customer experience.

NEXT GENERATION SALES AND SERVICE DESIGN

In addition to our new way of doing business, which consists of simpler and paperless processes, which we have started to implement in all our branches since 2018, the number of our Next Generation Akbank branches, which have been renewed architecturally and technologically, reached 494 at the end of 2021.

The Box Office Extras in these branches, which enable our customers to carry out their cash transactions faster without having physical contact with any of our employees, gained even more importance during the COVID-19 outbreak. In 2022, we will continue our Next Generation Akbank branch transformations without slowing down.

As part of the Next Generation Akbank branch transformation, we aimed to carry out branch back-office operations in a simpler, digital and faster manner with more flexible resource management. For this, we completed the infrastructure developments of our next generation back office service model design in 2020. We will expand the application that we started in 2021 to all our branches in 2022. In addition to the Akbank Customer Communication Centre (MIM) service model transformations that we carried out in the past years in line with the Next Generation Akbank vision, we carried out the transformation studies of the Akbank Operations Centre in 2021. We redesigned the organization and way of doing business of our teams in the Operations Centre to be end-to-end, more customer-oriented and integrated with all products and channels.

In 2021, we carried out the transformation studies of the Akbank Operations Centre. We redesigned the organization and way of doing business of our teams in the Operations Centre to be end-to-end, more customer-oriented and integrated with all products and channels.

We aim to complete this journey in 2022, which we set out to reach a flexible operation model that can meet the demands and needs of our customers more quickly, easily and digitally.

In 2019, we redesigned the sales and service model with a simpler, digital and proactive approach in order to transform the Akbank Customer Communication Centre (MİM) into an experience centre that makes a difference. In 2020, we made this model available to all MİM employees. Our end-to-end customer and employee experience, which we designed in this project, won prestigious awards from global companies in the fields of experience and design.

In 2021, while designing new ways of doing business, offering designs that will contribute to sustainability as well as employee and customer experience continued to be one of our focus areas. To reduce paper usage by encouraging our customers to use digital channels in their banking transactions; we have also implemented efforts to provide a simpler, paperless and digital and integrated customer experience for our customers who prefer the branch channel.

CREATING MORE ADDED VALUE WITH ROBOTIC PROCESS AUTOMATION

We continued our robotic process automation work, which we started in 2018, in order to reduce the operational workload of our employees and enable them to focus on more value-added work and improve their experience in 2021 as well.

To date, we have positioned our virtual colleagues in more than 100 processes and 20 different business units, including ATMs, POS and member businesses, credit cards, money transfers, insurance, and internal system controls.

We started to meet the end-to-end digital experience needs with smart solutions by integrating our work with OCR and AI and expanding our technology pool with next generation technology solutions.

We have been receiving suggestions from our employees and customers for more than 13 years with our “1001 Ideas Suggestion System” platform, which is an important part of our innovation culture. To date, we have evaluated more than 80 thousand innovative proposals.

As we continue to expand the application areas and integrated solutions, we offer within our Bank in 2022, we aim to bring robotic automation expertise to our different teams within our Bank and to raise the customer and employee experience to the next level.

1001 IDEA SUGGESTION SYSTEM

With our “1001 Idea Suggestion System” platform, which is an important part of our innovation culture, we have been receiving suggestions from our employees and customers for more than 13 years. To date, we have evaluated more than 80 thousand innovative proposals.

Thanks to our suggestion platform, which we redesigned to offer a social media experience, we have doubled the number of suggestions we receive from our employees. While our employees can see and appreciate all the suggestions transparently, they won awards for their contributions with the gamification structure.

In 2022, we will continue to create added value by evaluating the suggestions from our customers and employees.

IMPROVEMENTS FOR YOU

We have been continuing the “Improvements for You” program since 2012. With nearly 150 improvements focused on digitalization, employee and customer satisfaction, and efficiency in 2021, we have made improvements in more than 2,000 processes within the scope of the program so far.

Thanks to our “Finish with Mobile” project, we reduced our paper consumption by an average of 86 million annually in 2021, saving an average of 7,300 trees.

Our customer experience and satisfaction studies

We won prestigious awards from IF Design Awards and A'Design Awards with our Next Generation MİM application.

In 2021, we strengthened our change management approach, which we apply throughout our Bank in critical business conduct changes that affect employee and customer experience, with a new model that we personalized with an analytical structure.

ANALYTICAL CHANGE MANAGEMENT

In 2021, we strengthened our change management approach, which we apply throughout our Bank in critical business conduct changes that affect employee and customer experience, with a new model that we personalized with an analytical structure. We became a part of users' daily lives with "Integro", our core banking sales service platform. In this way, we made interaction and behaviour tracking possible. With this platform, we aim to allocate more time to value-added sales and consultancy services, to simplify and digitize the way of doing business, to increase motivation and awareness, to continue development and to support behaviour change at critical points. With the employee experience we designed in this project, we won an award in the Future of Work -

Employee Experience category at the IDC Turkey CIO Awards. In 2022, we will continue to enrich the analytical change management, which we have designed in a structure where we will ensure sustainable development through social learning, rewarding and appreciation, with scenarios and insights.

AKBANK DESIGN OFFICE-EMPLOYEE APPLICATIONS DESIGN

While functionally developing our Next Generation MİM application, which we made available to our MİM employees, in 2021, we won prestigious awards from the global design competitions IF Design Awards and A'Design Awards, which we applied for, with this platform that also provides a holistic sales and service experience.

In 2021, we completed the rollout of our branch banking application, Next Generation Integro (Yeni Nesil Integro), which we transformed into a device-independent singular experience in 2020. In this way, we continue to provide uninterrupted work on mobile and desktop devices inside and outside the branch by using our advanced infrastructure facilities.

In addition, within the scope of corporate digitalization, we started to strengthen our -“Corporate Integro” (Tüzel İntegro) platform so that the services that our legal customers will receive from our branches will be more integrated and compatible with our digital channels.

On the way we set out in 2020 with the vision of creating a holistic human resources experience, we started to design dynamic, social, development-supporting screens and processes that put our employees at the centre. We launched the first phase of this brand-new People and Culture experience, which we designed to present to Akbank employees, under the name “Collective”, in 2021, and we started to reflect the reflections of Akbank’s design world in the perspective of employees.

CUSTOMER EXPERIENCE MANAGEMENT

We continued our “NPS (Net Recommendation Score)” measurements, which we made on the Customer Experience Management Platform, which we launched in 2017 in order to listen more closely to the voice of our customers who receive service from our branches, Mobile Banking applications, Internet Banking and ATMs, and to learn about their experiences within a few hours. We started NPS measurement after the transaction through our Mobile and Internet Banking and MIM channels in 2020, so that we can learn the opinions of our customers about the experience we have given them, directly through our relevant channels, quickly and uninterruptedly. In 2021, we continued to increase the touchpoints where we measure experience.

In order to be able to listen to the voices of our customers more and instantly, we have activated our e-mail survey channel in addition to the online surveys we conduct through our telephone and digital channels. We will continue our new survey channel integrations in 2022.

By enriching our feedback collection channels and new channel / product measurement processes, we increased the number of feedbacks we receive from our customers by almost 3 times in 2021 to 1.5 million. Our net recommendation score (NPS) achieved the targeted level of success in 2021 with all these activities that we carry out by putting customer satisfaction at the centre of our focus areas.

Through our Customer Experience Management Platform, we present our NPS and customer feedback instantly to our teams that develop products, channels and processes. We continue to obtain insights to improve the experience by analysing the answers to open-ended questions from our customers and the reasons for their evaluation, with the help of the text analytics model that we commissioned in 2020 as part of the platform. We also share all these NPS results within the organization. In addition, we evaluate the studies carried out within the scope of customer focus in the Customer Experience and Clean Banking Committees, which we organize periodically every year.

Apart from these studies that we regularly carry out, we have carried out nearly 60 different ad-hoc research projects throughout the year, which are requested by our business units and in which we receive the opinions of our customers on a wide range of subjects such as satisfaction level measurement, product usage habits, and reasons for discontinuing product use.

In addition, we conducted many online research throughout the year, in which we received the opinions of Akbank employees on various issues. The most prominent of these studies was the Internal Customer Satisfaction Survey. During the year, we conducted the Internal Customer Satisfaction Survey, which examines how successful Akbank employees find the Akbank Head Office departments they cooperate with on the basis of various criteria. In 2021, we worked on new satisfaction and NPS metrics and analytical models that will enable us to analyse our customers’ experiences with us in more detail in terms of critical products and services.

We aim to reach 15% of our active customers in 2022.



Number of customer feedback

1.5 million

Our customer experience and satisfaction studies

Within the framework of our vision of turning complaints into satisfaction, we attach great importance to feedback.

CLEAN BANKING

We continue our practices by constantly improving our Clean Banking efforts, which is an important component of customer experience. We have implemented many practices in the fields of culture, education, communication, new product/service process, and customer complaint management in order to manage Clean Banking within the framework of the principles set in our Bank, to increase its use within the organization and to adopt it as a working principle.

- In order for our employees to embrace the Clean Banking approach more than ever, we updated our existing trainings

and created a new case-based training in 2021.

- We held meetings at our Regional Directorates in order to strengthen our communication with our field workers, to share our findings, to receive feedback and to reflect these in our practices. We conducted focus group studies with our branches.
- In 2021, we rewarded our successful employees, who are highly aware and sensitive about Clean Banking and contribute to customer satisfaction, twice.
- We continue to improve Clean Banking communication and awareness by measuring it internally through periodic surveys.

CUSTOMER SATISFACTION

We attach great importance to customer feedback within the framework of our vision of turning complaints into satisfaction by producing personalized and fast solutions.

As we move forward with the goal of finalizing the complaints, requests and suggestions we receive from our customers through both digital and live support channels within 2 days, we also increase our ability to produce solutions.

We have implemented many practices in the fields of culture, education, communication, new product/service process, and customer complaint management in order to manage Clean Banking within the framework of the principles set in our Bank, to increase its use within the organization and to embrace it as a working principle.

We manage all notifications end-to-end and centrally, in order to quickly resolve the notifications we receive beyond legal compliance targets, and inform our customers at every stage of our resolution process.

We continue to invest in technology as well as our processes for resolving customer complaints.

As in the previous year, we have digitized our 3 manual processes with robotic process automation this year and spared more time for our customers on more complex issues. In 2022, we will continue our efforts to digitize and improve processes.

On the other hand, we updated the customer sensitivity index model, in which we use advanced analytical solutions, in order to manage both the experience and the solution process more effectively in customer notifications coming from our channels. We launched the customer contact history solution, which brings together all the interaction with our customers.

We started to automatically categorize 35% of the total notifications received by our Bank, including live support channels, with the artificial intelligence-supported text analytics solution that we have put into operation in order to manage the resolution process regarding customer notifications much more effectively. In following years, we will continue to improve the model and expand its scope.

We successfully renewed our ISO 10002 quality certificate, which we have renewed every year since 2007, in 2021 as well.

CUSTOMER-FOCUSED SERVICE MANAGEMENT

In order to continuously improve the experience and service quality we offer to our customers, we have reconsidered our SLA management approach used throughout our Bank in a more customer-oriented, transparent and inclusive structure. We focused on a performance-based proactive management structure, holistic measurement, establishing an effective monitoring mechanism and improving the service level. We implemented the new SLA management model, the design of which we completed in 2021. In 2022, we will follow our service level in the new model.

In 2021, we increased the number of internal/external channels integrated with our Customer Complaint Management application, including our affiliates and solution partners, to over 30.

In 2021, we increased our performance to finalize notifications from our customers at the first point of contact to 90%.

Customer data privacy

Protecting our customers' data privacy is among our priorities as Akbank.

As Akbank, we attach importance to the management of cyber and fraud risks in a digitalized and globalizing world. We embrace the principle of managing these risks in the most effective way in the fields of banks, customers, shareholders, business partners and the sector.



Personal Data Protection Training

6,973
hours

As Akbank, we attach importance to the management of cyber and fraud risks in a digitalized and globalizing world. We embrace the principle of managing these risks in the most effective way in the fields of banks, customers, shareholders, business partners and the sector. As an open, transparent and reliable Bank with our Clean Banking principle, protecting the data privacy of our customers is among our priorities as Akbank. We keep our communication with our customers and stakeholders at the highest level, taking into account the transparency of our activities. We implement all legal regulations, especially the Personal Data Protection Law (KVKK/PDPL) and Banking Regulation and Supervision Agency (BDDK/BRSA) requirements on digital platforms.

Our technologies, which we use to securely store our customer data, are periodically checked by control teams and regularly audited by bank inspectors and independent auditors certified by the BDDK. In addition, we offer our customers secure banking opportunities with high-level security measures based on best practices to ensure data security and privacy.

In 2021, our 8,315 employees received a total of 6,973 hours of training on the protection of personal data.

Due to the nature of our products and services, some of the customer data must be shared with 3rd party stakeholders in accordance with the regulations. In addition to technical studies, in order to further increase the maturity in ensuring the confidentiality and security of the data shared in this process, we also develop organizational and process management mechanisms.

In this framework, we formed a Data Sharing Committee in our Bank with the participation of relevant stakeholders. In addition, we have established a separate unit for the management of risks, dependencies and lifecycle in our cooperation with 3rd party companies outsourcing.

In addition, we launched the Test Data Management (TDM) project in 2020 in order to ensure the safe use of our customer data and to further the practices in this field. In this context, we ensure customer confidentiality by anonymizing real customer data by providing Test Data Management product implementation. Thanks to the processes we created within this workflow, we ensured that our business development teams had continuous test data. We redesigned the processes to implement the relevant technology and self-service test requests. In 2021, we continued to develop TDM processes.

In 2020, we started the “Data Discovery and Classification Project” with the data contained in our organization (within the scope) in order for our Bank to improve its maturity in this area. Within the scope of the project, we created the processes of determining the category and location of the data record or file, classification and periodic work.

By updating the processes in 2021, we added new definitions to comply with current regulations within the scope of data classification and expanded the project throughout our Bank.

At our bank, we are running the “Dynamic Data Masking Dissemination Project” to ensure the security and confidentiality of customer data and to increase maturity in this area. By performing data masking at the time of interrogation, dynamic data masking solution allows our Bank’s experts and analytical applications to carry out their analysis, while also securing aggregate data access. As of 2021, we started the integration studies of the dynamic masking structure into analytical reporting environments (such as BO, SAS) and implemented some of them. In the coming years, we aim to expand its scope and continue our work by improving the flow.

At our bank, we are running the “Dynamic Data Masking Dissemination Project” to ensure the security and confidentiality of customer data and to increase maturity in this area.

Climate Change

We are transforming all our ways of doing business for a greener world.

We see the fight against climate change as our responsibility to future generations. We will become a carbon neutral bank by reducing our operational greenhouse gas emissions down to zero by 2025.








Climate change

We work with the goal of reducing our emissions, which are the result of our operations, every year.

According to the 2021 Global Risks Report published by the World Economic Forum; environmental risks outweigh all other risks in terms of impact severity. In the WEF Global Risks Report, where the climate crisis is among the main long-term risks, we can observe the failure of the climate action plan, which are among the three biggest risks in the next 10 years, extreme weather events and the destruction of biodiversity.

As Akbank, in line with our fight against climate change, we work with the aim of minimizing the financial risks and negative effects of climate change on our loan portfolio, while at the same time reducing our emissions as a result of our operations every year. We carry out our savings efforts for all the resources we consume simultaneously. In this way, we reduce our environmental footprint and continue to create value for nature and future generations.

 Materiality Topic	 Relevant Capital Element	 Risks
<ul style="list-style-type: none"> Operational Emissions Portfolio Impact/ Exposure 	Natural Capital Financial Capital	<ul style="list-style-type: none"> Possible changes in local and global regulations: (e.g. different tax burdens that will arise on a sectoral basis as a result of the European Green Deal and the Border Carbon Tax; Regulations that may come with the entry into force of the Paris Agreement in Turkey) Insufficient understanding of climate risk exposure by financial institutions and inadequacy of inclusion in existing risk management systems, scenario analyses and climate stress tests ineffective Physical risks such as economic and financial losses resulting from increased extreme weather events due to climate change (flood, drought, activities negatively affected by fires) and long-term risks (rise in sea level, loss of biodiversity, increased temperatures). The liquidity risk that may arise after all these risks Transition risks that may arise in policy arrangements (regulatory frameworks, carbon pricing, etc.) during the transition to a low-carbon economy for climate change adaptation, Reputation risk arising from failure to effectively manage the measures taken against climate change

Contributed SDGs



Opportunities

- The European Commission to publish the EU Taxonomy in 2021 along with an ambitious and comprehensive package of measures to help improve the flow of money to finance the transition to a sustainable economy
- The rapid increase in the interest in sustainable products by investors in the sector
- Accelerating the transition to a low carbon economy, easing the carbon tax burden, reducing the climate exposure of the portfolio with the new and innovative sustainable finance products and services developed
- Cost reduction to be achieved with effective savings practices
- Indirect positive contribution to the environment by increasing the financial support given to renewable energy projects
- Continuing the usage processes by donating expired electronic devices to those in need in accordance with the Bank's legislation



Performance Indicators

- Products and services that meet the needs of our customers in the transition to a sustainable economy, reducing our operational greenhouse gas emissions by x%,
- The electrical energy we use throughout Akbank, which is obtained from 60% renewable energy
- Our average number of trees saved with an annual average of 86 million paper savings is 7,300,
- 827 kg of generator oil that we recycle, 52 kg of fluorescent, 7,000 UPS batteries,
- Recycling 2,728 kg of waste toner with our Mobile Waste Handling system,
- x million tons of emissions prevented by financed renewable energy projects
- Our CDP Climate Change rating is B-



Goals

Our goal to be a Carbon Neutral Bank by 2025 (Scope 1 and Scope 2)

Our target to reduce the impact of our loan portfolio on climate change by 2030

Climate change

We believe that our industry also bears great responsibilities in the face of the negative effects of climate change.

We have been in the BIST Sustainability Index since 2014.

Our CDP Climate Change rating was B-.

In the Sustainalytics ESG risk assessment, we were placed in the "Low Risk" category as of November 2021.

In the MSCI ESG assessment, our score increased by two grades from B to BBB as of October 2021.

We have been in the MSCI Developing Countries Index since 2002.

With the spread of industrialization and the development of fast-moving consumption industries, the amount of environmental pollution and greenhouse gas emissions into the atmosphere is increasing day by day. The report published by the Intergovernmental Panel on Climate Change-IPCC in 2021 draws attention to the fact that the main cause of climate change is the human factor and that the last five years have been recorded as the hottest period with increasing temperatures. The whole ecosystem is seriously and permanently affected by effects such as the increase in the frequency and effects of extreme weather events such as drought and floods due to global climate change, the melting of glaciers, the rise in ocean and sea water levels, and the increase in acidity in water resources.

Climate change manifested itself in 2021, both in our country and in the world, with extreme weather events, drought, forest fires and its accompanying negative economic effects. Greenhouse gas emissions, which decreased for a short time due to the COVID-19 pandemic, reached pre-pandemic levels with the end of the quarantine periods. In this context, we consider climate change as one of our five focus areas, together with its risks and opportunities, in order to strongly manage the effects of climate change.

As Akbank, we believe that our industry also bears great responsibilities in the face of these negative effects as a result of climate change. At this point, we are taking firm steps forward in our strategy to combat climate change with the sense of responsibility we feel for future generations.

We are working to minimize the impact of both our operations and our portfolio by placing the issue of climate change among our priority issues. We make environmental awareness a part of our business culture by acting in harmony with our employees. In this context, we evaluate all our loans within the framework of our Environmental and Social Credit Policies and check whether each commercial loan is within the scope of the “Non-Lending Activities List”, which is a part of our policy. In addition to all these, we carefully evaluate every detail, from the water consumption of the trees in the garden of our bank, to the heat reflectivity and environmental impact of the interior and exterior paints of our buildings and take the necessary precautions.

We transparently share all the work we carry out and the innovations we make within the scope of our bank with our stakeholders. We support our work in this field, especially with the results we received in response to our performance on platforms such as BIST, CDP, MSCI and Sustainalytics, which are closely followed by our investors and our bank.

We evaluate all our loans within the framework of our Environmental and Social Credit Policies and check whether each commercial loan is within the scope of the “Non-Credit Activities List”, which is a part of our policy.

Our fight against climate change

By 2025, we are committed to pulling our operational emissions down to zero and becoming a Carbon Neutral Bank.

As Akbank, we include the measures we take regarding climate change within the scope of our activities in line with our ESG strategies and consider them as highly important among our material issues.

As Akbank, we include the measures we take regarding climate change within the scope of our activities in line with our ESG strategies and consider them as highly important among our material issues. With our Sustainability Committee, which we formed within this scope, we determine our roadmap in the light of our strategic focus areas. In line with this roadmap that has emerged, we are getting closer and closer to our goals, which we have set with the active participation of our relevant teams.

OUR IMPORTANT MILESTONES IN OUR STRUGGLE WITH CLIMATE CHANGE

2007

We became the first bank to sign the United Nations Global Compact.

2010

We became the first Turkish Bank to publish the United Nations Global Compact Communication on Progress.

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

As the first and only company from Turkey to be included in the 2010 Global 500 Report of the Carbon Disclosure Project, we were included in the World Sector Leaders category with a high score.

As a result of the importance, we attach to environmental sustainability, we implemented the Energy Friendly Loan.

In cooperation with the Regional Environment Centre (REC), we supported the project "Before It Disappears" to draw attention to the regions at risk due to climate change in Turkey.

We became a signatory to the Cancun and Durban declarations prepared before the Regional Environment Centre Regional Climate Change Summit.

2012

We became one of the first companies in the world to sign the "The Carbon Price Communiqué" prepared by the Prince of Wales Corporate Leaders Group on Climate Change, which draws attention to the need to develop a clear and transparent pricing policy for carbon emissions.

2015

In order to create a new roadmap for the fight against global climate change, we signed the declaration that was opened for signature at the COP21 Conference of the Parties (COP) in Paris, calling the parties to fight against climate change.

2017

We became one of the first banks to sign the UN Global Compact Turkey Sustainable Finance Statement.

2018

Together with the UN Global Compact working group, we participated in the updating of the Sustainable Finance Declaration signed in 2017.

2019

In line with the UN Global Compact Turkey sustainable finance declaration, of which we are a signatory, we reduced the Environmental and Social Impact Assessment limit to US\$ 20 million.

2020

We have determined our sustainability strategy and targets within the scope of our bank. We started to continue our actions in line with these targets.

2021

In order to better manage the impacts of the projects we finance, we lowered the Environmental and Social Impact Assessment limit to US\$ 10 million.

Under the leadership of Axess, we transform all our cards into environmentally friendly materials. Until 2025, we will create all our Akbank cards from recycled materials.

We planted 50,000 saplings, aiming to nurture life and hope.

We have established ISO 14001 Environmental Management System and ISO 50001 Energy efficiency management system in our Head Office, Banking Centre and 42 branches.

We published our Sustainable Finance Framework.

We are a supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

The scope of the Sustainable Finance Statement, signed in 2017 with the UN Global Compact working group, was expanded in 2021 and updated again. In the new principles, we have committed to work for improving and increasing the use of new innovative financing mechanisms, to integrate climate-related risks and opportunities into Sustainable financing works and thus increase the awareness of stakeholders in this regard, to cooperate with other banks under plans to combat climate change and to act as intermediary for them in reducing the carbon footprint of their customers with innovative products, and to also provide support to Turkey's national emission reduction strategy.

You can find relevant information on this subject in the link.

While tackling climate change, we address our targets within the scope of many different topics such as energy consumption, greenhouse gas emissions, paper and water use, and recycling of technological wastes. To this end, we implement different projects and practices in order to achieve our goals. As Akbank, we are building a more resilient financial system and demonstrating our commitment to combating climate risk through better reporting mechanisms. We support the Task Force on Climate-related Financial Disclosures (TCFD).

How Will We Become a Carbon Neutral Bank?

By consciously using the energy, water and paper we consume,

By raising awareness of our employees on climate change and integrating this awareness into our ways of doing business,

By providing a large part of our energy needs from renewable energy sources, and

By increasing our international cooperation, We will contribute to the reduction of greenhouse gas emissions.

Our operational greenhouse gas emissions

We aim to bring all our Akbank locations under the Integrated Management System until 2024.

As Akbank, we continue to work in 3 areas that we have identified in order to reduce our greenhouse gas emissions. First, we focus on reducing energy consumption by increasing energy efficiency in all our buildings, including our branches.

With our Ak –E4 System, we make our greenhouse gas emissions transparent and controllable.

In this way:

- Alarms that go off in our branches when the set values determined for the electrical infrastructure are exceeded will be monitored and thus, malfunctions can be prevented before they occur. (generator fuel level, system room temperature, network low voltage, etc.)
- Electricity, water, natural gas, diesel consumption and infrastructure failure information will be stored and reported in the server database.
- Systemic interruptions due to infrastructure in branches will be prevented.
- The corporate identity will be preserved and strengthened by turning on and off the advertising lighting at the desired hours.

As Akbank, we monitor our greenhouse gas emissions from our operational activities as part of our fight against the climate crisis. In this context, we make analyses and with the results we get from these analyses, we carry out mitigation studies and various applications. As part of our strategy to combat climate change, we aim to be a Carbon Neutral Bank in terms of our operations by 2025.

We look forward to integrating the actions we will take within the framework of this main objective with our Bank's governance system. In 2021, we started the installation of the Integrated Management System covering ISO 14001 Environment, ISO 50001 Energy Efficiency and ISO 45001 Occupational Health and Safety Management Systems. By adopting a proactive approach within the Integrated Management System, we aimed to combine our way of doing business with our understanding of combating the climate crisis by making revisions in all our processes and performance indicators.

We have completed the installation, operation and audit processes of our Integrated Management System at our Head Office, Akbank Banking Centre and 42 branches. In addition, we have carried out our certification processes with internationally valid accreditation by an independent certification body.

We aim to include under the Integrated Management System 250 of our branches until 2023 and all locations until 2024.

As Akbank, we continue to work in 3 areas that we have identified in order to reduce our greenhouse gas emissions. First, we focus on reducing energy consumption by increasing energy efficiency in all our buildings, including our branches. In this context, in 2021, we implemented the Ak-E4 (Akbank Industry 4.0) project, which allows us to remotely control and report our consumptions such as electricity, water, natural gas and diesel. With this project, we monitor and report electricity, water and fuel consumption. Our work for natural gas continues, and we aim to have remote monitoring in all our branches in 2022.

We have determined our second focus area in reducing operational greenhouse gas emissions as providing the electricity we use from renewable energy sources. We see one of our most important points in reaching our goal of being a Carbon Neutral Bank by 2025, as meeting our electricity consumption, which is our Bank's biggest source of emissions, from renewable energy sources. As of 2021, we started to obtain 60% of the electrical energy we use in all our buildings and operations from renewable energy.

In 2022, we will continue our efforts to implement renewable energy systems in our bank and to increase the rate of renewable electricity supply.

In 2022,

- We aim to reduce our energy consumption by 5% in 2022 with the solar energy panels installed on the roof of ABM. By 2022, we aim to supply 80% of the electricity we use in all our buildings and operations from renewable energy.

Our last focus area we have determined to reduce our greenhouse gas emissions involves our goal to minimize our operational emissions and achieve our carbon neutralization target, thanks to our energy efficiency and energy supply projects from renewable energy sources in the coming years.

We continue our work in this context with the coordination of our Architectural Solutions, Information Technologies and Sustainability teams.

We calculate our greenhouse gas emissions (Scope 1 and Scope 2) in accordance with the ISO 14064 1 Greenhouse Gas Emissions Reporting Standard and have them verified by independent accredited institutions. As a result of our work in 2021 and the accelerated shift to digital lifestyle due to COVID-19 pandemic, we managed to reduce our carbon emissions to 15,572 tons of CO₂. Thanks to this, we have achieved significant success in our fight against climate change. In addition to our revenue and sales, which increase every year, we contribute to our country's transition to a sustainable and clean economy with our greenhouse gas emissions, which we managed to reduce by 27% compared to the previous year.

By 2022, we aim to supply 80% of the electricity we use in all our buildings and operations from renewable energy.

Our operational greenhouse gas emissions

With our Akbank Data Centre, we manage our fight against climate change in a healthier and more systematic way.

Our GHG intensity in 2021 was 55.7.²

Our data centre has an energy efficiency rate of 1.4, which is the best rate that a building of this size can reach in Istanbul.

Fuel Type (GJ)	2018 ¹	2019	2020	2021
Natural gas	-	88,650.59	80,513.85	91,724.65
Electricity	-	374,942.85	360,563.26	342,382.56
Fuel Oil				
Coal				
Motorin				
Diesel	-	97,997	72,279	77,461
Total	-	561,590.44	513,356.11	511,568.13
Carbon Emission (ton CO ₂ e)	2018	2019	2020	2021
Scope 1 Emission	6,970	13,450	10,298	18,187
Scope 2 Emission	33,153	53,505	47,770	24,300
Scope 3 Emission				10,169
Total	40,123	66,955	58,068	52,656

Akbank Data Centre

Thanks to our Akbank Data Centre, as the bank that carries Turkey to a sustainable future, we manage our fight against climate change in a healthier and more systematic way with the decisions we take, the actions we take and the analyses we make. We are reducing our environmental footprint as part of our branch transformation program, with our emission reduction activities such as automatic lighting, heating and cooling systems at our headquarters and insulation of heating line valves in some branches. "Akbank Data Centre", which we position at the heart of all our operations, continues to serve

our customers with each passing day. With the "Uptime Institute Tier III Design Certificate" and "Uptime Institute Tier III Constructed Facility Certificate" we received, we documented that our Akbank Data Centre meets international standards with its design and applications.

With our Akbank Data Centre, we can also monitor our carbon footprint created by all our operational processes. We have paid attention to the minimum level of energy consumption in this building, which has assumed the central role of our efforts to become carbon neutral, which we have laid

¹ The calculation of energy data has been updated, and historical high-quality data has been accessed since 2019.

² Greenhouse gas emission intensity; calculated as the ratio of Akbank's emissions (Scope 1 and Scope 2, in kg) to total assets.

the foundations of with a long-term perspective since 2010. Our Data Centre has been designed with “free cooling” technology that maximizes energy efficiency and has LEED Gold certificate (Leadership in Energy and Environmental Design).

In accordance with LEED Gold criteria, we store rainwater in large underground tanks (190 thousand liters) and use it if we need it. We illuminate our building entirely with LED systems that consume low energy. Likewise, we chose all the trees we used in the landscaping from special types that consume less water, and by painting the roof of our building with a special paint, we prevented it from emitting heat to the environment.

Our Paper Consumption

In line with our effective natural resource use strategy, we are working to reduce our paper consumption. In parallel with our Digital Transformation processes, we instantly adapt the opportunities provided by new technologies to our products and services, and provide our customers with a paperless banking experience by obtaining our contract and form approvals via our SMS and Digital Banking platforms.

We provide self-service, simple, digital and mobile services that minimize paper usage in our Next Generation branches. With our new Sales Model, we have implemented many new applications that will reduce paper consumption. We provided paperless and fast transactions by providing digital archiving and transactions on tablets inside and outside the branch.

Thanks to the document approvals we started to receive through Akbank Mobile, we eliminate the need for the physical signature process, document scanning and physical archiving, and offer an end to end digital and fast experience to our CRM (Customer Relationship Management) customers inside and outside the branch.

In addition, thanks to Gişe Extras we have located in our branches as part of our Next Generation branch transformation, our customers can perform their previous transactions at the counters in a paperless manner at these new service points.

With our “Finish with Mobile” application, we saved 86 million pieces of paper by providing our transaction and sales services for approximately 125 products both at the branch and remotely in 2021, and thanks to these savings; we saved an average of 7,300 trees.

Our recycling-focused approach to environment

We collect and sort wastes such as used paper, plastic, glass, and metal, and direct them to recycling.

With the ISO 14001 Environmental Management System certificate, which we aim to implement in all our branches in the future, within the scope of our Integrated Management System, we aim to take a more comprehensive approach to our waste management.

Our rate of reused or recycled hazardous waste was 84%, while our non-hazardous waste rate was 73%. In addition to recycling approximately 25 tons of paper in 2021; we delivered 7,000 UPS batteries and Mobile Waste Transport and 1,260 kg of waste toner to the relevant recycling organization. In addition, the amount of waste we recycle was 6.62 tons in total.

Today, almost all of the workflow processes are carried out through electronic media and devices. As Akbank, we also use different and many electronic devices in our workflow processes. While most of these electronic devices contain precious metals that can be recycled to the economy, they also contain substances that can harm the environment. In this direction, we carry out many projects that aim to both restore harmful substances to our economy and prevent them from mixing with nature.

With the ISO 14001 Environmental Management System certificate, which we aim to implement in all our branches in the future, within the scope of our Integrated Management System, we aim to take a more comprehensive approach to our waste management. In 2021, we have completed our work to establish a structure in line with the relevant standards for the Head Offices and the 42 branches we have determined. With these studies, we want all our branches to be certified within the next 3 years.

We collect wastes such as used paper, plastic, glass and metal in special boxes, separate them and direct them to recycling. We classify a wide variety of products such as batteries, accumulators, paper, oil, toner, fluorescent products in these boxes. In addition, thanks to the oil traps located between the waste water line of our cafeteria kitchen and the city sewer line, we collect the waste oil and send it to recycling stations for recycling.

We implemented a recycling project in August 2010 with the aim of recycling the empty toner cartridges we use in our printers. Since the beginning of the project, we send the empty toner cartridges we have collected from all our buildings, including our branches, to an organization that recycles electronic waste. We deliver the relevant wastes from our Akbank Banking Centre by communicating with the recycling company through the Integrated Environmental Information System, of which we are a member. We deliver the metal and electronic components of electronic devices that will no longer be used according to our bank's standards to the relevant recycling institutions in order to reintroduce them to the economy. In addition, we donate some of these devices in line with the demands.

Type	Weight/unit (kg)	Remuneration for Salvage	Total Weight (kg)	Donation	Total Weight (kg)
PC	12	176	2,112	329	3,948
Monitor	5	2,107	10,535	329	1,645
Bankbook Printer	9	2,147	19,323	-	-
Report Printer	14	6	84	-	-
Laser Printer	15	241	3,615	-	-
Pos equipment	0.5	7,055	3,527.5	-	-
ATM	850	-	-	-	-
Total	905.5	11,732	39,196.5	658	5,593

Our Waste Amount (tons)	2020	2021
Dangerous waste	3.61	7.88
Non Hazardous Waste	56.10	35.56
Total Plastic Consumption	14.15*	18.18
Amount of Recycled Waste	-	6.62

* The scope of plastic consumption has been expanded and updated retrospectively.

With the “Zero Waste Management System” implemented at our Headquarters Sabancı Centre, we were entitled to receive the Zero Waste Basic Level Certificate on June 15, 2021. We plan to implement the zero waste system at our Akbank Banking Centre in 2022. In this context, our employees participated in the “Zero Waste in All Aspects, Zero Waste System Installation and Zero Waste Information System Implementation” training given by ÇEVKO Academy in 2021.

Our Water Consumption

As a result of all our activities and business processes, we ensure that the resources we consume are used in the most efficient way. In this context, we constantly monitor and evaluate our total water consumption. We use the water we obtain from the city networks for our cleaning activities and irrigation of our green areas. In our Akbank Data Centre, rainwater is stored in underground storage tanks and used in reservoirs and irrigation of green areas when needed. We use mains water in our business units and therefore there is no special water source that is affected by our water consumption. As part of our Integrated Management system studies, we started to monitor wastewater discharge for our bank. In this context, we carry out periodic tests, monitoring and measurement practices for wastewater.

Our Water Consumption (m ³ /year)	2018	2019	2020	2021
	120,648	300,544	180,592	144,450

The impact of our portfolio

By 2030, we will reduce the impact of our loan portfolio on climate change.

As Akbank, we examine the environmental and social impact-value creation of our projects and activities in order to add a more sustainable quality to our portfolio.

We increased the share of renewable energy projects in our energy generation portfolio to 84%.

The energy sector accounts for almost 80% of emissions that cause climate change worldwide. In line with our fight against climate change, we pay attention to the renewable and clean energy sector in our portfolio for the solution of this problem. In 2021, we became the first bank to decide not to finance the New (Greenfield) Coal Power Plants and add this decision to our Environmental and Social Credit Policies. In addition, we have decided not to finance the coal mining and coal transportation activities of our SME customers. In 2030, we aim to allocate all of the financing we have allocated for our projects in the construction phase since 2016 to renewable energy projects.

We don't finance damaging projects such as commercial activities using rainforests, trading in CITES¹-restricted natural life elements and products, projects that have the potential to damage the ozone layer, have a risk of deforestation, and activities² that do not comply with local legislation and international agreements on the protection of biodiversity resources. We support the inclusion of information on risks and opportunities caused by climate change in environmental and/or technical reports.³

As Akbank, we examine the environmental and social impact-value creation of our projects and activities in order to add a more sustainable quality to our portfolio. In this context, we pay attention to these factors in our lending activities. With our principles, we aim to leave a more qualified sustainable future to the Turkish economy and our stakeholders.

By 2030, we will reduce the impact of our loan portfolio on climate change.

¹CITES: Convention on Trade in Endangered Species. A list of CITES listed species is available from the CITES secretariat.

²Convention on Biological Diversity, Convention on the Protection of Migratory Species of Wild Animals (Bonn Contract/CMS), European Convention on the Conservation of Wildlife and Habitats (Bern Contract), Convention for the Protection of the World Cultural and Natural Heritage (Paris Convention) and activities for flora and fauna species considered threatened by the IUCN

³It is supported that the information on the physical risks related to climate change, defined by TCFD, in the Environmental and/or technical reports of the B category large-scale especially infrastructure projects approved by all A and ESIA Teams are included in the independent consultant reports.

We evaluate our lending activities through our Environmental Social Impact Assessment (ESIA) system. In 2021, we demand that the environmental and social impacts of investment activities be handled more at international standards by applying the 10 mio Usd investment amount limit that we apply for project finance loans, to new investment loans as well. With our Environmental and Social Impact Assessment System (ESIA), we subject our customers' loan requests to environmental and social risk assessments. With this practice, we continue to play a leading role in our industry.

In addition to the renewable energy practices, we carry out within our bank, we protect our nature with our decarbonisation and environmental compliance activities that we pursue in our customer portfolio. We are proud of carrying our country to a greener and carbon-free future. In 2021, we continued all our activities in the name of decarbonisation in full compliance with environmental compliance laws and regulations. Within the scope of compliance with the legislation and laws, we have not been subject to any penalties or sanctions. As in 2021, we plan to expand the scope of our Non-Creditable Activities List in 2022 in a way that will contribute to reducing the carbon impact of our portfolio.

We aim to measure our exposure to climate change through sectoral assessment. We will determine our short-, medium- and long-term targets by comparing the outputs to be achieved on a sectoral basis with international best practice examples. We work to reduce the impact of our portfolio on climate change by developing sector-specific sustainable finance products and services, by making appropriate modelling studies, and by supporting the transition of sectors to a low-carbon economy.

You can review the Sustainable Finance section for detailed information about the financing we have provided with a focus on sustainable development.

In addition to the renewable energy practices, we carry out within our bank, we protect our nature with our decarbonisation and environmental compliance activities that we pursue in our customer portfolio. We are proud of carrying our country to a greener and carbon-free future.



A vertical image of a rock climbing wall with various colored holds (yellow, red, blue, orange) and a red rope running diagonally across it.

Financial Information and Risk Management

**We continue
our growth
to support
the country's
economy.**

We are a bank with high growth potential. Despite the pandemic and economic uncertainties, we have achieved significant success to support our country's economy. We have achieved significant growth figures in many areas, expanding our first and pioneering services, and adding new customers to the Akbank family.

Summary financial results for 2021 and the Bank's future expectations

Akbank strengthened its balance sheet structure with the strategies it followed in 2021 and continued to grow in line with its healthy profitability target with its solid asset quality.

Despite the difficult conditions in the global markets, Akbank managed to achieve healthy profitability growth in line with its targets in 2021 for its stakeholders and continued to support the economy with its solid balance sheet and long-term funds obtained from abroad.

Akbank increased its consolidated assets to TL 763 billion in 2021. In the same period, it reached a total of 485 billion TL, of which 397 billion TL was in cash. The Bank's total deposits reached TL 454 billion.

As of the end of 2021, 76.51% of cash loans were corporate, commercial and SME loans, while 23.49% were personal loans and credit cards.

In 2021, when fluctuations were observed in the markets both in our country and globally, Akbank maintained its effective and prudent risk management approach and continued to carry out its activities in this area in line with international standards.

Thanks to its solid financials and strong position in the sector, Akbank's total external resources brought into the country's economy in 2021 amounted to US\$ 7 billion.

Akbank maintained its strong capital structure in this period, with its strong consolidated capital adequacy ratio reaching 21.1%.

Bank's Summary Expectations for 2022:

	2022B	2021
TL Credit Growth	~ 30%	30%
FC Credit Growth (USD)	Flat	-6%
Net Interest Margin (Swap adjusted)	~150 bps contraction	3.23%
Net Fee and Commission Growth	> 35%	34%
Operational Expense Growth	Average CPI	22%
Cost to Income Ratio ⁽¹⁾	< 33%	34.8%
Non-Performing Loan Ratio ⁽²⁾	~ 4%	4.5%
Net Credit Cost (except for exchange rate effect)	~ 100 bps	0.44
Return on Equity	~ 30%	17.9%

⁽¹⁾ In the calculation of Cost to Income Ratio; excluding 1&2 Group loan provisions and foreign exchange profit/loss effect arising from foreign currency hedges related to the company LYY.

⁽²⁾ Includes potential write-offs & sales from non-performing loans.

Evaluation of financial situation, profitability and solvency

The Bank continues its activities with high profitability and maintains the strong level of its shareholders' equity. With a very small portion of its equity being directed to fixed investments such as fixed assets and subsidiaries; the Bank's free equity is at high levels and is used in interest-earning assets. With its strong capital structure, Akbank has a capital adequacy standard ratio above the minimum rate determined in the relevant legislation, and a high level of liquidity that can pay its debts under all market conditions, thanks to its effective risk management.

Our credit ratings

Moody's (December 10, 2020)

Outlook	Negative
Long Term Foreign Currency Deposit	B2 (Negative)
Long Term Local Currency Deposit	B2 (Negative)
Short Term Foreign Currency Deposit Not-Prime	Not-Prime
Short Term Local Currency Deposit	Not-Prime
Baseline and Adjusted Baseline Credit Assessment	b3
Senior Unsecured Regular Bond/Debenture	B2
Subordinate Regular Bond/Debenture	Caa2 (hyb)

Fitch Ratings (25 February 2022)

Long Term Foreign Currency IDR	B/Negative Outlook
Long Term Local Currency IDR	B+/ Negative Rating Risk
Short Term Foreign Currency IDR	B
Short Term Local Currency IDR	B
Financial Capacity Rating	b+/Negative Rating Risk
National Long Term Rating	A+(tur) /Still Outlook
Long Term Senior Unsecured Notes	B
Subordinated Notes	B-/ Negative Rating Risk

Our five-year summary of financial information

Five-Year Summary of Consolidated Financial Information (million TL)					
	2017	2018	2019	2020	2021
Total Assets	341,610	354,682	387,172	478,317	762,798
Loans	209,478	213,937	226,776	279,233	396,750
Deposit	201,456	208,630	244,712	292,519	453,551
Equity	40,614	43,787	54,362	62,924	75,959
Net Profit	6,020	5,709	5,352	6,260	12,127

Five-Year Summary of Unconsolidated Financial Information (million TL)					
	2017	2018	2019	2020	2021
Total Assets	316,031	327,642	360,501	446,101	708,911
Loans	190,509	185,125	203,834	253,319	353,372
Deposit	184,904	188,391	224,054	268,570	413,261
Equity	40,425	43,809	54,382	62,919	75,955
Net Profit	6,039	5,690	5,417	6,267	12,126

Explanations on matters after the balance sheet

Explanations on matters after the balance sheet are included in the Unconsolidated Financial Statements to be disclosed to the public as of 31 December 2021, the Related Disclosures and Footnotes, and footnote IX of the fifth section of the Independent Auditor's Report. In addition, the said information is also included in the Consolidated Financial Statements, Related Disclosures and Footnotes, and footnote IX of the fifth section of the Independent Auditor's Report.

Auditor's report on the early detection of risk system and committee



AUDITOR'S REPORT ON EARLY DETECTION OF RISK SYSTEM AND COMMITTEE

To Akbank T.A.Ş.'s General Assembly

1. We have audited the early detection of risk system and committee established by the Akbank T.A.Ş. ("Bank").

Responsibility of the Board of Directors

2. Pursuant to the first paragraph of article 378 of the Turkish Commercial Code No. 6102 ("TCC"), the board of directors establishes an expert committee for the early detection of the reasons that endanger the existence, development and continuation of the Bank, the implementation of the necessary measures and remedies, and the management of the risk, responsible for operating and developing the system.

Auditor's Responsibility

3. Our responsibility is to reach a conclusion regarding the early detection of risk system and committee based on our audit. Our audit was carried out in accordance with the TCC, the "Principles on the Auditor's Report on the Early Detection of Risk System and Committee" published by the Public Oversight, Accounting and Auditing Standards Authority, and ethical rules. These principles require us to determine whether or not the Bank has established an early risk detection system and committee, and, if established, whether or not the system and committee are functioning within the framework of Article 378 of the TCC. The appropriateness of the remedies provided by the early risk detection committee against the risks and the practices made by the management against the risks are not within the scope of our audit.

Information on the Early Detection of Risk System and Committee

4. The Bank has established the early risk detection system and the Senior Risk Committee, and we confirm that the committee consists of 4 permanent members and other participants. It convened at least twice a year, and the decision was taken unanimously by the attendees. For the accounting period of 1 January - 31 December 2021, the Committee presented to the Board of Directors the reports it prepared for the purpose of early detection of the reasons that endanger the existence and development of the Bank, the implementation of the necessary measures and remedies for this, and the management of the risk.

Conclusion

5. As a result of our audit, it has been concluded that Akbank T.A.Ş.'s early risk detection system and committee are sufficient in all important respects within the framework of Article 378 of the TCC.

PwC Independent Audit and
Certified Public Accountant Inc.

Zeynep Uras, SMMM
Auditor in Charge

Istanbul, 4 March 2022

Prominent legislative regulations in 2021

Information on legislative changes that may significantly affect the company's Operations

Capital Market and Insurance Legislation

Regulation Amending the Regulation on Principles Regarding Repo and Reverse Repo Transactions to be Made by Banks

"The regulation regulates changes in repo and reverse repo transactions of banks.

- Transactions within the scope of interest-free banking are also included in the scope of the regulation,
- Definitions of entities that can become the subject of repo transactions have been expanded,
- In transactions with non-residents, it has been made possible to make repo transactions on assets traded abroad,
- The rules to be used in collateralizing mutual funds have been changed."

Regulation on Remote Identification Methods to be Used by Banks, and Establishment of a Contractual Relationship in the Electronic Environment

The purpose of the regulation is to set out procedures and principles for remote identification methods that can be used by banks in acquiring new customers, and with establishment of a contractual relationship, whether as a distance contract or as a replacement of a written form of contract, over an IT or electronic communication device, working remotely or not, for the banking services to be offered after the completion of the customer identification process.

Regulation Amending the Regulation on Private Pension System

The purpose of the regulations is to regulate the procedures and principles regarding the remote identification methods that can be used by banks in acquiring new customers, and the establishment of a contractual relationship at a distance or in a way that replaces the written form over an informatics or electronic communication device, whether at a distance or not, for the banking services to be provided after the identification of the customer.

Regulation on Activities to be Evaluated within the Scope of Insurance, and Distance Insurance Contracts

With the regulation, the procedures and principles regarding the insurance activities and the determination of the boundaries of the works not included in this scope, insurance contracts made in favour of the consumer, insurance contracts concluded without confrontation between the parties and insurances offered in connection with the sale of goods and services were determined.

Regulation Amending the Investor Compensation Centre Regulation

With the Regulation;

- Annual contribution obligations of investment institutions have been redefined.
- It has been stipulated that the statute of limitations begins on the date the person becomes an adult for accounts opened with the condition of making payments to minors.
- It has been stated that the statute of limitations will not be interrupted by the deduction of the account balance, the use of the right to receive new shares, coupon entry and exit and account maintenance fee deductions.

- It has been determined that closing the order of transactions for the shares will not stop the statute of limitations, blocking the accounts held by MKK and voice recordings of transactions made over the phone will cut the statute of limitations, if any.
- It has been stipulated that submission of account statement via registered mail with return receipt will stop the time bar, provided that it is received by the customer.
- Some changes were made during the declaration of the time bar and its transfer to YTM.
- The processes for returning expired assets and concluding applications have been updated.

Retail Loans and Insurance Legislation

BRSA's letter dated on 20.1.2021 "About Request for Opinion on Consumer Loans Maturity Limits and Credit Cards."

Issues that were hesitant by banks regarding consumer loans and credit card restructurings were clarified.

Presidential Decision Regarding the Urban Return Interest Support, published in the Official Gazette dated 12.2.2021 and numbered 31384

The upper limit for the loan principal amount to be supported on the basis of entitlement to be supported by the Ministry has been increased.

Letter of the General Directorate of Population and Citizenship Affairs dated 12.2.2021 and numbered 17175 on "All Address Information to be Open to Access"

It has been deemed appropriate to open other address information to all banks receiving service from the Identity Sharing System, and the system has been opened for use by banks.

Prominent legislative regulations in 2021

Attachment to TBB's (Union of Turkish Bar Associations) Letter dated 11.01.2021 - 25.12.2020 / numbered E-89068974-840-2909332 Letter on "Implementation of the Revaluation Rate in the Regulation on Dowry Account and State Contribution"

The amounts calculated in the Framework of the Dowry Account Revaluation Rate are explained.

25.01.2021 – Communiqué (NO: 2021/1) on Introduction of Amendments to the Communiqué (NO: 2010/2) regarding the Printing Method of Check Books and Determination of the Amount that Banks are Obligated to Pay to the Bearer

Check liability amount has been changed.

"Regulation on Remote Identity Detection Methods to be Used by Banks and Establishment of a Contractual Relationship in the Electronic Environment", published in the Official Gazette dated 1.4.2021

It has regulated the procedures and principles regarding the remote identification methods that can be used by banks in acquiring new customers and the banking services to be provided after the identification of the customer, whether remotely or not, in a way that replaces the written form over an informatics or electronic communication device or establishing a contractual relationship at a distance.

SEDDK's (Insurance and Private Pension Regulation and Supervision Authority) Letter on "Hesitations Regarding the Implementation of Additional Article 6 of the Insurance Law No. 5684", dated 5.4.2021

In addition to the Insurance Law No. 5684, there is the practice of establishing a pledge in favour of the lending banks on the receivables covered by insurance policies, including the compensation claims,

from the guarantees received by the banks to constitute the guarantee of the loans, or the transfer of these compensation receivables to the banks as collateral as a loan guarantee. Since the transfer of the said receivables is prohibited by law after the sixth article came into force, it was stated that there were hesitations about the transfer of these receivables by the banks as loan guarantees, and an opinion was requested from the SEDDK on the subject. The Board stated that the situations in which legal persons are compensation creditors are not within the scope of additional article six of the Law and stated that if the bank's customers are legal entities, the limitations in the additional sixth article will not be in question.

BRSA Letter Regarding the Update of the Contactless Transaction Limit for Card Payments as 350 Turkish Liras, Dated 20.4.2021 and Numbered E-77574904-101.02.02-12269

The contactless payment limit that can be made with debit and credit cards has been increased.

"Regulation on Sharing of Confidential Information", published in the Official Gazette dated 4.6.2021

The scope, form, procedures and principles regarding the sharing and transfer of bank secret and customer secret information have been determined.

BRSA Letter on "Extension of Time for Pandemic Period Decisions" dated 18.6.2021

Within the scope of the pandemic, the period for the classification of loans and the provisions to be set aside for them, the postponement of the principal and interest payments of consumer and vehicle loans at the request of customers, and a few more applications has been extended. In addition to this, a few applications have been terminated.

Regulation on the Private Pension System, published in the Official Gazette dated 6.5.2021

In the BES Regulation, an update has been made regarding the distance transactions such as the revision of the definition of the permanent data logger, etc., and the transfer of authority between official institutions.

Regulation on Activities to be Considered within the Scope of Insurance, and Distance Insurance Contracts, published in the Official Gazette dated 16.6.2021

It regulates the principles and procedures regarding the rights and obligations of the parties to the pension contract and the functioning of the individual pension system in the period from the entry of individuals to the individual pension system following the issuance of the pension contract, to the termination of the pension contract.

"Regulation on Not Using Crypto Assets in Payments", published in the Official Gazette dated 16.04.2021 - numbered 31456

The purpose of this Regulation is to set the principles and procedures stipulating the prohibition on the use of crypto assets in payments, the use of crypto assets directly or indirectly in the provision of payment services and issuance of electronic money, and the prohibition on payment and electronic money organizations, preventing them to act as intermediary for platforms that offer trading, custodian, transfer, or issuance services regarding crypto assets, or to transfer of funds to be carried out on these platforms.

**Official Gazette dated 30.04.2021
- Article 15 of the Law No. 7318 on
Tax Procedure Law and Amending
Certain Laws / Periods for
Submission of Checks and Bills**

The following provision was introduced: "Checks that fall between 30.04.2021 and 31.05.2021 (including these dates) on the last day of the presentation period cannot be presented between these dates; they can be submitted within the remaining submission period after 01.06.2021."

**Official Gazette dated 25.05.2021
- Article 14 of the Law No. 7319
Amending the Laws on Insurance
and Some Other Fields and a Decree
Law / Periods for Submission of
Checks and Bills**

The submission period of checks that fall between 30.04.2021 and 31.05.2021 (including these dates) on the last day of the presentation period or whose presentation period begins between these dates has been suspended until 31.05.2021 (including this date); it has been stipulated that checks to be presented between these dates will be paid if they are fully paid, and that if there is no compensation in whole or in part, a free transaction will not be made.

**CBRT Letter dated 14.06.2021
- Credit Card and Merchant
Maximum Interest Rate Information
Content**

It has been stated that the rates determined by the banks should continue to be announced on the websites in order to ensure that customers are informed more accurately, and that only the rates freely determined by the banks should be reported without reference to the CBRT in the notifications to be made to the customers (SMS, E-mail, etc.).

**17.06.2021 - SDIF Letter / Expired
Deposit, Trust and Receivable
Accounts**

Explanation letter for the SDIF transfer process.

**BRSA's Decision Regarding
Maximum Maturities to be Applied
in Credit Card and Vehicle Loans,
Dated 1.7.2021 and No. 9646**

The maximum terms and lending rates applicable to credit card instalments and vehicle loans to be used by consumers for the purpose of acquiring passenger cars were revised and reduced.

**Regulation Amending the
Regulation on Credit Transactions
of Banks, published in the Official
Gazette dated 8.7.2021 and
numbered 31535**

**BRSA's Decision on the Flood
Disaster in Düzce, Rize and Artvin
provinces, dated 29.7.2021 and
numbered 9720**

Within the scope of the flood disaster, the loans of citizens in Düzce, Rize and Artvin were postponed, and additional instalments were offered.

**BRSA's Letter with the Subject
"About Real Estate Valuation
System Data Sharing", dated
3.8.2021**

It has been deemed necessary for the banks to obtain the owner's approval for the immovables that will be subject to valuation in loan applications made before the banks.

**Letter of the Ministry of
Environment and Urbanisation,
dated 13.8.2021, about
"Amendment to the Regulation
on the Procedures and Principles
Regarding Official Deeds Issued by
Land Registry Offices"**

It has been decided that the Approval Mortgage Establishment and Registration Request documents used in the electronic environment can continue to

be used without obtaining pre-approval from the institution; the systemic developments required by the banks for the Approval Mortgage Establishment and Registration Request and Official Promissory Note format revisions regarding physically established mortgages were postponed until 30.09.2021.

**BRSA Decision dated 19.08.2021
and numbered 9753 "About the
Flood Disaster in the Provinces of
Bartın, Kastamonu, and Sinop."**

Within the scope of the flood disaster, the loans of the citizens in the provinces of Bartın, Kastamonu, and Sinop were postponed, and additional instalments were offered.

**The Decision of the Presidency of
the Republic of Turkey on Flood
and Fire Disaster published in the
Official Gazette dated 27.8.2021
and numbered 31581 and its Annex**

Within the scope of the fire disaster, the loans of citizens in some provinces were postponed and additional instalments were offered.

**BRSA Decision Regarding the
Pandemic, dated 16.09.2021 and
numbered 9797**

Due to the pandemic, to support bank customers and banks, some temporary arrangements made in some obligations that must be fulfilled by banks have been terminated, and the duration of some arrangements has been extended.

**BRSA's Decision dated 16.09.2021
and numbered 9811 on the Maturity
Limit for Consumer Loans, and
Explanation Letter on the Same
Subject dated 18.9.2021**

The maximum maturity for consumer loans has been revised to be 24 months for loans over TL 50,000 and 36 months for loans below.

Prominent legislative regulations in 2021

“Press Release Regarding the FAST System” published by CBRT on 9.7.2021

It has been announced that the transaction amount limit, which was 1.000 TL in the FAST System, which was put into use as of 8.01.2021, will be increased to 2.000 TL on 4 August 2021.

5.8.2021 - Communiqué (No: 2021/5) Amending the Communiqué (Number: 2008/6) on International Bank Account Number

When we look at the content, it is seen that the changes are generally for other payment service providers to make IBANs, and there is no change in terms of banks' implementation.

BRSA's letter dated 26.10.2021 and numbered 28008 about “Consumer Loans Maturity Limits.”

An additional statement was made regarding the decision regarding the maximum maturity of consumer loans to be 24 months for loans over TL 50,000 and 36 months for loans below TL 50,000.

BRSA's Letter dated 30.11.2021 and numbered 33598 on “Credit Disbursements”

“In terms of all loans, including the overdraft account to be extended to all individual and corporate loan customers, the resources obtained with the said loans, foreign currency and gold purchase transactions, time deposits, repo, stocks, etc. investments aimed at providing financial returns, closing off other undue credit risks at banks and non-bank financial institutions, demand for cash withdrawals above reasonable levels, without concrete and reasonable justification for the support, to another bank and intermediary institution or determined through valid documents and in compliance with the legislation. It has been requested to prevent its use in transactions for transferring abroad, except for payment for eligible

imports, for crypto-assets, or for removing money from the registered banking/capital market system.”

BRSA's Letter dated 20.12.2021 and numbered 35867 on “Violation of Instructions”

A warning was given regarding the decision in the article on “Credit Disbursements” and it was stated that a commitment should be obtained from the customers that the loans would be used for their intended purpose.

BRSA's Decision on the Number of Instalments of Mobile Phone Purchases, dated 21.12.2021 and numbered 9993

Changes have been made in terms and invoice amounts for crediting mobile phone purchases that are like renewed products.

“Regulation on Amending the Regulation on the Implementation Principles of Insurance Related to Personal Loans” published in the Official Gazette dated 29.12.2021 and numbered 31704

Changes were made in the insurance application related to individual loans.

13.11.2021 - Communiqué (No: 2021/12) Amending the Communiqué (Number: 2020/7) on the Procedures and Principles Regarding Fees to be Collected from Financial Consumers

A regulation has been introduced regarding workplace payments from account to account.

“Communiqué on Information Systems of Payment and Electronic Money Institutions and Data Sharing Services in the Field of Payment Services of Payment Service Providers” published in the Official Gazette dated 01.12.2021 - numbered 31676

The purpose of the Communiqué is to regulate the procedures and principles regarding the data sharing services of payment

service providers in the field of payment services, as well as the management and auditing of the information systems used by payment institutions and electronic money institutions in the conduct of their activities by authorized independent audit institutions.

“Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers” published in the Official Gazette dated 01.12.2021 - numbered 31676

The purpose of the regulation is to regulate the procedures and principles regarding the authorization and activities of payment institutions and electronic money institutions, the provision of payment services to payment service providers, and the issuance of electronic money.

Dated 13.12.2021 - Letter of the Republic of Turkey Ministry of Treasury and Finance, General Directorate of Financial Markets and Foreign Exchange, about “Amounts to be Applied in the Scope of the Regulation on Housing Account and State Contribution for the Year 2022”

Housing account rates/amounts have been changed.

“Regulation Amending the Regulation Regarding the Deposit and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund”, published in the Official Gazette dated 16.12.2021 and numbered 31691

The definition of “Digital Environment” has been added to the regulation; it has been stipulated that the amount covered by the insurance will be increased by the Fund Board, effective from the beginning of the calendar year; the text stipulates that the obligation to advertise has been amended.

“Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts”, published in the Official Gazette dated 21.12.2021 – with duplicate number 31696 (No: 2021/14)

The purpose of the Communiqué is to regulate the procedures and principles regarding the support to be provided to deposit and participation fund holders in the case that the foreign currency deposit accounts and foreign exchange-denominated participation funds of resident real persons are converted into Turkish lira time deposit and participation accounts.

“Implementation Instruction Regarding the Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts”, dated 23.12.2021

The purpose of the Implementation Instruction is to regulate the procedures and principles regarding the support to be provided to deposit and participation fund holders in the case that the foreign currency deposit accounts of domestic real persons and foreign exchange-denominated participation funds, published in the Official Gazette dated 21/12/2021 and numbered 31696 (repeated), are converted into Turkish lira time deposit and participation accounts. It is to show the implementation details of the Communiqué No. 2021/14 on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts, which regulates the procedures and principles regarding the support.

Press Release of the Republic of Turkey Ministry of Treasury, dated 21.12.2021 - “Currency-Protected TL Time Deposit Account Product”

It was announced that the “Currency-Protected TL Time Deposit” product was put into use to prevent the citizens who use their savings as TL deposits from being

victimized by the volatility in the exchange rates, and the product details were stated.

Press Release of the Republic of Turkey Ministry of Treasury, dated 24.12.2021 – “About Implementation Principles Regarding Currency-Protected TL Time Deposit and Participation Accounts”

It was stipulated that natural persons residing in Turkey (natural persons with legal residence in Turkey including Turkish citizens who are workers, self-employed, and independent business owners abroad) can benefit from this convenience and that it would be possible to benefit from this practice more than once, and the product details were also specified.

“Communiqué on Supporting the Conversion from Gold Accounts to Turkish Lira Deposit and Participation Accounts”, published in the Official Gazette dated 29.12.2021 – numbered 31704 (No: 2021/16)

The purpose of the Communiqué is to regulate the procedures and principles regarding the support to be provided to deposit and participation fund owners in the case that the gold deposit and participation fund accounts of resident real persons are converted into Turkish lira time deposit and participation accounts.

“Implementation Instruction Regarding the Communiqué on Supporting the Conversion from Gold Accounts to Turkish Lira Deposit and Participation Accounts” dated 29.12.2021

The purpose of the Implementation Instruction is to set out the procedure and principles regarding the support to be provided to deposit and participation fund holders in the case that the gold-denominated deposit and participation fund accounts of domestic real persons, published

in the Official Gazette dated 29/12/2021 and numbered 31704, are converted into Turkish lira time deposit and participation accounts. The aim is to show the implementation details of Communiqué No. 2021/16 on Supporting the Conversion from Gold Accounts to Turkish Lira Deposit and Participation Accounts, which regulates the principles.

SDIF Board Decision Regarding the “Change of Deposit Amount Subject to Insurance” published in the Official Gazette dated 30.12.2021 - numbered 31705

The amount of deposit and participation funds subject to insurance has been determined as 200,000 TL.

Communiqué Amending the Communiqué on Supporting the Conversion from Gold Accounts to Turkish Lira Deposit and Participation Accounts (No: 2021/16), published in the Official Gazette dated 31.12.2021 - numbered 31706 (No: 2021/18)

The definitions of “Conversion price” and “Expiry price” have been changed.

“Regulation on Sharing Confidential Information”, published in the Official Gazette dated 04.06.2022 - numbered 31501

The purpose of the regulation is to determine the scope, form, procedures, and principles regarding the sharing and transfer of information like bank secrets and customer secrets.

Letter of BRSA with the title “Extension of Time Regarding Decisions of the Pandemic Period”, dated 18.06.2021

With this letter, some decisions have been extended until 30.09.2021; some decisions were finalized as of 30.06.2021.

Prominent legislative regulations in 2021

Communiqué Amending the “Communiqué on the Procedures and Principles Regarding the Fees to be Collected from Financial Consumers (Number: 2020/7)”, published in the Official Gazette dated 9.8.2021 and numbered 31563 (No: 2021/7)

ATM Money transfer fees have been changed.

CBRT Letter dated 19.8.2021, with the subject “Exemption Requests”

An additional statement has been made that a restricted fee item such as EFT can be presented as a single product without being combined with another product or service.

CBRT Letter with the subject “Communiqué No. 2020/4”, dated 1.9.2021

It has been explained that the fees to be collected from the products or services offered by the banks to the people residing abroad are not within the scope of the Communiqué on Commercial Fees.

BRSA letter with the subject “End of Time Extension Regarding the Decisions of the Pandemic Period”, dated 16.09.2021

With this letter, the decisions were finalized as of 30.09.2021.

Communiqué Amending the Communiqué No. 32 on the Protection of the Value of Turkish Currency (Communiqué No: 2018-32/45), published in the Official Gazette dated 12.10.2021 (Communiqué No: 2021-32/62)

Authorized institutions, which are prohibited from making forward transactions, are allowed to make forward transactions, provided that they are in their own names and for their own accounts.

The Communiqué Amending the “Communiqué on the Procedures and Principles Regarding the Fees Chargeable by Banks to Commercial Customers (Number: 2020/4)” was published in the Official Gazette No. 31658, dated 13.11.2021.

A regulation has been introduced regarding workplace payments from account to account. The definition of commercial customer has been changed.

BRSA's Letter dated 20.12.2021 on “Contravention of the Instruction”.

It is regulated as follows: “receiving a commitment from customers stating that the loans will be used for their purpose”.

“Regulation on Operating Principles of Digital Banks and Service Model Banking” was published in the Official Gazette dated 29.12.2021 and numbered 31704.

The purpose of the regulation is to determine the procedures and principles regarding the activities of branchless banks that serve only through electronic banking services distribution channels and the provision of banking services to financial technology companies and other businesses as a service model.

Commercial Credit Legislation

Amendment to the Regulation on Credit Transactions in the Official Gazette No. 8.7.2021-31535

The definition and application of non-performing receivables have been added, the definition of risk group has been changed, additional documents to be received from companies with credit and transactions that are not subject to credit restrictions have been added.

Amendment to the Provision Regulation with the Official Gazette No. 6.7.2021-31533

Various changes have been made in the provisioning practices.

Letter of BRSA with the subject “About Extension of Rating Obligation Period”, dated 16.9.2021. A change has been made regarding the application of rating grades, and foreign companies are exempted from obtaining grades from within the country if they have grades obtained from certain institutions abroad.

Communiqué on the Procedures and Principles Regarding Fees to be Collected from Commercial Customers by Banks, published in the Official Gazette dated 1.3.2021 and numbered 31410

Fees received from commercial customers have been changed in terms of rates and practices.

Communiqué on the Procedures and Principles Regarding Fees to be Collected from Commercial Customers by Banks, published in the Official Gazette dated 6.8.2021 and numbered 31560

Fees received from commercial customers have been changed in terms of rates and practices.

Communiqué on the Procedures and Principles Regarding Fees to be Collected from Commercial Customers by Banks, published in the Official Gazette dated 13.11.2021 and numbered 31658

Fees received from commercial customers have been changed in terms of rates and practices.

Letter of BRSA with the subject "About Article 11/A of the Regulation on Credit Transactions of Banks", dated 9.2021 and numbered 18837.

Implementation changes have been made regarding the said documents.

Foreign Trade and Foreign Exchange Legislation

11.01.2021 Amendment to CBRT Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country
Collection and acceptance of the export cost

22.02.2021-16.03.2021 Amendment to CBRT's Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Implementation change in discount and offset transactions within the warning period

1.03.2021 Amendment to CBRT Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Implementation change regarding the import of unprocessed precious metals in discount and offset transactions

5.05.2021 Amendment to CBRT Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Implementation change regarding closing the export account related to export costs covered by export credit insurance

4.06.2021 Amendment to CBRT's Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Amendment to the collection and acceptance of the export value from the embassy or foreign diplomatic representations of the importer's country in Turkey and the bank accounts of the importer companies and the group companies of these companies in Turkey

14.06.2021 Amendment to CBRT's Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Setting a withdrawal limit of US Dollars or equivalent foreign currency or Turkish Lira - Cash in foreign currency USD 15,000

1.07.2021 Amendment to CBRT's Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Implementations change in discount and offset transactions within the scope of Inward Processing Regime

12.07.2021 CBRT Amendment to Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Possibility to pay by check or in cash

26.08.2021 Amendment to CBRT's Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Removal of the obligation to bring export prices to the country in export transactions made by Turkish Armed Forces Foundation companies

1.10.2021 Amendment to CBRT's Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Force majeure application change in cash currency

22.10.2021 Amendment to CBRT's Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

About the granting of exemptions to 29 countries in bringing the export price to the country and the release of 50% of the cost savings for 10 countries.

22.10.2021 Amendment to CBRT's Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Implementations change in closing the export account in exports made through Financial Leasing

19.11.2021 Amendment to CBRT's Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Change in the collection and acceptance of the export price in exports within the scope of tenders, contracts, and international agreements to which public institutions and organizations are a party.

31.12.2021 Amendment to CBRT's Export Circular dated JANUARY 16, 2022 regarding the Return of Export Prices to the Country

Obligation to sell 25% of export prices to the CBRT

Prominent legislative regulations in 2021

25.01.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

Transfer of the loan received from abroad to the domestic account of the person using the loan

16.02.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

Credit utilization in case of takeover of unlicensed production facilities

25.02.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

Bringing unprocessed precious metals as capital in kind

16.03.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

Regarding the obligation to obtain a written statement for all Turkish lira amounts of 250,000 TL or more from abroad, the reason for the transfer of which cannot be determined.

16.03.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

To refinance loans obtained from people residing abroad, loans obtained from abroad by the same people can be used directly in the repayment of these loans.

25.03.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

Regarding the payment of share prices in the acquisition of partnership shares.

14.04.2021 - 30.02.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

Regarding the prevention of the repetitive use of credit in the scope of the Investment Incentive Certificate.

15.04.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

About not returning the unregistered and non-credited capital in due time.

14.06.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

About the change in the Foreign Exchange Income Declaration Form. 8.07.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans Within the scope of YEKDEM, foreign currency loans shall not be extended to licensed production facilities that have entered or will be operational as of 1/07/2021 and unlicensed production facilities that are entitled to receive a call letter for connection agreement after 21/6/2018.

30.07.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

Firms that cannot obtain possible foreign currency income due to force majeure may benefit from the opportunity of additional time.

7.10.2021 Amendment to CBRT's Capital Movements Circular dated MAY 2, 2018 on the Use of Foreign Currency Loans

Regarding the compliance condition as an annex to the legal regulation of the Foreign Exchange Income Determination Report, which is sought in the use of credit within the scope of foreign currency income.

10.03.2021 CBRT Export Incentive Legislation Implementation Instruction Amendment

About a 1-month additional time limit for the completion of missing information and documents used in closing the loan commitment.

10.03.2021 CBRT Export Incentive Legislation Implementation Instruction Amendment

About the obligation to monitor the export commitment separately based on each loan.

10.03.2021 CBRT Export Incentive Legislation Implementation Instruction Amendment

About the use of Electronic Commerce Customs Declarations in closing commitments.

26.02.2021 2021/1 Import Circular Change

About change of payment method.

24.08. CBRT Circular No. 2021 2021 /YB-7

About including the labour costs into the undocumented export credit commitment.

05.11.2021 Amendment to Inward Processing Regime No. 2006/12

Due to the coronavirus (Covid 19) pandemic, it is possible to request an additional period until 31/12/2021 for inward processing permit certificates / inward processing permits whose export commitment account has not been closed before 5 November 2021.

Communiqués Amending the Communiqué No. 32 on the Protection of the Value of Turkish Currency (Communiqué No: 2008-32/34), published in the Official Gazettes dated 30.01.2021-06.11.2021.

30.01.2021 Revision of contracts, which are exempted from being issued as foreign currency, within the scope of the relevant Communiqué, 06.11.2021 Regarding the standard unprocessed precious metal imports.

Communiqué Amending the Communiqué regarding the Decree No. 32 on the Protection of the Value of Turkish Currency (On Export Fees) (Communiqué No: 2018-32/48), published in the Official Gazette dated 21.02.2021.
About unprocessed precious metal imports

Circular on the Amendment to Central Bank of the Republic of Turkey Circular No. I-M on the Communiqué No. 2008-32/34 of the Ministry of Treasury and Finance regarding the Decree No. 32 on the Protection of the Value of Turkish Currency, published in the Official Gazette dated 20.08.2021.
Currencies subject to trading by the CBRT have been updated.

Communiqués Amending the “Communiqué No. 32 on the Protection of the Value of Turkish Currency” (Communiqué No: 2018-32/45), published in the Official Gazettes dated 12.10.2021 and 18.11.2021.

The authorized institutions defined in the Decision No. 32 on the Protection of the Value of Turkish Currency
Making changes in the scope of activity, operating permit, establishment conditions, branch opening permit, account and document order conditions

Regulation on the Amendment of the Implementing Regulation on Free Zones published in the Official Gazette dated 17.02.2021.
Goods that are prohibited to be brought into the region or that require a special mechanism/structure

Decision on the Amendment of the Decision on State Aids in Investments published in the Official Gazette dated 26.06.2021.
“About fixed investment amount and minimum capacity, customs duty exemption, interest or dividend

support, employer’s insurance premium support, insurance premium support, and priority investments.

Communiqué on the Implementation of the Decision on State Aids in Investments, published in the Official Gazette dated 13.11.2021.
About the evaluation of the incentive certificate application

Communiqués on the Temporary Dismissal of the International Surveillance Company, published in the Official Gazettes dated 17.03.2021-18.01.2022.
Regarding the companies that violate the provisions of the Communiqué on the Status of International Inspection Company, they are banned from operating within the specified periods.

Decisions Regarding Foreign Trade Capital Companies, published in the Official Gazettes dated 04.03.2021- 17.03.2021-14.11.2021.
About updating the Foreign Trade Capital Companies list.

Communiqués on Amendments to the Communiqué (Communiqué No: Export 2006/7) Regarding the Export Registered Goods, published in the Official Gazettes dated 25.05.2021-01.06.2021-04.06.2021-04.09.2021-12.10.2021-16.10.2021.
Updating the List of Registered Goods for Export

Communiqués Amending the Communiqué on Goods Prohibited to be Exported and Subject to Pre-authorization (Export 96/31) (EXPORT 2021/6) 06.08.2021
Updating the List of Goods Prohibited to be Exported and Subject to Pre-authorization

Required Reserves

On 24.02.2021, Turkish lira reserve requirement ratios were increased by 200 basis points in all maturity brackets and liability types, the maximum rate of Turkish lira reserve requirements could be established in foreign currency from 30 percent to 20 percent, Turkish lira required reserves could be established in standard gold It has been decided to reduce the maximum rate of opportunities from 20 percent to 15 percent.

On 01.07.2021, it was decided to terminate the facility on October 1, 2021, by reducing the maximum rate of establishment of Turkish lira-required reserves in foreign currency from 20 percent to 10 percent. Required reserve ratios for foreign currency deposits were increased by 200 basis points in all maturity brackets.

In addition, on 25 June 2021, it was decided to exempt the amounts held in foreign currency deposit accounts and converted them into Turkish lira deposit funds after this date from the required reserve obligation, and to apply additional interest to the required reserves established in the Turkish lira to increase the share of the Turkish lira in the total deposits in the banking system.

On 15.09.2021, the required reserve regulation was amended. As announced on July 1, 2021, the possibility of maintaining Turkish lira required reserves in foreign currency was terminated by reducing it from 10% to 0% on October 1, 2021, and to be effective on the same date, the required reserve ratios applied to foreign currency deposits were terminated by 200 basis points in all maturity brackets. decided to increase.

Prominent legislative regulations in 2021

On 09.11.2021, the maximum rate of establishment of Turkish lira-required reserves in standard gold was reduced from 15% to 10%. In addition, required reserve ratios applied to FX deposits/participation funds were increased by 200 basis points in all maturity brackets. In the same context, and depending on the changes in the CBRT policy rates, the required reserve interest rates were gradually reduced to 8.5% at the end of the year, after starting with 12% at the beginning of the year and increasing to 13.5% in February 2021.

To support financial stability by increasing the share of the Turkish lira in total deposits in the banking system on 27.12.2021, foreign currency deposit accounts in US dollars, Euros, and British pounds were converted into time deposits in Turkish lira and remain in Turkish lira time deposit accounts, the maximum amount applied to Turkish lira deposits. It has been decided to pay an interest of 14 percent, which is the one-week repo auction interest rate, twice the portion found by multiplying the high reserve requirement ratio.

In addition, regarding the amounts held in foreign currency in the required reserve and notice FX deposit accounts with the CBRT, it has been decided as follows:

- A commission of 0.015 (1.5 percent) per annum shall be collected on the portion of foreign currency amounts held in US dollars up to the amount required for deposit liabilities in US dollars,
- A commission of 0.015 (1.5 percent) per annum shall be collected on the portion of the foreign currency held in Euro and US dollars up to the amount required for deposit liabilities in foreign currencies other than US dollars (excluding foreign banks deposits),

- The said commissions shall not be applied until the end of 2022 to banks of which the conversion rate from their foreign currency deposit accounts in US dollars, Euros, and British Pounds and participation fund accounts in foreign currency, existing as of 20/12/2021, to time deposit accounts in Turkish lira is 10.00 percent as of the obligation date of 21/1/2022, and to banks of which such conversion rate is 20.00 percent as of the obligation date of 18/3/2022,
- The said commissions shall be calculated over the average balances related to the reserve requirement period, the accrual will be made quarterly at the end of March, June, September, and December, and will be collected on the first business day following the quarterly period.

On 29.12.2021, CBRT published the "Communiqué on Supporting the Conversion from Gold Accounts to Turkish Lira Deposit and Participation Accounts" and with the said communiqué, in case the gold and foreign currency-denominated deposit and participation fund accounts of domestic residents are converted into Turkish lira time deposits and participation accounts, and the procedures and principles regarding the support to be provided to participation fund holders have been determined.

AKBANK T.A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND RELATED
DISCLOSURES AT 31 DECEMBER 2021 TOGETHER
WITH INDEPENDENT AUDITOR’S REPORT**

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

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

INDEPENDENT AUDITOR'S REPORT

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

A. Audit of the Unconsolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Akbank T.A.Ş. (the "Bank"), which comprise the statement of unconsolidated balance sheet as at 31 December 2021, unconsolidated income statement, unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

In our opinion, except for the effect of the matter on the unconsolidated financial statements described in the basis for the qualified opinion paragraph below, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2021, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Qualified Opinion

As explained in Section Five Part II h.4 (i) of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 31 December 2021 include a free provision amounting to TL 1.400.000 thousand which consist of TL 1.150.000 thousand provided in prior years and TL 250.000 thousand recognized in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters**How Our Audit Addressed the Key Audit Matter****Impairment of loans in accordance with TFRS 9**

The Bank has total provision for impairment of TL 18.620.471 thousands in respect to loans of TL 353.371.830 thousands which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as at 31 December 2021. Explanations and notes related to provision for impairment of loans are presented section III part VII-e, section III part VIII, section IV part II-h, section IV part II-I, section IV part II-j, section IV part X-c, section V part I-f and section V part II-h in the accompanying unconsolidated financial statements as at 31 December 2021.

The Bank recognizes provisions for impairment in accordance with "TFRS 9 Financial Instruments" requirements in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost. In addition, the operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of the data are key in the determination of expected credit losses on loans. Impairment allowances are calculated on a collective basis for portfolios of loans of a similar nature and on individual basis for significant loans taking into account Management's best estimate at the balance sheet date and historical losses incurred. The impacts of COVID-19 global pandemic have increased the importance of the estimations and assumptions used by the Bank management in determination of the expected credit loan loss provision. The uncertainties arising from these impacts have been evaluated by the management in their judgements and estimations.

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

Within our audit procedures, we assessed policies and procedures together with the overall governance established by the Bank with respect to classification of loans and estimation of impairment in accordance with the applicable regulations considering also the impacts of COVID-19. We have tested the design and operating effectiveness of controls implemented by the Bank in line with its governance, policies and procedures.

Together with our modelling specialists, we have evaluated and tested the methodologies used in building impairment models in line with the requirement of TFRS 9 and the Bank's policies for the significant portfolio of loans. We have tested model calculations through re-performance together with our modelling specialists on a sample basis. We have independently assessed together with our related specialists methodologies used in the models with respect to segmentation, life time expected credit losses, losses given default and use of macro-economic expectations that include the impacts of COVID-19.

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

In addition, for non-performing loans and other significant loans that are subject to individual assessment based on the Bank policies, we have evaluated the appropriateness of specific impairment provision with supportable input. Based on our discussions with the Bank management, we have evaluated and challenged whether the key assumptions and other judgements, underlying the estimation of impairment were reasonable including the areas affected by the uncertainties related to COVID-19.

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

<i>Key Audit Matters</i>	<i>How Our Audit Addressed the Key Audit Matter</i>
<i>Valuation of Pension Fund Obligations</i>	
<p>The Bank has booked provision amounting to TL 294.503 thousand for Pension Fund Liabilities in the accompanying unconsolidated financial statements as at 31 December 2021. Explanations on Valuation of Pension Obligations are presented in the section III part XVII-b and section V part II-h in the accompanying unconsolidated financial statements.</p>	<p>Within our audit we tested on a sample basis the accuracy of the employee data supplied by the Bank management to the external consulting firm for the purpose of evaluation pension obligation. In addition, we have verified the existence and values of the Pension Fund assets.</p>
<p>The Bank's Personnel Pension Fund Foundation (Pension Fund) is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds to be transferred to the Social Security Institution (SSI). The President of the Republic of Turkey is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The valuations of the pension obligations require significant judgement and technical expertise in choosing appropriate assumptions. The Bank's management uses external consulting firm for the purpose of valuations of pension obligations. The reason we focused on this area during our audit is; the importance of the actuarial and economic assumptions such as discount rates, salary increases, demographic assumptions used in the valuation of pension obligations with respect to social benefits and the significant impact that may arise from the possible change in the assumptions used in the evaluation of pension fund liabilities.</p>	<p>Through use of actuarial specialists, we assessed the reasonableness of assumptions and evaluation made by the external actuaries in the calculation of the liability.</p> <p>In addition to the above procedures we have reviewed disclosures made with respect to pension fund.</p>

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

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

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

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

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

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

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

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

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

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

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

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

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

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

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

Zeynep Uras, SMMM
Partner

Istanbul, 1 February 2022

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

THE UNCONSOLIDATED FINANCIAL REPORT OF AKBANK T.A.Ş. AS OF 31 DECEMBER 2021

Address : Sabancı Center 34330, 4. Levent / İstanbul
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E-mail : <http://www.akbank.com/tr-tr/genel/Sayfalar/Iletisim-Formu.aspx>

The unconsolidated financial report, prepared in accordance with “Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced” as regulated by the Banking Regulation and Supervision Agency, is consist of the sections listed below.

- **Section One** - GENERAL INFORMATION ABOUT THE BANK
- **Section Two** - UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- **Section Five** - INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** - OTHER EXPLANATIONS
- **Section Seven** - INDEPENDENT AUDITOR’S REPORT

The accompanying unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira (TL), have been prepared based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and the related appendices and interpretations on these, and are independently reviewed.

1 February 2022

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

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

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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

**SECTION ONE
GENERAL INFORMATION ABOUT THE BANK**

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

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

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

The Bank's shares have been quoted on the Borsa Istanbul ("BIST") since 1990. In 1998, 4.03% of the outstanding share capital of the Bank was offered and sold in an international offering outside of Turkey in the form of Ordinary Shares and American Depositary Receipts ("ADRs"). As of 31 December 2021, approximately 51% of the shares are publicly traded, including the ADRs (31 December 2020: 51%).

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

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

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

The shares of individuals above are insignificant in the Bank.

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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

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

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

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

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

As of 31 December 2021, the Bank has 12.184 employees (31 December 2020: 12.459).

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

None.

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.Ş.**I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2021 (STATEMENT OF FINANCIAL POSITION)**

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		92.556.769	200.971.445	293.528.214	46.162.992	101.436.583	147.599.575
1.1 Cash and Cash Equivalents		14.850.943	128.510.890	143.361.833	4.892.544	57.958.870	62.851.414
1.1.1 Cash and Balances with Central Bank	(I-a)	11.895.572	79.991.153	91.886.725	4.398.630	43.277.684	47.676.314
1.1.2 Banks	(I-d)	132.292	48.520.144	48.652.436	5.749	14.734.608	14.740.357
1.1.3 Money Markets		2.823.223	-	2.823.223	488.179	-	488.179
1.1.4 Expected Loss Provision (-)		144	407	551	14	53.422	53.436
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	1.447.537	8.360.046	9.807.583	1.108.586	7.912.516	9.021.102
1.2.1 Government Debt Securities		133.543	337.168	470.711	12.612	167.331	179.943
1.2.2 Equity Instruments		-	282.498	282.498	-	158.714	158.714
1.2.3 Other Financial Assets		1.313.994	7.740.380	9.054.374	1.095.974	7.586.471	8.682.445
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-e)	35.739.765	54.941.506	90.681.271	23.665.110	29.417.582	53.082.702
1.3.1 Government Debt Securities		34.746.069	41.067.134	75.813.203	23.067.781	21.352.442	44.420.223
1.3.2 Equity Instruments		15.610	109	15.719	15.610	607	16.217
1.3.3 Other Financial Assets		978.086	13.874.263	14.852.349	581.719	8.064.543	8.646.262
1.5 Derivative Financial Assets	(I-c, I-I)	40.518.524	9.159.003	49.677.527	16.496.752	6.147.605	22.644.357
1.5.1 Derivative Financial Assets at Fair Value Through Profit or Loss		27.275.288	8.969.678	36.244.966	11.758.273	6.147.605	17.905.878
1.5.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		13.243.236	189.325	13.432.561	4.738.479	-	4.738.479
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		263.774.618	123.543.878	387.318.496	204.405.636	74.269.325	278.674.961
2.1 Loans	(I-f)	236.264.729	117.107.101	353.371.830	183.882.588	69.435.940	253.318.528
2.2 Lease Receivables	(I-k)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost	(I-g)	42.169.862	10.415.698	52.585.560	34.523.108	7.361.951	41.885.059
Government Debt Securities		42.169.862	9.446.135	51.615.997	34.523.108	6.693.715	41.216.823
Other Financial Assets		-	969.563	969.563	-	668.236	668.236
2.5 Expected Credit Loss (-)		14.659.973	3.978.921	18.638.894	14.000.060	2.528.566	16.528.626
III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-r)	170.756	-	170.756	173.416	-	173.416
3.1 Held for Sale Purpose		170.756	-	170.756	173.416	-	173.416
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		2.862.756	13.215.503	16.078.259	2.094.996	7.525.427	9.620.423
4.1 Investments in Associates (Net)	(I-h)	18.129	-	18.129	14.795	-	14.795
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		18.129	-	18.129	14.795	-	14.795
4.2 Subsidiaries (Net)	(I-I)	2.844.627	13.215.503	16.060.130	2.080.201	7.525.427	9.605.628
4.2.1 Unconsolidated Financial Subsidiaries		2.844.627	13.215.503	16.060.130	2.080.201	7.525.427	9.605.628
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)	(I-J)	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)	(I-m)	5.811.559	17.668	5.829.227	5.938.700	17.800	5.956.500
VI. INTANGIBLE ASSETS (Net)	(I-n)	1.465.638	1	1.465.639	1.168.363	9	1.168.372
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.465.638	1	1.465.639	1.168.363	9	1.168.372
VII. INVESTMENT PROPERTY (Net)	(I-o)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(I-p)	-	73.610	73.610	88.226	-	88.226
X. OTHER ASSETS (Net)	(I-s)	4.301.347	145.747	4.447.094	2.701.666	117.662	2.819.328
TOTAL ASSETS		370.943.443	337.967.852	708.911.295	262.733.995	183.366.806	446.100.801

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

AKBANK T.A.S.

I. UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2021 (STATEMENT OF FINANCIAL POSITION)

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	151.975.048	261.285.686	413.260.734	108.487.593	160.082.602	268.570.195
II. FUNDS BORROWED	(II-c)	235.575	53.261.238	53.496.813	257.770	36.006.231	36.264.001
III. MONEY MARKETS		34.515.352	26.491.283	61.006.635	3.600.713	15.407.153	19.007.866
IV. SECURITIES ISSUED (Net)	(II-d)	8.711.844	20.830.603	29.542.447	7.564.687	11.593.289	19.157.976
4.1 Bills		6.317.699	-	6.317.699	5.125.237	-	5.125.237
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		2.394.145	20.830.603	23.224.748	2.439.450	11.593.289	14.032.739
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(II-b, II-g)	21.982.296	3.304.939	25.287.235	11.232.111	3.784.919	15.017.030
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		21.706.040	3.091.924	24.797.964	10.888.507	3.449.654	14.338.161
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		276.256	213.015	489.271	343.604	335.265	678.869
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(II-f)	535.440	-	535.440	505.660	-	505.660
X. PROVISIONS	(II-h)	3.094.834	130.367	3.225.201	2.361.273	55.589	2.416.862
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		745.039	-	745.039	535.221	-	535.221
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		2.349.795	130.367	2.480.162	1.826.052	55.589	1.881.641
XI. CURRENT TAX LIABILITY	(II-i)	1.975.622	257.473	2.233.095	1.477.891	93.789	1.571.680
XII. DEFERRED TAX LIABILITY	(II-i)	171.341	-	171.341	-	16.161	16.161
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND RELATED TO THE DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(II-j)	-	18.725.534	18.725.534	-	6.718.414	6.718.414
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	18.725.534	18.725.534	-	6.718.414	6.718.414
XV. OTHER LIABILITIES	(II-e)	11.528.675	13.943.194	25.471.869	8.067.980	5.867.983	13.935.963
XVI. SHAREHOLDERS' EQUITY	(II-k)	83.571.770	(7.616.819)	75.954.951	63.786.711	(867.718)	62.918.993
16.1 Paid-in capital		5.200.000	-	5.200.000	5.200.000	-	5.200.000
16.2 Capital Reserves		5.400.628	-	5.400.628	5.400.628	-	5.400.628
16.2.1 Share Premium		3.505.742	-	3.505.742	3.505.742	-	3.505.742
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		1.894.886	-	1.894.886	1.894.886	-	1.894.886
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		3.325.779	649.363	3.975.142	3.470.625	852.351	4.322.976
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		12.494.457	(8.266.182)	4.228.275	4.093.628	(1.720.069)	2.373.559
16.5 Profit Reserves		45.024.998	-	45.024.998	39.354.663	-	39.354.663
16.5.1 Legal Reserves		1.808.635	-	1.808.635	1.772.027	-	1.772.027
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		43.068.048	-	43.068.048	37.306.183	-	37.306.183
16.5.4 Other Profit Reserves		148.315	-	148.315	276.453	-	276.453
16.6 Income or (Loss)		12.125.908	-	12.125.908	6.267.167	-	6.267.167
16.6.1 Prior Periods' Income or (Loss)		-	-	-	-	-	-
16.6.2 Current Period Income or (Loss)		12.125.908	-	12.125.908	6.267.167	-	6.267.167
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		318.297.797	390.613.498	708.911.295	207.342.389	238.758.412	446.100.801

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

AKBANK T.A.Ş.

II. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2021

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

	Note (Section Five)	CURRENT PERIOD (31/12/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		334.075.943	869.088.866	1.203.164.609	220.883.948	501.071.252	721.755.200
I. GUARANTEES AND WARRANTIES	(III-a-2, 3)	32.764.411	55.057.939	87.822.350	24.904.256	27.330.766	52.235.022
1.1 Letters of Guarantee		26.592.620	31.278.272	57.870.892	21.260.165	16.215.511	37.475.676
1.1.1 Guarantees Subject to State Tender Law		1.155.719	3.175.131	4.330.850	340.040	1.654.714	1.994.754
1.1.2 Guarantees Given for Foreign Trade Operations		-	2.601.276	2.601.276	-	1.908.879	1.908.879
1.1.3 Other Letters of Guarantee		25.436.901	25.501.865	50.938.766	20.920.125	12.651.918	33.572.043
1.2 Bank Acceptances		-	159.525	159.525	-	47.814	47.814
1.2.1 Import Letter of Acceptance		-	159.525	159.525	-	47.814	47.814
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		49.289	15.073.346	15.122.635	7.931	4.597.968	4.605.899
1.3.1 Documentary Letters of Credit		49.289	13.479.532	13.528.821	7.931	3.583.529	3.591.460
1.3.2 Other Letters of Credit		-	1.593.814	1.593.814	-	1.014.439	1.014.439
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	23.003	23.003	-	19.269	19.269
1.8 Other Guarantees		100.457	8.507.143	8.607.600	156.440	6.439.006	6.595.446
1.9 Other Collaterals		6.022.045	16.650	6.038.695	3.479.720	11.198	3.490.918
II. COMMITMENTS	(III-a-1)	68.266.362	39.846.412	108.112.774	51.032.165	17.014.857	68.047.022
2.1 Irrevocable Commitments		66.901.506	39.846.412	106.747.918	50.214.657	17.014.857	67.229.514
2.1.1 Asset Purchase Commitments		7.164.528	14.383.952	21.548.480	2.918.552	4.989.558	7.908.110
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		13.266.649	6.041.228	19.307.877	9.086.285	1.068.075	10.154.360
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		3.394.242	-	3.394.242	2.730.978	-	2.730.978
2.1.8 Tax and Fund Liabilities from Export Commitments		5.934	-	5.934	4.702	-	4.702
2.1.9 Commitments for Credit Card Limits		34.314.098	-	34.314.098	29.118.196	-	29.118.196
2.1.10 Commitments for Credit Cards and Banking Services Promotions		130.112	-	130.112	130.470	-	130.470
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		8.625.943	19.421.232	28.047.175	6.225.474	10.957.224	17.182.698
2.2 Revocable Commitments		1.364.856	-	1.364.856	817.508	-	817.508
2.2.1 Revocable Loan Granting Commitments		1.364.856	-	1.364.856	817.508	-	817.508
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(III-b)	233.045.170	774.184.315	1.007.229.485	144.747.527	456.725.629	601.473.156
3.1 Hedging Derivative Financial Instruments		38.163.770	122.991.616	161.155.386	20.931.023	63.575.943	84.506.966
3.1.1 Fair Value Hedges		2.471.040	56.739.869	59.210.909	4.338.828	25.429.801	29.768.629
3.1.2 Cash Flow Hedges		35.692.730	66.251.747	101.944.477	16.592.195	38.146.142	54.738.337
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		194.881.400	651.192.699	846.074.099	123.816.504	393.149.686	516.966.190
3.2.1 Forward Foreign Currency Buy/Sell Transactions		15.801.559	38.391.025	54.192.584	7.430.425	12.905.210	20.335.635
3.2.1.1 Forward Foreign Currency Transactions-Buy		15.557.894	10.352.662	25.910.556	6.721.463	3.713.210	10.434.673
3.2.1.2 Forward Foreign Currency Transactions-Sell		243.665	28.038.363	28.282.028	708.962	9.192.000	9.900.962
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		160.953.319	505.546.140	666.499.459	110.509.281	319.678.319	430.187.600
3.2.2.1 Foreign Currency Swap-Buy		14.906.795	187.588.786	202.495.581	14.224.154	105.618.937	119.843.091
3.2.2.2 Foreign Currency Swap-Sell		87.801.938	129.344.010	217.145.948	61.106.357	76.325.072	137.431.429
3.2.2.3 Interest Rate Swap-Buy		29.122.293	94.306.672	123.428.965	17.589.385	68.867.155	86.456.540
3.2.2.4 Interest Rate Swap-Sell		29.122.293	94.306.672	123.428.965	17.589.385	68.867.155	86.456.540
3.2.3 Foreign Currency, Interest Rate and Securities Options		9.735.945	43.924.035	53.659.980	2.919.220	23.477.844	26.397.064
3.2.3.1 Foreign Currency Options-Buy		6.157.981	6.443.609	12.601.590	1.146.399	3.242.182	4.388.581
3.2.3.2 Foreign Currency Options-Sell		3.577.964	10.124.782	13.702.746	1.772.821	2.481.696	4.254.517
3.2.3.3 Interest Rate Options-Buy		-	13.677.822	13.677.822	-	8.876.983	8.876.983
3.2.3.4 Interest Rate Options-Sell		-	13.677.822	13.677.822	-	8.876.983	8.876.983
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		8.206.775	8.114.789	16.321.564	2.845.954	2.639.110	5.485.064
3.2.4.1 Foreign Currency Futures-Buy		8.206.775	-	8.206.775	312.150	2.344.916	2.657.066
3.2.4.2 Foreign Currency Futures-Sell		-	8.114.789	8.114.789	2.533.804	294.194	2.827.998
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		183.802	55.216.710	55.400.512	111.624	34.449.203	34.560.827
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		1.075.455.203	790.972.547	1.866.427.750	929.689.537	437.684.523	1.367.374.060
IV. ITEMS HELD IN CUSTODY		70.854.516	87.054.819	157.909.335	55.727.406	41.179.943	96.907.349
4.1 Customer Fund and Portfolio Balances		17.288.136	6.693.055	23.981.191	11.866.024	2.573.098	14.439.122
4.2 Investment Securities Held in Custody		4.032.388	19.165.189	23.197.577	3.980.205	9.387.822	13.368.027
4.3 Cheques Received for Collection		41.556.021	8.993.088	50.549.109	32.938.939	4.497.006	37.435.945
4.4 Commercial Notes Received for Collection		7.595.783	10.212.171	17.807.954	6.634.533	4.697.709	11.332.242
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		382.188	41.991.316	42.373.504	307.705	20.024.308	20.332.013
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		261.417.076	211.157.958	472.575.034	238.975.119	125.345.622	364.320.741
5.1 Marketable Securities		449.676	4.510.927	4.960.603	430.796	2.676.129	2.676.925
5.2 Guarantee Notes		797.853	1.391.005	2.188.858	652.787	695.879	1.348.666
5.3 Commodity		347.908	305.712	653.620	178.400	170.170	348.570
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		181.905.088	164.039.171	345.944.259	182.485.731	97.605.054	280.090.785
5.6 Other Pledged Items		77.916.551	40.911.143	118.827.694	55.227.405	24.628.390	79.855.795
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		743.183.611	492.759.770	1.235.943.381	634.987.012	271.158.958	906.145.970
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		1.408.531.146	1.660.061.213	3.069.592.359	1.150.373.485	938.755.775	2.089.129.260

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

AKBANK T.A.Ş.**III. UNCONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

INCOME AND EXPENSE ITEMS		Note	CURRENT PERIOD	PRIOR PERIOD
		(Section Five)	(01/01-31/12/2021)	(01/01-31/12/2020)
I.	INTEREST INCOME	(IV-a)	48.802.008	33.456.476
1.1	Interest on Loans	(IV-a-1)	33.535.367	23.229.974
1.2	Interest on Reserve Requirements		881.784	96.440
1.3	Interest on Banks	(IV-a-2)	76.740	283.530
1.4	Interest on Money Market Transactions		143.079	542.863
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	14.066.747	9.266.768
1.5.1	Fair Value Through Profit or Loss		21.365	15.133
1.5.2	Fair Value Through Other Comprehensive Income		6.960.492	5.365.876
1.5.3	Measured at Amortised Cost		7.084.890	3.885.759
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		98.291	36.901
II.	INTEREST EXPENSE (-)	(IV-b)	25.967.296	13.925.781
2.1	Interest on Deposits	(IV-b-4)	17.529.660	8.913.962
2.2	Interest on Funds Borrowed	(IV-b-1)	994.281	1.037.241
2.3	Interest Expense on Money Market Transactions		4.600.231	1.639.318
2.4	Interest on Securities Issued	(IV-b-3)	2.720.752	1.907.768
2.5	Interest on Leases		85.599	88.567
2.6	Other Interest Expenses		36.773	338.925
III.	NET INTEREST INCOME (I - II)		22.834.712	19.530.695
IV.	NET FEES AND COMMISSIONS INCOME		5.232.526	3.865.536
4.1	Fees and Commissions Received		6.909.828	4.897.270
4.1.1	Non-cash Loans		571.025	439.666
4.1.2	Other		6.338.803	4.457.604
4.2	Fees and Commissions Paid (-)		1.677.302	1.031.734
4.2.1	Non-cash Loans		5.062	4.422
4.2.2	Other		1.672.240	1.027.312
V.	DIVIDEND INCOME	(IV-c)	5.246	4.763
VI.	TRADING INCOME / (LOSS) (Net)	(IV-d)	6.449.208	(618.777)
6.1	Trading Gains / (Losses) on Securities		660.783	403.345
6.2	Gains / (Losses) on Derivative Financial Transactions		(841.552)	(4.067.523)
6.3	Foreign Exchange Gains / (Losses)		6.629.977	3.045.401
VII.	OTHER OPERATING INCOME	(IV-e)	2.244.262	1.373.338
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		36.765.954	24.155.555
IX.	EXPECTED CREDIT LOSS (-)	(IV-f)	5.139.830	6.860.487
X.	OTHER PROVISION EXPENSES (-)		7.791.329	2.619.366
XI.	PERSONNEL EXPENSE (-)		3.274.275	2.843.740
XII.	OTHER OPERATING EXPENSES (-)	(IV-g)	6.051.897	4.842.876
XIII.	NET OPERATING INCOME/ (LOSS) (VIII-IX-X-XI-XII)		14.508.623	6.989.086
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/ (LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		1.557.517	956.126
XVI.	INCOME/ (LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(IV-i)	16.066.140	7.945.212
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-j)	3.940.232	1.678.045
18.1	Current Tax Provision		2.969.973	2.061.984
18.2	Deferred Tax Expense Effect (+)		5.272.335	1.013.470
18.3	Deferred Tax Income Effect (-)		4.302.076	1.397.409
XVIII.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(IV-k)	12.125.908	6.267.167
XIX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XX.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXI.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)	(IV-i)	-	-
XXII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(IV-j)	-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIII.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)	(IV-k)	-	-
XXIV.	NET INCOME/ (LOSS) (XIX+XXIV)	(IV-l)	12.125.908	6.267.167
Earning/(Loss) per share (in TL full)			0,02332	0,01205

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

AKBANK T.A.Ş.**IV. UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

	CURRENT PERIOD (31/12/2021)	PRIOR PERIOD (31/12/2020)
I. CURRENT PERIOD INCOME/LOSS	12.125.908	6.267.167
II. OTHER COMPREHENSIVE INCOME	1.536.130	2.269.225
2.1 Not Reclassified Through Profit or Loss	(318.586)	620.514
2.1.1 Property and Equipment Revaluation Increase/Decrease	13.183	912.544
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Plan Remeasurement Gain/Loss	(155.155)	(66.027)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(205.008)	(146.668)
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	28.394	(79.335)
2.2 Reclassified Through Profit or Loss	1.854.716	1.648.711
2.2.1 Foreign Currency Translation Differences	5.137.658	2.156.330
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(2.588.189)	323.122
2.2.3 Cash Flow Hedge Income/Loss	3.176.188	549.270
2.2.4 Foreign Net Investment Hedge Income/Loss	(4.698.557)	(1.464.540)
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	827.616	84.529
III. TOTAL COMPREHENSIVE INCOME (I+II)	13.662.038	8.536.392

AKBANK T.A.Ş.
V. UNCONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021
 (Amounts are expressed in thousands of Turkish Lira (TL)).

Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Other (Investments Valued by Equity Method in Other Comprehensive Income Not Classified as Held for Sale)				Accumulated Other Comprehensive Income or Expense Reclassified through Other (Cash Flow Hedge Gain/Loss, Investments Valued by Equity Method in Other Comprehensive Income and Other Comprehensive Income Loss and Other Comprehensive Income)				Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders' Equity
					Accumulated Revaluation Increase/Decrease of Property and Equipment	Accumulated Remeasurement Gain/Loss of Pension Plan	Classified as Held for Sale and Other Accumulated Income Items	Other Comprehensive Income Items Not Reclassified Through Profit or (Loss)	Foreign Currency Translation Differences	Revaluation and/or Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Accumulated Other Comprehensive Income Items Reclassified Through Profit or (Loss)	Other Comprehensive Income Items Reclassified Through Profit or (Loss)				
I. Prior Period End Balance																
II. Corrections and Accounting Policy Changes Made According to TAS 8																
2-1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2-2 Accounting Policy Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (1-1)	5,200,000	3,505,742	-	1,894,886	3,016,534	(232,557)	1,539,009	4,038,160	342,100	(2,004,701)	-	-	39,354,663	-	6,267,167	62,918,993
IV. Total Comprehensive Income	-	-	-	-	10,546	(124,124)	(205,008)	5,137,658	(2,687,542)	(1,215,400)	-	-	-	-	-	-
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Decrease by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Capital Increase by Share Issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	-	(20,248)	-	-	-	-	-	-	-	20,248	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	5,041,087	-	(6,267,167)	(526,080)
XII. Dividend Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11-1 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	5,041,087	-	(6,267,167)	(526,080)
11-2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11-3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (1-1+II+III+...+XI)	5,200,000	3,505,742	-	1,894,886	2,997,632	(356,681)	1,334,001	9,173,818	(1,728,442)	(3,220,101)	45,024,998	-	12,125,908	-	12,125,908	75,954,951

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

AKBANK T.A.Ş.**VI. UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

	Note (Section Five)	CURRENT PERIOD (31/ 12/ 2021)	PRIOR PERIOD (31/ 12/ 2020)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1		9.083.942	14.492.466
1.1.1		40.557.946	31.076.246
1.1.2		(25.282.392)	(13.818.748)
1.1.3		5.246	4.763
1.1.4		6.938.297	4.925.112
1.1.5		(6.989.804)	(2.332.995)
1.1.6		2.855.106	2.075.902
1.1.7		(3.532.182)	(3.061.119)
1.1.8		(2.825.944)	(1.828.024)
1.1.9	(VI-b)	(2.642.331)	(2.548.671)
1.2		39.686.965	(18.240.094)
1.2.1		(8.312.650)	(3.403.051)
1.2.2		(13.179.692)	(236.528)
1.2.3		(96.498.644)	(51.831.608)
1.2.4		(44.027.041)	(24.959.978)
1.2.5		1.689.343	5.268.489
1.2.6		142.539.875	39.227.668
1.2.7		-	-
1.2.8		17.291.372	4.903.955
1.2.9		-	-
1.2.10	(VI-b)	40.184.402	12.790.959
I.		48.770.907	(3.747.628)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.		(47.247.206)	(11.068.205)
2.1		(10.180)	(35.000)
2.2		-	-
2.3		(1.078.757)	(1.120.513)
2.4		219.394	47.664
2.5		(53.514.673)	(19.392.955)
2.6		14.615.419	31.196.936
2.7		(17.887.458)	(25.884.971)
2.8		15.853.467	4.774.521
2.9		(5.444.418)	(653.887)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.		21.323.857	6.673.200
3.1		44.356.091	34.705.168
3.2		(22.115.394)	(27.755.375)
3.3		-	-
3.4		(626.080)	-
3.5		(290.760)	(276.593)
3.6		-	-
IV.	(VI-b)	10.377.982	2.837.780
V.		33.225.540	(5.304.853)
VI.	(VI-a)	10.531.131	15.835.984
VII.	(VI-a)	43.756.671	10.531.131

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

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

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

	CURRENT PERIOD (31/ 12/ 2021)	PRIOR PERIOD (31/ 12/ 2020)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	16.066.140	7.945.212
1.2 TAXES AND DUTIES PAYABLE	3.940.232	1.678.045
1.2.1 Corporate Tax (Income Tax)	2.969.973	2.061.984
1.2.2 Income Withholding Tax	-	-
1.2.3 Other taxes and duties	970.259	(383.939)
A. NET INCOME FOR THE YEAR (1.1-1.2)	12.125.908	6.267.167
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	12.125.908	6.267.167
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	260.000
1.6.1 To Owners of Ordinary Shares	-	260.000
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	366.080
1.9.1 To Owners of Ordinary Shares	-	366.080
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	5.603.777
1.13 OTHER RESERVES	-	36.608
1.14 SPECIAL FUNDS	-	702
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Privileged Shares	-	-
2.3.3 To Owners of Preferred Shares	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE (*)		
3.1 TO OWNERS OF ORDINARY SHARES	0,023	0,012
3.2 TO OWNERS OF ORDINARY SHARES (%)	2,3	1,2
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	0,001
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	0,1
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Amounts are expressed in TL.

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

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

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

AKBANK T.A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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

**SECTION THREE
EXPLANATIONS ON ACCOUNTING POLICIES**

I. EXPLANATIONS ON BASIS OF PRESENTATION:

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

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

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

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

The COVID-19 pandemic caused serious effects on health systems and the global economy as the virus spread to the world in the first quarter of 2020, widespread closure of businesses and unprecedented constraints in social interactions have significantly affected economic activity. Countries have taken measures to slow the spread of the pandemic, such as testing and treating patients, applying travel restrictions, quarantining citizens and canceling large meetings. Along with these social measures, comprehensive financial measures were taken simultaneously to reduce the negative effects on the economic outlook. Similarly, Turkey has many citizens' health and safety measures, as well as to ensure that companies and regulators to support the households in these challenging circumstances, fiscal and monetary actions have been implemented. Intensive vaccination campaign has been continuing in Turkey as in many parts of the world. On the other hand, estimations and assumptions used to reflect COVID-19 impacts on 31 December 2021 financial statements of the Bank are explained in the relevant footnotes.

b. Explanation for convenience translation to English:

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

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

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

On 20 January 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High

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Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies.

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

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

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

As of 31 December 2021, foreign currency denominated balances are translated into TL using the exchange rates of TL 13,3290 and TL 15,0867 for USD and EURO respectively.

III. EXPLANATIONS ON EQUITY INVESTMENTS:

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

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

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

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

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

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

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

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

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are explained in Note XI of Section Four. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

Classification and measurement of financial assets

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

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

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

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

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

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

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

The Bank recognize a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by Bank

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management and the nature of contractual cash flows of the financial asset are taken into consideration.

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

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

"Financial assets at fair value through profit/loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. The Bank reviewed the valuation of financial assets and liabilities at fair value through profit / loss as of the reporting date, there are no changes caused by the effects of the COVID-19 pandemic that would require any adjustments in fair value measurement as of 31 December 2021.

b. Financial Assets at Fair Value Through Other Comprehensive Income

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

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

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

During initial recognition the Bank can choose in an irrevocable way to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss. The Bank reviewed the valuation of financial assets and liabilities at fair value through other comprehensive income as of the reporting date, there are no changes caused by the effects of the COVID-19 pandemic that would require any adjustments in fair value measurement as of 31 December 2021.

c. Financial Assets Measured at Amortized Cost:

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

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

"Fair value through other comprehensive income" and "measured at amortized cost" securities portfolio of the Bank include Consumer Price Indexed (CPI) Bonds. These securities are valued and accounted using the effective interest rate method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices

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used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of prior two months. The Bank also sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. At the end of the year, the real inflation rate is used.

d. Derivative Financial Assets:

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

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

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

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

e. Loans

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

1. Loans measured at amortised cost:

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

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

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

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

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recognized in accordance with TFRS 9.

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

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

Significant increase in credit risk:

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

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

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

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

Definition of Default:

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

1. Objective Default Definition: It means that the debt is overdue by more than 90 days. The definition of default, which is applicable to the Bank and its consolidated financial institutions, is based on the criteria that the debt is overdue by more than 90 days.
2. Subjective Default Definition: It means the determination that the debt will not be paid. If it is determined that the borrower cannot fulfill its debts related to the loan, regardless of whether there is a balance in delay or the number of days of delay, the debtor is considered in default.

Write-off Policy:

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

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

The process of write-off the loans is an accounting practice and does not result in waiving the right to receivable regarding the related loans. Existing administrative and legal follow-up processes regarding the loans deducted from the record are continued.

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Partial write-off transactions mean that the financial asset will be repaid at a certain rate by the debtor, and the remaining amount after the payment or the part within the Bank that is classified under group 5 and has no reasonable expectations for its recovery will be removed from the financial statements. Regarding the write-off (asset disposal) process; the effect of the amount written off during the period and the amount written off on the NPL ratio is disclosed in the footnotes of the financial statements.

VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES:

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

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

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

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

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

- Probability of Default (PD): PD indicates the probability of default due to inability of the borrower to meet its debt obligations. It has been calculated for 12 months or lifetime depends on increase on borrower's credit risk. Calculation of the lifetime default rate is carried out by drawing the actual default rate figures to the long term using various functions, based on historical data.

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

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

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

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

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

In addition, in the calculation of Expected Credit Loss in accordance with TFRS 9, certain part of commercial and corporate loans

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are subject to individual assessment on a customer basis due to internal policies. This calculation is made by discounting the expected cash flows from the customer or the collateral sales to their present value with the effective interest rate.

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

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

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

Expected Credit Loss (ECL) calculations are reviewed at least once a year, and the macroeconomic model used in the process has been redeveloped during the reporting period. There was no change in the assumptions in the estimation techniques, and the model development studies were carried out by including recent up-to-date data. In the model development process, new indicators were used in addition to the indicators used in previous model studies.

Within the scope of the effects of COVID-19's Expected Credit Loss (ECL) calculations, the macroeconomic model data and scenario weights used in the process are also reviewed at the end of the interim period and updates are made if deemed necessary. No revisions were made to the scenario weights after the review.

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

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

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

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS:

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

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

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

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

As of 31 December 2021, the Bank has marketable securities amounting to TL 1.024.696 (31 December 2020: TL 618.534).

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

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

The Bank has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Bank has no goodwill.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

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

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

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

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

Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures incurred

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in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset. Capital expenditures include the cost components that increase the useful life, or the capacity of the asset, increase the quality of the product or decrease its costs.

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

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

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

b. Retirement Rights:

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

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

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March 2007. The reasoned decree regarding the rescission of the mentioned paragraph was published in the Official Gazette numbered 26731, dated 15 December 2007.

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

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

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

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

As of 31 December 2021, the Bank has made provision in the financial statements for the all technical deficit amounted TL 294.503 (31 December 2020: TL 126.263) determined by the report prepared by an actuary registered in the actuaries register. This amount has been classified as other provision item.

XVIII. EXPLANATIONS ON TAXATION:

a. Current Tax:

As of 31 December 2021, the current corporate tax rate is 25%. In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, starting from the declarations that must be submitted as of 1/7/2021 and to be valid for the taxation period starting from 1/1/2021, the corporate tax rate is 25% for the taxation period of 2021, this rate will be applied as 23% for the taxation period of 2022 and 20% for the taxation period of 2023 and beyond.

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

Dividends paid to non-resident corporations, which have a place of business in Turkey or are resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

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

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

A 75% portion of the capital gains derived from the sale of equity investments and a 50% portion of the capital gains derived from

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the sale of immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

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

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

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

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

b. Deferred Tax:

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, starting from the declarations that must be submitted as of 7 January 2021 and to be valid for the taxation period starting from 1 January 2021, the corporate tax rate is 25% for the taxation period of 2021, and this rate will be applied as 23% for the taxation period of 2022, it will be applied as 20% for the taxation periods of 2023 and beyond. As of 31 December 2021 for the items subject to deferred tax calculation, enacted tax rates valid in accordance with the current tax legislation are used in accordance with their lifetimes. As of 31 December 2020, deferred tax is calculated over 20%. The Bank calculated its deferred tax over 20% as of 31 December 2020.

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

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

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2021.

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XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

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

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity:

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

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

XXIV. PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

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

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

XXV. EARNINGS PER SHARE:

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Net Profit for the Period	12.125.908	6.267.167
Average Number of Issued Common Shares (Thousand)	520.000.000	520.000.000
Earnings Per Share (Amounts presented as full TL)	0,02332	0,01205

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

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

XXVI. RELATED PARTIES:

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

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XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

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

XXIX. DISCLOSURES OF TFRS 16 LEASES:

TFRS 16 "Leases" Standard

Bank – lessee :

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

Right of use assets:

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

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

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

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

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

The Lease Obligations:

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

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

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

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

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

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

	31 December 2021	31 December 2020
Real estate	766.666	706.655
Total right of use asset	766.666	706.655

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

	31 December 2021	31 December 2020
Real estate	348.114	314.165
Total right of use asset depreciation expense	348.114	314.165

Lease agreements for vehicles and ATMs, which are determined as low value by the Bank with short-term lease agreements with a duration of 12 months or less, have been evaluated within the scope of the exemption granted by the standard. Within this scope, TL 134.294 has been paid in the relevant period.

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

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

I. EXPLANATIONS ON EQUITY:

Total capital amount and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". Additionally, calculated according to BRSA regulations dated 21 December 2021, numbered 9996. As of 31 December 2021 based on recent regulation changes;

- 1) In the calculation of the amount subject to credit risk, the method of calculating the valued amounts in foreign currency by using the simple arithmetic average of the CBRT's purchase foreign exchange rates for the 252 weekdays before cut-off date, may be used,
- 2) In case the net valuation differences of the securities owned by banks and acquired before 21 December 2021 in the "Securities at Fair Value through Other Comprehensive Income" portfolio are negative, these differences may not be taken into account in the equity amount.

As of 31 December 2021, taking into consideration the above-mentioned regulations, the current period equity of the Bank has been calculated as TL 100.057.828 (31 December 2020: TL 73.158.466), and the capital adequacy ratio is 22,17% (31 December 2020: 21,84%). This ratio is above the minimum ratio required by the legislation.

a. Information about total capital items:

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

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

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	Current Period 31 December 2021	Amounts related to treatment before 1/1/2014(*)
TOTAL CAPITAL		
Total Capital	100.057.828	
Total Risk Weighted Amounts	451.398.782	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	16,99%	
Tier 1 Capital Adequacy Ratio (%)	16,99%	
Capital Adequacy Ratio (%)	22,17%	
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2,51%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific total common equity tier 1 capital ratio (%)	0,01%	
c) Systemic significant bank buffer ratio (**) (%)	0,00%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	8,99%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	[97.731]	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	7.358.048	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4.858.574	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt Instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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

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

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	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014 (*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components	-	
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	62.971.352	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	6.604.755	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.582.817	
Tier II Capital Before Deductions	10.187.572	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	10.187.572	
Total Capital (The sum of Tier I Capital and Tier II Capital)	73.158.924	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	458	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deducted Components		
The Sum of net long positions of investments (the portion which exceeds the 10 % of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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

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

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

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

Current Period 31 December 2021	
Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) (CUSIP, ISIN vb.)	XS1574750292 / US00972BAB53
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	6.662 million TL (in full TL amount)
Nominal value of instrument	6.662 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	15 March 2017
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 1 day (Maturity date: 16 March 2027)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 16.03.2022. The reimbursement amount is 6.662 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	7,2%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

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Current Period 31 December 2021	
Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1772360803 / US00972BAC37
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	5.331 million TL (in full TL amount)
Nominal value of instrument	5.331 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	27 February 2018
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 60 day [Maturity date: 27 April 2028]
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 27.04.2023. The reimbursement amount is 5.331 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

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Current Period 31 December 2021	
Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) (CUSIP, ISIN vb.)	XS2355183091 / US00971YAJ91
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities [Securities]
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	6.653 million TL (in full TL amount)
Nominal value of instrument	6.653 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	22 June 2021
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year (Maturity date: 22 June 2031)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 22.06.2026. The reimbursement amount is 6.653 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation"	The instrument is not in compliant with article numbered 7.

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

II. EXPLANATIONS ON CREDIT RISK:

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

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

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

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

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

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount
Conditional and unconditional receivables from central governments and Central Banks	219.922.059	178.064.248
Conditional and unconditional receivables from regional or local governments	134.452	151.954
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	483.276	397.512
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	113.710.749	94.759.728
Conditional and unconditional receivables from corporates	254.168.575	221.734.197
Conditional and unconditional receivables from retail portfolios	141.900.312	132.454.339
Conditional and unconditional receivables secured by mortgages	26.886.198	24.101.214
Past due receivables	6.188.640	6.046.318
Receivables defined under high risk category by BRSA	18.793.950	6.380.654
Collateralized securities	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	546.622	1.173.741
Equity security investments	16.474.353	12.048.984
Other receivables	17.653.789	14.466.982
Total	816.862.975	691.779.871

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

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

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

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

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

As seen in the Bank's balance sheet, the ratio of loans under follow-up to total loans is 5,0% (31 December 2020: 6,8%).

- f.** 1. The proportion of the Bank's top 100 and 200 cash loan customers' in total cash loans is 37% and 46% respectively. (31 December 2020: 38% and 46%).
2. The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 62% and 74%. (31 December 2020: 60% and 73%)
3. The proportion of the Bank's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans is 20% and 25% respectively. (31 December 2020: 21% and 27%)
- g.** The Bank provided a general expected credit loss provision (Stage 1 and Stage 2) amounting to TL 7.015.433 (31 December 2020 : TL 5.717.627).

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

Current Period- 31.12.2021	Commercial Loans		Consumer Loans		Credit Cards		Total	
	Balance	Expected Credit Loss	Balance	Expected Credit Loss	Balance	Expected Credit Loss	Balance	Expected Credit Loss
Loans	259.648.244	14.770.976	62.381.238	2.115.708	31.342.348	1.733.787	353.371.830	18.620.471
Stage 1	211.731.514	673.320	56.945.865	422.078	27.868.171	417.845	296.545.550	1.513.243
Stage 2	33.001.618	4.805.602	3.763.395	371.788	2.292.721	324.800	39.057.734	5.502.190
Stage 3	14.915.112	9.292.054	1.671.978	1.321.842	1.181.456	991.142	17.768.546	11.605.038
Financial Assets	195.084.852	132.889	-	-	-	-	195.084.852	132.889
Other	14.712.784	24.141	-	-	-	-	14.712.784	24.141
Non-Cash Loans	87.822.350	641.035	-	-	-	-	87.822.350	641.035
Stage 1 and 2	86.278.179	185.584	-	-	-	-	86.278.179	185.584
Stage 3	1.544.171	455.451	-	-	-	-	1.544.171	455.451
Total	557.268.230	15.569.041	62.381.238	2.115.708	31.342.348	1.733.787	650.991.816	19.418.536

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

	Stage 1	Stage 2	Stage 3
Opening (31 December 2020)	1.414.274	4.303.353	10.798.784
Additions (*)	590.928	1.961.905	912.216
Disposal (**)	(712.902)	(938.621)	(621.625)
Effect of change in foreign exchange	125.720	1.821.266	-
Stage 1 and 2 movement			
Loans classified under Stage 1 in two periods (Model effect)	(95.826)	-	-
Loans classified under Stage 1 in two periods (Change in balance effect)	43.622	-	-
Transfers from Stage 1 to Stage 2 (Stating and balance change effect)	(80.461)	307.742	-
Loans classified under Stage 2 in two periods (Model effect)	-	(440.665)	-
Loans classified under Stage 2 in two periods (Change in balance effect)	-	(41.690)	-
Transfers from Stage 2 to Stage 1 (Stating and balance change effect)	240.689	(985.266)	-
Stage 3 movement			
Transfers from Stage 1 to Stage 3	(12.801)	-	272.313
Transfers from Stage 2 to Stage 3	-	(493.257)	1.218.081
Transfers from Stage 3 to Stage 2	-	7.423	(52.981)
Transfers from Stage 3 to Stage 1	-	-	-
Loans classified under Stage 2 in two periods (Change in balance and model effect)	-	-	600.772
Write-offs	-	-	(1.522.522)
Sold Portfolio effect	-	-	-
Closing (31 December 2021)	1.513.243	5.502.190	11.605.038

(*) Loans which are not included in the loan portfolio as of 31 December 2020 and included in the loan portfolio and calculated provisions as of 31 December 2021.

(**) Loans which are included in the loan portfolio and calculated provisions as of 31 December 2020 but which are not included in the loan portfolio as of 31 December 2021.

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

j. Information on movement of loans:

	Stage 1	Stage 2	Stage 3	Total
Opening (31 December 2020)	209.692.932	26.313.013	17.312.583	253.318.528
Additions	152.658.645	19.837.993	1.254.508	173.751.146
Disposals	(87.766.078)	(8.168.220)	(1.035.961)	(96.970.259)
Sold portfolio	-	-	-	-
Write-offs	-	-	(1.522.522)	(1.522.522)
Transfers to Stage 1	5.416.887	(5.416.887)	-	-
Transfers to Stage 2	(3.031.076)	3.165.939	(134.863)	-
Transfers to Stage 3	(422.134)	(1.472.667)	1.894.801	-
Foreign exchange effect	19.996.374	4.798.563	-	24.794.937
Closing (31 December 2021)	296.545.550	39.057.734	17.768.546	353.371.830

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

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

Prior Period - 31 December 2020	Financial Assets at Fair Value Through P&L	Financial Assets at Fair Value Through Other Comprehensive Income	Financial Assets Measured at Amortised Cost	Total
Moody's Rating				
Aaa	-	2.164.729	-	2.164.729
A1, A2, A3	-	-	-	-
Baa1, Baa2, Baa3	-	-	-	-
Ba1	-	-	-	-
Ba2	-	-	-	-
Ba3	19.470	1.323	-	20.793
B1, B2, B3	241.458	50.425.498	41.885.059	92.552.015
C and lower than C	3.941	-	-	3.941
NR	-	69.655	-	69.655
Total	264.869	52.661.205	41.885.059	94.811.133

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I. Profile on significant risks in significant regions:

Current Period (**)	Risk Categories (*)																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
31 December 2021																		
Domestic	209.734.221	134.452	390.381	-	-	16.019.553	221.260.185	88.657.343	25.807.745	6.188.564	18.274.244	-	-	-	546.622	-	17.653.789	604.667.099
European Union Countries	1.158.911	-	-	-	-	42.235.494	1.815.287	24.130	13.602	59	2.001	-	-	-	-	-	-	45.249.484
OECD Countries(***)	-	-	-	-	-	7.147.516	442	3.035	976	2	217	-	-	-	-	-	-	7.152.188
Off- Shore Regions	-	-	-	-	-	165	375.948	9	-	2	-	-	-	-	-	-	-	376.124
USA, Canada	880.637	-	-	-	-	21.711.399	2	8.522	2.592	4	228	-	-	-	-	-	-	22.603.384
Other Countries	-	-	-	-	-	2.437.328	681.281	9.526	2.495	6	1.362	-	-	-	-	-	-	3.131.998
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	212.428	1.519.745	-	-	-	-	-	-	-	-	16.474.353	-	18.206.526
Undistributed Assets / Liabilities(****)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	211.773.769	134.452	390.381	-	-	89.763.883	225.652.890	88.702.565	25.827.410	6.188.637	18.278.052	-	-	-	546.622	16.474.353	17.653.789	701.386.803
Prior Period (**)																		
31 December 2020																		
Domestic	124.315.378	172.165	341.255	-	-	10.223.372	163.936.809	76.528.763	18.528.733	6.159.371	295.314	-	-	-	1.620.832	347.755	13.168.654	415.638.401
European Union Countries	281.014	-	-	-	-	23.740.297	8.606.592	25.072	11.473	364.411	-	-	-	-	-	607	-	33.029.466
OECD Countries(***)	-	-	-	-	-	4.794.334	-	1.265	1.270	-	-	-	-	-	-	-	-	4.796.869
Off- Shore Regions	-	-	-	-	-	17.870	-	33	113	-	-	-	-	-	-	-	-	18.016
USA, Canada	2.049.943	-	-	-	-	5.342.990	521	2.914	1.095	3	-	-	-	-	-	-	-	7.397.466
Other Countries	487.425	-	-	-	-	648.982	453.566	15.047	217.774	20	-	-	-	-	-	-	-	1.822.814
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	12.143.317	8.726.138	65.411	-	-	-	-	-	-	-	9.605.627	-	31.463.196
Undistributed Assets / Liabilities(****)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	128.056.463	172.165	341.255	-	-	56.911.162	181.723.626	76.638.505	18.760.458	6.523.805	295.314	-	-	-	1.620.832	9.953.989	13.168.654	494.166.228

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

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

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

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

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

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Prior Period (**)	Risk Classifications (*)																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Total
31 December 2020																				
Agricultural	-	-	2	-	-	-	49,044	281,612	115,311	4,811	93	-	-	-	-	-	-	450,619	254	450,873
Farming and raising livestock	-	-	2	-	-	-	19,113	208,155	82,970	3,451	27	-	-	-	-	-	-	313,705	13	313,718
Forestry	-	-	-	-	-	-	24,459	70,857	30,110	1,358	59	-	-	-	-	-	-	126,602	241	126,843
Fishing	-	-	-	-	-	-	5,472	2,600	2,231	2	7	-	-	-	-	-	-	10,312	-	10,312
Manufacturing	-	-	105,291	-	-	-	69,864,789	5,689,319	3,349,694	1,298,415	22,545	-	-	-	-	-	-	80,048,902	281,151	80,330,053
Mining	-	-	-	-	-	-	2,489,420	144,623	108,615	277,276	554	-	-	-	-	-	-	3,019,367	1,121	3,020,488
Production	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity, Gas, Water	-	-	105,291	-	-	-	44,102,850	5,433,266	2,973,738	536,748	9,029	-	-	-	-	-	-	52,890,264	270,658	53,160,922
Construction	-	-	-	-	-	-	23,272,519	111,430	267,341	484,391	12,962	-	-	-	-	-	-	24,139,271	9,372	24,148,643
Services	1,068,440	167,935	181,789	-	-	56,553,597	22,394,725	2,001,528	1,756,443	1,981,026	244,541	-	-	-	-	-	-	28,335,729	42,636	28,378,365
Wholesale and Retail Trade	-	-	-	-	-	-	80,752,459	16,998,666	6,497,395	2,721,241	25,321	-	-	-	-	-	-	174,421,826	167,686	174,589,512
Hotel,Food,Beverage Services	-	-	43,597	-	-	-	25,935,392	13,500,388	3,522,827	687,364	18,995	-	-	-	-	-	-	43,602,556	106,007	43,708,563
Transportation and Telecommunication	-	-	57	-	-	-	6,105,734	893,635	849,471	388,223	1,033	-	-	-	-	-	-	8,200,466	37,687	8,238,153
Financial Institutions	1,031	-	7,929	-	-	-	17,785,408	1,217,631	494,793	35,371	968	-	-	-	-	-	-	19,528,073	15,058	19,543,131
Real Estate and Lending Services	1,067,359	-	-	-	-	56,553,597	24,421,222	52,729	736,813	473,303	671	-	-	-	-	-	-	92,927,564	799	92,928,363
Self employment Service	-	-	131	-	-	-	3,444,141	138,442	328,853	1,052,500	1,595	-	-	-	-	-	-	4,962,151	3,511	4,965,662
Education Service	-	-	1,282	-	-	-	692,495	209,010	49,178	881	19	-	-	-	-	-	-	952,858	7	952,865
Health and social Services	24	-	60,372	-	-	-	245,806	242,812	169,694	43,754	459	-	-	-	-	-	-	762,908	13	762,921
Other	26	167,935	68,421	-	-	-	2,122,261	744,019	345,766	39,845	1,581	-	-	-	-	-	-	3,485,250	4,604	3,489,854
	126,988,023	4,230	54,071	-	-	357,565	8,662,609	51,667,380	7,041,615	518,312	2,814	-	-	-	1,620,832	331,320	13,168,654	210,372,833	44,592	210,417,425
Total	128,056,463	172,165	341,255	-	-	56,911,162	181,723,626	76,638,505	18,760,458	6,523,805	295,314	-	-	-	1,620,832	9,953,989	13,168,654	493,629,909	536,319	494,166,228

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

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

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

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

31 December 2021 Risk Categories	Time to Maturity					Unallocated
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	
Conditional and unconditional receivables from central governments and Central Banks	42.084.474	63.857.564	4.235.811	6.312.733	95.283.187	-
Conditional and unconditional receivables from regional or local governments	568	2.180	282	14.211	117.211	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	23.789	59.394	26.791	155.856	124.551	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	44.545.063	3.102.672	5.911.187	10.047.526	26.157.435	-
Conditional and unconditional receivables from corporates	16.289.956	23.245.477	28.142.394	46.639.932	111.335.131	-
Conditional and unconditional receivables from retail portfolios	1.533.342	3.911.073	7.777.725	16.127.869	59.352.556	-
Conditional and unconditional receivables secured by mortgages	356.449	1.186.354	1.766.088	3.733.662	18.784.857	-
Past due receivables	-	-	-	-	-	6.188.637
Receivables defined under high risk category by BRSA	6.937	5.523	13.655	661.589	17.590.348	-
Collateralized securities	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	546.622	-	-	-	-	-
Equity security investments	-	-	-	-	-	16.474.353
Other Receivables	-	-	-	-	-	17.653.789
Total	105.387.200	95.370.237	47.873.933	83.693.378	328.745.276	40.316.779

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

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

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

Ratings to be matched	Credit Quality Degrees	Fitch
Ratings of long-term credits	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below
Ratings of short-term credits	1	F1+ and F1
	2	F2
	3	F3
	4	F3 below
	5	---
	6	---
Long-term securitization position ratings	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and below
Short-term securitization position ratings	1	F1+ and F1
	2	F2
	3	F3
	Others	F3 below
Matchings regarding collective investment institutes	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

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

31 December 2021	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Weights	Deducted from Equity
Risk Weights												
Amount Before												
Credit Risk												
Mitigation	180.450.101	-	38.377.573	-	-	26.796.912	97.347.306	248.548.306	18.827.141	-	23.022	-
Amount After												
Credit Risk												
Mitigation	181.386.386	-	38.377.573	-	11.842.632	37.725.267	80.390.170	239.782.774	18.696.814	-	23.022	-

(*)Excludes counterparty credit risk and securitization positions.

q. Miscellaneous information regarding important sectors or counterparty type ():**

31 December 2021 Sectors/Counterparties	Loans (*)		Provisions (*)
	Impaired Receivables		Expected Credit Loss Provisions
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III / Specific Provision)	
Agricultural	25.254	20.282	22.267
Farming and raising livestock	24.104	16.185	18.537
Forestry	871	3.772	3.434
Fishing	279	325	296
Manufacturing	6.042.619	3.795.929	3.561.664
Mining	5.579	585.302	276.856
Production	2.519.771	1.461.059	1.389.133
Electricity, Gas, Water	3.517.269	1.749.568	1.895.675
Construction	14.128.166	6.596.198	5.916.521
Services	3.083.652	4.362.612	3.134.787
Wholesale and Retail Trade	1.226.893	2.321.629	1.881.242
Hotel, Food, Beverage Services	600.627	540.347	236.058
Transportation and Telecommunication	241.432	131.226	126.145
Financial Institutions	2.268	1.173.050	656.459
Real Estate and Lending Service	18.444	6.988	7.993
Self Employment Service	11.365	4.231	5.048
Education Service	44.256	114.525	79.622
Health and social services	938.367	70.616	142.220
Other	15.778.043	2.993.525	4.471.989
Total	39.057.734	17.768.546	17.107.228

(*) Breakdown of cash loans

(**) Loans classified at Fair Value Through Profit or Loss are not included.

r. Information related to impairment and loan loss provisions:

31 December 2021	Opening Balance	Provisions recognised during the period	Provision reversal	Other measurements (*)	Closing Balance
Stage 3 Provisions	10.798.784	3.003.382	(674.606)	1.522.522	11.605.038
Stage 1 and 2 Provisions	5.717.627	1.297.806	-	-	7.015.433

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

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

31 December 2021			
Country of ultimate risk	Private sector credit exposures in banking book	Risk Weighted Equivalent trading book	Total
Turkey	310.605.972	9.632.082	320.238.054
Ireland	1.026.300	27.410	1.053.710
Holland	435.112	24.780	459.892
Germany	322.893	-	322.893
Russian Federation	280.183	-	280.183
Great Britain	179.071	-	179.071
Croatia	128.866	-	128.866
Singapore	41.680	-	41.680
Marshall Islands	25.254	-	25.254
France	16.913	-	16.913
Other	62.161	66	62.227

III. EXPLANATIONS ON CURRENCY RISK

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

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

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

	USD	EURO
Balance Sheet Evaluation Rate	TL 13,3290	TL 15,0867
1.Day bid rate	TL 13,3290	TL 15,0867
2.Day bid rate	TL 12,9775	TL 14,6823
3.Day bid rate	TL 12,2219	TL 13,8011
4.Day bid rate	TL 11,8302	TL 13,4000
5.Day bid rate	TL 11,3900	TL 12,8903

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

USD : TL 13,6356

EURO : TL 15,4126

As of 31 December 2020;

	USD	EURO
Balance Sheet Evaluation Rate	TL 7,4194	TL 9,1164

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Information related to Bank's Currency Risk:

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

Current Period – 31 December 2021	EURO	USD	Other FC	Total
Assets				
Cash and Balances with Central Bank (*)	28.680.570	48.515.737	2.794.846	79.991.153
Banks (*****)	9.426.340	34.135.129	4.958.675	48.520.144
Financial Assets at Fair Value through Profit or Loss	198.591	8.161.455	-	8.360.046
Money Markets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3.847.019	48.860.562	2.233.925	54.941.506
Loans and Lease Receivables (**)	76.305.831	41.239.780	31.755	117.577.366
Investments in Associates, Subsidiaries and Joint Ventures	13.215.503	-	-	13.215.503
Other financial assets measured at amortised cost	-	10.415.698	-	10.415.698
Hedging Derivative Financial Assets	-	388.819	387.885	776.704
Tangible Assets (Net)	-	17.668	-	17.668
Intangible Assets (Net)	-	1	-	1
Other Assets (***)	(1.650.834)	6.147.909	9.574	4.506.649
Total Assets	130.023.020	197.882.758	10.416.660	338.322.438
Liabilities				
Bank Deposits (****)	4.809.916	4.142.536	2.438.547	11.390.999
Foreign Currency Deposits (****)	67.808.652	148.296.601	33.789.434	249.894.687
Money Markets	-	26.491.283	-	26.491.283
Borrowings	9.481.231	43.780.007	-	53.261.238
Securities Issued (Net) (*****)	152.586	39.403.551	-	39.556.137
Miscellaneous Payables	1.328.626	12.127.494	158.899	13.615.019
Hedging Derivative Financial Liabilities	-	694.631	-	694.631
Other Liabilities	861.730	2.420.635	43.958	3.326.323
Total Liabilities	84.442.741	277.356.738	36.430.838	398.230.317
Net on Balance Sheet Position	45.580.279	(79.473.980)	(26.014.178)	(59.907.879)
Net off-Balance Sheet Position (*****)	(45.170.773)	82.955.039	26.688.753	64.473.019
Financial Derivative Assets	40.338.733	180.244.654	33.508.475	254.091.862
Financial Derivative Liabilities	85.509.506	97.289.615	6.819.722	189.618.843
Non-cash Loans	23.294.189	30.343.694	1.420.056	55.057.939
Prior Period – 31 December 2020				
Total Assets	74.467.998	103.906.172	5.474.829	183.848.999
Total Liabilities	57.385.307	157.926.661	24.314.162	239.626.130
Net on-Balance Sheet Position	17.082.691	(54.020.489)	(18.839.333)	(55.777.131)
Net off-Balance Sheet Position (*****)	(19.735.604)	61.874.240	18.839.063	60.977.699
Financial Derivative Assets	24.101.396	109.802.491	21.198.412	155.102.299
Financial Derivative Liabilities	43.837.000	47.928.251	2.359.349	94.124.600
Non-cash Loans	14.116.871	12.712.145	501.750	27.330.766

(*) Of the Cash Equivalents and Central Bank and Other FC, TL 2.152.617 (31 December 2020: TL 2.173.647) are precious metal deposit account in demand.

(**) The foreign currency indexed loans balance in the Turkish Lira accounts is TL 470.265 (31 December 2020: TL 554.548).

(***) Derivative financial assets and expected credit losses are classified under other assets. The expected loss amount of foreign currency indexed loans balance is TL 10.333 (31 December 2020: TL 9.785). Prepaid assets amounted TL 105.347 (31 December 2020: TL 62.570) is excluded in the financial statements.

(****) Of the foreign currency deposits TL 25.869.116 (31 December 2020: TL 17.561.462) and Bank Deposits Other FC of the TL 36.900 (31 December 2020: TL 22.911) are precious metal deposit account in demand.

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

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

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

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IV. EXPLANATIONS ON INTEREST RATE RISK:

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

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

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

Current Period – 31 December 2021	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash and Balances with Central Bank	9.933.401	-	-	-	-	81.953.324	91.886.725
Banks (****)	2.996.556	1.782.285	16.483	-	-	43.857.112	48.652.436
Financial assets at fair value through profit or loss (Net)	584	17.380	7.456.963	327.949	126.846	1.877.861	9.807.583
Money Markets	2.823.223	-	-	-	-	-	2.823.223
Financial Assets at Fair Value Through Other Comprehensive Income	9.667.117	10.748.997	16.616.256	34.187.908	18.764.795	696.198	90.681.271
Loans and Lease Receivables (*)	108.411.508	44.159.654	92.451.148	71.556.484	19.024.490	17.768.546	353.371.830
Other financial assets measured at amortised cost	16.202.199	2.776.285	24.752.525	8.685.943	168.608	-	52.585.560
Other Assets (**)	11.740.870	25.574.866	12.959.667	178.860	206.566	8.441.838	59.102.667
Total Assets	161.775.458	85.059.467	154.253.042	114.937.144	38.291.305	154.594.879	708.911.295
Liabilities							
Bank Deposits	5.942.155	5.071.358	1.358.720	-	-	1.754.508	14.126.741
Other Deposits	174.083.002	65.319.532	8.337.728	64.899	-	151.328.832	399.133.993
Money Markets	44.765.335	8.471.826	7.769.474	-	-	-	61.006.635
Miscellaneous Payables	3.016.018	5.696.232	4.243.520	178.528	-	8.442.224	21.576.522
Securities Issued (Net) (***)	2.317.988	2.535.651	9.633.865	15.119.756	18.660.721	-	48.267.981
Borrowings	10.955.391	27.868.588	14.446.921	225.913	-	-	53.496.813
Other Liabilities (****)	6.015.032	10.979.535	8.672.213	658.154	421.567	84.556.109	111.302.610
Total Liabilities	247.094.921	125.942.722	54.462.441	16.247.250	19.082.288	246.081.673	708.911.295
Balance Sheet Long Position	-	-	99.790.601	98.689.894	19.209.017	-	217.689.512
Balance Sheet Short Position	(85.319.463)	(40.883.255)	-	-	-	(91.486.794)	(217.689.512)
Off-balance Sheet Long Position	8.883.879	31.499.430	-	-	144.887	-	40.528.196
Off-balance Sheet Short Position	-	-	(19.309.639)	(11.307)	-	-	(19.320.946)
Total Position	(76.435.584)	(9.383.825)	80.480.962	98.678.587	19.353.904	(91.486.794)	21.207.250

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

V. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES:

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

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

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

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

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

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

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

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

The different categories of defined limits are;

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

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

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

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

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

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

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

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

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

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

e) Information on liquidity risk mitigation techniques:

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

f) Information on the use of stress tests:

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

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

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

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

Liquidity Coverage Ratio:

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

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

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

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

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

Periodic increases are observed in the liquidity coverage ratio during the weeks where the foreign currency reserve option is used in reserve requirements in CBRT, high amounts are maintained in bank placements or repurchase agreement volume decreases, on the other hand, fluctuations may occur in the liquidity coverage ratio during the weeks where the share of corporate or bank funds increase, or long term foreign funds which are replaced when due, such as syndicated loans are due in one month. Despite these fluctuations, it is observed that the ratio does not decrease below 155% during the period and remain at a quite higher level than the legal lower limit.

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

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 57% and securities issued by Undersecretariat of the Treasury by 36%. Funding sources are mainly distributed between individual and retail deposits by 61%, corporate deposits by 22%, and borrowings from banks by 3% and collateralized borrowings such as repurchase agreements by 9%.

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Cash outflow amounting to TL 1.661 million (in full TL amount) is calculated based on the change of margin call amounts of derivative transactions and repurchase agreements during the last two years.

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

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

Current Period – 31.12.2021		
	TL+FC	FC
Lowest	155,41	192,95
Week	1.10.2021	1.10.2021
Highest	259,07	493,52
Week	3.12.2021	3.12.2021
Prior Period – 31.12.2020		
	TL+FC	FC
Lowest	182,41	193,44
Week	2.10.2020	2.10.2020
Highest	239,54	321,99
Week	13.11.2020	20.11.2020

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2021	Demand	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Unallocated	Total
Assets								
Cash and Balances with Central Bank	46.879.534	44.719.906	287.285	-	-	-	-	91.886.725
Banks (*****)	43.857.112	2.996.556	1.782.285	16.483	-	-	-	48.652.436
Financial Assets at Fair Value Through Profit or Loss (Net)	1.877.861	584	17.380	7.456.960	327.952	126.846	-	9.807.583
Money Markets	-	2.823.223	-	-	-	-	-	2.823.223
Financial Assets at Fair Value Through Other Comprehensive Income	696.198	870.036	3.894.813	6.974.576	56.952.794	21.292.854	-	90.681.271
Loans and Lease Receivables (****)	-	73.382.779	47.130.736	78.329.215	95.427.937	41.332.617	17.768.546	353.371.830
Other financial assets measured at amortised cost	-	298.289	2.776.285	5.633.831	19.693.698	24.183.457	-	52.585.560
Other Assets (*)	-	8.025.367	5.492.042	9.451.775	14.023.972	13.667.673	8.441.838	59.102.667
Total Assets	93.310.705	133.116.739	61.380.826	107.862.840	186.426.354	100.603.447	26.210.384	708.911.295
Liabilities								
Bank Deposits	1.754.508	5.942.155	5.071.358	1.358.720	-	-	-	14.126.741
Other Deposits	151.328.832	174.083.002	65.319.532	8.337.728	64.899	-	-	399.133.993
Borrowings	-	126.383	2.820.555	27.038.417	21.646.186	1.865.272	-	53.496.813
Money Markets	-	43.182.577	2.459.732	10.205.136	1.234.019	3.925.171	-	61.006.635
Securities Issued (Net) (**)	-	2.317.988	2.535.651	9.633.865	15.119.756	18.660.721	-	48.267.981
Miscellaneous Payables	-	1.634.723	2.568.147	3.193.817	4.398.190	1.339.421	8.442.224	21.576.522
Other Liabilities (***)	745.039	6.327.170	4.957.088	6.651.237	8.782.195	3.000.332	80.839.549	111.302.610
Total Liabilities	153.828.379	233.613.998	85.732.063	66.418.920	51.245.245	28.790.917	89.281.773	708.911.295
Net Liquidity Excess/ (Gap)	(60.517.674)	(100.497.259)	(24.351.237)	41.443.920	135.181.109	71.812.530	(63.071.389)	-
Net off-balance sheet position	-	4.261.412	(989.744)	3.135.306	6.733.762	8.066.514	-	21.207.250
Financial Derivative Assets	-	110.483.665	100.896.928	95.842.008	135.226.656	82.455.429	-	524.904.686
Financial Derivative Liabilities	-	106.222.253	101.886.672	92.706.702	128.492.894	74.388.915	-	503.697.436
Non-cash loans (****)	-	4.142.443	933.445	25.099.215	22.856.508	34.790.739	-	87.822.350
Prior Period - 31 December 2020								
Total Assets	40.269.849	81.087.077	31.860.976	90.389.082	138.513.461	44.242.639	19.737.717	446.100.801
Total Liabilities	87.303.175	157.194.365	43.262.450	30.613.300	37.465.143	17.912.452	72.349.916	446.100.801
Net Liquidity Gap	(47.033.326)	(76.107.288)	(11.401.474)	59.775.782	101.048.318	26.330.187	(52.612.199)	-
Net Off-balance sheet Position	-	(1.464.684)	(41.099)	3.162.138	4.265.286	3.254.838	-	9.176.479
Financial Derivative Assets	-	68.216.815	53.217.303	46.123.576	85.894.557	55.720.412	-	309.172.663
Financial Derivative Liabilities	-	69.681.499	53.258.402	42.961.438	81.629.271	52.465.574	-	299.996.184
Non-cash Loans (****)	-	1.696.520	1.095.192	11.703.494	13.254.924	24.484.892	-	52.235.022

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

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

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

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

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

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

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Breakdown of liabilities due to their remaining contractual maturities:

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

Prior Period - 31 December 2020	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities						
Deposits	228.757.298	33.847.186	6.723.868	162.679	-	269.491.031
Funds borrowed from other financial institutions	204.492	1.998.962	19.276.988	15.144.240	1.219.691	37.844.373
Funds from interbank money market	7.396.108	2.028.196	2.347.112	5.188.278	2.279.832	19.239.526
Marketable Securities Issued (Net)	3.059.690	2.692.083	1.825.237	13.258.152	11.517.157	32.352.319

Breakdown of derivative instruments due to their remaining contractual maturities:

Current Period - 31 December 2021	Up to 1 month	1-3 months	3-12 months	1-5 years	5 Years and Over
Derivatives held for trading					
Foreign exchange derivatives:					
- Inflow	95.152.423	93.499.696	56.144.544	29.859.646	6.393.372
- Outflow	(99.684.375)	(105.587.069)	(55.679.894)	(29.646.639)	(5.920.722)
Interest rate derivatives:					
- Inflow	379.106	934.972	2.334.452	4.078.103	1.235.062
- Outflow	(379.445)	(848.877)	(2.076.920)	(3.616.493)	(1.093.669)
Derivatives held for hedging					
Foreign exchange derivatives:					
- Inflow	3.004.059	99.193	1.838.063	4.694.245	14.653.748
- Outflow	(659.456)	(253.115)	(1.353.414)	(4.010.544)	(7.341.117)
Interest rate derivatives:					
- Inflow	217.937	786.064	2.819.865	5.904.526	1.780.110
- Outflow	(295.460)	(954.479)	(2.803.513)	(4.721.133)	(1.909.851)
Total Inflow	98.753.525	95.319.925	63.136.924	44.536.520	24.062.292
Total Outflow	(101.018.736)	(107.643.540)	(61.913.741)	(41.994.809)	(16.265.359)
Prior Period - 31 December 2020	Up to 1 month	1-3 months	3-12 months	1-5 years	5 Years and Over
Derivatives held for trading					
Foreign exchange derivatives:					
- Inflow	62.779.722	50.400.866	27.499.864	27.759.904	5.040.329
- Outflow	(68.419.948)	(60.513.521)	(28.607.698)	(27.196.689)	(4.746.128)
Interest rate derivatives:					
- Inflow	152.797	553.036	1.069.659	1.895.247	907.310
- Outflow	(136.947)	(577.404)	(979.849)	(1.689.109)	(814.875)
Derivatives held for hedging					
Foreign exchange derivatives:					
- Inflow	2.306.351	3.907.725	4.524.790	4.922.960	8.231.710
- Outflow	(2.221.126)	(2.676.210)	(3.107.033)	(5.641.826)	(6.923.534)
Interest rate derivatives:					
- Inflow	104.736	253.873	650.751	1.678.808	745.341
- Outflow	(119.149)	(347.027)	(962.843)	(2.417.487)	(1.009.045)
Total Inflow	65.343.606	55.115.500	33.745.064	36.256.919	14.924.690
Total Outflow	(70.897.170)	(64.114.162)	(33.657.423)	(36.945.111)	(13.493.582)

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VII. EXPLANATIONS ON LEVERAGE RATIO:

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

As of 31 December 2021, the leverage ratio of the Bank calculated from 3 months average amounts is 8,71% (31 December 2020: 10,44%). This ratio is above the minimum ratio which is 3%.

b. Disclosure of Leverage ratio template:

		Current Period 31 December 2021 (*)	Prior Period 31 December 2020 (*)
	Balance sheet Assets		
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	623.115.015	438.312.076
2	(Assets deducted from Core capital)	-	-
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	623.115.015	438.312.076
	Derivative financial assets and credit derivatives		
4	Cost of replenishment for derivative financial assets and credit derivatives	23.823.423	15.205.466
5	Potential credit risk amount of derivative financial assets and credit derivatives	5.680.557	4.762.358
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	29.503.980	19.967.824
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity	5.065.628	6.025.857
8	Risk amount arising from intermediary transactions	-	-
9	Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	5.065.628	6.025.857
	Off-balance sheet transactions		
10	Gross notional amount of off-balance sheet transactions	176.342.934	125.087.328
11	(Correction amount due to multiplication with credit conversion rates)	(1.129.588)	(807.197)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	175.213.346	124.280.131
	Capital and total risk		
13	Core Capital	72.517.950	61.386.632
14	Total risk amount (sum of lines 3, 6, 9 and 12)	832.897.969	588.585.888
	Leverage ratio		
15	Leverage ratio	8,71	10,44

(*) Three months average values.

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

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

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

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

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

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

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

	Carrying Value		Fair Value	
	Current Period 31 December 2021	Prior Period 31 December 2020	Current Period 31 December 2021	Prior Period 31 December 2020
Financial Assets	548.114.320	363.514.825	562.572.192	378.284.357
Money Markets	2.823.223	488.179	2.823.356	487.951
Banks	48.652.436	14.740.357	48.653.498	14.740.835
Financial Assets at Fair Value Through Other Comprehensive Income	90.681.271	53.082.702	90.681.271	53.082.702
Other Financial Assets Measured at Amortised Cost	52.585.560	41.885.059	58.406.922	41.963.675
Loans	353.371.830	253.318.528	362.007.145	268.009.194
Financial Liabilities	536.602.050	341.998.971	538.051.068	346.469.719
Bank Deposits	14.126.741	12.434.058	14.146.704	12.449.177
Other Deposits	399.133.993	256.136.137	399.368.060	256.123.549
Borrowings	53.496.813	36.264.001	55.543.045	39.156.383
Securities Issued (Net)	48.267.981	25.876.390	47.416.737	27.452.225
Miscellaneous Payables	21.576.522	11.288.385	21.576.522	11.288.385

b. Fair value hierarchy:

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

Aforesaid fair value hierarchy is determined as follows.

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

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

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

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

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Prior Period - 31 December 2020	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	179.943	-	-	179.943
- Share Certificates	158.714	-	-	158.714
- Other Financial Assets	244.918	1.094.617	7.342.910	8.682.445
Financial Assets at Fair Value Through Other Comprehensive Income				
- Government Debt Securities	44.420.223	-	-	44.420.223
- Share Certificates	-	-	-	-
- Other Financial Assets	6.690.220	1.956.042	-	8.646.262
Derivative Financial Assets				
- Derivative Financial Assets at Fair Value Through Profit or Loss	1.897	17.903.981	-	17.905.878
- Derivative Financial Assets at Fair Value Through Other Comprehensive Income	-	4.738.479	-	4.738.479
Loans (*)	-	268.009.194	-	268.009.194
Financial Assets Measured at Amortised Cost				
- Government Debt Securities	41.456.409	-	-	41.456.409
- Other Financial Assets	507.266	-	-	507.266
Total Assets	93.659.590	293.702.313	7.342.910	394.704.813
Derivative Financial Liabilities				
- Derivative Financial Liabilities at Fair Value Through Profit or Loss	54	14.338.107	-	14.338.161
- Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	678.869	-	678.869
Deposits	-	268.572.726	-	268.572.726
Funds Borrowed	-	39.156.383	-	39.156.383
Money Markets	-	19.150.008	-	19.150.008
Securities Issued (Net)	-	27.452.225	-	27.452.225
Total Liabilities	54	369.348.318	-	369.348.372

(*) Fair value of the loans classified under third level, has been determined based on results of valuation work that include various valuation technics. The potential changes in the fundamental estimations and assumptions included in the valuation work can affect the carrying fair value of the loan. Loan balances have shown with their net balances.

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

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

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Balances at Beginning of Period	7.342.910	6.723.419
Purchases During the Period	-	-
Disposals Through Sale/Redemptions	-	-
Valuation Effect (*)	-	619.491
Transfers	-	-
Balances at the End of Period	7.342.910	7.342.910

(*) As explained in the footnotes I-b and I-r of Section Five, in the prior period mentioned increase in value is evaluated together with the decrease in value of 477.249 TL in the assets of LYY Telekomünikasyon A.Ş. There is a net value increase of 142.241 TL in assets.

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

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

X. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

1. The Bank's risk management approach:

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

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

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

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

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

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

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

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

2. Overview of RWA:

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		Risk Weighted Amount		Minimum capital requirement
		Current Period	Prior Period	Current Period
		31 December 2021	31 December 2020	31 December 2021
1	Credit risk (excluding counterparty credit risk) (CCR)	358.124.256	265.269.441	28.649.941
2	Standardized approach (SA)	358.124.256	265.269.441	28.649.941
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	29.880.388	20.950.677	2.390.431
5	Standardized approach for counterparty credit risk (SA-CCR)	29.880.388	20.950.677	2.390.431
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	680.479	405.280	54.438
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	800	-	64
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	24.343.231	15.803.823	1.947.458
17	Standardized approach (SA)	24.343.231	15.803.823	1.947.458
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	38.369.628	32.496.270	3.069.570
20	Basic Indicator Approach	38.369.628	32.496.270	3.069.570
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	451.398.782	334.925.491	36.111.902

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b. Linkages between financial statements and regulatory exposures:

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

Current Period - 31.12.2021	Carrying values of items					
	Carrying values as reported in published financial statements (*)	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework (**)	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and balances at central bank	91.886.725	91.886.725	-	-	-	-
Banks	48.651.885	48.651.885	-	-	-	-
Receivables from money markets	2.823.223	2.823.223	-	-	-	-
Financial assets at fair value through P&L	9.807.583	9.220.771	-	-	586.812	-
Financial assets at fair value through other comprehensive income	90.681.271	90.678.652	39.118.367	-	-	2.619
Derivative financial assets	49.677.527	-	49.677.527	-	4.232.256	-
Loans (net)	334.751.359	334.728.035	-	-	-	23.324
Lease Receivables (net)	-	-	-	-	-	-
Factoring Receivables (net)	-	-	-	-	-	-
Financial assets measured at amortised cost (net)	52.567.137	52.567.137	25.564.815	-	-	-
Non-current assets and disposal groups classified as held for sale (net)	170.756	170.756	-	-	-	-
Investments in associates (net)	18.129	18.129	-	-	-	-
Investments in subsidiaries (net)	16.060.130	16.060.130	-	-	-	-
Investments in joint ventures (net)	-	-	-	-	-	-
Tangible assets (net)	5.829.227	5.777.114	-	-	-	52.113
Intangible assets (net)	1.465.639	-	-	-	-	1.465.639
Investment properties (net)	-	-	-	-	-	-
Tax assets	-	-	-	-	-	-
Deferred tax assets	73.610	73.610	-	-	-	-
Other assets	4.447.094	4.447.094	-	-	-	-
			114.360.70			
Total assets	708.911.295	657.103.261	9	-	4.819.068	1.543.695
Liabilities						
Deposits	413.260.734	-	-	-	-	413.260.734
Loans	53.496.813	-	-	-	-	53.496.813
Debt to money markets	61.006.635	-	60.866.590	-	-	-
Debt securities in issue	29.542.447	-	-	-	-	29.542.447
Funds	-	-	-	-	-	-
Financial liabilities at fair value through P&L	-	-	-	-	-	-
Derivative financial liabilities	25.287.235	-	-	-	2.572.491	-
Factoring debts	-	-	-	-	-	-
Debts from leasing transactions	535.440	-	-	-	-	535.440
Provisions	3.225.201	-	-	-	-	3.225.201
Tax liability	2.233.095	-	-	-	-	2.233.095
Deferred tax liability	171.341	-	-	-	-	171.341
Liabilities included in disposal groups classified as held for sale (net)	-	-	-	-	-	-
Subordinated debts	18.725.534	-	-	-	-	18.725.534
Other liabilities	25.471.869	-	-	-	-	25.471.869
Equity	75.954.951	-	-	-	-	75.954.951
Total liabilities	708.911.295	-	60.866.590	-	2.572.491	622.617.425

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

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

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	Carrying values of items					
	Carrying values as reported in published financial statements (*)	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework (**)	Not subject to capital requirements or subject to deduction from capital
Prior Period - 31.12.2020						
Assets						
Cash and balances at central bank	47.676.314	47.676.314	-	-	-	-
Banks	9.447.191	9.447.191	-	-	-	-
Receivables from money markets	488.179	488.179	-	-	-	-
Financial assets at fair value through P&L	9.021.102	8.756.233	-	-	264.869	-
Financial assets at fair value through other comprehensive income	53.082.702	53.082.508	16.984.050	-	-	194
Derivative financial assets	22.644.357	-	22.644.357	-	3.367.761	-
Loans (net)	236.802.117	236.801.659	-	-	-	458
Lease Receivables (net)	-	-	-	-	-	-
Factoring Receivables (net)	-	-	-	-	-	-
Financial assets measured at amortised cost (net)	41.872.844	41.872.844	6.241.092	-	-	-
Non-current assets and disposal groups classified as held for sale (net)	173.416	173.416	-	-	-	-
Investments in associates (net)	14.795	14.795	-	-	-	-
Investments in subsidiaries (net)	9.605.628	9.605.628	-	-	-	-
Investments in joint ventures (net)	-	-	-	-	-	-
Tangible assets (net)	5.956.500	5.912.365	-	-	-	44.135
Intangible assets (net)	1.168.372	-	-	-	-	1.168.372
Investment properties (net)	-	-	-	-	-	-
Tax assets	-	-	-	-	-	-
Deferred tax assets	88.226	88.226	-	-	-	-
Other assets	8.059.058	8.059.058	-	-	-	-
Total assets	446.100.801	421.978.416	48.869.499	-	3.632.630	1.213.159
Liabilities						
Deposits	268.570.195	-	-	-	-	268.570.195
Loans	36.264.001	-	-	-	-	36.264.001
Debt to money markets	19.007.866	-	19.007.866	-	-	-
Debt securities in issue	19.157.976	-	-	-	-	19.157.976
Funds	-	-	-	-	-	-
Financial liabilities at fair value through P&L	-	-	-	-	-	-
Derivative financial liabilities	15.017.030	-	-	-	2.736.377	-
Factoring debts	-	-	-	-	-	-
Debts from leasing transactions	505.660	-	-	-	-	505.660
Provisions	2.416.862	-	-	-	-	2.416.862
Tax liability	1.571.680	-	-	-	-	1.571.680
Deferred tax liability	16.161	-	-	-	-	16.161
Liabilities included in disposal groups classified as held for sale (net)	-	-	-	-	-	-
Subordinated debts	6.718.414	-	-	-	-	6.718.414
Other liabilities	13.935.963	-	-	-	-	13.935.963
Equity	62.918.993	-	-	-	-	62.918.993
Total liabilities	446.100.801	-	19.007.866	-	2.736.377	412.075.905

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

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

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

Current Period - 31.12.2021		Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
	Total				
1 Asset carrying value amount under scope of regulatory consolidation	707.367.600	657.103.261	-	114.360.709	4.819.068
2 Liabilities carrying value amount under regulatory scope of consolidation	86.293.870	-	-	60.866.590	2.572.491
3 Total net amount under regulatory scope of consolidation	621.073.730	657.103.261	-	53.494.119	2.246.577
4 Off-balance sheet amounts	697.048.620	48.005.517	-	4.828.489	-
5 Differences in valuations		-	-		-
6 Differences due to different netting rules, other than those already included in row 2		-	-		-
7 Differences due to consideration of provisions		-	-		-
8 Differences due to prudential filters		(94.447.412)	-	(17.771.786)	22.096.654
9 Differences due to risk reduction		(2.436.726)	-	-	-
10 Exposure amounts considered for regulatory purposes		608.224.640	-	40.550.822	24.343.231

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

Prior Period - 31.12.2020		Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
	Total				
1 Asset carrying value amount under scope of regulatory consolidation	444.887.642	421.978.416	-	45.869.499	3.632.630
2 Liabilities carrying value amount under regulatory scope of consolidation	34.024.896	-	-	19.007.866	2.736.377
3 Total net amount under regulatory scope of consolidation	410.862.746	421.978.416	-	26.861.633	896.253
4 Off-balance sheet amounts	416.572.509	35.555.834	-	5.211.206	-
5 Differences in valuations		-	-	-	-
6 Differences due to different netting rules, other than those already included in row 2		-	-	-	-
7 Differences due to consideration of provisions		-	-	-	-
8 Differences due to prudential filters		(7.759.513)	-	(4.914.527)	14.907.570
9 Differences due to risk reduction		(2.204.698)	-	-	-
10 Exposure amounts considered for regulatory purposes		447.570.039	-	27.158.312	15.803.823

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

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

- a) Differences between accounting and regulatory exposure amounts

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

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

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

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

c. Credit risk explanations:

1. General qualitative information about credit risk:

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

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

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

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

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

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

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

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

2. Credit quality of assets:

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

		Gross carrying values of (according to TAS)		Allowances/ impairments	Net values
Prior Period - 31.12.2020		Defaulted exposures	Non-defaulted exposures		
1	Loans	17.312.583	236.005.945	16.516.411	236.802.117
2	Debt Securities	-	102.312.677	56.920	102.255.757
3	Off-balance sheet exposures	939.098	118.525.438	500.379	118.964.157
4	Total	18.251.681	456.844.060	17.073.710	458.022.031

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Defaulted loans and debt securities at end of the previous reporting period	17.312.583	14.857.079
Loans and debt securities that have defaulted since the last reporting period	4.833.591	5.242.136
Returned to non-defaulted status	78.299	77.266
Amounts written off	1.522.522	710.731
Other changes	2.776.807	1.998.635
Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) Definitions	17.768.546	17.312.583

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

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

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

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

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

All loans that have completed the 90 day overdue period are automatically taken into follow-up accounts and they are subjected to specific provision within the related month at the Bank. In exceptional cases, the delinquency process is suspended due to a court decision and the Bank's credit amount in this scope is insignificant as of 31 December 2021.

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

- d) Definitions of restructured receivables:

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

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

Breakdown by geographical area:

	Current Period 31.12.2021	Prior Period 31.12.2020
Domestic	334.000.195	228.799.873
European Union Countries	894.991	6.746.988
OECD Countries (*)	3.638	2.126
Off-Shore Banking Regions	286	324
USA, Canada	6.851	2.964
Other	697.323	453.670
Total	335.603.284	236.005.945

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

Breakdown by sector:

	Current Period 31.12.2021	Prior Period 31.12.2020
Agricultural	319.364	279.628
Farming and raising livestock	230.206	204.867
Forestry	86.538	67.262
Fishing	2.620	7.499
Manufacturing	86.051.926	63.553.400
Mining	3.586.701	2.439.711
Production	51.540.114	39.695.286
Electricity, Gas, Water	30.925.111	21.418.403
Construction	40.223.951	27.827.561
Services	85.922.600	59.981.150
Wholesale and Retail Trade	40.768.844	30.198.571
Hotel, Food, Beverage Services	9.822.326	6.767.820
Transportation and Telecommunication	12.896.099	8.182.469
Financial Institutions	17.843.349	10.996.385
Real Estate and Lending Services	595.265	423.520
Self employment Service	530.793	565.613
Education Service	550.390	644.710
Health and social Services	2.915.534	2.202.062
Other	123.085.443	84.364.206
Total	335.603.284	236.005.945

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Breakdown by outstanding maturity:

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

Prior Period - 31.12.2020	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Loans	53.580.284	25.199.714	58.896.931	75.220.281	23.108.735	236.005.945

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

Breakdown by geographical area:

	Current Period - 31.12.2021		Prior Period - 31.12.2020	
	Loans Under Follow-up	Stage 3 Provisions	Loans Under Follow-up	Stage 3 Provisions
Domestic	16.846.231	11.080.189	16.465.989	10.316.612
European Union Countries	922.208	524.755	846.413	482.004
OECD Countries (*)	6	3	-	-
Off-Shore Banking Regions	30	30	30	30
USA, Canada	24	20	40	39
Other	47	41	111	99
Total	17.768.546	11.605.038	17.312.583	10.798.784

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

Breakdown by sector:

	Current Period- 31.12.2021		Prior Period - 31.12.2020	
	Loans Under Follow-up	Stage 3 Provisions	Loans Under Follow-up	Stage 3 Provisions
Agricultural	20.282	18.281	25.388	20.718
Farming and raising livestock	16.185	14.726	20.476	17.163
Forestry	3.772	3.297	4.894	3.539
Fishing	325	258	18	16
Manufacturing	3.795.929	2.354.113	2.997.713	1.706.392
Mining	585.302	276.460	500.789	223.519
Production	1.461.059	1.040.223	1.586.791	1.056.438
Electricity, Gas, Water	1.749.568	1.037.430	910.133	426.435
Construction	6.596.198	4.134.578	7.370.928	4.311.039
Services	4.362.612	2.747.244	4.502.864	2.836.648
Wholesale and Retail Trade	2.321.629	1.688.480	2.474.994	1.781.333
Hotel,Food,Beverage Services	540.347	163.110	498.501	120.263
Transportation and Telecommunication	131.226	98.006	132.200	97.564
Financial Institutions	1.173.050	656.165	1.089.989	616.692
Real Estate and Lending Services	6.988	5.953	90.116	87.829
Self employment Service	4.231	3.435	4.124	3.265
Education Service	114.525	75.722	114.804	71.065
Health and social Services	70.616	56.373	98.136	58.637
Other	2.993.525	2.350.822	2.415.690	1.923.987
Total	17.768.546	11.605.038	17.312.583	10.798.784

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g) Aging analysis for overdue receivables:

	Current Period 31.12.2021	Prior Period 31.12.2020 (*)
30-60 days overdue	1.347.820	590.377
60-90 days overdue	762.964	337.011
More than 90 days overdue	7.791	1.071.450
Total	2.118.575	1.998.838

(*) Within the scope of the decisions taken by the BRSA, expected delay time for the classification in the Second Group due to the delay time has been moved from the end of the 30th delay day to the end of the 90th delay day, and expected delay time for the classification as a non-performing loan has been moved from the end of the 90th delay day to the end of the 180th delay day. According to the BRSA's decision no.9312 dated 8 December 2020, related matter was valid until 30 June 2021.

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

Restructured Receivables	Current Period 31.12.2021	Prior Period 31.12.2020
Loans restructured from Loans under Follow-up and Other Receivables	26.125.932	18.993.798
Loans restructured from Non-Performing Loans	1.950.158	2.374.750

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

i) Credit risk mitigation techniques:

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

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

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

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

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

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

5. Credit risk mitigation techniques – overview:

	Exposures unsecured of (according to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
Current Period - 31.12.2021							
1 Loans	331.649.281	3.102.078	1.855.859	1.113.349	936.284	-	-
2 Debt Securities	150.703.548	-	-	-	-	-	-
3 Total	482.352.829	3.102.078	1.855.859	1.113.349	936.284	-	-
4 Of which defaulted	17.768.546	-	-	-	-	-	-

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		Exposures unsecured of (according to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
Prior Period - 31.12.2020								
1	Loans	232.722.958	4.079.159	2.227.568	3.798.864	3.040.211	-	-
2	Debt Securities	102.255.757	-	-	-	-	-	-
3	Total	334.978.715	4.079.159	2.227.568	3.798.864	3.040.211	-	-
4	Of which defaulted	17.312.583	-	-	-	-	-	-

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

The ratings given by the international credit rating agency Fitch Ratings are used to determine the risk weights to be applied in the calculation of capital adequacy. Fitch Ratings are limited to the receivables of the counterparty residing abroad; central government or central banks, banks and corporate receivables.

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

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

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Prior Period - 31.12.2020		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off- balance sheet amount	RWA	RWA density
Asset classes							
1	Exposures to central governments or central banks	124.160.679	4.173	127.223.761	2.052	602.133	0,45%
2	Exposures to regional governments or local authorities	172.157	16	172.157	8	86.083	50,00%
3	Exposures to public sector entities	290.124	106.105	284.605	42.501	327.117	100,00%
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	21.343.611	22.795.596	21.338.315	2.802.984	14.986.645	33,04%
7	Exposures to corporates	147.007.179	44.165.580	145.057.451	26.910.929	173.539.865	96,48%
8	Retail exposures	71.851.552	47.640.103	69.257.435	4.454.811	55.333.406	75,00%
9	Exposures secured by residential property	8.035.345	265.748	8.029.452	113.675	2.850.095	35,00%
10	Exposures secured by commercial real estate	9.672.736	1.351.953	9.539.042	935.821	7.085.104	67,64%
11	Past-due loans	6.523.806	-	6.523.806	-	5.709.544	87,52%
12	Higher-risk categories by the Agency Board	-	634.643	-	293.057	342.736	116,95%
13	Collateralized securities	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short- term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	1.465.529	22.234	1.465.529	-	1.470.540	100,00%
16	Other assets	13.168.654	-	13.168.654	-	8.096.717	61,48%
17	Investments in equities	9.953.989	-	9.953.989	-	9.953.989	100,00%
18	Total	413.645.361	116.986.151	412.014.196	35.555.838	280.383.974	59,36%

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

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

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

Prior Period - 31.12.2020												Total risk amount(*)
Asset Classes / Risk Weight	%0	%10	%20	%25	%35	%50	%75	%100	%150	%250	Other	
1 Exposures to central governments or central banks	126.422.228	-	281.014	-	-	-	-	522.571	-	-	-	127.225.813
2 Exposures to regional governments or local authorities	-	-	-	-	-	172.165	-	-	-	-	-	172.165
3 Exposures to public sector entities	-	-	-	-	-	-	-	327.106	-	-	-	327.106
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to institutions	386.679	-	13.071.346	-	-	10.644.582	-	38.692	-	-	-	24.141.299
7 Exposures to corporates	1.920.602	-	873.497	-	-	6.858.748	-	162.315.534	-	-	-	171.698.381
8 Retail exposures	-	-	-	-	-	-	73.712.245	-	-	-	-	73.712.245
9 Exposures secured by residential property	-	-	-	-	8.143.127	-	-	-	-	-	-	8.143.127
10 Exposures secured by commercial real estate	-	-	-	-	-	6.779.518	-	3.695.346	-	-	-	10.474.863
11 Past-due loans	-	-	-	-	-	2.970.810	-	2.210.710	1.342.286	-	-	6.523.806
12 Higher-risk categories by the Agency Board	-	-	-	-	-	72.219	-	49.261	171.577	-	-	293.057
13 Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	1.465.529	-	-	-	1.465.529
16 Investments in equities	-	-	-	-	-	-	-	9.953.989	-	-	-	9.953.989
17 Other assets	5.071.914	-	29	-	-	-	-	8.096.711	-	-	-	13.168.654
18 Total	133.801.423	-	14.225.886	-	8.143.127	27.498.042	73.712.245	188.675.449	1.513.863	-	-	447.570.035

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

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d. Counterparty Credit Risk (CCR) Explanations:

1. Qualitative disclosure related to counterparty credit risk:

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

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

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

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

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

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

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

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

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

To avoid the general counter trend risk;

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

To avoid the risk of specific counter trend risk;

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

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

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

2. Analysis of counterparty credit risk exposure by approach:

		Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
Current Period - 31.12.2021							
1	Standardised Approach (for derivatives)	26.259.557	4.828.489	-	1,4	31.088.046	16.010.437
	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
2	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
3	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
4	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit	-	-	-	-	8.443.973	2.625.470
5	settlement time, Marketable Security transactions with credit	-	-	-	-	8.443.973	2.625.470
6	Total						18.635.907

(*) Effective Expected Positive Exposure

		Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
Prior Period - 31.12.2020							
1	Standardised Approach (for derivatives)	14.957.247	4.899.221	-	1,4	19.856.468	12.151.473
	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
2	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
3	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
4	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit	-	-	-	-	6.679.608	2.534.421
5	settlement time, Marketable Security transactions with credit	-	-	-	-	6.679.608	2.534.421
6	Total						14.685.894

(*) Effective Expected Positive Exposure

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3. Credit valuation adjustment (CVA) capital charge:

	Current Period - 31.12.2021		Prior Period - 31.12.2020	
	Exposure at default post-CRM	RWA	Exposure at default post-CRM	RWA
Total portfolios subject to the Advanced CVA capital charge				
1 (i) Value at Risk (VaR) component (including the 3×multiplier)	-	-	-	-
2 (ii) Stressed VaR component (including the 3×multiplier)	-	-	-	-
3 All portfolios subject to the Standardised CVA capital charge	31.088.046	11.208.163	19.856.468	6.241.423
4 Total subject to the CVA capital charge	31.088.046	11.208.163	19.856.468	6.241.423

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

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

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

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

Prior Period - 31.12.2020									
Risk Weight	0%	10%	20%	50%	75%	100%	150%	Others	Total credit
Regulatory portfolio									
Claims from central governments and central banks	377.881	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	-	-	-	-	-	-	-	-
Claims from administration and non commercial entity	-	-	-	-	-	11	-	-	11
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	-	-	7.414.343	10.973.233	-	41.907	-	-	7.011.392
Corporates	37.238	-	-	1.132	-	7.619.692	-	-	7.620.258
Retail portfolios	-	-	-	-	65.629	-	-	-	49.222
Other claims**	-	-	-	-	-	5.011	-	-	5.011
Total	415.119	-	7.414.343	10.974.365	65.629	7.666.621	-	-	14.685.894

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

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

5. Composition of collateral for CCR exposure:

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

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6. Credit derivatives exposures:

	Current Period- 31.12.2021		Prior Period - 31.12.2020	
	Protection bought	Protection sold	Protection bought	Protection sold
Nominal				
Single-name credit default swaps	2.292.588	-	1.276.137	22.258
Index credit default swaps	-	-	-	-
Total return swaps	-	11.329.650	-	7.842.346
Credit options	-	-	-	-
Other credit derivatives	-	-	-	-
Total notionals	2.292.588	11.329.650	1.276.137	7.864.604
Fair values				
Positive fair value (asset)	243.166	4.456.373	72.533	2.855.790
Negative fair value (liability)	-	-	-	-

7. Exposures to central counterparties (CCP):

		Current Period - 31.12.2021		Prior Period - 31.12.2020	
		Exposure at default (post-CRM)	RWA	Exposure at default (post-CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs) (total)		36.900		56.548
	Exposures for trades at QCCPs				
2	(excluding initial margin and default fund contributions); of which	1.018.803	36.317	622.236	23.360
3	(i) OTC Derivatives	1.018.803	36.317	622.236	23.360
4	(ii) Exchange-traded Derivatives	-	-	-	-
5	(iii) Securities financing transactions	-	-	-	-
6	(iv) Netting sets where cross-product				
7	ting has been approved	-	-	-	-
8	Segregated initial margin	-	-	-	-
9	Non-segregated initial margin				
10	Pre-funded default fund contributions	25.902	583	33.188	33.188
11	Unfunded default fund contributions	-	-	-	-
11	Exposures to non-QCCPs (total)	-	-	-	-
	Exposures for trades at non-QCCPs				
12	(excluding initial margin and default fund contributions); of which	-	-	-	-
13	(i) OTC Derivatives	-	-	-	-
14	(ii) Exchange-traded Derivatives	-	-	-	-
15	(iii) Securities financing transactions	-	-	-	-
16	(iv) Netting sets where cross-product				
17	ting has been approved	-	-	-	-
18	Segregated initial margin	-	-	-	-
19	Non-segregated initial margin	-	-	-	-
20	Pre-funded default fund contributions	-	-	-	-
	Unfunded default fund contributions	-	-	-	-

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

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f. Explanations on market risk:

1. Qualitative disclosure requirements related to market risk:

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

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

The following table indicates the details of the market risk calculation as of 31 December 2021, in accordance with the Market Risk Calculation principles pursuant to the Third Section of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette no. 29511 on 23 October 2015.

2. Standardised approach:

	Current Period 31.12.2021	Prior Period 31.12.2020
	RWA	RWA
Outright products		
1 Interest rate risk (general and specific)	2.911.663	2.235.808
2 Equity risk (general and specific)	-	-
3 Foreign exchange risk	21.098.693	13.525.315
4 Commodity risk	-	-
Options		
5 Simplified approach	-	-
6 Delta-plus method	332.875	42.700
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	24.343.231	15.803.823

Outright products refer to positions in products that are not optional.

g. Explanations on operational risk:

The "Basic Indicator Method" that is mentioned in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué published in the Official Gazette no. 29511 on 23 October 2015 and entered into force as of 31 March 2016 is used in the operational risk calculation of the Bank. The amount subject to the operational risk as of 31 December 2021 is calculated once a year by using the gross income of the Bank in 2018, 2019 and 2020.

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

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	31.12.2018	31.12.2019	31.12.2020	Total/Positive GI year number	Ratio (%)	Total
Gross income	19.144.784	19.579.051	22.667.570	3	15	3.069.570
Amount subject to Operational Risk (Amount*12,5)						38.369.628

h. Interest rate risk related to banking book:

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

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

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

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

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

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

Currency	Applied Shock [+/- x basis points]	Gains / Losses	Gains / Shareholders' Equity - Losses/ Shareholders' Equity
TL	(400)	3.124.595	3,12%
TL	500	(3.589.181)	-3,59%
USD	(200)	(16.742)	-0,02%
USD	200	639.636	0,64%
EURO	(200)	39.728	0,04%
EURO	200	(781.910)	-0,78%
Total (for negative shocks)		3.147.581	3,14%
Total (for positive shocks)		(3.731.455)	-3,73%

XI. EXPLANATIONS ON HEDGE TRANSACTIONS:

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

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

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

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

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

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

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

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

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

The average remaining maturity of the floating-rate USD Libor-Indexed borrowings directly affected by the interest rate reform is 3,3 years and the remaining amount is USD 951.393. Foreign currency interest swap transactions were made to hedge the cash flow risk of the aforementioned borrowing and subject to hedge accounting. There is no hedge accounting transaction terminated under the published exceptions.

As of 31 December 2021, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet are summarized in the following table:

	Current Period 31 December :			Prior Period 31 December 2020		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	38.163.770	15.412.862	331.573	20.931.023	7.956.205	424.660
-FC	122.991.616	776.704	694.631	63.575.943	12.998	1.015.020
Total	161.155.386	16.189.566	1.026.204	84.506.966	7.969.203	1.439.680

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1. Explanations on Accounting Net Investment Hedge:

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

2. Explanations on Fair Value Hedge:

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC financial assets at fair value through other comprehensive income	Interest rate risk	(293.557)	255.051	(38.506)
Cross-currency swap	Fixed interest rate FC financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	39.753	(39.469)	284
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(91.345)	84.039	(7.306)
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	44	(187)	(143)
Cross-currency swap	Fixed interest rate TL Commercial Loans. FC borrowings	Interest rate and currency risk	8.600	(8.558)	42
Interest Rate Swap	Fixed interest rate TL Securities Issued.	Interest rate risk	(46.140)	49.696	3.556

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

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

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Prior Period: 31.12.2020

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC financial assets at fair value through other comprehensive income	Interest rate risk	(534.522)	487.716	(46.806)
Cross-currency swap	Fixed interest rate FC financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	16.031	(16.419)	(388)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(67.317)	63.459	(3.858)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	1.896.556	(1.890.232)	6.324
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	(4.070)	4.181	111
Cross-currency swap	Fixed interest rate TL Commercial Loans, FC borrowings	Interest rate and currency risk	(28.992)	28.662	(330)
Interest Rate Swap	Fixed interest rate TL Securities Issued.	Interest rate risk	(64.929)	69.179	4.250

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

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

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

- As of 31 December 2021, related to fair value hedge transactions, the remaining net amount after amortization of the fair value change of the hedged items since the beginning of hedge accounting is TL 2.779 (31 December 2020: TL 695).

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3. Explanations on Cash Flow Hedge:

Hedging instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in OCI during the period	Net gain/(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
Interest Rate Swap	Floating-rate long Term FC funds borrowed	Cash Flow risk due to changes in interest rate of funds	-	203.465	(51.984)	(177.515)	8.805
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	12.194.356	-	721.418	(1.032.473)	80.938
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	1.047.160	1.660	1.549.753	149.875	24.411
Interest Rate Swap	Short term FC deposits	Cash Flow risk due to changes in interest rate of funds	189.325	9.550	135.070	(28.801)	6.671
Interest Rate Swap	Floating-rate TL Financial Assets at Fair Value Through Other Comprehensive Income	Cash Flow risk due to changes in interest rate of funds	1.720	274.596	(301.489)	(28.948)	1.165

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

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

XII. EXPLANATIONS ON QUALITATIVE DISCLOSURES ON REMUNERATION POLICIES

Explanations on Remuneration Committee

The Remuneration Committee consisting of two members from the board of directors who have no executive duties convened and evaluated the remuneration policies once in 2021. As a result of the meeting and related evaluations, the committee decided on updating of the policies in accordance with the existing practices. The main duties and responsibilities of the Remuneration Committee have been determined briefly as follows:

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

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Board of Directors with regard to the establishment and supervising of the operations of the remuneration system; overseeing the remuneration of the senior management of the units within the scope of Internal Systems

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

Members of the Board of Directors and senior executives that have a significant impact on the Bank's risk profile are classified under the qualified employees. By the end of 2021, there are 23 employees that are considered as qualified employees in the Bank.

Information on the Design and Structure of the Remuneration Process:

While determining the Bank's wage structure;

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

are taken into consideration.

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

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

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

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

Evaluation of the Methods of Associating Premiums with Performance

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

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

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XIII. EXPLANATIONS ON BUSINESS SEGMENTS:

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

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

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

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

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

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

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

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	Retail Banking	Commercial Banking, Corporate- Investment, Private Banking and Wealth Management	Treasury	Other and Unallocated	Bank's Total Activities
Current Period - 31 December 2021					
Operating Income	12.875.844	8.106.420	2.960.129	12.818.315	36.760.708
Profit from Operating Activities	3.768.368	6.764.414	2.423.532	1.547.063	14.503.377
Income from Subsidiaries	-	-	-	5.246	5.246
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	1.557.517	1.557.517
Profit before Tax	3.768.368	6.764.414	2.423.532	3.109.826	16.066.140
Corporate Tax	-	-	-	(3.940.232)	(3.940.232)
Net Profit for the Period	3.768.368	6.764.414	2.423.532	(830.406)	12.125.908
Segment Assets	149.235.137	251.390.478	269.604.308	-	670.229.923
Investments in Associates	-	-	-	16.078.259	16.078.259
Undistributed Assets	-	-	-	22.603.113	22.603.113
Total Assets					708.911.295
Segment Liabilities	266.090.775	138.013.750	197.214.873	-	601.319.398
Undistributed Liabilities	-	-	-	31.636.946	31.636.946
Shareholders' Equity	-	-	-	75.954.951	75.954.951
Total Liabilities					708.911.295

	Retail Banking	Commercial Banking, Corporate- Investment, Private Banking and Wealth Management	Treasury	Other and Unallocated	Bank's Total Activities
Prior Period - 31 December 2020					
Operating Income	9.972.781	6.353.753	6.665.113	1.159.145	24.150.792
Profit from Operating Activities	2.562.968	(21.792)	6.261.267	(1.818.120)	6.984.323
Income from Subsidiaries	-	-	-	4.763	4.763
Income/(loss) from investments in subsidiaries consolidated based on equity method	-	-	-	956.126	956.126
Profit before Tax	2.562.968	(21.792)	6.261.267	(857.231)	7.945.212
Corporate Tax	-	-	-	(1.678.045)	(1.678.045)
Net Profit for the Period	2.562.968	(21.792)	6.261.267	(2.535.276)	6.267.167
Segment Assets	101.012.305	174.161.605	140.545.806	-	415.719.716
Investments in Associates	-	-	-	9.620.423	9.620.423
Undistributed Assets	-	-	-	20.760.662	20.760.662
Total Assets					446.100.801
Segment Liabilities	180.896.443	82.206.790	101.632.251	-	364.735.484
Undistributed Liabilities	-	-	-	18.446.324	18.446.324
Shareholders' Equity	-	-	-	62.918.993	62.918.993
Total Liabilities					446.100.801

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SECTION FIVE
INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

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

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

	Current Period		Prior Period	
	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Cash/Foreign Currency	1.953.656	7.989.419	1.770.526	3.165.678
The CBRT (*)	9.941.916	71.850.576	2.628.104	39.976.266
Other (**)	-	151.158	-	135.740
Total	11.895.572	79.991.153	4.398.630	43.277.684

(*) Precious metal account amounting to TL 2.001.693 are included in FC. (31 December 2020: TL 2.037.937)

(**) Precious metal account amounting to TL 150.924 are included in FC. (31 December 2020: TL 135.710)

2. Information related to the account of the CBRT:

	Current Period		Prior Period	
	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Unrestricted Demand Deposits	8.574	-	433	-
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Reserve Requirement	9.933.342	71.850.576	2.627.671	39.976.266
Total	9.941.916	71.850.576	2.628.104	39.976.266

3. Explanation on reserve requirements:

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

The required rates for the required reserves established in the CBRT are between 3% and 8% according to the maturity structure in Turkish currency (31 December 2020: between 1% and 6%); in foreign currency, it is between 5% and 26% depending on the maturity structure (31 December 2020: between 5% and 22%) as of 31 December 2021.

Within the scope of the Communiqué No. 2021/14 on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts, the conversion rate from foreign currency deposit accounts in US dollars, Euros and British Pounds and participation fund accounts in foreign currency to time deposits and participation funds in Turkish lira as of the obligation date of 15/4/2022 It has been decided not to apply an annual commission of 1,5% to the banks that have reached the 10% level and the 20% level as of the 8/7/2022 obligation date, up to the amount to be kept for their liabilities until the end of 2022.

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

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

Other Financial Assets:

In the previous period, syndication loans extended to Ojer Telekomünikasyon A.Ş. were restructured. Within this scope, a pledge was established in favor of lenders in order to establish collateral for these loans. LYY Telekomünikasyon A.Ş., which was established as a special-purpose company in which 192.500.000.000 Group A shares, which constitute 55% of Türk Telekom's issued capital, are all direct or indirect partners. The acquisition of the company (formerly Levent Yapılandırma

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Yönetimi A.Ş.) was completed on 21 December 2018. The Bank has participated in LYY Telekomünikasyon A.Ş. with a 35,56% share in the receivables from OTAŞ.

Later on, at the Ordinary General Assembly Meeting of LYY Telekomünikasyon A.Ş. which was held on 23 September 2019, it was decided to convert some of the loan into capital and add it to the capital of LYY Telekomünikasyon A.Ş. The nominal value of their shares in TL increased from 18 TL to 1.416.090 TL. This amount is classified in the financial statements under the line "Assets for Sale and Discontinued Operations". As of 31 December 2021, the value of the part pursued as loan is TL 16.495.551 (31 December 2020: TL 8.968.855), and it is classified under "Other Financial Assets" under "Financial Assets at Fair Value through Profit Loss". The total fair value impairment accounted for the total amount turned into credit and capital is TL 10.568.731 (31 December 2020: TL 3.042.035) and the amount of TL 1.416.090 (31 December 2020: TL 1.416.090) of this amount is accounted under the "Assets Held for Sale and Discontinued Operations" and TL 9.152.641 (31 December 2020: 1.625.945) is accounted under "Other Financial Assets" which is the sub-item of "Financial Assets at Fair Value through Profit Loss".

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

The main purpose of the creditor banks is to transfer the mentioned Türk Telekom shares to an expert investor by providing the necessary conditions as quickly as possible. An international investment bank has been assigned as consultant for the sale of LYY Telekomünikasyon A.Ş.'s 55% shares in Türk Telekomünikasyon A.Ş. on 19 September 2019. As stated in the material event statement published on the Public Disclosure Platform on 17 December 2021, negotiations have started for the sale of the said shares to the Turkey Wealth Fund, and the process continues as of the date of this report.

TL 1.313.971 (31 December 2020: TL 1.094.617) of other financial assets consist Fourth Real Estate Investment Fund of Ak Portföy Yönetimi A.Ş. established by Ak Portföy Yönetimi A.Ş. and the fund is followed at its fair value and the related valuation differences are recognized in profit or loss.

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

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

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Forward Transactions	754.771	-	414.145	-
Swap Transactions	24.336.485	8.110.649	8.088.603	6.020.278
Futures Transactions	-	-	-	-
Options	14.406	271.650	37.799	114.329
Other	-	-	-	-
Total	25.105.662	8.382.299	8.540.547	6.134.607

(*) Excluding hedging derivatives financial assets.

d. Information on banks and foreign banks:

1. Information on banks account:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Banks				
Domestic	23.156	138.600	5.749	28.868
Foreign (*)	109.136	48.381.544	-	14.705.740
Head Quarters and Branches Abroad	-	-	-	-
Total	132.292	48.520.144	5.749	14.734.608

(*) Includes collateral of 11.435.331 for derivative transactions made with foreign banks (31 December 2020: 5.292.940 TL).

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2. Information on foreign banks account:

	Unrestricted Amount		Restricted Amount (**)	
	Current Period 31 December 2021	Prior Period 31 December 2020	Current Period 31 December 2021	Prior Period 31 December 2020
European Union Countries	20.750.367	2.542.944	16.040.274	4.024.040
USA, Canada	9.877.794	2.437.968	1.147.984	-
OECD Countries (*)	131.858	36.172	-	-
Off-Shore Banking Regions	36	183	452.718	318.735
Other	89.649	52.758	-	-
Total	30.849.704	5.070.025	17.640.976	4.342.775

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

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

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

1. As of 31 December 2021, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 39.118.367 [31 December 2020: TL 16.984.050]; and those given as collateral/blocked amounting to TL 27.921.542 [31 December 2020: 17.595.922].

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Debt Securities	95.313.952	53.730.544
Quoted at Stock Exchange (*)	92.328.602	51.774.324
Unquoted at Stock Exchange	2.985.350	1.956.220
Share Certificates	15.719	16.217
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	15.719	16.217
Impairment Provision (-)	4.648.400	664.059
Total	90.681.271	53.082.702

(*) Investment funds are included.

f. Information related to loans:

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

	Current Period 31 December 2021		Prior Period 31 December 2020	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	159	-	97
Corporate Shareholders	-	159	-	97
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	8.554.296	2.829.869	7.514.006	2.175.254
Loans Granted to Employees	177.638	-	152.213	-
Total	8.731.934	2.830.028	7.666.219	2.175.351

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

		Loans under follow-up		
Current Period - 31 December 2021		Restructured Loans		
Cash Loans	Standard Loans	Loans not subject to restructuring	Loans with revised contract terms	Refinance
Non-specialized Loans				
Loans given to enterprises	30.996.836	3.499.396	91.267	3.784.951
Export Loans	29.706.197	315.114	2.309	32.981
Import Loans	-	-	-	-
Loans Given to Financial Sector	16.966.764	165	-	625
Consumer Loans	56.945.865	2.457.033	967.757	338.605
Credit Cards	27.868.171	969.459	1.323.262	-
Other	134.061.717	5.577.396	5.253.104	14.444.310
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	296.545.550	12.818.563	7.637.699	18.601.472

		Current Period 31 December 2021	Prior Period 31 December 2020	
Expected Credit Loss Stage I and Stage II	Standard Loans	Loans under Follow-up	Standard Loans	Loans under Follow-up
12 Month Expected Credit Losses	1.513.243	-	1.414.274	-
Significant Increase in Credit Risk	-	5.502.190	-	4.303.353
Total	1.513.243	5.502.190	1.414.274	4.303.353

3. Breakdown of loans according to their maturities (*)

Loans Under Follow-Up			
	Standard Loans	Non-restructured	Restructured or rescheduled
Short-term Loans	118.306.618	2.923.292	1.447.224
Medium and Long-Term Loans	178.238.932	9.895.271	24.791.947
Total	296.545.550	12.818.563	26.239.171

(*) The balances of loans at fair value profit or loss has not been included.

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

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

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

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

Current Period - 31.12.2021	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	3.083.080	13.411.389	16.494.469
Mortgage Loans	9.287	6.175	15.462
Automotive Loans	227.399	301	227.700
Consumer Loans	2.846.394	13.404.913	16.251.307
Other	-	-	-
FC Indexed Commercial Installment Loans	-	15.076	15.076
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	15.076	15.076
Other	-	-	-
Commercial Installment Loans-FC	35.587	948.327	983.914
Mortgage Loans	-	-	-
Automotive Loans	839	-	839
Consumer Loans	34.748	948.327	983.075
Other	-	-	-
Corporate Credit Cards-TL	5.167.673	66.011	5.233.684
With Installment	2.290.396	65.972	2.356.368
Without Installment	2.877.277	39	2.877.316
Corporate Credit Cards-FC	4.635	-	4.635
With Installment	-	-	-
Without Installment	4.635	-	4.635
Credit Deposit Account - TL (Legal Person)	875.173	-	875.173
Credit Deposit Account - FC (Legal person)	-	-	-
Total	9.166.148	14.440.803	23.606.951

Prior Period - 31.12.2020	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	3.609.665	11.901.365	15.511.030
Mortgage Loans	1.572	6.755	8.327
Automotive Loans	99.845	569	100.414
Consumer Loans	3.508.248	11.894.041	15.402.289
Other	-	-	-
FC Indexed Commercial Installment Loans	-	39.952	39.952
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	39.952	39.952
Other	-	-	-
Commercial Installment Loans-FC	12.771	505.040	517.811
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	12.771	505.040	517.811
Other	-	-	-
Corporate Credit Cards-TL	3.206.720	33.257	3.239.977
With Installment	1.358.425	33.162	1.391.587
Without Installment	1.848.295	95	1.848.390
Corporate Credit Cards-FC	1.693	-	1.693
With Installment	-	-	-
Without Installment	1.693	-	1.693
Credit Deposit Account - TL (Legal Person)	934.652	-	934.652
Credit Deposit Account - FC (Legal person)	-	-	-
Total	7.765.501	12.479.614	20.245.115

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6. Loans according to types of borrowers:

	Current Period 31 December 2020	Prior Period 31 December 2020
Public	9.636.027	3.713.311
Private	343.735.803	249.605.217
Total	353.371.830	253.318.528

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Domestic Loans	351.498.142	245.260.489
Foreign Loans	1.873.688	8.058.039
Total	353.371.830	253.318.528

8. Loans granted to investments in associates and subsidiaries:

	Current Period 31 December 2021	Prior Period 31 December 2020
Direct Loans Granted to Investments in Associates and Subsidiaries	1.352.221	903.971
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
Total	1.352.221	903.971

9. Credit-Impaired Losses Stage III Provisions:

	Current Period 31 December 2021	Prior Period 31 December 2020
Loans with Limited Collectibility	1.156.845	1.226.937
Loans with Doubtful Collectibility	720.526	622.402
Uncollectible Loans	9.727.667	8.949.445
Total	11.605.038	10.798.784

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

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

	III. Group Loans with Limited Collectibility	IV. Group Loans with Doubtful Collectibility	V. Group Uncollectible Loans
Current Period: 31 December 2021			
(Gross Amounts Before Specific Provisions)	50.000	66.001	1.720.918
Rescheduled Loans and Other Receivables	50.000	66.001	1.720.918
Prior Period: 31 December 2020			
(Gross Amounts Before Specific Provisions)	30	103.154	2.101.152
Rescheduled Loans and Other Receivables	30	103.154	2.101.152

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

	III. Group	IV. Group	V. Group
	Loans with	Loans with	Uncollectible Loans
	Limited Collectibility	Doubtful Collectibility	
Prior Period End Balance: 31 December 2020	2.221.345	944.772	14.146.466
Additions (+)	2.438.317	1.504.290	890.984
Transfers from Other Categories of Non-Performing Loans (+)	-	2.714.382	3.414.894
Transfers to Other Categories of Non-Performing Loans (-)	2.714.382	3.414.894	-
Collections (-)	161.245	658.053	2.035.808
Write-offs (-) (*)	4.226	26.620	1.491.676
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	1.779.809	1.063.877	14.924.860
Specific Provisions (-)	1.156.845	720.526	9.727.667
Net Balance at Balance Sheet	622.964	343.351	5.197.193

(*) In current period, the amount of write-off made according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 6 July 2021 and numbered 31533 is 1.450.497 TL and its effect on the NPL ratio is 39 basis point (31 December 2020: TL 774.976 and its effect on the NPL ratio is 25 basis point).

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

	III. Group	IV. Group	V. Group
	Loans with	Loans with	Uncollectible Loans
	Limited Collectibility	Doubtful Collectibility	
Current Period: 31 December 2021			
Balance at the End of the Period	1.086.945	207.566	5.490.778
Specific Provision (-)	675.570	125.208	3.009.581
Net Balance on Balance Sheet	411.375	82.358	2.481.197
Prior Period: 31 December 2020			
Balance at the End of the Period	2.043.398	154.266	4.178.610
Specific Provision (-)	1.102.493	92.004	2.106.340
Net Balance at Balance Sheet	940.905	62.262	2.072.270

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

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

	III. Group	IV. Group	V. Group
	Loans with	Loans with	Uncollectible Loans
	Limited Collectibility	Doubtful Collectibility	
Current Period (Net): 31 December 2021			
Loans granted to corporate entities and real persons (Gross)	1.779.809	1.063.877	14.924.860
Specific Provision Amount (-)	1.156.845	720.526	9.727.667
Loans granted to corporate entities and real persons (Net)	622.964	343.351	5.197.193
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-
Prior Period (Net): 31 December 2020			
Loans granted to corporate entities and real persons (Gross)	2.221.345	944.772	14.146.466
Specific Provision Amount (-)	1.226.937	622.402	8.949.445
Loans granted to corporate entities and real persons (Net)	994.408	322.370	5.197.021
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

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

	III. Group	IV. Group	V. Group
Current Period: 31 December 2021			
Interest accruals and valuation differences	78.530	119.421	3.490.421
Provision (-)	55.145	82.141	2.089.348
Prior Period: 31 December 2020			
Interest accruals and valuation differences	101.483	128.971	2.910.057
Provision (-)	55.746	81.547	1.734.054

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

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

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

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g. Financial assets measured at amortised cost:

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

	Current Period		Prior Period	
	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Given as collateral/blocked	7.895.351	90.724	7.470.796	1.216.927
Subject to repurchase agreements	16.631.679	8.933.136	1.693.302	4.547.790
Total	24.527.030	9.023.860	9.164.098	5.764.717

2. Information on government debt securities:

	Current Period	Prior Period
	31 December 2021	31 December 2020
Government Bonds	50.326.448	40.239.483
Treasury Bills	-	-
Other Government Debt Securities	1.289.549	977.340
Total	51.615.997	41.216.823

3. Information on financial assets measured at amortised cost:

	Current Period	Prior Period
	31 December 2021	31 December 2020
Debt Securities	52.663.336	41.923.581
Quoted at Stock Exchange	52.663.336	41.923.581
Unquoted at Stock Exchange	-	-
Impairment Provision (-)	77.776	38.522
Total	52.585.560	41.885.059

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

	Current Period	Prior Period
	31 December 2021	31 December 2020
Balance at the Beginning of the Period	41.885.059	15.574.858
Foreign Currency Differences on Monetary Assets	4.555.125	4.715.654
Purchases During Year	17.887.458	25.884.971
Disposals Through Sales and Redemptions	(15.853.468)	(4.774.521)
Impairment Provision	(39.254)	(11.001)
Change in Amortized Cost	4.150.640	495.098
Balance at the End of the Period	52.585.560	41.885.059

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h. Information on investments in associates (Net):

1. Information about investments in associates:

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

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

The financial figures stated below have been obtained from the financial statements date 30 September 2021(*).

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	397.536	328.592	96.051	27.498	-	93.651	35.413	-
2	544.660	339.776	297.247	13.036	-	47.719	48.549	-
3	34.723	27.961	26.355	487	-	2.467	6.146	-
4	54.275	53.392	1.548	6.961	-	3.194	-	-

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

3. Movement schedule of investments in associates:

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

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

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i. Information related to subsidiaries (Net):

1. Information on shareholders' equity of subsidiaries:

The following amounts have been obtained from the financial statements as of 31 December 2021 prepared in accordance with legislation in which companies are subject to.

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	AkÖde A.Ş.
Paid in Capital	360.007	96.802	10.534	740.648	72.000
Share Premium	-	-	-	-	-
Reserves	744.175	76.250	34.191	9.823.045	(14)
Gains recognized in equity as per TAS	(765)	(5.281)	(608)	-	(109)
Profit/Loss	224.008	1.058.798	218.036	2.651.810	(43.398)
- Net Current Period Profit	224.008	446.764	174.811	755.407	(43.138)
- Prior Year Profit/Loss	-	612.034	43.225	1.896.403	(260)
Development Cost of Operating Lease (-)	46	618	-	1.599	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights	4.882	13.587	865	13.658	-
Total Common Equity	1.322.497	1.212.364	261.288	13.200.246	28.479
Total Additional Tier I Capital	-	-	-	-	-
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	-	-	-	-	-
Total Tier I Capital	1.322.497	1.212.364	261.288	13.200.246	28.479
Tier II Capital	98.862	438	1	117.355	-
CAPITAL	1.421.359	1.212.802	261.289	13.317.601	28.479
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	1.421.359	1.212.802	261.289	13.317.601	28.479

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

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

3. Information on subsidiaries:

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

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

The financial figures have been obtained from the financial statements as at 31 December 2021 prepared in accordance with local regulations.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	10.157.195	1.327.425	67.308	624.033	185	224.008	154.966	-
2	4.636.324	1.226.569	21.043	361.794	208.503	446.764	321.502	-
3	304.430	262.153	4.950	19.132	16.113	174.811	110.882	-
4	58.608.775	13.215.503	69.950	1.130.052	280.985	755.407	409.157	-
5	49.973	28.479	1.512	2.477	-	[43.138]	[35.437]	-

5. Movement schedule of subsidiaries:

	Current Period 31 December 2021	Prior Period 31 December 2020
Balance at the Beginning of the Period	9.605.628	6.730.785
Movements During the Period		
Additions (*)	10.180	35.000
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	1.557.517	956.126
Sales/Liquidation	-	-
Revaluation Increase (**)	4.886.805	1.883.717
Revaluation/Impairment	-	-
Balance at the End of the Period	16.060.130	9.605.628
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The mentioned amounts arise from the net increase of TL 10.000 in the capital of AkÖde Elektronik Para ve Dağıtım Hizmetleri A.Ş., which is the Bank's 100% subsidiary, when the capital decrease made during the current period is taken into account and due to the acquisition of 0.01% share of Ak Finansal Kiralama A.Ş., and increase in the previous period by TL 35.000 in the capital of AkÖde Elektronik Para ve Dağıtım Hizmetleri A.Ş., the Bank's 100% subsidiary.

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

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

Subsidiaries	Current Period 31 December 2021	Prior Period 31 December 2020
Banks	13.215.503	7.525.427
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	1.327.425	1.103.162
Finance Companies	-	-
Other Financial Subsidiaries	1.517.202	977.039

7. Subsidiaries quoted to a stock exchange: None.

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

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

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l. Information on the Hedging Derivative Financial Assets:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	2.169.626	587.379	3.217.726	12.998
Cash Flow Hedge	13.243.236	189.325	4.738.479	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	15.412.862	776.704	7.956.205	12.998

m. Information on property and equipment:

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

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

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	Immovables(*)	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2019				
Cost	4.317.812	2.136.545	7.069	6.461.426
Accumulated Depreciation (-)	476.530	1.120.914	-	1.597.444
Net Book Value	3.841.282	1.015.631	7.069	4.863.982
Current Period End: 31 December 2020				
Net Book Value at the Beginning of the Period	3.841.282	1.015.631	7.069	4.863.982
Additions	125.237	592.616	25.322	743.175
Investment Properties Revaluation differences	912.544	-	-	912.544
Transferred	22.167	-	22.167	-
Disposals (-), net	98.690	1.012	-	99.702
Depreciation (-)	124.676	326.901	-	451.577
Impairment	(11.922)	-	-	(11.922)
Cost at Period End	5.107.146	2.689.411	10.224	7.806.781
Accumulated Depreciation at Period End (-)	441.204	1.409.077	-	1.850.281
Closing Net Book Value	4.665.942	1.280.334	10.224	5.956.500

(*) Immovables includes the asset usage rights of the real estates rented under the "TFRS 16 Leases" Standard. As of 31 December 2020, asset usage rights are TL 706.655, and accumulated depreciation amount is TL 314.165.

n. Information on intangible assets:

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Cost	2.425.542	1.866.403
Accumulated Amortization (-)	959.903	698.031
Net Book Value	1.465.639	1.168.372

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Opening Balance Net Book Value	1.168.372	933.979
Additions	586.581	442.367
Disposals (-), net	11.290	229
Depreciation (-)	278.024	207.745
Closing Net Book Value	1.465.639	1.168.372

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

p. Information on deferred tax asset:

As of 31 December 2021, the Bank has deferred tax asset TL 73.610 (31 December 2020: TL 88.226). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values and tax values of fixed assets, financial assets and liabilities and provision for employee rights.

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

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	Accumulated temporary differences		Deferred tax assets/(liabilities)	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Employee benefits	745.039	535.221	149.008	107.044
Stage 1 and 2 loans provisions	7.358.048	6.151.474	1.522.230	1.230.295
Differences between book value and tax base of property, plant and equipment	(2.018.402)	(1.512.325)	(403.680)	(302.465)
Differences between book value and tax base of financial assets	(14.823.845)	(6.717.149)	(3.237.791)	(1.338.150)
Investment Properties Revaluation differences	(3.119.611)	(3.359.193)	(362.222)	(389.766)
Other	11.173.619	3.825.535	2.234.724	765.107
Deferred Tax Asset/(Liabilities) Net			(97.731)	72.065

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Cost	170.756	173.420
Accumulated Depreciation (-)	-	4
Net Book Value	170.756	173.416

	Current Period 31 December 2021	Prior Period 31 December 2020
Opening Balance Net Book Value	173.416	636.017
Additions	178.818	184.488
Disposals (-), net	179.961	150.201
Impairment (-)	1.517	496.888
Depreciation (-)	-	-
Closing Net Book Value	170.756	173.416

s. Information on other assets:

Other assets amounting to TL 4.447.094 [31 December 2020: TL 2.819.328] on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

a. Information on deposits:

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

1 (i). Current Period – 31 December 2021:

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

Foreign exchange-protected deposit instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 31 December 2021, TL deposit amount includes TL 4.875.953 thousand TL deposits within this scope.

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

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

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2. Information on saving deposits insurance:

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Saving Deposits	36.088.544	30.216.189	52.711.668	39.523.989
Foreign Currency Saving Deposits	26.052.560	18.887.429	121.287.412	68.523.730
Other Deposits in the Form of				
Saving Deposits	8.767.847	7.892.207	14.796.515	8.201.705
Foreign Branches' Deposits				
under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions'				
Deposits under Foreign Authorities' Insurance	-	-	-	-

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

	Current Period	Prior Period
	31 December 2021	31 December 2020
Foreign Branches' Deposits and other accounts	40	24
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse and Children in care	2.457.795	1.855.160
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

b. Information on trading derivative financial liabilities:

Table of derivative financial liabilities (*):

	Current Period		Prior Period	
	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Forward Transactions	3.902.610	-	230.712	-
Swap Transactions	17.748.113	2.046.184	10.571.107	2.611.967
Futures Transactions	-	-	-	-
Options	-	564.124	5.632	157.932
Other	-	-	-	-
Total	21.650.723	2.610.308	10.807.451	2.769.899

(*) Excluding hedge transactions.

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	235.575	3.020.670	257.770	959.258
From Foreign Banks, Institutions and Funds	-	50.240.568	-	35.046.973
Total	235.575	53.261.238	257.770	36.006.231

2. Information on maturity structure of borrowings:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Short-term	188.072	2.094.685	256.221	705.426
Medium and Long-term	47.503	51.166.553	1.549	35.300.805
Total	235.575	53.261.238	257.770	36.006.231

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

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

d. Information on securities issued (Net):

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Bank bills	6.317.699	-	5.125.237	-
Bonds	2.394.145	20.830.603	2.439.450	11.593.289
Total	8.711.844	20.830.603	7.564.687	11.593.289

e. Information on other foreign liabilities:

Other foreign liabilities listed in "Other Liabilities" amounting to TL 3.895.346 (31 December 2020: TL 2.647.576) and do not exceed 10% of the total balance sheet.

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f. Information on financial leasing agreements:

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

Liabilities incurred due to financial leasing agreements:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	Gross	Net	Gross	Net
Less Than 1 Year	149.709	67.943	139.106	63.254
Between 1-4 Years	384.315	208.890	351.706	183.042
More Than 4 Years	375.080	258.607	384.311	259.364
Total	909.104	535.440	875.123	505.660

g. Information on the hedging derivative financial liabilities:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	55.317	481.616	81.056	679.755
Cash Flow Hedge	276.256	213.015	343.604	335.265
Net Investment Hedge in a foreign operation	-	-	-	-
Total	331.573	694.631	424.660	1.015.020

h. Information on provisions:

1. Information on reserves for employee rights:

Balance Sheet Obligations for:	Current Period 31 December 2021	Prior Period 31 December 2020
- Reserve for employment termination benefits	603.639	416.588
- Reserve for unused vacation	141.400	118.633
Total	745.039	535.221

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

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

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Discount Rate (%)	3,54	3,64
Rate for the Probability of Retirement (%)	95,35	95,52

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

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Prior Period Closing Balance	416.588	316.980
Recognized as an Expense During the Period	94.607	75.183
Actuarial Loss / (Gain)	155.155	66.027
Paid During the Period	(62.711)	(41.602)
Balance at the End of the Period	603.639	416.588

As of 31 December 2021, the Bank has allocated vacation liability amounting to TL 141.400 (31 December 2020: TL 118.633).

1. (ii). Post-employment benefits:

The Bank's obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been calculated by a registered actuary. In this context, the value of the obligation regarding these benefits to be transferred to SSI as of the balance sheet date would equal the approximate payment amount that would need to be made to SSI as part of the transfer. The actuarial parameters and results used for the calculation of this amount reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%). Based on the actuary reports, as of 31 December 2021, deficit of the Fund amounts to TL 294.503 (31 December 2020: TL 126.263 excess).

	Current Period 31 December 2021	Prior Period 31 December 2020
Total Obligations	(9.063.017)	(7.690.175)
Cash value of future contributions	6.336.667	5.601.360
Total Transfer Obligations to SSI	(2.726.350)	(2.088.815)
Past service obligation	(452.546)	(366.677)
Total Transfer to SSI and Other Obligations	(3.178.896)	(2.455.492)
Fair value of assets	2.884.393	2.329.229
Deficit	(294.503)	(126.263)

The amount of the post-employment medical benefits transferrable to SSI is calculated over discounted net present value of medical liabilities and health premiums.

The principal actuarial assumptions used were as follows:

Discount rate	Current Period 31 December 2021	Prior Period 31 December 2020
- Pension benefits transferrable to SSI	%9,80	%9,80
- Post-employment medical benefits transferrable to SSI	%9,80	%9,80
- Other non-transferrable benefits	%3,54	%3,64

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Mortality rate

The average life expectancy in years of a pensioner retiring at age 60 for men, 58 for women determined using mortality table depending on statistical data is 19,7 years for men and 25,3 years for women.

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

	Current Period	Prior Period
	31 December 2021	31 December 2020
Prior period end	2.329.229	2.065.470
Actual return on plan assets	492.765	227.741
Employer contributions	498.701	432.814
Employee contributions	330.903	284.885
Benefits paid	(767.205)	(681.681)
Period end	2.884.393	2.329.229

Plan assets are comprised as follows:

	Current Period		Prior Period	
	31 December 2021		31 December 2020	
Bank placements	546.798	19%	275.016	12%
Property and equipment	15.955	1%	16.421	1%
Marketable securities and share certificates	1.473.310	51%	1.551.810	67%
Other	848.330	29%	485.982	20%
Period end	2.884.393	%100	2.329.229	%100

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

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

3. Information on provisions for non-cash loans that are non-funded and non-transformed into cash: Expected loss provisions for non-cash loans that are non-funded and non-transformed into cash amounting to TL 641.035 as of 31 December 2021 (31 December 2020: TL 492.437).

4. Information on other provisions:

4 (i). Information on free provision for possible risks: TL 1.400.000 (31 December 2020: TL 1.150.000).

4 (ii). Information on provisions for banking services promotion: The Bank has provisions for credit cards and banking services promotion activities amounting to TL 85.010 (31 December 2020: TL 64.932).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Bank are explained in Note XVIII of Section Three. As of 31 December 2021, the remaining tax liability after deducting the taxes paid during the period from corporate tax is TL 1.361.556 (31 December 2020: TL 1.052.158).

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1 (i). Information on taxes payable:

	Current Period 31 December 2021	Prior Period 31 December 2020
Corporate Taxes Payable	1.361.556	1.052.158
Taxation on Marketable Securities	206.958	162.786
Property Tax	2.502	1.210
Banking Insurance Transaction Tax (BITT)	287.100	167.322
Foreign Exchange Transaction Tax	69.469	9.632
Value Added Tax Payable	54.465	10.597
Other	244.305	162.025
Total	2.226.355	1.565.730

1 (ii). Information on premium payables:

	Current Period 31 December 2021	Prior Period 31 December 2020
Social Security Premiums – Employee	-	-
Social Security Premiums – Employer	1	1
Bank Social Aid Pension Fund Premium- Employee	3	3
Bank Social Aid Pension Fund Premium – Employer	3	3
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee	2.203	1.891
Unemployment Insurance – Employer	4.407	3.782
Other	123	270
Total	6.740	5.950

2. Information on deferred tax liability:

As of 31 December 2021, the Bank has deferred tax liability TL 171.341 [31 December 2020: TL 16.161]. An explanation about the net deferred tax asset is given in Note I-p of Section Five.

j. Information on subordinated loan (*):

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
To be included in the calculation of additional capital				
borrowing instruments	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	18.725.534	-	6.718.414
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	18.725.534	-	6.718.414
Total	-	18.725.534	-	6.718.414

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

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k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period 31 December 2021	Prior Period 31 December 2020
Common Stock	5.200.000	5.200.000
Preferred Stock	-	-

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

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

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

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

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

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

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

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

8. Information on marketable securities value increase fund:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures (*)	689.213	632.663	691.231	835.651
Valuation Difference	1.021.928	(2.807.123)	73.752	223.644
Foreign Currency Differences	-	-	-	-
Total	1.711.141	(2.174.460)	764.983	1.059.295

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

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

a. Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: TL 21.548.480 asset purchase commitments (31 December 2020: TL 7.908.110), TL 34.314.098 commitments for credit card limits (31 December 2020: TL 29.118.196), TL 3.394.242 commitments for cheque books (31 December 2020: TL 2.730.978).

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

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

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Bank Acceptance Loans	159.525	47.814
Letters of Credit	15.122.635	4.605.899
Other Guarantees and Warranties	14.669.298	10.105.633
Total	29.951.458	14.759.346

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Revocable Letters of Guarantee	3.007.119	1.961.090
Irrevocable Letters of Guarantee	28.770.082	18.532.178
Letters of Guarantee Given in Advance	5.813.769	1.920.439
Guarantees Given to Customs	3.041.100	3.525.154
Other Letters of Guarantee	17.238.822	11.536.815
Total	57.870.892	37.475.676

3. Information on non-cash loans:

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Non-cash Loans Given against Cash Loans	26.184.515	20.144.761
With Original Maturity of 1 Year or Less Than 1 Year	9.852.927	6.778.686
With Original Maturity of More Than 1 Year	16.331.588	13.366.075
Other Non-cash Loans	61.637.835	32.090.261
Total	87.822.350	52.235.022

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

	Current Period 31 December 2021				Current Period 31 December 2020			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	43.137	0,13	875	-	24.574	0,10	528	-
Farming and Raising	1.096	-	-	-	957	-	-	-
Livestock	41.683	0,13	875	-	20.841	0,08	528	-
Forestry	358	-	-	-	2.776	0,01	-	-
Fishing	6.763.308	20,65	26.787.018	48,65	4.537.393	18,22	13.807.937	50,52
Manufacturing	163.896	0,50	325.398	0,59	70.244	0,28	108.785	0,40
Mining	5.466.832	16,69	23.492.000	42,67	3.391.055	13,62	11.529.436	42,18
Production	1.132.580	3,46	2.969.620	5,39	1.076.094	4,32	2.169.716	7,94
Electric, Gas and Water	5.243.489	16,00	10.130.239	18,40	3.594.829	14,43	5.032.730	18,41
Construction	19.688.067	60,08	14.406.753	26,17	16.017.986	64,32	6.451.516	23,61
Services	14.135.956	43,14	6.480.534	11,77	11.346.592	45,56	1.917.137	7,01
Wholesale and Retail Trade	225.950	0,69	627.491	1,14	148.820	0,60	188.219	0,69
Hotel, Food and Beverage Services	967.103	2,95	2.405.909	4,37	599.461	2,41	1.445.137	5,29
Transportation and Telecommunication	3.853.162	11,76	4.641.504	8,43	3.552.648	14,27	2.794.076	10,22
Financial Institutions	35.253	0,11	50.278	0,09	16.257	0,07	51.571	0,19
Real Estate and Leasing Services	94.105	0,29	4.287	0,01	52.050	0,21	2.314	0,01
Self-Employment Services	37.582	0,11	11.903	0,02	32.800	0,13	10.671	0,04
Education Services	338.956	1,03	184.847	0,34	269.358	1,08	42.391	0,16
Health and Social Services	1.026.410	3,14	3.733.054	6,78	729.474	2,93	2.038.055	7,46
Other								
Total	32.764.411	100,00	55.057.939	100,00	24.904.256	100,00	27.330.766	100,00

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

	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	31.909.569	52.994.110	655.687	718.813
Letters of Guarantee	25.787.153	29.294.851	606.314	663.942
Bank Acceptances	-	159.525	-	-
Letters of Credit	49.289	15.021.601	-	26.206
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	23.004	-	-
Other Commitments and Contingencies	6.073.127	8.495.129	49.373	28.665

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b. Information on derivative transactions:

	Current Period 31 December 2021	Prior Period 31 December 2020
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	516.460.013	291.738.317
FC Trading Forward Transactions	54.192.584	20.335.635
Trading Swap Transactions	419.641.529	257.274.520
Futures Transactions	16.321.564	5.485.064
Trading Option Transactions	26.304.336	8.643.098
Interest Related Derivative Transactions (II)	274.213.574	190.667.046
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	246.857.930	172.913.080
Interest Rate Options	27.355.644	17.753.966
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	55.400.512	34.560.827
A. Total Trading Derivative Transactions (I+II+III)	846.074.099	516.966.190
Types of Hedging Transactions		
Fair Value Hedges	59.210.909	29.768.629
Cash Flow Hedges	101.944.477	54.738.337
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	161.155.386	84.506.966
Total Derivative Transactions (A+B)	1.007.229.485	601.473.156

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

As of 31 December 2021, the Bank has credit default swap of TL 2.292.588 (31 December 2020: TL 1.298.395).

d. Explanations on contingent assets and liabilities:

1. Contingent Liabilities:

The Bank has accounted a provision amounting to TL 80.597 (31 December 2020: TL 73.847) for the contingent liabilities with a high probability of realization regarding continuing opposing trials. There are also some other opposing trials. In Addition the probability of realization of these trials is low so no cash outflow expected regarding these trials.

2. Contingent Assets:

None (31 December 2020: None).

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

The policy is explained on note IX in Section Four.

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IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

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

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Short-term Loans	13.415.346	1.064.402	7.417.880	720.902
Medium and Long-term Loans	15.118.739	3.366.784	10.831.583	3.405.207
Interest on Loans Under Follow-Up	570.096	-	854.402	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	29.104.181	4.431.186	19.103.865	4.126.109

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

2. Information on interest income on banks:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	46.698	202	184.405	1.303
From Foreign Banks	1.364	28.476	2.752	95.070
From Headquarters and Branches Abroad	-	-	-	-
Total	48.062	28.678	187.157	96.373

3. Information on interest income on marketable securities:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
From Financial Assets at Fair Value through Profit or Loss	9.009	12.356	5.860	9.273
Financial Assets at Fair Value through Other Comprehensive Income	5.146.257	1.814.235	4.100.731	1.265.145
Financial Assets Measured at Amortised Cost	6.678.362	406.528	3.585.511	300.248
Total	11.833.628	2.233.119	7.692.102	1.574.666

As stated in the Note VII of Section Three, there are bonds indexed to consumer prices ("CPI") in the securities portfolios of the Bank whose fair value difference is reflected to other comprehensive income and measured with their amortized cost. The mentioned securities are valued and accounted for according to the effective interest method based on the index calculated based on the real coupon rates and the reference inflation index on the issue date and the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months ago. The Bank determines the estimated inflation rate accordingly. At the end of the year, the real inflation rate is used.

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Interests Received From Investments in Associates and Subsidiaries	118.313	64.323

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b. Information on interest expense:

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

	Current Period		Prior Period	
	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Banks	35.290	790.195	27.015	854.225
The CBRT	-	-	-	-
Domestic Banks	35.290	9.928	27.015	5.391
Foreign Banks	-	780.267	-	848.834
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	168.796	-	156.001
Total	35.290	958.991	27.015	1.010.226

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

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

	Current Period	Prior Period
	31 December 2021	31 December 2020
To Associates and Subsidiaries	60.670	14.938

3. Information on interest expense given to securities issued:

	Current Period		Prior Period	
	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Interest expense on securities issued	1.188.041	1.532.711	955.331	952.437

4. Maturity structure of the interest expense on deposits:

There are no seven-day notification deposits.

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

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	Time Deposits						
Prior Period - 31.12.2020	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	Total
TL							
Bank Deposits	22.655	123.307	108.158	-	198	-	254.318
Saving Deposits	-	971.202	4.209.217	16.746	22.427	56.223	5.275.815
Public Sector Deposits	-	1.262	2.912	188	31	46	4.439
Commercial Deposits	-	895.816	1.123.712	14.268	5.123	5.703	2.044.622
Other Deposits	-	30.182	250.649	905	386	81	282.203
Total	22.655	2.021.769	5.694.648	32.107	28.165	62.053	7.861.397
FC							
Foreign Currency Deposits	-	172.491	703.461	16.457	10.352	31.682	934.443
Bank Deposits	277	3.119	98.460	4.431	8.640	71	114.998
Precious Metals Deposits	-	77	353	31	1.939	724	3.124
Total	277	175.687	802.274	20.919	20.931	32.477	1.052.565
Grand Total	22.932	2.197.456	6.496.922	53.026	49.096	94.530	8.913.962

c. Information on dividend income:

	Current Period 31 December 2021	Prior Period 31 December 2020
From Financial Assets at Fair Value Through Profit or Loss	1.751	1.316
From Financial Assets at Fair Value Through Other Comprehensive Income	3.495	3.212
Other	-	235
Total	5.246	4.763

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Profit	3.850.923.995	1.272.774.530
Income From Capital Market Transactions	791.957	618.642
Income From Derivative Financial Transactions (*)	56.277.730	23.646.658
Foreign Exchange Gains	3.793.854.308	1.248.509.230
Loss (-)	3.844.474.787	1.273.393.307
Loss from Capital Market Transactions	131.174	215.297
Loss from Derivative Financial Transactions (*)	57.119.282	27.714.181
Foreign Exchange Loss	3.787.224.331	1.245.463.829
Total (Net)	6.449.208	(618.777)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 14.464.369 (31 December 2020: TL 85.237).

e. Explanations on other operating income:

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

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Expected Credit Loss	5.139.830	6.860.487
12 month expected credit loss (Stage 1)	99.081	1.061.417
Significant increase in credit risk (Stage 2)	1.107.493	1.243.569
Non-performing loans (Stage 3)	3.933.256	4.555.501
Marketable Securities Impairment Expense	-	10
Financial Assets at Fair Value through Profit or Loss	-	10
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	7.791.329	2.619.356
Total	12.931.159	9.479.853

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

g. Information related to other operating expenses:

	Current Period 31 December 2021	Prior Period 31 December 2020
Reserve for Employee Termination Benefits	31.896	33.581
Bank Social Aid Fund Deficit Provision	168.240	88.138
Impairment Expenses of Fixed Assets	-	12.594
Depreciation Expenses of Fixed Assets	508.174	451.577
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	278.024	207.745
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	1.517	19.621
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	3.929.752	3.049.690
Leasing Expenses on TFRS 16 Exceptions	134.294	119.098
Maintenance Expenses	68.922	50.458
Advertisement Expenses	208.801	144.142
Other Expenses	3.517.735	2.735.992
Loss on Sales of Assets	7.341	5.585
Other	1.126.953	974.345
Total	6.051.897	4.842.876

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

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

(Excluding VAT.)	Current Period 31 December 2021	Prior Period 31 December 2020
Independent Audit Fee	4.753	3.937
Tax Consultancy Fee	-	-
Other Assurance Services Fee	1.519	821
Other Non-Audit Services Fee	988	949
Total	7.260	5.707

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

The Bank's income before tax consists of net interest income amounting to TL 22.834.712, net fees and commission income amounting to TL 5.232.526 and the amount of other operating and personal expenses are TL 9.326.172.

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

As of 31 December 2021, the Bank has current tax expense of TL 2.969.973 (31 December 2020: TL 2.061.984), deferred tax expense of TL 5.272.335 (31 December 2020: TL 1.013.470) and a deferred tax income of TL 4.302.076 (31 December 2020: TL 1.397.409).

The Bank has no discontinued operations.

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

Net profit of the Bank is TL 12.125.908 (31 December 2020: TL 6.267.167).

The Bank has no discontinued operations.

l. Explanations on current period net profit and loss:

1. Explanation on the quality, amount and frequency of the figures of the income and expense stemming from ordinary banking operations, if necessary to understand the performance of the Bank for the current period: None (31 December 2020: None).
2. Explanation on the changes in the estimations regarding the figures on the financial statements, if there is a possibility that the profit and loss for the current or the following periods will be impacted: None (31 December 2020: None).

m. Other figures on profit and loss statement:

"Other Fee and Commission Income" in the Income Statement mainly consists of commissions received from credit card, money transfer and insurance transactions.

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

a. Information on distribution of profit:

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

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

b. Information on hedge funds:

Information on cash flow hedge:

Due to facts described in "Explanations of Hedging Transactions" section in Note XI of Section Four, there are discontinued hedge accounting transactions. As of 31 December 2021, the fair value change of the hedging instrument since the beginning of hedge accounting left after amortization has been reflected to profit/loss accounts that is shown under "hedging funds" in equity is TL 2.279 (31 December 2020: TL (695)).

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

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

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VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

a. Information on cash and cash equivalents:

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

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

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Cash	10.012.965	11.741.651
Cash, Foreign Currency and Other	4.936.234	3.282.198
Demand Deposits in Banks (*)	5.076.731	8.459.453
Cash Equivalents	518.166	4.094.333
Interbank Money Market Placements	487.425	-
Time Deposits in Banks	28.194	3.978.195
Marketable Securities	2.547	116.138
Total Cash and Cash Equivalents	10.531.131	15.835.984

(*) The restricted demand accounts are not included.

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Cash	37.922.801	10.012.965
Cash, Foreign Currency and Other	9.943.310	4.936.234
Demand Deposits in Banks (*)	27.979.491	5.076.731
Cash Equivalents	5.833.870	518.166
Interbank Money Market Placements	2.811.411	487.425
Time Deposits in Banks	3.016.047	28.194
Marketable Securities	6.412	2.547
Total Cash and Cash Equivalents	43.756.671	10.531.131

(*) The restricted demand accounts are not included.

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

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to TL (2.642.331) [31 December 2020: TL (2.548.671) TL] consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 40.184.402 [31 December 2020: TL (12.790.959) TL] consists mainly of changes in funds from repurchase agreements, miscellaneous payables and other liabilities.

The effect of changes in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the three months periods, and amounts to TL 10.377.982 [31 December 2020: TL 2.837.780].

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

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

1. Current Period – 31 December 2021:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the Beginning of the Period	903.971	288.551	7.514.006	2.175.351	2.134	1.576
Balance at the End of the Period	1.352.221	416.959	8.554.296	2.830.028	7.260	2.617
Interest and Commission Income Received	118.313	39	615.586	10.305	833	24

According to the German deposit insurance law, the Bank has given a "letter of undertaking" to the German Banking Institute related to Akbank AG, a subsidiary of the Bank. This letter of undertaking amounts to TL 19.415.978 as of 31 December 2021 (31 December 2020: TL 10.953.676).

2. Prior Period - 31 December 2020:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the Beginning of the Period	727.217	297.220	6.444.515	1.048.361	6.429	1.096
Balance at the End of the Period	903.971	288.551	7.514.006	2.175.351	2.134	1.576
Interest and Commission Income Received	64.323	54	753.728	9.467	475	22

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31.12.2021	Prior Period 31.12.2020	Current Period 31.12.2021	Prior Period 31.12.2020	Current Period 31.12.2021	Prior Period 31.12.2020
Balance at the Beginning of the Period	806.713	569.432	5.935.681	4.572.838	618.986	1.403.075
Balance at the End of the Period	1.600.276	806.713	9.970.388	5.935.681	916.184	618.986
Interest expense on Deposits	60.670	14.938	393.987	186.557	38.926	24.658

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

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Transactions at Fair Value						
Through Profit or Loss						
Beginning of the Period	3.815.631	2.916.547	10.166.262	11.408.705	-	-
Balance at the End of the Period	2.416.897	3.815.631	23.469.742	10.166.262	-	-
Total Income/Loss	(16.426)	(44.249)	(159.510)	117.896	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

Figures presented in the table above show the total of "sale" and "purchase" amounts of related transactions. Due to the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Bank. As of 31 December 2021, the net exposure for investments in associates and subsidiaries is TL 26.815 (31 December 2020: TL (294.045)). For direct and indirect shareholders of the Bank TL (2.354.032) (31 December 2020: TL (358.416)).

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

As of 31 December 2021 benefits provided to the Bank's key management amounting to TL 69.252 (31 December 2020: TL 61.355).

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

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

	Number	Number of Employees			
Domestic Branches	710	12.171			
			Country of Incorporation		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch	-	-	-	-	-
Off-shore Banking Region Branches	1	13	Malta	69.047.980	-

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

In 2021, the Bank has closed up 5 domestic branches.

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

"Retail Banking and Digital Solutions" and "SME Banking" business units were established at the Bank. In the new organizational structure, Strategy, Digital Banking and Payment Systems Assistant General Manager Burcu Civelek Yüce assumed the role of Retail Banking and Digital Solutions Assistant General Manager; Bülent Oğuz, Deputy General Manager of Retail Banking, assumed the role of Deputy General Manager of SME Banking.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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SECTION SIX OTHER EXPLANATIONS

I. OTHER EXPLANATIONS

None.

SECTION SEVEN EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements for the period ended 31 December 2021 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 1 February 2022 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

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**PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS AND RELATED
DISCLOSURES AT 31 DECEMBER 2021 TOGETHER
WITH INDEPENDENT AUDITOR'S REPORT**

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

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

INDEPENDENT AUDITOR'S REPORT

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

A. Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Akbank T.A.Ş. (the "Bank"), and its subsidiaries (collectively referred to as the "Group"), which comprise the statement of consolidated balance sheet as at 31 December 2021, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter on the consolidated financial statements described in the basis for the qualified opinion paragraph below, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Qualified Opinion

As explained in Section Five Part II h.4 (i) of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 December 2021 include a free provision amounting to TL 1.400.000 thousand which consist of TL 1.150.000 thousand provided in prior years and TL 250.000 thousand recognized in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters**How Our Audit Addressed the Key Audit Matter****Impairment of loans and lease receivables in accordance with TFRS 9**

The Group has total provision for impairment of TL 19.014.504 thousands in respect to loans and lease receivables of TL 404.788.296 thousands which represent a significant portion of the Group's total assets in its consolidated financial statements as at 31 December 2021. Explanations and notes related to provision for impairment of loans and lease receivables are presented section III part VII-e, section III part VIII, section IV part II-h, section IV part II-l, section IV part II-j, section IV part X-c, section V part I-f and section V part II-h in the accompanying consolidated financial statements as at 31 December 2021.

The Group recognizes provisions for impairment in accordance with "TFRS 9 Financial Instruments" requirements in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost. In addition, the operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of the data are key in the determination of expected credit losses on loans. Impairment allowances are calculated on a collective basis for portfolios of loans of a similar nature and on individual basis for significant loans taking into account Management's best estimate at the balance sheet date and historical losses incurred. The impacts of COVID-19 global pandemic have increased the importance of the estimations and assumptions used by the Bank management in determination of the expected credit loan loss provision. The uncertainties arising from these impacts have been evaluated by the management in their judgements and estimations.

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

Within our audit procedures, we assessed policies and procedures together with the overall governance established by the Group with respect to classification of loans and lease receivables and estimation of impairment in accordance with the applicable regulations considering also the impacts of COVID-19. We have tested the design and operating effectiveness of controls implemented by the Group in line with its governance, policies and procedures.

Together with our modelling specialists, we have evaluated and tested the methodologies used in building impairment models in line with the requirement of TFRS 9 and the Group's policies for the significant portfolio of loans. We have tested model calculations through re-performance together with our modelling specialists on a sample basis. We have independently assessed together with our related specialists methodologies used in the models with respect to segmentation, life time expected credit losses, losses given default and use of macro-economic expectations that include the impacts of COVID-19.

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

In addition, for non-performing loans and other significant loans that are subject to individual assessment based on the Group policies, we have evaluated the appropriateness of specific impairment provision with supportable input. Based on our discussions with the Group management, we have evaluated and challenged whether the key assumptions and other judgements, underlying the estimation of impairment were reasonable including the areas affected by the uncertainties related to COVID-19.

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

<i>Key Audit Matters</i>	<i>How Our Audit Addressed the Key Audit Matter</i>
<p><i>Valuation of Pension Fund Obligations</i></p> <p>The Bank has booked provision amounting to TL 294.503 thousand for Pension Fund Liabilities in the accompanying consolidated financial statements as at 31 December 2021. Explanations on Valuation of Pension Obligations are presented in the section III part XVII-b and section V part II-h in the accompanying consolidated financial statements.</p> <p>The Bank's Personnel Pension Fund Foundation (Pension Fund) is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds to be transferred to the Social Security Institution (SSI). The President of the Republic of Turkey is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The valuations of the pension obligations require significant judgement and technical expertise in choosing appropriate assumptions. The Bank's management uses external consulting firm for the purpose of valuations of pension obligations. The reason we focused on this area during our audit is; the importance of the actuarial and economic assumptions such as discount rates, salary increases, demographic assumptions used in the valuation of pension obligations with respect to social benefits and the significant impact that may arise from the possible change in the assumptions used in the evaluation of pension fund liabilities.</p>	<p>Within our audit we tested on a sample basis the accuracy of the employee data supplied by the Bank management to the external consulting firm for the purpose of evaluation pension obligation. In addition, we have verified the existence and values of the Pension Fund assets.</p> <p>Through use of actuarial specialists, we assessed the reasonableness of assumptions and evaluation made by the external actuaries in the calculation of the liability.</p> <p>In addition to the above procedures we have reviewed disclosures made with respect to pension fund.</p>

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

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

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

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

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

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

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

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

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

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

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

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

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

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

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

Zeynep Uras, SMMM
Partner

Istanbul, 1 February 2022

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

**THE CONSOLIDATED FINANCIAL REPORT OF
AKBANK T.A.Ş. AS OF 31 DECEMBER 2021**

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

The consolidated financial report, prepared in accordance with "Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the sections listed below.

- **Section One** - GENERAL INFORMATION ABOUT THE PARENT BANK
- **Section Two** - CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- **Section Three** - EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** - INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP
- **Section Five** - INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** - OTHER EXPLANATIONS
- **Section Seven** - INDEPENDENT AUDITOR'S REPORT

Investments in associates, joint ventures and subsidiaries whose financial statements have been consolidated in this reporting package are as follows:

	Subsidiaries	Investments in Associates	Joint Ventures
1.	Ak Finansal Kiralama A.Ş.	-	-
2.	Ak Yatırım Menkul Değerler A.Ş.	-	-
3.	Ak Portföy Yönetimi A.Ş.	-	-
4.	Akbank AŞ	-	-
5.	AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş.	-	-

A.R.T.S. Ltd., which is not subsidiary of the Bank has been included in the consolidation due to the reason that this company is "Structured Entity"

The accompanying consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira (TL), have been prepared based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related appendices and interpretations on these, and have been independently reviewed.

1 February 2022

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

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

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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

SECTION ONE
GENERAL INFORMATION ABOUT THE BANK

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

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

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

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

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

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

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

The shares of individuals above are insignificant in the Parent Bank.

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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

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

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

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

The Bank's core business activities consist of retail banking, commercial banking, corporate-investment banking and private banking and wealth management, foreign exchange, money markets, securities transactions (treasury transactions) and international banking services. In addition to regular banking operations, the Bank also provides insurance intermediary services as an agency of Aksigorta A.Ş. and AgeSA Hayat ve Emeklilik A.Ş. via its branch network. As of 5 July 2021, the title of AvivaSA Emeklilik ve Hayat A.Ş. was changed to AgeSA Hayat ve Emeklilik A.Ş. As of 31 December 2021, the Bank has 710 branches dispersed throughout the country and 1 branch operating abroad (31 December 2020: 715 branches and 1 branch operating abroad). As of 31 December 2021, the Bank has 12.184 employees (31 December 2020: 12.459).

The Parent Bank and its subsidiaries, Ak Finansal Kiralama A.Ş., Ak Yatırım Menkul Değerler A.Ş., AK Portföy Yönetimi A.Ş., Akbank AG, AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş. and together with A.R.T.S. Ltd., which is not subsidiary of the Bank, this company is a "Structured Entity", has been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are referred to as the "Group".

As at 31 December 2021, the Group employed 12.606 people (31 December 2020: 12.862).

VI. A SHORT EXPLANATION ON THE DIFFERENCES BETWEEN THE COMMUNIQUE ON CONSOLIDATED FINANCIAL STATEMENT REPORTING AND THE CONSOLIDATION PROCEDURES REQUIRED BY TURKISH ACCOUNTING STANDARDS AND ABOUT INSTITUTIONS THAT ARE SUBJECT TO FULL CONSOLIDATION, PROPORTIONAL CONSOLIDATION, BY WAY OF DEDUCTION FROM CAPITAL OR THOSE THAT ARE SUBJECT TO NONE:

The Bank sees no difference between the Communiqué on Consolidated Financial Reporting and the consolidation procedures required by Turkish Accounting Standards. Information in regards to consolidated subsidiaries and consolidation methods are given in Section III. Note III.

VII. EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES TO IMMEDIATE TRANSFER OF CAPITAL BETWEEN PARENT BANK AND ITS SUBSIDIARIES AND REPAYMENT OF DEBTS:

None.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.Ş.**I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2021 (STATEMENT OF FINANCIAL POSITION)**

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

ASSETS	Note (Section Five)	CURRENT PERIOD (31/12/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		93.693.309	215.419.445	309.112.754	46.137.924	109.631.454	155.769.378
1.1 Cash and Cash Equivalents		14.832.928	133.372.157	148.205.085	4.894.531	60.632.924	65.527.455
1.1.1 Cash and Balances with Central Bank	(I-a)	11.895.572	79.991.200	91.886.772	4.398.630	43.277.691	47.676.321
1.1.2 Banks	(I-d)	88.953	53.381.733	53.470.686	7.375	17.408.700	17.416.075
1.1.3 Money Markets		2.848.612	-	2.848.612	488.547	-	488.547
1.1.4 Expected Loss Provision (-)		209	776	985	21	53.467	53.488
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	2.449.329	8.360.046	10.809.375	1.266.896	7.912.516	9.179.412
1.2.1 Government Debt Securities		241.562	337.168	578.730	22.607	167.331	189.938
1.2.2 Equity Instruments		791.398	282.498	1.073.896	146.997	158.714	305.711
1.2.3 Other Financial Assets		1.416.369	7.740.380	9.156.749	1.097.292	7.586.471	8.683.763
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-e)	35.882.021	64.429.401	100.311.422	23.750.325	34.453.820	58.204.145
1.3.1 Government Debt Securities		34.746.069	43.909.234	78.655.303	23.067.781	21.352.442	44.420.223
1.3.2 Equity Instruments		15.770	109	15.879	15.777	607	16.384
1.3.3 Other Financial Assets		1.120.182	20.520.058	21.640.240	666.767	13.100.771	13.767.538
1.4 Derivative Financial Assets	(I-c, I-I)	40.529.031	9.257.841	49.786.872	16.226.172	6.632.194	22.858.366
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		27.285.795	9.068.516	36.354.311	11.487.693	6.632.194	18.119.887
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		13.243.236	189.325	13.432.561	4.738.479	-	4.738.479
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		265.854.861	172.485.499	438.340.360	206.642.060	103.077.185	309.719.245
2.1 Loans	(I-f)	236.628.155	160.122.040	396.750.195	184.860.198	94.373.036	279.233.234
2.2 Lease Receivables	(I-k)	1.921.249	6.116.852	8.038.101	1.569.491	4.013.358	5.582.849
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost	(I-g)	42.169.862	10.415.698	52.585.560	34.523.108	7.361.951	41.885.059
2.4.1 Government Debt Securities		42.169.862	9.446.135	51.615.997	34.523.108	6.693.715	41.216.823
2.4.2 Other Financial Assets		-	969.563	969.563	-	668.236	668.236
2.5 Expected Credit Loss (-)		14.864.405	4.169.091	19.033.496	14.310.737	2.671.160	16.981.897
III. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-r)	232.296	-	232.296	250.778	-	250.778
3.1 Held for Sale Purpose		232.296	-	232.296	250.778	-	250.778
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		18.129	-	18.129	14.795	-	14.795
4.1 Investments in Associates (Net)	(I-h)	18.129	-	18.129	14.795	-	14.795
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		18.129	-	18.129	14.795	-	14.795
4.2 Subsidiaries (Net)	(I-I)	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)	(I-J)	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)	(I-m)	5.821.035	73.801	5.894.836	5.948.874	54.532	6.003.406
VI. INTANGIBLE ASSETS (Net)	(I-n)	1.485.784	13.818	1.499.602	1.185.653	5.256	1.190.909
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.485.784	13.818	1.499.602	1.185.653	5.256	1.190.909
VII. INVESTMENT PROPERTY (Net)	(I-o)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	124.001	124.001	-	-	-
IX. DEFERRED TAX ASSET	(I-p)	78.560	73.610	152.170	147.990	-	147.990
X. OTHER ASSETS (Net)	(I-s)	6.225.787	1.198.395	7.424.182	4.879.644	340.430	5.220.074
TOTAL ASSETS		373.409.761	389.388.569	762.798.330	265.207.718	213.108.857	478.316.575

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

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.Ş.**I. CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2021 (STATEMENT OF FINANCIAL POSITION)**

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

LIABILITIES	Note (Section Five)	CURRENT PERIOD (31/12/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-a)	151.449.396	302.101.183	453.550.579	108.381.772	184.157.235	292.519.007
II. FUNDS BORROWED	(II-c)	676.304	59.296.736	59.973.040	367.411	39.895.203	40.262.614
III. MONEY MARKETS		35.756.717	28.880.744	64.637.461	4.029.807	16.877.537	20.907.344
IV. SECURITIES ISSUED (Net)	(II-d)	9.452.458	20.830.603	30.283.061	7.712.928	11.593.289	19.306.217
4.1 Bills		7.058.313	-	7.058.313	5.313.725	-	5.313.725
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		2.394.145	20.830.603	23.224.748	2.399.203	11.593.289	13.992.492
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(II-b, II-g)	22.005.962	3.676.720	25.682.682	11.277.350	3.563.623	14.840.973
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		21.729.706	3.463.705	25.193.411	10.933.746	3.228.358	14.162.104
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		276.256	213.015	489.271	343.604	335.265	678.869
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(II-f)	537.500	52.860	590.360	507.578	34.981	542.559
X. PROVISIONS	(II-h)	3.183.878	173.415	3.357.293	2.431.126	69.929	2.501.055
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		773.481	3.268	776.749	556.168	1.453	557.621
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		2.410.397	170.147	2.580.544	1.874.958	68.476	1.943.434
XI. CURRENT TAX LIABILITY	(II-i)	2.143.416	261.075	2.404.491	1.541.750	125.492	1.667.242
XII. DEFERRED TAX LIABILITY	(II-i)	171.474	282.831	454.305	370	124.088	124.458
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND RELATED TO THE DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(II-j)	-	18.725.534	18.725.534	-	6.718.414	6.718.414
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	18.725.534	18.725.534	-	6.718.414	6.718.414
XV. OTHER LIABILITIES	(II-e)	12.692.318	14.487.893	27.180.211	9.473.651	6.528.984	16.002.635
XVI. SHAREHOLDERS' EQUITY	(II-k)	84.846.514	(8.887.201)	75.959.313	64.500.621	(1.576.564)	62.924.057
16.1 Paid-in capital		5.200.000	-	5.200.000	5.200.000	-	5.200.000
16.2 Capital Reserves		5.320.613	-	5.320.613	5.320.613	-	5.320.613
16.2.1 Share Premium		3.505.742	-	3.505.742	3.505.742	-	3.505.742
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		1.814.871	-	1.814.871	1.814.871	-	1.814.871
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		2.627.256	16.699	2.643.955	2.772.942	16.699	2.789.641
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		13.199.125	(8.903.900)	4.295.225	4.237.723	(1.593.263)	2.644.460
16.5 Profit Reserves		45.953.298	-	45.953.298	40.117.963	-	40.117.963
16.5.1 Legal Reserves		1.933.583	-	1.933.583	1.882.950	-	1.882.950
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		43.869.490	-	43.869.490	37.956.649	-	37.956.649
16.5.4 Other Profit Reserves		150.225	-	150.225	278.364	-	278.364
16.6 Income or (Loss)		12.546.222	-	12.546.222	6.851.198	-	6.851.198
16.6.1 Prior Periods' Income or (Loss)		419.031	-	419.031	591.573	-	591.573
16.6.2 Current Period Income or (Loss)		12.127.191	-	12.127.191	6.259.625	-	6.259.625
16.7 Minority Interest	(II-l)	-	-	-	182	-	182
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		322.915.937	439.882.393	762.798.330	210.204.364	268.112.211	478.316.575

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

AKBANK T.A.Ş.

II. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2021

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

	Note (Section Five)	CURRENT PERIOD (31/12/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		335,848.176	890,327.061	1,228,175.237	220,743.425	495,624.636	716,368.061
I. GUARANTEES AND WARRANTIES	(III-a-2, 3)	32,763.085	55,573.031	88,336.116	24,900.974	26,534.678	51,435.652
1.1 Letters of Guarantee		26,591.294	31,957.346	58,548.640	21,256.883	16,267.735	37,524.618
1.1.1 Guarantees Subject to State Tender Law		1,155.719	3,175.131	4,330.850	340.040	1,654.714	1,994.754
1.1.2 Guarantees Given for Foreign Trade Operations		-	2,607.611	2,607.611	-	1,913.491	1,913.491
1.1.3 Other Letters of Guarantee		25,435.575	26,174.604	51,610.179	20,916.843	12,699.530	33,616.373
1.2 Bank Acceptances		-	159.525	159.525	-	47.814	47.814
1.2.1 Import Letter of Acceptance		-	159.525	159.525	-	47.814	47.814
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		49.289	15,121.137	15,170.426	7.931	4,653.058	4,660.989
1.3.1 Documentary Letters of Credit		49.289	13,538.638	13,587.927	7.931	3,645.457	3,653.388
1.3.2 Other Letters of Credit		-	1,582.499	1,582.499	-	1,007.601	1,007.601
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	23.003	23.003	-	19.269	19.269
1.8 Other Guarantees		100.457	8,295.370	8,395.827	156.440	5,535.604	5,692.044
1.9 Other Collaterals		6,022.045	16.650	6,038.695	3,479.720	11.198	3,490.918
II. COMMITMENTS	(III-a-1)	68,584.861	21,771.973	90,356.834	51,463.917	6,392.539	57,856.456
2.1 Irrevocable Commitments		66,901.506	20,434.428	87,335.934	50,214.657	6,061.181	56,275.838
2.1.1 Asset Purchase Commitments		7,164.528	14,387.946	21,552.474	2,918.552	4,989.558	7,908.110
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		13,266.649	6,041.228	19,307.877	9,086.285	1,068.075	10,154.360
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		3,394.242	-	3,394.242	2,730.978	-	2,730.978
2.1.8 Tax and Fund Liabilities from Export Commitments		5.934	-	5.934	4.702	-	4.702
2.1.9 Commitments for Credit Card Limits		34,314.098	-	34,314.098	29,118.196	-	29,118.196
2.1.10 Commitments for Credit Cards and Banking Services Promotions		130.112	-	130.112	130.470	-	130.470
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		8,625.943	5.254	8,631.197	6,225.474	3.548	6,229.022
2.2 Revocable Commitments		1,683.355	1,337.545	3,020.900	1,249.260	331.358	1,580.618
2.2.1 Revocable Loan Granting Commitments		1,364.856	-	1,364.856	817.508	-	817.508
2.2.2 Other Revocable Commitments		318.499	1,337.545	1,656.044	431.752	331.358	763.110
III. DERIVATIVE FINANCIAL INSTRUMENTS	(III-b)	234,500.230	812,982.057	1,047,482.287	144,378.534	462,697.419	607,075.953
3.1 Hedging Derivative Financial Instruments		38,163.770	122,991.616	161,155.386	20,923.980	63,594.359	84,518.339
3.1.1 Fair Value Hedges		2,471.040	56,739.869	59,210.909	4,331.785	25,448.217	29,780.002
3.1.2 Cash Flow Hedges		35,692.730	66,251.747	101,944.477	16,592.195	38,146.142	54,738.337
3.1.3 Foreign Net Investment Hedges		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		196,336.460	689,990.441	886,326.901	123,454.554	399,103.060	522,557.614
3.2.1 Forward Foreign Currency Buy/Sell Transactions		15,801.559	38,750.364	54,551.923	7,440.107	13,005.673	20,445.780
3.2.1.1 Forward Foreign Currency Transactions-Buy		15,557.894	10,535.813	26,093.707	6,721.463	3,767.041	10,488.504
3.2.1.2 Forward Foreign Currency Transactions-Sell		243.665	28,214.551	28,458.216	718.644	9,238.632	9,957.276
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		161,801.483	543,959.385	705,760.868	110,110.958	325,531.230	435,642.188
3.2.2.1 Foreign Currency Swap-Buy		15,706.203	196,139.083	211,845.286	13,751.901	109,034.329	122,786.230
3.2.2.2 Foreign Currency Swap-Sell		87,850.694	138,975.680	226,826.374	61,180.287	78,721.439	139,901.726
3.2.2.3 Interest Rate Swap-Buy		29,122.293	104,422.311	133,544.604	17,589.385	68,887.731	86,477.116
3.2.2.4 Interest Rate Swap-Sell		29,122.293	104,422.311	133,544.604	17,589.385	68,887.731	86,477.116
3.2.3 Foreign Currency, Interest Rate and Securities Options		10,342.841	43,949.193	54,292.034	2,945.911	23,477.844	26,423.755
3.2.3.1 Foreign Currency Options-Buy		6,157.981	6,456.188	12,614.169	1,146.399	3,242.182	4,388.581
3.2.3.2 Foreign Currency Options-Sell		3,577.964	10,137.361	13,715.325	1,772.821	2,481.696	4,254.517
3.2.3.3 Interest Rate Options-Buy		-	13,677.822	13,677.822	-	8,876.983	8,876.983
3.2.3.4 Interest Rate Options-Sell		-	13,677.822	13,677.822	-	8,876.983	8,876.983
3.2.3.5 Securities Options-Buy		19.962	-	19.962	5.815	-	5.815
3.2.3.6 Securities Options-Sell		586.934	-	586.934	20.876	-	20.876
3.2.4 Foreign Currency Futures		8,206.775	8,114.789	16,321.564	2,845.954	2,639.110	5,485.064
3.2.4.1 Foreign Currency Futures-Buy		8,206.775	-	8,206.775	312.150	2,344.916	2,657.066
3.2.4.2 Foreign Currency Futures-Sell		-	8,114.789	8,114.789	2,533.804	294.194	2,827.998
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		183.802	55,216.710	55,400.512	111.624	34,449.203	34,560.827
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		1,097,960.080	807,574.292	1,905,534.372	946,736.961	446,524.338	1,393,261.299
IV. ITEMS HELD IN CUSTODY		91,801.403	87,054.819	178,856.222	72,046.274	41,179.943	113,226.217
4.1 Customer Fund and Portfolio Balances		17,288.136	6,693.055	23,981.191	11,866.024	2,573.098	14,439.122
4.2 Investment Securities Held in Custody		24,979.275	19,165.189	44,144.464	20,299.073	9,387.822	29,686.895
4.3 Cheques Received for Collection		41,556.021	8,993.088	50,549.109	32,938.939	4,497.006	37,435.945
4.4 Commercial Notes Received for Collection		7,595.783	10,212.171	17,807.954	6,634.533	4,697.709	11,332.242
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		382.188	41,991.316	42,373.504	307.705	20,024.308	20,332.013
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		262,975.066	227,759.703	490,734.769	239,703.675	134,185.437	373,889.112
5.1 Marketable Securities		449.676	4,510.927	4,960.603	430.796	2,246.129	2,676.925
5.2 Guarantee Notes		797.853	1,391.005	2,188.858	652.787	695.879	1,348.666
5.3 Commodity		347.908	305.712	653.620	178.400	170.170	348.570
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		182,144.809	170,646.985	352,791.794	182,754.710	101,663.294	284,418.004
5.6 Other Pledged Items		79,234.820	50,905.074	130,139.894	55,686.982	29,409.965	85,096.947
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		743,183.611	492,759.770	1,235,943.381	634,987.012	271,158.958	906,145.970
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		1,433,808.256	1,697,901.353	3,131,709.609	1,167,480.386	942,148.974	2,109,629.360

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

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.Ş.

III. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2021

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

INCOME AND EXPENSE ITEMS		Note (Section Five)	CURRENT PERIOD (01/01-31/12/2021)	PRIOR PERIOD (01/01-31/12/2020)
I.	INTEREST INCOME	(IV-a)	50.970.607	35.128.018
1.1	Interest on Loans	(IV-a-1)	34.734.489	24.225.442
1.2	Interest on Reserve Requirements		881.784	96.440
1.3	Interest on Banks	(IV-a-2)	122.685	289.994
1.4	Interest on Money Market Transactions		157.291	546.482
1.5	Interest on Marketable Securities Portfolio	(IV-a-3)	14.332.031	9.471.535
1.5.1	Fair Value Through Profit or Loss		39.968	16.307
1.5.2	Fair Value Through Other Comprehensive Income		7.207.173	5.569.469
1.5.3	Measured at Amortised Cost		7.084.890	3.885.759
1.6	Financial Lease Interest Income		574.898	434.689
1.7	Other Interest Income		167.429	63.436
II.	INTEREST EXPENSE (-)	(IV-b)	26.622.499	14.429.250
2.1	Interest on Deposits	(IV-b-4)	17.815.859	9.224.039
2.2	Interest on Funds Borrowed	(IV-b-1)	1.187.559	1.179.023
2.3	Interest Expense on Money Market Transactions		4.695.512	1.668.235
2.4	Interest on Securities Issued	(IV-b-3)	2.799.641	1.928.619
2.5	Interest on Leases		87.155	90.412
2.6	Other Interest Expenses		36.773	338.922
III.	NET INTEREST INCOME (I - II)		24.348.108	20.698.768
IV.	NET FEES AND COMMISSIONS INCOME		6.079.237	4.549.000
4.1	Fees and Commissions Received		7.794.942	5.603.506
4.1.1	Non-cash Loans		579.431	442.374
4.1.2	Other		7.215.511	5.161.132
4.2	Fees and Commissions Paid (-)		1.715.705	1.054.506
4.2.1	Non-cash Loans		5.062	4.422
4.2.2	Other		1.710.643	1.050.084
V.	DIVIDEND INCOME	(IV-c)	13.156	4.866
VI.	TRADING INCOME / (LOSS) (Net)	(IV-d)	6.792.018	(675.547)
6.1	Trading Gains / (Losses) on Securities		901.101	445.908
6.2	Gains / (Losses) on Derivative Financial Transactions		(996.318)	(4.250.658)
6.3	Foreign Exchange Gains / (Losses)		6.887.235	3.129.203
VII.	OTHER OPERATING INCOME	(IV-e)	2.287.920	1.395.938
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		39.520.439	25.973.025
IX.	EXPECTED CREDIT LOSS (-)	(IV-f)	5.175.780	6.954.251
X.	OTHER PROVISION EXPENSES (-)		7.798.299	2.628.521
XI.	PERSONNEL EXPENSE (-)		3.536.527	3.040.221
XII.	OTHER OPERATING EXPENSES (-)	(IV-g)	6.369.371	5.065.873
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		16.640.462	8.284.159
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(IV-j)	16.640.462	8.284.159
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-k)	4.513.271	2.024.511
18.1	Current Tax Provision		3.399.761	2.387.901
18.2	Deferred Tax Expense Effect (+)		5.419.011	1.034.774
18.3	Deferred Tax Income Effect (-)		4.305.501	1.398.164
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(IV-l)	12.127.191	6.259.648
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	(IV-j)	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(IV-k)	-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	(IV-l)	-	-
XXV.	NET INCOME/(LOSS) (XIX+XXIV)	(IV-m)	12.127.191	6.259.648
25.1	Income/(Loss) from the Group		12.127.191	6.259.625
25.2	Income/(Loss) from Minority Interest	(IV-h)	-	23
Earning/(Loss) per share (in TL full)			0,02332	0,01204

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

AKBANK T.A.Ş.**IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

	CURRENT PERIOD (31/12/2021)	PRIOR PERIOD (31/12/2020)
I. CURRENT PERIOD INCOME/LOSS	12.127.191	6.259.648
II. OTHER COMPREHENSIVE INCOME	1.534.327	2.301.784
2.1 Not Reclassified Through Profit or Loss	(116.439)	771.122
2.1.1 Property and Equipment Revaluation Increase/Decrease	13.183	912.544
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Plan Remeasurement Gain/Loss	(158.728)	(68.211)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	5.687
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	29.106	(78.898)
2.2 Reclassified Through Profit or Loss	1.650.766	1.530.662
2.2.1 Foreign Currency Translation Differences	5.137.658	1.957.450
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(2.867.688)	432.714
2.2.3 Cash Flow Hedge Income/Loss	3.174.983	550.820
2.2.4 Foreign Net Investment Hedge Income/Loss	(4.698.557)	(1.464.540)
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	904.370	54.218
III. TOTAL COMPREHENSIVE INCOME (I+II)	13.661.518	8.561.432

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

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTSAKBANK T.A.Ş.
V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021
(Amounts are expressed in thousands of Turkish Lira (TL)).

CURRENT PERIOD (31/12/2021)	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Increase/Decrease of Property and Equipment	Accumulated Revaluation Gain/Loss of Defined Benefit Plan	Accumulated Revaluation Gain/Loss of Other Comprehensive Income Not Classified Through Profit or Loss	Other (Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss	Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss	Fair Value Through Other Comprehensive Income	Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Shareholders' Interest	Total Shareholders' Equity
I.		5,200,000	3,505,742	-	1,814,871	3,016,534	(238,474)	9,582	4,740,828	467,159	(2,563,528)	4,011,736	591,573	6,259,625	62,924,975	182	62,924,957		
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		5,200,000	3,505,742	-	1,814,871	3,016,534	(238,474)	9,582	4,740,828	467,159	(2,563,528)	4,011,736	591,573	6,259,625	62,924,975	182	62,924,957		
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V-a)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance [(VI+VII+...+X+XI)]		5,200,000	3,505,742	-	1,814,871	2,997,559	(238,474)	9,582	9,878,498	(1,803,369)	(3,779,862)	46,953,298	419,051	12,127,191	75,989,313	-	75,989,313		

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

ANBANK T.A.Ş.
V. CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2020

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

Note (Section Page)	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Increase/Decrease of Property and Equipment	Accumulated Revaluation Increase/Decrease	Accumulated Remeasurement Gain/Loss of Defined Benefit Plan	Other (Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss)	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Total Shareholders' Equity
									Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss	Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss	Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss				
PRIOR PERIOD (31/12/2020)															
I. Prior Period End Balance															
II. Corrections and Accounting Policy Changes Made According to TMS 9															
2.1 Effects of Corrections	5,200,000	3,505,742	-	1,814,871	2,207,594	-	(180,262)	3,895	-	-	131,159	767,926	5,352,325	54,362,294	54,362,453
2.2 Effects of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Total Comprehensive Income (Net)	5,200,000	3,505,742	-	1,814,871	2,207,594	-	(180,262)	3,895	-	-	131,159	767,926	5,352,325	54,362,294	54,362,453
IV. Total Comprehensive Income (Net)	-	-	-	-	821,847	-	(69,212)	5,687	-	-	336,000	-	8,269,625	8,561,409	8,561,432
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	-	(12,707)	-	-	-	-	-	-	(176,353)	-	172	172
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	(5,352,325)	-	-
XI.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	(5,352,325)	-	-
XI.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (I+II+III+...+X+XI)	5,200,000	3,505,742	-	1,814,871	3,016,634	-	(236,474)	9,582	4,740,829	467,189	(2,853,529)	591,573	6,269,625	62,923,675	62,924,057

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

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

AKBANK T.A.Ş.

VI. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

	Note (Section Five)	CURRENT PERIOD (31/12/2021)	PRIOR PERIOD (31/12/2020)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1		9.321.555	14.858.601
1.1.1		42.582.009	32.770.130
1.1.2		(25.870.208)	(14.310.138)
1.1.3		13.156	4.866
1.1.4		7.823.411	5.631.348
1.1.5		(6.749.486)	(2.290.432)
1.1.6		2.986.230	2.157.372
1.1.7		(3.798.483)	(3.260.779)
1.1.8		(3.214.806)	(2.147.238)
1.1.9	(M-b)	(4.450.268)	(3.696.528)
1.2		36.272.714	(20.044.460)
1.2.1		(9.152.953)	(3.539.108)
1.2.2		(13.139.564)	(1.674.106)
1.2.3		(114.058.841)	(54.984.593)
1.2.4		(47.238.788)	(26.491.977)
1.2.5		1.259.374	5.794.769
1.2.6		159.281.871	42.002.096
1.2.7		-	-
1.2.8		20.539.159	5.694.949
1.2.9		-	-
1.2.10	(M-b)	38.782.456	13.153.510
I.		45.594.269	(5.185.859)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.		(45.566.521)	(10.300.952)
2.1		(180)	-
2.2		-	-
2.3		(1.100.355)	(1.137.180)
2.4		229.095	48.667
2.5		(61.664.281)	(21.540.779)
2.6		18.005.091	31.220.272
2.7		(17.887.458)	(25.884.971)
2.8		15.853.467	4.774.521
2.9		998.100	2.218.518
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.		21.883.924	6.774.018
3.1		44.931.900	34.834.318
3.2		(22.115.394)	(27.755.375)
3.3		-	-
3.4		(626.080)	-
3.5		(306.502)	(304.925)
3.6		-	-
IV.	(M-b)	13.209.138	3.516.122
V.		35.120.810	(5.196.671)
VI.	(M-a)	13.495.306	18.691.977
VII.	(M-a)	48.616.116	13.495.306

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

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

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

	CURRENT PERIOD (31/12/2021)	PRIOR PERIOD (31/12/2020)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	16.066.140	7.945.212
1.2 TAXES AND DUTIES PAYABLE	3.940.232	1.678.045
1.2.1 Corporate Tax (Income Tax)	2.969.973	2.061.984
1.2.2 Income Withholding Tax	-	-
1.2.3 Other taxes and duties	970.259	(383.939)
A. NET INCOME FOR THE YEAR (1.1-1.2)	12.125.908	6.267.167
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	12.125.908	6.267.167
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	260.000
1.6.1 To Owners of Ordinary Shares	-	260.000
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	366.080
1.9.1 To Owners of Ordinary Shares	-	366.080
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	5.603.777
1.13 OTHER RESERVES	-	36.608
1.14 SPECIAL FUNDS	-	702
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Privileged Shares	-	-
2.3.3 To Owners of Preferred Shares	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit and (Loss) Sharing Certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE (*)		
3.1 TO OWNERS OF ORDINARY SHARES	0,023	0,012
3.2 TO OWNERS OF ORDINARY SHARES (%)	2,3	1,2
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	0,001
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	0,1
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Amounts are expressed in TL.

NOTES:

(1) Authorized body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

(2) Profit appropriation is being done according to unconsolidated financial statements.

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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

**SECTION THREE
EXPLANATIONS ON ACCOUNTING POLICIES**

I. EXPLANATIONS ON BASIS OF PRESENTATION:

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

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

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

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

The COVID-19 pandemic caused serious effects on health systems and the global economy as the virus spread to the world in the first quarter of 2020, widespread closure of businesses and unprecedented constraints in social interactions have significantly affected economic activity. Countries have taken measures to slow the spread of the pandemic, such as testing and treating patients, applying travel restrictions, quarantining citizens and canceling large meetings. Along with these social measures, comprehensive financial measures were taken simultaneously to reduce the negative effects on the economic outlook. Similarly, Turkey has many citizens' health and safety measures, as well as to ensure that companies and regulators to support the households in these challenging circumstances, fiscal and monetary actions have been implemented. Intensive vaccination campaign has been continuing in Turkey as in many parts of the world. On the other hand, estimations and assumptions used to reflect COVID-19 impacts on 31 December 2021 financial statements of the Bank are explained in the relevant footnotes.

Explanation for convenience translation to English:

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

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

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

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

AKBANK T.A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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

On 20 January 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies.

c. Items Subject to different accounting policies in the preparation of consolidated financial statements:

There are no items subject to different accounting policies in the preparation of these consolidated financial statements.

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

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

Foreign currency denominated monetary assets and liabilities have been evaluated by buying exchange rates of last period for the Parent Bank and by the exchange rates of the Central Bank of the Republic of Turkey for domestic subsidiaries. Gains and losses arising from such transactions are recognized in the income statement under the account of "Net foreign exchange income/expense". Assets and liabilities of foreign subsidiaries are translated into Turkish lira using the foreign exchange rates prevailing at the balance sheet date, income and expenses of foreign subsidiaries are translated into Turkish Lira at the average exchange rates and all resulting exchange differences are accounted in the shareholders' equity under "Other profit reserves".

As of 31 December 2021, for the Parent Bank foreign currency denominated balances are translated into TL using the exchange rates of TL 13,3290 and TL 15,0867 for USD, EURO respectively.

III. EXPLANATIONS ON EQUITY INVESTMENTS:

Consolidated financial statements are prepared in accordance with the "Turkish Financial Reporting Standard for Consolidated Financial Statements" ("TFRS 10") and "Communiqué on Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette no.26340 dated 8 November 2006.

Consolidation principles for subsidiaries:

Subsidiaries are the entities controlled directly or indirectly by the Bank.

Subsidiaries are consolidated using the full consolidation method. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Bank.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank's returns.

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, income, expense and off-balance sheet items.

The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and resulting unrealized profits and losses are eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Group and presented separately in the Group's income. Minority interests are presented in the consolidated balance sheet, in the shareholders' equity.

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Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Parent Bank and its subsidiaries has been included in the scope of consolidation. The Parent Bank together with its consolidated subsidiaries are referred to as the "Group" in these consolidated financial statements.

Ak Yatırım Menkul Değerler A.Ş. was established on 11 December 1996 to trade in capital markets in accordance with Capital Market Law. This company is delivering intermediary services in capital markets, discretionary portfolio management, derivative transactions, repurchase and reverse repurchase agreements with authorizations given by the Capital Markets Board for each transaction.

Ak Finansal Kiralama A.Ş. was established in 1988 for leasing operations and all kinds of agreements and transactions related to these operations.

Ak Portföy Yönetimi A.Ş. was established on 28 June 2000 and manages its own investment (mutual) funds and AgeSA Hayat ve Emeklilik A.Ş. and some of the pension funds established by Axa Hayat Emeklilik A.Ş., Allianz Hayat Emeklilik A.Ş. and Allianz Yaşam Emeklilik A.Ş., The company also is managing both individual and institutional customers' portfolios, it continues investing in the Fund SICAV 2 Turkey on the international market and founder of 1 Sompō Japan in money market funds management activities.

Akbank AG operates in Germany, providing corporate, consumer and private banking services.

Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş., 100% owned by the Bank, has been established on 19 February 2018 to provide payment services and electronic money issuance under the Law No. 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions registered in the trade registry.

A.R.T.S. Ltd. is a "Structured Entity" which was established in November 1999 for the purpose of supplying long-term financing.

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

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

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

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

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

As of 31 December 2021, the Group has no embedded derivative instruments (31 December 2020: None).

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

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VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

Classification and measurement of financial assets

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

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

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

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

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

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

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

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

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

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

Financial assets at fair value through profit/loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. The Group reviewed the valuation of financial assets and liabilities at fair value through profit / loss as of the reporting date, there are no changes caused by the effects of the COVID-19 pandemic that would require any adjustments in fair value measurement as of 31 December 2021.

b. Financial assets at fair value through other comprehensive income

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

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

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

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

During initial recognition the Bank can choose in an irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss. The Group reviewed the valuation of financial assets and liabilities at fair value through other comprehensive income as of the reporting date, there are no changes caused by the effects of the COVID-19 pandemic that would require any adjustments in fair value measurement as of 31 December 2021.

c. Financial assets measured at amortized cost:

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

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

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

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d. Derivative Financial Assets:

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

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

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

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

e. Loans

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

1. Loans measured at amortized cost:

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

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

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

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

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

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

Significant increase in credit risk:

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

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

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

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

Definition of Default:

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

1. Objective Default Definition: It means that the debt is overdue by more than 90 days. The definition of default, which is applicable to the Bank and its consolidated financial institutions, is based on the criteria that the debt is overdue by more than 90 days.
2. Subjective Default Definition: It means the determination that the debt will not be paid. If it is determined that the borrower cannot fulfill its debts related to the loan, regardless of whether there is a balance in delay or the number of days of delay, the debtor is considered in default.

Write-off Policy:

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

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

The process of write-off the loans is an accounting practice and does not result in waiving the right to receivable regarding the related loans. Existing administrative and legal follow-up processes regarding the loans deducted from the record are continued.

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Partial write-off transactions mean that the financial asset will be repaid at a certain rate by the debtor, and the remaining amount after the payment or the part within the Bank that is classified under group 5 and has no reasonable expectations for its recovery will be removed from the financial statements. Regarding the write-off (asset disposal) process; the effect of the amount written off during the period and the amount written off on the NPL ratio is disclosed in the footnotes of the financial statements.

VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES:

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

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

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

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

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

- Probability of Default (PD): PD indicates the probability of default due to inability of the borrower to meet its debt obligations. It has been calculated for 12 months or lifetime depends on increase on borrower's credit risk. Calculation of the lifetime default rate is carried out by drawing the actual default rate figures to the long term using various functions, based on historical data.

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

Expected Credit Loss is calculated over the remaining maturity using the PD, LGD and EAD components. Calculated values are discounted on a monthly basis using the original effective interest rate or an approximate value of the discount rate. The expected credit loss value is calculated for all customers over the maturity period. However, for those who do not have a significant increase in credit risk, the 12-month ECL is taken into account, and for those with a significant increase in credit risk, the ECL value calculated over the remaining period is taken into account.

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

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

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

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

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

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

Expected Credit Loss (ECL) calculations are reviewed at least once a year, and the macroeconomic model used in the process has been redeveloped during the reporting period. There was no change in the assumptions in the estimation techniques, and the model development studies were carried out by including recent up-to-date data. In the model development process, new indicators were used in addition to the indicators used in previous model studies.

Within the scope of the effects of COVID-19's Expected Credit Loss (ECL) calculations, the macroeconomic model data and scenario weights used in the process are also reviewed at the end of the interim period and updates are made if deemed necessary. No revisions were made to the scenario weights after the review.

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

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

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

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS:

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

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

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

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

The Group has securities lending transactions amounting TL 1.024.696 as of 31 December 2021 (31 December 2020: TL 618.534).

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

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

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

The Group does not have any goodwill items that should be reflected in the consolidated financial statements.

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

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

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

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

The Group performs financial leasing operations as a "Lessor" through Ak Finansal Kiralama A.Ş. which is a consolidated subsidiary. The asset subject to the financial leasing is presented in the balance sheet as receivable equal to the net leasing amount. Interest income is recognized over the term of the lease using the net investment method that reflects a constant periodic rate of return and the unearned portion is followed under unearned interest income account.

Transactions regarding operational agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

a. Employment termination benefits and vacation rights:

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

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

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probable obligation of the Group arising from this liability. In accordance with TAS 19, actuarial gains and losses are recognized in equity.

b. Retirement Rights:

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

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

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

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

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

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

As of 31 December 2021, the Group has made a provision in the financial statements for the all technical deficit amounted TL 294.503 (31 December 2020: TL 126.263) determined by the report prepared by an actuary registered in the actuaries register. This amount has been classified as other provision item. This amount has been classified as other provision item.

The consolidated affiliates do not have the above mentioned retirement benefit plans for their employees. The retirement related benefits of the employees of the consolidated affiliates are subject to the Social Security Institution and other defined contribution plans.

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XVIII. EXPLANATIONS ON TAXATION:

a. Current Tax:

As of 31 December 2021, the current corporate tax rate is 25%. In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, starting from the declarations that must be submitted as of 1/7/2021 and to be valid for the taxation period starting from 1/1/2021, the corporate tax rate is 25% for the taxation period of 2021, this rate will be applied as 23% for the taxation period of 2022 and 20% for the taxation period of 2023 and beyond.

Dividends paid to non-resident corporations, which have a place of business in Turkey or are resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations calculate advance tax with their current rate on quarterly profits and pay until the evening of the same day by declaring until the 17th day of the second month following that period. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

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

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

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

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

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

Information on taxation in foreign subsidiaries are given below:

Akbank AG (Germany)

German-resident corporations (i.e. corporations with legal or business centers located in Germany) are subject to corporate taxation in Germany over their total income. Regardless of any profit distribution corporate tax is levied at 15% over total income. Effective corporate tax rate is 15,825% since an additional solidarity tax of 5,5% is applied over the calculated corporate tax. In addition to that, trade income tax is applied on the basis of local governments. Akbank AG moved its headquarters from Frankfurt am Main to Eschborn as of June 2020, and the commercial income tax rate, which was applied at the level of 16% until 1 July 2020, decreased to 11.5% as of 1 July 2020. Accordingly, as of July 1, 2020, when all tax types (corporate tax, solidarity tax and commercial income tax) of Akbank AG are considered, the tax burden is at the level of 27.4%.

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b. Deferred Tax:

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. As of 31 December 2021, for assets and liabilities subject to deferred tax calculation, enacted tax rates in accordance with the current tax legislation are used in accordance with their lifetime. In accordance with the Law No. 7316 published in the Official Gazette dated 22 April 2021, starting from the declarations that must be submitted as of 7 January 2021 and to be valid for the taxation period starting from 1 January 2021, the corporate tax rate is 25% for the taxation period of 2021, and this rate will be applied as 23% for the taxation period of 2022, it will be applied as 20% for the taxation periods of 2023 and beyond. As of 31 December 2021 for the items subject to deferred tax calculation, enacted tax rates valid in accordance with the current tax legislation are used in accordance with their lifetimes. As of 31 December 2020, deferred tax is calculated over 20%. The Group calculated its deferred tax over 20% as of 31 December 2020.

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

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

Calculated deferred tax receivables and deferred tax liabilities have shown in net balances in the financial statements separately for domestic and international branches and for different subsidiaries subject to consolidation. Net balances of deferred tax assets and liabilities from companies are shown separately in assets and liabilities.

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

XIX. EXPLANATIONS ON BORROWINGS:

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

There is no share certificate issuance in 2021.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

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

XXIII. EXPLANATIONS ON SEGMENT REPORTING:

An operating segment is a component of an entity;

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

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

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XXIV. PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

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

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

XXV. EARNINGS PER SHARE:

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

	Current Period 31 December 2021	Prior Period 31 December 2020
Net Profit for the Period of the Group	12.127.191	6.259.625
Average Number of Issued Common Shares (Thousand)	520.000.000	520.000.000
Earnings Per Share (Amounts presented as full TL)	0,02332	0,01204

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

The number of rights issued in 2021: None (2020: None).

XXVI. RELATED PARTIES:

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

XXVII. CASH AND CASH EQUIVALENT ASSETS:

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

XXVIII. RECLASSIFICATIONS:

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

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XXIX. DISCLOSURES OF TFRS 16 LEASES:

TFRS 16 "Leases" Standard

Group – lessee :

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

Right of use assets:

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

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

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

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

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

The Lease Obligations:

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

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

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

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

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

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

	31 December 2021	31 December 2020
Real estate	840.297	756.191
Total right of use assets	840.297	756.191

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

	31 December 2021	31 December 2020
Real estate	369.603	328.392
Total right of use assets depreciation expense	369.603	328.392

Lease agreements for vehicles and ATMs, which are determined as low value by the Bank with short-term lease agreements with a duration of 12 months or less, have been evaluated within the scope of the exemption granted by the standard. Within this scope, TL 135.321 has been paid in the relevant period.

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

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

I. EXPLANATIONS ON EQUITY:

Total capital amount and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". Additionally, calculated according to BRSA regulations dated 21 December 2021, numbered 9996. As of 31 December 2021 based on recent regulation changes;

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

2) In case the net valuation differences of the securities owned by banks and acquired before 21 December 2021 in the "Securities at Fair Value through Other Comprehensive Income" portfolio are negative, these differences may not be taken into account in the equity amount.

As of 31 December 2021, taking into consideration the above-mentioned regulations, the current period equity of the Group has been calculated as TL 100.459.590 (31 December 2020: TL 73.356.889), and the capital adequacy ratio is 21,14% (31 December 2020: 20,70%). This ratio is above the minimum ratio required by the legislation.

a. Information about total consolidated capital items:

	Current Period 31 December 2021	Amounts related to treatment before 1/1/2014(*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.014.871	
Share issue premiums	3.505.742	
Reserves	45.953.298	
Gains recognized in equity as per TAS	15.140.267	
Profit	12.546.222	
Current Period Profit	12.127.191	
Prior Period Profit	419.031	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	9.581	
Minorities' Share	-	
Common Equity Tier 1 Capital Before Deductions	84.169.981	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	1.657	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	3.788.030	
Improvement costs for operating leasing	54.376	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.190.380	1.190.380
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	2.263.951	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	7.298.394	
Total Common Equity Tier 1 Capital	76.871.587	

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	Current Period 31 December 2021	Amounts related to treatment before 1/1/2014(*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	76.871.587	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	18.509.855	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (Temporary Article 3)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	5.101.472	
Tier II Capital Before Deductions	23.611.327	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	23.611.327	
Total Capital (The sum of Tier I Capital and Tier II Capital)	100.482.914	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA	23.324	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deduct Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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	Current Period 31 December 2021	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital (Total of Tier I and Tier II Capital)	100.459.590	
Total Risk Weighted Amounts	475.307.435	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	16,17%	
Tier 1 Capital Adequacy Ratio (%)	16,17%	
Capital Adequacy Ratio (%)	21,14%	
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	4,02%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific total common equity tier 1 capital ratio (%)	0,02%	
c) Systemic significant bank buffer ratio (%)	1,50%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	8,17%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	(302.135)	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	7.642.859	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	5.101.472	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt Instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014 (*)
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	7.014.871	
Share issue premiums	3.505.742	
Reserves	40.117.963	
Gains recognized in equity as per TAS	8.224.523	
Profit	6.851.198	
Current Period Profit	6.259.625	
Prior Period Profit	591.573	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	9.581	
Minorities' Share	182	
Common Equity Tier 1 Capital Before Deductions	65.724.060	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	194	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.750.885	
Improvement costs for operating leasing	46.082	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	972.322	972.322
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	2.769.483	
Total Common Equity Tier 1 Capital	62.954.577	

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ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	
Third parties' share in the Additional Tier I capital	-	
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital+Common Equity+Additional Tier I Capital)	62.954.577	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	6.604.755	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Third parties' share in the Tier II Capital	-	
Third parties' share in the Tier II Capital (Temporary Article 3)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	3.798.015	
Tier II Capital Before Deductions	10.402.770	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	10.402.770	
Total Capital (The sum of Tier I Capital and Tier II Capital)	73.357.347	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	458	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deduct Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	

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	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014 (*)
TOTAL CAPITAL		
Total Capital (Total of Tier I and Tier II Capital)	73.356.889	
Total Risk Weighted Amounts	354.300.757	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	17,77%	
Tier 1 Capital Adequacy Ratio (%)	17,77%	
Capital Adequacy Ratio (%)	20,70%	
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	4,58%	
a) Capital conservation buffer requirement (%)	2,50%	
b) Bank specific total common equity tier 1 capital ratio (%)	0,08%	
c) Systemic significant bank buffer ratio (%)	2,00%	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	9,77%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from mortgage-servicing rights	-	
Amount arising from deferred tax assets based on temporary differences	23.532	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	6.354.158	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3.798.015	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

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

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

Current Period 31 December 2021	
Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş.
Identifier(s) [CUSIP, ISIN vb.]	XS1574750292 / US00972BAB53
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities [Securities]
Amount recognized in regulatory capital [Currency in mil, as of most recent reporting date]	6.662 million TL (in full TL amount)
Nominal value of instrument	6.662 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans [347011 Accounting Number]
Issuance date of instrument	15 March 2017
Maturity structure of the instrument [demand/maturity]	Maturity
Original maturity of the instrument	10 Year 1 day [Maturity date: 16 March 2027]
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 16.03.2022. The reimbursement amount is 6.662 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	7,2%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation "	The instrument is not in compliant with article numbered 7.

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Current Period 31 December 2021	
Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS1772360803 / US00972BAC37
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital [Currency in mil, as of most recent reporting date]	5.331 million TL (in full TL amount)
Nominal value of instrument	5.331 million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	27 February 2018
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year 60 day [Maturity date: 27 April 2028]
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 27.04.2023. The reimbursement amount is 5.331 million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation "	The instrument is not in compliant with article numbered 7.

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Current Period 31 December 2021	
Details on Subordinated Liabilities:	
Issuer	AKBANK T.A.Ş
Identifier(s) [CUSIP, ISIN vb.]	XS2355183091 / US00971YAJ91
Governing law (s) of the instrument	Subject to British Common Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Debt Instruments Disclosure of the Capital Markets Board and the Regulation on Equities of Banks of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Subordinated Liabilities (Securities)
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	6.653million TL (in full TL amount)
Nominal value of instrument	6.653million TL (in full TL amount)
Accounting classification of the instrument	Subordinated Loans (347011 Accounting Number)
Issuance date of instrument	22 June 2021
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year (Maturity date: 22 June 2031)
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	There is an early repayment option on 22.06.2026. The reimbursement amount is 6.653million TL (in full TL amount)
Subsequent call dates, if applicable	-
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	6,8%
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully
If bond can be written-down, permanent or temporary	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are non-subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	The instrument is in compliance with article number 8.
Details of incompliances with article number 7 and 8 of " Own fund regulation "	The instrument is not in compliant with article numbered 7.

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

II. EXPLANATIONS ON CREDIT RISK:

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

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

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

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

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

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount
Conditional and unconditional receivables from central governments and Central Banks	225.080.366	182.209.027
Conditional and unconditional receivables from regional or local governments	134.452	151.954
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	490.096	404.601
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	106.176.497	87.174.864
Conditional and unconditional receivables from corporate	290.543.587	254.250.396
Conditional and unconditional receivables from retail portfolios	142.739.150	133.007.823
Conditional and unconditional receivables secured by mortgages	26.886.198	24.101.214
Past due receivables	6.450.940	6.295.961
Receivables defined under high risk category by BRSA	18.897.964	6.401.164
Collateralized securities	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-
Investments similar to collective investment funds	546.622	1.173.741
Equity security investments	408.077	386.140
Other receivables	19.412.171	15.936.058
Total	837.766.120	711.492.943

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

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- b.** Risk control limits exist that are placed against credit and market risk from of forward transaction and option agreements and other similar agreements. Control limits exist on forward and option agreements and other similar agreements. The undertaken credit risk of these types of instruments is managed together with market risk.
- c.** The risks of the forward, option and other similar type agreements are followed regularly and as deemed necessary based on the credit risk, the risks are tried to be minimized.
- d.** Non-cash loans turned into cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity. Credit risk management is applied for all positions involving counterparty risk.

Rescheduled or restructured loans are followed according to Group's credit risk management and follow-up principles. Relevant customer's financial status and commercial operations are constantly analyzed and payment schedule is closely monitored by related business segment. Monitoring continues until the receivables from the loans are completely collected.

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

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

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

As seen in the Group's balance sheet, the ratio of loans under follow-up to total loans is as low as 4,5% (31 December 2020: 6,3%).

- f.** 1. The proportion of the Group's top 100 and 200 cash loan balances in total cash loans is 38% and 47% respectively (31 December 2020: 38% and 47%).
- 2. The proportion of the Group's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 62% and 75% (31 December 2020: 62% and 75%).
- 3. The proportion of the Group's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans is 21% and 27% respectively. (31 December 2020: 22% and 28%).
- g.** The Bank provided expected credit loss provision (Stage 1 and Stage 2) amounting to TL 7.215.355 (31 December 2020: TL 5.876.277).

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

Current Period- 31.12.2021	Commercial Loans		Consumer Loans		Credit Cards		Financial Lease		Total	
	Balance	Expected Credit Loss	Balance	Expected Credit Loss	Balance	Expected Credit Loss	Balance	Expected Credit Loss	Balance	Expected Credit Loss
Loans	303.026.609	14.847.737	62.381.238	2.115.708	31.342.348	1.733.787	8.038.101	317.272	404.788.296	19.014.504
Stage 1	254.729.191	738.093	56.945.865	422.078	27.868.171	417.845	7.228.503	57.392	346.771.730	1.635.408
Stage 2	33.382.306	4.817.590	3.763.395	371.788	2.292.721	324.800	350.327	65.769	39.788.749	5.579.947
Stage 3	14.915.112	9.292.054	1.671.978	1.321.842	1.181.456	991.142	459.271	194.111	18.227.817	11.799.149
Financial Assets	209.558.642	217.778	-	-	-	-	-	-	209.558.642	217.778
Other	14.712.784	24.141	-	-	-	-	-	-	14.712.784	24.141
Non-Cash Loans	88.336.116	641.035	-	-	-	-	-	-	88.336.116	641.035
Stage 1 and 2	86.791.945	185.584	-	-	-	-	-	-	86.791.945	185.584
Stage 3	1.544.171	455.451	-	-	-	-	-	-	1.544.171	455.451
Total	615.634.151	15.730.691	62.381.238	2.115.708	31.342.348	1.733.787	8.038.101	317.272	717.395.838	19.897.458

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

	Stage 1	Stage 2	Stage 3
Opening (31 December 2020)	1.521.946	4.354.331	11.093.238
Additions (*)	613.888	1.961.905	912.220
Disposals (**)	(737.370)	(928.860)	(733.690)
Effect of change in foreign exchange	164.051	1.824.462	-
Loans classified under Stage 1 in two periods (Model effect)	(95.826)	-	-
Loans classified under Stage 1 in two periods (Change in balance effect)	13.312	-	-
Transfers from Stage 1 to Stage 2 (Stating and balance change effect)	(80.605)	307.762	-
Loans classified under Stage 2 in two periods (Model effect)	-	(440.665)	-
Loans classified under Stage 2 in two periods (Change in balance effect)	-	(22.234)	-
Transfers from Stage 2 to Stage 1 (Stating and balance change effect)	248.816	(985.266)	-
Transfers from Stage 1 to Stage 3	(12.804)	-	272.313
Transfers from Stage 2 to Stage 3	-	(498.911)	1.226.111
Transfers from Stage 3 to Stage 2	-	7.423	(52.981)
Transfers from Stage 3 to Stage 1	-	-	-
Loans classified under Stage 2 in two periods (Change in balance and model effect)	-	-	639.670
Write-offs	-	-	(1.557.732)
Sold Portfolio effect	-	-	-
Closing (31 December 2021)	1.635.408	5.579.947	11.799.149

(*) Loans which are not included in the loan portfolio as of 31 December 2020 and included in the loan portfolio and calculated provisions as of 31 December 2021.

(**) Loans which are included in the loan portfolio and calculated provisions as of 31 December 2020 but which are not included in the loan portfolio as of 31 December 2021.

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

j. Information on movement of loans:

	Stage 1	Stage 2	Stage 3	Total
Opening (31 December 2020)	240.192.432	26.743.357	17.880.294	284.816.083
Additions	154.322.268	20.251.758	1.301.779	175.875.805
Disposals	(88.476.729)	(8.372.443)	(1.167.084)	(98.016.256)
Sold portfolio	-	-	-	-
Write-offs	-	-	(1.557.732)	(1.557.732)
Transfers to Stage 1	5.544.650	(5.544.650)	-	-
Transfers to Stage 2	(3.032.048)	3.166.911	(134.863)	-
Transfers to Stage 3	(422.134)	(1.483.289)	1.905.423	-
Foreign exchange effect	38.643.291	5.027.105	-	43.670.396
Closing (31 December 2021)	346.771.730	39.788.749	18.227.817	404.788.296

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

Current Period - 31 December 2021	Financial Assets at Fair Value Through P&L	Financial Assets at Fair Value Through Other Comprehensive Income	Financial Assets Measured at Amortised Cost	Total
Moody's Rating				
Aaa	-	1.326.892	-	1.326.892
Aa1, Aa2, Aa3	-	995.229	-	995.229
A1, A2, A3	-	587.516	-	587.516
Baa1, Baa2, Baa3	-	1.191.288	-	1.191.288
Ba1	-	-	-	-
Ba2	-	-	-	-
Ba3	-	-	-	-
B1, B2, B3	705.886	95.266.547	52.585.560	148.557.993
C and lower than C	91.320	-	-	91.320
NR	-	105.496	-	105.496
Total	797.206	99.472.968	52.585.560	152.855.734

Current Period - 31 December 2020	Financial Assets at Fair Value Through P&L	Financial Assets at Fair Value Through Other Comprehensive Income	Financial Assets Measured at Amortised Cost	Total
Moody's Rating				
Aaa	-	2.164.729	-	2.164.729
Aa1, Aa2, Aa3	-	368.419	-	368.419
A1, A2, A3	-	132.687	-	132.687
Baa1, Baa2, Baa3	-	182.920	-	182.920
Ba1	-	94.248	-	94.248
Ba2	-	56.374	-	56.374
Ba3	19.470	1.323	-	20.793
B1, B2, B3	252.771	54.627.077	41.885.059	96.764.907
C and lower than C	3.941	-	-	3.941
NR	-	69.655	-	69.655
Total	276.182	57.697.432	41.885.059	99.858.673

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L. Profile on significant risks in significant regions:

Current Period (**)		Risk Categories (*)																
31 December 2021	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
Domestic	210.416.910	134.452	396.013	-	-	21.945.528	253.911.834	89.422.955	25.807.745	6.450.867	18.378.258	-	-	-	546.622	-	19.412.171	646.823.355
European Union																		
Countries	5.634.530	-	-	-	-	43.549.281	5.084.492	29.160	13.602	59	2.001	-	-	-	-	-	-	54.313.125
OECD Countries(***)	-	-	-	-	-	7.147.517	11.746	3.785	976	2	217	-	-	-	-	-	-	7.164.243
Off- Shore Regions	-	-	-	-	-	165	375.948	9	-	2	-	-	-	-	-	-	-	376.124
USA, Canada	880.637	-	-	-	-	21.818.925	595.090	13.034	2.592	4	228	-	-	-	-	-	-	23.310.510
Other Countries	-	-	-	-	-	2.437.328	688.657	9.526	2.495	6	1.362	-	-	-	-	-	-	3.139.374
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	408.077	-	408.077
Undistributed Assets / Liabilities(****)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	216.932.077	134.452	396.013	-	-	96.898.744	260.667.767	89.478.469	25.827.410	6.450.940	18.382.066	-	-	-	546.622	408.077	19.412.171	735.534.808
Prior Period (**)		Risk Categories (*)																
31 December	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
Domestic	125.270.054	172.165	351.261	-	-	15.328.386	196.531.420	77.022.042	18.528.733	6.418.766	295.314	-	-	-	1.620.832	347.914	15.167.980	457.054.867
European Union																		
Countries	3.658.701	-	-	-	-	36.009.222	10.302.229	31.111	11.473	364.411	-	-	-	-	-	607	-	50.377.754
OECD Countries(***)	-	-	-	-	-	4.821.954	23.145	4.037	1.270	-	-	-	-	-	-	-	-	4.850.406
Off- Shore Regions	-	-	-	-	-	17.870	-	33	113	-	-	-	-	-	-	-	-	18.016
USA, Canada	2.049.943	-	-	-	-	5.734.954	99.872	3.291	1.095	3	-	-	-	-	-	-	-	7.889.158
Other Countries	487.425	-	-	-	-	648.982	545.069	15.047	217.774	20	-	-	-	-	-	-	-	1.914.317
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets / Liabilities(****)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	131.466.123	172.165	351.261	-	-	62.561.368	207.501.735	77.075.561	18.760.458	6.783.200	295.314	-	-	-	1.620.832	348.521	15.167.980	522.104.518

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

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

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

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

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

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m. Risk Profile according to sectors and counterparties:

Current Period (**)		Risk Classifications (*)																	Total	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		TL
31 December 2021	Agricultural	-	-	6	-	-	-	2,907,328	480,548	218,203	4,402	11,054	-	-	-	-	-	-	2,384,913	1,236,628
	Farming and raising livestock	-	-	6	-	-	-	2,873,383	385,497	188,392	3,861	9,629	-	-	-	-	-	-	2,244,995	1,215,773
	Forestry	-	-	-	-	-	-	33,945	90,299	28,875	474	1,053	-	-	-	-	-	133,791	20,855	
	Fishing	-	-	-	-	-	-	-	4,752	936	67	372	-	-	-	-	-	-	6,127	-
	Manufacturing	-	-	-	-	-	-	88,353,156	6,629,873	4,426,881	1,378,842	202,126	-	-	-	-	-	43,489,355	57,501,601	
	Mining	-	-	-	-	-	-	12,457,643	710,289	419,046	26,265	26,265	-	-	-	-	-	5,407,295	9,318,247	
	Production	-	-	-	-	-	-	45,044,609	5,348,424	3,591,093	246,972	153,534	-	-	-	-	-	29,364,842	25,019,868	
	Electricity, Gas, Water	-	-	-	-	-	-	30,850,904	169,150	125,499	712,824	22,327	-	-	-	-	-	8,717,218	23,163,486	
	Construction	-	-	-	-	-	-	36,465,272	2,339,531	1,757,742	1,717,852	406,593	-	-	-	-	-	14,287,467	28,400,274	
	Services	2,069,606	131,095	328,864	-	-	96,893,134	108,911,610	23,834,277	9,630,900	1,903,832	454,351	-	-	-	17,042	-	101,623,584	142,551,127	
	Wholesale and Retail Trade	-	-	-	-	-	-	46,028,665	18,759,871	6,399,369	755,233	245,057	-	-	-	-	-	61,545,335	10,804,137	
	Hotel, Food, Beverage Services	-	-	-	-	-	-	9,599,674	1,272,727	1,555,999	542,455	38,919	-	-	-	-	-	4,168,668	8,841,169	
	Transportation and Telecommunication	1,031	-	-	-	-	-	16,528,231	1,972,450	536,473	33,886	45,543	-	-	-	-	-	5,276,069	13,853,314	
	Financial Institutions	2,067,720	-	-	-	-	96,893,134	32,766,163	66,464	183,040	516,889	9,337	-	-	-	17,042	-	25,317,389	107,202,565	
	Real Estate and Lending Services	-	-	-	-	-	-	549,005	207,863	207,806	1,129	13,145	-	-	-	-	-	860,357	118,596	
	Self employment Service	-	-	-	-	-	-	574,709	319,207	149,586	803	48,542	-	-	-	-	-	903,389	189,560	
	Education Service	3	-	-	-	-	-	131,057	265,054	192,071	38,816	7,709	-	-	-	-	-	658,292	38,641	
	Health and social Services	852	131,095	93,260	-	-	-	2,734,106	970,641	406,556	14,621	46,099	-	-	-	-	-	2,894,085	1,503,145	
	Other	214,862,471	3,357	66,314	-	-	5,610	24,030,401	56,194,240	9,793,684	1,446,012	17,307,942	-	-	-	546,622	391,035	19,412,171	233,304,091	
	Total	216,932,077	134,452	396,013	-	-	96,898,744	260,667,767	89,478,469	25,827,410	6,450,940	18,382,066	-	-	-	546,622	408,077	19,412,171	395,089,410	
																			340,445,398	
																			735,534,808	

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

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

1. Conditional and unconditional receivables from central governments and Central Banks

2. Conditional and unconditional receivables from regional or local governments

3. Conditional and unconditional receivables from administrative bodies and non-commercial enterprises

4. Conditional and unconditional receivables from multilateral development banks

5. Conditional and unconditional receivables from international organizations

6. Conditional and unconditional receivables from banks and brokerage houses

7. Conditional and unconditional receivables from corporates

8. Conditional and unconditional receivables from retail portfolios
9. Conditional and unconditional receivables secured by mortgages

10. Past due receivables

11. Receivables defined under high risk category by BRSA

12. Collateralized securities

13. Securitization positions

14. Short-term receivables from banks, brokerage houses and corporates

15. Investments similar to collective investment funds

16. Equity security transactions

17. Other receivables

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Prior Period (**)		Risk Classifications (*)																	FC	Total
31 December	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL		
Agricultural	-	-	7	-	-	-	49,050	285,473	115,311	4,927	93	-	-	-	-	-	-	431,456	23,405	454,861
Farming and raising livestock	-	-	7	-	-	-	19,119	212,016	82,970	3,567	27	-	-	-	-	-	-	317,562	144	317,706
Forestry	-	-	-	-	-	-	24,459	70,857	30,110	1,358	59	-	-	-	-	-	-	107,525	19,318	126,843
Fishing	-	-	-	-	-	-	5,472	2,600	2,231	2	7	-	-	-	-	-	-	6,369	3,943	10,312
Manufacturing	-	-	-	-	-	-	80,803,023	5,807,530	3,349,694	1,316,043	22,545	-	-	-	-	-	-	40,159,492	51,244,634	91,404,126
Mining	-	-	-	-	-	-	3,349,310	150,851	108,615	277,276	554	-	-	-	-	-	-	1,229,360	2,657,246	3,886,606
Production	-	-	-	-	-	-	52,194,524	5,521,370	2,973,738	554,366	9,029	-	-	-	-	-	-	29,274,023	26,584,295	61,358,318
Electricity, Gas, Water	-	-	-	-	-	-	25,259,189	135,309	267,341	484,401	12,962	-	-	-	-	-	-	6,845,837	19,313,365	26,159,202
Construction	-	-	-	-	-	-	27,760,051	2,031,560	1,756,443	2,050,087	244,541	-	-	-	-	-	-	13,404,595	20,438,189	33,842,784
Services	1,075,687	167,935	191,790	-	-	61,568,840	86,224,350	17,092,812	6,497,395	2,893,414	25,321	-	-	-	-	17,201	-	74,150,606	101,604,139	175,754,745
Wholesale and Retail Trade	-	-	43,597	-	-	-	28,315,394	13,561,101	3,522,827	714,032	18,995	-	-	-	-	-	-	41,420,306	4,755,640	46,175,946
Hotel,Food,Beverage Services	-	-	57	-	-	-	6,326,115	900,319	849,471	434,831	1,033	-	-	-	-	-	-	3,144,163	5,367,663	8,511,826
Transportation and Telecommunication	1,031	-	7,932	-	-	-	19,445,328	1,224,146	494,793	35,410	968	-	-	-	-	-	-	4,697,007	16,512,601	21,209,608
Financial Institutions	1,074,606	-	-	-	-	61,568,840	25,224,290	58,955	736,813	473,303	671	-	-	-	-	17,201	-	18,017,527	71,137,152	89,154,679
Real Estate and Lending Services	-	-	131	-	-	-	3,684,261	141,044	328,853	1,151,358	1,595	-	-	-	-	-	-	3,340,267	1,966,975	5,307,242
Self employment Service	-	-	-	-	-	-	753,183	212,218	49,178	881	19	-	-	-	-	-	-	478,664	538,097	1,016,761
Education Service	24	-	66,191	-	-	-	254,491	243,177	169,694	43,754	459	-	-	-	-	-	-	730,760	47,030	777,790
Health and social Services	26	167,935	72,600	-	-	-	2,221,288	751,852	345,766	39,845	1,581	-	-	-	-	-	-	2,321,912	1,278,981	3,600,893
Other	130,390,436	4,230	54,071	-	-	992,528	12,665,261	51,858,186	7,041,615	518,729	2,814	-	-	-	-	1,620,832	331,320	147,715,762	72,932,240	220,648,002
Total	131,466,123	172,165	351,261	-	-	62,561,368	207,501,735	77,075,561	18,760,458	6,783,200	295,314	-	-	-	-	1,620,83	348,521	15,167,98	246,242,60	522,104,518

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

[**] It represents the risk amounts before credit risk mitigation and after conversion to credit.

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

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

31 December 2021 Risk Categories	Time to Maturity					Unallocated
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	
Conditional and unconditional receivables from central governments and Central Banks	45.128.493	63.894.956	4.235.811	6.717.170	96.955.647	-
Conditional and unconditional receivables from regional or local governments	568	2.180	282	14.211	117.211	-
Conditional and unconditional receivables from administrative bodies and non-commercial enterprises	24.227	59.407	26.791	156.766	128.822	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	44.835.258	3.295.701	6.889.445	11.235.586	30.642.754	-
Conditional and unconditional receivables from corporates	18.012.930	24.725.873	28.561.456	54.612.484	134.755.024	-
Conditional and unconditional receivables from retail portfolios	1.966.683	3.913.015	7.789.590	16.158.738	59.650.443	-
Conditional and unconditional receivables secured by mortgages	356.449	1.186.354	1.766.088	3.733.662	18.784.857	-
Past due receivables	-	-	-	-	-	6.450.940
Receivables defined under high risk category by BRSA	6.938	5.523	14.601	662.825	17.692.179	-
Collateralized securities	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments similar to collective investment funds	546.622	-	-	-	-	-
Equity security investments	-	-	-	-	-	408.077
Other Receivables	-	-	-	-	-	19.412.171
Total	110.878.168	97.083.009	49.284.064	93.291.442	358.726.937	26.271.188

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

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

Ratings given by Fitch Ratings are used in determining risk weight class of the counterparties. The ratings of Fitch Ratings are used for Banks and Corporate Receivables asset class and are limited to receivables that have counterparties abroad. If the risk weight class solely consists of receivables from central governments and central banks, the credit ratings of the countries are taken into account. Below are the Credit Quality Degrees corresponding to Fitch Ratings.

Ratings to be matched	Credit Quality Degrees	Fitch
Ratings of long-term credits	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below
Ratings of short-term credits	1	F1+ and F1
	2	F2
	3	F3
	4	Below F3
	5	---
	6	---
Long-term securitization position ratings	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and below
Short-term securitization position ratings	1	F1+ and F1
	2	F2
	3	F3
	Others	F3 below
Matchings regarding collective investment institutes	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

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p. Risk amounts according to risk weights:

31 December 2021	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other Risk Weights	Deducted from Equity
Risk Weights												
Amount Before												
Credit Risk												
Mitigation	183.489.365	-	38.935.431	-	-	34.132.005	98.123.093	269.336.079	19.081.517	-	23.022	-
Amount After Credit												
Risk Mitigation	184.425.650	-	38.935.431	-	11.842.632	45.060.716	81.160.597	253.960.742	18.951.188	-	23.022	-

(*) Excludes counterparty credit risk and securitization positions

q. Miscellaneous information regarding important sectors or counterparty type ():**

31 December 2021 Sectors / Counterparties	Loans (*)	Provisions (*)
	Impaired Receivables	
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III / Specific Provision) Expected Credit Loss Provisions
Agricultural	25.254	20.490 22.318
Farming and raising livestock	24.104	16.390 18.585
Forestry	871	3.775 3.437
Fishing	279	325 296
Manufacturing	6.595.324	3.823.074 3.642.139
Mining	8.798	585.302 276.928
Production	2.640.790	1.479.099 1.431.301
Electricity, Gas, Water	3.945.736	1.758.673 1.933.910
Construction	14.158.627	6.727.500 5.983.835
Services	3.186.767	4.663.008 3.257.220
Wholesale and Retail Trade	1.241.458	2.368.058 1.897.060
Hotel, Food, Beverage Services	606.745	794.268 331.978
Transportation and Telecommunication	241.432	131.270 126.162
Financial Institutions	2.835	1.173.050 656.460
Real Estate and Lending Service	99.513	6.988 18.588
Self Employment Service	11.365	4.231 5.048
Education Service	44.256	114.525 79.622
Health and social services	939.163	70.618 142.302
Other	15.822.777	2.993.745 4.473.584
Total	39.788.749	18.227.817 17.379.096

(*) Breakdown of cash loans

(**) The balances of loans at fair value profit or loss has not been included.

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r. Information related to impairment and loan loss provisions:

31 December 2021	Opening balance	Provisions reserved during the period	Provision reversals	Other adjustments (*)	Closing balance
Stage 3 Provisions	11.093.238	3.050.314	(786.671)	(1.557.732)	11.799.149
Stage 1 and 2 Provisions	5.876.277	1.339.078	-	-	7.215.355

(*) Presents the Write-Offs and Sales from Loans under Follow-up portfolio.

s. Risk involved in counter-cyclical capital buffer calculation:

31 December 2021			
Country of ultimate risk	Private sector credit exposures in banking book	Risk Weighted Equivalent trading book	Total
Turkey	336.846.090	9.632.082	346.478.172
Ireland	1.244.422	-	1.244.422
Holland	1.209.354	-	1.209.354
Great Britain	1.026.300	27.410	1.053.710
Russian Federation	471.482	-	471.482
Luxemburg	470.937	66	471.003
France	435.112	24.780	459.892
USA	280.183	-	280.183
Croatia	179.071	-	179.071
Egypt	136.186	-	136.186
Other	559.729	-	559.729

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III. EXPLANATIONS ON CURRENCY RISK:

The difference between the Group's foreign currency denominated and foreign currency indexed assets and liabilities is defined as the "Net Foreign Currency Position" and is the basis of currency risk. Foreign currency denominated assets and liabilities, together with purchase and sale commitments, give rise to foreign exchange exposure. The Bank keeps the foreign exchange exposure amount within the limits set by the ERC. The ERC, taking into account the economic conditions and market developments, sets a limit for the size of a foreign exchange exposure. Those limits are individually determined and followed for both the net overall foreign currency position and for the foreign exchange exposure. Derivative financial instruments like forward foreign exchange contracts and currency swaps are used as tools for foreign exchange exposure management.

The Parent Bank's foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are presented below:

	USD	EURO
Balance Sheet Evaluation Rate	TL 13,3290	TL 15,0867
1.Day bid rate	TL 13,3290	TL 15,0867
2.Day bid rate	TL 12,9775	TL 14,6823
3.Day bid rate	TL 12,2219	TL 13,8011
4.Day bid rate	TL 11,8302	TL 13,4000
5.Day bid rate	TL 11,3900	TL 12,8903

The simple arithmetic average of the Parent Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are presented in the table below:

USD : TL 13,6356

EURO : TL 15,4126

As of 31 December 2020;

	USD	EURO
Balance Sheet Evaluation Rate	TL 7,4194	TL 9,1164

Information related to Group's Currency Risk:

The table below summarizes the Group's net foreign currency position, categorized by currency. Foreign currency indexed assets are classified as Turkish Lira assets according to the Uniform Chart of Accounts. In currency risk calculation, foreign currency indexed assets are considered as foreign currency items. In accordance with the "Communiqué on Calculation of Foreign Currency Net Position/Capital Standard Ratio by banks in stand-alone and consolidated basis"; prepaid expenses in assets and and shareholders' equity in liabilities are excluded in the currency risk calculation. Therefore, there are differences between the amounts of foreign currency denominated assets and liabilities demonstrated on the table below and the amounts on the balance sheet.

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Current Period – 31 December 2021	EURO	USD	Other FC	Total
Assets				
Cash Equivalents and Central Bank (*)	28.680.617	48.515.736	2.794.847	79.991.200
Banks (*****)	14.130.303	34.280.423	4.971.007	53.381.733
Financial Assets at Fair Value through Profit or Loss	198.591	8.161.455	-	8.360.046
Interbank Money Market Placements	-	-	-	-
Financial Assets measured at other comprehensive income	7.370.714	54.824.762	2.233.925	64.429.401
Loans (**)	105.044.096	61.633.305	31.756	166.709.157
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial assets measured at amortised cost	-	10.415.698	-	10.415.698
Hedging Derivative Financial Assets	-	388.819	387.885	776.704
Tangible Assets (Net)	56.133	17.668	-	73.801
Intangible Assets (Net)	13.817	1	-	13.818
Other Assets (***)	(926.395)	6.508.428	9.564	5.591.597
Total Assets	154.567.876	224.746.295	10.428.984	389.743.155
Liabilities				
Bank Deposits (****)	4.810.378	4.160.772	2.442.238	11.413.388
Foreign Currency Deposits (****)	92.712.743	164.101.605	33.873.447	290.687.795
Funds from Interbank Money Market	2.389.460	26.491.284	-	28.880.744
Borrowings	13.369.842	45.926.894	-	59.296.736
Marketable Securities Issued (Net) (*****)	152.586	39.403.551	-	39.556.137
Miscellaneous Payables	1.576.244	12.269.833	160.089	14.006.166
Hedging Derivative Financial Liabilities	-	694.631	-	694.631
Other Liabilities	1.626.552	2.563.443	44.002	4.233.997
Total Liabilities	116.637.805	295.612.013	36.519.776	448.769.594
Net on Balance Sheet Position	37.930.071	(70.865.718)	(26.090.792)	(59.026.439)
Net off-Balance Sheet Position (*****)	(37.437.819)	74.066.886	26.769.543	63.398.610
Financial Derivative Assets	48.984.350	180.257.991	33.595.547	262.837.888
Financial Derivative Liabilities	86.422.169	106.191.105	6.826.004	199.439.278
Non-cash Loans	23.411.989	30.269.443	1.891.599	55.573.031
Prior Period - 31 December 2020				
Total Assets	90.441.150	117.646.707	5.503.193	213.591.050
Total Liabilities	77.704.643	167.640.875	24.343.257	269.688.775
Net on-Balance Sheet Position	12.736.507	(49.994.168)	(18.840.064)	(56.097.725)
Net off-Balance Sheet Position (*****)	(14.675.745)	57.816.372	18.840.769	61.981.396
Financial Derivative Assets	28.010.596	109.314.635	21.223.764	158.548.995
Financial Derivative Liabilities	42.686.341	51.498.263	2.382.995	96.567.599
Non-cash Loans	13.220.443	12.656.933	657.302	26.534.678

(*) Of the Cash Equivalents and Central Bank and Other FC, TL 2.152.617 (31 December 2020: TL 2.173.647) are precious metal deposit account in demand.

(**) The foreign currency indexed loans balance in the Turkish Lira accounts is TL 470.265 (31 December 2020: TL 554.548).

(***) Derivative financial assets and expected credit losses are classified under other assets. The expected loss amount of foreign currency indexed loans balance is TL 10.333 (31 December 2020: TL 9.785). Prepaid assets amounted TL 105.347 (31 December 2020: TL 62.570) is excluded in the financial statements.

(****) Of Bank Deposits Other FC of the TL 36.900 (31 December 2020: TL 22.911) and the foreign currency deposits TL 25.869.116 (31 December 2020: TL 17.561.462) are precious metal deposit account in demand.

(*****) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

(*****) Presents the net balance of receivables and payables from derivative transactions. Foreign Exchange spot dealings shown under "Asset purchase commitments" in the financial statements are included in the net off-balance sheet position.

(*****) Derivative collaterals given to foreign banks are included.

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IV. EXPLANATIONS ON INTEREST RATE RISK:

"Interest Rate Risk" can be defined as the impact of interest rate changes on interest-sensitive asset and liability items of both on and off-balance sheets of the Group. The ERC sets limits for the interest rate sensitivity of on and off-balance sheet items and the sensitivity is closely monitored and reported weekly. In the case of high market fluctuations, daily transaction based reporting and analyses are made.

The Group manages the interest rate risk on a portfolio basis and tries to minimize the risk effect on the profitability, financial exposure and cash flows by applying different strategies. Basic methods such as using fixed or floating interest rates for different portfolios and maturities, setting the fixed margin in floating rates, or varying the rates for the short or long-term positions are applied actively.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates)

Current Period - 31 December 2021	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank Banks (****)	9.933.401	-	-	-	-	81.953.371	91.886.772
Financial Assets at Fair Value Through Profit or Loss	2.992.146	2.076.501	-	-	-	48.402.039	53.470.686
Interbank Money Market Placements	30.652	98.071	7.556.598	327.949	126.846	2.669.259	10.809.375
Financial Assets at measured Fair Value Other Comprehensive Income	2.824.281	-	24.331	-	-	-	2.848.612
Loans (*)	9.667.116	11.104.373	17.998.624	40.291.809	20.411.046	838.454	100.311.422
Financial Assets measured at amortised cost	122.541.079	47.125.051	105.914.109	91.546.596	19.264.874	18.396.587	404.788.296
Other Assets (**)	16.202.199	2.776.285	24.752.525	8.685.943	168.608	-	52.585.560
	11.868.541	25.847.384	13.042.659	1.338.342	214.229	(6.213.548)	46.097.607
Total Assets	176.059.415	89.027.665	169.288.846	142.190.639	40.185.603	146.046.162	762.798.330
Liabilities							
Bank Deposits	5.629.678	5.071.644	1.358.720	-	-	1.776.500	13.836.542
Other Deposits	176.541.029	71.291.625	21.226.188	8.241.038	1.339.945	161.074.212	439.714.037
Funds from Interbank Money Market	45.919.880	8.558.647	8.365.439	1.793.495	-	-	64.637.461
Miscellaneous Payables	3.016.018	5.749.678	4.243.520	178.528	-	9.865.885	23.053.629
Marketable Securities Issued (Net) (***)	2.628.561	2.796.048	9.775.391	15.119.756	18.660.721	28.118	49.008.595
Borrowings	11.111.804	28.533.912	17.453.011	2.874.313	-	-	59.973.040
Other Liabilities (****)	6.015.255	11.211.814	8.821.026	844.408	685.224	84.997.299	112.575.026
Total Liabilities	250.862.225	133.213.368	71.243.295	29.051.538	20.685.890	257.742.014	762.798.330
Balance Sheet Long Position	-	-	98.045.551	113.139.101	19.499.713	-	230.684.365
Off-balance Sheet Short Position	(74.802.810)	(44.185.703)	-	-	-	-	(230.684.365)
Off-balance Sheet Long Position	8.894.202	31.519.380	(7.254)	(33.324)	144.887	-	40.517.891
Off-balance Sheet Short Position	(686.465)	(104.125)	(19.432.795)	22.016	-	-	(20.201.369)
Total Position	(66.595.073)	(12.770.448)	78.605.502	113.127.793	19.644.600	(111.695.852)	20.316.522

(*) Included lease receivables. Non-performing loans are shown in the "non-interest bearing" column. Interest rediscount started to be calculated for non-performing loans as of 1 January 2018, said amount was indicated on "without interest" column since there is no other suitable column in the above table.

(**) Derivative financial assets and expected credit losses are classified under other assets.

(***) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

(****) Shareholders' equity is presented under "Other liabilities" item at "Non-interest bearing" column.

(*****) Derivative collaterals given to foreign banks are included.

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Prior Period – 31 December 2020	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank Banks (****)	2.627.707	-	-	-	-	45.048.614	47.676.321
Financial Assets at Fair Value Through Profit or Loss	28.207	1.118.581	-	-	-	16.269.287	17.416.075
Interbank Money Market Placements	16.862	20.202	7.426.015	107.610	48.403	1.560.320	9.179.412
Financial Assets at measured Fair Value Other Comprehensive Income	488.547	-	-	-	-	-	488.547
Loans (*)	9.376.431	5.447.357	10.414.147	24.163.846	8.295.652	506.712	58.204.145
Financial Assets measured at amortised cost	75.512.873	34.422.911	71.705.957	78.477.567	6.688.433	18.008.342	284.816.083
Other Assets (**)	8.835.555	2.287.297	19.059.289	10.526.018	1.176.900	-	41.885.059
	5.571.782	8.977.709	6.301.169	3.173.131	105.494	[5.478.352]	18.650.933
Total Assets	102.457.964	52.274.057	114.906.577	116.448.172	16.314.882	75.914.923	478.316.575
Liabilities							
Bank Deposits	7.795.846	3.792.220	704.937	-	-	280.804	12.573.807
Other Deposits	134.522.966	32.469.410	11.968.798	8.870.972	1.085.209	91.027.845	279.945.200
Funds from Interbank Money Market	10.019.030	7.416.294	2.730.948	741.072	-	-	20.907.344
Miscellaneous Payables	1.947.451	2.340.060	1.247.428	227.435	-	7.238.271	13.000.645
Marketable Securities Issued (Net) (***)	3.013.848	2.526.286	1.082.283	8.996.764	10.390.107	15.343	26.024.631
Borrowings	13.819.271	20.707.922	4.445.398	1.290.023	-	-	40.262.614
Other Liabilities (****)	4.460.892	6.732.581	3.947.744	865.978	574.419	69.020.720	85.602.334
Total Liabilities	175.579.304	75.984.773	26.127.536	20.992.244	12.049.735	167.582.983	478.316.575
Balance Sheet Long Position	-	-	88.779.041	95.455.928	4.265.147	-	188.500.116
Balance Sheet Short Position	[73.121.340]	[23.710.716]	-	-	-	[91.668.060]	(188.500.116)
Off-balance Sheet Long Position	3.900.378	11.078.296	77.555	2.827.555	56.135	-	17.939.919
Off-balance Sheet Short Position	193.278	9.140	[8.572.053]	37.805	8.202	-	(8.323.628)
Total Position	(69.027.684)	(12.623.280)	80.284.543	98.321.288	4.329.484	(91.668.060)	9.616.291

(*) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

(**) Shareholders' equity is presented under "Other liabilities" item at "Non-interest bearing" column.

(***) Included lease receivables. Non-performing loans are shown in the "non-interest bearing" column. Interest rediscount started to be calculated for non-performing loans as of 1 January 2018, said amount was indicated on "without interest" column since there is no other suitable column in the above table.

(****) Derivative financial assets and expected credit losses are classified under other assets.

(*****) Derivative collaterals given to foreign banks are included.

b. Average interest rates for monetary financial instruments (%):

Average interest rates in the above tables are the weighted average rates of the related balance sheet items.

Current Period – 31 December 2021	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank Banks	-	-	-	8,50
Financial Assets at Fair Value Through Profit or Loss	0,07	0,24	-	19,78
Interbank Money Market Placements	2,48	6,66	-	18,76
Financial Assets at Fair Value Other Comprehensive Income	-	-	-	17,07
Loans	2,88	5,32	3,09	18,35
Financial Assets measured at amortised cost	3,86	4,97	-	17,62
	-	5,89	-	20,90
Liabilities				
Bank Deposits (**)	0,20	1,16	-	17,60
Other Deposits (**)	0,12	0,44	-	14,67
Funds from Interbank Money Market	0,12	0,82	-	14,06
Miscellaneous Payables	-	0,08	-	-
Marketable Securities Issued (Net) (*)	4,00	6,31	-	17,54
Borrowings	2,20	2,50	-	20,14

(*) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

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[**] Demand deposit balances are included in average interest rate calculation.

Prior Period – 31 December 2020	EURO	USD	Yen	TL
Assets				
Cash Equivalents and Central Bank	-	-	-	12,00
Banks	0,47	0,54	-	17,36
Financial Assets at Fair Value Through Profit or Loss	3,36	5,80	-	14,92
Interbank Money Market Placements	-	-	-	17,97
Financial Assets at Fair Value Other Comprehensive Income	2,92	5,20	3,09	12,75
Loans	3,78	5,15	7,69	13,21
Financial Assets measured at amortised cost	1,70	5,86	-	12,18
Liabilities				
Bank Deposits [**]	0,72	1,83	-	16,30
Other Deposits [**]	0,31	1,27	-	12,07
Funds from Interbank Money Market	-	1,14	-	16,62
Miscellaneous Payables	-	0,09	-	-
Marketable Securities Issued (Net) (*)	4,00	6,22	-	10,38
Borrowings	2,07	2,42	-	11,22

(*) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

[**] Demand deposit balances are included in average interest rate calculation.

V. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES:

The Bank doesn't have any subsidiaries and affiliates that are traded on the "BIST".

VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO:

The liquidity risk of the Bank is the risk of being unable to fulfill its payment obligations on time due to not having enough cash sources or cash inflows to finance its cash outflows fully and on time due to cash flow instabilities. Liquidity risk arises from situations in which the Bank is unable to meet the cash outflows with its cash sources and borrowing opportunities over collateralizing marketable securities, in case of sudden fund withdrawals by the individual/institutional funders of the Bank.

a) Information on risk capacity of the Bank, responsibilities and structure of liquidity risk management, the Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application:

The Bank's liquidity and funding policy is to own sufficient liquidity reserve and funding opportunities to meet Bank's liabilities even in cases of stress, resulting from the market conditions or other conditions specific to the Bank.

The Bank has capacity to meet a high risk with broad and stable deposit, strong base capital structure and diversified foreign borrowing sources and is capable of providing additional liquidity with high quality liquid securities in its portfolio and available limits at both the Central Bank of Turkey and other Money markets.

Management of liquidity risk is shared by the ERC, ALCO, Treasury Department and Risk Management Department. The ERC determines the liquidity management policies and the appropriate liquidity risk level in line with the Bank's risk appetite and monitors whether the liquidity risk is managed under the framework of determined policies and within the defined limits.

The different categories of defined limits are;

- Limits related to wholesale funding sources,
- Limits related to liquid asset buffer,
- Limits related to the cash inflows coverage capacity to cash outflows,
- Limits related to cash outflow coverage capacity in the stress environment.

ALCO takes decision to use alternative funding sources, pricing of obtained funds and granted loans, and other decisions of Daily liquidity management. Treasury Department ensures that the Bank meets its short, middle and long term liabilities, with the transactions made in accordance with ALCO decisions order to utilize excess funding or close the funding gap, occurring on foreign currencies or maturity terms. Risk Management Department measures and monitors the liquidity risk, with the reports

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prepared and analyses made, and informs the top management. Liquidity risk reporting consists of periodic and special purpose reports prepared to be discussed in the ERC and ALCO meetings, stress tests, scenario analyses, risk limit compliance reports and legal liquidity reports.

b) Information on the centralization degree of liquidity management and funding strategy and the functioning between the Bank and the Bank's subsidiaries:

Each of the Bank's subsidiaries within the consolidation scope manages its own liquidity. Nevertheless, there are defined limits related to the funding amount that the Bank will provide to a subsidiary, in case of liquidity issues. Cumulative liquidity gap resulted in stress scenarios of subsidiaries, should not exceed the fund limits provided by the Bank.

c) Information on the Bank's funding strategy including the policies on funding types and variety of maturities:

The Bank targets to obtain additional funding sources besides the strong capital structure, from the most possible diversified, long term stable sources, considering cost factors. In this direction, concentration ratios such as share of retail funding sources in total funding sources, share of deposits of high amount in total deposit, share of borrowings made from the market in total market volume are monitored and limited with the applied risk limits. Treasury Unit performs necessary work to obtain long term foreign funding.

d) Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Bank's total liabilities:

Almost all of the Bank's liabilities are in TL, USD or EUR currencies and TL funds comprise of mainly equity and deposits. The Bank's liquidity in TL is managed with repurchase agreements made at CBRT/BIST using high quality securities owned by the Bank. Together with keeping the main purpose as using liabilities in TL in funding assets in TL, foreign currency liabilities are used in creating assets in TL using foreign exchange swaps, when necessary. Liquidity management is performed in the scope of internal risk limits, such as short term borrowing limits from markets determined by the Bank, market concentration limits, liquidity stress scenario, and cumulative liquidity gap.

Foreign currency funds are obtained through foreign exchange deposit accounts, foreign based, foreign currency loans, securities issued and repurchase agreements. Foreign currency liquidity management is performed using internal risk limits defined for liquidity buffer kept at correspondent banks and monitored daily in the scope of the Bank's risk limits, and cumulative gap in the scope of liquidity stress scenario, and other risk limits defined for wholesale funding and concentration. The Bank has available foreign currency borrowing limits at CBRT/BIST and other banks.

e) Information on liquidity risk mitigation techniques:

Liquidity risk is mitigated by using techniques such as maintaining high quality liquid asset buffer to cover possible fund outflows, diversification of funding sources so far as possible and inclusion to the base, homogenizing the maturity distribution of repayments as far as possible, obtaining limits from funding institutions to use when necessary and ensuring that a determined portion of funding sources are comprised of deposit.

f) Information on the use of stress tests:

In cases of negative conditions such as an impairment in the securities in the Bank's portfolio, inability to replace short and long term borrowings, fast cash outflow, increase in non-performing loan ratio, high margin calls, the extent and duration of sufficient liquidity is analyzed by the stress tests made by the Risk Management Department. Risk limits determined according to analysis results exist within the Bank. It is ensured that the necessary actions are taken by sharing the analysis results and risk limit compliance status with the ALCO, ERC and related business units. Considering the negative economic general impact caused by the COVID-19 pandemic, it is aimed to measure the liquidity vulnerabilities that may arise by performing different scenario analyzes with using stress tests which are already part of the risk management process. The effects of cash inflows and outflows under different stress scenarios have been studied and evaluated.

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g) General information on urgent and unexpected liquidity situation plans:

Necessary strategy and procedures for the management of possible liquidity crisis are determined with the Liquidity Contingency Plan, which is approved and reviewed every year by the ERC. The actions to be taken favor the benefits of depositors, creditors of the Bank and shareholders. In case one or several emergency situations occur, Bank's Liquidity Contingency Plan is put into use. After Liquidity Contingency Plan is put into use, Liquidity Contingency Management Committee is responsible from the determination of actions to be taken.

Liquidity Coverage Ratio:

		Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Current Period - 31 December 2021					
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			135.002.709	91.871.013
CASH OUTFLOWS					
2	Retail and Customers Deposits	266.126.330	158.886.240	24.738.322	15.888.624
3	Stable deposits	37.523.600	-	1.878.049	-
4	Less stable deposits	228.602.730	158.886.240	22.860.273	15.888.624
Unsecured Funding other than Retail and Small Business					
5	Customers Deposits	132.159.544	81.974.779	72.793.987	46.158.058
6	Operational deposits	2.804	-	701	-
7	Non-Operational Deposits	113.456.186	70.496.035	55.929.439	34.679.820
8	Other Unsecured Funding	18.700.554	11.478.744	16.863.847	11.478.238
9	Secured funding			555.152	555.152
10	Other Cash Outflows	16.760.672	24.777.364	8.013.944	16.305.718
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	7.081.793	15.407.987	7.081.793	15.407.987
12	Debts related to the structured financial products	10.356	-	10.356	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	9.668.523	9.369.377	921.795	897.731
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	1.215.000	-	60.750	-
15	Other irrevocable or conditionally revocable commitments	102.099.327	35.668.573	5.104.966	1.783.429
16	TOTAL CASH OUTFLOWS			111.267.121	80.690.981
CASH INFLOWS					
17	Secured Lending Transactions	626.658	-	-	-
18	Unsecured Lending Transactions	52.663.347	33.214.083	39.048.058	27.819.755
19	Other contractual cash inflows	5.894.295	27.638.100	5.876.880	27.637.791
20	TOTAL CASH INFLOWS	59.184.300	60.852.183	44.924.938	55.457.546
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			135.002.709	91.871.013
22	TOTAL NET CASH OUTFLOWS			66.342.183	25.233.435
23	Liquidity Coverage Ratio (%)			203,49	364,08

(*) Simple arithmetic average calculated for the last three months of values calculated by taking the simple arithmetic average was used for calculating the average in last days of the related last three months.

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		Rate of "Percentage to be taken into account" not Implemented Total value (*)		Rate of "Percentage to be taken into account" Implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Prior Period - 31 December 2020					
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			94.323.115	54.937.446
CASH OUTFLOWS					
2	Retail and Customers Deposits	197.692.680	117.924.753	18.270.258	11.792.475
3	Stable deposits	29.980.213	-	1.499.011	-
4	Less stable deposits	167.712.467	117.924.753	16.771.247	11.792.475
5	Unsecured Funding other than Retail and Small Business Customers Deposits	93.965.339	63.913.035	51.369.973	35.573.074
6	Operational deposits	-	-	-	-
7	Non-Operational Deposits	83.052.766	57.396.025	41.839.841	29.056.304
8	Other Unsecured Funding	10.912.573	6.517.010	9.530.132	6.516.770
9	Secured funding			1.174.897	1.174.897
10	Other Cash Outflows	21.413.142	24.692.260	12.060.275	16.674.526
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	11.033.977	15.803.687	11.033.977	15.803.687
12	Debts related to the structured financial products	11.075	-	11.075	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	10.368.090	8.888.573	1.015.223	870.839
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	934.540	-	46.727	-
15	Other irrevocable or conditionally revocable commitments	68.586.120	15.629.187	3.429.306	781.459
16	TOTAL CASH OUTFLOWS			86.351.436	65.996.431
CASH INFLOWS					
17	Secured Lending Transactions	3.679.842	-	-	-
18	Unsecured Lending Transactions	45.843.762	18.378.084	37.791.900	16.645.865
19	Other contractual cash inflows	6.322.324	27.776.566	6.316.216	27.775.443
20	TOTAL CASH INFLOWS	55.845.928	46.154.650	44.108.116	44.421.308
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			94.323.115	54.937.446
22	TOTAL NET CASH OUTFLOWS			42.243.320	21.575.123
23	Liquidity Coverage Ratio (%)			223,29	254,63

(*) Simple arithmetic average calculated for the last three months of values calculated by taking the simple arithmetic average was used for calculating the average in last days of the related last three months.

Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the Bank to net cash outflow in one month maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, marketable securities that are not subject to repurchase agreements or not given as collateral, corporate deposits, bank deposits, foreign funds and borrowings from banks. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

Periodic increases are observed in the liquidity coverage ratio during the weeks where the foreign currency reserve option is used in reserve requirements in CBRT, high amounts are maintained in bank placements or repurchase agreement volume decreases, on the other hand, fluctuations may occur in the liquidity coverage ratio during the weeks where the share of corporate or bank funds increase, or long term foreign funds which are replaced when due, such as syndicated loans are due in one month. Despite these fluctuations, it is observed that the ratio does not decrease below 173% during the period and remain at a quite higher level than the legal lower limit.

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Although the derivative transactions create net cash flow of small amount in terms of total liquidity coverage ratio, fluctuations in foreign currency derivative transactions, especially in foreign exchange swaps cause the foreign currency liquidity coverage ratio to be affected.

The Bank's high quality liquid assets mainly comprise of CBRT accounts by 55% and securities issued by Treasury of Republic of Turkey by 35%. Funding sources are mainly distributed between individual and retail deposits by 61%, corporate deposits by 22%, borrowings from banks by 3% and collateralized borrowings such as repurchase agreements by 9%.

Cash outflow amounting to TL 1.690 million is calculated based on the change of margin call amounts of derivative transactions during the last 2 years.

Akbank AG, part of the consolidation group and has an effect on liquidity coverage ratio in respect of its size, is subject to legal liquidity ratio projected by regulatory authority situated in its business location. In respect of its long term deposit insurance and borrowing structure which is hard to withdraw before maturity because of legal regulations, consolidated liquidity coverage ratio is higher than unconsolidated ratio.

In accordance with the "Regulation On Calculation of Bank's Liquidity Coverage Ratio", published in Official Gazette no. 28948, dated 21 March 2014, liquidity coverage ratio is calculated for the last three months are presented below.

	Current Period - 31 December 2021	
	TL+FC	FC
October	172,77	237,55
November	203,94	342,34
December	240,93	414,82

	Prior Period - 31 December 2020	
	TL+FC	FC
October	209,16	229,25
November	239,61	281,26
December	223,66	257,43

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Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2021	Demand	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Unallocated	Total
Assets								
Cash Equivalents and Central Bank Banks [*****]	46.879.581	44.719.906	287.285	-	-	-	-	91.886.772
Financial Assets at Fair Value Through Profit or Loss	48.402.039	2.992.146	2.076.501	-	-	-	-	53.470.686
Interbank Money Market Placements	2.669.259	32.592	28.718	7.544.556	407.404	126.846	-	10.809.375
Financial Assets measured at other comprehensive income	-	2.824.281	24.331	-	-	-	-	2.848.612
Loans (*)	838.454	870.035	4.031.188	8.356.944	63.275.696	22.939.105	-	100.311.422
Financial Assets measured at amortised cost	168.770	75.960.820	52.629.414	96.150.208	120.027.033	41.624.234	18.227.817	404.788.296
Other Assets (**)	-	298.289	2.776.285	5.633.831	19.693.698	24.183.457	-	52.585.560
Other Assets (**)	3.128.691	8.025.367	5.492.042	9.451.775	14.023.972	13.667.673	[7.691.913]	46.097.607
Total Assets	102.086.794	135.723.436	67.345.764	127.137.314	217.427.803	102.541.315	10.535.904	762.798.330
Liabilities								
Bank Deposits	1.776.500	5.629.678	5.071.644	1.358.720	-	-	-	13.836.542
Other Deposits	161.074.212	176.541.029	68.957.954	22.768.320	9.032.577	1.339.945	-	439.714.037
Borrowings	-	229.187	3.341.046	28.879.827	25.640.010	1.882.970	-	59.973.040
Funds from Interbank Money Market	-	44.337.122	2.546.553	10.801.101	3.027.514	3.925.171	-	64.637.461
Marketable Securities Issued (Net) (***)	-	2.629.010	2.823.717	9.775.391	15.119.756	18.660.721	-	49.008.595
Miscellaneous Payables	1.227.967	1.634.723	2.612.212	3.193.817	4.398.190	1.339.421	8.647.299	23.053.629
Other Liabilities (****)	15.941.238	6.447.822	5.148.844	6.928.729	8.839.770	3.316.849	65.951.774	112.575.026
Total Liabilities	180.019.917	237.448.571	90.501.970	83.705.905	66.057.817	30.465.077	74.599.073	762.798.330
Net Liquidity Excess / (Gap)	(77.933.123)	(101.725.135)	(23.156.206)	43.431.409	151.369.986	72.076.238	(64.063.169)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	3.671.295	(1.045.631)	2.999.363	6.624.981	8.066.514	-	20.316.522
Financial Derivative Liabilities	-	111.889.315	104.345.394	100.094.580	145.801.006	82.455.429	-	544.585.724
Non-cash Loans [*****]	-	4.192.156	942.840	25.186.870	23.209.406	34.804.844	-	88.336.116
Prior Period – 31 December 2020								
Total Assets	46.279.850	82.941.832	34.070.858	99.369.383	160.449.749	45.111.336	10.093.567	478.316.575
Total Liabilities	94.265.352	159.465.962	46.805.038	38.623.592	49.201.039	19.221.024	70.734.568	478.316.575
Net Liquidity Excess/ (Gap)	(47.985.502)	(76.524.130)	(12.734.180)	60.745.791	111.248.710	25.890.312	(60.641.001)	-
Net Off-balance sheet Position								
Financial Derivative Assets	-	(1.211.272)	(15.662)	3.174.289	4.405.896	3.263.040	-	9.616.291
Financial Derivative Liabilities	-	68.673.800	54.345.993	46.822.858	86.707.425	55.643.891	-	312.193.967
Non-cash Loans [*****]	-	1.704.272	1.110.275	11.024.630	13.213.186	24.383.289	-	51.435.652

(*) Included lease receivables. The non-performing loans is presented "Unallocatable" column.

(**) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, derivative financial assets, investments, subsidiaries, stationery, pre-paid expenses and loans under follow-up, are shown in this column. Expected credit losses are included.

(***) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

(****) Shareholders' Equity is presented under "Other Liabilities" item in the "Unallocated" column.

(*****). Amounts related to Letters of Guarantee represent contractual maturity and related amounts. Amounts are demand and can be withdrawn optional.

(*****) Derivative collaterals given to foreign banks are included.

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Breakdown of liabilities due to their remaining contractual maturities:

Current Period - 31 December 2021	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities						
Deposits	376.109.594	44.597.638	24.721.067	9.384.338	1.426.371	456.239.008
Funds borrowed from other financial institutions	256.097	3.570.506	29.919.746	27.562.090	2.008.640	63.317.079
Funds from interbank money market	44.409.128	2.549.876	10.894.771	3.285.674	4.077.582	65.217.031
Marketable Securities Issued	2.751.428	3.213.204	11.562.886	23.126.380	21.634.758	62.288.656

Prior Period - 31 December 2020	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities						
Deposits	234.282.330	36.488.594	13.015.644	9.246.901	1.084.694	294.118.163
Funds borrowed from other financial institutions	271.663	2.064.928	21.006.789	17.474.264	1.219.691	42.037.335
Funds from interbank money market	7.825.970	2.757.508	2.347.112	5.934.481	2.279.832	21.144.903
Marketable Securities Issued	3.066.160	2.694.593	1.989.037	13.258.152	11.517.157	32.525.099

Breakdown of derivative instruments due to their remaining contractual maturities:

Current Period - 31 December 2021	Up to 1 month	1-3 months	3-12 months	1-5 years	5 Years and Over
Derivatives held for trading					
Foreign exchange derivatives:					
– Inflow	107.022.530	99.545.807	61.606.380	30.012.745	6.393.372
– Outflow	(111.683.915)	(111.758.980)	(61.321.153)	(30.032.637)	(5.920.722)
Interest rate derivatives:					
– Inflow	382.027	936.181	2.355.465	4.248.089	1.235.062
– Outflow	(391.660)	(848.877)	(2.102.182)	(3.718.938)	(1.093.669)
Derivatives held for hedging					
Foreign exchange derivatives:					
– Inflow	3.004.059	99.193	1.838.063	4.694.245	14.653.748
– Outflow	(659.456)	(253.115)	(1.353.414)	(4.010.544)	(7.341.117)
Interest rate derivatives:					
– Inflow	217.937	786.064	2.819.865	5.904.526	1.780.110
– Outflow	(295.460)	(954.479)	(2.803.513)	(4.721.133)	(1.909.851)
Total Inflow	110.626.553	101.367.245	68.619.773	44.859.605	24.062.292
Total Outflow	(113.030.491)	(113.815.451)	(67.580.262)	(42.483.252)	(16.265.359)

Prior Period - 31 December 2020	Up to 1 month	1-3 months	3-12 months	1-5 years	5 Years and Over
Derivatives held for trading					
Foreign exchange derivatives:					
– Inflow	62.640.216	50.476.489	27.675.738	28.388.285	4.961.750
– Outflow	(68.099.978)	(60.590.019)	(28.843.219)	(27.877.974)	(4.659.973)
Interest rate derivatives:					
– Inflow	152.797	553.036	1.069.659	1.895.247	907.310
– Outflow	(136.947)	(577.404)	(979.965)	(1.689.159)	(814.875)
Derivatives held for hedging					
Foreign exchange derivatives:					
– Inflow	2.306.351	3.907.725	4.524.790	4.922.960	8.231.710
– Outflow	(2.221.126)	(2.676.210)	(3.107.033)	(5.641.826)	(6.923.534)
Interest rate derivatives:					
– Inflow	104.751	253.873	650.767	1.678.808	745.341
– Outflow	(119.225)	(347.027)	(962.957)	(2.417.487)	(1.009.045)
Total Inflow	65.204.115	55.191.123	33.920.954	36.885.300	14.846.111
Total Outflow	(70.577.276)	(64.190.660)	(33.893.174)	(37.626.446)	(13.407.427)

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VII. EXPLANATIONS ON LEVERAGE RATIO:

a. Information on subjects that causes difference in leverage ratio between current and prior periods:

As of 31 December 2021, the leverage ratio of the Group calculated from 3 months average amounts is 8,39% (31 December 2020: 10,10%). This ratio is above the minimum ratio which is 3%.

b. Comparison table of total assets and total risk amounts in the financial statements prepared in accordance with TAS:

	Current Period 31 December 2021 (**)	Prior Period 31 December 2020 (**)
1 Total assets in the consolidated financial statements prepared in accordance with TAS (*)	714.955.819	497.936.391
2 Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communiqué on Preparation of Consolidated Financial Statements of the Banks	-	-
3 Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	6.262.339	4.804.212
4 Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(66.599.227)	(35.080.452)
5 Differences between off-balance sheet items in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(2.595.815)	(1.497.887)
6 Other differences in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	213.162.595	142.201.626
7 Total Risk	865.185.711	608.363.890

(*) The consolidated financial statements prepared in accordance with the sixth paragraph of the Article 5 in the Communiqué on Preparation of Consolidated Financial Statements of the Banks.

(**) Three months average values in the related periods.

c. Disclosure of Leverage ratio template:

	Current Period 31 December 2021 (*)	Prior Period 31 December 2020 (*)
Balance sheet Assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	671.754.783	470.896.975
2 (Assets deducted from Core capital)	-	-
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	671.754.783	470.896.975
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	23.941.998	15.100.108
5 Potential credit risk amount of derivative financial assets and credit derivatives	6.262.339	4.804.212
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	30.204.337	19.904.320
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity	5.125.027	5.858.367
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	5.125.027	5.858.367
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	160.697.379	113.202.115
11 (Correction amount due to multiplication with credit conversion rates)	(2.595.815)	(1.497.887)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	158.101.564	111.704.228
Capital and total risk		
13 Core Capital	72.556.470	61.394.635
14 Total risk amount (sum of lines 3, 6, 9 and 12)	865.185.711	608.363.890
Leverage ratio		
15 Leverage ratio	8,39	10,10

(*) Three months average values.

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VIII. EXPLANATIONS ON PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:

a. Calculations of financial assets and liabilities at their fair values:

The fair values of financial assets measured at amortised cost are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand deposit represents the amount to be paid upon request. The fair value of the overnight deposit represents the carrying value. The expected fair value of the fixed rate deposit is calculated by discounted cash flow with the use of the market interest rates of similar liabilities and loans.

The fair value of marketable securities issued is calculated according to broker price quotations and if these are not available, amounts derived from discounted cash flow models.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

	Carrying Value		Fair Value	
	Current Period 31 December 2021	Prior Period 31 December 2020	Current Period 31 December 2021	Prior Period 31 December 2020
Financial Assets	614.004.576	402.809.909	630.878.387	417.785.731
Interbank Money Market Placements	2.848.612	488.547	2.848.745	488.319
Banks	53.470.686	17.416.075	53.471.289	17.416.543
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	100.311.422	58.204.145	100.311.422	58.204.145
Financial Assets Measured at Amortised Cost	52.585.560	41.885.059	58.406.922	41.963.675
Loans	404.788.296	284.816.083	415.840.009	299.713.049
Financial Liabilities	585.626.502	371.806.897	588.149.567	376.413.324
Bank Deposits	13.836.542	12.573.807	13.856.645	12.588.691
Other Deposits	439.714.037	279.945.200	440.771.356	279.913.600
Borrowings	59.973.040	40.262.614	62.269.927	43.309.884
Marketable Securities Issued (Net)	49.008.595	26.024.631	48.157.351	27.600.504
Miscellaneous Payables	23.094.288	13.000.645	23.094.288	13.000.645

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b. Fair value hierarchy:

IFRS 13 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows:

- Quoted market prices (non-adjusted) (1st level)
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)
- Data not based on observable data regarding assets or liabilities (3rd level).

Fair value hierarchy of the financial assets and liabilities of the Group according to the foregoing principles is given in the table below:

Current Period - 31 December 2021	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	510.166	68.564	-	578.730
- Share Certificates	1.073.896	-	-	1.073.896
- Other Financial Assets (*)	427.561	1.386.278	7.342.910	9.156.749
Financial Assets at Fair Value Through Other Comprehensive Income				
- Government Debt Securities	78.655.303	-	-	78.655.303
- Share Certificates	-	-	-	-
- Other Financial Assets	18.526.943	3.113.297	-	21.640.240
Derivative Financial Assets				
- Derivative Financial Assets at Fair Value Through Profit or Loss	-	36.354.311	-	36.354.311
- Derivative Financial Assets at Fair Value Through Other Comprehensive Income	-	13.432.561	-	13.432.561
Loans	-	388.268.253	-	388.268.253
Financial Assets Measured at Amortised Cost				
- Government Debt Securities	57.421.367	-	-	57.421.367
- Other Financial Assets	985.555	-	-	985.555
Total Assets	157.600.791	442.623.264	7.342.910	607.566.965
Derivative Financial Liabilities				
- Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	25.193.411	-	25.193.411
- Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	489.271	-	489.271
Deposits	-	454.628.001	-	454.628.001
Funds Borrowed	-	62.269.927	-	62.269.927
Funds from Interbank Money Market	-	64.794.941	-	64.794.941
Securities Issued (Net)	-	48.157.351	-	48.157.351
Total Liabilities	-	655.532.902	-	655.532.902

(*) Fair value of the financial assets at fair value through profit or loss classified under third level, has been determined based on results of valuation work that include various valuation technics. The potential changes in the fundamental estimations and assumptions included in the valuation work can affect the carrying fair value of the loan.

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Prior Period - 31 December 2020	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss				
- Government Debt Securities	189.938	-	-	189.938
- Share Certificates	305.711	-	-	305.711
- Other Financial Assets (*)	244.918	1.095.935	7.342.910	8.683.763
Financial Assets at Fair Value Through Other Comprehensive Income				
- Government Debt Securities	44.420.223	-	-	44.420.223
- Share Certificates	-	-	-	-
- Other Financial Assets	11.726.447	2.041.091	-	13.767.538
Derivative Financial Assets				
- Derivative Financial Assets at Fair Value Through Profit or Loss	1.897	18.117.990	-	18.119.887
- Derivative Financial Assets at Fair Value Through Other Comprehensive Income	-	4.738.479	-	4.738.479
Loans	-	284.816.083	-	284.816.083
Financial Assets Measured at Amortised Cost				
- Government Debt Securities	41.456.409	-	-	41.456.409
- Other Financial Assets	507.266	-	-	507.266
Total Assets	98.852.809	310.809.578	7.342.910	417.005.297
Derivative Financial Liabilities				
- Derivative Financial Liabilities at Fair Value Through Profit or Loss	54	14.162.050	-	14.162.104
- Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	678.869	-	678.869
Deposits	-	292.502.290	-	292.502.290
Funds Borrowed	-	43.309.884	-	43.309.884
Funds from Interbank Money Market	-	21.059.739	-	21.059.739
Securities Issued (Net)	-	27.600.504	-	27.600.504
Total Liabilities	54	399.313.336	-	399.313.390

(*) Fair value of the financial assets at fair value through profit or loss classified under third level, has been determined based on results of valuation work that include various valuation technics. The potential changes in the fundamental estimations and assumptions included in the valuation work can affect the carrying fair value of the loan.

As explained in the note of VII-b of the Third Section, share certificates, that are classified as financial assets at fair value through other comprehensive income are carried at cost less impairment since they are not traded in active markets and their fair values cannot be measured reliably, are not shown in the table above.

There are no transfers between the 1st and the 2nd levels in the current year.

The movement of financial assets in Level 3 is presented below:

	Current Period 31 December 2021	Prior Period 31 December 2020
Balances at Beginning of Period	7.342.910	6.723.419
Purchases During the Period	-	-
Disposals Through Sale/Redemptions	-	-
Valuation Effect (*)	-	619.491
Transfers	-	-
Balances at the End of Period	7.342.910	7.342.910

(*) As explained in the footnotes I-b and I-r of Section Five, prior period mentioned increase in value is evaluated together with the decrease in value of 477.249 TL in the assets of LYY Telekomünikasyon A.Ş. There is a net value increase of 142.241 TL in assets.

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IX. EXPLANATION ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS:

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions.

X. EXPLANATIONS ON RISK MANAGEMENT TARGET AND POLICIES:

1. The Bank's risk management approach:

Effective risk management constitutes one of the most important competitive strength of the Bank. Risk management system is assessed as a critical process which includes all units starting from the Board of Directors level. General strategies regarding Bank's risk management are given below:

- Effective management of risks within the Group's risk profile based on materiality; implementing a centralized risk framework that includes all major risk areas.
- Managing existing and potential risks from the beginning through forward looking risk strategies, policies and procedures, models and parameters.
- Applying a risk-focused management approach in the strategic decision process.
- Complying with all national risk management requirements, where the Bank operates.

The Bank's Board of Directors has the ultimate responsibility for setting up and monitoring the efficiency of such a risk management system. The Board of Directors fulfills its monitoring responsibility through the Auditing Committee, the Executive Risk Committee, the Credit Committee and other related intermediary committees and by means of regular risk, control and audit reporting system.

The Board of Directors approves and regularly reviews Bank's main risk approach, risk principles and policies which are initially discussed and decided by the Executive Risk Committee.

The Board of Directors also determines Bank's risk appetite by risk limits taking market conditions and Bank's risk taking capacity into consideration. Risk limits are made up of regulatory and internal limits on the basis of risk types.

Bank's Senior Management is responsible to the Bank's Board of Directors that daily activities are executed within the risk management procedures and risk limits determined by the Board of Directors and that risk management system operates in effective and efficient manner. The Internal Audit, the Internal Control, Compliance Presidency and The Risk Management Departments which directly report to the Board of Directors operate in coordination with the business units of the Bank. In this scope, it is also Senior Management's responsibility to take necessary measures in order to resolve identified weaknesses, deficiencies and errors stated in the reports of internal and external audits, internal control and risk management.

Locally and internationally accepted risk models and parameters are used in the identification, measurement and monitoring of risks within the scope of risk management. The Bank strives continuously for development and improvement of internal methods and models. Forward looking risk reports prepared through regular and close monitoring of the market developments are made available for the Senior Management and the Board of Directors. In order to analyze the potential risks that the Bank may be exposed in extreme cases, various scenario analyses are performed and contingency plans are prepared. The Bank's internal capital adequacy assessment process ("ICAAP") has been established and the ICAAP has been performed parallel to the annual budget process on an annual basis. Moreover, various risk mitigation techniques are utilized to limit and provide protection against risks the Bank is exposed. The effectiveness and efficiency of the risk mitigation techniques are regularly monitored.

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to be announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for the calculation of capital adequacy ratio by the Bank, tables, which have to be prepared within the scope of Internal Rating-Based (IRB) approach, are not presented.

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In the event of unexpected negative economic conditions, stress tests are carried out regularly considering the exchange rate and interest rate shocks and the deterioration of the loan portfolio at different stress rates. Also, for stresses caused by the COVID-19 pandemic, the intensities are increased and the effects on equity and capital adequacy ratios are measured.

2. Overview of RWA:

	Risk Weighted Amount		Minimum capital requirement
	Current Period 31 December 2021	Prior Period 31 December 2020	Current Period 31 December 2021
1 Credit risk (excluding counterparty credit risk) (CCR)	377.040.902	282.417.186	30.163.272
2 Standardized approach (SA)	377.040.902	282.417.186	30.163.272
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	30.395.595	21.018.707	2.431.648
5 Standardized approach for counterparty credit risk (SA-CCR)	30.395.595	21.018.707	2.431.648
6 Internal model method (IMM)	-	-	-
7 Basic risk weight approach to internal models equity position in the banking account	-	-	-
8 Investments made in collective investment companies – look-through approach	-	-	-
9 Investments made in collective investment companies – mandate-based approach	680.479	405.280	54.438
10 Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11 Settlement risk	800	-	64
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach (RBA)	-	-	-
14 IRB Supervisory Formula Approach (SFA)	-	-	-
15 SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	26.350.720	16.091.736	2.108.058
17 Standardized approach (SA)	26.350.720	16.091.736	2.108.058
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	40.838.939	34.367.848	3.267.115
20 Basic Indicator Approach	40.838.939	34.367.848	3.267.115
21 Standard Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	475.307.435	354.300.757	38.024.595

b. Linkages between financial statements and regulatory exposures:

1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories:

Legal consolidation refers to the consolidation that includes the consolidation of subsidiaries which are credit institutions or financial institutions in accordance with Article 5 paragraph 1 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks published in the Official Gazette dated November 8, 2006 and numbered 26340. Accounting consolidation refers to the consolidation in which all of the subsidiaries are included in the scope of consolidation in accordance with the Article 5 paragraph 6 of the same communiqué, irrespective of whether these subsidiaries are credit institutions or financial institutions, or not.

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	Carrying values as reported in published financial statements (*)	Carrying values of items				
		Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework (**)	Not subject to capital requirements or subject to deduction from capital
Current Period - 31.12.2021						
Assets						
Cash and balances at central bank	91.886.772	91.886.772	-	-	-	-
Banks	53.469.701	53.469.701	-	-	-	-
Receivables from money markets	2.848.612	2.848.612	-	-	-	-
Financial assets at fair value through P&L	10.809.375	10.119.088	-	-	690.287	-
Financial assets at fair value through other comprehensive income	100.311.422	100.308.803	40.231.789	-	-	2.619
Derivative financial assets	49.786.872	-	49.786.872	-	5.038.400	-
Loans (Net)	378.052.962	378.029.638	-	-	-	23.324
Lease Receivables (Net)	7.720.830	7.720.830	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Financial assets measured at amortised cost (Net)	52.566.568	52.566.568	25.564.815	-	-	-
Non-current assets and disposal groups classified as held for sale (Net)	232.296	232.296	-	-	-	-
Investments in associates (Net)	18.129	18.129	-	-	-	-
Investments in subsidiaries (Net)	-	-	-	-	-	-
Investments in joint ventures (Net)	-	-	-	-	-	-
Tangible assets (Net)	5.894.836	5.840.460	-	-	-	54.376
Intangible assets (Net)	1.499.602	-	-	-	-	1.499.602
Investment properties (Net)	-	-	-	-	-	-
Tax assets	124.001	124.001	-	-	-	-
Deferred tax assets	152.170	152.170	-	-	-	-
Other assets	7.424.182	7.424.182	-	-	-	-
Total assets	762.798.330	710.741.250	115.583.476	-	5.728.687	1.579.921
Liabilities						
Deposits	453.550.579	-	-	-	-	453.550.579
Funds Borrowed	59.973.040	-	-	-	-	59.973.040
Money Markets	64.637.461	-	63.256.050	-	-	-
Securities Issued	30.283.061	-	-	-	-	30.283.061
Funds	-	-	-	-	-	-
Financial Liabilities At Fair Value Through Profit Or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	25.682.682	-	-	-	3.205.256	-
Factoring Liabilities	-	-	-	-	-	-
Lease Liabilities	590.360	-	-	-	-	590.360
Provisions	3.357.293	-	-	-	-	3.357.293
Current Tax Liability	2.404.491	-	-	-	-	2.404.491
Deferred Tax Liability	454.305	-	-	-	-	454.305
Liabilities For Property and Equipment Held For Sale and Related To Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	18.725.534	-	-	-	-	18.725.534
Other Liabilities	27.180.211	-	-	-	-	27.180.211
Shareholders' Equity	75.959.313	-	-	-	-	75.959.313
Total liabilities	762.798.330	-	63.256.050	-	3.205.256	672.478.187

(*) Since the accounting and legal consolidation scope of the Bank are identical, the financial statement information is shown in one column.

(**) The Amounts of financial instruments, which are measured in accordance with TAS and included in trading accounts within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" are represented in "Subject to market risk framework" column.

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	Carrying values as reported in published financial statements (*)	Carrying values of items				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework (**)	
Prior Period - 31.12.2020						
Assets						
Cash and balances at central bank	47.676.321	47.676.321	-	-	-	-
Banks	12.410.935	12.410.935	-	-	-	-
Receivables from money markets	488.547	488.547	-	-	-	-
Financial assets at fair value through P&L	9.179.412	8.902.877	-	-	276.535	-
Financial assets at fair value through other comprehensive income	58.204.145	58.203.951	16.984.050	-	-	194
Derivative financial assets	22.858.366	-	22.858.366	-	3.517.712	-
Loans (Net)	262.658.172	262.657.714	-	-	-	458
Lease Receivables (Net)	5.188.396	5.188.396	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Financial assets measured at amortised cost (Net)	41.872.677	41.872.677	6.241.092	-	-	-
Non-current assets and disposal groups classified as held for sale (Net)	250.778	250.778	-	-	-	-
Investments in associates (Net)	14.795	14.795	-	-	-	-
Investments in subsidiaries (Net)	-	-	-	-	-	-
Investments in joint ventures (Net)	-	-	-	-	-	-
Tangible assets (Net)	6.003.406	5.957.324	-	-	-	46.082
Intangible assets (Net)	1.190.909	-	-	-	-	1.190.909
Investment properties (Net)	-	-	-	-	-	-
Tax assets	-	-	-	-	-	-
Deferred tax assets	147.990	147.990	-	-	-	-
Other assets	10.171.726	10.171.726	-	-	-	-
Total assets	478.316.575	453.944.031	46.083.508	-	3.794.247	1.237.643
Liabilities						
Deposits	292.519.007	-	-	-	-	292.519.007
Funds Borrowed	40.262.614	-	-	-	-	40.262.614
Money Markets	20.907.344	-	20.907.344	-	-	-
Securities Issued	19.306.217	-	-	-	-	19.306.217
Funds	-	-	-	-	-	-
Financial Liabilities At Fair Value Through Profit Or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	14.840.973	-	-	-	2.621.655	-
Factoring Liabilities	-	-	-	-	-	-
Lease Liabilities	542.559	-	-	-	-	542.559
Provisions	2.501.055	-	-	-	-	2.501.055
Current Tax Liability	1.667.242	-	-	-	-	1.667.242
Deferred Tax Liability	124.458	-	-	-	-	124.458
Liabilities For Property and Equipment Held For Sale and Related To Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	6.718.414	-	-	-	-	6.718.414
Other Liabilities	16.002.635	-	-	-	-	16.002.635
Shareholders' Equity	62.924.057	-	-	-	-	62.924.057
Total liabilities	478.316.575	-	20.907.344	-	2.621.655	442.568.258

(*) Since the accounting and legal consolidation scope of the Bank are identical, the financial statement information is shown in one column.

(**) The Amounts of financial instruments, which are measured in accordance with TAS and included in trading accounts within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" are represented in "Subject to market risk framework" column.

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2. Main sources of differences between regulatory exposure amounts and carrying values in financial statements:

		Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
Current Period - 31.12.2021	Total				
1 Asset carrying value amount under scope of regulatory consolidation	707.367.600	710.741.250	-	115.583.476	5.728.687
2 Liabilities carrying value amount under regulatory scope of consolidation	90.320.143	-	-	63.256.050	3.205.256
3 Total net amount under regulatory scope of consolidation	617.047.457	710.741.250	-	52.327.426	2.523.431
4 Off-balance sheet amounts	699.467.521	48.337.406	-	5.292.620	-
5 Differences in valuations		-	-	-	-
6 Differences due to different netting rules, other than those already included in row 2		-	-	-	-
7 Differences due to consideration of provisions		-	-	-	-
8 Differences due to prudential filters		(115.667.492)	-	(16.253.834)	23.827.289
9 Differences due to risk reduction		(9.051.185)	-	-	-
10 Exposure amounts considered for regulatory purposes		634.359.979	-	41.366.212	26.350.720

(*)The Amounts of financial instruments, which are measured according to TAS and included in trading accounts within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", are represented in "Subject to market risk framework" column are presented.

		Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
Prior Period - 31.12.2020	Total				
1 Asset carrying value amount under scope of regulatory consolidation	444.887.642	453.944.031	-	46.083.508	3.794.247
2 Liabilities carrying value amount under regulatory scope of consolidation	35.748.317	-	-	20.907.344	2.621.655
3 Total net amount under regulatory scope of consolidation	409.139.325	453.944.031	-	25.176.164	1.172.592
4 Off-balance sheet amounts	408.598.062	34.868.481	-	5.285.014	-
5 Differences in valuations		-	-	-	-
6 Differences due to different netting rules, other than those already included in row 2		-	-	-	-
7 Differences due to consideration of provisions		-	-	-	-
8 Differences due to prudential filters		(11.168.382)	-	(3.233.981)	14.919.144
9 Differences due to risk reduction		(7.665.044)	-	-	-
10 Exposure amounts considered for regulatory purposes		469.979.086	-	27.227.197	16.091.736

(*)The Amounts of financial instruments, which are measured according to TAS and included in trading accounts within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", are represented in "Subject to market risk framework" column are presented.

3. Explanations of differences between accounting and regulatory exposure amounts:

a) Financial and regulatory scope of consolidation:

There is no difference between the financial and regulatory scope of consolidation.

b) Differences between accounting and regulatory exposure amounts:

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On counterparty credit risk related transactions, the differences between the valued amounts in accordance with TAS in the scope statutory consolidation and the amounts after risk reduction arise from the addition of potential risk amounts per maturity and transaction type to renewal cost of derivative transactions related to counterparty credit risk.

The valued amounts of the items which are subject to market risk per TAS represent the fair value of trading financial instruments. Despite that, the amount at the risk amount line represents the amount which is subject market risk that derives from the calculation of capital requirements due to the loss on interest rate risk of market risk, share price risk, currency risk in the scope of "Regulation on Measurement and Evaluation of Banks Capital Adequacy Ratio".

- c) Explanations related to the systems and controls which are defined to ensure prudence and reliability of valuation estimates in accordance with prudent valuation procedures and principles within the scope of appendix 3 of "Regulation on Measurement and Evaluation of Capital Adequacy of Banks":

In case financial instruments that are accounted at their fair values are traded in an active market, the valuation is made based on market price. The accuracy of market price that is used at valuation is being confirmed periodically.

The fair value of financial instruments that are not traded in an active market are being calculated in accordance TFRS 13. Derivative financial instruments are valued by discounted cash flow model with the use of market data. For the valuation of certain financial instruments, third party valuations and generally accepted valuation models can be used. The accuracy and independence of inputs that are used at the valuation of market value and/or used at valuation methods by modelling are being controlled periodically. In addition, there are control processes for the comparison of the current market value of financial instruments with the recalculated values.

c. Credit risk explanations:

1. General qualitative information about credit risk:

Risk limits are defined by Board of Directors in a such manner that covers all possible important risk components, in accordance with the Bank's operations and the size and complexity of products and services. Care is taken to ensure that the risk limits are in line with market expectations and reflect the Bank's risk appetite and Bank's strategies. The credit policies are established in consistence with risk limits.

Credit rating models are used in loan allocation processes in accordance with the risk appetite, credit policies and targets of the Bank. Rating all credit customers is essential for the Bank. Credit ratings are used as the main factor in determining target segments, authority levels, prices, limits and collateralization levels in loan portfolios. Application models are used during initial loan underwriting and behavioral models are used for customers whose previous credit performance could be monitored. Behavioral models are mainly used in the credit monitoring process and in the evaluation process of portfolio risk.

In order to ensure timely and complete fulfillment of all obligations arising from the loan, it is essential to obtain adequate collateral from the customers. The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risk. In this context, the minimum margin is determined by considering the quality of the collateral and collection expectancy in case of default and it is ensured that appropriate collateral is obtained for the loan type.

Credit risk is encountered when the counterparty is unable to fulfill its obligations defined with the agreement. All credit risk bearing banking products are managed with prudent credit policies and procedures in the Bank. The credit quality of the counterparty is evaluated with an internal rating score in all credit transactions. In order to monitor the credit risk, internal limits are determined on the basis of sector, customer, credit type and customer segment.

Credit risk management is a process in which credit risks are assessed and monitored in a consistent manner, besides all credit portfolios are included on a consolidated basis. During the process of credit risk management, the Risk Management Department conducts measurement, monitoring and reporting activities of the credit risk using statistical models. In addition to the credit risk-related risk limits, various concentrations in the loan portfolio are also analyzed. It is assured to act within the policy of allocation, monitoring, Limit Follow-up and management, by establishing policy regarding to Country risk and concentration risk management. Cost of loan and collections of non-performing loans are monitored periodically. In addition, stress testing and scenario analysis studies are carried out on the loan portfolio.

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Assessment of the internal systems established to encompass all branches and departments and related entities are among the highest priorities of the Board of Directors to ensure the continuity of its operations, competencies and activities. Within the scope of internal systems, the duties and responsibilities of the Board of Directors are carried out by the Board of Directors, the Audit Committee, the Executive Risk Committee, Internal Audit, Internal Control, Risk Management activities and Internal Systems Responsible.

The Board of Directors is responsible for determining the risk baseline of the Bank, the risk approach and the level of risk taking. The Board of Directors manages the risks through the Executive Risk Committee. The committee is responsible for establishing risk policies, determining methods for measuring and managing risks, and establishing and monitoring appropriate risk limits. All risk policies established by the Executive Risk Committee are written and integrated into the Bank's long-term general strategy.

2. Credit quality of assets:

		Gross carrying values of (according to TAS)		Allowances/ impairments	Net values
Current Period - 31.12.2021		Defaulted exposures	Non-defaulted exposures		
1	Loans	18.227.817	386.560.479	19.014.504	385.773.792
2	Debt Securities	-	160.622.109	162.632	160.459.477
3	Off-balance sheet exposures	1.544.171	174.127.879	653.180	175.018.870
4	Total	19.771.988	721.310.467	19.830.316	721.252.139

		Gross carrying values of (according to TAS)		Allowances/ impairments	Net values
Prior Period - 31.12.2020		Defaulted exposures	Non-defaulted exposures		
1	Loans	17.880.294	266.935.789	16.969.515	267.846.568
2	Debt Securities	-	107.445.266	100.734	107.344.532
3	Off-balance sheet exposures	939.098	106.772.392	500.379	107.211.111
4	Total	18.819.392	481.153.447	17.570.628	482.402.211

3. Changes in stock of defaulted loans and debt securities:

		Current Period 31.12.2021	Prior Period 31.12.2020
1	Defaulted loans and debt securities at end of the previous reporting period	17.880.294	15.430.545
2	Loans and debt securities that have defaulted since the last reporting period	4.891.485	5.412.168
3	Returned to non-defaulted status	78.299	77.266
4	Amounts written off	1.557.732	805.049
5	Other changes	2.907.931	2.080.104
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) Definitions	18.227.817	17.880.294

4. Additional disclosure related to the credit quality of assets:

a) Definitions of overdue and provision allocated receivables are presented below:

The Group considers loans that have overdue principal and interest payments and are classified as 2nd Group in accordance with Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made" as "past due loans." Loans that have overdue principal and interest payments for more than 90 days

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after the maturity date or the debtor of which are deemed unworthy by the Group are considered impaired loans. Impaired consumer loans are evaluated on account basis and commercial loans on customer basis.

The Group calculates expected credit loss for overdue loans in accordance with Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made".

b) The part of the overdue receivables (past 90 days) for which provision is not allocated and reasons for this application:

All loans that have completed the 90 day overdue period are automatically taken into follow-up accounts and they are subjected to specific provision within the related month at the Bank. In exceptional cases, the delinquency process is suspended due to a court decision and the Bank's credit amount in this scope is insignificant as of 31 December 2021.

c) Definitions of the methods used when determining the provision amount, are presented in Note VIII of Section Three.

d) Definitions of restructured receivables:

Banks can restructure both the first, second group loans and other receivables as well as non-performing loans and receivables. The first, second group loans and other receivables are restructured to enhance customer's ability to repay the loan. Besides, it involves changes in the contractual conditions with the demand of customer. While Non-performing loans and receivables are restructured to ensure the collection of the receivables by changing the cash flow of the loan.

e) Breakdown of receivables by geographical area, sector and outstanding maturity:

Breakdown by geographical area:

	Current Period 31.12.2021	Prior Period 31.12.2020
Domestic	378.272.780	255.180.784
European Union Countries	6.663.415	11.037.391
OECD Countries (*)	8.415	3.578
Off-Shore Banking Regions	313	120.842
USA, Canada	906.340	108.420
Other	709.216	484.774
Total	386.560.479	266.935.789

(*) OECD Countries other than EU countries, USA and Canada.

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Breakdown by sector:

	Current Period 31.12.2021	Prior Period 31.12.2020
Agricultural	1.490.319	940.923
Farming and raising livestock	1.318.625	790.891
Forestry	168.312	142.533
Fishing	3.382	7.499
Manufacturing	114.090.168	77.724.546
Mining	5.289.428	3.208.827
Production	71.348.097	50.720.340
Electricity, Gas, Water	37.452.643	23.795.379
Construction	48.953.288	32.980.892
Services	97.085.423	69.513.755
Wholesale and Retail Trade	42.220.456	31.929.420
Hotel, Food, Beverage Services	10.235.803	7.112.556
Transportation and Telecommunication	15.763.541	9.820.456
Financial Institutions	23.516.315	16.310.380
Real Estate and Lending Services	677.672	473.998
Self employment Service	630.202	580.012
Education Service	553.294	652.763
Health and social Services	3.488.140	2.634.170
Other	124.941.281	85.775.673
Total	386.560.479	266.935.789

Breakdown by outstanding maturity:

Current Period 31.12.2021	Demand Deposit	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Loans	168.770	75.960.820	52.629.414	96.150.208	120.027.033	41.624.234	386.560.479

Prior Period 31.12.2019	Demand Deposit	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Loans	128.049	55.434.659	27.255.824	67.007.590	93.682.182	23.427.485	266.935.789

- f) Amounts of provision allocated receivables based on geographical area and sector and amounts deducted from the assets with the related provisions:

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Breakdown by geographical area:

	Current Period - 31.12.2021		Prior Period - 31.12.2020	
	Loans Under Follow-up	Stage 3 Provisions	Loans Under Follow-up	Stage 3 Provisions
Domestic	17.305.502	11.274.300	17.033.700	10.611.066
European Union Countries	922.208	524.755	846.413	482.004
OECD Countries (*)	6	3	-	-
Off-Shore Banking Regions	30	30	30	30
USA, Canada	24	20	40	39
Other	47	41	111	99
Total	18.227.817	11.799.149	17.880.294	11.093.238

(*) OECD Countries other than EU countries, USA and Canada.

Breakdown by sector:

	Current Period - 31.12.2021		Prior Period - 31.12.2020	
	Loans Under Follow-up	Stage 3 Provisions	Loans Under Follow-up	Stage 3 Provisions
Agricultural	20.490	18.332	25.562	20.769
Farming and raising livestock	16.390	14.774	20.647	17.211
Forestry	3.775	3.300	4.897	3.542
Fishing	325	258	18	16
Manufacturing	3.823.074	2.371.246	3.057.125	1.747.265
Mining	585.302	276.460	500.789	223.519
Production	1.479.099	1.048.251	1.632.792	1.083.911
Electricity, Gas, Water	1.758.673	1.046.535	923.544	439.835
Construction	6.727.500	4.201.194	7.594.719	4.458.965
Services	4.663.008	2.857.534	4.786.850	2.942.233
Wholesale and Retail Trade	2.368.058	1.703.661	2.520.741	1.799.349
Hotel, Food, Beverage Services	794.268	258.200	736.217	207.349
Transportation and				
Telecommunication	131.370	98.023	132.627	97.951
Financial Institutions	1.173.050	656.165	1.090.046	616.749
Real Estate and Lending				
Services	6.988	5.953	90.116	87.829
Self employment Service	4.231	3.435	4.124	3.265
Education Service	114.525	75.722	114.804	71.065
Health and social Services	70.618	56.375	98.175	58.676
Other	2.993.745	2.350.843	2.416.038	1.924.006
Total	18.227.817	11.799.149	17.880.294	11.093.238

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g) Aging analysis for overdue receivables:

	Current Period 31.12.2021	Prior Period 31.12.2020 (*)
30-60 days overdue	1.348.709	598.530
60-90 days overdue	891.877	421.459
More than 90 days overdue	7.791	1.165.481
Total	2.248.377	2.185.470

(*) Within the scope of the decisions taken by the BRSA, expected delay time for the classification in the Second Group due to the delay time has been moved from the end of the 30th delay day to the end of the 90th delay day, and expected delay time for the classification as a non-performing loan has been moved from the end of the 90th delay day to the end of the 180th delay day. According to the BRSA's decision no.9312 dated 8 December 2020, related matter was valid until 30 June 2021.

h. Breakdown of restructured receivables based on whether or not provisions are allocated:

Restructured Receivables	Current Period 31.12.2021	Prior Period 31.12.2020
Loans restructured from Loans under Follow-up and Other Receivables	26.852.680	19.409.794
Loans restructured from Non-Performing Loans	1.950.158	2.374.750

General provision is allocated for the loans restructured from standard loans and loans under Follow-up and other receivables, specific provision is allocated for the loans restructured from non-performing loans.

i) Credit risk mitigation techniques:

In order to ensure timely and complete fulfillment of all obligations arising from the loan, it is essential to obtain appropriate collaterals.

The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risk. Within this scope, the minimum margin of guarantee is determined and the guarantees suitable for the loan types are obtained. There is collateral matching in the system for each loan. In addition, the appropriateness of the margin for each guarantee is also checked.

The risk amount and the amount of collateral are also compared against the value losses that may occur in the collateral, and in case of gap between risk and collateral, the Bank Monitoring System automatically generates "Risky Transaction Registration".

In the calculation of capital adequacy ratio, real estate mortgages are subject to valuation process in accordance with the related legislation. There is no physical collateral used for risk reduction other than real estate.

Financial guarantees used in capital adequacy calculations are blocked deposits held at the bank and there is no netting other than these.

Collateral management processes are written in credit policies and checks are made to ensure that there is no concentration of third party guarantor type and collateral.

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5. Credit risk mitigation techniques – overview:

		Exposures unsecured of (according to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
Current Period - 31.12.2021								
1	Loans	376.016.191	9.757.601	8.471.027	1.113.349	936.284	-	-
2	Debt Securities	160.459.477	-	-	-	-	-	-
3	Total	536.475.668	9.757.601	8.471.027	1.113.349	936.284	-	-
4	Of which defaulted	18.227.817	-	-	-	-	-	-
Prior Period - 31.12.2020								
1	Loans	258.266.270	9.580.298	7.687.915	3.798.864	3.040.211	-	-
2	Debt Securities	107.344.532	-	-	-	-	-	-
3	Total	365.610.802	9.580.298	7.687.915	3.798.864	3.040.211	-	-
4	Of which defaulted	17.880.294	-	-	-	-	-	-

6. Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk:

The ratings given by the international credit rating agency Fitch Ratings are used to determine the risk weights to be applied in the calculation of capital adequacy. Fitch Ratings are limited to the receivables of the counterparty residing abroad; central government or central banks, banks and corporate receivables.

7. Standardised approach – Credit risk exposure and credit risk mitigation (CRM) effects:

		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density	
Current Period - 31.12.2021		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes							
1	Exposures to central governments or central banks	175.158.196	8.280.789	176.094.480	132.500	252.584	%0,14
2	Exposures to regional governments or local authorities	134.452	-	134.452	-	67.226	%50,00
3	Exposures to public sector entities	322.159	162.129	316.458	64.822	381.280	%100,00
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	53.493.840	12.743.045	53.483.096	3.462.613	17.476.827	%30,69
7	Exposures to corporates	213.556.846	66.439.719	205.465.888	36.452.650	235.381.812	%97,30
8	Retail exposures	82.657.121	59.806.176	81.480.215	6.376.392	67.566.458	%76,91
9	Exposures secured by residential property	11.717.212	292.510	11.701.470	125.110	4.139.303	%35,00
10	Exposures secured by commercial real estate	12.682.057	2.194.420	12.682.057	1.301.773	8.501.516	%60,80
11	Past-due loans	6.450.940	-	6.450.940	-	5.171.145	%80,16
12	Higher-risk categories by the Agency Board	17.953.908	939.438	17.846.647	421.546	27.205.804	%148,92
13	Collateralized securities	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	546.622	-	546.622	-	546.622	%100,00
16	Other assets	19.412.171	-	19.412.171	-	10.622.144	%54,72
17	Investments in equities	408.077	-	408.077	-	408.077	%100,00
18	Total	594.493.601	150.858.226	586.022.573	48.337.406	377.720.798	%60,02

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Prior Period - 31.12.2020		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes							
1	Exposures to central governments or central banks	127.563.092	4.173	130.626.174	2.052	578.773	%0,44
2	Exposures to regional governments or local authorities	172.157	16	172.157	8	86.083	%50,00
3	Exposures to public sector entities	300.129	106.105	294.609	42.501	337.111	%100,00
4	Exposures to multilateral development banks	-	-	-	-	0	-
5	Exposures to international organisations	-	-	-	-	0	-
6	Exposures to institutions	26.949.463	11.374.976	26.944.167	2.748.462	11.097.424	%37,37
7	Exposures to corporates	173.473.322	44.174.766	166.063.248	26.260.134	186.932.524	%97,20
8	Retail exposures	72.270.640	47.720.163	69.676.523	4.472.774	55.611.973	%75,00
9	Exposures secured by residential property	8.035.345	265.748	8.029.452	113.675	2.850.095	%35,00
10	Exposures secured by commercial real estate	9.672.736	1.351.953	9.539.042	935.821	7.085.104	%67,64
11	Past-due loans	6.783.197	-	6.783.197	-	5.990.558	%88,31
12	Higher-risk categories by the Agency Board	-	634.643	-	293.057	342.736	-
13	Collateralized securities	-	-	-	-	0	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	0	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	1.465.529	22.234	1.465.529	-	1.465.529	%100,00
16	Other assets	15.167.978	-	15.167.978	-	10.096.034	%66,56
17	Investments in equities	348.521	-	348.521	-	348.521	%100,00
18	Total	442.202.109	105.654.777	435.110.597	34.868.484	282.822.465	%60,18

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8. Standardised Approach – Exposures by asset classes and risk weights:

Current Period - 31.12.2021												
Asset Classes / Risk Weight	%0	%10	%20	%25	%35	%50	%75	%100	%150	%250	Other	Total risk amount(*)
1 Exposures to central governments or central banks	175.324.520	-	625.319	-	-	254.119	-	-	-	-	23.022	176.226.980
2 Exposures to regional governments or local authorities	-	-	-	-	-	134.452	-	-	-	-	-	134.452
3 Exposures to public sector entities	-	-	-	-	-	-	-	381.280	-	-	-	381.280
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to institutions	311.230	-	36.288.172	-	-	20.254.289	-	91.957	61	-	-	56.945.709
7 Exposures to corporates	-	-	2.021.784	-	-	9.838.599	-	230.058.155	-	-	-	241.918.538
8 Retail exposures	-	-	-	-	-	-	81.160.597	6.696.010	-	-	-	87.856.607
9 Exposures secured by residential property	-	-	-	-	11.826.580	-	-	-	-	-	-	11.826.580
10 Exposures secured by commercial real estate	-	-	-	-	-	10.964.630	-	3.019.200	-	-	-	13.983.830
11 Past-due loans	-	-	-	-	-	3.614.626	-	1.781.279	1.055.035	-	-	6.450.940
12 Higher-risk categories by the Agency Board	-	-	-	-	16.052	1	-	356.048	17.896.092	-	-	18.268.193
13 Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	546.622	-	-	-	546.622
16 Investments in equities	-	-	-	-	-	-	-	408.077	-	-	-	408.077
17 Other assets	8.789.900	-	156	-	-	-	-	10.622.115	-	-	-	19.412.171
18 Total	184.425.650	-	38.935.431	-	11.842.632	45.060.716	81.160.597	253.960.743	18.951.188	-	23.022	634.359.979

(*) Total credit risk exposure amount after Credit Conversion Factor (CCF) and Credit Risk Mitigation (CRM)

Prior Period - 31.12.2020												
Asset Classes / Risk Weight	%0	%10	%20	%25	%35	%50	%75	%100	%150	%250	Other	Total risk amount(*)
1 Exposures to central governments or central banks	129.824.641	-	281.014	-	-	-	-	522.571	-	-	-	130.628.226
2 Exposures to regional governments or local authorities	-	-	-	-	-	172.165	-	-	-	-	-	172.165
3 Exposures to public sector entities	-	-	-	-	-	-	-	337.111	-	-	-	337.111
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to institutions	351.113	-	13.033.870	-	-	15.633.992	-	673.655	-	-	-	29.692.629
7 Exposures to corporates	906.093	-	873.497	-	-	7.571.935	-	182.971.857	-	-	-	192.323.382
8 Retail exposures	-	-	-	-	-	-	74.149.297	-	-	-	-	74.149.297
9 Exposures secured by residential property	-	-	-	-	8.143.127	-	-	-	-	-	-	8.143.127
10 Exposures secured by commercial real estate	-	-	-	-	-	6.779.517	-	3.695.346	-	-	-	10.474.863
11 Past-due loans	-	-	-	-	-	3.062.901	-	2.242.673	1.477.623	-	-	6.783.197
12 Higher-risk categories by the Agency Board	-	-	-	-	-	72.219	-	49.261	171.577	-	-	293.057
13 Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	1.465.529	-	-	-	1.465.529
16 Investments in equities	-	-	-	-	-	-	-	348.521	-	-	-	348.521
17 Other assets	5.071.921	-	29	-	-	-	-	10.096.028	-	-	-	15.167.978
18 Total	136.153.768	-	14.188.410	-	8.143.127	33.292.730	74.149.297	202.402.552	1.649.200	-	-	469.979.084

(*) Total credit risk exposure amount after Credit Conversion Factor (CCF) and Credit Risk Mitigation (CRM).

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d. Counterparty Credit risk (CCR) explanations:

1. Qualitative disclosure related to counterparty credit risk:

The CCR strategy is determined by counterparty type and product categories. Counterparties are categorized as central counterparties, banks, corporate and commercial companies, corporate segment, micro segment customers, private banking customers and individual customers. The products are grouped as interest swap transactions, foreign currency option transactions (plain vanilla), foreign exchange option transactions (exotic), interest option transactions, commodity Transactions, credit derivatives and repo transactions.

"Conformity Test" is applied to the customers to determine whether the products to be presented to the customers are in compliance with the customers' financial status and their knowledge and experience. The tests to be applied are prepared in a way that bank can evaluate the information received from the customers with the method including "risk and return preference" and knowledge and experience" classifications determined by the Bank.

The creditworthiness of the counterparty is analyzed prior to the transactions leading to the CCR and subsequently the creditworthiness of the counter parties is reviewed at regular intervals. The frequency of inspections is increased when necessary.

The scope and level of information providing the opportunity to assess the creditworthiness of the counterparty shall be differentiated depending on the volume of the transaction to be realized, the level of the CCR and / or the counterparty.

For the transactions within the scope of the CCR, appropriate limits to the risk appetite, policies and strategies of the Bank are determined. The determined limits are approved by the Board of Directors for the banks. For the firms and individuals apart from banks regular loan approval processes and limits are conducted.

The counterparty credit risk limits for financial institutions are also determined separately and presented to the Board of Directors for approval. The determined limits are reviewed at least once a year. In case of deterioration of market conditions or in case of deterioration of credit quality of some counterparties, limits are reviewed and necessary changes are made. If deemed necessary, the approved limits are blocked by the Credit Committee / Credit Allocation Business Unit and by the approval of the Board of Directors.

In counterparty credit risk management of financial institutions, risk mitigation methods such as netting agreements, collateral and "margin" agreements are used. Collateralization principles and procedures are applied for companies and individuals other than financial institutions within the framework of credit policies and application principles currently applied in the Bank.

The potential, current and maximum risk amounts of the transactions are calculated / determined in order to determine the CCR. The risks of transactions that are subject to the legally binding bilateral netting agreement and to which the netting transaction can be applied are followed together.

The risk of reverse tendency within the scope of the CCR appears in two ways as the risk of general reversal and the risk of specific reversal.

To avoid the general counter trend risk;

- Depending on the direction of the financing expenses of the corporate and commercial companies, it is taken care that the interest swap transactions made are aimed at "hedging". If the short-term liability of the firm is more than short-term liabilities susceptible to interest, interest rate swaps will be applied to the firm with the fixed interest rate. In the other case, interest rate swap transactions that the company pays variable interest are made.
- It is also important to note that the transactions are "hedged" for foreign currency transactions. If the firm is in a long position in the foreign exchange market, the transactions that the foreign exchange seller is the company and if the company is in the short position in the foreign exchange market, the transactions that the foreign exchange buyer is the company are taken into consideration.

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To avoid the risk of specific counter trend risk;

- In the option transactions made on the other party's own shares, transactions are not made where the same counterparty is the option seller.
- In the credit derivative transactions on the counterparty's own credit risk, there are no transactions that the counterparty is the protection seller

For the actions taken under the CCR, the obligation to provide additional collateral due to the possible decline in the credibility of the Bank is followed.

2. Analysis of counterparty credit risk exposure by approach:

Current Period - 31.12.2021		Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
1	Standardised Approach (for derivatives)	26.427.321	5.292.620		1,4	31.719.941	16.279.148
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	8.589.834	2.706.966
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit	-	-	-	-	8.589.834	2.706.966
6	Total						18.986.114

(*) Effective Expected Positive Exposure

Prior Period - 31.12.2020		Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
1	Standardised Approach (for derivatives)	14.951.216	4.966.890	-	1,4	19.918.106	12.197.577
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	-	-
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	-	-	-	-	6.679.608	2.534.421
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit	-	-	-	-	6.679.608	2.534.421
6	Total						14.731.998

(*) Effective Expected Positive Exposure

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3. Credit valuation adjustment (CVA) capital charge:

	Current Period - 31.12.2021		Prior Period - 31.12.2020	
	Exposure at default post-CRM	RWA	Exposure at default post-CRM	RWA
Total portfolios subject to the Advanced CVA capital charge				
1 (i) Value at Risk (VaR) component (including the 3×multiplier)	-	-	-	-
2 (ii) Stressed VaR component (including the 3×multiplier)	-	-	-	-
3 All portfolios subject to the Standardised CVA capital charge	31.719.941	11.372.409	19.918.106	6.263.204
4 Total subject to the CVA capital charge	31.719.941	11.372.409	19.918.106	6.263.204

4. Standardised approach of CCR exposures by regulatory portfolio and risk weights:

Current Period - 31.12.2021

Risk Weight	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Regulatory portfolio									
Claims from central governments and central banks	7.108.305	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	-	-	-	-	-	-	-	-
Claims from administration and non commercial entity	-	-	-	-	-	159	-	-	159
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	-	-	7.970.732	15.286.995	-	-	-	-	9.237.644
Corporates	-	-	196.992	20	-	9.582.041	-	-	9.621.449
Retail portfolios	-	-	-	-	159.913	-	-	-	119.935
Other claims(**)	-	-	-	-	-	-	4.618	-	6.927
Total	7.108.305	-	8.167.724	15.287.015	159.913	9.582.200	4.618	-	18.986.114

(*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(**) Other receivables: Includes the amounts excluded in counterparty credit risk reported in CCR8.

Prior Period - 31.12.2020

Risk Weight	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Regulatory portfolio									
Claims from central governments and central banks	377.881	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	-	-	-	-	-	-	-	-
Claims from administration and non commercial entity	-	-	-	-	-	11	-	-	11
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from institutions	-	-	7.425.455	11.060.997	-	41.907	-	-	7.057.497
Corporates	-	-	-	1.132	-	7.619.692	-	-	7.620.258
Retail portfolios	-	-	-	-	65.629	-	-	-	49.222
Other claims(**)	-	-	-	-	-	5.011	-	-	5.011
Total	377.881	-	7.425.455	11.062.129	65.629	7.666.621	-	-	14.731.998

(*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(**) Other receivables: Includes the amounts excluded in counterparty credit risk reported in CCR8.

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5. Composition of collateral for CCR exposure: Related table is not presented due to not having derivative collaterals which is considered in the calculation of capital adequacy ratio.
6. Credit derivatives exposures:

	Current Period - 31.12.2021		Prior Period - 31.12.2020	
	Protection bought	Protection Sold	Protection bought	Protection Sold
Nominal				
Single-name credit default	2.292.588	-	1.276.137	22.258
Index credit default swaps	-	-	-	-
Total return swaps	-	11.329.650	-	7.842.346
Credit options	-	-	-	-
Other credit derivatives	-	-	-	-
Total notionals	2.292.588	11.329.650	1.276.137	7.864.604
Fair values				
Positive fair value (asset)	243.166	4.456.373	72.533	2.855.790
Negative fair value (liability)	-	-	-	-

7. Exposures to central counterparties (CCP):

	Current Period - 31.12.2021		Prior Period - 31.12.2020	
	Exposure at default (post-CRM)	RWA	Exposure at default (post-CRM)	RWA
1 Exposure to Qualified Central Counterparties (QCCPs) (total)		37.654		56.693
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1.056.438	37.071	629.483	23.505
3 (i) OTC Derivatives	1.056.438	37.071	629.483	23.505
4 (ii) Exchange-traded Derivatives	-	-	-	-
5 (iii) Securities financing transactions	-	-	-	-
6 (iv) Netting sets where cross-product netting has been approved	-	-	-	-
7 Segregated initial margin	-	-	-	-
8 Non-segregated initial margin	-	-	-	-
9 Pre-funded default fund contributions	25.902	583	33.188	33.188
10 Unfunded default fund contributions	-	-	-	-
11 Exposures to non-QCCPs (total)		-		-
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
13 (i) OTC Derivatives	-	-	-	-
14 (ii) Exchange-traded Derivatives	-	-	-	-
15 (iii) Securities financing transactions	-	-	-	-
16 (iii) Netting sets where cross-product netting has been approved	-	-	-	-
17 Segregated initial margin	-	-	-	-
18 Non-segregated initial margin	-	-	-	-
19 Pre-funded default fund contributions	-	-	-	-
20 Unfunded default fund contributions	-	-	-	-

- e. **Securitization explanations:** The Bank has no securitization transactions.

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f. Explanations on market risk:

1. Qualitative disclosure requirements related to market risk:

The risk principles, policies and risk limits related to the management of market risk are approved by the Board of Directors and reviewed on a regular basis. The Bank's Senior Management performs day to day management of the market risk in accordance with the limits assigned by the Board of Directors. The Bank is exposed to market risk as a result of fluctuations in foreign exchange rates, interest rates, and market prices of stocks. Exchange rate risk and interest rate risk are evaluated as the two most important components of market risk. The Bank engages in derivative transactions for hedge purposes when found necessary.

Market risk is calculated by two different methods, namely the "inherent model" and the "standard method". According to inherent model market risk is measured by Value at Risk ("VaR") approach which takes into account different risk factors. VaR calculations use historical simulation and Monte Carlo simulation methods. The software used can perform calculations with an advanced yield curve and volatility models. The VaR model is based on the assumptions of 99% confidence interval and a 10-day holding period. VaR analyses are performed on a daily basis and reported to the Senior Management. VaR analyses are also used as risk and limit management instrument for trading transactions. The limits are reviewed periodically according to market conditions and the application of specified limits is subject to authority restrictions and therefore the control effectiveness is increased. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which have significant impact and the effects of market fluctuations. Retrospective tests of the model outputs are performed regularly. The standard method is used for the legal reporting.

The following table indicates the details of the market risk calculation as of 31 December 2021, in accordance with the Market Risk Calculation principles pursuant to the Third Section of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette no. 29511 on 23 October 2015.

2. Standardised approach:

	Current Period	Prior Period
	31.12.2021	31.12.2020
	RWA	RWA
Outright products (*)		
1 Interest rate risk (general and specific)	3.293.288	2.116.008
2 Equity risk (general and specific)	1.896.013	438.762
3 Foreign exchange risk	20.824.872	13.494.266
4 Commodity risk	2.659	-
Options		
5 Simplified approach	-	-
6 Delta-plus method	333.888	42.700
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	26.350.720	16.091.736

(*) Outright products refer to positions in products that are not optional.

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g. Explanations on operational risk:

The "Basic Indicator Method" that is mentioned in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué published in the Official Gazette no. 29511 on 23 October 2015 and entered into force as of 31 March 2016, is used in the annual operational risk calculation of the Bank. The amount subject to the operational risk as of 31 December 2020 is calculated by using the gross income of the Bank in 2018, 2019 and 2020.

Annual gross revenue is calculated by deduction of profit/loss derived from the sale of financial assets at fair value through other comprehensive income and financial assets measured at amortised cost, extraordinary income and indemnity insurance gains from the total of net interest income and non interest income.

	31.12.2018	31.12.2019	31.12.2020	Total/Positive GI year number	Ratio (%)	Total
Gross income	20.172.377	20.708.463	24.461.462	3	15	3.267.115
Amount subject to Operational Risk (Amount*12,5)						40.838.939

h. Interest rate risk related to banking book:

Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Interest rate risk related to the trading portfolio is followed under market risk.

ALCO performs daily management of interest rate risk in accordance with the risk limits set by the Executive Risk Committee in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.

In addition to interest rate sensitivities measured and reported weekly, daily and transaction-based analyses are also performed when significant fluctuations occur in markets.

Repricing term mismatch and duration mismatch analyses, net economic value change analyses under different interest rate stress scenarios and income simulations are used for interest rate risk management. Repricing risk, yield curve risk, basis risk and optionality risk are considered under interest rate risk scope.

The interest rate risk arising from banking book is calculated and reported on a monthly basis according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no 28034 on 23 August 2011.

The Group's calculation of the interest rate risk derived from banking books is presented below:

Currency	Applied Shock (+/- x basis points)	Gains / Losses	Gains / Shareholders' Equity - Losses/ Shareholders' Equity
TL	(400)	3.147.922	3,13%
TL	500	(3.614.936)	-3,60%
USD	(200)	(24.617)	-0,02%
USD	200	663.352	0,66%
EURO	(200)	159.257	0,16%
EURO	200	(1.245.563)	-1,24%
Total (for negative shocks)		3.282.562	3,27%
Total (for positive shocks)		(4.197.147)	(4,18)%

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XI. EXPLANATIONS ON HEDGE TRANSACTIONS:

The Group hedges its TL and foreign denominated fixed rate financial assets with cross currency swaps and interest swaps. Within the scope of fair value hedge, fair value changes of hedging instrument and hedged item are accounted in the income statement. As long as the hedge relationship is effective, fair value change of the hedged item is disclosed together with its related asset or liability in the balance sheet for TL denominated fixed rate mortgage loans. Fair value changes which have already been booked in equity, have been reclassified from equity to income statement for TL and FC denominated fixed rate financial assets measured at fair value through other comprehensive income.

The Group hedges against its cash flow risk stemming from foreign currency denominated floating rate financial liabilities with interest rate and cross currency swaps. Within the scope of cash flow hedge accounting, effective part of the fair value changes of the hedging instrument are accounted in equity under "Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss" whereas ineffective part is accounted in the income statement. At instances when cash flows relating to hedged item (interest expense) affect the income statement, profit/loss of the related hedging item is taken out of the equity and reflected on the income statement.

Prospective tests are performed at the inception of the hedge relationships and both prospective and retrospective tests are performed at each reporting period-end regularly by using "Dollar off-set method". In this method, changes in the fair value of the hedged item and changes in the fair value of the hedging instruments between the designation date and each reporting period-end are compared and effectiveness ratio is calculated. In the determination of the fair values of hedging instruments and hedged item, market yield curves are used. Hedge accounting principles are applied by assessing the calculated effectiveness ratio within the scope of TAS 39.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked due to ineffectiveness of efficiency tests;

- The hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized,
- Adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges.

In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement.

The replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the entity's documented hedging strategy.

The Group also applies net investment risk hedging in order to hedge its foreign currency risk from its investments abroad. The effective part of the fair value change of the hedging instrument in the hedging transaction in question was accounted in the "Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss" account under equity.

Within the scope of the Major Indicative Interest Rates Reform in 2021, new alternative interest rates will be used instead of the current benchmark interest rates, especially Libor. In addition to floating rate assets such as securities indexed to benchmark interest rates and loans, Banks' financial statements include liabilities such as securities issued, borrowed loans and derivative transactions, and off-balance sheet instruments. With the regulations published in September 2019 and December 2020 regarding the implementation of the aforementioned reform, early implementation of the amendments was permitted, while temporary exemption was given to the applications related to the determination of cash flows of hedge accounting and the termination of transactions. A working group was established to evaluate the impact of the interest rate reform on the financial statements and to adapt to reform. Reform changes have not been implemented early and developments are followed by the working group.

The average remaining maturity of the floating-rate USD Libor-Indexed borrowings directly affected by the interest rate reform is 3,3 years and the remaining amount is USD 951.393. Foreign currency interest swap transactions were made to

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hedge the cash flow risk of the aforementioned borrowing and subject to hedge accounting. There is no hedge accounting transaction terminated under the published exceptions.

As of 31 December 2021, contractual amounts of derivative financial instruments designated as hedging instruments and the net fair values carried in the balance sheet of the Bank are summarized in the following table:

	Current Period 31 December 2021			Prior Period 31 December 2020		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Interest Rate and Cross Currency Swaps						
-TL	38.163.770	15.412.862	331.573	20.923.980	7.956.205	424.660
-FC	122.991.616	776.704	694.631	63.594.359	12.998	1.015.179
Total	161.155.386	16.189.566	1.026.204	84.518.339	7.969.203	1.439.839

1. Explanations on Accounting Net Investment Hedge:

The Group has been using hedge against fair value strategy to hedge against foreign currency risk born of EUR 787 million (31 December 2020: EUR 787 million) which represents share premiums and paid-in-capital of Akbank AG, one of its subsidiaries. EUR 787 million of syndication loans used by the Group have been classified as "hedge instruments."

2. Explanations on Fair Value Hedge:

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC financial assets at other comprehensive income	Interest rate risk	(293.557)	255.051	(38.506)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	39.753	(39.469)	284
Cross-currency swap	Fixed interest rate TL financial assets at fair value throug other comprehensive income, FC borrowings	Interest rate and currency risk	(91.345)	84.039	(7.306)
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	44	(187)	(143)
Cross-currency swap	Fixed interest rate TL Commercial Loans. FC borrowings	Interest rate and currency risk	8.600	(8.558)	42
Interest Rate Swap	Fixed interest rate TL Securities Issued	Interest rate risk	(46.140)	49.696	3.556
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	-	-	-

(*) Includes fair value differences arising from changes in foreign exchange rates for hedges against interest rate and foreign currency from the interest rate and foreign exchange risks.

(**) Represents the cumulative amounts booked under "Gains/Losses on Derivative Financial Transactions" and "Gains/Losses on Foreign Exchange Transactions" since the beginning of hedge accounting.

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Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items (*)	Ineffective Portion (**)
Interest Rate Swap	Fixed interest rate FC financial assets at other comprehensive income	Interest rate risk	(534.522)	487.716	(46.806)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	16.031	(16.419)	(388)
Cross-currency swap	Fixed interest rate TL financial assets at fair value through other comprehensive income, FC borrowings	Interest rate and currency risk	(67.317)	63.459	(3.858)
Cross-currency swap	Fixed interest rate TL Mortgage Loans, FC borrowings	Interest rate and currency risk	1.896.556	(1.890.232)	6.324
Interest Rate Swap	Fixed interest rate TL Commercial Loans	Interest rate risk	(4.070)	4.181	111
Cross-currency swap	Fixed interest rate TL Commercial Loans, FC borrowings	Interest rate and currency risk	(28.992)	28.662	(330)
Interest Rate Swap	Fixed interest rate TL Securities Issued	Interest rate risk	(64.929)	69.179	4.250
Interest Rate Swap	Fixed interest rate Lease Receivables	Interest rate risk	(26)	23	(3)

(*) Includes fair value differences arising from changes in foreign exchange rates for hedges against interest rate and foreign currency from the interest rate and foreign exchange risks.

(**) Represents the cumulative amounts booked under "Gains / (Losses) on Derivative Financial Transactions" and "Gains / (Losses) on Foreign Exchange Transactions" since the beginning of hedge accounting.

In addition, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked due to ineffectiveness of efficiency tests with the information related discontinuous transactions are given below:

- As of 31 December 2021, related to fair value hedge transactions, the remaining net amount after amortization of the fair value change of the hedged items since the beginning of hedge accounting is TL 2.779 (31 December 2020: TL 695).

3. Explanations on Cash Flow Hedge:

Hedging Instrument	Hedged item	Nature of risk hedged	Hedging instrument FV		Net gain/(loss) recognized in OCI during the period	Net gain/(loss) reclassified to income statement during the year	Ineffective portion recognized in income statement (Net)
			Assets	Liabilities			
Interest Rate Swap	Floating-rate long Term FC funds borrowed	Cash Flow risk due to changes in interest rate of funds	-	203.465	(51.984)	(177.515)	8.805
Cross Currency Swap	Short term FC commercial deposits	Cash Flow risk due to changes in interest rate of funds	12.194.356	-	721.418	(1.032.473)	80.938
Interest Rate Swap	Short term TL deposits	Cash Flow risk due to changes in interest rate of funds	1.047.160	1.660	1.549.753	149.875	24.411
Interest Rate Swap	Short term FC deposits	Cash Flow risk due to changes in interest rate of funds	189.325	9.550	135.070	(28.801)	6.671
Interest Rate Swap	Floating-rate TL financial assets at fair value through other comprehensive income	Cash Flow risk due to changes in interest rate of funds	1.720	274.596	(301.489)	(28.948)	1.165

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In addition, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked with the information related discontinuous transactions are given below:

- As of 31 December 2021, related to cash flow hedge transactions, the remaining before tax amount in equity after amortization of the fair value change of the hedging instruments, since the beginning of hedge accounting is TL 34.396 (31 December 2020: TL 28.746).

XII. QUALITATIVE DISCLOSURES ON REMUNERATION POLICIES

Explanations on Remuneration Committee:

The Remuneration Committee consisting of two members from the board of directors who have no executive duties convened and evaluated the remuneration policies once in 2021. As a result of the meeting and related evaluations, the committee decided on updating of the policies in accordance with the existing practices. The main duties and responsibilities of the Remuneration Committee have been determined briefly as follows:

- Overseeing the remuneration processes and practices with the aim of providing an independent and effective remuneration system.
- Reviewing the remuneration policy practices within the framework of the Corporate Governance principles and ensuring that the remuneration management system is up to date.
- Submitting the evaluation and recommendations on remuneration policies and practices within the framework of Corporate Governance principles to the Board of Directors as an annual report
- Reviewing as to whether remuneration policies, processes and practices comply with risk appetite, strategies and long term targets of the Bank
- Ensuring the implementation of premium payments within the framework of Corporate Governance principles.
- Determining payments to the members of the Board of Directors if they assume a different function in the bank
- Ensuring the preparation of the decisions regarding the remuneration, particularly the decisions about the remuneration of qualified employees, submitted to the approval of the Board of Directors; the regular observation of compliance and effectiveness of the remuneration policies with the risk appetite and targets of the bank; providing support and opinion to the Board of Directors with regard to the establishment and supervising of the operations of the remuneration system; overseeing the remuneration of the senior management of the units within the scope of Internal Systems

The general principles of the Bank's remuneration policy apply to all bank employees.

Members of the Board of Directors and senior executives that have a significant impact on the Bank's risk profile are classified under the qualified employees. By the end of 2021, there are 23 employees that are considered as qualified employees in the Bank.

Information on the Design and Structure of the Remuneration Process:

While determining the Bank's wage structure;

- Internal balance of wages and budgetary opportunities,
- Job description and level of responsibility of employees,
- Individual performance of each employee,
- The overall performance of the team and general performance of the bank,
- Employee competencies,
- Compliance with the Bank's internal and external legislation

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are taken into consideration.

Structured the Remuneration Policy for gaining, keeping, rewarding and motivating human resources are necessary for sustainable success to the bank is created as follows.

- Complying with the scope and structure of the Bank's operations, strategies, long-term targets and risk management structures,
- Preventing the excessive risk taking and contributing the effective risk management,

Evaluation of Remuneration Process Regarding the Methods of Addressing Current and Future Risks

In the remuneration processes, credit risk, operational risk, legal risk and reputation risk are taken into consideration with the applied risk management. The risks arising from employees during the determination of premiums are also taken into consideration. Some portion of the premium payments of the qualified employees are paid with non-cash assets indexed to the Bank's share value and some portion of them is postponed. In certain cases, written agreements have been made with these employees for the cancellation of deferred payments. In the recent year, there has been no change in the methods of handling risks in remuneration practices.

Evaluation of the Methods of Associating Premiums with Performance

Performance and risks generally determined for the Bank are considered on a preferential basis for calculating the total amount of premiums. The premium budget is distributed to the employees in line with the unit performance affiliated with individual performance and fixed income.

The units within the scope of Internal Systems have independent premium systems from Bank's performance system hence their budgets are separately managed. All decisions regarding the wage and premium processes of these units are agreed at the Board of Directors level.

XIII. EXPLANATIONS ON BUSINESS SEGMENTS:

The Group operates retail banking, commercial banking, and corporate-investment and private banking and wealth network providing services to customers in accordance with the Bank's organizational structure.

The profitability system generating segment information provides profitability information on the basis of account customer, customer relationship manager, branch segment and product. This information is made available to the branch and Head Office personnel through a web-based management reporting system.

Retail banking offers a variety of retail services such as deposit accounts, retail loans, commercial installment loans, credit cards, insurance products and asset management services. The consumer banking products and services also include bank cards, investment funds trading, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, investment banking, telephone and internet banking. Retail Banking provides financial solutions and banking services to SME customers.

Corporate Banking and Commercial Banking and SME Banking provide financial solutions and banking services to large, medium and small size corporate and commercial customers. The products and services offered to corporate and commercial customers include TL and foreign currency denominated working capital loans financing for investments, foreign trade financing, derivative instruments for hedging purposes of foreign currency and interest risk, letters of credit, foreign currency trading, corporate finance services and deposit and cash management services. In addition, the Bank provides timely and permanent solutions for corporate customers' working capital management, delivers cash management services tailored based on customers' requests that include collection and payment services and liquidity and information management. Project finance loans are provided within the context of investment banking activities. In the scope of private banking, The Bank serves the members of the high-income customers who have expectations for upper-class service quality both in banking and investment transactions. Within the scope of international banking activities, activities are also being carried out in order to provide long-term funding, to provide funding under a price reflecting the country's risk, to diversify funding resources and to form an international investor base on this area.

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The Treasury Unit conducts TL and FC spot and forward transactions, treasury bonds, government bonds, Eurobond and private sector bond transactions and also derivative trading activities within determined limits. These transactions are performed according to the Bank's requirements. In addition to marketing and pricing activities for the branch network of Treasury products and customers, foreign trade financing, foreign exchange and TL "clearing" services are also carried out for customers.

Other operations includes activities of Ak Finansal Kiralama A.Ş., Ak Yatırım Menkul Değerler A.Ş., Ak Portföy Yönetim A.Ş., Akbank AG and AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş. as subsidiaries of the Bank in consolidation.

Information on business segments as of 31 December 2021 and 31 December 2020 presented in the following tables. Explanations on business segments are prepared on the basis of data obtained from Bank Management Reporting System.

	Retail Banking	Commercial Banking, SME Banking, Corporate-Investment and Private Banking	Treasury	Other and Unallocated	Group's Total Activities
Current Period - 31 December 2021					
Operating Income	12.812.038	9.044.816	3.299.822	14.350.607	39.507.283
Profit from Operating Activities	3.672.986	7.572.216	2.755.594	2.626.510	16.627.306
Income from Subsidiaries	-	-	-	13.156	13.156
Profit before Tax	3.672.986	7.572.216	2.755.594	2.639.666	16.640.462
Tax Expense	-	-	-	(4.513.271)	(4.513.271)
Net Profit for the Period	3.672.986	7.572.216	2.755.594	(1.873.605)	12.127.191
Segment Assets	149.235.137	292.940.200	284.100.942	13.581.758	739.858.037
Investments in Associates.	-	-	-	18.129	18.129
Undistributed Assets	-	-	-	22.922.164	22.922.164
Total Assets					762.798.330
Segment Liabilities	282.729.655	161.813.650	199.440.835	13.509.258	657.493.398
Undistributed Liabilities	-	-	-	29.345.619	29.345.619
Shareholders' Equity	-	-	-	75.959.313	75.959.313
Total Liabilities					762.798.330

	Retail Banking	Commercial Banking, SME Banking, Corporate-Investment and Private Banking	Treasury	Other and Unallocated	Group's Total Activities
Prior Period - 31 December 2020					
Operating Income	9.893.002	7.116.984	6.706.342	2.251.831	25.968.159
Profit from Operating Activities	2.459.746	635.219	6.295.997	(1.111.669)	8.279.293
Income from Subsidiaries	-	-	-	4.866	4.866
Profit before Tax	2.459.746	635.219	6.295.997	(1.106.803)	8.284.159
Tax Expense	-	-	-	(2.024.511)	(2.024.511)
Net Profit for the Period	2.459.746	635.219	6.295.997	(3.131.314)	6.259.648
Segment Assets	101.012.305	198.994.220	148.545.090	8.974.388	457.526.003
Investments in Associates.	-	-	-	14.795	14.795
Undistributed Assets	-	-	-	20.775.777	20.775.777
Total Assets					478.316.575
Segment Liabilities	190.212.425	96.610.017	103.254.640	8.770.417	398.847.499
Undistributed Liabilities	-	-	-	16.545.019	16.545.019
Shareholders' Equity	-	-	-	62.924.057	62.924.057
Total Liabilities					478.316.575

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SECTION FIVE INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

a. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the "CBRT"):

1. Information on cash equivalents and the account of the CBRT:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Cash/Foreign Currency	1.953.656	7.989.466	1.770.526	3.165.685
The CBRT (*)	9.941.916	71.850.576	2.628.104	39.976.266
Other (**)	-	151.158	-	135.740
Total	11.895.572	79.991.200	4.398.630	43.277.691

(*) Precious metal account amounting to TL 2.001.693 are included in FC (31 December 2020: TL 2.037.937).

(**) Precious metal account amounting to TL 150.924 are included in FC (31 December 2020: TL 135.710).

2. Information related to the account of the CBRT:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Unrestricted Demand Deposits	8.574	-	433	-
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	-	-	-
Reserve Requirement	9.933.342	71.850.576	2.627.671	39.976.266
Total	9.941.916	71.850.576	2.628.104	39.976.266

3. Explanation on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold. According to the Communiqué on Required Reserves published in the Official Gazette dated 01.07.2021 and numbered 31528, the facility for maintain Turkish lira reserve requirements in foreign currency was terminated as of October 1, 2021.

The required reserve rates for TL liabilities vary between 3% and 8% for TL deposits and other liabilities according to their maturities as of 31 December 2021 (31 December 2020: 1% and 6% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 26% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2021 (31 December 2020: 5% and 22% for all foreign currency liabilities).

Within the scope of the Communiqué No. 2021/14 on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts, the conversion rate from foreign currency deposit accounts in US dollars, Euros and British Pounds and participation fund accounts in foreign currency to time deposits and participation funds in Turkish lira as of the obligation date of 15/4/2022 It has been decided not to apply an annual commission of 1,5% to the banks that have reached the 10% level and the 20% level as of the 8/7/2022 obligation date, up to the amount to be kept for their liabilities until the end of 2022.

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b. Financial Assets at Fair Value Through Profit or Loss

As of 31 December 2021, financial assets at fair value through profit or loss given as collateral/blocked (31 December 2020: TL 9.995); and there are no financial assets subject to repo transactions (31 December 2020: None).

Other Financial Assets:

In the previous period, syndication loans extended to Ojer Telekomünikasyon A.Ş. were restructured. Within this scope, a pledge was established in favor of lenders in order to establish collateral for these loans. LYY Telekomünikasyon A.Ş., which was established as a special-purpose company in which 192.500.000.000 Group A shares, which constitute 55% of Türk Telekom's issued capital, are all direct or indirect partners. The acquisition of the company (formerly Levent Yapılandırma Yönetimi A.Ş.) was completed on 21 December 2018. The Bank has participated in LYY Telekomünikasyon A.Ş. with a 35.56% share in the receivables from OTAŞ.

Later on, at the Ordinary General Assembly Meeting of LYY Telekomünikasyon A.Ş. which was held on 23 September 2019, it was decided to convert some of the loan into capital and add it to the capital of LYY Telekomünikasyon A.Ş. The nominal value of their shares in TL increased from 18 TL to 1.416.090 TL. This amount is classified in the financial statements under the line "Assets for Sale and Discontinued Operations". As of 31 December 2021, the value of the part pursued as loan is TL 16.495.551 (31 December 2020: TL 8.968.855), and it is classified under "Other Financial Assets" under "Financial Assets at Fair Value through Profit Loss". The total fair value impairment accounted for the total amount turned into credit and capital is TL 10.568.731 (31 December 2020: TL 3.042.035) and the amount of TL 1.416.090 (31 December 2020: TL 1.416.090) of this amount is accounted under the "Assets Held for Sale and Discontinued Operations" and TL 9.152.641 (31 December 2020: 1.625.945) is accounted under "Other Financial Assets" which is the sub-item of "Financial Assets at Fair Value through Profit Loss".

If the growth rate and risk-free return rate on investment used in the discounted cash flow method in the valuation report are increased or decreased by 0.25%, provided that all other variables are constant, the total value of assets recognized in the financial statements and profit before tax will increase by about TL 170 million or will decrease by TL 150 million.

The main purpose of the creditor banks is to transfer the mentioned Türk Telekom shares to an expert investor by providing the necessary conditions as quickly as possible. An international investment bank has been assigned as consultant for the sale of LYY Telekomünikasyon A.Ş.'s 55% shares in Türk Telekomünikasyon A.Ş. on 19 September 2019. As stated in the material event statement published on the Public Disclosure Platform on 17 December 2021, negotiations have started for the sale of the said shares to the Turkey Wealth Fund, and the process continues as of the date of this report.

TL 1.313.971 (31 December 2020: TL 1.094.617) of other financial assets consist Fourth Real Estate Investment Fund of Ak Portföy Yönetimi A.Ş. established by Ak Portföy Yönetimi A.Ş. and the fund is followed at its fair value and the related valuation differences are recognized in profit or loss.

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c. Trading derivative financial assets:

Table of positive differences related to derivative financial assets (*)

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Forward Transactions	754.772	6.673	414.145	-
Swap Transactions	24.336.484	8.202.873	7.817.657	6.504.867
Futures Transactions	-	-	-	-
Options	24.913	271.591	38.165	114.329
Other	-	-	-	-
Total	25.116.169	8.481.137	8.269.967	6.619.196

(*) Excluding hedging derivatives financial assets.

d. Information on banks account and foreign banks:

1. Information on banks account:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Banks				
Domestic	87.915	166.356	7.375	30.971
Foreign (*)	1.038	53.215.377	-	17.377.729
Head Quarters and Branches Abroad	-	-	-	-
Total	88.953	53.381.733	7.375	17.408.700

(*) Includes collateral of TL 11.435.331 for derivative transactions made with foreign banks (31 December 2020: 5.004.862 TL).

2. Information on foreign banks account:

	Unrestricted Amount	Restricted Amount (**)	Unrestricted Amount	Restricted Amount (**)
	Current Period 31 Aralık 2021	Current Period 31 Aralık 2021	Prior Period 31 Aralık 2020	Prior Period 31 Aralık 2020
European Union				
Countries	25.294.896	16.040.274	5.421.273	4.024.040
USA, Canada	10.039.703	1.147.984	2.519.706	-
OECD Countries (*)	151.155	-	36.172	-
Off-Shore Banking				
Regions	36	452.718	183	318.735
Other	89.649	-	52.758	-
Total	35.575.439	17.640.976	8.030.092	4.342.775

(*) OECD Countries other than EU countries, USA and Canada.

(**) Restricted amounts which mainly consist of collaterals related to borrowings are kept in several banks.

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e. Information on financial assets fair value through other comprehensive income:

1. As of 31 December 2021, financial assets fair value through other comprehensive income subject to repurchase agreements amounting to TL 40.231.789 (31 December 2020: TL 16.984.050); and those given as collateral/blocked amounting to TL 29.582.153 (31 December 2020: TL 18.374.196).

2. Information on financial assets fair value through other comprehensive income:

	Current Period 31 December 2021	Prior Period 31 December 2020
Debt Securities	104.943.943	58.851.820
Quoted at Stock Exchange (*)	101.816.497	56.760.569
Unquoted at Stock Exchange	3.127.446	2.091.251
Share Certificates	15.879	16.384
Quoted at Stock Exchange	-	-
Unquoted at Stock Exchange	15.879	16.384
Impairment Provision (-)	4.648.400	664.059
Total	100.311.422	58.204.145

(*) Investment funds are included.

f. Information related to loans:

1. Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	159	-	97
Corporate Shareholders	-	159	-	97
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	9.574.170	2.829.869	7.661.495	2.175.254
Loans Granted to Employees	177.638	-	152.213	-
Total	9.751.808	2.830.028	7.813.708	2.175.351

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2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled (*):

(i). Loans at amortised cost (*)

Current Period – 31 December 2021	Loans and other receivables under follow up			
	Restructured Loans and Receivables			
Cash Loans	Standard Loans and Other Receivables	Loans and Receivables Not Subject to restructuring	Loans and Receivables with Revised Contract Terms	Refinance
Non-specialized Loans				
Loans given to enterprises	60.116.195	3.499.396	471.955	3.784.951
Export Loans	35.675.108	315.114	2.309	32.981
Import Loans	1.381.115	-	-	-
Loans Given to Financial Sector	20.645.301	165	-	625
Consumer Loans	56.945.865	2.457.033	967.757	338.605
Credit Cards	27.868.171	969.459	1.323.262	-
Other	144.139.975	5.581.663	5.599.164	14.444.310
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	346.771.730	12.822.830	8.364.447	18.601.472

(*) The balances of loans at fair value profit or loss has not been included. Included lease receivables.

Expected Credit Loss Stage I and Stage II (*)	Current Period 31 December 2021		Prior Period 31 December 2020	
	Standard Loans	Loans under Follow-up	Standard Loans	Loans under Follow-up
12 Month Expected Credit Losses	1.635.408	-	1.521.946	-
Significant Increase in Credit Risk	-	5.579.947	-	4.354.331
Total	1.635.408	5.579.947	1.521.946	4.354.331

(*) Included expected credit losses of lease receivables.

3. Breakdown of loans according to their maturities(*):

	Loans Under Follow-up		
	Standard Loans	Non-restructured	Restructured or rescheduled
Short-term Loans	124.733.766	2.923.292	1.447.224
Medium and Long-term Loans	222.037.964	9.899.538	25.518.695
Total	346.771.730	12.822.830	26.965.919

(*) The balances of loans at fair value profit or loss has not been included.

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4. Information on consumer loans, personal credit cards, personnel loans and personnel credit cards:

Current Period – 31 December 2021	Short-term	Medium and Long-term	Total
Consumer Loans-TL	2.659.206	55.312.555	57.971.761
Mortgage Loans	13.863	13.558.860	13.572.723
Automotive Loans	12.340	311.999	324.339
Consumer Loans	2.633.003	41.441.696	44.074.699
Other	-	-	-
Consumer Loans- Indexed to FC	-	321	321
Mortgage Loans	-	321	321
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	23.723.629	1.101.725	24.825.354
With Installment	7.522.539	1.101.003	8.623.542
Without Installment	16.201.090	722	16.201.812
Consumer Credit Cards-FC	17.283	-	17.283
With Installment	-	-	-
Without Installment	17.283	-	17.283
Personnel Loans-TL	7.277	90.425	97.702
Mortgage Loans	-	3.814	3.814
Automotive Loans	-	125	125
Consumer Loans	7.277	86.486	93.763
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	79.650	41	79.691
With Installment	27.030	41	27.071
Without Installment	52.620	-	52.620
Personnel Credit Cards-FC	245	-	245
With Installment	-	-	-
Without Installment	245	-	245
Credit Deposit Account-TL (Real Person)	2.639.476	-	2.639.476
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	29.126.766	56.505.067	85.631.833

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Prior Period – 31 December 2020	Short-term	Medium and Long-term	Total
Consumer Loans-TL	1.248.879	38.839.207	40.088.086
Mortgage Loans	3.455	9.578.655	9.582.110
Automotive Loans	14.541	214.523	229.064
Consumer Loans	1.230.883	29.046.029	30.276.912
Other	-	-	-
Consumer Loans- Indexed to FC	-	610	610
Mortgage Loans	-	610	610
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	17.738.135	611.742	18.349.877
With Installment	5.973.122	609.846	6.582.968
Without Installment	11.765.013	1.896	11.766.909
Consumer Credit Cards-FC	7.496	-	7.496
With Installment	-	-	-
Without Installment	7.496	-	7.496
Personnel Loans-TL	6.912	83.923	90.835
Mortgage Loans	-	3.209	3.209
Automotive Loans	-	78	78
Consumer Loans	6.912	80.636	87.548
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	61.063	198	61.261
With Installment	20.703	198	20.901
Without Installment	40.360	-	40.360
Personnel Credit Cards-FC	117	-	117
With Installment	-	-	-
Without Installment	117	-	117
Credit Deposit Account-TL (Real Person)	1.734.475	-	1.734.475
Credit Deposit Account-FC (Real Person)	-	-	-
Total Consumer Loans	20.797.077	39.535.680	60.332.757

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5. Information on commercial installment loans and corporate credit cards:

Current Period – 31 December 2021	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	3.083.080	13.411.389	16.494.469
Mortgage Loans	9.287	6.175	15.462
Automotive Loans	227.399	301	227.700
Consumer Loans	2.846.394	13.404.913	16.251.307
Other	-	-	-
FC Indexed Commercial Installment Loans	-	15.076	15.076
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	15.076	15.076
Other	-	-	-
Commercial Installment Loans-FC	35.587	948.327	983.914
Mortgage Loans	-	-	-
Automotive Loans	839	-	839
Consumer Loans	34.748	948.327	983.075
Other	-	-	-
Corporate Credit Cards-TL	5.167.673	66.011	5.233.684
With Installment	2.290.396	65.972	2.356.368
Without Installment	2.877.277	39	2.877.316
Corporate Credit Cards-FC	4.635	-	4.635
With Installment	-	-	-
Without Installment	4.635	-	4.635
Credit Deposit Account-TL (Legal Person)	875.173	-	875.173
Credit Deposit Account-FC (Legal person)	-	-	-
Total	9.166.148	14.440.803	23.606.951

Prior Period – 31.12.2020	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TL	3.609.665	11.901.365	15.511.030
Mortgage Loans	1.572	6.755	8.327
Automotive Loans	99.845	569	100.414
Consumer Loans	3.508.248	11.894.041	15.402.289
Other	-	-	-
FC Indexed Commercial Installment Loans	-	39.952	39.952
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	39.952	39.952
Other	-	-	-
Commercial Installment Loans-FC	12.771	505.040	517.811
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	12.771	505.040	517.811
Other	-	-	-
Corporate Credit Cards-TL	3.206.720	33.257	3.239.977
With Installment	1.358.425	33.162	1.391.587
Without Installment	1.848.295	95	1.848.390
Corporate Credit Cards-FC	1.693	-	1.693
With Installment	-	-	-
Without Installment	1.693	-	1.693
Credit Deposit Account-TL (Legal Person)	934.652	-	934.652
Credit Deposit Account-FC (Legal person)	-	-	-
Total	7.765.501	12.479.614	20.245.115

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6. Loans according to types of borrowers:

	Current Period 31 December 2021	Prior Period 31 December 2020
Public	10.333.637	4.200.482
Private	394.454.659	280.615.601
Total	404.788.296	284.816.083

7. Distribution of domestic and foreign loans (*): Loans are classified according to the locations of the customers.

	Current Period 31 December 2021	Prior Period 31 December 2020
Domestic Loans	397.413.785	272.211.163
Foreign Loans	7.374.511	12.604.920
Total	404.788.296	284.816.083

(*) Included leasing receivables.

8. Loans granted to investments in associates and subsidiaries: None.

9. Credit-Impaired Losses (Stage III / Special Provision) (*):

	Current Period 31 December 2021	Prior Period 31 December 2020
Loans and Other Receivables with Limited Collectibility	1.157.104	1.226.937
Loans and Other Receivables with Doubtful Collectibility	723.136	623.643
Uncollectible Loans and Receivables	9.918.909	9.242.658
Total	11.799.149	11.093.238

(*) Included leasing receivables.

10. Information on non-performing loans (Net):

10. (i) Information on non-performing loans restructured or rescheduled and other receivables:

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period: 31 December 2021			
(Gross Amounts Before Specific Provisions)	50.000	66.001	1.720.918
Rescheduled Loans and Other Receivables	50.000	66.001	1.720.918
Prior Period: 31 December 2020			
(Gross Amounts Before Specific Provisions)	30	103.154	2.201.152
Rescheduled Loans and Other Receivables	30	103.154	2.201.152

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10. (ii) Information on the movement of total non-performing loans (*):

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Prior Period End Balance: 31 December 2020	2.221.345	946.928	14.712.021
Additions (+)	2.443.528	1.517.374	930.583
Transfers from Other Categories of Non-Performing Loans (+)	-	2.719.124	3.423.405
Transfers to Other Categories of Non-Performing Loans (-)	2.719.124	3.423.405	-
Collections (-)	161.455	664.714	2.160.061
Write-offs (-) (**)	4.226	26.620	1.526.886
Sold Portfolio	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	1.780.068	1.068.687	15.379.062
Specific Provisions (-)	1.157.104	723.136	9.918.909
Net Balance at Balance Sheet	622.964	345.551	5.460.153

(*) Included leasing receivables.

(**) In current period, the amount of write-off made according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 6 July 2021 and numbered 31533 is 1.450.497 TL and its effect on the NPL ratio is 34 basis point (31 December 2020: TL 774.976 and its effect on the NPL ratio is 25 basis point).

10. (iii) Information on non-performing loans granted as foreign currency loans:

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period: 31 December 2021			
Balance at the End of the Period	1.086.945	212.374	5.756.000
Specific Provision (-)	675.570	127.818	3.155.195
Net Balance on Balance Sheet	411.375	84.556	2.600.805
Prior Period: 31 December 2020			
Balance at the End of the Period	2.043.398	154.266	4.547.430
Specific Provision (-)	1.102.493	92.004	2.350.414
Net Balance at Balance Sheet	940.905	62.262	2.197.016

In Parent Bank, non-performing loans granted as foreign currency are followed under TL accounts of balance sheet.

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10.(iv) Breakdown of non-performing loans according to their gross and net values (*):

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period (Net): 31 December 2021			
Loans granted to corporate entities and real persons (Gross)	1.780.068	1.068.687	15.379.062
Specific Provision Amount (-)	1.157.104	723.136	9.918.909
Loans granted to corporate entities and real persons (Net)	622.964	345.551	5.460.153
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-
Prior Period (Net): 31 December 2020			
Loans granted to corporate entities and real persons (Gross)	2.221.345	946.928	14.712.021
Specific Provision Amount (-)	1.226.937	623.643	9.242.658
Loans granted to corporate entities and real persons (Net)	994.408	323.285	5.469.363
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Advances Receivables (Net)	-	-	-

(*) Included leasing receivables.

10. (v) Information on the collection policy of non-performing loans and other receivables (*):

	III. Group Loans and Other Receivables with Limited Collectibility	IV. Group Loans and Other Receivables with Doubtful Collectibility	V. Group Uncollectible Loans and Other Receivables
Current Period: 31 December 2021			
Interest accruals and valuation differences	78.530	119.421	3.490.421
Provision (-)	55.145	82.141	2.089.348
Prior Period: 31 December 2020			
Interest accruals and valuation differences	101.483	128.971	2.947.315
Provision (-)	55.746	81.547	1.766.352

(*) Included leasing receivables.

11. Information on the collection policy of non-performing loans and other receivables:

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals.

12. Information on the write-off policy: Disclosed in Note VII of Section Three

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g. Financial assets measured at amortised cost:

1. Information on financial subject to repurchase agreements and those given as collateral/blocked:

	Current Period		Prior Period	
	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Given as collateral/blocked	7.895.351	90.724	7.470.796	1.216.927
Subject to repurchase agreements	16.631.679	8.933.136	1.693.302	4.547.790
Total	24.527.030	9.023.860	9.164.098	5.764.717

2. Information about Government debt securities:

	Current Period	Prior Period
	31 December 2021	31 December 2020
Government debt	50.326.448	40.239.483
Treasury bonds	-	-
Other government debts	1.289.549	977.340
Total	51.615.997	41.216.823

3. Information on financial assets measured at amortised cost:

	Current Period	Prior Period
	31 December 2021	31 December 2020
Debt Securities	52.663.336	41.923.581
Quoted at stock exchange	52.663.336	41.923.581
Not quoted at stock exchange	-	-
Impairment (-)	77.776	38.522
Total	52.585.560	41.885.059

4. The movement of financial assets at amortised costs:

	Current Period	Prior Period
	31 December 2021	31 December 2020
Balance at the Beginning of the Period	41.885.059	15.574.858
Foreign Currency Differences on Monetary Assets	4.555.125	4.715.654
Purchases During Year	17.887.458	25.884.971
Disposals Through Sales and Redemptions	(15.853.468)	(4.774.521)
Impairment Provision	(39.254)	(11.001)
Change in Amortised Cost	4.150.640	495.098
Balance at the End of the Period	52.585.560	41.885.059

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h. Information on investments in associates (Net):

1. Non-consolidated associates:

1 (i). Reasons for being out of consolidation for non-consolidated associates: In accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks they have been left out of the scope of consolidation.

1 (ii). Information about non-consolidated associates:

Title	Address (City / Country)	Bank's share percentage-	Bank's risk group share percentage (%)
		If different voting percentage (%)	
1 Bankalararası Kart Merkezi A.Ş.	Istanbul/Turkey	4,89	4,89
2 Kredi Kayıt Bürosu A.Ş.	Istanbul/Turkey	9,09	9,09
3 JCR Avrasya Derecelendirme A.Ş.	Istanbul/Turkey	2,86	2,86
4 Birleşik İpotek Finansmanı A.Ş.	Istanbul/Turkey	8,33	8,33

1 (iii). Main financial figures of associates, in the order of the above table:

The financial figures stated below have been obtained from the financial statements date 30 September 2021[*].

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	397.536	328.592	96.051	27.498	-	93.651	35.413	-
2	544.660	339.776	297.247	13.036	-	47.719	48.549	-
3	34.723	27.961	26.355	487	-	2.467	6.146	-
4	54.275	53.392	1.548	6.961	-	3.194	-	-

(*) In the table above, JCR Avrasya Derecelendirme A.Ş., 31 December 2020 financial data are used.

1 (iv). Movement schedule for non-consolidated subsidiaries:

	Current Period 31 December 2021	Prior Period 31 December 2020
Balance at the Beginning of the Period	14.795	5.521
Movements During the Period		
Purchases (*)	3.334	3.588
Bonus Shares and Contributions to Capital	-	5.686
Dividends from Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Impairment Provision (-)	-	-
Balance at the End of the Period	18.129	14.795
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The mentioned amounts are due to the increase of the capital of Birleşik İpotek Finansmanı A.Ş., an 8,33% subsidiary of the Bank, by TL 40.000 for the current period, and the share of the Bank to JCR Avrasya Rating A.Ş. by 2,86% for the previous period. 2.755 TL for the shares and 833 TL for the 8,33% share of Birleşik İpotek Finansmanı A.Ş.

2. Consolidated subsidiaries within the current period: None.

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i. Information on subsidiaries (Net):

1. Information related to shareholders' equity of major subsidiaries:

The following amounts have been obtained from the financial statements as of 31 December 2021 prepared in accordance with legislation in which companies are subject to.

	Ak Finansal Kiralama A.Ş.	Ak Yatırım Menkul Değerler A.Ş.	Ak Portföy Yönetimi A.Ş.	Akbank AG	AkÖde A.Ş.
Paid in Capital	360.007	96.802	10.534	740.648	72.000
Share Premium	-	-	-	-	-
Reserves	744.175	76.250	34.191	9.823.045	[14]
Gains recognized in equity as per TAS	(765)	(5.281)	(608)	-	[109]
Profit/Loss	224.008	1.058.798	218.036	2.651.810	[43.398]
- Net Current Period Profit	224.008	446.764	174.811	755.407	[43.138]
- Prior Year Profit/Loss	-	612.034	43.225	1.896.403	[260]
Development Cost of Operating Lease (-)	46	618	-	1.599	-
Remaining other intangible assets after offset with the related deferred tax liability excluding mortgage servicing rights (-)	4.882	13.587	865	13.658	-
Total Common Equity	1.322.497	1.212.364	261.288	13.200.246	28.479
Total Additional Tier I Capital	-	-	-	-	-
Portion of Goodwill and Other Intangible Assets and Related Deferred Tax Liabilities not deducted from the Common Equity as per the 1st Clause of Provisional Article 2 of the "Regulation on the Equity of Banks" (-)	-	-	-	-	-
Total Tier I Capital	1.322.497	1.212.364	261.288	13.200.246	28.479
Tier II Capital	98.862	438	1	117.355	-
CAPITAL	1.421.359	1.212.802	261.289	13.317.601	28.479
Deductions from Capital	-	-	-	-	-
TOTAL CAPITAL	1.421.359	1.212.802	261.289	13.317.601	28.479

The Bank's subsidiaries, included in the consolidated calculation of capital requirement, do not have additional capital requirements.

2. Non-consolidated subsidiaries: None.
3. Consolidated subsidiaries:

Title	Address (City / Country)	Bank's Share Percentage-If Different Voting Percentage (%)	Bank's Risk Group Share Percentage (%)
1 Ak Finansal Kiralama A.Ş.	Istanbul/Turkey	100,00	100,00
2 Ak Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	100,00	100,00
3 Ak Portföy Yönetimi A.Ş.	Istanbul/Turkey	100,00	100,00
4 Akbank AG	Frankfurt/Germany	100,00	100,00
5 AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş.	Istanbul/Turkey	100,00	100,00

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4. Main financial figures of consolidated subsidiaries, in the order of the above table:

The following amounts have been obtained from the financial statements as of 31 December 2021 prepared in accordance with legislation in which companies are subject to.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	10.157.195	1.327.425	67.308	624.033	185	224.008	154.966	-
2	4.636.324	1.226.569	21.043	361.794	208.503	446.764	321.502	-
3	304.430	262.153	4.950	19.132	16.113	174.811	110.882	-
4	58.608.775	13.215.503	69.950	1.130.052	280.985	755.407	409.157	-
5	49.973	28.479	1.512	2.477	-	[43.138]	[35.437]	-

Though not being the subsidiary of the Bank, A.R.T.S Ltd. which was established in November 1999 respectively in connection with rising long-term financing, is included in the full scope of consolidation as "Structured Entity"

5. Movement schedule for consolidated subsidiaries:

	Current Period 31 December 2021	Prior Period 31 December 2020
Balance at the Beginning of the Period	9.605.628	6.730.785
Movements During the Period		
Additions (*)	10.180	35.000
Bonus Shares and Contributions to Capital	-	-
Dividends from Current Year Income	1.557.517	956.126
Sales/Liquidation	-	-
Revaluation Increase (**)	4.886.805	1.883.717
Revaluation/Impairment	-	-
Balance at the End of the Period	16.060.130	9.605.628
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The mentioned amounts arise from the net increase of TL 10.000 in the capital of AkÖde Elektronik Para ve Dağıtım Hizmetleri A.Ş., which is the Bank's 100% subsidiary, when the capital decrease made during the current period is taken into account and due to the acquisition of 0.01% share of Ak Finansal Kiralama A.Ş., and increase in the previous period by TL 35.000 in the capital of AkÖde Elektronik Para ve Dağıtım Hizmetleri A.Ş., the Bank's 100% subsidiary.

(**) Amounts refer to revaluation differences arising from accounting of financial associates and subsidiaries under the equity method as explained in the Note III of the Section Three.

6. Sectoral information on consolidated financial subsidiaries and the related carrying amounts:

Subsidiaries	Current Period 31 December 2021	Prior Period 31 December 2020
Banks	13.215.503	7.525.427
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	1.327.425	1.103.162
Finance Companies	-	-
Other Financial Subsidiaries	1.517.202	977.039

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7. Subsidiaries quoted to a stock exchange: None (31 December 2020: None).

j. **Information on joint ventures:** None (31 December 2020: None).

k. **Information on finance lease receivables (Net):**

	Current Period 31 December 2021		Prior Period 31 December 2020	
	Gross	Net	Gross	Net
2021	-	-	2.122.120	1.871.231
2022	3.146.461	2.754.364	1.463.086	1.278.772
2023 and following years	5.393.114	4.824.465	2.061.533	1.865.136
Total	8.539.575	7.578.829	5.646.739	5.015.139

l. **Information on the hedging derivative financial assets:**

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	2.169.626	587.379	3.217.726	12.998
Cash Flow Hedge	13.243.236	189.325	4.738.479	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	15.412.862	776.704	7.956.205	12.998

m. **Information on tangible assets:**

	Immovables (*)	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2020				
Cost	5.160.043	2.719.643	10.224	7.889.910
Accumulated Depreciation(-)	458.611	1.427.893	-	1.886.504
Net Book Value	4.701.432	1.291.750	10.224	6.003.406
Current Period End: 31 December 2021				
Net Book Value at the Beginning of the Period	4.701.432	1.291.750	10.224	6.003.406
Additions	148.334	434.142	35.475	617.951
Investment Properties Revaluation differences	-	-	-	-
Transferred	26.772	-	(26.772)	-
Disposals (-), net	203.376	19.356	-	222.732
Depreciation (-)	153.695	370.216	-	523.911
Impairment	-	-	-	-
Currency Translation Differences on Foreign Operations, Net	18.233	1.889	-	20.122
Cost at Period End	5.095.796	3.019.002	18.927	8.133.725
Accumulated Depreciation at Period End (-)	558.096	1.680.793	-	2.238.889
Closing Net Book Value	4.537.700	1.338.209	18.927	5.894.836

(*) Immovables includes the asset usage rights of the real estates rented under the "TFRS 16 Leases" Standard. As of 31 December 2021, asset usage rights are TL 706.655, and accumulated depreciation amount is TL 314.165.

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	Immovables (*)	Other Tangible Fixed Assets	Construction in Progress	Total
Prior Period End: 31 December 2019				
Cost	4.405.887	2.159.285	7.069	6.572.241
Accumulated Depreciation(-)	516.290	1.136.254	-	1.652.544
Net Book Value	3.889.597	1.023.031	7.069	4.919.697
Current Period End: 31 December 2020				
Net Book Value at the Beginning of the Period	3.889.597	1.023.031	7.069	4.919.697
Additions	168.616	600.174	25.322	794.112
Investment Properties Revaluation differences	912.544	-	-	912.544
Transferred	22.167	-	(22.167)	-
Disposals (-), net	153.771	1.780	-	155.551
Depreciation (-)	141.695	329.808	-	471.503
Impairment	(11.922)	-	-	(11.922)
Currency Translation Differences on Foreign Operations, Net	15.896	133	-	16.029
Cost at Period End	5.160.043	2.719.643	10.224	7.889.910
Accumulated Depreciation at Period End (-)	458.611	1.427.893	-	1.886.504
Closing Net Book Value	4.701.432	1.291.750	10.224	6.003.406

(*) Immovables includes the asset usage rights of the real estates rented under the "IFRS 16 Leases" Standard. As of 31 December 2020, asset usage rights are TL 756.191, and accumulated depreciation amount is TL 328.392.

n. Information on intangible assets:

1. Cost and accumulated amortization at the beginning and end of the period:

	Current Period 31 December 2021	Prior Period 31 December 2020
Cost	2.503.491	1.918.033
Accumulated Amortization (-)	1.003.889	727.124
Net Book Value	1.499.602	1.190.909

2. Reconciliation of movements for the current period and prior period:

	Current Period 31 December 2021	Prior Period 31 December 2020
Opening Balance Net Book Value	1.190.909	953.188
Additions	603.608	451.476
Disposals (-), net	9.696	234
Depreciation (-)	287.090	214.978
Currency Translation Differences on Foreign Operations, Net	1.871	1.457
Closing Net Book Value	1.499.602	1.190.909

o. Information on the investment properties: None (31 December 2020: None).

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p. Information on deferred tax asset:

As of 31 December 2021, the Group has TL 152.170 deferred tax asset (31 December 2020: TL 147.990). Temporary differences subject to deferred tax calculation result from mainly the differences between the book values, tax values and debts of fixed assets and financial assets, and provision for employee rights.

Deferred tax assets and liabilities, which are accounted for the temporary differences arising between applicable accounting policies and valuation principles and tax legislation in the Bank and in consolidated subsidiaries, are presented as net on an individual entity level. As noted in Note XVIII of Section Three, for the purposes of consolidated financial statements deferred taxes arising from different consolidated subsidiaries are presented separately in assets and liabilities. There are no carry forward tax losses that can be used as deductions for the tax calculation. An explanation about the net deferred tax liability is given in Note II-i-2 of Section Five.

	Accumulated temporary differences		Deferred tax assets / (liabilities)	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Employee benefits	776.749	557.621	155.439	111.631
Stage 1 and 2 loans provisions	7.642.859	6.353.998	1.594.838	1.278.422
Differences between book value and tax base of property, plant and equipment	(2.018.402)	(1.512.325)	(403.680)	(302.465)
Differences between book value and tax base of financial assets	(14.721.970)	(6.717.646)	(3.209.893)	(1.338.309)
Investment Properties Revaluation differences	(3.119.611)	(3.359.193)	(362.222)	(389.766)
Country risk provision	(1.348.059)	(574.424)	(369.031)	(157.249)
Other	11.415.255	4.078.548	2.292.414	821.268
Deferred Tax Asset/(Liabilities) Net			(302.135)	23.532

q. Information on property and equipment held for sale and related to discontinued operations:

	Current Period 31 December 2021	Prior Period 31 December 2020
Cost	232.296	250.782
Accumulated Depreciation (-)	-	4
Net Book Value	232.296	250.778

	Current Period 31 December 2021	Prior Period 31 December 2020
Opening Balance Net Book Value	250.778	666.067
Additions	200.398	265.721
Disposals (-), net	217.363	184.122
Impairment (-)	1.517	496.888
Depreciation (-)	-	-
Closing Net Book Value	232.296	250.778

r. Information on other assets:

Other assets amounting to TL 7.424.182 (31 December 2020: TL 5.220.074) on the balance sheet and do not exceed 10% of the total assets, excluding the off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of the deposits: There are no seven-day notification deposits.

1 (i). Current Period – 31 December 2021:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	16.220.310	17.312.806	52.488.212	290.188	819.167	1.662.919	6.767	88.800.369
Foreign Currency Deposits	105.075.415	32.031.939	90.898.217	2.873.107	6.479.328	27.459.363	1.310	264.818.679
Residents in Turkey	92.359.711	31.343.567	84.498.360	2.586.257	2.723.389	4.760.770	1.310	218.273.364
Residents Abroad	12.715.704	688.372	6.399.857	286.850	3.755.939	22.698.593	-	46.545.315
Public Sector Deposits	1.428.883	8.524	36.624	322	2.600	96	-	1.477.049
Commercial Deposits	13.742.954	22.459.071	15.814.287	194.541	349.210	204.301	-	52.764.364
Other Institutions Deposits	409.829	528.784	3.029.456	616.258	909.300	490.833	-	5.984.460
Precious metals Deposits	24.196.677	52.845	363.534	-	1.116.370	139.690	-	25.869.116
Interbank Deposits	1.776.500	984.914	7.736.003	1.980.405	1.358.720	-	-	13.836.542
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	13.266	326.586	628.901	-	1.358.720	-	-	2.327.473
Foreign Banks	373.197	658.328	7.107.102	1.980.405	-	-	-	10.119.032
Participation Banks	1.390.037	-	-	-	-	-	-	1.390.037
Other	-	-	-	-	-	-	-	-
Total	162.850.568	73.378.883	170.366.333	5.954.821	11.034.695	29.957.202	8.077	453.550.579

Foreign exchange-protected deposit instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 31 December 2021, TL deposit amount includes TL 4.875.953 thousand TL deposits within this scope.

1 (ii). Prior period – 31 December 2020:

	Demand	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 Months – 1 Year	1 Year and Over	Deposits Cumulative	Total
Saving Deposits	12.219.978	12.032.234	44.243.460	435.333	316.374	485.258	8.061	69.740.698
Foreign Currency Deposits	49.705.965	15.155.554	67.252.208	3.171.751	4.735.719	16.111.230	950	156.133.377
Residents in Turkey	42.865.558	14.956.249	62.805.067	1.162.030	2.081.927	3.187.223	950	127.059.004
Residents Abroad	6.840.407	199.305	4.447.141	2.009.721	2.653.792	12.924.007	-	29.074.373
Public Sector Deposits	1.041.580	12.763	35.227	3.617	644	520	-	1.094.351
Commercial Deposits	11.118.180	9.619.587	10.810.507	146.115	72.611	297.154	-	32.064.154
Other Institutions Deposits	352.519	474.871	2.466.462	36.556	19.203	1.547	-	3.351.158
Precious metals Deposits	16.589.623	10.417	142.711	13.185	710.877	94.649	-	17.561.462
Interbank Deposits	280.804	757.377	10.126.576	715.540	692.597	913	-	12.573.807
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	16.068	456.097	135.598	173.372	684.219	-	-	1.465.354
Foreign Banks	228.705	301.280	9.990.978	542.168	8.378	913	-	11.072.422
Participation Banks	36.031	-	-	-	-	-	-	36.031
Other	-	-	-	-	-	-	-	-
Total	91.308.649	38.062.803	135.077.151	4.522.097	6.548.025	16.991.271	9.011	292.519.007

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2. Information on saving deposits insurance:

Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund: The deposit amounts of the consolidated subsidiaries located abroad are subject to local insurance regulations and are not included in the table below.

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 31 December 2021	Prior Period 31 December 2020	Current Period 31 December 2021	Prior Period 31 December 2020
Saving Deposits	36.088.544	30.216.189	52.711.668	39.523.989
Foreign Currency Saving Deposits	26.052.560	18.887.429	121.287.412	68.523.730
Other Deposits in the Form of Saving Deposits	8.767.847	7.892.207	14.796.515	8.201.705
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-

3. Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	Current Period 31 December 2021	Prior Period 31 December 2020
Foreign Branches' Deposits and other accounts	40	24
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse and Children in care	2.457.795	1.855.160
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Banks Established in Turkey solely to Engage in Off-shore Banking Activities	-	-

b. Information on trading derivative financial liabilities:

Table of derivative financial liabilities (*):

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Forward Transactions	3.902.610	-	231.359	405
Swap Transactions	17.767.991	2.418.025	10.615.699	2.390.107
Futures Transactions	-	-	-	-
Options	3.788	564.064	5.632	157.932
Other	-	-	-	-
Total	21.674.389	2.982.089	10.852.690	2.548.444

(*) Excluding hedge transactions.

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	676.304	4.015.282	367.411	4.939.707
From Foreign Banks, Institutions and Funds	-	55.281.454	-	34.955.496
Total	676.304	59.296.736	367.411	39.895.203

2. Information on maturity structure of borrowings:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Short-term	188.156	2.094.685	256.276	705.426
Medium and Long-term	488.148	57.202.051	111.135	39.189.777
Total	676.304	59.296.736	367.411	39.895.203

Securitized borrowings procured via A.R.T.S. Ltd. ("Structured Entity") are included in external funding sources of the Bank. Under the securitization program agreements, the Bank has sold foreign trade and customer receivables to A.R.T.S. Ltd.

3. The liabilities providing the funding sources of the Group are deposits, borrowings, marketable securities issued and money market borrowings. Deposits are the most important funding source of the Group and the diversification of these deposits by number and type of depositors with a stable structure does not create any risk concentration. The borrowings are composed of funds such as syndicated and securitized borrowings and post-financing obtained from different financial institutions with different maturity-interest structures and characteristics. There is no risk concentration in any of the funding sources of the Group.

d. Information on securities issued (Net):

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Bank bills	7.058.313	-	5.313.725	-
Bonds	2.394.145	20.830.603	2.399.203	11.593.289
Total	9.452.458	20.830.603	7.712.928	11.593.289

e. Information on other foreign liabilities:

Other foreign liabilities amounting to TL 4.126.582 under "Other Liabilities" (31 December 2020: TL 3.001.989) and do not exceed 10% of the total balance sheet.

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f. Information on financial leasing agreements:

With the "TFRS 16 Leases" standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the "Lease Payables" as liability by lessees.

Liabilities incurred due to financial leasing agreements:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	Gross	Net	Gross	Net
Less Than 1 Year	149.709	67.943	139.140	63.288
Between 1-4 Years	384.315	208.890	351.773	183.105
More Than 4 Years	435.079	313.527	425.611	296.166
Total	969.103	590.360	916.524	542.559

g. Information on the hedging derivative financial liabilities:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	55.317	481.616	81.056	679.914
Cash Flow Hedge	276.256	213.015	343.604	335.265
Net Investment Hedge in a foreign operation	-	-	-	-
Total	331.573	694.631	424.660	1.015.179

h. Information on provisions:

1. Information on reserves for employee rights:

	Current Period 31 December 2021	Prior Period 31 December 2020
Balance Sheet Obligations for:		
- Reserve for employment termination benefits	620.807	428.234
- Reserve for unused vacation	155.942	129.387
Total	776.749	557.621

1. (i) Employment termination benefits and unused vacation rights:

According to Turkish Labor Law, the Bank is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires.

The compensation amount equals to one month's salary of an employee for each year of service, but this amount is limited up to severance limit decided by law. This liability is not subject to any funding legally and there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

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	Current Period 31 December 2021	Prior Period 31 December 2020
Discount Rate (%)	3,54	3,64
Rate for the Probability of Retirement (%)	95,35	95,52

The principal actuarial assumption is that the current maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation.

Movements in the reserve for employment termination benefits during the period are as follows:

	Current Period 31 December 2021	Prior Period 31 December 2020
Prior Period Closing Balance	428.234	324.669
Recognized as an Expense During the Period	97.827	77.788
Actuarial Loss / (Gain)	158.728	68.211
Paid During the Period	(63.982)	(42.434)
Balance at the End of the Period	620.807	428.234

As of 31 December 2021, the Group has allocated vacation liability amounting to TL 155.942 (31 December 2020: TL 129.387).

2. (ii) Post-employment benefits:

The Group's obligation in respect of the post-employment benefits transferrable to SSI, as explained in Note XVII of Section Three, has been calculated by a registered actuary. In this context, the value of the obligation regarding these benefits to be transferred to SSI as of the balance sheet date would equal the approximate payment amount that would need to be made to SSI as part of the transfer. The actuarial parameters and results used for the calculation of this amount reflect the provisions of the New Law for the post-employment pension and medical benefits transferrable to SSI (e.g. a technical interest rate of 9.80%). Based on the actuary report, as of 31 December 2021, the deficit of the Fund amounts to TL 294.503 (31 December 2020: TL 126.263 excess).

	Current Period 31 December 2021	Prior Period 31 December 2020
Total Obligations	(9.063.017)	(7.690.175)
Cash value of future contributions	6.336.667	5.601.360
Total Transfer Obligations to SSI	(2.726.350)	(2.088.815)
Past service obligation	(452.546)	(366.677)
Total Transfer to SSI and Other Obligations	(3.178.896)	(2.455.492)
Fair value of assets	2.884.393	2.329.229
Deficit	(294.503)	(126.263)

The amount of the post-employment medical benefits transferrable to SSI are calculated over discounted net present value of medical liabilities and health premiums. The principal actuarial assumptions used were as follows:

Discount rate:

	Current Period 31 December 2021	Prior Period 31 December 2020
- Pension benefits transferrable to SSI	9,80%	9,80%
- Post-employment medical benefits transferrable to SSI	9,80%	9,80%
- Other non-transferrable benefits	3,54%	3,64%

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Mortality rate

The average life expectancy in years of a pensioner retiring at age 60 for men, 58 for women determined using mortality table depending on statistical data is 19,7 years for men and 25,3 years for women.

The movement in the fair value of plan assets of the year is as follows:

	Current Period 31 December 2021	Pior Period 31 December 2020
Prior period end	2.329.229	2.065.470
Actual return on plan assets	492.765	227.741
Employer contributions	498.701	432.814
Employee contributions	330.903	284.885
Benefits paid	(767.205)	(681.681)
Period end	2.884.393	2.329.229

Plan assets are comprised as follows:

	Current Period 31 December 2021		Prior Period 31 December 2020
Bank placements	546.798	19%	275.016 12%
Property and equipment	15.955	1%	16.421 1%
Marketable securities and share certificates	1.473.310	51%	1.551.810 67%
Other	848.330	29%	485.982 20%
Period end	2.884.393	100%	2.329.229 100%

2. Information on provisions related with foreign currency difference of foreign indexed loans:

As of 31 December 2021, the Bank has no provision related to foreign currency differences of foreign indexed loans (31 December 2020: None) and the related prior period amount is offset with the balance of foreign currency indexed loans.

3. Information on provisions for non-cash loans that are non-funded and non-transformed into cash: Expected loss provisions for non-cash loans that are non-funded and non-transformed into cash amounting to TL 641.035 as of 31 December 2021 (31 December 2020: TL 492.437).

4. Information on other provisions:

4 (i). Information on free provision for possible risks: TL 1.400.000 (31 December 2020: TL 1.150.000).

(ii). Information on provisions for banking services promotion: The Group has provision for credit cards and banking services promotion activities amounting to TL 85.010 (31 December 2020: TL 64.932).

i. Explanations on tax liability:

1. Explanations on tax liability:

Tax calculations of the Group are explained in Note XVIII of Section Three. As of 31 December 2021, the remaining tax liability after the deduction of taxes paid is TL 1.486.717 (31 December 2020: TL 1.126.257). There is no current tax asset as of 31 December 2021 (31 December 2020: None).

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1 (i). Information on taxes payable:

	Current Period 31 December 2021	Prior Period 31 December 2020
Corporate Taxes Payable	1.486.717	1.126.257
Taxation on Marketable Securities	206.958	162.786
Property Tax	2.502	1.210
Banking Insurance Transaction Tax (BITT)	301.097	172.963
Foreign Exchange Transaction Tax	69.469	9.632
Value Added Tax Payable	61.155	11.499
Other	267.362	174.939
Total	2.395.260	1.659.286

1 (ii). Information on premium payables:

	Current Period 31 December 2021	Prior Period 31 December 2020
Social Security Premiums – Employee	1.908	1.516
Social Security Premiums – Employer	357	308
Bank Social Aid Pension Fund Premium- Employee	3	3
Bank Social Aid Pension Fund Premium – Employer	3	3
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance – Employee	2.389	2.038
Unemployment Insurance – Employer	4.448	3.818
Other	123	270
Total	9.231	7.956

2. Information on deferred tax liability:

As of 31 December 2021, Turkish Lira deferred tax liability of the Group amounts to TL 454.305 (31 December 2020: TL 124.458). An explanation about the net deferred tax asset is given in Note I-p of Section Five.

j. Information on subordinated loan (*):

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Debt Instruments subject to common equity	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Debt Instruments subject to tier 2 equity	-	18.725.534	-	6.718.414
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	18.725.534	-	6.718.414
Total	-	18.725.534	-	6.718.414

(*) Explanation about the subordinated loans is given in Note I-b of Section Four.

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k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period 31 December 2021	Prior Period 31 December 2020
Common Stock	5.200.000	5.200.000
Preferred Stock	-	-

2. Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so the amount of registered share capital ceiling:

Capital System	Paid-in capital	Ceiling
Registered Share Capital	5.200.000	10.000.000

3. Capital increases and sources in the current period and other information based on increased capital shares: None.
4. Information on share capital increases from capital reserves during the current period: None.
5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the "subsequent interim period: None.
6. The effects of anticipations based on the financial figures for prior periods regarding the Group's income, profitability and liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainties at these indicators:

The Group has been continuing its operations with high profitability and has been retaining most of its net profit in the equity, either by increasing its capital or transferring it into reserves. On the other hand, only a small part of the equity is allocated to investment such as associates and fixed assets, thus giving a chance for considerably high free capital which provides funds for liquid and interest bearing assets. Considering all these factors, the Group continues to its operations with strong shareholders' equity.

7. Information on privileges given to shares representing the capital: None.
8. Information on marketable securities value increase fund:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	1.021.928	(2.968.937)	73.752	305.059
Foreign Currency Differences	-	-	-	-
Total	1.021.928	(2.968.937)	73.752	305.059

a. Information on minority shares:

	Current Period 31 December 2021	Prior Period 31 December 2020
Beginning Balance	182	159
Net Profit Share of other shareholders	-	23
Previous Term Dividend	-	-
Net Currency difference due to foreign subsidiaries	-	-
Effect of Changes within scope of consolidation	(182)	-
Balance end of Period	-	182

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments: 21.552.473 asset purchase commitments (31 December 2020: TL 7.908.110), TL 34.314.098 commitments for credit card limits (31 December 2020: TL 29.118.196) and TL 3.394.242 commitments for cheque books (31 December 2020: TL 2.730.978).

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

The Group has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in "Off-balance sheet commitments".

- 2 (i). Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letter of credits:

	Current Period 31 December 2021	Prior Period 31 December 2020
Bank Acceptance Loans	159.525	47.814
Letters of Credit	15.170.426	4.660.989
Other Guarantees and Warranties	14.457.525	9.202.231
Total	29.787.476	13.911.034

- 2 (ii). Revocable, irrevocable guarantees and other similar commitments and contingencies:

	Current Period 31 December 2021	Prior Period 31 December 2020
Revocable Letters of Guarantee	3.007.119	1.961.090
Irrevocable Letters of Guarantee	28.770.082	18.532.178
Letters of Guarantee Given in Advance	5.813.769	1.920.439
Guarantees Given to Customs	3.047.435	3.529.766
Other Letters of Guarantee	17.910.235	11.581.145
Total	58.548.640	37.524.618

3. Information on non-cash loans:

- 3.(i) Total amount of non-cash loans:

	Current Period 31 December 2021	Prior Period 31 December 2020
Non-cash Loans Given against Cash Loans	26.184.515	20.144.761
With Original Maturity of 1 Year or Less Than 1 Year	9.852.927	6.778.686
With Original Maturity of More Than 1 Year	16.331.588	13.366.075
Other Non-cash Loans	62.151.601	31.290.891
Total	88.336.116	51.435.652

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(ii) Information on sectoral risk concentrations of non-cash loans:

	Current Period 31 December 2021				Prior Period 31 December 2020			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	43.137	0,13	875	-	24.574	0,10	528	-
Farming and Raising								
Livestock	1.096	-	-	-	957	-	-	-
Forestry	41.683	0,13	875	-	20.841	0,09	528	-
Fishing	358	-	-	-	2.776	0,01	-	-
Manufacturing	6.763.308	20,64	26.967.004	48,53	4.537.393	18,22	13.866.185	52,26
Mining	163.896	0,50	325.398	0,59	70.244	0,28	108.785	0,41
Production	5.466.832	16,69	23.671.986	42,60	3.391.055	13,62	11.587.684	43,67
Electric, Gas and Water	1.132.580	3,46	2.969.620	5,34	1.076.094	4,32	2.169.716	8,18
Construction	5.243.489	16,00	10.748.857	19,34	3.594.829	14,44	5.188.283	19,55
Services	19.686.741	60,09	14.116.906	25,40	16.014.704	64,31	5.437.015	20,49
Wholesale and Retail Trade	14.135.956	43,15	6.480.534	11,66	11.346.592	45,57	1.917.137	7,22
Hotel, Food and								
Beverage Services	225.950	0,69	627.491	1,13	148.820	0,60	188.219	0,71
Transportation and								
Telecommunication	967.103	2,95	2.465.015	4,44	599.461	2,41	1.494.399	5,63
Financial Institutions	3.851.836	11,76	4.291.922	7,72	3.549.366	14,24	1.730.104	6,52
Real Estate and Leasing								
Services	35.253	0,11	50.907	0,09	16.257	0,07	51.780	0,20
Self-Employment Services	94.105	0,29	4.287	0,01	52.050	0,21	2.314	0,01
Education Services	37.582	0,11	11.903	0,02	32.800	0,13	10.671	0,04
Health and Social Services	338.956	1,03	184.847	0,33	269.358	1,08	42.391	0,16
Other	1.026.410	3,14	3.739.389	6,73	729.474	2,93	2.042.667	7,70
Total	32.763.085	100,00	55.573.031	100,00	24.900.974	100,00	26.534.678	100,00

(iii) Information on the non-cash loans classified in Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	31.908.244	53.509.201	655.688	718.813
Letters of Guarantee	25.785.827	29.973.926	606.314	663.942
Bank Acceptances	-	159.525	-	-
Letters of Credit	49.289	15.069.392	-	26.206
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	23.003	-	-
Other Commitments and Contingencies	6.073.128	8.283.355	49.374	28.665

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b. Information on derivative transactions:

	Current Period 31 December 2021	Prior Period 31 December 2020
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	535.874.641	297.261.898
FC Trading Forward Transactions	54.551.923	20.445.780
Trading Swap Transactions	438.671.660	262.687.956
Futures Transactions	16.321.564	5.485.064
Trading Option Transactions	26.329.494	8.643.098
Interest Related Derivative Transactions (II)	294.444.852	190.708.198
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	267.089.208	172.954.232
Interest Rate Options	27.355.644	17.753.966
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	56.007.408	34.587.518
A. Total Trading Derivative Transactions (I+II+III)	886.326.901	522.557.614
Types of Hedging Transactions		
Fair Value Hedges	59.210.909	29.780.002
Cash Flow Hedges	101.944.477	54.738.337
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	161.155.386	84.518.339
Total Derivative Transactions (A+B)	1.047.482.287	607.075.953

c. Explanations on credit derivatives and risks beared due to these:

As of 31 December 2021: 2.292.588 (31 December 2020: TL 1.298.395).

d. Explanations on contingent assets and liabilities:

1. Contingent Liabilities:

The Bank has accounted a provision amounting to TL 82.062 (31 December 2020: TL 75.471) for the contingent liabilities with a high probability of realization regarding continuing opposing trials. There are also some other opposing trials. In Addition the probability of realization of these trials is low so no cash outflow expected regarding these trials.

2. Contingent Assets:

None (31 December 2020: None).

e. Explanations on the activities carried out on behalf and account of other persons:

The policy is explained on note IX in Section Four.

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

1. Information on interest income on loans (*) :

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Short-term Loans	13.694.258	1.223.592	7.607.769	837.767
Medium and Long-term Loans	15.001.482	4.245.061	10.891.532	4.033.972
Interest on Loans Under Follow-Up	570.096	-	854.402	-
Premiums Received from the Resource Utilization Support Fund	-	-	-	-
Total	29.265.836	5.468.653	19.353.703	4.871.739

(*) Fee and commission income from cash loans are included.

2. Information on interest income on banks:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	55.081	37.514	195.015	8.396
From Foreign Banks	273	29.817	-	86.583
From Headquarters and Branches Abroad	-	-	-	-
Total	55.354	67.331	195.015	94.979

3. Information on interest income on marketable securities:

	Current Period 31 December 20210		Prior Period 31 December 2020	
	TL	FC	TL	FC
From Financial Assets at Fair Value through Profit or Loss	27.612	12.356	7.034	9.273
Financial Assets at Fair Value through Other Comprehensive Income	5.146.257	2.060.916	4.100.730	1.468.739
Financial Assets Measured at Amortised Cost	6.678.362	406.528	3.585.511	300.248
Total	11.852.231	2.479.800	7.693.275	1.778.260

As stated in the Note VII of Section Three, there are bonds indexed to consumer prices ("CPI") in the securities portfolios of the Bank whose fair value difference is reflected to other comprehensive income and measured with their amortized cost. The mentioned securities are valued and accounted for according to the effective interest method based on the index calculated based on the real coupon rates and the reference inflation index on the issue date and the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months ago. The Bank determines the estimated inflation rate accordingly. At the end of the year, the real inflation rate is used.

4. Information on interest income received from associates and subsidiaries: None.

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b. Information on interest expense:

1. Information of interest expense on borrowings (*):

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Banks	77.138	941.625	49.564	973.458
The CBRT	-	-	-	-
Domestic Banks	76.403	41.120	49.564	127.743
Foreign Banks	735	900.505	-	845.715
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	168.796	-	156.001
Total	77.138	1.110.421	49.564	1.129.459

(*) Fee and commission expense from cash loans are included.

2. Information on interest expense given to associates and subsidiaries: None.

3. Information on interest expense given to securities issued:

	Current Period 31 December 2021		Prior Period 31 December 2020	
	TL	FC	TL	FC
Interest expense on securities issued	1.266.930	1.532.711	976.182	952.437

4. Maturity structure of the interest expense on deposits :

There are no seven-day notification deposits.

Current Period - 31.12.2021	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	-	155.061	311.141	-	-	-	466.202
Saving Deposits	-	1.826.724	8.668.597	315.957	172.842	197.596	11.181.716
Public Sector Deposits	-	1.010	4.920	203	56	15	6.204
Commercial Deposits	-	2.649.109	1.636.625	58.828	52.546	55.339	4.452.447
Other Deposits	-	67.800	324.597	25.723	107.398	60.299	585.817
Total	-	4.699.704	10.945.880	400.711	332.842	313.249	16.692.386
FC							
Foreign Currency Deposits	5.417	126.869	554.850	19.575	49.499	245.658	1.001.868
Bank Deposits	78	3.778	83.377	19.498	10.459	-	117.190
Precious Metals Deposits	-	142	1.134	73	2.419	647	4.415
Total	5.495	130.789	639.361	39.146	62.377	246.305	1.123.473
Grand Total	5.495	4.830.493	11.585.241	439.857	395.219	559.554	17.815.859

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Prior Period - 31.12.2020	Demand Deposits	Time Deposits					Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	
TL							
Bank Deposits	22.655	123.307	91.014	-	198	-	237.174
Saving Deposits	-	971.202	4.209.217	17.069	22.427	56.223	5.276.138
Public Sector Deposits	-	1.262	2.912	188	31	46	4.439
Commercial Deposits	-	895.818	1.110.970	38.122	5.123	5.703	2.055.736
Other Deposits	-	30.182	250.649	905	386	81	282.203
Total	22.655	2.021.771	5.664.762	56.284	28.165	62.053	7.855.690
FC							
Foreign Currency Deposits	5.553	180.049	724.521	49.884	49.183	231.228	1.240.418
Bank Deposits	277	3.119	89.249	23.451	8.640	71	124.807
Precious Metals Deposits	-	77	353	31	1.939	724	3.124
Total	5.830	183.245	814.123	73.366	59.762	232.023	1.368.349
Grand Total	28.485	2.205.016	6.478.885	129.650	87.927	294.076	9.224.039

c. Explanations on dividend income:

	Current Period 31 December 2021	Prior Period 31 December 2020
From Financial Assets at Fair Value Through Profit or Loss	9.661	1.420
From Financial Assets at Fair Value Through Other Comprehensive Income	3.495	3.211
Other	-	235
Total	13.156	4.866

d. Information on trading profit/loss (Net):

	Current Period 31 December 2021	Prior Period 31 December 2020
Profit	3.852.076.890	1.272.928.284
Income From Capital Market Transactions	1.374.289	781.034
Income From Derivative Financial Transactions (*)	56.558.722	23.547.537
Foreign Exchange Gains	3.794.143.879	1.248.599.713
Loss (-)	3.845.284.872	1.273.603.831
Loss from Capital Market Transactions	473.188	335.126
Loss from Derivative Financial Transactions (*)	57.555.040	27.798.195
Foreign Exchange Loss	3.787.256.644	1.245.470.510
Total (Net)	6.792.018	(675.547)

(*) The net profit resulting from the foreign exchange differences related to derivative financial transactions is TL 14.406.534 (31 December 2020: TL 85.257).

e. Explanations on other operating income:

Other Operating Income" in the Income Statement mainly includes collections from receivables for which provision has been allocated in prior periods and provisions that have been set aside in prior periods and reversed in the current year with the sale from non-performing loans portfolio.

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f. Provision expenses related to loans and other receivables of the Group:

Expected provision expense:

	Current Period 31 December 2021	Prior Period 31 December 2020
Expected Credit Loss	5.175.780	6.954.251
12 month expected credit loss (Stage 1)	98.815	1.102.536
Significant increase in credit risk (Stage 2)	1.122.285	1.239.130
Non-performing loans (Stage 3)	3.954.680	4.612.585
Marketable Securities Impairment Expense	-	10
Financial Assets at Fair Value through Profit or Loss	-	10
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Investments in Associates and Subsidiaries Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	7.798.299	2.628.511
Total	12.974.079	9.582.772

(*) Includes provisions for impairment losses on assets held for sale and related to discontinued operations, impairment losses on financial assets at fair value difference through profit or loss, lawsuit provision expenses and free provision expense.

g. Information related to other operating expenses:

	Current Period 31 December 2021	Prior Period 31 December 2020
Reserve for Employee Termination Benefits	33.845	35.354
Bank Social Aid Fund Deficit Provision	168.240	88.138
Impairment Expenses of Fixed Assets	-	12.594
Depreciation Expenses of Fixed Assets	523.911	471.503
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	287.090	214.978
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	1.517	19.621
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	4.010.130	3.114.292
Leasing Expenses on TFRS 16 Exceptions	135.321	119.993
Maintenance Expenses	70.294	51.152
Advertisement Expenses	218.227	150.218
Other Expenses	3.586.288	2.792.929
Loss on Sales of Assets	7.341	5.585
Other	1.337.297	1.103.808
Total	6.369.371	5.065.873

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h. Fees for Services Received from Independent Auditor / Independent Audit Firm:

The fee information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the KGK dated 26 March 2021 is given in the table below. These fees include the fees for services rendered to the Bank's foreign and domestic subsidiaries.

(KDV hariç tutarlardır.)	Current Period 31 December 2021	Prior Period 31 December 2020
Independent Audit Fee	4.753	3.937
Tax Consultancy Fee	-	-
Other Assurance Services Fee	1.519	821
Other Non-Audit Services Fee	988	949
Toplam	7.260	5.707

i. Information on income/loss from minority interest:

	Current Period 31 December 2021	Prior Period 31 December 2020
Income/(loss) from minority interest	-	23

j. Information on profit/(loss) from continued and discontinued operations before tax:

The Group's income before tax consists of net interest income amounting to TL 24.348.108 (31 December 2020: TL 20.698.768), net fees and commission income amounting to TL 6.079.237 (31 December 2020: TL 4.549.000) and the amount of other operating and personal expense is TL 9.905.898 (31 Aralık 2020: TL 8.106.094).

The Bank has no discontinued operations.

k. Information on tax provision of continued and discontinued operations:

As of 31 December 2021, the Group has a current tax expense of TL 3.399.761 (31 December 2020: TL 2.387.901), deferred tax expense of TL 5.419.011 (31 December 2020: TL 1.034.774) and deferred tax income of TL 4.305.501 (31 December 2020: TL 1.398.164). The Group's current tax expense of TL 127.461 (31 December 2020: TL 179.835) and deferred tax income of TL 161.615 (31 December 2020: TL 474 income) belong to Akbank AG, its subsidiary operating in Germany.

The Group has no discontinued operations.

l. Explanation on current period net profit and loss of continued and discontinued operations:

Net profit of the Group is TL 12.127.191 (31 December 2020: TL 6.259.625). The Group has no discontinued operations.

m. Explanations on current period net profit and loss:

1. Explanation on the quality, amount and frequency of the figures of the income and expense stemming from ordinary banking operations, if necessary to understand the performance of the Group for the current period: None (31 December 2020: None).
2. Explanation on the changes in the estimations regarding the figures on the financial statements, if there exists a possibility that the profit and loss for the current or the following periods will be impacted: None (31 December 2020: None).

n. Other figures on profit and loss statement:

"Other Fee and Commission Income" in the Income Statement mainly consists of commissions received from credit card, money transfer and insurance transactions.

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V. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

a. Information on distribution of profit:

The Ordinary General Assembly Meeting of the Bank was held on 24 March 2021. In the Ordinary General Assembly, it was decided to distribute TL 626.080 cash dividend over the TL 6.267.167 net income from 2020 operations to the Bank's shareholders. It was also resolved in the General Assembly to transfer TL 702 to special funds account under other capital reserves, to allocate TL 36.608 as legal and TL 5.603.777 as extraordinary reserves.

General Assembly of the Bank is authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of these financial statements.

b. Information on hedge funds:

1. Information on cash flow hedge:

Due to facts described in "Explanations of Hedging Transactions" section in Note XI of Section Four, there are discontinued hedge accounting transactions. As of 31 December 2021, the fair value change of the hedging instrument since the beginning of hedge accounting left after amortization has been reflected to profit/loss accounts that is shown under "hedging funds" in equity is TL 2.779 (31 December 2020: TL (695)).

2. Information on net investment hedge:

The Bank is hedged against net investment risk arising from fluctuations in foreign exchange rates through the use of foreign currency denominated financial borrowings. In this context, effective portion of the change in foreign currency denominated financial liabilities resulting from changes in the foreign exchange rates is recognized under "Hedging reserves" within equity. As of 31 December 2021, the amount directly recognized in equity is TL (6.043.843) (31 December 2020: TL (2.284.998)).

c. Information on to foreign exchange difference:

Within the financial statements of the Group's subsidiaries founded abroad, balance sheet items are translated into Turkish Lira with the foreign exchange rates prevailing at the balance sheet date, and income statements items are translated into Turkish Lira with the average foreign exchange rates. Related foreign exchange differences are accounted in the shareholders' equity under "Other profit reserves."

d. Information on financial assets at fair value through other comprehensive income:

"Unrealized gains and losses" arising from changes in the fair value of securities classified as financial assets at fair value through profit or loss are not recognized in current year income statements; they are recognized in the "Marketable securities valuation differences" account under equity, until the financial assets are sold, disposed or impaired.

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

VI. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH FLOWS

a. Information on cash and cash equivalents:

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency, money in transit, bought bank cheques together with demand deposits at banks including the CBRT are defined as "Cash"; Interbank money market and time deposits in banks with original maturities less than three months and investment in marketable securities excluding equity securities are defined as "Cash equivalents".

1. Cash and cash equivalents at the beginning of the period:

	Current Period 31 December 2021	Prior Period 31 December 2020
Cash	12.976.210	14.265.890
Cash, Foreign Currency and Other	4.936.243	3.282.210
Demand Deposits in Banks (*)	8.039.967	10.983.680
Cash Equivalents	519.096	4.426.087
Interbank Money Market Placements	487.793	65.609
Time Deposits in Banks	28.756	4.244.340
Marketable Securities	2.547	116.138
Total Cash and Cash Equivalents	13.495.306	18.691.977

(*) The restricted demand accounts are not included.

1. Cash and cash equivalents at the end of period:

	Current Period 31 December 2021	Prior Period 31 December 2020
Cash	42.507.765	12.976.210
Cash, Foreign Currency and Other	9.943.357	4.936.243
Demand Deposits in Banks (*)	32.564.408	8.039.967
Cash Equivalents	6.108.351	519.096
Interbank Money Market Placements	2.812.468	487.793
Time Deposits in Banks	3.289.471	28.756
Marketable Securities	6.412	2.547
Total Cash and Cash Equivalents	48.616.116	13.495.306

(*) The restricted demand accounts are not included.

b. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:

The "Other" item under "Operating profit before changes in operating assets and liabilities" amounting to TL (4.450.268) [31 December 2020: TL (3.696.528)] consists mainly of items such as fees and commissions paid, other operating income excluding income from doubtful receivables, other operating expense excluding personnel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 38.782.456 [31 December 2020: TL (13.153.510)] consists mainly of changes in funds from repurchase agreements, miscellaneous payables and other liabilities.

The effect of changes in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the three months periods, and amounts to TL 13.209.138 [31 December 2020: TL 3.516.122].

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VII. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE GROUP BELONGS TO:

Information on the volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and profit and loss of the period:

1. Current Period – 31 December 2021:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the Beginning of the Period	-	-	7.661.495	2.175.351	2.134	1.576
Balance at the End of the Period	-	-	9.574.170	2.830.028	77.741	94.948
Interest and Commission Income Received	-	-	639.383	10.305	2.164	1.258

2. Prior Period – 31 December 2020:

Group's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Group		Other Real and Legal Persons that have been included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	6.723.184	1.048.361	6.429	1.096
Balance at the End of the Period	-	-	7.661.495	2.175.351	2.134	1.576
Interest and Commission Income Received	-	-	761.186	9.467	475	22

3. Information on deposits of the Group's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period 31.12.2021	Prior Period 31.12.2020	Current Period 31.12.2021	Prior Period 31.12.2020	Current Period 31.12.2021	Prior Period 31.12.2020
Balance at the Beginning of the Period	-	-	5.935.731	4.572.874	633.839	1.403.075
Balance at the End of the Period	-	-	9.970.604	5.935.731	960.273	633.839
Interest expense on Deposits	-	-	393.987	186.557	39.658	24.870

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4. Information on forward and option agreements and other similar agreements made with the Group's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period	-	-	10.166.262	11.408.705	-	-
Balance at the End of the Period	-	-	23.469.742	10.166.262	-	-
Total Income/Loss	-	-	(159.510)	117.896	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

Figures presented in the table above show the total of "sale" and "purchase" amounts of the related transactions. Accordingly, as a result of the nature of these transactions, the difference between the "sale" and "purchase" transactions affects the net exposure of the Group. As of 31 December 2021, the net exposure for direct and indirect shareholders of the Group is TL (2.354.032) (31 December 2020: TL (358.416)).

5. Information regarding benefits provided to the Group's key management:

As of 31 December 2021, benefits provided to the Group's key management amounting to TL 104.711 (31 December 2020: TL 91.258).

VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK

1. Information on the domestic and foreign branches and representatives of the bank:

	Number	Number of Employees			
Domestic Branches	710	12.171			
			Country of Incorporation		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign Branch Off-shore Banking Region Branches	- 1	- 13	- Malta	- 69.047.980	- -

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure:

In 2021, the Bank has closed up 5 domestic branches.

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IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

"Retail Banking and Digital Solutions" and "SME Banking" business units were established at the Bank. In the new organizational structure, Strategy, Digital Banking and Payment Systems Assistant General Manager Burcu Civelek Yüce assumed the role of Retail Banking and Digital Solutions Assistant General Manager; Bülent Oğuz, Deputy General Manager of Retail Banking, assumed the role of Deputy General Manager of SME Banking.

SECTION SIX OTHER EXPLANATIONS

I. OTHER EXPLANATIONS

None.

SECTION SEVEN EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

II. EXPLANATIONS ON AUDITOR'S REPORT

The consolidated financial statements for the period ended 31 December 2021 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The audit report dated 1 February 2022 is presented preceding the consolidated financial statements.

III. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITORS

None.

Changes to the articles of association

THE TEXT OF AMENDMENT TO THE AKBANK TÜRK ANONİM ŞİRKETİ ARTICLES OF ASSOCIATION

OLD FORM	NEW FORM
Capital and Mode and Terms of Payment of Capital: Article: 9 -	Capital and Mode and Terms of Payment of Capital: Article: 9 -
A- The Bank adopted the authorized capital system in accordance with the provisions of Capital Market Law and implemented the authorized capital system pursuant to the Capital Markets Board's permission No. 116/1376 dated December 2, 1999. The authorized capital of the Bank is TL 10,000,000,000 (ten billion) divided into 1,000,000,000,000 (one trillion) registered shares each with a nominal value of 1 Kuruş.	A- The Bank adopted the authorized capital system in accordance with the provisions of Capital Market Law and implemented the authorized capital system pursuant to the Capital Markets Board's permission No. 116/1376 dated December 2, 1999. The authorized capital of the Bank is TL 10,000,000,000 (ten billion) divided into 1,000,000,000,000 (one trillion) registered shares each with a nominal value of 1 Kuruş.
Capital Markets Board's approval of the authorized capital is valid between 2017 and 2021 (5 years). Even if the authorized capital has not been reached at the end of 2021, in order for the Board of Directors to take a decision to raise the Bank's capital after 2021, the Board is required obtain get the authorization of the General Assembly not longer than 5 years for a new time period after obtaining the permission of the Capital Markets Board for the previously approved authorized capital or a new authorized capital level. In case the aforementioned authorization is not obtained, the Bank shall not increase its capital with a Board of Directors' resolution. The Board of Directors is authorized to issue new shares and raise the issued capital up to the authorized capital in accordance with the provisions of the Capital Markets Law.	Capital Markets Board's approval of the authorized capital is valid between 2021 and 2025 (5 years). Even if the authorized capital has not been reached at the end of 2025, in order for the Board of Directors to take a decision to raise the Bank's capital after 2025, the Board is required obtain get the authorization of the General Assembly not longer than 5 years for a new time period after obtaining the permission of the Capital Markets Board for the previously approved authorized capital or a new authorized capital level. In case the aforementioned authorization is not obtained, the Bank shall not increase its capital with a Board of Directors' resolution. The Board of Directors is authorized to issue new shares and raise the issued capital up to the authorized capital in accordance with the provisions of the Capital Markets Law.
B- The issued capital of the Bank is TL 5,200,000,000 (five billion and two hundred million) divided into 520,000,000,000 (five hundred and twenty billion) registered shares each with a nominal value of 1 Kuruş.	B- The issued capital of the Bank is TL 5,200,000,000 (five billion and two hundred million) divided into 520,000,000,000 (five hundred and twenty billion) registered shares each with a nominal value of 1 Kuruş.

Changes to the articles of association

OLD FORM	NEW FORM
Capital and Mode and Terms of Payment of Capital: Article: 9 -	Capital and Mode and Terms of Payment of Capital: Article: 9 -
C- The issued capital of TL 5,200,000,000 (five billion and two hundred million) is paid fully and in cash, free from collusion.	C- The issued capital of TL 5,200,000,000 (five billion and two hundred million) is paid fully and in cash, free from collusion.
The shares which represent the capital are registered in accordance with the principles of dematerialization.	The shares which represent the capital are registered in accordance with the principles of dematerialization.
When necessary, the Bank's capital can be raised or lowered within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Law.	When necessary, the Bank's capital can be raised or lowered within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Law.
D- Unless resolved otherwise by the General Assembly, the existing shareholders of the Bank are entitled to acquire, in proportion to their current shareholding, new shares to be issued against new cash capital injection. The unused preemptive rights of the shareholders entitled to these shares - in accordance with the related communiqués of the Capital Markets Board and the applicable provisions of the Turkish Commercial Code, by addressing the Bank in the time period to be determined by the Board of Directors which is not to be shorter than 15 or longer than 60 days commencing from the event depicted by the aforementioned legislation - shall be void. The shares released due to unused preemptive rights shall be subject to the applicable legislation.	D- Unless resolved otherwise by the General Assembly, the existing shareholders of the Bank are entitled to acquire, in proportion to their current shareholding, new shares to be issued against new cash capital injection. The unused preemptive rights of the shareholders entitled to these shares - in accordance with the related communiqués of the Capital Markets Board and the applicable provisions of the Turkish Commercial Code, by addressing the Bank in the time period to be determined by the Board of Directors which is not to be shorter than 15 or longer than 60 days commencing from the event depicted by the aforementioned legislation - shall be void. The shares released due to unused preemptive rights shall be subject to the applicable legislation.
E- All shares must be registered and listed on the Stock Exchange.	E- All shares must be registered and listed on the Stock Exchange.
F- The Board of Directors is authorized to pass resolutions with respect to issuing shares at a premium or at a discount to the nominal value accordance with the provisions of the Capital Markets Law.	F- The Board of Directors is authorized to pass resolutions with respect to issuing shares at a premium or at a discount to the nominal value accordance with the provisions of the Capital Markets Law.

Profit distribution

We recommend that, from the net profit of 12.125.907.749.04 TL obtained from the activities of our bank in 2021;

- TL 260,000,000, corresponding to 5% of TL 5,200,000,000, which is the paid-in capital of our Bank as of 31 December 2021 is distributed to our shareholders as first cash gross dividend and TL 951.6 million is distributed to our shareholders as the second cash gross dividend, and thus TL 1,211,600,000 in total, which is 23.30% of the paid-in capital is distributed to our shareholders as cash gross dividends;
- Cash dividend payments are started as of March 30, 2022,
- TL 653,818.83, which is exempt from corporate tax by subparagraph (e) of paragraph 1 of Article 5 of the Corporate Tax Law, is transferred to the "Special Fund Account" and the remaining profit after setting aside a total of TL 95,160,000 as "Legal Reserves" is transferred to "Extraordinary Reserves".

Resolutions of the Ordinary General Assembly on March 28, 2022

- Discussion and ratification of the financial statements for 2021,
- Discharge of liability of the members of the Board of Directors,
- Distribution of the 2021 net profit of TL 12.125.907.749,04 in accordance with the proposal of the Board of Directors, as follows;
 - Gross TL 260.000.000 equal to 5% of Bank's paid-in capital of TL 5.200.000.000 as of December 31, 2021 will be allocated as primary cash gross dividend; and gross TL 951.600.000 will be allocated as secondary cash gross dividend. Total gross dividend of TL 1.211.600.000 equal to 23,30% of the paid in capital, will be distributed to shareholders,
 - Cash dividend payment to start from 30th of March, 2022,
 - In accordance with the first paragraph clause (e) of article 5 of the Corporate Tax Law, TL 653.818,83 which is exempt from corporate tax to be allocated to a "Special Fund Account" and after allocating TL 95.160.000 to Legal Reserves, the remaining profit will be retained under Extraordinary Reserves.
- Election of Suzan SABANCI DİNÇER, Eyüp ENGİN Ahmet Fuat AYLA, Şakir Yaman TÖRÜNER, Nusret Orhun KÖSTEM, Emre DERMAN, Levent DEMİRAG, and Kemal Özgür DEMİRTAŞ as Member of the Board of Directors and Mehmet Tuğrul Belli as an Independent Member of the Board of Directors to replace those whose terms expired until the next Ordinary General Assembly to be held on 2023, for a 1 year period.
- To pay the Members of the Board of Directors a gross salary of TL 30.000 per month; and also to have the Remuneration Committee that will be authorized by the Board of Directors, determine the payments that will be made to the Members in case they assume specific duties within the Bank; and to determine an upper limit of TL 45.000.000 in gross total, for the payments that will be made to those Members who assume specific duties within the Bank until the Ordinary General Assembly that will be held in 2023,
- Approval of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for the bank's independent auditor in 2022,

- Approval of donation limits for the bank up to 0,4% of its equity in accordance with the Banking Law article 59.
- Authorization of the Board of Directors regarding the empowerment of Board Members in connection with matters falling within the scope of articles 395 and 396 of the Turkish Commercial Code,

Additionally,

- Board of Directors Annual Report and the Auditors Reports for 2021 have been discussed,
- Shareholders have been informed regarding the donations of TL 555.525 made by the Bank in 2021 to the foundations, associations and similar institutions.

Annexes

**We are
building a
better future
together.**

We are aware of the importance of transparency and international cooperation for the solution of problems that concern all humanity. We are among the founding members of UNEP FI's "Commitment to Financial Health and Inclusion".





Assurance report



Limited Assurance Report Akbank T.A.Ş. to the Board of Directors,

Akbank T.A.Ş. ("Akbank or the Bank"), on the Selected Sustainability Information ("Selected Information") listed below and included in the Bank's Integrated Annual Report ("2021 Integrated Annual Report") prepared by the Board of Directors for the year ended 31 December 2021. We are commissioned to perform independent limited assurance work.

Selected Information

The scope of the indicators, which are the subject of our limited assurance work and found on pages 155, 158, 160, 164, 185, 192, 199, 211, 213, 260, 262, 263, 558, 559 and 560 of the 2021 Integrated Annual Report, expire on 31 December 2021. As of the last year it is as follows:

Energy and Fuel Consumption Indicators

- Purchased heating, cooling, electrical energy resources (MWh)
 - Natural gas consumption (m3)
 - Electricity consumption (kWh)
 - Fuel oil consumption (lt)
 - Coal consumption (tonnes)
 - Diesel consumption (lt)
 - Gasoline consumption (lt)
 - Use of refrigerants (kg)
 - Use of fire extinguisher (kg)
- Renewable energy consumption (%)
- Fuel consumption amounts according to fuel type and purpose of use

Transportation Based Indicators

- Total annual mileage of business air travel
- Personnel services total annual mileage

Greenhouse Gas Emission Indicators

- Scope 1 greenhouse gas emissions (tCO₂e)
- Scope 2 greenhouse gas emissions (tCO₂e)
- Scope 3 greenhouse gas emissions (tCO₂e)
- Greenhouse Gas Emission intensity (annual tons of CO₂e/TL total assets)

Waste Indicators

- Reused / recycled waste rate (%)
- Total hazardous waste (tonnes)
- Total non-hazardous waste (tonnes)
- Total plastic consumption (tonnes)



Water Usage Indicators

- Total annual water consumption by source (m3)
- The amount of water discharged on the basis of the source (m3)

Sustainable Business Model Indicators

- Number of projects evaluated under the ESIA
- Number of projects rejected under the ESIA
- Risk rating of projects evaluated within the scope of ESIA
- Number of site visits under the ESIA
- Installed power (MW) of renewable energy projects financed by the end of 2021
- Number of renewable energy projects financed by type as of the end of 2021

Human Resources and OHS Indicators

- Number of accidents
- Number of fatal cases
- Number of occupational diseases
- Number and rate of lost workdays
- Ratios of female employees, senior, mid-level and entry-level female managers (%)
- The ratio of female employees in STEM roles (%)
- The ratio of female managers in income-generating roles (%)
- Rate of employees returning to work after maternity leave
- Number of employees on maternity leave
- Number of employees on paternity leave
- Total hours of training given in the reporting year (breaking down by age, gender, managerial level and education type)
- Hours of training per person (breakdown by age, gender, managerial level)
- Number of employees hired in the reporting year (breakdown by age, gender, managerial level)
- Employee turnover rate in the reporting year (breakdown by age, gender, managerial level)

Social Impact Indicators

- Number of vulnerable audiences reached by inclusion programs

Our independent assurance report has been prepared only for the year ended December 31, 2021. No action has been taken based on previous periods or information other than Selected Information in the 2021 Integrated Annual Report. Therefore, no results have been reported.

Criterion

While preparing Selected Information, the Bank used the principles in the Akbank 2021 Integrated Annual Report - Reporting Guide ("Reporting Guide") section on pages 551-554 of the 2021 Integrated Annual Report.

Assurance report



The Bank's Responsibilities

The Bank is responsible for the content of the 2021 Integrated Annual Report and the preparation of Selected Information in accordance with the Reporting Guide. The Bank is also responsible for designing, implementing and maintaining internal controls so that the information used in the preparation of Selected Information does not contain any material misstatements resulting from abuse or error.

Limitations

Given the nature of the subject matter and the methods used to identify such information, non-financial information is more subject to inherent limitations than financial information. Due to the lack of established practices by an institution, there may be significantly different measurements and selection of different but acceptable measurement techniques, which may affect comparability. The precision of different measurement techniques may also vary. Apart from this, the nature of the information in question and the methods used to determine them, as well as the measurement criteria and their sensitivity may vary over time. Therefore, it is important to read and review Selected Information within the framework of the Reporting Guide.

It depends, inter alia, on information and factors obtained within the Bank and/or information and factors provided by independent third parties, as specified in the Reporting Guidelines, particularly regarding carbon emission calculations. These different factors and information provided by third parties are not included in our study.

Independence and Quality Control

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which sets the basic principles of honesty, objectivity, professional competence and due diligence, confidentiality and professional conduct, which was published by the International Ethical Standards Board for Professional Accountants ("IESBA").

We implement International Standard 1 on Quality Control and accordingly maintain a quality control system that includes documented policies and processes in accordance with relevant ethical and professional standards and legal or regulatory requirements.

Responsibilities of the Independent Auditor

Our responsibility is to conclude, based on the limited assurance work we have performed, whether anything has come to our attention that causes us to believe that the Selected Information has not been prepared, in all material respects, in accordance with the Reporting Guidelines. Our limited assurance work is based on International Assurance Engagements Standard 3000 – "Other Assurance Engagements Except for the Audit or Review of Historical Financial Information" ("ISAE 3000" Revised) and International Assurance Engagement Standard 3410 – "Adjusted by the International Auditing and Assurance Standards Board" It was carried out in accordance with the "Assurance Audits Standard for Greenhouse Gas Claims" ("ISAE 3410").



The scope of limited assurance we have conducted in accordance with ISAE 3000 (Revised) and ISAE 3410 standards is significantly narrow compared to the scope of reasonable assurance. The nature, timing, and extent of procedures performed in a limited assurance engagement to gather sufficient appropriate audit evidence are much narrower than in reasonable assurance engagements.

The procedures we conduct are based on our professional judgment and consist of investigations, observation of processes performed, examination of documents, analytical procedures, evaluation of the appropriateness of measurement methods and reporting policies, and agreeing on underlying records.

The limited assurance procedures we have conducted include:

- Interviews were held with the bank management and persons responsible for relevant Selected Information.
- The process for collecting and reporting Selected Information is understood. This procedure includes evaluating key processes and controls for managing and reporting Selected Information.
- The source data used for the preparation of the Selected Information were evaluated and certain selected computational examples were reconstructed.
- Limited tests were carried out on a sampling basis for the compilation and preparation of Selected Information prepared by the Bank.
- Analytical procedures were applied on the reported data.

Limited Assurance Result

As a result of our procedures and the evidence we have obtained, nothing has been found that indicates that the Selected Information in the Bank's 2021 Integrated Annual Report as of the year ended December 31, 2021 was not prepared, in all material respects, in accordance with the Reporting Guidelines.

This report has been prepared for the Bank's Board of Directors to assist in reporting the Bank's sustainability performance and operations, including its conclusion. We allow this report to be included in the 2021 Integrated Annual Report prepared for the year ended December 31, 2021, in order to ensure that the Bank's Board of Directors has a limited independent assurance report on Selected Information, and can demonstrate that it has fulfilled its responsibilities on the subject. To the extent permitted by law and the conditions of which have been expressly agreed upon with our prior written approval, Akbank T.A.Ş. Board of Directors and Akbank T.A.Ş. We do not accept any responsibility towards any person or institution other than the Board of Directors of Akbank T.A.Ş. as a body and the Akbank T.A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Independent Audit and
Certified Public Accountant Inc.

Zeynep Uras, CPA
Auditor in Charge

Istanbul, March 4, 2022

Reporting guide

Akbank 2021 Integrated Annual Report - Reporting Guide

This reporting guide provides information on the data collection and calculation methodologies of the indicators within the scope of the independent audit in the 2021 Integrated Annual Report of Akbank T.A.Ş. These indicators are natural gas (m3), electricity (kWh), fuel oil (m3), coal (tons), diesel oil (m3), gasoline (m3), refrigerants (kg), fire extinguishers (kg), renewable energy consumption (%), fuel consumption amounts by fuel type and purpose of use (m3), total annual mileage (km) of air travel for business purposes, total annual mileage (km) of personnel services, scope 1, 2, 3 greenhouse gas emissions (tCO₂e), greenhouse gas emission intensity (annual tCO₂/TL total assets), reused / recycled waste ratio (%), total hazardous waste (tons), total non-hazardous waste (tons), total plastic consumption (tons), total annual based on source water consumption (m3), the amount of water discharged by source (m3), the number of projects evaluated under the ESIA, the number of projects rejected under the ESIA, the risk rating of the projects evaluated under the ESIA, the number of site visits under the ESIA, the number of renewable energy projects financed by the end of 2021 board power (MW), the number of renewable energy projects financed by type as of the end of 2021, the number of accidents, the number of fatal cases, the number of occupational diseases, the number and rate of lost work days, the ratio of female employees, senior, mid-level and entry-level female managers (%), rate of female employees in STEM roles (%), rate of female managers in income generating roles (%), rate of employees returning to work after maternity leave, number of employees on maternity leave, number of employees on paternity leave, total hours of training given in the reporting year (age, gender, managerial level and education type breakdown), training hours per person (breaking down by age, gender, managerial level), number of employees hired in the reporting year (breaking down by age, gender, managerial level), employee turnover rate in the reporting year (age, gender, executive level breakdown), includes the number of vulnerable audiences reached by inclusion programs.

It is the responsibility of the Bank's management to ensure that appropriate procedures are in place to prepare these above-mentioned indicators, in all material respects, in line with the Reporting Guidelines.

The information contained in this guide covers the FY 21 fiscal year ending December 31, 2021 (January 1, 2021 – December 31, 2021) and the related operations that are solely the responsibility of the Bank and exclude information about group companies.

General Reporting Principles

The following principles have been taken into account in the preparation of this guidance document:

- In the preparation of information - emphasizing to users of the information the basic principles of relevance and reliability of the information,
- In reporting information - emphasizing the principles of comparability/consistency of information with other data, including the previous year, and intelligibility/transparency that provides clarity to users

Basic Definitions and Scope of Reporting

In line with the purpose of this report, the Bank makes the following definitions:

Indicator	Scope
<i>The following environmental indicators indicate the consumptions at Headquarters, Silivri Archive, Akbank Banking Centre, the Academy, branches and ATMs..</i>	
Natural gas consumption (m3)	Total amount of natural gas purchased during the reporting period and used in heating, kitchen and other operations that require natural gas at the relevant locations.
Electricity consumption (kWh)	Total amount of electricity purchased during the reporting period and used in operations that require heating, lighting and other electricity at the relevant locations.
Fuel oil consumption (lt)	Total amount of fuel oil purchased during the reporting period and used in heating operations at the relevant locations
Coal (tons)	Total amount of coal purchased during the reporting period and used in operations for heating purposes at the relevant locations
Diesel consumption (lt)	Total amount of diesel fuel purchased in the reporting period and used in heating, generator fuel and company vehicles at the relevant locations.
Gasoline consumption (lt)	Total amount of gasoline purchased and used in company vehicles at the relevant locations during the reporting period.
Refrigerant gas usage (kg)	Amount of R410a and R407 refrigerant gas purchased and used at the relevant locations during the reporting period.
Extinguisher usage (kg)	Amount of CO2 extinguisher purchased and used in the relevant locations during the reporting period.
Renewable energy sourced electricity use (kwh)	Amount of electricity consumed from renewable sources by obtaining a renewable energy certificate in the reporting period.
Total annual mileage (km) of air travels made for business purposes	Total mileage of air travels made by Company employees during the reporting period.
Total annual mileage for personnel services (km)	Total number of kilometres covered by the services provided for the employees of the Company during the reporting period.
Scope 1 Greenhouse Gas Emission (tons CO2e)	Means the amount of emissions caused by sources such as natural gas, diesel oil, gasoline, fuel oil, coal, refrigerant gas and extinguisher purchased during the reporting period and used in the relevant locations
Scope 2 Greenhouse Gas Emission (ton CO2e)	Amount of emissions caused by the electricity consumption purchased and used in the relevant locations during the reporting period.
Scope 3 Greenhouse Gas Emission (tons CO2e)	Amount of emissions caused by company shuttles and business flights during the reporting period.
Water consumption (m3)	Amount of water drawn from the network used in the relevant locations during the reporting period..
Emission intensity (ton CO2e/TL total assets)	Ratio of the company's Scope 1 and Scope 2 emissions to total assets during the reporting period
<i>The environmental indicators listed below indicate the consumptions at the Head Office, Silivri Archive, Akbank Banking Centre and the Academy.</i>	
Hazardous and non-hazardous waste amount (tons)	Oil filters, wastes contaminated with hazardous materials, waste toner and batteries constitute hazardous waste; sanitary pads, cardboard, valuable paper, plastic, and household waste constitute non-hazardous waste, in the reporting period.
Amount of recycled hazardous waste (tons)	Hazardous wastes recycled in the reporting period constitute all waste contaminated with oil filters and hazardous substances.
Amount of recycled non-hazardous waste (tons)	Non-hazardous wastes recycled in the reporting period constitute all of cardboard, valuable paper and plastic waste.
Total plastic consumption (tonnes)	Plastic bottled water used in the reporting period and the plastic used for 1 portion from the food company. The number of plastics used for 1 portion from the catering company is calculated over the number of people who brought the food.
Reused / recycled non-hazardous waste rate (%)	Ratio of the recycled non-hazardous waste amount to the total non-hazardous waste amount during the reporting period.
Reused / recycled hazardous waste ratio (%)	Ratio of the recycled hazardous waste amount to the total hazardous waste amount during the reporting period.

Reporting guide

Indicator	Scope
Environmental and Social Impact Assessment (ESIA)	Number of projects evaluated within the scope of Environmental and Social Impact Assessment (ESIA) during the reporting period, the number of rejected projects among these projects, the project-based ratings (high risk, medium risk and low risk) according to the assessment results, and the site visits made as part of the ESIA in the process.
Installed capacity (MW) of renewable energy projects financed by type as of the end of 2021	Total installed power (MW) of all renewable energy projects to which the Bank has allocated loans and which have open risk, by renewable energy type, as of the end of the reporting period.
Number of renewable energy projects financed by type as of the end of 2021	Number by renewable energy type of all renewable energy projects to which the Bank has allocated loans and which have open risk, as of the end of the reporting period.
Number of employees by staff and gender	Distribution of staff and gender among the total number of employees, including only the Board of Directors of the Bank (excluding subsidiaries and group companies), in the reporting period.
Ratio of female employees (%)	Ratio of the Bank's (excluding subsidiaries and group companies) to the number of female employees among the total number of employees, including the Board of Directors, in the reporting period
Entry level, middle and senior level female managers' ratio (%)	Gender distribution among the total number of employees, including only the employees who are entry level managerial staff (Excluding subsidiaries and group companies) of the Bank (Manager 2, Custodian Service Unit Manager, Senior Architect, Senior Engineer, Inspector 1, Inspector 2, Information, IT Inspector-1, D4, 1st Consultant Lawyer, Consultant Lawyer, Chief Dealer), who are middle management staff (Manager, D6, Legal Advisor, Deputy Chairman of the Board of Inspectors, Vice President, Chief Inspector, Manager, Executive Architect, Executive Engineer, D5, Internal Control Chief Specialist, Compliance Senior Specialist), and who are senior management staff (CEO, Executive Vice President, Head of the Board of Inspectors, Head of Department, D7, Head of Risk Management, General Counsel, Consultant, Chief Economist), in the reporting period.
Ratio of female employees in STEM roles (%)	Ratio of female employees working only in R&D, innovation and digitalization departments of the Bank (excluding subsidiaries and group companies) to the total number of employees working in these departments during the reporting period.
Ratio of female employees in income-generating roles (%)	Ratio of female executives who were employed only in income-generating positions of the Bank (excluding subsidiaries and group companies) to the total number of employees working in these roles during the reporting period.
Workforce turnover rate (by gender, age, management level) (%)	Distribution, according to gender, age (- 30,50-30,50+) and management level, of the outcome of the division whereby only the number of the Bank's employees (excluding subsidiaries and group companies) who left their jobs voluntarily in the last 12 months is divided by the average number of active employees in the last 12 months, in the reporting period.
Ratio of female employees returning to work after maternity leave (%)	Total rate of female employees returning to work after leave among the female employees of the Bank (excluding subsidiaries and group companies) who took maternity leave, in the reporting period.
Number of Employees Taking Paternity Leave	Number of male employees taking paternity leave only (excluding subsidiaries and group companies) during the reporting period.
Number of work accidents, number of fatal cases, and number of occupational diseases	Only the accidents recorded as occupational accidents by the Bank (excluding subsidiaries and group companies) during the reporting period constitute occupational accidents; accidents resulting in death, the number of fatal cases, and the number of workers reported as having occupational diseases constitute the number of occupational diseases.
Lost working day rate (%)	Ratio of the number of days not worked only by the Bank's employees (represents the days not worked for various reasons (annual leave, administrative leave, maternity leave, unpaid leave, temporary incapacity, etc.) in the reporting period), to the total number of working days in the relevant year
Total Training Hours (according to age, gender, management level and education type)	Distribution of total training hours given only to Bank employees during the reporting period, by age (-30, 30-50, 50+), gender, management level and education type.
Average training hours per employee (distribution by gender, age and management level)	Ratio of the total training hours given only to the Bank's employees during the reporting period to the total number of employees at the end of the year, on the basis of age (-30, 30-50, 50+), gender and management level
Number of vulnerable groups reached through inclusion programs	Number of young people reached through the Youth Academy and Good City projects supported by the Bank during the reporting period..

Data Preparation

Electricity, Natural Gas, Diesel, Gasoline, Fuel Oil, Coal, Refrigerants, Extinguishers and Water Consumption

Only the Bank's buildings, branches and vehicles are included in the calculations, and consumption by subsidiaries or group companies is not included. While calculating these values, the consumptions are obtained from the counters and invoices of the service providers or based on the consumptions in the sample branches. Since these consumptions are reported on the type of supply, any conversion factor is used.

Scope 1, Scope 2 and Scope 3 GHG Emissions

As the greenhouse gas emissions calculation methodology, a calculation method based on "greenhouse gas emissions or greenhouse gas activity data multiplied by removal factors" was applied.

Greenhouse gas emissions have been calculated in accordance with the indicators and methodologies in the EIE (General Directorate of Electrical Works Survey), IPCC (Intergovernmental Panel on Climate Change) and the national greenhouse gas report. The Global Warming Potential (GWP) coefficients are taken from the IPCC 5th Assessment Report (2006).

For Scope 1 Greenhouse Gas Emissions, the amount of emissions caused by sources such as natural gas, diesel, gasoline, fuel oil, coal, refrigerant gas and extinguishers used in the relevant locations is calculated.

Density and NCV used in the calculation of emission factors such as diesel, natural gas, fuel-oil, LPG consumed for heating, company vehicles, and generator are in compliance with EIE Regulations. Details of the sources used for these consumptions are given below.

- IPCC 5th Assessment Report for diesel and gasoline consumptions for company vehicles Table 3.13 Used CO2 Emission Factors, Table 3.2.1 Road Transport Lower and Upper CO2 Emission Factors and Table 3.2.2 Road Transport Default N2O and CH4 and GWP values,
- IPCC 5th Assessment Report for natural gas, fuel oil, diesel (heating), coal consumptions Table 2.4 Default Emission Factors for Fixed Combustion in Commercial / Institutional Category (default) CO2 emission factor and (default) N2O and CH4 values,
- IPCC 5th Assessment Report for generator - diesel consumption Table 2.4 Default Emission Factors for Steady Combustion in Commercial / Institutional Category (default) CO2 emission factor and (default) N2O and CH4 values are used.
- Factors in the IPCC 5th Assessment Report were used for refrigerant gas consumptions.

For Scope 2 Greenhouse Gas Emissions, the amount of emissions caused by the electricity consumption used in the relevant locations is calculated.

Since there is no electricity emission factor announced by official authorities in Turkey, the emission factor for electricity consumption was calculated in line with TEİAŞ 2021 data.

Reporting guide

For Scope 3 Greenhouse Gas Emissions, it means the amount of emissions caused by company services and business flights.

Emission factors used for consumptions that cause all greenhouse gas emissions are detailed in the table below.

Emission Factors	CO2 kg CO2/unit	CH4 kg CO2/unit	N2O kg CO2/unit
Natural gas (m3) 1.9378 0.0048 0.0009	1.9378	0.0048	0.0009
Diesel (Fuel-heating) (l) 2.6265 0.0099 0.0056	2.6265	0.0099	0.0056
Fuel-oil (l) 2.9243 0.0106 0.0060	2.9243	0.0106	0.0060
Coal (kg) 1.4800 0.0041 0.0058	1.4800	0.0041	0.0058
Diesel – Company Vehicles (l) 2.6265 0.0039 0.0366	2.6265	0.0039	0.0366
Gasoline – Company Vehicles (l) 2.2179 0.0251 0.0678	2.2179	0.0251	0.0678
Diesel – Generator (l) 2.6265 0.0099 0.0056	2.6265	0.0099	0.0056
Refrigerants - R407c (kg) 1624.210			
Refrigerants - R410a (kg) 1923.500	1923.500		
Fire extinguishers - CO2 (kg) 1.000	1.000		
Electricity (kWh) 0.4509 0.000005 0.000005	0.4509	0.000005	0.000005
Diesel – Employee Services (l) 2.652 0.000 0.035	2.652	0.000	0.035
Business Flights (km) 0.128 0.000 0.001	0.128	0.000	0.001

Number of financed renewable energy projects

While calculating this indicator, the renewable energy portfolio to which the Bank provides loans has been utilized. In this context, through the financing provided to the Hydroelectric Power Plant (HES), Wind Power Plant (WPP), Biomass Power Plant (BES), Geothermal Power Plant (JES) and Solar Power Plant (GES) projects, which are within the scope of renewable energy, over the number of power plants established on the basis of projects calculated.

Installed power (MW) of financed renewable energy projects

While calculating this indicator, the renewable energy portfolio to which the Bank provides loans has been utilized. In this context, the bank's financing rate has not been taken into account in the partial financing provided to Hydroelectric Power Plant (HES), Wind Power Plant (RES), Biomass Power Plant (BES), Geothermal Power Plant (JES) and Solar Power Plant (GES) projects, which are within the scope of renewable energy, the calculation was made over the total installed power of the project.

Reconsideration Statement

Measuring and reporting sustainability data inevitably involves some degree of estimation. Where there is more than 5% change in data at the company level, reconsideration may be necessary.

Memberships

- European Association of Communications Directors (EACD)
- Green Banking in the Mediterranean Countries of the European Union
- Interbank Card Centre (BKM)
- United Nations Environment Program Finance Initiative Principles of Responsible Banking (UNEP FI RBP)
- Founding member of the United Nations Environment Program Finance Initiative Financial Health and Inclusion Commitment
- United Nations Global Compact Initiative (UNGC, United Nations Global Compact, UNGC)
- United Nations Global Compact Turkey Sustainable Finance Working Group
- Cancun and Durban Statements Prepared Before the Conferences of the Parties to the United Nations Framework Convention on Climate Change and Calling Governments as the Private Sector to Take Action
- United Nations Women's Empowerment Principles (WEPs)
- Bloomberg Gender Equality Index
- World Economic Forum (WEF)
- Endeavor (Active Entrepreneur Support) Association
- Ethics and Reputation Association (TEID)
- Financial Literacy and Inclusion Association (FODER)
- The Prince of Wales's Corporate Leaders Group on Climate Change (CLG)
- Interactive Advertising Bureau (IAB Turkey) Interactive Advertising Association Istanbul Culture and Art Foundation (İKSİV)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Istanbul Stock Exchange Sustainability Index (İSESi) Project
- Business World and Sustainable Development Association
- Carbon Disclosure Project (CDP)
- Credit Registration Bureau (KKB)
- Corporate Communicators Association (KİD)
- Private Sector Volunteers Association (ÖSGD)
- Climate Platform Established in Collaboration with REC and TÜSİAD and Turkey Climate Change Leaders Group
- Advertising Self-Regulatory Institution (RÖK)
- Advertisers Association (RVD)
- Sustainable Development Task Force Visa Color Horizons
- The European Association of Communication Directors (EACD)
- Women's Association in Technology
- Banks Association of Turkey (TBB)
- The Role of the Financial Sector in Sustainable Growth Working Group of the Banks Association of Turkey
- Turkish Public Relations Association (TÜHİD)
- Corporate Governance Association of Turkey (TKYD)
- Turkish Industrialists' and Businessmen's Association (TUSİAD)
- Turkish Industrialists and Businessmen Association (TUSİAD)
- TüyİD - Investor Relations Association
- Valuable 500
- 30% Club (30% Club)

Our performance tables

ENVIRONMENTAL PERFORMANCE CHARTS

Our Operational Greenhouse Gas Emissions

Fuel Type (GJ)	2019	2020	2021
Natural Gas	88,650.59	80,513.85	91,724.65
Electricity	374,942.85	360,563.26	342,382.56
Liquid Fuel	97,997	72,279	77,461
Total	561,590.44	513,356.11	511,568.13

Carbon Emissions (tonnes CO ₂ e)	2019	2020	2021
Scope 1 Emissions	13,450	10,298	18,187
Scope 2 Emissions	53,505	47,770	24,300
Scope 3 Emissions			10,169
Total	66,955	58,068	52,656

Our Recycling Focused Environmental Approach

Type	Unit weight (kg)	Scrap Sale	Total weight (kg)	Grant	Total weight (kg)
PC	12	176	2112	329	3,948
Monitör	5	2,107	10,535	329	1,645
Wallet Printer	9	2147	19,323	-	-
Report Printer	14	6	84	-	-
Laser Printer	15	241	3,615	-	-
Pos Equipment	0,5	7,055	3,527,5	-	-
ATM	850	-	-	-	-
Total	905.5	11,732	39,196.5	658	5,593

Our Waste Figures (ton)	2020	2021
Non-Hazardous Waste	56.10	35.56
Hazardous Waste	3.61	7.88
Total Plastic Consumption	11.75	1.00
Amount of Recycled Waste	-	6.62

Water Consumption Tables

	2019	2020	2021
Water Consumption (m ³ /year)	300,544	180,592	144,449

Human Resources Tables

Number of Employees	2020	2021
Headquarters*	2,741	2,891
Akbank Banking Center	2,258	2,451
Regional Offices**	611	566
Branches***	6,849	6,276
Bank Total	12,459	12,184

* Our Board Members are not included.

** Employees in Regional Credit Directorates, although they are affiliated to the Credit Allocation Business Unit, were shown in the staff of our Regional Directorates, not the General Directorate, as they were actually working in the field, as in previous years.

*** Including our branch employees in Malta.

Number of Employees	2021
Female	6,417
Male	5,777
Bank Total	12,814

Newly Hired Employees

2021	Under 30		30-50 Years		50 Years and Over	
Number of Newly Hired Employees in 2021	Full time	Part time	Full time	Part time	Full time	Part time
Women	494	9	146	0	1	0
Men	335	6	216	0	0	1
Bank Total	829	15	362	0	1	1

Our performance tables

Rates of Returning to Work and Staying at Work After Maternity Leave by Gender

Rates of Returning to Work and Staying at Work After Maternity Leave by Gender		
	2021	
	Female	Male
Number of Employees Entitled to Maternity Leave	351	267
Number of Employees Taking Maternity Leave	351	267
Number of Employees Returning to Work After Maternity Leave	349	265
Total Number of Employees Returning to Work After the End of Maternity Leave and Still at Work Twelve Months After Returning to Work	345	253
Return to Work and Retention Rates of Employees on Maternity Leave	Return to Work Rate: 99.4% Retention Rate: 98.3%	Return to Work Rate: 99.3% Retention Rate: 94.8%

Internal Company Training

Average Training Hours per Person		
	2020	2021
	30	35


Training Hours/Percentage of Employees by Gender		
	2020	2021
Female	54%	55%
Male	46%	45%

Our Number of Suppliers by Years



	2020	2021
Total suppliers	1,779	2,052
Total number of new suppliers	208	169


Work Accidents		
	2020	2021
Number of work accidents	10	5

Integrated report mandatory statement list

Requirements	Subject	#	Mandatory Statement	Place in Report
 USE OF FRAMEWORK	Form of report and relationship with other information	1.12	An integrated report should be a designated, identifiable communication	All Report
	Application of the Framework	1.17	Any communication claiming to be an integrated report and referencing the Framework should apply all the requirements identified in bold italic type unless: • The unavailability of reliable information or specific legal prohibitions results in an inability to disclose material information • Disclosure of material information would cause significant competitive harm.	All Report
		1.18	In the case of the unavailability of reliable information or specific legal prohibitions, an integrated report should: • Indicate the nature of the information that has been omitted • Explain the reason why it has been omitted • In the case of the unavailability of data, identify the steps being taken to obtain the information and the expected time frame for doing so.	All Report
	Responsibility for an integrated report	1.20	An integrated report should include a statement from those charged with governance that includes: • An acknowledgement of their responsibility to ensure the integrity of the integrated report • An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report • Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework. or, if it does not include such a statement, it should explain: • What role those charged with governance played in its preparation and presentation • What steps are being taken to include such a statement in future reports • The time frame for doing so, which should be no later than the organization's third integrated report that references the Framework.	<u>-Message of the Chairman</u> <u>-Message of the CEO</u>

Integrated report mandatory statement list

Requirements	Subject	#	Mandatory Statement	Place in Report
 GUIDING PRINCIPLES	Strategic focus and future orientation	3.3	An integrated report should provide information about the organization's strategy and how it relates to the organization's ability to create value in the short, medium and long term, and to its use and interaction of capitals.	Akbank for you Our Sustainability Journey
	Information link	3.6	An integrated report should present a holistic picture of the combination of factors, their interrelationships and interdependencies that affect the organization's ability to create value over time.	Our Sustainability Journey Our Value Creation Model
	Relations with stakeholders	3.10	An integrated report should provide information on the nature and quality of the organization's relationships with key stakeholders and show to what extent the organization understands, takes into account, and meets the legitimate needs and desires of stakeholders.	Our Sustainability Journey Our Material Issues Relations with Our Stakeholders
	Materiality	3.17	An integrated report should provide information on issues that significantly affect the organization's ability to create value in the short, medium and long term.	Our Sustainability Journey Our Material Issues Our Value Creation Model
	Be short and concise	3.36	An integrated report should be concise.	All Report
	Reliability and completeness	3.39	An integrated report should contain all material aspects, positive or negative, in a balanced and free of material errors.	All Report Assurance Report
	Consistency and comparability	3.54	Information in an integrated report: • On a consistent basis over time, • It should be presented in a way that allows it to be compared with other organizations in terms of the organization's ability to create value over time.	Our Sustainability Journey Our Sustainability Performance
 CONTENT ITEMS	Corporate overview and external environment	4.4	An integrated report should answer the question: What does the organization do and under what conditions does it operate?	Akbank for you
	Corporate Governance	4.8	An integrated report should answer the question: How does the organization's corporate governance structure support its ability to create value in the short, medium and long term?	Our Sustainability Management
	Business Model	4.10	An integrated report should answer the question: What is the organization's business model?	Our Value Creation Model
	Risks and Opportunities	4.24	An integrated report identifies key organization specific risks and opportunities, including those related to the organization's short-, medium- and long-term impacts on the relevant capitals and their availability, quality and affordability.	Sustainable Financing People and Communities Ecosystem Management Climate Change
	Strategy and Resource Allocation	4.28	An integrated report usually defines the following: • Strategic objectives of the organization in the short, medium and long term • Strategies that it has implemented or plans to implement in order to achieve these strategic goals. • Resource transfer plans required to implement its strategy • How it will measure achievements and targeted results in the short, medium and long term.	Sustainable Financing People and Communities Ecosystem Management Climate Change

Requirements	Subject	#	Mandatory Statement	Place in Report
 CONTENT ITEMS	Performance	4.31	<p>An integrated report contains qualitative and quantitative information about performance and may include topics such as:</p> <ul style="list-style-type: none"> • Descriptions of qualitative indicators in terms of objectives and risks and opportunities, their significance and impact, and the methods and assumptions used in their creation • Impacts (positive and negative) on the organization's capitals, including impacts on capitals upstream and down the value chain • The state of key stakeholder relationships and how the organization is responding to the legitimate needs and wishes of key stakeholders • Links between past and current performance, and between current performance and the overall outlook of the organization 	Sustainable Financing People and Communities Ecosystem Management Climate Change
	General View	4.35	<p>An integrated report normally highlights expected changes over time and provides information obtained through reliable and transparent analysis of:</p> <ul style="list-style-type: none"> • The organization's expectations about the situations likely to be encountered in its external environment in the short, medium and long term • How this will affect the organization • How the organization is organized to respond to the critical challenges and uncertainties that it currently faces. 	Sustainable Financing People and Communities Ecosystem Management Climate Change
	Preparation and Presentation Basis	4.41	<p>An integrated report describes the basis for the preparation and presentation of the report, including:</p> <ul style="list-style-type: none"> • A summary of the organization's materiality determination process • An explanation of the reporting limit and how it was determined • A summary of the major frameworks and methods used to qualify or evaluate material issues 	Our Sustainability Journey Our Material Issues

GRI content index

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
GRI 101: Foundations 2016		
GRI 102: General Standard Disclosures 2016		
Corporate Profile		
	102-1 Name of organization	About the Report
	102-2 Primary brands, products and services	Akbank and Our History in Brief
	102-3 The place where the headquarters of the organization is located	Our Corporate Profile
	102-4 Number of countries where the organization operates and countries where the organization has significant activities or is related to the sustainability topics covered in the report	Akbank and Our History in Brief
	102-5 Nature of ownership and legal structure	Our Corporate Profile
	102-6 Markets served	Akbank and Our History in Brief
	102-7 Scale of the organization	Akbank Corporate Governance
	102-8 Information on employees and other workers-	People and Community; Performance Indicators
	102-9 Supply Chain	People and Community
	102-10 Changes in the organization and supply chain	People and Community
	102-11 Precautionary approach or precautionary principle	Akbank Corporate Governance
	102-12 External initiatives	Our Sustainability Journey; Memberships
	102-13 Association membership	Memberships
Strategy		
	102-14 Statement by the highest decision maker	Akbank Corporate Governance
	102-15 Providing a description of key impacts, risks and opportunities	Sustainable Finance; People and Community ; Ecosystems Management; Climate Change
Ethical Rules and Principles		
	102-16 Values, principles, standards and norms of behavior	Values, Our Vision, Mission, Strong Foundations, Strategic Goals
	102-17 Internal and external mechanisms, such as hotlines or hotlines, for advice on ethical and legal behavior and organizational integrity issues	Akbank Corporate Governance
Governance		
	102-18 Governance structure of the organization, including committees of the highest governance body	Akbank Corporate Governance

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
Stakeholder Engagement		
	102-40 List of stakeholder groups	Dialogue with Our Stakeholders
	102-42 Identifying and selecting stakeholders	Dialogue with Our Stakeholders
	102-43 Stakeholder inclusion approach	Dialogue with Our Stakeholders
	102-44 Key issues and concerns	Dialogue with Our Stakeholders
Reporting		
	102-45 All entities included in consolidated balance sheets or equivalent documents	About the Report
	102-46 Defining report content and subject boundaries	About the Report
	102-47 List of materiality topics	Our Sustainability Journey
	102-48 Information restated from previous reports	About the Report
	102-49 Changes in reporting	About the Report
	102-50 Reporting Period	About the Report
	102-51 Date of the Previous Report	About the Report
	102-52 Frequency of reporting	About the Report
	102-53 Contact information for questions about the report and its content	About the Report
	Compliance option selected according to 102-54 GRI Standards	About the Report
	102-55 GRI content index	GRI Content Index
	102-56 External assurance	Assurance Report
GRI 200 Economic Standards Series 2016		
Economic Performance		
GRI 103: Governance Approach 2016	103-1 Explanation and boundaries of materiality topics	Akbank Corporate Governance; Sustainable Finance
	103-2 Governance approach and its components	Akbank Corporate Governance; Sustainable Finance
	103-3 Evaluation of the governance approach	Akbank Corporate Governance; Sustainable Finance
GRI 203: Indirect Economic Impacts 2016	201-1 Economic value generated and distributed	Akbank Corporate Governance; Sustainable Finance
	201-2 Financial consequences from climate change and other risks and opportunities	Climate Change
Dolaylı Ekonomik Etkiler		
GRI 103: Governance Approach 2016	103-1 Explanation and boundaries of materiality topics	Crisis Management and Covid-19; Sustainable Finance; Ecosystems Management; People and Community
	103-2 Governance approach and its components	Crisis Management and Covid-19; Sustainable Finance; Ecosystems Management; People and Community
	103-3 Evaluation of the governance approach	Crisis Management and Covid-19; Sustainable Finance; Ecosystems Management; People and Community

GRI content index

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and supported services	Crisis Management and Covid-19; Sustainable Finance; Ecosystems Management; People and Community
	203-2 Significant indirect effects	Crisis Management and Covid-19; Sustainable Finance; Ecosystems Management; People and Community
Procurement Practices		
GRI 103: Governance Approach 2016	103-1 Explanation and boundaries of materiality topics	Procurement Approach
	103-2 Governance approach and its components	Procurement Approach
	103-3 Evaluation of the governance approach	Procurement Approach
GRI 204: Procurement Practices 2016	204-1 Ratio of expenditure on local suppliers	Procurement Approach
Anti-Corruption		
GRI 103: Governance Approach 2016	103-1 Explanation and boundaries of materiality topics	Akbank Corporate Governance
	103-2 Governance approach and its components	Akbank Corporate Governance
	103-3 Evaluation of the governance approach	Akbank Corporate Governance
GRI 103: Governance Approach 2016	205-1 Activities assessed for risks related to corruption	Akbank Corporate Governance
	205-2 Communication and training on anti-corruption policies and procedures	Akbank Corporate Governance
	205-3 Confirmed corruption cases and actions taken	Akbank Corporate Governance
Anti-Competitive Behavior		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	Akbank Corporate Governance
	103-2 Governance approach and its components	Akbank Corporate Governance
	103-3 Evaluation of the governance approach	Akbank Corporate Governance
GRI 206: Anti-Competitive Behavior 2016	206-1 Total number and outcomes of lawsuits related to anti-competitive behavior, trust and monopoly activities	Akbank Kurumsal Yönetimi
Tax		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	Akbank Corporate Governance
	103-2 Governance approach and its components	Akbank Corporate Governance
	103-3 Evaluation of the governance approach	Akbank Corporate Governance
GRI 207: Tax 2016	207-1 Tax Approach	Akbank Corporate Governance
	207-2 Tax management, control and risk management	Akbank Corporate Governance
	207-4 Reporting by country	Akbank Corporate Governance
GRI 300: ENVIRONMENTAL STANDARD SERIES 2016		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	Climate Change
	103-2 Governance approach and its components	Climate Change
	103-3 Governance approach and its components	Climate Change
GRI 302: Energy 2016	302-1 Internal energy consumption	Climate Change
	302-4 Reducing energy consumption	Climate Change

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
Water		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	Climate Change
	103-2 Governance approach and its components	Climate Change
	103-3 Evaluation of the governance approach	Climate Change
GRI 303: Water and Effluents 2018	303-1 Interaction with shared resource water	Climate Change
	303-2 Governance of impacts due to water discharge	Climate Change
	303-3 Water drawn from its source Climate Change Emissions	Climate Change
Emissions		
GRI 103: Governance Approach 2016	103-1 Explanation and boundaries of material issues	Climate Change
	103-2 Governance approach and its components	Climate Change
	103-3 Evaluation of the governance approach	Climate Change
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	Climate Change
	305-2 Indirect (Scope 2) GHG emissions	Climate Change
	305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)	Climate Change
	305-4 Greenhouse gas emissions intensity	Climate Change
	305-5 Reducing greenhouse gas emissions	Climate Change
Waste		
GRI 103: Governance Approach 2016	103-1 Explanation and boundaries of material issues	Climate Change
	103-2 Governance approach and its components	Climate Change
	103-3 Evaluation of the governance approach	Climate Change
GRI 306: Atık 2020	306-1 Waste generation and significant waste-related impacts	Climate Change
	306-2 Management of waste-related impacts	Climate Change
	306-3 Waste generated	Climate Change
	306-4 Disposal waste	Climate Change
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Climate Change
	103-2 Governance approach and its components	Climate Change
	103-3 Evaluation of the governance approach	Climate Change
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	During the reporting period, there were no monetary penalties and non-monetary sanctions for non-compliance with environmental laws and regulations.
Environmental Assessment of Suppliers		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Procurement Approach
	103-2 Governance approach and its components	Procurement Approach
	103-3 Evaluation of the governance approach	Procurement Approach
GRI 308: Environmental Assessment of Suppliers 2016	308-2 Negative effects of the supply chain on the environment and the measures taken	Procurement Approach
GRI 400: SOCIAL STANDARD SERIES 2016		
Employment		
GRI 103: Governance Approach 2016	103-1 Explanation and boundaries of material issues	People and Community
	103-2 Governance approach and its components	People and Community
	103-3 Evaluation of the governance approach	People and Community
GRI 401: Employment 2016	401-1 New hires and employee turnover	Our Qualified Human Resources; Performance Indicators
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Opportunities We Provide to Employees
	401-3 Rates of returning to and staying at work after maternity leave by gender	Maternity Applications

GRI content index

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
Occupational Health and Safety		
GRI 103: Governance Approach 2016	103-1 Explanation and boundaries of materiality topics	Health and Safety Activities
	103-2 Governance approach and its components	Health and Safety Activities
	103-3 Evaluation of the governance approach	Health and Safety Activities
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety Activities
	403-2 Types of injuries and injury rates, occupational diseases, lost days, absenteeism, and number of work-related deaths	Health and Safety Performance
	403-3 Occupational health services	Health and Safety Activities
	403-4 Employee participation, consultation and communication in occupational health and safety	Health and Safety Activities
	403-5 Employee training on occupational health and safety	Health and Safety Activities
	403-6 Promotion of employee health- Work	Work-Life Balance and Well-being
	403-7 Prevention and reduction of occupational health and safety impacts directly related to business relationships	Health and Safety Activities
	403-9 Work related injuries	Health and Safety Performance
	403-10 Work-related patient cases	Health and Safety Performance
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	People and Community
	103-2 Management approach and its components	People and Community
	103-3 Evaluation of the governance approach	People and Community
GRI 404: Training and Education 2016	404-1 Average training hours per employee per year	Future of Work
	404-2 Talent management and lifelong learning programs that support employee development	Future of Work
	404-3 Percentage of Employees Passing Regular Performance and Career Development Evaluations	Future of Work
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	People and Community
	103-2 Management approach and its components	People and Community
	103-3 Evaluation of the governance approach	People and Community
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and Inclusion
Non-Discrimination		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	People and Community
	103-2 Governance approach and its components	People and Community
	103-3 Governance approach and its components	People and Community
GRI 406: Non-Discrimination 2016	406-1 Taking corrective measures against cases of discrimination	People and Community
The Right to Organize and Collective Bargaining		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	People and Community
	103-2 Management approach and its components	People and Community
	103-3 Evaluation of the governance approach	People and Community
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	People and Community

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
Child Labor		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	People and Community
	103-2 Management approach and its components	People and Community
	103-3 Evaluation of the governance approach	People and Community
GRI 408: Child Labor 2016	408-1 Activities and suppliers with significant risk for child labor incidents	Diversity and Inclusion
Forced or Compulsory Labor		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	People and Community
	103-2 Governance approach and its components	People and Community
	103-3 Evaluation of the governance approach	People and Community
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Diversity and Inclusion
Human Rights Assessment		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	Diversity and Inclusion
	103-2 Management approach and its components	Diversity and Inclusion
	103-3 Evaluation of the governance approach	Diversity and Inclusion
GRI 412: Human Rights Assessment 2016	412-1 Total number and percentage of activities subject to human rights reviews or impact assessments	Akbank Corporate Governance; Diversity and Inclusion
	412-3 Significant investment contracts or contracts that contain human rights clauses or have undergone human rights screening	Diversity and Inclusion
Social Evaluation of Suppliers		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	Diversity and Inclusion
	103-2 Management approach and its components	Diversity and Inclusion
	103-3 Evaluation of the governance approach	Diversity and Inclusion
GRI 414: Social Evaluation of Suppliers 2016	414-2 Negative social effects in the supply chain and measures taken	Diversity and Inclusion
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	Customer Experience and Satisfaction Practices
	103-2 Management approach and its components	Customer Experience and Satisfaction Practices
	103-3 Evaluation of the governance approach	Customer Experience and Satisfaction Practices
Customer Data Privacy		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of materiality topics	Customer Data Privacy
	103-2 Management approach and its components	Customer Data Privacy
	103-3 Evaluation of the governance approach	Customer Data Privacy

Women's Empowerment Principles (WEPS) progress report and GRI content relationship

Women's Empowerment Principles (WEPS) Progress Report and GRI Content Relationship	
Principles	GRI Standards Statements
Principle 1- Corporate Leadership Promoting Gender Equality	GRI 405-1,GRI 405-2
Principle 2- Equal Opportunity, Participation and Anti-Discrimination	GRI 401-3, GRI 405-1, GRI 405-2, GRI 406-1
Principle 3-Health, Safety and Freedom from Violence	GRI 403-9, GRI 406-1
Principle 4-Education and Training	GRI 404-1, GRI 404-2, GRI 404-3,
Principle 5-Business Development, Supply Chain and Marketing Practices	GRI 103-1; GRI 103-2; GRI 103-3, GRI 204-1
Principle 5-Business Development, Supply Chain and Marketing Practices	GRI 405-1, GRI 203-1, GRI 203-2
Principle 7-Measurement and Transparent Reporting for Gender Equality	GRI 103-1; GRI 103-2; GRI 103-3, 405-1, 405-2

Our United Nations Global Compact index

Our United Nations Global Compact Index		
As Akbank, we became a pioneer in the Turkish banking sector by signing the United Nations Global Compact Principles (UNGC) in 2007. The table below shows the applications and performance information we have implemented at Akbank as a requirement of being a signatory to UNGC, in our 2021 Integrated Annual Report. Information about each policy described in the report can be found using the table below.		
HUMAN RIGHTS		
Principle 1	Businesses should support, and respect proclaimed human rights.	<u>People and Community</u>
Principle 2	Businesses should not be complicit in human rights abuses.	
WORKING STANDARDS		
Principle 3	Businesses should support workers' freedom of association and collective bargaining.	<u>Corporate Governance, People and Community</u>
Principle 4	End forced and compulsory labor.	<u>People and Community</u>
Principle 5	All forms of child labor should be stopped.	
Principle 6	Eliminate discrimination in recruitment and placement.	
ENVIRONMENT		
Principle 7	Businesses should support precautionary approaches to environmental problems.	<u>Sustainable Finance, Climate Change</u>
Principle 8	It should support all kinds of activities and formations that will increase environmental responsibility.	<u>Climate Change</u>
Principle 9	Support the development and diffusion of environmentally friendly technologies.	<u>Sustainable Finance, Climate Change</u>
ANTI BRIBERY		
Principle 10	Business should fight all forms of corruption, including bribery and extortion.	<u>Corporate Governance</u>

United Nations Sustainable Development Goals and Akbank

United Nations Sustainable Development Goals and Akbank

As Akbank, we support the UN Sustainable Development Goals published by the United Nations (UN) in 2015, which set out the priority global problems that need to be resolved by 2030. The table summarizing our Bank's approach and contribution to the UN Sustainable Development Goals is given below.

Sustainable Development Goals	Related Section
4. Quality Education	Sustainability Journey
	People and Communities
	Ecosystem Management
7. Accessible and Clean Energy	Sustainability Journey
	Sustainable Financing
	Climate Change
8. Decent Work and Economic Growth	Sustainability Journey
	Sustainable Finance
	People and Communities
	Ecosystem Management
9. Industry, Innovation and Infrastructure	Sustainability Journey
	Ecosystem Management
10. Reduced Inequality	Our Sustainability Journey
	People and Communities
	Ecosystem Management
13. Climate Action	Sustainability Journey
	Climate Change
15. Life on Land	Sustainability Journey
	Climate Change
17. Partnerships to achieve the Goal	Sustainability Journey
	Sustainable Finance
	People and Communities
	Ecosystem Management

Principles of Responsible Banking Impact report

PRINCIPLES OF RESPONSIBLE BANKING IMPACT REPORT			
Description	GRI Standards Disclosure	Details	Relevant Title of the Report
PRINCIPLE 1: ALIGNMENT			
1.1 We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	GRI 102-1, 102-2, 102-4, 102-5, 102-6, 102-7, 102-8	<p>Established in 1948, Akbank serves its customers in corporate and investment banking, commercial banking, SME banking, retail banking, payment systems, private banking, investment services and treasury transactions. In addition to its standard banking services, the bank also provides services in the insurance sector through its branches, including Aksigorta A.Ş., AgeSA Hayat ve Emeklilik A.Ş. He also acts as an insurance agent on his behalf.</p> <p>Its subsidiaries include Akbank AG, AK Financial Leasing A.Ş., Ak Yatırım Menkul Değerler A.Ş., Ak Portfolio Management A.Ş. and AkÖde A.Ş. Akbank is able to develop innovative product solutions for its customers' different financial needs. It is the owner of products and services that make a difference, such as Axess, Wings and Private Banking, which are identified with the Akbank identity in the national and international banking sector.</p> <p>With its more than 19 million customers, the Head Office, Data and Life Center located in Istanbul, 19 Regional Directorates in Turkey, 711 branches and over 12 thousand employees provide services through its wide service network and technological infrastructure. Apart from the one-to-one service it provides at Akbank branches, it continues to create value for its customers through Akbank Internet, Akbank Mobile, Call Center, approximately 5300 ATMs, 680,000 POS terminals (including virtual POS) with investments made in digital transformation. In addition, by taking strength from the high reputation we have in Turkey, Akbank AG, which is a subsidiary in Germany and a branch in Malta, brought an international dimension to its activities.</p> <p>In 2021, the loan support provided to the economy increased to a total of 485 billion TL, of which 397 billion TL was in cash. Total deposits reached TL 454 billion and assets reached TL 763 billion. With its strong consolidated capital adequacy ratio reaching 21.1%, it has one of the strongest capital structures in the industry. As of 2021, its stocks continue to be traded on the Borsa Istanbul (BIST) and Level 1 Depositary Receipts on the US OTC Market with a free float of 51.2%.</p>	<p>Main Title: ABOUT AKBANK</p> <p>Akbank and our history in brief, Shareholder Structure</p>

Principles of Responsible Banking Impact report

PRINCIPLES OF RESPONSIBLE BANKING IMPACT REPORT			
Description	GRI Standards Disclosure	Details	Relevant Title of the Report
1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	GRI 413-1, 413-2	<p>Working for the future of Turkey for 74 years, Akbank sees Sustainability as a part of its business strategy. Akbank actively participates in the Sustainable Development Goals (SDGs), the Paris Climate Agreement and national/international initiatives, working towards Turkey's transition to a low-carbon economy and leaving a more livable world to future generations.</p> <p>As Turkey develops and the needs of society, the environment and stakeholders change, the bank, which has positioned both its business strategy and sustainability understanding according to this change, has determined four value areas that it will prioritize in its sustainability activities: Sustainable Finance, Ecosystem Management, Climate Change, Human & Society. Establishing these value areas according to the prioritization analysis, Akbank has set itself long-term goals for each value area and has drawn up a roadmap to achieve the goals. Akbank contributes directly or indirectly to the United Nations Sustainable Development Goals (UN SDG) through the projects and activities it implements within the scope of its sustainability strategy, and reports this contribution annually in its Integrated Annual Report.</p> <p>Akbank is a signatory to the United Nations Sustainable Finance Declaration, a member of the Global Compact Sustainable Finance Working Group and the Turkish Banks Association Sustainability Working Group. Being among the members of the Sustainable Development Association in Turkey, Akbank started its membership in the United Nations Environment Program Finance Initiative (UNEP FI) in 2021 and has given its activities in this field an international identity by signing the United Nations Responsible Banking Principles. Again in 2021, Akbank announced that it is a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). 4 Some of the other initiatives that she is actively involved in to achieve her goals in the field of values: UNEP FI Commitment to Financial Health and Inclusion, the Valuable 500, Women's Empowerment Principles, Global Compact</p>	<p>Main Title: OUR SUSTAINABILITY JOURNEY</p> <p>-Strategic Focus Areas</p> <p>-Targets and Contribution to Sustainable Development Goals</p> <p>https://www.akbankinvestorrelations.com/tr/images/pdf/akbank_esg_presentation.pdf</p>

PRINCIPLES OF RESPONSIBLE BANKING IMPACT REPORT			
Description	GRI Standards Disclosure	Details	Relevant Title of the Report
PRINCIPLE 2: IMPACT AND TARGET SETTING			
<p>2.1 Impact Analysis Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements: a) Scope: The bank's core business areas, products/ services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/ its major activities lie in terms of industries, technologies and geographies. c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/ regions in which it operates. d) Scale and intensity/ salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/ salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)) Show that building on this analysis, the bank has:</p> <p>Identified and disclosed its areas of most significant (potential) positive and negative impact</p> <p>Identified strategic business opportunities in relation to the increase of positive impacts/ reduction of negative impacts.</p>	<p>GRI 102-15, 201-1, 201-2, 203-1, 203-2, 302-4, 302-5, 305-5, 413-1, 413-2</p>	<p>Evaluation of the financed activities according to environmental and social credit policies and the Environmental and Social Impact Assessment (ESIA) System and Environmental and Social Management System established within this scope constitutes the first step of sustainable finance studies. Efforts are made to reduce the environmental footprint of activities financed by policies and systems, and great importance is attached to the social license of the project stakeholders. The Environmental and Social Impact Assessment limit of new investment loans was reduced from US\$ 50 million to US\$ 10 million, thus expanding the scope of work in this area. As a result of the evaluations made with certain criteria taken as reference in the Environmental and Social Impact Assessment System applied new investment projects requesting financing or loan demands are categorized under three headings as high, medium, and low risk. Also, additional evaluation criteria are applied for projects and loan requests that focus on sectors that are known to have high environmental and social risks. With the systemic controls introduced to the infrastructure in 2019, every commercial loan extended, regardless of the amount limit, is evaluated within the scope of the "List of Activities that will not be funded by a Credit". In 2021, as a result of these studies, it was determined that 25 of 431 loan applications were on the "List of Activities that will not be funded by a Credit" and were rejected. In 2021, a total of fourteen projects were included in the Environmental and Social Impact Assessment, seven projects were determined as high risk, two projects medium risk and five projects low risk.</p> <p>While increasing its access to resources that will contribute to achieving a sustainable world within the banking ecosystem, Akbank establishes structures and designs products and services to direct these resources to the right places. Akbank provided 25 billion TL of sustainable financing in 2021. Among its innovative products and services, there are "Blue Financing Product Package" and "Green Foreign Trade Package", which are the first in Turkey, as well as "Women's SME package", "Environmentally Friendly Vehicle Loan", "Roof Solar Power Plant investment loan" products. According to the sectoral distribution of gross loans in 2021, one of the most financed sectors was Energy (8.2%). As in the last four years, 100% of the financing allocated to projects in the construction phase continued to be provided to renewable energy projects in 2021, while the share of loan-backed renewable energy projects in the energy portfolio was 76%. In addition, the ratio of renewable energy projects to the total energy production loan portfolio reached a high level of 84%. Akbank will continue to work in 2022 to integrate climate risks and opportunities into bank operations, to update its environmental and social credit policies, and to expand its sustainable finance framework.</p> <p>Akbank is committed to achieve net-zero emissions in its operations and becoming a Carbon Neutral Bank by 2025, and continues its efforts in 3 areas for this: 1) Projects that increase Energy Efficiency, 2) Supply of electricity from renewable energy sources 3) Carbon offset.</p>	<p>Main Title: SUSTAINABLE FINANCE</p> <p>-Responsible Products and Services</p> <p>-Our Environmental and Social Credit Policies</p> <p>https://www.akbankinvestorrelations.com/tr/images/pdf/akbank_4q21_earnings_presentation_tr.pdf</p>

Principles of Responsible Banking Impact report

PRINCIPLES OF RESPONSIBLE BANKING IMPACT REPORT			
Description	GRI Standards Disclosure	Details	Relevant Title of the Report
<p>2.2 Target Setting Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services. Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline. Show that the bank has analyzed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/ society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>GRI 102-15, 201-1, 201-2, 203-1, 203-2, 305-5, 404-2, 413-1, 413-2</p>	<p>Within the scope of its sustainability strategy, Akbank works to leave a more livable world to future generations, with long-term targets set in the fields of Sustainable Finance, People and Communities, Ecosystem Management and Climate Change.</p> <p>Sustainable Finance Goals</p> <p>To provide sustainable financing of 200 billion TL until 2030.</p> <p>To increase the balance of sustainable mutual funds to 15 billion TL AUM by 2030.</p> <p>Ecosystem Management Goals</p> <p>To popularize digital and innovative products and services. Increasing the number of financially empowered people.</p> <p>Climate Change Goals</p> <p>Net-zero operational emissions and become a carbon neutral bank by 2025. To reduce the impact of our loan portfolio on climate change by 2030.</p> <p>People and Communities Goals</p> <p>To increase the effectiveness of investments made in our employees. To increase the social return of social investments. To increase the impact of Akbank volunteering in social investments.</p> <p>In addition, Akbank will continue to work in 2022 to align the high-impact sectors in its portfolio with the targets of the Paris Climate Agreement and to draw up the necessary roadmap for this.</p>	<p>Main Title: OUR SUSTAINABILITY MANAGEMENT</p> <p>Main Title: OUR SUSTAINABILITY MANAGEMENT</p> <p>-Our Goals and Contributions to Sustainable Development Goals</p>

PRINCIPLES OF RESPONSIBLE BANKING IMPACT REPORT			
Description	GRI Standards Disclosure	Details	Relevant Title of the Report
<p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets. Show that your bank has implemented the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	GRI 102-20, 102-21, 102-31	<p>Akbank monitors, evaluates and reports the key performance indicators determined within the scope of value areas and long-term goals that it prioritizes every year. These results are regularly shared with stakeholders on Akbank's corporate website, integrated annual report, sustainability ratings and indices. Portfolio analysis and other indicators related to the road map to be developed will be followed up in the future.</p> <p>With the Sustainability Committee, sustainability activities and performance are monitored and reported on behalf of the Board of Directors. Under the Sustainability Committee, there are 4 pre-committees formed on the basis of value areas. These committees come together at least 3 times a year and the relevant targets and action situations are discussed in these meetings. In addition, actions on a quarterly basis are regularly followed up with representatives from the relevant functions.</p> <p>More than 100 actions are followed in 4 value areas to achieve sustainability goals.</p>	<p>Main Title: OUR SUSTAINABILITY JOURNEY</p> <p>-Our Sustainability Management -Our Value Creation Model</p>

Principles of Responsible Banking Impact report

PRINCIPLES OF RESPONSIBLE BANKING IMPACT REPORT			
Description	GRI Standards Disclosure	Details	Relevant Title of the Report
<p>2.4 Progress on Implementing Targets</p> <p>For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target. Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosure)</p>	GRI 201-2, 305-5, FS-14, FS-16	<p>The actions taken by Akbank towards its long-term goals and its sustainability performance are regularly reported in the Integrated Annual Report and related channels. A summary of the activities carried out in the four value areas is given below.</p> <p>Sustainable Financing</p> <p>The total amount of sustainable financing performed in 2021 has reached 25 billion TL. Innovative products and services include the "Blue Financing Product Package" and "Green Foreign Trade Package", which are the first in Turkey, as well as "Women's SME package", "Environmentally Friendly Vehicle Loan", "Roof Solar Power Plant investment loan. Akbank carried out all foreign borrowing transactions in 2021 with a sustainability theme, with International Finance Institutions Loans, Green Bonds, sustainability-themed syndicated loan, sustainable subordinated bond issuance and similar different borrowing transactions. Akbank carried out all foreign borrowing transactions in 2021 with the theme of sustainability. The bank, which aims to increase the share of sustainable finance-based borrowing transactions in total borrowing to 30 percent by the end of 2021 and exceeded its target by over 40%. Last year, Akbank brought together investors under the same roof of Future Investments with two different sustainable investment funds that will contribute to the United Nations Sustainable Development Goals while making use of their savings. These funds, which are beneficial to the world in social and environmental terms, are the first funds in Turkey to receive an ESG valuation from an international organization. At the same time, Ak Portföy Health Sector fund, which is the first fund to invest in the health theme, and Ak Portföy Alternative Energy Fund, Turkey's first fund investing in alternative energy transformation, reached a balance of 2.5 billion TL in 2021. The Bank's issuance of TL 340 million in September is the first social bond issuance for local individuals. With the funds obtained from the bonds, two different projects are being financed for the purpose of "healthy and quality life", which is one of the United Nations Sustainable Development Goals.</p> <p>Ecosystem Management</p> <p>In 2021, it continued to increase its SME inclusiveness with over 300 innovation hubs in its ecosystem, Akbank Women's Entrepreneurship Package that interacts with enterprises and universities, and strategic collaborations. Focusing on financial literacy and inclusion, Akbank brought more than 25 million financial insights to its customers per month, implemented the innovative Environmentalist card application, and continued its Youth Banking and Barrier-Free Banking activities.</p> <p>Climate Change</p> <p>Within the scope of reducing operational emissions, ISO 14001 Environmental Management System and ISO 50001 Energy efficiency system were established in the Head Office, Banking Centre and 42 branches; Akbank took an important step by meeting 60% of the energy it uses with renewable energy. As a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in 2021, Akbank is working to share its TCFD-compliant reporting with the public in the near future.</p> <p>People and Communities</p> <p>Providing an average of 35 hours of training to more than 12 thousand Akbank employees in 2021, Akbank continued to bring all its projects on arts and culture, entrepreneurship, education, and volunteering, to large audiences through online platforms, despite the restrictions imposed by the Covid-19 pandemic.</p> <p>The Bank will regularly share the targets it has set within the scope of UNEP FI Responsible Banking Principles and the progress in this regard in the coming periods.</p>	<p>Main Title: SUSTAINABLE FINANCE, ECOSYSTEM MANAGEMENT, CLIMATE CHANGE, PEOPLE AND COMMUNITIES</p>

PRINCIPLES OF RESPONSIBLE BANKING IMPACT REPORT			
Description	GRI Standards Disclosure	Details	Relevant Title of the Report
PRINCIPLE 3: CLIENTS AND CUSTOMERS			
3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.	GRI 102-44	<p>Akbank defines it as Clean Banking Risk when unfair practices or behaviors affecting stakeholders, customers and markets result in customer losses, financial penalties or loss of reputation. Within the scope of Clean Banking, in addition to the legal regulations, customer benefits are also considered in the practices and behaviors towards customers. Many practices in the fields of culture, education, communication, new product/service process, and customer complaint management have been implemented as a working principle in order to manage Clean Banking within the framework of the principles set at Akbank, to disseminate and adopt it within the organization.</p> <p>In 2021, the number of internal/external channels working in integration with the Customer Complaint Management application, including affiliates and solution partners, exceeded 30. In addition, the performance of finalizing customer notifications at the first point of contact has reached the level of 90%.</p> <p>The ISO 10002 Customer Satisfaction Management system certificate, which has been renewed every year since 2007, was renewed in 2021 as well. In 2021, 8315 employees of the Bank, whose data privacy protection is among the priorities of its customers, received a total of 6973 hours of training on the protection of personal data.</p> <p>Akbank continued to produce financial solutions that would make it easier for its customers to adapt to every new situation in 2021, when the Covid-19 pandemic process continued. With digital and physical visits in 2021, it continued to be the solution partner of its customers by creating added value for all business processes.</p>	<p>Main Title: AKBANK FOR YOU</p> <p>-Akbank Activities</p> <p>Main Title: ECOSYSTEM MANAGEMENT</p> <p>-Our Customer Experience and Satisfaction Studies</p> <p>-Customer Data Privacy</p>
3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.	GRI 102-44, 203-2	<p>In order to accelerate the transition to a low carbon economy and to introduce sustainable finance products to customers, environmental, social and governance (ESG) assessments have been started in selected sectors. In this context, it is aimed to understand the current situation of customers and to offer suggestions that will encourage transformation in the long term. It is aimed to first perform a basic sustainability analysis and understand their current situation, to understand the basic sustainability performance of the customers, to recommend the most suitable sustainable finance product to the customers based on their demand, and to monitor the sustainability performance of the customers throughout the loan term after the product package is created. The total amount of sustainable financing provided in 2021 is TL 25 billion, and all products and services developed regarding sustainability are included in the Integrated Annual report.</p>	<p>Main Title: SUSTAINABLE FINANCE</p> <p>-Responsible Products and Services</p>

Principles of Responsible Banking Impact report

PRINCIPLES OF RESPONSIBLE BANKING IMPACT REPORT			
Description	GRI Standards Disclosure	Details	Relevant Title of the Report
PRINCIPLE 4: STAKEHOLDERS			
4.1 Describe which stakeholders (or groups/ types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/ results achieved.	GRI 102-40, 102-42, 102-43, 102-46	<p>While establishing its sustainability strategy and material issues, Akbank regularly conducts stakeholder analysis studies. For the prioritization study carried out in 2020, Akbank received opinions from its wide stakeholder network, and while taking these opinions, it determined its stakeholders through a stakeholder study consisting of those with direct economic impact, those with indirect economic impact and those that bring new opportunities, knowledge and understanding. The materiality analysis is included in the Integrated Annual Report and it is seen that the expectations of the priority stakeholders are in line with Akbank's long-term goals.</p> <p>Akbank also details its interaction with its wide stakeholder network (shareholders, investors, analysts, employees, customers, international financial institutions, legislators and regulators, suppliers, university youth, local communities, non-governmental organizations, media) in the "Relations with Our Stakeholders" section.</p>	Main Title: OUR SUSTAINABILITY JOURNEY
PRINCIPLE 5: GOVERNANCE & CULTURE			
5.1 Describe the relevant governance structures, policies and procedures your bank has in place/ is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	GRI 102-18	<p>Akbank's sustainability strategy and long-term goals are supported by existing policies on environmental, social and governance issues.</p> <p>In addition, the sustainability activities and performance are monitored and reported on behalf of the Board of Directors with the Sustainability Committee. Among the permanent members of the Sustainability Committee are Executive Board Member, Independent Member of the Board of Directors, CEO, Executive Vice President of Financial Management, Investor Relations and Sustainability Department Head. The committee meets at least twice a year. Under the Sustainability Committee, there are 4 pre-committees formed on the basis of value areas. These committees come together at least 3 times a year and the relevant targets and action situations are discussed in these meetings. In addition, actions on a quarterly basis are regularly followed up with representatives from the relevant functions. More than 100 actions are followed in 4 value areas to achieve sustainability goals.</p>	<p>https://www.akbankinvestorrelations.com/tr/kurumsal-Yonetim/detay/Politikalar/297/509/0</p> <p>Main Title: OUR SUSTAINABILITY JOURNEY</p> <p>-Our Sustainability Management</p>
5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.	GRI 102-18, 404-2	<p>In order to make sustainability a part of the corporate culture, awareness trainings are given to employees and various in-house sustainability events are organized. In 2021, a total of 4,464 hours with our Ethical Principles trainings prepared on the basis of the human rights of the United Nations; a total of 5,931 hours of training was provided with bribery and corruption trainings. In addition, e-learning platforms were opened throughout the bank on Basic Sustainability (6,579 people) and Unconscious Bias (5,652 people). On the other hand, within the scope of Zero Tolerance for Violence Policy, virtual classroom awareness trainings were held for leaders and 714 leaders participated in these trainings. It is aimed to extend awareness trainings to all employees in 2022.</p> <p>In order to measure the sustainability performance, performance criteria have been determined for all employees, especially the CEO. Akbank has taken an important step that will lead the sector by adding its sustainability performance to the bank's performance criteria.</p>	<p>Main title: PEOPLE AND COMMUNITIES -Future of Work</p> <p>Main Title: OUR SUSTAINABILITY JOURNEY</p> <p>-Our Sustainability Management</p>

PRINCIPLES OF RESPONSIBLE BANKING IMPACT REPORT			
Description	GRI Standards Disclosure	Details	Relevant Title of the Report
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	GRI 102-18	<p>5.1 also supports the details of Akbank's sustainability management structure and operation.</p> <p>The duties and responsibilities of the Sustainability Committee are as follows:</p> <ul style="list-style-type: none"> • Preparing a sustainability strategy in line with the bank's business strategy, market conditions and developments, • Carrying out all sustainability activities within the framework of the bank's sustainability strategy, priority areas and targets and strengthening our sustainability performance, • Integrating sustainability into all business practices, identifying relevant risks and opportunities, • Ensuring the compliance of the bank's priority issues with sustainability issues, • Progress of the bank in harmony with the Sustainability Principles and other relevant legislation, follow-up and communication of the legislation, • Determining and monitoring the relations within the framework of sustainability with national and international organizations and authorized institutions related to sustainability, • Establishing and monitoring an honest and transparent communication platform with the bank's stakeholders on sustainability, • To ensure that the reports containing the bank's sustainability activities and performance indicators, the corporate website and similar promotional channels are prepared and supervised in accordance with the Corporate Governance Principles and Sustainability Principles. <p>With the Sustainability Committee, sustainability activities and performance are monitored and reported on behalf of the Board of Directors. Among the permanent members of the Sustainability Committee are Executive Board Member, Independent Member of the Board of Directors, CEO, Executive Vice President of Financial Management, Investor Relations and Sustainability Department Head. The committee meets at least twice a year. Under the Sustainability Committee, there are 4 pre-committees formed on the basis of value areas. These committees come together at least 3 times a year and the relevant targets and action situations are discussed in these meetings. In addition, actions on a quarterly basis are regularly followed up with representatives from the relevant functions. More than 100 actions are followed in 4 value areas to achieve sustainability goals.</p>	<p>Main Title: OUR SUSTAINABILITY JOURNEY</p> <p>-Our Sustainability Management</p>

Principles of Responsible Banking Impact report

PRINCIPLES OF RESPONSIBLE BANKING IMPACT REPORT			
Description	GRI Standards Disclosure	Details	Relevant Title of the Report
PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY			
6.1 Progress on Implementing the Principles for Responsible Banking Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4). Show that your bank has considered existing and emerging international/ regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice. Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/ regional good practices and has made progress on its implementation of these Principles.	GRI 102-12 , 201-2, 302-4	<p>Akbank includes all the progress it has made in UNEP FI Responsible Banking Principles in its 2021 Integrated Annual Report. Some of them are listed below:</p> <p>Akbank became the first bank to decide not to finance the New (Greenfield) Coal-Fired Power Plants in 2021 and to add this decision to our Environmental and Social Credit Policies. In addition, it has decided not to finance the coal mining and coal transportation activities of its SME customers.</p> <p>Akbank strengthened its integrated governance structure by developing a Diversity and Inclusion Policy, a Human Rights Policy, Supplier Business and Behavioral Principles, and a Zero Tolerance for Violence Policy in 2021.</p> <p>Within the scope of the Integrated Management System established in 2021, Akbank obtained ISO 14001 Environmental Management, ISO 50001 Energy Efficiency and ISO 45001 Occupational Health and Safety standards for its 42 branches.</p> <p>With the actions it took within the scope of its long-term sustainability goals, it raised its rating to BBB in MSCI, one of the world's leading Sustainability Indices, and its sustainability risk assessment rating to Low Risk Category in Sustainalytics.</p> <p>Akbank has been in Bloomberg GEI for 2 years, has UNEP FI and The Valuable 500 memberships also became a TCFD supporter in 2021. It aims to share its studies on TCFD reporting, climate action plan and portfolio impact with its stakeholders in the upcoming period.</p>	<p>Main Title: SUSTAINABLE FINANCE</p> <p>- Responsible Products and Services</p> <p>Main title: PEOPLE AND COMMUNITIES</p> <p>-Diversity and Inclusion</p> <p>Main Title: CLIMATE CHANGE</p> <p>-Our Operational Greenhouse Gas Emissions</p> <p>Main title: CORPORATE MANAGEMENT</p> <p>-Our policies</p>

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