Participants:
Kaan Gür, CEO
Türker Tunalı, CFO
Ebru Güvenir, SVP IR & Sustainability

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- **Dear Friends, this is Kaan Gür speaking, CEO of Akbank.**
- **Thank you for joining our first quarter earnings call.**
- **Before we begin, I'd like to acknowledge the earthquake that was felt in Istanbul and surrounding areas.**
- **It has deeply affected all of us.**
- **Thankfully, we've had no adverse news from our colleagues or the wider community.**
- **In times like these, the safety and well-being of our people and communities remain our top priority.**
- **Our thoughts are with everyone impacted, and we wish a swift recovery to all.**
- **Now, before going deeper into the domestic outlook, I'd like to briefly touch upon the global backdrop and its repercussions.**

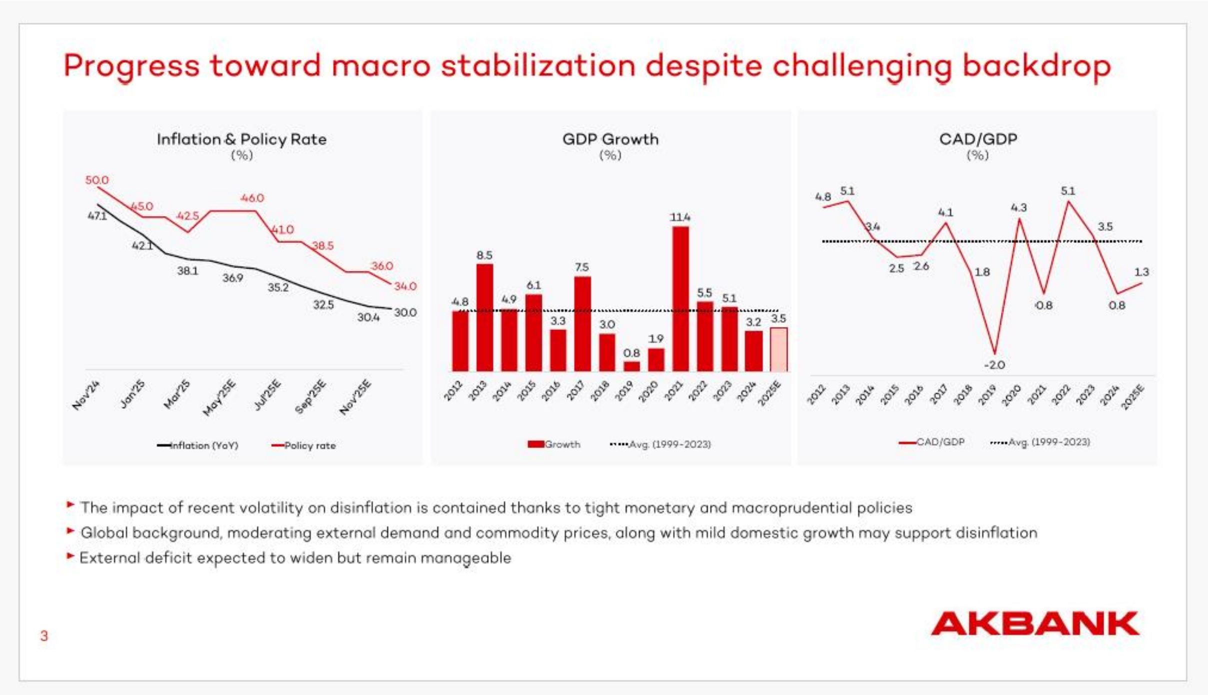

- **Recent shifts in both domestic and global conditions have created a more complex and challenging landscape for the banking sector.**

- **Globally, trade policies and reciprocal tariff announcements have heightened uncertainty, fueling concerns over growth and inflation, and triggering a broad risk-off sentiment.**

- **Domestically, evolving political landscape ultimately prompted monetary tightening measures aimed at containing financial market volatility.**

- **Over this period, funding costs increased by approximately 550 bps.**

- **While we anticipate a rate cut cycle to resume in the second half, monetary conditions will stay tighter than previously projected throughout the year.**



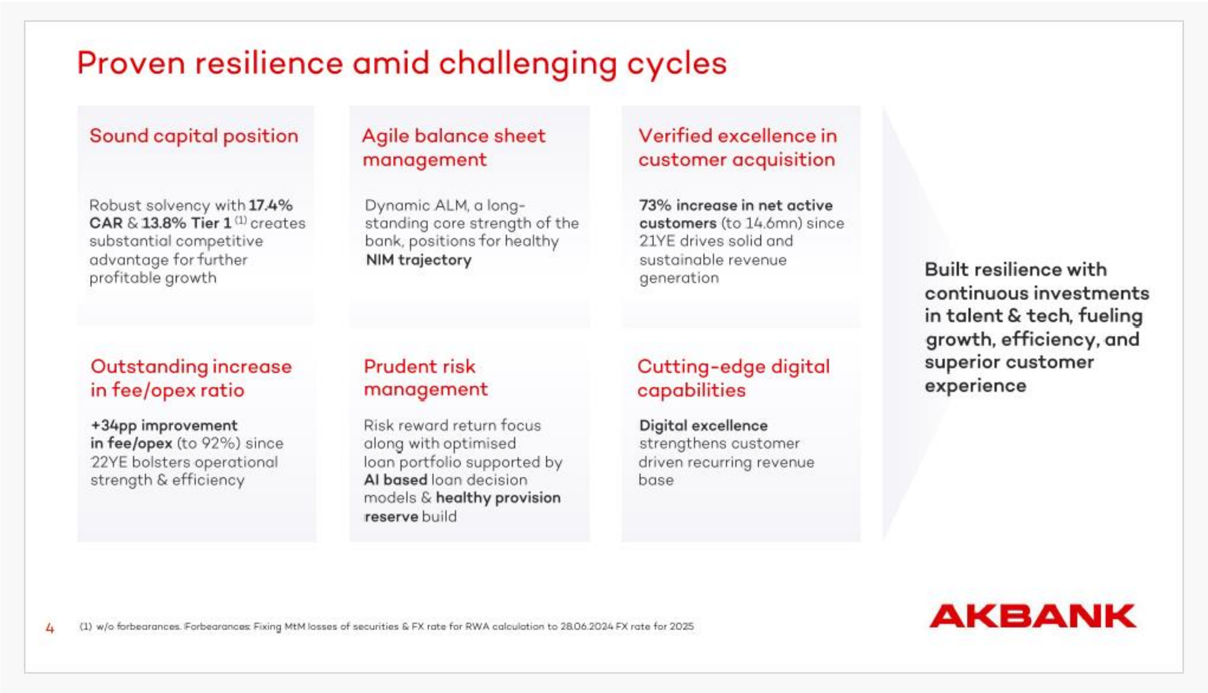

- **Tightening measures and central bank FX interventions have helped contain the impact of recent unprecedented developments on the exchange rate.**

- **We believe that curbing depreciation is key to sustaining disinflation targets.**

- **However, tighter financial conditions and a slowdown in external growth pose potential risks to overall growth.**

- **While, the decline in commodity prices, coupled with euro appreciation, will help keep the external deficit at manageable levels.**

- **Both slower economic growth and lower commodity prices - such as oil - will contribute positively to the disinflation process.**




- **Now, let's turn to our bank's achievements during this backdrop.**

- **We've entered the year with a robust total capital position at 17.4%, and 13.8% Tier 1, providing a solid buffer to support future growth.**

- **Our deliberate and timely extension of our maturity mismatch last year is a clear validation of our dynamic ALM strategy.**

- **This outcome reinforces a strong and resilient NIM trend, as disinflation takes hold and the rate-cut cycle resumes.**

- **Customer acquisition remains strong, reaching 14.6 million - up 73% over the last 3 years, underscoring the strength of our franchise and brand.**

- **Robust customer growth and digital capabilities are driving fee income growth, consistently outpacing the market.**

- **Our disciplined fee-to-opex approach strengthens profitability, with efficiency gains paving the way for scalable, recurring revenues.**

- **As a result, our fee-to-opex ratio improved further to 92%, reflecting superior efficiency and disciplined cost management.**

- **Our prudent, risk-reward driven lending strategy has effectively maintained asset quality at healthy levels.**

- **Simultaneously, our investments in digital have not only strengthened customer engagement and boosted recurring revenue, but also play a key role in enhancing our risk management capabilities.**

- **These foundations position us well for consistent, high-quality growth in an evolving macro environment.**


- **Moving onto the first quarter achievements, we started the year with 22.7% ROE and 2% ROA, slightly better than our quarterly forecasted trend.**

- **We continued to leverage our strategic balance sheet positioning to support our margin also by optimising deposit cost.**

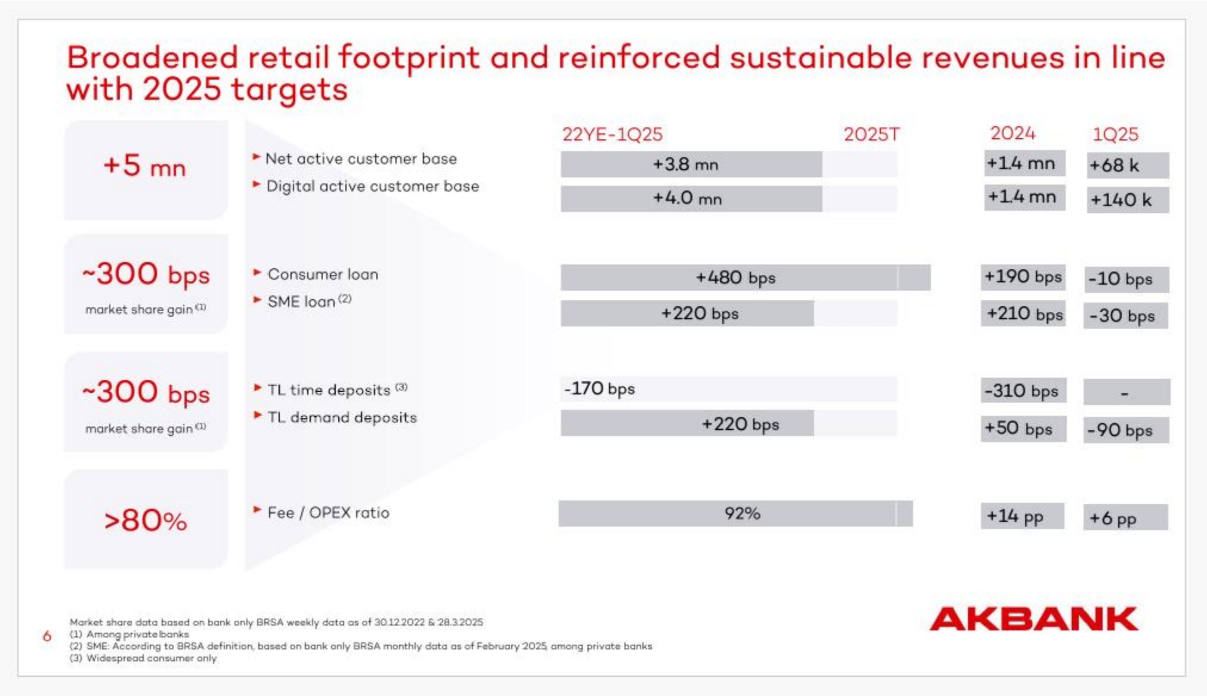
- **Our regulatory-driven low TL LDR offers a built-in buffer as the environment normalizes.**

- **Additionally in fees, we've gained 100 bps market share among private banks since the begining of the year, bringing the total to 350 bps over the past two years - driven by robust customer acquisition and sustained momentum in key segments.**

- **While our strong trading income is driven by exceptional treasury management, robust customer-related business, and dynamic securities management.**

- **We remain committed to a disciplined provisioning approach, having further strengthened our Stage 2+3 coverage.**

- **In summary, we have effectively repositioned our balance sheet to fully capture the advantages of a disinflationary environment.**




- **We continue to make strong progress, with most of our 3-year strategic goals within reach by year-end.**

- **Strong customer growth and deeper penetration into the micro segment - driven by digital innovation - are reinforcing the pillars for future recurring revenues.**

- **Our only shortfall is in TL time deposit share, due to funding optimization and regulation-driven low TL LDR.**

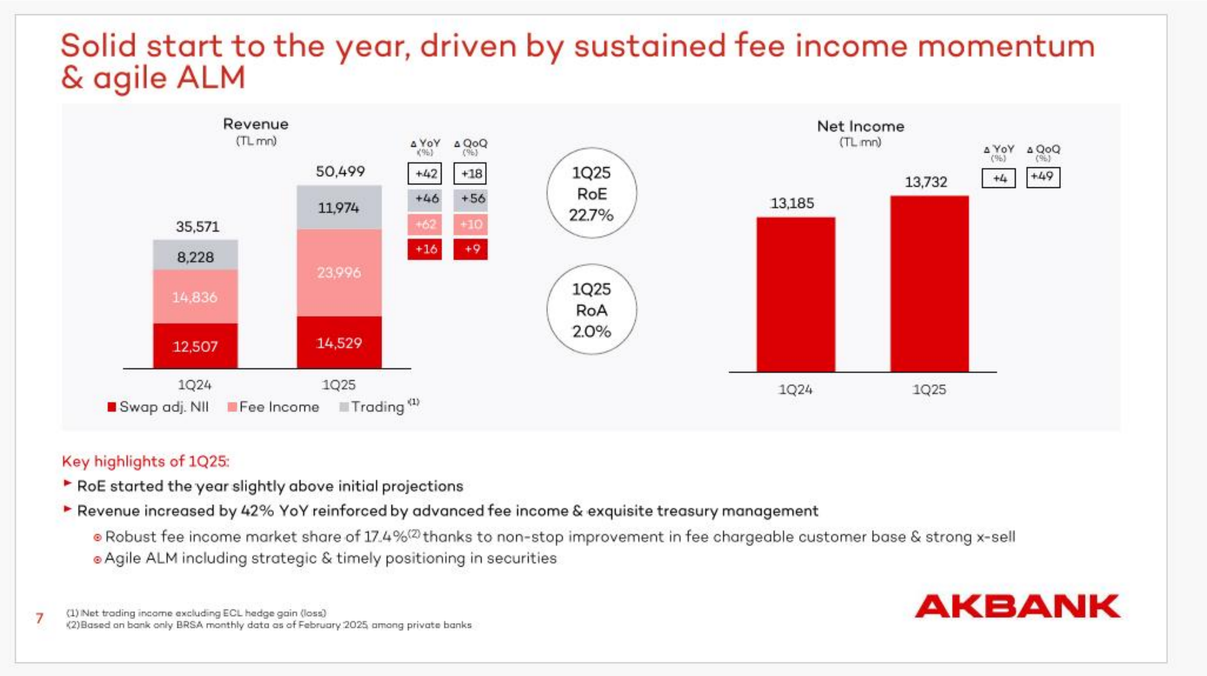
- **Our journey never stops.**

- **We stay focused on constant improvement.**

- **Our robust solvency ratios strengthen our market position, driving progress in key priorities; expanding customers and relationships, enhancing operational efficiency, investing in talent and technology.**

- **This strategically positions us to deliver sustainable ROE that will outpace inflation, provided the operating environment normalizes.**

- **I'll now pass it over to Ebru to walk you through our first quarter results. Following that, Türker and I will be happy to answer any questions you have.**




- **Thank you Kaan Bey.**

- **As you have just mentioned, we started the year solid, supported by sustained fee income momentum and dynamic ALM execution.**

- **Our revenue increased by 42% YOY to 50 billion 4 hundred and 99 million during the quarter.**

- **We saw a robust 62% YOY uplift in fee income, continuing to provide strong support to our core revenue performance.**

- **Without any doubt, strategic investments made over the years and strong commitment to increase our fee chargeable**

**customer base are fuelling the consistent growth of our recurring revenue stream.**

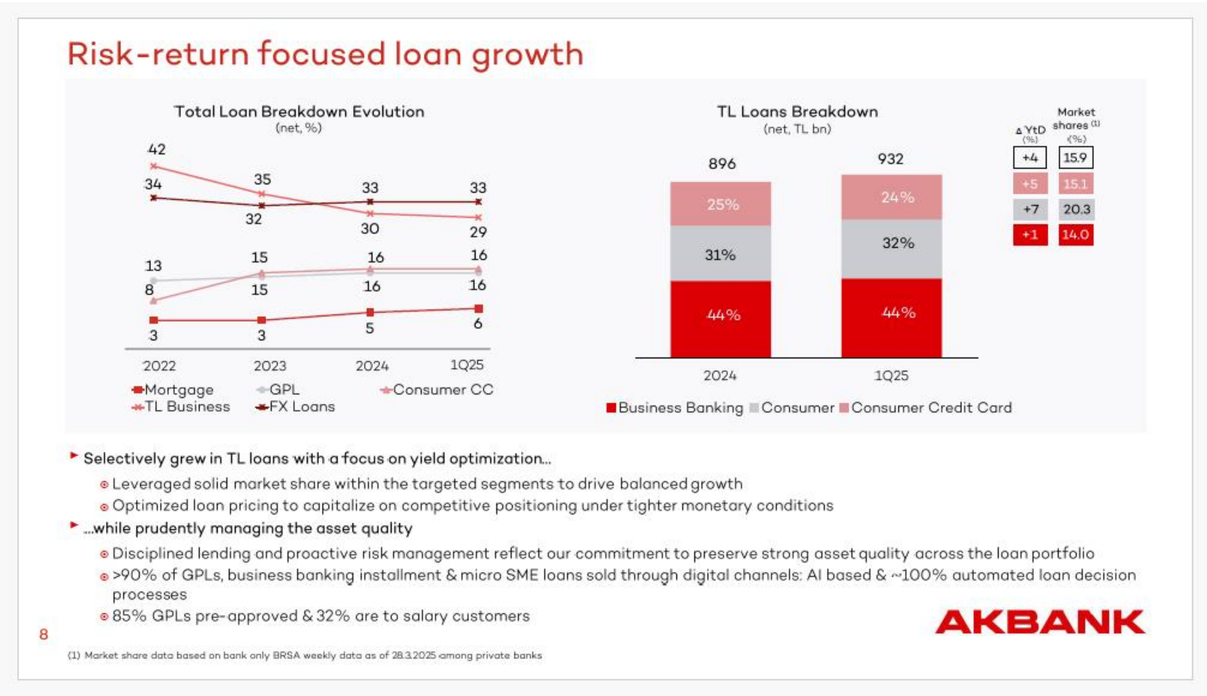
- **Meanwhile, during the quarter, our treasury management once again emerged as one of the bank's top-performing areas in delivering high returns.**

- **The strength of our treasury performance stemmed from both agile balance sheet management and healthy customer-driven business.**

- **All in all, we started the year exceeding our quarterly projections with NI up by 4% YOY to 13 billion 7 hundred and 32 million and resulting in an ROE of 22.7%, ROA of 2.0% for the quarter.**

- **Let's dive into first quarter financial performance and key drivers.**

- **Starting with the balance sheet.**



- **In first quarter, we pursued selective growth in TL loans, prioritizing yield optimization and capitalizing on our strong market position across key-targeted segments.**

- **We recorded 4% YTD growth in our TL loans.**

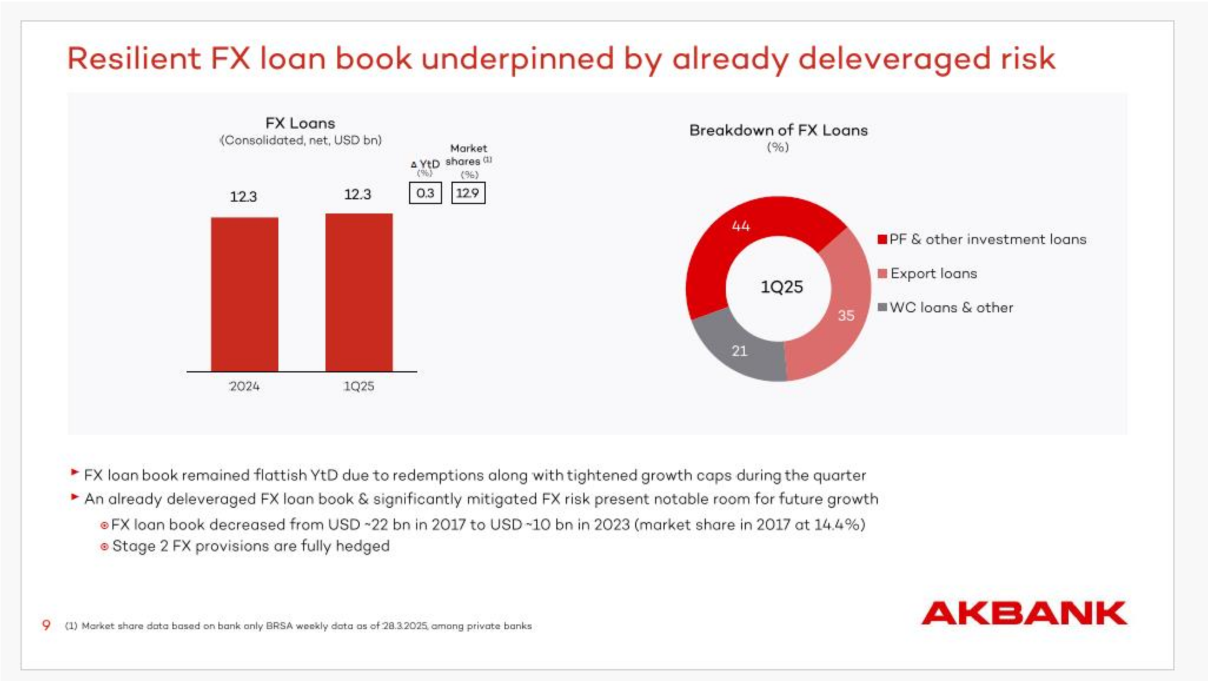
- **Our loan portfolio composition demonstrates our effective ALM approach, focusing on yield-accretive segments and proven success in achieving our targeted growth areas.**

- **Our disciplined lending and proactive risk management underscore our dedication to maintain solid asset quality across all loan segments.**

- **While digital and analytical excellence drives our growth strategy, we remain focused on diligent tracking and individual assessment of our corporate and commercial loan portfolio.**

- **This disciplined approach underpins the strength and resilience of our asset quality.**

- **Our risk-return focused loan pricing and growth strategy aim to sustainably support and strengthen margins.**

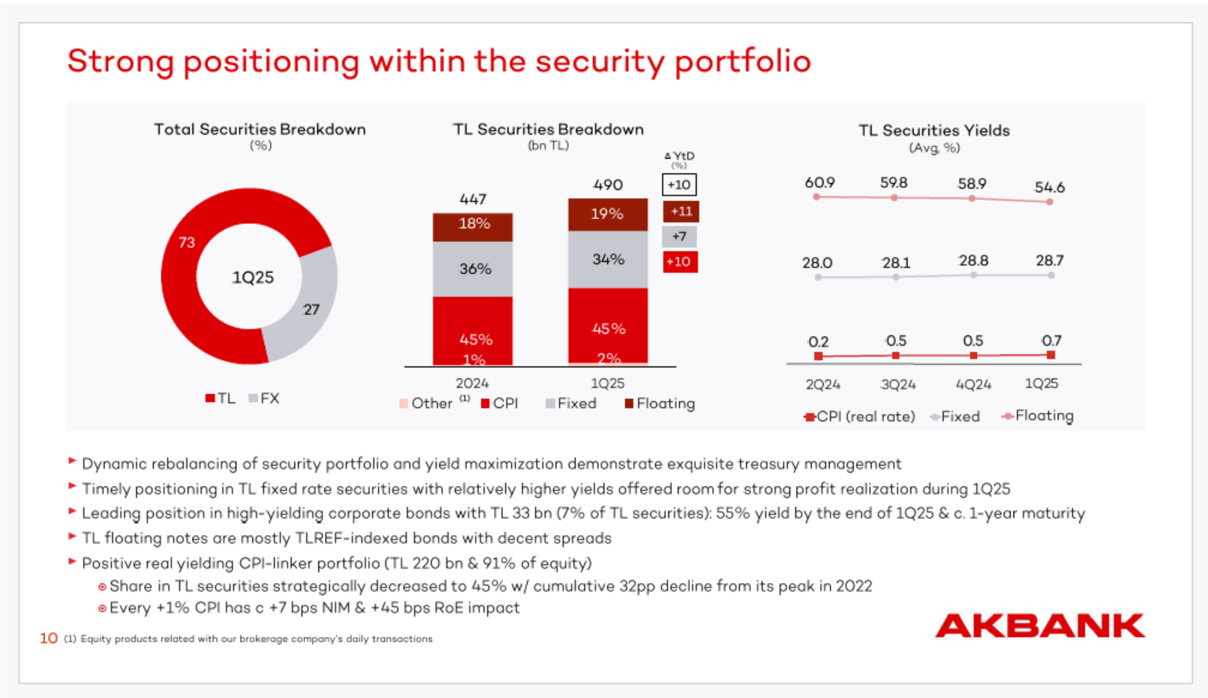


- **Our FX loan book remained flattish, following a successful and proactive growth achieved last year.**

- **The relatively flat performance was driven by redemptions, along with growth caps being tightened during the quarter.**

- **Please note that our already deleveraged FX loan book & significantly mitigated FX risk as well as strong FX liquidity present notable room for future growth.**

- **Accordingly, we will continue to utilize our strength in corporate and commercial banking to grab market share including investment loans.**




- **Moving onto the securities slide.**

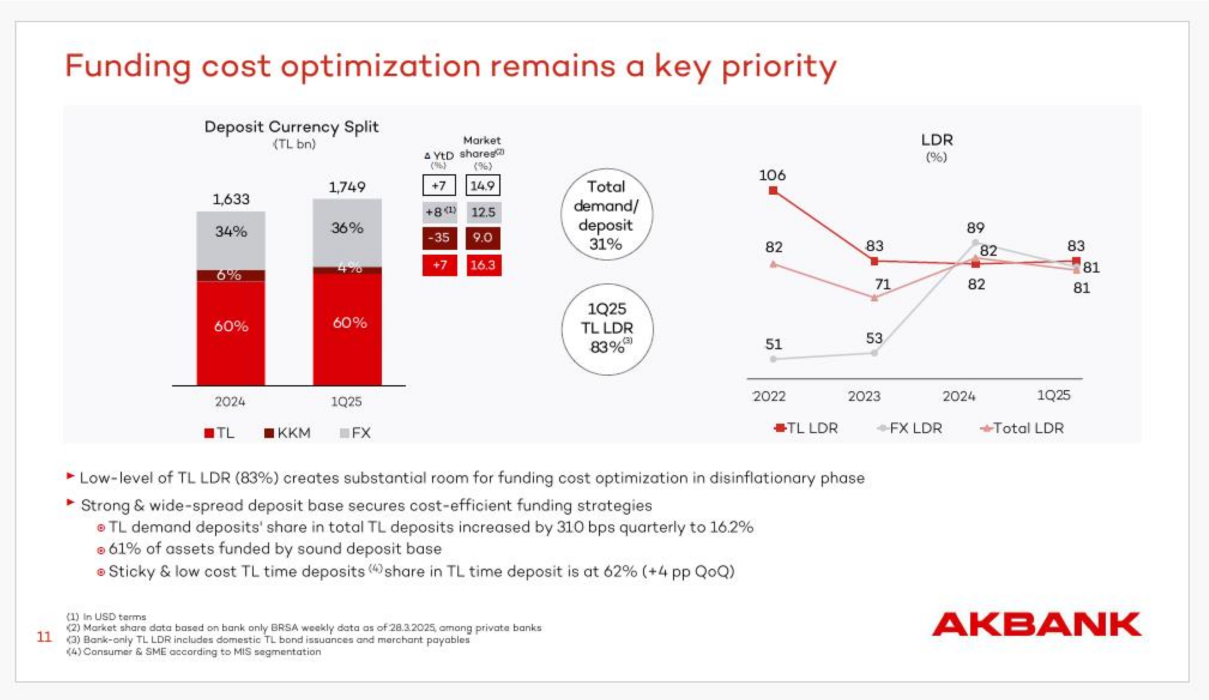
- **Our proactive approach to security portfolio management, which enabled us to adapt swiftly to evolving market conditions, continues to be key to preserving margin resilience.**

- **The timely positioning in TL fixed-rate securities offering higher yields resulted in solid profit realization during first quarter.**

- **Meanwhile, we maintained our leading position in high-yielding corporate bonds which constitute 7% of TL securities with 55% yield and around 1-year maturity.**

- **Our TL floating notes are mostly TLREF-indexed with decent spreads.**

- **As previously communicated, the share of CPI-linkers in total TL securities has already declined by 32 pp to 45%, in line with our strategic approach, while continuing to deliver a positive real rate.**




- **On the funding side, we maintained our disciplined funding mix, whereby deposits have continued to be main source of funding.**

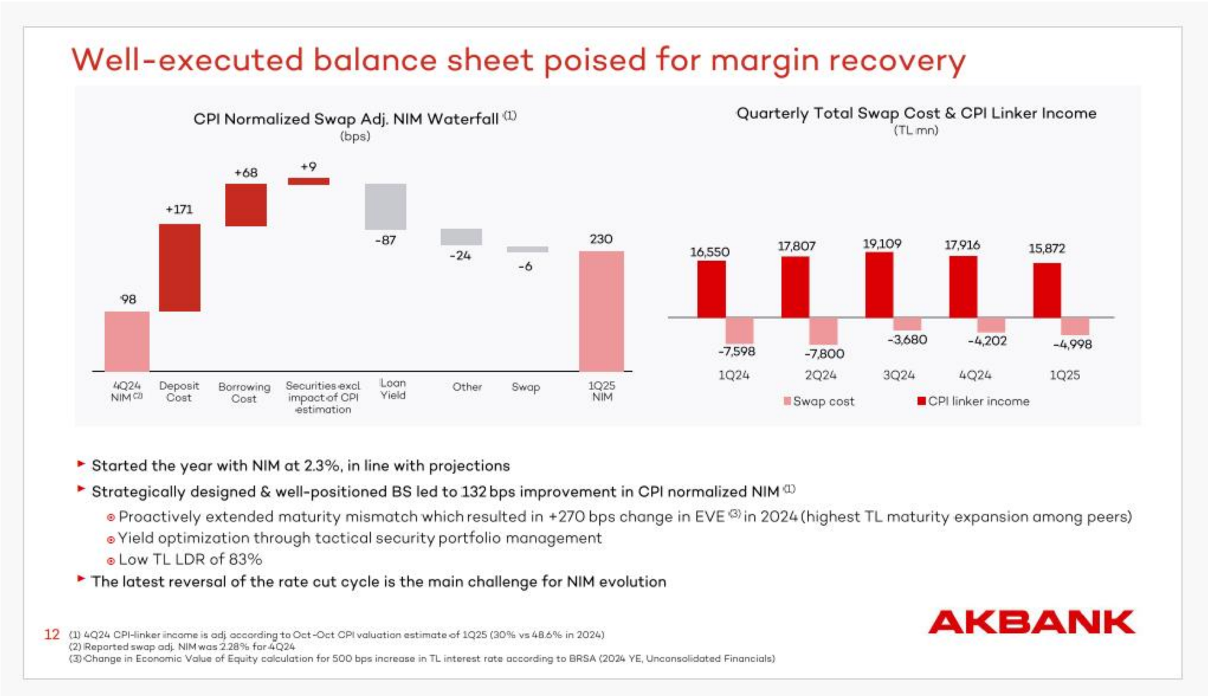
- **Our deposit base remains strong and well-diversified, accounting for 61% of our total liabilities.**

- **At the same time, our low-cost and sticky TL time deposits saw a QOQ increase of 4 pp, reaching 62%.**

- **TL demand deposits' share in total TL deposits also increased by 310 bps during the quarter to 16.2%.**

- **On top of our strong & wide-spread deposit base, our TL LDR remains low at 83%, enabling cost effective funding strategies.**

- **Moving onto the P&L.**




- **We had a solid start to the year, with NIM at 2.3%, in line with our quarterly projections.**

- **Accordingly, our CPI normalized NIM improved QOQ by 132 bps.**

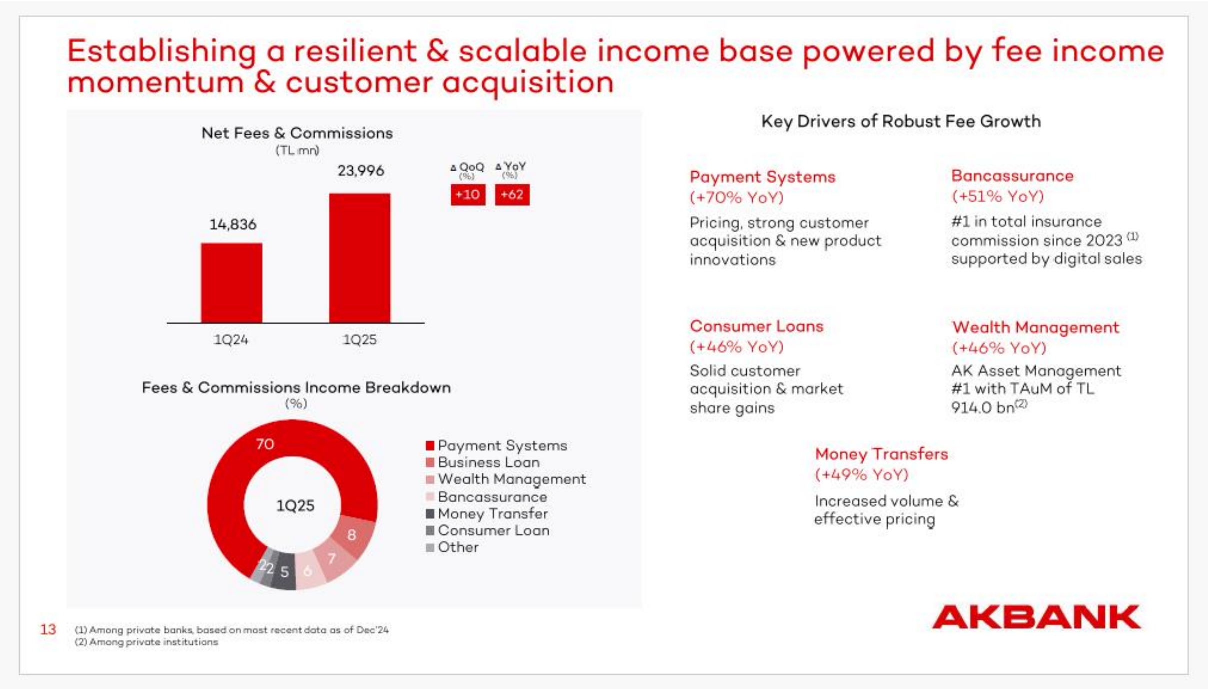
- **Thanks to our strategically designed and well positioned balance sheet– supported by a proactive approach in extending duration of the TL loan portfolio and favorable 83% TL LDR – we achieved a robust TL spread evolution during the quarter.**

- **As a reminder, our timely positioning in TL balance sheet resulted in the highest TL maturity expansion among our peers, which can be seen in the year end financials.**

- **This underscores our proactive and agile ALM approach.**

- **As for the remaining of the year our robust balance sheet is set to drive further NIM enhancement– despite the short term reversal of the rate cut cycle, which may delay the anticipated margin expansion.**

- **Additionally, our yield optimization efforts through tactical security portfolio management continue to create substantial opportunities for NIM evolution in the coming period.**



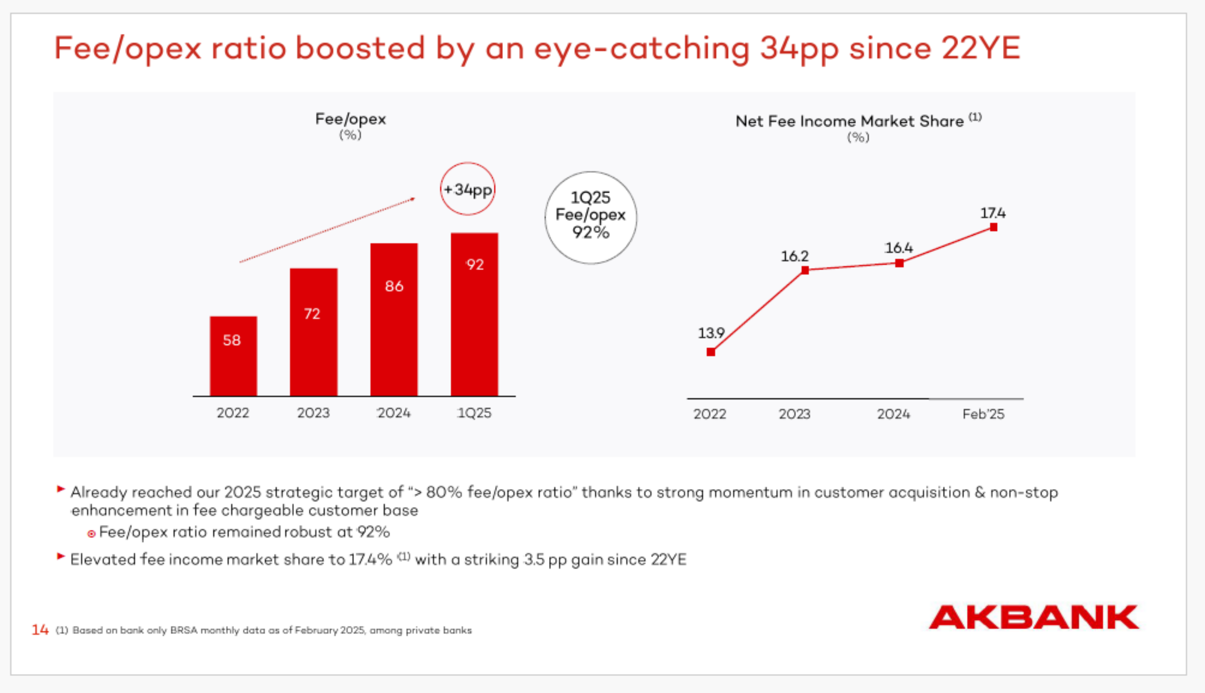

- **Our fee income increased by a robust 62% YOY, with the contribution of all business lines, demonstrating our strong customer acquisition, comprehensive product portfolio, and diversified income base.**

- **As highlighted earlier, we remain dedicated to enhance our sustainable recurring revenues and have already achieved significant milestones in expanding our fee–chargeable customer base thanks to our robust customer-centric initiatives and innovations.**

- **Without any doubt, our digital initiatives have been the driving force in both our customer growth and substantial fee income.**

- **As a testament to our digital capabilities, 75% of our new to bank customers were acquired via digital onboarding.**

- **Meanwhile our digital channels have achieved an impressive share accounting around 90% of GPLs and commercial installment loans, above 60% credit card sales & time deposit account openings, and more than 70% of bancassurance products sold.**

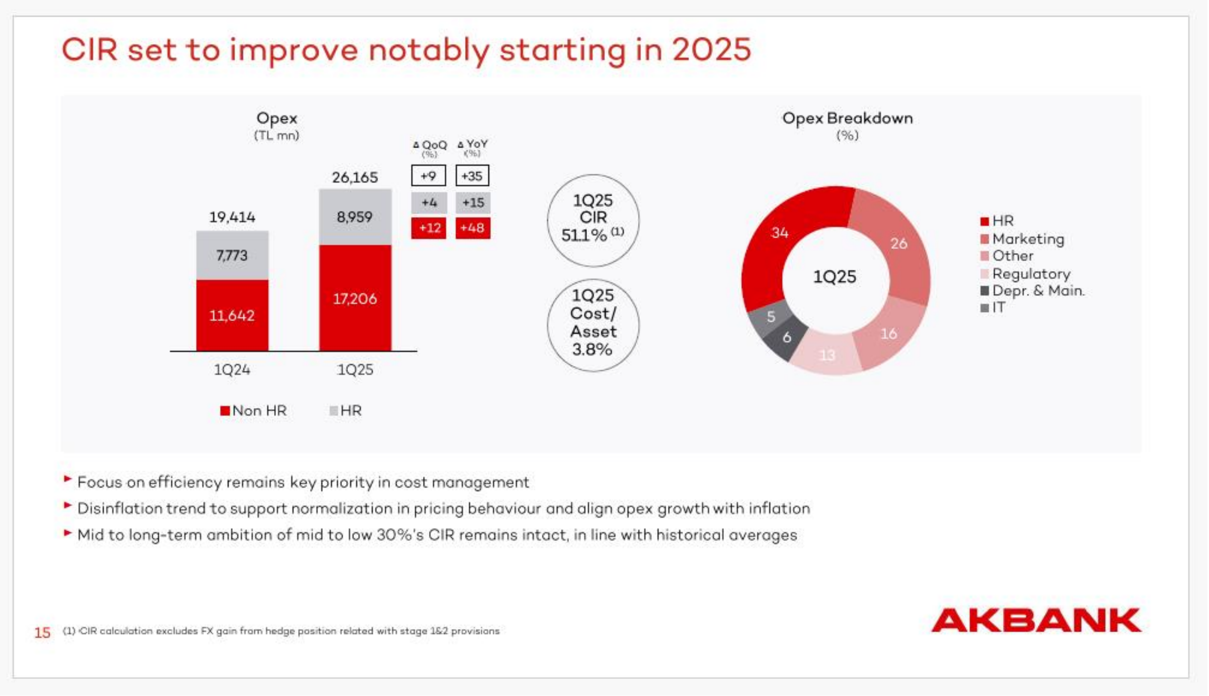



- **As highlighted earlier, we have already reached our 2025 strategic target to increase fee-to-opex ratio above 80%, thanks to the non-stop enhancement in our fee chargeable customer base.**

- **With the fee income growth outpacing the opex growth once again in first quarter, our fee-to-opex ratio remained robust at 92%.**

- Having reached a new peak in fee income market share last year, we recorded an additional 100 bps gain among private banks as of February, bringing our share to 17.4%

- This translates into a 3.5 pp gain since 2022, highlighting the effectiveness of our customer acquisition strategy and well-diversified fee income base.




- Moving onto cost, focus on efficiency remains key priority.

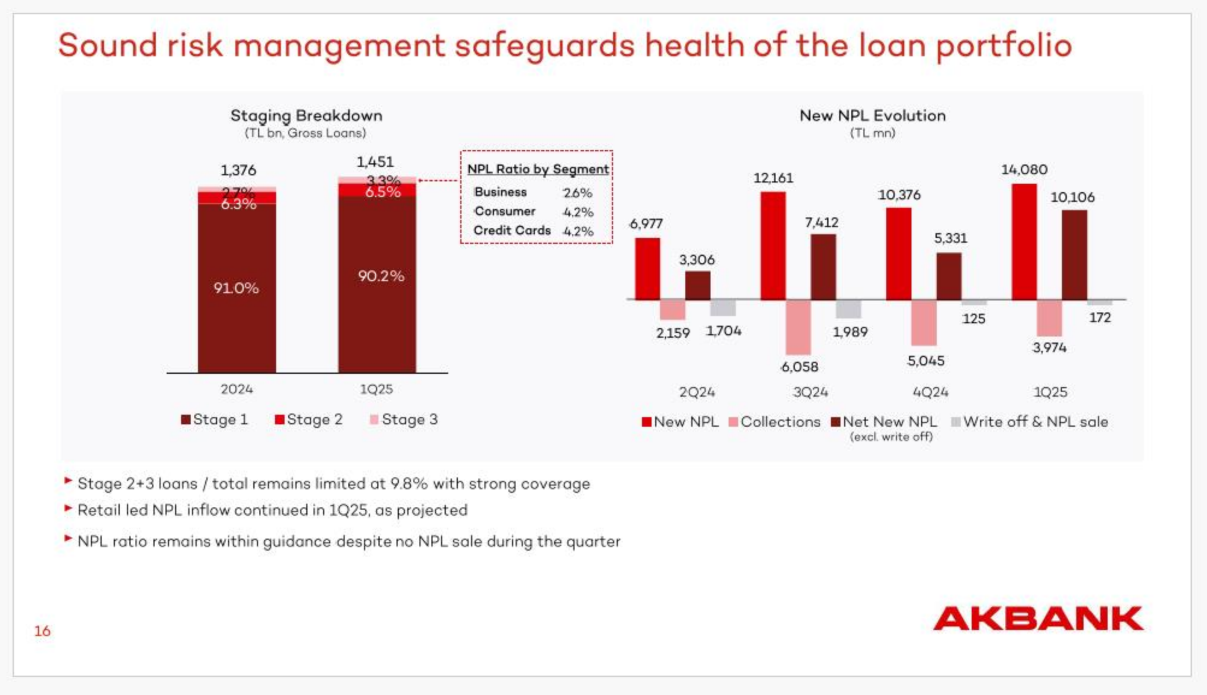
- We began the year better than our guidance, with OPEX rising 35%YOY.

- Also, CIR improved by 5 pp to 51% since year end.

- Starting this year, we anticipate a significant improvement in CIR, driven by a more favorable revenue outlook and the normalization of pricing behavior, aligned with the ongoing disinflation trend.

- Our long-term ambition in CIR remains firmly in the mid to low 30% range, in line with historical averages, driven by a

**commitment to sustainable growth and enhanced operational efficiency.**




- **Moving onto asset quality.**

- **Retail led NPL inflows remain a persistent trend across the sector.**

- **Meanwhile our focus on risk-return with machine learning based credit decision models, excellence in advanced analytical capabilities across retail segments, diligent tracking and individual assessment of our corporate & commercial loan portfolio as well as prudent provisioning, have enabled us to maintain sound asset quality.**

- **As a testament to our diligent asset quality practices the relative strength of our portfolio is evident in credit bureau statistics.**

- **Examples include a higher non-delinquent balance ratio and lower 1-30 day overdue balances in both GPLs and consumer CCs, compared to the peer average.**

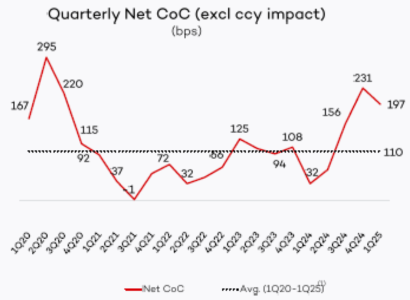
- **Please also note our NPL ratio remained at 3.3%, within our FY guidance despite no NPL sale during the quarter.**

- **Meanwhile, the share of stage 2 + 3 loans in our gross portfolio, considered potentially more problematic, remained limited at 9.8% in total, while we continued to increase our already solid coverage ratios.**

## Continued prudent strengthening of provision buffers

Provision Build & Coverages

| (%) | 2024 | 1Q25 |
|---|---|---|
| Stage 1 Coverage | 0.9 | 0.9 |
| Stage 2 Coverage | 14.6 | 14.6 |
| Stage 3 Coverage | 58.8 | 59.0 |
| **Stage 2+3 Coverage** | **28.0** | **29.4** |
| Total Provision Build (TL bn) | 46.3 | 53.8 |




- Total provision build reached TL 53.8 bn
- Stage 2 + 3 coverage advancing to 29.4% amid ongoing risk management discipline
- Net total CoC (excl. ccy impact) at 197 bps in 1Q25, in line with projections
- FX provisions are hedged

17 (1) Excluding outliers

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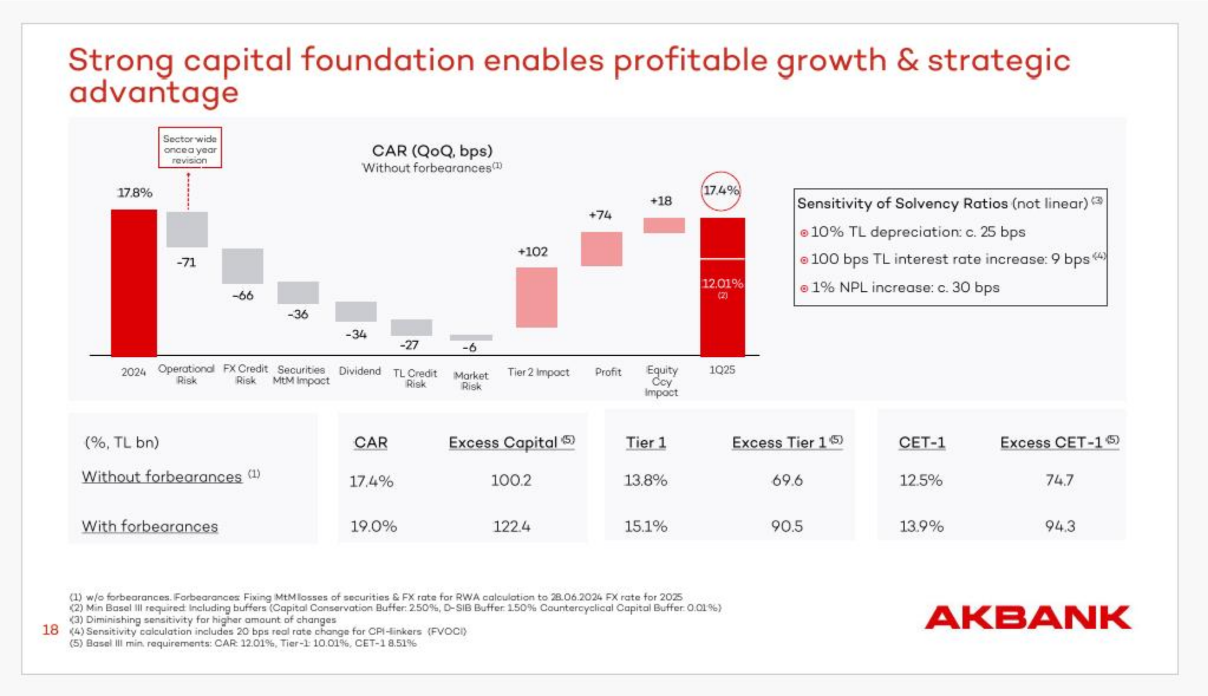
- **In first quarter, our total provisions reached almost TL 54 billion, thanks to our continuous provision reserve build-up.**

- **Our coverage ratio for stage 2 + 3 loans increased further by 140 bps YTD to a solid 29.4% amid ongoing risk management discipline.**

- **Excluding currency effects, our net total COC stood at 197 bps, consistent with trends over the past two quarters and in line with our 2025 projections.**

- **All in all, we expect our net total COC to remain within our guidance range of around 150-200 bps.**



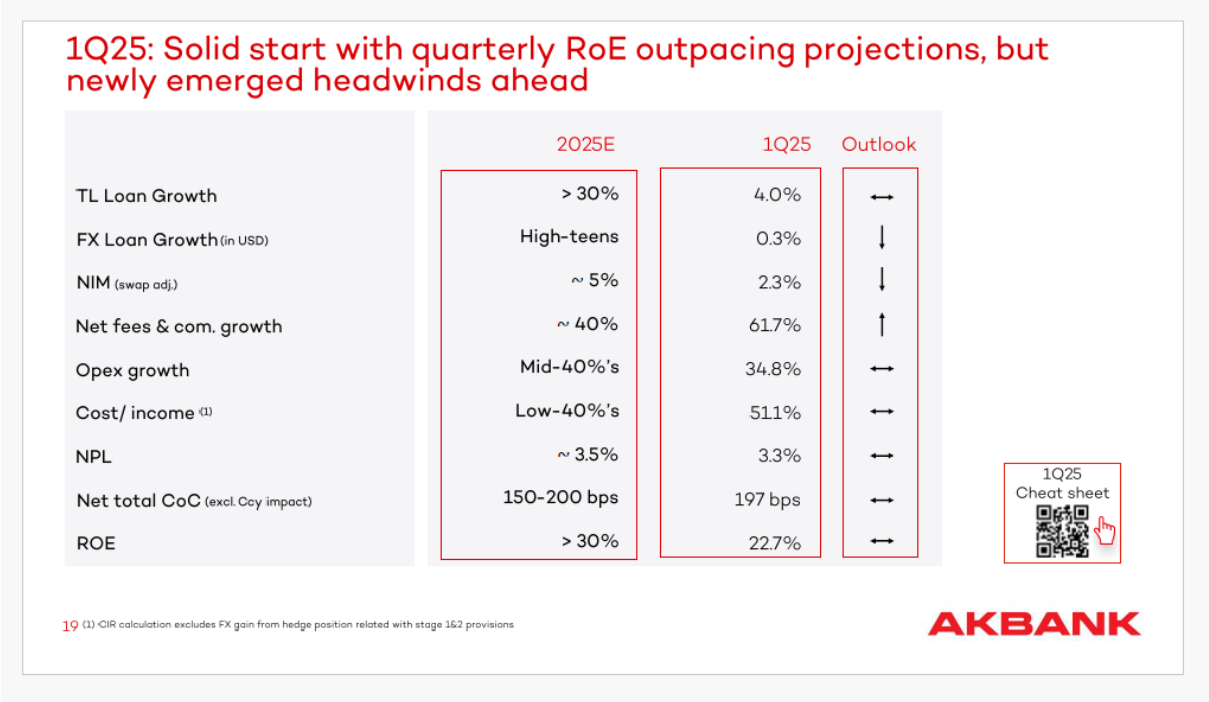

- **Our total capital, Tier 1 and CET 1 ratios without forbearances remain robust at 17.4%, 13.8% and 12.5%, respectively, despite adverse effects stemming from: operational risk adjustment – which is a sectoral regulatory implementation during first quarter of every year, FX credit risk, mainly driven by currency impact, securities MTM impact and dividend payment.**

- **Meanwhile, our successful USD 500 million Tier 2 issuance during the quarter helped mitigate some of the adverse effects, boosting our capital by 102 bps.**

- **As for the sensitivity, 10% depreciation in TL results in around 25 bps decrease in our capital ratios while the impact diminishes for higher amount of changes.**

- **And, 100 bps increase in TL interest rate results in a 9 bps decline in our solvency ratios, again with diminishing impact.**

- **Our robust capital reserves continue to safeguard against market volatility and challenges, providing critical resources for sustained and profitable growth.**

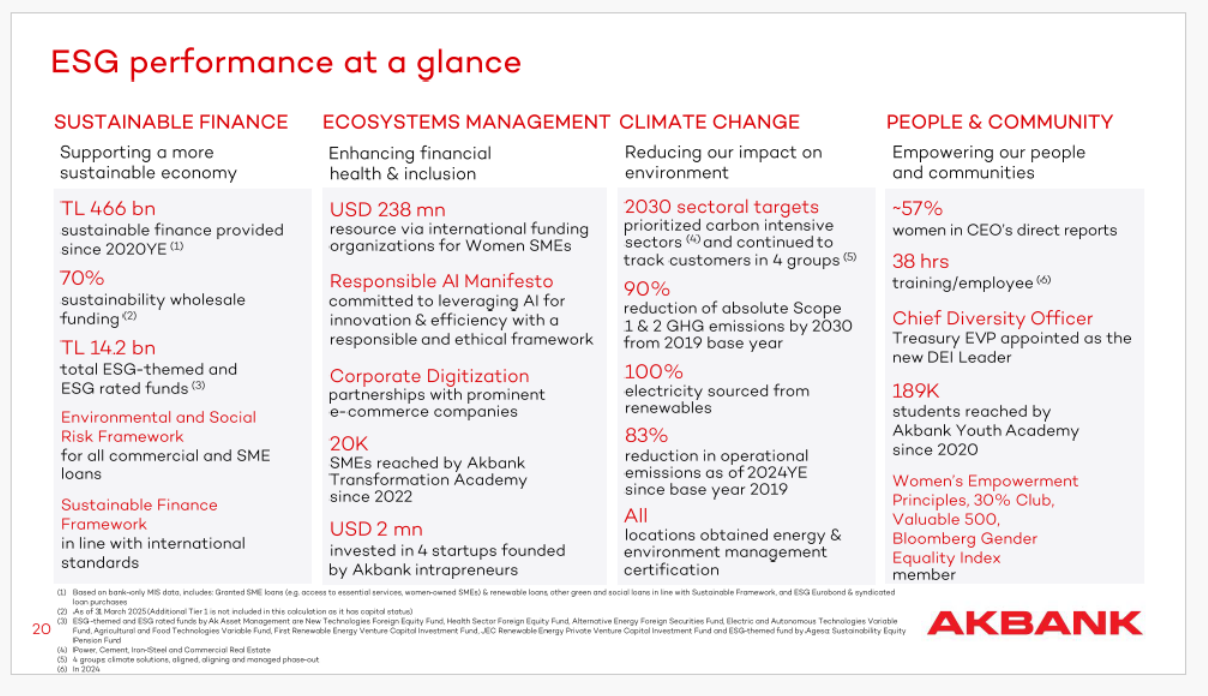



- **On this slide you may find the summary of our sound first quarter performance.**

- **As highlighted earlier, we started the year solid with quarterly ROE outpacing our initial projections.**

- **Newly emerged headwinds ahead including short-term reversal of rate cut cycle may postpone the expected NIM enhancement.**

- **However, we believe it is too early to comment on our FY ROE guidance given the fact that our strong fee income evolution and exceptional revenue generation capability mitigate the ROE impact of the NIM evolution, especially considering the uncertainty regarding the duration of current headwinds.**




- **Before moving onto Q&A, I'd like to share a few highlights regarding our non-financial performance.**

- **As shown in our ESG video, we maintained strong momentum, delivering measurable progress on our 2025 Sustainable Action Plan.**

- **A key milestone was our CDP scores upgrade, with both Climate Change and Water Security ratings rising two levels to A, leadership - a strong sign of our environmental progress.**

- **Our sustainability performance also led to our recognition in S&P Global's Sustainability Yearbook 2025, where we earned the "Industry Mover" distinction.**

- **These achievements highlight our growing leadership in sustainability both locally and globally.**

- **We remain committed to advancing a low-carbon and inclusive economy in line with our long-term objectives.**

**Thank you for joining us today.**

**Kaan Bey, would you kindly share your closing remarks**

**Thank you Ebru.**

**I would like to take this opportunity to thank all our employees for their dedication.**

**Side by side, we’ll continue building a future of meaningful impact, built on trust, innovation, and shared success.**

**And to all those who have joined us today, I appreciate your trust and support.**

**I’m looking forward to engaging with many of you in the near future. Keep well.**