

Corporate Presentation

August 2023

AKL *please*

#Worthforfuture



01 Akbank Overview

02 AKLease Overview

03 People & Culture

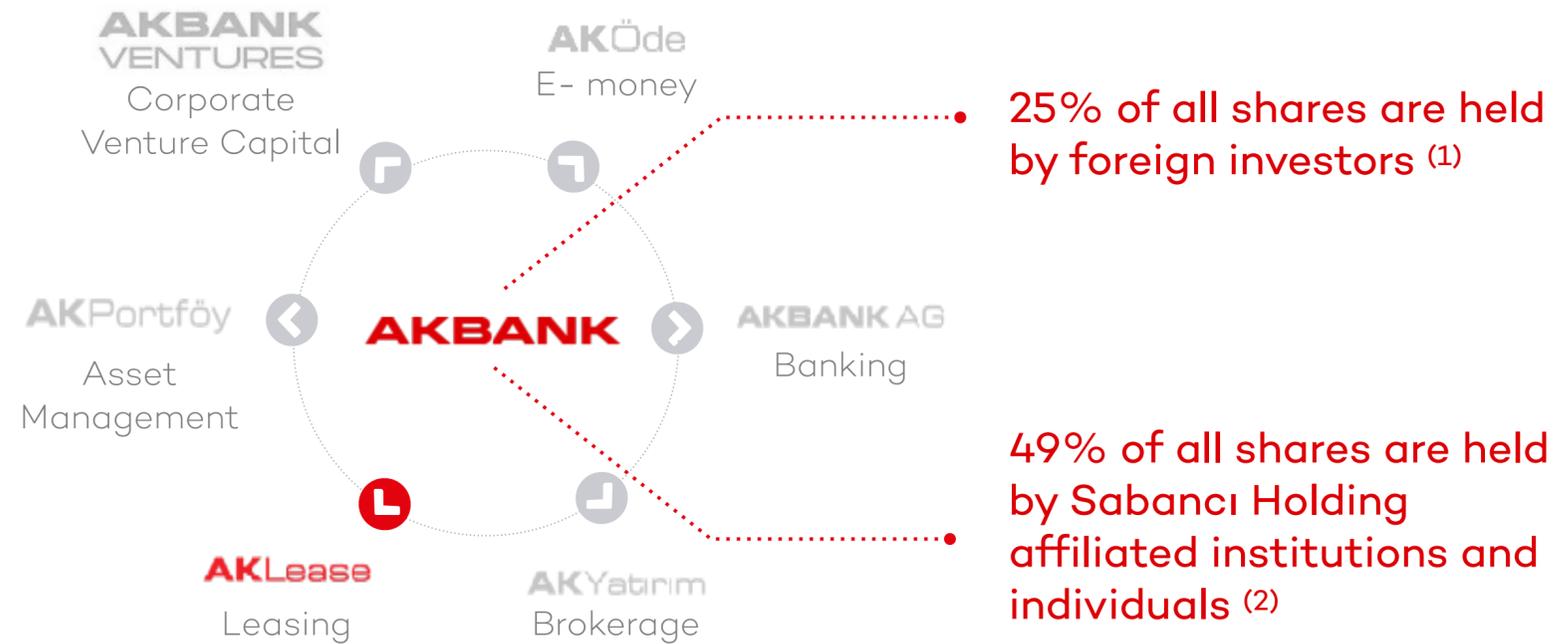
04 Sustainability

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

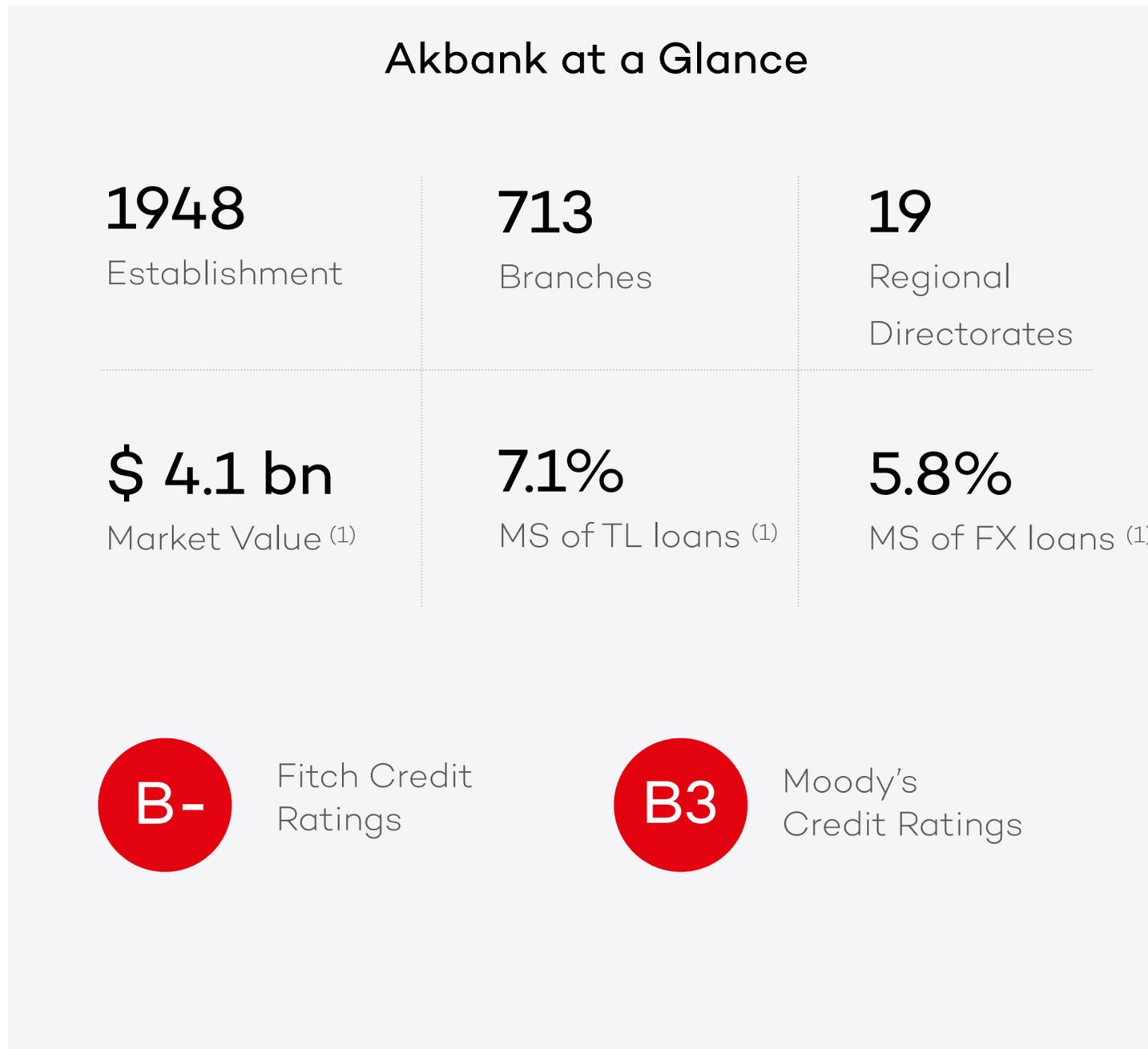
Owned by Akbank

AKLease is **100%** owned by Akbank

Sabancı Holding

- One of the two largest multi-business enterprises in Türkiye with total assets of TL **1,662** bn as of June 30, 2023
- ~**5.5%** of BIST capitalization with 12 public companies including Holding itself
- Majority shareholder is the **Sabancı Family**, a strong local name
- Market leaders in most of the sectors they operate in. Mainly operates in **banking, financial services, energy, industrials, building materials, retail and digital**
- Multinational business partners 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**

Synergies from relationship with Akbank



Outstanding presence in financial industry

AKBANK AG

Banking

- ▶ Flagship of Akbank Group in Europe
- ▶ Total assets of EUR 3,891 mn and equity of EUR 985 mn
- ▶ Contribution to net income stands at 3% in 1H23

Asset Management

- ▶ Leader in:
 - Total AuM with TL 297 bn ⁽⁴⁾
 - Pension fund mgmt with TL 100 bn AuM, 17.7% market share
 - Mutual fund mgmt with TL 145 bn AuM, 12.7% market share
 - DPM with TL 50 bn AuM

AKPortföy

AKLease

Leasing

- ▶ Net lease receivables market share of 12.3% (1)

E-Money

- ▶ 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

AKÖde

Brokerage

- ▶ Leader in corporate bond issuances with 49% market share (2)
- ▶ One of the leading intermediary institutions in equity public offerings (3) with USD 1.7 bn transaction size btw 2011-1H23
- ▶ Top 2 in FX markets margin trading among bank affiliated brokerage houses with 14% market share in 1Q23

AKYatırım

Corporate Venture Capital

- ▶ Akbank Ventures BV established in Apr'23 in Netherlands, is targeting next generation businesses with high growth potential to support Akbank's strategic investments

AKBANK VENTURES

Awards over the recent years



ESG Strategy: Mitigate environmental footprint while increasing positive impact



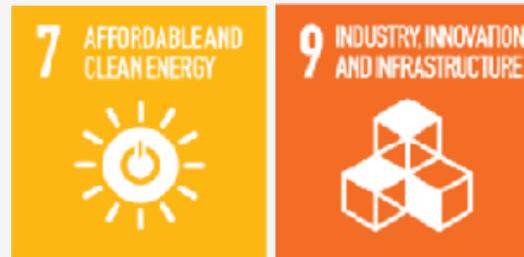
Actionable targets for positive impact

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

Çetin 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 2

Ranks* by ROE

10

Branches

Top 2

Ranks* by ROA

Top 3

Ranks* by
Asset Size

Rating

**LTFC
IDR B-**

Rated by Fitch

12,3%

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

Awards over the recent years



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

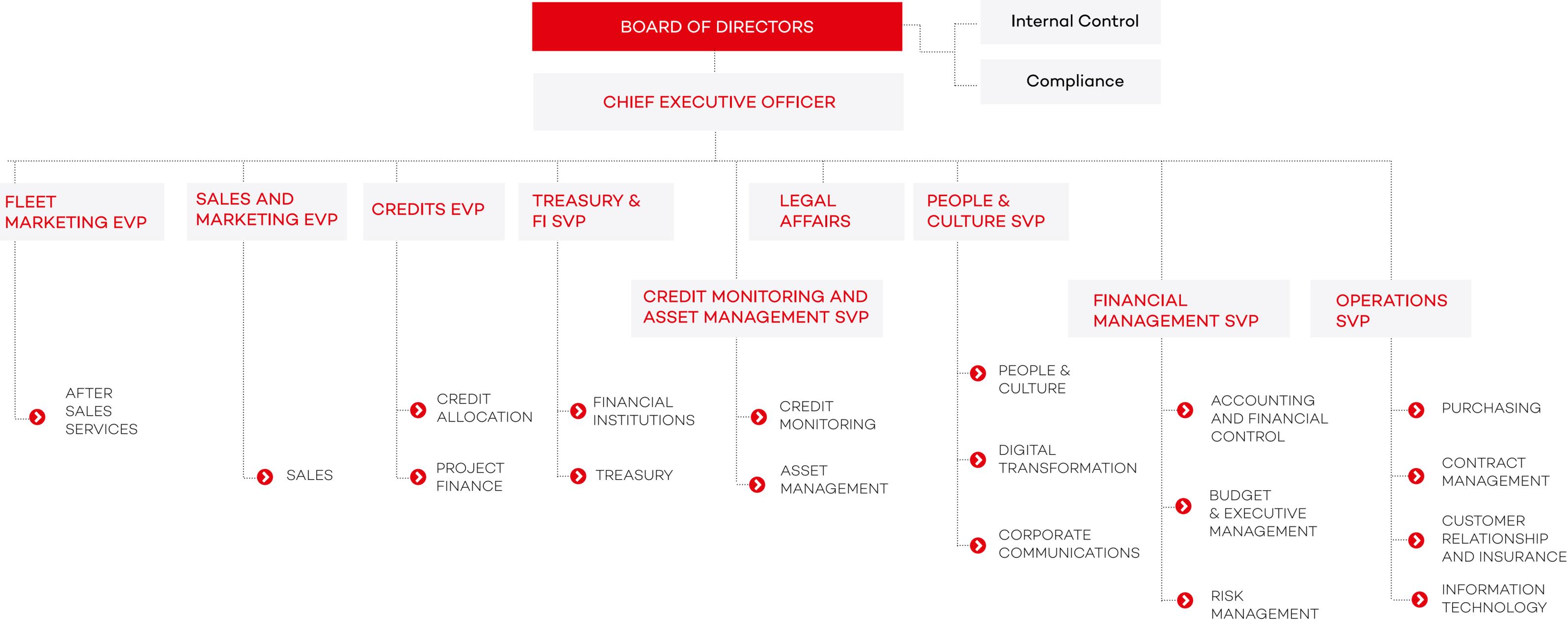
- ▶ Tailor-made performance management for all employees regardless of position
- ▶ Submission of the performance evaluation for employee approval
- ▶ Backup plans for organizational continuity



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

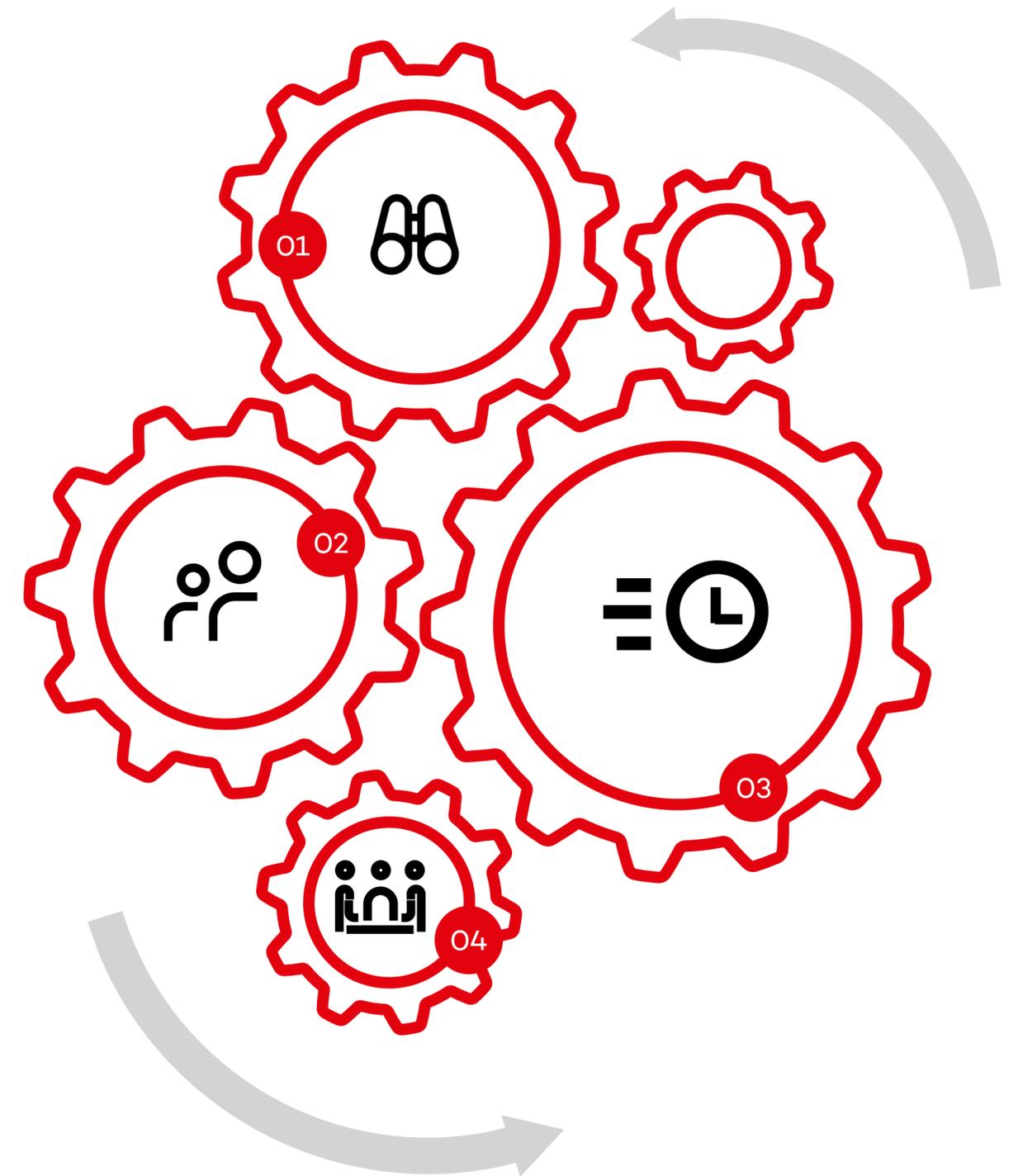
Operational Efficiency

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.

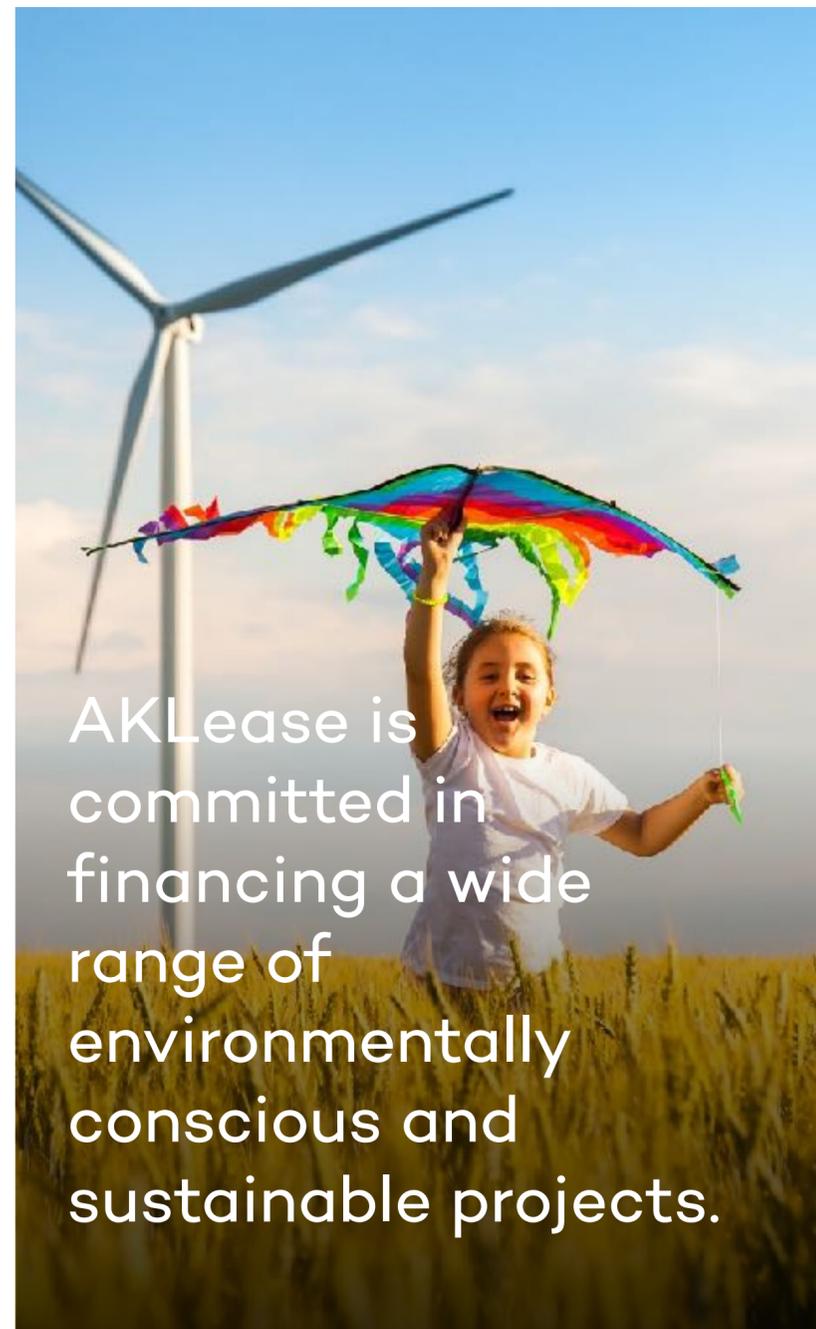


AKLease

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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: 406 MWe

Clean Energy Generation for 430.000 Household Units

Annual CO2 Emission Reduction: 342.000 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 154 mn loan disbursement under ECOLease by the first half of 2023



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.

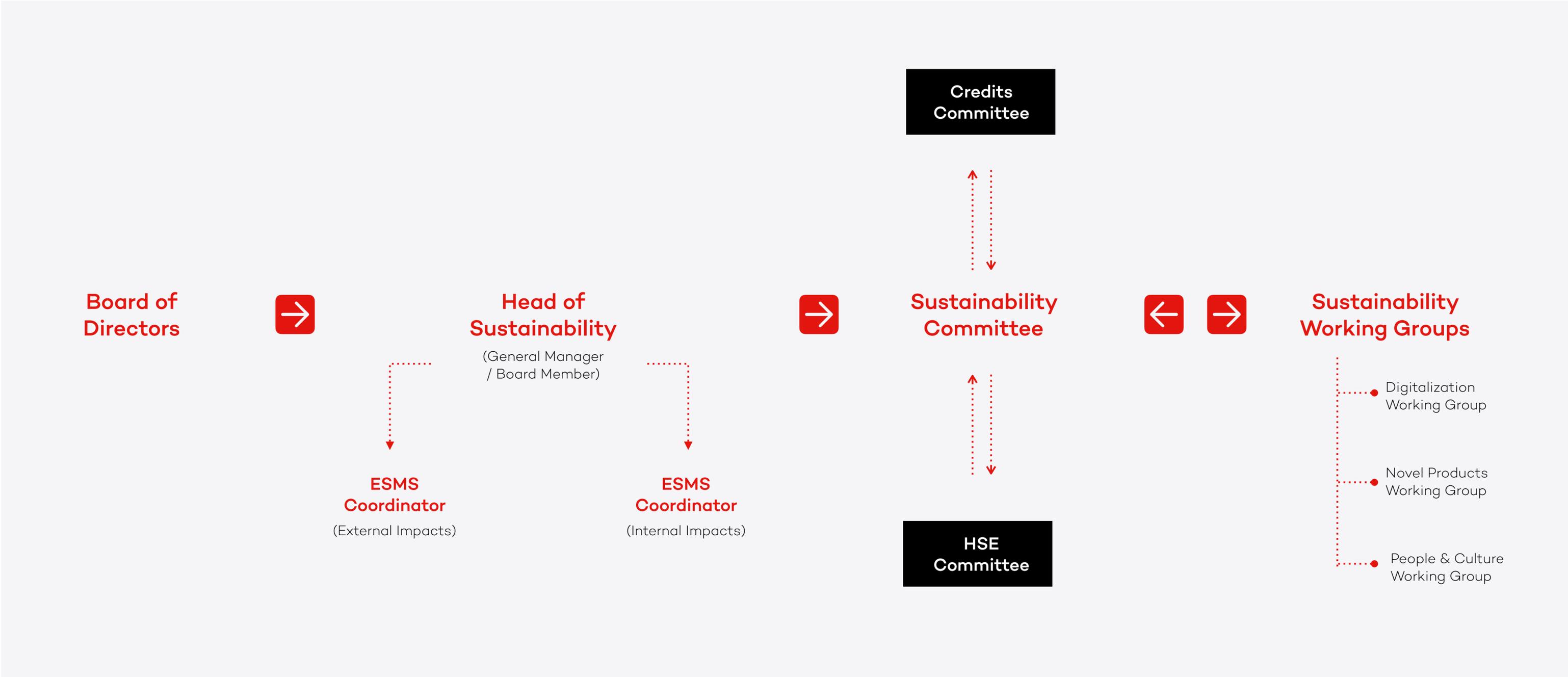
✓ We will reach net zero carbon emissions within our operations by 2030.

▲
Ethics, Compliance and Transparency

▲
Integrated Risk Management

AKLease

Sustainability and Impact Governance Structure



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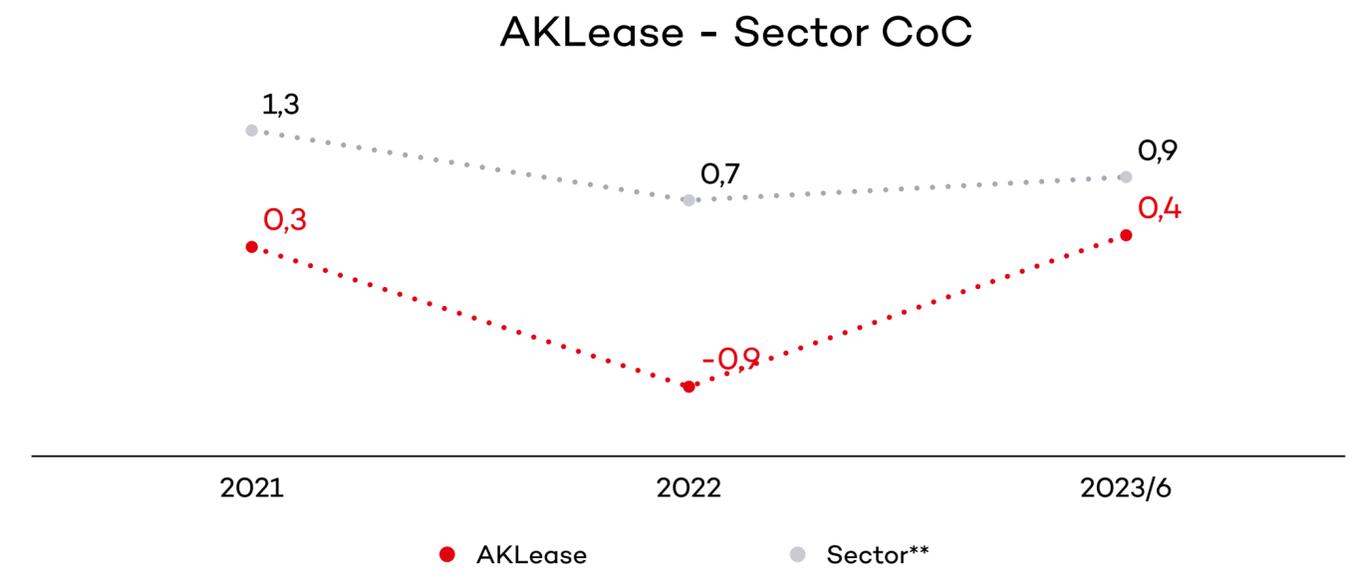
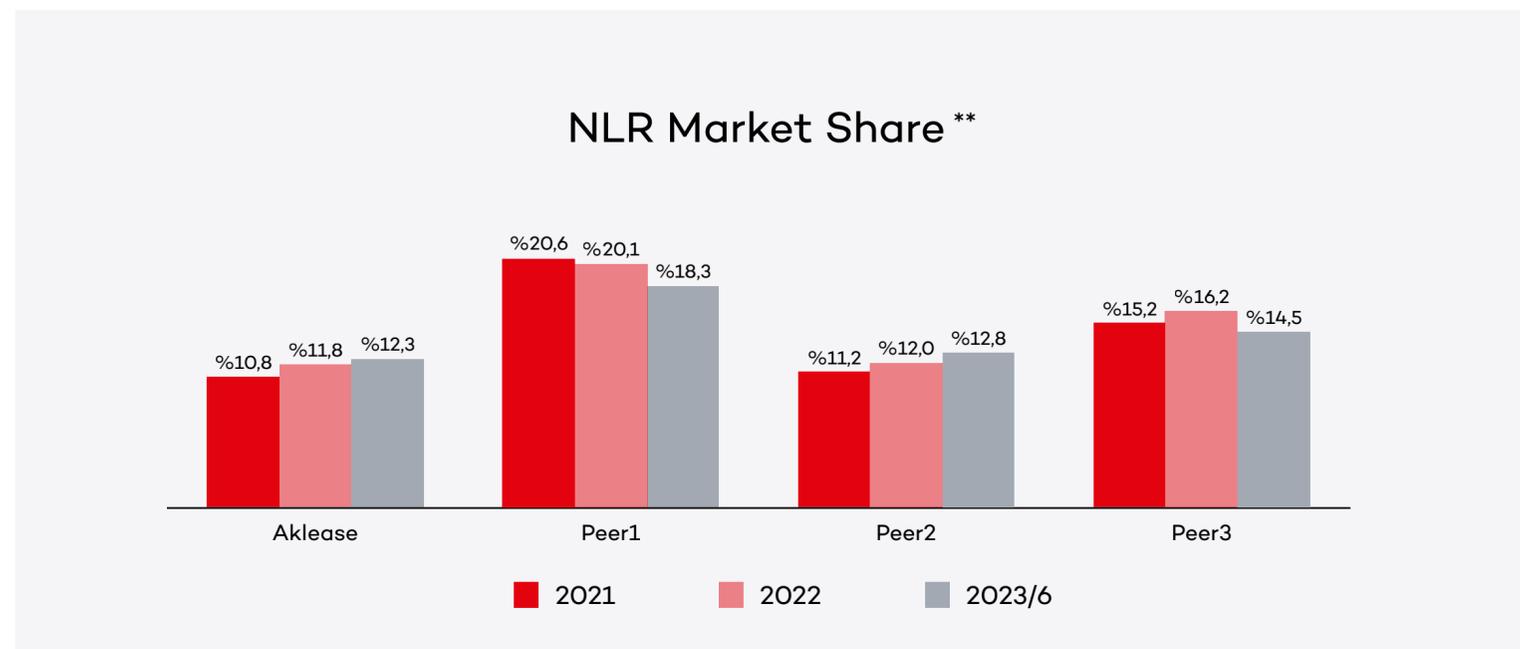
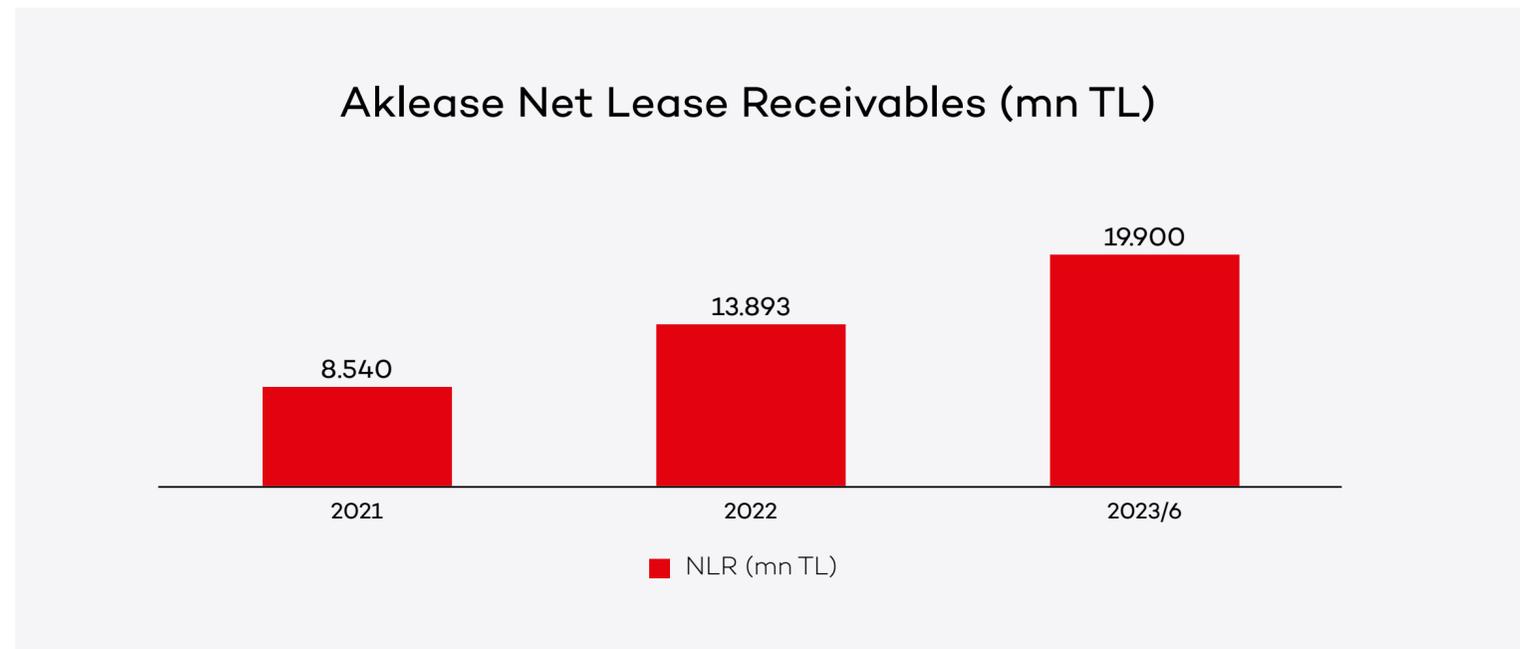
Snapshot of results

Income Statement (mn TL)	2021	2022	2023/6
Net interest income	269	410	453
Net commission income	17	28	13
Other operating income	86	459	164
Gross operating income	372	898	630
Provision expense	32	-26	35
Other operating expense	43	77	71
Profit before tax	297	848	523
Net profit	224	670	421
Balance Sheet (mn TL)	2021	2022	2023/6
Lease receivable	8.973	13.893	19.900
NPL	459	374	376
Provision (-)	318	285	299
Net Lease Receivable	9.115	13.982	19.977
Assets held for sale	62	26	37
Other assets	981	2.666	2.958
Cash and cash equivalents	795	2.395	2.244
Other	185	271	714
Total Assets	10.157	16.674	22.972
Borrowings	8.106	13.599	19.140
Other Liabilities	723	1.080	1.417
Equity	1.327	1.995	2.415
Total Liabilities	10.157	16.674	22.972

Key Performance Indicators(%)

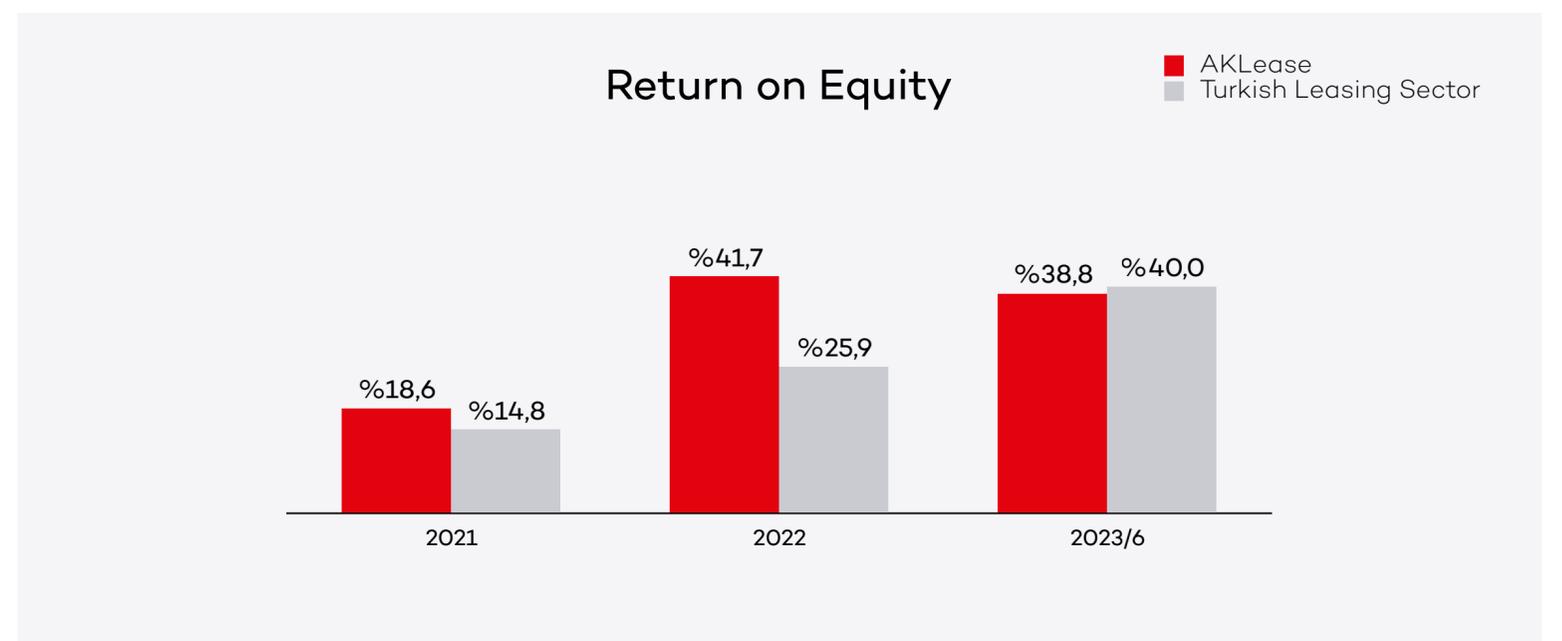
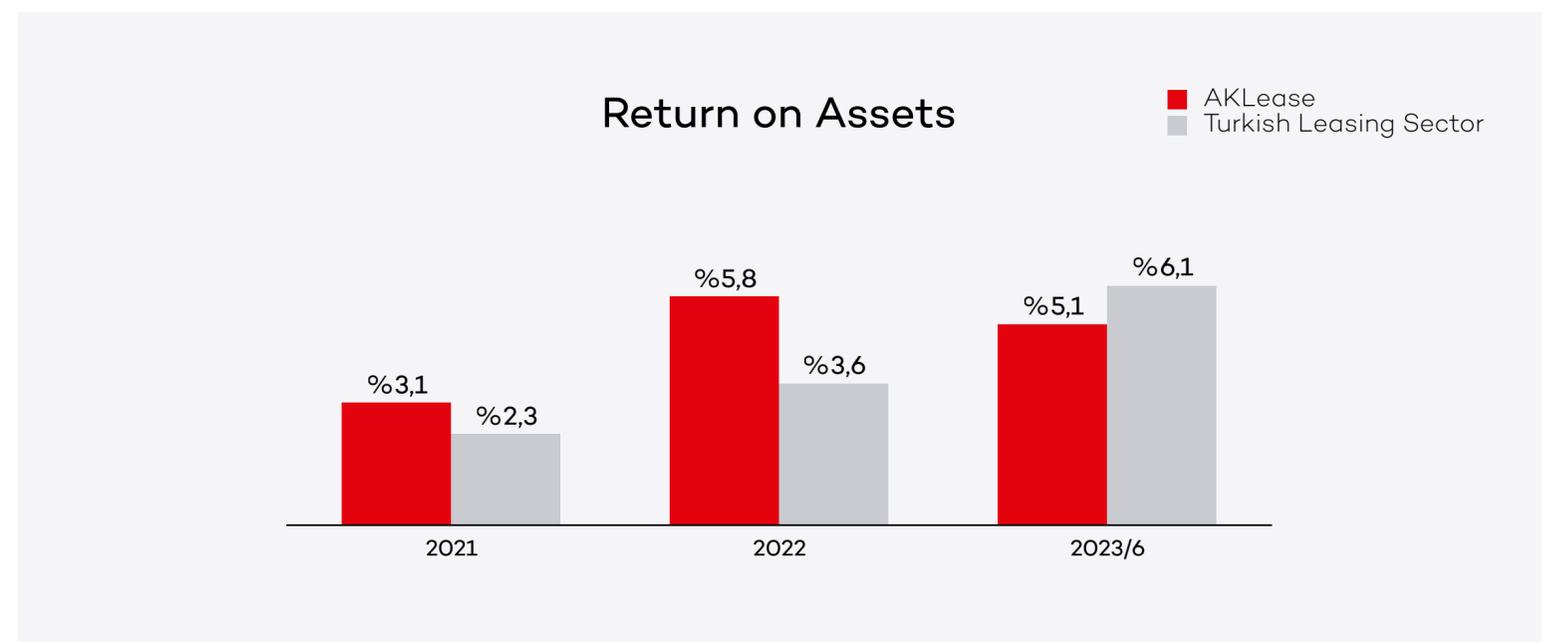
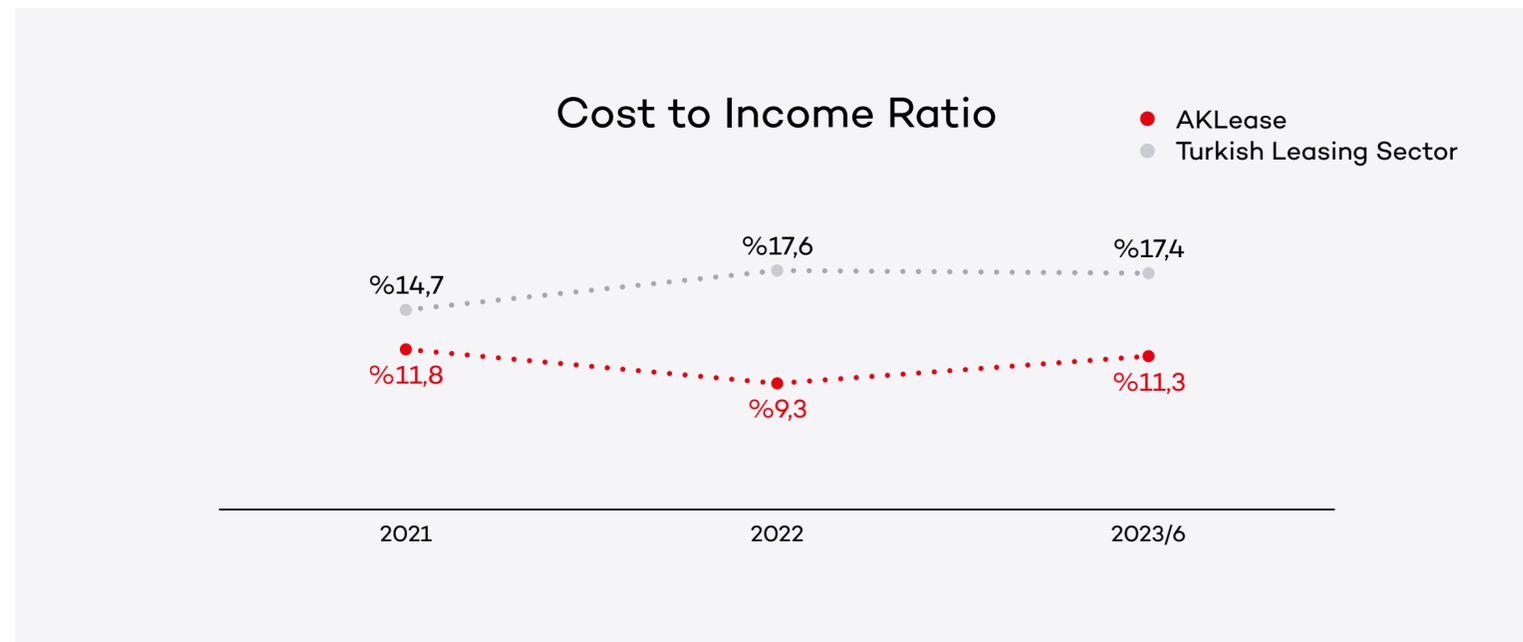
	2021	2022	2023/6
RoE	18,6	41,7	38,8
RoA	3,1	5,8	5,1
NIM	4,5	5,2	6,3
NPL	4,9	2,6	1,9
Cost of Credit	0,3	-0,9	0,4
Cost to Income	12,0	9,3	11,3

Well positioned in the market



Ranking*	2021	2022	2023/6
Return on Equity	1	1	2
NPL	2	2	2
Net Lease Receivables	3	3	3

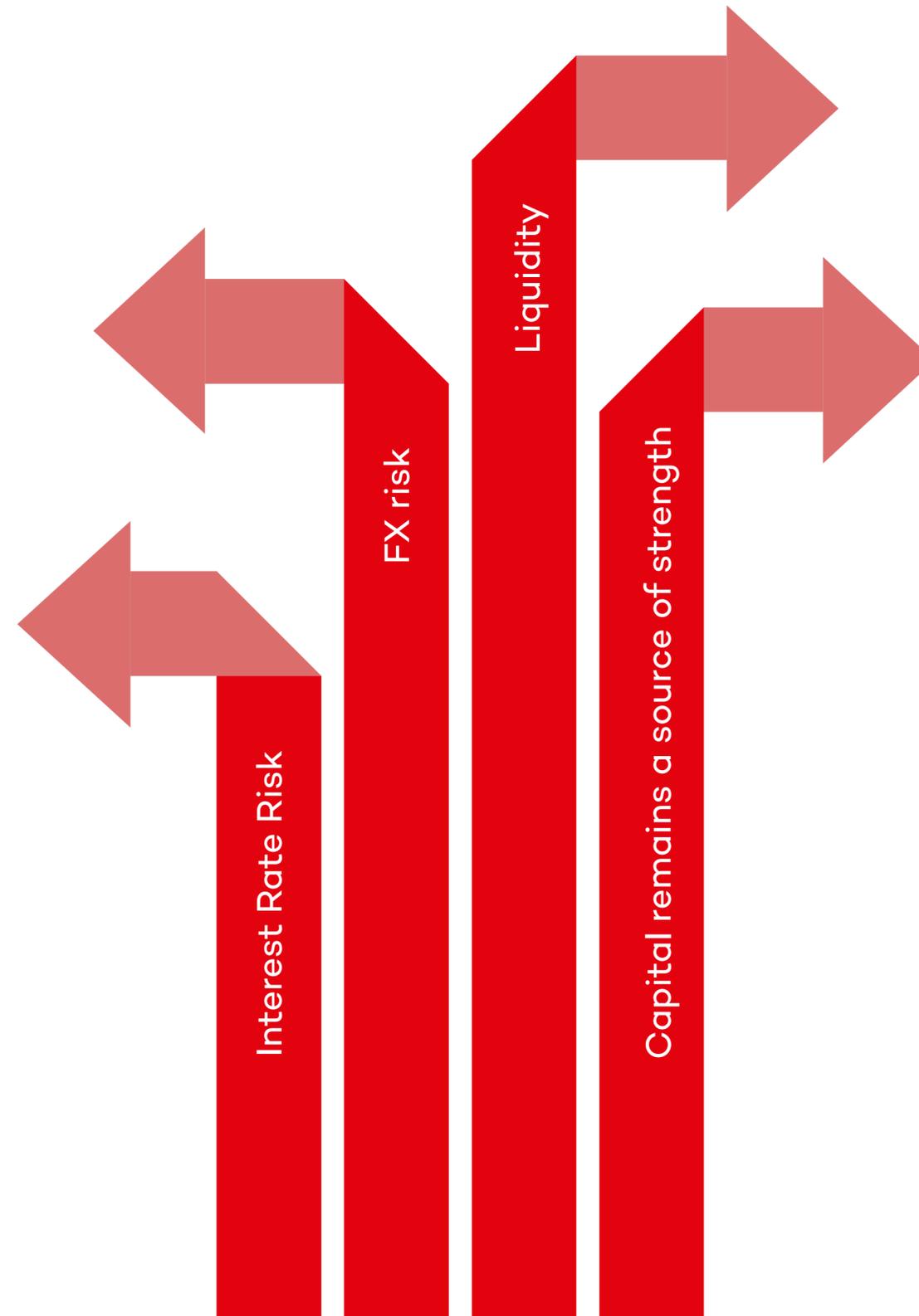
Strong operating performance



Strong resilience to financial risks

Minimal exposure to FX volatility as permitted internal limit is for FX position is maximum **-+6 mn USD**

Fairly matched repricing maturities for FX funding vs investments. (Repricing gap below 4 months in FX side)



High liquidity buffer support loss-absorption capacity

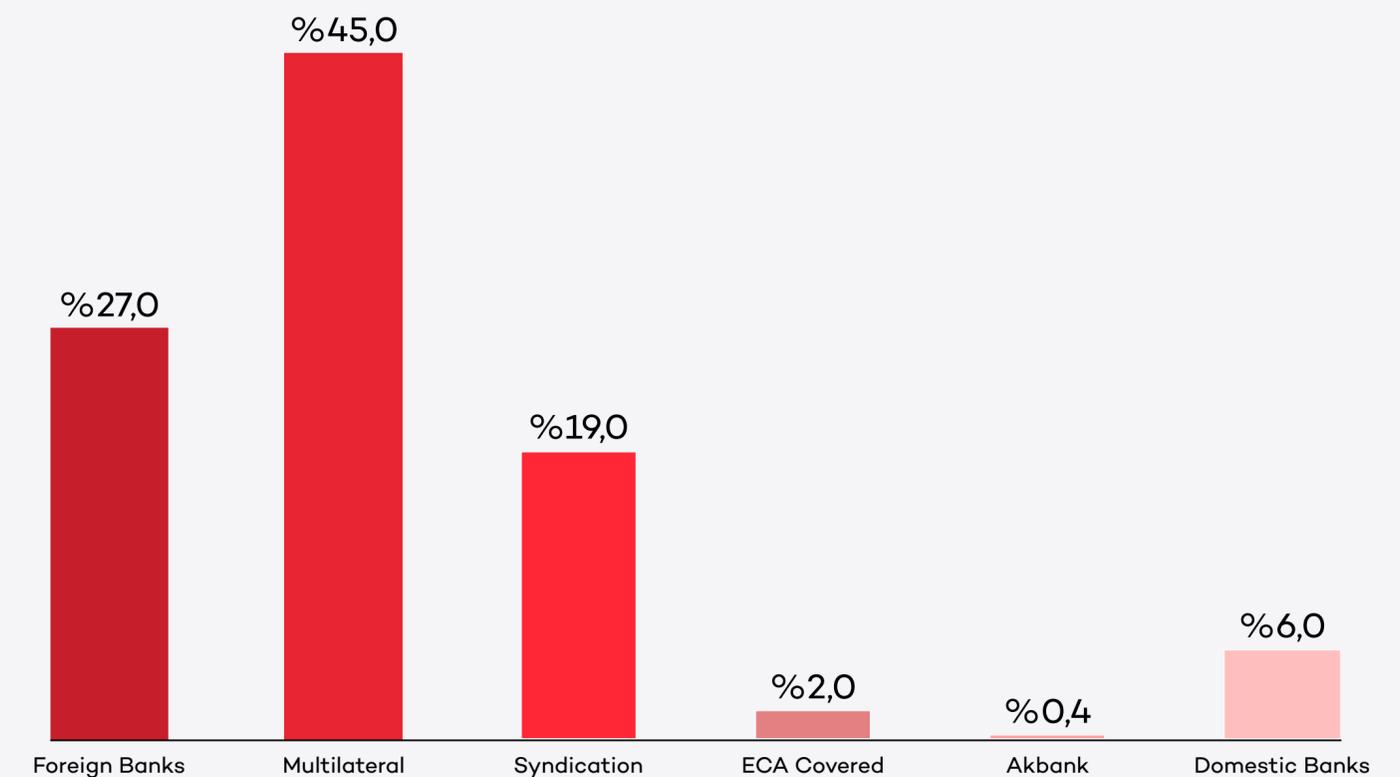
Strong capital position by internal capital generation

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 (2023/6)



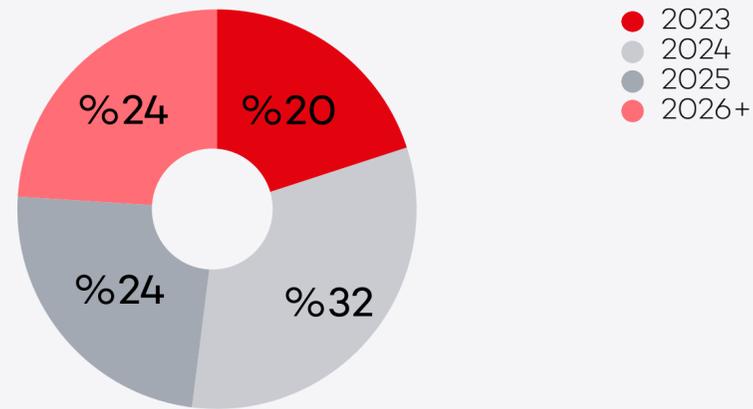
* Funding by Source FC (%)

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

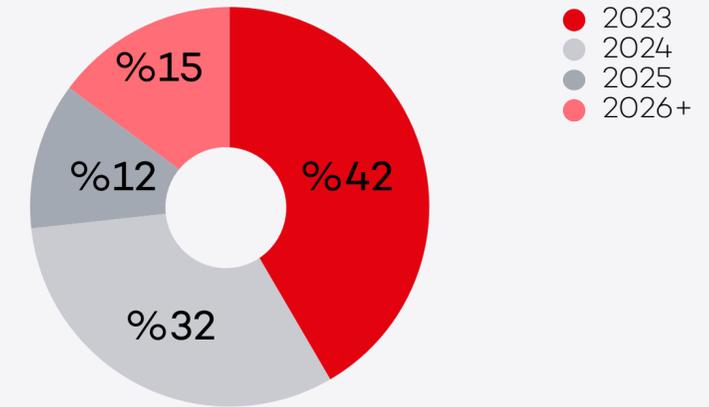
* Multilateral refers to loans provided by the multilateral financial institutions.

Maturity & currency breakdown

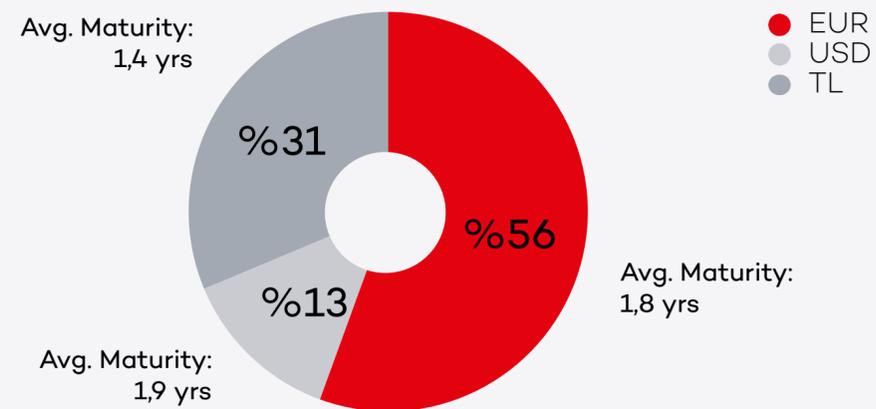
Portfolio Maturity (2023/6)



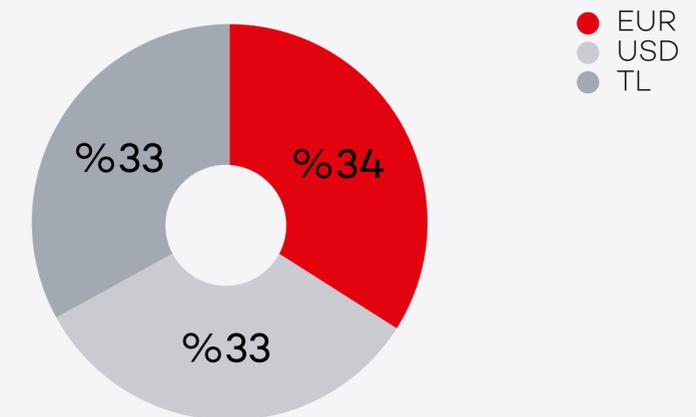
Funding Maturity Breakdown (2023/6)



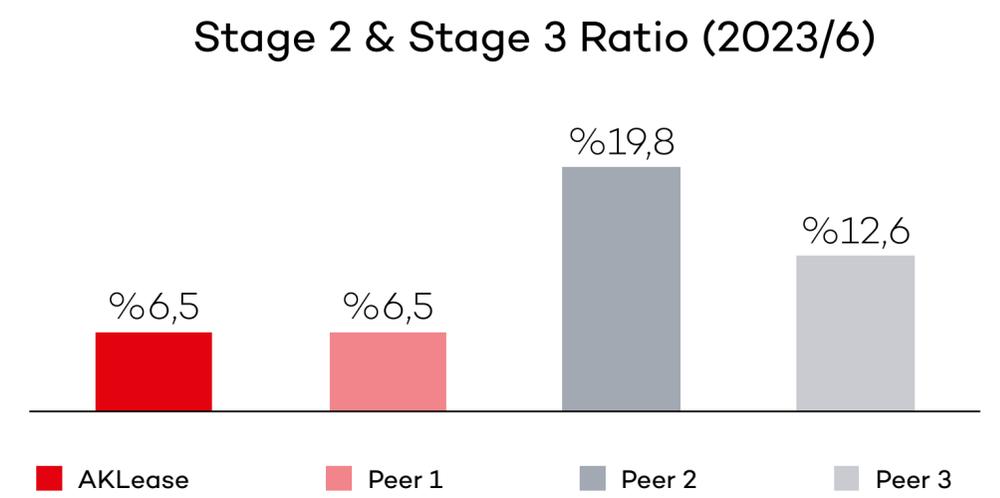
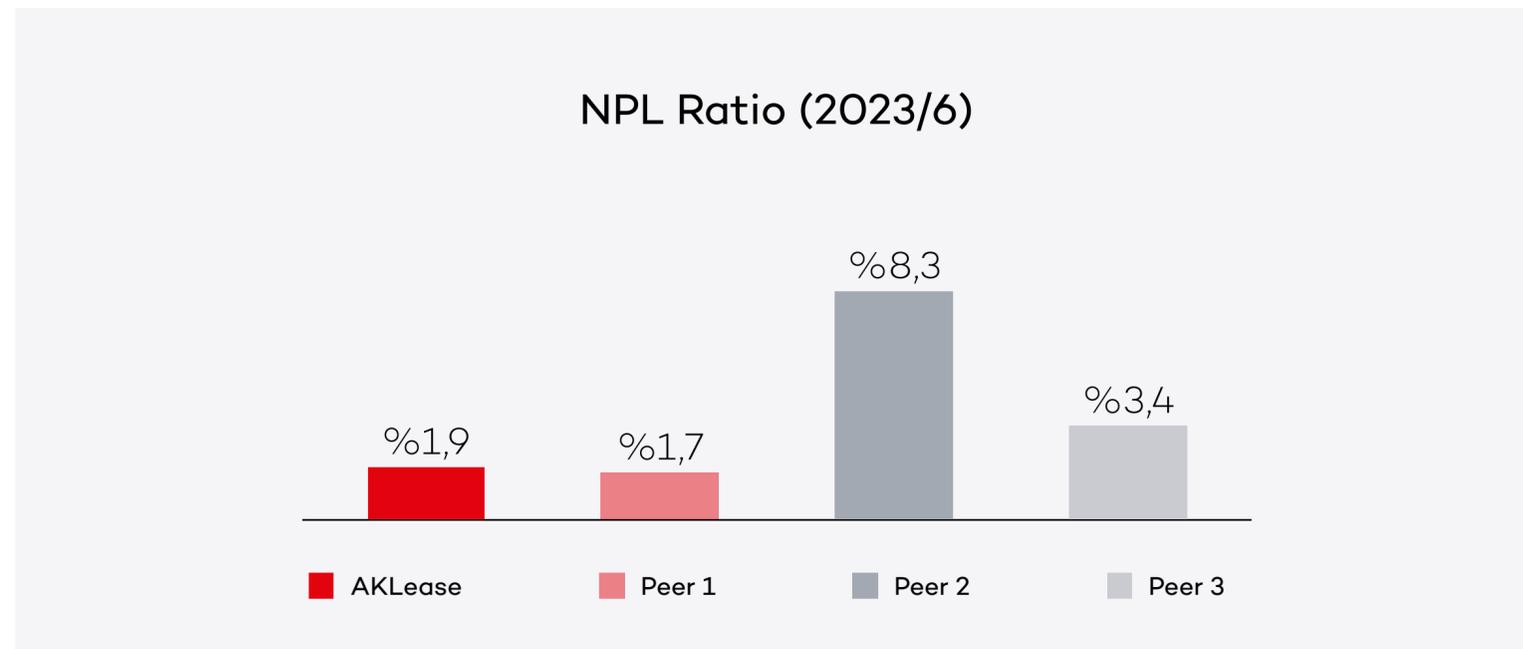
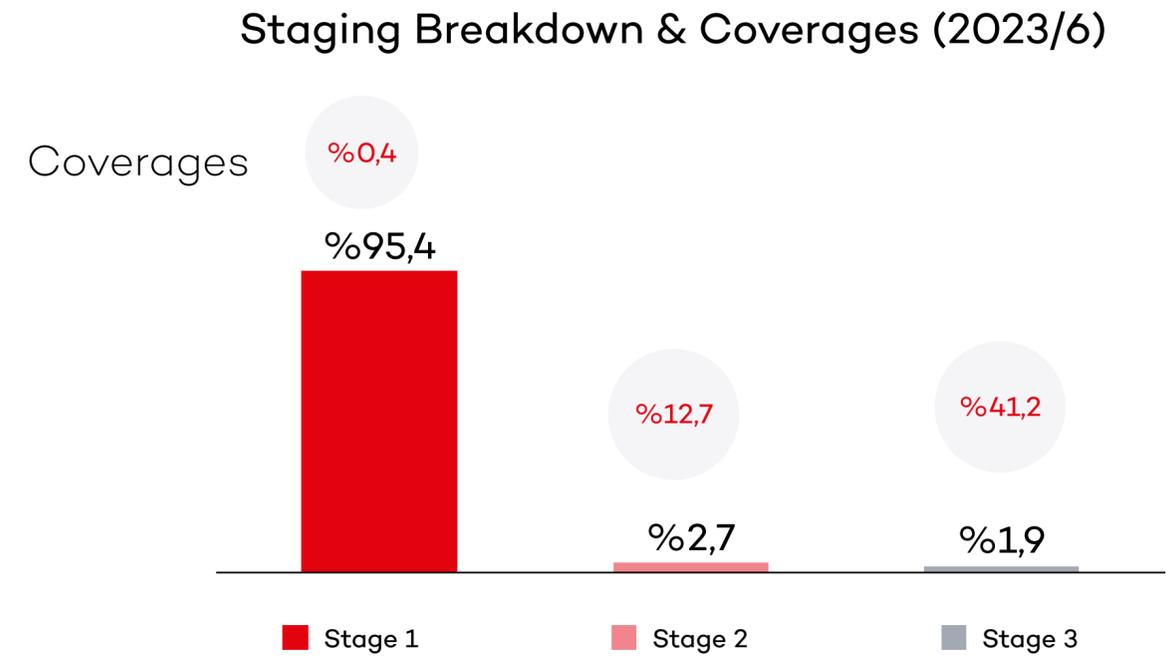
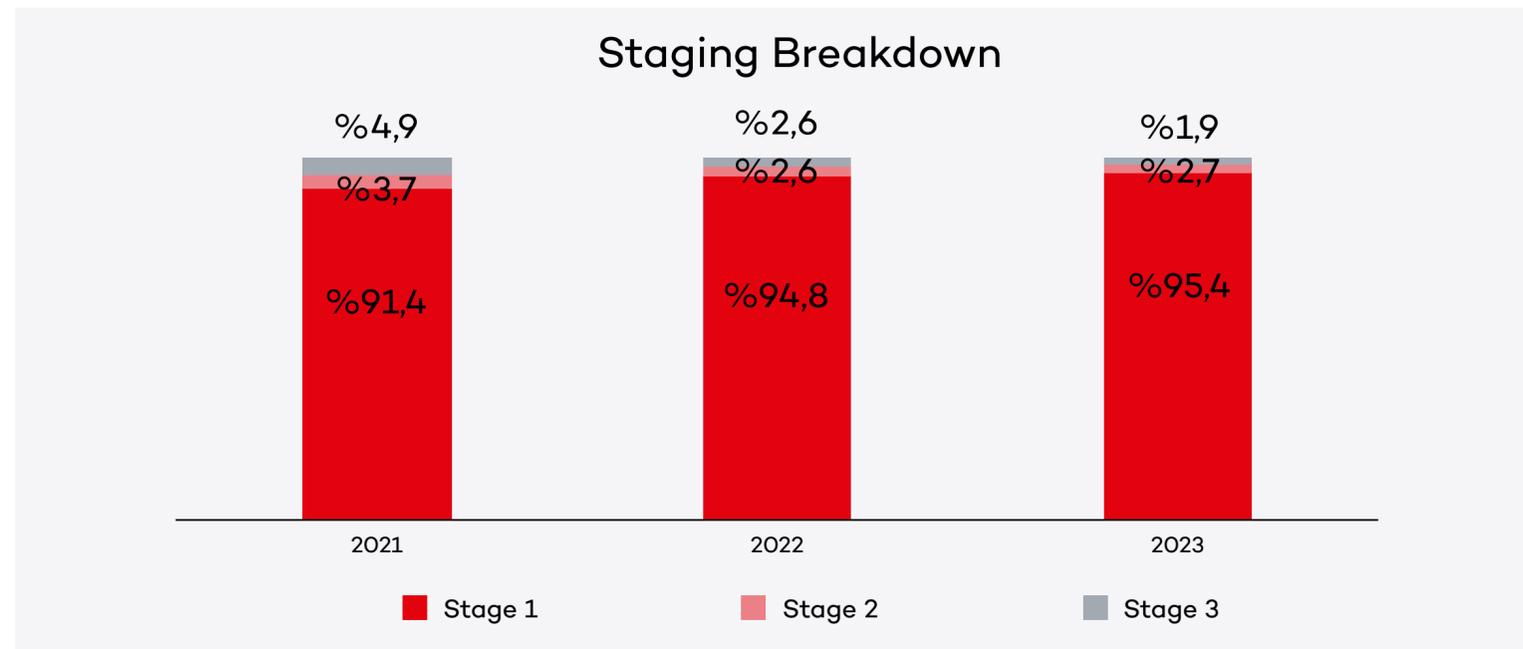
Portfolio Currency Composition (2023/6)



Funding Currency Breakdown (2023/6)

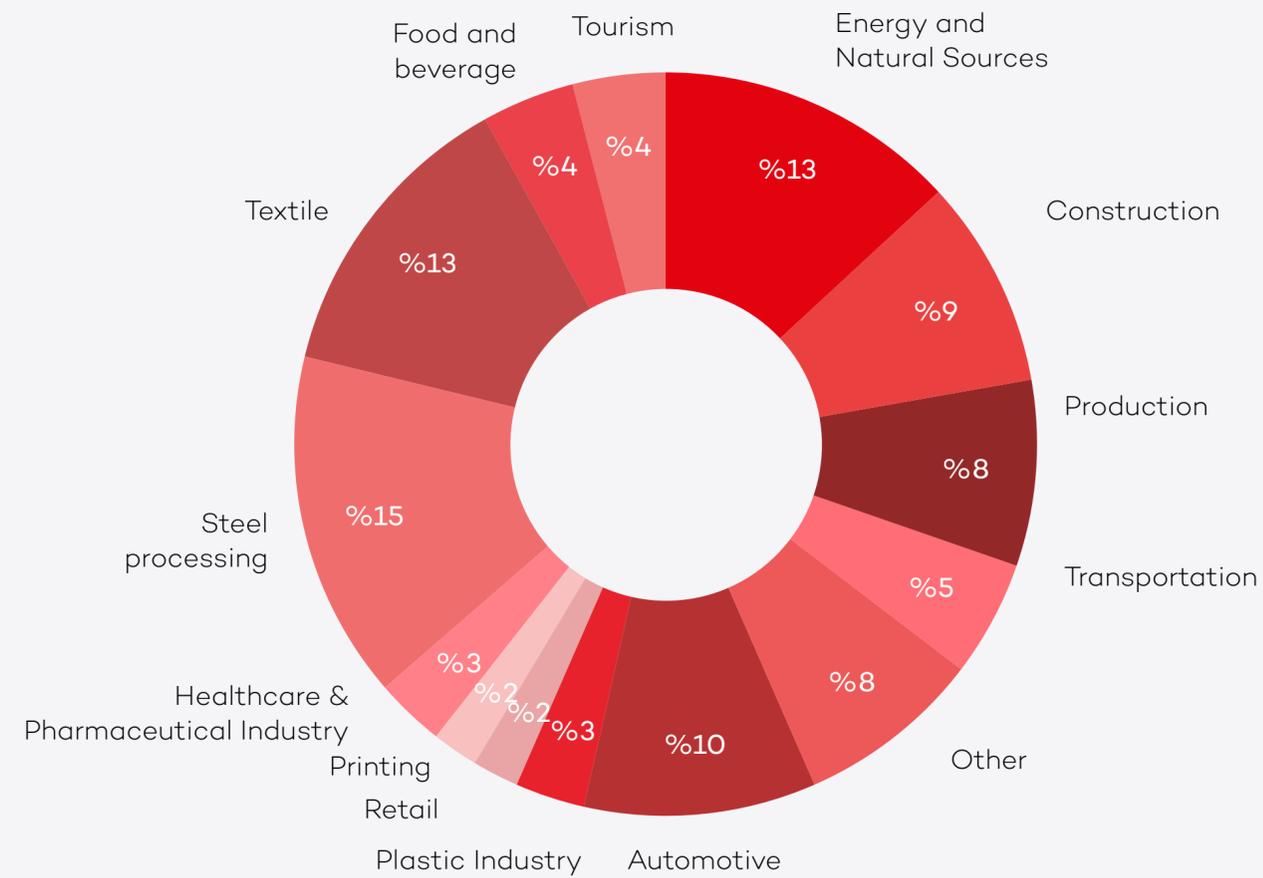


Asset quality, strong coverages

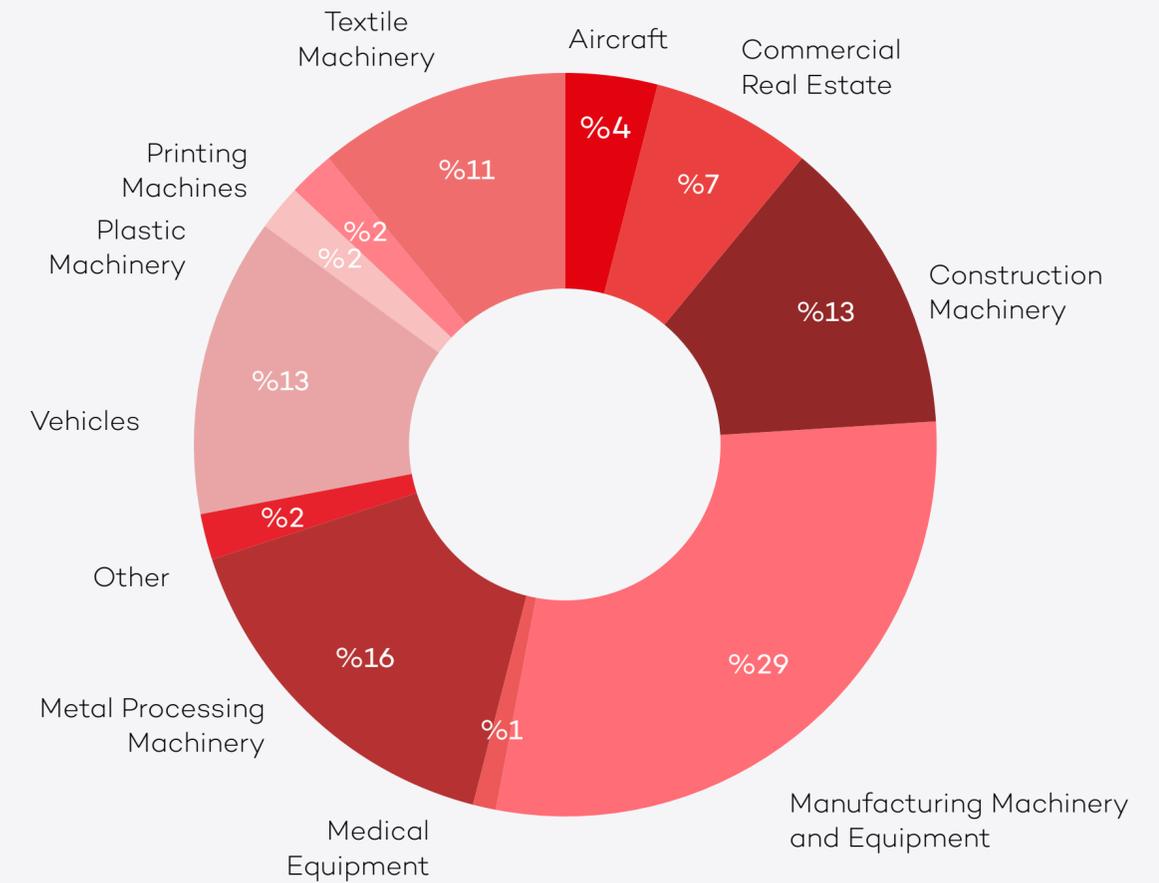


Balanced loan portfolio

Sector Breakdown (2023/6)



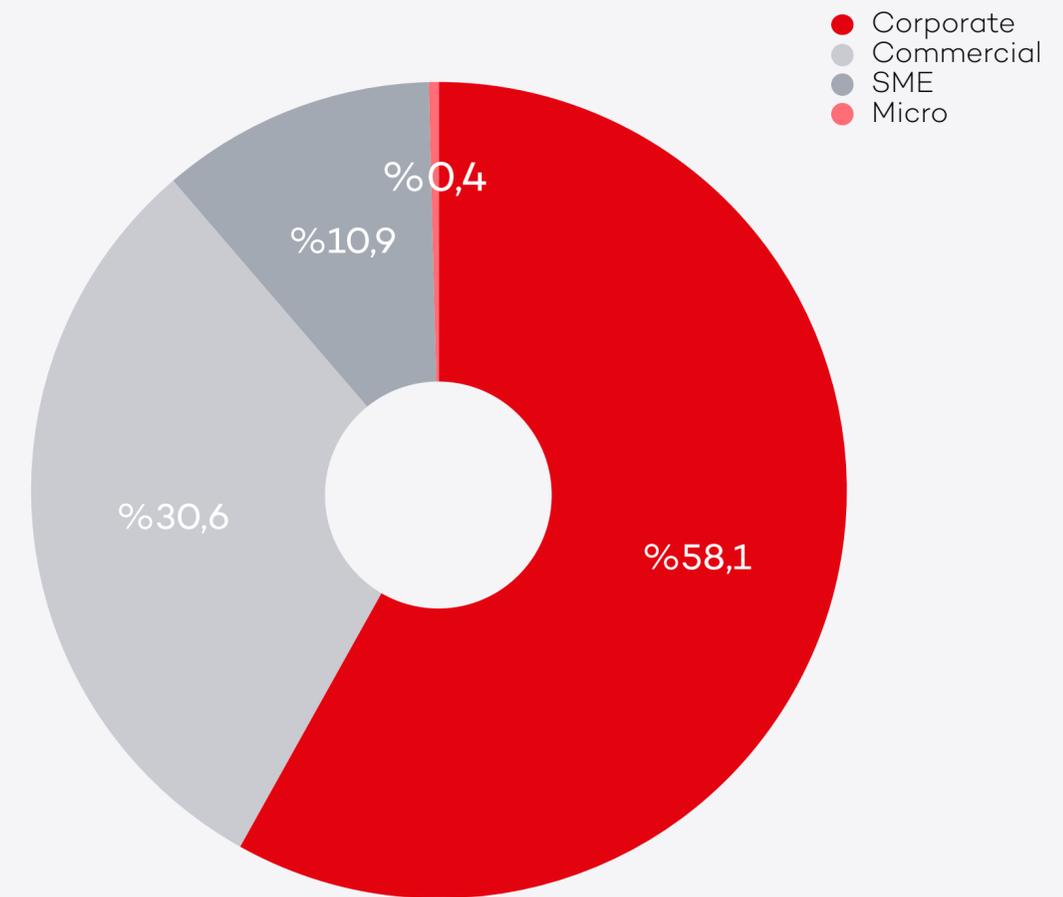
Asset Breakdown (2023/6)



Lease portfolio structure by segments



Segment Breakdown 2022/3



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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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