2Q14 Consolidated Financial Results

23 July 2014



Robust Profitability Trend

Quarterly net profit TL 951 mio;

- ✓ 44% up QoQ,
- ✓ ROA 1.9%
- ✓ ROE 16.2%

Cumulative net profit TL 1,612 mio, ROA 1.6% and ROE 14%

Net interest income flat through lending growth, despite temporary reduction in NIM

Outstanding growth in fee income; 29% up QoQ

Excellent market reading; TL 362 mio bond trading income exceeding swap cost

Cost of risk and Opex in line with the guidance

Had we used actual inflation rate in the CPI linked bond valuation;

- 1H14 net income would have been TL 1,752 mio and ROE 15.2%, and
- 2Q14 net income would have been TL 1,051 mio and ROE 17.9%.

Strong Growth Ahead of the Curve

Across the board loan growth in anticipation of lower interest rates

- ✓ Asset growth driven by a strong loan growth of 7.5%,
- ✓ Loans in total assets increased to 60.8% from 59.1% in 1Q14

8.8% TL loan growth across all segments

- ✓ Emphasis on business loans and GPL's
- ✓ Favoring products with higher return and optimal maturity profile

6.6% growth in FX loans driven by export loans and selective project financing

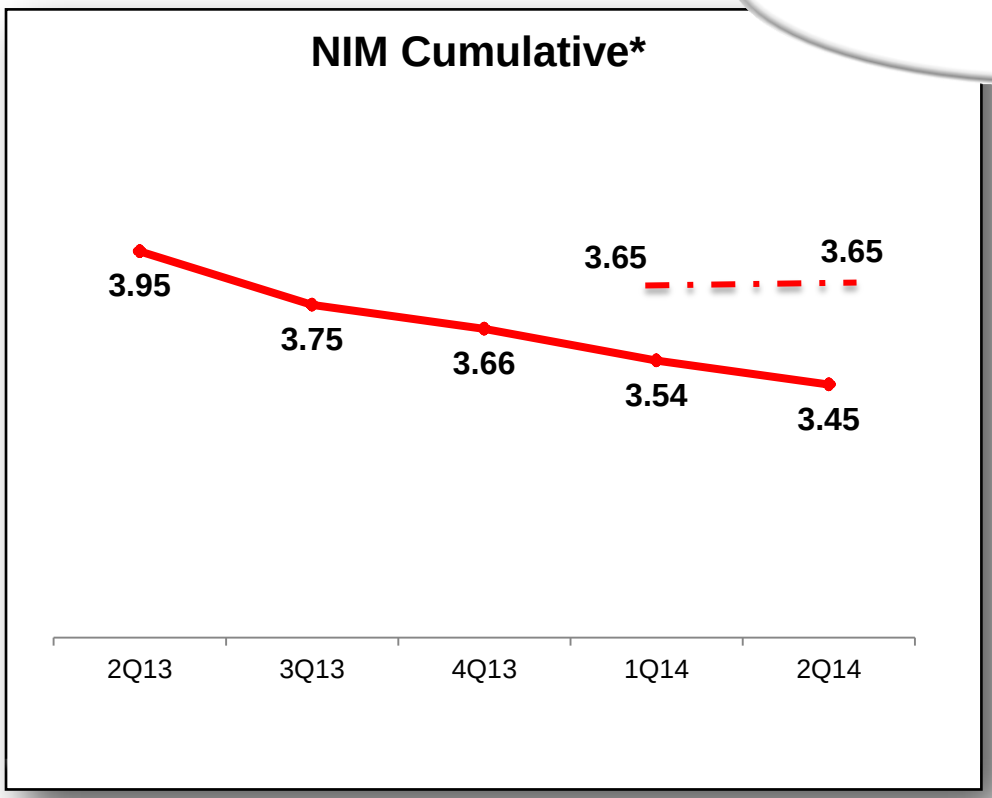
Loan/deposit ratio flattish at 109%

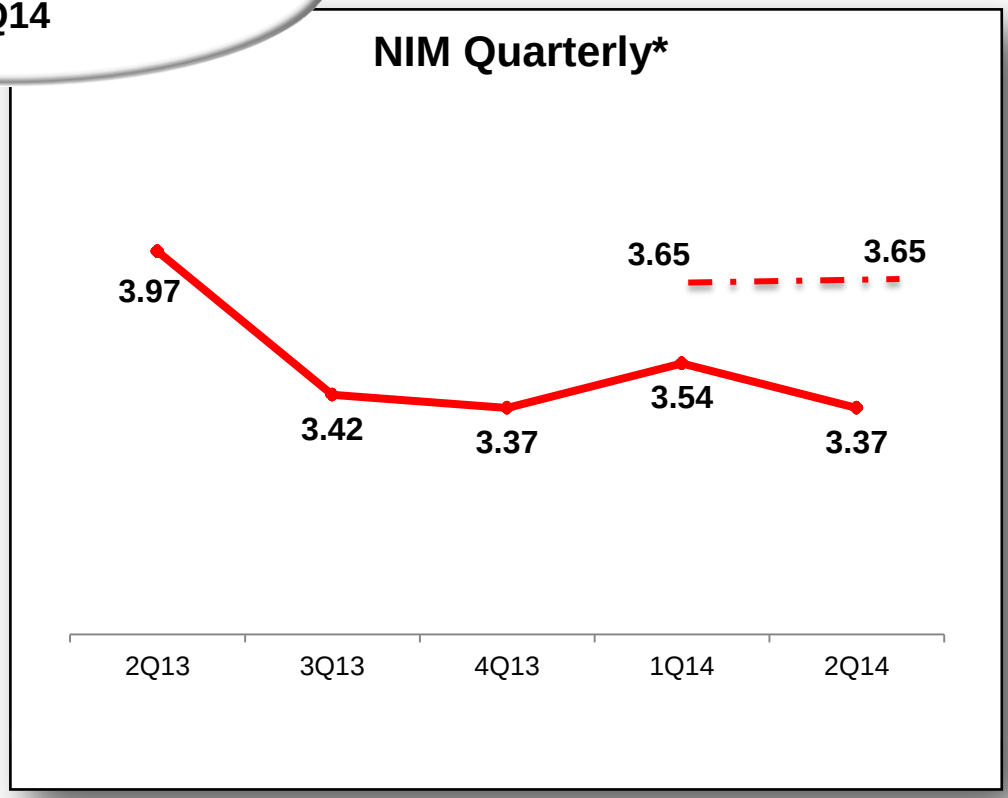
- ✓ Emphasis on TL deposits in line with strong TL loan growth
- ✓ FX lending financed by existing liquidity without the need to increase FX deposits

Strong capitalization with CAR 14.7%, Tier I 13.7%; up 20 bps from 1Q14

Transitional Quarter in NIM Trajectory

Using actual inflation rate
NIM is 3.65% in 1Q14 & 2Q14





*All periods in 2013 have been adjusted for the actual 2013 CPI rate of 7.7% applicable to CPI linkers. In 2014 inflation rate applied to CPI linkers is 9% whereas actual inflation rate is 10% & 12% in 1Q14 and 2Q14, respectively.

NIM to Benefit from Declining Rates

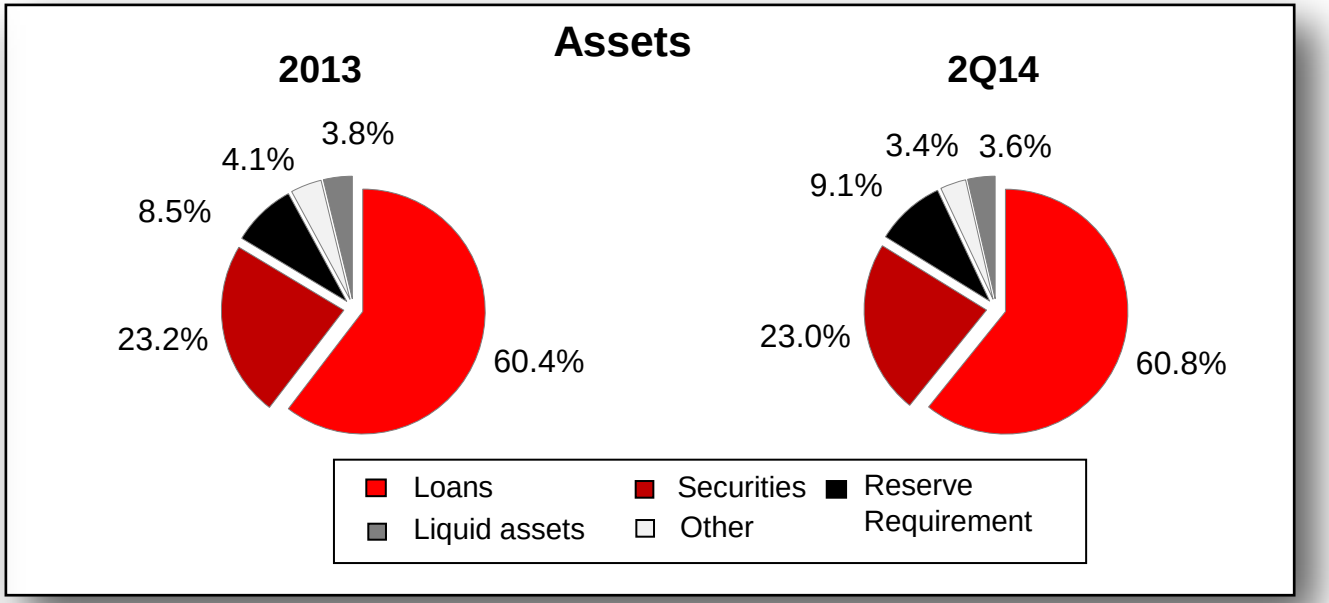
(%)	2Q13	3Q13	4Q13	1Q14	2Q14	△ in yield 1Q-2Q	△in NIM (bps) 1Q-2Q
TL Loans	9.72	9.27	9.60	10.35	10.69	+0.35	+29
TL Deposits (blended)	5.27	5.97	6.27	6.94	7.97	+1.03	-55
- TL Time Deposits	*6.40*	*7.42*	*7.78*	*8.43*	*9.70*	*+1.27*	
FX Loans	4.70	4.65	4.36	4.68	4.49	-0.19	-2
FX Deposits (blended)	1.67	2.04	1.88	2.03	1.79	-0.24	+10
- FX Time Deposits	*2.10*	*2.51*	*2.28*	*2.44*	*2.17*	*-0.27*	
Loan-Deposit impact							**-18**
TL Securities	8.88	9.12	8.69	10.62	10.73	+0.11	-
FX Securities	3.47	3.52	3.50	3.68	3.58	-0.10	+1
Securities impact							**+1**
Repo and Others impact							-
Net Interest Margin	**3.95**	**3.42**	**3.37**	**3.54**	**3.37**		**-17**

*All periods in 2013 have been adjusted for the actual 2013 CPI rate of 7.7% applicable to CPI linkers.

Well-Structured Asset/Liability Mix

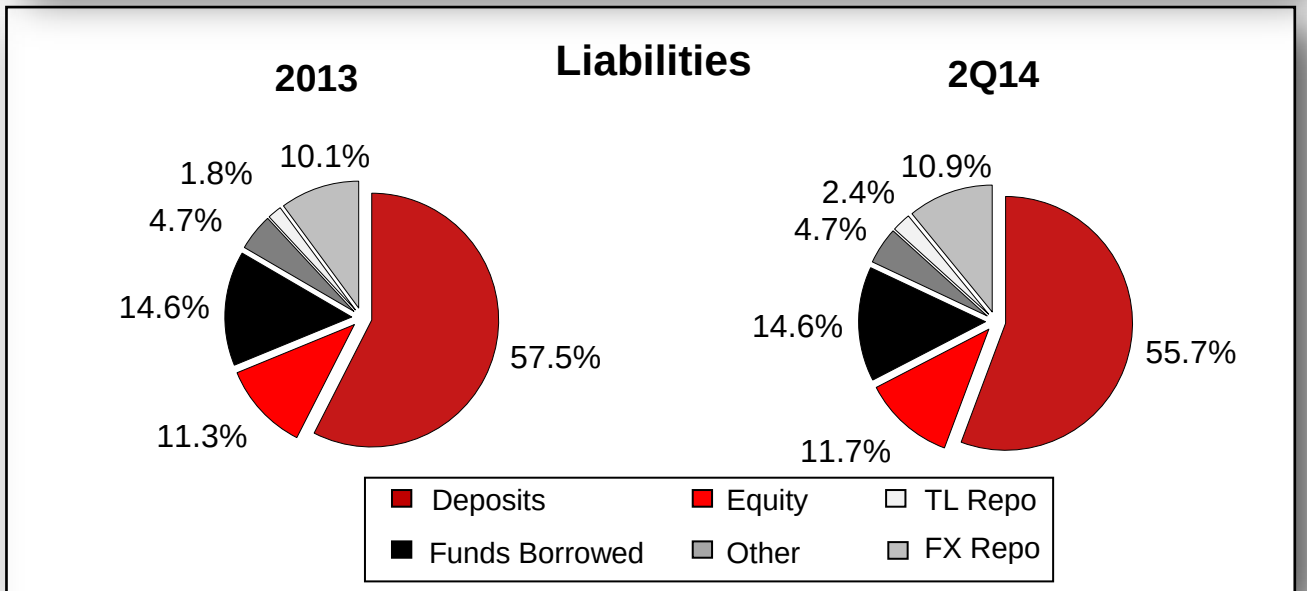
Increased Share of Loans

- Loans / Assets increased to 60.8% from 59.1% in 1Q14



Growth Funded by Deposits in 2Q14

- 8.8% TL loan growth funded by 16% TL deposit growth in 2Q14
- Loans to Deposit ratio flattish at 109%



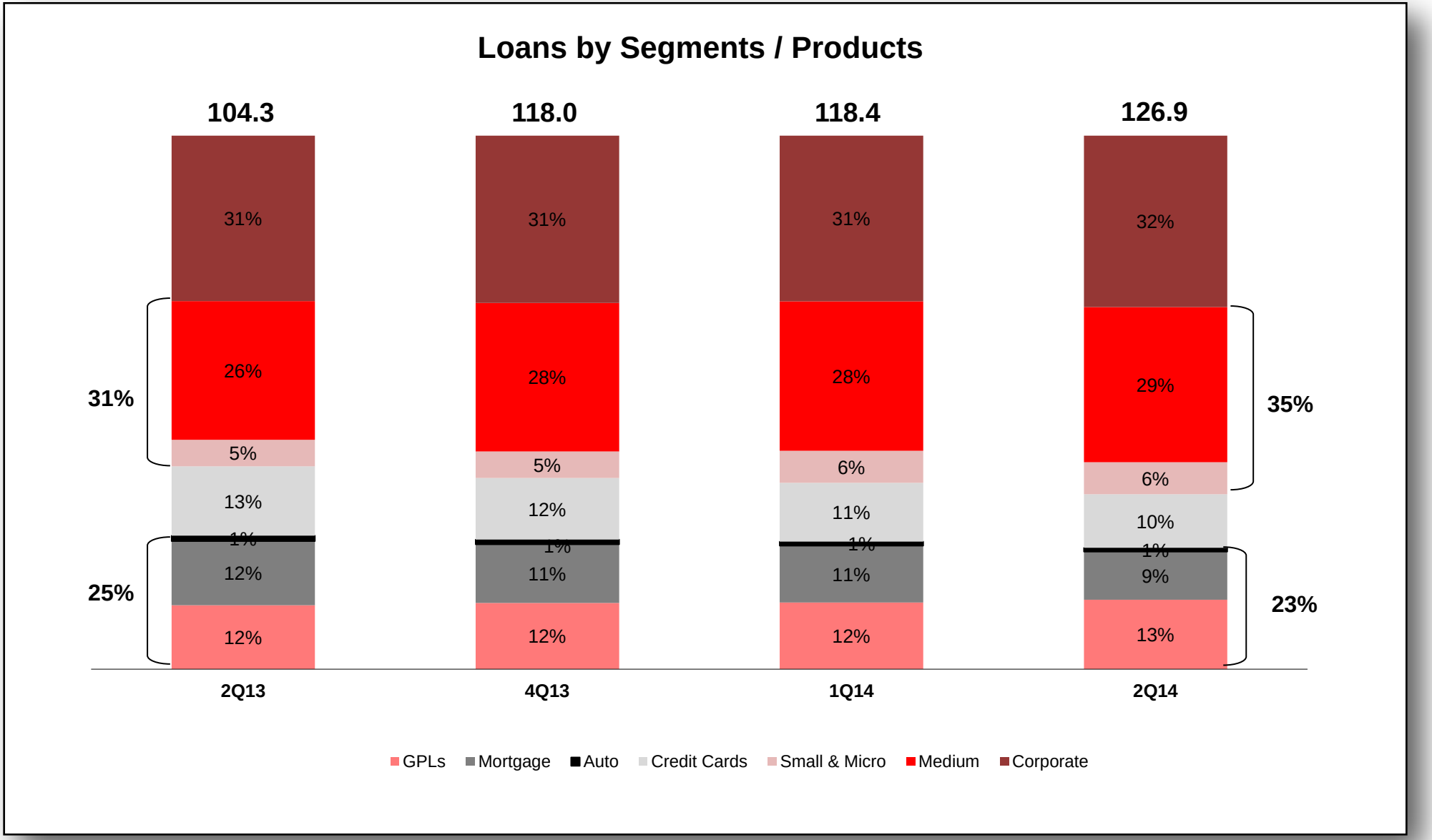
Solid Lending Growth

(TL mio)	2Q13	3Q13	4Q13	1Q14	2Q14	YtD (%)	QoQ (%)
TL Loans	**64,494**	**69,512**	**71,908**	**73,167**	**78,226**	***9***	***7***
Corporate	5,145	6,175	6,532	6,665	7,482	***15***	***12***
Medium, Small & Micro	20,530	23,062	24,281	25,852	28,977	***19***	***12***
Medium	15,538	17,402	18,044	18,739	21,117	***17***	***13***
Small & Micro	4,992	5,660	6,237	7,113	7,860	***26***	***11***
Consumer	25,318	26,286	27,591	27,921	29,583	***7***	***6***
Credit Cards	13,501	13,989	13,504	12,729	12,184	***(9)***	***(4)***
(US$ mio)							
FX Loans	**20,122**	**21,107**	**21,274**	**20,818**	**22,670**	***7***	***9***
Corporate	13,744	14,536	14,176	13,841	15,144	***7***	***9***
Medium	6,378	6,571	7,098	6,977	7,526	***6***	***8***
Total Loans (TL mio)	**104,259**	**113,218**	**118,010**	**118,369**	**126,897**	**8**	**7**

FX indexed loans are shown under FX loans

Continous Increase in High Margin Loans

(TL bio)

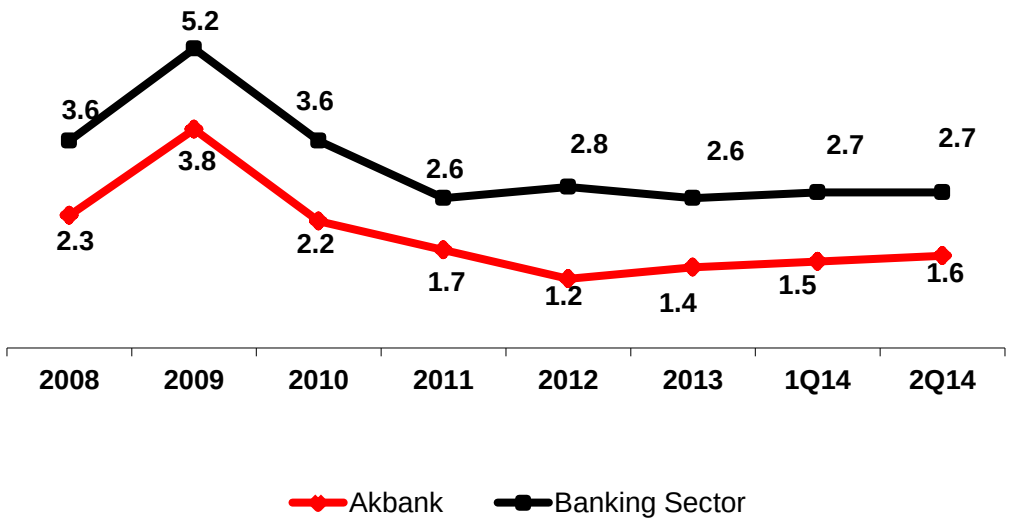


NPLs Significantly Below Sector

NPL Ratios by Segment (%)

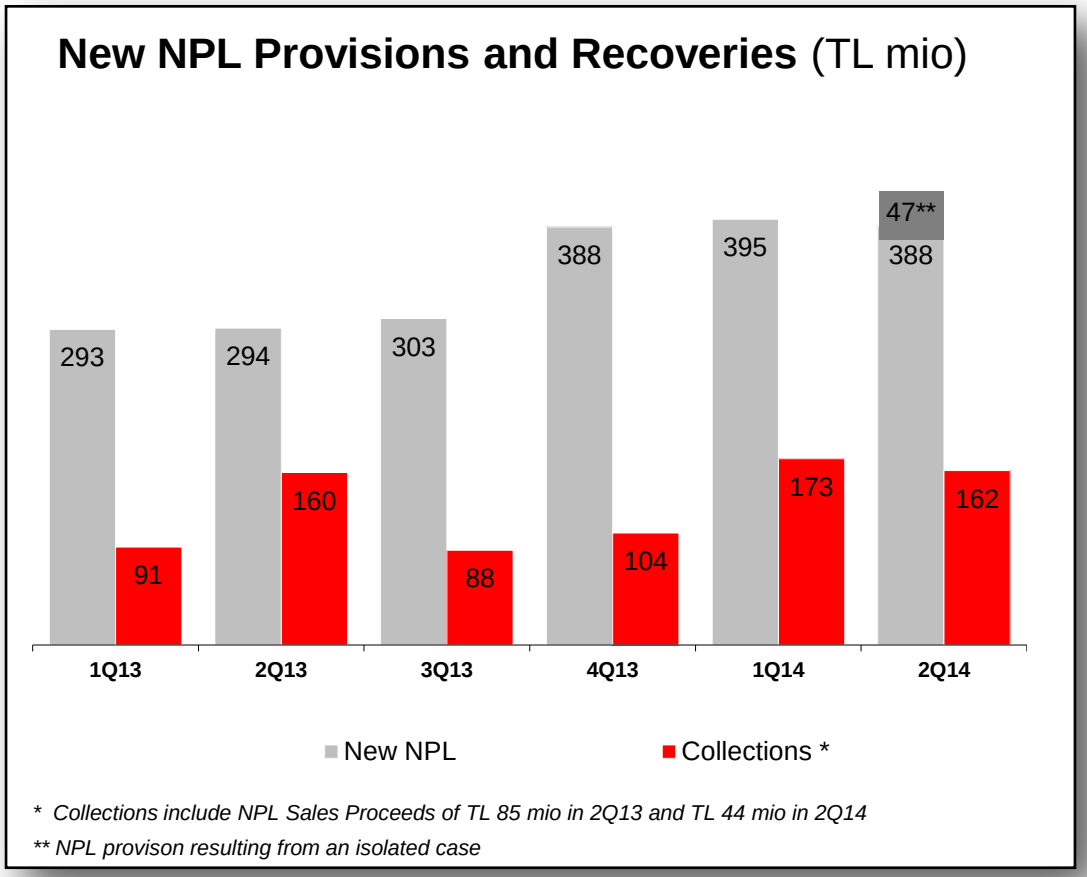
	Akbank		Sector	
	2013	2Q14	2013	2Q14
Business	0.7	0.7	2.3	2.3
Consumer	1.5	1.7	2.0	2.2
Credit Cards	4.4	6.1	5.4	6.3
Total	1.4	1.6	2.6	2.7

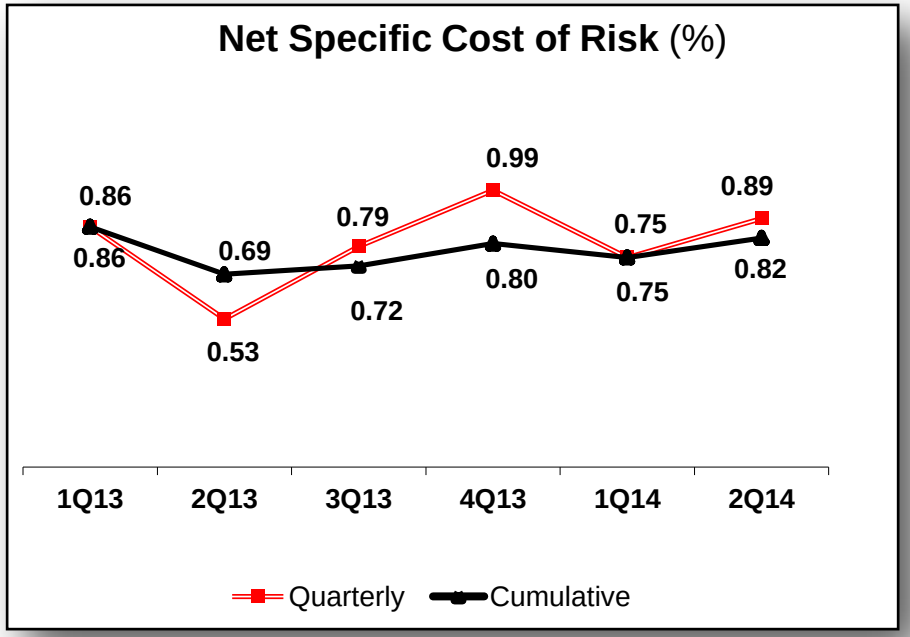
Akbank vs. Sector NPL Ratio (%)



92%
Specific
~ 190%
Total
Coverage Ratio

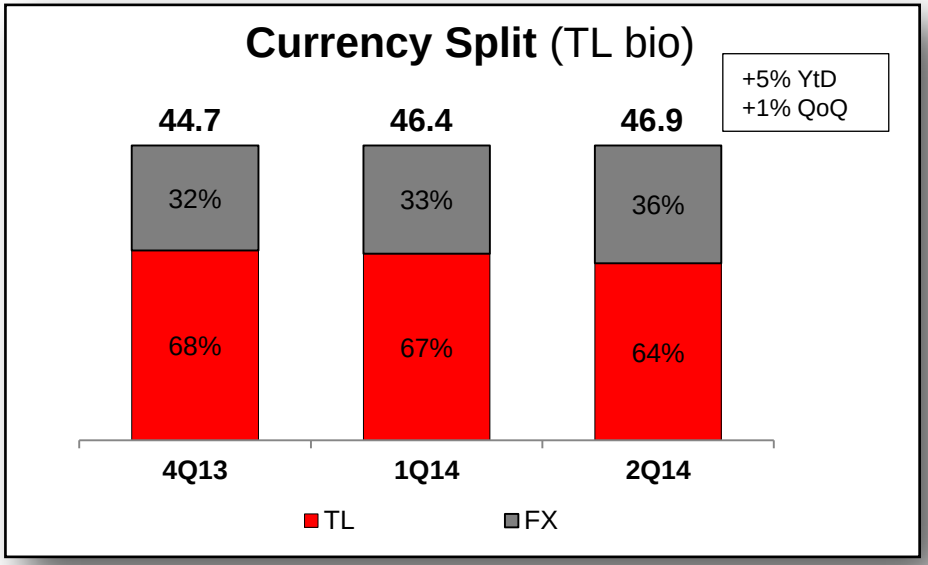
Cost of Risk in Line with Guidance

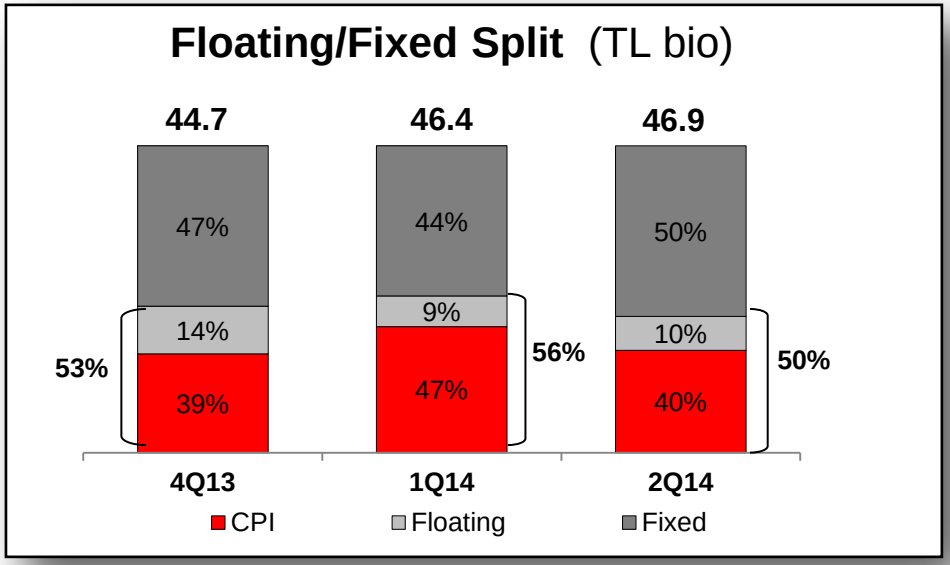


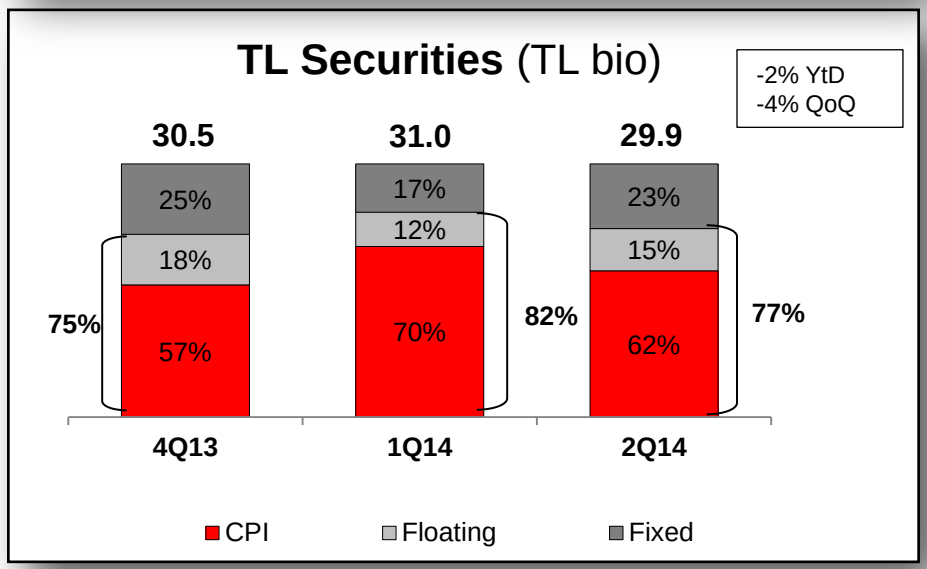


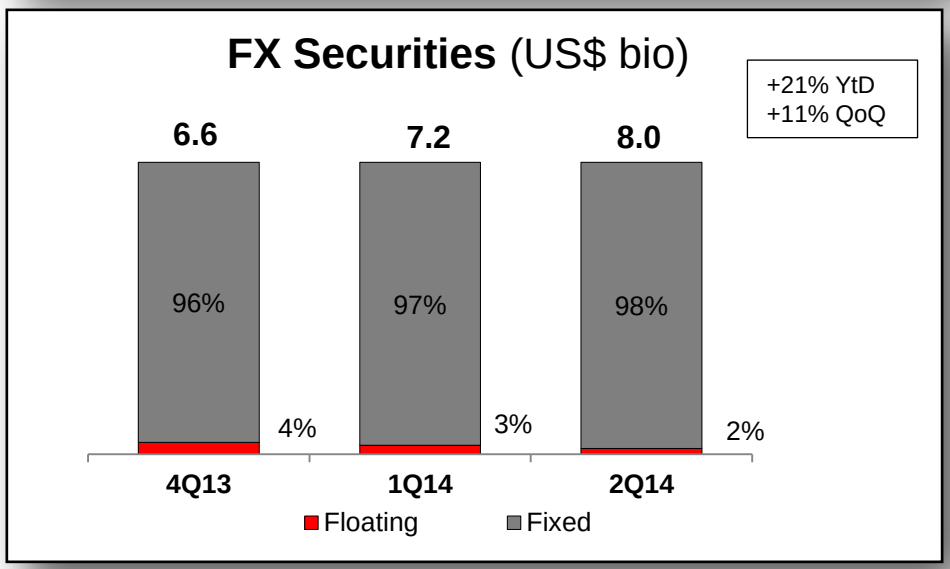
TL 70 mio
Free Provision Reversal to match the costs related with the isolated case

Well-Positioned Securities Book





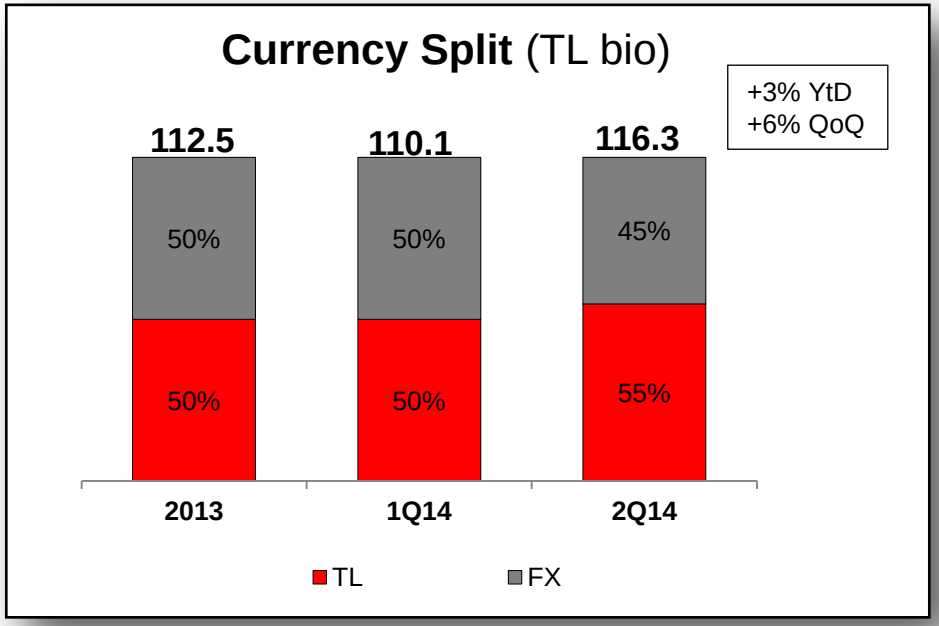


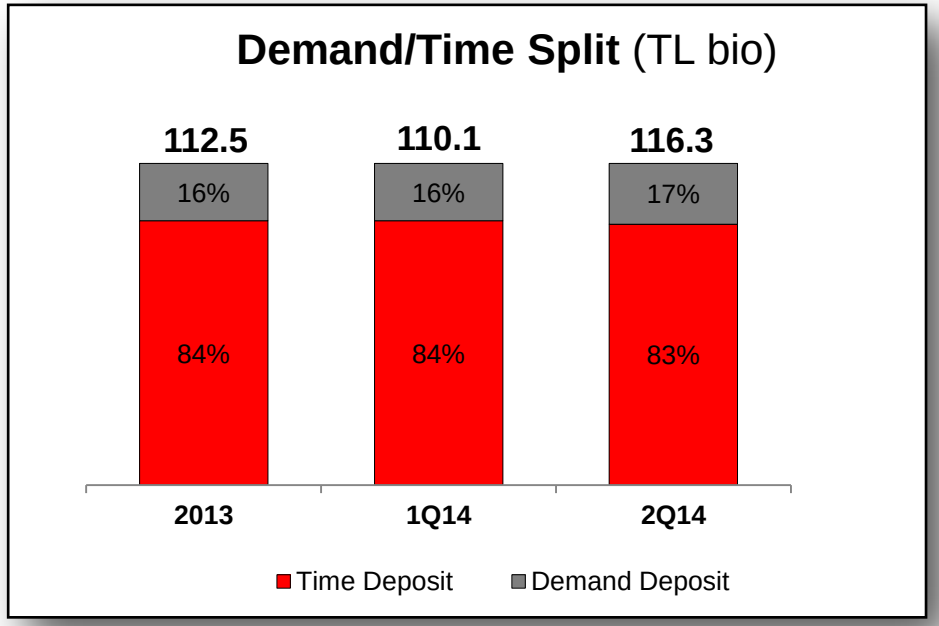


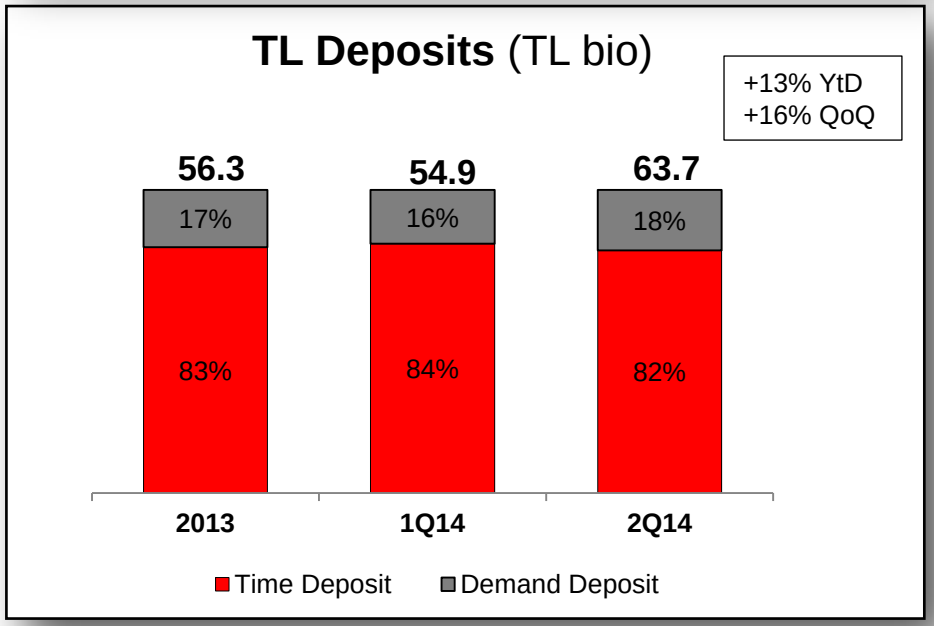
22% HtM, 78% AFS

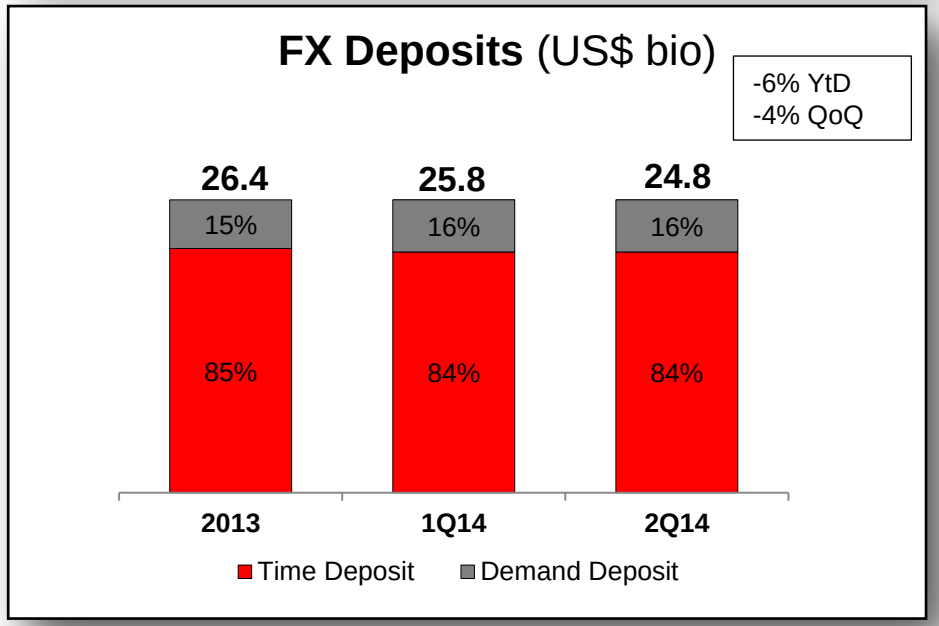
TL 1 bio, net
Improvement in MtM Valuation in Equity QoQ

Outstanding TL Deposit Growth



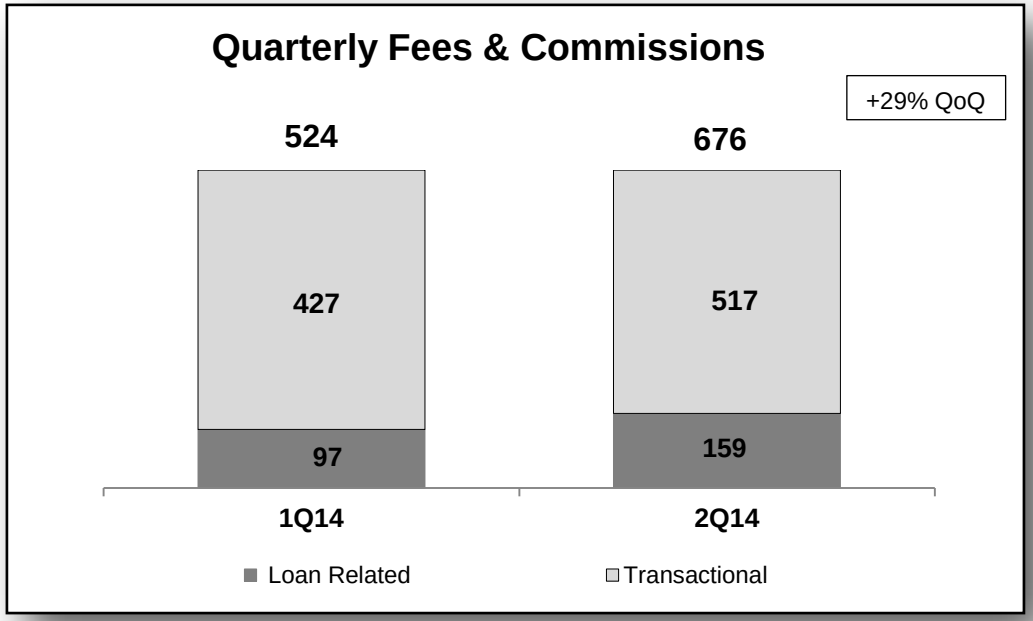


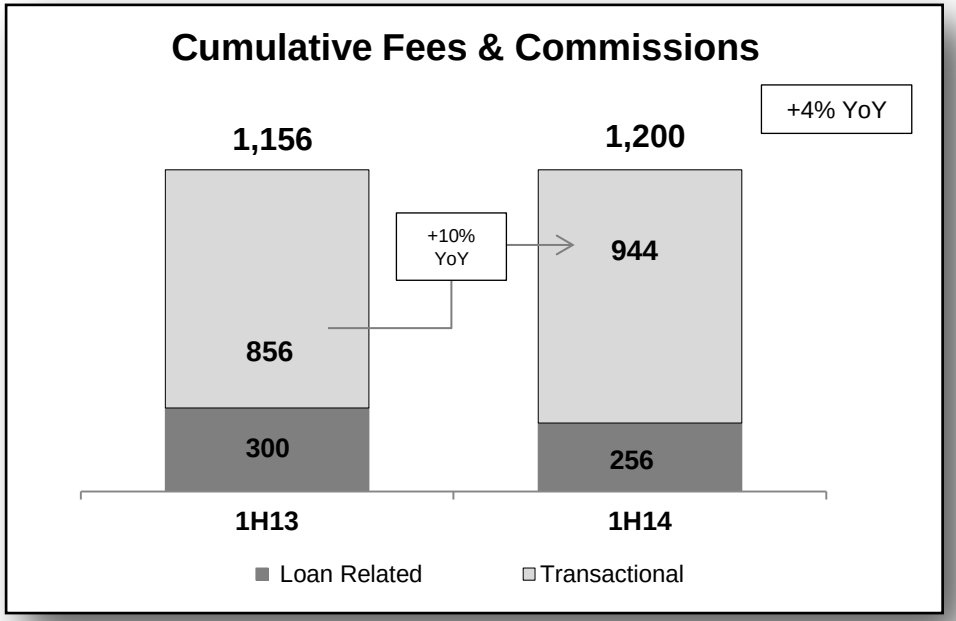




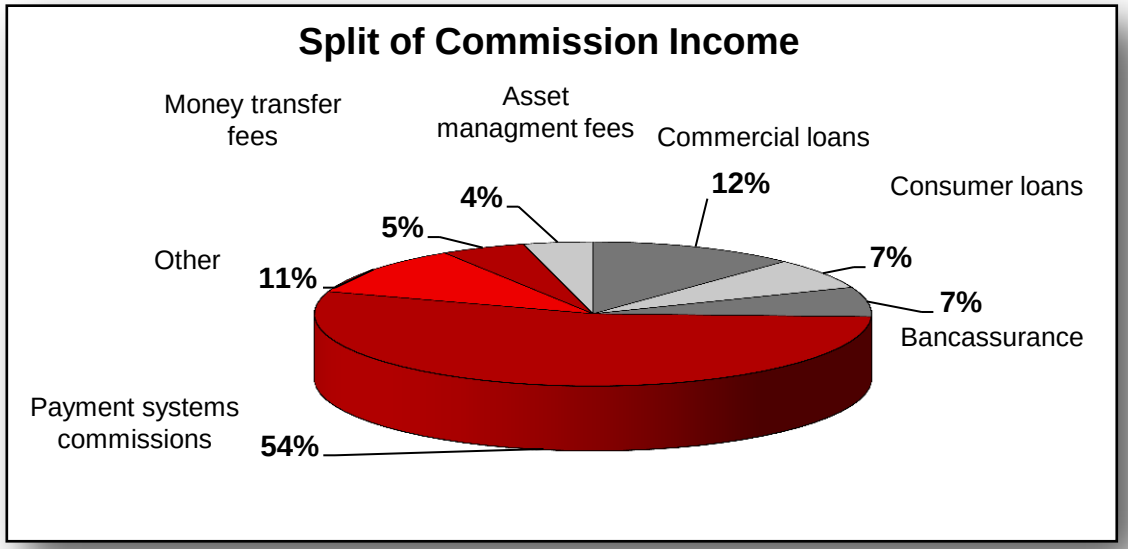
Stellar Fees & Commissions Performance

(TL mio)





+52% YoY increase in Money Transfer Fees

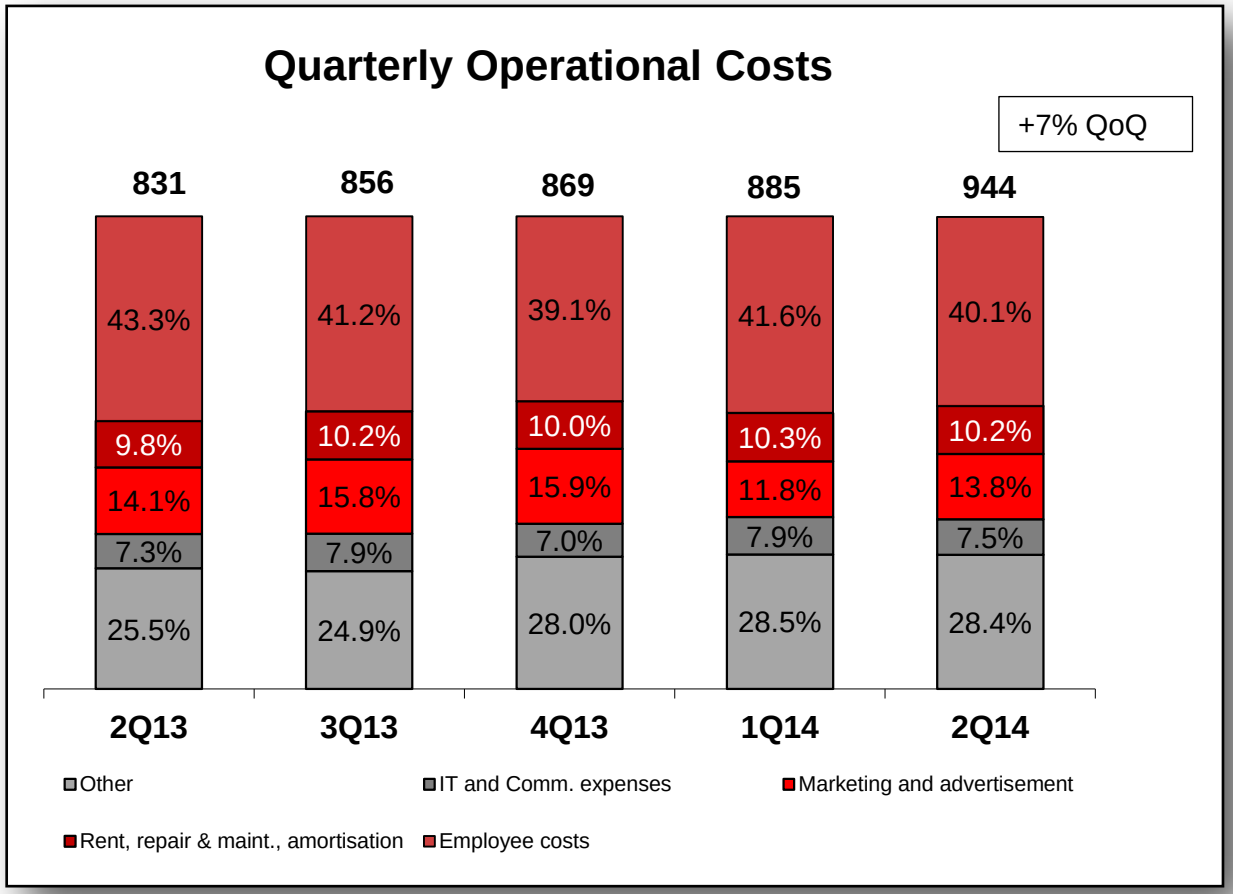


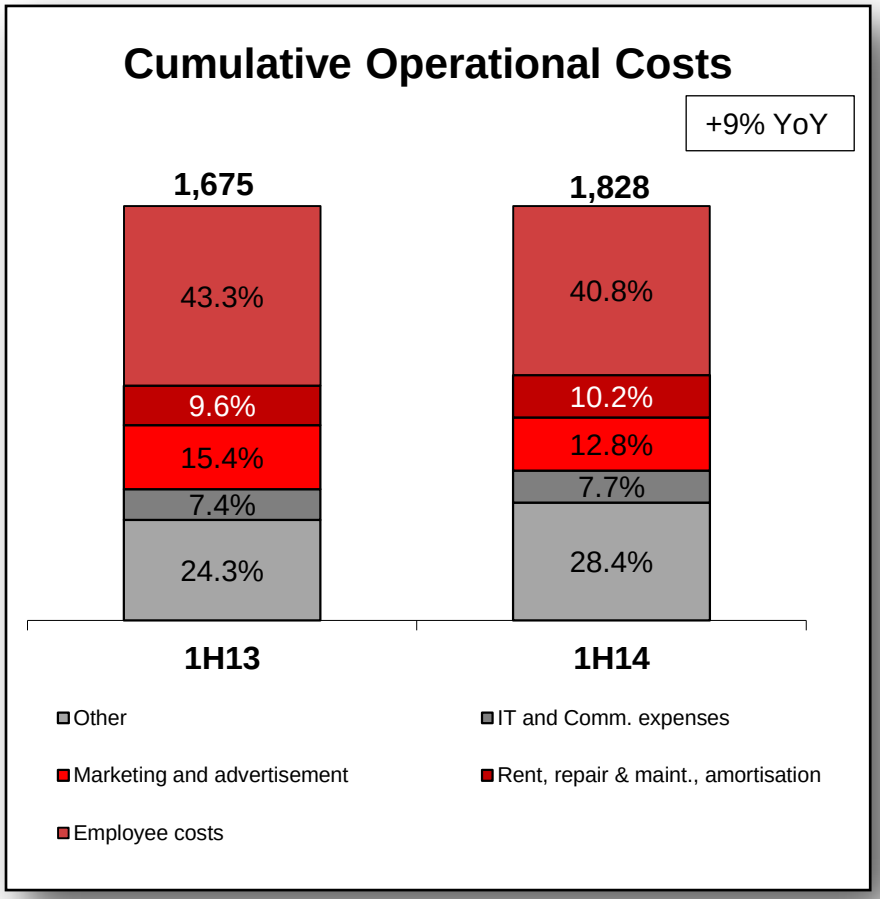
+36% YoY Increase in Non-Cash Loan Fees

#1 in Bancassurance Commissions

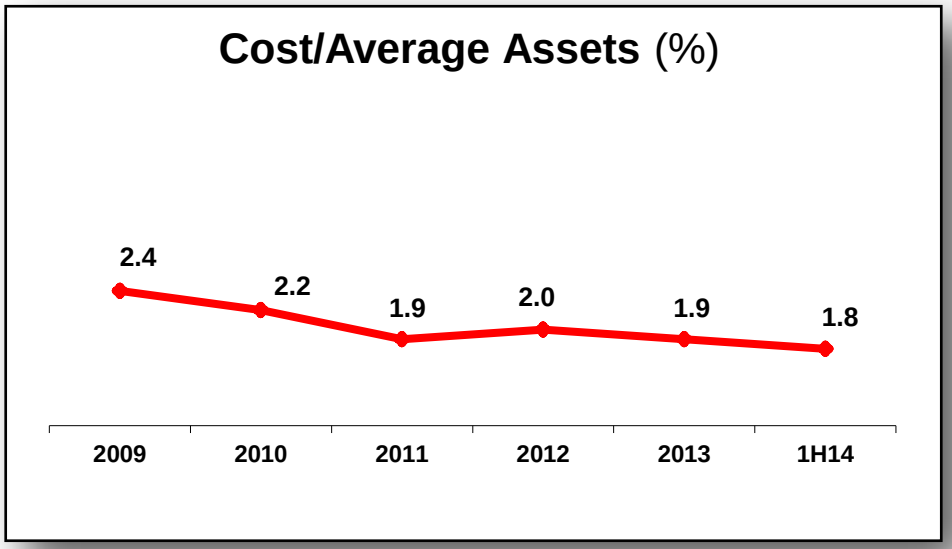
Opex in Line with the Budget

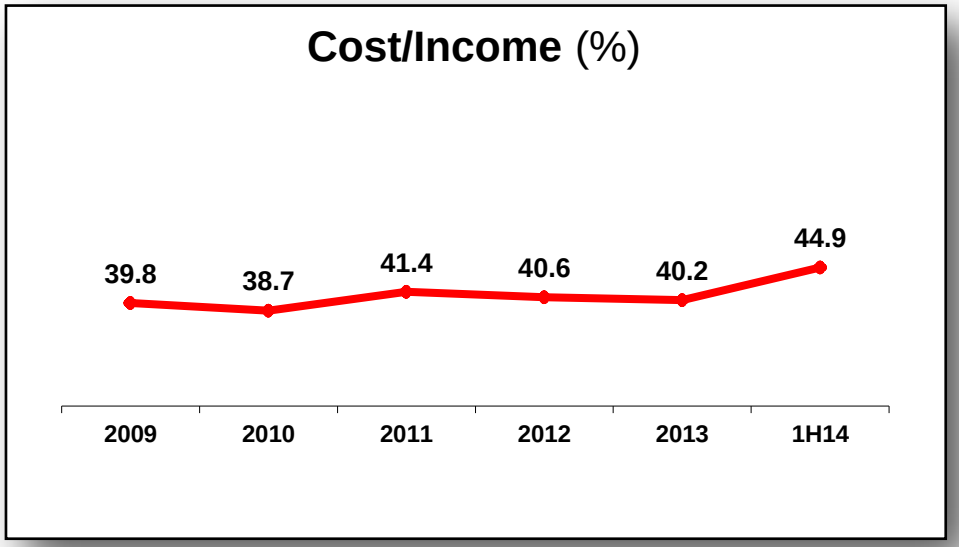
(TL mio)

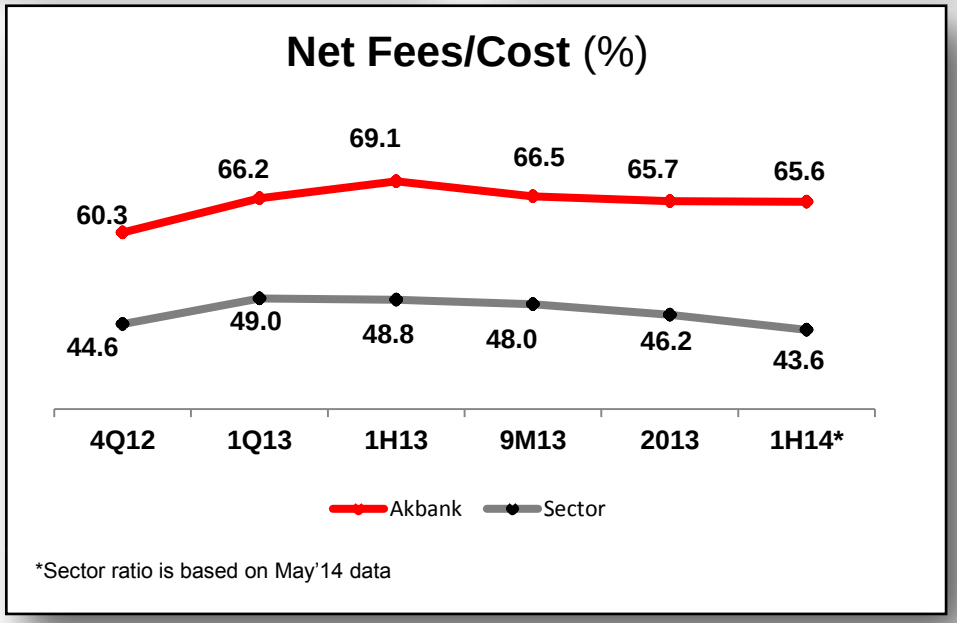




Continuously Best in Efficiency through Lean Management







All ratios have been calculated excluding the Competition Board Penalty of TL129 mio.

2014 Revised Guidance

Growth (%)	Previous guidance	Revised guidance
Total Assets	8-10	~ 13
Loans	10-12	~ 15
TL	12-14	~ 16
FX	6-8	~ 12
Total Deposits	10-12	~ 12
TL	10-12	~ 16
FX	8-10	~ 5

	Previous guidance	Revised guidance
ROA	1.3%	1.5%
Leverage	~9x	~ 9x
ROE	~12%	~ 14%
NIM	3.3%	~ 3.6%
Net fees&com. growth	12%	8-10%
Opex growth	8%	8%
Fees / opex	72%	68%
Cost/ income	47%	43%
Cost / assets	1.8%	1.8%
NPL	1.8%	1.7%
Cost of risk	100bps	90 bps
Change in EPS	(~10%)	Positive

2015 and Beyond

- ROA: 1.7-1.8%
- ROE: 16-18%
- Leverage: 9.0x-9.2x

Annex

- Summary Financial Results
- Balance Sheet Highlights
- Income Statement Highlights
- Loans by Segment

Summary Financial Results

(TL mio, ratios in %)	1H13	1Q14	2Q14	1H14	YoY (%)	QoQ (%)
Net Profit	1,825	661	951	1,612	-11.7	43.8
Net Profit (ex.bond trading & one-off)	1,436	683	661	1,344	-6.4	-3.2
Net interest income	3,170	1,737	1,710	3,447	8.7	-1.6
Net fee income	1,157	524	676	1,200	3.7	29.0
ROAE	16.6	11.8	16.2	14.0	-2.6	4.4
ROAA	2.2	1.3	1.9	1.6	-0.6	0.6
NIM*	3.95	3.54	3.37	3.45	-0.50	-0.17
Cost of Risk	0.69	0.75	0.89	0.82	0.13	0.14
Cost to Asset**	2.0	1.8	1.9	1.8	-0.2	0.1
Fees to Cost**	69.1	59.3	71.6	65.6	-3.5	12.3
CIR**	35.4	47.9	41.2	44.2	8.8	-6.7
CAR	15.7	14.5	14.7	14.7	-1.0	0.2
Tier I	15.3	13.5	13.7	13.7	-1.6	0.2

*In 2014 inflation rate applied to CPI linkers is 9% whereas actual inflation rate is 10% & 12% in 1Q14 and 2Q14, respectively.
* *Adjusted for one-off items. In 1H13, one–off items included Competition Board Penalty of TL129 mio.

Balance Sheet Highlights

Consolidated (TL mio)	2013	2Q14	Shares (%) 2013	Shares (%) 2Q14	Change (%)
Cash and Due from Banks	24,062	26,776	12.3	12.8	11
Securities	45,443	47,956	23.2	23.0	6
Loans	118,010	126,912	60.4	60.8	8
Other	7,967	7,159	4.1	3.4	(10)
Total Assets	**195,482**	**208,803**			**7**
Deposits	112,473	116,292	57.5	55.7	3
Funds Borrowed and Bonds Issued	28,627	30,473	14.6	14.6	6
Repo	23,231	27,827	11.9	13.3	20
- TL Repo	3,509	5,037	1.8	2.4	44
- FX Repo	19,722	22,790	10.1	10.9	16
Other	9,017	9,742	4.6	4.7	8
Equity	22,135	24,469	11.3	11.7	11
Total Liabilities and S/H Equity	**195,482**	**208,803**			**7**

Income Statement Highlights

Consolidated (TL mio)	1H13	1H14	Change (%)
Interest Income	5,653	7,244	28
Interest Expense	(2,483)	(3,797)	53
Net Interest Income	**3,170**	**3,447**	**10**
Trading Gain (Loss)	685	(156)	-
- Securities	648	335	(48)
- Other	37	(491)	-
Provision for Loan Losses, net of collections	(337)	(495)	46
Fees and Commissions (Net)	1,158	1,200	4
Operating Expense	(1,676)	(1,828)	9
Other Income	63	111	76
Other Provisions	(498)	(231)	(54)
Income Before one-off items and Tax	**2,566**	**2,050**	**(20)**
One-off items*	(129)	-	-
Income Before Tax	**2,437**	**2,050**	**(16)**
Tax	(612)	(438)	(28)
Net Income	**1,825**	**1,612**	**(12)**

*As of 1H13 includes Competition Board Penalty of TL129 mio.
The income statement includes Free Provision of TL 175 mio as of 1H13 and Income on Free Provision Reversal of TL 70 mio as of 1H14.

Balance Sheet Highlights in USD

Consolidated (USD mio.*)	2013	2Q14	Shares (%) 2013	Shares (%) 2Q14
Cash and Due from Banks	11,295	12,615	12.3	12.8
Securities	21,331	22,593	23.2	23.0
Loans	55,393	59,791	60.4	60.8
Other	3,740	3,373	4.1	3.4
Total Assets	**91,758**	**98,371**		
Deposits	52,794	54,788	57.5	55.7
Funds Borrowed and Bonds Issued	13,437	14,357	14.6	14.6
Repo	10,904	13,109	11.9	13.3
- TL Repo	1,647	2,373	1.8	2.4
- FX Repo	9,257	10,737	10.1	10.9
Other	4,233	4,590	4.6	4.7
Equity	10,390	11,528	11.3	11.7
Total Liabilities and S/H Equity	**91,758**	**98,371**		

* Figures are converted with exchange rates effective at the respective balance sheet dates: 2013 – 2.1304; 1H14 – 2.1226

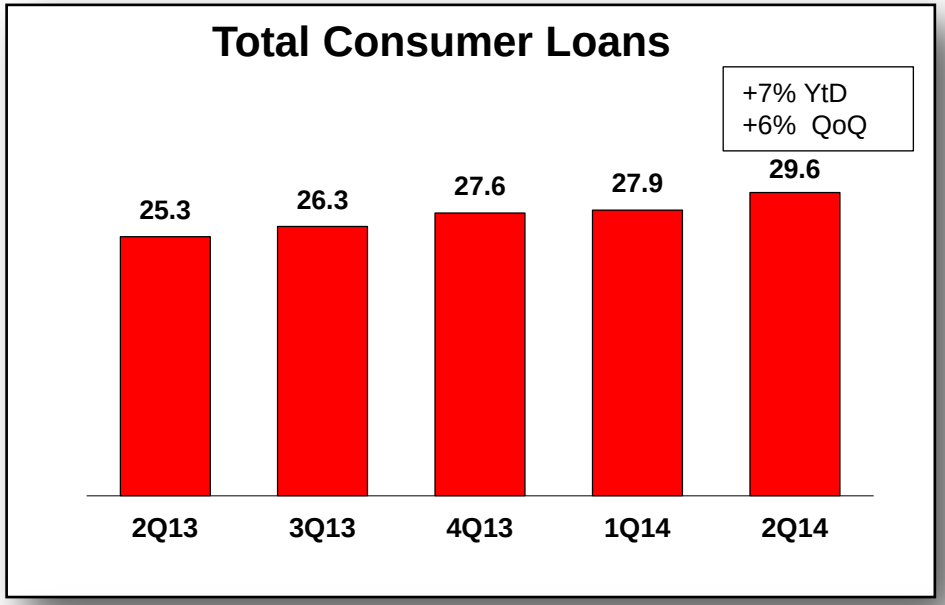
Income Statement Highlights in USD

Consolidated (USD mio *)	1H13	1H14
Interest Income	2,937	3,413
Interest Expense	(1,290)	(1,789)
Net Interest Income	**1,647**	**1,624**
Trading Gain (Loss), Net	356	(74)
- Securities	337	158
- Other	19	(232)
Provision for Loan Losses, net of collections	(175)	(233)
Fees and Commissions (Net)	602	566
Operating Expenses	(871)	(861)
Other Income	33	52
Other Provisions	(259)	(109)
Income Before one-off items and Tax	**1,334**	**966**
One-off items	(67)	-
Income Before Tax	**1,266**	**966**
Tax	(318)	(206)
Net Income	**948**	**759**

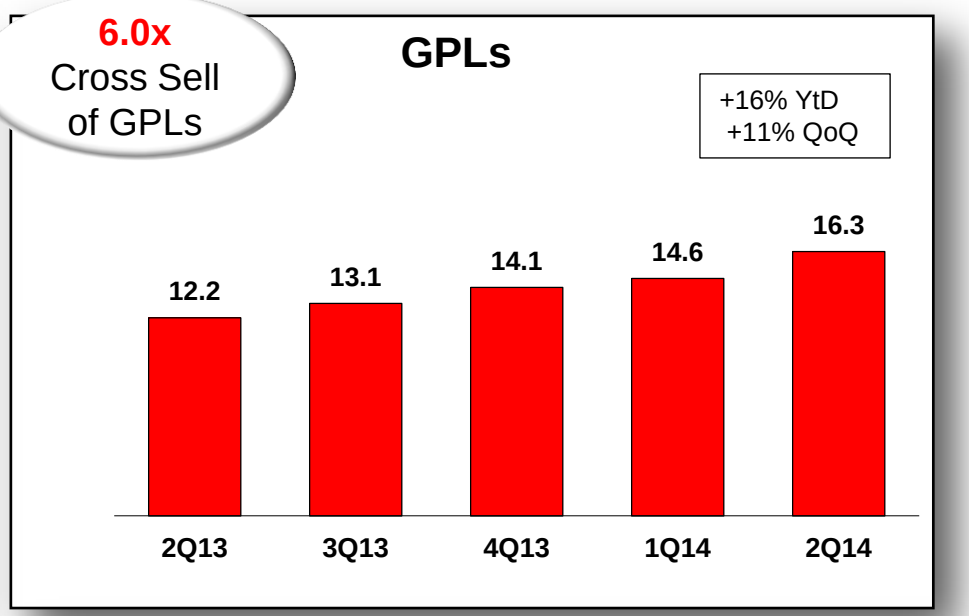
* Figures are converted with exchange rates effective at the respective balance sheet dates: 1H13– 1.9242; 1H14 – 2.1226

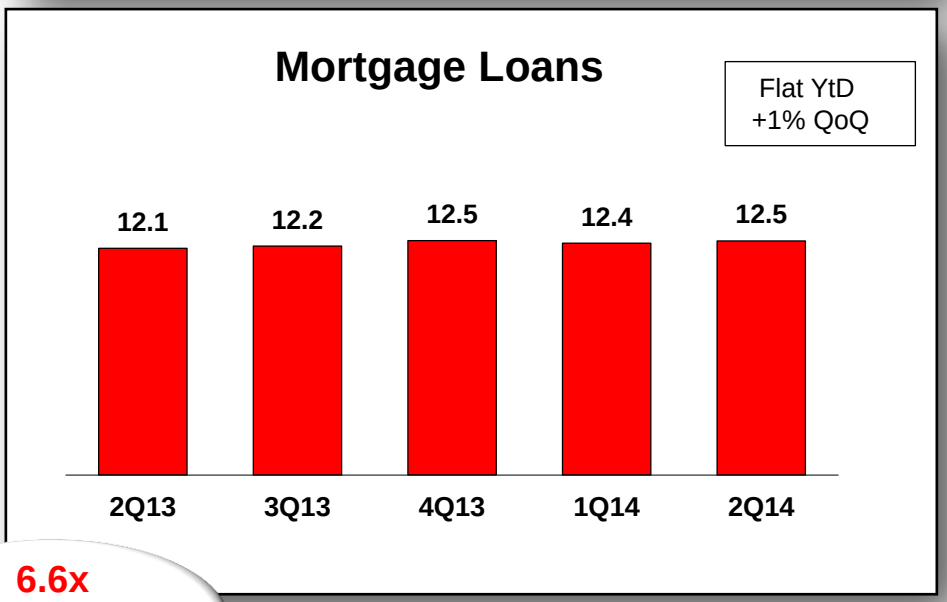
Consumer Loans – Emphasis on GPLs

(TL bio)

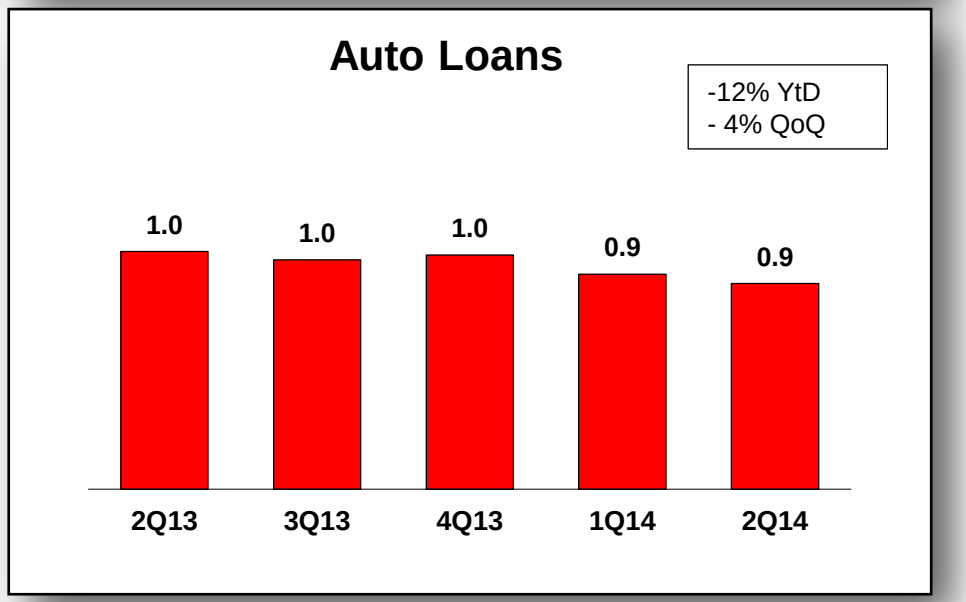


6.0x
Cross Sell
of GPLs



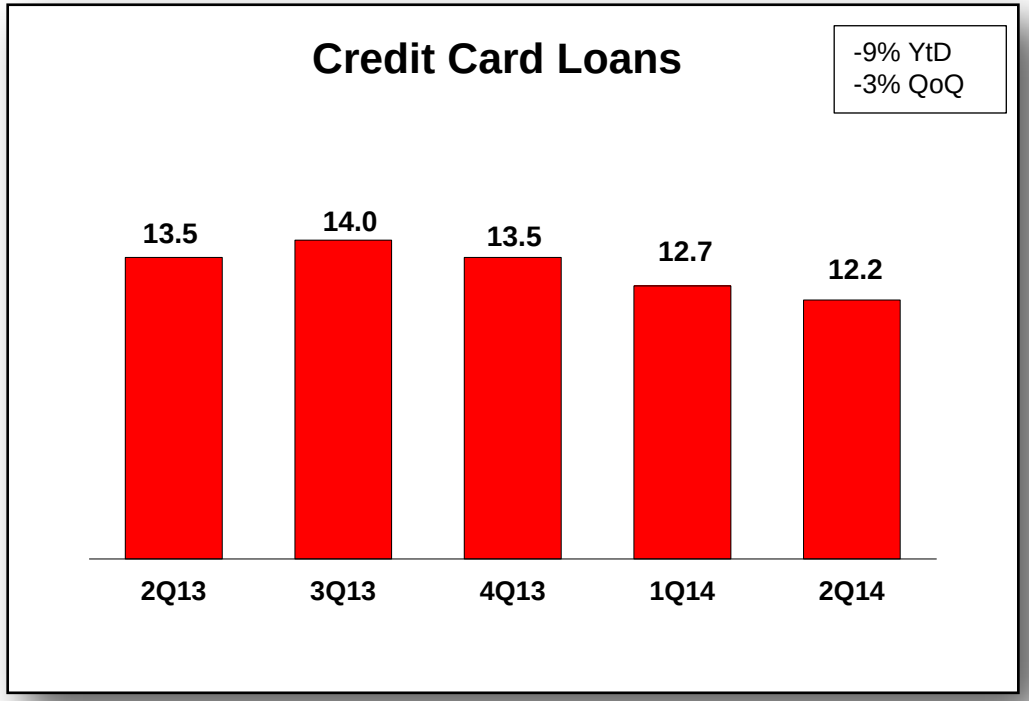


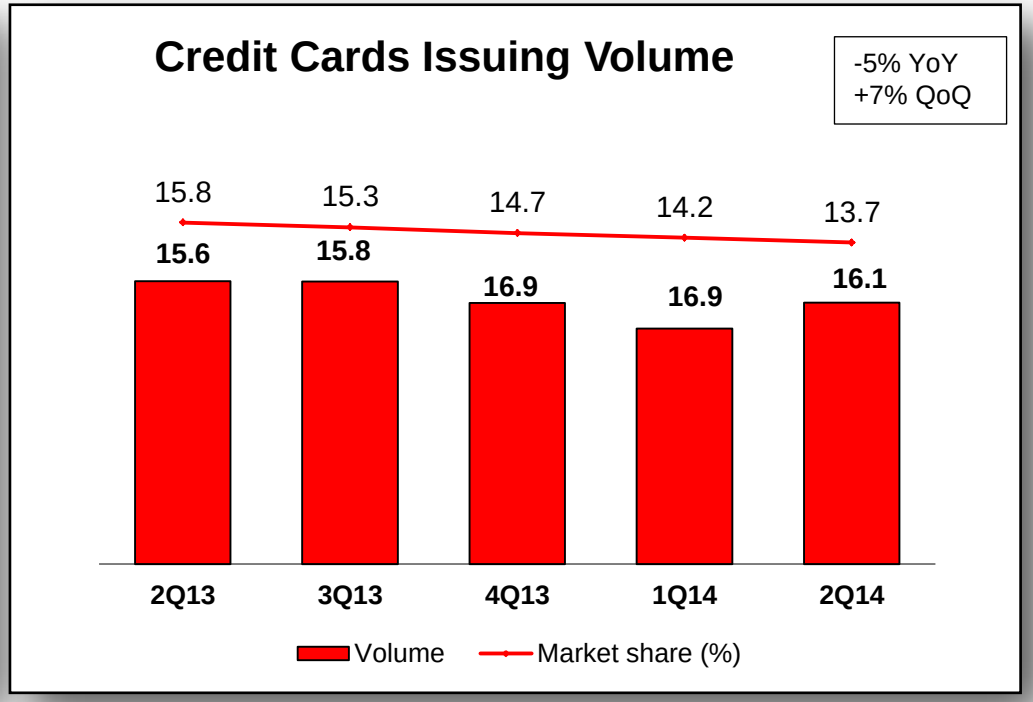
6.6x
Cross Sell
of Mortgage



Credit Cards – Continued Focus on Profit Optimization

(TL bio)



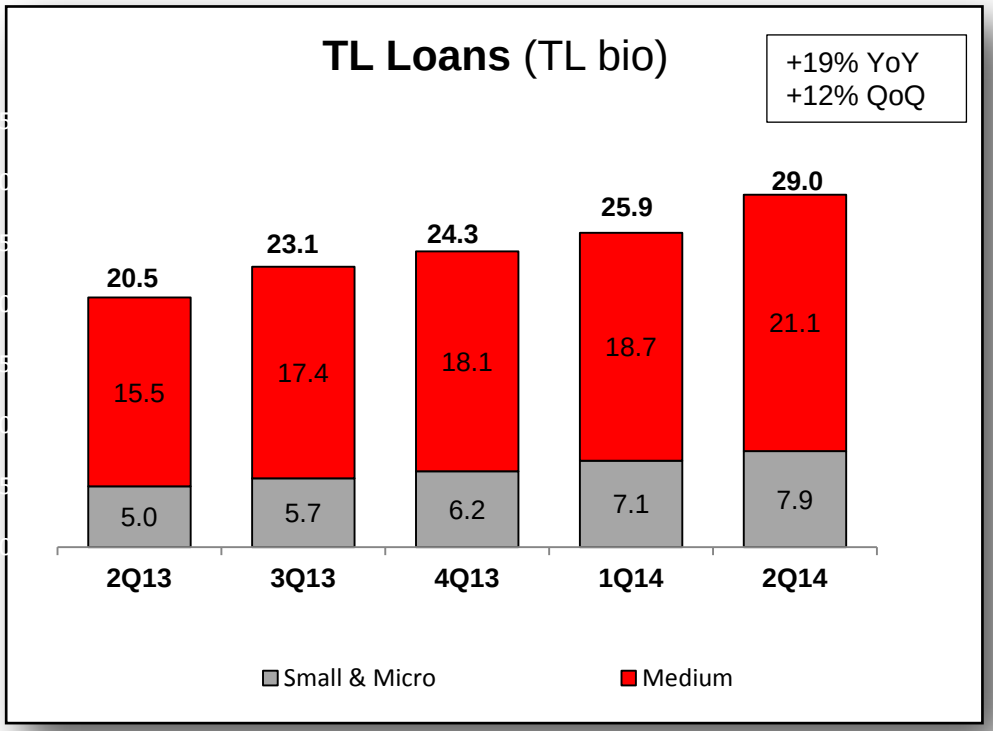


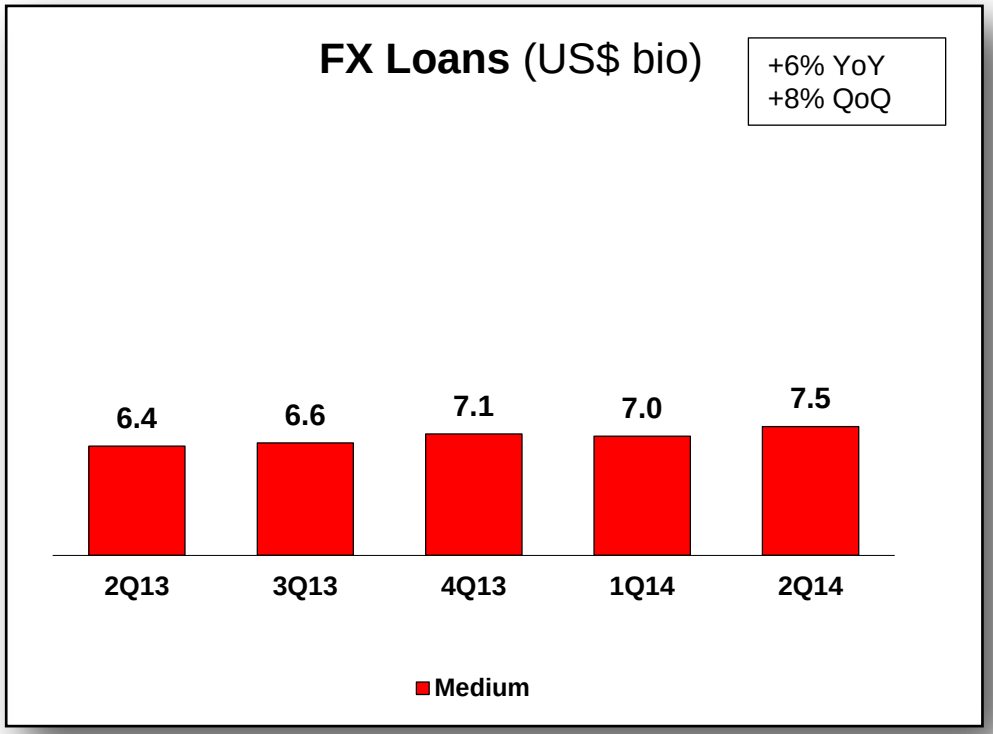
#1 in Payment Systems Commissions*

#1 in Issuing Volume per Card in the Peer Group

* According to 1Q14 data

Medium, Small and Micro Loans – Continued Momentum





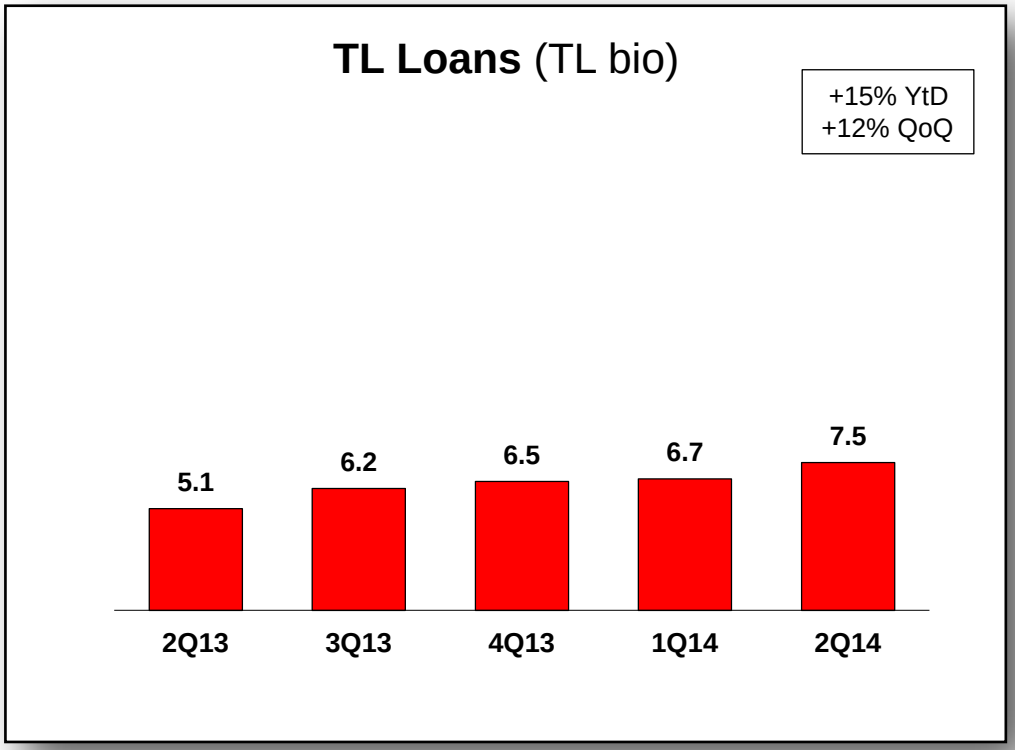
26% YtD, 11% QoQ
Growth in Small & Micro

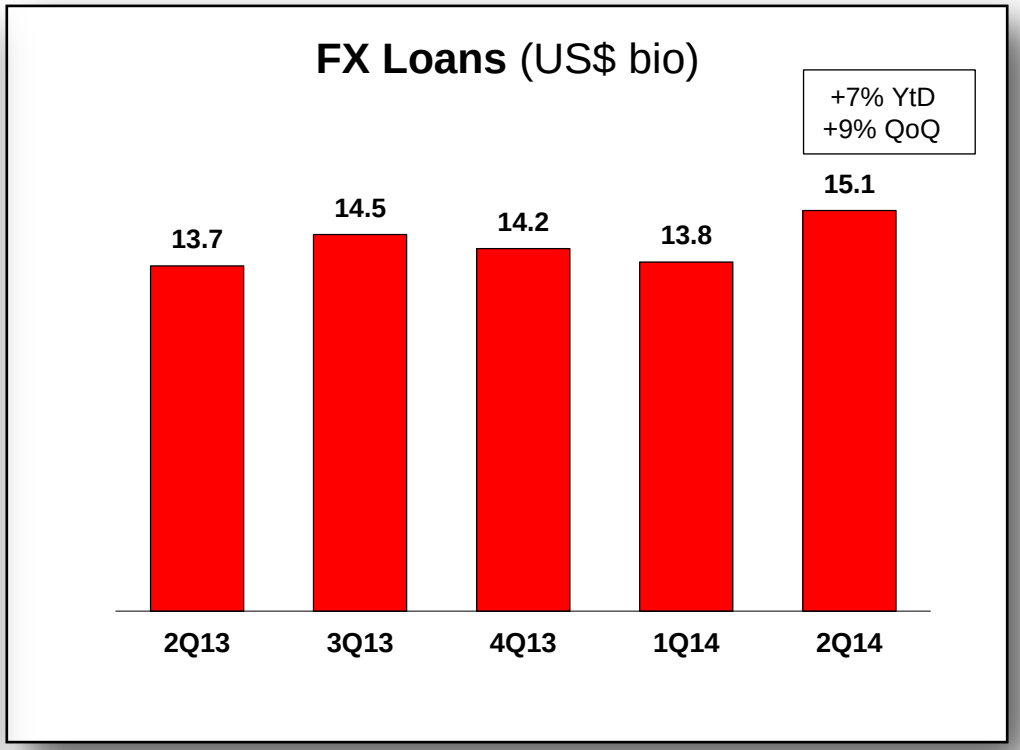
17% YtD, 13% QoQ
Growth in Medium

5.3x
Cross Sell in Medium Enterprise Loans

4.4x
Cross Sell in Small and Micro Loans

Corporate Loans – Accelerated Growth in 2Q14





5.1x
Cross Sell in
Corporate Loans

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