IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER: (a) PURCHASING IN OFFSHORE TRANSACTIONS AND NOT U.S. PERSONS (EACH AS DEFINED IN REGULATION S) OR (b) QIBS (AS DEFINED BELOW)

IMPORTANT: You must read the following before continuing. The following applies to the attached Offering Circular (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from (or on behalf of) Akbank T.A.Ş. (the "**Issuer**") as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OF AMERICA (WITH ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA, COLLECTIVELY THE "**UNITED STATES**") OR ANY OTHER JURISDICTION TO THE EXTENT THAT IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND SUCH SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE ATTACHED OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, THEN YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your representation: In order to be eligible to view the Offering Circular, prospective investors must be either: (a) purchasing in offshore transactions and not U.S. persons (each as defined in Regulation S) or (b) qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("**QIBs**"). The Offering Circular is being sent at your request and by accepting this electronic distribution and accessing the Offering Circular, you will be deemed to have represented to the Issuer that: (i) you and any customers you represent in connection herewith are either: (A) purchasing in offshore transactions and not U.S. persons and, if applicable, that the electronic mail address to which this electronic transmission has been delivered is not located in the United States or (B) QIBs, (ii) you consent to delivery of the Offering Circular by electronic transmission and (iii) you have understood and agree to the terms set out herein.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of the Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place to the extent that offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and an underwriter or any affiliate of an underwriter is a licensed broker or dealer in that jurisdiction, then the offering will be deemed to be made by such underwriter or such affiliate on behalf of the Issuer in such jurisdiction.

The Offering Circular has been provided to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of Abu Dhabi Commercial Bank P.J.S.C., Citigroup Global Markets Limited, Emirates NBD Bank PJSC, HSBC Bank plc, ING Bank N.V. and J.P. Morgan Securities plc (the "**Joint Bookrunners**"), the Issuer or any person who controls any of them, nor any director, officer, employee, counsel nor agent of any of them or any affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Joint Bookrunners.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The Offering Circular is being distributed only to and directed only at: (a) persons who are outside the United Kingdom (the "**UK**"), (b) persons in the United Kingdom who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (c) those persons in the United Kingdom to whom it may otherwise lawfully be distributed (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, the Offering Circular is directed only at relevant persons and must not be acted on or relied upon by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which the Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

The Offering Circular is being distributed only to and directed at real persons and legal entities domiciled outside of Türkiye.

UK MiFIR product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

AKBANK

AKBANK T.A.Ş.
a Turkish banking institution organised as a public joint stock company

U.S.$500,000,000 7.498 per cent. Sustainability Notes due 2030

The U.S.$500,000,000 7.498 per cent. Sustainability Notes due 2030 (the "**Notes**") are being issued by Akbank T.A.Ş., a banking institution organised as a public joint stock company under the laws of the Republic of Türkiye ("**Türkiye**") and registered with the İstanbul Trade Registry under number 90418 and MERSİS number 0015001526400497 ("**Akbank**", the "**Bank**" or the "**Issuer**").

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities or "blue sky" laws of any state of the United States or any other U.S. jurisdiction and are being offered: (a) for sale to qualified institutional buyers only (each a "**QIB**") as defined in, and in reliance upon, Rule 144A under the Securities Act ("**Rule 144A**") and (b) for sale to non-U.S. persons outside the United States in reliance upon Regulation S under the Securities Act ("**Regulation S**"). For a description of certain restrictions on sale and transfer of investments in the Notes, see "*Subscription and Sale and Transfer and Selling Restrictions*" and "*Plan of Distribution*" below.

AN INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. SEE "*RISK FACTORS*" HEREIN.

The Notes will bear interest from (and including) 20 June 2024 (the "**Issue Date**") to (but excluding) 20 January 2030 (the "**Maturity Date**") at a fixed rate of 7.498 per cent. per annum. Interest will be payable semi-annually in arrear on each of 20 January and 20 July (each an "**Interest Payment Date**") in each year up to (and including) the Maturity Date; *provided that* if any such date is not a Payment Day (as defined in Condition 7.4) then such payment will be made on the next Payment Day. There will be a short first Interest Period (as defined in Condition 6.1).

This Offering Circular has been approved by the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and has been prepared for the purposes of admitting the Notes to the official list (the "**Official List**") of Euronext Dublin and to trading on its Global Exchange Market ("**GEM**"). GEM is not a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). This Offering Circular constitutes "listing particulars" for the purposes of admission of the Notes to the Official List and to trading on GEM and does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Application has been made to Euronext Dublin to approve this document as "listing particulars" and for the Notes to be admitted to the Official List and to trading on GEM. References in this Offering Circular to the Notes being "**listed**" (and all related references) shall mean that the Notes have been admitted to the Official List and trading on GEM. There is no assurance that such listing will be granted or maintained and that a trading market in the Notes will develop or be maintained.

Application has been made to the Capital Markets Board of Türkiye (the "**CMB**"), in its capacity as competent authority under Law No. 6362 (the "**Capital Markets Law**") of Türkiye relating to capital markets, for the issuance and sale of the Notes by Akbank outside of Türkiye. The Notes cannot be sold before the necessary approvals and an approved issuance certificate in respect of the Notes are obtained from the CMB. The CMB approval approving the issuance certificate (*ihraç belgesi*) based upon which the offering of the Notes will be conducted in accordance with the Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates, and Sustainable Lease Certificates Guidelines published by the CMB on 24 February 2022 (the "**CMB Guide on Green or Sustainable Debt Instruments**") was obtained by the CMB's letter dated 15 September 2023 and numbered E-29833736-105.02.02-42190 (the "**CMB Approval**"), and the written approval of the CMB relating to the Notes is expected to be obtained from the CMB through its electronic system on or before the Issue Date.

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes (as defined in Condition 9) imposed or levied by or on behalf of a Relevant Jurisdiction (as defined in Condition 9) other than Taxes withheld relating to FATCA (as defined in Condition 7.1), unless the withholding or deduction of the Taxes is required by law. In that event, except as provided for in Condition 9, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders (as defined below) after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction. The withholding tax rate on interest payments in respect of bonds issued by Turkish entities outside of Türkiye varies depending on the original maturity of such bonds as specified under decrees numbered 2010/1182 published on 20 December 2010 and numbered 2011/1854 published on 29 June 2011, and Presidential Decree No. 842 published on 21 March 2019 (the "**Tax Decrees**"). Pursuant to the Tax Decrees, (i) with respect to bonds with a maturity of less than one year, the withholding tax rate on interest is 7%, (ii) with respect to bonds with a maturity of at least one and less than three years, the withholding tax rate on interest is 3%, and (iii) with respect to bonds with a maturity of three years and more, the withholding tax rate on interest is 0%. Accordingly, the withholding tax rate on interest on the Notes is 0%. See "*Taxation—Certain Turkish Tax Considerations*" below.

The Notes are expected to be rated at issuance B by Fitch Ratings Limited ("**Fitch**") and B3 by Moody's Investor Services Limited ("**Moody's**"). Fitch and Moody's are established in the United Kingdom and are registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**") as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK CRA Regulation**"). As such, the rating issued by Fitch and Moody's may be used for regulatory purposes in the UK. The ratings issued by Fitch and Moody's have been endorsed by Fitch Ratings Ireland Limited ("**Fitch Ireland**") and Moody's Deutschland GmbH ("**Moody's Germany**"), respectively, in accordance with the CRA Regulation. Fitch Ireland and Moody's Germany are established in the European Economic Area ("**EEA**") and are registered under the CRA Regulation. As such Fitch Ireland and Moody's Germany are included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at http://www.esma.europa.eu/page/list-registered-and-certified-cras) in accordance with the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Notes are being offered under Rule 144A and Regulation S by each of Abu Dhabi Commercial Bank P.J.S.C., Citigroup Global Markets Limited, Emirates NBD Bank PJSC, HSBC Bank plc, ING Bank N.V. and J.P. Morgan Securities plc (each a "**Joint Bookrunner**" and collectively, the "**Joint Bookrunners**"), subject to their acceptance and right to reject orders in whole or in part. The Notes will initially be represented by global certificates in registered form (the "**Global Certificates**"), one of which will be issued in respect of the Notes ("**Rule 144A Notes**") offered and sold in reliance on Rule 144A (the "**Rule 144A Global Certificate**") and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"), and the other of which will be issued in respect of the Notes ("**Regulation S Notes**") offered and sold in reliance on Regulation S (the "**Regulation S Global Certificate**") and will be registered in the name of a nominee for a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). It is expected that delivery of the Global Certificates will be made in book-entry form against payment therefor in immediately available funds on the Issue Date (i.e., the fifth Business Day following the date of pricing of the Notes (such settlement cycle being referred to as "**T+5**")).

Joint Bookrunners

ADCB	**Citigroup**	**Emirates NBD Capital**
HSBC	**ING**	**J.P. Morgan**

The date of this Offering Circular is 14 June 2024.

IMPORTANT INFORMATION

This offering circular (the "Offering Circular") does not constitute a prospectus for the purposes of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is in the case, the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain information under the heading "*Book-Entry Clearance Systems*" has been extracted from information provided by the clearing systems referred to therein. All of the information contained in this Offering Circular concerning the Turkish market and Akbank's competitors, which may include estimates or approximations, has been obtained (and extracted without material adjustment) from publicly available information, including press releases and filings made under various securities laws. Unless otherwise indicated, all data relating to the Turkish banking sector in this Offering Circular has been obtained from the Banking Regulatory and Supervisory Authority's (*Bankacılık Düzenleme ve Denetleme Kurumu)* ("BRSA") website at https://www.bddk.org.tr/ and The Banks Association of Türkiye's website at https://www.tbb.org.tr/tr; and all data relating to the Turkish economy, including statistical data, has been obtained from the website of the Turkish Statistical Institute (*Türkiye İstatistik Kurumu*) ("Turkstat") at http://www.turkstat.gov.tr, the Central Bank of Türkiye (the "Central Bank") website at http://www.tcmb.gov.tr, and the Ministry of Treasury and Finance's website at https://www.hmb.gov.tr/. Data may be based on calculations made by the Issuer and therefore may not appear in the exact same form on such websites or elsewhere. Such websites do not form a part of, and are not incorporated into, this Offering Circular. Where third-party information has been used in this Offering Circular, the source of such information has been identified. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from the relevant published information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Without prejudice to the generality of the foregoing statement, third-party information in this Offering Circular, while believed to be reliable, has not been independently verified by the Issuer or any other party.

Unless otherwise indicated, the sources for statements and data concerning the Issuer and its business are based on best estimates and assumptions of the Issuer's management. Management believes that these assumptions are reasonable and that its estimates have been prepared with due care. The data concerning the Issuer included herein, whether based on external sources or based on the Issuer's management internal research, constitute the best current estimates of the information described.

This Offering Circular is to be read in conjunction with all documents (or parts thereof) which are deemed to be incorporated herein by reference (see "*Documents Incorporated By Reference*"). This Offering Circular shall be read and construed on the basis that such documents (or parts thereof) are incorporated by reference in, and form part of, this Offering Circular.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated By Reference*"), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular.

The Issuer, having made all reasonable inquiries, confirms that: (i) this Offering Circular (including the information incorporated herein by reference) contains all information which is material with respect to the Issuer and the Notes, (ii) the information contained or incorporated by reference in this Offering Circular is true and accurate in all material respects and is not misleading, (iii) any opinions, predictions or intentions expressed in this Offering Circular (or any of the documents incorporated herein by reference) on the part of the Issuer are honestly held or made by the Issuer and are not misleading in any material respects, and there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions, predictions or intentions misleading in any material respect, and (iv) all reasonable inquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

To the fullest extent permitted by law, none of the Joint Bookrunners accepts any responsibility, or makes any representation, warranty or undertaking, express or implied, for the accuracy or completeness of the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Notes or for any statement consistent with this Offering Circular made, or purported to be made, by a Joint Bookrunner or on its behalf in connection with the Notes. Each Joint Bookrunner accordingly disclaims all and any liability that it might otherwise have (whether in tort, contract or otherwise) in respect of the accuracy or completeness of any such information or statements.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Bookrunners.

Neither this Offering Circular nor any other information supplied in connection with the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Joint Bookrunners that any recipient of this Offering Circular or any other information supplied in connection with the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should determine for itself the relevance of the information contained or incorporated in this Offering Circular and make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer based upon such investigation as it deems necessary. Neither this Offering Circular nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Bookrunners to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as at any time subsequent to the date indicated in the document containing the same. The Joint Bookrunners expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Joint Bookrunners do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit a public offering of the Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither (i) this Offering Circular nor (ii) any advertisement or other offering material, may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the EEA, the United Kingdom, the People's Republic of China, Hong Kong, Japan, Singapore, Switzerland and Türkiye. See "*Subscription and Sale and Transfer and Selling Restrictions*" below.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States and, other than the approvals of the BRSA and CMB described herein, have not been approved or disapproved by any other securities commission or other regulatory authority in any other jurisdiction, nor has any such authority approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

None of the Joint Bookrunners or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

None of the Joint Bookrunners nor any of their respective affiliates accepts any responsibility for any environmental or sustainability assessment of the Notes or makes any representation or warranty or gives any assurance as to whether the Notes will meet any investor expectations or requirements regarding such green, social, sustainable or similar labels. None of the Joint Bookrunners nor any of their respective affiliates have undertaken, nor are they responsible for, any assessment of the Sustainable Projects (as defined in the "*Risk Factors* " section of this Offering Circular), any verification of whether the Sustainable Projects meet any eligibility criteria set out in the Sustainable Finance Framework (as defined in the "*Risk Factors*" section of this Offering Circular) nor are they responsible for the use of proceeds (or amounts equal thereto) for the Notes, nor the impact or monitoring of such use of proceeds or the allocation of the proceeds to particular Sustainable Projects. The Sustainable Finance Framework, the Second Party Opinion (as defined in the "*Use of Proceeds*" section of this Offering Circular) and any public reporting by or on behalf of the Issuer in respect of the application of proceeds will not be incorporated by reference into this Offering Circular. None of the Joint Bookrunners nor any of their respective affiliates make any representation as to the suitability or content of such materials.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

(a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular;

(b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(d) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

(e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or to review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

GENERAL INFORMATION

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or other jurisdiction. Each investor, by purchasing a Note (or a beneficial interest therein), agrees that the Notes (or beneficial interests therein) may be reoffered, resold, pledged or otherwise transferred only upon registration under the Securities Act or pursuant to the exemptions from the registration requirements thereof described under "*Subscription And Sale And Transfer And Selling Restrictions*" below. Each investor also will be deemed to have made certain representations and agreements as described therein. Any resale or other transfer, or attempted resale or other attempted transfer, of the Notes (or a beneficial interest therein) that is not made in accordance with the transfer restrictions may subject the transferor and transferee to certain liabilities under applicable securities laws.

The Issuer has obtained the CMB Approval which is required to make green/sustainable issuances outside of Türkiye pursuant to the CMB Guide on Green or Sustainable Debt Instruments required for the issuance of the Notes. In addition, the required written approval (*tertip ihraç belgesi*) relating to the Notes is expected to be obtained from the CMB through its electronic system on or prior to the Issue Date.

Pursuant to the Approvals, the offer, sale and issue of Notes have been authorised and approved in accordance with Decree 32 on the Protection of the Value of the Turkish Currency (the "**Decree 32**"), the Capital Markets Law No. 6362 (the "**Capital Markets Law**"), the Banking Law No. 5411 (the "**Banking Law**"), the Communiqué Serial VII, No 128.8 on Debt Instruments (the "**Communiqué on Debt Instruments**") and any other related legislation.

In addition, the Notes (or beneficial interests therein) may only be offered or sold outside of Türkiye in accordance with the Approvals. Under the CMB Approval, the CMB has authorised the offering, sale and issue of the Notes on the condition that no sale or offering of Notes (or beneficial interests therein) may be made by way of public offering or private placement in Türkiye. Pursuant to the BRSA decision dated 6 May 2010 No. 3665, the BRSA decision dated 30 September 2010 No. 3875 and Article 15(d)(ii) of Decree 32, residents of Türkiye: (a) in the secondary markets only, may purchase or sell Notes denominated in a currency other than Turkish Lira (or beneficial interests therein) in offshore transactions on an unsolicited (reverse inquiry) basis; and, (b) in both the primary and secondary markets, may purchase or sell Notes (or beneficial interests therein) denominated in Turkish Lira in offshore transactions on an unsolicited (reverse inquiry) basis; provided that (for each of clauses (a) and (b)); such purchase or sale is made through licensed banks and/or licensed brokerage institutions authorised pursuant to the BRSA and/or CMB regulations and the purchase price is transferred through licensed banks authorised under the BRSA regulations. Monies paid for purchases of the Notes are not protected by the insurance coverage provided by the Savings Deposit Insurance Fund of Türkiye (the "**SDIF**").

Pursuant to the Communiqué on Debt Instruments, the Issuer is required to notify the Central Securities Depository (*Merkezi Kayıt Kuruluşu*) (the "**CSD**") within three Turkish business days from the Issue Date of the amount, issue date, ISIN, term commencement date, maturity date, interest rate, name of the custodian, currency of the Notes and the country of issuance. In case of any change to this information, including early redemption, the Issuer is required to notify the CSD, within three Business Days from the date of the relevant change.

The Regulation S Global Certificate will be deposited on or about the Issue Date with a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg, and will be registered in the name of a nominee for the Common Depositary. Except as described in this Offering Circular, beneficial interests in the Regulation S Global Certificate will be represented through accounts of financial institutions acting on behalf of beneficial owners as direct and indirect account holders in Euroclear and Clearstream, Luxembourg. The Rule 144A Global Certificate will be deposited on or about the Issue Date with Citibank N.A., London Branch, in its capacity as custodian (the "**Custodian**") and will be registered in the name of Cede & Co. as nominee for DTC. Except as described in this Offering Circular, beneficial interests in the Rule 144A Global Certificate will be represented through accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Except as described in this Offering Circular, owners of beneficial interests in the Global Certificates will not be entitled to have the Notes registered in their names, will not receive or be entitled to receive physical delivery of the Notes in definitive form and will not be considered holders of the Notes under the Notes and the Agency Agreement (as defined below).

UK MiFIR product governance / Professional investors and eligible counterparties only target market –Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the COBS, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION - In connection with the issue of the Notes to be underwritten by the Joint Bookrunners, Citigroup Global Markets Limited (the "**Stabilisation Manager**") (or persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail; however, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer or issue of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules. Notwithstanding anything herein to the contrary, the Issuer may not (whether through over-allotment or otherwise) issue more Notes than have been approved by the CMB.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in a deed poll dated 20 June 2024 (the "**Deed Poll**") to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes to be transferred remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

TURKISH TAX CONSIDERATIONS

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes (as defined in Condition 9) other than Taxes withheld relating to FATCA (as defined in Condition 7.1) imposed or levied by or on behalf of any Relevant Jurisdiction (as defined in Condition 9), unless the withholding or deduction of the Taxes is required by law. In that event, except as provided for in Condition 9, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction. The withholding tax rate on interest payments in respect of bonds issued by Turkish entities outside of Türkiye varies depending on the original maturity of such bonds as specified under the Tax Decrees. Pursuant to the Tax Decrees, (i) with respect to bonds with a maturity of less than one year, the withholding tax rate on interest is 7%, (ii) with respect to bonds with a maturity of at least one and less than three years, the withholding tax rate on interest is 3%, and (iii) with respect to bonds with a maturity of three years and more, the withholding tax rate on interest is 0%.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Akbank maintains its books of accounts and prepares its statutory financial statements in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislation related to the accounting and financial reporting principles published by the BRSA and, in case where a specific regulation is not made by the BRSA, Turkish Accounting Standards ("**TAS**") and Turkish Financial Reporting Standards ("**TFRS**") and related appendices and interpretations put into effect by the Public Oversight Accounting and Auditing Standards Authority (the "**POA**") (collectively, "**BRSA Principles**"). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements" and "Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks" and amendments to this Communiqué. Akbank maintains its books in Turkish Lira in accordance with the Banking Law, the Turkish Commercial Code No. 6102 (the "**Turkish Commercial Code**") and Turkish tax legislation. Akbank's foreign subsidiaries maintain their books of account and prepare their financial statements in accordance with the generally accepted accounting principles and related legislation applicable in the countries in which they operate.

Akbank's unaudited consolidated interim financial statements and the related notes thereto as at and for the three months ended 31 March 2024 (with comparative information for the three months ended 31 March 2023) (the "**Akbank BRSA Interim Financial Statements**"), its audited consolidated financial statements and the related notes thereto as at and for the financial year ended 31 December 2023 (the "**Akbank 2023 BRSA Annual Financial Statements**"), its audited consolidated financial statements and the related notes thereto as at and for the financial year ended 31 December 2022 (the "**Akbank 2022 BRSA Annual Financial Statements**") and its audited consolidated financial statements and the related notes thereto as at and for the financial year ended 31 December 2021 (the "**Akbank 2021 BRSA Annual Financial Statements**" and, together with the Akbank 2023 BRSA Annual Financial Statements and the Akbank 2022 BRSA Annual Financial Statements, the "**Akbank BRSA Annual Financial Statements**") have been prepared and presented in accordance with the BRSA Principles and TFRS for matters not regulated by the aforementioned legislation. The Akbank BRSA Interim Financial Statements and the Akbank BRSA Annual Financial Statements are collectively referred to herein as the "**Akbank BRSA Financial Statements**".

The POA, in its announcement dated 23 November 2023, stipulated that the financial statements of businesses applying TFRS for annual reporting periods ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting in Hyperinflationary Economies ("**TAS 29**"), noting, however, that institutions or organisations authorised to regulate and supervise entities in their own fields may determine different transition dates for the application of TAS 29. Based on this announcement of the POA, the BRSA, in its decision dated 12 December 2023 and numbered 10744, decided that financial statements dated 31 December 2023 of banks and financial leasing, factoring, financing, savings financing and asset management companies should not be subject to the inflation adjustment required within the scope of TAS 29. In accordance with the BRSA's decision dated 11 January 2024 and numbered 10825, it has been decided that banks and financial leasing, factoring, financing, savings financing and asset management companies will be required to apply inflation accounting as of 1 January 2025. Accordingly, Akbank has not applied the inflation accounting required by TAS 29 in its financial statements included in this Offering Circular.

The Akbank BRSA Financial Statements are prepared on the historical cost basis except for assets and liabilities carried at fair value. The Akbank BRSA Financial Statements are also prepared on a consolidated basis with its financial subsidiaries.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("**PwC**") audited in accordance with "the Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "**SIA**") that are part of Turkish Standards on Auditing issued by the POA:

- the Akbank 2023 BRSA Annual Financial Statements and issued an independent auditor's report in respect thereof on 1 February 2024;
- the Akbank 2022 BRSA Annual Financial Statements and issued an independent auditor's report in respect thereof on 31 January 2023; and
- the Akbank 2021 BRSA Annual Financial Statements and issued an independent auditor's report in respect thereof on 1 February 2022.

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("**Deloitte Türkiye**"), a member of Deloitte Touche Tohmatsu Limited ("**Deloitte**") reviewed the Akbank BRSA Interim Financial Statements in accordance with the Independent Auditing Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and issued an independent review report on 30 April 2024.

Unless otherwise indicated, the financial information with respect to Akbank presented in this Offering Circular is based upon the convenience translation of Akbank BRSA Financial Statements incorporated by reference herein and has been extracted from the Akbank BRSA Financial Statements without material adjustment. The convenience translations of the Akbank BRSA Financial Statements incorporated by reference into this Offering Circular, all of which are in English, were prepared as convenience translations of the Akbank BRSA Financial Statements originally issued in the Turkish language (which translations Akbank confirms are direct and accurate).

The Akbank BRSA Financial Statements, together with the respective notes thereto are incorporated by reference into this Offering Circular. See "*Documents Incorporated By Reference*".

BRSA Principles and IFRS

BRSA Principles differ from International Financial Reporting Standards ("**IFRS**"). For a discussion of the differences between BRSA Principles and IFRS, see "*Appendix 1 - Overview Of Significant Differences Between IFRS And BRSA Accounting Principles*".

Rounding

Certain figures included in this Offering Circular have been subject to rounding adjustments (e.g., certain U.S. Dollar and Turkish Lira amounts have been rounded to the nearest million and or thousand, as applicable). Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Currency Presentation and Exchange Rate Information

Unless otherwise indicated, references to "**TL**", including with respect to the Akbank BRSA Annual Financial Statements, are references to the Turkish currency rounded to the nearest thousand. Unless otherwise indicated, references to "**USD**","**U.S. $**", "**$**", "**U.S. Dollars**" or "**Dollars**" in this Offering Circular are to United States Dollars rounded to the nearest million. Unless otherwise indicated, references to "**EUR**", "**Euro**" and "**€**" are to the single currency of the participating member states of the European Union that was adopted pursuant to the Treaty of Rome of 27 March 1957, as amended by the Single European Act 1986 and the Treaty on European Union of 7 February 1992, as amended. Unless otherwise indicated, references to "**GBP**", "**JPY**", "**CHF**", "**NOK**", "**SEK**", "**DKK**", "**CAD**", "**AUD**" and "**SAR**" are to the lawful currencies of the United Kingdom, Japan, Switzerland, Norway, Sweden, Denmark, Canada, Australia and Kingdom of Saudi Arabia respectively.

Certain Defined Terms, Conventions and Other Considerations in Relation to the Presentation of Information in this Offering Circular

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed thereto in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular.

In this Offering Circular and except where the context otherwise requires, references to "**Akbank**", the "**Bank**" or the "**Issuer**" and its subsidiaries, collectively referred to as the "**Group**" or "**Akbank Group**", are to Akbank T.A.Ş., either on a standalone basis or together with its consolidated subsidiaries, as the context requires.

In this Offering Circular, all references to "**Türkiye**" are to the Republic of Türkiye, all references to "**Ireland**" are to Ireland (exclusive of Northern Ireland) and all references to a "**Member State**" are to a Member State of the EEA (including, for these purposes, the United Kingdom).

In this Offering Circular, any reference to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may otherwise be approved by the Issuer and the Fiscal Agent.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. In particular, but without limitation, the titles of Turkish legislation and the names of Turkish institutions referenced herein have been translated from Turkish into English. The translation of these titles and names are direct and accurate.

In the case of the presented statistical information, similar statistics may be obtained from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed.

Information regarding Akbank's shareholders (including ownership levels and agreements) in "*Overview of the Issuer and the Notes*" and "*Information About Akbank*" has been based upon public filings and announcements by such shareholders.

TABLE OF CONTENTS

OVERVIEW OF THE ISSUER AND THE NOTES

The following overview does not purport to be complete and is taken from, should be read in conjunction with, and is qualified in its entirety by, the remainder of this Offering Circular. Prospective investors should see "Risk Factors" above for a discussion of certain factors that should be considered in connection with an investment in the Notes (or beneficial interests therein).

Overview of the Issuer

The following overview should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Offering Circular, including "Information About Akbank" and the Akbank BRSA Annual Financial Statements.

Akbank T.A.Ş. is a Turkish banking institution organised as a joint stock company with registration number 90418. Founded as a local privately-owned commercial bank in Adana on 30 January 1948, it was originally established with the core objective of providing funding for local cotton growers. Akbank opened its first branch in the Sirkeci district of İstanbul on 14 July 1950. Akbank operates under the Turkish Commercial Code. Akbank currently carries out its activities from its head office and 19 regional offices throughout Türkiye. Akbank's head office is currently located at Sabancı Center 4, Levent 34330, İstanbul, Türkiye. Akbank's telephone number is +90 212 385 55 55.

Akbank's core business is banking activities, consisting of corporate, investment and private banking, commercial banking, SME banking, consumer banking, payment systems and treasury transactions, as well as international banking services. In addition to traditional banking activities, Akbank carries out insurance agency operations through its branches on behalf of Ak Insurance and AvivaSA Pensions and Life Insurance.

Akbank conducts overseas operations through its subsidiary in Germany (Akbank AG) and its subsidiary in the Netherlands (Akbank Ventures B.V. ("**Akbank Ventures**")) as well as through a branch in Malta. Akbank Ventures was established in April 2023 to target next generation businesses with high growth potential to support Akbank's strategic investments. It had a net income contribution of TL47 million for the year ended 31 December 2023. Akbank's other subsidiaries include Ak Yatırım Menkul Değerler A.Ş. ("**AkInvestmen**t"), Ak Portföy Yönetimi A.Ş. ("**AK Asset Management**"), Ak Finansal Kiralama A.Ş. ("**AKLease**"), and AkÖde Elektronik Para ve Ödeme Hizmetleri A.Ş. ("**AkÖde**"), which provide non-banking financial services as well as capital markets, investment and e-money services.

Akbank has an expanding digital footprint combined with a wide distribution network with 701 branches (approximately 613 of which are designed as technology-driven "phygital" branches in which the physical service model is combined with digital capabilities) as at 31 March 2024 and around 13.7 million active customers, as well as a large network of alternative delivery channels, which include Akbank Direkt, Akbank Direkt Mobile, and the call centre, more than 791,000 point-of-sale terminals and 6,011 ATMs as at 31 March 2024. Akbank also offers Akbank Assistant, a chatbot available for all digital platforms.

There has been a gradual shift in consumer dynamics from physical banking to mobile banking due to the digitalisation trend. Akbank has catered for the changing needs of its customers by investing in digitalisation and direct banking. Due to its successful strategy, Akbank's digital banking customers have grown from 8.7 million as at 31 December 2022 to 11.2 million as at 31 December 2023 and 11.8 million as at 31 March 2024. Digitalisation has helped Akbank to optimise its traditional channels, continuing to improve the cost/income ratio since 2015. During the COVID-19 outbreak and the ensuing lockdowns, Akbank's digital banking grew further. The number of average daily financial transactions through Akbank Mobile increased by 37% in 2023. The share of digital channels in credit card sales and general purpose loans sold increased to 69% and 92% of the total as at 31 March 2024, respectively. This has demonstrated Akbank's ability to support its customers during this difficult time. Akbank's management plans to continue to invest in further digitalisation.

For the three months ended 31 March 2024, Akbank's net profit was TL13.2 billion, which reflected a 23.1% increase compared to the same period in 2023. For the year ended 31 December 2023, Akbank's net profit was TL66.5 billion, which reflected a 11% increase compared to the same period in 2022. For the year ended 31 December 2022, Akbank's net profit was TL60.0 billion, which reflected a 395% increase compared to the same period in 2021.

As at 31 March 2024, total assets stood at TL2,072.5 billion, an increase of 8.8% from TL1,904.8 billion as at 31 December 2023, which was an increase of 66% from TL1,147.3 billion as at 31 December 2022. As at 31 December 2022, total assets stood at TL1,147.3 billion, an increase of 50.4% from TL762.8 billion as at 31 December 2021. As at 31 March 2024, total shareholder's equity stood at TL213.1 billion, an increase of 0.9% from TL211.2 billion as at 31 December 2023, which was an increase of 37.5% from TL153.6 billion as at 31 December 2022 which in turn was an increase of 102.2% from TL75.9 billion as at 31 December 2021.
Since its establishment, a majority of the shares in Akbank have been owned or controlled by the Sabancı family and the Sabancı Group, which is one of the two largest financial and industrial corporate groups in Türkiye. The Sabancı Group currently holds a 49% stake in Akbank's issued share capital. The balance of Akbank's share capital, 52.79%, is listed on the Borsa Istanbul, with approximately 55.05% of the listed shares being held by foreign investors. Akbank's Level 1 ADRs are traded on the over the counter market in the United States. Akbank's market capitalisation stood at U.S.$7.53 billion as at 31 March 2024. As at 31 December 2023, 2022 and 2021, Akbank's market capitalisation was U.S.$6.45 billion and U.S.$5.43 billion and U.S.$2.81 billion, respectively.

Overview of the Notes

The following sets out certain information relating to the offering of the Notes, including the principal provisions of the terms and conditions thereof. The following is indicative only, does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Circular. Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in this overview. See "Terms and Conditions of the Notes".

Issue:	U.S.$500,000,000 7.498 per cent. Sustainability Notes due 2030
Issuer:	Akbank T.A.Ş. LEI: 789000TUMN63Z28TJ497
Interest and Interest Payment Dates:	The Notes will bear interest from (and including) the Issue Date (i.e., 20 June 2024) to (but excluding) the Maturity Date (i.e., 20 January 2030) at a fixed rate of 7.498 per cent. per annum. There will be a short first Interest Period. Interest will be payable semi-annually in arrear on each Interest Payment Date (i.e., 20 January and 20 July in each year); *provided that*, as described in Condition 7.4, if any such date is not a Payment Day (as defined in Condition 7.4), then such payment will be made on the next Payment Date and Noteholders shall not be entitled to further interest or other payment in respect of such delay.
Maturity Date:	The Notes will be redeemed by the Issuer on the Maturity Date (i.e., 20 January 2030).
Use of Proceeds:	The net proceeds from the offering of the Notes are expected to be U.S.$500,000,000 and are intended to be used towards the financing and/or refinancing of certain Sustainable Projects in accordance with the Sustainable Finance Framework, as described in more detail in "*Use of Proceeds*".
Status:	The Notes will constitute direct, unconditional and (subject to Condition 4.1) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Negative Pledge:	The terms of the Notes contain a negative pledge provision binding on the Issuer as further described in Condition 4.1.
Certain Covenants:	The Issuer will agree to certain covenants. Please refer to Condition 5 for further information.

Taxation; Payment of Additional Amounts:	Subject to Condition 9, all payments by the Issuer under the Notes will be made without withholding or deduction for or on account of any taxes in Türkiye, unless the withholding or deduction of the taxes is required by law. In that event, the Issuer will pay such additional amounts as shall be necessary in order for the net amounts received by the holders of the Notes after such withholding or deduction to be equal to the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction. Please refer to Condition 9 for further information. Under current Turkish law, withholding tax at the rate of 0% applies to interest on the Notes. See "*Taxation—Certain Turkish Tax Considerations*" in the Offering Circular.
Optional Redemption for Tax Reasons:	The Issuer may, having given not less than 5 and not more than 60 days' notice to the Noteholders (which notice will be irrevocable and will specify the date fixed for redemption), redeem all, but not some only, of the Notes outstanding at any time at 100 per cent. of the principal amount thereof together with interest accrued to (but excluding) the date of redemption in the event of certain changes in applicable tax law or regulation or the application thereof. Please refer to Condition 8.2 for further information.
Events of Default:	The terms and conditions of the Notes contain certain events of default. Please refer to Condition 11 for further information.
Form, Transfer and Denominations:	Notes offered and sold in reliance upon Regulation S will be represented by beneficial interests in the Regulation S Global Certificate in registered form, without interest coupons attached, which will be deposited on or about the Issue Date with the Common Depositary and registered in the name of a nominee for the Common Depositary. Notes offered and sold in reliance upon Rule 144A will be represented by beneficial interests in the Rule 144A Global Certificate in registered form, without interest coupons attached, which will be deposited on or about the Issue Date with the Custodian and registered in the name of Cede & Co. as nominee for DTC. Except in limited circumstances, certificates for the Notes will not be issued to investors in exchange for beneficial interests in the Global Certificates. Interests in the Global Certificates will be subject to certain restrictions on transfer. See "*Subscription and Sale and Transfer and Selling Restrictions*" below. Interests in the Regulation S Global Certificate will be represented in, and

transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg (or their respective direct or indirect participants, as applicable). Interests in the Rule 144A Global Certificate will be represented in, and transfers thereof will be effected only through, records maintained by DTC (or its direct or indirect participants, as applicable).

Notes will be issued in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 thereafter.

ERISA: Subject to certain conditions, the Notes may be invested in by an "employee benefit plan" as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is subject to the fiduciary responsibility provisions of Title I of ERISA, a "plan" as defined in Section 4975(e)(1) of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), that is subject to Section 4975 of the Code, or any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity. See "*Certain Considerations for ERISA and other U.S. Employee Benefit Plans*" below.

Governing Law: The Notes, the Agency Agreement, the Deed Poll and the Deed of Covenant and any non-contractual obligations arising out of or in connection with any of them will be governed by, and construed in accordance with, English law.

Listing: An application has been made to Euronext Dublin to admit the Notes to listing on the Official List and trading on GEM; however, no assurance can be given that such application will be accepted.

Turkish Selling Restrictions: The offer and sale of the Notes (or beneficial interests therein) are subject to restrictions in Türkiye in accordance with applicable CMB and BRSA laws and regulations. See "*Subscription and Sale and Transfer and Selling Restrictions—Selling Restrictions—Türkiye*" in this Offering Circular.

Other Selling Restrictions: The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the U.S. or other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) except to QIBs in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities

	Act. The offer and sale of Notes is also subject to restrictions in the EEA, the UK, the People's Republic of China, Hong Kong, Japan, Singapore and Switzerland. See "*Subscription and Sale and Transfer and Selling Restrictions*" below.
Risk Factors:	For a discussion of certain risk factors relating to Türkiye, the Issuer and the Notes that prospective investors should carefully consider prior to making an investment in the Notes, including certain risks relating to the structure of the Notes and certain market risks, see "*Risk Factors*".
Issue Price:	100 per cent. of the principal amount of the Notes.
Re-Offer Yield:	7.500 per cent. per annum.
Regulation S Notes Security Codes:	ISIN: XS2842188687
	Common Code: 284218868
Rule 144A Notes Security Codes:	CUSIP: 00971Y AL4
	ISIN: US00971YAL48
	Common Code: 284287169
Representation of Noteholders:	There will be no trustee.
Expected Ratings:	B by Fitch and B3 by Moody's
	A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Fiscal Agent, Principal Paying, Calculation and Transfer Agent:	Citibank, N.A., London Branch
Registrar:	Citibank Europe PLC

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which could materially adversely affect its business and ability to make payments due on the Notes. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

I. RISKS RELATED TO AKBANK

Akbank's loan portfolio, deposit base and government securities portfolio are concentrated in Türkiye and adverse changes affecting the Turkish economy could have a material adverse effect on its business, financial condition, results of operations and prospects.

Akbank's business is significantly dependent upon its customers' ability to make payments and meet their other obligations, which is in turn materially affected by the strength of the Turkish economy.

As at 31 March 2024 and 31 December 2023, Akbank's loans constituted 51.0% and 50.5% of its total assets, or TL1,057 billion and TL962 billion on a consolidated basis, respectively. Approximately 1.3% and 1.5% of these assets were located outside Türkiye as at 31 March 2024 and 31 December 2023, respectively. As at 31 March 2024 and 31 December 2023, Akbank's deposits from customers constituted 66.3% and 67.9% of its total liabilities and shareholders' equity, or TL1,374 billion and TL1,293 billion, respectively, almost all of which were located in Türkiye. In addition, 21.5% and 20.1% of Akbank's total assets were invested in Turkish government (the "**Turkish Government**") debt securities as at 31 March 2024 and 31 December 2023, respectively.

Turkish gross domestic product ("**GDP**") grew by 5.7% in the first quarter of 2024 and by 11.4% in 2021, 5.5% in 2022 and 4.5% in 2023, according to TurkStat. Türkiye's economic conditions have been negatively impacted in recent years due to a number of macroeconomic factors, including the impact of the COVID-19 pandemic, depreciation of the Turkish Lira, high inflation rates, fluctuating interest rates, increasing political uncertainties and global developments. In the past several years, global credit and capital markets, and the Turkish economy, have been negatively affected by a number of additional factors, including expectations regarding global central banks' monetary policy, the war in Ukraine, global trade conditions and international political relations. Weaker economic conditions in Türkiye could adversely impact Akbank's business and operating results due to:

- reduced consumer confidence and decreases in business activity resulting in reduced demand for Akbank's loans and fee and commission generating services;
- deterioration of creditworthiness of companies and individuals, resulting in impairments on assets and/or collateral as well as increased levels of non-performing loans ("**NPLs**") and loan impairment charges;
- reduced, or no, access to capital markets due to unfavourable market conditions increasing funding costs and higher liquidity and financing risks; and/or
- lower deposit growth and/or increased competition for deposits leading to higher funding costs.

The deterioration of macroeconomic conditions in Türkiye has impacted the Turkish banking sector, including Akbank, in several ways, including (i) the highly volatile interest rate environment, which has increased the cost of funding and lending rates, (ii) negative/slow economic growth and increased inflation, which negatively impacted demand and supply for lending and the asset quality of both corporate and retail loans and (iii) volatility in exchange rates, which also impacted both the asset quality and the capital ratios of the Turkish banking sector. Accordingly, continued weakness in Turkish economic conditions could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects (see "*—Risks Related to Türkiye and Other Related Risks*").

Credit risks, including risks arising from exposure to clients and the Turkish Government, have materially adversely affected and could continue to have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

Akbank's business, financial condition, results of operations and prospects have been affected and will likely continue to be affected by credit risks, particularly if economic conditions in Türkiye deteriorate. As a large and diverse financial organisation, Akbank is subject to a broad range of general credit risks, including with respect to its retail, corporate and commercial customers and other third parties with obligations to Akbank. These parties include borrowers of loans from Akbank, issuers, including the Turkish Government, whose securities are held by Akbank, trading and hedging counterparties, customers of letters of credit provided by Akbank and other financial counterparties of Akbank, any of which might default on their obligations to Akbank due to bankruptcy, lack of liquidity, economic downturns, operational failures or other reasons.

Akbank's core business activities include consumer banking, small-and medium-sized enterprises ("**SME**") banking, commercial banking, corporate and investment banking, private banking and wealth management. As at 31 March 2024 and 31 December 2023, 34.9% and 33.1% of Akbank's gross loans were consumer loans (including consumer credit cards), respectively. As at 31 March 2024 and 31 December 2023, 8.0% and 7.8% of Akbank's gross loans were SME loans and as at the same dates, business loans (both Turkish Lira and foreign currency) made up 51.7% and 54.3% of Akbank's gross loans, respectively.

Akbank's foreign currency loan portfolio consists of business loans, since foreign currency lending is limited to multinationals and corporates with adequate foreign currency cash flow generation. As at 31 March 2024 and 31 December 2023, business loans constituted 60% and 62% of Akbank's performing loans, respectively.

Akbank's NPL ratio on consolidated basis (defined as the ratio of non-performing loans to total gross loans) as at 31 March 2024 and 31 December 2023, 2022 and 2021 was 2.1%, 2.2%, 2.8% and 4.5%, respectively. As at the same dates, the NPL ratio of the Turkish banking sector as a whole was 1.5%, 1.6%, 2.1% and 3.2%, respectively *(Source: BRSA monthly sector data).* Lending to the SME segment represents a relatively higher degree of risk than lending to other types of customers. Customers in the SME segment, which typically have less financial strength than large companies, are one of the key components of Akbank's current business and growth strategy while constituting a relatively low share in the loan portfolio. SME loans accounted for 8.0%, 7.8%, 8.7% and 5.9% of Akbank's loan portfolio as at 31 March 2024, 31 December 2023, 2022 and 2021, respectively. The negative developments in the Turkish economy, high inflation and increased unemployment, could affect consumer and SME borrowers to a greater degree than large corporates, resulting in higher NPL levels and higher provisions. There can be no guarantee that Akbank's NPLs from such businesses will not materially increase in the near to medium term, in particular if there is a further deterioration in macroeconomic conditions in Türkiye or if Akbank, notwithstanding the credit risk determination procedures that Akbank has in place, is unable to accurately evaluate the risk associated with SME, corporate or other borrowers to which it extends credit, (see "*—Akbank's risk management strategies and internal control capabilities may leave it exposed to unidentified or unanticipated risks.*").

The corporate sector may be particularly exposed to foreign exchange risk to the extent that corporate loans are denominated in foreign currencies. Borrowers under such corporate loans are susceptible to depreciation in the Turkish Lira if they do not have adequate foreign currency reserves or hedging, particularly if currency issues are compounded by particular macroeconomic factors that impact certain sectors or clients (such as the potential combined impact of Turkish Lira depreciation and changing commodity prices).

Credit cards are an important consumer banking product for Akbank and this product tends to entail a higher degree of credit risk compared to other consumer lending products. The volume of Akbank's outstanding retail credit card loans was TL166.6 billion as at 31 March 2024 and TL183.2 billion as at 31 December 2023, representing 15.8% and 19.0% of Akbank's total gross loans, respectively, compared to TL60.5 billion as at 31 December 2022, representing 9.8% of Akbank's total gross loans and TL30.2 billion as at 31 December 2021, representing 8.0% of Akbank's total gross loans. Akbank's NPL ratio for credit card loans as at 31 March 2024, 31 December 2023, 2022 and 2021 was 1.7%, 1.1%, 2.4% and 4.1%, respectively.

Many factors affect customers' ability to repay their loans or other obligations to Akbank. Some of these factors, including adverse changes in consumer confidence levels due to local, national and global factors, consumer spending, bankruptcy rates, and increased market volatility, may be difficult to anticipate and could be completely outside of Akbank's control. Other factors are dependent upon Akbank's loan growth strategy (including sector focus) and the viability of Akbank's internal credit application and monitoring systems (see "*—Akbank's risk management strategies and internal control capabilities may leave it exposed to unidentified or unanticipated risks.*"). All of the aforementioned risks could have a material adverse impact on Akbank's ability to meet its obligations under the Notes and could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

The Central Bank's policy on reserve requirements and other policy changes could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

Reserve requirements in Türkiye have been volatile in recent years, with frequent and significant changes depending on actual and expected economic conditions. The Central Bank has revised reserve requirement ratios for different liabilities from time-to-time and may materially adjust reserve requirement ratios further (or take other steps) to support the Turkish Lira or slow credit supply in order to curb inflationary pressures or economic imbalances or address other macroeconomic concerns or alternatively may decrease interest rates despite higher than targeted inflation rates in order to spur demand.

The reserve requirement for foreign currency is 30% for demand deposits, notice deposits and deposit/participation accounts with up to (and including) one-month, 26% for deposit/participation accounts up to three-month, six-month and up to one-year maturities, 20% for deposit/participation accounts up to one year and longer maturities, 26% for precious metal demand deposits, notice deposits, precious metal deposit accounts with up to (and including) one-month, three-month, six-month and up to one-year maturities and 22% for precious metal deposit accounts with one-year or longer maturities. For other liabilities with a maturity of up to and including one year, the reserve requirement for foreign currency funds is 21% as at the date of this Offering Circular. For foreign currency funds with a maturity of up to and including two years or a maturity of more than five years, the reserve requirement ranges from 5% to 16% as at the date of this Offering Circular. Future increases in reserve requirements could have an adverse impact on Akbank's net interest income, thereby exerting downward pressure on Akbank's net interest margin. In addition, any increases in reserve requirement ratios could also limit or reduce the growth of the Turkish economy and demand for Akbank's products and services.

Effective from 21 July 2023, the Central Bank announced a reserve requirement ratio of 15% for the foreign exchange protected accounts with all maturities for which the Central Bank provides exchange rate/price protection support. As at the date of this Offering Circular, the reserve requirements for such foreign exchange protected accounts provided by the Central Bank with up to six months (including six months) maturity is 33% and 22% for foreign exchange protected accounts provided by the Central Bank with maturities up to one year (including one year) and longer.

The Central Bank introduced an additional reserve requirement of 4% for foreign currency deposits/participation funds (exclusive of deposits/participation funds in foreign banks and precious metal deposit accounts) effective from 27 October 2023. As at the date of this Offering Circular, such rate was increased to 8% with the instruction published on 30 January 2024.

The Central Bank announced by way of its instruction published on 5 February 2024 that, it will make interest payments to deposit banks over the determined portion of the reserve requirements in Turkish Lira (see "*Turkish Regulatory Environment for Banks*").

The BRSA has also taken certain measures against the depreciation in the Turkish Lira, including the prevention of Turkish banks from using foreign exchange currency swaps, forwards and similar transactions with residents abroad under which the Turkish banks provide Turkish Lira at the start of the transaction, to the extent that such transactions exceed a specified threshold (see "*Turkish Regulatory Environment for Banks*"). Moreover, regulations have been introduced and varied in the past several years that limited loan growth, imposed security maintenance requirements and otherwise impacted the Bank's business. Any of the foregoing could have an adverse effect on Akbank's business, financial condition, cash flows and/or results of operations.

The Central Bank's policy on interest rates could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

Interest rates in Türkiye have been volatile in recent years, with frequent and significant changes depending on actual and expected economic conditions as well as political conditions. The Central Bank may materially increase interest rates further (or take other steps) to support the Turkish Lira or to slow credit supply in order to curb inflationary pressures or economic imbalances or address other macroeconomic concerns or alternatively may decrease interest rates despite higher than targeted inflation rates in order to spur demand.

Various factors have influenced Turkish interest rates in recent years, including: (i) depreciating Turkish Lira foreign exchange rates, (ii) changes in U.S. and European monetary policy, including tightening monetary policy in the United States and Europe, (iii) concerns regarding the Turkish Treasury's and certain Turkish companies' foreign-currency denominated debt, (iv) concerns around the Central Bank's interest rate policy, particularly in relation to real interest rates, (v) investors' perception of the Turkish political and economic environment especially with respect to the independence of Türkiye's financial institutions, including the Central Bank, and (vi) changes in sovereign credit ratings of the Republic of Türkiye by the rating agencies.

The one-week repo rate (policy rate) was as low as 8.5% between February and May 2023, gradually increasing to 42.5% in December 2023, and then to 50% in March 2024. Furthermore, the Central Bank widened the interest rate corridor (the spread that determines the overnight borrowing and lending rates) which was previously -/+ 150 basis points around the policy rate, to -/+ 300 basis points. If the Central Bank decreases the one-week repo rate and/or the U.S. Federal Reserve further increases the U.S. federal funds rate, the Turkish Lira may depreciate against the U.S. Dollar, which may adversely affect the financial condition of Akbank's clients, their ability to service debts owed to Akbank, Akbank's ability to service its foreign currency denominated liabilities (including any liabilities under the Notes) and/or the Turkish economy as a whole.

Changes in the Turkish banking regulatory framework may require Akbank to increase the level of capital that it holds to meet revised capital adequacy standards, which it may not be able to do on acceptable terms or at all.

As a bank operating in Türkiye, Akbank is subject to a number of banking and other regulations promulgated by the BRSA and the Central Bank that are, in part, designed to maintain the safety and financial soundness of banks, ensure their compliance with economic and other obligations and limit their exposure to risk. These regulations include the implementation of international standards (particularly with regards to Basel Committee on Banking Supervision requirements) as well as Turkish laws and regulations and the laws and regulations of certain other countries where Akbank operates. Banking laws and regulations in Türkiye and the manner in which those laws and regulations are applied to the operations of financial institutions such as Akbank are still evolving. New regulations may be implemented rapidly, without substantial consultation with the industry, which may not allow sufficient time for Akbank to adjust its strategy to deal with such changes. In particular, Akbank may be required to increase the quantity and quality of capital that it holds in order to meet evolving capital adequacy requirements, which are described under "*Turkish Regulatory Environment for Banks—Basel III*". Akbank's cost of compliance may also increase as a result of new laws or regulations that might be adopted or any change in the enforcement or interpretation of existing laws or regulations. For example, regulatory limits imposed on fees and commissions banks may charge for banking services may have an adverse impact on

Akbank's fee and commission income growth. In addition, any breach of regulatory guidelines could expose Akbank to potential liabilities or sanctions. Any of the foregoing could have an adverse effect on Akbank's business, financial condition, cash flows and/or results of operations.

***Customers may bring claims against Akbank seeking damages in relation to violations of the competition and antitrust laws of Türkiye*.**

There are a number of pending lawsuits filed by customers against 12 banks, including Akbank, based on Articles 57 and 58 of the Law No. 4054 on the Protection of Competition (the "**Competition Law**"), which prohibits restrictive agreements and concerted practices, abuses of dominance and mergers and acquisitions creating or strengthening a dominant position and entitles those who have been harmed due to a violation of the Law to claim damages. As at 28 May 2024, there were 186 lawsuits filed against Akbank on this basis by individual customers claiming damages ranging between TL1,000 and TL50,000. There are no lawsuits which are valued at amounts higher than TL50,000. Customers will need to prove the actual damages incurred in order to prevail in these cases, which in turn requires them to prove the interest rate, commissions and fees had there been no violation of the Competition Law. See also "*Information About Akbank—Business—Competition Board Investigations*".

The growth of Akbank's loan portfolio subjects it to the risk that it may not be able to maintain asset quality.

Akbank's gross loan portfolio growth rate year-on-year for the years ended 31 December 2023, 2022 and 2021 was 56.2%, 55.3% and 42.1%, respectively and was 9.8% for the three months ended 31 March 2024, compared to 31 December 2023. Growth in Akbank's loan portfolio has increased Akbank's credit exposure and requires continued and improved monitoring by Akbank's management of its lending policies, credit quality and adequacy of provisioning levels. Akbank's NPLs as at 31 March 2024 and 31 December 2023, 2022 and 2021 were 2.1%, 2.2%, 2.8% and 4.5% of Akbank's total gross loans, respectively. Its NPL coverage through Stage 3 provisioning as at 31 March 2024 and 31 December 2023, 2022 and 2021 was 62.2%, 62.1%, 67.6% and 65.3%, respectively. Although Akbank is targeting balanced and selective growth in its loan portfolio as it focuses on high quality asset growth, negative developments in the Turkish economy could affect Akbank's asset quality, and, in particular, micro- and medium-sized companies to a greater degree than large companies, resulting in higher levels of NPLs and, as a result, higher levels of provisioning. Any failure by Akbank to manage growth within prudent risk parameters of its loan portfolio or credit quality or to monitor and regulate the adequacy of its provisioning levels could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

A significant portion of Akbank's total assets comprises securities issued by the Turkish Government, and thus, in the event of a government default, there would be a direct negative impact on Akbank in addition to a severe impact on the Turkish economy.

Akbank, like other Turkish banks, has historically invested a significant portion of its assets and more than half of its securities portfolio in securities issued by the Turkish Government. As at 31 March 2024 and 31 December 2023, 21.5% and 20.1% of Akbank's total assets was invested in securities issued by the Turkish Government, respectively (21.0% as at 31 December 2022). A significant portion of such Turkish Government securities are inflation-linked, which have historically positively affected Akbank's net income, as yields on inflation-linked securities have been attractive relative to lending activity, particularly given higher inflation rates that have prevailed recently. The Central Bank is targeting reduced inflation rates in the near to medium term and any material reduction in inflation will have a material impact on the income received from such securities. Moreover, Turkish government securities have come under pressure as a result of a wide variety of factors (see "*—Risks Related to Türkiye and Other Related Risks*") which can negatively impact the value of such securities. In addition to any direct losses that Akbank might incur, a default by the Turkish Government in making payments on its treasury bills would have a significant negative impact on the Turkish economy and the Turkish banking system generally and thus would significantly negatively affect Akbank's business, financial condition, results of operations and prospects.

Security interests or loan guarantees provided in favour of Akbank may not be sufficient to cover any losses in the event of defaults by debtors and may entail long and costly enforcement proceedings.

The practice of pledging assets to secure a bank loan is subject to certain limitations and administrative restrictions under Turkish law. As a result, Akbank may have difficulty foreclosing on collateral or enforcing guarantees or other third-party credit support arrangements when debtors default on their loans and would likely face further difficulties if any of Akbank's key customers were to default on their loans. In addition, the time and costs associated with enforcing security interests in Türkiye may make it uneconomical for Akbank to pursue such proceedings, adversely affecting Akbank's ability to recover its loan losses. Any decline in the value or liquidity of such collateral may prevent Akbank from foreclosing on such collateral for its full value or at all, in the event that a borrower becomes insolvent and enters composition or bankruptcy and could thereby adversely affect Akbank's ability to recover any loan losses.

Changes in interest rate levels may affect the value of Akbank's assets sensitive to interest rates and spread changes, as well as Akbank's net interest margins and borrowings costs.

Akbank's results of operations depend upon the level of its net interest income, which is the difference between interest income Akbank receives from interest-earning assets and interest expense on interest-bearing liabilities. Akbank's swap-adjusted net interest margin was 2.7% for the three months ended 31 March 2024 and 4.7%, 8.4% and 3.2% for the years ended 31 December 2023, 2022 and 2021, respectively. The differential between the average interest rates that Akbank charges on interest-earning assets and the average interest rates that it accrues on interest-bearing liabilities, and the volume of such assets and liabilities, tend to have the most significant impact on Akbank's results of operations.

Interest rates are highly sensitive to many factors beyond Akbank's control, including monetary policies pursued by the Central Bank, fiscal policies of the Turkish government, domestic and international economic and political conditions and other factors, and Akbank may be unable to take action to mitigate any adverse effects of interest rate movements. The years 2023, 2022 and 2021 were characterised by high volatility in interest rates and significant changes in Central Bank policy, as a result of a number of factors, including continued global volatility as well as increased political and macroeconomic volatility in Türkiye.

Between January 2022 and June 2023, the Central Bank introduced a number of measures aimed at supporting the Turkish Lira without increasing interest rates, such as macroprudential measures requiring the maintenance of securities for foreign currency deposits, reserve requirements for selected TL-denominated commercial cash loans and a foreign exchange-protected deposit (*kur korumalı mevduat*) scheme. In the second half of 2023, the Central Bank announced that it would simplify these measures. After being eased in October 2023, the regulation regarding securities maintenance was repealed in May 2024. Further, the Central Bank has disallowed banks from opening new TL convertible currency hedged deposit accounts, which remain a contingent liability for the Central Bank, starting from 1 January 2024. Further regulatory changes on conversion rates, remuneration and commission practices for reserve requirements and the required reserve ratios after the Monetary Policy Committee ("**MPC**") meeting in May 2024 are expected to foster the erosion of foreign exchange-protected deposits. Regulatory activity may continue to impact interest rates and contribute to volatility.

Changes in market interest rates could affect the spread between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities and thereby affect results of operations. An increase in interest rates, for instance, could cause interest expense on deposits (which for Turkish banks are typically short-term and reset frequently) to increase more significantly and quickly than interest income from loans (which are short-, medium- and long-term), resulting in a reduction in net interest income. Moreover, an increase in interest rates could reduce demand for Akbank's loans, resulting in a further reduction in net interest income. In addition, a significant fall in average interest rates charged on loans to customers that is not fully matched by a decrease in interest rates on funding sources, or a significant rise in interest rates on funding sources that is not fully matched by a rise in interest rates charged, to the extent such exposures are not hedged, could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

Akbank uses derivative instruments to manage exposures to interest rate and foreign currency risks, including exposures arising from forecast transactions and firm commitments. In order to manage particular risks, Akbank applies hedge accounting for transactions that meet specific criteria. However, there is a risk that these hedging arrangements will not be adequate to protect Akbank from the risks of changing interest rates or that hedging counterparties may default which could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

The Turkish banking system is subject to systemic risks.

The Turkish financial sector has gone through major changes as a result of the financial liberalisation programme that started in the early 1980s. The abolition of directed credit policies, the liberalisation of deposit and credit interest rates and liberal exchange rate policies, as well as the adoption of international banking regulations have accelerated the structural transformation of the Turkish banking sector. Since the 1980s, the Turkish banking sector has experienced a significant expansion and development in the number of banks, employment in the sector, diversification of services and technological infrastructure. The significant volatility of the Turkish Lira and foreign exchange markets experienced in 1994, 1998 and 2001, combined with the short foreign exchange positions held by many Turkish banks at those times, affected the profitability and liquidity of certain Turkish banks. In 2001, this resulted in the collapse of several banks.

Following this crisis, the Turkish Government made structural changes to the Turkish banking system to strengthen the private (i.e., non-governmental) banking sector and to allow it to compete more effectively against the state-controlled banks (Türkiye Halk Bankası ("**Halkbank**"), Türkiye Vakıflar Bankası T.A.O. ("**Vakıfbank**") and T.C. Ziraat Bankası ("**Ziraat**")). In 2017, the state shares in Ziraat and Halkbank were transferred to the Turkish Sovereign Wealth Fund (*Türkiye Varlık Fonu*) (the "**TWF**"). However, there has been no change in the legal status of any of the banks transferred to the TWF, and the TWF is expected to be managed by the Türkiye Wealth Fund Management Joint Stock Corporation (*Türkiye Varlık Fonu Yönetimi A.Ş.*), the sole shareholder of which is the Ministry of Treasury and Finance Presidency of Privatization Administration (*T.C. Hazine ve Maliye Bakanlığı Özelleştirme İdaresi Başkanlığı*) of the Republic of Türkiye. Notwithstanding these changes, the Turkish banking sector remains subject to volatility.

If the general macro-economic conditions in Türkiye and the Turkish banking sector in particular were to suffer another crisis, there can be no assurance that this would not result in further bank failures, reduced liquidity and weaker public confidence in the Turkish banking system. See "*Turkish Regulatory Environment for Banks*" for a further discussion of the Turkish banking regulatory environment.

Increased competition in the Turkish banking sector could have a material adverse effect on Akbank.

The level of competition in the Turkish banking sector has remained intense, with a mix of public, private and foreign banks. According to the Bank's Association of Türkiye, as at 31 March 2024, the top seven banking groups in Türkiye (including Akbank), three of which are state-controlled, held in aggregate, approximately 77% of the Turkish banking sector's total loan portfolio, approximately 78% of total banking assets in Türkiye and approximately 85% of total deposits in Türkiye. Loan growth in the Turkish banking sector was 37% in 2021, 55% in 2022, 54% in 2023 year-on-year and 11% in 31 March 2024, while deposit growth was 53%, 67%, 68% and 4%, respectively, for the same periods, according to monthly data published by the BRSA.

In addition to private banks, Akbank also faces competition from state-owned financial institutions, such as Halkbank, Vakıfbank and Ziraat. These government-owned financial institutions historically focused on government and government-related projects but are increasingly focusing on the private sector (including retail and SMEs), thereby increasing competition and pressure on margins. In particular, such government-owned institutions may have access to payroll accounts of state employees, low cost deposits (on which such institutions pay low or no interest) through State Economic Enterprises owned or administered by the Turkish Government, which could result in a lower cost of funds that cannot be duplicated by private banks. Such actions by government-owned financial institutions, in addition to ongoing competitive pressures from private financial institutions, have caused net interest margins to decline across the Turkish banking market.

During recent years, foreign banks have shown an increased interest in the banking sector in Türkiye. Foreign banks such as BNP Paribas, Banco Bilbao Vizcaya Argentaria S.A., Industrial and Commercial Bank of China, Burgan Bank, ING, Qatar National Bank, Commercial Bank of Qatar and Emirates NBD have acquired interests in Turkish banks. In addition, various banks, such as Odeabank, Intesa San Paolo and Bank of China, have also established their own franchises. Akbank believes that further entries into the Turkish banking sector by foreign competitors, either directly or in collaboration with existing Turkish banks, could further increase competition in the market. In addition to direct investment, foreign banks are expanding their business presences in Türkiye, further increasing competitive pressures. For example, the acquisition of Denizbank by Emirates NBD was completed in July 2019 and Banco Bilbao Vizcaya Argentaria S.A. announced the acquisition of a majority share in Türkiye Garanti Bankası A.Ş., which acquisition completed in the first half of 2022. There can be no assurance that further competitive pressures will not result in continued margin compression, which may have a material adverse effect on Akbank's business, financial condition and/or results of operations.

Akbank's increased exposure to intense competition in each of its key areas of operation may, among other things, limit Akbank's ability to increase its client base and expand its operations, reduce its asset growth rate and profit margins on services it provides and increase competition for investment opportunities. There can be no assurance, therefore, that the continuation of existing levels of competition or increased competition will not have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

Akbank's capital adequacy ratio and its ability to obtain funding may be affected by changes to its credit ratings and the credit ratings of Türkiye.

If the rating agencies negatively revise current ratings or outlooks for Türkiye, Akbank or the Notes, such change could materially adversely affect the trading value of the Notes, Akbank's ability to finance its operations or the expected expansion of its business going forward.

A change in credit rating could adversely affect Akbank's calculation of its capital adequacy ratio. Akbank calculates its capital adequacy ratio according to the Capital Adequacy Regulation published by the BRSA, which allows Akbank to use only Fitch ratings to calculate the risk-weighted assets for capital adequacy purposes. Credit ratings also affect the cost and other terms upon which Akbank is able to obtain funding. Rating agencies regularly evaluate Akbank and their ratings of Akbank's long-term debt are based on a number of factors, including its financial strength as well as conditions affecting the financial services industry generally. See also "*—The Central Bank's policy on reserve requirements and other policy changes could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.*".

In addition, any downgrade in Türkiye's credit rating would likely have a significant negative impact on the Turkish banking sector generally. Standard & Poor's initially lowered Türkiye's sovereign rating outlook to "Negative" in March 2023, citing monetary policy and foreign currency positions, but in October 2023, Standard & Poor's raised the outlook back to "Stable" following the return to more orthodox monetary policies in the aftermath of the 2023 elections. In December 2023, Standard & Poor's raised Türkiye's sovereign rating outlook to "Positive" from "Stable". Standard & Poor's stated that Turkish policy makers are making progress toward cooling down the overheated economy, while slowly rebuilding the central bank's depleted stock of net foreign currency reserves. In January 2024, Moody's changed its sovereign rating outlook for Türkiye to "Positive". In March 2024, Fitch has upgraded Türkiye's long-term foreign currency issuer default rating to "B+" from "B" while revising the rating outlook from "Stable" to "Positive". According to Fitch, the update reflects increased confidence in the durability and effectiveness of policies implemented since the pivot in June 2023, including greater than expected frontloading of monetary policy tightening, in reducing macroeconomic and external vulnerabilities. More recently, both Fitch and S&P upgraded Türkiye sovereign credit rating to "B+" from "B" while revised the outlook upwards to "Positive" from "Stable" and S&P upgraded Türkiye's credit rating to "B+" from "B" on 8 March 2024 and 3 May 2024 respectively. Nevertheless, the current ratings of all three agencies continue to imply high credit and default risks, which affect Akbank's ratings. Any downgrade in Akbank's and/or Türkiye's credit rating might have a material adverse effect on Akbank's own rating and its business, financial condition and/or results of operations.

The interests of Akbank's controlling shareholder may not coincide with the interests of the Noteholders and transactions entered into with such shareholders may not be at arm's length.

The Sabancı family and the Sabancı Group (the "**Controlling Shareholders**") owned 49% of the outstanding share capital of Akbank as at 31 March 2024. The Controlling Shareholders have the power to elect all of Akbank's directors and to determine the outcome of most matters to be decided by a vote of shareholders of

Akbank. There can be no guarantee that the interests of the Controlling Shareholders will coincide with those of the Noteholders.

Although it is Akbank's policy that transactions with parties related to, or affiliated with, its Controlling Shareholders are priced at market rates, are otherwise undertaken on an arm's length basis, are in compliance with applicable Turkish legislation and are subject to the same loan or account approval procedures and limits as applied by Akbank to transactions with parties not related to or affiliated with Akbank, there can be no assurance that such transactions with parties related to, or affiliated with, Akbank's Controlling Shareholders have been or will be extended on the above basis and terms. Moreover, although Akbank has not experienced pressure from its Controlling Shareholders to date to conduct transactions upon more favourable terms with parties related to, or affiliated with, such Controlling Shareholders, or to deviate from its credit and lending policies and procedures, there is no guarantee that Akbank may not come under pressure to enter into investments with a lower profit margin than it would otherwise pursue, or to provide financing to certain companies or entities on favourable or non-market terms, in the future. Such activities, which are not permitted by the BRSA and Capital Markets Board ("**CMB**") rules and tax rules, could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

Akbank has incurred, and continues to incur, a risk of counterparty default that arises, for example, from entering into swaps or other derivative contracts under which counterparties have financial obligations to make payments to Akbank.

Akbank routinely executes transactions with counterparties in the financial services industry, including commercial banks, investment banks, central banks and other institutional clients, resulting in a significant credit concentration. A significant portion of Akbank's hedging and derivative transactions are entered into with non-Turkish financial institutions. Akbank is exposed to counterparty risks which increased as a result of financial institution failures and nationalisations during the global financial crisis and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. In addition, Akbank's credit risk would be exacerbated if the collateral it holds cannot be realised at, or is liquidated at, prices that are not sufficient to recover the full amount of the loan or derivative exposure it is intended to secure. In addition, a default by, or even concerns about the financial resilience of, one or more financial services institutions could lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions, which could have a material and adverse effect on Akbank's business, financial condition, results of operations and prospects.

Akbank's loans and receivables may be concentrated among its largest borrowers and in certain industries

As at 31 March 2024, Akbank's loans and receivables from its 20 largest borrowers or borrower groups amounted to TL147 billion, or 12.3% of its total loans and receivables, as compared to TL154 billion, or 16.0%, as at 31 December 2023, TL106 billion, or 17.3%, as at 31 December 2022 and TL89 billion, or 21.9% as at 31 December 2021. Any impairment in the ability of one or more of these borrowers or borrower groups to service or repay their obligations to Akbank could have a material adverse effect on Akbank's financial condition and results of operations. The Banking Law restricts the total financial exposure (including extension of credits, issuance of guarantees, etc.) that a bank may have to any one customer or a risk group directly or indirectly to 25% of its equity capital.

As at 31 March 2024 and 31 December 2023, Akbank's top ten sectors accounted for 39.0% and 41.0% of Akbank's gross cash loans respectively. A further downturn or slower recovery in any of these sectors (particularly the construction and energy sectors, which are primary areas of focus for Akbank), individually or in the aggregate, may adversely affect the financial condition of the companies operating in such sectors and may result in, among other things, a decrease of funds that such corporate customers hold on deposit with Akbank, a default on their obligations owed to Akbank or a need for Akbank to increase its provisions in respect of such obligations. Similarly, the deterioration of any one or more of Akbank's largest customers' financial positions may have similar effects.

Akbank's business, financial condition, results of operations and prospects have been affected by liquidity risks in a volatile Turkish market, and would likely be affected by liquidity risks, particularly if financial market conditions deteriorate.

Liquidity risk comprises uncertainties in relation to Akbank's ability, under adverse conditions, to access funding necessary to cover obligations to customers, meet the maturity of liabilities and to satisfy capital requirements. It includes both the risk of unexpected increases in the cost of financing and the risk of not being able to structure the maturity dates of Akbank's liabilities reasonably in line with assets, as well as the risk of not being able to meet payment obligations on time at a reasonable price due to liquidity pressures. Akbank's inability to meet its net funding requirements due to inadequate liquidity could have a material adverse effect on its business, financial condition, results of operations and prospects.

Akbank primarily relies on short-term liabilities in the form of deposits (typically, term deposits with terms of 30 days to three months) as its source of funding and has a mix of short, medium and long-term assets in the form of retail, consumer and corporate loans, mortgages and credit cards, which may result in asset-liability maturity gaps and ultimately liquidity problems.

Akbank has an internal limit for its loan-to-deposit ratio, which is a maximum of 105.0%. Its loan-to-deposit ratio was 76.6% as at 31 March 2024, 74.2% as at 31 December 2023, 84.7% as at 31 December 2022 and 89.3% as at 31 December 2021. If deposit growth does not remain at a similar level to loan and asset growth (for example, due to competition), then Akbank would be increasingly dependent upon other sources of financing. The need to rely upon shorter-term funds or the inability to raise financing via the capital or loan markets, may adversely affect Akbank's liquidity profile and could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

There can be no assurance that depositors will not withdraw their funds at a rate faster than the rate at which borrowers repay. An inability on Akbank's part to access funds or to access the markets from which it raises funds may put Akbank's positions in liquid assets at risk and lead Akbank to be unable to finance its operations and growth plans adequately. Akbank may be unable to secure funding in the international capital markets if conditions in these markets, or its credit ratings, were to deteriorate.

While Akbank's principal source of funding comes from deposits, these funds are short-term by nature and thus do not enable Akbank to match fund its medium- and long-term assets. As a result, Akbank seeks to extend the average maturity of its liabilities in order to manage the maturity mismatch between assets and liabilities, to manage its liquidity coverage ratio requirements and to provide diversity in its funding. Akbank has raised (and likely will seek to continue to raise) longer-term funds from syndicated and bilateral loans, "future flow" transactions, bond issuances and other transactions, many of which are denominated in foreign currencies. Akbank's non-deposit funding (which includes repos and money market funds, funds borrowed, subordinated loans and marketable securities issued) was equivalent to 16.7% of its assets as at 31 March 2024 and 22.8%, 15.7% and 14.6% of its assets as at 31 December 2021, 2022 and 2023, respectively. If growth in Akbank's deposit portfolio does not keep pace with growth in its loan portfolio, then Akbank might need to become more reliant upon non-deposit funding sources such as securities offerings, some of which might create additional risks of their own such as increased liquidity and/or interest rate gaps and exposure to volatility in international capital markets. If conditions in the international capital markets or interbank lending market, or Akbank's and/or Türkiye's credit ratings, were to deteriorate, then Akbank might be unable to secure funding through international sources.

A rising interest rate environment could compound the risk of Akbank not being able to access funds at favourable rates. These and other factors could lead creditors to form a negative view of Akbank's liquidity, which could result in less favourable credit ratings, higher borrowing costs and less accessible funds. In addition, Akbank's ability to raise or access funds may be impaired by factors that are not specific to its operations, such as general market conditions, severe disruption of the financial markets or negative views about the prospects of the sectors to which Akbank provides its loans. While Akbank aims to maintain at any given time an adequate level of liquidity reserves, strains on liquidity caused by any of these factors or otherwise could adversely affect Akbank's business, financial condition, results of operations and prospects.

Despite Akbank's liquidity policies, there can be no assurance that Akbank will not experience liquidity issues in the future. In the event that Akbank experiences liquidity issues, market disruptions and credit downgrades may cause certain sources of funding to become unavailable. For example, in the case of a liquidity crisis, wholesale funding becomes increasingly costly and more difficult to obtain which may adversely affect borrowing using certain capital market instruments including asset-backed securities and Eurobonds. It is possible that Akbank would not be able to obtain additional funding on commercially reasonable terms as and when required, or at all. Akbank's inability to refinance or replace deposits and devalued assets with alternative funding could result in its failure to service its debt, fulfil loan commitments or meet other on- or off-balance sheet payment obligations on specific dates, which could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

A ratings downgrade for Türkiye and/or Akbank might reduce the availability or increase the costs of new indebtedness and/or the refinancing of Akbank's existing indebtedness. See "*—Political Developments In Türkiye May Have A Material Adverse Effect On Akbank's Business, Financial Condition, Results Of Operations And Prospects.*" and "*—Akbank's Credit Ratings May Not Reflect All Risks, And Changes To Türkiye's Or Its Credit Ratings May Affect Its Ability To Obtain Funding.*".

Akbank relies on short-term demand and time deposits as its primary source of funding, but primarily has medium- and long-term assets, which may result in asset-liability maturity gaps.

In common with other Turkish banks, many of Akbank's liabilities are demand and time deposits, whereas its assets are generally medium- to long-term (such as loans and mortgages). Although Akbank has accessed wholesale funding markets (through syndicated loans facilities and international capital markets) in order to diversify its funding sources, such short- to medium-term borrowings have not eliminated asset-liability maturity gaps.

As at 31 March 2024, 31 December 2023, 2022 and 2021, 95.7%, 96.0%, 94.7% and 93.5% of Akbank's total liabilities (which includes amounts due to banks and financial institutions, customers' deposits) had repricing maturities of one year or less or were payable on demand. For information on the breakdown of assets and liabilities according to their outstanding maturities as at 31 March 2024, please see note V of Section 4 to the Akbank BRSA Interim Financial Statements.

If a substantial portion of Akbank's depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, or Akbank fails to refinance some of its large short- to medium-term borrowings, Akbank may need to utilise more expensive sources of financing to meet its funding requirements, including wholesale funding. No assurance can be given that Akbank will be able to obtain additional funding on commercially reasonable terms as and when required, or at all. Akbank's inability to refinance or replace such deposits or other borrowings with alternative funding could have a material adverse effect on Akbank's liquidity, business, financial condition, results of operations and prospects.

Fluctuations in foreign currency exchange rates, to the extent they are not adequately hedged against, may adversely affect Akbank's financial position and cash flows.

Akbank is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. A portion of Akbank's financial assets and liabilities is denominated in, or indexed to, foreign currencies, primarily U.S. Dollars and Euro. As at 31 March 2024 and 31 December 2023, 30.2% and 31.1% of Akbank's total foreign currency denominated loans and receivables to customers and banks (of which 43.4% and 44.0% was denominated in U.S. Dollars and 56.6% and 56.0% was denominated in Euro) and 39.4% and 40.7% of Akbank's total foreign currency denominated deposits (of which 45.7% and 51.5% was in denominated U.S. Dollars and 32.4% and 33.7% was denominated in Euro) were denominated in foreign currencies (as at 31 March 2024 and 31 December 2023, foreign currency denominated balances were translated into Turkish Lira using the exchange rates of TL32.2854 and TL29.4382 for U.S. Dollars and TL34.8023 and TL32.5739 for Euro). Akbank has a policy of not carrying foreign currency risk and holds foreign currency asset and liability items together with derivatives to hedge against the foreign currency risk. Akbank manages foreign currency risk by using natural hedges that arise from offsetting foreign currency-denominated assets and liabilities. The remaining open foreign exchange exposures are hedged on a portfolio basis with derivative financial instruments that include primarily forward foreign exchange contracts and currency swaps.

Akbank calculates its capital adequacy ratios according to the Capital Adequacy Regulation, which allows Akbank to use ratings of eligible external credit assessment institutions (namely Fitch, Standard & Poor's, Moody's, Japan Credit Rating Agency, Ltd., DBRS Ratings Ltd. and, from 12 January 2017, International Islamic Rating Agency ("**IIRA**")). In calculating risk-weighted assets for capital adequacy purposes, Akbank uses only Fitch's credit rating.

No assurance can be made that Akbank's foreign exchange hedging policies will be successful and any failure of such policies or unanticipated foreign exchange risks could have a material adverse effect on Akbank's liquidity, business, financial condition, results of operations and prospects. In addition, there can be no assurance that the financial conditions of the borrowers to whom Akbank provides foreign currency loans will not deteriorate due to the depreciation of the Turkish Lira.

Akbank's risk management strategies and internal control capabilities may leave it exposed to unidentified or unanticipated risks.

There can be no assurance that Akbank's risk management and internal control policies and procedures will adequately control or protect Akbank against all credit, liquidity, market and other risks. In addition, certain risks could be greater than Akbank's empirical data would otherwise indicate.

Akbank's risk management procedures may not be fully effective or consistently implemented in mitigating Akbank's exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some of Akbank's methods of managing risk are based upon its use of historical market behaviour, which, as evidenced by the global financial crisis, may not always accurately predict future risk exposures that could be significantly greater than historical measures indicate. The credit bureaus responsible for surveying the credit histories of prospective Akbank customers may not have access to, and may not accurately profile, such persons' credit histories. As a result, the behavioural scorecards that are used to appraise the credit risk of prospective bank customers may not serve to adequately measure that risk. It is also possible that certain of Akbank's valuation models, including assets such as derivative contracts that are not publicly traded, may incorrectly value Akbank's assets, resulting in unanticipated losses if such assets are discovered to be incorrectly valued.

Akbank also cannot give assurances that all of its staff have adhered or will adhere to its policies and procedures. Akbank is susceptible to, among other things, failure of internal processes or systems, unauthorised transactions by employees and operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems, and fraud by employees or outsiders. Given Akbank's high volume of transactions, fraud or errors may be repeated or compounded before they are discovered and rectified. Akbank's risk management and internal control capabilities are also limited by the information tools and technologies available to it.

Any material deficiency in Akbank's risk management or other internal control policies or procedures may expose it to significant credit, liquidity, market or operational risk, which may in turn have a material adverse effect on Akbank's business, financial condition, results of operations and prospects. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that Akbank will be unable to comply with its obligations as a company with debt securities admitted to the Official List.

Any failure or interruption in or breach of Akbank's information systems, and any failure to update such systems, may result in lost business and other losses.

Akbank relies increasingly heavily on information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in its risk management, general ledger, deposit servicing and/or loan origination systems. Although Akbank has developed back-up systems and business continuity plans for cases of emergency, if Akbank's information systems were to fail, even for a short period of time, it could be unable to serve some customers' needs on a timely basis and could thus lose their business. Likewise, a temporary shutdown of Akbank's information systems could result in costs that are required for information retrieval and verification. Business continuity will remain a top priority for Akbank, with increasing focus on cybersecurity and infrastructure with the impact of increasing digitalisation conditions. No assurance can be given that such failures or interruptions will not occur or that Akbank will adequately address them if they do occur. Accordingly, the occurrence of such failures or interruptions could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that Akbank will be unable to comply with its obligations as a company with debt securities admitted to the Official List.

Labour disputes or other industrial actions could disrupt operations or make them more costly to run.

Akbank may be exposed to collective labour disputes, strikes and work stoppages which may negatively affect its operations. In particular, in the past Akbank and the Bank and Insurance Employees Union ("**BANKSİS**") have had prolonged negotiations on collective bargaining agreements including unsuccessful mediation processes. There can be no assurance that work stoppages or labour disputes will not occur in the future. Any such action could disrupt operations, result in increased wages and benefits or otherwise have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

Akbank is dependent on its senior management and other personnel.

Akbank is dependent upon its senior management to implement its strategy and the operation of its day-to-day business. In particular, it is dependent upon the expertise of its CEO, Kaan Gür, its Executive Vice President - SME Banking, Bülent Oğuz, its Executive Vice President - Corporate & Investment Banking, Levent Çelebioğlu and its Executive Vice President – Consumer Banking and Digital Solutions, Burcu Civelek Yüce. In addition, retail, corporate and other business relationships of members of senior management are important to the conduct of Akbank's business. See "*Senior Management*" for further details of these individuals. If members of Akbank's senior management were to leave Akbank, this could have a material adverse effect on Akbank's business, financial condition and/or results of operations. In addition, Akbank's continuing success depends, in part, upon its ability to attract, retain and motivate qualified and experienced banking and management personnel. Any failure to recruit and retain necessary personnel or manage its personnel successfully could have a material adverse effect on Akbank's business, financial condition and/or results of operations.

Turkish corporate governance standards differ from those of more developed countries.

The standards of corporate governance under Turkish law or regulation may not be as high (or cover the same areas) as those set out by the rules of other jurisdictions (such as the United States or the United Kingdom) and are subject to change. Many aspects of laws and regulations in Türkiye relating to public companies and the capital markets have not yet been subject to judicial or regulatory interpretation or review and are therefore still subject to certain uncertainties with respect to their applications. The Corporate Governance Communiqué contains principles relating to (i) shareholders; (ii) public disclosure and transparency; (iii) the stakeholders of the listed company; (iv) the board of directors of the listed company; and (v) related party transactions. A number of the Corporate Governance Principles are mandatory, and the remainder apply on a "comply or explain" basis. The Corporate Governance Communiqué dated 3 January 2014 is applicable to all companies incorporated in Türkiye and listed on the Borsa İstanbul A.Ş. ("**Borsa İstanbul**"), including Akbank. There can be no assurance that investors who are unfamiliar with the Turkish corporate governance rules will be familiar with Turkish Government rules applicable to Akbank compared to that of a similar bank in other jurisdictions. For more information, see "*Turkish Regulatory Environment for Banks—Corporate Governance Principles*" below.

Disclosure requirements for banks in Türkiye may differ from those in other countries.

Historically, the reporting, accounting and financial practices of Turkish banks have differed in certain respects from those applicable to similar banks in the European Union ("**EU**") or in other developed economies. There is less publicly available information on businesses in Türkiye than is regularly published by similar businesses in the EU or in other developed markets and any information that is published may only be presented in Turkish. In recent years, Turkish banks have applied International Auditing Standards ("**IAS**") and International

Financial Reporting Standards ("**IFRS**") in accounting and reporting, which are similar to BRSA Principles, except in certain respects, such as provisioning requirements for loans and requirements in relation to inflation accounting. See "*—The Akbank BRSA Annual Financial Statements were not prepared under IFRS.*".

The BRSA Principles require Turkish banks to publish their financial reports on their websites. Annual financial reports comprise audited financial statements and unaudited activity reports, and quarterly financial reports comprise unaudited financial statements and un-reviewed interim management reports. Quarterly financial statements are generally available first under BRSA Principles, and only subsequently made available in IFRS statements. Most Turkish banks, like Akbank, have English versions of their financial statements available on their websites. In addition, banks that are listed on the Borsa İstanbul are also required to publish their financial statements on a quarterly basis and those banks are required to disclose any significant development that is likely to have an impact on investors' decisions. Akbank maintains its accounting systems and prepares its accounts and publishes quarterly financial results in accordance with BRSA Principles. There are differences between Akbank's BRSA annual financial statements and its IFRS financial statements. For a discussion of the differences between BRSA Principles and IFRS, see "*Appendix 1 - Overview Of Significant Differences Between IFRS And BRSA Accounting Principles*".

There can be no assurance that investors who are unfamiliar with the Turkish banking system will have the same level of access to relevant information as that of a similar bank in the EU. For more information, see "*Turkish Regulatory Environment for Banks—Annual Reporting*" below.

The Akbank BRSA Annual Financial Statements were not prepared under IFRS.

Akbank has prepared its consolidated financial statements in accordance with BRSA Principles, rather than in accordance with IFRS, with which some investors may be more familiar. As a consequence, the Akbank BRSA Annual Financial Statements may not provide investors with the financial information they would typically have received if the financial statements were prepared under IFRS, and investors should take note of the differences between IFRS and BRSA Principles, and how these differences impact their analysis and interpretation of the Akbank BRSA Annual Financial Statements.

In addition to the differences in presentation, and the different disclosure requirements, BRSA Principles also differ in certain other significant respects from IFRS. For example, under BRSA Principles, only subsidiaries and associates in the financial sector are consolidated and equity accounted, while others are carried at cost or fair value. Additionally, under BRSA Principles, the definition of control is based on the power to appoint or remove the decision making majority of members of the board of directors or those having control over the majority of the voting rights as a consequence of holding privileged shares or agreements with other shareholders although not owning the majority of capital. This differs from IFRS 10, whereby an investor is deemed to control an investee when the investee is exposed, or has rights to variable returns from, its involvement with the investee and has the ability to affect those returns through its power over the investee. The effect of non-financial subsidiaries on Akbank's consolidated financials is immaterial. Akbank's share in all of its subsidiaries is 100%.

In addition, starting from 30 June 2022, BRSA Principles have differed materially from IFRS in relation to accounting for the impacts of inflation or hyperinflation. Pursuant to TAS 29, Financial Reporting in Hyperinflationary Economies ("**TAS 29**") under TFRS, and the corresponding IAS 29, Financial Reporting in Hyperinflationary Economies ("**IAS 29**") under IFRS, the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. Companies reporting under IFRS should apply IAS 29 to their financial statements for periods ending on and after 30 June 2022. However, on 20 January 2022, the POA stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29.

On 23 November 2023, the POA announced that Turkish companies reporting under TFRS should begin implementing TAS 29, and adjusting their financial statements for inflation, for periods ending on and after 31 December 2023, subject to alternative timelines being set by applicable regulatory and auditing entities such as the BRSA and the CMB, with adjustments also applied to all periods presented in the financial statements. On 12 December 2023, the BRSA announced that the financial statements of banks and financial leasing, factoring, financing, savings financing, and asset management companies as of 31 December 2023 will not be subject to the inflation adjustment required under TAS 29. On 11 January 2024, the BRSA decided that inflation adjustment would be applicable to the financial statements of banks, financial leasing, factoring, financing, savings financing, and asset management companies starting from 1 January 2025.

As a result, Akbank has not applied the requirements of TAS 29 in the BRSA Annual Financial Statements. Akbank will continue to prepare its financial statements in accordance with the BRSA Principles. Akbank closely monitors the application of TAS 29 but cannot predict the impact that the application of TAS 29 and related adjustments and reclassifications will have on its future financial statements, results of operations and financial condition. Akbank's margins may be impacted as a result of the application of this standard and therefore, the visibility in its past performance will be limited which may make it more difficult for its investors to analyse its other historical results. For more information on the differences between the accounting principles, see "*Appendix 1 - Overview Of Significant Differences Between IFRS And BRSA Accounting Principles*". Potential investors should consult their own professional advisors for an understanding of the difference between IFRS and BRSA Principles and how these differences might affect Akbank's financial information presented in this Offering Circular.

Future events may be different from those reflected in the management assumptions and estimates used in the preparation of Akbank's financial statements, which may cause unexpected reductions in profitability or losses in the future.

Akbank is required to use certain estimates in preparing its financial statements, including accounting estimates to determine loan loss reserves and the fair value of certain assets and liabilities, among other items. Akbank's provisioning policy was also impacted in 2018 by the adoption of TFRS 9, which in effect increased the sensitivity of Akbank's provisions to macroeconomic volatility, including the impact of exchange rate depreciation on Stage 1 and Stage 2 provisions. Should the estimated values for such items prove substantially inaccurate, particularly because of significant and unexpected market movements, or if the methods by which such values were determined are revised in future BRSA rules or interpretations, Akbank may experience unexpected reductions in profitability or losses.

Akbank may not be able to fully comply with anti-money laundering regulations, which could result in governmental fines and reputational damage.

Although Akbank has implemented comprehensive anti-money laundering ("**AML**") and "know your customer" ("**KYC**") policies and procedures and seeks to adhere to all requirements under Turkish legislation aimed at preventing it being used as a vehicle for money laundering there can be no assurance that these policies and procedures will be completely effective. Moreover, to a certain extent, Akbank must rely upon correspondent banks to maintain and properly apply their own appropriate AML and KYC policies and procedures. If Akbank in the future fails to comply with timely reporting requirements or other AML or KYC regulations and/or is associated with money laundering and/or terrorist financing, its reputation, business, financial condition, results of operations and prospects could be adversely affected. In addition, involvement in such activities may carry criminal or regulatory fines and sanctions.

In addition, on 21 October 2021, the Financial Action Task Force (the "**FATF**") placed Türkiye on the so-called "grey list" of countries in need of elevated supervision of its legal framework for combatting terrorism and money laundering. The FATF cited concerns about inadequate supervision of Türkiye's banking and real estate sectors and dealers in gold and precious stones, including having undertaken insufficient prosecutorial efforts against violators (including freezing of assets). Subsequently, the FATF rerated Türkiye in light of Türkiye's progress in addressing the FATF's concerns, such that as at May 2024 Türkiye is still on the grey list, although it has only one recommendation remaining rated "partially compliant" and no recommendations rated non-compliant. Nevertheless, any lasting perception of transactions involving Türkiye as being a higher risk jurisdiction may adversely impact investor's willingness to invest in Türkiye and/or engage with Turkish banks or may subject transactions in Türkiye to heightened due diligence at additional cost, either of which could have a material effect on Akbank's business, financial condition and/or results of operations.

Akbank and its subsidiaries have been and may in the future be subject to administrative fines and penalties.

In July 2020, the BRSA issued an administrative monetary fine in the amount of TL155.5 million on the basis of violations of its directive on the limitation of COVID-19 effects requiring Turkish banks to provide certain accommodations to their customers in relation to the terms and conditions (e.g., maturity extension) of their loans. The above-mentioned administrative monetary fine was paid pursuant to Clause 17/6 of Law No 5326 on Misdemeanours by using a 25% advance payment discount. While management does not believe that this monetary fine will have any material effect on its business or results of operations, similar fines in the future could cause Akbank to experience unexpected reductions in profitability or losses.

Akbank is dependent on its banking licence from the BRSA as well as other licences.

The banking and other operations performed by Akbank and its subsidiaries require licences by the relevant authorities in each jurisdiction in which they operate. Substantially all of Akbank's assets are located in Türkiye and it therefore depends on its Turkish banking licence from the BRSA. If Akbank were to lose its general banking licence, then it would cease to be able to operate as a bank in Türkiye. According to Article 67 of Banking Law, if the results of consolidated and unconsolidated audits show that Akbank's assets are likely to become insufficient to cover its obligations as they become due, that it is not complying with liquidity requirements, that its profitability is not sufficient to conduct its business in a sound manner, that its regulatory equity capital is not sufficient or is likely to become insufficient, and that the quality of its assets have been impaired in a manner potentially weakening its financial structure and in certain other instances, then the BRSA may require Akbank's Board of Directors to take one or more remedial actions. If Akbank does not take appropriate remedial action within the specified time period, the BRSA, with the affirmative vote of at least five of its board members, may ultimately revoke Akbank's licence and take certain other actions. Although Akbank remains in compliance with its regulatory obligations and believes that it and its subsidiaries have the necessary licences for their banking and other operations and that Akbank and its subsidiaries are currently in compliance with their existing material licences and reporting obligations, there is no assurance that Akbank will be able to maintain its banking licence in the future. Akbank and its subsidiaries also depend on certain other licences, the loss of any of which could adversely affect its business. The loss of a licence, a breach of the terms of any licence or the failure to obtain any further required licences in the future could have a material adverse effect on Akbank's financial condition and/or results of operations. Further description of the applicable regulatory requirements is set out in "*Turkish Regulatory Environment for Banks*" and "*Turkish Regulatory Environment for Banks—Cancellation of Banking Licence*". Any of the foregoing could have a material adverse effect on Akbank's business, financial condition and/or results of operations.

II. GENERAL RISKS

Risks Related to Türkiye and Other Related Risks

Any claims against the Issuer under the Notes and the transaction documents will be unsecured claims payable from, among other sources, the Issuer's funds in Türkiye. The ability of the Issuer to make any such payments from Türkiye will depend, among other factors, upon the Turkish Government not having imposed any prohibitive foreign exchange controls, its ability to obtain U.S. Dollars in Türkiye and its ability to secure any applicable necessary approval from the relevant authority, which could be affected by the circumstances described below. Any such restrictions or failure to obtain the necessary approval could affect the Issuer's ability to make payment of interest and principal under the Notes.t

Akbank is predominantly engaged in business in Türkiye and its results of operations and financial condition are to a large extent dependent upon the overall level of economic activity and political stability in Türkiye. Even though in recent years Türkiye has undergone significant political and economic transformation which has resulted in increased stability and economic growth, Türkiye is still generally considered by international investors to be an emerging market.

In general, investing in the securities of issuers that have operations primarily in emerging markets like Türkiye involves a higher degree of risk than investing in the securities of issuers with substantial operations in the

United States, the countries of the EU or other similar jurisdictions. Summarised below are a number of risks relating to operating in Türkiye and other emerging markets.

Political developments in Türkiye may have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

Türkiye has from time- to -time experienced volatile political social conditions, including a failed coup d'état attempt in July 2016. The Justice and Development Party (*Adalet ve Kalkınma Partisi*) (the "**AKP**") has been in power and has governed Türkiye continuously since 2002.

Following the November 2015 elections, the AKP announced its intention to replace the existing constitution with a new constitution and to create an executive presidency and President Erdoğan was elected president. In the referendum held on 16 April 2017, the majority of the votes cast approved proposed amendments to certain articles of the Turkish Constitution including replacing the existing parliamentary system of government with a presidential system and allowing the president to be permitted to be the head of a political party.

Following the constitutional amendments, President Erdoğan was re-elected as the chairperson of the AKP on 21 May 2017 and was re-elected as the President of Türkiye in snap elections held on 24 June 2018. President Erdoğan won a third five-year term as president on 28 May 2023.

Since 2019, there have been notable dismissals and departures among those responsible for Turkish monetary policy. On 6 July 2019, President Erdoğan removed Mr. Murat Çetinkaya as the governor of the Central Bank, before the scheduled end of his four-year term, and in August 2019 the Central Bank was reorganised, with several other high-ranking officials removed from office. Mr. Çetinkaya was replaced by his former deputy, Mr. Murat Uysal, who was later replaced by Mr. Naci Ağbal on 7 November 2020. A day later on 8 November 2020, Mr. Berat Albayrak resigned from his position as Minister of Treasury and Finance and was promptly replaced by Mr. Lutfi Elvan, a former Minister of Development and Minister of Transport, Maritime and Communication. On 20 March 2021, President Erdoğan again intervened to remove Mr. Ağbal after a series of interest rate increases, and appointed Dr. Şahap Kavcıoğlu in his place. The dismissal of Mr. Ağbal led to a negative market reaction, with investors' sales of certain Turkish assets leading to the value of the Borsa İstanbul 100 stock index declining by 9.6% in a week and the Turkish Lira depreciating by 9.9% against the U.S. Dollar (from TL7.27 per U.S. Dollar before the dismissal of the governor to TL7.99 per U.S. Dollar) during the same period. The Central Bank policy rate (interest rate for a one-week repo) had increased in 2020 and into 2021 (reaching a high of 19% from March 2021) in response to higher inflation; however, contrary to the expectations of some market participants, from the second half of 2021 onward, the Central Bank shifted its monetary policy, decreasing the policy rate (reaching a low of 8.5% from February 2023), and intensified market interventions to stabilise the Lira while introducing tools such as FX-protected deposits (*kur korumalı mevduat*) (in relation to which, the Central Bank has disallowed the banks to open new TL FX-protected deposit accounts) to steer away the foreign exchange demand. The economy administration pressured the banks regarding deposit structures and returns on foreign exchange deposits, in order to further constrict foreign exchange demand. The exchange rate remained under pressure until the 2023 local elections, until which time the Central Bank adopted a looser monetary stance despite high inflationary conditions. The Central Bank's reserves, meanwhile have depleted to critical levels.

Following the May 2023 general elections, Mehmet Şimşek was appointed as the Minister of Treasury and Finance on 4 June 2023 and Hafize Gaye Erkan took the office of the governor of the Central Bank on 6 June 2023. The new administration applied a more orthodox monetary policy prioritising price stability as well as "Liraization" of the Turkish domestic market. The policy rate (one-week repo rate) significantly increased through several rate increases from 8.5% to 50% in a ten-month period and an interest rate corridor (being, the window between the overnight lending and borrowing rates of the Central Bank) of 47% to 53%, by increasing the relevant margin from + / - 150 basis points to + / - 300 basis points with reference to the policy rate (one-week repo auction rate) was implemented. The Central Bank's net international reserves currently stand at U.S.$40 billion while gross reserves stand at U.S.$143 billion as at 31 May 2024. The Central Bank has looked to alleviate pressure on foreign reserves by applying additional securities maintenance requirements based on levels of FX deposits, encouraging a shift to TL deposits. Although the market interventions have not completely ceased, the Central Bank has stated that it is not targeting a certain exchange rate, as it was clearly the case in the Kavcıoğlu-Nebati era, but funding the market to balance the gradual reduction in FX-protected deposit schemes, which have decreased by U.S.$40 billion between August 2023 and May 2024. The Central Bank's communication strategy has been revised and emphasis has been placed on more conventional policy approaches to improve the credibility of the Central Bank. The Central Bank expects yearly inflation to peak in mid-2024 and provide positive returns in real terms. Political considerations may, however, again influence interest rates and monetary policy in the future, including in the run-up to the 2024 local elections, which could effectively put a cap on interest rate increases and limit the extent of monetary tightening. The degree of independence of the Central Bank and the harmony of the fiscal front with the monetary policy mix in the upcoming period are the key uncertainties concerning the challenges ahead to the new economy administrations. Any failure of the Central Bank and/or the Turkish Treasury to implement effective policies might adversely affect the Turkish economy and thus have a material adverse effect on Akbank's business, financial condition and/or results of operations. On 3 February 2024, Fatih Karahan, the former deputy-governor of the Central Bank was appointed the new governor after the previous governor Hafize Gaye Erkan was dismissed pursuant to the Presidential Decree No. 2024/26 and dated 2 February 2024. While Mehmet Şimşek, the Minister of Treasury and Finance, publicly stated that (i) this change would not affect the current economic policies of the Central Bank and more generally, the Turkish government and (ii) Fatih Karahan was appointed in accordance with his suggestion, as at the date of this Offering Circular, any impact this change may have on the current policies of Central Bank cannot be determined. Although the Constitutional Court of Türkiye issued a ruling on 4 June 2024 invalidating provisions granting the President the authority to dismiss the governor of the Central Bank ahead of the expiration of such governor's term effective from 5 June 2025, there can be no assurance that there will not be any further regulatory changes or changes in the personnel at the Central Bank, which changes could in turn impact the policies of the Central Bank.

Local elections took place on 31 March 2019. However, the Supreme Election Board of Türkiye (*T.C. Yüksek Seçim Kurulu*) has cancelled the results of the elections in İstanbul (which showed a narrow lead for the opposition party). The repeat local elections were held on 23 June 2019 and resulted in the transition of the control of the İstanbul metropolitan municipality from AKP to the main opposition party the Republican People's Party (*Cumhuriyet Halk Partisi*). In December 2022, a court convicted Mr. Ekrem İmamoğlu, İstanbul's current Mayor, of violating a law prohibiting insulting public officials, for which he was sentenced to over two years in prison and banned from politics, which sentence is currently pending appeal. All these factors could significantly impact investors' perceptions of Türkiye and its future growth. On 31 March 2024, local elections took place throughout Türkiye, the results of which indicated a shift in municipal leadership, with the main opposition party securing a majority of votes in numerous districts (including maintaining the mayoralty of İstanbul, İzmir, Ankara and Antalya). Following the elections, President Erdoğan delivered a speech affirming the continuation of the government's established economic policies enacted after the 2023 general election and dismissed the possibility of early national elections.

Changes in the governance and operation of Türkiye's institutions, could contribute to the volatility of Turkish financial markets and/or have an adverse effect on investors' perception of Türkiye, including with respect to the actual or perceived independence of such institutions.

The events surrounding any future political developments could contribute to the volatility of Turkish financial markets and/or have an adverse effect on investors' perception of Türkiye, including Türkiye's ability to adopt macroeconomic reforms, support economic growth and manage domestic social conditions, which could in turn have a material adverse effect on the Akbank's business, financial condition and/or results of operations.

Türkiye's economy may be impacted by uncertainty in the EU.

The EU is Türkiye's principal export market. If the EU economies suffer any growth setback or if other factors have an adverse impact on Türkiye's exports to EU, the country's growth performance would suffer, exposing Akbank and its customers to macroeconomic and operational risks.

The United Kingdom (the "**UK**") departed the EU on 31 January 2020, in accordance with a revised withdrawal agreement agreed upon by the EU and the UK in October 2019 ("**Brexit**"). The transition period for negotiating the future relationship between the UK and EU began on 1 February 2020, and a trade deal was signed on December 24, 2020. As at December 2023, the UK is the fourth largest market for Turkish exports and Türkiye's tenth largest trade partner in terms of trade volume. For the duration of the UK's membership in the EU until October 31, 2019, the institutional and legal framework of the trade and economic relationship between Türkiye and the UK government was the Customs Union between Türkiye and the EU. On 29 December 2020, Türkiye and the UK signed a Free Trade Agreement, which took effect on 1 January 2021. The agreement between the UK and the EU and the Free Trade Agreement between Türkiye and the UK are relatively new. Any potential contentions provisions or their potential uncertain interpretation could adversely and significantly affect trade between Türkiye and the UK and even European or worldwide economic or market conditions, exposing Akbank and its customers to macroeconomic and operational risks.

In addition, any future withdrawal by another Member State from the EU and/or European Monetary Union, any significant changes to the structure of the EU and/or European Monetary Union or any uncertainty as to whether such a withdrawal or change might occur could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.

Türkiye's economy has been undergoing a significant transformation and remains subject to ongoing structural and macroeconomic risks.

Since the mid-1980s the Turkish economy has moved from a highly protected state-directed system to a market-oriented free enterprise system. Reforms have, among other things, largely removed price controls and reduced subsidies, reduced the role of the public sector in the economy, emphasised growth in the industrial and service sectors, liberalised foreign trade, reduced tariffs, promoted export growth, eased capital transfer and exchange controls, encouraged foreign investment, strengthened the independence of the Central Bank, led to full convertibility of the Turkish Lira by accepting Article VIII of the International Monetary Fund's (the "**IMF**") Articles of Agreement and overhauled the tax system.

However, the Turkish economy has also experienced a succession of financial crises and severe macroeconomic imbalances. These include substantial budget deficits, significant current account deficits, high rates of inflation and high real rates of interest. These factors have resulted in a substantial depreciation of the Turkish Lira against major foreign currencies, particularly between 1994 and 2001 and since 2021. As at 31 December 2023, the EU defined general government nominal debt to GDP ratio was 29.5%. This ratio has been declining from 40.4% and 30.8% as at 31 December 2021 and 31 December 2022, respectively.

Furthermore, Türkiye may not be able to remain economically stable during any periods of renewed global economic weakness due to its reliance on external demand and external financing. Future negative developments in the Turkish economy and the failure to achieve growth targets could impair Akbank's business strategies and have a material adverse effect on Akbank's business, financial condition and results of operations.

According to the latest medium-term plan announced on September 2023, the inflation forecast for 2024 has been increased to 33.0%, while the GDP growth forecast for 2024 is 4.0%. In addition, the GDP growth forecast and year-end inflation forecasts were 4.5% and 15.2% for 2025 and 5.0% and 8.5% for 2026, respectively. However, in the most recent inflation report published by the Central Bank of the Republic of Türkiye (the "**CBRT**" or the "**Central Bank**") in May 2024, year-end inflation forecasts were set at 38.0%, 14.0% and 9.0% for 2024, 2025 and 2026, respectively. There can be no assurance that these targets will be reached, that the Turkish Government will continue to implement its current and proposed economic and fiscal policies successfully or that the economic growth achieved in recent years will continue considering external and internal circumstances, including the Central Bank's efforts to curtail inflation and simplify monetary policy while maintaining a lower funding rate, the current account deficit and macroeconomic and political factors, such as changes in oil prices and uncertainty related to conflicts in Iraq and Syria (see "—*Conflict and uncertainty within Türkiye or in neighbouring and nearby countries may have a material adverse effect on Akbank's business, financial condition, results of operations or prospects*.") and including the uncertainty resulting from changes in the macroeconomic and regulatory environment between 2019 and 2023. See also "—*Political developments in Türkiye may have a material adverse effect on Akbank's business, financial condition, results of operations and prospects*.".

Any of these developments might cause Türkiye's economy to experience macro-economic imbalances, which might impair Akbank's business strategies and/or have a material adverse effect on Akbank's business, financial condition and/or results of operations. See "*—Risks Related to Türkiye and Other Related Risks—The profitability and profitability growth of Turkish banks in recent periods may not be sustainable as a result of regulatory, competitive and other factors impacting the Turkish banking sector.*".

The value of the Turkish Lira has fluctuated significantly against other currencies and may continue to do so.

A significant portion of Akbank's assets and liabilities are denominated in foreign currencies, particularly U.S. Dollars and euros. Akbank translates such assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains/(losses) realised upon the sale of such assets, to Turkish Lira when preparing its financial statements. As a result, Akbank's reported income is affected by changes in the value of the Turkish Lira against foreign currencies (primarily the U.S. Dollar and euro). Macroeconomic uncertainties may result in volatility in the value of the Turkish Lira, which could in turn adversely impact Akbank's capital adequacy and, if there is any downturn in the global financial markets, this could have an adverse effect on Türkiye's debt servicing ability. The overall effect of exchange rate movements on Akbank's results of operations depends on the rate of depreciation or appreciation of the Turkish Lira against its principal trading and financing currencies. In addition, Akbank has a portfolio of derivative securities which expose it to fluctuations in the value of the Turkish Lira against foreign currencies. For a description of Akbank's risk management strategies, see "*Risk Management*".

The value of the Turkish currency against the U.S. Dollar has been volatile, but mainly negative, over the recent years, primarily as a result of uncertainties surrounding the political and economic landscape, both globally and in Türkiye. The Turkish Lira/U.S. Dollar rate increased by 43.3%, 86.4% and 26.8% on average in 2023, 2022 and 2021, respectively. The year-end exchange rate (TL/USD) was 29.4382 in 2023, 18.6983 in 2022 and 13.3290 in 2021. The Turkish Lira has continued to depreciate in 2024, albeit at a moderate and less volatile pace. As at 30 May 2024, the exchange rate reached TL32.2263 per U.S. Dollar, representing a 9.47% increase from the end of 2023. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Akbank's Results of Operations*". Net income from interest earned and paid on Akbank's assets and liabilities reflects, to a certain degree, inflation, expectations regarding inflation, shifts in short term interest rates set by the Central Bank and movements in long term real interest rates. As is the case for the Turkish banking system generally, Akbank's assets have a longer maturity and reprice more slowly than its liabilities. As a result, changes in short-term interest rates are generally reflected in the rates of interest paid by Akbank on its liabilities before such changes can be reflected in the rates of interest earned by Akbank on its assets. Therefore, when interest rates decline, Akbank's interest margin is positively affected, but when interest rates increase, its interest margin is generally negatively affected. From June 2023 onwards, the Central Bank raised interest rates nine times, from 8.5% to 50%. Furthermore, the Central Bank has widened the interest rate corridor (the spread that determines the overnight borrowing and lending rates) around the policy rate (one-week repo auction rate) and set at 47% to 53%. The current environment remains intensely competitive, and there has been sustained pressure on margins from time-to-time, particularly during high interest rate environments due to increasing deposit costs across the Turkish banking sector. In light of these conditions, Akbank is strongly focusing on its customer business, small ticket retail deposit generation with an increasing share of demand deposits in total deposits, optimal allocation of loans in higher yielding segments and reducing concentration, optimisation of deposit pricing, diversification of funding sources and fee income generation, especially through transactional banking and payment systems.

Moreover, in light of the Central Bank's policy of reducing policy rates despite high inflation, both asset and liability interest rates in the Turkish banking system had been driven by inflation and expectations regarding macroeconomic conditions rather than Central Bank policy rates. The de-linking of market interest rates in Türkiye from Central Bank policy rates in 2022 and the first half of 2023 has had various effects during that period, including resulting in very positive returns on CPI-linked securities and increased profitability of Turkish banks in Turkish Lira terms, but the impact had been offset in part as a result of policy actions, including the capping of interest rates that can be charged by banks on certain products. See "*—Risks related to Akbank—*

Akbank relies on short-term demand and time deposits as its primary source of funding, but primarily has medium—and long-term assets, which may result in asset-liability maturity gaps.".

Exchange Rates

In the past, the Central Bank has used interest rate adjustments to address fluctuations in the Turkish Lira. Since 2020, interest rates have been adjusted on a number of occasions in response to macroeconomic pressures, including in response to the COVID-19 pandemic and global financial conditions, such as inflation. The Central Bank increased the policy rate (interest rate for a one-week repo) gradually through the fourth quarter of 2020 and first quarter of 2021, until in March 2021 (reaching a high of 19% from March 2021), until the replacement of, Mr. Naci Ağbal as Central Bank governor by Dr. Şahap Kavcıoğlu. The change in leadership at the Central Bank resulted in fluctuations in Türkiye's domestic economic outlook and the Turkish Lira depreciated. Contrary to the expectations of some market participants, from the second half of 2021 onward, the Central Bank shifted its monetary policy, decreasing the policy rate (reaching a low of 8.5% from February 2023). Between January 2022 and June 2023, the Central Bank also introduced a number of measures aimed at supporting the Turkish Lira without increasing interest rates, such as macroprudential measures requiring maintenance of securities for foreign currency deposits, reserve requirements for selected TL-denominated commercial cash loans and an FX-protected deposit scheme. After the presidential elections in 2023, the governor of the Central Bank and the Minister of Treasury and Finance were again replaced, following which the monetary policy committee of the Central Bank (the "**Monetary Policy Committee**") announced a gradual process to tighten monetary policy to improve the outlook for inflation. The policy rate was raised from 8.5% to 50% from June 2023 through May 2024. Furthermore, the Central Bank has also implemented an interest rate corridor (being, the window between the overnight lending and borrowing rates of the Central Bank) of 47% to 53%, by increasing the relevant margin from + / - 150 basis points to + / - 300 basis points with reference to the policy rate (one-week repo auction rate). In addition to the increases in the policy rate, the Central Bank stated that the monetary tightness required to establish the disinflation course is achieved and that this level will be maintained as long as needed.

Any significant depreciation of the Turkish Lira against the U.S. Dollar or other major currencies, or any actions taken by the Central Bank or the Turkish Government to protect the value of the Turkish Lira (such as increased interest rates or capital controls) may adversely affect the financial condition of Türkiye as a whole, including its inflation rate, current account deficit and level of foreign currency reserves, which in turn may have an adverse effect on Akbank's clients which in turn may have a negative effect on the Akbank's business, financial condition and/or results of operations.

Türkiye's economy is subject to inflation and risks relating to its current account deficit.

Türkiye has recently, and also in the past, experienced high annual rates of inflation. High inflation has historically been considered one of the most significant problems faced by the Turkish economy and has re-emerged as a significant issue.

In April 2024, Türkiye's annual consumer price index and domestic producer price index increased by 69.8% and 55.7 % respectively, as compared with the same month of the previous year. During the same month, the consumer price index and domestic producer price index increased by 3.2% and 3.6% respectively, compared with the previous month.

On 29 December 2023, the Central Bank released its 2024 Monetary Policy Report. In this report, the Central Bank has maintained the medium-term inflation target of 5%, set jointly with the government, and the Central Bank stated that steps will continue to be taken to prioritise Turkish Lira deposits. The target set is to increase the share of Turkish Lira deposits in the banking system to 50% while continuing the reduction in the balance of FX-protected deposits which remains a contingent liability risk for the Central Bank. To achieve this, the Central Bank has disallowed banks to open new TL convertible currency hedged deposit accounts starting from 1 January 2024. Also, existing FX-protected TL deposits accounts will not be renewed upon maturity. As at 17 May 2024, share of Turkish Lira deposits in the banking system is at 44% and is expected to increase further.

On 8 February 2024, the Central Bank released the first Inflation Report of 2024. In this report, the Central Bank stated that annual consumer inflation increased by 3.2 points to 64.7% in the fourth quarter of 2023, from 61.5% in June. The Central Bank has also stated that inflation is projected to be 36% at the end of 2024, fall further to 14% at the end of 2025 and to 9% at the end of 2026 in this report. In the second Inflation Report of 2024, published on 8 May 2024, the Central Bank has increased is projected inflation for 2024 from 36% to 38%.

On 21 March 2024, the MPC decided to raise the policy rate (one-week repo auction rate) from 45% to 50% and most recently, on 23 May 2024, the MPC decided to maintain the same rate. Together with its decision to raise the policy rate to 50%, the Central Bank has also implemented an interest rate corridor (being, the window between the overnight lending and borrowing rates of the Central Bank) of 47% to 53%, by increasing the relevant margin from + / - 150 basis points to + / - 300 basis points with reference to the policy rate (one-week repo auction rate).

If the level of inflation in Türkiye fluctuates or increases significantly (for any reason), then Akbank's costs may increase, and, if not accompanied by an increase in interest rates, then its operating and net margins may decrease. Inflationary pressures may also curtail Akbank's ability to access foreign financial markets and may lead to further government intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Turkish economy. The various impacts of inflation thus may have a material adverse effect on Akbank's business, financial condition and/or results of operations.

The Central Bank closely monitors the U.S. Federal Reserve's actions and has historically taken action to maintain price and financial stability. The U.S. Federal Reserve held the federal funds rate at around zero from March 2020 through the first quarter of 2022. From March 2022 through November 2023, in order to cope with rising inflation, it raised the federal funds rate range to 5.25 to 5.50%. The Turkish Lira and certain other emerging market currencies may depreciate against the U.S. Dollar if the U.S. Federal Reserve does not ease monetary policy to the degree expected by the financial markets. The exchange rate increased to TL29.4382 to 1 U.S. Dollar as at 31 December 2023 compared to TL18.6983 as at 31 December 2022. Over the year ended 31 December 2023, Turkish Lira / U.S Dollar rate increased by 43.3%. As at 30 May 2024, the exchange rate reached TL32.2263 per U.S. Dollar, representing a 9.47% increase since the end of 2023.

The size of Türkiye's current account deficit or adverse changes in its balance of payments position (including the availability of external financing for Türkiye) could lead to exchange rate adjustments and higher inflation, which could have a material adverse effect on Akbank's business, financial condition and/or results of operations. In 2021, the current account balance started to improve gradually compared to 2020, which had been adversely affected by COVID-19 pandemic-related conditions, amid increased exports and export prices with the upturn in global demand. Meanwhile, the recovery in services gained momentum on the back of the acceleration of vaccination and lifting of COVID-19-related restrictions. Excluding the pandemic era, the current account deficit in Türkiye had been on an improving trend between 2017 and 2021, spurred by the continuous real depreciation in TL. In 2021, the current account deficit was as low as $6.4 billion (0.8% of GDP). However, the upsurge in energy prices due to the Russia-Ukraine war and increasing gold demand led to a significant deterioration in the external balance. The current account deficit increased to $45.8 billion (5.1% of GDP) in 2022, mainly driven by the energy bill increasing to $96.5 billion from $50.7 billion in 2021, and gold imports reaching $20.4 billion. In fact, excluding gold and energy, the current account surplus increased from $37.8 billion to $53.7 billion in 2022, due to the improvement in services revenues. Net revenue from the tourism and the transportation sector increased by 56.5% and 45.2% respectively, over 2022. In 2023, the current account deficit remained high despite the retreat in energy prices and improving tourism revenues. The appreciation of the Turkish Lira in real terms, loose financial conditions and unanchored inflation expectations led to an acceleration in non-energy imports, particularly consumer goods in the first half of the year. In the second half of the year, amid financial tightening there has been some improvement in the underlying trend of the current account deficit, although it is still hovering at high levels. On the other hand, the improvement in services revenues limited the deterioration in external balance.

Türkiye is an energy importer and any geopolitical development concerning energy security could have a material impact on Türkiye's current account balance. In 2021, net energy imports in Türkiye increased to $42.2 billion, with increased energy prices due to resumption of economic activity after the approval of COVID-19 vaccines. In 2022, Türkiye's 12-month rolling current account deficit and net energy imports increased to U.S.$45.8 billion and U.S.$80.1 billion, respectively, with further increases in energy prices related to the tension between Russia and Ukraine. By December 2023, Türkiye's 12-month rolling current account deficit and net energy imports were U.S.$45.0 billion and U.S.$52.7 billion, respectively. As at 31 March 2024, the 12-month cumulative current account deficit decreased to $31.2 billion (2.7% of GDP) due to decelerating gold imports and an improvement in the underlying trend. The lag effects of the monetary tightening will likely to narrow down CAD in 2024, while geopolitical developments and slowdown in global economic activity remain to be the main risks factors. Türkiye's current account balance may face further pressure, due to a variety of factors, including the conflict between Russia and Ukraine, geopolitical tensions in the Middle East, increased sanctions on oil-producing countries or further concerns around global energy supply. A higher current account deficit may have an adverse effect on the overall performance of the Turkish economy and thus may have a material adverse effect on Akbank's business, financial condition and/or results of operations.

The current account deficit remains a significant concern for policy makers and may be subject to further intervention. Should the Central Bank adopt any additional measures to limit any increase in the current account deficit, such measures would likely reduce economic growth and, in turn, have a material adverse effect on Akbank's business, financial condition and/or results of operations. However, given Türkiye's savings and investments structure, it is not possible for Türkiye to achieve its targeted growth figures without current account imbalances. Should the current account deficit widen persistently, this may lead to a sudden adjustment in the Turkish Lira with inflationary consequences, similar to the depreciation in the value of Turkish Lira against foreign currencies and the subsequent rise in inflation in the second half of 2018.

High inflation rates might distort Akbank's results of operations and financial condition, with nominal growth rates of the balance sheet and profitability in Akbank's BRSA Annual Financial Statements significantly exceeding the rates as measured on a constant-currency basis.

The market for Turkish securities is subject to a high degree of volatility due to developments and perceptions of risks in other countries.

The market for securities issued by Turkish companies is influenced by economic and market conditions in Türkiye, as well as to varying degrees, market conditions in other emerging market countries, the EU and the United States. Although economic conditions differ in each country, the reaction of investors to developments in one country may cause capital markets in other countries to fluctuate. Developments or economic conditions in other emerging market countries have at times significantly affected the availability of credit to the Turkish economy and resulted in considerable outflows of funds and declines in the amount of foreign investments in Türkiye. Crises in other emerging market countries may diminish investor interest in securities of Turkish issuers, including the Issuer's, which could adversely affect the market price of the Issuer's securities.

Emerging markets such as Türkiye are subject to a greater risk of being perceived negatively by investors based upon external events (for example, volatility in the emerging markets, monetary policies in the United States and the Eurozone, continued violence in Syria and Iraq or a slowdown in China's growth) than more-developed markets are, and financial turmoil in any emerging market (or global markets generally) could have a "contagion" effect and disrupt the business environment in Türkiye. Moreover, financial turmoil in any emerging market country tends to adversely affect the prices of equity and debt securities of issuers in other emerging market countries, as investors may move their investments to more stable, developed markets. An increase in the perceived risks associated with investing in emerging economies could dampen capital flows to Türkiye and adversely affect the Turkish economy. There can be no assurance that investors' interest in Türkiye will not be negatively affected by events in other emerging markets or the global economy in general.

An increase in the perceived risks associated with investing in emerging economies could adversely affect the Turkish economy, and the investors' interests in the Notes (and thus their market price) might be subject to fluctuations that might not necessarily be related to economic conditions in Türkiye or the financial performance of Akbank. While the impact of the recent global financial crisis on Türkiye was relatively limited, Türkiye has been adversely affected by such contagion effects on a number of occasions in the past, including following the financial crises in 1994 and 2000 to 2001. Similar developments can be expected to affect the Turkish economy in the future, which might, in turn have an adverse impact on the prices of obligations of Turkish capital markets issuances, including the Notes.

Conflict and uncertainty within Türkiye or in neighbouring and nearby countries may have a material adverse effect on Akbank's business, financial condition, results of operations or prospects.

Türkiye is located in a region that has been subject to ongoing political and security concerns, especially in recent years. Political uncertainty within Türkiye and in certain neighbouring and nearby countries, such as Iraq, Syria, Iran, Georgia, Cyprus, Egypt, Ukraine and Armenia has historically been one of the potential risks associated with investment in Turkish securities.

Since December 2010, political instability has increased markedly in a number of countries in the Middle East and North Africa, such as Syria, Iraq, Egypt, Libya, Tunisia, Jordan, Bahrain and Yemen. Tensions have also increased between a number of Middle Eastern states, notably Iran and Saudi Arabia. Lately, the seismic searches conducted by Türkiye in the Aegean and Mediterranean seas based on its continental shelf arguments, have heightened the tension between Türkiye and Greece. Unrest in these countries (as well as global tensions with Iran and between Russia and Ukraine) may have political implications in Türkiye or otherwise have a negative impact on the Turkish economy, including through both financial markets and the real economy.

Risks associated with the conflicts in Syria, Iraq and Afghanistan

Türkiye is located in a region that has been subject to ongoing political and security concerns, including political instability and frequent incidences of violence in a number of countries in the Middle East. In particular, the on-going conflicts in Iraq, in Syria, against ISIS, and in Afghanistan, against the Taliban, a Sharia Islamic militant group, have been the subject of significant international attention and conditions in the region remain volatile. Unrest in these countries might affect Türkiye's relationships with its neighbours, have political implications both within Türkiye and in its relationship with other countries and/or have a negative impact on Türkiye. Such impacts might occur through (*inter alia*), the significant movement of Syrian or Afghan refugees (including through Türkiye into the EU), a lower flow of foreign direct investment into Türkiye, and capital outflows and/or increased volatility in the Turkish financial markets.

Although Akbank does not have significant direct exposure with respect to Iraq, many Turkish companies, including many of Akbank's clients, do have such exposure. Therefore, the unrest in Syria and Iraq could have a material negative impact on the Turkish economy, the business of Akbank's clients and consequently also Akbank.

On 25 September 2017, the Kurdish Regional Government in Northern Iraq held a referendum for the independence of the region administered by the Kurdish Regional Government in Northern Iraq. Turkish Government officials announced that Türkiye would not recognise the outcome of the referendum and might take punitive measures, including economic sanctions (e.g., cutting off the pipeline that allows the transport of oil from Northern Iraq to third countries) and closing its airspace and border crossings to Northern Iraq. On 16 October 2017, Türkiye closed its airspace to the Northern Iraqi Kurdish region and, in 2018, the Turkish military began a cross-border operation in Northern Iraq to prevent terrorist activities against Türkiye. Furthermore, on 14 June 2020, the Turkish military launched an air-strike called "Claw-Eagle" against the terrorist groups, mainly the Kurdistan Worker's Party (the "**PKK**") (an organisation that is listed as terrorist organisation by various states and organisations, including Türkiye, the EU and the United States) in northern Iraq.

Elevated levels of conflict in Iraq and Syria have also caused a significant displacement of people. The high number of refugees within Türkiye's borders and foreign intelligence agents infiltrating both refugee camps and local communities remain current threats. Türkiye is among the countries that have taken a significant number of Syrian refugees with a negative economic, political and social impact on Türkiye.

In October 2019, the Turkish military, following a pullback by the United States of its presence in northern Syria, commenced military operations to create a "safe zone" in northern Syria in an effort to enhance Türkiye's border security. This engagement expanded, including in particular around Idlib, and has resulted in many Turkish casualties and increased direct conflicts between the Turkish and Syrian militaries. As this territory was largely held by the People's Protection Unit in Syria, which had assisted the U.S. in the fight against ISIS but that Türkiye designates as a terrorist organization and believes is affiliated with PKK, significant conflict in the region might occur. In addition to objections raised by Syria, Iran and Russia to this military activity, the United States (*inter alios*) has taken certain actions and might impose additional sanctions upon Türkiye and/or take other actions that might negatively impact the Turkish economy and/or Türkiye's relationship with the United States. While Türkiye has entered into separate agreements with the United States and Russia that aim to achieve multi-party agreement on this "safe zone," the parties might disagree about the implementation of these agreements and/or the parties' adherence to their terms.

In late 2021, the Taliban, an Islamist militant group, took over Afghanistan after the United States announced their pullback from the country, which caused a new wave of migration through the EU and Türkiye. Despite President Erdoğan and high-level government officials' various statements noting that Türkiye will not shoulder the burden of a new wave of migration, similar to the one the country has faced in the last years due to the conflicts in Syria, the events in Afghanistan resulted in a significant movement of Afghan refugees into Türkiye. Türkiye's future relationship with the Taliban is also uncertain given the complex geopolitical circumstances relating to Afghanistan.

As a result of any further events in northern Syria (including continued operations by Türkiye), tensions with international stakeholders could further increase, and Türkiye may face increased economic and/or security risks if terrorists seek to retaliate against increased military actions, or if the U.S. or European countries take restrictive or punitive actions against Türkiye, the Turkish economy or Turkish institutions. Such restrictive or punitive actions, escalating diplomatic and political tensions with the U.S. or other countries, and/or other political circumstances (and related actions, rumours, and/or uncertainties) might have a material adverse effect on Akbank's business, financial condition and/or results of operations and/or on the market price of the Notes. In addition, any escalation of political instability or international military intervention in Syria and/or a more aggressive stance by Assad's allies, Russia, Iran, and China against Türkiye and opposition supporters may act as a destabilising factor for Türkiye.

Risks from events affecting Türkiye's relationship with Russia and the War in Ukraine

On 24 February 2022, Russia launched a military invasion against Ukraine. This has resulted in a significant increase in tensions between Russia and a number of countries, as well as with the North Atlantic Treaty Organization ("**NATO**"). The United States, Canada, the United Kingdom and several European countries, among others, have imposed sanctions on Russia which include, among others, the freezing of the assets of the central bank of Russia, the banning of all transactions with the central bank of Russia and the removal of certain Russian banks from the SWIFT system, restrictions on access to financing by Russian entities, and export controls targeting Russia's energy and defence sectors. Additionally, the United States has imposed additional sanctions targeting Russia's oil and gas sector and oil and gas exports by banning Russian imports of oil and gas into the U.S., while similar sanctions are also being considered by the EU and the United Kingdom. Several rounds of peace negotiations have been carried out to date without success, including with the participation of Türkiye as a mediator. Türkiye's role as a NATO member and as host to ceasefire negotiations between Ukrainian and Russian negotiators may materially affect Türkiye's global diplomatic position as well as its economy and financial condition.

Global energy prices surged after the start of the conflict. Although at the beginning of 2023, the surge in energy prices had slightly eased, the ongoing war and the subsequent sanctions may result in further disruption to energy supplies and regional and global trade flows, and the impact of the war remains unclear and dependent on global and regional economic and political developments. The global economic and political environment and the impact of the sanctions imposed on Russia on the global economy remain highly uncertain. Following the imposition of sanctions against Russia, thousands of Russians and Ukrainians have fled to Türkiye to stay, invest, and hold assets since Türkiye has not been imposing any sanctions on Russia except the closure of the Bosporus and Dardanelles straits to warships. Türkiye has not been following the wave of sanctions imposed by many countries, and Türkiye's policy stance with respect to sanctions cannot be predicted with certainty.

Additional sanctions imposed on Russia by other countries may have a material adverse effect on Türkiye due to its relations with Russia, Russian citizens, and Russian entities. The impact of additional sanctions, or of a deterioration of relations between Türkiye and Russia or the United States over events in Ukraine, on the Turkish economy may be significant, which in turn may materially and adversely affect Akbank's business, financial condition and/or results of operations.

Risks from events affecting Türkiye's relationship with Israel and Palestine

On 7 October 2023, Hamas launched an attack on a number of Israeli cities, killing a significant number of members of the Israeli defence forces and civilians. In response, the government of Israel declared war against the group, mobilised Israeli defence forces, and began a large-scale military operation against Hamas militants within Israel and in the Gaza Strip. Israel has also intensified its attacks on groups and entities that it sees as supporting Hamas. Accordingly, Israel has increased the intensity of its attacks in Syria and on 1 April 2024, Israel bombed the Iranian embassy in Damascus while Iranian military commanders convened for a "top-level" meeting inside the embassy complex. This strike resulted in 16 deaths including the death of seven Islamic Revolutionary Guard Corps members and one Iranian advisor. In retaliation, Iran launched an unprecedented retaliatory attack on Israel on 14 April 2024, which included hundreds of missiles and drones launched primarily from its own soil, but also by Iran-backed groups in several other countries. As a response, Israel launched a direct missile attack on the Iranian city of Isfahan on 19 April 2024. The fighting in the Gaza Strip continues as Israeli Defence Forces moved to take the Rafah crossing on 7 May 2024. The scale, duration, and impact of this conflict on the region and any global effects are currently unclear and cannot be predicted with any certainty.

After months of fighting in the Gaza Strip, Türkiye first imposed restrictions on the export of certain goods to Israel on 9 April 2024 which was Türkiye's 13th largest export market as at 31 December 2023. Türkiye then halted all its trade with Israel on 2 May 2024 citing the continued Israeli operations and the "humanitarian tragedy" in Gaza Strip. In a written statement, the Turkish Ministry of Trade stated that the measures will stay in place until the "uninterrupted and adequate" flow of humanitarian aid to Gaza Strip is resumed.

A wider regional conflict and continuation of the Turkish trade restrictions against Israel could have a material adverse impact on the Turkish economy and may be significant, which in turn may materially and adversely affect Akbank's business, financial condition and/or results of operations.

Risks from events affecting Türkiye's relationship with the United States

On 8 October 2017, the United States suspended all non-immigrant visa services for Turkish citizens in Türkiye following the arrest of an employee of the United States consulate in İstanbul. On the same date, Türkiye retaliated by issuing a statement that restricted the visa application process for United States citizens. While visa services have since returned to normal, relations between the two countries have remained strained on various topics, including the conviction of an executive of a state-controlled bank, Türkiye Halk Bankası A.Ş. (who was released in July 2019 after serving his sentence), for bank fraud and conspiracy to violate U.S. sanctions laws in assisting Iran to evade U.S. sanctions and the related judicial process against Halkbank. Furthermore, in August 2018 the United States had imposed sanctions on two Turkish ministers and increased import taxes on Turkish steel and aluminium. Nonetheless, on 12 October 2018, a Turkish court released a detained American pastor who had been arrested in October 2016, and the United States removed the sanctions imposed on Turkish ministers. In addition, in the first week of November 2018, certain U.S. sanctions on Iranian financial and energy sectors, and on certain other imports from Iran, were re-imposed. Nevertheless, the United States granted Türkiye a partial exemption allowing it to import limited amounts of oil from Iran for six months. However, such exemption was not renewed at the end of the six-month period and it remains uncertain whether Türkiye will, or will be able to, comply with such U.S. sanctions against Iran.

Any similar events in the future, including any operations of the Turkish armed forces in Syria targeting organisations that Türkiye deems to be terrorist organisations related to People's Congress of Kurdistan (formerly known as the PKK), in connection with the potential U.S. withdrawal from Syria, including any restrictive or punitive actions adopted by the U.S. and/or EU institutions in connection with operations and/or actions of Türkiye in the northern Syria and/or Türkiye's compliance with any further prospective U.S. sanctions against Iran might result in (or contribute to) a deterioration of the relationship between Türkiye and the EU and/or the United States, and might have a negative impact on the Turkish economy.

The relationship with the United States was also impacted by Türkiye's agreement to acquire a U.S$2.5 billion S-400 air and missile defence system from Russia in December 2017. In response to these events, the United States Congress has considered potential sanctions on Türkiye and limited Türkiye's ability to acquire fighter jets from the United States.

Pursuant to the Countering America's Adversaries Through Sanctions Act of 2017 ("**CAATSA**"), the U.S. Secretary of State issued a Public Note numbered 11396, which came into force on 7 April 2021 and set forth sanctions targeting certain Turkish officials and institutions. It has been explained that the Secretariat of Defence Industries (*Savunma Sanayii Başkanlığı*) (**SSB**) has knowingly engaged, on or after 2 August 2017, in a significant transaction with an individual who is a member of, or works for or on behalf of, the Russian Federation's defence or intelligence sectors. Further, the sanctions cover, among other things, the prohibition of issuing any particular license or granting any other specific authorisation or authority pursuant to any law that includes the prior examination or approval of the United States Government as a prerequisite for the export or re-export of products or technology to SSB, certain restrictions to issue loans or credits to SSB by United States financial institutions and certain sanctions, as decided by the Secretary of State, on the SSB's principal executive officer or officers, or on individuals performing similar roles and with similar authority.

In October 2020, a U.S. federal judge ruled in a case that the Turkish participation bank, Kuveyt Türk Katılım Bankası A.Ş., could be sued in a United States court under the Justice for United States Victims of State Sponsored Terrorism Act on the basis of the allegations that it helped aid Hamas, an organisation which is classified as a terrorist group by the United States. However, there are no other public updates as regards a potential lawsuit or investigation as at the date of this Offering Circular.

Furthermore, certain regulatory actions, investigations, allegations of past or current wrongdoing and similar actions (including the judicial process against Türkiye Halk Bankası A.Ş.) might lead to related actions, rumours, and/or uncertainties surrounding breaches by Turkish banks of international sanctions laws or other financial market misconduct. As at the date of this Offering Circular, the final outcome in relation to the judicial process, including any appeal and whether any sanction, fine or penalty will be imposed by the Office of Foreign Assets Control or any other U.S. regulatory body on Türkiye Halk Bankası A.Ş. or any other Turkish bank or person in connection with those matters, as well as the possible reaction of the financial markets to any such events or speculation regarding such events, is unknown.

President Biden won the U.S. presidential election held on 3 November 2020 and the Biden administration took office on 20 January 2021. On April 2021, U.S. President Biden referred to the World War I deaths of Armenians in the Ottoman Empire as genocide, which might negatively contribute to Türkiye's relationship with the United States. It is uncertain whether the positions that the new administration might take with respect to Türkiye, including relating to any of the aforementioned topics, might materially alter the relationship between Türkiye and the United States.

Actual or perceived political instability in Türkiye, escalating diplomatic and political tensions with the United States or other countries, and/or other political circumstances (and related actions, rumours, and/or uncertainties) might have a material adverse effect on Akbank's business, financial condition and/or results of operations and/or on the market price of the Notes.

Risks from events affecting Türkiye's relationship with the EU

In March 2016, Türkiye signed an agreement with the EU in an effort to control the irregular flow of the refugees from Türkiye to the EU, mainly displaced due to the conflict in Syria. However, the agreement has not been fully implemented in accordance with its terms as at the date of this Offering Circular, and the Turkish officials stated in 2019 that the EU has not fulfilled yet its undertakings made under the agreement. On 25 April 2017, the Parliamentary Assembly of the Council of Europe voted to restart monitoring Türkiye in connection with human rights, the rule of law and the state of democracy. Diplomatic or political tensions between Türkiye and member states of the EU or other countries might impact trade or demand for imports and exports.

In recent years, several important natural gas reserves have been discovered in the eastern Mediterranean, in the territorial waters and exclusive economic zone of the island of Cyprus. Both the Republic of Southern Cyprus, an EU member but not legally recognised by Türkiye, supported by Greece, and the Turkish Republic of Northern Cyprus, not legally recognised by the EU and supported by Türkiye, lay claim to gas in these waters and have launched drilling activities. In its conclusions of 15 July 2019, the Council of the EU recalled its previous conclusions, and stated that (i) such drilling activities of Türkiye, which the Council deems illegal, have a serious immediate negative impact across the range of EU-Türkiye relations, (ii) it has decided not to hold further meetings of the EU-Türkiye high-level dialogues for the time being, (iii) it endorses the European Commission's proposal to reduce the pre-accession assistance to Türkiye for 2020, and (iv) it invites the European Investment Bank to review its lending activities in Türkiye, notably with regard to sovereign-backed lending. On 11 November 2019, the EU adopted a framework for imposing sanctions on individuals or entities responsible for, or involved in, these drilling activities.

Tensions have increased between Türkiye and France, including due to differing interests in the conflict in Libya and terrorist attacks in France, which have led to the Turkish President calling for a boycott of French goods and France to withdraw its ambassador from Türkiye. In October 2020, both France and Greece asked the EU to consider suspending the bloc's customs union agreement with Türkiye and, on 26 November 2020, the European Parliament passed a non-binding resolution calling for sanctions on Türkiye. On 11 December 2020, EU leaders agreed to impose sanctions against unspecified individuals and entities involved in activities related to the disputed waters, with the identity of these individuals and sanctions to be named shortly thereafter, and noted further sanctions might be imposed in early 2021; however in March 2021, EU leaders decided to postpone these plans in light of increased diplomatic activity. Any decision by the EU to abolish the customs union with Türkiye, end Türkiye's EU accession bid, or impose additional sanctions on Türkiye might cause a deterioration of the relationship between Türkiye and the EU, impede Türkiye's access to EU funding, and have a material adverse impact on Türkiye's economy.

More recently, tension between Türkiye and Greece has further increased due to a number of violations by Greek military aircraft of Türkiye's airspace over the Aegean Sea. The relations between Türkiye and Greece have strained, which has resulted in air force patrols and interception missions, mostly in disputed airspace around Greek islands near Türkiye's coastline.

The events described above and any similar events in the future, including deterioration of the relations between Türkiye and Greece due to the matter of eastern Mediterranean natural gas reserves, violation of airspace and any prospective actions which might be taken by the EU in response to Türkiye's aforementioned activities in the eastern Mediterranean, including the maritime agreement made between the Government of National Accord of Libya and Türkiye in relation to their continental shelves and the seismic searches conducted, or northern Syria, might result in (or contribute to) a deterioration of the relationship between Türkiye and the EU and might have a negative impact on the investors' perceptions of Türkiye and the broader Turkish economy, for reasons including the lack of Türkiye's access to EU funding.

Risks relating to domestic terrorism

Terrorist attacks and the threat of future terrorism have had and could continue to have a material adverse effect on Türkiye's capital markets, the level of tourism, foreign investment and other elements of the Turkish economy and ultimately on Akbank's financial condition and results of operations.

While Akbank's property and business interruption insurance covers damage to insured property directly caused by terrorism, such amounts may be insufficient to cover any losses that it may incur.

Akbank's credit ratings may not reflect all risks, and changes to Türkiye's or its credit ratings may affect its ability to obtain funding.

As a bank that depends on the issuance of senior and subordinated debt securities in the international capital markets, Akbank is dependent upon the credit ratings assigned to such securities, to itself as an issuer and to the Turkish sovereign. Moody's has assigned Akbank a long-term foreign currency deposit rating and a long-term local currency deposit rating of B3+. Fitch has assigned Akbank a long-term foreign currency issuer default rating of, and long-term local currency issuer default rating of B. If either of these credit rating agencies were to downgrade Akbank or change the outlook of these ratings, this could adversely affect Akbank's ability to access the international capital markets. Furthermore, any change in Akbank's credit rating could adversely affect its calculation of its capital adequacy ratio, since Akbank calculates its capital adequacy ratio according to the Capital Adequacy Regulation published by the BRSA, which allows Akbank to use only Fitch ratings to calculate the risk-weighted assets for capital adequacy purposes. See "*Selected Statistical And Other Information—Capital Adequacy*".

In addition, since substantially all of Akbank's assets are located in Türkiye, any downgrade or potential downgrade of the Turkish sovereign rating could negatively affect the perception of Akbank and could lead to a corresponding downgrade in its own credit ratings, which could adversely affect its ability to raise capital. Akbank's credit rating or those of its financial products following the downgrade or negative review of the Turkish sovereign rating, debt rating or its foreign currency deposit ceiling. Any such future downgrades could adversely affect Akbank's access to capital and hence its business, financial condition and/or results of operations. Investors should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by its assigning rating agency at any time. As at the date of this Offering Circular, each rating agency rating the Notes is established in the EU and registered under the CRA Regulation. As such, these rating agencies are included in the list of credit rating agencies published by the European Securities and Markets Authority in accordance with the CRA Regulations.

Certain sectors of the Turkish economy might have been or become overdeveloped, which might result in a negative impact on the Turkish economy.

Certain sectors of the Turkish economy might have been (or might become) overdeveloped, including in particular the construction of luxury residences, shopping centres, office buildings, hotels and other real estate related projects and various renewable energy-related projects. For example, significant growth in the number of hotels is projected to occur over the coming years in anticipation of a continuing growth in international tourism, which might or might not in fact occur in light of geopolitical, economic or other factors. Any such overdevelopment might lead to a rapid decline in prices of these and other properties or the failure of some of these projects. Even if this does not occur, the pace of development of such projects might decline in coming years as developers and project sponsors seek to reduce their risk, which might negatively affect the growth of the Turkish economy. Should any of such events occur, then this could have a material adverse effect on Akbank's business, financial condition and/or results of operations.

Türkiye is subject to the risk of earthquakes and other catastrophises

As one of the largest lenders in Türkiye, increased credit risk, including as a result of a deterioration in economic conditions, changes in market conditions, the regulatory environment, or other external factors, such as natural disasters (such as the catastrophic earthquakes in southern Türkiye and Syria in February 2023), pandemics (such as the COVID-19 pandemic), or related political or social matters, could require Akbank to increase its provision for credit losses and allowance for credit losses and could have a material adverse effect on Akbank's results of operations and financial condition.

Seismologists classify almost all of Türkiye as a high-risk earthquake zone. Furthermore, a significant portion of Türkiye's population and most of its economic resources are located in a first-degree earthquake risk zone (the zone with the highest level of risk of damage from earthquakes).

Most recently, on 6 February 2023, Türkiye was hit by severe earthquakes in Kahramanmaraş, causing destruction in 11 provinces. Due to the disaster, a state of emergency was declared in ten of these provinces for three months. In addition to the significant loss of life and damage to infrastructure, Borsa İstanbul suspended trading of stocks and derivatives for five trading days. As at the date of this Offering Circular, the full impact on Türkiye's economy is uncertain but is expected to be substantial and material. The Strategy and Budget of the Turkish Presidency, in its "Türkiye Earthquakes Recovery and Reconstruction Assessment", released on 6 March 2023, gives preliminary estimates that the total impact amounts to US$103.6 billion, or the equivalent of 9% of Türkiye's GDP for 2023. The government has, among other things, established a Disaster Reconstruction Fund, which it expects to be funded with a combination of private donations and public funds.

In the event of future earthquakes, the direct impact of such events could have a material adverse effect on Türkiye's economy. This may also have a material adverse impact on the Issuer.

The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, lowered equity market valuations, created significant volatility and disruption in financial markets and caused disruptions in economic and commercial activities in Türkiye. The spread of the virus and measures taken to minimise its spread have resulted in volatility in gross domestic product, unemployment rates, foreign trade balances and housing prices, and may otherwise impact the Turkish economy. The outbreak of the COVID-19 global pandemic impacted Akbank's business and the businesses of its customers. During the COVID-19 pandemic, measures by the Turkish government to minimise its negative impacts on the economy impacted Akbank, such as postponements to assist customers that permitted borrowers to delay principal and interest payments by three months. Akbank has reflected, insofar as it sees appropriate in the light of available information and developments, the possible effects of the COVID-19 outbreak on the economy. Akbank had previously revised its macroeconomic expectations by taking the change in probability of default and loss given default into consideration. However, the continued impact of the outbreak and the emergence of novel variants of the COVID-19 virus is highly uncertain and cannot be predicted with certainty.

Impacts to the Turkish economy and banking sector from the 2023 earthquakes, or other natural disasters or catastrophes may be significant, which in turn may materially and adversely impact Akbank's business, financial condition and/or results of operations in the following ways, among others:

- reductions in business and consumer activity and financial transactions, which might lead to a reduction in demand for loans and/or the Akbank's banking services that generate fee and commissions income;
- the quality of Akbank's loans and other assets (and the value of collateral securing the same) might deteriorate, particularly in those sectors (such as automobiles, textiles, services, real estate and tourism) or those segments (such as the Akbank's Commercial and SME segment) that are most dramatically impacted, which might lead, *inter alia*, to increases in provisions, NPLs and/or reductions in customer payments (*e.g.*, loans under credit cards);
- regulatory measures aimed to ease the impact of such events, might result in financial calculations that are not comparable to those of previous and later periods and/or alter the decision-making process of Akbank and/or make it more difficult for investors to assess financial results on a comparative basis;
- sources of liquidity available to Turkish borrowers (including Akbank) might be reduced and/or more expensive, including if sentiments in capital markets further deteriorate or international investors reduce their exposure to Türkiye; and
- some of the Akbank's operations might be adversely impacted, such as due to impacts on Akbank's employees or customer access to branches.

Akbank maintains earthquake insurance but does not have additional business interruption insurance or insurance for loss of profits, as such, insurance is not generally available in Türkiye. The occurrence of a severe earthquake could adversely affect one or more of the Issuer's facilities, therefore causing an interruption in, and an adverse effect on, the Issuer's business. In addition, a severe earthquake could harm the Turkish economy in general, which could adversely affect the Akbank's business, financial condition, results of operations and prospects.

The profitability and profitability growth of Turkish banks in recent periods may not be sustainable as a result of regulatory, competitive and other factors impacting the Turkish banking sector.

The activities of Akbank are highly regulated and changes to other applicable regulations might have a material adverse effect on Akbank's profitability, especially as competition or regulation limit the ability of Akbank to control interest rates or loan rates.

Although steps have been taken to normalise the regulatory environment since June 2023, certain banking regulations (including those related to limiting loan growth and higher reserve requirements, including Turkish

Lira fixed-rate long-term government bonds holding requirements) continue to make it challenging for Akbank to grow its loan book and/or to manage its margins.

For example, the Central Bank has adjusted reserve requirements for various banking products for different purposes, including to both support and limit credit growth and as a result of foreign currency fluctuations. Further revisions to such reserve requirements, particularly any increased requirements, could have a negative impact on the profitability of the banking sector (including Akbank), especially if competition or other factors limit banks' ability to increase loan pricing or loan growth (see also "*Turkish Regulatory Environment for Banks*". Between 2018 and 2023 the capital requirements varied as shown in the table below:

	As at 31 December					
	2018	**2019**	**2020**	**2021**	**2022**	**2023**
Capital Conservation Buffer	1.88%	2.50%	2.50%	2.50%	2.50%	2.50%
D-SIB Buffer	1.50%	2.00%	2.00%	1.50%	1.50%	1.50%
Countercyclical Capital Buffer	0.05%	0.07%	0.08%	0.02%	0.01%	0.02%
Overall CET 1	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Overall Tier 1	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Overall CAR	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Min CET 1 Req	7.93%	9.07%	9.08%	8.52%	8.51%	8.52%
Min Tier 1 Req	9.43%	10.57%	10.58%	10.02%	10.01%	10.02%
Min CAR Req	12.00%	12.57%	12.58%	12.02%	12.01%	12.02%

See also "*Liquidity, Coverage Ratio and Reserve Requirements*" for a summary of the current reserve requirements).

In addition, the Equity Regulation and the Capital Adequacy Regulation, which regulate, among other things, stress testing for liquidity and the calculation of internal capital adequacy, have been subject to frequent amendment in recent years in order to, among other aims, accomplish BRSA's target of promulgating Basel III (as defined below in "*Turkish Regulatory Environment for Banks—Basel III*") requirements by April 2014 (see also "*—Changes in the Turkish banking regulatory framework may require Akbank to increase the level of capital that it holds to meet revised capital adequacy standards, which it may not be able to do on acceptable terms or at all.*"), introduce changes to BRSA's authority to write off Tier 1 and Tier 2 debt instruments and change the items included in equity calculation, introduce changes to the calculation of risk-weighted assets and the risk-weighing of mortgages. If further amendments prove adverse to Akbank they could have a material impact on its profitability and results.

The fees and commissions collected by banks from their customers are regulated by the Central Bank in the relevant communiqués and instructions. Fees and commissions have been classified under categories determined by the Central Bank and caps are imposed on certain of them with these regulations. Uncapped fees can be freely determined by banks. However, banks are obliged to inform customers regarding these fees in accordance with the aforementioned regulations. See "*Turkish Regulatory Environment for Banks—Consumer Loan, Provisioning and Credit Card Regulations*".

Still other regulations limit the expansion of individual loans (especially credit card instalments) set the fees and commissions that banks may charge customers and limits their levels. The Central Bank's approval is required for any Turkish bank to charge any fees and commissions other than as cited in the regulation. See "*Turkish Regulatory Environment for Banks*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Akbank's Results of Operations*" for details on these amendments and other regulations impacting Akbank.

Akbank's profitability may be materially and negatively affected in the short term and possibly in the long term as a result of a number of such regulatory factors that are generally impacting the Turkish banking sector.

If the pressure on net reversals on loans, investment securities and credit-related commitments continues, this may have a material adverse effect on Akbank's financial condition and results of operations as well as Akbank's ability to make payments under the Notes. Such factors include increased competition, particularly as it impacts net interest margins (see "*—Risks Related To Akbank—Increased competition in the Turkish banking sector could have a material adverse effect on Akbank.*") and the Central Bank and BRSA regulatory actions that seek to limit the growth of Turkish banks through various conventional and unconventional policy measures, including increased interest rates, increased reserve requirements, increased general provisioning requirements, changes in the foreign exchange legislation and higher risk weighting for general purpose loans.

Akbank is also subject to competition and antitrust laws. Akbank from time-to-time has been, and in the future might be, subject to investigations by the Turkish Competition Board (*Rekabet Kurulu*) (the "**Competition Board**") some of which have resulted in material fines. See also "*Business—Legal Proceedings*".

III. RISKS RELATED TO THE NOTES

Set out below is a description of material risks relating to the Notes.

Risks Relating to the "Sustainable" Nature of the Notes

The application of the net proceeds of the Notes as described in "Use of Proceeds" might not meet investor expectations or be (or remain) suitable for an investor's investment criteria.

The net proceeds of the issuance of the Notes are intended to be used towards the financing and/or refinancing of certain eligible green ("**Green Projects**") and/or social projects ("**Social Projects**" and, together with Green Projects, "**Sustainable Projects**") in accordance with the Issuer's Sustainable Finance Framework dated April 2023 published on its website (the "**Sustainable Finance Framework**"), as further described in "*Use of Proceeds*". A prospective investor in the Notes should have regard to the information in "*Use of Proceeds*" regarding the use of the net proceeds of the Notes and must determine for itself the relevance of such information (together with any other investigation that such investor deems necessary, including a review of the applicable Sustainable Finance Framework) for the purpose of any investment by such investor in the Notes. In addition, the Sustainable Finance Framework can be amended by the Issuer from time-to-time. In particular, no assurance is given by the Issuer or the Joint Bookrunners that the use of such proceeds for any such Sustainable Projects will satisfy, whether in whole or in part, any present or future expectations of such investor or any of such investor's requirements with respect to any investment criteria or guidelines with which such investor and/or its investments are required to comply, whether by applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Sustainable Projects).

It should be noted that the definition (legal, regulatory or otherwise) of, or market consensus as to what constitutes or may be classified as, a "green", "social", "sustainable" or similarly-labelled project or investment that may finance such project is evolving. No assurance can be given that a clear definition, consensus or label will develop over time or that, if it does, the Notes will comply with such definition, market consensus or label. A basis for the determination of such "green" project definition has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council (the "**Sustainable Finance Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Sustainable Finance Taxonomy**"). The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation (including, for example, through Commission Delegated Regulation (EU) 2021/2139). Until all technical screening criteria for such objectives have been developed, it is not known whether the Sustainable Finance Framework or the Notes will satisfy those criteria. Accordingly, alignment with the EU Sustainable Finance Taxonomy, once the technical screening criteria are established, is not certain.

On 30 September 2023, Regulation (EU) 2023/631 of the European Parliament and of the Council (the "**European Green Bond Regulation**") on European green bonds was published in the Official Journal of the EU and came into force on 20 December 2023. While most provisions of the European Green Bond Regulation will apply from 21 December 2024, certain provisions will apply earlier. No assurance or representation is or can be given whether the Notes will be compliant with the European Green Bond Regulation or Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure in the financial services sector (the "**SFDR**"), and any delegated or other implementing regulations and guidelines, or any similar legislation in the United Kingdom. The Notes are only intended to comply with the applicable framework of the Issuer in relation to the proposed use of proceeds of such Notes and to the extent such framework and the intended use of proceeds of, and any related reporting, assessments, opinions and/or certifications in respect of, the Notes are not aligned with the EU Sustainable Finance Taxonomy, the European Green Bond Regulation and/or the SFDR, this could have an impact on investor demand for, and the liquidity and market price of, the Notes.

No assurance or representation is given by the Issuer, any Joint Bookrunner or any other person as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) that might or might not be made available in connection with the issuance of the Notes, including (in particular) to the extent addressing whether any Sustainability Project fulfils any environmental, social, sustainability and/or other criteria. Any such report, assessment, opinion or certification does not, nor shall be deemed to, constitute a part of, nor is incorporated into, this Offering Circular. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, any Joint Bookrunner or any other person to invest in any Sustainability Notes. Any such report, assessment, opinion or certification is only current as at the date it was issued. Prospective investors in the Notes must determine for themselves the relevance of any such report, assessment, opinion or certification, the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in the Notes. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific oversight or regulatory or other regime. Investors in the Notes shall have no recourse against the Issuer, the Joint Bookrunners or the provider of any such opinion, report or certification for the contents of any such opinion, report or certification.

In the event that the Notes are listed or admitted to trading on any dedicated "green", "environmental", "social", "sustainability" or other similarly labelled securities exchange or market (or segment thereof), whether or not regulated, no representation or assurance is given by the Issuer, any Joint Bookrunner or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. In addition, the criteria for any such listings or admission to trading might vary from one securities exchange or market to another. No representation or assurance is given or made by the Issuer, any Joint Bookrunner or any other person that any such listing or admission to trading will be obtained in respect of the Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the net proceeds of the Notes and obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described in "*Use of Proceeds*" there can be no assurance that the Issuer will be able to do so. In addition, there can be no assurance that any Sustainability Projects will be completed within any specified period or at all or with respect to the results or outcome (whether or not related to the environment, social goals, sustainability goals or similar) as originally expected or anticipated by the Issuer.

Should any such reports, assessments, opinions and certifications not be obtained and irrespective of the results or outcome or otherwise of any Sustainability Project, this will not give rise to any event of default under the Notes or any other claim of an investor in respect of the Notes against the Issuer. The withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification concluding that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is obtained, and/or the Notes no longer being listed or admitted to trading on any securities exchange or market, as above, might have a material adverse effect on the value of an investment in such the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Risks Relating to the Structure of the Notes

Terms used but not defined in this section shall have the meanings given in the Conditions.

Effective Subordination – Claims of Noteholders under the Notes will be subordinated to those of certain other creditors.

Under Turkish law, certain obligations of Akbank will rank in preference to the Notes (including, without limitation, liabilities that are preferred by reason of reserve and/or liquidity requirements required by law to be maintained by Akbank with the Central Bank, claims of individual depositors with Akbank to the extent of any amount that such depositors are not fully able to recover from the Savings Depositary Insurance Fund (the "**SDIF**"), claims that the SDIF may have against Akbank and claims that the Central Bank may have against Akbank with respect to certain loans made by it to Akbank). Any such preferential claims may reduce the amount recoverable by the Noteholders on any dissolution, winding up or liquidation of Akbank and may result in an investor in the Notes losing all or some of its investment.

The Notes constitute unsecured obligations of the Issuer.

The Issuer's obligations under the Notes constitute unsecured obligations of the Issuer. Accordingly, any claims against the Issuer under the Notes would be unsecured claims. The ability of the Issuer to pay such claims will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows.

Redemption for Taxation Reasons – The Issuer will have the right to redeem the Notes upon the occurrence of certain changes requiring it to pay increased withholding taxes with respect to interest or other payments on the Notes.

The withholding tax rate on interest payments in respect of bonds issued by Turkish legal entities outside of Türkiye varies depending upon the original maturity of such bonds as specified under Decree No. 2009/14592 dated 12 January 2009, which has been amended by Decree No. 2010/1182 dated 20 December 2010 and Decree No. 2011/1854 dated 26 April 2011 and Presidential Decree No. 842 dated 20 March 2019 (together, the "**Tax Decrees**"). Pursuant to the Tax Decrees, with respect to bonds with a maturity of three years or more, the withholding tax rate on interest is 0 per cent. Accordingly, the initial withholding tax rate on interest on the Notes will be 0 per cent. However, in case of early redemption, the redemption date might be considered to be the maturity date and higher withholding tax rates might apply in this regard. The Issuer is also entitled to claim a deduction in calculating its tax liability under Turkish tax law in respect of payments of interest on the Notes.

The Issuer will have the right to redeem all, but not some only, of the Notes at any time at their then outstanding principal amount together with interest accrued to (but excluding) the date of redemption if, as a result of any change in, or amendment to, the laws of a Relevant Jurisdiction (as defined in Condition 9.1) or any change or clarification in the application or official interpretation of the laws of a Relevant Jurisdiction, which change, clarification or amendment becomes effective after the Issue Date, on the next Interest Payment Date, the Issuer would be required to (i) pay additional amounts as provided or referred to in Condition 9 and (ii) make any withholding or deduction for, or on account of, any Taxes imposed or levied by or on behalf of the Relevant Jurisdiction, where such requirement cannot be avoided by the Issuer taking reasonable measures available to it.

Upon such a redemption, investors in the Notes might not be able to reinvest the amounts received at a rate that will provide an equivalent rate of return to their investment in the Notes.

This redemption feature is also likely to limit the market value of the Notes at any time when the Issuer has the right to redeem them or is perceived to have such right as provided above, as the market price at such time will generally not rise substantially above the price at which they can be redeemed. This may similarly be true in any prior period when any relevant change in law or regulation is yet to become effective.

Transfer Restrictions – Transfers of Notes will be subject to certain restrictions and interests in Global Certificates can only be held through Euroclear, Clearstream, Luxembourg.

Although the Notes have been authorised by the CMB pursuant to Decree 32 regarding the Protection of the Value of the Turkish Currency and the Capital Markets Law and its related legislation as debt securities to be offered outside of Türkiye, the Notes have not been and are not expected to be registered under any applicable state's or other jurisdiction's securities laws, or any applicable state's or other jurisdiction's regulatory authorities. The offering of the Notes (or beneficial interests therein) will be made outside of the United States pursuant to exemptions from the registration requirements of the Securities Act and from other securities laws. Accordingly, reoffers, resales, pledges and other transfers of investments in the Notes may be subject to certain transfer restrictions. Each investor is advised to consult its legal advisers in connection with any such reoffer, resale, pledge or other transfer.

Because transfers of interests in the Global Certificates can be effected only through book entries at DTC, Clearstream, Luxembourg and/or Euroclear (as applicable) for the accounts of their respective participants, the liquidity of any secondary market for investments in the Global Certificates may be reduced to the extent that some investors are unwilling to invest in notes held in book-entry form in the name of a participant in DTC, Clearstream, Luxembourg or Euroclear, as applicable. The ability to pledge interests in the Notes (or beneficial interests therein) may be limited due to the lack of a physical certificate. In the event of the insolvency of DTC, Euroclear, Clearstream, Luxembourg or any of their respective participants in whose name interests in the Notes are recorded, the ability of beneficial owners to obtain timely or ultimate payment of principal and interest on the Notes may be impaired.

Enforcement of Judgments - Investors may have difficulty enforcing foreign judgments against the Issuer or their respective management.

Akbank is a public joint stock company organised under the laws of Türkiye. Many of the Issuer's directors and executive officers are residents of Türkiye and a substantial portion of the assets of the Issuer and such persons are located in Türkiye. As a result, it may be difficult for investors to effect service of process upon the Issuer or such persons outside Türkiye, or to enforce judgments or arbitral awards obtained against such parties outside Türkiye.

Under the International Private and Procedure Law of the Republic of Türkiye (Law No. 5718), a judgment of a court established in a country, other than the Republic of Türkiye, may not be enforced in Turkish courts in certain circumstances. Although Turkish courts have recognised enforceable judgments of English courts on the basis that there is *de facto* reciprocity between the United Kingdom and Türkiye with respect to enforcement of judgments of their respective courts, there is no treaty between the United Kingdom and Türkiye setting out the reciprocal enforcement of judgments expressly. For further information, see "*Enforcement Of Judgments And Service Of Process*".

The Conditions of the Notes are governed by English law and the terms are specified with reference to that law as in effect as at the date of this Offering Circular. Similarly, the enforcement rights of the Noteholders against the Issuer and its assets in Türkiye assume the application of Turkish law as presently in effect. Any possible judicial decision or change to English or Turkish law or administrative practice after the date of this Offering Circular may impact the Notes.

Furthermore, any claim against the Issuer which is denominated in a foreign currency would, upon pronouncement of bankruptcy of the Issuer, only be payable in Turkish Lira, thereby shifting the currency exchange risk from the Issuer to the Noteholders. The relevant exchange rate for determining the Turkish Lira amount of any such claim would be the Central Bank's exchange rate for the purchase of the relevant currency which is effective on the date when the relevant court's decision on the bankruptcy is rendered in accordance with Turkish law. Such exchange rate may be less favourable to a Noteholder than the rate of exchange prevailing at the relevant time.

Holders of Notes held through DTC, Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes and vote at meetings of Noteholders.

The Notes will be represented on issue by one or more Global Certificates that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each as defined under "*Form Of The Notes*"). Except in the circumstances described in each Global Certificate, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Certificate held through it. While the Notes are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Certificates, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Certificate.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The Conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a video conference platform) of Noteholders to vote upon matters affecting their interests generally or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority. As a result, such binding decisions made by majorities of Noteholders may be adverse to the interests of potential investors.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The Conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could have a material adverse effect on the value of any Notes affected by it.

Further Notes may be issued without the consent of Noteholders.

The Issuer may from time-to-time create and issue further Notes without the consent of Noteholders, subject to terms and conditions which are the same as those of existing Notes, or the same except for the amount of the first new payment of interest. Such new Notes may be consolidated and form a single series with outstanding Notes, provided, however, that such further notes will be fungible with the original Notes for U.S. federal income tax purposes.

IV. RISKS RELATED TO THE MARKET

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

No Secondary Market – An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes.

The Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

The market price of the Notes may be volatile.

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's and its group's operating results, adverse business developments, changes to the regulatory environment in which the Issuer and its group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors, including the trading market for notes issued by or on behalf of the Republic of Türkiye as a sovereign borrower. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's and its group's results of operations or financial condition.

Financial turmoil in emerging markets could cause the price of the Notes to suffer.

While in recent years Türkiye has undergone significant political and economic reform, which has increased domestic political and economic stability and contributed to economic growth, Türkiye is nonetheless considered by international investors to be an emerging market. In general, investing in the securities of issuers that have operations primarily in emerging markets, like Türkiye, involves a higher degree of risk than investing in the securities of issuers with substantial operations in the United States, the countries of the EU or similar jurisdictions. The market price of the Notes is influenced by economic and market conditions in Türkiye and, to a varying degree, economic and market conditions in both emerging market countries and more developed economies, including those in the EU and the United States. Financial turmoil in Türkiye and emerging markets in the past have adversely affected market prices in the world's securities markets for companies that operate in developing economies. Even if the Turkish economy remains relatively stable, financial turmoil in these countries could have a material adverse effect on the market price of the Notes.

Exchange rate risks and exchange controls - If an investor holds Notes which are not denominated in the investor's home currency, such investor will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in U.S. Dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. Dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. Dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. Dollars would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal. An investor may also not be able to convert (at a reasonable exchange rate or at all) amounts received in U.S. Dollars into the Investor's Currency, which could have a material adverse effect on the market value of the Notes. There may also be tax consequences for investors.

Interest Rate Risk – The value of the Notes may be adversely affected by movements in market interest rates.

Investment in the Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Notes, this will adversely affect the value of the Notes.

Credit ratings - Credit ratings assigned to the Issuer or the Notes may not reflect all the risks associated with an investment in the Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Credit ratings assigned to the Notes do not necessarily mean that they are a suitable investment. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the rating agency. Similar ratings on different types of notes do not necessarily mean the same thing. The ratings do not address the likelihood that the principal on the Notes will be prepaid, paid on an expected final payment date or paid on any particular date before the legal final maturity date of the Notes. The ratings do not address the marketability of the Notes or any market price. Any change in the credit ratings of the Notes or the Issuer could adversely affect the price that a subsequent purchaser will be willing to pay for the Notes. The significance of each rating should be analysed independently from any other rating.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

UK regulated investors regulated in the UK are subject to similar restrictions in the UK. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of credit ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK-registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

ENFORCEMENT OF JUDGMENTS AND SERVICE OF PROCESS

Akbank is a public joint stock company under the Turkish Commercial Code. Substantially all of the assets of the Issuer are located in Türkiye. As a result, it may not be possible for investors to effect service of process upon the Issuer outside Türkiye or to enforce against it in the courts of jurisdictions other than Türkiye any judgments obtained in such courts that are predicated upon the laws of such other jurisdictions. In order to enforce such judgments in Türkiye, investors should initiate enforcement lawsuits before the competent Turkish courts. In accordance with Articles 50 - 59 of Türkiye's International Private and Procedure Law (Law No. 5718), the courts of Türkiye will not enforce any judgment obtained in a court established in a country other than Türkiye unless:

(a) there is in effect a treaty between such country and Türkiye providing for reciprocal enforcement of court judgments,

(b) there is *de facto* enforcement in such country of judgments rendered by Turkish courts, or

(c) there is a provision in the laws of such country that provides for the enforcement of judgments of Turkish courts.

There is no treaty between Türkiye and the United Kingdom providing for reciprocal enforcement of judgments. Turkish courts have rendered at least one judgment confirming *de facto* reciprocity between Türkiye and the United Kingdom; *however*, since *de facto* reciprocity is decided by the relevant court on a case-by-case basis, there is uncertainty as to the enforceability of court judgments obtained in the United Kingdom by Turkish courts. Moreover, there is uncertainty as to the ability of an investor to bring an original action in Türkiye based upon non-Turkish securities laws.

In addition, the courts of Türkiye will not enforce any judgment obtained in a court established in a country other than Türkiye if:

(i) the defendant was not duly summoned or represented or the defendant's fundamental procedural rights were not observed,

(ii) the judgment in question was rendered with respect to a matter within the exclusive jurisdiction of the courts of Türkiye,

(iii) the judgment is incompatible with a judgment of a court in Türkiye between the same parties and relating to the same issues or, as the case may be, with an earlier foreign judgment on the same issue and enforceable in Türkiye,

(iv) the judgment is not of a civil nature,

(v) the judgment is clearly against public policy rules of Türkiye,

(vi) the judgment is not final and binding with no further recourse for appeal or similar revision process under the laws of the country where the judgment has been rendered, or

(vii) the judgment was rendered by a foreign court that has deemed itself competent even though it has no actual relationship with the parties or the subject matter at hand.

As a result, it may not be possible to:

- effect service of process outside Türkiye upon any of the directors and executive officers named in this Offering Circular; or

- enforce, in Türkiye, court judgments obtained in courts of jurisdictions other than Türkiye against Akbank or any of the directors and executive officers named in this Offering Memorandum in any action.

In addition, it may be difficult or impossible to enforce, in original actions brought in courts in jurisdictions located outside the United States, liabilities predicated upon securities laws of the United States.

In any suit or action against a company in the Turkish courts, a foreign plaintiff may be required to deposit security for court costs (*cautio judicatum solvi*), provided however that the court may in its discretion waive such requirement for security in the event that the plaintiff is considered to be (i) a national of one of the contracting states of the Convention Relating to Civil Procedures signed at The Hague on 1 March 1954 (ratified by Türkiye by Law No. 1574); save for legal entities incorporated under the laws of such contracting states or (ii) a national of a state that has signed a bilateral treaty with Türkiye which is duly ratified and contains, inter alia, a waiver of the cautio judicatum solvi requirement on a reciprocal basis.

Process may be served on the Issuer at Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG in relation to any proceedings in England in connection with the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The Offering Circular should be read and construed in conjunction with the following:

(a) the convenience translation into English of the Akbank BRSA Interim Financial Statements (including Deloitte's independent auditor's review report dated 30 April 2024 issued in respect thereof), published at: https://www.akbankinvestorrelations.com/en/images/pdf/consalidated/akbank_en_consolidated_1q24.pdf;

(b) the convenience translation into English of the Akbank 2023 BRSA Annual Financial Statements (including PwC's independent auditor's report dated 1 February 2024 issued in respect thereof), published at: https://www.akbankinvestorrelations.com/en/images/pdf/consalidated/akbank_en_consolidated_4q23.pdf;

(c) the convenience translation into English of the Akbank 2022 BRSA Annual Financial Statements (including PwC's independent auditor's report dated 31 January 2023 issued in respect thereof), published at: https://www.akbankinvestorrelations.com/en/images/pdf/consalidated/akbank_en_consolidated_4q22.pdf; and

(d) the convenience translation into English of the Akbank 2021 BRSA Annual Financial Statements (including PwC's independent auditor's report dated 1 February 2022 issued in respect thereof), published at: https://www.akbankinvestorrelations.com/en/images/pdf/consalidated/akbank_en_consolidated_4q21.pdf.

Where only parts of a document are being incorporated by reference, the non-incorporated parts of that document are either not material for an investor in the Notes or are covered elsewhere in this Offering Circular. Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The Akbank BRSA Annual Financial Statements, including the relevant PwC independent auditors' reports thereto, and the Akbank BRSA Interim Financial Statements, including the relevant Deloitte independent auditors' review report thereto, in each case, incorporated by reference into this Offering Circular and referred to above, all of which are in English, were prepared as convenience translations of the publicly announced consolidated financial statements of Akbank as at and for the relevant periods stated above, originally issued in Turkish (which translations Akbank confirms were direct and accurate). See note I.b of Section 3 in the notes to the convenience translations of each of the Akbank BRSA Interim Financial Statements, the Akbank 2023 BRSA Annual Financial Statements, the Akbank 2022 BRSA Annual Financial Statements and the Akbank 2021 BRSA Annual Financial Statements, incorporated by reference into this Offering Circular.

USE OF PROCEEDS

The Issuer will incur various expenses in connection with the issuance of the Notes, including underwriting fees, legal counsel fees, rating agency expenses and listing expenses. The net proceeds from the issuance of the Notes are expected to be U.S.$500,000,000.

The net proceeds from the issue of the Notes are intended to be used towards the financing and/or refinancing of certain Sustainable Projects in accordance with the Sustainable Finance Framework. An amount equal to such net proceeds will be allocated by the Issuer to finance or refinance, individually or on a portfolio basis and in part or in full, Sustainable Projects consisting of Green Projects and/or Social Projects (each as further described in the Sustainable Finance Framework published on the Issuer's website (which can be found at https://www.akbankinvestorrelations.com/en/images/pdf/akbank-sustainable-finance-framework-april-2023.pdf), including the financing of new Sustainable Projects and the refinancing of existing and/or on-going Sustainable Projects.

In addition, the proceeds of the Notes will not be used to finance businesses and projects that do not comply with the Issuer's Non-financing Activity (exclusion) List (as described in the Environmental and Social Risk Framework published on the Issuer's website (which can be found at https://www.akbankinvestorrelations.com/en/images/pdf/akbank-es-risk-framework.pdf), general lending policies, sustainable lending policies and minimum environmental and social requirements stipulated by national laws and regulations. Financing of coal related activities such as: (i) new and capacity increase of existing coal thermal power plants; (ii) new coal mining projects and (iii) coal transportation and power plants operating with coal for SMEs are excluded, as further described in the Sustainable Finance Framework. The proceeds of the Note will also not be used to finance, among other things, the production and trade of (i) weapons of mass destruction, land mines and weapons; and (ii) palm oil without a RSPO certificate.

Pending the allocation or reallocation, as the case may be, of any net proceeds of the Notes in financing the relevant Sustainable Project(s), such proceeds are intended to be held by the Issuer in cash and/or cash equivalent and/or other liquid marketable instruments.

The Issuer engaged ISS Corporate Solutions to provide a second party opinion (the "**Second Party Opinion**") on the Sustainable Finance Framework. This opinion is available at https://www.akbankinvestorrelations.com/en/images/pdf/akbank-spo-april-2023.pdf.

As outlined in the Sustainable Finance Framework, a report will be published by the Issuer with respect to the Notes within one year of the Issue Date including details on the allocation of the net proceeds of the Notes to Green Projects or Social Projects, the total amount allocated, the share of such proceeds used for new financing and refinancing, and the amount of remaining unallocated proceeds. The Issuer intends to engage a third-party assurance provider or external reviewer to provide an annual assessment of the compliance of the Notes against the Sustainable Finance Framework.

Under the Sustainable Finance Framework, eligible Green Projects include projects falling within the categories of energy efficiency, renewable energy, green buildings, clean transportation, climate change adaptation, sustainable water management and wastewater management, terrestrial and aquatic biodiversity, circular economy adapted products, production technologies and processes, pollution prevention and control, and environmentally sustainable management of living natural resources and land use. Eligible Social Projects include projects falling within the categories of employment generation and financial inclusion, access to essential services/affordable basic infrastructure, access to essential services, affordable housing, food security, and socioeconomic advancement and empowerment.

As a requirement under the CMB Guide on Green or Sustainable Debt Instruments, the net proceeds from the issue of the Notes are required to be applied by the Issuer, exclusively, to finance or refinance, individually or on a portfolio basis and in part or in full, Sustainable Projects in accordance with the Sustainable Finance Framework.

Neither the Sustainable Finance Framework nor any of the reports, verification assessments, opinions or contents of any of the websites referenced in this "*Use of Proceeds*" section are, or shall be deemed to, constitute a part of, nor are incorporated into, this Offering Circular.

INFORMATION ABOUT AKBANK

Selected Historical Consolidated Financial Information

The following tables set forth, for the periods indicated, Akbank's selected historical consolidated financial and other information. Akbank's selected historical consolidated financial information as at and for the three-month period ended 31 March 2024 is derived from unaudited Akbank BRSA Interim Financial Statements. Its selected historical consolidated financial information as at and for each of the years ended 31 December 2023, 2022, and 2021 is derived from the audited Akbank BRSA Annual Financial Statements, all incorporated by reference herein. The following selected historical consolidated financial and other information should be read in conjunction with, and is qualified in its entirety by reference to, the Akbank BRSA Annual Financial Statements incorporated by reference herein. The Akbank BRSA Annual Financial Statements are presented in Turkish Lira and have been prepared in accordance with BRSA Principles, as described in more detail in the notes to the Akbank BRSA Annual Financial Statements.

Prospective investors should read the following information in conjunction with "*Presentation of Financial and Other Information*" and the Akbank BRSA Annual Financial Statements incorporated by reference herein.

Consolidated Balance Sheet Data

	As at March 2024	As at 31 December 2023	2022	2021
		(TL thousands)		
ASSETS				
Cash and Cash Equivalents	346,045,154	356,891,560	167,369,173	148,205,085
Financial Assets at Fair Value Through Profit or (Loss)	20,769,133	16,254,116	10,559,125	10,809,375
Financial Assets at Fair Value Through Other Comprehensive Income	335,636,789	283,765,468	171,827,773	100,311,422
Derivative Financial Assets	74,844,381	66,705,985	48,846,803	49,786,872
Loans[(1)]	1,056,551,489	929,612,535	594,203,359	378,052,962
Lease Receivables	20,235,843	19,389,434	11,640,979	7,720,830
Other Financial Assets Measured at Amortised Cost	176,437,441	164,903,192	98,102,961	52,566,569
Expected Credit Loss	34,101,116	32,805,056	22,242,083	19,033,496
Assets Held For Sale And Related To Discontinued Operations (Net)	3,661,857	501,671	591,213	232,296
Investments in Associates (Net)	19,528	19,528	18,957	18,129
Subsidiaries (Net)	3,319,554	3,042,338	—	—
Property and Equipment (Net)	26,210,086	25,317,389	15,232,003	5,894,836
Intangible Assets (Net)	4,549,689	4,003,433	2,706,123	1,499,602
Current Tax Asset	210,772	112,084	355,563	124,001
Deferred Tax Asset	31,400	172,264	213,645	152,170
Other Assets (Net)	38,041,853	34,078,491	25,626,503	7,424,182
Total assets	**2,072,463,853**	**1,904,769,488**	**1,147,294,180**	**762,798,330**
LIABILITIES				
Deposits	1,373,603,509	1,292,914,464	721,561,928	453,550,579
Fund Borrowed	114,350,039	112,025,057	75,062,954	59,973,040
Money Markets	137,709,667	99,403,666	62,524,453	64,637,461
Securities Issued (Net)	48,581,531	42,925,505	25,818,445	30,283,061
Derivative Financial Liabilities	16,570,237	14,970,634	15,055,602	25,682,682
Lease Liabilities (Net)	1,939,152	1,504,655	866,382	590,360
Provisions	8,325,112	8,064,109	5,862,514	3,357,293
Tax Liability[(2)]	16,375,765	14,548,108	14,446,335	2,858,796
Subordinated Debt Instruments	45,450,781	23,736,225	16,800,082	18,725,534
Other Liabilities	96,433,409	83,458,358	55,689,615	27,180,211
Shareholders' Equity	213,124,651	211,218,707	153,605,870	75,959,313
Total liabilities and shareholders' equity	**2,072,463,853**	**1,904,769,488**	**1,147,294,180**	**762,798,330**

Notes:

(1) The balances of loans at fair value profit or loss are not included.
(2) Including current tax liability and deferred tax liability.

Consolidated Income Statement Data

	For the three month period ended 31 March 2024	2023	For the year ended 31 December 2023	2022	2021
			(TL thousands)		
INCOME AND EXPENSES ITEMS					
Interest Income	99,882,149	37,176,356	231,411,237	131,769,840	50,970,607
Interest Expense	79,777,243	23,436,546	162,542,255	52,685,992	26,622,499
Net Interest Income	20,104,906	13,739,810	68,868,982	79,083,848	24,348,108
Net Fees and Commission Income	14,836,306	5,033,378	34,187,840	11,888,474	6,079,237

	For the three month period ended 31 March		For the year ended 31 December		
	2024	2023	2023	2022	2021
			(TL thousands)		
Dividend Income	4,753	39,158	86,382	91,618	13,156
Trading Income/(Loss) (Net)	1,095,911	6,480,933	41,104,944	16,804,289	6,792,018
Other Operating Income	4,128,520	1,414,948	6,194,046	3,908,323	2,287,920
Gross Operating Income	**40,170,396**	**26,708,227**	**150,442,194**	**111,776,552**	**39,520,439**
Expected Credit Loss (-)	4,247,277	3,196,064	15,719,943	7,249,000	5,175,780
Other Provision Expenses (-)	2,216	159,438	77,018	3,830,656	7,798,299
Personnel Expense (-)	7,772,565	3,315,263	17,003,315	6,893,875	3,536,527
Other Operating Expenses	11,641,593	6,951,382	30,584,793	13,532,213	6,369,371
Net Operating Income/(Loss)	16,506,745	13,086,080	87,057,125	80,270,808	16,640,462
Income/(Loss) From Investments In Subsidiaries Consolidated - Based On Equity Method	(7,504)	—	35,139	—	—
Profit/Loss before Tax from Continued Operations	16,499,241	13,086,080	87,092,264	80,270,808	16,640,462
Tax Provision for Continued Operations	3,314,463	2,374,941	20,596,029	20,245,101	4,513,271
Current Period Profit/Loss from Continued Operations	**13,184,778**	**10,711,139**	**66,496,235**	**60,025,707**	**12,127,191**

Key Ratios

The following tables set out certain key ratios calculated based on the Akbank BRSA Interim Financial Statements as at and for the three-month period ended 31 March 2024 and based on the Akbank BRSA Annual Financial Statements as at and for each of the years ended 31 December 2023, 2022, and 2021 incorporated by reference herein. These ratios are not calculated on the basis of BRSA Principles and are not BRSA Principles measures of financial performance. The basis for calculation of ratios that are non-BRSA financial measures is set out in the notes below. Non-BRSA Principles financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with BRSA Principles.

	For the three month period ended 31 March		As at and for the year ended 31 December		
	2024	2023	2023	2022	2021
			(%)		
Return on average shareholders' equity excluding minority interest	24.9	27.9	37.9	54.7	17.9
Return on average total assets	2.7	3.6	4.4	6.2	2.1
Net interest margin(1-a) (1-b)	4.4	5.0	5.0	9.0	4.5
Swap-adjusted net interest margin(1-a) (1-b)	2.7	5.0	4.7	8.4	3.2
Capital adequacy ratio(2)	19.2	18.9	21.0	23.2	21.1
Cost to income(3)	52.8	40.3	32.7	19.6	34.8
Free capital ratio(4)	8.5	10.7	9.4	11.8	9.0
Non-performing loans to total cash loans	2.1	2.5	2.2	2.8	4.5
Cost to average total assets(5)	3.9	3.4	3.1	2.1	1.7
Cost of Risk(6)	0.3	0.1	0.2	0.1	0.7
Fees to Cost(7)	76.4	49.0	71.8	58.2	61.4
Tier I Ratio(2)	14.6	16.0	17.9	19.9	16.1
Loan-to-deposit ratio(8)	76.6	82.0	74.2	84.7	89.3
NPL coverage ratio(9)	62.2	69.7	62.1	67.6	65.3

Notes:

(1-a) In the calculation of net interest margin, annualised net interest income is divided by the average of interest-earning assets published in the quarterly financial statements of the related year and previous year end. Interest-earning assets consist of Reserve Requirement, Banks, Financial Assets at Fair Value through Profit or Loss, Financial Assets at Fair Value through Other Comprehensive Income, Financial Assets at Amortised Cost, Interbank Money Market Placements, Loans and Financial Lease Receivables.

(1-b) In the calculation of net interest margin, annualised net interest income is divided by the average of interest earning assets published in the quarterly financial statements of the related year and the previous year end. Interest earning assets consist of Reserve Requirement, Banks, Financial Assets at Fair Value through Profit or Loss (Net), Interbank Money Market Placements, Available for Sale Financial Assets (Net), Loans, Held to Maturity Investments (Net) and Financial Lease Receivables.

(2) Calculated in accordance with BRSA regulations, with forbearances.

(3) In the calculation of the cost to income ratio, the Other Operating Expenses balance is divided by income items for the related year after the deduction of NPL collections. Income items consist of Net Interest Income, Net Fees and Commission Income, Dividend Income, Trading Income/(Loss) and Other Operating Income.

(4) In the calculation of the free capital ratio, Total Shareholders' Equity excluding intangible assets, tangible assets, assets held for resale and investments in equity participations is divided by total assets.

(5) In the calculation of the cost to average total assets ratio, the annualised Other Operating Expenses balance is divided by the average of Total Assets published in the quarterly financial statements of the related year and previous year end.

(6) In the calculation of the Cost of Risk ratio, the annualised Net Provisions for Loan Loss (additions to non-performing balance minus collections and sales premium balance from NPL) during the period is divided by the average of loans published in the quarterly financial statements of the related year and the previous year end.

(7) In the calculation of the Fees to Cost ratio, Net Fees and Commission Income is divided by Other Operating Expense, which is published in the quarterly financial statements of the related year and the previous year end.

(8) In the calculation of the Loan to Deposit ratio, Loans and Receivables is divided by the sum of Deposits and Securities Issued, which is published in the financial statements of the related year and the previous year end.

(9) In the calculation of the NPL coverage ratio, Specific Provisions are divided by Loans Under Follow-up, which is published in the quarterly financial statements of the related year and the previous year end.

Capitalisation

The following tables, which are extracted from the Akbank BRSA Interim Financial Statements and the Akbank BRSA Annual Financial Statements, set forth the consolidated capitalisation of Akbank as at 31 March 2024 and 31 December 2023, 2022 and 2021. These tables should be read in conjunction with the Akbank BRSA Interim Financial Statements and the Akbank BRSA Annual Financial Statements, incorporated by reference in this Offering Circular. All Turkish Lira amounts in this section, unless otherwise indicated, are presented in thousands of Turkish Lira

	As at 31 March	**As at 31 December**		
	2024	**2023**	**2022**	**2021**
		(TL thousands)		
Long-term debt[(1)(2)]	154,573,069	143,401,231	95,001,337	80,914,947
Current period income or (loss) attributable to Akbank's Equity Holders	13,184,778	66,496,235	60,025,707	12,127,191
Capital stock; legal reserves, retained earnings and other equity accounts	199,939,873	144,722,472	93,580,163	63,832,122
Total shareholders' equity	213,124,651	211,218,707	153,605,870	75,959,313
Total capitalisation[(3)]	**367,697,720**	**354,619,938**	**248,607,207**	**156,874,260**

Notes:

(1) See Notes (c) and (d) of Part II of Section Five to the Akbank BRSA Annual Financial Statements.

(2) Long-term debt includes funds borrowed and securities in issue (net) with an original maturity over one year.

(3) Total capitalisation is equivalent to the sum of long-term debt and total shareholders' equity.

As at 31 March 2024 and 31 December 2023, listed shares representing approximately 33% and 31% of Akbank's share capital respectively were held by foreign investors.

BUSINESS

Overview

Akbank T.A.Ş. is a Turkish banking institution organised as a joint stock company with registration number 90418. Founded as a local privately-owned commercial bank in Adana on 30 January 1948, it was originally established with the core objective of providing funding for local cotton growers. Akbank opened its first branch in the Sirkeci district of İstanbul on 14 July 1950. Akbank operates under the Turkish Commercial Code. Akbank currently carries out its activities from its head office and 19 regional offices throughout Türkiye. Akbank's head office is currently located at Sabancı Center 4, Levent 34330, İstanbul, Türkiye. Akbank's telephone number is +90 212 385 55 55.

Akbank's core business is banking activities, consisting of corporate, investment and private banking, commercial banking, SME banking, consumer banking, payment systems and treasury transactions, as well as international banking services. In addition to traditional banking activities, Akbank carries out insurance agency operations through its branches on behalf of Ak Insurance and AvivaSA Pensions and Life Insurance.

Akbank conducts overseas operations through its subsidiary in Germany (Akbank AG) and its subsidiary in the Netherlands (Akbank Ventures B.V. ("**Akbank Ventures**")) as well as through a branch in Malta. Akbank Ventures was established in April 2023 to target next generation businesses with high growth potential to support Akbank's strategic investments. It had a net income contribution of TL47 million for the year ended 31 December 2023. Akbank's other subsidiaries include AkInvestment, AK Asset Management, AKLease, and AkÖde, which provide non-banking financial services as well as capital markets, investment and e-money services.

Akbank has an expanding digital footprint combined with a wide distribution network with 701 branches (approximately 613 of which are designed as technology-driven "phygital" branches in which the physical service model is combined with digital capabilities) as at 31 March 2024 and around 13.7 million active customers, as well as a large network of alternative delivery channels, which include Akbank Direkt, Akbank Direkt Mobile, and the call centre, more than 791,000 point-of-sale terminals and 6,011 ATMs as at 31 March 2024. Akbank also offers Akbank Assistant, a chatbot available for all digital platforms.

There has been a gradual shift in consumer dynamics from physical banking to mobile banking due to the digitalisation trend. Akbank has catered for the changing needs of its customers by investing in digitalisation and direct banking. Due to its successful strategy, Akbank's digital banking customers have grown from 8.7 million as at 31 December 2022 to 11.2 million as at 31 December 2023 and 11.8 million as at 31 March 2024. Digitalisation has helped Akbank to optimise its traditional channels, continuing to improve the cost/income ratio since 2015. During the COVID-19 outbreak and the ensuing lockdowns, Akbank's digital banking grew further. The number of average daily financial transactions through Akbank Mobile increased by 37% in 2023. The share of digital channels in credit card sales and general purpose loans sold increased to 69% and 92% of the total as at 31 March 2024, respectively. This has demonstrated Akbank's ability to support its customers during this difficult time. Akbank's management plans to continue to invest in further digitalisation.

For the three months ended 31 March 2024, Akbank's net profit was TL13.2 billion, which reflected a 23.1% increase compared to the same period in 2023. For the year ended 31 December 2023, Akbank's net profit was TL66.5 billion, which reflected a 11% increase compared to the same period in 2022. For the year ended 31 December 2022, Akbank's net profit was TL60.0 billion, which reflected a 395% increase compared to the same period in 2021.

As at 31 March 2024, total assets stood at TL2,072.5 billion, an increase of 8.8% from TL1,904.8 billion as at 31 December 2023, which was an increase of 66% from TL1,147.3 billion as at 31 December 2022. As at 31 December 2022, total assets stood at TL1,147.3 billion, an increase of 50.4% from TL762.8 billion as at 31 December 2021. As at 31 March 2024, total shareholder's equity stood at TL213.1 billion, an increase of 0.9%

from TL211.2 billion as at 31 December 2023, which was an increase of 37.5% from TL153.6 billion as at 31 December 2022 which in turn was an increase of 102.2% from TL75.9 billion as at 31 December 2021.

Since its establishment, a majority of the shares in Akbank have been owned or controlled by the Sabancı family and the Sabancı Group, which is one of the two largest financial and industrial corporate groups in Türkiye. The Sabancı Group currently holds a 49% stake in Akbank's issued share capital. The balance of Akbank's share capital, 52.79%, is listed on the Borsa Istanbul, with approximately 55.05% of the listed shares being held by foreign investors. Akbank's Level 1 ADRs are traded on the over the counter market in the United States. Akbank's market capitalisation stood at U.S.$7.53 billion as at 31 March 2024. As at 31 December 2023, 2022 and 2021, Akbank's market capitalisation was U.S.$6.45 billion and U.S.$5.43 billion and U.S.$2.81 billion, respectively.

Financial Reporting Segments and Operational Business Units – Overview

As at 31 March 2024, Akbank has three main financial reporting segments: (i) Consumer Banking; (ii) Commercial Banking, SME Banking, Corporate Banking and Private Banking; and (iii) Treasury.

Akbank currently operates across twelve Business Units, six of which are considered principal Business Units. Akbank's principal Business Units are: (i) Consumer Banking and Digital Marketing; (ii) SME Banking; (iii) Corporate and Investment Banking; (iv) Commercial Banking; (v) Private Banking and Wealth Management; and (vi) Treasury. For details of the remaining Business Units, see "—*Organisation*" below.

The Consumer Banking reporting segment comprises the Consumer Banking and Digital Marketing Business Unit, through which, Akbank offers a variety of retail services such as deposit accounts, consumer loans, commercial instalment loans, credit cards, insurance products and asset management services.

The Commercial Banking, SME Banking, Corporate Banking and Private Banking reporting segment includes the following four principal Business Units: (i) SME Banking; (ii) Corporate and Investment Banking; (iii) Commercial Banking; and (iv) Private Banking and Wealth Management. Through these Business Units, Akbank provides financial solutions and banking services to large-, medium- and small-sized corporate and commercial customers.

The Treasury reporting segment includes the following principal Business Unit: Treasury. Through this Business Unit, Akbank conducts TL and foreign currency spot and forward transactions, treasury bonds, government bonds, Eurobond and private sector bond transactions and also derivative trading activities.

The Other and Unallocated reporting segment includes the operations of Ak Finansal Kiralama A.Ş., Ak Yatırım Menkul Değerler A.Ş. and Ak Portföy Yönetim A.Ş., which are consolidated subsidiaries of Akbank.

Consumer Banking

Akbank seeks to continuously place the customer at the focal point of the products and services that it develops, and seeks to develop technological innovations. Akbank has an extensive domestic branch network with 12,907 employees (excluding security officers) as at 31 March 2024. As part of the "Next Generation Akbank Branch Model", by 31 March 2024, Akbank had completed the transformation of 613 branches across Türkiye to Akbank's new human-focused and technology-driven "phygital" branch model in which the physical service model is combined with digital capabilities.

Consumer Banking

Akbank seeks to place the customer at the focal point of the products and services that it develops and seeks to develop technological innovations continuously. Akbank provides an extensive domestic branch network with 12,907 employees (excluding security officers) as at 31 March 2024. In an effort to get to know the customers, differentiate their needs, and offer suitable solutions, the Consumer Banking Business Unit seeks to generate fast, tailor-made solutions for the financial needs and expectations of its customers. The Consumer Banking Business Unit works closely with its customers to protect family assets and assist customers in passing these on to the next generation. The Business Unit seeks to make available information regarding alternative investment products consistent with the needs, risk profile, and return expectations of each customer.

This Business Unit also provides retail services such as deposit accounts, consumer loans, credit cards, insurance products and wealth management services. Akbank's line of consumer banking products and services also includes bank cards, mutual funds, bonds and T-bills brokerage, equity brokerage, automatic payment services, foreign currency trading, safe deposit box rentals, cheques, money transfers, ATM, telephone and internet banking.

The Consumer Banking Business Unit includes the following four divisions: (i) Consumer Banking Sales Management; (ii) Consumer Banking Marketing; (iii) Affluent Banking Sales and Marketing; and (iv) Bancassurance and Consumer Finance.

Strategy, Digital Banking and Payment Systems

As the variety of transactions that can be performed through direct banking channels expands, customers are increasingly using direct banking channels to execute their banking transactions. According to a December 2022 report of the Banks Association of Türkiye, more than 12 million consumer banking customers in Türkiye actively use internet banking. Active users of mobile banking number more than 1.5 million in Türkiye. The number of customers using online banking increases every day along with rising internet and smartphone penetration. Direct banking channels are very popular particularly for viewing account information and balances, money transfers, and payment transactions.

In addition to traditional branches, Akbank provides services to consumers through various alternative distribution channels. Akbank's digital channels include internet and mobile services, the call centre, ATMs, in-branch kiosks and social media. Currently, Akbank has approximately 13.7 million active digital customers (with active customers being defined as those who logged in at least once in the past three months). Akbank had 6,011 ATMs and had a 11% market share of the cash-in/cash-out machine network in Türkiye as at 31 March 2024 (*Source: BRSA*).

Commercial Banking, SME Banking, Corporate Banking and Private Banking

The Commercial Banking, SME Banking, Corporate Banking and Private Banking reporting segment includes the following three principal Business Units: (i) Corporate and Investment Banking; (ii) Commercial Banking; and (iii) Private Banking and Wealth Management.

Corporate and Investment Banking

In addition to financial intermediation, Akbank aims to offer broad and structured corporate finance solutions in line with international standards in accordance with customer needs. For example, it offers digital solutions customised to individual customer needs.

The Corporate and Investment Banking Business Unit includes the following three divisions: (i) Corporate Banking; (ii) Investment Banking; and (iii) International Banking. The International Banking division manages the international fund raising activities of Akbank, as well as Akbank's correspondent banking relationships.

Commercial Banking

The Commercial Banking Business Unit offers financial solutions and banking services to approximately 25 thousand active corporate customers, including hedging products such as interest rate swaps and cross currency derivatives, export financing as well as working capital loans (which are based on length of relationship and financial capability).

Private Banking and Wealth Management

On 2 January 2018, the Private Banking and Wealth Management Business Unit was established and Alp Keler was appointed as the Executive Vice President for Private Banking and Wealth Management Business Unit. Currently, Dalya Kohen is the new Executive Vice President for Private Banking and Wealth Management Business Unit. The Private Banking and Wealth Management Business Unit has two divisions: (i) Private Banking; and (ii) Wealth Management.

Treasury Reporting Segment

The Treasury reporting segment comprises the Treasury Business Unit, which operates through four divisions: (i) Liquidity Management; (ii) Treasury Marketing; (iii) Trading; and (iv) Economic Research. It primarily manages Akbank's securities investment portfolio, asset-liability management activities and overall liquidity and provides treasury services to Akbank's Consumer Banking and Commercial Banking, SME Banking, Corporate Banking and Private Banking customers.

Competitive Strengths

Akbank believes that it has the following competitive strengths:

Strong and Well Known Turkish Franchise, Trusted Brand, Diversified Portfolio of Banking Assets

Akbank believes that it has established itself as one of the most widely recognised and trusted private banks in Türkiye as a result of its more than 75-year operating history through often turbulent Turkish financial markets, its longstanding focus on prudent risk management and its record of financial stability. Akbank's business is almost solely concentrated in Türkiye and substantially all of its assets are located in Türkiye since this is the market it knows best and where it has a strong competitive position. As at 31 December 2023, Akbank is the third largest bank in Türkiye in terms of market capitalisation and the third largest non-state owned bank in terms of total assets (*Source: Borsa İstanbul*).

Akbank offers a wide range of consumer and commercial products and has well-established relationships with its client base. Akbank has a wide distribution network with 701 branches as at 31 March 2024 and around 13.7 million active customers, as well as a large network of alternative delivery channels, which include Akbank Direkt, Akbank Direkt Mobile, and the call centre, more than 791,000 point-of-sale terminals and 6,011 ATMs as at 31 March 2024. Akbank believes that its strong franchise and position in consumer, corporate, commercial and SME banking enable it to benefit from economies of scale and provide a strong platform for sustained profitability in the Turkish banking market.

Akbank also has stable controlling shareholders, which facilitate an agile decision-making process, continued stability in a difficult global environment and the ability to implement Akbank's vision.

Strong Customer Acquisition with Increased Digital Migration

Akbank has recorded strong growth in its active customer base, with growth of 62% since 31 December 2021 to reach 13.7 million as at 31 March 2024. In particular, it has recorded strong momentum in digital customer acquisition, with 60% of new customers being acquired digitally in 2023 and 65% in the three months ended 31 March 2024. Since 2021, Akbank has recorded growth in its mobile customers. As at 31 March 2024 and 31 December 2023, it had 11.8 million and 11.2 million active digital customers respectively (with active customers being defined as those who logged in at least once in the past three months). It has boosted customer acquisition through innovative offerings. The accelerating digital migration has solidified Akbank's sustainable customer-based revenue generation, with the active product portfolio (defined as the active customer base times the average cross-sell per active customer based on management data) growing by 24% year-on-year in 2023 and approximately 20% year-on-year in the three months ended 31 March 2024. Sustainable fee generation has been supported by the digital customer base as well as by increasing average traffic per customer. On average, active digital customers log in to the Akbank mobile application more than once per day, facilitating cross-selling opportunities. In the three months ended 31 March 2024, 69% of credit cards and 92% of general purpose loans were sold through digital channels and 84% of time deposits were opened via digital channels as compared to 70%, 90% and 83% in the year ended 31 December 2023, respectively. Akbank's strong customer acquisition has contributed to its profitability through enhanced customer-based revenues and outstanding fee income generation. In the three months ended 31 March 2024 and the year ended 31 December 2023, Akbank had a market share of fee income across the Turkish market of 5.6% and 5.9%, respectively (*Source*: BRSA).

Sound Lending Strategy with Well-Diversified Loan Book

Akbank has a sound lending strategy with a focus on small ticket loans and higher yielding loans. In recent periods, it has recorded strong growth in Turkish Lira denominated loans, reaching a market share of 8.6% as at 31 March 2024, from 8.4% for Turkish Lira loans as at 31 December 2023 (*Source*: *BRSA*). Akbank's market share was 6.5%, 11.5% and 11.4% for business banking, consumer and credits cards, respectively for the year ended 31 December 2023 (*Source*: *BRSA*). In recent periods, Akbank has limited its growth in business loans due to the unfavourable pricing environment. At the same time, Akbank prudently manages the quality of its portfolio. It has exhibited excellence in AI-based consumer credit decision systems, with almost 100% automated loan pricing.

Akbank's deleveraged and well-diversified foreign exchange loan book has supported its resilience. Foreign exchange lending is limited to multinationals and corporates with foreign exchange denominated cash flow generation. The foreign exchange rate risk is mitigated through Akbank's conservative strategies. It has deleveraged its foreign exchange loan book from approximately U.S.$22 billion as at 31 December 2017 to approximately U.S$10 billion as at 31 March 2024. In addition, its Stage 2 loans are fully hedged.

High-yielding Positioning of the Securities Portfolio

Akbank's high-yielding security positioning helps to keep its balance sheet intact. Turkish Lira denominated floating rate notes which mainly comprise TLREF-indexed bonds, reached approximately 23% and 20% of total Turkish Lira denominated securities as at 31 March 2024 and 31 December 2023, respectively. This ratio increased by 9 percentage points from 31 December 2022 to 31 December 2023. Akbank's positive real-yielding CPI-linked portfolio represents a strong return on equity contribution and a hedge against inflation. Every 1 percentage point increase in CPI results in an impact of TL1.1 billion on net income and a 50 basis point impact on return on equity. Akbank also has a leading position in high yield corporate bonds, which represented 8% and 10% of Turkish Lira denominated securities as at 31 March 2024 and 31 December 2023, respectively. Akbank has purchased fixed rate bonds at more attractive rates for purposes of pledging them to the Central Bank, which has facilitated further loan growth. Finally, approximately one-third of the total securities portfolio is foreign exchange denominated and is hedged against rate hikes by the Federal Reserve.

Strong Capital Structure; Conservative Liquidity and Funding Policy

As at 31 March 2024 and 31 December 2023, Akbank's strong capital structure was demonstrated by its capital adequacy ratio of 19.18% and 21.04% (under BRSA standards) (including forbearances), Tier 1 ratio of 16.4% and 17.91% (including forbearances), leverage ratio (calculated as total assets divided by total equity) of 9.7x and 9.0x and shareholders' equity of TL213.1 billion and TL211.2 billion, respectively. Supporting its capital structure, Akbank maintains strong liquidity, with a total liquidity coverage ratio of 179.3% and 172.2% as at 31 March 2024 and 31 December 2023, respectively. Akbank's funding strategy includes maintaining a substantial percentage of its liabilities in the form of customer deposits. Although customer deposits in Türkiye are typically short-term (with durations of fewer than 90 days), a majority of Akbank's deposits have been reinvested. Akbank's deposits grew by 6.2% to TL1,373.6 billion as at 31 March 2024 from TL1,292.9 billion as at 31 December 2023. Deposits grew at a rate of 79.2% from TL721.6 billion as at 31 December 2022 to TL1,292.9 billion as at 31 December 2023 and at a rate of 59.1% from TL453.6 billion as at 31 December 2021 to TL721.6 billion as at 31 December 2022.

Akbank has been a market leader among Turkish financial institutions in the domestic and international capital markets, with the first direct issuance of a Eurobond in 2010, the first TL-denominated Eurobond in 2013 and the first mortgage-covered bond out of Türkiye in 2015. It also issued the first green bond in the Turkish banking sector in 2020.

Its total outstanding domestic bonds amounted to TL1.0 billion, its outstanding U.S. Dollar denominated benchmark senior unsecured issuances amounted to approximately U.S.$500 million (including green and social bond issuances) and it had U.S.$1.4 billion of subordinated debt (Basel III compliant additional Tier 1 and Tier 2) as at 31 March 2024.

In an environment where banks' financial strength is an indicator of growth prospects, Akbank's strong capital ratio, low loan-to-deposit ratio, low leverage and effective risk management policy are indicative of its financial strength and support Akbank's profitable growth.

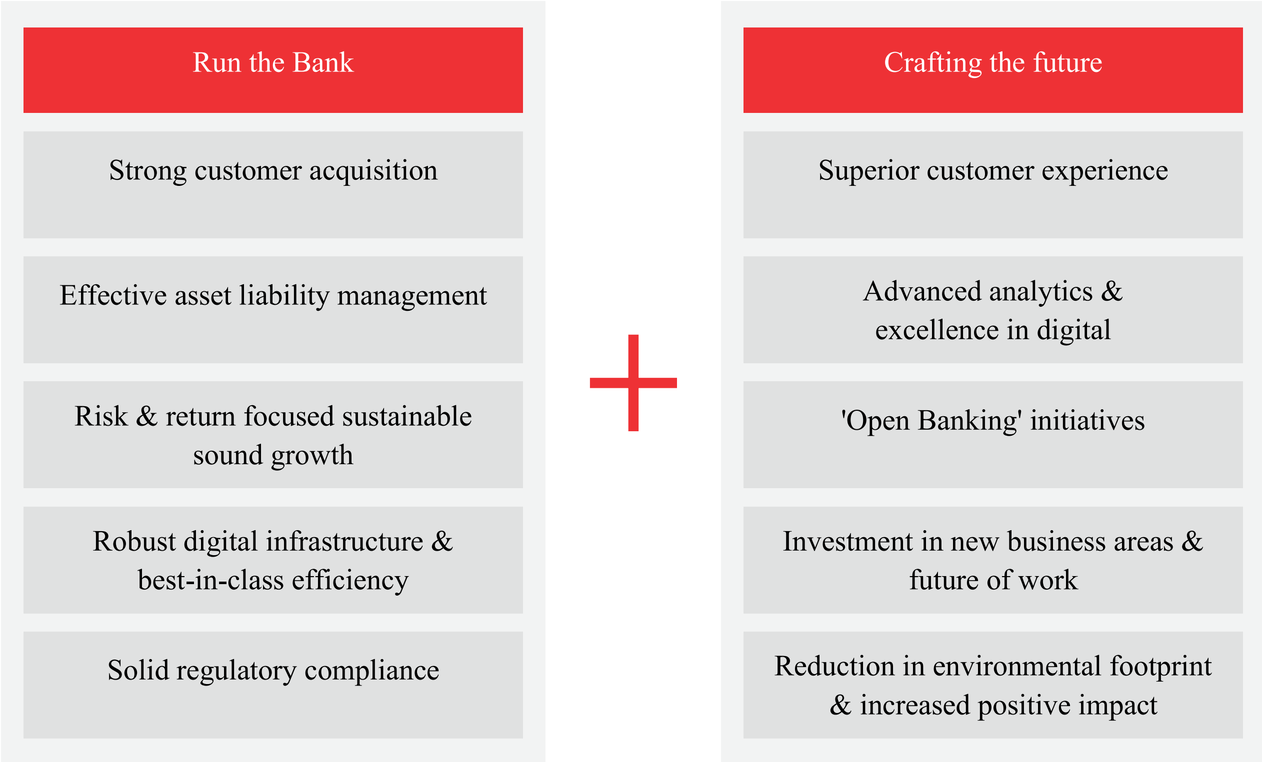
Prudent and Effective Risk Management; High Asset Quality

Akbank's management believes that it has instilled a prudent and effective risk management culture at all levels of the organisation, beginning with careful customer selection to support a high quality asset base and continuing through to establishing conservative provisioning policies. Under the Sabancı family and group ownership, Akbank successfully weathered the 2000-2001 banking crisis in Türkiye with a low NPL ratio and was able to strengthen its position in the market, making strong market share gains in the aftermath of the crisis. Akbank was similarly able to weather the effects of the 2008 global crisis and the COVID-19 pandemic from 2020 to 2022. This has largely been due to the prudent approach of Akbank's Board and management prior to the crises and decisive action taken in managing risk. In anticipation of increased credit risk, Akbank has implemented and enhanced its risk management systems with the aim of ensuring a consistently high level of asset quality. Akbank had always believed that banking involves balancing risk and matching assets to liabilities. The Board and management have continuously stressed the importance of a solid balance sheet and a strong financial position. This approach has contributed to Akbank's 14.6% and 15.6% Tier 1 capital ratio (excluding forbearances), 17.3% and 18.4% capital adequacy ratio as at 31 March 2024 and 31 December 2023, respectively (compared to 20.9% as at 31 December 2022) (in each case, excluding forbearances) and its 9.7x and 9.0x leverage ratio as at 31 March 2024 and 31 December 2023, respectively. Despite its relatively low leverage, Akbank has generated sound pre-provision income and has a solid reserve build with total provisions having exceeded TL8.3 billion as at 31 March 2024 and an additional TL1.4 billion of free provisions as a further buffer.

Akbank's NPL ratio was 2.1% and 2.2% as at 31 March 2024 and 31 December 2023, compared to 1.5% and 1.6% for the Turkish banking sector as a whole at the same date. Akbank also has a separate risk division below the level of the Board such that all risks are monitored by its Executive Risk Committee which reviews all aspects of Akbank's business, including Akbank's risks. In addition to the Audit Committee, Akbank has a Corporate Governance Committee overseeing such risks.

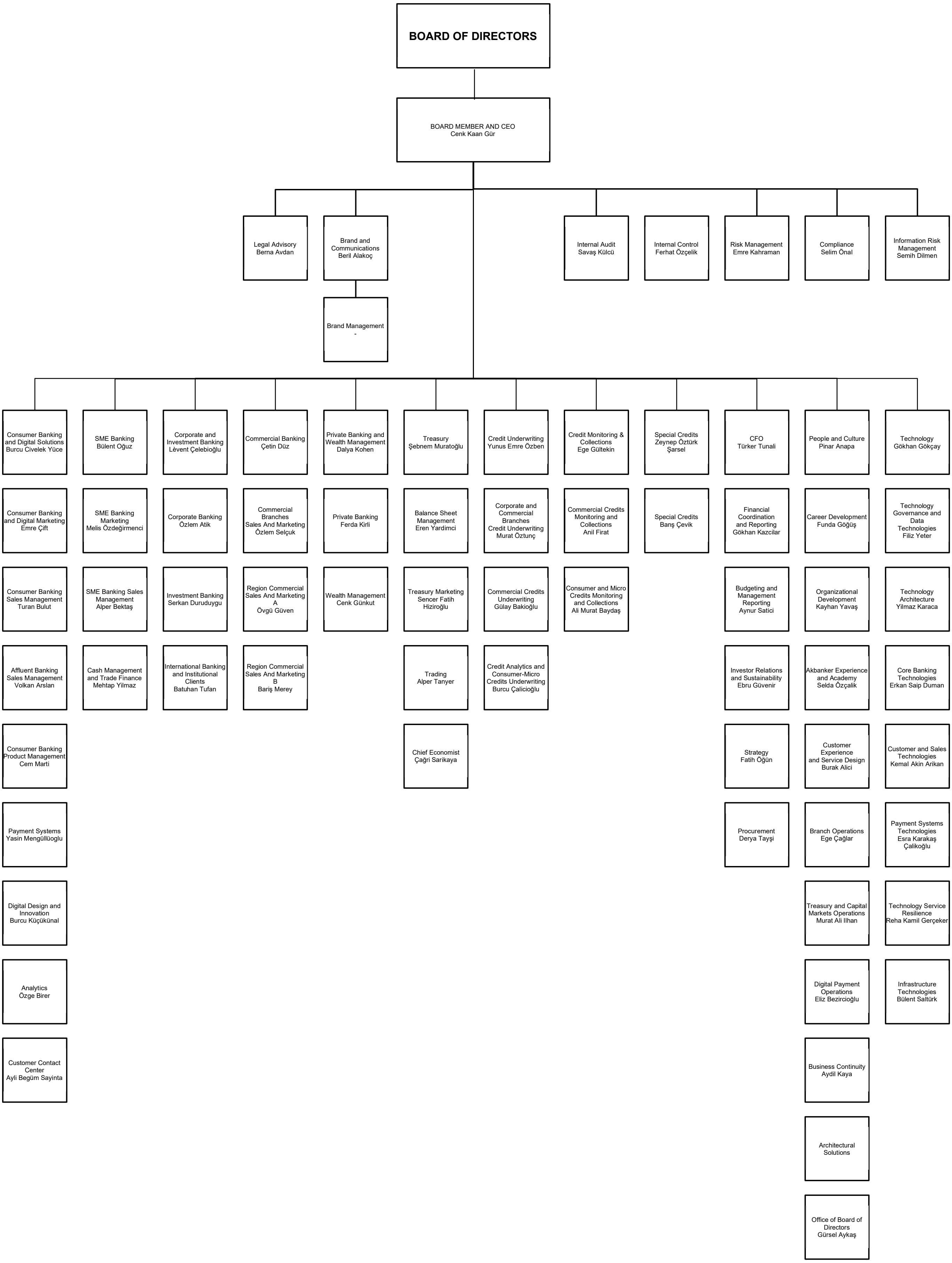
Strategy

Akbank's corporate goals and strategy are closely aligned with its commitment to the development of the Turkish economy and the Turkish financial system by providing high quality specialised banking products and services that are both innovative and comprehensive. Akbank's objective is to become the leading multi-specialist bank in Türkiye while sustaining its profitability. To achieve this objective, Akbank has identified the following strategic priorities for 2024 and beyond.



Organisational Structure

The following chart shows Akbank's organisational structure as at the date of this Offering Circular. Akbank's organisational structure consists of twelve Business Units. Each Business Unit is managed by an Executive Vice President. Six of the Business Units are considered principal Business units: (i) Consumer Banking and Digital Marketing; (ii) SME Banking; (iii) Corporate and Investment Banking; (iv) Commercial Banking; (v) Private Banking and Wealth Management; and (vi) Treasury.


BOARD OF DIRECTORS
BOARD MEMBER AND CEO
Cenk Kaan Gür
Legal Advisory
Berna Avdan
Brand and Communications
Beril Alakoç
Brand Management
-
Internal Audit
Savaş Külcü
Internal Control
Ferhat Özçelik
Risk Management
Emre Kahraman
Compliance
Selim Önal
Information Risk Management
Semih Dilmen
Consumer Banking and Digital Solutions
Burcu Civelek Yüce
Consumer Banking and Digital Marketing
Emre Çift
Consumer Banking Sales Management
Turan Bulut
Affluent Banking Sales Management
Volkan Arslan
Consumer Banking Product Management
Cem Marti
Payment Systems
Yasin Mengüllüoglu
Digital Design and Innovation
Burcu Küçükünal
Analytics
Özge Birer
Customer Contact Center
Ayli Begüm Sayinta
SME Banking
Bülent Oğuz
SME Banking Marketing
Melis Özdeğirmenci
SME Banking Sales Management
Alper Bektaş
Cash Management and Trade Finance
Mehtap Yilmaz
Corporate and Investment Banking
Levent Çelebioğlu
Corporate Banking
Özlem Atik
Investment Banking
Serkan Duruduygu
International Banking and Institutional Clients
Batuhan Tufan
Commercial Banking
Çetin Düz
Commercial Branches Sales And Marketing
Özlem Selçuk
Region Commercial Sales And Marketing A
Övgü Güven
Region Commercial Sales And Marketing B
Bariş Merey
Private Banking and Wealth Management
Dalya Kohen
Private Banking
Ferda Kirli
Wealth Management
Cenk Günkut
Treasury
Şebnem Muratoğlu
Balance Sheet Management
Eren Yardimci
Treasury Marketing
Sencer Fatih Hiziroğlu
Trading
Alper Tanyer
Chief Economist
Çağri Sarikaya
Credit Underwriting
Yunus Emre Özben
Corporate and Commercial Branches Credit Underwriting
Murat Öztunç
Commercial Credits Underwriting
Gülay Bakioğlu
Credit Analytics and Consumer-Micro Credits Underwriting
Burcu Çalicioğlu
Credit Monitoring & Collections
Ege Gültekin
Commercial Credits Monitoring and Collections
Anil Firat
Consumer and Micro Credits Monitoring and Collections
Ali Murat Baydaş
Special Credits
Zeynep Öztürk Şarsel
Special Credits
Banş Çevik
CFO
Türker Tunali
Financial Coordination and Reporting
Gökhan Kazcilar
Budgeting and Management Reporting
Aynur Satici
Investor Relations and Sustainability
Ebru Güvenir
Strategy
Fatih Öğün
Procurement
Derya Tayşi
People and Culture
Pinar Anapa
Career Development
Funda Göğüş
Organizational Development
Kayhan Yavaş
Akbanker Experience and Academy
Selda Özçalik
Customer Experience and Service Design
Burak Alici
Branch Operations
Ege Çağlar
Treasury and Capital Markets Operations
Murat Ali Ilhan
Digital Payment Operations
Eliz Bezircioğlu
Business Continuity
Aydil Kaya
Architectural Solutions
Office of Board of Directors
Gürsel Aykaş
Technology
Gökhan Gökçay
Technology Governance and Data Technologies
Filiz Yeter
Technology Architecture
Yilmaz Karaca
Core Banking Technologies
Erkan Saip Duman
Customer and Sales Technologies
Kemal Akin Arikan
Payment Systems Technologies
Esra Karakaş Çalikoğlu
Technology Service Resilience
Reha Kamil Gerçeker
Infrastructure Technologies
Bülent Saltürk

Recent Developments

On 17 April 2024, Akbank has secured a 367-day $309.75 million and EUR 267 million ($289 million) multi-currency syndicated term loan facility from international markets. All-in costs for the tranches were SOFR+2.50% per annum and EURIBOR+2.25% per annum, respectively.

On 15 March 2024, Fitch revised Akbank's long-term foreign issuer default rating to "B" from "B-" and revised the Outlook from "Stable" to "Positive".

On 14 March 2024, Akbank successfully issued U.S.$600,000,000 Perpetual Fixed Rate Resettable Additional Tier 1 Notes.

On 17 January 2024, Moody's revised Akbank's outlook to "positive" from "stable".

On 26 October 2023, Akbank signed 367-day $265.5 million and EUR 318.45 million ($338 million) sustainability-linked term loan facilities. Proceeds of the facilities will be utilised towards Akbank's general trade finance purposes, including refinancing.

On 22 September 2023, Fitch affirmed Akbank's long-term foreign and local currency IDRs at "B-" and "B", respectively while the outlooks revised up to "Stable" from "Negative".

On 24 February 2023, Fitch affirmed Akbank's long-term foreign currency issuer default rating at 'B-' with negative outlook.

In July 2023, Akbank issued a total of US$300 million Basel III Tier 2 bonds under the Bank's Sustainable Finance Framework. Each of Asian Infrastructure and Investment Bank and the International Finance Corporation subscribed for U.S.$75 million, reaching a total of U.S.$150 million of sustainable Tier 2 bonds with 10-year maturity callable in the fifth year. Akbank also announced the U.S. International Development Finance's U.S.$ 150 million contribution, which focuses on extending consumer finance loans to women and women-owned small businesses in underdeveloped cities in Türkiye. This marks the issuance of the first gender Tier 2 bond globally.

Distribution Network

Akbank has an extensive distribution network, consisting of traditional banking outlets, including branches, representative offices, ATMs, automated cash deposit machines, and point-of-sale credit and debit card terminals, and non-traditional distribution outlets such as home and office banking (through the use of the internet, personal computers and screen-based telephones).

One of Akbank's primary strategies is to continue to develop its digital offering. Akbank, as at 31 March 2024, has approximately 11.8 million active digital customers (with active customers being defined as those who logged in at least once in the past three months).

In order to continue the trend towards digitalisation, Akbank's current strategy is to increase its digital presence by acquiring new digital customers, migrating existing customers to digital channels, increasing its share of the digital banking market, increasing the number of products available on its digital platforms, expanding digital marketing and increasing its effectiveness, preparing for mobile-only banking, continuing to expand mobile payment methods, and acting as a pioneer in the market. With this strategy in mind, Akbank has commenced the implementation of a campaign called "Next Generation Akbank", which focuses on a number of initiatives including the increased digitalisation of the business, as well as a branch optimisation programme and other initiatives. Akbank mainly targets customers aged 25 to 35 and has around 85.7% digital penetration within this group. The digital penetration ratio increases to around 87.0% for the white collar segment of this age group. The following table sets out Akbank's principal distribution outlets as at 31 March 2024:

	Total Number
Local Branches	701
Regional Offices	19
Foreign Branches	1
POS Terminals	791,000 (approximate)

Consumer Banking Reporting Segment

Consumer Banking Business Unit

Akbank's Consumer Banking strategy primarily comprises the following elements: (i) grow its high-value customer base; (ii) increase its retail market share; (iii) improve customer loyalty; and (iv) increase efficiency and convenience through migration to digital channels. Akbank continuously invests in building core capabilities in these perspectives, and drives improvements in the customer base and market share. The Consumer Banking Business Unit covers customers with annual revenue of up to TL5 million, with customers with annual revenue above this amount being included in the Corporate and Investment Banking and Commercial Business Units.

Akbank delivers its consumer banking products and services through its branches together with its relationship managers. Akbank centralised its operations so that back office functions have been moved out of the branches, enabling Akbank's retail branches to focus on providing services and marketing products to retail customers.

Consumer Deposits. Akbank has traditionally been one of the preferred savings banks for clients. Akbank's market share in deposits was 8.9% and 8.7% as at 31 March 2024 and 31 December 2023 respectively and 8.1% as at 31 December 2022 (9.5%, 8.7% and 7.7% in TL deposits and 8.0%, 8.8% and 8.6% in foreign currency deposits, respectively) (*Source: Monthly BRSA statistics*). Akbank also maintained its strong position in foreign currency deposits particularly in the retail market. With a view to growing its retail deposit base at a relatively low cost, Akbank thoroughly analyses its customer database and potential competition in its regions of operation. Akbank then introduces deposit rate promotions aimed at low cost customer segments in the regions with lower competition levels. Akbank currently uses what it refers to as a Deposit Pricing Optimisation Tool, which is based on customer penetration, local competition, growth pattern, customer and relationship manager behaviour and market developments. Akbank also reinforces such promotions through extensive low cost local marketing. Akbank also aims to lower its operational costs by migrating its time deposit customers to alternative delivery channels.

Consumer Lending. Akbank's retail lending business includes mortgages, car loans and unsecured lending, which comprises general purpose loans (including personal loans and overdrafts) and credit cards. Between 2022 and 2023, consumer loans grew by 82.1%. As at 31 March 2024, 31 December 2023 and 31 December 2022, mortgages accounted for 3.8%, 3.5% and 2.7%, car loans accounted for 0.5%, 0.5% and 0.4%, general purpose loans accounted for 12.3%, 14.5% and 12.9%, and credit cards accounted for 15.8%, 15.3% and 8.0% and of performing retail loans, respectively. These products are described in further detail below:

- *Mortgages.* Akbank's market share of the residential mortgage lending market in Türkiye was 9.1% 7.5% and 4.6% as at 31 March 2024, 31 December 2023 and 31 December 2022, respectively (*Source: BRSA*). Akbank was the first Turkish bank to enter into a strategic partnership with real estate agents and extends mortgage loans to numerous residential construction projects. As at 31 March 2024, 31 December 2023 and 31 December 2022, Akbank had TL 40.3 billion, TL 33.0 billion and TL 16.5 billion of retail mortgage loans, with an average remaining term of 7.3 years, 7.8 years and 6.3 years, respectively.

- *Car loans*. Akbank's market share of the consumer car loan market in Türkiye was 5.5% as at 31 March 2024 and it was 5.4%, 4.8% and 2.5% as at 31 December 2023, 31 December 2022 and 31 December 2021, respectively (*Source: BRSA*).

- *General purpose loans.* Akbank's market share of the general purpose loan market in Türkiye was 14.4% 13.9% and 11.5% as at 31 March 2024, 31 December 2023 and 31 December 2022, respectively (*Source: BRSA*). Akbank experienced growth in personal loans from 31 December 2021 to 31 December 2023 of 192.3% and 13.2% in the three months ended 31 March 2024. With the use of its technologically advanced lending system, Akbank offers its customers pre-approved loan limits and loans through all direct channels (internet, mobile and the call centre), with the ability to respond to requests on virtually a real-time basis, which provides further opportunities for sales alongside the branch network. 92% of general purpose loans are sold through digital channels in the three months ended 31 March 2024

  Akbank was the first bank in Türkiye to introduce "mobile loans" in 2005, and also pioneered "self-service loan machines", which have been recognised in banking awards.

- *Credit Cards*. See "*—Payment Systems*" below for further detail of Akbank's credit card offering.

Capital Markets Transactions. One of the main objectives of the Consumer Banking Unit is to establish and develop appropriate service models to increase Akbank's market share of equity and futures products for retail clients. This is done through Akbank Investment Products Management, which acts as an intermediary in equity and futures markets on behalf of the Consumer Banking Business Unit as well as Commercial Banking, SME Banking, Corporate Banking and Private Banking customers.

Bancassurance. Akbank sells the products of AKSigorta Insurance Company (*Aksigorta Anonim Şirketi* ("**Aksigorta**")) and AvivaSA Pensions and Life Insurance Company (*AgeSA Hayat ve Emeklilik A.Ş.* ("**AgeSA**")), both of which are among the leading companies in their respective sectors. Akbank's growth in bancassurance in recent years continued in 2023 and in the four months ended 30 April 2024 mainly as a result of the diversified product offering for clients and efficient use of distribution channels. More than 3.5 million active customers had chosen Akbank for nearly 4.6 million active insurance and 1.5 million Private Pension System (BES) products as at 30 April 2024, making Akbank a leader among its competitors in total insurance commissions and credit-linked life insurance and also attaining the highest market share gain in credit-linked life insurance among private banks.

Affluent Banking. Akbank places particular emphasis on its affluent customers (customers whose assets under management ("**AUM**") with Akbank exceed TL1 million. Akbank Affluent Banking, referred to as One-to-One Banking, provides value propositions to cover the financial and non-financial needs and expectations of affluent customers. One-to-One Banking, launched in 2004, serves more than 650,000 affluent customers with 363 relationship managers in 283 branches and 114 remote relationship managers across the country. Specially trained dedicated relationship managers provide financial support to customers seeking professional and qualified investment services for their assets on a priority and privileged platform.

Strategy, Digital Banking and Payment Systems Business Unit

All alternative delivery channels and the CRM Division are managed by the Strategy, Digital Banking and Payment Systems Business Unit. Akbank's direct channels include internet and mobile services, call centre, ATMs, in-branch kiosks and social media. The purpose of this reorganisation was to increase the efficiency of branches as well as to generate revenue through new and current delivery channels. Akbank is enhancing the range of available delivery channels and alternative products in order to move more banking transactions away from traditional branches. Currently, the total number of active Akbank Direkt customers is more than 10.5 million with over 90 million transactions per month by digital channels.

The call centre has become one of the key support channels of Akbank. In addition to using product centric divisions like the Equity Team and the Personal Loans Team, Akbank has also continued its development by utilising more complicated service structures such as the Affluent Remote Centre, the POS Support Remote Centre, the Expat Banking Remote Centre and the SME Remote Centre.

As at 31 March 2024, Akbank had 6,011 ATMs. Akbank had a 11% market share of the cash in/cash out machine network in Türkiye (*Source: BRSA*). Akbank received 16.3 million, 67.7 million, 55.9 million and 41.8 million calls through its telephone banking in the three months ended 31 March 2024 and the years ended 31 December 2023, 2022 and 2021, respectively.

Akbank's digital channels include internet and mobile services, the call centre, ATMs, in-branch kiosks and social media. As at 31 March 2024, Akbank had approximately 11.8 million active digital customers (with active customers being defined as those who logged in at least once in the past three months). Akbank's internet site received an average of approximately 9.1 million page views per month in the year ended 31 December 2023.

Akbank recently renewed its internet and mobile platform to offer a bundled digital product with instant lending capability. As part of this project, it introduced a simplified interface with enhanced functionality and a user-friendly dashboard experience and customisable shortcuts. Business insights and recommendations are also offered based on financial status and upcoming transactions. The platform also offers self-service authorisation management.

AkÖde is Akbank's e-money subsidiary. Akbank introduced Tosla, the first mobile application of AkÖde, in September 2019. Tosla is a fun and playful, simple and fast and social mobile platform providing core financial services. It is targeted at young users and provides core financial services. Akbank also recently introduced Juzdan, a bank-agnostic wallet, for its customers. Juzdan is a payment platform with a card holding solution. Cardholders can use "Pay with Juzdan" for all merchants and can use credit and debit cards for secure online purchases. Akbank currently offers over 100 digital products and services, including Tosla and Juzdan.

Akbank's Cebe POS mobile application transforms smartphones and tablets of merchants into POS devices, offering QR code payments with all bank cards. The onboarding process is easy and quick and does not require a visit to an Akbank branch. Akbank also intends to target earnings credit rate ("**ECR**") POS users with a shopping basket and e-invoice features. In addition, Akbank offers Akbank Trader & Trade All, a daily trade platform with real time stock prices.

Akbank offers Akbank Assistant, a chatbot available for all digital platforms.

Analytics Division. On 1 October 2013, the CRM Division, previously a part of the Strategy Unit, was moved to the Direct Banking Unit's reporting line. With a view to design a strategy aimed at creating competitive advantage in the market, the CRM team comprised seven groups in charge of setting up a comprehensive structure towards designing, planning, executing and monitoring customer relationship management systems. On 8 December 2016, the CRM Division was renamed as the "Analytics Division" and was made a part of the newly formed "Direct Banking, Design and Innovation Division". Its strategy was transformed to integrate advance analytics methodologies to create value for the Bank. In March 2021, the CRM teams were transitioned to move under the Retail Marketing Unit for a more comprehensive and coherent customer communication strategy, whereas the Analytics Division continued with a focus on empowering the bank with an advanced analytics approach in its customer, marketing, sales and enterprise related analytics needs.

Payment Systems. Akbank's payment systems business was reorganised in 2017. The Issuing-Acquiring Businesses are managed together and the unit is covered by five divisions: Consumer Cards Sales and Marketing, Acquiring and Commercial Cards Sales and Marketing, Portfolio Management, Brand Partnership and New Payment Systems.

Credit Cards. Credit card products in Türkiye have "instalment" and "revolving" features by which a customer does not have to repay its credit card balance in full at the end of the credit card statement period, but can pay only a minimum amount while the outstanding portion of the credit card balance is rolled over into the next credit card statement period. With the advantage of a low cost of funding and a cash advance feature, which generates both commission and interest rate payments, credit cards generate profit faster than other loan instruments, provided the portfolio is properly managed in terms of cost of credit, NPLs and other costs.

Akbank's Axess card offers a loyalty scheme through which Akbank cardholders accrue points that are redeemable for products and services from participating vendors. As at 31 March 2024, Akbank had issued approximately 31.3 million cards (10.3 million credit cards and 21.0 million debit cards). Akbank's share of the domestic credit card issuing business, based on the number of cards issued, increased from approximately 7.8% in 2021 to 8.4% as at 31 December 2023. The volume of outstanding retail credit cards was TL166.6 billion as at 31 March 2024, compared to TL143.9 billion as at 31 December 2023 (which compared to TL48.2 billion and TL24.9 billion as at 31 December 2022 and 2021, respectively). Akbank's market share of retail credit cards in Türkiye was 10.7%, 10.9%, 10.4% and 11.4% as at 31 March 2024 and 31 December 2023, 2022 and 2021, respectively (*Source: BRSA*).

Corporate Banking Reporting Segment

The Commercial Banking, SME Banking, Corporate Banking and Private Banking reporting segment includes the following three principal Business Units: (i) Corporate and Investment Banking; (ii) Commercial Banking, and (iii) Private Banking and Wealth Management. The Corporate and Investment Banking Business Unit is responsible for customers with annual revenue in excess of TL3 billion, the Commercial Banking Business Unit covers customers with annual revenues between TL250 million and TL3 billion.

Corporate and Investment Banking Unit

Akbank has more than 2,200 active corporate customers to which it offers a full range of products and services. Active customers are defined by Akbank as customers who currently use at least one product or service of Akbank.

Akbank has six corporate banking branches (dedicated branches for corporate customers): four in İstanbul and one in each of Ankara and İzmir. The Corporate and Investment Banking Business Unit at Akbank's head office monitors the activities of the corporate banking branches. Akbank offers a full range of products and services to corporate clients, in addition to conventional banking products and services, such as project finance, trade finance, cash management, treasury and hedging services. The Corporate and Investment Banking Business Unit also has the advantage of being part of a full service group and offers leasing, portfolio management, investment banking services, capital markets services and insurance services through synergies created with Akbank's subsidiaries. Within this framework, the Corporate and Investment Banking Business Unit manages its relationships through its branch coverage, while its centrally located teams in the head office offer specialised services. Due to an increase in foreign investment in Türkiye, Akbank launched the "Multinational Desk" within the Corporate and Investment Banking Unit in 2013 to provide customised solutions and superior quality services to multinational clients in various fields through six branches and dedicated relationship managers. In addition, due to its presence in Frankfurt, the Corporate and Investment Banking Business Unit has developed international commercial relationships with globally recognised, large multinational companies over the last few years, in order to diversify its portfolio and take the first steps into new markets.

Investment Banking and Project Finance. As part of its long-term strategy, Akbank has been increasing its focus on investment banking and project finance activities, as well as infrastructure, real estate and leveraged and structured finance markets in Türkiye. Increases in domestic and foreign investment through privatisation and acquisition transactions have fuelled growth in these specialised loan markets and the syndicated loan market. Akbank plans to increase the volume of specialised loan markets and syndicated loan markets products it offers as these products are typically "high value-added" products and offer cross-selling opportunities. Akbank extends these loans to customers operating in a variety of sectors, including infrastructure and transportation, construction, telecommunications, energy and tourism. In addition, the Corporate and Investment Banking Business Unit monitors privatisation programmes closely and provides financing for large scale projects such as direct asset sales, transfers of companies' land use and development rights, share transfers, transfer of operating rights and hydroelectric power generation projects.

Türkiye's exports mainly comprise manufactured industrial goods for which most of the raw materials are imported. In other words, Turkish industries process mostly imported raw materials for production and export industrial products. This has been the main driver of the Turkish economy for decades. Turkish manufacturing exporters require pre-shipment credits to finance not only the imported raw material but also the working capital for their production processes. Turkish exports are mostly on a Cash Against Documents basis, so the appetite for pre-export loans in the sector is higher in comparison with post-financing facilities. Akbank's aim is to carry on its performance in terms of supporting its clients by providing them working capital by way of pre-export loans as well as post-financing facilities such as direct loans, letters of credit discounts and forfeiting. Due to the structure of Turkish exports, Akbank offers credit insurance and factoring to mitigate commercial and political risks and for finance insured or guaranteed by factoring receivables. Akbank offers competitive rates and products, such as the Discounting Loans Program of the Central Bank, to support Turkish exports.

Akbank provides cash and non-cash loan products to finance imports through Turkish Lira and foreign currency laws and through letters of credit and trade finance facilities.

In addition to the working capital facilities mentioned above, Akbank also offers long term investment loans of up to ten years either directly or through ECAs within its network.

Loans to Corporate customers accounted for 26.5% and 29.4% of Akbank's total loan portfolio as at 31 March 2024 and 31 December 2023, compared to 36.2% as at 31 December 2022 and 39.7% as at 31 December 2021.

International Banking. Akbank's International Banking division manages the international fund raising activities of Akbank, as well as Akbank's correspondent banking relationships, which are essential for supporting Akbank's customers in their cross-border payments and foreign trade transactions in the form of letters of credit and letters of guarantee. Akbank has a comprehensive network of international correspondent banks spanning around 121 countries. Through its international business development activities, the division offers a complementary service to clients to support their business activities internationally and to originate proprietary deals for Akbank. Akbank's international fund raising activities are focused around obtaining long-term and short-term funding at competitive rates by using various borrowing instruments and diversifying sources of funding by reaching new investors.

Commercial Banking Business Unit

The Commercial Banking Business Unit branch organisation is administered by Akbank's head office and 19 regional head offices. There are 135 branches with both the Commercial and SME customer relationship managers. These branches are located in 50 cities and report to Akbank's head office via 19 regional head offices. In addition, Akbank has 15 Commercial Banking branches dedicated for Commercial customers which provide services to businesses with annual revenues of between TL250 million and TL3 billion. The business unit also serves corporate customers in locations where there are no corporate branches. These branches, who report to Akbank's head office directly, are generally located in the developed regions of Türkiye where there is high commercial activity. The Commercial Banking Business Unit offers financial solutions and banking services to commercial customers, including hedging products such as interest rate swaps and cross currency derivatives, export financing as well as working capital loans (which are based on length of relationship and financial capability). When pricing loans, Commercial Banking uses "Smart Pricing" infrastructure (a system adopted across various business segments of Akbank in 2009) which applies Akbank's internal rating system and the indemnity structure of the relevant loan. Akbank believes that this approach provides improved pricing on a client by client basis as it takes into account the creditworthiness of the customer and the collateral provided. Commercial customer relationship managers working in Commercial Banking branches are each assigned a portfolio of approximately 70 commercial customers. Commercial customer relationship managers have detailed specialised knowledge of commercial products and services and offer additional expertise, particularly in the areas of export/import financing and trade finance. Akbank's aim is to capture a greater share of the amount spent by each of its Commercial customers on commercial banking through the further development of its product offerings to Commercial customers and to increase its market share and number of customers in the long term. In addition to traditional banking activities there are other channels that offer banking services to commercial customers, which include Akbank Direkt, Akbank Direkt Mobile. The Commercial Banking Business Unit works on digitalisation projects to increasing its digital presence by acquiring new digital customers, migrating existing customers to digital channels, increasing the number of products available on its digital platforms and the effectiveness and efficiency of digital channels.

Akbank's management believes that the diversity of its commercial products is a competitive advantage. Akbank offers a wide range of loan options to its Commercial customers to meet their investment financing needs and to increase their competitiveness in local and foreign markets. Akbank provides its Commercial customers with the same or similar products and services as provided to its larger corporate customers. These products include specialised export related loans, such as instalment-based export loans, loans for cash against goods transactions, discounting of export receivables, export loans against letters of credit, factoring and forfeiting services, export letters of credit discounts, Turkish Eximbank loans and short-term export loan insurance (KVIKS). Akbank also offers tailored solutions for its Commercial customers, including machinery and equipment financing, raw material procurement loans, truck fleet loans and tourism loans. The common characteristics of these loans are fixed interest rates, repayment in equal instalments, and relatively long-term financing periods. Additionally, Akbank offers various commercial financing models to accommodate its customers' unique financial structures. For example, instead of providing loans directly to a customer, Akbank may provide loans directly to a customer's potential buyers, thereby increasing both Akbank's customer base and the volume of its loans. Akbank diversifies the service it provides to its customers via digital channels. It develops value propositions for digital channels for its customers.

The Cash Management & Trade Finance Division is administered by the SME Banking Business Unit. It offers products and services for all Business Units, including Corporate, Commercial, SME, Retail and Private Banking. The Cash Management & Trade Finance Division offers payment and collection solutions, early financing and trade finance products for all clients. Akbank's main focus is digitalisation of cash management and trade finance products to enhance the customer experience and increase efficiency and improve the cash flow of clients to help to grow their businesses. The Cash Management & Trade Finance Division invests in new technologies such as blockchain, and application programme interfaces ("**APIs**") to develop innovative products and to offer clients best customer experience. Akbank has integration processes for different products with ERPs, supplier finance platforms and licensed payment institutions in order to increase channel and product options for its clients. This gives Akbank a competitive advantage. Akbank also offers tailored solutions for its Corporate & Commercial clients for payments and collection products.

Akbank's management aims to retain its existing customers and maintain a loyal customer base through the effective use of customer relationship management programmes, thorough monitoring of business generated, and devoting sufficient resources such as through a steady increase in the number of account managers. As at 31 December 2023, Akbank had 321 Commercial Banking account managers.

Private Banking and Wealth Management Business Unit

Akbank Private Banking. In 2018, Akbank Private Banking launched its new business model with its investment affiliates, AK Asset Management and AK Investment under the name "Akbank Private Banking and Wealth Management".

Akbank Private Banking serves clients with AUM in a minimum amount of TL5 million, with talented and experienced private bankers across its branch network in four major cities and solid technological infrastructure. Akbank Private Banking offers a wide range of investment products in accordance with global standards, including easily accessible services, and values the lifestyles of its clients.

Akbank Private Banking has a differentiated positioning with its UHNW segment serving clients with an AUM higher than TL100 million. Through its UHNW services Akbank Private Banking is able to meet clients' sophisticated financial needs and expectations with a holistic approach to "Family Wealth" with innovative tailor made solutions. UHNW clients are offered an extensive investment universe that spans global public and private sector fixed income instruments, equities, precious metals, commodities, real estate and private equity.

As Türkiye's first Private Banking service, Akbank Private Banking has always focused on serving its clients by understanding their priorities and also by fulfilling the requirements of today's modern world. In order to demonstrate Akbank Private Banking's understanding of its clients' priorities, the brand communicates its philosophy through its "Sustained Values" concept which is based on the insight that Private Banking clients care about sentimental values in addition to material ones.

Akbank Private Banking considers wealth not only as financial wealth but also a combination of culture, values and taste. It aims to provide services that inspire and nurture its clients. Akbank Private Banking hosts events which focus on four main categories which are Investment, Art & Culture, Collaboration with third parties and its Next Generation Programme.

Akbank Private Banking offers a market information platform to investors through "Winvestors" Investor Meetings. Through this platform, it hosts a series of online events where it enables clients to meet different stakeholders in the ecosystem like angel investors and corporate venture executives.

With the perspective of establishing long-term relationships with its clients and preserving their assets so that they can be passed on from generation to generation, Akbank Private Banking's "Next Generation" programme, which started in 2015 by breaking new ground in Türkiye, aims to raise awareness among high school and university students with respect to responsibility concerning family wealth, the diversity of investment products, the concept of risk, global economy, and philanthropy.

Akbank Wealth Management. In order to provide specialised services and assistance to customers investing in the financial markets, Akbank consolidated the products of AK Investment, AK Asset Management and Akbank Treasury under its Wealth Management brand "Akbank Investment Services". Moving steadily toward its goal of being Türkiye's leading investment brand, "Akbank Investment Services" demonstrated continuous improvement in performance from 2020 to 2023. Under this brand, Akbank maintained its focus on the growth potential of capital markets in Türkiye in recent years. By capitalising on its robust technology infrastructure, it continued to enrich its wide array of investment products in accordance with customer needs in core products such as investment funds, stock trading and bonds/bills. Factors that differentiate Akbank in the industry include knowing the customer well, its experienced and expert staff, the capability to create customised solutions and its financial strength. With this approach, Akbank recorded market share growth across these segments.

Akbank had approximately 2.1 million total Wealth Management customers as at 31 March 2024. Akbank Wealth Management recorded revenue growth of 151% in 2023 and 73% in the three months ended 31 March 2024, most of which came from fund management income and stock trading revenues.

Akbank has achieved significant growth in mutual funds managed by AK Asset Management and reached a fund size of TL326 billion as at 31 March 2024. As a result of these developments, the total assets managed by AK Asset Management reached TL564 billion as at 31 March 2024, increasing Akbank's market share to 13.5%. Akbank also increased the qualified investment fund customer base by 82% in 2023.

Akbank's new Wealth Management value proposition "Investing in the Future", which consists of a product group of technology sector funds and ESG funds, has attracted significant customer interest. Nearly 174,000 customers invested TL3.2 billion across Akbank's Alternative Energy Fund, Health Fund, Electric and Autonomous Vehicle Technologies Fund and Agricultural and Food Technologies Fund, which were products developed by its Sustainability Investments offering launched and managed by AK Asset Management

With AK Investment's strong and developing infrastructure, the rate of Akbank's customers using digital channels for stock transactions exceeded 96% in 2023. New customer acquisition and activation campaigns that run in 2023, lead to new customer acquisition on the stock side increasing by approximately 350%.

To offer the best customer experience, Akbank continuously renews its way of doing business by effectively utilising advanced technology. With the development and renewal efforts that Akbank commenced in 2019 and continued in 2023, Akbank offers its customers an investment experience at the forefront of technological innovations in "Akbank Mobil". Akbank Mobil continues to be Akbank's most important customer channel for all investment products.

In 2023, with the renewed Yatırımcı application, Akbank customers can easily follow the markets instantly and perform stock, ViOP and warrant transactions with the help of news, alarms, forecasts, research reports and technical analysis.

Akbank also improved its branch wealth management interfaces with new investment platforms and a unique functionality called "Finish with Mobile" where relationship managers can initiate transactions and clients can complete them on their mobile application with mobile approvals. This has been a significant facilitator for clients and helps less tech savvy clients benefit from mobile applications more easily.

At Akbank Wealth Management, Akbank plans to continue to refine its investment experience in the coming year with the continuous enhancement and enrichment of Wealth Management services in Akbank Mobile.

Treasury Reporting Segment

Akbank's Treasury is based at Akbank's head office and provides Treasury Management services to domestic and foreign branches of Akbank. The Treasury reporting segment consists of the Liquidity Management, Treasury Marketing, Trading and Economic Research divisions. Akbank's Treasury function engages in proprietary trading according to comprehensive value at risk ("**VaR**") limits on the product types set by the Board.

Liquidity Management

The Liquidity Management division manages the foreign currency and Turkish Lira liquidity of Akbank. The division engages in foreign currency and Turkish Lira borrowings and placements through domestic and international money markets. Foreign currency swaps are another product which the division actively uses for liquidity purposes. The division also provides quotations in the interbank market and engages in foreign currency and Turkish Lira OTC money market trading. Akbank also actively participates in the open market operations of the Central Bank.

The Liquidity Management division is responsible for the management of Akbank's reserve requirement obligations. In this respect, Akbank's foreign currency/Turkish Lira reserve requirement obligations are met flexibly in accordance with the liquidity policy. The Liquidity Management division also operates Akbank's banknote business, including the import and export of cash if needed.

Treasury Marketing Department

The Treasury Marketing division prices and markets treasury products and financial solutions to Commercial Banking, SME Banking, Corporate Banking and Private Banking and Consumer Banking customers by direct contact and through alternative delivery channels. These products include spot and forward foreign currency transactions, fixed-income products and derivatives.

The customer-related derivatives business includes foreign currency forwards, foreign currency options-based products (such as plain vanilla options, collars, and binary options), interest rate swaps, and currency swaps. The Treasury Marketing division analyses Corporate and Commercial customers' needs and creates products for corporate risk management. The division also offers return enhancing products, such as dual currency deposits for all of its clients.

In addition to providing regular updates on markets, the Treasury Marketing division's sales section regularly visits existing and potential customers to introduce new products and services.

Trading Department

The Trading division consists of three areas: Foreign Exchange Trading, Rates Trading and Derivatives Trading.

The Foreign Exchange Trading area is responsible for providing competitive spot prices to all internal and external customers for Turkish Lira, G7 and certain other currency pairs as well as spot precious metal prices. The area engages in high volume transactions executed via the ISE, OTC markets, brokers and electronic trading channels.

The Derivatives Trading area prices Akbank's client derivative flow and manages Akbank's foreign exchange and rate options book. Akbank is a market maker on the Borsa İstanbul options market. It closely monitors its risks and dynamically hedges with respect to market sensitivities and risk limits.

The Rates Trading area provides pricing for all kinds of interest rate products, such as local and foreign currency bonds, swaps, and credit products for local and international clients. It focuses on managing the rate portfolio according to limits set by the Board.

Economic Research

The Economic Research division is responsible for macroeconomic research, as well as global and domestic economic and financial analysis. Moreover, the division sets assumptions and makes short- and long-term projections of macroeconomic variables to be used in Akbank's short- and long-term plans.

The division aims to expand the relationship between Akbank and the financial institutions and corporates in target countries, to strengthen the market share of Akbank in foreign trade business, to identify potential clients in target countries and refer potential deals to the related business lines.

Capital Markets and Non-Banking Financial Activities

Akbank conducts its non-banking financial activities through its subsidiaries, namely AK Investment, AK Asset Management and AKLease. Product and service offerings of these subsidiaries are also marketed through Akbank branches.

AK Investment

Founded in 1996 to provide brokerage services for capital markets, AK Investment is a 100% owned subsidiary of Akbank. Domestic retail customers perform their transactions through Akbank's Private Banking branches, Akbank Capital Markets Unit and 704 local Akbank branches. In addition, customers have remote access for capital markets transactions on the internet 24 hours a day. Through its International Institutional Sales division, AK Investment offers foreign institutional customers' brokerage services for Turkish capital markets products. With its specialised and experienced employees, and comprehensive research reports and customer-oriented service approach, AK Investment serves both individual and corporate investors. Delivering a range of international and domestic capital markets products to individual and corporate investors, AK Investment has nine branches in six major Turkish cities. AK Investment branches are committed to offering capital markets products and services tailored for customers' needs and expectations, and in line with market conditions. The branches establish long-running relations that generate added value for the customers.

As at 31 March 2024, AK Investment had a market share of 22% of corporate bond issuances in Türkiye (excluding banks and affiliated transactions). It is also one of the leading intermediary institutions in equity public offerings, having completed U.S.$1.9 billion of these transactions between 2011 and 2023. Its net income contribution was TL3,068 million and TL1,068 million for the years ended 31 December 2023 and 2022, respectively.

AK Asset Management

Established in 2000 to provide asset management services in capital markets to institutional and individual investors, AK Asset Management is a wholly-owned subsidiary of Akbank. AK Asset Management conducts operations in three core business lines: pension fund management, discretionary portfolio management and mutual funds. AK Asset Management is the market leader in pension fund management and the sector leader in total assets managed outside liquid investment funds. AK Asset Management also designs and manages the investor risk profile tests that form the basis of the Akbank Investment Services and Akbank Robo Advisory concepts, as well as investment management products such as Portfolio Ideas, which aim to help investors with different profiles manage their savings via asset distribution recommendations.

AK Asset Management is one of the leading companies in the Turkish pension investment fund sector. As at 31 March 2024, AK Asset Management managed assets of TL564 billion, with discretionary portfolio management assets of TL71 billion. As at that date, it managed mutual funds in the amount of TL326 billion. It had a market share of 13.0% in 31 March 2024. As at the same date, it managed pension funds in the amount of TL163 billion. It had a market share of 17.8% in 2023. Its net income contribution was TL331 million in the three months ended 31 March 2024 and TL850 million and TL373 million for the years ended 31 December 2023 and 2022, respectively.

AKLease

AKLease provides financial leasing support to corporate and commercial segment customers who are keen to undertake investments, expand, enter new markets and enhance their capacity. AKLease helps its customers finance investments in new machinery and equipment purchases or new investments, in line with the concept of Akbank One-Stop Corporate and Investment Banking. The funding capacity of AKLease allows it to offer long-term funds to clients at attractive interest rates and provide solutions that are tailored to meet the changing client needs.

AKLease continues to offer ongoing support to the national economy with its strong financial and partnership structure, robust shareholders' equity, ten branch locations as at 31 December 2023, vast funding network, and most importantly, a dynamic workforce highly specialised in the field.

AKLease has started work to upgrade its technology platform and software, which the company employs to perform financial leasing transactions, so that they function in a swift, practical, mobile-enabled fashion in sync with the latest technologies, and are readily accessible to clients.

AKLease has ramped up its investments in cutting edge technologies to measure customer loyalty and satisfaction by means of specialised companies.

AKLease's net leasing receivables increased by 65.0% to TL19.1 million as at 31 December 2023, compared to 31 December 2022, while net profit increased by 43.7% to TL963 million over the same period. AKLease's net leasing receivables increased by 2.7% to TL19.6 million as at 31 March 2024, compared to 31 December 2023 and net profit was TL211 million for the three months ended 31 March 2024.

Securing its position among the sector's leaders by recording solid financial results based on high return on equity and asset quality, AKLease's operations are characterised by a consistent, healthy and stable growth performance. As at 31 March 2024, AKLease's share of the net leasing receivables market in Türkiye was 11.6%. Its net income contribution was TL211 million for the three months ended 31 March 2024 and TL 963 million and TL670 million for the years ended 31 December 2023 and 2022, respectively.

AKLease is committed to conducting its operations in a sustainable manner and intends to remain a complementary force for growth with its investments in Türkiye's future.

Other Business Units

Akbank's other Business Units include: the Credit Underwriting Business Unit, the Credit Monitoring and Collections Business Unit, the Special Credits Business Unit, the CFO Business Unit, the People and Culture Business Unit and the Technology & Operations Business Unit.

Credit Underwriting

The Credit Underwriting Business Unit evaluates Akbank's loan offers in line with Akbank's objectives and credit policies. It plays an active role in Akbank's growth by ensuring optimal operation and development of Akbank's processes related to risk analysis, financial analysis, risk monitoring, scoring and intelligence. The department strives to maintain Akbank's asset quality through dynamic operations sensitive to cyclical developments and periodic portfolio scanning.

Credit Monitoring and Collections

With an organisational change in January 2015, the Credit Unit was divided into a Credit Allocation Unit and a Credit Monitoring and Collections Unit. The Credit Monitoring and Collections Unit is comprised of two divisions, namely the Commercial Credits Monitoring and Collections Division and Consumer and Micro Credits Monitoring and Collections Division.

Special Credits

The Special Credits Business Unit manages the restructuring of the loans with payment difficulties which is equal to and exceeding TL350 million at Akbank, as well as the risk management, classification and provisioning processes of the related companies and their affiliated holding groups through the individual assessments. On 4 January 2019, the Special Credits Business Unit was established and Zeynep Öztürk was appointed as the Executive Vice President for the Special Credits Business Unit.

Financial Coordination Unit (CFO)

The Financial Coordination Business Unit is divided into the Financial Coordination and Reporting division, the Budgeting and Management Reporting division, and the Investor Relations and Sustainability division. The Financial Coordination Business Unit is mainly responsible for the preparation of statutory financial statements as well as reports to regulatory authorities, coordination of Akbank's financial accounting process, budget preparation, various management reports and coordination of relations with investors, analysts and rating agencies.

People and Culture

On 11 September 2019, the Human Resources Business Unit was renamed as the People and Culture Business Unit. The People and Culture Unit consists of Career Development, Organisational Development, Akbanker Experience and Academy, Architectural Solutions, Office of the Board of Directors, Customer Experience and Service Design, Business Continuity and Central Operations.

As at 31 March 2024, Akbank had 12,907 employees (excluding security officers), 6,798 of whom were based in regional directorates and branches. The average age of employees as at that date was 37.2 years old, with 52% of Akbank's employees being female. The following table sets out the number of domestic branch employees (excluding security officers) as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	Number of Employees
31 March 2024	12,907
31 December 2023	12,864
31 December 2022	12,717
31 December 2021	12,184

Akbank places emphasis on ensuring that employees have the level of education suitable for operational effectiveness and a career at Akbank. Approximately 11% of employees at Akbank have PhD or master's degrees, which Akbank believes to be among the highest percentage among Akbank's peers. Approximately 52% of employees at Akbank are women. Akbank has also introduced a redesigned and flexible working model for its employees working at Akbank's headquarters.

Akbank Academy serves numerous training programmes designed for all levels of Akbank's staff. Akbank's employees receive comprehensive orientation and training regarding Akbank's strategy in an effort to enable them to gain an understanding, sense of ownership, and proficiency in the business of Akbank.

Systematic studies and educational content revision studies have been carried out since 2016 in order to make the existing career diplomas within Akbank more segment-specific, compact, personal, independent of time and space, and allowed easier access.

Employees complement their technical training, which has been redesigned with new generation learning techniques, through online methods, and reinforce and improve their competencies by hands on applications in their classroom training.

Akbank's leadership programme is designed for Akbank's leaders and future leaders at different levels. In order to enrich multidisciplinary approach of Akbank's employees, Akbank Academy provides seminars, events, workshops in several fields such as art, culture, parenting, design, trends and innovation.

Akbank put into practice the "Akbanker: Reflection of the Future" programme as a holistic "talent" and "competency development program" involving around 12 thousand Akbankers. The programme focuses on the employees and personal development.

Akbank Academy supports its training programmes with the latest educational technological trends such as Adaptive Learning Journeys, Mobile Learning, Social Learning, Video Tube, Gamification and Virtual Reality.

Akbank Lab, an innovation centre within Akbank, provides opportunities for employees to collaborate with more than 100 international FinTech companies.

Akbank's personnel are members of the Akbank T.A.Ş. Personnel Pension Fund Foundation established in accordance with the Social Security Law numbered 506, temporary article No.20. Defined Benefit Obligations have been determined as of year ends by an independent actuary in accordance with the 38th article of the Insurance Supervisory Law and the "Actuarial Regulation" based on the same article.

As of 31 December 2023, 12,843 of Akbank's employees were covered within the scope of the private pension system that supports them in saving and maintaining their current living standards even after retirement. In addition, through the Akbank Members Retired Fund Charity, Akbank's current and retired employee as well as their dependents have access to continuing medical treatment.

Technology & Operations

Akbank's Technology Business Unit is divided into seven divisions: (i) the Technology Governance and Data Technologies division, (ii) the Core Banking Technologies division, (iii) the Payment System Technologies Division, (iv) the Infrastructure Technologies division, (v) the Technology Service Management division, (vi) the Customer and Sales Technologies and (vii) the Technology Architecture division. Akbank continues to make technological investments for future readiness. Overall expenditure on IT, including infrastructure as well as software projects and new distribution channels, was approximately U.S.$208 million in 2023, U.S.$236 million in 2022 and U.S.$104 million in 2021.

Akbank's Technology Business Unit has conducted numerous projects related to digital transformation to move Akbank forward into the future and to improve the customer experience. Akbank is improving its digitalisation rate each year by migrating customers' manual transactions to digital channels and products. High automation rates result in faster transaction times and improved customer satisfaction. Akbank intends to continue its digitalisation and migration strategy in the following years. Increasing usage of new and innovative technologies, robotic process automation ("**RPA**"), Akbank Digital Card, Akbank Assistant (chatbots), voicebot, machine learning and Artificial Intelligence ("**AI**"), GenAI and IOT (Internet of Things) will continue to be focus areas.

Beyond these technology investments, Akbank Technology has carried out one of the largest agile transformation projects in Türkiye in recent years.

Subsidiaries and Affiliated Companies

The following table sets out Akbank's ownership interest in its subsidiaries and affiliates and the carrying value of those interests as at 31 March 2024:

	% of share	Business
Ak Portföy Yönetimi A.Ş.(AK Asset Management)	100	Portfolio Management
Ak Finansal Kiralama A.Ş. (AKLease)	100	Leasing
Ak Yatırım Menkul Değerler A.Ş. (AK Investment)	100	Brokerage
Akbank AG	100	Banking
Akbank Ventures	100	Investment in Technology Companies
AkÖde A.Ş.	100	Payment Systems

Akbank conducts overseas operations through its subsidiary in Germany (Akbank AG) along with a branch in Malta.

Akbank's subsidiaries' contribution to consolidated net profit was 12% in the three months ended 31 March 2024 and was 10% in 2023, 5% in 2022 and 11% in 2021.

AK Asset Management

Established in 2000 to provide asset management services in capital markets to institutional and individual investors, AK Asset Management is a wholly owned subsidiary of Akbank. See "*—Capital Markets and Non Banking Financial Activities—AK Asset Management*" for further details of AK Asset Management.

AKLease

Established in 1988, AKLease provides financial leasing support to corporate and commercial customers who are keen to undertake investments, expand, enter new markets and enhance their capacity. See "*—Capital Markets and Non Banking Financial Activities—AKLease*" for further details of AKLease.

AK Investment

AK Investment was founded in 1996 to engage in capital markets activities in accordance with the provisions of the Capital Market Law and other applicable legislation. See "*—Capital Markets and Non Banking Financial Activities—AK Investment*" for further details of AK Investment.

Akbank AG

Akbank AG's assets were approximately EUR 3.5 billion and shareholder's equity was EUR 1.1 billion as at 31 March 2024. Akbank AG's contribution to Akbank's total net profit for the three months ended 31 March 2024 was 6%.

Akbank AG's major products and services include various credit instruments, trade finance, factoring, money transfers and deposit services. Target clientele for lending activities primarily consist of multinationals based in Türkiye as well as in the European Union, Türkiye's main trading partner.

Akbank AG has an extensive portfolio of funding sources, including retail, corporate and German public sector deposits as well as funding through the European Central Bank's refinancing program (MRO and LTRO).

Also active in retail banking, Akbank AG serves nearly 22,000 retail deposit customers in Germany with a direct banking model. All these sources of funding help Akbank AG to diversify its funding base.

Akbank AG's net income contribution was TL834 million for the three months ended 31 March 2024 and TL2,455 million and TL1,061 million for the years ended 31 December 2023 and 2022, respectively.

Akbank Ventures

Akbank Ventures was established in April 2023 in Netherlands. Akbank Ventures is targeting next generation business with high growth potential to support Akbank's strategic investments.

AkÖde

AkÖde is a wholly owned subsidiary of Akbank, established on 19 February 2018, which provides digital cash and payment services.

AkÖde launched its first mobile application "Tosla", in September 2019. Tosla targets the youth market segment, primarily between ages 15-25, and provides core financial services.

AkÖde's net income contribution was negative TL72 million for the three months ended 31 March 2024 and TL83 million and negative TL100 million for the years ended 31 December 2023 and 2022, respectively.

Environmental, Social and Governance

Akbank's environmental, social and governance ("**ESG**") strategy is to mitigate its environmental footprint while increasing its positive impact. This encompasses four areas:

- *Sustainable finance*: offer responsible products and services and impact investing. By 2030, Akbank intends to reach TL800 billion in its sustainable finance unit and TL15 billion of assets under management in its sustainable investment fund;

- *Ecosystems management*: focus on digitalisation and financial inclusion. Akbank aims to extend its digital and innovative products and services and achieve 10% annual growth in the number of women-led SMEs by 2025;

- *People & Community:* focus on the future of work, diversity and inclusion and community investment. This entails the empowerment of Akbank's people and communities, improvements of the effectiveness in its investment in people, an increase in the social return on investments and enhancement of the effectiveness of Akbank volunteerism in community investments; and

- *Climate change:* reduction in operational emissions, portfolio impact and portfolio exposure. Akbank is targeting to become a net zero bank through the reduction of its operational and portfolio emissions by 2050.

  - Operations: Set interim emission reduction target in line with 1.5°C scenario and reduce absolute Scope 1 and Scope 2 GHG emissions by 90% by 2030 from a base year of 2019; and

  - Portfolio: Disclosed 2030 interim emission reduction targets for four prioritised carbon intensive sectors. Akbank will initially focus on decarbonising the power, cement, iron and steel and commercial real estate sectors.

Since 2020, Akbank has provided TL267 billion of sustainable finance. 60% of its borrowing is sustainable and there has been a 19% increase by the number of investors in ESG-themed funds in the first quarter of 2024. It has introduced an Environmental and Social Risk Framework and a Sustainable Finance Framework in line with international standards. Akbank has continued to have customised sustainable finance products such as Türkiye's first Sustainable Deposit Product, Digital and Financial Solutions with a Focus on Sustainable Agricultural Supply Chain.

Akbank introduced the first SME Eco-Transformation Package in Türkiye and has engaged in corporate digitisation through partnerships with prominent e-commerce companies. Approximately 17,000 SMEs have been involved in Akbank's Transformation Academy since 2022 and over 130 start-ups and ecosystem players connected with the Akbank Lab in 2024. Akbank achieved a 23% increase in the number of women-led businesses in 2023, representing a significant outperformance of Akbank's financial inclusion annual target of 10%.

Approximately 57% of Akbank's CEO's direct reports are women. Akbank achieved approximately 32 hours of training per employee in 2023 and introduced the Akbank+ intrapreneurship programme. Approximately 141,000 students have attended the Akbank Youth Academy since 2020. Akbank is a member of the Women's Empowerment Principles, the 30% Club, the Valuable 500 and the Bloomberg Equality Index.

Akbank sources 100% of its electricity from sustainable sources and achieved a 82% reduction in operational emissions from 2019 to 2023. 655 of its locations have obtained energy and environment management certification.

Competition

The banking industry in Türkiye is highly competitive across each banking segment and sector, and despite some ownership changes, international banks have maintained a presence through local operations or investments. Moreover, public banks, which typically focused on government and related projects are increasingly focused on the private sector, leading to increased competition and pressure on margins. HSBC Bank plc acquired, through its 2002 acquisition of Demirbank A.Ş., a broad network of branches in Türkiye. UniCredito Italiano acquired 50% of the holding company of Koçbank in 2002 and, in February 2005, BNP Paribas acquired 50% of the shares of TEB Mali Yatırımlar A.Ş., which owns 84.3% of the shares of Türkiye Ekonomi Bankası A.Ş. In 2005, the Koçbank holding company (50% owned by UniCredito Italiano, as described above) acquired 57.4% of the shares of Yapı ve Kredi Bankası A.Ş. with the merger being completed in 2006. In the same year, Fortis Bank acquired 89.3% of the share capital of Türk Dış, Ticaret Bankası A.Ş. and General Electric Financial Services acquired 25.5% of the shares of Türkiye Garanti Bankası A.Ş. In 2006, the National Bank of Greece announced its acquisition of 46% of Finansbank from Finansbank's founding shareholder owners and Zorlu Holding sold its 75% stake in Denizbank to Dexia. Also in 2006, Şekerbank's owners, Şekerbank Social Security Fund and Şekerbank Personnel Fund, signed a share purchase agreement with Kazakh Turan Alem regarding the acquisition by Kazakh Turan Alem of a 34% stake of Şekerbank while Arap Bank Plc and Bank Med participated in the acquisition of 91% of MNG Bank. In 2007, Eurobank EFG Holding (Luxembourg) S.A. acquired a 70% stake in Tekfenbank A.Ş. The sale of 100% of the shares of Oyakbank to ING Bank of the Netherlands was approved by the BRSA at the end of 2007. In 2007, Citigroup acquired a 20% stake in Akbank, which was reduced to 9.9% in May 2012 and sold its remaining holding of 9.9% of Akbank's shares through an accelerated equity offering on 4 March 2015. On 2 November 2010, Banco Bilbao Vizcaya Argentaria entered into an agreement to acquire a 24.9% stake in Türkiye Garanti Bankası A.Ş comprising 18.6% of the share capital of the bank held by General Electric Financial Services and 6.3% held by Doğuş Holding A.Ş., together with an option to acquire further shares from Doğuş Holding A.Ş. in five years' time. On 14 February 2011, Fortis Bank A.Ş., a fully owned subsidiary of Fortis Bank, merged into Türkiye Ekonomi Bankası A.Ş., a joint venture of BNP Paribas, with Türkiye Ekonomi Bankası A.Ş. becoming the surviving entity. On 9 April 2012, Burgan Bank and EFG signed a definitive agreement for the acquisition of 70% of Eurobank Tekfen A.Ş.'s issued share capital of Eurobank Tekfen A.Ş. On 8 June 2012, Sberbank and a shareholder of DenizBank (Dexia Participation Belgique) signed a definitive agreement for the acquisition of

99.85% of DenizBank's issued share capital by Sberbank. Thereafter, Bank Audi and Commercial Bank of Qatar have acquired interests in Turkish banks. On 20 December 2012, Bank of Tokyo Mitsubishi UFJ Türkiye A.Ş., and on 4 September 2014, Rabobank A.Ş. were granted operation licences by the BRSA to commence banking operations in Türkiye. On 19 November 2014, Doğuş Holding sold 14.89% of its shares in Türkiye Garanti Bankası A.Ş. to BBVA, a transaction approved by the BRSA in July 2015 and which increased BBVA's total shares to approximately 40%. On 2 April 2015, the BRSA approved the acquisition of approximately 75% issued shares in Tekstilbank A.Ş. by Industrial and Commercial Bank of China and on 22 May 2015, Industrial and Commercial Bank of China acquired 75.5% issued shares in Tekstilbank A.Ş. from the textile group GSD Holding. The acquisition of 99.81% of Finansbank A.Ş.'s shares by Qatar National Bank was approved by the BRSA and the Turkish Competition Board on 7 April 2016 and 3 May 2016, respectively. It later changed its business name to QNB Finansbank A.Ş. on 5 May 2016. The transfer of 99.9% of shares of HSBC Bank A.Ş. owned by HSBC Bank plc to HSBC Middle East Holding B.V. and HSBC Bank Middle East Limited was approved by the BRSA on 21 June 2017 and was completed on 29 June 2017. The transfer of 99.85% shares of Denizbank A.Ş. to Emirates NBD was approved by the BRSA on 27 June 2019 and was completed as at 31 July 2019. Most recently, UniCredit S.P.A. acquired 31.93% of shares of Yapı ve Kredi Bankası A.Ş. pursuant to the BRSA's approval on 26 December 2019 and the Turkish Competition Board's approval on 29 January 2020. Later on 6 February 2020, Yapı ve Kredi Bankası A.Ş. announced that 11.93% of its shares owned by UniCredit S.P.A. was sold to third parties. In 2017, the BRSA granted the establishment and operation license to Bank of China to commence banking operations in Türkiye. In the same year, the shares of Türkiye Halk Bankası A.Ş. (state-owned bank) and Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (largest state-owned bank) were transferred to the Türkiye Wealth Fund and in 2023, Türkiye Wealth Fund currently holds 100%, 91.5% and 74.8% of the share capital of T.C. Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş. and Türkiye Vakıflar Bankası T.A.O., respectively. On 31 March 2022, the CMB approved Banco Bilbao Vizcaya Argentaria, S.A.'s ("**BBVA**") voluntary tender offer for the shares of Türkiye Garanti Bankası A.Ş. which are not owned by BBVA, and the voluntary tender offer resulted in BBVA obtaining an additional 36.12% of the share of Türkiye Garanti Bankası A.Ş. As a result, BBVA currently holds 85.97% of Türkiye Garanti Bankası A.Ş. On 23 March 2023, the BRSA allowed Asır Yatırım Bankası A.Ş. to be established as an investment bank, granted an operating license to Hayat Finans Katılım Bankası A.Ş., and allowed Ziraat Dinamik Banka A.Ş. to be established as a digital bank. On 30 March 2023, the BRSA granted an operating license to T.O.M. Katılım Bankası A.Ş. On 7 April 2023, the BRSA granted an operating license to Tera Yatırım Bankası A.Ş. On 4 May 2023, the BRSA allowed SLM Yatırım Bankası A.Ş. to be established as an investment bank. On 1 June 2023, the BRSA granted an operating license to Q Yatırım Bankası A.Ş. On 3 August 2023, the BRSA granted an operating license to Hedef Yatırım Bankası A.Ş, allowed Enpara Bank A.Ş. to be established as a deposit bank, and allowed Colendi Bank A.Ş. to be established as a digital bank. On 23 November 2023, the BRSA allowed Adabank A.Ş. to transform into a participation bank. On 23 May 2024, BRSA allowed Marin Yatırım Bankası A.Ş. and Aytemiz Yatırım Bankası A.Ş to be established as a development and investment bank, and Adil Katılım Bankası A.Ş as a digital participation bank.

The Turkish banking sector has been restructured substantially and has been harmonising its legislation in line with EU standards. During the restructuring, the sector has undergone a substantial consolidation as the number of banks has declined from 84 in 1999 to 47 in 2019, reaching 63 in 2023. Overall, the banking system capital base has been strengthened, fragmentation has been decreased and market risks have been reduced. Akbank's management believes that it is well positioned to compete in the market due to its strong brand, robust capital structure, strong liquidity and conservative funding policy, the diversity and size of its customer portfolio and its widespread branch network.

According to the latest announced data of the Banks Association of Türkiye, as at 31 December 2023, state banks represent approximately 45.5% of the sector's assets, the four largest private banks approximately 33.6%, and the remaining banks including the medium sized banks and the smallest banks have approximately 20.9% of the sectors assets.

As at 31 March 2024, Akbank had an market share of 8.2% in total loans in Türkiye (8.6% in TL loans and 7.4% in foreign currency loans) while its market share in total deposits was 8.9% (9.5% in TL deposits and 8.0% in foreign currency deposits) (*Source: Monthly BRSA statistics and based on the financials (excluding accruals))*.

Properties

As at 31 March 2024, the total book value of the properties of Akbank (comprising land and buildings) was TL26.2 million and as at 31 December 2023, the total book value of the properties of Akbank (comprising land and buildings) was 25.3 million. As at 31 December 2022, the total book value of the properties of Akbank (comprising land and buildings) was TL15.2 million. As at 31 December 2021, the total book value of the properties of Akbank (comprising land and buildings) was TL5.8 million. As at 31 March 2024, Akbank had 299 branches (as compared to 309 as at December 2023, 332 as at 31 December 2022 and 335 as at 31 December 2021) were located on sites owned by Akbank, and the remainder were leased by Akbank. In addition, Akbank owns its head office, which had an appraisal value of TL2.5 billion as at 31 December 2023 and 31 March 2024

Legal Proceedings

Akbank is subject to various ongoing legal proceedings, as described below, but Akbank's management does not believe that such proceedings, individually or taken together, are likely to have a significant effect on Akbank's financial position or profitability.

Competition Board Investigations

Competition in Türkiye is mainly regulated by the Competition Law. The Competition Law is enforced by the Competition Board, which has the power to investigate possible breaches and impose fines.

The Competition Law entitles those who have been harmed due to a violation of the Competition Law to claim damages. As at 28 May 2024, there were 186 pending cases initiated by individual customers claiming damages. As at 28 May 2024, 608 lawsuits were finally resolved and 603 of them were concluded in favour of Akbank. 5 lawsuits which were concluded against Akbank became final with the decision of court of first instance, since the court decisions were not appealable due to the claims being under the monetary appeal limit. However, the customers will have to prove the actual damages incurred in order to prevail in these cases and in order to show actual damages, the customer will have to prove the interest rate, commissions and fees had there been no violation of the Competition Law.

18th Term Collective Bargaining

The 18th period Collective Bargaining Agreement expired on 31 December 2020. The union has not yet submitted a certificate of authorisation to Akbank certifying that it is authorised to negotiate a collective bargaining agreement with Akbank.

Customer Protection

An administrative fine of TL116,254,138 was imposed on Akbank in early 2021 pursuant to the Consumer Protection Law No. 6502 in respect of allegations of violating consumer legislation while providing banking services, following the audit carried out by the Ministry of Trade. The administrative fine amounting to TL87,190,603.50 was paid in advance to take advantage of the discount in accordance with Article 17/6 of Misdemeanors Law No. 5326, reserving all objection rights.

Akbank filed a lawsuit in İstanbul Administrative Court for the cancellation of the fine. The lawsuit has been rejected by the İstanbul Administrative Court and Akbank appealed the judgement before the Regional Administrative Court. The Regional Administrative Court decided to obtain additional reports from the experts and Akbank has raised its objections to the determinations in the relevant reports. However, the Regional

Administrative Court rejected Akbank's request for appeal and Akbank filed an appeal application to the Council of State. As at the date of this Offering Circular, the lawsuit is currently pending before the Council of State.

Risk Management

General

Akbank's management philosophy is to integrate a risk management culture into its strategic decision processes as well as its daily operational activities. Akbank believes that assessment and control of risk is an essential component of the performance of Akbank. Akbank seeks to closely identify, measure, monitor, model, report and manage the risks arising from its operations. The principal risks inherent to its business are credit risk, liquidity risk, interest rate risk, market risk, counterparty credit risk and operational risk. The objective of Akbank's asset and liability management and use of financial instruments is to limit Akbank's exposure to its inherent risks, while ensuring that Akbank has sufficient capital adequacy and is using its capital to maximise net interest income. In order to achieve this objective, Akbank monitors and manages the mismatch of maturities, the size and degree of its interest rate and exchange rate exposure and its counterparty credit quality. Akbank's system of risk control and risk management is designed to be fully integrated into its internal systems for planning, management and control.

The Board of Directors is responsible for Akbank's fundamental approach to risk identification, risk principles and the determination of risk appetite and capacity. The Board of Directors manages risk through the ERC supported by the Risk Management Office. Akbank's risk management function is independent of the commercial business lines, but at the same time is integrated into Akbank's business processes.

Risk Management Organisation

The Board of Directors and senior management are responsible for building up a risk appetite framework, developing risk management policies and strategies. The Board of Directors approves Akbank's general principles of risk control and risk management, its limits for all relevant risks and the procedures that Akbank applies in controlling and managing its risks. There are five risk management committees which Board members attend periodically: the Audit Committee, Credit Committee, Executive Risk Committee, the Conduct Risk Management Committee and the Information Security Committee. In addition to these Board level committees, Risk Management Office, Information Risk Management Office ("**IRMO**"), Internal Control, Compliance and Internal Audit divisions report directly to the Board. The risk management organisation also encompasses the Asset-Liability Committee (the "**ALCO**"), the Retail Credits Committee, the Information Risk Governance Committee, the Market Risk Committee and the Operational Risk Committee.

Audit Committee

The Audit Committee is comprised of two members of the Board of Directors and conducts auditing and oversight activities on behalf of the Board of Directors. The Audit Committee receives regular reports from all units created under the internal control, internal audit, and risk management systems as well as from independent auditors regarding execution of their respective duties. The committee contains two board members and convenes at least four times each year.

Credit Committee

The Credit Committee is comprised of three members of the Board of Directors including the CEO and is responsible for lending processes at Akbank. The Credit Committee has ultimate authority to ratify lending decisions and to assess the compliance of approved loan applications with applicable legislation, banking principles, objectives and Akbank's internal lending policies. The Credit Committee is supported by an Appraisal Committee which conducts an initial assessment of loan applications submitted by the branches.

Executive Risk Committee

The Executive Risk Committee (the "**ERC**") has ultimate responsibility for risk management and reports to the Board of Directors. The ERC meets twice a year to review Akbank's position and other developments in the economy. The ERC is comprised of two Executive Board Members and the CEO. The ERC establishes the policies, procedures and rules for risk management at Akbank, and develops risk management strategies which are incorporated into Akbank's long-term strategy. Subject to approval of the Board of Directors, the ERC also sets risk limits for liquidity risk, credit risk, counterparty credit risk, interest rate risk, market risk and operational risk in line with Akbank's risk appetite. Through close monitoring of the markets and overall economy, the ERC adjusts such limits as necessary. Risk limits and the implementation of risk management policies are broken down into various levels of authority within the relevant Business Units in order to enhance effectiveness. Akbank's risk positions are reported to the members of the ERC on a regular basis. Additionally, the ERC reviews the latest figures and projections for Akbank's profit and loss account and balance sheet, liquidity position, interest and foreign exchange exposures, as well as the latest analysis of yield and macroeconomic environment.

Conduct Risk Management Committee

Conduct risk is defined as any action or behaviour of Akbank and its employees towards customers, stakeholders or markets that is unfair and leads to customer detriment, financial penalties or reputational damage within Akbank. The members of the Conduct Risk Management Committee are Vice Chairperson of the Board, CEO, CRO and related executives. This committee meets once a year and aims to measure, monitor and decide on action plans if necessary.

Information Security Committee

Information Security Committee is established for conducting information security policy and managing information risk effectively in the name of the Board of Directors. The members of the committee are Vice Chairperson of the Board of Directors, CEO, CIRO, CRO and related executives.

Risk Management Office

The Risk Management Office is responsible for identifying, measuring, modelling, monitoring, managing and reporting all major risk types. Within this Office, there are separate teams for credit risk, liquidity risk, interest rate risk, market risk, counterparty credit risk, operational risk and other material risks for Akbank. The Office is also responsible for developing risk management systems and infrastructure, analysing results and reporting on the management and integration of the risks. Additionally, the Office has responsibility for on-going work within the framework of compliance with the Basel Guidelines, as implemented in Türkiye and for handling Akbank's relationships with the Turkish regulatory authorities, principally the BRSA and the Central Bank.

Information Risk Management Office

The IRMO reports directly to Board through the Chief Information Risk Officer (the "**CIRO**"). The coverage area of this organisation is not only information security but, rather, the broader information risk. The advantages of having such an organisation are: governance and coordination of all information risk management activities, closer Board oversight (especially for Information Security), and strong coordination with Information Risk Governance Committee.

The responsibilities of the IRMO include:

- providing an information risk perspective to the Board and establishing the processes, tools and systems required to identify, assess, measure, manage, monitor and report information risks;

- implementing security technologies and security threat and incident management via the Security Operations Centre;
- owning the process for developing information risk policies and procedures and approval authorities;
- performing necessary controls via an "Information Systems Control" function to identify and reporting information risks within the organisation, including those necessary for compliance with relevant regulations and legislation. With these activities, the IRMO ensures that information risk policies and controls are being delivered by responsible parties in the businesses;
- coordinating the follow-up of the actions notified by the official institutions, especially by the BRSA; and
- implementing and following necessary controls and actions to prevent external fraud and protect Akbank's customers.

Internal Control

Internal control is carried out by the Internal Control Division (the "**ICD**"), which is independent of all business and management units and reports directly to the Audit Committee. The ICD is intended to ensure that Akbank is able to achieve its goals, sustainable customer relationship and long-term profitability targets in a safe, prudent and controllable manner by ensuring that business operations are efficient and effective, recorded transactions are accurate, all financial and management reporting is reliable and complete and Akbank complies with applicable laws, regulations, internal policies, and procedures. Besides its headquarters in İstanbul, ICD carries out its activities from various regions of Türkiye.

The ICD consists of three teams, namely Branch Controls (Branch Control Tests & Monitoring Systems & Analytical Reporting), Head Office and Process Controls. ICD personnel comprises one Chairperson, three Vice Chairmen, ten managers, and 50 controllers.

Branch Control Tests comprises two different control approaches/teams, which are on-site and off-site (remote) control tests. Both control tests are carried out in branches that belong to 19 regional offices as well as corporate, commercial, and private branches. All core banking functions/processes of the branches (deposits, consumer and corporate loans, bank and credit cards, insurance, accounting, digital channels, treasury and derivative products and payment systems) are controlled and evaluated.

In addition to Branch Control Tests, starting from 2018, with the help of in-house monitoring systems, namely Employee Fraud, Device Monitoring, Transactions and the Cash Operation Centre Monitoring Systems- the trends and anomalies in respective areas can effectively be monitored and communicated.

Also, a specialised team named Analytical Reporting, carries out centralised monitoring projects on the basis of the data taken from different operating areas within Akbank's database with the aim of mitigating operational, credit and internal fraud risks throughout Akbank.

Head office and process controls consist of the establishment and execution of an effective control environment for the processes of Akbank, risk recognition and assessment, control activities, monitoring and remediation. Head office and process controllers make control tests for control the following Bank processes: deposit process, consumer/corporate credit process, accounting process, bank and credit cards process, merchant process, financial reporting process, insurance process, foreign trade, treasury/securities and fund management process and conduct risk process. Misselling controls are made through monitoring systems, recommendations are made for process improvements and actions are taken for a good customer experience. Malta Branch activities are also subjected to routine control tests to evaluate the existence and adequacy of the control points in its processes. In addition to those processes, new procedures and workflows to be established in Akbank are also evaluated by ICD controllers.

Akbank's Regulatory Affairs team became a part of the ICD in May 2014, having previously been a separate division. The Regulatory Affairs team facilitates communication with regulators and provides information on regulatory issues.

Internal Audit

The Board of Internal Audit (the "**BIA**") audits Akbank's head office units, domestic and foreign branches, the companies under its control and the business activities of all units with respect to compliance with Akbank's mission, strategies and policies, as well as relevant laws and regulations. The BIA's function is to support Akbank by providing internal audit and consulting services in compliance with international standards and to ensure that the Board of Directors' objectives and policies prevail throughout the organisation.

The BIA reports directly to the Board of Directors through the Board Member in Charge of Internal Audit and Audit Committee, but also shares the findings of its audits with the top management and, unless confidential, with the audited units. The BIA also provides copies of audit reports to the public authorities such as the BRSA, if requested. The BIA personnel comprises one Chief Audit Executive, five deputy heads and 124 auditors.

The BIA evaluates risk management, internal control and governance processes in accordance with the BRSA directives and Audit Charter of Akbank. While auditing Akbank's branches in a risk-oriented manner, the Board of Internal Audit also examines systems, models and many of the activities of Akbank's head office and subsidiaries. Additionally, the Credit Portfolio and Processes Audit Team assesses the loan portfolio according to rating classes, industry sectors, categorisation types among other criteria, manages R&D and examines processes products and applications. The financial statements and accounting system are also reviewed through financial statement auditing. Furthermore, IT practices are audited through the evaluation of information systems security and IT processes. The BIA is also responsible for conducting fraud investigations and inquiries.

Evaluating Loan Approval Processes. Audit procedures for loan approval processes are as follows:

- Department/Process Audit: departments which are in charge of granting loans and the loan approval processes for Corporate, Commercial and SME loans, consumer loans and credit cards are evaluated and audited in terms of, among other things, efficiency of workflows, policies and procedures and governance of human resources and organisation;

- Branch Audit: branches in charge of providing loans which are approved by branch directors, regional directorates, head office or board of directors are evaluated and audited in terms of, among other things, governance, risk management, internal controls and the creditworthiness of the portfolio;

- Model Audit: scoring/rating models are evaluated and audited in terms of, among other things, managerial processes, strategy, policies, data collection, design, analysis, modelling, validation, calibration and reporting;

- Portfolio Audit: credit portfolio as a whole and/or sub portfolios which have been broken down according to markets, regions, scores/ratings are evaluated and audited in terms of, among other things, credit worthiness, capability to be repaid and profitability; and

- Product and Campaign Audit: products and campaigns which have been designed to promote the growth of loan portfolios are evaluated and audited based on the corresponding loan repayment schedules and compliance with existing criteria.

Allegations of Illegal Conduct. A separate team within the BIA deals with customer and/or employee complaints, which are processed according to their seriousness and importance. Separately, fraudulent activities and other breaches of applicable rules and legislation are evaluated by internal auditors, following which further investigations and inquiries may be made.

Significant Outstanding Matters. Significant outstanding matters are categorised in terms of importance and risk level. Findings from head office and subsidiary audits are categorised as low, moderate or high risk. Findings from branch audits are rated on a scale from one to five, from very low risk to very high risk.

Outstanding matters categorised as "very high" or "5" are processed as follows: (i) results of subsidiaries' audits are reported via internal memoranda and executive summary to the Board of Directors; (ii) results of branch audits are firstly evaluated by BIA with, considering the control deficiencies and the importance of the findings, and then if needed, reported to the executive management via an executive summary; and (iii) results of important investigations and enquires are reported to the Board of Directors via an internal memorandum.

These matters are also uploaded to an internal system, and the action dates given and uploaded to this system by the relevant business lines and their progress is closely monitored. If necessary measures have not been taken, the reasons for not taking such measures are questioned and additional information is requested.

Following the meeting of the Audit Committee which takes place each quarter, the Board of Directors is informed of any outstanding high-risk findings.

Asset-Liability Committee

The primary objective of Akbank's asset and liability management is to satisfy the dual requirements of controlling exposure to liquidity and market risks while maximising profitability by the appropriate holdings of assets and liabilities. Akbank aims to maintain a structure of assets and liabilities that optimises both long- term and short-term profitability while minimising income volatility within the constraints of general market conditions. Akbank monitors and manages the mismatch of maturities in order to minimise the effect of these risks on profitability, while maintaining sufficient liquidity and capital adequacy. Through Akbank's asset and liability management activities, the balance sheet is structured taking into account interest rate, liquidity and foreign exchange risks as well as demand for credit, existing asset and liability positions, and general market conditions.

In order to achieve the primary objective of Akbank's asset and liability management, the ALCO manages adherence to risk limits by the various Business Units of Akbank. The ALCO's responsibilities include developing investment, pricing and funding strategies and making decisions on day-to-day liquidity management. The ALCO consists of CEO, EVP in charge of Treasury, CFO and each of EVPs in charge of Consumer Banking and Digital Marketing, SME Banking, Corporate & Investment Banking, Commercial Banking, Private Banking & Wealth Management, and Chief Risk Officer ("**CRO**"). The ALCO meets twice a week to review the latest data on its liquidity position, interest rate risk exposures, credit exposures and to discuss developments in the macroeconomic environment.

Retail Credits Committee

The Retail Credits Committee evaluates macroeconomic indicators, market conditions, portfolio growth and risk limits to decide on retail credit politics. The analyses are conducted by Credits Department and validated by Risk Management Office. The Retail Credits Committee consists of CRO and EVPs in charge of Credit Underwriting, Consumer Banking and Digital Marketing, SME Banking, Credit Monitoring and Collection.

Market Risk Committee

The Market Risk Committee monitors market and interest rate risk, evaluates the analysis of risks and proposes measures for risk mitigation. In addition to risk monitoring, the committee provides alternative scenarios and revisions for risk limits. The Market Risk Committee meets quarterly and consists of CRO, CFO and EVP in charge of Treasury.

Information Risk Governance Committee

Information risk is the risk associated with the use, ownership, operation, involvement, influence and adoption of Information Technology within an organisation. Akbank has an independent unit named IRMO (Information Risk Management Office), which is described above. It is responsible for information risk management and reports directly to the Board. Regular members include CIRO, CRO, CFO, CIO, Head of Internal Control, Head of Compliance, EVP in charge of Human and Culture and Legal Affairs Manager. The committee meets quarterly and is responsible for effective information risk management, developing risk policies and procedures.

Operational Risk Committee

The Operational Risk Committee monitors operational risk, evaluates inherent risks and proposes measures for risk mitigation. In addition to risk monitoring, the committee also determines risk policies and procedures and reviews alternative risk scenarios. The Operational Risk Committee meets quarterly and consists of CRO, CFO, CIO, CIRO, Head of Internal Control, Head of Compliance and EVP in charge of Human and Culture.

Credit Risk

Credit risk is the risk that counterparties may be unable to meet their obligations in accordance with the terms of their agreements with Akbank.

Akbank's exposure to credit risk is concentrated in Türkiye, where the majority of Akbank's activities are carried out. This risk is monitored by reference to credit risk ratings and managed by limiting the aggregate risk to any individual counterparty, economic group, industry or country. Credit risks are determined for each individual customer, enterprise and economic group separately. Credit risk is generally diversified due to the large number of entities comprising the customer base across the Corporate, Commercial, SME, Private Banking and Consumer Banking reporting segments, and their diversification across different industries and geographic areas and by size.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate. Exposure to credit risk is also managed by obtaining collateral such as mortgages, corporate and personal guarantees and other security where appropriate. For example, approximately 50% of Akbank's Corporate portfolio and approximately 90% of its Commercial and SME portfolios are collateralised, according to Akbank's management estimates.

Various application and behavioural scorecards are in use at Akbank to improve its loan evaluation and underwriting, loan monitoring, collection, pricing and IFRS 9 processes. The models include corporate, commercial, and small business rating models, consumer loans, overdraft and credit cards applications models, and behavioural models for the Retail and Corporate Banking portfolios. The performances of the rating models are monitored periodically, and when found necessary models are redeveloped/realigned. Akbank believes that by using advanced models, it can better assess the creditworthiness of its loan customers. For this purpose, Akbank has started to develop rating models/scorecards with Machine Learning ("**ML**") algorithms and has embedded ML models into certain daily processes of the bank.

IFRS 9

Rating models are at the core of IFRS 9 Expected Credit Loss calculations. PD (Probability of Default), LGD (Loss Given Default) and EAD (Exposure at Default) models used in IFRS 9 processes are reviewed and revised on at least an annual basis and more frequently if needed. Akbank also uses macro-economic models (projections) for the next three years for provision calculations. In terms of forming different scenarios for calculation, there are three versions, namely base, favourable and adverse scenarios with different weights.

Market Risk

Banks are exposed to market risk due to movements in foreign currency exchange rates, interest rates and market prices for stocks.

Akbank measures market risk according to both the "Internal Model" and the "Standard Model" (also known as the regulatory model).

Internal Model

The internal model calculates market risk on the basis of the VaR methodology. Akbank uses the VaR to measure the potential loss in value of a particular asset or portfolio from adverse market movements over a specified period for a given confidence interval. For example, when the VaR for an asset is U.S.$100 million at a one-week, 99% confidence level, it means that there is only a 1% chance that the value of the asset will decrease more than U.S.$100 million over any given week.

Akbank applies historical simulation models for VaR calculations. Akbank uses software that can perform calculations with an advanced yield curve and volatility models. The VaR model is based on the assumptions of a 99% confidence interval and a ten-day retention period. VaR is reported to senior management on a daily basis in order to assess the possible expected loss. VaR analyses are supported with scenario analyses and stress tests, and take into consideration the effects of low-probability events which can have a significant impact. Retrospective tests of model outputs are performed regularly.

Standard Model

For regulatory capital adequacy calculations, Akbank uses its standard model which is similar to the capital adequacy framework commonly known as Basel 2.5, designed to measure market risks on a monthly basis taking into account interest rate risks, currency risks, equity risks and specific risk.

The Risk Management Office prepares market risk analysis reports according to the standard model in line with BRSA requirements.

Currency Risk

Foreign currency-denominated assets and liabilities, together with forward purchase and sale commitments, give rise to foreign exchange exposure. This risk is managed by using natural hedges that arise from offsetting foreign currency-denominated assets and liabilities, and the remaining open foreign exchange exposures are hedged on a portfolio basis with derivative financial instruments that include primarily forward foreign exchange contracts and currency swaps. The Board of Directors, taking into account the recommendations from the ERC, sets limits for the size of foreign exchange exposure, which are closely monitored by the ALCO.

Foreign exchange risk exposure is measured in terms of both aggregate foreign currency open position and foreign currency open position for each currency. There are separate limits for both aggregate and individual exposures set in compliance with the legal standard ratio of net foreign currency position. According to the applicable regulatory limits, Turkish banks can carry a maximum of 10% net open position relative to their capital base. Akbank has an internal limit and early warning limit on the regulatory ratio, which it monitors conservatively.

The ERC sets the maximum foreign currency open position limit (short or long). The ERC also determines under what circumstances the maximum amount can be utilised. This overall limit is generally broken down into two authority levels; the initial level is the open position limit assigned to EVP in charge of Treasury under his/her discretion in order to respond to market developments and fluctuations. The second level is the remaining portion of the overall limit, which is under the authority of the ALCO and it is monitored on a daily basis.

The tables below summarise Akbank's exposure to foreign currency exchange rate risk as at 31 March 2024 and as at 31 December 2023, 2022 and 2021. Included in the table are Akbank's assets and liabilities and shareholders' equity shown at carrying amounts categorised by currency.

	As at 31 March 2024			
	EUR	USD	Other FC(1)	Total
	(TL thousands)			
Assets				
Cash Equivalents and Central Bank	59,096,090	96,426,095	20,505,464	**176,027,649**
Banks	24,515,531	31,621,063	4,635,657	**60,772,251**
Financial Assets at Fair Value through Profit or Loss (Net)	380,321	2,252,653	—	**2,632,974**
Interbank Money Market Placements	—	—	—	**—**
Financial Assets measured at other comprehensive income	16,682,629	120,934,074	3,615,440	**141,232,143**
Loans	187,905,630	143,940,684	62,249	**331,908,563**
Investments in Associates, Subsidiaries and Joint Ventures	-	3,279,777	—	**3,279,777**
Financial assets measured at amortised cost	-	17,970,859	—	**17,970,859**
Hedging Derivative Financial Assets	612,652	3,761,933	2,591,014	**6,965,599**
Tangible Assets (Net)	277,066	67,819	—	**344,885**
Intangible Assets (Net)	35,609	—	—	**35,609**
Other Assets	1,261,127	10,706,396	15,679	**11,983,202**
Total Assets	**290,766,655**	**430,961,353**	**31,425,503**	**753,153,511**
Liabilities				
Bank Deposits	6,842,548	17,099,962	1,845,595	**25,788,105**
Foreign Currency Deposits	168,894,820	230,407,940	116,674,050	**515,976,810**
Funds from Interbank Money Market	5,156,029	102,027,920	—	**107,183,949**
Borrowings	30,589,327	78,611,916	—	**109,201,243**
Marketable Securities Issued (Net) (2)	348,521	80,008,538	7,207,307	**87,564,366**
Miscellaneous Payables	5,673,552	36,602,296	382,827	**42,658,675**
Hedging Derivative Financial Liabilities	—	88,851	—	**88,851**
Other Liabilities	6,006,218	4,884,594	243,222	**11,134,034**
Total Liabilities	**223,511,015**	**549,732,017**	**126,353,001**	**899,596,033**
Net on Balance Sheet Position	**67,255,640**	**(118,770,664)**	**(94,927,498)**	**(146,442,522)**
Net off-Balance Sheet Position	**(56,523,623)**	**129,624,670**	**96,708,179**	**169,809,226**

Notes:

(1) "Other" includes GBP, JPY, CHF, NOK, SEK, DKK, CAD, AUD, SAR.

(2) Including subordinated loans.

	As at 31 December 2023			
	EUR	USD	Other FC(1)	Total
	(TL thousands)			
Assets				
Cash Equivalents and Central Bank	46,939,112	103,001,322	18,536,325	**168,476,759**
Banks	21,138,159	30,020,723	6,061,650	**57,220,532**
Financial Assets at Fair Value through Profit or Loss (Net)	114,579	1,938,656	—	**2,053,235**
Interbank Money Market Placements	—	—	—	**—**
Financial Assets measured at other comprehensive income	12,092,060	110,243,967	3,409,857	**125,745,884**
Loans	174,409,477	137,193,133	68,463	**311,671,073**
Investments in Associates, Subsidiaries and Joint Ventures	—	2,990,538	—	**2,990,538**
Financial assets measured at amortised cost	—	17,894,029	—	**17,894,029**
Hedging Derivative Financial Assets	618,955	3,783,457	2,024,665	**6,427,077**
Tangible Assets (Net)	97,562	67,943	—	**165,505**
Intangible Assets (Net)	33,686	—	—	**33,686**
Other Assets	(73,659)	12,036,629	14,556	**11,977,526**
Total Assets	**255,369,931**	**419,170,397**	**30,115,516**	**704,655,844**

	EUR	USD	Other FC[1]	Total
Liabilities				
Bank Deposits	7,416,294	28,434,441	909,037	**36,759,772**
Foreign Currency Deposits	169,940,335	242,550,714	77,319,922	**489,810,971**
Funds from Interbank Money Market	2,927,694	87,303,405	—	**90,231,099**
Borrowings	29,004,474	77,947,470	—	**106,951,944**
Marketable Securities Issued (Net) [2]	329,451	55,498,582	6,482,288	**62,310,321**
Miscellaneous Payables	3,122,585	32,178,977	32,837	**35,334,399**
Hedging Derivative Financial Liabilities	—	—	—	**—**
Other Liabilities	4,762,684	4,711,860	132.229	**9,606,773**
Total Liabilities	**217,503,517**	**528,625,449**	**84,876,313**	**831,005,279**
Net on Balance Sheet Position	**37,866,414**	**(109,455,052)**	**(54,760,797)**	**(126,349,435)**
Net off-Balance Sheet Position	**(32,367,144)**	**124,948,510**	**56,367,447**	**148,948,813**

Notes:

(1) "Other" includes GBP, JPY, CHF, NOK, SEK, DKK, CAD, AUD, SAR.

(2) Including subordinated loans.

	As at 31 December 2022			
	EUR	**USD**	**Other FC[1]**	**Total**
	(TL thousands)			
Assets				
Cash Equivalents and Central Bank	39,089,777	59,873,435	4,882,858	**103,846,070**
Banks	15,185,927	19,434,850	3,427,664	**38,048,441**
Financial Assets at Fair Value through Profit or Loss (Net)	19,962	927,888	—	**947,850**
Interbank Money Market Placements	—	—	—	**—**
Financial Assets measured at other comprehensive income	7,356.581	74,372,424	2,226,060	**83,955,065**
Loans	125,185,125	87,770,630	77,829	**213,033,584**
Investments in Associates, Subsidiaries and Joint Ventures	—	—	—	**—**
Financial assets measured at amortised cost	—	11,980,146	—	**11,980,146**
Hedging Derivative Financial Assets	350,155	4,183,265	1,118,351	**5,651,771**
Tangible Assets (Net)	67,704	38,270	—	**105,974**
Intangible Assets (Net)	19,697	—	—	**19,697**
Other Assets	1,573,660	8,259,786	22.789	**9,856,235**
Total Assets	**188,848,588**	**266,940,694**	**11,755,551**	**467,444,833**
Liabilities				
Bank Deposits	2,344,958	8,037,577	2,221,508	**12,604,043**
Foreign Currency Deposits	105,645,670	187,435,945	45,602,025	**338,683,640**
Funds from Interbank Money Market	3,298,038	27,821,915	—	**31,119953**
Borrowings	16,876,430	56,637,050	—	**73,513,480**
Marketable Securities Issued (Net) [2]	201,621	36,321,916	—	**36,523,537**
Miscellaneous Payables	3,026,049	23,942,196	62,839	**27,031,084**
Hedging Derivative Financial Liabilities	—	1	—	**1**
Other Liabilities	3,222,179	3,167,025	70,249	**6,459,453**
Total Liabilities	**134,614,945**	**343,363,625**	**47,956,621**	**525,935,191**
Net on Balance Sheet Position	**54,233,643**	**(76,522,931)**	**(36,201,070)**	**(58,490,358)**
Net off-Balance Sheet Position	**(51,689,736)**	**76,698,708**	**36,456,212**	**63,465,184**

Notes:

(1) "Other" includes GBP, JPY, CHF, NOK, SEK, DKK, CAD, AUD, SAR.

(2) Including subordinated loans.

	As at 31 December 2021			
	EUR	**USD**	**Other FC[1]**	**Total**
	(TL thousands)			
Assets				
Cash Equivalents and Central Bank	28,680,617	48,515,736	2,794,847	**79,991,200**

	As at 31 December 2021			
	EUR	**USD**	**Other FC[(1)]**	**Total**
	(TL thousands)			
Banks	14,130,303	34,280,423	4,971,007	**53,381,733**
Financial Assets at Fair Value through Profit or Loss (Net)	198,591	8,161,455	—	**8,360,046**
Financial Assets measured at other comprehensive income	7,370,714	54,824,762	2,233,925	**64,429,401**
Interbank Money Market Placements	—	—	—	**—**
Loans	105,044,096	61,633,305	31,756	**166,709,157**
Investments in Associates, Subsidiaries and Joint Ventures	—	—	—	**—**
Financial assets measured at amortised cost	—	10,415,698	—	**10,415,698**
Hedging Derivative Financial Assets	—	388,819	387,885	**776,704**
Tangible Assets (Net)	56,133	17,668	—	**73,801**
Intangible Assets (Net)	13,817	1	—	**13,818**
Other Assets	(926,395)	6,508,428	9,564	**5,591,597**
Total Assets	**154.567.876**	**224,746,295**	**10,428,984,**	**389,743,155**
Liabilities				
Bank Deposits	4,810,378	4,160,772	2,442,238	**11,413,388**
Foreign Currency Deposits	92,712,743	164,101,605	33,873,447	**290,687,795**
Funds from Interbank Money Market	2,389,460	26,491,284	—	**28,880,744**
Borrowings	13,369,842	45,926,894	—	**59,296,736**
Marketable Securities Issued (Net)[(2)]	152,586	39,403,551	—	**39,556,137**
Miscellaneous Payables	1,576,244	12,269,833	160,089	**14,006,166**
Hedging Derivative Financial Liabilities	—	694,631	—	**694,631**
Other Liabilities	1,626,552	2,563,443	44,002	**4,233,997**
Total Liabilities	**116,637,805**	**295,612,013**	**36,519,776**	**448,769,594**
Net on Balance Sheet Position	**37,930,071**	**(70,865,718)**	**(26,090,792)**	**(59,026,439)**
Net off-Balance Sheet Position	**(37,437,819)**	**74,066,886**	**26,769,543**	**63,398,610**

Notes:

(1) "Other" includes GBP, JPY, CHF, NOK, SEK, DKK, CAD, AUD, SAR.

(2) Including subordinated loans.

Interest Rate Risk

Akbank is exposed to interest rate risk either through market value fluctuations of balance sheet items, i.e. price risk, or the impact of rate changes on interest-sensitive assets and liabilities. Interest rate risk is the key component of Akbank's asset and liability management. Interest rate risk is managed on a portfolio basis by applying different strategies such as using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, or building hedge relationships in order to minimise the effects of changes in interest rates. Special emphasis is given to providing a balance between the duration of assets and liabilities. Repricing/duration, gap, sensitivity and scenario analysis are the main methods used to manage the risks.

The tables below summarise Akbank's exposure to interest rate risk as at 31 March 2024 and as at 31 December 2023, 31 December 2022 and 31 December 2021. Included in the table are Akbank's assets and liabilities and shareholders' equity shown at carrying amounts categorised by currency.

	As at 31 March 2024						
	Up to 1 Month	**1 to 3 Months**	**3 Months to 1 Year**	**1 Year to 5 Years**	**5 Years and Over**	**Non-interest Bearing**	**Total**
	(TL thousands)						
Assets							
Cash Equivalents and Central Bank[(1)]	55,594,592	—	—	—	—	227,092,379	**282,686,971**
Banks	22,077,982	5,257,062	—	—	—	34,438,999	**61,774,043**
Financial Assets at Fair Value through Profit or Loss (Net)	69,465	164,787	180,900	546,009	238,556	19,569,416	**20,769,133**
Interbank Money Market Placements	1,378,962	19,169	213,898	—	—	—	**1,612,029**
Financial Assets at measured Fair Value Other Comprehensive Income	50,586,155	51,807,318	41,664,322	152,236,096	37,567,077	1,775,821	**335,636,789**

	As at 31 March 2024						
	Up to 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5 Years and Over	Non-interest Bearing	Total
				(TL thousands)			
Loans[(2)]	415,608,568	163,382,104	313,791,680	124,403,294	36,938,273	22,663,413	**1,076,787,332**
Financial Assets measured at amortised cost	165,350	47,093,746	95,039,784	25,812,058	8,326,503	—	**176,437,441**
Other Assets[(3)]	19,399,427	42,175,305	18,054,111	5,658,684	73,757	31,398,831	**116,760,115**
Total Assets	**544,880,501**	**309,899,491**	**468,944,695**	**308,656,141**	**83,144,166**	**336,938,859**	**2,072,463,853**
Liabilities							
Bank Deposits	10,940,439	6,932,330	10,671,848	—	—	1,733,831	**30,278,448**
Other Deposits	506,345,463	209,646,236	184,011,744	9,798,917	1,933,318	431,589,383	**1,343,325,061**
Funds from Interbank Money Market	80,751,560	22,064,472	34,390,327	503,308	—	—	**137,709,667**
Miscellaneous Payables	8,246,514	21,033,728	7,852,666	862,238	—	41,458,918	**79,454,064**
Marketable Securities Issued (Net) [(4)]	4,484,592	5,420,998	22,062,588	34,390,327	503,308	—	**137,709,667**
Borrowings	30,910,662	56,933,842	16,582,257	9,671,316	251,962	—	**114,350,039**
Other Liabilities[(5)]	6,004,466	11,154,133	7,789,585	3,470,051	1,349,869	243,546,158	**273,314,262**
Total Liabilities	**647,683,696**	**333,185,739**	**283,361,015**	**60,426,489**	**29,478,624**	**713,328,290**	**2,072,463,853**
Balance Sheet Long Position	—	—	`84,482,680	248,229,652	53,665,542	—	**482,478,874**
Balance Sheet Short Position	(82,803,195)	(23,286,248)	—	—	—	(381,389,431)	**(487,478,874)**
Off- Balance Sheet Long Position	11,084,893	47,244,811	—	146,672	—	—	**58,476,376**
Off-Balance Sheet Short Position	—	—	(19,023,692)	—	—	—	**(19,023,692)**
Total Position	**(71,718,302)**	**23,958,563**	**166,559,988**	**248,376,324**	**53,665,542**	**(381,389,431)**	**39,452,684**

Notes:

(1) Derivative collateral given to foreign banks is included.
(2) Includes lease receivables. Non-performing loans are shown in the "Non-interest bearing" column.
(3) Derivative financial assets and expected credit losses are classified under other assets.
(4) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.
(5) Shareholders' equity is presented under "Other liabilities" in the "Non-interest bearing" column.

	As at 31 December 2023						
	Up to 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5 Years and Over	Non-interest Bearing	Total
				(TL thousands)			
Assets							
Cash Equivalents and Central Bank[(1)]	116,751,600	—	—	—	—	180,648,099	**297,399,699**
Banks	18,418,758	4,482,331	1	—	—	35,182,040	**58,083,130**
Financial Assets at Fair Value through Profit or Loss (Net)	84,594	219,246	125,192	360,416	114,188	15,350,480	**16,254,116**
Interbank Money Market Placements	1,414,537	1,013	—	—	—	—	**1,415,550**
Financial Assets at measured Fair Value Other Comprehensive Income	36,846,588	47,346,926	37,287,203	136,036,977	24,706,288	1,541,486	**283,765,468**
Loans[(2)]	377,703,360	164,531,749	280,744,824	106,654,975	30,731,330	21,417,219	**981,783,457**
Financial Assets measured at amortised cost	70,069,526	6,542,159	50,876,894	29,251,430	8,186,751	—	**164,926,760**
Other Assets[(3)]	12,856,657	40,988,422	17,683,560	5,238,501	60,048	24,314,120	**101,141,308**
Total Assets	**634,145,620**	**264,111,846**	**386,717,674**	**277,542,299**	**63,798,605**	**278,453,444**	**1,904,769,488**
Liabilities							
Bank Deposits	17,864,184	6,812,570	11,464,799	—	—	1,136,478	**37,278,031**
Other Deposits	488,127,809	286,996,086	84,126,131	10,018,246	1,863,807	384,504,354	**1,255,636,433**
Funds from Interbank Money Market	54,689,088	31,376,919	13,337,659	—	—	—	**99,403,666**
Miscellaneous Payables	6,985,268	14,338,612	9,366,521	719,303	—	36,597,130	**68,006,834**
Marketable Securities Issued (Net) [(4)]	878,023	2,083,601	11,143,945	28,881,166	23,674,995	—	**66,661,730**
Borrowings	19,872,027	36,711,209	46,945,935	8,287,107	208,779	—	**112,025,057**
Other Liabilities[(5)]	5,127,691	8,253,412	8,711,433	2,417,296	1,028,379	240,219,526	**265,757,737**
Total Liabilities	**593,544,090**	**386,572,409**	**185,096,423**	**50,323,118**	**26,775,960**	**662,457,488**	**1,904,769,488**
Balance Sheet Long Position	40,601,530	—	201,621,521	227,219,181	37,022,645	—	506,464,607
Balance Sheet Short Position	—	(122,460,563)	—	—	—	(384,004,044)	(506,464,607)
Off- Balance Sheet Long Position	9,956,709	56,716,505	—	353,710	—	—	67,026,924
Off-Balance Sheet Short Position	—	—	(31,885,053)	—	—	—	(31,885,053)
Total Position	**50,558,239**	**(65,744,058)**	**169,736,198**	**227,572,891**	**37,022,645**	**(384,004,044)**	**35,141,871**

Notes:

(1) Derivative collateral given to foreign banks is included.

(2) Includes lease receivables. Non-performing loans are shown in the "Non-interest bearing" column.

(3) Derivative financial assets and expected credit losses are classified under other assets.

(4) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

(5) Shareholders' equity is presented under "Other liabilities" in the "Non-interest bearing" column.

	As at 31 December 2022						
	Up to 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5 Years and Over	Non-interest Bearing	Total
				(TL thousands)			
Assets							
Cash Equivalents and Central Bank(1)	22,974,986	—	—	—	—	104,557,805	**127,532,791**
Banks	9,556,309	3,591,941	—	—	—	25,232,372	**38,380,622**
Financial Assets at Fair Value through Profit or Loss (Net)	28,641	173,196	336,083	119,991	164,095	9,737,119	**10,559,125**
Interbank Money Market Placements	985,674	476,702	—	—	—	—	**1,462,376**
Financial Assets at measured Fair Value Other Comprehensive Income	16,585,316	17,889,311	38,938,246	71,594,574	25,318,524	1,501,802	**171,827,773**
Loans(2)	185,479,287	117,925,592	187,608,877	101,862,336	17,551,548	17,607,066	**628,034,706**
Financial Assets measured at amortised cost	40,382,262	1,103,650	38,665,799	14,935,049	3,067,916	—	**98,154,676**
Other Assets(3)	9,073,917	31,721,896	10,896,498	2,602,473	38,651	17,008,676	**71,342,111**
Total Assets	**285,066,392**	**172,882,288**	**276,445,503**	**191,114,423**	**46,140,734**	**175,644,840**	**1,147,294,180**
Liabilities							
Bank Deposits	5,321,984	7,095,018	2,369,133	—	—	1,476,192	**16,262,327**
Other Deposits	271,150,262	140,759,595	34,674,898	15,920,599	1,160,630	241,633,617	**705,299,601**
Funds from Interbank Money Market	46,381,820	11,776,257	3,874,851	491,525	—	—	**62,524,453**
Miscellaneous Payables	4,978,572	11,550,362	7,748,181	342,177	—	24,458,319	**49,077,611**
Marketable Securities Issued (Net) (4)	256,139	2,173,604	2,880,644	20,413,088	16,895,052	—	**42,618,527**
Borrowings	9,748,864	38,247,433	22,941,161	4,125,496	—	—	**75,062,954**
Other Liabilities(5)	4,166,531	6,797,111	5,924,605	889,583	1,055,481	177,615,396	**196,448,707**
Total Liabilities	**342,004,172**	**218,399,380**	**80,413,473**	**42,182,468**	**19,111,163**	**445,183,524**	**1,147,294,180**
Balance Sheet Long Position	—	—	196,032,030	148,931,955	27,029,571	—	**371,993,556**
Balance Sheet Short Position	(56,937,780)	(45,517,092)	—	—	—	(296,538,684)	**(371,993,556)**
Off- Balance Sheet Long Position	8,629,361	40,798,857	—	—	—	—	**49,428,218**
Off-Balance Sheet Short Position	—	—	(23,592,577)	(1,081,620)	—	—	**(24,674,197)**
Total Position	**(48,308,419)**	**(4,718,235)**	**172,439,453**	**147,850,335**	**27,029,571**	**(269,538,684)**	**24,754,021**

Notes:

(1) Derivative collateral given to foreign banks is included.

(2) Includes lease receivables. Non-performing loans are shown in the "Non-interest bearing" column.

(3) Derivative financial assets and expected credit losses are classified under other assets.

(4) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

(5) Shareholders' equity is presented under "Other liabilities" in the "Non-interest bearing" column.

	As at 31 December 2021						
	Up to 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5 Years and Over	Non-interest Bearing	Total
				(TL thousands)			
Assets							
Cash Equivalents and Central Bank(1)	9,933,401	—	—	—	—	81,953,371	**91,886,772**
Banks	2,992,146	2,076,501	—	—	—	48,402,039	**53,470,686**
Financial Assets at Fair Value through Profit or Loss (Net)	30,652	98,071	7,556,598	327,949	126,846	2,669,259	**10,809,375**
Interbank Money Market Placements	2,824,281	—	24,331	—	—	—	**2,848,612**
Financial Assets at measured Fair Value Other Comprehensive Income	9,667,116	11,104,373	17,998,624	40,291,809	20,411,046	838,454	**100,311,422**
Loans(2)	122,541,079	47,125,051	105,914,109	91,546,596	19,264,874	18,396,587	**404,788,296**
Financial Assets measured at amortised cost	16,202,199	2,776,285	24,752,525	8,685,943	169,608	—	**52,585,560**
Other Assets(3)	11,868,541	25,847,384	13,042,659	1,338,342	214,229	(6,213,548)	**46,097,607**
Total Assets	**176,059,415**	**89,027,665**	**169,288,846**	**142,190,639**	**40,185,603**	**146,046,162**	**762,798,330**
Liabilities							
Bank Deposits	5,629,678	5,071,644	1,358,720	—	—	1,776,500	**13,836,542**

	As at 31 December 2021						
	Up to 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5 Years and Over	Non-interest Bearing	Total
				(TL thousands)			
Other Deposits	176,541,029	71,291,625	21,226,188	8,241,038	1,339,945	161,074,212	**439,714,037**
Funds from Interbank Money Market	45,919,880	8,558,647	8,365,439	1,793,495	—	—	**64,637,461**
Miscellaneous Payables	3,016,018	5,749,678	4,243,520	178,528	—	9,865,885	**23,053,629**
Marketable Securities Issued (Net) [4]	2,628,561	2,796,048	9,775,391	15,119,756	18,660,721	28,118	**49,008,595**
Borrowings	11,111,804	28,533,912	17,453,011	2,874,313	—	—	**59,973,040**
Other Liabilities[5]	6,015,255	11,211,814	8,821,026	844,408	685,224	84,997,299	**112,575,026**
Total Liabilities	**250,862,225**	**133,213,368**	**71,243,295**	**29,051,538**	**20,685,890**	**257,742,014**	**762,798,330**
Balance Sheet Long Position	—	—	98,045,551	113,139,101	19,499,713	—	**230,684,365**
Balance Sheet Short Position	(74,802,810)	(44,185,703)	—	—	—	(111,695,852)	**(230,684,365)**
Off- Balance Sheet Long Position	8,894,376	31,553,850	8,400	—	144,887	—	**40,601,513**
Off-Balance Sheet Short Position	(686,639)	(138,595)	(19,448,449)	(11,308)	—	—	**(20,284,991)**
Total Position	**(66,595,073)**	**(12,770,448)**	**78,605,502**	**113,127,793**	**19,644,600**	**(111,695,852)**	**20,316,522**

Notes:

(1) Derivative collateral given to foreign banks is included.
(2) Includes lease receivables. Non-performing loans are shown in the "Non-interest bearing" column.
(3) Derivative financial assets and expected credit losses are classified under other assets.
(4) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.
(5) Shareholders' equity is presented under "Other liabilities" in the "Non-interest bearing" column.

The tables below summarise the range for effective average interest rates by major currencies for monetary financial instruments as at 31 March 2024 and as at 31 December 2023, 2022 and 2021, respectively:

	As at 31 March 2024			
	EUR	USD	JPY	TL
		(%)		
Assets				
Cash Equivalents and Central Bank	—	—	—	25.00
Banks	3.89	5.65	—	47.37
Financial Assets at Fair Value Through Profit or Loss (Net)	4.80	8.00	—	41.62
Interbank Money Market Placements	—	—	—	53.85
Financial Assets at Fair Value Other Comprehensive Income	3.38	6.09	3.09	36.66
Loans	7.25	9.24	—	43.60
Financial Assets measured at amortised cost	—	6.06	—	32.57
Liabilities				
Bank Deposits	4.93	6.91	—	42.40
Other Deposits	0.92	1.16	1.53	36.86
Funds from Interbank Money Market	2.00	6.09	—	48.95
Miscellaneous Payables	—		5.33	—
Marketable Securities Issued (Net)	4.00	7.52	—	47.55
Borrowings	7.58	7.60	—	40.51

	As at 31 December 2023			
	EUR	USD	JPY	TL
		(%)		
Assets				
Cash Equivalents and Central Bank	—	—	—	—
Banks	3.92	5.94	—	42.33
Financial Assets at Fair Value Through Profit or Loss (Net)	4.95	8.15	—	45.52
Interbank Money Market Placements	—	-	—	43.00
Financial Assets at Fair Value Other Comprehensive Income	2.89	6.12	3.09	33.98
Loans	7.19	9.03	—	38.31
Financial Assets measured at amortised cost	—	6.13	—	43.82

	As at 31 December 2023			
	EUR	USD	JPY	TL
		(%)		
Liabilities				
Bank Deposits	5.32	7.49	—	35.38
Other Deposits	0.97	1.67	0.84	32.19
Funds from Interbank Money Market	3.50	6.69	—	37.99
Miscellaneous Payables	—	3.65	—	—
Marketable Securities Issued (Net)	4.00	6.87	—	38.75
Borrowings	7.57	8.02	—	39.09

	As at 31 December 2022			
	EUR	USD	JPY	TL
		(%)		
Assets				
Cash Equivalents and Central Bank	—	—	—	—
Banks	1.87	1.86	—	22.75
Financial Assets at Fair Value Through Profit or Loss (Net)	4.89	7.36	—	14.07
Interbank Money Market Placements	—	—	—	14.87
Financial Assets at Fair Value Other Comprehensive Income	2.86	5.75	3.09	29.35
Loans	5.85	8.82	—	18.41
Financial Assets measured at amortised cost	—	6.22	—	76.44
Liabilities				
Bank Deposits	2.77	4.81	—	15.93
Other Deposits	0.39	1.93	0.01	15.79
Funds from Interbank Money Market	1.51	5.06	—	10.80
Miscellaneous Payables	—	3.65	—	—
Marketable Securities Issued (Net)	4.00	6.43	—	15.53
Borrowings	4.18	6.66	—	24.27

	As at 31 December 2021			
	EUR	USD	JPY	TL
		(%)		
Assets				
Cash Equivalents and Central Bank	—	—	—	8.50
Banks	0.07	0.24	—	19.78
Financial Assets at Fair Value Through Profit or Loss (Net)	2.48	6.66	—	18.76
Interbank Money Market Placements	—	—	—	17.07
Financial Assets at Fair Value Other Comprehensive Income	2.88	5.32	3.09	18.35
Loans	3.86	4.97	—	17.62
Financial Assets measured at amortised cost	—	5.89	—	20.90
Liabilities				
Bank Deposits	0.20	1.16	—	17.71
Other Deposits	0.12	0.44	—	14.67
Funds from Interbank Money Market	0.12	0.82	—	14.06
Miscellaneous Payables	—	0.08	—	—
Marketable Securities Issued (Net)	4.00	6.31	—	17.54
Borrowings	2.20	2.50	—	20.14

Liquidity Risk

Akbank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits and guarantees as well as Akbank's own maturity exposures. A major objective of Akbank's asset and liability management is to ensure that sufficient liquidity is available at all times to meet the commitments to customers and to satisfy our own liquidity needs. Akbank maintains cash and near cash resources to meet all of these needs.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of liquidity risk. The ability to fund Akbank's existing and prospective debt requirements is managed by seeking to maintain sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit lines and a broad deposit base, and the ability to close out market positions. Akbank maintains additional resources to provide liquidity when necessary through allocated limits at the Central Bank. Short-term funding needs are provided using customer deposits and repos. Long-term funding is provided through deposits and long-term foreign funds. An unmatched position potentially enhances profitability, but also increases the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of Akbank and its exposure to changes in interest rates and exchange rates.

Akbank's liquidity risk management policy requires Akbank to develop a policy that seeks to ensure strong liquidity levels and funds-management practices. In particular, the ERC sets limits for key risk indicators for liquidity risk management on the maturity mismatch of assets and liabilities. Akbank also seeks to maintain a diversified deposit base.

The tables below analyse assets and liabilities of Akbank into relevant maturity groupings based on the remaining period between the contractual maturity dates and the relevant balance sheet date as at 31 March 2024 and 31 December 2023, 2022 and 2021.

	As at 31 March 2024							
	Demand	Up to 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5 Years and Over	Unallocated[1]	Total
	(TL thousands)							
Assets								
Cash Equivalents and Central Bank	124,515,399	156,296,763	1,874,809	—	—	—	—	**282,686,971**
Banks[2]	34,438,999	22,077,982	5,257,062	—	—	—	—	**61,774,043**
Financial Assets at Fair Value through Profit or Loss (Net)	19,569,416	69,464	11,532	68,047	730,857	319,817	—	**20,769,133**
Interbank Money Market Placements	—	1,378,962	19,169	213,898	—	—	—	**1,612,029**
Financial Assets measured at other comprehensive income	1,775,821	5,166,277	7,536,136	21,755,103	230,834,182	68,569,270	—	**335,636,789**
Loans[3]	92,040	356,592,497	123,072,285	296,150,361	197,060,948	81,267,876	22,551,325	**1,076,787,332**
Financial Assets measure d at amortised cost	-	165,343	5,745,856	13,840,019	110,499,376	46,186,847	—	**176,437,441**
Other Assets	5,224,903	14,711,751	2,758,158	10,346,950	47,917,624	9,559,336	26,241,393	**116,760,115**
Total Assets	**185,616,578**	**556,459039**	**146,275,007**	**342374,378**	**587,042,987**	**205,903,146**	**48,792,718**	**2,072,463,853**
Liabilities								
Bank Deposits	1,733,831	10,940,439	6,932,330	10,671,848	—	—	—	**30,278,448**
Other Deposits	431,589,383	506,345,463	209,689,798	184,109,759	9,657,340	1,933,318	—	**1,343,325,061**
Borrowings	—	25,688,908	9,916,378	49,048,442	28,165,112	1,531,199	—	**114,350,039**
Funds from Interbank Money Market	—	78,672,206	16,224,195	31,321,373	7,626,146	3,865,747	—	**137,709,667**
Marketable Securities Issued (Net)[4]	—	4,526,026	5,379,564	22,073,757	36,109,490	25,943,475	—	**94,032,312**
Miscellaneous Payables	3,495,710	1,699,230	2,772,373	11,428,329	18,522,772	3,245,812	38,289,838	**79,454,064**
Other Liabilities[5]	227,256	9,925,187	2,979,152	9,372,475	11,284,503	2,790,331	236,735,358	**273,314,262**
Total Liabilities	**437,046,180**	**637,797,459**	**253,893,790**	**318,025,983**	**111,365,363**	**39,309,882**	**275,025,196**	**2,072,463,853**
Net Liquidity Excess/(Gap)	**(251,429,602)**	**(81,338,420)**	**(107,618,783)**	**24,348,395**	**475,677,624**	**166,593,264**	**(226,232,478)**	**—**

Notes:

(1) Assets that are necessary for banking activities and that cannot be liquidated in the short term, such as fixed and intangible assets, derivative financial assets, investments, subsidiaries, stationery, pre-paid expenses and loans under follow-up, are shown in this column. Expected credit losses are included.

(2) Derivative collateral given to foreign banks is included.

(3) Includes lease receivables. Non-performing loans are presented in the "Unallocated" column.

(4) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

(5) Shareholders' Equity is presented under "Other Liabilities" item in the "Unallocated" column.

	As at 31 December 2023							
	Demand	Up to 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5 Years and Over	Unallocated(1)	Total
	(TL thousands)							
Assets								
Cash Equivalents and Central Bank	183,315,598	114,084,101	—	—	—	—	—	**297,399,699**
Banks(2)	35,183,040	18,418,758	4,482,331	1	—	—	—	**58,083,130**
Financial Assets at Fair Value through Profit or Loss (Net)	15,350,480	583	11,229	106,059	577,254	208,511	—	**16,254,116**
Interbank Money Market Placements	—	1,414,537	1,013	—	—	—	—	**1,415,550**
Financial Assets measured at other comprehensive income	1,541,486	6.548.242	9,184,092	22,847,590	199,942,173	43,701,885	—	**283,765,468**
Loans(3)	66,829	321,973,145	142.611.404	249,505.130	176,891,894	69,385,770	21,349,285	**981,783,457**
Financial Assets measured at amortised cost	—	—	1,580,462	13,834,206	107,028,906	42,483,186	—	**164,926,760**
Other Assets	2,754,684	7,414,521	3,334,363	12,242,169	45,943,240	7,860,633	21,591,698	**101,141,308**
Total Assets	**238,211,117**	**469,853,887**	**161,204,894**	**298,535,155**	**530,383,467**	**163,639,985**	**42,940,983**	**1,904,769,488**
Liabilities								
Bank Deposits	1,136,478	17,864,184	6,812,570	11,464,799	—	—	—	**37,278,031**
Other Deposits	384,504,354	488.127.810	287,026,045	84,216,011	9,898,406	1,863,807	—	**1,255,636,433**
Borrowings	—	5,567,026	6,083,839	70,030,460	28,694,922	1,648,810	—	**112,025,057**
Funds from Interbank Money Market	—	47,511,317	19,093,205	22,511,289	6,705,172	3,582,683	—	**99,403,666**
Marketable Securities Issued (Net)(4)	—	878,974	2,082,650	11,153,344	28,871,767	23,674,995	—	**66,661,730**
Miscellaneous Payables	3,786,464	2,228,580	3,044,863	8,933,463	14,875,632	2,258,299	32,879,533	**68,006,834**
Other Liabilities(5)	186,013	10,108,933	2,590,573	8,503,985	9,198,572	2,110,167	233,059,494	**265,757,737**
Total Liabilities	**389,613,309**	**572,286,824**	**326,733,745**	**216,813,351**	**98,244,471**	**35,138,761**	**265,939,027**	**1,904,769,488**
Net Liquidity Excess/(Gap)	**(151,402,192)**	**(102,432,937)**	**(165,528,851)**	**81,721,804**	**432,138,996**	**128,501,224**	**(222,998,044)**	

Notes:

(1) Assets that are necessary for banking activities and that cannot be liquidated in the short term, such as fixed and intangible assets, derivative financial assets, investments, subsidiaries, stationery, pre-paid expenses and loans under follow-up, are shown in this column. Expected credit losses are included.

(2) Derivative collateral given to foreign banks is included.

(3) Includes lease receivables. Non-performing loans are presented in the "Unallocated" column.

(4) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.

(5) Shareholders' Equity is presented under "Other Liabilities" item in the "Unallocated" column.

	As at 31 December 2022							
	Demand	Up to 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5 Years and Over	Unallocated(1)	Total
	(TL thousands)							
Assets								
Cash Equivalents and Central Bank	68,481,665	59,051,126	—	—	—	—	—	**127,532,791**
Banks(2)	25,232,372	9,556,309	3,591,941	—	—	—	—	**38,380,622**
Financial Assets at Fair Value through Profit or Loss (Net)	9,737,120	247,036	1,079	127,569	182,412	263,909	—	**10,559,125**
Interbank Money Market Placements	—	985,674	476,702	—	—	—	—	**1,462,376**
Financial Assets measured at other comprehensive income	1,501,802	90,645	1,401,791	23,223,344	102,802,682	42,807,509	—	**171,827,773**
Loans(3)	23,615	130,622,177	104,572,294	175,822,115	143,785,442	55.625.613	17,583,450	**628,034,706**
Financial Assets measured at amortised cost	—	431,008	544,883	12,231,910	47,499,344	37,447,531	—	**98,154,676**
Other Assets	2,660,882	4,514,706	1,897,828	6,351,756	21,384,722	20,139,045	14,393,172	**71,342,111**
Total Assets	**107,637,456**	**205,498,681**	**112,486,518**	**217,756,694**	**315,654,602**	**156,283,607**	**31,976,622**	**1,147,294,180**
Liabilities								
Bank Deposits	1,476,192	5,321,984	7,095,018	2,369,133	—	—	—	**16,262,327**
Other Deposits	241,633,617	271,150,262	140,759,595	34,674,898	15,920,599	1,160,630	—	**705,299,601**
Borrowings	—	451,770	6,496,361	37,122,790	29,450,563	1,541,470	—	**75,062,954**
Funds from Interbank Money Market	—	42,222,443	8,463,424	4,279,977	5,305,362	2,253,247	—	**62,524,453**
Marketable Securities Issued (Net)(4)	—	256,600	2,173,143	2,880,644	20,413,088	16,895,052	—	**42,618,527**
Miscellaneous Payables	3,749,503	1,559,616	1,498,168	6,902,415	11,708,476	2,923,563	20,735,870	**49,077,611**
Other Liabilities(5)	24,346,881	6,042,871	645,662	5,410,553	7,797,545	2,832,823	149,372,372	**196,448,707**
Total Liabilities	**271,206,193**	**327,005,546**	**167,131,371**	**93,640,410**	**90,595,633**	**27,606,785**	**170,108,242**	**1,147,294,180**
Net Liquidity Excess/(Gap)	**(163,568,737)**	**(121,506,865)**	**(54,644,853)**	**124,116,284**	**225.058,969**	**129,676,822**	**(138,131,620)**	

Notes:

(1) Assets that are necessary for banking activities and that cannot be liquidated in the short term, such as fixed and intangible assets, derivative financial assets, investments, subsidiaries, stationery, pre-paid expenses and loans under follow-up, are shown in this column. Expected credit losses are included.
(2) Derivative collateral given to foreign banks is included.
(3) Includes lease receivables. Non-performing loans are presented in the "Unallocated" column.
(4) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.
(5) Shareholders' Equity is presented under "Other Liabilities" item in the "Unallocated" column.

	As at 31 December 2021							
	Demand	**Up to 1 Month**	**1 to 3 Months**	**3 Months to 1 Year**	**1 Year to 5 Years**	**5 Years and Over**	**Unallocated(1)**	**Total**
				(TL thousands)				
Assets								
Cash Equivalents and Central Bank	46,879,581	44,719,906	287,285	-	-	-	-	**91,886,772**
Banks(2)	48,402,039	2,992,146	2,076,501	-	-	-	-	**53,470,686**
Financial Assets at Fair Value through Profit or Loss (Net)	2,669,259	32,592	28,718	7,544,556	407,404	126,846	-	**10,809,375**
Interbank Money Market Placements	-	2,824,281	24,331	-	-	-	-	**2,848,612**
Financial Assets measured at other comprehensive income	838,454	870,035	4,031,188	8,356,944	63,275,696	22,939,105	-	**100,311,422**
Loans(3)	168,770	75,960,820	52,629,414	96,150,208	120,027,033	41,624,234	18,227,817	**404,788,296**
Financial Assets measured at amortised cost	-	298,289	2,776,285	5,633.831	19,693,698	24,183,457	-	**52,585,560**
Other Assets	3,128,691	8,025,367	5,492,042	9,451,775	14,023,972	13,667,673	(7,691,913)	**46,097,607**
Total Assets	**102,086,794**	**135,723,436**	**67,345,764**	**127,137,314**	**217,427,803**	**102,541,315**	**10,535,904**	**762,798,330**
Liabilities								
Bank Deposits	1,776,500	5,629,678	5,071,644	1,358,720	-	-	-	**13,836,542**
Other Deposits	161,074,212	176,541,029	68,957,954	22,768,320	9,032,577	1,339,945	-	**439,714,037**
Borrowings	-	229,187	3,341,046	28,879,827	25,640,010	1,882,970	-	**59,973,040**
Funds from Interbank Money Market	-	44,337,122	2,546,553	10,801,101	3,027,514	3,925,171	-	**64,637,461**
Marketable Securities Issued (Net)(4)	-	2,629,010	2,823,717	9,775,391	15,119,756	18,660,721	-	**49,008,595**
Miscellaneous Payables	1,227,967	1,634,723	2,612,212	3,193,817	4,398,190	1,339,421	8,647,299	**23,053,629**
Other Liabilities(5)	15,941,238	6,447,822	5,148,844	6,928,729	8,839,770	3,316,849	65,951,774	**112,575,026**
Total Liabilities	**180,019,917**	**237,448,571**	**90,501,970**	**83,705,905**	**66,057,817**	**30,465,077**	**74,599,073**	**762,798,330**
Net Liquidity Excess/(Gap)	**(77,933,123)**	**(101,725,135)**	**(23,156,206)**	**43,431,409**	**151,369,986**	**72,076,238**	**(64,063,169)**	

Notes:

(1) Assets that are necessary for banking activities and that cannot be liquidated in the short term, such as fixed and intangible assets, derivative financial assets, investments, subsidiaries, stationery, pre-paid expenses and loans under follow-up, are shown in this column. Expected credit losses are included.
(2) Derivative collateral given to foreign banks is included.
(3) Includes lease receivables. Non-performing loans are presented in the "Unallocated" column.
(4) Securities issued as subordinated loan classified under subordinated loans in the balance sheet are included.
(5) Shareholders' Equity is presented under "Other Liabilities" item in the "Unallocated" column.

Management believes that in spite of a substantial portion of deposits from individuals being short-term, diversification of these deposits by number and type of depositors, together with the past experience of Akbank, provides a long-term and stable source of funding for Akbank. The major part of mandatory cash balances with the Central Bank is included within the "up to three months" column, as the majority of liabilities to which these balances relate are also included in this category.

Operational Risk

The Basel Committee defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Risk Management Office, IRMO, Internal Audit, Internal Control, Compliance and Technology and Operations Business Unit are responsible for Akbank's operational risk management framework. Akbank has implemented policies and procedures, control/check points in practice that have been developed by business units, internal audit department and internal control department.

Akbank uses Basel definitions in identifying business lines and event types. Akbank's online internal data collection system was put into place in September 2009.

For regulatory reporting purposes, the capital charge is calculated by the basic indicator approach based on the past three years' gross income. The tables below set out total risk weighted assets according to risk types (which are not calculated in accordance with IFRS but rather for regulatory capital purposes) as at 31 March 2024 and as at 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 March 2024	
	(TL thousands)	*(%)*
Credit Risk	1,209,235,223	84.5
Market Risk	42,176,327	2.9
Operational Risk	180,466,273	12.6
Total	**1,431,877,823**	**100.0**

	As at 31 December 2023	
	(TL thousands)	*(%)*
Credit Risk	1,000,416,944	87.3
Market Risk	39,297,827	3.4
Operational Risk	106,662,332	9.3
Total	**1,146,377,103**	**100.0**

	As at 31 December 2022	
	(TL thousands)	*(%)*
Credit Risk	658,480,192	88.7
Market Risk	32,350,529	4.4
Operational Risk	51,542,098	6.9
Total	**742,372,819**	**100.0**

	As at 31 December 2021	
	(TL thousands)	*(%)*
Credit Risk	377,040,902	84.9
Market Risk	26,350,720	5.9
Operational Risk	40,838,939	9.2
Total	**444,230,561**	**100.0**

Loan Approval Process

The credits approval group by which the credit approval process for a particular loan is managed depends largely on which segment the applicant falls under and the type of branch that prepares and submits the loan application to Akbank's headquarters.

Consumer Banking - Loans to Individuals

Product features. As a legal requirement, consumer loans are required to have a maximum maturity of 36 months while car loans are required to have a maximum maturity of 48 months. Further, the maximum maturity of the mortgage loans imposed by Akbank is generally ten years (240 months in certain specific cases).

Mortgage, consumer and car loans are denominated in Turkish Lira as Turkish law prohibits the use of foreign currency loans or foreign currency indexed loans to individuals.

For mortgages, the financed property or another property must be secured. If the property is under construction, then a guarantee commitment can be secured. For car loans, the vehicle can be pledged and for second-hand car loans, Akbank is able to grant an unsecured loan.

Most loans to individuals are fixed rates but they may also be offered as floating rates.

Individuals can apply for a loan from a local branch or a number of other alternative delivery channels (for consumer loans, these alternative delivery channels consist of SMS, websites, ATMs, call centres and contracted shops; for car loans, these alternative delivery channels consist of websites, call centres and contracted car distributors; and for mortgages these alternative delivery channels consist of websites and call centres). Akbank can offer loans to customers automatically using the customer management tool (Experian-CMDS). Experian-CMDS scans the entire profile of the customer and assigns a pre-approved credit limit which the customer can borrow.

Loan application evaluation process. Retail loans are evaluated based on application scoring models. Any applications below the cut-off score are automatically declined.

The models which are used for personal loans, credit cards, overdrafts, mortgages and auto loans were developed by Akbank's Model Development Team who work under the Risk Management Unit.

Applicants are generally required to declare their income and provide documentation evidencing the stated amount. There is also a model income, which calculates applicant's income by taking into account information obtained from the Credit Bureau Database, the national Turkish customer database and demographic information. Then a decision is made as to whether the declared income or calculated income will be used as the customer's income on the application. In some instances, such as the customer's income being paid directly into an Akbank bank account, income documents are not required up to a specific amount of borrowing (the relevant amount is dependent on the nature of the loan). For those customers Akbank use the calculation method of income.

A decision support system (Power Curve SM by Experian) is used to evaluate any application. The system considers credit enquiry and credit policy rules. Then the decision support systems evaluate the application and generates three possible outcome, as follows:

- If the application does not trigger any of the credit enquiry or policy rules, then the application is accepted up to the automatically approved limit;

- If the application triggers one or more of the grey area credit enquiry or policy rules but does not trigger any of the decline rules, then the application is reviewed further. These applications are automatically submitted for manual evaluation by an underwriter. If the requested amount is over the automatically approved limit it is included in the decision review; or

- If the application triggers one or more of the decline credit enquiry or policy rules, then the application is declined. These applications can then be manually submitted from a branch for evaluation by an underwriter.

The decision support system uses Credit Bureau and Central Bank databases in tandem with Akbank's own customer database. The decision support system is used to evaluate consumer loan limit management. Akbank additionally reviews all customers' past performance on a monthly basis to decide pre-approved consumer loan limits.

Legal regulations and originated loans' statistics. The Banking Regulatory and Supervisory Board is authorised to impose a credit limit in relation to mortgages and car loans in consultation with the Presidency of Strategy and Budget and the Ministry of Treasury.

Currently, the credit limit in relation to a mortgage that is imposed by the BRSA differs depending on the appraisal value of the asset, the asset's energy class and whether the asset is first hand or second hand. Akbank imposes no limit on credit value while abiding the limits imposed by the Banking Regulatory and Supervisory Board, but the average size of Akbank's mortgages in 2023 was TL915,536. The maximum maturity of these mortgages imposed by Akbank is generally ten years (240 months in some specific cases).

As a legal requirement in relation to car loans, if the value of a vehicle is up to TL400,000, Akbank imposes a credit limit of 70% of the value of the vehicle. Accordingly, Akbank imposes a credit limit of 50% if the value of the vehicle is between TL400,000 and TL800,000; a credit limit of 30% if the value of the vehicle is between TL800,000 and TL1,200,000 a credit limit of 20% if the value of the vehicle is between TL1,200,000 and TL2,000,000 and a credit limit of 0% on amounts in excess of TL2,000,000.

The average size of Akbank's car loans in 2023 was TL252,451. If the value of a vehicle is up to TL400,000, the maximum maturity of car loans is 48 months, if the value of a vehicle is up to TL800,000, the maximum maturity of car loans is 36 months, if the value of a vehicle is up to TL1,200,000, the maximum maturity of car loans is 24 months and if the value of a vehicle is above TL1,200,000 and below TL2,000,000 the maximum maturity of car loans is 12 months. For second-hand cars, Akbank is able to grant unsecured loans in comparison to new car loans which require the car as collateral and the relevant car insurance details to be provided.

Collateral valuation. The collateral valuation process for consumer loans depends on the nature of the loan. For mortgages, branches request appraisal of collateral for loans from the Appraisal Department. The Appraisal Department outsources real estate valuation to one of its contracted independent appraisal firms. It uses 37 appraisal firms in total, all of which have a valuation license from the CMB. The Appraisal Department employs ten specialists who review all appraisal reports prepared by the contracted firms. These ten specialists are also licensed by the CMB. All valuation reports are managed in Akbank's "EKON" digital system. All mortgage collateral values are transferred from EKON into the control loan approval system.

Organisation. The Consumer Credits Allocation Group, a sub-division of the Consumer and Micro Credits Allocation Division, is responsible for approval of loans and credit cards to individuals which cannot be approved automatically by the system. Loans to individuals comprise consumer loans, car loans and mortgage loans.

Credit Cards

Product features. Individuals can apply for credit cards and request increases in credit limits at a local branch or through an alternative delivery channel (including SMS, websites, ATMs, Akbank Direkt Internet Branch for individuals and call centres). Akbank can offer credit cards to certain pre-authorised customers automatically.

Credit cards application evaluation process. Credit card applications are evaluated based on the application of a scoring model and credit card limit increase requests are evaluated based on a behavioural scoring model. Applications below the cut-off score are automatically declined.

The scoring model which is used for determining credit card limits is developed by the Model Development Team who work under the Risk Management Unit.

A decision support system (Power Curve SM by Experian) is used to evaluate any application (both for credit cards and person loans). The system considers credit enquiry and credit policy rules. Then the decision support systems evaluate the application and generates three possible outcomes, as follows:

- If the application does not trigger any of the credit enquiry or policy rules, then the application is accepted up to automatically approved limit;

- If the application triggers one or more of the grey area credit enquiry or policy rules but does not trigger any of the decline rules, then the application is reviewed further. These applications are automatically submitted for manual evaluation by an underwriter. If the requested amount is over the automatically approved limit it is included in the decision review; or

- If the application triggers one or more of the decline credit enquiry or policy rules, then the application is declined. These applications can then be manually submitted from a branch for evaluation by an underwriter.

The decision support system uses Credit Bureau and Central Bank databases in tandem with Akbank's own customer database. The decision support system is used to evaluate consumer loan limit management. Akbank additionally reviews all cardholders' past behaviours on a monthly basis to decide whether to increase or decrease their current credit limits.

Legal regulations. Under current regulations in Türkiye, the total limit of credit cards held by an individual holding a credit card for the first time cannot exceed twice the monthly average net income of the customer for the first year and four times thereof for the following years.

Monthly income is declared by each applicant for each credit card application and is compared with results of Akbank's income estimation model. The income model calculates applicant's income by taking into account information obtained from the Credit Bureau Database, the Customer Database and demographic information.

Then a decision is made as to whether the declared income or calculated income will be used as the customer's income on the application. In some cases the applicant's occupation, length of employment and monthly net income are verified by the Payment Systems and the Direct Banking divisions.

Organisation. The Consumer Credits Allocation Group, a sub-division of the Consumer and Micro Credits Allocation Division, is responsible for approval of credit cards and loans to individuals which cannot be approved automatically by the system.

Classification of Loans and Provisioning

Classification of Loans and Other Receivables

Akbank monitors loans and other receivables according to the categories set out below which reflect respective recovery capabilities and debtors' creditworthiness levels, having regard to the procedures and principles established by BRSA Principles:

- Group I – Loans of a Standard Nature and Other Receivables: this group includes loans and other receivables showing no signs of weakness or deterioration and are either timely repaid or repaid with a delay for less than 30 days.

- Group II – Loans Under Close Monitoring (Watchlist): this group includes loans and other receivables which do not presently show any problems in terms of principal and/or interest payments but which require close monitoring due to reasons such as observation of negative trends in the debtor's payment capability or cash flow positions or where repayment is highly likely but capital and/or interest payments are delayed for more than 30 days, but less than 90 days.

- Group III – Loans with Limited Collection Possibility: this group includes loans and other receivables with limited potential for total recovery of payments due thereunder either because the debtor's equity or guarantee is considered inadequate to cover payment or because payment is likely to be delayed by more than 90 days due to various reasons, such as problems encountered by the debtor over its operating capital, financing or ability to create additional liquidity.

- Group IV – Loans with Doubtful Collection Possibility: this group includes loans and other receivables for which repayment is considered unlikely or for which the delay of recovery of principal and/or interest exceeds 180 days but does not exceed one year.

- Group V – Loans Having the Nature of Loss: this group includes loans and other receivables for which repayment is considered impossible or for which the delay of recovery of principal and/or interest exceeds one year.

See "—*Turkish Regulatory Environment for Banks—Loan Loss Reserves*".

Due to the COVID-19 outbreak and its impact on the Turkish economy, on 17 March 2020, the BRSA announced that the default period in order for loans to be classified as NPLs has been increased from 90 days to 180 days. Accordingly, until 31 December 2020, Group I and Group II loans will be classified as NPLs if defaulted for more than 180 days. Moreover, pursuant to the BRSA's decision dated 27 March 2020 and numbered 8970, the 30-day default period for Group I loans to be classified as Group II loans was increased to 90 days. Effective from 17 March 2020 and until 31 December 2020, Group I loans will be classified as Group II loans if defaulted for more than 90 days. For loans that continue to be classified in Group I despite the 30-day default and Group II despite the 90-day default, banks are required to continue to set aside provisions in accordance with their own risk models used in the calculation of expected loan loss under TFRS 9. On 8 December 2020, the BRSA extended the implementation of this temporary rule until 30 June 2021. Moreover, banks are no longer required to classify (i) the loans restructured and classified as performing loans and (ii) loans having the principal and/or interest payments that have been overdue for more than 30 days or restructured again within the one-year monitoring period as Group III. The BRSA's decision was effective until 31 December 2020. On 8 December 2020, the BRSA extended the implementation of this temporary rule until 30 June 2021. On 17 June 2021, the BRSA further extended the implementation period through 30 September 2021. On 16 September 2021, however, the temporary rule was announced to expire by the BRSA as at 30 September 2021, with an exception for the loans that were overdue for more than 31 days but less than 90 days as at 1 October 2021 for Group I loans, with an exception for the loans that were overdue for more than 31 days but less than 90 days as at 1 October 2021 for Group II loans, and with an exception for the loans that were overdue for more than 91 days but less than 180 days as at 1 October 2021 for Group III loans.

Identification and Remediation of Problem Loans

Identification and remediation of problem loans throughout Akbank's Business Units is organised and divided into either the non–retail segment or the retail segment.

Non-Retail Segment

The non-retail segment is organised according to the loan classification criteria noted below:

- Group Two – Loans and Other Receivables Under Close Monitoring (Watchlist) – is executed by two separate credit monitoring groups covering Corporate/Commercial loans and SME loans including project finance loans.

- Group Three, Four and Five are executed by the Non-Performing Loans Follow-Up Division covering all segments. Together with the Commercial Legal Advisory Group, they are responsible for Corporate, Commercial and SME segments.

- The Non-Performing Loans Follow-Up Group is in charge of negotiating with customers and debt restructuring. Akbank negotiates with the customer regarding repayment of the loan including possible restructuring of the debt, or if necessary, liaises with the in house lawyers of Commercial Legal Advisory Group or contracted lawyers to have the collateral liquidated or to take other legal action.

Credit Monitoring Groups. In addition, there are three subsections within the Corporate and Commercial Monitoring Division:

- The Corporate/Commercial/Credits Monitoring Group, which monitors Corporate and Commercial clients;

- The SME Credits Monitoring Group, which monitors SME clients; and

- The Project Finance Loans Monitoring Group which monitors the credit facilities involved in the project finance line allocations.

Each division and group is responsible for the identification and remediation of loans of the relevant segments that have shown indications of potential problems and are classified under Group Two. There are also regional monitoring teams who are principally responsible for monitoring small SME credit clients with an exposure below TL3 million. Regional Monitoring Teams work in coordination with the SME Credits Monitoring Group.

Collecting and examining up-to-date financial and non-financial data of projects periodically comparing the projected cash flows and the real performance of the projects, testing the covenants in the loan documentation and paying on-site visits are the main responsibilities of the Project Finance Loans Monitoring Group.

A common monitoring system is used by both Corporate/Commercial and Retail Credits Monitoring Divisions with parametric monitoring triggers in the system designed to take into account the peculiarities of each segment. Problem loans are identified automatically by Akbank's Monitoring computer system which monitors using internal or external data resources on a daily basis. Akbank's Credit Monitoring software monitors all overdue interest, commission and principal repayments, unpaid cheques, fraud records and sequestration records on a daily basis.

If a problem is identified, the input is classified by the system as pre-monitoring, blocked pre-monitoring or close monitoring for each segment peculiarity. Pre-monitoring is considered to be an early indication of a potential problem and does not have any effect on the existing credit lines. Blocked pre-monitoring is evaluated as a more serious early indication and credit lines are blocked from additional limit utilisation. Close monitoring – Group Two – indicates that the customer has internal or external weakness that carries potential risk of default. These customers are also blocked by the system from utilising any additional limits. In addition to the automatic identification of problem loans, indicators that cannot be identified by the monitoring system, such as audit reports and market intelligence, are also reviewed periodically by members of the Credit Monitoring Group, and loans are manually put on credit watch if necessary.

A repayment plan is negotiated with the customer and set up if necessary. If this process is not successful in clearing the arrears, legal action is taken and the matter is referred to the Non-Performing Loans Follow-Up Group.

Retail Segment (including SME (Micro) Segment Customers)

Identification and remediation of problem loans including NPLs are managed by the Retail Monitoring and Legal Follow Up Group.

The Retail and SME Credit Monitoring and Legal Follow up Division is composed of two units:

- The Monitoring and Restructuring Group, which monitors, makes collection calls and restructures retail clients starting with the early collections stage up to legal follow up; and

- The Retail and SME Segment Credits Legal Follow up Group which is in charge of following up the legal agencies performance on collection of customers in legal follow-up. The Retail and SME Segment Credits Legal Follow up Group is responsible for non-performing loans and negotiates with the customer regarding repayment of the loan including possible restructuring of the debt, or, if necessary, liaises with the in-house or contracted lawyers to have the collateral liquidated or to take other legal action.

There is one common monitoring system which is used by the Retail Monitoring Group as noted above.

All clients, regardless of the segment, are subject to the same risk controls. Because of the number of clients in the Consumer Banking segment, the process is carried out at Akbank's head office by the Retail Credits Monitoring and Collection Team. A repayment plan is negotiated with the customer and set up if necessary. If this process is not successful in clearing the arrears, legal action is taken and the matter is referred to the Retail Non-Performing Loans Follow-Up Division.

Anti-Money Laundering, Combatting the Financing of Terrorism and Anti-Bribery Policies

Türkiye has adopted anti-money laundering laws and regulations in compliance with the 40 Recommendations of the FATF. Formed by the G7 Economic Summit in 1989, the FATF comprises 38 countries, including the United States and Türkiye, as well as two regional organisations, namely the European Commission and the Gulf Cooperation Council. The FATF is dedicated to promoting the development of effective anti-money laundering controls and enhanced co-operation in counter-money laundering efforts among its membership and around the world. Its 40 recommendations issued in 1990 are designed to provide countries with a blueprint for the establishment and implementation of anti-money laundering laws and programmes.

According to the Turkish anti-money laundering regulation, financial institutions must take the necessary measures to determine the identity of their users and those acting on behalf of their users and take all the relevant measures to discover the ultimate beneficial owner for the following transactions: (i) all transactions in continuous business relations, (ii) single or several related transactions amounting to TRY 185,000 or more, (iii) single or several related electronic transactions amounting to TRY 15,000 or more, (iv) all suspicious transactions and (v) all transactions when there is a suspicion that the previously obtained identity information are insufficient or inaccurate.

Financial institutions in Türkiye are required to maintain and record certain official identification documents, to provide all relevant information and documents requested by the officers of the Financial Crimes Investigation Board ("**MASAK**") for a period of eight years, and to gather available information on, and report to the MASAK, all transactions suspected of involving funds stemming from illegal activities. In addition to money transfers of TL185,000 and above, Akbank's policies on customer identification are applied to safe deposit box rentals, insurance and leasing transactions, and account openings. The principal requirements, obligations and penalties are contained in Law No. 5549 on Prevention of Laundering Proceeds of Crime (the "**Law No. 5549**") and the Regulation on Measures Regarding Prevention of Laundering Proceeds of Crime and Financing of Terrorism (the "**Measures Regulation**") published in the Official Gazette No. 26751 on 9 January 2008. Akbank is a material company within a Group of companies operating in the financial services sector. The Group develops risk identification, rating, classification and evaluation methods based on customer risk, service risk, country risk, and technology risk. The Group strictly complies with all obligations relating to prevention of laundering of criminal revenues and financing of terrorism, and the customers and their transactions and services are assessed by a risk-based approach, and the basic methods to be relied upon in management of compliance risk, and the strategies aiming to diminish the probable risk exposures of the group.

Law No. 6415 on the Prevention of the Financing of Terrorism came into force on 16 February 2013. With this law, offences constituting "financing of terrorism" have been redefined, an administrative mechanism has been established in order to execute the United Nations Security Council's Resolutions, and formal procedure relating to gaining access to frozen funds for necessary expenses, has been introduced. For those against whom the Turkish courts have concluded to be a terrorist organization, with there being reasonable grounds to believe that they have committed the offence of financing terrorism or have provided or collected funds in favour of the prohibited conduct, the Ministry of Treasury and Finance and Ministry of Interior together will have the authority to decide whether to freeze assets based on the information provided by Commission for the Assessment on Freezing of Asset, MASAK and other related institutions. Decision on asset freezing will gain legal validity upon its publication on the Official Gazette. All the necessary procedures before and after the asset freezing decision of the Ministry of Treasury and Finance and Ministry of Interior will be implemented by MASAK. Akbank has established internal anti-money laundering programmes, policies and procedures pursuant to both domestic legislation and international anti-money laundering standards. All Akbank's branches and subsidiaries, regardless of their geographic location, must comply with such programmes, policies and procedures. Akbank has instituted KYC procedures, to record the identity of Akbank's customers when conducting transactions, to maintain copies or records of official identification documents for a period of eight years, to identify and report to the relevant Turkish authorities' suspicious transactions, to co-operate with law enforcement agencies and to establish internal training programmes for Akbank's employees. Akbank's policies require account officers to take into account the customer's background, country of origin, business activities, and other risk indicators. Akbank's anti-money laundering policies and procedures also include procedures to identify and verify the source of requests to make outgoing international funds transfers.

Scope of Akbank's Policies and Procedures

Akbank's AML and KYC standards policy is based on (i) compliance with AML and CFT laws and regulations, including local laws (Turkish AML Act, Criminal Act and CFT Act) and regulatory guidance, U.S. Treasury (OFAC), UN Security Council Resolutions, EU Directives, UK (HMT), FINCEN and the USA Patriot Act; (ii) FATF recommendations for standards on AML and CFT as well as application methodology criteria; and (iii) evaluation of KYC principles and customer identification regulations, such as the Basel Principles (customer due diligence for banks), the Wolfsberg Principles and The Banks Association of Türkiye's Local Industry Guidance and Best Practices.

Akbank has established a high-level committee, called the Compliance Committee, to carry out all necessary measures and decisions to manage compliance risks within the framework of compliance with financial crimes. The Compliance Committee works across a wide range of working procedures and principles, from evaluating the measures taken by Akbank to manage compliance risks to evaluating the awareness and knowledge levels of employees in terms of compliance risks. On the other hand, a new adaptation approach has been developed to ensure that the first line of defence takes a more effective role within the framework of preventive adaptation approach.

The objectives of the policy are to ensure that Akbank complies with obligations regarding the prevention of laundering proceeds of crime and financing of terrorism and to establish strategies to mitigate potential risks, as well as setting internal controls, measures and operating rules. Akbank aims to discharge its responsibilities through a risk-based approach to its customers, transactions, products and services. It also develops and raises awareness among its existing and new employees on matters relating to its AML and KYC standards policy.

Akbank's Compliance Programme is audited annually in accordance for its compliance with relevant regulations by Akbank Internal Audit Team, the regulatory body (MASAK Financial Crimes Investigation Board) and external audit firm Deloitte.

All employees receive annual mandatory training on compliance with the relevant regulations by the internal compliance team. Any breaches and incidents are reported to the Group Compliance Officer.

AML/CFT Programme and Applications

Akbank has put in place procedures designed to control activities to comply with applicable laws and regulations in Türkiye as well as international standards and has put in place systems and controls to mitigate the risk of Akbank being used to facilitate financial crime. Akbank's AML/CFT programme includes (i) having a designated AML compliance officer; (ii) written policies, procedures and guidelines; (iii) risk based controls, including an AML software programme that monitors on-going transactions and customer account activities and screens existing and prospective customers for AML and CFT purposes; (iv) procedures for reporting suspicious activity internally and to the relevant law enforcement authority; (v) record keeping obligations in accordance with local laws; (vi) on-going training in order to improve existing and new employees' awareness of how Akbank's products and services may be used to facilitate money laundering or terrorist financing and to enhance existing and to raise new employees' awareness of their legal obligations; and (vii) internal audit and independent audit testing.

Customer Due Diligence Policy

Akbank's customer due diligence policy contains KYC procedures meeting national and international regulations for compliance with the prevention of money laundering and CFT. Akbank undertakes customer due diligence and proceeds with the evaluation of the customer according to the results of monitoring progresses. Despite the termination of active monitoring with the end of the customer relationship, Akbank retains acquired information inside internal intelligence systems. In relation to customer due diligence monitoring, Akbank uses internal intelligence systems such as the Actimize CDD tool that assigns a risk score for each customer based on designated criteria within due diligence requirements. This risk assessment is applicable not only for new customers but also for existing clients. Where appropriate, Akbank takes necessary actions, including but not limited to enhanced due diligence procedures, termination of customer relationship and reporting to senior management.

Akbank is also required to establish the ultimate beneficiary of an account and has defined record making and record keeping duties as well as internal security measures. It also has specific account opening requirements. In the case of an individual, Akbank will require an official identity document, as well as the individual's ID number. In the case of a corporation and other legal entities, Akbank will require the customer's name, details of its legal form, address, list of directors and shareholders, as well as the corporate bylaws, powers of attorney, any other reliable identifying information and their tax number.

Due to Akbank's "Customer Due Diligence Policy", (i) individuals who refuse to provide the required information and documentation; (ii) individuals with businesses that make it impossible to verify the legitimacy of their activities or the source of funds; (iii) shell banks; (iv) anonymous accounts or accounts using fictitious names; (v) individuals who are included in lists prepared by international institutions and organisations showing money launderers and supporters of terrorism financing, such as OFAC, the EU, the UN or the HMT; and (vi) individuals who have a negative record in Akbank's internal intelligence system for money laundering, financing of terrorism and financial crimes, such as fraud, counterfeiting, organised crime and similar activities are not accepted as a customer.

Within the framework of Akbank's risk-based approach, risk is divided into four main categories as High Risk Products and Services; High Risk Customers; High-Risk Geographical Locations and High Risk Technology/ Delivery Channels. High Risk Products and Services include (i) cross border transfers (ii) cash transactions, such as cash deposits and withdrawals; (iii) "non-face-to-face banking services", such as transactions conducted via internet banking, ATM or telephone banking and credit allocation transactions; (iv) donations; (v) Trade Finance; and (vi) Project Finance. Enhanced due diligence procedures are applied to High Risk Customers at account opening. High Risk Customers include (i) associations, foundations, charities and other non-governmental organisations; (ii) off-shore banks; (iii) exchange offices; (iv) internal watchlist; (v) cash intensive businesses; (vi) private banking customers; (vii) correspondent banks; (viii) politically exposed persons ("**PEPs**"); (ix) persons or entities listed under Article 2 of the Law No. 5549; (x) Logistics, (xi) Gambling/betting (xii) Gate Keepers; and (xiii) Precious Metals High-Risk Geographical locations, which include (a) tax havens (according to FATF criteria); (b) countries subject to partial or complete embargo by the EU, UN, UK (HMT); (c) countries subject to embargo by OFAC; (d) countries and regions included in the list of countries and regions refusing cooperation with FATF; and (e) countries specified in the FINCEN list. Finally, High Risk Technology/ Delivery Channels include (i) Internet Banking; (ii) Mobile/Application; (iii) ATM; (iv) call centre; (v) block chain; and (vi) Fintech.

Among all above high risk categories, Akbank recognises politically exposed persons (including Turkish politically exposed persons) as requiring need special attention and electronic due diligence measures are applied to those accordingly. During the process of account opening, the business sector and occupation of the customer are questioned by customer representative and log it into the system. The system generates alerts upon the related information and escalate the process to the Compliance Department in order to identify whether the customer is a PEP.

Akbank continues to seek new methods of improving its anti-money laundering standards. Akbank uses the "Actimize SAM" software system. Actimize SAM software monitors transactional and customer data on a scenario basis and provides coverage to identify and report suspicious transactions related to money laundering and terrorist financing. Alerts generated by Actimize are also analysed using artificial intelligence technology for certain scenarios and robotics technology is used in the process of making SAR files. In implementing this approach, Akbank drew on the experience provided by other available analytical models used by other banks in supporting European, US, UN, UK (HMT) and Turkish anti-money laundering policies. Additionally, Akbank's cyber-security systems are designed to detect the location of payments for non-face to face transaction.

Akbank also has AI based solutions, through which customers can be screened based on sanctions programmes and AML policies. Link analyses should be performed via AI based solutions. In addition, Akbank is able to analyse not only customers being monitored, but also all customer connections with AI solutions.

Actimize software is used to screen cross border wire transfers. This comprehensive software screens Akbank's customers and transactions according to watch lists of individuals, companies, or geographic locations issued by authorities such as the OFAC, the UN, the EU or the HMT. If any party in a transaction falls within any of the watch lists, the system creates an alert and automatically forwards this transaction to Akbank's Compliance Department. As part of on-going sanctions controls, Trade Finance transactions are also subject to automated screening. Additionally, all vessels including ownerships, previous routes and movements involving in all transactions are closely monitored by using Lloyds List Intelligence vessel tracking system. Goods or services are controlled by using TARIC Measures Information of EU and The Harmonized Tariff Schedule of the United States.

Akbank screens all customer on-boarding transactions to detect any sanctioned party. All Akbank Group domestic and international, branches and subsidiaries are required to comply with all sanctions laws and regulations published by the United Nations, US Office of Foreign Assets Control (OFAC), European Union, and UK Treasury (HMT). Akbank has a partnership with Dow Jones as a data provider. Customers and transactions are screened against the sanctions lists published by the United Nations, OFAC, European Union, and HMT. In addition, high risk countries listed on the Transparency International and Basel Index are added to Akbank's customised country lists and are now subject to Akbank's automated screening performed by the Actimize WLF system. Akbank also uses a tool called "Eyesclear" which allows it to track and follow transaction traffic with high-risk countries. Akbank's systems are highly capable and continuously upgraded.

Akbank is committed to compliance with relevant economic and trade sanctions laws in all jurisdictions in which it operates through identifying, mitigating and managing the risk. This applies to all countries and/or jurisdictions in which Akbank operates and extends to any additional countries and/or jurisdictions where Akbank commences operations and/or has an active registration or license.

In addition, the compliance testing team (control room) is responsible for control of all compliance business processes including assessment of methodology based on not only local laws but also international regulations as well as internal policies and procedures. As a result of analysis of parameters in the testing process, threshold values, and control points, Akbank is able to take necessary actions to manage compliance risks effectively due to the testing function's monitoring outputs which are reported regularly to senior management.

Capital Management

Basel II

The BRSA has published regulations regarding the implementation of Basel II in Türkiye. These regulations took full effect in July 2012. All Turkish banks are reporting their risk-weighted assets calculated under the standard approach of Basel II as contained in the "Turkish National Discretions". As well as implementing more stringent capital ratios, the main benefit of Basel II is to have more structured approach to capital management and stress testing, as embedded in the second pillar of the accord. Parallel with Pillar I regulations, the BRSA also announced regulations for Pillar II regarding ICAAP in order to enhance the link between an institution's risk profile, risk management systems and its capital. The BRSA required major Turkish banks to prepare ICAAP reporting in accordance with the Pillar II principles by June 2013. The BRSA published the new Regulation regarding the Internal Systems and Internal Capital Adequacy Assessment Process of Banks on 11 July 2014 (the "**Internal Systems Regulation**") and "Guidelines for ICAAP Report" on 31 March 2016. The Internal Systems Regulation requires banks to internally calculate the amount of capital to cover the risks to which they are or may be exposed on a consolidated basis and with a forward-looking perspective taking into account banks' near- and medium-term business and strategic plans. This process referred to as "Internal Capital Adequacy Assessment Process - ICAAP" should be designed according to the bank's needs and risk attitude and should constitute an integral part of the decision-making process and corporate culture of the bank. In this context, each bank is required to prepare an ICAAP Report representing the bank's own assessment of its capital requirements. The first ICAAP Report covering Akbank's activities in 2013 was submitted to the BRSA at the end of September 2014. Since then, the ICAAP Report has been submitted at the end of March each year.

Basel III

In 2013, the Basel Committee adopted further revisions to Basel III, which was implemented in Türkiye in phases through 2019. The Basel III regulations mainly include requirements regarding regulatory capital, liquidity adequacy, leverage ratio and counterparty credit risk measurements. The BRSA has issued regulations for the implementation of new Basel III capital standards and leverage ratios, which came into force on 1 January 2014. Regulations for the implementation of a liquidity coverage ratio came into force on 1 January 2015 (except for the net stable funding ratio and counterparty credit risk requirements), in line with the Basel III road map. In order to further align Turkish banking legislation with Basel principles, the BRSA also amended some of its other regulations and communiqués as published in the Official Gazette dated 23 October 2015 No. 29511 and 20 January 2016 No. 29599, which amendments also entered into force on 31 March 2016. Furthermore, in February 2016, the BRSA published a regulation (the "**D-SIBs Regulation**") regarding systemically important banks ("**D-SIBs**") including Akbank, which introduced additional capital requirements for D-SIBs in line with the requirements of Basel III. Akbank has not experienced any difficulty in meeting the new capital requirements due to the nature of its existing capital base, mostly composed of common equity and retained earnings.

Management

For an overview of Akbank's organisational structure, see "*Business—Organisational Structure*" and "*Business—Financial Reporting Segments and Operational Business Units—Overview*" above.

Board of Directors

Akbank is managed by its Board of Directors. The Board of Directors makes all major decisions affecting Akbank and acts as a supervisory body for Akbank's activities. It meets at least monthly according to Akbank's Articles of Association. The minimum number of directors required by Turkish Banking Law is five. The maximum number of directors is ten according to Akbank's Articles of Association. A meeting of the Board of Directors has a quorum if at least six of its members are present. Akbank's Board of Directors is also responsible for Akbank's vision, mission and short and long-term strategic targets.

The following individuals are currently members of the Board of Directors:

Name	Position	Year first appointed to the Board of Directors	Term expires
Suzan Sabancı	Chairperson	1997	2025
Hakan Binbaşgil	Vice Chairperson and Executive Member of Board of Directors	2012	2025
Eyüp Engin...	Member of Board of Directors	2019	2025
Ahmet Fuat Ayla	Executive Member of Board of Directors	2017	2025
Levent Demirağ..	Member of Board of Directors	2022	2025
Şakir Yaman Törüner	Member of Board of Directors	1998	2025
Nusret Orhun Köstem...	Member of Board of Directors	2022	2025
Emre Derman	Member of Board of Directors	2015	2025
Cenk Kaan Gür...	Member of Board of Directors and CEO	2023	According to Turkish law, CEO is the Member of the Board of Directors
Mehmet Tuğrul Belli	Member of Board of Directors	2020	2025

The address of the Board of Directors is Akbank T.A.Ş., Sabancı Center 4., Levent 34330, İstanbul, Türkiye.

The following individuals have been members of the Board of Directors for the last three years: Suzan Sabancı, Eyüp Engin, Ahmet Fuat Ayla, Şakir Yaman Törüner, Emre Derman, Mehmet Tuğrul Belli and Hakan Binbaşgil.

The following individuals are former members of the Board of Directors who left the office within the last three years: Aydın Günter, Nafiz Can Paker and Özgür Demirtaş.

Set forth below is brief biographical information on the members of Akbank's Board of Directors.

Suzan Sabancı, CBE

Suzan Sabancı is the Chairperson of Akbank. Ms. Sabancı is also a board member of Sabancı Holding and a member of the Board of Trustees of Sabancı University and the Sabancı Foundation. In 2009, Ms. Sabancı founded the Akbank International Advisory Board and currently serves as its chairperson.

Suzan Sabancı began her career in banking in 1986 and joined Akbank as Executive Vice President in charge of Treasury in 1989. Having specialised in Treasury and Risk Management, she has been active in these two areas since 1993. In 1997, she was named Executive Board Member for Treasury and International Banking Relations. Ms. Sabancı was appointed as Executive Board Member to oversee the bank-wide change and transition program in 2001. She was named Chairperson in March 2008.

Ms. Sabancı is a member of the Institute of International Finance Board of Directors and Emerging Markets Advisory Board, Harvard University's Global Advisory Council, Harvard Business School's Global Leaders Circle, and an emeritus member of the Harvard Business School's Middle East and North Africa Advisory Board. Suzan Sabancı is also co-chair of the New York-based American-Turkish Society, a member of the

Global Board of Advisors at the Council on Foreign Relations (CFR) and a member of the Board of Managing Directors of Venetian Heritage, Inc.

From 2010 to 2014, Suzan Sabancı served as the chairperson of the Turkish-British Business Council for two terms. From 2009 to 2016, Ms. Sabancı sat on the Global Board of Advisors of Chatham House. In 2012, Her Majesty Queen Elizabeth II awarded Ms. Sabancı the title of "Commander of the Most Excellent Order of the British Empire (CBE)" in recognition of her proactive and influential contributions to the development of Türkiye-UK relations.

Ms. Sabancı is strongly committed to corporate social responsibility activities and assumes various positions in the fields of culture, education, and the promotion of entrepreneurship. Between 2014 and 2018, Ms. Sabancı acted as the Advisory Board President of the Women on Board Association Türkiye, dedicated to promoting social development by increasing female representation on boards. She is a founding member and board member of the leading high-impact entrepreneurship movement, Endeavor Türkiye, a founding and honorary member of the Women Entrepreneurs Association of Türkiye, and chairperson of the Executive Advisory Board and member of the board of patrons of the Contemporary İstanbul Art Fair. Ms. Sabancı acted as Luxembourg's Honorary Consul in İstanbul between 2005 and 2022 for 17 years. In 2014, Ms. Sabancı was given the Order of Civil Merit (Orden del Mérito Civil) of the Kingdom of Spain by King Felipe VI of Spain for her contributions to the relations between the two countries and for her support to the cultural convergence.

Suzan Sabancı holds a BA in Finance from Richmond College in the UK and an MBA from Boston University in the USA. Ms. Sabancı has two children.

Hakan Binbaşgil

Hakan Binbaşgil is the Vice Chairman and Executive Board Member of Akbank. Binbaşgil also serves as the President of the Banking Group and Executive Committee Member of Sabancı Holding, Chairman of Akbank AG and Chairman of Akbank Ventures BV.

Mr. Binbaşgil, who served as CEO at Akbank for nearly 12 years between 2012 and 2023, commenced his tenure with Akbank in 2002, assuming the role of Executive Vice President responsible for Change Management. In 2003, he became the Executive Vice President overseeing Retail Banking and in 2008, he ascended to Deputy CEO. Starting in 2002, he spearheaded a multitude of initiatives encompassing strategic direction setting, restructuring, digitalisation, technology, corporate identity, change management, talent building and cultural transformation.

Prior to joining Akbank, Binbaşgil worked as a Management Consultant in the London and İstanbul offices of Accenture, and as Executive Vice President in a different private sector bank.

Binbaşgil has an extensive history of leadership roles, having held the positions of chairman and board member across numerous respected domestic and international organisations. Additionally, he has held the office of Term President at the Institut International D'Etudes Bancaires (IIEB), a prominent institution comprised of member banks from across Europe.

After graduating from Robert College, Hakan Binbaşgil graduated from Bosphorus University, Faculty of Mechanical Engineering. Binbaşgil later received master's degrees in business administration and finance from LSU.

Ahmet Fuat Ayla

Ahmet Fuat Ayla was elected as Executive Board Member in charge of credits on 12 July 2017. Ahmet Fuat Ayla joined Akbank as Corporate Branch Manager in 2002, became the Senior Vice President in charge of Corporate and Commercial Credits Approval Unit in 2005 and was appointed as Executive Vice President in charge of Corporate and Commercial Credits Approval in 2007. Before joining Akbank, Ahmet Fuat Ayla worked in marketing and sales department positions at Head Office and branches at different private sector banks. Ahmet Fuat Ayla is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration.

Eyüp Engin

Eyüp Engin joined Akbank in 1978 as an Assistant Internal Auditor. Following his auditing assignment, he served as Department Head in Treasury, International Banking and Overseas Financial Institutions. He was appointed as the Executive Vice President in charge of Corporate Banking in 1996 and after 1998, he continued to serve as Executive Vice President in charge of International Banking and Overseas Financial Institutions Marketing. Eyüp Engin was appointed to the position of Head of Internal Audit in 2007 and during 2007-2019 he served on Boards of Directors of Bank's subsidiaries as the President of Audit Committee. A graduate of Middle East Technical University, Faculty of Economics and Business Administration, Mr. Engin served as Executive Board Member between March 2019 and March 2020 and as Vice Chairman and Executive Board Member between March 2020 and October 2023. He is currently serving as a Board Member.

Şakir Yaman Törüner

Yaman Törüner became a member of the Board of Directors in March 1998. Having served as a Member of Parliament between 1995 and 1999, he also served as a Minister of State in 1996. Between 1990 and 1994, he served as the President of the İstanbul Stock Exchange and from 1972 until 1990 he worked in various administrative positions within the Central Bank of Türkiye, also serving as the Governor of the Central Bank of Türkiye between February 1994 and January 1996.

Emre Derman

Emre Derman has led numerous large cross-border transactions in Türkiye as a partner with the international law firm White & Case between 1989 and 2008. In addition to his work in Türkiye he has worked in the New York and London offices of the firm and also in former Soviet Union and Eastern European countries during his term as a lawyer for the EBRD in 1994 to 1995. A former board member of Akbank in 2010, Derman has served as a Managing Director and the Senior Country Officer of JP Morgan in Türkiye between 2011 and 2014. He is a member of various organisations relating to education and yacht racing and serves as a freelance consultant. Derman holds an LL.B. from İstanbul University Law School and an LL.M. from Harvard Law School.

Levent Demirağ

Levent Demirağ joined Sabancı Holding as a Consultant in 1994, became Financial Affairs Director in 2007, and served as the President of Financial Affairs, Accounting and Investor Relations from May 2010 to September 2021. He also served as a member of the board of directors in Sabancı Holding group companies. He has Sworn-in Certified Public Accountant and Independent Auditor certificates. Levent Demirağ graduated from Ankara University, Faculty of Political Sciences in 1980 and worked as a tax inspector at the Ministry of Finance before 1994.

Orhun Köstem

Orhun Köstem joined Anadolu Group in 1994, where he held several management roles until 2008. He was appointed as the CFO of Efes Breweries International in 2008. A year later, in 2009, he transitioned to the role of Corporate Finance Coordinator within the Anadolu Group. From 2010 to 2018, Mr. Köstem furthered his career at Coca-Cola İçecek, serving as the CFO between 2010 and 2016 and then as the Regional Director for the Middle East and Pakistan. He was the CFO of Anadolu Efes between 2019 and 2021. Since 1 July 2021, Mr. Köstem has been the Group CFO of Sabancı Holding. In addition to his primary role, he holds significant positions across various organizations: Chairman of Carrefoursa, Vice Chairman of Sabancı İklim Teknolojileri, Board of Trustees of Sabancı University, and Member of the Board of Directors at Akbank, Kordsa, Enerjisa Enerji and Enerjisa Üretim. He was one of the co-authors of the book "Opening the Window to Capital Markets: From A to Z Initial Public Offerings and Investor Relations.", published in 2009. His expertise has been recognized for many years by various national and international platforms; while listing among "Türkiye's Most Influential 50 CFOs" by BMI Business School and DataExpert in 2016, 2019, 2020, and 2021, he also received accolades as Türkiye's Best CFO in Thomson Reuters Extel's Investor Relations Awards in 2011 and 2013, and was named "Best CFO" in the Consumer Sector in Emerging EMEA by Institutional Investor (II) in 2020. He also achieved rankings as Best CFO in Industrials in 2022 and in SMID-cap Industrials in 2023 in the Emerging EMEA Region by II, and was selected Best CFO among BIST30 companies at the Turkish IR Society (TUYID) Summit in 2022 and 2023. Mr. Köstem, featured in the C-Suite Series – Fortune CFO 2022 list, is a member of the CFA Society Istanbul and the CFO Network of the World Business Council for Sustainable Development, reflecting his commitment to excellence in finance and sustainable development. In 1991, Mr. Köstem completed his undergraduate studies in Mechanical Engineering at Middle East Technical University (METU), where he also obtained his MBA. Furthering his education, he acquired a master's degree in Finance and Corporate Law from Bilgi University.

Mehmet Tuğrul Belli

Mehmet Tuğrul Belli started his professional career at Iktisat Bank's Corporate Finance Department in 1990. He started serving as General Secretary at Turkish Bank in 1994 and participated in the foundation of Turkish Yatırım in 1997, a subsidiary of the bank. He served as a Member of the Board of Directors of the company until 2005, and also served as General Manager for a period. He still serves as an Economics Advisor at Turkish Bank. Mr. Belli taught at İstanbul Ticaret University on "Banking Management" between 2006 and 2012. Mr. Belli has been an op-ed columnist of Dünya Daily since 2008. An alumni of American Robert College, he holds an undergraduate degree from London School of Economics and Political Science, and a graduate degree from CUNY Baruch College.

Levent Demirağ

Levent Demirağ joined Sabancı Holding as a Consultant in 1994, became Financial Affairs Director in 2007, and served as the President of Financial Affairs, Accounting and Investor Relations from May 2010 to September 2021. He also served as a member of the board of directors in Sabancı Holding group companies. He has Sworn-in Certified Public Accountant and Independent Auditor certificates. Levent Demirağ graduated from Ankara University, Faculty of Political Sciences in 1980 and worked as a tax inspector at the Ministry of Finance before joining the Group.

Kaan Gür

Kaan Gür, with over 30 years of experience in the banking sector, obtained his degree from Gazi University's Faculty of Banking and Insurance and an Executive MBA from the Middle East Technical University. He began his career in a prominent private sector bank, holding positions such as Branch and Regional Manager in Corporate, Commercial, and SME Banking, later transitioning to the role of Director of SME Marketing Coordination. In 2011, Mr. Gür joined Akbank as the Executive Vice President of SME Banking. From 2013 to 2017, he served as the Executive Vice President of the Commercial Banking segment, overseeing the Cash Management and Trade Finance departments. During this period at Akbank, he also held the positions of Chairman of AK Lease and Vice Chairman of AK Investment, both Akbank subsidiaries. Between 2017 and 2023, Mr. Gür assumed the role of CEO and Board Member at another private sector bank, leading transformations across various areas, including corporate, technological, and cultural sectors. As from October 2023, Mr. Gür has assumed the position of CEO and Board Member of Akbank. Mr. Gür is also Vice Chairman of the Supervisory Board of Akbank AG and a member of the Supervisory Board of Akbank Ventures BV.

Senior Management

Each Corporate Management Unit and each Business Unit is managed by an Executive Vice President that reports to the CEO. Set forth below is brief biographical information regarding Akbank's Executive Vice Presidents:

Kaan Gür - Board Member and CEO

For Mr. Gür's biographical information, see "*—Board of Directors*" above.

Bülent Oğuz – Executive Vice President – SME Banking

Bülent Oğuz joined Akbank in March 2003 and served as Vice President and Senior Vice President of SME and Consumer Banking respectively. Oğuz was appointed as Executive Vice President in charge of SME Banking in July 2013. He served as Executive Vice President of Retail Banking between November 2018 and December 2021. He has been in charge of SME Banking since January 2022. Bülent Oğuz is the Vice Chairperson of AkÖde and a Board Member of AKLease. Before joining Akbank, Oğuz held various managerial positions at Corporate Banking and Loans divisions at different private sector banks. Oğuz is a graduate of Middle East Technical University, Political Science and Public Administration and holds an Executive MBA degree from Sabancı University.

Burcu Civelek Yüce – Executive Vice President - Consumer Banking and Digital Solutions

Burcu Civelek Yüce joined Akbank in 2006 and respectively served as Senior Vice President of Strategy Department, Executive Vice President of Human Resources and Strategy, and Executive Vice President of Strategy, Digital Banking and Payment Systems. She has acted as the Executive Vice President of Consumer Banking and Digital Solutions since January 2022. Prior to joining Akbank, she worked in international management consulting and technology companies. Burcu Civelek Yüce has a B.Sc. degree in Industrial Engineering and an MBA degree from Boğaziçi University, both first in rank. She also participated in courses at Harvard Business School and Koç University. Yüce acts as the Chairperson of Aköde Elektronik Money and Payment Services, Board Member of Aksigorta, Agesa, Sabancı Ageas Health Insurance, Sabancı DX, Akbank Ventures BV, AK Asset Management, IWF Türkiye and MMA EMEA and Endeavor Türkiye.

Ege Gültekin - Executive Vice President - Credit Monitoring and Collections

Ege Gültekin joined Akbank in February 2015 as Executive Vice President in charge of Credit Monitoring and Collections. Before joining Akbank, she held various senior management positions at different banks and asset management companies. Mrs. Gültekin is a graduate of Middle East Technical University, Department of Faculty of Economics and Administrative Sciences and holds a Master's degree from John Hopkins University, Faculty of Engineering, Department of Information and Telecommunication Systems. Gültekin is also Board Member of AKlease and Chairman of the Credit Bureau (*Kredi Kayıt Bürosu*).

Levent Çelebioğlu - Executive Vice President - Corporate & Investment Banking

Levent Çelebioğlu joined Akbank in May 2015 as Executive Vice President in charge of Corporate and Investment Banking. Prior to joining Akbank, he held various senior management positions at different private sector banks. He is also Vice Chairman of Akbank AG and Chairman of AK Investment. Additionally, he is Chairman of TUSIAD Banking Group. Levent Çelebioğlu is a graduate of 9 Eylul University, Faculty of Economics, Monetary Economics & Banking Department.

Türker Tunalı – Chief Financial Officer (CFO)

Türker Tunalı joined Akbank in September 2008 as Senior Vice President in charge of Financial Coordination and International Reporting. Prior to joining Akbank, he held various managerial positions since 1999. He was appointed as Executive Vice President (CFO) in charge of Financial Coordination in October 2017. He is the Vice Chairperson of AK Asset Management, also a Board Member and Audit Committee Chairperson of Akbank AG, Board Member of AKLease and AkÖde. Mr. Tunalı is a graduate of Boğaziçi University, Department of Business Administration and is a CFA (Chartered Financial Analyst) since 2006.

Yunus Emre Özben – Executive Vice President – Credit Underwriting

After working at various companies since 1996, Yunus Emre Özben joined Akbank in October 2005 as Assistant Manager in the Project Finance Division and was promoted to Senior Vice President in charge of Investment Banking in March 2011. He was appointed as Executive Vice President in charge of Credit Allocation in August 2018. Mr. Özben is also the Board Member of AK Asset Management, a subsidiary of Akbank. Mr. Özben is a graduate of Marmara University Business Administration and holds an executive MBA degree from Sabancı University.

Zeynep Öztürk- Executive Vice President- Special Credits

After working at various companies in the sector since 1990, Zeynep Öztürk joined Akbank in January 2011 as Senior Vice President in charge of Corporate and Commercial Credits Monitoring and afterwards worked as Senior Vice President in charge of Corporate And commercial monitoring and collection, and Head of Special Restructuring Consulting respectively. Mrs. Öztürk was appointed as Executive Vice President in charge of Special Credits in January 2019. Mrs. Öztürk is a graduate of METU Business Administration and received MBA degree from İhsan Doğramacı Bilkent University.

Gamze Şebnem Muratoğlu- Executive Vice President - Treasury

Gamze Şebnem Muratoğlu joined Akbank in April 1995 as Management Trainee. Muratoğlu has been working at the Risk Management since 2002 and appointed as Vice President in charge of Risk Management in November 2003, Senior Vice President responsible from Risk Management in November 2006 and CRO in March 2017. She was appointed as Executive Vice President in charge of Treasury in January 2019. Mrs. Muratoğlu is a graduate of University of Kent in Economics and holds a Master's degree from Macquarie University and FRM (Financial Risk Manager) certificate holder since 2003. Gamze Şebnem Muratoğlu holds Financial Risk Manager (FRM) certificate since 2003. She is also a member of Women on Board Association Türkiye holding independent board membership certificate.

Pınar Anapa- Executive Vice President - People and Culture

Pınar Anapa joined Akbank in 1999 and after taking various responsibilities in the Internal Audit division, she worked as Deputy Head of Internal Audit between 2007-2014. She began serving as Human Resources Management Senior Vice President in 2014. She was appointed as Executive Vice President in charge of Human Resources in June 2019. Her areas of responsibility cover human resources and branch channel development. She is a graduate of METU Economics and received Executive MBA degree from Sabancı University. She attended in trainings on the transformation of human resources in London Business School and she is also a member of Ethics Committee in Banking. Anapa is also a Board Member of Akbank AG and Women in Technology Association.

Gökhan Gökçay - Executive Vice President – Technology Gökhan Gökçay joined Akbank in May 2017 as Senior Vice President of Dijital Banking and Payment Systems Technologies Department. After taking on different roles in the Technology and Operations business family, in January 2023, he was appointed as Executive Vice President in charge of Technology. Gökçay started his career as a software engineer in 1992, held the positions of managing partner and department head of leader banks and consultancy firms in Türkiye and Europe in the field of Financial Technologies. Gökhan Gökçay is a graduate of Boğaziçi University, Department of Computer Engineering. He has a master's degree from the same department.

Çetin Düz - Executive Vice President – Commercial Banking

Çetin Düz joined Akbank in 2004 and after taking various responsibilities in Internal Audit division, he worked as Deputy Head of Internal Audit between 2014-2015. He was appointed as Executive Vice President of AKLease in charge of Credit Allocation in August 2015. He worked as General Manager of AKLease since 2019 January. Çetin Düz was appointed as Akbank Commercial Banking Executive Vice President and Chairman of AKlease in February 2023. Çetin Düz graduated from Boğaziçi University, Department of Political Science and International Relations and he holds an Executive MBA degree from Sabancı University.

Dalya Kohen – Executive Vice President – Private Banking and Wealth Management

Dalya Kohen joined Akbank in 2010 and after taking various responsibilities in Private Banking Division she worked as Senior Vice President of Private Banking between 2018-2023. In May 2023, she was appointed as Executive Vice President in charge of Private Banking and Wealth Management. Dalya Kohen is also a Board Member of AK Asset Management. Prior to joining Akbank, she worked in the Treasury Department of a different private sector bank. Dalya Kohen is a graduate of Boğaziçi University, Department of Economics.

The address of the Senior Management is Akbank T.A.Ş., Sabancı Center 4, Levent 34330, İstanbul, Türkiye.

Conflict of Interests

There is no actual or potential conflict of interests between the duties of any of the members of the Board of Directors and the Senior Management team and their respective private interests or other duties.

Remuneration and Related Party Transactions

The members of the Board of Directors receive a fee for attending Board meetings. In addition, a maximum of 0% of the distributable profits remaining after taxes, legal reserves and a first dividend to shareholders may be distributed to members of the Board.

The aggregate amount of the remuneration paid and benefits in hand granted to the Directors and senior management for the year ended 31 December 2023 was TL511.6 million.

None of the Directors or executive officers has or has had any interest in any transaction effected by Akbank and which are or were unusual in their nature or conditions or significant to the business of Akbank and which were effected during the current or immediately preceding financial year or were effected during an earlier financial year and remain in any respect outstanding or unperformed.

Corporate Governance

Akbank recognises the importance of maintaining sound corporate governance practices. The relationship between Akbank's management, shareholders, employees and third parties including customers, legal authorities, suppliers and various other individuals and institutions with whom Akbank does business are based on fundamental governance principles including integrity, credibility, non-discrimination, compliance, confidentiality, transparency and sustainability.

Akbank complies with the capital markets legislation and the regulations of the CMB and the Borsa İstanbul in the matter of public disclosure and expends maximum effort to implement the principles stipulated in the CMB Corporate Governance Principles. The Corporate Governance Principles stipulated by the CMB consisting of four major sections are implemented by Akbank in general. The Board has established an Audit Committee, a Corporate Governance Committee, a Credit Committee and an Executive Risk Committee.

Audit Committee

Responsible for assisting the Board of Directors in its auditing and supervision activities, the Audit Committee is charged with overseeing the functioning and adequacy of the internal systems as well as the accounting and reporting systems.

The members of the Audit Committee include:

- Eyüp Engin, Chairman (Board Member),
- Levent Demirağ, Member (Board Member).

Corporate Governance Committee

The Corporate Governance Committee is responsible for attaining, overseeing and communicating Akbank's compliance with the Corporate Governance Principles; overseeing the activities of the Investor Relations and Sustainability Department; creating a transparent system in the areas of identification, evaluation and training of suitable candidates for the Board of Directors and devising policies and strategies in this matter.

The members of the Corporate Governance Committee include:

- Hakan Binbaşgil, Chairperson (Board Member);
- Şakir Yaman Törüner, Member (Board Member); and
- Türker Tunalı, Member (Executive Vice President – CFO).

Sustainability Committee

The Sustainability Committee sits under the Corporate Governance Committee. The Board recognises and has taken ownership of sustainability as an integral part of Akbank's strategy. The Sustainability Committee is responsible for overseeing the bank's sustainability strategy and performance, in line with business strategy, market conditions and trends.

The members of the Sustainability Committee include:

- Hakan Binbaşgil, Chairperson (Board Member);
- Şakir Yaman Törüner, Member (Board Member);
- Cenk Kaan Gür, Member (CEO);
- Türker Tunalı, Member (Executive Vice President – CFO); and
- Ebru Güvenir, Member (Senior Vice President, Investor Relations and Sustainability).

Remuneration Committee

The Remuneration Committee is responsible for determining the principles, criteria and practices to be used in the remuneration of the members of the board of directors and executives with administrative responsibilities by taking into account the long-term goals of the company and supervises the remuneration process.

The members of the Remuneration Committee include:

- Hakan Binbaşgil, Chairperson (Vice Chairperson); and
- Şakir Yaman Törüner, Member (Board Member).

Credit Committee

The Credit Committee is the ultimate decision-making body for loan allocation and reviews loan applications over certain amounts to ensure that it conforms to legislation and regulations, banking principles and Akbank's goals and loan policies.

The members of the Credit Committee include:

- Ahmet Fuat Ayla, Chairperson (Executive Board Member);
- Cenk Kaan Gür, Member (Board Member); and
- Hakan Binbaşgil, Member (Vice Chairperson).

Executive Risk Committee

The Executive Risk Committee is responsible for developing risk policies, determining appropriate methods for measurement and management of risk, setting commensurate risk limits and monitoring their performance. All risk policies formulated are documented in writing and incorporated in the overall long-term strategy of Akbank. Unless excused, all Committee members attend the meetings.

The members of the Executive Risk Committee include:

- Hakan Binbaşgil, Chairperson (Vice Chairperson);
- Ahmet Fuat Ayla, Member (Executive Board Member); and
- Cenk Kaan Gür, Member (Board Member).

Share Ownership and the Sabancı Group

Share Capital of Akbank

As at 31 March 2024, the issued and paid-in share capital of Akbank was TL5,200,000,000, consisting of 520,000,000,000 shares, each with a nominal value of TL0.01. Consolidated total shareholders' equity as at 31 March 2024 amounted to TL213.1 billion. At the Annual General Assembly of Akbank held on 28 March 2017, the registered capital ceiling of Akbank was increased to TL10,000,000,000 from TL8,000,000,000, consisting of 10,000,000,000,000 shares, each with a nominal value of TL0.01. The registered capital ceiling permit granted by the CMB in respect of this new ceiling will be valid until 2025. The Board of Directors is entitled to increase the capital within the registered capital ceiling limit and issue new shares without requiring any affirmative resolution of the general assembly of Akbank. However, in order to increase the capital after 2025, even if the registered capital ceiling has not been reached by that time, the Board of Directors must obtain a new permit from the CMB either for the current permitted ceiling (if not reached by then) or for a new capital ceiling.

Pursuant to the Banking Law, shares are issued in registered form.

In April 1998, 4.03% of the outstanding share capital of Akbank was offered and sold in an international offering outside of Türkiye in the form of Ordinary Shares and ADRs. As at 31 March 2024, approximately 51% of Akbank's share capital was publicly traded, including the ADRs. As at 31 March 2024, Akbank's market capitalisation was U.S$7.53 billion. As at 31 December 2023, 31 December 2022 and 31 December 2023, Akbank's market capitalisation was U.S.$ 2.81 billion, U.S.$ 5.43 billion and U.S.$ 6.45 billion, respectively.

Principal Shareholders

Shareholdings in Akbank as at 31 March 2024 are set forth below.

	Percentage of Outstanding Shares
Total Sabancı Group, affiliated companies and family.	49%
Other	51%
Total share capital	**100.00%**

The Sabancı family and the Sabancı Group (the "**Controlling Shareholders**") owned 49% of the outstanding share capital of Akbank as at 31 March 2024. The Controlling Shareholders have the power to elect all of Akbank's directors and to determine the outcome of most matters to be decided by a vote of shareholders of Akbank. There are no other parties who exercise or could exercise control over Akbank. Akbank's code of corporate governance provides that minority shareholders' rights are protected in conformity with all applicable Turkish Commercial Code and CMB regulations.

The Sabancı Group

Hacı Ömer Sabancı Holding A.Ş. ("**Sabancı Holding**" and, together with its subsidiaries, the "**Sabancı Group**"), Türkiye's leading conglomerate, is a holding company engaged in a wide variety of business activities through its subsidiaries and affiliates, mainly in the banking, financial services, energy and climate technologies, industrials, building materials and digital sectors.

Sabancı Holding coordinates and supports the finance, strategy, business development, legal, human capital and sustainability functions of Sabancı Group companies. Sabancı Holding aims to ensure that Sabancı Group companies operate in a manner that is profitable and sustainable with favourable competitive conditions. In addition, Sabancı Holding sets and monitors the investor relations and corporate governance practices that apply across Sabancı Group.

Sabancı Holding is managed by an Executive Committee, a team of senior executives including the Chief Executive Officer, Group Chief Financial Officer, Strategic Business Unit Presidents and function-based Group Presidents. The Executive Committee is mainly responsible for major capital allocation decisions and reports to the Board of Directors, which is the ultimate decision-making body of Sabancı Holding.

Sabancı Holding's ultimate purpose is to unite Türkiye and the world for a sustainable life with leading enterprises. With this objective in mind, the Sabancı Group works to create value for its stakeholders. As at 31 March 2024, Sabancı Group companies supplied their products and services around the globe with more than 60,000 employees in 14 countries worldwide. Sabancı Holding's multinational business partners include leading global companies such as Ageas, Bridgestone, Carrefour, E.ON, Heidelberg Materials, and Skoda.

Sustainability is a central aspect of Sabancı Group's purpose. To this end, the Sabancı Group has adopted a net zero emissions target by 2050.

Sabancı Holding is registered with the CMB, the securities regulator of Türkiye. Since 1997, Sabancı Holding has been listed on Borsa İstanbul. Sabancı family members jointly hold a substantial interest in Sabancı Holding, while 52.26% of the outstanding shares are publicly traded at Borsa Istanbul as of 31 March 2024. As at 31 March 2024, Sabancı Holding and its 11 listed subsidiaries' shares constituted around 6.2% of the total market capitalisation of Borsa İstanbul. At the end of 2023, Sabancı Group delivered combined revenue of TL811 billion and consolidated net income of TL15 billion (based on IAS29). As at 31 December 2023, it had total assets of TL2,192 billion. In addition to Akbank, other Sabancı Group companies are listed below.

Financial Services

Aksigorta. Aksigorta is a non-life insurance company established in 1960. Continuing to build upon its strong brand recognition and value through the partnership of Ageas and Sabancı Holding in the company since 2011, Aksigorta seeks to maintain profitable growth in the insurance business. As at 31 March 2024, Aksigorta is the sixth largest non-life insurance company in the Turkish market in terms of gross written premium, rendering service to retail and corporate customers all over Türkiye with its 801 employees, 10 regional headquarters, around 3,772 independent agencies.

Agesa. AgeSA Hayat ve Emeklilik adopted its latest shareholder structure on 5 May 2021 as a joint venture between Sabancı Holding and Brussels-based insurance company Ageas. Agesa, 20% of which shares are traded on Borsa İstanbul, has become one of Türkiye's leading private pension and life insurance companies under the name Agesa Hayat ve Emeklilik (Agesa Pension and Life Insurance). As at 31 March 2024, Agesa Hayat ve Emeklilik had the leading position among all companies in terms of private pension AUM with a market share of 19.7%, conducting its operations through the channels of direct sales, bancassurance, corporate, agencies, and telemarketing.

Other Financial Services Companies. The Sabancı Group's other financial services are provided by Akbank and are described above under "*—Business—Subsidiaries and Affiliated Companies*".

Industrials

Brisa. Brisa was originally founded by Sabancı Holding and its partners in 1974 and the company began tire manufacturing under the Lassa brand name in 1978. Pursuant to the developments in the global tire industry, the company was named Brisa following the partnership between Bridgestone Corporation and Sabancı Holding in 1988. As one of the world's largest tire manufacturing facilities under a single roof, Brisa's products and services are provided at approximately over 1,200 sign boarded sales points domestically while Lassa branded tires manufactured with the manual labour of Brisa workers are at the disposal of the vehicle owners in more than 83 countries and at over 6,000 sign boarded sales points as at 31 December 2023. Accelerating mobility transformation, Brisa provides service at 117 Otopratik and 22 Propratik locations as at 31 December 2023. Furthermore, Brisa operates 68 e-charging stations and provides EV-HEV maintenance service at 29 Otopratik service points as at 31 December 2023.

Kordsa. Kordsa was established in 1973 with Sabancı Holding's investment in Izmit to produce tire cord fabric for tire manufacturers. Kordsa primarily produces tire reinforcement technologies and expanded its lines of business to include composite and construction reinforcement technologies through investments in 2014. As a global player in the tire and construction reinforcement and composites markets, Kordsa operates across 13 facilities located in six countries, including Türkiye, Brazil, Indonesia, Italy, Thailand, and the United States, with approximately 5,000 employees as at 31 March 2024. Kordsa's tire reinforcement technologies reinforce one out of every three automobile tires and two out of every three aircraft tires worldwide.

Temsa Motorlu Araçlar. Temsa was established in 1968 and began its automotive operations in 1984. Temsa signed a distributorship agreement with Mitsubishi Motor Corporation for selling Mitsubishi and Fuso Canter brands. Temsa's vision was to become a global brand, Temsa Global, with a mission to create innovative solutions as a commercial vehicle manufacturer. In 2013, Temsa Motorlu Araçlar became the exclusive distributor of Mitsubishi Motors Company and Mitsubishi Fuso Truck & Bus Corporation. Temsa Motorlu Araçlar transferred the operations of Mitsubishi Fuso Truck to Temsa Ulaşım Araçları ("**TUA**") in 2018. Until Mitsubishi's strategy change in 2020, TMA had market coverage of 84% with its 32 3S (Sales, Service & Spare Parts) dealers and 55 service workshops. Even with a limited product lineup, Mitsubishi Türkiye was considered one of the best-performing Mitsubishi operations in the world.

Temsa Ulaşım Araçları. Temsa was founded in 1968 by Sabancı Holding. Since 2020, it has been operating under the partnership of Sabancı Holding and PPF Group and is a sister company of Skoda Transportation. Today, TUA ranks among the top global manufacturers of buses, midibuses, and light trucks. With 1,750 employees working in a single shift at a 500,000-square-meter factory in Adana, TUA produces 11,500 vehicles annually. To date, TUA has produced over 130,000 vehicles and exported more than 15,000 vehicles to nearly 70 countries worldwide. With a mission to provide sustainable mobility solutions, TUA continues to develop its know-how in alternative fuel vehicles.

Digital

Teknosa. Teknosa, established in 2000, operates with the philosophy of "Technology for Everyone". Starting out in 2000 with five store locations, Teknosa is a leading widespread technology retail company in Türkiye, providing fast, reliable, uninterrupted, and high-quality services with 179 stores and a total net sales area of approximately 105,000 square metres as at 31 March 2024 and an e-commerce website, Teknosa.com. Teknosa took a major step forward in its customer focused digital transformation journey by successfully launching Türkiye's first consumer electronics specialised marketplace on 31 January 2022. Teknosa Marketplace bolsters the Sabancı Group's omni-channel capabilities and delivers customers a wide array of technology products from merchants that meet its high customer service standards.

Dx Technology Services and Investment BV. Dx Technology Services and Investment BV is a wholly owned subsidiary of Sabancı Holding, established in the Netherlands to undertake Sabancı Group's investments in digital businesses. In 2022, Dx BV invested in Radiflow and SEM, among the best known companies in the cyber security and digital marketing sectors, respectively, to accelerate growth and value creation at these companies.

Energy

Enerjisa. Enerjisa was established as an auto producer company in 1996 to meet the electricity requirements of Sabancı companies and became one of the leading players in the growing Turkish electricity market, with its customer- and market-oriented business models based on efficiency and technology. In April 2013, a 50% partnership between Enerjisa and E.ON, which is one of the leading global private energy companies, was successfully completed. In 2017, distribution and sales operations were transferred to Enerjisa Enerji while generation and trade operations were transferred to Enerjisa Üretim.

Enerjisa Enerji. Enerjisa Enerji operates as Türkiye's leading company in electricity distribution, retail sales and customer solutions. Reaching a population of 22.1 million with more than 11 thousand employees, Enerjisa Enerji serves 10.7 million customers located in 14 provinces across three distribution regions. Enerjisa Enerji prioritises providing its customers with sustainable and innovative solutions. In addition to operating the largest electricity distribution network in the country, Enerjisa Enerji provides many environmentally friendly and sustainable energy solutions to its customers, ranging from solar power plant installation services, energy efficiency applications, cogeneration applications and electric vehicle-charging stations to green energy certificates under the umbrella of "Energy of My Business". 20% of Enerjisa Enerji shares was offered to the public and Enerjisa was listed on Borsa İstanbul on 8 February 2018.

Enerjisa Üretim. Enerjisa Üretim manages three main business lines, including electricity generation, power trading and digital energy solutions. Respecting life and functioning with the mission of producing energy for a better future, Enerjisa Üretim has a leading position in private sector with 3,792 MW balanced and secured electricity generation portfolio and has solidified its focus on renewable growth with an additional 1,000 MW in wind power capacity currently being built. By combining strong operational and trading capabilities, Enerjisa Üretim achieves high trading volumes and is positioned as one of the top players in the Turkish and European energy markets. It also contributes significantly to sustainability via carbon reduction opportunities through renewable energy-based generation including hydro, wind and solar energy power plants along with technology and efficiency focused investments. Enerjisa Üretim is actively exploring and investing in hydrogen as a key part of its sustainability strategy.

Building Materials

Akçansa. Formed through the merger of Akçimento and Çanakkale Çimento in 1996, Akçansa is one of the largest Turkish cement producers and in its industry with focusing on sustainable product portfolio. The company is a Sabancı Holding and Heidelberg Materials joint venture. Akçansa operates in the cement and ready mixed concrete production industry in the Marmara, Aegean, and Black Sea regions with three integrated cement plants and approximately 25 ready-mix concrete production plants. Akçansa meets approximately 8% of Türkiye's cement need as well as 11% of Türkiye's total cement and clinker exports as at 31 December 2023 with its products complying with global quality standards. Akçansa Port provides services to third parties from its ports with a modern port management approach and 'boutique service' as well as general cargo, bulk cargo, project cargo, international and internal ro-ro, storage, warehouse, container operations, container freight stations ("**CFS**") and bulk liquid cargo services.

Çimsa. Commencing operations in 1972, Çimsa is an international cement and building materials company. In addition to grey cement, Çimsa produces special products such as white cement and calcium aluminate cement. The second largest player in white cement, Çimsa is an international cement manufacturer with four integrated cement plants (Eskişehir, Mersin and Afyon in Türkiye and Bunol in Spain) and terminals in Hamburg (Germany), Trieste (Italy), Seville (Spain), Famagusta (TRNC), and a cement grinding plant in Houston (USA). Additionally, Çimsa has announced the construction of a new grinding plant in the same region which is expected to be completed by 2025. Çimsa markets its products to over 70 countries under the Çimsa brand. Following its calcium aluminate cement ("**CAC**") investment, Çimsa became the third largest CAC producer globally. Çimsa intends to accelerate its Munich-based research and development activities to produce more value-added products such as "flycrete". Moreover, Çimsa continues to invest in green energy projects such as Afyon SPP & Bunol SPP to increase its renewable energy usage ratio. In 2023, Çimsa purchased the majority shares of Sabancı Building Solutions BV ("**SBS**") from Sabancı Holding and became the controlling shareholder of SBS, which is positioned as the international growth platform of Çimsa.

Sabancı Building Solutions. Cimsa Sabancı Cement B.V. was founded in 2020 with Çimsa and Sabancı Holding holding 40% and 60% its shares, respectively. This joint venture was intended to create a stronger and more efficient platform. The company was renamed Sabancı Building Solutions B.V. ("**SBS**") on 6 December 2022. SBS is an international player in the building materials sector, most importantly in white cement, with a white cement plant in Valencia (Spain), a grinding facility in Houston (USA) and international terminals. In 2023, Çimsa purchased the majority shares of SBS from Sabancı Holding and became the controlling shareholder.

Other

CarrefourSA. CarrefourSA is a joint venture of Sabancı Holding and Carrefour, a leading French retailer group, and was formed in 1996. In 2013, Sabancı Holding acquired an additional 12% stake in CarrefourSA, bringing its share to 51%, and took over control of and responsibility for its operations. Following multiple corporate actions in 2020, Sabancı Holding increased its CarrefourSA stake to 57%. With its 1,094 stores including franchises and total net sales area of approximately 571 thousand square metres as at 31 March 2024, CarrefourSA continues to pursue asset-light growth and value creation potential with the focus on lean practices and operational efficiency, product range optimisation, advanced data analytics applications and alternative channels.

Related Party Transactions

Akbank primarily has four types of exposure to related parties: (i) loans that Akbank makes to Sabancı Group companies; (ii) guarantees that Akbank has assumed on behalf of Sabancı Group companies; (iii) deposits that Akbank receives from Sabancı Group companies; and (iv) derivative transactions made by Sabancı Group companies.

Turkish banking regulations limit exposure to related parties, and Akbank's exposure to Sabancı Group companies was within the limit permitted by the regulations as at 31 March 2024. See "*—Turkish Regulatory Environment for Banks*". As at 31 March 2024, Akbank has not entered into any material transactions with any members of the risk group it belongs to except for certain cash and non-cash credits that Akbank has provided to such group. Akbank's cash loans and receivables to related parties were TL20,320,067 thousand, TL18,680,052 thousand, TL11,635,682 thousand and TL9,923,991 thousand as at 31 March 2024, 31 December 2023, 31 December 2022 and 31 December 2021, respectively. Loans provided to employees were TL687,831, TL606,978, TL322,086 and TL177,638 as at 31 March 2024, 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

The following table indicates the level of Akbank's relationships (on a consolidated basis) with other members of the Sabancı Group as at 31 March 2024, 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 March	**As at 31 December**		
	2024	**2023**	**2022**	**2021**
	(TL thousands, except percentages)			
Cash loans	20,320,067	18,680,052	11,635,682	9,923,991
As a % of assets	0.98%	0.98%	1.01%	1.30%
As a % of total cash loans	1.96%	2.01%	1.96%	2.63%
As a % of shareholders' equity	9.53%	8.84%	7.58%	13.06%
Non-cash credits[(1)]	7,342,552	7,981,206	5,004,206	2,924,976
As a % of assets	0.35%	0.42%	0.44%	0.38%
As a % of non-cash loans	2.76%	3.35%	3.54%	3.31%
As a % of shareholders' equity	3.45%	3.78%	3.26%	3.85%
Total group exposure	**27,662,619**	**26,661,258**	**16,639,888**	**12,848,967**

Note:

(1) Non-cash credits consist primarily of letters of credit issued or confirmed and exposures under guarantees and performance bonds.

Akbank (on a consolidated basis) had deposits from members of the Sabancı Group as follows as at 31 March 2024, 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

	As at 31 March	**As at 31 December**		
	2024	**2023**	**2022**	**2021**
		(TL thousands)		
Deposits (including cash collateral)	25,086,231	24,999,100	12,301,914	10,930,878

Turkish Banking System

The Turkish financial sector has gone through major structural changes as a result of the financial liberalisation programme that started in the early 1980s. The abolition of directed credit policies, liberalisation of deposit and credit interest rates and liberal exchange rate policies as well as the adoption of international best standard banking regulations have accelerated the structural transformation of the Turkish banking sector. Since the

1980s, the Turkish banking sector has experienced a significant expansion and development in the number of banks, employment in the sector, diversification of services and technological infrastructure. The significant volatility in the Turkish currency and foreign exchange markets experienced in 1994, 1998 and 2001, combined with the short foreign exchange positions held by many Turkish banks at those times, affected the profitability and liquidity of certain Turkish banks. In 2001, this resulted in the collapse of several institutions. The banking sector also experienced a sharp reduction in shareholders' equity in 2001, with the capital for 22 private sector banks declining to U.S.$7,727 million at the end of 2001 from U.S.$8,551 million for 28 banks at the end of 2000, according to the Central Bank.

The Turkish money markets and foreign exchange markets have stabilised since 2001. In order to enhance disclosure and require management to maintain adequate capital, the BRSA required banks to undergo a three-part audit during the end of 2001 and the first half of 2002. Following the audit, all private commercial banks were either found to be in compliance with the 8% minimum capital requirement (which was the case for Akbank, as declared by the BRSA in mid-2002), transferred to the SDIF or asked to increase their capital level.

According to SDIF's official data, since 1994, a total of 26 private banks have been transferred to the SDIF due to, among other things, weakened financial stability and liquidity. The transparency of the system has improved along with the establishment of an independent supervisory and regulatory framework and new disclosure requirements. Structural changes undertaken have strengthened the private banking sector and resulted in a level playing field among banks. Unfair competition from state banks was diminished while the efficiency of the system increased in general as a result of consolidation. Efforts are continuing on the resolution of the SDIF banks while restructuring and privatisation of the state banks is progressing.

This restructuring in the Turkish financial sector has been significantly aided through the three-stage audit process referred to above. According to Provisional Article 11 of the Banking Law, Provisional Article 4 added to the Banks Act (Law No. 4389) (the "**Banks Act**"), though Act No. 4743 will remain applicable until the collection of receivables and finalisation of procedures against the banks taken over by the SDIF. Pursuant to Provisional Article 4 mentioned above, privately-owned deposit banks (including Akbank) under the scope of the programme went through the above-mentioned three-stage audit process. Banks appointed their own independent audit companies of each bank to conduct the first audit. To ensure that the first audit was undertaken according to agreed-upon principles, a different independent audit company appointed by the BRSA carried out the second audit. The Sworn Bank Auditors of the BRSA conducted the third and final audit. This multi-phase auditing procedure was applied so as to minimise conflicts and increase reliability in the Turkish banking system. The "audit and assessment" phase of the programme was successfully completed through close cooperation with banks and independent audit institutions. The audit and assessment phase carried out within the framework of the programme not only increased the chances of success of the programme, but also brought about positive long-term effects on the Turkish banking system. Firstly, the transparency of the banking sector increased. Announcements made by the BRSA regarding aggregate figures and the bank-specific information to be provided by banks after their general assemblies provided a platform for the sharing of reliable information, including group risks, open positions and in-kind credit risks. As a result, the true financial health of Turkish banks has become more transparent. Secondly, with the success of the audit and assessment phase, the ability of the Turkish public authorities to design and apply sound policies towards the establishment of a healthy and efficient banking sector was strengthened.

Pursuant to Council of Ministers Decision No.: 2012/4116 dated 24 December 2012, published in the Official Gazette No. 28515 of 1 January 2013, RUSF rates applicable to cross-border foreign exchange borrowings by Turkish non-financial institution borrowers are as follows:

Average Maturity	RUSF
Up to one year	3%
One (1) year (including) up to two (2) years	1%
Two (2) years (including) up to three (3) years	0.5%
Three (3) years and longer	0%

The RUSF rate on non-commercial consumer loans is 15%.

In accordance with the regulations of the BRSA made in 2003 (decision of BRSA dated 3 July 2003 and numbered 1084), the practice of a full insurance guarantee over savings deposits was removed on 5 July 2004. Under the new limited deposit guarantee scheme that replaced the full insurance guarantee, Turkish Lira and foreign exchange-denominated savings deposits up to TL650,000 (since 14 December 2023) opened by any natural person customer in each bank are under the insurance guarantee of SDIF. Transition from full deposit insurance guarantee to limited deposit insurance guarantee in July 2004 was the result of the positive developments realised in the economy and the financial sector and is considered a new stage in the improvement of the Turkish banking sector.

Turkish Regulatory Environment for Banks

Turkish banking legislation has changed substantially in the last 20 years and the Banking Law abolishing and replacing Banks Act No. 4389 came into force upon publication thereof in the Official Gazette dated 1 November 2005. The purpose of enacting a new Banking Law is to establish confidence and stability in financial markets, to ensure efficient operation of the credit system and to protect the rights and interests of the depositors. The Banking Law should be regarded as a positive progress due to its provisions regarding capital adequacy, efficiency of the control and audit to be carried out by public authority, creation of a market discipline by prevention of the possible lack of control, and enforcement of the obligation of the liability insurance.

Turkish banks and also branches in Türkiye of foreign banks established abroad are governed by two primary regulatory authorities in Türkiye, the BRSA and the Central Bank.

The Role of BRSA

In June 1999, the Banks Act established the BRSA which ensures that banks observe banking legislation, supervises the application of banking legislation and monitors the banking system. The BRSA has administrative and financial autonomy, and its head office is in İstanbul.

Articles 82 and 93 of the Banking Law state that the BRSA, having the status of a public legal entity with administrative and financial autonomy, was established in order to ensure application of the Banking Law and other relevant acts, to ensure that savings are protected and to carry out other activities as necessary by issuing regulations within the limits of authority granted to it by the Banking Law. The BRSA is obliged and authorised to take and implement any decisions and measures in order to prevent any transaction or action which could jeopardise the rights of depositors and the regular and secure operation of banks and lead to substantial damages to the national economy, and to ensure efficient functioning of the credit system.

By law, the BRSA has responsibility for all banks operating in Türkiye, including foreign banks and participation banks. The BRSA sets various mandatory ratios such as capital adequacy and liquidity ratios. In addition, all banks must provide the BRSA, on a regular and timely basis, with information adequate to permit off-site analysis by the BRSA of such bank's financial performance, including balance sheets, profit and loss accounts, board of directors' reports and auditors' reports. Under current practice, such reporting is required on a daily, weekly, monthly, quarterly and annual basis, depending on the nature of the information to be reported.

The BRSA conducts both on-site and off-site audit and supervises implementation of the provisions of the Banking Law and other legislation, examination of all banking operations and analysis of the relationship and balance between assets, receivables, equity capital, liabilities, profit and loss accounts and all other factors affecting a bank's financial structure.

Pursuant to the Internal Systems Regulation, the banks are obliged to establish, manage and develop (for themselves, all their branches and units and all of their consolidated affiliates) internal audit and risk management systems in line with the scope and structure of their organisations, in compliance with the provisions of such regulation. Pursuant to such regulation, the internal audit and risk management systems are to be vested in a department of the bank that has the necessary independence to accomplish its purpose, provided that such departments report to the bank's board of directors. To achieve this, according to the regulation, the internal audit personnel cannot also be appointed to work in a role conflicting with their internal audit duties. The Internal Systems Regulation also requires banks to internally calculate the amount of capital required to cover the risks to which they are or may be exposed on a consolidated basis and with a forward-looking perspective, taking into account the bank's near and medium-term business and strategic plans. This process, referred to as the "Internal Capital Adequacy Assessment Process", should be designed according to the bank's needs and risk attitude and should constitute an integral part of the decision-making process and corporate culture of the bank. In this context, each bank is required to prepare an internal capital adequacy assessment process report (the "**ICAAP Report**") representing the bank's own assessment of its capital requirements. An ICAAP Report is required to be submitted annually to the BRSA, together with the stress test analysis, the internal audit report on the internal capital adequacy assessment process and the model validation report by the end of March of the following year. The board of directors of a bank is responsible for maintenance of adequate equity to ensure establishment and implementation of the ICAAP Report.

The Role of the Central Bank

The Central Bank was founded in 1930 and performs the traditional functions of a central bank, including the issuance of bank notes, provision of price stability and its continuity, regulation of the money supply, management of official gold and foreign exchange reserves, monitoring of the financial system and advising the Turkish Government on financial matters. The Central Bank exercises its powers independently. The Central Bank is empowered to determine the inflation target together with the Turkish Government, and to adopt a monetary policy in compliance with such target. The Central Bank is the only authorised and responsible institution for the implementation of such monetary policy.

The Central Bank has responsibility for all banks operating in Türkiye, including foreign banks. The Central Bank sets mandatory reserve levels and liquidity ratios. In addition, as per the Central Bank Law, all banks, which are operating in Türkiye, must provide the Central Bank with their balance sheets and profit and loss accounts together with their auditor's report within one month of their general assembly meeting, and audit reports to be prepared by independent audit companies within one month of their preparation. Under current practice, such reporting is required on a daily, weekly, monthly, quarterly and semi-annual basis, depending on the nature of the information to be reported.

In addition, the Central Bank is empowered to determine maximum interest rates for lending and deposit taking activities of banks, as well as fees, expenses and commissions charged by banks to their clients for any sort of activities.

Furthermore, effective from 1 January 2020, the Central Bank has been designated as the new payment and e-money services watchdog of Türkiye, replacing the BRSA by way of stripping it of its powers under the Law on the Payment Systems and Securities Settlement Systems, Payment Services and Electronic Money Institutions No. 6493.

The Role of the Banks Association of Türkiye

The Banks Association of Türkiye acts as an organisation with limited supervision and coordination. All banks in Türkiye are obliged to become members of this association. As the representative body of the banking sector, the association aims to examine, protect and promote its members' professional interests. However, despite its regulatory and disciplinary functions, it does not possess any of the powers to regulate banking as the BRSA does.

Shareholding

The direct or indirect acquisition of shares, which represent 10% or more of the share capital of any bank, or the direct or indirect acquisition or transfer of shares resulting in the total number of shares held by a shareholder increasing above or falling below 10%, 20%, 33% or 50% of the share capital of a bank, requires the permission of the BRSA in order to preserve full voting and other shareholders' rights associated with such shares. In addition, irrespective of the above thresholds, an assignment and transfer of privileged shares with the right to nominate a member to the board of directors or audit committee or issuance of new shares with such privileges is also subject to the authorisation of the BRSA. In the absence of such authorisation for the share transfers, a holder of such thresholds of shares cannot be registered in the share register, which effectively deprives such shareholder of the ability to participate in shareholder meetings or to exercise voting or other shareholders' rights with respect to the shares, but not of the right to collect dividends declared on such shares. Additionally, the direct and indirect acquisition or the transfer of the shares of a legal entity owning more than 10% of a bank is also subject to BRSA approval if such transfer directly or indirectly results in the total number of the shares held by a shareholder increasing above or falling below 10%, 20%, 33% or 50% of the share capital of such legal entity. If such approval is not sought, then the relevant shares would merely entitle its owner to the dividend rights. In such case, the voting and other shareholding rights are exercised by the SDIF.

The board of directors of a bank is responsible for ensuring that shareholders attending general assemblies have obtained the applicable authorisations from the BRSA. If the BRSA determines that a shareholder has exercised voting or other shareholders' rights (other than the right to collect dividends) without due authorisation as described in the preceding paragraph, then it is authorised to direct the board of directors of the applicable bank to initiate proceedings for cancellation. If the shares are obtained on the stock exchange, then the BRSA may also impose administrative fines on shareholders who exercise their rights or acquire or transfer shares as described in the preceding paragraph without BRSA authorisation. Unless and until a shareholder obtains the necessary share transfer approvals from the BRSA, the SDIF has the authority to exercise such voting and other shareholders' rights (other than the right to collect dividends and priority rights) attributable to such shareholder.

Lending Limits

Turkish law sets out certain limits on the asset profile of banks and other financial institutions designed to protect those institutions from excessive exposure to any one counterparty (or group of related counterparties), in particular:

Credits extended in the amounts of 10% or more of a bank's shareholders' equity are classified as large credits and the total of such credits cannot be more than eight times the bank's shareholders' equity. In this context, credits include cash credits and non-cash credits such as letters of guarantee, counter guarantees, sureties, avals, endorsements and acceptances extended by a bank, bonds and similar capital market instruments purchased by it, loans (whether deposits or other), receivables arising from the future sales of assets, overdue cash credits, accrued but not collected interest, amounts of non-cash credits converted into cash and futures and options and other similar contracts, partnership interests and shareholding interests.

The Banking Law restricts the total financial exposure (including extension of credits, issuance of guarantees, etc.) that a bank may have to any one customer or a risk group directly or indirectly to 25% of its equity capital. In calculating such limit, a credit extended to a partnership is deemed to be extended to the partners in proportion to their liabilities. A risk group is defined as an individual, his or her spouse and children and partnerships in which any one of such persons is a director or general manager, deputy general managers and, notwithstanding their title, managers employed in equivalent or higher positions in the hierarchy as well as partnerships that are directly or indirectly controlled by any one of such persons, either individually or jointly with third parties, or in which any one of such persons participate with unlimited liability. Furthermore, a bank, its shareholders holding 10% or more of the bank's voting rights or the right to nominate board members, its board members, general manager, deputy general managers and, notwithstanding their title, managers employed in equivalent or higher positions in the hierarchy, and his or her spouse or children and partnerships directly or indirectly, individually or jointly, controlled by any of these persons or a partnership in which these persons participate with unlimited liability or in which these persons act as directors or general managers constitute a risk group, for which the lending limits are reduced to 20% of a bank's equity capital, subject to the BRSA's discretion to increase such lending limits up to 25% or to lower it to the legal limit.

Loans made available to a bank's controlling shareholders or registered shareholders holding more than 1% of the share capital of the bank and their risk groups may not exceed 50% of the bank's capital equity.

The BRSA determines the permissible ratio of non-cash loans, futures and options, other similar transactions, avals, acceptances, guarantees and sureties, and bills of exchange, bonds and other similar capital markets instruments issued or guaranteed by, and credit and other financial instruments and other contracts entered into with, governments, central banks and banks of the countries accredited with the BRSA for the purpose of calculation of loan limits.

Pursuant to Article 55 of the Banking Law, the following credits are exempt from the above-mentioned lending limits:

(a) transactions backed by cash, cash-like instruments and precious metals;

(b) transactions made with the Ministry of Treasury and Finance, the Central Bank, the Privatisation Administration, the Housing Development Administration of Türkiye, Türkiye Varlık Fonu Yönetimi A.Ş. or TWF or against bonds and bills or other securities issued by or payment of which is guaranteed by these institutions;

(c) transactions carried out in markets established by the Central Bank or other money markets created pursuant to special laws;

(d) any increase in a credit resulting from an increase in the value of the respective currency and interests accrued and other charges on overdue credits provided that subsequently allocated credits in a foreign currency shall be taken into consideration at the exchange rate applied on the date of utilisation thereof for calculation of lines of credit in the event a new credit is allocated to the same person;

(e) equity participations acquired at no cost and any increase in the value of equity participations not requiring any payment;

(f) transactions carried out among banks on the basis set out by the BRSA;

(g) equity participations acquired through underwriting commitments in public offerings provided that such participations are disposed of in a manner and at a time determined by the BRSA;

(h) transactions which are taken into account as deductibles in calculation of own funds; and

(i) other transactions to be determined by the BRSA.

Loan Loss Reserves

Pursuant to Article 53 of the Banking Law, banks must formulate, implement and regularly review policies regarding: compensation for losses that have arisen or are likely to arise in connection with loans and other receivables and to reserve an adequate level of provisions against impairment in the value of other assets and receipt of guarantees and measurement of their value and reliability. In addition, such policies must address issues such as monitoring the loans, follow up procedures and the repayment of overdue loans. Banks are under an obligation to establish and operate systems performing all of the foregoing.

On 22 June 2016, the BRSA published the Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside (the "**Provisioning Regulation**") which entered into force on 1 January 2018 in lieu of the Regulation on Provisions and Classification of Loans and Receivables published in the Official Gazette dated 1 November 2006 and No. 26333. The Provisioning Regulation aims at ensuring compliance with the requirements of IFRS and the Financial Sector Assessment Programme, which is a joint programme by the International Monetary Fund and the World Bank. The Provisioning Regulation requires banks to have adopted Turkish Financial Reporting Standards 9, which is the TFRS 9 compliant financial reporting standards of Türkiye ("**TFRS 9**") principles (unless an exemption is granted by the BRSA) related to the assessment of credit risk by the end of 2017 and to set aside general provisions in line with such principles. According to the Provisioning Regulation, banks are still required to classify their loans and receivables in groups, but there are certain changes in the content of the groups compared to the Regulation on Provisions and Classification of Loans and Receivables. Please note that group classification and provision levels for periods before and after 1 January 2018 are not directly comparable. Pursuant to the 2016 Provisioning Regulation, banks are required to classify their loans and receivables into one of the following groups:

(a) Group I: Loans of a Standard Nature and Other Receivables:

This group involves each loan (which, for purposes of the Provisioning Regulation, includes other receivables and shall be understood as such elsewhere in this Offering Circular):

(i) that has been disbursed to financially creditworthy natural persons and legal entities;

(ii) the principal and interest payments of which have been structured according to the solvency and cash flow of the debtor;

(iii) repayments of which have been made within due dates or have not been overdue for more than 30 days, for which no repayment problems are expected in the future, and that have the ability to be collected in full without recourse to any security;

(iv) in respect of which no weakening of the creditworthiness of the applicable debtor has been found; and

(v) to which 12 months expected credit loss reserve applies under TFRS 9.

On 27 March 2020 (with retroactive effect from 17 March 2020), the BRSA announced, as part of the measures taken to combat the impact of the COVID-19 pandemic, a temporary rule (effective until 31 December 2020) providing that the 30 days referred to in clause (iii) is replaced with 90 days, resulting in loans remaining categorised as Group I loans longer and then moving into Group II loans at 90 days. On 8 December 2020, the BRSA extended the implementation of this temporary rule until 30 June 2021. On 17 June 2021, the BRSA further extended the implementation period through 30 September 2021. On 16 September 2021, however, the temporary rule was announced to expire by the BRSA as at 30 September 2021, with an exception for the loans that were overdue for more than 31 days but less than 90 days as at 1 October 2021.

(b) Group II: Loans Under Close Monitoring:

This group involves each loan:

(i) that has been extended to financially creditworthy natural and legal persons and where negative changes in the debtor's solvency or cash flow have been observed or predicted due to adverse events in macroeconomic conditions or in the sector in which the debtor operates, or other adverse events solely related to the respective debtor;

(ii) that needs to be closely monitored due to reasons such as significant financial risk carried by the debtor at the time of the utilisation of the loan;

(iii) in connection with which problems are likely to occur as to principal and interest payments in accordance with the conditions of the loan agreement, and where the failure to resolve such problems might result in risk of non-collection in full without recourse to any security;

(iv) where although the credit standing of the debtor has not weakened in comparison with its credit standing on the day the loan is granted, there is likelihood of a weakening due to the debtor's irregular and unmanageable cash flow;

(v) the collection of principal and/or interest payments of which are overdue for more than 30 but less than 90 days following its payment due date (including the maturity date) for reasons that cannot be interpreted as a weakening in credit standing;

(vi) in connection with which the credit risk of the debtor has notably increased pursuant to TFRS 9;

(vii) repayments of which are fully dependent upon security and the net realisable value of such security falls under the receivable amount;

(viii) that has been subject to restructuring when monitored under Group I or Group II without being able to be classified as an NPL; or

(ix) that has been subject to restructuring while being monitored as an NPL and classified as a performing loan upon satisfaction of the relevant conditions stated in the regulation.

On 27 March 2020 (with retroactive effect from 17 March 2020), the BRSA announced, as part of the measures taken to combat the impact of the COVID-19 pandemic, a temporary rule (effective until 31 December 2020) providing that the 30 days referred to in clause (v) is replaced with 90 days, resulting in loans remaining categorised as Group I loans longer and then moving into Group II loans at 90 days. On 8 December 2020, the BRSA extended the implementation of this temporary rule until 30 June 2021. On 17 June 2021, the BRSA further extended the implementation period through 30 September 2021. On 16 September 2021, however, the temporary rule was announced to expire by the BRSA as at 30 September 2021, with an exception for the loans that were overdue for more than 91 days but less than 180 days as at 1 October 2021.

(c) Group III: Loans with Limited Collection Possibility:

This group involves each loan:

(i) in connection with which the debtor's creditworthiness has weakened;

(ii) that has limited possibility for the collection of the full amount without recourse to any security due to the insufficiency of net realisable value of the security or the debtor's equity to meet the repayment of the full amount on the due date, and that would likely result in losses in case such problems are not resolved;

(iii) collection of the principal and interest (or both) of which has/have been delayed for more than 90 days but not more than 180 days from the payment due date;

(iv) in connection with which the bank is of the opinion that collection by the bank of the principal or interest of the loan or both will be delayed for more than 90 days from the payment due date owing to reasons such as the debtor's difficulties in financing working capital or in creating additional liquidity as a result of adverse events in macroeconomic conditions or in the sector in which the debtor operates or other adverse events solely related to the debtor; or

(v) that has been classified as a performing loan after restructuring but principal and/or interest payments of which have been overdue for more than 30 days within one year of a restructuring or have been subject to another restructuring within such one year of the previous restructuring.

On 17 March 2020, the BRSA implemented, as part of the measures taken to combat the impact of the COVID-19 pandemic, a temporary rule (effective until 31 December 2020) providing that the 90 days referred to in clauses (iii) and (iv) are replaced with 180 days, resulting in loans remaining categorised as Group II loans longer. On 8 December 2020, the BRSA extended the implementation of this temporary rule until 30 June 2021. On 17 June 2021, the BRSA further extended the implementation period through 30 September 2021. On 16 September 2021, however, the temporary rule was announced to expire by the BRSA as at 30 September 2021, with an exception for the loans that were overdue for more than 91 days but less than 180 days as at 1 October 2021.

(d) Group IV: Loans with Doubtful Collection Possibility:

This group involves each loan:

(i) principal and/or interest payments of which will probably not be collected in full under the terms of the loan agreement without recourse to any security;

(ii) in connection with which the debtor's creditworthiness has significantly deteriorated, but which loan is not yet considered as an actual loss by virtue of contribution expected from factors such as merger, the possibility of finding new financing or a capital increase to the debtor's creditworthiness and the collection possibility of the credit;

(iii) the collection of principal and/or interest payments of which has been overdue for more than 180 days but less than one year following its payment due date (including the maturity date); or

(iv) the collection of principal and/or interest payments of which is expected to be overdue for more than 180 days following its payment due date (including the maturity date) as a result of adverse events in macroeconomic conditions or in the sector in which the debtor operates or adverse events solely related to the debtor.

(e) Group V: Loans Having the Nature of Loss:

This group involves each loan:

(i) for which, as a result of the complete loss of the debtor's creditworthiness, no collection is expected or only a negligible part of the total receivable amount is expected to be collected;

(ii) although having the characteristics stated in Groups III and IV, the collection of the total receivable amount of which, albeit due and payable, is unlikely within a period exceeding one year; or

(iii) the collection of principal and/or interest payments of which has been overdue for more than one year following its payment due date.

On 6 July 2021, the BRSA amended the Provisioning Regulation such that the portion of the loans classified in Group V, for which loans allowance for credit losses expected throughout their life or special provisions have been set out, and, in respect of which portion there is no reasonable expectation of recovery, is to be written-off under TFRS 9 after the first reporting period (interim period or yearend reporting period) following their classification in Group V, within a period deemed appropriate by the bank specific to the circumstances of the relevant debtor. Accordingly, such bank must set out such period with justifications and have it available for inspection. In the financial year ending 31 December 2023, Akbank wrote-off TL1.7 billion worth of loans.

Pursuant to the Provisioning Regulation, loans: (a) that are classified under Groups III, IV and V, (b) the debtors of which are deemed to have defaulted pursuant to the Communiqué on the Calculation of Principal Subject to Credit Risk by Internal-Ratings Based Approaches (published in the Official Gazette dated 23 October 2015 and numbered 29511) or (c) to which, as a result of a debtor's default, the lifetime expected credit loss reserve applies under TFRS 9 are classified as NPLs. Financial guarantees are also classified as NPLs on the basis of their nominal amounts in situations where: (i) a risk of a compensation claim by the creditor has occurred or (ii) the debt assumed under the relevant financial guarantee falls within the scope of any of the circumstances stated in limbs (a), (b) or (c) above. If several loans have been extended to a debtor by the same bank and any of these loans is classified as an NPL, then all other loans extended to such debtor by such bank shall also be classified as NPLs; however, for consumer loans, even if any of these loans is classified as an NPL, other consumer loans granted to the same debtor may be classified in the respective applicable group other than Group I. If loans extended to a debtor are classified as an NPL, the creditworthiness of other debtors within the same risk group with that debtor should be evaluated at the date of classification as NPL of that debtor's loans. Accordingly, the loans extended to such other debtors should also be classified as an NPL if such loans fall within the scope of any of the circumstances stated in limbs (a), (b) or (c) above.

The Provisioning Regulation includes detailed rules and criteria in relation to concepts of the "reclassification" and "restructuring" of loans. As for the reclassification of loans, banks are required to evaluate such loans with a view as to whether such loans are to be reclassified under different groups, such evaluation is to be made at least once during each three-month financial statement term or (irrespective of this period) upon the occurrence of developments that pose a risk on such debtor's performance of its obligations, in macroeconomic circumstances, or in the sector in which the respective debtor operates, or solely related to the respective debtor regardless of the macroeconomic circumstances and the sector. Such evaluation shall be conducted independently from the credit and risk analysis made at the time of the extension of the loan.

The reclassification of NPLs as performing loans is subject to the following conditions: (a) all overdue repayments that have caused the relevant loan to be classified as an NPL have been collected in full without recourse to any security, (b) as at the date of the reclassification, there has been no overdue repayment and the last two repayments preceding such date (except the repayments mentioned in limb (a)) have been realised in full by their due date, and (c) conditions for such loans to be classified under Group I or II have been fulfilled. Furthermore, loans (i) that have been fully or partially excluded from the assets of the banks, (ii) security for which has been enforced to satisfy the debt or (iii) repayment of which has been made in kind, cannot be classified as a performing loan. According to a non-public BRSA decision on 8 November 2019, the one-year period described in clause (ii) was reduced to six months through 31 December 2020 (which, by a BRSA decision on 8 December 2020, was then extended until 30 June 2021). In addition, this non-public BRSA decision provides that loans that are partially repaid through the foreclosure on collateral or have been paid in kind are exempt from this regulation through 30 June 2021.

The restructuring of a loan is defined as privileges granted to a debtor who faces or would probably face financial difficulties in relation to the repayment of the loan, to which privileges would not be granted to other debtors not facing such repayment difficulties. These privileges consist of: (a) amendments to the conditions of the loan agreement or (b) partial or full refinancing of the loan. In this respect, an NPL may be reclassified as a restructured loan under Group II subject to the following conditions: (i) upon evaluation of the financial standing of the debtor, it has been determined that the conditions for the applicable loan to be classified as an NPL have disappeared, (ii) the loan has been monitored as an NPL for at least one year following a restructuring, (iii) as at the date of reclassification as a Group II loan, there has been no delay in principal and/or interest payments or any expectation of any such delay in the future and (iv) overdue payments and/or principal payments excluded from assets in relation to the restructured loan have been collected. According to a non-public BRSA decision on 8 November 2019, the one-year period described in clause (ii) was reduced to six months through 31 December 2020 (which, by a BRSA decision on 8 December 2020, was then extended until 30 June 2021). Furthermore, such restructured NPL being reclassified as a performing restructured Group II loan may be excluded from the scope of the restructuring if all the following conditions are met: (A) such loan has been monitored as a restructured loan under Group II at least for one year, (B) at least 10% of the outstanding debt amount has been repaid during such one year monitoring period, (C) there has not been any delay of more than 30 days in principal and/or interest payments of any loan extended to the applicable debtor during such monitoring period and (D) the financial difficulty that led to the restructuring of the loan no longer exists. On 15 August 2018, the BRSA published an amendment regulation to the Provisioning Regulation, introducing the possibility of a performing restructured loan being classified as a Group I loan, after being monitored as a restructured loan at least for three months and if the conditions (C) and (D), above, are met (without seeking the satisfaction of conditions (A) and (B), above). Further, the same amendment regulation has provided that changes to the loan terms for, or partial or full refinancing of, the companies, the loans of which are classified as Group I and that are not in distress, will not be classified as restructuring and may be monitored under Group I.

Pursuant to the Provisioning Regulation, the general rule is that banks shall apply provisions for their loans pursuant to TFRS 9; *however*, the BRSA may, on an exceptional basis, authorise a bank to apply the applicable provisions set forth in the Provisioning Regulation instead of those required by TFRS 9, subject to the presence of detailed and acceptable grounds. With respect to the requirements under TFRS 9, "twelve-months expected credit loss reserve" and "lifetime expected credit loss reserve set aside due to significant increase in credit risk profile of the debtor" are considered as general provisions while "lifetime expected credit loss reserve set aside due to debtor's default" is considered as special provisions.

Banks that have been authorised not to apply provisions under TFRS 9 are required to determine their general and special provisions in accordance with Articles 10 and 11 of the Provisioning Regulation. In this respect, such banks shall set aside general provisions for at least 1.50% and 3.00% of their total cash loans portfolio under Groups I and II, respectively. For non-cash loans, undertakings and derivatives, general provisions to be set aside shall be calculated by applying the foregoing percentages to the risk-weighted amounts determined pursuant to the Capital Adequacy Regulation. Subject to the presence of a written pledge or assignment agreement, loans secured with cash, deposit, participation funds and gold deposit accounts; bonds that are issued by the Turkish government and the Central Bank, and guarantees and sureties provided by such, are not subject to the general set aside calculation. Loans extended to the Turkish government and the Central Bank are not to be considered in such calculation. As to special provisions, banks are required to comply with provision rules for NPLs under Groups III, IV and V at 20%, 50%, and 100%, respectively.

In respect of both general and special provisions, banks are required to consider country and transfer risks. In addition, the BRSA may increase such provision requirements on the basis of banks or loans, taking into account the concentration from time-to-time in matters such as loans' size, type, due date, currency, interest structure, sector to which loans are extended, geographic circumstances, security, and the credit risk level and management.

Regarding the monitoring of security by the banks that have been authorised not to apply provisions under TFRS 9, the Provisioning Regulation increased the number of categories on collaterals (from four to five), amended the content of such categories, and amended the proportions to be deducted, in order to determine the net realisable values of the collaterals, from the borrower's NPLs as follows:

Discount Ratio	(%)
Category I Collateral	100
Category II Collateral	80
Category III Collateral	60
Category IV Collateral	40
Category V Collateral	20

According to the amendments to the Equity Regulation (as defined below) and the Capital Adequacy Regulation, general provisions are no longer allowed to be included in the supplementary capital (i.e. Tier 2 capital) of Turkish banks and are deducted from their risk-weighted assets. However, on 24 December 2021, the BRSA revoked these amendments. As such, these general provisions are included in supplementary capital and not deducted from a bank's risk-weighted assets.

TFRS 9 Financial Instruments Standard

TFRS 9 "Financial Instruments", which is effective as at 1 January 2018 was published by the POA in the Official Gazette numbered 29953 dated 19 January 2017. TFRS 9 replaced TAS 39 Financial Instruments: recognition and measurement, related to the classification and measurement of financial instruments. The POA later included amendments to TFRS 16 (Leases) in TFRS 9 and republished the new version of TFRS 9 Standards, including the said amendments, in the Official Gazette dated 15 January 2019 and numbered 30656.[1]

TFRS 9 sets out the new principles for the classification and measurement of financial instruments, impairment for credit risk on financial assets and hedge accounting.

Classification and measurement of financial assets. According to TFRS 9 requirements, classification and measurement of financial assets will depend on the business model within which financial assets are managed and their contractual cash flow characteristics whether the cash flows represent "solely payments of principal and interest" (SPPI).

Assessment whether contractual cash flows are solely payments of principal and interest. For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, Akbank will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, Akbank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit Akbank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

Akbank fulfils the on-balance sheet classification and measurement criteria by applying the procedures described above for all financial assets.

Upon initial recognition each financial asset will be classified as either fair value through profit or loss ("**FVTPL**"), amortised cost or fair value through other comprehensive income ("**FVOCI**"). As the requirements under TFRS 9 are different than the assessments under the previous TAS 39 rules, the classification and measurement of financial liabilities remain largely unchanged under TAS 39.

Capital Adequacy

Basel II was first implemented into Turkish law by the BRSA, by a regulation on measurement and assessment of capital adequacy of banks which entered into force on 1 July 2012. Article 45 of the Banking Law defines "Capital Adequacy" as having adequate equity against losses that could arise from the risks encountered.

[1] Subsequent to this amendment, the POA's decisions on interest rate benchmark reform, annual improvements to IFRS standards 2018 - 2020, IFRS 17 insurance contracts, which also propose amendments to IFRS 9, were also published.

Pursuant to the same article, banks must calculate, achieve, perpetuate and report their capital adequacy ratio, which, within the framework of the BRSA's regulations, cannot be less than 8%. Despite the 8% minimum capital adequacy ratio requirement, the BRSA has declared in the press that its approach is, and will continue to be, to prohibit banks with a capital adequacy ratio less than 12% from opening new branches.

The BRSA is authorised to increase the minimum capital adequacy ratio and the minimum consolidated capital adequacy ratio, to set different ratios for each bank and to revise the calculation and notification periods, but must consider each bank's internal systems as well as its asset and financial structures.

The BRSA published several new regulations and communiqués or amendments to its existing regulations and communiqués (as published in the Official Gazette dated 23 October 2015 No. 29511 and 20 January 2016 No. 29599) in accordance with the Basel Committee's RCAP, which is conducted by Akbank for BIS and reviews Türkiye's compliance with Basel regulations. These amendments, which entered into force on 31 March 2016, include revisions to the Equity Regulation and the Capital Adequacy Regulation.

The BRSA has published the Capital Adequacy Regulation, which entered into force on 31 March 2016 and replaced the former Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks, which was published in the Official Gazette dated 28 June 2012 and numbered 28337. The Capital Adequacy Regulation sustains the capital adequacy ratios introduced by the former regulation, but changes the risk weights of certain items. Accordingly, amendments to the Capital Adequacy Regulation, entered into force on 31 March 2016, lower the risk weights of certain assets, including reducing:

(i) the risk weights of residential mortgage loans from 50% to 35%;

(ii) the risk weights of consumer loans (excluding residential mortgage loans and credit cards) qualifying as retail loans in accordance with the Capital Adequacy Regulation and instalment payments of credit cards from a range of 100% to 250% (depending upon their outstanding tenor) to 75% (irrespective of their tenor) (on 1 July 2021, the BRSA increased the risk weighting for consumer credit card instalment payments and consumer cash loans (excluding mortgage loans and auto loans) issued after 1 July 2021 to a range of 100% to 150% depending upon their tenor); provided that such receivables are not re-classified as non-performing loans (*donuk alacaklar*) (however, the BRSA is entitled to apply an increased risk weighting with respect to certain categories of such loans and instalment payments of credit cards if it is in the opinion that the default statistics justify the application of that, and with its decision on 1 July 2021 numbered 9645, it decided to apply (a) a risk weighting of 100% in respect of instalment payments of individuals' credit cards with a tenor from 1 month up to 6 months (including a tenor of 6 months), and 150% for those with a tenor exceeding that, and (b) a risk weighting of 100% in respect of consumer loans (excluding residential mortgage loans and credit cards) with a tenor from 1 month up to 12 months (including a tenor of 12 months), and 150% for those with a tenor exceeding that). On 31 July 2023, the BRSA,via decision number 10630, annulled the resolution number 10388 dated 21 October 2022, only for the risk weights for individual credit cards and consumer loans, and decided to apply 150%, if the standard approach is used, to consumer loans (including overdraft accounts), individual credit cards (including card expenditures and cash withdrawals), passenger car acquisition loans, car collateralised loans and financial leasing transactions with consumers; and

(iii) the credit conversion factors of commitments for credit cards and overdrafts from 20% to 0%. The Issuer's management believes that these amendments will have a positive impact on its capital adequacy ratio.

Currently, all Turkish Lira-denominated claims on sovereign entities in Türkiye and the Central Bank shall have a 0% risk weight. The risk weights for foreign currency-denominated claims on the Turkish sovereign and the Central Bank were 50% or 100% depending on the external credit assessment institutions used for calculating the risk-weighted assets for capital adequacy purposes. However, the BRSA, with its decision dated 24 February 2019 and numbered 7234, determined that banks may apply a risk weight of 0% for foreign currency required reserves (including gold) at the Central Bank under the Capital Adequacy Regulation. Most recently, on 16 April 2020, the BRSA announced that banks may apply 0% risk weights for foreign currency-denominated claims on the Turkish Government.

On 9 December 2016, the BRSA amended the definition of SME under the Capital Adequacy Regulation. Accordingly, SMEs are now defined as "Enterprises whose turnover is under a threshold to be determined by the BRSA". The BRSA, with its decision dated 31 January 2023 and numbered 10496, determined such threshold value as TL500,000,000 and that such threshold will not be applied to SMEs whose headquarters are abroad. The BRSA further decided that threshold of such SMEs will be determined by their local banking authorities.

The BRSA issued a press release on 23 March 2020, announcing certain measures to facilitate the calculation of the capital adequacy ratio and net foreign currency positions on banks' balance sheets due to financial market fluctuations caused by the COVID-19 outbreak. Pursuant to the measures introduced by the BRSA, until 30 June 2021, banks were be entitled to:

- use the Central Bank's average buying exchange rate for the 252 business days prior to the relevant calculation date in calculating the amount subject to credit risk as per Capital Adequacy Regulation for the calculation of (i) the valuated amounts as per TAS and (ii) the relevant reserves to set aside related to their cash and non-cash assets, excluding the assets in foreign currency measures in historical cost;

- calculate the equity amount to be used for capital adequacy ratio in accordance with the Equity Regulation, by disregarding the negative net valuation differences related to the securities the banks held in their "Securities the fair value difference of which is reflected on other comprehensive income" portfolio prior to 23 March 2020 (for the avoidance of doubt, securities acquired after 23 March 2020 were not be subject to this exception); and

- calculate their net foreign currency position by disregarding the value decrement of the securities held by the banks in their portfolio prior to 23 March 2020 (for the avoidance of doubt, the portfolios acquired after 23 March 2020 were not subject to this exception).

According to the decision of the BRSA dated 17 June 2021 and numbered 9624, most of the above measures ceased to apply. However, the BRSA has extended the temporary possibility granted to the banks to use the simple arithmetic average of the Central Bank's foreign currency buying rates for the last 252 business days before the calculation date, in the calculation of amount subject to credit risk in accordance with the Capital Adequacy Regulation, when calculating the value of monetary assets and non-monetary assets (excluding the foreign currency denominated items valued at the historical cost) in accordance with the TAS and the relevant special provision amounts, until the BRSA issues a further decision otherwise. On 12 December 2023, the BRSA announced that, in the calculation by the banks of the amount subject to credit risk in accordance with the Capital Adequacy Regulation, the foreign exchange rate as at 26 June 2023 is to be used starting from 1 January 2024.

Equity

Under the Equity Regulation, the bank's own funds consist of main capital (consisting of common capital and additional main capital) (*i.e.*, Tier I capital) and supplementary capital (*i.e.*, Tier II capital) minus capital deductions. Subordinated debts of a bank are grouped as "primary subordinated debts" (including utilisations in loan and bond format) and "secondary subordinated debts" (including utilisations in loan and bond format) and are listed as one of the items that constitute Tier I and Tier II capital, respectively.

Pursuant to the BRSA Decisions on cyclical capital buffer, the cyclical buffer for Turkish banks' exposures in Türkiye was initially set at 0% of a bank's risk-weighted assets in Türkiye (effective as at 1 January 2016); however, such ratio might fluctuate between 0% and 2.5% as announced from time-to-time by the BRSA. Any increase to the cyclical capital buffer ratio is to be effective one year after the relevant public announcement, whereas any reduction is to be effective as at the date of the relevant public announcement.

Under the Equity Regulation debt instruments and their issuance premia could be included either in additional Tier I capital or in Tier 2 capital subject to certain conditions; however in accordance with the amendment published in the Official Gazette dated 23 October 2015 and numbered 29511, as at 31 March 2016, such amount is required to be reduced (for the purpose of calculating capital) by any investment by a Turkish bank in additional Tier 1 or Tier 2 capital of another bank or financial institution holding such Turkish bank's additional Tier 1 or Tier 2 capital, as applicable.

According to the amendments to the Equity Regulation and the Capital Adequacy Regulation that have become effective as at 1 January 2022, general provisions will, from the effective date, no longer be allowed to be included in the supplementary capital (i.e. Tier 2 capital) of Turkish banks and will be deducted from their risk-weighted assets.

Basel III

In December 2009, the Basel Committee published a draft proposal of a new regulatory regime for capital and liquidity standards for banks. A comprehensive quantitative impact study was conducted by banks during the spring 2010 based on the draft proposal, and the Basel Committee issued a final comprehensive framework in December 2010 ("**Basel III**"). Revisions to the Basel III regulations were subsequently issued in 2011 and 2013. The Basel III regulations mainly include requirements regarding regulatory capital, liquidity adequacy, leverage ratio and counterparty credit risk measurements.

More specifically, the Basel III framework includes several key initiatives, which change the Basel II framework. The key changes are, among others:

- The quality, consistency and transparency of the capital base were increased. Under the new framework, the regulatory deductions should mainly be applied to the common equity component of the capital base. Further, to be eligible as Tier I and Tier II capital, instruments will need to meet more stringent requirements.

- The risk coverage was further strengthened, which impacted the calculations of risk-weighted assets. These changes concerned increased capital requirements for trading book and securitisation activities, and were implemented in December 2011 throughout Europe. Further changes, implemented from 2013, are proposed for counterparty credit risk in OTC market instruments and exposures to banks and other financial intermediaries. In particular, a new capital requirement is proposed for risk of changes in the credit value adjustment ("**CVA**").

- Increased minimum requirements and new capital buffer requirements were introduced. The Basel Committee defined increased minimum thresholds that banks should at all times exceed, that is, minimum 4.5% common equity Tier I ratio, 6.0% Tier I ratio and 8.0% capital ratio. In addition, the Basel III framework introduced a capital conservation buffer of 2.5% on top of these minimum thresholds. If banks do not meet this buffer, constraints will be imposed on the bank's capital distribution, such as the payment of dividends. In addition, in periods of excess growth, banks are required to hold an additional cyclical buffer of up to 2.5% in order not to face restrictions.

Given the nature of Akbank's existing capital base, mostly composed of common equity and retained earnings, the impact of the Basel III framework on its capital base has been relatively limited and Akbank is in compliance with the capital requirements set forth within the Basel III framework.

The Basel Committee also proposed that the risk sensitive capital framework should be supplemented with a non-risk based measure, the leverage ratio. The leverage ratio is calculated as the Tier I capital divided by the exposure (on and off-balance sheet exposures, with certain adjustments for selected items such as derivatives). A minimum leverage ratio of 3% will be evaluated during a parallel run period.

Another key component of the Basel III framework is the introduction of increased regulations for liquidity risks. The objective of the liquidity reform is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy. The Basel Committee developed two quantitative liquidity standards as part of the Basel III framework, which are the liquidity coverage ratio and the net stable funding ratio. The liquidity coverage ratio aims to ensure that a bank maintains an adequate level of unencumbered, high quality assets that can be converted into cash to meet its liquidity needs for a 30-day time horizon under an acute liquidity stress scenario. The net stable funding ratio, on the other hand, establishes a minimum acceptable amount of stable funding, based on the liquidity characteristics of an institution's assets and activities over a one-year horizon. These standards aim to set the minimum levels of liquidity for internationally active banks.

In 2013, the BRSA announced its intention to adopt the Basel III requirements and, as published in the Official Gazette dated 5 September 2013 and numbered 28756, adopted the Equity Regulation and amendments to the Capital Adequacy Regulation, both of which entered into effect on 1 January 2014. The Equity Regulation introduced core Tier I capital and additional Tier I capital as components of Tier I capital, while the amendments to the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks: (a) introduced a minimum core capital adequacy standard ratio (4.5%) and a minimum Tier I capital adequacy standard ratio (6.0%) to be calculated on a consolidated and non-consolidated basis (which are in addition to the previously existing requirement for a minimum total capital adequacy ratio of 8.0%) and (b) change the risk weights of certain items that are categorised under "other assets". The Equity Regulation also introduced new Tier II rules and determined new criteria for debt instruments to be included in the Tier II capital.

In addition to these regulations: (a) the Regulation on the Capital Maintenance and Cyclical Capital Buffer, which regulates the procedures and principles regarding the calculation of additional core capital amount, and (b) the Regulation on the Measurement and Evaluation of Leverage Levels of Banks, through which the BRSA seeks to constrain leverage in the banking system and ensure maintenance of adequate equity on a consolidated and non-consolidated basis against leverage risks, were published in the Official Gazette dated 5 November 2013 and numbered 28812 and entered into effect on 1 January 2014 with the exception of certain provisions of the Regulation on the Measurement and Evaluation of Leverage Levels of Banks that have entered into effect as at 1 January 2015 (except net stable funding ratio and counterparty credit risk requirements).

Lastly, the Regulation on Liquidity Coverage Ratios (defined below), through which the BRSA seeks to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for a 30 calendar day period both on a consolidated and unconsolidated basis, was published in the Official Gazette, dated 21 March 2014 and numbered 28948, and entered into effect immediately with the provisions thereof becoming applicable as at 1 January 2014 (with the exception of certain provisions relating to minimum coverage ratio levels and the consequences of failing to maintain compliance, which entered into effect on 1 January 2015).

On 23 February 2016, the BRSA issued its regulation on domestic systemically important banks ("**D-SIBs**") (the "**D-SIBs Regulation**"), introducing a methodology for assessing the degree to which banks are considered to be systemically important to the Turkish domestic market and setting out the additional capital requirements for those banks classified as D-SIBs. The methodology requires the identification and classification of D-SIBs in Türkiye under four different categories. The D-SIBs are initially determined based upon their 2014 year-end consolidated financial statements. According to the D-SIBs Regulation, banks that are identified as D-SIBs will be required to keep additional core capital buffers up to a further 3.0% buffer for Group 4 banks, 2.0% for Group 3, 1.5% for Group 2 and 1.0% for Group 1 as at 1 January 2019. Akbank is currently Group 2 bank that applies a 1.5% buffer.

The table below sets forth the buffer ratios for D-SIBs for the indicated years (at 31 March unless otherwise indicated):

Groups	2017	2018	2019	2020	from 1 January 2019
Group 4 (empty)	1.5	2.25	3.0	3.0	3.0
Group 3	1.0	1.5	2.0	2.0	2.0
Group 2	0.75	1.125	1.5	1.5	1.5
Group 1	0.5	0.75	1.0	1.0	1.0

Between 2018 and March 2024 the capital requirements varied as shown in the table below:

	As at 31 December						As at 31 March
	2018	2019	2020	2021	2022	2023	2024
Capital Conservation Buffer	1.88%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
D-SIB Buffer	1.50%	2.00%	2.00%	1.50%	1.50%	1.50%	1.50%
Countercyclical Capital Buffer	0.05%	0.07%	0.08%	0.02%	0.01%	0.02%	0.03%
Overall CET 1	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Overall Tier 1	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Overall CAR	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Min CET 1 Req	7.93%	9.07%	9.08%	8.52%	8.51%	8.52%	8.53%
Min Tier 1 Req	9.43%	10.57%	10.58%	10.02%	10.01%	10.02%	10.03%
Min CAR Req	12.00%	12.57%	12.58%	12.02%	12.01%	12.02%	12.03%

Liquidity, Coverage Ratio and Reserve Requirements

Article 46 of the Banking Law requires banks to calculate, attain, maintain and report the minimum liquidity level in accordance with principles and procedures set out by the BRSA. Within this framework, a comprehensive liquidity arrangement has been put into force by the BRSA, following the consent of the Central Bank.

The Regulation on the Calculation of Banks' Liquidity Coverage Ratios, through which the BRSA seeks to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for a 30 calendar day period, both on a consolidated and unconsolidated basis, was published in the Official Gazette, dated 21 March 2014 and numbered 28948 and most recently amended on 4 February 2022 (the "**Regulation on Liquidity Coverage Ratios**") and entered into effect immediately with the provisions thereof becoming applicable as at 1 January 2014 (with the exception of certain provisions relating to minimum coverage ratio levels, which entered into effect on 1 January 2015). The Regulation on Liquidity Coverage Ratios provides that the ratio of the high quality asset stock to the net cash outflows, both of which are calculated in line with the regulation, cannot be lower than 100% in respect of total consolidated and non-consolidated liquidity and 80% in respect of total consolidated and non-consolidated foreign exchange liquidity.

The BRSA adopted a phased implementation approach, starting with a minimum liquidity coverage ratio requirement of 60% in 2015. Thereafter, the minimum has been raised annually by ten points until it reached 100% in 2019. In addition to the minimum total liquidity coverage ratio requirement, the BRSA also requires banks to meet a foreign currency liquidity coverage ratio. The foreign currency liquidity coverage ratio is based on a bank's total net outflows in foreign currency. As for the domestic liquidity coverage ratio, the minimum foreign currency liquidity coverage ratio requirement is implemented in a gradual manner, starting at 40% in 2015 and rising annually by ten points until it reaches 80% in 2019.

Pursuant to the Regulation on Liquidity Coverage Ratios, unconsolidated total and foreign currency liquidity coverage ratios cannot be non-compliant more than six times within a calendar year, which includes non-compliances that have already been remedied. With respect to consolidated total and foreign currency liquidity coverage, these cannot be non-compliant consecutively within a calendar year and such ratios cannot be non-compliant for more than two times within a calendar year, including the non-compliances that have already been remedied. Starting from the first quarter of 2020, due to the COVID-19 outbreak, banks were exempt from this requirement until 31 December 2020, as per the BRSA's decision dated 26 March 2020 and numbered 8967.

Pursuant to Communiqué Regarding Reserve Requirements numbered 2013/15 and published in the Official Gazette dated 25 December 2013 and numbered 28862 (the "**Communiqué Regarding Reserve Requirements**") and as at the date of this Offering Circular, the reserve requirements regarding foreign currency liabilities vary by category and tenor. Pursuant to the amendments to the Communiqué Regarding Reserve Requirements, published in the Official Gazette dated 2 November 2023 and numbered 32357, the reserve requirements starting from 27 October 2023 and onwards for foreign currency liabilities are as set forth below:

Category of Foreign Currency Liabilities Required	Reserve Ratio (%)
Demand deposits, notice deposits and the deposit/participation accounts with up to (and including) 1-month	30
Deposit/participation accounts up to 3-month, 6-month and 1-year maturities	26
Deposit/participation accounts with 1-year and longer maturities	20
Precious metal demand deposits, notice deposits, precious metal deposit accounts with up to (and including) 1-month, 3-month, 6-month and up to 1-year maturities	26
Precious metal deposit accounts with 1-year and longer maturities	22
Other liabilities up to 1-year maturity (including 1-year)	21
Other liabilities up to 2-year maturity (including 2-year)	16
Other liabilities up to 3-year maturity (including 3-year)	11
Other liabilities up to 5-year maturity (including 5-year)	7
Other liabilities longer than 5 year maturity	5
Borrowers' deposit accounts held at development and investment banks[(1)]	25

Note:

(1) Due to laws applicable to development and investment banks, the amount deposited in such accounts cannot exceed the total outstanding loan amount extended by the relevant development and investment bank to such borrower.

The Provisional Article 6 of the Communiqué Regarding Reserve Requirements, regulating the exemptions relating to the reserve requirement for foreign currency liabilities other than deposits and participation banks, has been abolished. The amendment was published on the Official Gazette dated 19 January 2019 and numbered 30660.

Pursuant to the amendments to the Communiqué Regarding Reserve Requirements, the reserve requirements starting from 24 May 2024 regarding Turkish Lira liabilities vary by category, as set forth below:

Category of Turkish Lira Liabilities Required	Reserve Ratio (%)
Demand deposits, notice deposits	12
Deposits/participation accounts up to 1-month maturity (including 1-month)	12
Deposits/participation accounts up to 3-month maturity (including 3-month)	12
Deposits/participation accounts up to 6-month maturity (including 6-month)	8
Deposits/participation accounts up to 1-year maturity	8
Deposits/participation accounts with 1-year and longer maturities	8
FX protected deposit accounts up to 6-month maturity (including 6-month)	33
FX protected deposit accounts with 1-year and longer maturities	22
Other Turkish Lira liabilities up to 1-year maturity (including 1-year)	8
Other Turkish Lira liabilities up to 3-years maturity (including 3-years)	5.5
Other Turkish Lira liabilities longer than 3-year maturity	3
Borrowers' deposit accounts held at development and investment banks[(1)]	0

Note:

(1) Due to laws applicable to development and investment banks, the amount deposited in such accounts cannot exceed the total outstanding loan amount extended by the relevant development and investment bank to such borrower.

The reserve ratios listed in the table above are subject to continuous changes by the Central Bank. In addition, pursuant to the Communiqué Regarding Reserve Requirements banks are required to maintain their required reserves against their U.S. Dollar denominated liabilities in U.S. Dollars only; whereas, banks are allowed to maintain their required reserves against foreign currency denominated liabilities (other than U.S. Dollars) in U.S. Dollars or Euros.

Furthermore, pursuant to the Communiqué Regarding Reserve Requirements entered into force on 17 January 2014, a bank must establish additional mandatory reserves if its financial leverage ratio falls within certain parameters. Differentiation as per the leverage ratio is calculated according to the division of a bank's capital into the sum of the following items:

(a) its total liabilities,

(b) its total non-cash loans and obligations,

(c) its revocable commitments multiplied by 0.1,

(d) the total sum of each of its derivatives commitments multiplied by its respective loan conversion rate, and

(e) its irrevocable commitments.

This additional mandatory reserve amount is calculated quarterly according to the arithmetic mean of the monthly leverage ratio.

A bank also must maintain mandatory reserves for six mandatory reserve periods beginning with the fourth calendar month following an accounting period and additional mandatory reserves for liabilities in Turkish Lira and foreign currency, as set forth below:

Calculation Period for the Leverage Ratio	Leverage Ratio	Additional Reserve Requirement (%)
	Below 3.0%	2.0
	From 3.0% (inclusive) to 3.25%	1.5
From the 4th quarter of 2013 through the 3rd quarter of 2014......................................	From 3.25% (inclusive) to 3.5%	1.0
	Below 3.0%	2.0
	From 3.0% (inclusive) to 3.50%	1.5
From the 4th quarter of 2014 through the 3rd quarter of 2015......................................	From 3.50% (inclusive) to 4.0%	1.0
	Below 3.0%	2.0
	From 3.0% (inclusive) to 4.0%	1.5
Following the 4th quarter of 2015 (inclusive)	From 4.0% (inclusive) to 5.0%	1.0

Banks have been required to notify the Central Bank of their leverage ratios starting from 31 December 2012, and the above described additional reserve requirements were first implemented in 2014 starting with the 2013 year end financials.

Starting in September 2010 and until November 2014, reserve accounts kept in Turkish Lira became non-interest bearing (reserve accounts in foreign currencies have not been interest bearing since 2008).

Starting in November 2014, reserve accounts kept in Turkish Lira became interest bearing until 15 April 2022 when the Central Bank has decreased the interest rate to 0% and reserve accounts in US Dollars became interest bearing, starting from 5 May 2015 until 19 September 2019.

Pursuant to the Regulation on Liquidity Coverage Ratios, the liquidity adequacy ratio of a bank is the ratio of high quality liquid asset reserves to net cash outflows of the bank. A bank must maintain an arithmetic average of 100% liquidity adequacy (both consolidated and unconsolidated) (to be calculated based on a weekly average of the ratios of days for the unconsolidated ratio as defined by the regulation and (to be calculated based on a monthly average of the ratios of the days for the consolidated ratio) and 80% liquidity adequacy (both consolidated and unconsolidated) for its foreign currency liabilities.

Effective from 10 January 2020, the Central Bank began applying a new commission on required reserves held in foreign exchange and on notice-foreign exchange deposit accounts held with the Central Bank, which commission seeks to encourage a reverse dollarization process for deposit/participation funds. While the Central Bank has gradually increased the annual commission rate on U.S. Dollar-denominated deposits/participation funds and foreign currency-denominated deposits/participation funds other than U.S. Dollar-denominated ones until 5 January 2023, starting from 5 January 2023 the Central Bank stopped differentiating the U.S. Dollar-denominated deposits/participation funds from the foreign currency-denominated deposits/participation funds other than U.S. Dollar-denominated ones and introduced a commission rate on all foreign currency-denominated deposits/participation funds of 3.0%. The Central Bank gradually increased this rate to 11.0% as at 8 December 2023.

On 7 March 2024, the Central Bank amended the Communiqué Regarding Reserve Requirements so that, if the growth rate for certain categories of cash loans (*i.e.*, general purpose loans, vehicle loans and certain types of commercial loans) extended by a bank or financing company for any four-week calculation period (beginning with the first such period ending 29 March 2024 through the four-week calculation period ending 3 January 2025) exceeds 2% (each category of loans being considered separately) when compared to the amount of such category of cash loans as at the end of the previous four-week calculation period, then such bank or financing company is required to maintain additional Turkish Lira reserves in an amount equal to such excess. On 9 May 2024, the CBRT further amended the Communiqué Regarding Reserve Requirements to exempt banks and financial institutions from these rules if they do not meet a threshold based upon the proportion of loans to the size of the balance sheet as determined from time to time by the CBRT.

On 23 May 2024, the CBRT announced that, if a bank's monthly foreign currency loan growth exceeds 2%, then it will be required to set aside a mandatory reserve equal to the Turkish Lira-equivalent of the excess amount, with such excess to be blocked for one year. According to further regulations introduced by the CBRT, the following loans are not to be taken into account in the calculation of the foreign currency loan growth for the application of this rule: (i) investment loans with a maturity of at least 2 years to fund expenditures based on an invoice (excluding those disbursed to fund real estate, financial asset or passenger car purchases), (ii) loans extended to other domestic banks and (iii) loans extended to institutions and organisations, state economic enterprises and their establishments, subsidiaries and affiliates included in tables (I), (II), (III) and (IV) in the annex of the Law No. 5018 on Public Finance Management and Control Law, local administrations and organised industrial region entities.

The CBRT also announced on 23 May 2024 that the ratio of renewal of FX-protected TL time deposits converted initially from FX-deposits, necessary for the banks to eligible for remuneration on their required reserves maintained with the CBRT for Turkish Lira deposit accounts and FX-protected deposit accounts, was decreased to 75%.

Furthermore, the Central Bank had announced through instruction published on 5 February 2024 that it will make interest payments to deposit banks over the determined portion of the reserve requirements in Turkish Lira. As of 27 May 2024, the interest rate that the Central Bank applies on the amount of required reserves for FX-protected accounts held at the depositary banks, whose renewal and Turkish lira conversion rate is at least 75%, is calculated as follows:

$$Policy\ interest\ rate \times 0.4$$

The interest rate that the Central Bank applies on the amount of required reserves for Turkish lira deposit accounts composing of demand deposit accounts, notice deposit accounts, time deposit accounts with maturities up to 1 month, up to 3 months, up to 6 months, up to 1 year, and more than 1 year is the smaller of 0.36% and the rate calculated as follows:

$$(0.2 + 1.6 \times (Turkish\ lira\ conversion\ rate - 0.1))) + (Policy\ Interest\ Rate \times 0.8 - 0.36)$$

On 7 June 2024, the Central Bank announced a reduction of the remuneration rate applied to required foreign currency reserves by 25 basis points to 4.5%. Turkish lenders are allowed to accrue and receive interest on free foreign currency reserves held at the Central Bank.

Foreign Exchange Requirements

Pursuant to a regulation on foreign exchange net position/capital base issued by the BRSA and published in the Official Gazette dated 1 November 2006 and numbered 26333, the ratio of a bank's foreign exchange net position to its capital base should not exceed 10% (previously 5%, prior to 9 March 2023), which calculation is required to be made on a weekly basis. From 9 January 2023 on, the BRSA may increase or reduce the then 5% threshold by four times or one-fourth, respectively, with any reduction taking effect with one month's notice. The BRSA has exercised this discretion and increased this threshold to 10% pursuant to its decision dated 9 March 2023 and numbered 10534. The net foreign exchange position is the difference between the Turkish Lira equivalent of a bank's foreign exchange assets and its foreign exchange liabilities. For the purpose of computing the net foreign exchange position, foreign exchange assets include all active foreign exchange accounts held by a bank (including its foreign branches), its foreign exchange indexed assets and its subscribed forward foreign exchange purchases; for purposes of computing the net foreign exchange position, foreign exchange liabilities include all passive foreign exchange accounts held by a bank (including its foreign branches), its subscribed foreign exchange-indexed liabilities and its subscribed forward foreign exchange sales. From 9 January 2023, in the calculation of their ratio of foreign exchange net position to capital base, banks may take into account (i) general and special provisions that they set aside and (ii) with respect to foreign exchange forward purchase and sale commitments, the delta equivalent of their currency options determined as the product of the nominal value of such options and their delta value, provided that, in such calculation, the purchase of call options and the sale of put options are treated as a forward foreign exchange purchase commitment whereas the sale of call options and the purchase of put options are treated as a forward foreign exchange sale commitment. Further, the BRSA also specified that, with effect from 9 January 2023, in the calculation of their ratio of foreign exchange net position to capital base, in respect of interest rate derivatives, the interests paid and collected are to be taken into account as derivative financial assets and liabilities in the relevant currency, whereas the exchanged principal is to be taken into account as forward foreign exchange purchase or sale commitment depending on the relevant currency of such principal. If the ratio of a bank's net foreign exchange position to its capital base exceeds 10% (previously 5%, prior to 9 March 2023), then the bank is required to take steps to move back into compliance within two weeks following the bank's calculation period. Banks are permitted to exceed the legal net foreign exchange position to capital base ratio up to six times per calendar year.

Basel II

The BRSA has published regulations regarding the implementation of Basel II in Türkiye. These regulations took full effect in July 2012. All Turkish banks are reporting their risk weighted assets calculated under the standard approach of Basel II as contained in the "Turkish National Discretions". As well as implementing more stringent capital ratios, the main benefits of Basel II is to have more structured approach to capital management and stress testing, as embedded in the second pillar of the accord. Parallel to Pillar I regulations, the BRSA also announced the regulations about Pillar II regarding ICAAP in order to enhance the link between an institution's risk profile, risk management systems and its capital. The BRSA required major Turkish banks to prepare ICAAP report in accordance with the Pillar II principles by June 2013. The BRSA published the Internal Systems Regulation on 11 July 2014 and "Guidelines for ICAAP Report" on 31 March 2016. The Internal Systems Regulation requires banks to internally calculate the amount of capital to cover the risks to which they are or may be exposed on a consolidated basis and with a forward-looking perspective taking into account banks' near- and medium-term business and strategic plans. This process named "Internal Capital Adequacy Assessment Process - ICAAP" should be designed according to the bank's needs and risk attitude and should constitute an integral part of the decision-making process and corporate culture of the bank. In this context, each bank is required to prepare an ICAAP Report representing the bank's own assessment of its capital requirements. The first ICAAP Report covering the bank's activities in 2013 was submitted to the BRSA by the end of September 2014. Since then, the ICAAP Report has been submitted by the end of March each year.

Audit of Banks

Pursuant to Article 24 of the Banking Law, a bank's board of directors shall establish an audit committee for the execution of the audit and monitoring functions of the board of directors. Audit committees shall consist of a minimum of two members who must be appointed from among the members of the board of directors who do not have executive duties. The duties and responsibilities of the audit committee include the supervision of the efficiency and adequacy of the banks' internal control, risk management and internal audit systems, functioning of these systems and accounting and reporting systems within the framework of the Banking Law and the relevant legislation, and integrity of the information produced; conducting the necessary preliminary evaluations for the selection of independent audit firms by the board of directors; regularly monitoring the activities of independent audit firms selected by the board of directors; and, in the case of parent undertakings covered by the Banking Law, ensuring that the internal audit functions of the relevant institutions are carried out in a consolidated and coordinated manner, on behalf of the board of directors.

The BRSA, as the principal regulatory authority, has the right to monitor banks' compliance with the relevant legislation.

As part of exercising this right, the BRSA reviews audit reports prepared for banks by their independent auditing firms. Banks are required to select an independent audit firm in accordance with the Regulation Regarding the Independent Audit of the Banks, published in the Official Gazette on 2 April 2015, numbered 29314 (as amended from time-to-time). Independent auditors are held liable for certain liabilities defined in the regulations. Professional liability insurance is required for independent auditors, evaluators, rating agencies and certain other support services. Furthermore, banks are required to consolidate their financial statements on a quarterly basis in accordance with certain consolidation principles established by the BRSA. The year-end consolidated financial statements are required to be audited, whereas other quarters' consolidated interim financial statements are subject only to a limited review by independent audit firms.

The reports prepared by independent audit firms are also filed with the CMB if the banks' shares are quoted on the Borsa İstanbul. The CMB has the right to inspect the accounts and transaction records of any publicly traded company. In addition, quarterly reports that are subject to limited review must also be filed with the CMB.

All banks (public and private) also undergo annual and interim audits by the BRSA. Prior to the enactment of the Banks Act, the supervision used to be carried out by the Treasury and the Central Bank. Annual audits encompass all aspects of a bank's operations, its financial statements and other matters affecting the bank's financial position, including its domestic banking activities, foreign exchange transactions and tax liabilities. Additionally, such audits seek to ensure compliance with applicable laws and constitutional documents of the bank. The Central Bank has the right to monitor compliance by banks with the Central Bank's regulations, to obtain all necessary information needed for its supervisory activities from banks and to investigate the accuracy of the information provided by banks.

Pursuant to the Internal Systems Regulation, as issued by the BRSA and published in the Official Gazette dated 11 July 2014 and numbered 29057 and most recently amended on 4 March 2017, banks are required to establish, manage and develop (for themselves and all of their consolidated affiliates) internal control, internal audit and risk management systems commensurate with the scope and structure of their activities, in compliance with the provisions of the regulation. Pursuant to such regulation, internal control and internal audit and risk management systems are to be vested in a department of the bank that has the necessary independence to accomplish its purpose, provided that such department reports to the bank's board of directors. To achieve this, according to the regulation, the internal control, the internal audit and risk management duties may only be carried out by the members of the board of directors who do not have executive duties, committees comprised of the members of the board of directors who do not have executive duties or the audit committee of the bank which shall consist of members of the board of directors who do not have executive duties. The Internal Systems Regulation also requires banks to internally calculate the amount of capital required to cover the risks to which they are or may be exposed on a consolidated basis and with a forward-looking perspective, taking into account the bank's near- and medium-term business and strategic plans. This process, referred to as the "Internal Capital Adequacy Assessment Process" should be designed according to the bank's need and risk attitude and should constitute an integral part of the decision-making process and corporate culture of the bank.

Savings Deposit Insurance Fund

Article 111 of the Banking Law relates to the SDIF and its principles. The SDIF has been established to develop trust and stability in the banking sector by strengthening the financial structures of Turkish banks, restructuring Turkish banks as needed, and insuring the savings deposits held by Turkish banks. The SDIF is a public legal entity set up to insure savings deposits held by banks. The SDIF is responsible for and authorised to take measures to restructure, transfer to third parties and strengthen the financial structures of banks, the shares of which and/or the management and control of which have been transferred to the SDIF in accordance with Article 71 of the Banking Law, to restructure such banks and to transfer them to third persons, as well as other duties imposed on it.

The main powers and duties of the SDIF pursuant to the SDIF regulation published in the Official Gazette No. 31901 dated 23 July 2022 are as follows:

(a) becoming members of international financial, economic and professional organisations in which domestic and foreign equivalent agencies participate, and signing memoranda of understanding with the authorised bodies of foreign countries regarding the matters that fall within the SDIF's span of duty;

(b) insuring all deposits and participation accounts in the credit institutions except the accounts of official institutions, credit institutions and financial institutions;

(c) determining the scope and amount of the deposit and participation accounts that are subject to insurance with the opinion of the Central Bank, the BRSA and the Treasury, and the risk-based insurance premia timetable, collection time and form, minimum target level of deposit insurance reserve and other related issues in cooperation with the BRSA;

(d) determining the procedures and principles regarding the establishment, operation and supervision of the system to be established by the credit institutions as a basis for the calculation, follow-up, verification and payment of the insured deposit and participation funds, in cooperation with the BRSA;

(e) paying (directly or through another bank) the insured deposits and participation accounts in the credit institutions whose banking licence has been revoked by the BRSA from deposit insurance reserves;

(f) fulfilling the necessary operations regarding the transfer, sale and merger of the banks whose shareholder rights (except to dividends) and management and supervision have been transferred to the SDIF by the BRSA, with the condition that the losses of the shareholders are reduced from the capital;

(g) taking management and control of the banks whose banking licence has been revoked by the BRSA and fulfilling the necessary operations regarding the bankruptcy and liquidation of such banks;

(h) fulfilling the necessary operations regarding liquidation of the savings finance institutions whose operation licence has been revoked by the BRSA; and

(i) carrying out activities required for the management, sale and liquidation of partnership shares and assets of the companies whose powers have been transferred to the SDIF or to which the SDIF has been appointed as a trustee.

Premiums paid by a bank into the SDIF are to be treated as an expense in the calculation of that bank's corporate tax.

In the event of the bankruptcy of a bank, the SDIF is a privileged creditor and may liquidate the bank under the provisions of the Execution and Bankruptcy Law No. 2004, exercising the duties and powers of the bankruptcy office and creditors' meeting and the bankruptcy administration.

The owners of deposits and participation funds are treated as privileged creditors with respect to the part of their accounts not subject to insurance, pursuant to article 206, line three of the Execution and Bankruptcy Law No. 2004, and receive their receivables after the payment of the receivables of the SDIF and the claims of the state and social security organisations covered by the Law No. 6183 on Collection Procedures of Public Receivables in case of the bankruptcy of credit institutions.

The resources available to the SDIF pursuant to Article 130 of the Banking Law are: (a) insurance premiums paid by banks; (b) deposits, custody accounts, contributions/funds and claims that have been prescribed; (c) contributions deposited by the founders of a bank in an amount equal to 10% of the minimum capital deposited within one year following the commencement of their activities; (d) if permission is granted by the BRSA for the acquisition of shares beyond the limits set forth in the Banking Law, 1% of the nominal or market value of all allocated shares; (e) 50% of judicial and 90% of administrative fines imposed on account of violation of the provisions of the Banking Law; (f) revenue from the assets of the SDIF and other revenues; and (g) the funds to be transferred to the SDIF and not sought by their owners for ten years (whereas a certain notification procedure is followed by SDIF annually) following a voluntary liquidation of a bank in accordance with the Banking Law.

Under Article 131 of the Banking Law, the SDIF may, in extraordinary situations, borrow with the authorisation of the Treasury or borrow long-term government securities from the Treasury. Principles and procedures regarding government securities, including interest rates and terms and conditions of repayments to the Treasury, are determined jointly by the Treasury and the SDIF.

Cancellation of Banking Licence

According to Article 67 of Banking Law, if the results of consolidated and unconsolidated audits show that:

- the assets of a bank are likely to become insufficient to cover its obligations as they become due;
- the bank is not complying with liquidity requirements;
- the bank's profitability is not sufficient to conduct its business in a secure manner due to disturbances in the relation and balance between expenses and profit;
- the regulatory equity capital of such bank is not sufficient or is likely to become insufficient;
- the quality of assets of such bank have been impaired in a manner potentially weakening its financial structure;
- the decisions, transactions or applications of such bank are in breach of the Banking Law, relevant regulations or the decisions of the BRSA;

- such bank fails to establish internal audit, internal control and risk management systems or to effectively and sufficiently conduct such systems, or any other factor impedes the audit;

- imprudent acts of such bank's management materially increase the risks stipulated under the Banking Law and relevant legislation or potentially weaken the bank's financial structure; or

- failure to immediately take the measures foreseen in the prevention plan prepared in accordance with Article 66/A of the Banking Law, or failure to resolve the issues despite that the measures have been taken, or determination that the issues could not be resolved even if the measures were taken,

then, depending on which events listed above are applicable, the BRSA may require the board of directors of such bank to take one or more of the following actions or any other actions that the BRSA deems necessary:

- to increase its equity capital;

- not to distribute dividends for a temporary period and to transfer its distributable dividend to the reserve fund;

- to increase its loan provisions;

- to stop extension of loans to its shareholders;

- to dispose of its assets in order to strengthen its liquidity;

- to limit or stop its new investments;

- to limit its salary and other payments;

- to cease its long-term investments;

- to comply with the relevant banking legislation;

- to cease its risky transactions by re-evaluating its credit policy; and/or

- to take all actions to decrease any maturity, foreign exchange and interest rate risks,

for a period determined by the BRSA and in accordance with a plan approved by the BRSA.

In the event the aforementioned actions are not taken by that bank or its financial structure cannot be strengthened despite the fact that such actions have been taken, or the BRSA determines that taking such actions will not lead to a result, then the BRSA may require such bank:

- to strengthen its financial structure, increase its liquidity and/or capital adequacy;

- to dispose of its fixed assets and long-term assets within a reasonable time determined by the BRSA;

- to decrease its operational and management costs;

- to postpone its payments under any name whatsoever, excluding the regular payments to be made to its members;

- to limit or prohibit extension of any cash or non-cash loans to certain third persons, legal entities, risk groups or sectors;

- to convene an extraordinary general assembly in order to change the members of the board of directors or assign new member(s) to the board of directors, in the event any board member is responsible for the failure to comply with the relevant legislation or the increase in risk as set out above; and/or

- to implement short-, medium- or long-term plans and projections that are approved by the BRSA to decrease the risks incurred by the bank, and the members of the board of directors and the shareholders with qualified shares must agree to the implementation of such plan in writing.

In the event that the aforementioned actions are not taken by that bank, or its financial structure cannot be strengthened despite the fact that such actions have been taken, or the BRSA determines that taking these actions will not lead to a result, then the BRSA may require such bank:

- to limit or cease its business or its whole organisation by its field of activity for a temporary period, including its relations with its local or foreign branches and correspondents;

- to apply various restrictions, including restrictions on interest rate ratio and maturity with respect to resource collection and utilisation;

- to remove from office (in whole or in part) its members of the board of directors, general manager and deputy general managers and department and branch managers and obtain approval from the BRSA as to the persons to be appointed to replace these;

- to make available long-term loans, provided that these will not exceed the amount of deposit or participation funds subject to insurance, and be served by the shares of other assets of the controlling shareholders;

- to limit or cease its non-performing operations and to dispose of its non-performing assets;

- to merge with one or several banks;

- to procure new shareholders in order to increase its equity capital; and/or

- to cover its losses with its equity capital.

In the event that: (a) the aforementioned actions are not (in whole or in part) taken by such bank within a period of time stipulated by the BRSA or in any case within twelve months; (b) the financial structure of such bank has not been strengthened despite the fact that such actions have been taken; (c) the BRSA determines that taking these actions will not strengthen the bank's financial structure; (d) the continuation of the activities of such bank would jeopardise the rights of the depositors and the participation fund owners and the security and stability of the financial system; (e) such bank cannot cover its liabilities as they become due; (f) the total amount of the liabilities of such bank exceeds the total amount of its assets; or (g) the controlling shareholders or managers of such bank are found to have utilised such bank's resources for their own interests, directly or indirectly or fraudulently, in a manner that jeopardised the secure functioning of the bank or caused such bank to sustain a loss as a result of such misuse, then the BRSA, with the affirmative vote of at least five of its board members, may revoke the licence of such bank to engage in banking operations and/or accept deposits, and transfer the management, supervision and control of the shareholding rights (excluding dividends) of such bank to the SDIF for the purpose of the whole or partial transfer or sale of such bank to third persons or merger thereof, provided that the loss is deducted from the share capital of the current shareholders.

In the event that the licence of a bank to engage in banking operations and/or to accept deposits is revoked, then that bank's management and audit will be taken over by the SDIF. Any and all execution and bankruptcy proceedings (including preliminary injunction) against such bank would be discontinued as from the date on which the BRSA's decision to revoke such bank's licence is published in the Official Gazette. From the date of revocation of such bank's licence, the creditors of such bank may not assign their rights or take any action that could lead to the assignment of their rights. The SDIF must take measures to protect the rights of depositors and other creditors of such bank. The SDIF is required to pay the insured deposits of such bank either by itself or through another bank it may designate. In practice, the SDIF may designate another bank that is under its control. The SDIF is required to institute bankruptcy proceedings in the name of depositors against a bank whose banking licence is revoked.

Annual Reporting

Pursuant to the Banking Law, Turkish banks are required to follow the BRSA's principles and procedures (that are established in consultation with the TAS Board and international standards) when preparing their annual reports. In addition, they must ensure uniformity in their accounting systems, correctly record all their transactions and prepare timely and accurate financial reports in a format that is clear, reliable and comparable, as well as suitable for auditing, analysis and interpretation.

Furthermore, Turkish companies (including banks) are required to comply with the Regulation regarding Determination of the Minimum Content of the Companies' Annual Reports published by the Ministry of Trade, as well as the Corporate Governance Communiqué, when preparing their annual reports. These reports include the following information: management and organisation structures, human resources, activities, financial situations, assessment of management and expectations and a summary of the directors' report and independent auditor's report.

Banks cannot settle their balance sheets without ensuring reconciliation with the legal and auxiliary books and records of its branches and domestic and foreign correspondents.

The BRSA is authorised to take necessary measures where it is determined that a bank's financial statements are misrepresented.

When presenting a bank's financial reports to the approval of the board of directors, the chairperson of the board, the members of the audit committee, the general manager the deputy general manager responsible for financial reporting and the relevant unit manager (or equivalent authorities) must sign banks' financial reports indicating their full names and titles and declare that the financial report complies with relevant legislation and accounting records. In addition, foreign banks must have the members of the board of managers of their Turkish branches sign the annual reports.

When the BRSA requests a bank's annual reports, the general manager, a representative of the audit committee and the deputy general manager responsible for chief financial reporting must sign the reports indicating their full names and titles and declare that the annual reports comply with relevant legislation and accounting records.

Banks are required to submit their financial reports to related authorities and publish them in accordance with the BRSA's principles and procedures.

Further, banks are required to submit and publish annual activity reports that comply with the BRSA's established guidelines. These reports include the following information: management and organisation structures, human resources, activities, financial situation, assessment of management and expectations and a summary of the directors' report and independent auditor's report.

The Regulation on Procedures and Principles of Preparation and Publication of Annual Activity Reports by the Banks, published in the Official Gazette No. 26333 dated 1 November 2006 (as amended with the Official Gazette dated 23 October 2015 and numbered 29511), regulates the procedures and principles regarding the annual activity reports of banks to be published at the end of each fiscal year. According to the regulation, among other things, a bank's financial performance and the risks that it faces need to be assessed in the annual activity report. The annual activity report is subject to the approval of the board of directors and must be submitted to shareholders at least 15 days before the annual general assembly of the bank. Each bank must keep a copy of such report in its headquarters and each branch and publish it on its website at the latest by the end of May following the end of relevant fiscal year.

Disclosure of Financial Statements

Pursuant to the Communiqué on Financial Statements to be Disclosed to the Public by Banks and Financial Explanations and Footnotes published in the Official Gazette No. 28337 dated 28 June 2012, new principles of disclosure of annotated financial statements of banks were promulgated. The amendments to the calculation of risk-weighted assets and their implications for capital adequacy ratios are reflected in the requirements relating to information to be disclosed to the public and new standards of disclosure of operational, market, currency and credit risk. In addition, new principles were determined with respect to the disclosure of position risks relating from (*inter alia*) securitisation transactions and investments in quoted stocks.

The BRSA published amendments, which entered into force on 31 March 2016, to the Communiqué on Financial Statements to be Disclosed to the Public by Banks and Financial Explanations and Footnotes setting forth principles of disclosure of annotated financial statements of banks in accordance with the Communiqué on Public Disclosure regarding Risk Management of Banks and the Equity Regulation. The amendments reflect the updated requirements relating to information to be disclosed to the public in line with the amendments to the calculation of risk-weighted assets and their implications for capital adequacy ratios, liquidity coverage ratios and leverage ratios. Rules relating to equity items presented in the financial statements were also amended in line with the amendments to the Equity Regulation. Furthermore, the changes require publication of a loan agreement of the bank or a prospectus relating to a loan or debt instrument, which will be taken into account in the calculation of the capital of a (parent company) bank as an element for additional principal capital (*i.e.*, additional Tier I capital) and supplementary capital (*i.e.*, Tier II capital), on the bank's website. Additionally, banks are required to make necessary disclosures on their websites immediately upon repayment of a debt instrument, depreciation or conversion of a share certificate or occurrence of any other material change.

Further, the BRSA published the Communiqué on Public Disclosure regarding Risk Management of Banks, which expands the scope of public disclosure to be made in relation to risk management (which entered into force on 31 March 2016) in line with the disclosure requirements of the Basel Committee. According to this regulation, each bank is required to announce information regarding their consolidated and/or unconsolidated risk management related to risks arising from or in connection with securitisation, counterparty, credit, market and its operations in line with the standards and procedures specified in this regulation. In this respect, banks are required to adopt a written policy in relation to its internal audit and internal control processes.

On 15 September 2018, the Ministry of Commerce issued a communiqué setting forth the procedures and principles relating to the application of Article 376 of the Turkish Commercial Code, which regulates the measures that Turkish companies (*i.e.* joint stock companies, limited liability companies and limited partnerships, in which the capital is divided into shares, including financial institutions) are required to adopt in case of loss of capital or insolvency. This communiqué aims to clarify and complement the remedial actions that can be taken in relation to the treatment of foreign exchange losses in the calculation of the loss of capital or insolvency. As companies in Türkiye prepare their financial statements in Turkish Lira, the value of any foreign currency-denominated asset and liability is converted into Turkish Lira based on the currency rate applicable as at the date of such financial statements; however, until 1 January 2025, the communiqué allows companies to disregard any losses arising from the exchange rate volatility of any outstanding foreign currency-denominated liability while making any capital loss or insolvency calculations. In this respect, companies will not be required to apply any measures set forth in Article 376 of the Turkish Commercial Code to maintain their capital if the relevant loss of capital or insolvency arises from currency fluctuations.

In addition, pursuant to the TAS 29 under TFRS, the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. Due to rising inflation rates in Türkiye, companies reporting under IFRS should apply IAS 29 to their financial statements for periods ending on and after June 30, 2022. However, on 20 January 2022, the POA had stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29.

Subsequently, on 23 November 2023, the POA announced that Turkish companies reporting under TFRS should begin implementing TAS 29, and adjusting their financial statements for inflation, for periods ending on and after 31 December 2023, subject to alternative timelines being set by applicable regulatory and auditing entities such as the BRSA and the CMB, with adjustments also applied to all periods presented in the financial statements. On 12 December 2023, the BRSA announced that the financial statements of banks and financial leasing, factoring, financing, savings financing, and asset management companies as at 31 December 2023 will not be subject to the inflation adjustment required under TAS 29. On 11 January 2024, the BRSA announced that the banks and financial leasing, factoring, financing, savings financing, and asset management companies shall implement TAS 29 in their financial statements as at 1 January 2025.

Financial Services Fee

Pursuant to Tariff 8 of the Law No. 492 on Fees, as amended by the Law No. 5951, banks are required to pay a financial services fee for each of their branches each year. The amount of the fee is determined by reference to the population of the district in which the relevant branch is located.

Corporate Governance Principles

On 3 January 2014, the Corporate Governance Communiqué was published by the CMB and entered into force, providing certain compulsory and non-mandatory principles applicable to all companies incorporated in Türkiye and listed on the Borsa İstanbul, including Akbank. There are certain other additional miscellaneous corporate governance requirements under other Turkish law and regulations.

As at the date of this Offering Circular, Akbank is subject to the Corporate Governance Principles stated in the banking regulations and the regulations for capital markets that are applicable to banks. Where Akbank does not comply with any of the non-mandatory principles applicable to it under the Corporate Governance Communiqué, it will explain any such non-compliance in its annual Corporate Governance Principles Compliance Report, which is published as part of Akbank's annual report.

The Corporate Governance Communiqué contains principles relating to: (a) companies' shareholders, (b) public disclosure and transparency, (c) the stakeholders of companies and (d) the board of directors. A number of principles are compulsory, while the remaining principles apply on a "comply or explain" basis. The Corporate Governance Communiqué classifies listed companies into three categories according to their market capitalisation and the market value of their free-float shares, subject to recalculation on an annual basis. Akbank is classified as a "Tier I" company.

The mandatory principles under the Corporate Governance Communiqué include provisions relating to: (a) the composition of the board of directors, (b) appointment of independent board members, (c) board committees, (d) specific corporate approval requirements for related party transactions, transactions that may result in a conflict of interest and certain other transactions deemed material by the Corporate Governance Communiqué and (e) information rights in connection with general assembly meetings.

Listed companies are required to have independent board members, which should constitute one third of the board of directors and should not be fewer than two; *however*, publicly traded banks are required to appoint three independent board members to their board of directors, which directors may be selected from the members of the bank's audit committee; *provided* that, at least one member should meet the mandatory qualification required for independent board members as set out in the applicable legislation if all independent board members are also the members of the audit committee. The Corporate Governance Communiqué further initiated a pre-assessment system to determine the "independency" of individuals nominated as independent board members in "Tier I" companies (for banks, to the extent such independent board members are not members of that bank's audit committee). Those nominated for such positions must be evaluated by the "Corporate Governance Committee" or the "Nomination Committee", if any, of the board of directors for fulfilling the applicable criteria stated in the Corporate Governance Communiqué. The board of directors is required to prepare a list of nominees based upon this evaluation for final review by the CMB, which is authorised to issue a "negative view" on any nominee and prevent their appointment as independent members of the board of directors. The Corporate Governance Communiqué also requires listed companies to establish certain other board committees.

In addition to the mandatory principles regarding the composition of the board and the independent board members, the Corporate Governance Communiqué introduced specific corporate approval requirements for all material related party transactions. All of these types of transactions shall be approved by a majority of independent board members. If this is not the case, it must be disclosed to the public, following which the transactions must be brought before the general assembly meeting where related parties to those transactions are not permitted to vote. A meeting quorum shall not be sought for these resolutions and the resolution quorum shall be a simple majority of attendees entitled to vote. For banks and other financial institutions, transactions with related parties arising from their ordinary activities are not subject to the requirements concerning related party transactions.

The Capital Markets Law authorises the CMB to require listed companies to comply with the corporate governance principles in whole or in part and to take certain measures with a view to ensure compliance with the new principles, which include requesting injunctions from the court or filing lawsuits to determine or to revoke any unlawful transactions or actions that contradict with these principles.

In addition to the provisions of the Corporate Governance Communiqué related to the remuneration policies of publicly traded companies, the BRSA publishes guidelines on best remuneration practices in banks. These guidelines set out the general principles for employee remuneration as well as standards for remuneration to be made to the board of directors and senior management of banks. These guidelines operate in accordance with the proportionality principle, which means that a bank must implement the principles set out under the guidelines by taking its risk profile, volume, nature and complexity of its transactions into account.

On 2 October 2020, the CMB amended the Corporate Governance Communiqué to provide that publicly held companies that are subject to the corporate governance principles are also to be subject to the principles specified in the Sustainability Principles Compliance Framework (in Turkish: *Sürdürülebilirlik İlkeleri Uyum Çerçevesi*), which seeks to increase Turkish companies' attention to environmental, social and corporate governance principles and thereby enhance their attractiveness to international investors. Although the application of such principles is voluntary for publicly held companies, companies are required to state in their annual activity report whether they adhere to the principles (*i.e.*, "comply or explain").

Dividend Distribution

Pursuant to the Capital Markets Law, public companies are required to have a dividend distribution policy which must be determined by the general assembly of shareholders of the relevant company. Pursuant to the Communiqué on Dividend Distribution II-19.1 of the CMB, the dividend distribution policy is required to include information as to whether the public company will distribute dividends and if so, the relevant dividend distribution ratio, form of payment, timing of dividend distribution and whether interim dividends will be paid by the public company.

In addition, at the end of 2019, the BRSA issued a letter instructing Turkish banks to prevent cash output in connection with bonus, dividend or similar payments to be made to the shareholders and/or managers/employees of banks.

On 29 January 2021, the Banks Association of Türkiye published a public announcement regarding an assessment by the BRSA on banks' dividend distributions. In relation to the financial year 2020, The BRSA stated that it would be advisable for banks not to distribute dividends generated during the financial year 2020 or from reserves generated prior to 2020 but that were not distributed and retained as equity in order to avoid cash outflow. Otherwise, the BRSA allowed the banks to distribute dividends up to 15% of net profit for the year of 2023.

Anti-Money Laundering

Türkiye is a member country of the FATF and has enacted laws and regulations to combat money laundering, terrorist financing and other financial crimes. In Türkiye, all banks are obligated to implement and fulfil certain requirements regarding the treatment of activities that may be referred to as money laundering set forth in the Law No. 5549. See "*—Anti-Money Laundering, Combatting the Financing of Terrorism and Anti-Bribery Policies*".

Minimum standards and duties under such law and related legislation include customer identification, record keeping, suspicious transaction reporting, employee training, monitoring activities and the designation of a compliance officer. Suspicious transactions must be reported to the Financial Crimes Investigation Board, which is the Turkish financial intelligence unit.

New measures against the financing of terrorist activities in Türkiye were introduced with the entry into force of the Law No. 6415 on Combating the Financing of Terrorism on 16 February 2013 (the "**CFT Law**"). The CFT Law expands the scope of the offence of financing of terrorism (as currently defined under Turkish anti-terrorism laws). The CFT Law also presents new principles and mechanisms for identifying and freezing terrorist assets and facilitates the implementation of United Nations Security Council decisions, in particular, those relating to entities and/or individuals place on sanction lists.

Anti-Bribery & Anti-Corruption Policy (ABC)

Akbank implements an intensive Anti-Bribery & Anti-Corruption Policy ("**ABC**") in accordance with legislation, legal regulations and the business environment and maintains a corporate culture of zero tolerance for bribery and corruption. The principle of zero tolerance for Bribery and Corruption constitutes the basic principle of the current Anti-Corruption and Anti-Bribery Policy, which covers Akbank as the main financial institution, financial institutions under the control of the Bank and included in the Financial Group, all domestic and foreign branches, business partnerships and commercial transactions.

Monitoring and control activities include efforts to prevent corruption and bribery and to control the risks that may be encountered in this regard. These efforts are based on national and international anti-corruption and anti-bribery principles and best practices in the international arena. Akbank has control and monitoring processes related main risk areas such as acceptance and provision of gifts, representation and entertainment activities, facilitating payments, donations (political contributions or charity contributions), misconduct, relations with third parties and business partners, relations with legal authorities, sponsorship relations, recruitment and employment. Accepting or offering bribe, for any purpose whatsoever, is not acceptable. AKBANK's Anti Bribery and Corruption principles are required for third parties receiving or providing services, as well as business partners. Activities with third parties, which are all beneficiaries other than the Bank's employees, should be carried out in a fair, transparent, honest, legal and ethical manner. It is strictly forbidden to directly or indirectly make or receive improper payments to or from third parties, legal authorities, business partners and other parties with whom we have business relations, both internally and externally, and to misconduct

Manipulation and Misleading Transactions in Financial Markets

On 20 February 2020, a new market manipulation concept has been introduced into Turkish law by way of amendments made to the Banking Law.

According to Article 76/A of the Banking Law, manipulation in financial markets will be deemed to occur, where a bank within the remit of the Banking Law, by way of undertaking banking activities as set forth under Article 4 of the Banking Law, (i) engages in activities with a view to making or creating artificial, false or misleading demand or supply in financial markets or price formation (including foreign exchange rates), (ii) disseminates false or misleading information through various media, including internet, or (iii) engages in such other activities that would create misleading information for, or otherwise mislead, investors.

On 7 May 2020, the Regulation on Manipulative and Misleading Transactions in the Financial Markets (the "**Manipulation Regulation**") was published in the Official Gazette. The Manipulation Regulation aims to clarify, which activities fall within the ambit of the recently introduced manipulation offence, thereby aiming at curbing manipulative transactions that could worsen the current volatility of the Turkish Lira or, otherwise, harm the Turkish economy at large.

Pursuant to the Manipulation Regulation, the following acts performed by banks are deemed to be manipulative and misleading transactions and practices in financial markets:

- to be intentionally involved in, mediate, order or carry out similar activities for (i) transactions that give or may give a false or misleading impression of supply, demand or price of a financial instrument; or (ii) transactions that ensure or may ensure that the price of a financial instrument including exchange and interest rates, is abnormal or artificial;

- to be involved in, mediate, order or carry out similar activities that will affect the price of a financial instrument or reference values such as interest, exchange rate, credit default swaps, in times when the supply-demand balance does not occur under normal conditions by taking advantage of the fluctuations or shallowness of financial markets, in a way that increases the irregularity of financial markets or negatively affects its stability;

- to overcome, by using indirect methods including early redemption of transactions, deferring due transactions and/or not fulfilling obligations, perform or mediate processes and applications for inactivation of the decisions and limitations of the BRSA regarding foreign currency and TL swap, forward, option and other derivative transactions of banks with foreign residents and provision of TL liquidity abroad by banks;

- to be involved in, mediate, order similar activities regarding transactions that affect or may affect the price of a financial instrument, including exchange rate and interest, through a deceptive mechanism or fiction;

- to disseminate false or misleading information or rumours that may or have made false or misleading impressions or keeps or might keep the price abnormally or artificially regarding the supply, demand, or exchange rate and interest price of a financial instrument, by any means of mass media, or by any other means;

- to influence or try to influence the price including interest rate and exchange rate, of a financial instrument that was previously positioned by hiding the conflict of interest regarding the position taken from the public, by giving opinions via the internet or other mass media;

- to disseminate false or misleading information about a reference value, although it is known or should have been known that it is false or misleading, providing false or misleading inputs or taking any action to manipulate the calculation of a reference value;

- taking actions to fix the purchase and sale prices of a financial instrument or to provide another unfair gain by using the dominant role on the supply or demand of the financial instrument;

- to mislead investors that take positions according to the opening or closing prices of the financial markets by conducting purchase or sale transactions that affect or may affect the opening or closing prices of a financial instrument, including interest and exchange rates;

- to direct savings holders in a false or misleading way; and

- to disseminate information and rumours that may harm the trust in the financial system and cause systemic risk.

Turkish banks that engage in manipulative and misleading transactions may have a fine imposed of up to 5% of the sum of interest, profit share income, fees and commissions and other income of banking operations specified in the bank's most recent year-end financial statements, with such fine being no less than twice the benefit that such bank has derived from the concerned transaction.

Consumer Loan, Provisioning and Credit Card Regulations

On 8 October 2013, the BRSA introduced amendments to the Regulation on Bank Cards and Credit Cards and other banking regulations that aim to limit the expansion of individual loans, especially credit card instalments. The rules: (a) include overdrafts on deposit accounts and loans on credit cards in the category of consumer loans for purposes of provisioning requirements, (b) set a limit to be determined by the BRSA for credit cards issued to consumers who apply for a credit card for the first time if their income cannot be determined by the bank, (c) require credit card issuers to monitor cardholders' income levels before each limit increase of the credit card and (d) increase the minimum monthly payment required to be made by cardholders. The Central Bank also adjusts from time-to-time the monthly cap on individual and commercial credit card interest rates and the commission rates that can be applied by banks for their "acquisition" of vouchers from merchants, any of which changes might make the related business less profitable (or even unprofitable). In addition, pursuant to the Banking Law, the Central Bank is empowered to determine the maximum interest rates for lending and deposit-taking activities of banks, as well as any fees, expenses and commissions charged by them.

Loan Transactions

On 31 December 2013, the BRSA adopted rules on loan-to-value and instalments of certain types of loans and, on 27 September 2016, the BRSA made certain amendments to such rules. Pursuant to these rules, the minimum loan-to-value requirement for housing loans extended to consumers, financial lease transactions for housing and loans (except auto loans) secured by houses is 80% (which was 75% before such amendments), with exceptions for houses that have an energy identification document within the scope of the Energy Efficiency Law No. 5627, for which a higher loan-to-value percentage is applicable. On 19 March 2020, the BRSA (as part of the measures taken against the impacts of the COVID-19 pandemic) published a resolution that increased such loan-to-value requirement to 90% for houses worth TL500,000 or less; provided that such loans are made to consumers and are not used for the purchase of autos. On 23 June 2022 and 24 February 2023, the BRSA imposed different loan-to-value requirements for housing loans utilised for new and existing homes, again with respect to a house's sales value and energy efficiencies.

In addition, the regulation governing banks' loan transactions published in the Official Gazette dated 1 November 2006 and numbered 2633 (the "Former Regulation on Lending Transactions of Banks") sets maximum loan-to-value ratios for auto loans extended to consumers, loans secured by autos and autos leased under financial lease transactions, the loan-to-value limit for which varies depending upon the sales price of the applicable vehicle.

On 16 September 2021, the BRSA reduced the overall maturity limit for general purpose loans from 36 months to 24 months for loans over TL50,000. The BRSA also provided that general purpose loans granted before such date can be restructured, for a maximum of 36 months, if requested by the borrower even if their debt balances are over TL50,000. According to the regulations announced by the BRSA, the total amount of general purpose loans that have more than 24 months maturity and that have been granted after such date must be limited TL50,000 per customer and each bank is required to monitor this limit for its own customers. On 9 June 2022, the BRSA further reduced the maturity limit for general purpose loans from 24 months to 12 months for loans over TL100,000; however, the BRSA also provided that general purpose loans granted before 16 September 2021 can be restructured, for a maximum of 36 months, and general purpose loans granted between 16 September 2021 and 9 June 2022 can be restructured, for a maximum of 24 months, if requested by the borrower even if their debt balances are over TL50,000.

Due to two large earthquakes in Kahramanmaraş on 6 February 2023 that affected 10 different cities, on 7 and 10 February 2023, the BRSA announced (inter alia) the following provisional measures to be applied until 1 January 2024 regarding loan transactions of natural and legal persons located in the affected cities (and on 23 February 2023, the BRSA extended such provisional measures to other regions that satisfy certain criteria to be considered disaster areas):

- banks may determine grace periods and/or maturities of retail loans that are newly provided or restructured,

- the maturity thresholds determined under the Regulation on Loan Transactions shall not be applied,

- subject to the request of a borrower, such borrower's principal and interest payments shall be delayed for at least six months; however, whether or not requested by a borrower, so long as no interest/profit share is to be paid by such borrower as a result of such postponement, then such payments shall be delayed for at least six months, and

- in the case of the delay of principal and interest payments for vehicle and retail loans upon the request of the borrower, the maturity thresholds determined under the Regulation on Loan Transactions shall not be applied.

On the other hand, the BRSA has rearranged the former regime under the Former Regulation on Lending Transactions of Banks by publishing the Regulation on Banks' Lending Transactions (the "**Regulation on Lending Transactions**"), which regulates the procedures and principles regarding loans made by Turkish banks, and the Regulation on Determination of Risk Groups and Loan Limits (the "**Regulation on Risk Groups and Loan Limits**" and together the "**Lending Regulations**"), which sets out the procedures and principles for determining risk groups and calculating loan limits on consolidated and unconsolidated basis, in the Official Gazette dated 21 December 2023 and numbered 32406. The Lending Regulations has entered into force on 1 January 2024. The Lending Regulations aim to ensure the full harmonisation of banking legislation with Basel III standards within the scope of Türkiye's G-20 commitments. In this context, more comprehensive and strict rules are included in the determination of risk groups and loan limits.

Risk Groups

Pursuant to the Regulation on Risk Groups and Loan Limits, while determining the risk group to which a bank belongs, partnerships in which participation banks and development and investment banks invest to provide interest-free financing is not considered. In addition, whether there is economic dependence between loan clients is also taken into account when determining the risk groups. Provided that there is no other relationship between them that requires them to be considered in the same risk group, clients that are under the control of or economically dependent on central governments, central banks or government institutions that are subject to the same risk weight application as receivables from central governments in accordance with the Capital Adequacy Regulation are not required to be considered in the same risk group only due to this relationship.

Exceptionally, provided that the bank confirms that:

- there are special circumstances or protective corporate governance practices in relation to persons who would normally be included in the same risk group, when determining (i) the risk groups to which the bank belongs and (ii) the risk groups formed by a natural person or legal entity and related persons; and

- with respect to persons who would normally be in the same risk group due to economic dependence, one party will not be affected by the default or financial difficulties of the other party by finding new sources of funding or business partners.

These persons may not be considered to be in the same risk group.

Principles Regarding Economic Dependency in Determining Risk Groups

The Regulation on Risk Groups and Credit Limits also specifies the principles regarding economic dependency in determination of risk groups.

Accordingly, while determining the risk groups, including natural or legal persons whose calculated risk amount exceeds 5% of the bank's Tier I capital as a result of the assessment made on a consolidated and unconsolidated basis, it is necessary to analyse whether these clients are economically dependent on other clients on the basis of certain criteria.

The criteria for economic dependence are as follows:

- 50% or more of the client's annual gross revenues or annual gross expenses being generated from transactions with another client;

- The client being liable for the obligations of another client as a guarantor, surety or in another capacity, and the obligations being at a level that may result in the default of the client when required to pay;

- A significant portion of the goods or services produced by a client being sold to another client and the purchaser not being capable of being easily substituted;

- The financial difficulties experienced by a client being of such magnitude that it may prevent another client from duly fulfilling its obligations;

- The default or insolvency of a customer being capable of leading to the default or insolvency of another client;

- More than one client receiving most of their funds from the same source, there being no alternative fund provider;

- More than client receiving their funding to repay their debts to the bank from the same source, and there being no other source of funds that will enable the debts to be paid in full; and

- For other loan client that do not exceed the 5% limit, it will be sufficient to take these criteria into consideration when determining risk groups.

Pursuant to the first five bullet points above where the economic dependency is unilateral, the client will be included in the risk group of the other client on which it is economically dependent, but it will not be necessary to include the other client on which it is economically dependent in the risk group to which such client belongs, provided that there is no other relationship between them that requires them to be in the same risk group. Pursuant to last two bullet points above, where the economic dependency is reciprocal, economically co-dependent client will be included in each other's risk groups.

Transactions Not Subject to Credit Limits

Transactions to be determined by the Banking Regulatory and Supervisory Board as not being subject to loan limits pursuant to Article 55 of the Banking Law are specified by the Regulation on Risk Groups and Loan Limits. As at 1 January 2024, the following transactions are not subject to the loan limits introduced by the Banking Law and the Regulation on Risk Groups and Loan Limits:

- Receivables from central governments, central banks or government institutions subject to the same risk weight application as receivables from central governments in accordance with the Capital Adequacy Regulation;

- Receivables protected by guarantees provided by central governments or securities issued by central governments provided that the conditions specified in the Communiqué on Credit Risk Mitigation Techniques are met;

- Intra-day receivables arising from transactions with other banks, including those with foreign headquarters;

- Amounts deducted from equity; and

- Receivables arising from settlement transactions with central counterparties performing qualified transactions within the scope of the Capital Adequacy Regulation.

Implementation Process

The Regulation on Risk Groups and Loan Limits prohibits banks that exceeded any of the credit limits as at 1 January 2024, the effective date, from extending new loans to the relevant persons or risk groups. Accordingly, banks will ultimately have to eliminate the loan limit excess amounts by 31 December 2024 by redeeming at least 50% of them by 30 June 2024.

Account Status Certificate

Unlike the Former Regulation on Lending Transactions of Banks, which exempted certain transactions from the obligation to obtain an account status certificate, the Regulation on Loan Transactions requires banks to obtain an account status certificate from customers for all cash and non-cash loans of over TRY 5 million. In addition, non-residents are required to submit audited financial statements prepared in accordance with their legislation as proof of account status, regardless of their total loan risk. The Former Regulation on Lending Transactions of Banks required account status certificates to be submitted within six months following the accounting period each year, while this period will be applied as nine months under the Regulation on Loan Transactions.

Caps on Credit Card Interest Rates, POS Commission Rates, Demand Deposit Accounts Interest Rates and Fees for Commercial Customers

The Central Bank adjusts from time-to-time the monthly cap on individual credit card interest rates. According to the Communiqué on the Maximum Interest Rates for Credit Card Transactions published in the Official Gazette dated 31 October 2020, the monthly cap on credit card interest rates for Turkish Lira transactions is to be determined by adding 55 basis points on the monthly reference rate published in accordance with the Communiqué on Commercial Customer Fees. For non-Turkish Lira transactions, such monthly cap is to be determined as 80% of the monthly cap for Turkish Lira transactions, by rounding to at most two decimal places. The monthly cap on default interest rates for credit card transactions is to be determined by adding a further 30 basis points. After the changes made to the Communiqué on Commercial Customer Fees on 23 June 2023, the monthly caps are normally published by the Central Bank on each day the Central Bank publishes the reference rate on its official website and are applicable as at the first day of the next month. The reference rate is published normally on the 5th last business day of any given month; however, if the monetary policy committee of the Central Bank meets on a date in any month after the 5th last business day of such month, the reference rate is to be published with the most recent data on the date of such meeting and the reference rate calculated as at the date of such publication is updated if it changes more than 5% compared to the most recently published reference rate. For July 2023, the Central Bank published such rates as follows: (i) 1.91% as the monthly cap on credit card interest rates for Turkish Lira transactions, (ii) 2.21% as the monthly cap on default interest rates for Turkish Lira credit card transactions, (iii) 1.53% as the monthly cap on credit card interest rates for non-Turkish Lira transactions and (iv) 1.83% as the monthly cap on default interest rates for FX credit card transactions. On 25 July 2023, the Central Bank introduced further changes to the methodology on the calculation of interest rate caps applicable to the cash withdrawal and cash utilisation transactions and set out that the interest rate caps applicable to the cash withdrawal and cash utilisation transactions from credit cards (and overdraft accounts) are to be determined by adding 131 basis points instead of 55 basis points on the monthly reference rate published in accordance with the Communiqué on Commercial Customer Fees. This translated, for August 2023, into a monthly interest rate cap of 2.89% applied to credit card cash withdrawals/utilisations and overdraft accounts and a monthly default interest cap of 3.19% applied to the same transactions. Accordingly, for January and February 2024, the Central Bank published the monthly interest rate caps as follows: (i) a monthly interest rate cap of 4.42% applied to credit card cash withdrawals/utilisations and overdraft accounts, (ii) and a monthly default interest cap of 4.72% applied to credit card cash withdrawals/utilisations and overdraft accounts, (iii) 3.66% as the monthly cap on credit card interest rates for Turkish Lira transactions (other than credit card cash withdrawals/utilisations and overdraft accounts), (iv) 3.96% as the monthly cap on default interest rates for Turkish Lira credit card transactions (other than credit card cash withdrawals/utilisations and overdraft accounts), (v) 2.93% as the monthly cap on credit card interest rates for foreign currency transactions, and (vi) 3.23% as the monthly cap on default interest rates for foreign currency credit card transactions. On 6 April 2024, the Central Bank introduced further changes to the methodology on the calculation of interest rate caps applicable to the cash withdrawal and cash utilisation transactions and set out that the interest rate caps applicable to the cash withdrawal and cash utilisation transactions from credit cards (and overdraft accounts) are to be determined by adding 114 basis points on the monthly reference rate published in accordance with the Communiqué on Commercial Customer Fees. Accordingly, for May 2024, the Central Bank published the monthly interest rate caps as follows: (i) a monthly interest rate cap of 5.00% applied to credit card cash withdrawals/utilisations and overdraft accounts, (ii) and a monthly default interest cap of 5.30% applied to credit card cash withdrawals/utilisations and overdraft accounts, (iii) 4.25% as the monthly cap on credit card interest rates for Turkish Lira transactions (other than credit card cash withdrawals/utilisations and overdraft accounts), (iv) 4.55% as the monthly cap on default interest rates for Turkish Lira credit card transactions (other than credit card cash withdrawals/utilisations and overdraft accounts), (v) 3.40% as the monthly cap on credit card interest rates for foreign currency transactions, and (vi) 3.70% as the monthly cap on default interest rates for foreign currency credit card transactions.

Moreover, the Central Bank published two communiqués amending current legislation relating to commission rates, both published in the Official Gazette dated 10 February 2020 and has become effective as at 1 March 2020. With the entry into force of the first communiqué, titled the "Communiqué on Deposit and Loan Interest Rates and Participation Accounts Profits and Loss Participation Rates" (the "**New Communiqué on Deposit and Loan Interest Rates**"), the Communiqué on Deposit and Loan Interest Rates regulating the commission rates mentioned above was abolished. Pursuant to the New Communiqué on Deposit and Loan Interest Rates, deposit interest, loan interest and participation rates to profit and loss in participation accounts are capped. Accordingly, banks may freely determine fixed and variable interest rates, with an annual cap of 0.25% on current deposit interest rate. Variable interest rate can be applied to Turkish lira deposits with at least three months maturity date and foreign exchange deposits with at least six months maturity date. Similarly, banks can determine interest rates for any loan freely except for rediscount and advance credits. The contractual and default interest rates cannot exceed ratios determined by the Central Bank pursuant to Article 26 of Law on Bank and Credit Cards No. 5464.

The Communiqué on Rules and Procedures for Fees Applied by the Banks to Commercial Customers (the "**Commercial Customers Communiqué**") regulates types of fees arising from services provided by banks to commercial clients (except for banks and financial leasing, factoring and finance companies) and applicable caps for each type of fee in order to prevent banks from overpricing commercial clients. Pursuant to the Commercial Customers Communiqué, fees that banks can charge to their commercial clients for products and services are classified as "Commercial Loans", "Foreign Trade", "Cash Management" and "Payment Systems", and are generally subject to certain quantitative and qualitative restrictions. Banks are prohibited from charging any kind of fees to their commercial clients that are not listed thereunder.

Other than the type of fees specifically restricted under the Commercial Customers Communiqué, banks can freely determine the amount and/or percentage of the fees to be collected from their commercial clients. As at the date of this Offering Circular, the following fees are restricted under the Commercial Customers Communiqué in particular:

- annual loan allocation fees subject to a cap of 0.25% for the first limit allocation (loan allocation fees are determined pro rata to the number of months for loans allocated for less than one year) and are subject to a cap of 0.125% of the renewed limit for any limit renewals;

- loan utilisation fees subject to a cap of 1.1% (for revolving loans, utilisation fees can only be received periodically and is subject to a cap of 1% of the average credit limit for the relevant one-year period);

- prepayment fee subject to a cap of 1% of prepaid amount for loans with up to 24 months of remaining maturity (2% if the remaining maturity exceeds 24 months) and for foreign currency denominated or indexed loans, such caps can be increased by one point (The Commercial Customers Communiqué obliges the banks to accept prepayment in case a commercial customer requests to make a prepayment for its entire loan debt, in return for a prepayment fee);

- merchant fees subject to a cap of the sum of the then-applicable monthly reference rate plus 0.45% (in case of payments through instalments, the cap can be increased up to 1.5 times of the foregoing cap); and

- cash advance fee subject to a cap of 1%.

Pursuant to the amendments to the Commercial Customers Communiqué, published in the Official Gazette dated 9 August 2021 and No. 31563, the fees relating to loan facilities extended under project finance, acquisition finance, privatisation finance and structured finance, or refinancings of these facilities will not fall under the scope of commercial loans. In other words, such transactions will not be subject to the restrictions related to the fees under the Commercial Customers Communiqué.

The effective date of the Commercial Customers Communiqué was initially set as 1 March 2020; however, the Central Bank published an amendment in the Official Gazette dated 29 February 2020 and postponed the effective date of certain provisions enacted by the Commercial Customers Communiqué. Accordingly, other than Article 15, which sets out the principles regarding electronic fund transfers, fund transfers and precious metal transfers, and Article 20 determining the merchant fees, the effective date of the remaining provisions of the Commercial Customers Communiqué became effective as at 1 April 2020.

Lastly, pursuant to the recent amendments introduced to the Banking Law, the Central Bank has been empowered to determine maximum interest rates for lending and deposit taking activities of banks, as well as the types and maximum amounts of fees, expenses and commissions charged by banks to their clients for any sort of activities.

Caps on Fees Applicable to Financial Consumers

The Central Bank published the Communiqué on Rules and Procedures for Fees Applicable to Financial Consumers on the Official Gazette dated 7 March 2020 and numbered 31061 (the "**Financial Consumers Communiqué**"), which regulates the types and maximum amounts of the fees and commissions applicable to financial consumers with respect to the products and services offered by institutions (*i.e.*, banks, financial institutions extending consumer loans and card issuers). Products and services chargeable by these institutions are classified under five categories: "Personal Loans", "Deposit/Participation Fund", "Money and Precious Metals Transfer", "Credit Cards" and "Others". The relevant institutions are prohibited from charging any kind of fees to financial consumers that are not listed under the Financial Consumer Communiqué; however, the amounts paid to third parties can be charged to the financial consumers. Further, in order to determine a new product or service or a new fee that are not listed under the Financial Consumer Communiqué, the institutions must obtain the Central Bank's approval. The Central Bank is authorised to amend the categories of the fees thereunder.

Risk Management Disclosure

The BRSA issued Communiqué on Disclosures to Public Regarding Risk Management published in the Official Gazette dated 23 October 2015 and numbered 29511 (as amended by a regulation published in the Official Gazette dated 20 January 2016 and numbered 29599, a regulation published in the Official Gazette dated 21 September 2021 and numbered 31605, a regulation published in the Official Gazette dated 4 February 2022 and numbered 31740) which entered into force on 31 March 2016 and outlines procedures and principles of consolidated and unconsolidated risk management disclosure to be made by the banks. According to the Communiqué, any information regarding risk management must be included in financial reports as a separate section. Disclosures must be easily accessible and must enable measurement and assessment of information given by banks. Banks must keep an online disclosure database, showing five years' worth of records and the online database must be available on a bank's website from 31 March 2016 onward. Disclosures made within the scope of the Communique are subject to independent audit.

Banks' Information Systems

The BRSA enacted the Regulation on Banks' Information Systems and Electronic Banking Services (the "**IT Systems Regulation**") which was published in the Official Gazette No. 31069 dated 15 March 2020. The IT Systems Regulation is effective date from 1 January 2021, and banks are being audited according to this regulation's context.

As per the IT Systems Regulation, a bank's board of directors is responsible for conducting effective supervision to manage any risks arising from the use of information systems. Accordingly, the IT Systems Regulation provides that the board of directors must approve and establish a strategic plan, a strategy committee and a guidance committee related to information systems.

The IT Systems Regulation also sets forth the standards regarding the following points to control information systems:

- establishment of authentication mechanisms;
- establishment of track record mechanism for transactions related to information systems;
- establishment of network security control systems;

- security configuration management;
- security vulnerability management;
- cyber-attack management and cyber information sharing; and
- creation of an information security awareness training programme.

Banks' Primary and Secondary Systems

The IT Systems Regulation clarifies the scope of primary and secondary systems, while requiring banks to keep these systems in Türkiye. In this regard, except for banking transactions such as payments, and messaging systems that require interaction abroad by nature, the Regulation requires banks to carry out their banking transactions without an approval procedure through a system abroad, and to continue providing banking services in Türkiye through their primary and secondary systems even in cases of any disconnection with the networks abroad.

Continuity of Information Systems

As per the IT Systems Regulation, banks are required to set up back-up or hibernation schemes for critical hardware and systems, as well as, to create appropriate alternative communication channels should any interruptions to the network and communication infrastructure occur. Banks are obliged to keep records regarding the frequency, the method and the location of back-ups. Further, banks are required to procure the data requested by (i) the judicial authorities conducting an investigation or prosecution; or (ii) the BRSA, and to retain the original copies of the data and back up the data.

Electronic Banking Services

Pursuant to the IT Systems Regulation, banks must apply an authentication mechanism consisting of at least two independent components and to take measures to ensure the confidentiality of the authentication data. Further, banks are required to establish tracking mechanisms to detect and prevent unusual or fraudulent transactions under the scope of electronic banking services. Clients using the electronic banking services provided by banks will be explicitly informed of the terms, risks and exceptional circumstances regarding such services. The IT Systems Regulation provides for authentication and transaction security provisions related to online banking, mobile banking, telephone banking, open banking services and ATM banking.

In August 2021, the BRSA published the Regulation on Operation Principles of Digital Banks and Banking as a Service ("**Digital Banking Regulation**"), which became effective on 1 January 2022 and established regulatory principles for digital-only banks and banking as a service business. The Digital Banking Regulation enables licensed banks to provide services through digital channels without any physical branches and set forth the operational principles for branchless banks as well as principles for service model banking.

Sustainable Banking Strategic Plan (2022-2025)

The BRSA developed the "Sustainable Banking Strategic Plan" prepared to determine a road map for the development of sustainable banking within the "Green Reconciliation Action Plan", which was announced by the Presidential Circular No. 2021/15 dated 24 December 2021. The objective of this development is to focus on building a sustainable banking infrastructure and includes the methods and principles applicable for the sustainability efforts of the banks in line with international standards and practices.

Green or Sustainable Debt Instruments

On 24 February 2022, the CMB published its Guidelines on Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates, Sustainable Lease Certificates (the "**CMB Guidelines on Green or**

Sustainable Debt Instruments" or "**CMB Guidelines**"), which regulate the principles regarding green debt instruments, sustainable debt instruments, green lease certificates and sustainable lease certificates and their issuance in line with the Green Bond Principles of the International Capital Markets Association.

According to the CMB Guidelines, (a) green debt instruments is defined as any listed or non-listed debt instruments, in compliance with the main components of the CMB Guidelines, whose proceeds will be used exclusively in financing or refinancing, partly or wholly, eligible green projects (the "**Green Notes**"), and (b) sustainable debt instruments is defined as any listed or non-listed debt instruments, whose proceeds will be used exclusively in financing or refinancing, partly or wholly, projects with environmental and social positive impacts (the "**Sustainable Notes**"). The CMB Guidelines sets forth that the same principles will apply to both of these debt instruments and a separate issuance ceiling must be obtained from the CMB for domestic and foreign issuances to be made within the scope of the CMB Guidelines.

The objective of this development is for the banking sector to make Turkish issuances compliant with global standards by introducing green and sustainable debt instrument concepts.

ESG Reporting

The decision of the POA dated 29 December 2023 which entered into force as at 1 January 2024 required Turkish banks to report on sustainability in accordance with the Turkish Sustainability Reporting Standards, aligned with the International Sustainability Standards Board.

Personal Data Protection

The Law on Protection of Personal Data (the "**Law No. 6698**") was accepted on 24 March 2016 and published in the Official Gazette dated 7 April 2016 and numbered 29677. The Law No. 6698 has become fully effective as at 7 October 2016.

Under the Law No. 6698, data controllers must inform the person whose data will be collected/processed (the "**Data Subject**") before or during processing in line with the requirements set out in the legislation.

The main rule to collect and process personal data is to obtain explicit consent of the Data Subject. However, personal data can also be collected and processed without the Data Subject's consent if any of the conditions stated below exists:

- if collection and processing is permitted by any specific law provision;
- if the Data Subject is under a circumstance that prevents him/her from providing consent (due to an actual impossibility or lack of legal capacity) and processing is necessary for protection of Data Subjects' or third parties' life or physical integrity;
- if processing is necessary for forming or performance of a contract to which the Data Subject will be/is party;
- if processing is mandatory for data controller to perform his/her legal duties;
- if personal data has been made available to public by the Data Subject himself/herself;
- if processing is mandatory for assigning, using or protecting a right; and
- if processing is mandatory for the data controller's legitimate interest, on the condition that it does not harm the Data Subject's fundamental rights and freedoms.

As per the Turkish Data Protection Authority's (DPA) guidance, data controllers must rely on processing grounds other than explicit consent, where available, and obtaining explicit consent from the data subject must be seen as a last resort.

Any personal data that is related to a Data Subject's race, ethnicity, political views, philosophical beliefs, religion, sect or other beliefs, way of appearance and dressing, association, foundation or union memberships, information related to health, sex life, past criminal convictions and biometric data are considered special categories of data. The conditions to legally process sensitive personal data are as follows:

- obtaining explicit consent of the Data Subject; and
- taking necessary precautions determined by the Data Protection Board.

However, explicit consent of the Data Subject is not required under any of the conditions below:

- except for data related to health or sexual life, collection and processing is permitted by any specific law provision; and
- for data related to health or sexual life, collection and processing by parties or relevant authorities under confidentiality obligations for the purposes of protection of public health, preventive medicine, medical diagnosis, treatment and nursing and for planning, financing and management of health services.

Personal data can be transferred to third parties with explicit consent of the Data Subject. However, personal data can be transferred to third parties without consent of the Data Subject:

- if collection and processing is permitted by any specific law provision;
- if Data Subject is under a circumstance that prevents him/her from providing consent (due to an actual impossibility or lack of legal capacity) and processing is necessary for protection of Data Subjects' or third parties' life or physical integrity;
- if processing is necessary for forming or performance of a contract to which the Data Subject will be/is party to;
- if processing is mandatory for the data controller to perform his/her legal duties;
- if personal data has been opened to public by Data Subject himself/herself;
- if processing is mandatory for assigning, using or protecting a right; and
- if processing is mandatory for the data controller's legitimate interest, on the condition that it does not harm the Data Subject's fundamental rights and freedoms.

For data related to health and sexual life, data may be transferred by parties under confidentiality obligation or relevant authorities for the purposes protection of public health, preventive medicine, medical diagnosis, treatment and nursing and for planning, financing and management of health services.

Personal data can be transferred to third countries with Data Subject's explicit consent. To transfer personal data to third countries without consent, one of the following must be applicable:

- third country has sufficient protection, as announced by the DPA (the DPA has not yet announced these countries);
- data controllers in Türkiye and third country guarantee protection of personal data in writing with a commitment and obtain Data Protection Board's approval; or
- data controllers that are group companies execute Binding Corporate Rules and obtain Data Protection Board's approval.

In addition to above, the Banking Law introduced the term "client secret" in February 2020. Consequently, a client secret is any information related to a real or legal person generated upon the bank-customer relationship being established. In that regard, the scope of a client secret is broader than that of "personal data", which is defined under the Law No. 6698. While personal data only belongs to a real person and data only qualifies as personal if it identifies a real person on its own or when matched with other data, a client secret includes all information related to any real or legal person generated in connection with the client relationship.

Pursuant to the amendment introduced to the Banking Law, except for the exemptions enumerated under Article 73 of the Banking Law, client secrets may not be disclosed or transferred to any third party located in Türkiye or abroad without a request from the client to this effect, even if the explicit consent of the client is collected in line with the Law No. 6698. The BRSA is authorised to prohibit the transfer of client secrets to third parties abroad after it assesses the client secret's economic security.

On a separate note, foreign data controller must register with Data Controllers Registry (VERBIS) which is a cost-free online platform where data controllers set out their data processing activities such as data categories, processing purposes and legal basis.

Finally, amendments regarding the processing of sensitive personal data and cross-border transfer of personal data have been made to the Law No. 6698 for the purposes of GDPR harmonisation. The amendments include provisions on the processing of sensitive personal data, cross-border transfer of personal data, administrative fines and the appeal authority.

Accordingly, cross-border transfer of personal data will only be possible if there are legal grounds set out in the Law No. 6698 and if the Data Protection Board issues an adequacy decision, opining that the third country, sector within the third country or international organizations to which personal data will be transferred provides adequate protection. In cases where there is no adequacy decision and appropriate safeguards cannot be provided, personal data may be transferred abroad only in a limited number of cases, provided that it is occasional. The amendments set out a transition period in relation to cross-border transfers based on explicit consent. In this context, data controllers that obtain explicit consent for cross-border transfer can continue to rely on these explicit consents until 1 September 2024. Finally, it is stated that the principles and procedures on cross-border transfers will be regulated by a regulation.

The amendments also introduce new and alternative legal grounds for the processing of sensitive personal data. Accordingly, the processing of sensitive personal data will only be allowed if one of the following legal grounds is relied upon:

- the explicit consent of the data subject;
- it is expressly stipulated by law;
- processing is necessary to protect the life or physical integrity of the data subject or of another natural person where the data subject cannot disclose their consent due to actual impossibility or whose consent is not legally valid;
- processing of personal data made public by the data subject in accordance with the intention of the data subject;
- processing is mandatory for the establishment, exercise or protection of a right;
- for the protection of public health, preventive medicine, medical diagnosis, treatment and care services, and for the planning, management and financing of health services, processing by persons or authorized institutions and organizations under the obligation of confidentiality;
- processing is mandatory for the fulfilment of legal obligations in the field of employment, occupational health and safety, labour and social security or social services and social assistance; and
- processing of personal data of current or former members of foundations, associations or other non-profit organizations established for political, philosophical, religious or trade union purposes, or persons who are in regular contact with these organizations and formations under certain conditions.

Also, pursuant to the amendments, data controllers and data processors must notify the Authority that they have signed standard contractual clauses within five days as of signing. Failure to notify may result in administrative fines up to TL1 million.

Finally, administrative courts are determined as the sole judicial authority for appeals against administrative fines imposed for violations of the Law No. 6698. However, applications pending before criminal judgeships of peace as at 1 June 2024, the effective date of the amendments, will continue to be heard by these judgeships.

Foreign Exchange Legislation

Decree 32 and the Capital Movements Circular of the Central Bank (the "**Capital Movements Circular**") were amended, effective as at 2 May 2018, in order to introduce restrictions on Turkish resident legal entities utilising foreign currency loans. While this regime maintained the previous prohibition on Turkish individuals utilising foreign exchange loans and foreign exchange-indexed loans, it introduced a strict prohibition on Turkish resident non-financial institution legal entities (each a "**Corporate Borrower**") utilising foreign currency-indexed loans and also imposed restrictions on Corporate Borrowers utilising foreign currency loans (the "**F/X Loan Restrictions**").

Accordingly, a Corporate Borrower shall be permitted to utilise foreign exchange loans if (i) it generates sufficient foreign exchange denominated revenue, which is defined as "the revenue derived from export, transit trade, sales and deliveries considered as export and foreign exchange generating activities ("**FX Revenue Exemption**") in the new legislation; (ii) the purpose of the loan is to finance an activity that is exempt from the FX Loan Restriction ("**Activity Exemption**"); or (iii) if as at the date of the utilisation of the new FX loan, the unpaid outstanding balance of its total foreign exchange loans and/or foreign exchange indexed loans ("**Loan Balance**") is more than U.S.$15 million.

As far as the FX Revenue Exemption is concerned, if the Loan Balance of a Corporate Borrower is below U.S. Dollar 15 million, the sum of (i) the foreign exchange loan to be utilised; and, (ii) the existing Loan Balance must not be more than the combined value of its foreign exchange revenues as stated in its last three years financials. Otherwise, the exceeding portion of the foreign exchange loan must either be cancelled or converted into Turkish Lira. Turkish-resident financial institution lenders are required to control whether a Corporate Borrower complies with this rule. In case of any non-compliance with the F/X Loan Restrictions, Turkish-resident financial institution lenders are required either to cancel or convert into Turkish Lira the portion of the foreign currency loans granted to such Corporate Borrower that exceeds this value. In case of a breach of this obligation, an administrative monetary fine might be imposed.

In regards to the Activity Exemption, a legal entity must qualify as a public institution, bank, factoring, financial leasing or financing company resident in Türkiye in order to utilise foreign exchange loans. In the case of Corporate Borrowers, the Activity Exemption must relate to an activity in the context of (i) a domestic tender with an international element awarded to such Corporate Borrower; (ii) defence industry projects approved by the Undersecretariat of Defence Industry; (iii) public private partnership projects; (iv) renewable energy investments made under the framework of the Law No. 5346 on Use of Renewable Energy Resources for the Purposes of Generating Electricity; (v) an acquisition finance transaction where the Corporate Borrower is a special purpose vehicle established to acquire the shares of a Turkish company and utilises the foreign exchange loan (up to the amount of the purchase price) for the purpose of such acquisition; (vi) tenders launched in accordance with Privatization Law No. 4046 and other public tenders in which the price was determined in a foreign currency; (vi) an investment incentive certificate or a transaction for financing of the purchase of certain machines and devices; (vii) an export, transit trade, sales and related deliveries subject to the relevant Corporate Borrower certifying the scope of its relevant activity and its potential sources of foreign currency revenues (*muhtemel döviz geliri*), (viii) foreign currency loans to be extended by foreign companies to fully owned Corporate Borrowers, (ix) loans to be used by shareholders of Corporate Borrowers who conduct public private partnership projects in order to finance the public private partnership project, (x) loans to be used by shareholders of Corporate Borrowers who conduct public private partnership projects in order for making capital injection to such company who conduct public private partnership projects. Further, foreign exchange loans to be extended by banks to Turkish residents in Türkiye which do not exceed the amount of the receivables kept as foreign exchange in the Turkish branches of banks as collateral and/or the amount of issued securities by the centralised governments and central banks of the member countries of the Organization for Economic Cooperation and Development (OECD) or the amount of securities issued through their sureties are also exempted.

In addition, under the new regime, a Corporate Borrower is not allowed to extend foreign exchange loan to another Corporate Borrower.

However, a Corporate Borrower is allowed to extend foreign exchange loans or Turkish Lira denominated loans to (i) the legal entities where it holds shares; (ii) its parent company; or, (iii) group companies, in each case outside of Türkiye, and provided that such loans are transferred through Turkish banks. Therefore, intercompany loans between Corporate Borrowers in Türkiye would only be allowed if such loans were denominated in Turkish Lira.

Turkish financial institutions intermediating the foreign exchange borrowing transactions are required to notify the Ministry of Treasury and Finance of any breach of these foreign exchange borrowing restrictions upon becoming aware of them. On 13 September 2018, Decree 32 was amended to impose restrictions on the use of, or indexing to, foreign currency in the following contracts executed between persons residing in Türkiye: sale and purchase of movable and immovable property, leasing of all kinds of movable and immovable property (including vehicle and financial leasing), employment, service and construction contract. According to such amendment, Turkish residents were required to amend any relevant contract so that the contract price and all other payment obligations thereunder were re-determined in Turkish Lira within a 30-day transition period (*i.e.* by 13 October 2018). On 6 October 2018, 16 November 2018 and 28 February 2024, the Ministry of Treasury and Finance issued an amending communiqué that broadened the scope of, but provided certain exemptions to, these restrictions. Among other exemptions, capital market instruments (including any notes issued directly to Turkish investors) are exempt from these restrictions. Accordingly, the issuance, purchase and sale of capital market instruments in accordance with the Capital Markets Law may be denominated in, or indexed to, foreign currency.

A communiqué numbered 2018-32/48 regarding export prices was published in the Official Gazette dated 4 September 2018 and numbered 30525. This communiqué requires exporters to transfer export revenues to Turkish banks within 180 days following the date of the export transaction and to sell 80% of their export revenues to Turkish banks (the latter was abolished by an amendment to the communiqué dated 31 December 2019). This obligation applies to all Turkish resident exporters and the exporters are liable for fulfilment of those obligations, which the intermediary banks are required to monitor.

In addition to the foregoing principles, the BRSA capped Turkish banks' exposure under swap, spot and forward transactions with foreign entities (except transactions with such banks' non-resident financial subsidiaries and other affiliates that are subject to consolidation) to 25% of a bank's regulatory capital in 17 August 2018. However, with its press release dated 9 February 2020, the BRSA lowered this threshold to 10% for transactions under which the Turkish bank initially pays TL and receives foreign currency, and at the maturity date, such bank pays foreign currency and receives TL. In this respect, in case of a bank exceeding this level (*i.e.*, 10%), new transactions may not be executed or renewed until the 10% level (which is calculated on a daily basis) is attained; however, transactions conducted between local banks and their consolidated affiliates located abroad that qualify as a bank or financial institution are exempt from this restriction. On 12 April 2020, the BRSA introduced further measures and lowered the 10% cap to 1% for forward transactions purchasing Turkish Lira with residents abroad. The level was then returned to 10% on 25 September 2020. In the case of a bank exceeding this level, new transactions may not be executed or renewed until this level (which is calculated on a daily basis) is attained. On 11 November 2020, the BRSA decided that for such transactions under which the

Turkish bank initially pays foreign currency and receives TL, and at the maturity date, such bank pays TL and receives foreign currency, the Turkish banks' exposure may not exceed (i) 5% of its regulatory capital for transactions with a remaining maturity date of seven days, (ii) 10% of its regulatory capital for transactions with a remaining maturity date of 30 days and (iii) 30% of its regulatory capital for transactions with a remaining maturity date of one year. Moreover, banks are required to obtain the BRSA's written approval in order to change the maturity of the foregoing transactions.

On 23 June 2022, the BRSA adopted a new measure pursuant to decision No. 10248 with respect to the derivative transactions between non-financial institution residents in Türkiye with non-residents. The BRSA decided to apply a risk weighting of 500%, regardless of the method used to calculate the amount subject to credit risk, as well as the credit risk mitigation techniques, credit ratings and real estate mortgages, for the calculation of the capital adequacy ratio for Turkish Lira and foreign currency commercial cash loans to be made available to non-financial institution residents that enter into derivative transactions with non-residents after 23 June 2022.

FX-Protected Deposit Scheme

Since 2021, the Central Bank has established schemes to support the Turkish Lira by incentivising conversion of foreign currency deposits into Turkish Lira deposits, and the preference of Turkish Lira deposits over foreign currency.

In December 2021, the Central Bank established an FX-protected deposit scheme that provides incentives for holders of deposit and participation fund accounts to convert their FX deposit accounts and participation funds into TL time deposit accounts. The Central Bank expanded the scheme to also provide incentives to convert gold deposit accounts and participation funds into TL time deposit accounts.

The Communiqué on Support for the Conversion of FX Deposits to Turkish Lira Deposit and Participation Accounts was published in the Official Gazette dated 21 December 2021 and numbered 31696. It provides for FX-protected accounts to which additional payments are made, in addition to interest or profit share income, to compensate for losses related to Turkish Lira exchange rate fluctuations. Such accounts can be opened by Turkish residents, whether legal persons or real persons, by converting USD, EUR or GBP and depositing them into the TL-denominated time account. The scheme was initially made available for conversion of such foreign currency balances as at 31 December 2021 through 31 March 2022 but has been extended multiples times. It was extended on 5 February 2024, permitting real persons to benefit from the scheme for such balances as at 31 January 2024 and permitting legal persons to benefit for such balances as at 30 June 2023.

On 30 March 2023, the Central Bank published another communiqué expanding the FX-protected deposits scheme such that Turkish-resident legal persons could convert and deposit such foreign currency balances at any time if they have liabilities in respect of import payments or foreign currency denominated loan repayments, provided that the relevant legal person gives an undertaking to not purchase any foreign currency until the maturity of the relevant FX-protected TL time deposit.

Similarly, the Communiqué on Support for the Conversion of Gold Accounts to Turkish Lira Deposit and Participation Accounts was published in the Official Gazette dated 29 December 2021 and numbered 31704. It provides for similar FX-protected accounts by converting gold balances and depositing them into the TL-denominated time account. It was initially made available for conversion of such gold balances of legal persons as at 31 December 2021 and of real persons on any date. It was extended on 5 February 2024, permitting real persons to benefit for such balances as at 31 January 2024. It was once more extended on 6 April 2024, permitting real persons to benefit from such balances as at 31 March 2024.

Furthermore, the Central Bank announced on 31 December 2021 that exporters are required to sell 25% of their export revenues that are linked to foreign exchange purchase certificates (*döviz alım belgesi*) and export value acceptance certificates (*ihracat bedeli kabul belgesi*) and denominated in USD, EUR and GBP to the Central

Bank. Export revenues in other foreign currencies which were linked to foreign exchange purchase certificates and export value acceptance certificates are excluded from the scope of the selling requirement. Accordingly, such revenues must be transferred to the bank that issued a currency purchase certificate or export value acceptance certificate. This requirement was further amended on 18 April 2022 and set at 40%.

Following the amendments, the currencies to be sold by the banks to the Central Bank shall be USD, EUR or GBP, and in transactions made in other foreign currencies, the said foreign currency amounts will be converted into USD, EUR or GBP by the bank and sold to the Central Bank.

Moreover, companies with an FX deposit account that wish to use rediscount credits from the Central Bank need to convert between 10% and 20% of their FX deposits to TL deposit accounts. The condition will not be applied to net exporters (where exports are 10% higher than imports).

On 26 January 2023, the Central Bank announced a new scheme to incentivise the conversion into Turkish Lira of the foreign currency revenues of exporters with the introduction of the Communiqué No. 2023/5 on Incentivisation of the Conversion of the Companies' Foreign Exchange to Turkish Lira published in the Official Gazette numbered 32085 and dated 26 January 2023 (the "**Communiqué No. 2023/5**"). The Communiqué No. 2023/5 regulates the procedures and principles regarding the Central Bank support to be provided to companies in case that their foreign currencies are sold to the Central Bank and converted into Turkish Lira time deposit and participation accounts. If a Turkish company sells its foreign currency sourced from abroad to the Central Bank through a Turkish bank, the Central Bank is to pay through such bank a foreign currency conversion support to such company in an amount equal to two per cent. (2%) of the amount converted into Turkish Lira, provided that such company has undertaken not to purchase foreign currency for the period to be determined by the Central Bank. Further, after such company sells at least forty per cent. (40%) of its foreign currency brought into Türkiye from abroad to the Central Bank, if (a) the remaining portion of such foreign currency brought into Türkiye is converted into Turkish Lira time deposits and participation accounts at the conversion rate, and (b) such company undertakes not to purchase foreign currency more than the amount sold to the Central Bank during the period to be determined by the Central Bank; a foreign currency conversion support of two per cent. (2%) of the amount converted into Turkish Lira at the conversion rate is to be provided to such company.

Turkish Lira Borrowing Restrictions

With its decision No. 10250 and dated 24 June 2022, the BRSA has introduced a Turkish Lira borrowing restriction for Turkish non-financial institution companies that are subject to independent audit. Pursuant to this decision, these companies' borrowing of Turkish Lira commercial cash loans from Turkish banks will be subject to various restrictions depending on the amount of their foreign exchange assets which include gold, foreign currency cash as well as foreign exchange deposits and foreign currency denominated securities and stocks issued by non-residents and other monetary assets such as reverse repo with non-residents and exclude other monetary assets such as foreign currency denominated securities and debt instruments (e.g. Eurobonds) issued by issuers resident in Türkiye.

Recent Amendments to the Turkish Insolvency and Restructuring Regime

The Enforcement and Bankruptcy Law No. 2004 prevents a contractual arrangement by which a contractual event of default clause is stipulated to be triggered in case any application is made by a Turkish company for debt restructuring upon settlement (*uzlaşma yoluyla yeniden yapılandırma*) within the scope of this law. The same restriction has become applicable for composition (*konkordato*) following the amendments to this law effective as at 15 March 2018.

On 15 August 2018, the BRSA published the Regulation on Restructuring of Debts in the Financial Sector (the "**Restructuring Regulation**"), which was amended on 21 November 2018 and 12 September 2019, with a view to regulate a financial restructuring opportunity for Turkish companies that have entered into loan transactions with (a) Turkish banks, (b) Turkish financial leasing, factoring and financing companies, (c) banks and financial institutions established outside Türkiye, (d) multilateral banks and institutions that directly invest in Türkiye, (e) special purpose companies established by the foregoing institutions for collection of receivables and/or (f) investment funds established as per the Capital Markets Law ("**Creditor Institutions**").

The Banking Law was amended after the entry into force of the Restructuring Regulation to regulate financial restructuring. On 19 July 2019, a provisional article related to financial restructuring (the "**Provisional Article**") in the Banking Law has entered into force. The Provisional Article was initially intended to be in force for two years from the date of its publication, which can be extended by the president for another two years. The Law No. 7491 on Amendments to Certain Laws and Decree Laws (the "**Omnibus Law**"), upon its publication in the Official Gazette dated 28 December 2023 and numbered 32413, has extended the application of the Provisional Article. According to the Omnibus Law, the restructuring provisions stipulated in the Provisional Article will continue to be applied for two more years from 28 December 2023, and the president will have the power to extend this period for another two years. The Provisional Article aims to incentivise financial restructuring by providing various tax exemptions, as well as a provision which states that reduction of collateral pool, write-off of principal or other receivables or such other actions taken by banks to effectuate the restructuring of loans shall not constitute embezzlement offence set out under Article 160 of the Banking Law.

The Provisional Article and the Restructuring Regulation sets forth the procedures and principles on financial restructuring and also on framework agreement(s) (a "**Framework Agreement**") to be executed among the Creditor Institutions and on the respective financial restructuring agreements to be entered into by and between each respective debtor and the relevant Creditor Institutions within the scope of such Framework Agreement(s).

Accordingly, some Creditor Institutions (including most of the Turkish banks) have initially executed a Framework Agreement dated 11 September 2018 (as amended and restated with two respective amendment protocols, the "**First Framework Agreement**") prepared by the Banks Association of Türkiye, which entered into force on 19 September 2018. The Banks Association of Türkiye then divided the First Framework Agreement into two different framework agreements (*i.e.*, a Large Scale Framework Agreement (the "**Large Scale FA**"), applicable to debtors with an aggregate principal debt equal to, or more than, TL25 million, and a Small Scale Framework Agreement (the "**Small Scale FA**"), applicable to other debtors who have less debt).The Large Scale FA and the Small Scale FA (together, the "**Framework Agreements**") have been executed by a majority of Turkish banks and other financial institutions and entered into force.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains an analysis of the consolidated results of operations of Akbank as at and for three months ended 31 March 2024 and 2023 and as at for the years ended 31 December 2023, 2022 and 2021, derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements incorporated by reference herein. The following discussion should be read in conjunction with the Akbank BRSA Interim Financial Statements and the Akbank BRSA Annual Financial Statements and notes thereto. The Akbank BRSA Interim Financial Statements and the Akbank BRSA Annual Financial Statements have been prepared in accordance with BRSA Principles and TFRS for the matters not regulated by the BRSA Principles, as described in "Presentation Of Financial And Other Information". Certain information herein is derived from Akbank's unaudited underlying accounting records. This discussion includes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in the forward-looking statements as a result of numerous factors, including the risks discussed in "Risk Factors" in this Offering Circular.

Significant Factors Affecting Akbank's Results of Operations

Numerous factors affect Akbank's results of operations, some of which are outside of Akbank's control. The following identifies certain of such factors that have been significant during the periods under review.

Turkish Economy

The majority of Akbank's operations are in Türkiye and its business and results of operations are affected by general economic conditions in Türkiye. As at 31 March 2024, the majority of Akbank's total assets were located in Türkiye. Accordingly, Akbank's results of operations and financial condition have been and will continue to be significantly affected by Turkish political and economic factors, including the economic growth rate, the rate of inflation and fluctuations in exchange and interest rates, as well as wages, and consumer spending which particularly impacts its retail business. See "*Risk Factors—General Risks—Risks Related to Türkiye and Other Related Risks—Türkiye's economy has been undergoing a significant transformation and remains subject to ongoing structural and macroeconomic risks.*" and "*Risk Factors—General Risks—Risks Related to Türkiye and Other Related Risks—Political developments in Türkiye may have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.*".

Global and Overall Trends

In Türkiye, GDP grew by 11.4% in 2021, 5.5% in 2022, 4.5% in 2023 and in the three months ended 31 March 2024, GDP grew by 5.7% year-on-year, according to TurkStat. In 2020, the global economic outlook worsened due to the lockdowns during the COVID-19 pandemic. The global economy recovered in 2021, as pandemic-related restrictions were gradually eased. In 2022, despite the risk of potential new variants of COVID-19, the global economy overall continued to recover, but growth in 2022 was negatively impacted by monetary tightening of advanced and developing economies' central banks in response to elevated levels of inflation from increased global demand, upward commodity prices, supply constraints and the rise in transportation costs. Despite the rapid monetary tightening, global economic activity remained stronger than expected in the first half of 2023, delaying an improvement in core inflation. However, the effects of tight monetary policy on economic activity and labour markets gradually become more noticeable. In this context, the slowdown in the manufacturing industry in advanced economies started to spread to the services sector. The IMF estimates that the global economy grew by around 3.0% in 2023. The slowdown is more pronounced in advanced economies.

In 2023, the Federal Reserve, the ECB and the Bank of England raised their policy rates to 5.25-5.50%, 4.5% and 5.25%, respectively. Developing countries have also tightened monetary policy in line with these advanced economies. With the downward trend in inflation, markets are pricing in the end of the interest rate hike cycle of central banks of developed countries.

At the beginning of March 2023, price stability-focused monetary policies were challenged by financial stability concerns, raised by the collapse of certain U.S, banks (Silicon Valley Bank and Signature Bank) and the takeover of Credit Suisse by UBS. Concerns regarding the health of the global financial system led to significant volatility in markets, which was reminiscent of the global financial crisis which commenced in 2008. Subsequently, markets stabilised due to the swift and coordinated macroprudential policy response, including increased deposit guarantees, liquidity backstops and enhanced swap lines. On the other hand, geopolitical developments caused financial markets to remain volatile throughout the year.

It is expected that an easing cycle will begin in 2024. Against this backdrop, global risk appetite and risk premiums in emerging economies improved. Although monetary tightening cycles in advanced economies may be nearing their end, policy rates are expected to remain high for an extended period in order to bring inflation back to the 2% target in the foreseeable future. In this context, the question of whether a return to the "low inflation-low interest rate" era is possible continues to occupy the policy agenda. Volatility in the U.S. bond market and the high level of long-term interest rates have contributed to the risk of a further slow down in growth rate or a recession.

Turkish authorities pursued a pro-growth approach in policymaking since the pandemic until the middle of 2023, which has been at the expense of hyperinflationary conditions and a widening external deficit. In order to mitigate the impact of COVID-19, the Central Bank loosened monetary policy through policy rate cuts. In 2021, while other central banks started to tighten monetary policy due to rising inflationary pressures, the Turkish economic authorities made a transition to an unconventional policy framework, by introducing the New Economic Model in September 2021. The new approach has incorporated negative real policy rates and foreign exchange interventions as well as a controlled financial architecture with numerous and frequently changing regulatory measures across foreign exchange, sovereign and credit markets. GDP grew by 11.4% in 2021 with the help of base effects due to the pandemic.

The immediate result of the policy regime shift was a marked depreciation of the Turkish Lira, which in turn led to a surge in consumer inflation from below 20% in October 2021 to 85.5% in one year. In order to stabilise the exchange rate, the Central Bank launched the "Liraization Strategy" at the end of 2021. One of the key instruments of this strategy has been the introduction of a foreign exchange-protected deposit scheme (KKM), which offers the Turkish Lira deposit investors the opportunity to cap their losses stemming from the depreciation of local currency.

The policy approach, which prioritised growth over inflation through negative real rates and targeted credit policies, including a more significant credit allocation towards SMEs and exporters, spurred domestic demand and economic activity in the first half of 2022. Economic growth remained solid during this period, averaging 7.6% on annual basis, due to the strong credit impulse and robust export performance in goods and services. Nevertheless, the economy started to lose momentum in the second half of 2022, mainly due to the slowdown of the economies of major trading partners and the consequent deceleration in exports and manufacturing activity. GDP grew at a rate of 5.5% in 2022.

In a challenging global context characterised by high uncertainty and volatility, Türkiye was hit by a devastating earthquake at the beginning of 2023. According to a report by the Presidency of Strategy and Budget, the total economic cost of the February earthquake was estimated at U.S.$103.6 billion. Despite the negative effects of the earthquake, the Turkish economy grew by 4.5% in 2023. Domestic demand was the main driver of growth, especially due to the expansionary financial conditions and earthquake-related expenditures. External demand, on the other hand, remained relatively weak.

On 30 April 2024, Turkstat announced that tourism statistics had been revised and that this revision would be reflected in the balance of payments statistics. Accordingly, balance of payments data for the 2012-2023 period were revised upwards in the March bulletin, and this will also lead to a revision in the national accounts system in the upcoming period. The size of the revision is higher for the periods before 2019. According to the Central Bank's data release, as a result of the revision, Travel Revenues and Travel Expenses under the "Current Account/Services Balance" item were revised upwards by $52.3 billion and $5.2 billion, respectively, for the 2012-2023 period cumulatively. Since GDP is calculated from the production side (value added based), Akbank does not expect a significant change in the growth rates for the relevant years due to the revised tourism revenues. However, there will be a change in the composition of growth on the expenditure side in favour of net exports. The revision will probably be reflected in the national accounts in the August bulletin, when the annual accounts will be published.

In terms of the external balance, excluding the pandemic era, the current account deficit in Türkiye had been on an improving trend between 2017 and 2021, spurred by continuous real depreciation in the Turkish Lira. In 2021, the current account deficit was as low as $6.4 billion (0.8% of GDP). However, the upsurge in energy prices due to the Russia-Ukraine war, and increasing gold demand led to a significant deterioration in the external balance. The current account deficit increased to $45.8 billion (5.1% of GDP) in 2022, mainly driven by the increasing energy bill to $96.5 billion, up from $50.7 billion in 2021, and gold imports reaching $20.4 billion. Excluding gold and energy, the current account surplus increased from $37.8 billion to $53.7 billion in 2022, due to the improvement in services revenues. Net revenue from the tourism and the transportation sector increased by 56.5% and 45.2% respectively, over 2022. In 2023, the current account deficit remained high despite the retreat in energy prices and improving tourism revenues. The appreciation of the Turkish Lira in real terms, loose financial conditions and unanchored inflation expectations led to an acceleration in non-energy imports, particularly consumer goods in the first half of the year. In the second half, with the financial tightening there had been some improvement in the underlying trend of current account deficit, although it is still hovering at high levels. On the other hand, the improvement in services revenues limited the deterioration in the external balance. As at December 2023, Türkiye's 12-month rolling current account deficit and net energy imports decreased to U.S.$45.0 billion and U.S.$52.7 billion, respectively. As at 31 March 2024, the 12-month cumulative current account deficit decreased to $31.2 billion (2.7% of GDP) due to decelerating gold imports and improvement in underlying trend to some extent. The lagged effects of the monetary tightening will likely narrow the current account deficit in 2024, while geopolitical developments and a slowdown in global economic activity remain the main risks factors.Various events, including any deterioration in economic conditions in Türkiye's primary export customers and geopolitical risks (such as tariffs imposed by the United States on imports from Türkiye) as well as further increases or extended periods of elevated energy prices could result in an increase in the current account deficit, including due to the possible negative impact on Türkiye's foreign trade and tourism revenues.

On 6 September 2023, the Presidency of Strategy and Budget of the Presidency of the Republic of Türkiye announced the Medium Term Program covering the 2024-2026 period (the "**2024-2026 Medium Term Program**"). In the 2024-2026 Medium Term Program, the GDP growth target was expected to be 4.4% and was 4.5% for 2023 and is projected to be 4% for 2024, 4.5% for 2025 and 5% for 2026. According to the Medium Term Program, the central government budget deficit to GDP ratio target was expected to be 6.4% and was 5.4% for 2023 and is projected to be 6.4% for 2024, 3.4% for 2025 and 2.9% for 2026. The EU defined general government nominal debt to GDP ratio was expected to be 33.3%, but was 29.5 in 2023 and is projected to be 35.2% in 2024, 34.6% in 2025 and 33.2% in 2026. The current account deficit to GDP ratio was expected to be 4% and was 4.0% for 2023 and is projected to be 3.1% for 2024, 2.6% for 2025 and 2.3% for 2026. The CPI inflation was expected to be 65% and was 64.77% by the end of 2023 and is projected to be 33% by the end of 2024, 15.2% by the end of 2025 and 8.5% by the end of 2026. The unemployment rate was expected to be 10.1% and was 9.4% for 2023 and is projected to be 10.3% for 2024, 9.9% for 2025, and 9.3% for 2026.

Despite the relative stability in exchange rates, maintained through active use of reserves during the last quarter of 2022, and gradually abating price pressures, consumer inflation remained elevated at 64.3% by the end of 2022. After falling below 40% in the first half of 2023, inflation picked up again due to exchange rate and wage hikes as well as tax and administered price adjustments. Inflation was 64.8% at the end of 2023. In the first half of 2024, annual inflation rose due to the minimum wage hike, administered price increases and base effects, and is likely to fall in the second half of the year. The Central Bank's inflation forecasts for 2024 and 2025 are 38% and 14%, respectively. However, inflation expectations are well above these projections.

As the Turkish economy proceeds through 2024 with high inflation, a high current account deficit and a low level of reserves, economic policies as a whole are taking stabilising steps to reduce macro financial imbalances (see "*—Interest Rates—Market Interest Rate Trends*" for a discussion of such measures). Accordingly, the Central Bank has indicated that it would enter into a rebalancing process in which the increase in borrowing costs and deposit rates curb domestic demand, dollarisation, and improve the current account balance and inflation. In this context, the anticipated improvement in global risk appetite due to the monetary policies of advanced economies is also expected to have a positive impact on macro balances, although significant policy uncertainty remains.

The following table presents selected macroeconomic data for the Turkish economy as and for the periods indicated below:

	As at and for the 3 months ended 31 March 2024	As at and for the year ended 31 December 2023[1]							
		2023	2022	2021	2020	2019	2018	2017	2016
Nominal GDP *(TL millions)*	30,456.410	26,276.307	15,011.776	7,256.142	5,048.568	4,137.810	3,761.166	3,133.704	2,626.560
Real GDP growth *(%)*	5.7	4.5	5.5	11.4	1.9	0.8	3.0	7.5	3.3
Deficit/surplus of consolidated budget *(%[2])*...	(5.4)[2]	(2.4)	(1.0)	(2.8)	(3.5)	(2.9)	(1.9)	(1.5)	(1.1)
Inflation (end of period) *(%)*....................	68.5	64.8	64.3	36.1	14.6	11.8	20.3	11.9	8.5
Central Bank reference interest rate (%) ...	50.0	42.5	9.0	14.0	17.0	12.0	24.0	8.0	8.0
O/N Lending Rate of the Central Bank *(%)*..	53.0	44.0	10.5	15.5	18.5	13.5	25.5	9.3	8.5
Nominal appreciation/ (depreciation) of the Turkish Lira against the U.S. Dollar) (%,)................................	9.7	57.2	44.1	76.8	23.6	12.9	38.1	7.9	21.5
Real effective exchange rate appreciation/(depreciation) (%)[3]	5.0[3]	0.9	15.2	23.0	18.6	0.4	11.6	7.7	5.6
Total gross gold and international currency reserves *(U.S$ millions)*	123.1	141.1	128.8	111.1	93.2	106.3	91.9	107.7	106.1

Notes:

(1) As at 31 March 2024, 12-month cumulative.

(2) As at April 2024.

(3) As at 24 May 2024

Sources: TurkStat for nominal GDP at current prices, real GDP growth, inflation. Turkish Ministry of Finance, General Directorate of Public Accounts, for deficit surplus of consolidated budget and Central Bank for reference overnight interest rate, refinancing rate, nominal appreciation/(depreciation) of the Turkish Lira against the U.S. Dollar, real effective exchange rate and total gross gold and international currency reserves.

Turkish Political Conditions

Political uncertainty has persisted over the past several years due to the results of both national and local elections in Türkiye and is likely to continue. See "*Risk Factors—Risks Related to Türkiye—Political developments in Türkiye may have a material adverse effect on Akbank's business, financial condition, results of operations and prospects*". On 14 May 2023, the first round of general and presidential elections was held and neither President Recep Tayyip Erdoğan nor the opposition candidate, Kemal Kılıçdaroğlu, received a majority of the votes. The second round of elections was held on 28 May 2023 and President Recep Tayyip Erdoğan was re-elected for a third five-year term. On 31 March 2024, local elections took place throughout Türkiye, the results of which indicated a shift in municipal leadership, with the main opposition party securing a majority of votes in numerous districts (including maintaining the mayoralty of İstanbul, İzmir, Ankara and Antalya).

Credit Ratings Impact

Following the attempted coup in July 2016, Türkiye's sovereign credit rating and the ratings of 17 Turkish banks were downgraded on several occasions, driven by both domestic and international factors. Further downward ratings actions have continued over the past several years as a result of a variety of domestic and geopolitical factors. This has also resulted in downgrades to Akbank's credit ratings.

Most recently, S&P initially lowered Türkiye's sovereign rating outlook from "Stable" to "Negative" in March 2023, citing monetary policy and foreign currency positions, but in October 2023, S&P raised the outlook back to "Stable" following the return to more orthodox monetary policies following the 2023 elections. On 8 September 2023, Fitch similarly revised Türkiye's Outlook from "Negative" to "Stable", citing a decrease in uncertainty with the normalisation of monetary policy, while affirming the long-term foreign and local currency rating at "B". Following this change, on 22 September 2023, Fitch revised Akbank's Outlook to "Stable" from "Negative" and affirmed the long-term foreign and local currency ratings at "B-" and "B", respectively. Fitch further revised Akbank's long-term foreign issuer default rating to "B" from "B-" and revised the Outlook from "Stable" to "Positive" on 15 March 2024. More recently, both Fitch and S&P upgraded Türkiye sovereign credit rating to "B+" from "B" while revised the outlook upwards to "Positive" from "Stable" and S&P upgraded Türkiye's credit rating to "B+" from "B" on 8 March 2024 and 3 May 2024 respectively. In August 2023, Moody's signalled a possible rating upgrade if orthodox policies introduced following the election continue and increase. On January 12, 2024, Moody's affirmed Türkiye's credit rating at "B3" and revised its outlook on Türkiye to "positive" from "stable". Nevertheless, the current ratings of all three agencies continue to imply high credit and default risks which affect Akbank's ratings and therefore, its cost of capital. The more favourable ratings outlook also encourages foreign capital inflows and increases the appetite for external borrowing.

Interest Rates and Monetary Policy in Türkiye

As discussed above in "*Turkish Economy—Global and Overall Trends*" in 2023 and in the first quarter of 2024, the global economy continued to grapple with multi-decade high inflation although inflationary pressures have eased moderately. In Türkiye, inflation reached hyperinflationary levels in 2023 and the Turkish Lira significantly depreciated over the past several years. Depreciation of the Turkish Lira eased after the local elections at the end of March 2024 and the Central Bank has become a "net purchaser" in the foreign exchange market. Capital inflows and de-dollarisation led the Central Bank to improve its net foreign exchange position significantly in the following two months. Accordingly, the Central Bank's net foreign assets (excluding swaps) turned to a slight positive as at 29 May 2024, for the first time since March 2020. Further gross reserves increased back to U.S.$143 billion. The Central Bank has sought to alleviate pressure on foreign reserves by applying additional securities maintenance requirements based on levels of foreign exchange deposits, encouraging a shift to Turkish Lira deposits. Although the market interventions have not completely ceased, the Central Bank has stated that it is not targeting a particular exchange rate, as had been the case in the Kavcıoğlu-Nebati era, but rather funding the market to balance the gradual reduction in foreign exchange-protected deposit schemes, which decreased from U.S.$128 billion in August 2023 to U.S.$67.9 in May 2024. The Central Bank's communication strategy has been revised and emphasis has been placed on more conventional policy approaches to improve the credibility of the Central Bank. The de-linking of market interest rates in Türkiye from Central Bank policy rates in 2022 and the first half of 2023 had various effects during that period, resulting in very positive returns on CPI-linked securities and increased profitability of Turkish banks in Turkish Lira terms, which has been partially offset as a result of policy actions, such as the capping of interest rates that can be charged by banks on certain products and macroprudential measurues including reserve requirements.

In accordance with a Presidential decree published in the Official Gazette No. 32449 dated 3 February 2024, Mrs. Hafize Gaye Erkan was dismissed, and Mr. Fatih Karahan was appointed as the new Governor of the Central Bank. On 4 June 2024, the Constitutional Court of Türkiye issued a ruling invalidating provisions granting the President the authority to dismiss the governor of the Central Bank ahead of the expiration of such governor's term. This ruling will be effective from 5 June 2025.

Market Interest Rate Trends

One of the primary factors affecting Akbank's profitability is fluctuations in interest rates in Türkiye, which in turn influence the return on its securities portfolio and its loan and deposit rates. In recent years, the Central Bank has shifted its approach due to a number of different factors, including elevated uncertainties regarding global monetary policies, as well as domestic economic conditions and political conditions (including six different Central Bank governors since 2016). After the Governor of the Central Bank was replaced on 6 July 2019, the Central Bank generally loosened monetary policy by cutting interest rates in light of weaker global economic activity and reduced inflationary pressure. The Central Bank continued its rate-cutting cycle through 2020, in order to minimise the impact of COVID-19 (the policy rate (*i.e.*, one-week repo rate) reached a low of 8.25% from May 2020). From September 2020 into 2021, the Central Bank increased the policy rate (reaching a high of 19% from March 2021) in response to higher inflation; however, contrary to the expectations of some market participants, from the second half of 2021 the Central Bank shifted its monetary policy, decreasing the policy rate (reaching a low of 8.5% from February 2023). In addition to the Central Bank's policy rate decisions, in 2022, new regulations were introduced by policy makers, which also affect interest rates. See "*—Changes to Turkish Banking Policy and Regulation*" below.

On 25 June 2023, the Central Bank announced that the existing macroprudential and macroprudential framework would gradually be simplified. On 25 July 2023, the Central Bank announced that, to increase the functionality of the market mechanism, the securities maintenance practice was simplified based on interest rates, and accordingly the first tier for Turkish Lira commercial loans excluding export and investment loans was removed and an interest rate cap was applied as a single tier. Subsequently, on 27 October 2023, the Central Bank announced the termination of the various securities maintenance practices. Later, the regulation regarding maintenance of securities maintenance has been repealed in May 2024. Further, the Central Bank has disallowed banks from opening new TL convertible currency hedged deposit accounts, which remains a contingent liability for the Central Bank, starting from 1 January 2024. Further regulatory changes on conversion rates, remuneration and commission practices for reserve requirements and the required reserve ratios after the MPC meeting in May are expected to foster the erosion of foreign exchange-protected deposits. Regulatory activity may continue to impact interest rates and contribute to volatility. See also "*Risk Factors—Risks Related to Akbank—The Central Bank's policy on interest rates could have a material adverse effect on Akbank's business, financial condition, results of operations and prospects*". Although the policy rate was raised to 45% in January 2024, signalling the end of the rate hike cycle, the Central Bank raised the policy rate by an additional 500 basis points in March 2024 as the trend in inflation rates did not align with the targets and the decline in reserves.

Impact of Interest Rates on Akbank

Net income from interest earned and paid on Akbank's assets and liabilities reflects, to a certain degree, inflation, expectations regarding inflation, shifts in short term interest rates set by the Central Bank and movements in long term real interest rates. As is the case for the Turkish banking system generally, Akbank's assets have a longer maturity and reprice more slowly than its liabilities. As a result, changes in short-term interest rates are generally reflected in the rates of interest paid by Akbank on its liabilities before such changes can be reflected in the rates of interest earned by Akbank on its assets. Therefore, when interest rates decline, Akbank's interest margin is positively affected, but when interest rates increase, its interest margin is generally negatively affected. From June 2023 through May 2024, the Central Bank raised interest rates nine times, from 8.5% in June to 50%. Furthermore, the Central Bank widened the interest rate corridor (the spread that determines the overnight borrowing and lending rates), which was previously -/+ 150 basis points around the policy rate, to -/+ 300 basis points. Moreover, the quantitative tightening steps have continued. The increase in the policy rate and financial regulations increase deposit rates. The current environment remains intensely competitive, and there has been sustained pressure on margins from time-to-time, particularly during high interest rate environments due to increasing deposit costs across the Turkish banking sector. In light of these conditions, Akbank is strongly focusing on the consumer lending business, small ticket retail deposit generation with an increasing share of demand deposits in total deposits, optimal allocation of loans in higher yielding segments and reducing concentration, optimisation of deposit pricing, diversification of funding sources and fee income generation, especially through transactional banking and payment systems.

Moreover, in light of the Central Bank's policy of reducing policy rates despite high inflation until mid-2023, both asset and liability interest rates in the Turkish banking system had been driven by inflation and expectations regarding macroeconomic conditions rather than Central Bank policy rates. The de-linking of market interest rates in Türkiye from Central Bank policy rates in 2022 and the first half of 2023 has had various effects during that period, including resulting in very positive returns on CPI-linked securities and increased profitability of Turkish banks in Turkish Lira terms, but the impact had been offset in part as a result of policy actions, including the capping of interest rates that can be charged by banks on certain products and other factors noted above.

Exchange Rates

A significant portion of Akbank's assets and liabilities are denominated in foreign currencies, particularly in U.S. Dollars and Euros (36.3% and 37.0% of total assets and 42.7% and 42.9% of total liabilities as at 31 March 2024 and 31 December 2023, respectively). While the Group monitors its net open position in foreign currencies and Akbank is required to comply with foreign currency net open position limits set by the BRSA, Akbank has maintained and is likely to continue to maintain gaps between the balances of its foreign currency assets and liabilities. The limit imposed by the BRSA is defined as an amount plus/minus 10% of the total capital, which is the basis for capital adequacy calculation. Foreign currency trading is primarily performed for client servicing transactions.

The tables below set forth Akbank's total loans, total securities, and total deposits in Turkish Lira and foreign currency for the three months ended 31 March 2024 and for the years 31 December 2023, 2022 and 2021.

	As at 31 March 2024		
	TL	Foreign currency	Total
	(TL billions)		
Total Loans	737.2	319.4	1,056.6
Total Securities	366.5	160.5	527
Total Deposits	831.8	541.8	1,373.6

	As at and for the year ended 31 December								
	2023			2022			2021		
	TL	Foreign currency	Total	TL	Foreign currenc y	Total	TL	Foreign currency	Total
	(TL billions)								
Total Loans	662.8	299.2	**962.1**	411.5	204.6	**616.1**	236.6	160.1	**396.8**
Total Securities	319.3	145.7	**465.0**	183.7	96.9	**280,6**	80.5	83.2	**163.7**
Total Deposits	766.3	526.6	**1,292.9**	370.3	351.3	**721.6**	151.4	302.1	**453.6**

For further details of Akbank's foreign currency position, see Section Four Part III of Explanations and Notes to the Akbank 2023 BRSA Annual Financial Statements.

Because Akbank translates assets and liabilities and interest earned from and paid on those assets and liabilities into local currency (Turkish Lira), its income statement is affected by changes in exchange rates. The overall effect of exchange rate movements on Akbank's results of operations depends on the rate of depreciation or appreciation of the Turkish Lira against its principal trading and financing currencies. For the years ended 31 December 2023, 31 December 2022 and 31 December 2021, Akbank recorded net foreign exchange losses of

TL0.3 billion, TL27.3 billion and TL6.9 billion, respectively and for the three months ended 31 March 2024 and 2023, Akbank recorded net foreign exchange loss of TL0.1 billion and TL2.2 billion, respectively.

The value of the Turkish currency against the U.S. Dollar has been volatile, but mainly negative, over the last several years, primarily as a result of uncertainties surrounding the political and economic landscape, both globally and in Türkiye. The Turkish Lira/U.S. Dollar rate increased by 43.3%, 86.4% and 26.8% on average in 2023, 2022 and 2021, respectively and 63.7% year-on-year in the first quarter of 2024. The year-end exchange rate (TL/USD) was 29.4382 in 2023, 18.6983 in 2022 and 13.3290 in 2021 and the exchange rate (TL/USD) was 32.2628 on 31 March 2024.

Depreciation of the Turkish Lira may have a negative impact on the asset quality of certain industries in Türkiye, particularly those that rely on domestic revenues to fund foreign currency loans as well as creating a more uncertain environment for the valuation of Turkish assets. Exchange rate movements also affect the Turkish Lira equivalent value of Akbank's foreign currency denominated assets and capital, which can affect capital adequacy either positively (for example, if the Turkish Lira appreciates, then assets in foreign currencies convert into fewer Turkish Lira in the calculations of capital adequacy ratios and thus increase the capital adequacy ratios) or negatively (for example, if the Turkish Lira depreciates, then assets in foreign currency convert into more Turkish Lira in the calculations of capital adequacy ratios and thus reduce the capital adequacy ratios). In addition to the effect on capital adequacy, the appreciation or depreciation of the Turkish Lira against the U.S. Dollar and other major currencies will have a corresponding decrease or increase, respectively, on the value of Akbank's foreign currency denominated liabilities, affecting its financial condition and on the cost of servicing foreign currency denominated debt, and therefore its results of operations. In addition, a significant depreciation of the Turkish Lira may adversely impact some of Akbank's major customers, who are exposed to foreign exchange risk, which could result in an increase in NPLs, negatively affecting Akbank's business.

Loan Portfolio Growth

Akbank's results of operations during the periods under review have been affected by growth in the loan portfolio. Loan growth has been robust, with total loans having grown to TL1,056.6 billion as at 31 March 2024 from TL962.1 billion as at 31 December 2023.

Total loans grew from TL396.8 billion as at 31 December 2021 to TL616.1 billion as at 31 December 2022 and to TL962.1 billion as at 31 December 2023, reflecting a compound annual growth rate of 56.2%. The total loan growth of the Turkish banking sector was approximately 54.0% in the year ended 31 December 2023. (*Source: BRSA*). Inflation contributed to growth in the loan portfolio across all periods. See "*—Turkish Economy—Changes in Inflation*".

In the three months ended 31 March 2024, loan portfolio growth was driven by the Turkish Lira denominated loan portfolio, with strong growth in consumer loans as well as selective growth in commercial loans in the context of a competitive pricing environment. The foreign exchange denominated loan portfolio contracted despite increasing demand due to a big ticket redemption during the quarter. Consumer loans and credit card loans grew by 15.6% and 17.0% in the three months ended 31 March 2024, while growth in business loans was 6.0%.

In 2023, loan portfolio growth was due to robust market share growth in the consumer loans space. In 2023, this was led by small ticket and higher yielding loans. Consumer loans and credit card loans grew by 195% and 82% in 2023, while growth in business loans was more muted, at 29%. In the first half of the year, Akbank largely refrained from growing business loans due to the unfavourable pricing environment during the year, although it selectively grew in the SME and instalment business banking loans segment during the fourth quarter.

In 2022, loan growth was also driven by market share gains, particularly across business banking loans and consumer loans. This drove loan growth of 58.4% and 100.8% in consumer loans and credit card loans, respectively, while business loans grew by 53.5% in 2022.

Similarly, in 2021, Akbank experienced strong market share growth, particularly in consumer loans, including general purpose loans, mortgages and auto loans. Akbank recorded growth of 44.8%, 34.8% and 45.3% in consumer loans, credit card loans and business loans during the year, respectively.

Market share growth has been underpinned by robust customer acquisition across all periods. In 2023, Akbank gained 2.3 million customers, with a cumulative increase of 55% over 2023 and 2022.

Asset Quality and Provisioning

Akbank has maintained a healthy loan portfolio due to its prudent risk management policies. Its NPL ratio was 2.1% as at 31 March 2024, compared to 2.2% 2.8% and 4.5% as at 31 December 2023, 2022 and 2021, respectively. As at the same dates, the NPL ratio of the Turkish banking sector was 1.5%, 1.6%, 2.1% and 3.2%. Stage 2 and 3 loans have remained low, at 8.4% as at 31 March 2024, compared to 8.6%, 9.4% and 14.4% as at 31 December 2023, 2022 and 2021, respectively. In 2023, Akbank had limited NPL inflow excluding one big ticket inflow due to a company specific issue which was not indicative of the overall asset quality trend.

Akbank applies the TFRS methodology for its NPL and Stage 2 provisions. Coverage has remained strong across all stages, with Stage 1 coverage, Stage 2 coverage and Stage 3 coverage of 0.9%, 16.7% and 61.6% as at 31 March 2024 compared to 1.1%, 16.6% and 62.1% as at 31 December 2023, 0.7%, 16.4% and 67.6% as at 31 December 2022 and 0.5%, 14.0% and 65.3% as at 31 December 2021, respectively.

In the event that any material loans become non-performing or there is a slowdown in economic conditions, this could have a material adverse effect on the asset quality of Turkish banks, including Akbank. See "*Risk Factors—Risks Related To Akbank—Credit risks, including risks arising from exposure to clients and the Turkish Government, have materially adversely affected and could continue to have a material adverse effect on Akbank's business, financial condition, results of operations and prospects.*".

Securities Portfolio

In the recent high inflationary environment, Akbank's high-yielding securities portfolio positioning has supported its growth in net interest income and has provided a hedge against inflation. As at 31 March 2024, Akbank's securities portfolio amounted to TL533 billion, compared to TL465 billion, TL281 billion and TL164 billion as at 31 December 2023, 2022 and 2021, respectively. As at 31 March 2024, 70% of the portfolio was denominated in Turkish lira, with the remaining 30% denominated in foreign currencies. This compared to 69% and 31%, 66% and 34% and 49% and 51% as at 31 December 2023, 2022 and 2021, respectively.

Akbank's Turkish lira denominated portfolio was comprised of 45% CPI-linked securities, 31% fixed rate securities, 23% floating rate securities and 1% other as at 31 March 2024 compared to 48%, 31%, 20% and 1% as at 31 December 2023. Its Turkish lira denominated floating rate notes are mainly TLREF-indexed bonds, with a spread reaching 20% in 2023, an increase of 9 percentage points compared to 2022. The CPI-linked portfolio generates a strong return on equity and provides a hedge against inflation. Akbank also has a leading position in the high yielding corporate bonds sector, with an average yield of 44% and less than a one-year maturity in 2023. However, if inflation rates in Türkiye moderate in the near to medium-term, it is likely that the CPI-linked portfolio will have a substantially smaller contribution to interest income.

The share of total interest income from Akbank's marketable securities was 32.5% in the three months ended 31 March 2024, compared to 39.1%, 46.0% and 28.1% in the years ended 31 December 2023, 2022 and 2021, respectively.

Akbank's CPI-linked portfolio is spread across its available-for-sale and held-to-maturity portfolios with semi-annual fixed real coupon rates and maturities of five to ten years. These securities are valued using an index which is calculated by considering the estimated inflation rate as at the balance sheet date. This estimated inflation rate is updated during the year when necessary. The valuation index of the related securities is based on actual coupon rates and the change between the reference inflation rate at the issue date and the inflation index as at the reporting date.

As Akbank's securities portfolio is comprised largely of Turkish government debt, it does not expect any significant credit losses on its securities portfolio. Its trading portfolio and available-for-sale investment securities portfolio are marked-to-market with the mark-to-market losses or gains being included in income (for the trading portfolio and where there is a permanent impairment of available-for-sale securities) or shareholders' equity (for the available-for-sale portfolio) as appropriate. In case of permanent impairments of held-to-maturity securities, such impairment losses are also recognised in income.

Critical Accounting Policies

The accounting policies adopted by Akbank are critical to understanding its financial condition, results of operations and the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements. These accounting policies are described in detail in the notes to the Akbank BRSA Interim Financial Statements and the Akbank 2023 Annual BRSA Annual Financial Statements incorporated by reference herein. Certain of Akbank's accounting policies require significant managerial judgement on matters that are inherently uncertain, including the valuation of certain assets and liabilities and the adoption of estimates and assumptions based on historical experience and other factors considered reasonable and significant by Akbank's management. Akbank has established policies and control procedures intended to ensure that stringent valuation methods are applied in accordance with applicable accounting principles during the preparation of its financial statements for the relevant period. The following is a brief description of Akbank's current accounting policies that require significant managerial judgement or otherwise are critical to the results of operations and financial condition presented in the Akbank BRSA Annual Financial Statements.

Interest Income and Expense

Interest income and expenses are recognised using the "Effective interest method". Akbank ceases accruing interest income on non-performing loans and reverses any interest income accrued from such loans. No income is accounted until the collection is made according to the related regulation.

Fees and Commission Income and Expense

Fees and commission income/expenses are primarily recognised on an accrual basis or "Effective interest method" according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract-based fees or fees received for services such as the purchase and sale of assets on behalf of a third party or legal person are recognised as income at the time of collection.

Financial Assets

Akbank categorises its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortised Cost". Such financial assets are recognised or derecognised according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the POA ("**TFRS 9**"). Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

Classification and measurement of financial assets

According to TFRS 9 requirements, classification and measurement of financial assets will depend on the business model within which financial assets are managed and their contractual cash flow characteristics whether the cash flows represent solely payments of principal and interest.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, Akbank will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, Akbank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit Akbank's claim to cash flows from specified assets; and
- features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

Akbank fulfils the on-balance sheet classification and measurement criteria by applying the procedures described above for all financial assets.

Upon initial recognition each financial asset will be classified as either fair value through profit or loss, amortised cost or fair value through other comprehensive income.

Akbank recognise a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by Akbank's management and the nature of contractual cash flows of the financial asset are taken into consideration.

When the business model determined by management is changed, all financial assets affected by this change are reclassified and the reclassification is applied in the future. In this case, no adjustment is made for the gain, loss or interest rates previously recognised in the financial statements.

Financial assets at the fair value through profit or loss

Akbank's "Financial assets at fair value through profit/loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognised at fair value and re-measured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement.

Financial Assets at Fair Value Through Other Comprehensive Income

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognised by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are re-measured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement.

"Unrealised gains and losses" arising from the difference between the amortised cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition Akbank can choose in an irrevocable way to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

Financial Assets Measured at Amortised Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortised cost.

Financial assets measured at amortised cost are initially recognised at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognised at amortised cost by using effective interest rate method. Interest income obtained from financial assets measured at amortised cost is accounted in income statement.

"Fair value through other comprehensive income" and "measured at amortised cost" securities portfolio of Akbank includes Consumer Price Indexed (CPI) Bonds. These securities are valued and accounted using the effective interest rate method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of prior two months. Akbank also sets the estimated inflation rate accordingly. The estimated inflation rate used is updated as needed within the year. At the end of the year, the real inflation rate is used.

Derivative Financial Assets

The major derivative instruments utilised by Akbank are foreign currency and interest rate swaps, cross currency swaps, currency options and currency forwards.

Derivative financial instruments of Akbank are classified under TFRS 9, "Derivative Financial Assets Designated at Fair Value through Profit or Loss".

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values.

Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognised in the income statement under trading profit/loss line in profit/loss from derivative financial transactions. The fair value of derivative instruments is calculated by taking into account the market value of the derivatives or by using the discounted cash flow model. When inactive market conditions exist, observable inputs used in the determination of fair values are adjusted using appropriate assumptions and considering the volume and level of activity in the markets.

Loans

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognised at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortised cost using the "Effective Interest Rate (internal rate of return) Method".

Loans measured at amortised cost. These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

- Stage 1: For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses.

- Stage 2: In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses.

- Stage 3: Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognised.

Loans measured at fair value through profit or loss. Loans at fair value through profit and loss, terms of the contract for loans, if at certain dates it does not result in cash flows involving interest payments arising from the principal and principal balances, it is recorded at fair value and is subject to fair value assessment following the recognition. Gains and losses resulting from the valuation are included in profit/loss accounts.

In certain circumstances, restructuring or altering the contractual cash flows of a financial instrument may result in the disposal of the existing financial asset in accordance with TFRS 9. A revised financial asset is considered as a new financial asset when the change in the financial asset is once excluded from the financial statement and the revised financial asset is recognised in accordance with TFRS 9.

Akbank assesses whether the new financial asset contains solely payments of principal and interest when the new conditions for the instrument have determined that there are significant changes compared to the initial conditions in the relevant contracts.

In the event that the contractual conditions for the financial asset do not result in cash flows that include solely payments of principal and interest on certain dates, the related financial asset is recognised with its fair value and is subject to valuation.

Significant increase in credit risk. If the credit risk of financial assets determined to be significantly increasing, afore-mentioned assets are transferred to the stage II. For stage I loans expected loss (provision) amounts are calculated for 1-year and for stage II loans expected loss (provision) is calculated for the remaining life of the loan.

In addition, the key considerations in determining whether a significant increase in the credit risk of financial asset and transferring it to stage 2, but are not limited with these, the following;

- past due date is 30 or more;
- restructuring of loans;
- if the loan classified as under follow-up; and
- assessment of significant increase in the probability of impairment based on rating notes.

Definition of increase in the probability of default is the comparison between the probability of default on loan's opening date, obtained from Akbank's internal rating-based credit rating models and probability of default on reporting date. If the loan's estimated probability of default on reporting date exceeds the threshold values determined, it is considered to be worsening of the probability of default.

Definition of Default. Akbank considers that there is a default on the relevant debt in the following two cases:

- *Objective Default Definition*: the debt is overdue by more than 90 days. The definition of default, which is applicable to Akbank and its consolidated financial institutions, is based on the criteria that the debt is overdue by more than 90 days.
- *Subjective Default Definition*: it is determined the debt will not be paid off. If the borrower is deemed to be unable to fulfil the debt obligations, the borrower should be considered as defaulted no matter how many days the payment is overdue.

Write-off Policy. Akbank writes off financial assets where there is no expectation that it will be recovered, in cases where these expectations are documented by legal means or are not classified under the "fifth group" (uncollectable loans and other receivables) and do not have reasonable expectations for recovery. This policy is applied to all 100% fraud and fraud-based follow-up accounts.

Akbank applies a partial write-off policy where the financial asset will be reimbursed at a certain rate by the debtor, with the amount remaining after the payment of the amount in question or the part that is classified under the "fifth group" (uncollectable loans and other receivables) and which does not have reasonable expectations to be recovered is to be written off.

Explanations on Expected Credit Loss. Akbank allocates impairment for expected loss on financial assets measured at amortised cost and measured at fair value through other comprehensive income.

As at 1 January 2018, Akbank recognise provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as at 31 December 2017, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9. The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Hedge Accounting. Although IFRS 9 sets out new principles for the classification and measurement of financial instruments, impairment for credit risk on financial assets and hedge accounting, Akbank continues to apply IAS 39 for hedge accounting in accordance with permissions set out in the IFRS 9 standard.

Expected Credit Loss (ECL) Calculation – Input and Forecasting Methodologies. Expected Credit Loss (ECL) is calculated as 12 months or lifetime, depending on whether there is a significant increase in credit risk after initial recognition or whether an asset is considered as a credit loss. Expected Credit Loss is calculated by using the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) components.

- *Exposure at Default*: Specifies the amount of risk that the borrower should pay in case of default. It is constantly calculated until the maturity of the borrower. The amount of extra risk that can be incurred in the event of default is included in the calculations by using the credit conversion rate (CCR) calculated for the irrevocable commitment products.

- *Probability of Default (PD)*: PD indicates the probability of default due to inability of the borrower to meet its debt obligations. Whether it has been calculated for 12 months or lifetime depends on the increase of the borrower's credit risk.

- *Loss Given Default (LGD)*: In case of default of the borrower, Loss Given Default is been calculated as dividing Expected Credit Loss to Exposure at Default (EAD). LGD models includes data such as product type, customer segment, collateral structure, customer repayment performance. Calculated LGD remains constant until its overdue.

Expected Credit Loss is calculated over the remaining maturity using the PD, LGD and EAD components. Calculated values are discounted on a monthly basis using the original effective interest rate or an approximate value of the discount rate. The expected credit loss value is calculated for all customers over the maturity period. However, for those who do not have a significant increase in credit risk, the 12-month ECL is taken into account, and for those with a significant increase in credit risk, the ECL value calculated over the remaining period is taken into account.

Within the scope of TFRS 9, models of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) have been developed. The models used by the IRB "Internal Rating Based Approach" are taken into account when creating these models. The models developed under TFRS 9 have a detailed segment structure. Loans that have similar characteristics are segmented in order to reflect the expected credit losses collectively in financial reports. When creating the segmentation structure, the following information of the loans is taken into consideration.

- Customer type (retail or corporate / commercial);

- Product type;

- IRB rating notes /scores;

- Customer credit performance;

- Collateral type;

- Collection Period; and

- Exposure at default.

Macro-economic indicators are taken into account in determining the PD component in the expected credit loss calculation. Macro-economic indicators vary on a product-by-product basis for individual products and on a segment basis for commercial products. Future macroeconomic forecasts are reflected in the ECLs using more than one scenario.

The risk parameters used in the IFRS 9 calculations include prospective macroeconomic information. While macroeconomic information is included, models and estimates reflecting the relationships between model risk parameters and macroeconomic variables are taken into consideration. The main macroeconomic indicators of these estimation models are the Gross Domestic Product (GDP) growth rate and the policy interest rate. Macroeconomic estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

The ECL calculations are reviewed once a year. After the last review during the reporting period;

There has been no change in the assumptions in forecasting techniques.

Model risk parameters and macroeconomic forecast models have been updated with recent data.

The 2-scenario structure consisting of base-case scenario and negative scenario has been increased to 3 with the updated model. The expected credit loss calculation is made through these 3 scenarios.

Within the scope IFRS 9, macroeconomic expectations directly affect provisions (Expected Credit Loss-ECL). Related impact is realised when the default ratio of Akbank moves the default rate calculated for each maturity up or down. The main parameters of default ratio model are "Growth Rate" and "Policy Interest". Therefore, the calculated provisions can change when macroeconomic expectations are taken into consideration.

The PD values subject to the ECL calculation have been obtained for the following portfolios.

Consumer/Commercial	Portfolio
Retail	Consumer
Retail	Automotive
Retail	Mortgage
Retail	Credit Card
Retail	Overdraft Account
Commercial	Micro
Commercial	Company
Commercial	Commercial
Commercial	Corporate

In forward-looking expectations, three scenarios are being used: the base scenario, the bad scenario and the good scenario. Each scenario has predetermined weights. Final allowances are calculated by weighting the probability given to the scenarios.

Provisions and Contingent Liabilities

Provisions are recognised when Akbank has a present legal or contingent obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognised in the same period of occurrence in accordance with the periodicity principle. When the amount of the obligation cannot be reliably estimated and/or there is no possibility of an outflow of resources from Akbank, it is considered that a contingent liability is disclosed in the related notes to the financial statements.

Taxation

Current tax

In Türkiye, the general corporate tax rate is 25%. A higher rate of 30% applies to financial sector companies, including banks, financial leasing companies, asset management firms and insurance companies. Corporate tax is calculated on Akbank's total income after adjusting for certain disallowable expenses, tax-exempt income and other allowances. No further tax is payable unless the profit is distributed. A 75% portion of the capital gains derived from the sale of equity investments and a 25% portion of the capital gains derived from the sale of immovable properties held for at least two years and acquired before 15 July 2023 is tax exempt if such gains are added to paid-in capital or held in a special fund account under liability for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies must file their tax returns by the 30th day of the fourth month following the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year following the date of filing during which time period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. Current tax, related to items recognised directly in equity, is also credited or charged directly to equity.

Deferred tax

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("**TAS 12**") and the related decrees of the BRSA concerning income taxes. Through the Law No. 7456 published in the Official Gazette dated 15 July 2023, the corporate income tax rate was increased from 23% to 25% on the corporate income obtained in 2023 and following years (The corporate income tax rate is 30% on the corporate income of financial sector companies). The Law means that deferred tax on assets and liabilities shall be measured at the tax rate of 25% (30% for financial sector companies) for those assets which are realised or the liability is settled in 2023 and onwards.

Deferred tax liabilities are recognised for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax asset had not been provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004. Deferred tax rate calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles from 1 January 2018. Deferred tax calculation is not made for free provisions. Calculated deferred tax receivables and deferred tax liabilities have shown in net balances in the financial statements separately for domestic and international branches and for different subsidiaries subject to consolidation. Net balances of deferred tax assets and liabilities from companies are shown are shown separately in assets and liabilities. Deferred tax, related to items recognised directly in equity is also credited or charged directly to equity

Information on taxation in foreign associates

Akbank AG (Germany). German-resident corporations (i.e. corporations with legal or business centres located in Germany) are subject to corporate taxation in Germany over their total income. Regardless of any profit distribution corporate tax is levied at 15% over total income. Effective corporate tax rate is 15.825% since an additional solidarity tax of 5.5% is applied over the calculated corporate tax. In addition to that, trade income tax is applied on the basis of local governments. This tax is around 11.6% and when all tax types (corporate tax, solidarity tax and tax on business profits) are taken into account, there is a tax burden of approximately 27.4%.

Results of Operations and Financial Condition

The tables below set out Akbank's summary income statement for the three-month periods ended 31 March 2024 and 31 March 2023 and for each of the years ended 31 December 2023, 2022, and 2021.

	For the three months ended 31 March		
	2024	**2024/ 2023 Change**	**2023**
	(TL thousands)	*(%)*	*(TL thousands)*
Interest income	99,882,149	168.7%	37,176,356
Interest expense	79,777,243	240.4%	23,436,546
Net interest income	**20,104,906**	**46.3%**	**13,739,810**
Net fees and commission income	14,836,306	194.8%	5,033,378
Dividend income	4,753	(87.9)%	39,158
Trading income/(loss) (net)	1,095,911	(83.1)%	6,480,933
Other operating income	4,128,520	191.8%	1,414,948
Total operating income	**40,170,396**	**50.4%**	**26,708,227**
Expected credit loss and other provision expenses	4,249,493	26.6%	3,355,502
Other operating expenses[(1)]	19,414,158	89.1%	10,266,645
Net operating income/(loss)	**16,506,745**	**26.1%**	**13,086,080**
Income/(Loss) From Investments In Subsidiaries Consolidated - Based On Equity Method	(7,504)	-	-
Tax provision for continuing operations	3,314,463	1.2%	2,374,941
Net income/(loss)	**13,184,778**	**23.1%**	**10,711,139**

Note:
(1) Includes personnel expenses.

	For the year ended 31 December				
	2023	**2023/ 2022 Change**	**2022**	**2022/ 2021 Change**	**2021**
	(TL thousands)	*(%)*	*(TL thousands)*	*(%)*	*(TL thousands)*
Interest income	231,411,237	75.6%	131,769,840	158.5%	50,970,607
Interest expense	162,542,255	208.5%	52,685,992	97.9%	26,622,499
Net interest income	**68,868,982**	**(13.9)%**	**79,083,848**	**224.8%**	**24,348,108**
Net fees and commission income	34,187,840	187.8%	11,888,474	95.6%	6,079,237
Dividend income	86,382	(5.5)%	91,618	596.4%	13,156
Trading income/(loss) (net)	41,104,944	156.3%	16,804,289	147.4%	6,792,018
Other operating income	6,194,046	36.1%	3,908,323	70.8%	2,287,920
Total operating income	**150,442,194**	**35.1%**	**111,776,552**	**182.8%**	**39,520,439**
Expected credit losses and other provision expenses	15,796,961	42.6%	11,079,656	(14.6)%	12,974,079
Other operating expenses[(1)]	47,588,108	(22.7)%	20,426,088	144.9	9,905,898
Net operating income/(loss)	**87,057,125**	**8.8%**	**80,270,808**	**382.4%**	**16,640,462**
Tax provision for continuing operations	20,596,029	1.7%	20,245,101	348.6%	4,513,271
Net income/(loss)	**66,496,235**	**10.7%**	**60,025,707**	**395.0%**	**12,127,191**

Note:
(1) Includes personnel expenses.

The following table identifies the share that net interest income, net fees and commission income, dividend income, trading income and other operating income have represented in Akbank's total operating income for the three months ended 31 March 2024 and 31 March 2023 and for each of the years ended 31 December 2023, 2022 and 2021.

	For the 3 months ended 31 March	
	2024	2023
	(%)	
Net interest income	50.0%	51.4%
Net fees and commission income	36.9%	18.8%
Dividend income	0.0%	0.1%
Trading income/(loss) (net)	2.7%	24.3%
Other operating income	10.3%	5.3%
Total operating income	**100.0%**	**100.0%**

	For the year ended 31 December		
	2023	2022	2021
		(%)	
Net interest income	45.8%	70.8%	61.6%
Net fees and commission income	22.7%	10.6%	15.4%
Dividend income	0.1%	0.1%	0.0%
Trading income/(loss) (net)	27.3%	15.0%	17.2%
Other operating income	4.2%	3.5%	5.8%
Total operating income	**100.0%**	**100.0%**	**100.0%**

Net Income

The following tables set out the principal components of Akbank's net income for the three months ended 31 March 2024 and 31 March 2023 and for each of the years ended 31 December 2023, 2022 and 2021.

	For the three months 31 March		
	2024	2023	% change
	(TL thousands, except percentages)		
Interest and similar income	99,882,149	37,176,356	168.7%
Interest expense and similar charges	79,777,243	23,436,546	240.4%
Non-interest income(1)	20,065,490	12,968,417	54.7%
Expected credit loss and other provision expenses	4,249,493	3,355,502	26.6%
Other operating expenses(2)	19,414,158	10,266,645	89.1%
Income/(Loss) From Investments In Subsidiaries Consolidated - Based On Equity Method	(7,504)	—	n.m.
Tax provision for continuing operations	3,314,463	2,374,941	1.2%
Net income	**13,184,778**	**10,711,139**	**23.1%**

	For the year ended 31 December		
	2023	2022	% change
	(TL thousands, except percentages)		
Interest and similar income	231,411,237	131,769,840	75.6%
Interest expense and similar charges	162,542,255	52,685,992	208.5%
Non-interest income(1)	81,573,212	32,692,704	149.5%
Expected credit loss and other provision expenses	15,796,961	11,079,656	42.6%
Other operating expenses(2)	47,588,108	20,426,088	132.9%
Tax provision for continuing operations	(20,596,029)	(20,245,101)	1.7%
Income/(loss) from the group	66,496,235	60,025,707	10.%
Income/(loss) from minority interest	—	—	—
Net income	**66,496,235**	**60,025,707**	**10.7%**

	For the year ended 31 December		
	2022	2021	% change
	(TL thousands, except percentages)		
Interest and similar income	131,769,840	50,970,607	158.5%
Interest expense and similar charges	52,685,992	26,622,499	97.9%
Non-interest income[(1)]	32,692,704	15,172,331	115.5%
Expected credit loss and other provision expenses	11,079,656	12,974,079	(14.6)%
Other operating expenses[(2)]	20,426,088	9,905,898	106.2%
Tax provision for continuing operations	(20,245,101)	(4,513,271)	348.6%
Income/(loss) from the group	60,025,707	12,127,191	395.0%
Income/(loss) from minority interest	—	—	—
Net income	**60,025,707**	**12,127,191**	**395.0%**

Notes:

(1) Non-interest income comprises net fees and commission income, dividend income, trading income/(loss) (net) and other operating income.

(2) Includes personnel expenses.

Akbank's net income for the three months ended 31 March 2024 was TL13.2 billion, which represented a 23.1% increase compared to TL10.7 billion for the three months ended 31 March 2023.

Akbank's net income for the year ended 31 December 2023 was TL66.5 billion, which represented a 11% increase compared to TL60.0 billion for the year ended 31 December 2022. Akbank's net income for the year ended 31 December 2022 was TL60.0 billion, a 395% increase compared to TL12.1 billion for the year ended 31 December 2021.

Return on average total assets for the three months ended 31 March 2024 was 2.7%, compared to 3.6% for the three months ended 31 March 2023.

Return on average total assets was 4.4% for the year ended 31 December 2023, compared to 6.2% and 2.1% for the years ended 31 December 2022 and 31 December 2021, respectively.

Return on average shareholders' equity (excluding non-controlling interest) for the three months ended 31 March 2024 was 24.9%, compared to 27.9% for the three months ended 31 March 2023.

Return on average shareholders' equity (excluding non-controlling interest) was 37.9% for the year ended 31 December 2023, compared to 54.7% and 17.9% for the years ended 31 December 2022 and 2021, respectively.

Net Interest Income

Akbank's net interest income is the difference between the interest income that it earns on its interest-earning assets and the interest expense that it pays on its interest-bearing liabilities. Its primary sources of interest income are interest on loans and interest on marketable securities (principally Turkish government securities denominated in Turkish Lira).

The tables below set out the principal components of Akbank's net interest income for the three months ended 31 March 2024 and 31 March 2023 and for each of the years ended 31 December 2023, 2022 and 2021.

	For the three months ended 31 March		
	2024	Change	2023
	(TL thousands, except percentages)		
Interest Income – Interest Expense:			
Interest on loans	62,536,886	182.07%	22,170,902
Interest on reserve requirements	1,874,809	n.m.	—

	For the three months ended 31 March		
	2024	Change	2023
	(TL thousands, except percentages)		
Interest on banks	792,878	105.8%	385,219
Interest on money market transactions	559,656	273.9%	149,676
Interest on marketable securities portfolio	32,423,886	133.6%	13,880,878
Fair value through profit or loss	59,701	45.6%	40,993
Fair value through other comprehensive income	18,045,838	188.8%	6,249,070
Measured at amortised cost	14,318,347	88.6%	7,590,815
Financial lease interest income	1,121,802	110.9%	531,966
Other interest income	572,232	891.5%	57,715
Total interest income	**99,882,149**	**168.7%**	**37,176,356**
Interest on deposits	70,419,363	263.7%	19,361,698
Interest on funds borrowed	2,747,245	110.0%	1,308,400
Interest on money market transactions	3,838,305	200.0%	1,279,694
Interest on securities issued	1,796,192	63.4%	1,099,381
Interest on leases	72,848	103.4%	35,813
Other interest expense	903,290	157.0%	351,560
Total interest expense	**79,777,243**	**240.4%**	**23,436,546**
Net interest income	**20,104,906**	**46.3%**	**13,739,810**

	For the year ended 31 December				
	2023	Change	2022	Change	2021
	(TL thousands, except percentages)				
Interest Income – Interest Expense:					
Interest on loans	132,273,422	92.4%	68,741,376	97.9%	34,734,489
Interest on reserve requirements	—	(100.0)%	282,414	(68.0)%	881,784
Interest on banks	2,235,298	356.7%	489,425	298.9%	122,685
Interest on money market transactions	2,448,892	1078.2%	207,845	32.1%	157,291
Interest on marketable securities portfolio	90,510,814	49.4%	60,571,492	322.6%	14,332,031
Financial lease income	3,188,601	174.2%	1,162,761	102.3%	574,898
Other interest income	754,210	139.8%	314,527	87.9%	167,429
Total interest income	**231,411,237**	**75.6%**	**131,769,840**	**158.5%**	**50,970,607**
Interest on deposits	141,485,398	263.3%	38,943,395	118.6%	17,815,859
Interest on funds borrowed	7,669,954	145.6%	3,123,264	163.0%	1,187,559
Interest on money market transactions	7,831,054	75.7%	4,456,856	(5.1)%	4,695,512
Interest on securities issued	4,759,148	21.0%	3,932,991	40.5%	2,799,641
Other interest expense	796,701	(64.3)%	2,229,486	1699.0%	123,928
Total interest expense	**162,542,255**	**208.5%**	**52,685,992**	**97.9%**	**26,622,499**
Net interest income	**68,868,982**	**(12.9)%**	**79,083,848**	**224.8%**	**24,348,108**

Net interest income increased by 46.3%, to TL20.1 billion in the three months ended 31 March 2024 from TL13.7 billion in the three months ended 31 March 2023. The swap-adjusted net interest margin contracted from 5.0% as at 31 March 2023 to 2.7% as at 31 March 2024. Although loan yields increased, this was more than offset by an increase in the cost of deposits. Consecutive rate hikes and regulatory and competitive pressures continued to be the main challenges for net interest margin in the first quarter of 2024. The contraction in the swap-adjusted net interest margin was more than offset by an expansion of the securities portfolio as well as growth in the loan portfolio. Loan portfolio growth was driven by the Turkish Lira denominated portfolio, with the foreign exchange denominated portfolio contracting in the first quarter of 2024. Growth in the Turkish Lira denominated portfolio was mainly driven by consumer loans. The yield on the securities portfolio increased, with floating rate yields on the Turkish Lira denominated portfolio increasing to 50.3% in the first quarter of 2024.

Net interest income decreased by 12.9% for the year ended 31 December 2023, from TL79.1 billion for the year ended 31 December 2022 to TL68.9 billion, mainly driven by a contraction in the swap-adjusted net interest margin, from 8.4% to 4.7%. The contraction in swap-adjusted net interest margin was driven by consecutive rate hikes as well as a challenging regulatory and competitive environment. The swap-adjusted net interest margin in 2023 would have been approximately 100 basis points higher excluding the impact of the rise in reserve requirements at the Central Bank. Approximately 20% of Akbank's foreign currency denominated assets are held at the Central Bank as a reserve requirement, generating 0% interest. The contraction in swap-adjusted net interest margin was partially offset by an expansion of the loan portfolio, to TL962.1 billion as at 31 December 2023 from TL616.1 billion as at 31 December 2022. Growth in the loan portfolio was driven by robust customer acquisition and market share gains, particularly in the consumer segment.

Net interest income increased by 224.8% in 2022, from TL24.3 billion for the year ended 31 December 2021 to TL79.1 billion for the year ended 31 December 2022. This was driven by significant net interest margin expansion as well as growth in the loan portfolio. The swap-adjusted net interest margin expanded from 3.2% for the year ended 31 December 2021 to 8.4% for the year ended 31 December 2022. This was aided by prudent and proactive maturity mismatch management, as well as relatively low funding costs and a strategically built CPI-linked portfolio (see "*—Securities Portfolio*" above). The CPI-linked portfolio contributed 422 basis points to net interest margin expansion in 2022. At the same time, the loan portfolio grew by 55.3% to TL616.1 billion as at 31 December 2022, compared to TL396.8 billion as at 31 December 2021. Growth was driven by robust customer acquisition and market share gains.

The tables below set out certain additional information about Akbank's average interest rates and net interest margin for the products and periods indicated:

	For the three months ended 31 March	
	2024	**2023**
	(%)	
TL Loans	32.79%	17.36%
TL Deposits (blended)	33.93%	17.07%
TL Time Deposits	39.85%	21.07%
FX Loans	8.10%	6.77%
FX Deposits (blended)	0.97%	1.06%
FX Time Deposits	2.28%	2.28%
Loan-Deposit impact		
TL Securities	35.39%	25.61%
FX Securities	5.78%	5.65%
Securities Impact		
Repo and other impact	—	—
Net Interest Margin(1)	4.36%	4.99%

Note:

(1) The net interest margin figures presented above have been calculated on a quarterly basis and have been derived from Akbank's unaudited management accounting records and are not directly comparable to Akbank's net interest margin figures presented elsewhere in this Offering Circular or the financial statements.

	For the year ended 31 December		
	2023	**2022**	**2021**
		(%)	
TL Loans	29.04%	18.57%	15.85%
TL Deposits (blended)	29.95%	14.56%	12.96%
TL Time Deposits	35.50%	18.25%	16.46%
FX Loans	8.53%	6.23%	4.45%
FX Deposits (blended)	1.25%	1.21%	0.33%
FX Time Deposits	2.81%	2.31%	0.58%
Loan-Deposit impact			

	For the year ended 31 December		
	2023	2022	2021
		(%)	
TL Securities	35.60%	59.55%	21.68%
FX Securities	5.81%	5.55%	4.49%
Securities Impact			
Repo and other impact	—	—	—
Net Interest Margin[(1)]	**4.97%**	**8.99%**	**4.52%**

Note:

(1) The net interest margin figures presented above have been calculated on a quarterly basis and have been derived from Akbank's unaudited management accounting records and are not directly comparable to Akbank's net interest margin figures presented elsewhere in this Offering Circular or the financial statements.

See "*Selected Statistical and Other Information—Analysis of Changes in Net Interest Income and Interest Expense*".

Interest income and interest expense are discussed in greater detail below.

Interest Income

Interest income was TL99.9 billion for the three months ended 31 March 2024, an increase of 168.7% compared to TL37.2 billion for the three months ended 31 March 2023. Total assets increased by 8.8% to TL2,072.5 billion as at 31 March 2024 from TL1,904.8 billion as at 31 December 2023. Investment securities increased by 14.6% to TL533.0 billion as at 31 March 2024 from TL465.0 billion as at 31 March 2023. Total loans increased by 9.8% to TL1,056.6 billion as at 31 March 2024 from TL962.1 billion as at 31 December 2023.

Interest income was TL231.4 billion for the year ended 31 December 2023, an increase of 75.6% compared to TL131.8 billion for the year ended 31 December 2022. Total assets increased by 66.0% to TL1,904.8 billion as at 31 December 2023 from TL1,147.3 billion as at 31 December 2022. Investment securities increased by 65.7% from TL280.5 billion as at 31 December 2022 to TL465.0 billion as at 31 December 2023. Total loans increased by 56.2% from TL616.1 billion as at 31 December 2022 to TL962.1 billion as at 31 December 2023.

Interest income was TL131.8 billion for the year ended 31 December 2022, an increase of 158.5% compared to TL50.9 billion for the year ended 31 December 2021. Total assets increased by 50.4% as at 31 December 2022 to TL1,147.3 billion from TL762.8 billion as at 31 December 2021. Investment securities by 71.4% from TL163.7 billion as at 31 December 2021 to TL280.5 billion as at 31 December 2022. Total loans increased by 55.3% from TL396.7 billion as at 31 December 2021 to TL616.1 billion as at 31 December 2022.

See "*—Significant Factors Affecting Akbank's Results of Operations—Securities Portfolio*" and "*—Significant Factors Affecting Akbank's Results of Operations—Loan Portfolio Growth* " for further detail of these movements.

Interest from Loans. The tables below set out certain key components of Akbank's total loans as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March 2024	Change	As at 31 December 2023
		(TL thousands, except percentages)	
Consumer loans	202,399	15.62%	175,060
SME loans	337,999	12.71%	299,883
Credit cards	214,391	17.04%	183,176
Corporate loans	279,841	1.20%	283,244

Performing loans	**1,034,630**	**9.91%**	**941,363**
Non-performing loans	21,922	5.81%	20,719
Total loans and advances to customers[1]	**1,056,552**	**9.82%**	**962,082**
Allowance for loan losses[2]	13,641	6.08%	12,858
Net loans and advances to customers	**1,042,912**	**9.87%**	**949,223**

Notes:

(1) The balances of loans at fair value through profit or loss are not included.

(2) Stage 3 provisions are not included.

	As at 31 December				
	2023	**Change**	**2022**	**Change**	**2021**
	(TL thousands, except percentages)				
Consumer loans	175,060	82.09%	96,138	58.4%	60,709
SME loans	299,883	37.00%	218,895	67.5%	130,652
Credit cards	183,176	202.39%	60,577	100.9%	30,161
Corporate loans	283,244	26.855	223,290	41.8%	157,460
Performing loans	**941,363**	**57.18%**	**598,900**	**58.0%**	**378,982**
Non-performing loans	20,719	20.39%	17,209	(3.2)%	17,769
Total loans and advances to customers[1]	**962,082**	**56.15%**	**616,109**	**55.3%**	**396,751**
Allowance for loan losses[2]	12,858	10.54%	11,632	0.2%	11,605
Net loans and advances to customers	**949,223**	**57.03%**	**604,477**	**57.0%**	**385,146**

Notes:

(1) The balances of loans at fair value through profit or loss are not included.

(2) Stage 3 provisions are not included.

As at 31 March 2024, Akbank's loan portfolio comprised 26.5% corporate loans (both Turkish Lira and foreign currency), 32.0% SME loans, 19.2% consumer loans and 20.3% credit card loans. Interest income from loans was TL62.5 billion in the three months ended 31 March 2024, an increase of 182.1% compared to TL22.2 billion in the three months ended 31 March 2023. The increase in interest income from loans was due to the expansion of the loan portfolio as well as higher loan yields.

As at 31 December 2023, Akbank's loan portfolio comprised 29.4% corporate loans (both Turkish Lira and foreign currency), 31.7% SME loans, 18.1% consumer loans and 19.0% credit card loans. Interest income from loans was TL132.3 billion in the year ended 31 December 2023, an increase of 92.4% compared to TL68.7 billion in the year ended 31 December 2022. The increase in interest income from loans was due to higher loan yields and growth in the loan book.

As at 31 December 2022, Akbank's loan portfolio comprised 36.2% corporate loans (both Turkish Lira and foreign currency), 35.5% SME loans, 15.6% consumer loans and 9.8% credit card loans. Interest income from loans was TL68.7 billion in the year ended 31 December 2022, an increase of 97.9% compared to TL34.7 billion in the year ended 31 December 2021, primarily due to higher loan yields as well as growth in loans.

As at 31 December 2021, Akbank's loan portfolio comprised 39.7% corporate loans (both Turkish Lira and foreign currency), 32.9% SME loans, 15.3% consumer loans and 7.6% credit card loans.

Interest on Marketable Securities. Akbank's interest income from marketable securities amounted to TL32.4 billion in the three months ended 31 March 2024, which was an increase of 133.6% compared to TL13.9 billion in the three months ended 31 March 2023. The increase was primarily due to the expansion of the securities portfolio, as well as higher yields, including on floating rate instruments in the Turkish Lira denominated portfolio.

Akbank's interest income from marketable securities amounted to TL90.5 billion in the year ended 31 December 2023, which was an increase of 49.3% compared to TL60.6 billion in the year ended 31 December 2022. The increase was primarily due to the impact of rising inflation on CPI-linked bonds and the rising interest rate environment's impact on floating rate bonds. On the Turkish Lira side, Akbank has continued to increase the share of CPI-linked and floating rate instruments, which made up 48% and 20% of the Turkish lira portfolio as at 31 December 2023. The CPI-linked portfolio operates as a hedge in a higher inflation environment.

Akbank's interest income from marketable securities amounted to TL60.6 billion in the year ended 31 December 2022, an increase of 322.6% compared to TL14.3 billion in the year ended 31 December 2021. The decrease was primarily due to the impact of rising inflation on CPI-linked bonds.

For an analysis of changes in Akbank's interest income between 31 December 2023 and 31 December 2022, see "*Selected Statistical and Other Information—Analysis of Changes in Net Interest Income and Interest Expense*".

Interest Expense

Akbank's liabilities predominantly consist of short-term deposits from retail and corporate customers, as well as debt from securities issuances, funds provided under repurchase agreements and borrowings from other banks.

Interest expense was TL79.8 billion for the three months ended 31 March 2024, an increase of 240.4% compared to TL23.4 billion for the three months ended 31 March 2023. The increase was primarily due to an increase in interest paid on deposits. Total liabilities increased by 9.8% to TL1,859.3 billion as at 31 March 2024 from TL1,693.6 billion as at 31 December 2023.

Interest expense was TL162.5 billion for the year ended 31 December 2023, an increase of 208% compared to TL52.7 billion for the year ended 31 December 2022. The increase was primarily due to an increase in interest paid on deposits. Total liabilities increased by 69.0% in 2023, from TL993.7 billion as at 31 December 2022 to TL1,693.6 billion as at 31 December 2023.

Interest expense was TL52.7 billion for the year ended 31 December 2022, an increase of 97.9% compared to TL26.6 billion for the year ended 31 December 2022. The increase was primarily an increase in interest paid on deposits. Total liabilities increased by 44.7% in 2022 from TL686.8 billion as at 31 December 2021 to TL993.7 billion as at 31 December 2022.

Interest expenses on deposits. Interest expense on deposits was TL70.4 billion for the three months ended 31 March 2024, an increase of 263.7% compared to TL19.4 billion for the three months ended 31 March 2023. Deposits increased by 6.2% from TL1,292.9 billion as at 31 December 2023 to TL1,373.6 billion as at 31 March 2024. Growth in the deposit base was driven by growth in Turkish Lira deposits. Turkish Lira deposits increased by 8.5% and foreign currency deposits increased by 2.9% during the three months ended 31 March 2024. As at 31 March 2024, 61% of deposits were Turkish Lira denominated, with 39% being foreign currency denominated. This compared to 59% and 41% as at 31 December 2023, respectively. As at 31 March 2024, the loan to deposit ratio was 77%, with a Turkish Lira loan to deposit ratio of 88% and a foreign currency loan to deposit ratio of 62%. This compared to a loan to deposit ratio of 74% as at 31 December 2023, with a Turkish Lira loan to deposit ratio of 86% and a foreign currency loan to deposit ratio of 61%.

Interest expense on deposits was TL141.4 billion for the year ended 31 December 2023, an increase of 263% compared to TL38.9 billion for the year ended 31 December 2022. Deposits increased by 79.2% in 2023, from TL721.6 billion as at 31 December 2022 to TL1,292.9 billion as at 31 December 2023. The increase was due in part to market share gains in the deposit market, including in particular small ticket customer deposits. Turkish Lira deposits grew by 107% in 2023, while foreign currency deposits increased by 50%. As at 31

December 2023, 59% of deposits were Turkish Lira denominated, with 41% being foreign currency denominated. This compared to 51% and 49% as at 31 December 2022, respectively. As at 31 December 2023, loan to deposit ratio was 74%, with a Turkish Lira loan to deposit ratio of 86% and a foreign currency loan to deposit ratio of 61%. This compared to a loan to deposit ratio of 85% as at 31 December 2022, with a Turkish Lira loan to deposit ratio of 109% and a foreign currency loan to deposit ratio of 61%.

Interest expense on deposits was TL38.9 billion for the year ended 31 December 2022, an increase of 118.6% compared to TL17.8 billion for the year ended 31 December 2021. Deposits increased by 59.1% in 2022, from TL453.6 billion as at 31 December 2021 to TL721.6 billion as at 31 December 2022. Turkish Lira demand deposits grew by 118% in 2022. As at 31 December 2022, 51% of deposits were Turkish Lira denominated, with 49% being foreign currency denominated. This compared to 33% and 67% as at 31 December 2021, respectively. As at 31 December 2022, the loan to deposit ratio was 85%, with a Turkish Lira loan to deposit ratio of 109% and a foreign currency loan to deposit ratio of 61%. This compared to a loan to deposit ratio of 89% as at 31 December 2021, with a Turkish Lira loan to deposit ratio of 147% and a foreign currency loan to deposit ratio of 61%.

Interest expenses on funds borrowed. Interest expense on funds borrowed was TL2.7 billion for the three months ended 31 March 2024, an increase of 110.0% compared to TL1.3 billion for the three months ended 31 March 2023. Funds borrowed increased by 2.1% to TL114.4 billion as at 31 March 2024, compared to TL112.0 billion as at 31 December 2023.

Interest expense on funds borrowed was TL7.7 billion for the year ended 31 December 2023, an increase of 148.4% compared to TL3.1 billion for the year ended 31 December 2022. Funds borrowed increased by 49.1% to TL112.0 billion as at 31 December 2023, compared to TL75.1 billion as at 31 December 2022.

Interest expense on funds borrowed was TL3.1 billion for the year ended 31 December 2022, an increase of 163.0% compared to TL1.2 billion for the year ended 31 December 2021. Funds borrowed increased by 25.2% to TL75.1 billion as at 31 December 2022, compared to TL60.0 billion as at 31 December 2021.

Interest expenses on money market transactions. Interest expense on money market transactions was TL3.8 billion for the three months ended 31 March 2024, an increase of 200.0% compared to TL1.3 billion for the three months ended 31 March 2023. Money market liabilities increased by 38.5% to TL137.7 billion as at 31 March 2024, compared to TL99.4 billion as at 31 December 2023.

Interest expense on money market transactions was TL7.8 billion for the year ended 31 December 2023, an increase of 73.3% compared to TL4.5 billion for the year ended 31 December 2022. Money market liabilities increased by 59.0% to TL99.4 billion as at 31 December 2023, compared to TL62.5 billion as at 31 December 2022.

Interest expense on money market transactions was TL4.5 billion for the year ended 31 December 2022, a decrease of 5.1% compared to TL4.7 billion for the year ended 31 December 2021. Money market liabilities decreased by 3.3% to TL62.5 billion as at 31 December 2022, compared to TL64.6 billion as at 31 December 2021.

Interest expenses on securities issued. Interest expense on securities issued was TL1.8 billion for the three months ended 31 March 2024, an increase of 63.4% compared to TL1.1 billion for the three months ended 31 March 2023. Securities issued increased by 13.2% to TL48.6 billion as at 31 March 2024, compared to TL42.9 billion as at 31 December 2023.

Interest expense on securities issued was TL4.8 billion for the year ended 31 December 2023, an increase of 23.1% compared to TL3.9 billion for the year ended 31 December 2022. Securities issued increased by 66.3% to TL42.9 billion as at 31 December 2023, compared to TL25.8 billion as at 31 December 2022.

Interest expense on securities issued was TL3.9 billion for the year ended 31 December 2022, an increase of 40.5% compared to TL2.8 billion for the year ended 31 December 2021. Securities issued decreased by 14.7% to TL25.8 billion as at 31 December 2022, compared to TL30.3 billion as at 31 December 2021.

For an analysis of changes in Akbank's consolidated interest expense and similar charges as a result of these factors between 31 December 2023 and 31 December 2022, see "*Selected Statistical and Other Information—Analysis of Changes in Net Interest Income and Interest Expense*".

Expected credit losses

Expected credit losses increased by 32.9% to TL4.2 billion for the three months ended 31 March 2024 from TL3.2 billion for the three months ended 31 March 2023. The increase was due to the expansion of Akbank's loan portfolio.

Expected credit losses increased by 116.9% to TL15.7 billion for the year ended 31 December 2023 from TL7.2 billion for the year ended 31 December 2022. The increase was due to the expansion of Akbank's loan portfolio.

Akbank's provisions for loan losses increased by 40.0% to TL7.2 billion for the year ended 31 December 2022 from TL5.2 billion in the year ended 31 December 2021. The increase was due to the expansion of Akbank's loan portfolio.

Akbank's NPL ratio was 2.1% as at 31 March 2024 and 2.2% as at 31 December 2023, compared to 2.8% and 4.5% as at 31 December 2022 and 2021. As at the same dates, the NPL ratio of the Turkish banking sector was 1.5%, 1.6%, 2.1%, and 3.2%. Stage 2 and 3 loans have remained low, at 8.4% as at 31 March 2024 and 8.6% as at 31 December 2023, compared to 9.4% as at 31 December 2022 and 14.4% as at 31 December 2021. In 2023, Akbank had limited NPL inflow excluding one big ticket inflow due to a company specific issue which was not indicative of the overall asset quality trend.

Akbank's segment NPL breakdown as at 31 March 2024 consisted of an NPL ratio of 2.4% for corporate loans, 1.5% for SME loans, 2.0% for consumer loans and 1.7% for credit cards.

Akbank's segment NPL breakdown as at 31 December 2023 consisted of an NPL ratio of 2.8% for corporate loans, 1.4% for SME loans, 1.5% for consumer loans and 1.1% for credit cards. Akbank's segment NPL breakdown for the year ended 31 December 2022 consisted of an NPL ratio of 2.6% for corporate loans, 1.9% for SME loans, 2.2% for consumer loans and 2.4% for credit cards. Akbank's NPL coverage ratio as at 31 December 2021 an NPL ratio of 3.9% for corporate loans, 5.8% for SME loans, 3.1% for consumer loans and 4.1% for credit cards.

For additional information on Akbank's loan losses, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Akbank's Provisioning Policy for Impaired Loans*"; "*Selected Statistical and Other Information—Non-performing Loans; Provisioning; Loan Losses*" and "*Selected Statistical and Other Information—Allowance for Loan Losses*".

Total Non-interest Income

Akbank earns fee and commission income mainly from credit cards, bancassurance, asset management, consumer and commercial loans, including mortgage loans and project finance loans. The principal drivers for fee and commission income are money transfers, payment systems, wealth management, bancassurance and consumer and business loans. Although such fees potentially grow in parallel to the growth in consumer banking, changes in regulation have imposed limits or prohibition on fees and commissions that a bank may charge for banking services and such regulations have had and may in the future have an adverse impact on fee and commission income.

The tables below set forth the components of Akbank's non-interest income for the three months ended 31 March 2024 and 31 March 2023 and for the years ended 31 December 2023, 2022 and 2021.

	For the 3 months ended 31 March 2024				
	2024	**% of Total non-interest income**	**% Change y-o-y**	**2023**	**% of Total non-interest income**
	(TL thousands, except percentages)				
Net fees and commission income	14,836,306	73.9%	194.8%	5,033,378	38.8%
Dividend income	4,753	0.0%	(87.9)%	39,158	0.3%
Trading income/(loss)	1,095,911	5.5%	(83.1)%	6,480,933	50.0%
Other operating income	4,128,520	20.6%	191.8%	1,414,948	10.9%
Total non-interest income	**20,065,490**	**100.0%**	**54.7%**	**12,968,417**	**100.0%**

	For the year ended 31 December 2023				
	2023	**% of Total non-interest income**	**% Change y-o-y**	**2022**	**% of Total non-interest income**
	(TL thousands, except percentages)				
Net fees and commission income	34,187,840	41.9	187.8	11,888,474	36.4
Dividend income	86,382	0.1	(5.5)	91,618	0.3
Trading income/(loss)	41,104,944	50.3	156.3	16,804,289	51.4
Other operating income	6,194,046	7.7	56.4	3,908,323	12.0
Total non-interest income	**81,573,212**	**100.0**	**125**	**32,692,704**	**100.0**

	For the year ended 31 December 2022				
	2022	**% of Total non-interest income**	**% Change y-o-y**	**2021**	**% of Total non-interest income**
	(TL thousands, except percentages)				
Net fees and commission income	11,888,474	36.4	33.4	6,079,237	40.1
Dividend income	91,618	0.3	2.7	13,156	0.1
Trading income/(loss)	16,804,289	51.4	79.7	6,792,018	44.8
Other operating income	3,908,323	12.0	(15,8)	2,287,920	15.1
Total non-interest income	**32,692,704**	**100.0**	**13.9**	**15,172,331**	**100.0**

Total non-interest income increased by 54.7% for the three months ended 31 March 2024 to TL20.1 billion from TL13.0 billion for the three months ended 31 March 2023, primarily driven by growth in fee and commission income.

Total non-interest income increased by 125% in 2023 to TL81.6 billion for the year ended 31 December 2023 from TL32.7 billion for the year ended 31 December 2022, primarily driven by growth in trading income.

Total non-interest income increased by 13.9% in 2022 to TL32.7 billion for the year ended 31 December 2022 from TL15.2 billion for the year ended 31 December 2021. This growth was primarily driven by growth in trading income.

Net fees and commission income. Net fees and commission income increased by 194.8% for the three months ended 31 March 2024 to TL14.8 billion, compared to TL5.0 billion for the three months ended 31 March 2023.

The increase was due to strong growth across payment systems, money transfers, wealth management, bancassurance, business loans and consumer loans. Payment systems, which is the most significant contributor to fee and commission income, was driven by favourable pricing, strong customer acquisitions and new products innovations.

Net fees and commission income increased by 200% in 2023 to TL34.2 billion for the year ended 31 December 2023, compared to TL11.9 billion for the year ended 31 December 2022. The increase was due to the growing impact of credit cards and cash loans.

Net fees and commission income increased by 33.4% in 2022 to TL11.9 billion for the year ended 31 December 2022, compared to TL6.1 billion for the year ended 31 December 2021. The increase was due to the growing impact of credit cards and cash loans.

Trading income. Trading income decreased by 83.1% for the three months ended 31 March 2024 to TL1.1 billion, compared to TL6.5 billion for the three months ended 31 March 2023. The decrease was due to decrease in profit margins in the Turkish financial markets as a result of the tighter monetary policy of CBRT.

Trading income increased 144.6% in 2023 to TL41.1 billion for the year ended 31 December 2023, compared to TL16.8 billion for the year ended 31 December 2022.

Trading income increased by 147.1% in 2022 to TL16.8 billion for the year ended 31 December 2022, compared to TL6.8 billion for the year ended 31 December 2021.

Total Non-interest Expense

The following tables show the components of Akbank's non-interest expense for the three months ended 31 March 2024 and 31 March 2023 and for the years ended 31 December 2023, 2022 and 2021.

	For the 3 months ended 31 March				
	2024	**% of Total non-interest expense**	**% Change y-o-y**	**2023**	**% of Total non-interest expense**
	(TL thousands except percentages)				
Personnel expenses	7,772,565	40.0%	134.4%	3,315,263	32.3%
Reserve for employee termination benefits	3,225	0.0%	(95.8)%	76,750	0.7%
Depreciation, amortisation and impairment expenses	774,876	4.0%	61.0%	481,329	4.7%
Leasing expenses on TFRS 16 exceptions	168,249	0.9%	139.3%	70,315	0.7%
Maintenance expenses	116,285	0.6%	198.6%	38,944	0.4%
Advertisement expenses	499,605	2.6%	516.4%	81,046	0.8%
Loss on sale of assets	3,403	0.0%	(46.7)%	6,382	0.1%
Other expenses	10,075,950	51.9%	62.6%	6,196,616	60.4%
Total non-interest expense	**19,414,158**	**100.0%**	**89.1%**	**10,266,645**	**100.0%**

	2023	**% of Total non-interest expense**	**% Change y-o-y**	**2022**	**% of Total non-interest expense**
	(TL thousands except percentages)				
Personnel expenses	17,089,900	35.9	144.2	7,028,125	34.4
Depreciation expenses	2,185,104	4.6	68.9	1,293,983	6.3
Operational leasing expenses	460,537	1.0	107.3	222,114	1.1
Maintenance expenses	311,257	0.7	147.0	126,035	0.6
Advertisement expenses	945,465	2.0	74.6	541,532	2.7

	2023	% of Total non-interest expense	% Change y-o-y	2022	% of Total non-interest expense
	(TL thousands except percentages)				
Other expenses	26,595,845	55.9	137.5	11,214,299	54.9
Total non-interest expense	**47,588,108**	**100.0**	**133.3**	**20,426,088**	**100.0**

	For the year ended 31 December 2022				
	2022	% of Total non-interest expense	% Change y-o-y	2021	% of Total non-interest expense
	(TL thousands, except percentages)				
Personnel expenses	7,028,125	34.4	96.9	3,570,372	36.0
Depreciation expenses	1,293,983	6.3	59.6	811,001	8.2
Operational leasing expenses	222,114	1.1	64.1	135,321	1.4
Maintenance expenses	126,035	0.6	79.3	70,294	0.7
Advertisement expenses	541,532	2.7	148.2	218,227	2.2
Other expenses	11,214,299	54.9	119.9	5,100,683	51.5
Total non-interest expense	**20,426,088**	**100.0**	**106.2**	**9,905,898**	**100.0**

Total non-interest expense increased by 89.1% to TL19.4 billion for the three months ended 31 March 2024 from TL10.3 billion for the three months ended 31 March 2023. In general, this was due to inflation, with personnel expenses being significantly impacted.

Total non-interest expense increased by 271.3% in 2023 to TL47.5 billion for the year ended 31 December 2023 from TL20.4 billion for the year ended 31 December 2022. In general, this was due to inflation, with personnel expenses being significantly impacted.

Total non-interest expense increased by 106.2% in 2022 to TL20.4 billion for the year ended 31 December 2022 from TL9.9 billion for the year ended 31 December 2021. The increase was generally due to inflation, with personnel expenses being significantly impacted.

Personnel expenses. Personnel expenses increased by 134.4% to TL7.8 billion for the three months ended 31 March 2024 from TL3.3 billion for the three months ended 31 March 2023. The increase was due to the rising inflationary environment and the increase in wages.

Personnel expenses increased by 266.7% in 2023 to TL17.08 billion for the year ended 31 December 2023 from TL7.0 billion for the year ended 31 December 2022. The increase was due to the rising inflationary environment and the increase in wages.

Personnel expenses increased by 96.9% in 2022 to TL7.0 billion for the year ended 31 December 2022 from TL3.6 billion for the year ended 31 December 2021. The increase was due to the rising inflationary environment and the increase in wages.

Depreciation, amortisation and impairment expenses. Depreciation, amortisation and impairment expenses increased by 61.0% to TL0.8 billion for the three months ended 31 March 2024 from TL0.5 billion for the three months ended 31 March 2023.

Depreciation expenses increased by 61.5% in 2023 to TL2.1 billion for the year ended 31 December 2023 from TL1.3 billion for the year ended 31 December 2022.

Depreciation expenses increased by 62.5% in 2022 to TL1.3 billion for the year ended 31 December 2022 from TL0.8 billion for the year ended 31 December 2021.

Income Taxes

Akbank's income tax expense was TL3.3 billion and its effective tax rate was 20.1% for the three months ended 31 March 2024, as compared to TL2.4 billion income tax expense and a 18.1% effective tax rate for the three months ended 31 March 2023.

Akbank's income tax expense was TL14.6 billion and its effective tax rate was 30% for the year ended 31 December 2023, as compared to TL20.6 billion income tax expense and a 25% effective tax rate for the year ended 31 December 2022 and TL3.4 billion income tax expense and a 25% effective tax rate for the year ended 31 December 2021. The variations in effective tax rate were primarily due to differences in BRSA and Ministry of Finance regulations. The difference arising from regulations has a temporary effect and will be eliminated over the years.

In addition to the general provisions required by the BRSA, Akbank may take additional prudential provisions for adverse circumstances that may arise from any changes in the economy or market conditions. Turkish tax laws do not recognise changes related to general provisions from its taxable income. Accordingly, Akbank's effective tax rate may vary depending on the additional general provisions taken by Akbank.

Liquidity and Funding

Akbank's principal sources of funding are short-term deposits from retail and corporate customers, as well as other banks. Currently, Akbank's strategy is to utilise deposits from its extensive customer base as the main funding source, while opportunistically using repurchase transactions, borrowings from international banks and securities issuances particularly for the medium term or long-term funding needs although this approach is subject to change depending on market opportunities and changes in prevailing rates for deposits and other funding sources. Although deposits are typically short-term in nature in the Turkish market, Akbank has historically benefited from a high degree of stickiness in its deposits, although competition can be fierce from time-to-time.

Akbank's customer deposits constituted in aggregate 66.3%, 76.3%, 72.6% and 66.0% of its total liabilities as at 31 March 2024, 31 December 2023, 2022 and 2021, respectively. As at 31 March 2024, Akbank's customer deposits amounted to TL1,373.6 billion, an increase of 6.2% from TL1,292.9 billion as at 31 December 2023.

As at 31 December 2023, Akbank's customer deposits amounted to TL1,292.9 billion an increase of 44.99% from TL721.6 billion as at 31 December 2022. Its customer deposits increased by 51.9% in 2022 from TL453.6 billion as at 31 December 2021. For more information on Akbank's deposits, see "*Selected Statistical and Other Information—Deposits*".

The remaining major sources of funds are funds borrowed, money markets and securities issued. These sources of funding represented 6.2%, 7.4% and 2.6% of Akbank's total liabilities as at 31 March 2024. These sources of funding represented 6.6%, 5.9% and 2.5% of Akbank's total liabilities as 31 December 2023, 7.6% 5.9% and 2.6% of total liabilities as at 31 December 2022 and 8.7%, 9.4% and 4.4% of total liabilities as at 31 December 2021, respectively. Akbank maintains an opportunistic borrowing mix, including repo transactions, syndicated loans, Eurobonds, private placements and securitisations, and covered bonds, based on market conditions and expected growth.

Akbank future flow securitisation program was established in 1999 and is backed by trade and diversified payment rights, including workers' remittances, cash against goods, cash against documents, letters of credit, cheque remittances and other third party payment orders. As at 31 December 2023, the total issuance under this programme had reached approximately USD 10.2 billion equivalent, and the principal amount outstanding under this programme was USD 1.0 billion equivalent.

On 23 December 2014, Akbank established a €1 billion mortgage-covered bond programme and has since issued TL1.8 billion in mortgage-covered bonds under that programme of which approximately TL200 million was outstanding.

Off-Balance Sheet Arrangements

Akbank offers its customers products such as guarantees and letters of credit to meet its customers' needs for commercial banking services, frequently in connection with their customers' export and import activities. These products do not appear on Akbank's balance sheet.

The table below sets forth Akbank's total off-balance sheet arrangements as at the dates indicated.

	As at 31 March	**As at 31 December**		
	2024	**2023**	**2022**	**2021**
			(TL thousands)	
Letters of guarantee	205,246,337	184,449,418	97,468,639	58,548,640
Bank acceptance loans	589,179	745,358	195,108	159,525
Letters of credit	30,233,669	27,522,554	21,235,695	15,170,426
Other guarantees	29,957,773	25,835,075	22,402,592	14,457,525
Total	**266,026,958**	**238,552,405**	**141,302,034**	**88,336,116**

As at 31 March 2024, Akbank had forward, swap, futures, options, purchases and sales contracts, amounting to TL2,033 billion on a net basis compared to TL1,734.5 billion as at 31 December 2023.

As at 31 December 2023, Akbank had forward, swap, futures, options, purchases and sales contracts, amounting to TL1,734.5 billion on a net basis compared to TL1,288.8 billion as at 31 December 2022. Akbank enters into forward and swap contracts to provide hedging services for itself and its clients.

The tables below set forth Akbank's total derivative transactions as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March 2024
	(TL thousands)
Trading Derivative Financial Instruments:	
Forward foreign currency buy/sell transactions	159,377,487
Swap transactions	800,200,894
Foreign currency, interest rate and securities options	411,666,662
Foreign currency futures	
Other	290,934,426
Hedging Derivatives Financial Instruments:	291,261,994
Fair Value Hedge	133,883,359
Cash Flow Hedge	157,378,635
Total derivative transactions[(1)]	**2,033,441,463**

	As at 31 December		
	2023	**2022**	**2021**
		(TL thousands)	
Trading Derivative Financial Instruments:			
Forward foreign currency buy/sell transactions	146,361,843	105,374,602	54,551,923
Swap transactions	682,683,627	547,232,873	438,671,660
Foreign currency, interest rate and securities options	402,358,912	286,566,712	294,444,852
Foreign currency futures	—	—	—

	As at 31 December		
	2023	2022	2021
		(TL thousands)	
Other	222,091,331	162,540,169	98,658,466
Hedging Derivatives Financial Instruments:	280,999,254	187,051,022	161,155,386
Fair Value Hedge	118,181,928	75,893,585	59,210,909
Cash Flow Hedge	162,817,326	111,157,437	101,944,477
Total derivative transactions[(1)]	**1,734,494,967**	**1,288,765,378**	**1,047,482,287**

Note:

(1) Figures presented in the tables above show the total of "sale" and "purchase" amounts of the related transactions.

Akbank has seen varying levels of derivatives activity in the past three years. Most of Akbank's derivatives or off-balance sheet transactions are option and swap arrangements with counterparts and customers the risks of which are managed on a portfolio basis or transferred to third parties.

Akbank holds Turkish Lira and foreign currency interest swaps mainly for hedging its balance sheet and for interest rate risk management. Akbank also uses foreign currency secured swaps for liquidity management.

Guarantees represent irrevocable assurances that Akbank will make payments in the event that a customer cannot meet its performance-related or financial obligations to third parties and thus carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by Akbank on behalf of a corporate customer authorising a third party to draw drafts on Akbank up to a stipulated amount under specific terms and conditions, generally relate to trade and may be collateralised by the underlying shipments of goods to which they relate, by cash deposits or otherwise. The total outstanding contractual amount of letters of credit and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded.

Property, Plant and Equipment

The table below sets forth the components of Akbank's plant, property and equipment as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March	As at 31 December		
	2024	2023	2022	2021
			(TL thousands)	
Land and Buildings	19,209,005	18,711,014	12,471,308	4,917,493
Equipment and vehicles	9,937,707	9,418,051	5,254,816	3,019,002
Constructions in progress	763,861	504,310	50,952	18,927
Leasehold improvements	450,131	404,770	237,102	178,303
Total	30,360,704	**29,038,145**	**18,014,178**	**8,133,725**
Depreciation	(4,150,618)	(3,720,756)	(2,782,175)	(2,238,889)
Net book value	**26,210,086**	**25,317,389**	**15,232,003**	**5,894,836**

Akbank's property, plant and equipment comprise expenditure made on acquiring buildings, renovations to leasehold property, leasing of equipment (such as IT equipment), acquiring furniture, fixtures and office equipment and leasing intangible assets (such as IT software).

SELECTED STATISTICAL AND OTHER INFORMATION

The following tables present certain selected statistical information and ratios for Akbank as at and for the periods indicated. The selected statistical information should be read in conjunction with the Akbank BRSA Annual Financial Statements, and the information included in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". All Turkish Lira amounts in this section, unless otherwise indicated, are stated in thousand Turkish Lira.

Average Balances and Interest Rates

Assets

The tables below (derived from Akbank's unaudited management accounts) show Akbank's consolidated average balances and interest rates for the three-month period ended 31 March 2024 and for the years ended 31 December 2023, 2022 and 2021. In such tables average balances for interest-earning assets are calculated from daily balances and average balances for all other assets are calculated from period-end balances. Average balances exclude interest accruals.

	For the three-month period ended 31 March 2024			
	Average Balance	Share of Total %	Interest	Average Rate %
	(TL thousands, except percentages)			
ASSETS				
Interest-earning deposits in banks & reserve requirements & interbank money market:[(1)]				
TL	73,341,331	4.20	2,561,822	13.97
Foreign currency	212,385,511	12.16	665,522	1.25
Total	**285,726,842**	**16.36**	**3,227,344**	**4.52**
Marketable securities:[(2)]				
TL	227,373,228	13.02	30,218,669	53.16
Foreign currency	152,011,000	8.71	2,205,218	5.80
Total	**379,384,228**	**21.73**	**32,423,887**	**34.19**
Loans:				
TL	641,398,571	36.73	56,270,323	35.09
Foreign currency	277,818,646	15.91	6,266,563	9.02
Total	**919,217,217**	**52.64**	**62,536,886**	**27.21**
Leasing receivables:				
TL	4,644,960	0.27	857,149	73.81
Foreign currency	9,177,842	0.53	264,653	11.53
Total	**13,822,802**	**0.80**	**1,121,802**	**32.46**
Total interest-earning assets:				
TL	946,758,090	54.22	89,907,963	37.99
Foreign currency	651,392,999	37.31	9,401,956	5.77
Total	**1,598,151,089**	**91.53**	**99,309,919**	**24.86**
Investments in affiliated companies:				
TL	19,528	0.00	0	0.00
Foreign currency	0	0.00	0	0.00
Total	**19,528**	**0.00**	**0**	**0.00**
Total earnings assets:				
TL	946,777,618	54.22	89,907,963	37.98
Foreign currency	651,392,999	37.31	9,401,956	5.77
Total	**1,598,170,617**	**91.53**	**99,309,919**	**24.86**
Cash and due from banks:				
TL	5,478,783	0.31	0	0.00
Foreign currency	16,453,770	0.94	0	0.00
Total	**21,932,553**	**1.25**	**0**	**0.00**
Allowance for possible loan losses:				
TL	(13,249,433)	-0.76	0	0.00
Foreign currency	0	0.00	0	0.00
Total	**(13,249,433)**	**-0.76**	**0**	**0.00**
Premises and equipment (TL):	30,040,299	1.72	0	0.00
Other non-interest-earning assets:				
Derivative financial instruments				
TL	49,458,109	2.83	0	0.00
Foreign currency	21,317,661	1.22	0	0.00
Total	**70,775,770**	**4.05**	**0**	**0.00**
Deferred taxes (TL)	263,260	0.02	0	0.00
Other assets and prepayments				
TL	34,135,929	1.96	0	0.00
Foreign currency	3,964,405	0.23	0	0.00
Total	**38,100,334**	**2.18**	**0**	**0.00**
Other interest income:	0		572,232	0.00
Total average assets:				
TL	1,052,904,565	60.30	90,480,195	34.37
Foreign currency	693,128,835	39.70	9,401,956	5.43
Total	**1,746,033,400**	**99.99**	**99,882,151**	**22.88**

Note:

(1) Interest income from central bank deposits is included in total interest earning deposits in banks, but is not tracked as a separate statistic by Akbank.

(2) None of Akbank's marketable securities are tax-exempt.

	For the year ended 31 December 2023			
	Average Balance	Share of Total %	Interest	Average Rate %
	(TL thousands, except percentages)			
ASSETS				
Interest-earning deposits in banks & reserve requirements & interbank money market:[(1)]				
TL	54,494,306	3.94	2,779,631	5.10
Foreign currency	167,926,958	12.15	1,904,559	1.13
Total	**222,421,264**	**16.09**	**4,684,190**	**2.11**
Marketable securities:[(2)]				
TL	149,959,282	10.85	83,281,359	55.54
Foreign currency	130,506,461	9.45	7,229,455	5.54
Total	**280,465,743**	**20.30**	**90,510,814**	**32.27**
Loans:				
TL	540,951,625	39.15	112,329,344	20.77
Foreign currency	241,562,373	17.48	19,944,078	8.26
Total	**782,513,998**	**56.63**	**132,273,422**	**16.90**
Leasing receivables:				
TL	4,428,794	0.32	2,366,520	53.43
Foreign currency	9,126,337	0.66	822,081	9.01
Total	**13,555,131**	**0.98**	**3,188,601**	**23.52**
Total interest-earning assets:				
TL	749,834,007	54.26	200,756,854	26.77
Foreign currency	549,122,129	39.74	29,900,173	5.45
Total	**1,298,956,136**	**94.00**	**230,657,027**	**17.76**
Investments in affiliated companies:				
TL	12,524	0.00	0	0.00
Foreign currency	0	0.00	0	0.00
Total	12,524	0.00	0	0.00
Total earnings assets:				
TL	749,846,531	54.26	200,756,854	26.77
Foreign currency	549,122,129	39.74	29,900,173	5.45
Total	**1,298,968,660**	**94.00**	**230,657,027**	**17.76**
Cash and due from banks:				
TL	2,902,207	0.21	0	0.00
Foreign currency	10,118,121	0.73	0	0.00
Total	**13,020,328**	**0.94**	**0**	**0.00**
Allowance for possible loan losses:				
TL	(10,602,540)	(0.77)	0	0.00
Foreign currency	0	0.00	0	0.00
Total	**(10,602,540)**	**(0.77)**	**0**	**0.00**
Premises and equipment (TL):	17,596,853	1.27	0	0.00
Other non-interest-earning assets:				
Derivative financial instruments				
TL	29,131,604	2.11	0	0.00
Foreign currency	12,530,983	0.91	0	0.00
Total	**41,662,587**	**3.02**	**0**	**0.00**
Deferred taxes (TL)	215,145	0.02	0	0.00
Other assets and prepayments				
TL	16,690,936	1.21	0	0.00
Foreign currency	4,114,200	0.30	0	0.00
Total	**20,805,136**	**1.51**	**0**	**0.00**
Other interest income:	0		754,210	0.00
Total average assets:				
TL	805,780,736	58.31	201,511,064	25.01
Foreign currency	575,885,433	41.68	29,900,173	5.19
Total	**1,381,666,169**	**99.99**	**231,411,237**	**16.75**

Note:

(1) Interest income from central bank deposits is included in total interest earning deposits in banks, but is not tracked as a separate statistic by Akbank.

(2) None of Akbank's marketable securities are tax exempt.

	For the year ended 31 December 2022			
	Average Balance	Share of Total %	Interest	Average Rate %
	(TL thousands, except percentages)			
ASSETS				
Interest-earning deposits in banks & reserve requirements & interbank money market:[1]				
TL	15,201,090	1.69	509,026	3.35
Foreign currency	141,661,659	15.71	470,658	0.33
Total	**156,862,749**	**17.40**	**979,684**	**0.62**
Marketable securities:[2]				
TL	77,706,253	8.62	55,690,387	71.67
Foreign currency	98,708,154	10.95	4,881,104	4.94
Total	**176,414,407**	**19.57**	**60,571,491**	**34.33**
Loans:				
TL	306,588,623	34.00	58,338,168	19.03
Foreign currency	191,870,223	21.28	10,403,208	5.42
Total	**498,458,846**	**55.28**	**68,741,376**	**13.79**
Leasing receivables:				
TL	2,687,530	0.30	695,430	25.88
Foreign currency	6,993,374	0.78	467,330	6.68
Total	**9,680,904**	**1.08**	**1,162,760**	**12.01**
Total interest-earning assets:				
TL	402,183,496	44.61	115,233,011	28.65
Foreign currency	439,233,410	48.72	16,222,300	3.69
Total	**841,416,906**	**93.33**	**131,455,311**	**15.62**
Investments in affiliated companies:				
TL	12,239	0.00	0	0.00
Foreign currency	0	0.00	0	0.00
Total	12,239	0.00	0	0.00
Total earnings assets:				
TL	402,195,735	44.61	115,233,011	28.65
Foreign currency	439,233,410	48.72	16,222,300	3.69
Total	**841,429,145**	**93.33**	**131,455,311**	**15.62**
Cash and due from banks:				
TL	2,279,719	0.25	0	0.00
Foreign currency	6,441,377	0.71	0	0.00
Total	**8,721,096**	**0.96**	**0**	**0.00**
Allowance for possible loan losses:				
TL	(9,867,580)	(1.09)	0	0.00
Foreign currency	(121,742)	(0.01)	0	0.00
Total	**(9,989,322)**	**(1.10)**	**0**	**0.00**
Premises and equipment (TL):	11,905,505	1.32	0	0.00
Other non-interest-earning assets:				
Derivative financial instruments				
TL	21,448,078	2.38	0	0.00
Foreign currency	11,290,643	1.25	0	0.00
Total	**32,738,721**	**3.63**	**0**	**0.00**
Deferred taxes (TL)	357,576	0.04	0	0.00
Other assets and prepayments				
TL	13,578,238	1.51	0	0.00
Foreign currency	3,025,980	0.34	0	0.00
Total	**16,604,218**	**1.84**	**0**	**0.00**
Other interest income:	0		314,527	0.00
Total average assets:				
TL	441,897,271	49.02	115,547,538	26.15
Foreign currency	459,869,668	51.01	16,222,300	3.53
Total	**901,766,939**	**100.02**	**131,769,838**	**14.61**

Note:

(1) Interest income from central bank deposits is included in total interest earning deposits in banks, but is not tracked as a separate statistic by Akbank.

(2) None of Akbank's marketable securities are tax exempt.

	For the year ended 31 December 2021			
	Average Balance	Share of Total %	Interest	Average Rate %
	(TL thousands, except percentages)			
ASSETS				
Interest-earning deposits in banks & reserve requirements & interbank money market:(1)				
TL	8,033,664	1.51	1,083,409	13.49
Foreign currency	73,053,003	13.72	78,351	0.11
Total	**81,086,667**	**15.23**	**1,161,760**	**1.43**
Marketable securities:(2)				
TL	56,968,052	10.70	11,852,232	20.81
Foreign currency	47,372,998	8.90	2,479,800	5.23
Total	**104,341,050**	**19.60**	**14,332,032**	**13.74**
Loans:				
TL	185,966,580	34.93	29,265,836	15.74
Foreign currency	111,529,959	20.95	5,468,654	4.90
Total	**297,496,539**	**55.88**	**34,734,490**	**11.68**
Leasing receivables:				
TL	1,324,315	0.25	306,414	23.14
Foreign currency	4,002,166	0.75	268,484	6.71
Total	**5,326,481**	**1.00**	**574,898**	**10.79**
Total interest-earning assets:				
TL	252,292,611	47.39	42,507,891	16.85
Foreign currency	235,958,126	44.32	8,295,289	3.52
Total	**488,250,737**	**91.71**	**50,803,180**	**10.41**
Investments in affiliated companies:				
TL	11,825	—	—	—
Foreign currency	0	—	—	—
Total	**11,825**	—	—	—
Total earnings assets:				
TL	252,304,436	47.39	42,507,891	16.85
Foreign currency	235,958,126	44.32	8,295,289	3.52
Total	**488,262,562**	**91.71**	**50,803,180**	**10.40**
Cash and due from banks:				
TL	1,739,525	0.33	—	—
Foreign currency	4,991,371	0.94	—	—
Total	**6,730,896**	**1.27**	—	—
Allowance for possible loan losses:				
TL	(9,975,937)	(1.87)	—	—
Foreign currency	0	0.00	—	—
Total	**(9,975,937)**	**(1.87)**	—	—
Premises and equipment (TL):	6,633,661	1.25	—	—
Other non-interest-earning assets:				
Derivative financial instruments				
TL	26,118,338	4.91	—	—
Foreign currency	7,111,571	1.34	—	—
Total	**33,229,909**	**6.25**	—	—
Deferred taxes (TL)	211,057	0.04	—	—
Other assets and prepayments				
TL	4,796,386	0.90	—	—
Foreign currency	2,525,236	0.47	—	—
Total	**7,321,622**	**1.38**	—	—
Other interest income:	—	—	167,429	—
Total average assets:				
TL	281,827,466	52.95	42,675,320	15.14
Foreign currency	250,586,304	47.07	8,295,289	3.31
Total	**532,413,770**	**100.03**	**50,970,609**	**9.57**

Note:

(1) Interest income from central bank deposits is included in total interest earning deposits in banks, but is not tracked as a separate statistic by Akbank.

(2) None of Akbank's marketable securities are tax exempt.

Liabilities and Stockholders' Equity

The tables below (derived from Akbank's unaudited management accounts) show Akbank's consolidated liabilities and stockholders' equity and interest rates for the three-month period ended 31 March 2024 and for the years ended 31 December 2023, 2022 and 2021. In such tables average balances for interest-bearing liabilities are calculated from daily balances and average balances for all other liabilities are calculated from period-end balances.

	For the three-month period ended 31 March 2024			
	Average Balance	Share of Total %	Interest	Average Rate %
	(TL thousands, except percentages)			
TL saving deposits:				
Time	458,512,247	0.32	48,859,652	42.62
Demand	13,382,398	0.01	0	0.00
Total	**471,894,645**	**0.33**	**48,859,652**	**41.42**
TL other deposits:				
Time	172,186,633	0.12	18,705,426	43.45
Demand	11,713,858	0.01	1	0.00
Total	**183,900,491**	**0.13**	**18,705,427**	**40.69**
TL deposits:				
Time	630,698,880	0.44	67,565,078	42.85
Demand	25,096,256	0.02	1	0.00
Total	**655,795,136**	**0.46**	**67,565,079**	**41.21**
Foreign currency saving deposits:				
Time	132,270,587	0.09	778,177	2.35
Demand	31,660,181,846	22.08	111,318	0.00
Total	**31,792,452,433**	**22.17**	**889,495**	**0.01**
Other foreign currency deposits:				
Time	72,981,687	0.05	439,350	2.41
Demand	110,328,128,139	76.95	0	0.00
Total	**110,401,109,826**	**77.00**	**439,350**	**0.00**
Foreign currency deposits:				
Time	205,252,274	0.14	1,217,527	2.37
Demand	141,988,309,985	99.03	111,318	0.00
Total	**142,193,562,259**	**99.17**	**1,328,845**	**0.00**
Bank deposits:				
TL	5,720,643	0.00	657,900	46.00
Foreign currency	26,841,066	0.02	867,567	12.93
Total	**32,561,709**	**0.02**	**1,525,467**	**18.74**
Funds provided under repurchase agreements:				
TL	12,305,712	0.01	1,259,294	40.93
Foreign currency	97,051,816	0.07	1,617,799	6.67
Total	**109,357,528**	**0.08**	**2,877,093**	**10.52**
Borrowings:				
TL	2,741,828	0.00	1,497,603	218.48
Foreign currency	105,496,855	0.07	2,210,853	8.38
Total	**108,238,683**	**0.07**	**3,708,456**	**13.70**
Securities Issued:				
TL	3,843,954	0.00	542,494	56.45
Foreign currency	68,185,149	0.05	1,253,698	7.35
Total	**72,029,103**	**0.05**	**1,796,192**	**9.97**
Total interest-bearing liabilities:				
TL	680,407,273	0.47	71,522,370	42.05
Foreign currency	142,491,137,145	99.38	7,278,762	0.02
Total	**143,171,544,418**	**99.85**	**78,801,132**	**0.22**
Other liabilities:				
Derivative financial instruments:				
TL	9,852,448	0.01	0	0.00
Foreign currency	2,905,522	0.00	0	0.00
Total	**12,757,970**	**0.01**	**0**	**0.00**

	For the year ended 31 December 2023			
	Average Balance	Share of Total %	Interest	Average Rate %
	(TL thousands, except percentages)			
TL saving deposits:				
Time	325,272,070	0.16	95,169,117	29.26
Demand	43,690,411	0.02	0	0.00
Total	**368,962,481**	**0.18**	**95,169,117**	**25.79**
TL other deposits:				
Time	121,664,717	0.06	37,229,876	30.60
Demand	44,549,054	0.02	1	0.00
Total	**166,213,771**	**0.08**	**37,229,877**	**22.40**
TL deposits:				
Time	446,936,787	0.22	132,398,993	29.62
Demand	88,239,465	0.04	1	0.00
Total	**535,176,252**	**0.26**	**132,398,994**	**24.74**
Foreign currency saving deposits:				
Time	113,426,821	0.06	2,490,440	2.20
Demand	115,050,897,974	57.20	275,433	0.00
Total	**115,164,324,795**	**57.26**	**2,765,873**	**0.00**
Other foreign currency deposits:				
Time	61,985,292	0.03	1,992,581	3.21
Demand	84,934,557,480	42.22	0	0.00
Total	**84,996,542,772**	**42.25**	**1,992,581**	**0.00**
Foreign currency deposits:				
Time	175,412,113	0.09	4,483,021	2.56
Demand	199,985,455,454	99.42	275,433	0.00
Total	**200,160,867,567**	**99.51**	**4,758,454**	**0.00**
Bank deposits:				
TL	5,675,970	0.00	1,437,244	25.32
Foreign currency	23,806,484	0.01	2,890,735	12.14
Total	**29,482,454**	**0.01**	**4,327,979**	**14.68**
Funds provided under repurchase agreements:				
TL	13,669,244	0.01	1,636,271	11.97
Foreign currency	71,157,672	0.04	4,722,532	6.64
Total	**84,826,916**	**0.05**	**6,358,803**	**7.50**
Borrowings:				
TL	2,700,732	0.00	2,559,906	94.79
Foreign currency	85,819,078	0.04	6,582,299	7.67
Total	**88,519,810**	**0.04**	**9,142,205**	**10.33**
Securities Issued:				
TL	5,277,979	0.00	1,475,334	27.95
Foreign currency	46,424,763	0.02	3,283,814	7.07
Total	**51,702,742**	**0.02**	**4,759,148**	**9.20**
Total interest-bearing liabilities:				
TL	562,500,177	0.27	139,507,749	24.80
Foreign currency	200,388,075,564	99.62	22,237,834	0.01
Total	**200,950,575,741**	**99.89**	**161,745,583**	**0.08**
Other liabilities:				
Derivative financial instruments:				
TL	9,542,225	0.00	0	0.00
Foreign currency	2,415,943	0.00	0	0.00
Total	**11,958,168**	**0.00**	**0**	**0.00**
Income taxes payable (TL)	1,395,535	0.00	0	0.00
Deferred tax liabilities (TL)	6,712,975	0.00	0	0.00
Other liabilities:				
TL	27,312,042	0.01	0	0.00
Foreign currency	21,595,268	0.01	0	0.00
Total	**48,907,310**	**0.02**	**0**	**0.00**
Reserve for emp. termination benefits (TL)	1,883,507	0.00	0	0.00
Shareholders' equity	132,790,580	0.07	0	0.00
Profit	66,461,096	0.03	0	0.00
Other interest income:	0		796,701	0.00
Total average liabilities and shareholders:				
TL	742,137,041	0.35	140,304,450	18.91
Foreign currency	200,412,086,775	99.63	22,237,834	0.01
Total	**201,154,223,816**	**99.98**	**162,542,284**	**0.08**

	For the year ended 31 December 2022			
	Average Balance	Share of Total %	Interest	Average Rate %
	(TL thousands, except percentages)			
TL saving deposits:				
Time	119,765,720	0.09	20,538,436	17.15
Demand	22,622,664	0.02	0	0.00
Total	**142,388,384**	**0.11**	**20,538,436**	**14.42**
TL other deposits:				
Time	71,422,750	0.05	12,812,073	17.94
Demand	23,219,813	0.02	1	0.00
Total	**94,642,563**	**0.07**	**12,812,074**	**13.54**
TL deposits:				
Time	191,188,470	0.14	33,350,509	17.44
Demand	45,842,477	0.04	1	0.00
Total	**237,030,947**	**0.18**	**33,350,510**	**14.07**
Foreign currency saving deposits:				
Time	117,942,529	0.09	1,837,343	1.56
Demand	69,131,258,285	52.13	20,457	0.00
Total	**69,249,200,814**	**52.22**	**1,857,800**	**0.00**
Other foreign currency deposits:				
Time	63,060,511	0.05	1,548,599	2.46
Demand	62,705,739,118	47.28	0	0.00
Total	**62,768,799,629**	**47.33**	**1,548,599**	**0.00**
Foreign currency deposits:				
Time	181,003,040	0.14	3,385,942	1.87
Demand	131,836,997,403	99.41	20,457	0.00
Total	**132,018,000,443**	**99.55**	**3,406,399**	**0.00**
Bank deposits:				
TL	7,660,371	0.01	1,401,027	18.29
Foreign currency	15,588,157	0.01	785,458	5.04
Total	**23,248,528**	**0.02**	**2,186,485**	**9.40**
Funds provided under repurchase agreements:				
TL	26,488,932	0.02	3,456,139	13.05
Foreign currency	27,544,128	0.02	651,703	2.37
Total	**54,033,060**	**0.04**	**4,107,842**	**7.60**
Borrowings:				
TL	1,046,527	0.00	656,813	62.76
Foreign currency	75,004,723	0.06	2,815,465	3.75
Total	**76,051,250**	**0.06**	**3,472,278**	**4.57**
Securities Issued:				
TL	8,004,511	0.01	1,378,894	17.23
Foreign currency	39,711,799	0.03	2,554,096	6.43
Total	**47,716,310**	**0.04**	**3,932,990**	**8.24**
Total interest-bearing liabilities:				
TL	280,231,288	0.22	40,243,383	14.36
Foreign currency	132,175,849,250	99.67	10,213,121	0.01
Total	**132,456,080,538**	**99.89**	**50,456,504**	**0.04**
Other liabilities:				
Derivative financial instruments:				
TL	9,242,723	0.01	0	0.00
Foreign currency	2,757,929	0.00	0	0.00
Total	**12,000,652**	**0.01**	**0**	**0.00**
Income taxes payable (TL)	2,160,993	0.00	0	0.00
Deferred tax liabilities (TL)	5,896,630	0.00	0	0.00
Other liabilities:				
TL	19,312,907	0.01	0	0.00
Foreign currency	16,416,555	0.01	0	0.00
Total	**35,729,462**	**0.02**	**0**	**0.00**
Reserve for emp. termination benefits (TL)	1,352,998	0.00	0	0.00
Shareholders' equity	103,984,162	0.08	0	0.00
Profit	60,025,707	0.05	0	0.00
Other interest income:	0	—	2,229,486	0.00
Total average liabilities and shareholders:				
TL	422,181,701	0.32	42,472,869	10.06
Foreign currency	132,195,023,734	99.68	10,213,121	0.01
Total	**132,617,205,435**	**100.00**	**52,685,990**	**0.04**

	For the year ended 31 December 2021			
	Average Balance	Share of Total %	Interest	Average Rate %
	(TL thousands, except percentages)			
TL saving deposits:				
Time	68,376,463	14.34	11,181,716	16.35
Demand	14,134,242	2.96	0	0.00
Total	**82,510,705**	**17.30**	**11,181,716**	**13.55**
TL other deposits:				
Time	28,835,111	6.05	5,044,467	17.49
Demand	12,102,489	2.54	1	0.00
Total	**40,937,600**	**8.59**	**5,044,468**	**12.32**
TL deposits:				
Time	97,211,574	20.39	16,226,183	16.69
Demand	26,236,731	5.50	1	0.00
Total	**123,448,305**	**25.89**	**16,226,184**	**13.14**
Foreign currency saving deposits:				
Time	79,443,501	16.66	577,598	0.73
Demand	3,246,731	0.68	5,235	0.16
Total	**82,690,232**	**17.34**	**582,833**	**0.70**
Other foreign currency deposits:				
Time	34,308,148	7.20	423,444	1.23
Demand	70,661	0.01	6	0.01
Total	**34,378,809**	**7.21**	**423,450**	**1.23**
Foreign currency deposits:				
Time	113,751,649	23.86	1,001,042	0.88
Demand	3,317,392	0.69	5,241	0.16
Total	**117,069,041**	**24.55**	**1,006,283**	**0.86**
Bank deposits:				
TL	3,115,901	0.65	466,202	14.96
Foreign currency	9,062,221	1.90	117,190	1.29
Total	**12,178,122**	**2.55**	**583,392**	**4.79**
Funds provided under repurchase agreements:				
TL	25,728,868	5.40	4,456,024	17.32
Foreign currency	15,436,119	3.24	137,943	0.89
Total	**41,164,987**	**8.64**	**4,593,967**	**11.16**
Borrowings:				
TL	417,059	0.09	178,682	42.84
Foreign currency	43,259,410	9.07	1,110,421	2.57
Total	**43,676,469**	**9.16**	**1,289,103**	**2.95**
Securities Issued:				
TL	7,939,389	1.67	1,266,930	15.96
Foreign currency	24,273,093	5.09	1,532,711	6.31
Total	**32,212,482**	**6.76**	**2,799,641**	**8.69**
Total interest-bearing liabilities:				
TL	160,649,522	33.70	22,594,022	14.06
Foreign currency	209,099,884	43.85	3,904,548	1.87
Total	**369,749,406**	**77.55**	**26,498,570**	**7.17**
Other liabilities:				
Derivative financial instruments:				
TL	14,625,687	3.07	0	0.00
Foreign currency	2,688,506	0.56	0	0.00
Total	**17,314,193**	**3.63**	**0**	**0.00**
Income taxes payable (TL)	645,759	0.14	0	0.00
Deferred tax liabilities (TL)	1,618,095	0.34	0	0.00
Other liabilities:				
TL	11,900,198	2.50	0	0.00
Foreign currency	9,830,186	2.06	0	0.00
Total	**21,730,384**	**4.56**	**0**	**0.00**
Reserve for emp. termination benefits (TL)	613,817	0.13	0	0.00
Shareholders' equity	65,160,883	13.67	0	0.00
Profit	12,127,191	2.54	0	0.00
Other interest income:	0		123,928	0.00
Total average liabilities and shareholders:				
TL	255,213,961	53.55	22,717,950	8.90
Foreign currency	221,618,576	46.47	3,904,548	1.76
Total	**476,832,537**	**100.02**	**26,622,498**	**5.58**

Interest Earning Assets: Yield, Margin and Spread

The following tables (derived from Akbank's unaudited management accounts) show Akbank's net interest income (excluding other interest income/expense and profit/loss), yield, margin and spread for the three-month periods ended 31 March 2024 and 31 March 2023 and for the years ended 31 December 2023, 2022 and 2021.

	For the three-month period ended 31 March	
	2024	2023
	(TL thousands, except percentages)	
Net Interest Income:		
TL	18,385,593	12,000,425
Foreign currency	2,123,221	1,579,044
Total	**20,508,813**	**13,579,469**
Yield on interest-earning assets[1]:		
TL	37.99%	22.66%
Foreign currency	5.77%	4.62%
Total	**24.86%**	**14.51%**
Yield on interest-bearing liabilities[1]:		
TL	42.05%	21.26%
Foreign currency	0.02%	2.09%
Total	**0.22%**	**8.64%**
Margin[2]:		
TL	1.94%	2.14%
Foreign currency	0.33%	0.34%
Total	**1.28%**	**1.33%**
Spread[3]:		
TL	-4.06%	1.40%
Foreign currency	5.75%	2.53%
Total	**24.64%**	**5.87%**

	For the year ended 31 December	
	2023	2022
	(TL thousands, except percentages)	
Net Interest Income:		
TL	61,249,104	74,989,628
Foreign currency	7,662,369	6,009,178
Total	**68,911,473**	**80,998,806**
Yield on interest-earning assets:		
TL	26.77%	28.65%
Foreign currency	5.45%	3.69%
Total	**17.76%**	**15.62%**
Yield on interest-bearing liabilities:		
TL	24.80%	14.36%
Foreign currency	0.01%	0.01%
Total	**0.08%**	**0.04%**
Margin:		
TL	8.17%	18.65%
Foreign currency	1.40%	1.37%
Total	**5.31%**	**9.63%**
Spread:		
TL	1.97%	14.29%
Foreign currency	5.43%	3.69%
Total	**17.68%**	**15.58%**

	For the year ended 31 December	
	2022	2021
	(TL thousands, except percentages)	
Net Interest Income:		
TL	74,989,628	19,913,868
Foreign currency	6,009,178	4,390,740
Total	**80,998,806**	**24,304,608**
Yield on interest-earning assets:		
TL	28.65%	16.85%
Foreign currency	3.69%	3.52%
Total	**15.62%**	**10.41%**
Yield on interest-bearing liabilities:		
TL	14.36%	14.06%
Foreign currency	0.01%	1.87%
Total	**0.04%**	**7.17%**
Margin:		
TL	18.65%	7.89%
Foreign currency	1.37%	1.86%
Total	**9.63%**	**4.98%**
Spread:		
TL	14.29%	2.78%
Foreign currency	3.69%	1.65%
Total	**15.58%**	**3.24%**

Analysis of Changes in Net Interest Income and Interest Expense

The following tables provide a comparative analysis of changes in net interest income and interest expense by reference to changes in average volume and rates for the three-month periods ended 31 March 2024 and 2023 and the years ended 31 December 2023, 2022 and 2021. Net changes in net interest income are attributed to either changes in average balances (volume changes) or changes in average rates (rate changes) for interest-earning assets and sources of funds on which interest is received or paid. Volume change is calculated as the change in volume multiplied by the previous rate, while rate change is the change in rate multiplied by the previous volume. The rate volume change (change in rate multiplied by change in volume) is allocated between volume change and rate change at the ratio each component bears to the absolute value of their total. Average balances represent the average of the daily balances for the respective year. Akbank does not separately track short-term and long-term interest expense for purposes of calculating net interest income and interest expense.

	31 March 2024/2023 Increase/(decrease) due to changes in			
	Volume	Rate	Net Change	Change %
	(TL thousands, except percentages)			
Interest Income				
Interest-earning deposits in banks & reserve requirements & interbank money market:				
TL	2,440,167	33,512	2,473,679	206.00
Foreign currency	888,535	(450,580)	437,955	600.00
Total	**1,651,251**	**1,260,384**	**2,911,635**	**246.00**
Marketable securities:				
TL	9,659,722	19,322,702	28,982,424	293.00
Foreign currency	1,216,457	678,989	1,895,446	24.00
Total	**8,807,538**	**22,070,332**	**30,877,870**	**242.00**
Loans:				
TL	25,228,468	25,243,029	50,471,497	191.00
Foreign currency	2,965,457	1,988,726	4,954,183	29.00
Total	**24,759,081**	**30,666,599**	**55,425,680**	**158.00**
Leasing receivables:				
TL	104,817	700,593	805,410	321.00
Foreign currency	81,744	111,511	193,255	14.00
Total	**169,623**	**829,042**	**998,665**	**158.00**
Total interest-earning assets:				
TL	38,182,940	44,550,070	82,733,010	220.00
Foreign currency	5,724,916	1,755,924	7,480,840	35.00
Total	**37,283,958**	**52,929,893**	**90,213,851**	**183.00**
Interest Expense				
TL deposits:				
Time	27,854,721	36,519,723	64,374,444	787.00
Demand	0	0	0	0.00
Total	**20,802,624**	**43,571,820**	**64,374,444**	**787.00**
Foreign currency deposits:				
Time	757,412	(254,827)	502,585	-2.00
Demand	13,090,427	(12,982,421)	108,006	1916.00
Total	**752,587,252**	**(751,976,661)**	**610,591**	**7.00**
Bank deposits:				
TL	179,791	396,454	576,245	177.00
Foreign currency	112,291	715,627	827,918	595.00
Total	**328,009**	**1,076,154**	**1,404,163**	**321.00**
Funds provided under repurchase agreements:				
TL	400,529	540,261	940,790	-9.00
Foreign currency	791,268	744,484	1,535,752	648.00
Total	**2,606,079**	**(129,538)**	**2,476,541**	**80.00**
Borrowings:				
TL	119,173	1,300,096	1,419,269	1154.00
Foreign currency	**627,852**	**1,144,674**	**1,772,526**	**96.00**
Total	**741.181**	**2,450,613**	**3,191,794**	**197.00**
Total interest-bearing liabilities:				
TL	22.615.260	44,931,923	67,547,183	592.00
Foreign currency	999.686.342	(993,872,852)	5,813,490	99.00
Total	**2.505.059.570**	**-2,431,698,896**	**73,360,674**	**463.00**

	31 December 2023/2022 Increase/(decrease) due to changes in				31 December 2022/2021 Increase/(decrease) due to changes in				31 December 2021/2020 Increase/(decrease) due to changes in			
	Volume	**Rate**	**Net Change**	**Change %**	**Volume**	**Rate**	**Net Change**	**Change %**	**Volume**	**Rate**	**Net Change**	**Change %**
	(TL thousands, except percentages)											
Interest Income												
Interest-earning deposits in banks & reserve requirements & interbank money market:												
TL	7,161,799	(4,470,311)	2,691,488	232.00	1,743,548	(1,322,665)	420,883	39	755,212	240,054	995,266	29
Foreign currency	2,619,610	(942,617)	1,676,993	1903.00	2,067,506	(1,824,414)	243,092	395	625,332	(774,547)	(149,215)	(18)
Total	**4,861,806**	**(493,325)**	**4,368,481**	**402.00**	**3,056,572**	**(2,392,597)**	**663,975**	**5**	**969,985**	**(123,933)**	**846,052**	**25**
Marketable securities:												
TL	23,799,856	58,245,259	82,045,115	983.00	9,950,088	44,504,055	54,545,143	624	5,974,902	4,641,086	10,615,988	54
Foreign currency	4,002,184	2,917,500	6,919,684	307.00	2,725,132	1,846,201	4,571,333	174	663,460	1,506,568	2,170,028	39
Total	**24,432,046**	**64,532,752**	**88,964,798**	**856.00**	**13,073,628**	**45,951,847**	**59,125,475**	**540**	**5,205,980**	**7,580,036**	**12,786,016**	**51**
Loans:												
TL	81,477,616	25,052,902	106,530,518	480.00	36,128,904	16,410,438	52,539,342	201	12,788,811	10,678,199	23,467,010	51
Foreign currency	9,628,740	9,002,959	18,631,699	309.00	6,568,111	2,522,717	9,090,828	114	1,619,809	2,536,464	4,156,273	12
Total	**80,077,713**	**45,084,504**	**125,162,217**	**446.00**	**40,683,676**	**20,946,494**	**61,630,170**	**184**	**12,813,325**	**14,809,958**	**27,623,283**	**43**
Leasing receivables:												
TL	390,124	1,924,656	2,314,780	1063.00	155,370	488,321	643,691	242	(28,417)	283,091	254,674	51
Foreign currency	323,539	427,144	750,683	256.00	181,176	214,756	395,932	102	(18,469)	215,555	197,086	16
Total	**655,817**	**2,409,647**	**3,065,464**	**634.00**	**327,599**	**712,024**	**1,039,623**	**167**	**(41,300)**	**498,060**	**451,760**	**32**
Total interest-earning assets:												
TL	114,994,301	78,587,599	193,581,900	615.00	48,372,448	59,685,611	108,058,059	310	19,648,174	15,684,764	35,332,938	51
Foreign currency	18,097,854	9,881,204	27,979,058	329.00	12,938,372	1,362,813	14,301,185	133	3,494,215	2,979,958	6,374,173	19
Total	**114,404,022**	**107,156,937**	**221,560,959**	**558.00**	**61,290,943**	**61,068,301**	**122,359,244**	**275**	**20,293,927**	**21,413,183**	**41,707,110**	**45**
Interest Expense												
TL deposits:												
Time	75,237,056	53,971,303	129,208,359	1638.00	24,881,506	5,278,369	30,159,875	338	6,337,931	6,657,618	13,035,549	113
Demand	12	(12)	0	0.00	4	(4)	-	0	1	(1)	-	0
Total	**65,558,398**	**63,649,961**	**129,208,359**	**1638.00**	**21,926,006**	**8,233,869**	**30,159,875**	**338**	**5,303,633**	**7,731,916**	**13,035,549**	**113**
Foreign currency deposits:												
Time	2,173,444	1,594,633	3,768,077	262.00	2,333,864	337,164	2,671,028	173	404,219	(118,086)	286,133	(19)
Demand	73,755,005	(73,482,883)	272,122	4887.00	48,617,215	(48,600,069)	17,146	270	(12,022)	13,945	1,923	(5)
Total	**4,238,733,413**	**(4,234,693,214)**	**4,040,199**	**283.00**	**2,794,718,811**	**(2,792,030,637)**	**2,688,174**	**174**	**(392,095)**	**680,152**	**288,057**	**(19)**
Bank deposits:												
TL	710,996	644,593	1,355,589	506.00	1,073,762	245,610	1,319,372	491	242,994	141,553	384,547	97
Foreign currency	380,453	2,470,633	2,851,086	2216.00	194,366	551,443	745,809	529	46,599	30,942	77,541	(6)
Total	**1,142,077**	**3,064,598**	**4,206,675**	**1096.00**	**797,993**	**1,267,188**	**2,065,181**	**504**	**186,959**	**275,129**	**462,088**	**61**
Funds provided under repurchase agreements:												
TL	1,920,803	(603,037)	1,317,766	18.00	4,917,063	(1,779,428)	3,137,635	150	4,739,418	(601,898)	4,137,520	222
Foreign currency	2,233,044	2,407,441	4,640,485	2082.00	663,228	(93,572)	569,656	201	227,415	(171,519)	55,896	(36)
Total	**7,726,579**	**(1,768,328)**	**5,958,251**	**298.00**	**4,340,045**	**(632,755)**	**3,707,290**	**157**	**2,924,887**	**1,268,529**	**4,193,416**	**187**
Borrowings:												
TL	464,849	2,016,722	2,481,571	2044.00	(11,794)	590,272	578,478	450	(193,169)	293,516	100,347	50
Foreign currency	1,715,932	4,428,040	6,143,972	483.00	1,278,761	1,098,377	2,377,138	149	(4,546)	676,639	672,093	(2)
Total	**2,048,112**	**6,577,431**	**8,625,543**	**632.00**	**1,468,522**	**1,487,094**	**2,955,616**	**178**	**(36,390)**	**808,830**	**772,440**	**3**
Total interest-bearing liabilities:												
TL	72,029,711	63,502,850	135,532,561	1250.00	27,905,222	8,362,975	36,268,197	289	9,212,808	9,406,728	18,618,836	119
Foreign currency	5,625,895,321	(5,605,122,761)	20,772,560	506.00	3,708,841,953	(3,700,094,076)	8,747,877	179	15,618	2,423,686	2,439,304	6
Total	**14,072,838,503**	**(13,916,533,381)**	**156,305,122**	**1055.00**	**9,268,659,544**	**9,233,643,470**	**45,016,074**	**260**	**4,172,363**	**16,885,777**	**21,058,140**	**89**

Return on Assets and Equity

The following tables (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) present certain selected financial ratios of Akbank for the three-month period ended 31 March 2024 and for the years ended 31 December 2023, 2022 and 2021.

	For the three month period ended 31 March	For the year ended 31 December		
	2024	**2023**	**2022**	**2021**
	(TL thousands, except percentages)			
Net profit (attributable to Equity Holders of Akbank)	13,184,778	66,496,235	60,025,707	12,127,191
Average total assets	1,665,869,530	1,526,031,834	955,046,255	620,557,453
Average shareholders' equity (attributable to equity holders of Akbank)	183,433,033	182,412,289	114,782,592	69,441,685
Net income as a percentage of:				
Average total assets	3.2%	17.4%	25.1%	7.8%
Average shareholders' equity	28.8%	145.8%	209.2%	69.9%
Average shareholders' equity as a percentage of average total assets	11.0%	12.0%	12.0%	11.2%

Dividend pay-out ratio	0.0%	0.0%	15.0%	5.2%

Securities

Investment Securities

Akbank's portfolio of marketable securities consists primarily of Turkish government securities (including bonds and treasury bills) denominated in Turkish Lira, U.S. Dollars and Euro.

Financial Assets at fair value through other comprehensive income

The following tables (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) show a breakdown of Akbank's financial assets at fair value through other comprehensive income as at 31 March 2024 and 31 December 2023, 2022 and 2021.

The percentage of fixed compared to floating financial assets at fair value through other comprehensive income securities (excluding equity securities) held by Akbank was 51.4% fixed and 48.6% floating as at 31 March 2024, 51.8% fixed and 48.2% floating as at 31 December 2023, 48.5% fixed and 51.5% floating as at 31 December 2022; and 56.2% fixed and 43.8% floating as at 31 December 2021.

	As at 31 March 2024		As at 31 December					
			2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
	(TL thousands, except percentages)							
Debt Securities								
Government bonds	163,277,869	48.6	125,379,789	44.2	82,204,908	47.8	34,746,069	34.6
Treasury bills	2,333,583	0.7	1,763,200	0.6	154,269	0.1	—	0.0
Eurobonds	104,141,118	31.0	90,781,116	32.0	60,593,581	35.3	43,909,234	43.8
Mutual funds	1,663,615	0.5	1,429,280	0.5	1,404,572	0.8	822,416	0.8
Other bonds	64,108,398	19.1	64,299,877	22.7	27,373,213	15.9	20,817,824	20.8
Equity securities								
Listed	—	0.0	—	0.0	—	0.0	—	0.0
Unlisted	112,206	0.0	112,206	0.04	97,230	0.1	15,879	0.0
Total	**335,636,789**	**100.0**	**283,765,468**	**100.0**	**171,827,773**	**100.0**	**100,311,422**	**100.0**

The following tables (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) set forth Akbank's financial assets measured at fair value through other comprehensive income and their effective average interest rates on a currency basis, excluding equity securities and mutual funds, by maturity as at 31 March 2024, 31 December 2023, 2022 and 2021.

	As at 31 March 2024				
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
	(TL thousands)				
Debt Securities					
Government bonds	4,933,551	1,082,211	108,187,593	49,074,514	163,277,869
Treasury bills	2,333,583	—	—	—	2,333,583
Eurobonds	—	3,366,706	81,279,656	19,494,756	104,141,118
Other bonds	5,435,280	17,306,186	41,366,932	—	64,108,398
Total	**12,702,414**	**21,755,103**	**230,834,181**	**68,569,270**	**333,860,968**

	As at 31 December 2023				
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
			(TL thousands)		
Debt Securities					
Government bonds	1,640,343	9,383,998	87,903,334	26,452,114	**125,379,789**
Treasury bills	1,763,200	—	—	—	**1,763,200**
Eurobonds	547,952	2,360,256	70,623,137	17,249,771	**90,781,116**
Other bonds	11,780,839	11,103,336	41,415,702	—	**64,299,877**
Total	**15,732,334**	**22,847,590**	**199,942,173**	**43,701,885**	**282,223,982**

	As at 31 December 2022				
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
			(TL thousands)		
Debt Securities					
Government bonds	84,782	9,859,919	46,024,519	26,235,688	**82,204,908**
Treasury bills	154,269	—	—	—	**154,269**
Eurobonds	1,872	11,259,623	32,760,265	16,571,821	**60,593,581**
Other bonds	1,251,513	2,103,802	24,017,898	—	**27,373,213**
Total	**1,492,436**	**23,223,344**	**102,802,682**	**42,807,509**	**170,325,971**

	As at 31 December 2021				
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
			(TL thousands)		
Debt Securities					
Government bonds	3,799,206	2,379,393	24,884,135	3,683,335	34,746,069
Treasury bills	—	—	—	—	—
Eurobonds	335,927	4,977,468	19,340,069	19,255,770	43,909,234
Other bonds	766,249	1,000,083	19,051,492	—	20,817,824
Total	**4,901,382**	**8,356,944**	**63,275,696**	**22,939,105**	**99,473,127**

	As at 31 March 2024 Average Interest Rates			As at 31 December 2023 Average Interest Rates			As at 31 December 2022 Average Interest Rates			As at 31 December 2021 Average Interest Rates		
Debt Securities	TL	U.S.$	Euro	TL	U.S.$	Euro	TL	U.S.$	Euro	TL	U.S.$	Euro
						(%)						
Government bonds	35.20	—	—	32.61	—	—	30.14	0.00	0.00	18.38	0.00	0.00
Treasury bills	—	—	—	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00
Eurobonds	—	—	4.89	—	6.00	4.33	0.00	5.70	4.21	0.00	4.94	4.11
Other bonds	44.54	6.59	2.40	39.24	6.38	2.10	8.85	5.78	3.91	12.02	5.90	3.90

Financial Assets at amortised cost

The following tables (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) show a breakdown of Akbank's financial assets measured at amortised cost as at 31 March 2024, 31 December 2023, 2022 and 2021.

	As at 31 March 2024		As at 31 December					
			2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
				(TL thousands, except percentages)				
Debt Securities[(1)]								
Government bonds	158,466,582	89.8	147,032,731	89.1	86,174,530	87.8	42,169,862	80.2
Eurobonds	16,211,703	9.2	16,284,267	9.9	10,660,402	10.9	9,446,135	18.0
Other bonds	1,759,156	1.0	1,609,762	1.0	1,319,744	1.3	969,563	1.8
Total	**176,437,441**	**100.0**	**164,926,760**	**100.0**	**98,154,676**	**100.0**	**52,585,560**	**100.0**

Note:

(3) All of Akbank's treasury bills and most of its Eurobonds are Turkish government securities, apart from a relatively small amount of Turkish and Dutch corporate bonds and Turkish corporate bonds.

The following tables (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) set forth Akbank's amortised cost securities and their effective average interest rates on a currency basis, by maturity as at 31 March 2024, 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 March 2024				
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
			(TL thousands)		
Debt Securities					
Government bonds	5,713,230	1,302,351	105,298,537	46,152,464	158,466,582
Eurobonds	—	11,600,460	4,576,861	34,382	16,211,703
Other bonds	197,968	937,209	623,979	—	1,759,156
Total	**5,911,198**	**13,840,020**	**110,499,377**	**46,186,846**	**176,437,441**

	As at 31 December 2023				
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
			(TL thousands)		
Debt Securities					
Government bonds	—	5,561,145	99,019,226	42,452,360	**147,032,731**
Eurobonds	1,580,463	7,628,791	7,044,187	30,826	**16,284,267**
Other bonds	—	644,269	965,493	—	**1,609,762**
Total	**1,580,463**	**13,834,205**	**107,028,906**	**42,483,186**	**164,926,760**

	As at 31 December 2022				
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
			(TL thousands)		
Debt Securities					
Government bonds	379,143	12,138,515	36,449,888	37,206,984	**86,174,530**
Eurobonds	331,532	56,462	10,031,861	240,547	**10,660,402**
Other bonds	265,216	36,933	1,107,595	—	**1,319,744**
Total	**975,891**	**12,231,910**	**47,499,344**	**37,447,531**	**98,154,676**

	As at 31 December 2021				
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
			(TL thousands)		
Debt Securities					
Government bonds	2,201,663	4,566,005	11,387,346	24,014,848	**42,169,862**
Eurobonds	872,911	1,028,273	7,376,343	168,608	**9,446,135**
Other bonds	—	39,554	930,009	—	**969,563**
Total	**3,074,574**	**5,633,832**	**19,693,698**	**24,183,456**	**52,585,560**

	Three months ended 31 March 2024		
	Average Interest Rates		
	TL	U.S.$	EUR
Debt Securities			

	Three months ended 31 March 2024		
	Average Interest Rates		
	TL	U.S.$	EUR
Government bonds(2)	32.57	0.00	0.00
Eurobonds	0.00	6.02	0.00
Other bonds	0.00	6.48	0.00

	Year ended 31 December 2023		
	Average Interest Rates		
	TL	U.S.$	EUR
Debt Securities			
Government bonds(2)	43.82	0.00	0.00
Eurobonds	0.00	6.10	0.00
Other bonds	0.00	6.47	0.00

	Year ended 31 December 2022		
	Average Interest Rates		
	TL	U.S.$	EUR
Debt Securities			
Government bonds(2)	20.90	0.00	0.00
Eurobonds	0.00	5.75	0.00
Other bonds	0.00	7.23	0.00

	Year ended 31 December 2021		
	Average Interest Rates		
	TL	U.S.$	EUR
Debt Securities			
Government bonds(2)	12.18	0.00	0.00
Eurobonds	0.00	5.68	1.61
Other bonds	0.00	7.53	4.25

Notes:

(1) All of Akbank's amortised cost government bonds, treasury bills and Eurobonds are Turkish government securities.
(2) All of Akbank's held to maturity government bonds, treasury bills and Eurobonds are Turkish government securities.

Financial Assets Measured At Fair Value

The following tables (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) show a breakdown of Akbank's trading securities as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March 2024		As at 31 December					
			2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
	(TL thousands, except percentages)							
Government bonds	321,995	1.6	343,448	2.1	437,765	4.1	241,562	7.0
Eurobonds	712,256	3.4	446,295	2.7	164,826	1.6	337,168	9.7
Treasury bills	—	0.0	—	0.0	—	0.0	—	0.0
Listed equities	5,724,731	27.6	3,522,124	21.7	6,591,527	62.4	1,073,896	31.0

Other Financial Assets	14,010,151	67.5	11,942,249	73.5	3,365,007	31.9	9,156,749	52.3
Total	**20,769,133**	**100.0**	**16,254,116**	**100.0**	**10,559,125**	**100.0**	**10,809,375**	**100.0**

The following tables (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) set forth Akbank's trading securities and their effective average interest rates on a currency basis, excluding equity securities, by maturity as at 31 March 2024 and as at 31 December 2023, 31 December 2022 and 31 December 2021.

	As at 31 March 2024				
	Up to 3 months	**3 months to 1 year**	**1 year to 5 years**	**Over 5 years**	**Total**
			(TL thousands)		
Government bonds	47	4,218	189,816	127,914	**321,995**
Eurobonds	4,815	63,829	451,742	191,870	**712,256**
Treasury bills	—	—	—	—	**—**
Other	542,025	—	89,299	33	**631,357**
Total	546,887	68,047	730,857	319,817	**1,665,608**

	As at 31 December 2023				
	Up to 3 months	**3 months to 1 year**	**1 year to 5 years**	**Over 5 years**	**Total**
			(TL thousands)		
Government bonds	528	24,335	220,732	97,853	**343,448**
Eurobonds	10,702	26,731	298,357	110,505	**446,295**
Treasury bills	—	—	—	—	**—**
Other	2,569,947	54,993	58,165	154	**2,683,259**
Total	**2,581,177**	**106,059**	**577,254**	**208,512**	**3,473,002**

	As at 31 December 2022				
	Up to 3 months	**3 months to 1 year**	**1 year to 5 years**	**Over 5 years**	**Total**
			(TL thousands)		
Government bonds	80,211	59,155	84,092	214,307	**437,765**
Eurobonds	232	41,457	74,736	48,401	**164,826**
Treasury bills	1,272,027	26,957	23,584	1,201	**1,323,769**
Total	**1,352,470**	**127,569**	**182,412**	**263,909**	**1,926,360**

	As at 31 December 2021				
	Up to 3 months	**3 months to 1 year**	**1 year to 5 years**	**Over 5 years**	**Total**
			(TL thousands)		
Government bonds	17,851	159,397	62,153	2,161	**241,562**
Eurobonds	17,741	14,377	263,349	41,701	**337,168**
Treasury bills	307,087	27,873	81,902	82,983	**499,845**
Total	**342,679**	**201,647**	**407,404**	**126,845**	**1,078,575**

	As at 31 March 2024 Average Interest Rates		
		(TL thousands)	
Government bonds	41.00	—	—
Treasury bills	—	—	—
Eurobonds	—	7.40	4.80

	As at 31 March 2024 Average Interest Rates		
Other	—	9.16	—

	As at 31 December 2023 Average Interest Rates		
		(TL thousands)	
Government bonds	47.26	—	—
Treasury bills	—	—	—
Eurobonds	—	7.63	4.95
Other	—	9.66	—

	As at 31 December 2022 Average Interest Rates		
		(TL thousands)	
Government bonds	10.82	—	—
Treasury bills	—	—	—
Eurobonds	—	7.54	4.89
Other	—	6.61	—

	As at 31 December 2021 Average Interest Rates		
		(TL thousand)	
Government bonds	18.07	—	—
Treasury bills	—	—	—
Eurobonds	—	6.41	(2.48)
Other	—	6.96	—

Loan and Guarantee Portfolio

As at 31 March 2024, Akbank's total performing loans equalled TL1034.6 billion, or 50.0% of total assets, in addition to loans, Akbank had outstanding as at 31 March 2024 guarantees amounting to TL235.3 billion, acceptances amounting to TL0.6 billion and letters of credit amounting to TL30.2 billion

As at 31 December 2023, Akbank's total performing loans equalled TL941.3 billion, or 49.4% of total assets. In addition to loans, Akbank had outstanding as at 31 December 2023 guarantees amounting to TL184.5, acceptances amounting to TL0.8 billion and letters of credit amounting to TL27.5 billion.

The tables below (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) set forth the composition of Akbank's cash and non-cash credit exposure as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March 2024	As at 31 December 2023	2022	2021
			(TL thousands)	
Cash loans[(1)]	1,034,629,180	941,362,505	598,899,823	378,981,649
Non-cash loans	266,026,958	238,552,405	141,302,034	88,336,116
Letters of guarantee	205,246,337	184,449,418	97,468,639	58,548,640
Bank acceptance loans	589,179	745,358	195,108	159,525
Letters of credit	30,233,669	27,522,554	21,235,695	15,170,426

Other guarantees	29,957,773	25,835,075	22,402,592	14,457,525
Total	**1,566,683,096**	**1,179,914,910**	**740,201,857**	**467,317,765**

Note:

(1) Includes overdue loans, net of allowance for loan issues.

Foreign Currency Exposure

The tables below (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) show a breakdown of Akbank's loan and guarantee portfolios by currency exposure as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March 2024	As at 31 December		
		2023	2022	2021
		(TL thousands)		
Loans				
TL	737,150,667	662,832,567	411,479,548	236,628,155
Foreign Currency	319,400,822	299,248,666	204,629,567	160,122,040
U.S.$	141,774,206	134,970,418	85,686,883	60,048,018
EUR	177,564,367	164,210,056	118,865,647	100,042,266
Other	62,249	68,192	77,037	31,756
Total	**1,056,551,489**	**962,081,233**	**616,109,115**	**396,750,195**
Non-cash loans				
Letters of guarantee				
TL	127,128,132	113,288,749	51,738,063	26,591,294
FC	78,118,205	71,160,669	45,730,576	31,957,346
Acceptance credits				
TL	—	—	4,785	—
FC	589,179	745,358	190,323	159,525
Letters of credit				
TL	2,340,368	2,878,946	2,058,977	49,289
FC	27,893,301	24,643,608	19,176,718	15,121,137
Other guarantees				
TL	26,055,740	22,415,129	14,256,291	6,122,502
FC	3,902,033	3,419,946	8,146,301	8,335,023
Total	**266,026,958**	**238,552,405**	**141,302,034**	**88,336,116**

Distribution of Loans by Type of Borrower

The following table (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) sets forth Akbank's cash loans, including accrued interest and excluding allowance for loan losses, by type of loan and the percentage contribution to the total loan portfolio, as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March		As at 31 December					
	2024	%	2023	%	2022	%	2021	%
			(TL thousands, except percentages)					
Public Sector Loans	37,067,946	3.4%	36,345,065	3.8%	26,160,837	4.2%	10,333,637	2.6%
Private Sector Loans	1,039,719,386	96.6%	925,736,168	96.2%	589,948,278	95.8%	386,416,558	97.4%
Total Loans	**1,076,787,332**	**100.0%**	**962,081,233**	**100.0%**	**616,109,115**	**100%**	**396,750,195**	**100%**

As at 31 March 2024, Akbank's loan portfolio comprised of 26.5% corporate loans (both Turkish Lira and foreign currency), 32.0% SME loans, 19.2% consumer loans and 20.3% credit card loans.

As at 31 December 2023, Akbank's loan portfolio comprised 29.4% corporate loans (both Turkish Lira and foreign currency), 31.7% SME loans, 18.1% consumer loans and 19.0% credit card loans.

Loans to the public sector comprise mainly project finance loans representing long-term loans extended in relation to infrastructure construction under the management and guarantee of the Undersecretariat of the Turkish Treasury.

Akbank's strategy in lending is balanced loan growth with keeping its strong presence in the corporate, commercial and consumer banking market, maintaining its customer-focused approach and improving its customer service by continuing to increase its operational efficiency. See "*Information About Akbank—Business—Strategy*" in the Offering Circular, which is incorporated herein by reference.

Akbank is as at the date of this Offering Circular within the limits imposed by Turkish banking regulations with respect to its exposure to any one borrower or group of borrowers, including to Sabancı Group companies. See "*Information About Akbank—Remuneration and Related Party Transactions*" in the Offering Circular, which is incorporated herein by reference. According to Banking Law No. 5411, published in the Reiterated Official Gazette No 25983 dated 1 November 2005, the single exposure limit is set at 20% in the case of a related party group and 25% in the case of a non-related party group.

Distribution of Loans by Sector

The following table (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) shows the breakdown of the loan portfolio by sector as at 31 December 2023, 2022 and 2021.

	As at 31 March		**As at 31 December**					
	2024	**%**	**2023**	**%**	**2022**	**%**	**2021**	**%**
				(TL thousands, except for percentages)				
Consumer loans and credit cards	368,987,908	35.7	318,842,938	33.9	144,327,606	24.1	85,631,833	22.6
Mortgage	40,305,065	3.9	32,989,166	3.5	16,449,657	2.7	13,576,858	3.6
Automobile	5,077,599	0.5	5,177,007	0.5	2,393,287	0.4	324,464	0.1
General Purpose	157,016,697	15.2	136,808,728	14.5	77,294,865	12.9	46,807,938	12.4
Retail Credit Cards	166,588,547	16.1	143,868,037	15.3	48,189,797	8.0	24,922,573	6.6
Financial institutions	56,363,704	5.4	56,491,412	6.0	50,799,201	8.5	23,483,532	6.2
Wholesaling	73,883,285	7.1	70,875,406	7.5	50,712,448	8.5	28,318,468	7.5
Retailers	32,044,906	3.1	28,293,281	3.0	20,964,045	3.5	13,615,717	3.6
Other manufacturing	50,450,119	4.9	45,424,457	4.8	41,560,499	6.9	17,827,281	4.7
Automotive	26,718,968	2.6	22,974,152	2.4	14,888,142	2.5	8,890,877	2.3
Steel and mining	25,170,717	2.4	21,499,447	2.3	19,671,989	3.3	11,942,568	3.2
Food and beverage	18,004,845	1.7	16,852,509	1.8	12,784,409	2.1	8,085,955	2.1
Chemicals	16,694,779	1.6	13,269,966	1.4	10,091,719	1.7	11,839,833	3.1
Textile	29,179,019	2.8	28,696,078	3.0	23,624,828	3.9	10,708,423	2.8
Telecommunication	4,736,454	0.5	3,644,234	0.4	2,072,266	0.3	1,183,342	0.3
Construction	93,830,841	9.1	100,145,839	10.6	59,050,354	9.9	48,265,656	12.7
Agriculture and forestry	12,985,219	1.3	14,160,762	1.5	7,661,204	1.3	3,433,807	0.9
Electronics	5,018,330	0.5	4,277,893	0.5	1,204,328	0.2	1,343,875	0.4
Tourism	346,469	0.0	320,808	0.0	316,423	0.1	2,927,847	0.8
Health care and social services	5,416,354	0.5	4,889,259	0.5	3,883,372	0.6	3,329,583	0.9
Other	214,797,263	20.8	190,704,065	20.3	135,286,995	22.6	98,153,052	25.9
Performing loans	**1,034,629,180**	**100**	**941,362,506**	**100**	**598,899,828**	**100**	**378,981,649**	**100**
Non-performing loans	21,922,308		20,718,727		17,209,287		17,768,546	
Total loans and advances to customers	1,056,551,488		**962,081,233**		**616,109,115**		**396,750,195**	
Allowance for loan losses	(33,766,293)		(32,468,698)		(21,905,756)		(18,697,233)	
Net loans and advances to customers	**1,022,785,195**		**929,612,535**		**594,203,359**		**378,052,962**	

As at 31 March 2024, 31 December 2023, 2022 and 2021 the share of domestic Turkish loans in total loans was 99% of the remaining loans made to borrowers outside Türkiye, borrowers were located predominantly in EU member countries with no material concentration in any one country over time.

Maturity Profile of the Loan and Guarantee Portfolios

The table below (derived from the Akbank BRSA Interim Financial Statements and Akbank BRSA Annual Financial Statements) sets forth a breakdown of the maturity profile of Akbank's loan and guarantee portfolios as at 31 December 2023, 2022 and 2021.

	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	No Maturity	Total
			(TL thousands)			
Loans						
31 March 2024	479,756,822	296,150,361	197,060,948	81,267,876	22,551,325	1,076,787,332
31 December 2023	464,651,378	249,505,130	176,891,894	69,385,770	21,349,285	981,783,457
31 December 2022	235,218,086	175,822,115	143,785,442	55,625,613	17,583,450	628,034,706
31 December 2021	128,759,004	96,150,208	120,027,033	41,624,234	18,227,817	404,788,296

Guarantees(1)	Up to 1 year	Over 1 year	Total
31 March 2024	62,079,222	203,947,736	266,026,958
31 December 2023	54,137,538	184,414,867	238,552,405
31 December 2022	47,303,340	93,998,694	141,302,034
31 December 2021	30,321,866	58,014,250	88,336,116

Note:

(1) Includes acceptance credits and export commitments.

Distribution of Loans by Size

The following table (derived from the unaudited management accounts) presents the distribution of Akbank's loan portfolio by size as at 31 March 2024 and as at 31 December 2023, 2022 and 2021, respectively.

	As at 31 March		As at 31 December					
	2024	%	2023	%	2022	%	2021	%
			(TL thousands, except percentages)					
Over TL1,000,000	651,983,067	63.0	608,742,282	64.7	441,324,995	73.7	282,149,106	74.4
TL500,000 – 1,000,000	43,213,004	4.2	25,766,926	2.7	8,353,870	1.4	5,284,182	1.4
TL100,000 – 500,000	196,087,649	19.0	163,284,154	17.3	49,495,582	8.3	22,228,130	5.9
TL50,000 – 100,000	70,062,162	6.8	70,536,848	7.5	40,086,605	6.7	27,156,505	7.2
Less than TL50,000	73,283,298	7.1	73,032,296	7.8	59,638,771	10.0	42,163,726	11.1
Performing loans	**1,034,629,180**	**100.0**	**941,362,506**	**100.0**	**598,899,823**	**100.0**	**378,981,649**	**100.0**
Non-performing loans	21,922,308		20,718,727		17,209,287		17,768,546	
Allowance for loan losses	(33,766,293)		(32,468,698)		21,905,756		18,697,233	
Net loans and advances to customers	**1,022,785,195**		**929,612,535**		**594,203,354**		**378,052,962**	

Distribution of Loans by Type

The following tables show a breakdown of Akbank's corporate, commercial and small and micro, consumer and credit card loans by type, derived from the Akbank BRSA Annual Financial Statements as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March		As at 31 December				
	2024	%	2023	%	2022	%	2021
			(TL thousands, except percentages)				
TL Corporate	104,734	(2)%	106,351	13%	94,071	78%	52,960
FX Corporate (USD)	5,424	(10)%	6,009	(13)%	6,911	(12)%	7,840
TL SME	193,882	9%	177,640	24%	143,264	92%	74,591
FX SME (USD)	4,464	7%	4,153	3%	4,045	(4)%	4,206
Consumer loans	202,399	16%	175,060	82%	96,138	58%	60,709
Credit cards	214,391	17%	183,176	202%	60,577	101%	30,161

Geographic Distribution of Loans

The following table (derived from the unaudited management accounts) shows the geographic distribution of Akbank's loan portfolio (by location of the branch) as at 31 March 2024 and 31 December 2023, 2022 and 2021. Loans shown below as booked by Akbank's foreign branches and subsidiaries are not necessarily made to borrowers in the jurisdictions where those foreign branches and subsidiaries are located.

	As at 31 March		As at 31 December					
	2024	%	2023	%	2022	%	2021	%
			(TL thousands, except percentages)					
İstanbul Region	431,624,444	41.7	383,648,761	40.8	268,477,099	44.8	175,623,503	46.3
Trakya Region	14,863,431	1.4	13,33,682	1.4	7,615,526	1.3	4,204,530	1.1
Ankara Region	140,883,378	13.6	36,120,523	11.1	74,422,167	12.4	47,227,689	12.5
Bursa Region	41,874,234	4.0	36,120,523	3.8	22,159,062	3.7	13,782,379	3.6
Çukurova Region	91,807,239	8.9	81,180,512	8.6	53,772,813	9.0	30,922,622	8.2
Eastern Black Sea Region	23,074,232	2.2	19,995,405	2.1	10,943,432	1.8	6,825,803	1.8
Aegean Region	101,199,947	9.8	79,970,823	8.5	50,326,706	8.4	29,719,907	7.8
Eskişehir Region	6,956,357	0.7	5,099,591	0.5	3,325,169	0.6	1,426,820	0.4
South-eastern Anatolia Region	63,324,583	6.1	56,746,902	6.0	34,433,008	5.7	13,988,673	3.7
Samsun Region	26,078,641	2.5	23,248,956	2.5	12,331,468	2.1	7,094,927	1.9
Denizli Region	9,626,437	0.9	13,844,236	1.5	4,734,798	0.8	2,678,564	0.7
Foreign Branch and Subsidiaries	83,316,255	8.1	123,223,672	13.1	56,358,582	9.4	45,486,232	12.0
Total Performing Loans	**1,034,629,180**	**100**	**941,362,506**	**100**	**598,899,828**	**100**	**378,981,649**	**100**
Non-Performing Loans	21,922,308		20,718,727		17,209,287		17,768,546	
Total Loans	**1,056,551,488**		**962,081,233**		**616,109,115**		**396,750,195**	
Allowance for Loan Losses	(33,766,293)		(32,468,698)		(21,905,756)		(18,697,233)	
Total Net Loans	**(1,022,785,195)**		**929,612,535**		**594,203,359**		**378,052,962**	

Non-performing Loans; Provisioning; Loan Losses

If the collectability of any loan or receivable is identified as limited or doubtful by Akbank management, Akbank provides provisions in accordance with the applicable law. Pursuant to the Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside (the "**Provisioning Regulation**") which entered into force on 1 January 2018, the general rule is that banks shall apply provisions for their loans pursuant to TFRS 9; *however*, the BRSA may, on an exceptional basis, authorise a bank to apply the applicable provisions set forth in the Provisioning Regulation instead of those required by TFRS 9, subject to the presence of detailed and acceptable grounds. With respect to the requirements under TFRS 9, "twelve-months expected credit loss reserve" and "lifetime expected credit loss reserve set aside due to significant increase in credit risk profile of the debtor" are considered as general provisions while "lifetime expected credit loss reserve set aside due to debtor's default" is considered as special provisions.

Banks that have been authorised not to apply provisions under TFRS 9 are required to determine their general and special provisions in accordance with Articles 10 and 11 of the Provisioning Regulation. In this respect, such banks shall set aside general provisions for at least 1.50% and 3.00% of their total cash loans portfolio under Groups I and II, respectively. For non-cash loans, undertakings and derivatives, general provisions to be set aside shall be calculated by applying the foregoing percentages to the risk-weighted amounts determined pursuant to the Regulation on the Calculation and the Evaluation of Banks' Capital Adequacy published in the Official Gazette No. 29511 dated 23 October 2015. Subject to the presence of a written pledge or assignment agreement, loans secured with cash, deposit, participation funds and gold deposit accounts; bonds that are issued by the Turkish government and the Central Bank, and guarantees and sureties provided by such, are not subject to the general set aside calculation. Loans extended to the Turkish government and the Central Bank are not to be considered in such calculation. As to special provisions, banks are required to comply with provision rules for NPLs under Groups III, IV and V at 20%, 50%, and 100%, respectively. See "*Turkish Regulatory Environment for Banks—Loan Loss Reserves*" for further details.

Akbank has adopted a more conservative policy regarding provisions for NPLs than that required by BRSA. Akbank has set aside specific and general provisioning for its non-performing loans. The provision made during the year is charged against the profit for the year. Loans that cannot be recovered are written-off and charged the allowance for loan losses. Recoveries of amounts previously provided for are treated as a reduction from provision for loan losses for the year.

The following table (derived from the unaudited management accounts) shows the geographic distribution of the non-performing loan loss portfolio (by location) as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March		As at 31 December					
	2024	%	2023	%	2022	%	2021	%
	(TL thousands, except percentages)							
İstanbul Region	12,212,157	55.7	14,256,254	68.8	11,425,369	66.4	10,957,792	61.7
Trakya Region	235,951	1.1	180,189	0.9	121,817	0.7	141,922	0.8
Ankara Region	1,104,870	5.0	892,147	4.3	929,883	5.4	922,052	5.2
Bursa Region	472,496	2.2	366,854	1.8	344,620	2.0	375,449	2.1
Çukurova Region	2,246,593	10.2	1,660,530	8.0	1,439,980	8.4	1,493,751	8.4
Eastern Black Sea Region	310,182	1.4	236,262	1.1	249,245	1.4	280,891	1.6
Aegean Region	1,444,348	6.6	1,129,691	5.5	982,530	5.7	1,871,699	10.5
Eskişehir Region	84,995	0.4	110,589	0.5	97,482	0.6	111,612	0.6
South-eastern Anatolia Region	3,393,020	15.5	1,552,797	7.5	1,343,632	7.8	1,261,115	7.1
Samsun Region	323,799	1.5	259,347	1.3	219,402	1.3	285,881	1.6
Denizli Region	93,580	0.4	73,822	0.4	54,939	0.3	66,080	0.4
Other	317	0.0	244	0.0	387	0.0	302	0.0
Total	**21,922,308**	**100.0**	**20,718,726**	**100.0**	**17,209,287**	**100.0**	**17,768,546**	**100.0**

For a discussion of Akbank's NPLs, see "*Risk Management—Identification and Remediation of Problem Loans*" and "*Provision for Loan Losses*".

Non-Performing Loan Ratios

Akbank's NPL ratio was 2.1% as at 31 March 2024, 2.2% as at 31 December 2023, compared to 2.8% and 4.5% as at 31 December 2022 and 2021. As at the same dates, the NPL ratio of the Turkish banking sector was 1.5%, 1.6%, 2.1%, and 3.2%. (*Source: BRSA*).

Breakdown of Non-Performing Loan Performance

The following table shows a breakdown of new non-performing loans, collections and NPL sale revenue, derived from the Akbank BRSA Annual Financial Statements as at 31 March 2024 and as at 31 December 2023, 2022 and 2021:

	As at 31 March 2024	For the year ended 31 December		
		2023	2022	2021
		(TL thousand)		
New NPLs	6,416,994	11,147,004	17,577,989	4,891,485
Collections	5,162,620	(5,729,555)	(4,055,243)	(2,986,230)
NPL Sale Revenue	—	(703,000)	(180,700)	—

Akbank also periodically engages in sales of non-performing loans. In 2023, Akbank sold the part of its non-performing loans portfolio amounting to TL1.786 million (full TL amount) for a fee of TL781 million (full TL amount) to Gelecek Varlık Yönetimi A.Ş., Dünya Varlık Yönetimi A.Ş., Birikim Varlık Yönetimi A.Ş., Ortak Varlık Yönetimi A.Ş., AGS Altın Planet Varlık Yönetimi A.Ş. and Sümer Varlık Yönetimi A.Ş. TL740 million of the TL1.786 million portfolio consists of receivables written off from assets in 2022 and earlier years. The effect of the NPL portfolio sale on the NPL conversion rate is 10 basis points.

Allowance for Loan Losses

The following table (derived from the Akbank BRSA Annual Financial Statements) shows movements in Akbank's allowance for loan losses including Stage 1, Stage 2 and Stage 3 loan losses as at 31 March 2024, 31 December 2023, 2022 and 2021, respectively. Akbank does not hold other interest-earning assets that would have fallen into the non-performing category other than assets that are classified as loans.

	As at 31 March 2024	As at 31 December		
		2023	2022	2021
		(TL thousands)		
Balance at beginning of year	21,349,285	17,583,450	18,227,817	17,880,294
Additions	6,416,994	11,147,004	17,577,989	4,891,485
Collections	5,162,620	5,729,555	4,055,243	2,986,230
Write-offs	52,334	605,543	14,166,311	1,557,732
NPL Sale	—	1,046,070	802	—
Exchange differences	—	—	—	—
Balance at end of year	**22,551,325**	**21,349,286**	**17,583,450**	**18,227,817**

Sources of Funds

Historically, short-term customer deposits have been Akbank's principal source of funding, which has provided Akbank with a competitive advantage in cost of funds and has contributed to the liquidity in Akbank's balance sheet. Akbank's ability to obtain and retain customer deposits is supported by its extensive branch network.

As at 31 March 2024, the loan to deposit ratio was 77%, with a Turkish Lira loan to deposit ratio of 88% and a foreign currency loan to deposit ratio of 62%. As at 31 December 2023, loan to deposit ratio was 74%, with a Turkish Lira loan to deposit ratio of 86% and a foreign currency loan to deposit ratio of 61%. This compared to a loan to deposit ratio of 85% as at 31 December 2022, with a Turkish Lira loan to deposit ratio of 109% and a foreign currency loan to deposit ratio of 61%.

The following table (derived from the Akbank BRSA Annual Financial Statements) sets forth the principal sources of funds for Akbank's operations as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March		As at 31 December					
	2024	%	2023	%	2022	%	2021	%
	(TL thousands, except percentages)							
Customer Deposits	1,270,605,666	75.9	1,195,081,643	77.2	669,516,466	75.7	413,844,921	68.0
Saving Deposits	541,375,956	32.3	537,724,722	34.8	239,495,247	27.1	88,800,369	14.6
Foreign Currency Deposits	443,257,416	26.5	429,256,179	27.7	302,900,505	34.2	264,818,679	43.5
Public Sector Deposits	7,127,036	0.4	4,735,751	0.3	2,322,870	0.3	1,477,049	0.2
Commercial Deposits	264,501,165	15.8	212,924,109	13.8	119,148,439	13.5	52,764,364	8.7
Other Institutions Deposits	14,344,093	0.9	10,440,882	0.7	5,649,405	0.6	5,984,460	1.0
Gold Vault	72,719,395	4.3	60,554,792	3.9	35,783,135	4.0	25,869,116	4.3
Bank Deposits	30,278,448	1.8	37,278,029	2.4	16,262,327	1.8	13,836,542	2.3
Money Markets	137,709,667	8.2	99,403,666	6.4	62,524,453	7.1	64,637,461	10.6
Funds Borrowed	114,350,039	6.8	112,025,057	7.2	75,062,954	8.5	59,973,040	9.9
Securities Issued (Net)	48,581,531	2.9	42,925,505	2.8	25,818,445	2.9	30,283,061	5.0
Total	**1,674,244,746**	**100.0**	**1,547,268,692**	**100.0**	**884,967,780**	**100.0**	**608,444,141**	**100.0**

Deposits

As at 31 March 2024, total deposits were TL1,373.6 billion compared to TL1,292.9 billion, TL721.6 billion and TL453.6 billion as at 31 December 2023, 2022 and 2021 respectively. As at 31 March 2024, 61% of the deposits were Turkish Lira denominated, with 39% being foreign currency denominated. This compared to 59% and 41% as at both 31 December 2023 and 2022 respectively.

The tables below (derived from the Akbank BRSA Annual Financial Statements) give the breakdown of the total deposit base by type as at 31 March 2024 and as at 31 December 2023, 2022 and 2021.

	As at 31 March 2024			
	Demand	Time	Total	%
	(TL thousands, except percentages)			
Saving deposits	**58,777,503**	**482,598,453**	**541,375,956**	**39.4**
Located in Türkiye	58,777,503	482,598,453	541,375,956	
Located in foreign countries and foreign countries	0	0	0	
Foreign Currency Deposits	**236,832,457**	**206,424,959**	**443,257,416**	**32.3**
Located in Türkiye	209,742,583	163,211,919	372,954,502	
Located in foreign countries and foreign countries	27,089,874	43,213,040	70,302,914	
Public Sector Deposits	**6,343,225**	**783,811**	**7,127,036**	**0.5**
Located in Türkiye	6,343,225	783,811	7,127,036	
Located in foreign countries and foreign countries	0	0	0	
Commercial Deposits	**56,935,977**	**207,565,188**	**264,501,165**	**19.3**
Located in Türkiye	56,935,977	207,565,188	264,501,165	
Located in foreign countries and foreign countries	0	0	0	
Other Institutions Deposits	**1,397,155**	**12,946,938**	**14,344,093**	**1.0**
Located in Türkiye	1,397,155	11,898,249	13,295,404	
Located in foreign countries and foreign countries	0	1,048,689	1,048,689	
Gold Vault	**71,303,066**	**1,416,329**	**72,719,395**	**5.3**
Located in Türkiye	71,303,066	1,416,329	72,719,395	
Located in foreign countries and foreign countries	0	0	0	
Bank Deposits	**1,733,831**	**28,544,617**	**30,278,448**	**2.2**
Located in Türkiye	657,015	7,466,851	8,123,866	
Located in foreign countries	1,076,816	21,077,766	22,154,582	
Total	**433,323,214**	**940,280,295**	**1,373,603,509**	**100.0**

	As at 31 December 2023			
	Demand	Time	Total	%
	(TL thousands, except percentages)			
Saving deposits	**52,372,525**	**485,352,197**	**537,724,722**	**41.5**
Located in Türkiye	52,372,525	485,352,197	537,724,722	
Located in foreign countries and foreign countries	0	0	0	
Foreign Currency Deposits	**212,080,382**	**217,175,797**	**429,256,179**	**33.2**
Located in Türkiye	185,912,387	162,862,071	348,774,458	
Located in foreign countries and foreign countries	26,167,995	54,313,726	80,481,721	
Public Sector Deposits	**4,270,185**	**465,566**	**4,735,751**	**0.4**
Located in Türkiye	4,270,185	465,566	4,735,751	
Located in foreign countries and foreign countries	0	0	0	
Commercial Deposits	**55,357,238**	**157,566,871**	**212,924,109**	**16.5**
Located in Türkiye	55,357,238	157,566,871	212,924,109	

	As at 31 December 2023			
	Demand	Time	Total	%
	(TL thousands, except percentages)			
Located in foreign countries and foreign countries	0	0	0	
Other Institutions Deposits	**1,212,397**	**9,228,485**	**10,440,882**	**0.8**
Located in Türkiye	1,212,397	8,308,368	9,520,765	
Located in foreign countries and foreign countries	0	920,117	920,117	
Gold Vault	**59,211,627**	**1,343,165**	**60,554,792**	**4.7**
Located in Türkiye	59,211,627	1,343,165	60,554,792	
Located in foreign countries and foreign countries	0	0	0	
Bank Deposits	**1,136,476**	**36,141,553**	**37,278,029**	**2.9**
Located in Türkiye	571,847	3,317,821	3,889,668	
Located in foreign countries	564,629	32,823,732	33,388,361	
Total	**385,640,830**	**907,273,634**	**1,292,914,464**	**100.0**

	As at 31 December 2022			
	Demand	Time	Total	%
	(TL thousands, except percentages)			
Saving deposits	**32,784,230**	**206,711,017**	**239,495,247**	**33.2**
Located in Türkiye	32,784,230	206,711,017	239,495,247	
Located in foreign countries and foreign countries	0	0	0	
Foreign Currency Deposits	**139,175,596**	**163,724,909**	**302,900,505**	**42.0**
Located in Türkiye	123,209,403	133,042,331	256,251,734	
Located in foreign countries and foreign countries	15,966,193	30,682,578	46,648,771	
Public Sector Deposits	**2,229,173**	**93,697**	**2,322,870**	**0.3**
Located in Türkiye	2,229,173	93,697	2,322,870	
Located in foreign countries and foreign countries	0	0	0	
Commercial Deposits	**33,497,094**	**85,651,345**	**119,148,439**	**16.4**
Located in Türkiye	33,497,094	85,651,345	119,148,439	
Located in foreign countries and foreign countries	0	0	0	
Other Institutions Deposits	**777,277**	**4,872,128**	**5,649,405**	**0.8**
Located in Türkiye	777,277	4,571,072	5,348,349	
Located in foreign countries and foreign countries	0	301,056	301,056	
Gold Vault	**33,170,247**	**2,612,888**	**35,783,135**	**5.0**
Located in Türkiye	33,170,247	2,612,888	35,783,135	
Located in foreign countries and foreign countries	0	0	0	
Bank Deposits	**1,476,193**	**14,786,134**	**16,262,327**	**2.3**
Located in Türkiye	1,053,890	4,639,691	5,693,581	
Located in foreign countries and foreign countries	422,303	10,146,443	10,568,746	
Total	**243,109,810**	**478,452,118**	**721,561,928**	**100.0**

	As at 31 December 2021			
	Demand	Time	Total	%
	(TL thousands, except percentages)			
Saving deposits	**16,220,310**	**72,580,059**	**88,800,369**	**19.6**
Located in Türkiye	16,220,310	72,580,059	88,800,369	
Located in foreign countries and foreign countries	0	0	0	
Foreign Currency Deposits	**105,075,415**	**159,743,264**	**264,818,679**	**58.4**
Located in Türkiye	92,359,711	125,913,653	218,273,364	
Located in foreign countries and foreign countries	12,715,704	33,829,611	46,545,315	
Public Sector Deposits	**1,428,883**	**48,166**	**1,477,049**	**0.3**
Located in Türkiye	1,428,883	48,166	1,477,049	
Located in foreign countries and foreign countries	0	0	0	
Commercial Deposits	**13,742,954**	**39,021,410**	**52,764,364**	**11.6**
Located in Türkiye	13,742,954	38,760,866	52,503,820	
Located in foreign countries and foreign countries	0	260,544	260,544	
Other Institutions Deposits	**409,829**	**5,574,631**	**5,984,460**	**1.3**
Located in Türkiye	409,829	5,482,479	5,892,308	
Located in foreign countries and foreign countries	0	92,152	92,152	
Gold Vault	**24,196,677**	**1,672,439**	**25,869,116**	**5.7**
Located in Türkiye	24,196,677	1,672,439	25,869,116	
Located in foreign countries and foreign countries	0	0	0	
Bank Deposits	**1,776,500**	**12,060,042**	**13,836,542**	**3.1**
Located in Türkiye	1,403,303	2,314,207	3,717,510	
Located in foreign countries and foreign countries	373,197	9,745,835	10,119,032	
Total	**162,850,568**	**290,700,011**	**453,550,579**	**100.0**

The following table (derived from the Akbank BRSA Annual Financial Statements) shows the maturities of deposits as at 31 March 2024 and as at 31 December 2023,2022 and 2021.

	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
			(TL thousands)		
31 March 2024	1,167,231,244	194,781,607	9,657,340	1,933,318	1,373,603,509
31 December 2023	1,185,471,441	95,680,810	9,898,406	1,863,807	1,292,914,464
31 December 2022	667,436,668	37,044,031	15,920,599	1,160,630	721,561,928
31 December 2021	419,051,017	24,127,040	9,032,577	1,339,945	453,550,579

Business Transactions with Related Parties

Shareholders, key management personnel and board members, in each case together with their families and companies controlled by or affiliated with them, associated companies, and other companies within the Sabancı Group are considered and referred to as related parties.

The following table shows the breakdown of the business transactions with related parties as at 31 March 2024 and as at 31 December 2023, 2022 and 2021, respectively.

	As at 31 March		As at 31 December					
	2024	% of Related Item	2023	% of Related Item	2022	% of Related Item	2021	% of Related Item
				(TL thousands, except percentages)				
Cash loans	20,208,727	1.9	18,578,260	1.9	11,053,560	1.8	9,574,170	2.4
Non-cash loans	7,337,964	2.8	7,976,515	3.3	4,863,784	3.4	2,829,869	3.2
Finance lease receivables	147,760		143,581	0.7	146,866	1.2	1,262	0.0
Deposits	22,053,973	0.7	23,171,443	1.8	12,301,914	1.7	10,930,877	2.4
Derivatives(1)	31,265,081	1.6	31,233,932	1.8	18,150,160	1.4	23,469,742	2.2

Note:

(1) The balance shows the total of sale and purchase amounts of the related transactions.

Capital Adequacy

Akbank currently satisfies the capital requirements of the BRSA, which correspond to the guidelines adopted by the Basel Committee on Banking Regulations and Supervision Practices of the Bank for International Settlements (the "**Basel Guidelines**"). The Basel Guidelines require a bank to have a ratio of capital to assets and certain off-balance sheet items, determined on a risk-weighted basis, of at least 8.0%. As at 31 March 2024 and as at 31 December 2023, 2022 and 2021, Akbank's total capital adequacy ratio (consisting principally of Tier 1 capital) on consolidated basis was 19.18%, 21.04%, 23.24% and 21.14%, respectively. As at 31 March 2024, the sector's average capital adequacy ratio on an unconsolidated basis was 17.22% (Akbank's unconsolidated capital adequacy ratio as at that date was 20.18%) and the sector's average Tier 1 ratio was 13.31% (Akbank's unconsolidated Tier 1 ratio as at that date was 17.23%). Akbank reports its capital adequacy ratio according to the Standard Method under the Basel II and Basel III Guidelines. Akbank intends to maintain capital ratios in excess of those required by Turkish law and the Basel Guidelines. See also "*Risk Factors—General Risks—Risks Related to Türkiye and Other Related Risks*", "*Risk Factors—General Risks—Risks Related to Türkiye and Other Related Risks—Akbank's credit ratings may not reflect all risks, and changes to*

Türkiye's or its credit ratings may affect its ability to obtain funding.", and "*Risk Factors—Risks Related To Akbank*" and "*Turkish Regulatory Environment for Banks—Basel III*".

The following tables show the risk-weighted assets and qualifying capital of Akbank for the three month period ended 31 March 2024 and 31 March 2023 and for the years ended 31 December 2023, 2022 and 2021.

	As at 31 March	
	2024	**2023**
	(TL thousands)	
Tier 1		
Share capital	10,520,613	10,520,613
Legal reserves	3,974,929	2,940,561
Extraordinary reserves	160,906,197	105,369,357
Other reserves	48,165,016	34,782,142
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	26,492	25,921
Additional Tier I	19,353,439	—
Retained earnings	13,362,873	10,893,234
Deductions	22,063,462	15,143,226
Total Tier I capital	**234,204,124**	**149,388,602**
Tier 2		
General loans loss reserves	14,912,598	9,923,841
Subordinated loans	25,595,452	17,105,212
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	—	—
Other reserves	—	—
Deductions	25,126	47,959
Total Tier II Capital	**40,508,050**	**27,029,053**
Total Capital (Total of Tier I and Tier II Capital)	**274,687,048**	**176,369,696**
Risk-weighted assets		
With 2% risk	165,248	67,353
With 4% risk	276,985	277,905
With 20% risk	28,463,111	26,864,326
With 35% risk	10,721,897	5,864,961
With 50% risk	105,419,929	81,234,928
With 75% risk	200,270,675	109,252,563
With 100% risk	544,296,109	431,329,331
With 150% risk	232,612,901	80,402,222
With 200% risk	78,626,351	49,441,527
With 250% risk	—	—
With 500% risk	1,722,920	1,061,900
With CVA	6,647,510	15,517,630
With Other risk	11,586	5,436
Total risk-weighted assets	**1,209,235,223**	**801,320,082**
Market risk	42,176,327	25,051,709
Operational risk	180,466,273	106,662,332
Total risk-weighted assets and market risk	**1,431,877,823**	**933,034,123**

	2023	As at 31 December 2022	2021
		(TL thousands)	
Tier 1			
Share capital	10,520,613	10,520,613	10,520,613
Legal reserves	2,944,561	2,058,326	1,933,583
Extraordinary reserves	105,369,357	55,180,221	44,019,715
Other reserves	45,023,128	35,882,851	15,140,267
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	26,492	10,945	9,581
Retained earnings	66,674,330	60,206,179	12,546,222
Deductions	(25,220,856)	(14,285,017)	(7,298,394)
Total Tier I capital	**205,337,625**	**149,574,118**	**76,871,587**
Tier 2			
General loans loss reserves	12,505,212	8,231,002	5,101,472
Subordinated loans	23,349,255	16,695,703	18,509,855
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	0	0	0
Other reserves	0	0	0
Deductions	(31,023)	(56,738)	(23,324)
Total Tier II Capital	**35,854,467**	**25,026,824**	**23,611,327**
Total Capital (Total of Tier I and Tier II Capital)	**241,161,069**	**174,444,085**	**100,459,590**
Risk-weighted assets			
With 2% risk	100,581	135,981	5,648
With 4% risk	201,740	230,477	31,883
With 20% risk	26,618,019	16,955,467	9,420,631
With 35% risk	10,038,914	4,952,796	4,144,921
With 50% risk	85,911,508	64,692,161	30,173,865
With 75% risk	181,427,127	78,190,943	60,990,384
With 100% risk	442,164,011	354,022,584	263,542,941
With 150% risk	164,187,937	67,199,492	28,433,709
With 200% risk	81,055,814	59,279,516	0
With 250% risk	0	0	0
With 500% risk	3,719,988	1,703,734	0
With CVA risk	4,978,433	11,111,863	11,372,411
With Other risk	12,874	5,179	1,383
Total risk-weighted assets	**1,000,416,946**	**658,480,192**	**408,117,776**
Market risk	39,297,827	32,350,529	26,350,720
Operational risk	106,662,332	51,542,098	40,838,939
Total risk-weighted assets and market risk	**1,146,377,105**	**742,372,819**	**475,307,435**

Akbank's excess capital, which is calculated as Tier 1 plus Tier 2 capital, less economic capital (which is the sum of regulatory capital and additional capital to cover other risks) was TL102.4 billion and 103.4 billion as at 31 March 2024 and 31 December 2023.

FORM OF NOTES

Global Certificates

The Notes offered and sold in reliance on Regulation S in offshore transactions to persons other than U.S. persons will initially be represented by a global certificate in registered form (the "**Regulation S Global Certificate**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes, the Regulation S Notes or beneficial interests therein may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and such beneficial interests in the Regulation S Global Certificate may not be held otherwise than through Euroclear or Clearstream, Luxembourg and the Regulation S Global Certificate will bear a legend regarding such restrictions on transfer.

The Notes (or beneficial interests therein) offered and sold in the United States or to, or for the account or benefit of, U.S. persons may only be offered and sold in private transactions to QIBs in reliance upon Rule 144A. The Notes sold to QIBs in reliance upon Rule 144A will be represented by a global certificate in registered form (the "**Rule 144A Global Certificate**").

The Regulation S Global Certificate will be deposited on or about the Issue Date with the Common Depositary, and will be registered in the name of a nominee for the Common Depositary. Except as described in this Offering Circular, beneficial interests in the Regulation S Global Certificate will be represented through accounts of financial institutions acting on behalf of beneficial owners as direct and indirect account holders in Euroclear and Clearstream, Luxembourg. The Rule 144A Global Certificate will be deposited on or about the Issue Date with the Custodian and will be registered in the name of Cede & Co. as nominee for DTC. Except as described in this Offering Circular, beneficial interests in the Rule 144A Global Certificate will be represented through accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Persons holding beneficial interests in the Global Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Global Certificates will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.2) as the registered holder of the Global Certificates on the relevant Record Date. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Payments of principal, interest or any other amount in respect of the Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.2) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of the Rule 144A Global Certificate, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, (iii) in the case of the Regulation S Global Certificate, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Certificate in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in the relevant Global Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Global Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Certificate. No beneficial owner of an interest in a Global Certificate will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **The Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions; see "*Subscription and Sale and Transfer and Selling Restrictions*" below.**

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which (except for the paragraphs in italics) will be incorporated by reference into each Global Certificate (as defined below) and endorsed on or attached to each definitive Note.

The U.S.$500,000,000 7.498 per cent. Sustainability Notes due 2030 (the "**Notes**" which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 16 and forming a single series with the Notes) are issued by Akbank T.A.Ş. (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the "**Notes**" shall mean:

(a) in relation to any Notes represented by a global certificate (a "**Global Certificate"**), units of each Specified Denomination in U.S. Dollars;

(b) any Global Certificate; and

(c) any Notes represented by a definitive certificate (a "**Certificate"**) (whether or not issued in exchange for a Global Certificate).

The Notes have the benefit of an agency agreement dated 20 June 2024 (the "**Issue Date**") (such agency agreement as modified and/or amended and/or supplemented and/or restated from time-to-time, the "**Agency Agreement**") and made between the Issuer, Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression shall include any successor fiscal agent) and the other paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), and as transfer agent (together with the Registrar, as defined below, the "**Transfer Agents**", which expression shall include any additional or successor transfer agent) and Citibank Europe PLC as registrar (the "**Registrar**", which expression shall include any successor registrar).

Any reference to "**Noteholder**" or "**holder**" in relation to any Notes shall mean each Person (as defined below) in whose name such Notes are registered in the Register (as defined below) and shall, in relation to any Notes represented by a Global Certificate, be construed as provided below.

The Noteholders are entitled to the benefit of a deed of covenant dated 20 June 2024 (such deed of covenant as modified and/or amended and/or supplemented and/or restated from time-to-time, the "**Deed of Covenant**") and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, a deed poll dated 20 June 2024 (such deed poll as modified and/or amended and/or supplemented and/or restated from time-to-time, the "**Deed Poll**") and made by the Issuer and the Deed of Covenant (i) are available for inspection during normal business hours at the Specified Office of each of the Fiscal Agent, the Registrar and the other Paying Agents and the other Transfer Agents (such agents and the Registrar being together referred to as the "**Agents**") or (ii) may be provided by email to a Noteholder following their prior written request to any Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Agent). The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed Poll and the Deed of Covenant which are applicable to them. The statements in these Terms and Conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and these Conditions, these Conditions will prevail.

In these Conditions: (a) "**U.S. Dollars**" and "**U.S.$**" mean the lawful currency for the time being of the United States of America, (b) "**law**" shall (unless the context otherwise requires) be deemed to include legislation, regulations and other legal requirements and (c) unless the contrary intention appears, a reference to a law (including a provision of a law) is a reference to that law (or provision) as extended, amended or re-enacted.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in registered form and, in the case of definitive Notes, serially numbered, and are issued in the amounts of U.S.$200,000 and integral multiples of U.S.$1,000 thereafter (each, a "**Specified Denomination**").

The Notes are issued pursuant to the Turkish Commercial Code (No. 6102), the Capital Markets Law (No. 6362) of Türkiye and Communiqué No. VII-128.8 on Debt Instruments of the Turkish Capital Markets Board (in Turkish: *Sermaye Piyasası Kurulu*) (the "**CMB**").

1.2 Title

Title to the Notes represented by the Certificates will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the registered holder of any such Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing on any Certificate or notice of any previous loss or theft thereof) for all purposes.

For so long as any of the Notes is represented by a Global Certificate deposited with and registered in the name of a nominee for a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), each Person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any Person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as the Depository Trust Company ("**DTC**") or its nominee is the registered owner or holder of a Global Certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Certificate for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Certificate will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may be approved by the Issuer and the Fiscal Agent.

2. TRANSFERS OF NOTES

2.1 Transfers of interests in Global Certificates

Transfers of beneficial interests in Global Certificates will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by direct participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Global Certificate only in the Specified Denominations and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Global Certificate registered in the name of a nominee for DTC shall be limited to transfers of such Certificate, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Notes in definitive form

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Note in definitive form may be transferred in whole or in part (in the Specified Denominations). In order to effect any such transfer (a) the holder or holders must (i) surrender the Note for registration of the transfer of the Note (or the relevant part of the Note) at the Specified Office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing, and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the Person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time-to-time prescribe (the initial such regulations being set out in the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the Specified Office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws), authenticate and deliver, or procure the authentication and delivery of, at its Specified Office to the transferee or, if so requested by the transferee (and at the risk of the transferee), send by uninsured mail, to such address as the transferee may request, a new Note in definitive form of a like aggregate nominal amount to the Note (or the relevant part of the Note) being transferred. In the case of the transfer of part only of a Note in definitive form, a new Note in definitive form in respect of the balance of the Note not transferred will be so authenticated and delivered or, if so requested by the transferor (and at the risk of the transferor), sent by uninsured mail to the transferor.

2.3 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer and/or Agent may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration and/or transfer.

3. STATUS OF THE NOTES

The Notes constitute senior direct, unconditional and (subject to the provisions of Condition 4.1) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remain outstanding, the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each, a "**Security Interest**") upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

(b) such Security Interest is terminated; or

(c) such other Security Interest is provided as is approved by an Extraordinary Resolution of the Noteholders.

Nothing in this Condition 4.1 shall prevent the Issuer from creating or permitting to subsist any Security Interest upon, or with respect to, any present or future assets or revenues or any part thereof which is created pursuant to (i) a bond, note or similar instrument whereby the payment obligations are secured by a segregated pool of assets (whether held by the Issuer or any third party guarantor) (any such instrument, a "**Covered Bond**"), (ii) any securitisation of receivables, payment rights, asset-backed financing or similar financing structure (created in accordance with normal market practice) whereby all payment obligations secured by such Security Interest or having the benefit of such Security Interest are to be discharged principally from such assets or revenues (or in the case of Direct Recourse Securities, by direct unsecured recourse to the Issuer); *provided that* the aggregate then-existing balance sheet value of assets or revenues subject to any Security Interest created in respect of an issuance of (A) Covered Bonds (that are Relevant Indebtedness) and (B) any other secured Relevant Indebtedness (other than Direct Recourse Securities), when added to the nominal amount of any outstanding Direct Recourse Securities (that are Relevant Indebtedness), does not, at the time of the incurrence thereof, exceed 15 per cent. of the consolidated total assets of the Issuer (as shown in the most recent audited consolidated financial statements of the Issuer prepared in accordance with BRSAAS).

4.2 Definitions

For the purposes of these Conditions:

"**BRSA**" means the Banking Regulatory and Supervisory Authority (in Turkish: *Bankacılık Düzenleme ve Denetleme Kurumu*);

"**BRSAAS**" means BRSA accounting standards;

"**Direct Recourse Securities**" means securities (other than Covered Bonds) issued in connection with any securitisation of receivables, other payment rights, asset-backed financing or similar financing structure (created in accordance with normal market practice) and whereby all payment obligations secured by such Security Interest or having the benefit of such Security Interest are to be discharged principally from such assets or revenues, or by direct unsecured recourse to the Issuer; and

"**Relevant Indebtedness**" means (a) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other organised securities market and having a maturity in excess of 365 days or any loan disbursed to the Issuer as a borrower under a loan participation note or similar transaction and (b) any guarantee or indemnity of any such indebtedness.

5. COVENANTS

5.1 Maintenance of Authorisations

So long as any of the Notes remains outstanding, the Issuer shall take all necessary actions to maintain, obtain and promptly renew, and do or cause to be done all things reasonably necessary to ensure the continuance of, all consents, permissions, licences, approvals and authorisations, and make or cause to be made all registrations, recordings and filings, which may at any time be required to be obtained or made in Türkiye (including, for the avoidance of doubt, with the CMB and the BRSA) for (a) the execution, delivery or performance of the Agency Agreement, the Deed of Covenant, the Deed Poll and the Notes or for the validity or enforceability thereof, or (b) the conduct by it of the Permitted Business, save for any consents, permissions, licences, approvals, authorisations, registrations, recordings and filings which are immaterial in the conduct by the Issuer of the Permitted Business.

5.2 Financial Reporting

So long as any of the Notes remains outstanding, the Issuer shall make available on its website:

(a) not later than six months after the end of each financial year of the Issuer, English language copies of the Issuer's audited consolidated financial statements for such financial year, prepared in accordance with BRSAAS, together with the corresponding financial statements for the preceding period, and such financial statements of the Issuer shall be accompanied by the reports of the auditors thereon; and

(b) not later than 120 days after the end of the first six months of the Issuer's financial years, English language copies of its unaudited consolidated financial statements for such six-month period, prepared in accordance with BRSAAS, together with the corresponding financial statements for the preceding period.

5.3 Interpretation

For the purposes of this Condition 5, "**Permitted Business**" means any business which is the same as or related, ancillary or complementary to any of the businesses of the Issuer on the Issue Date.

6. INTEREST

6.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 20 June 2024 (the "**Issue Date**") at the rate of 7.498 per cent. per annum (the "**Rate of Interest**"), payable semi-annually in arrear on each of 20 January and 20 July in each year (each, an "**Interest Payment Date**"). There will be a short first Interest Period from (and including) the Issue Date to (but excluding) the first Interest Payment Date of 20 July 2024.

For the purposes of these Conditions, **"Interest Period"** means the period from (and including) an Interest Payment Date (or, as the case may be, the Issue Date) to (but excluding) the next (or, as the case may be, first) Interest Payment Date or the relevant date on which payment is made if the Notes become payable on a date other than an Interest Payment Date.

6.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of principal in respect of the Note is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6.3 Calculation of Interest

Interest shall be calculated in respect of any period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by the relevant Global Certificate or relevant Notes in definitive form, in each case on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days and rounding the resultant figure to the nearest U.S.$0.01 (with U.S.$0.005 being rounded upwards).

7. PAYMENTS

7.1 Method of payment

Subject as provided below in this Condition 7, payments will be made by credit or transfer to an account in U.S. Dollars (or any account to which U.S. Dollars may be credited or transferred) maintained by the payee or, at the option of the payee, by a cheque in U.S. Dollars drawn on a bank or other financial institution which processes payments in U.S. Dollars.

Payments in respect of principal and interest on the Notes will be subject in all cases to: (a) any fiscal or other laws applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9, and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**") or any law implementing an intergovernmental approach to FATCA.

7.2 Payments in respect of Notes

Payments of principal to redeem a Note (whether or not in global form) will be made against surrender of the applicable Global Certificate or Certificate at the Specified Office of the Registrar or any of the Paying Agents. Payments in respect of both principal and interest in respect of each Note (whether or not in global form) will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Note appearing in the register of holders of the Notes (which, in the case of Notes represented by a Global Certificate, shall be the registered holder of that Global Certificate) maintained by the Registrar outside of the United Kingdom (the "**Register**") at (i) where in global form, the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the 15th day (or, if such 15th day is not a day on which banks are open for business in the city where the Specified Office of the Registrar is located, the first such day prior to such 15th day) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if a holder does not have a Designated Account, payment will instead be made by a cheque in U.S. Dollars drawn on a Designated Bank (as defined below) and mailed by uninsured mail on the business day in the city where the Specified Office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Note appearing in the Register at the close of business on the relevant Record Date at the address of such holder shown in the Register on such Record Date and at that holder's risk.

For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means a bank or other financial institution which processes payments in U.S. Dollars.

Upon application of the holder to the Specified Office of the Registrar not less than three business days in the city where the Specified Office of the Registrar is located before the due date for any payment in respect of a Note, the payment may be made by transfer on the due date in the manner provided in the second preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of principal and interest in respect of the Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder.

Holders of Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by any Agent in respect of any payments of principal or interest in respect of the Notes.

Neither the Issuer nor the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.3 General provisions applicable to payments

Except as provided in the Deed of Covenant, the holder of a Global Certificate shall be the only Person entitled to receive payments in respect of Notes represented by such Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Certificate in respect of each amount so paid. Each of the Persons shown in the records of Euroclear or Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Certificate must look solely to Euroclear or Clearstream, Luxembourg, or DTC, as the case may be, for such Person's share of each payment so made by the Issuer to, or to the order of, the holder of such Global Certificate.

7.4 Payment Day

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment of such amount until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Day**" means any day that is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) İstanbul, London and New York City, and

(ii) in the case of Certificates only, the relevant place of presentation, and

(b) in the case of any payment in respect of a Global Certificate, a day on which Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, settle(s) payments in U.S. Dollars.

7.5 Interpretation of principal and interest

Any reference in these Conditions to principal or interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to such principal or interest under Condition 9.

8. REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, the Notes will be redeemed by the Issuer at their principal amount on 20 January 2030 (the "**Maturity Date**").

8.2 Redemption for tax reasons

If, as a result of any change in, or amendment to, the laws of a Relevant Jurisdiction (as defined in Condition 9) or any change or clarification in the application or official interpretation of the laws of a Relevant Jurisdiction, which change, clarification or amendment becomes effective after the Issue Date, on the next Interest Payment Date, the Issuer would be required to:

(i) pay additional amounts as provided or referred to in Condition 9; and

(ii) make any withholding or deduction for, or on account of, any Taxes (as defined in Condition 9.1) imposed or levied by or on behalf of the Relevant Jurisdiction,

where such requirement cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer may, at its option, having given not less than 5 and not more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes then outstanding at any time at their principal amount together with interest accrued to (but excluding) the date of redemption provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Fiscal Agent: (i) a certificate signed by two Directors of the Issuer stating that the requirements referred to in subparagraphs (i) and (ii) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change, amendment or clarification.

8.3 Purchases

The Issuer or any of its Subsidiaries may at any time purchase or otherwise acquire Notes in any manner and at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

8.4 Cancellation

All Notes which are redeemed pursuant to this Condition 8 will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.3 shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

9. TAXATION

9.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges (including related interest or penalties) of whatever nature ("**Taxes**") imposed, assessed or levied by or on behalf of any Relevant Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment with respect to any Note:

(a) presented for payment by or on behalf of a holder who is liable for Taxes in respect of the Note by reason of such holder having some connection with any Relevant Jurisdiction other than the mere holding of such Note; or

(b) presented for payment in Türkiye; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on the last day of such 30 day period assuming that day to have been a Payment Day (as defined in Condition 7.4).

Notwithstanding any other provision of these Conditions, in no event will the Issuer, any Paying Agent or any other Person be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in Section 1471(b) of the Code) or any law implementing an intergovernmental approach to FATCA.

For the purposes of these Conditions:

(i) "**Relevant Date**" means with respect to any payment, the date on which such payment first becomes due, except that, if the full amount of the money payable has not been duly received by the Fiscal Agent, on or prior to the due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

(ii) "**Relevant Jurisdiction**" means Türkiye or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

9.2 Additional Amounts

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 9.

10. PRESCRIPTION

The Notes will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 9) therefor.

11. EVENTS OF DEFAULT

11.1 Events of Default

The holder of any Note may give notice to the Issuer that such Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to (but excluding) the date of repayment, if any of the following events (each, an "**Event of Default**") shall have occurred and be continuing:

(a) if default is made by the Issuer in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 14 days following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Material Subsidiaries (other than an Excluded Subsidiary) becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Material Subsidiaries (other than an Excluded Subsidiary) fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment, subject to any applicable grace period; (iii) any security given by the Issuer or any of its Material Subsidiaries (other than an Excluded Subsidiary) for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Material Subsidiaries (other than an Excluded Subsidiary) in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, subject to any applicable grace period provided that the aggregate principal amount of (I) any such Indebtedness for Borrowed Money of the Issuer or such Material Subsidiary in the case of (i), (ii) and/or (iii) above, and/or (II) the maximum amount payable by the Issuer or such Material Subsidiary under such guarantee and/or indemnity of the Issuer or such Material Subsidiary has been given in the case of (iv) above, exceeds U.S.$75,000,000 (or its equivalent in any other currency or currencies); or

(d) if:

(i) any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or any of its Material Subsidiaries (other than an Excluded Subsidiary); or

(ii) the Issuer ceases or threatens to cease to carry on the whole or a substantial part or any Material Subsidiary (other than an Excluded Subsidiary) ceases or threatens to cease to carry on the whole or substantially the whole, in each case, of its business, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of Noteholders, or the Issuer or any of its Material Subsidiaries (other than an Excluded Subsidiary) stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found by a competent authority bankrupt or insolvent; or

(iii) the Issuer or any of its Material Subsidiaries (other than an Excluded Subsidiary) commences negotiations with one or more of its creditors with a view to the general readjustment or rescheduling of all or a substantial part of its indebtedness; or

(iv) the Issuer or any of its Material Subsidiaries (other than an Excluded Subsidiary) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) (in each case, save for those that are conducted while solvent upon terms approved by an Extraordinary Resolution of Noteholders) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with its creditors generally (or any class of its creditors); or

(v) save for, in each case in sub-paragraphs (i) to (iv) above, the solvent voluntary winding-up, dissolution or re-organisation of any Material Subsidiary in connection with any combination with, or the transfer of all or substantially all of its business and/or assets of any Material Subsidiary to, the Issuer or one or more other Subsidiaries of the Issuer; or

(e) if the banking licence of Akbank is temporarily or permanently revoked or Akbank is transferred to the Savings and Deposit Insurance Fund under the provisions of the Banking Law (Law No. 5411) of Türkiye.

11.2 Interpretation

For the purposes of this Condition:

"**Excluded Subsidiary**" means (i) any Person which becomes a Subsidiary following enforcement of any security interest granted in favour of the Issuer in the context of the Issuer's ordinary course lending activities in respect of that Person's share capital and (ii) the Issuer's holding in such Subsidiary is required only to resolve a defaulted or non-performing loan granted as part of the Issuer's ordinary course of lending activities and such holding shall thereafter be promptly disposed of as soon as reasonably practicable and (iii) the Issuer or any Material Subsidiary (as defined in this Condition 11.2) shall not grant any guarantee, indemnity, security over its assets or other credit support in respect of any Indebtedness for Borrowed Money of such Subsidiary.

"**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of:

(a) any notes, bonds, debentures, debenture stock, loan stock or other securities; or

(b) any borrowed money; or

(c) any liability under or in respect of any acceptance or acceptance credit.

"**Material Subsidiary**" means at any time a Subsidiary of the Issuer:

(a) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer and its Subsidiaries prepared in accordance with BRSAAS relate, are equal to) not less than 15 per cent. of the consolidated total assets of the Issuer and its Subsidiaries, taken as a whole, all as calculated respectively by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, prepared in each case in accordance with BRSAAS, provided that:

   (i) if the then latest audited consolidated accounts of the Issuer and its Subsidiaries show negative assets at the end of the relevant financial period, the financial statements shall be read as if words "net assets" were substituted by the words "total assets", for the purposes of this definition; and

   (ii) in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer and its Subsidiaries prepared in accordance with BRSAAS relate, the reference to the then latest audited consolidated financial statements of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall immediately become a Material Subsidiary pursuant to this subparagraph (b) but shall cease to be a Material Subsidiary on the date of publication of its next audited financial statements prepared in accordance with BRSAAS unless it would then be a Material Subsidiary under subparagraph (a) above; or

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, represented (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer and its Subsidiaries prepared in accordance with BRSAAS relate, represent) not less than 15 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole (calculated as set out in subparagraph (a) above), provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer, its assets represent not less than 15 per cent., of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole (calculated as set out in subparagraph (a) above), and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date of the publication of its next audited financial statements prepared in accordance with BRSAAS, save that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

A report by the auditors of the Issuer that in their opinion a Subsidiary is or is not or was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

"**Person**" means (a) any individual, company, unincorporated association, government, state agency, international organisation or other entity and (b) its successors and assigns.

"**Subsidiary**" means, in relation to the Issuer, any company (a) in which the Issuer holds a majority of the voting rights or (b) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (c) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer.

12. REPLACEMENT OF NOTES

Should any Global Certificate or Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to (a) evidence of such loss, theft, mutilation, defacement or destruction and (b) indemnity as the Issuer may reasonably require. Mutilated or defaced Global Certificates or Certificates must be surrendered before replacements will be issued.

13. AGENTS

The names of the initial Agents and their initial Specified Offices are set out in the Agency Agreement.

Subject to the terms of the Agency Agreement, the Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the Specified Office through which any Agent acts, provided that:

(a) there will at all times be a Fiscal Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Transfer Agent (which may be the Fiscal Agent) with a Specified Office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) there will at all times be a Paying Agent in a jurisdiction other than the jurisdiction in which the Issuer is incorporated.

Any such variation, termination, appointment or change shall only take effect (other than in the case of insolvency of the applicable Agent, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

14. NOTICES

All notices to Noteholders regarding the Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

For so long as the Notes are represented by one or more Global Certificates held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, there may be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice to Euroclear and/or Clearstream, Luxembourg and/or DTC shall be deemed to have been given to the holders of the Notes on the business day (being for this purpose a day on which Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, is/are open for business) after the business day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC, as applicable.

Notices to be given by any Noteholder shall be in writing and given by lodging the same with the Registrar. While any of the Notes are represented by a Global Certificate, such notice may be given by any holder of a Note to the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC in such manner as the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS AND MODIFICATION

15.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. of the nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more eligible Persons present and holding or representing not less than 50 per cent. of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more Persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the Maturity Date or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes or amending the Deed of Covenant in certain respects), the quorum shall be one or more eligible Persons present and holding or representing not less than two-thirds of the nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more eligible Persons present and holding or representing not less than one-third of the nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all the Noteholders whether or not they are present at the meeting.

The Agency Agreement provides, among other things, that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than 75 per cent. of the votes cast on such resolution, (ii) a resolution in writing signed on behalf of the Noteholders of not less than 75 per cent. of the nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing systems (in a form satisfactory to the Fiscal Agent) by or on behalf of Noteholders of not less than 75 per cent. of the nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

15.2 Modification

The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders, to any modification of any of these Conditions, the Deed of Covenant or any of the provisions of the Agency Agreement which is, in the opinion of the Issuer, either (a) for the purpose of curing any ambiguity or of curing or correcting any manifest or proven error or any other defective provision contained herein or therein or (b) following the advice of an independent financial institution of international standing, not materially prejudicial to the interests of the Noteholders.

Any such modification shall be binding on the Noteholders and unless the Fiscal Agent agrees otherwise any such modification shall be notified by the Issuer to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16. FURTHER ISSUES

The Issuer may from time-to-time, without the consent of the Noteholders, create and issue further notes having terms and conditions the same as those of the Notes, or the same in all respects save for the amount and date of the first payment of interest thereon, the date from which interest starts to accrue, the issue date and the issue price, so that such further notes shall be consolidated and form a single series with the outstanding Notes, provided that such further notes will be fungible with the original Notes for U.S. federal income tax purposes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No Person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any Person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The Agency Agreement, the Deed of Covenant, the Deed Poll and the Notes and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Deed Poll and the Notes, are and shall be governed by, and construed in accordance with, English law.

18.2 Submission to jurisdiction

Subject to the following paragraph, the Issuer irrevocably agrees, for the benefit of the Noteholders, that the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) are to have exclusive jurisdiction to settle any dispute, claim, difference or controversy arising out, relating to or having any connection with the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes (together referred to as "**Proceedings**") and accordingly submits to the exclusive jurisdiction of the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales).

The Issuer waives any objection which it may have to the laying of the venue of any Proceedings in the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) on the grounds that they are an inconvenient or inappropriate forum and any claim that any such Proceedings have been brought in an inconvenient forum and further agrees, to the extent allowed by applicable law, that the Noteholders may take any Proceedings against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

18.3 Consent to Enforcement

The Issuer agrees, without prejudice to the enforcement of a judgment obtained in the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) according to the provisions of Article 54 of the International Private and Procedural Law of Türkiye (No. 5718), that in the event that any Proceedings are brought in relation to the Issuer in a court in Türkiye in connection with the Notes, in addition to other permissible legal evidence pursuant to the Civil Procedure Code of Türkiye (No. 6100), any judgment obtained in the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) in connection with such Proceedings shall constitute conclusive evidence of the existence and amount of the claim against the Issuer pursuant to the provisions of the first paragraph of Article 193 of the Civil Procedure Code of Türkiye (Law No. 6100) and Articles 58 and 59 of the International Private and Procedural Law of Türkiye (Law No. 5718).

18.4 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG, United Kingdom as its agent for service of process in respect of any Proceedings before the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) and agrees that, in the event of such process agent (or its successor) being unwilling or unable for any reason to act in such capacity, the Issuer will promptly appoint another Person as its agent for service of process for that purpose. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition 18.4 shall affect the right to serve process in any other manner permitted by applicable law.

18.5 Other documents

The Issuer has, in the Agency Agreement, the Deed Poll and the Deed of Covenant submitted to the jurisdiction of the High Court of Justice of England and Wales in London (and any competent United Kingdom appellate court in respect of any appeal relating to any judgment or order originally of the High Court of Justice of England and Wales) and appointed an agent for service of process, in terms substantially similar to those set out above.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable and such information has been accurately reproduced, but none of the Joint Bookrunners takes any responsibility for the accuracy thereof. As far as Issuer is aware and is able to ascertain from information published by the Clearing Systems, no facts have been omitted that would render reproduced information inaccurate or misleading. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System.*

None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer is required to notify the CSD within three Turkish business days from the Issue Date of the amount, issue date, ISIN, term commencement date, maturity date, interest rate, name of the custodian, currency of the Notes and the country of issuance. In case of any change to this information, including early redemption, the Issuer is required to notify the CSD, within three Business Day from the date of the relevant change.

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its direct participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of notes in registered form among Direct Participants on whose behalf it acts with respect to notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the SEC. Participants with which beneficial owners of DTC Notes ("**Beneficial Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners who hold interests in DTC Notes through Participants will not possess notes in registered form, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the relevant Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners are expected to receive written confirmations providing details of each transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner holds its interest in the DTC Notes. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time-to-time.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an omnibus proxy to the Issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the DTC Notes will be made to DTC or its nominee. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time-to-time. Payment of principal and interest to DTC or its nominee is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for notes in definitive registered form, which it will distribute to its Direct Participants in accordance with their requests and proportionate entitlements and which will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to effect such pledge through DTC and its Participants or if not possible to so effect it, to withdraw its notes from DTC as described below.

The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Certificate to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Global Certificate accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by the Global Certificate accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Clearstream, Luxembourg

Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depositary. Clearstream, Luxembourg holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg customers through electronic book-entry changes in accounts of Clearstream, Luxembourg customers, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg also deals with domestic securities markets in several countries through established depository and custodial relationships.

Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the *Commission de Surveillance du Secteur Financier* and the *Banque Centrale du Luxembourg*, which supervise and oversee the activities of Luxembourg banks. Clearstream, Luxembourg's customers are recognised financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of Clearstream, Luxembourg. Clearstream, Luxembourg has established an electronic bridge with Euroclear to facilitate settlement of trades between Clearstream, Luxembourg and Euroclear.

The ability of an owner of a beneficial interest in a Note held through Clearstream, Luxembourg to pledge such interest to persons or entities that do not participate in the Clearstream, Luxembourg system, or otherwise take action in respect of such interest, may be limited by the lack of a definitive note for such interest because Clearstream, Luxembourg can act only on behalf of Clearstream, Luxembourg's customers, who in turn act on behalf of their own customers. The laws of some jurisdictions may require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in the Notes to such persons may be limited. In addition, beneficial owners of Notes held through the Clearstream, Luxembourg system will receive payments of principal, interest and any other amounts in respect of the Notes only through Clearstream, Luxembourg account holders.

Euroclear

Euroclear holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between its account holders. Euroclear provides various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear also deals with domestic securities markets in several countries through established depository and custodial relationships. Euroclear customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear is available to other institutions that clear through or maintain a custodial relationship with direct participants in Euroclear.

The ability of an owner of a beneficial interest in a Note held through Euroclear to pledge such interest to persons or entities that do not participate in the Euroclear system, or otherwise take action in respect of such interest, may be limited by the lack of a definitive note for such interest because Euroclear can act only on behalf of Euroclear's customers, who in turn act on behalf of their own customers. The laws of some jurisdictions may require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in the Notes to such persons may be limited. In addition, beneficial owners of Notes held through the Euroclear system will receive payments of principal, interest and any other amounts in respect of the Notes only through Euroclear participants.

Book-entry Ownership of and Payments in respect of Global Certificates

The Issuer has applied to each of Euroclear and Clearstream, Luxembourg to have the Notes represented by the Regulation S Global Certificate accepted in its book-entry settlement system. Upon the issue of the Regulation S Global Certificate, Euroclear and/or Clearstream, Luxembourg, as applicable, will credit, on its internal book-entry system, the respective nominal amounts of the interests represented by the Regulation S Global Certificate to the accounts of persons who have accounts with Euroclear and/or Clearstream, Luxembourg, as applicable. Such accounts initially will be designated by or on behalf of the Joint Bookrunners. Interests in the Regulation S Global Certificate through Euroclear and/or Clearstream, Luxembourg, as applicable, will be limited to account holders of Euroclear and/or Clearstream, Luxembourg, as applicable. Interests in the Regulation S Global Certificate will be shown on, and the transfer of such interests will be effected only through, records maintained by Euroclear and/or Clearstream, Luxembourg or its nominee (with respect to the interests of Euroclear and/or Clearstream, Luxembourg account holders).

Payments with respect to interests in the Notes held through Euroclear and Clearstream, Luxembourg will be credited to cash accounts of Euroclear and Clearstream, Luxembourg account holders in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg, respectively, to the extent received by each of them.

The Issuer has applied to DTC in order to have the Notes represented by the Rule 144A Global Certificate accepted in its book-entry settlement system. Upon the issue of the Rule 144A Global Certificate, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by the Rule 144A Global Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the Joint Bookrunners.

Ownership of beneficial interests in the Global Certificates will be limited to Direct Participants or Indirect Participants, including, in the case of the Regulation S Global Certificate, the Common Depositary for Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in the Rule 144A Global Certificate accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. Dollars of principal and interest in respect of the Rule 144A Global Certificate accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Fiscal Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Global Certificates

Transfers of any interests in Notes represented by a Global Certificate within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant Clearing System. Subject to compliance with the transfer restrictions applicable to the Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear account holders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Fiscal Agent and any custodian ("**Custodian**") with whom the relevant Global Certificates have been deposited.

On or after the Issue Date, transfers of Notes between account holders in Clearstream, Luxembourg and Euroclear and transfers of Notes between participants in DTC will generally have a settlement date three business days after the trade date ("**T+3**"). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between account holders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Global Certificates will be effected through the Registrar, the Fiscal Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg account holders and DTC participants cannot be made on a delivery-versus-payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in the Global Certificates among participants and account holders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Joint Bookrunner will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

General

Prospective purchasers of Notes are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Notes, including, but not limited to, the consequences of receipt of payments under the Notes and their disposal or redemption.

Certain Turkish Tax Considerations

The following discussion is a summary of certain Turkish tax considerations relating to an investment by a person who is a non-resident of Türkiye in notes of a Turkish company issued abroad. The discussion is based upon current law and is for general information only. The discussion below is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership or disposition of the Notes that may be relevant to a decision to make an investment in the Notes. Furthermore, the discussion only relates to the beneficial interest of a person in the Notes where the Notes will not be held in connection with the conduct of a trade or business through a permanent establishment in Türkiye. Each investor should consult its own tax advisers concerning the tax considerations applicable to its particular situation. This discussion is based upon laws and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, possibly with a retroactive effect. In addition, it does not describe any tax consequences: (a) arising under the laws of any taxing jurisdiction other than Türkiye or (b) applicable to a resident of Türkiye or a permanent establishment in Türkiye resulting either from the existence of a fixed place of business or appointment of a permanent representative.

Residence and income source

For Turkish tax purposes, a legal entity is a resident of Türkiye if its corporate domicile is in Türkiye or its effective place of management is in Türkiye. A resident legal entity is subject to Turkish taxes on its worldwide income, whereas a non-resident legal entity is only liable for Turkish taxes on its trading income made through a permanent establishment or on income otherwise sourced in Türkiye.

An individual is a resident of Türkiye if such individual has established domicile in Türkiye or stays in Türkiye more than six months in a calendar year. On the other hand, foreign individuals who stay in Türkiye for six months or more for a specific job or business or particular purposes that are specified in the Turkish Income Tax Law may not be treated as a resident of Türkiye, depending on the characteristics of their stay. A resident individual is liable for Turkish taxes on his or her worldwide income, whereas a non-resident individual is only liable for Turkish taxes on income sourced in Türkiye.

Income from capital investment is sourced in Türkiye when the principal is invested in Türkiye. Capital gain is considered sourced in Türkiye when the activity or transaction generating such income is performed or accounted for in Türkiye. The term "accounted for" means that a payment is made in Türkiye, or if the payment is made abroad, it is recorded in the books in Türkiye or apportioned from the profits of the payer or the person on whose behalf the payment is made in Türkiye.

Withholding Tax

Any withholding tax levied on income derived by a non-resident person is the final tax for the non-resident person and no further declaration is required. Any other income of a non-resident person sourced in Türkiye that has not been subject to withholding tax will be subject to taxation through declaration where exemptions are reserved.

Interest paid on notes (such as the Notes) issued abroad by Turkish corporates is subject to withholding tax. Through the Tax Decrees, the withholding tax rates are set according to the original maturity of notes issued abroad as follows:

- 7 per cent. withholding tax for notes with an original maturity of less than one year,
- 3 per cent. withholding tax for notes with an original maturity of at least one year and less than three years, and
- 0 per cent. withholding tax for notes with an original maturity of three years and more.

Interest income derived by a resident corporation or individual is subject to further declaration and the withholding tax paid can be offset from the tax calculated on the tax return. For resident individuals, the entire gain is required to be declared if the interest income derived exceeds TL230,000 for 2024 together with the gains from other marketable securities and income from immovable property that were subjected to withholding. For resident corporations, the total interest income is subject to declaration.

In general, capital gains are not taxed through withholding tax and therefore any capital gain sourced in Türkiye with respect to the Notes may be subject to declaration. However, pursuant to Provisional Article 67 of the Turkish Income Tax Law, special or separate tax returns will not be submitted for capital gains from the notes of a Turkish corporate issued abroad when the income is derived by a non-resident. Therefore, no tax is levied on non-resident persons in respect of capital gains from the Notes and no declaration is required. The Provisional Article 67 is valid until end of 2025.

A non-resident holder will not be liable for Turkish estate, inheritance or similar tax with respect to its investment in the Notes, nor will it be liable for any Turkish stamp issue, registration or similar tax or duty relating thereto.

Capital gains realised by a resident corporation or individual on the sale or redemption of the Notes (or beneficial interests therein) are subject to income tax or corporate income tax. Pursuant to the Corporate Income Tax Law No. 5520, in Türkiye, rates for corporate tax are (a) 25% with respect to corporate entities, and (b) 30% with respect to the banks, financial leasing, factoring and financing companies, e-money and payment services institutions, authorised foreign currency exchange related entities, asset management companies (*varlık yönetim şirketleri*), securities intermediaries and other capital markets institutions, insurance and reinsurance companies, and pensions companies. The current rate for individuals ranges from 15% to 40% at progressive rates. For resident individuals, the acquisition cost can be increased at the Producer Price Index' rate of increase for each month except for the month of discharge so long as such index increased by at least 10%.

Reduced Withholding Tax Rates

Under current Turkish laws and regulations, interest payments on notes issued abroad by a Turkish corporate to a non-resident holder will be subject to a withholding tax at a rate between 7% and 0%. in Türkiye, as detailed above.

If a double taxation treaty is in effect between Türkiye and the country of the holder of the notes (in some cases, for example, pursuant to the treaties with the United Kingdom and the United States, the term "beneficial owner" is used), which provides for the application of a lower withholding tax rate than the local rate to be applied by the corporation, then the lower rate may be applicable. For the application of withholding tax at a reduced rate that benefits from the provisions of a double tax treaty concluded between Türkiye and the country where the investor is a resident, an original copy of the certificate of residence signed by the competent authority referred to in the relevant treaty together with a translation into the Turkish language certified by a sworn translator to verify that the investor is subject to taxation over its worldwide gains in the relevant country on the basis of resident taxpayer status, as a resident of such country to the related tax office directly or through the banks and intermediary institutions prior to the application of withholding tax. In the event the certificate of residence is not delivered prior to the application of withholding tax, then upon the subsequent delivery of the certificate of residence, a refund of the excess tax shall be granted pursuant to the provisions of the relevant double taxation treaty and the Turkish tax legislation.

Value Added Tax

Bond issuances and interest payments over the bonds are exempt from the Value Added Tax ("**VAT**") pursuant to the Article 17/4(g) of the Value Added Tax Law (Law No. 3065), as amended with the Turkish Tax Bill Regarding Improvement of the Investment Environment (Law No. 6728), published in the Official Gazette dated 9 August 2016 and numbered 29796.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" ("**FFI**", as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. Akbank is listed on the FFI list as a foreign financial institution for these purposes (U.S. Internal Revenue Service assigned GIIN No. 08G46B.00000.LE.792). A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

On 29 July 2015, the governments of Türkiye and the United States signed an Agreement to Improve International Tax Compliance Through Enhanced Exchange of Information (the "**Turkish IGA**"). Under the Turkish IGA, an entity classified as an FFI that is treated as resident in Türkiye is expected to provide the Turkish tax authorities with certain information on U.S. holders of its securities. Information on U.S. holders will be automatically exchanged with the IRS. The Issuer is an FFI and provided it complies with the requirements of the Turkish IGA and the Turkish legislation implementing the Turkish IGA, it should not be subject to FATCA withholding on any payments it receives and it should not be required to withhold tax on any "foreign passthru payments" that it makes. Although the Issuer may not be required to withhold FATCA taxes in respect of any foreign passthru payments it makes under the Turkish IGA, FATCA withholding may apply in respect of any payments made on the Notes by any paying agent.

U.S. TAXATION

Material U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary deals only with U.S. Holders that are initial purchasers of Notes at the Issue Price in this offering and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the purchase, ownership or disposition of Notes by particular investors, and does not address state, local, non-U.S. or other tax laws. This summary does not address, except as set forth below, all of the tax considerations that may be relevant to certain types of investors that are subject to special tax rules such as certain financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, partnerships or other pass-through entities (or investors in such entities), individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers or traders in securities, investors that will hold the Notes as part of a straddle, hedging transaction or conversion transaction for U.S. federal income tax purposes, certain U.S. expatriates, U.S. Holders who are required to include certain items of revenue in income no later than when such item is taken into account in their financial statements, U.S. Holders who hold their Notes through non-U.S. intermediaries, or investors whose functional currency is not the U.S. Dollar. Moreover, this summary does not address non-U.S. taxes, the U.S. federal estate and gift tax, the Medicare tax on net investment income or the alternative minimum tax consequences of the purchase, ownership or disposition of the Notes, and does not address the U.S. federal income tax treatment of holders that do not acquire the Notes as part of the initial distribution at their initial "issue price".

As used herein, the term "**U.S. Holder**" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof, including the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity (or arrangement) treated as a partnership for U.S. federal income tax purposes that holds Notes will generally depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities (or arrangements) treated as partnerships for U.S. federal income tax purposes and their partners should consult their tax advisers concerning the U.S. federal income tax consequences of the purchase, ownership and disposition of Notes.

This summary is based on the tax laws of the United States, including the U.S. Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as at the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS, AND POSSIBLE CHANGES IN TAX LAW.

Payments of Interest

It is expected and this summary assumes that the Issue Price of the Notes will equal their stated principal amount. Generally, the Notes will be treated as issued with less than a *de minimis* amount of original issue discount ("**OID**") if the excess of the Notes' principal amount over their issue price is less than 0.25% of the principal amount multiplied by the number of complete years to maturity. Therefore, interest on a Note (including additional amounts, if any) will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. tax purposes.

In addition to interest on the Notes, a U.S. Holder must include any non-U.S. tax withheld from the interest payment as ordinary income, even though the U.S. Holder does not in fact receive it and must include as ordinary income any additional amounts paid in respect of such tax withheld. For foreign tax credit purposes, interest paid by the Issuer on the Notes (including any additional amounts) generally constitutes income from sources outside the United States and will be categorised as passive or general category income depending upon the U.S. Holder's specific circumstances. Any non-U.S. withholding tax paid at the rate applicable to a U.S. Holder may be eligible for credit against such holder's U.S. federal income tax liability or, at such holder's election, eligible for deductions in computing U.S. federal taxable income. The rules governing foreign tax credits are complex and prospective purchasers of Notes should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

Sale, Exchange and Redemption of the Notes

A U.S. Holder will generally recognise gain or loss on the sale, exchange, redemption, retirement at maturity, or other taxable disposition of a Note equal to the difference between the amounts realised on the sale, exchange, redemption, retirement or other disposition, other than accrued but unpaid interest which will be taxable as interest, and the U.S. Holder's tax basis in the Note. A U.S. Holder's tax basis in a Note will generally be the U.S. Dollar amount paid for the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income.

Gain or loss recognised by a U.S. Holder on the sale, exchange, or other disposition of a Note generally will be capital gain or loss and will be considered long-term capital gain or loss if the Note is held by the U.S. Holder for more than one year. Except to the extent attributable to accrued but unpaid interest (which will be taxed as ordinary income to the extent not previously included in income), gain or loss recognised by a U.S. Holder on the sale, exchange, redemption, retirement or other disposition of a Note generally will be U.S. source. In the case of a non-corporate U.S. Holder, the maximum marginal federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if a Note is held for more than one year. The deductibility of capital losses is subject to limitations.

Backup Withholding and Information Reporting

Payments of principal, interest on, and the proceeds of sale or other disposition of Notes, by a paying agent within the United States, and by certain paying agents outside the United States, will generally be reported to the IRS and to a U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest required to be shown on such U.S. Holder's U.S. federal income tax returns.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability, and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Foreign Financial Asset Reporting

Certain U.S. Holders who, during any taxable year, hold certain foreign financial assets, including debt of non-U.S. entities, are subject to information reporting requirements if the aggregate value of the assets exceeds USD 50,000. The thresholds are higher for individuals living outside of the United States and married couples filing jointly. The Notes are expected to constitute "foreign financial assets" subject to these requirements unless they are held in an account at a foreign financial institution (in which case the account may be reportable if maintained by a foreign financial institution). Depending on the aggregate value of the U.S. Holder's investment in such foreign financial assets, the U.S. Holder may be obligated to file Form 8938. Substantial penalties may be imposed and the period of limitations on assessment and collection of U.S. federal income taxes may be extended in the event of a failure to comply. U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to the Notes.

CERTAIN CONSIDERATIONS FOR ERISA AND OTHER U.S. EMPLOYEE BENEFIT PLANS

Subject to the following discussion, the Notes (or interests therein) may be acquired with assets of an "employee benefit plan" (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), that is subject to Title I of ERISA, a "plan" as defined in and subject to Section 4975 of the Code, and any entity deemed to hold "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (each, a "**Benefit Plan Investor**") as well as by governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (collectively, with Benefit Plan Investors, referred to as "**Plans**").

General Fiduciary Matters

ERISA imposes certain duties on persons who are fiduciaries of a Benefit Plan Investor subject to Title I of ERISA and the Code and prohibit certain transactions involving the assets of a Benefit Plan Investor subject to Title I of ERISA or Section 4975 of the Code with its fiduciaries or other interested parties.

In addition, Title I of ERISA requires fiduciaries of a Benefit Plan Investor subject to ERISA to make investments that are prudent, diversified and in accordance with the governing plan documents. Governmental plans, certain church plans and non-U.S. plans are not subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code; however, such Plans may be subject to federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**").

Accordingly, in considering an investment in the Notes that will be assets of a Plan, the fiduciary or trustee of the applicable Plan should determine whether the investment in the Notes is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to the Plan and such person's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit a Benefit Plan Investor from engaging in certain transactions with persons that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to such Benefit Plan Investor. A violation of these "prohibited transaction" rules may result in an excise tax or other penalties and liabilities under ERISA and Section 4975 of the Code for such persons or the fiduciaries of such Benefit Plan Investor. If an IRA depositor engages in a prohibited transaction with his IRA, the IRA is disqualified and is treated as distributing all of its assets.

An investment in the Notes by or on behalf of a Benefit Plan Investor could give rise to a prohibited transaction if Akbank or any joint bookrunner or other transaction party, or any of its or their respective affiliates is or becomes a party in interest or a disqualified person with respect to such Benefit Plan Investor. Certain exemptions from the prohibited transaction rules could be applicable to an investment in the Notes by a Benefit Plan Investor depending upon the type and circumstances of the plan fiduciary making the decision to acquire such investment and the relationship of the party in interest or disqualified person to the Benefit Plan Investor. Included among these exemptions are: Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Benefit Plan Investor and Persons who are parties in interest or "disqualified persons" solely by reason of providing services to the Benefit Plan Investor or being affiliated with such service providers; Prohibited Transaction Class Exemption ("**PTCE**") 96-23, regarding transactions effected by "in-house asset managers"; PTCE 95-60, regarding investments by insurance company general accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 90-1, regarding investments by insurance company pooled separate accounts; and PTCE 84-14, as amended, regarding transactions effected by "qualified professional asset managers". Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts that might be construed as prohibited transactions. There can be no assurance that any of these, or any other exemption, will be available with respect to any particular transaction involving the Notes, and prospective investors that are Benefit Plan Investors and other Plans should consult with their legal advisers regarding the applicability of any such exemption and other applicable legal requirements.

Representations

By acquiring a Note (or any interest therein), each purchaser and transferee (and if such purchaser or transferee is a Benefit Plan Investor, its fiduciary) is deemed to represent, warrant and agree that either: (a) it is not, is not acting on behalf of (and for so long as it holds the Note or interest therein will not be, and will not be acting on behalf of), and is not acquiring or holding the Note (or any interest therein) with the assets of any Benefit Plan Investor or a Plan that is subject to Similar Law, or (b) its acquisition, holding and disposition of the Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law.

Each purchaser and transferee that is, or is acting on behalf of, a Benefit Plan Investor, will be further deemed to represent, warrant and agree that (i) none of Akbank or any joint bookrunner or other transaction party or any of its or their respective affiliates has provided any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor ("**Plan Fiduciary**"), has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

THE SUMMARY OF ERISA AND TAX CONSEQUENCES SET OUT ABOVE IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS THAT ARE BENEFIT PLAN INVESTORS AND PLANS SHOULD CONSULT THEIR ADVISERS AS TO THE PARTICULAR ERISA AND TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, THE APPLICABILITY AND EFFECT OF SIMILAR LAWS, AND POSSIBLE CHANGES IN APPLICABLE LAW.

PLAN OF DISTRIBUTION

Akbank intends to offer the Notes through the Joint Bookrunners and their broker-dealer affiliates, as applicable, named below. Subject to the terms and conditions stated in a subscription agreement in respect of the Notes entered into on 14 June 2024 among the Joint Bookrunners and Akbank (the "**Subscription Agreement**"), each of the Joint Bookrunners has severally (and not jointly nor jointly and severally) agreed to purchase, and Akbank has agreed to sell to each of the Joint Bookrunners, the principal amount of the Notes set forth opposite each Joint Bookrunner's name below.

Joint Bookrunner	Principal Amount of Notes
Abu Dhabi Commercial Bank P.J.S.C	U.S.$83,333,000
Citigroup Global Markets Limited	U.S.$83,335,000
Emirates NBD Bank PJSC	U.S.$83,333,000
ING Bank N.V.	U.S.$83,333,000
HSBC Bank plc	U.S.$83,333,000
J.P. Morgan Securities plc	U.S.$83,333,000
Total	**U.S.$500,000,000**

The Subscription Agreement provides that the obligations of the Joint Bookrunners to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The offering of the Notes by the Joint Bookrunners is subject to receipt and acceptance and subject to the Joint Bookrunners' right to reject any order in whole or in part.

Akbank has been informed that the Joint Bookrunners propose to resell beneficial interests in the Notes at the offering price set forth on the cover page of this Offering Circular within the United States to persons reasonably believed to be QIBs in reliance upon Rule 144A, and to non-U.S. persons in offshore transactions outside the United States in reliance upon Regulation S. See "*Subscription and Sale and Transfer and Selling Restrictions*" below. The prices at which beneficial interests in the Notes are offered may be changed at any time without notice.

Offers and sales of the Notes in the United States will be made by those Joint Bookrunners or their affiliates that are registered broker-dealers under the Exchange Act or in accordance with Rule 15a-6 thereunder.

The Notes have not been registered under the Securities Act or the securities laws of any state of the U.S. or other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "*Subscription and Sale and Transfer and Selling Restrictions*" below.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes other than in an offshore transaction to a person that is not a U.S. person by any distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption under the Securities Act.

To the extent permitted by local law, the Joint Bookrunners and the Issuer have agreed that commissions may be offered to certain brokers, financial advisers and other intermediaries based upon the amount of investment in the Notes purchased by such intermediary and/or its customers. Each such intermediary is required by law to comply with any disclosure and other obligations related thereto, and each customer of any such intermediary is responsible for determining for itself whether an investment in the Notes is consistent with its investment objectives.

Akbank expects that delivery of interests in the Notes will be made against payment therefor on the Issue Date. Under Rule 15c6-l of the Exchange Act, trades in the secondary market through a broker or dealer in the United States generally are required to settle in two New York City business days, unless the parties to any such trade expressly agree otherwise. Accordingly, investors who wish to trade interests in the Notes through a broker or dealer in the United States on the date of this Offering Circular or the next New York City business days will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Investors in the Notes who wish to trade interests in the Notes through a broker or dealer in the United States on the date of this Offering Circular or the next New York City business days should consult their own adviser.

The Joint Bookrunners and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Bookrunners or their respective affiliates may have performed investment banking and advisory services for Akbank and its affiliates from time-to-time for which they may have received fees, expenses, reimbursements and/or other compensation. The Joint Bookrunners or their respective affiliates may, from time-to-time, engage in transactions with and perform advisory and other services for Akbank and its affiliates in the ordinary course of their business. Certain of the Joint Bookrunners and/or their respective affiliates have acted and expect in the future to act as a lender to Akbank and/or other members of the Akbank Group and/or otherwise participate in transactions with the Akbank Group.

In the ordinary course of their various business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve Akbank's securities and instruments. In addition, certain of the Joint Bookrunners and/or their respective affiliates hedge their credit exposure to Akbank pursuant to their customary risk management policies. These hedging activities could have an adverse effect on the future trading prices of the Notes offered hereby.

The Joint Bookrunners and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities or instruments.

Akbank has agreed to indemnify each Joint Bookrunner against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Joint Bookrunners may be required to make because of those liabilities.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Transfer Restrictions

Because the following restrictions will apply with respect to the Notes, investors in the Notes are advised to consult legal counsel prior to making an offer, resale, pledge or transfer of any of the Notes. References to Notes in this section should, as appropriate, be deemed to refer to the Notes themselves and/or beneficial interests therein.

Akbank has not registered the Notes under the Securities Act or the laws of any U.S. State securities commission and, therefore, the Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only: (a) to persons reasonably believed to be QIBs in reliance upon Rule 144A under the Securities Act and (b) to non-U.S. persons in offshore transactions in reliance upon Regulation S under the Securities Act.

Each purchaser of Notes (other than a person purchasing an interest in a Global Certificate with a view to holding it in the form of an interest in the same Global Certificate) or person wishing to transfer an interest from one Global Certificate to another or from global to definitive form will be required to acknowledge, represent and agree, and each person purchasing an interest in a Global Certificate with a view to holding it in the form of an interest in the same Global Certificate will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (ii) it is outside the United States and is not a U.S. person;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the U.S. or other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that, unless it holds an interest in the Regulation S Global Certificate and is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last issue date for the series of Notes and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (i) to the Issuer or any affiliate thereof, (ii) to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) in an offshore transaction in compliance with Rule 903 or 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. Federal and State securities laws;

(d) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions, if then applicable;

(e) that Notes initially offered to QIBs will be represented by the Rule 144A Global Certificate and that Notes offered in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by the Regulation S Global Certificate;

(f) that the Rule 144A Global Certificate will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD PLEDGED OR OTHERWISE DISPOSED OF WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM ANY INTEREST IN THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE SECURITY.

EACH PURCHASER OR TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) EITHER: (a) IT IS NOT, IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AND IS NOT ACQUIRING OR HOLDING THIS NOTE (OR ANY INTEREST HEREIN) WITH THE ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, ANY "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY OR A U.S. GOVERNMENTAL PLAN, CHURCH PLAN OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE

CODE OR A VIOLATION OF SIMILAR LAW; AND (2) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, WILL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) NONE OF THE TRANSACTION PARTIES OR ANY OF THEIR RESPECTIVE AFFILIATES HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR ("**PLAN FIDUCIARY**"), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THIS NOTE, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS NOTE AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS NOTE.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME-TO-TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFORE, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(g) if it holds an interest in the Regulation S Global Certificate, that if it should resell or otherwise transfer such interest in the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (i) (A) in an offshore transaction in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB in compliance with Rule 144A and (ii) in accordance with all applicable U.S. federal and State securities laws; and it acknowledges that the Regulation S Global Certificate will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES.

EACH PURCHASER OR TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) EITHER: (a) IT IS NOT, IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST

HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AND IS NOT ACQUIRING OR HOLDING THIS NOTE (OR ANY INTEREST HEREIN) WITH THE ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, ANY "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY OR A U.S. GOVERNMENTAL PLAN, CHURCH PLAN OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF SIMILAR LAW; AND (2) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, WILL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) NONE OF THE TRANSACTION PARTIES OR ANY OF THEIR RESPECTIVE AFFILIATES HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR ("**PLAN FIDUCIARY**"), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THIS NOTE, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS NOTE AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS NOTE."; and

(h) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Each purchaser and transferee of a Note (or any interest therein) will be deemed to represent, warrant and agree that either: (i) it is not, is not acting on behalf of (and for so long as it holds the Note or interest therein will not be, and will not be acting on behalf of), and is not acquiring or holding the Note (or a beneficial interest therein) with the assets of any Benefit Plan Investor or a Plan that is subject to Similar Law, or (ii) its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law. Each purchaser and transferee that is, or is acting on behalf of, a Benefit Plan Investor, will be further deemed to represent, warrant and agree that (i) none of the transaction parties or any of their respective affiliates has provided any investment recommendation or investment advice on which it or any Plan Fiduciary has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

According to Article 15d(ii) of Decree 32 regarding the Protection of the Value of the Turkish Currency, residents in Türkiye will be free to purchase and sell securities and other capital market instruments traded on financial markets abroad, and to transfer funds for the purchase of such securities abroad through licensed banks or licensed brokerage institutions authorised pursuant to Banking Law and/or Capital Markets Law and their related legislation.

Selling Restrictions

Türkiye

The offering of the Notes has been authorised by the CMB on 5 March 2024 through the approval of the issuance certificate (*ihraç belgesi*) only for the purpose of the sale of the notes outside of Türkiye in accordance with article 11 of the Capital Markets Law, Article 15(b) of Decree 32 and the Communiqué. The notes (or beneficial interests therein) have to be offered or sold outside of Türkiye and the CMB has authorised the offering of the notes; provided that, following the primary sale of the notes, no transaction that may be deemed as a sale of the notes (or beneficial interests therein) in Türkiye by way of private placement or public offering may be engaged in.

Notwithstanding the foregoing, pursuant to the BRSA decision dated 6 May 2010 No. 3665, the BRSA decision dated 30 September 2010 No. 3875 and in accordance with Article 15(d)(ii) of Decree 32, residents of Türkiye: (a) in the secondary markets only, may purchase or sell Notes denominated in a currency other than Turkish Lira (or beneficial interests therein) in offshore transactions on an unsolicited (reverse inquiry) basis in the secondary markets only; and (b) in both the primary and secondary markets, may purchase or sell Notes (or beneficial interests therein) denominated in Turkish Lira in offshore transactions on an unsolicited (reverse inquiry) basis; provided that (for each of clauses (a) and (b)) such purchase or sale is made through licensed banks authorised by the BRSA or licensed brokerage institutions authorised pursuant to the CMB regulations and the purchase price is transferred through such licensed banks. As such, Turkish residents should use such banks or licensed brokerage institutions while purchasing the Notes (or beneficial interests therein) and transfer the purchase price through such licensed banks.

The Joint Bookrunners have agreed that neither they, nor any of their respective affiliates, nor any person acting on behalf of any of the Joint Bookrunners or any of their respective affiliates, have engaged or will engage in any directed selling efforts within Türkiye in connection with the Notes. The Joint Bookrunners have further agreed that neither they nor any of their respective affiliates, nor any person acting on behalf of any of the Joint Bookrunners or any of their respective affiliates (i) have engaged or will engage in any form of general solicitation or general advertising in connection with any offer and sale of the Notes in Türkiye, or (ii) will make any disclosure in Türkiye in relation to the Issuer, the Notes or the Offering Circular without the prior consent of the Issuer, save as may be required by applicable law, court order or regulation.

Monies paid for purchases of Notes are not protected by the insurance coverage provided by the SDIF.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the U.S. or other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Joint Bookrunner has represented and agreed that it will not offer, sell or deliver such Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes, other than in an offshore transaction to, or for the account or benefit of, persons that are not U.S. persons. Each Joint Bookrunner has further agreed that it will send to each distributor to which it sells any Notes during the applicable distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes other than in an offshore transaction to, or for the account or benefit of, persons that are not U.S. persons. Terms used in the preceding paragraphs have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes other than in an offshore transaction to a person that is not a U.S. person by any distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

United Kingdom

Each Joint Bookrunner has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

People's Republic of China

Each of the Joint Bookrunners has represented and agreed that neither it nor any of its affiliates has offered, sold or delivered or will offer, sell or deliver any of the Notes to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in the PRC (excluding Hong Kong Special Administrative Region of the PRC, the Macau Special Administration Region of the PRC and Taiwan) in contravention of any applicable laws.

Hong Kong

Each of the Joint Bookrunners has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Joint Bookrunner has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Joint Bookrunner has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented and agreed that it has not offered or sold any Notes or caused any Notes to be the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Notification under Section 309B(1)(c) of the SFA – In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

Each Joint Bookrunner has acknowledged that, in Switzerland, this Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in Notes. Accordingly, each Joint Bookrunner has represented and agreed that the Notes have not been and will not publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has been or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

General

Each Joint Bookrunner has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer and any other Joint Bookrunner shall have any responsibility therefor.

None of the Issuer and any of the Joint Bookrunners represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

LEGAL MATTERS

Certain matters relating to the issuance of the Notes will be passed upon for Akbank by Baker & McKenzie LLP as to matters of English and United States law and by Esin Attorney Partnership, a member firm of Baker McKenzie International as to matters of Turkish law. Certain matters as to English and United States law will be passed upon for the Joint Bookrunners by Allen Overy Shearman Sterling LLP, and certain matters as to Turkish law will be passed upon for the Joint Bookrunners by Gedik Eraksoy Avukatlık Ortaklığı.

GENERAL INFORMATION

Authorisation

The issue and sale of the Notes by the Issuer and the execution and delivery by the Issuer of the transaction documents has been duly authorised by resolutions of the Board of Directors dated 9 August 2023 numbered 11137.

Listing of Notes

An application has been made to Euronext Dublin to admit the Notes to listing on the Official List and to trading on GEM; *however*, no assurance can be given that such application will be accepted. It is expected that admission of the Notes to the Official List and trading on GEM will be granted on or around the Issue Date, subject only to the issue of the Notes.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for Akbank in connection with the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on GEM.

Documents Available

For the life of the Offering Circular, copies of the following documents will, when published, be available in physical form for inspection from https://www.akbankinvestorrelations.com/en/whosale-funding/detail/eurobond-senior-unsecured/234/435/0:

(a) the articles of association (with a certified English translation thereof) of the Issuer;

(b) the Agency Agreement, the Deed of Covenant, the Deed Poll and the forms of the Global Certificates and the Notes in definitive form;

(c) the Akbank BRSA Interim Financial Statements;

(d) the Akbank 2023 BRSA Annual Financial Statements;

(e) the Akbank 2022 BRSA Annual Financial Statements; and

(f) a copy of this Offering Circular.

Clearing Systems

The Rule 144A Global Certificate has been accepted into DTC's book-entry settlement system and the Regulation S Global Certificate has been accepted for clearance through Euroclear and Clearstream, Luxembourg (CUSIP: 00971Y AL4, ISIN: US00971YAL48 and Common Code: 284287169, with respect to the Rule 144A Notes and ISIN: XS2842188687 and Common Code: 284218868, with respect to the Regulation S Notes).

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Interest Payments

Akbank has been advised by DTC that through DTC's accounting and payment procedures DTC will, in accordance with its customary procedures, credit interest payments received by DTC on any Interest Payment Date based upon DTC participant holdings of the Notes on the close of business on the New York Business Day immediately preceding each such Interest Payment Date. A "**New York Business Day**" is a day other than a Saturday, a Sunday or any other day on which banking institutions in New York City are authorised or required by law or executive order to close.

Significant or Material Change

Save as disclosed in this Offering Circular at "*Risk Factors*" there has been no significant change in the financial or trading position of either Akbank or the Akbank Group since 31 March 2024, and no material adverse change in the prospects of either Akbank or the Akbank Group since 31 December 2023.

Litigation

Neither Akbank nor any other member of the Akbank Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Akbank is aware) in the 12 months preceding the date of this Offering Circular which may have or have in such period had a significant effect on the financial position or profitability of Akbank or the Akbank Group.

Independent Auditors

Akbank's annual financial statements, convenience translations of which are incorporated by reference herein, have been audited by PwC, independent certified accountants in Türkiye, located at Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu, İstanbul, Türkiye as stated in the convenience translations of PwC's independent auditor's report incorporated by reference herein, in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the SIA that are part of Turkish Standards on Auditing issued by the POA. PwC are an institution authorised by BRSA, CMB, Turkish Treasury, Energy Market Regulatory Authority and POA to conduct independent audits of companies, including banks, in Türkiye.

Akbank's interim financial statements convenience translations of which are incorporated by reference herein, have been reviewed by Deloitte Türkiye, independent certified accountants in Türkiye, located at Deloitte Values House, Eski Büyükdere cad. Maslak No1, Sarıyer 34485, İstanbul, Türkiye as stated in the convenience translations of Deloitte's independent review report incorporated by reference herein, in accordance with the Independent Auditing Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Deloitte are an institution authorised by BRSA, CMB, Turkish Treasury, Energy Market Regulatory Authority and POA to conduct independent audits of companies, including banks, in Türkiye.

Akbank's accounts are prepared on a quarterly, semi-annual and annual basis in accordance with BRSA Principles.

Foreign Text

The language of this Offering Circular is English. Certain legislative references and technical terms may be cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

APPENDIX 1 - OVERVIEW OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND BRSA ACCOUNTING PRINCIPLES

The BRSA Principles differ from IFRS. Such differences are primarily related to the presentation of financial statements, disclosure requirements (e.g., IFRS 7) and certain accounting policies. BRSA presentation and disclosure requirements are prescribed by relevant regulations and do not always meet IFRS or International Accounting Standards ("**IAS**") 34.

Other than as disclosed in this Appendix 1, there are no significant departures between the accounting or auditing standards under the BRSA Principals or auditing standards applicable to the Akbank BRSA Financial Statements on the one hand, and IFRS and auditing principles applicable under the International Standards on Auditing on the other hand.

Among the differences in accounting policies some of the most important are:

Consolidation and equity accounting

Only financial sector subsidiaries and associates are consolidated and equity accounted, respectively, under BRSA Principles, others are carried at cost or fair value. The effect of non-financial subsidiaries on consolidated financials of the Bank is immaterial.

Application period for hyperinflationary accounting

Pursuant to TAS 29 under TFRS and the corresponding IAS 29 under IFRS, the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. Neither TAS 29 nor IAS 29 establishes an absolute rate when hyperinflation is deemed to arise, but rather each provides a series of non-exclusive guidelines as to when restatement of financial statements becomes necessary. These guidelines include, among other considerations, a quantitative characteristic verifying if the three-year cumulative inflation rate approaches or exceeds 100%. In March 2022, the International Practices Task Force of the Centre for Audit Quality ("**IPTF**"), which monitors countries experiencing high inflation, categorized Türkiye as a country with three-year cumulative inflation rate greater than 100% as at 28 February 2022. Accordingly, Turkish companies reporting under IFRS should apply IAS 29 to their financial statements for periods ending on and after June 30, 2022.

However, on 20 January 2022, the POA had stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29. Therefore, despite high levels of inflation in Türkiye in 2021, 2022 and the nine months ended 30 September 2023, inflation adjustments for such periods have not been applied on the BRSA Financial Statements included in this Offering Circular, in accordance with TAS 29.

Subsequently, on 23 November 2023, the POA announced that Turkish companies reporting under TFRS should begin implementing TAS 29, and adjusting their financial statements for inflation, for periods ending on and after 31 December 2023, subject to alternative timelines being set by applicable regulatory and auditing entities such as the BRSA and the CMB, with adjustments also applied to all periods presented in the financial statements. On 12 December 2023, the BRSA announced that the financial statements of banks and financial leasing, factoring, financing, savings financing, and asset management companies as at 31 December 2023 will not be subject to the inflation adjustment required under TAS 29. On 11 January 2024, the BRSA decided that inflation adjustment would be applicable to the financial statements of banks, financial leasing, factoring, financing, savings financing, and asset management companies starting from 1 January 2025.

As a result, financial statements complying with the BRSA Principles currently materially differ from those complying with IFRS in the application of adjustments for the effects of changes in a general price index and will continue to materially differ until such time as the BRSA implements TAS 29 or IAS 29 is no longer applicable under IFRS.

Related Party Disclosures

Related party transactions and balances are disclosed in IFRS based on the definition provided in IAS 24, whereas in BRSA such disclosures are based on "risk group" as defined in the Banking Law.

Similar differences with IFRS also exist in the accounting policies and disclosure requirements applied to consolidated subsidiaries, especially those providing factoring and leasing services which are subject to specific BRSA principles.

ISSUER

Akbank T.A.Ş.
Sabancı Center
4. Levent 34330
İstanbul
Türkiye

JOINT BOOKRUNNERS

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

Abu Dhabi Commercial Bank P.J.S.C.
ADCB Head Office Tower
Sheikh Zayed the First Street
PO Box 939
Abu Dhabi
United Arab Emirates

Emirates NBD Bank PJSC
c/o Emirates NBD Capital Limited
L07-04 Level 7, ICD Brookfield Place
Dubai International Financial Centre
Dubai P.O. Box: 506710

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

HSBC Bank plc
8 Canada Square
London, E14 5HQ
United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

FISCAL AGENT AND TRANSFER AGENT

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR

Citibank Europe PLC
1 North Wall Quay
Dublin 1 D01 T8Y1
Ireland

LEGAL ADVISERS

To the Issuer as to English and United States law

Baker McKenzie LLP
280 Bishopsgate
London EC2M 4RB
United Kingdom

To the Issuer as to Turkish law

Esin Attorney Partnership, a member firm of Baker McKenzie International
Ebulula Mardin Cad. Gül Sok. No.2
Maya Park, Tower 2
Akatlar, Beşiktaş
İstanbul, Türkiye

To the Joint Bookrunners as to English and United States law

Allen Overy Shearman Sterling LLP
One Bishops Square
London E1 6AD
United Kingdom

To the Joint Bookrunners as to Turkish law

Gedik Eraksoy Avukatlık Ortaklığı
River Plaza Kat:17 Büyükdere Cad.
Bahar Sok. No:13

34394 Levent, İstanbul
Türkiye

INDEPENDENT AUDITORS OF THE ISSUER

For the financial years ended 31st December 2023 and 2022

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301
Beyoğlu, İstanbul
Türkiye

For the financial year commencing on 1st January 2024

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of Deloitte Touche Tohmatsu Limited
Deloitte Values House
Eski Büyükdere cad. Maslak No1
Sarıyer 34485
İstanbul
Türkiye

LISTING AGENT

Arthur Cox Listing Services Limited
Ten Earlsfort Terrace
Dublin 2
Ireland