

A woman with dark hair tied back, wearing a light blue tank top, is seen from behind, painting a wall red with a roller. The wall is mostly white, with a large red rectangular area being painted. Overlaid on the red area is the word 'TAKEBANK' in large, bold, white, sans-serif capital letters. The woman's arm is raised, and the roller is in contact with the wall.

TAKEBANK

Global Analyst &
Investor Day 2021

January 5, 2021

Content

01 Operating Environment

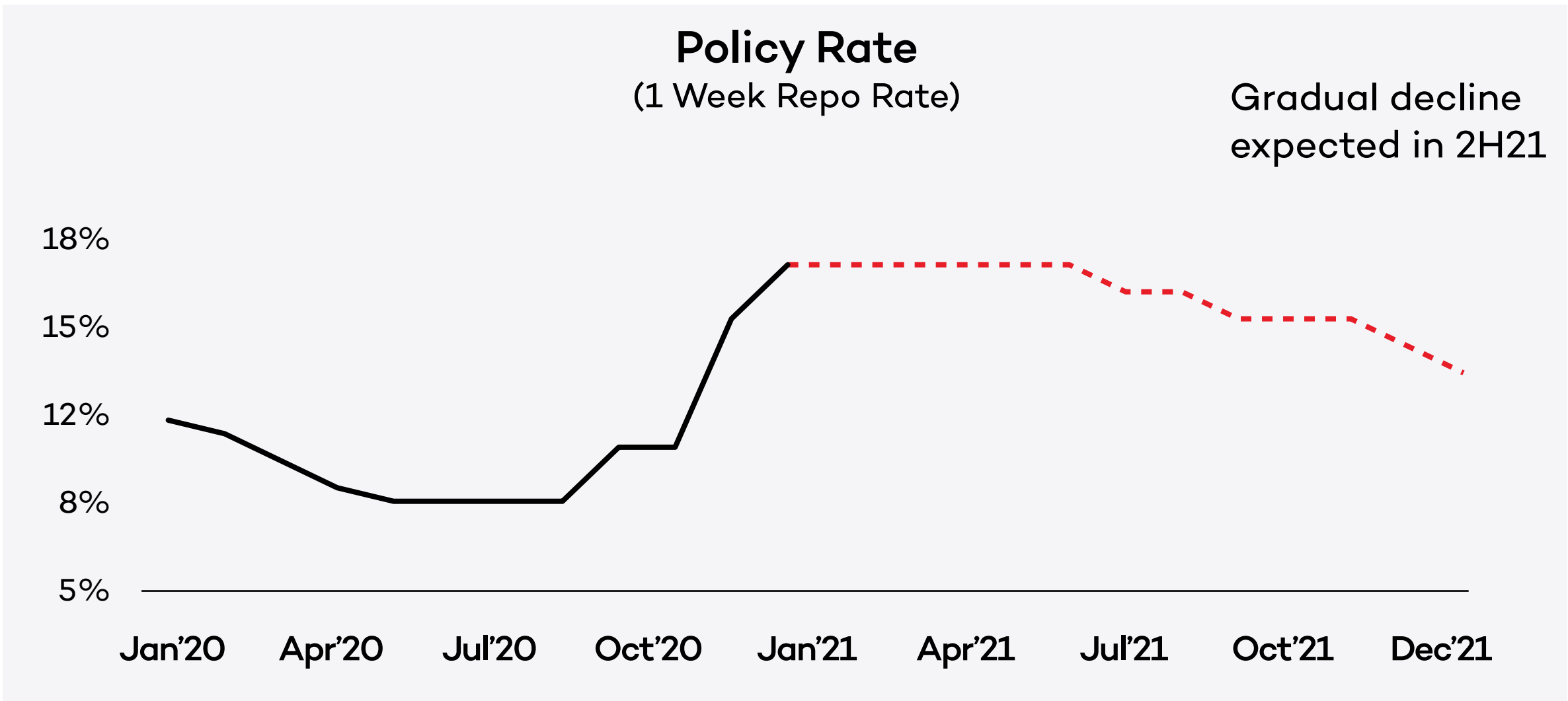
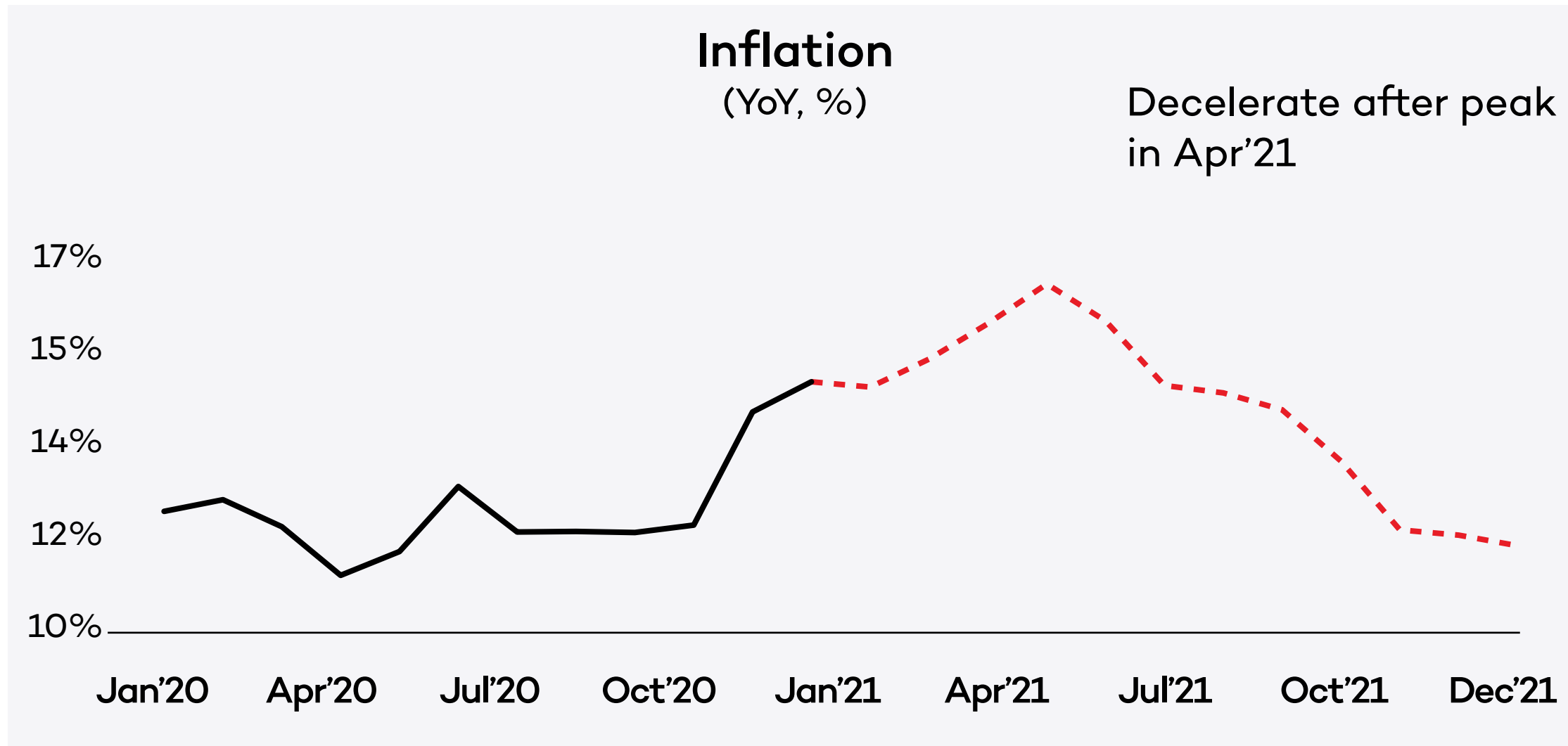
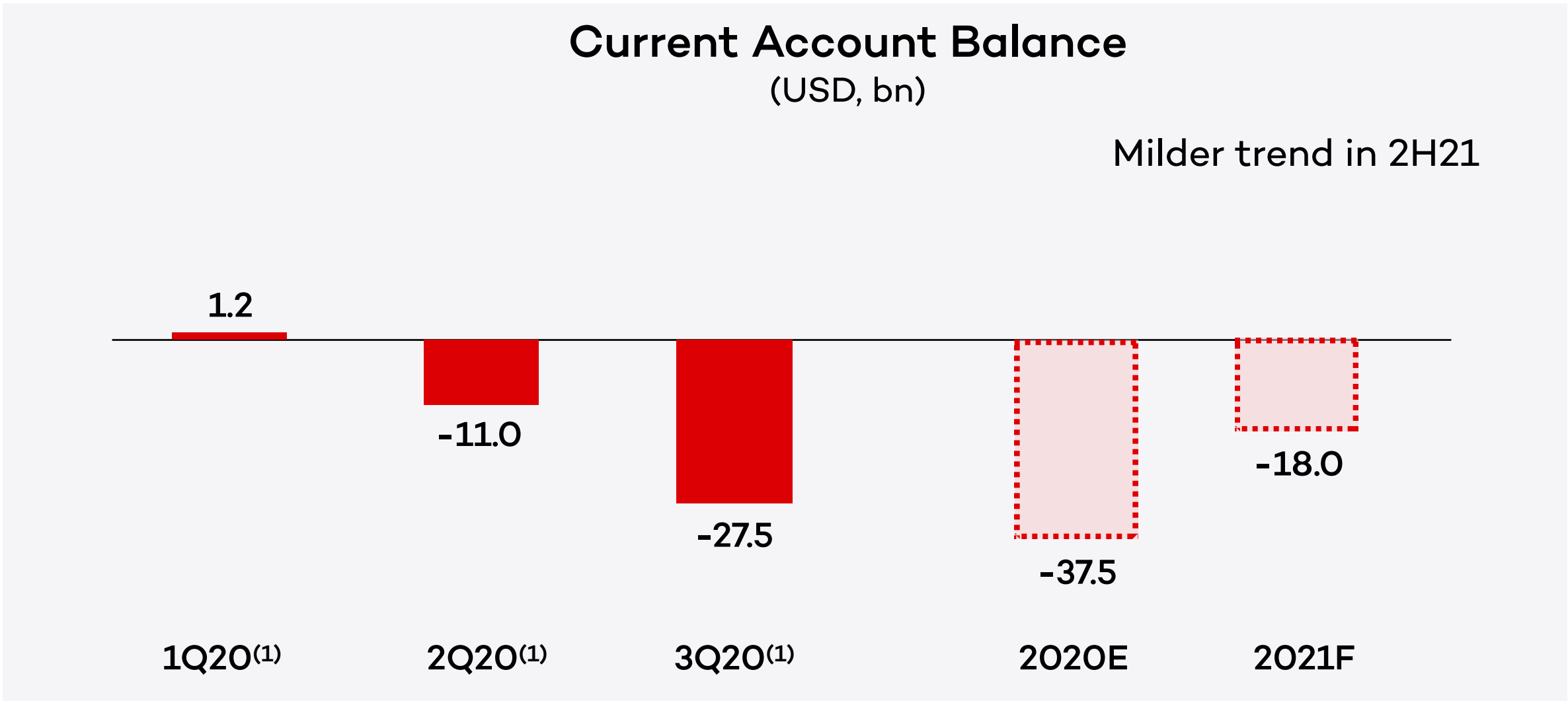
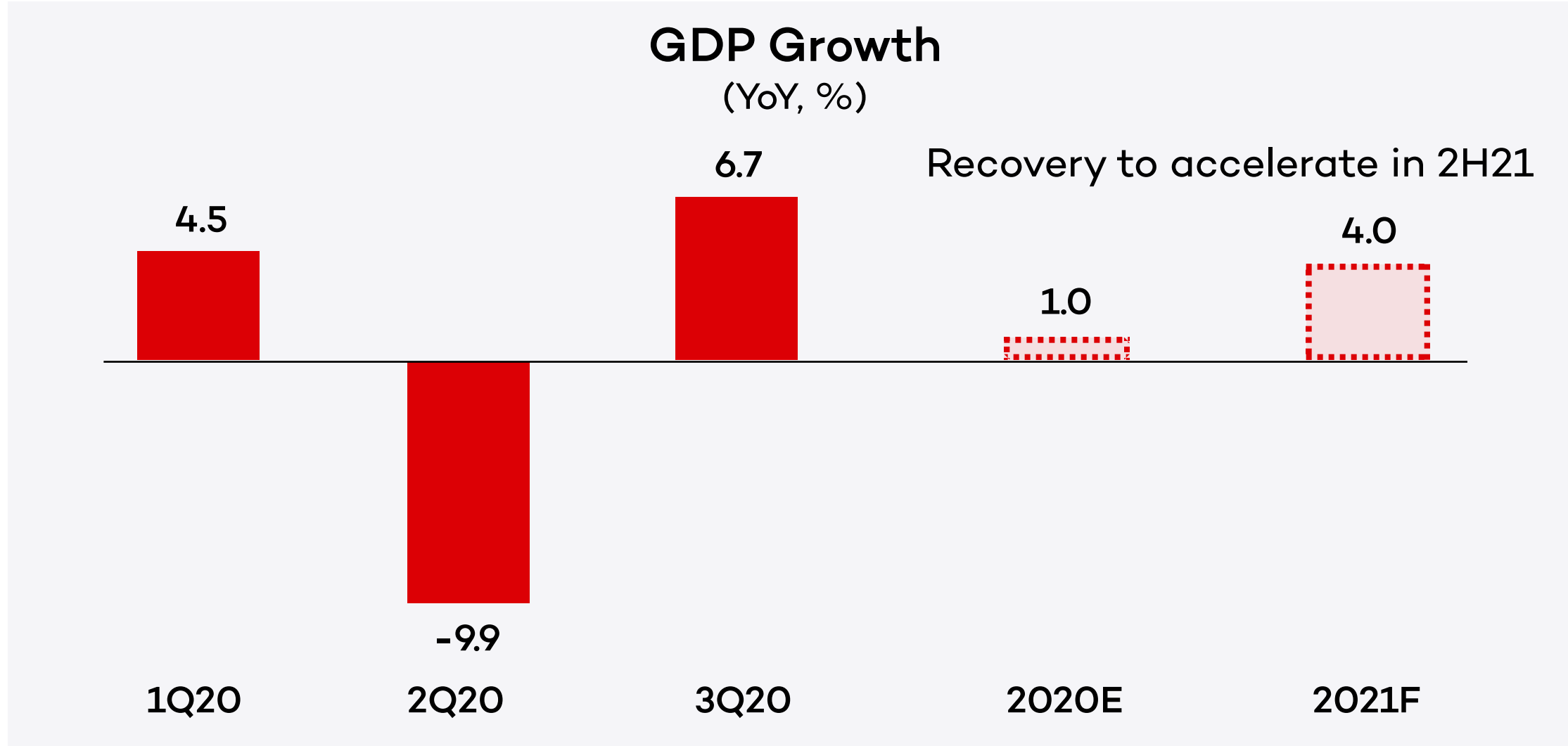
02 2020 Wrap-up

03 2021 Guidance

04 Digital Transformation

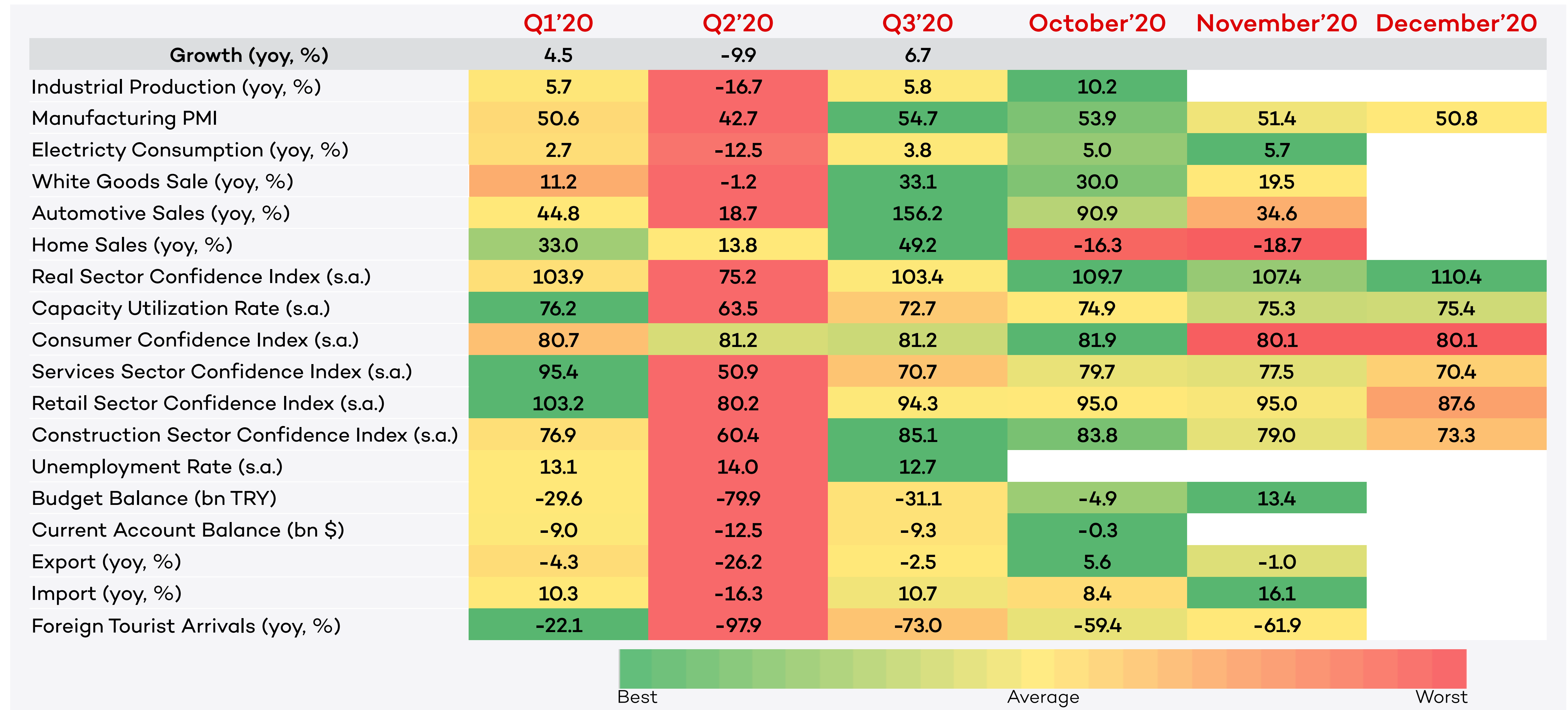
05 Sustainability Approach

Turkish Economy: 2020 Overview & 2021 Outlook



3 (1) 12-month cumulative

Economic activity heat map



01 Operating Environment

02 2020 Wrap-up

03 2021 Guidance

04 Digital Transformation

05 Sustainability Approach

2020: Financial strength & operational resilience remains intact

	2020 Guidance	9M20	2020E vs. Guidance	
TL Loan Growth	Low-twenties	+20.8%	✓	
FX Loan Growth (in USD)	Negative c. 10%	-8.1%	✓	
Leverage	~ 8x	8.2x	✓	
ROE	Low-teens	10.5%	✓	
NIM (swap adj.)	4.2% - 4.5%	4.3%	Slightly lower	Due to increase in funding costs
Net fees&com. growth	Neg. high-single digit	-4.3%	✓	
Opex growth	Mid-teens	16.7%	✓	
Cost/ income ⁽¹⁾	≤34%	32.3%	✓	
NPL	<6%	5.8%	✓	
Net total CoC	250-300 bps	271 bps	✓	

9M20 RoE
11.6%
when adj. for
TL 500 mn ⁽²⁾
free
provisions

6 ⁽¹⁾ CIR calculation excludes FX gain from long FX position related with stage 1&2 provisions and LYY hedge as well as insurance penalty of TL 71 mn & BRSA penalty of TL 117 mn

⁽²⁾ Adjusted for 1Q20 free provisions of TL 250 mn & 3Q20 free provisions of TL 250 mn

01 Operating Environment

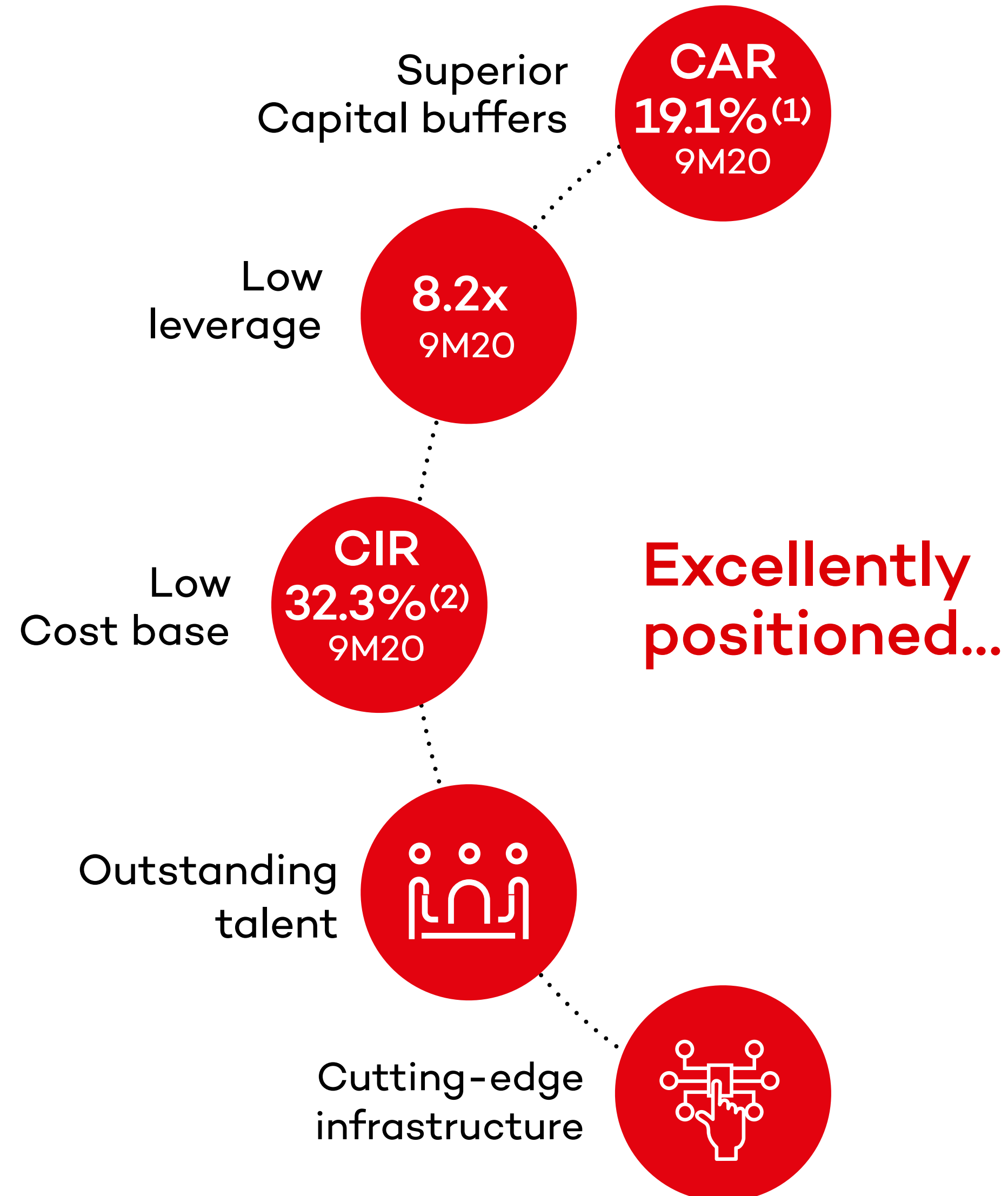
02 2020 Wrap-up

03 2021 Guidance

04 Digital Transformation

05 Sustainability Approach

2021 Outlook: Leveraging our strength while carrying out priorities



... to improve profitability

- ▶ Solid growth
- ▶ Customer acquisition
- ▶ CoC normalization


... to continue building our future

- ▶ People & Culture
- ▶ Digitization & AI
- ▶ Sustainability

⁽¹⁾ As of 9M20 & w/o forbearances that will end by YE20 (Fixing MtM losses of securities & FX rate for RWA calculation to YE19)

⁽²⁾ Excludes FX gain from long FX position related with stage 1&2 provisions & LYY hedge as well as insurance penalty of TL 71 mn & BRSA penalty of TL 117 mn

Redeploying capital with sustainable profitability in focus

 **2021G**

▶ TL Loans

~ 20%

- Consumer
- Business

Low-twenties
Mid-teens

▶ FX Loans

Flattish

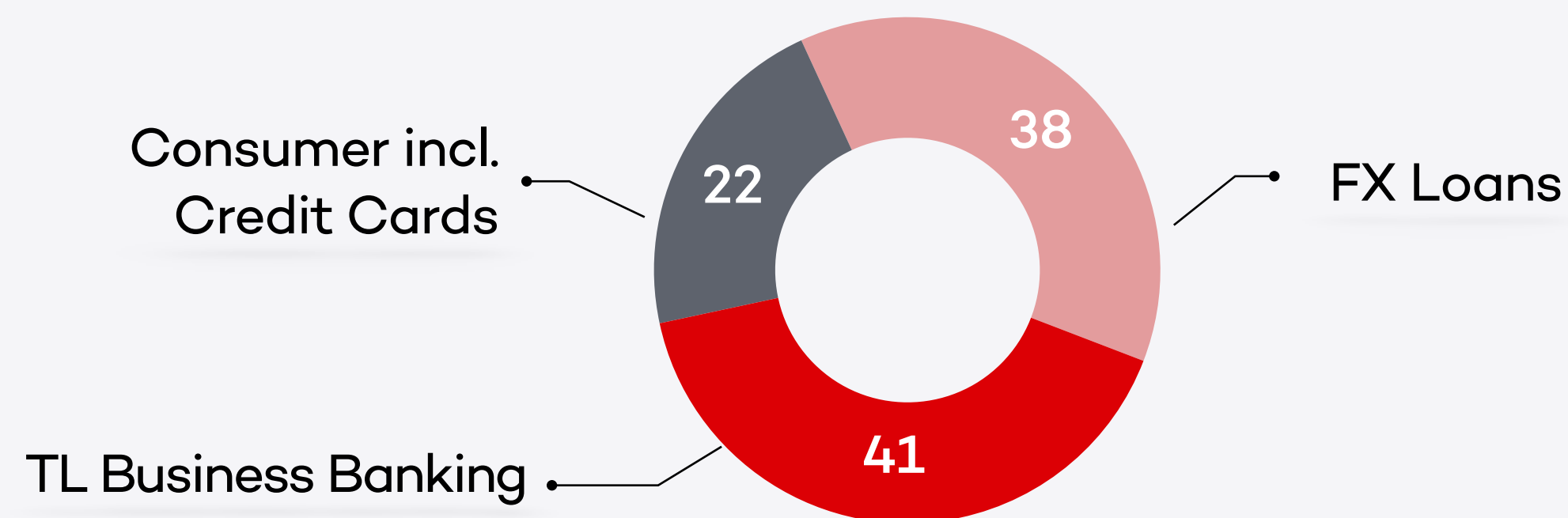
▶ Customer acquisition

- Differentiation through innovation
- High caliber and mobile sales force
- Digital on-boarding to be a game changer
- Omni-channel ML based analytical support

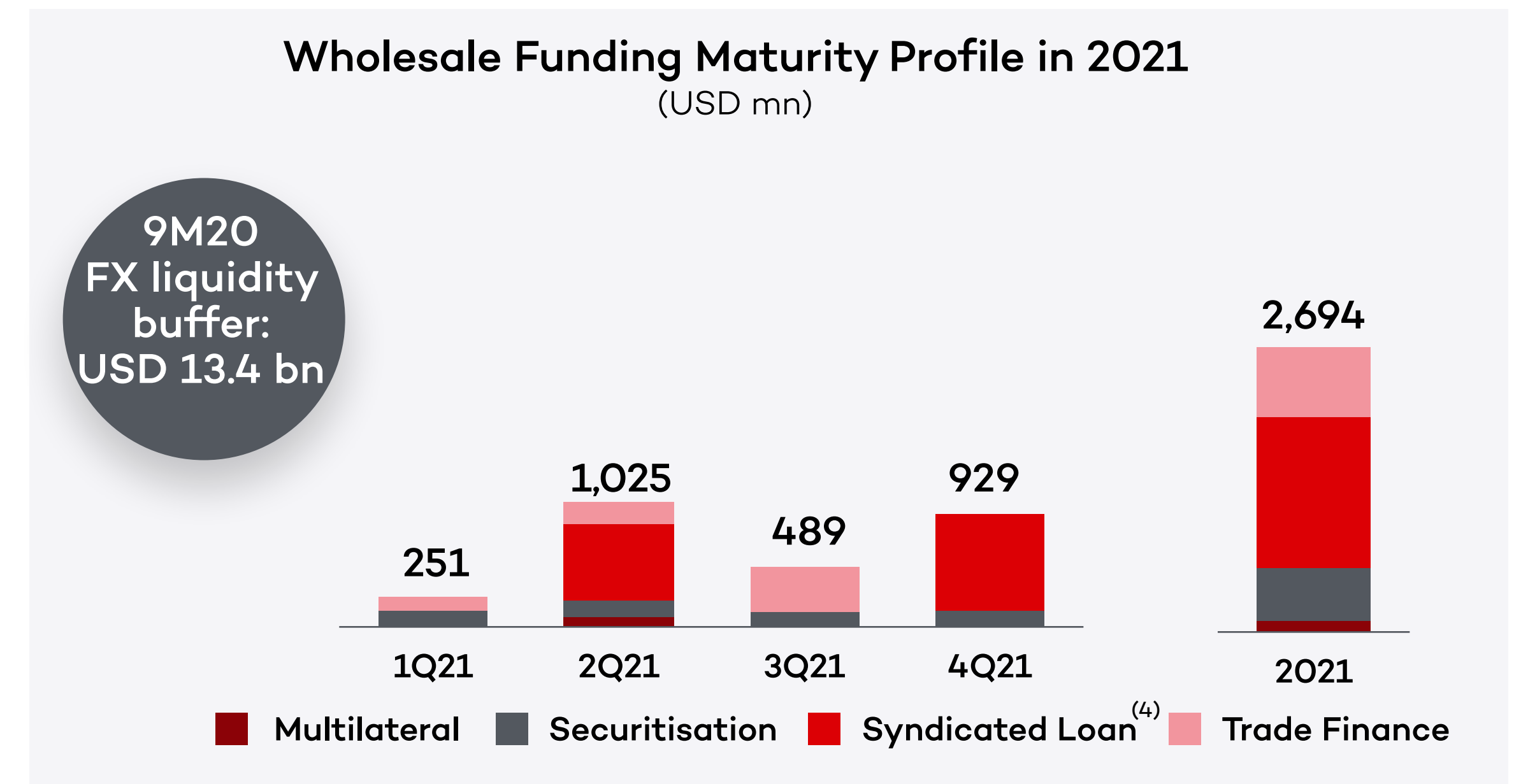
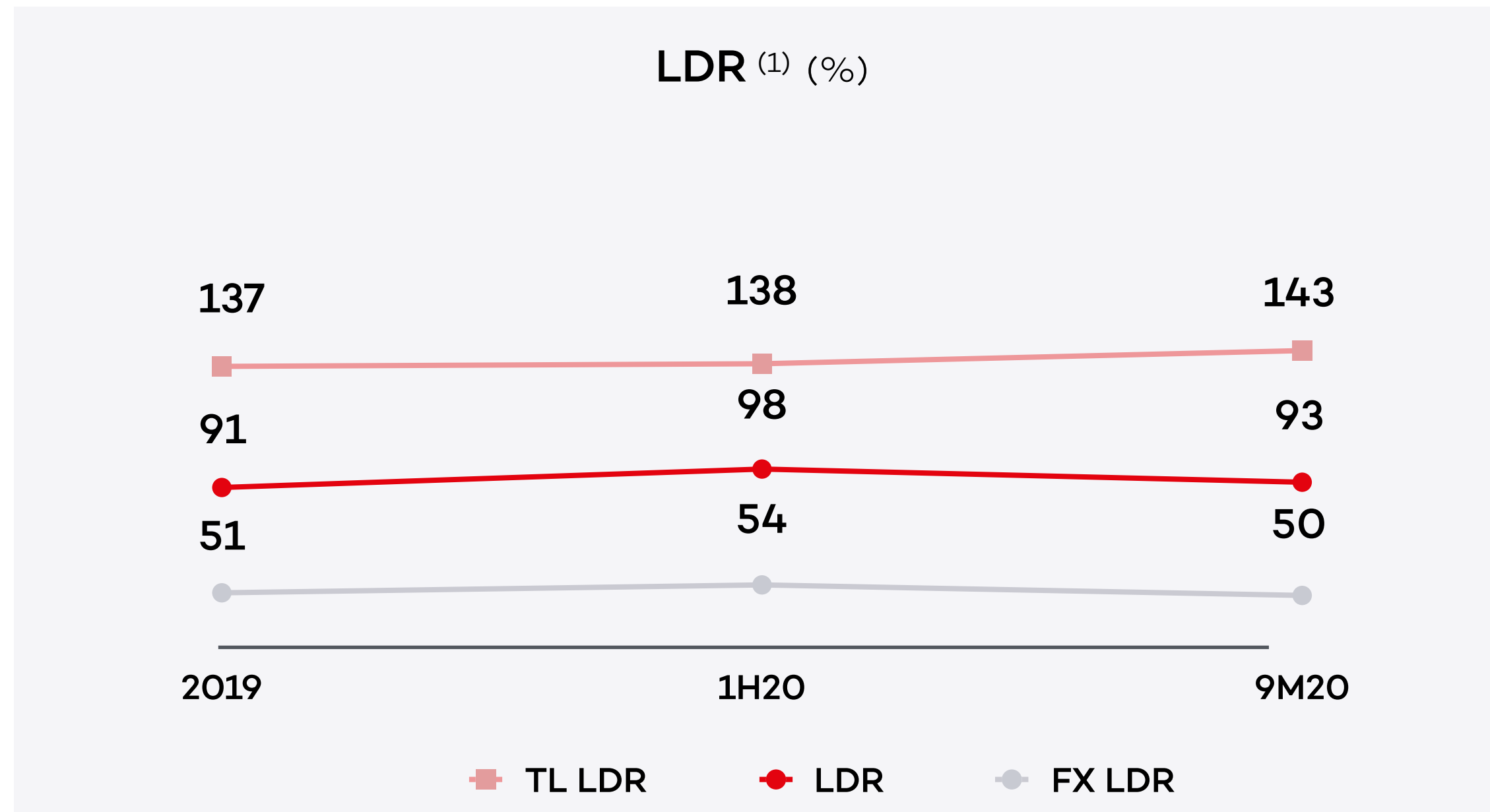
▶ Consumer and SME driven TL loan growth

- Accelerated marketing efforts
- Advanced analytical and digital capabilities
- Renewed micro-SME lending infrastructure

Loan Breakdown
(9M20, net, %)



Maintain disciplined funding mix & robust liquidity



► Maintain disciplined LDR management

- Total LDR at 93% vs sector's Total LDR 103% ⁽²⁾

► Focus remains on broadening deposit base

- Sticky & low cost consumer & SME deposits' share in TL Deposit at 75% ⁽³⁾

► Maintaining current levels of wholesale funding

- Roll over of both syndicated loans at ~ 100%
- No Eurobond redemption in 2021

► Monitoring capital markets opportunistically

► Increasing ESG-linked funding's share from ~ 10% to ~30% from 2021 & beyond

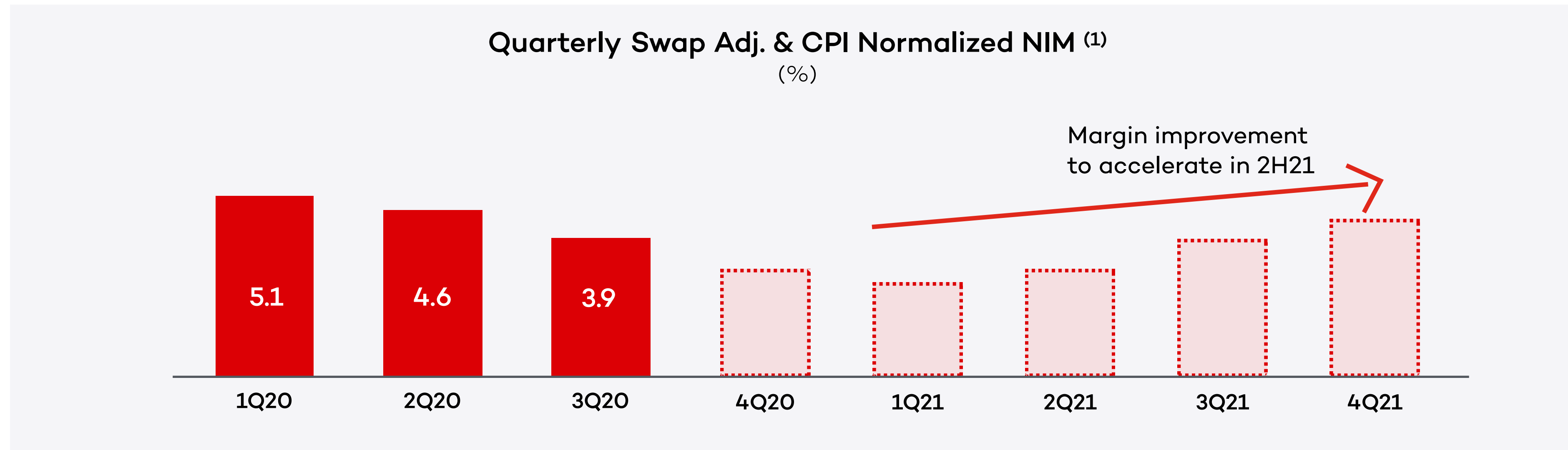
⁽¹⁾ Bank-only. TL LDR includes domestic TL bond issuances and merchant payables MIS data

⁽²⁾ Based on BRSA weekly data dated September 25, 2020

⁽³⁾ Based on 9M20 MIS data

⁽⁴⁾ Syndicated loans are as of October-end 2020

Gradual margin recovery throughout the year

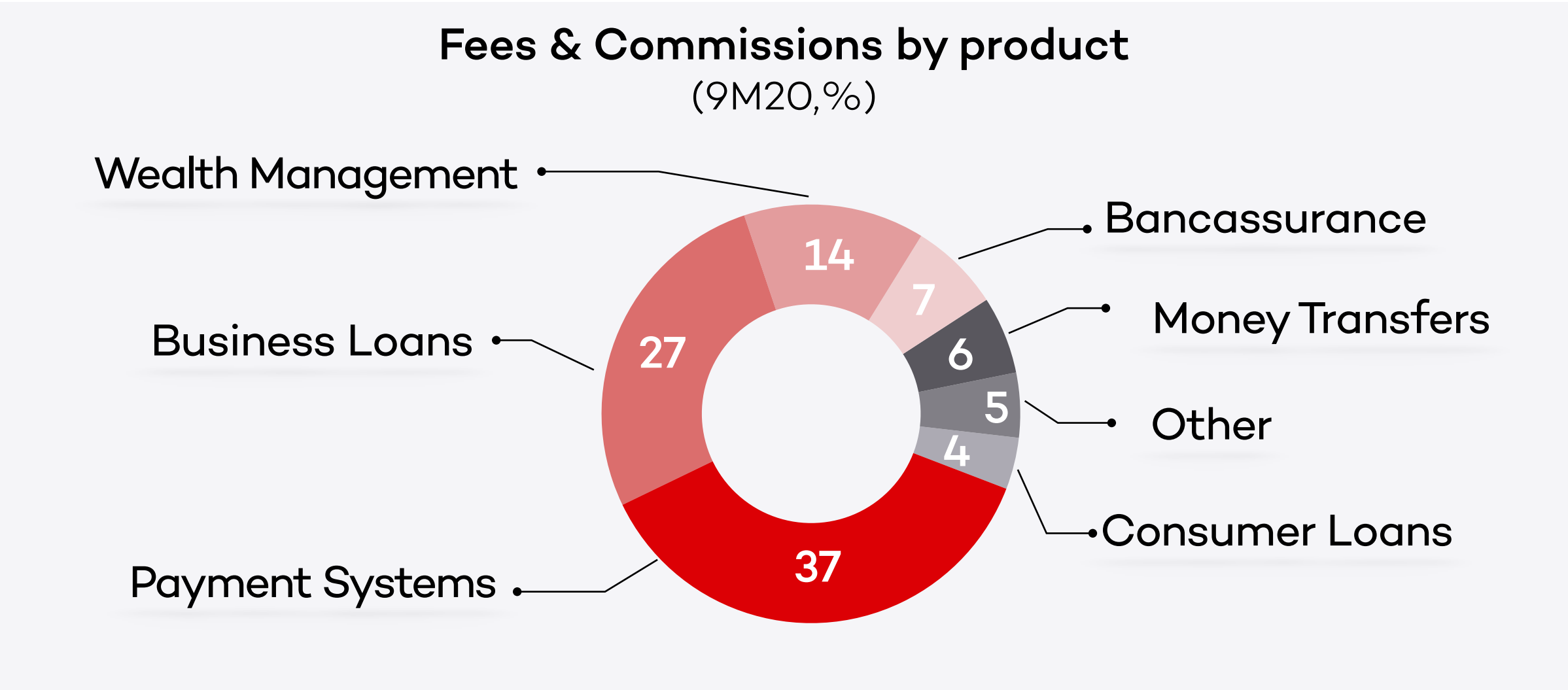
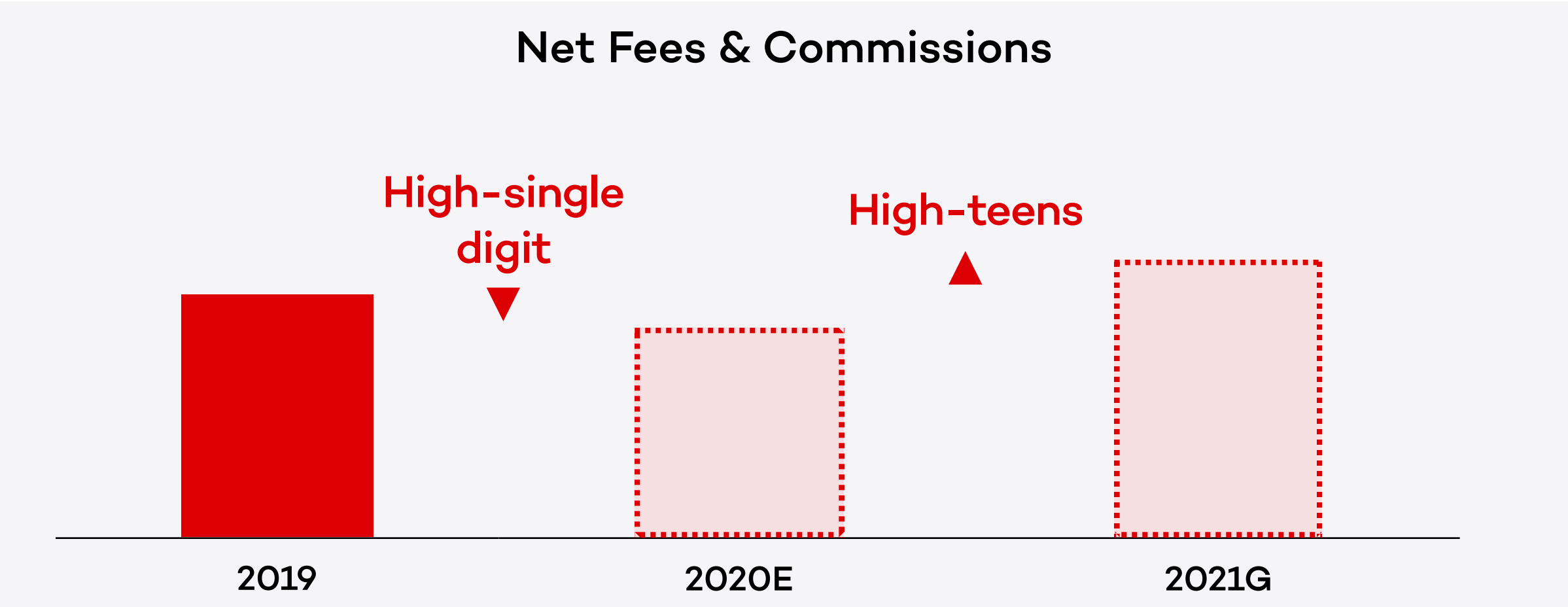


 **2021G**
Swap Adj. NIM
20- 30 bps
contraction

- ▶ NIM expected to bottom out in 1Q21
- ▶ Favorable positioning for asset repricing in 1H21
 - Low maturity mismatch
 - ~ 40% of TL loans & fixed rate TL securities to mature in 1H21
- ▶ Funding costs projected to ease in 2H21, inline with expected downward inflation trend
- ▶ Proactive positioning in CPI linkers to be margin supportive (CPI used in 2021 CPI linker valuation is 11%)

11 (1) MIS data., 2020 quarterly NIM calculation adjusted by Oct-Oct'20 CPI at 11.9%

Fee income to be growth driven



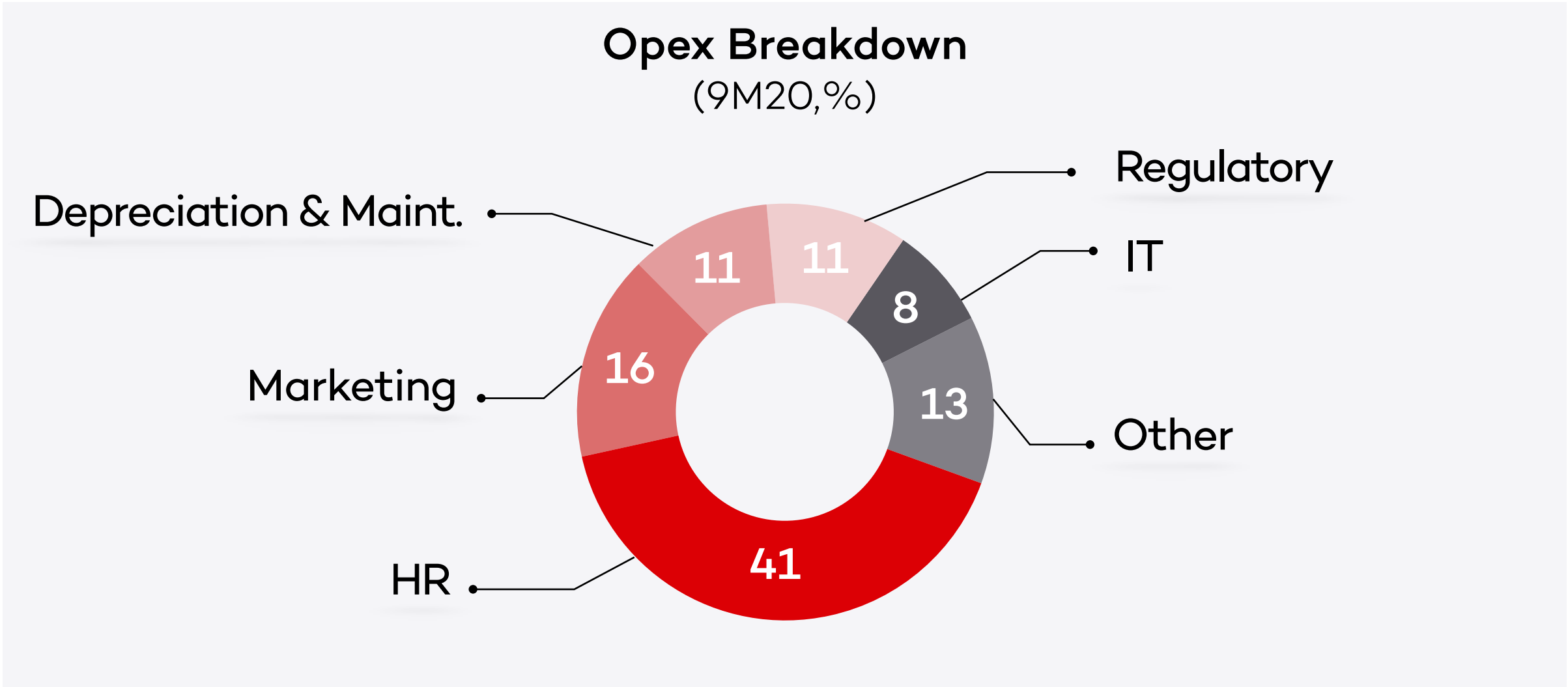
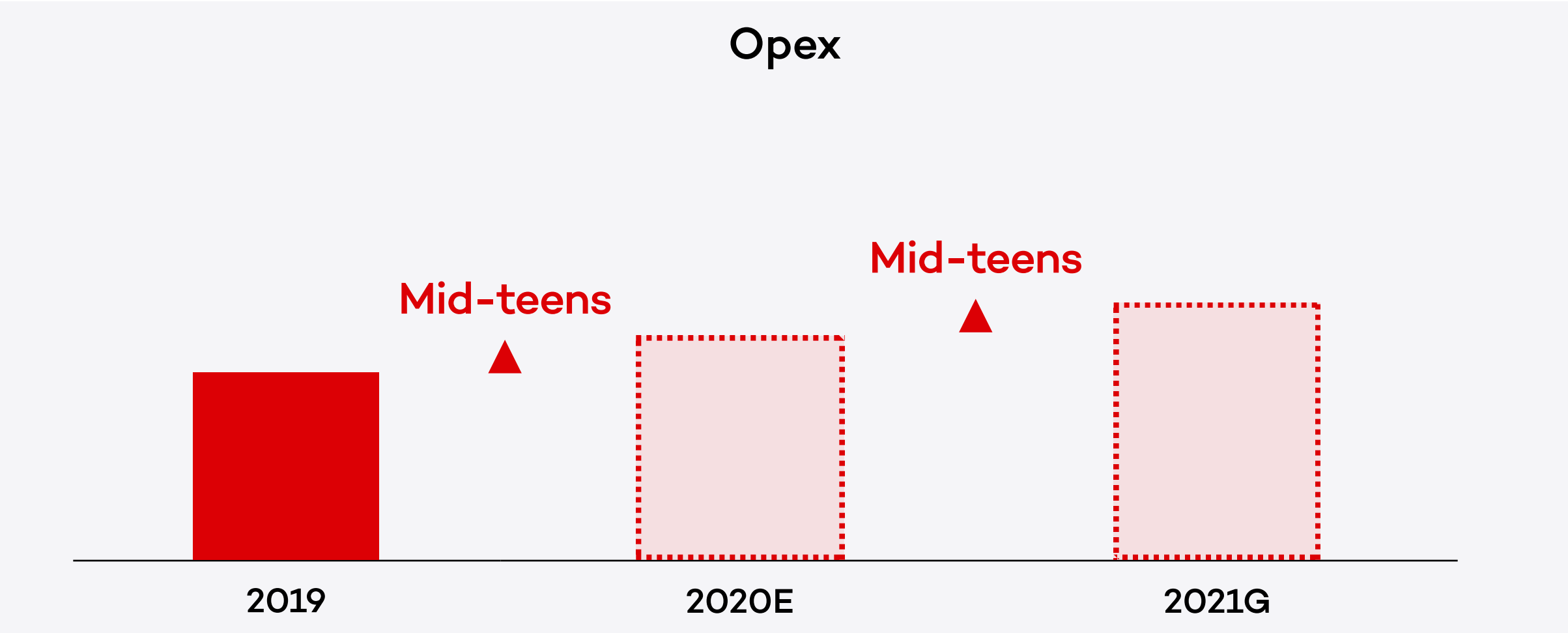
Net fees & comm. growth


2021G

High-teens

- ▶ Payment Systems Mid-teens
- ▶ Business & Consumer Loans Low-twenties
- ▶ Wealth Management Mid-teens
- ▶ Bancassurance High-teens

CIR to remain best-in-class



 **2021G**

Opex Growth

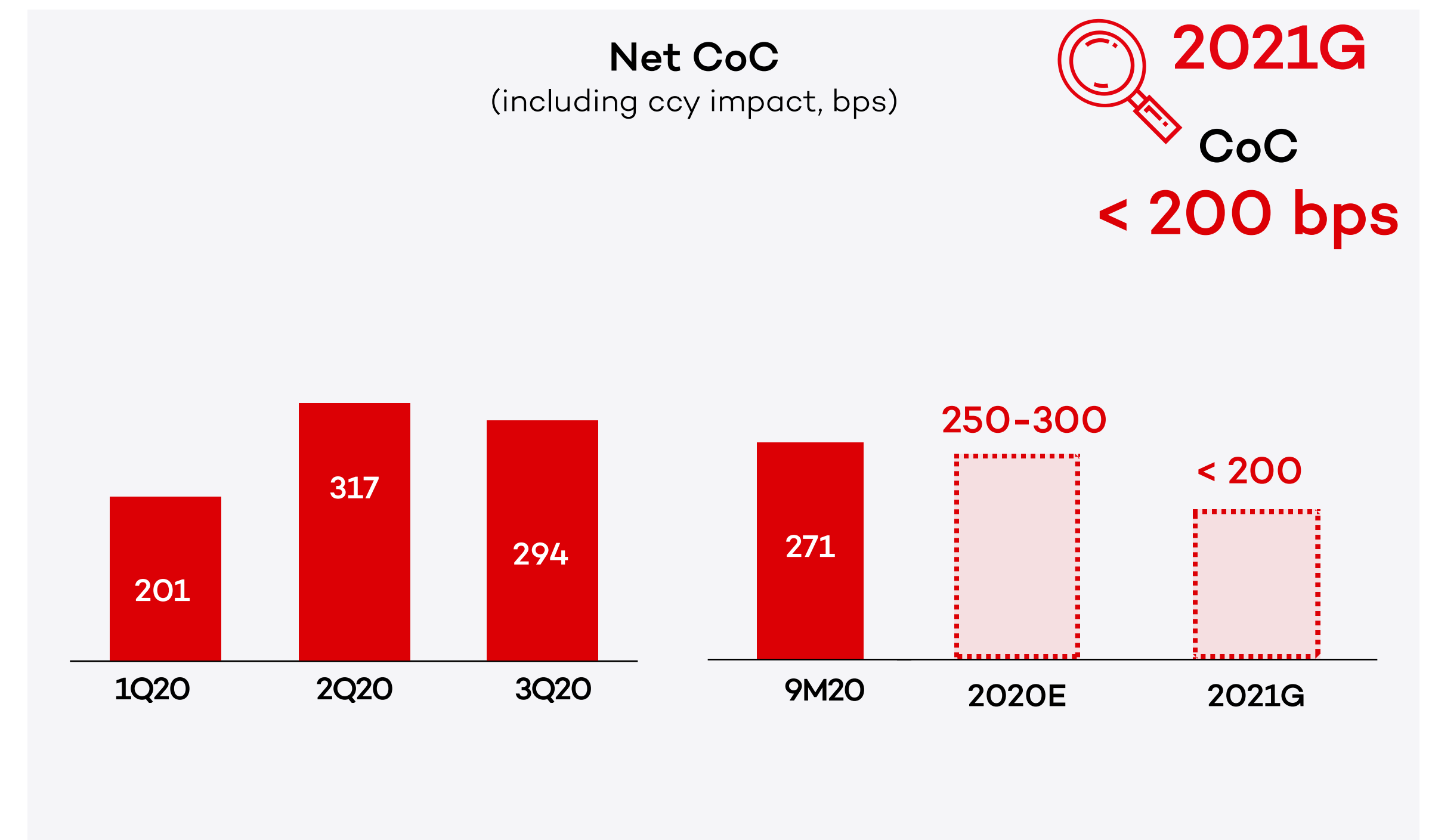
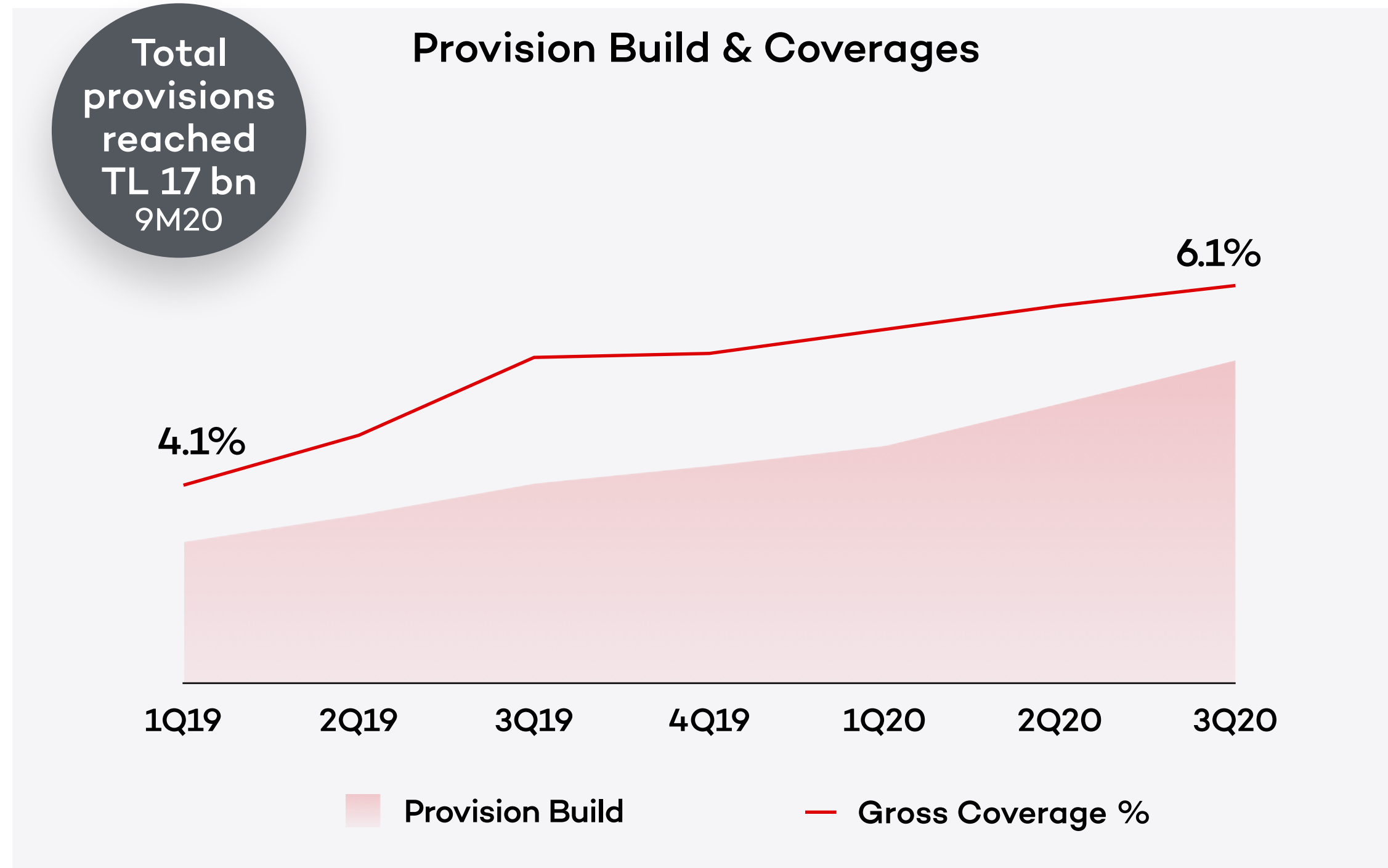
Mid-teens

- ▶ HR expenses ~ CPI ⁽¹⁾
- ▶ Marketing expenses > avg. CPI
 - ◉ Inline w/ growth strategy
- ▶ IT / Depreciation expenses > avg. CPI
 - ◉ Currency depreciation
 - ◉ Higher digitization within the bank
- ▶ Regulatory > avg. CPI
 - ◉ Inline w/ growth strategy

CIR

≤ 34%

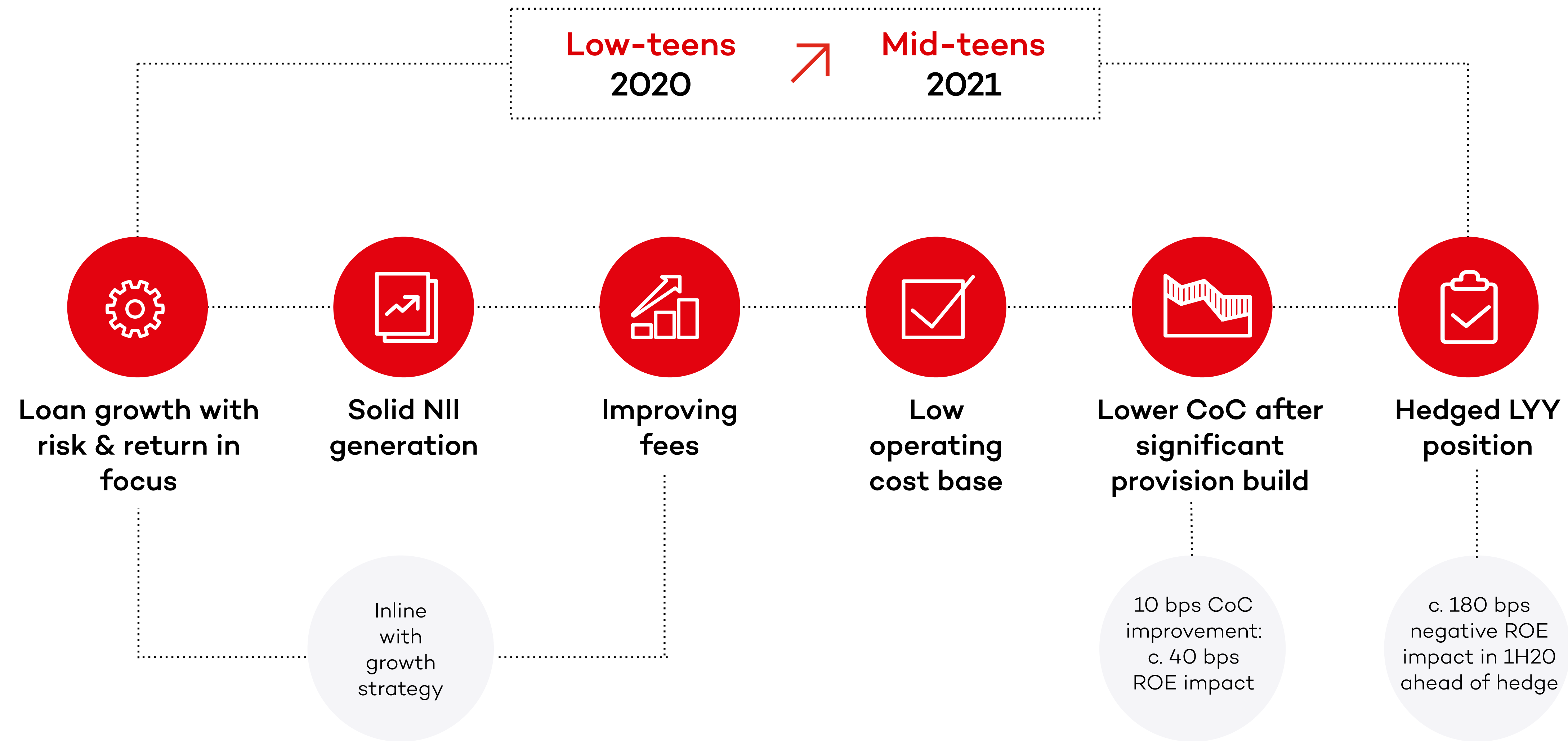
CoC to improve following prudent reserve build



- ▶ Proactive IFRS 9 implementation regardless of forbearances & payment deferrals in 2020
 - Stage 2 & 3 coverages up by c. 6 pps & c. 7 pps respectively in 9M20
- ▶ LYY fully hedged

- ▶ No provision reversals foreseen for the existing book
- ▶ NPL 2021 guidance <6%
 - Including potential write-off & NPL sale
 - Strong collection performance expected to continue

Strong ROE recovery in 2021



2021 Guidance: Leveraging our strength while carrying out priorities



2021G

TL Loan Growth	~ 20%
FX Loan Growth (in USD)	Flattish
Leverage	> 8x
ROE	Mid-teens
NIM (swap adj.)	20-30 bps contraction
Net fees&com. growth	High-teens
Opex growth	Mid-teens
Cost/ income ⁽¹⁾	≤34%
NPL ⁽²⁾	<6%
Net total CoC (incl. ccy impact)	<200 bps

Medium-term Targets

- ✓ Achieve mid-to high-teens ROE
- ✓ Committed to sustainable dividend distribution
- ✓ Maintain best-in-class CIR

⁽¹⁾ CIR calculation excludes FX gain from long FX position related with stage 1&2 provisions and LYY hedge

⁽²⁾ Including potential write-off & NPL sale

01 Operating Environment

02 2020 Wrap-up

03 2021 Guidance

04 Digital Transformation

05 Sustainability Approach

A few of new prominent digital features launched during 2020

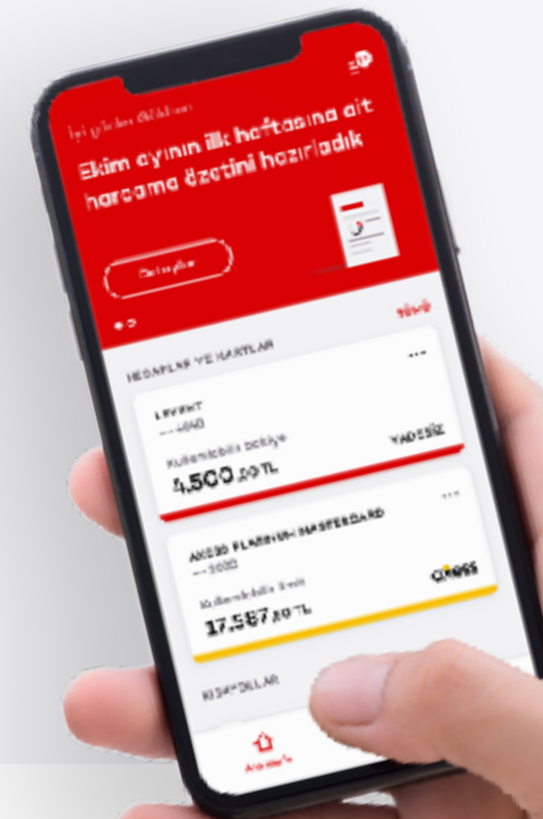
User-centered

- ▶ New brand attitude and look & feel
- ▶ Lean experience, simplified language & new tone of voice
- ▶ Personalized communication area
- ▶ Native promo and sales areas
- ▶ Mobile youth proposition: Akbank FAV
- ▶ Turkey's first digital-first credit card
- ▶ Add & rename "contacts" infrastructure
- ▶ Lean money transfer experience
- ▶ Akbank Mobile recognized with 3 key design awards:
 - iF Design Best Mobile App Design
 - A'Design Award & Competition
 - Red Dot Award in Brand & Communication Design



Smart

- ▶ AI-based personalized financial insights
- ▶ AI and need-based smart offers
- ▶ Campaigns and offers from favorite brands powered w/ AI
- ▶ Akbank Assistant chatbot: First point of help integrated into mobile
- ▶ Explore tab with search & help capabilities
- ▶ Proactive money transfer & payment suggestions
- ▶ Personalized small talk & info sharings
- ▶ Ready for upcoming regulations: Digital Onboarding, Single Factor login



Daily Banking

One-Stop Shop for Wealth Management

- ▶ New investment dashboard
- ▶ Aggregated view of all assets
- ▶ Total portfolio and asset performance tracking
- ▶ New and enriched investment product rail
- ▶ FX platform with customized currency prices
- ▶ Crypto-currency menu integrated with prominent crypto-platforms

Socialized Banking Experience in Money Transfers & Payments

- ▶ Mobile payments with QR, NFC, OCR and barcode reading
- ▶ Nearby money transfers
- ▶ Money transfers and payments with QR
- ▶ Money transfers to contacts and groups
- ▶ Istanbulcard registration and top-up payments

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01 Operating Environment

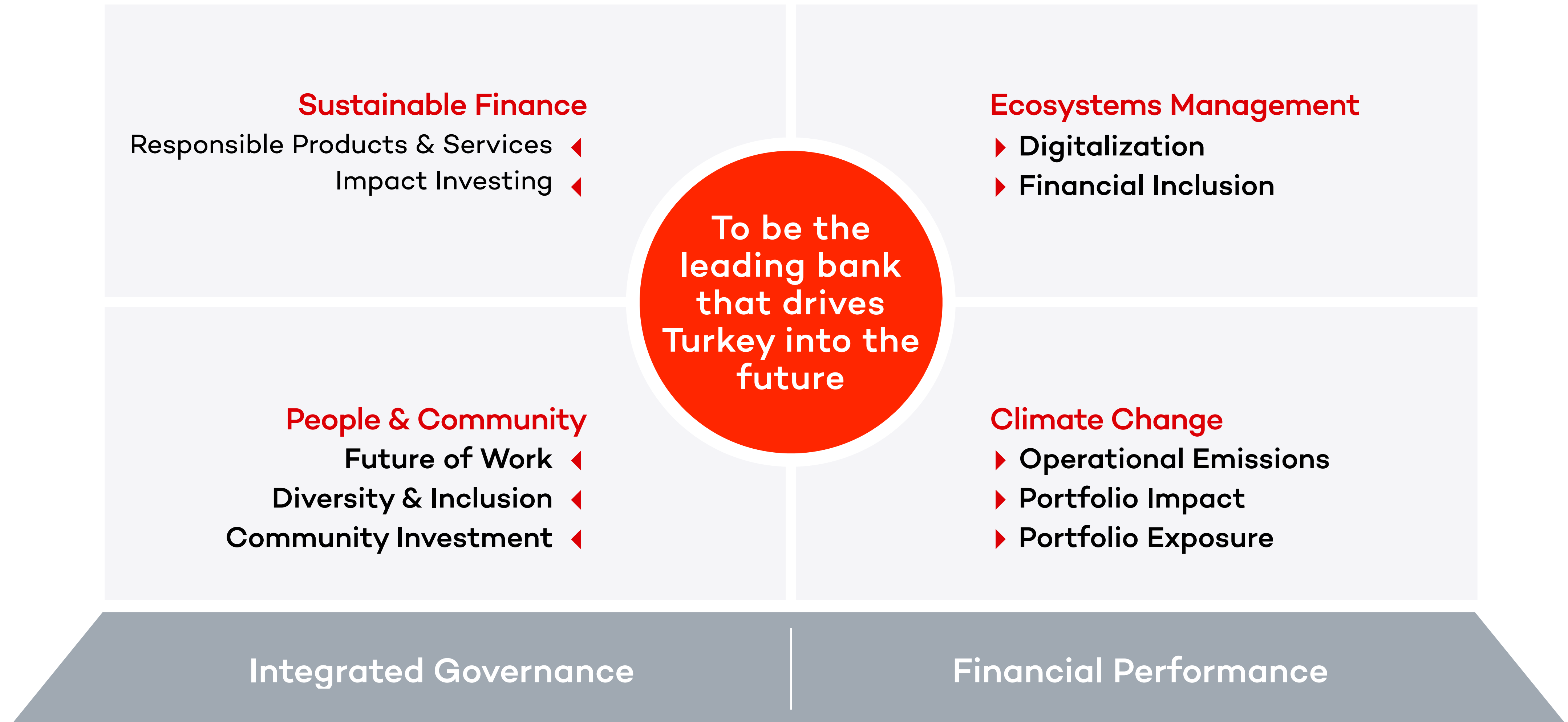
02 2020 Wrap-up

03 2021 Guidance

04 Digital Transformation

05 Sustainability Approach

ESG Strategy: Mitigate environmental footprint while increasing positive impact



Actionable targets for positive impact

SUSTAINABLE FINANCE

Supporting a more sustainable economy

TL 200 bn
Sustainable loan
financing until
2030

TL 15 bn AuM
Sustainable
investment funds
2030



Increase **sustainable financing**
secured by the bank until 2030

ECOSYSTEMS MANAGEMENT

Enhancing
businesses &
financial health

Extend digital & innovative
products & services



Increase number of **financially
empowered people**

PEOPLE & COMMUNITY

Empowering our people
and communities

Improve the
effectiveness of
**investment on our
people**

Increase **Social
Return on
Investments** for
community
investments



Enhance the effectiveness of **Akbank
volunteerism** in community investments

CLIMATE CHANGE

Mitigating operational
emission & portfolio
impact

Become a **carbon-
neutral bank**
through eliminating
operational
emissions until
2025

Decrease **impact
of loan portfolio
on climate
change** until
2030

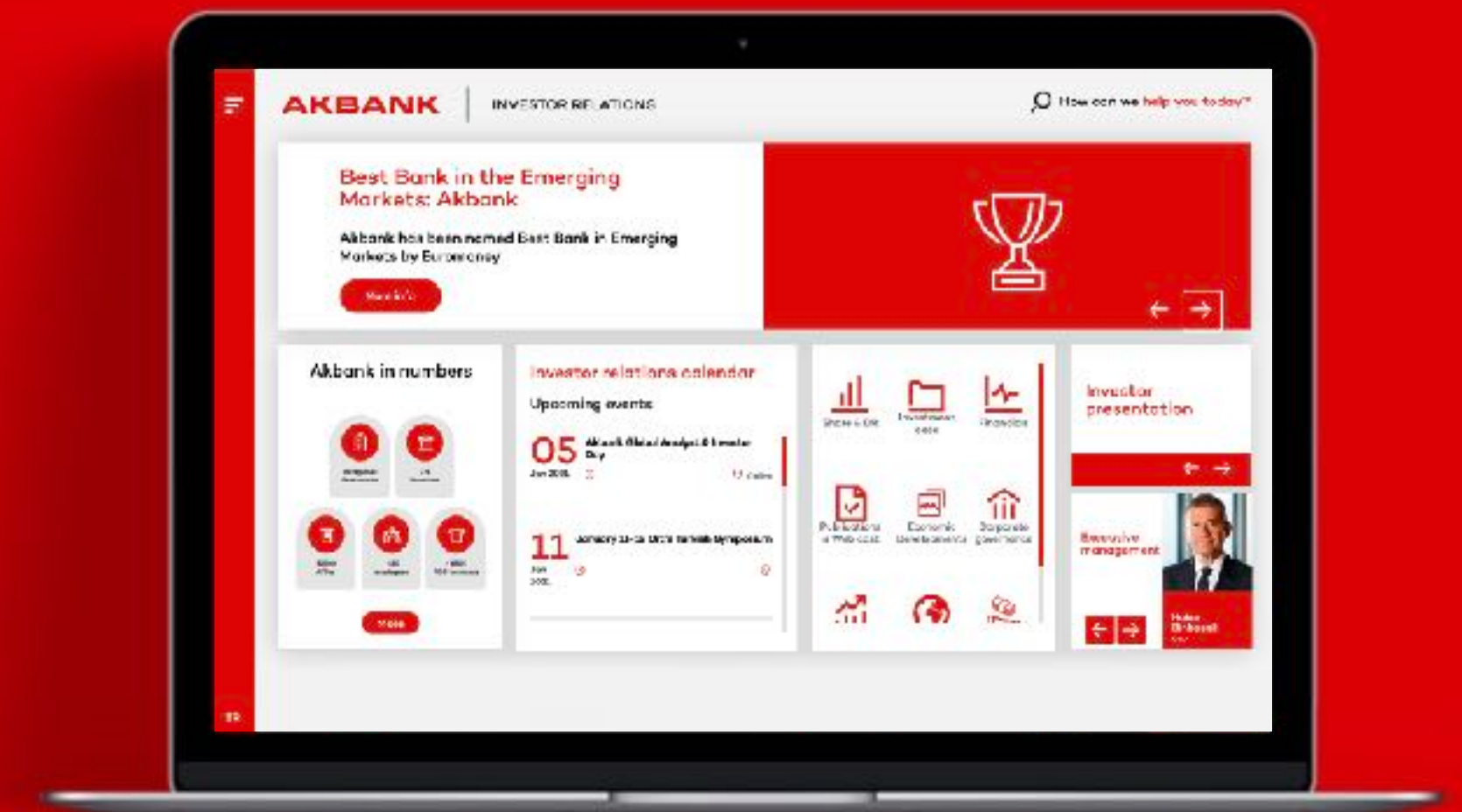


Mitigate **climate-related risks &
impact** on portfolio

Check out our website!

Some of the new features:

-  Investment case
-  Wholesale funding
-  Interactive share chart



www.akbankinvestorrelations.com



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