

# “ SUSTAINABILITY REPORT 2012 ”



## CONTENTS

MESSAGE FROM THE CHAIRMAN 3

MESSAGE FROM THE CEO 5

AKBANK AND SUSTAINABILITY – A TIMELINE 7

01 ABOUT AKBANK 10

02 ABOUT THE REPORT 20

03 OUR APPROACH TO SUSTAINABILITY 22

04 CORPORATE GOVERNANCE IN AKBANK 35

05 RISK MANAGEMENT AND COMPLIANCE 39

06 VALUE ADDED TO OUR CUSTOMERS 45

07 OUR EMPLOYEES 63

08 OUR OPERATIONS AND THE ENVIRONMENT 78

09 OUR COMMUNITY INVESTMENT 87

GLOBAL REPORTING INITIATIVE (GRI) INDEX 93

UNITED NATIONS GLOBAL COMPACT (UNGC) INDEX 99

CONTACTS AND CREDITS 100

## MESSAGE FROM THE CHAIRMAN



SUZAN SABANCI DİNÇER  
Chairman, Board of Directors

### Dear Stakeholders,

**We, as Akbank, have proudly issued the 4<sup>th</sup> Sustainability Report of Akbank in accordance with the Global Reporting Initiative (GRI) guidelines. Having issued the first Report in 2010, which set an example for the deposit banks in Turkey, this year we are again presenting our environmental, social and economic performance and achievements realized within the framework of our sustainability vision.**

Looking at the global developments witnessed in 2012, we see that initial concerns regarding the global crisis scaled down significantly. Especially following the measures taken against the crisis in the Euro Region, the perception that the worst part is over together with the 3<sup>rd</sup> round of monetary easing programs by the FED improved global prospects to a certain extent. While the Euro Region could not be released from recession, the US has shown weak growth. When we look at the latest macro data announced in the USA and China, we see some improvement.

Despite the weak outlook of the global economy, it is estimated that the Turkish economy recorded a relatively strong growth of 3% in 2012. Considering the increase in

current account deficit in parallel with the fast growth rates recorded in the previous two years, existing levels can be evaluated as "more sustainable". The ratio of current account deficit to GDP is expected to have decreased from 10% to 6% by the end of 2012. In line with these developments, international credit rating agency Fitch Ratings increased Turkey's credit rating to "investment grade" in 2012.

### **While the problems in the global financial system prevail, the Turkish banking system differentiated itself positively**

While the problems in the global financial system prevail, the robust structure and high growth potential of the Turkish banking system succeeded in drawing attention of the whole world.

The strong banking sector played an indisputable role in the increase in Turkey's credit rating to "investment grade". Among the factors that enabled this increase in the rating are the robust balance sheets of banks, low levels of leverage, and the strong positioning of the banks' capital in the Turkish banking sector.

## MESSAGE FROM THE CHAIRMAN

### **With a target-oriented high performance, we focused on becoming a leader both in Turkey and in the global arena**

We, as Akbank, continue our leadership in the sector with our strong growth and profitability performance. Last year we exhibited high performance with the support of over 16,000 Akbank employees and thus covered a significant distance in terms of reaching our "sustainable leadership". We are proud to be carrying Akbank to the future with such an important target. In order to raise the bar for success, we continue to discuss "how we do the things we do and how we can do them better" in a transparent manner. This approach and our dynamic working environment based upon open communication improve our performance. According to 2012 results, we grew more than the market average while also improving our profitability. Our annual consolidated net profit increased 18.5% to exceed TL 3 billion. Despite the negative developments in almost all of the developed economies - mainly Europe and the USA that represent the major part of the banking sector - we, as Akbank, maintained our strong and high-quality growth performance in 2012. In a number of segments of the banking sector, we grew more than the sector average and thus increased our market shares.

With our target of "sustainable leadership", we will continue incessantly to work for becoming a leading and strong global player not only in Turkey, but also in the region. We possess the robust capital structure and the strong team of well-trained employees required for this aim.

### **Akbank International Advisory Board drew attention to the fact that the credit rating increased to "investment grade"**

In our 2012 meeting with the new members of Akbank International Advisory Board, we discussed and evaluated the current opportunities for the Turkish economy in the global context. In the recent meeting of Akbank International Advisory Board chaired by former Minister of State, Mr. Kemal Derviş, PhD, it was emphasized that the increase in the credit rating of Turkey will reduce the cost of borrowing. Such evaluations by the International Advisory Board form a significant reference point to help us take the right steps at the right time. We believe that the increase in the credit rating of Turkey will also support efforts to make Istanbul a globally important financial center.

### **We care about preventing the adverse effects of climate change**

"Sustainable Development" can be defined as "achieving economic growth and increasing the level of welfare while protecting the environment and quality of living in the society" and this kind of development is one of the building blocks of

our Bank's core way of doing business. We put our signature under leading achievements in terms of sustainable business development. In line with these targets, we continued to support the Carbon Disclosure Project, which is one of the world's largest awareness and development projects to prevent the adverse effects of climate change on the Earth.

### **We initiated an extensive "Savings Campaign" to support the Turkish economy**

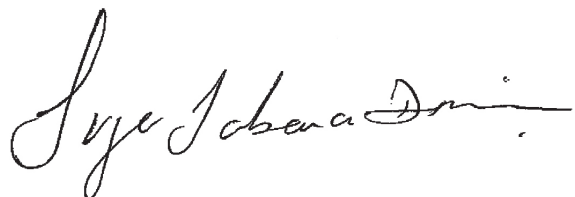
In 2012, we paid attention to taking steps for "Sustainable Development" in issues related to our sector as well. We initiated an important project to improve the tendency for savings, which is fairly low despite the high savings potential in our country. In order to increase the ratio of domestic savings to national income (which has decreased from 24% to 12%) and to support the government's efforts to encourage growth in savings, we initiated a "Savings Campaign". Within the scope of the "Akbank Volunteers Explain Banking and Savings" project, Akbank Volunteers including our senior management have reached 3,500 children since May 2012. We aim to reach at least 5,000 more children by the end of 2013.

We continue our commitment to the United Nations Global Compact (UNGC) that we signed in 2007. In line with UNGC's efforts in human rights, labor, environment, and anti-corruption areas, we continued to base our operations on 10 principles in 2012 and we will continue to do so in the coming period as well.

In this Report prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Principles, we believe that you will be interested in the information about our sustainability performance in 2012. As Akbank, we pay attention to achieving sustainable development in all of our projects and operations as well as supporting similar efforts in our country. We are aware that the path to the target of "sustainable leadership" is parallel to the path that our country walks to become a leading economy and therefore we attach importance to develop and implement business processes that increase our competitiveness. Just as we did in the last 65 years, we, as Akbank, will continue to support sustainable development in Turkey and to lead the changes in our sector and country for this purpose.

### **Suzan Sabancı Dinçer**

Chairman, Board of Directors



## MESSAGE FROM THE CEO



HAKAN BİNBAŞGİL  
CEO

### Dear Stakeholders,

**As Akbank, we are aware that our strength and resources confer other responsibilities to do more for the benefit of our society and the Earth. We primarily use this strength to continue with the investments that we make as a team in our society and the future of our planet. In line with this understanding, we continuously review and improve all of our operations, business processes and values in a way that allows for further sustainability.**

We share the activities we performed within the framework of this responsibility in this 4<sup>th</sup> Sustainability Report written in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Principles. Our Report consists of 7 main chapters; namely, "Our Approach to Sustainability", "Corporate Governance", "Risk Management and Compliance", "Value Added to Our Customers", "Our Employees", "Our Operations and the Environment", and "Our Community Investment". With this Report that covers data and practices for the operational year 2012, we aim to explain our sustainability performance in detail.

We started 2012 with the target of "sustainable leadership"

and throughout the year we held "Why Not" meetings with around 16,500 Akbank employees in all branches and regional headquarters all around Turkey and thus we encouraged the adoption of "sustainable leadership" as a common target for us all. With this aim, we covered a distance of 21,000 kilometers together with our General Directorate team to reach more than 16,000 employees. In order to be able to co-evaluate our performance to reach the target of "sustainable leadership", we held live meetings with all employees to simultaneously share financial outcomes of each quarter.

### **We developed products and services for entrepreneurs who are important components of the Turkish economy**

In 2012, we continued to pay attention to special products and campaigns to support entrepreneurs whom we define as important components of the Turkish economy. By offering entrepreneurs who contribute substantially to solving employment problems an "Entrepreneur Support Package", we positioned our Bank not only as a financing institution, but also as a business partner to these entrepreneurs.

## MESSAGE FROM THE CEO

With the “Akbank Entrepreneur Development Program” held with the Sabancı University, we provided 5 full-day trainings for 44 entrepreneurs in 2012. Also supported by Endeavor, KAGİDER (Women Entrepreneurs Association of Turkey) and Inovent, the program provided support for entrepreneurs in designing, implementing, and managing the business they wish to establish.

### **Our awareness on environmental and social issues steered us in our business processes and corporate initiatives based upon volunteerism**

Today it is a widely accepted fact that carbon emissions must be reduced to struggle against global climate change, which is one of the most important problems that the Earth faces. In transition to a low carbon economy, it is vital that energy efficiency and renewable energy sources increase. We steer our policies in line with such developments and support various initiatives. In our credit evaluation processes for project financing, we take environmental impacts into consideration. In addition, we continue to successfully implement the Environmental and Social Management System that we created for loans within the scope of International Finance Corporation (IFC).

We continue to support the implementation of The Carbon Disclosure Project in Turkey (CDP), which aims to create transparency in carbon emissions and to improve awareness among the society.

With all of its sustainability activities integrated in all its functions, Akbank has been the only Turkish institution operating in the service sector to reach the finals in “Management” category of the “Innovation for Sustainability –European Business Awards for the Environment (EBAE)” of the European Commission. The Management category mainly evaluates contributions to sustainable development and having a sustainability vision, strategies and an environmental management model.

Our employees at all levels - from branch managers to security staff - are given practical sustainability trainings since 2011. Trainings that focus on the UN Global Compact (to which we are a signatory party) principles regarding environment, anti-corruption, human rights, and labor principles increase the awareness of our employees and enable us to integrate sustainability into our business processes.

Akbank Volunteers increased their participation in projects for the environment, the disabled, education, and entrepreneurship in 2012 and continued to work for various

projects. In line with our related targets, the number of projects increased and the total of Akbank Volunteers rose to 2,026 from 1,489 in one year.

We, as Akbank, closed the year 2012 with more than 70 prestigious awards – both local and global. *Euromoney*, *The Banker*, *Global Banking & Finance Review* and *Global Finance* - some of the most reputable economy publications in the world - selected Akbank “Turkey’s Best Bank”, whereas Stevie International Business Awards recognized our Bank as one of the “Top 10 International Companies”. These successful outcomes reflect not only our strong financial performance, but also our efforts to improve social welfare and to create lasting values.

As we did in the past, we, as Akbank, will continue to be in a leading position and to offer practices that contribute to the society, economy and a sustainable world.

### **Hakan Binbaşgil**

CEO



## AKBANK AND SUSTAINABILITY – A TIMELINE

### Continuous Development of Akbank

- January 1948** Established in the city of Adana to finance cotton producers in the region.
- 1950** First branch in İstanbul opened in Sirkeci.
- 1954** Akbank Head Office moved to İstanbul.
- 1963** Automation of all banking operations.
- 1964** First representative office opened in Frankfurt, Germany for bank transfers of Turkish workers.
- 1981** All banking operations computerized and online transactions started.
- 1990** Akbank shares offered to public.
- 1996** AkSecurities established.
- 1996** Investor Relations Group established to manage relations with shareholders.
- 1998** With a secondary public offering, Akbank shares started trading in international markets as an American Depository Receipt (ADR).
- 1998** Akbank Representative Office in Frankfurt transformed into a branch.
- 1999** Akbank Internet Banking started.
- 2000** Ak-Portfolio Management and Private Banking Business Units established.
- 2000** Akbank Malta branch opened.
- 2001** Akbank N.V. established in the Netherlands.
- 2001** Akbank Call Center started operations.
- 2005** Akbank became the first bank to repurchase its founders shares.
- 2005** AkLease incorporated.
- 2009** Akbank International Advisory Board established.
- 2009** Akbank (Dubai) Limited as the first Turkish bank established in Dubai International Finance Center.
- 2010** Akbank Banking Center put into service with a capacity of approximately 5,000 people.
- 2011** Send Money and Pay Mobile –the first of its kind in Europe- operations facilitated customers’ access to financial services.
- 2012** “Akbank Direkt” brand that combines the Internet and Mobile Banking services launched.
- 2012** Akbank N.V. in the Netherlands ceased operations and merged with our 100% subsidiary in Germany: Akbank AG.



## AKBANK AND SUSTAINABILITY – A TIMELINE

### Akbank and Sustainability

- 2000** Akbank Information Technologies obtained ISO 9001 Quality Certificate.
- 2003** Became the first bank to publicly declare its dividend policy.
- 2003** Became the first bank to announce Corporate Governance Principles in the annual report.
- 2004** Became the first bank to publish Corporate Governance Principles in its website.
- 2005** Became the sponsor of the “Make a Wish” foundation, established to fulfill the wishes of children aged 3-18, fighting against life-threatening diseases.
- 2007** Became the first Turkish bank to sign the UN Global Compact.
- 2007** Started cooperation with Endeavor – an international non-governmental organization aimed to contribute to economic development by supporting active entrepreneurs in developing countries.
- 2007** Akbank Customer Complaint Management System obtained ISO 10002 Quality Certificate.
- 2007** Supported entrepreneurs with its “Ideas Paving the Way to Business” program.
- 2008** Established “Akbank Thinking Club” with the aim of thinking together with the young and co-creating values for the future of Turkey.
- 2009** Corporate Governance and Social Responsibility Committee (CGSRC) established under the Board of Directors.
- 2009** Women’s Development Center “BİZ”, established by KAGİDER (Women Entrepreneurs Association of Turkey) with the aim of helping women improve their individual productivities, opened with Akbank as the main sponsor.
- 2010** Became the first Turkish bank to publish UN Global Compact Communication on Progress Report.
- 2010** Drew attention to environmental transparency by supporting the implementation of the Carbon Disclosure Project (CDP) in Turkey.
- 2010** Became the first Turkish deposit bank to publish a Sustainability Report in accordance with the GRI standards.
- 2010** Became the first and only Turkish institution to take place in the CDP 2010 Global 500 reporting and received scores that carry the Bank to the World Sector Leaders category.
- 2010** “Akbank Energy-Friendly Loan” put into effect.
- 2010** A loan pool with favorable terms launched for entrepreneurs selected by Endeavor Turkey.
- 2010 and 2011** Signed the Cancun and Durban Communiqués prepared prior to the United Nations 2010 and 2011 Climate Change Summits.
- 2010** Supported the “Before They Disappear” Project implemented in Turkey in coordination with the Regional Environment Center (REC) with the aim of drawing attention to regions at risk due to climate change.
- 2011** Akbank Volunteers System put into effect.
- 2011** Akbank supported Global Student Entrepreneurs Awards.
- 2011** Akbank employees started to attend Sustainability trainings.
- 2012** Became one of first companies in the world to sign the “Carbon Price Communiqué” prepared by The Prince of Wales’s Corporate Leaders Group on Climate Change (CLG) to draw attention to the need to develop a clear and transparent pricing policy for carbon emissions.
- 2012** To struggle with savings deficit which is an important barrier against the development of Turkey, Akbank initiated a social responsibility program named “Savings Campaign” to complement its banking products and services.





## AKBANK AND SUSTAINABILITY – A TIMELINE

### Akbank and Arts

- 1972** Akbank Children’s Theatre started performances.
- 1991** Akbank Jazz Festival started with the aim of creating a well-established musical culture in Turkey, by bringing world’s most famous jazz performers to large audiences.
- 1993** Akbank Art Center established.
- 1998 - 2000** Ottoman Calligraphy Exhibition “Golden Letters”, containing numerous valuable works, exhibited in New York Metropolitan, Los Angeles County Museum of Art, and Paris Louvre with the sponsorship of Akbank.
- 2003** Akbank Art Center restructured itself towards modern arts and accelerated artistic dynamics of our country by drawing attention to the local and international qualities of globalizing tendency of arts with its exhibitions.
- 2003 - 2007** Became the sponsor of Rock’n Coke Festival where world-famous rock stars meet the youth.
- 2004** Akbank Short Film Festival was initiated.
- 2004** Akbank started to support the International İstanbul Film Festival and later became the main supporter.
- 2006** Rodin’s works were exhibited at Sakıp Sabancı Museum with support from Akbank.
- 2007** Sponsoring the modern and contemporary arts event “Contemporary İstanbul”, Akbank contributed to the realization of Turkey’s most important contemporary arts fair.
- 2008** With the sponsorship of Akbank, art fans had the opportunity to see the works of Salvador Dali -one of the most important artists of the surrealist movement- at the Sakıp Sabancı Museum. The exhibition has been the largest Salvador Dali exhibition outside Spain.
- 2008** Akbank Children’s Theatre got on Hürriyet Newspaper’s “Human Rights Train” to once again carry the excitement, gloom, and beauties of theatre to 45 cities in Turkey.
- 2008** Rock legend Metallica came to Turkey with the sponsorship of Akbank and 37,000 fans had the opportunity to watch the band live on stage.
- 2009** Latin Rock legend Carlos Santana gave a concert in İstanbul with the sponsorship of the Wings.
- 2010** Around 75,000 people participated in the Sonisphere Festival that brought world-famous heavy metal bands with the sponsorship of our exi26 brand.
- 2011** Akbank became the prominent supporter of Turkish National Youth Philharmonic Orchestra.
- 2011** Akbank sponsored the “Cirque Du Soleil – Saltimbanco” show.
- 2012** Akbank Children’s Theater celebrated its 40<sup>th</sup> anniversary by performing the first musical version of the Oscar-winning animation “Shrek” in Turkish.



NOT ONLY OUR FINANCIAL PERFORMANCE, BUT ALSO **ENVIRONMENTAL, SOCIAL, AND GOVERNANCE** PERFORMANCE IS AN INTEGRAL PART OF OUR FUNDAMENTAL BUSINESS STRATEGIES. WE HAD FULL CONFIDENCE THAT THESE VALUES WOULD BE CREATED WITH CONTRIBUTION AND PARTICIPATION FROM ALL AKBANK EMPLOYEES – FROM OUR BRANCH MANAGERS TO SECURITY STAFF.

## ABOUT AKBANK

### Akbank in Brief

Akbank has succeeded in being one of the most notable, reliable and valuable brands of Turkey since 1948. Our Bank's corporate culture includes finding fast and long-lasting solutions to ever-changing needs, continuously renewing itself, creating sustainable values for employees, customers, country and itself.

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

Akbank preserved its leading position in the Turkish banking sector with its robust capital, consistent deposit structure, ability to acquire cost-efficient foreign exchange funding, and strong asset structure.

Through a strong and widespread domestic delivery network with a total of 961 branches, over 16,000 employees and more than 4,000 ATMs, Akbank operates via its Head Office in İstanbul and 23 regional directorates throughout Turkey. The Bank offers banking services to around 12 million consumers, more than 700,000 commercial and SME customers, and over 6,000 corporate customers via Alternative Delivery Channels such as internet and telephone banking.

As of the end of 2012, our Bank's consolidated net profit is TL 3,005 million (approximately USD 1,690 million). Our total consolidated current assets reached TL 163.5 billion (approximately USD 92 billion) with an approximate growth of 17% compared to 2011 year-end. Akbank's consolidated capital adequacy ratio of 17.9% is one of the highest in the Turkish banking sector.

NUMBER OF BRANCHES\*

926

NUMBER OF EMPLOYEES\*

16,315

NUMBER OF ATMs

4,026

NUMBER OF CREDIT CARDS

5.8 millions

NUMBER OF DEBIT CARDS

6.4 millions

NUMBER OF POS

308,084

\* Including the Malta branch.

## ABOUT AKBANK

### Main Brands

**AKBANK**

**AKBANK** ▶ **DİREKT**

**AKBANK**  
**SANAT** BEYOĞLU



axess  
**wings**  
HAYAT. ŞİMDİ. BENZERSİZ.

axess  
**free**



### Our Bank's Vision, Mission and Values

**Vision:** To become the permanent leader by providing the best banking experience and supporting the growth of Turkey.

**Mission:** To become the most admired Turkish company, with the best-quality human resources constantly delivering outstanding value to stakeholders.

**Values:** Integrity, Credibility, Non-Discrimination, Compliance, Confidentiality, Transparency, and Sustainability.

### Our Strategic Goals and Strong Foundations

#### Strategic Goals

- To achieve a long-term sustainable return on equity of at least 16-18%
- To be the leading bank in Turkey in terms of critical market shares
- To be the best bank in Turkey in terms of customer experience and satisfaction
- To be Turkey's most valuable bank

#### Strong Foundations

- Turkey's most valuable Banking Brand
- One of Turkey's most valuable companies
- Long-term strategic management with successful implementations
- 961 branches and high-tech delivery channels throughout Turkey
- Turkey's innovative force with countless "firsts" in the sector
- Permanent and extensive funding base
- Sustainable profitability as well as high return on equity and assets
- A robust capital structure with 17.9% capital adequacy ratio
- A superior asset quality with a very low non-performing loans ratio of 1.2%
- High level of efficiency with an operational expense/assets ratio of 2.0%
- Stronger growth advantage in loans thanks to its low leverage rate
- The highest individual and financial strength ratings to be assigned in Turkey\*

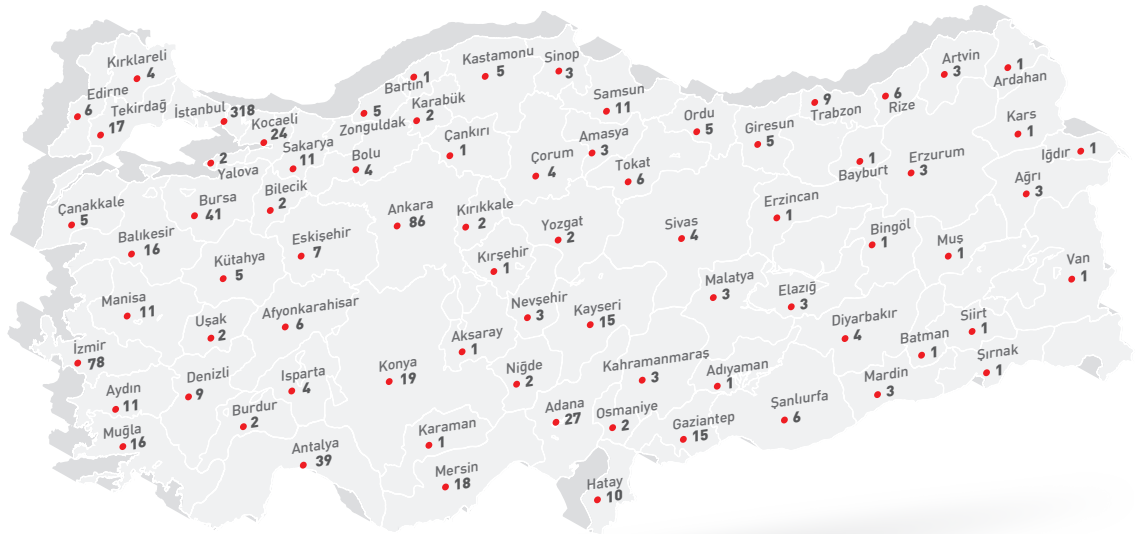
\* For detailed information on our ratings by independent international rating agencies, please visit: <http://www.akbank.com/1317.aspx>.

## ABOUT AKBANK

### Akbank in Figures

#### Our Extensive Network of Branches

We increased the number of domestic branches from 926 as of the end of 2011 to 961 in 2012 and thus improved our network even more.



#### Our Customers

In accordance with our understanding of providing services tailored to target customer segments, Akbank continues operations in four core business units: Corporate Banking, Commercial and SME Banking, Consumer Banking, and Private Banking. Our investments and policies in 2012 enabled us to increase the number of our customers in target segments compared to the previous year.

BUSINESS UNITS	CORPORATE BANKING	COMMERCIAL & SME BANKING	CONSUMER BANKING	PRIVATE BANKING
BRANCHES	CORPORATE BANKING BRANCHES 8	COMMERCIAL, SME, AND CONSUMER BANKING BRANCHES 944		PRIVATE BANKING BRANCHES 9
NUMBER OF CUSTOMERS	6,150	725,000	11,415,000	6,600
CUSTOMER SEGMENT	CORPORATE	COMMERCIAL, SMALL & MEDIUM SIZED ENTERPRISES, MICRO	CONSUMER	PRIVATE

## ABOUT AKBANK

### Our Financial Performance

#### Key Financial Indicators

Key consolidated financial indicators of Akbank are presented in the table below, covering data from the last three years.

Key Consolidated Financial Indicators (TL million)	2012	2011	2010
Total Assets	163,478	139,907	120,070
Loans	92,360	74,356	57,733
Deposits	90,688	80,771	71,708
Funds Borrowed	15,598	18,045	11,497
Shareholders' Equity	22,476	18,131	17,948
Net Profit	3,005	2,535	3,010
Return on Equity (ROE)	15.1%	14.3%	18.90%
Capital Adequacy Ratio (BIS)	17.9%	16.8%	19.90%
Market Capitalization (USD million)	19,802	12,748	22,320

#### Loans

The distribution of loans we provided to our customers is listed in the table below, based upon customer segment and currency.

Loans	2012	2011
Corporate TL Loans (TL million)	5,964	4,400
Corporate Foreign Currency Loans (USD million)	13,473	12,714
SME TL Loans (TL million)	17,015	10,790
SME Foreign Currency Loans (USD million)	6,061	4,928
Consumer (TL million)	20,808	15,516
Credit Cards (TL million)	12,884	9,550

## ABOUT AKBANK

### Economic Value Generated for Stakeholders

We generate economic value for our stakeholders via our operations in banking services. Annual economic value that we generated as of the end of 2011 was approximately TL 11.7 billion. This figure increased almost 23% by the end of 2012 and reached TL 14.4 billion.

Distribution of the economic value among various stakeholders, from employees to community investment, government, investors, and suppliers is given in the table below.

Economic Value Generated and Distributed (TL million)	2012	2011	2010
<b>Direct Economic Value Generated</b>	<b>14,410</b>	<b>11,696</b>	<b>10,995</b>
a) Revenues	14,410	11,696	10,995
<b>Economic Value Distributed</b>	<b>10,853</b>	<b>9,324</b>	<b>8,465</b>
b) Operating costs	1,601	1,375	1,451
c) Employee wages and other benefits	1,205	1,002	917
d) Payments to providers of capital	7,027	6,167	5,318
e) Payments to the government	1,010	773	769
f) Community investment	9	8	11
<b>Economic Value Retained</b>	<b>3,557</b>	<b>2,372</b>	<b>2,529</b>

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

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

c) Covers employee wages, bonuses, and all withholding tax paid to the government on behalf of employees.

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

e) Covers all taxes paid to the government.

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

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

Note 2: This table is based upon Akbank's consolidated financial statements. Therefore, these figures cover subsidiaries within the framework of consolidation.

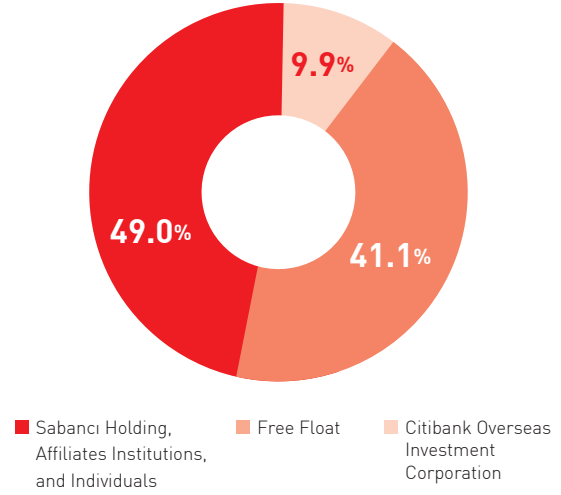
## ABOUT AKBANK

### Organization of the Bank

Akbank was established on January 30<sup>th</sup>, 1948 as a private-capital commercial bank and today it continues to operate in the same area.

While Akbank stocks were traded at İstanbul Stock Exchange Market (ISE) with a free float rate of 31.0% in 2011, this rate increased to 41.1% in 2012 when Citigroup reduced its shares in Akbank to 9.9% in May 2012 as a preparation to Basel III.

Akbank's Level 1 American Depositary Receipts are traded at the OTC market in the USA. Our shareholder structure as of December 31<sup>st</sup>, 2012 is shown in the pie chart.



Our 2012 activities and detailed financial information are issued in the Annual Report which is available in our website:  
<http://www.akbank.com/1312.aspx>

### Our Subsidiaries

Akbank's direct and indirect subsidiaries and our shares as of December 31<sup>st</sup>, 2012 are presented below:

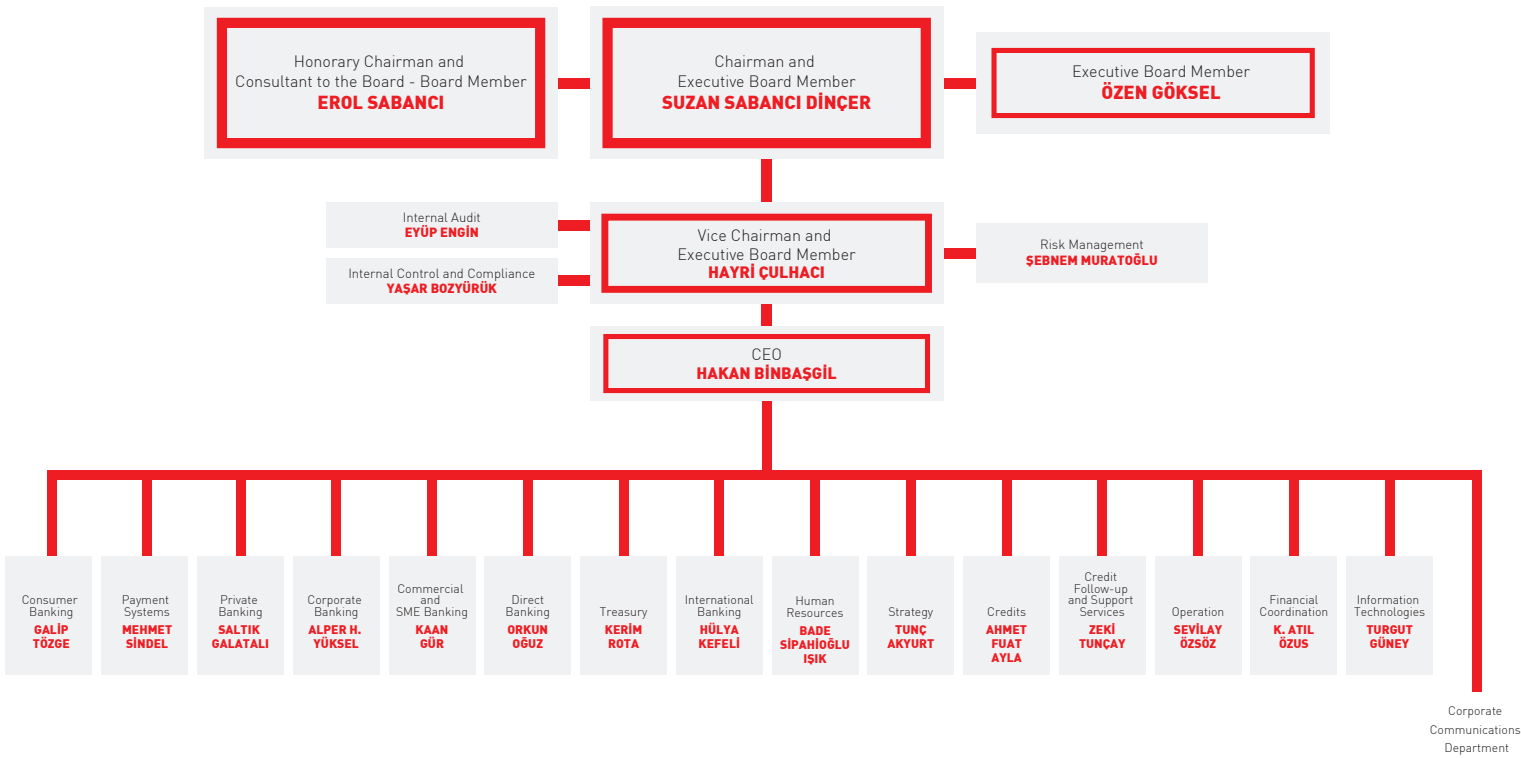
Direct and Indirect Subsidiaries	Area of Operations	Share (%)	Country of Operations
Akbank AG	Banking	100.00	Germany
Akbank (Dubai) Limited	Banking	100.00	UAE
AkLease	Financial Leasing	99.99	Turkey
AkSecurities	Stock Exchange Brokerage Services	100.00	Turkey
AkAsset Management	Portfolio Management	100.00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



## ABOUT AKBANK

### Our Organization Chart

Up-to-date organization chart of the Bank is presented below. As of December 31<sup>st</sup>, 2012, 14 Executive Vice Presidents reported to the CEO, however in early 2013 a new Executive Vice President responsible for Direct Banking was assigned and thus the number of Executive Vice Presidents increased to 15. Board of Internal Auditors, Internal Control and Compliance Unit, and Risk Management Department directly report to the Board of Directors.



## ABOUT AKBANK

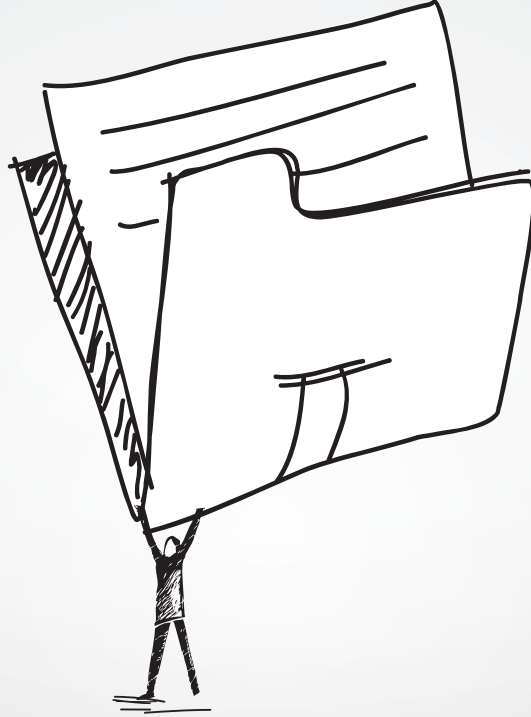
### Awards and Achievements

Evaluations of our services and products by independent experts guide us in increasing satisfaction of all stakeholders -mainly customers- and in reaching our targets. Akbank's performance in 2011 and 2012 received more than 70 awards from several national and international institutions and corporations. Some of these awards are presented below.

Awarding – Researching Institution	Award/ Success Category	About the Award/Success
Brand Finance	"Global Banking 500" Survey	Akbank was once again selected Turkey's "Most Valuable Banking Brand" with a brand value of USD 2,100 million in the "Global Banking 500 – 2013" list by <i>Brand Finance</i> .
Global Finance	The Best Bank in Turkey	Akbank was once again selected "The Best Bank in Turkey" in the "The Best Banks of the World 2012" survey held by the internationally renowned financial publication <i>Global Finance</i> during the IMF meetings in Tokyo.
EMEA Finance	The Best Bank in Turkey	<i>EMEA Finance</i> -a prominent financial magazine in Europe, Middle East and Africa- selected Akbank "The Best Bank in Turkey" in the Central and Eastern Europe and CIS category of the "European Banking Awards 2011". Akbank is the only Turkish bank to receive this award for the fourth time in a row.
Global Banking and Finance Review	The Best Bank in Turkey	In the "Banking Awards 2012" by <i>Global Banking and Finance Review</i> , Akbank was selected "The Best Bank in Turkey" for the second time in a row. The evaluation was made by international banking professionals.
Retail Banker International Awards	The World's Best Bank in Customer Relationship Management	In the Retail Banker International Awards, Akbank was selected "The World's Best Bank" in the category of "The Best Use of Customer Relationship Management Systems in Marketing Operations".
Global Finance	The Best Information Security Initiatives in Europe	Akbank received "The Best Information Security Initiatives" award in the annual "The Best Internet Banks" survey by <i>Global Finance</i> .
EBRD – Turkey Sustainable Energy Financing Facility (TurSEFF)	Excellence in Sustainable Energy Financing Award	EBRD's (European Bank for Reconstruction and Development) Turkey Sustainable Energy Financing Facility (TurSEFF), which is supported by the European Union Commission as well, presented Akbank the "Excellence in Sustainable Energy Financing" award for the Bank's leading and successful efforts in improving energy efficiency and extending the use of renewable energy. In addition, 5 Akbank managers were given the "Achievement Award" for their support in the TurSEFF project.
Stevie International Business Awards	3 Gold, 1 Silver and 6 Bronze Awards One of the Top 10 International Companies	In the 2012 Stevie Awards evaluating product, service and communications projects, Akbank received 3 gold, 1 silver and 6 bronze awards and became among the "Top 10 International Companies". The Bank's "Send Money" application won a Silver Stevie. In addition, Akbank's 2011 Annual Report, Sustainability Training Program and "No Time to Waste" project were given Bronze Stevie awards.

## ABOUT AKBANK

Awarding – Researching Institution	Award/ Success Category	About the Award/Success
LACP (League of American Communication Professionals)	World's Best Annual Report	In LACP's "Vision Awards 2011" that evaluate more than 5,500 annual reports and sustainability reports, Akbank's Annual Report 2011 based upon the main theme of volunteerism was selected "World's Best Annual Report" in both Banking and Financial Institutions categories. The Report became the 14 <sup>th</sup> in the "World's Top 100 Annual Reports" list that covers all sectors.
LACP	World's Best Sustainability Report	In LACP's "Vision Awards 2011", Akbank's Sustainability Report 2011 was selected "World's Best Sustainability Report" in both Banking and Financial Institutions categories.
MerComm International ARC Awards	The Best Annual Report of the Year	In the MerComm International ARC Awards, Akbank won the following awards with its Annual Report 2011: Gold Prize in Banks and Financial Services, Design, and Online Annual Report categories; Silver Prize in Printing and Production category; Bronze Prize in Letter from the Chairman and Visual Materials categories. The Report was also selected Grand Award Winner by an exclusive jury for its overall performance.
MerComm Inova Awards	The Best Sustainability Report of the Year	In the 4 <sup>th</sup> MerComm Inova Awards held in 2012, more than 1,000 communications projects from 12 countries were evaluated. As a result of the evaluations, Akbank's Sustainability Report 2011 was selected the Best Sustainability Report of the Year.
Public Relations Society of Turkey (TÜHİD) 11 <sup>th</sup> Golden Compass Public Relations Award	The Best Sponsorship Communication in Culture and Arts	With its main sponsorship for <i>Contemporary İstanbul 2011</i> , Akbank won the Golden Compass Public Relations Award of the Public Relations Society of Turkey (TÜHİD) for "The Best Sponsorship Communication in Culture and Arts".
IMI Conferences	The Most Commendable Call Center Agent	In the Call Center Awards given by IMI Conferences, Akbank received "The Most Commendable Call Center Agent" and "The Most Commendable Customer Management in the Social Media" awards.
5. PERYÖN (Turkish Association of Human Resources Management) Human Resources Management Awards	The Best Company in Training and Development	Among nominees from 29 companies and in 42 categories, Akbank received the First Prize in Training and Development category.
Best in Biz Awards EMEA 2012	Most Socially and Environmentally Responsible Company of the Year	With the participation of companies operating in different sectors in Europe, Middle East and Africa and with applications by more than 20 countries, Akbank received the Gold Prize with its sustainability policy and was selected the "Most Socially and Environmentally Responsible Company of the Year" at the Best in Biz Awards EMEA 2012.
MerComm Mercury Excellence Awards 2012	Brand Communications and Reports	In the Mercomm Mercury Excellence Awards, Akbank won 1 gold and 2 silver prizes for its Twitter-Integrated Short Film Festival Mapping Project, Facebook Campaigns, and Brand Communications. The Bank won the silver prize in the Corporate Social Responsibility Reports category for its Sustainability Report 2011 and 2 bronze prizes in the Annual Reports category for its Annual Report 2011.



IN LINE WITH OUR PHILOSOPHY EXPRESSED BY THE MOTTO “**FOR YOU**”, WE INITIATED A LONG-TERM **TRAINING CAMPAIGN** THAT COVERS ALL BRANCHES IN ALL CORNERS OF TURKEY AND THAT ACCELERATES THE INTERNALIZATION AND INTEGRATION OF THIS MOTTO INTO OUR BUSINESS PROCESSES BY OUR EMPLOYEES.

## ABOUT THE REPORT

### Our Approach to Reporting

This is the fourth of the annual Sustainability Report that we present to our stakeholders since 2009. We prepare these Reports voluntarily and in compliance with our approach to lead the Turkish banking industry. This Report focuses on Akbank's implementations in the areas of social, environmental, ethical, and corporate governance and on our corporate performance.

We have prepared the Report in accordance with the GRI Sustainability Reporting Guidelines G3 version of the Global Reporting Initiative (GRI), which is a worldwide-recognized reporting institution. In line with the transparency principle, the Report includes the steps we took in sustainability, the results we achieved and our commitments. As of 2012 year-end, among deposit banks in Turkey, we are still the first and only bank to issue a sustainability report prepared in accordance with the GRI Guidelines.

Compared to the previous one, we have developed the content of this year's Report in the light of the feedbacks and expectations of stakeholders and pioneering practices of the Bank. We changed the page layout and simplified the content to offer convenient reading. We used the same data collection methods as the years before and we explained the method in relevant sections. We provided further explanations when other methods were used.

The Report refers to the active role we play in the growth of the Turkish economy, Akbank's approach to sustainability management, the value we add to our customers with our products and services, the benefits we provide for our employees, our efforts to reduce environmental impact of our activities, and our cooperation with stakeholders to improve social welfare.

### The Scope and Framework of the Report

The Report covers the practices we had in social, environmental and economic areas and our related corporate performance between January 1<sup>st</sup>, 2012 and December 31<sup>st</sup>, 2012. Based upon the GRI G3 Sustainability Reporting Guidelines, this Report meets the requirements of GRI Application Level C. At the end of the Report, a GRI Index is available in order to ensure easy access to the information within the scope of the GRI indicators.

The GRI Guidelines not only allow comparing our sustainability performance to that of local and international peers but also create a reference guide for our stakeholders. These guidelines also lead us in continuous development of Akbank's sustainability initiatives.

The GRI G3 Sustainability Reporting Guidelines and their Turkish versions are at:  
<http://www.globalreporting.org>

We have also included information on the progress we achieved in line with the commitment that we made to the United Nations Global Compact (UNGC) of which we are a signatory. UNGC Index that allows easy tracking of our implementations within the scope of four areas of UNGC (labor, human rights, environment, and anti-corruption) and the related 10 principles is available at the end of the Report.

### Boundary of the Report

Unless mentioned otherwise, all data and information in the Report covers the banking activities and locations of Akbank T.A.Ş. in Turkey. Impacts of our activities, our joint ventures or our suppliers in other countries are not within the scope of this Report. "Our Employees" section of the Report includes employees of our Malta branch. Generated and distributed economic value tables that include financial statements reflect consolidated figures.

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

### Setting out the Content of the Report

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

We also took into consideration material issues for our corporate strategies and the information we collected via various channels to meet the expectations of our stakeholders. Therefore this Report includes our practices and performance related to issues considered to be material by both our Bank and our stakeholders. Detailed information on selection of material issues and stakeholder dialogue is available in "Our Approach to Sustainability" section of the Report.

Prepared with contribution from almost all units of the Bank, the final version of this Report has been approved by the Corporate Governance Committee and Board of Directors of Akbank.



AS OF 2011, WE WERE **THE FIRST AND ONLY BANK IN TURKEY** TO PROVIDE TAILOR-MADE **IN-CLASS** AND **E-LEARNING** TRAININGS ON OUR APPROACH TO SUSTAINABILITY!

## OUR APPROACH TO SUSTAINABILITY

### **We created our sustainability strategy in conformity with the issues that are material to our stakeholders and the Bank.**

The concept of sustainability takes deeper roots in the procedures, services, and products of our Bank every other day. Thanks to the dialogue platforms established between our stakeholders and our Bank, we receive feedback on issues material to stakeholders. In the light of such feedback we aim to continuously improve our business processes and sustainability performance. We monitor Akbank's performance by implementing our sustainability strategy and commitments both in our operations and products. With the annual Sustainability Report that we issue every year since 2009, we communicate our practices and performance regarding our social, environmental, ethical, and economic responsibilities to our stakeholders.

### **Our Sustainability Vision, Strategy, and Commitments**

#### **Our Sustainability Vision**

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

#### **Our Sustainability Strategy**

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

As a bank standing upon strong financial foundations and attaching importance to stakeholder relations and transparency, our strategy is to support economic growth of our country and customers, to offer products and services that improve social welfare without sacrificing our ethical and secure banking principle, and to reduce environmental impact of our activities.

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

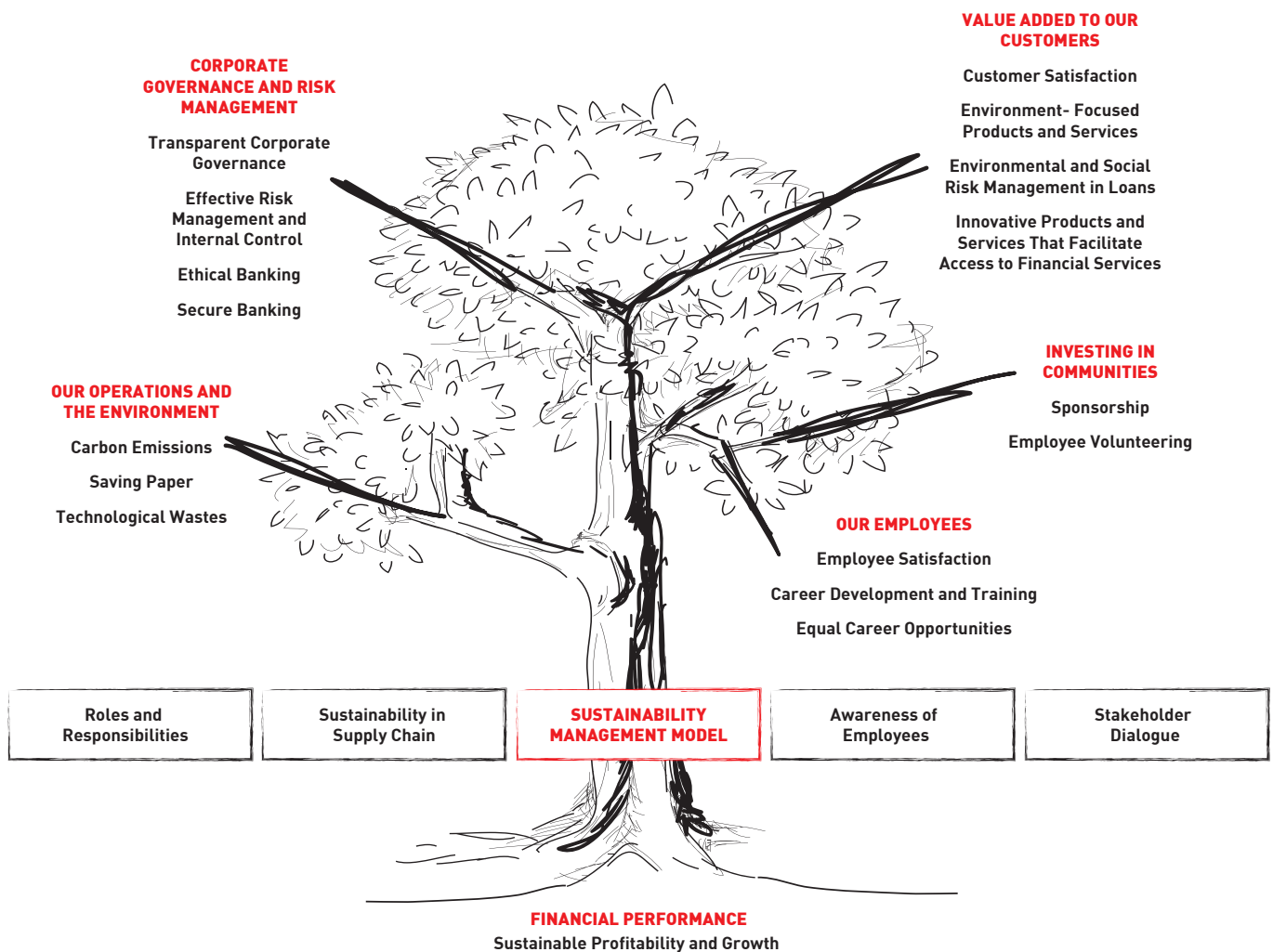
## OUR APPROACH TO SUSTAINABILITY

### Our Sustainability Approach and Material Issues

If we are to compare our sustainability approach to a tree, roots reflect our financial performance. Sustainability and existence of Akbank is first and foremost dependent on its financial success. Our financial performance is what keeps us alive.

The tree trunk represents our Sustainability Management Model. It is the mechanism that enables the transition and communication from roots to branches. The trunk makes the tree more durable. The element that makes Akbank more durable is its sustainability management.

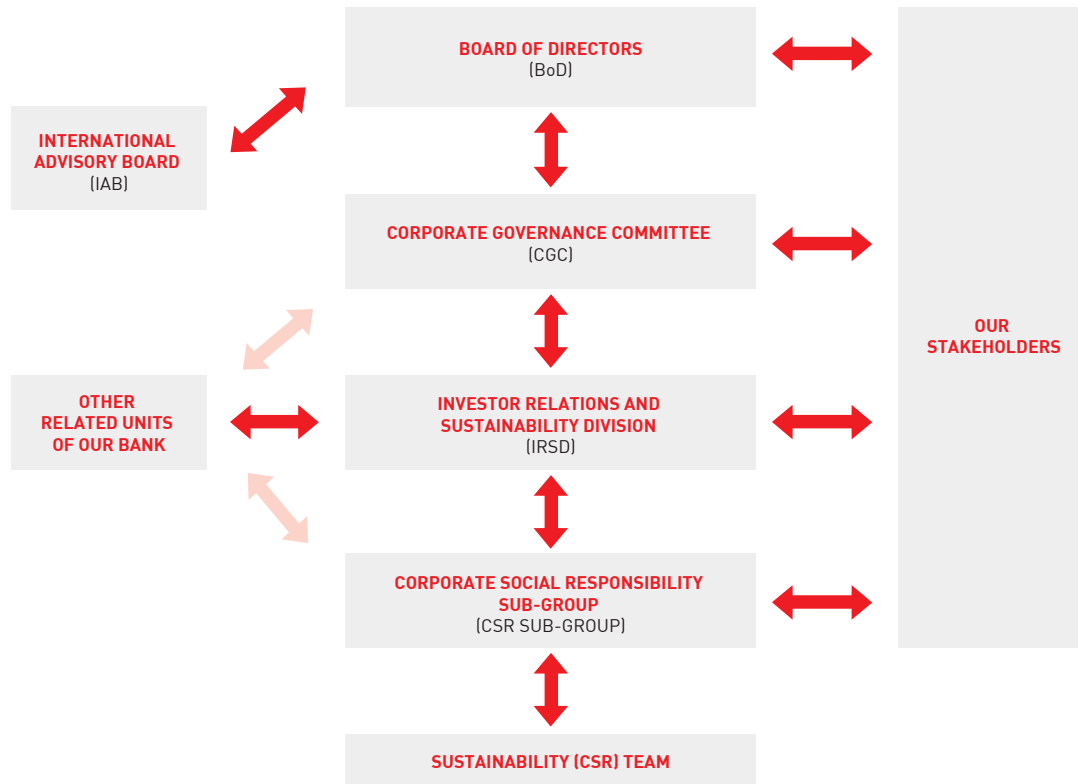
The tree branches represent the significant and material issues that we consider within the scope of our sustainability management: Our Employees, Corporate Governance and Risk Management, Our Operations and the Environment, Investing in Communities and the Value Added to Our Customers. Material issues that we selected for each area are handled here. For example, carbon emissions under “Our Operations and the Environment” title is one of such issues.





## OUR APPROACH TO SUSTAINABILITY

### Sustainability Management Model in Akbank



The **Corporate Governance Committee (CGC)** that directly reports to the Board of Directors is responsible for ensuring that sustainability issues are handled in a holistic manner at the senior management level. CGC makes sure that the sustainability strategy is implemented and monitored throughout the Bank. **Akbank International Advisory Board** also adds value to the Bank’s sustainability vision. (International Advisory Board is given in more detail in the 4<sup>th</sup> section of this Report.)

#### Akbank Corporate Governance Committee (CGC) (Formerly known as Akbank Corporate Governance, Remuneration and Social Responsibility Committee (CGSRC))

The Corporate Governance Committee assumed the responsibility to improve the Bank’s corporate performance in sustainability, to integrate the areas of responsibility into our decision-making mechanisms, to increase awareness among employees, and to light the way to carry out reporting in line with the international standards as per our transparency principle.

The Committee is responsible for ensuring compliance with Akbank’s Corporate Management Principles; monitoring the operations of the Investor Relations and Sustainability Department; creating a transparent system to identify, evaluate and train suitable candidates for the Board of Directors; and working on related policies and strategies.

The chairman and majority of the members of the Committee are independent Board Members.

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

The Committee meets at least twice a year. Among the items in 2012 agenda were the analysis of the Bank’s current position in terms of sustainability, assessment of future steps, climate change strategies and action plan, and social responsibility projects as community investments.

## OUR APPROACH TO SUSTAINABILITY

Handling sustainability issues within the Bank in a holistic manner and in coordination with internal and external stakeholders is the responsibility of **Investor Relations and Sustainability Division (IRSD)** under the supervision of CGC. The holistic management covers issues such as integrating environmental, social and ethical aspects into our products and services with a strategic view and developing sustainability policies. An example is that our departments performing core banking functions and our purchasing departments internalize sustainability by integrating environmental and social elements into their own processes and products. Environmental loans for corporate and SME customers and environmental and social criteria applied to our suppliers are the results of the policies that we implement within the framework of our holistic approach.

In addition, there are various significant and material issues handled by related departments of Akbank within the scope of our general business management. These cover issues such as employee satisfaction, ensuring equal opportunities for all employees, customer satisfaction, information security, and employee volunteering. These issues are managed by related departments and have an important role in the Bank's sustainability strategy. Employee satisfaction and customer satisfaction are monitored and these are among the key success indicators for our executive management.

A **Sustainability (CSR) Team** composed of representatives from the majority of the business units in Akbank and operating under the leadership of the CSR Sub-Group Manager performs the year-long sustainability reporting process. This task was included in the job descriptions of our Sustainability (CSR) Team leader and members in 2012 and thus an important step was taken in sustainability performance management and reporting.

We continue our communication and operations with external stakeholders at various levels. Within the scope of such engagement, we play an active role in numerous national and international associations and initiatives. By exchanging opinions with key stakeholders on various platforms, we regularly review our sustainability approach in the light of expectations from us.

### Our Internal Procedures

Covering a number of environmental, social and ethical elements in its structure, Akbank's "Ethical Principles" are our official declaration that we expect all employees and even stakeholders to comply with. Thanks to compliance with the mentioned principles, we have made sustainability management a corporate procedure. Ethics Line to be used if any violation of these principles is observed is among procedures to support sustainability management within

the Bank. Furthermore, the environmental and social criteria that we implement in providing loans for corporate, commercial and SME customers and in purchasing from suppliers are also within the scope of these procedures.

### Internal Communication and Awareness

We use a number of channels to contribute to improving knowledge and awareness of our employees on "sustainability". Among these are in-class and e-learning programs and the corporate portal.

With the in-class trainings aiming to increase awareness of employees in Akbank branches, the concept of sustainability was introduced to employees in the field in every corner of Turkey. A total of 4,607 employees (1,607 in 2011 and 2,985 in 2012) attended this extensive training. In this hands-on training based upon UNGC's 10 principles, participants learn especially about what sustainability management means in banking.

Another extensive in-class training about the issue is the Sustainability Approach training that all new employees must attend. This training handles sustainability with all of its aspects and is specially devised for Akbank. In 2011 and 2012 a total of 1,606 new employees in different locations and functions attended this training and thus awareness was improved.

Sustainability Approach e-learning program was completed by 12,371 employees since its initiation in 2011.

In order to increase internal awareness on sustainability operations within the Bank, our Sustainability Report 2011 was shared with all managers and department heads. As leaders of Akbank, the managers are encouraged to read through the Report, emphasize the importance that Akbank attaches to this issue in various occasions, and to share the Report with their teams and networks.

The "Corporate Social Responsibility" section of the corporate portal that is available to all employees was updated in 2012. This section includes a number of up-to-date information from the Bank's sustainability approach to corporate social responsibility projects. On the other hand, our sustainability efforts are broadcast on Corporate TVs in our branches and communicated to the whole Bank via e-mails.

### Sustainability in the Supply Chain

Within the scope of our "Supplier Management" policy, we expect suppliers to pay attention to implementing all aspects of the United Nations Global Compact and taking social and environmental risks into consideration in their daily operations. In addition, we provide opportunities to suppliers that are more sensitive to the society and the environment during procurement of services and products.

## OUR APPROACH TO SUSTAINABILITY

With the aim of putting these into effect, we obtained declarations of commitment to comply with Akbank's Principles and Policies from approximately 50% of companies in our supplier portfolio.

We continue with evaluations regarding corporate organizational structures of suppliers, their fulfillment of public liabilities such as taxes and social payments, and their commitment to avoid employing child labor.

### Our Sustainability Commitment

Long-term and strong financial performance that offers benefits for all of our stakeholders and forms the basis of our sustainability is an indispensable objective for Akbank. Our environmental, social and ethical performance plays an important role in achieving this objective. Therefore, we have set commitments for our material sustainability areas.

Subject of Commitment	2012 Evaluation	Our Commitments
<b>Financial Performance</b>		
Sustainable profitability and growth	We achieved strong presence in market shares by improving our growth and profitability performance. As a result of our investments and efforts, our growth in loans and deposits was higher than the sector average.	In the next period, our objective is to continue the growth of customer base and to improve our sustainable performance by diversifying our product and service portfolio and creating wider delivery channels.
<b>Sustainability Management</b>		
Roles and responsibilities	We officially included related responsibilities into the job definitions and performances of Sustainability Team leader and its members.  We took necessary steps to include sustainability in the performance evaluation criteria of team members.	In coordination with our Investor Relations and Sustainability Department, we will continue to devise action plans to guide our sustainability strategy and to implement them together with the Sustainability Team.
Sustainability in the supply chain	We received statements from approximately 50% of suppliers, declaring that they will comply with Akbank's Guidelines and Policies.	We will continue to get statements from suppliers declaring that they will comply with Akbank's Ethical Principles and Sustainability Policies.
Employee awareness	We increased awareness of more than 6,000 employees who participated in extensive in-class sustainability training tailor-made for our Bank.	We will continue with sustainability trainings to integrate sustainability into our corporate culture.
Stakeholder dialogue	We improved our dialogue platforms for stakeholders. Especially, we organized "For You" meetings with customers and "Why Not" meetings with employees to receive feedback.	We will continue to support mutual dialogue and transparency policies with our stakeholders, to develop our business processes in line with their expectations, and to improve our sustainability performance.
<b>Corporate Governance, Risk Management and Compliance</b>		
Transparent corporate management	We implemented new online dialogue platforms such as "webcast" to establish more active communication among the Bank's management team and shareholders.	We will continue to improve and differentiate our transparent and close relations with our shareholders, current and potential investors.
Information security	We prepared surveys to measure awareness of our employees on information security and based upon the results of these surveys, we took steps to increase awareness.	We will continue efforts to take necessary precautions by monitoring innovations and developments in information security and to organize trainings and awareness-raising efforts.
<b>Our Customers</b>		
Customer satisfaction	More than 4,600 branch employees attended the Bumerang trainings that focus on "Customer Satisfaction".  We strengthened our complaint management infrastructure to make sure that complaints are resolved in the shortest time possible (average: in 2 days).  The average waiting time by the counters in our branches has been below 8 minutes, as we had targeted.	We will continue extensive efforts to reach the aim of ensuring the best customer satisfaction and best banking experience in every service and at every point of contact with customers.  We will increase efforts to make sure that complaints are resolved at the first contact point with customers.  By monitoring the frequent complaints, we will continue to take permanent measures.

## OUR APPROACH TO SUSTAINABILITY

Subject of Commitment	2012 Evaluation	Our Commitments
<b>Our Customers</b>		
Our environment-focused products and services	In 2012, we obtained TurAFF-TurSEFF II loans on 5-year terms from EBRD to be used in renewable energy and energy efficiency. TurAFF part of the loan that is USD 12 million will be used in agriculture, whereas the TurSEFF II part (USD 24 million) will be used in other areas.	We will continue to provide “energy saving and renewable energy” loans to customers.
Environmental and social risk management in loans	Our Bank included “Loan Analysis Supervisors” who were recruited to evaluate all risks, including environmental risks, and to improve the processes into the evaluation process of all corporate and commercial branch loans.	We aim to improve the capacity of Loan Analysis Supervisors in terms of environmental and social risks.
Innovative products and services to facilitate access to financial services	We launched the “Akbank Direkt” brand that combines Internet and Mobile Banking services and facilitates services offered to customers.	With our high-tech products and services, we will continue to meet the expectations created through competition.
<b>Our Employees</b>		
Employee satisfaction	Areas to be focused on in 2013 were determined according to the results of the 2012 Employee Satisfaction Survey. These areas include: autonomy (decision-making, taking initiatives), brand compliance (internal and external perception of the brand), resources (tools and means to facilitate the way of doing business), and career management.	To identify employee expectations accurately and to find common grounds that allow Akbank to meet these expectations, we will continue to hear from employees via Employee Satisfaction Surveys.
Career development and training	Akbank employees received 1,258,902 hours and 11.7 work days/person training in total.	We will continue efforts to support development and increase motivation and professional satisfaction of all employees via our training system.
Equal career opportunities	In the evaluation based upon 22 criteria, Akbank received FEM certificate for its “Equal Career Opportunities Model Project”.	We will continue to implement models that support equal career opportunities.
<b>Our Operations and the Environment</b>		
Our environmental impact	We started to implement a system in order to better monitor environmental impacts resulting from our operations, including our approximately 1,000 branches.	We will continue efforts to minimize environmental impact of our operations as much as possible and to use natural resources more economically.
Carbon emissions	We continued our efforts to measure carbon emissions resulting from our activities and to reduce carbon emissions resulting from energy consumption.	We will continue to support the internationally recognized Carbon Disclosure Project (CDP).
<b>Investing in Communities</b>		
Community investment through sponsorships	We launched the “Savings Campaign” together with our employees in order to draw attention to “savings”, which is an important issue Turkey. In the area of entrepreneurship, we initiated Akbank Entrepreneur Development Program in cooperation with Sabanci University.	We will continue to support community investment projects for education, youth, arts, culture and environment, which are material issues for us.
Community investment through employee volunteering	Number of projects implemented within the scope of Akbank Volunteers system and the number of Akbank employees supporting these projects increased.	We will complete our restructuring efforts to increase inclusion of employees in the decision-making processes of the volunteering system.

## OUR APPROACH TO SUSTAINABILITY

### Stakeholder Engagement

All institutions and corporations that are affected by Akbank's activities, products and services or that directly or indirectly affect its performance are our "key" stakeholders. In full awareness of the fact that stakeholder engagement is the basic principle in corporate responsibility, we consider expectations and opinions of our key stakeholders while developing and implementing our sustainability strategies and we pay ultimate attention to creating a regular, continuous, and trust-based communication with them.

### Platforms for Dialogue with Stakeholders

We communicate with key stakeholders via certain dialogue platforms. Akbank website [www.akbank.com](http://www.akbank.com) and our regularly issued Annual Report and Sustainability Report are the most important platforms we use to inform our stakeholders. In addition, we also benefit from our bilateral dialogue programs specially designed for each stakeholder group in order to receive feedback from and establish dialogue with them.

Examples of our dialogues with key stakeholders in 2012 are presented below.

Stakeholder Groups and Dialogue Platforms	Approach	Examples
<b>Shareholders, Investors, Analysts</b>		
General Assembly Meetings and Minutes Face-to-face and e-dialogue (meetings and conferences in Turkey and abroad, presentations and briefings via webcast and e-mail) Public Disclosure Platform Annual Report "e-Manage: Corporate Governance and Investor Relations Portal" of the Central Registry Agency Capital Markets Board of Turkey (CMB) Corporate Governance Principles Compliance Report Press Releases	The dialogue mechanism that we developed to ensure that the continuous communication among the Bank management and shareholders is based upon "transparency, accountability, and regular briefings".	Our Corporate Social Responsibility Sub-Group within the Investor Relations and Sustainability Department informs investors on our environmental, social and economic sustainability performance both in writing and verbally.
<b>Employees</b>		
"Why Not" meetings Quarterly live TV broadcasts by the Bank's CEO Akbank Volunteers Program Employee Satisfaction Survey Corporate Performance System Meetings (e.g. Regional Directorates and Customer Relationship Management, Performance Reviews, Leaders Summit, Brainstorming Sessions) Coaching system Corporate Portal "For Us" Suggestion System BANKSIS (Union of Bank and Insurance Employees) Akbank Retirement Fund Training Programs for Our Employees Ethics Line E-Bulletins	We are aware that high motivation and satisfaction levels among our employees are determinant in ensuring long-standing business performance.  We regularly collect our employees' opinions and expectations and we try to bring related practices to life.  We put platforms that ensure an effective internal communication into use.	With "Why Not" meetings that aim to communicate Akbank's objectives and strategies to employees of all levels were held in 7 cities with approximately 14,200 employees.  Quarterly-held live TV broadcast by the CEO project started in 2012. With this broadcast, messages of the senior management and the Bank's quarterly performance results are communicated directly to employees. This project aims to keep internal synergy dynamic, improve bilateral communication, and increase all employees' motivation to reach common targets.  Within the framework of voluntary efforts that improve employee motivation and loyalty, we implemented more projects with employees.  In the light of the feedback we received from our Employee Satisfaction Survey, we focused more on the "Talent Management" that intends identification and effective management of our employees' talents. We held 73 Talent Committee meetings with management of various business units.  In line with the feedback from employees, we created a variety of project teams in business units that require optimization of business processes.

## OUR APPROACH TO SUSTAINABILITY

Stakeholder Groups and Dialogue Platforms	Approach	Examples
<b>Customers</b>		
<p>“Akbank For You Meetings” Customer Satisfaction Surveys Akbank Branches Akbank Call Center Akbank Website Social Media (1.5 million followers) E-mail Briefings Business Development Meetings for Customers Informative Meetings with SMEs <a href="http://www.kobilersizininicin.com">www.kobilersizininicin.com</a> website Akbank Art Center Activities Media Advertising and Promotion Campaigns</p>	<p>Customer satisfaction is the first among our material issues. Opinions and expectations of our customers inspire us in developing products and services. In order to retain customer satisfaction; we implement numerous practices, from information security to responsible marketing communications, innovative and environmentally friendly products, and supporting customers in business development.</p>	<p>We held “Akbank For You Meetings” in 20 cities with the purpose of mainly sharing the economic developments in the world and in Turkey with customers, exchanging opinions, and meeting with local authorities to hear local problems and find solutions.</p> <p>We are in constant contact with customers via 19 different Akbank accounts in the social media. Our agents are specially trained for this media and offer services 27/7. They answer to more than 20 thousand complaints monthly, offer solutions, and record the suggestions.</p>
<b>International Financial Institutions</b>		
<p>One-to-One and Joint Meetings Audits Negotiations Reports</p>	<p>Loans that we obtain from international financial institutions such as IFC, EBRD, and EIB for our customers mostly require climate-friendly uses and support for development. With the aim of building management systems to monitor environmental and social performances of our customers in accordance with the loans obtained, we establish dialogues with these institutions on various platforms.</p>	<p>The Sustainable Energy Financing Fund (TurSEFF) of USD 60 million that we had obtained from EBRD in 2010 was made completely available to customers in 2012 and a total of 50 customers benefited from this fund. As a result of this process, EBRD granted Akbank excellence awards in areas such as “the first bank to make the whole of TurSEFF available, the first bank to perform supplier financing, and the bank with the highest loan volume in renewable energy projects”.</p>
<b>Legislators and Regulatory Bodies</b>		
<p>Public-Private Sector Cooperation Workshop Meetings Forums and Conferences Various Task Forces Verbal and Written Notifications Declarations Press Releases Compliance Reports</p>	<p>We thoroughly comply with all related laws and regulations in all of our activities. With the aim of closely following the agenda, identifying trends, timely developing and adapting our products and services in line with expectations of customers and legislators, we follow forums, conferences, task forces, and press news carefully and we organize meetings. We closely monitor developments related to the banking industry and present our opinions on legislation amendments to related authorities.</p>	<p>At the “Public-Private Sector Workshop” more than 70 executives from the Council of State, Privatization Authority, various ministries, and a number of related public institutions came together with local and international financing institutions, academicians, and Akbank executives. The group exchanged opinions on the ways of improving the investment atmosphere.</p>

## OUR APPROACH TO SUSTAINABILITY

Stakeholder Groups and Dialogue Platforms	Approach	Examples
<b>Suppliers</b>		
Supplier Identification Forms Meetings Akbank Ethical Principles	We expect our cooperating suppliers to act in accordance with Akbank's principles and values. We also support their development through continuous information transfer.	As a result of informing the companies in our supplier portfolio on Akbank's Ethical Principles and Sustainability Policies, approximately 50% of them declared their commitment to comply with Akbank's Principles and Policies.
<b>University Students</b>		
Activities we organize and support (e.g. Global Student Entrepreneur Challenge) Akbank Thinking Club Briefings Youth Banking Campus Branches Brochures and Promotion Campaigns	We care about university students' requests, opinions, and expectations. We continuously improve our investments in support of their education and development.  We cooperate with student clubs to support university students in entering the business world and to further introduce Akbank to those who will graduate soon.	"Global Student Entrepreneur Challenge" -created in order to promote entrepreneurship among universities all around the world and held in Turkey for the first time in 2011 with support from Akbank- was held for the second time in 2012, again with Akbank's support.  Akbank Thinking Club that aims to provide a platform for development of young people as future adults reached 111 members in 2012.  We held a "job interview simulation" at Boğaziçi University and had one-to-one interviews with students pretending that we were in a recruiting process. After the interviews we gave them feedback.
<b>Local Community</b>		
Activities we organize and participate (e.g. "Akbank For You Meetings") Arts and culture activities Press releases	We aim to support numerous activities that offer social benefits and to reach local communities in areas we operate in.	We held "Akbank For You Meetings" in 20 cities and shared the economic developments in the world and in Turkey, met with local authorities to hear local problems and find solutions, and exchanged opinions.
<b>Non-Governmental Organizations</b>		
Cooperation in social engagement practices Sponsorships Meetings Conferences	We pay attention to improving cooperation with non-governmental organizations, being in continuous communication with them, taking their opinions and expectations about our activities into consideration.	While developing our social investment projects, we ask for opinions from non-governmental organizations. We invite representatives of NGOs to our events and receive their opinions on related issues.
<b>Media</b>		
Press conferences Press releases Daily economic bulletins	We aim to maintain continuous dialogue with national and international media, to inform them timely and accurately with our press releases, and to share opinions with opinion leaders at press conferences.	Our senior management and related managers regularly meet with prominent figures of the media community at our press conferences and exchange opinions.

## OUR APPROACH TO SUSTAINABILITY

### Memberships in Associations and Unions, Signed Initiatives

Akbank is a corporate member of various associations and unions with the aim of closely following developments in sustainability and contributing to such developments. In addition, by participating in globally recognized international initiatives as a signatory, we aim to take part in such global activities.

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

- The Banks Association of Turkey
- Turkish Industry and Business Association (TÜSİAD)
- Corporate Governance Association of Turkey (TKYD)
- Turkish Ethics and Reputation Society (TEİD)
- European Union Green Banking in the Mediterranean Project
- United Nations Global Compact (UNGC)
- Turkish Industry and Business Association (TÜSİAD) Sustainable Development Task Force
- İstanbul Stock Exchange Sustainability Index (ISESI) Project
- The Banks Association of Turkey, Role of Financial Industry in Sustainable Growth Task Force
- Carbon Disclosure Project (CDP)
- Cancun and Durban Communiqués drawn prior to Conference of the Parties to the United Nations Framework Convention on Climate Change to make a call of action to governments from the private sector
- The Prince of Wales's Corporate Leaders Group on Climate Change (CLG)
- Climate Platform and Turkish Leaders Group on Climate Change established by REC and TÜSİAD
- Interbank Card Center (BKM)
- Visa Colorful Horizons
- Credit Cards Registry Office
- Association of Corporate Communicators
- Association of Advertisers
- İstanbul Foundation for Culture and Arts
- Private Sector Volunteers Association

### Akbank and the United Nations Global Compact

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

### Contribution to Development of Public Policy

We participate in and support forums, conferences and task forces to meet our stakeholders such as customers and legislators, to closely follow the agenda, to identify trends, and to improve and adapt our products and services in accordance with stakeholder expectations. We also sponsor events that are in parallel with our corporate policy.

Akbank senior management holds negotiations on issues such as economy and finance at the level of Presidency and Prime Ministry within the scope of leader communications. In 2012, Mrs. Suzan Sabancı Dinçer, Chairman of the Board of Akbank, was granted the honor of Commander of the Most Excellent Order of the British Empire (CBE) in the name of Queen Elizabeth II in recognition of her active and efficient contribution to developing and strengthening the relations between the United Kingdom and Turkey.

Mrs. Dinçer is also a member of the Chatham House Board of Trustees within "Chatham House – the Royal Institute of International Affairs", which is one of the world's leading think-tanks. Mrs. Dinçer shares her personal experiences and opinions on issues such as Turkey's economic and strategic role, economy and globalization with other members of the Board of Trustees.

### Activities We Support

Our Bank supports various activities focusing on environmental impacts, economic and social development issues. Representatives of the Government, Legislators, Supranational and International institutions as well as local and international institutions are among the participants of the conferences that we sponsor.



## OUR APPROACH TO SUSTAINABILITY

Examples of activities we supported and participated in 2012 are given below.

Activity	Content
Forum İstanbul	Akbank is the strategic partner to Forum İstanbul Platform since 2009 and 2012's theme was "Living in Crisis or Overcoming the Crisis?". With ever-increasing effectiveness, Forum İstanbul is an international platform that discusses political and economic trends. Participants are senior executives of national and international companies, academicians, politicians, senior executives of non-governmental organizations. Around 1,000 people participated in the 2012 activity. <b>(Sponsorship and a speech)</b>
Tatlidil Forum	The Turkish-British "Tatlı Dil" (melliflulence) Forum was organized by the Foreign Economic Relations Board (DEİK) on 12-14 October 2012. 150 people, including Turkish and British business people, politicians, academicians and press members participated in the event. Akbank was one of the main sponsors. <b>(Sponsorship)</b>
Brand Finance Forum	Brand Finance makes annual brand valuations both globally and in Turkey. These are considered to be one of the most recognized brand valuations in the business world. Brand Finance's international valuation is published in The Banker as "The World's Most Valuable Banking Brands" and the one in Turkey is published in the Capital magazine. Around 100 participants mainly composed of senior executives of national and international companies, academicians, politicians and senior executives of non-governmental organizations attended the meeting. <b>(Sponsorship)</b>
İstanbul Chamber of Industry Congress	Business world and public sector showed great interest in the event that we organized together with İstanbul Chamber of Industry (İSO) with the aim of continuing efficient cooperation, developing relations with potential customers, promoting our products at the booth built in the venue. <b>(Sponsorship)</b>

### Carbon Disclosure Project (CDP)

Carbon Disclosure Project is a global initiative that was started in the year 2000 with the purpose of collecting and sharing information to allow companies, investors, and governments to take measures against the threat of climate change.

CDP is a voluntary-based initiative that aims to create transparency in greenhouse gas emissions and increase public awareness and consciousness on the issue. As the only independent international institution to globally report how climate change-induced risks are managed by companies, CDP operates on behalf of 722 corporate investors that manage global assets of USD 87 trillion.

Every year, member institutions and corporations report the strategies and policies they apply in their struggle against climate change, amount of greenhouse gases they emitted, and their targets to reduce these emissions to the public and investors. These data and information are shared with a large audience, including corporate investors, companies, public policy leaders, public institutions, and academicians.

### Climate Change

Global climate change, which is one of the most important challenges that the Earth faces, is a material issue for Akbank. The fight against climate change resulting from greenhouse gas emissions has become an important item in the agendas of numerous corporations and institutions in recent years and we also took steps to assume responsibility in this area as of 2009. Our efforts continued with the same pace in 2012.

Akbank is a pioneering private sector corporation that is committed to reporting greenhouse gas emissions in accordance with the international standards. We aim to ensure that awareness of other institutions and corporations in our country on climate change increases, positive changes are made to reduce emissions, and public awareness is improved.

Among our important initiatives in terms of climate change is the support we have provided in the last three years for the implementation of the global Carbon Disclosure Project (CDP) in Turkey. As a participant to the project carried out by Sabancı University, the steps and the measures we took are the major indicators of the importance we attach to the issue.

## OUR APPROACH TO SUSTAINABILITY

As in previous years, Akbank sponsored the launch event of “CDP Turkey” Report in 2012 and supported the event with a speaker. With the participation of approximately 100 people -mainly academicians, NGOs, and private company representatives- the Report was announced. This Report contains analysis of answers given by Turkish companies participating in the Carbon Disclosure Project and the main trends in Turkey with regards to climate change.

### Climate Change Management

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

### Risks and Opportunities

Human-induced greenhouse gas emissions, which are believed to cause climate change, bring along some risks. These risks affect not only Akbank but also the whole society. For instance, heat waves of increasing frequency and density, floods, droughts, and extreme weather conditions are among the physical risks. This impact on the physical environment can have negative effects on industries such as forestry, fishery, agriculture, health, tourism, and construction. Climate change laws, legislation and regulations that have either been put into or will probably be put into effect in our country and the world -including the European countries we do business with- have the risk of legal in compliance and extra investment costs to fight climate change. It is believed that companies with high greenhouse gas emissions will be affected by the mentioned legal regulations. These may include energy companies, shipping and aviation industries.

In Akbank, we handle climate change-induced risks at various platforms. We are taking all necessary actions to manage these risks that we foresaw on time in the best way and to transform them from threats to opportunities. We are especially doing the necessary groundwork in order to follow recently updated legal regulations on energy efficiency and renewable energy in late 2010 and to comply with these regulations. In addition, we continue to offer products and services on relatively favorable terms in order to encourage our corporate customers to benefit from opportunities in energy efficiency and renewable energy. On the other hand,

we take certain precautions to measure and reduce carbon emissions resulting from our operations and business travels.

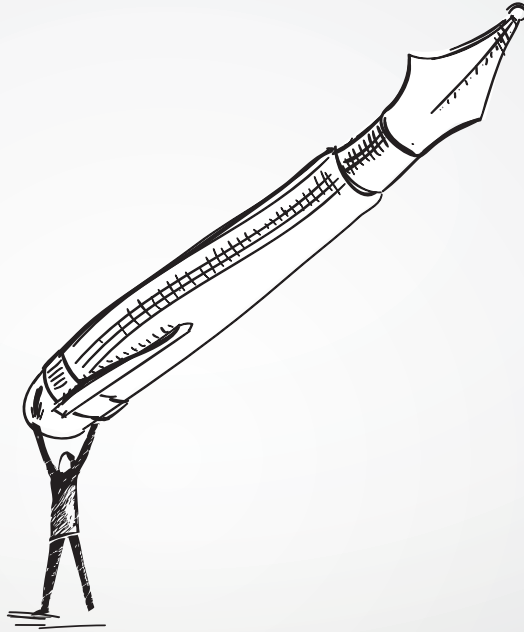
### Carbon Management in Our Operations

Following our participation in Carbon Disclosure Project in 2009, the importance of measuring greenhouse gas emissions (in equivalent carbon dioxide terms) of our operations and mitigation activities has increased. With the aim of measuring, calculating, reducing, and monitoring greenhouse gas emissions resulting from electricity and fuel use in our buildings and from fuels used in our employees’ business and training travels, Akbank has initiated certain internal practices. In 2012, we launched a system to systematically monitor and report energy consumption and greenhouse gas data of around 1,000 Akbank branches. In time, with this system we will be able to measure and monitor these data. (Detailed information on energy and carbon management is given in the “Our Operations and the Environment” section of this Report.)

We share the Bank’s climate change strategies and greenhouse gas emissions with stakeholders by attaching the CDP Report to our Sustainability Report. We submitted the third Report to the CDP Secretariat in June 2012 and we aim to publish the fourth one in 2013.

### Our Carbon-Focused Products and Services

In addition to efforts to reduce greenhouse gas emissions resulting from our Bank’s operations, we offer various products and services with the aim of encouraging the customers that we provide loans to make energy savings and thus to reduce their greenhouse gas emissions. Products including Akbank Energy-Friendly Loans are given in detail under the sub-title of “Climate-Friendly Loans” in the “Value Added to Our Customers” section of this Report.



WITHIN THE SCOPE OF **SUSTAINABILITY TRAININGS**, WE HAVE REACHED **6,189 AKBANK EMPLOYEES** IN PERSON SINCE 2011 AND INFORMED THEM ON HUMAN AND LABOR RIGHTS, ENVIRONMENT, AND ANTI-CORRUPTION.

## CORPORATE GOVERNANCE IN AKBANK

Corporate governance in Akbank has been structured in accordance with national and international standards. Corporate governance in our Bank covers the following:

- Our relations with shareholders,
- Our public disclosure and transparency policy,
- Roles, responsibilities, and rights of the Board of Directors,
- Relations with beneficiaries.

While relations with beneficiaries (in other words, stakeholders) are covered in another section of the Report, the other three subjects have been detailed in this section.

### In Turkey, Akbank is the first bank

- to publicly announce its dividend policy (2003)
- to announce its Corporate Governance Principles in its annual report (2003)
- to announce its Corporate Governance Principles in its website (2004)
- to repurchase its founders' shares (2005)

### Relations with Shareholders and Investors

Akbank management aims to have a transparent and close communication with its shareholders; therefore, its principle is to be fair to all shareholders. The main goal is to make Akbank shares attractive to existing shareholders and potential investors as well as to ensure that these shares are predictable investment tools.

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

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

In 2012, the Investor Relations and Sustainability Department attended a total of 26 domestic and foreign investor conferences together with executive management of Akbank and had meetings with approximately 300 international investment funds and 4 rating institutions. Also, more than 500 questions posed by investors and analysts via telephone and e-mails were answered.

Information on the General Assembly meetings is announced in the Turkish Trade Registry Gazette, in a national newspaper, on the Bank's website, at the Public Disclosure Platform [www.kap.gov.tr](http://www.kap.gov.tr), e-GOVERNANCE Corporate Governance and Investor Relations Portal on the Central Registry Agency [www.mkk.com.tr](http://www.mkk.com.tr), and on the e-GEM Electronic General Assembly System at least three weeks before the event. The Annual Report is submitted to the shareholders through our Bank's website, at the Shareholder Transactions Subdivision, as well as at the Ankara, Adana and İzmir Commercial Branches three weeks before the General Assembly.

According to Akbank Articles of Association, shareholders may assign another shareholder as a representative with a right to vote. Article 64, paragraph (a) of the Articles of Association says shareholders may exercise their right to vote either in person or through another person or shareholder at General Assemblies.

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

### Our Public Disclosure Policy

Akbank abides by the regulations of the Capital Markets Board (CMB) and İstanbul Stock Exchange (ISE) in terms of public disclosure.

The Bank's Public Disclosure Policy has been formed by the Board of Directors within the framework of the CMB Corporate Governance Principles, and then approved and announced to the public on Akbank's Website. The Board of Directors is authorized and responsible for informing the public, as well as for monitoring, supervising, and improving the public disclosure policy. The Financial Accounting and Shareholder Transactions Sub-Division and Investor Relations and Sustainability Department as well as the Corporate Communications Department are assigned to supervise and monitor all issues regarding public disclosures.

## CORPORATE GOVERNANCE IN AKBANK

Akbank Website, material disclosures, Akbank branches, Call Center, social media (Twitter, facebook), media, advertising and promotion campaigns, Annual Report and Sustainability Report are the most important platforms to inform shareholders.

Compliance Report for Corporate Governance Principles is available at:

➔ <http://www.akbank.com/2024.aspx>

Akbank Public Disclosure Policy is available at:

➔ <http://www.akbank.com/en/corporate-governance/disclosure-policy.aspx>

### Akbank Board of Directors

#### Structure of the Board

As of the end of 2012 there are three executive and seven non-executive members in Akbank Board of Directors. Chairman of the Board is also an Executive Member with responsibility in all issues. In 2012 two independent members were assigned to the Board. According to the communiqué sent to the Banks Association of Turkey by the Capital Markets Board on 19 October 2012, in order to achieve compliance with Corporate Governance Principles, the changes in the articles of association and restructuring of board of directors at banks can be completed until the first ordinary general assembly, but no later than 30 June 2013. In conformity with this communiqué, in order to achieve compliance with Corporate Governance Principles, the changes in the Articles of Association and restructuring of the Board of Directors were approved in the Ordinary General Assembly held on 28 March 2013.

According to the Capital Markets Board's corporate governance principles audit committee members of banks are considered independent board members. Mr. Hayri Çulhacı and Mr. Yaman Törüner of the Audit Committee are independent members. As the other candidate for independent membership to Akbank Board, Mr. A. Aykut Demiray was presented for approval in the Ordinary General Assembly held on 28 March 2013. With this Assembly, number of independent members in the Board of Directors increased to three.

There is a secretariat for informing and communicating with the Members of the Board of Akbank. The Board meets at least twelve times a year. Board Members pay attention to participating and contributing to every meeting. The Chairman consults to other Board Members and the

CEO to define the agenda of the meeting. Information and documentation on the agenda are presented to the Members of the Board prior to the meeting.

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

#### Roles and Responsibilities of the Board

Akbank Board of Directors manages and represents the Bank and makes strategic decisions considering its long-term benefits by implementing a rational and cautious risk management approach that balances the Bank's risks, growth and revenues.

The Board defines strategic objectives of the Bank, identifies human and financial resources that the Bank needs and audits the performance of the management. The Board monitors the compliance of the Bank's operations with legislation, articles of association, internal regulations, and identified policies.

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

The Board of Directors approves Akbank's annual budget and strategic plan, closely monitors actual comparisons with the budget, receives information on deviations, and reviews the resolutions made. If there are any significant deviations in macroeconomic conditions compared to the budget estimates, the budget is revised and resubmitted to the Board of Directors for approval. The Board monitors strategic goals, budget targets and actual figures on a daily, weekly or monthly basis, depending on the nature of the issue.

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

\* The "Communiqué Regarding the Identification and Implementation of Corporate Governance Principles" [Serial: IV, No: 56] issued by the Capital Markets Board on 30 December 2011 in the Official Gazette numbered 28158.

## CORPORATE GOVERNANCE IN AKBANK

### Committees within the Board of Directors

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

**Akbank's Executive Management Committee** evaluates the Bank's financial data, position in the sector, profitability of business units, and new business developments .

The **Audit Committee** helps the Board in the performance of supervision and surveillance activities; it also monitors the operation and competence of internal systems as well as accounting and reporting systems.

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

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

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

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

Updated information on committee members is available at:

➔ <http://www.akbank.com/2034.aspx>

### Rights of the Board Members

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

According to the Akbank Articles of Association, Members of the Board of Directors are paid a monthly fee or remuneration is fixed by the General Assembly. In addition, the portion of the Bank's dividend to be paid to the Chairman and Board Members within the scope of the Ordinary General Assembly Meeting resolutions is stated. Executive members are also paid 12 salaries and four bonuses annually. These payments are determined annually by the Board of Directors. The Banking Code limits loans to be granted by Akbank to the Board Members and they are not granted any loans against this mandate.

### Akbank International Advisory Board

The Akbank International Advisory Board was established with the aim of monitoring global and local economic developments and making strategic inferences for Akbank. The Board consists of a total of 12 Turkish and foreign members, each with profound knowledge and experience in their areas. Mr. Kemal Derviş, former President of the United Nations Development Programme (UNDP) and former Minister of Economic Affairs in Turkey, and currently Vice President for global economy in the Brookings Institute and Member of the International Board of Overseers of Sabancı University, is the Chairman of the Akbank International Advisory Board. The Akbank International Advisory Board met twice in 2012. At these meetings, latest trends in the global economy, main trends in monetary and finance policies, and current opportunities for the Turkish economy were discussed with a global perspective.

Updated information on Board Members is available at:

➔ <http://www.akbank.com/international-advisory-board.aspx>



WE HAVE ONCE AGAIN PROVED THAT AKBANK PRODUCES LONG-TERM, SUSTAINABLE AND FORWARD-LOOKING SOLUTIONS BASED UPON INFORMED, ETHICAL, AND RELIABLE DECISIONS AND CREATES LONG-LASTING VALUES, **SHOWS RESPECT FOR THE ENVIRONMENT AND INVESTS IN THE COMMUNITY.**

## RISK MANAGEMENT AND COMPLIANCE

**Foreseeing risks, managing them with professional proficiency, and ensuring compliance have been among the most important building blocks and superiorities in Akbank's corporate culture since its foundation.**

It is primarily the responsibility of the Board of Directors to establish and ensure operation of an effective risk management system throughout Akbank. In parallel to this responsibility, the Board performs necessary actions to identify the Bank's basic approach to risks and risk management policies. Audit Committee and Executive Risk Committee established within the Board of Directors assist the Board in fulfilling and monitoring responsibilities. Risk Management, Internal Control and Internal Audit units that report directly to the Board are responsible for coordination and assessment of achieving the expected effectiveness.

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

### Risk Management

Akbank's risk policies are made in relation to the Bank's long-term strategies and targets as well as to the quality and quantity of activities. In all cases -including capital allocation, portfolio/investment preferences, new product and activity decisions- risk management, compliance with legislation, environmental and social impacts are taken into consideration.

We continuously evaluate risks that we may face during our activities and update policies, procedures, and practices required to manage these risks effectively. Such updates are performed by closely following and implementing changes, innovations, arrangements and models in internationally-recognized risk management principles. All of the analyses, calculations, simulations, scenarios, stress tests and other efforts play a determinant role in the strategic decisions made by our Bank's Board of Directors and senior executive management.

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

#### Market Risks

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

#### Liquidity Risks

Akbank has created a liquidity management framework for

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

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

#### Credit Risks

All banking products with credit risks (such as credit placements and commitments to customers, letters of credit) are managed with assistance from cautious loan policies and procedures in Akbank. In all credit transactions, loan quality (credit worthiness), purpose of use, and environmental and social effects are assessed via an internal customer rating system. Sector, customer, loan type, customer segment-based limits are identified in order to monitor credit risks. As explained in the "Value Added to Our Customers" section of this Report, a risk analysis section that also allows evaluation of environmental risks has been included in loan packages in 2011 for project financing, corporate and commercial customer segments.

#### Reputation Risks

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

#### New Products and Services Risks

In addition to risks identified for existing products and activities, risks that may arise from development of new products and services are also assessed. Potential financial, operational, legal and reputation risks of newly-developed products or services; methods to be used in measuring and managing these risks; and control mechanisms to be established are identified with contribution from related



## RISK MANAGEMENT AND COMPLIANCE

departments of the Bank. Since 2011, “New Product and Service Evaluation Committee” comprising managers of all departments involved in product development decides on the suitability of each new product and service in terms of legislation and technical qualifications. When the Board of Directors approves the extensive risk assessment made by the Committee, necessary actions are taken for risk management.

### Operational Risks

Operational risks are among the most important and extensive risks in banking. In general, operational risks result from overlooking errors and irregularities due to failures in the control of business processes, bank management’s and employees’ failure to act in accordance with the time and conditions, errors and irregularities in IT systems, or natural disasters. In Akbank, mechanisms such as differentiated and diversified controls, insurance, and limits are used in the management of risks related to all risk categories, mainly legal and reputation risks.

### Legal Risks

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

### Internal Control and Internal Audit System

Main objective of Akbank’s internal control system is to ensure that the Bank’s assets are protected, operations are performed effectively, efficiently, and in compliance with legislation, and a reliable and integrated accounting and financial reporting system is established. All Bank employees, notably the Board of Directors, are held responsible for the establishment and execution of an effective internal control system. The Audit Committee assists the Board of Directors’ activities in this context.

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

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

including

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

### Directorate of Internal Control and Compliance

In October 2012, Internal Control Center and the Compliance Unit responsible for prevention of laundering proceeds of crime were merged to operate as the Directorate of Internal Control and Compliance. The Directorate performs periodical controls in branches and the Head Office Departments to measure the effectiveness and adequacy of internal controls performed during the execution of the Bank’s operations and to see whether the internal controls are in conformity with the laws and internal legislation and are performed effectively and efficiently. The Directorate also works to establish control systems in required areas.

The Directorate of Internal Control and Compliance attaches importance to preventive approaches. In addition, results of the Directorate’s operations are discussed not only at quarterly Control Committee meetings, but also at weekly meetings with the related Board Member; probable risks are taken under control while still at a “potential” level.

The control personnel working at 35 different points in Akbank execute internal control activities. All branches of the Bank are checked via in situ controls and a permanent internal control employee works at the Malta Branch.

Akbank employees are informed on new legislation, compliance process is monitored, new products and services (prior to approval by the Board of Directors) and internal regulations (prior to issuing) are assessed and reported; technical controls of the Bank’s information security and IT infrastructure systems are also performed; and an active role is played in redesigning of business processes and identifying additional checkpoints.

### The Board of Internal Auditors

The Board of Internal Auditors performs audits and evaluations in order to ensure that the Bank’s activities are in accordance with legislation as well as with strategies and

## RISK MANAGEMENT AND COMPLIANCE

policies identified by the Board of Directors, productivity is improved, service quality is enhanced, effectiveness and competence of the Bank's internal control and risk management systems as well as corporate governance processes are retained.

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

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

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

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

### Compliance

Although a variety of units in Akbank is responsible for following related legislation on banking and ensuring compliance in a timely and holistic manner, each and every employee is responsible for compliance.

In terms of sustainability, two compliance areas should be especially emphasized for the banking industry:

### Prevention of Laundering Proceeds of Crime

Within the scope of "prevention of laundering proceeds of crime and financing of terrorism", Akbank's customers, customer transactions, products, and services are evaluated with a risk-based approach in parallel with legislation. In this context, implementation details of precautions and principles aimed to identify, rate, monitor, evaluate, and prevent potential risks are fulfilled by considering the liabilities in relation to knowing the customer.

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

### Compliance in Product Promotions and Marketing Communication

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

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

In promotion and marketing of our products and services, we pay maximum attention to avoid any loss of rights of our customers. For instance, in credit card commercials broadcast on TV, we make sure that informative subtitles are used and the size of letters as well as the flow rate of subtitles is appropriate and legible. We announce our campaigns and innovations about our products not only on our website, but also via e-mail and SMSs to customers who prefer such communication.

Within the framework of our clear pricing policy and by taking legal requirements into consideration, we announce terms and conditions of all of our banking products and services, information such as fees, commissions, and interest rates in various media, including our website.

For more information please visit:

➔ <http://www.akbank.com/faiz-oran/ucret-komisyon.aspx>  
(available only in Turkish)

## RISK MANAGEMENT AND COMPLIANCE

### Secure Banking

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

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

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

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

Operations held in cooperation with companies providing support services should be approved after security processes are applied and only those that meet the security standards of Akbank are approved.

As a part of secure banking, to ensure maximum financial security of our customers, our systems are protected with various information security measures and technology-based threats are regularly monitored. Additional measures such as sector, transaction, and total sum limits and multi-digit password use are employed especially in products including the Internet, telephone, and credit card products. VirtualCard, Mobil Signature, SMS Agent and the "Security Picture" proving that the website seen on the screen belongs to Akbank are among the safety measures we take for customers who want to shop safely on the Internet.

We cooperate with security companies to take measures against virtual attacks that may have adverse effects not only on Akbank, but also on the banking sector itself. As a result of such cooperation, Global Finance gave Akbank the "Best Information Security Initiatives" award in the "World's Best Internet Banks" survey in 2012.

Committees including the Security Committee and Information Security Committee monitor such potential threats and test our systems, follow technological innovations, and evaluate all kinds of upgrading and development alternatives. In addition, to increase awareness, we continuously inform customers on measures they can take and make announcements in our website regarding the threats they must pay attention to.

Safety measures for the Internet banking can be found at:

➔ <http://www.akbank.com/consumer/freedom-banking/internet-banking-security.aspx>

For more information on the VirtualCard please visit:

➔ <http://www.axess.com.tr/kartlar/axess-sanalkart>  
(available only in Turkish)

### Business Continuity Management

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

In Akbank, organization chart, roles and responsibilities for business continuity is defined clearly. The Business Continuity Committee that meets twice a year monitors the performance of the Business Continuity Management Program, checks and guides the operations, and provides the resources required for business continuity. Emergency plans are devised to handle actions to be taken in extraordinary cases in a detailed way. There is a Disaster Recovery Center in İzmir in order to continue critical services if the IT Center fails to operate.

Disaster drills are performed every year to measure the efficiency of business continuity plans, increase internal awareness on business continuity, and test the operability of critical operations via the Disaster Recovery Center.

### Ethical Banking

To be able to continue operations and to maintain high stakeholder confidence, we, as Akbank, expect employees and stakeholders with whom we cooperate to abide by the Bank's high ethical standards. It is a priority for us to announce these expectations to every related person and to monitor compliance.

## RISK MANAGEMENT AND COMPLIANCE

### Ethical Principles

The Ethical Principles regulating the attitude and conduct of Bank employees, as well as their relations with persons and institutions within or outside the Bank are announced after approval of the Board of Directors. Akbank's Ethical Principles are announced in our website and Corporate Portal; all of our employees also receive obligatory e-learning on these principles. The aim of these activities is to ensure that the Ethical Principles are internalized.

Updated in 2011, Akbank's Ethical Principles are composed of four main subjects. The first subject covers our responsibility towards the society and the environment in accordance with our commitment to the UN Global Compact.

Akbank's Ethical Principles can be found at:  
<http://www.akbank.com/2038.aspx>

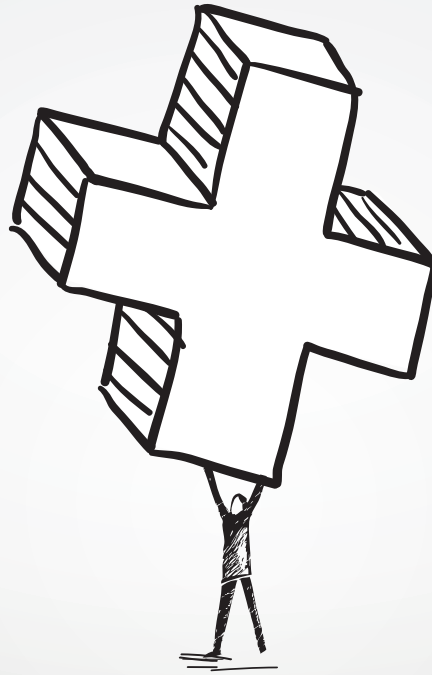
### Notifications of Suspected Violations of Ethical Principles

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

Our stakeholders can inform the Board of Internal Auditors of suspected violations directly at our Call Center - 444 25 25. Such notifications can also be made through e-mails to be sent to [etik@akbank.com](mailto:etik@akbank.com).

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

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



**16,315 AKBANK EMPLOYEES ARE HERE TO MEET EXPECTATIONS OF OUR CUSTOMERS, -WITH HIGH PERFORMANCE IN SECURE, ACCOUNTABLE & TRANSPARENT, ENVIRONMENT FRIENDLY BANKING PRACTICES BY USING ADVANCED TECHNOLOGIES- TO ENCOURAGE ART AND CULTURE AND TO SUPPORT GLOBAL INITIATIVES.**

## VALUE ADDED TO OUR CUSTOMERS

In an era where banking has become a service to facilitate users' lives and add value to them, it is a priority for Akbank to understand customers well and to develop a variety of products and services that meet diversified needs. In addition, we take into consideration the social, economic, and most of all, environmental impacts of our products and services. In order to manage such impacts, we evaluate various environmental and social criteria in our products and services. We invest in delivery channels to contribute to local economies and organize business development meetings for SMEs, which are the dynamos of the economy. We implement various innovations to ensure that each member of the society has easier access to financial services.

### Core Banking Services

Core banking services of Akbank include Consumer Banking and Private Banking services for retail customers as well as Commercial and SME Banking, and Corporate Banking offered in line with the ever-changing needs of corporate customers. Our International Banking unit provides foreign financing to customers. Credit cards we offer to customers of every segment are also an important part of our services. On the other hand, financial services that are out of the scope of banking and capital markets investment services are provided by Akbank's affiliates.

### Consumer Banking

Akbank maintains its leading role in consumer banking with its customer-based services, constant innovation in technological infrastructure, and widespread branch network. In consumer banking, the Bank's principle is that each and every product and service offered is customer-oriented. Our consumer banking services is in continuous development on the basis of customer satisfaction and in line with the expectations of more than 12 million retail customers, requirements of the era, market conditions, and our social responsibility.

### Corporate Banking

When offering corporate banking services to national and multi-national companies operating in Turkey, Akbank's aim is to be the major solution partner and main bank of more than 6,000 corporate customers (as of 2012 year-end). In line with this aim we provide our customers financial consultancy services first and most important of all in long-term investment financing as well as in treasury, foreign trade, and cash management and we also offer them financial solutions tailored to their needs. With the synergy created with AkInvestment, AkLease, AkInsurance, AvivaSA, Akbank AG (Germany) and Akbank (Dubai) Limited, Akbank's corporate customers have access to a variety of financial products and services.

### Commercial and SME Banking

Akbank's SME Banking Department within the Commercial and SME Banking Unit offers special products, services and solutions to small and micro sized businesses, whereas the Commercial Banking Department offers the same to medium sized ones. In 2012, the SME Banking Department continued to offer innovative financial products and services to small-scale businesses and to organize briefings and various campaigns. The Commercial Banking Department contributes to increasing performance of its customers by offering products that meet the needs of medium-scale businesses and by establishing cooperation with various institutions. Customer Relationship Managers operating in our branches serve these customers.

### Private Banking

Since 2001, Akbank has been offering Private Banking services at nine private branches – five in İstanbul, the rest in Ankara, İzmir, Bursa, and Adana. Akbank Private Banking team assists individuals with assets exceeding TL 500,000 with their investment decisions, provides tailor-made solutions when necessary, and serves its customers' pension, insurance and leasing demands with a single-station and specialized service in cooperation with the Akbank Group companies. The team continuously monitors customers' investment strategies and offers special solutions with support of our Customer Relationship Managers and a total of 10 investment consultants.

We, as Akbank, pay attention to supporting our Private Banking services with innovative solutions. For instance, the iPads used in customer visits give the chance to make the best use of time and opportunities by instantly imaging portfolio and market conditions. With our art consultancy services, upon demand from customers, we support investments in art works through internationally recognized auction houses so that such investments are made in the same way as those made using financial instruments.

### Telephone Banking (Call Center)

There has been an increase in the number of customers using Akbank Telephone Branch and Voice Response System at 444 25 25 which allow consumer and corporate customers perform a number of core banking transactions quickly and easily. As one of the biggest call centers in the banking sector, Akbank Call Center served nearly 5 million individual customers in 2012 with over 1,000 employees.

## VALUE ADDED TO OUR CUSTOMERS

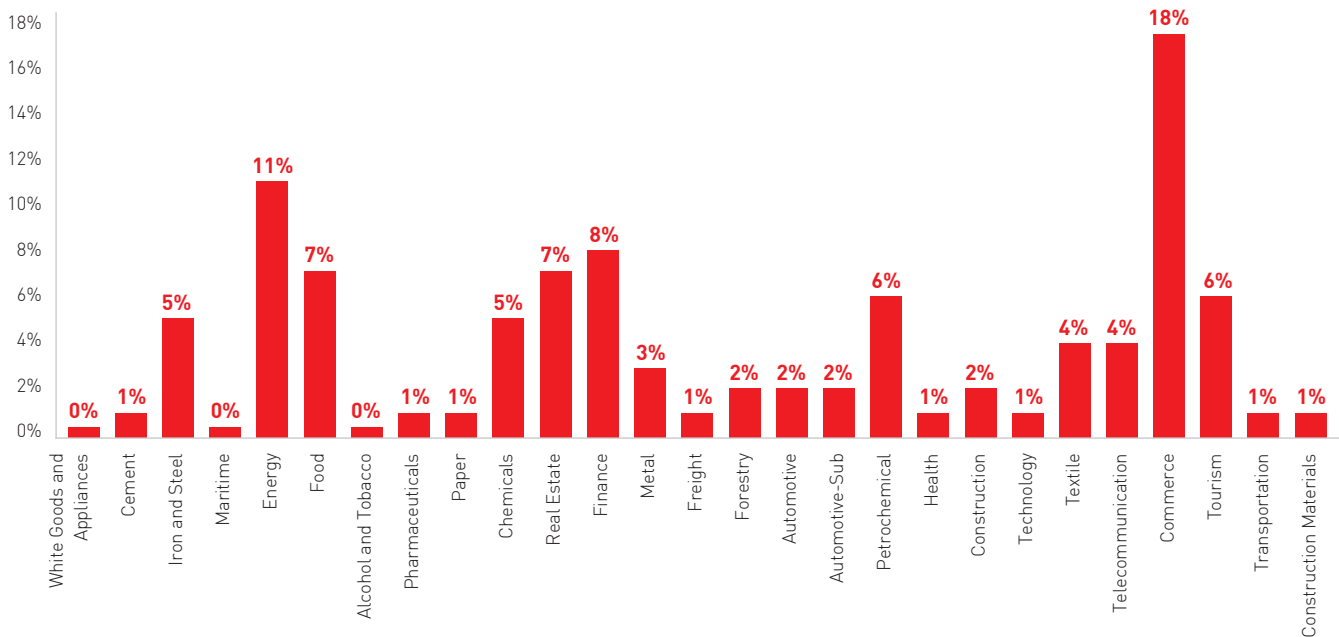
### Responsible Practices and Risk Management in Loans

Loans that Akbank provides for Corporate, Commercial and SME Banking customers are evaluated in terms of various environmental and social criteria, based upon factors such as the sum and source of loans. In addition, in accordance with our policies, we give priority to projects that allow transforming risks into opportunities.

### Distribution of Loans Provided for Customers, by Sectors

We offer our customers a wide array of loans for purposes such as growing their businesses, increasing their sales volumes, doing business abroad, company acquisitions and mergers, and project financing.

Distribution of consolidated cash loans by sectors in 2012 year-end is given in the table below.



### Implementation of Akbank’s Environmental and Social Policies

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

Pursuant to Akbank’s Environmental and Social Policies, we pay due attention that all elements stated in the United Nations Global Compact are implemented by the customers that we grant loans to. For instance, in line with our social criteria, businesses that are proved to employ child labor

are not granted any loans. In accordance with our Policies, considering that a project may cause severe and important impact on the environment, we request submission of Environmental Impact Assessment (EIA) reports or proof of exemption from EIA in financing projects in sectors within the scope of the Environmental Impact Assessment Regulations. Among projects that require EIA approval certificate are long-term infrastructure projects that have a high level of impact on the environment, such as hydroelectric power plants (HEPPs) and highways.

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

## VALUE ADDED TO OUR CUSTOMERS

Engineers in the Credits Business Unit make field controls both during the evaluation of loan applications and during execution of projects – especially those requiring construction. In pre-project controls, issues such as project’s compliance with EIA and local community’s reactions to the suggested project are investigated. During the project, main focus shifts to issues such as compliance with occupational health and safety standards.

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

### Environmental Risk Analysis of Corporate and Commercial Loans

In 2011 Akbank initiated a new system to evaluate all risks (including environmental ones) more efficiently and improve processes in loan applications that require approval of the Credit Committee and the Board of Directors. With this system, we began to employ Loan Analysis Managers and the number of these managers was increased in 2012. In addition, their area of responsibility was enlarged to cover not only the loans that require senior level approval, but also all loan applications received by the corporate and commercial branches. These Loan Analysis Managers are responsible for investigating all risks to be evaluated at the loan application phase and for recording the results of the analyses in the application file. We aim to make sure that the team is better equipped in terms of environmental and social risks in 2013.

### International Financial Resources That Support Sustainability

With the business partnerships that we establish with international financial institutions, we aim to continuously offer new loan opportunities to our customers and contribute to the economic growth in Turkey. Loans obtained from international financial institutions such as IFC, EBRD, and EIB are of environment-friendly nature and generally support sustainable development. In such loans we require our customers to abide by a variety of social and environmental performance criteria depending on the source of the loan. In addition, we provide our customers with financing from international sources for affordable loans to be used in energy efficiency and renewable energy projects.

### Akbank Social & Environmental Management System (SEMS)

Within the scope of the loan contract we signed with IFC in 2010, we established the Akbank Social & Environmental Management System (SEMS), which is based upon IFC’s social and environmental performance standards. SEMS Social & Environmental Management System covers

issues such as environmental and social assessment and management; labor force and working conditions; prevention and mitigation of pollution; public health, safety and security; protection of biological diversity; sustainable management of natural resources; and protection of cultural heritage. Through SEMS, we evaluate and manage the social and environmental risks of the projects of the SME and Corporate customers that we finance with IFC loans. Akbank SEMS is managed by a committee composed of representatives of Credits, Marketing and Sales Management, International Banking, and Corporate Social Responsibility Departments, in the leadership of a coordinator. In 2011, IFC gave environmental and social performance standards training to SEMS committee members and our teams that work in providing similar loans and these activities were continued in 2012.

### EBRD Loans

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

### European Investment Bank Loans

European Investment Bank (EIB) is an international financial institution that aims to provide financing for sustainable investments in EU member and candidate countries. As an important business partner of EIB in Turkey, Akbank obtained loans amounting to EUR 150 million to meet project financing needs of commercial and corporate customers. Loans to be offered to customers within the framework of this loan will also be evaluated according to environmental sustainability criteria of EIB.

### Climate-Friendly Loans

Akbank offers a variety of loans to its customers both from its own resources and by borrowing from international financial institutions for the financing of energy efficiency and renewable energy projects.

### Energy-Friendly Loans and Project Financing

Akbank Energy-Friendly Loan is used generally for the financing of heating, cooling, renewal of lighting systems, insulation of facades and conversion to environment-friendly energy sources of commercial real estates, such as factories. This loan is typically offered in the form of an



## VALUE ADDED TO OUR CUSTOMERS

investment and operating capital loan. Available especially for businesses such as shopping malls, hospitals, hotels, cold storage houses, laundries, restaurants, and bakeries, this loan supports progress in protecting and restoring the environment, using renewable energy sources, and improving energy efficiency.

As Akbank, while contributing to the development of the energy sector in Turkey, we also pay attention to the environmental impacts of energy generation projects. In line with this policy, we continued our contributions to financing renewable energy generation projects in 2012. Wind Energy Power Plant (WEPP) and Hydroelectric Power Plant (HEPP) projects constitute an important part of our loan portfolio. In 2012, financial support provided for such projects of our SME and Corporate customers had 65% share in our total energy project loan portfolio.

### Examples of Energy Efficiency Projects

In project financing loans, Akbank continuously increases support for environment-friendly projects that also contribute to the Turkish economy. In addition to the Bank's own resources, we support renewable energy and energy efficiency projects with MidSEFF-TurSEFF funds obtained from EBRD. Here are three examples of energy efficiency projects financed by Akbank via TurSEFF Fund of EBRD in 2012:

In Tarfaş farm belonging to the Süttaş Group, biogas obtained from the fermentation of animal wastes in anaerobic environments is used to generate electricity. This project also allows for producing organic manure from animal wastes. As a result of these investments, the facility which has a total installed capacity of 2.4 MW is expected to generate 16 GWh electricity annually and to reduce its annual carbon emission by 8,992 tons.

At The Zorlu Center Shopping Mall belonging to the Zorlu Holding, electricity will be saved by using lighting systems with higher energy efficiency. With this project, 10 GWh electricity will be saved in one year and thus annual carbon emission will be reduced by 5,620 tons.

In two production facilities of Konya Şeker Sanayi ve Ticaret A.Ş. (a sugar production company) 4 energy efficiency projects will be implemented. In both facilities, bioethanol to be derived from fermentation of sugarcane wastes will be used to generate energy. With these projects, annual electricity saving of 62 GWh is expected. A new investment will be made for condensing the carbon dioxide released during fermentation and thus emission of 30,187 tons of carbon dioxide will be prevented.

As a result of these three projects, our customers will prevent 44,779 tons of carbon from being released to the atmosphere in a year. Our support for energy projects that reduce Turkey's dependence on foreign countries and use local resources will increase.

### EBRD MidSEFF and TurSEFF Loans

Extension of the USD 60 million-worth Sustainable Energy Financing Loan (Sustainable Energy Financing Facility -TurSEFF-Program) obtained from EBRD in 2010 to 38 customers was completed in April 2012. As a result of the evaluation it made, EBRD gave Akbank excellence awards in areas such as being the first bank to completely extend the TurSEFF fund and perform supplier financing and as the bank to reach the highest level of loan volume in renewable energy projects.

In 2011, EBRD granted Akbank a Mid-Size Sustainable Energy Financing Facility (MidSEFF) of USD 100 million with seven years maturity for financing mid-scale renewable energy and energy saving projects in Turkey. If the Bank deems appropriate, the maturity term can be extended to 12 years. We, as Akbank, continued to extend MidSEFF loans to customers for their renewable energy and energy saving projects in 2012.

In 2012, we obtained a TurAFF-TurSEFF II loan with a maturity of 5 years from EBRD. The loan will be used in agriculture, renewable energy and energy efficiency. Agricultural part of the loan, which is TurAFF (Turkey Agribusiness SME Financing Facility), is worth USD 12 million and the TurSEFF II part to be used in other areas is worth USD 24 million.

### TurSEFF Loan and DU Electricity Project

By extending TurSEFF loans to our customers for financing renewable energy projects, we create a resource with affordable interest rates and maturity while also contributing to our country's transition to low-carbon economy. 50% of the river-type hydropower plant built by our customer DU Electricity in accordance with legal requirements was financed by TurSEFF Loan extended through Akbank. With this project, DU Electricity annually achieves more than 7,500 tons reduction in carbon emissions.

For more information

MidSEFF : <http://www.midseff.com>

TurSEFF : <http://www.turseff.org>

## VALUE ADDED TO OUR CUSTOMERS

### IFC Securitization Loan

Extension of the IFC Securitization Loan of USD 75 million granted by IFC to Akbank in 2010 was completed in 2012. With this loan, renewable energy projects of our Corporate, Commercial and SME customers were financed, regardless of their business segments and also investments in equipment that provides energy efficiency and savings were financed.

### Project Financing

In 2012, Akbank continued efforts to structure financing of many different “greenfield” projects in energy and real estate sectors, including Turkey’s leading infrastructure projects such as public-private partnership hospitals or Gebze-Izmir Highway Project.

We share our extensive information on project financing with customers at the project planning stage and draw roadmaps

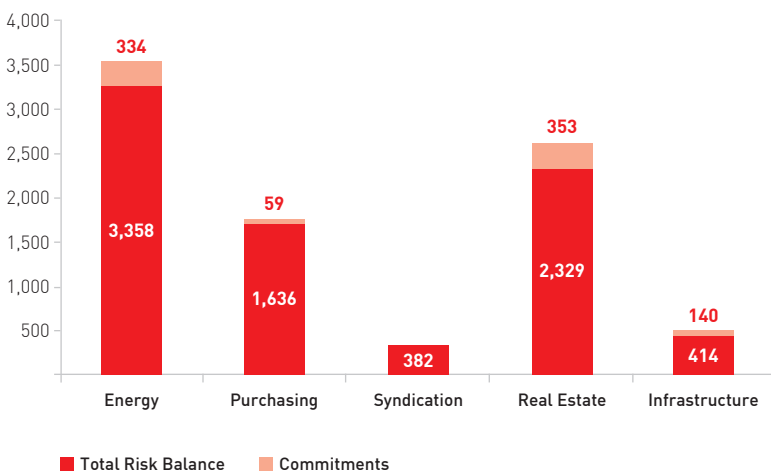
together in order to structure the investments in a way that can be financed properly. At this stage, by cooperating with local and international banks as well as financial institutions such as IFC, EBRD, and EIB, we pay attention to creating a financing structure that offers the greatest added value to all parties, especially our customers.

With our cautious loan policies applied so far, we, as Akbank, have one of the lowest non-performing loan ratios of the industry. Instead of concentrating project financing loans on a single sector, we distribute them among sectors such as energy, infrastructure, real estate, telecommunication, transportation, and petrochemicals in a balanced way.

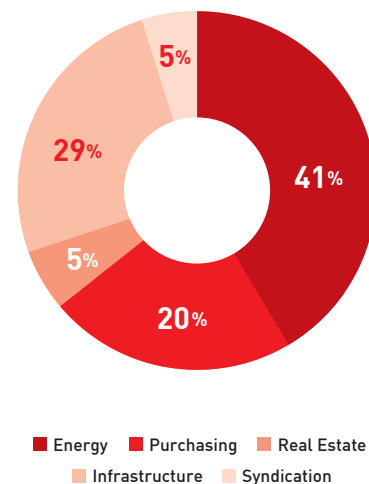
Ratios of project financing distribution by sectors are given in the charts below:

### Size of the Project Financing Loan

USD million



### Sector-based Distribution



## VALUE ADDED TO OUR CUSTOMERS

### Dialogue with Stakeholders – Public Specialization Commission

In parallel to the emergence of more available conditions for investments and positive economic indicators in Turkey in recent years, number of investments increased and both bids and privatizations held with public-private partnership gained momentum.

Implementation of planned investments such as highways and bridges, health facilities, railways, rail systems, ports, and airports can only be achieved with partnership models that bring various stakeholders in the public and private sectors together. In other words, effective public-private partnership processes that allow efficient and rational sharing of investment risks by stakeholders are necessary. In this sense, communication and cooperation between all stakeholders will be the determining factor in efficiently realizing bids and privatizations.

Within the scope of preparations for the 10th Development Plan, stakeholders of the mentioned process came together and formed the Specialization Commission. In 2012, this Commission brought together a number of executives from the private and public sectors under the umbrella of “Public-Private Cooperation Workshop”. In this workshop more than 70 participants (consisting of representatives of the State Council, Privatization Authority, various ministries, related public institutions, local and foreign financial institutions, and universities) came together to evaluate troubles of the existing situation and exchanged opinions on how to improve the investment environment. Thanks to its extensive experience in the financing of such projects, Akbank also participated in this workshop with its stakeholders.

### Special Services for Corporate and Commercial Customers

#### China Desk

Akbank put its signature under another “first” among Turkish banks by creating a “China Desk” in cooperation with Bank of China in order to offer all kinds of banking products and services to Chinese companies that are increasingly interested in Turkey. The China Desk will serve Chinese companies that are partners with Turkish companies and that plan to make investments in our country. The China Desk was launched in September 2012 as the first contact point of Chinese companies in Turkey. Through the China Desk, Akbank offers companies that have or plan to have trade with this country banking services including foreign trade, structured financing, treasury products, Yuan transactions, and letters of guarantee. With the launch of the China Desk 2 employees of the Bank of China were transferred to Akbank and started to work here permanently.

Mutual foreign trade between Turkey and China increased 20 times in the last 10 years and exceeded USD 24 billion by the end of 2012. Number of Chinese companies operating in Turkey and Turkish-Chinese joint companies is more than 450. Investments of Chinese companies in Turkey were more than USD 450 million between 2007 and 2011.

### Products and Services for SMEs

SMEs amount to 99% of the businesses, create 78% of employment, produce 60% of exports and 55% of added value in Turkey and therefore they have an important role in economic development. They need not only financing support but also information and guidance in marketing, strategy, and innovation. We, as Akbank SME Banking, create solutions to facilitate our SME customers’ banking transactions and to support them with innovative operations that contribute to their growth.

Below are some of the new products, services, and solutions that we offer with the motto “SMEs for Turkey and Akbank for SMEs”.

### Special Packages, Funds, and Products for SMEs

In addition to our existing products, we offer approximately 20 product and service packages such as SME, Merchants, Entrepreneur, Tourism, and Jeweler Support Packages to our customers of various segments, sectors and regions. In these packages we offer not only advantages in banking transactions, but also loans that suit the company’s cash flow and products and services that focus on sectoral needs. Almost in all packages an extra value is offered to customers with 3-month advantages in banking transactions including transfer/EFT, check collection.

#### Merchants Support Package

With the loan offered to merchants within the scope of the Merchants Support Package, financing needs of up to TL 100,000 are met with a flexible payment plan that fits the company’s cash flow. Merchants may benefit from special interest rates for loans up to TL 25,000 with a maturity of 24 months. Merchants Support Package includes products and services such as check book for purchasing and payments, POS service for money collection via credit card, automatic payment order, legal payments including tax and Social Security Institution payments.

#### SME Support Package

SME Support Loan meets all financing needs of SME customers with maturities of up to 36 months. This Package includes products and services such as business credit card for company’s expenses, check book for purchasing and payments, POS service for money collection via credit card, legal payments including tax and Social Security Institution

## VALUE ADDED TO OUR CUSTOMERS

payments. “POS Plus Insurance” service that covers POS machines and some other risk factors in the workplace is offered in cooperation with AkInsurance. There is also “Workplace Insurance” that covers basic risks such as fire, water-flooding incidents and theft within a certain limit and with affordable conditions.

### Cooperation with KOSGEB – “Loan Support Program in Centers of Attraction”

Akbank cooperates with KOSGEB (Small and Medium Enterprises Development Organization) in the “Loan Support Program in Centers of Attraction” with the aim of strengthening the existing structure of tourism as well as creating opportunities for new investments and production capacities in the city of Erzurum. With this program, we offer loans with 0% interest rate to our SME customers, with all the interest rate of the loan to be paid by KOSGEB. This loan is of six-month non-refundable nature to be paid in equal quarterly installments with a 13-month term.

### Loan Facilities for the Growing Anatolia

“Loan Facilities for the Growing Anatolia” is a program that aims to reduce the development gap between some regions of Turkey. Created by the European Investment Bank and European Investment Fund, Loan Facilities for the Growing Anatolia program offers financing opportunities to micro, small and medium-scale businesses in 43 underdeveloped regions. As one of the five banks to mediate for this program, Akbank provides support to targeted businesses seeking financial support in areas such as new investments, operating capital, exports, etc.

### Golden Loans for Merchants

Golden Loans for Merchants is a new product for SME owners who choose to invest personal savings in gold. The idle gold is deposited to Akbank Golden Account and not only brings extra gain to the owner but also is used as collateral surety. Golden Loans for Merchants can be used in meeting installment-based commercial loan needs of SMEs with advantageous terms and without any guarantors. This loan both allows bringing idle gold into use by the economy and supports SMEs in achieving financial resources to develop commercial activities.

### SMS Promotion

With the “SMS Promotion” practice as the first of its kind in Turkey, Akbank gives SMEs the opportunity to promote their companies and products to target audience free of charge. By sending SMSs to potential customers in the region they choose and with their own brands, SMEs have the chance to improve the recognition of their brands, grow their customer portfolio and increase sales.

### Other Support Packages and Practices

Among the innovative solutions we offered to SMEs in 2012 is the “Jeweler Support Package” created for jewelers. This package includes the “Gold Loan” with a maturity of up to 18 months and the “Golden Deposit Account” that jewelers can use to add value to their savings and that allows purchase of gold in grams. With our renewed “Tourism Support Package”, customers will use the Tourism Support Loan as the operating capital for both their new investments and their needs in the new season. The Package includes services and products such as check book, letter of guarantee, Commercial Extra Money Loan, business credit card, and insurance as well as the Foreign Exchange POS that can operate using five different foreign exchange rates. In addition to these, we meet installment-based commercial credit demands of up to TL 50,000 with our “Loan In a Day” system in order to support business schedules of SMEs.

### Support for Entrepreneurship

Akbank continues to support efforts to develop entrepreneurship into a healthier structure and to enhance opportunities for entrepreneurs. In 2012 we not only provided financing support, but also continued to offer a number of solutions adding value to the ecosystem for entrepreneurship. Examples of these are given in detail in “Our Community Investment” section of this Report.

### Support for Entrepreneurs - Endeavor Program

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

### Entrepreneur Support Package

The Entrepreneur Support Package aims to support new entrepreneurs that have a high potential for creating employment. Within the package, entrepreneurs are provided with Plus Money Loan to meet short-term cash needs immediately, check book for purchasing goods and making payments, and “Axess Business Entrepreneur” card, which is the first of its kind in Turkey. Campaigns organized for the Entrepreneur Support Package offer various opportunities for customers. Among these are 10,000 free SMSs for product promotion to the target audience, chip-money of TL 200 worth after the first payment made by using Axess Business Entrepreneur card, 10 free bank transfers / EFT/check collection transactions monthly for a period of 3 months, unlimited free bank transfer and EFT transactions in the Akbank Internet Branch.

## VALUE ADDED TO OUR CUSTOMERS

### Business Development in SMEs

We implement our motto “SMEs for Turkey and Akbank for SMEs” through business development programs, informative meetings, and cooperation specially designed for SMEs.

### SME Export School - First Step in Exports

With the “SME Export School - First Step in Exports” project launched jointly with the Foreign Economic Relations Board (DEİK), we continue our support for SMEs that want to expand into overseas markets. We inform SMEs that do not make or have just started making exports about new markets, business opportunities, government incentives for exports, facilitators for exports practices. Within the scope of the program, “Export Opportunities: New Sectors, Markets, Business Models and Incentives” meetings were held in the cities of Manisa, Uşak, and Elazığ in 2012.

### SME Web Portal

[www.kobilersizinin.com](http://www.kobilersizinin.com) is a portal specially designed for SMEs to give information on subjects such as foreign trade, entrepreneurship, the new Turkish Commercial Code, taxes, etc. Visitors can watch videos of experts outside our Bank via Akbank SME TV broadcast on the website and can share their questions and needs regarding new customers, employees, raw materials, and machinery-equipment in the Ads section. In the Entrepreneurship section added to the website in 2012, there are videos on marketing, business planning, finance, strategy, entrepreneurship events; success stories; and entrepreneurship.

In 2012, [www.kobilersizinin.com](http://www.kobilersizinin.com) received the Jury’s Distinguished Honoree Outstanding Achievement Award at the “Creativity International Awards” that select the world’s best product, service and communication projects.

### New Opportunities for SMEs – SME Public Offerings Meetings

New Opportunities for SMEs – SME Public Offerings meetings in cooperation with İstanbul Stock Exchange – Emerging Companies Market (ISE-ECM) were held in İstanbul and İzmir in 2012. At the meetings, ISE-ECM aimed to provide information on subjects such as being traded at the stock exchange market and business flows as well as advantages including fund raising that SMEs benefit from when they are listed on the stock exchange, sustainable growth, and recognition.

### “Ready for the Future?” Meetings

At the “Ready for Future?” meetings, we informed our customers on the new Turkish Commercial Law that was enacted in 2012, in cooperation with Deloitte Turkey. Meetings that had drawn significant attention in İstanbul, Denizli, Antalya, Gaziantep, and Bursa in 2011 were held in İzmir and Ankara in 2012.

### Cooperation with Chambers

In order to support local economies and regional development, we offer loans and other banking services with favorable terms to SMEs by cooperating with chambers of industry and commerce and craftsmen in several cities and regions. We provide chamber members with services such as Fee Collection System, Merchants Support Package, SME Support Package, Commercial Loans in Installments, Workplace Loans, Investment Loans, Non-Cash Loans, and Foreign Trade Financing with affordable terms and payment conditions. So far, we signed cooperation contracts with more than 130 chambers of commerce and/or industry and unions of chambers of merchants and craftsmen all around Turkey.

### Supporting and Promoting Foreign Trade

We, as Akbank, continue to offer elaborate and quick support to customers with their foreign trade activities, payment transactions, and investment projects via various financial tools. We provide affordable, long-term financing through our contracts with export credit agencies of various countries. The “Foreign Trade Support Package” prepared to meet the exports and imports transaction and financing needs of SMEs that do business with foreign companies contain current and new loans, cash management and insurance products and offer a number of opportunities. We also started foreign exchange and deposits transactions in Chinese currency, Yuan.

Our customers can reach general information on foreign trade transactions, alternative financing techniques and foreign trade regulations, as well as answers to other frequently asked questions about foreign trade transactions via [www.akbankmevzuat.com](http://www.akbankmevzuat.com) (available only in Turkish)

In 2012, Akbank was the main sponsor of “Stars of Export – Encouraging Exports Awards” that has been organized since 2002 to encourage exporting companies. At this platform organized by Dünya newspaper and DHL, awarded companies perform their exports transactions free of charge for a whole year.

### Responsible Practices in Consumer Banking

Financial habits and service expectations of individuals may vary depending on age, education, and occupation. Based upon this fact, we meet different financial needs of customers with our varied personal loan and deposit products.

### Encouraging Deposits and Facilitating Investments

#### Savings Campaign

The biggest challenge in the Turkish economy which has become highly stable in recent years is the current account

## VALUE ADDED TO OUR CUSTOMERS

deficit resulting from the low levels of domestic savings. In the last 10 years, the ratio of domestic savings to the national income fell from 22% to 12%. In order for Turkey to reach its strong economic growth target, this current account deficit must be closed and therefore personal savings must increase.

To support this important national target, we, as Akbank, launched a "Savings Campaign" in April 2012. Within the scope of this campaign we not only offer advantageous products and services to encourage savings, but also implement corporate social responsibility projects to increase awareness on savings. Akbank Volunteers support the widespread financial training projects. Detailed information on these projects can be found in "Our Community Investment" section of this Report.

"Akbank Deposit Savings Account" - an innovative product within the scope of this Savings Campaign - draws attention from customers. Akbank Deposit Savings Account has a 5-year maturity and enables individuals to gain the habit and discipline of saving money. The Account allows monthly transfer of a pre-determined amount of money from a regular deposit account to the savings account. Thus, owners of the savings account can get proper interest even from very small term deposits. Every month, approximately 220,000 Akbank customers save money with this system.

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

### Gold Deposit

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

Akbank developed a product to encourage contribution of idle savings to the economy. With the "Gold Deposit Account" launched in 2012, our customers can buy gold even with a savings of TL 2. In addition, with our "Invitation for Gold" service, scrap gold and jewelry are evaluated in grams by special experts in our branches and then these can be deposited to Gold Deposit Accounts in Turkish liras. The amount deposited changes in parallel with gold prices

and customers can benefit from their gold without the risk of theft or loss as this gold is kept under the guarantee of Akbank.

### Pomegranate Account

The "Pomegranate Account" is a new product that we created in 2012 with the aim of offering accretion even for small savings and thus bringing these savings into the financial system. As a product that offers solutions for all cash management needs of customers, the most important quality of the Pomegranate Account is that it gives the opportunity of daily interest for even small sums.

### Creating Awareness Among Individual Investors via One-to-One Banking

Within the scope of One-to-One Banking, our Customer Relationship Managers offer financial information support to customers who have assets amounting to TL 100,000 and who expect expert support in investment products. While 200 Akbank branches provided One-to-One Banking services in 2011, this figure increased to 250 in 2012 and the number of customers receiving this service increased from 190,000 to 300,000.

In addition, our One-to-One Expert Line provides high-quality investment services to customers all around Turkey on the phone. This innovative system has become an important channel that serves 80,000 customers in 80 experts, regardless of city and region.

In addition to One-to-One Banking Customer Relationship Managers and One-to-One Expert Line Experts, customers can gain access to the most accurate and up-to-date information on investment products and markets through Akbank Investor Portal, Akbank Investor Center, or Investment Suggestions by AkPortfolio and portfolio suggestions of AkInvestment. At the Investor Seminars that we organize to help customers benefit from expert views and have better perspectives in making their investment decisions, prominent market commentators, world-renowned fund managers and economists come together with our customers in 2012.

### Facilitator Products

#### Banking Services for the Youth: exi26

It is estimated that 19 million people in Turkey have not yet been introduced to banking services. The majority of these people are young individuals. In this context, we offer products to meet banking needs of students and to support them. An example of the products and practices we offer students of age 16-26 via our exi26 brand is the "Student Account". Account-holders can withdraw money free of charge at any ATM abroad with their neoexi26 card, withdraw

## VALUE ADDED TO OUR CUSTOMERS

money at other banks' ATMs free of charge twice a month to facilitate fast money transfer with their families, and shop on the Internet. Axess exi26 credit card is another product for students. Axess exi26 credit card holders benefit from special campaigns for education, school expenses, and stationary expenses as well as all Axess campaigns free of charge.

### Structuring of Personal Loan Debts

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

### Responsible Loans and Insurance Products

#### Contribution to Professional Development: "From Kitchen to Life" Loan

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

#### Mortgage Loans

Over 250,000 Akbank customers purchased houses since 2005 when the mortgage market gained huge momentum. We offer mortgage loans for up to 75% of the house value with up to 120-month terms and exemption from Banking and Insurance Transaction Tax and Resource Utilization Support Fund on condition that the house to be purchased is given as guarantee. By cooperating with construction companies such as the Housing Development Administration of Turkey (TOKİ) and Emlak Real Estate Investment Trust, we support urban transformation activities through earthquake-resistant, exclusive architectural projects with strong infrastructures not only in metropolitan cities, but also in Anatolia. Customers applying to our special call center (Big Red Line – 44 44 253) can both obtain all kinds of legal and technical assistance from mortgage consultants and apply for mortgage.

### Hybrid Car Campaigns

Hybrid-engine vehicles use electric engines in addition to gasoline engines and thus reduce carbon dioxide emissions while also offering a solution to air pollution resulting from heavy traffic. In order to encourage and facilitate purchasing of hybrid cars, we designed hybrid vehicle loan campaigns including car promotions, advantageous interest rates, and flexible payment terms in cooperation with Toyota and Honda. Akbank will continue creating similar campaigns to increase the number of environment-friendly vehicles in traffic.

### Services offered by Affiliates

#### Insurance Made Easier

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

### Debit and Credit Cards Adding Value to Our Customers

We, as Akbank, offer **Axess, Axess Business, Axess exi26, Wings, Wings Business, Free, and Fish** credit cards and **Neo** debit card to meet various demands and needs of customers.

- A portfolio of approximately 5.8 million credit cards with our 4 leading credit card brands – Axess, Wings, Free, and Fish
- A portfolio of 6.4 million debit cards (Neo)
- Credit card lending of TL 12.9 billion
- "Member Business Network" of 235,000 members (those using our POS machines)

## VALUE ADDED TO OUR CUSTOMERS

Our Brands	Examples of New Advantages Launched in 2012	Qualities of the Card
	<p>New loyalty program Cash-Money: Axess customers earn cash-money in addition to chip-money while shopping and they can withdraw the accumulated cash immediately, without an interest rate or commission.</p> <p>Shopping Tariffs added to the Credit Card Tariffs World provides discount in fuel oil and supermarket shopping and +3 installments everywhere.</p> <p>“Ask for Delay” service allows for delaying payments to later months.</p> <p>EFT payments such as house rents, fees, school fee installments made can be performed by credit cards and thus can be combined under a single card.</p>	<p>Axess credit card offers customers benefits such as shopping anywhere in the world, earning chip-money, installments, special advantages for exclusive brands.</p> <p>We actively communicate with Axess card-holders through our updated website and social media channels such as facebook and twitter.</p> <p>We also have the Axess exi26 credit card for university students and young professionals.</p> <p>For more information please visit:  <a href="http://www.axess.com.tr">http://www.axess.com.tr</a>                      (available only in Turkish)</p>
	<p>Card-holders can use their Wings Miles to buy plane tickets, accommodation, insurance for travels abroad, and tours via <a href="http://www.GezinlerAleml.com">www.GezinlerAleml.com</a> sponsored by Wings. They can easily plan their travels thanks to special installment options and promotions for Wings.</p> <p>With the “Miles on Land” system, card-holders can use their Wings Miles to make payments at around 150 Wings Style-member restaurants, hotels, sports and spa centers.</p>	<p>Wings is a credit card for the high-income group of Akbank customers who have an active social life and who travel frequently for either business or pleasure.</p> <p>For more information please visit:  <a href="http://www.wingscard.com.tr">http://www.wingscard.com.tr</a>                      (available only in Turkish)</p>
	<p>Free card-holders can benefit from the following services offered by Axess: standard chip-money rates and installments at member companies; cash solutions, tariffs and orders specially devised for Axess; supplementary card; insurance.</p> <p>With the Free Budget service, card-holders receive an informative SMS, stating that they reached the pre-determined expense level and thus they can manage their budgets. They can also learn about their available limit, current debt balance, and payment due date via SMS.</p>	<p>Free card-holders do not pay annual subscription fee. They are free to choose among periodical campaigns such as extra installments, payment delays, chip-money. They can benefit from these campaigns in return for a certain fee.</p> <p>For more information please visit:  <a href="https://kartfree.com">https://kartfree.com</a>                      (available only in Turkish)</p>
	<p>Monthly lotteries of Fish continued in 2012. Even users who spent only TL 10 could attend the lottery. Fish card-holders won 2,139 awards, including cars and motorcycles.</p>	<p>Fish is a credit card that creates closer bonds between our Bank and the retail market, while bringing attractive rewards to card-holders.</p> <p>For more information please visit:  <a href="http://www.fishcard.com.tr">http://www.fishcard.com.tr</a>                      (available only in Turkish)</p>
	<p>As a card that gives chip-money in shopping and allows for free shopping with this chip-money, Neo continued to encourage customers to use debit cards with several campaigns. Widespread use of debit cards also contributed to preventing unrecorded economy.</p>	<p>Neo is a Maestro debit card that allows shopping and drawing money both in Turkey and abroad.</p> <p>For more information please visit:  <a href="http://www.akbank.com/consumer/cards/neo.aspx">http://www.akbank.com/consumer/cards/neo.aspx</a></p>



## VALUE ADDED TO OUR CUSTOMERS

### Innovations in Debit Cards and Credit Cards

In 2012, we continued to offer innovative services to an increasing number of credit and debit card customers, tailored to their needs. Examples of these innovations are given below:

#### Individual Credit Card Applications

We offered our new credit card Free to individual customers by the end of 2012. Free possesses the basic characteristics of Axess (such as chip-money and installments) but it does not require any annual subscription fee. Free card-holders both benefit from the basic Axess features and have the freedom to select extra features and services as well as periodical campaigns in return for a fee.

#### Debit Cards and Pre-Paid Debit Cards

With the motto "Prudent Shopping Card", Akbank's debit card **Neo** encourages customers who prefer to use cash to shop with their debit cards. In 2012, number of **Neo** card-holders increased 549,000 compared to 2011 and reached 6.4 million. Use of **Neo** in shopping increased by 19%.

In 2012, we, as Akbank, launched especially pre-paid card projects:

- "Starbucks Personal and Corporate Pre-Paid Card" in cooperation with Shaya A.S.
- "Pocket-T Neo Pre-Paid Card" in cooperation with Turkcell, especially to meet debit card needs of the young people and students

Our efforts focused on new debit card features and pre-paid cards will continue in 2013 with the aim of contribution to the target of "2023 Cash-free Turkey".

#### Business Credit Card Practices

Showing a 96% increase in volume in 2012, **Axess Business** and **Wings Business** cards are used by small, medium and large-scale companies to meet their needs such as fuel oil and wholesale purchase, business travels, accommodation, and office supplies. Companies can monitor their business card payments regularly, earn mile points and chip-money, and benefit from a variety of campaigns.

In 2012, **Axess Business Entrepreneur** card was offered to new entrepreneurs as one of the most innovative products of the sector. The card is within the scope of the "Entrepreneur Package" that can only be used by companies operating for less than 2 years and it provides an important financing support for entrepreneur SMEs. Another practice launched in 2012 was "Ask for Installments/Ask for Delay". With this practice, card-holders can make payments in installments and delay the payments and can make automatic payment

orders for Social Security Institution fees either at our branches or via our Internet branch.

#### Member Business Practices

Akbank pays attention to offering technologies that meet various needs. For instance, we continue efforts to increase the number of member businesses using contactless POS machines that allow card-holders to make fast payments simply by showing the card to the POS machine, without any need for passwords or signatures for payments up TL 35.

In member businesses located in touristic areas, foreign exchange POS machines that can work with US Dollars, Euro, Pounds, and additionally Japanese Yen, and Russian Ruble are used. With these machines, Japanese and Russian tourists can make payments using their own currency.

#### Responsible Practices in Debit and Credit Cards

##### Insurance Services in Credit Cards

We offer our credit card customers a variety of insurance products so as to protect them in the event of accidents, loss, and theft. If the cardholder loses his/her job, AkInsurance Credit Card Unemployment Insurance insures all credit card debts of the card-holder. With Bodycard Protection Insurance, in case of loss or theft of personal goods such as cards of all banks, keys, mobile phones, wallet, and luggage, professional support is provided.

We offer customers who visit the Wings Lounges in international flights sections of İstanbul Atatürk and Sabiha Gökçen airports to buy travel health insurance through SMS. Upon the reply of card-holder to the SMS, a travel health insurance policy is prepared as of that day and sent to the customer's e-mail address.

#### Contribution to the Development of Trade in Anatolia via Member Business Campaigns

Akbank aims to contribute to the development of trade and to revitalize social life in Anatolia with city-based member business campaigns. With such "city campaigns", member businesses using Akbank's POS machines increased 80% since 2008. With campaigns organized in 14 cities in 2012 we distributed a total of TL 1.3 million worth chip-money to customers and provided them with the opportunity to make free shopping.

#### Innovative Banking Approach to Facilitate Access to Services

In 2012, we continued to put into effect a number of innovations to facilitate access of all members of the society, including our customers, to banking services and to spread our branch and ATM network.

## VALUE ADDED TO OUR CUSTOMERS

### Widespread Service Network

With new branches opened throughout the year, Akbank continued to spread its banking services with 961 branches in 79 cities (there are only 2 cities without an Akbank branch). In 2012, Akbank was the bank with the second largest ATM network among the private banks in Turkey with a total of 4,026 ATMs. 88% of all cash withdrawals and 65% of all cash deposit transactions in Akbank were performed using ATMs. In addition, Akbank ATMs and BTMs which are part of Turkey's ATM sharing platform provide services to all credit or debit cardholders in Turkey. ATMs also perform transactions including payment of personal loan installments, term deposit account, investment fund transactions as well as money transfers such as bank transfers and EFTs.

For ensuring better access to financial services by customers who prefer branches and ATMs, accessibility and visibility are taken into consideration while assessing service points in branch and ATM structuring. On the other hand, for customers who prefer to make banking transactions via the Internet or mobile banking, we offer a variety of innovative services while also serving them with Akbank Call Center. The Call Center supports around 5 million unique customers in a year with more than 1,000 employees.

### Innovations at ATMs

In addition to "Transfer from ATM to Mobile", "EFT via ATMs", and "I Want an ATM" applications launched in 2011, Akbank made it possible for customers to pay bills at ATMs in 2012. Akbank customers can pay their water, natural gas, and electricity bills at any ATM within our widespread ATM network, without having to go to a branch or bill payment center. Thus, our customers can make payments via all of our self-service channels.

### Innovations in Internet Banking

Akbank Internet Banking serves more than 1 million customers every month. The renewal of Akbank Internet Banking allows infrastructure for consumers (2011); in 2012 we renewed our Corporate Internet infrastructure that serves corporate and commercial customer segment.

In 2012, Akbank launched the Akbank Direkt brand that merges Internet and Mobile Banking services under a single roof. Akbank Direkt leads the new generation banking as a channel that offers great benefits to customers with its deposit-tailored interest rates, advantageous transaction costs, and time saving during transactions. Those who would like to become our customers may apply via Akbank Direkt.

In addition to these, with the "Where's My Application?" system launched in July 2012, we enabled customers to

monitor all products and service applications real-time. Everybody, whether Akbank customer or not, can follow up their credit card, personal loan, and microloan applications on our website.

### Innovations in Mobile Banking

In 2011 we had offered our customers the sector-leading "Send Money" and "Pocket-T Wallet" systems in mobile banking. In 2012, we launched two important projects as well and thus continued to create solutions to facilitate our customers' lives.

**Akbank Direkt Mobile** application can be downloaded to smart phones and tablets with iPhone, iPad, android operating systems and with this application Akbank customers can perform Mobile Banking transactions in a fast and practical way. With Akbank Direkt Mobile, transactions such as payment and investment, account and credit card imaging can be made in a completely secure way.

Another innovation in 2012 was the launch of **Cep-T Neo (Pocket-T Neo)** pre-paid card in cooperation with Turkcell, in order to reach people who would like to make their daily payments and money transfers in a secure and fast way. Pocket-T Neo is a card that everyone - whether Akbank customer or not - can obtain at Turkcell sales points. Pocket-T Neo card-holders can shop in Turkey and abroad, deposit TL in their Turkcell phone lines, perform transactions such as sending money to any mobile phone numbers using Turkcell Wallet application.

### Customer Satisfaction

To be able offer the best services to our customers, we attach great importance to achieving customer satisfaction, which is a priority for us. To achieve the target of "maximum customer satisfaction in each moment of contact with our customers", we employ a variety of measures, evaluation and improvement systems in Akbank.

### Assessment, Evaluation, and Improvement of Service Quality

In order to make sure that our customers have perfect banking experiences with our customer-oriented services, we use advanced "customer experience-based assessment and evaluation" systems. We assess the quality level of the service provided in Branches and Alternative Delivery Channels to identify our strong points and those that need to be improved.

We assess customer satisfaction by immediately calling them after their contact with our branches or Alternative Delivery Channels. In addition to these proactive assessments, customers can express their level of

## VALUE ADDED TO OUR CUSTOMERS

satisfaction by using the kiosks (interactive information terminals) and web applications. We monitor results of assessments on a branch and employee basis and share them daily and transparently with all employees. Using the “Service Quality Scorecards” that we prepare twice a year, we identify our strong points and those that need to be improved and devise action plans with related teams. By carefully implementing these plans, we achieve improvements and continuous development.

In addition to daily assessments, we organize focus groups that bring together customers from various segments together periodically so that we can listen to them in person. With detailed interviews we make while visiting customers, we get feedback on service quality. Feedback received as a result of all of these interviews is used as inputs to our efforts to improve customer satisfaction.

We also organize trainings and awareness events for branch employees that focus on improving service quality and methods of solving customers’ problems and complaints. In the last 2 years more than 4,600 employees participated in the Boomerang training that we started in 2011 and continued in 2012. (Details of this training are given in the “Our Employees” section of the Report.

### Practices Regarding Internal Processes

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

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

### Customer Satisfaction Survey

Our customers can inform us on their expectations via different channels but in addition to these, we also perform regular customer satisfaction surveys and researches to get feedback. For instance, we daily monitor customer satisfaction levels with feedback from the kiosks (interactive information terminals), web applications, and direct phone calls. Outputs of the surveys and areas to be improved are regularly shared with the channels and employees delivering the related services in a special area in the portal.

Areas that are below the target scores are considered as areas for improvement and development and efforts are started. In addition, in order to assess expectations and satisfaction levels of our customers from various segments and to identify areas to be improved, we hold a Customer Satisfaction Survey every year.

### Innovative Ideas of Our Customers and Employees

We attach great importance to feedback from customers and creative ideas and suggestions of our employees in line with our target to meet ever-changing and diversifying customer demands and to serve them better.

There are efforts throughout Akbank to develop innovative ideas and to objectively evaluate and design these ideas. There is a team of Innovation Envoys, made up of 110 employees from the Head Office, regional directorates and branch employees. Innovation Envoys attend periodical workshops to create new ideas identified in accordance with our Bank’s strategy and needs of our business units, using their learning on creative and innovative thinking techniques and internal innovation leadership.

In order to create awareness in our employees on innovation, *1001 Haber* (news) -a monthly bulletin- is issued. *1001 Haber* gives examples of innovative practices in both the banking and other sectors, while also containing articles on the issue and success stories from all around the world.

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

In January-December 2012, a total of 6,607 suggestions -5,400 from employees and 1,207 from customers- reached our Suggestion System. Since the launch of the Suggestion System in 2008, a total of 3,450 suggestions were accepted and 32% of them were implemented. Examples of received and realized suggestions are:

- Mobile branch application for iPhones and androids
- Using credit cards to buy gold in grams
- Making personal loan payments before the due date via Akbank Direkt Internet

## VALUE ADDED TO OUR CUSTOMERS

### Complaint Management

In today's highly competitive environment, customer satisfaction and complaint management are very important for companies. Achieving loyalty of existing customers and retaining that loyalty is more difficult than winning new customers. As Akbank, we have full confidence that a sustainable financial success can only be achieved through high levels of customer satisfaction and loyalty. Effective handling of complaints contributes to understanding customer expectations, allows for development, creates opportunities for improvements in services and processes, increases trust and reputation by creating know-how for new products.

### Customer Complaints Management

In Akbank, Customer Complaints Management is handled by a team established on a central platform. Customer Complaints Management is not simply about complaints. It is an ecosystem of activities in which demands, objections, suggestions and all kinds of information-based customer requests are handled and all processes are managed from end to end; customers are replied with result-oriented solutions; and improvement suggestions are made by using root cause analyses. In other words, not only providing fast and effective solutions to complaints, but also taking permanent actions to avoid emergence of complaints is important to Akbank.

Within the scope of complaints management, we attach great importance to improving customer satisfaction. We continuously work towards this aim. As a part of such efforts, we examined the most common complaints of customers and provided permanent solutions to these. Action plans to provide the mentioned permanent solutions were made and followed meticulously throughout the year.

As a plan to be implemented as of 2013, in order to provide permanent solutions to feedback from customers and to improve customer satisfaction, a Complaints Committee of senior executives will be established, Workgroups will be formed to prepare detailed analyses on issued selected by the Committee, and developments will be regularly reported to the senior management of the Bank.

With the recent increase in awareness and fast developments in technology, customers express their demands and complaints not only through traditional channels such as telephone, branch visits, fax or mail, but also through the Internet and social media (which is increasing rapidly). Complaints are also received via consumer-friendly arbitration board implementations and public institutions. In addition to these, we reply our customers' demands immediately with our "Live chat" service on Akbank Direkt Internet and Big Red House/Mortgage.

### Digital (Social) Media and Community Management

Akbank is followed by more than 1.5 million people in the social media channels. We contact customers with 19 different Akbank accounts in the social media. Specially trained customer representatives serve 24/7 and reply over 20,000 comments a month, offer solutions to problems, and record suggestions. For instance, with the Twitter.com/AkbankDestek application, which is a "first" among Turkish banks, our customers reach Akbank customer representatives via their Twitter accounts, simply as if calling the Call Center. With the infrastructure integrated into the Call Center systems, customers are served immediately.

Being selected the "Best Customer Management in the Social Media" "IMI Conferences – Turkey Call Center Awards 2012", Akbank has both been a leader among companies actively using the social media and become among the top 5 financial institutions in the world in this category.

All complaints expressed by customers (regardless of the channel used) are handled on a Customer Relationship Management System that has been integrated in all channels and customized with continuous technical and process improvements and adaptations since 2007. This infrastructure that offers the opportunity to work in a paperless environment was published by the software provider company as a success story setting an example for other financial institutions in the world and as a Best Practice in Banking. The system offers advantages and benefits including a robust infrastructure, examination of complaints both in quantity and quality, analysis, opportunity for the customer to monitor the complaint's situation at points of contact.

The process of handling, assessing, and finalizing complaints is realized within the framework of ISO 10002:2004 Customer Complaint Management certification principles first received in 2007 and updated every year after audits. All complaints are finalized in accordance with the Service Level Agreements (SLA) which were routinely followed since 2009 and have reached 26 in number as of now. In all stages from receiving the complaint to finalizing it, Akbank customers are informed in line with the related legislation, customer preferences and operational efficiency.

Thanks to the proficiency and know-how of the Customer Complaint Management team and the systemic bridge it builds with the whole organization at points that requires support, received complaints are solved in an average of 2 days.

## VALUE ADDED TO OUR CUSTOMERS

All complaints and customer notifications are handled in the same system infrastructure, regardless of the delivery channels. Although notifications of public institutions are replied within legal legislation and time periods, alternative channel-based expectations brought by customers are also handled in the same way. All customer feedback coming from social media (such as Twitter and Facebook), Akbank website, and 24/7 Live Chat service on our Internet branch is replied with utmost care.

In all process of the Customer Complaint Management, “customer point of view” is important to us.

Assessment of Customer Complaint Management includes self-assessment regarding the average solution time, service level agreement after the service, the rate of solving the problem at the first point of contact with customer, the rate of notifications solved in more than 1 week to other notifications. In addition to these assessment criteria, we make phone-surveys with customers whose notifications are handled. Results of these surveys are scored and monitored in terms of general satisfaction of customers, tendency to continue working with Akbank, and attitude of related employees, which form the Service Quality Scorecard.

Features that have always differentiated Akbank from others and continuing innovations regarding complaint management are:

- 24/7 accessibility
- A team profile of expert, customer and solution-focused individuals
- Central management integrated with all channels
- Feedback to customer at every stage
- Opportunity for the Call Center and the most contacted branches to monitor the result of the complaint
- Assessing each complaint specific to the customer
- Finding solutions at the first point of contact
- Increase in the number of self-service points (points where customers can get services and make transactions themselves, using ATMs, Direkt Internet, interactive voice response system, SMS or mobile phones)
- Considering every contact with the customer as an opportunity for service quality and customer satisfaction
- Periodical and extensive “Service Quality Scorecards” created by receiving complaint management feedback from customers on the basis of various categories, analyzing and assessing them
- A systemic infrastructure that is integrated with all access channels and the whole organization, meets expectations, and efficiently operates all reporting and control systems (including SLA management)

As a part of our customer-oriented perspective we receive feedback from customers, we analyze this in detail with our advanced technical and IT infrastructure, and we use the results to build our product, channel, and service quality-based strategies. We, as Akbank, will maintain our leading position in complaint management and continue with our service quality and customer-based approach.

### Process Management and Business Development

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

After the current system is defined, the way customers perceive products and services is identified. Business development in Akbank uses Simple Six Sigma techniques. Simple Six Sigma is the methodology to review and improve ways of doing business from the perspective of customers based upon the results of customer satisfaction surveys and to improve current processes, products and services so as to meet customer expectations in the most efficient way.

With the aim of establishing long-lasting relations with customers, Akbank focuses on improving customer experiences and the quality of these experiences. We adopt customer-focused perspective as a business strategy to manage the Bank from the viewpoint of customers and we shape our customer’s strategy and process improvement/development efforts in an integrated way.

As examples to process improvement activities at points of contact with customers we can mention Loans, Alternative Delivery Channels access processes, internal operational processes at contact points with customers, and branch improvement activities performed in accordance with feedback from the branches.

### Operational Efficiency

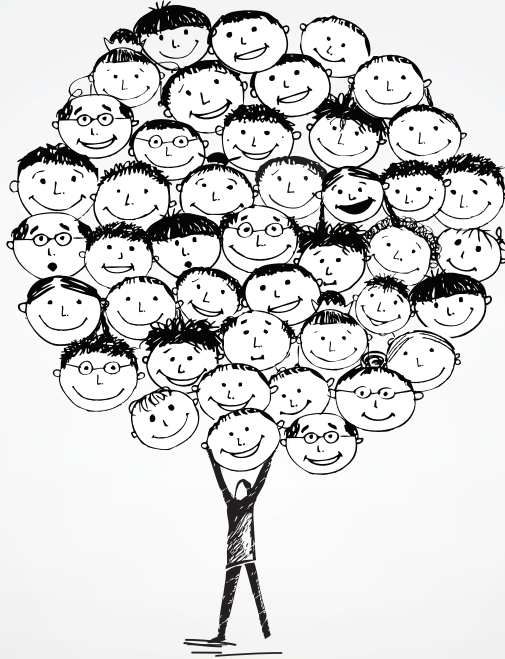
In order to continuously improve operational efficiency, we use the Lean Management methodology that assesses processes from end to end. With these efforts we aim to both improve customer satisfaction and facilitate processes for employees.

In efficiency efforts, feedback we receive from Bank employees and customers is the starting point. In 2012, these efforts started to focus on making branch processes more effective and share the results with the whole Bank within the scope of the **Improvements For You** program.

## VALUE ADDED TO OUR CUSTOMERS

With this program, approximately 200 improvements were made to make the processes simpler, more effective and efficient. These improvements sorted out the activities that do not create and added value and thus cycle time of processes was reduced, services were offered in a faster way. While helping us to increase sales results and volumes, these improvements also allowed us to achieve these results by using our existing resources.

Efficiency gains earned in 2012 have become sources of motivation for other units to work more extensively on efficient growth. With this motivation, for 2013 we planned and started to work on a more extensive transformation program that focuses on channels with one-to-one contact with customers (especially branches and Call Center) and processes directly influencing customers. With these efforts, we aim to carry Akbank to a point that sets an example in terms of efficiency and simplicity.



WE ARE NOW EVEN CLOSER TO A “**SUSTAINABLE FUTURE**” THANKS TO **270 TRAININGS ON OUR APPROACH TO SUSTAINABILITY** AND VOLUNTARY ACTIVITIES PERFORMED BY AKBANK VOLUNTEERS IN EVERY CORNER OF TURKEY.

## OUR EMPLOYEES

**Our objective is to offer our employees the resources they need to develop their talents, to ensure a communication environment in which they can share their ideas, and to create a workplace that supports excellence, creativity and quality. Our human resources management system aims to support the Akbank employee profile which is “hardworking, dynamic, creative, initiative-taking, legally compliant, and ethical”.**

### Our Human Resources Policy

Our human resources policy is to be the strategic partner of our business units while establishing human resources strategies compatible with our Bank’s vision and goals and steering corporate structure, mechanisms and human resources.

Main focus points of our human resources policy are:

- Recruiting success-oriented, the best candidates who are open to improvement
- Identifying employees’ potentials and creating opportunities for them to continuously develop their competence
- Continuously developing the corporate culture and the business conduct
- Making active and appropriate investments in human resources in line with targets and strategies
- Making career planning a participatory process
- Using a transparent and fair performance management system based on targets and competence to reward encouraging and high performance.

While developing and implementing the human resources policy, Akbank prioritizes equal opportunity and it takes measures to prevent acts that could be interpreted as discrimination. Since our human resources policy adopts a unifying attitude, not a discriminating one, we do not have any minority grouping policy.

### Our Compass in Every Step: “Our Values”

In order to reinforce Akbank’s corporate culture and approach, we initiated the “Revision of Corporate Values” project in 2012. As Akbank, we believe that organizations that unite around corporate values become successful. In order to assess how the Bank’s existing values are brought to life and internalized throughout the organization, we formed a sample group of 120 people coming from various geographical locations and functions such as department heads, managers, directors, assistant directors, executives, call center agents, and security officers and gathered 13 different focus groups.

As a result of this study, we identified 7 common values that define Akbank and being an employee of Akbank:

#### 1 We Are Bankers from the Heart

Energized by being an employee of Akbank, we work with enthusiasm and affection.

#### 2 We Believe in Growth with Customers

We look at the past and the future together with our customers and we create value for them.

#### 3 We Are Ready for the Future

We continuously develop ourselves and our business we lead the industry with the technology and innovation.

#### 4 We Make Life Easier with Reasonable Solutions

We think analytically, approach issues systematically, and produce cooperation-oriented solutions fast.

#### 5 We Appreciate Trust

We create success by trusting each other and transparency; we ensure that our customers feel the same trust.

#### 6 We Support Open Communication

We communicate with each other and customers in a clear, sincere, and timely manner.

#### 7 We Invest in the Community

In full awareness of our social responsibilities, we work for a sustainable community.

In 2013, we will focus on integrating these 7 values of Akbank and its employees into our human resources system and on internal communication activities.

### Towards Sustainable Success with the Best Professionals

We know that walking the path side by side with the best professionals brings the best results. Therefore our human resources practices aim to make Akbank “the leader among the most preferred employers where qualified and confident people who create values choose to work and a company which employees are proud to be a part of.”

Our employment policy is to hire qualified, well-educated, innovative people who are open to learning and development and who are eager to add value to Akbank, without any discrimination, including their race, language, religious belief, gender, and age. Akbank performs a fair approach with equal opportunities for every candidate, based upon well-defined recruitment criteria. Using internationally accepted objective measurement and evaluation methods, the most appropriate candidates are recruited in units in need of labor force. It is among our priorities to employ new graduate candidates who do not have professional experience, to train future leaders, and to offer them career opportunities within the banking sector.

In line with our business performance and productivity, vacant positions within our organization are first announced to our employees. Internal applications are evaluated by the Human Resources Business Unit and assignments are made



## OUR EMPLOYEES

in the soonest possible time. While recruiting for our Head Office and branches, we prefer to employ candidates living in regions close to our locations. In our Malta branch, we also generate local employment.

### Our Salary Policy

In general, salary policies of companies are among the important factors in employee loyalty and performance improvement. Therefore, the salary policy in Akbank is designed to attract the human resources required for continuous success, to reward, to motivate, and to retain high-performing employees. Akbank's salary policy is created in a way that suits the Bank's operations, long-term targets, and risk management structure. In order to achieve fairness in salaries, employees with similar roles and responsibilities get similar salaries and those who perform better than expected in performance assessments receive higher raise and bonuses.

In addition, to drive further development of individual skill sets and competences, speaking foreign languages is compensated. Those who do not speak any foreign languages are encouraged to take courses at various educational institutions with special offers.

Our salary policy is the same in all branches and service points for the beginner level. In recruitment of employees with no previous work experience, the average salary is equal to the minimum wage for Private Security Staff, 44% higher for Assistants, and twice the minimum wage for Management Trainees.

### Significant Operational Changes to Affect Employees

If significant changes occur in the recruitment contracts of employees, periods of notice stated in the Labor Code and

Collective Bargaining Contract are implemented. Periods of notice vary depending on the employees' seniority. For employees with over three years of service, this period is eleven months for those within the scope of the collective bargaining contract and eight weeks for others. In case of transfers, employees are given three days for commencing their new posts in the same city and fifteen days in other cities. If an employee is transferred to a different unit, he/she can communicate with the Human Resources Unit to state opinions on the change.

### Employee Profile

93.8% of Akbank employees (excluding security staff) are university graduates. This is the highest ratio among private and public-capital banks in Turkey. The average seniority is 6.9 years within Akbank and 7.4 years in the Turkish banking community. 65% of Akbank employees work at branches that are one-to-one contact points with customers.

### Our Employees in Figures

As of December 31<sup>st</sup>, 2012, total number of employees is 16,324, including the Board Members.

There are no part-time employees in Akbank, with the exception of a consultant. Including 1 to 3 months internship period of university students, all our employees are permanent and "full-time". Benefits provided for full-time employees may only vary depending on the person's performance.

Distribution of employees in Akbank in terms of service locations is presented in the table below. The number of staff has increased in line with the positive developments observed in the market in 2012.

Number of Employees	2010	2011	2012
Head Office *	2,128	2,177	2,049
Akbank Banking Center	2,971	2,810	3,010
Regional Directorates**	555	551	652
Branches***	9,676	9,801	10,604
<b>Overall</b>	<b>15,330</b>	<b>15,339</b>	<b>16,315</b>

\* Excluding the Board of Directors.

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

\*\*\* Including employees at Malta branch.

## OUR EMPLOYEES

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

	2010	2011	2012
<b>Number of Employees within the Outsourcing System*</b>	<b>1,575</b>	<b>1,369</b>	<b>1,423</b>

\* As of November 2012, the Call Center is listed as a part of the newly established Direct Banking Business Unit.

### Gender Distribution

Akbank adopts a principle of distribution of staff based on equality, without any discrimination of gender or age. Within years, ratio of female and male employees has remained approximately the same. After maintaining the same level in 2010 and 2011, ratio of female employees increased 1.1% in 2012 and reached 52%.

Gender Distribution (%)	2010		2011		2012		2012 Total Number of Employees	
	Male	Female	Male	Female	Male	Female	Male	Female
Board of Directors	87.5	12.5	87.5	12.5	88.9	11.1	8	1
Senior Management	66	34	65.8	34.2	64.0	36.0	825	465
Mid-level Management	43.3	56.7	44.1	55.8	45.0	55.0	849	1,038
Auditors	72.1	27.9	72.9	27.1	68.5	31.5	146	67
Assistant Managers	42.3	57.7	41.7	58.3	40.3	59.7	4,638	6,866
Other*	73.4	26.6	72.8	27.2	74.7	25.3	127	43
Security	99.6	0.4	99.7	0.3	99.8	0.2	1,248	3
<b>Overall</b>	<b>49.1</b>	<b>50.9</b>	<b>49.1</b>	<b>50.9</b>	<b>48.0</b>	<b>52.0</b>	<b>7,841</b>	<b>8,483</b>

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

## OUR EMPLOYEES

### Age Distribution

The average age of our employees is 32.7 as of 2012 year-end. Almost in every staff category, the largest age group is 30-50. The main functions in the “under 30” category are “assistant managers” and “auditors”.

In accordance with our recruitment policy, only those of full legal age can work in Akbank. There are no employees under the categories of child labor (employees under 15 years of age, at which compulsory education ends) or young labor (over the minimum age for employment and under 18) categories in Akbank. Students and young workers applying for internship in Akbank should be 4<sup>th</sup> grade high-school students or university students in their 2<sup>nd</sup> or 3<sup>rd</sup> years. Number of interns in our staff changes periodically, there are no interns recruited as of 2012 year-end.

Age Distribution (%)	2010			2011			2012		
	Under 30	Between 30-50	Over 50	Under 30	Between 30-50	Over 50	Under 30	Between 30-50	Over 50
Board of Directors	-	25	75	-	12.5	87.5	-	22.2	77.8
Senior Management	0.1	92.6	7.3	-	93.8	6.2	-	95.0	5.0
Mid-level Management	4.6	93.7	1.7	2.9	95.2	1.9	3.1	95.0	1.9
Auditors	65.7	34.3	-	53.4	46.6	-	50.2	49.8	-
Assistant Managers	51.3	48.5	0.2	44.8	54.9	0.2	43.8	56.1	0.2
Other*	23.7	72.9	3.4	20.2	76.3	3.5	18.2	77.1	4.7
Security	47	52.9	0.1	46.2	53.8	-	45.7	54.3	-
<b>Overall</b>	<b>42.9</b>	<b>56.2</b>	<b>0.9</b>	<b>37</b>	<b>62.0</b>	<b>0.9</b>	<b>35.5</b>	<b>63.6</b>	<b>0.8</b>

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

### Employee Turnover Rates

Employee turnover rates based on location are given in the table below. Akbank’s employee turnover rate was 9.24% in 2012. We are currently evaluating the feedback received from the resigned personnel regarding their causes.

Employee Turnover Rate *	2010		2011		2012	
	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number
Head Office	8.78	188	9.77	190	10.04	210
Akbank Banking Center	9.58	266	10.36	328	11.50	338
Regional Directorates**	3.94	21	4.13	23	3.95	24
Branches	6.49	621	8.31	812	8.74	904
<b>Overall (average)</b>	<b>7.31</b>	<b>1,096</b>	<b>8.76</b>	<b>1,353</b>	<b>9.24</b>	<b>1,476</b>

\* Resigned employees (including retirees, resigned employees and those whose work contracts are cancelled)

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

## OUR EMPLOYEES

Employees are free to resign in conformity with the terms on their work contract. Forced labor is out of Akbank's working principles.

Employee turnover rates and numbers of resigned employees depending on the **age group** are given in the table below.

Employee Turnover Rate According to the Age Group	Under 30						Between 30-50						Over 50					
	2010		2011		2012		2010		2011		2012		2010		2011		2012	
	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number
Head Office	11.5	90	13	95	15.1	88	6.8	90	7.7	91	8	118	22.9	8	12.1	4	9.5	4
Akbank Banking Center	13.2	203	15	222	17.6	174	4.8	59	6	100	8.1	155	20	4	20	6	39.1	9
Regional Directorates*	4.3	7	4.3	6	6.3	7	3.3	12	4	16	3.1	15	28.6	2	14.3	1	22.2	2
Branches	6.4	274	9.8	375	11.3	325	6	312	6.9	406	7.5	555	55.6	35	48.4	31	41.4	24
<b>Overall (average)</b>	<b>8.5</b>	<b>574</b>	<b>11.3</b>	<b>698</b>	<b>13</b>	<b>594</b>	<b>5.8</b>	<b>473</b>	<b>6.7</b>	<b>613</b>	<b>7.5</b>	<b>843</b>	<b>39.2</b>	<b>49</b>	<b>31.3</b>	<b>42</b>	<b>29.5</b>	<b>39</b>

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

Employee turnover rates and numbers according to the **gender** are given in the table below. Percentages of male and female workers who resigned are similar. The reason for higher employee turnover in females compared to males at the Akbank Banking Center is that number of female employees is higher in the Center.

Employee Turnover Rate According to the Gender	Male						Female					
	2010		2011		2012		2010		2011		2012	
	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)	Number
Head Office	8.13	111	9.49	108	9.90	118	9.92	77	10.16	82	10.21	92
Akbank Banking Center	7.03	65	9.74	124	10.52	127	10.85	201	10.78	204	12.18	211
Regional Directorates*	4.78	17	4.37	16	3.90	15	2.25	4	3.66	7	4.05	9
Branches	6.20	292	8.61	414	9.03	447	6.77	329	8.01	398	8.48	457
<b>Overall (average)</b>	<b>6.59</b>	<b>485</b>	<b>8.73</b>	<b>662</b>	<b>9.14</b>	<b>707</b>	<b>7.97</b>	<b>611</b>	<b>8.79</b>	<b>691</b>	<b>9.33</b>	<b>769</b>

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

## OUR EMPLOYEES

### Performance Management System

For the evaluation and management of the performances of employees, Akbank implements a transparent and flexible performance management system that responds to changing needs and remains receptive to developments. For the sake of continuation of success and personal development, all employees go through performance evaluation once a year. As a result of this evaluation, areas of development are identified for employees and various trainings are organized in these areas to support their career development. These evaluations and trainings allow us to determine employees' competence in a variety of roles and responsibilities. Depending on the results, employees can be recruited in business units other than their current functions.

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

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

A new and important practice put to use in 2012 was the "self-evaluation" that aims to improve the efficiency of the Performance Management System. Self-evaluation is the process in which the employee compares his/her targets with actual success and evaluates his/her own performance. In addition to this, the employee is asked to give information on his/her career and development. In this way the employee is actively involved in the decision-making process and obtains the opportunity to communicate in various phases of the process.

The criteria of the Akbank Performance Management System are based upon personal goals and competencies.

The types of goals and competencies in the performance forms, their weights and numbers are determined through projects conducted jointly by Akbank Business Units and Human Resources Business Unit. The performance period covers a term of one year. The Operations and Digital Scorecard measurements that are integrated in the Performance Management System are conducted twice a year at 6 month intervals.

Performance ratings of Akbank's Senior Management are made by considering both our Bank's year-end performance and success criteria that support long-term sustainable performance. With this purpose, Balanced Scorecard is used. Performance of Senior Management is measured based upon perspectives including those of Finance, Customer, Internal Processes, and Human Resources. Therefore, in the goal and success indicators of the Senior Management, performance criteria such as customer satisfaction, employee satisfaction, employee turnover rates are also used in addition to the financial criteria.

### Career Management Policy

The career management policy implemented in Akbank gives priority to promotion and transfer within the Bank. It is another priority to ensure a fair and effective performance management; to detect, monitor, and develop talents; and to provide employees with career opportunities for self-improvement. In all assignments and promotions provisions such as performance, tenor of employment, latest promotion date, education, experience, having the required competence are considered. In addition, branches and units are visited to make career interviews and this creates effective communication in terms of career management.

Career Maps that contain career stages and Career Implementation Principles are established. Such information is shared via the "For You" portal. In this way, employees have access to detailed information on career maps and business groups, contact information of Human Resources staff assigned to support them and consult to these HR experts for career developments.

### Benefits to Employees

#### Akbank Staff Retirement Fund Trust (AKSandik)

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

## OUR EMPLOYEES

### Retirement

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

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

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

### Akbank Private Pension System with Corporate Contribution

In addition to AKSandık pension, Akbank employees are also offered Private Pension System (PPS) Services with some corporate contribution. Senior and mid-level managers and auditors are included in this PPS plan with corporate contribution. Our Bank contributes to savings of such employees by making additional payments to the PPS contracts of the above-mentioned employees in a certain ratio of their monthly gross salary. Thus we help Akbank employees make savings and continue with the same living standards in their retirement.

Participation in PPS is optional. The purpose of the system is to ensure that our employees have the same living conditions as today when they are retired. In order to improve employee loyalty and motivation, we attach a special importance to the PPS with corporate contribution and try to increase the number of employees participating in this plan. As a result of such efforts, number of employees participating in PPS with corporate contribution increased from 3,164 in 2011 year-end to 3,424 in 2012 year-end.

### Collective Bargaining Agreement

In our Bank, all employees can become members of BANKSİS (Union of Bank and Insurance Employees) on their own preferences and exercise their rights of collective bargaining agreement. As of the end of 2012, 50% of our employees (8,165 people) are within the scope of collective bargaining agreement. Financial rights and administrative relations of BANKSİS non-members are defined by our Bank, while those of members are defined by the Collective Bargaining Agreement.

Due to promotions from positions within the scope of collective bargaining to senior and mid-level management positions that are out of the scope, number of posts within the scope has not increased compared to 2011. Within the framework of the collective bargaining agreement, we provide our employees working at posts within the scope with rights such as death benefits, natural disaster benefits, disability compensation, death and injury compensation, and emigration compensation for personnel moving to another city.

### Equal Opportunity Model (EOM) Project

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

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

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

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

### Employee Health and Safety

Since the year it was founded, Akbank offers a variety of opportunities to employees in order to offer them a safe working environment and to meet their health needs.

## OUR EMPLOYEES

### AKSandık

Among the healthcare services provided by AKSandık are the healthcare centers in some cities. Our employees can first of all be treated at these centers. If specialized treatment or operation is needed, they can receive these services at the public or private health institutions that have an agreement with the Trust. Members in cities without any Akbank healthcare centers can get services from the contracted healthcare providers.

### Information and Trainings on Health

Information on epidemics or other important diseases is regularly given at the "Health Column" published on the AKSandık webpage. In cases of emergency, such information is spread via e-mail. Fire and earthquake drills are made and natural disaster trainings are given.

### Parental Leave

Pregnant employees are allowed sixteen weeks of paid leave -eight weeks before and eight weeks after the delivery. They can also take unpaid parental leave for up to six months and 1.5 hours per day for breastfeeding until the child reaches the age of 1. Fathers are also given three-day paid leave. AKSandık meets child delivery costs of our employees and provides a variety of additional support.

### Lost Workdays

Due to the nature of our operations and careful practices, occupational diseases or workplace accidents are not experienced in Akbank. Yet, the total absenteeism (lost days) of 5,883 employees who got sick leaves with official health reports in 2012 amount to 50,372 calendar days. Average sick leave per person, calculated by finding the ratio of this figure to average number of employees, is 3.08 days per year. This ratio was recorded as 3.14 days in 2011 and 2.61 days in 2010.

### The Bank of Learners and Teachers: Career Development and Trainings in Akbank

Akbank's strategically important training system supports the development of all employees and aims to increase motivation and work satisfaction. In full awareness of the fact that information is a significant value and well-equipped human resource is a real competitive advantage, we organize trainings to contribute to personal and occupational development of our employees. We develop trainings in accordance with corporate targets and strategies, needs of the sector, and development areas that we identify based upon employee potentials and preferences.

The importance Akbank gives to trainings and development management process is recognized at the awards given by the Turkish Association of Human Resources Management (PERYÖN) for "Human Management". Among applications from 29 leading companies in 42 categories, Akbank received the First Prize in Training and Development category.

### Akbank's Training System

The goal of Akbank's training system is to enable the employees to perform their current jobs successfully and to prepare them for the positions they aim.

Akbank employees participate in career and certification trainings for their current duties and also attend specially designed Candidate Pool trainings for the duties for which they are candidate. Additionally, Management Trainees as well as branch and Head Office employees at the "assistant" status who have just started their career and will be having their first experience in the banking sector attend the "Management Trainee" and "Basic Banking" programs.

Feedback from employees about the training they receive is very important for the efficiency and success of our trainings. All feedback is sent to the Training and Development Division via online questionnaires. Questionnaires are important in terms of evaluating and improving contents of trainings, trainers, and training environment. Questions, requests, suggestions and opinions with regard to all trainings can be sent to [egitim@akbank.com](mailto:egitim@akbank.com).

### Our Training Programs

Akbank's training programs include trainings organized for newly-recruited people, candidate pool trainings, career trainings, certificate programs, corporate development and management trainings. Competence levels of employees are supported through distance learning (e-learning and video conferencing) that supports personal and professional development and on-the-job training methods as well as in-class lectures.

E-learning is used to support in-class career trainings in loan regulations, foreign trade, consumer and commercial loans, basic law, basic accounting, debit cards and credit cards. In order for employees to adapt quickly to new products and processes recently introduced to public, e-learning programs were held in 2012 in areas such as Sales Guide, Loan in Your Name, Gold Gift Check, Consumer Loan Special Demand System, Personal Possession Insurance.

## OUR EMPLOYEES

In addition, Akbank also organizes personal development trainings on subjects including customer-focused services, communication on the phone, presentation techniques, negotiation techniques, project management, stress management, and management capabilities.

In total 1,258,902 hours of training was completed in 2012 and average training per employee was 11.7 work days. The total number of training days for employees in the last three years and annual average training time per person are given in the tables below.

### Total number of training days (1 day = 7 hours)

Function	2010	2011	2012
Vice Presidents and Higher Levels	12,962	14,454	13,130
Managers*	10,052	10,839	13,471
Sub-Managers*	118,844	120,393	153,243
<b>Total</b>	<b>141,858</b>	<b>145,686</b>	<b>179,844</b>

\* Employees at the Manager and IT Manager functions are evaluated in this category and all other functions (including support staff) are in "Sub-Managers".

### Average number of training days per person (1 day = 7 hours)

Function	2010	2011	2012
Vice Presidents and Higher Levels	11.7	12.4	10.1
Managers*	7.2	6.7	7.1
Sub-Managers*	9.5	9.6	11.6
<b>Total**</b>	<b>9.5</b>	<b>9.5</b>	<b>11.7</b>

\* Employees at the Manager and IT Manager functions are evaluated in this category and all other functions (including support staff) are in "Sub-Managers".

\*\* The total average training hours is calculated on the basis of total training hours in one year/total figures in the previous year of those who worked in the stated function.

### Track Your Development, Shape Your Future (Akbank Development Center)

Akbank Development Center Portal that is restructured with the motto "Track your Development, Shape Your Future" is a platform for continuously supporting the development of employees. All employees can plan their trainings in parallel with their careers. Employees can see their individual training calendar, request trainings, or get information on questionnaires, exam results, e-learning and training organizations via the portal.

### Certification System (Lifelong Learning)

Some of the trainings are subject to certification system. In the certification system, employees attend specified training programs and take exams before and after the program. In some certification programs, employees can strengthen

the knowledge they gained during the trainings by preparing papers and attending online simulations after the training. As these are directly related to the employees' jobs, their success in training is literally reflected upon the quality of the work they do. Participants succeeding in the certification programs receive the "Certificate of Success", which is an important gain in career development. The certification system trains well-equipped, competent, innovative, and leading employees in terms of occupation and administration and thus aims to build a corporate culture that "creates its own leaders".

### Other Training Opportunities for Employees

Akbank supports its employees in obtaining especially internationally valid certificates in their areas of specialization. Fees for such exams and preparatory trainings are covered by Akbank pursuant to certain criteria.



## OUR EMPLOYEES

While the number of employees taking such exams in accordance with their expertise in 2011 was 35, in December 2012 this figure increased to 48.

Some of the exams we support are listed below:

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

In addition to these, every year a certain number of Akbank employees who are selected as future leaders thanks to their high performance and potential get the opportunity to attend the Sabancı University Executive MBA program with full scholarship. Since 2001 66 employees participated in this program. In 2010 and 2011, 3 and 4 employees benefited from the program respectively. The figure was 8 in academic year 2012-2013.

In line with their roles and responsibilities some employees attend summits, conferences and seminars both in Turkey and abroad. In 2012, 35 Akbank employees participated in such events abroad.

### Bank of Trainers

#### Retired and Internal Trainer Practice

Know-how and experience of retired Akbank employees are highly valuable for the Bank. Successful Akbank retirees who possess training skills are hired as "trainers" in return for a trainer's fee. Especially almost all of the Core Banking trainings for new recruits are given by retired trainers.

Similarly, current employees who are specialists in their fields and who possess the skill to train can become internal trainers. To become a trainer, one should comply with certain criteria and successfully complete the "Train the Trainer Program". While continuing to perform their present duties, internal trainers are paid a certain hourly fee.

#### On-the-job Trainings and Coaching System

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

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

#### Anti-Corruption Trainings

The banking sector faces corruption risks due to its size and intensity of monetary transactions. It is known that corruption can be prevented to a great extent by control systems and training. Therefore, we, as Akbank hold in-class trainings and e-learning through which we train our employees on technical issues, create awareness on things to do and not to do.

Content of these trainings is identified in accordance with the needs of the target audience and each employee in this audience receives the trainings. Majority of the anti-corruption trainings are for the employees working in branches and especially at counters, but we also hold mandatory trainings such as Ethical Principles and Information Security for all employees.

We continuously review and reevaluate subjects and contents of anti-corruption trainings depending on developments and needs. In 2012, we revised and improved e-learning contents of Ethical Principles, Struggle against Proceeds of Crime and shared these with all employees. Detailed information on other ongoing trainings can be obtained from our 2011 Sustainability Report.

## OUR EMPLOYEES

Anti-Corruption Trainings							
Name/Content of the Training	Target Audience	2011		Percentage of Year-end Coverage %	2012		Percentage of Year-end Coverage %
		Type of Training	Number of Participants		Type of Training	Number of Participants	
Management for Cash in Hand – Fraud and Pick Pocketing Training	Cash Officers and newly employed Assistants- Officers 4	In-class	1,055	100	In-class	1,437	100
Document Protection and Forgery Trainings	Cash Officers and newly employed Assistants- Officers 4	In-class	1,201	100	In-class	1,678	100
Trainings for Detecting and Preventing Fraud	All branch employees	E-learning	2,957	99	E-learning	7,131	75
Ethical Principles	All employees				E-learning	11,577	100
	Newly employed Assistants- Officers 4, Call Center officers, assistant auditors, management trainees	E-learning	3,405	85	In-class	1,529	100
Disciplinary Regulations	All employees	E-learning	3,940	100	E-learning	1,728	100
Information Security	All employees	E-learning	1,832	100	E-learning	1,682	100
	Newly employed Assistants- Officers 4, Call Center officers, assistant auditors, management trainees	In-class	1,113	100	In-class	1,731	100
Operational Risk	Operation Officers, Pay Desk Officers	In-class	257	100	In-class	1,389	90
	All branch employees*	E-learning	4,401	40	E-learning	3,418	100
Fighting Proceeds of Crime	Branch managers and Newly employed Assistants- Officers 4, Call Center officers, assistant auditors, management trainees	In-class	1,672	100	In-class	2,326	100
	All employees	E-learning	11,834	85	E-learning	14,465	100
Information Security Standards	All employees	E-learning	10,593	76	E-learning	10,494	75
Security Awareness	All branch employees**	E-learning	4,255	47	E-learning	4,626	56
Call Center Security Awareness	All customer representatives	E-learning	650	98	E-learning	704	100
<b>Total</b>		<b>In-class</b>	<b>5,298</b>		<b>In-class</b>	<b>10,090</b>	
		<b>E-learning</b>	<b>43,867</b>		<b>E-learning</b>	<b>55,825</b>	

Note: "Percentage of Year-end Coverage" means the ratio of the target audience planned to be trained and the employees who already received the trainings.

\* The training made available to all branch employees by the end of 2011 was re-opened in 2012 with a new target audience: Operations and Pay Desk officers.

\*\* The training made available to all branch employees by the end of 2011 was re-opened in 2012 with a target audience of all employees.

## OUR EMPLOYEES

### Sustainability Trainings

In order to support branch employees in internalizing Akbank's "For You" approach and thus contributing to the strategy of improving customer perception, a wide-scope training program called "Boomerang" was launched in October 2011. Covering all branch employees from branch managers to security staff, the program is based upon six qualities that define the ideal Akbank employee profile who can manage himself/herself, the business, and customers well to create "customer loyalty".

An important part of the Boomerang Training Program is the Sustainability Module that was developed to enhance the profile of an Akbank employee who cares about environmental and social challenges and who abides by ethical values. This module covers the concept of sustainability, practices in the Banking sector and at Akbank, and ethics. During the training participants gain a highly effective hands-on learning experience through a "sustainability board game" that is adopted specially for our Bank on the basis of UN Global Compact (of which we are a signatory) Dilemma Game. Since the launch of this Program, approximately 4,600 employees attended these trainings.

Aims of the sustainability training are:

- To contribute to first comprehension, then internalizing of Akbank's sustainability strategy by all employees
- To create awareness for integrating the concept of sustainability to business processes
- To ensure that the concept of sustainability is rooted in corporate culture and to create a common language

In 2012, we took important steps in integrating sustainability into our corporate culture and continued to hold a variety of sustainability trainings. We are planning to proceed with these trainings in 2013.

### Internal Communication and Activities in Akbank

In order to facilitate communication among employees, develop team spirit and employee motivation, increase loyalty, and share messages of the Bank management and common targets, Akbank carries out various internal communication efforts and activities on various platforms.

Targets of internal communications and activities are:

- To create an effective communication strategy, to announce this strategy in the right time and through right channels, and to encourage employees to use the right communication channel
- To ensure that employees reflect and experience the Bank's brand spirit and to communicate the corporate culture with the right messages
- To ensure continuity of organizations and practices that support corporate loyalty policies for reinforcing the team spirit

### Internal Communication

Internal communication activities guide and inform employees to transform corporate strategy into action. With internal communications, we, as Akbank, help employees work in a customer-oriented manner, focus on strategic priorities, gain information about the developments related to our Bank, and get motivated.

The most frequently used internal communication channels are the corporate portal, corporate TV, e-mailing, quarterly performance live meetings, breakfast meetings with the CEO, and directors meetings. With the interactive platforms on the corporate portal (infrastructure of which was changed in late 2012) and corporate TV that we reach our customers, we can also reach employees outside the working hours.

The table below provides information on participation to the sustainability trainings in 2012:

Name/Content of the Training	Target Audience	Type of Training	2011		Percentage of Year-end Coverage %	2012		Percentage of Year-end Coverage %
			Number of Participants	Total Hours of Training		Number of Participants	Total Hours of Training	
Sustainability	All branch employees	In-class	1,598	5,016	100	2,985	8,242	100
Sustainability Approach	All employees	E-learning	11,500	5,750	75	870	435	82
	Newly employed Assistants- Officers 4, Assistant Inspectors	In-class	274	307	100	1,332	2,535	100

Note: "Percentage of Year-end Coverage" means the ratio of the target audience planned to be trained and the employees who already received the trainings.

## OUR EMPLOYEES

Besides, special offers for Akbank employees are announced via e-mails and are available at the Corporate Portal.

### “Why Not” Meetings

We set assertive targets for 2012 and followed an integrated communication strategy to achieve these. Supporting these targets with the “Why Not” image campaign, we held “Why Not” meetings in 7 cities. At these meetings, 14,000 Akbank employees in Adana, Antalya, İzmir, Bursa, İstanbul, and Ankara came together with the CEO team and the Bank’s new targets and strategies were shared. Our aim in organizing “Why Not” meetings was to explain targets and strategies to all our employees.

### Live Messages from Senior Management

Every three months, our CEO shares the quarterly performance evaluation messages live via computer screens with all our employees. Before the broadcast, questions of employees are collected and the CEO answers these questions in person.

We organize these live broadcasts to establish a closer and more regular communication between the senior management and employees, either face-to-face or through other communication tools. We also aim to reach especially to the teams in branches. This common ground keeps the internal synergy dynamic and reinforces mutual communication and increases motivation to reach common targets. With 4 live broadcasts in 2012, we plan to continue the same pattern (quarterly broadcasts) in 2013.

### Corporate Portal

We use the Corporate Portal system to ensure that our employees perform their duties more easily, have access to information effectively, and improve internal communication. The infrastructure of the corporate portal was renewed in 2012. The aim of the renewal was to allow internal and external information transfer, to increase operational efficiency in all processes thanks to up-to-date technologies, to create a common platform for information, and to ensure easy access to information and consolidation. The new corporate portal allows employees to arrange their profile pages and build networks with their friends in the same way as they do in social media. It is also possible to share documents more easily and faster by opening project rooms on a project-basis. Online lotteries can be organized on the portal for participation in certain events.

### “For Us”

“For Us” section of the corporate portal is an important channel that we use for strengthening internal communications by creating interactive areas through which we can receive feedback from employees.

Examples from “For Us”:

- Social activities that our employees attend
- Social responsibility projects that employees volunteer for
- Special advantages offered to Akbank employees by various companies
- Interactive pages of social clubs
- Bulletin boards in which employees put various items and estates on sale

### Mechanisms for Employee Opinions and Suggestions

There are various mechanisms for allowing employees to express their opinions and suggestions to the senior management. In addition to the “Why Not” and “Live Messages from Senior Management” practices we launched in 2012, our employees reveal their expectations, opinions and suggestions to the senior management through our annual Employee Satisfaction Survey. They can also share their suggestions about business processes through the “Suggestion” system on the Corporate Portal. In addition, “Ethics Line” is a tool that we created to enable employees to express issues which they believe should be resolved within their departments but they cannot share with their direct managers; to support employees in such cases; and to provide consultancy when necessary.

### Internal Activities

We organize social activities to improve motivation, reinforce team spirit and loyalty, create a sense of being a member of Akbank is a privilege, and to strengthen internal communications. There are also social activities performed through Akbank Volunteers system established in 2011 and continued in 2012, these are mentioned in the 9<sup>th</sup> section of the Report in detail.

Some of the sport activities that Akbank employees participated in 2012 are listed below:

- April 2012: Our soccer team of 22 players attended the Inter-Companies Soccer Tournament.
- July 2012: Akbank tennis team made up of eight employees came in second at the 2<sup>nd</sup> Tennis Tournament of The Banks Association of Turkey.
- September 2012: Akbank employees attended the 3x3 Intercompany Basketball Tournament with two men’s and one women’s team. Our women’s team came in third.
- October 2012: After the great success at the Tennis Tournament of The Banks Association of Turkey, our tennis team attended İstanbul Champions Cup Tournament in which companies from different sectors competed.

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## OUR EMPLOYEES

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### Employee Satisfaction

One of the most important factors in maintaining high levels of employee motivation and performance is creating a desirable working environment and corporate culture. We believe that permanent employee loyalty and satisfaction is a prerequisite for success. In order to receive healthy feedback from employees and identify expectations accurately, we hold an “Employee Satisfaction Survey” every year. The survey is performed by an independent company on a confidential basis. As a result of the survey, necessary improvements and developments are made. According to the results of the 2012 survey, main focus will be on the following: autonomy (decision making, using initiatives), brand alignment (internal and external perception of the brand), resources (tools and opportunities to facilitate doing business), and career management. Efforts to improve employee loyalty and satisfaction continue in 2013.



THROUGH OUR TRAININGS, WE CREATED, ARE CREATING AND WILL CONTINUE TO **CREATE A DIFFERENCE** WITH OUR COMMUNITY INVOLVEMENT PRACTICES, OUR ACTIONS ON ENVIRONMENTAL ISSUES AND OUR RESPONSIBILITIES WHILE DEVELOPING PRODUCTS.

## OUR OPERATIONS AND THE ENVIRONMENT

**We strive to minimize the environmental impacts resulting from our operations and to use natural resources more efficiently.**

### Our Environmental Policy and Commitments

We consider energy consumption, emissions of greenhouse gases, paper use, and discharge of technological wastes as material environmental issues. We implement various practices to measure these environmental aspects by using internationally recognized quantitative indicator criteria and to achieve improvements.

We are implementing a system that allows close and regular monitoring of environmental aspects in all branches. We believe that with this system, identifying measures to improve our environmental performance, taking measures, and monitoring the associated results will be more efficient in the coming years.

We adopt the following commitments in carrying out our environmental policy:

- We will continue to take necessary steps and measures for full compliance with environmental laws and regulations.
- We will contribute to protection of limited natural resources by making savings in energy, water and paper use.
- We will work to minimize the wastes resulting from our operations. If it is impossible to reduce waste, we will ensure rational reuse and recycling of wastes.
- We will continue to include environmental sustainability issues in the trainings we offer to our employees to reduce the environmental impacts of our operations.
- We will support training and awareness projects aiming to increase awareness of environmental issues especially among the youth.
- Through international cooperation, we will support transparency policies that will contribute to reductions in the emission of greenhouse gases of our corporate stakeholders and our Bank.

In order to increase awareness and achieve internalization of the issue, we give sustainability trainings also covering environmental issues through e-learning and in-class activities. All employees at every function (from security officers to branch managers) attend these trainings.

### Energy Consumption and Saving

We attach importance to energy consumption and related greenhouse gas emissions that cause global climate change. The "Carbon Disclosure Project", launched by the Sabancı University Corporate Management Forum with support from Akbank in 2009, is the best indicator of our approach towards the issue. Akbank is one of the first companies in Turkey to make commitment to reporting climate change strategies and greenhouse gas emissions in line with international standards.

### Energy Consumption

#### Direct and Indirect Energy Consumption

The energy data that we collect and report in accordance with various international standards are divided into two groups. The first one is the "direct energy" we derive from a variety of energy sources in the Bank. The main energy source in this group is the natural gas we use for heating purposes. It is the main energy source used in Akbank Sabancı Center, Akbank Banking Center, other centers and the majority of branches. Also diesel fuel, butane (LPG), coking coal, and fuel oil are used in our branches. The second group is the purchased electric energy, which is called "indirect energy".

A wide-scope study was conducted in 2010 with the aim of calculating the amount of electricity and natural gas consumed for heating purposes and of establishing an energy management system. In this study, we collected consumption data from all our buildings, including branches, to create a basis. Consumption data in this year's Report was built upon the same basis we used in last year's Report, namely costs related to heating, electricity, and water.

In 2010, Akbank Banking Center (ABC) in Gebze was opened and thus, some of our employees at the buildings in İstanbul moved to Gebze in 2010 and 2011. During the moving period, we included consumption data in the buildings that moved to ABC in calculations as long as these building were used. After moving the buildings, Maslak Operations Center, Gümüşsuyu and Ümraniye Service buildings were closed in 2011.

## OUR OPERATIONS AND THE ENVIRONMENT

Our “direct” and “indirect” energy consumption data are available in the tables below:

Fuel Consumption (Gigajoule/year)	2010	2011	2012
Akbank Sabancı Center	7,137	8,918	7,889
Akbank Banking Center and Other Centers*	16,936	16,536	16,371
Regional Directorates and Branches (All kinds of fuels)	81,577	106,866	88,885
<b>Total Consumption of Natural Gas</b>	<b>72,725</b>	<b>89,187</b>	<b>77,269</b>
<b>Total Consumption of Other Fuels **</b>	<b>32,926</b>	<b>43,133</b>	<b>35,875</b>
<b>TOTAL</b>	<b>105,651</b>	<b>132,319</b>	<b>113,144</b>

Note: Data control processes were continuing during the reporting.

\* Other Centers: Zincirlikuyu and Silivri Service Buildings.

\*\* Other fuels: Diesel, butane (LPG), coking coal, and fuel oil.

As seen in the table above, fuel consumption at Akbank fell significantly: 14.5%. In 2012, 35 new branches started service, while in 2011 a number of buildings were closed down due to moving to the Akbank Banking Center.

Electricity Consumption (Gigajoule /year)	2010	2011	2012
Akbank Sabancı Center	49,327	56,864	64,154
Akbank Banking Center and Other Centers*	75,855	69,245	72,383
Regional Directorates, Branches, ATMs/BTMs	224,362	216,755	221,874
<b>TOTAL</b>	<b>349,544</b>	<b>342,864</b>	<b>358,411</b>

Note: Data control processes were continuing during the reporting.

\* Other Centers: Zincirlikuyu and Silivri Service Buildings.

Looking at the table above, we see that the total electricity consumption at Akbank increased by 4.5% from 2011 to 2012. However, considering the growth and technological infrastructure investments of the Bank, we can say that efficiency was not reduced. Akbank continues to make technological infrastructure investments to offer modern banking services with state-of-the-art technology. In 2012 our Bank grew with 1,000 new employees, 35 new branches and 331 additional ATM/BTMs. Therefore, the need for electricity increases over the years.

### Energy Saving Practices

In line with the target to reduce the amount of energy needed in operations, we continue to create awareness among our employees while also considering practices that ensure more economical use of energy and higher energy efficiency, we also continue to create awareness among our employees.

### Energy Savings in Buildings

As a bank with almost 1,000 branches, we are aware that measuring and monitoring are important in managing our energy use. Therefore, in 2011 we created an infrastructure for remote measuring and monitoring of electricity used in our branches. This infrastructure includes a remote monitoring system and an emergency measures system to minimize systemic losses of electricity. Being put into use in approximately 300 branches in the first phase, the system was launched with full capacity in 840 branches by the end of 2012. We expect the system to contribute to reductions in both carbon emissions and operational expenses by ensuring more efficient use of electricity.

In addition, we continued our efforts to revise mechanical automation of the Heating, Ventilating and Air Conditioning (HVAC) system in branches in a way to that they operate based on the internal air quality. The first applications of this



## OUR OPERATIONS AND THE ENVIRONMENT

system had started in the last quarter of 2010. We used this system in new branches. With this system, approximately 30% and 14% savings will be achieved in electricity and natural gas consumption respectively.

### Energy Savings in Information Technologies (IT)

IT use is one of the most important energy-consuming activities in banking. We especially pay attention to reducing the energy use by Data Centers. One of the most significant steps we took in this direction was the use of virtualization technology that we started in 2007. Thanks to this technology, although the amount of energy needed to operate the servers in the Data Center and to cool the system rooms of these servers increased, we achieved a notable reduction in energy need.

Another measure we took in our Data Centers is making sure that all of the new systems we purchase consume less energy so that energy consumption rate will not increase in parallel to the increase in need for new devices. In 2013, we aim to retire systems older than 5 years and replace them with new devices that consume less energy.

### Fuel Savings via Videoconference and Telepresence

Meetings held via videoconference and telepresence systems enable employees to hold domestic and international meetings with their contacts without having to travel. Use of these systems and installation of new ones are becoming widespread practices in our Bank.

For instance, the telepresence system (virtual meeting table) established between Akbank Head Office in 4. Levent, İstanbul and Akbank Banking Center in Gebze was used approximately 1,320 hours in 2011, while this figure increased to 2,265 in 2012. Moreover, in 2012 we installed and put to use a desktop conferencing system that allows Eastern Anatolian Regional Directorate and its 12 branches to communicate visually.

In meetings held via these systems, not only visual communication but also mutual document and presentation transfer is also possible. This allows reductions in fuel consumption and resulting greenhouse gas emissions due to business travels; we also save work time that otherwise would be spent in commuting. We plan to install new videoconference systems in 2013.

### Fuel Savings in Cash Operations

In our Cash Operations unit that offers cash and cash value transfer to more than 2,100 customers and four banks all over Turkey, we started to benefit from the latest advances in geographical positioning technologies. Thanks to an efficient route planning, our teams covered 8.1 km per transaction in 2012, while the figure was 10 km per transaction in 2008. This created 19% increase in efficiency and 8.2% less fuel consumption per transaction.

Definition	2008	2009	2010	2011	2012
Kilometers Covered Per Transaction	10.00	9.8	10.2	8.6	8.1
Fuel Used Per Transaction	1.09	1.0	1.0	0.9	1.0

### Carbon Emissions and Reductions

#### Carbon Emissions

Fuels that Akbank uses during its operations and the electricity purchased from third parties lead to carbon emissions that are believed to cause global climate change. In addition, fuels used in personnel service buses and company cars allocated to senior managers also lead to greenhouse gas emissions.

We take a variety of measures to minimize the greenhouse gas emissions released during our operations. We regularly monitor our carbon footprint and the results of the measures taken. Our aim is to achieve reduction in our carbon footprint (calculated based upon international standards and on the basis of energy resources consumed) year after year.

## OUR OPERATIONS AND THE ENVIRONMENT

### Carbon Emissions by Primary Energy Source

CO<sub>2</sub>-equivalent carbon emissions resulting from fuels used for heating purposes in Akbank's premises are provided in the table below:

Carbon Emissions by Primary Energy Source (tonCO <sub>2</sub> -e/year)	2010	2011	2012
Akbank Sabancı Center	464	580	513
Akbank Banking Center and Other Centers*	1,338	1,075	1,064
Regional Directorates and Branches (All kinds of fuels)	6,128	8,027	6,677
<b>TOTAL Carbon Emissions Generated by Natural Gas Consumption</b>	<b>4,965</b>	<b>5,797</b>	<b>5,023</b>
<b>TOTAL Carbon Emissions Generated by Other Fuels **</b>	<b>2,965</b>	<b>3,885</b>	<b>3,231</b>
<b>TOTAL</b>	<b>7,930</b>	<b>9,682</b>	<b>8,254</b>

Note: Data control processes were continuing during the reporting.

\* Other Centers: Zincirlikuyu and Silivri Service Buildings.

\*\* Other Fuels: Diesel, butane (LPG), coking coal, and fuel oil.

We continue to work for emission reductions, energy efficiency and savings as well as creating awareness among our employees. As observed from the table above, carbon emissions generated by primary energy sources have decreased 14.7% compared to 2011.

### Carbon Emissions Generated by Electricity Consumption

CO<sub>2</sub>-equivalent carbon emissions generated by electricity consumption in Akbank are provided in the table below:

Carbon Emissions Generated by Electricity Consumption (ton CO <sub>2</sub> -e /year)	2010	2011	2012
Akbank Sabancı Center	6,000	6,916	7,804
Akbank Banking Center and Other Centers*	9,212	8,423	8,805
Regional Directorates, Branches and ATMs/BTMs	37,874	27,540	28,550
<b>TOTAL</b>	<b>53,086</b>	<b>42,879</b>	<b>45,159</b>

Note: Data control processes were continuing during the reporting.

\* Other Centers: Zincirlikuyu and Silivri Service Buildings.

Compared to 2011, there is a fractional increase in the total carbon emissions generated by electricity consumption in Akbank. In 2011, in order to reduce our carbon footprint we began to purchase energy for over 800 buildings from an auto-producer that generates energy with less emission. This enabled the significant decrease in 2011 emission data. However, due to technological infrastructure investments, recruitment of approximately 1,000 new employees, increase in the number of branches and ATMs/BTMs, total electricity consumption and the resulting carbon emission increased.

## OUR OPERATIONS AND THE ENVIRONMENT

### Carbon Emissions Generated by Personnel Transportation

Personnel service buses are used for mass transportation of employees working at the Sabancı Center and Gebze Akbank Banking Center, where our Head Office units operate. In addition the senior management commutes by private vehicles. CO<sub>2</sub>-equivalent carbon emissions generated by fuels used in transportation are available in the table below.

Carbon Emissions Generated by Personnel Transportation (ton CO <sub>2</sub> -e /year)	2010	2011	2012
Personnel using service buses	4,650	4,634	4,685
Covered distance (km)	8,269,344	9,100,410	9,153,220
<b>Total ton CO<sub>2</sub>-e</b>	<b>3,308</b>	<b>3,640</b>	<b>3,661</b>

Approximately one third of our employees go to work by service buses. The resulting 3,661 tons of CO<sub>2</sub>-equivalent carbon emission would increase significantly due to individual commute. Therefore, by providing employees with service buses, Akbank achieves an important level of savings in carbon emissions.

### Paper Use and Savings

#### Paper Use

In Akbank, we use a high volume of paper in our operations - from contracts of products and services we offer to our customers to correspondences and promotion materials.

Amount of paper used at our Bank has been falling since 2009. As a result of various saving measures, the amount of paper consumed per person in 2012 fell significantly to 68 kg from 73 kg in 2011.

In 2012, amount of paper material purchased by the Corporate Communications Department, such as invitations, brochures, banners, flyers, envelopes, and posters showed a decrease compared to 2011. This decrease is the result of effective planning that allows periodical and project-based demands and production. This policy both serves the environmental policy of Akbank and has positive effect on the expenses.

#### Paper Savings

We continue to implement various measures to reduce the paper use in Akbank. While our previous practices to use paper more efficiently in branches and ATMs continue, we also launched the "Member Business Bank Statements" and "Member Business e-Statements" practices which resulted in a significant level of paper savings in 2012. We also realized various campaigns to continue to spread our e-statement for credit cards system which saves a notable amount of paper.

Employees' knowledge and awareness is key in order to increase the paper savings through projects and increase the figures. Therefore we make various internal announcements and notifications to encourage our employees to save paper.

With the savings measures -examples of which are given below- we prevented use of approximately 214.4 tons of paper in 2012. .

Paper use (tons) *	2010	2011	2012
Procurement Department **	1,144	1,118	1,107
Corporate Communications Department	6.5	3.5	3
<b>TOTAL</b>	<b>1,150.5</b>	<b>1,121.5</b>	<b>1,110</b>
<b>Paper use per employee (kg)</b>	<b>75</b>	<b>73</b>	<b>68</b>

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

\*\* The amount of paper sent from our warehouse to the Head Office, Regional Directorates and Akbank Banking Center.

## OUR OPERATIONS AND THE ENVIRONMENT

Amount of Saved Paper (tons)	Starting Date	Location	2010	2011	2012
Member Business Statements	2012	Head Office	-	-	19.8
Member Business e-Statements	2012	Head Office	-	-	0.6
Credit Card e-Statements**	2008	Head Office	114.9	141.2	194.0
<b>Yearly total paper savings thanks to model practices (ton)</b>			<b>114.9</b>	<b>141.2</b>	<b>214.4</b>

\* 1 member business bank statement is on average 1.19 A4 pages and 1 envelope.

\*\* 1 extract is approximately 1.1 A4 pages and 1 envelope; 1 A4 paper is calculated as 5 g and 1 envelope is 6 g. Total savings are calculated by taking into account the customers who order e-statements, but are not active card users.

### Examples to Paper Saving Practices at Akbank

#### Member Business Bank Statements

By reducing bank statements posted to member businesses to one page, we made 149,000 less mailings monthly and achieved paper savings amounting to 16.3 tons in 10 months. In addition, we stopped sending 117,000 password letters as of July 2012, which brought a savings of 3.5 tons of paper.

#### Member Business E-statements

We worked on spreading the e-statement practice so that member businesses receive their statements by e-mail instead of post. E-statement allows immediate access to bank statements and savings in paper use. To encourage participation of member businesses, we organized an "Environment Friendly E-statement" campaign in 2012, these campaigns will continue in 2013. With the campaign that started in May 2012, we managed to convince 15,702 member businesses to adopt e-statements.

#### Credit Card E-Statements

Since 2008, we have been able to send account statements indicating credit card bills via e-mail or SMS. To encourage our customers to use these "e-statements", we continue our communication activities with the motto "Give Life to Trees". We also held a campaign in 2012 to collect e-mails of customers. Thanks to such encouragement, number of cards with e-statements exceeded 2.01 million at the end of 2012, while it was 1.62 million at the end of 2011 and approximately 1.2 million in December 2010. By sending 16,848,966 credit card statements in the electronic environment, we saved 194 tons of paper in 2012.

### Paper Recycling

In addition to saving paper, we aim to reduce our environmental footprint by recycling paper wastes. At Kinalı Archives Center in which all branch and Head Office archives are kept, 520 tons of paper were disposed and recycled in 2012 after the legal preservation period ended.

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

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

### Total Paper Savings

By saving 214.4 tons and recycling 520 tons of paper in 2012, we **saved approximately 7,795 trees from being cut down**. (Given that 1 ton of saved paper and 1 ton of recycled paper saves 17 and 8 trees respectively.)

## OUR OPERATIONS AND THE ENVIRONMENT

### Water Use and Savings

#### Water Use

In Akbank, water is used by the employees for cleaning purposes, and for irrigating green areas. Compared to a production facility, Akbank's total water withdrawal is limited and municipal water is used. Our water use does not have significant impact on a specific water source.

Water Consumption (m <sup>3</sup> /year)	2010	2011	2012
Akbank Sabancı Center	34,591	30,664	30,423
Akbank Banking Center and Other Centers*	54,176	69,370	77,764
Regional Directorates and Branches	284,012	289,181	290,218
<b>TOTAL</b>	<b>372,779</b>	<b>389,215</b>	<b>398,405</b>

Note: Data control processes were continuing during the reporting.

\* Other Centers: Zincirlikuyu and Silivri Service Buildings.

In 2012, with the effect of the increase in the number of branches and employees, total water consumption of Akbank increased by 2.4% compared to the previous year. However, if we withdraw the effect of increase in the number of branches, we see that the consumption fell by 3.3%.

#### Water Savings Practices

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

#### Waste Management

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

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

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

#### Recycling Toner Cartridges

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

We sent a total of 3,072 empty cartridges in 2011 and until September 2012 2,328 cartridges were sent (865 from the Head Office and 1,463 from branches) to recovery.

In October 2012, recycling toner cartridges was taken up as a volunteer project with a new campaign. We started to send the empty cartridges to the Turkish Association for the Disabled. Employees supported the campaign by not only bringing in the cartridges used in the office, but also those at home. In 3 months 2,400 empty cartridges were sent to the Association. With the revenue generated from refilling these cartridges, disabled students received scholarships.

## OUR OPERATIONS AND THE ENVIRONMENT

### Recovery of Technological Waste

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

Type and Amount of Technological Waste	2010		2011		2012	
	Sold as scrap	Donated	Sold as scrap	Donated	Sold as scrap	Donated
Computer	964	433	31	636	-	527
Monitor	2,195	436	1,215	638	-	524
Passbook Printer	676	-	736	-	-	-
Dot Matrix Printer	130	-	42	-	-	-
Laser Printer	404	24	707	22	-	114
POS Machine	6,592	-	59,626	-	58,792	-
ATM Machine	273	-	414	-	312	-



TO US, “**SUSTAINABILITY**” MEANS THE WAY OF DOING BUSINESS, OUR APPROACH ON RESOURCE MANAGEMENT AND UTILIZING OUR ASSETS. WHILE IMPROVING OUR CORPORATE PERFORMANCE TO THE TOP LEVEL WITH OUR TRAINING ACTIVITIES, WE WILL ALSO CONTINUE TO BE THE DRIVER OF ECONOMIC AND SOCIAL DEVELOPMENT AS WELL AS TO CREATE SUSTAINABLE BENEFITS AND **ADDED VALUE** TO THE SOCIETY IN EVERY POSSIBLE WAY.

## OUR COMMUNITY INVESTMENT

**Our target is to pioneer the works that improve the life quality of our stakeholders and future generations through corporate social responsibility projects.**

With the responsibility of being the Most Valuable Banking Brand in Turkey\*, while working to manage the economic, social, and environmental impacts of our operations responsibly, we also implement projects adding value to our society and support a number of successful initiatives.

### Culture and Arts

#### Akbank Art Center

Akbank Art Center was established in 1993 with the aim of creating a brand to represent the Bank's innovative and visionary identity in support of arts. Pioneering the development of modern arts in Turkey and enabling art events to reach the greatest number of people from all layers of the society, Akbank Art Center continues its efforts as "the place where change never ceases".

Continuously performing in Beyoğlu, a location with special importance in the culture and art life of İstanbul, Akbank Art Center organizes concerts and over 700 exhibitions, interviews, conferences, movie screenings throughout the year.

<http://www.akbanksanat.com/en>

#### Akbank Children's Theater

Performing since 1972, Akbank Children's Theater celebrated its 40<sup>th</sup> anniversary in 2012. As the first Turkish children's theater touring in Anatolia and Europe, Akbank Children's Theater brought the excitement and joy of theatre to millions of children since the day it was established. Celebrating the title of being Turkey's longest-lasting children's theatre, the group performed a musical version of the Oscar-winning animation movie *Shrek*, with Turkish actors and in Turkish for its 40<sup>th</sup> anniversary. *Shrek Musical* was performed not only in İstanbul, but also in Van, Gaziantep, Adana, Kayseri, Ankara, and Bursa. In 13 shows, the musical reached 7,247 people and attracted great interest from all age groups.

#### Akbank Jazz Festival

As one of the longest-lasting festivals that reach the greatest number of viewers in Turkey, Akbank Jazz Festival has been bringing together music fans and the most renowned jazz performers for 22 years. In 2012, 63 concerts were staged in 10 cities in 3 weeks with the participation of 300 musicians. One of the distinguishing qualities of the Festival is that it organizes not only concerts, but also workshops, panels, and events such as "JAMZZ Young Talents Contest" to support

young musicians. Within this context, "Jazz on Campus" event was held in 14 university campuses in 10 cities in October 2012. In addition, "Jazz Workshop at Senior High" event aiming to introduce jazz to senior high school students was followed by a great number of students.

<http://www.akbankcaz.com/en>

#### Akbank Short Film Festival

Established within Akbank Art Center, the Akbank Short Film Festival reached its audience for the 8<sup>th</sup> time in 2012. Upon evaluation of 557 films applied, 20 fiction and 10 documentary films were accepted to compete in the National Contest. In addition to competing films, significant films screened in various world festivals were also shown. Cinema fans enjoyed the festival for 10 days, attending several workshops and panels. With the "Akbank 8<sup>th</sup> Short Film Festival at Universities" event, 2 short films awarded at the Festival were screened in 40 universities in the cities of İstanbul, Ankara, İzmir, Mersin, Eskişehir, Kocaeli, Sakarya, Edirne, Tekirdağ, Bolu, Bursa, Kayseri, Adana, Gaziantep, Elazığ, Erzurum, Zonguldak, Çanakkale, and Kırklareli.

<http://www.akbankkisafilm.com/en>

#### Map of Contemporary Art

As another activity of Akbank Art Center, the Akbank Map of Contemporary Art continues to reach Turkish and foreign art-enthusiasts in print form and on the Internet with the aim of reflecting the artistic life in İstanbul in the best way possible. The Map was printed 5 times in 2012 with a total volume of 170,000 and reached more people especially during fair and biennial periods.

<http://www.akbanksanatharitasi.com/en>

#### International İstanbul Film Festival

Organized by İstanbul Foundation for Culture and Arts (İKSVA) since 1982, the International İstanbul Film Festival brings the most exclusive and original films to cinemagoers. Since 2004 Akbank has been supporting this Festival that hosts movie stars and master directors and contributes to the growth of a well-rooted cinema culture in Turkey. In 2012 the Festival lasted for 2 weeks and 140,000 cinema fans watched 220 films from 52 countries in 522 séances in 7 movie halls. Also 12 cinema lectures and panels, a concert and a workshop specially designed for the Festival took place.

#### Contemporary İstanbul

The 7<sup>th</sup> Contemporary İstanbul Modern Art Fair was held on November 22-25, 2012, at İstanbul Lütfi Kırdar International

\* In the "World's Most Valuable 500 Banking Brands 2012" survey by Brand Finance (an international brand assessment institution), Akbank was selected Turkey's "Most Valuable Banking Brand" with a brand value of USD 1.6 billion.



## OUR COMMUNITY INVESTMENT

Congress and Exhibition Center. Participated by 102 modern art galleries and 612 artists both Turkish and from abroad, the Fair drew great interest from art collectors, art-fans and the media. 68,000 people visited the Fair. Akbank Private Banking has been supporting Contemporary İstanbul since 2007 and thus continuing to contribute to the development of modern art in Turkey.

### Education and Youth

#### Savings Campaign

One of the “2023 Targets” set to celebrate the 100<sup>th</sup> anniversary of the establishment of the Republic of Turkey is making Turkey one of the top 10 economies in the world. Among the actions to be taken in order to reach this macroeconomic target is increasing domestic savings. Seeing that our people got away from the idea of making savings in recent years, we, as Akbank, initiated the “Savings Campaign” in 2012 with the aim of helping them regain this habit. The project named “Akbank Volunteers Explain Banking and Savings” was implemented by volunteering Akbank employees, in cooperation with the Corporate Volunteer Association and the company Para Durumu. 60 Akbank volunteers received a special training and explained “Banking and Savings” to around 3,500 elementary school students in İstanbul. The students were informed on spending, donating, saving, and investments. In these trainings, importance of setting targets to save money and opportunity to make savings with small sums was emphasized.

Our Savings Campaign continued on October 31, the World Savings Day and the Savings, Investment, and Local Products Week between 12 and 18 December. Mrs. Suzan Sabancı Dinçer, Chairman of the Board, and Mr. Hakan Binbaşgil, CEO, volunteered to deliver lectures in elementary schools on spending, donating, saving, and investment.

We plan to develop the “Akbank Volunteers Explain Banking and Savings” project with new cooperation partners and to reach more students.

#### Sakıp Sabancı Museum – Education Sponsorship

Akbank’s Education Sponsorship to Sakıp Sabancı Museum (SSM) that had started in 2011 continued in 2012 with a variety of educational programs and activities. Aiming to ensure that children and young people have a strong awareness of culture and arts and that they become acquainted with works of art in the SSM collection and temporary exhibitions, the SSM organizes a variety of education programs and activities throughout the year. In 2012, approximately 20,000 children and young people (twice the number of participants last year) attended these activities.

#### Akbank Thinking Club

“Akbank Thinking Club” was founded in 2008 together with young people, who are important stakeholders in progress and innovation, in order to contribute to the development of creativity potential in Turkey. In its 5<sup>th</sup> year, with the applications for the academic year of 2012-2013 the number of club members reached 111 students with high levels of academic success in 12 universities.

Every year Akbank Management sets a theme and club members work on the theme in groups, produce creative ideas, write scenarios and make projects. These are evaluated by a special jury consisting of academicians and press members and the team with the best project is rewarded with a Summer School Scholarship at Harvard University. The theme for 2013 is “Savings Culture in Turkey” and the members will develop ideas to ensure adoption and development of a savings culture.

The number of Akbank Thinking Club members increases every year and the club offers the youth, who will create the innovative force of tomorrow and have a word in Turkey’s future with today’s experience, an opportunity to realize and improve their potential.

➔ [www.akbankdusuncekulubu.com](http://www.akbankdusuncekulubu.com)

(Available only in Turkish)

#### Make a Wish

Make a Wish Foundation is an international non-governmental organization that was founded to make wishes of children between the age of 3 and 18 and suffering from a life-threatening illness come true. The Foundation helps children realize their dreams with approval from the doctors. Akbank has already been supporting Make a Wish Foundation but in 2012 we initiated another cooperation for the inclusion of Akbank employees into the voluntary teams enabling the dreams come true. In addition, we hosted the national volunteer training given by the Foundation in December 2012.

#### Entrepreneurship

In 2012, we continued to support efforts to spread the spirit of entrepreneurship in Turkey, train a greater number of entrepreneurs, and increase opportunities for them. Examples of such efforts are provided below:

#### Endeavor Program and Meetings

Endeavor is an international non-governmental organization established to contribute to economic development by supporting active entrepreneurs in developing countries. In addition to offering special financial services to entrepreneurs, Akbank also organizes meetings in

## OUR COMMUNITY INVESTMENT

cooperation with Endeavor. With the “Good Enterprise Summit” and “Good Investment Summit” -first organized in 2011 in İstanbul with contribution from TÜSİAD (Turkish Industry and Business Association)- entrepreneurs are informed on subjects including leadership, management, financing of entrepreneurs, and angel investors. In 2012, upon demands from entrepreneurs in Ankara and İzmir an event similar to “Good Enterprise Summit” was organized in İzmir. Another event similar to “Good Investment Summit” was held in January 2013 in Ankara.

### Global Student Entrepreneur Awards

“Global Student Entrepreneur Awards” (GSEA) created by Saint Louise University in 1998 aims to promote entrepreneurship among university students and to contribute to training future entrepreneurs. Akbank supports the organization of this prestigious challenge of the global entrepreneurship circle in Turkey since 2011. University students who have their own businesses participate in the challenge. National winners have the opportunity to share their know-how and experiences with other entrepreneurs in Turkey and the USA as well as to enter international entrepreneurship networks. 180 young entrepreneurs applied to the 2012 Turkey auditions and the “Biochemistry Auto Analyzer” project earned the right to represent Turkey in the grand finals to be held in New York.

➔ <http://www.universiteligirisimci.com>  
(Available only in Turkish)

### Akbank Entrepreneur Development Program

“Akbank Entrepreneur Development Program” is a training activity organized in cooperation with Sabancı University. The program provides support to entrepreneurs in designing, implementing, and managing their enterprise. Within the scope of the program also supported by KAGIDER (Women Entrepreneurs Association of Turkey), Inovent and Endeavor, 44 entrepreneurs received 5 full days of training in 2012. Akbank will continue to contribute to this program in 2013.

### Workshops with the Guru of Entrepreneurship: Kenneth Morse

Globally renowned guru of entrepreneurship Kenneth Morse participated in three workshops in 2012 with the main sponsorship of Akbank. The themes of workshops were “sales strategies”, “building management teams”, and “financing growth”. 10 Akbank customers earned the opportunity to attend the workshops free of charge. These workshops will continue in İstanbul and Ankara in 2013.

➔ <http://www.entrepreneurship-turkey.com>

### Environment

#### No Time to Waste! Get Involved!

In 2010, we initiated the “No Time to Waste” project in coordination with the Regional Environment Center (REC) with the aim of drawing attention to environment and climate change problems. In two years, a total of 60 Akbank employees volunteered for the project. In the project, photographs were taken and interviews were made in 15 regions of Turkey that were influenced or found to be in danger of influence due to Climate Change. The book *No Time to Waste! Get Involved!* was shared with approximately 1,000 members of press and opinion leaders in Turkey. Akbank volunteers visited 11 cities and made presentations about the environment and climate change to more than 10 thousand students in 2011 and 2012.

#### Carbon Disclosure Project (CDP)

Carbon Disclosure Project (CDP) is a global initiative started in the year 2000 with the purpose of collecting and sharing information to allow companies, investors, and governments to take measures against the threat of climate change. The Project has been implemented in Turkey by the Sabancı University Corporate Management Forum and with support from Akbank since 2010. In addition to supporting the implementation of the Project, we, as Akbank, also report to CDP on our climate change policy and greenhouse gas emissions.

#### Akbank Volunteers

Akbank Volunteers system was established in 2011 with the mission of “being a part of the solution to social problems”. In 2012, volunteers increased their support in projects on environment, the disabled, education, and entrepreneurship. In line with our targets, number of projects increased and number of volunteers rose from 1,489 to 2,026 in one year. To encourage participation of our stakeholders in voluntary projects, we requested support from business partners for some projects. To increase awareness and encourage involvement, we emphasized the idea of volunteering, Akbank volunteers, and social responsibility projects in our 2011 and 2012 Annual Reports and Memo Books. Our target for 2013 is to conclude the structuring efforts aiming to get more involvement from employees in decision-making mechanisms of the volunteering system.

Some of the projects that we initiated with Akbank volunteers in 2011 continued in 2012 as well and new projects were also added. The most extensive initiative in 2012 was the “Akbank Volunteers Explain Banking and Savings” project implemented within the scope of “Savings Campaign” which is initiated by Akbank and supported by products and services as well as corporate social responsibility activities of the Bank.

## OUR COMMUNITY INVESTMENT

Collaboration Partner Institution	2012 Volunteering Projects	Contribution of Volunteers	Number of Volunteers	Number of Children/ Young People Reached
Corporate Volunteer Association Para Durumu	Akbank Volunteers Explain Banking and Saving (new)	Trainings were given to students on "Banking and Saving".	60	3,500
Young Success Educational Foundation	Company Program-Support for Young Entrepreneurs (new)	Regular meetings were held with students to support entrepreneurship projects.	12	120
-	Cleaning the Belgrade Forest (new)	Akbank Volunteers cleaned the forest on a Sunday.	50	-
Regional Environment Center Turkey (REC)	No Time to Waste Project	Trainings were given to create awareness on environment and climate change.	24	2,500
45 Elementary Schools in 37 Cities	Sharing Used Computers of the Bank with Schools in Need	Computers in an operable state were given maintenance and fixed. 450 PC and 40 scanners were sent to various schools requesting such products.	10	18,000
Corporate Volunteer Association	Book Collection Campaign	Around 3,000 books were donated to libraries of 5 elementary schools.	500	2,000
Association for Supporting Contemporary Life	Toy Collection Campaign	With the collected toys, needs of 19 kindergartens in 15 cities were met.	500	1,400
Corporate Volunteer Association Elementary Schools	English Speaking Club	Akbank Volunteers visited elementary schools and supported students in learning English.	25	300
Municipality of Fatih, Yedikule Animal Shelter	Visit to Animal Shelter	Akbank Volunteers and their families helped meet the needs of the animal shelter on a Sunday.	80	-
Turkish Association for the Disabled Yurtiçi Kargo	Cartridge Collection Project (new)	With the project that started in November 2012, around 2,400 empty cartridges were collected. The revenue gained from refilling the cartridges was allocated to scholarships of disabled students.	600	3
UNICEF (United Nations Children's Fund) and Foundation for Children with Leukemia (LÖSEV)	Shopping at UNICEF and LÖSEV Booths	Akbank employees made shopping at the booths in the Head Office to support these NGOs.	165	-
<b>TOTAL</b>			<b>2,026</b>	<b>27,823</b>

In 2012, 2,026 Akbank employees volunteered in 11 projects and reached 27,823 children and young people. We tried to be a part of the solution to social problems by sparing approximately 1,000 hours of our working time and some of our personal time for voluntary activities.

## OUR COMMUNITY INVESTMENT

### Donations

Deposit account holders at Akbank can donate money to a variety of associations and foundations that operate in Turkey and pursue public interest. Our customers can donate money for one-time only or with automatic payment orders to an association or foundation of their choice. In

2012, customers' donations amounting to approximately TL 6,500,000 were transferred to the following associations and foundations. Akbank does not charge any bank transfer or EFT fees on the donations made to the listed organizations.

### Associations and Foundations That Received Donations from Akbank Customers in 2012

Kidney Foundation for Children	Mehmetçik Foundation of the Turkish Armed Forces
Directorate of Darülaceze Institution	Turkish Aeronautical Association
Darüşşafaka Association	Turkish Association for Cancer Research and Control
Women Entrepreneurs Association of Turkey (KAGİDER)	Turkish Religious Foundation
Kimse Yok Mu Association	Education Volunteers Foundation of Turkey
LÖSEV	Turkish Red Crescent Society
Autism Foundation	Turkish Association for Children in Need of Protection
TEMA Foundation	Multiple Sclerosis Association of Turkey
Tohum Autism Foundation	Turkish Society of Paraplegia Association
Foundation to Support the Turkish Armed Forces	Turkish Foundation for Spastic Children



## GLOBAL REPORTING INITIATIVE (GRI) INDEX

### GRI Sustainability Reporting Guidelines Index

This report contains information on the actions we took to improve our social, environmental, and economic performance and the results we achieved during the period between 1 January 2012 and 31 December 2012. The contents of the report are developed in compliance with the C-application level of the G3 version of the GRI (Global Reporting Initiative) Sustainability Reporting Guidelines, which is an internationally recognized reporting standard. The table below has been prepared to facilitate access to information provided within the framework of GRI's C-level application.

STANDARD DISCLOSURES PART I: Profile Disclosures				
1. STRATEGY AND ANALYSIS				
Profile Disclosure	Description	Reported in	Scope of reporting	Reference pages/ Explanations
1.1	Statement from the most senior decision-maker of the organization, regarding the relevance of sustainability to the organization and the strategy of the organization	Message from the Chairman Message from the CEO	Full	3-6
1.2	Description of key impacts, risks, and opportunities	Our Approach to Sustainability	Full	23-28, 33-34
2. ORGANIZATIONAL PROFILE				
2.1	Name of the organization	About Akbank	Full	Akbank T.A.Ş.
2.2	Primary brands, products, and/or services	About Akbank	Full	11-12
2.3	Operational structure of the organization	About Akbank	Full	13, 16
2.4	Location of organization's headquarters	About Akbank	Full	Sabancı Center, 4. Levent 34330 İstanbul TURKEY
2.5	Countries where the organization operates	About Akbank	Full	Turkey, Germany, Dubai, and Malta
2.6	Nature of ownership and legal form	About Akbank	Full	16
2.7	Markets served	About Akbank	Full	Turkey, Germany, Dubai, and Malta. See page 13 for number of customers for each segment. Akbank provides banking services in compliance with local laws and UN Security Council Regulations.
2.8	Scale of the reporting organization	About Akbank	Full	11, 13-14
2.9	Significant changes during the reporting period regarding size, structure, or ownership	About Akbank	Full	16 Total number of branches in Turkey increased from 926 to 961. The number of employees increased by 976 employees.
2.10	Awards	About Akbank	Full	18-19
3. REPORT PARAMETERS				
3.1	Reporting period	About the Report	Full	1 January 2012 - 31 December 2012
3.2	Date of most recent previous report	About the Report	Full	Third report was published in 2012.
3.3	Reporting cycle	About the Report	Full	We publish our Sustainability Report annually. We update some data on our website throughout the year.



Profile Disclosure	Description	Reported in	Scope of reporting	Reference pages/ Explanations
3.4	Contact point for questions regarding the report or its contents	Credits and Contacts	Full	On the last page of the report. Cenk Türker, PhD, Akbank Corporate Social Responsibility Manager, <a href="mailto:cenk.turker@akbank.com">cenk.turker@akbank.com</a>
3.5	Process for defining report content	About the Report	Full	21, 23-24, 29
3.6	Boundary of the report	About the Report	Full	Banking services of Akbank T.A.S. in Turkey
3.7	Specific limitations on the scope or boundary of the report	About the Report	Full	21
3.8	Basis for reporting on joint ventures and other related organizations	About the Report	Full	21
3.9	Data measurement techniques and the bases of calculations	About the Report	Full	21
3.10	Explanation of the effect and reasons of any re-statements of information provided in earlier reports	About the Report	Full	21
3.11	Significant changes in the scope, boundary, or measurement methods applied in the report	About the Report	Full	21
3.12	GRI Indicators table	GRI Index	Full	GRI Indicators table is available between pages 93 and 98.
3.13	External assurance		Full	External assurance was not obtained.
<b>4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT</b>				
<b>GOVERNANCE</b>				
4.1	Governance structure of the organization	Corporate Governance in Akbank	Full	37-38
4.2	Whether the Chair of the highest governance body is also an executive officer	Corporate Governance in Akbank	Full	37
4.3	Number of independent members of the highest governance body	Corporate Governance in Akbank	Full	37
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Corporate Governance in Akbank Our Employees	Full	36 70, 76
4.5	Linkage between compensation for members of the highest governance body and the organization's performance	Corporate Governance in Akbank Our Employees	Full	37-38 69
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Corporate Governance in Akbank	Full	38
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	Corporate Governance in Akbank	Full	37-38
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Our Approach to Sustainability Corporate Governance in Akbank Risk Management and Compliance	Full	23, 25-26 36 41-44



Profile Disclosure	Description	Reported in	Scope of reporting	Reference pages/ Explanations
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	Our Approach to Sustainability Corporate Governance in Akbank Risk Management and Compliance	Full	25-26 37-38 44
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Corporate Governance in Akbank Our Employees	Partial	38 69
<b>EXTERNAL COMMITMENTS</b>				
4.11	The precautionary approach or principle	Risk Management and Compliance	Full	40-41
4.12	Externally developed sustainability initiatives to which the organization subscribes or endorses	Our Approach to Sustainability	Full	32-33
4.13	Memberships in associations	Our Approach to Sustainability		32
<b>STAKEHOLDER PARTICIPATION</b>				
4.14	List of stakeholder groups engaged by the organization	Our Approach to Sustainability	Full	29-31
4.15	Identification and selection of stakeholders with whom to engage	Our Approach to Sustainability	Full	29
4.16	Approaches to stakeholder engagement	Our Approach to Sustainability	Full	29-31
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to them	Our Approach to Sustainability	Full	24, 29-31
<b>STANDARD DISCLOSURES: PART III Performance Indicators</b>				
<b>ECONOMIC</b>				
<b>ASPECT: ECONOMIC PERFORMANCE</b>				
EC1	Direct economic value generated and distributed	About Akbank	Full	15
EC2	Financial implications and other risks and opportunities for the organization due to climate change	Our Approach to Sustainability	Full	34
EC3	The organization's defined benefit plan obligations	Our Employees	Partial	69-70
EC4	Significant financial assistance received from government		Full	No significant financial assistance was received from the government in 2012.
<b>ASPECT: MARKET PRESENCE</b>				
EC5	Range of ratios of standard entry level wage compared to local minimum wage	Our Employees	Full	65
EC7	Procedures for local hiring and proportion of senior management hired from the local community	Our Employees	Partial	64
<b>ASPECT: INDIRECT ECONOMIC IMPACTS</b>				
EC8	Infrastructure investments and services provided for public benefit through commercial, in-kind, or pro bono engagement	Our Operations and the Environment Our Community Investment	Partial	85-86 88-92
EC9	Indirect economic impacts	Value Added to Our Customers	Partial	57



Profile Disclosure	Description	Reported in	Scope of reporting	Reference pages/ Explanations
<b>ENVIRONMENTAL</b>				
<b>ASPECT: MATERIALS</b>				
EN1	Materials used by weight or volume	Our Operations and the Environment	Partial	84
<b>ASPECT: ENERGY</b>				
EN3	Direct energy consumption by primary energy source	Our Operations and the Environment	Full	79-80
EN4	Indirect energy consumption by primary source	Our Operations and the Environment	Full	80
EN5	Energy saved due to conservation and efficiency improvements	Our Operations and the Environment	Partial	80-81
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Value Added to Our Customers	Partial	48-49
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Our Operations and the Environment	Partial	83
<b>ASPECT: WATER</b>				
EN8	Total water withdrawal by source	Our Operations and the Environment	Full	85
<b>ASPECT: BIODIVERSITY</b>				
EN11	Protected areas and areas of high biodiversity value		Full	Akbank does not have operations in such areas. Since the Bank's branches are located in settlements, their impact on biodiversity is almost zero.
EN12	Significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value	Value Added to Our Customers	Partial	47-48
<b>ASPECT: EMISSIONS, EFFLUENTS, AND WASTES</b>				
EN16	Total direct and indirect greenhouse gas emissions by weight	Our Operations and the Environment	Full	81-82. There is no official carbon emission coefficient for electricity use in Turkey.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Our Operations and the Environment	Partial	81-83
EN22	Total weight of waste by type and disposal method	Our Operations and the Environment	Partial	85-86
<b>ASPECT: PRODUCTS AND SERVICES</b>				
EN26	Initiatives to mitigate environmental impacts of products and services	Value Added to Our Customers	Partial	47-49
<b>ASPECT: COMPLIANCE</b>				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Full	There were no significant fines or sanctions for non-compliance with environmental laws and regulations in 2012.
<b>ASPECT: TRANSPORT</b>				
EN29	Environmental impacts of transporting products and members of the workforce	Our Operations and the Environment	Partial	83
<b>SOCIAL: LABOR PRACTICES AND DECENT WORK</b>				
<b>ASPECT: EMPLOYMENT</b>				
LA1	Total workforce by employment type, employment contract, and region	Our Employees	Full	65
LA2	Rate of employee turnover by age group, gender, and region	Our Employees	Full	67-68





Profile Disclosure	Description	Reported in	Scope of reporting	Reference pages/ Explanations
LA3	Benefits provided to full-time employees	Our Employees	Full	69-71
<b>ASPECT: LABOR/MANAGEMENT RELATIONS</b>				
LA4	Percentage of employees covered by collective bargaining agreements	Our Employees	Full	70
LA5	Minimum notice period(s) regarding significant operational changes	Our Employees	Full	65
<b>ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>				
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Our Employees	Partial	71
LA9	Health and safety topics covered in formal agreements with trade unions	Our Employees	Partial	70
<b>ASPECT: TRAINING AND EDUCATION</b>				
LA10	Average hours of training per year per employee by employee category	Our Employees	Full	72
LA11	Programs for skills management and lifelong learning that support the continued employability of employees	Our Employees	Full	72-73
LA12	Percentage of employees receiving regular performance and career development reviews	Our Employees	Full	69
<b>ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</b>				
LA13	Composition of governance bodies and breakdown of employees according to gender, age group, minority group membership	Our Employees	Full	66-67
<b>SOCIAL: HUMAN RIGHTS</b>				
<b>ASPECT: INVESTMENT AND PROCUREMENT PRACTICES</b>				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Value Added to Our Customers	Partial	47
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Our Approach to Sustainability	Partial	27
<b>ASPECT: NON-DISCRIMINATION</b>				
HR4	Total number of incidents of discrimination and actions taken	Our Employees	Partial	64
<b>ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>				
HR5	The right to exercise freedom of association and collective bargaining	Our Employees	Full	70
<b>ASPECT: CHILD LABOR</b>				
HR6	Incidents of child labor, and measures taken to contribute to the elimination of child labor	Our Employees	Full	67
<b>ASPECT: FORCED AND COMPULSORY LABOR</b>				
HR7	Forced or compulsory labor	Our Employees	Full	68
<b>ASPECT: INDIGENOUS RIGHTS</b>				
HR9	Incidents of violations involving rights of indigenous people and actions taken		Full	There were no such incidents in 2012.



Profile Disclosure	Description	Reported in	Scope of reporting	Reference pages/ Explanations
<b>SOCIAL: SOCIETY</b>				
<b>ASPECT: COMMUNITY</b>				
S01	Programs and practices that assess and manage the impacts of operations on communities		Partial	57
<b>ASPECT: CORRUPTION</b>				
S02	Percentage and total number of business units analyzed for risks related to corruption	Risk Management and Compliance	Partial	41, 44
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	Our Employees	Full	73-74
S04	Actions taken in response to incidents of corruption	Risk Management and Compliance	Full	44
<b>ASPECT: PUBLIC POLICY</b>				
S05	Public policy positions and participation in public policy development and lobbying	Our Approach to Sustainability	Partial	30, 32-33
S06	Financial and in-kind contributions to political parties, politicians, and related institutions		Full	There were no financial and in-kind contributions to political parties, politicians, and related institutions in 2012.
<b>ASPECT: COMPLIANCE</b>				
S08	Significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		Full	There were no significant fines for non-compliance with laws and regulations in 2012.
<b>SOCIAL: PRODUCT RESPONSIBILITY</b>				
<b>ASPECT: PRODUCT AND SERVICE LABELING</b>				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements		Full	We provide information on all of our banking services and products and these are subject to a variety of laws and regulations. In our website we provide easy to access information on our products including fees, interest rates, taxes and terms.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Value Added to Our Customers	Partial	58-59
<b>ASPECT: MARKETING COMMUNICATION</b>				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Risk Management and Compliance	Partial	42
<b>ASPECT: COMPLIANCE</b>				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		Full	There were no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services in 2012.



## UNITED NATIONS GLOBAL COMPACT (UNGC) INDEX

### UN Global Compact Index

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

UN Global Compact Principles	Page of the Performance Information
<b>Human Rights</b>	
<b>Principle 1.</b> Businesses should support and respect the protection of internationally proclaimed human rights.	26, 27, 32, 47, 64, 65, 66, 67, 68, 70, 71
<b>Principle 2.</b> Businesses should make sure that they are not complicit in human rights abuses.	26, 27, 32, 47, 64, 66, 67, 70
<b>Labour</b>	
<b>Principle 3.</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	26, 27, 32, 47, 70
<b>Principle 4.</b> The elimination of all forms of forced and compulsory labour;	26, 27, 32, 47, 68
<b>Principle 5.</b> The effective abolition of child labour;	26, 27, 32, 47, 68
<b>Principle 6.</b> The elimination of discrimination in respect of employment and occupation.	26, 27, 32, 47, 64, 65, 66, 67, 68
<b>Environment</b>	
<b>Principle 7.</b> Businesses should support a precautionary approach to environmental challenges;	32, 37, 47, 48, 49
<b>Principle 8.</b> Undertake initiatives to promote greater environmental responsibility;	32, 33, 47, 48, 49, 79, 80, 81, 82, 83, 84, 85, 86
<b>Principle 9.</b> Encourage the development and diffusion of environmentally friendly technologies.	32, 47, 48, 49, 80, 81, 82
<b>Anti-Corruption</b>	
<b>Principle 10.</b> Businesses should work against corruption in all its forms, including extortion and bribery.	32, 41, 42, 43, 44, 73, 74



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Akbank Sustainability Report (“the Report”) was prepared solely for informative purposes and does not create a basis for any kind of investment decisions. This report has been originally prepared and published in Turkish. Even though its translation into English has been realized with utmost care and attention for precision, the Turkish version prevails as the original. All contents and information in this Report are prepared using the information and sources deemed to be accurate and reliable in the time the Report was written. None of the information and content in this Report can be interpreted as a statement, warranty and/or commitment; nor is it guaranteed that the information and content in this Report is complete and constant.

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