

Corporate Presentation

February 2023

AKL *please*

#Worthforfuture



01 Akbank Overview

02 AKLease Overview

03 People & Culture

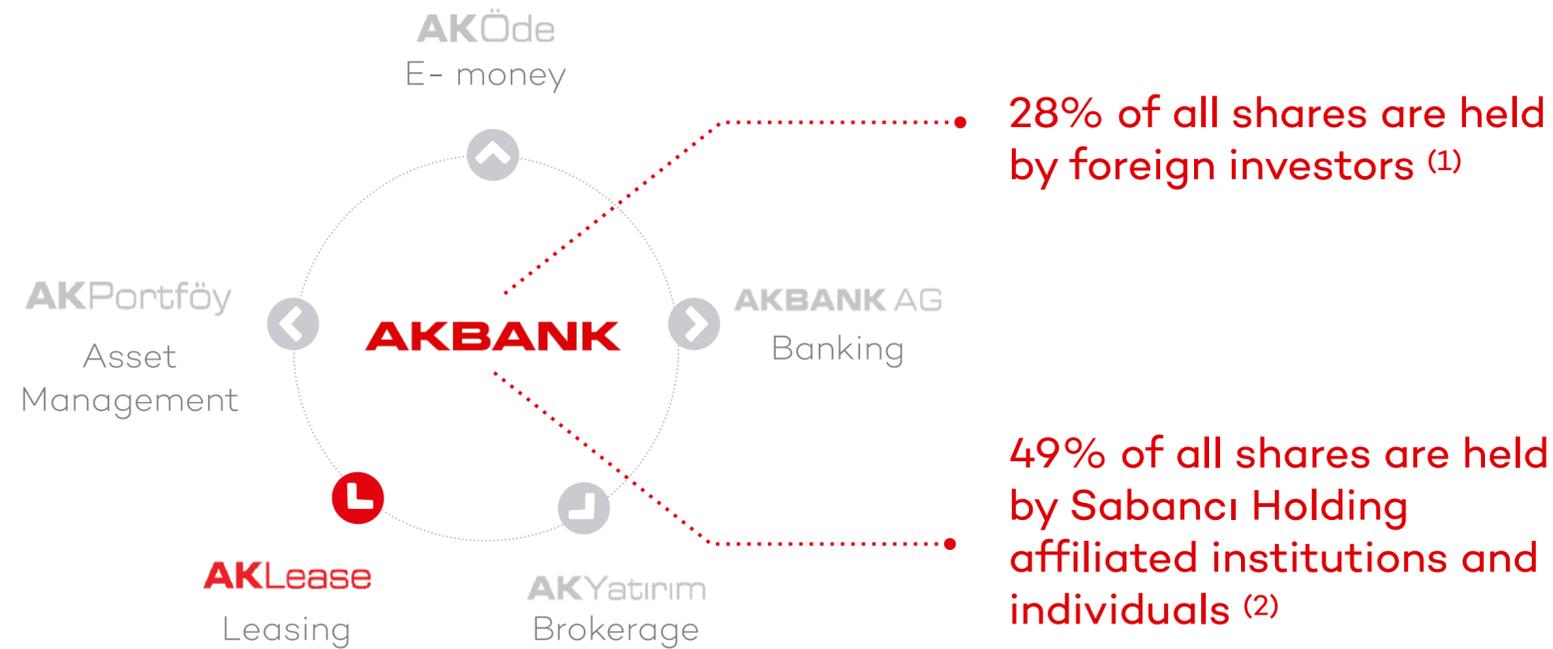
04 Sustainability

05 AKLease Financials

06 Operating Environment

Strong major shareholder with long term vision

History and Shareholding Structure



Established in 1988

AKLease was established as BNP-AK-Dresdner Leasing in November **1988**, a joint venture between Akbank, Dresdner and BNP

Renamed in 2005

Akbank acquired the entirety of AKLease in **2005** and subsequently renamed it AKLease

Owned by Akbank

AKLease is **100%** owned by Akbank

Sabancı Holding

- One of the two largest multi-business enterprises in Turkey with total assets of TL 1,153 bn as of 30 September, 2022
- ~**6% of BIST** capitalization with **12** public companies including Holding itself
- Controlled by **Sabancı Family**, who is the majority shareholder
- **Mainly operates in banking, financial services, energy, industrials, building materials, retail and digital**
- Market leaders in most of the sectors they operate in
- Joint-ventures with some of the **most well-established** companies in the world

(Including; Ageas, Bridgestone, Carrefour, E.ON, Heidelberg Materials and Skoda)
- Akbank is the flagship of the Sabancı Group with the highest share in profitability
- New Economy: Climate Tech, Advanced, Materials Tech & Digital Tech
- by 2050: Zero Waste & Net Zero Emissions

(1) As of December 31, 2022

(2) Shareholder composition calculation is based on the "Ordinary General Assembly Meeting Shareholder List" dated 28.03.2022

Synergies from relationship with Akbank

Akbank at a Glance

1948 Establishment	711 Branches	19 Regional Directorates
\$ 5.4 bn Market Value ⁽¹⁾	8.1% MS of TL loans ⁽¹⁾	6.4% MS of FX loans ⁽¹⁾
 Fitch Credit Ratings	 Moody's Credit Ratings	



Strong presence in financial industry



AKBANK AG / Banking 100%

- Flagship of Akbank Group in Europe
- Total assets of EUR 3,602 mn and equity of EUR 940 mn
- Contribution to net income stands at 2% in 2022

AKLease / Leasing 100%

- Net lease receivables market share of 11.5% ⁽¹⁾

AKYatırım / Brokerage 100%

- Leader in Equity public offerings ⁽²⁾ with USD 1.6 bn transaction size btw 2011-2022
- Leader in Corporate bond issuances ⁽³⁾ with 36.2% market share in 2022
- 2nd brokerage firm in FX marketsmargin trading with 15.5% market share as of 3Q22

AKPortföy / Asset Management 100%

- Leader in Total AuM with TL 215 bn ⁽⁴⁾
- Leader in pension fund management with TL 81 bn AuM, 18.6% market share
- Mutual fund management with TL 88 bn AuM, 11.5% market share
- TL 45 bn AUM in DPM

AKÖde / E-Money 100%

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

Awards over the recent years



ESG Strategy: Mitigate environmental footprint while increasing positive impact



Actionable targets for positive impact

SUSTAINABLE FINANCE

Supporting a more sustainable economy

TL 200 bn
Sustainable loan financing until 2030

TL 15 bn AuM
Sustainable investment funds 2030



Increase **sustainable financing** secured by the bank until 2030

ECOSYSTEMS MANAGEMENT

Enhancing businesses & financial health

Extend **digital & innovative products & services**



Increase number of **financially empowered people**

PEOPLE & COMMUNITY

Empowering our people and communities

Improve the effectiveness of **investment on our people**

Increase **Social Return on Investments** for community investments



Enhance the effectiveness of **Akbank volunteerism** in community investments

CLIMATE CHANGE

Mitigating operational emission & portfolio impact

Become a **carbon-neutral bank** through eliminating operational emissions until 2025

Become a **net-zero bank** by 2050



Mitigate **climate-related risks & impact** on portfolio

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Our core values



01
To be trusted
brand of
financial
services



02
Focus on
customer
satisfaction



03
Provide
innovative
financial
solutions



04
Simple and
smart digital
processes



05
Supporting
sustainable
businesses and
healthy
environment

BOD and Management Chart



Chairman

Cetin Düz

EVP, Commercial
Banking, Akbank



Deputy Chairman

Yunus Emre Özben

EVP, Credit
Underwriting, Akbank



Member

Türker Tunalı

CFO, Akbank



Member

Savaş Külcü

Head of Internal Audit, Akbank



Member

**Gamze Şebnem
Muratoğlu**

EVP, Treasury, Akbank



Member

Ege Gültekin

EVP, Credit Monitoring and
Collections, Akbank



Member

Levent Demirağ

Consultant, Sabanci Holding



Member

Bülen Oğuz

EVP -SME Banking



Member

Eser Okyay

AKLease CEO

AKLease

Strong presence in leasing industry

Aklease at a Glance	
34 Years Experience	100% Owned by Akbank
Top 1 Ranks* by ROE and ROA	10 Branches
Top 3 Ranks* by Asset Size	Rating
11,8% Market Share	LTFC IDR B- Rated by Fitch

Key Strengths



Awards over the recent years



Corporate Social Responsibility Turkey

2023 Vision: Looking Forward



01 Running AKLease

- ✓ Risk & return focused sustainable growth and market share
- ✓ Maintain high asset quality
- ✓ Strong capital and robust liquidity
- ✓ Synergy with Akbank and Sabanci Group

02 Building Future

- ✓ Leverage digitalization + Robust infrastructure = Transforming business processes
- ✓ Diversify funding base
- ✓ Create high customer experience with tailor made solutions
- ✓ To be the leading leasing company investing in our future through commitment on sustainability

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People & Culture: Investing in our people




Strong Employer Brand

- ▶ An innovative approach which aims to add value by employee loyalty
- ▶ A team which communicates openly, embraces the common goal



End to end talent management

- ▶ Inclusive talent management program
- ▶ Personalized development programs and trainings



Performance management / Backup

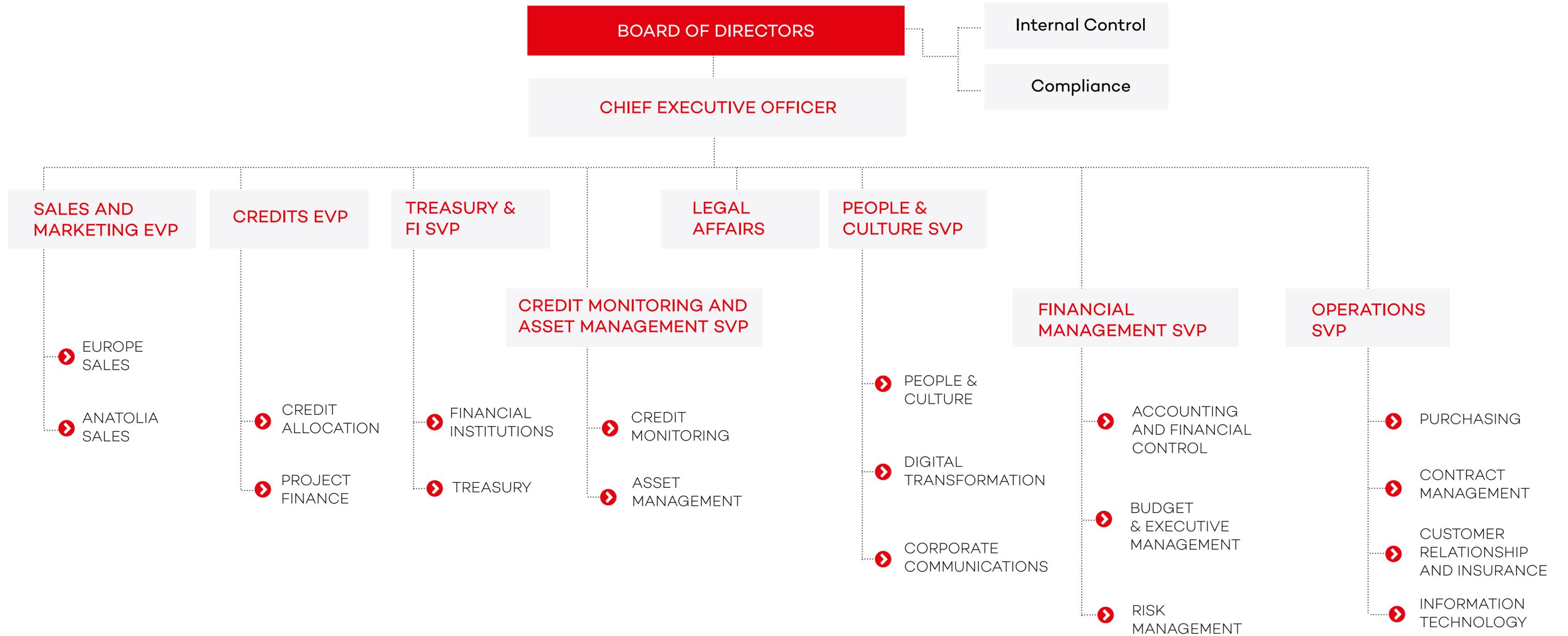
- ▶ Tailor-made performance management for all employees regardless of position
- ▶ Submission of the performance evaluation for employee approval
- ▶ Backup plans for organizational continuity



Focus: Inclusion

- ▶ Diversity and inclusion policy
- ▶ Zero tolerance for workplace violence policy

People & Culture: Organization chart



Digital Transformation

To shed light on and support the developments in the digital processes of the units after the meetings held with them within the scope of the strategic plan.

01

Innovative Solutions for Future

It is about applying new innovations in technology to leasing so that systems can learn, automate responses, and work smarter.

02

Customer Oriented /Customer Exp. & Satisfaction

Referring to the act of aligning the business towards helping our customers reach success with our product or service.

03

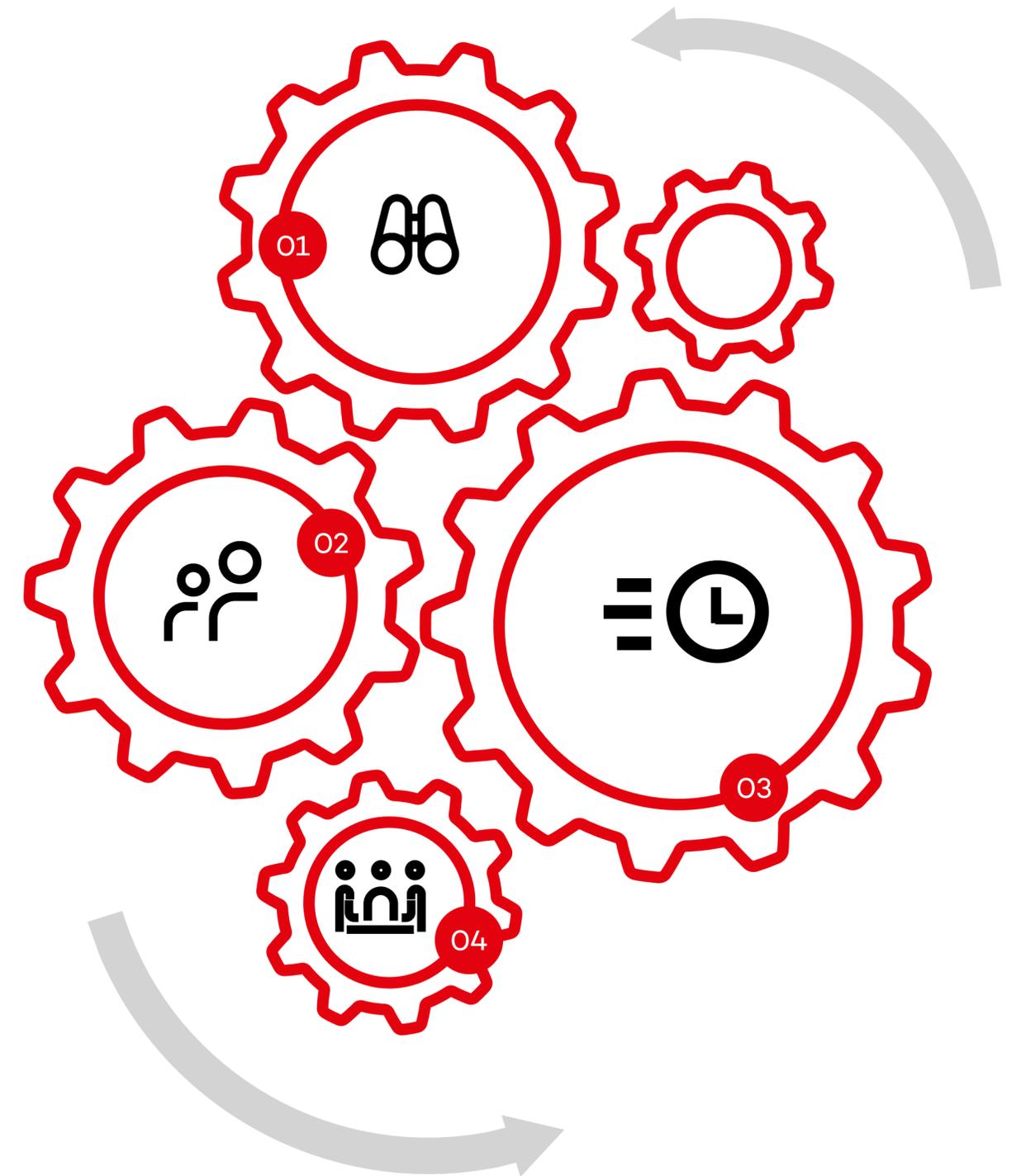
Operational Efficiency

Using resources like time, people, equipment, inventory, data and money in an optimized way to serve the business. Help company being leaner, agile and more profitable.

04

Workplace Efficiency

Enhanced internal communication and knowledge sharing. The goal is to encourage employee engagement and change how the teams work together.

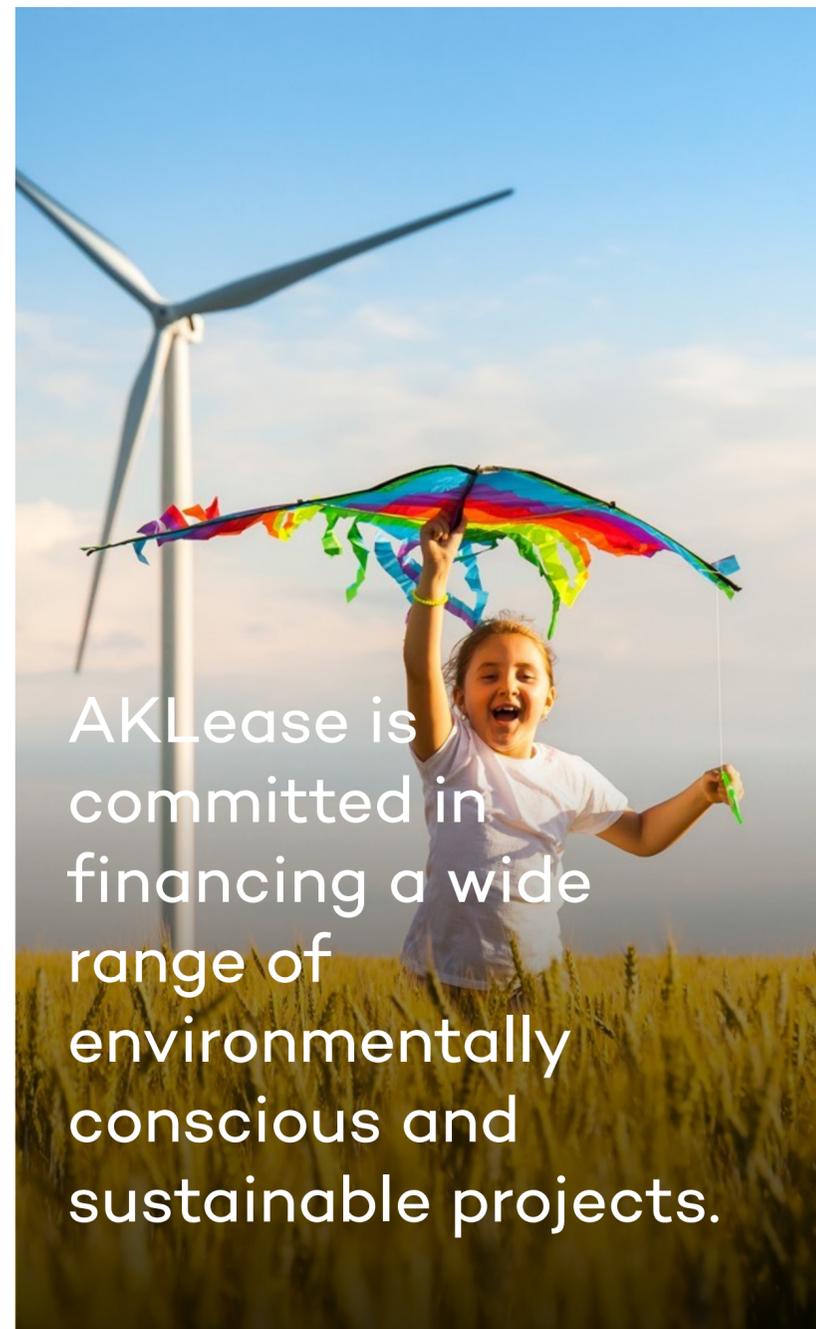


AKLease

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Sustainable finance for a sustainable economy



AKLease is committed in financing a wide range of environmentally conscious and sustainable projects.

Total Installed Renewable Energy Power: 394 MWe

Clean Energy Generation for 426.000 Household Units

Annual CO2 Emission Reduction: 334.000 Tonnes CO2 emissions prevented by renewable projects financed / Reflect of 15.5 mn trees CO2 absorption

AKLease's environmental policies set forth are a part of its corporate lending guidelines:

- ✔ Contributing to sustainable development in Turkey and supporting projects that encourage positive environmental impact.
- ✔ Priority is given to loans regarding investments in renewable energy, eco-friendly technological projects, investments in waste recycling, carbon emission reduction projects, and productivity-enhancing investments
- ✔ Customers are required to follow all principles of the UN Global Compact
- ✔ AKLease ensures compliance with environmental and social issues, occupational safety and health regulations, and safety and security regulations within the scope of all national laws and regulations.
- ✔ We have the utmost respect and give unconditional support to protecting human rights. All national standards regarding child abuse of forced labor are in compliance unequivocally and to the highest degree.

Sustainability Highlights

- ✓ 13% Energy Portfolio consist of only renewable energy projects
- ✓ Decreasing the credit evolution threshold to USD 5 Million from **USD 10 Million**.
- ✓ The Production or trade in **alcoholic** beverages (excluding beer and wine) is added in Exclusion List.
- ✓ Production or trade in **tobacco** is added in Exclusion List
- ✓ Financing Coal Mining and **Coal Thermal Power** Plants is added in Exclusion List.
- ✓ Launching **the first and only** sustainability linked product in **Turkish Leasing Market; ECOLease**
- ✓ Reshaping the Sustainability structure and Corporate Governance Principles
- ✓ Setting long-term sustainability targets.



Tailor-made financial solutions for renewable energy, energy & resource efficiency projects

ECOLease

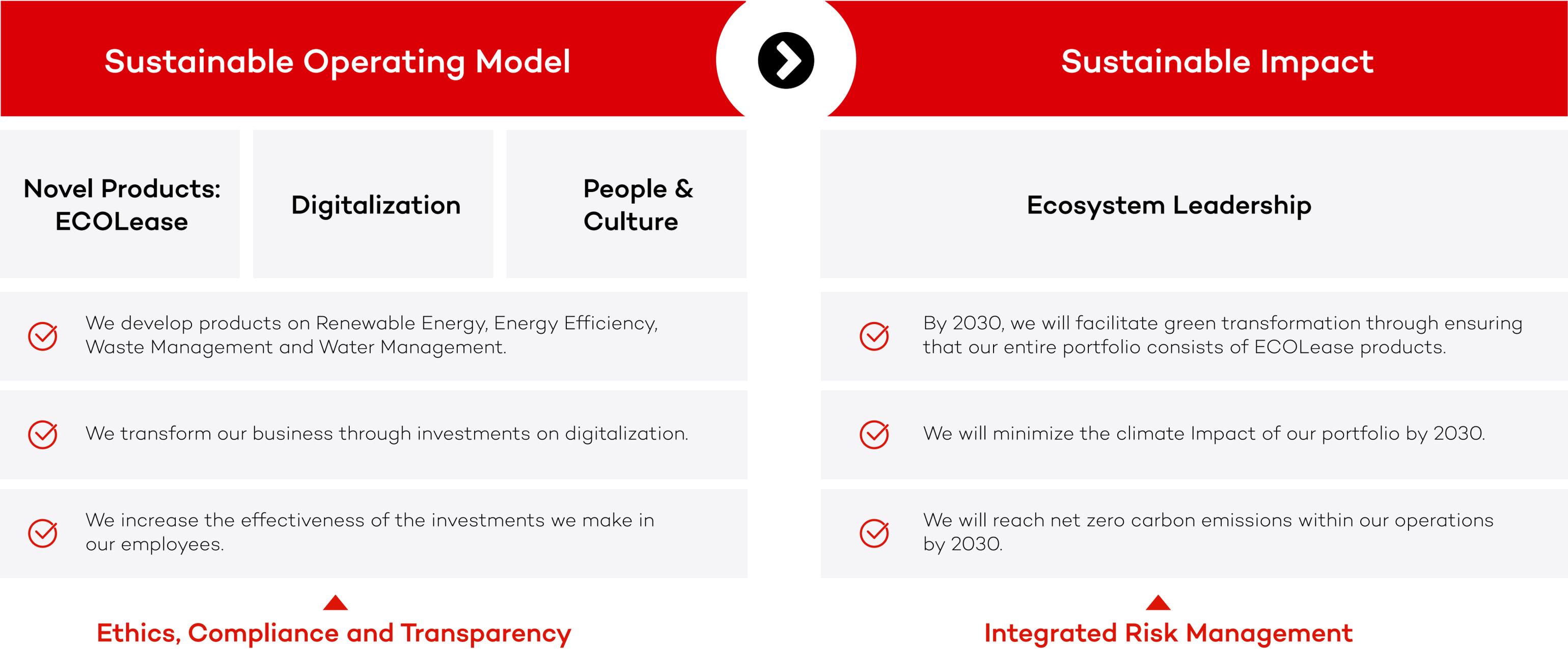
New financing opportunity for companies that would like to invest not just in their business but also on their future. **AKLease supports upto 100 percent of your sustainability related investments.**

- ✓ USD 106 mn loan disbursement under ECOLease by the year-end of 2022

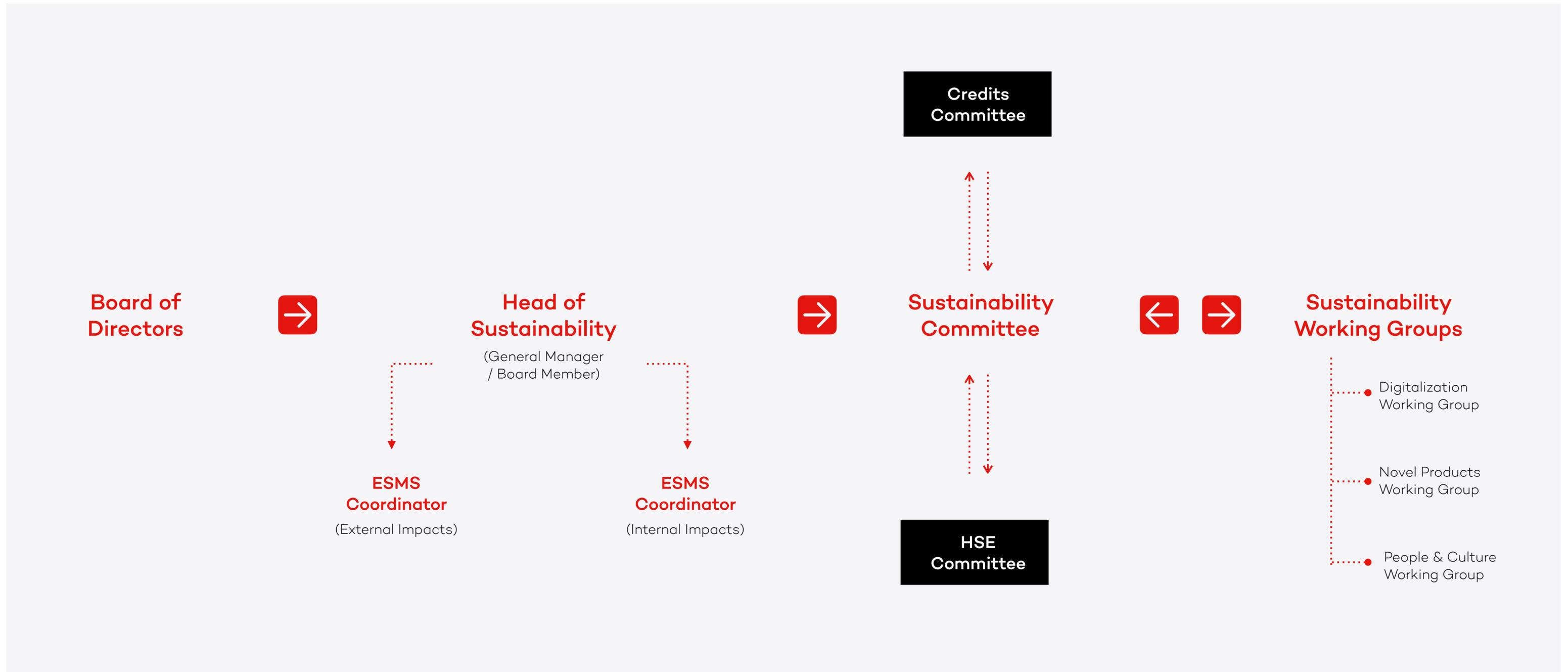


Our aim is to have the percentage of ECOLease in the overall lending portfolio to be 60% by 2025 and to increase it to a 100% by 2030.

Facilitating Green Transformation



Sustainability and Impact Governance Structure



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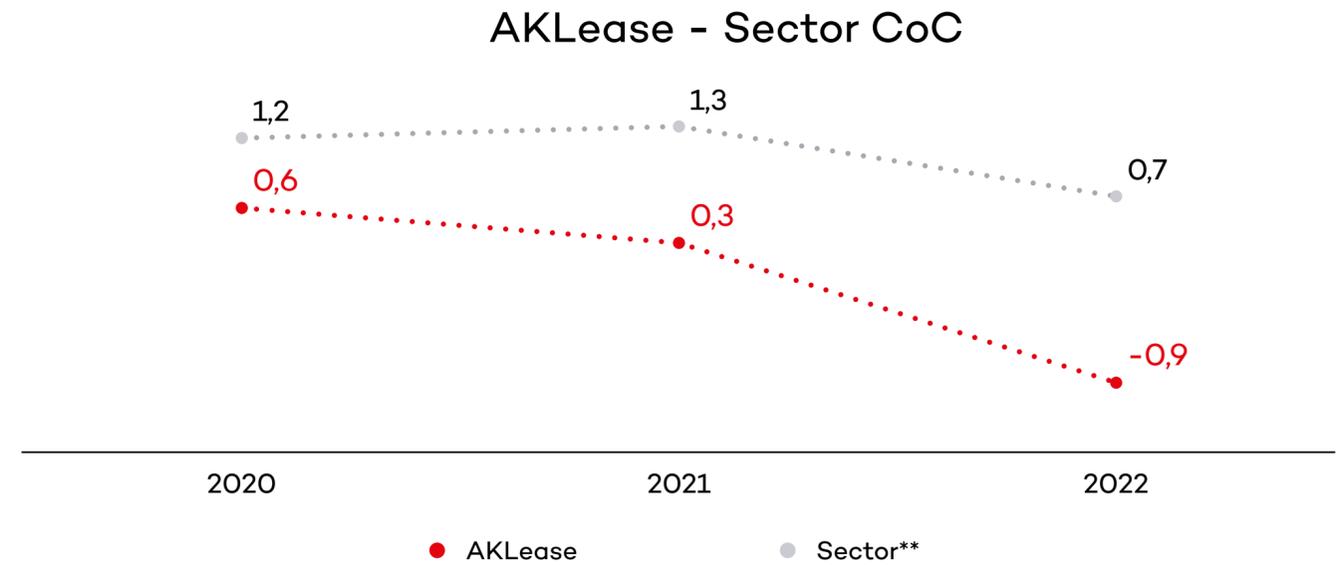
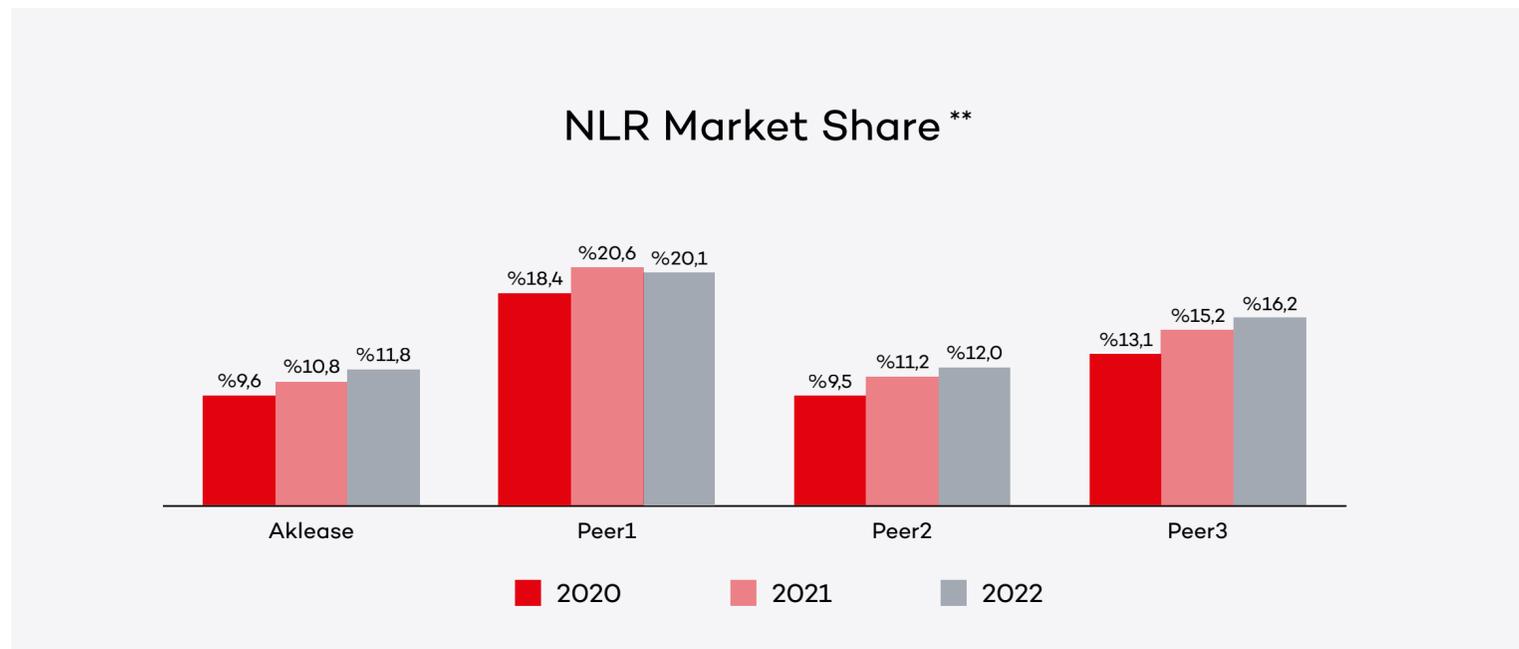
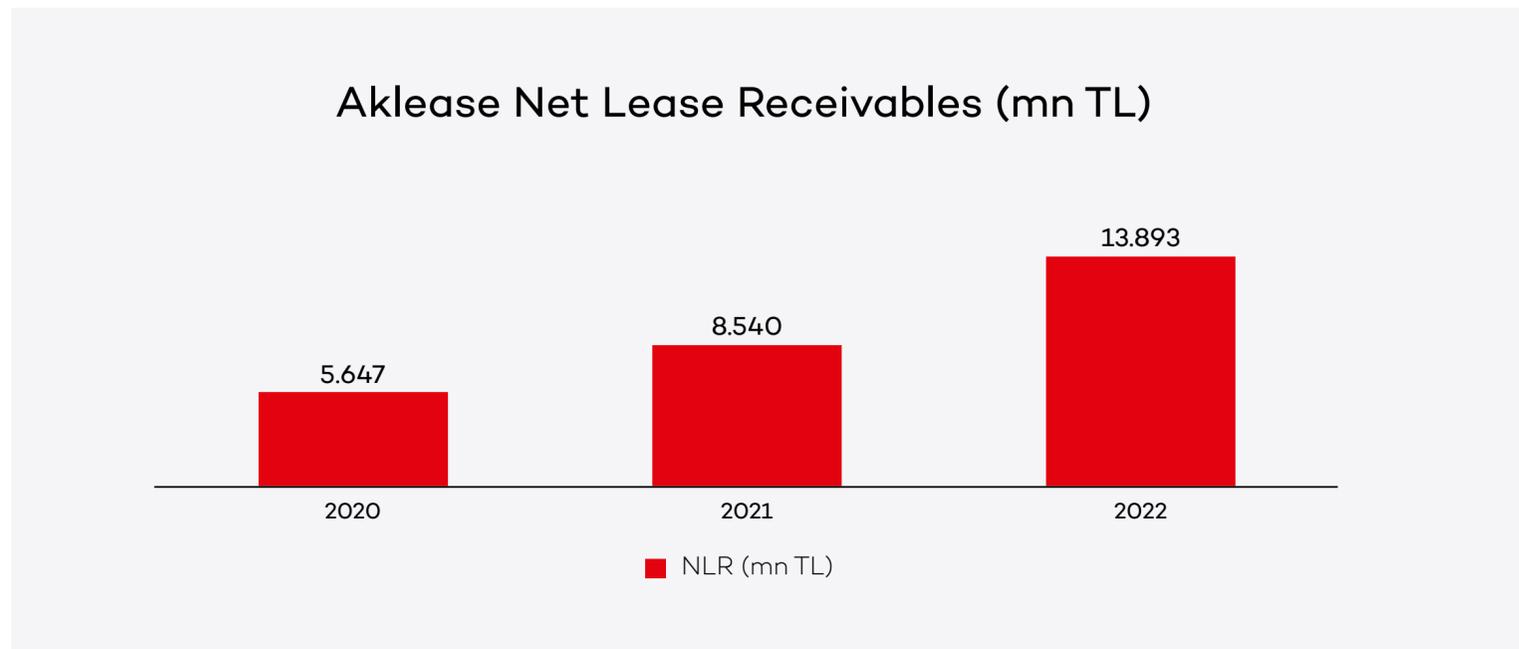
Snapshot of results

Income Statement (mn TL)	2020	2021	2022
Net interest income	229	269	410
Net commission income	10	17	28
Other operating income	45	86	459
Gross operating income	284	372	898
Provision expense	46	32	-26
Other operating expense	39	43	77
Profit before tax	199	297	848
Net profit	155	224	670
Balance Sheet (mn TL)	2020	2021	2022
Lease receivable	5.490	8.973	13.893
NPL	568	459	374
Provision (-)	395	318	285
Net Lease Receivable	5.663	9.115	13.982
Assets held for sale	77	62	26
Other assets	936	981	2.666
Cash and cash equivalents	591	795	2.395
Other	345	185	271
Total Assets	6.676	10.157	16.674
Borrowings	4.992	8.106	13.599
Other Liabilities	581	723	1.080
Equity	1.103	1.327	1.995
Total Liabilities	6.676	10.157	16.674

Key Performance Indicators(%)

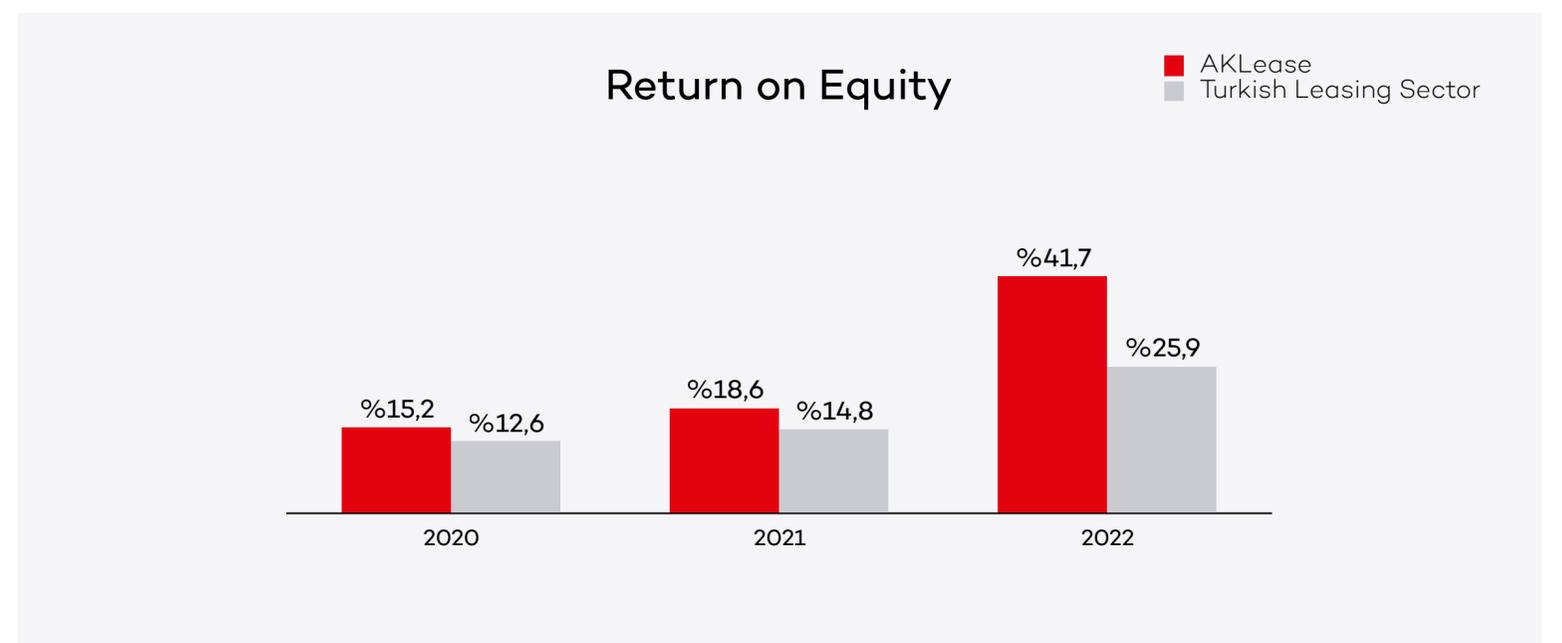
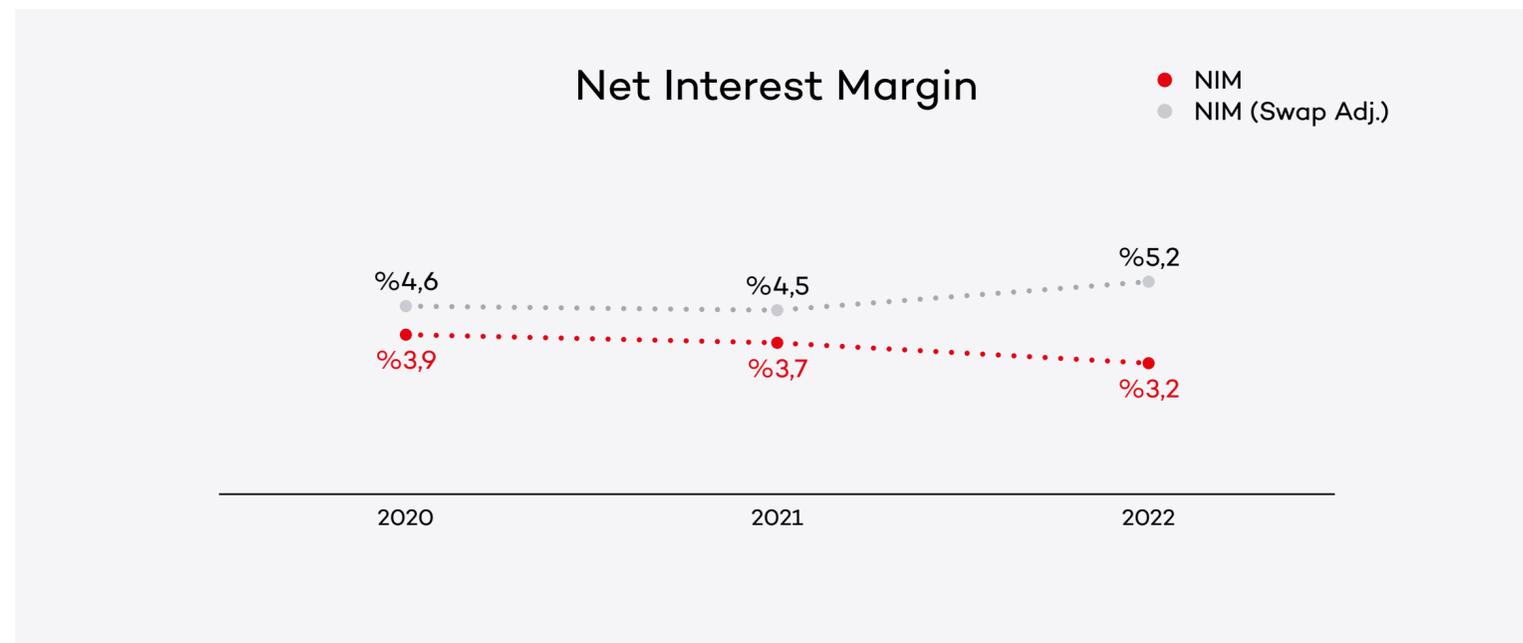
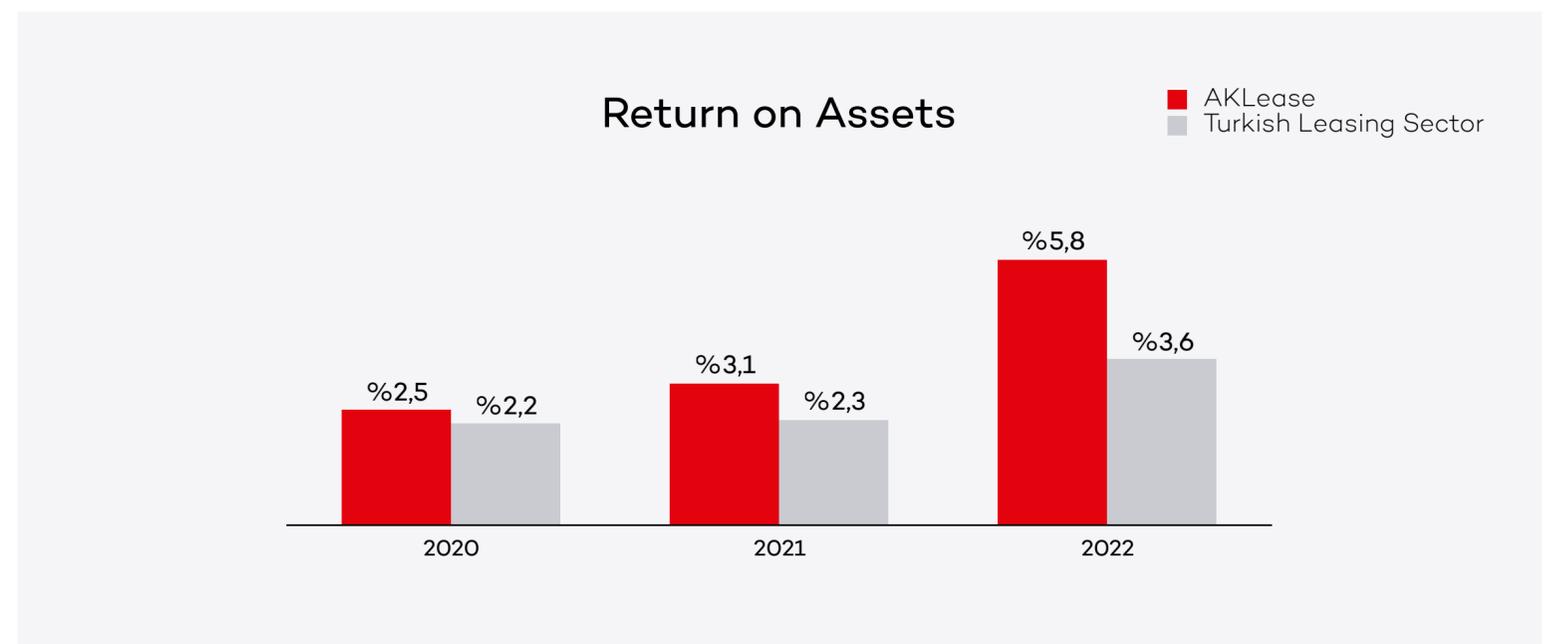
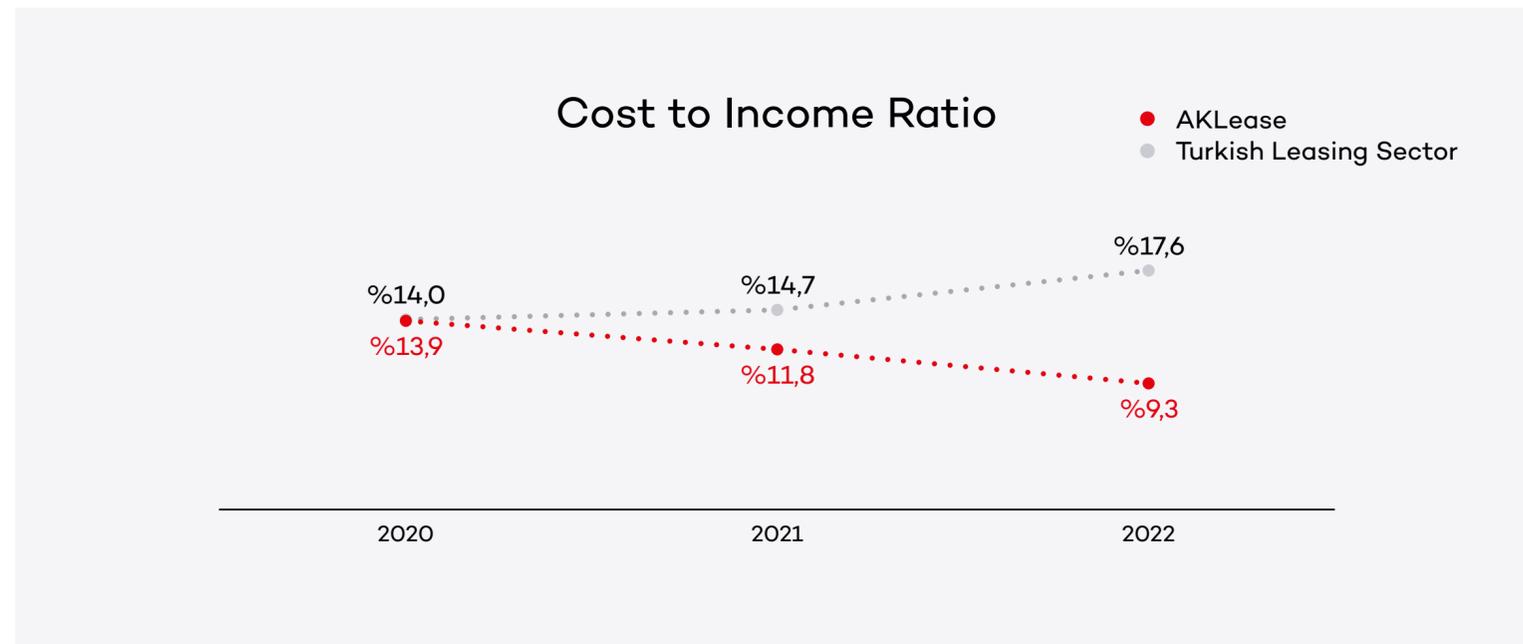
	2020	2021	2022
RoE	15,2	18,6	41,7
RoA	2,5	3,1	5,8
NIM	4,6	4,5	5,2
NPL	9,4	4,9	2,6
Cost of Credit	0,6	0,3	-0,9
Cost to Income	13,9	11,8	9,3

Well positioned in the market

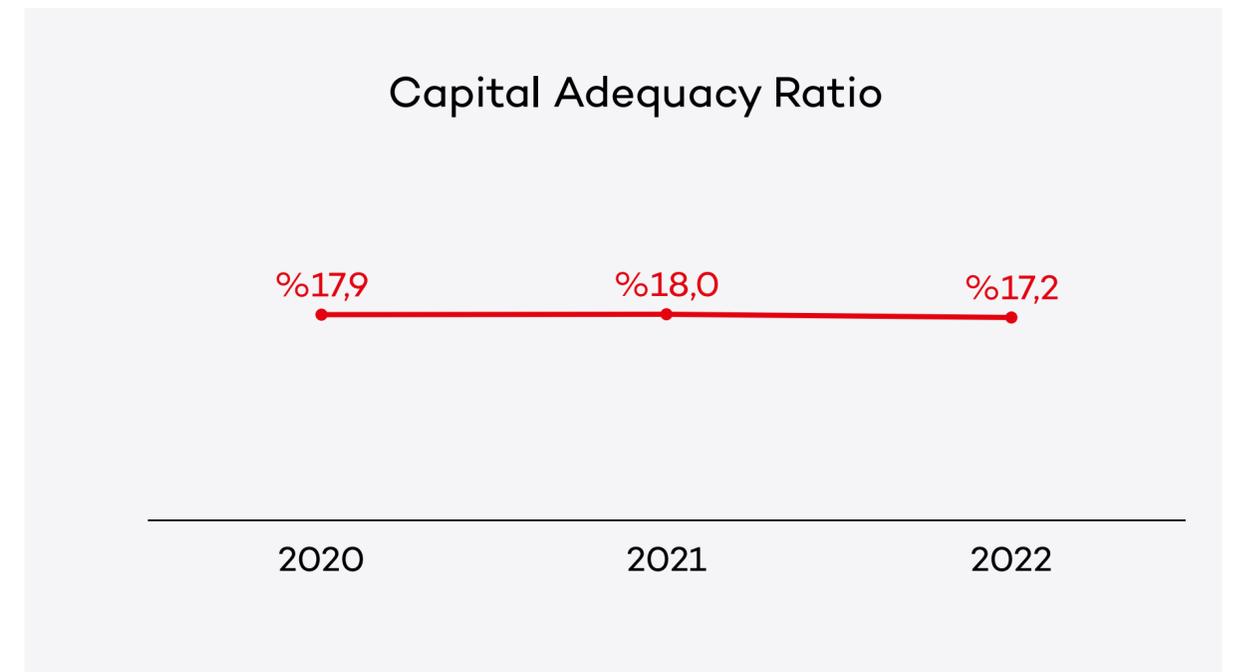
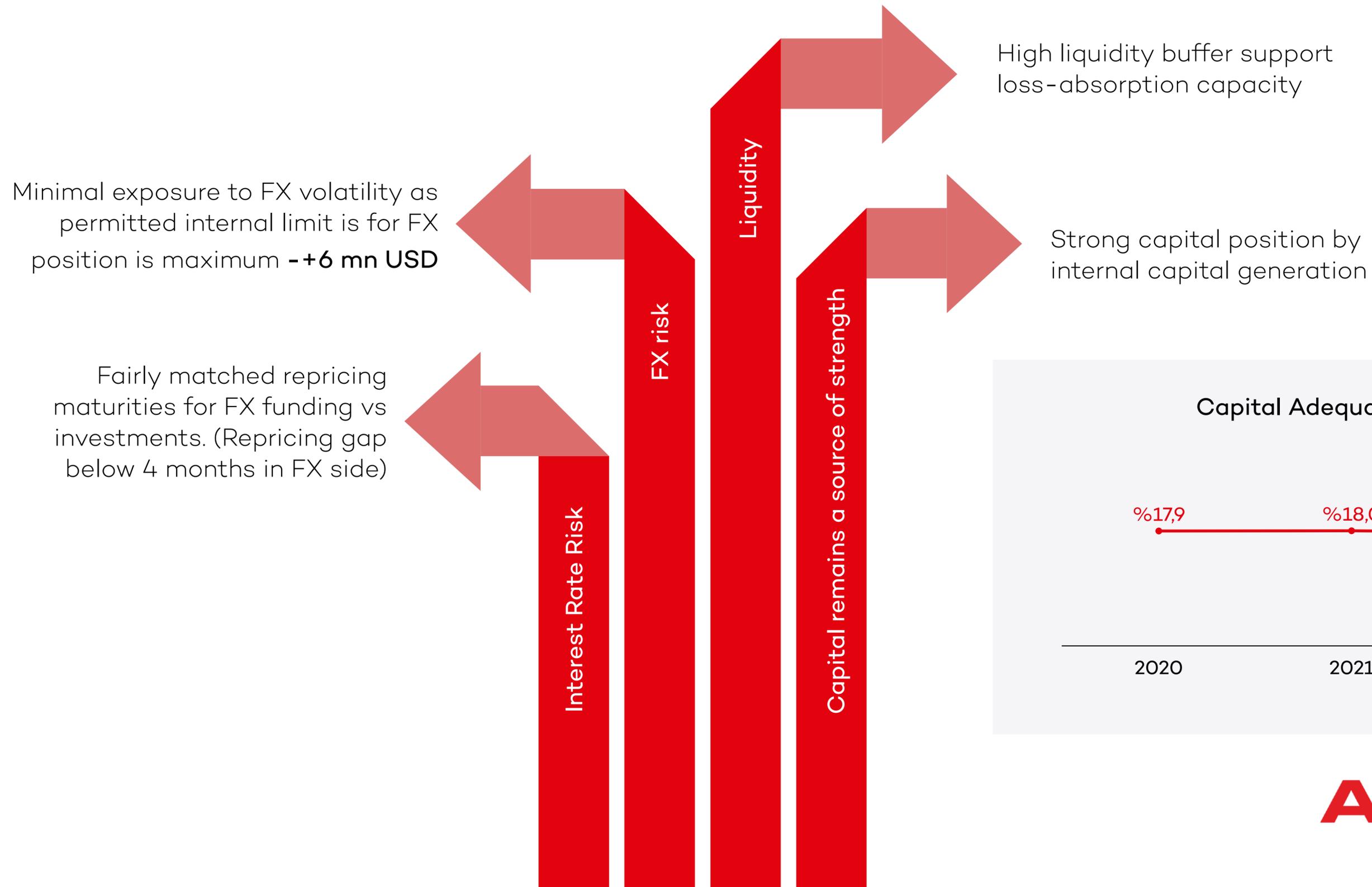


Ranking*	2020	2021	2022
Return on Equity	1	1	1
NPL	3	2	2
Net Lease Receivables	3	3	3

Strong operating performance



Strong resilience to financial risks

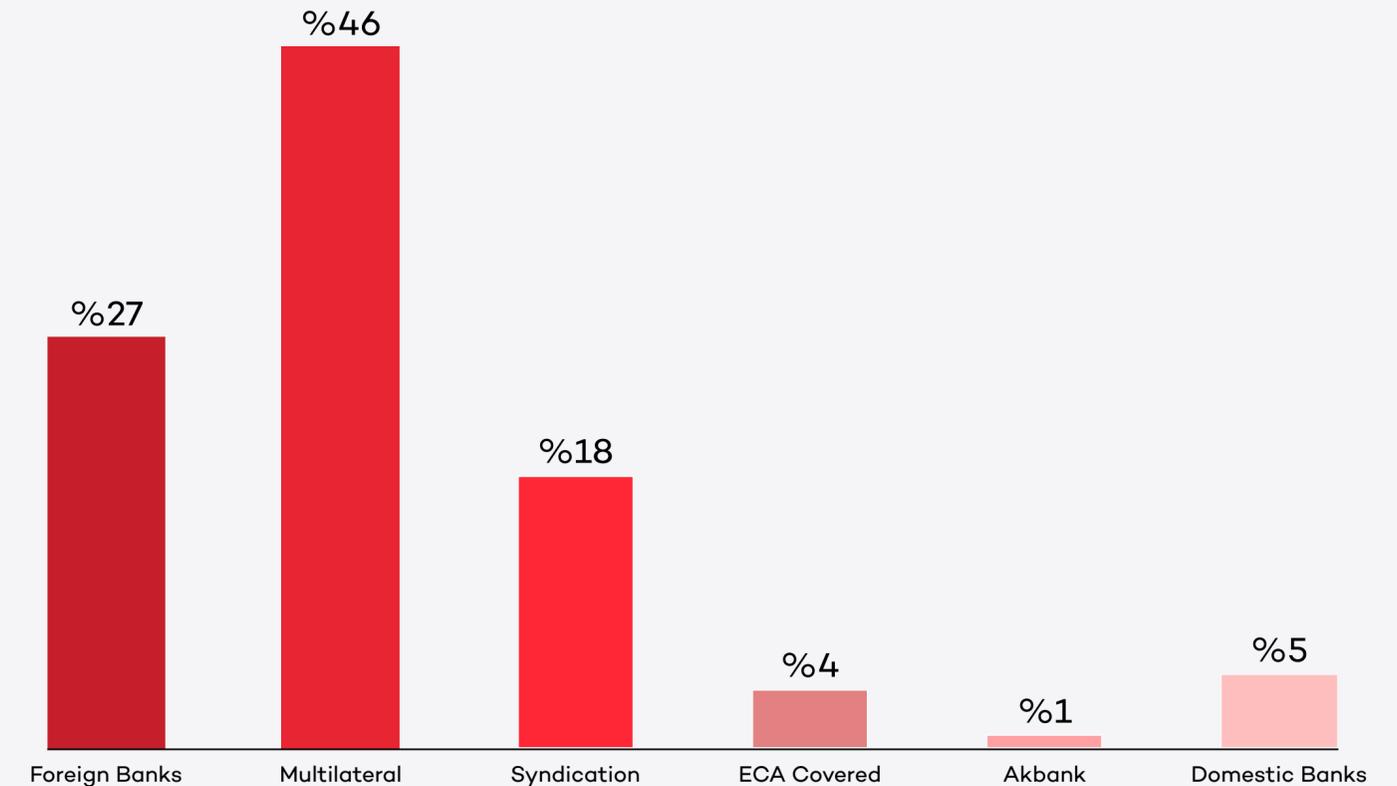


Well established wholesale funding profile

Successful Wholesale Borrowings

- ✓ **EUR 100 mn**, 5 years syndication loan from FMO for green finance and SMEs on October 2022
- ✓ **USD 50 mn**, 5 years loan from AIIB for green finance investment on October 2022. The first loan AIIB provided to a leasing company in the world.
- ✓ **EUR 10 mn**, 8 years loan from IFU for green finance on December 2022. The first loan from IFU in Türkiye in the last 50 years.

Profile of Wholesale Funding (2022)



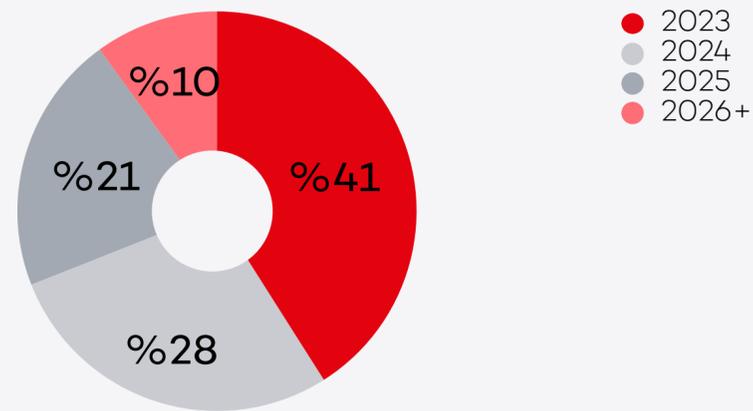
* Funding by Source FC (%)

* ECA Covered refers to loans obtained under coverage of export credit agencies.

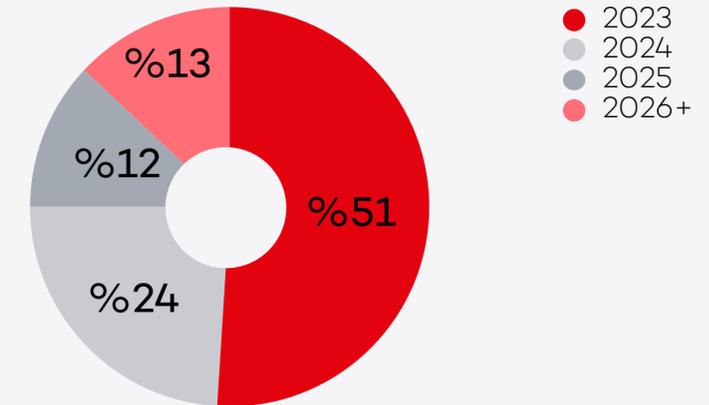
* Multilateral refers to loans provided by the multilateral financial institutions.

Maturity & currency breakdown

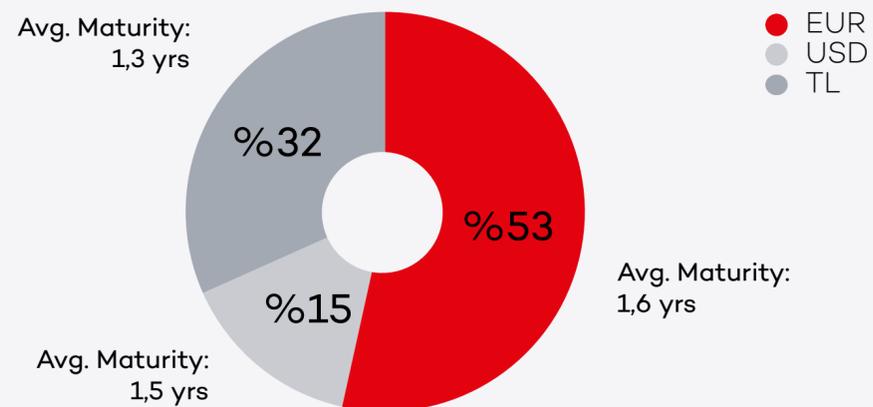
Portfolio Maturity (2022)



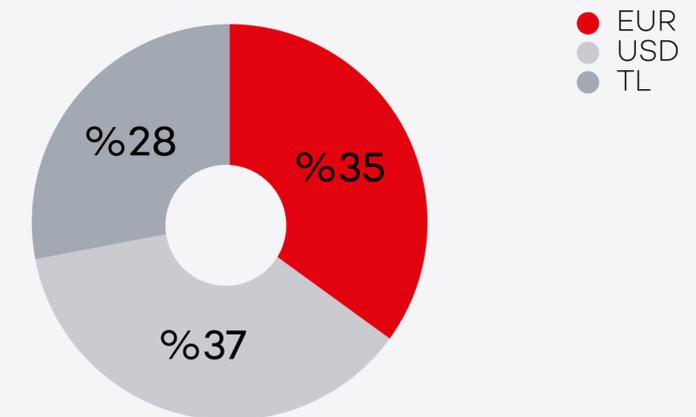
Funding Maturity Breakdown (2022)



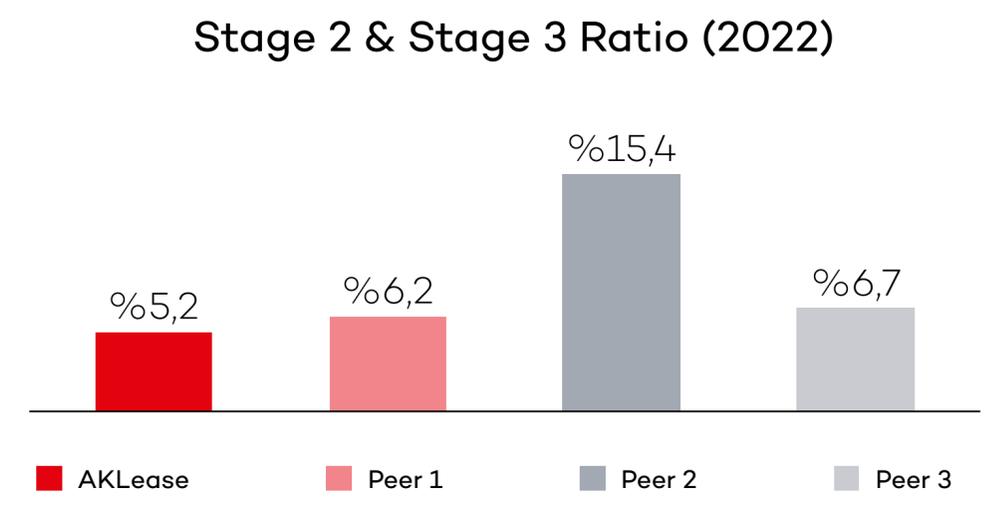
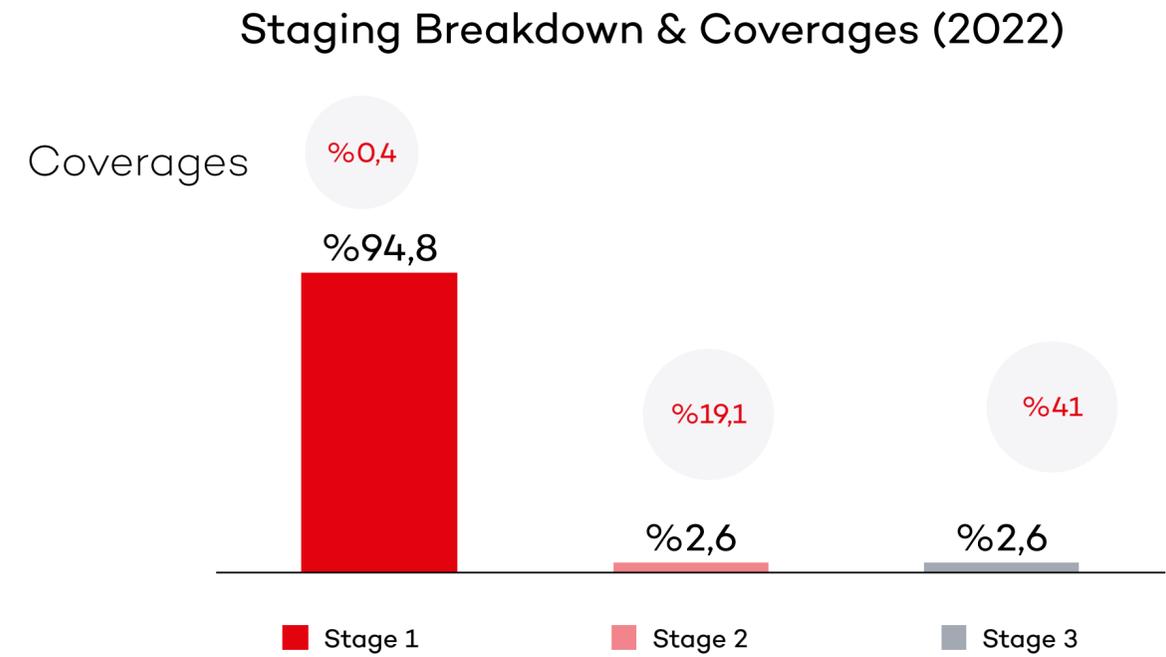
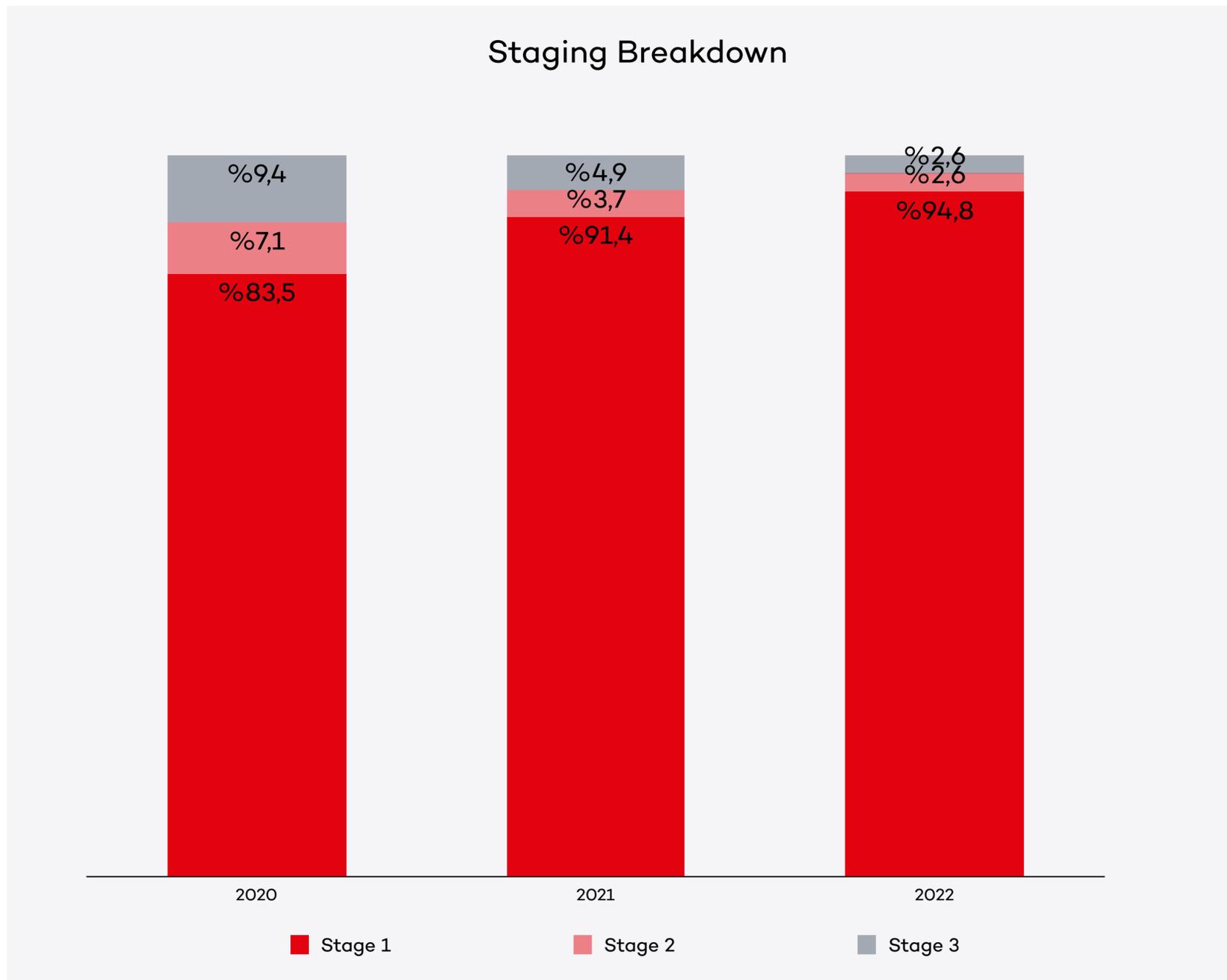
Portfolio Currency Composition (2022)



Funding Currency Breakdown (2022)

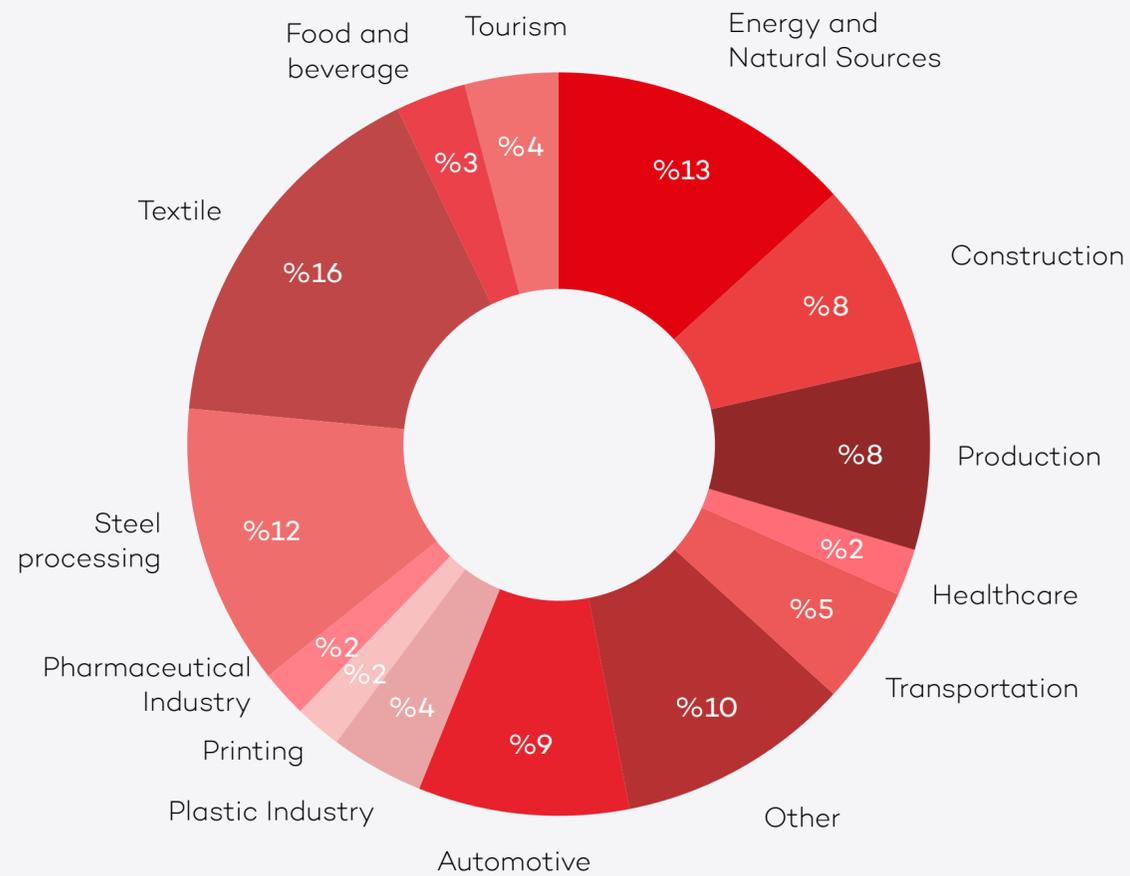


Asset quality, strong coverages

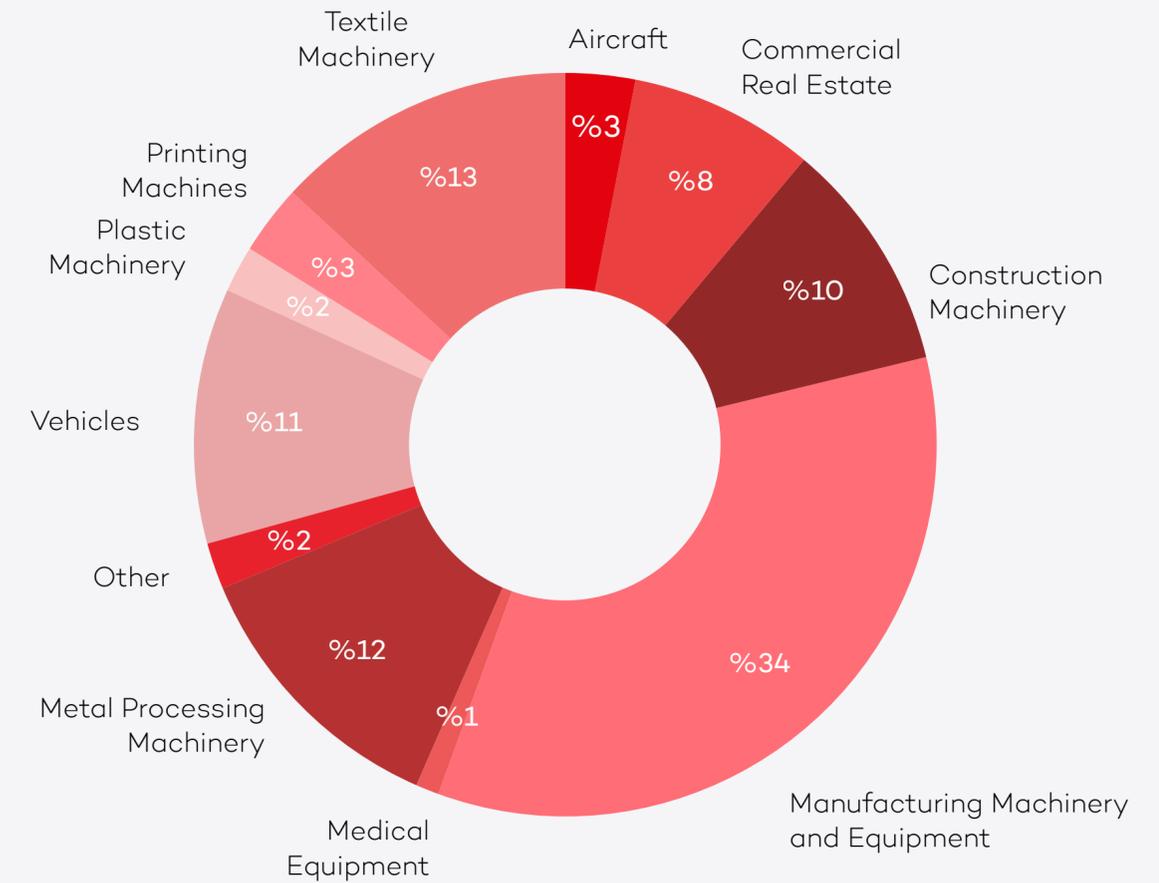


Balanced loan portfolio

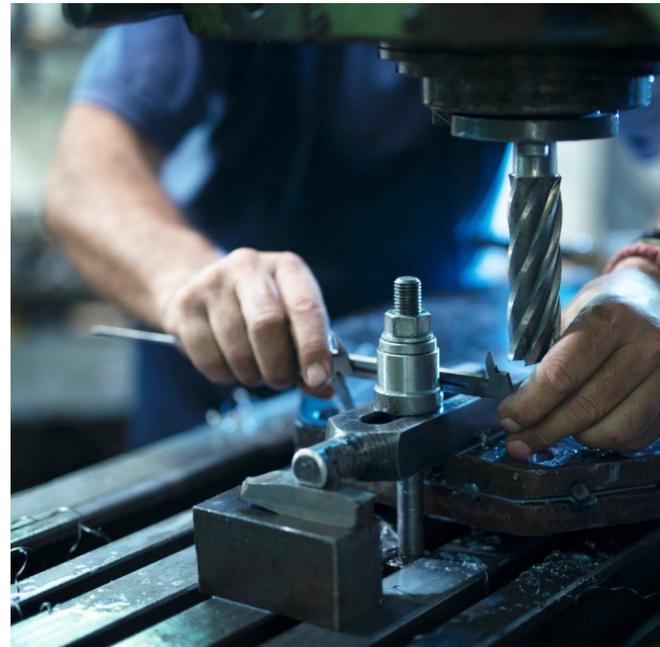
Sector Breakdown (2022)



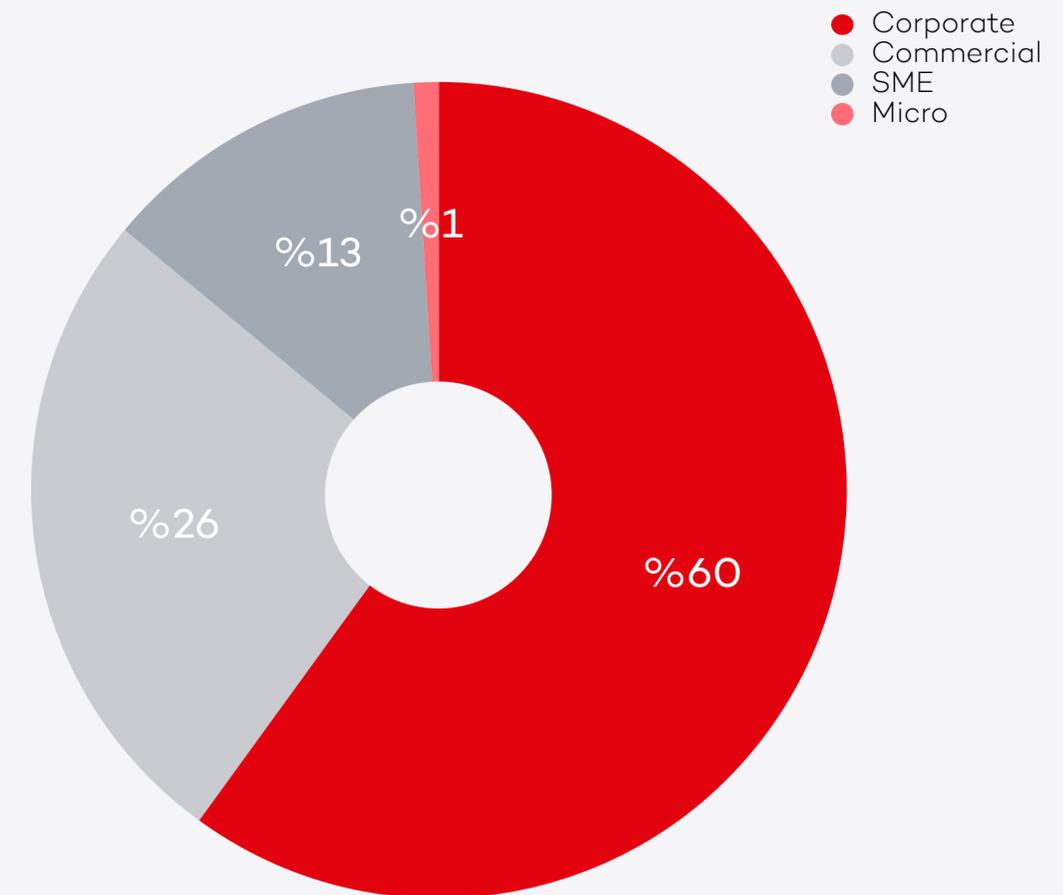
Asset Breakdown (2022)



Lease portfolio structure by segments



Segment Breakdown 2022



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Turkish financial leasing sector: Regulatory framework and key features

01 AKLease is a highly regulated entity; the Banking Regulation Supervision Agency (BRSA) is the main regulator of financial leasing sector in Turkey

02 Establishment and operation of financial leasing companies subject to separate authorisation from BRSA

03 Main legislation - Financial Leasing, Factoring and Financing Companies Law No. 6361 of 2012 (abolished the Financial Leasing Law No. 3226 of 1985)

04 Secondary legislation – Regulations and Communiqués issued by BRSA mainly relate to:

- ✔ Establishment and working principles of financial leasing companies
- ✔ Financial leasing agreements
- ✔ Accounting principles and financial statements

05 Key legal advantages of financial leasing: Ability to reclaim the asset on default (bankruptcy or otherwise), as legal and beneficial title is retained

06 Law No. 6361 of 2012 introduced the following additional features to financial leasing in Turkey:

- ✔ sale-leaseback, software leasing and leasing of complementary parts (e.g. aircraft's engine), are now allowed in Turkey;
- ✔ financial leasing companies are allowed to provide operating leases;
- ✔ there is no requirement for a minimum lease term, after which the legal ownership could be transferred to the lessee; and
- ✔ financial leasing companies are allowed to lend cash loans to customers at an amount not exceeding 1% of the total paid-in capital.

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AKLease

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