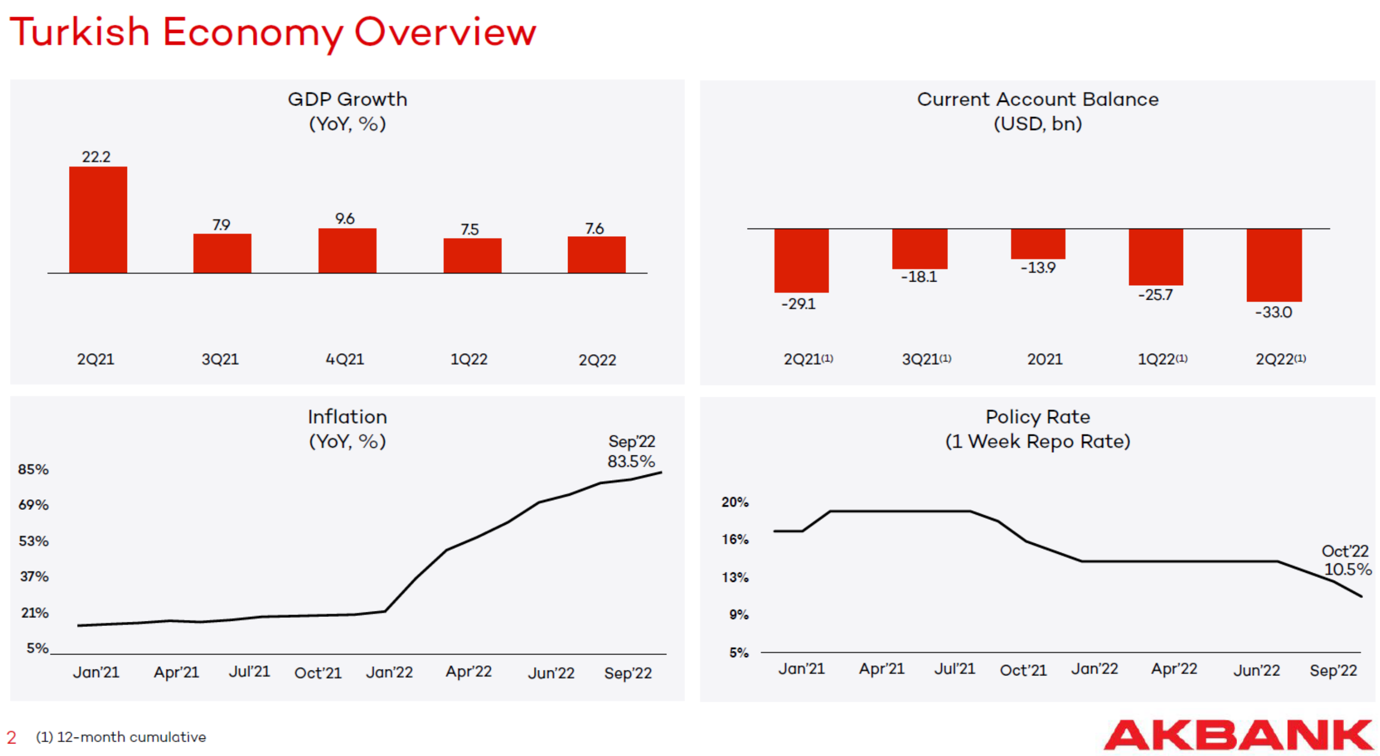

AKBANK
3Q22 Earnings Call
Management Discussion
26 October 2022
Participants:
Türker Tunalı, CFO
Ebru Güvenir, SVP, IR & Sustainability
Gülçe Deniz, VP, IR

Ebru Guvenir

Dear Friends,

Thank you all, for joining our third quarter earnings call. I hope you are all well.This is Ebru speaking, the Head of IR and Sustainability. Today, I have with me: Turker …Our CFO and Gulce and Bercem …from our IR team

Before moving onto Akbank's solid 3Q performance, we'd like to share a few words, about the operating environment.



Since the last earnings call, global economic outlook has deteriorated. Higher-than-anticipated inflation, monetary policy tightening and adverse repercussions of the war are weighing on growth prospects.

World economy, particularly our main trading partners in Europe, are expected to slow down in the period ahead, as confirmed by the recently revised growth forecasts. The policymakers confront with an undesired trade-off between taming inflation and avoiding a hard landing in economic activity.

Looking ahead, global environment is likely to become more challenging for consumers, businesses and policymakers in the near term.

Turning to our economy, we maintained a solid growth in the first half, averaging at 7.5% on annual basis. Strong credit impulse, robust export performance and buoyant tourism season were the main drivers of growth. Unemployment rate, came down to 9.6% on seasonally adjusted terms in August. This is the lowest level observed since 2014. Nevertheless, as the outlook becomes gloomier on the global front, the support of foreign demand may wane next year.

Economic activity heat map

	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	July'22	Aug'22	Sept'22
Growth (yoy, %)	7,5	22,2	7,9	9,6	7,5	7,6			
Industrial Production (yoy, %)	12,4	41,0	10,9	11,5	10,2	9,4	2,5	1,0	
Manufacturing PMI	52,9	50,3	53,5	51,8	50,1	48,8	46,9	47,4	46,9
Electricity Consumption (yoy, %)	5,7	25,8	11,6	8,9	4,6	1,2	-6,0	-2,4	-0,9
White Goods Sale (yoy, %)	39,7	16,2	-11,1	-0,5	-9,4	-7,0	-2,0	5,1	
Automotive Sales (yoy, %)	57,0	48,0	-32,8	-42,6	-25,3	4,9	13,0	-21,3	2,9
Home Sales (yoy, %)	-22,9	2,1	-26,1	60,5	21,7	40,2	-12,9	-12,7	-22,9
Real Sector Confidence Index (s.a.)	109,3	108,1	112,5	111,1	110,0	106,4	102,5	101,4	100,2
Capacity Utilization Rate (s.a.)	75,6	75,9	77,0	77,8	77,8	77,9	78,1	76,6	77,3
Consumer Confidence Index (s.a.)	84,8	79,7	79,1	72,3	72,3	66,1	68,0	72,2	72,4
Services Sector Confidence Index (s.a.)	102,6	104,7	116,2	119,5	116,7	118,6	117,8	116,2	118,2
Retail Sector Confidence Index (s.a.)	108,9	103,2	111,8	121,5	120,1	119,8	113,4	112,9	115,9
Construction Sector Confidence Index (s.a.)	82,3	79,8	90,2	92,1	83,1	82,7	85,0	86,3	88,1
Unemployment Rate (s.a.)	12,9	12,5	11,6	11,2	11,0	10,6	10,0	9,6	
Budget Balance (bn TRY)	22,8	-55,3	-28,6	-140,4	30,8	62,8	-64,0	3,6	-78,6
Current Account Balance (bn $)	-7,4	-6,1	2,5	-3,0	-19,2	-13,3	-4,1	-3,1	
Export (yoy, %)	17,0	69,7	29,1	25,7	20,4	19,5	13,1	13,1	9,2
Import (yoy, %)	9,5	50,4	17,2	23,6	42,0	39,3	41,4	40,4	41,5
Foreign Tourist Arrivals (yoy, %)	-53,9	1.304	139	118	151	204	53	58	

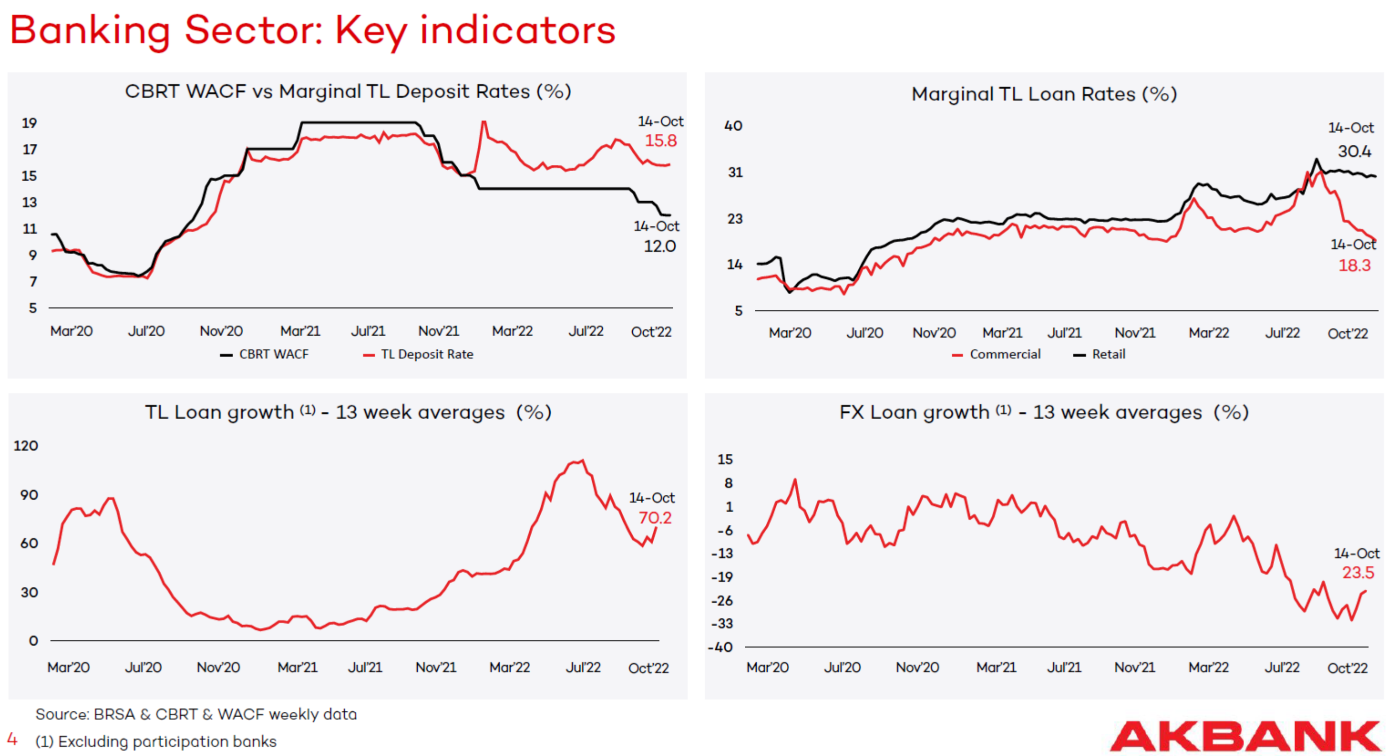
Best — Average — Worst

3 Sources: CBRT, Treasury, TURKSTAT, Akbank

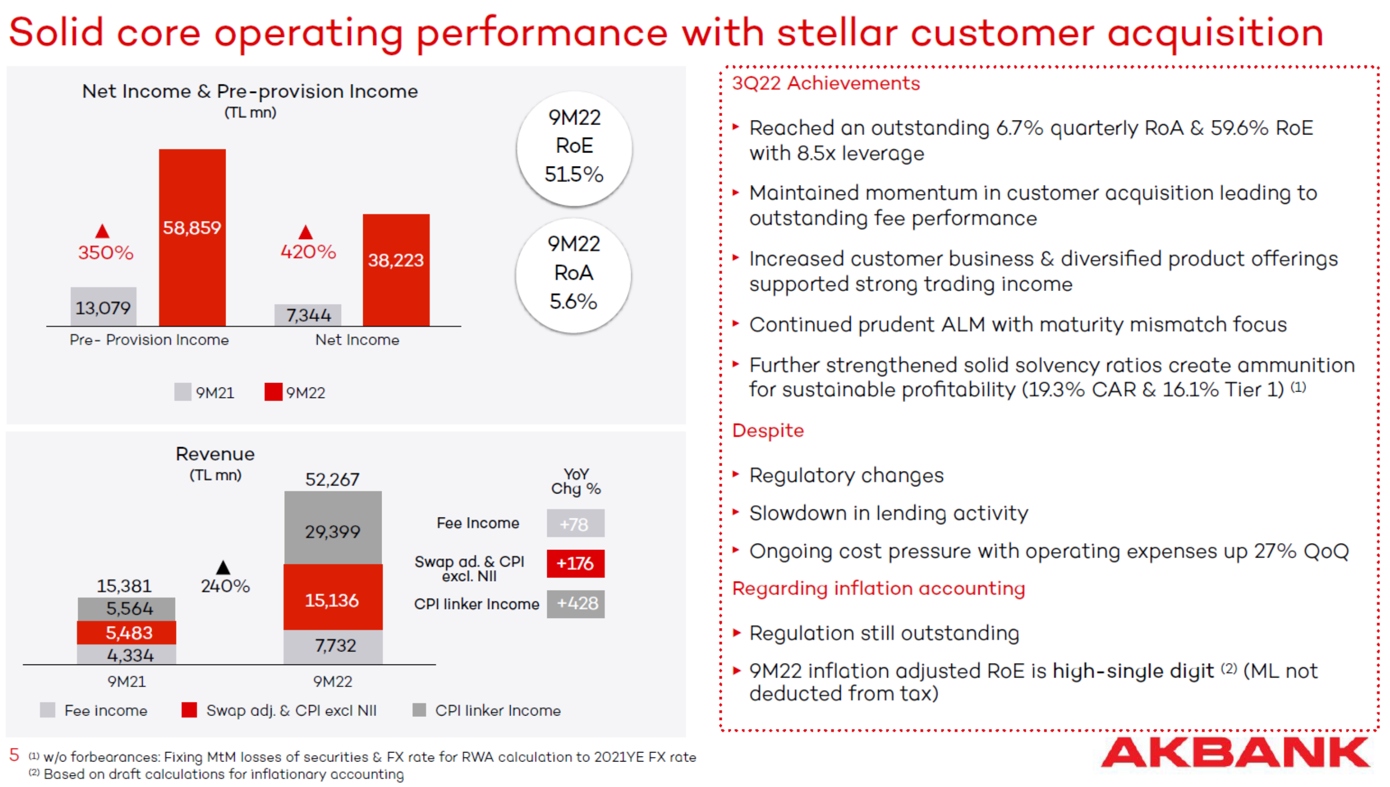
Recent signals show that the economy started to lose momentum in the third quarter, mainly due to the slowdown in trade partners. The surge the natural gas prices inflates the import bill by driving energy imports to historically high levels.

On the other hand, we have good news coming from the services exports, as tourism and transportation revenues have performed well beyond expectations. Winter tourism is also expected to remain vivid.

Inflation remains elevated and continues to take a toll on purchasing power of consumers. Despite the recent easing of supply chain disruptions, exchange rate and energy price pass-through remain to be the main pro-inflationary factors. While the strong dollar and the ongoing war pose upside risks to the outlook, consumer inflation is expected to peak soon at around 85%, before coming down significantly in December, due to the base effect. Global slowdown and the associated decline in commodity prices are also expected to provide a partial relief in this high-inflation environment.



Before moving onto the Bank's numbers, on this slide we have shared the recent trends in loan growth as well as marginal market rates. Now onto the Bank



Our 9m net income was up more than 5 times yoy to 38 billion 2 hundred and 23 million TL. We achieved an outstanding cumulative ROA of 5.6% and ROE of 51.5%. Our quarterly ROA and ROE were even higher at 6.7% and 59.6%.

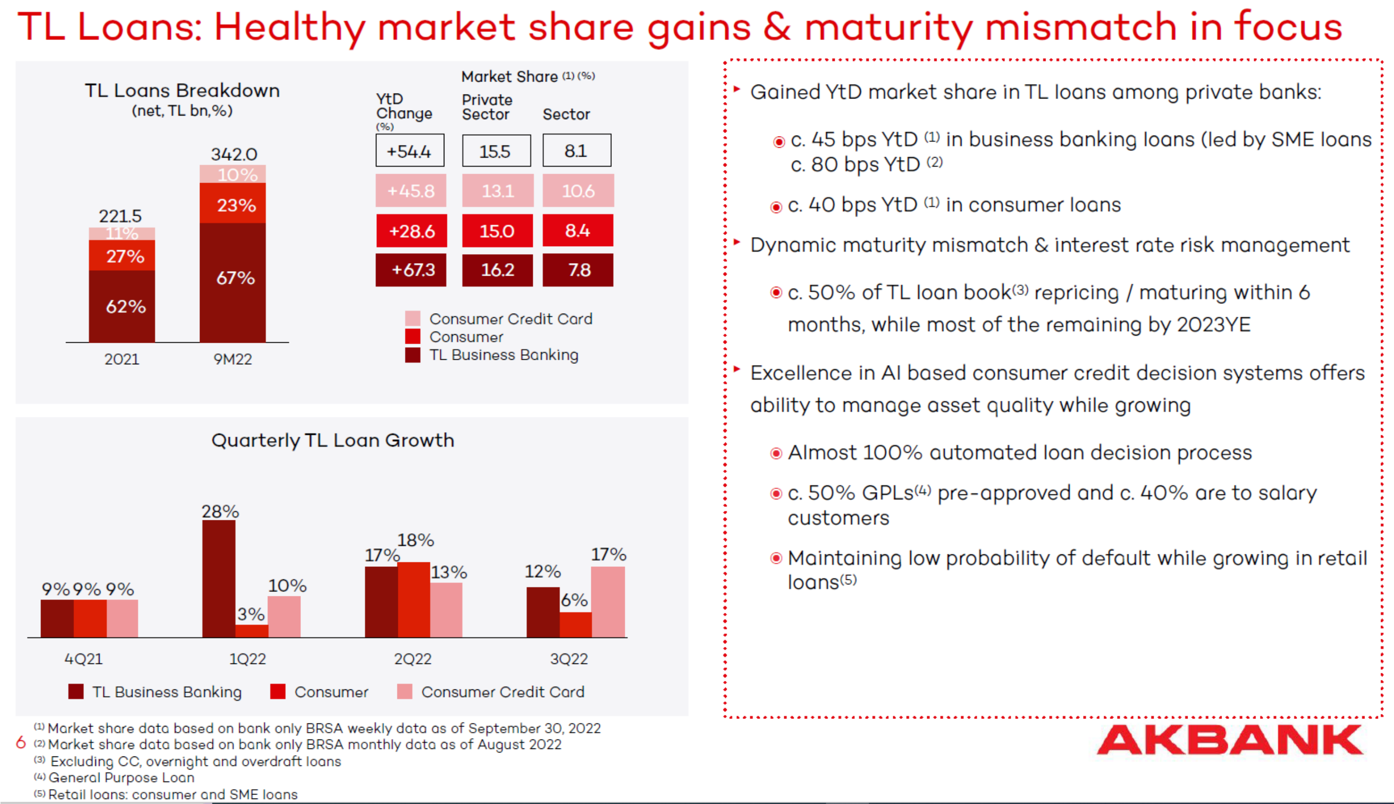
We have also further built capital during this quarter. Our total capital reached 19.3% while Core Equity tier 1 was at 16.1% without forbearances...with main contribution coming from internal capital generation...which is profit. Our sound solvency ratios will continue to provide the bank significant competitive advantage going forward.

Contributors to this outstanding performance were across board, as guided, including our subsidiaries.

I would especially like to underline our significant momentum in customer acquisition, which reached 1.7m net ytd. This led for our swap-adjusted, CPI-excluded net interest income to surge by almost 180% yoy.

Also, please note that draft calculation for inflation adjusted 9m ROE stands at high-single digit.

Let's dive deeper into the numbers, starting with the balance sheet:



Our TL loans were up around 54% ytd, reaching our FY guidance.

As shared in several occasions, the Bank's motivation in the SME and consumer banking continues at full pace. This motivation has resulted in a successful 80bps ytd market share gain among private banks in the SME segment. As a result, the biggest growth contribution in TL business banking came from the SME segment.

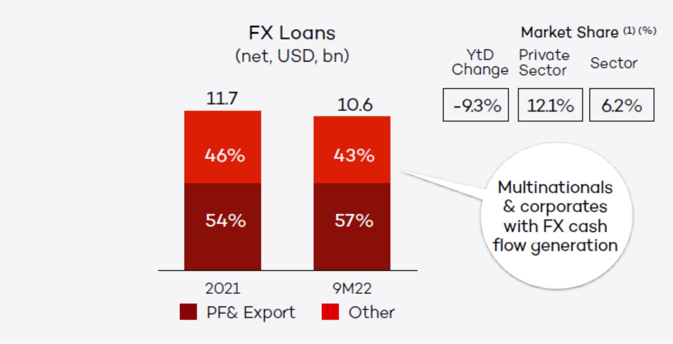
- Our new organization structure implemented at the beginning of the year with a 360 degrees customer focus, and comprehensive SME movement package, designed to empower SME's, continue to be supportive factors in this success.
- This year, we have also been active in small ticket variable loans such as CGF, granting TL 7bn ytd.
- As for the consumer side, on top of 160 bps market share gain last year, we gained another 40bps market share ytd.

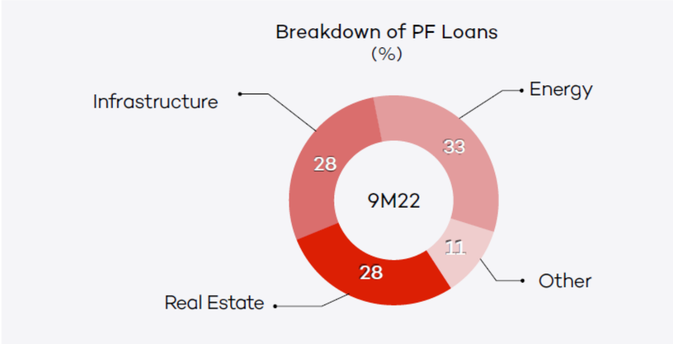
Due to the global uncertainties, while growing, our focus remains on:

- maturity mismatch,
- interest rate risk management
- as well as asset quality evolution of the balance sheet.

- In that respect, please note that 50% of our TL loan book will reprice / mature within the next 6 months, while most of the remaining by end of next year.
- As for the asset quality side, our analytical data indicates that the PDs of the portfolio remains at low levels, while growing.

Disciplined FX lending policies support resilience





- Muted demand in FX loans continues, in line with guidance
- FX lending limited to corporates with adequate FX revenue generation
- Significantly mitigated FX risk
  - FX loan book down from ~USD 22 bn to below USD 11 bn since 2017
  - Stage 2 FX provisions are fully hedged

7 (1) Market share data based on bank only BRSA weekly data as of September 30, 2022

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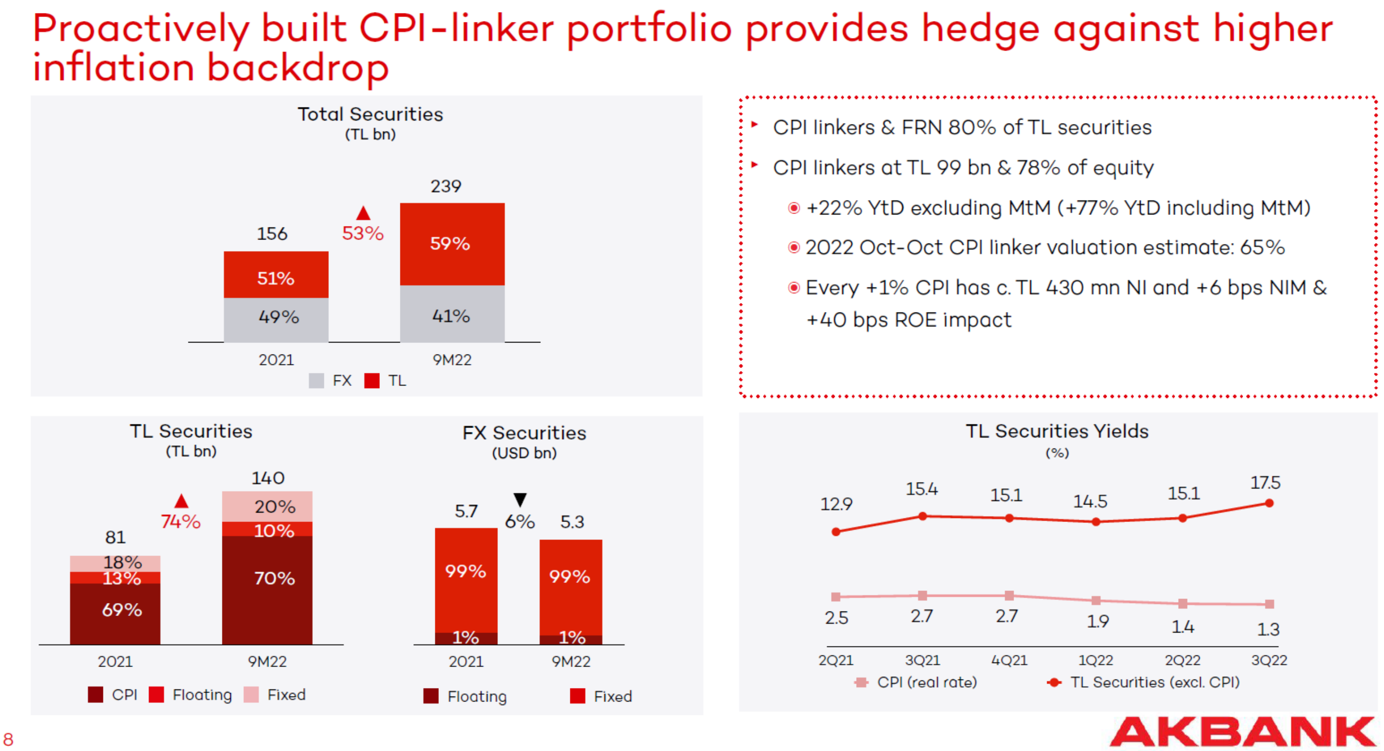
Our net FX loans were down by around 9% ytd, to USD 10.6bn, which is inline with our shrinkage guidance.

We continue to observe muted demand for FC loans and do not expect imminent change to this trend.



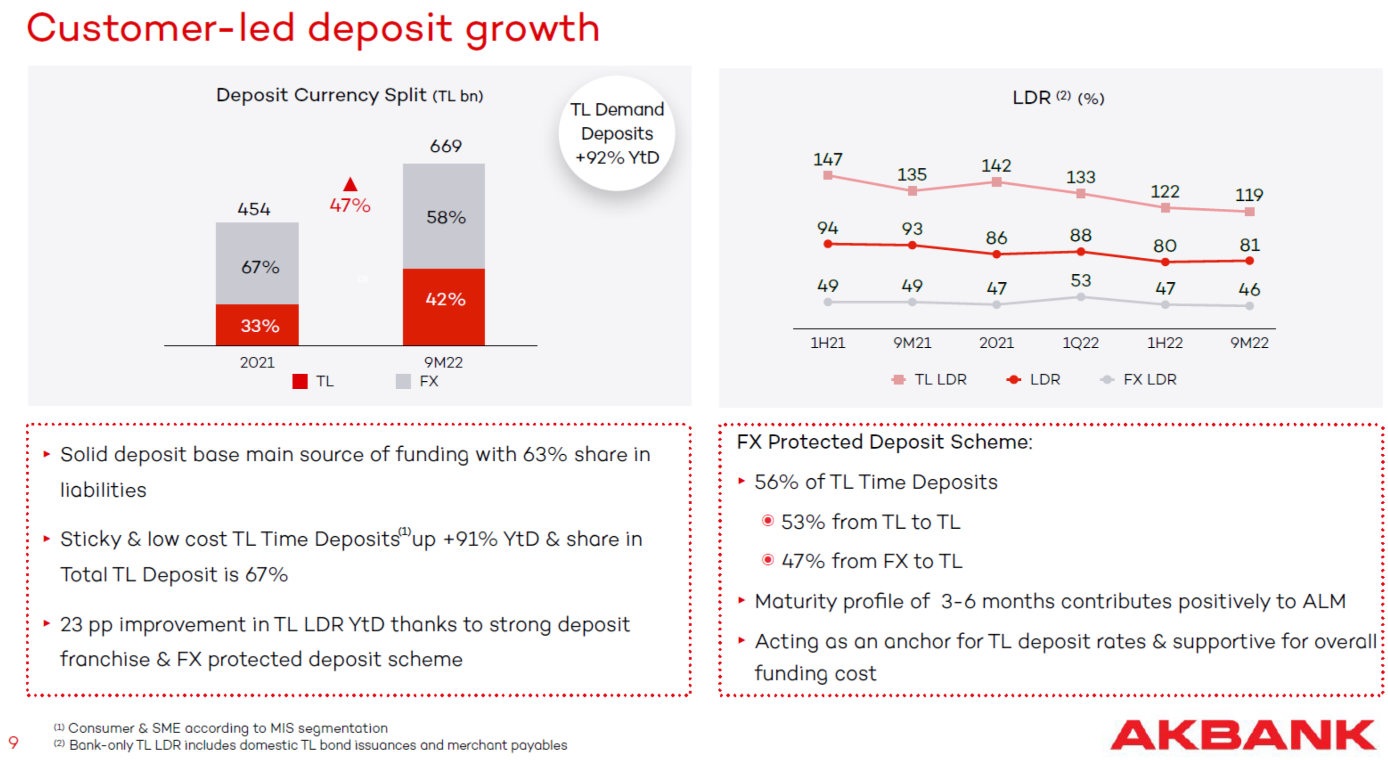
Our Treasury's proactive positioning in CPI-linkers continues to work as hedge against higher inflation backdrop.

Our CPI-linker portfolio stands at TL 99bn, which is 78% of our equity and 70% of TL securities. Excluding the mark-to-market increase, ytd growth was at 22%. This positioning will help mitigate the negative impact of inflation accounting if/when implemented.

Therefore, along with our solid customer based revenue growth, CPI-linkers continue to be a supportive factor for NII.

As for the newly implemented regulations, we had proactively bought more than TL 10 Bn fixed rate bonds around 19% levels at the June & July auctions.

Our FC securities are down 6% ytd, mainly due to a redemption of our Eurobond in September. I would also like to underline that thanks to our prudent ALM management, our Eurobond portfolio is fully hedged against Fed rate hikes.



On the funding, we maintain our focus on well-diversified and disciplined funding mix. Deposits continue to be our main source of funding at 63% of total liabilities.

Our TL deposits were up by a solid 86%, resulting in an eye-catching 23 ppts improvement in our TL LDR to 119% ytd.

Our sound customer franchise, success in gaining 1.7m net customers ytd, along with the new deposit scheme were among the supportive factors.

The new deposit scheme has reached over 56% of our TL time deposits. The renewal of the ones that matured were strong. Next renewal are mainly in November.

Worth to mention that our sticky low cost TL time deposits & zero cost demand deposits were up by an outstanding 91% and 92% ytd, respectively.

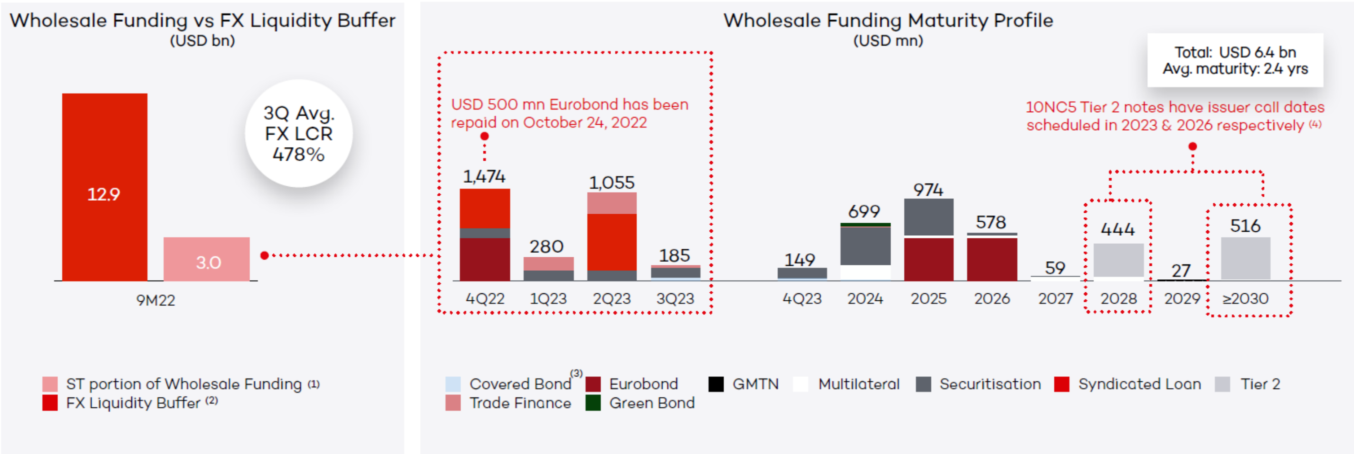
All of these have been supportive factors for both our deposit maturity profile and cost.

Our FC deposits, on the other hand, were down around 8% ytd in USD terms...with our FX LDR remaining flattish ytd around 46%. Our FC liquidity remains as one of our strong muscles.

Regarding the new regulations for the liability side:

- Please note that we have reached the 20% threshold for both retail & commercial customers FC to TL deposit conversion.
- While we are very close to 50% TL deposit to total deposit ratio.

ESG remains key priority in wholesale funding



Total sustainable funding share in wholesale transactions is at 45%

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

Balances based on principal outstanding and bank-only MIS data
(1) ≤ 1 year tenor
(2) Consolidated FX liquidity buffer includes FX reserves under ROM, swaps, money market placements and CBRT eligible unencumbered securities
(3) USD equivalent of TL 1.4 bn Covered Bond issuances
(4) Call exercise in year 5 is subject to BRSA approval

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Moving onto our wholesale funding slide. We have a balanced funding profile.

Our 3Q average FC LCR was robust at 478%. And our FC liquidity buffer remains noteworthy at around USD 12.9bn, versus our next 12 months rollovers around USD 3bn….indicating a liquidity buffer of more than 4x.

Of the USD 3bn due within the next 12 months:

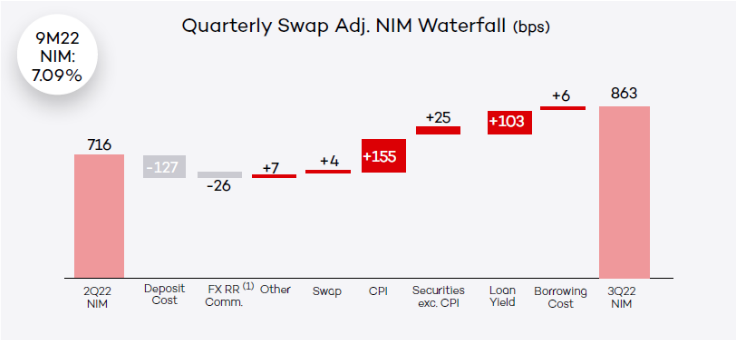
- USD 1.4bn are syndicated loans, and
- USD 500m is the senior bond, which was repaid as planned and guided earlier this week on October 24th.

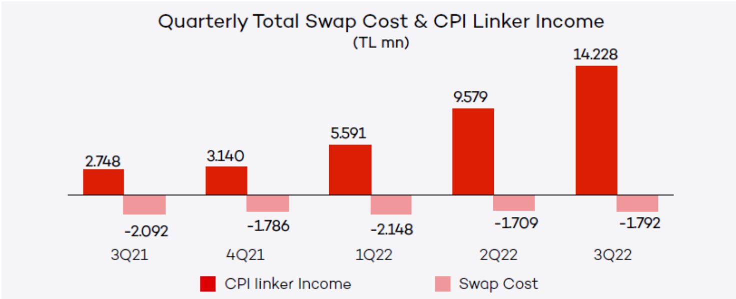
Please note that we are currently in the market for USD 670m syndicated loan. It is again ESG-linked. As usual, we will first pay back then borrow.

In addition, as usual, due to our ample FX liquidity and low FX loan demand we may monitor capital markets on an opportunistic basis, subject to market conditions, prioritizing sustainable funding while extending overall maturity

Moving onto to the P&L in more detail.

Solid NIM performance in line with our FY guidance





- Robust NIM improvement of 386 bps YtD to 7.09% in 9M22
  - Benign funding costs
  - Strategically built CPI-linker portfolio
- Prudent maturity mismatch management remains in key focus
  - c. 50% of TL loan book[2] will reprice / mature within 6 months, while most of the remaining by 2023YE
- Proactive securities positioning
  - Every +1% CPI has c. TL 430 mn NI and +6 bps NIM & +40 bps RoE impact
  - 2022 Oct-Oct CPI linker valuation estimate: 65% in 3Q

11 (1) Commission paid for FX reserve requirement regulation
(2) Excluding CC, overnight and overdraft loans

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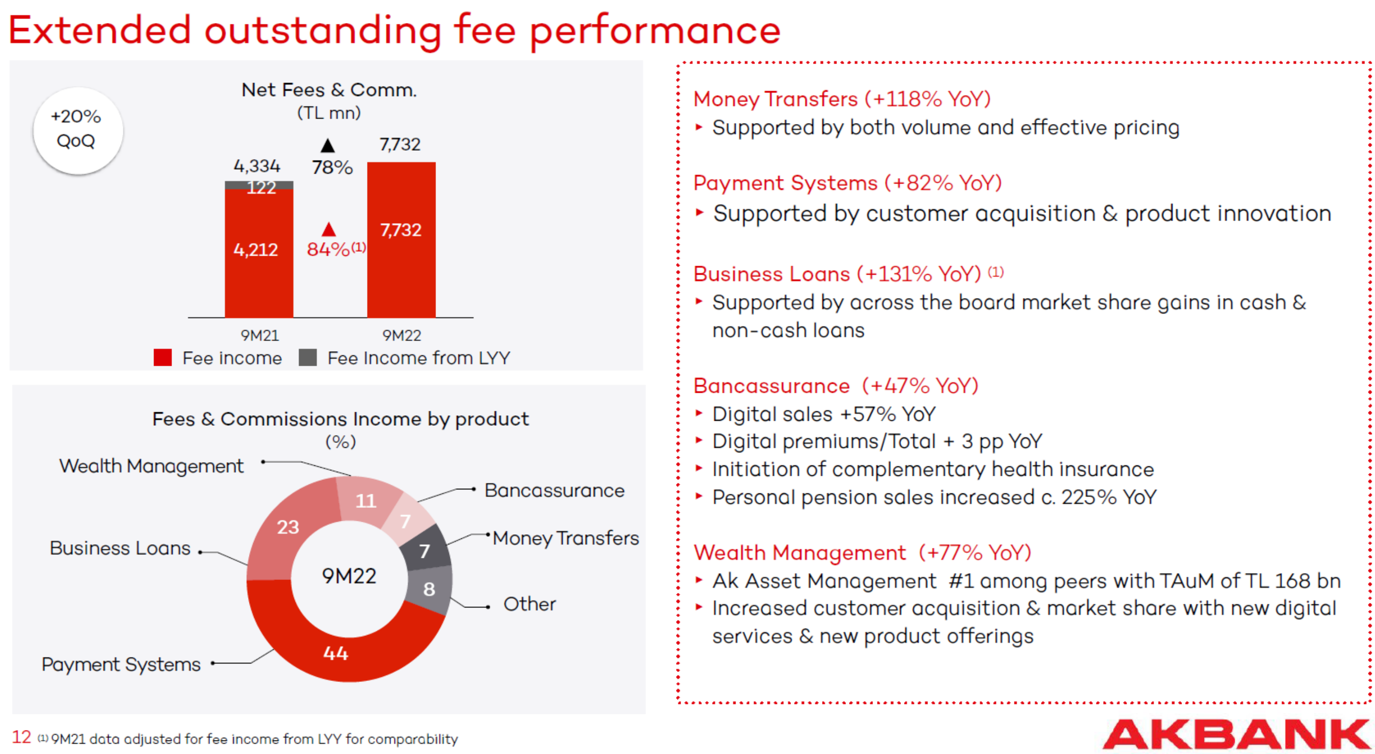
Our dynamic asset liability management, benign funding costs, ongoing asset repricing as well as our strategic & timely positioning in CPI-linkers have all contributed to our almost 4pp ytd NIM improvement to 7.09%, which is inline with our FY guidance.

Our 2Q NIM stands at 863bps.

Our swap cost remained flattish QoQ, while our CPI-linker income was boosted due to our revised CPI assumption from 50% to 65%.

Please note that our guidance is based on 65% Oct-Oct inflation assumption, and looking at the latest September inflation data of 83.5%, it seems conservative.

Every 1% inflation above 65% has TL 430 Net Income, 6bps NIM and 40bps positive ROE impact on a yearly basis.



On the commission revenue side, we further excelled our outstanding performance across the board, up 20% QoQ..well ahead of our guidance..

Our fee income reached TL 7.7billion, up 84% yoy, when adjusted for one-off LYY commission gain last year…

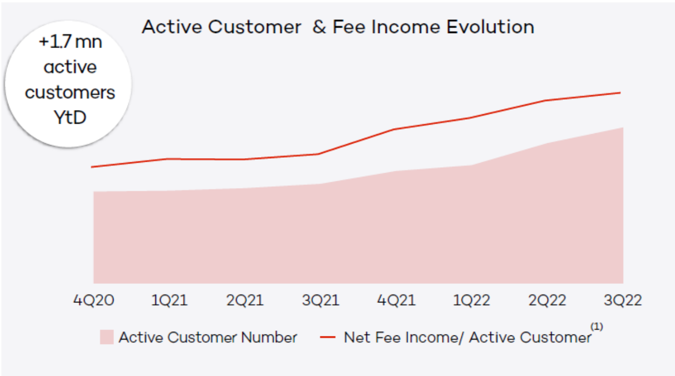
As you can see on this slide, all businesses have positively contributed to the revenue base, indicating the sustainability of our fee generation

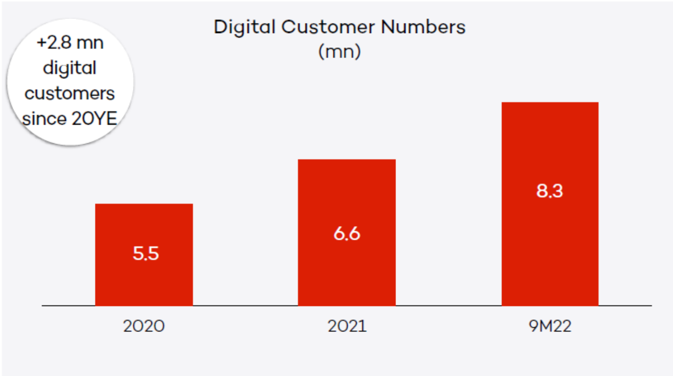
Reasons behind this accomplishment can be summarized as:

- Customer oriented solutions leading to customer acquisition,
- Product innovation and diversity,
- Increased transactions,
- Pricing due to either currency or inflation, and,
- The success of our digital channels

There is a lot of momentum across all business lines, and subsidiaries, which solidifies our sustainable core revenue generation capability going forward.

Momentum in customer acquisition maintained





- Accelerated customer activation / acquisition solidifies core revenue generation
  - Customer-oriented new organizational structure
  - New competitive products & digital solutions empowering SMEs

- Added 1.7 mn net active customers YtD
  - Avg. monthly new customer acquisition 3x YoY
  - Avg. monthly customer activation rate 1.5x YoY
  - Reached all time high digital customer penetration

13 (1) Based on MIS data

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We maintained our momentum in customer acquisition, adding 1.7m million net active customers ytd

Our digital customers reached 8.3m, with all time high penetration.

Our monthly number of customers from which we collect commission is also at all time high, which solidifies our core revenue generation for the coming periods.

Enhancing bottom-line impact through digital transformation

DIGITAL ONBOARDING

1/3
New to Bank Customer Acquisition via DoB (1)

+1 mn
Customer acquisition via DoB (2)

- Boosting customer acquisition through new offerings
- 3x # of active customer compared to the end of 2021
- 1/3 of NTB customer acquisition via DoB are between the ages 18-26

CUSTOMER INTERACTION

8.3 mn
Active Digital Customers

+52%
Monthly app login (3)

+41%
# of mobile customers conducting financial transactions (3)

FINANCIAL ENGAGEMENT

+54%
# of financial transactions through mobile (3)

- +32% Payments
- +67% Money transfers
- +4pp share in payments
- +3pp share in money transfers
- +6pp share in investment transactions

PERFORMANCE

2x
Digital customer x-sell compared to non-digital

81%
GPLs sold through digital channels

49%
Credit cards sold through digital channels

63%
Bancassurance products sold through digital channels

14 (1) In 2022
(2) Since May 1st, 2021 . New customer acquisition and dormant customer activations
(3) YoY

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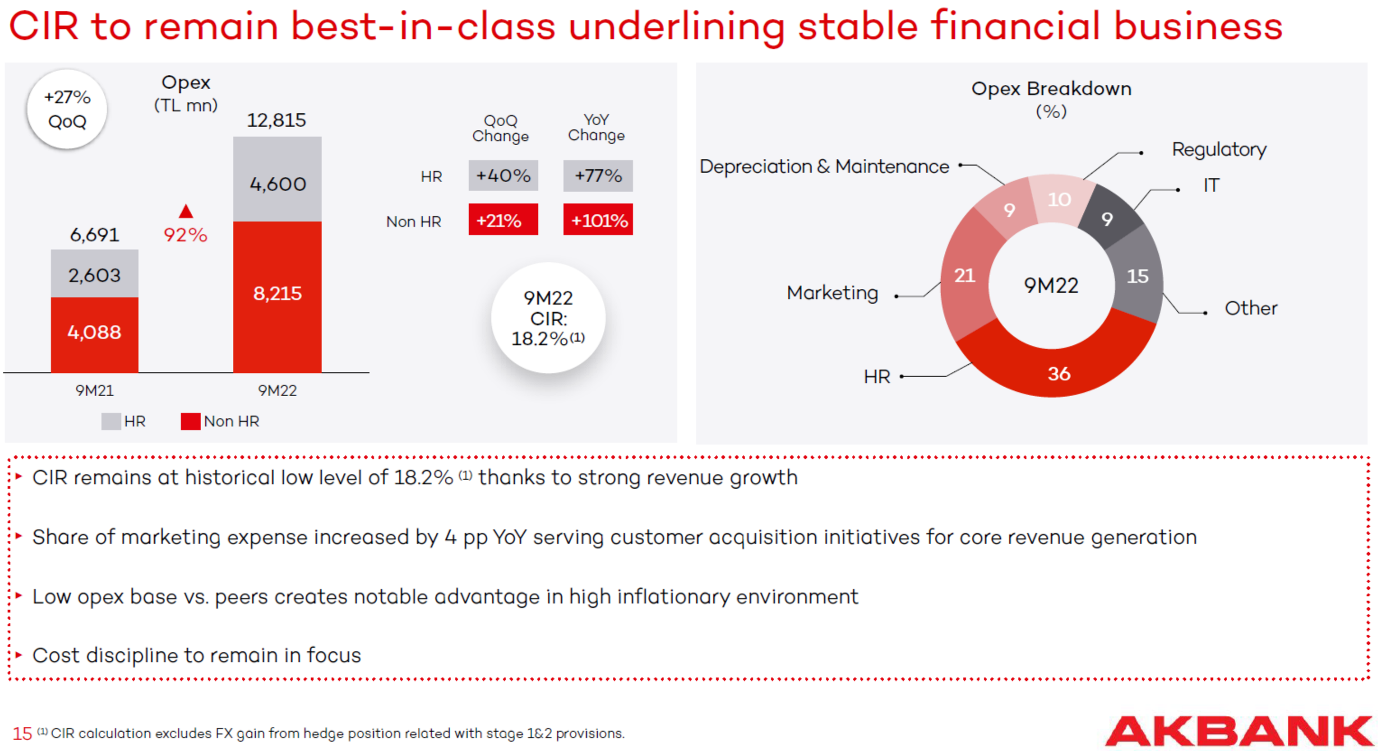
Our digital strategy- which is based on our customer's journey, has been a key enabler for us to achieve record-breaking net customer growth for 4 consecutive quarters.1 out of 3 new to bank customer acquisition was realized through Digital on Boarding ytd. Both our daily mobile users as well as banking transactions are up by around 1.5x yoy. Customer growth will continue to be reflected to our numbers.



Challenges remain on the opex side… due to both high global inflationary pressure as well as pass-through of weaker currency.

Still, our relatively low cost base versus peers gives the bank significant competitive advantage, and more flexibility.

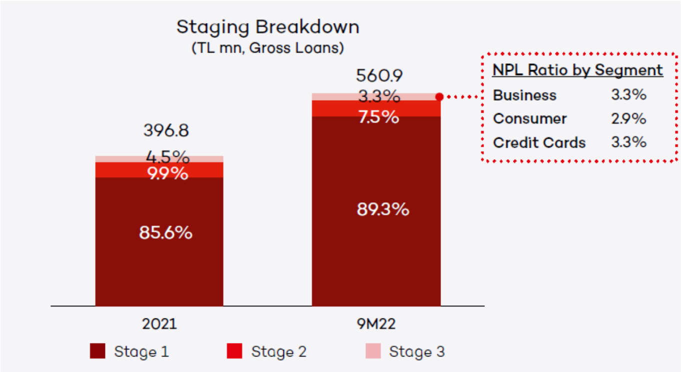
Which can actually be seen in our 9month cost/ average assets ratio which remains limited at 1.9%.

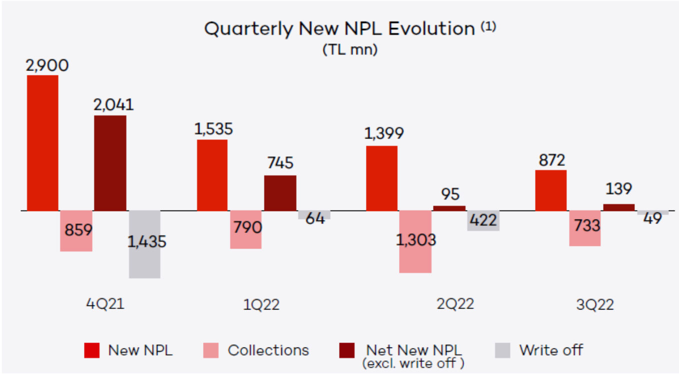
With our solid revenue generation, CIR also remains at historical low level of 18%...this level is obviously not sustainable in the long-term…

That being said, looking our ytd performance, we will end the year significantly better than our revised CIR guidance.

And now onto asset quality

Healthy loan portfolio composition





- Asset quality performance remains sound as guided
- Strong repayment performance & immaterial inflow into Stage 2 excluding currency impact, for which provisions are hedged
- Limited write-off & net inflow into Stage 3
- Broad- based solid collection performance continues

 (1) Bank-only

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Our loan portfolio continues to perform well.

Ytd there hasn't been any net inflow into stage 2, when excluded for currency impact…and as you know, FC provisions are hedged.

Therefore, our stage 2 declined to 7.5% of gross loans, down 2.4pp ytd.

Repayment performance continues to remain solid.

As for stage 3, the inflows were broad-based, and collection performance remains robust…

Our 3Q net NPL inflow was only at TL 139million…

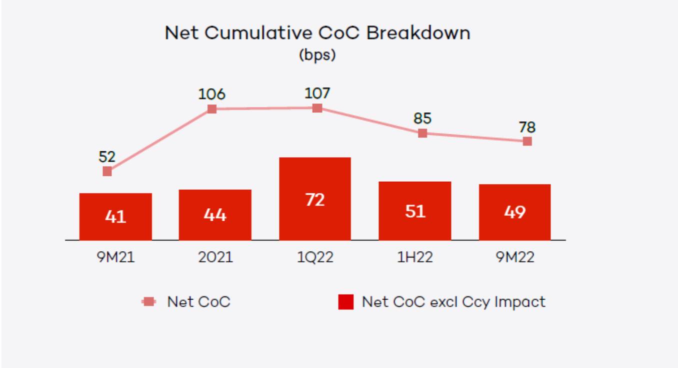
While our 3Q NPL write-off was also immaterial at only TL 49m.

For 4Q, we don't expect a material increase in NPL inflows, therefore remain confident in our NPL guidance of below 4% for the year.

CoC evolution demonstrates long-term proactive risk management

Provision Build & Coverages

(%)	2021	9M22
Stage 1 Coverage	0.5	0.5
Stage 2 Coverage	14.0	15.5
Stage 3 Coverage [1]	65.3	68.8
Free Provisions	TL 1,400 mn	TL 1,400 mn
Total Provision Build [2]	TL 18.7 bn	TL 21.6 bn



- CoC performance underlines proactive provisioning & healthy portfolio composition
  - Further provision build with increased coverages YtD, despite improved collateral values
  - 12 bps impact in CoC due to model recalibration in 9M22
  - YtD net total CoC (excl. ccy impact) of 49 bps is well below 22FY guidance of ~ 100 bps
- FX provisions are hedged

17 [1] Adjusted for TL 1.4 bn write-off in 2021 Stage 3 Coverage ratio is 67.9%
[2] Excluding free provisions

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Our CoC evolution underlines our proactive provisioning as well as our healthy loan composition.

We had a model updates in both 1Q and 2Q , which had 12 bps impact on 9m net CoC. We will consider another model update in 4Q to reflect our updated macro assumptions.

Solid repayments, especially ongoing strong collection performance, contribute positively to our CoC evolution.

As a result, our 9m net CoC excluding currency has remained low at 49 bps, underlining our strong risk discipline through the cycle.

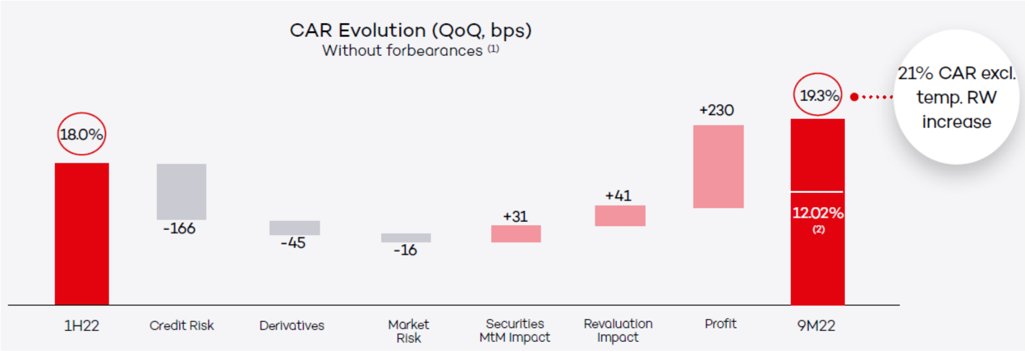
Including currency impact, which we are hedged against, our net COC would be at 78 bps.

Despite our solid loan growth, as well as improved collateral values, our coverage ratio for stage 1 remains flat ytd, but has increased for both stage 2 and stage 3

We believe our significant provision build limits the need for additional provisions.

As a result, we expect to end the year better than our FY guidance.

Superior capital buffers provide significant competitive advantage to unlock franchise power



BRSA implemented higher RW for newly generated:
- Consumer credit cards, GPLs (from 75% to 150%)
- Commercial loans excl. SME, export, investment (from 100% to 200%)

Sensitivity of Solvency Ratios:
- 10% TL depreciation: c. 70 bps
- 100 bps TL interest rate increase: 15 bps
- 1% NPL increase: c. 30 bps

(%, TL bn)	CAR	Excess Capital (3)	Tier 1	Excess Tier 1 (3)	CET-1	Excess CET-1(3)
Without forbearances (1)	19.3%	54.0	16.1%	45.1	16.1%	56.2
With forbearances (1)	22.2%	68.4	18.7%	58.0	18.7%	68.0

(1) Fixing FX rate for RWA calculation 2021YE FX rate
(2) Min Basel III required: Including buffers (Capital Conservation Buffer: 2.50%, D-SIB Buffer: 1.50% Countercyclical Capital Buffer: 0.02%)
(3) Basel III min. requirements: CAR: 12.02%, Tier-1: 10.02%, CET-1 8.52%

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Record high profitability also reflected onto capital position as our internal capital generation added 515 bps to our total Capital ytd.

As a result, our total capital is up by almost 200bps ytd to 19.3%.

And please note that this improvement was despite:

- Repayment of Tier 2 during 1Q
- Significant growth
- And also the temporary Risk Weight increase applied to some loan types per BRSA announcement.
- Adjusted for these Risk Weight increases, our Capital would have been 170 bps higher at an outstanding 21%.

Also, I would like to underline the eye-catching 320bps ytd improvement in our Tier 1 and CET 1 ratios to 16.1%.

Our sound capital buffers serve as shield against unprecedented challenges and volatility, and also create significant ammunition for sustainable profitable growth.

2022: Leveraging our strength while carrying out priorities

	Revised 2022B	9M22
TL Loan Growth	> 50%	54.4%
FX Loan Growth (in USD)	Shrinkage	-9.3%
NIM (swap adj.)	~ 7.0%	7.1%
Net fees&com. growth	~ 65%	78.4%
Opex growth	Avg. CPI	91.5%
Cost/ income (1)	< 25%	18.2%
NPL (2)	< 4%	3.3%
Net total CoC (excl. ccy impact)	~ 100 bps	49 bps
ROE (3)	~ 50%	51.5%

Key Takeaway

Momentum across all business lines including subsidiaries continue as the bank deploys its capital with sustainable profitability in focus

- Key drivers:
  - Accelerated customer acquisition
  - Healthy market share gains in SME & consumer banking
  - Proactive ALM with maturity mismatch & interest rate risk management
  - Highest level of efficiency
  - Well-built provision book
  - Robust capital buffers

3Q22 Cheat sheet

(1) CIR calculation excludes FX gain from hedge position related with stage 1&2 provisions
(2) Including potential write-off & NPL sales
(3) Based on draft calculations for inflationary accounting 9M22 ROE is **high-single digit**

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On this slide, you may find the summary of our solid financial performance

I am very to happy share that we have o/performed on every metric except opex, which remains a challenge in higher inflation backdrop, but still our low opex base and CPI-linkers will help on a relative basis.

So what to takeaway from this call:

Momentum across all business lines including our subsidiaries continue as we deploy our capital with sustainable profitability in focus.

With key drivers being:

- Accelerated customer acquisition,
- Healthy market share gains in SME and consumer banking,
- Proactive ALM with maturity mismatch and interest rate risk management,
- Highest level of efficiency,
- Well-built provision book and
- Very importantly, our robust capital buffers, which is by far highest among peers.

Before moving onto Q&A, I'd also like to share some latest developments on the ESG front.

Sustainable finance for green & inclusive transformation

On track for long-term goals in sustainable finance

- Provided TL 40 bn sustainable finance[1] with strong focus on clean transportation in green finance
- Completed flagging mechanism to improve tracking & reporting of SF loans
- Sustainable Finance Framework revised to better integrate ESG into our lending and funding practices, to be published with Second Party Opinion in Q4
- Total ESG-themed funds AuM at TL 2.4 bn, with close to 58K investors

ESG remaining a priority in our wholesale funding strategy

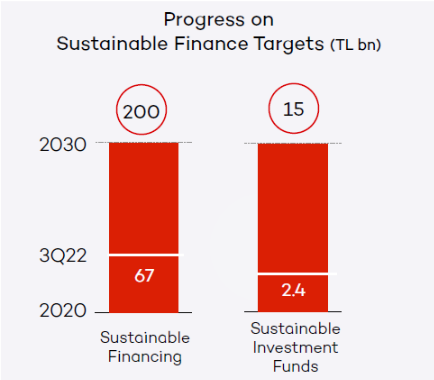
- ESG-linked syndicated loan with roll-over over 100%, criteria linked to environmentally-friendly credit cards use and renewable energy purchase

Published 1st report for UNEP FI Principles of Responsible Banking

- 2021 Allocation Report published

Recognized for leadership by Global Finance

- Received 3 awards, including "Leader in Sustainable Finance" in Turkey



For more on sustainable finance

(1) Based on bank-only MIS data, includes: green (renewable energy, clean transportation, etc.) and social (including granted SME loans assessed through ESMS) loans in line with Sustainable Framework, and ESG-type Eurobond & syndicated loan purchases
(2) Ak Asset Management

AKBANK

In line with our long-term commitments, we continued to support our customers, communities and our people towards a more sustainable future.

We provided TL 40 bn sustainable finance this year, bringing us even closer to our long-term target of TL 200 bn by 2030.

In line with market trends and the needs of our customers, we have updated our Sustainable Finance Framework to better integrate ESG into our lending and funding practices.

We plan to announce our framework before end of the year with SPO from a 3rd party.

Innovative products & services to enhance businesses and financial health

Empowering SMEs with financial support

- Launched "SME Eco-transformation Package": 1st comprehensive sustainability package in Turkey for SMEs
- Secured USD 100 mn for women-owned SMEs with EBRD cooperation
- New partnerships with leading e-commerce companies & technology retail chain

Non-financial support for SMEs

- "Green transformation" themed seminars with UNDP and industry organizations Turkonfed & KAS
- Collaboration with Frankfurt School, EBRD, Women's Forum and Turkish Women's International Network for mentorship programs and thematic workshops aimed at woman-owned SMEs
- E-SME Program for women entrepreneurs with TOBB and Akbank Transformation Academy

For more on how we empower SMEs

Fostered sustainable entrepreneurship ecosystem

- ReFi Hackathon integrated entrepreneurship, sustainability and blockchain technologies, 1st of its kind in Turkey

Accelerated disability inclusion through the power of technology

- Introduced audio support endorsed by BlindLook to further enable access of visually impaired customers to our mobile and digital banking services

Helped youth in achieving financial health through digitalization

- Over 30% increase in active FAV users

21 AKBANK

In line with our strategy regarding SMEs, in Q3, we secured USD 50 mio from the EBRD as the 2nd tranche of Turkey Women Business program, reaching USD 100 mio in ytd.

We remain committed to contributing to our ecosystem and communities, harnessing the power of technology while doing so.

To share an example, we introduced audio support to empower our visually impaired customers in their access to our mobile and digital banking services. This feature was endorsed by BlindLook.

Empowering our people and communities

Further strengthened Diversity & Inclusion

- Strong gender balance: ~ 50% of CEO's direct reports women
- Zero Tolerance to Violence Guide published
- Expanded paid parental leave to 10 days for men
- Entered Bloomberg Gender Equality Index for 2nd time
- Launched "Strong Women in Tech" internship program to encourage gender diversity in technology roles
- Introduced trainings to foster disability awareness

For more on D&I

Enacted impact-driven projects for our communities

- Endeavor Boost the Future Accelerator Program
- Social Impact Assessment completed for Akbank Youth Academy & Good State of the City
- Launched digital platform for Akbank volunteers, in collaboration with Ability Pool

Akbank Youth Academy upskilled our youth for the job market

- Reached 18K young people, partnerships with Microsoft, Pearson & UPSchool

22 (1) Official Monetary and Financial Institutions Forum

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Our digital platform for Akbank volunteers was also launched in Q3.

In collaboration with Ability Pool, this platform will help our volunteers to participate in community projects more efficiently.

Advance efforts to mitigate environmental footprint & manage climate risk

Net Zero Commitment by 2050

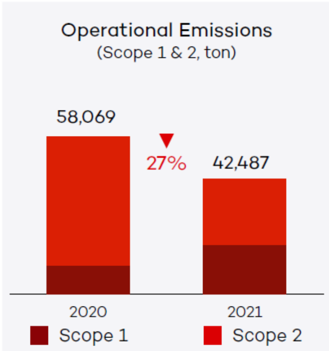
- Started data collection to measure baseline for Scope 3 emissions

Enhanced Environmental & Social Policies to mitigate portfolio exposure

- Launched pilot project to quantify the impact of climate risks on portfolio
- TCFD-aligned sectoral heat map physical & transition risks completed

On track to become carbon-neutral in operational emissions by 2025

- 80% of the bank's electricity sourced from renewable resources
- Sun panels supplying 8% of electricity use at Akbank Banking Center
- Capacity building in energy efficiency and waste management
  - ISO 50001 (Energy Management) & 14001 (Environmental Management) trainings completed in 270 branches in 2022 (+ 300 branches in total)
- Environmental Policy published
- Operational Scope 3 emissions disclosed (10,169 in 2021)



For more, please see our integrated report

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Our next milestone in fighting climate change will be to tackle the so-called "inside-out" impact in a more systematic and quantitative way.

In line with our commitment to become a net-zero bank by 2050, we have started to collect data from our customers to quantify our financed emissions.

We will be updating our stakeholders on the developments of our decarbonization journey in the coming quarters.

Last but not the least, our transparent and proactive approach in non-financial disclosure continues to improve our ESG ratings.

I am very happy to share that we recently received a double upgrade from Refinitiv for our ESG score to A.

Once again, thank you for your kind attention and please do reach out if you have any further questions.