

1Q14 Consolidated Financial Results

30 April 2014

Strategic Balance Sheet Management

Focus on Profitability vs. Strong Growth

Selective Growth Strategy

- ✓ Continued emphasis on lucrative areas of lending; GPLs, small, micro and medium segments

Focus on Net Interest Margin Management

- ✓ Hands on deposit cost management
- ✓ Proactive loan pricing reflecting funding cost increase
- ✓ Yield enhancement in securities book by replacing maturing bonds with higher yielding securities

Asset Quality

- ✓ Preserving the best asset quality with the strongest coverage; effect of higher coverage on ROE ~1%

Strong Capitalization

- ✓ CAR-14.5%, Tier 1-13.5%

Profitability Highlights

Net profit TL 661 mio, ROA 1.3% and ROE 11.8%

Resilient Operational Profitability

- ✓ Net profit, ex-bond trading and one-off items TL 683 mio, 3% up YoY

Excellent NIM Management

- ✓ NIM 3.5%; improved loan/deposit spread
- ✓ 9% inflation estimation for CPI linked bonds vs. 10% actual inflation rate in 1Q14.
- ✓ Otherwise NIM would have been 3.6%

Strong Asset Quality

- ✓ Cost of risk 75 bps, running below budget of 100 bps

Good Command on Cost

- ✓ Opex, 5% up YoY, lower than 8% budget
- ✓ Cost/assets 1.8%, best in class cost efficiency and productivity

Fee Income

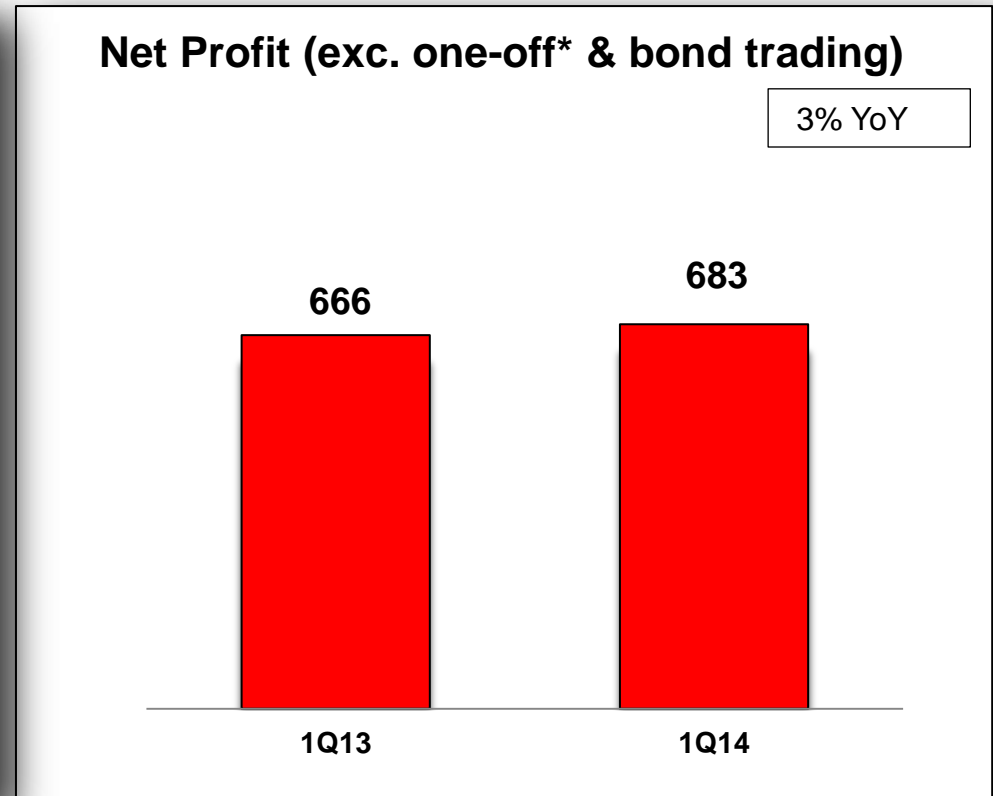
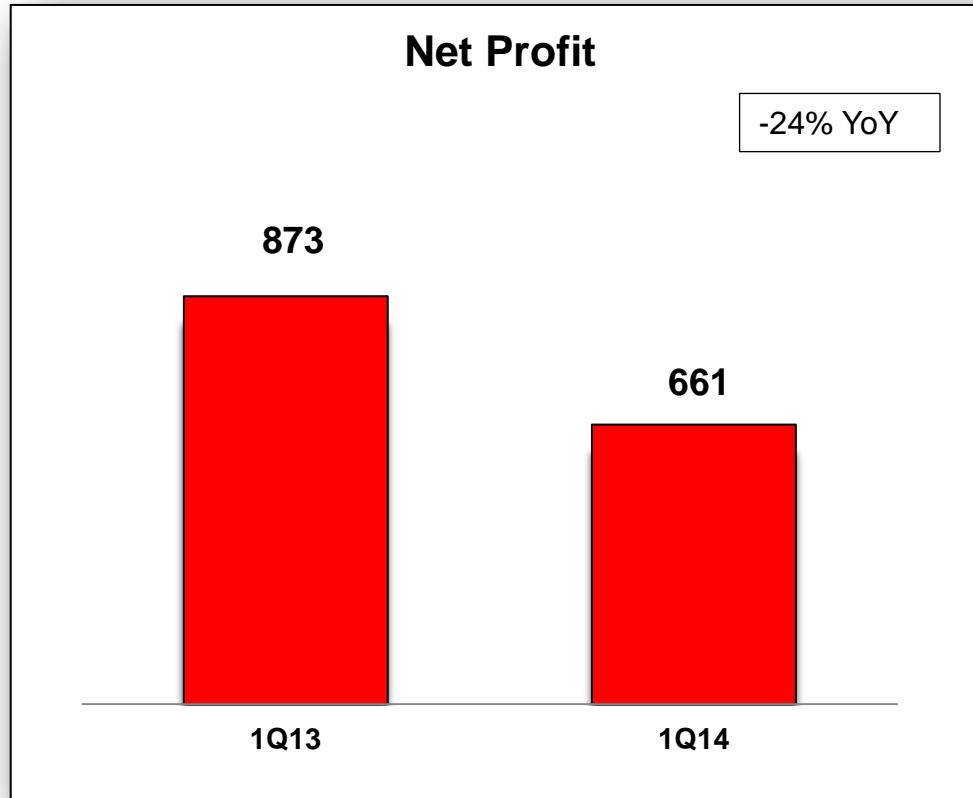
- ✓ Net fee income, 6% down YoY, due to lower loan growth and base effect of mortgage re-financing fees
- ✓ Net fee income, ex-loan business improved; 5% up YoY

Trading Gain Loss

- ✓ Absence of bond trading income due to market conditions
- ✓ Increased TL swap cost as guided

Net Income Driven by Operational Profit

(TL mio)



* In 1Q13 and 4Q13, one - off items include Competition Board penalty of TL129 mio and free provision of TL95mio, respectively.

Summary Financial Results

(TL mio)	1Q13	4Q13	1Q14	YoY	QoQ
Net Profit	873	649	661	-24.3%	1.8%
Net Profit ex-bond trading & one-off	666	727	683	2.6%	-6.1%
Net interest income	1,612	1,673	1,737	7.7%	3.8%
Net fee income	560	549	524	-6.3%	-4.5%
ROAE*	17.9%	13.6%	11.8%	-6.1%	-1.8%
ROAA*	2.4%	1.5%	1.3%	-1.1%	-0.2%
NIM**	4.0%	3.3%	3.5%	-0.5%	+0.2%
Cost of Risk	0.86%	1.00%	0.75%	-0.11%	-0.25%
Cost to Asset*	2.1%	1.8%	1.8%	-0.3%	flat
Fees to Cost*	66.2%	63.2%	59.1%	-7.1%	-4.1%
CIR*	36.6%	46.5%	47.9%	11.5%	1.4%

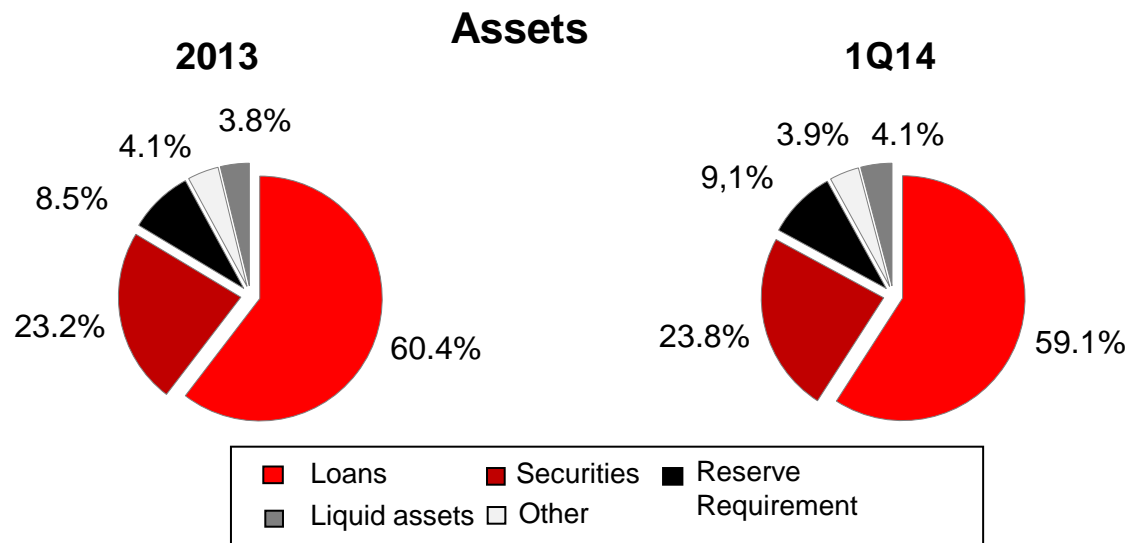
*In 1Q13 and 4Q13, one-off items include Competition Board penalty of TL129 mio and free provisions of TL 95 mio, respectively.

**All periods in 2013 have been adjusted for the actual 2013 CPI rate of 7.7% applicable to CPI Linkers. In 1Q14 inflation rate applied to CPI linkers is 9%.

Well-Structured Asset/Liability Mix

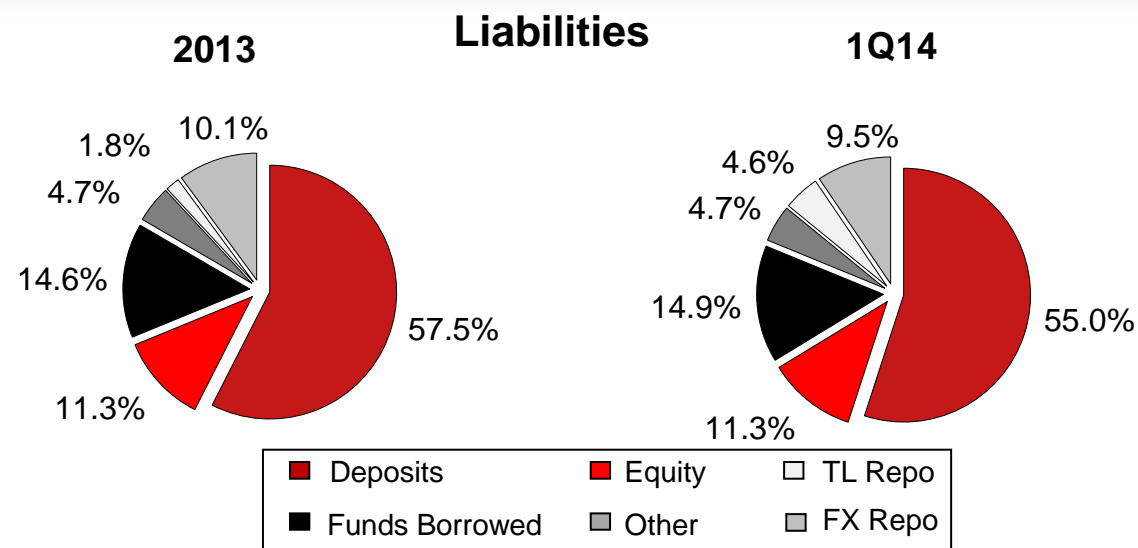
Tactical Shifts in Assets

- Loans / assets at 59.1%
- Securities / assets at 23.8%

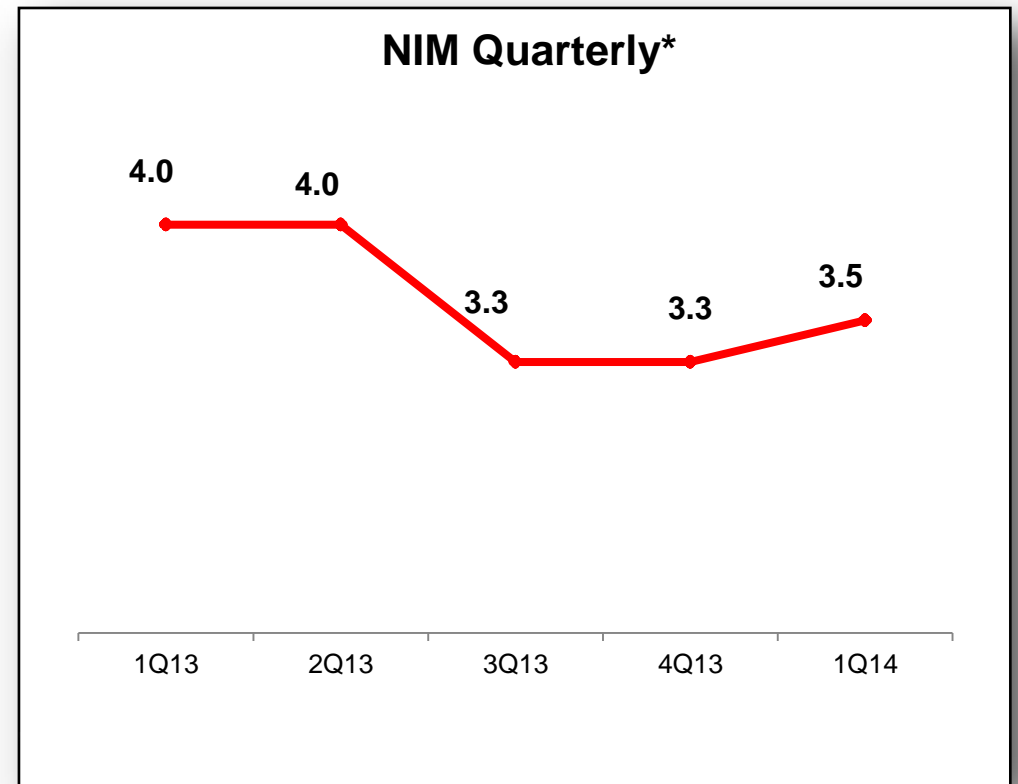
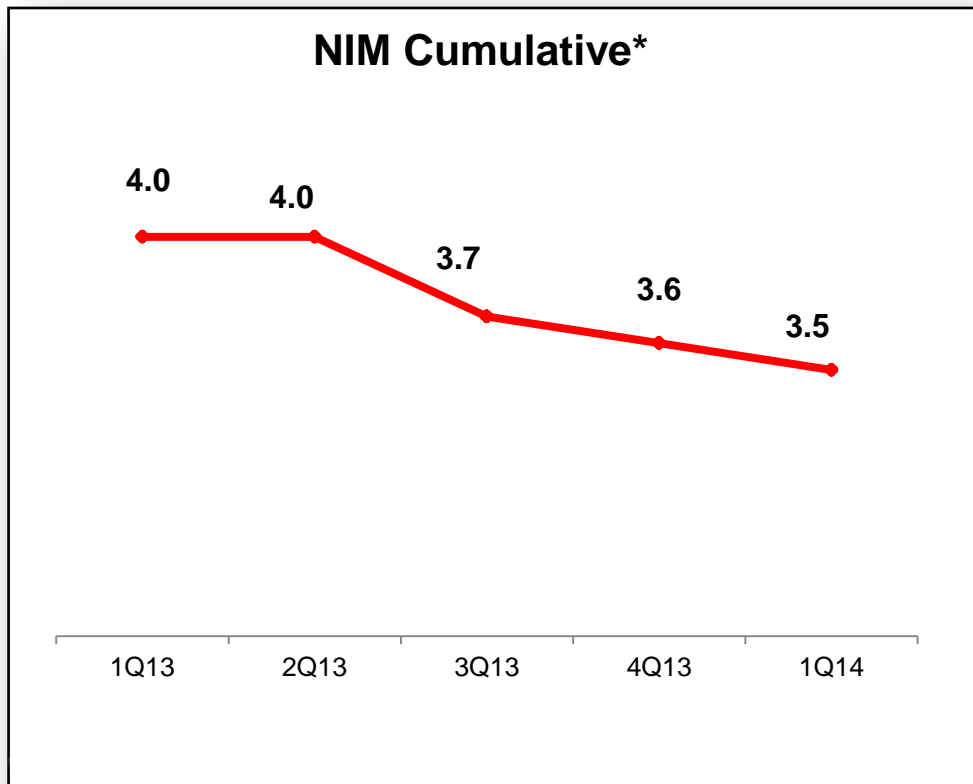


Diversified Funding

- Continued focus on deposits
- Well-diversified wholesale funding
- Loans to Deposit 107%



Well-Managed NIM



with 10% actual
inflation rate
NIM 3.6%

*All periods in 2013 have been adjusted for the actual 2013 CPI rate of 7.7% applicable to CPI linkers.
In 1Q14 inflation rate applied to CPI linkers is 9% vs. 10% actual inflation rate.

Continued Improvement in Loan - Deposit Spread

						Δ in yield	Δ in NIM (bps)
(%)	1Q13	2Q13	3Q13	4Q13	1Q14	4Q-1Q	4Q-1Q
TL Loans	10.62	9.72	9.27	9.60	10.35	+0.75	+29
TL Deposits (blended)	6.05	5.27	5.97	6.27	6.94	+0.67	-18
- TL Time Deposits	7.23	6.40	7.42	7.78	8.43	+0.65	
FX Loans	4.77	4.70	4.65	4.36	4.68	+0.32	+4
FX Deposits (blended)	1.98	1.67	2.04	1.88	2.03	+0.15	-2
- FX Time Deposits	2.50	2.10	2.51	2.28	2.44	+0.16	
Loan-Deposit impact							13
TL Securities	8.83	8.88	9.12	8.69	10.30	+1.61	+28
FX Securities	3.44	3.47	3.52	3.50	3.68	+0.18	+4
Securities impact							+32
Repo and Others impact							-25
Net Interest Margin	3.95	3.95	3.35	3.34	3.54		+20

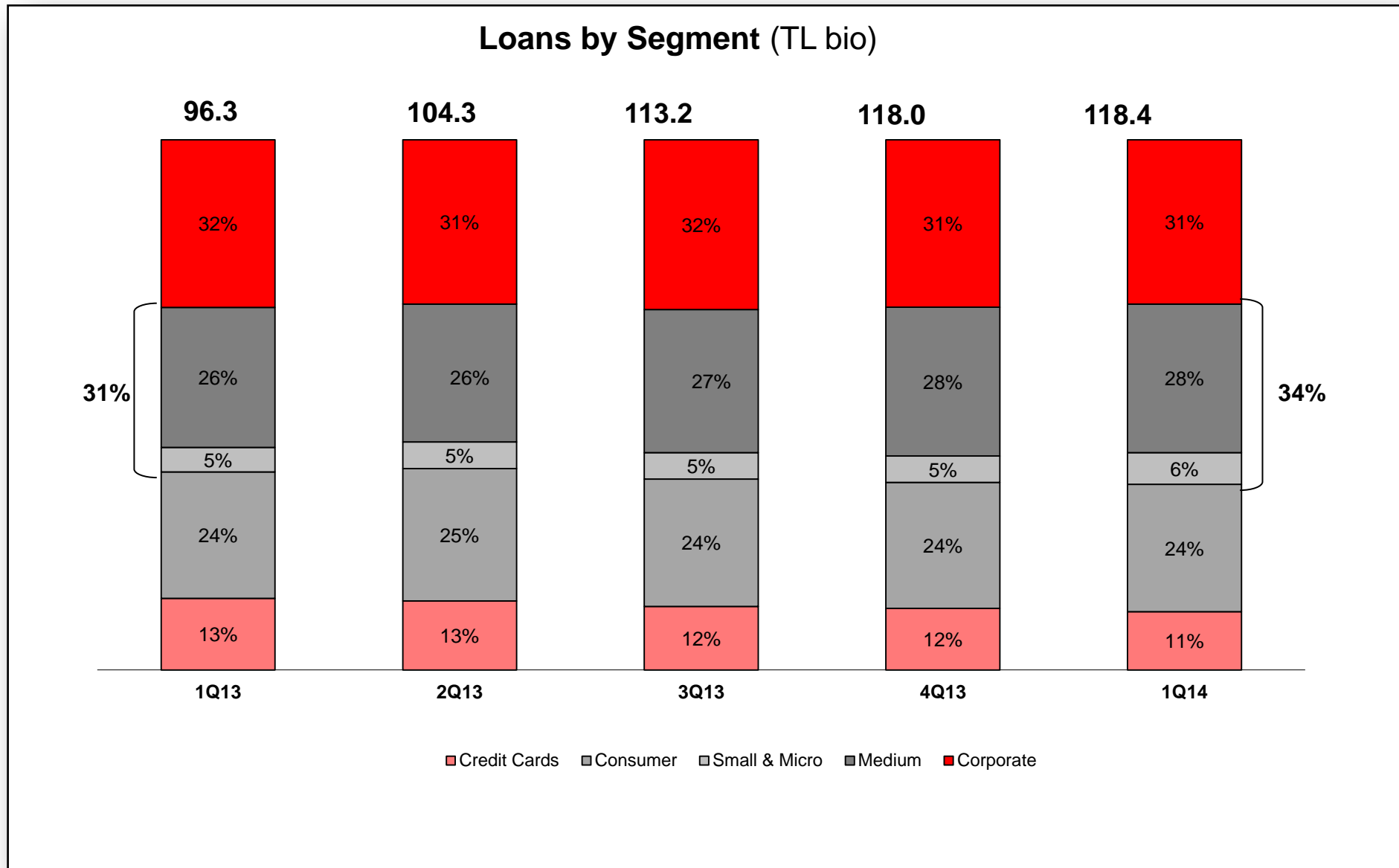
*All periods in 2013 have been adjusted for the actual 2013 CPI rate of 7.7% applicable to CPI linkers.

Continued Growth in Lucrative Areas

(TL mio)	1Q13	2Q13	3Q13	4Q13	1Q14	YoY (%)	QoQ (%)
TL Loans	59,980	64,494	69,512	71,908	73,167	22	2
Corporate	6,452	5,145	6,175	6,532	6,665	3	2
Medium, Small & Micro	18,025	20,530	23,062	24,281	25,852	43	6
Medium	13,769	15,538	17,402	18,044	18,739	36	4
Small & Micro	4,256	4,992	5,660	6,237	7,113	67	14
Consumer	22,667	25,318	26,286	27,591	27,921	23	1
Credit Cards	12,836	13,501	13,989	13,504	12,729	(1)	(6)
(US\$ mio)							
FX Loans*	19,502	20,122	21,107	21,274	20,818	7	(2)
Corporate	13,085	13,744	14,536	14,176	13,841	6	(2)
Medium	6,417	6,378	6,571	7,098	6,977	9	(2)
Total Loans (TL mio)	96,347	104,259	113,218	118,010	118,369	23	Flat

(*) FX indexed loans are shown under FX loans

Increased Share of High Margin Loans

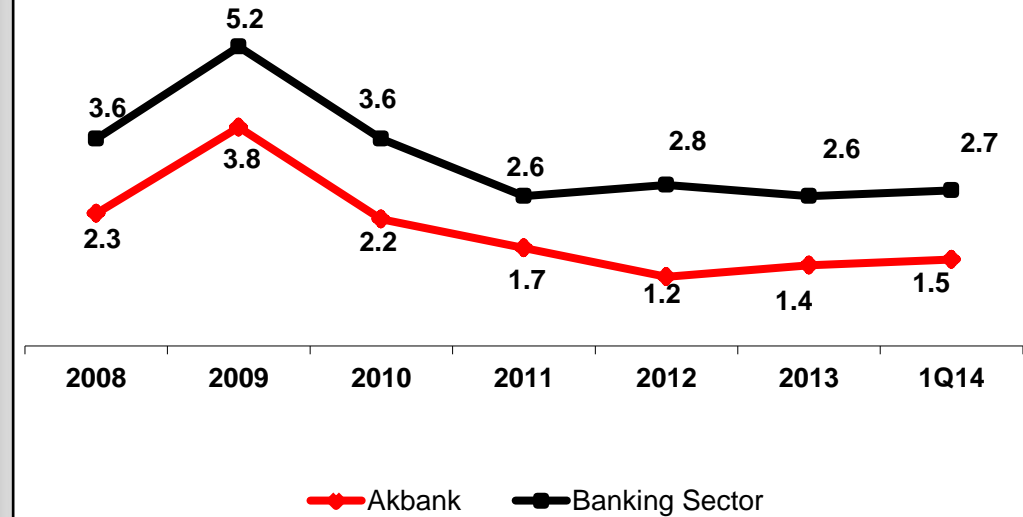


NPLs Significantly Below Sector Average

NPL Ratios by Segment (%)

	Akbank		Sector	
	<u>2013</u>	<u>1Q14</u>	<u>2013</u>	<u>1Q14</u>
Business	0.7%	0.6%	2.3%	2.3%
Consumer	1.5%	1.8%	2.0%	2.0%
Credit Cards	<u>4.4%</u>	<u>5.9%</u>	<u>5.4%</u>	<u>6.2%</u>
Total	1.4%	1.5%	2.6%	2.7%

Akbank vs. Sector NPL Ratio (%)

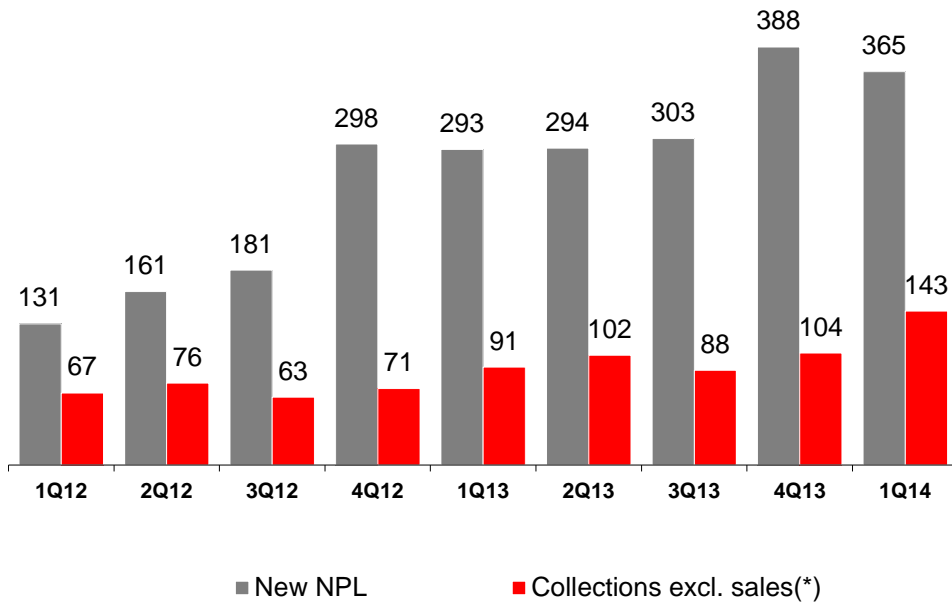


100%
Specific
~ 200%
Total
Coverage Ratio

~1%
Effect of Higher
Coverage on
ROE

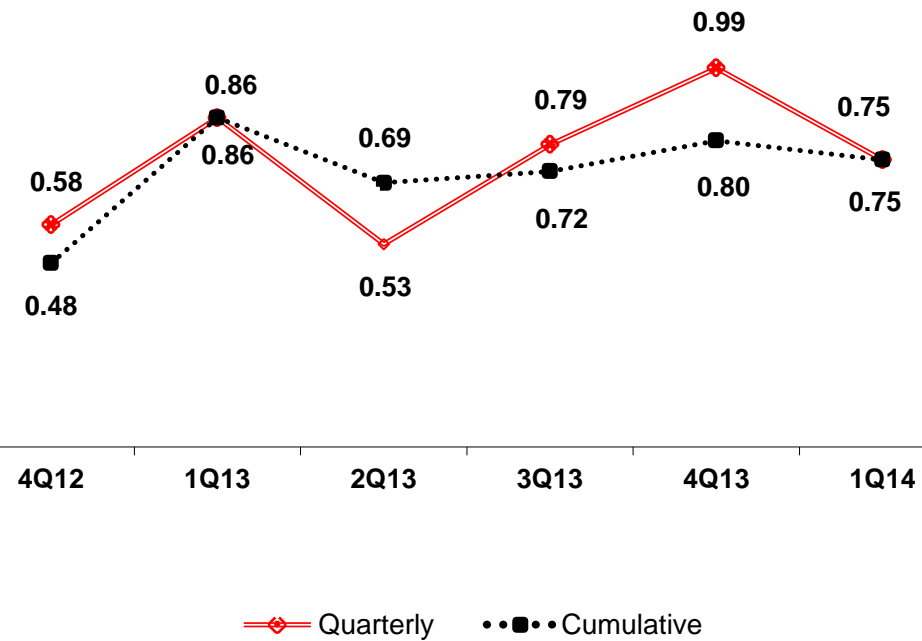
Decreased Cost of Risk

New NPL and Recoveries (TL mio)



(*) Excluding NPL Sales Proceeds of TL95 mio in 4Q12 and TL58 mio in 2Q13

Net Cost of Risk Ratio (%)



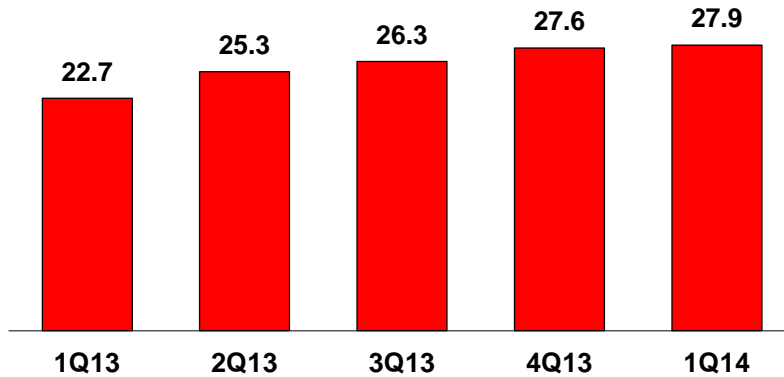
25 bps QoQ
Decrease in Net
Cost of Risk

Consumer Loans – Increased Market Share in GPLs

(TL bio)

Total Consumer Loans

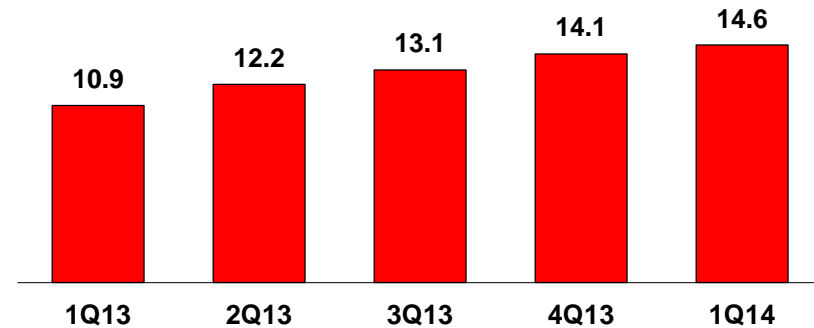
+23% YoY
+1% QoQ



6.0x
Cross Sell
of GPLs

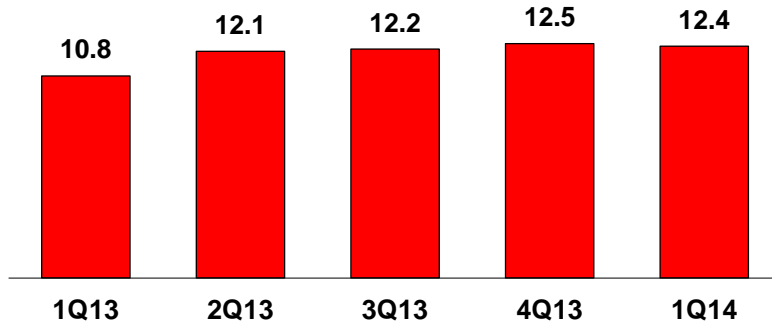
GPLs

+34% YoY
+4% QoQ



Mortgage Loans

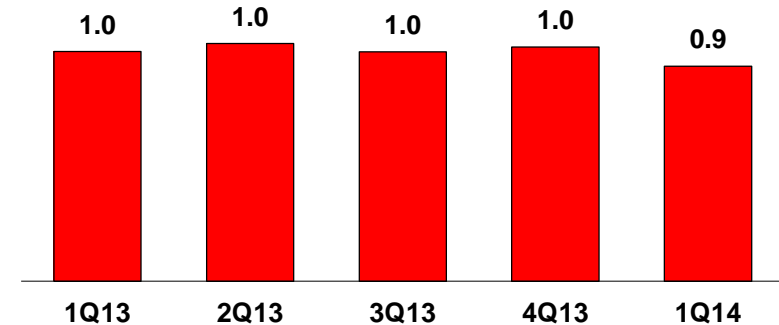
+15% YoY
-1% QoQ



6.6x
Cross Sell
of Mortgage

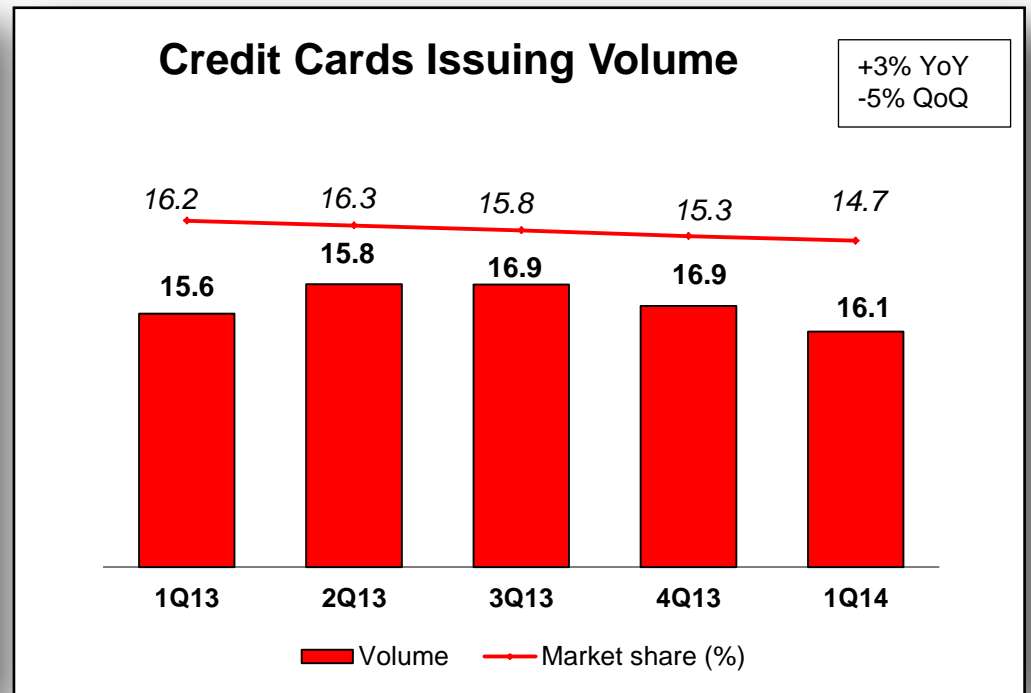
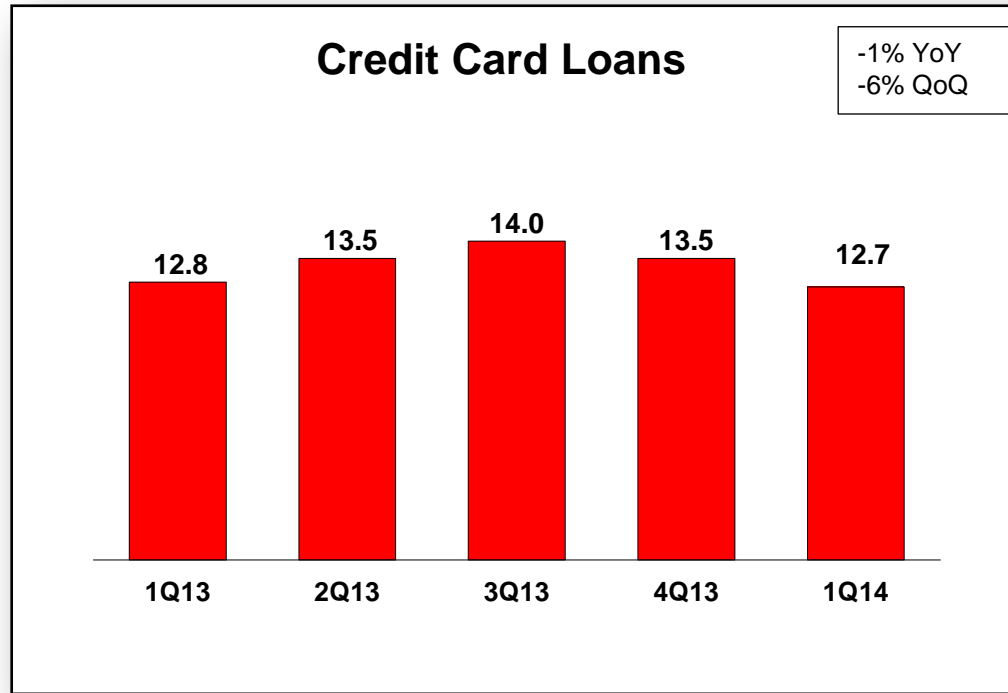
Auto Loans

-6% YoY
-8% QoQ



Credit Cards - Focus on Profit Optimization

(TL bio)

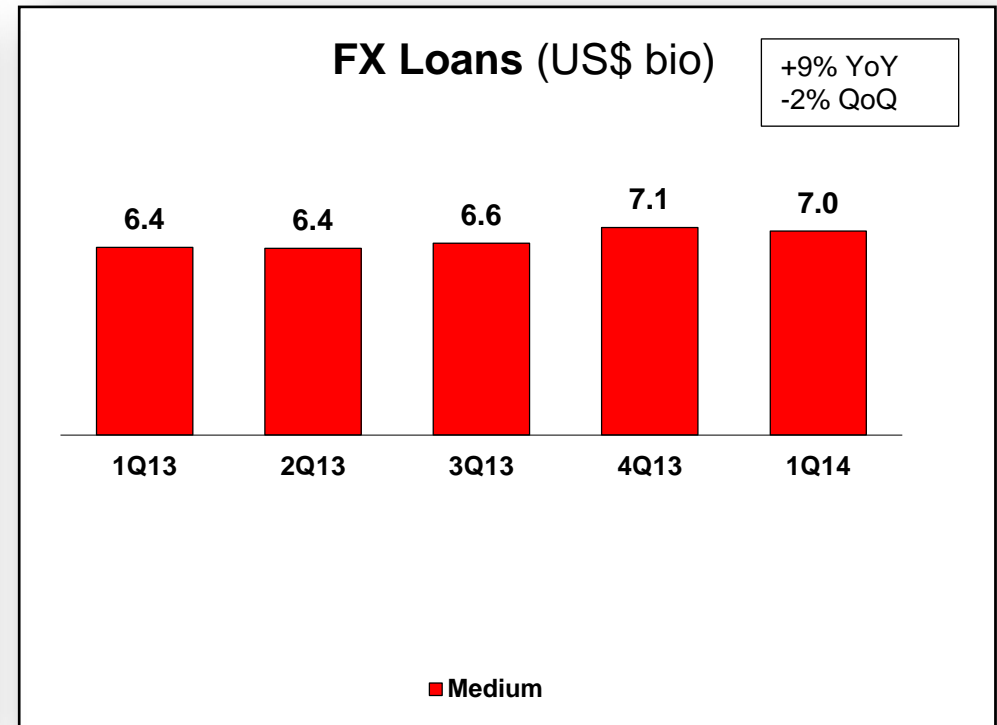
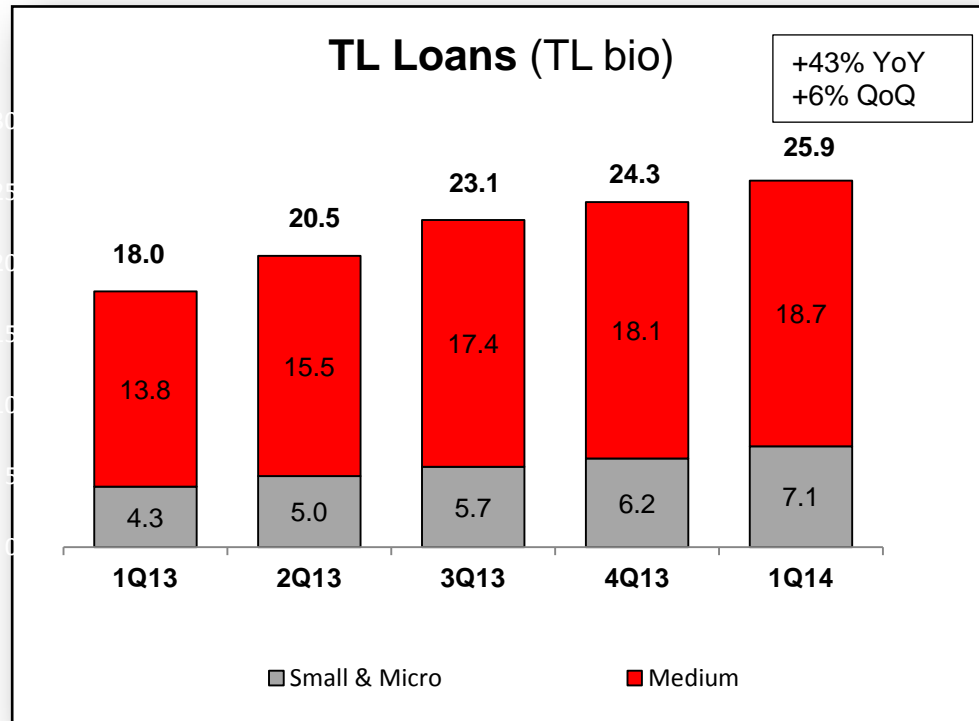


#1
in Payment
Systems
Commissions*

#1
in Issuing
Volume per
Card in the Peer
Group

* According to 4Q13 data

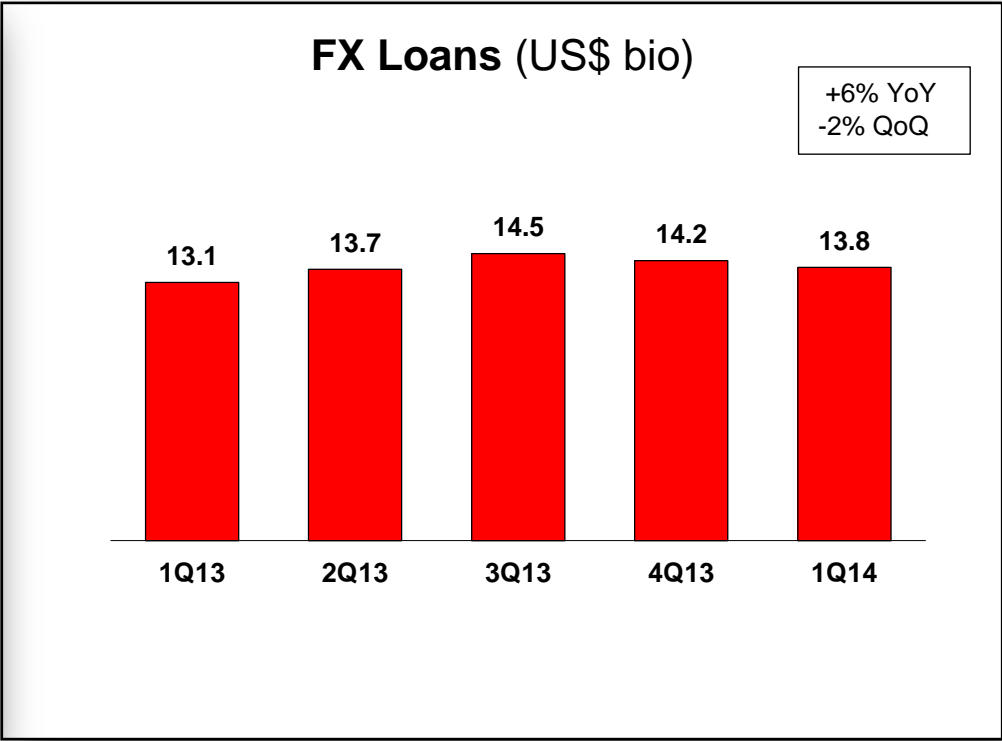
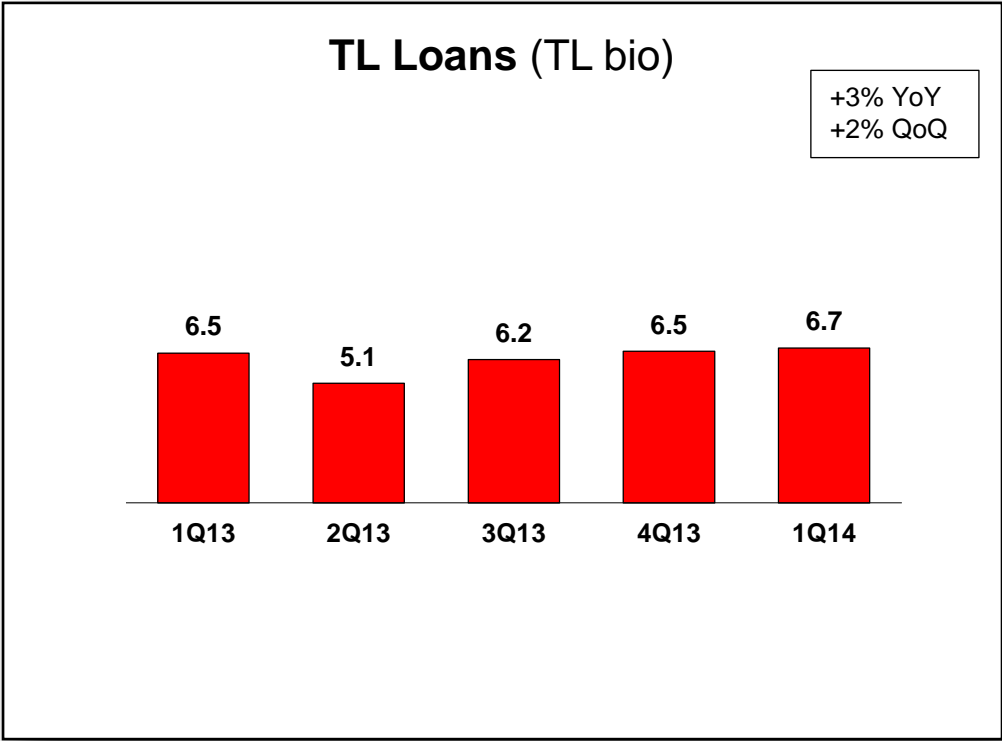
Medium, Small and Micro Loans – Continued Momentum with Risk Focus



67% YoY, 14% QoQ
Growth in Small &
Micro

5.5x
Cross Sell in Medium
Enterprise Loans
4.4x
Cross Sell in Small and
Micro Loans

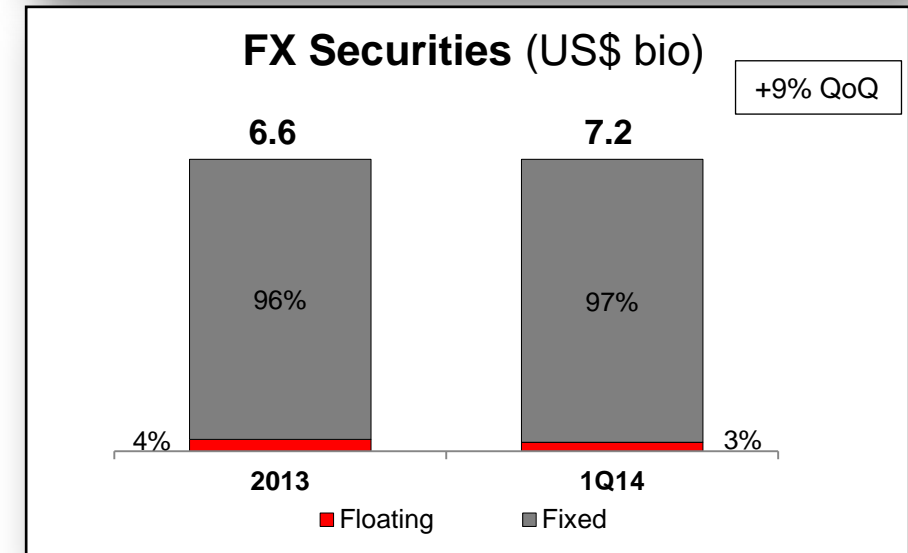
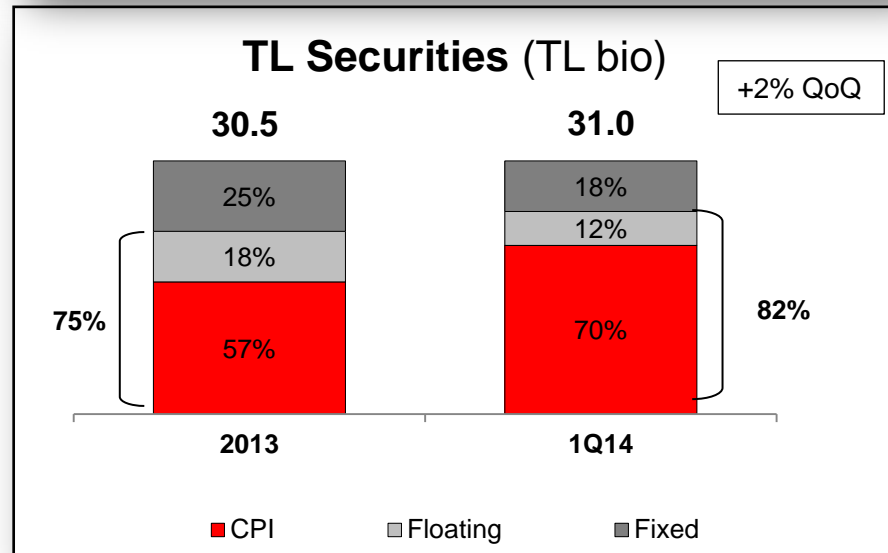
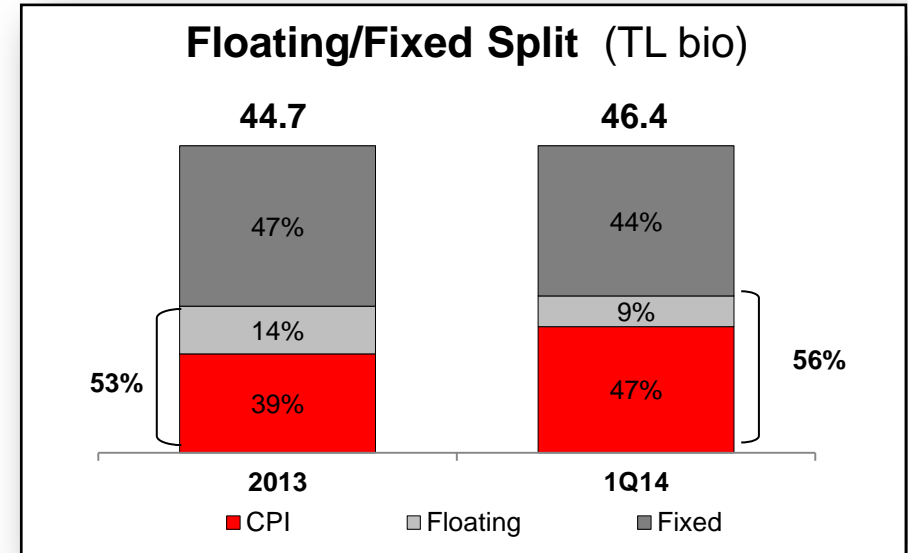
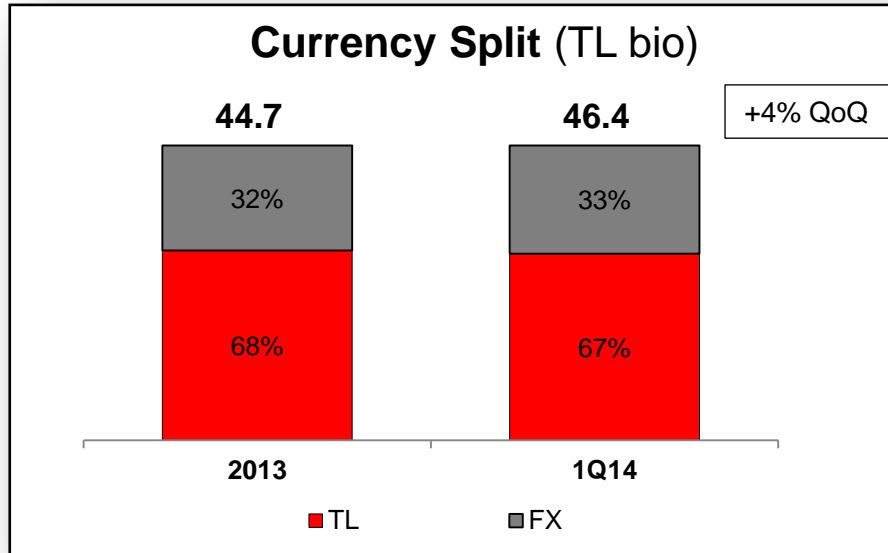
Corporate Loans – Moderated Growth and Yield Enhancement



5.3x
Cross Sell in
Corporate Loans

**Stronger
Pipeline**
in FX

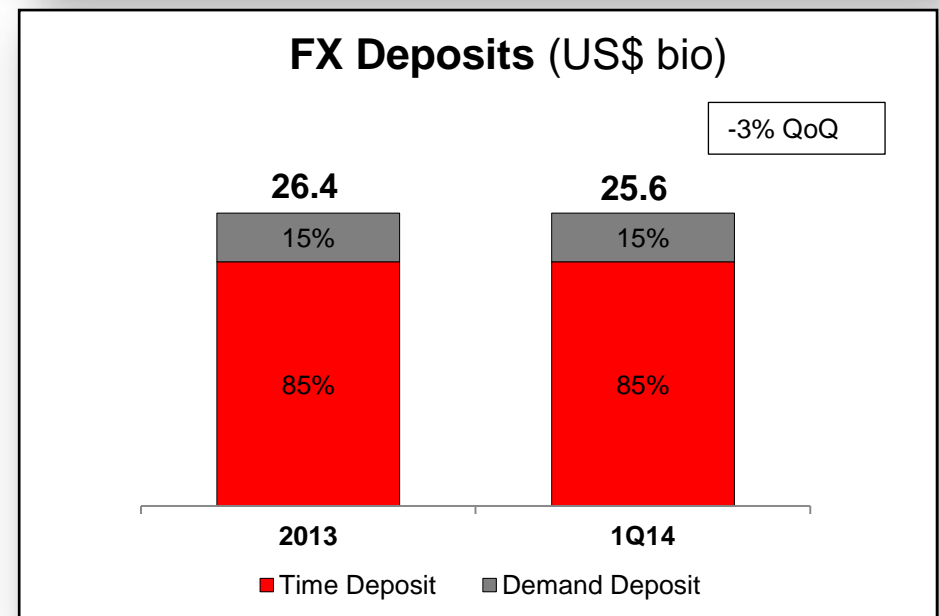
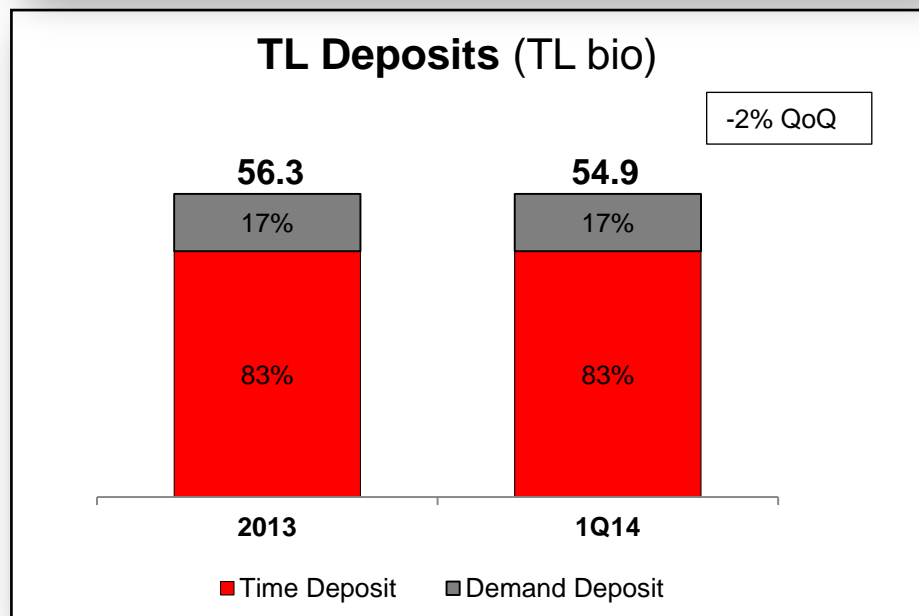
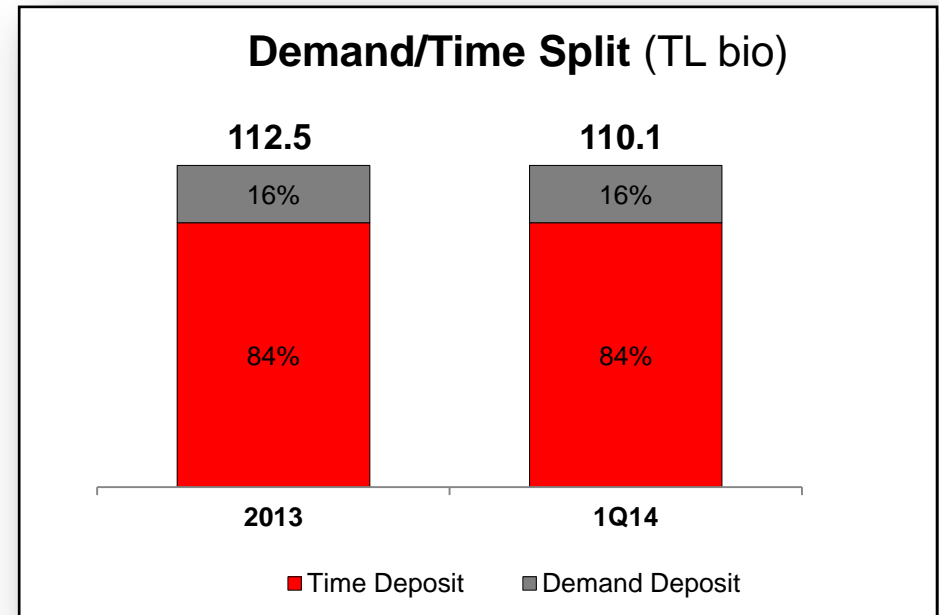
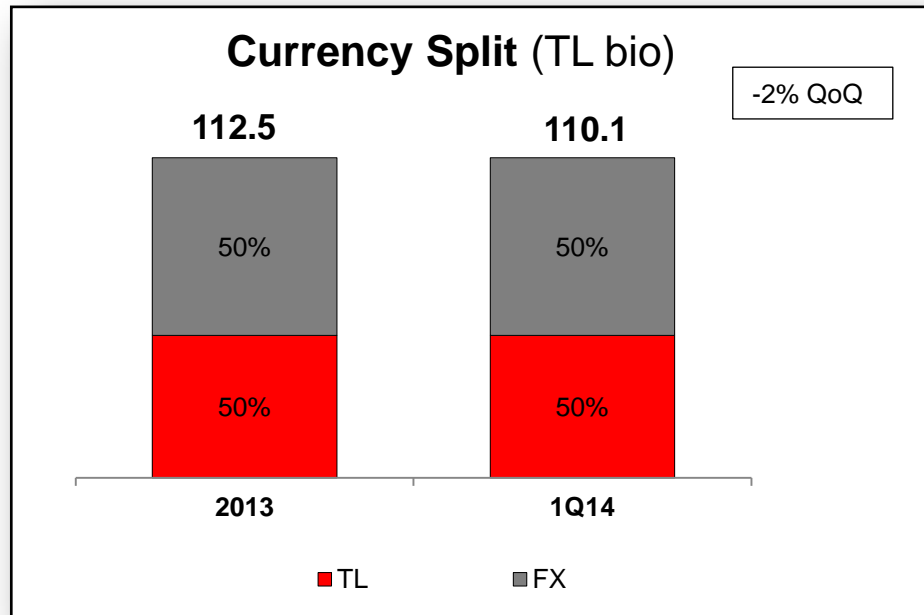
Well-Positioned Securities Book



22% HtM, 78%
AFS

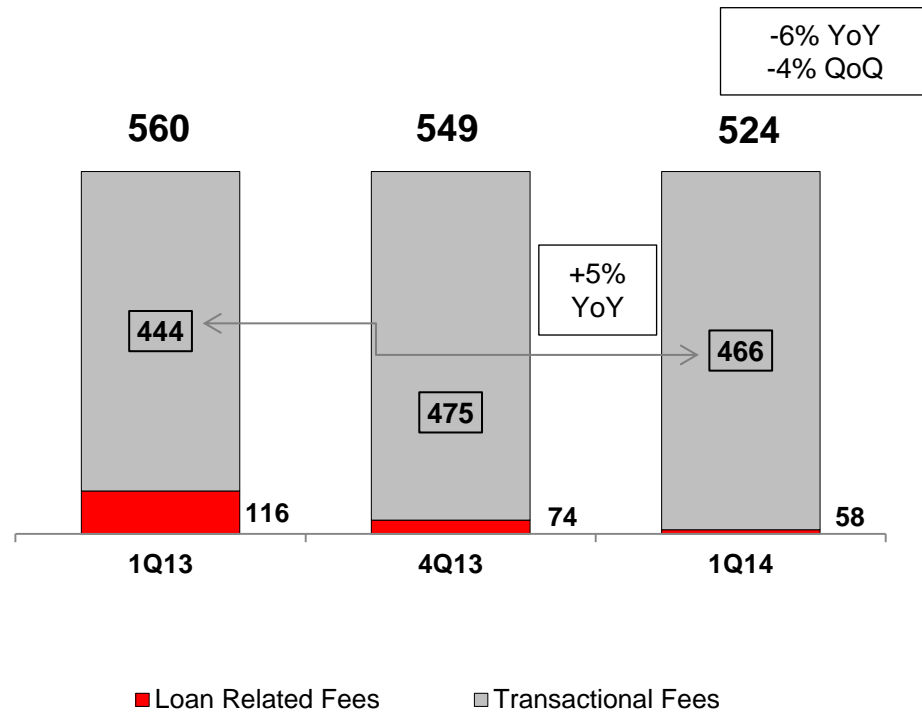
- TL 1.2 bio, net
MtM Valuation in
Equity

Focus on Deposit Cost Management

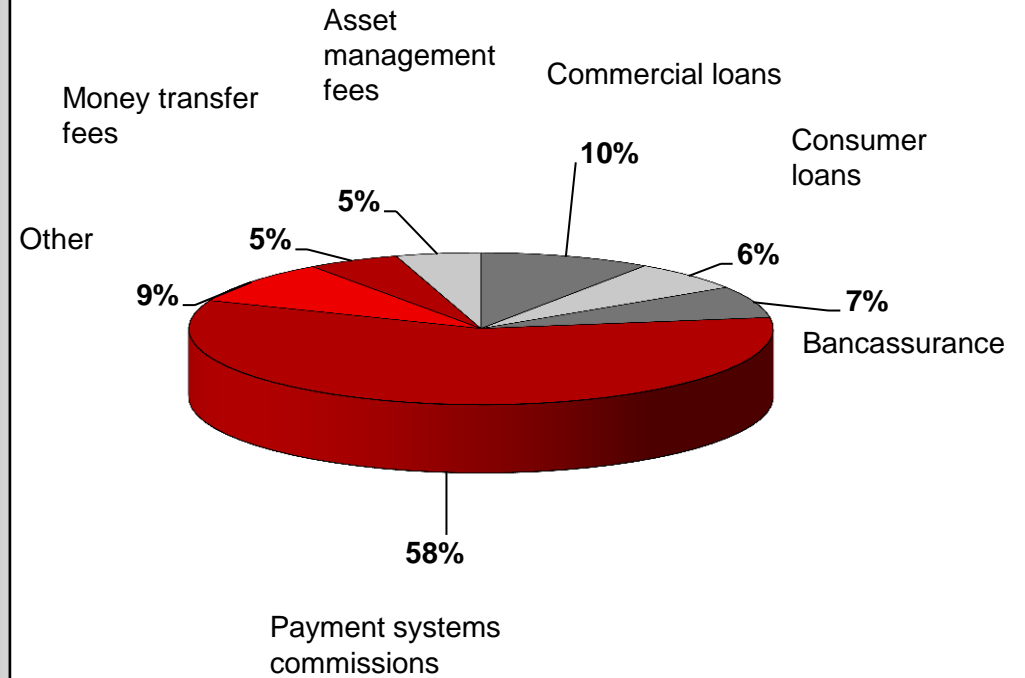


Fees & Commissions

Net fee and commissions (TL mio)



Split of Commission Income (%)

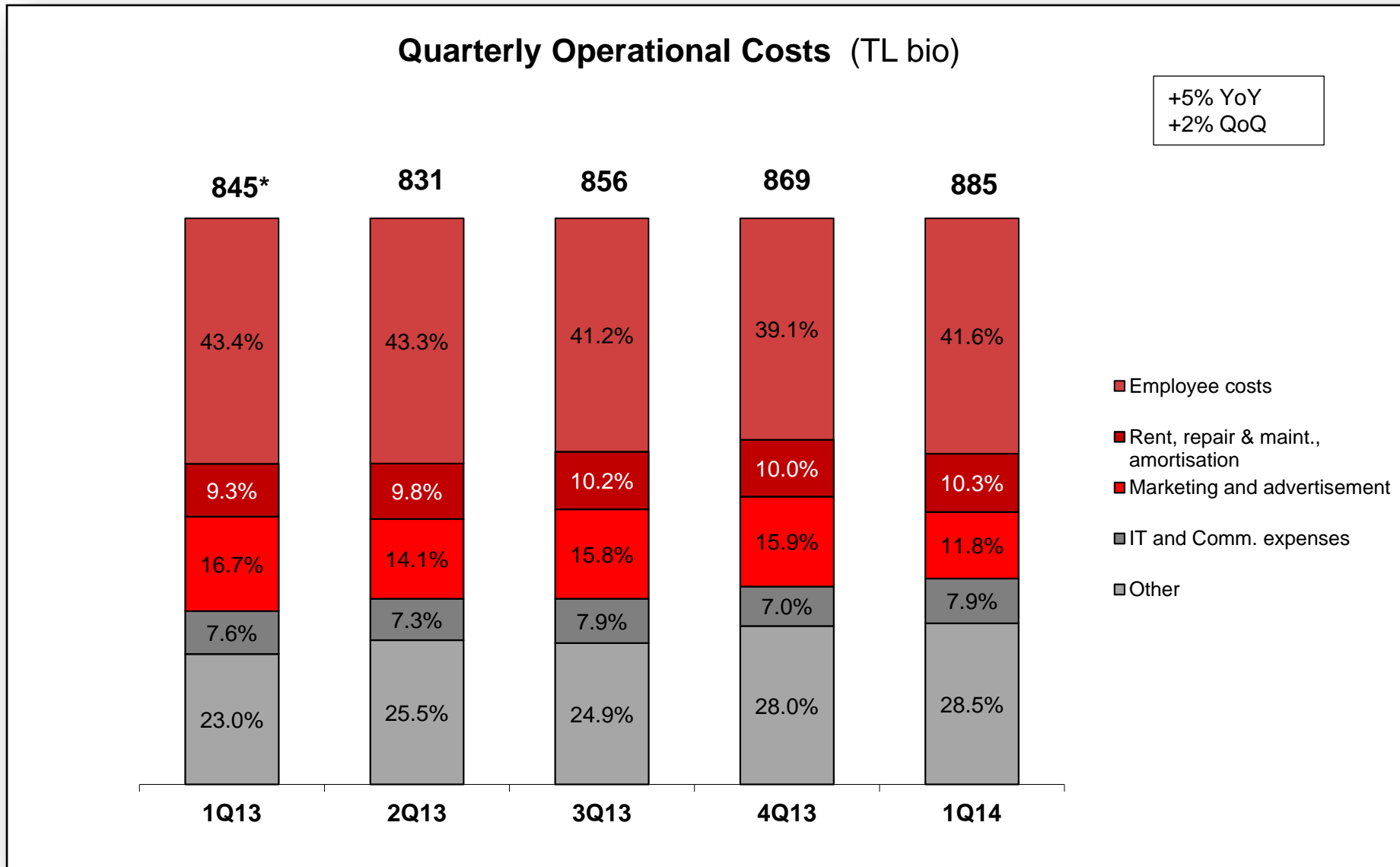


+46%
YoY increase in
Money Transfer Fees

#1
in
Bancassurance
Commissions

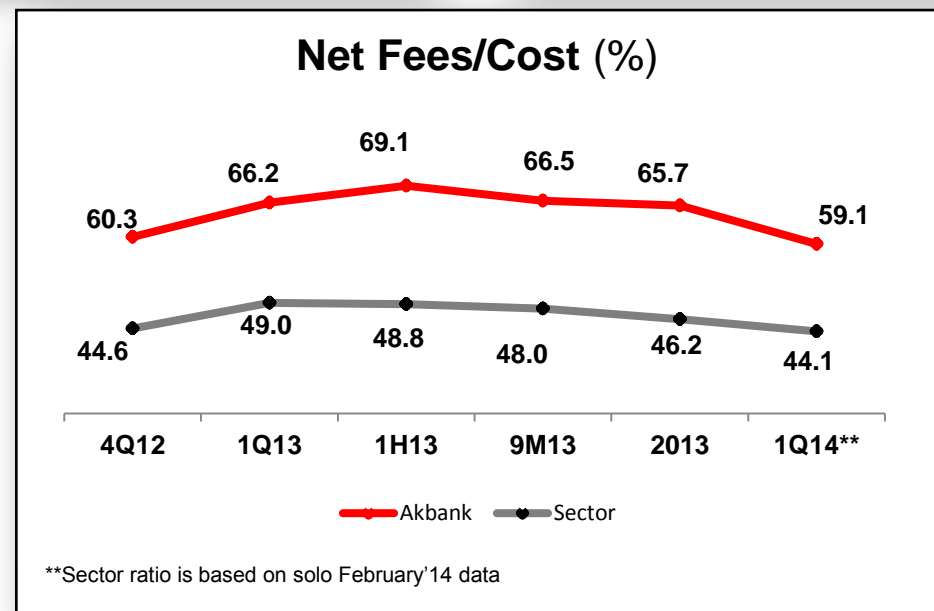
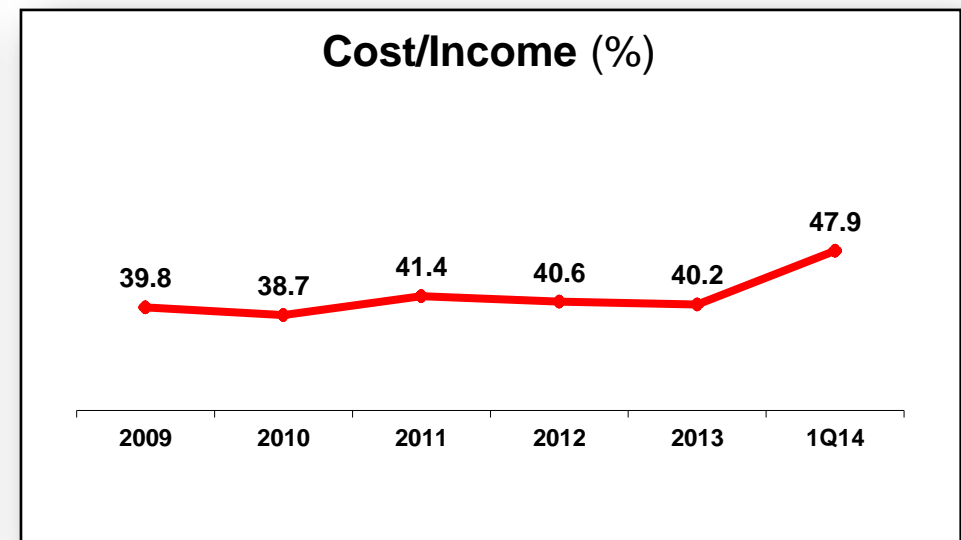
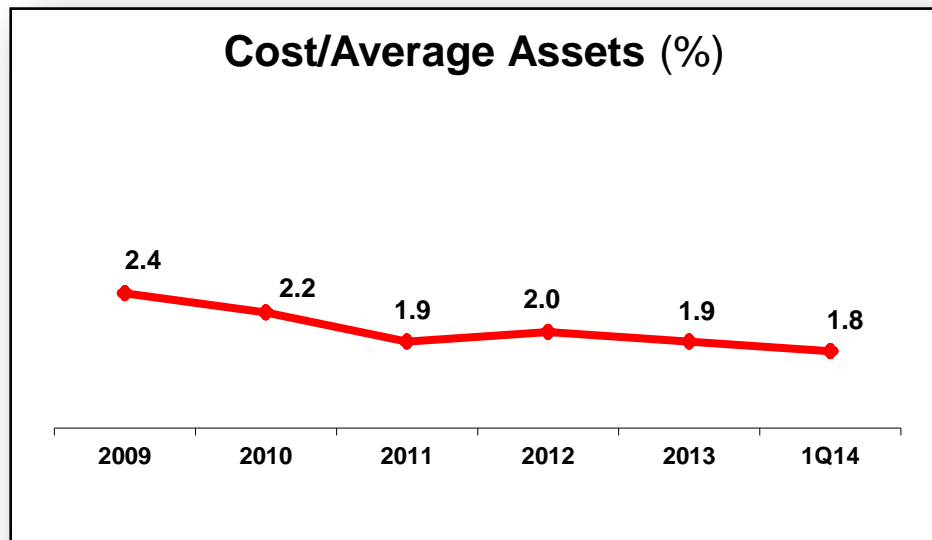
+38% YoY
Increase in Non-Cash
Loan Fees

Limited Cost Growth with Increased Efficiency



*Excluding Competition Board penalty of TL129 mio.

Continuously Best in Efficiency



*All ratios have been calculated excluding the Competition Board penalty of TL129 mio & free provision of TL 270 mio.

Broadly in Line with Guidance

Growth (%)	2014
Total Assets	8-10
Loans	10-12
TL	12-14
FX	6-8
Total Deposits	10-12
TL	10-12
FX	8-10

	2014
ROA	1.3%
Leverage	~9x
ROE	~12%
NIM	3.3%
Net fees&com. growth	12%
Opex growth	8%
Fees / opex	72%
Cost/ income	47%
Cost / assets	1.8%
NPL	1.8%
Cost of risk	100bps
EPS Contraction	~10%

2015 and Beyond

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

Balance Sheet Highlights

Consolidated (TL mio)			Shares (%)		Change (%)
	2013	1Q14	2013	1Q14	
Cash and Due from Banks	24,062	26,475	12.3	13.2	10
Securities	45,443	47,557	23.2	23.8	5
Loans	118,010	118,369	60.4	59.1	0
Other	7,967	7,834	4.1	3.9	(2)
Total Assets	195,482	200,236			2
Deposits	112,473	110,130	57.5	55.0	(2)
Funds Borrowed and Bonds Issued	28,627	29,747	14.6	14.9	4
Repo	23,231	28,151	11.9	14.1	21
- TL Repo	3,509	9,178	1.8	4.6	162
- FX Repo	19,722	18,973	10.1	9.5	(4)
Other	9,017	9,671	4.6	4.8	7
Equity	22,135	22,537	11.3	11.3	2
Total Liabilities and S/H Equity	195,482	200,236			2

Income Statement Highlights

Consolidated (TL mio)	1Q13	1Q14	Change (%)
Interest Income	2,896	3,511	21
Interest Expense	(1,284)	(1,774)	38
Net Interest Income	1,612	1,737	8
Trading Gain (Loss)	308	(231)	-
- Securities	420	(27)	-
- Other	(112)	(204)	82
Provision for Loan Losses, net of collections	(203)	(222)	9
Fees and Commissions (Net)	560	524	(6)
Operating Expense	(845)	(885)	5
Other Income	36	38	5
Other Provisions	(187)	(112)	(39)
Income Before one-off items and Tax	1,281	849	(26)
One-off items*	(129)	-	-
Income Before Tax	1,152	849	(26)
Tax	(279)	(188)	(33)
Net Income	873	661	(24)

* Includes Competition Board Expense of TL129mio

Balance Sheet Highlights in USD

Consolidated (USD mio.*)			Shares (%)	
	2013	1Q14	2013	1Q14
Cash and Due from Banks	11,295	12,281	12.3	13.2
Securities	21,331	22,061	23.2	23.8
Loans	55,393	54,910	60.4	59.1
Other	3,740	3,634	4.1	3.9
Total Assets	91,758	92,887		
Deposits	52,794	51,088	57.5	55.0
Funds Borrowed and Bonds Issued	13,437	13,799	14.6	14.9
Repo	10,904	13,059	11.9	14.1
- TL Repo	1,647	4,257	1.8	4.6
- FX Repo	9,257	8,801	10.1	9.5
Other	4,233	4,486	4.6	4.8
Equity	10,390	10,455	11.3	11.3
Total Liabilities and S/H Equity	91,758	92,887		

* Figures are converted with exchange rates effective at the respective balance sheet dates: 2013 – 2.1304; 1Q14 – 2.1557

Income Statement Highlights in USD

Consolidated (USD mio *)	1Q13	1Q14
Interest Income	1,601	1,629
Interest Expense	(710)	(823)
Net Interest Income	891	806
Trading Gain (Loss), Net	170	(107)
- Securities	232	(13)
- Other	(62)	(95)
Provision for Loan Losses, net of collections	(112)	(103)
Fees and Commissions (Net)	309	243
Operating Expenses	(467)	(410)
Other Income	20	17
Other Provisions	(103)	(52)
Income Before one-off items and Tax	708	394
One-off items	(71)	-
Income Before Tax	637	394
Tax	(154)	(87)
Net Income	483	307

* Figures are converted with exchange rates effective at the respective balance sheet dates: 1Q13– 1.8087; 1Q14 – 2.1557

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