2020 Q1

EARNINGS RELEASE

Q1 2020 Highlights

Solid non-bank operational performance

Robust balance sheet, solid liquidity and low leverage

Rapid measures against COVID-19 pandemic

Corporate governance strengthened to increase independence

- In the first quarter, non-bank operational performance was strong. Combined sales and EBITDA grew by 26% and 17% y/y, respectively, on a comparable basis.
- Balance sheet remained strong as well, combined non-bank liquidity excluding financial services and tobacco business as of end of March is TL 8 bn, including TL 2 bn cash at the Holding level. The total funds at the financial services is TL 3,5 bn, putting the total over TL 11 bn.
- Non-bank deleveraging continued, as net debt to EBITDA declined to 2,1x from 2,2x at the end of 2019.
- Including 80% FX denominated holding level cash, non-bank consolidated FX position reached US$ 331 mn, increasing 7% compared to year–end 2019.
- First quarter results have once again underlined Sabancı Holding’s balanced and resilient portfolio that delivers high performance even under challenging conditions.

COVID-19 Responses – Sustainability measures during crisis

Business sustainability & continuity measures

<u>Focus on uninterrupted production & services mainly in the bank, energy and food retail businesses</u>

- Initiatives taken to cope with increased **e-commerce** demand on food and technology retail
- Optimize **supply chains** to ensure continuity of operations
- Dynamic **product mix** management by balancing changes in demand and suppliers' ability

Spending & working capital management measures

<u>Reduced cash outflows by cutting non-essential spending & CAPEX, optimized working capital</u>

- Formed **working capital management, cost** and **liquidity** teams in every group company
- Adopted KPI based payment methodology with suppliers to better manage **working capital**
- Introduced FCF based **CAPEX** spending & **cost-cutting** to keep the liquidity level unchanged

Liquidity measures to keep robust balance sheet

<u>Maintain liquidity to ensure the preservation of the robust balance sheet strength at the Group level</u>

- Run several stress tests to monitor and take necessary precautions to keep group's solid **liquidity**
- **Loan limits** evaluated/updated for group companies, adopted for **Economic Stability Shield package**
- Eliminated, otherwise limit, already very limited short-**FX positions**

- Sabancı Group's number one priority is to keep its employees, their families and community safe at the countries in which Group's businesses operate against direct or indirect impact of COVID-19. For this purpose, all precautions on COVID-19 have been taken rapidly.
- Top priorities on the financial front are: business sustainability, cost control, working capital management and sustaining solid liquidity. These financial priorities have always been in place, as they are major ingredients of Sabancı Group's long-term strategy.
- As part of business sustainability measures, focus was on providing production and services uninterrupted in most of the businesses, specifically in the bank, energy and food retail. The long-term digitalization, e-commerce readiness / dynamic supply chain and product mix managed to perform well.
- Related to cash focus, all non-essential spending and CAPEX were optimized, with a deeper focus on working capital management in all Group companies.
- To keep balance sheet and liquidity strong, contingency plans based on sensitivity analysis were set, while continuously working on extension of credit lines. Operations were adopted to swiftly changing business environment in order to minimize the economic impact of the pandemic on the Group and stakeholders. Both TL & FX liquidity will continue to be kept at these levels.

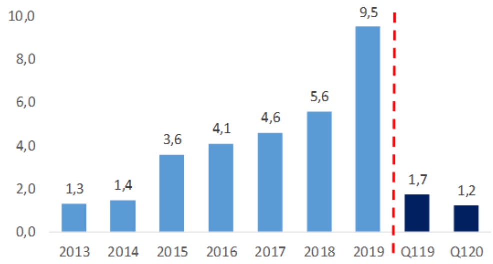
Governance Update – Corporate governance strengthened to increase independence

Majority professionals and independents in BoD	• The Board has commenced a **recruitment process** to hire new non-executive members, with the **final objective of the Board being composed of majority non-family members** • **Sakıp Sabancı Holding**, our largest shareholder, **nominated to the BoD**, **represented by a professional, Saime Gonca Artunkal**
Empower the Management	• **Portfolio Management Committee** is eliminated • Corporate Governance, Remuneration and Nomination and Early Detection of Risk Committees will be **assuming** some of the Portfolio Management Committee functions

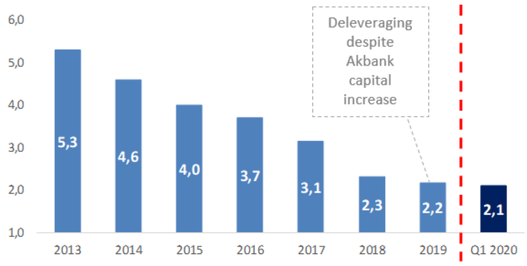
- In line with the governance changes, the independence at the Board level was increased, Sakıp Sabancı Holding, largest shareholder of the Holding, will be represented by Gonca Artunkal, a professional, on the Board.
- Also in order to empower the management, Portfolio Management Committee was eliminated, with some of its functions to be assumed by Corporate Governance, Remuneration and Nomination and Early Detection of Risk Committees.

Q1 2020 – Net debt/EBITDA improved

Operational Cash Flow, Combined for Non-Bank* (TL bn)



Combined Net Financial Debt to Non-Bank EBITDA**

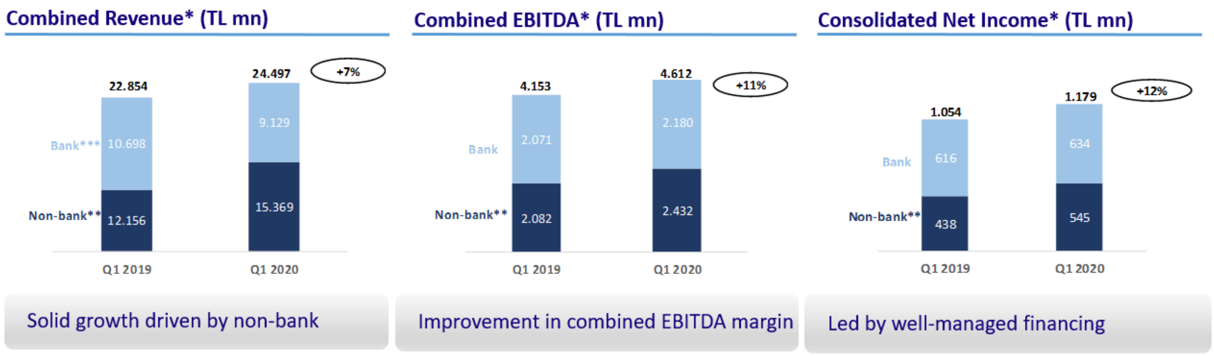


* Excludes Financial Services, Banking, Other segment (Financial services funds: TL 3,5 bn in Q1 20 vs. TL 2,6 bn in Q1 19)

** Excludes Banking and net cash position of Financial Services; EBITDA excludes non-operational one-off items and IFRS16 impact in retail

- Normalization in record operating cash flow of last year, which was driven by extraordinarily strong hydrology, was observed in the quarter.
- Deleveraging continued at the Group level as net debt to EBITDA declined further to 2,1x as of end of March.
- With the confidence in cash flow and forecasts, Holding's dividend payment was rather increased, not reduced, showing strong confidence in the cash generation performance of the portfolio both today and in the future.

Q1 2020 – Financial performance summary



*Excludes Holding dividend income **Excludes divested businesses
*** Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses

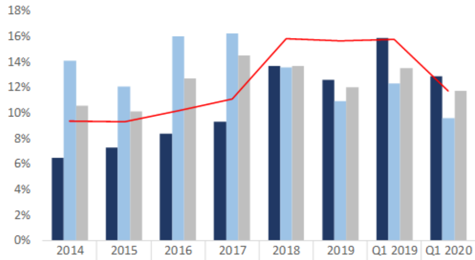
*Excludes non-operational one off items
**Excludes divested businesses in industrials and IFRS16 impact in retail

*Excludes non-operational one off items
**Excludes divested businesses in industrials and IFRS16 impact in retail

- Combined comparable revenue and EBITDA increased by 7% and 11% y/y, respectively in the quarter. Total comparable consolidated net income was up by 12% y/y.
- Non-bank combined sales and EBITDA grew by 26% and 17% y/y respectively, on a comparable basis, exceeding both total combined sales and EBITDA growth.
- Non-bank consolidated bottom line grew by 24% y/y on a comparable basis, doubling the total consolidated bottom line growth, led by solid operational improvement and well-managed financing activities.

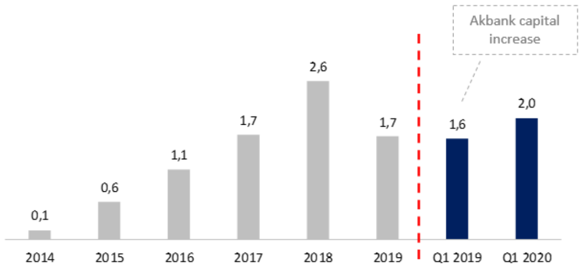
Q1 2020 – High ROE in a lower cost of capital environment

Return on Equity*



	2014	2015	2016	2017	2018	2019	Q1 2019	Q1 2020
Non-Bank Cons. ROE	6,5%	7,3%	8,4%	9,3%	13,7%	12,6%	15,9%	12,9%
Bank Cons. ROE	14,1%	12,1%	16,0%	16,2%	13,6%	10,9%	12,3%	9,6%
Sahol Cons. ROE	10,6%	10,1%	12,7%	14,5%	13,7%	12,0%	13,5%	11,7%
10-year TR Bond Avg. Int. Rate**	9,4%	9,3%	10,2%	11,1%	15,8%	15,7%	15,8%	11,7%

Holding Only - Net cash position (TL bn)



Consolidated Long FX position (USD mn, excluding Bank)

	Dec 31, 2019	Mar 31, 2020
TOTAL CONSOLIDATED FX POSITION AFFECTING PL	308	331

Holding only cash breakdown: 80% long in foreign currency

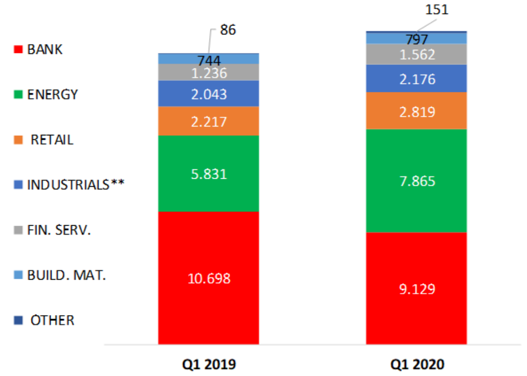
	Dec 31, 2019	Mar 31, 2020
SHARE OF FX	86%	80%
SHARE OF TRY	14%	20%

*Excludes non-operational one off items
**Source: Foreks

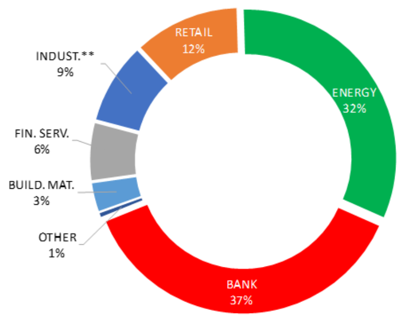
- Non-bank ROE has been continuously improving. As of the first quarter, non-bank returns was resilient and remained above Turkey's 10-year average bond rates of 11,7%.
- Sabancı Holding's standalone net cash position remains at TL 2,0 bn, which is mostly composed of hard currencies. Total non-bank combined cash excluding financial services and tobacco business stands at TL 8 bn, while the funds at insurance companies totals TL 3,5 bn.
- Long FX position remained intact by the end of the quarter.

Combined Revenues – Above-inflation non-bank growth on Energy, Retail & Industrials

Combined Revenue* (TL mn)



Combined Revenue* Breakdown



Key non-bank drivers

Energy: Strong retail business on higher pricing and higher sales volume in generation

Retail: Strong LfL growth thanks to solid overall basket size increase in both businesses

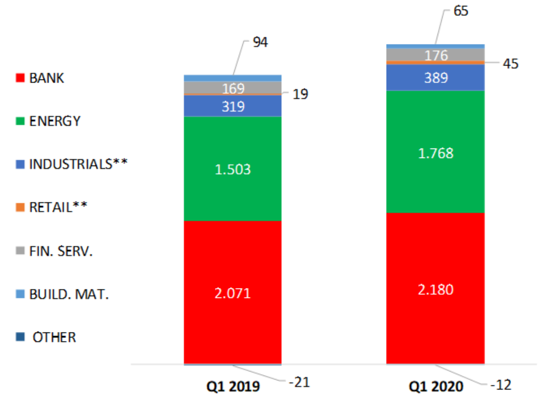
Industrials: Strong performance on solid domestic tire replacement market sales growth

* Holding dividend income is excluded **Excludes divested businesses in industrials

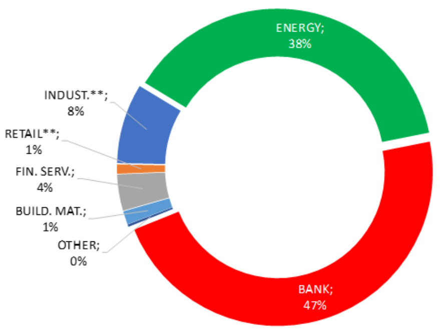
- Total comparable combined revenues increased by 7% y/y in the first quarter.
- Excluding the bank, comparable combined revenue grew by 26% y/y, well above inflation, driven by the strong performances of energy, retail, and industrial segments.
- In energy segment, top-line grew by 35% compared to same period last year thanks to higher pricing at the retail side combined with higher sales volume in the generation business.
- Retail segment's revenues grew by 27% y/y on the back of stronger LfL revenue growth in both businesses, driven mostly by increase in overall basket size.
- Industrial segment's top-line, excluding divested businesses, grew by 7% y/y on solid domestic tire replacement sales growth.
- Financial services segment's revenues grew 26% y/y, driven by Motor products as well as life protection products.
- Building materials segment's topline grew by 7% y/y as strong exports performance offset weak domestic volumes and pricing.

Combined EBITDA – Non-bank growth driven by Energy and Industrials

Combined EBITDA* (TL mn)



Combined EBITDA* Breakdown



Key non-bank drivers

Energy: Generation's strong lignite performance on higher availability, higher sales prices & lower unit cost

Industrials: Downward trend in tire raw material prices

*Excludes non-operational one off items **Excludes divested businesses in industrials and IFRS16 impact in retail

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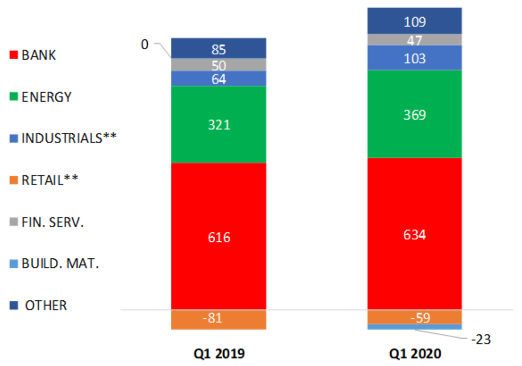
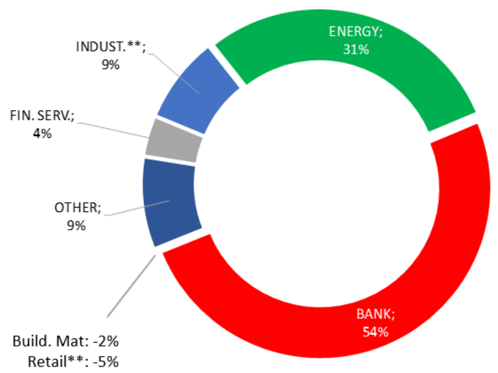
- Total comparable combined EBITDA was up by 11%.
- Non-bank combined EBITDA growth was 17%, driven by energy and industrial segments, on a comparable basis.
- Energy segment, accounting for 38% of combined EBITDA, posted a 18% y/y growth, driven by strong lignite performance on higher availability in generation business, higher sales prices and lower unit costs.
- Accounting for 8% of combined EBITDA, industrial segment posted a 22% y/y comparable growth as a result of decline in tire raw material prices.
- Financial services segment posted a 4% y/y growth due to improved combined ratio and growth in life protection volumes.
- In building materials, EBITDA declined by 31% y/y due to lower prices and regional mix.
- Retail segment's comparable EBITDA posted an eye-catching 143% y/y growth with the support of solid increase in topline.

Consolidated Net Income – Solid profitability on well-managed financing

Consolidated Net Income* (TL mn)



Consolidated Net Income* Breakdown



Key non-bank drivers

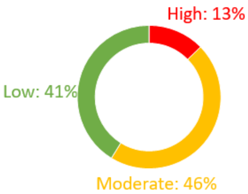
Energy: Solid pass-through of strong operational performance

Industrials: Lower financial expenses on declining interest rates

*Excludes non-operational one off items **Excludes divested businesses in industrials and IFRS16 impact in retail

- Total comparable consolidated net income increased by 12%.
- Non-bank comparable consolidated bottom-line grew by 24% y/y, driven by energy and industrial segments.
- Energy segment, accounting for 31% of consolidated net income, registered a 15% y/y growth, driven by strong operating performance offsetting higher financial expenses.
- Industrial segment, accounting for 9% of consolidated net income, posted a 60% y/y growth owing to lower financial expenses with declining interest rates.
- Financial services segment's bottom-line declined by 6% y/y due to lower financial income.
- Building materials segment's bottom-line deteriorated and slid down to negative territory in the quarter as a result of pass-through of lower operating profitability.
- Retail segment has reduced its loss thanks to improved operational profitability and lower financial expenses.

Group's cyclicality exposure – Relatively low exposure to highly cyclical industries limits downside risk



Business	Share in NAV*	Low cyclicality	Moderate cyclicality	High cyclicality
Energy	21%	●		
Food retail	8%	●		
Other**	12%	●		
Banking	41%		●	
Financial services	5%		●	
Industrials	8%			●
Building materials	4%			●
Technology retail	1%			●

** Excluding Holding-only cash that constitutes 6% of the NAV. As of end of March 2020 ** Includes tobacco business and other small businesses.*

- 87% of Holding's NAV (excluding cash at the Holding level, which constitutes 6% of total NAV) is defensive and resilient - but not immune - against the COVID-19 global pandemic. This is also parallel to the actual impact of COVID-19 on financial performances of these businesses.
- Energy segment, which is basically utilities, cyclicality is low and its operations are resilient to shocks owing to limited downside risk in volumes, pricing and collections.
- Food retail and tobacco business, which constitutes majority of the "Other" segment, are also the businesses with low cyclicality in nature as they are selling non-discretionary items.
- Banking is moderately cyclical given its strong capitalization, solid liquidity, low leverage, highest level of efficiency and low operating cost base.
- Financial services are also resilient thanks to lower claim frequency in this environment.
- Only 13% of the portfolio can be considered highly cyclical as industrials and building materials are exposed to demand volatility both at the local and global front and supply-chain interruptions. And finally, technology retail sells discretionary goods.

Energy – Retail margin expansion and strong generation volumes

Energy Segment Summary Financials*

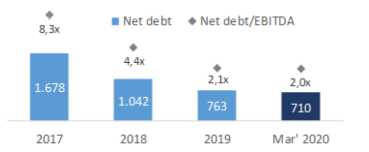
MILLION TL	Q1 2019	Q1 2020	% Change
SALES	5.831	7.865	35%
EBITDA**	1.503	1.768	18%
NET INCOME**	701	806	15%
EBITDA** MARGIN	25,8%	22,5%	

** Before consolidation adjustments, combined ** Excludes non-operational one off items*

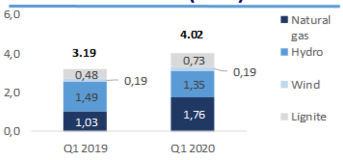
Enerjisa Generation Summary Financials

MILLION TL	Q1 2019	Q1 2020	% Change
Net sales	1.348	2.086	55%
EBITDA*	655	806	23%
EBITDA margin (%)*	49%	39%	-9,9pp
Depreciation	110	124	12%
Financial Income/(expense)	-108	-164	-51%
Net income*	403	465	15%

Net Debt (EUR mn) & Net Debt/EBITDA



Generation volume (TWh)



Current Assessment

- **Distribution & Retail:** EBITDA up by 14% y/y owing to increasing RAB (up by 12% y/y), better theft/loss performance and more profitable liberalized retail operations
- **Generation:** Generation volume up 26% y/y. EBITDA increased by 23% y/y with positive contribution from all generation assets

Factors to Watch

- Electricity demand and spot prices
- Inflation, interest rates
- New Regulatory Tariff Period

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- Energy segment recorded solid results with the contribution of both distribution & retail and generation businesses.
- The distribution & retail business continued to benefit from increasing Regulated Asset Base and better theft/loss outperformance in addition to expanding its liberalized retail customer market portfolio in Q1. Regulated Asset Base was up by 12% y/y in distribution, keeping the company's RAB growth on track.
- Meanwhile in the retail side of the energy business, higher liberalized margin and sales volume contributed positively to EBITDA growth. Despite higher procurement costs on a y/y basis on regulated side, volume contraction as a result of last resort tariff, limited the upside performance of the segment.
- In generation business, total generation volume was up by 26% y/y, mainly driven by natural gas power plants on higher spark spread, and lignite plant on higher availability, driven by milder winter conditions and effective use of coal stockyard. On the other hand, generation volume from hydro declined by 10% y/y.
- Generation recorded a net sales growth of 55% y/y due to higher generation volume, higher average sales price, and higher procurement volume.
- Moreover, generation's EBITDA was up by 23% y/y, driven by: i) higher availability and lower unit costs resulted from lower start-stops in lignite plant; ii) higher revenues from renewable plants on higher FX-rates compared to last year; and iii) higher spark spreads captured in the natural gas plants. Meanwhile, dispatch contribution remained below last year's level due to lower spread between peak and off-peak prices.
- Generation's net income growth remained below EBITDA growth due to higher financial expenses as a result of weaker TL compared to last year.
- Generation business is predominantly USD linked and economically, the company is fully hedged for the current EUR debt in the balance sheet.

- Generation has reduced its net debt to 710 MEUR by the end of the quarter, from 763 MEUR by the end of last year. Net debt to EBITDA continued to decline to 2,0 times by the end of first quarter from 2,1 times by the end of 2019.
- Going forward, demand growth will be an important factor to watch for energy companies. Weekly electricity demand has dropped by 20% y/y by the third week of April and started to recover. By second week of May, weekly contraction narrowed to 10% y/y.
- As generation business is only merchant at the natural gas based production, the generation company is also fairly resilient at this front against demand volatility as most of its commodity purchases and sales volume for 2020 is hedged. Yet, a significant worsening market could result in counterparty risks in bilateral agreements.
- Demand trajectory is also important for distribution & retail businesses as it impacts the cash flow via the calculation of price equalization mechanism.
- In addition to financing costs, the new regulatory period parameters, which are expected to be announced towards the year-end, will be the major factors to watch for distribution & retail businesses in the remainder of the year.

Industrials – Domestic market performance covers the global stagnation

Industrials Summary Financials*

MILLION TL	Q1 2019	Q1 2020	% Change
SALES	**2.482**	**2.176**	**-12%**
SALES-Comparable	2.043	2.176	7%
EBITDA**	**315**	**389**	**24%**
BRİSA	122	197	61%
KORDSA	197	160	-19%
OTHER	-5	31	753%
EBITDA**-Comparable	319	389	22%
NET INCOME**	**77**	**161**	**109%**
BRİSA	-3	76	2973%
KORDSA	111	54	-51%
OTHER	-31	31	200%
NET INCOME**-Comparable	107	161	50%
EBITDA MARGIN**	**12,7%**	**17,9%**	

** Before consolidation adjustments, combined ** Excludes non-operational one off items*
Comparable excludes divested businesses

Current Assessment

- Contraction in global tire and tire reinforcement market
- Strong domestic sell-in, Turkey's undisputable market leader in tire business
- Support of low raw material prices

Factors to Watch

- Pace of recovery
- Working capital management
- Pricing & commodity prices

- Comparable top-line grew by 7% y/y. The growth was mainly driven by Brisa's increased sales volume in domestic replacement market.
- Despite weak exports as a result of slowdown in international markets, earlier and strong summer tire deliveries in the domestic replacement market, coupled with the recovery in OE commercial tires compared to Q1 19 resulted in market share gains and as a result, topline registered 26% y/y growth.
- Decline in commodity prices, sluggish demand in both tire reinforcement and aviation industries depressed Kordsa's topline. Yet, 38% y/y revenue growth in composite segment, owing to the inorganic growth by Axiom Acquisition, limited Kordsa's topline volatility.
- The segments' comparable EBITDA has increased by 22% y/y, thanks to the strong contributions of Brisa and tobacco business.
- On Brisa, in addition to its strong contribution to the topline growth, improved contribution margins by downward trend in raw material prices, better pricing and hedging instruments used against FX volatility, prudent supply chain management also supported segment's EBITDA growth.
- Thanks to the sales price improvements compared to the first quarter of 2019, tobacco business has significantly improved its contribution.
- On Kordsa, the stagnation in tire reinforcement market has led to reduced margins. Lower topline growth and the decline in industry margins has resulted in lower EBITDA.
- Despite additional debt on Kordsa's Axiom acquisition, both companies bottom-line have benefitted from low interest rates.
- Segment's comparable net income increased by 50% y/y, on strong performances of Brisa and tobacco business.

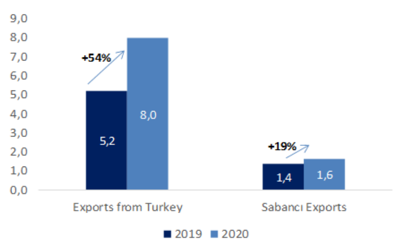
Building Materials – Exports offset weak domestic demand

Building Materials Summary Financials*

MILLION TL	Q1 2019	Q1 2020	% Change
SALES	744	797	7%
EBITDA**	94	65	-31%
NET INCOME**	-9	-54	-471%
EBITDA* MARGIN	12,6%	8,2%	

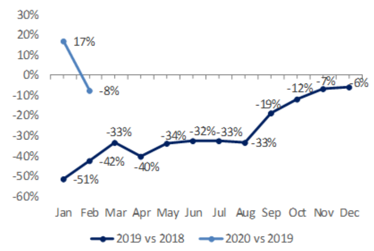
** Before consolidation adjustments, combined ** Excludes non-operational one off items*

Domestic cement demand y/y growth



Source: Turkish Cement Manufacturers' Association

Cement exports from Turkey (mn tons)



Source: Central Anatolian Exporters' Union

Current Assessment

- Positive trend in petro-coke and coal costs
- Stable sales volumes

Factors to Watch

- Demand and supply in local market
- Exports
- Infrastructure and construction projects

- Based on Turkish Cement Manufacturers' Association data, Turkish domestic cement demand posted a 3% y/y growth in the first two months of the year.
- Cement businesses have offset weakness in domestic volumes with exports. Group's export volumes grew by 19% y/y, bringing the total sales volume growth to about 6% y/y.
- Despite weak domestic volumes and pricing, revenues were up by 7% with the support of exports.
- Despite significantly lower fuel prices that have partially offset higher electricity costs, weakness in pricing compared to last year and regional mix led to shrinkage on the margins.
- On a positive note, driven by improved focus, both companies have substantially reduced their working capital needs.
- Looking forward, key focus areas will be pricing, demand and competition in export markets, production costs (especially fuel), new demand driven by infrastructure investments, mega construction projects, and working capital management.

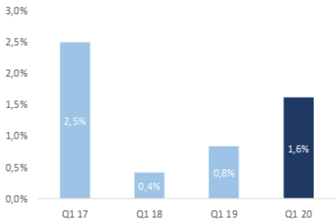
Retail – Improved profitability

Retail Summary Financials*

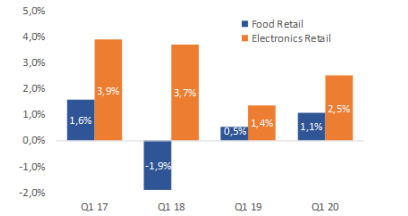
MILLION TL	Q1 2019	Q1 2020	% Change
SALES	2.217	2.819	27%
EBITDA**	130	169	29%
EBITDA**-Comparable	19	45	143%
NET INCOME**	-172	-126	27%
NET INCOME**-Comparable	-152	-112	26%
EBITDA** MARGIN	5,9%	6,0%	
EBITDA** MARGIN-Comparable	0,8%	1,6%	

** Before consolidation adjustments, combined ** Excludes non-operational one off items*
Comparable excludes IFRS16 impact

Comparable EBITDA** margin



Comparable EBITDA** margin by segment



*** Excludes non-operational one off items; Comparable excludes IFRS16 impact*

Current Assessment

- Top line supported by overall basket size
- Improved operational profitability driven by top line growth despite higher hygiene expenses in food retail
- Lower financial expenses contributing to the improvement in bottom line

Factors to Watch

- Changes in consumers' buying behavior in the post-COVID era
- Trends in e-commerce
- Ongoing turnaround projects in both companies

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- Solid improvement has been achieved in the retail segment. Overall basket size increase was the key driver behind the 27% top line growth in this period.
- Higher operational expenses, as increased hygiene expenses, contributed negatively at food retail. Operating performance of the retail segment continued to improve with the EBITDA, even adjusted for the IFRS16 impact, posted 143% y/y growth with solid pass through of the strong top line growth. The IFRS impact amounted to 123 MTL in Q1 2020 compared to 112 MTL one year ago.
- At the bottom line, lower financial expenses supported segment's net income after adjusted for the IFRS16 impact.
- Looking forward, impact of the Covid-19 global pandemic on consumers' buying behavior as well as on trends in e-commerce sales are likely to stand out as the key factors. Besides, impact of ongoing turnaround projects on operating performance should be monitored closely. Surge in e-commerce business in this segment is satisfactory.

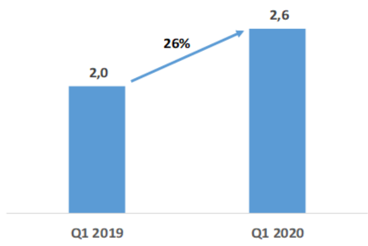
Financial Services – Robust growth and high technical profit

Financial Services Summary Financials*

MILLION TL	Q1 2019	Q1 2020	% Change
SALES	1.236	1.562	26%
EBITDA	169	176	4%
LIFE	56	60	8%
NON-LIFE	113	116	3%
NET INCOME**	132	125	-5%
LIFE	60	53	-11%
NON-LIFE	72	71	-1%

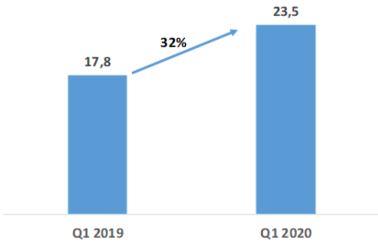
** Before consolidation adjustments, combined ** Excludes non-operational one off items*

Aksigorta AUM* (TL BN)



* Assets Under Management

Avivasa Pension AUM* (TL BN)



* Assets Under Management. Including auto enrolment

Current Assessment

- Pension maintains #1 position in terms of AUM with a 18,6% market share
- Strong life & non-life performance
- Lower financial income contribution

Factors to Watch

- Natural disasters, pandemic and claims management
- Interest rates, FX & inflation
- Regulatory changes

SABANCI

- Financial services segment had another quarter with robust top line growth and high technical profit as well as high RoE.
- On the non-life business, premium production grew by 17% y/y to TL 1,2 bn compared to TL 1,1 bn one year ago, driven by Motor products.
- On the life and pension business, total protection premiums grew by 85% y/y, driven by doubling credit linked growth and 38% y/y growth in non-credit linked life protection, underpinning the business' diverse business model.
- Despite higher claims due to the opt-out from credit linked life protection insurance products compared to a year ago, total technical income increased by 15% y/y, driven by the growth in life protection volumes.
- Lower financial income, which is both a part of EBITDA and net income, was the main driver of capped growth at the bottom-line.
- Both businesses are quite cash rich. Both businesses expanded their AUM, keeping the positive snowball effect on future profitability.

Bank – Best positioned to remain healthy & profitable in a challenging environment

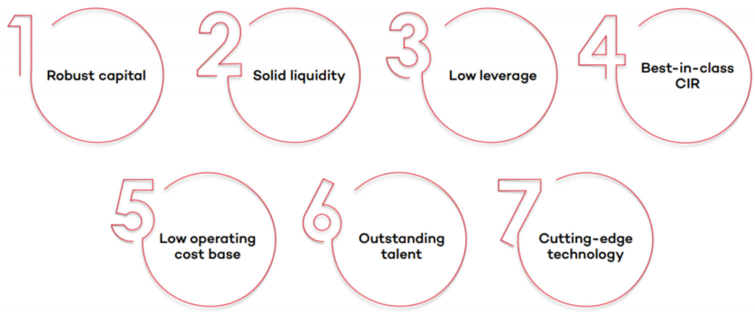
Summary Combined Financials*

MILLION TL	Q1 2019	Q1 2020	% Change
REVENUE	10,698	9,129	-15%
EBITDA	2,071	2,180	5%
NET INCOME	1,511	1,556	3%

Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses.

Key Ratios

%	Q1 2019	Q1 2020	Bps Change
Leverage	8,1x	7,8x	-0.3x
NIM (swap adj.)	3.74%	4.83%	1.1
CIR [1]	33.4%	33.8%	0.3
CAR [2]	16.2%	18.8%	2.6
Tier 1 [2]	13.8%	16.0%	2.2



Current Assessment

- In Q1 20 Akbank, achieved solid core operating performance
- Preserved best-in-class CIR
- Performed in line with guidance CoC
- Maintained significant capital buffers
- Realized ROE of 9.6% (free provision adj. 11.5%)

Despite

- Muted loan growth
- Regulatory change on fees
- LYY MtM negative adjustment of TL871mn
- Setting aside TL250mn free provision

(1) CIR calculation excludes FX gain from long FX position related with stage 1&2 provisions as well as insurance penalty of TL 71 mn
(2) Q1 20 CAR & Tier 1 ratios exclude forbearances announced by BRSA in Mar '20

SABANCI

- Akbank, entered this challenging environment with robust capital, solid liquidity, low leverage, highest level of efficiency, low operating cost base, and last but not least, with outstanding talent and technology. All of which will enable it to get through these unprecedented times in strength.

Group's opportunities – Post-Covid-19 strategies and initiatives

Group

- Maintain robust balance sheet and liquidity
- Exploit new opportunities for rebooting economy
- Cautious/prepared for a relapse of infection risk

Strategic Business Unit

Bank

- **2020 Outlook:** moderate impact from Covid-19
- **Long-term initiatives:** To create superior customer experience by leveraging digitization, AI & continuous investments in our people & infrastructure

Building materials

- **2020 Outlook:** high impact from Covid-19
- **Long-term initiatives:** Explore local/global consolidation opportunities; diversify export markets

Energy

- **2020 Outlook:** low impact from Covid-19
- **Long-term initiatives:** Market share gains in non-regulated segment, speed-up grid investments to increase returns

Financial services

- **2020 Outlook:** moderate impact from Covid-19
- **Long-term initiatives:** Focus on remote & digital sales, digital channels and partnerships

Industrials

- **2020 Outlook:** high impact from Covid-19
- **Long-term initiatives:** Invest in products that sell to healthcare; replace Far East exports with Europe

Retail

- **2020 Outlook:** moderate impact from Covid-19
- **Long-term initiatives:** Intensify omni-channel / e-commerce penetration, reduce SKUs to efficiently manage inventory

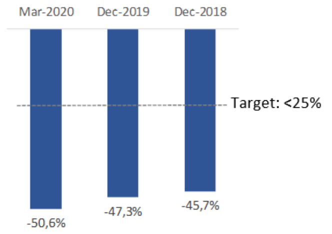
- During the post-COVID-19 era, at the Group level, focus will be on maintaining the robust balance sheet, liquidity; taking advantage of new inorganic growth opportunities while the economy is rebooting; and maintaining vigilance stance against the risk of a relapse in cases.
- Looking ahead for Q2 performance:
  - Energy: Hydrology has been supportive so far. Profitability is so far still intact.
  - Financial services: Might continue to benefit from low mobility.
  - Building materials: Seeing some normalization in exports but too early to comment on the local market.
  - Retail: E-commerce activities remain strong for both food and technology retail.
  - Industrials: Businesses would be impacted in slowdown in global mobility both in land and air transport.
- Although Sabancı Holding's businesses are very resilient as the pace of recovery both locally and globally is unknown, providing guidance will be refrained at the moment. However, Sabancı Holding's businesses and the performance so far has been rock solid at the non-bank consolidated level.

Sabancı Holding Discount to NAV

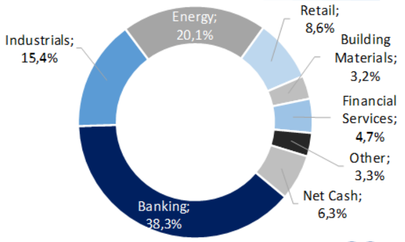
USDmn			Mar-2020			Dec-2019	
	Direct			Value of		Value of	
Companies	Stakes (%)*	Valuation Method	Mcap	Stake	% of NAV	Stake	% of NAV
Akbank	40,8%	Market value	4.428	1.805	38,3%	2.891	46,5%
Enerjisa Enerji	40,0%	Market value	1.218	487	10,4%	587	9,5%
Aksigorta	36,0%	Market value	216	78	1,7%	113	1,8%
Avivasa	40,0%	Market value	364	146	3,1%	169	2,7%
Akçansa	39,7%	Market value	205	81	1,7%	128	2,1%
Çimsa	54,5%	Market value	130	71	1,5%	113	1,8%
Brisa	43,6%	Market value	334	146	3,1%	213	3,4%
Kordsa	71,1%	Market value	281	200	4,2%	304	4,9%
Carrefoursa	50,6%	Market value	682	345	7,3%	281	4,5%
Teknosa	60,3%	Market value	102	61	1,3%	47	0,8%
Total Listed				**3.420**	**72,7%**	**4.845**	**78,0%**
Enerjisa Üretim	50,0%	1.0 x Book Value	913	456	9,7%	511	8,2%
Philsa	25,0%	Analyst Estimates*	1.508	377	8,0%	422	6,8%
Other		1.0 x Book Value		154	3,3%	153	2,5%
Total Non-listed				**987**	**21,0%**	**1.086**	**17,5%**
Total				**4.407**	**93,7%**	**5.932**	**95,5%**
Sabancı Holding Net Cash				299	6,3%	279	4,5%
Sabancı Holding NAV				4.706	100,0%	6.211	100,0%
Sabancı Holding Mcap				**2.324**		**3.274**	
Sabancı Holding Discount				**-50,6%**		**-47,3%**	

Source: Bloomberg, Sabancı Holding Finance Department
*# of Analyst Estimates: 14

NAV Discount



Breakdown of NAV (March 2020)



APPENDIX-CONSOLIDATED FINANCIALS

Balance Sheet (000 TL)

	31.03.2020	31.12.2019
ASSETS		
Current Assets	**225.469.832**	**206.970.925**
Cash and Cash Equivalents	26.912.279	22.447.203
Financial Assets	29.488.505	28.210.697
- Financial assets measured of fair value through profit or loss	7.787.160	7.289.522
- Financial assets measured of fair value through other comprehensive income	17.210.486	16.750.747
- Financial assets measured of amortised cost	4.490.859	4.170.428
Trade Receivables	1.703.624	1.625.419
Receivables from Finance Sector Operations	112.685.255	117.257.770
Reserve Deposits with the Central Bank of the Republic of Turkey	40.822.348	26.541.745
Other Receivables	2.824.047	2.101.358
Derivative Financial Instruments	5.045.341	3.137.883
Inventories	3.596.741	3.124.669
Prepaid Expenses	1.326.217	893.037
Current Tax Assets	11.213	4.733
Other Current Assets	855.780	952.864
	225.271.350	**206.297.378**
Assets Classified As Held for Sale	198.482	673.547
Non-current Assets	**215.804.293**	**199.376.954**
Financial Assets	67.292.683	62.169.382
- Financial assets measured of fair value through other comprehensive income	50.566.427	50.773.699
- Financial assets measured of amortised cost	16.726.256	11.395.683
Trade Receivables	508	17
Receivables From Finance Sector Operations	109.425.844	100.134.183
Other Receivables	3.645.162	3.025.117
Derivative Financial Instruments	14.668.083	13.490.781
Investments Accounted Through Equity Method	7.126.377	7.335.503
Investment Property	211.934	191.035
Property, Plant and Equipment	7.522.659	7.295.877
Asset Right on Use	1.886.915	1.885.463
Intangible Assets	3.397.575	3.348.497
- Goodwill	1.493.083	1.475.337
- Other Intangible Assets	1.904.492	1.873.160
Prepaid Expenses	29.038	21.719
Deferred Tax Assets	480.922	353.154
Other Non Current Assets	116.593	126.226
Total Assets	**441.274.125**	**406.347.879**

LIABILITIES		
Short Term Liabilities	**309.290.339**	**278.812.101**
Financial Liabilities	8.836.033	10.342.807
Current Portion of Long-Term Financial Liabilities	15.219.800	15.005.313
Lease Liabilities	332.725	306.876
Trade Payables	4.082.511	3.995.658
Payables from Finance Sector Operations	268.785.763	237.928.489
Payables Related with Employee Benefits	117.554	62.430
Other Payables	5.471.601	6.078.721
Derivative Financial Instruments	2.415.084	1.790.818
Deferred Income	170.853	186.978
Income Taxes Payable	364.237	355.895
Short Term Provisions	824.898	900.438
- Short Term Provisions for Employee Benefits	385.677	422.063
- Other Short Term Provisions	439.221	478.375
Other Short Term Liabilities	2.665.799	1.854.561
	309.286.858	**278.808.984**
Liabilities Classified As Held for Sale	3.481	3.117
Long Term Liabilities	**66.061.034**	**61.058.335**
Financial Liabilities	34.733.056	32.736.661
Lease Liabilities	1.698.972	1.677.959
Payables from Finance Sector Operations	16.448.334	14.463.018
Other Payables	3.536.952	3.374.173
Derivative Financial Instruments	8.509.731	7.271.155
Deferred Income	80.027	83.279
Long Term Provisions	683.819	669.814
- Long Term Provisions for Employee Benefits	567.900	547.820
- Other Long Term Provisions	115.919	121.994
Income Taxes Payable	-	5.094
Deferred Tax Liabilities	325.560	737.000
Other Long Term Liabilities	44.583	40.182
EQUITY	**65.922.752**	**66.477.443**
Equity Attributable to the Parent	**32.815.016**	**33.258.317**
Share Capital	2.040.404	2.040.404
Adjustment to Share Capital	3.426.761	3.426.761
Share Premium	22.237	22.237
Treasury Shares (-)	(190.470)	(190.470)
Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss	(113.252)	(116.253)
- Actuarial Gains/Losses	(113.252)	(116.253)
Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss	(423.339)	531.823
- Currency Translation Reserve	1.867.620	1.688.674
- Gains / Losses on Hedge	(1.446.186)	(1.213.290)
- Revaluation Reserve	(844.773)	56.439
Restricted Reserves	1.222.777	1.173.886
Retained Earnings	25.636.692	22.590.193
Net Income for the Period	1.193.206	3.779.736
Non-controlling Interests	**33.107.736**	**33.219.126**
TOTAL EQUITY AND LIABILITIES	**441.274.125**	**406.347.879**

Income Statement (000 TL)

	01.01-31.03.2020	01.01-31.03.2019
CONTINUING OPERATIONS		
Sales (net)	4.552.636	4.288.335
Cost of Sales (-)	(3.623.100)	(3.417.461)
Gross Profit From Non-Financial Operations	**929.536**	**870.874**
Interest, Premium, Commission and Other Income	9.076.115	10.662.441
Interest, Premium, Commission and Other Expense (-)	(4.948.673)	(6.948.161)
Gross Profit From Financial Operations	**4.127.442**	**3.714.280**
GROSS PROFIT	**5.056.978**	**4.585.154**
General Administrative Expenses (-)	(2.265.803)	(1.854.245)
Marketing, Selling and Distribution Expenses (-)	(586.491)	(555.272)
Research and Development Expenses (-)	(6.152)	(2.678)
Other Income From Operating Activities	911.334	334.346
Other Expense From Operating Activities (-)	(818.509)	(291.982)
Share of Profit of Investments Accounted for using the Equity Method	489.271	384.638
OPERATING PROFIT	**2.780.628**	**2.599.961**
Income From Investing Activities	5.444	21.550
Expense From Investing Activities (-)	(497)	(439)
OPERATING PROFIT BEFORE FINANCIAL INCOME / (EXPENSES)	**2.785.575**	**2.621.072**
Financial Income	25.931	27.605
Financial Expenses (-)	(253.595)	(275.810)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**2.557.911**	**2.372.867**
Tax Income / (Expense) from Continuing Operations		
Current Tax Expense	(320.395)	(106.877)
Deferred Tax Income / Expense	(157.268)	(338.025)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	**2.080.248**	**1.927.965**
DISCONTINUED OPERATIONS		
Net Income After Tax From Discontinued Operations	(23)	(22)
NET INCOME FOR THE PERIOD	**2.080.225**	**1.927.943**
ALLOCATION OF NET INCOME		
- Non-controlling Interests	887.019	870.931
- Equity Holders of the Parent	1.193.206	1.057.012
Earnings per share - hundreds of ordinary shares (TRY)	0,58	0,52
Earnings per share from continuing operations - hundreds of ordinary shares (TRY)	0,58	0,52

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