

Investor Presentation

August 2022

AKL *please*

#Worthforfuture



01 Akbank Overview

02 AKLease Overview

03 People & Culture

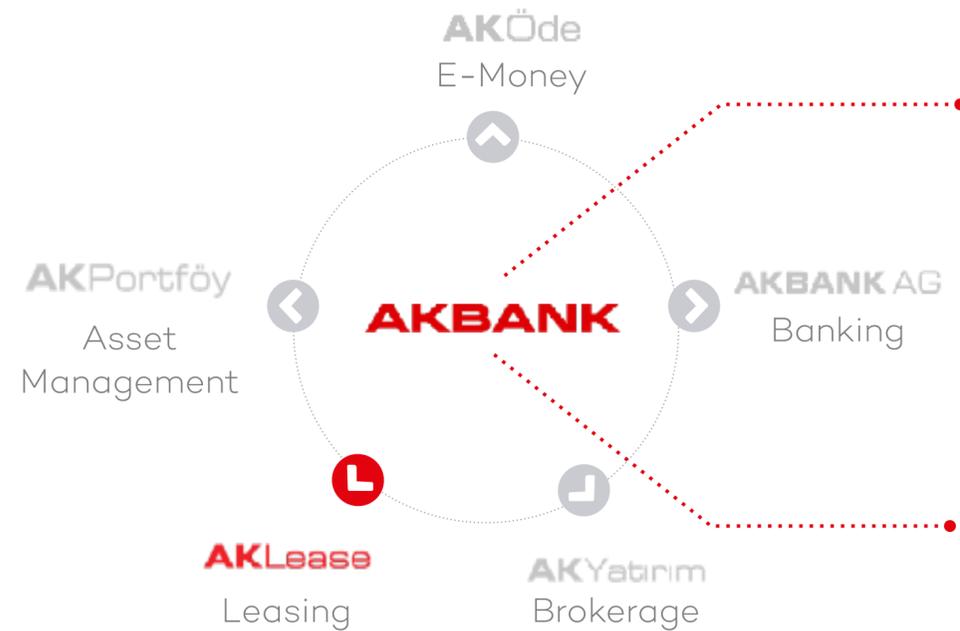
04 Sustainability

05 AKLease Financials

06 Operating Environment

Strong major local shareholder with long term vision

History and Shareholding Structure



25% of all shares are held by foreign investors.
(1)

49 % of all shares are held by Sabancı Holding affiliated institutions and individuals (2)

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

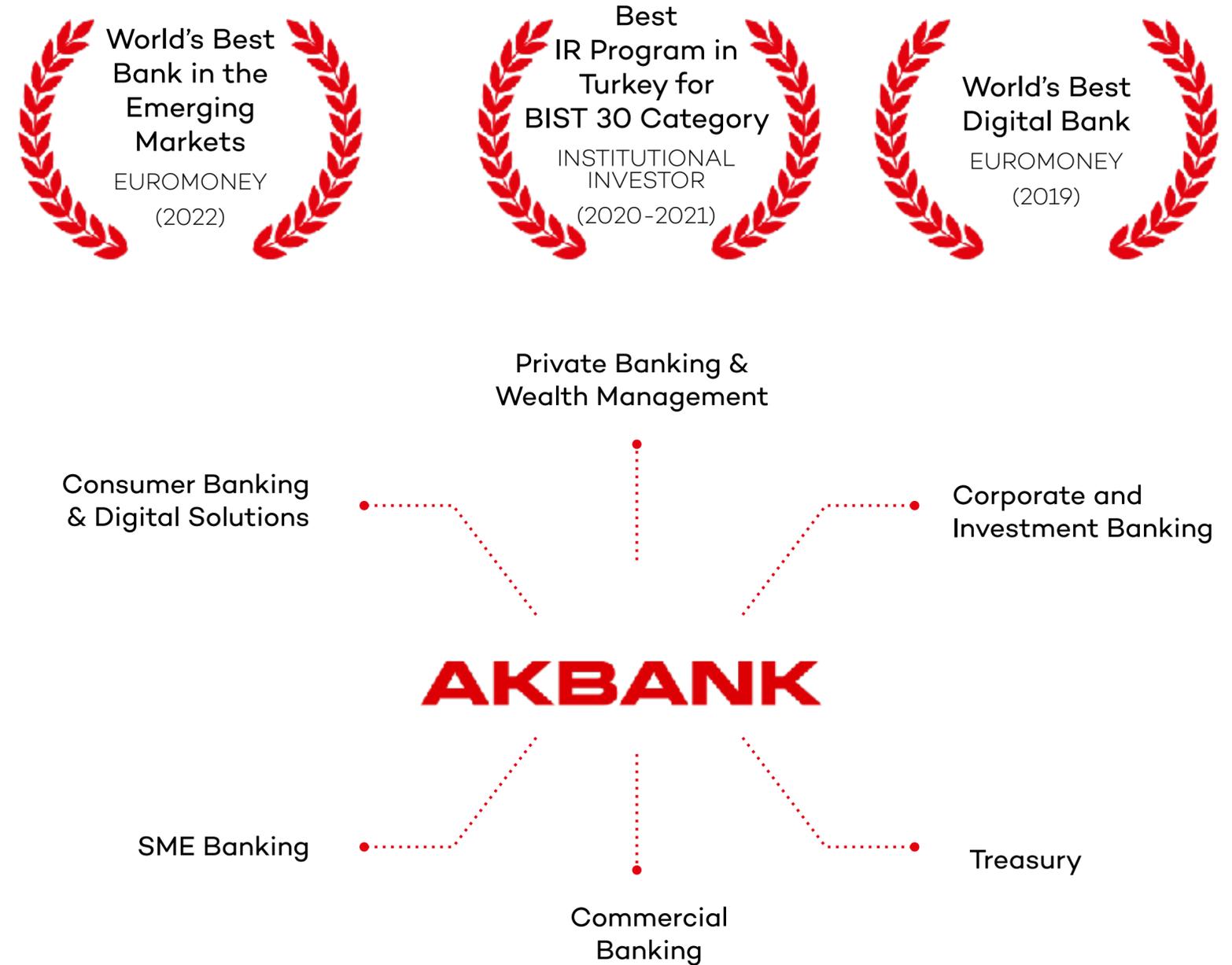
Sabancı Holding (3)

- One of the two largest multi-business enterprises in Turkey with total assets of **TL 1.058 bn** as of 30 June,2022
 - **~6% of BIST** capitalization with **11** public companies and the 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 Cement, Marubeni and Skoda
- Akbank is the flagship of the Sabancı Group with the highest share in profitability in Q2 2022

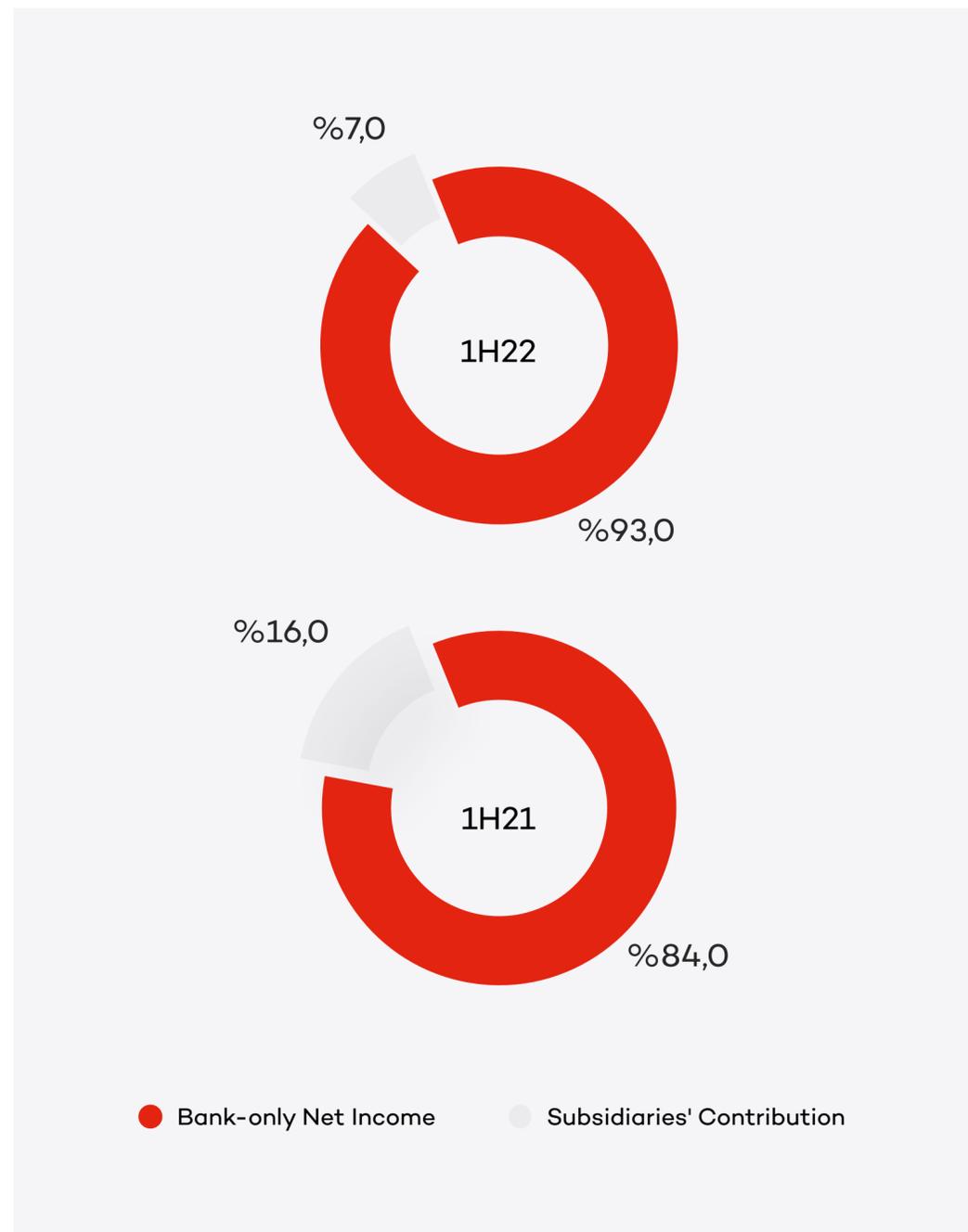
Synergies from relationship with Akbank

Akbank at a Glance

| | | |
|---|-------------------------------------|------------------------------------|
| 1948 Establishment | 711 Branches | 19 Regional Directorates |
| \$ 2,5 bn Market Value ⁽¹⁾ | 8.2% MS of TL loans | 6.1% MS of FX loans |
| B- Fitch Credit Ratings | B2 Moody's Credit Ratings | |



Strong presence in financial industry



AKBANK AG / Banking 100%

- Flagship of Akbank Group in Europe
- Total assets at EUR 3,891 mn and equity of EUR 901 mn
- Contribution to net income stands at 3% in 1H22

AKLease / Leasing 100%

- Net lease receivables market share of 10.8%

AKYatırım / Brokerage 100%

- Top 5 in equity market transactions as of March 2022
- Leader in equity public offerings with USD 1.6 bn transaction size ⁽¹⁾
- Leader in corporate bond issuances ⁽²⁾ with 27.0% market share in 1H22

AKPortföy / Asset Management 100%

- Leader in Total AuM with TL 128.6 bn ⁽³⁾
- Leader in pension fund management with TL 55.0 bn AuM, 18.3% market share ⁽³⁾
- TL 54.8 bn AuM in mutual fund management with 12.9% market share
- TL 18.8 bn AUM in DPM

AKÖde / E-Money 100%

- Tosla, first mobile application of AkÖde was launched at Sep'19
- Tosla targets young users, provides core financial services in a way that is fun, simple, fast & social

Awards over the recent years



ESG Strategy: Mitigate environmental footprint while increasing positive impact



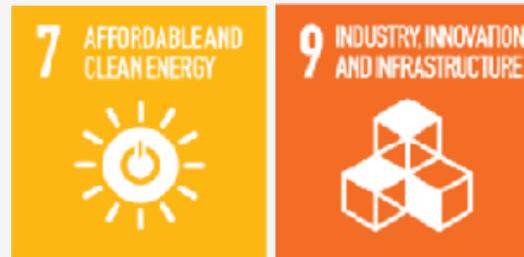
Actionable targets for positive impact

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

Decrease **impact of loan portfolio on climate change** until 2050



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

Content

01 Akbank Overview

02 AKLease Overview

03 People & Culture

04 Sustainability

05 AKLease Financials

06 Operating Environment

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

Mehmet Hakan Tugal

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

Executive Vice President -
SME Banking



Member

Çetin Düz

AKLease CEO

AKLease

Strong presence in leasing industry

Aklease at a Glance

34 Years

Experience

100%

Owned by Akbank

Top 2

Ranks* by ROE
and ROA

10

Branches

Top 3

Ranks* by Asset Size

Rating

**LTFC
IDR B-**

Rated by Fitch

10,8%

Market Share

Key Strengths

Strong Shareholder with
Longterm vision

Diversified
Funding Base

Outstanding
Talents

Strong
Financials

Prudent Risk
Management

Strong Position
in Growing
Market with Low
Penetration

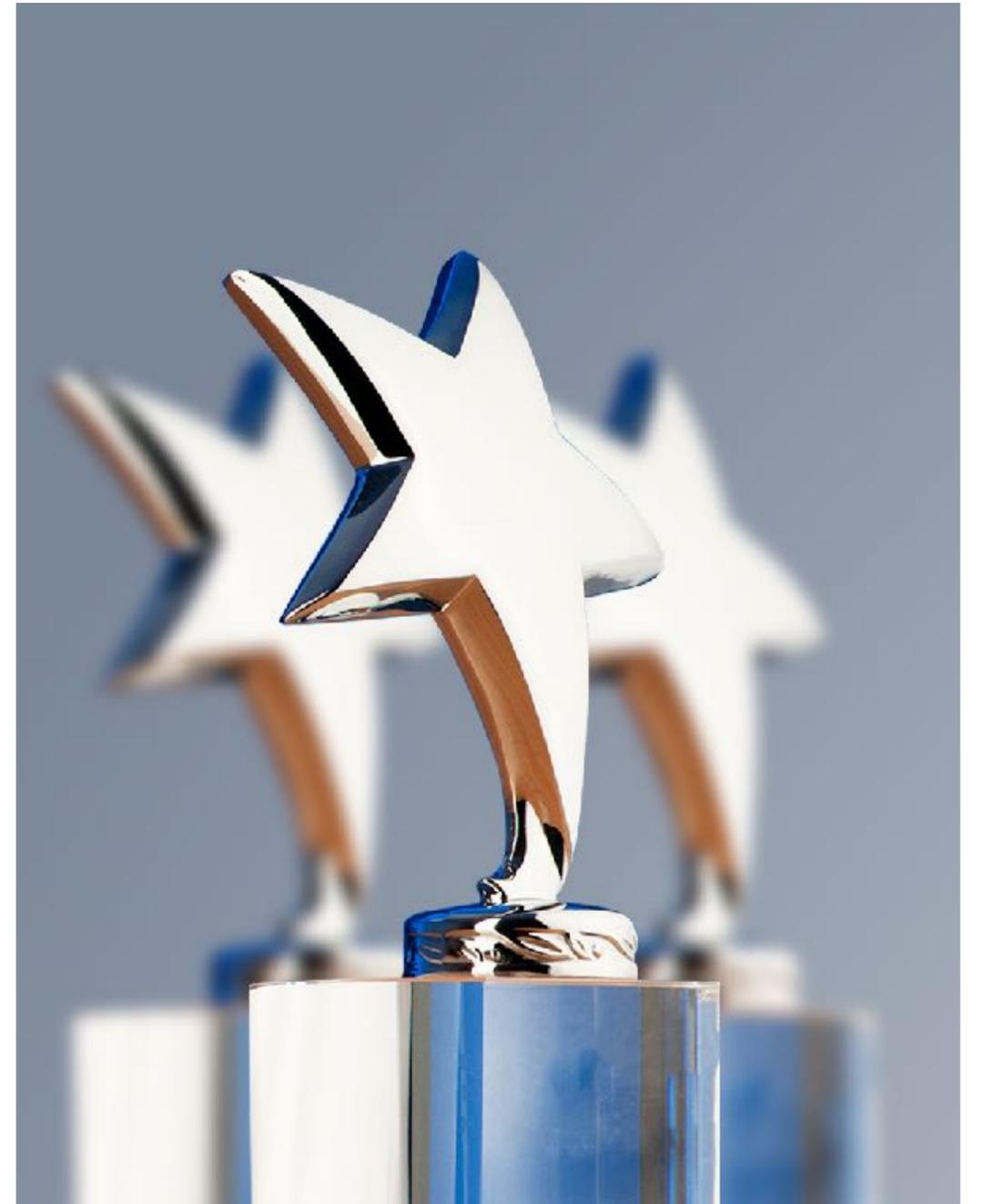
Resilient
Business Model
with Diversified
Asset Portfolio

Flexibility

AKLease

AKLease

Awards over the recent years



2022 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

Content

- 01 Akbank Overview
- 02 AKLease Overview
- 03 People & Culture**
- 04 Sustainability
- 05 AKLease Financials
- 06 Operating Environment

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

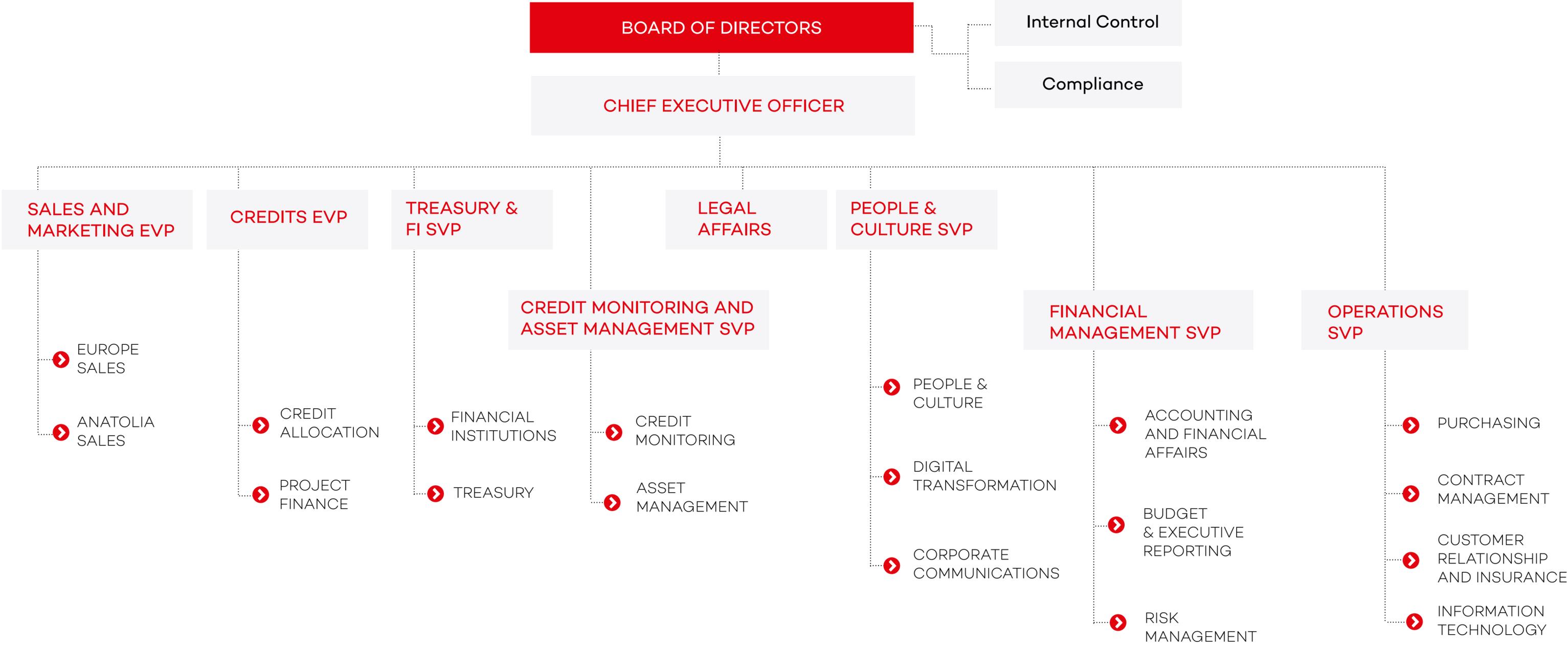
- ▶ Tailor-made performance management for all employees regardless of position
- ▶ Submission of the performance evaluation for employee approval
- ▶ Backup plans for organizational continuity



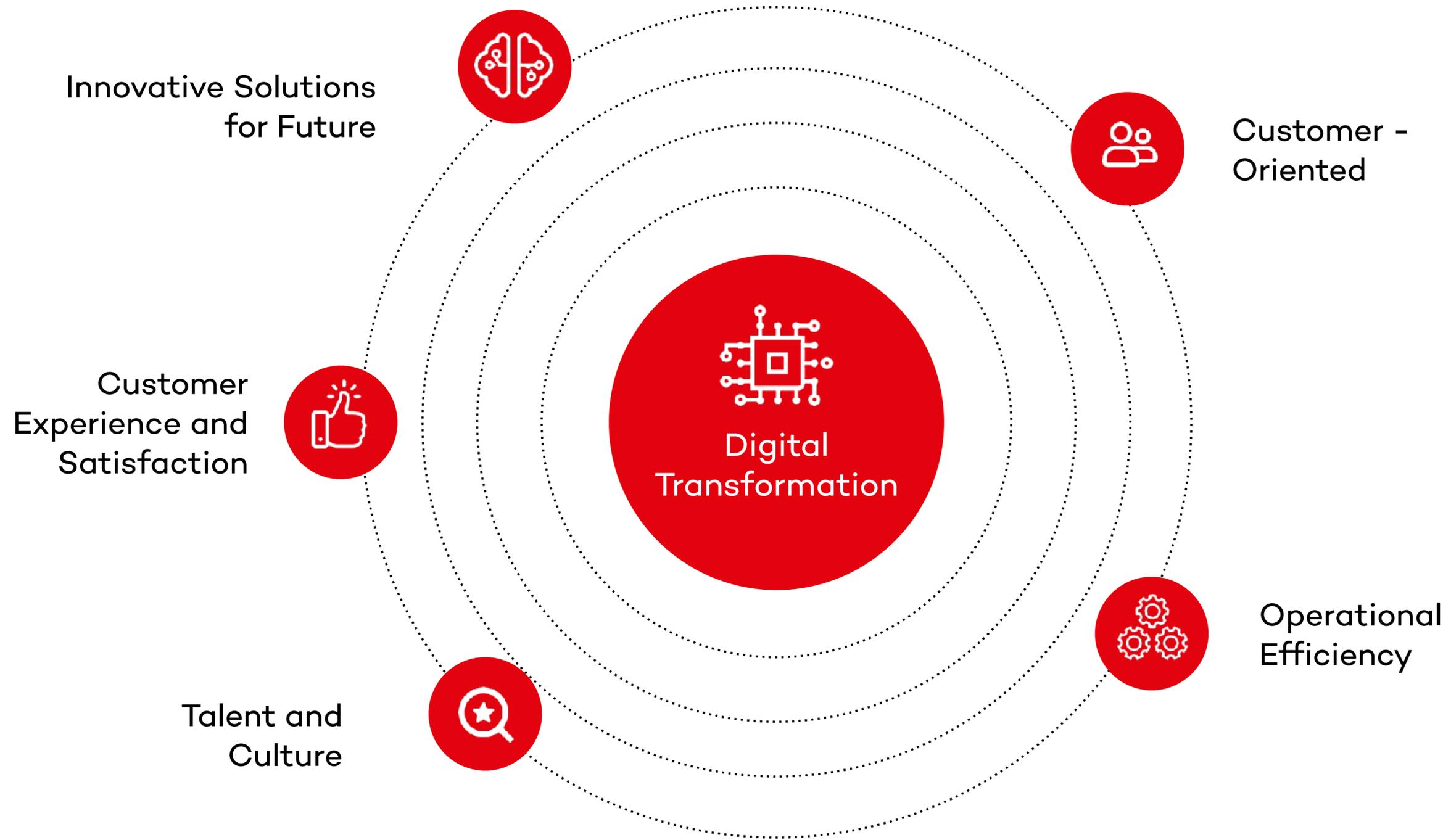
Focus: Inclusion

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

People & Culture: Organization chart



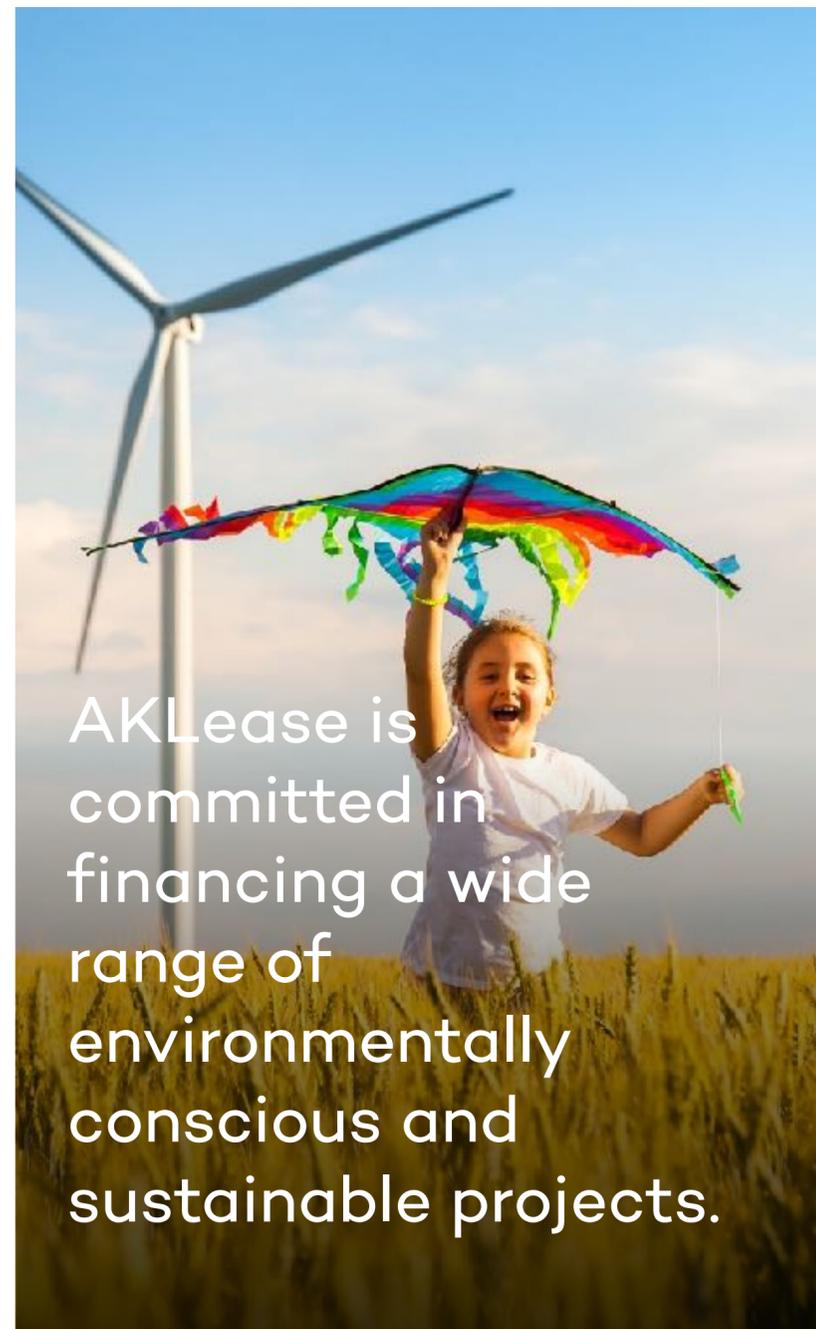
Digital Transformation



Content

- 01 Akbank Overview
- 02 AKLease Overview
- 03 People & Culture
- 04 Sustainability**
- 05 AKLease Financials
- 06 Operating Environment

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: 367 MWe

Annual Primary Energy Savings: 1.100.000 MWh / Clean Energy Generation for 250.000 Household Units

Annual CO2 Emission Reduction: 370.000 Tonnes CO2 emissions prevented by renewable projects financed / Reflect of 15 mn trees CO2 absorption

AKLease's environmental policies set forth are a part of its corporate lending guidelines as of April 2011 and updated in May 2021 .

- ✔ 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

- ✓ **16%** 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 85 mn loan disbursement under ECOLease by the second half 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

Sustainable Operating Model



Sustainable Impact

Novel Products: ECOLease

Digitalization

People & Culture

Ecosystem Leadership

✓ We develop products on Renewable Energy, Energy Efficiency, Waste Management and Water Management.

✓ We transform our business through investments on digitalization.

✓ We increase the effectiveness of the investments we make in our employees.

✓ By 2030, we will facilitate green transformation through ensuring that our entire portfolio consists of ECOLease products.

✓ We will minimize the climate Impact of our portfolio by 2030.

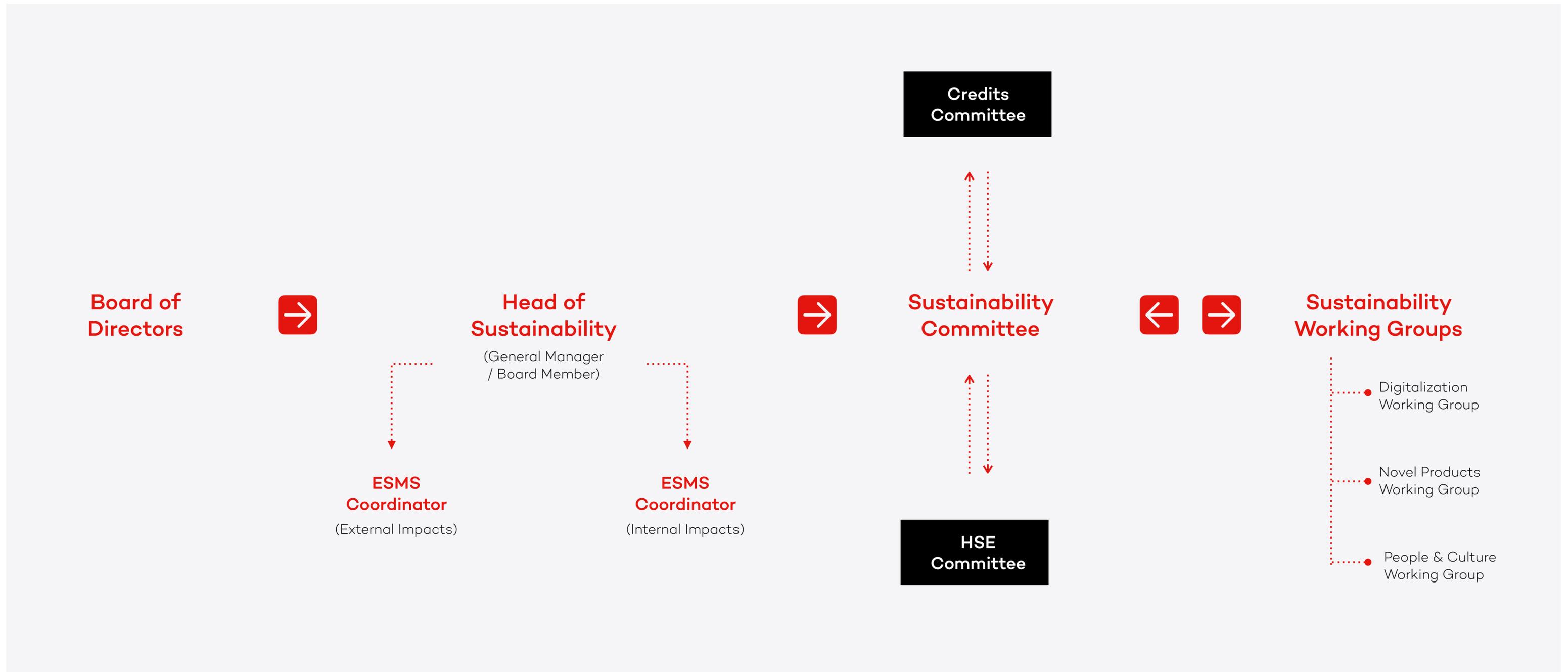
✓ We will reach net zero carbon emissions within our operations by 2030.

▲
Ethics, Compliance and Transparency

▲
Integrated Risk Management

AKLease

Sustainability and Impact Governance Structure



Content

- 01 Akbank Overview
- 02 AKLease Overview
- 03 People & Culture
- 04 Sustainability
- 05 AKLease Financials**
- 06 Operating Environment

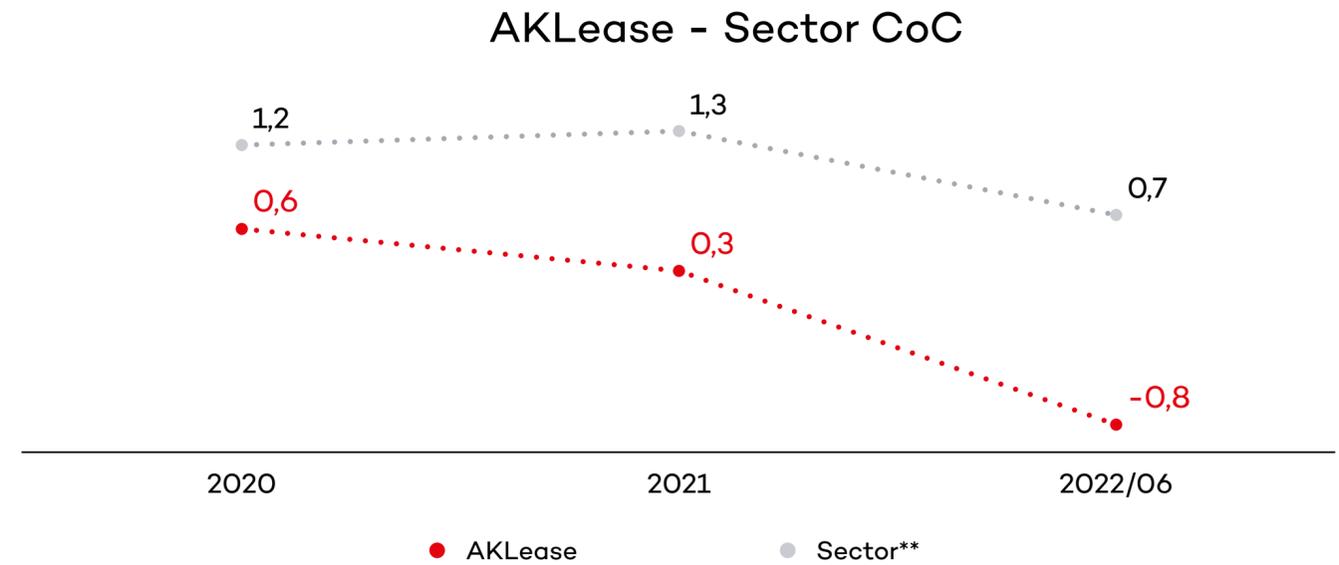
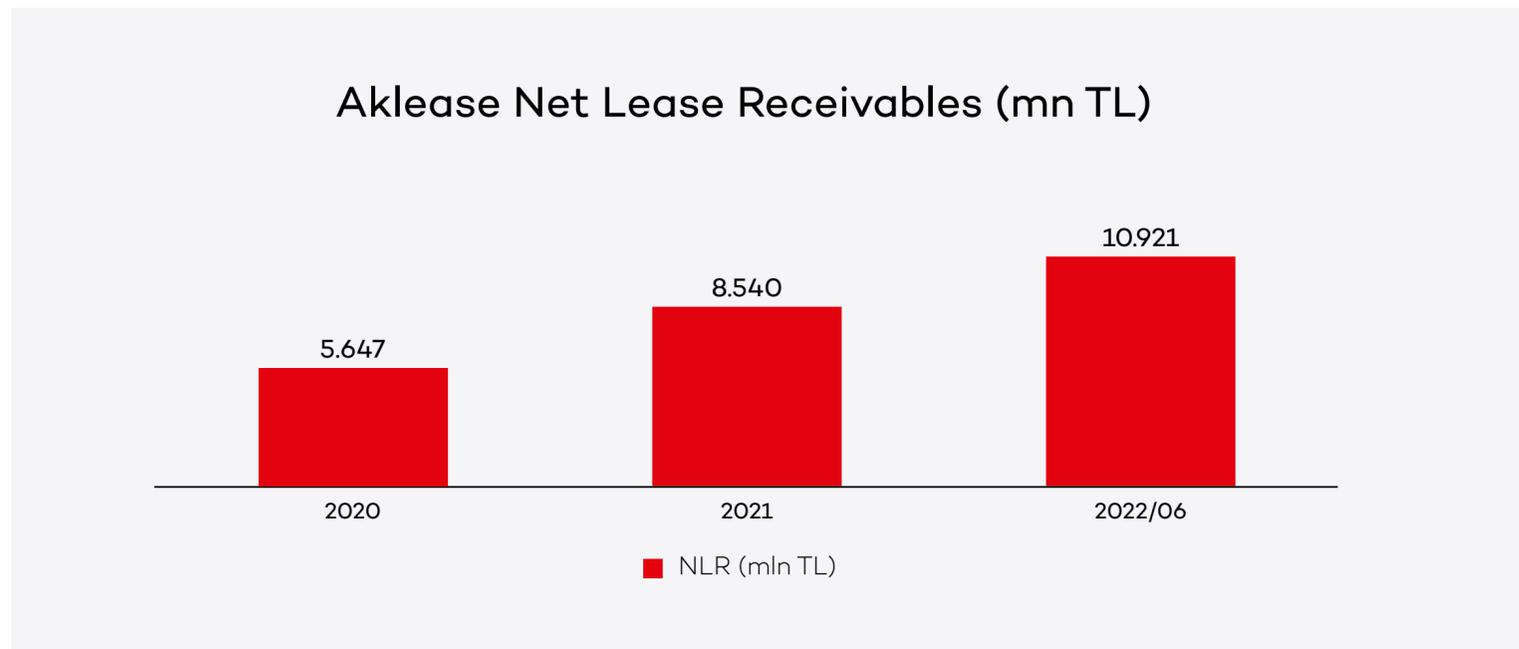
Snapshot of results

| Income Statement mn TL | 2020 | 2021 | 2022/06 |
|------------------------------|--------------|---------------|---------------|
| Net interest income | 229 | 269 | 125 |
| Net commission income | 10 | 17 | 14 |
| Other operating income | 45 | 86 | 173 |
| Gross operating income | 284 | 372 | 312 |
| Provision expense | 46 | 32 | -5 |
| Other operating expense | 39 | 43 | 32 |
| Profit before tax | 199 | 297 | 285 |
| Net profit | 155 | 224 | 226 |
| Balance Sheet mn TL | | | |
| Lease receivable | 5.647 | 8.540 | 10.921 |
| NPL | 568 | 459 | 437 |
| Provision (-) | 395 | 318 | 299 |
| Net Lease Receivable | 5.820 | 8.681 | 11.059 |
| Assets held for sale | 77 | 62 | 26 |
| Other assets | 779 | 1.414 | 2.270 |
| Total Assets | 6.676 | 10.157 | 13.355 |
| Borrowings | 4.992 | 8.106 | 11.076 |
| Other Liabilities | 581 | 723 | 724 |
| Equity | 1.103 | 1.327 | 1.554 |
| Total Liabilities | 6.676 | 10.157 | 13.355 |

Key Performance Indicators(%)

| | 2020 | 2021 | 2022/06 |
|-----------------------------|-------------|-------------|-------------|
| Cost to Income | 13,9 | 12,0 | 11,5 |
| NPL | 9,4 | 4,9 | 3,8 |
| Cost to Assets | 0,6 | 0,6 | 0,5 |
| Cost of Credit | 0,6 | 0,3 | -0,8 |
| Equity to Gross Debt | 22,1 | 16,4 | 14,0 |
| RoA | 2,5 | 3,1 | 4,2 |
| RoE | 15,2 | 18,6 | 32,0 |
| NIM | 4,6 | 4,5 | 4,0 |

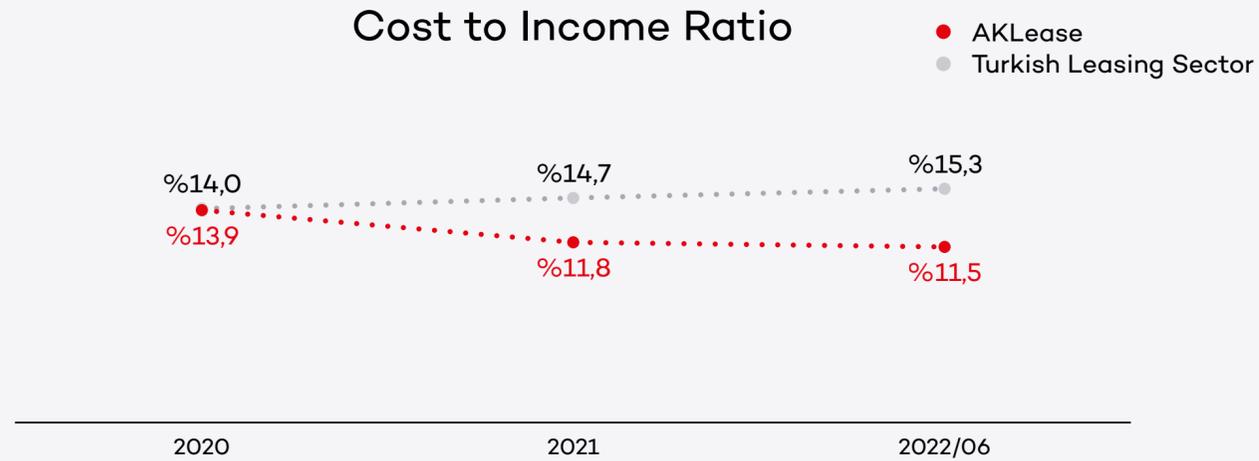
Well positioned in the market



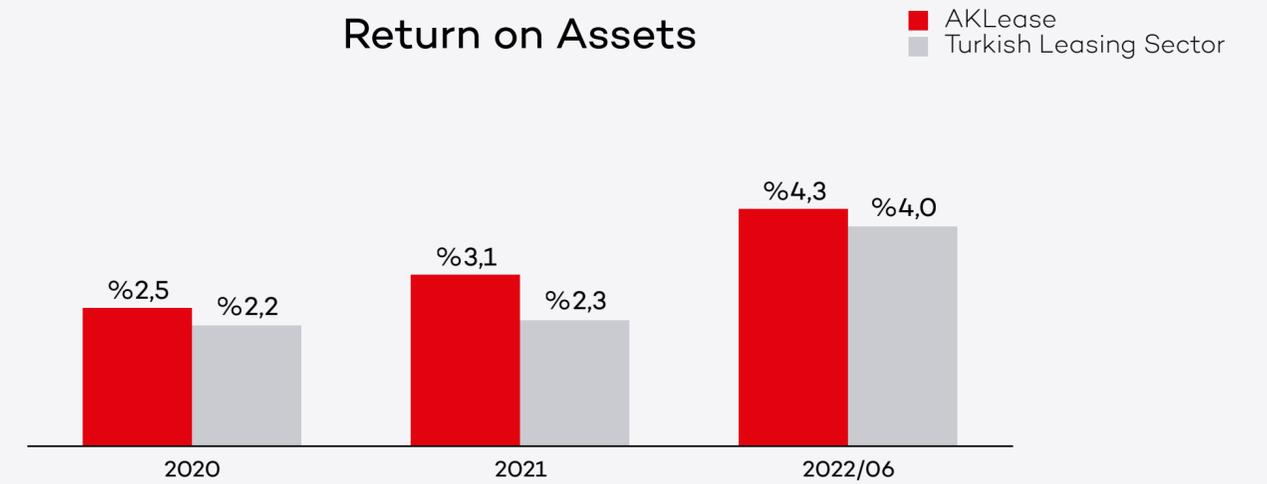
| Ranking* | 2020 | 2021 | 2022/06 |
|-----------------------|------|------|---------|
| Return on Equity | 1 | 1 | 2 |
| NPL | 3 | 2 | 3 |
| Net Lease Receivables | 3 | 3 | 3 |

Strong operating performance

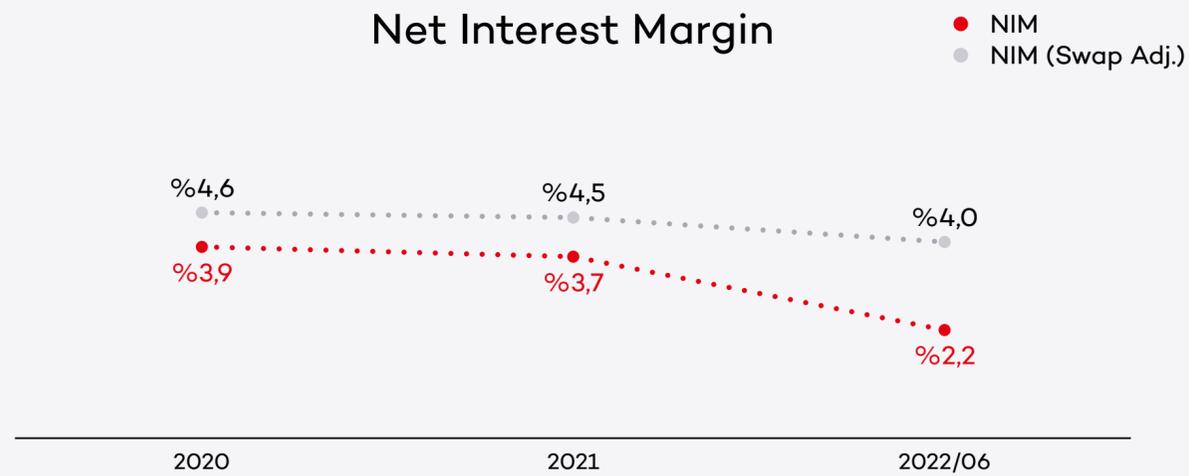
Cost to Income Ratio



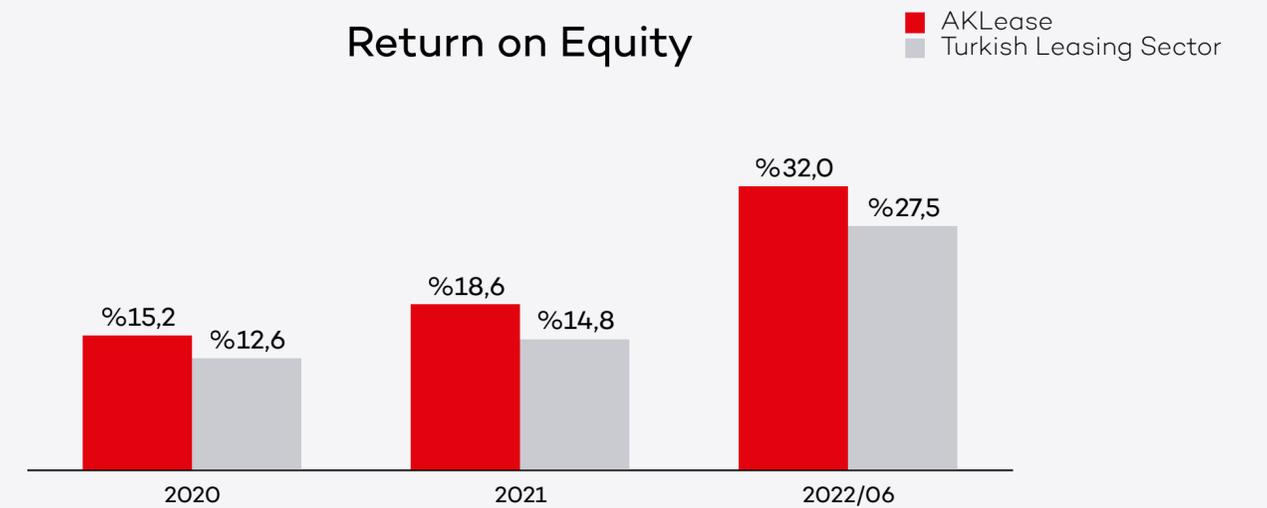
Return on Assets



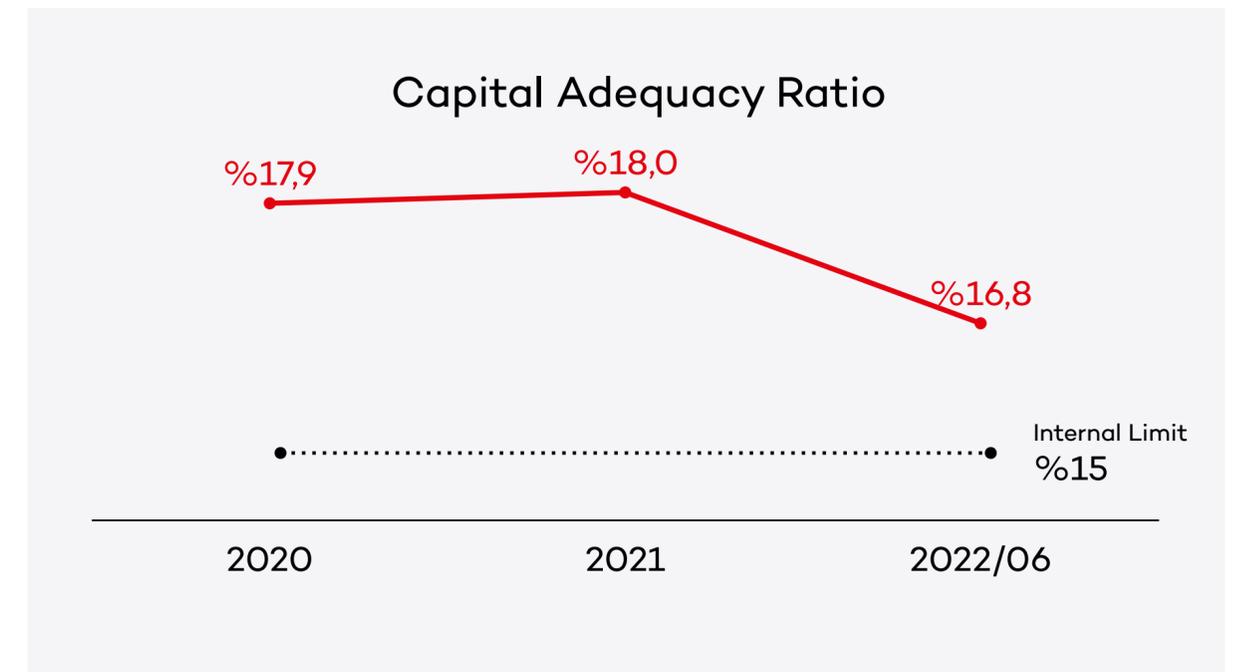
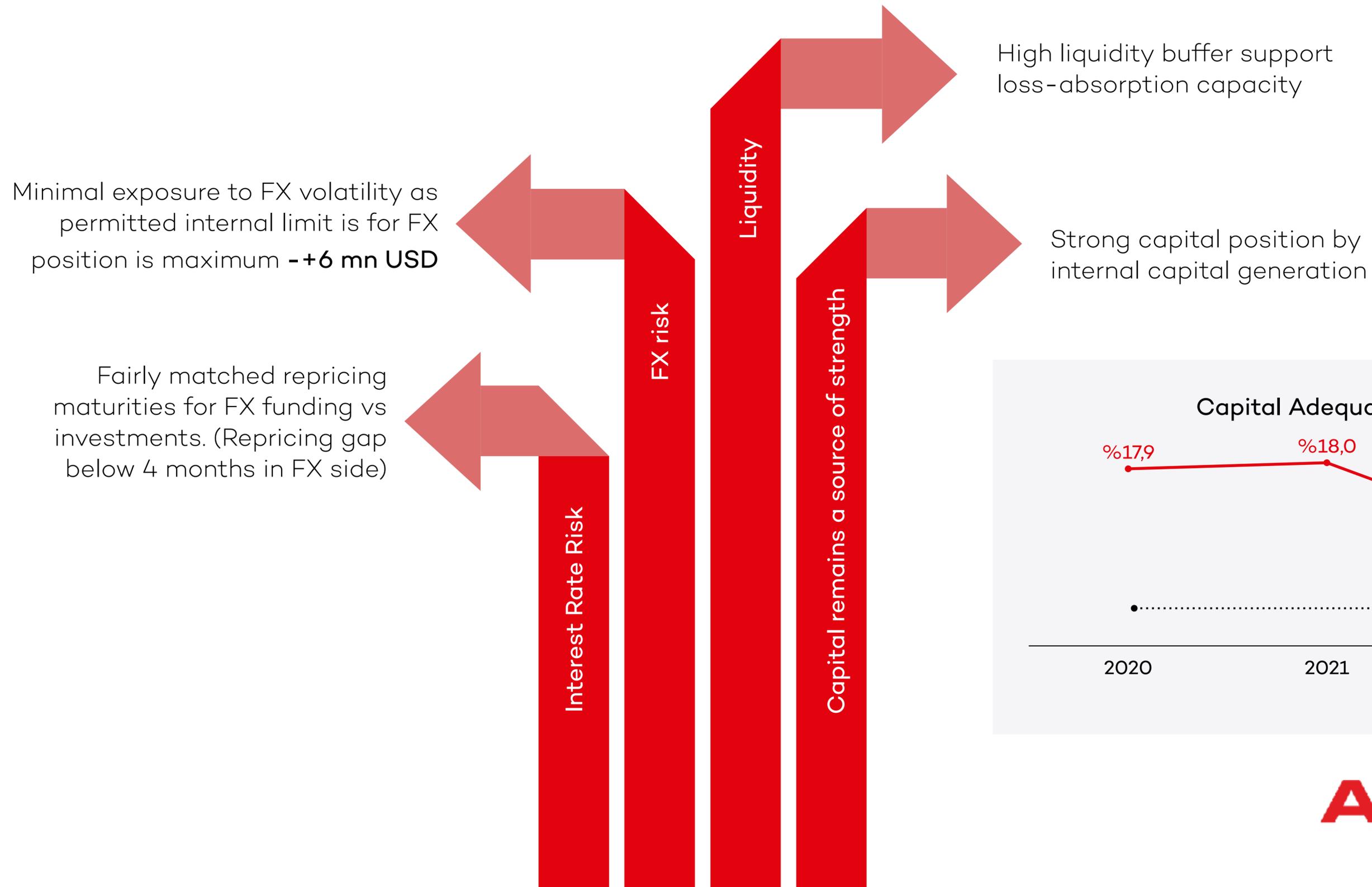
Net Interest Margin



Return on Equity



Strong resilience to financial risks

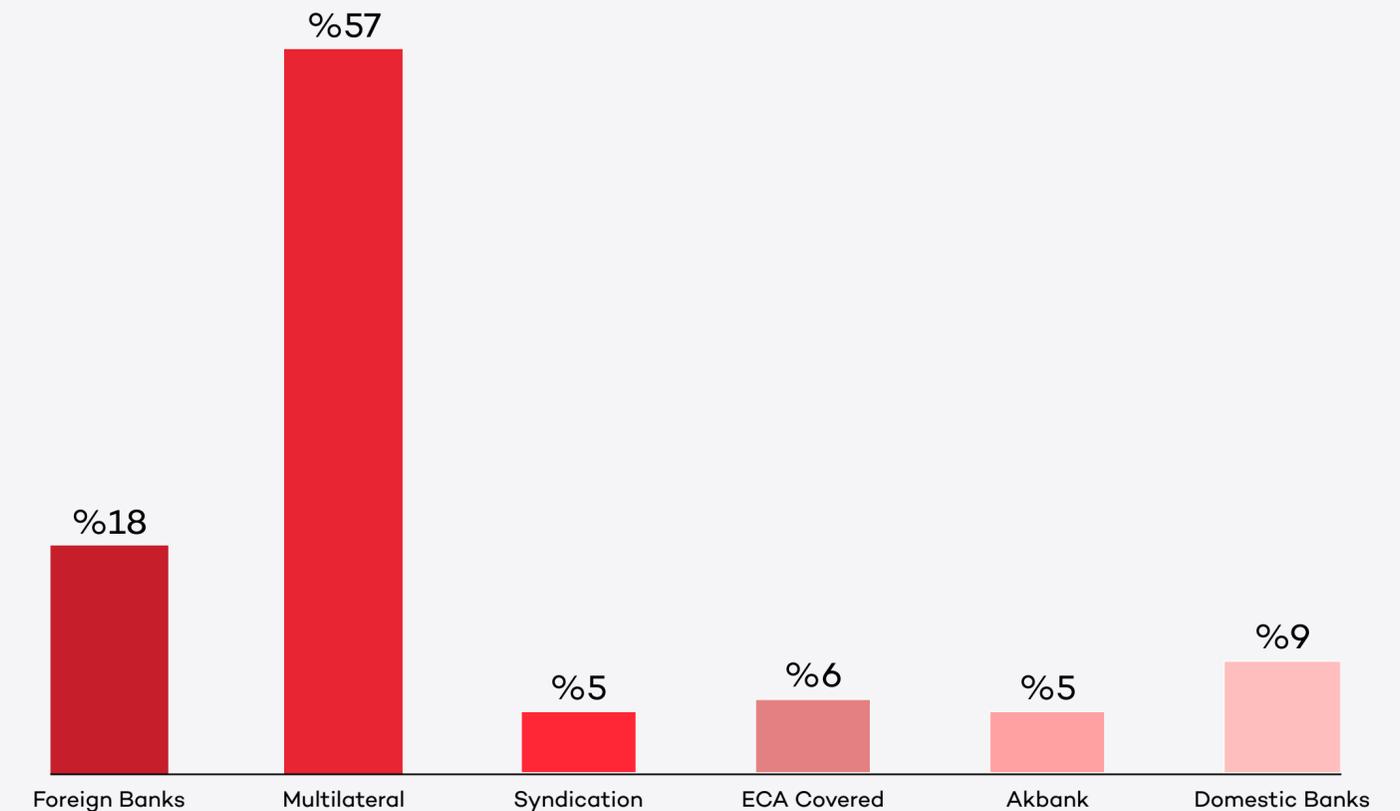


Well established wholesale funding profile

Successful Wholesale Borrowings

- ✓ **EUR 25 mn**, 3 years loan from The European Bank for Reconstruction and Development (EBRD) for green finance investments on June 2021
- ✓ **USD 35 mn**, 5 years loan from BSTDB for SME financing in September 2021. **The first and only loan** given by BSTDB to Turkish finance sector within the year of 2021
- ✓ **USD 35 mn**, 5 years loan from Proparco for green finance investment in December 2021. **The first and only loan** given by Proparco to Turkish finance sector within the year of 2021
- ✓ **EUR 30 mn**, 7 years loan from Development Investment Bank of Turkey for World Bank formal employment creation project in August 2021

Profile of Wholesale Funding



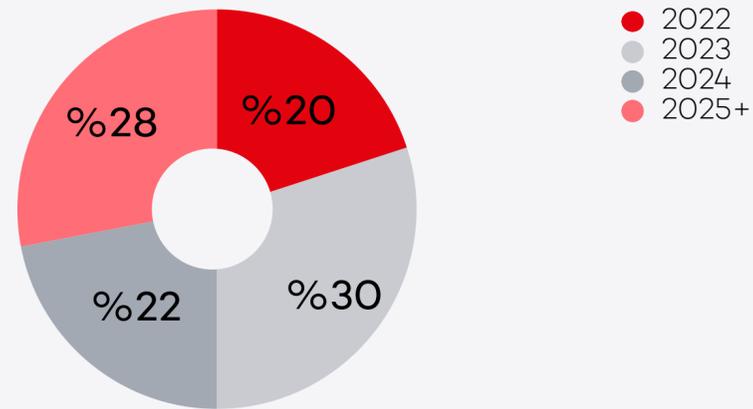
* Funding by Source FC (%)

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

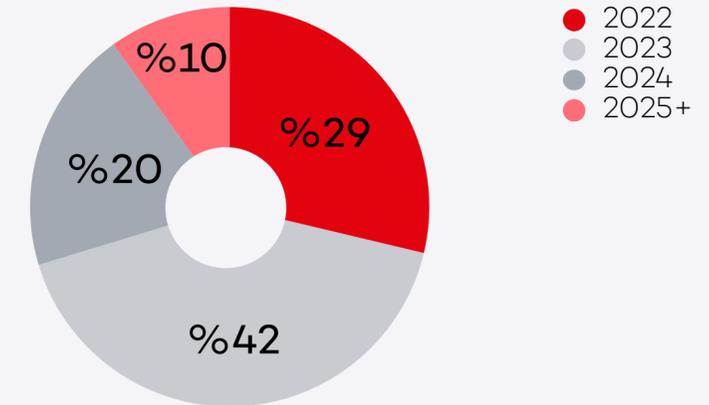
* Multilateral refers to loans provided by the multilateral financial institutions.

Maturity & currency breakdown

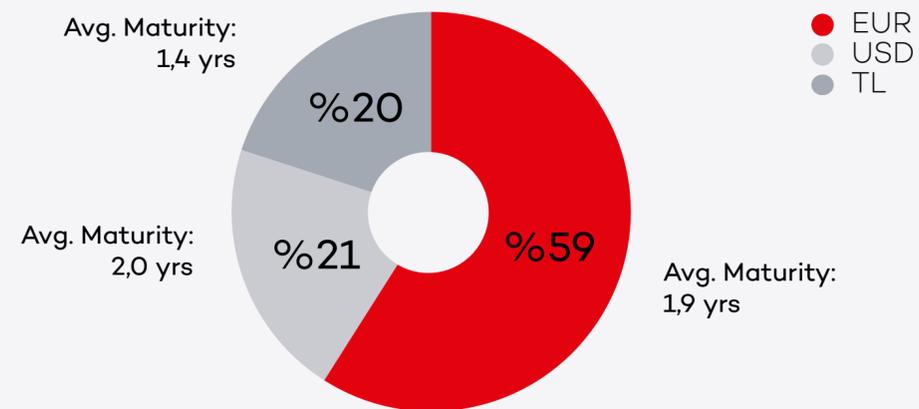
Portfolio Maturity (2022/06)



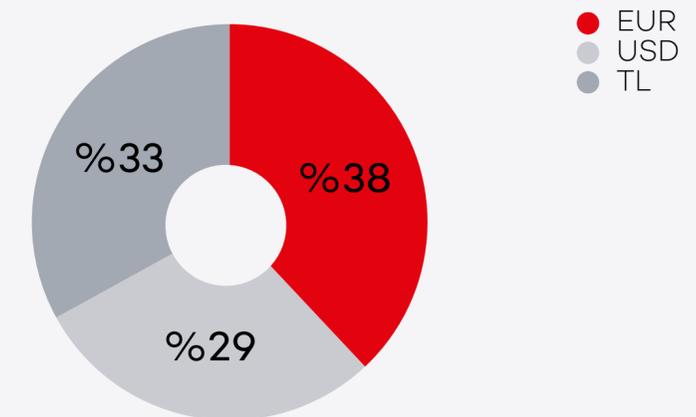
Funding Maturity Breakdown (2022/06)



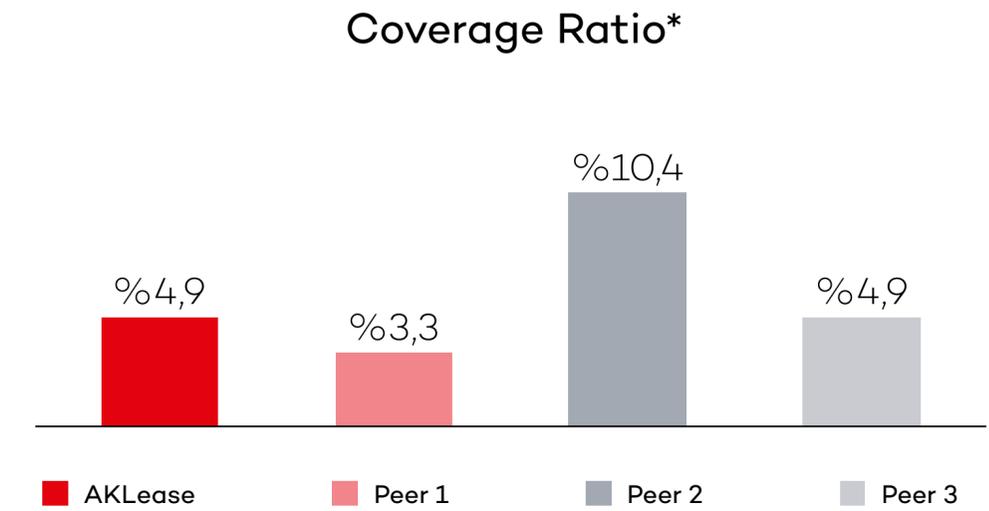
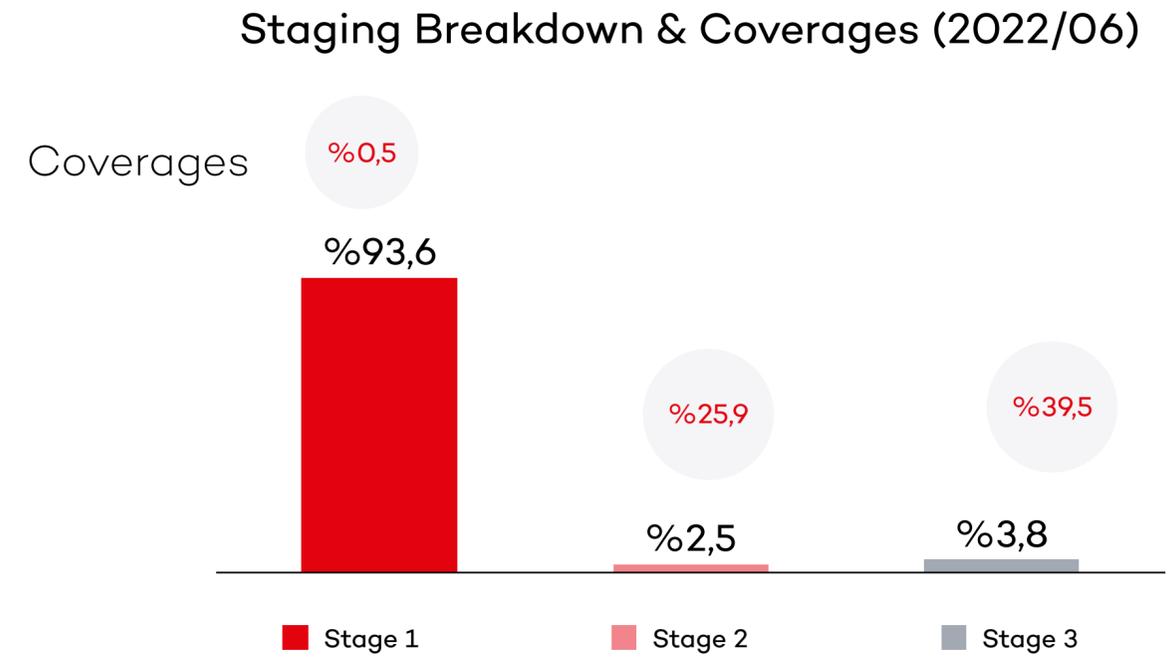
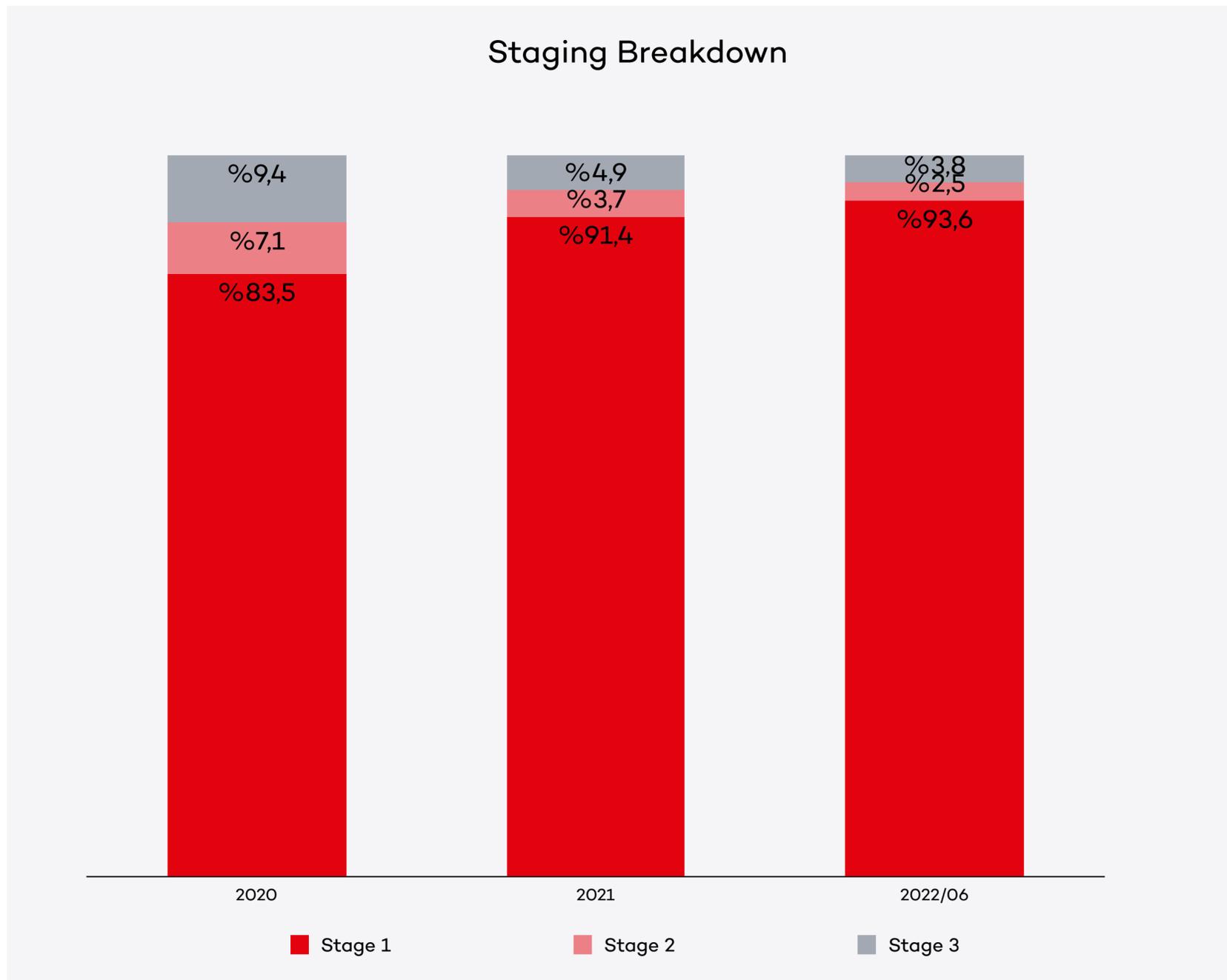
Portfolio Currency Composition (2022/06)



Funding Currency Breakdown (2022/06)

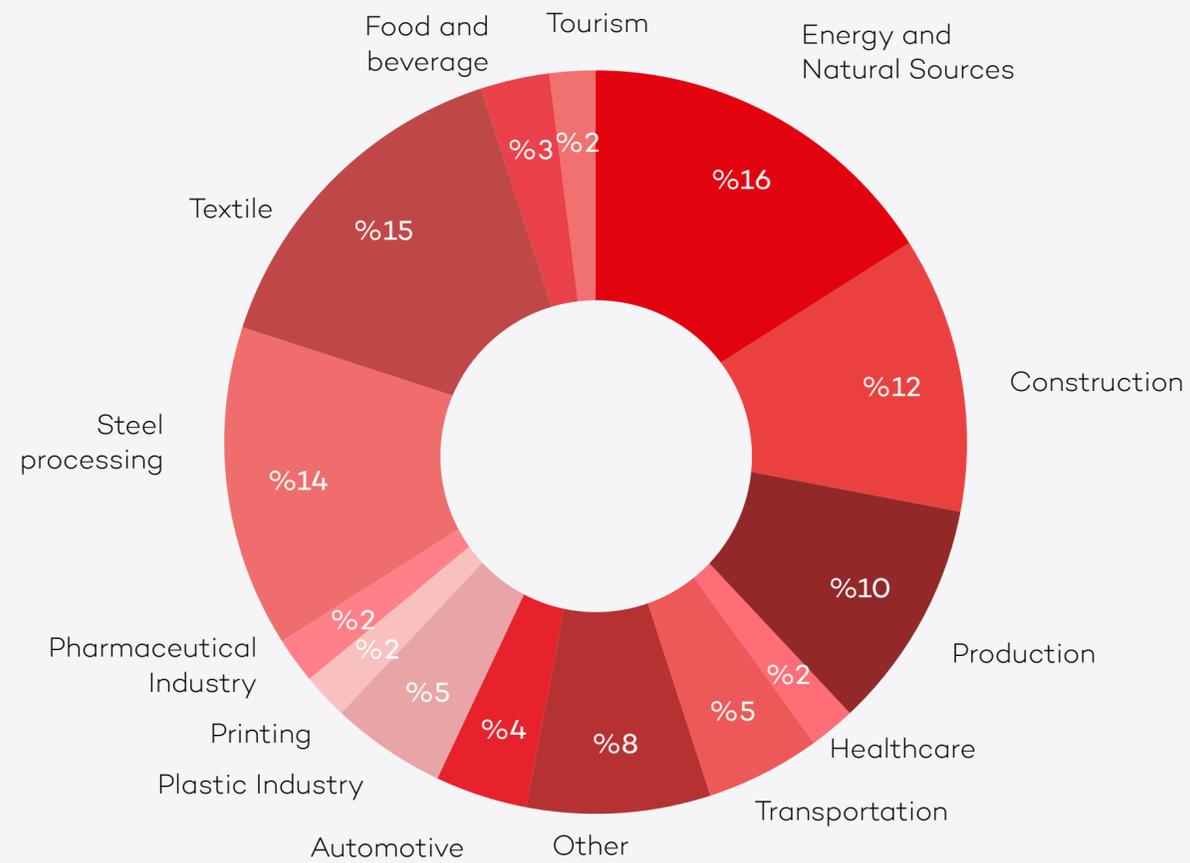


Asset quality, strong coverages

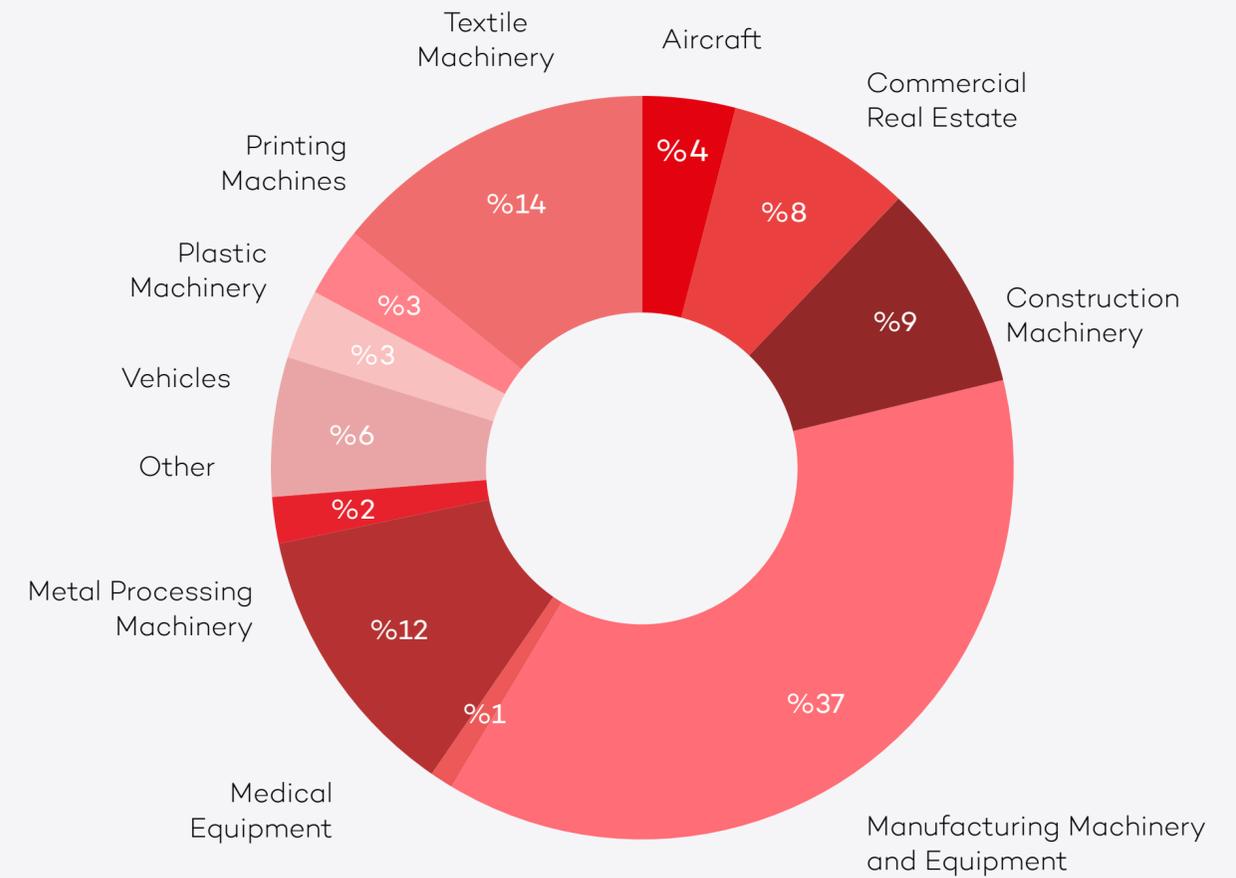


Balanced loan portfolio

Sector Breakdown (2022/06)



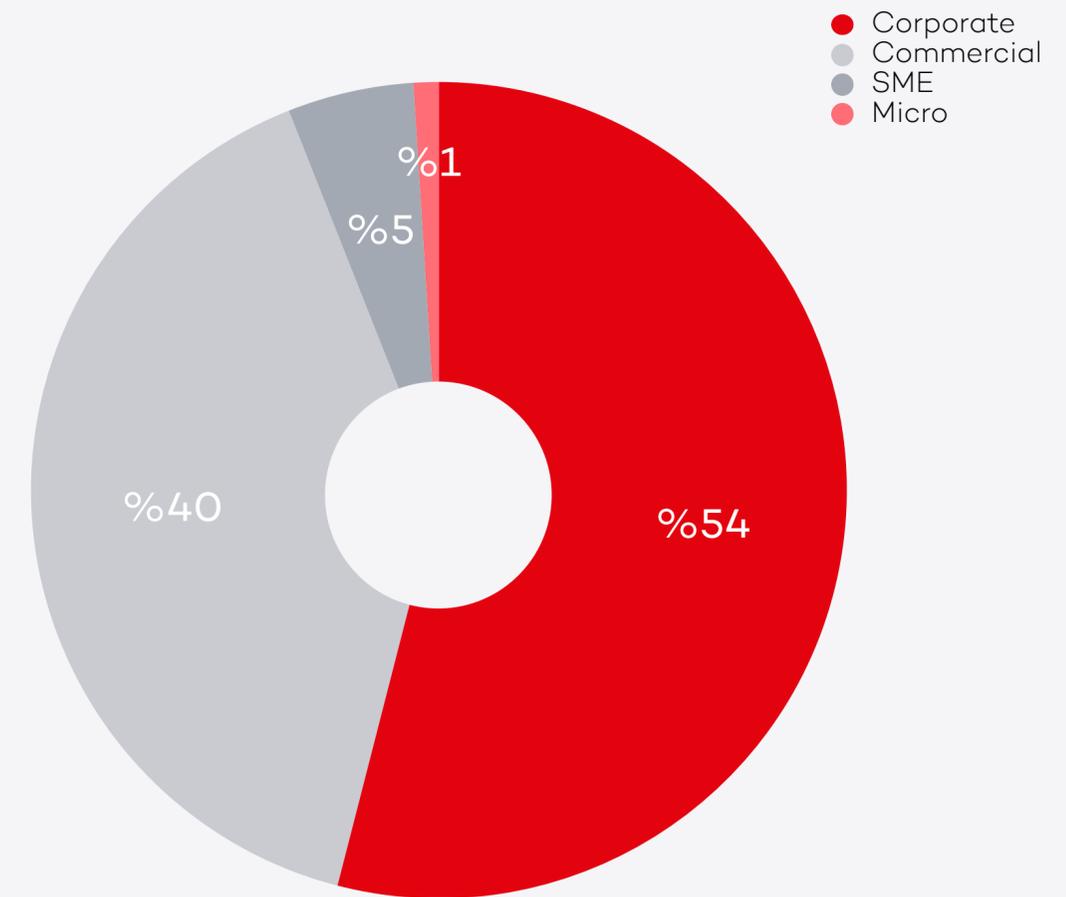
Asset Breakdown (2022/06)



Lease portfolio structure by segments



Segment Breakdown (2022/06)



Content

- 01 Akbank Overview
- 02 AKLease Overview
- 03 People & Culture
- 04 Sustainability
- 05 AKLease Financials
- 06 Operating Environment**

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.

Investor Relations and Sustainability Team Contacts

Derşan Babacan
Senior Vice President

dersan.babacan@aklease.com

Avni Bayazit
Vice President

avni.bayazit@aklease.com



AKLease

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