

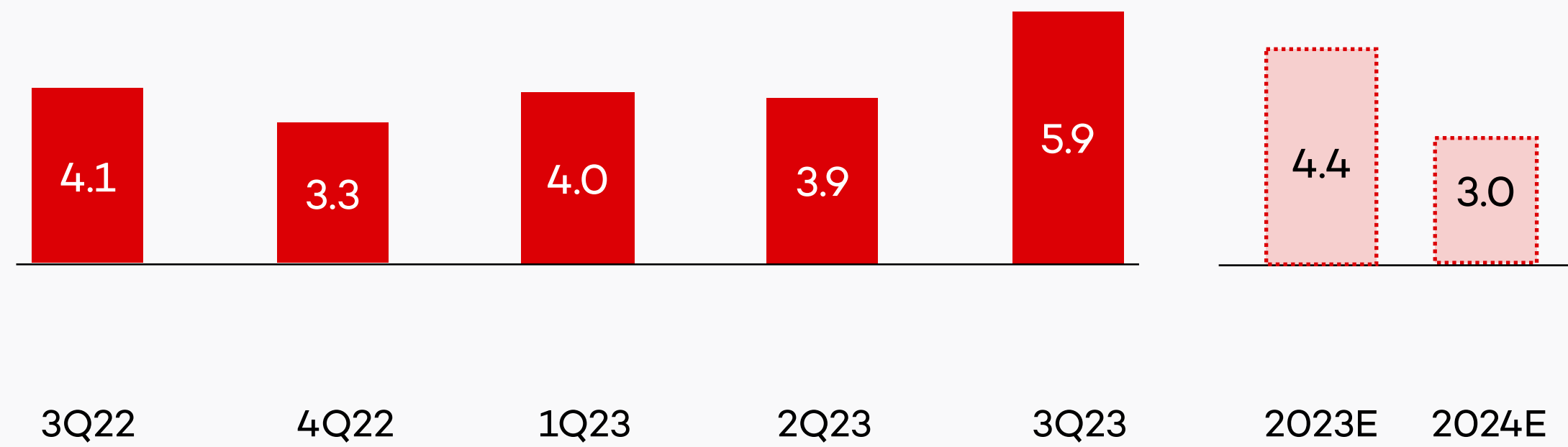
4Q23 Consolidated Financial Results  
& 2024 Outlook

**AKBANK**

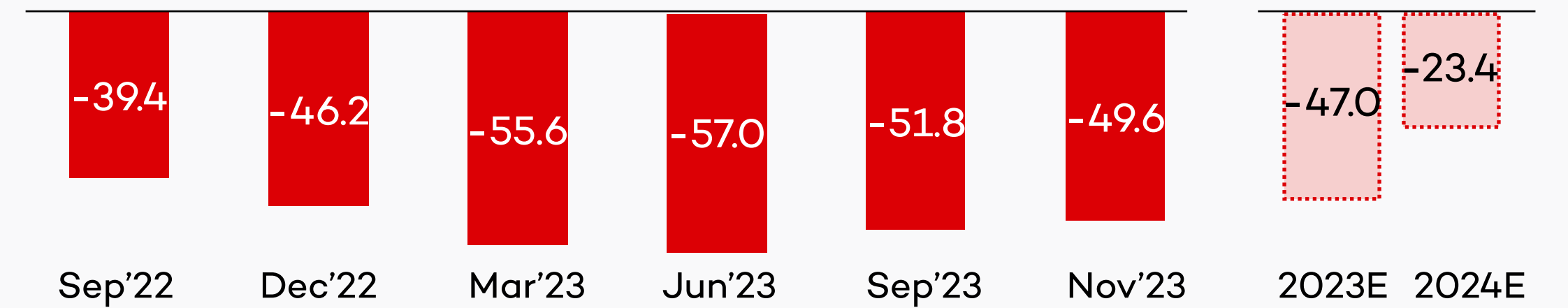
*“Built upon your trust”*

# Turkish Economy Overview

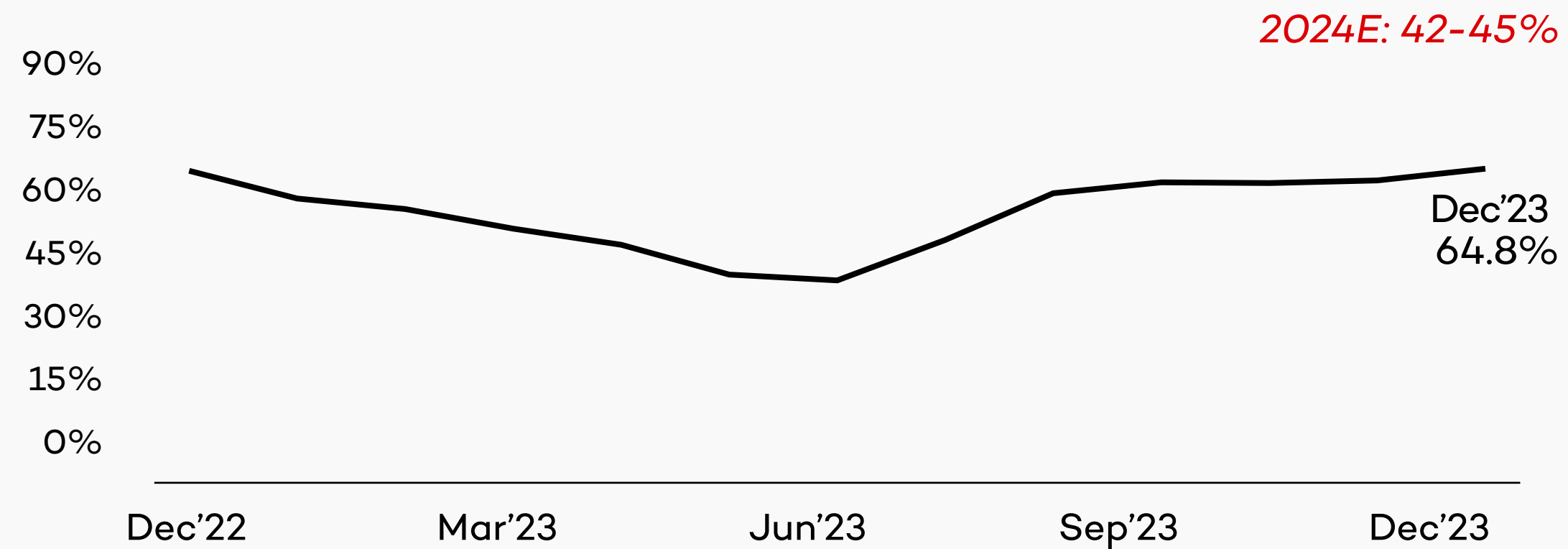
**GDP Growth**  
(YoY, %)



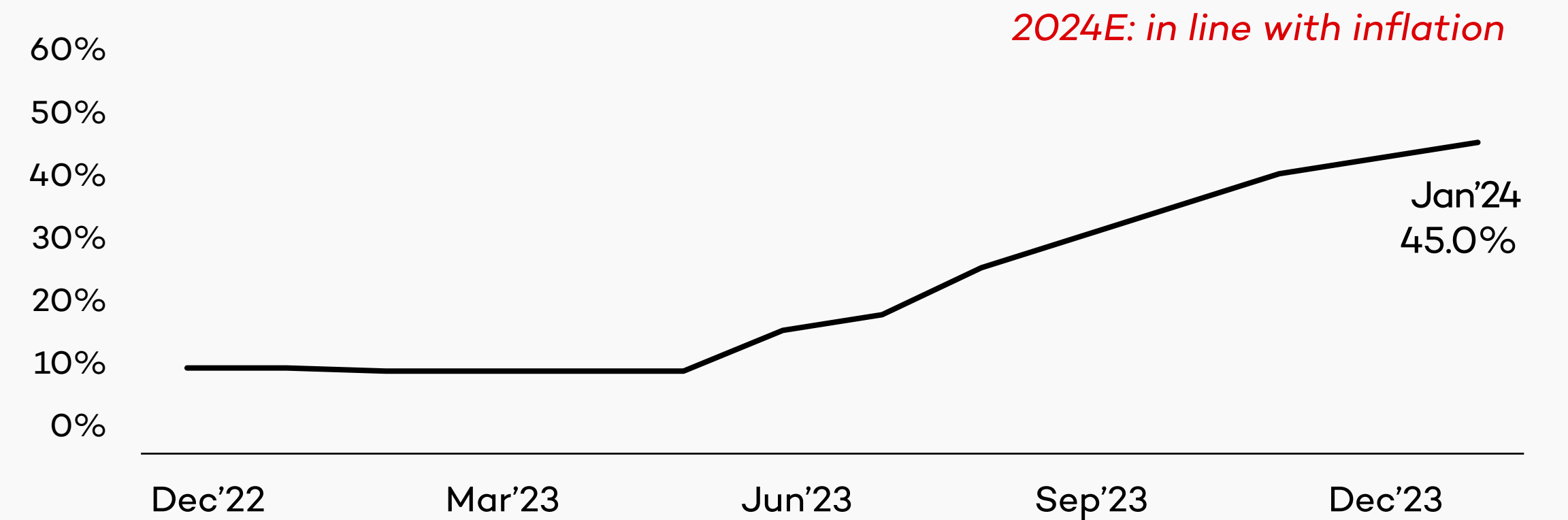
**Current Account Balance**  
(12-month cumulative, USD, bn)



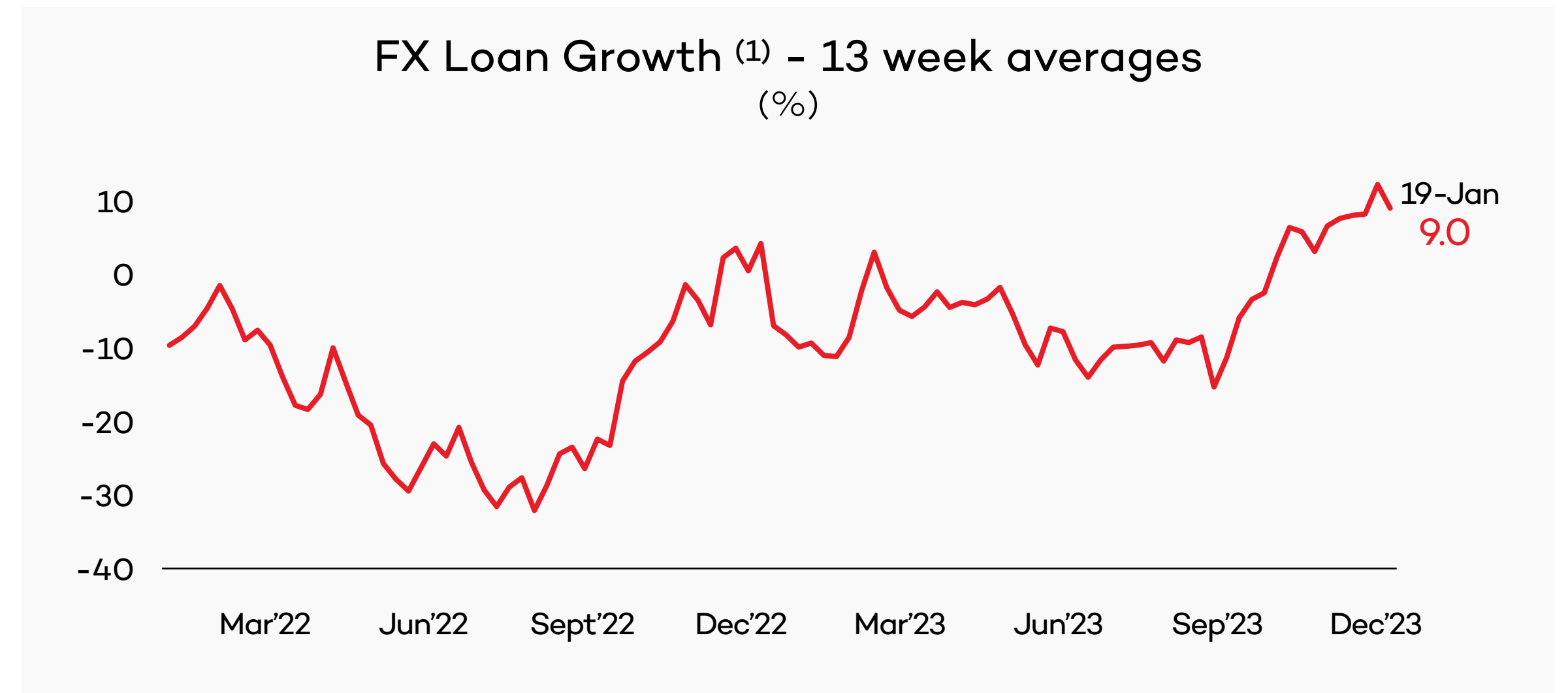
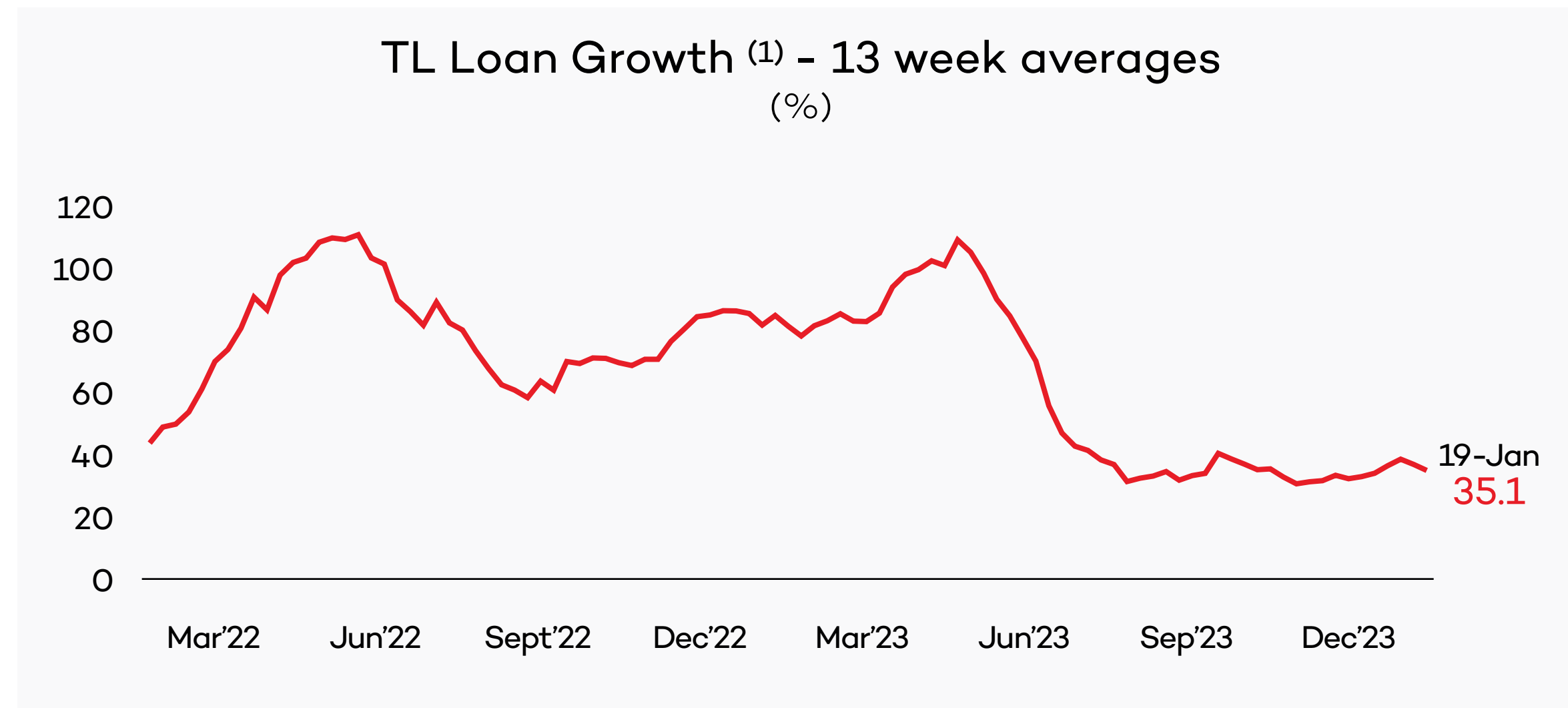
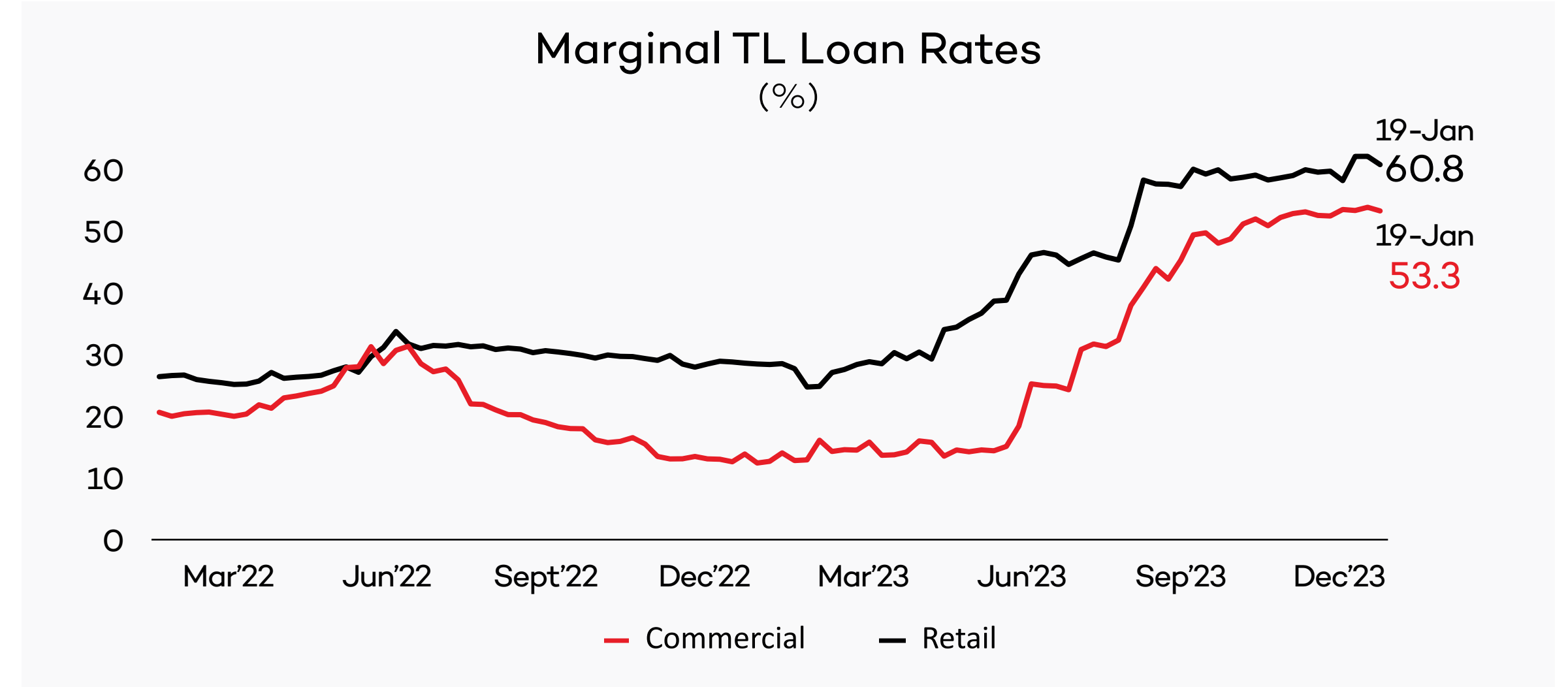
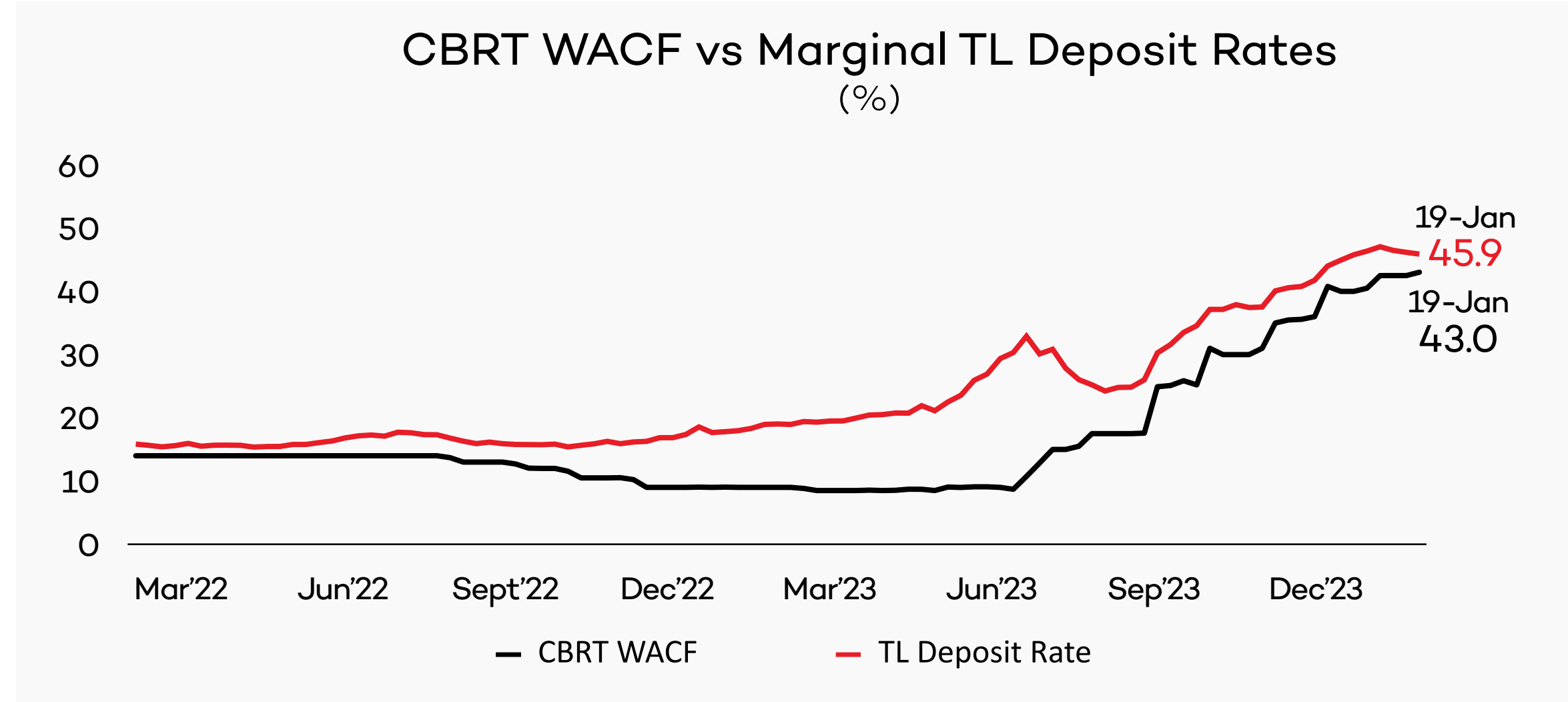
**Inflation**  
(YoY, %)



**Policy Rate**  
(1 Week Repo Rate)



# Banking Sector: Key indicators



# 2023: Solidified customer driven revenue base & operational resilience

Customer-centric strategies & agile balance sheet management create strong foundation for robust profitability

**1** Exceeded 2023 guidance with an outstanding ROE of **37.9%** reaching an ROA of **4.4%** with **9.0x** leverage

Sustained strong momentum in net active customer growth (**+2.3 mn YoY**), with a cumulative increase of **55%** in 2 yrs

**4**

**2** Preserved superior capital buffers: **18.5%** CAR; **15.6%** Tier-1<sup>(1)</sup> along with strong efficiency

Achieved an eye-catching **300 bps** market share <sup>(2)</sup> gain in consumer loans & **150 bps** in broad-base TL deposits

**5**

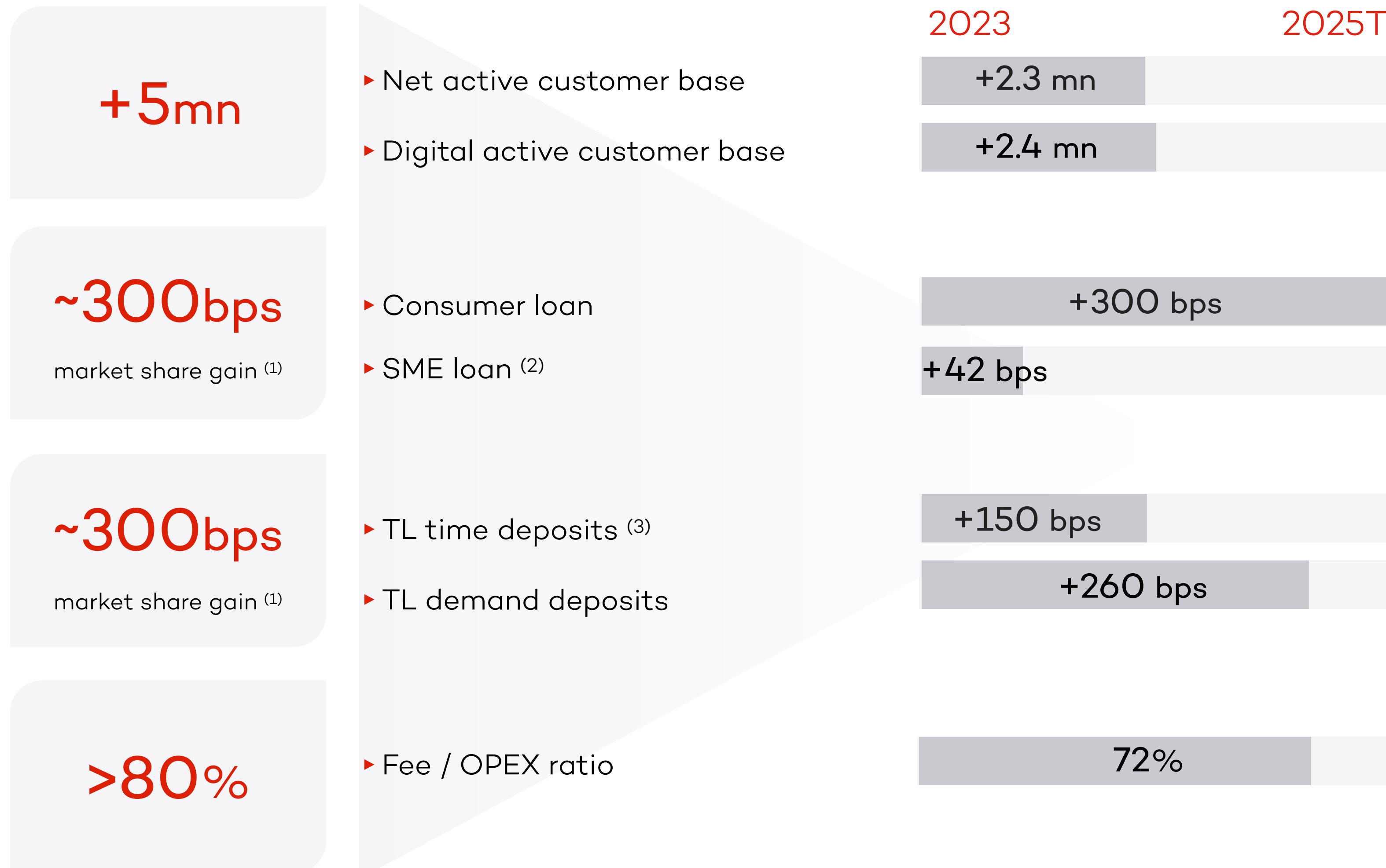
**3** Continued agile & prudent ALM with maturity mismatch & regulatory compliance in focus

Boosted fee income market share <sup>(3)</sup> by **230 bps** to **16.2%** thanks to strong customer acquisition & increased x-sell

**6**

**4** (1) w/o forbearances: Fixing MtM losses of securities & FX rate for RWA calculation to 2022YE FX rate  
(2) Market share data based on bank only BRSA weekly data as of 29.12.2023, among private banks  
(3) Based on bank only BRSA monthly data as of December 2023 among private banks

# On track with 2025 targets

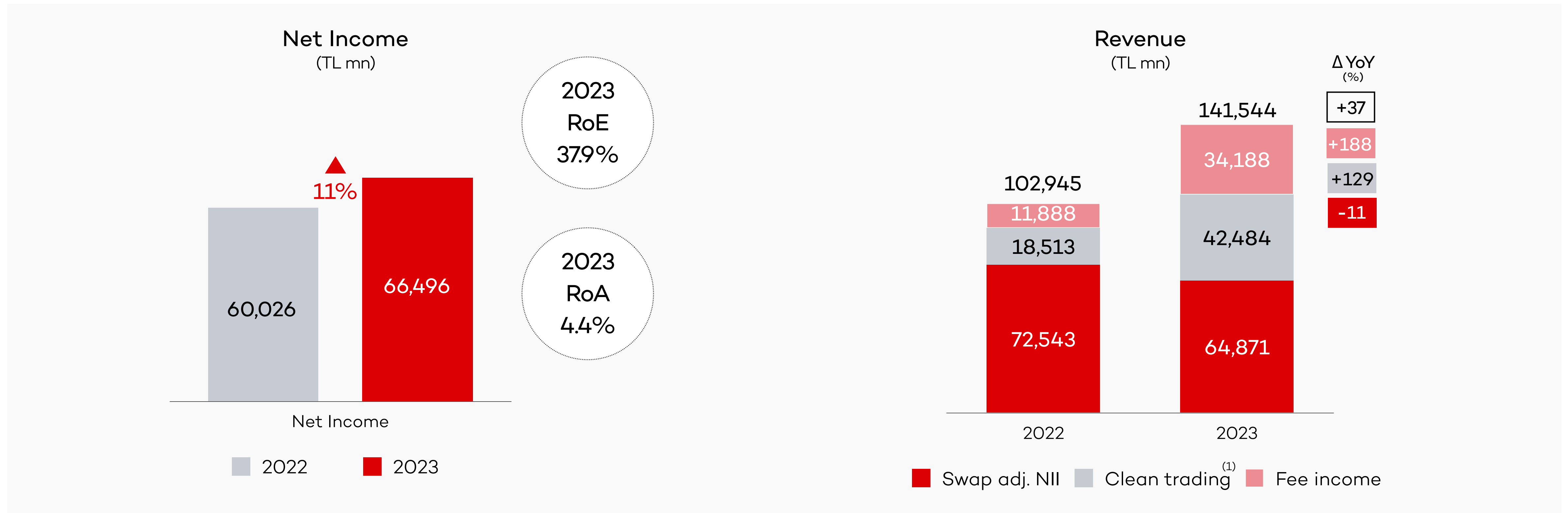


- Strong momentum in customer acquisition fueled by advanced digital capabilities & diversified product offerings
- Across the board market share gain in consumer loans with leading position in GPLs <sup>(4)</sup>
- Strategic focus on SME loans in 4Q23 (+160 bps market share) with better pricing
- Robust market share gains in deposits thanks to solid franchise enables sustainable & sound profitability
- Across the board outstanding fee performance excelled fee/opex by 14 pp in only one year

(1) Market share data based on bank only BRSA weekly data as of 29.12.2023, among private banks  
 (2) SME: According to BRSA definition, based on bank only BRSA monthly data as of December 2023 among private banks  
 (3) Widespread consumer only  
 (4) General Purpose Loan



# Strong customer acquisition & agile ALM boosted profitability

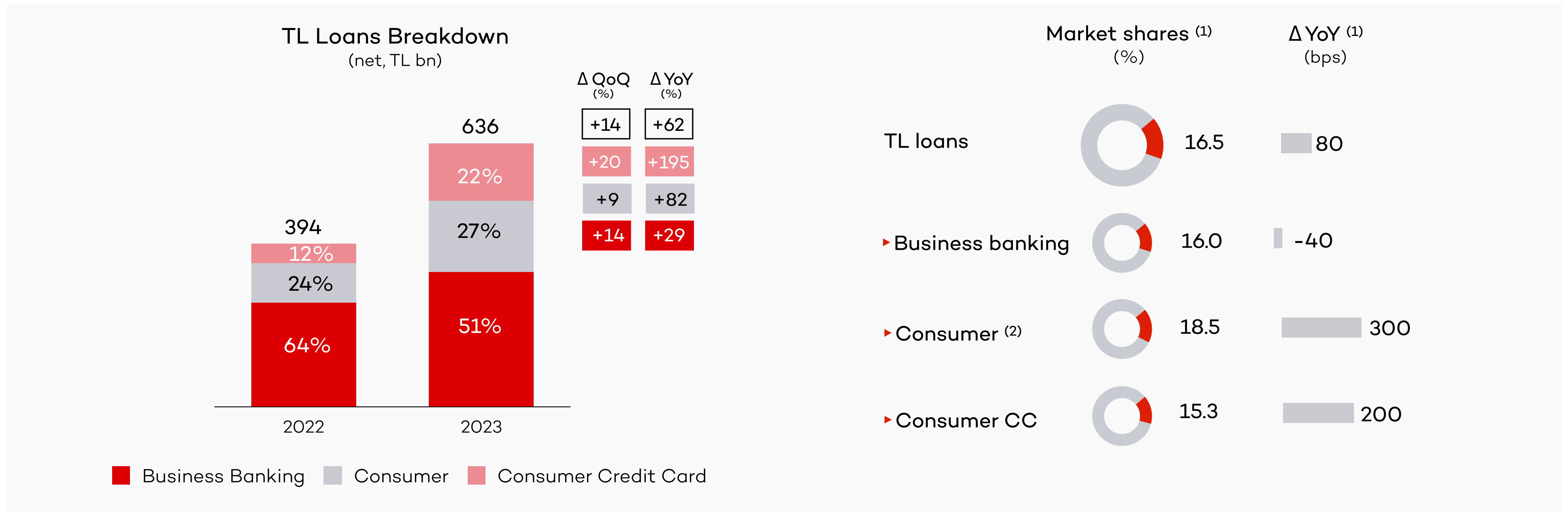


- ▶ Maintained solid profitability with quarterly 30.0% RoE & 3.3% RoA, reaching 37.9% RoE & 4.4% RoA for 2023 FY, well-ahead of our guidance

## Key highlights of 2023 top-line:

- ▶ Enhanced customer based revenue with outstanding fee income generation, ~3x YoY
  - Thanks to # of active customers exceeding 13 mn (+2.3 mn net active customer in 2023 on top of +2.3 mn in 2022)
- ▶ Agile balance sheet management limited the impact of regulatory changes & prepared the bank for rate-hike cycle
- ▶ Preserved strong trading line which continued to be supportive for revenue

# Sound lending strategy with small tickets in focus



- ▶ Strong market share gain in TL loans led by small tickets & higher yielding loans while prudently managing quality of portfolio
  - c. 85% GPLs (3) pre-approved & c. 25% are to salary customers
  - Excellence in AI based consumer credit decision systems with almost 100% automated loan decision process
- ▶ In 1H23, the bank refrained to grow business banking loans due to unfavorable pricing environment
- ▶ In 4Q23, the bank strategically extended maturities, which will be margin supportive
  - Selectively grew in SME & installment business banking loans (2) while gaining 160 bps & 225 bps market share (1) respectively

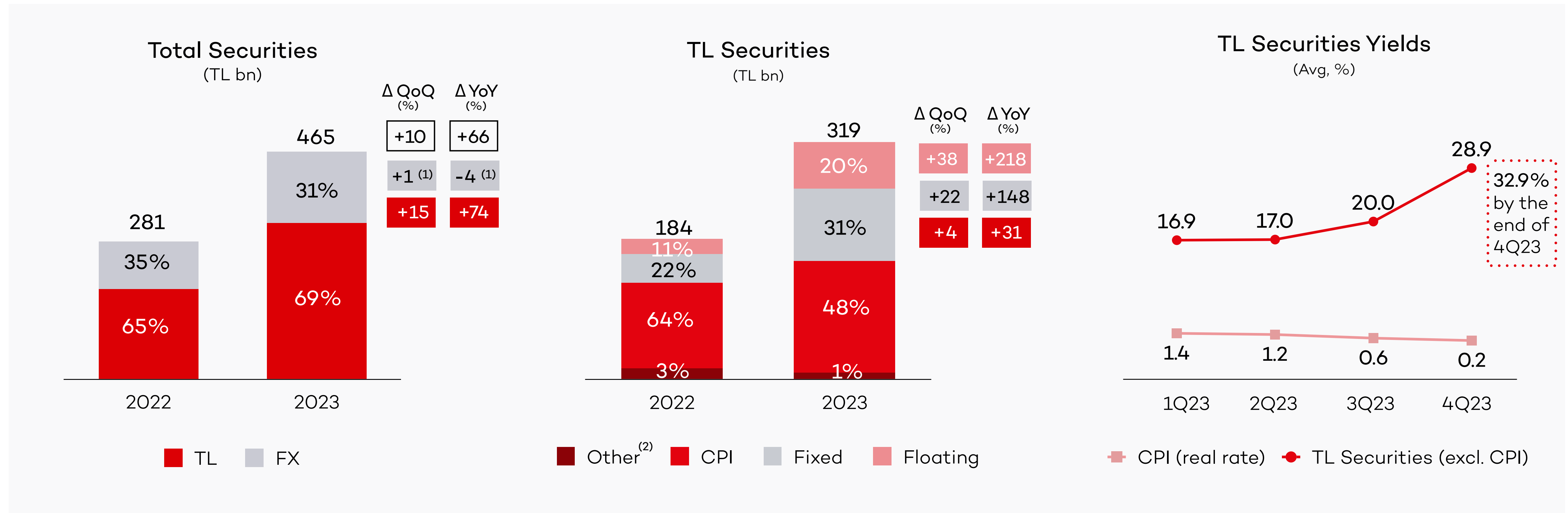
# Deleveraged & well-diversified FX loan book supports resilience



- ▶ FX lending is limited to multinationals & corporates with FX cash flow generation
- ▶ FX risk significantly mitigated
  - ◉ FX loan book already deleveraged from USD ~22 bn to USD ~10 bn since 2017 due to muted demand
  - ◉ Stage 2 FX provisions are fully hedged



# High-yielding security positioning keeps balance sheet intact



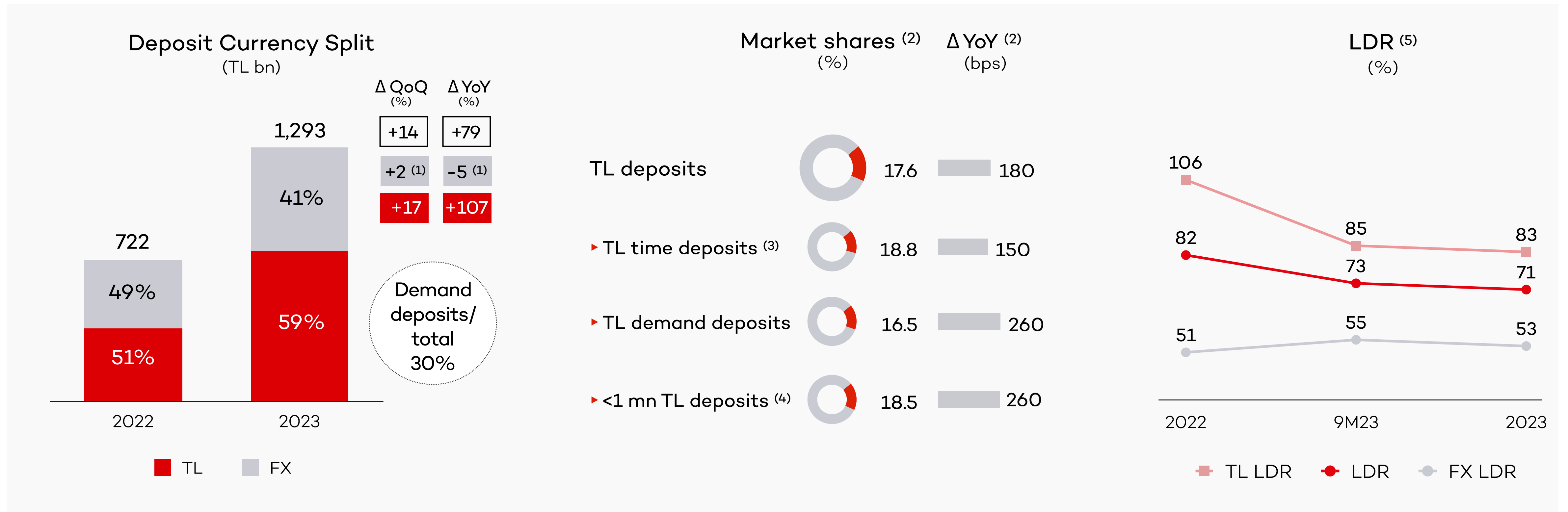
- ▶ TL floating notes, which are mostly TLREF-indexed bonds with decent spread reached 20% of TL securities up strategically by 9 pp YoY
- ▶ Positive real yielding CPI-linker portfolio (TL 153 bn & 73% of equity) creates strong RoE contribution & hedge against inflation
  - Every +1% CPI has TL 1.1 bn NI and & +50 bps RoE impact
- ▶ Leading positioning in high-yielding corporate bonds in the sector with TL 31 bn (10% of TL securities)
  - Avg yield of 44% & less than 1-year maturity
- ▶ Purchase of fixed rate bonds at better rates for CBRT pledge utilized for further loan growth at favorable rates
- ▶ ~1/3 of total securities are FX & timely hedged against FED rate hikes

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(1) In USD terms

(2) Equity products related with our brokerage company's daily transactions

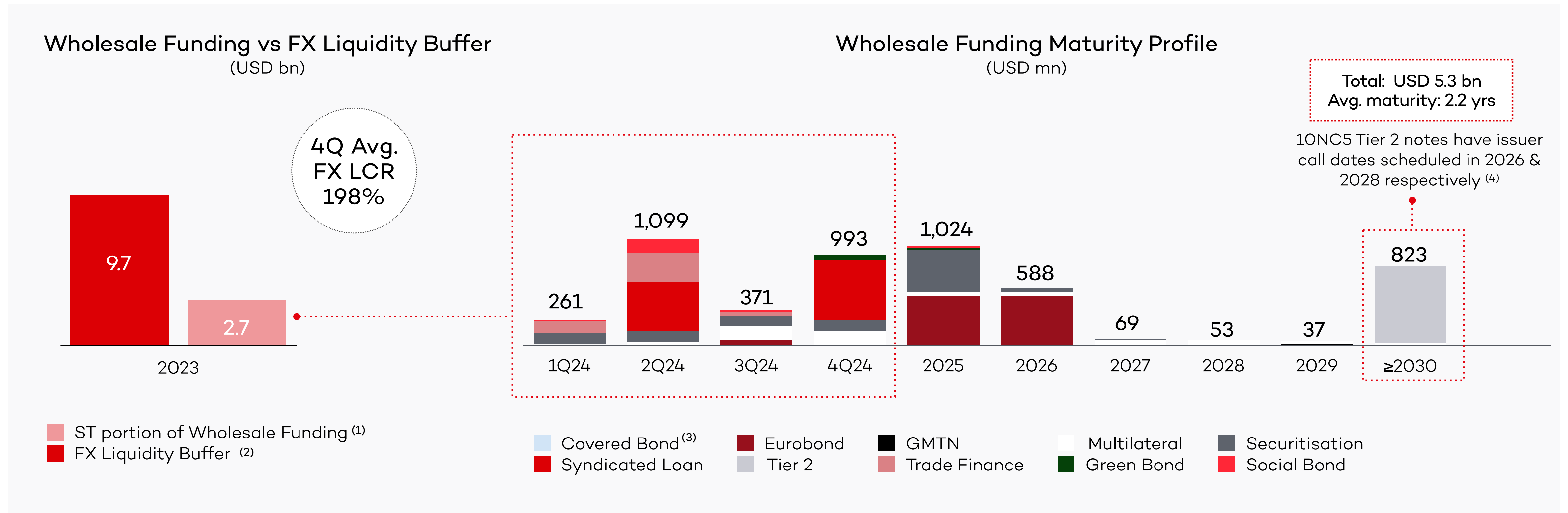
# Growth funded by solid small ticket customer deposits



- ▶ 68% of assets funded by sound deposit base
- ▶ Sticky & low cost TL time deposits (6) up +117% YoY with share in total TL time deposit at 66%
- ▶ TL demand deposits up by a solid +63% YoY
- ▶ Regulation induced low-level of TL LDR (down by 24 pp YoY to 83%) creates room for margin improvement

(1) In USD terms  
 (2) Market share data based on bank only BRSA weekly data as of 29.12.2023, among private banks  
 (3) Widespread consumer only  
 (4) Based on bank only BRSA monthly data as of December 2023  
 (5) Bank-only TL LDR includes domestic TL bond issuances and merchant payables  
 (6) Consumer & SME according to MIS segmentation

# ESG remains key priority in wholesale funding



- ▶ Sound FX LCR at 198% despite proactive positioning in 3 months swaps (excl. from LCR calculation)
- ▶ Total sustainable funding share in wholesale transactions reached 59%

As communicated regularly to our investors, we continuously evaluate opportunities as part of our prudent and diligent liquidity and capital management and duly take the necessary actions. In this regard, we continuously monitor opportunities to issue debt instruments in TL or FX, domestically or abroad, including senior and/or Tier 2 and AT1 issuances. We will promptly inform our investors on any developments accordingly

Balances based on principal outstanding and bank-only MIS data

(1) ≤ 1 year tenor

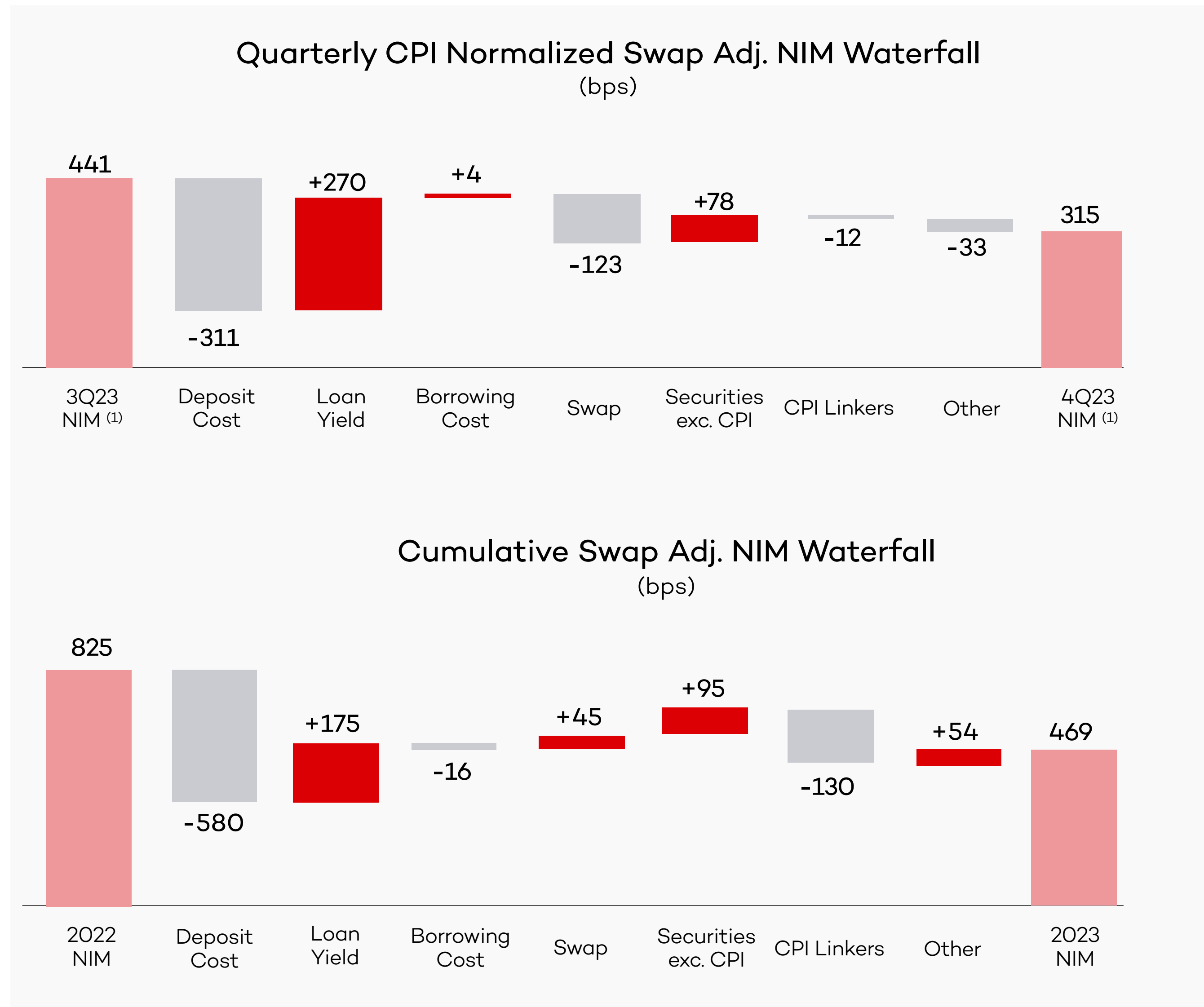
(2) Consolidated FX liquidity buffer includes FX reserves under swaps, money market placements and CBRT eligible unencumbered securities

(3) USD equivalent of TL 200 mn Covered Bond issuances

(4) Call exercise in year 5 is subject to BRSA approval



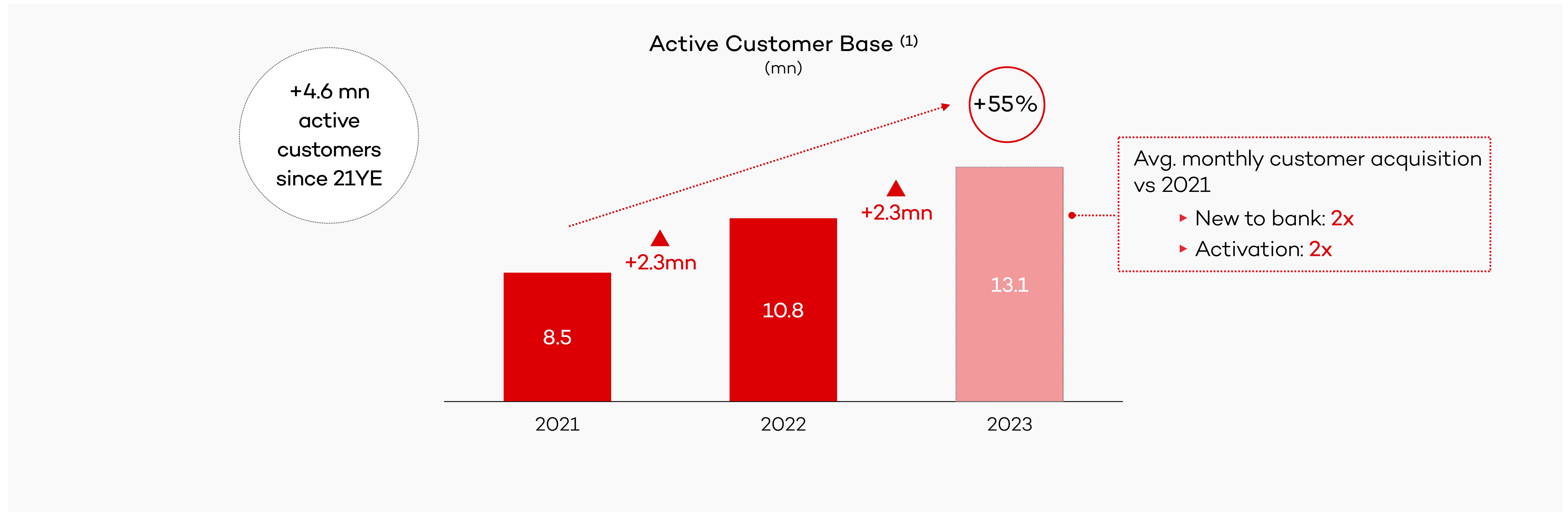
# Agile ALM with prudent & proactive maturity mismatch management



- ▶ 2023 NIM at 4.7%, close to upper band of FY guidance
  - ◉ Consecutive rate hikes, regulatory & competitive environment were the main challenges for NIM in 4Q23
  - ◉ 2023 NIM would be c.100 bps higher excl. RRR impact
  - ◉ c.10% of TL assets & c.20% of FX assets are held at CBRT as reserve requirement, earning 0% interest rate
  
- ▶ Strategically designed & well-positioned BS to support margin evolution
  - ◉ Extending loan maturities & diversifying product-mix to lock-in spread
  - ◉ Building 3-month maturity swap book prior to each rate hike
  - ◉ Complying proactively with regulations
  - ◉ Floating & high-yielding security positioning
  
- ▶ Regulation induced low-level of TL LDR creates room for margin improvement



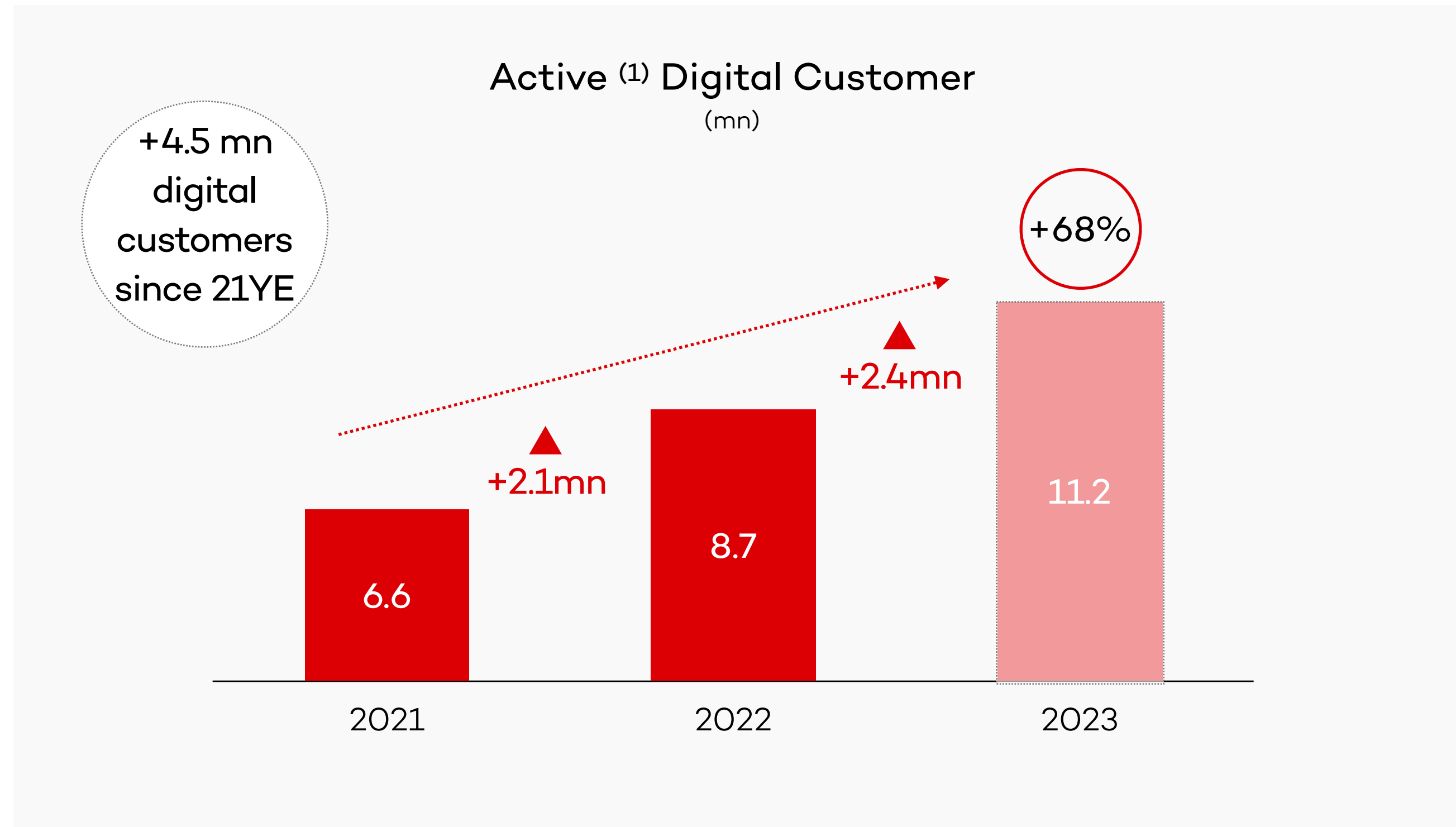
# Active customer base up 55% in two years exceeding 13 mn



- ▶ Strong momentum in digital customer acquisition via DoB <sup>(2)</sup>
  - ◉ 60% of new to bank customer acquisition (+20pp YoY)
  - ◉ ~2x monthly digital customer acquisition YoY
- ▶ Further penetrated in demand deposits and daily cash flow by almost doubling salary & pension customers last 1.5 year
- ▶ Active young customer base (18-26) reached 1.4x YoY
- ▶ Boosted customer acquisitions with innovative offerings
- ▶ Customer-based revenue generation solidified with active product portfolio <sup>(3)</sup> +24% YoY, reaching all time high thanks to
  - ◉ Accelerated customer activation / acquisition
  - ◉ Continued improvement in x-sell ratio



# Increased digital migration solidifies sustainable customer-based revenue growth



## In 2023

**35x**

Monthly avg mobile login frequency per customer

**x2**

Digital customer x-sell compared to non-digital

**70%**

Credit Cards sold through digital channels

**83%**

Time deposit account openings through digital channels

**90%**

GPLs sold through digital channels

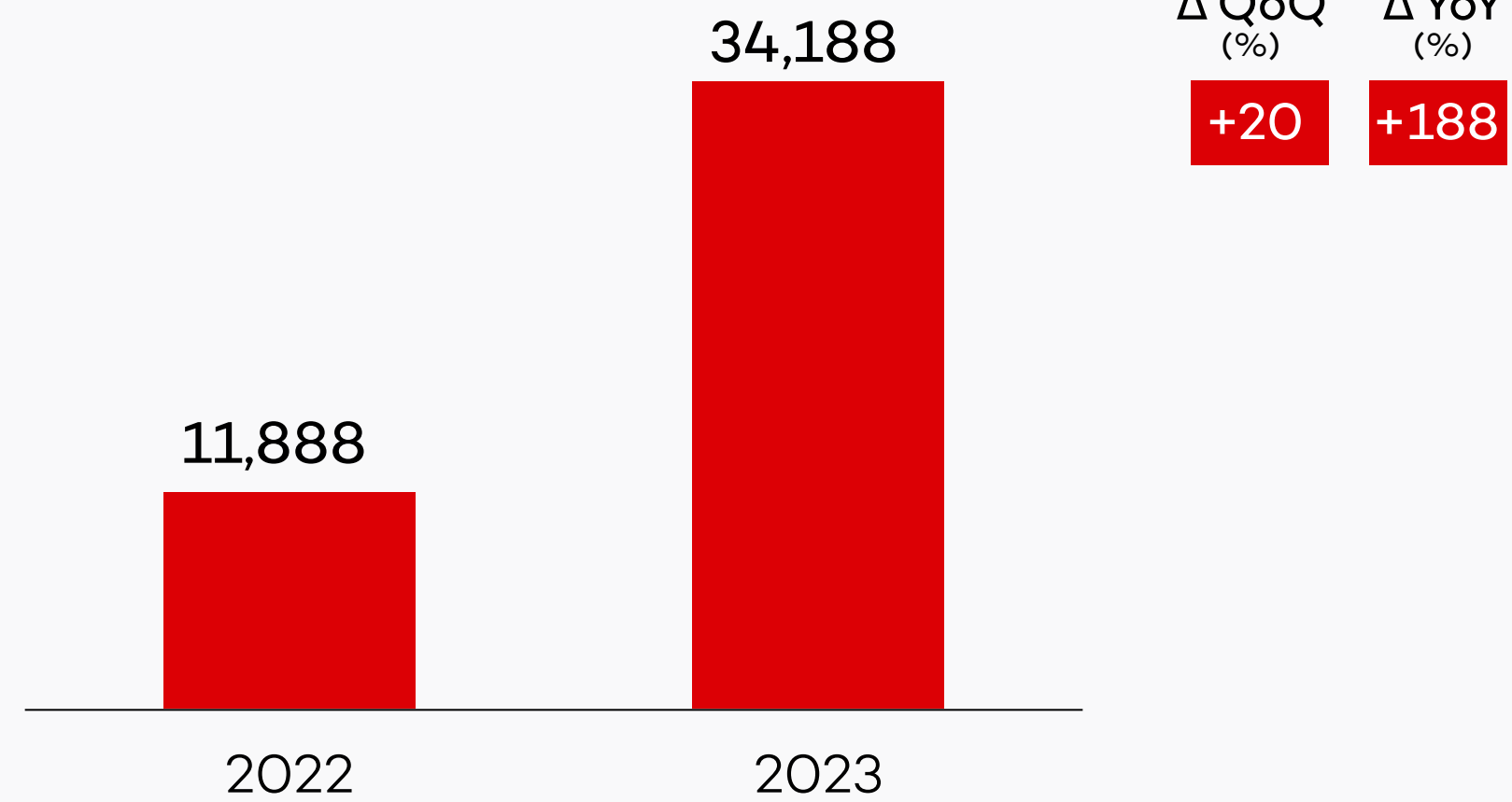
**96%**

Digital channel migration of transactions <sup>(2)</sup>

- ▶ Sustainable fee generation supported by
  - ◉ Digital customer base & average traffic per active customer, which are both at their highest levels
- ▶ Active digital customers log into Akbank Mobile application more than once a day enabling x-sell opportunities

# Extended across the board outstanding fee performance well ahead of guidance

Net Fees & Commissions  
(TL mn)



## Payment Systems

(+231% YoY)

Strong customer acquisition & new product innovations

## Money Transfers

(+203% YoY)

Increased volume and effective pricing

## Business Loans

(+143% YoY)

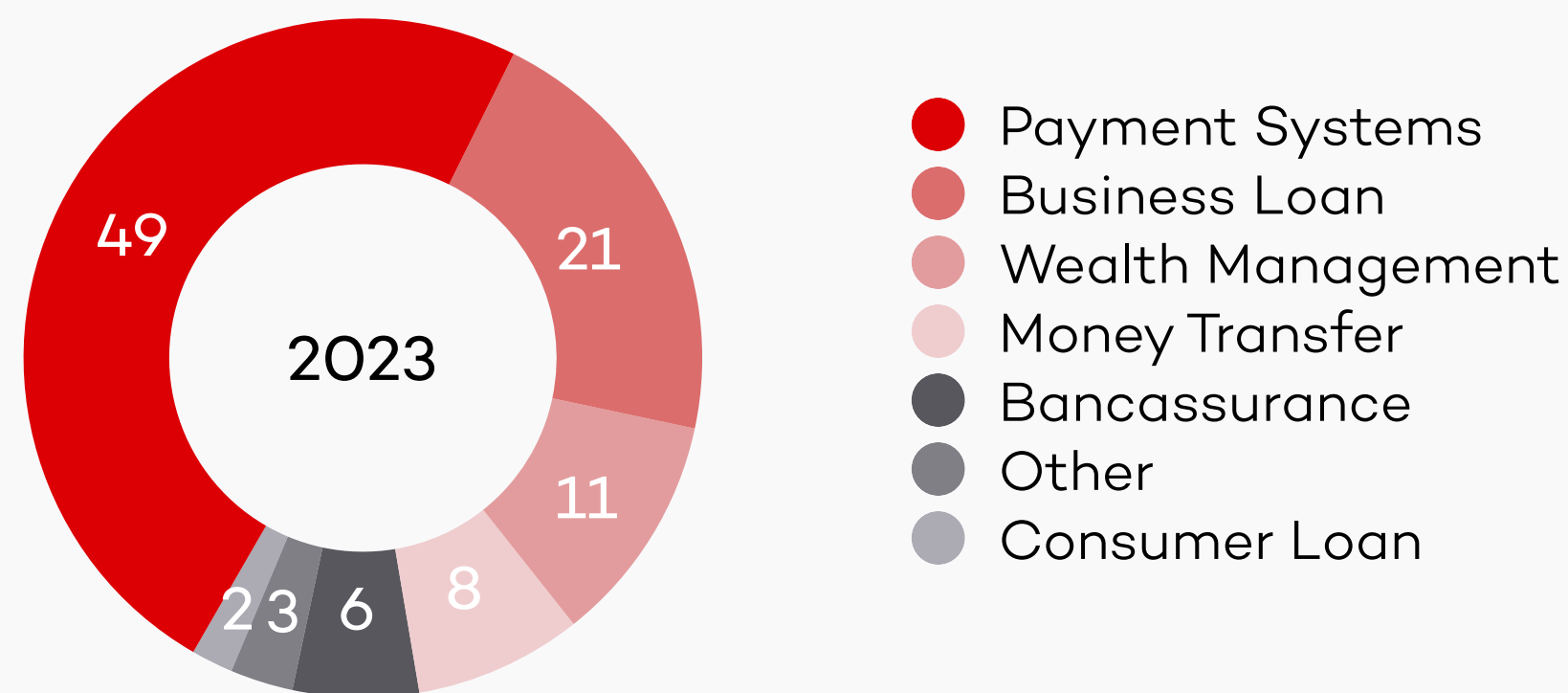
Increased volume and effective pricing in both cash & non-cash loans

## Bancassurance

(+120% YoY)

#1 in total insurance commission as of Sep'23 <sup>(2)</sup>

Fees & Commissions Income by Segments  
(%)



## Wealth Management

(+128% YoY)

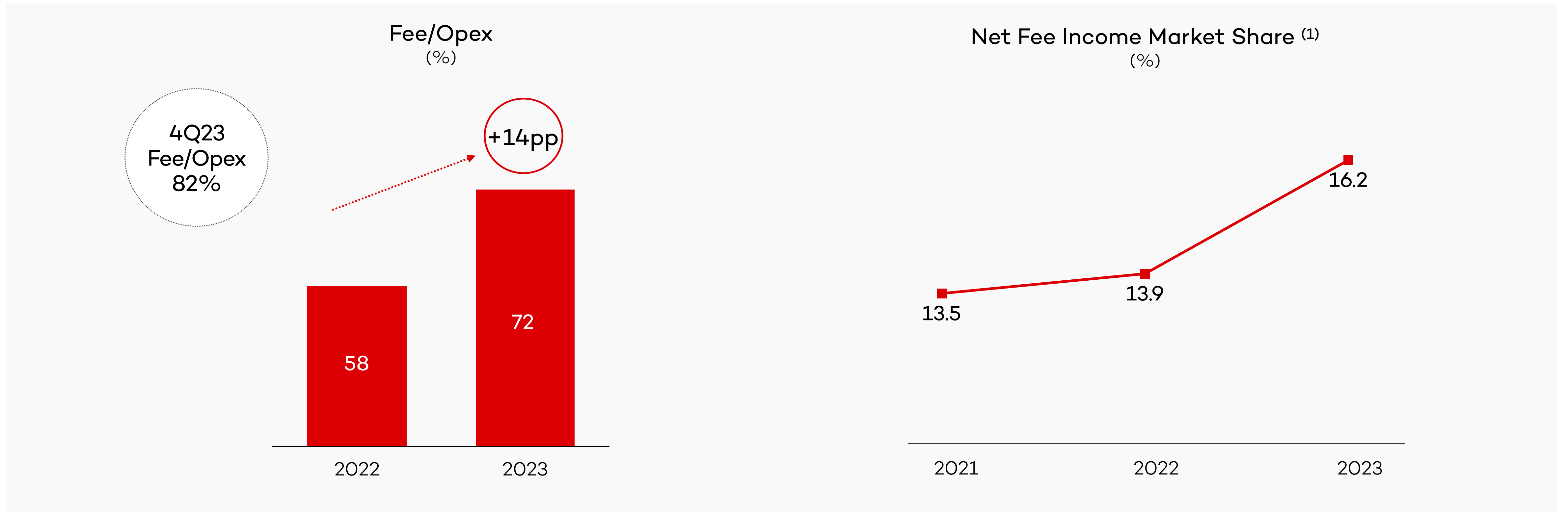
AK Asset Management #1 with TAuM of TL 407 bn <sup>(1)</sup>

## Consumer Loans

(+129% YoY)

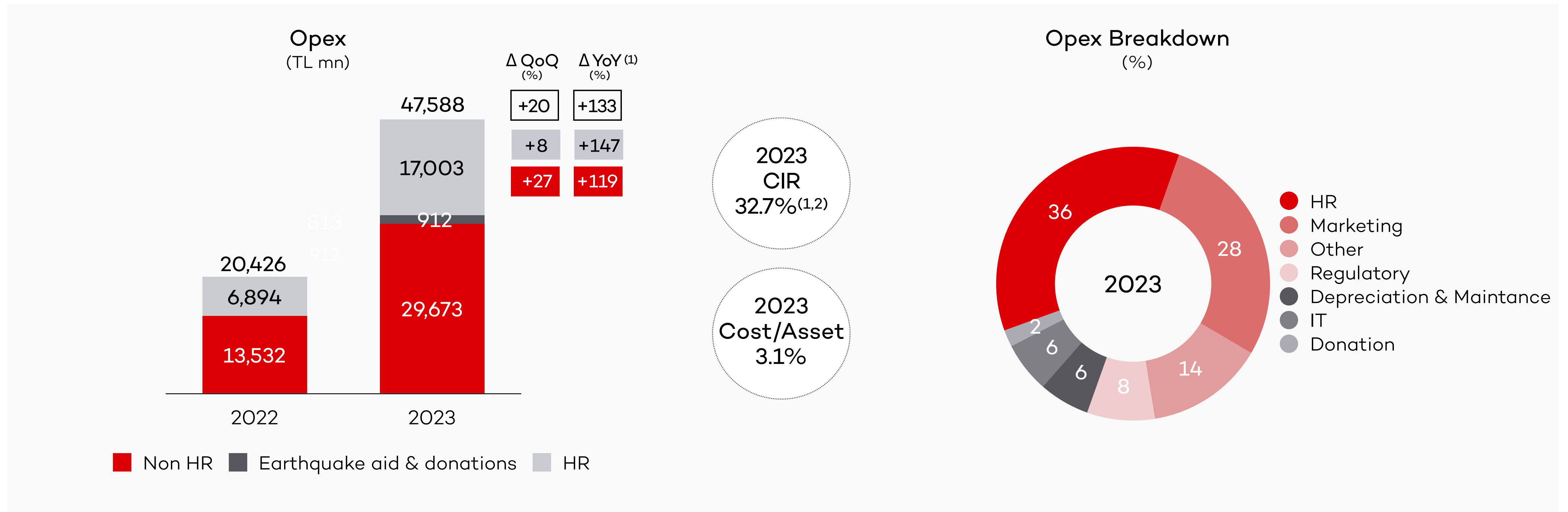
Solid customer acquisition & market share gains

# Fee/Opex excelled thanks to accelerated customer acquisition



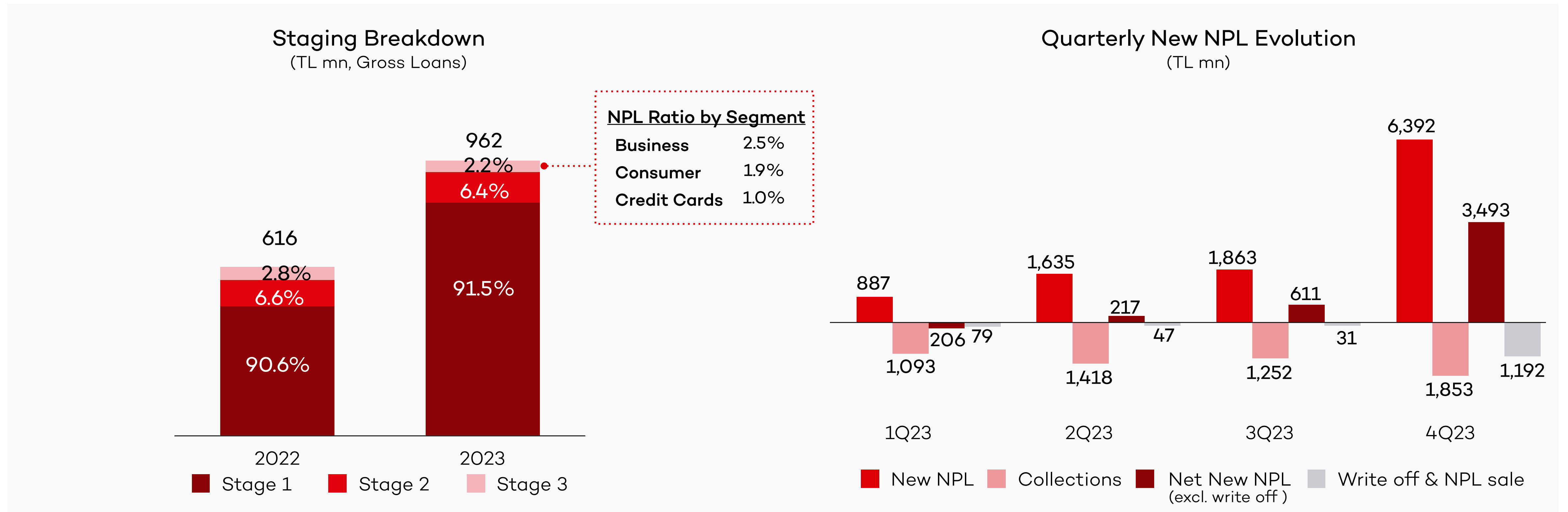
- ▶ On track with our strategic target to increase **fee/opex** ratio (> 80% by 2025) thanks to strong momentum in customer acquisition
  - Quarterly fee/opex ratio already > 80% since 3Q23 carrying cumulative figure to 72% (up 14 pp YoY)
- ▶ Fee chargeable customer base reached a new all time high in 4Q23, enhancing our fee income market share by 230 bps to 16.2% <sup>(1)</sup>
- ▶ In 2024, fee income growth is expected to outpace opex increase, once again further boosting fee/opex ratio

# CIR remains best-in class



- ▶ Low opex base provides a leverage in inflationary environment
- ▶ In 2024, cost discipline to remain in focus

# Healthy loan portfolio thanks to prudent risk management



- ▶ Limited net NPL inflow excl. one-off big ticket file due to company-specific issue not indicative for overall asset quality trend
  - Leading indicators regarding asset quality evolution remain strong with ongoing broad-base robust collection performance
- ▶ Stage 2+3 loans / total remains limited at 8.6% with strong coverage

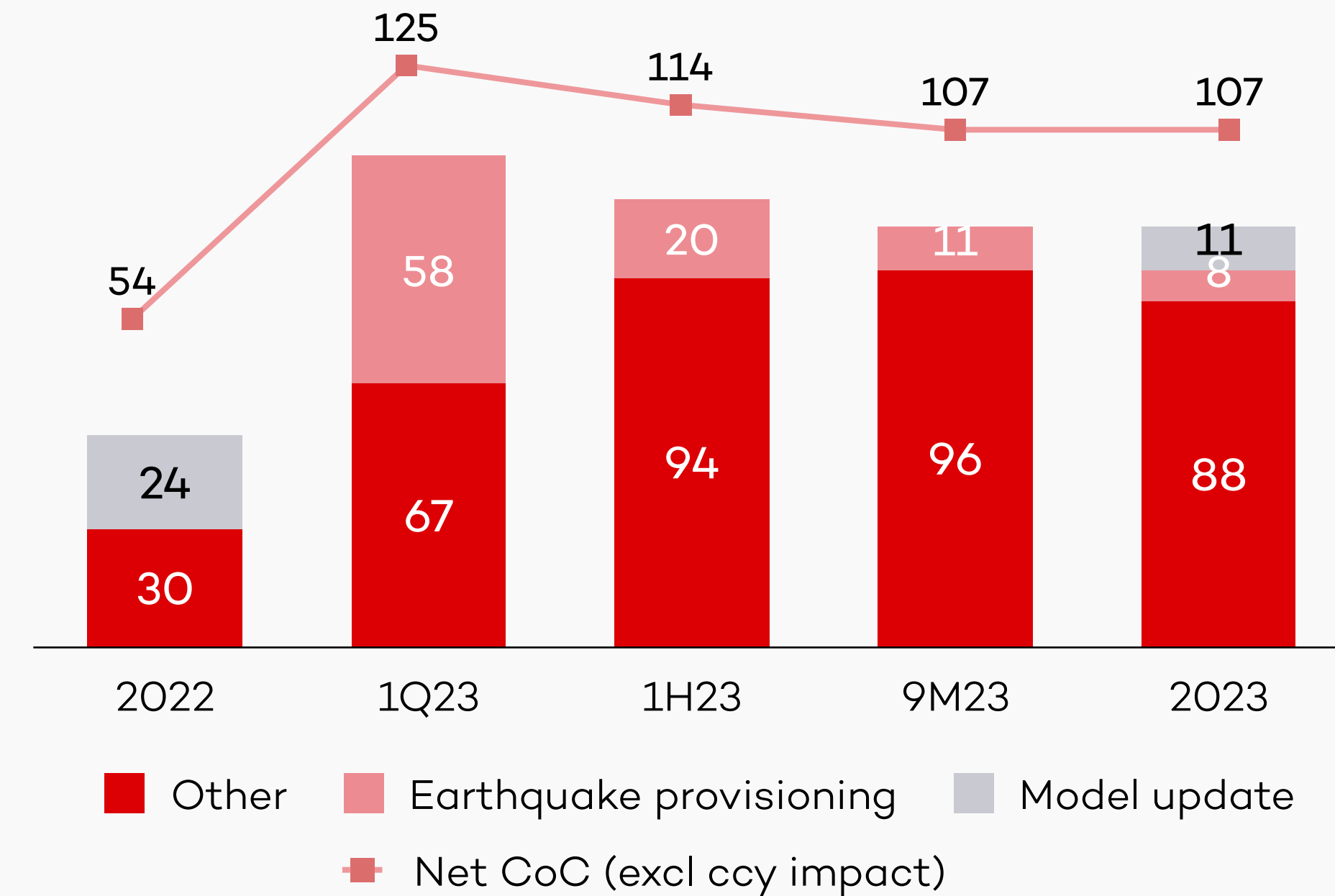


# CoC performance underlines proactive provisioning

## Provision Build & Coverages

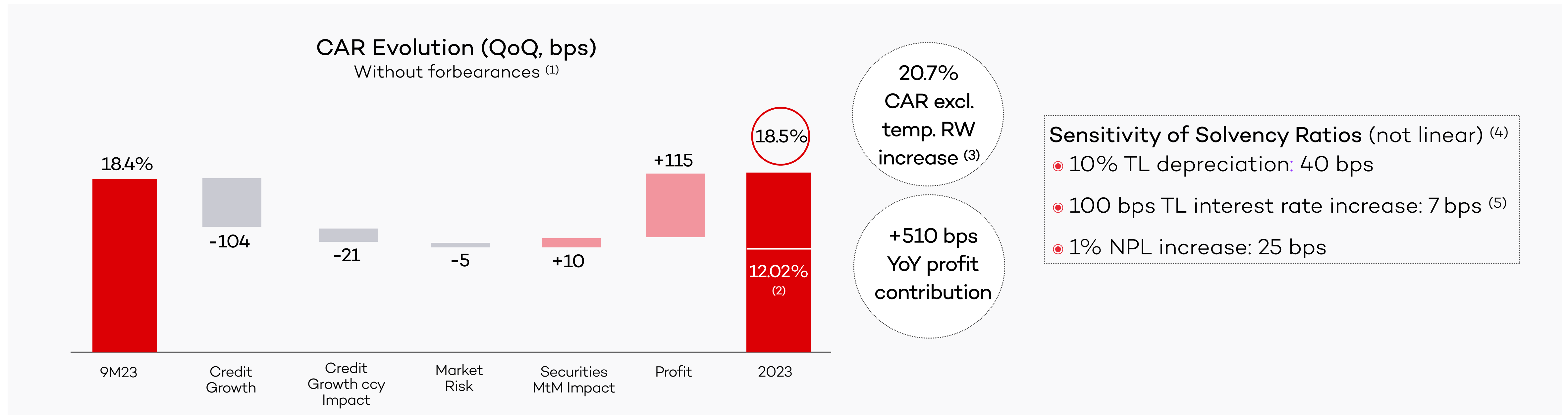
(%)	<u>2022</u>	<u>2023</u>
Stage 1 Coverage	0.7	1.1
Stage 2 Coverage	16.4	16.6
Stage 3 Coverage	67.6	62.1
Stage 2+3 Coverage	31.6	28.0
Total Provision Build <sup>(1)</sup> (TL bn)	21.9	32.5
Free Provisions (TL mn)	1,400	1,400

## Net CoC (excl ccy impact) Breakdown (bps)



- ▶ Coverages remain strong for all stages reaching total provisions of TL 32.5 bn excluding free provisions
  - Adjusted for NPL sale, stage 3 coverage would be c.200 bps higher
- ▶ Net total CoC (excl. ccy impact) at 107 bps, 11 bps o/w is model recalibration & 8 bps o/w is earthquake provisioning
- ▶ FX provisions are hedged
- ▶ 2024 Net CoC (excl ccy impact) is expected to remain < 150 bps

# Superior capital buffers remain as significant competitive advantage



(%, TL bn)	<u>CAR</u>	<u>Excess Capital <sup>(6)</sup></u>	<u>Tier 1</u>	<u>Excess Tier 1 <sup>(6)</sup></u>	<u>CET-1</u>	<u>Excess CET-1<sup>(6)</sup></u>
<u>Without forbearances</u>	18.5%	84.7	15.6%	73.0	15.6%	92.6
<u>With forbearances <sup>(1)</sup></u>	21.0%	103.4	17.9%	90.5	17.9%	107.7

(1) Fixing MtM losses of securities & FX rate for RWA calculation to 2022YE FX rate

(2) Min Basel III required: Including buffers (Capital Conservation Buffer: 2.50%, D-SIB Buffer: 1.50% Countercyclical Capital Buffer: 0.02%)

(3) BRSA implemented higher RW for newly generated consumer CCs, GPLs (from 75% to 150%) & comm. loans excl. SME, export, investment (from 100% to 200%)

(4) Diminishing sensitivity for higher amount of changes

(5) Sensitivity calculation includes 20 bps real rate change for CPI-linkers (FVOCI)

(6) Basel III min. requirements: CAR: 12.02%, Tier-1: 10.02%, CET-1 8.52%

# 2023: Strong delivery on guidance

	2023 Guidance	2023
TL Loan Growth	~ 40%	61.5%
FX Loan Growth (in USD)	Low-single digit	-6.9%
NIM (swap adj.)	4-5%	4.7%
Net fees&com. growth	~ 60%	188.0%
Opex increase	Improvement <sup>(1)</sup>	133.0%
Cost/ income <sup>(2)</sup>	Low 30%'s	32.7%
NPL	< 3%	2.2%
Net total CoC (excl. ccy impact)	~ 100 bps	107 bps
ROE	~ 30%	37.9%

## Key Takeaways

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

**2.3 mn**

Net active customer growth

**4.4%**

ROA

**72%**

Fee/opex

**18.5%**

CAR <sup>(3)</sup>

**15.6%**

Tier-1 <sup>(3)</sup>

**96%**

Digital channel migration of transactions <sup>(4)</sup>

**57%**

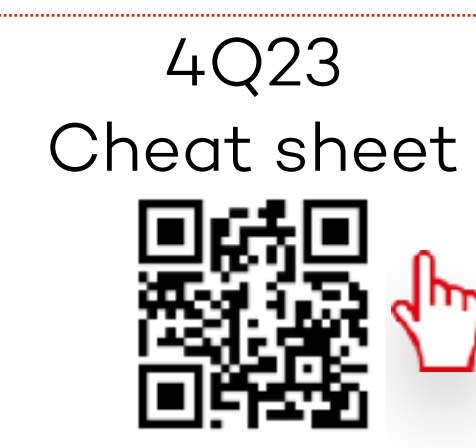
Women in CEO's direct reports

**A**

MSCI sustainability score

**TL 226 bn**

Sustainable financing <sup>(5)</sup>



(1) Indicates lower increase YoY compared to 2022

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

(3) w/o forbearances: Fixing MtM losses of securities & FX rate for RWA calculation to 2022YE FX rate

(4) Including financial transactions such as money transfers, payments & investment, excl. viewing & cash transactions

(5) As of 2023

# 2024: Harnessing the power of our past successes for another year of superior performance

## 2024 Guidance

TL Loan Growth	~ 40%
FX Loan Growth (in USD)	Increase
NIM (swap adj.)	~ 4%
Net fees & com. growth	> 80%
Opex increase	~ Avg inflation
Cost/ income <sup>(1)</sup>	Mid-30%'s
NPL	~ 2%
Net total CoC (excl. ccy impact)	< 150 bps
ROE	> 30%

## Top-positioning in the sector

- ▶ Centering sustainable & sound profitability with customer-driven revenue growth in focus
- ▶ Conducting superior customer acquisition while deepening customer relations & bolstering customer retention
- ▶ Leading the industry with agility in services & differentiated product offerings

## Constant dynamism

- ▶ Crafting the future of banking with non-stop investments
- ▶ Leveraging efficient deployment of solid capital & effective management of skilled talent
- ▶ Continuing to create value for the Turkish economy



# 2023: Sustainable finance for green & inclusive transformation

## Successfully exceeded our TL 200 bn target by the end of 2023 <sup>(1)</sup>

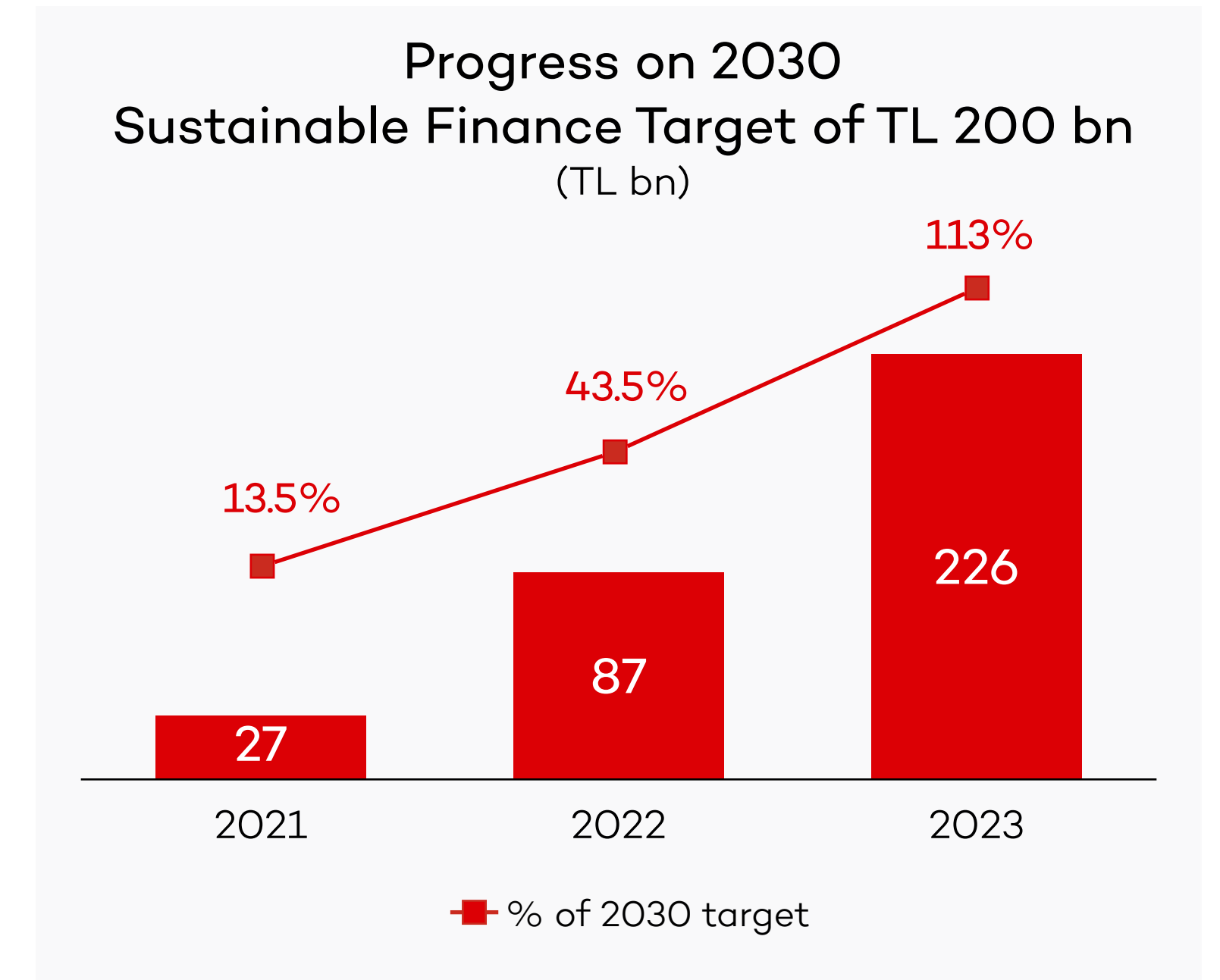
- ▶ 2030 Sustainable Finance target has been increased from TL 200 bn to TL 800 bn
- ▶ Customized sustainable finance products (e.g. Türkiye's first Sustainable Deposit Product, Digital and Financial Solutions with a Focus on Sustainable Agricultural Supply Chain)
- ▶ Total ESG-themed funds AuM reached TL 3.2 bn, with 174K investors (%165 increase in # of investors compared to 2022) <sup>(2)</sup>
- ▶ Published further enhanced Sustainable Finance Framework with SPO in April
- ▶ Completed ESG, sustainable finance and climate change trainings for all corporate & commercial branch employees

## ESG share in total wholesale funding transactions reached 59%

- ▶ USD 300 mn Sustainability and Gender themed Tier-2 in July 2023, issued to AIIB, DFC and IFC (first gender Tier 2 globally)
- ▶ Türkiye's first syndicated social loan in April 2023, providing USD 500 mn for trade finance transactions in the earthquake area
- ▶ Issuance of 8 social bonds totaling up to USD 243 mn with 1 year maturity

## Recognized for leadership by Global Finance

- ▶ Received 4 awards, including "Leader in Sustainable Finance" in Türkiye



For more on  
sustainable finance



**AKBANK**

(1) Based on bank-only MIS data, includes: Granted SME loans (e.g. access to essential services, women-owned SMEs) & renewable loans, other green and social loans in line with Sustainable Framework, and ESG-type Eurobond & syndicated loan purchases

(2) ESG-themed funds by Ak Asset Management are Innovative Companies in Health Sector Fund, Alternative Energy Fund, Electric and Autonomous Vehicle Technologies Fund, Venture Capital Investment Fund and ESG-themed fund by Agesa: Sustainability Equity Pension Fund



# 2023: Innovative products & services to enhance businesses and financial health

## Set target for financial health and inclusion

- ▶ Achieving a growth rate of 10% per year in the number of women-led business customers to increase financial resilience and support sustainable business growth by 2025 under the scope of UN PRB financial health and inclusion commitment <sup>(1)</sup>

## Empowered SMEs with financial and non-financial support

- ▶ USD 50 mn secured from Proparco for Eco Transformation Package
- ▶ First in industry: Special Financing Support backed by Export Development Cooperation – İGE
- ▶ New partnerships with leading technology and e-commerce companies, such as SolarVis (a B2B company supporting digitalization of solar energy providers)
- ▶ Launched Akbank BinYaprak Women Entrepreneur Mentorship Program

## Fostered sustainable entrepreneurship ecosystem

- ▶ Introduced Entrepreneurship Banking Solutions (Including offering investment opportunities to entrepreneurs with Ak Asset Management Venture Capital Fund)
- ▶ Commenced the second term of Türkiye's 1st full time spin-off program Akbank+
- ▶ Interacted with +1000 start-ups and interviewed +700 start-ups
- ▶ Boost the Future, an accelerator program supporting entrepreneurs started in partnership with Endeavor Turkey (5<sup>th</sup> year)

For more on how we empower SMEs <sup>(2)</sup>



(1) [United Nations PRB Commitment to Financial Health and Inclusion – Summary Report](#) 

(2) ESG Presentation (pg.14)

# 2023: Empowering our people and communities

## Further strengthened D&I culture

- ▶ New Chief Diversity Officer announced (SME Banking EVP)
- ▶ Akbank's "Red Book" launched to support collaborative and diverse cultural transformation
- ▶ Mentoring program under Role Model Akbank

## Akbank Academy reached 61K young people (135K since 2020)

- ▶ Support our youth with leading education and financial literacy programs

## Bright Tomorrows Movement

- ▶ A long term collaboration with Community Volunteers Foundation in earthquake-affected cities
- ▶ Supporting young people to heal and prepare for the future through art, technology and science

## Active support for humanitarian efforts in disaster-struck areas

- ▶ Supported priority needs such as shelter, heating and nutrition
- ▶ Provided relocation and accommodation for employees in the area
- ▶ Facilitated uninterrupted operations thanks to our superior digital and technological capabilities
- ▶ Prioritized youth from the disaster struck area in our hiring processes

For more, please see  
our D&I policy



For more on  
D&I



**AKBANK**

# 2023: Advance efforts to mitigate environmental footprint & manage climate risk

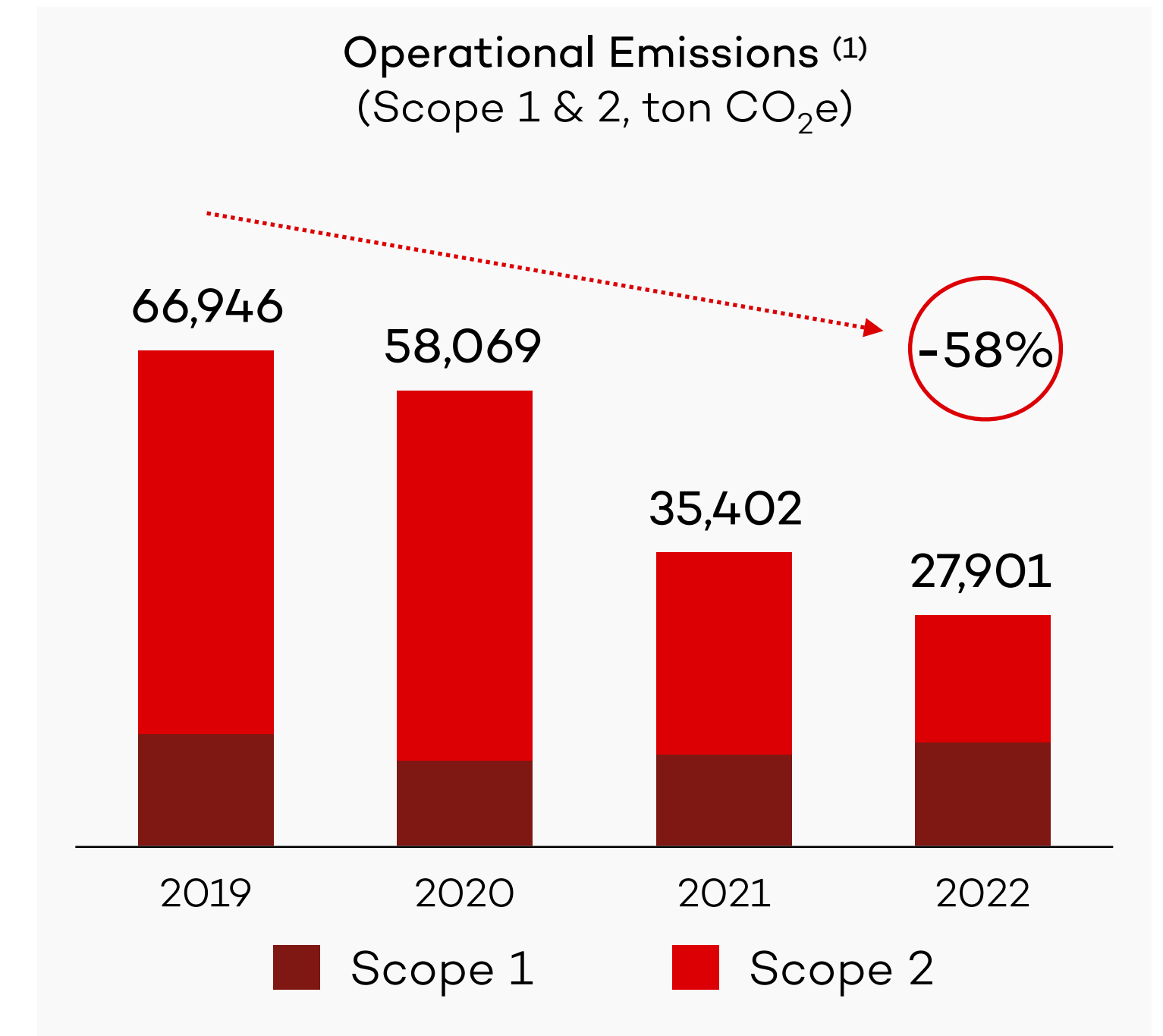
## Steps towards becoming a Net Zero Bank by 2050

### Decarbonization of our operational emissions

- ▶ %58 reduction in our operational emissions in 2022 since base year 2019
- ▶ Set interim emission reduction target in line with 1.5°C scenario: Reduce absolute Scope 1 and Scope 2 GHG emissions %90 by 2030 from 2019 base year
- ▶ 100% of bank's electricity sourced from renewable resources since the beginning of 2023
- ▶ Extended capacity building in energy efficiency and waste management
  - ISO 50001 (Energy Management) & 14001 (Environmental Management) trainings completed in 251 branches in 2023 (562 branches in total)

### Decarbonization of our portfolio emissions

- ▶ Calculated Scope 3 Category 15 emissions in line with PCAF methodology for various asset classes covering corporate, commercial and SME loan portfolio
- ▶ Set interim emission reduction targets for prioritized carbon intensive sectors
- ▶ Offered digital tools to our customers to calculate their own carbon footprint
- ▶ Organized workshops to increase our customers' awareness on Carbon Border Adjustment Mechanism
- ▶ Spatial climate risk analysis for PF portfolio: Addressing location and sector-specific climate risks for all PF loans



For more, please see our integrated report





# 2024: Continue our ESG roadmap aligned with 2030 SDGs

## Sustainable Finance

- ▶ Support decarbonization by engaging with customers and product innovation
- ▶ Continue to focus on ESG-linked funding
- ▶ Diversify ESG-themed investment products

## Ecosystem Management

- ▶ Support green transformation of SMEs and empower women-owned SMEs
- ▶ Offer financial and non-financial services to SMEs and individuals
- ▶ Further strengthen entrepreneurship, youth and accessible banking

## People & Community

- ▶ Continue efforts for a more diverse & inclusive workplace with a focus on women, youth, vulnerable groups
- ▶ Continue to create social impact with community investment initiatives
- ▶ Support our youth with leading volunteering and education programs

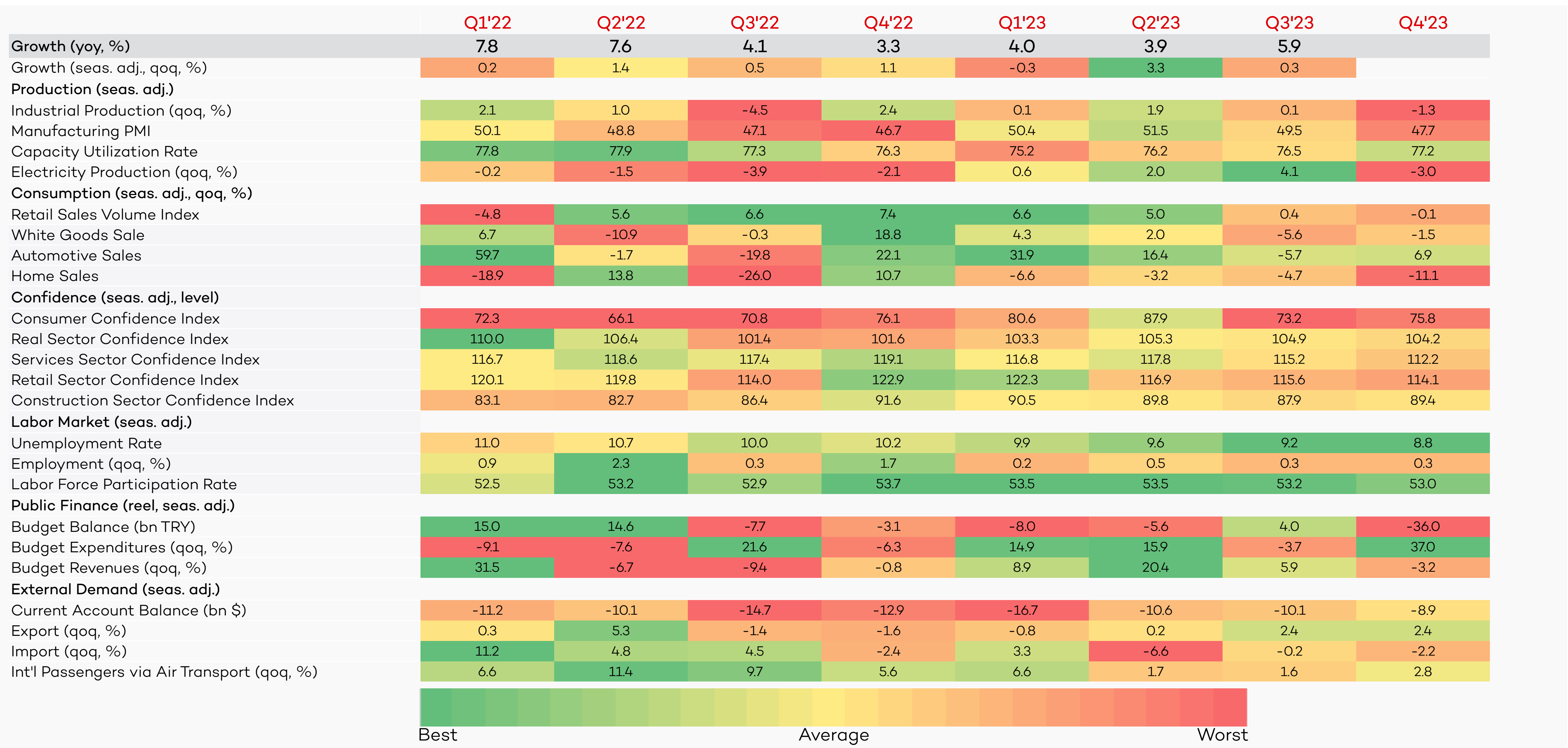
## Climate Change

- ▶ Execute decarbonization roadmap for portfolio and operations, with interim targets to reach net zero by 2050
- ▶ Continue 100% electricity sourcing from renewable resources
- ▶ Expand ISO 50001 & 14001 certificates to include all branches

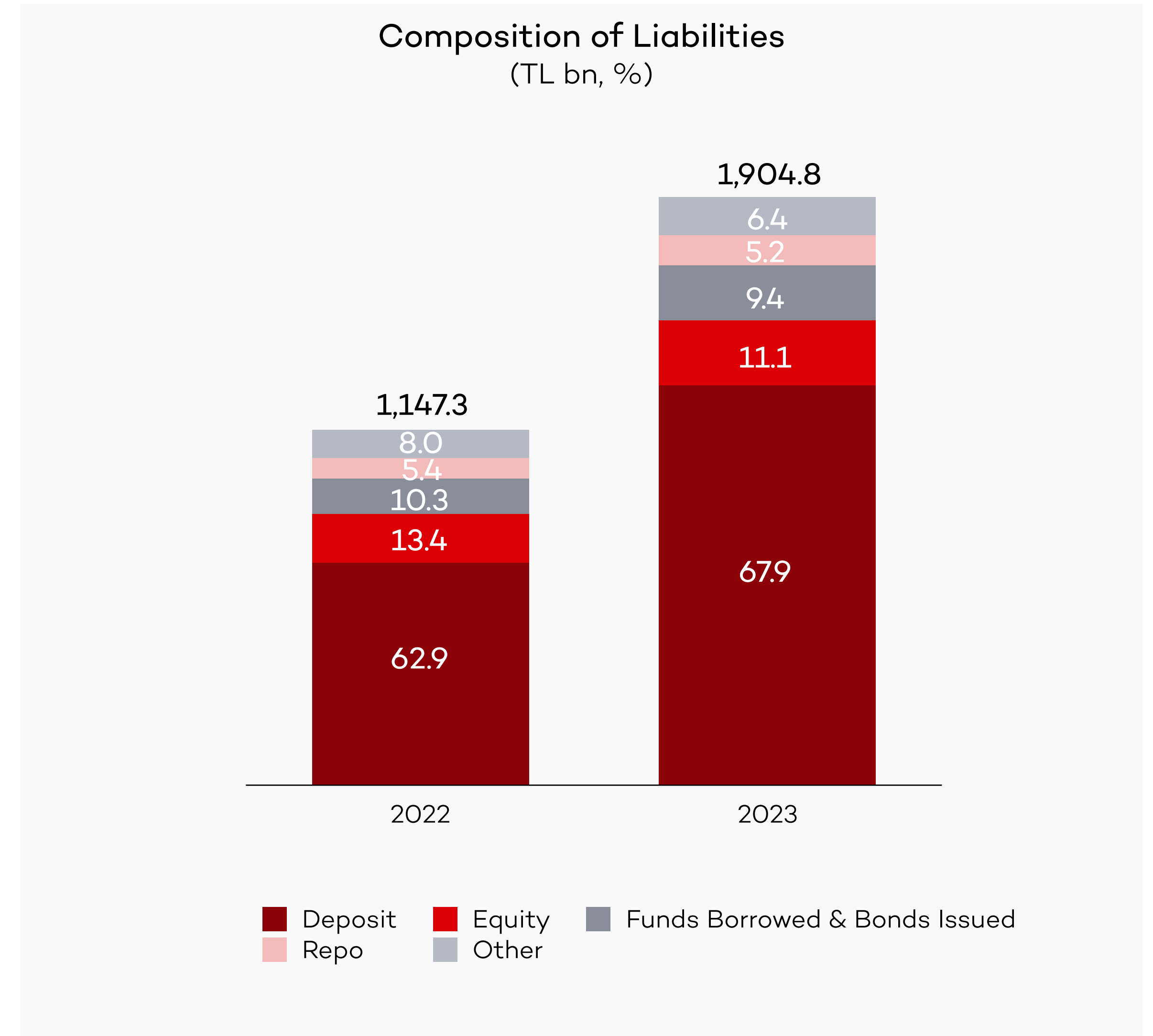
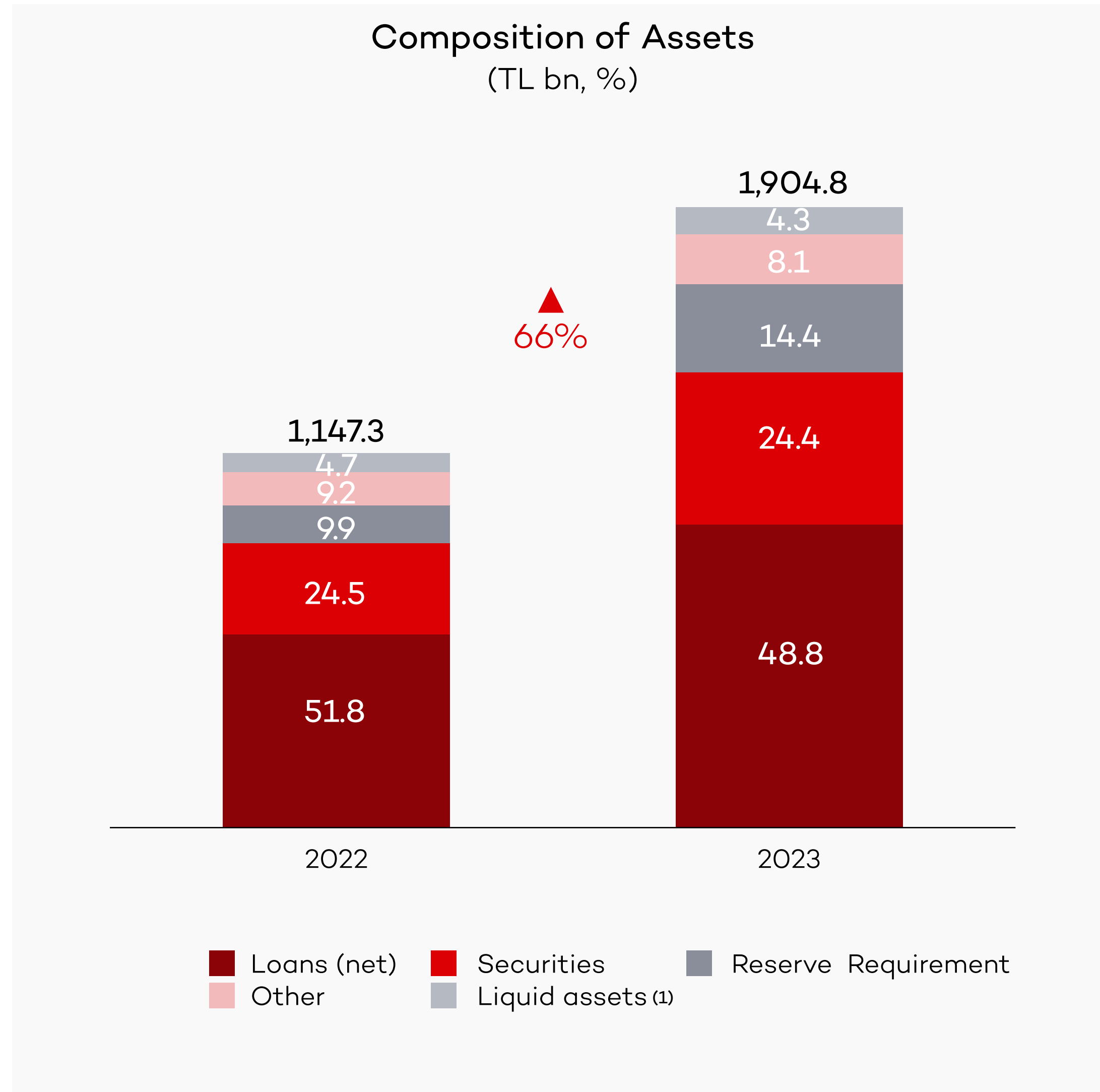
01 Annex



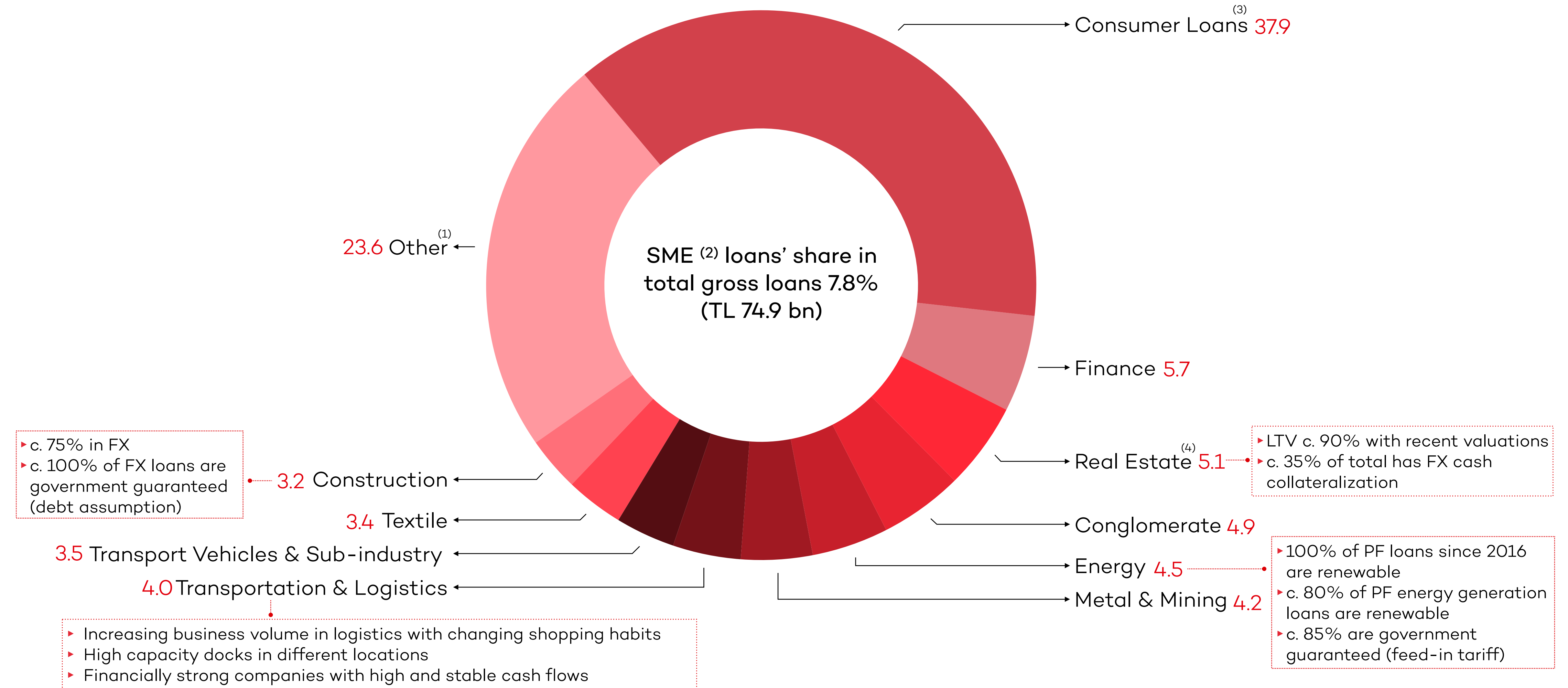
# Economic activity heat map



# Balanced asset allocation drives sustainable long-term shareholder value



# Gross Loan Sector Breakdown



Consists of consolidated performing and non-performing cash loans & excludes leasing receivables

(1) Loan concentration below 3%

(2) According to MIS segmentation

(3) Including credit cards

(4) Assuming Decree 32 to be implemented perpetually

# Successful Wholesale Borrowings

## Syndicated Loans

- ▶ October 2023 Syndicated Loan ~ USD 600 mn
  - USD 265.5 mn, 367 days tranche @ Sofr+3.50% & EUR 318.5 mn, 367 days tranche @ Euribor+3.25%,
  - ESG-linked loan with roll-over ratio 146%
- ▶ April 2023 Syndicated Loan ~ USD 500 mn
  - USD 245.5 mn, 367 days tranche @ Sofr+4.25% & EUR 233 mn, 367 days tranche @ Euribor+4.00%
  - 1<sup>st</sup> syndicated social loan in Türkiye which will be used to support the trade finance transactions of our customers affected by the earthquake

## IFI Loans

- ▶ Proparco Loan, USD 50 mn
  - 7 year maturity
  - SMEs for green projects (renewable energy & energy efficiency) & women entrepreneurship
- ▶ EBRD Disaster Relief Framework Loan, USD 65 mn
  - 1 year maturity
  - To be utilized in regions affected by the earthquakes
- ▶ IFC Earthquake Response Loan, USD 60 mn and EUR 10 mn
  - 1 year maturity
  - To be utilized in regions affected by the earthquakes

## Bonds 3Q23

- ▶ RegS Senior Unsecured Social Bonds, USD 243 mn
  - 1 year maturity
  - 8 Self-arranged issuances

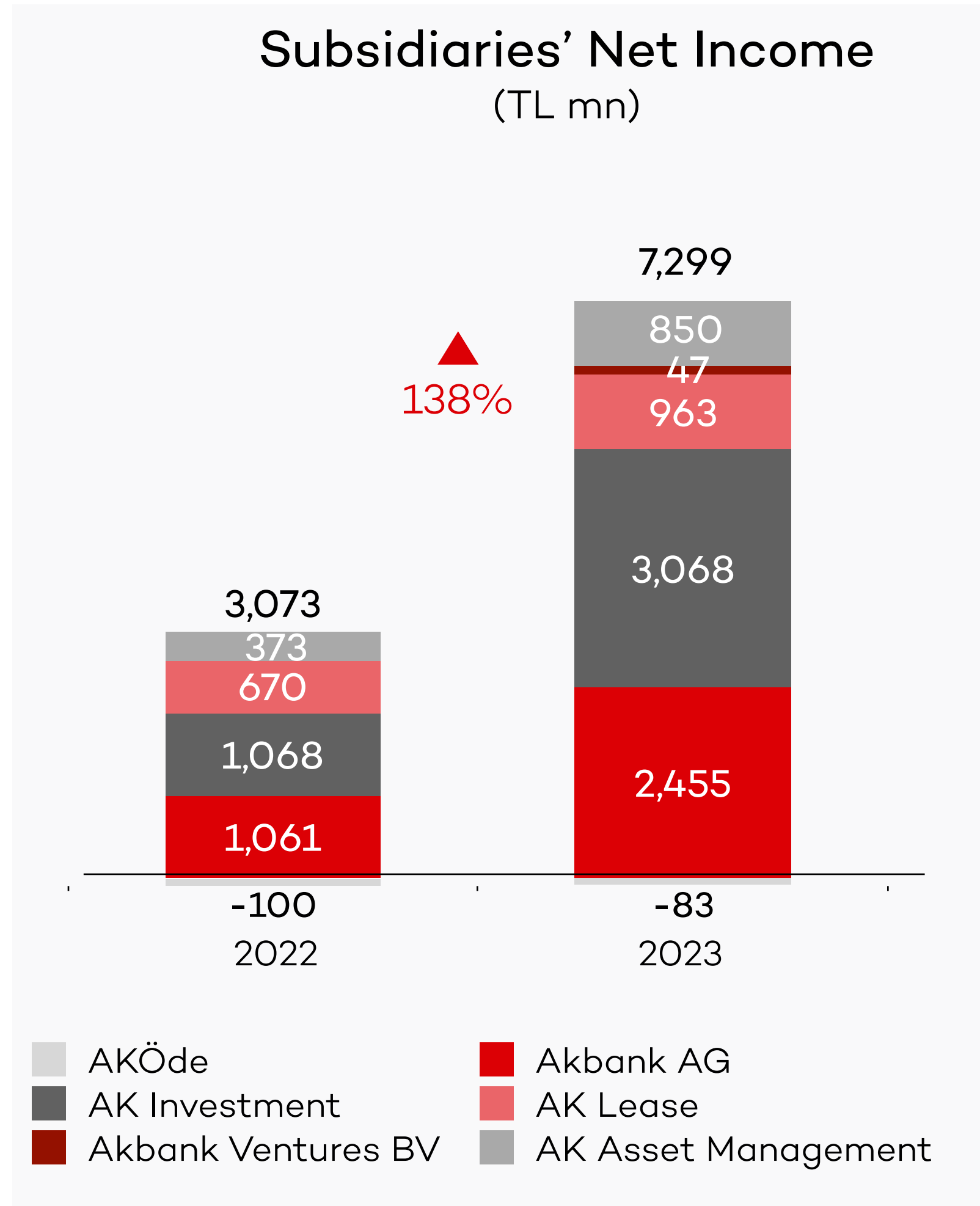
## Tier 2 July'23

- ▶ Sustainable & Gender themed Tier 2, USD 300 mn
  - 10NC5
  - Self-arranged issuance to AIIB, IFC and DFC
  - First gender Tier 2 globally

**AKBANK**



# Strong presence in financial industry



## **AKBANK AG** / Banking 100%

- ▶ Flagship of Akbank Group in Europe
- ▶ Total assets of EUR 3,862 mn and equity of EUR 1,037 mn
- ▶ Contribution to net income stands at 4% in 2023

## **AKLease** / Leasing 100%

- ▶ Net lease receivables market share of 11.9% <sup>(1)</sup>

## **AKYatırım** / Brokerage 100%

- ▶ Leader in corporate bond issuances <sup>(2)</sup> with 45% market share in 2023
- ▶ One of the leading intermediary institutions in equity public offerings <sup>(3)</sup> with USD 1.9 bn transaction size btw 2011-2023

## **AKPortföy** / Asset Management 100%

- ▶ Leader in:
  - Total AuM with TL 407 bn <sup>(4)</sup> & DPM with TL 62 bn AuM
  - Pension fund management with TL 135 bn AuM, 17.8% market share
  - Mutual fund management with TL 207 bn AuM, 11.6% market share

## **AKÖde** / E-Money 100%

- ▶ Tosla, first mobile application of AKÖde was launched at Sep'19
- ▶ AKÖde POS, virtual POS & Link Payment products for consumers & merchants
  - User friendly product without rent cost, transaction fee & turnover commitment

## **AKBANK VENTURES** / Corporate Venture Capital 100%

- ▶ Established in Apr'23 in Netherlands, Akbank Ventures BV is targeting next generation businesses with high growth potential to support Akbank's strategic investments

(1) As of Nov'23

(2) Excluding issuances of banks and affiliated companies. All data are based on BIST

(3) Excluding privatization transactions

(4) Among private institutions



# Snapshot of Results

	2022	1Q23	1H23	9M23	2023
Profitability (%)					
ROE	54.7	27.9	39.0	41.2	37.9
ROE, Quarterly	62.3	27.9	50.3	45.5	30.0
ROA	6.2	3.6	4.7	4.9	4.4
ROA, Quarterly	7.9	3.6	5.8	5.0	3.3
Swap Adj. NIM	8.2	4.84	4.3	5.3	4.7
Swap Adj. NIM, Quarterly	11.1	4.84	3.8	6.8	3.4
CIR <sup>(1)</sup>	19.0	40.3	32.0	30.0	32.7
CIR, Quarterly	19.4	40.3	26.4	27.3	40.8
(%)					
Total LDR <sup>(2)</sup>	82	80	74	73	71
TL <sup>(2)</sup>	106	96	87	85	83
FX	51	54	56	55	53
Leverage (x)	7.5	8.2	9.0	9.0	9.0
Asset Quality (%)					
NPL Ratio	2.8	2.5	2.1	2.0	2.2
Stage 3 Coverage	67.6	69.7	70.1	70.7	62.1
Stage 2/ Total Gross Loans	6.6	6.1	6.6	7.0	6.4
Stage 2 Coverage	16.4	18.5	18.5	17.1	16.6
Net CoC	0.81	1.35	1.64	1.42	1.40
Net CoC, Quarterly	0.89	1.35	1.91	1.06	1.36
Net CoC (excl. Currency)	0.54	1.25	1.14	1.07	1.07
Net CoC(excl. Currency), Quarterly	0.66	1.25	1.05	0.94	1.08
Solvency <sup>(3)</sup> (%)					
CAR	20.9	18.6	17.1	18.4	18.5
CET-1	17.9	15.7	14.9	15.5	15.6
Tier-1	17.9	15.7	14.9	15.5	15.6

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

(2) Bank-only, TL LDR includes domestic TL bond issuances and merchant payables

(3) w/o forbearances: Fixing MtM losses of securities & FX rate for RWA calculation to 2021YE FX rate for 2022; fixing MtM losses of securities & FX rate for RWA calculation to 2022YE FX rate for 2023

**AKBANK**

# Balance Sheet Highlights







Consolidated (TL mn)	2022	9M23	2023	QoQ (%)	YoY (%)
Cash and due from Banks	167,376	303,350	356,898	18	113
Securities	280,542	421,867	464,946	10	66
TL	183,659	277,265	319,253	15	74
FX (USD)	5,181	5,282	4,949	(6)	(4)
Loans (net)	594,203	841,499	929,613	10	56
TL	393,861	559,398	636,089	14	62
FX (USD)	10,714	10,304	9,971	(3)	(7)
Other	105,173	149,956	153,312	2	46
Total Assets	1,147,294	1,716,672	1,904,769	11	66
Deposits	721,562	1,133,736	1,292,914	14	79
TL	370,274	653,652	766,344	17	107
FX (USD)	18,787	17,536	17,887	2	(5)
Funds Borrowed and Bonds Issued	117,681	158,708	178,687	13	52
Repo	62,524	120,361	99,404	(17)	59
Other	91,920	113,829	122,546	8	33
Equity	153,606	190,039	211,219	11	38
Total Liabilities and S/H Equity	1,147,294	1,716,672	1,904,769	11	66

# Income Statement Highlights

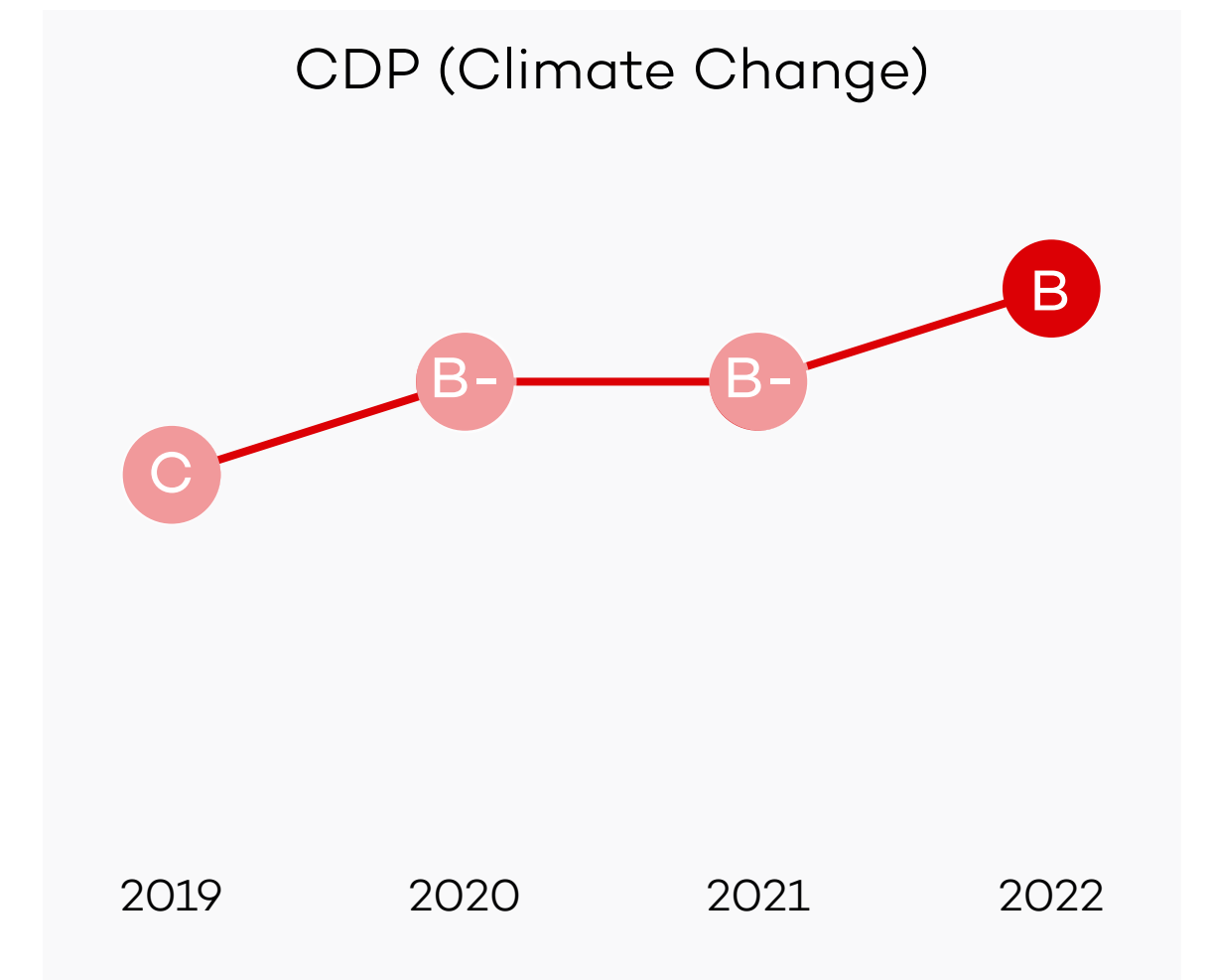
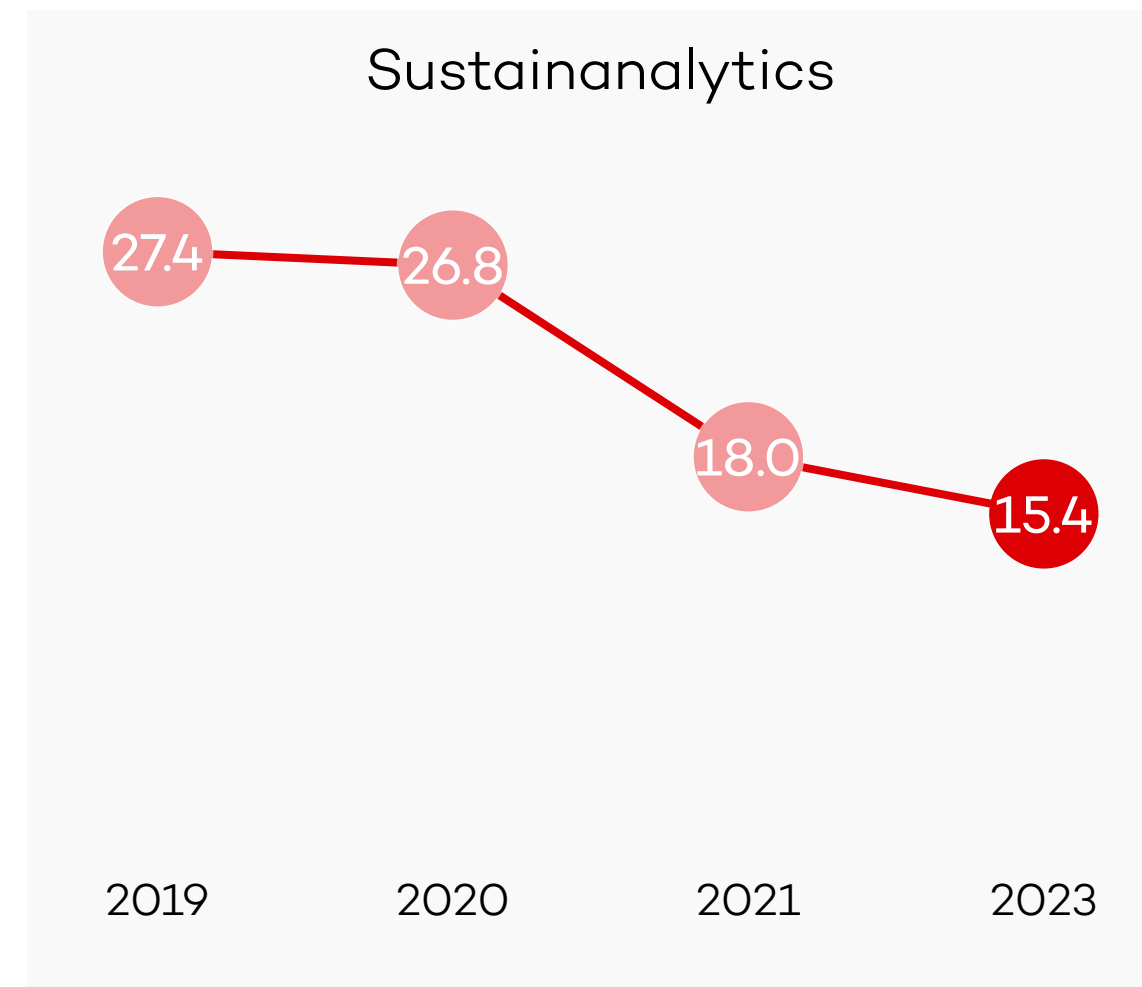
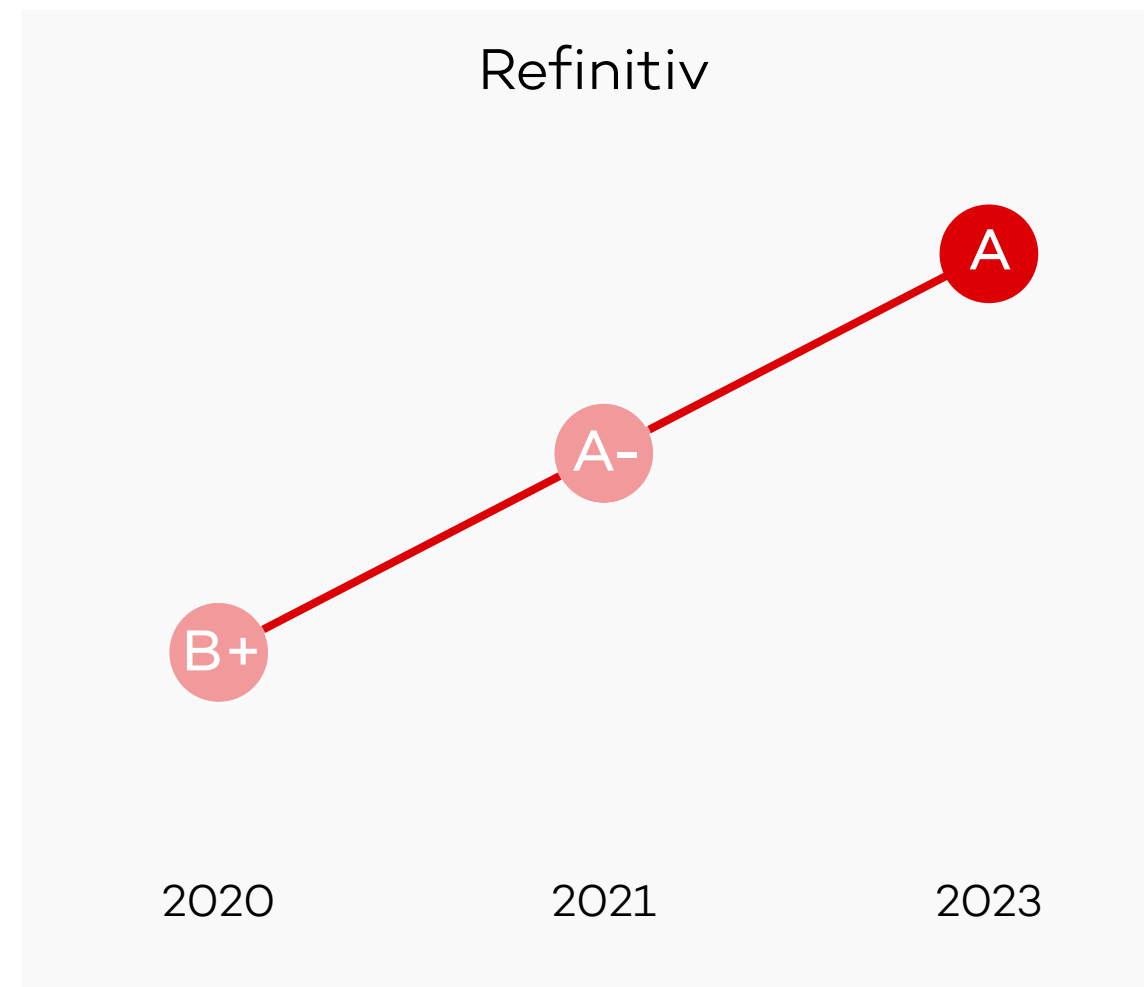
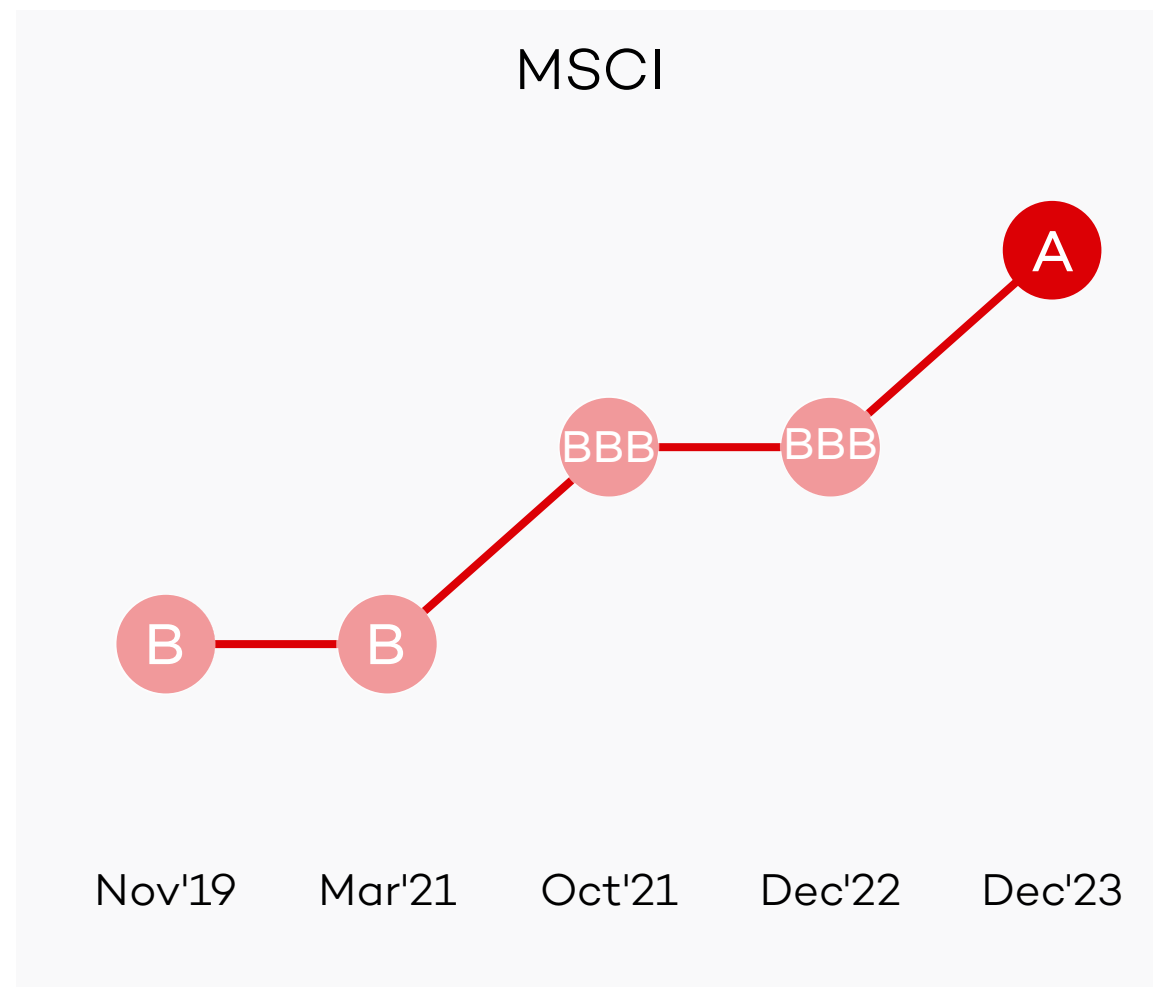
Consolidated (TL mn)	1Q23	2Q23	3Q23	4Q23	QoQ(%)	2022	2023	YoY(%)
Net Interest Income incl. swap cost	13,327	11,997	24,971	14,148	(43)	72,543	64,871	(11)
NII	13,740	11,375	24,731	19,023	(23)	79,084	68,869	(13)
o/w CPI-linker income	9,792	11,925	24,131	16,907	(30)	51,302	62,754	22
Swap Cost	(413)	622	240	(4,875)	-	(6,541)	(3,998)	(39)
Fees and Commissions (Net)	5,033	6,738	10,209	12,208	20	11,888	34,188	188
Net Trading Gain (Loss)	6,894	20,557	10,181	7,901	(22)	23,345	45,103	93
LYY hedge gain/ (loss)	-	-	-	-	-	3,462	-	-
ECL hedge gain/ (loss)	166	1,559	240	653	172	1,370	2,618	91
Other	6,728	18,998	9,941	7,248	(27)	18,513	42,484	129
Other Income	424	216	307	710	132	1,303	1,657	27
Operating Expense	(10,267)	(10,027)	(12,394)	(14,900)	20	(20,426)	(47,588)	133
Pre- Provision Income	15,411	29,480	33,272	20,066	(40)	88,654	98,230	11
Provision for Loan Losses, net of collections	(2,171)	(3,471)	(2,190)	(3,115)	42	(4,074)	(10,948)	169
Stage 1+2 (net)	(1,885)	(1,687)	(1,523)	(1,561)	3	(1,820)	(6,656)	266
Stage 3	(1,151)	(929)	(921)	(3,296)	258	(3,581)	(6,298)	76
Stage 3 Recoveries	1,030	704	494	2,396	385	2,697	4,624	71
Currency Impact (fully hedged)	(166)	(1,559)	(240)	(653)	172	(1,370)	(2,618)	91
Other Provisions	(154)	(289)	(308)	526	-	(4,309)	(225)	(95)
LYY MtM gain/ (loss)	-	-	-	-	-	(3,464)	-	-
Free Provisions	-	-	-	-	-	-	-	-
Other	(154)	(289)	(308)	526	-	(845)	(225)	(73)
Income Before Tax	13,086	25,723	30,778	17,504	(43)	80,271	87,092	8
Tax	(2,375)	(5,416)	(10,328)	(2,477)	(76)	(20,245)	(20,596)	2
Net Income	10,711	20,307	20,450	15,027	(27)	60,026	66,496	11

**AKBANK**

# Transparent & holistic approach validated in our ratings

Indices						
Range	AAA/CCC	A+/D-	0-100	0-40+	A/D-	1-5
Score	A	A	78.01	15.4 (Low Risk)	B	3

## Progress





# Collaborations with national and international initiatives



**AKBANK**



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