

Investor Presentation

February 2021

AKL *please*



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01 Akbank Overview

02 AKLease Overview

03 People & Culture

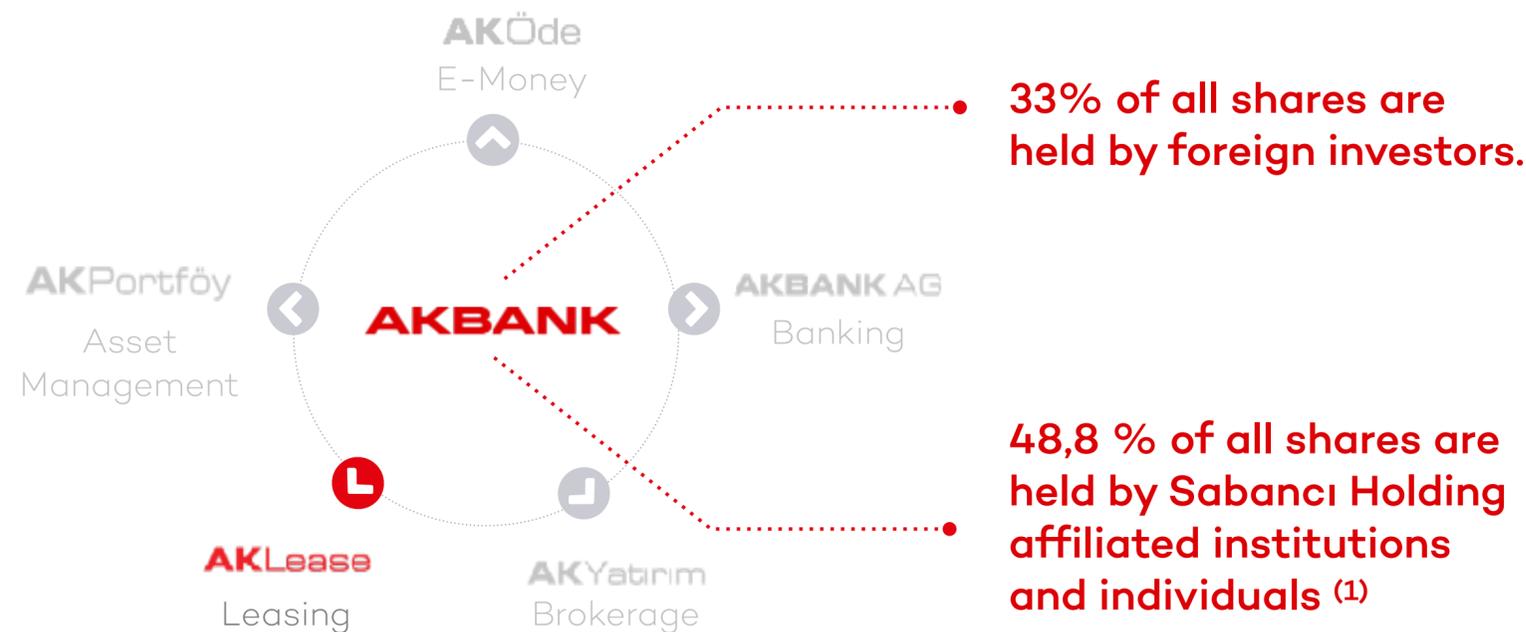
04 Sustainability

05 AKLease Financials

06 Operating Environment

Strong major local shareholder with long term vision

History and Shareholding Structure



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

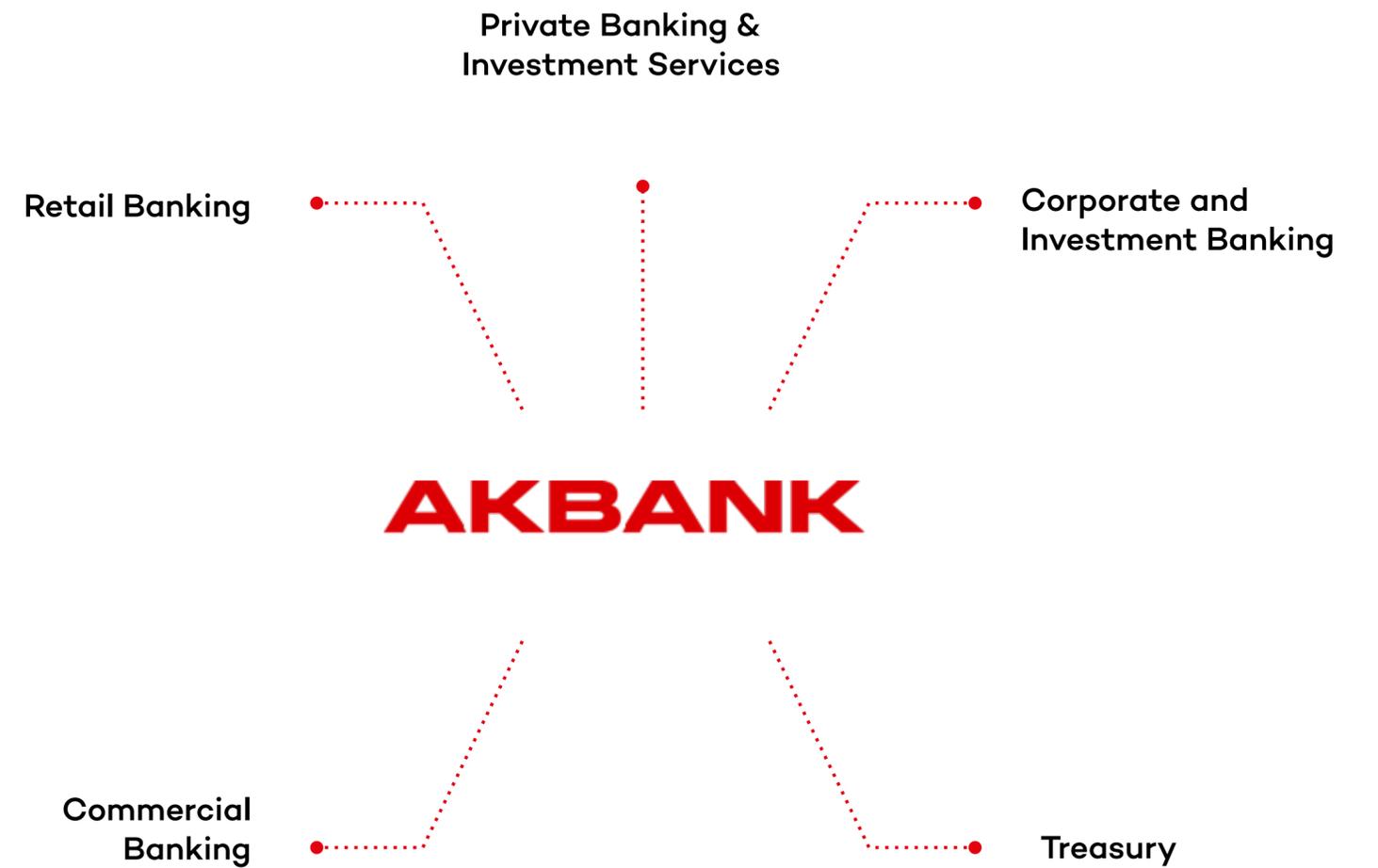
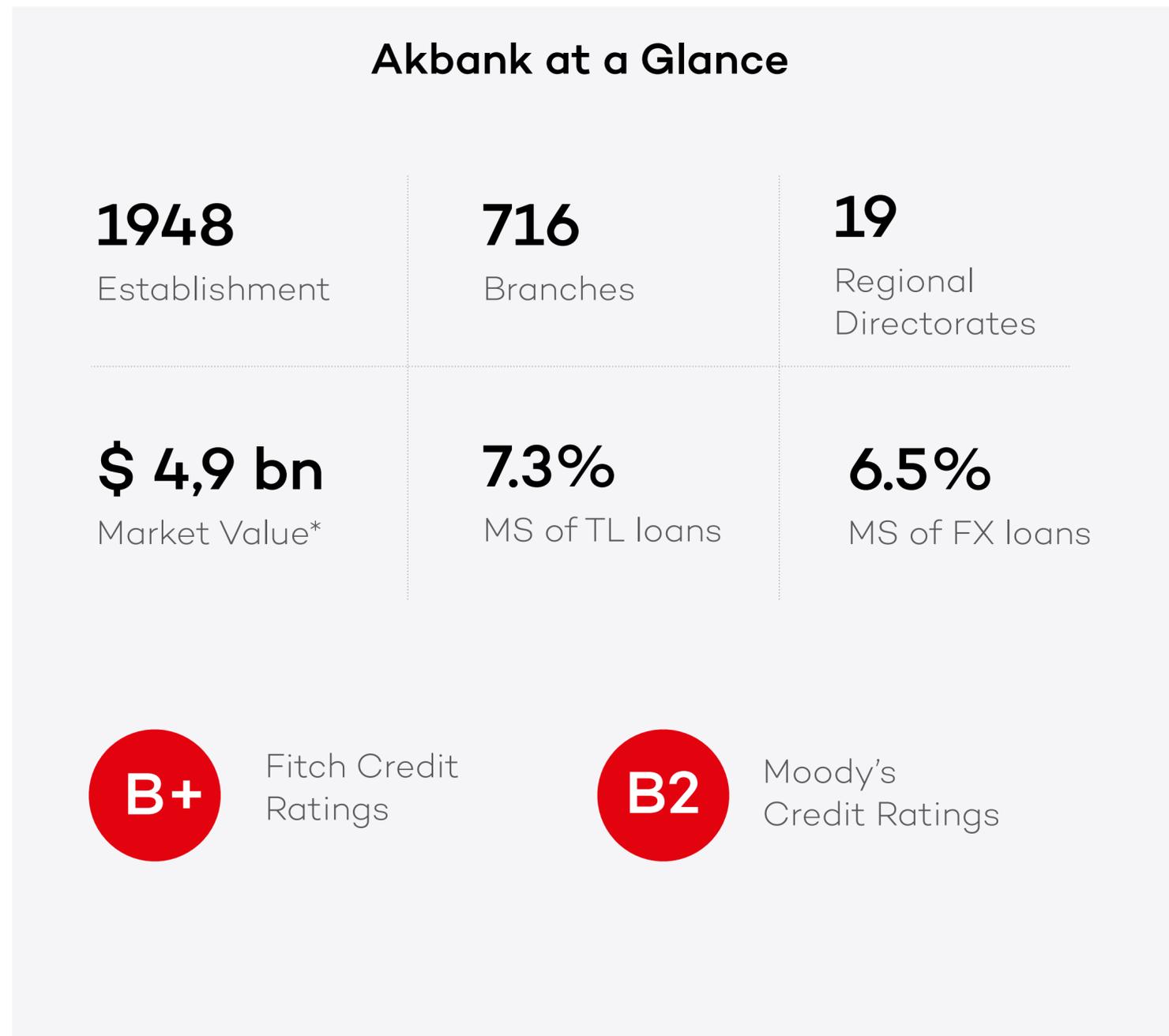
Owned by Akbank

AKLease is **99,985%** owned by Akbank, with the remainder (0,015%) owned by Sabancı Group affiliates

Sabancı Holding

- One of the two largest multi-business enterprises in Turkey with total assets of **US\$ 68 bn**
 - **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, building materials, retail and industrial businesses**
 - 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, Aviva, Bridgestone, Carrefour, E.ON, Heidelberg Cement, Marubeni, Skoda and Philip Morris
- **Akbank** is the flagship of the Sabancı Group with the highest share in revenues and profitability in the Group

Synergies from relationship with Akbank



AKLease

Strong presence in financial industry



AKBANK AG / Banking 100%

- Flagship of Akbank Group in Europe
- Total assets at US\$ 4,644 mn. and equity of US\$ 1,014 mn.
- Contribution to net income stands at 6.5% in 2020

AKLease / Leasing 100%

- Net lease receivables market share of 9,5%

AKYatırım / Brokerage 100%

- Top 5 in equity market transactions in 2020
- Leader in equity public offerings with TL 7.8 bn transaction size since 2010
- Leader in corporate bond issuances ⁽¹⁾ with 34% market share in 2020

AKPortföy / Asset Management 100%

- Total AUM with TL 59.8 bn
- Leader in pension fund management with TL 31,8 bn AuM, c. 19.1% market share ⁽²⁾
- TL 18.1 bn AuM in mutual fund management with c. 13% market share
- Leader in DPM with TL 8.8 bn AUM ⁽²⁾

AKÖde / Asset Management 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



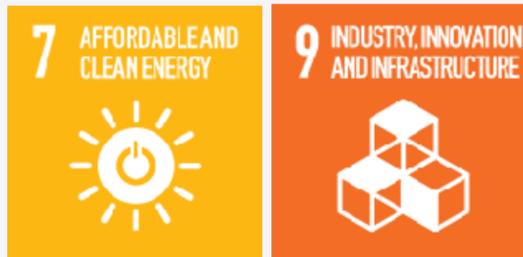
Actionable targets for positive impact

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 2030



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
Mehmet Hakan Tugal

EVP, Commercial
Banking, Akbank



Member
Çetin Düz

AKLease CEO



Member
Türker Tunalı

CFO, Akbank



Member
**Gamze Şebnem
Muratoğlu**

EVP, Treasury, Akbank



Deputy Chairman
Yunus Emre Özben

EVP, Credit
Underwriting, Akbank



Member
Emre Kahraman

Chief Risk Officer,
Akbank



Member
Savaş Külcü

Head of Internal Audit,
Akbank



Member
Ege Gültekin

EVP, Credit Monitoring
and Collections, Akbank

Strong presence in leasing industry

Aklease at a Glance

33 Years

Experience

99.99%

Owned by Akbank

Top 3

Ranks by Asset Size*

10

Branches

9,6%

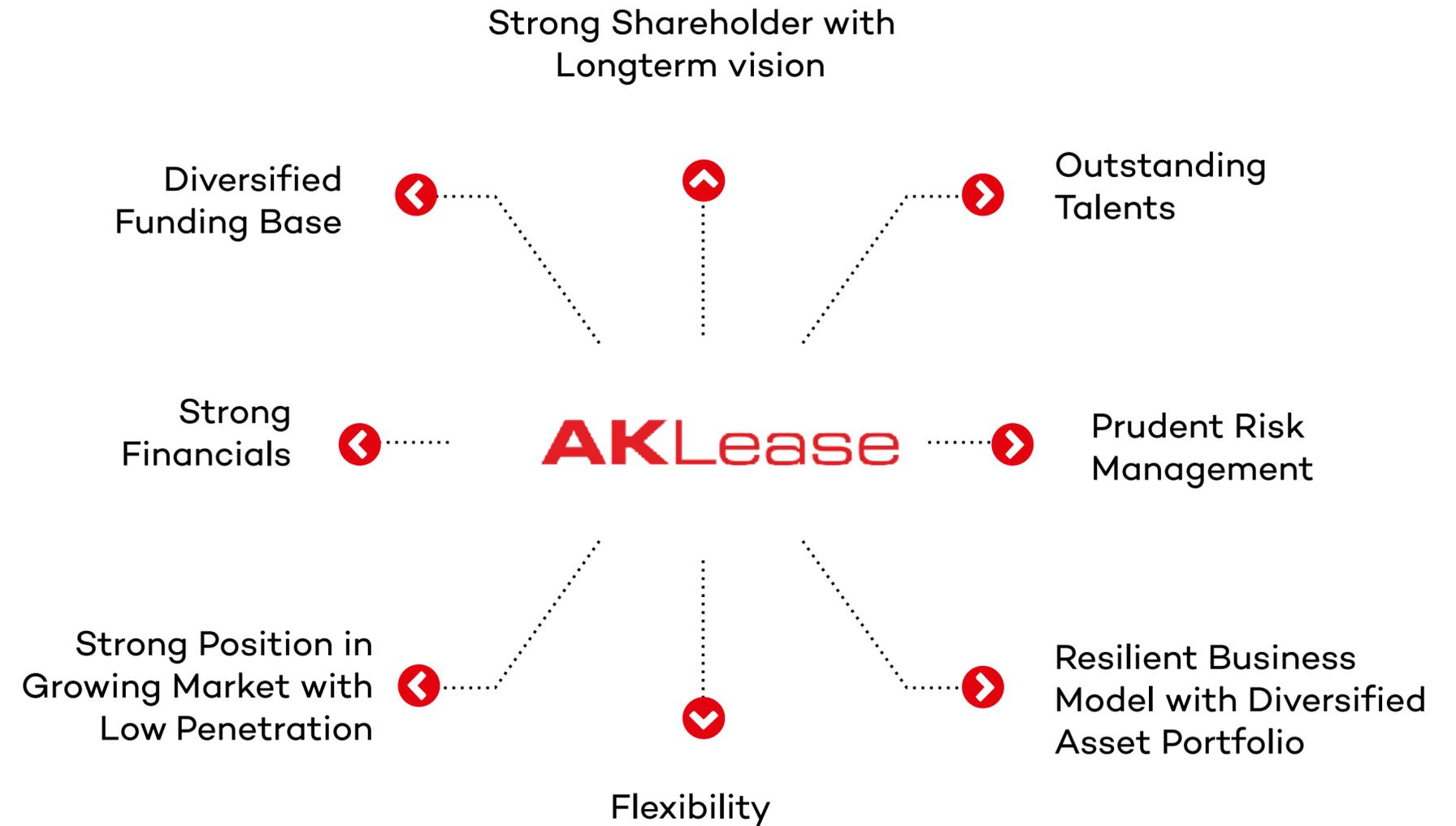
Market Share

Rating

LTFC IDR B+

Rated by Fitch

Key Strengths



2021 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

39

Average
Age

%34

Female
employees

%21

PhD & Masters
Degree:

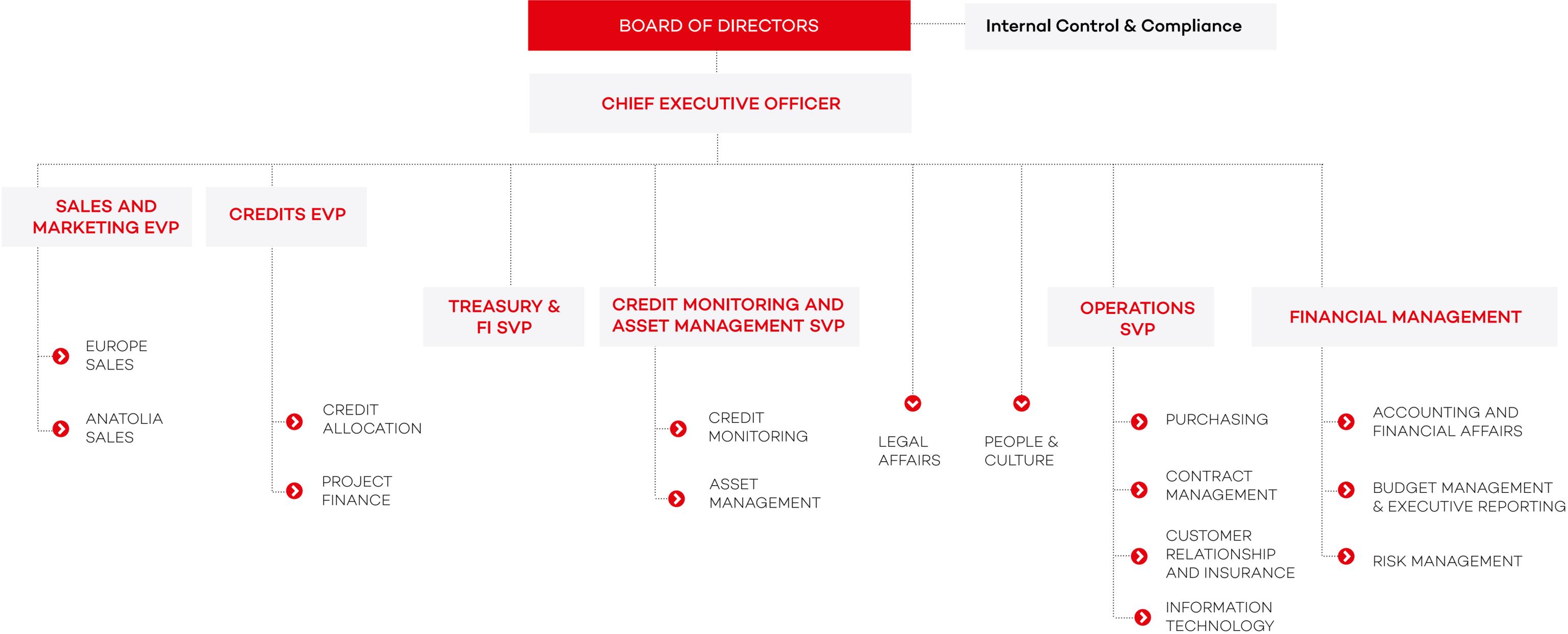


High employee
engagement score

Experienced &
Dynamic Team

End to end talent
management

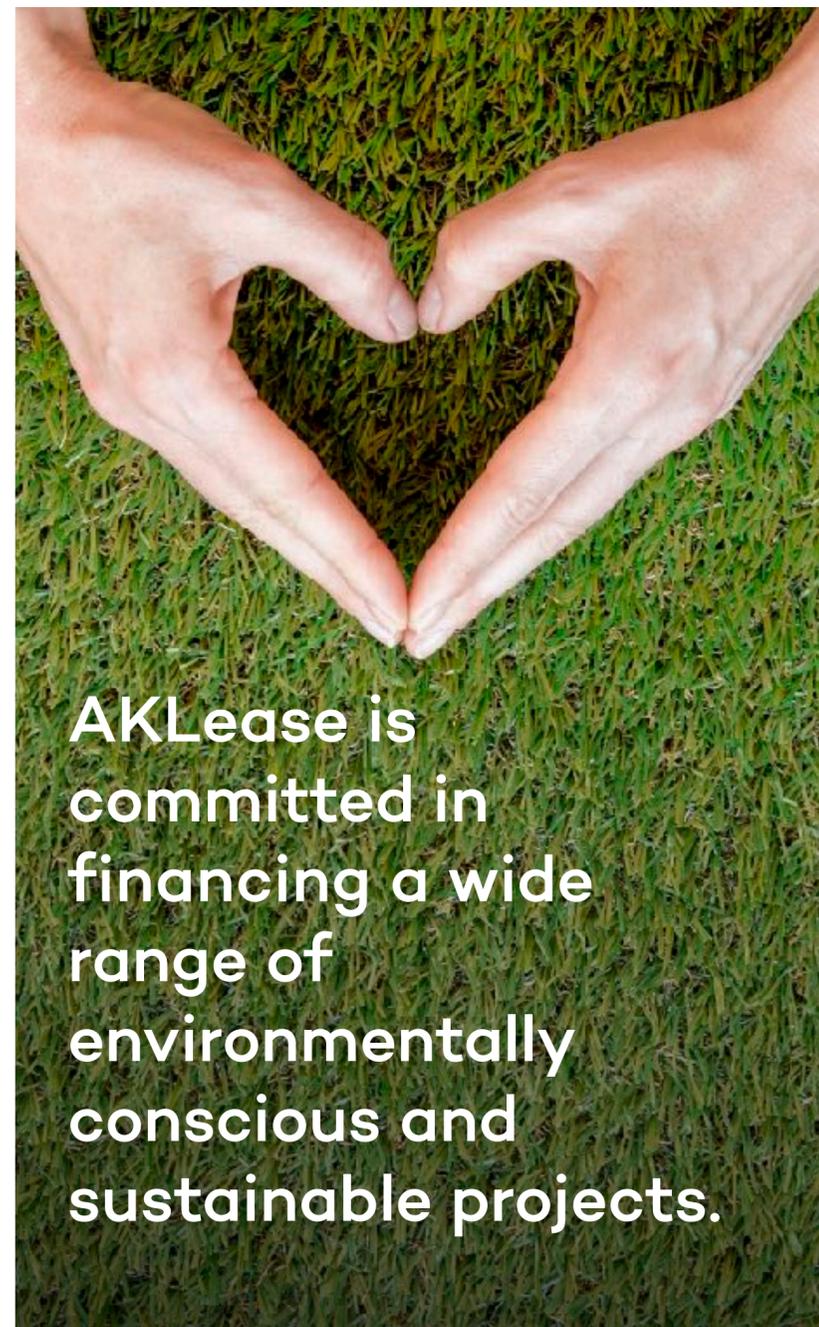
People & Culture: Organization chart



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Sustainable finance for a more sustainable economy



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

Total Installed Renewable Energy Power: 270 MWe

Annual Primary Energy Savings: 870.000 MWh / Clean Energy Generation for 200.000 Household Units

Annual CO2 Emission Reduction: 260.000 Tonnes CO2 emissions prevented by renewable projects financed / Reflect of 12 mn trees CO2 absorption

Obtained USD 25 mn from Dutch entrepreneurial development bank FMO with 5 years maturity for renewable energy and energy efficiency financing in 2020

AKLease's environmental policies set forth are a part of its corporate lending guidelines as of April 2011 and updated in May 2019 .

- ✓ 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.

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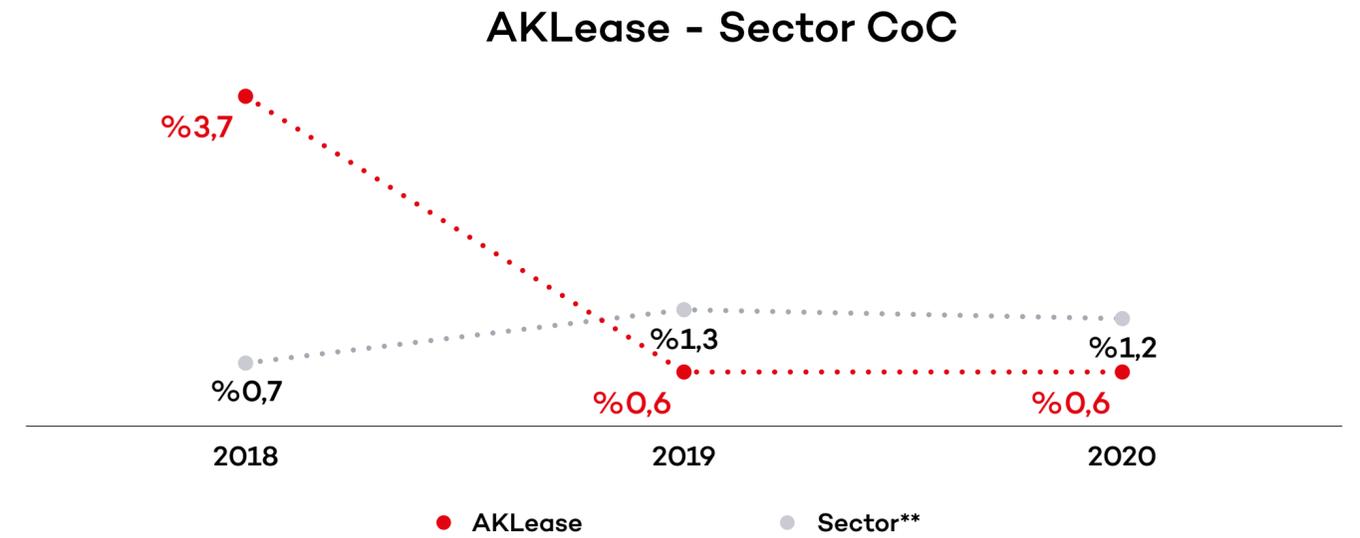
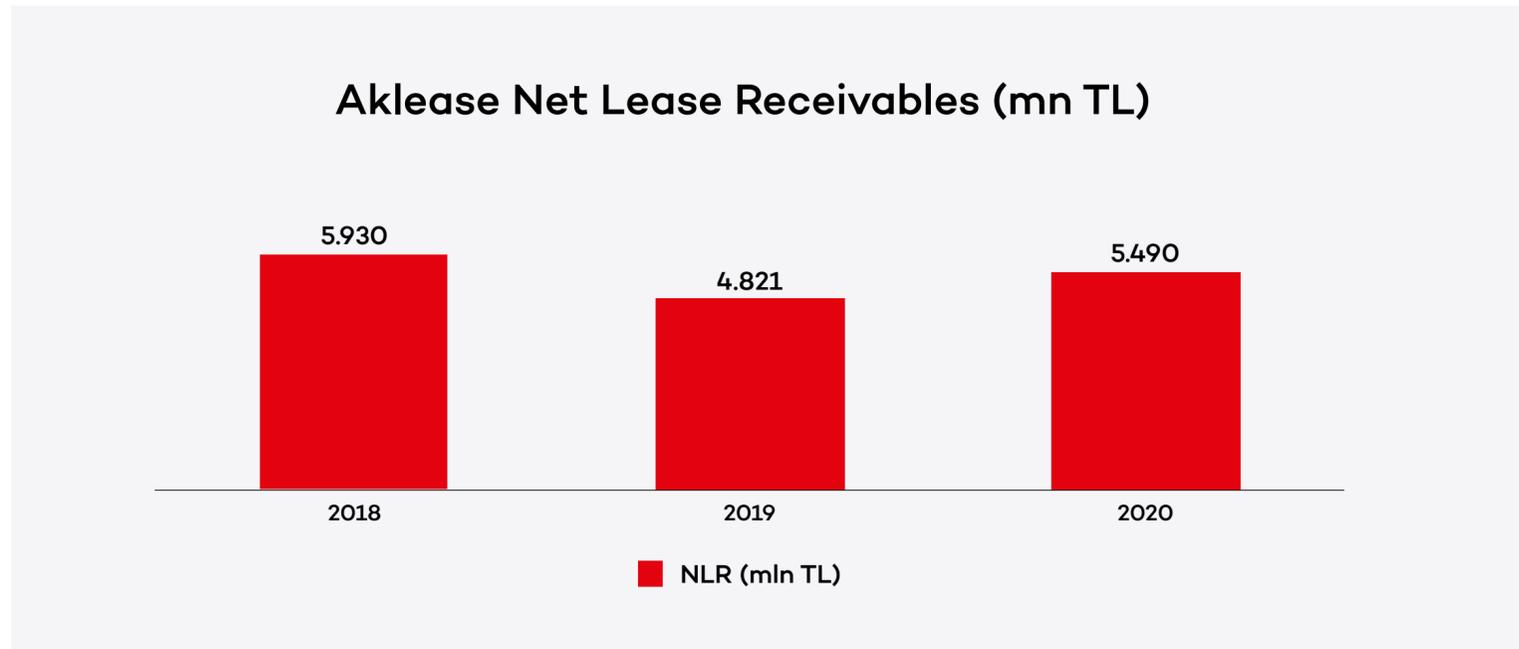
Snapshot of results

Income Statement mn TL	2018	2019	2020
Net interest income	138	149	210
Net commission income	14	14	14
Other operating income	-4	40	69
Gross operating income	147	204	292
Provision expense	171	43	46
Other operating expense	49	43	47
Profit before tax	-72	117	199
Net profit	-55	95	155
Balance Sheet mn TL			
Lease receivable	5.806	4.821	5.490
NPL	600	573	568
Provision (-)	489	402	395
Net Lease Receivable	5.917	4.993	5.663
Assets held for sale	162	30	77
Other assets	578	812	935
Total Assets	6.657	5.834	6.676
Borrowings	5.512	4.590	4.992
Other Liabilities	418	296	581
Equity	727	948	1.103
Total Liabilities	6.657	5.834	6.676

Key Performance Indicators(%)

	2018	2019	2020
RoE	-9,9	12,3	15,2
RoA	-1,1	1,6	2,5
NIM*	2,7	2,8	4,6
NPL	9,4	10,6	9,4
Cost of Credit	3,7	0,6	0,6
Cost to Income	24,9	20,4	13,9
Cost to Assets	0,5	0,6	0,6
Equity to Gross Debt	13,2	20,6	22,1

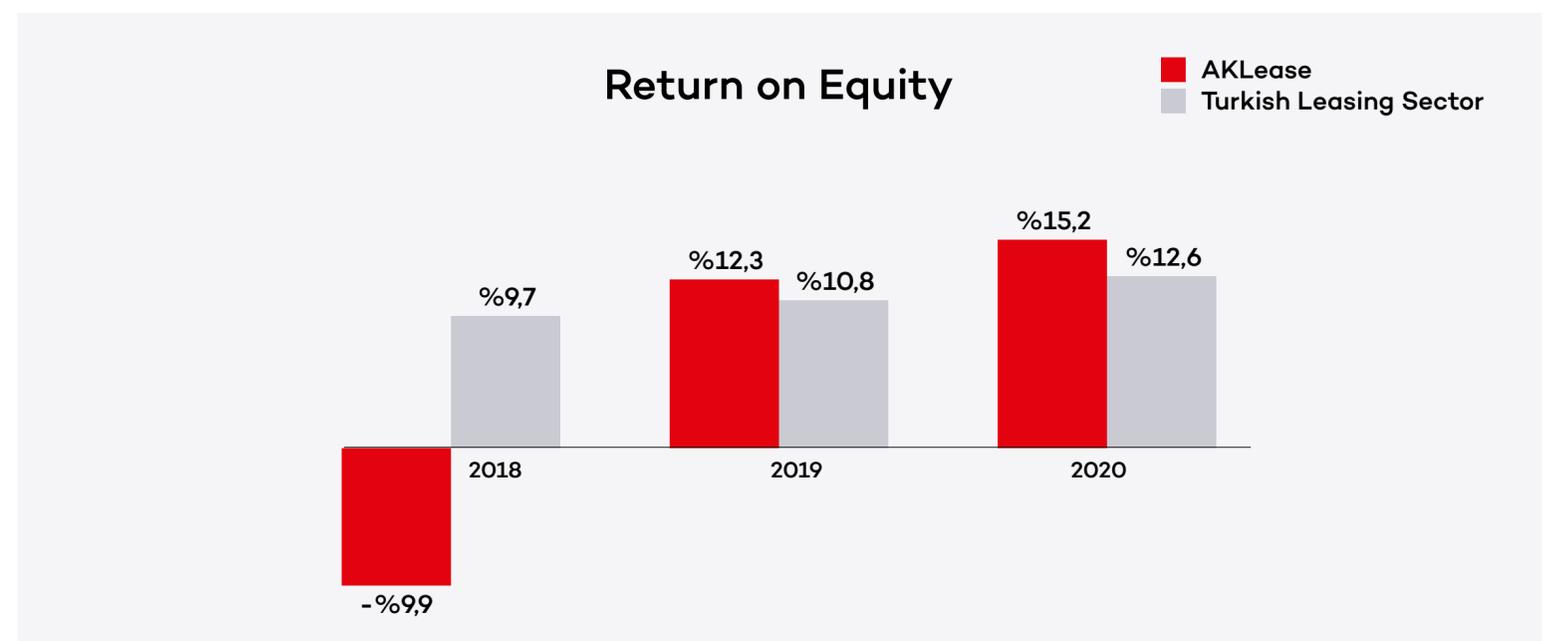
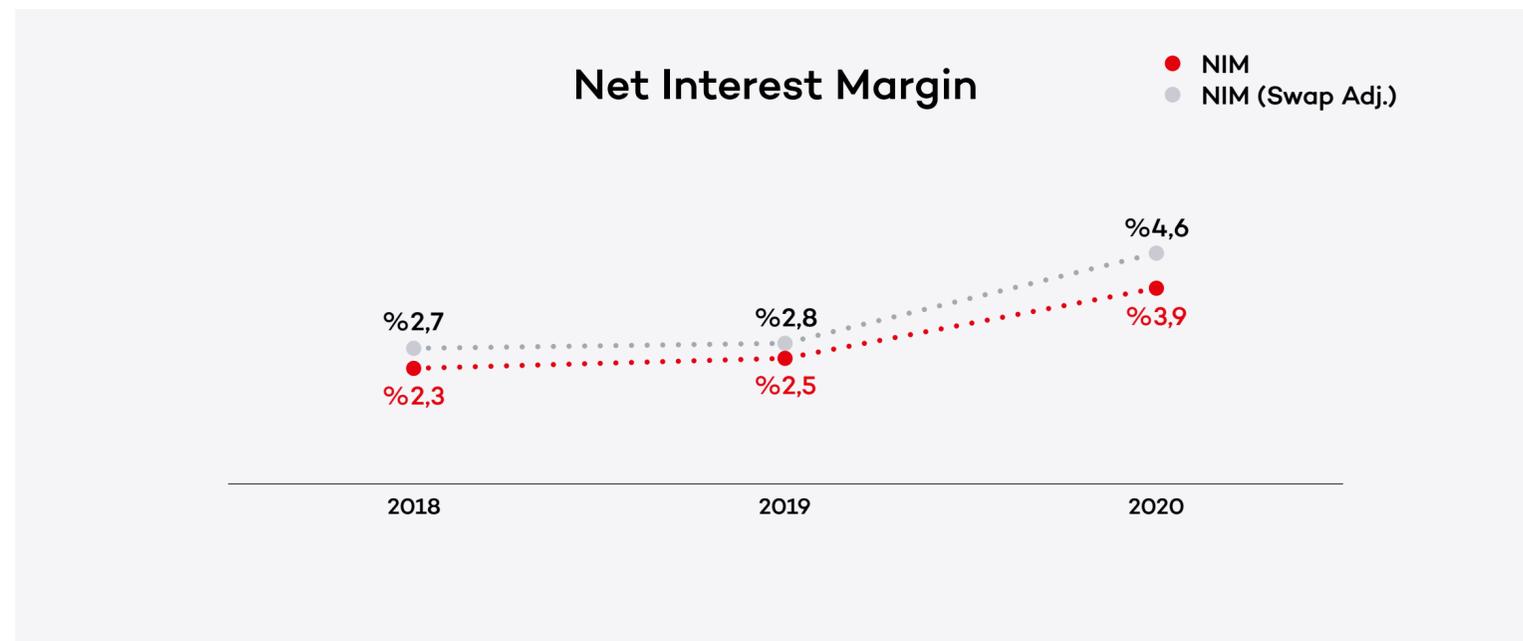
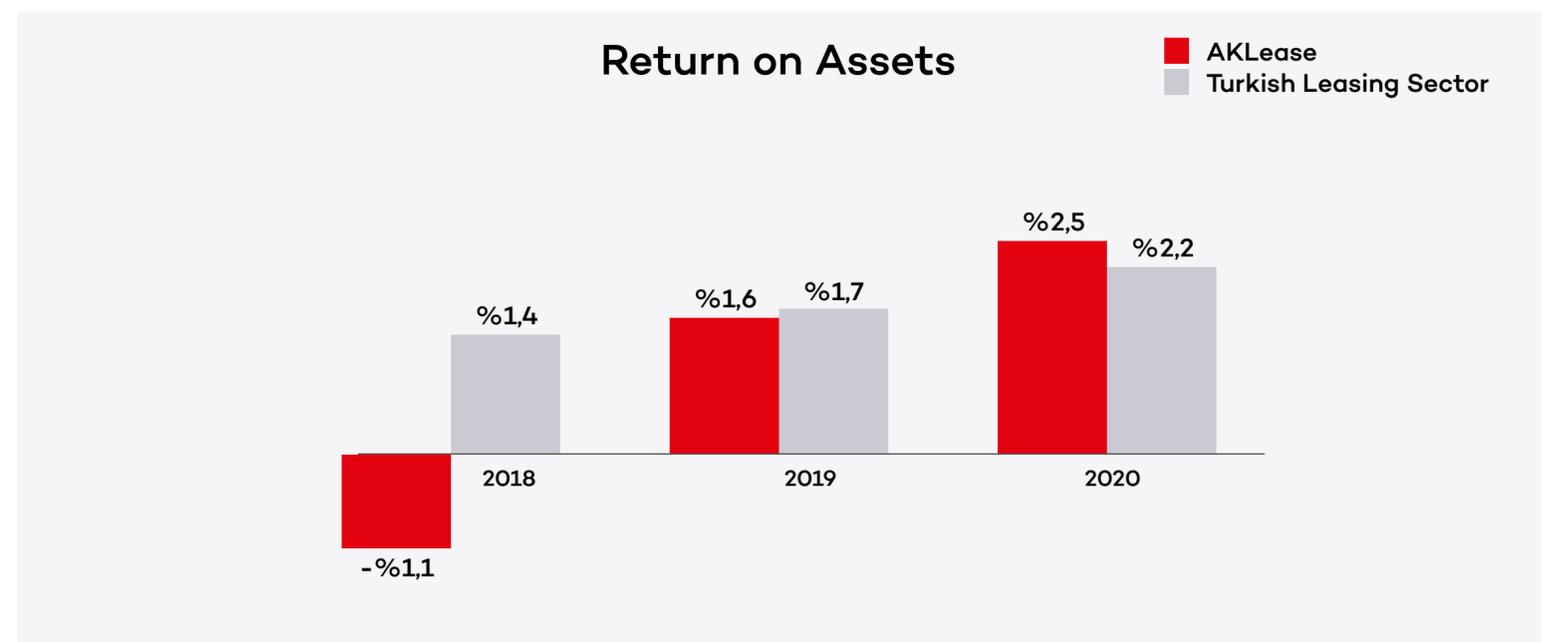
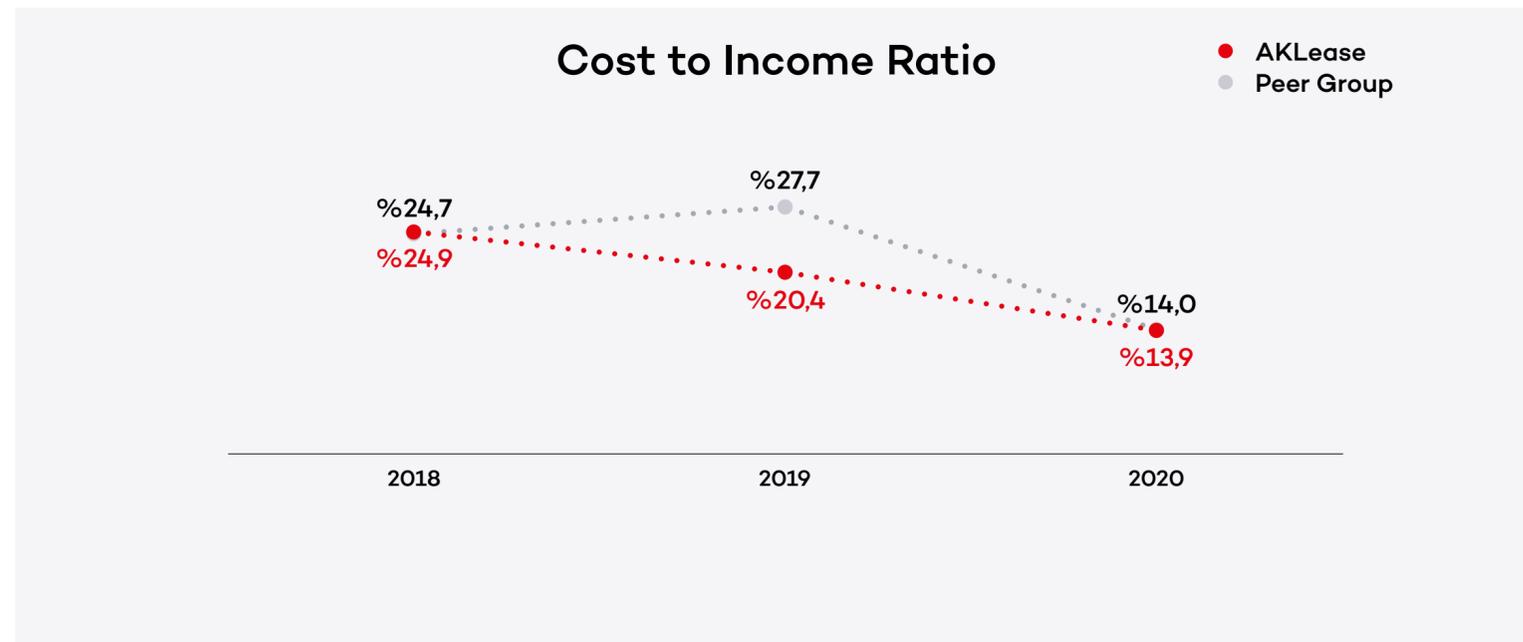
Well positioned in the market



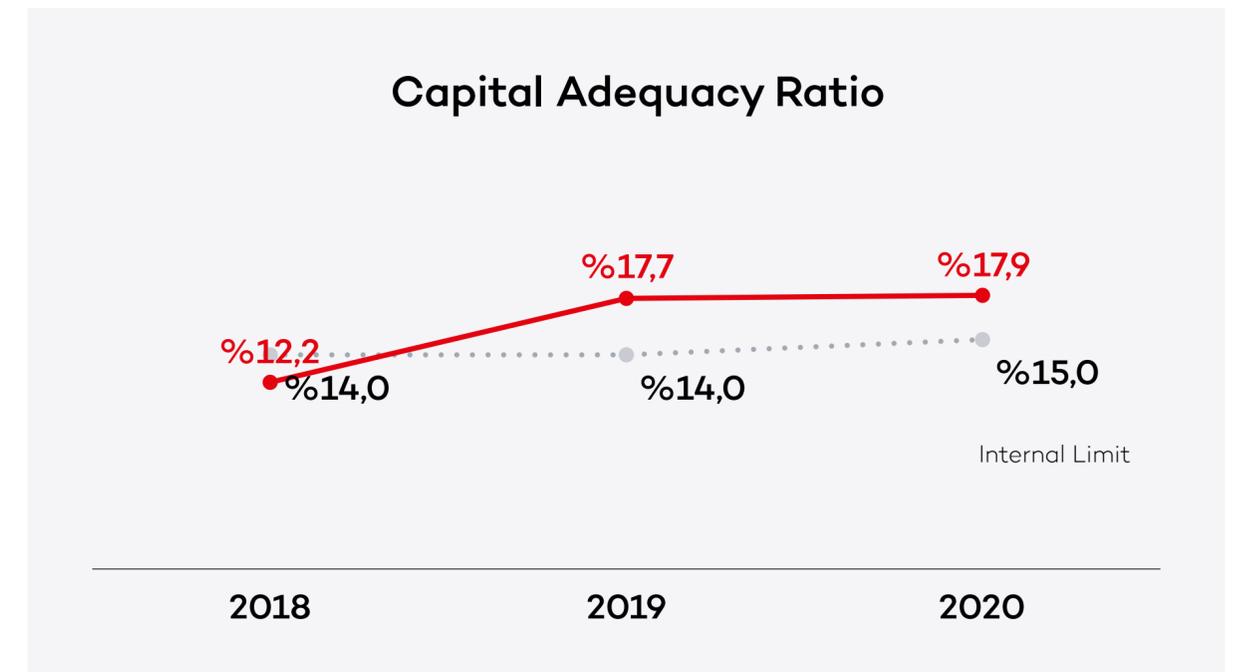
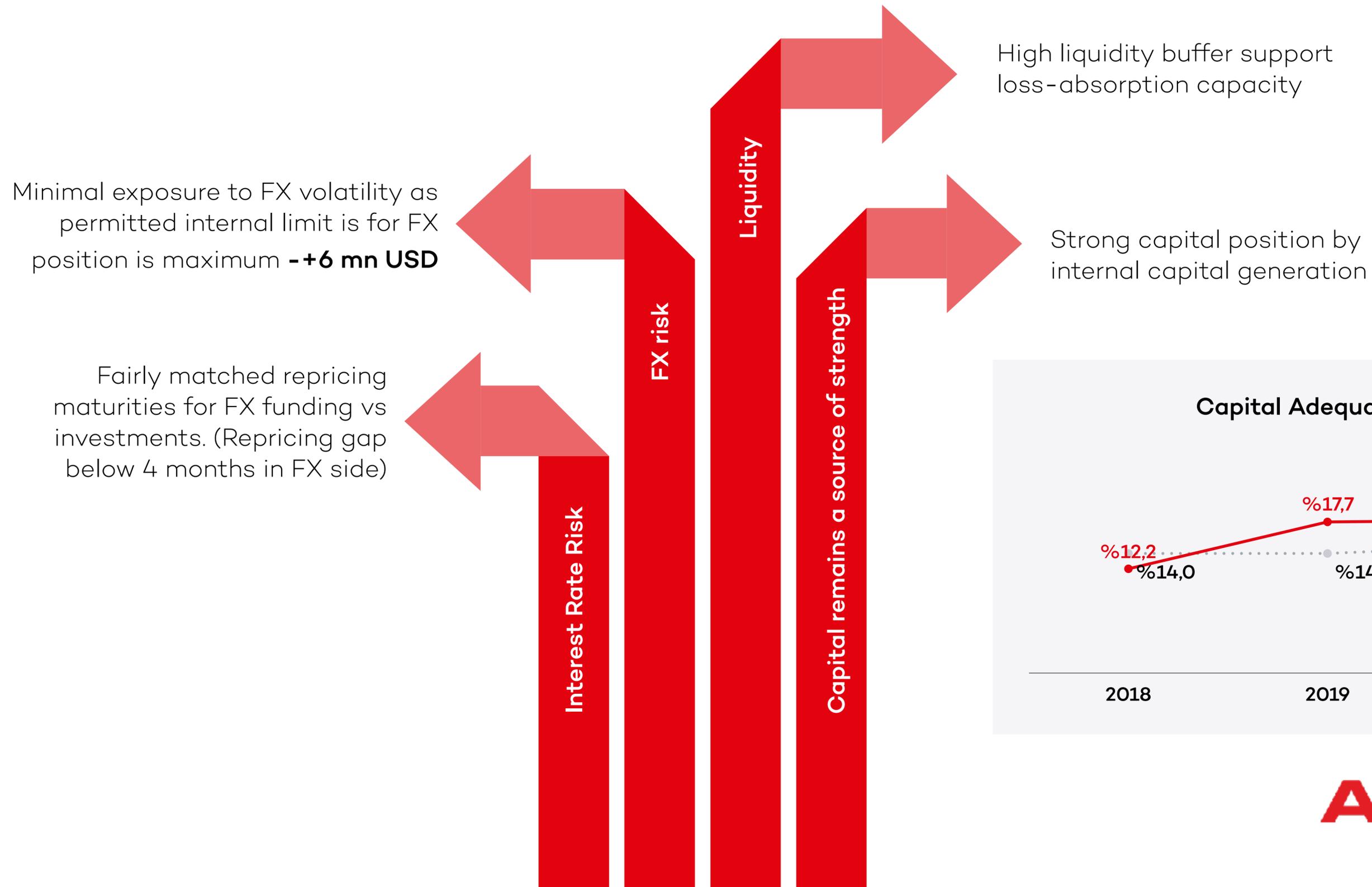
Ranking*	2018	2019	2020
Return on Equity	4	1	1
Net Lease Receivables	2	3	3

21 * In the same peer group ** Peer group average CoC ratio

Strong operating performance



Strong resilience to financial risks

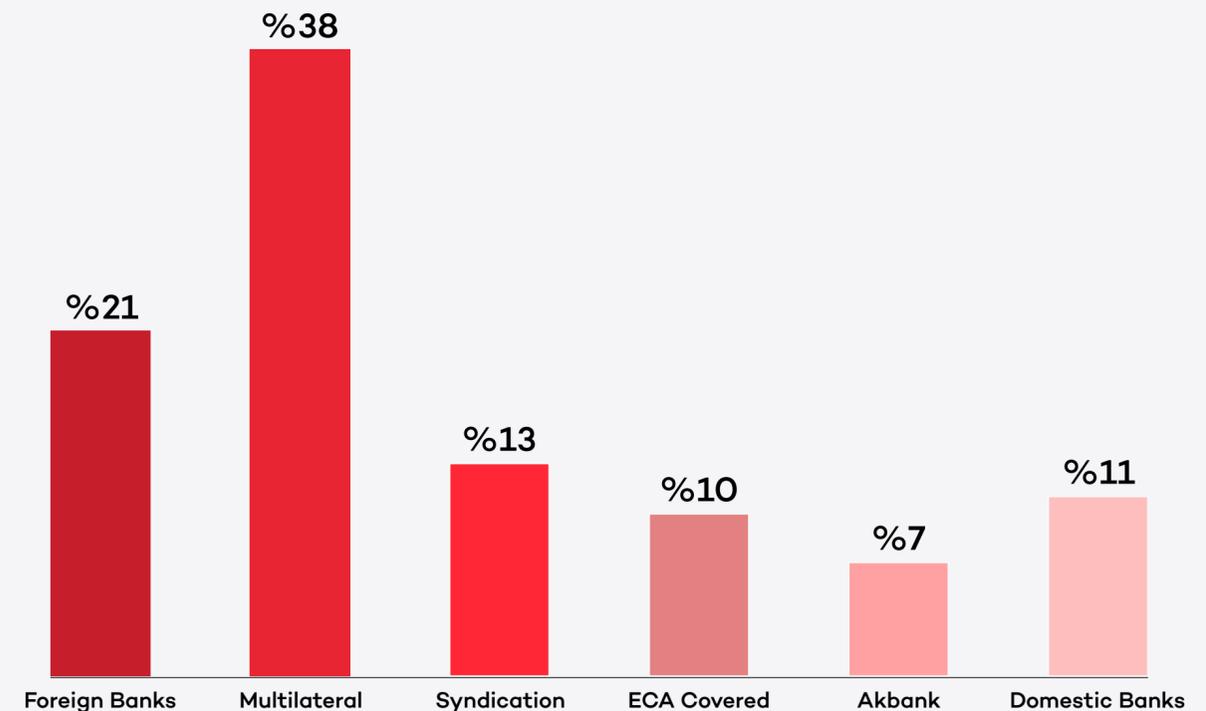


Well established wholesale funding profile

Successful Wholesale Borrowings

- ✓ **EUR 40 mn**, 3 years loan from The European Bank for Reconstruction and Development (EBRD) for helping robust recovery of Turkish economy during Covid-19. **The first and only loan given by EBRD to Turkish leasing sector within the year of 2020.**
- ✓ **USD 25 mn**, 5 years loan from Dutch entrepreneurial development bank FMO for renewable energy and energy efficiency financing. **The first and only loan given by FMO to Turkish leasing sector within the year of 2020.**

Profile of Wholesale Funding



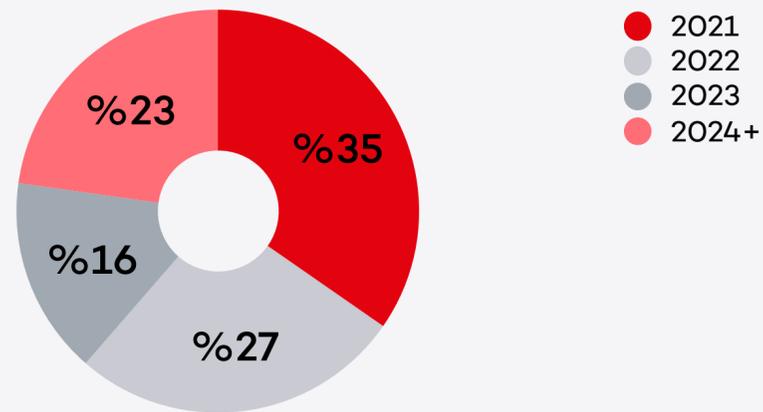
* Funding by Source FC (%)

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

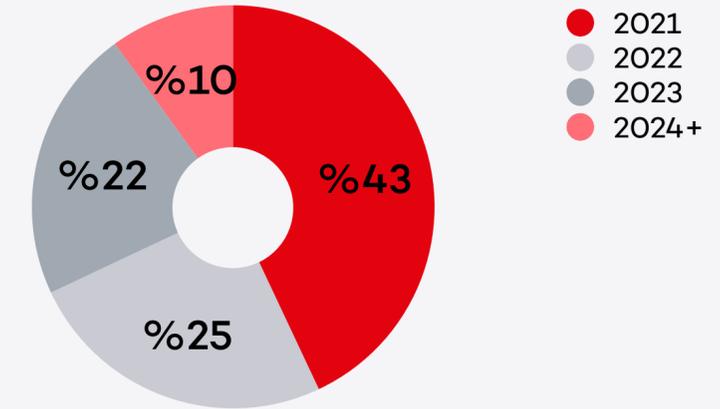
* Multilateral refers to loans provided by the multilateral financial institutions.

Maturity & currency breakdown

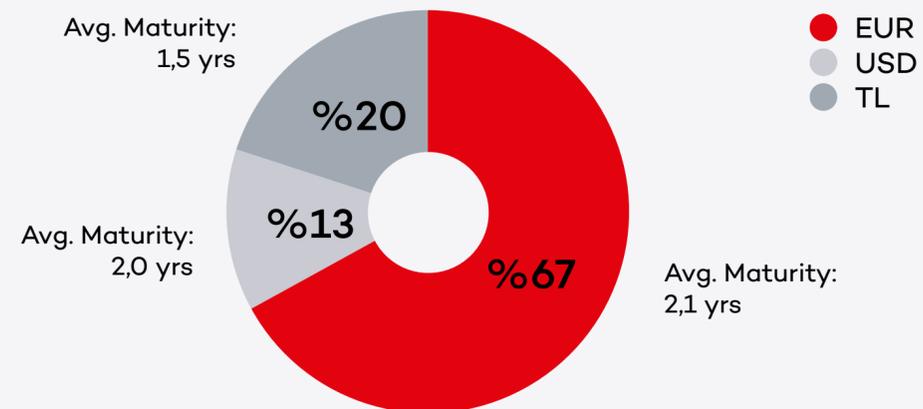
Portfolio Maturity (2020)



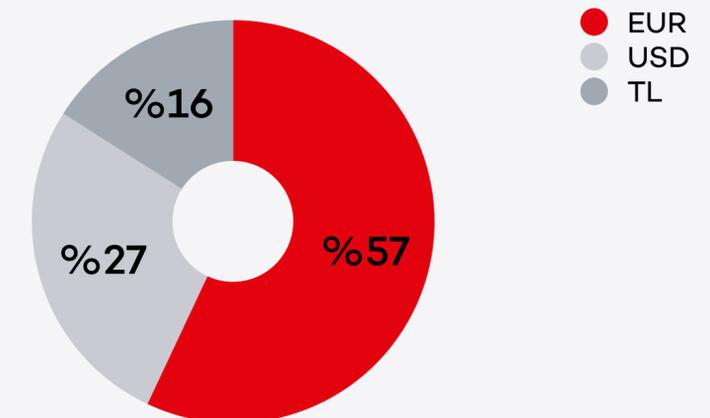
Funding Maturity Breakdown (2020)



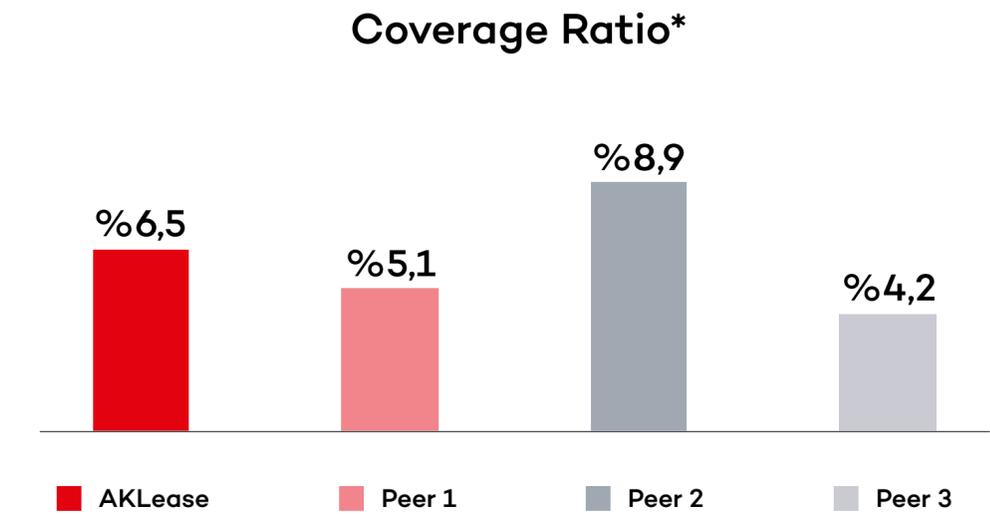
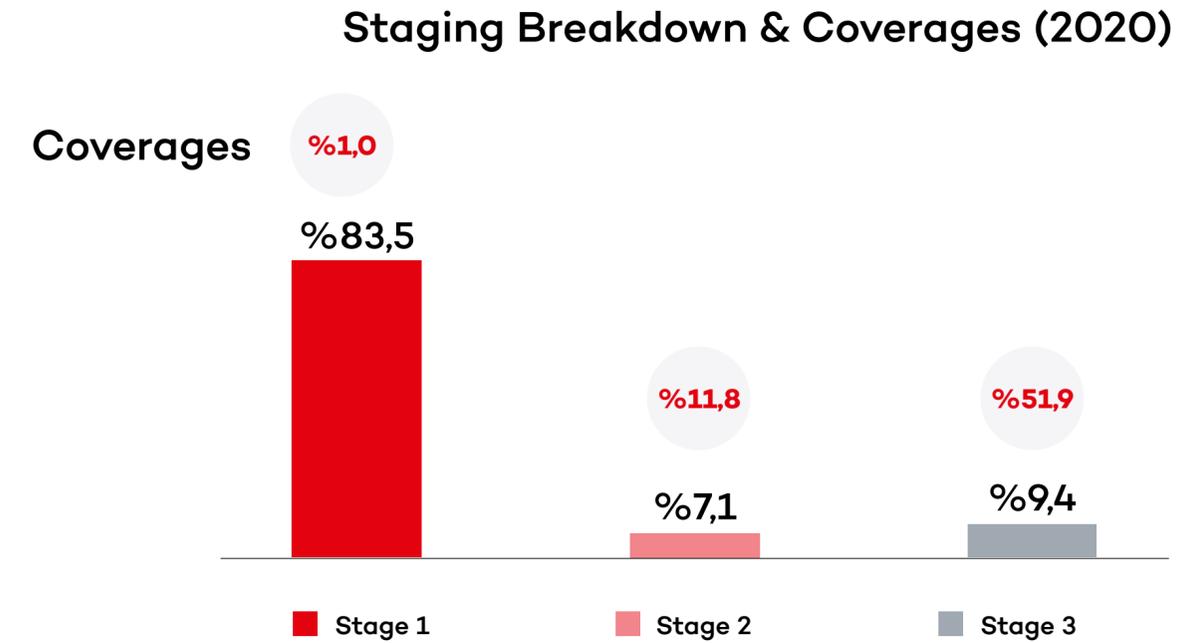
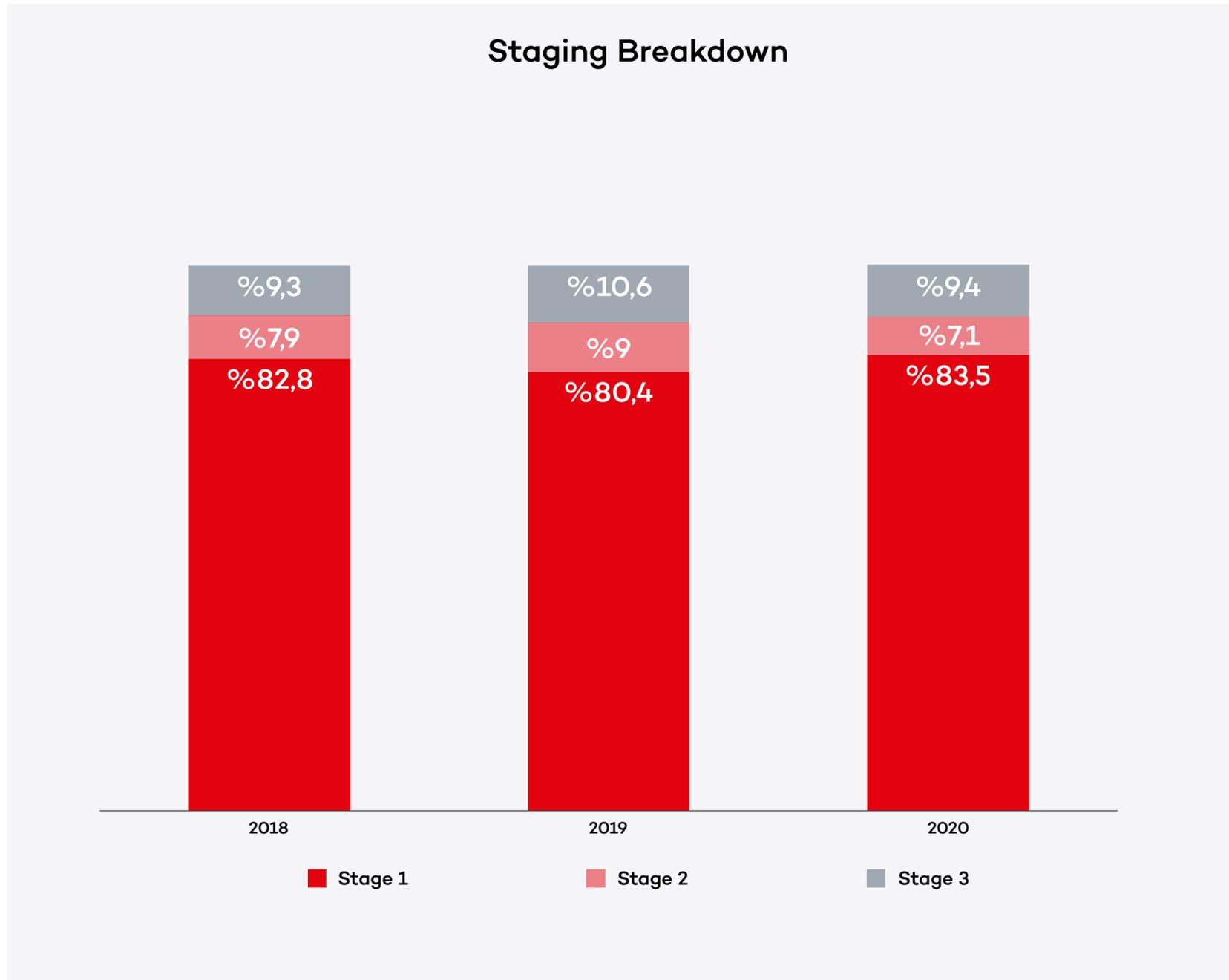
Portfolio Currency Composition (2020)



Funding Currency Breakdown (2020)

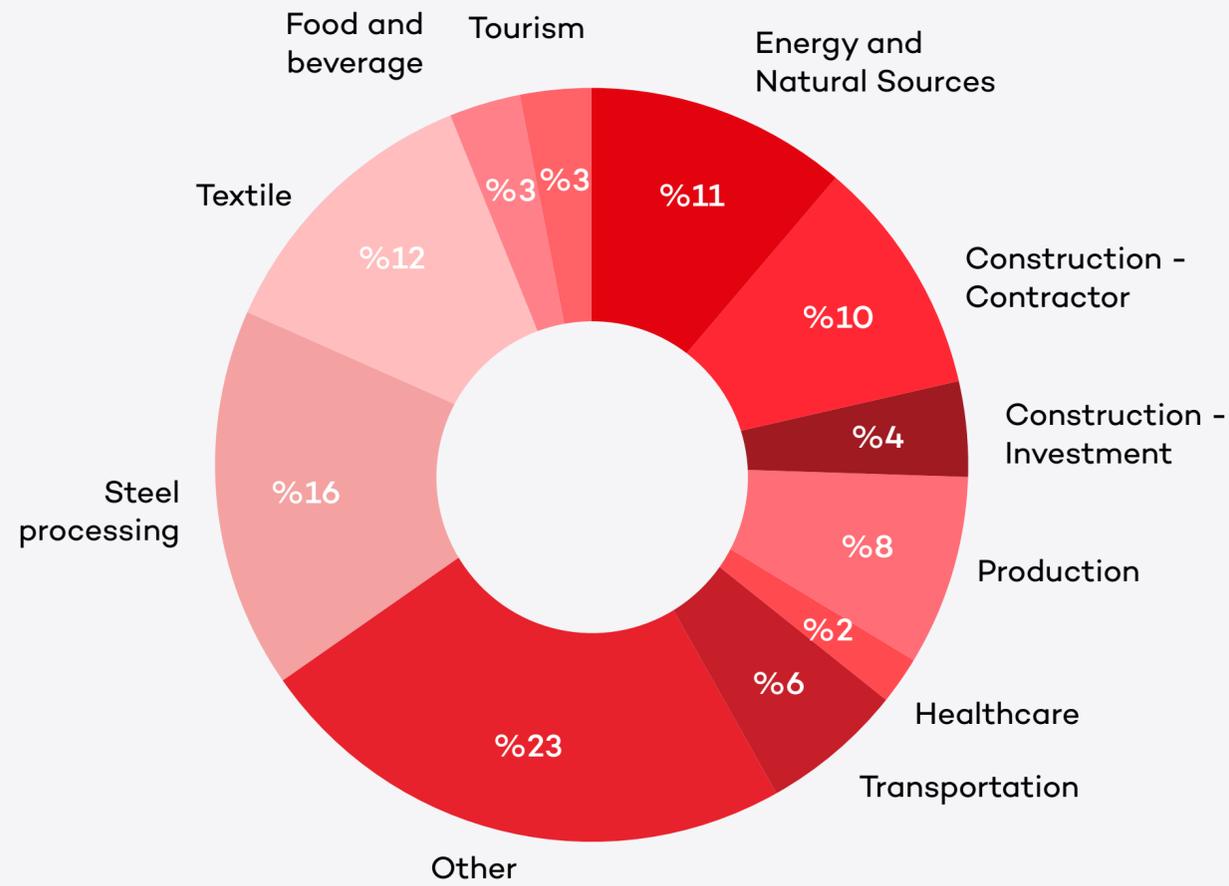


Asset quality, strong coverages

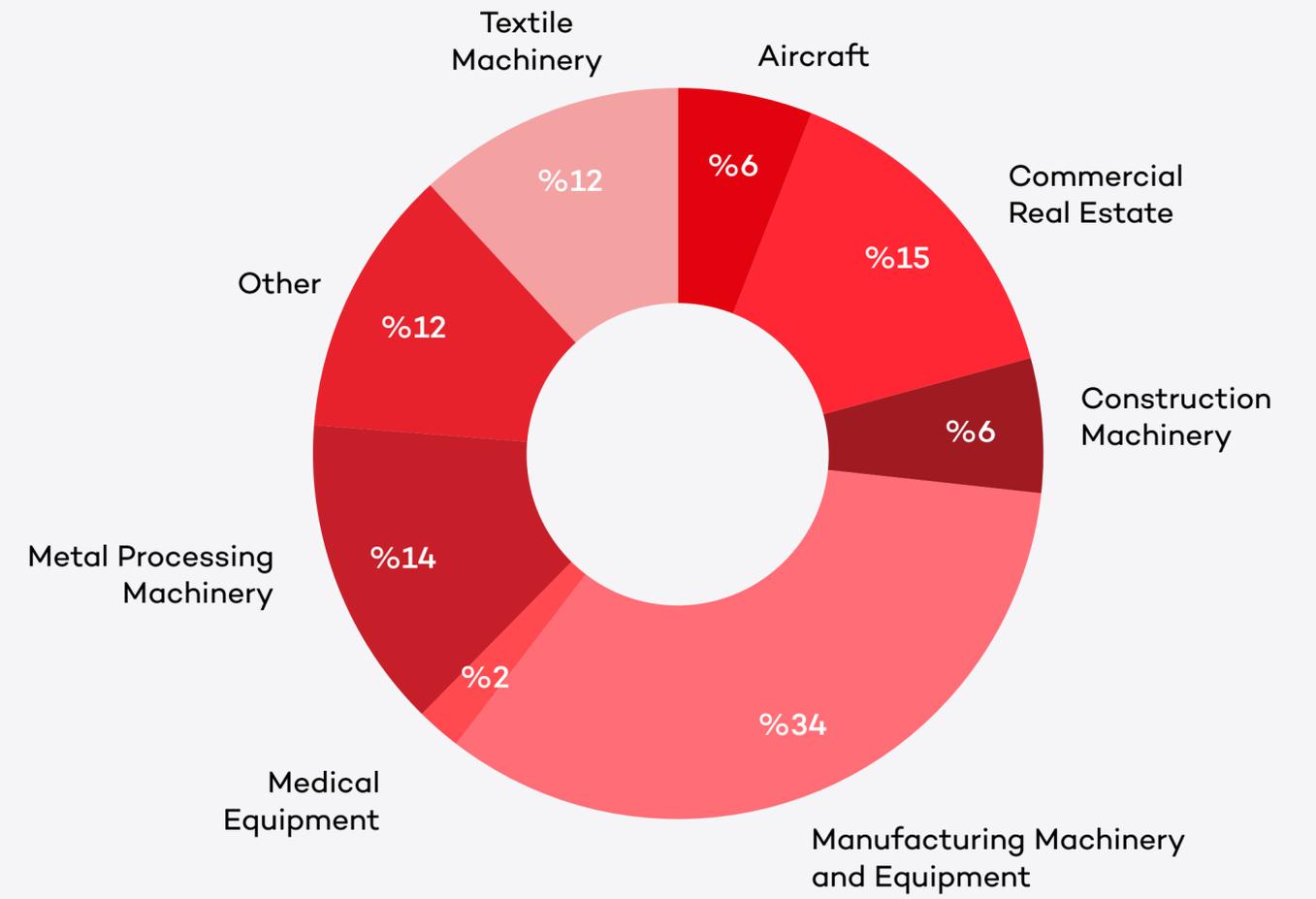


Balanced loan portfolio

Sector Breakdown (2020)

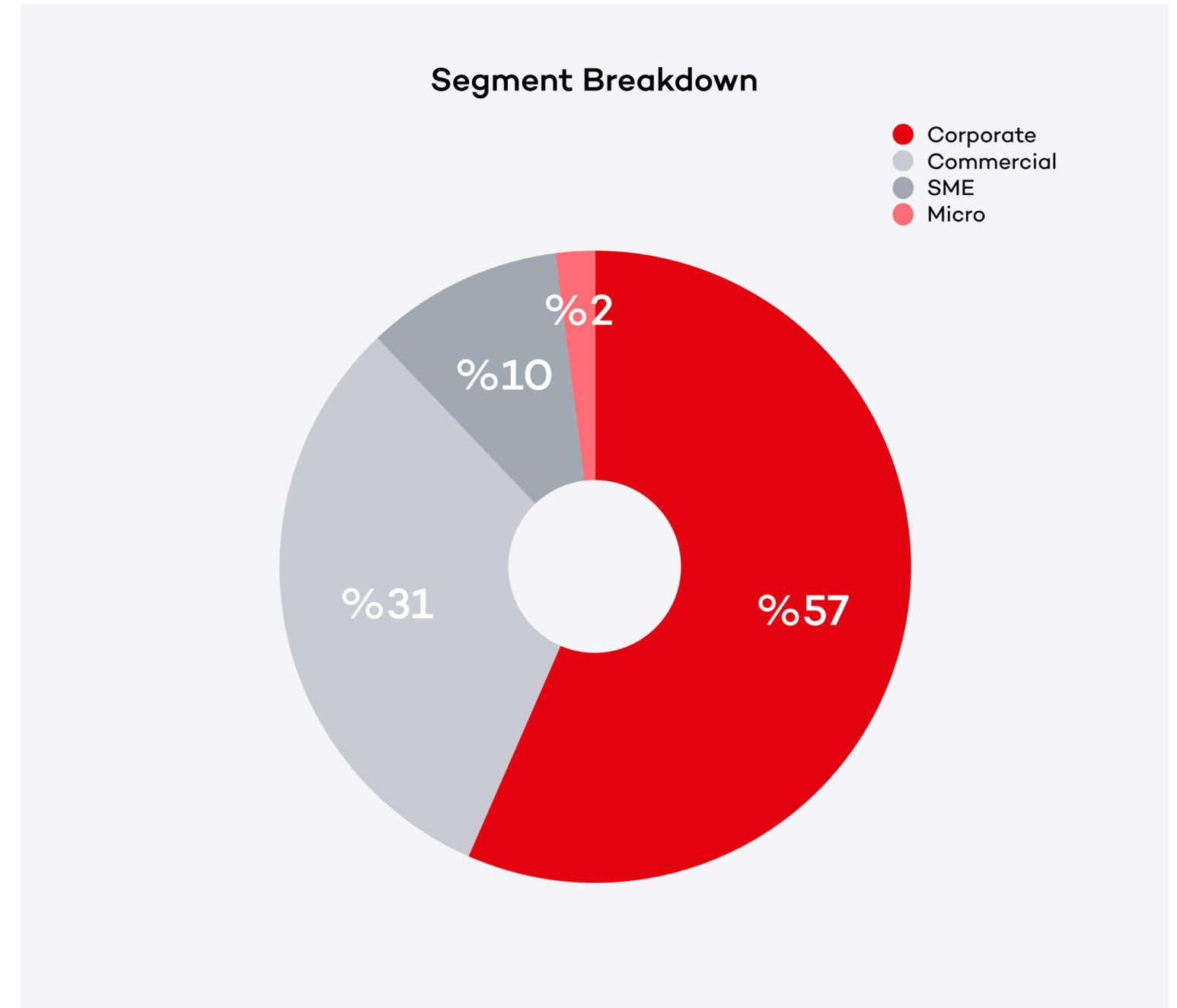


Asset Breakdown (2020)



Lease portfolio structure by segments

Customer Segment	Turnover
Corporate	>500 mn TL
Commercial	<500 mn TL >40 mn TL
SME	<40 mn TL >1,25 mn TL
Micro	<1,25 mn TL



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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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