

Banking

Selected as the “Best Bank in Turkey” for the 14th year in a row, Akbank was also named the world’s “Best Bank in Emerging Markets” by Euromoney.

Loans (TL Billion)

2020	279
2019	227
2018	214
2017	210
2016	179

Consolidated Net Income (TL Billion)

2020	6.3
2019	5.4
2018	5.7
2017	6.0
2016	4.9

Total Assets^(*) (TL Billion)

2020	478
2019	387
2018	355
2017	342
2016	295

^(*) Consolidated figures

DEVELOPMENTS IN 2020

AKBANK

Excellence in borrowing experience

The Direkt Loan product accounted for 74% of Akbank’s consumer loans in 2020. Meanwhile, 65% of total credit card sales were made through non-branch channels. With excellence in borrowing experience, three out of every four general purpose loans originate through Akbank’s non-branch channels.

Digital transformation at full speed

For the first time in Turkey, regardless of amount, all transactions can be conducted either contactless or with a QR code via Akbank Mobile POS (Akbank Cebe POS). This innovation by Akbank enables merchants to accept instant payments using the Akbank Mobile POS app, which is downloadable on Android mobile devices, circumventing the need for physical POS terminals.

A year full of awards and successes

- Euromoney Awards for Excellence 2020 – “Best Bank in Turkey” for the 14th year in a row
- Euromoney Awards for Excellence 2020 – “Best Bank in Emerging Markets”
- Global Private Banking Awards 2020 – “Best Private Banking Unit in Turkey”
- The Banker – “Best Bank in Turkey”
- Trade Finance Survey 2020 – “Turkey’s Best Foreign Trade Bank”
- iF Design – Mobile App Design Award
- A’Design Awards – Gold Award in “Mobile Technologies, Applications and Software Design” Category



Banking

Akbank became the first bank in Turkey to launch the “Digital First” program and offer credit cards without numbers to its customers.

Priorities in 2020

In 2020, Akbank's top priority was protecting the health and well-being of its customers and employees. During the COVID-19 pandemic, the Bank provided uninterrupted service thanks to its solid financials, advanced technology infrastructure and highly skilled employees. Service quality did not suffer in this very challenging year. Adapting quickly to the pandemic, Akbank stood by its customers to meet all their banking needs. Community investments and innovative solutions continued apace in this period without interruption.

Performance in 2020

While preparing for the future, Akbank did not compromise its responsible and trust-oriented banking approach. In 2020, the Bank provided loans to the economy totaling TL 331 billion, of which TL 279 billion were cash loans. Total deposits rose to TL 293 billion while total assets climbed to TL 478 billion.

Akbank has one of the strongest capital structures in the industry, with a capital adequacy ratio of 20.7%. With the support of this solid structure, Akbank significantly contributed to the development of the real sector with loans provided to companies. Akbank reported consolidated net income of TL 6 billion 260 million after provisioning TL 2 billion 25 million for taxes.

In 2020, Akbank was deemed worthy of major awards from prestigious international platforms. Akbank became the first Turkish bank to be named the “Best Bank in Emerging Markets” by Euromoney.

At the Stevie Awards, Akbank was recognized for its excellence in the categories of “Leadership Development Achievement,”



Capital adequacy ratio
20.7%

During the pandemic, Akbank provided uninterrupted service thanks to its solid financials, advanced technology infrastructure and highly skilled employees.

“Most Innovative Leadership Program” and “Leadership Training.” Sabancı Holding received a Gold award in the “Best Progress in Leadership Development” and “Best Learning Program Supporting Transformation in Business Strategies” categories at the Brandon Hall Group Excellence Awards. Akbank garnered one Gold and six Bronze awards in addition to three other awards in the “Customer Experience” category at the 14th annual Stevie Awards for Sales & Customer Service. The Bank received Bronze awards in the “Contact Center of the Year,” “Best Customer Engagement Initiative” and “Front-Line Customer Service Team of the Year” categories at the Stevies.

Digitalization, Technology and Investments

During the year, Akbank engaged in efforts to further consolidate an innovation culture across the organization and make it an integral part of its business operations. These efforts resulted in distinctive innovations. Akbank became the first bank in Turkey to launch the “Digital First” program and offer credit cards without numbers to its customers. Another groundbreaking innovation of the Bank was the launch of Akbank Mobile POS (Akbank Cebe POS), which is positioned to make a big difference in the digital payments arena. With the Akbank Cebe POS mobile app, member merchants can receive payments either contactless or with a QR code.

In 2020, Akbank customers started to perform more of their banking transactions through digital channels, especially due to the pandemic. As a result, the Bank's digital customer base rose to 5.5 million. The Direkt Loan product accounted for 74% of Akbank's consumer loans. Meanwhile, 65% of total credit card sales were made through Akbank's non-branch channels. With excellence in borrowing experience, three out of every four general purpose loans originate through Akbank's non-branch channels.

People and Sustainability

Akbank Academy, one of the first internal corporate training centers in Turkey, helps Akbank provide its employees with development opportunities to prepare them for the business world of the future. During the year, Akbank was presented with the Employee Engagement Special Award by Kincentric, at the Best Employers awards competition held in Turkey.

Akbank is keenly aware of its corporate responsibility to combat climate change and protect natural resources. To this end, Akbank applies the principles of sustainability in its loan processes. Loans allocated to customers in the Corporate and Commercial Banking segments through the Environmental and Social Impact Assessment (ESIA) program are subject to a detailed environmental and social risk assessment. Furthermore, Akbank has a distinctive position vis-à-vis general sector-wide practices thanks to the social and environmental risk assessments conducted for all SME customers.



Sustainability-Linked Loan Deal
EUR 650 million

In 2020, Akbank continued its focus on financing qualified energy projects. As in the previous four years, Akbank extended 100% of the financing allocated to projects that are in the construction stage to renewable projects. Meanwhile, renewable energy projects constituted 76% of the overall energy lending portfolio. As of year-end, Akbank's energy portfolio consisted of 2,967 MW of hydroelectric, 955 MW of wind, 320 MW of geothermal, 181 MW of solar, and 9 MW of biomass projects.

During the year, Akbank participated in Turkey's largest sustainability-linked loan deal – a lending agreement worth EUR 650 million. Akbank supported renewable energy investments with the sustainability-linked loan mechanism, one of the fastest growing sustainable borrowing instruments despite the COVID-19 pandemic.

By issuing a USD 50 million green bond with a maturity of 4 years and 110 days, Akbank became the first issuer of a green bond in the Turkish banking industry since the onset of the COVID-19 pandemic.

2021 Priorities and Industry Strategy

Akbank plans to further support Turkey's economic activity in 2021. The Bank also aims to pursue sustainable growth while maintaining its asset quality. Akbank is

HEPP: Hydroelectric Power Plant
WPP: Wind Power Plant
GPP: Geothermal Power Plant
SPP: Solar Power Plant

In the coming year, Akbank plans to provide further resources to Turkey to facilitate its transition to a sustainable economy.



committed to retaining its sector leadership position by capitalizing on its innovation capabilities, advanced technology infrastructure and highly qualified human resources.

Akbank plans to launch an array of innovative services across all its digital customer interaction platforms. The Bank is moving forward on its digital transformation journey with ongoing improvements, upgrades and solutions. By leveraging its analytical infrastructure, Akbank aims to provide its customers with the most appropriate and effective solutions.

In the coming year, Akbank plans to provide further resources to Turkey to facilitate its transition to a sustainable economy. The Bank targets extending TL 200 billion in funding by 2030 for use in this area. Akbank is committed to expanding its sustainable investment funds to TL 15 billion by 2030. As a result, Akbank is the first Turkish deposit bank to make a long-term commitment on sustainable financing. Continuously developing its portfolio of innovative digital products and services, Akbank aims to further support the economy in terms of financial inclusion by boosting the number of people it has financially empowered by 2030.

Banking

Working harder than ever to maintain customer satisfaction, Akbank AG focused on safeguarding the health and well-being of its employees and customers in 2020.

SUBSIDIARIES

AKBANK AG

Akbank AG, a 100% subsidiary of Akbank, actively encouraged its stakeholders to take preventative and precautionary measures to guard against the COVID-19 pandemic. During the year, Akbank AG worked harder than ever to maintain customer satisfaction while also committing to business continuity. In the challenging pandemic environment, Akbank AG prioritized the health and well-being of its employees and customers.

Akbank AG capped fiscal year 2020 with success in terms of both business diversification and profitability. Akbank AG's total assets are EUR 3.7 billion and shareholder's equity reached to EUR 776 million as of December 2020. Akbank AG's contribution to the national economy in the form of loans exceeded EUR 2.8 billion. Akbank AG boasts the largest balance sheet among banks with Turkish capital in Europe and has a strong capital structure.

AK INVESTMENT

Embracing a next-generation investment concept, Ak Investment moved forward with its technological investments in 2020. The company digitized its business processes and renewed its digital trading platform, TradeAll. By redesigning its business processes with automated workflows, Ak Investment provided its investors with uninterrupted access to market and product data via its notification services. Offering all markets to investors on a single platform, Ak Investment recorded exceptional success in 2020 in terms of app downloads, customer numbers and channel income. At year's end, Ak Investment reported over 460 thousand customers. Some 15% of its customers enjoyed easy access to all markets with



In 2020, Ak Asset Management reported total assets under management of TL 59.8 billion.

TradeAll – a trading application downloaded around 300 thousand times. Customers utilize the TradeAll digital platform for a wide range of transactions. In 2020, Ak Investment generated 20% of its domestic sales income from TradeAll TR, 77% of its international markets income from TradeAll UP and 98% of its forex markets income via TradeAll FX.

AK ASSET MANAGEMENT

As of year-end 2020, Ak Asset Management's total assets under management rose to TL 59.8 billion. Increasing its total assets under management by 35%, above the industry average, Ak Asset Management's total asset size is around the asset size of some important medium-scale banks in Turkey. Posting 37% growth in investment funds, the company managed TL 18.1 billion in investment fund assets in 2020. Managing 58 pension funds chartered by a number of global pension companies, Ak Asset Management maintained its position as the sector leader among private institutions with a fund size of TL 31.8 billion and a market share of 18.6%.

AK FİNANSAL KİRALAMA A.Ş.

In 2020, Aklease continued to provide leasing services in line with customer satisfaction principles. The company boasts a strong financial and partnership structure, robust shareholders' equity, 10 branch locations, an extensive funding network and most importantly, its highly specialized and dynamic workforce. Targeting wind and

solar power projects, Aklease mediates major investments in the sustainable energy sector. For this purpose, the company obtained USD 25 million in funding with a five-year maturity from the Dutch Development Bank (FMO) in 2020 – the first such loan provided to the Turkish finance sector to support sustainable energy. Aklease provides significant ongoing support to Turkey's economy by allocating funds to investments in the country's future. These include machinery and equipment investments across all sectors, in addition to subway systems, highways and other infrastructure/superstructure works that constitute the core of intracity and intercity transport networks.

AKÖDE A.Ş.

In September 2019, AkÖde launched a digital wallet, Tosla – its first product. Tosla was developed with the vision of meeting the basic financial needs of young innovative-minded people in an easy, fast and fun way. In 2020, Tosla's strong digital value proposition and marketing activities were designed in line with user needs. AkÖde simplified the digital wallet's processes and introduced new features. Strategic collaborations were made with online contests, gaming platforms, grocery delivery service providers and e-commerce firms to further boost Tosla's appeal.

With these various innovations offered to customers in addition to its strategic activities and special design efforts, AkÖde made a difference in the market in 2020.



Number of Ak Investment customers
460 thousand+

AKBANK



**Turkey's Akbank is
the best bank
in emerging markets**

AKBANK

Areas of activity

Corporate and investment banking, commercial banking, SME banking, retail banking, payment systems, Treasury transactions, private banking and international banking

Countries of activity

Turkey, Germany, Malta

Number of employees

12 thousand+

Number of customers

~18 million

Number of digital customers

5.5 million

Number of branches

716

Number of ATMs

~5,000

Number of POS terminals

600 thousand+

R&D investments

USD 150 million

Digital distribution channels

Internet Banking, Mobile Banking, Digital Branches

Sabancı Holding Share

40.75%

Website

www.akbank.com

According to data as of 31.12.2020.