

Banking

Each sector plays a vital role, like instruments in an orchestra. Banking, much like the piano, ensures stability and interconnectedness, driving economic harmony. Akbank captures sustainable profitability as a financial powerhouse.

AKBANK

14.5 million
Active Customers⁽¹⁾

12.5 million
Active Digital Customers⁽¹⁾

15.1%
Tier 1⁽²⁾

17.8%
CAR⁽²⁾

⁽¹⁾ Active customer base (x) avg. cross-sell per active customer based on MIS data.

⁽²⁾ Without forbearance. Forbearance: Fixing mark-to-market losses of securities & FX rate for RWA calculation to 26.06.2023 FX rate for 2024.

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Akbank is a well-established, full-scale financial powerhouse and a significant force within the Turkish banking ecosystem.



72%

Increase in net active customers over the past three years

Approximately two-thirds of new customers join Akbank through digital channels, highlighting the success of its digital strategy.

Turkish Banking in 2024: Navigating Policy Shifts

In 2024, the banking industry experienced reinstatement of orthodox policies, along with successive interest rate increases designed to achieve macroeconomic rebalancing and the application of a firm macroprudential approach, which strengthened the monetary policy transmission mechanism. Although several financial repression instruments were removed, the on-going rebalancing process introduced challenges for the sector's earnings performance. Nonetheless, the Turkish banking industry has demonstrated resilience and maintained strong capitalization. A prudent provisioning strategy has enabled the sector to manage the risks connected with the policy tightening.

Setting aside these short-term challenges, maintaining macroeconomic stability will establish a favorable environment for the financial sector across the medium-to-long term. This stability will, in turn, facilitate the sector's capacity to leverage untapped growth potential underpinned by favorable demographics and ongoing digital advancements. A youthful population, increasing female labor force participation, robust digital adaptation, and comparatively lower levels of indebtedness relative to peer economies stand out as the primary long term drivers of the prospective growth of the Turkish banking sector's anticipated expansion.

Driving Digital Transformation

Competitive dynamics within the banking ecosystem have been subject to continuous evolution, with technological and digital advancements acting as key drivers for transformation. The rapid proliferation of digital banking platforms in Türkiye underscores the nation's capacity for embracing the global transition toward digital finance. Customers are now prioritizing financial service providers capable of addressing their specific needs and delivering value extending beyond traditional banking services, rather than relying solely on price or established brand recognition. As a result, banks have been evolving into technology-driven entities through significant investments in digital banking infrastructure to effectively meet changing customer demands.

Significant technological advancements have also occurred in recent years, with the financial technology space no longer exclusively occupied by banks. Entities across diverse industries – particularly telecommunication, retail, fintech firms, and branchless banking institutions – are increasingly leveraging Banking as a Service (BaaS) to develop new business lines that more effectively address customer needs. Increasing sophistication of BaaS and digital banking tools creates new opportunities for both innovation and collaborative endeavors.

Continued advancement of artificial intelligence (AI) – encompassing novel generative AI technologies, frameworks and practical applications – is rapidly transforming the financial services landscape. Blockchain technology and cryptocurrencies are also positioned to become crucial elements of innovation within this constantly evolving financial services ecosystem.



Akbank's Core Business: Delivering Comprehensive Financial Solutions

Akbank is a well-established, full-scale financial powerhouse and a significant force within the Turkish banking ecosystem, complemented by its subsidiaries, many of which hold prominent positions in their respective sectors. The Group's banking operations are strategically positioned to capitalize on the opportunities presented by the evolving financial industry. The bank's comprehensive range of universal banking services, coupled with robust capital reserves, exceptional human capital, and advanced digital and AI infrastructure, are establishing the foundation for its sustained competitive advantage.

The design of the sales and service model is oriented toward maximizing customer touchpoints across diverse customer journeys encompassing the Consumer, SME and Commercial business segments. Akbank delivers a robust omnichannel customer experience by integrating web and mobile platforms, a redesigned branch network layout, and a dedicated call center.

Akbank maintains a comprehensive and multifaceted mobile strategy. Leveraging significant digital channels such as Akbank Mobile, Juzdan, Yatırımcı Mobile, Assistant, and e-money solution Tosla, the bank introduces mobile offerings that provide value-added experiences across various areas.

The bank has consistently utilized numerous artificial intelligence applications and generative AI solutions, encompassing Natural Language Processing (NLP) and Understanding, Voice Processing, Image Processing and Understanding, Search Solutions, and Advanced Analytics. The aim is to augment the personalization, speed, and convenience of its existing digital capabilities.

As significant revenue contributors, Akbank subsidiaries are instrumental in diversifying the overall business portfolio. Akbank endeavors to provide products and services by considering the entire value chain, including its subsidiaries, thereby further solidifying its prominent presence within the financial industry. The overarching objective is to deliver comprehensive 360-degree solutions to its clientele and to maximize potential cross-selling and up-selling opportunities.

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Akbank maintained its success in customer acquisition during 2024 and continued to reinforce its recurring revenue base in accordance with its strategic objectives.

Akbank's Strategic Focus: Driving Growth through Innovation and Customer Centricity

The bank's customer-centric approach coupled with advanced analytics and diverse product portfolio has fostered solid recurring revenue streams. Akbank's emphasis on digital innovation has driven substantial growth in its active customer base, which reached 14.5 million. Approximately two-thirds of new customers join Akbank through digital channels, highlighting the success of its digital strategy. Digital innovation also drives operational excellence, with digital channels contributing 92% of general purpose loan (GPL) sales, 90% of business banking installment loan sales, 78% of time deposit account openings, and 73% of bancassurance product sales. Digital penetration has significantly increased, climbing to 86%, up 8 percentage points since the start of 2022. Digital channel migration of transactions reached 96%⁽¹⁾. Beyond customer acquisition, Akbank prioritizes deepening customer relationships and enhancing retention. These strategic initiatives pave the way for continued investment in innovation and talent, ensuring sustainable and profitable growth.

Akbank successfully navigated the transitional period of 2024 and is strategically positioned for sustainable growth and profitability. The bank's strong positioning is thanks to its agility in executing customer-centric strategies, identifying priority areas for sustainable expansion and maintaining prudent risk management and cost control practices.

In 2024, key drivers of profitability included effective balance sheet management, adept navigation of regulatory matters, and sustained momentum in fee income performance. Akbank has consistently expanded its customer base through its robust organic growth strategy. The bank maintained its success in customer acquisition during 2024, achieving a net active customer increase of 1.4 million year-on-year, resulting in an extraordinary 72% cumulative jump over the past three years. The bank further broadened its retail reach through significant market share gains among private banks, reinforcing its recurring revenue base in accordance with its strategic objectives. This is reflected in its major progress in fee income market share and

an improved fee-to-operating expense (OPEX) ratio, reaching 86%. Progress in fee income generation more than compensated for sector-wide pressure on net interest income generation.

Prudent and agile asset-liability management (ALM), focused on maturity mismatch and regulatory compliance, has strategically structured the bank's balance sheet for margin enhancement in a disinflationary environment.

The Group's banking operations have remained resilient, maintaining a strong total capital adequacy ratio of 17.8%⁽²⁾ and Tier 1 ratio of 15.1%⁽²⁾. This sustained leading capital position among peers underscores the bank's financial strength and operational robustness.

In 2024, Akbank continued to lead the market with successful wholesale funding transactions. Key transactions included record demand from international investors for the bank's AT1 issuance at the start of the year, followed by a sustainable syndicated loan – the first in Türkiye allocated according to a Sustainable Finance Framework – and senior unsecured Eurobond issuances.

Akbank's Vision for a Sustainable and Inclusive Future

Akbank integrates sustainability into its business strategy, prioritizing long-term objectives in sustainable finance, people and community, ecosystem management, and climate change.

The bank demonstrates its commitment to a sustainable future through numerous key initiatives, including:

Strong ESG Governance

Akbank ensures accountability and progress on sustainability through board-level ESG oversight and a strong culture of diversity and inclusion. The bank's Board of Directors Diversity Policy outlines clear objectives and measurable targets, aiming for at least 30% female board membership by 2027.

⁽¹⁾ Includes financial transactions such as money transfers, payments and investment, but exclude viewing and cash transactions.

⁽²⁾ Without forbearance. Forbearance: Fixing mark-to-market losses of securities & FX rate for RWA calculation to 26.06.2023 FX rate for 2024.



Fostering a Sustainable Economy

Since 2021, Akbank has significantly expanded its sustainable finance portfolio, providing TL 416 billion in total financing through innovative solutions such as supplier financing and green trade finance. Offering dedicated sustainable finance products and services, the bank empowers clients in their environmental journeys.

Akbank leads the way in Türkiye, having committed to 100% sustainability wholesale funding by 2030. In 2024, the bank achieved a 69% sustainability share in its total wholesale funding transactions. Additionally, the launch of the iyigelecegeyatirim.com platform guides investors toward companies with positive social and environmental impact.

Net Zero and Decarbonization Goals

Demonstrating its commitment to net-zero emissions by 2050, Akbank published its Net Zero Strategy. This strategic framework outlines baseline emissions, 2030 interim targets, and sectoral decarbonization approaches. The bank emphasizes a just transition by phasing out coal financing by 2040.

Promoting Financial Inclusion and Digital Transformation

Akbank is committed to empowering individuals and expanding opportunities for women-owned small and medium enterprises (SMEs). In 2024, the number of active women-owned SMEs increased by 19% year-over-year, following a 23% increase the previous year. Akbank also supports employee entrepreneurs through the Akbank+ program, which has invested USD 1.4 million in intrapreneur-founded startups.

Case Campus – a boot camp connecting university students and recent graduates with the entrepreneurial ecosystem – and Boost the Future startup acceleration program continued successfully in collaboration with Endeavor, further strengthening Türkiye's entrepreneurship ecosystem.

Investing in Our People and Communities

Akbank prioritizes gender equality and social impact within its sustainability strategy. In 2024, Akbank Youth Academy reached 48 thousand young people, providing trainings on sustainability and sustainable finance. Through upcycling initiatives, the bank donated 8,071 pieces of furniture to earthquake-affected schools. Akbank also joined the Business Against Domestic Violence Network, implementing support practices for victims of violence, consistent with its zero-tolerance policy.

Akbank Sanat: Bridging Art, Culture, and Sustainability

With a 31-year legacy, and a mission to be "a place where change never ends," Akbank Sanat continued supporting the development of contemporary art in Türkiye. Hosting over 700 annual events, Akbank Sanat offers diverse activities, from exhibitions and contemporary dance performances to jazz concerts, seminars, children's workshops, and theater productions. Initiatives like the Akbank Jazz Festival and the Akbank Short Film Festival connect Akbank Sanat with young people not only in Istanbul but also on university campuses across Türkiye.