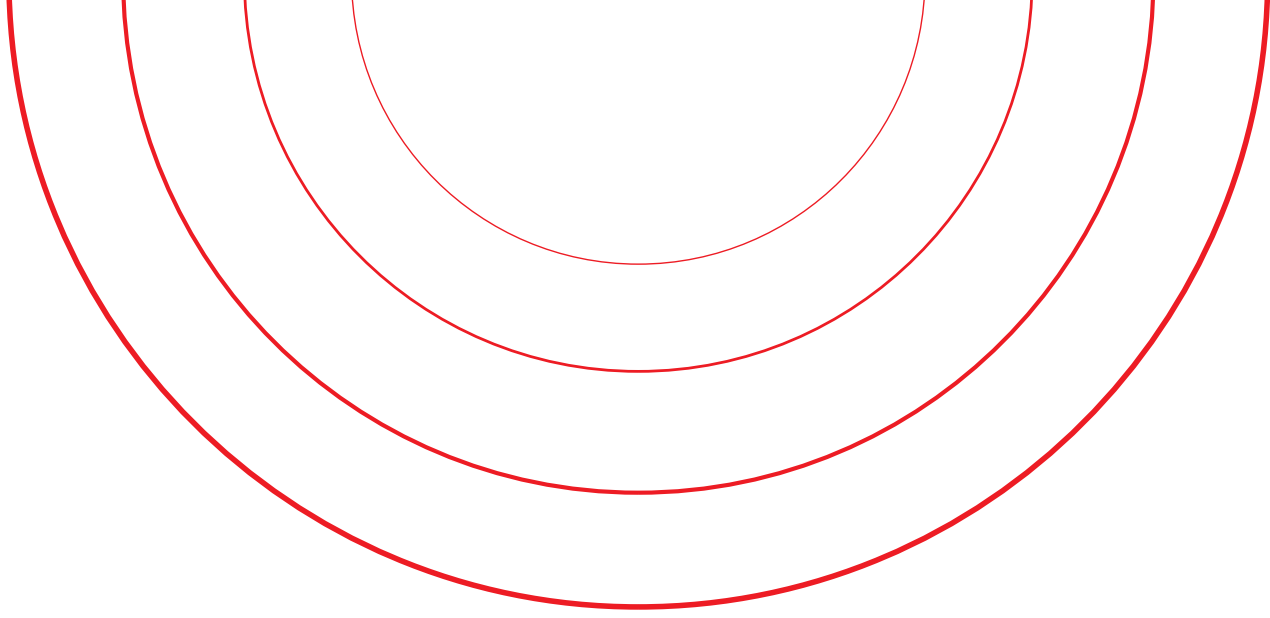




AKBANK AG

ANNUAL REPORT 2024

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Akbank AG's core business areas cover Corporate Banking, Financial Institutions, Treasury, as well as Private and Retail Banking.



WHO WE ARE



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Akbank AG

in Brief

Akbank AG is headquartered in Eschborn, Germany, and its core business areas include Corporate Banking, Financial Institutions, Treasury, as well as Private and Retail Banking.

Akbank AG is a voluntary member of the Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverband Deutscher Banken).

Akbank AG is the successor institution of the German branch of Akbank T.A.Ş. It received its full banking license on 4 May 1998 from the German Federal Financial Supervisory Authority (BaFin) and started providing retail and corporate banking services in Germany.

On November 23, 2005, the branch was converted into an Aktiengesellschaft (AG) and registered with the commercial register of Frankfurt am Main. In May 2007, Akbank AG's shares were transferred to Akbank N.V., a wholly-owned subsidiary of Akbank T.A.Ş. established in 2001 as a Dutch bank under the banking law and regulations of the Netherlands.

As a result of the strategic decision to reorganize the European operations of Akbank Group, in particular to use capital and other resources more efficiently, Akbank N.V. was merged into Akbank AG, with the discontinuation of Akbank N.V.'s activities effective from June 15, 2012. Upon this merger, Akbank T.A.Ş. became the sole shareholder of Akbank AG. The merger between Akbank AG and Akbank N.V. led to a substantial growth in Akbank AG's lending and deposit business, triggering a continuous positive trend in the post-merger period.

The Bank is a voluntary member of the Deposit Protection Fund of the Association of German Banks, Einlagensicherungsfonds des Bundesverband Deutscher Banken, and offers protection to both corporate and retail deposit holders up to EUR 50 million and EUR 5 million respectively on an individual basis.

Akbank AG relocated its head office from Frankfurt am Main to Eschborn in June 2020.





Values

- We are built upon the trust of our clients
- We exist because of our clients
- We do what is right
- We make a difference with our innovations
- We are strongly committed to add value to all our stakeholders

Vision

- To be the leading Turkish Bank in Europe

Mission

- Creating higher and lasting value for all our stakeholders through innovative financial solutions and trustworthiness.

Strong Foundations

- Strong shareholder
- Robust capital structure
- Highly-qualified team
- Best-in-class risk management and excellent asset quality
- Effective balance sheet management and strong liquidity
- Stable and diversified funding mix
- Sustainable revenue generation
- Innovative initiatives that herald the future of banking

Strategies

- Preserve the highest level of customer satisfaction
- Sustain strong asset quality through efficient risk management
- Maintain our competitive edge of our cost structure
- Focus on technological development and innovative solutions
- Develop and invest in our people for lasting performance through motivation and job satisfaction

Sabancı Group in Brief

Sabancı Group is Turkey's leading investment holding company, operating through its subsidiaries and affiliates across a wide range of sectors.

Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding), Turkey's leading investment holding company, is engaged in a wide variety of business activities through its subsidiaries and affiliates, mainly in the banking, financial services, energy and climate technologies, material technologies, mobility solutions, and digital sectors.

Sabancı Holding coordinates and supports the finance, strategy, business development, legal, human capital and sustainability functions of Group companies. The Holding aims to ensure that Group companies operate in a manner that is profitable and sustainable with favourable competitive conditions. In addition, Sabancı Holding sets and monitors the investor relations and corporate governance practices that apply across Sabancı Group.

Sabancı Holding is managed by an Executive Committee, a team of senior executives including the Chief Executive Officer, Group Chief Financial Officer, Strategic Business Unit Presidents and function-based Group Presidents. The Executive Committee is mainly responsible for major capital allocation decisions and reports to the Board of Directors, which is the ultimate decision-making body of the Holding.

Sabancı Holding's higher purpose is to unite Turkey and the World for a sustainable life with leading enterprises. With this core reason for being, Sabancı Holding works to create value for its stakeholders. As of the end of 2024, Sabancı Group companies supply their products and services around the globe with more than 60 thousand employees in 17 countries worldwide. Sabancı Holding's multinational business partners include leading global companies such as Ageas, Bridgestone, Carrefour, E.ON, Heidelberg Materials, and Skoda. Sustainability is a central aspect of Sabancı Holding's higher purpose. To this end, the Holding has adopted a target of net zero emissions and net zero waste by 2050.

Sabancı Holding is registered with the Capital Markets Board, the securities regulator of Turkey. Since 1997, Sabancı Holding has been listed on Borsa Istanbul. The Sabancı Family jointly controls Sabancı Holding as a majority shareholder, while 53.23% of the Holding's shares is publicly traded. As of year-end 2024, Sabancı Holding and its 11 listed subsidiaries' shares constitute around 6% of the total market capitalization of Borsa Istanbul. At the end of 2024, Sabancı Holding's net asset value reached USD 10.6 billion, marking an annual increase of 20%.



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Countries

As of the end of 2024, Sabancı Group companies supply their products and services around the globe with more than 60 thousand employees in 17 countries worldwide.

Akbank T.A.Ş.

in Brief

In 2024, we increased our lending portfolio to TRY 1 trillion 728 billion, with TRY 1.376 billion provided in cash, to support national economy.



12,778
Employees

+14
Million

Total Number of
active customers



6,210
ATMs

At Akbank we started our operations in Adana on January 30, 1948, with the authorization granted by the Council of Ministers with the decision dated 12.12.1947 and numbered 3/6710, authorizing us to carry out all kinds of banking transactions. Initially, our aim was to provide resources and support to cotton producers in Adana, as a private-equity commercial bank. We opened our first branch in Istanbul in Sirkeci on July 14, 1950. After the relocation of our Head Office to Istanbul in 1954, the number of our branches increased rapidly.

We transitioned to automated systems in all banking transactions in 1963. After the IPO that took place in 1990 and the secondary public offering in 1998, we also started to operate through American Depository Receipts (ADR) on international markets.

We provide services to our customers in a wide range of activities including corporate and investment banking, commercial banking, SME banking, retail banking, payment systems, private banking, wealth management, and treasury operations. We also carry out activities in the insurance sector through our branches and act as an insurance agent on behalf of Aksigorta Co. and AgeSA Pension and Life Insurance Co.

Our subsidiaries include Akbank AG, AKLease, Ak Investment, Ak Asset Management, AkÖde and Akbank Ventures. Through these subsidiaries, we offer innovative product solutions for various financial needs of our customers. In addition, Akbank has noteworthy products and services that stand out in the national and international banking sector, such as Axess, Wings, and Private Banking.

With our wide service network and technological infrastructure, our bank provides services to more than 14 million active customers through our General Directorate in Istanbul, our Data and Life Centre,

19 Regional Directorates across Turkey, 694 branches, and 12,778 employees. In addition to providing in-person services at our branches, we also offer added value to our customers through Akbank Internet, Akbank Mobile, our Call Centre, 6,210 ATMs, and 803,588 POS terminals (including virtual POS solutions). Our branch in Malta and our subsidiary Akbank AG in Germany also contribute to our international operations.

In 2020, we have identified four key focus areas: sustainable financing, people & community, ecosystem management, and climate change as part of our sustainability strategy. In 2023, we realized our commitment we made at the beginning of 2021 to provide TRY 200 billion sustainable loan financing to our country by 2030.

In 2024, we increased our lending portfolio to TRY 1 trillion 728 billion, with TRY 1.376 billion provided in cash, to support national economy. Our total deposits reached TRY 1 trillion 633 billion, and our assets reached TRY 2 trillion 653 billion. Maintaining a strong capital position with a strong consolidated capital adequacy ratio of 20.2%, we continue to support the revitalization and development of the real economy. This year, our bank allocated TRY 9 billion 490 million in tax provisions while achieving a consolidated net profit of TRY 42 billion 362 million.

With the goal of leaving future generations with a more sustainable world, we are integrating sustainability into our operations and banking processes by developing our Environmental and Social Risk Framework.

We build our corporate culture on the principles of diversity and inclusion. While supporting the participation of individuals with disabilities in the workforce, we carry out projects in areas such as gender equality, women's economic empowerment, volunteerism, and equal opportunities in education. As the first Turkish bank to join the global "The Valuable 500" initiative, we are proud to be part of this movement. We aspire to reach all segments of society with the financial inclusion products and services we provide, ensuring the engagement of all our stakeholders in the economy, including underprivileged groups. At the same time, as a founding member of the United Nations Environment Programme Finance Initiative's Financial Health and Inclusion Commitment, we contribute to the work carried out in this area.

We continue to strengthen our pioneering role in the banking sector by investing in innovation and start-ups through "Akbank LAB." By continuously improving our Akbank Mobile application, we maintain our leadership in the digital transformation of banking. With an open corporate culture that embraces change and innovation, we quickly respond to the changing needs of our customers.

In 2021, we added a new initiative to our social investments by establishing the Akbank Youth Academy. In this context, we embrace the mission of "starting the transformation together with the youth" and offered a range of trainings to equip the younger generation with the skills they will need in the future.

As Akbank, we take on a pioneering role in the global banking sector in terms of gender equality and women's empowerment, being the only Turkish bank participating in the UNEP FI & UN Women's Working Group on Gender Equality 2024.

We are delighted to be included in the guide for setting targets for the advancement of gender equality and women's empowerment, developed in collaboration with the banks participating in this working group.

We are one of the four Turkish companies recognized in the "World's Best Companies 2024" ranking published by TIME Magazine and Statista. We are the only Turkish bank on this list. Performance ranking is based on a formula of employee-satisfaction surveys; revenue growth; and environmental, social, and corporate governance (ESG) data for the years between 2021 and 2023.

We focus on reducing the environmental impact of our operations in the fight against climate change. By 2050, we aim to be a Net Zero bank and are committed to reducing both our operational emissions and the climate change impact of our loan portfolio to zero.

As part of the Task Force on Climate-related Financial Disclosures (TCFD), we assess both the qualitative and quantitative impacts of climate change and identify potential vulnerabilities in our loan portfolio. By implementing our net zero carbon roadmap, we support our customers in seizing market opportunities and managing transition risks.

Supervisory Board

Hakan Binbaşgil - Chairman (Banker, Vice Chairman and Executive Board Member of AKBANK T.A.S., Istanbul, Turkey)

Hakan Binbaşgil is the Vice Chairman and Executive Board Member of Akbank. Binbaşgil also serves as the President of the Banking Group and Executive Committee Member of Sabancı Holding, Chairman of Akbank AG and Chairman of Akbank Ventures BV.

Mr. Binbaşgil, who served as CEO at Akbank T.A.Ş. for nearly 12 years between 2012 and 2023, commenced his tenure with Akbank T.A.Ş. in 2002, assuming the role of Executive Vice President responsible for Change Management. In 2003, he became the Executive Vice President overseeing Retail Banking and in 2008, he ascended to Deputy CEO. Starting in 2002, he spearheaded a multitude of initiatives encompassing strategic direction setting, restructuring, digitalization, technology, corporate identity, change management, talent building and cultural transformation.

Prior to joining Akbank T.A.Ş., Binbaşgil worked as a Management Consultant in the London and Istanbul offices of Accenture, and as Executive Vice President in a different private sector bank. Binbaşgil has an extensive history of leadership roles, having held the positions of chairman and board member across numerous respected domestic and international organizations. Additionally, he has held the office of Term President at the Institut International D'Etudes Bancaires (IIEB), a prominent institution comprised of member banks from across Europe.

After graduating from Robert College, Hakan Binbaşgil graduated from Bosphorus University, Faculty of Mechanical Engineering. Binbaşgil later received master's degrees in business administration and finance from LSU.

Kaan Gür - Deputy Chairman (Banker, CEO of AKBANK T.A.S., Istanbul, Turkey)

Kaan Gür, with over 30 years of experience in the banking sector, obtained his degree from Gazi University's Faculty of Banking and Insurance and an Executive MBA from the Middle East Technical University. He began his career in a prominent private sector bank, holding positions such as Branch and Regional Manager in Corporate, Commercial, and SME Banking, later transitioning to the role of Director of SME Marketing Coordination.

In 2011, Gür joined Akbank as the Executive Vice President of SME Banking. From 2013 to 2017, he served as the Executive Vice President of the Commercial Banking segment, overseeing the Cash Management and Trade Finance departments. During this period at Akbank, he also held the positions of Chairman of AK Lease and Vice Chairman of AK Investment, both Akbank subsidiaries.

Between 2017 and 2023, Gür assumed the role of CEO and Board Member at another private sector bank, leading transformations across various areas, including corporate, technological, and cultural sectors. As of October 2023, Gür has assumed the position of CEO and Board Member of Akbank.

Levent Çelebioğlu - Deputy Chairman (Banker, Executive Vice President Corporate and Investment Banking of AKBANK T.A.S., Istanbul, Turkey)

Levent Çelebioğlu joined Akbank T.A.S. in May 2015 as Executive Vice President in charge of Corporate and Investment Banking. Prior to joining Akbank, he held various senior management positions at different private sector banks. Çelebioğlu is also the Vice Chairman of Akbank AG and Chairman of Ak Investment. Additionally, he is Chairman of TUSIAD Banking Group. Levent Çelebioğlu is a graduate of 9 Eylül University, Faculty of Economics, Monetary Economics & Banking Department.

Türker Tunalı - Member (Banker, Executive Vice President, Chief Financial Officer of AKBANK T.A.S., Istanbul, Turkey)

Türker Tunalı joined Akbank T.A.S. in September 2008 as Senior Vice President in charge of Financial Coordination and International Reporting. Prior to joining Akbank T.A.S., he held various managerial positions since 1999. He was appointed as Executive Vice President (CFO) in charge of Financial Coordination in October 2017. Tunalı is also a member of Corporate Governance Committee of Akbank T.A.S.. Tunalı is the Vice Chairperson of Ak Investment, also a Board Member and Audit Committee Chairperson of Akbank AG, Board Member of AkLease and AkÖde. Türker Tunalı is a graduate of Boğaziçi University, Department of Business Administration and is a CFA charterholder since 2006.

Gamze Şebnem Muratoğlu - Member (Banker, Executive Vice President - Treasury of AKBANK T.A.S., Istanbul, Turkey)

Şebnem Muratoğlu joined Akbank in April 1995 as Management Trainee. Muratoğlu has been working at the Risk Management since 2002 and appointed as Vice President in charge of Risk Management in November 2003, Senior Vice President responsible from Risk Management in November 2006 and CRO in March 2017. Lastly, she was appointed as Executive Vice President in charge of Treasury in January 2019. Şebnem Muratoğlu is Chairperson of Akportföy, Vice Chairperson of Ak Asset Management and Board Member of AkLease. Muratoğlu is a graduate of University of Kent Economics and holds a Master's degree from Macquarie University and FRM (Financial Risk Manager) certificate holder since 2003.

Emre Kahraman - Member (Banker, Chief Risk Officer of AKBANK T.A.S., Istanbul, Turkey)

Emre Kahraman joined Akbank T.A.Ş. in April 2019 as Chief Risk Officer (CRO). Prior to joining Akbank T.A.Ş., he held various managerial positions at different private sector banks since 2001. Emre Kahraman is Supervisory Board member of Akbank AG and Board member of Ak Investment. He is a graduate of Boğaziçi University, Industrial and Mechanical Engineering Departments with double major and holds a Financial Engineering master degree from the same university. He also holds licenses of Capital Market Board of Turkey both on Capital Market Activities Level 3 and Derivative Instruments.

Pinar Anapa - Member (Banker, Executive Vice President People and Culture of AKBANK T.A.S., Istanbul, Turkey)

Pinar Anapa joined Akbank T.A.S. in 1999 and after taking various responsibilities in Internal Audit division, she worked as Deputy Head of Internal Audit between 2007-2014. Anapa started to serve as Career Development Senior Vice President in 2014, and she has been serving as Executive Vice President in charge of People and Culture since June 2019. Her areas of responsibility cover career development, organizational development, training, architectural solutions and operations. Pinar Anapa is a graduate of METU Economics and received an Executive MBA degree from Sabancı University in 2006. Anapa is also a Board Member of Akbank AG and Women in Technology Association.

Dr. Herbert Walter - Member (Banker, Frankfurt am Main)

Dr. Herbert Walter joined the Supervisory Board of Akbank AG on December 28th, 2020.

Dr. Walter began his career at Deutsche Bank in 1983. After taking over various positions he became eventually member of the Group Executive Committee and was globally responsible for the Private & Business Clients division. In 2003 he joined the Board of Management of Allianz SE and took over the role as CEO of Dresdner Bank AG. Since 2009 he has been the owner of Dr. Herbert Walter & Company, an independent consulting and service company in Frankfurt am Main with a focus on financial service providers.

Dr. Walter was Chairman of the Federal Agency for Financial Market Stabilization (FMSA) in 2015/2016. Amongst others he concentrated on setting up the national banking resolution authority for Germany.

After studying business administration at Ludwig Maximilian University of Munich, he obtained his doctorate (Dr. rer. pol.) in 1983.

Peter Tils - Member (Banker, Berlin)

Mr. Peter Tils joined the Supervisory Board of Akbank AG on December 28th, 2020.

Mr. Tils started his career at Deutsche Bank in 1977. In 2000, he was appointed Global Head of Relationship Management Financial Institutions, Global Banking, Corporate and Investment Bank. From August 2005, he served in Deutsche Bank's Regional Management as CEO for Central and Eastern Europe, responsible for the Eastern European business.

Mr. Tils graduated from the University of Cologne with a degree in business administration.

Hüsnü Erel - Member (Banker, Istanbul, Turkey) (Until Jun 28, 2024)

Mr. Hüsnü Erel graduated from Istanbul Technical University, Electronics and Communications Engineering Faculty, worked as a CIO at Interbank, after working as a system engineer at Wilcox Avionics Company and IBM. As the first General Manager of Intertech, one of the first private software offices in Turkey, he led the development of the first local real-time online banking solution.

During his banking career, Erel was responsible for Garanti Bank's Technology Centre, Organization and Process Development, Secure Operations, Customer Analytics, Innovation and Product Development and Operations Centre.

He designed and carried out technology & transformation projects ranging from bank mergers, alternative distribution channels applications, process digitalization, mobilization, analytically supported decision-making projects to the development of business models. He retired in May 2018, has been appointed as a member of the Akbank AG Supervisory Board since March 2022.

Ecem Nalbantgil - Member (Banker, Istanbul, Turkey) (From Jun 28, 2024)

Ms. Ecem Nalbantgil has been a member of the Supervisory Board of AKBANK AG since June 28, 2024.

She joined Akbank T.A.S. in March 2024 and is a member of the Management Board of the subsidiaries Ak Asset Management and AKÖde. Ms. Ecem Nalbantgil is also active as an advisor to the Supervisory Board of Akbank T.A.S. In her professional career, Ms. Nalbantgil has worked for renowned banks such as Bank of America – Merrill Lynch and UBS.

Ms. Nalbantgil is a graduate of DePaul University in Chicago with an MBA in International Markets & Finance. She previously attended the Illinois Institute of Technology in Chicago where she earned her MS in Construction Management.



Message from the Chairman of the Supervisory Board

Akbank AG concluded 2024 with robust financial results, underscoring the strength of our strategy, the discipline of our execution, and the dedication of our people.

As 2024 draws to a close, I would like to take this opportunity to reflect on the key milestones, challenges, and achievements that have shaped Akbank AG's journey over the past year. In an environment defined by uncertainty and transformation, our resilience, adaptability, and long-term strategic vision have been the foundation of our continued progress.

Throughout the year, we remained focused on delivering lasting value to our customers, partners, and the broader community, guided by our core values and a commitment to disciplined execution.

The macroeconomic and geopolitical landscape in 2024 was complex. While global markets exhibited signs of recovery, persistent volatility and regional tensions, particularly the ongoing Russia-Ukraine conflict, reinforced the importance of strong risk management and agile strategic planning. Global GDP growth reflected a modest yet steady improvement in the broader economic outlook.

A key geopolitical development in the latter half of the year was the U.S. presidential election, which may signal future shifts in American foreign policy, trade dynamics, and global regulatory frameworks. At Akbank AG, we are closely monitoring these potential changes, evaluating their implications, and adjusting our strategies accordingly to ensure continued operational resilience and long-term growth.

In Germany, economic conditions remained subdued with a modest contraction. Inflation, while easing from 2023 highs, persisted at elevated levels. A combination of weak demand and elevated energy prices continued to weigh on growth. Central banks, including the ECB and the Federal Reserve, maintained a measured approach to interest rates in their efforts to support price stability and economic recovery.

Against this backdrop, Europe's financial sector advanced its transition toward digitalization and sustainable finance. Akbank AG embraced this evolution with conviction, enhancing operational efficiency, strengthening our risk governance framework, and deepening our alignment with ESG principles. These efforts contributed to a strong financial performance and reinforced our position as a reliable, forward-looking partner.

We are proud to report that Akbank AG concluded 2024 with robust financial results, underscoring the strength of our strategy, the discipline of our execution, and the dedication of our people. As an integral part of the Akbank T.A.Ş. Group, Akbank AG continues to serve as a strategic platform for growth across Europe. Our continued focus and investments in human capital and technology demonstrate our confidence in Akbank AG's important role within the Group. These investments will be essential to ensure that Akbank AG is prepared for future challenges and opportunities.

In closing, I would like to extend my sincere thanks to our employees, clients, business partners, the Supervisory Board, and the broader Akbank family. Your trust and continued support are at the heart of our success. As we look ahead to 2025, we remain committed to building on this year's momentum, navigating change with clarity, driving innovation, and shaping a more resilient and sustainable future together.

Warm regards,

Hakan BİNBAŞGİL
Chairman of the Supervisory Board

Message from the CEO

Akbank AG achieved a net statutory profit of EUR 84.6 million and maintained a strong capital adequacy ratio of 35.2% in 2024. We observed positive contributions across our key business segments, including corporate clients, financial institutions, wealth management, and retail banking.

Dear Esteemed Stakeholders,

Reflecting on the developments of 2024, I extend my sincere appreciation for your continued trust and partnership with Akbank AG. This past year has presented a distinct set of global and domestic dynamics, requiring adaptability and strategic foresight in our operations and planning.

The geopolitical landscape in 2024 was marked by ongoing complexities, including the sustained impact of the Ukraine conflict, and the US presidential election which introduced a layer of potential shifts in international economic and diplomatic paradigms. In addition, inflation continued to be a significant factor in almost all regions.

Akbank AG navigated these multifaceted conditions with a clear focus on our strategic imperatives. We prioritized the enhancement of our operational agility, the further strengthening of our risk management structure, and the deeper embedding of ESG principles across our value chain. Our commitment to technological advancement remained robust, with continued investments aimed at elevating customer experience and optimizing operational efficiency.

Sustainability remained a core tenet of our strategies in 2024. We actively advanced the incorporation of ESG factors into our financial product offerings and business processes, underscoring our dedication to fostering long-term sustainable value creation for our stakeholders and the wider community.

At the heart of Akbank AG's achievements in 2024 lies the constant dedication and exceptional talent of our employees. They are the cornerstone of our success, embodying our values and driving our commitment to our clients and partners. Their expertise, resilience, and collaborative spirit have been instrumental in navigating the complexities of the past year and achieving our key objectives.

I am particularly proud of Akbank AG team. We are fully committed to our continued investment in the future of our organization. Each new member brings valuable skills and perspectives, further enriching our capabilities and strengthening our collective expertise. This expansion not only enhances our capacity to serve our clients effectively but also fosters a dynamic and innovative work environment.

In terms of our financial performance in 2024, Akbank AG achieved a net statutory profit of EUR 84.6 million and maintained a strong capital adequacy ratio of 35.2%. We observed positive contributions across our key business segments, including corporate clients, financial institutions, wealth management, and retail banking. These results reflect our strategic focus and the resilience of our business model in a dynamic environment.

Looking ahead, our strategic priorities remain focused on maintaining strong asset quality through efficient risk management, ensuring superior customer experience and satisfaction, operational excellence, and proactive adaptation to the evolving global and regional landscapes. We are committed to leveraging technological advancements, deepening our client relationships, and contributing to a sustainable financial future.

Thank you for your continued support and confidence in Akbank AG. We are committed to navigating the future with diligence and a focus on delivering lasting value for all our stakeholders.

Warm regards,

Mehmet TUGAL
Chief Executive Officer



CORPORATE GOVERNANCE



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Report of the Managing Board for the Fiscal Year 2024

AKBANK AG's traditional corporate client business focuses primarily on well-known and internationally active companies.

PRELIMINARY REMARK

Business and general conditions

AKBANK AG is the successor to the German branch of Akbank T.A.S., which was granted a banking licence by BaFin in 1998. Since 2006, the bank has focused exclusively on business with large corporate clients and was transformed into a German stock corporation. In June 2012, Akbank N.V., Amsterdam was merged into AKBANK AG.

The Bank is a voluntary member of the Deposit Protection Fund of the Association of German Banks and offers protection to both corporate and retail deposit holders. In 2024, the protection amount for non-retail customers was EUR 50 million for a deposit term of up to one year and EUR 5 million for retail customers with no maturity limit. The level of protection is determined by the Deposit Protection Fund of the Association of German Banks and will change in 2025 to EUR 30 million (for deposits of up to one year) for non-retail customers and EUR 3 million for retail customers. Details of the protection scheme are can be found under following link: <https://einlagensicherungsfonds.de/reform-des-einlagensicherungsfonds-2023>. Membership guarantees AKBANK AG customers a high level of security for their investments and increases the bank's attractiveness for potential new customers.

AKBANK AG has been headquartered in Eschborn since 2020.

Owner of the bank

As at 31 December 2024, the sole shareholder of AKBANK AG remains Akbank T.A.S., Istanbul. As at 31 December 2024, 40.75% of the shares in Akbank T.A.S. are held by Hacı Ömer Sabancı Holding A.S., Istanbul. The remaining shares are in free float, of which around 25% were held by foreign investors at the end of 2024.¹

FUNDAMENTALS OF THE BANK

AKBANK AG's core business and business model

The Bank's core business areas include corporate and institutional banking, business with financial institutions and trade finance, wealth management and private banking, retail banking and treasury.

AKBANK AG's traditional corporate client business focuses primarily on well-known and internationally active companies. In order to maximise the return on equity, the Bank optimises its financing mix of equity, earmarked financing transactions and customer deposits while complying with all regulatory and internal capital requirements. The bank's risk strategy ensures that appropriate measures are taken to assess and cover all risks that may arise as part of the banks' current business strategy.

The Wealth Management division comprises the private client business with wealthy clients based in Turkey with an investment volume of EUR 200 thousand or more on an execution-only basis.

AKBANK AG offers the "AK-Online Tagesgeld" and "AK-Online Festgeld" products for its private customers in the retail segment. The target customers are primarily private customers based in Germany who are served via the bank's online banking.

Treasury supports the strategy in the private and corporate customer business as part of targeted asset/liability management. In addition, the "Depot A" business with fixed- interest securities - within the framework of a "non-trading book institution" - controlled.

Branches and significant shareholdings

The bank still has no branches or subsidiaries. Furthermore, it has no equity investments.

Goals and strategies

When developing and revising its business strategy, the Bank takes into account the global macroeconomic environment with a particular focus on Germany, the EU, the US market and Turkey.

The Bank is refinanced through equity, deposits from private customers and private banks, deposits from corporate and business customers and institutional funds. Accordingly, the main factors that determine the composition, cost and duration of refinancing in the Bank's strategy are as follows:

1. Interest rate policy of the ECB
2. Market competition for retail customer deposits and new market participants
3. Policy change/regulation of the German Deposit Protection Fund
4. Internal targets vs. market dynamics with regard to the refinancing period
5. Political developments in Turkey and depositors' perceptions of the latter
6. Financing costs of the loan portfolio in the respective financing segments. (corporate, private, retail and institutional clients)
7. Management of liquidity ratios, including the liquidity ratios (LCR, NSFR) and compliance with the required capitalisation
8. Equivalent supervisory treatment of Turkey with regard to the EU

The business strategy aims to (1) maintain profitability through diversified and reliable business growth in the target segments of the banking business and (2) sustainably increase the customer base through an expanded range of services.

The Bank's business strategy was developed on the basis of all critical external factors (macroeconomic, geopolitical, social, technological, environmental and legal perspectives in Germany, the EU zone and the Turkish markets) and internal factors (financial, organisational and technological perspectives).

As part of our business strategy, the Bank has defined its high-level and business unit KPIs and their target values as well as strategic initiatives as the key measures for achieving the Bank's objectives.

AKBANK AG ensures a proper business organisation. As part of risk governance, risk management follows the concept of three lines of defence to ensure the effective identification, management and monitoring of risks.

Corporate & Institutional Banking (CIB)

The Bank's CIB clients are generally Turkish companies, with a focus on borrowers with a strong track record and an internal risk rating of 10² or better. Deviations from this minimum rating may occur depending on the company's risk appetite, return expectations and the macroeconomic dynamics of the country in question.

The target market consists of:

- Turkish subsidiaries of blue-chip multinationals, German or EU subsidiaries of Turkish companies, companies and financial institutions with regular trading activities with Turkey and other international companies. Multinational corporations and their subsidiaries in Turkey. Large regional and local European companies with regular trade relations (import/export)
- Financial institutions that are not banks (factoring, leasing, insurance and other financial service providers)
- International conglomerates
- Companies with a state-owned background in selected countries
- European companies whose loans or bonds are considered eligible by the ECB or the Deutsche Bundesbank

Wealth Management / Private Banking

AKBANK AG currently offers its clients execution-only wealth management services. From 2025, the Bank intends to expand its wealth management services. The strategy aims to increase assets under management (AUM) and fee income by introducing new products and services and offering general market information.

Private customer business

For its private customers, AKBANK AG only offers the products "fixed-term deposits" and "sight deposits." The target customers are private customers based in Germany who wish to invest their surplus liquidity in simple investment products such as demand deposits and time deposits.

¹ https://www.akbankinvestorrelations.com/en/images/pdf/akbank_corporate_presentation.pdf

² Corresponds approximately to risk classification B+

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Treasury, financial institutions and trade finance

Markets - Sales and ALM Execution

The Markets - Sales and ALM Execution department aims to provide a fast and reliable service for the target client base of the Corporate Banking and Wealth Management business divisions and to act as the execution arm of the Asset and Liability Committee. The target clients are professional clients within the meaning of MIFID II who actively request various investment and foreign exchange products.

Financial institutions and trade finance

The largest and major regional Turkish banks will be the Bank's target trading partners in brokering trade between Turkey and Germany, Europe and other target countries. Utilisation of the existing corporate customer base on the buyer and seller side to expand the trade volume.

- Increase in the share of trade finance business
 - Increase the Bank's share of trade between Turkey and safe countries in line with the German Deposit Protection Fund. While the largest and major regional Turkish banks remain our target trading partners, carefully selected smaller banks will be added to the portfolio as soon as the country's credit risk improves.
- Expansion of the syndicated loan portfolio, which consists mainly of non-Turkish FI loans, to other major and large regional Turkish banks, subject to the Turkey limits of the German Deposit Protection Fund applicable to the Bank.
- Long-term trade transactions covered by export credit agencies will be considered if possible.
- Contribution to the financing of the Bank through its network of correspondents, if required.
- Realisation of commission income from non-cash trading transactions.

Control system

The most important performance indicators of AKBANK AG's management system are continuously monitored and appropriate measures are taken to ensure the optimisation of strategy implementation.

- The regulatory **total capital ratio of own funds**, which describes the relationship between the bank's own funds (in accordance with Article 92 of Regulation (EU) No. 575/2013) and its risk-weighted assets as at the balance sheet date
- The **ratio of profit after tax to average equity (return on average equity, ROAE)** is calculated as the profit after tax under commercial law for the financial year divided by the average equity at the end of the same year
- **Profit after tax in relation to the average balance sheet total excluding cash-secured loans (return on average assets, ROAA)** is calculated from the profit for the financial year less the net effect from the reversal of country value adjustments after tax and less the net interest from the cash-secured loans after tax divided by the average month-end balance sheet total less the cash-secured loans of the same year
- The **net interest margin (NIM)** is calculated as the net interest income for the financial year excluding the net interest on cash-hedged loans divided by the average month-end balance sheet total less the cash-hedged loans for the same year
- The **cost-income ratio (CIR)** is the ratio of operating expenses to operating income
- The **non-performing loan (NPL) ratio** is the ratio of impaired loans and advances to banks and customers divided by the sum of loans and advances to banks and customers. AKBANK AG has not suffered any bad debt losses for over 15 years. There are no specific valuation allowances as at the balance sheet date

- **Balance sheet total** as at the balance sheet date
- **Net income (retained earnings)** for the financial year
- **Number of employees** as at the balance sheet date

ECONOMIC REPORT

Macroeconomic and sector-specific framework conditions³

Worldwide

Global headline inflation continued to decline gradually in 2024. However, the annual inflation rate remained above the 2% target set by central banks of advanced economies due to robust growth and tight labour markets, which led to stubborn services inflation. In addition, geopolitical developments, political uncertainties and changing expectations of future policy caused volatility in the financial markets and commodity prices during the year, which hampered the disinflation process. At the end of the year, annual consumer inflation in the US was 2.9%⁴ and in the eurozone 2.4%⁵, while the core inflation rate excluding food and energy was 3.2% and 2.7% respectively.

The global economy grew by 3.2% in 2024, similar to 2023⁶. Although growth rates have remained stable over the years, growth has varied around the world. The emerging economies have performed relatively better despite the weakening Chinese economy. On the other hand, the US economy continues to outperform other advanced economies.

As a result of the downward trend in inflation, the long-awaited key interest rate cuts began in industrialised countries in the second half of 2024. The ECB was the first central bank to cut interest rates due to the relatively weak development of regional inflation.

The ECB cut its key interest rate by a total of 100 basis points and reduced its deposit rate to 3% in December⁷. The Fed, on the other hand, began its first rate cut later than the ECB in September, but thanks to a stronger first move of 50 basis points, was able to cut interest rates by a total of 100 basis points to a range of 4.25% to 4.50% in the period from September to December⁸.

Uncertainty remains over the pace of rate cuts in the coming period as Trump's future policies are expected to be pro-growth and pro-inflation. The Fed raised its inflation forecasts for 2025 and predicted a slower rate cut process compared to its September forecasts⁹. On the other hand, the ECB is expected to continue its rate cuts with sustained momentum in the first half of 2025 due to the deteriorating and weak growth outlook. Accordingly, the expected growth and interest rate differentials support the trend towards a "strong dollar."

While the medium-term risks to growth are on the downside, there are also risks on both sides in the short term. While upside risks could boost the already strong growth in the US in the short term, the risks in other countries tend to be on the downside due to increased political uncertainty. Developments affecting the sustainability of public finances and financial stability could interrupt monetary easing.

³ Unless otherwise stated, the source of the information is the Economic Research Department of Akbank T.A.S.

⁴ https://www.bls.gov/news.release/archives/cpi_01152025.htm

⁵ <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-07012025-ap>

⁶ World Economic Outlook, January 2025: Growth on divergent paths amid elevated policy uncertainty (imf.org)

⁷ <https://www.ecb.europa.eu/press/key/date/2024/html/ecb.sp241216-7caa8c7202.en.html>

⁸ <https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm>

⁹ <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20241218.pdf>

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The Eurozone & Germany

The growth prospects for the eurozone are below average compared to the US economy. Growth amounted to 0.7% in 2024¹⁰. Growth was primarily driven by private household spending, gross fixed capital formation and inventories, while net exports had a negative impact due to weaker exports and a slight increase in imports. The leading indicators for economic activity in the eurozone point to continued weakness in the manufacturing sector, while the service sector is relatively strong.

Looking ahead, the projections for the eurozone suggest that moderate growth will continue in 2025 and 2026. In its latest projections from December¹¹, the ECB revised its growth forecasts downwards from 1.3% to 1.1% for 2025 and from 1.5% to 1.4% for 2026, citing the risks arising from global economic conditions and domestic factors. Overcoming structural challenges and external risks will be crucial to achieving sustainable and robust economic performance.

On the inflation front, the eurozone recorded a notable decline in inflation rates in 2024. After peaking at 10.6% in October 2022, inflation fell steadily and reached 2.0% in October 2024. This downward trend was continued in primarily due to base effects, in particular the diminishing impact of earlier energy price surges.

Towards the end of 2024, however, there was a slight increase in the inflation rate to 2.4% in December¹². Inflation in the services sector was still higher at 4% at the end of the year. The strong inflationary pressure in the services sector is expected to continue until early 2025¹³. The ECB forecasts for headline inflation (average) have been lowered from 2.2% to 2.1% for 2025, while they remain unchanged at 1.9% for 2026¹⁴. The forecast for core inflation excluding energy and food (average) was left unchanged at 2.3% for 2025 and revised from 2.0% to 1.9% for 2026. In short, inflation is expected to reach the ECB's inflation target of 2% by the end of 2025.

Given the outlook for inflation and growth and the potential headwinds, the ECB is likely to continue to cut interest rates at the same pace in the first half of 2025 and reduce the key interest rate to 2% by June. However, the ECB will continue to take a data-dependent and meeting-by-meeting approach in determining the appropriate monetary policy stance.

The German economy faced major challenges in 2024 and continued to stagnate with a decline of 0.2%¹⁵, marking the second consecutive year of negative growth. High uncertainty, weaker global demand for industrial goods and structural problems such as high energy costs and underinvestment in infrastructure contributed to this downturn.

Looking ahead, the European Commission expects a modest recovery and GDP growth in Germany of 0.7% in 2025 and 1.3% in 2026¹⁶. This optimism is based on the expected rise in real wages, which is expected to boost domestic demand. However, the Bundesbank is more cautious, forecasting minimal growth of 0.2% in 2025 and 0.8% in 2026, citing ongoing structural challenges and external headwinds¹⁷.

In 2024, the inflation rate in Germany averaged 2.2%, a significant decline from the 5.9% recorded in 2023. This decline was primarily due to falling energy prices and a slowdown in the rise in food prices. Towards the end of the year, however, inflation showed signs of acceleration, reaching 2.6% in December, up from 2.2% in November¹⁸. This increase was due to higher service costs and a less pronounced fall in energy prices. The projections indicate that inflation will be slightly above target in the near future, with a return to the target of 2% expected by 2026.

Turkey

The Turkish economy grew by 5.1% in 2023¹⁹. After maintaining the strong growth trend in the first quarter of 2024, the economy started to slow down in the second quarter due to the delayed effects of the tightening measures of the Central Bank of the Republic of Turkey (CBRT). The composition of demand has started to realign. However, in the last quarter, high-frequency data signalled a recovery in quarterly economic growth and economic activity could return to a moderate growth path. Annual growth for the year 2024 was 3.2%²⁰.

The foreign trade balance also improved significantly in 2024. The current account deficit narrowed from USD 39.9 billion (3.5% of GDP) in 2023 to USD 10 billion (0.8% of GDP) in 2024, thanks to the

favourable trend in services receipts and falling gold and energy imports²¹. However, the recent impact of real appreciation and the absence of a sharp economic downturn suggest that the current account deficit could rise to 2% of GDP in 2025.

Annual inflation continued to rise until May 2024 due to cost shocks, strong demand and base effects, reaching a high of 75.4%. Later in the year, it fell sharply due to base effects and stood at 44.4% at the end of the year²². We expect the inflation trend to pick up in the first quarter due to the minimum wage increase, the revaluation of administered prices and other price adjustments at the beginning of the year, and we expect inflation to decline further over the course of the year. We expect inflation to end the year at 29.2%, higher than the CBRT²³ forecast (24%). The annual inflation rate in January is 42.1%²⁴.

While the CBRT raised the policy rate to 50% with the hikes in January and March, it took further steps during the year to maintain macroeconomic financial stability, support the monetary transmission mechanism and eliminate excess liquidity. The tight monetary policy stance and quantitative restrictions caused lending rates to rise. The CBRT initiated the interest rate reduction cycle in December by lowering the key interest rate by 250 basis points to 47.5%. In addition to the rate cut, the interest rate corridor (the corridor in which overnight lending and borrowing rates are set), which had been widened to +/- 300 basis points in March through a change in the operational framework, was narrowed again to +/- 150 basis points around the policy rate. The CBRT cut rates by a further 250 basis points in January²⁵. However, the persistence of services inflation confirms that the CBRT is likely to maintain its restrictive monetary policy for a long time to come.

¹⁰ <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-14022025-ap#:text=According%20to%20an%20estimation%20of%200.9%25%20in%20the%20EU>
¹¹ https://www.ecb.europa.eu/press/projections/html/ecb.projections202412_eurosystemstaff-71a06224a5.en.html
¹² <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-07012025-ap>
¹³ https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2024-economic-forecast-gradual-rebound-adverse-environment_en#executive-summary
¹⁴ https://www.ecb.europa.eu/press/projections/html/ecb.projections202412_eurosystemstaff-71a06224a5.en.html
¹⁵ https://www.destatis.de/EN/Press/2025/01/PE25_019_811.html

¹⁶ https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2024-economic-forecast-gradual-rebound-adverse-environment_en#executive-summary
¹⁷ Forecast for Germany: significantly gloomier growth outlook| Deutsche Bundesbank
¹⁸ https://www.destatis.de/EN/Press/2025/01/PE25_020_611.html
¹⁹ <https://data.tuik.gov.tr/Bulten/Index?p=Quarterly-Gross-Domestic-Product-Quarter-III:-July-September,-2024-53755>
²⁰ Turkish Statistical Institute (TURKSTAT)
²¹ <https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Statistics/Balance+of+Payments+and+Related+Statistics/Balance+of+Paym+ents+Statisticss/>
²² <https://data.tuik.gov.tr/Bulten/Index?p=consumer-price-index-december-2024-53621&dil=2>
²³ <https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Publications/Reports/Inflation+Report/2025/Inflation+Report+2025+-+I>
²⁴ <https://data.tuik.gov.tr/Bulten/Index?p=Consumer-Price-Index-January-2025-54176&dil=2>
²⁵ <https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Announcements/Press+Releases>

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The CBRT continues to take additional measures to support the monetary transmission mechanism. The ceiling for foreign currency loan growth has been lowered to 1%, while the ceilings for TL loan growth have also been changed. While the monthly ceiling for SME loans has been set at 2.5%, the ceiling for other commercial loans is 1.5%²⁶. On the other hand, the CBRT aims to reduce the stock of currency-protected deposits to zero by 2025. In this context, the CBRT has decided to stop opening and renewing currency-protected deposit and participation accounts with maturities of six and 12 months from 20 January 2025²⁷.

In 2024, the budget balance showed a deficit of TRY 2.11 trillion (~4.9% of GDP)²⁸ and a primary deficit of TRY 835.7 billion (~1.9% of GDP). The budget deficit was thus in line with the year-end forecast in the MTP (TRY 2148.5 billion; ~4.9% of GDP)²⁹. Budget deficits of around 5% of GDP in the last two years have played an important role in keeping inflation low at the expected pace. Close coordination between monetary and fiscal policy is needed to bring inflation down to 20% in the coming period. The 30% increase in the minimum wage can be seen as a step in this direction.

In the banking sector, the non-performing loan ratio remained low at 1.8% in 2024 despite the difficult conditions³⁰. The capital adequacy ratio remained above the legal limit at 19.7%³¹. On

7 February 2025, the level of currency-hedged deposits fell by around USD 100 billion to USD 27.0 billion compared to its peak in August 2023³². As a result, the share of currency-hedged deposits in total deposits fell from its peak of 26.2% to 5.0%. CBRT's net foreign currency position improved significantly. Net foreign assets excluding swaps reached USD 70.5 billion on 18 February (1 April: USD -63.7 billion, total increase USD 134 billion)³³.

The tightening measures continue to strengthen foreign capital inflows and residents' preference for the lira. The country risk premium has continued to improve during this period. As the risk premium has fallen, the appetite for foreign loans and the debt restructuring ratios of the banking and corporate sectors have increased. The continued upgrading of ratings by the rating agencies will be an important factor in ensuring the continuity of foreign capital inflows.

The Turkish economy enters 2025 with falling inflation and the expectation that interest rate cuts will continue. However, the rigidity of inflation in the services sector suggests that the CBRT will have to maintain its tight monetary policy for a long time to come. The tight monetary policy, weak external demand and tighter fiscal policy stance will ensure that growth on a quarterly basis will remain subdued until the middle of the year.

2025 remains below potential. The expected easing of interest rate cuts and macroprudential measures will have a positive impact on the profitability of the banking sector.

Turkey's main macroeconomic indicators are summarised as follows:

	Actual		Forecast ⁽¹⁾	
Percent	2023	2024	2025	2026
Real GDP growth	5.1	(3.5) ⁽¹⁾	4.0	4.5
Year-on-year consumer price inflation	64.8	44.4	17.5	9.7
Unemployment rate	9.4	8.7	9.6	9.2

⁽¹⁾ Forecasts of the medium-term programme (2025-2027). Source: TURKSTAT, Presidency for Strategy and Budget

Business performance

For the Bank, the 2024 and 2023 financial years were characterised by dynamic development in a constantly changing political and economic environment. Despite the ongoing challenges posed by global economic uncertainty, technological changes and regulatory requirements, such as the limits imposed by the Auditing Association of German Banks (Prüfungsverband deutscher Banken e.V. - "Auditing Association") on business relating to Turkey, AKBANK AG had a successful financial year and also achieved its business targets in 2024.

Broken down by risk countries, customers in Turkey accounted for around 56.3% (previous year: 51.2%) of AKBANK AG's customer loan volume at the end of 2024. The slight increase can be explained by increased demand for financing. The other main loan commitments are with customers from the European Monetary Union.

The bank's customers based in Germany account for around 18.1% (previous year: 32.4%) of the customer loan volume.

In previous years, the main business model was based on the key account business approach, which consisted of a rather small number of customers - borrowers and depositors - combined with a higher average volume per customer.

While this approach is to be maintained with regard to the lending business in 2025, the financing base will continue to be diversified in favour of retail and high net worth customer deposits, which represent more homogeneous types of financing compared to corporate and institutional deposits.

An extensive, multi-year IT modernisation project was launched in 2021 to make the bank fit for the future and stable. The primary goal of this project is to create a secure, digital and efficient infrastructure for the bank's systems. Subsequently, new sales and earnings opportunities are to be developed. The scope of the modernisation will be constantly reviewed and, if necessary, expanded to meet new regulatory or business requirements. A significant part of the implementation is planned for 2025.

Cost and income situation

Operating result

The Bank generated net income of EUR 84.6 million in the 2024 financial year, which is EUR 27.1 million or 24% below the net income of EUR 111.8 million in 2023. The decline is due to both lower net interest income and rising costs.

Earnings development

Net interest income in 2024 fell from EUR 166.6 million in the previous year to EUR 149.2 million. This is mainly due to a deterioration in the net interest margin compared to the previous year. Around 86.6% (previous year: 86.0%) of interest income was generated from lending and money market transactions, while around 13.4% (previous year: 14.0%) was generated from bond interest.

At EUR 9.0 million, the Bank's net fee and commission income as at the 2024 balance sheet date was slightly below the previous year's figure of EUR 9.8 million.

²⁶ <https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Announcements/Press+Releases/2025/ANO2025-02>
²⁷ <https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Announcements/Press+Releases/2025/ANO2025-04>
²⁸ <https://en.hmb.gov.tr/central-government>
²⁹ https://www.sbb.gov.tr/wp-content/uploads/2024/10/Medium_Term_Program_2025-2027-11102024.pdf
³⁰ <https://www.bddk.org.tr/BultenAylık/en>
³¹ <https://www.bddk.org.tr/BultenAylık/en>
³² <https://www.bddk.org.tr/BultenHaftalık/en>
³³ <https://evds2.tcmb.gov.tr/index.php?/evds/serieMarket> , <https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Statistics/Markets+Data>

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Other operating income totalled EUR 3.1 million (previous year: EUR 0.4 million). The increase resulted from a compensation payment of EUR 2,041 thousand from the Dutch National Bank, DNB.

Write-downs and value adjustments on receivables and certain securities as well as additions to provisions in the lending business totalled EUR 3.1 million at the end of the financial year (previous year: income of EUR 15.4 million). This is mainly due to the addition of EUR 2.9 million to the country value adjustment (previous year: reversal of EUR 18.6 million) and the addition of EUR 0.2 million to the general value adjustment in accordance with IDW RS BFA 7 (previous year: reversal of EUR 9.9 million).

Development of expenses

General administrative expenses totalled EUR 42.3 million (previous year: EUR 30.3 million).

The personnel expenses included in this figure rose from EUR 14.6 million to EUR 15.5 million, which is attributable to the increased number of employees. At the end of 2024, the Bank had 110 employees (previous year: 87), not including outsourced functions and temporary staff.

Other administrative expenses rose by EUR 11.2 million from EUR 15.6 million to EUR 26.8 million. The increase is mainly due to the rise in costs for IT software maintenance (EUR 1.5 million), consulting and auditing costs (EUR 7.2 million) and VAT (EUR 1.4 million).

At EUR 0.8 million (previous year: EUR 0.7 million), amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment rose slightly due to the increase in amortisation, depreciation and impairment losses on hardware and software.

Write-downs and value adjustments on receivables and certain securities as well as additions to provisions in the lending business of EUR 3.1 million (previous year: 0) are recognised in the income statement.

This is explained by the increase in country risk provisions and general loan loss provisions in accordance with IDW RS BFA7. The increase in country risk provisions is primarily the result of an increase in the volume of loans to Turkish banks.

Write-downs and value adjustments on investments, shares in affiliated companies and securities treated as fixed assets totalled EUR 0.3 million (previous year: 0).

Taxes on income have decreased from EUR 49.4 million in 2023 to EUR 30.1 million in 2024 in line with the reduction in the result from ordinary activities.

Financial position

Capital structure

The refinancing structure of AKBANK AG as at the balance sheet date is as follows.

Refinancing structure ³⁴	2024	2023
Equity capital	29.2%	25.9%
Debt capital	70.8%	74.1%
Corporate clients	16.9%	26.4%
Private customers	38.3%	36.0%
Banks	10.0%	6.6%
Other	5.7%	5.1%
Balance sheet total	100.0%	100.0%

The share of equity for refinancing increased to 29.2% (previous year: 25.9%) due to the retention of retained earnings in 2024.

The proportionate reduction in borrowed capital is due to the reduction in the volume of customer loans. The shift between corporate customer deposits and other deposits is due to the shorter maturity structure of the other deposits.

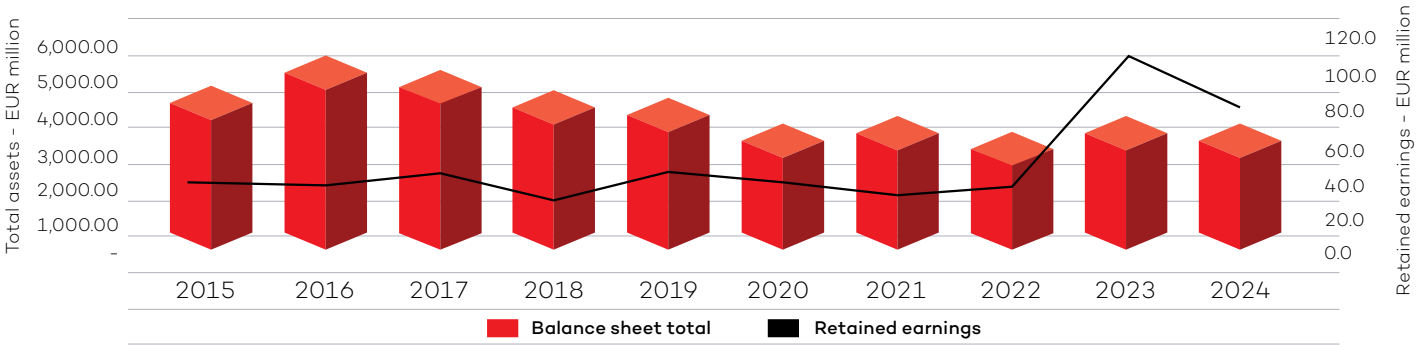
AKBANK AG's solvency was guaranteed at all times

during the year under review. The minimum reserve obligations to Deutsche Bundesbank were always met.

Financial position

The development of total assets and retained earnings/net profit (in EUR million) for the years 2014 to 2024 is as follows

Development of the balance sheet total of retained earnings in the 10-year overview



The Bank's total assets amounted to EUR 3,632.1 million as at 31 December 2024, 3.6% below the previous year's level of EUR 3,769.0 million. The decline is mainly due to the reduction in receivables from customers.

The cash reserve decreased from EUR 21.0 million in 2023 to EUR 8.2 million in 2024, driven by the reduction in the minimum reserve at the Deutsche Bundesbank.

Loans and advances to banks increased slightly from EUR 1,022.5 million in 2023 to EUR 1,057.7 million in 2024, corresponding to an increase in loans to Turkish banks.

Loans and advances to customers fell from EUR 2,171.8 million to EUR 1,695.6 million in the financial year, accounting for 46.7% of total assets (previous year: 57.6%). The decline is primarily due to the reduction in cash-secured loans.

All bonds and other fixed-income securities totalling EUR 726.9 million (previous year: EUR 419.6 million) are allocated to the investment portfolio for commercial law purposes. The increase compared to the previous year is due to the purchase of securities classified as high-quality liquid assets (HQLA) in European countries and the USA.

In the 2024 financial year, the Bank's trust assets increased to EUR 130.7 million (previous year: EUR 119.0 million). Trust assets correlate exactly with the development of trust liabilities. The corresponding trust liabilities can be found on the liabilities side of the balance sheet. The increase reflects the attractive interest rate level of the product for customers.

Intangible assets increased from EUR 1.0 million in 2023 to EUR 5.8 million in 2024 in line with the Bank's investments in customised software solutions, most of which are still under development and therefore not yet in operation.

³⁴ The cash collateral received by the Bank as security for customer receivables is not included in the table

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Property, plant and equipment increased from EUR 0.3 million in 2023 to EUR 1.7 million in 2024. The bank moved into the new office building in 2024 and acquired new operating and office equipment.

Other assets totalling EUR 3.8 million (previous year: EUR 12.0 million) mainly relate to VAT receivables of EUR 1.1 million (previous year: EUR 1.5 million). The reduction compared to the previous year was due to the settlement of tax receivables and unrealised exchange rate gains.

Deferred income totalling EUR 1.8 million remained at the previous year's level (EUR 1.8 million) and mainly includes deferred expenses of EUR 1.6 million (previous year: EUR 1.4 million).

Liabilities to banks totalled EUR 361.6 million (previous year: EUR 247.9 million) or 10.0% (previous year: 6.6%) of total assets as at the balance sheet date. This amount includes refinancing through repo transactions totalling EUR 318.6 million (previous year: EUR 83.2 million) and liabilities from margin calls of EUR 11.4 million (previous year: EUR 33.0 million).

Liabilities to customers totalled EUR 2,019.3 million (previous year: EUR 2,370.0 million). This corresponds to 55.6% of total assets, slightly less than the previous year's figure of 63.0%. Of the liabilities to customers, EUR 1,391.2 million (previous year: EUR 1,357.0 million) is attributable to the deposit business with private customers and EUR 613.8 million (previous year: EUR 996.3 million) to the deposit business with corporate customers. The latter primarily includes municipalities, social insurance institutions, public corporations and commercial enterprises. The decline in deposits from corporate customers is mainly due to the reduction in cash collateral for loans granted.

As at the 2024 balance sheet date, trust liabilities totalled EUR 130.6 million (previous year: EUR 119.0 million). The corresponding trust assets can be found on the assets side of the balance sheet.

Other liabilities, deferred income and provisions increased from EUR 57.8 million in 2023 to EUR 61.3 million in 2024. The decrease in swap differences on the liabilities side of EUR 3.1 million, tax provisions of EUR 6.9 million and deferred income of EUR 6.2 million is offset by the increase in foreign currency translation results of EUR 17.6 million.

Deferred tax liabilities of EUR 0.3 million were recognised in the 2024 reporting year (previous year: EUR 0 million).

Equity increased from EUR 974.3 million in 2023 by the net profit for the 2024 financial year of EUR 84.6 million to EUR 1,059.0 million as at the balance sheet date.

Contingent liabilities amount to EUR 68.4 million (previous year: EUR 84.5 million) and mainly result from guarantees and warranty agreements.

As in the previous year, there were no irrevocable loan commitments as at the balance sheet date.

Summarised assessment of the results of operations, financial position and net assets

Despite the volatile economic conditions, AKBANK AG's earnings situation developed as expected and the annual result after taxes (net retained profits) was in line with the previous year's forecast (20% to 30%) with a decrease of 24%.

The bank's liquidity and solvency were ensured at all times. In addition, the Bank's liquidity management is always able to react promptly to new market conditions. The Bank always had an orderly liquidity position. The degree of maturity transformation and the associated risks are comparatively low. The financial and liquidity position fully complies with regulatory and operational requirements. The net assets, financial position and results of operations are in order.

The Bank's risk-bearing capacity was ensured at all times in the 2024 financial year. The Bank's high equity ratio is suitable for compensating for potential risks and provides a stable basis for further growth.

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

In 2024, AKBANK AG met or exceeded the financial targets set for the year. The Bank rates the financial year as satisfactory.

Key figures	Target for 2024	Result 2024	Result 2023
Total capital ratio as at Balance sheet date	At least 18%	35.20%	32.0%
Profit after taxes to average equity (ROAE)	8.0%	8.5%	11.0%
Profit after taxes to average balance sheet total (ROAA)	2.5%	2,5%	2.7%
Interest margin (NIM)	4% - 5%	4,4%	5.1%
Cost/income ratio (cost-income ratio - CIR)	20% - 30%	27.4%	16.1%
Credit default rate	0.1%	0.0%	0.0%
Balance sheet total (% and EUR m)	Decrease in 5% to 10%	Decrease of approx. 4%, 3,632.12	3,769.05
Net income / retained earnings (% and EUR million)	Decrease of 20% to 30%	Decrease of approx. 24%, 84.64	111.75
Number of employees*	122	110	84

* The recruitment of new employees has developed more slowly than the bank had forecast.

FORECAST, OPPORTUNITY AND RISK REPORT

Forecast report

According to our analysis of the macroeconomic environment and leading publications from the financial sector, the market outlook for the period 2025-2027 is as follows:

- The IMF assumes that global growth will remain constant at 3.2 % in 2024 and 2025.
- While the fight against inflation has largely been won worldwide, some countries are still under inflationary pressure.

Headline inflation, which peaked at 9.4 % in the third quarter of 2022, is expected to fall to between 2 % and 3 % by the end of 2025³⁵.

Donald Trump's election has led to greater optimism among companies in the US due to the expected business-friendly policies, but has also given rise to concerns about possible global trade tensions and inflation due to the planned tariffs.

The overall impact on global growth is expected to be mixed, with some sectors benefiting from the US fiscal stimulus, while others could suffer from disrupted trade relations.

Other global macroeconomic events also play a significant role in the development of our business environment.

- Growth in emerging and developing countries is revised downwards to 4.2 % for both 2024 and 2025, which is mainly due to the increase in geopolitical and other conflicts.
- The ECB lowered its interest rate for the deposit facility to 2.25 % and the Federal Reserve lowered its key interest rate to a target range of 4.25 % to 4.50 %.
- Despite the decline in global inflation, downside risks are increasing, including regional conflicts, continued restrictive monetary policy, potential financial market volatility, a stronger slowdown in China and increasing protectionist measures

Based on the leading studies on the financial sector, several key trends are expected to influence the dynamics of the banking industry in Germany in the coming years, including

- Rising customer expectations and digital connectivity lead to increased demand for digital banking solutions
- Diverging business models and market share shifts by non-traditional providers challenging the established banks
- Customer focus, use of technology and efficiency drive the profitability of non-traditional and foreign institutions
- New interest rate environment, which the profitability influences and the banks with challenges
- Macroeconomic scenarios that influence the future prospects and profitability of banks

In addition, the further development of e-commerce and digitalisation in Germany is expected to continue in the coming years, albeit at a slower pace than in Europe³⁶.

³⁵ Federal Statistical Office and ECB forecasts

³⁶ Association of German Banks, Deloitte, Eurostat, Statista, Federal Statistical Office, HDE, GfK Analysis

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The Bank considers the impact of the volatility of the Turkish currency on its business to remain manageable, as it pursues a very cautious lending policy, keeps its open currency positions very low and monitors economic developments very closely.

The Bank will continue its IT modernisation project in the 2025 financial year and invest in the digitalisation of its processes. AKBANK AG is also planning to expand its workforce and aims to increase the number of employees to 142 by the end of 2025.

In order to achieve sustainable and manageable growth, the bank will continue its marketing activities, the utilisation of the branch network of the parent company Akbank T.A.S. and the growth of the sales force in Wealth Management.

In 2024, the Bank's asset growth was limited by the thresholds for TR exposures and protected deposits set in consultation with the Auditing Association. Both thresholds will continue to limit the Bank's growth in 2025 unless they are increased.

In order to achieve and maintain the planned level of our TR loan portfolio, the Bank works together with the corporate and business customer departments of Akbank T.A.S., which provide the Bank with business opportunities for customers based in Turkey.

To achieve and maintain the target and growth in eligible assets and other/non-TR assets, the Bank will continue to cultivate and expand its relationships with international banks active in the syndicated loan market and securities trading institutions as a potential source of business.

- The total capital ratio will remain above the regulatory minimum requirements of at least 18%.
- The Bank aims to generate a return on equity (ROAE) of between 5% and 6% in 2025, taking into account the restrictions of the Auditing Association
- Profit after tax in relation to the average balance sheet total (ROAA) is expected to be between 1.5% and 2.5%

- Further falls in reference interest rates are expected to reduce the interest margin (NIM) to between 3% and 4%
- Due to rising administrative expenses, we anticipate a cost/income ratio (CIR) of around 30% to 35% in 2025
- Taking into account the limits set by the Auditing Association for business relating to Turkey, the Bank expects a slight increase in total assets of around 5% in 2025.
- For the 2025 financial year, the bank expects a decline in net income/net retained profit of 20% to 30%, mainly driven by the interest rate trend and the planned investments in IT modernisation.

Risk report

Risk management

AKBANK AG's overall bank management is geared towards achieving growth and increasing value while controlling risks at all times. All strategic and operational measures are subject to careful consideration of opportunities and risks. These are reassessed at regular intervals, taking into account current market and company developments as well as the regulatory framework. In doing so, both the objectives of the shareholders and the requirements and regulations of the banking supervisory authorities and the German Deposit Protection Association. Risk management is a key component of overall bank management. The individual elements of risk management as a whole form a system that is intended to ensure the identification, analysis, assessment, management, ongoing monitoring and reporting of risks.

Risk management system

AKBANK AG considers clearly defined areas of responsibility, which are defined in the Bank's written regulations, to be an essential prerequisite for effective risk control. The risks associated with the business portfolio and new business are monitored by the entire Managing Board. To support corporate decision-making, current issues relating to the business and risk situation are discussed in various internal bank committees. At the supervisory level, these include the Audit Committee

(AC), Risk Committee (RC), Credit Committee (CC), Remuneration Committee (ReC), Nomination Committee (NC) and Supervisory Board Credit Consultancy Committee (SBCCC). At management level, there is also an Asset and Liability Committee (ALCO) and various committees in which the relevant information is prepared and discussed.

The separation of functions between the front and back office is ensured in organisational terms. The Risk Management department monitors and reports on the identified risks. Monitoring and reporting are carried out in cooperation with the Financial Coordination, Markets - Sales & ALM Execution and Credit Analysis Allocation & Monitoring departments. The Information Security & Outsource department is responsible for monitoring and controlling outsourcing management.

The Credit Analysis Allocation & Monitoring department (back office) is responsible for monitoring and managing credit risks. The Markets - Sales & ALM Execution department is responsible for operational liquidity management. Operational risks are managed in all organisational units of AKBANK AG, whereby the Risk Management department is responsible for monitoring operational risks.

The Compliance, AML, Complaints department is responsible for the risks arising from money laundering, terrorist financing and other criminal offences. The compliance function is responsible for identifying the relevant legal requirements and regulations as well as the risks arising from non- compliance with legal and regulatory provisions.

The Internal Audit department serves as a process-independent monitoring body that, among other things, reviews the effectiveness and appropriateness of risk management. It also contributes to risk identification and is therefore a key component of AKBANK AG's internal control system.

The Supervisory Board monitors and advises the Management Board in accordance with legal requirements and the Articles of Association and ensures that AKBANK AG's business activities are conducted in accordance with the applicable business and risk strategies and the regulations prescribed by the supervisory authorities.

The functional separation between the front office divisions (CIB, Wealth Management, Private Clients, Markets - Sales & ALM Execution and Trade Finance & Financial Institutions) and the back office divisions (Credit Risk Management, Risk Controlling and Payment Transactions) is observed throughout.

Risk-bearing capacity, risk limits and risk parameters
AKBANK AG's business model harbours various risks that could have a negative impact on the Bank's net assets, financial position, results of operations and liquidity. These potential losses must always be covered by sufficient own funds to ensure the continued existence of the institution.

The existing risk management and controlling processes are designed to ensure that the material risks are covered at all times by available risk cover funds and that the risk-bearing capacity is therefore ensured. The bank's overall risk profile and risk inventory are set out and described in a risk manual. The risk-bearing capacity calculation is carried out by the Risk Management department at least once a month and reported to the Executive Board.

Corresponding limits are assigned to the individual risk types in order to maintain the risk- bearing capacity. Risk monitoring is carried out on this basis and it is ensured that any losses incurred do not exceed the available risk cover. The risk-mitigating effects of correlations between different risk types are not taken into account when quantifying risk.

The internal and external limits, parameters and control mechanisms relevant to the monitoring and management of risks are defined in the Bank's risk strategy and risk appetite statement.

The internal limit for the core capital ratio (CET1 ratio) was 18.0% at the end of the year. This ratio consists of an 8% minimum capital ratio (CRR), the capital conservation buffer of 2.5%, the SREP capital surcharge of 5.5%, the countercyclical capital buffer, which varies depending on the distribution of risk countries in the portfolio and totalled 0.17% at the end of the year, and the management buffer. The size of the management buffer is set so that the internal limit for the capital ratio is always exactly 18%. As at the balance sheet date, the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio and the total capital ratio were 35.2%. On 6 January 2025, the Bank received the new SREP notice from BaFin, according to which the SREP capital surcharge will increase by 3% to 8.5%.

As part of its risk inventory, the Bank has identified key risk types and analysed them in terms of their relevance for the net assets, financial position, results of operations and liquidity situation.

Risk-bearing capacity concept
To assess risk-bearing capacity, AKBANK AG distinguishes between the normative and the economic perspective.

Normative perspective
The normative perspective includes medium-term capital planning over a time horizon of three years. This analyses whether the bank has sufficient regulatory capital over a period of three years. The normative perspective thus serves the objective of the bank's continuation as a going concern.

In addition to the base scenario, an adverse scenario is also considered in capital planning. The regulatory own funds including buffer requirements (e.g. capital conservation buffer, countercyclical buffer, SREP surcharges) are mainly used as risk coverage potential. Both the target capital ratio and a management buffer

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are taken into account. A limit is set at the level of the CET1 ratio and its fulfilment of the regulatory capital requirements. In addition, the leverage ratio and the large exposure limit are also monitored.

The quantification of material risks results for counterparty default risks, market price risks and operational risks from the regulatory requirements of the CRR, which are used to determine risk- weighted exposure amounts. In order to derive the respective annual effects of the relevant risks, in particular counterparty default risk, market risk (IRRBB) and business risk on capital, assumptions are made that correspond to the base scenario (plan scenario) and the adverse scenario. This is intended to ensure the interaction between the economic and normative perspectives.

In the capital planning over a period from 2025 to 2027, the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio and the total capital ratio will not fall below 18% in the base case scenario or in the adverse scenario. The leverage ratio will be above the regulatory threshold of 3% in all scenarios. The large exposure limit measured as 25% of core capital is always complied with. The liquidity coverage ratio (LCR) and the structural liquidity ratio (NSFR) will not fall below the regulatory threshold of 100% in any scenario.

Economic perspective

The economic perspective ensures that the material risks are covered by the available risk cover funds. The economic perspective thus serves to protect the bank's assets and creditors from economic losses.

The calculation of the risk coverage potential is based on the actual values of the statement of assets on the respective reporting date. In principle, only those components can be taken into account that are available to Akbank and can be liquidated in order to fulfil the claims of lenders. Equity is adjusted by the amount of intangible assets. In addition, the following items are deducted from the risk coverage potential:

plan losses, hidden liabilities from the banking book. Profits are only recognised in the risk coverage potential after they have been retained. In addition, the buffer for project risks and ESG risks is also deducted from the risk coverage potential. The structure of AKBANK AG's risk coverage potential follows the present value approach of the RBC guidelines⁽³⁷⁾.

An upper loss limit is implemented as an overall limit for the risk capital requirement, which is determined by the management based on the planned business activities and the risk appetite. The overall limit is subsequently allocated to the individual risk types. In addition, the Bank has set further internal limits on various key figures and structural limits to manage risks.

All risks are managed in such a way that risk-bearing capacity is guaranteed at all times from an economic perspective at a confidence level of 99.9%. The following risk types are taken into account and quantified in the economic risk-bearing capacity calculation:

- Credit risk
- Credit spread risk
- Market price risk
- Liquidity risk
- Operational risk
- Reputational risk
- Model risks
- Strategic risk incl. other intangible risk types
- Project risk
- ESG risks

From an economic perspective, the risk coverage potential as at the balance sheet date was EUR 966.6 million. The total risk capital as at the balance sheet date was EUR 600.4 million. All limits for the main risks included in the risk-bearing capacity and therefore also the overall limit were always complied with in the reporting period, with the exception of the internal limit for market price risk in Q2. The reason for exceeding the limit was the increase in the HQLA portfolio.

Measurement and monitoring of the main risk types

Credit risk

The bank's main type of risk is **credit risk**. In addition to traditional **counterparty default and creditworthiness risks**, credit risk also includes **country risks** and **concentration risk** in relation to the lack of granularity in the credit portfolio, known as lot size concentration.

Counterparty default risk describes the risk that a borrower is unable or only partially able to fulfil its contractual obligations to the bank. **The creditworthiness change or migration risk** describes the risk of economic losses due to creditworthiness-related reductions in the value of receivables from the lending business.

Country risks describe the risk of an unexpected default or settlement risk of a counterparty in another country based on a series of country-specific, macroeconomic or social events. These include country-specific difficulties in payment transactions, a deterioration in the macroeconomic environment, political and social unrest, the nationalisation and expropriation of assets, government non-recognition of foreign debt or the extreme devaluation or depreciation of the local currency. AKBANK AG is exposed to country risk primarily as a result of its strategic focus on Turkey.

The **realisation risk** describes the risk of realising additional losses for defaulted borrowers if the estimated expected loss ratio (LGD: loss given default) is exceeded in the course of realisation.

Due to the use of clearing, AKBANK AG's replacement risks are low. The Bank has no investment risks.

Credit decisions are made within the framework of the currently valid authorisation regulations as part of the structured lending process.

The lending business is primarily focussed on the European and Turkish markets.

The credit risk is determined using a simulation-based credit portfolio model, taking into account cash collateral, the realisation risk, the countries and concentration risks. The credit portfolio model also maps the lot size concentration when calculating the risk amount. The economic losses from a deterioration in creditworthiness in the loan portfolio are calculated using a conservative, simplified approach, whereby the effect of the 1-notch rating downgrade on expected and unexpected losses is calculated.

AKBANK AG uses internal rating models that are regularly validated.

Recognisable risks are taken into account by recognising specific valuation allowances. Loan commitments are regularly reviewed to determine whether there is a need for risk provisioning. An extraordinary review is carried out if the bank has information that indicates a deterioration in the economic situation of the borrower.

General valuation allowances are recognised for latent risks in the receivables portfolio in accordance with IDW RS BFA 7. A country risk provision is recognised to account for foreseeable but not yet incurred losses due to country risks in Turkey. Further details on this are explained in section 5.2.5.3.

AKBANK AG manages its concentration risks in accordance with the provisions of the German Banking Act (KWG) on limiting large exposures, exposures of millions of euros and loans to members of governing bodies (Sections 13-15; 19 (2) KWG), the provisions of the GroMiKV and the provisions of the CRR (Articles 387-403) and according to concentration ratios as part of the risk appetite statement and risk-bearing capacity concept. The risk-bearing capacity concept calculates the risk concentrations in relation to sectors and borrower units as part of the credit portfolio model.

Measures to avoid counterparty default risks

Credit risks are managed according to the principles of diversification, limitation and maturity. The credit limits for all borrowers and all borrower units are determined by means of careful analyses and set by means of multi-stage approval processes. AKBANK AG borrowers are categorised into various risk groups using an internal rating system in conjunction with the results of the analyses. Credit default scenarios are evaluated both for individual borrower risks and for portfolio credit risks using internal analyses and measurement tools.

Limits with regard to probabilities of default, concentrations in terms of borrower units, countries and sectors are used as further quantitative management tools.

The average probabilities of default of AKBANK AG as at 31 December 2025 are as follows

- 1.52% for financial customers excl. Bundesbank portfolio (previous year 2.16%). The internal limit is 1.9%.
- 0.98% for private and corporate customers excl. HQLA portfolio (previous year 0.95%). The internal limit is 1.1%.

The average probabilities of default listed are calculated as risk-volume-weighted average values in the sub-portfolio of non-defaulted customers.

The appropriate collateralisation of loan commitments serves as a further instrument for limiting risk. No collateral was realised in 2025. The bank uses suitable, computerised control systems to manage and monitor credit risks.

In addition, country and sector risks are limited by diversification and limitation criteria defined in the risk strategy.

³⁷ Supervisory assessment of internal bank risk-bearing capacity concepts and their procedural integration into overall bank management ("ICAAP") - realignment, BaFin, 2018.

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Risk provisioning and NPL

The general allowance amount is calculated in accordance with the currently applicable provisions of IDW RS BFA 7. The Bank uses the simplified approach, see IDW RS BFA 7 point 4.2. For exposures for which a significantly increased counterparty default risk is identified, the Bank calculates the expected loss over the term as a contribution to the general valuation allowance. The same applies to transactions where the balance within the meaning of IDW RS BFA 7 can no longer be assumed.

Borrowers who either have their registered office in Turkey or for whom Turkey is considered a risk country are included in the calculation of country risk provisions for Turkey. Securities are excluded from the calculation of country risk provisioning. The risk parameters, such as the flat- rate probability of default in relation to the country rating and the conservatively estimated loss ratio, have been adjusted in light of the positive developments in Turkish monetary policy and CDS premiums, which reflect the market perception of country default probabilities. Country risk provisions increased by EUR 2.9 million to EUR 70.3 million as at the balance sheet date (previous year: EUR 67.4 million). For country risk in Turkey, it is essential that AKBANK AG, with the support of its parent company, Akbank T.A.S., is able to recognise adverse developments and emerging crises on the Turkish market at an early stage in order to initiate the necessary management measures in good time if necessary.

in TEUR	31.12.2023	31.03.2024	30.06.2024	30.09.2024	31.12.2024
Short position	-407	-1,927	-514	-1,011	-1,023
Long position	35	54	2,254	100	72
Total/Net foreign currency position in accordance with Art. 352 CRR	407	1,927	2,254	1,011	1,023

As at the 2024 balance sheet date, there was a general valuation allowance for latent credit risks in accordance with IDW RS BFA 7 in the amount of EUR 1.8 million (previous year: EUR 1.6 million).

At the end of the year, the bank had no non-performing loans in its portfolio, meaning that the gross NPL ratio at the end of the year was 0%.

Currency risks

Currency risks are hedged promptly due to the high proportion of receivables in foreign currencies. The open currency positions are minor and are mainly attributable to interest receivables in foreign currencies. The open currency positions are closed out partly through currency swaps and partly through spot currency transactions. Apart from current interest receivable amounts in foreign currencies, no significant open items are held in relation to foreign currencies.

Due to this approach, the market price risk from exchange rate fluctuations is limited to an insignificant amount in relation to the capitalisation. Nevertheless, in order to safeguard market opportunities, there is the option of taking market price risks to a limited extent and within defined parameters.

The development of open foreign currency positions in 2024 was as follows:

Interest rate risks in the ICAAP

Interest rate risks in the loan and securities portfolio are avoided wherever possible by minimising maturity mismatches between assets and liabilities and using interest rate hedging instruments such as interest rate swaps. The remaining interest rate risk is subject to permanent monitoring and may not exceed certain internal thresholds set by the Executive Board.

The quantification of interest rate risk in the economic perspective of the ICAAP corresponds to the change in the economic value of the interest rate book under the adversely calculated interest rate shocks. The calculation is carried out for all on- and off-balance sheet exposures that represent interest rate risk-bearing positions. The interest rate shocks within the scope of ICAAP were derived from historical data for three key currencies (EUR, USD, TRY), whereby the interest rate scenarios were determined with a confidence level of 99.9%. The historical simulation determines interest rate shocks independently for each currency; the holding period was defined as 365 days in line with portfolio maturities and the RBC horizon. When selecting the interest rate shocks, data from the last 10 years was analysed. This data also includes periods of economic distress (COVID-19 pandemic, conflict between Russia and Ukraine). The interest- bearing positions are discounted using the standardised, currency-dependent OIS yield curves. The basis risk for items with variable interest rates is also taken into account. For all other foreign currencies that are not considered material within the meaning of IRRBB, the methodology is in line with the regulatory requirements for outliers in IRRBB.

The risk amount for interest rate risks in the ICAAP as at 31 December 2024 was EUR 44.4 million (previous year: EUR 7.6 million).

Interest rate risks -IRRBB

The table below shows the results under the regulatory BaFin shocks up to mid-2024.

	31.12.2023	31.03.2024	30.06.2024
Interest book value in TEUR	1,114,531	1,059,107	1,084,059
Interest coefficient with interest rate increase in %	-0.09	0.28	0.07
Interest coefficient with interest rate reduction in %	-0.08	-0.56	-0.09

From 30 September 2024, new regulatory requirements for interest rate risk in the banking book came into force in Germany. These are based on Regulation (EU) 2021/451 and Delegated Regulation (EU) 2024/856. The requirements apply to all European banks, whereby

simplified reporting obligations have been defined for smaller national banks, i.e. "small and non-complex institutions" (SNCIs), as well as for "other" institutions. Other institutions are those that are not categorised as SNCIs, but are also not classified as "large institutions" in accordance with CRR Art. 4 (1) No. 146. AKBANK AG is classified as an other institution. The data must be submitted to the supervisory authority on a quarterly basis.

Interest rate risks must be reported separately for each material currency. Currencies are deemed to be material if they account for more than 5 per cent of the balance sheet total (assets or liabilities) of the banking book, but cover at least 90 per cent of the banking book balance sheet. In 2024, the currencies EUR, USD and TRY were material for AKBANK AG. The reporting items in foreign currencies are converted into EUR; the exchange rates correspond to the reporting date.

The new reporting obligations are based on the EVE and NII effects (in the base and stress scenarios) in accordance with the supervisory outlier tests and criteria. In addition, the bank reports market values and changes in market values in a parallel up/down scenario (to approximate the balance sheet view), detailed fixed-interest balances, broken down into fixed- interest and variable-interest business, among other things.

The new regulations require banks to apply standardised interest rate shock scenarios (standard outlier tests):

1. **Positive parallel shift** in the yield curve
2. **Negative parallel shift** in the yield curve
3. **Steeper interest rate shock** (downward movement of the short-term interest rates and upward movement of long-term interest rates)
4. **Flattener interest rate shock** (upward movement of the short-term interest rates and downward movement of long-term interest rates)
5. **Positive short-term interest rate shock** (short-term interest rates rise)
6. **Negative short-term interest rate shock** (short-term interest rates fall)

The calculation takes into account basis risk and customer behaviour (e.g. modelling of deposits without fixed interest rates and/or maturities). The EBA guidelines define two outlier criteria above which an institution is considered to have an "institution with increased interest rate risk," namely

- An economic value of equity (EVE) loss in one of the six defined EBA scenarios exceeds 15% of Tier 1 capital.
- The periodic interest income risk (net interest income= NII without valuation effects) in a parallel up/down scenario over a one-year horizon exceeds 5% of Tier 1 capital.

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The following table shows the reported IRRBB values as of September 2024

Reporting position	3Q 2024		4Q 2024	
	Amount (TEUR)	Interest coefficient	Amount (TEUR)	Interest coefficient
Level of EVE under baseline scenario	1,270,196		1,302,737	
Δ EVE under parallel shock up	-7,679	-0.79%	-18,286	-1.89%
Δ EVE under parallel shock down	-9,513	-0.98%	-246	-0.03%
Δ EVE under steepener shock	4,301	0.44%	4,495	0.46%
Δ EVE under flattener shock	-9,282	-0.96%	-12,061	-1.25%
Δ EVE under short rates shock up	-10,455	-1.08%	-17,626	-1.82%
Δ EVE under short rates shock down	3,469	0.36%	7,381	0.76%
Level of NII under baseline scenario	136,899		148,064	
Δ NII under parallel shock up	4,872	0.50%	2,593	0.27%
Δ NII under parallel shock down	-25,422	-2.63%	-24,388	-2.52%

The above limits were not exceeded on any reporting date in 2024.

Credit spread risks

Credit spread risk describes the risk that the credit spreads in the bank's securities portfolio widen over time. Credit spread represents the interest rate difference between a bond and the lower-risk government bonds.

A widening of the credit spread can lead to a loss in value in the securities concerned, as the market yields for higher risk increase and the prices of riskier bonds fall. The basic idea of the model is to derive a risk value (value-at-risk) for a bond by comparing the current market value with a market value that is subject to a change in the credit spread. In order to generate a negative impact on the value of the bond, the credit spread must widen, i.e. increase. The parameter used to

measure the credit spread risk is the spread duration. The spread duration is the percentage change in the bond price for a change in the credit spread of 100 basis points, assuming that the "risk-free" interest rate remains unchanged. The above approach involves deriving a suitable shift in the credit spread for each bond in AKBANK AG's portfolio. In accordance with the BaFin ICAAP guidelines, the spread is parameterised with a confidence level of 99.9 %. To derive a credit spread shift for corporate bonds, Bloomberg sector rating curves are used and the bonds held in the portfolio are mapped to the sector rating curves. To derive the shift for each spread curve, daily historical securities data is used for a period of 5 years and for maturities of 1Y to 10Y.

Within the economic perspective of the ICAAP, the risk amount for credit spread risks totalled EUR 42.1 million as at the balance sheet date (previous year: EUR 31.1 million).

Project risk

Project risk refers to the possibility that uncertain events and circumstances may jeopardise the successful completion of a particular project. Project risk refers to the uncertainties and potential adverse events that may occur during the planning, execution and completion of a particular project. Project risks are time-bound as they relate to the life cycle of the project, and these risks are often specific as they are tied to the unique characteristics and objectives of the project.

AKBANK AG has introduced a materiality threshold for project risks. The project risk category includes projects whose budget³⁸ exceeds 01% of CET1 capital.

As at 31 December 2024, the Bank is implementing the "IT modernisation project," where the project risk is explicitly calculated. The expected and unexpected losses are evaluated using the heat map developed for this purpose.

Within the economic perspective of the ICAAP, the project risk represents a deduction item in the risk coverage potential, which totalled EUR 14.5 million as at the balance sheet date.

Liquidity risks

AKBANK AG monitors liquidity risks and compliance with liquidity parameters on a daily basis.

Liquidity management is primarily the responsibility of the "Markets - Sales & ALM Execution" and ALM (Asset-Liability Management) divisions. As a member of the Deposit Protection Fund of the Association of German Banks, the Bank is in a position to acquire high-volume customer deposits at short notice or to acquire them through authorised brokers. This ensures a sufficient supply of liquidity at all times. Short-term liquidity requirements can also be covered via the interbank market.

The Bank uses that part of the loan or securities portfolio that is recognised by the Bundesbank as eligible collateral to draw on Bundesbank funds or to participate in Bundesbank open market transactions. The securities portfolio is also used to cover liquidity requirements via repo transactions with banks. In the event of an acute liquidity bottleneck, it is possible to sell part of the securities portfolio and selected (usually syndicated) loans at short notice via the secondary market to external or related investors (e.g. Akbank T.A.S.) in order to bridge acute liquidity bottlenecks.

As a security measure, the Bank has prepared contingency planning for liquidity bottlenecks and monitors liquidity using the following parameters, among others:

- Internal bank stress test for cash inflows and outflows, taking into account maturity risks, refinancing risks, call risks and default risks;
- Ratio of the liquidity reserve to total assets;
- Ratio of call money accounts to total customer deposits;
- Regulatory minimum liquidity ratio (LCR) and structural liquidity ratio (NSFR);
- Ratio of reserves, free lines at Deutsche Bundesbank and free limits at Akbank T.A.S. to total deposits (excluding cash collateral and liabilities to Akbank T.A.S.).

The liquidity measurement and management procedures implemented fulfil the regulatory requirements and are in line with the business strategy. Maturity transformation is only carried out to a limited extent.

As part of its liquidity management, the Bank operates a planned and balanced liquidity provision. The minimum LCR and NSFR values (100.0%) stipulated by the CRR were complied with at all times.

	31.12.2023	31.03.2024	30.06.2024	30.09.2024	31.12.2024
LCR ratio in %	657.7	590.7	674.7	808.5	463.3
NSFR ratio in %	161.6	198.3	181.8	180.7	175.4

³⁸ From the realised, contractually agreed and planned investments for the next 12 months, weighted with a cost ratio and a coefficient of 1.25 for unexpected losses.

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Operational risks

AKBANK AG defines operational risk as the risk of losses caused by inadequate or failed internal processes, people and systems or by external events. AKBANK AG has created an organisational framework to systematically record operational risks. Reported loss events are recorded in a loss database, tracked, analysed and reported accordingly. In order to identify and evaluate all significant operational risks, each department assesses its own operational risks using the RCSA (Operational Risk and Control Self-Assessment) procedure. The RCSA results are summarised in the risk inventory. The worst-case assumptions are taken into account in the stress scenario.

Organisational and technical measures serve to prevent and limit damage for all operational risks. Organisational instructions, employee training, quality management and emergency plans, which are documented in various internal guidelines, are components of efficient risk management. The separation of input and approval functions in IT systems, including compliance with the dual control principle, contributes to the limitation of operational risks.

The availability of the main IT systems, in particular the Flexcube core banking system, remained at a very high level of over 99% on average in the past financial year. In the event of a total system failure or in the event that the bank's business premises can no longer be accessed, a service level agreement (SLA) was concluded with a third-party company in order to be able to use the external premises and IT systems in an emergency.

In order to avoid or minimise **legal risks**, the Bank ensures that all legal transactions are carried out on the basis of clear and properly documented agreements. For these purposes, the Bank uses standard agreements and standard contracts commonly used in the banking business wherever possible. Where necessary, contracts and agreements are drawn up or reviewed by external lawyers.

Defects, errors or other events that occur during operations and could cause material or immaterial damage are recorded in a loss database and reported to the Executive Board at regular intervals. If necessary, ad hoc reporting is also carried out. In addition, the results of internal (e.g. internal and Group audits) and external audits (e.g. deposit protection audits, regulatory audits) are also reported, which examine existing processes or practices for compliance with the internal process organisation and regulatory requirements and may have a significant impact on them. These take place regularly at the bank.

As part of the calculation of the regulatory total capital ratio, the bank quantifies operational risks using the basic indicator approach. These are valued at EUR 18.86 million as at 31 December 2024 and therefore exceed the value determined from the RCSA process (previous year: EUR 14.23 million).

Other risks

Under the item other risks, the Bank summarises the strategic risks associated with past and future decisions on the business model, the reputational risks that could result from possible damage to the Bank's reputation as a result of a negative public perception and the model risks that arise from model weaknesses and can lead to incorrect risk reporting.

Strategic risks include the possibility of unexpected losses due to deviations in income or expenditure from the business plan. The bank's business performance is monitored in real time on the basis of the budget figures by means of monthly target/actual comparisons. Ongoing monitoring and control is carried out by means of daily balance sheets and income statements on a daily basis.

Within the framework of ICAAP (economic perspective), reputational risks, model risks and strategic risks (including other intangible risks) are valued at a total of EUR 90.1 million in risk capital, which is exactly 15% of the total risk capital.

Stress tests

Stress test calculations are carried out on a quarterly basis and reported to the Executive Board and the members of the Risk Committee in order to check susceptibility to losses. This is used to check whether there is sufficient risk coverage potential to cover losses in the event of extreme negative events and aggravated risk situations. The Bank distinguishes between three types of stress tests. These are, on the one hand, sensitivity analyses specific to risk types and, on the other, bank-wide stress tests across all risk types. Inverse stress tests are also carried out.

Risk type-specific sensitivity analyses and scenarios at individual risk level are used to derive sensitivity statements. They provide additional information for the operational management of risks.

In the cross-risk-type stress tests, valuation and risk parameters are derived according to specific scenario definitions in the event of stress and their effect on the risk-bearing capacity is simulated. Several risk types are taken into account simultaneously.

In addition, the Bank also carries out stress tests for liquidity risks with regard to emergency liquidity planning.

Impact of special events

Geopolitical tensions will remain a significant area of risk in 2024. Building on the developments of previous years, the effects of the war in Russia and Ukraine continued to be monitored closely. In addition, the Bank conducted a follow-up analysis of this conflict in 2024 in order to better assess potential direct and indirect effects on the business model and the risk situation. Inflation in the eurozone eased significantly in 2024. AKBANK AG has no exposure to Russian companies or financial institutions. However, the negative impact of this conflict on AKBANK AG's situation cannot be ruled out. The potential impact is always taken into account in lending decisions.

In addition, a separate risk analysis was carried out on the escalating Middle East conflict. Possible scenarios of military conflicts, supply chain disruptions, volatility on the commodities markets and geopolitical shifts were

taken into account. The aim was to identify the potential impact on the company's own risk portfolio at an early stage and to take appropriate measures as part of risk management. This conflict has no material impact on AKBANK AG's business.

ESG risks

ESG risks for AKBANK AG include environmental, social and governance factors that can influence business activities and financial performance. Environmental risks relate to the effects of climate change, while social risks relate to compliance with social standards and the Bank's positive contribution to society. Governance risks relate to the Bank's internal management, ethics and transparency.

ESG risks are not completely new types of risk for banks. Rather, they act as drivers of known risk categories such as credit or market price risks. For this reason, AKBANK AG considers ESG risks as risk drivers as part of the annual risk inventory for all identified risk types.

Environmental and climate-related risks can be categorised into **physical risks** and **transitory risks**.

Physical risks arise both with regard to individual extreme weather events and their consequences (e.g. periods of heat and drought, floods, storms, hail, forest fires, avalanches) and with regard to long-term changes in climatic and ecological conditions (e.g. frequency and volume of precipitation, weather instability, rising sea levels, changes in ocean and air currents, ocean acidification, rising average temperatures with regional extremes). Physical risks can have both direct and indirect effects (e.g. collapse of supply chains, discontinuation of water-intensive business activities, climate-induced migration and armed conflicts).

Transitory risks arise in connection with the transition to a low-carbon economy. Political measures can lead to an increase in the price and/or scarcity of fossil fuels or to high investment costs due to the need to renovate buildings and facilities. New technologies can displace familiar ones, changing customer preferences and societal expectations can jeopardise companies that fail to adapt.

Report of the Managing Board for the Fiscal Year 2024

Following a comprehensive analysis, AKBANK AG has significantly restricted lending in individual sectors affected by ESG risks. In addition, business areas that are completely excluded from lending are defined in an "Environmental and Social Exclusion List." Compliance with these limits and restrictions is monitored daily by the Risk Management department.

Since 2024, AKBANK AG has carried out quarterly ESG stress tests. In addition, ESG risks are taken into account in the ICAAP through the risk buffer in the risk coverage potential.

Summary of the risk situation

The risk-bearing capacity was ensured at all times in the 2024 financial year.

Despite the economic impact of the Russia-Ukraine conflict and the conflict in the Middle East, the risk-bearing capacity requirements were met at all times during 2024. The regulatory requirements for solvency were met at all times.

Opportunity report

In recent years, both the requirements for a modern, sustainable banking business and the regulatory framework have changed significantly. Customer needs show a growing demand for individual, customised products as part of digital and sustainable financial offerings. We have already adapted our strategic focus to this in previous years and launched an IT modernisation project in order to digitalise our business processes and create efficiencies, thereby becoming more profitable and also increasing employee and customer satisfaction. The project is also aimed at optimising operational risk management and laying the foundations for further business growth, particularly in the area of private client business with wealthy customers and the launch of business with SMEs.

With the introduction of the new technology as part of the IT modernisation measures, many of the bank's processes will be simplified and redesigned for the future. This will enable the bank to offer new innovative products to its customers.

The business targets in the individual divisions are presented in section 2.3 and include expansion in all areas. We also anticipate opportunities due to the perceived medium-term improvement in Turkey's economic situation.

AKBANK AG will continue to intensify its HR initiatives in order to invest in its employees and strengthen their commitment to implementing the Bank's strategies and objectives. In 2024, the number of employees at AKBANK AG grew significantly, which has already generated strong momentum in the implementation of our strategy. The number of employees will continue to grow in 2025 in order to pursue the Bank's ambitions and goals accordingly.

Overall, further growth opportunities will open up for AKBANK AG in 2025, both in the individual business divisions and in HR. All of the Bank's initiatives are based on ESG criteria for the environment, social issues and corporate governance.

The Bank's focus is not only on fulfilling the minimum requirements for ESG compliance, but also on establishing itself as a high-priority bank for sustainability in the coming years. AKBANK AG also plans to seize the opportunities arising from the increasing demand for green and sustainable products through targeted product development and offerings. Based on the resolutions passed by the Sustainability Committee in 2024, the Bank has committed to becoming a carbon-neutral bank by 2030 and a carbon-free bank by 2050. To this end, AKBANK AG has already launched various fundamental initiatives, such as the introduction of a credit exclusion list and other ESG-related credit assessment criteria as part of the decarbonisation of the loan portfolio. AKBANK AG is preparing for the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) to publish a non-financial statement in accordance with CSRD requirements in the management report for the first time for the 2025 financial year. This future reporting will cover a wide range of ESG topics in greater detail.

RELATIONSHIPS WITH AFFILIATED COMPANIES

The Executive Board has prepared a dependent company report on relationships with affiliated companies in the 2024 financial year in accordance with Section 312 AktG. This contains the following concluding declaration:

"We confirm that, according to the circumstances known to us at the time when legal transactions were carried out or measures were taken or omitted, the company received appropriate consideration for each legal transaction and was not disadvantaged by the fact that the measure was taken or omitted."

Eschborn, 27 May 2025

The Executive Board

Mehmet Tugal
Chairman of the Management Board & CEO

Albert Sowa
Member of the Board & CRO

Alper Özsoy
Member of the Board & CSO

Report of the Supervisory Board

REPORT OF THE SUPERVISORY BOARD OF AKBANK AG TO THE SHAREHOLDERS' MEETING IN ESCHBORN ON 25 JUNE 2025

In the fiscal year 2024, the Supervisory Board performed the tasks assigned to it by law, the articles of association and the rules of procedure. In the course of this, the Supervisory Board continuously monitored the management of the Management Board with respect to the legality, expediency, regularity an economic efficiency of its work and regularly advised it on the management of the company. The Management Board informed the Supervisory Board continuously, promptly and comprehensively in written and verbal form about all issues of relevance to the bank relating to strategy, short and long-term planning, business development, the risk situation, risk management, compliance, staffing situation and matters of outstanding importance. This also included information on deviations in the actual development from previously reported targets and deviations in the course of business from planning.

All measures, which required the approval of the Supervisory Board pursuant to the company's articles of association were thoroughly discussed and presented for the adoption of a resolution.

1. Activities of the Supervisory Board

During the reporting year the Supervisory Board held six meetings, which took place on 23 January 2024, 19 March 2024, 21 May 2024, 28 June 2024, 10 September 2024 and 19 November 2024. The Supervisory Board adopted resolutions in the meetings and if necessary, in writing by way of circulation.

The Supervisory Board has formed the following committees from among its members:

Audit Committee, Risk Committee, Remuneration Committee, Nomination Committee, Procurement Committee and Supervisory Board Credit Consultation Committee.

During the reporting period, there were six meetings of the Audit Committee, six meetings of the Risk Committee, two meetings of the Remuneration Committee, two meetings of the Nomination Committee, twelve meetings of the Procurement Committee and, as a rule, the meetings of the Supervisory Credit Consultation Committee were held every two weeks.

2. Own Audit of Financial Statements and Report of the Management Board for the fiscal year 2024

The audit firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, which was elected as auditor by the ordinary General Assembly 2024, was mandated to audit the annual financial statements of Akbank AG.

The audit firm, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, audited the annual financial statements of Akbank AG, including the management report for the financial year 2024. As part of its audit, the auditor took into account special regulatory audit requirements. Based on the results of the audit the auditor issued an unqualified audit opinion.

The Supervisory Board also inspected these documents as well as the proposal of the Management Board on the appropriation the net profit for the year.

3. Opinion on the Auditor's Report and Adoption of financial statements for the fiscal year 2024

The auditors and the Supervisory Board have been in regular contact since the start of the audit of the 2024 annual financial statements. The auditor presented the audit strategy and key audit areas to the Supervisory Board at the start of the audit. The auditor informed the Supervisory Board about the progress of the audit in the Supervisory Board meetings that took place until the end of the audit.

The auditor's report on the annual financial statements, the annual financial statements and the report of the Management Board of Akbank AG as well as the Management Board's proposal for the appropriation of profits, each for the financial year 2024, were presented to all Supervisory Board members in good time before the Supervisory Board's meeting resolving on the annual financial statements on 25 June 2025. The Supervisory Board and the Management Board jointly dealt with these documents in the Supervisory Board's meeting dated 25 June 2025 that was held in the presence of the auditor.

The auditor provided the members of the Supervisory Board with comprehensive information on the accounting documents. The Management Board and the auditor answered the questions of the Supervisory Board members.

In this context, the auditor presented the results of its audits carried out based on special regulatory requirements. The Supervisory Board will also receive regular reports from the Management Board on the relevant processes and closely monitor compliance with the required internal process organization and the underlying regulatory requirements.

The Supervisory Board subsequently agreed to the result of the audit and did not raise any objections subsequent to its own inspection of the documents in question. The Supervisory Board approved the annual financial statements prepared by the Management Board. The annual financial statements were thus adopted. The Supervisory Board has agreed with the Management Board's proposal for the appropriation of net retained profits.

In addition, the Supervisory Board approved this report of the Supervisory Board to the shareholders in its meeting on 25 June 2025.

4. Affiliated companies (dependency report)

The report of the Management Board on relationships with affiliated companies in the 2024 financial year (dependent company report) was also audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

The dependent company report and the auditor's report were sent to the members of the Supervisory Board in good time before the meeting of the Supervisory Board resolving on the annual financial statements on 25 June 2025. The dependent company report and the auditor's report were audited by the members of the Supervisory Board and discussed in detail by the Supervisory Board together with the Management Board and the auditor during the meeting of the Supervisory Board. At its meeting on 25 June 2025, the Supervisory Board took note of and approved the auditor's findings on relationships with affiliated companies in the 2024 financial year and raised no objections following its own review.

The auditor's opinion (Bestätigungsvermerk) reads as follows:

"Following our mandatory audit and assessment, we confirm that

- the factual information in the report is correct,
- the consideration paid by the company for the legal transactions listed in the report was not inappropriately high."

5. Personnel changes in the Management Board and Supervisory Board

With effect from 28 June 2024, Mr. Hüsnü Erel was replaced by Ms. Ecem Nalbantgil as a member of the Supervisory Board.

As of 31 December 2024 Mr. Murat Sari resigned from Akbank AG and thus stepped down as a member of the Management Board and Chief Operating Officer (COO).

We express our gratitude to all staff members and to the Management Board for their dedication and hard work as well as for the high performance proved in the preceding financial year. Moreover, we thank our shareholder, clients, and business partners for placing their trust in Akbank AG.

Eschborn, 25 June 2025

Hakan Binbaşgil
Chairman of the Supervisory Board



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AKBANK AG

Balance Sheet as of 31 December 2024 of AKBANK AG, Eschborn

ASSETS			
	EUR	EUR	31.12.2023 TEUR
1. Cash Reserve			
a) Cash on hand	1,631.22		5
b) Balances at central banks	8,184,515.91		20,987
thereof: at Deutsche Bundesbank		8,186,147.13	20,992
EUR 8,184,515.91			
(Prior Year: TEUR 20,987)			
2. Loans and advances to banks			
a) Payable on demand	360,854,293.79		445,871
b) Other loans and advances	696,808,374.64		576,625
		1,057,662,668.43	1,022,496
3. Loans and advances to customers		1,695,602,448.14	2,171,779
thereof: secured by			
property charges	EUR 0.00		
Municipal loans	EUR 0.00		
4. Debentures and other fixed-interest securities			
Bonds and debentures			
a) from public sector	470,417,734.60		221,805
thereof: eligible as collateral at Deutsche Bundesbank			
EUR 253,429,921.03			
(Prior Year: TEUR 99,803)			
b) from other issuers	256,475,473.42		197,792
thereof: eligible as collateral at Deutsche Bundesbank			
EUR 30,134,401.51			
(Prior Year: TEUR 53,602)			
		726,893,208.02	419,596
5. Fiduciary assets		130,654,917.36	118,984
6. Intangible assets		5,804,214.26	1,034
Purchased concessions, industrial rights and assets, and licences in such rights and assets			
7. Property and equipment		1,748,932.94	328
8. Other assets		3,805,665.77	11,996
9. Prepaid expenses		1,766,221.24	1,840
10. Deferred taxes		0.00	0
Total Assets	3,632,124,423.29		3,769,046

AKBANK AG

Balance Sheet as of 31 December 2024 of AKBANK AG, Eschborn

LIABILITIES			
	EUR	EUR	31.12.2023 TEUR
1. Liabilities to banks			
a) Payable on demand	10,385,480.61		2,604
b) with an agreed term or period of notice	351,188,908.53		245,253
		361,574,389.14	247,857
2. Liabilities to customers			
Other liabilities			
a) Payable on demand	647,602,844.45		539,734
b) with an agreed term or period of notice	1,371,735,655.91		1,830,294
		2,019,338,500.36	2,370,028
3. Fiduciary liabilities		130,654,917.36	118,984
3. Other liabilities		24,896,732.63	9,492
4. Deferred income		3,743,138.39	9,982
5. Deferred Tax Provisions		277,000.00	0
6. Provisions			
a) Tax provisions	24,123,159.15		31,056
b) Other provisions	8,536,158.01		7,309
		32,659,317.16	38,365
7. Shareholder's equity			
a) Subscribed capital	200,000,000.00		200,000
b) Capital reserve	158,253,076.35		158,253
c) Revenue reserves			
Other revenue reserve	616,084,500.99		504,333
d) Profit available for distribution	84,642,850.91		111,752
		1,058,980,428.25	974,338
Total Liabilities and Shareholders' Equity	3,632,124,423.29		3,769,046

	EUR	TEUR
1. Contingent liabilities		
Liabilities from guarantees and warranty agreements	68,420,326.14	84,546
2. Other obligations		
Irrevocable loan commitments	0.00	0

AKBANK AG

Income Statement as of 31 December 2024 of AKBANK AG, Eschborn

	EUR	EUR	EUR	2023 TEUR
1. Interest income from				
a) Lending and money market business	278,440,548.91			234,556
b) Fixed-interest securities and government-inscribed debt	<u>43,155,204.98</u>	321,595,753.89		<u>38,076</u> 272,632
2. Interest expenses		<u>172,360,767.77</u>		<u>106,079</u> 149,234,986.12 166,553
3. Commission income		17,939,196.17		20,427
4. Commission expenses		<u>8,904,225.22</u>		<u>10,636</u> 9,034,970.95 9,792
5. Other operating income			3,103,133.24	409
6. General and administrative expenses				
a) Personnel expenses				
aa) wages and salaries	13,701,543.94			13,059
ab) social security and other pension costs thereof: for old age pensions				
EUR 309,990.68 (Prior Year: TEUR 261)	<u>1,839,645.32</u>	15,541,189.26		<u>1,588</u> 15,607
b) Other administrative expenses		<u>26,815,254.56</u>		<u>15,607</u> 42,356,443.82 30,253
7. Write-downs and adjustments to intangible assets and property, plant and equipment			849,697.49	704
8. Other operating expenses			0.00	0
9. Write-downs and allowances on loans and advances and certain securities and allocations to provisions for possible loan losses			3,147,122.96	0
10. Income from write-ups on loans and advances and certain securities and from the reversal of provisions for possible loan losses			0.00	15,368
11. Income from write-ups on participations, interests in affiliated companies and investment securities			267,103.64	0
12. Income from write-ups on participations, interests in affiliated companies and investment securities			0.00	7
13. Result from ordinary activities			<u>114,752,722.40</u>	<u>161,171</u>
14. Income taxes				
a) Tax expenses		29,832,871.49		49,420
b) Income from change of deferred taxes		0.00		0
c) Expense from change of deferred taxes		<u>277,000.00</u>		<u>0</u> 30,109,871.49 49,420
15. Net result for the year/ Profit available for distribution			<u>84,642,850.91</u>	<u>111,752</u>

Independent Auditor's Report

To AKBANK AG, Eschborn

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of AKBANK AG, Eschborn, which comprise the balance sheet as at 31 December 2024, and the statement of profit and loss for the financial year from 1 January to 31 December 2024 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of AKBANK AG for the financial year from 1 January to 31 December 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

- 1 Risk provisioning in the lending business

Our presentation of this key audit matter has been structured as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

Hereinafter we present the key audit matter:

1. Risk provisioning in the lending business

1. The company's annual financial statements show loan receivables of € 2,753,265k (75.8 % of total assets) under the balance sheet items 'Receivables from customers' and 'Receivables from banks'. As at 31 December 2024, the loan portfolio's risk provisions consist of general loan loss allowances. The measurement of risk provisions in the lending business is determined in particular by the structure and quality of the loan portfolios, macroeconomic factors and the assessments of the legal representatives regarding future loan defaults. The general loan loss provisions cover the deferred credit risk. General allowances are recognised for foreseeable but not yet specific counterparty risks in the lending business of credit institutions. For this purpose, a general allowance is recognised for loans not subject to specific impairment losses in the amount of the expected loss for a twelve-month period, unless the credit risk has increased significantly since recognition. If the credit risk has increased significantly since recognition, a general allowance is recognised for loans not covered by individual impairment losses for the expected losses on the loans over their remaining term. Country allowances are also recognised for borrowers domiciled in Turkey, for which an increased country risk exists, particularly due to inflation and macroeconomic conditions. The loan loss allowances in the lending business are, on the one hand, of significant importance to the Company's net assets and results of operations and, on the other hand, subject to considerable discretion on the part of the legal representatives. In addition, the valuation parameters used, which are subject to significant uncertainties, have a significant influence on the recognition or amount of any value adjustments that may be necessary. Against this background, this matter was of particular importance in our audit.
2. As part of our audit, we first assessed the design of the company's relevant internal control system and, based on this, tested the effectiveness of the controls. In doing so, we took into account the business organisation, IT systems and relevant valuation models. In addition, we assessed the valuation of receivables from banks and customers, including the appropriateness of estimated values, on the basis of random samples of credit exposures. In doing so, we evaluated, among other things, the company's available documentation regarding its financial position and the recoverability of the corresponding collateral. Furthermore, in order to assess the general loan loss provisions made, we evaluated the calculation methods used by the company and the underlying assumptions and parameters. In particular, we also assessed the legal representatives' assessment of the effects of the overall economic situation on the economic circumstances of the borrowers and the recoverability of the corresponding collateral, and verified that these were taken into account in the valuation of customer receivables. Overall, based on the audit procedures we performed, we were able to satisfy ourselves that the assumptions made by the legal representatives in reviewing the recoverability of the loan portfolio and the adequacy and effectiveness of the controls implemented by the company are reasonable.
3. The company's disclosures on risk provisioning in the customer lending business are contained in the sections 'Accounting, valuation and translation methods', 'Loans and advances to banks' and 'Loans and advances to customers' as well as in other disclosures in the notes.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control of the Company and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 17 September 2024. We were engaged by the supervisory board on 14 January 2025. We have been the auditor of the AKBANK AG, Eschborn, without interruption since the financial year 2017.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Kay Böhm.

AKBANK AG

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AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

General Information
Legal form
AKBANK AG, with its registered office in Eschborn (hereinafter also referred to as the "Bank"), is entered in the commercial register of the local court of Frankfurt am Main under HRB No. 78036.
Accounting, valuation and translation methods
The annual financial statements of AKBANK AG for the financial year from 1 January to 31 December 2024 were prepared in accordance with the provisions of the German Commercial Code (HGB), the German Stock Corporation Act (AktG) and taking into account the German Accounting Directive for Banks, Financial Services Institutions and Securities Institutions (Verordnung über die Rechnungslegung der Kreditinstitute, Finanzdienstleistungsinstitute und Wertpapierinstitute), as amended.
Assets and liabilities are recognised and measured in accordance with Sections 252 et seq. and 340 et seq. HGB and are unchanged from the previous year.
The cash reserve is recognised at nominal value.
Loans and advances to banks and loans and advances to customers are recognised at nominal value less specific and general valuation allowances plus accrued interest. If the disbursement or purchase amount is less than the nominal value of the receivable, the difference (discount) is recognised as deferred income in accordance with Section 340e (2) sentence 2 HGB and distributed evenly over the term of the receivable and recognised as interest income. If the disbursement or purchase amount is higher than the nominal value of the receivable, the difference (premium) is distributed evenly over the term of the receivable and deducted from interest income. The option under Section 340e (2) sentence 3 HGB is not utilised.
Specific and general valuation allowances on loans and advances to banks and customers are deducted from these. a) Recognisable individual risks in the lending business are taken into account by recognising specific valuation allowances. The amount of the risk provision is determined on the basis of the amount receivable in the event of default after taking collateral into account. b) Two types of general bad debt allowances are recognised:
- Value adjustments for country risks are calculated on the basis of historical default data. The Bank determines the specific country risk for all receivables for which either the country at risk or the country of domicile corresponds to the country in which a value adjustment is deemed necessary. The country of domicile reflects the risks associated with the transfer risk and/or currency risks. Due to the business focus, country risks are only calculated for loans that carry a country risk for Turkey. This means that all borrowers who either have their registered office in Turkey or for whom Turkey is considered a risk country are included in the calculation of country risk provisions. - As at 31 December 2024, the loss given default rate (LGD rate) used to determine the country value adjustment remained unchanged at 80% and the country risk provisioning rate (CRP rate) remained unchanged at 5% compared to the previous year. The CRP rate is determined using various input parameters, e.g. credit default swap (CDS) premiums. - In addition, AKBANK AG applies the provisions of IDW RS BFA 7 for recognising risk provisions for foreseeable counterparty default risks in the lending business that have not yet been individually specified. The Bank has chosen the simplified approach. The method takes into account the annual probability of default based on the counterparty's internal credit rating (PD), the loss given default (LGD) and the exposure at default (EAD).
Bonds and debentures held as fixed assets are recognised on the basis of the diluted lower of cost or market principle. In the event of permanent impairment, they are written down to the lower fair value. If the reason for the permanent impairment no longer applies, the impairment loss is reversed up to a maximum of the acquisition cost. Fixed-interest securities acquired below par (or above par) are written up (or written down) to their nominal value on an accrual basis. The option to recognise impairment losses in the event of an impairment that is not expected to be permanent in accordance with Section 253 (3) sentence 6 HGB was not exercised.

AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

In the case of genuine securities repurchase transactions, the transferred securities are allocated to the portfolio of the pledgor. The bank continues to show the securities lent under the asset item "Bonds and other fixed-income securities", as the main opportunities and risks arising from them remain with the bank. It also recognises a liability to the transferee in the amount received for the transfer.

Trust assets are recognised at the lower of cost or nominal value plus accrued interest. Fiduciary assets are the invested holdings of funds transferred by customers to AKBANK AG on the basis of a trust agreement, whereby the latter is authorised to invest these funds with AKBANK T.A.S in its name but for the account of the customer.

Intangible assets and property, plant and equipment are recognised at cost less amortisation and depreciation on a straight-line basis. The useful life is between one year and 13 years. In the event of permanent impairment, impairment losses are recognised to the lower fair value. If the reasons for the impairment no longer apply, the impairment loss is reversed up to the amortised cost. No impairment losses were required as at the balance sheet date. The expenses incurred in the development of internally generated intangible fixed assets are capitalised as production costs.

Low-value assets are fully amortised in the year of acquisition.

Other assets and prepaid expenses are recognised at nominal value.

Deferred taxes are recognised for temporary differences that are expected to reverse in the future between the carrying amounts of assets and liabilities for commercial and tax purposes, insofar as this is permitted by law. Deferred taxes are calculated on the basis of an income tax rate of

27.375 %, which includes corporation tax, trade tax and the solidarity surcharge.

The amounts of the resulting tax burden and relief are measured at the above-mentioned tax rate at the time of the reduction of the differences and are not discounted. The recognised items are reversed as soon as the tax burden or relief occurs or is no longer expected to occur. The expense or income from the change in recognised deferred taxes is reported separately in the income statement under "Taxes on income".

Liabilities are recognised at settlement amounts including accrued interest.

Deferred income is recognised at the settlement amount and amortised on a straight-line basis over the term.

Provisions for tax liabilities are recognised at the expected payment amount. The payment amount is calculated on the basis of the expected tax liability on the balance sheet date less tax prepayments made. Taxes not yet paid from the current and previous periods are included in the calculation.

Other provisions take into account all recognisable risks and contingent liabilities as well as impending losses from pending transactions and are recognised at the settlement amount required according to prudent business judgement. In accordance with Section 253 (1) sentence 2 in conjunction with Section 253 (2) sentence 1 HGB, provisions with a remaining term of more than one year are discounted at the average market interest rate for the past seven financial years corresponding to their remaining term.

Equity is recognised at nominal value.

The Bank manages the currency risk as part of the special cover via the total position per currency from all on-balance sheet and off-balance sheet foreign currency transactions.

Forward exchange transactions are used to hedge exchange rate fluctuations. The bank concludes foreign currency forwards and swaps for this purpose. These transactions are not part of valuation units and are fully allocated to special cover.

AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

If special cover exists in accordance with Section 340h HGB, expenses and income from currency translation are netted and recognised in the income statement. Currency translation is recognised net in other operating income.

The currency receivables and liabilities (including accrued interest) contained in the individual items are measured at the reference rates of the European Central Bank (ECB) applicable on 31 December 2024. The initial measurement is recognised at the reference rate of the European Central Bank applicable on the date of addition.

The forward rates are split into the two elements spot rate and swap rate and these are recognised separately when calculating the result. The agreed swap amounts are recognised pro rata temporis. Changes in the spot rates are determined as part of currency translation by comparing the forward rates with the spot rate on the reporting date. Positive and negative spot rate differences within the same currency are offset.

Open forward transactions are measured at the forward rate on the reporting date. Unrealised losses from the difference between forward and market prices are recognised as liabilities and reported under other liabilities.

The unsettled currency swap transactions are valued at the forward rates. Unrealised gains from foreign exchange swaps for which special cover exists in accordance with Section 340h HGB are capitalised and reported under other assets. A special hedge exists if a special relationship is established between assets and liabilities in the same currency or if forward exchange transactions are concluded as special hedging transactions for assets or liabilities denominated in foreign currencies as part of currency position management.

As part of the loss-free valuation in accordance with IDW RS BFA 3, the Bank examines the need to recognise a provision for onerous contracts in accordance with Section 340a in conjunction with Section 249 (1) sentence 1 Alt. 2 HGB. The Bank uses the present value method to determine provisions for onerous contracts as part of the loss-free valuation of the interest book. Accordingly, a provision for impending losses must be recognised if the carrying amount of the interest book exceeds its present value, even taking into account cost components, which indicates hidden liabilities in the interest book. The basis for calculating the present value of the interest book is a payment series (cash flow) of all interest-bearing items contracted on the balance sheet date. The calculation takes into account the fees and commission income and deducts the risk costs and the costs required to manage the interest book (administrative costs). Risk costs are calculated in accordance with the IDW RS BFA 7 approach. Any asset surpluses are closed by means of fictitious transactions assuming the conservatively estimated refinancing interest rate. There was no need to recognise a provision for impending losses as at the balance sheet date.

AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

Notes to the balance sheet and income statement

Balance sheet

Cash reserve

As at the balance sheet date, the bank held cash reserves totalling EUR 8,186 thousand (previous year: EUR 20,992 thousand). Of this amount, EUR 8,185 thousand (previous year: EUR 20,987 thousand) was attributable to balances with Deutsche Bundesbank and the remainder to cash in hand.

Receivables from banks

Loans and advances to banks are broken down by residual maturity as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
due daily	360.854	445.871
Remaining term		
- up to three months	145.953	116.675
- more than three months to one year	536.414	459.824
- more than one year and up to five years	14.442	126
- more than five years		
	1.057.663	1.022.496

Loans and advances to banks include loans and advances to AKBANK T.A.S and thus to affiliated companies totalling EUR 58,754 thousand (previous year: EUR 70,602 thousand).

The following risk provisions were deducted:

	31.12.2024 TEUR	31.12.2023 TEUR
Country risk provisioning	28.581	23.586
General valuation allowance according to IDW RS BFA 7	43	22

The increase in country risk provisions is mainly due to an increase in loan volumes to Turkish banks.

AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

Receivables from customers

Receivables from customers are broken down by residual term as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
due daily	32.149	32.525
Remaining term		
- up to three months	505.479	1.078.905
- from three months to one year	396.614	522.623
- more than one year and up to five years	746.361	537.726
- more than five years	15.000	0
	1.695.602	2.171.779

Receivables from customers include receivables from the companies of the Sabancı Group and thus from affiliated companies totalling EUR 89,990 thousand (previous year: EUR 41,058 thousand).

The following risk provisions were deducted:

	31.12.2024 TEUR	31.12.2023 TEUR
Country risk provisioning	41.746	43.841
General valuation allowance according to IDW RS BFA 7	1.182	1.077

The decline in country risk provisions is mainly due to a reduction in the credit volume to Turkish customers.

Bonds and other fixed-income securities

The bonds and other fixed-interest securities with a carrying amount of EUR 726,893 thousand (previous year: EUR 419,596 thousand) are all listed on the stock exchange as at the balance sheet date. They are allocated in full to fixed assets as at the balance sheet date. The development of securities held as fixed assets is shown in the statement of changes in fixed assets (Appendix I to the Notes).

The increase is due to the acquisition of securities from public issuers with good credit ratings.

There are hidden reserves of TEUR 4,613 (previous year: TEUR 595) for bonds and other fixed- income securities with a carrying amount of TEUR 365,793 (previous year: TEUR 35,613) and hidden liabilities of TEUR 361,100 (previous year: TEUR 376,840) for bonds and other fixed- income securities with a carrying amount of TEUR 361,100 (previous year: TEUR 376,840).

EUR 15,199 thousand (previous year: EUR 24,770 thousand). In view of the fact that the bonds are classified as fixed assets and the lower market values were not based on expected permanent impairments, but were only due to the usual market volatility, i.e. in particular interest rate-induced, the bank did not recognise any write-downs on the lower market values in the event of hidden losses.

Bonds and other fixed-interest securities totalling EUR 43,991 thousand (previous year: EUR 30,712 thousand) will fall due in the 2025 financial year.

Securities totalling EUR 389,655 thousand (previous year: EUR 115,623 thousand) were deposited as collateral as part of repo transactions. These securities cannot be freely disposed of during the term of the transactions.

AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

Trust assets

Trust assets totalled EUR 130,655 thousand (previous year: EUR 118,984 thousand). These are receivables from banks.

Intangible assets

In the reporting year, intangible assets consisting of both standard IT software and customised IT software amounting to EUR 5,804 thousand (previous year: EUR 1,034 thousand) were held. The increase in inventories reflects investments in the renewal of the IT infrastructure as part of the IT modernisation project.

The development of intangible assets is shown in the statement of changes in non-current assets (Appendix I to the Notes)

Property, plant and equipment

The classification of property, plant and equipment totalling EUR 1,749 thousand (previous year: EUR 328 thousand) as at the balance sheet date is shown in the statement of changes in non- current assets (Appendix I to the Notes). As in the previous year, no impairment losses had to be recognised in the 2024 financial year.

Other assets

Other assets are made up as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
Corporate income tax receivable	0	3.721
Advance invoice payments	0	1.890
Value added tax claim	1.078	1.539
Trade income tax receivable	0	411
Other	2.728	4.435
	3.806	11.996

Prepaid expenses and deferred charges

Prepaid expenses of EUR 1,766 thousand (previous year: EUR 1,840 thousand) include EUR 143 thousand (previous year: EUR 397 thousand) in deferred advance fees from the lending business.

Liabilities to banks

Broken down by residual maturity, liabilities to banks are summarized as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
due daily	10.385	2.604
Remaining term		
- up to three months	265.170	185.346
- more than three months to one year	86.018	59.907
- more than one year and up to five years	0	0
	361.574	247.857

Liabilities to credit institutions include liabilities to AKBANK T.A.S and thus to affiliated companies totalling EUR 8,746 thousand (previous year: EUR 92,428 thousand).

Liabilities to banks include collateral received (margin calls) for derivative transactions totalling EUR 11,387 thousand (previous year: EUR 33,037 thousand).

AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

Liabilities to customers

Liabilities to customers are broken down by residual term as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
due daily	647.603	539.734
Remaining term		
- up to three months	765.837	1.029.543
- from three months to one year	368.085	449.982
- more than one year and up to five years	195.663	294.049
- more than five years	42.150	56.720
	2.019.339	2.370.028

Liabilities to customers include liabilities to the companies of the Sabancı Group and thus to affiliated companies totalling kEUR 14,067 (previous year: kEUR 13,821).

Of the liabilities to customers, EUR 1,391 million (previous year: EUR 1,357 million) is attributable to the deposit business with private customers and EUR 628 million (previous year: EUR 1,013 million) to the deposit business with institutional customers. The decline in deposits from institutional customers is due to the reduction in customer balances as collateral for loans (cash collateral).

Fiduciary liabilities

Trust liabilities totalled EUR 130,655 thousand (previous year: EUR 118,984 thousand). These are liabilities to customers.

Other liabilities

Other liabilities are made up as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
Swap differences (on the liabilities side)	3.085	6.255
Interest income tax incl. solidarity surcharge	3.441	1.898
Trade and other payables	695	1.141
Wage and church tax	15	198
Foreign currency Translation results	17.621	0
Other	40	0
	24.897	9.492

Accrued expenses and deferred income

Deferred income of EUR 3,743 thousand (previous year: EUR 9,982 thousand) was recognised primarily for deferred advance fees from the lending business.

AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

Deferred tax liabilities

Deferred tax liabilities totalling EUR 277 thousand (previous year: EUR 0 thousand) serve to offset the tax liability from the temporary difference of EUR 1,011 thousand (previous year: EUR 0 thousand) between the tax balance sheet and the commercial balance sheet. The difference results from higher valuations of fixed assets in the commercial balance sheet compared to the tax balance sheet in the amount of EUR 26,652 million and lower provision values in the tax balance sheet compared to the commercial balance sheet in the amount of EUR 25,641 million.

Provisions

In the reporting year, tax provisions totalled EUR 24,123 thousand (previous year: EUR 31,056 thousand), of which EUR 13,954 thousand was for corporation tax and EUR 10,169 thousand for trade tax.

The other provisions are made up as follows:

	31.12.2024 TEUR	31.12.2023 TEUR
Personnel costs	2.500	2.700
Provision for onerous contracts	1.080	1.560
Outstanding invoices	1.017	831
Audit and tax consultancy costs	1.017	699
Leave not taken	583	575
Other	2.340	944
	8.536	7.309

Subscribed capital, capital reserve and retained earnings

The subscribed capital of EUR 200,000,000.00 is divided into 200,000,000.00 no-par value shares. The shares are bearer shares.

The capital reserve remains unchanged from the previous year at EUR 158,253,076.35.

The net retained profits for the 2023 financial year of EUR 111,751,708.62 were allocated in full to other retained earnings in accordance with the resolution of the Annual General Meeting on 28 June 2024 and increased them accordingly to EUR 616,084,500.99.

Retained earnings for the 2024 financial year amount to EUR 84,642,850.91.

The Executive Board of the Bank proposes that the net retained profits for the 2024 financial year of EUR 84,642,850.91 be transferred to other revenue reserves.

Contingent liabilities

The contingent liabilities consist of guarantees and letters of credit totalling kEUR 68,420 thousand (previous year: EUR 84,546 thousand). Of this amount, contingent liabilities to affiliated companies totalled EUR 8,983 thousand (previous year: EUR 6,468 thousand). Guarantees and letters of credit were also analysed for possible default risks as part of the annual reviews of the loan portfolio carried out by the bank's credit risk management.

AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

Further information Foreign currency assets and liabilities

As at the balance sheet date, foreign currency assets totalled EUR 1,482,117 thousand (previous year: EUR 1,607,745 thousand) and foreign currency liabilities amounted to EUR 1,085,315 thousand (previous year: EUR 1,253,572 thousand).

Profit and loss account

Around 86% of interest income totalling EUR 321,596 thousand (previous year: EUR 272,632 thousand) was generated from lending and money market transactions and around 14% from fixed-interest securities and debt register claims. The increase is attributable to short to medium-term loans to corporate customers and higher interest income from securities.

Around 62% of interest expenses totalling EUR 172,361 thousand (previous year: EUR 106,079 thousand) stem from liabilities to banks and around 38% from liabilities to customers.

The reference interest rate reached its highest level towards the end of 2023 and was only reduced towards the middle of 2024, which explains the increase in interest income and interest expenses in 2024 compared to 2023.

Approx. 88% of interest income and approx. 17% of interest expenses are attributable to business relationships with customers and banks in Turkey. The remaining interest income and interest expenses mainly relate to transactions with customers and banks in Germany.

Net fee and commission income of EUR 9,035 thousand (previous year: EUR 9,792 thousand) is largely attributable to commitment and processing fees for loans and fiduciary transactions. Commission income is mainly based on business relationships with customers and credit institutions based in Turkey (approx. 45%), Malta (approx. 48%) and Germany (approx. 5%). The remaining income is spread across several countries. Commission expenses relate to custody, clearing and brokerage fees as well as other account management fees.

Other operating income totalling EUR 3,103 thousand (previous year: EUR 409 thousand) mainly includes a compensation payment of EUR 2,041 thousand from the Dutch National Bank, DNB.

General administrative expenses totalled EUR 42,356 thousand in the reporting year (previous year: EUR 30,253 thousand). Of this amount, EUR 15,541 thousand (previous year: EUR 14,646 thousand) is attributable to personnel expenses and EUR 26,815 thousand (previous year: EUR 15,607 thousand) to other administrative expenses. The increase in personnel expenses is due to the higher number of employees. The increase in other administrative expenses is mainly due to the increase in software expenses of EUR 2,064 thousand and the increase in auditing and consulting costs of EUR 7,159 thousand.

In the 2024 financial year, there were write-downs and value adjustments on securities treated as fixed assets and reversals of provisions in the lending business amounting to EUR 3,147 thousand (previous year: income from write-ups of EUR 15,368 thousand), explained by the increase in country risk provisions and general loan loss provisions in accordance with IDW RS BFA7.

Income taxes totalling EUR 29,833 thousand (previous year: EUR 49,420 thousand) relate to corporation tax of EUR 17,249 thousand (previous year: EUR 28,471 thousand) and trade tax of EUR 12,584 thousand (previous year: EUR 20,948 thousand).

In various countries in which the AKBANK Group operates, laws to ensure global minimum taxation have come into force. According to the analyses carried out, the Group falls within the scope of the relevant statutory regulations.

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Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

Germany has also introduced rules for the levying of domestic supplementary tax amounts, which apply to AKBANK AG for the financial year beginning on 1 January 2024.

The assessment of the impact on AKBANK AG and the other domestic companies in the domestic minimum tax group is based on the most recent country-by-country report ("CbCR") submitted by the Group for the year 2023. As this report shows a German combined effective tax rate well above 15%, it is assumed that the companies in the domestic minimum tax group, including AKBANK AG, fall under the temporary CbCR safe harbour rules and therefore no domestic supplementary tax amounts will be incurred. AKBANK AG and the other companies in the domestic minimum tax group are continuing their assessment of whether they are affected, including the collection of data for the financial year ending 31 December 2024.

Other information

Other financial obligations

Other financial obligations mainly relate to future, contractually agreed rental payments for office space. The rental payments amount to EUR 6,700 thousand (previous year: EUR 9,424 thousand). The remaining other financial obligations amount to EUR 5,989 thousand (previous year: EUR 5,870 thousand) and mainly relate to software licences with a term until 2027.

Derivatives

As at the balance sheet date, there were EUR 502,541 thousand (previous year: EUR 320,498 thousand) in currency swaps and spot transactions totalling EUR 350 thousand (previous year: EUR 1,102 thousand) that had not yet been settled and which serve exclusively to cover currency risks. The fair value of the swaps as at the balance sheet date was EUR 499,018 thousand (previous year: EUR 310,615 thousand).

Cross currency swaps totalling EUR 51,304 thousand (previous year: EUR 105,249 thousand) were concluded until 2026 at the latest in order to hedge both the interest rate risk and the foreign currency risk. As at 31 December 2024, this results in a negative fair value (without interest deferral) of EUR 6,600 thousand (previous year: EUR 6,160 thousand). In addition, interest rate swaps totalling EUR 844,639 thousand (previous year: EUR 591,493 thousand) were concluded to hedge the interest rate risk. The fair value of the interest rate swaps amounted to EUR 16,308 thousand as at 31 December 2024 (previous year: EUR 37,735 thousand).

Employees

The average number of employees in 2024, including the Executive Board, was 104¹(previous year: 84²). Of these, 4 were executives and 100 were salaried employees.

¹ The figure includes all active employment contracts

² The number of all active employees

Total fee of the auditor

	31.12.2024 TEUR	31.12.2023 TEUR
a) Audit services	578	499
b) Other confirmation services*	63	54
c) Tax consultancy services	0	0
d) Other services**	7	7

* This is the audit in accordance with Section 89 (1) sentence 1 WpHG

** This is the procedural audit and random sample audit in accordance with Section V No. 11 (1) and 12 of the General Terms and Conditions of the Deutsche Bundesbank ("MACC").

AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

Organs

The Management Board was composed as follows in the past financial year:

- Mr Mehmet Tugal (Banker, Chief Executive Officer, CEO), Kronberg
- Mr Murat Sari (Banker, Chief Operating Officer, COO), Amsterdam (until 31 December 2024)
- Mr Alper Özsoy (Banker, Chief Sales Officer, CSO), Oberursel
- Mr Albert Sowa (Banker, Chief Risk Officer, CRO), Bad Soden

The company is represented jointly by two members of the Executive Board.

As at the balance sheet date, the Supervisory Board consisted of 10 members as follows:

- Mr Hakan Binbasgil, Chairman (Banker, Vice Chairman and Executive Board Member of AKBANK T.A.S., Istanbul, Turkey)
- Mr Kaan Gür, Deputy Chairman (Banker, CEO of AKBANK T.A.S., Istanbul, Turkey)
- Mr Levent Celebioglu, Deputy Chairman (Banker, Executive Vice President Corporate and Investment Banking of AKBANK T.A.S., Istanbul, Turkey)
- Mr Türker Tunalı (Banker, Executive Vice President, Chief Financial Officer of AKBANK T.A.S., Istanbul, Turkey)
- Mrs Gamze Sebnem Muratoglu (Banker, Executive Vice President – Treasury of AKBANK T.A.S., Istanbul, Turkey)
- Mr Emre Kahraman (Banker, Chief Risk Officer of AKBANK T.A.S., Istanbul, Turkey)
- Mrs Pinar Anapa (Banker, Executive Vice President People and Culture of AKBANK T.A.S., Istanbul, Turkey)
- Dr Herbert Walter (Banker, Frankfurt am Main)⁽³⁾
- Mr Peter Tils (Banker, Berlin)³
- Mr Hüsni Erel (Banker, Istanbul, Turkey) (until 28 Jun 2024)³
- Ms Ecem Nalbantgil (Banker, Istanbul, Turkey) (from 28 Jun 2024)³

Remuneration of board members

The total remuneration of the Executive Board in the 2024 financial year amounted to EUR 2,058 thousand (previous year: EUR 1,726 thousand).

The total remuneration of the independent members of the Supervisory Board totalled EUR 201 thousand (previous year: EUR 193 thousand). As in the previous year, the remaining members of the Supervisory Board did not receive any remuneration.

³ Independent members of the Supervisory Board

AKBANK AG

Notes to the annual financial statements for the financial year from 1 January to 31 December 2024

Supplementary report

No events of particular significance occurred after the end of the reporting period that had an impact on the net assets, financial position and results of operations as at the balance sheet date.

Consolidated financial statements

The annual financial statements of AKBANK AG are included in the consolidated financial statements of AKBANK T.A.S., Istanbul. The latter prepares the consolidated financial statements for the smallest group of consolidated companies. The consolidated financial statements of AKBANK T.A.S. can be viewed on the website www.akbank.com. The consolidated financial statements of Hacı Ömer Sabancı Holding A.S. for the largest group of consolidated companies can be viewed on the website www.sabanci.com.

Eschborn, 27 May 2025

The Executive Board

Mehmet Tugal
Chairman of the Management
Board & CEO

Albert Sowa
Board member & CRO

Alper Özsoy
Board member & CSO

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SENIOR MANAGEMENT

From left to right:

Alper Özsoy, CSO, Member of the Managing Board

Zeynep Orman Özdemirel, Executive Vice President

Mehmet Tugal, CEO, Chairman of the Managing Board

Arzu Akbulut, CFO, Executive Vice President

Albert Sowa, CRO, Member of the Managing Board

Bülent Altinel, Executive Vice President

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