
AKBANK
4Q22 Earnings Call &
2023 Outlook
Management Discussion
31 January 2023
Participants:
Hakan Binbaşgil, CEO
Türker Tunalı, CFO
Ebru Güvenir, SVP IR & Sustainability
Güle Deniz, VP IR

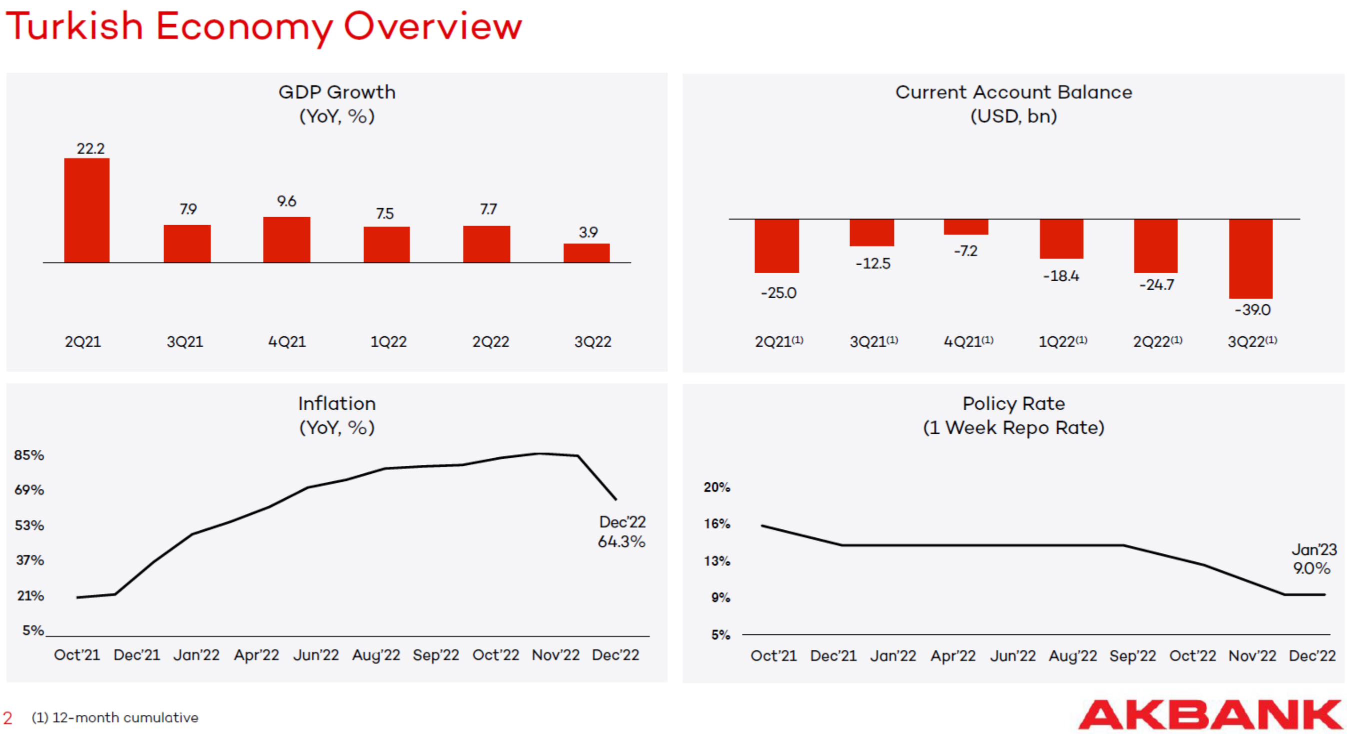
4Q22 PRESENTATION

Dear Friends,

This is Hakan speaking, the CEO of Akbank.

Thank you all, for joining to hear about our 2022 performance, and also our 2023 & beyond guidance. I hope you are all well. Today, I have with me Turker our CFO and also Ebru & Gulce from our IR team.

Before leaving the floor to Ebru, who will share the details of our full year results, I'd like to say a few words about the operating environment and also about our stellar performance.



The world economy recently has started to show some positive signals on both inflation and economic activity fronts, but is still struggling with elevated inflation and adverse repercussions of the war.

According to many international institutions, the Global economy is expected to slow down significantly this year.

More importantly, economic activity in developed countries, including our main export markets, is projected to be more subdued.

In this challenging global environment, the policy design implemented by Turkish authorities is putting a strong emphasis on economic growth, and employment, through negative real rates and targeted credit policies, which stimulated domestic demand and economic activity.

However, in the second half of last year, the economy started to lose momentum, mainly due to the slowdown in major trading partners and deceleration in exports.

In the more near-term, we have started to see signs of a revival in domestic demand and economic activity, on back of credit growth and recent fiscal measures.

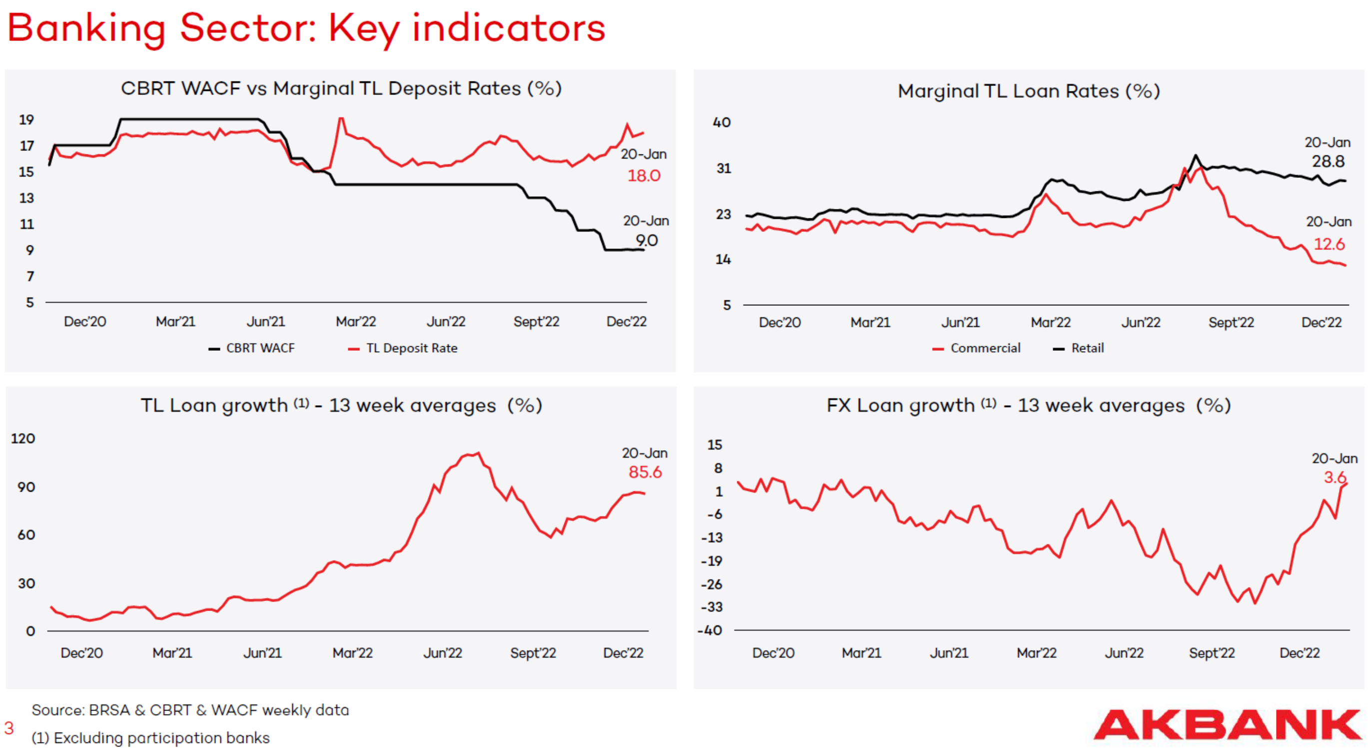
Nevertheless, we expect domestic economic growth to slow down from around 5% in 2022 to around 3-3.5% this year.

Recently economic growth is reviving, while inflation still remains high. It peaked in October at 86% and came down to 64% at 2022 year end.

Looking forward, annual inflation is expected to decline further, not only due to strong base effect, but also thanks to the stable exchange rate and moderating import cost pressures. As a result, we expect inflation to ease towards 30% by year end.

CAD has been increasing, but we expect an improvement in underlying trend this year. Despite the slowdown in economic activity of our main trade partners, which is a potential danger for our exports. We expect tourism revenues to exceed last year's record and reach USD 50bn levels. Also, we forecast to have an improvement in energy imports due to lower oil and natural gas prices, resulting in 3.5% CAD.

As you know, we have elections in the first half of this year. Elections, in every country, usually come with some uncertainty in markets. But given, the hands-on macro-prudential management of authorities, and both the corporate and banking sector's resilience with significant buffers, the Turkish economy has the capacity to successfully manage this period.



When we look at the banking sector, despite a very challenging year, the banks did quite well.

TL loans were up by 77% for the sector. TL business banking loans was the main contributor with 88% growth, while consumer loans were up by 39%.

FX loans continued to decline, down by 16% for the sector, with ongoing deleveraging of the corporate sector

Following BRSA regulations and CBRT macro-prudential measures, sector-wide NIM has started to narrow recently.

We are currently experiencing a decrease in our TL spreads due to an increase in TL deposit rates, while our lending yields are mostly capped, as banks are preferring to keep fixed rate bond purchases for regulatory purposes at a low level.

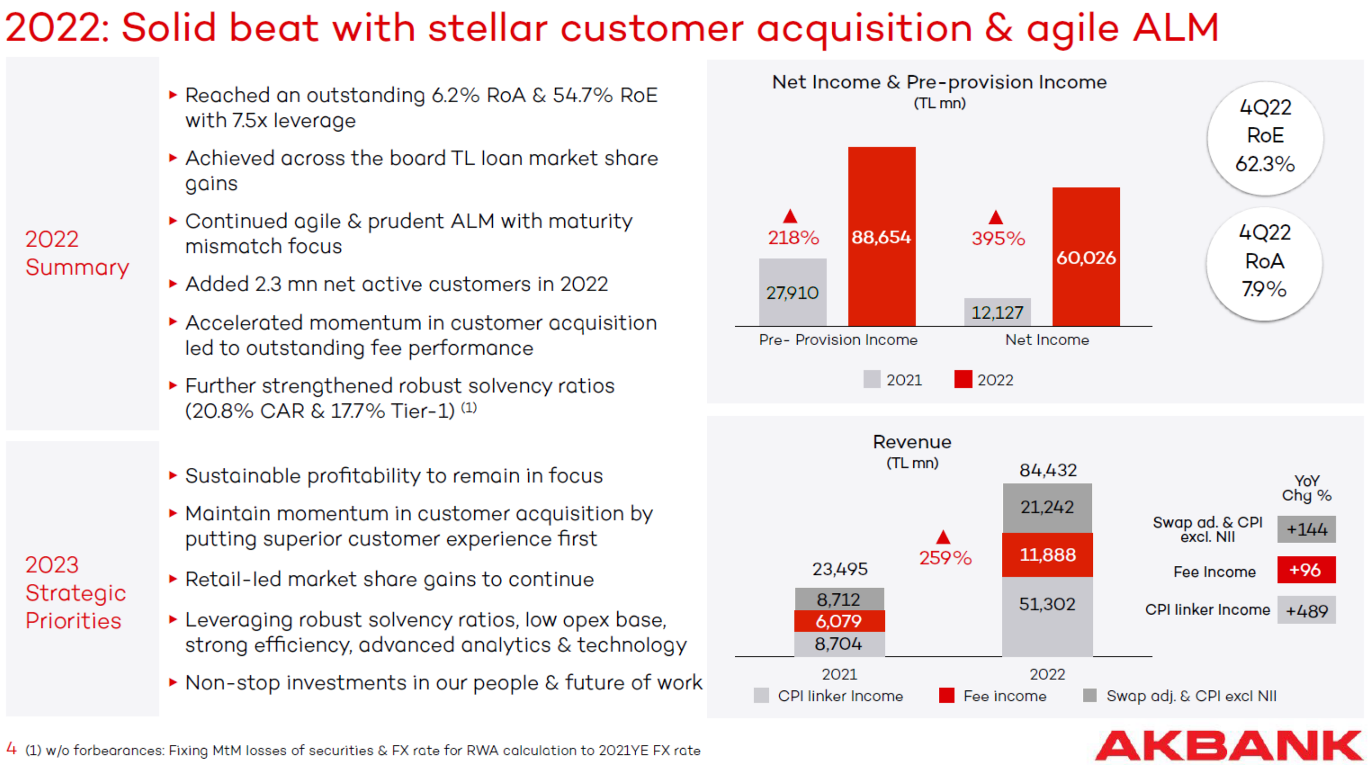
CBRT, emphasizes the importance of Liralization strategy, and may continue to implement further macro-prudential measures if and where necessary.

That being said, banks are well positioned. Banks remain healthy and resilient with solid capital buffers and liquidity.

For long term success though, the following will be even more important for banks:

- Relative and higher capital levels,
- Low cost base and efficiency,
- Level of sophistication in digitization and advanced analytics,
- Ability to attract and keep new clients through digital,
- Talent quality and attraction,
- Ability to focus on future, while struggling with the daily challenges,
- Agile management.

And here I'm extremely proud to say that Akbank ticks all the boxes. I see an enormous and outstanding potential for Akbank looking forward.



Moving onto our bank in more detail, we ended the year on a very strong note with exceptional growth in earnings year over year:

Our net income was up five-fold to a record level of TL 60 billion, record high, historical income even adjusted for currency. And also our pre-provision income tripled to almost 90 billion TL.

Our swap-adjusted CPI excluded net interest income was up by 144%, while our fee income excelled by 96%, indicating a very solid core business growth.

As a result, we ended the year ahead of our guidance at 54.7% ROE and 6.2% ROA.

And despite the growth and market share gains, due to high internal capital generation, our leverage remained a low level of 7.5x, still indicating further growth potential.

Our robust performance was driven by:

- First, very strong organic growth, where every business line contributed significantly.

    - Our customer-centric holistic organization structure implemented at the beginning of last year, our advanced analytical and digital capabilities along with our state of art infrastructure resulted in a record 2.3 million net customer growth in 2022. I repeat, last year, we have achieved 2.3 million customer gains in net, after attrition.
    - I am extremely delighted to say that, we've achieved an outstanding momentum in retail banking.
    - Retail Banking will continue to be a strategic focus area for us.
    - We will not stop here, and continue to invest, innovate, and grow.
    - The importance of our investments and especially investing through cycles has been even more noticeable over the last 2 years.

- Secondly, we excellently positioned the Bank with our outstanding agile balance sheet management, for further strong financial results in the coming years:
    - We are one of the best-positioned banks in this environment.
    - We are leveraging our robust capital – highest among peers, solid liquidity, low leverage, highest level of efficiency, low operating cost base.

- Third, but not the least, while managing the daily challenges, our consistent forward looking and initiative taking management style, our years of investments in our people, culture, mindset and customer-centric organization as well as our dedication to clients, puts us in a position of strength.

I am proud to say that, today Akbank, is the most ready bank to smoothly wave through any challenge and generate long-term stakeholder value in an ever-changing world.

I'd like to express my sincere gratitude to all our people for rising to challenges, thinking outside the box, innovating, executing, raising the bars, supporting our customers and being a source of strength.

I would also like to thank all our stakeholders for their consistent trust and confidence in us.

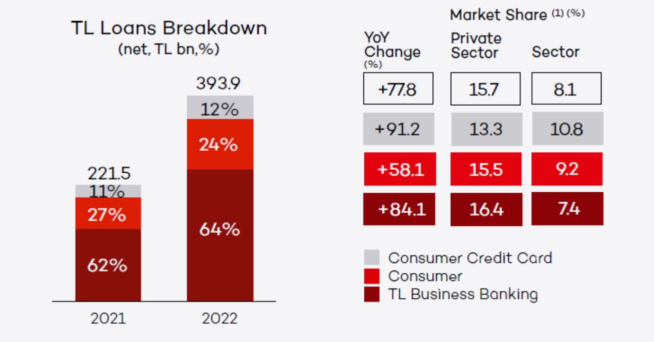
And on that note, I'd like to now leave the floor to Ebru. After the presentation, I'd be more than happy to answer your questions.

Thank you Hakan Bey, starting with the balance sheet.

TL Loans: Achieved strong market share gains in small tickets

In 2022

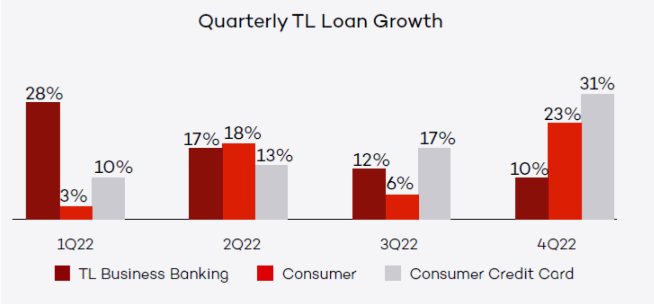
- Gained market share in TL loans among private banks:
  - c. 65 bps [1] in business banking loans (led by SME loans c. 200 bps [1,2], +15 bps in 2021)
  - c. 90 bps [1] in consumer loans (+130 bps in 2021)
- Excellence in AI based consumer credit decision systems
  - Almost 100% automated loan decision process
  - 70% GPLs[3] pre-approved and c. 40% are to salary customers
  - Maintaining low probability of default while growing in retail loans[4]



2023 Guidance

TL Loan Growth: ~ 40%

- Sustainable profitability and healthy market share gain in retail segment
  - 360° customer-oriented holistic organizational structure
  - Competitive products & digital solutions



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(1) Market share data based on bank only BRSA weekly data as of December 30, 2022
(2) SME: According to BRSA definition
(3) General Purpose Loan
(4) Retail loans: consumer and SME loans

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Our TL loans were up by around 78% yoy, beating our FY guidance of around 50%.

As shared in several occasions, the Bank's motivation in the SME and consumer banking continued at full pace throughout the year.

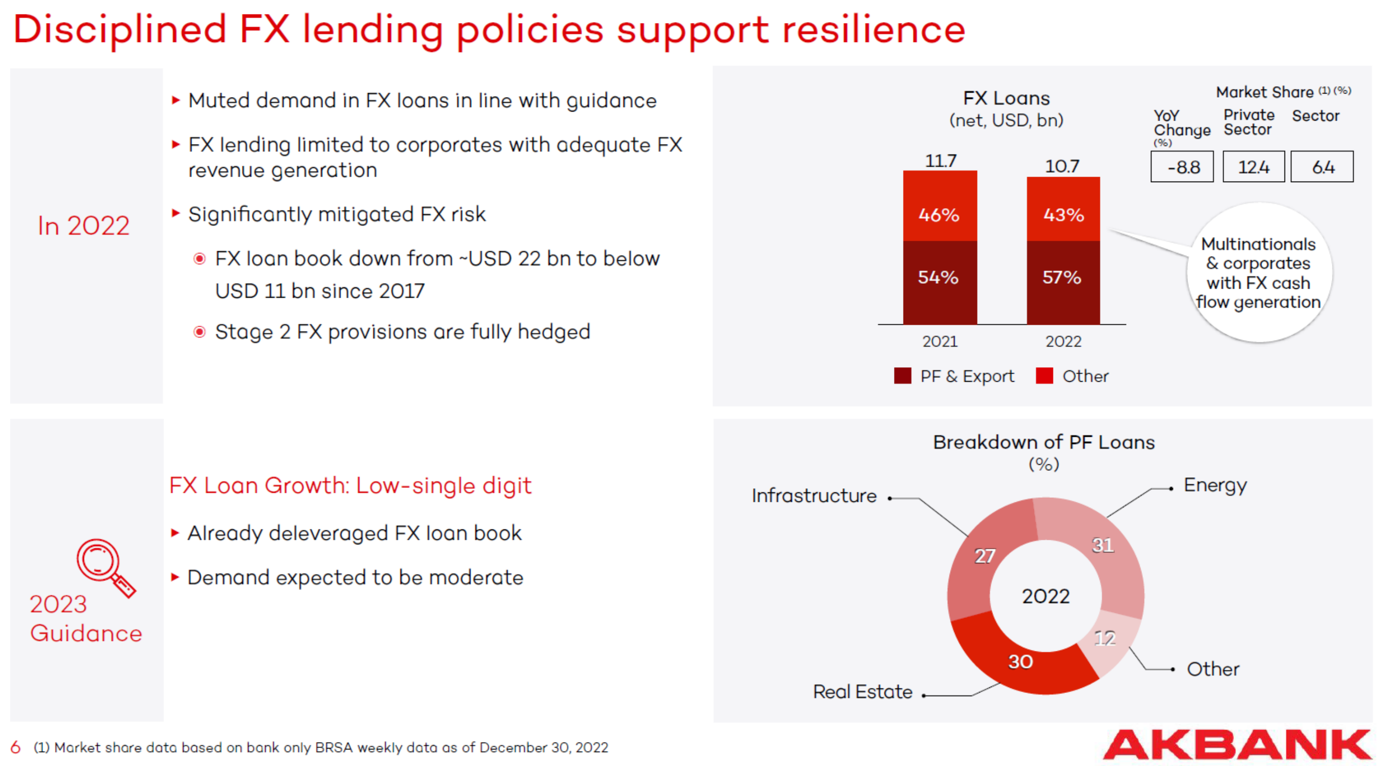
This motivation has resulted in a successful 200bps yoy market share gain among private banks in the SME segment, reaching a cumulative 215bps over the last two years.

In consumer loans, during the same period we gained 220 bps market share among private banks.

Maturity mismatch remained in focus.

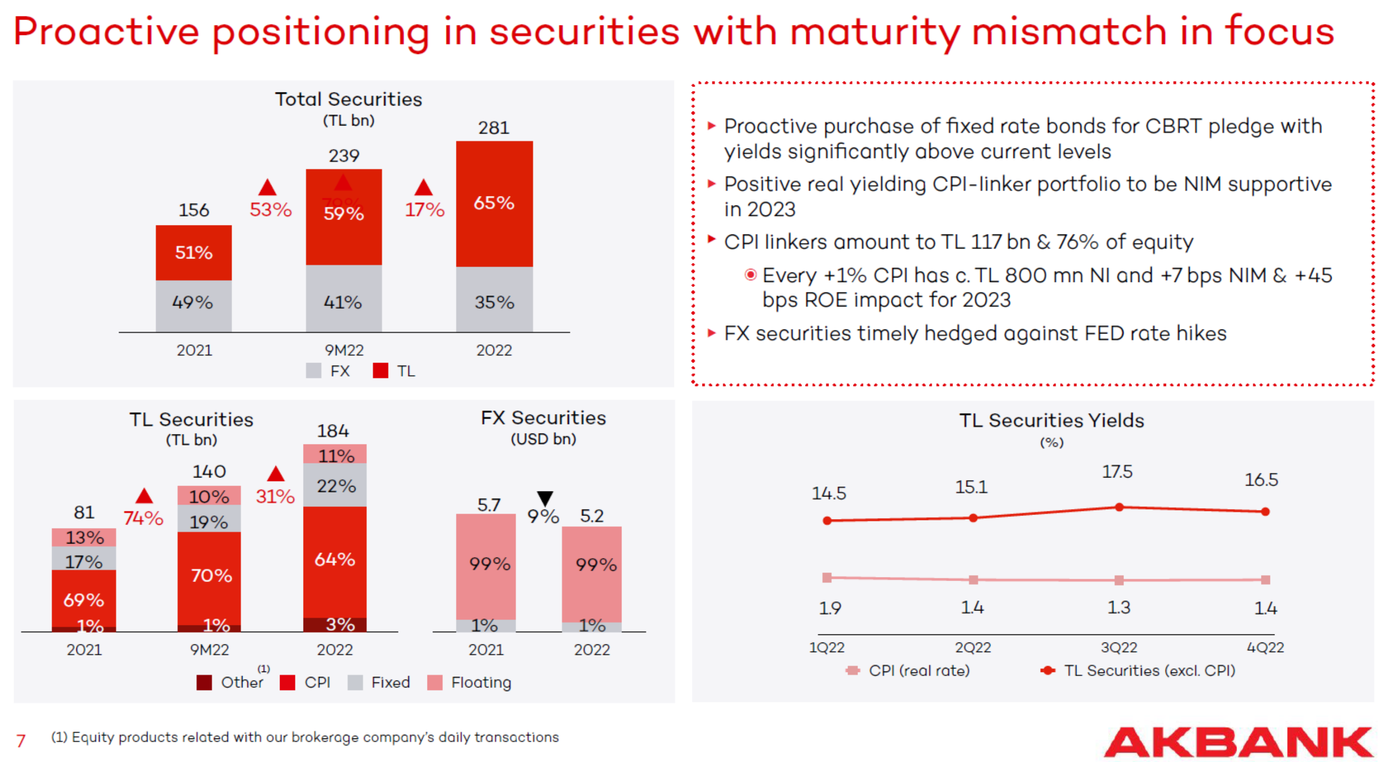
And thanks to our advanced analytics and excellence in AI based loan decision systems, the PDs of the portfolio remain at low levels, while growing.

For this year, we expect to grow around 40% in TL loans. Which will once again be driven by healthy market share gains in consumer & SME segments. Our 360 degree customer oriented holistic organization structure as well as competitive products and advanced digital solutions will continue to be supportive factors.



On the FX loan side, demand remained muted throughout last year. Our net FX loans were down by around 9% to USD 10.7bn, which is in line with our shrinkage guidance.

This year, given our already deleveraged FX loan book, we may observe a single digit growth in our FX loans.



As for the securities, our Treasury's proactive positioning in CPI linkers helped to mitigate the negative impact of inflation during last year.

Our CPI-linker portfolio stands at TL 117bn, with its real yield remaining unchanged since 2Q at 1.4%. Our CPI-linker portfolio equates to 76% of our equity.

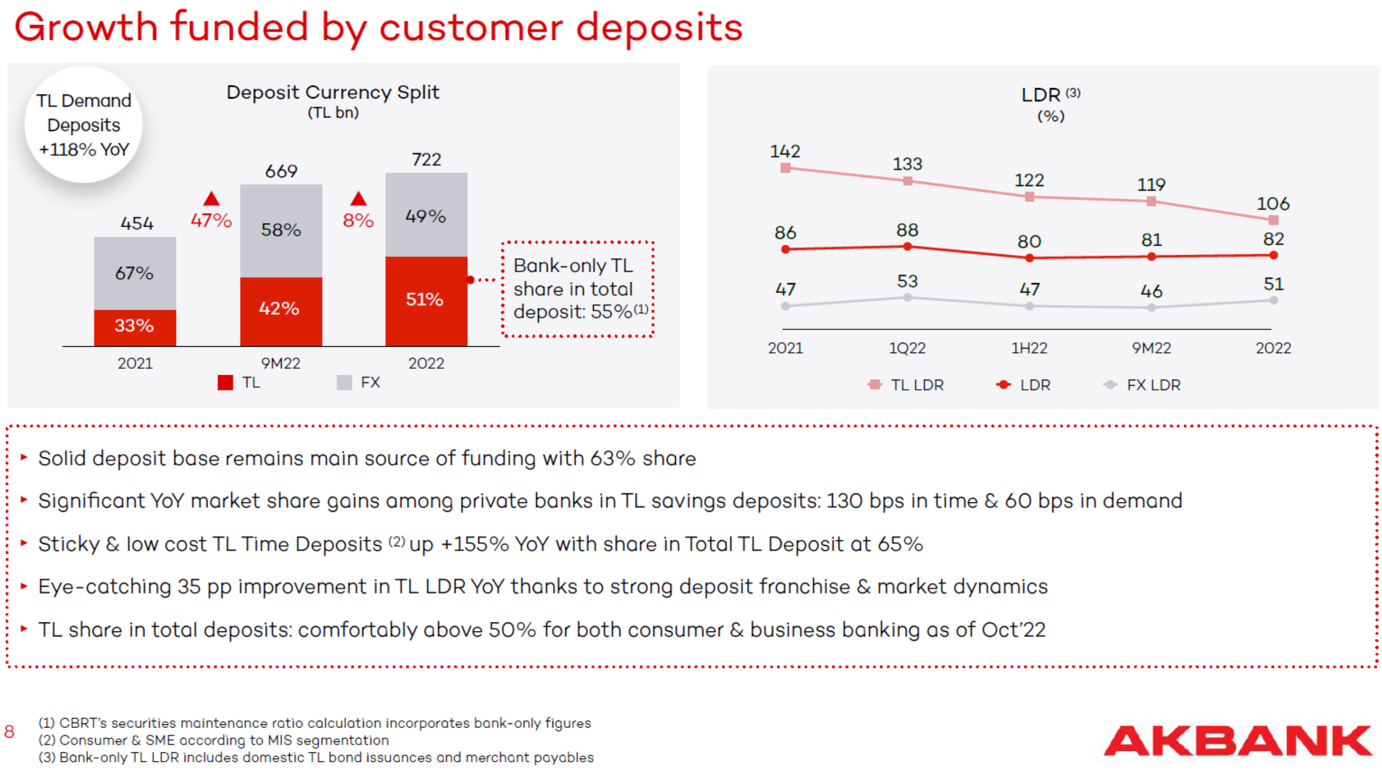
As for the newly implemented regulations, we proactively purchased sizeable portion of fixed rate bonds for CBRT pledge at much higher levels during June, July, around 19%.

The total size of the fixed rate bonds for CBRT pledge is around 2% of our assets, and going forward we aim to keep it around this level.

I would also add that our Eurobond portfolio is fully hedged against Fed rate hikes.

All of these underline our prudent ALM management.

Coming to this year, along with our solid customer based revenue growth, CPI-linkers will continue to be a supportive for net interest income



On the funding side, we maintain our focus on well-diversified and disciplined funding mix.

Deposits continue to be our main source of funding with 63% share in total liabilities.

Our TL deposits were up by a solid 144%, resulting in an eye-catching 35 ppts improvement in our TL LDR to 106%.

Thanks to our sound customer franchise and our success in gaining net 2.3 million customers, our market share in TL savings deposit among private banks increased.

We added 130 bps market share in widespread savings deposits and 60 bps in demand deposits last year.

Worth to mention that our sticky low cost TL time deposits & zero cost demand deposits were up by an outstanding 155% and 118% yoy, respectively.

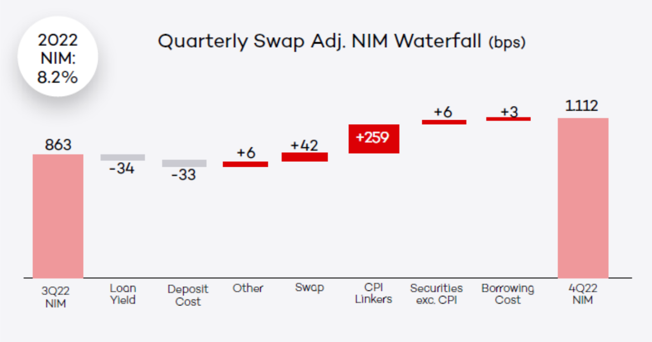
On the regulatory side, I'd like to underline, that TL share in total deposits is close to 60% for both consumer and business banking, and we feel comfortable in meeting 60% ahead of regulatory deadline on February 24.

Moving onto to the P&L in more detail…

Agile ALM leads to significant beat in NIM

In 2022

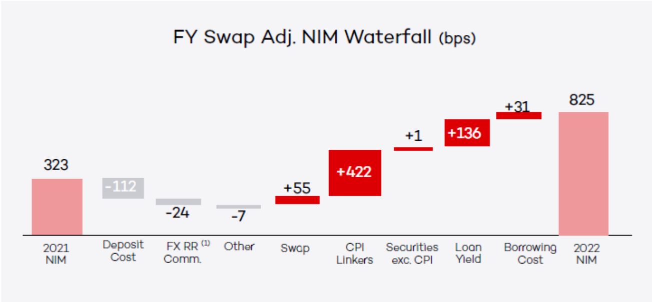
- Robust NIM evolution to 8.2% (+500 bps) YoY
  - Prudent & proactive maturity mismatch management
  - Benign funding costs
  - Strategically built CPI-linker portfolio



2023 Guidance

NIM (Swap Adj.): 4-5%

- c. 80% of TL loan book will reprice / mature by 23YE[2]
- Agile asset-liability management & proactive CPI linker positioning to be supportive for NIM evolution
  - Every +1% CPI has c. TL 800 mn NI and +7 bps NIM & +45 bps RoE impact
  - 2023 Oct-Oct CPI linker valuation estimate: 30%



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

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Our prudent and proactive asset liability management, benign funding costs throughout the year, as well as our strategic & timely positioning in CPI-linkers have all contributed to our almost 5pp yoy NIM improvement to 8.25%, beating our FY guidance of around 7%.

Our 4Q NIM stands at 11.12%.

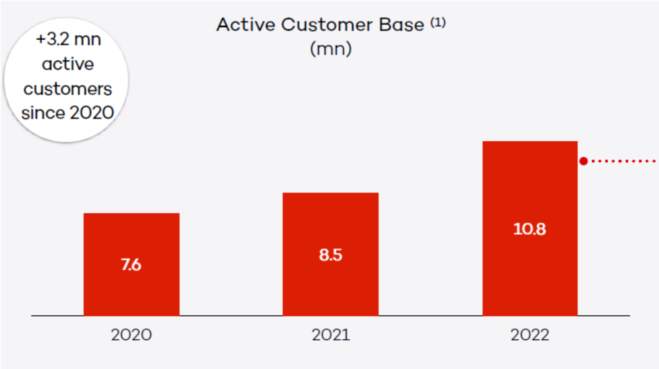
Going forward our solid customer deposit franchise, agile asset-liability management & proactive CPI linker positioning will continue to be supportive for NIM evolution this year.

In that respect, as an indicator of responsible growth, with maturity mismatch focus, around 80% of our TL loan book will reprice / mature by the end of this year.

We expect our swap adjusted NIM to be between 4-5% in 2023.

As for the Oct-Oct inflation, our assumption is at 30% while every additional 1% CPI will have around TL 800 mn NI, 7 bps NIM and 45 bps ROE impact, according to expected average equity.

Record-breaking 2.3 million net customer growth in 2022



Avg. monthly new customer vs 2020
- Acquisition: 3.8x
- Activation: 1.6x

- Reached all time high new to bank acquisition & customer activation with strong contribution from DoB[2]
  - 40% of new to bank customer acquisition via DoB
- Further penetrated in demand deposits and daily cash flow by almost doubling salary & pension customers
- Active youth customer base (18-26) reached 1.5x YoY

- Boosted customer acquisitions with innovative offerings
- Customer-based revenue generation solidified with active product portfolio[3] +30% YoY, reaching all time high thanks to
  - Accelerated customer activation / acquisition
  - Higher x-sell

10 (1) Based on MIS data
(2) Digital Onboarding
(3) Active customer base (x) avg. cross sell per active customer based on MIS data

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As mentioned earlier, we reached a record in net active customer growth of 2.3 million.

40% of our new to bank customers were acquired via digital onboarding, underlining the strength of our digital capabilities.

Salary and pension customers almost doubled, enabling us to further penetrate into demand deposits and the daily cash flows of our customers.

We leveraged our digital on boarding capabilities and revamped our value propositions holistically for youth customers, between the age of 18-26, leading for this segment increase 1.5x yoy.

It's important to point out that our active product portfolio, a function of active customer base and average cross-sell per customer, has increased by 30% yoy, reaching all-time high.

This solidifies our customer-based revenue generation for the coming periods.

Enhancing bottom-line impact through digital transformation

1 Strong customer growth with digital

Fully digital, new customer acquisition (consumer & SME)

Enriched campaign offers for new customer acquisition and dormant customer activation

Strong & differentiated value propositions

Effective Customer Portfolio Management

2 "Mobile first" experience

Akbank Mobile
Simple & social everyday banking

Juzdan
Bank agnostic digital payments platform

Akbank Trader & Trade All
Daily trade platform with real time stocks prices

Tosla
Fun & playful mobile platform

Akbank Assistant
Chatbot available for all digital platforms

3 Open banking capabilities

BaaS
Supporting customers through integrated platforms at the right moments of truth

BaaP
One-stop-shop for financial services, beginning with account aggregation

API Portal
Build and extend products & services with intuitive & secure access interfaces

4 Digital portfolio of products & services

of digital products & services: 100+

Boosting digital sales
GPL, credit cards & time deposits, bancassurance

Enhanced sales and best-in-class experience derived from strong positioning of digital

Digital first payment products
ready to use online

Our digital strategy rests on 4 strategic pillars:

- Strong customer growth, with fully digital new customer acquisition for both consumer & SME
- Mobile first experience, with innovative applications such as Juzdan, while also expanding mobile products and services in Akbank mobile
- Open banking capabilities and
- Enhancing sales & marketing capabilities within our digital channels, by leveraging AI and advanced analytics.

Juzdan: Bank-agnostic digital wallet application

In 2022 (1)

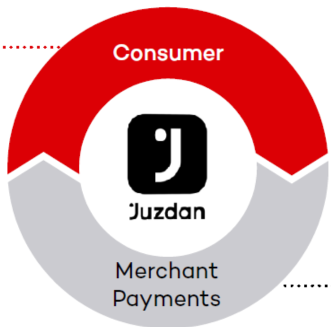
+58%
Active User Base

+93%
# of Total Login

+91%
# of Campaign Enrolments

2023 Business Goals

- User-friendly digital wallet with renewed experience design in 1Q23
- Scaling customer base through service diversification
- Diversifying product offering



Download Juzdan

In 2022 (1)

3x
"Pay with Juzdan" User Base

4x
"Pay with Juzdan" Transactions & Volume

+87%
# of users paying with QR/NFC

2023 Business Goals

- Extending digital payment experience in line with growing e-commerce & physical payment needs
- Enhancing end-to-end digital personalized shopping experience for card-holders of all banks
- Increasing e-commerce merchant penetration through retailer platforms & payment facilitators

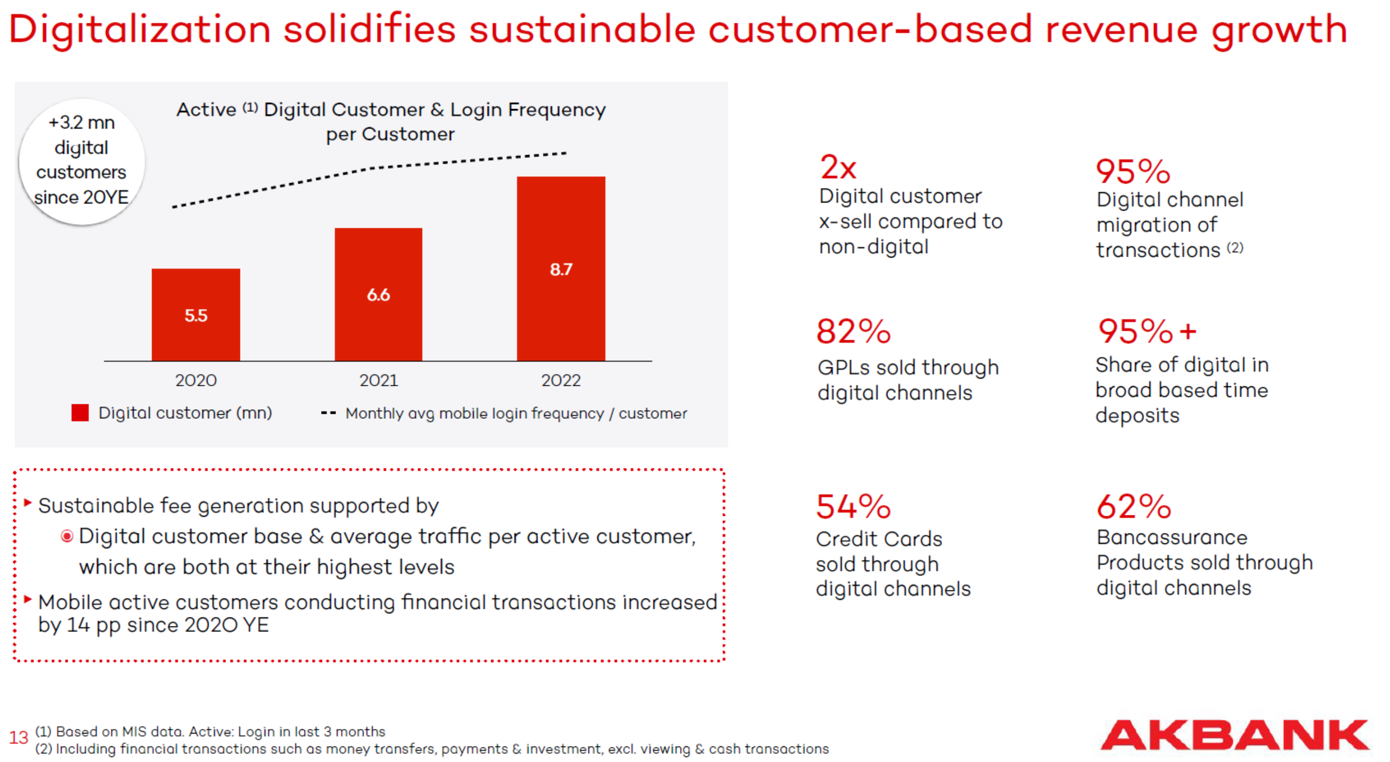
 (1) YoY

I wanted to share a bit more detail regarding one of the innovative applications our bank launched last year.

Through our digitalization roadmap the bank agnostic digital wallet application Juzdan, allows customers to add all their debit & credit cards, so in effect merging all of the customer's payment instruments into their mobile phone.

In addition to this, it is also possible to pay with current account balances and different loan facilities.

This app will continue to extend the payment experience in line with growing e-commerce and digital payment needs.

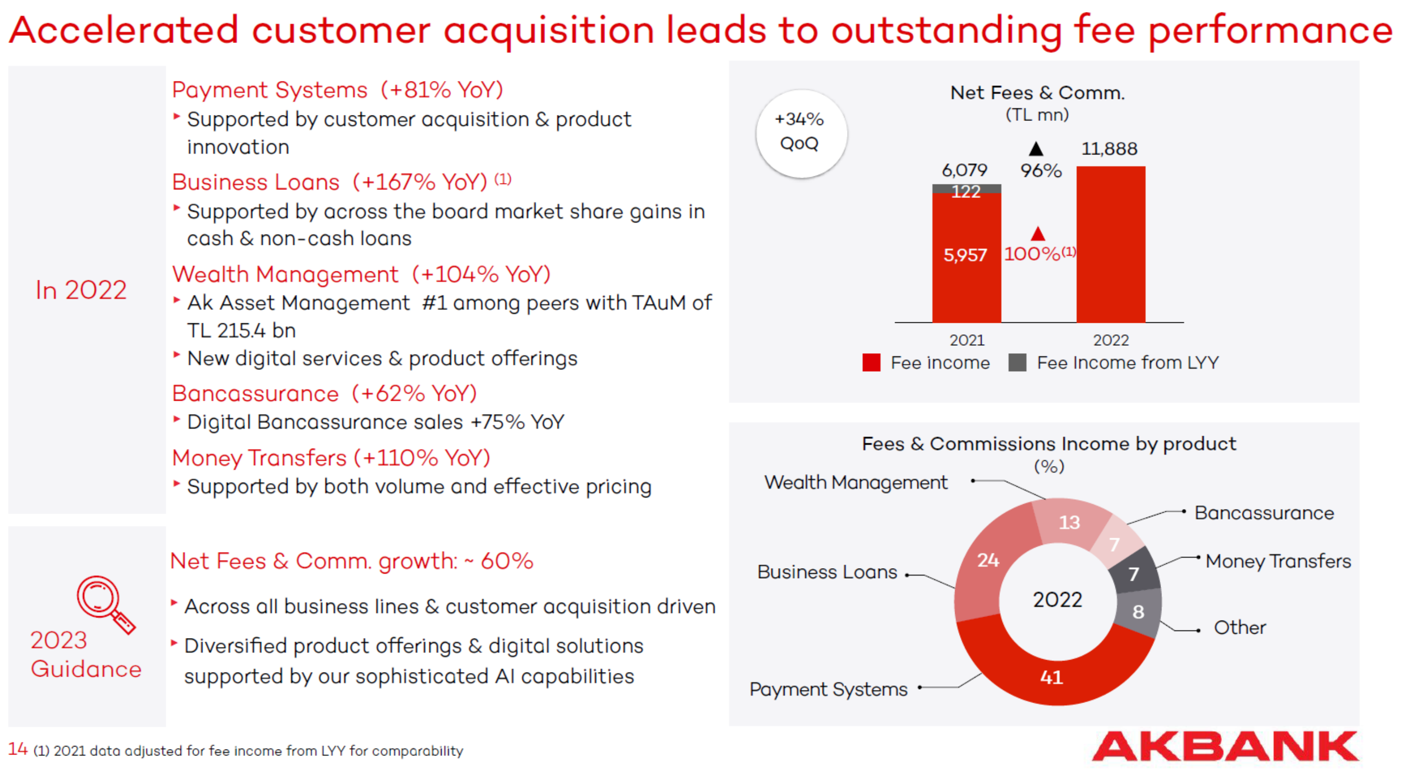


The success of our digital strategy, which is based on our customer's journey, is shown in the numbers.

We reached 8.7 million digital customers, while also increasing the traffic, as monthly average mobile login frequency is also at all-time high.

Our active digital active customer visit our mobile application more than once a day.

Most importantly, mobile active customers conducting financial transactions increased by 14 ppts over the last 2 years, supporting sustainable fee income.



As you can see on this slide, our customer growth has been reflected to our fee income.

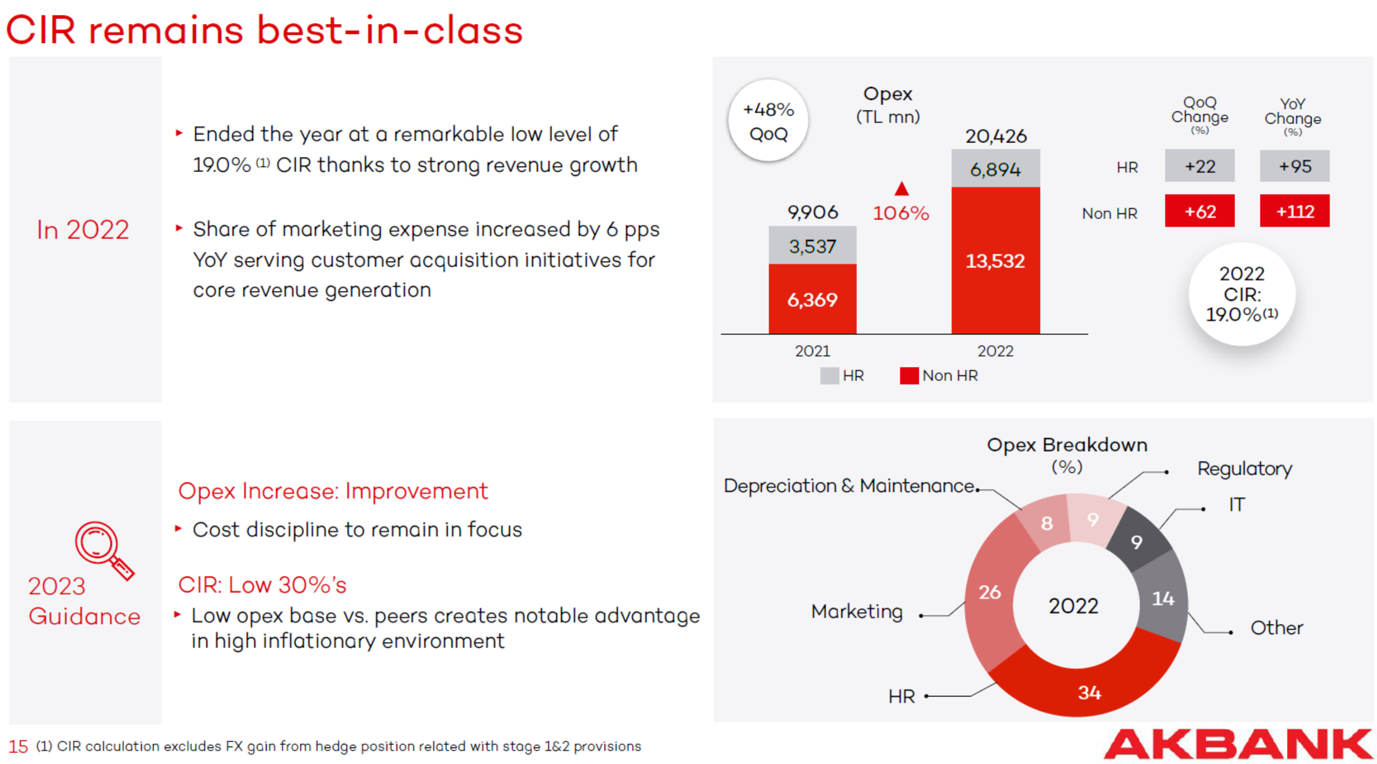
We further excelled our outstanding fee performance across the board, reaching 11 billion, 8 hunderd and 88 million, almost double yoy

Reasons behind this accomplishment can be summarized as:

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

All businesses have positively contributed to the revenue base, indicating the sustainability of our fee generation.

We therefore guide for around 60% growth in our fee income for this year.



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

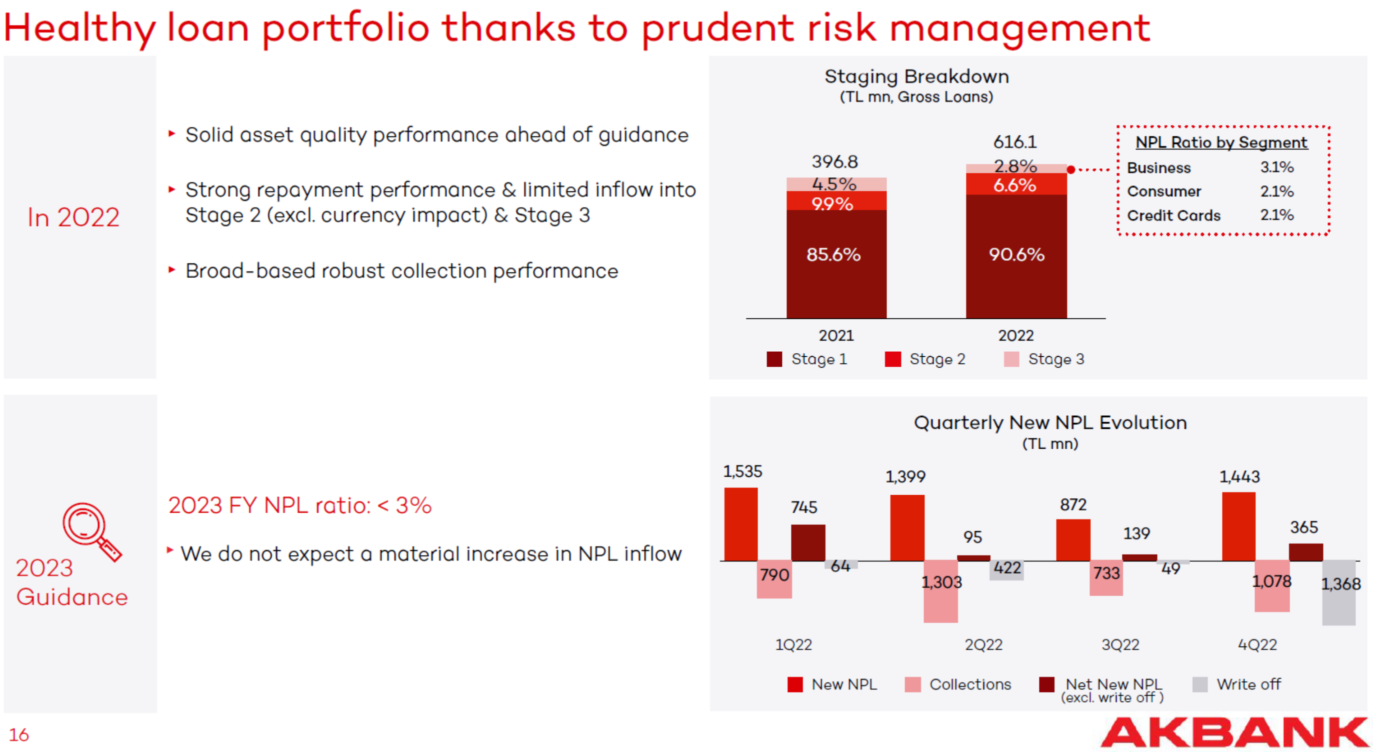
The main increase in opex was related with customer acquisition, on back of marketing expenses, which we see an investment for future growth.

Also HR expenses had an impact on our opex growth.

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

With our solid revenue generation, our cost to income remains best in class at 19%. This level is obviously not sustainable in the long-term, but cost discipline will remain in focus.

And hence, for this year, we guide for low 30% for cost to income, with an improvement on yoy increase in opex.



Moving onto asset quality, our loan portfolio continued to perform well throughout last year.

There was almost no net inflow into stage 2, when excluded for currency impact, and as you know, FC provisions are hedged.

Therefore, share of stage 2 loans declined to 6.6% of gross loans, down by 3.3pp yoy.

As for stage 3, the inflows were broad-based, and collection performance remained robust.

We completed the year with 2.8% NPL ratio versus our guidance of below 4%.

This year, given our prudent risk approach and excellence in loan decisions systems we believe there won't be a material increase in NPL inflows, therefore we expect our NPL ratio to remain below 3%.

Further provision build with increased coverages

In 2022

- CoC performance underlines proactive provisioning & healthy portfolio composition
  - Net total CoC (excl. ccy impact) of 54 bps is well below 22FY guidance of ~ 100 bps
  - 24 bps impact in CoC due to model recalibration in 2022
- FX provisions are hedge
- Adjusted for TL 1.4 bn write-off in 2022 Stage 3 Coverage ratio is 70.0%

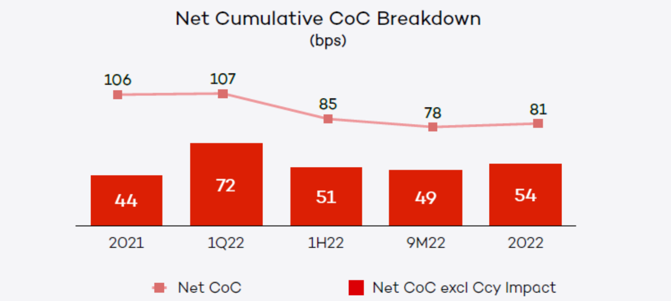
Provision Build & Coverages

(%)	2021	9M22	2022
Stage 1 Coverage	0.5	0.5	0.7
Stage 2 Coverage	14.0	15.5	16.4
Stage 3 Coverage	65.3	68.8	67.6
Free Provisions (TL mn)	1,400	1,400	1,400
Total Provision Build (1) (TL bn)	18.7	21.6	21.9

2023 Guidance

2023 CoC (excl. currency): ~ 100 bps

- Significant provision build & solid collateral values to limit additional provision need
- Already strong coverages



17 (1) Excluding free provisions

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

We ended the year at 54 bps net COC, excluding currency impact, underlining our strong risk discipline through the cycle well below our FY guidance of around 100 bps (excl. currency).

Including currency impact, which we are hedged against, our net COC would be at 81 bps.

On top of two model updates in 1Q and 2Q we had another model update in 4Q, yielding a total of 24 bps impact for the year, almost half of our FY CoC.

Despite our solid loan growth, as well as improved collateral values, our coverage ratios have significantly increased yoy.

For stage 1, our coverage ratio is at 0.7% as of 2022 YE (up from 0.5%)

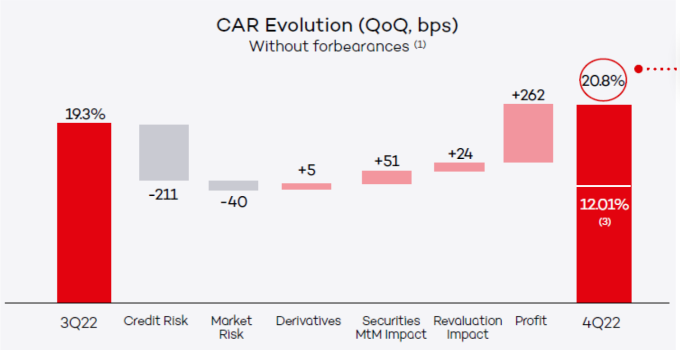
For stage 2 and stage 3 loans, our coverage ratios increased by a respective 230 bps and 240 bps yoy to 16.4% and 67.6%.

Adjusted for TL 1.4 bn write-off in 4Q, our stage 3 coverage ratio would be 70%, indicating a significant 470 bps increase yoy.

Moving on to this year, we believe our robust provision build and solid collateral values will limit the need for additional provisions…

We again expect our net CoC excluding currency to be around 100bps.

Superior capital buffers provide significant competitive advantage to unlock franchise power



22.8% CAR excl. temp. RW increase[1]

Sensitivity of Solvency Ratios:
- 10% TL depreciation: c. 70 bps
- 100 bps TL interest rate increase: 21 bps
- 1% NPL increase: c. 30 bps

(%, TL bn)	CAR	Excess Capital [4]	Tier 1	Excess Tier 1 [4]	CET-1	Excess CET-1[4]
Without forbearances [2]	20.8%	73.1	17.7%	63.8	17.7%	76.3
With forbearances [2]	23.2%	84.4	19.9%	74.5	19.9%	85.7

(1) BRSA implemented higher RW for newly generated consumer CCs, GPLs (from 75% to 150%) & comm. loans excl. SME, export, investment (from 100% to 200%)
(2) Fixing MtM losses of securities & FX rate for RWA calculation to 2021YE FX rate
(3) Min Basel III required: Including buffers (Capital Conservation Buffer: 2.50%, D-SIB Buffer: 1.50% Countercyclical Capital Buffer: 0.01%)
(4) Basel III min. requirements: CAR: 12.01%, Tier-1: 10.01%, CET-1 8.51%

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Record high profitability also reflected onto capital position as our internal capital generation added around 900 bps to our total capital yoy.

As a result, our total capital is up by almost 350bps yoy to 20.8%.

And please note that this improvement was despite:

- The temporary risk weight increase applied to some loan types per BRSA announcement.
- Adjusted for these Risk Weight increases, our Capital would have been 200 bps higher at an outstanding 22.8%.

Also, I would like to underline the eye-catching 480bps yoy improvement in our Tier 1 and CET 1 ratios to 17.7%.

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

Before leaving the floor to Hakan Bey, I'd like to give some details regarding our ESG performance

Sustainable finance for green & inclusive transformation

2022

On track for long-term goals in sustainable finance

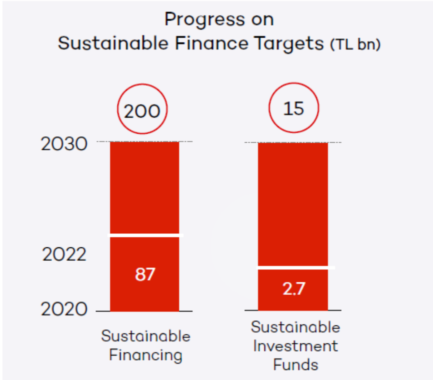
- Provided TL 60 bn in sustainable finance (1)
- Completed ESG training of all corporate & commercial branch employees
- Total ESG-themed funds AuM reached TL 2.7 bn, with 62K investors
- All four ESG-themed funds of Ak Assessment were rated by MSCI & Refinitiv (2)

Pioneered ESG-linked funding transactions, over USD 2 bn

- 75% of wholesale funding transactions in 2022 ESG linked, reaching 45% of total funding

Recognized for leadership by Global Finance

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



2023 Outlook

- Sustainable Finance Framework revised with recent trends, to be published with SPO in 1Q23
- Continue focus on ESG-linked funding
- Introduce Responsible Investment Policy
- Support decarbonization by engaging with customers and product innovation

For more on sustainable finance

19 (1) Based on bank-only MIS data, includes: Granted SME loans (assessed through ESMS) & renewable loans, other green and social loans in line with Sustainable Framework, and ESG-type Eurobond & syndicated loan purchases
(2) Ak Asset Management introduced two ESG-themed funds in 2022

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To start off, we are well on track for our long-term sustainable finance goals, on both sides of the balance sheet.

As of YE, we have provided TL 60 bn sustainable finance, totaling our support to TL 87 bn over the last 2 years.

Our ESG-themed funds AuM reached TL 2.7 bn, with 62K investors.

On the liabilities side, we have also continued our pioneering ESG-linked funding transactions, with 75% of our wholesale funding facilities in 2022 being sustainability-linked.

This year, we will continue to integrate ESG into all aspects of our offerings to support our customers in the transition to a more sustainable economy, inline with our decarbonization ambition.

Our customers are at the front and center of our sustainability vision. That is why, enhancing financial health and inclusion is one of our key priorities.

Last year, we continued to empower our SMEs, both through financial and non-financial support.

Akbank’s Transformation Academy reached 11K SMEs, providing trainings to prepare them for the future.

As we have done so during last year, we will continue to take steps, both for our people and our communities, for a more diverse, socially and economically inclusive future.

Advance efforts to mitigate environmental footprint & manage climate risk

2022

Committed to become a Net Zero Bank by 2050

Introduced enhanced Environmental & Social Risk Framework to mitigate portfolio exposure

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

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

- 80% of bank's electricity sourced from renewable resources; sun panels supplying 5% of electricity use at Akbank Data Center
- Capacity building in energy efficiency and waste management
  - ISO 50001 (Energy Management) & 14001 (Environmental Management) trainings completed in 270 branches in 2022 (+ 300 branches in total)
- Environmental Policy published

Improved CDP Climate score to B, published 1st CDP Water Security report (receiving B rating)

2023 Outlook

- Launch decarbonization roadmap for portfolio and operations, with interim targets to reach net zero by 2050
- Expand ISO 50001 & 14000 certificates to include to more branches
- Increase electricity sourcing from renewable resources
- Publish 1st TCFD report

For more, please see our integrated report

22

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Last year was also a key milestone in our fight against climate change.

We committed to become a net zero bank by 2050, and started to enhance our data capabilities for measuring scope 3 emissions.

This was also an important year in terms of managing climate-related risks.

We introduced our enhanced Environmental and Social Risk framework, which includes changes such as:

- Increased portfolio coverage
- Sector based environmental and social risk scoring
- Expanded exclusion criteria
- Updated policies for material sectors and issues
- Revised risk identification and monitoring procedures

- This year, we will be launching our decarbonization roadmap for our portfolio and operations, with interim targets to reach net zero by 2050.

We will also enhance our capabilities to limit our Scope 1 and 2 emissions, by expanding environmental and energy management certificates to more branches.

Our transparent and proactive approach in non-financial disclosure continues to improve our ESG ratings.

In addition to the double upgrade we received from Refinitiv for our ESG score to A, we also enhanced our CDP disclosure and scores.

Being a sustainable bank is an important component of our long-term ambition.

2022: Strong delivery on guidance

	2022 Guidance	2022
TL Loan Growth	> 50%	77.8%
FX Loan Growth (in USD)	Shrinkage	-8.8%
NIM (swap adj.)	~ 7.0%	8.2%
Net fees&com. growth	~ 65%	95.6%
Opex increase	Avg. CPI	106.2%
Cost/ income (1)	< 25%	19.0%
NPL (2)	< 4%	2.8%
Net total CoC (excl. ccy impact)	~ 100 bps	54 bps
ROE	~ 50%	54.7%

Key Takeaways

Momentum across all business lines & subsidiaries continue as we advance in innovative offerings, using AI & cutting-edge technology while investing in our people

2.3 mn Net active customer growth

8.7 mn Digital customer

50% Women in CEO's direct reports

6.2% ROA

Low-teens Inflation accounting based ROE

38% Women in tech roles

20.8% CAR(3)

17.7% Tier-1(3)

+45% Mobile transactions Scalable platforms & architecture

Cloud native Digital services

4Q22 Cheat sheet

23 (1) CIR calculation excludes FX gain from hedge position related with stage 1&2 provisions
(2) Including potential write-off
(3) w/o forbearances: Fixing MtM losses of securities & FX rate for RWA calculation to 2021YE FX rate

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On this slide, you may find the summary of solid 2022 performance.

We ended the year on a strong note, and momentum continues across all business lines.

2023: Customer-led revenue growth remains key strategic priority

2023 Guidance	
TL Loan Growth	~ 40%
FX Loan Growth (in USD)	Low-single digit
NIM (swap adj.)	4-5%
Net fees & com. growth	~ 60%
Opex increase	Improvement(1)
Cost/ income (2)	Low 30%'s
NPL	< 3%
Net total CoC (excl. ccy impact)	~ 100 bps
ROE	~ 30%

Main Drivers To Create Sustainable Shareholder Value

1. Retail driven growth with sustainable profitability & healthy market share gains in focus
2. Boosting customer acquisition with disruptive new offerings
3. Leveraging robust solvency ratios & strong efficiency
4. Taking advantage of advanced analytics & cutting-edge technology
5. Non-stop investments in our people & future of work
6. Mitigating environmental footprint while increasing positive impact

24 (1) Indicates lower increase YoY compared to 2022
(2) CIR calculation excludes FX gain from hedge position related with stage 1&2 provisions

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Throughout the presentation, I have already shared this year's guidance in detail, so I don't want to repeat one by one.

As a result, we expect to achieve around 30% ROE for the FY and now I'd like to leave the floor to Hakan Bey to share his thoughts on our 2023 guidance & beyond strategy.

Thank you Ebru.

2023 is a particularly important year both for Türkiye and Akbank.

We will be celebrating the centenary of the Republic, as well as the 75th anniversary of Akbank.

These are both very important milestones, and despite some challenges in the sector, I believe we are excellently positioned as we begin this important year to deliver for our clients and shareholders.

Along with very strong corporate, commercial and private banking, our strategic focus remains in consumer and SME with responsible growth.

Prudent management of capital throughout the years gives us significant competitive advantage for growth and resilience.

We will not only take advantage of our advanced analytics and digital capabilities, but also continue with disruptive new products and services, offerings, to further accelerate customer acquisition and activity.

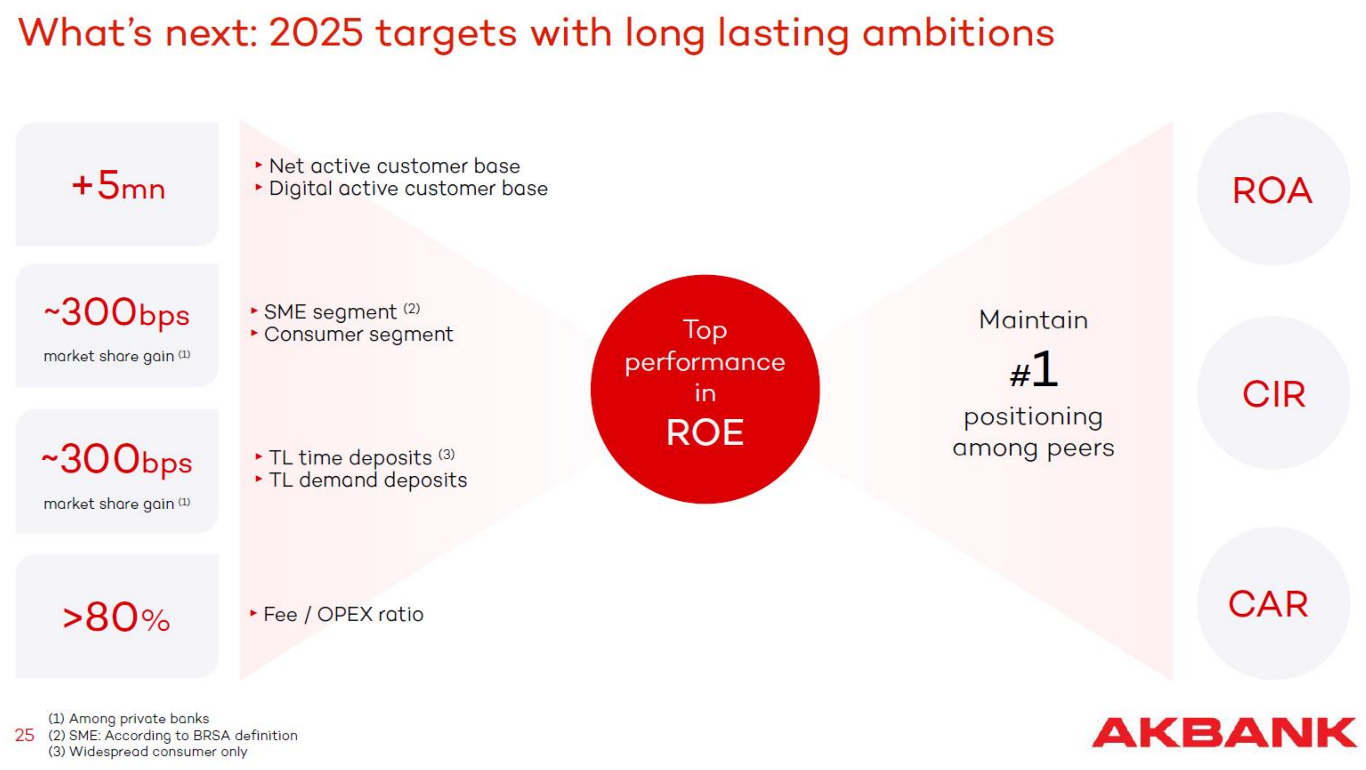
I'd like to also underline that ESG remains at the center of our Bank's strategy.

As most of you recall, we had shared our ESG strategy at the beginning of 2021, becoming the first deposit bank in Türkiye to set long-term sustainable finance goals on both sides of the balance sheet.

I am happy that we have taken bank-wide important steps in achieving these commitments in the last two years.

While growing, will continue to mitigate our environmental footprint as well as increase our positive impact.

As I mentioned at the beginning of the call, we will not stop here.



There is a lot of dynamism, motivation at the bank, at every level.

Over the next 3 years we aim to increase our net active customers 50%, and our digital active customers 60%, putting another at least 5 mio customers on top of what we have today.

On top of last 2 years market share gains of 220bps in consumer, 215 bps in SME among private banks, we target to gain further 300bps market share in each over the next 3 years.

While setting those aspirational targets, I fully rely on my top quality executive team, our ambition and coherence in our common goals, the exceptional talent at every level and infrastructure that we have built over many years.

You all know Akbank very well. We will always be responsible while growing. So do not expect us to grow at all cost. It will be a profitable and sustainable growth.

And no doubt, we have all the advanced analytical and talent capabilities to deliver these aspirations.

Our growth will continue to be funded with customer deposits.

We aim to gain further 300bps market share in both TL demand and widespread consumer time deposits.

Our customer growth, especially with digital customer cross-sell being 2 times of non-digital, will contribute significantly to our fee base, leading to a fee/ opex ratio above 80% within the next 3 years.

While achieving these targets, we will leverage and maintain our number one positioning in capital as well as best-in-class efficiency.

As a result of our responsible growth, our ambition is:

- To remain highest among peers in ROA, and
- and to achieve top performance in ROE,
- while having the highest level of capital for future growth.

This concludes our presentation. Thank you all for joining us today.

Having been through many cycles. I have FULL FAITH in our people's capacity and execution. I would like to once again express my ample gratitude for their exceptional efforts.

I would also like to thank all our stakeholders for their consistent trust and confidence in us.

Keep well and see you all again soon.