

Investor Presentation

January 2020

AKL *lease*

A close-up photograph of a person's hands using a power tool to cut through a metal pipe. The tool is positioned vertically, and a large, dense shower of bright orange sparks is being ejected from the point of contact. The background is dark and out of focus, with some bokeh light effects. The overall scene is dynamic and industrial.

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01 Akbank Overview

02 AKLease Overview

03 Looking Forwards

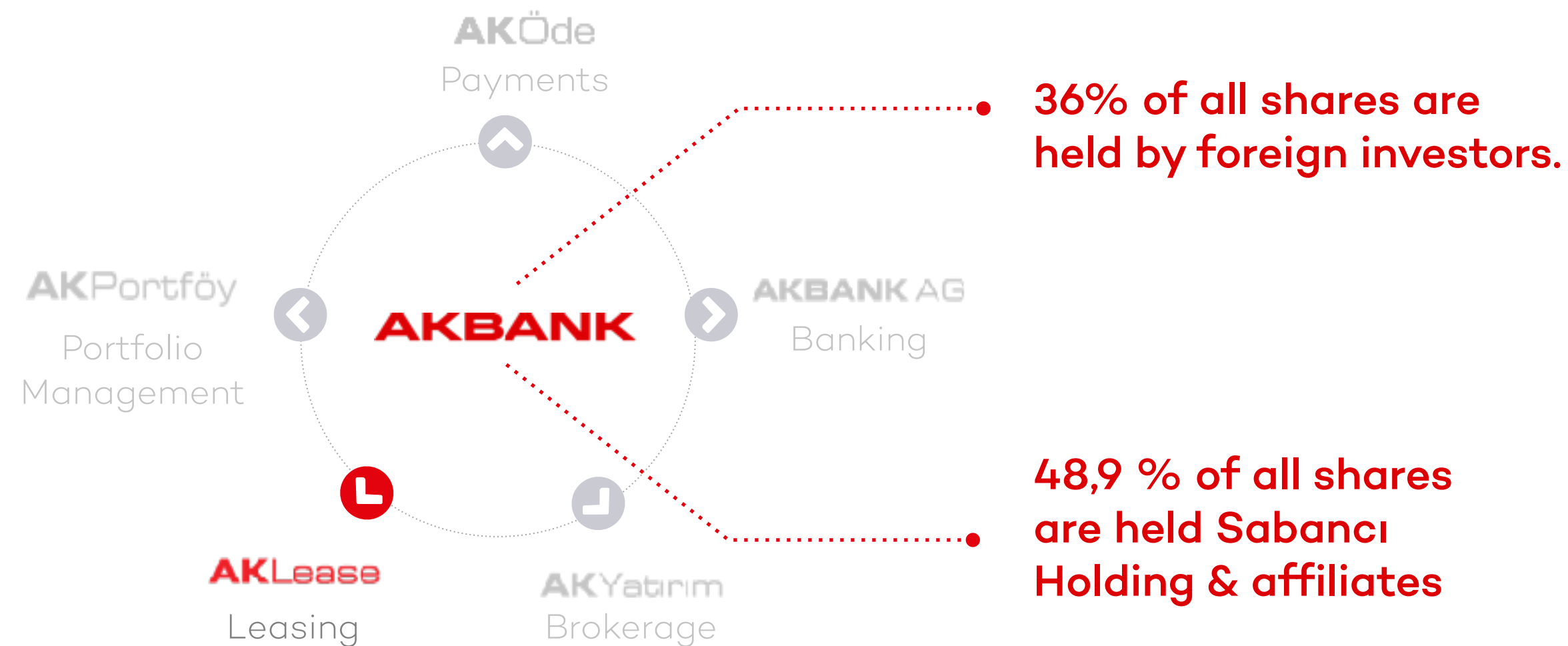
04 AKLease Financials

05 People & Culture

06 Operating Environment

Strong 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\$ 71 bn**
- **9% of BIST** capitalization with **12** public companies and the Holding itself
- Controlled by **Sabancı Family**, who is the majority shareholder
- Mainly operates in **financial services, energy, retail, cement, industrial businesses**
- Market leader in **cement & energy** distribution
- Joint-ventures with some of the **most well-established** companies in the world

Including; Ageas, Aviva, Bridgestone, Carrefour, E.ON, Heidelberg Cement, Marubeni and Philip Morris

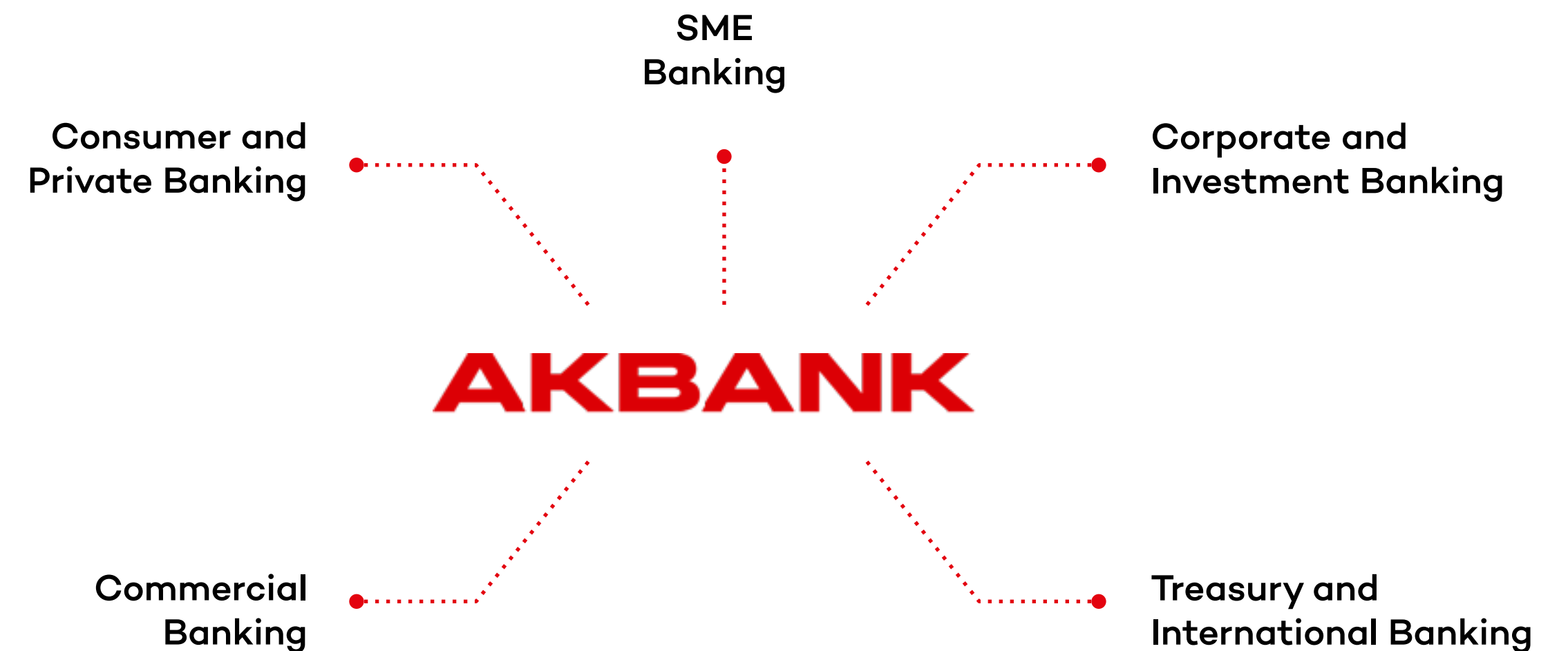
- **Akbank** is the flagship of the Sabancı Group with the highest share in revenues and profitability in the Group

AKLease

Synergies from relationship with Akbank

Akbank at a Glance

1948 Establishment	776 Branches	21 Cities
~17,9 mio Market Value	~8% MS of TL loans	~7% MS of FX loans
B+ Fitch Credit Ratings	B3 Moody's Credit Ratings	



AKLease

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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



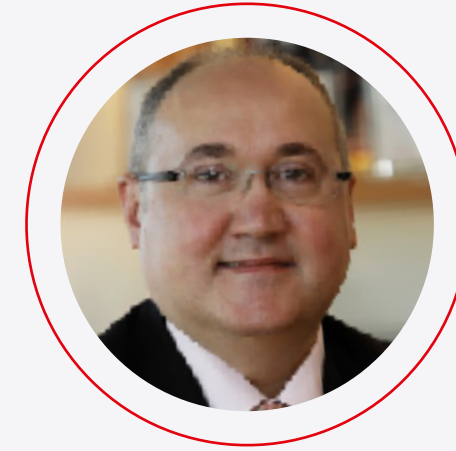
Deputy Chairman
Yunus Emre Özben

EVP, Credit
Underwriting, Akbank



Member
Emre Kahraman

Chief Risk Officer,
Akbank



Member
Savaş Külcü

Head of Internal Audit,
Akbank

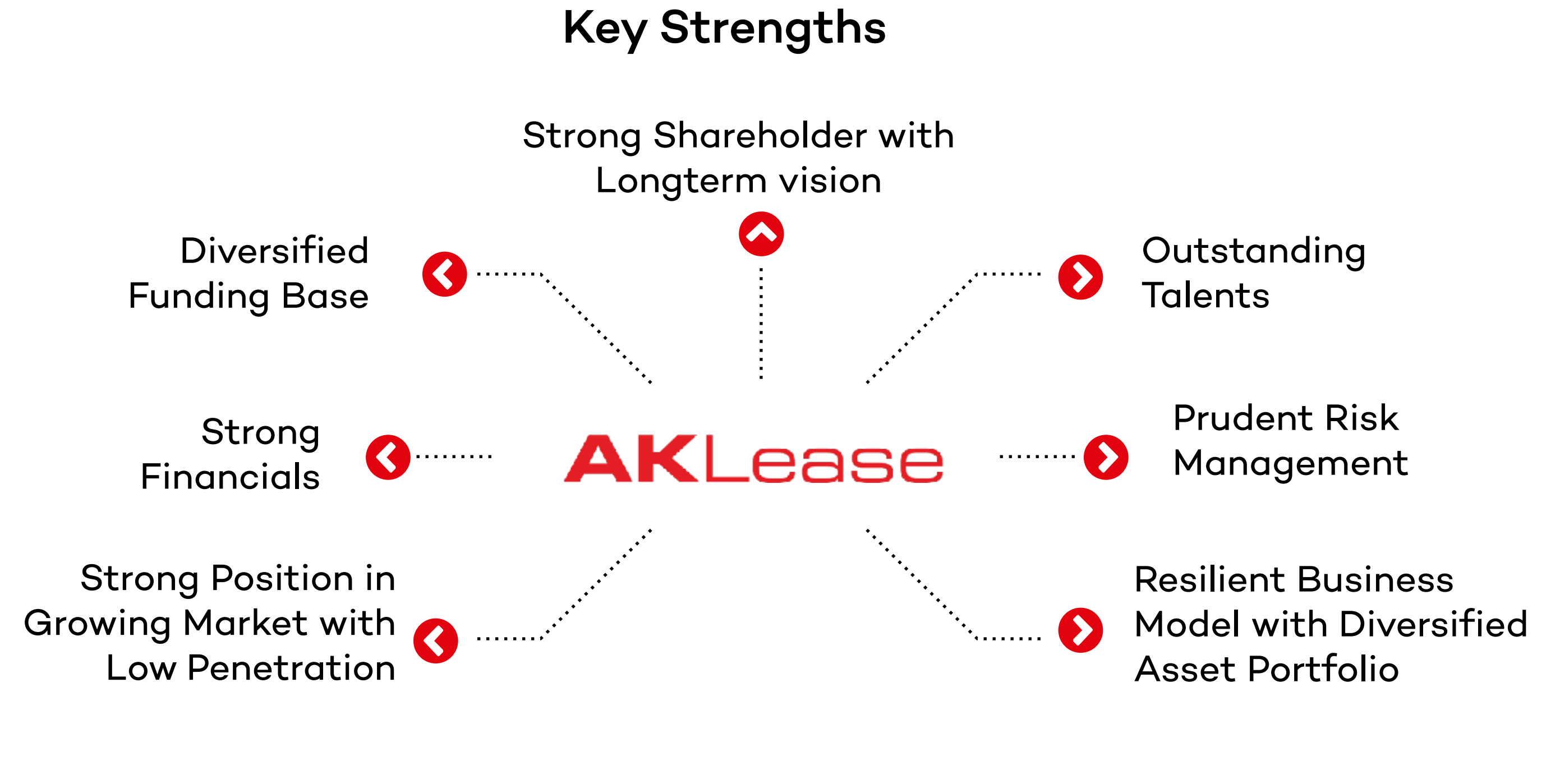


Member
Ege Gültekin

EVP, Credit Monitoring
and Collections, Akbank

Key strengths

Profile	
<p>32 Years Experience</p>	<p>Number 1 in Air Craft Leasing in Turkey</p>
<p>99.99% Owned by Akbank</p>	<p>\$3 Billion Establishment of Global Medium Term Note (GMTN) Program with Akbank</p>
<p>Top 3* Ranks by Asset Size</p>	
<p>12 Branches</p>	<p>10,3% Market Share</p>



Awards

The leasing company of the year



Awarded by economic journal Ekovitrin

Rating

**LTFC
IDR B+**



Rated by Fitch

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People & Culture: Investing in our people

39

Average
Age

%37

Female
employees

%19

PhD & Masters
Degree:

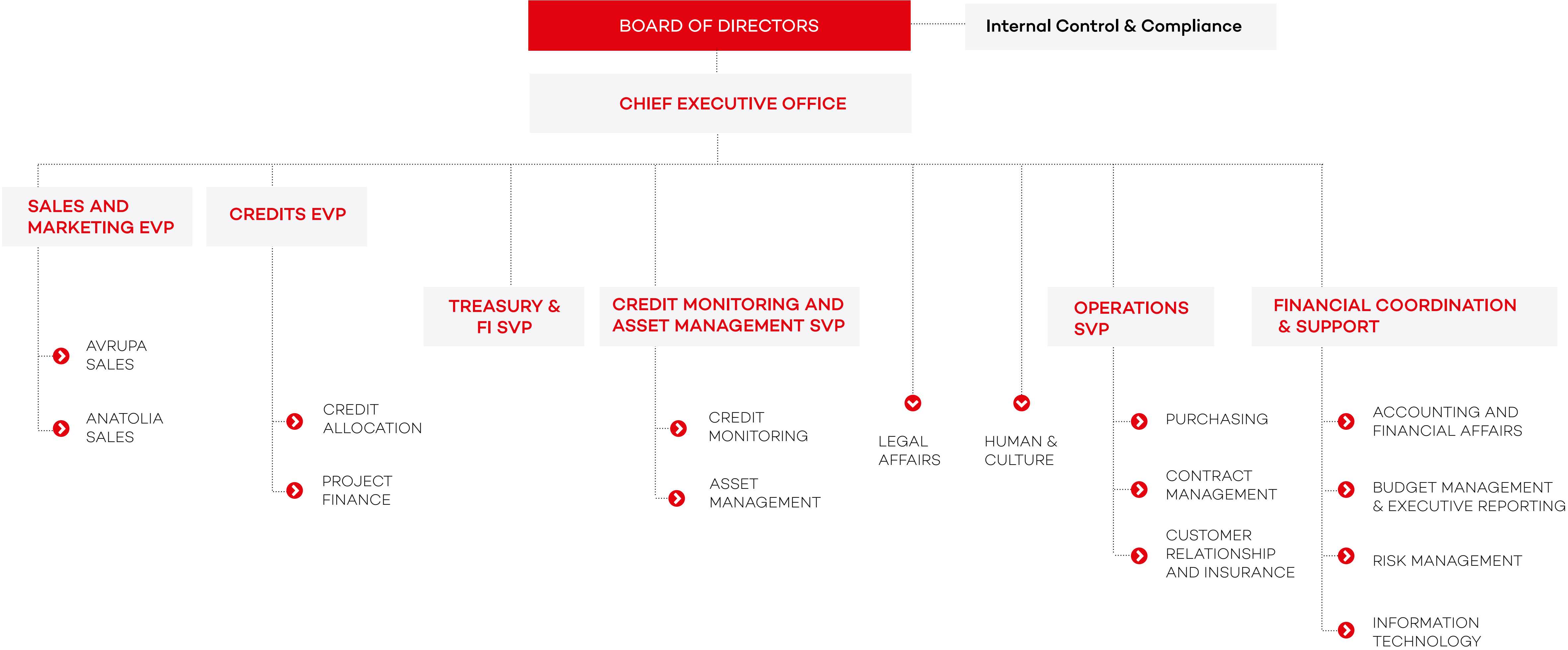


High employee
engagement score

Experienced &
Dynamic Team

End to end talent
management

People & Culture: Organization chart



Environmental and social management policy



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

AKLease's environmental policies set forth are a part of its corporate lending guidelines as of April 2011.

- ✔ 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 or forced labor are in compliance unequivocally and to the highest degree.

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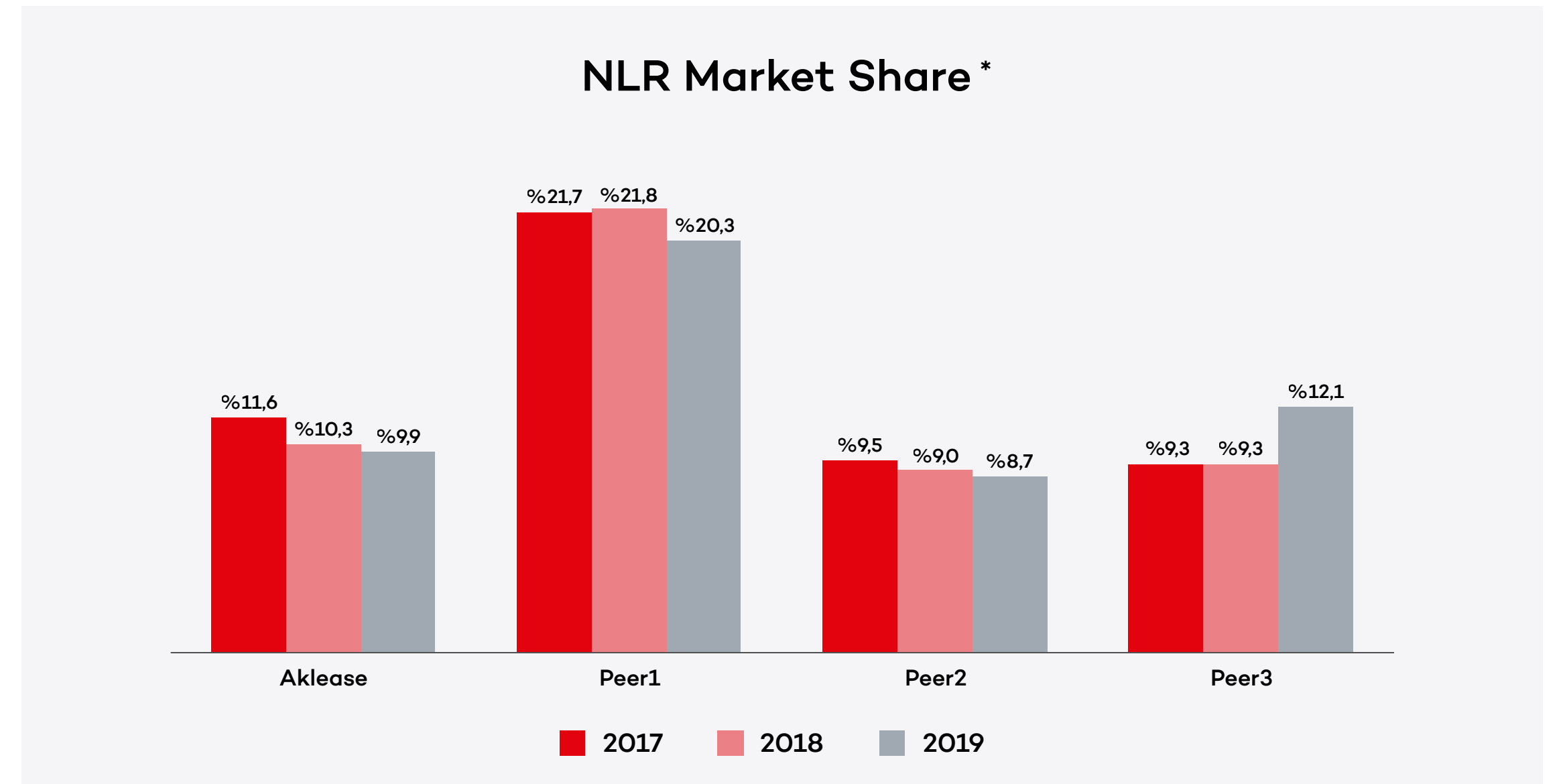
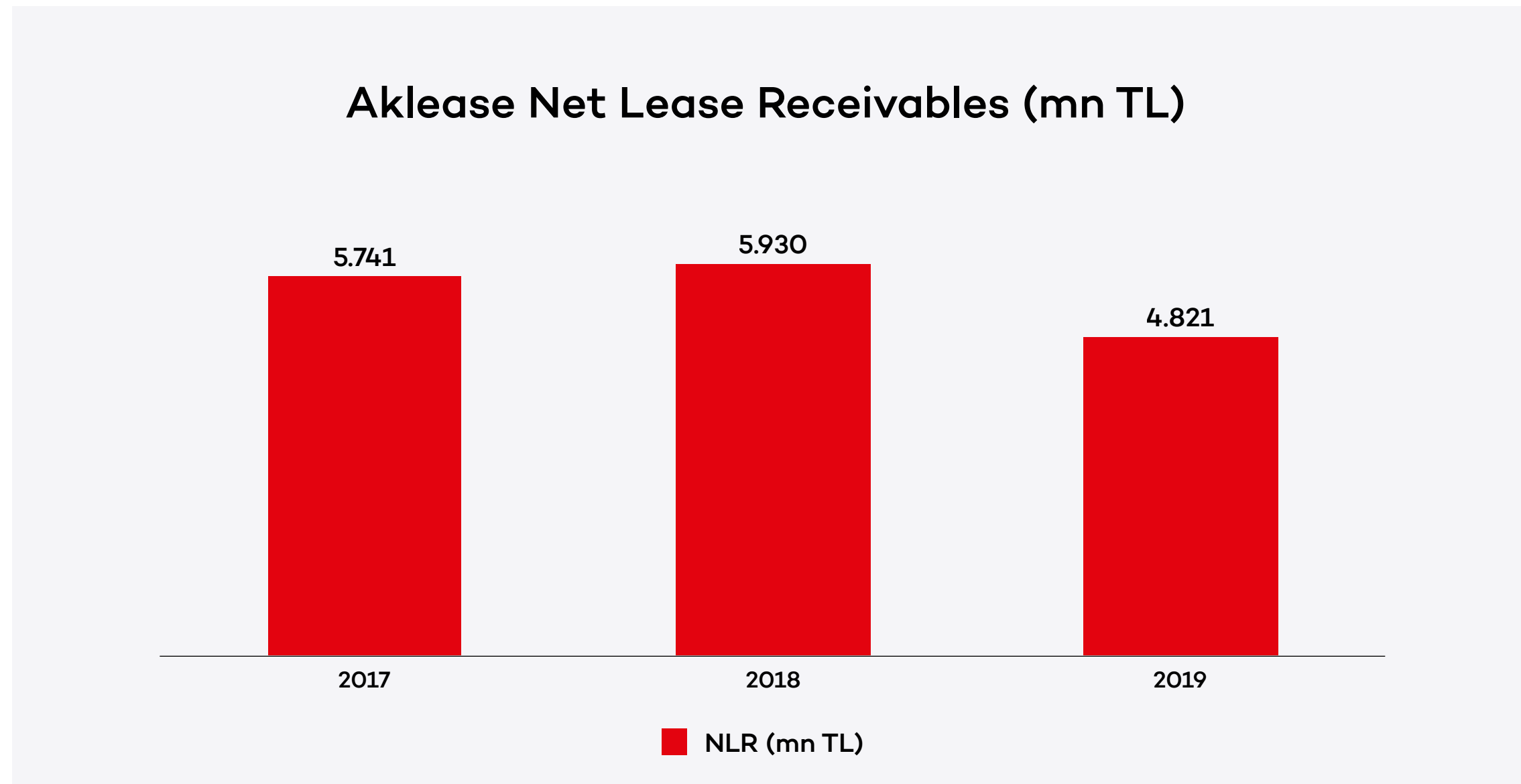
Snapshot of results

Income Statement mn TL	2017	2018	2019
Net interest income	156	138	149
Net commission income	17	14	14
Other operating income	55	-4	40
Gross operating income	229	147	204
Provision expense	117	171	43
Other operating expense	34	49	43
Profit before tax	77	-72	117
Net profit	63	-55	95
Balance Sheet mio TL			
Lease receivable	5.741	5.806	4.821
NPL	287	600	573
Provision (-)	215	489	402
Net Lease Receivable	5.813	5.917	4.993
Assets held for sale	76	162	30
Other assets	721	578	812
Total Assets	6.610	6.657	5.834
Borrowings	5.332	5.512	4.590
Other Liabilities	411	418	296
Equity	867	727	948
Total Liabilities	6.610	6.657	5.834

Key Performance Indicators(%)

	2017	2018	2019
Cost to Income	15,0	33,2	21,0
NPL	4,8	9,4	10,6
Cost to Assets	0,6	0,7	0,7
Cost of Credit	2,1	2,7	0,6
Equity to Gross Debt	16,3	13,2	20,6
RoA	1,0	-0,8	1,5
RoE	7,5	-6,8	11,4
NIM*	3,6	2,7	2,8

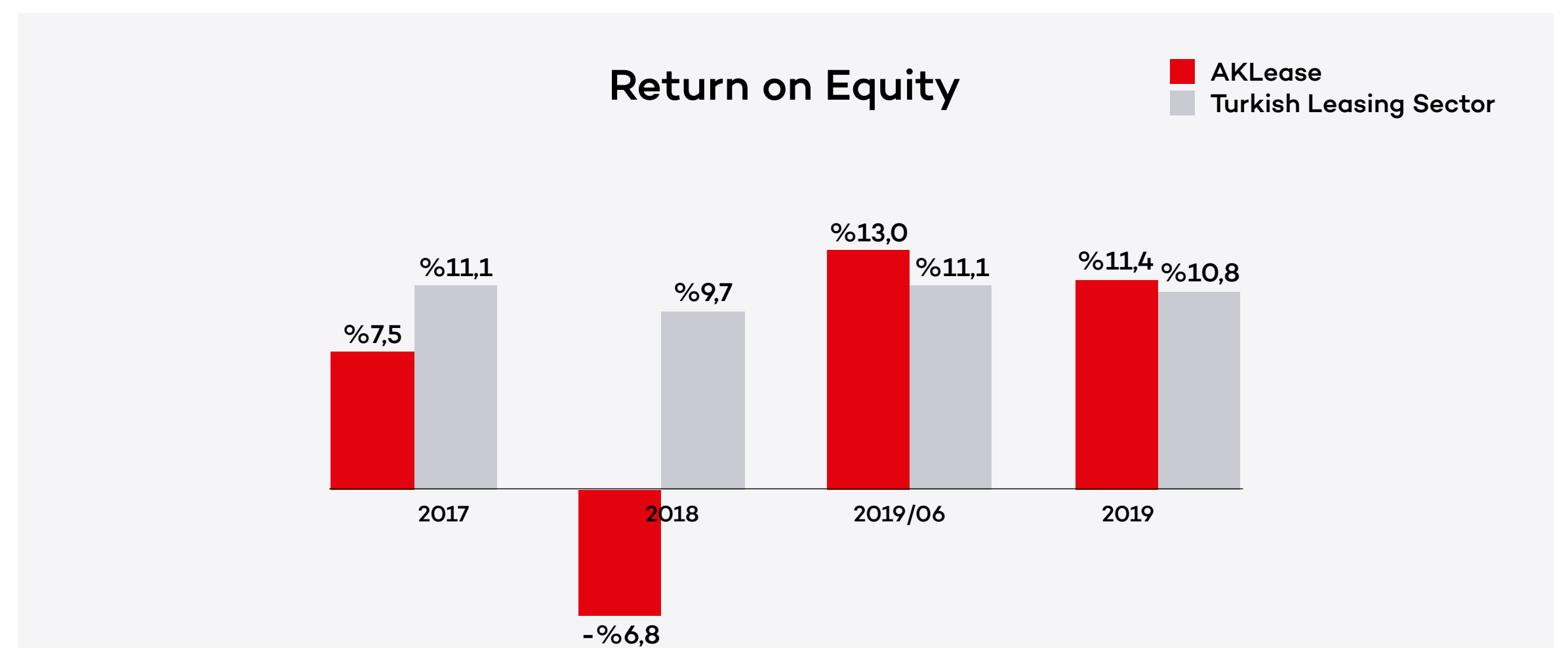
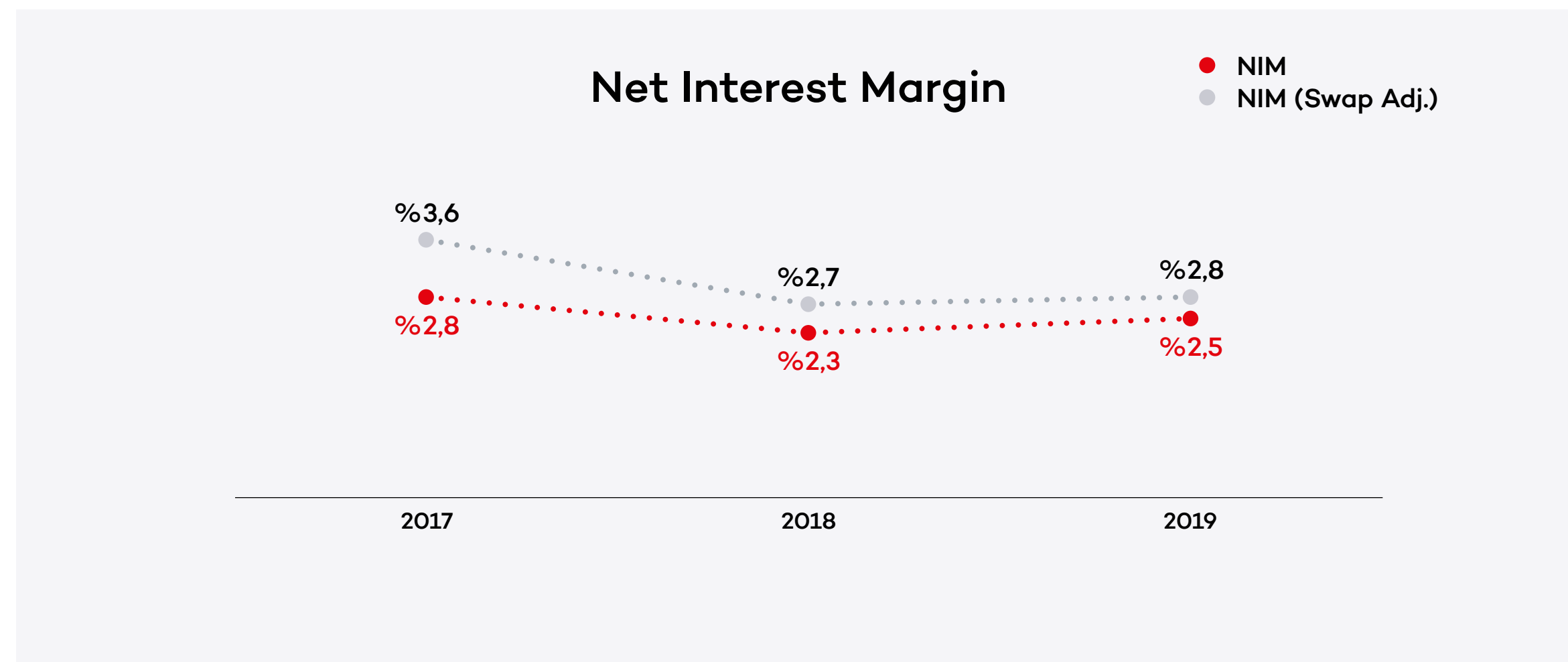
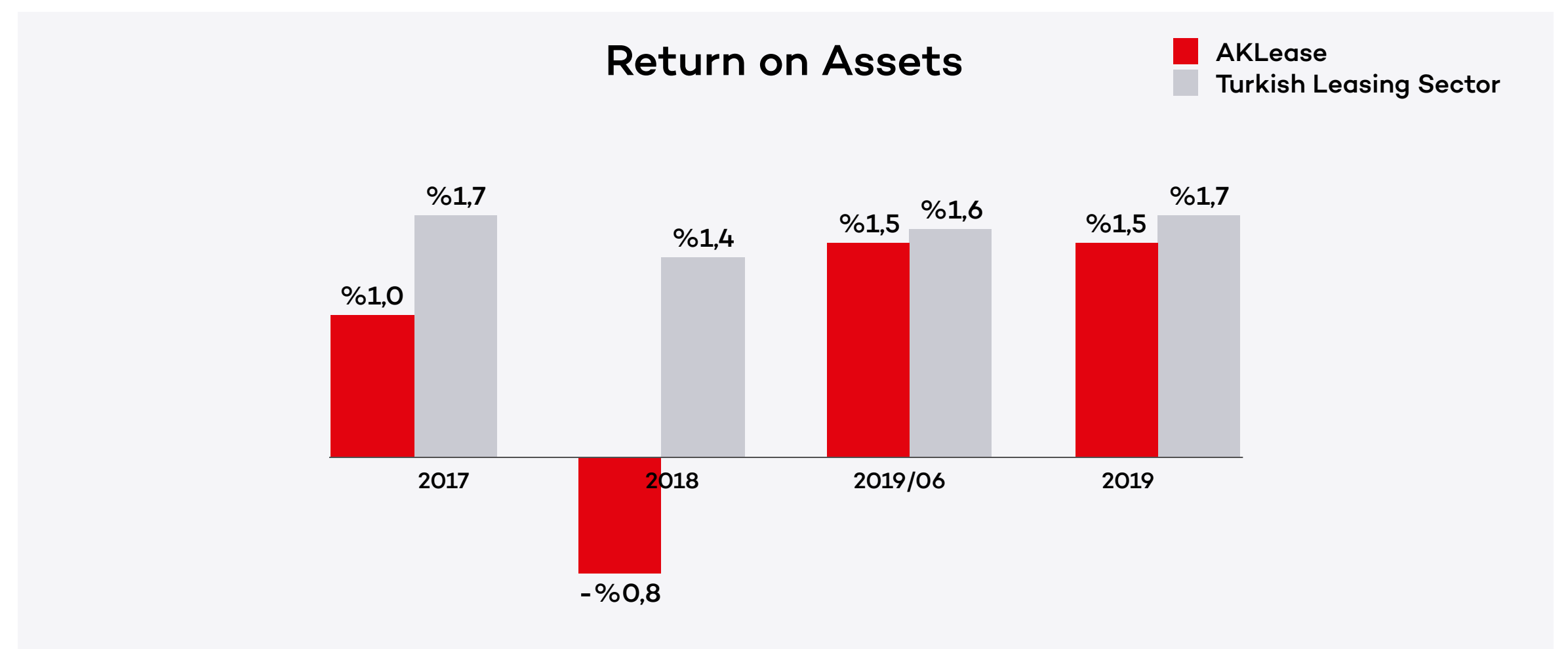
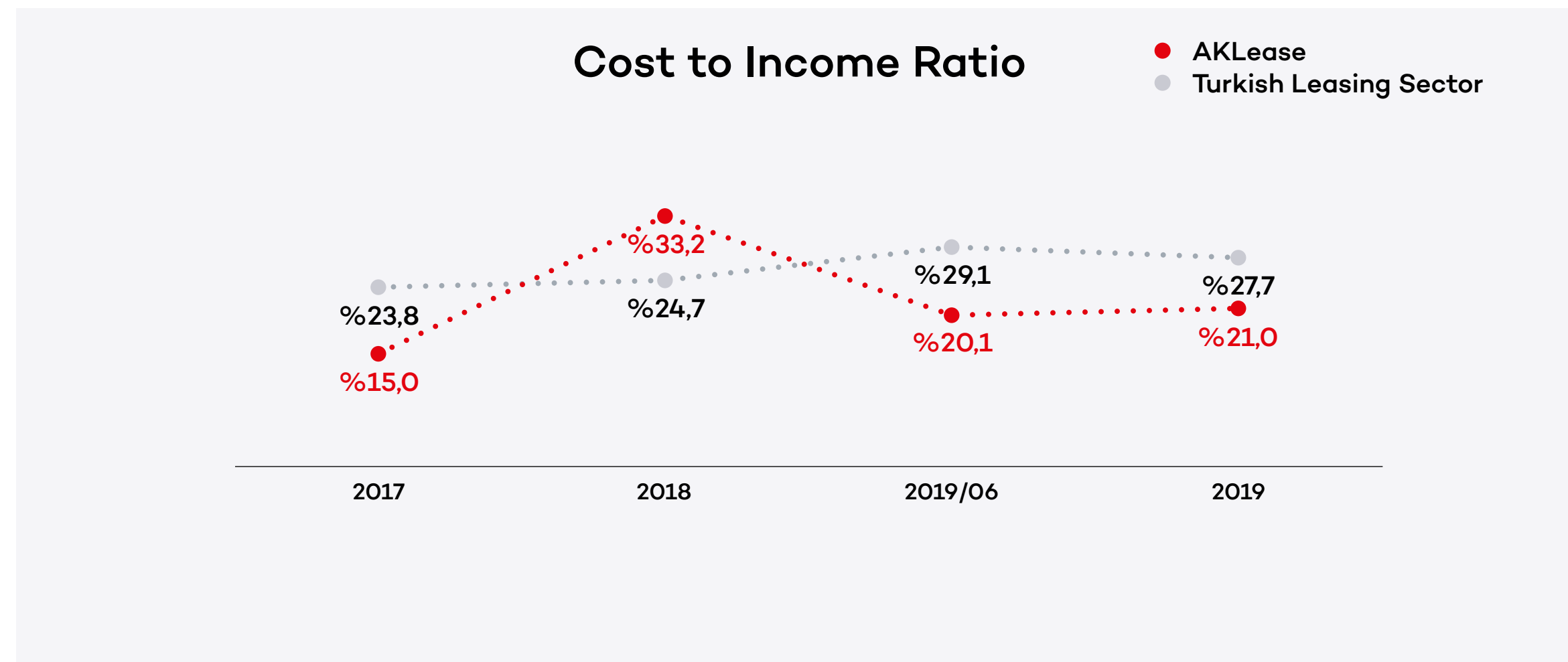
Well positioned in the market



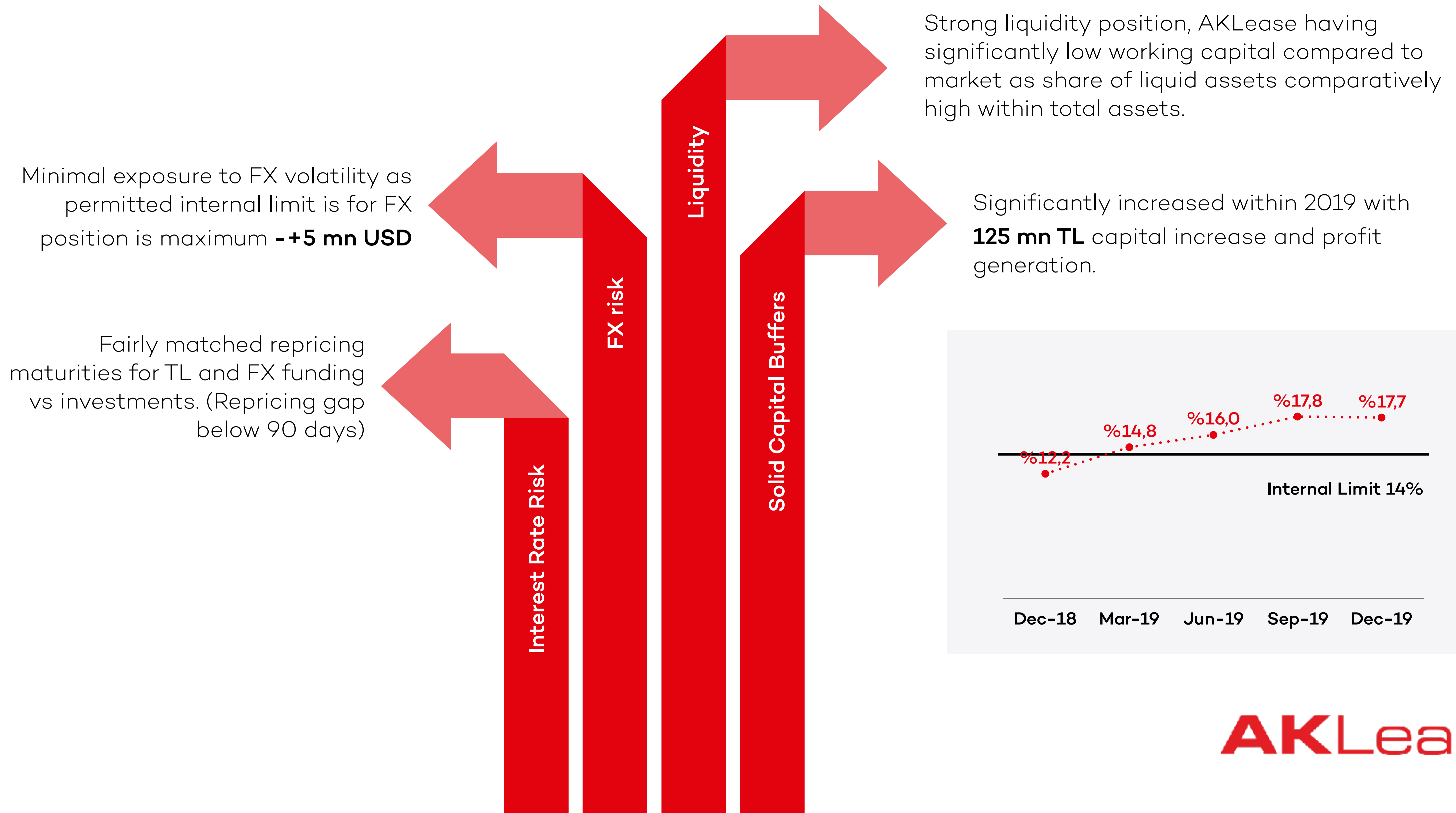
Ranking*

	2017	2018	2019
Return on Equity	3	4	2
Asset Quality	3	3	3
Net Lease Receivables	2	2	3

Strong operating performance



Strong resilience to financial risks



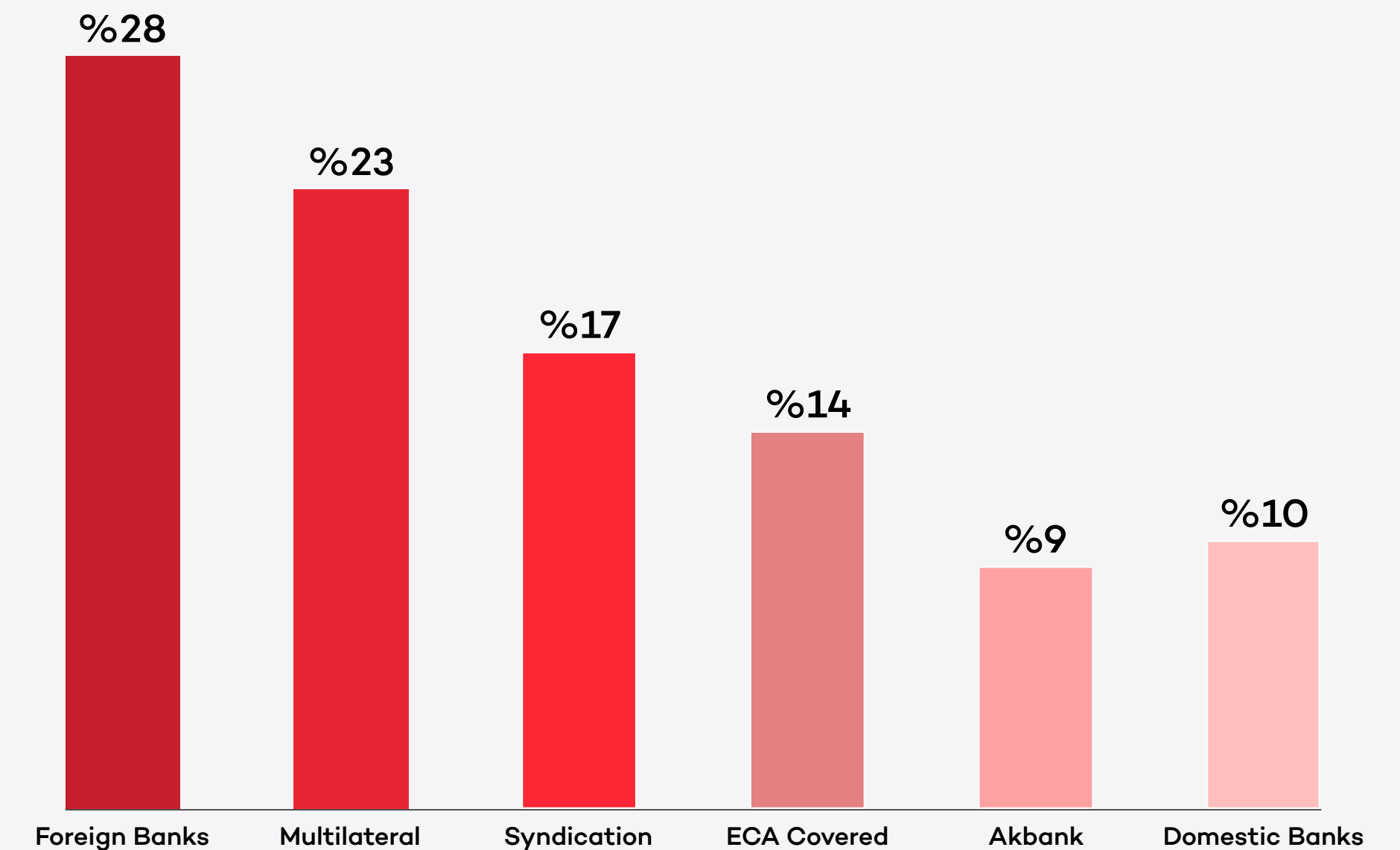
Well established wholesale funding profile

The First

Successful Wholesale Borrowings

- **Financial leasing company** in Turkey to issue long-term TL bonds in the capital markets
- **Leasing company** in Turkey to issue short and long term FC bonds in the capital markets
- **First Eurobond issuance** is executed with 3.3 times over subscription of the targeted size USD 250 Million with 5 years maturity is done in 2013. The demand came across a diversified lender base from Europe, UK, Asia and Middle East.
- **Financial leasing company** in Turkey to receive 5-year multi-tranche multi-currency market Syndicated deal (December 2017)

Profile of Wholesale Funding



* Funding by Source FC (%)

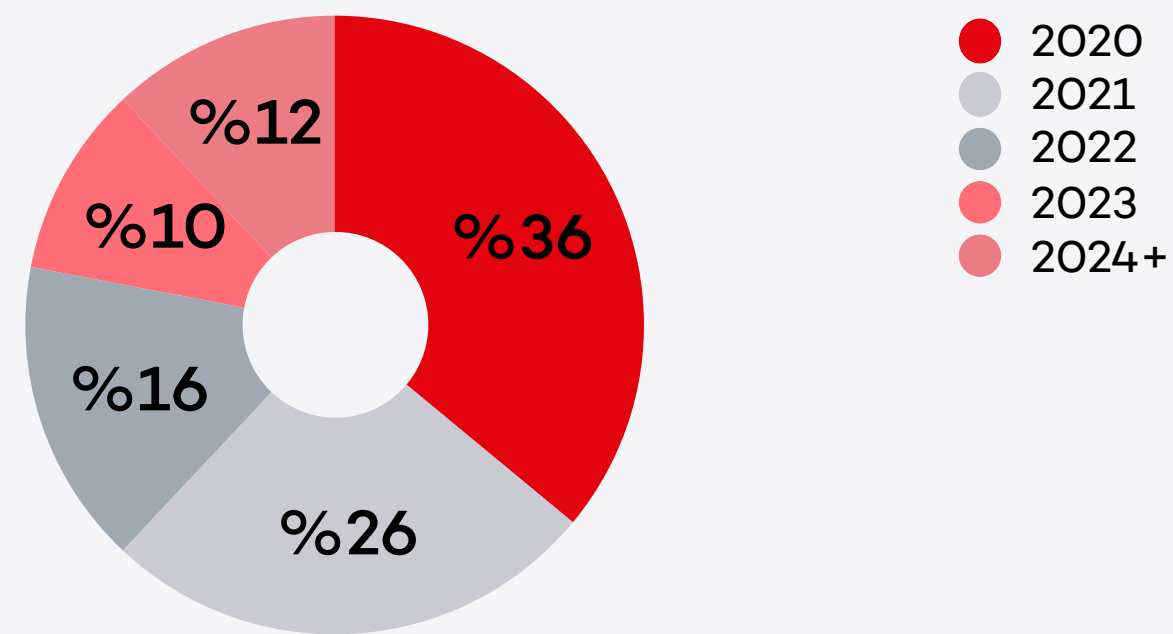
* ECA Covered refers to loans obtained under coverage of export credit agencies.

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

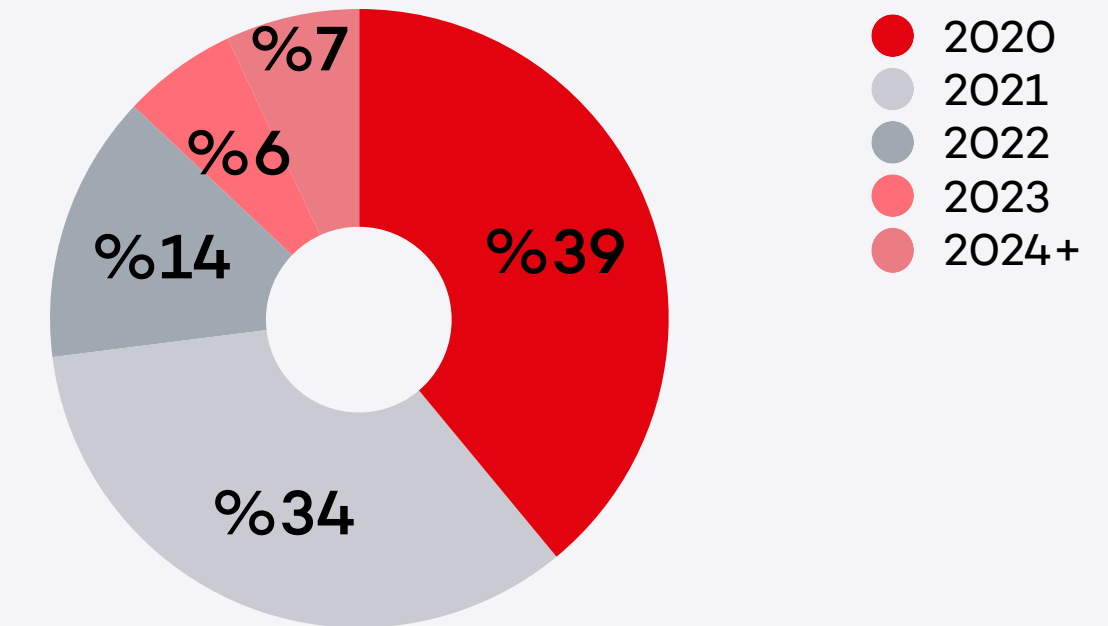
AKLease

Maturity & currency breakdown

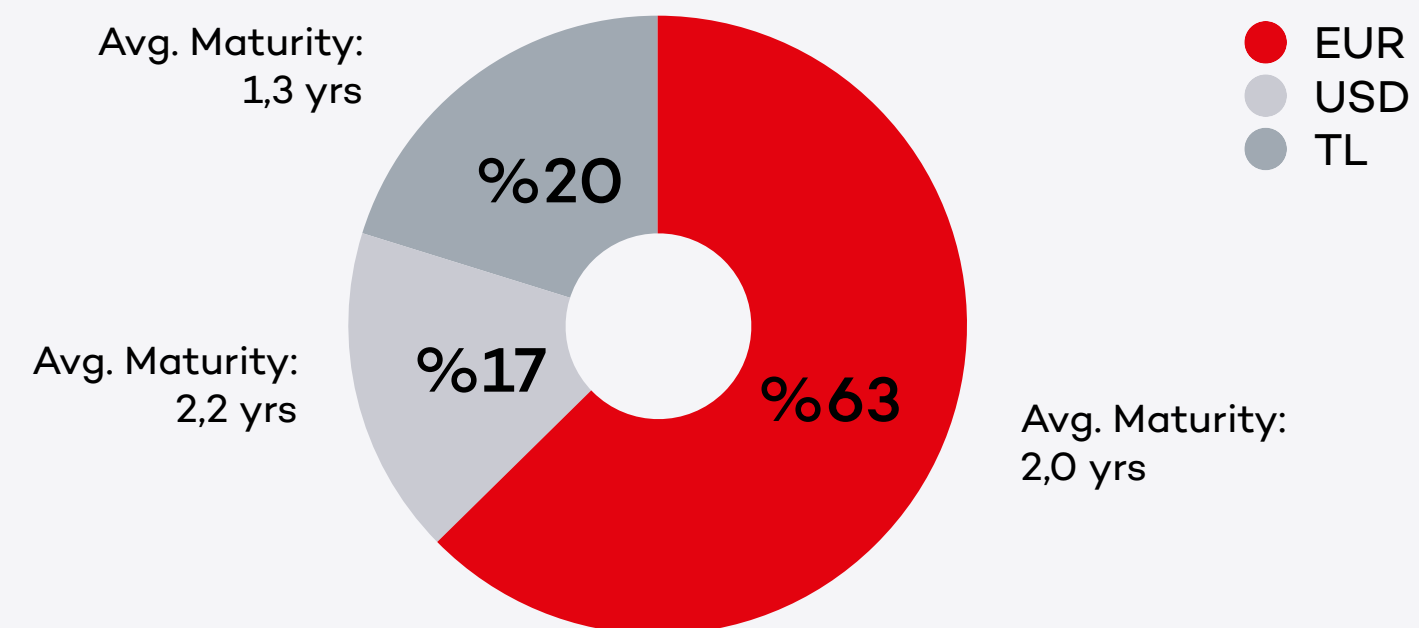
Portfolio Maturity (2019)



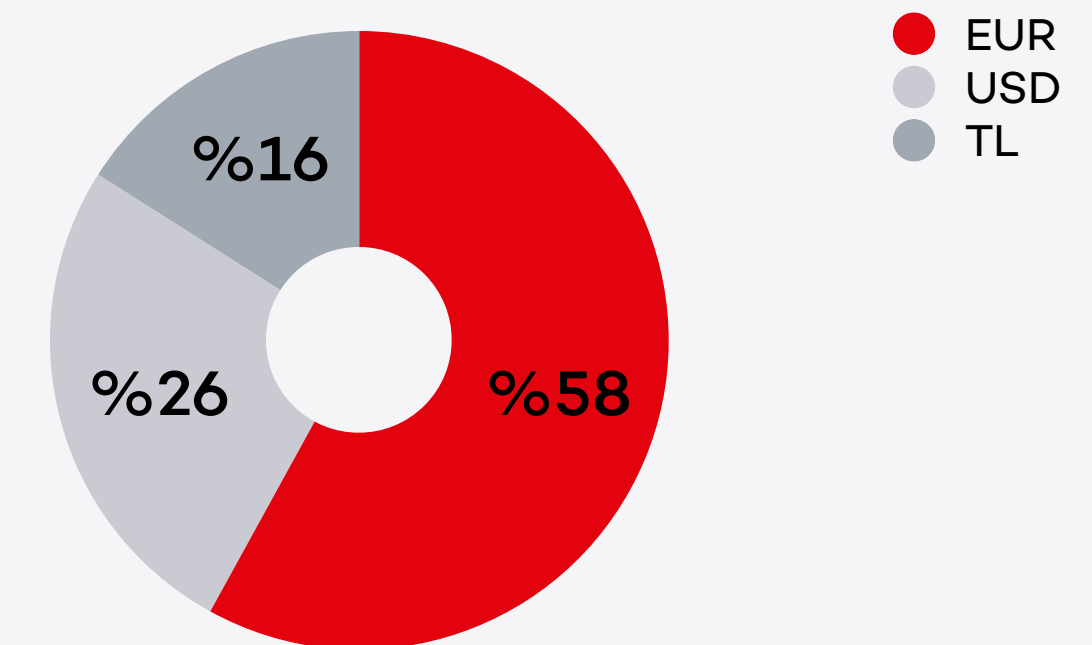
Funding Maturity Breakdown (2019)



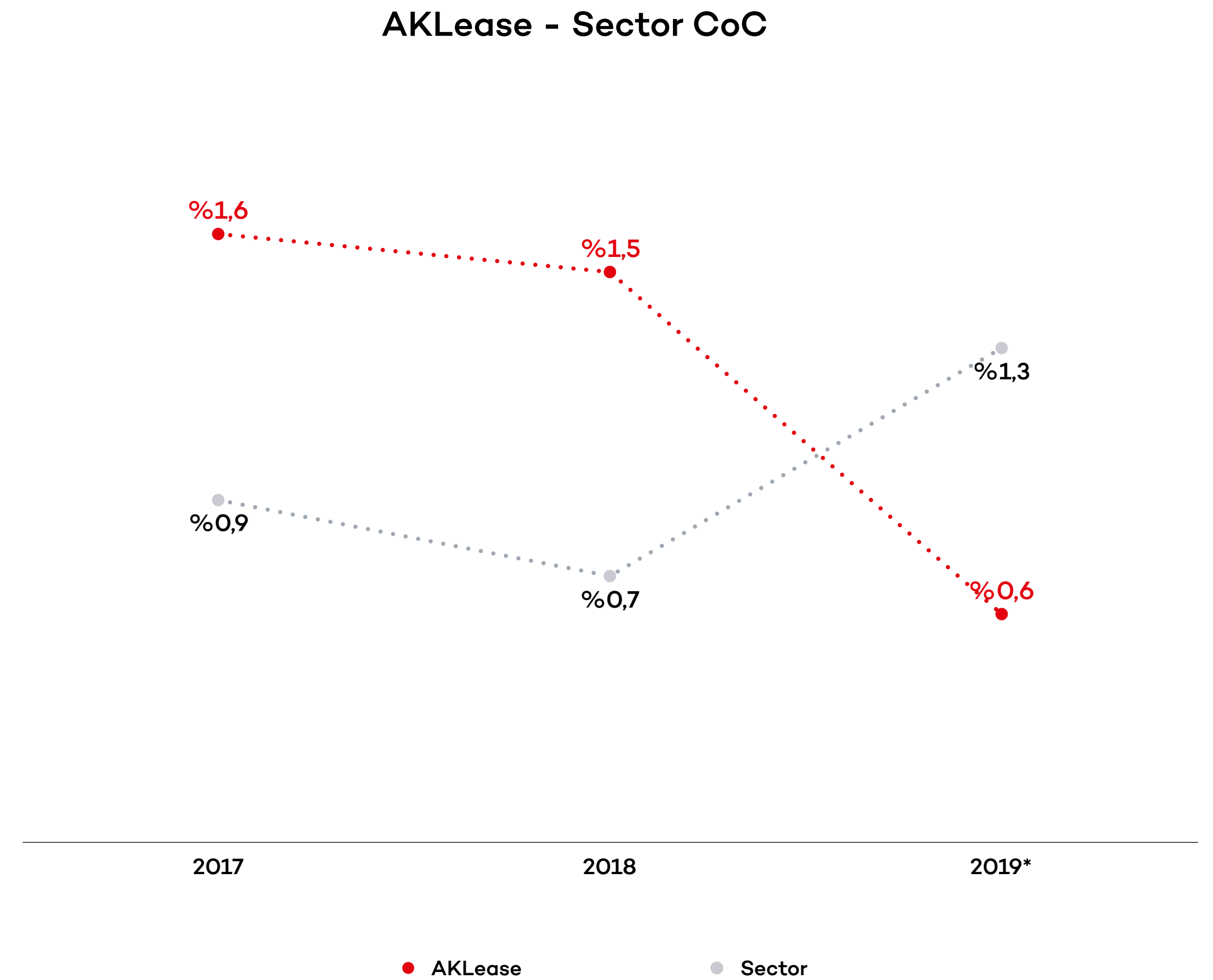
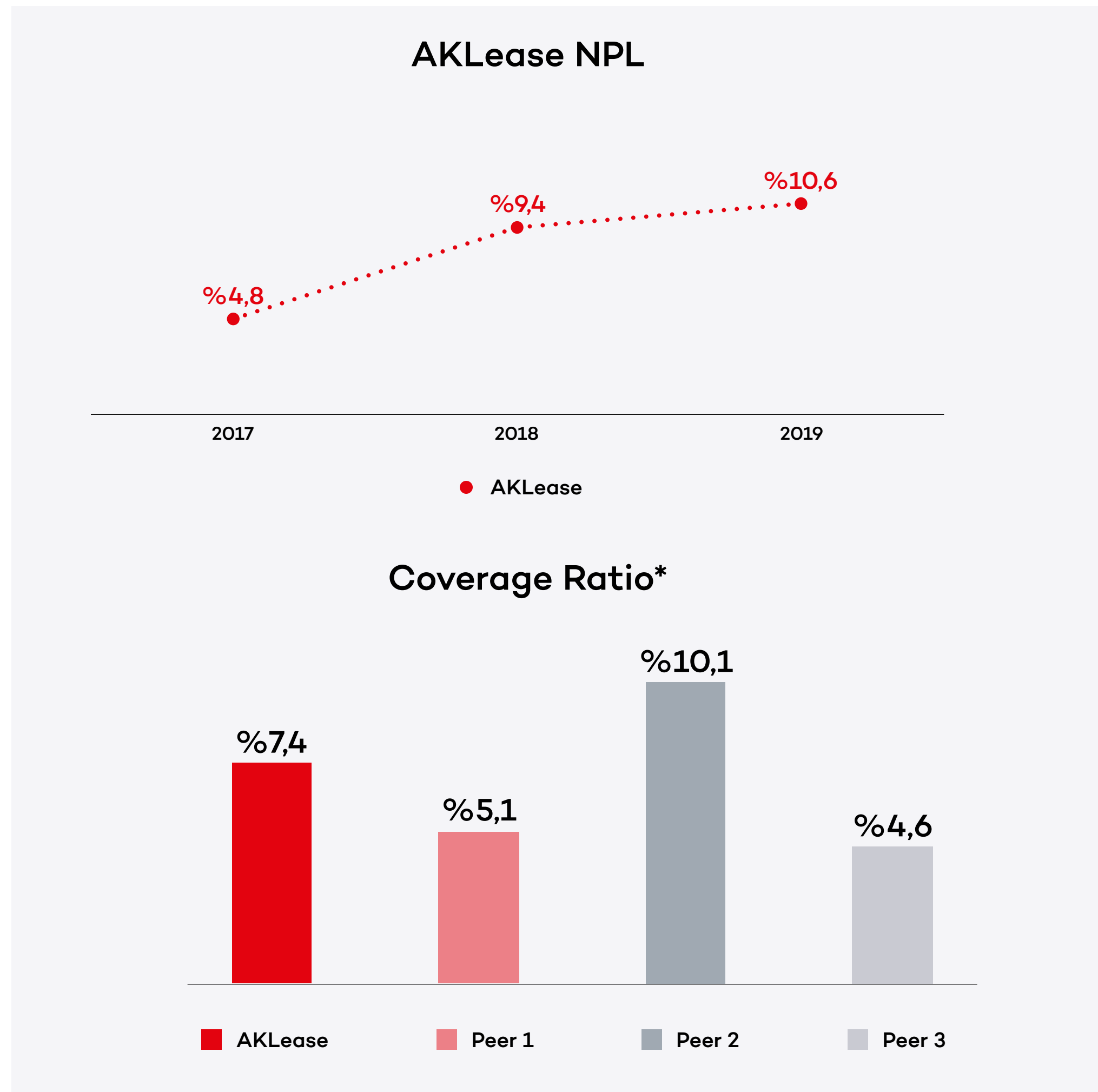
Portfolio Currency Composition (2019)



Funding Currency Breakdown (2019)

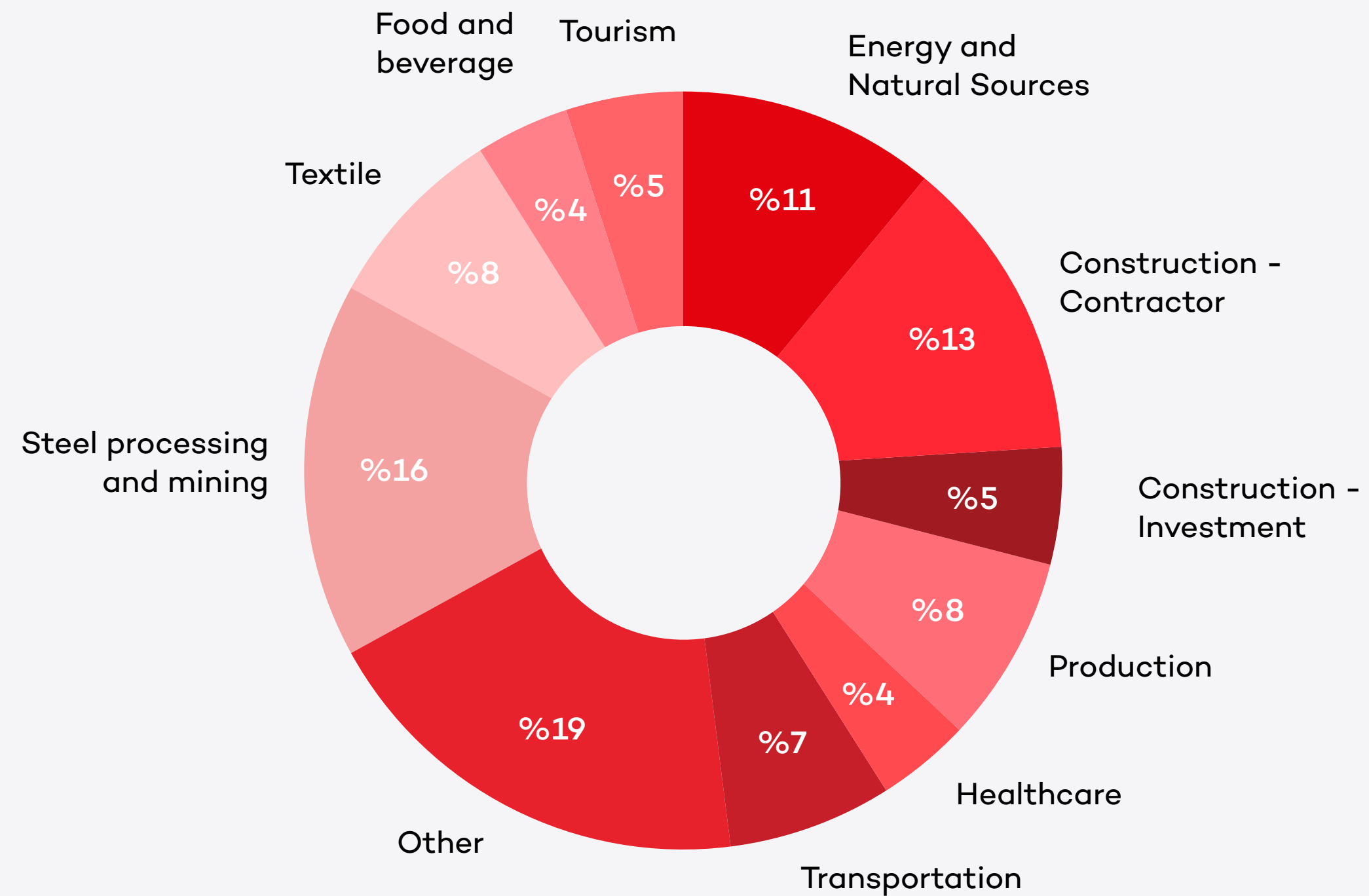


NPL, Cost-of-Risk

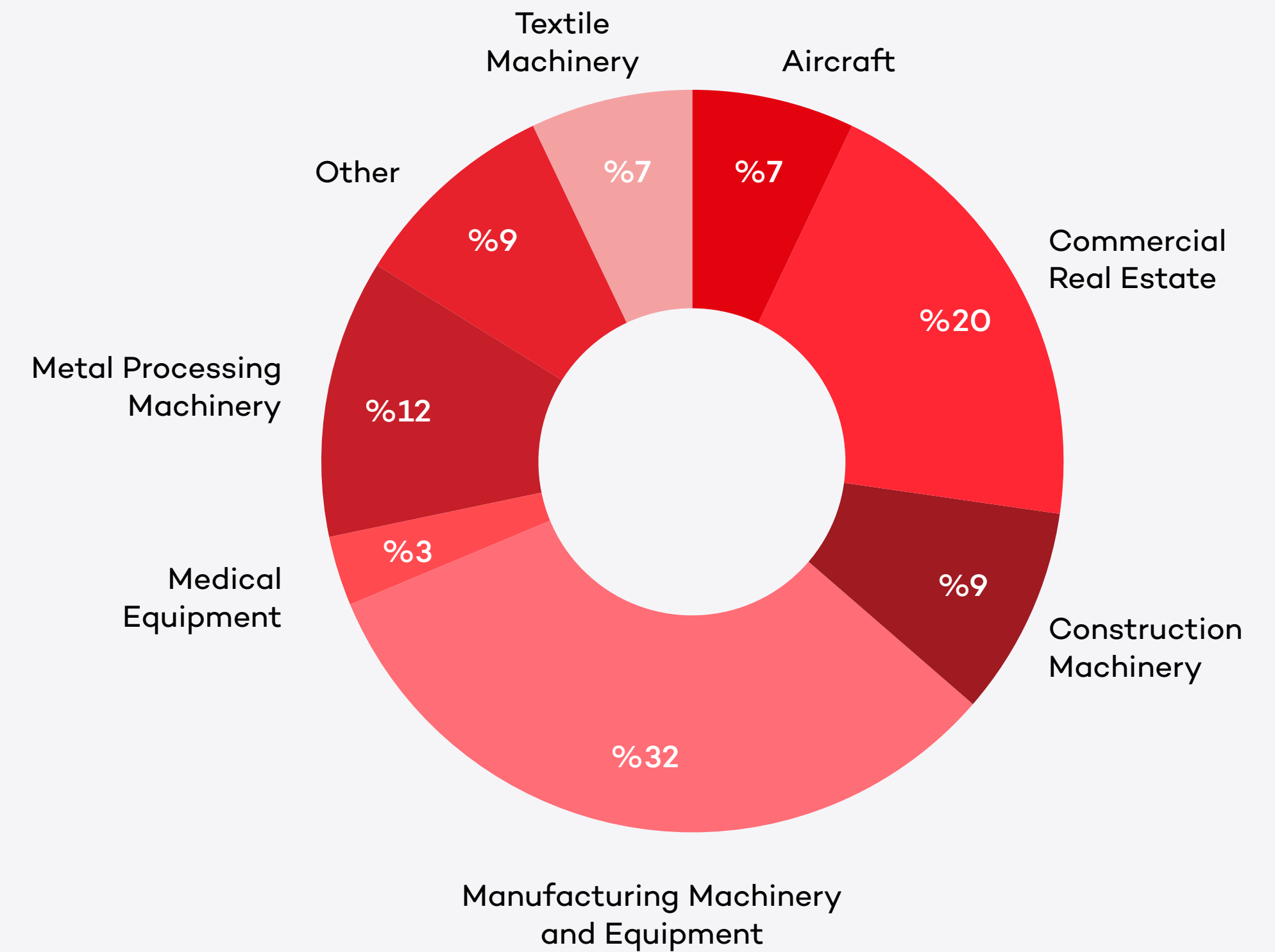


Balanced loan portfolio

Industry Breakdown

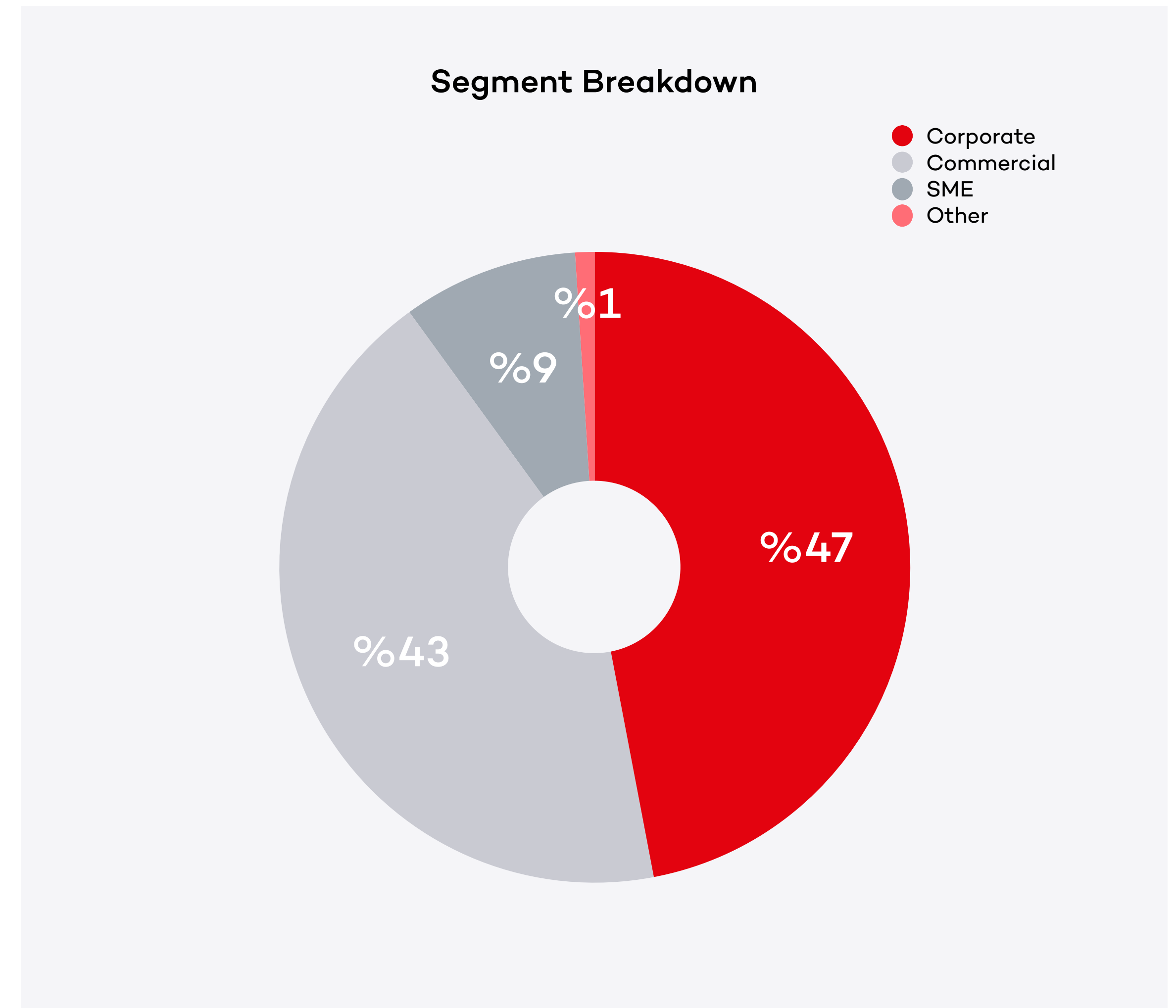


Asset Breakdown



Lease portfolio structure by segments

Customer Segment		Turnover
Corporate		>300 mn TL
Commercial		<300 mn TL >120 mn TL
SME	Large SMEs	<120 mn TL >40 mn TL
	Medium Size SME	<40 mn TL >10 mn TL
	Small Size SME	<10 mn TL >1 mn TL
Micro		<1 mn TL



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Looking forward



2020 Vision

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**

- ✓ **Proactive** Covid-19 measures to support our people & customers
- ✓ **Efficient** remote working adaption and planning for business continuity
- ✓ **Diversify** funding base
- ✓ **Create** high customer experience with tailor made solutions
- ✓ **Remain** healthy and profitable in a high competitive environment

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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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