



Q3 2021 EARNINGS PRESENTATION

November 5, 2021

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Strong **top-line growth & profitability**

Solid **operational cash flow generation & ongoing deleveraging**

High-teens consolidated ROE in line with our mid-term guidance



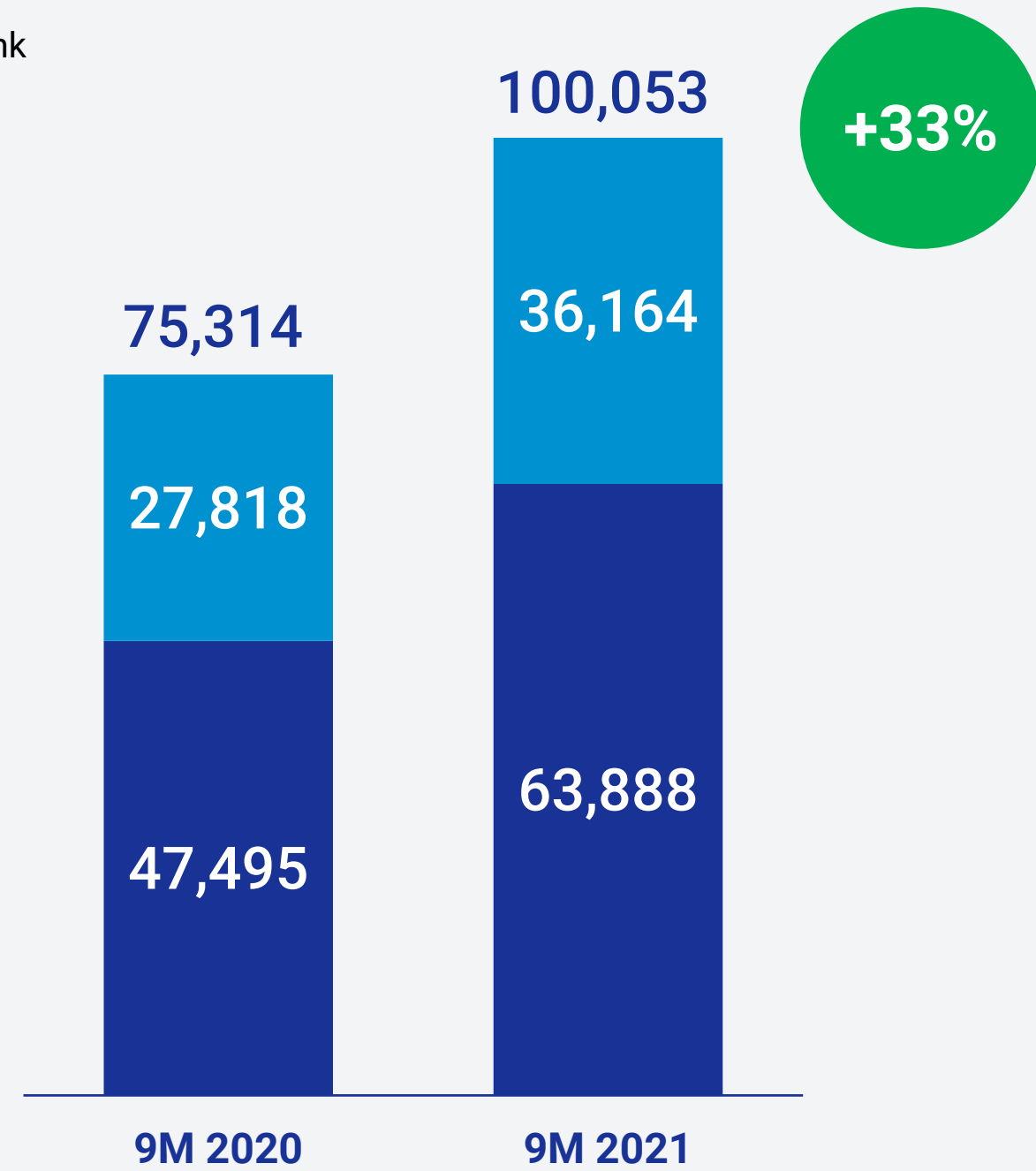
Completion of **Bunol Acquisition**
Initiated sale of **PHILSA and PMSA shares**
Full consolidation of insurance companies

Closely following **vaccine rollout and new variants** by keeping all pandemic related measures in place



Combined Revenue* (TL mn)

■ Non-bank
■ Bank**

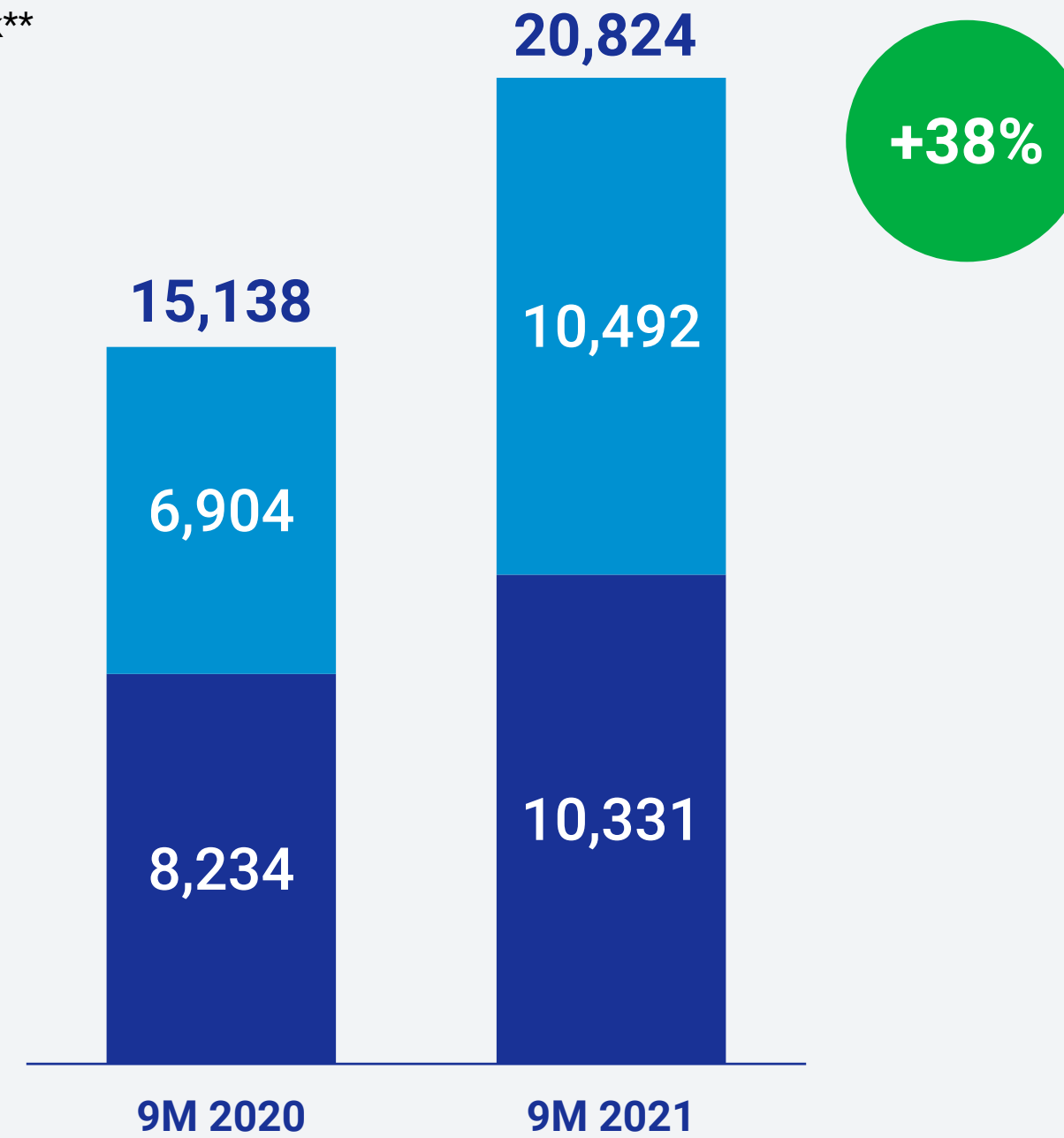


Strong local & global demand

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

Combined EBITDA* (TL mn)

■ Non-bank**
■ Bank

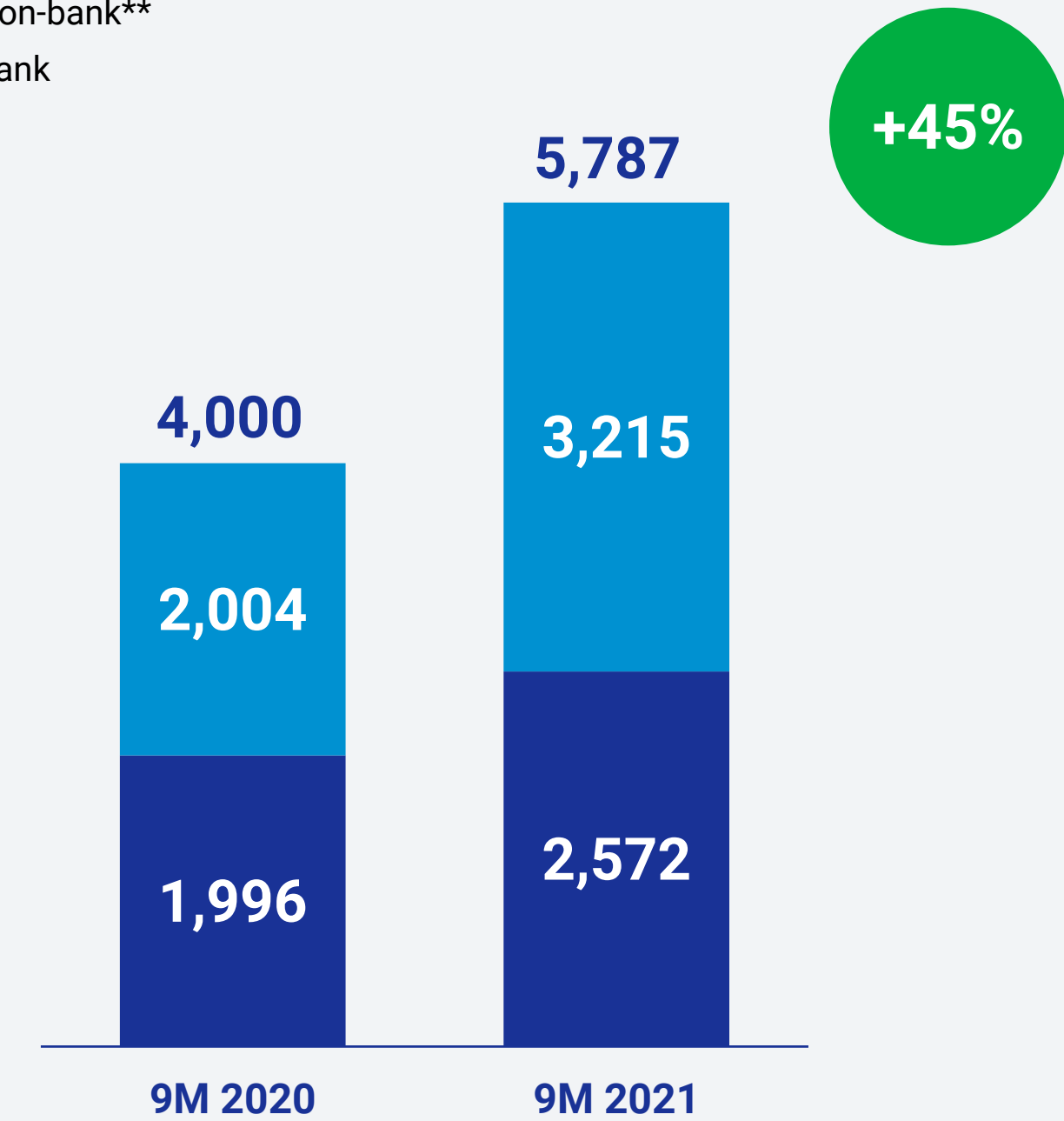


Topline pass-through & operational efficiency

*Excludes non-operational and non-recurring one off items
**Excludes IFRS16 impact in retail

Consolidated Net Income* (TL mn)

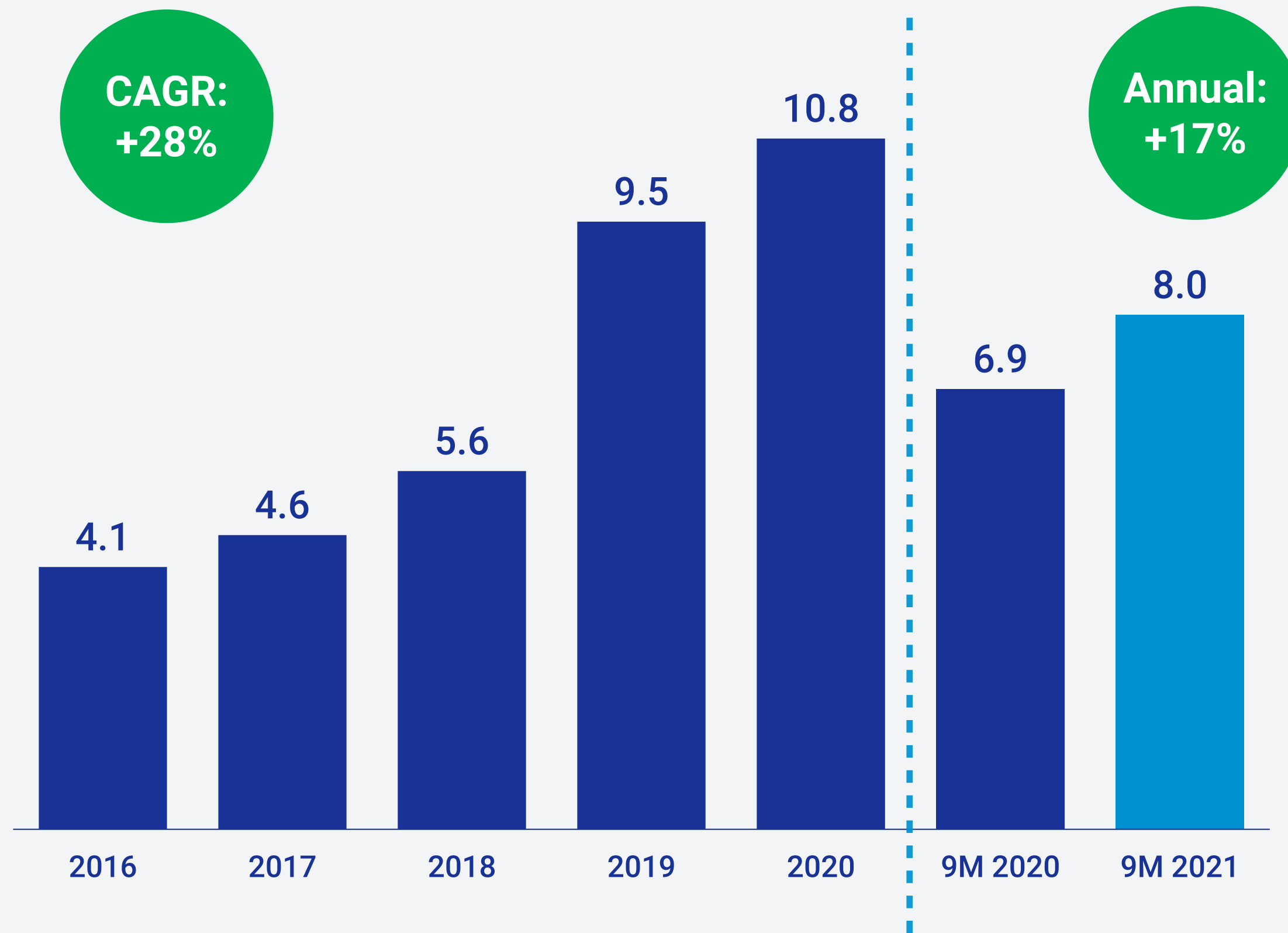
■ Non-bank**
■ Bank



Deleveraging & FX gains

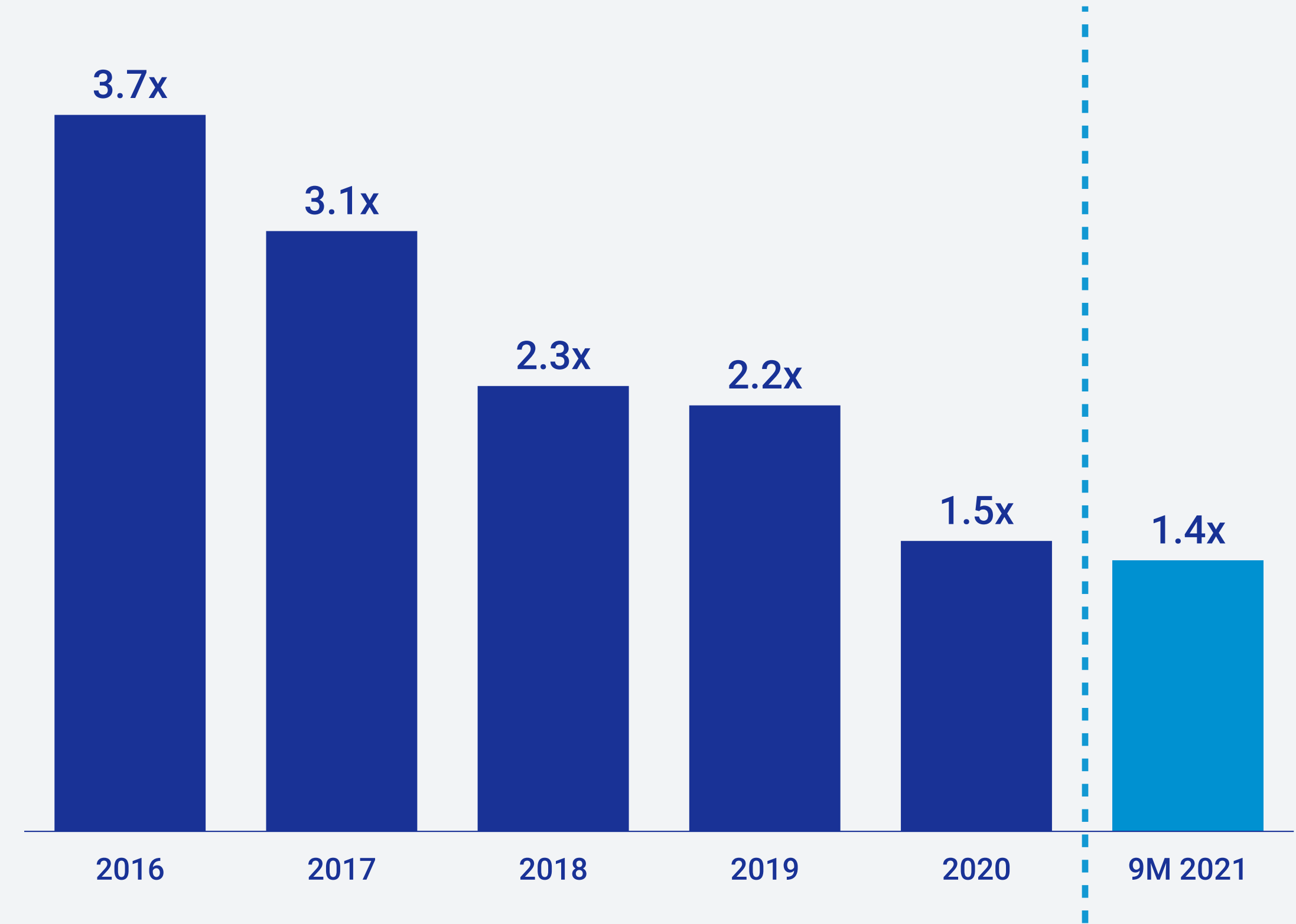
*Excludes non-operational and non-recurring one off items
**Excludes IFRS16 impact in retail

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

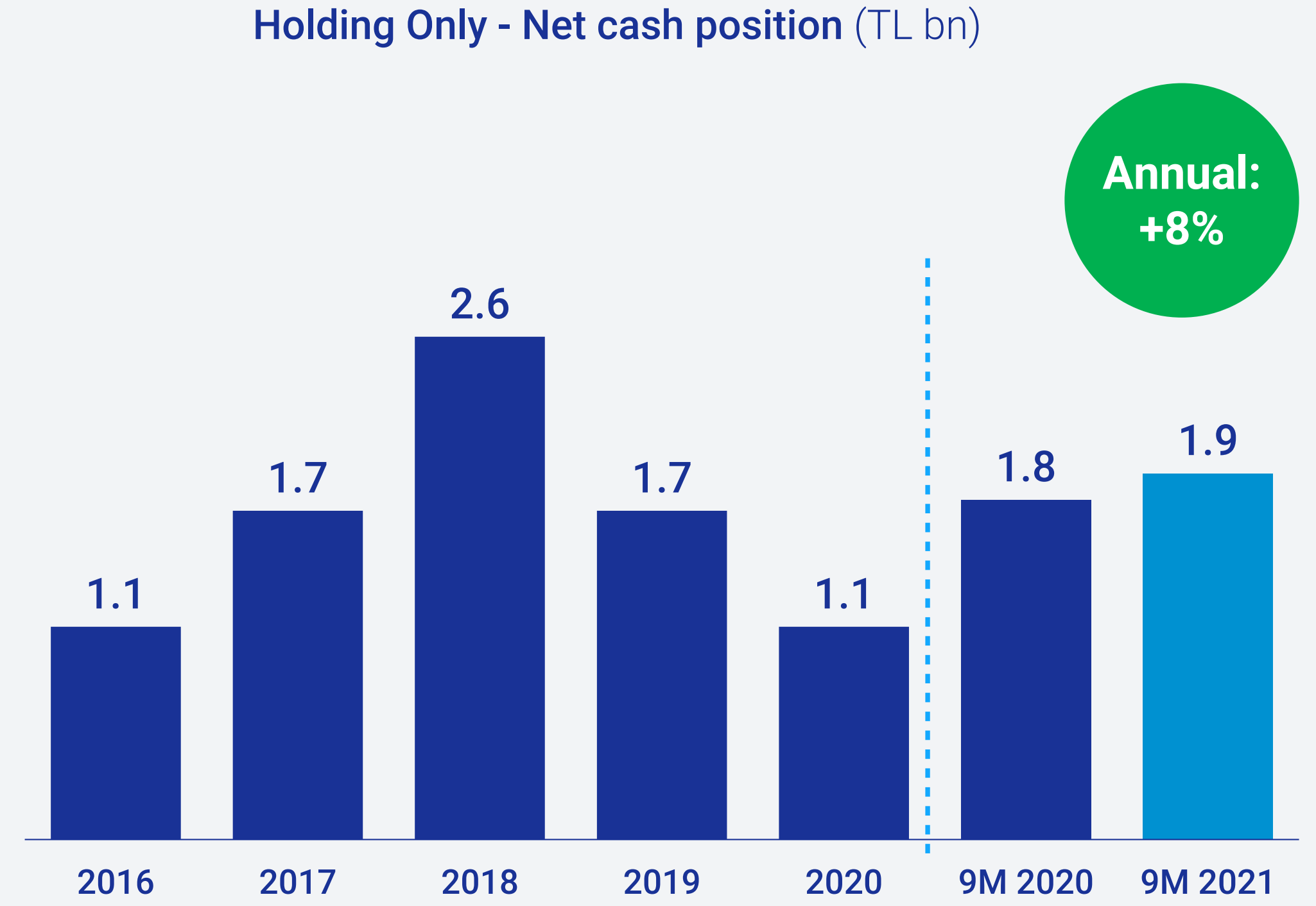
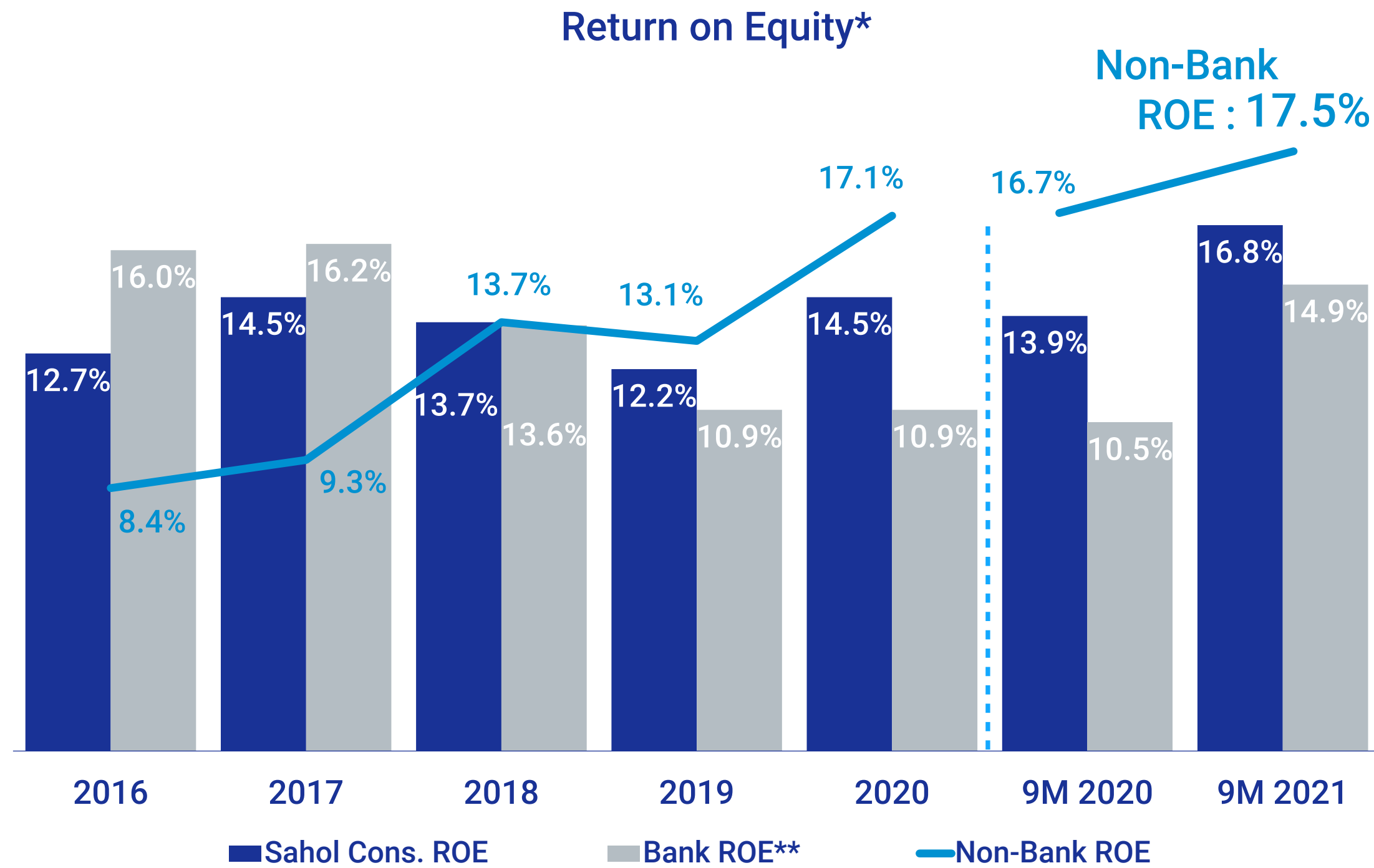


*Excludes Financial Services, Banking & Other segment (Financial services funds: TL 5,0 bn at the end of 9M 2021 vs. TL 4,0 bn at the end of 9M 2020)

Combined Net Financial Debt to Non-Bank EBITDA*



*Excludes Banking, net cash position of Financial Services, IFRS 16 impact; and non-operational and non-recurring one-off items in EBITDA



Consolidated Long FX position (USD mn, excluding Bank)

	June 30, 2021	September 30, 2021
TOTAL CONSOLIDATED LONG FX POSITION AFFECTING PL	+268	+231

Holding Only Cash Breakdown

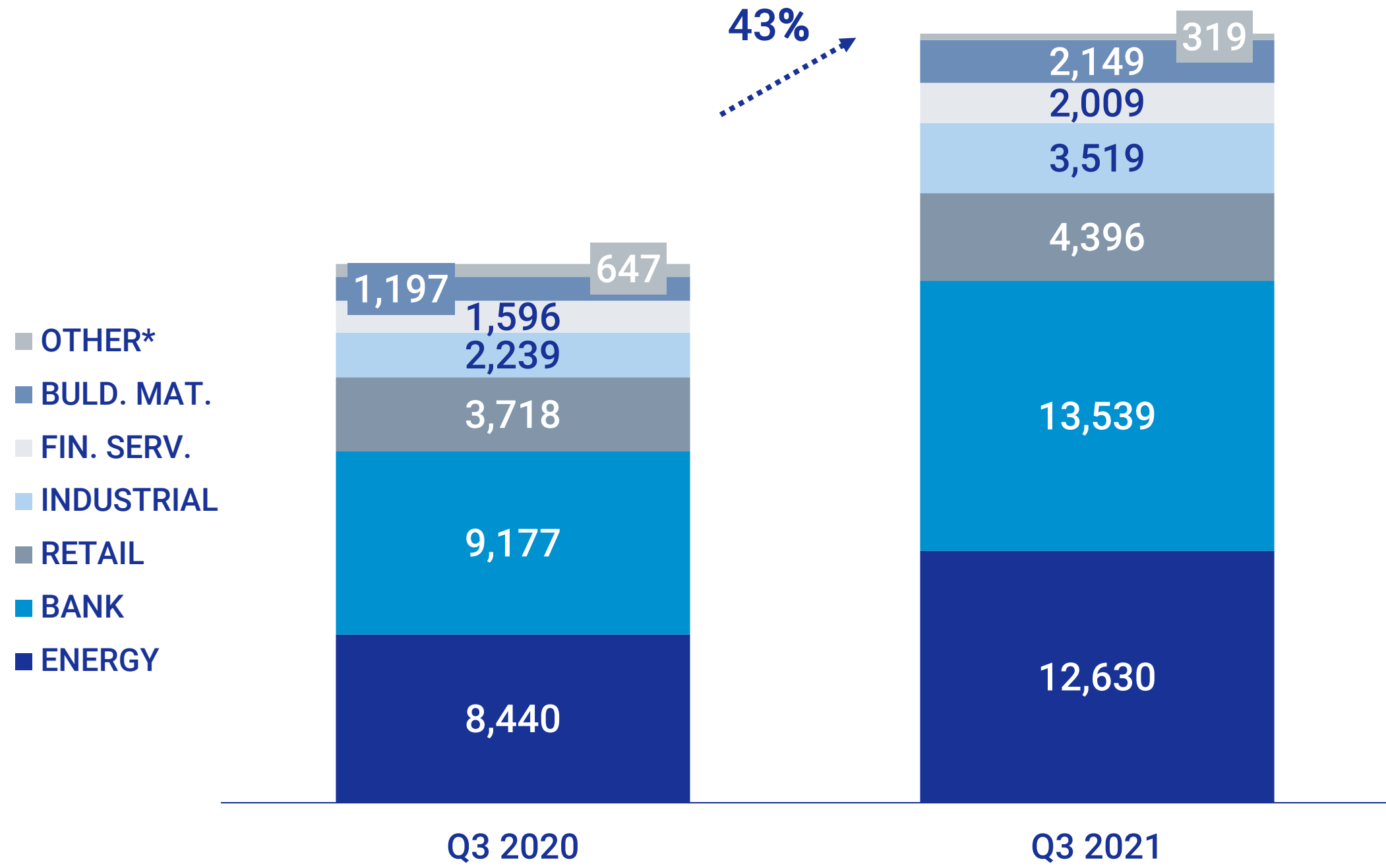
	June 30, 2021	September 30, 2021
SHARE OF FX CASH	54%	63%

*Excludes non-operational and non-recurring one off items **Source: Akbank earnings presentation

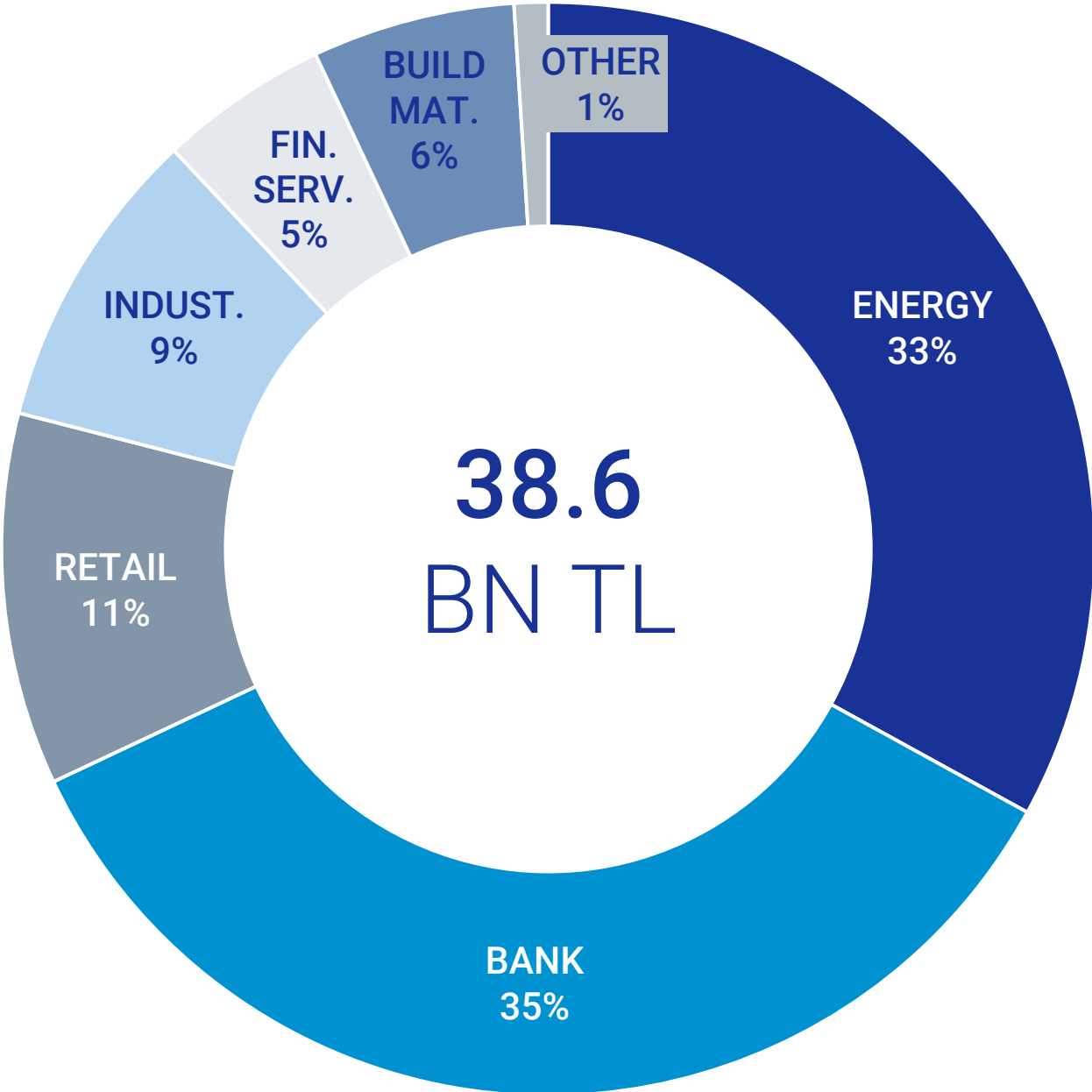
Q3 Combined Revenues / Non-bank growth on accelerating volume growth and pricing flexibility



Combined Revenue* (TL mn)



Combined Revenue* Breakdown



KEY NON-BANK DRIVERS

ENERGY

Higher pricing in generation business

INDUSTRIALS

Higher volume, higher market share & weak TL

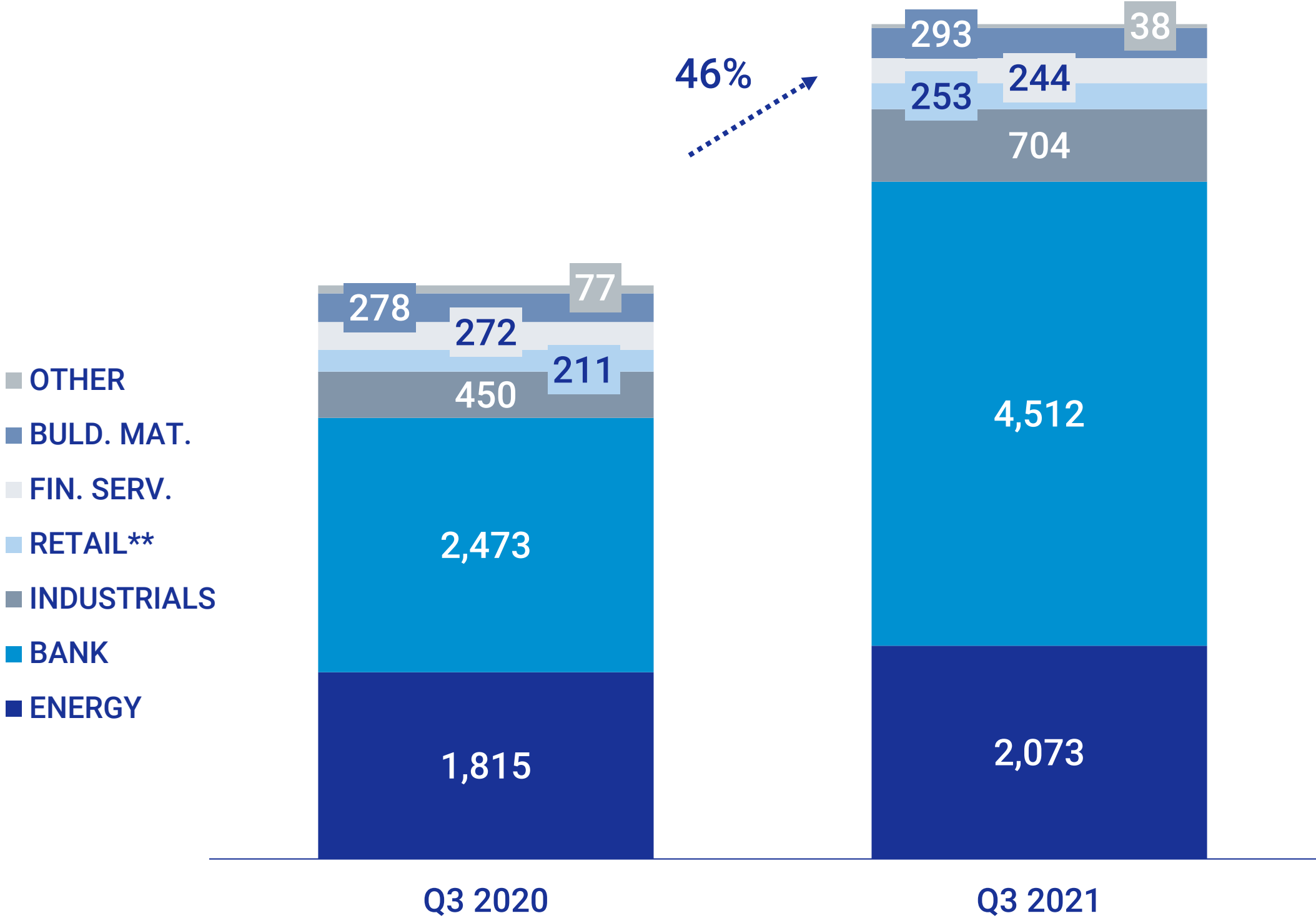
BUILDING MATERIALS

Solid Domestic Demand

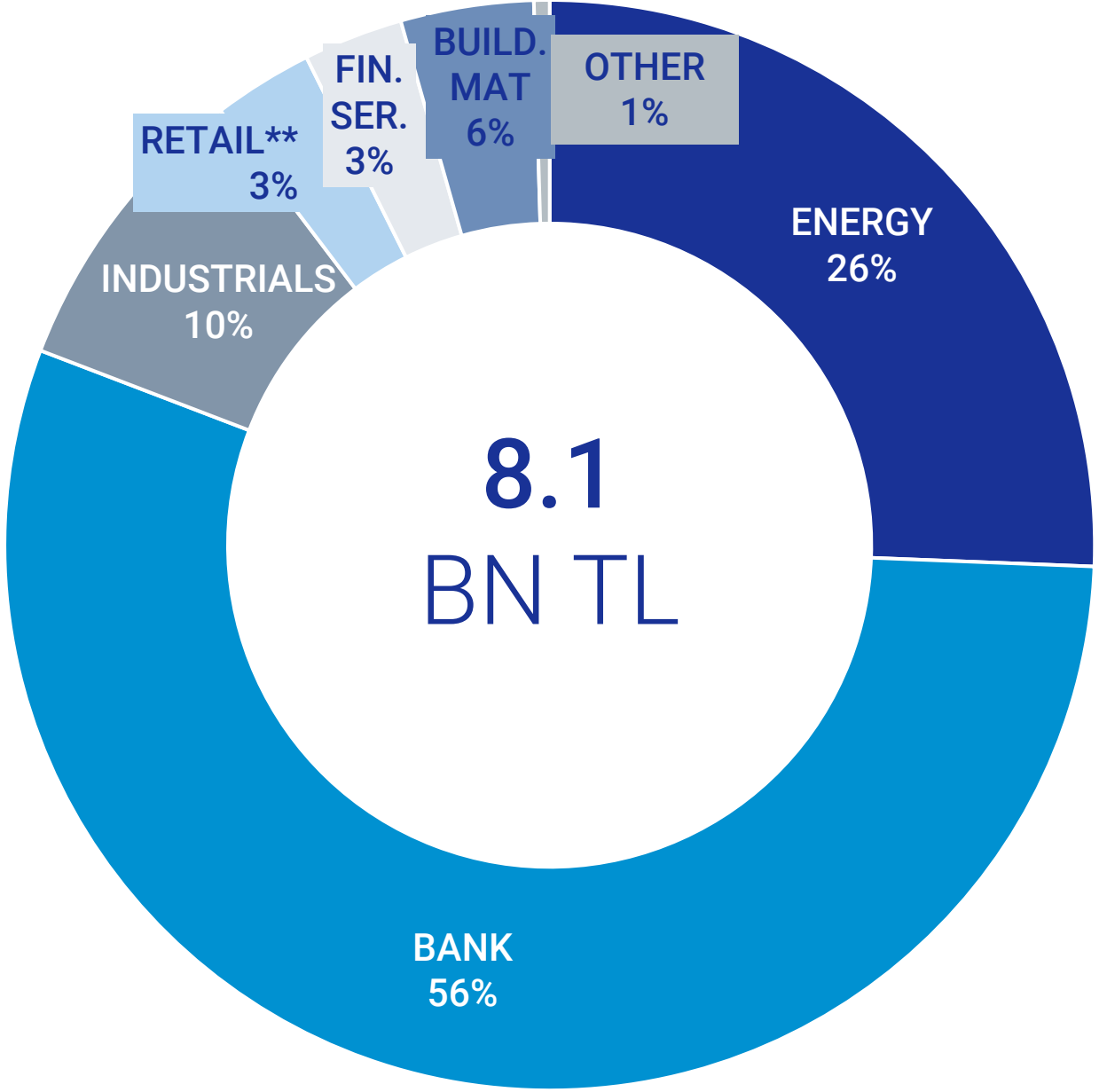
*Holding dividend income is excluded

Q3 Combined EBITDA / Improved bank contribution & operational efficiency in non-bank

Combined EBITDA* (TL mn)



Combined EBITDA* Breakdown



KEY NON-BANK DRIVERS

ENERGY

Higher RAB Growth & Natural Gas & lignite profit contribution

INDUSTRIALS

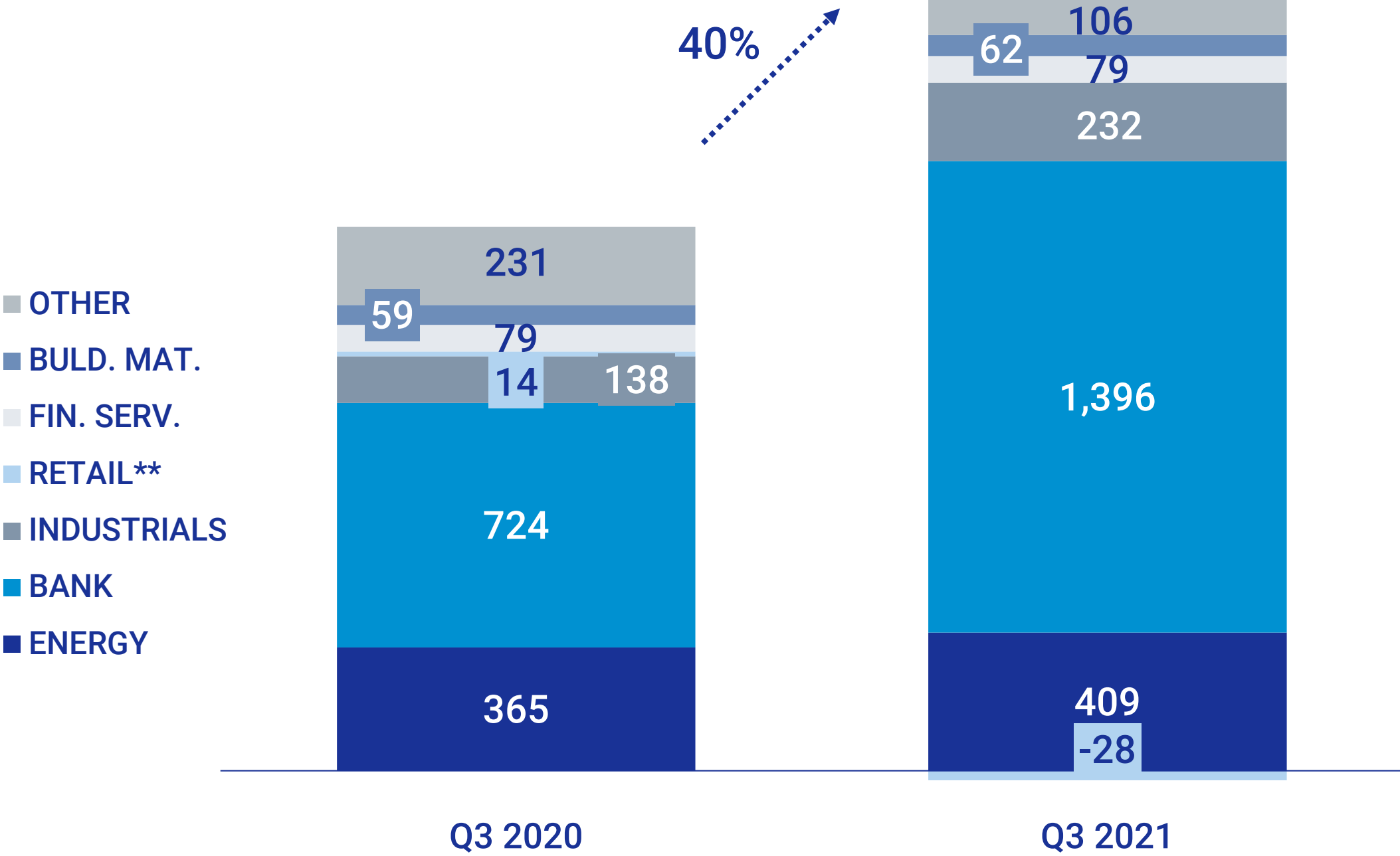
Topline pass through & operational excellence

BUILDING MATERIALS

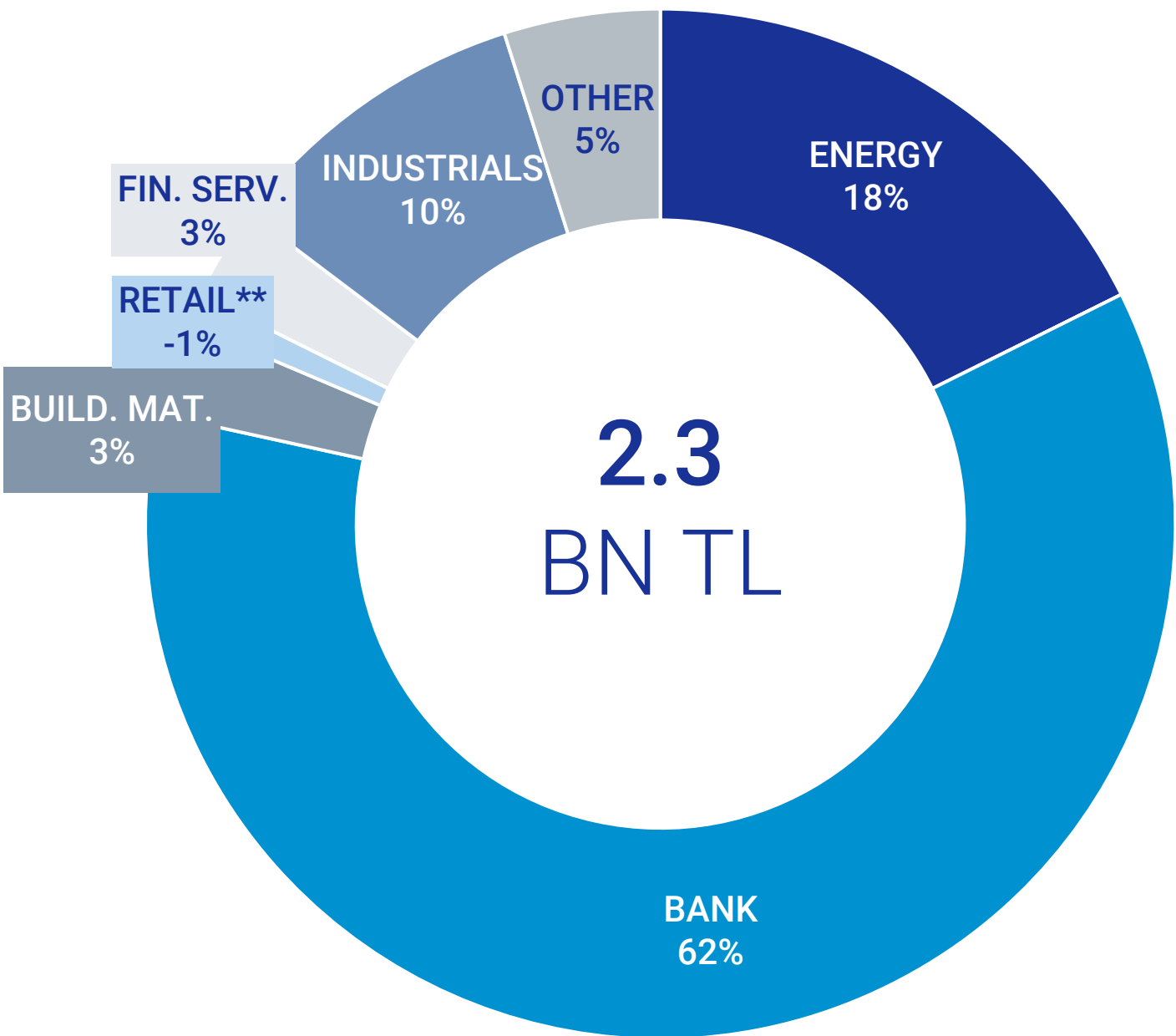
Fuel mix optimization and operational efficiency

*Excludes non-operational, non-recurring one off items and IFRS16 impact in retail **Excludes IFRS16 impact

Consolidated Net Income* (TL mn)



Consolidated Net Income* Breakdown



**KEY
NON-BANK
DRIVERS**

INDUSTRIALS

Strong operational performance pass-through & deleveraging

ENERGY

Strong EBITDA pass through & well-managed balance sheet

*Excludes non-operational, non-recurring one off items and IFRS16 impact in retail **Excludes IFRS16 impact

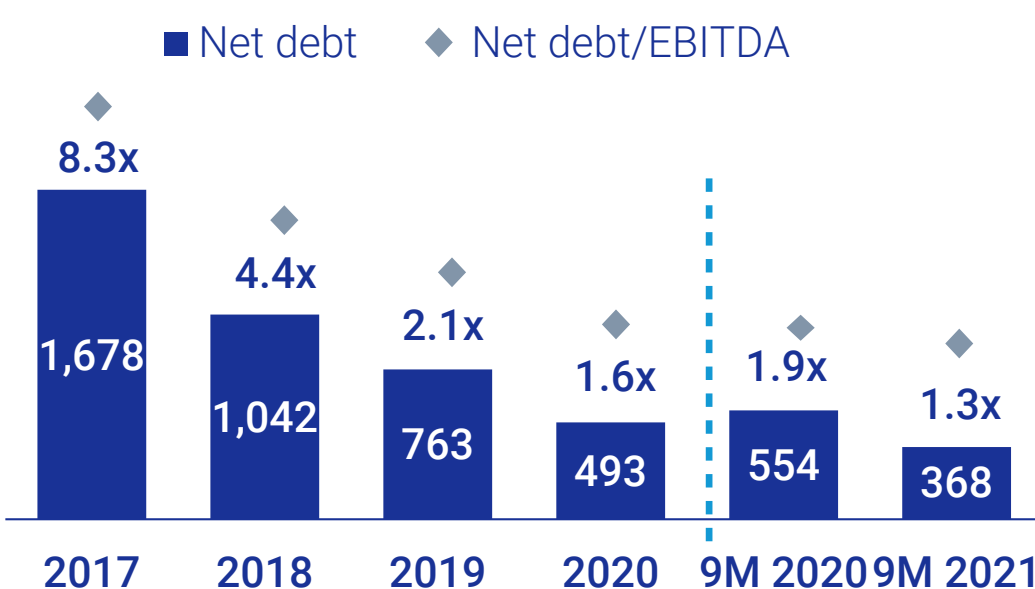
Energy Segment Summary Financials*

MILLION TL	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
SALES	8,440	12,630	50%	23,580	30,355	29%
EBITDA**	1,815	2,073	14%	5,423	5,884	8%
NET INCOME**	857	935	9%	2,459	2,599	6%
EBITDA** MARGIN	21.5%	16.4%		23.0%	19.4%	

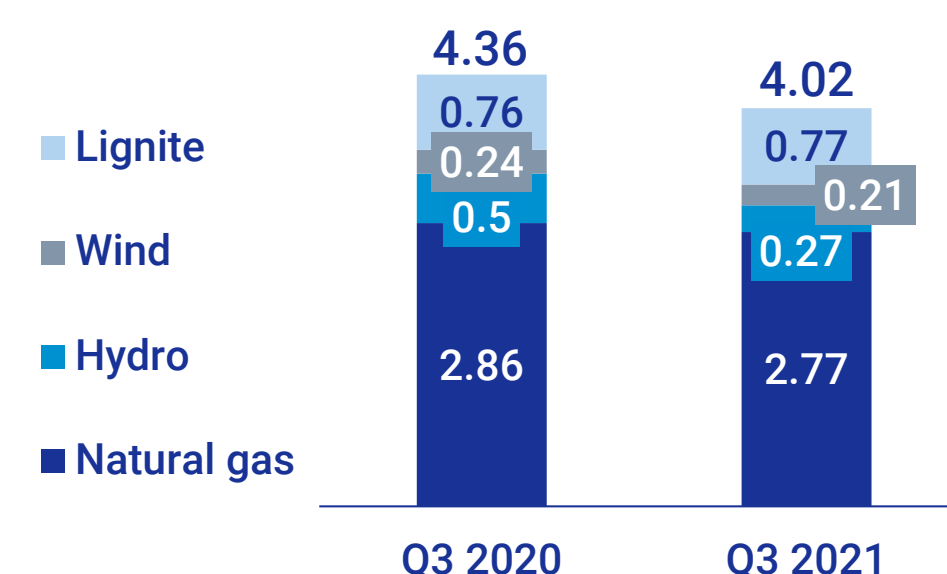
Enerjisa Generation Summary Financials

MILLION TL	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
SALES	2,658	4,235	59%	6,693	9,996	49%
EBITDA**	548	771	41%	2,236	2,307	3%
EBITDA** MARGIN (%)	20.6%	18.2%		33.4%	23.1%	
Depreciation	-635	-667	5%	-382	-402	-5%
Financial Income/(expense)	-211	-258	22%	-646	-834	-29%
NET INCOME**	219	351	60%	1,112	1,002	-10%

Generation's Debt Profile (EUR mn)



Generation volume (TWh)



Monthly Demand Growth (y/y) & Spot Prices



Current Assessment

- ✓ **Distribution & Retail:** EBITDA growth on higher RAB and inflation offsetting lower liberalized profitability
- ✓ **Generation:** Higher Natural Gas & Lignite profitability and FX based Feed-in tariff revenue eliminating lower hydrology impact

Factors to Watch

- ✓ Electricity demand, spot prices & global commodity prices
- ✓ Hydrology
- ✓ Inflation, fx and interest rates

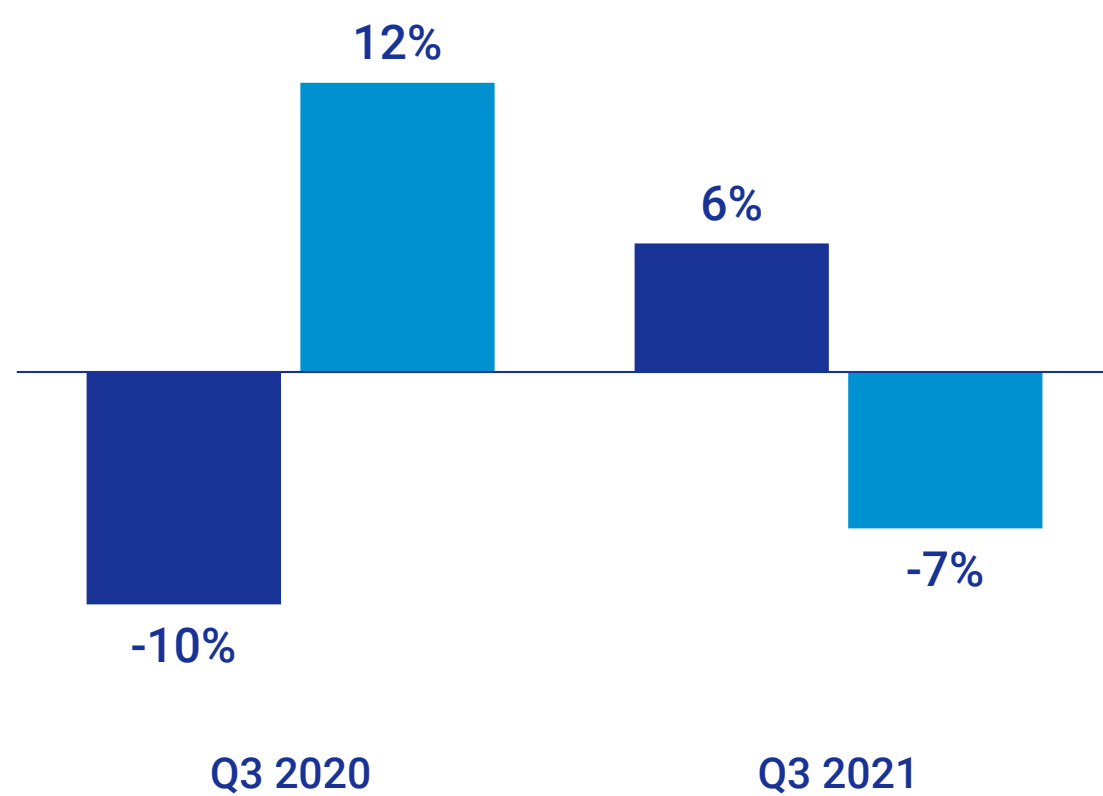
Industrials Summary Financials*

MILLION TL	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
SALES	2,239	3,519	57%	5,980	9,694	62%
EBITDA**	450	704	56%	1,107	2,115	91%
NET INCOME**	261	400	53%	482	1,342	179%
EBITDA** MARGIN	20.1%	20.0%		18.5%	21.8%	

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

Local LV¹ Tire Market (units, y/y)

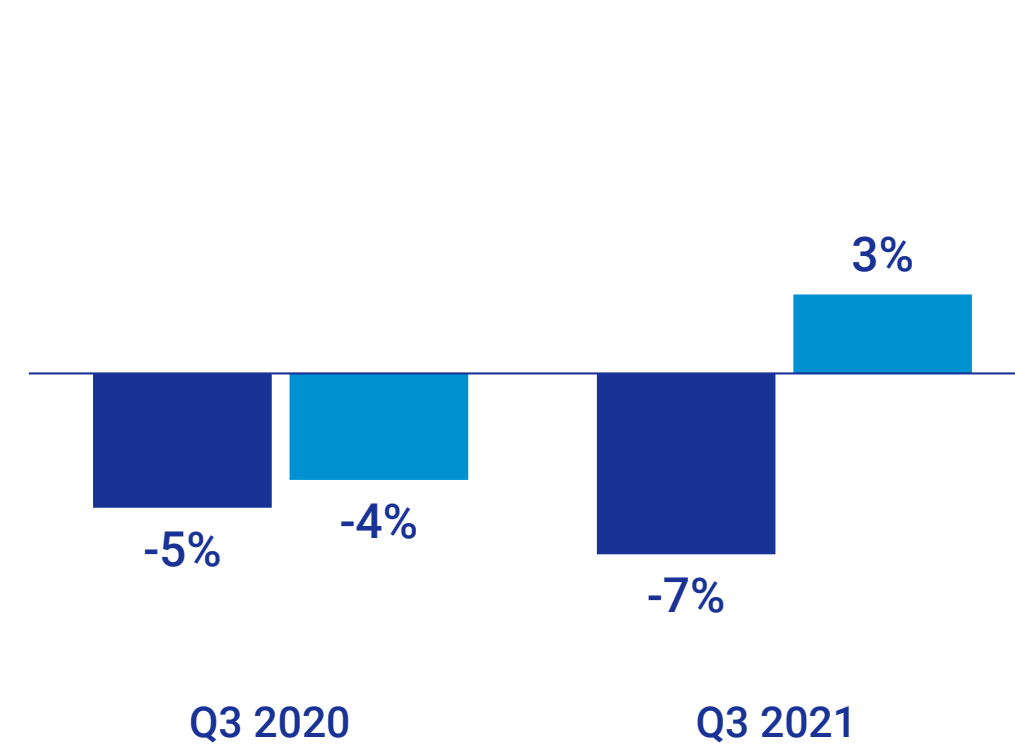
■ Tire business
■ Local tire market



Source: Brisa, Europool

Global Export Market (units, y/y)

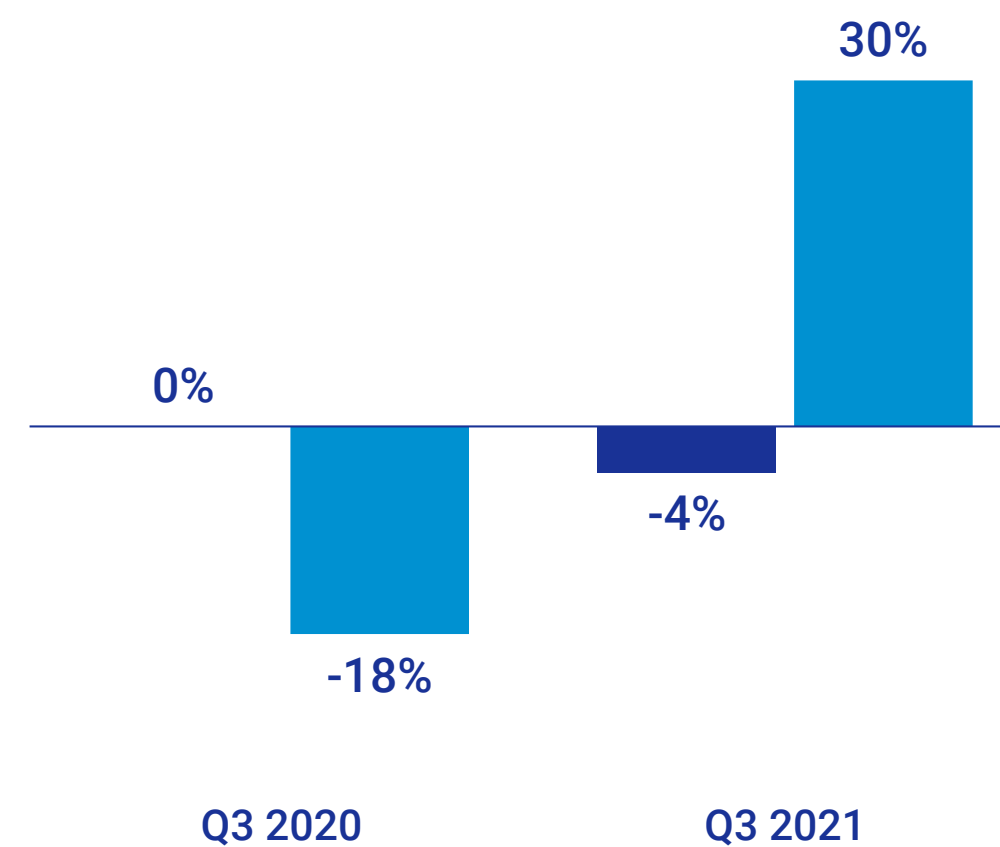
■ Tire business exports
■ Export consumer market



Source: Brisa, Europool

Global Tire Market vs. TCF² Business (y/y)

■ Global LV¹ Tire Market (Munits)
■ Tire Reinforcement³ Volume (Ktons)



Source: Kordsa, LMC Tyre & Rubber

Current Assessment

- ✓ Continued solid demand in our tire & tire reinforcement businesses
- ✓ Advantage of having global footprint in operational performance
- ✓ Resilient margins despite increase in commodity prices

Factors to Watch

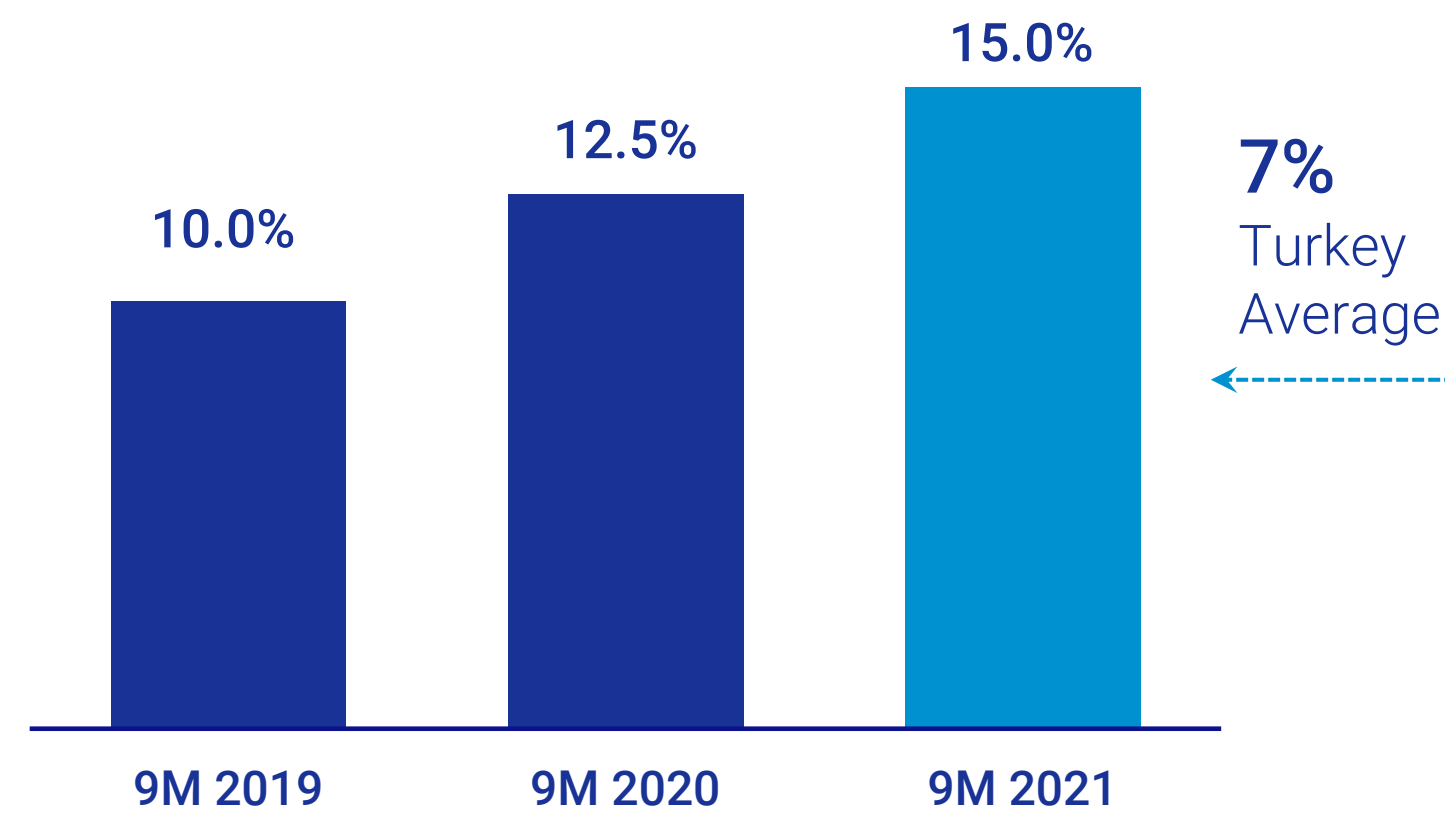
- ✓ Rise in freight rates
- ✓ Increase in conversion costs
- ✓ Pricing vs. commodity prices

Building Materials Summary Financials*

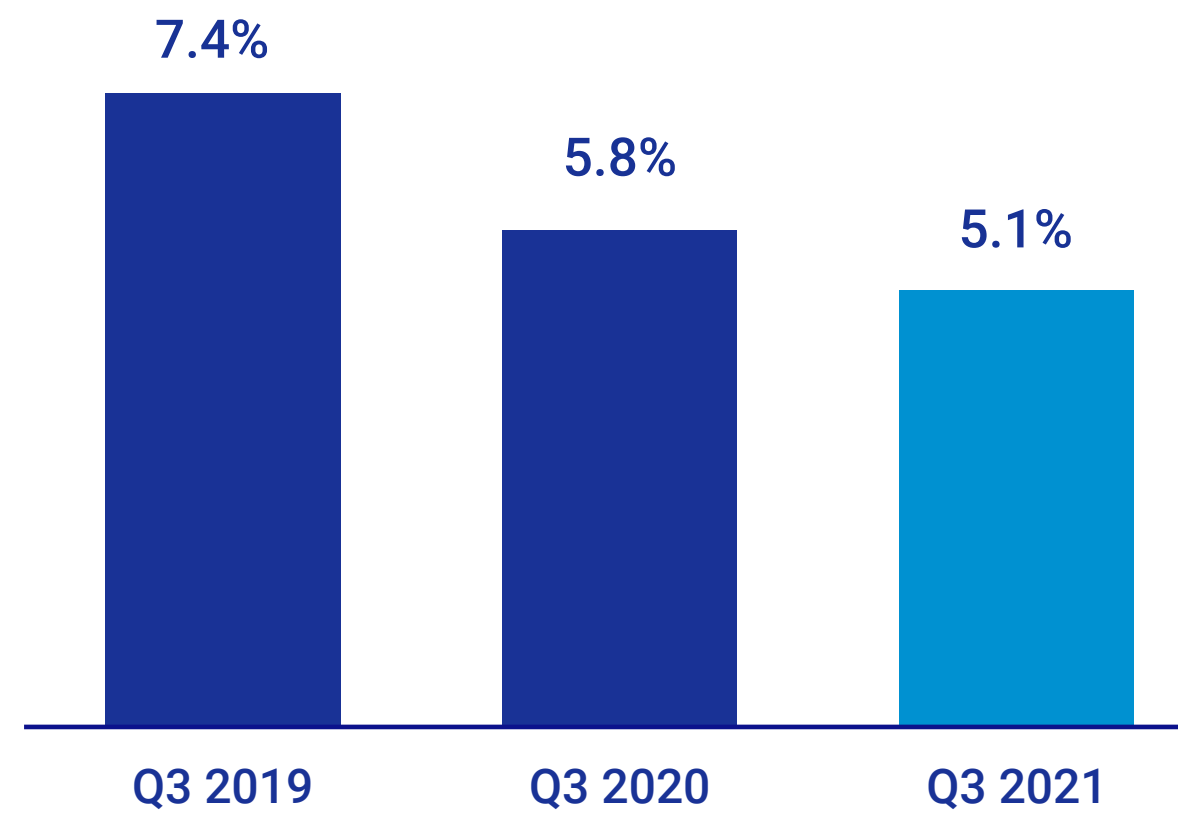
MILLION TL	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
SALES	1,197	2,149	79%	3,009	5,182	72%
EBITDA**	278	293	5%	532	905	70%
NET INCOME**	128	123	-4%	134	457	240%
EBITDA** MARGIN	23.2%	13.6%		17.7%	17.5%	

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

Alternative Fuel Usage in Fuel Mix



Opex/sales trend***



***For comparison purposes, Akçansa and Çimsa only

Current Assessment

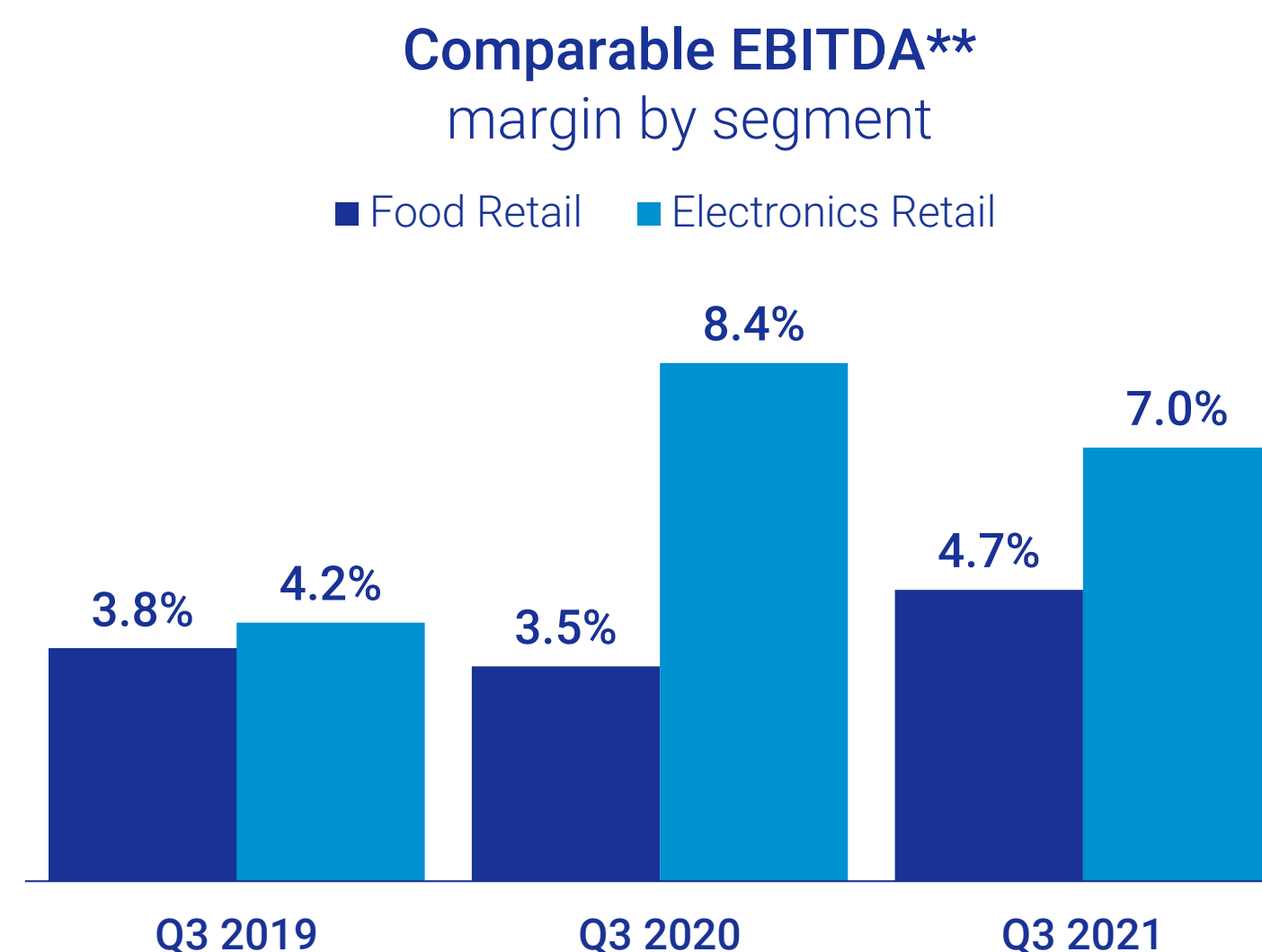
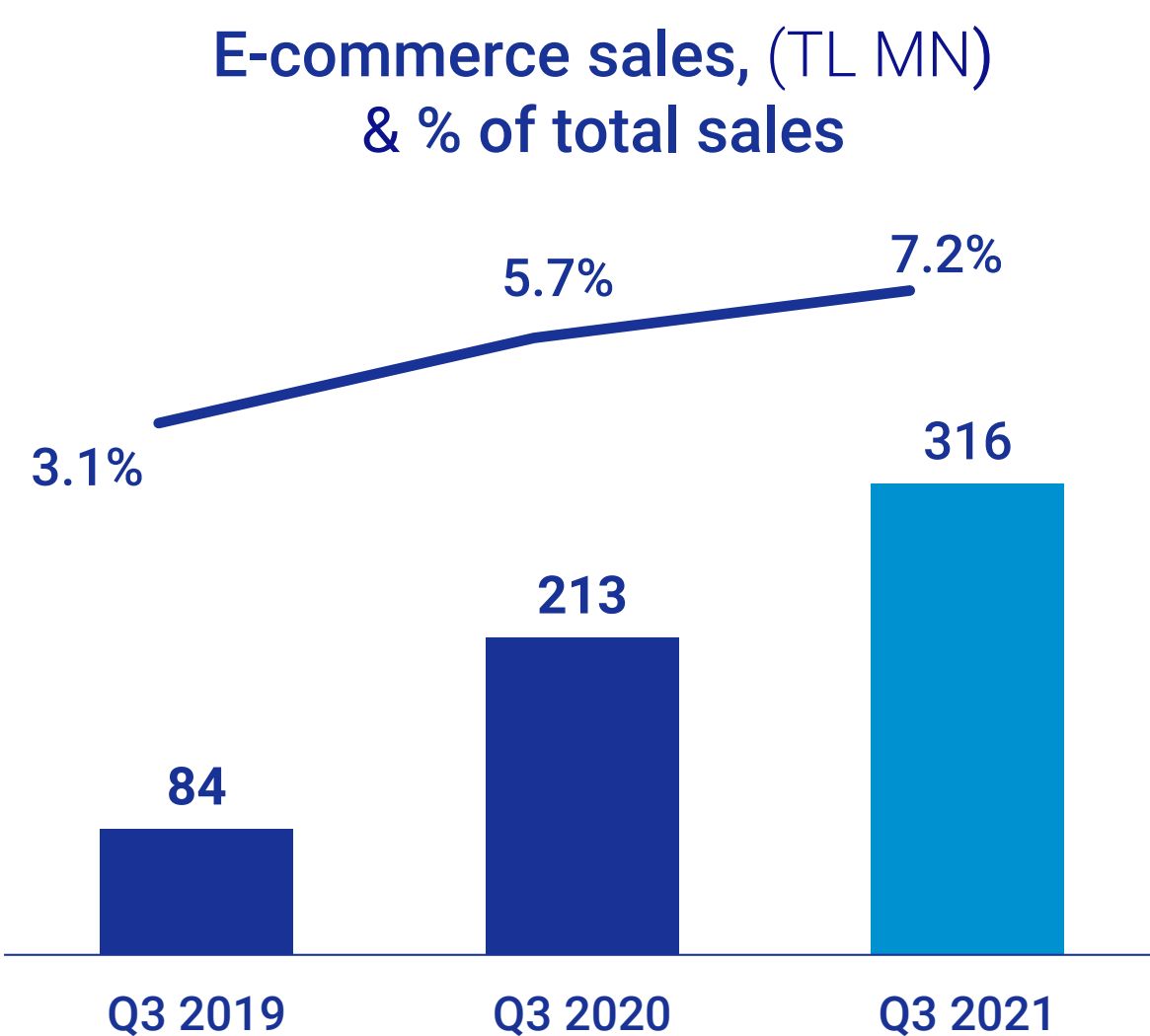
- ✓ Domestic demand & new synergies supporting topline growth
- ✓ Cost side pressures limiting topline pass-through
- ✓ Higher financing expenses hurting bottom-line

Factors to Watch

- ✓ Fuel & electricity & freight costs, energy margin
- ✓ Pricing, supply/demand & capacity dynamics
- ✓ Strategic roadmap and value creation

Retail Summary Financials*

MILLION TL	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
SALES	3,718	4,396	18%	9,348	11,584	24%
EBITDA**	335	395	18%	688	937	36%
EBITDA**-Comparable	211	253	20%	318	518	63%
NET INCOME**	17	-48	n.m.	-210	-264	-26%
NET INCOME**-Comparable	32	-42	n.m.	-166	-241	-45%
EBITDA** MARGIN	9.0%	9.0%		7.4%	8.1%	
EBITDA** MARGIN-Comparable	5.7%	5.7%		3.4%	4.5%	



Current Assessment

- ✓ Solid top line growth
- ✓ Continuing comparable EBITDA growth
- ✓ Higher financing cost

Factors to Watch

- ✓ Growth, inflation, interest rate & sector trends
- ✓ Consumer sentiment & shift in purchasing behavior
- ✓ Potential new COVID restrictions

Financial Services (Insurance) / Life business continued offsetting weakness in non-life

Financial Services (pension & insurance) Summary Financials*

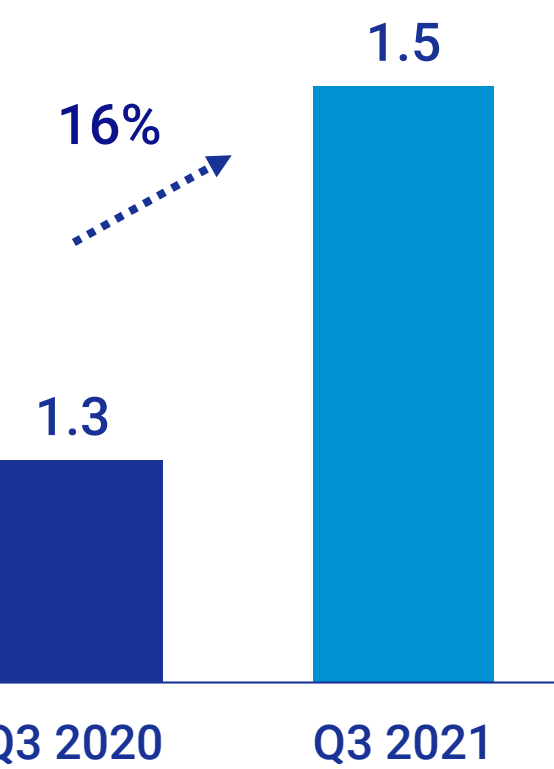
MILLION TL	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
SALES	1,596	2,009	26%	4,519	5,870	30%
EBITDA**	272	244	-10%	778	784	1%
LIFE	160	166	4%	307	466	52%
NON-LIFE	112	78	-30%	472	318	-33%
NET INCOME**	203	201	-1%	570	622	9%
LIFE	136	158	16%	268	438	64%
NON-LIFE	67	43	-35%	303	185	-39%

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

Current Assessment

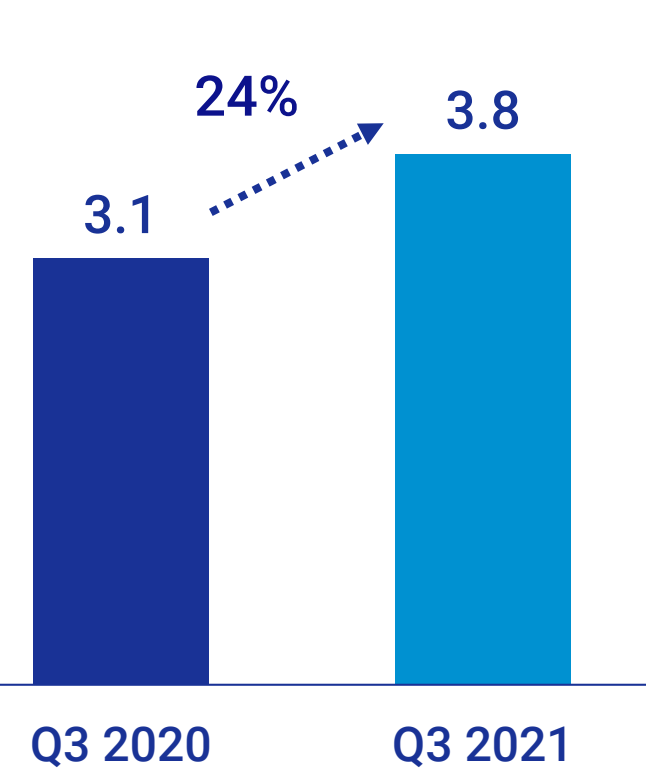
- ✓ **Life:** Higher technical income on life protection volume growth & pension AUM
- ✓ **Non-Life:** Higher combined ratio due to big claims
- ✓ **Non-Life & Life:** Strong AUM growth & increased financial income

Non-life GWP* (TL BN)



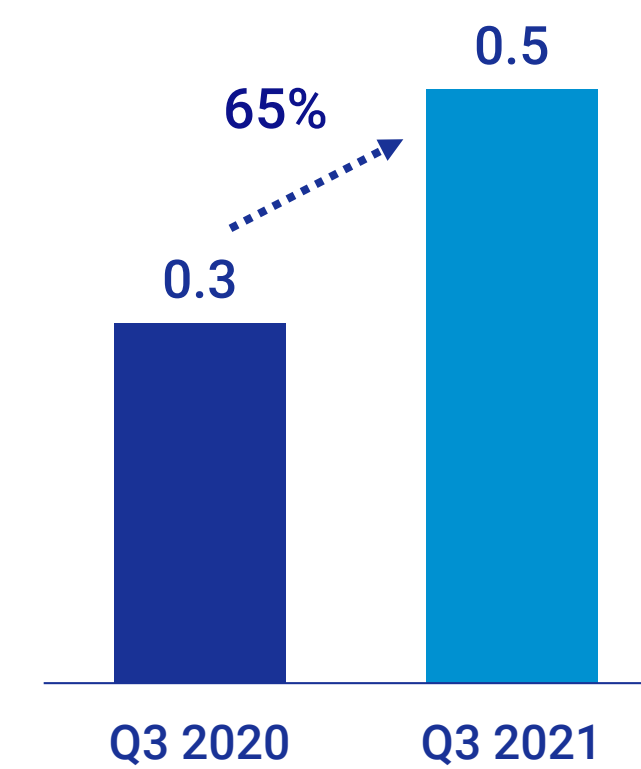
*Gross Written Premiums

Non-life AUM* (TL BN)



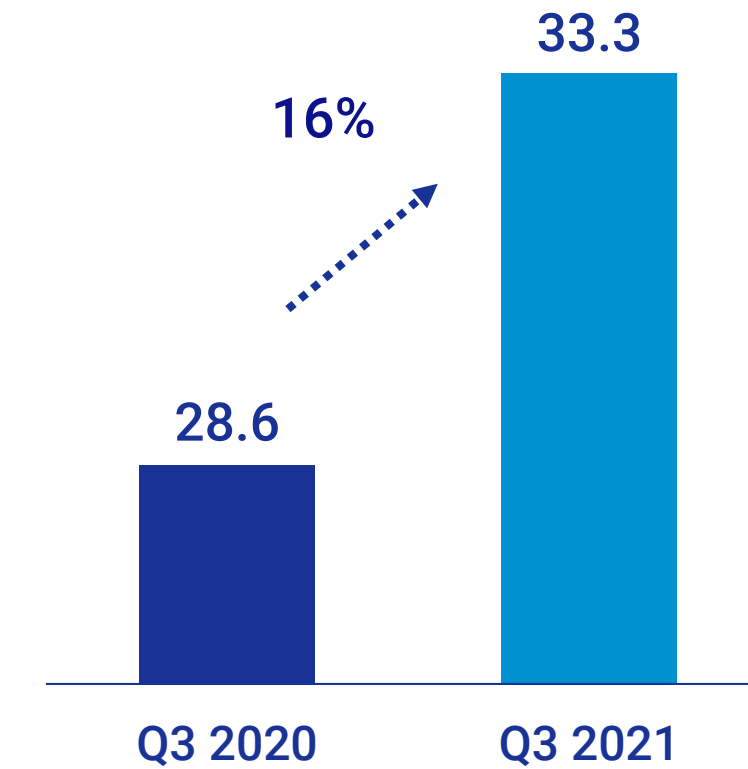
*Assets Under Management

Life & Pension GWP* (TL BN)



*Gross Written Premiums

Life & Pension AUM* (TL BN)



*Assets Under Management. Including auto enrolment

Factors to Watch

- ✓ Natural disasters, pandemic & claims management
- ✓ Interest rates, FX, inflation, loan growth, auto sales & home sales
- ✓ Regulatory changes & digital transformation & introduction of new products

Summary Combined Financials

MILLION TL	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
REVENUE	9,177	13,539	48%	27,818	36,164	30%
EBITDA	2,473	4,512	82%	6,904	10,492	52%
NET INCOME*	1,777	3,425	93%	4,918	7,889	60%

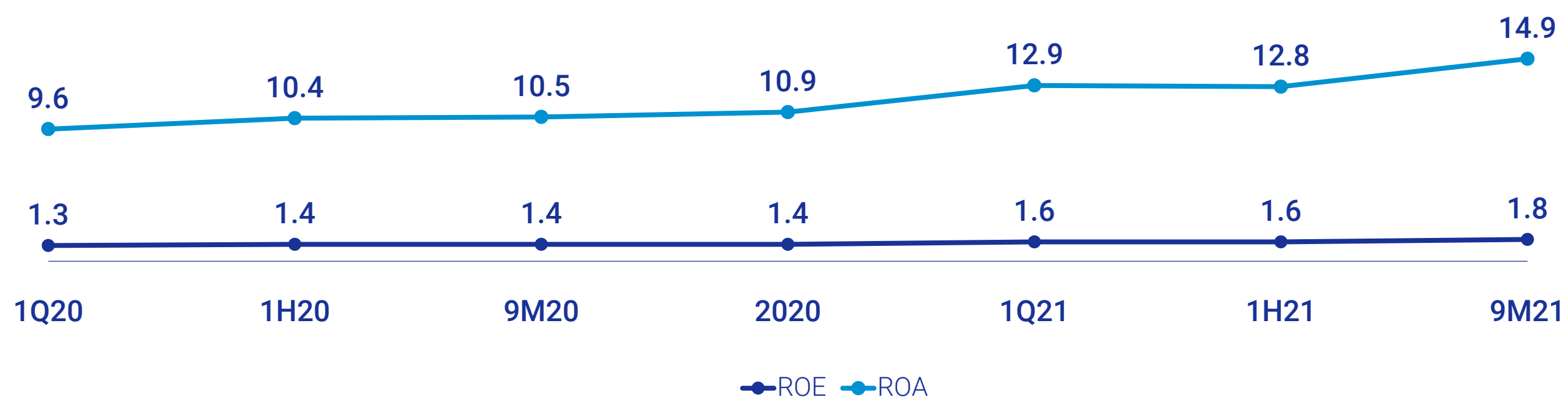
Bank revenue = Interest income + commission income + capital markets gains/losses + net derivative gains/losses. Net income differs from consolidated bank financials due to different accounting treatment for amortisation and free provision.

*Excludes non-operational and non-recurring one off items

Key Ratios

	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
Leverage	8.2x	8.4x	0.2x	8.2x	8.4x	0.2x
NIM (swap adj.)	3.67%	3.11%	-0.6 pp	4.28%	2.76%	-1.5 pp
CIR¹	33.7%	35.4%	1.7 pp	32.3%	38.1%	5.8 pp
CAR²	19.1%	19.4%	0.3 pp	19.1%	19.4%	0.3 pp
Tier 1²	16.1%	15.5%	-0.6 pp	16.1%	15.5%	-0.6 pp

Cumulative RoE & RoA (%)



Achievements

- ✓ Generated all time high net income
- ✓ Reached 14.9% RoE & 1.8% RoA with 8.4x leverage & robust 19.4% CAR⁽²⁾
- ✓ Sustained outstanding fee performance well above FY guidance
- ✓ Exceeded FY guidance in consumer loan growth with market share gains enhancing profit mix
- ✓ Demonstrated strong risk discipline through-the-cycle resulting in better than guided CoC evolution

1) CIR calculation excludes FX gain from long FX position related with stage 1&2 provisions and LYY hedge as well as insurance penalty of TL71mn and BRSA penalty of TL117mn for 9M20

2) w/o forbearances (Fixing FX rate for RWA calculation to average last 12 month FX rate for Q3 2021 & fixing MtM losses of securities & RWA calculation to YE2019 for Q3 2020)

Strong **top-line growth & profitability**

Solid **operational cash flow generation & ongoing deleveraging**

High-teens consolidated ROE in line with our mid-term guidance



Completion of **Bunol Acquisition**
Initiated sale of **PHILSA and PMSA shares**
Full consolidation of insurance companies

Closely following **vaccine rollout and new variants** by keeping all pandemic related measures in place





APPENDIX

Capital Allocation and Mid-term Guidance /

Future Growth Underpinned By Capital Return and Sustainability



01 Growth

	2015-2020	Mid-term targets
Revenue growth	CPI ² + 4%	CPI¹ + 8%
EBITDA ³ growth	CPI ² + 8%	CPI¹ + 10%
Capex/Revenues	6%	~14%
FX revenue as % of combined revenue ⁵	25% ⁴	30%+
Net debt / EBITDA ⁶	1.5x ⁴	<2.0x
Share of new economy ⁷ in combined revenue ⁵	6% ⁴	~13%

02 Capital Return

Dividend policy
5%-20% of net income

Consolidated ROE
High Teens

03 Sustainability

Zero Waste
Net Zero Emissions

by 2050

MSCI ESG Score⁸
in 2021

BBB

Until 2030 (Akbank)

TL 200 bn
Sustainable Loan
Financing

TL 15 bn
Sustainable Investment
Funds

MILLION TL	Combined Revenue*						Combined EBITDA*						Consolidated Net Income*					
	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
TOTAL	27,015	38,560	43%	75,314	100,053	33%	5,700	8,259	45%	15,508	21,243	37%	1,609	2,255	40%	3,976	5,773	45%
TOTAL*-Comparable	27,015	38,560	43%	75,314	100,053	33%	5,577	8,116	46%	15,138	20,824	38%	1,617	2,258	40%	4,000	5,787	45%
BANK	9,177	13,539	48%	27,818	36,164	30%	2,473	4,512	82%	6,904	10,492	52%	724	1,396	93%	2,004	3,215	60%
NON-BANK*	17,837	25,022	40%	47,495	63,888	35%	3,227	3,747	16%	8,604	10,751	25%	885	859	-3%	1,972	2,558	30%
NON-BANK*-Comparable	17,837	25,022	40%	47,495	63,888	35%	3,103	3,605	16%	8,234	10,331	25%	893	863	-3%	1,996	2,572	29%
ENERGY	8,440	12,630	50%	23,580	30,355	29%	1,815	2,073	14%	5,423	5,884	8%	365	409	12%	1,095	1,140	4%
INDUSTRIALS	2,239	3,519	57%	5,980	9,694	62%	450	704	56%	1,107	2,115	91%	138	232	69%	281	779	177%
BUILDING MATERIALS	1,197	2,149	79%	3,009	5,182	72%	278	293	5%	532	905	70%	59	62	5%	65	226	245%
RETAIL	3,718	4,396	18%	9,348	11,584	24%	335	395	18%	688	937	36%	14	-28	-296%	-105	-152	-45%
RETAIL-Comparable	3,718	4,396	18%	9,348	11,584	24%	211	253	20%	318	518	63%	23	-25	-212%	-82	-138	-69%
FINANCIAL SERVICES	1,596	2,009	26%	4,519	5,870	30%	272	244	-10%	778	784	1%	79	79	0%	216	242	12%
OTHER*	647	319	-51%	1,060	1,203	14%	77	38	-51%	77	126	64%	231	106	-54%	420	324	-23%

*Holding dividend income excluded

*Excludes non-operational and non-recurring one off items . Comparable excludes IFRS16 impact in retail

*Excludes non-operational and non-recurring one off items Comparable excludes IFRS16 impact in retail

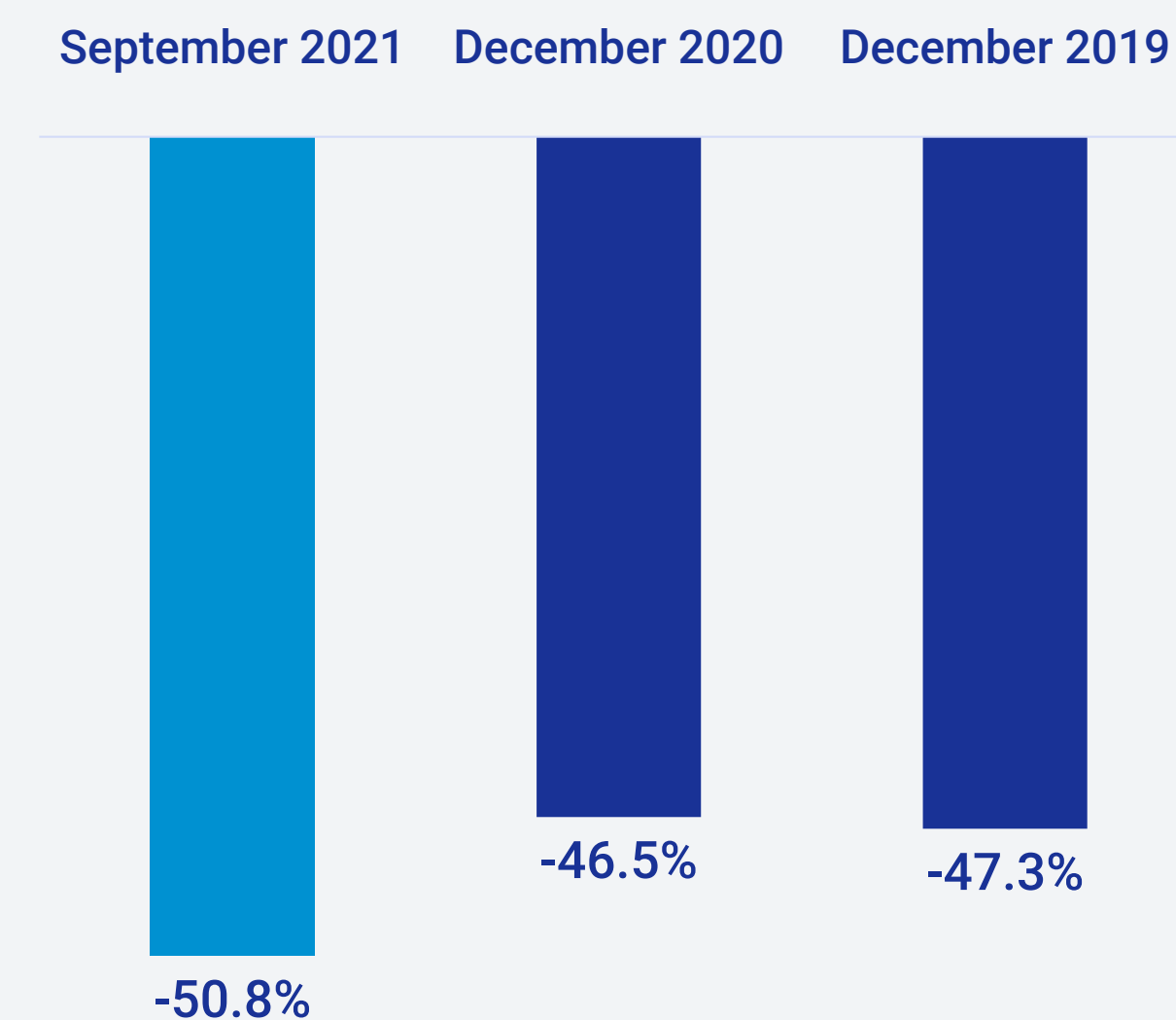
Non-Operational and Non-Recurring Items

MILLION TL	Q3 2020	Q3 2021	9M 2020	9M 2021
CONSOLIDATED NET INCOME EXCLUDING NON OPERATIONAL & NON RECURRING ITEMS	1,609	2,255	3,976	5,773
Corporate Tax Increase to 25%	0	-135	0	-295
Enerjisa Generation Pervari Impairment	0	0	-148	0
Cimsa Sabanci Cement BV's One-off	0	-61	0	-4
Kordsa Brasil Tax Return	0	3	0	54
Carrefoursa One-offs (excluding corporate tax increase)	0	40	-1	33
Agesa one-offs (excluding corporate tax increase)	-1	-23	17	-25
Aksigorta one-offs (excluding corporate tax increase)	0	-21	0	-21
Consolidation Impact of Insurance Segment	0	1,363	0	1,363
Other	4	-28	-4	-21
CONSOLIDATED NET INCOME	1,612	3,392	3,841	6,857

USDmn				September 2021		December 2020	
Companies	Direct Stakes	Valuation Method	Mcap	Value of Stake	% of NAV	Value of Stake	% of NAV
Akbank	41%	Market value	3,120	1,271	27.8%	1,978	33.6%
Enerjisa Enerji	40%	Market value	1,385	554	12.1%	796	13.5%
Aksigorta	36%	Market value	242	87	1.9%	138	2.3%
Agesa	40%	Market value	350	140	3.1%	178	3.0%
Akçansa	40%	Market value	294	117	2.6%	169	2.9%
Çimsa	55%	Market value	419	228	5.0%	177	3.0%
Brisa	44%	Market value	746	325	7.1%	358	6.1%
Kordsa	71%	Market value	554	394	8.6%	290	4.9%
Carrefoursa	57%	Market value	632	361	7.9%	706	12.0%
Teknosa	50%	Market value	133	66	1.5%	95	1.6%
Total Listed				3,545	77.5%	4,884	82.9%
Total Non-listed¹				815	17.8%	890	15.1%
Total				4,360	95.3%	5,775	98.0%

Sabancı Holding Net Cash	213	4.7%	115	2.0%
Sabancı Holding NAV	4,573	100.0%	5,890	100.0%
Sabancı Holding Mcap	2,249		3,150	
Sabancı Holding Discount	-50.8%		-46.5%	

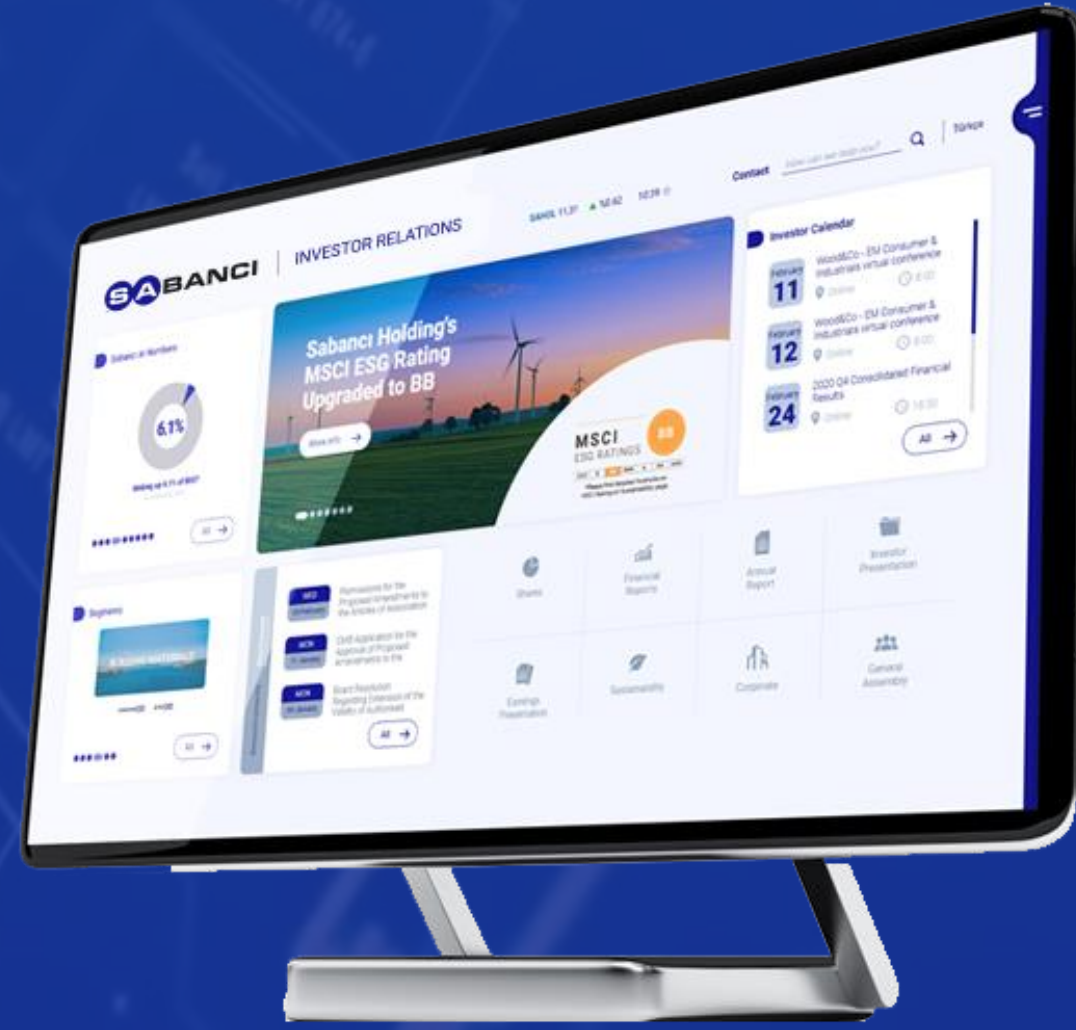
NAV Discount



- In accordance with In IFRS16, most leased items with a duration longer than one year have to be included as an asset in the company books. In addition, the payments that will be made on the lease agreement have to be reported as a liability on the balance sheet. The depreciation of the asset and interest on the lease liability have to be included in the P&L instead of rent expenses. This leads to higher operating profit compared to the periods before the application of IFRS16. For comparison purposes, IFRS16 impact in retail segment is excluded.

For Further Details

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