

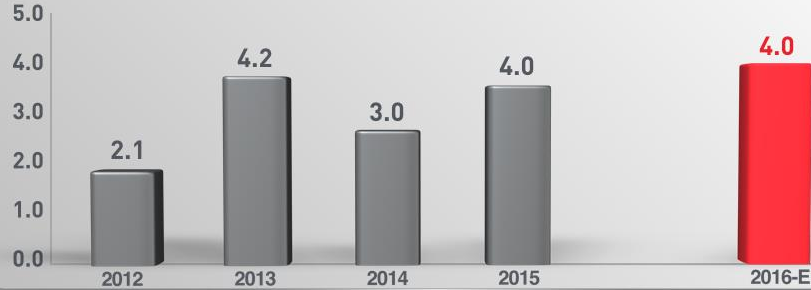
1Q16 Consolidated Financial Results

22 April 2016

AKBANK

Macro Outlook

Growth



▶ Economic activity remained robust in 2015. Early indicators of 2016 confirm the continuation of this trend

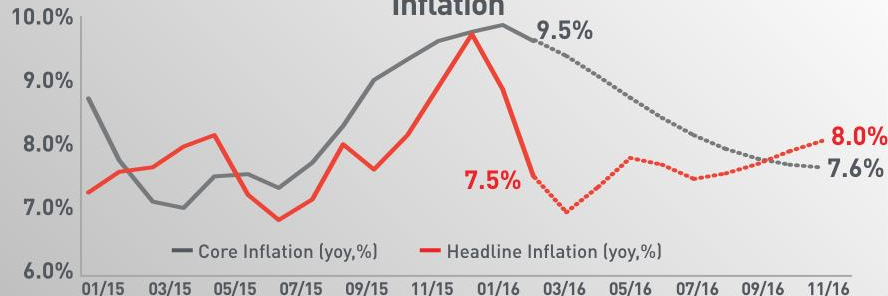
Budget Balance/GDP (%)

Current Account Balance/GDP (%)

Year	Budget Balance/GDP (%)	Current Account Balance/GDP (%)
2012	-2,1	-6,1
2013	-1,2	-7,7
2014	-1,3	-5,4
2015	-1,2	-4,5
2016-E	-1,3	-4,9

▶ Fiscal discipline and current account deficit remain well under control

Inflation



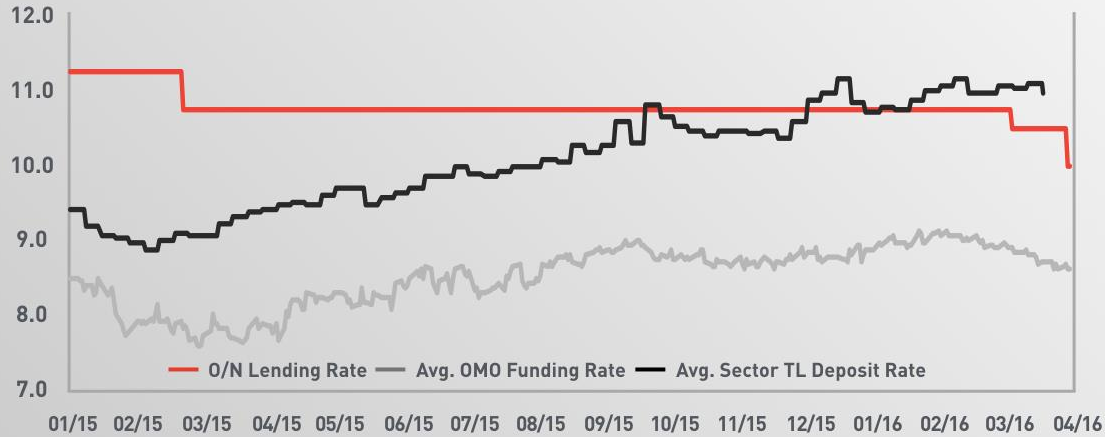
▶ CPI inflation expected to be in a range of 7.5% - 8.0%

USD/TRY



▶ Better global risk sentiment leads to stabilization in TL

Monetary Policy



- ▶ The central bank cut the upper band of the corridor by 75 bps in total. Depending on the global market risk sentiment, further cut might be possible
- ▶ The average cost of OMO funding has considerably come down to 8.6% by mid-April from 9.1% in February
- ▶ TL deposit costs have started to come down from elevated levels

Outstanding Delivery on Results...

(TL mio, ratios in %)	1Q15	1Q16	Change	Main Highlights
Net Interest Income after swap	1,775	2,057	16%	Outstanding A&L management delivering strong NII more than volume growth
NIM after swap	3.14	3.23	+ 9bps	Higher NIM driven by core spread expansion
Fee Income	539	632	17%	Better fee penetration in all business areas
Net NPLs	(292)	(238)	(18%)	Net COR further improved to the lowest level of 60bps in the last two years
OPEX	(986)	(1,019)	3%	Efficient banking model provides distinct structural cost evolution
Net Income	785	1,071	36%	EPS growth of 36% well above guidance
ROA	1.4	1.7	+30bps	Significant improvement in ROA & ROE result of solid banking model
ROE	12.0	15.0	+3.0ppt	

1Q15 NIM is normalized with CPI linkers

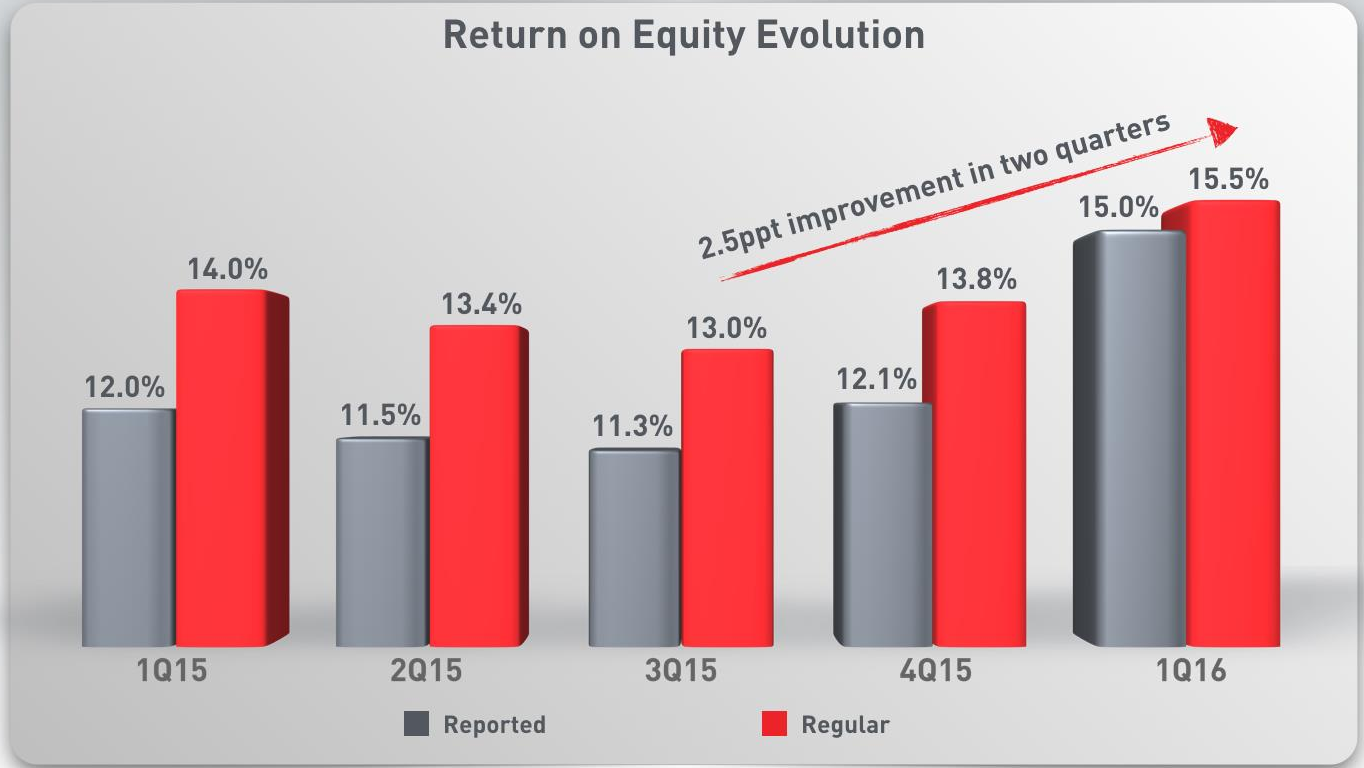
OPEX Adjusted for non-operational items; one-offs and fee rebates

... attained with solid risk management

(ratios in %, bps)	4Q15	1Q16	Change	Main Highlights
LDR	103	103	-	A new norm of LDR
Tier-1	13.3	13.5	+ 20bps	Strongest Tier-1 w/o fixed asset revaluation
NPL	2.2	2.0	- 20bps	Sustainably lower NPL ratio than the sector
Coverage Ratio - Specific	95.6	95.4	-	Highest specific coverage ratio with an ROE impact of around 1%

ROE further improves to medium term target

Regular ROE is 15.5% thanks to well managed NIM, high fee income generation, strong asset quality and unique efficiency



Please see page 23 for Regular ROE Calculation

Core operating income up by c.40%



16% annual growth in NII after swap

38% annual (exc. fee rebates and one-offs)

On the back of solid improvement in all items, core operating income increased almost 40% in annual terms

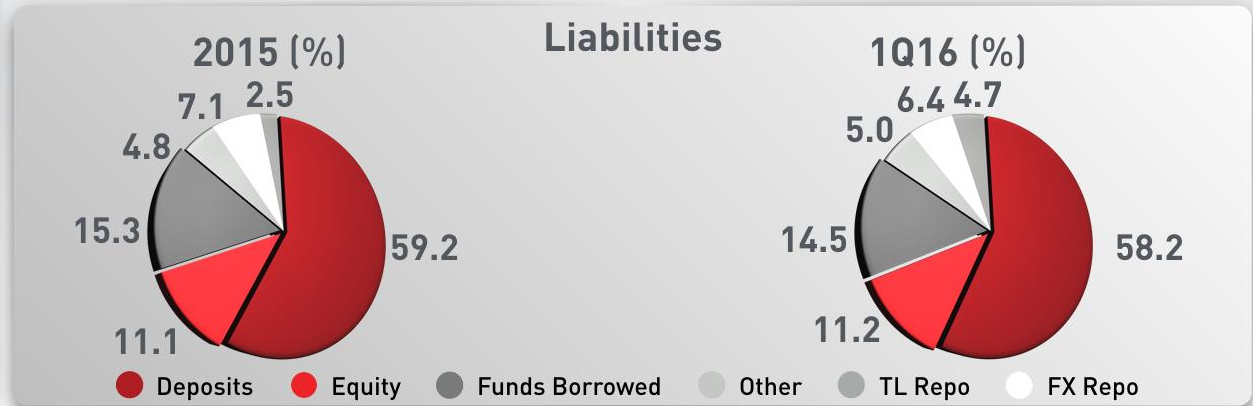
Successful A&L management continuously contribute to NIM

- ▶ Both loans and securities continue to benefit from favorable yields
- ▶ Core liability ratio continues to improve benefiting from higher remuneration on reserves
- ▶ Liquidity continues to be strong (15% of total assets are high quality liquid assets)
- ▶ Swap position strategically managed with room for greater maneuvering capability

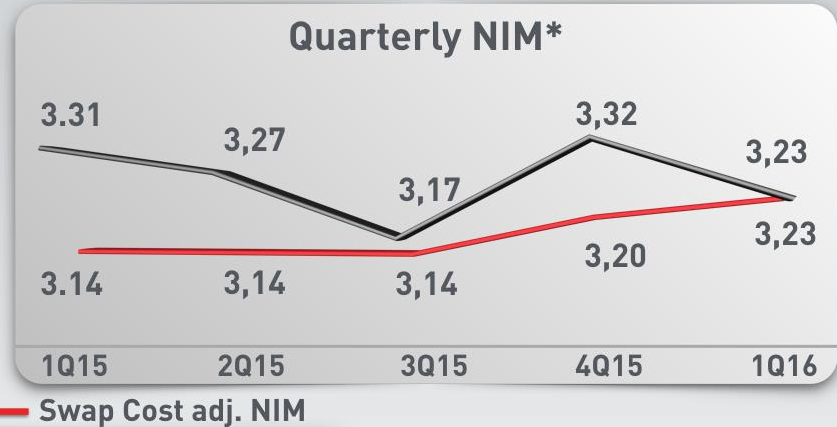
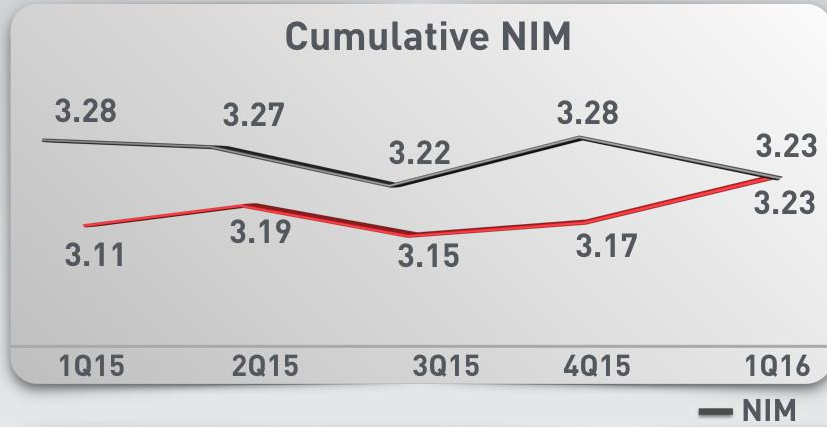


TL 252.5 bio

TL 259.2 bio



Upward trend in net interest margin

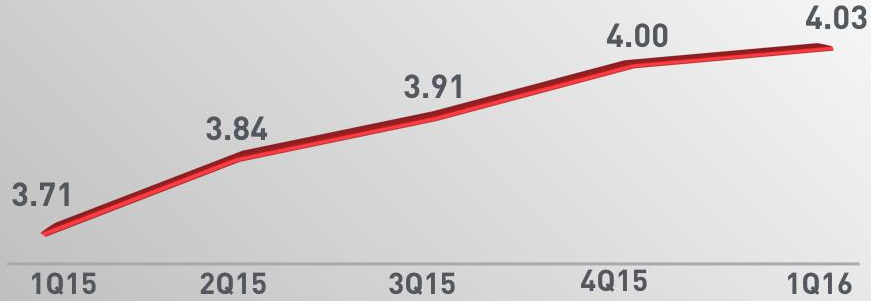


Faster asset re-repricing and strategically managed swap position help more than cover rising cost of funding

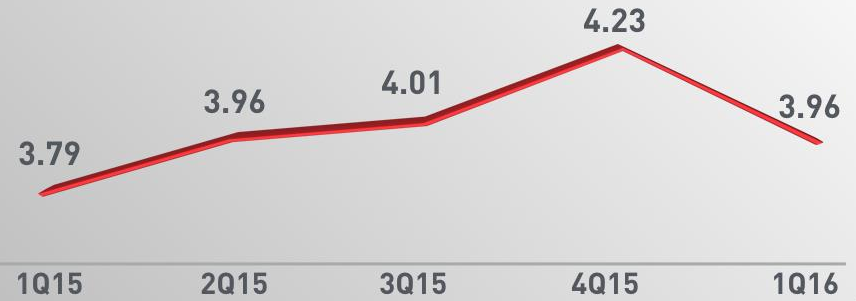
* Higher contribution of CPI linkers (c.TL 65 mio) in 4Q15 is normalized for each quarter in 2015

Core spread improving continuously

12M Trailing Loan – Deposit Spread



Quarterly Loan – Deposit Spread



Quarterly TL Loan Yield & Deposit Cost

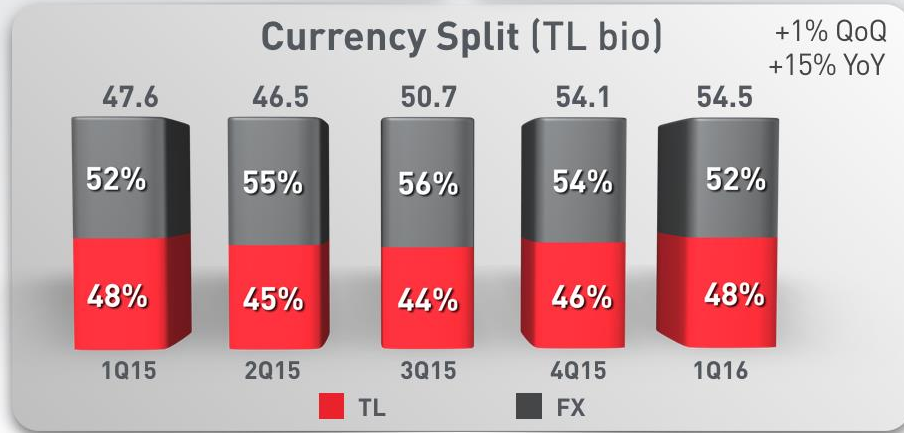
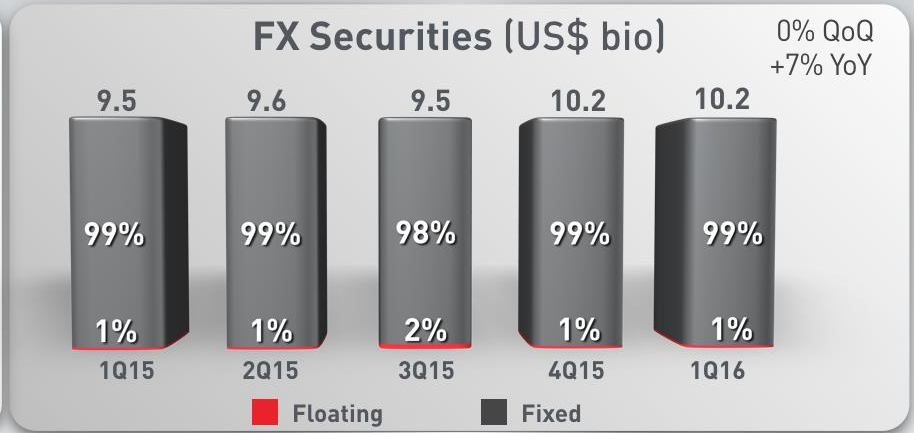
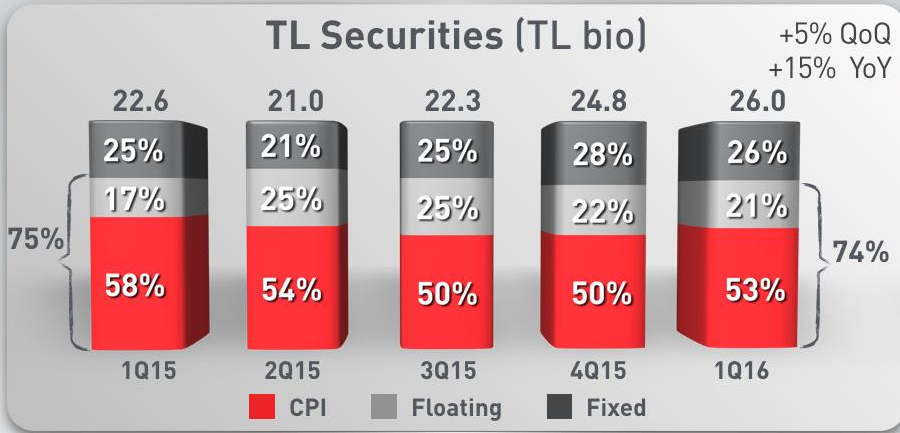


Quarterly FX Loan Yield & Deposit Cost



— Loan — Deposit — Core Spread

Adding-up to securities portfolio with better yields



20% HtM,
80% AFS

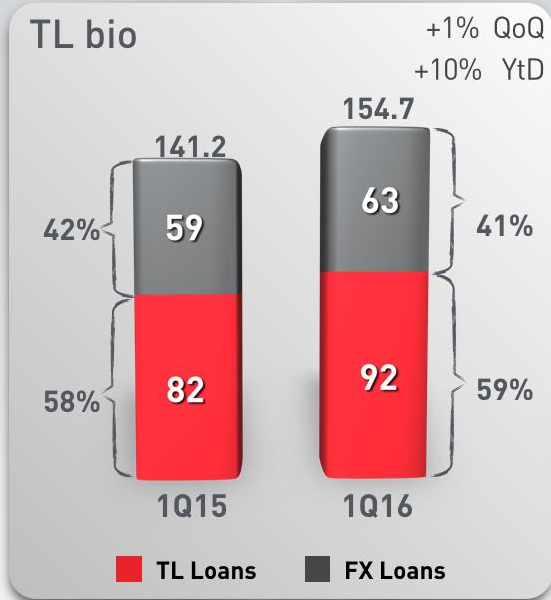
MtM Valuation in
Equity net,
(-) TL 0.7 bio

Selective loan growth continues with across the board yield enhancement

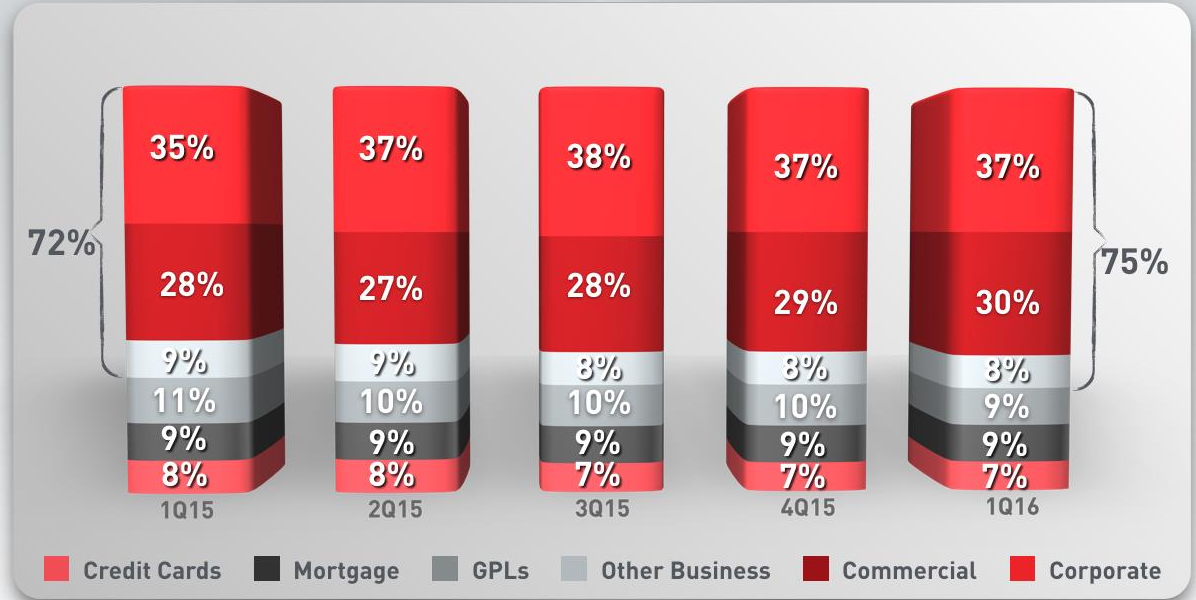
(TL bio)	1Q15	2Q15	3Q15	4Q15	1Q16	QoQ (%)	YtD (%)
TL Loans	82.0	85.2	88.0	89.5	91.9	3	12
Business Banking	41.0	45.1	48.4	50.0	52.9	6	29
Corporate	8.5	10.7	13.3	14.3	15.1	6	77
Commercial	20.2	21.7	22.4	22.6	25.0	10	23
Other Business	12.2	12.7	12.7	13.1	12.9	(2)	5
Retail	41.0	40.1	39.6	39.5	39.0	(1)	(5)
Consumer	29.9	29.1	28.7	28.6	28.5	(1)	(5)
Credit Cards	11.1	11.0	10.9	10.9	10.5	(3)	(6)
(US\$ bio)							
FX Loans	22.7	23.0	22.1	22.2	22.5	1	(1)
Corporate	15.6	16.2	15.3	14.7	14.7	1	(5)
Commercial	7.1	6.8	6.8	7.5	7.8	3	9
Total Loans (TL mio)	141.3	146.1	153.8	153.5	154.7	1	10

FX indexed loans are shown under FX loans

High quality, well priced loan portfolio



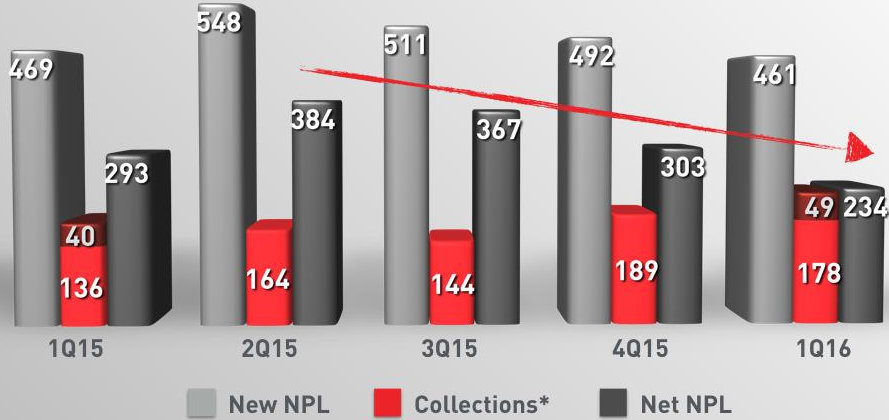
FX indexed loans are shown under FX loans



- ▶ Focus on growth in TL business banking continues with higher yields while yield enhancement on the consumer side is on track

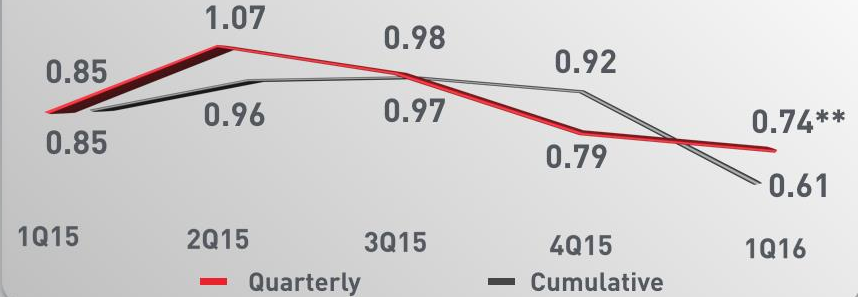
Lower NPL addition with stronger collections

New NPL Provisions and Recoveries (TL mio)

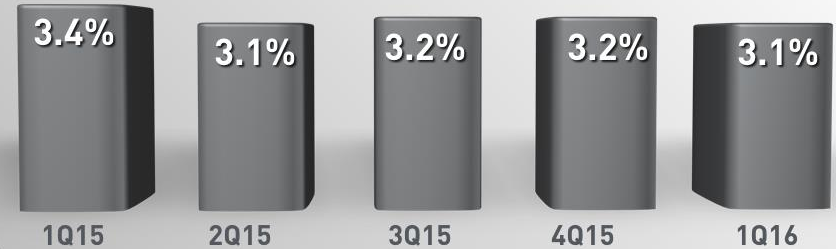


Impact of higher specific coverage on
CoR 20bps

Net Specific Cost of Risk (%)



Group II Shares in Total Loans



Share of Group II loans in total loans is broadly stable at 3% level

* Collections include NPL Sales Proceeds of TL 40 mio in 1Q15, TL 49 mio in 1Q16

** Shows quarterly COR w/o NPL sales gain of TL 49 mio

Lowest NPL ratio with strongest coverage

NPL Ratios by Segment (%)

	Akbank		Sector	
	<u>2015</u>	<u>1Q16</u>	<u>2015</u>	<u>1Q16</u>
Business	0.9	0.9	2.4	2.7
Consumer	4.0	4.0	3.2	3.3
Credit Cards	9.1	8.2	8.2	8.4
Total	<u>2.2</u>	<u>2.0</u>	<u>3.0</u>	<u>3.2</u>

Akbank vs. Sector NPL Ratio (%)

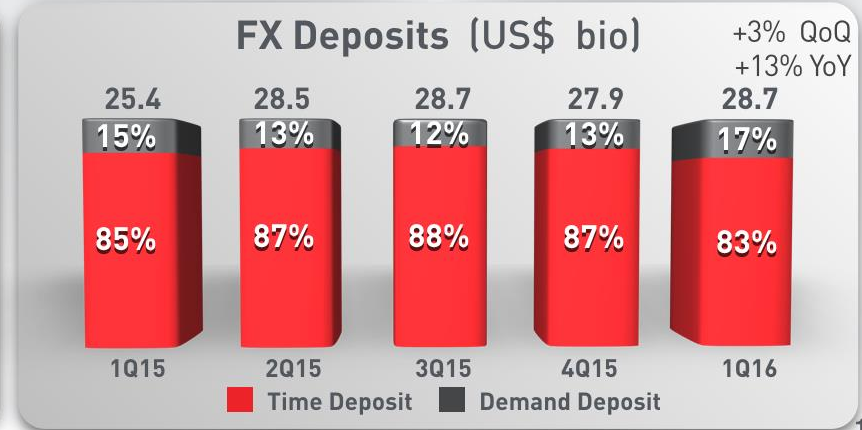
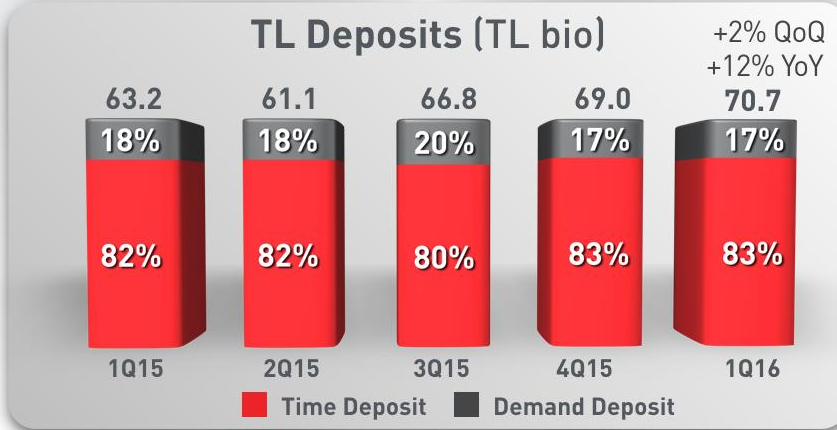
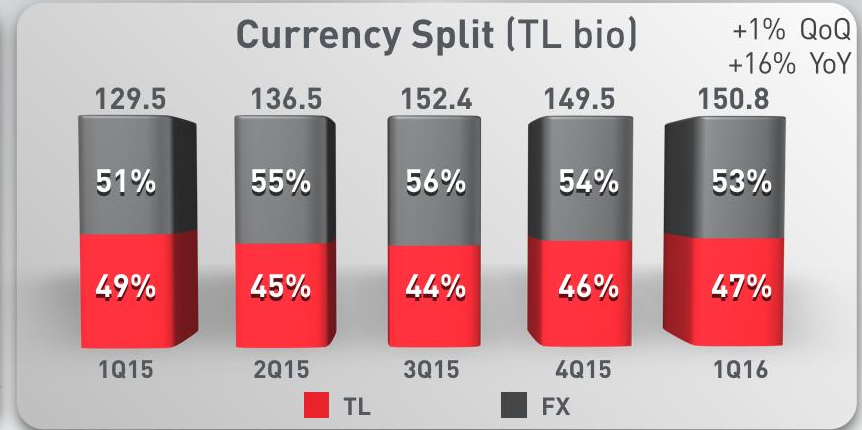
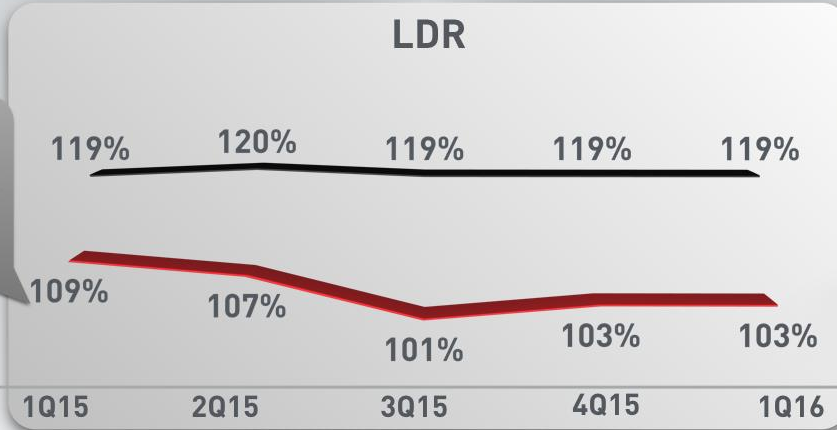


Excluding the NPL sales of TL 450 mio in 1Q16,
NPL ratio would still be well below the sector,
 at 2.3%

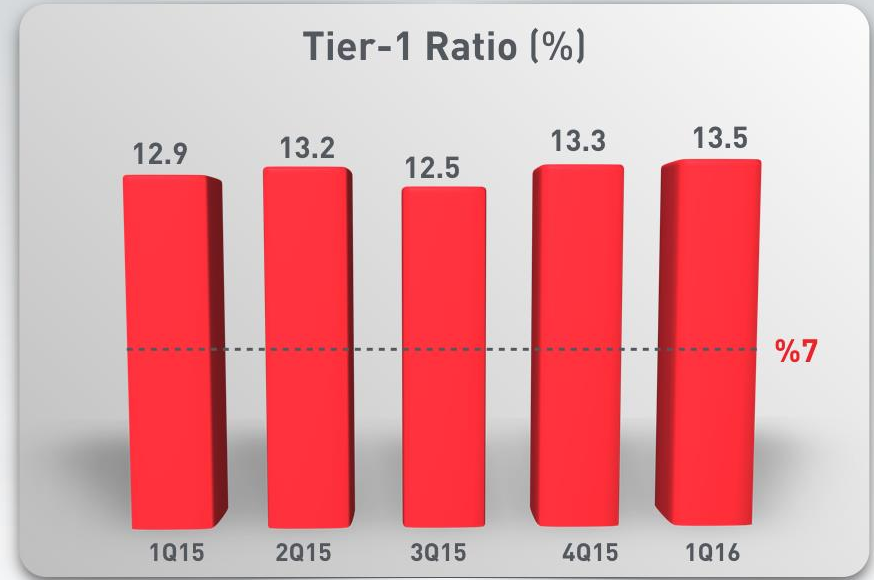
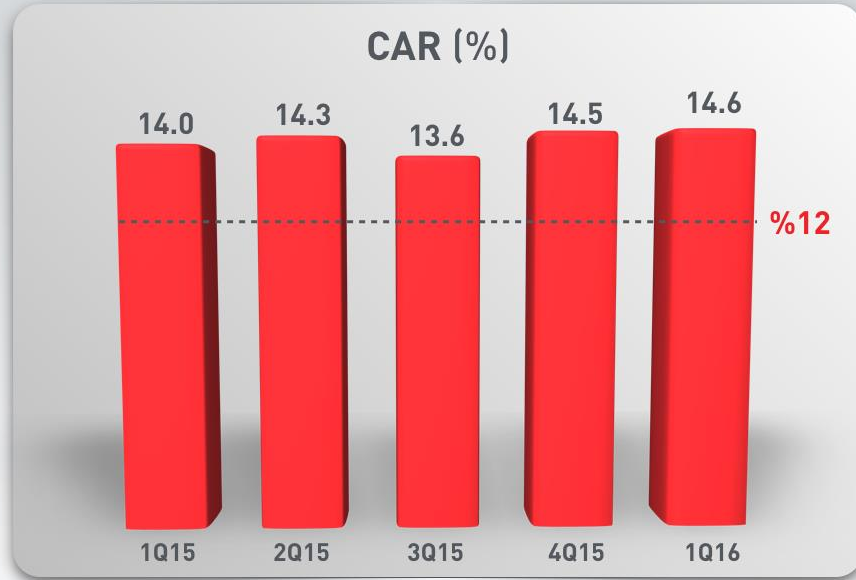
95% Specific
177% Total Coverage Ratio
 Impact of higher specific
 coverage on **ROE around 1%**

A new norm of LDR with good cost control

LDR kept at 103%, significantly lower than sector



Strongest Tier-1 (w/o fixed asset revaluation)



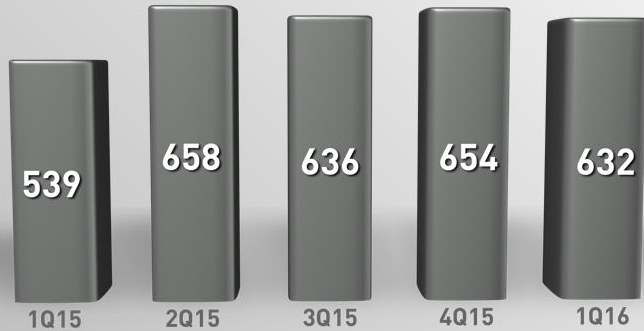
► CAR and Tier I ratios are both improving even with dividend distribution in 1Q16

Focused business banking strategy levers fee income

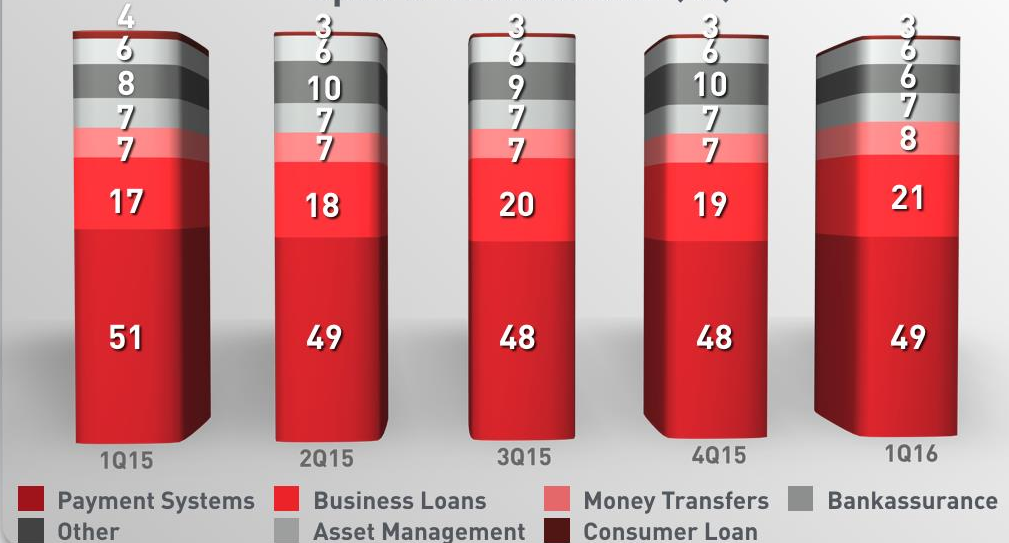
Quarterly Net Fees and Commissions

(TL mio)

-3% QoQ
+17% YoY



Split of Comissions (%)



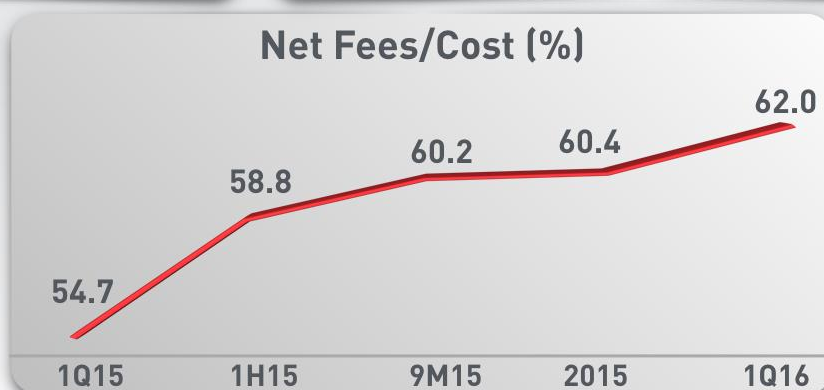
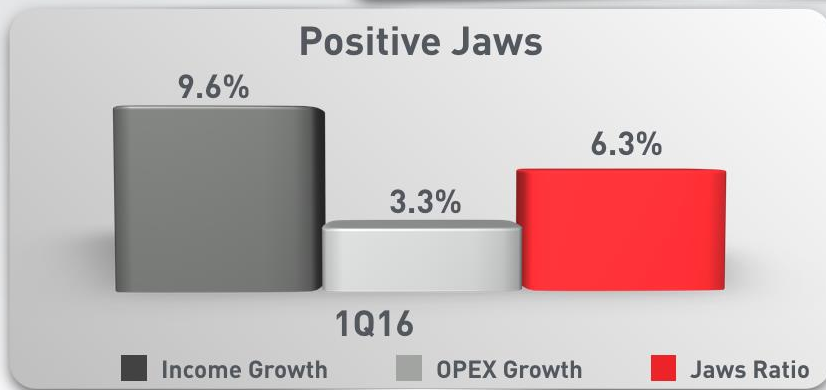
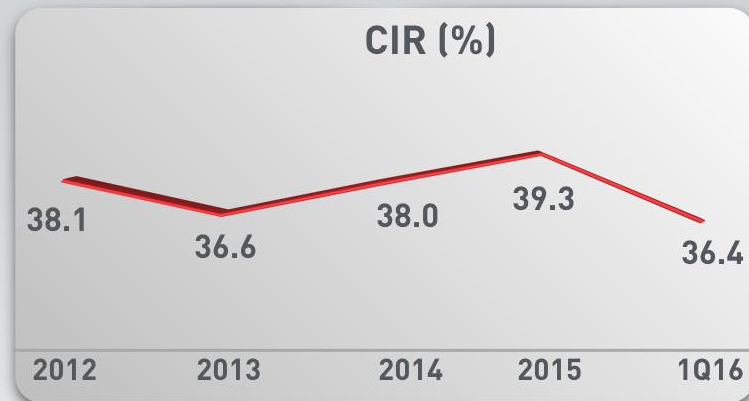
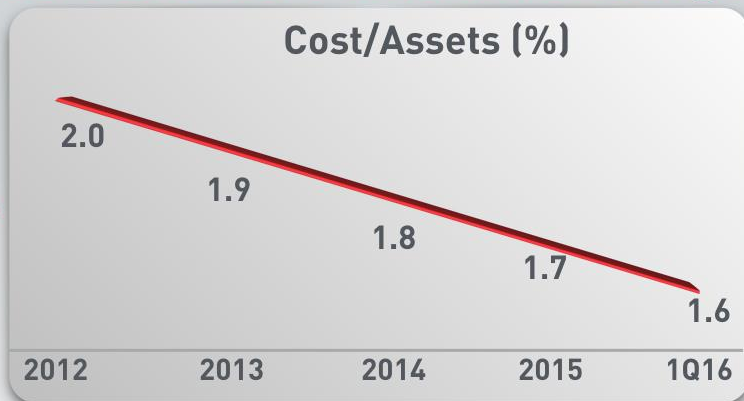
+40% YoY
increase in
Business Loan
Fees

+23% YoY
increase in
Money Transfer
Fees

+19% YoY
increase in
Direct
Banking Fees

Delivering on more and more efficient banking model

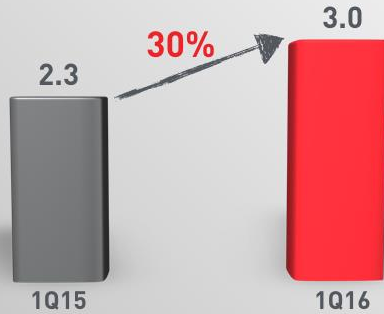
Cost to assets improves consistently even with higher share of loans in total assets (60% vs. 56% in 2012)



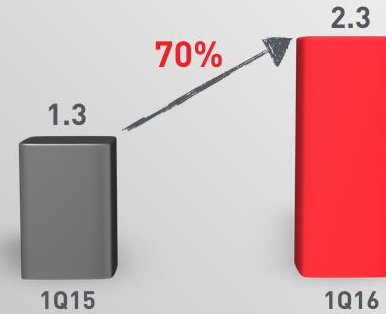
*In all calculations non-operational items and one-off excluded; TL 129 mio competition board penalty in 2013, TL 109 mio fee rebates in 2014, TL 217 mio fee rebates, TL 25 mio personnel indemnity related with outsourced security staff in 2015 and TL 37 mio fee rebates in 1Q16.

Pulling out the value in Digital Banking

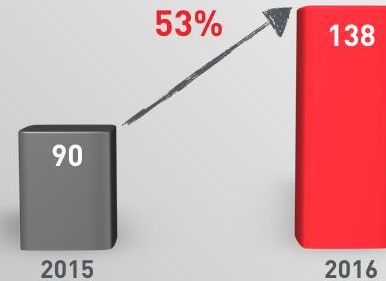
Total Digital Customers (mio)



Total Mobile Customers (mio)



Avg. # of Transactions in Mobile Channels (mio, monthly)



35% of GPL origination is fully digital through Direct channels*

*Direct channels include Call Center, Internet Banking, Mobile Banking and Web

1Q16 results better than FY Guidance

Growth (%)	2016T	1Q16 Annualized
Total Assets	14-16	11
Loans	15-17	3
TL	15-17	11
FX (\$ terms)	7-9	6
Total Deposits	15-17	4
TL	15-17	10
FX (\$ terms)	7-9	11

Annualized loan and deposit growth figures are lower than the actual growth due to strong TL appreciation

	2016T	1Q16	
ROA	~1.5%	1.7%	+
Leverage	~ 9.5x	9.0x	+
ROE	~14%	15%	+
NIM	Flat	Flat	✓
Net fees&com. growth	~15%	17%	✓
Opex growth*	~8%	-2%	+
Cost/ income	~37%	36%	+
Cost / assets	~1.6%	1.6%	✓
CAR	~ 14%	14.6%	+
LDR	Max 105%	103%	✓
NPL	~2.2%	2.0%	✓
Cost of risk	90 bps	61 bps	+
EPS Growth	+25%	36%	+

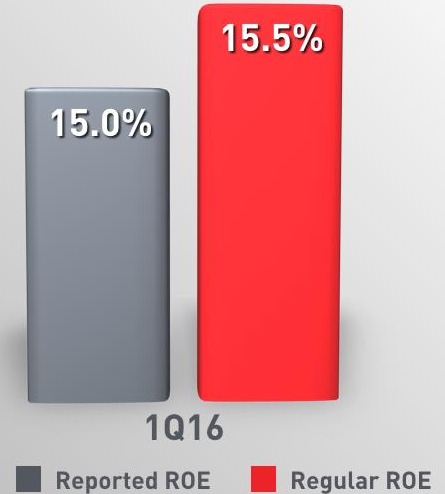
* Based on reported figures

- ▶ Regular ROE calculation
- ▶ Snapshot of Results
- ▶ Balance Sheet Highlights
- ▶ Income Statement Highlights
- ▶ OPEX breakdown
- ▶ Subsidiaries Contribution
- ▶ Loans by Segment
- ▶ Swap Costs & CPI Linkers Income

Regular Return on Equity at 15.5%

Consolidated (TL mio)	<u>1Q15</u>		<u>1Q16</u>	
	Net Income	ROE (%)	Net Income	ROE (%)
Reported	785	12.0	1,071	15.0
Non-recurring item adj.:				
Add. General provisions	60	0.9	-	-
Fee rebates	50	0.8	29	0.5
One-off OPEX	20	0.3	-	-
Regular Net Income	915	14.0	1,100	15.5

Quarterly ROE



Snapshot of Results

(TL mio, ratios in %)

	1Q15	4Q15	1Q16	YoY (%)	QoQ (%)
Total Assets	233,744	252,467	259,175	10.9	2.7
Loans	141,253	153,466	154,705	9.5	0.8
Deposits	129,540	149,471	150,788	16.4	0.9
Net Profit	785	1,007	1,070	36.4	6.3
Net interest income	1,870	2,063	2,059	10.1	-0.2
Net fee income	539	654	632	17.3	-3.3
ROAE	12.0	14.8	15.0	3.0	0.2
ROAA	1.4	1.6	1.7	0.3	0.1
NIM*	3.31	3.32	3.23	-0.1	-0.1
Swap adj. NIM*	3.14	3.20	3.23	0.1	0.0
Cost of Risk	0.85	0.79	0.61	-0.2	-0.2
Cost to Income**	38.3	39.3	36.4	-2.0	-3.0
CAR	14.0	14.5	14.6	0.7	0.1
Tier I	12.9	13.3	13.5	0.6	0.2

* Margins are normalized with CPI linkers for 2015 calculations

** Adjusted for non-operational items; one-offs and fee rebates

Balance Sheet Highlights

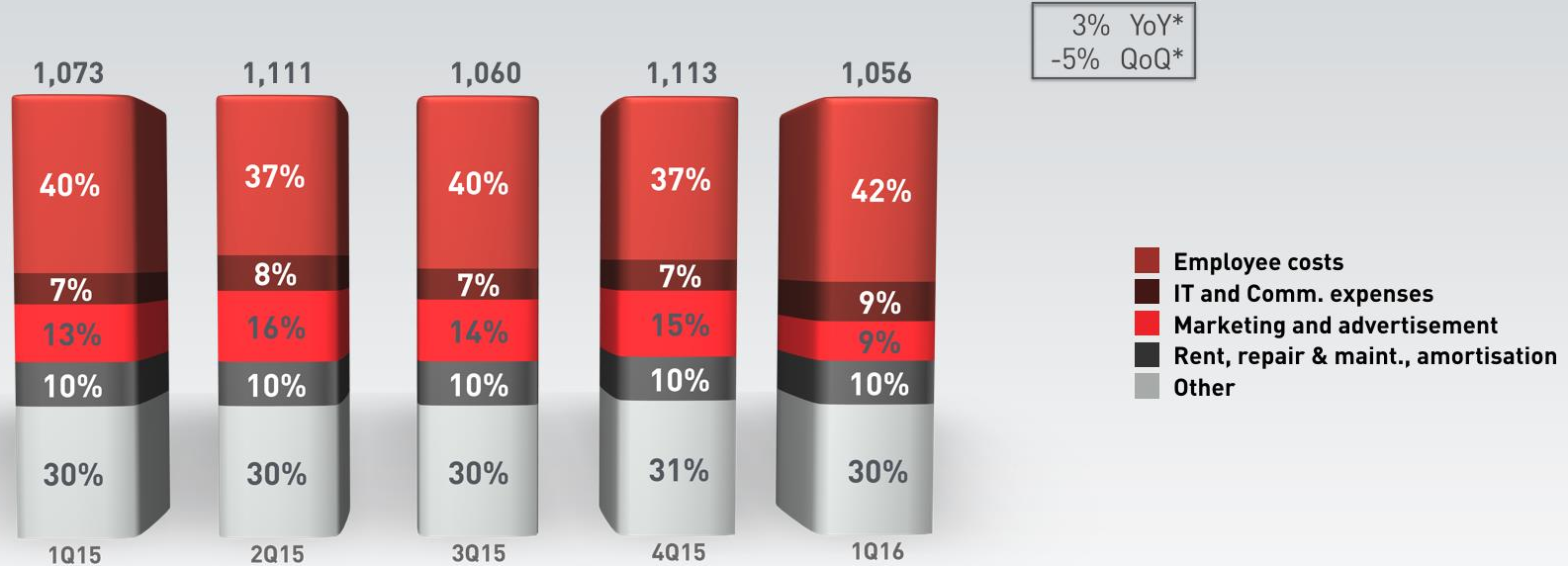
Consolidated (TL mio)			Shares (%)		Change (%)
	2015	1Q16	2015	1Q16	
Cash and Due from Banks	34,289	38,203	13.6	14.8	11
Securities	54,113	54,500	21.4	21.0	1
Loans	153,466	154,705	60.8	59.7	1
Other	10,599	11,767	4.2	4.5	11
Total Assets	252,467	259,175			3
Deposits	149,471	150,788	59.2	58.2	1
Funds Borrowed and Bonds Issued	38,588	37,662	15.3	14.5	(2)
Repo	24,249	28,815	9.6	11.1	19
- TL Repo	6,249	12,112	2.5	4.7	94
- FX Repo	18,000	16,703	7.1	6.4	(7)
Other	12,144	13,007	4.8	5.0	7
Equity	28,015	28,902	11.2	11.1	3
Total Liabilities and S/H Equity	252,467	259,175			3

Income Statement Highlights

Consolidated (TL mio)	1Q15	1Q16	Change (%)
Interest Income	3,742	4,592	23
Interest Expense	(1,873)	(2,533)	35
Net Interest Income	1,869	2,059	10
Trading Gain (Loss)	83	39	(53)
- Securities	167	31	(81)
- Other	(83)	8	-
Provision for Loan Losses, net of collections	(292)	(238)	21
Fees and Commissions (Net)	539	632	17
Operating Expense	(1,073)	(1,056)	(2)
Other Income	83	65	(23)
Other Provisions	(192)	(143)	26
Income Before Tax	1,018	1,359	33
Tax	(233)	(288)	24
Net Income	785	1,071	36

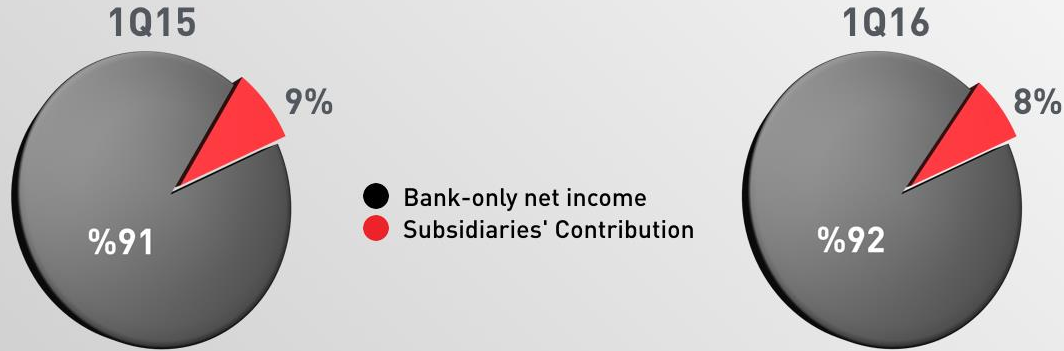
Cost management speaks for itself (TL mio)

Quarterly

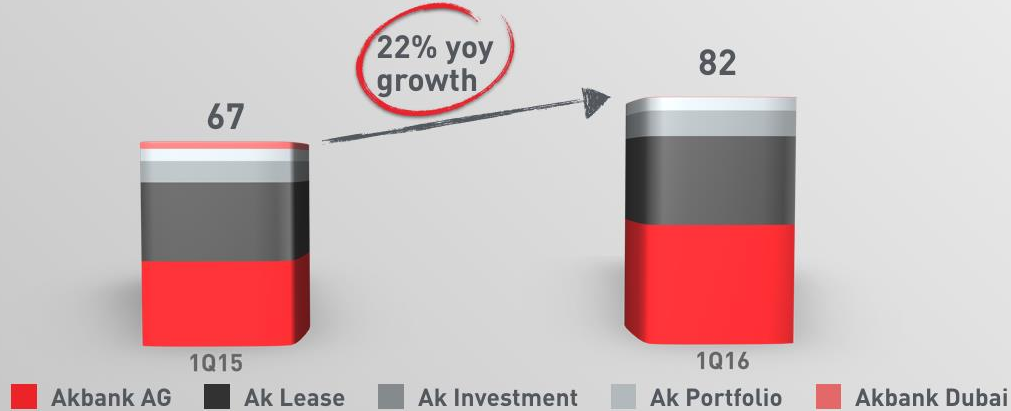


* OPEX growth figures are adjusted with fee rebates (TL 62 mio in 1Q15 and TL 37 mio in 1Q16) and one offs (TL 25 mio in 1Q15)

Subsidiaries' contribution is well on track with 22% EPS growth

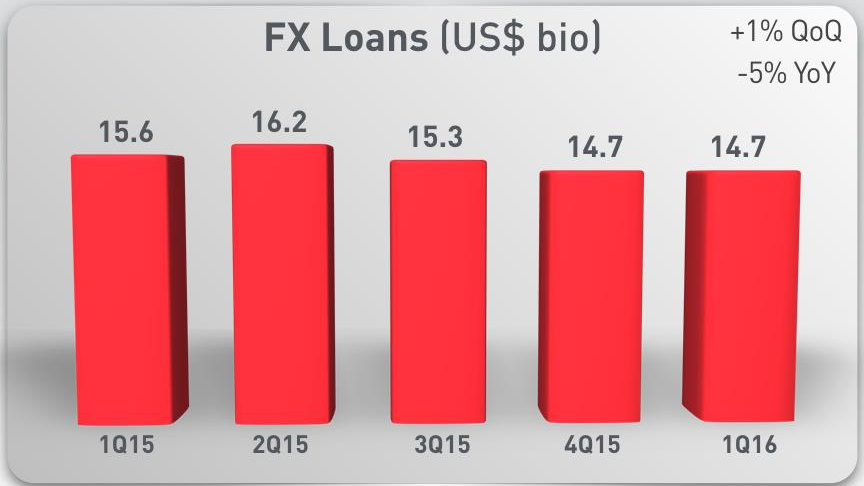
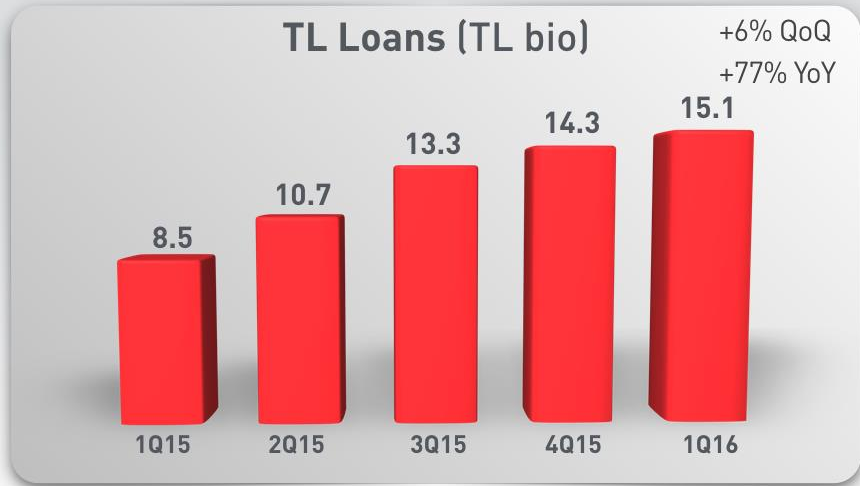


Subsidiaries' Net Income (TL mio)

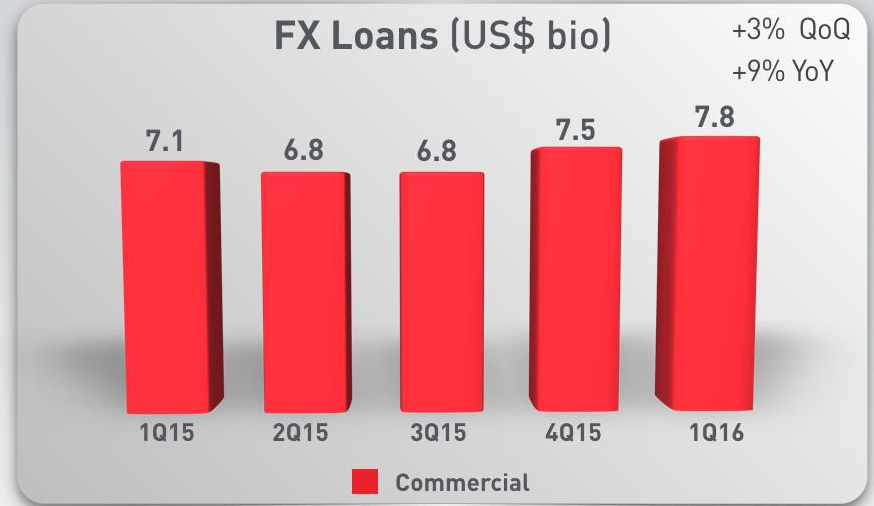
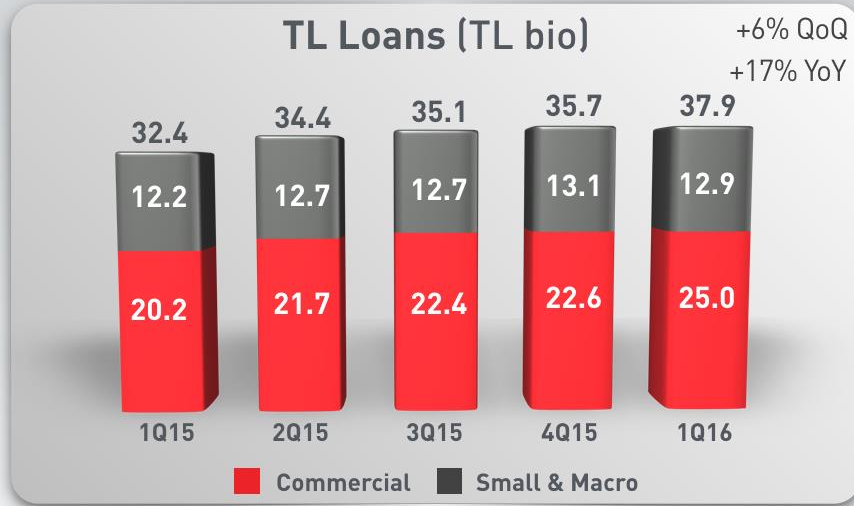


Significant growth in lucrative TL corporate lending

5.2x
Cross Sell in
Corporate
Loans



Growth in commercial loans keep good pace

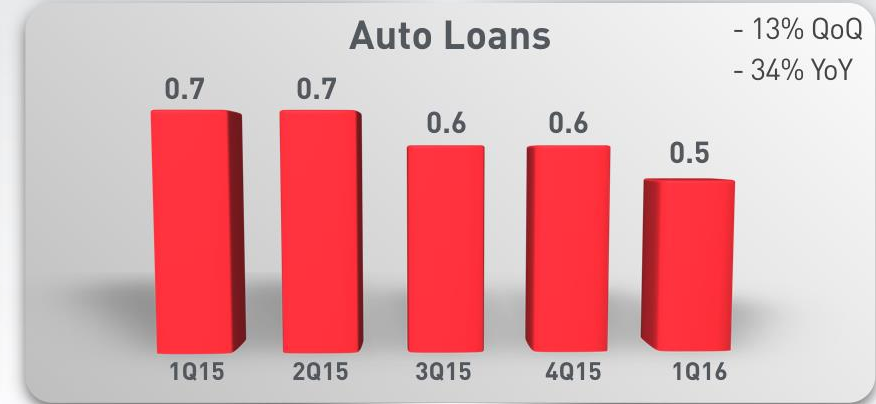
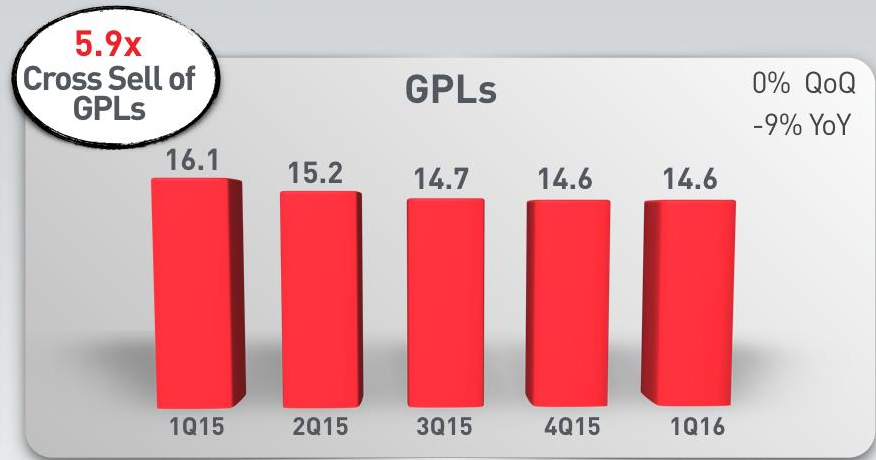


17% YoY
Growth in
Commercial Loans

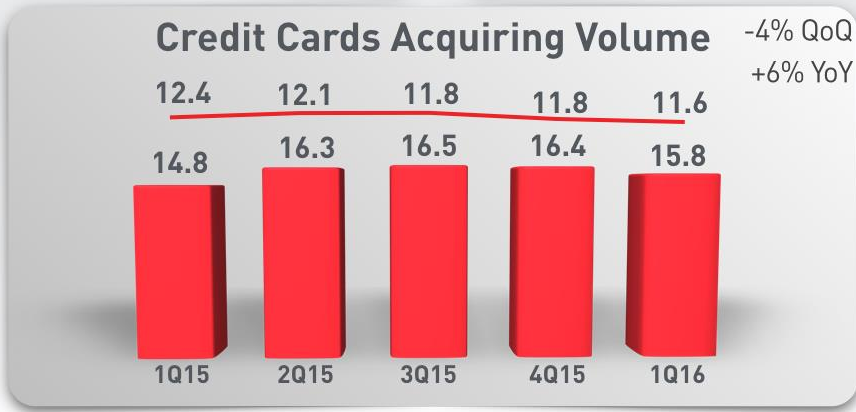
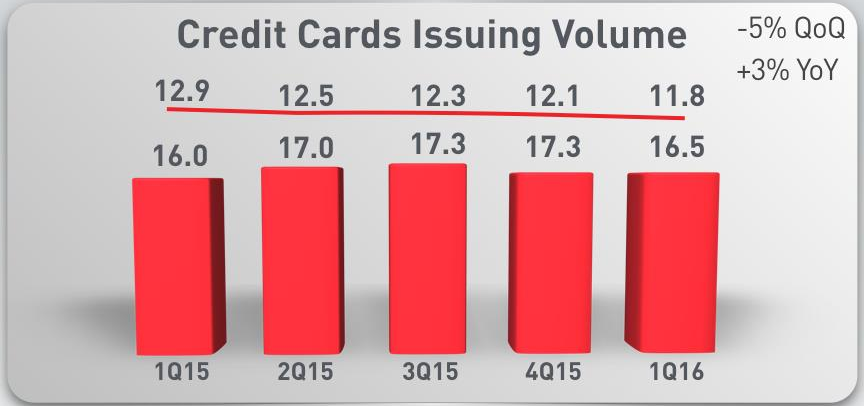
5.4x Cross Sell in
Commercial Loans

Consumer Loans – High quality portfolio with improving yields

(TL bio)



Credit Cards – # 1 in Issuing Volume Per Card (TL bio)

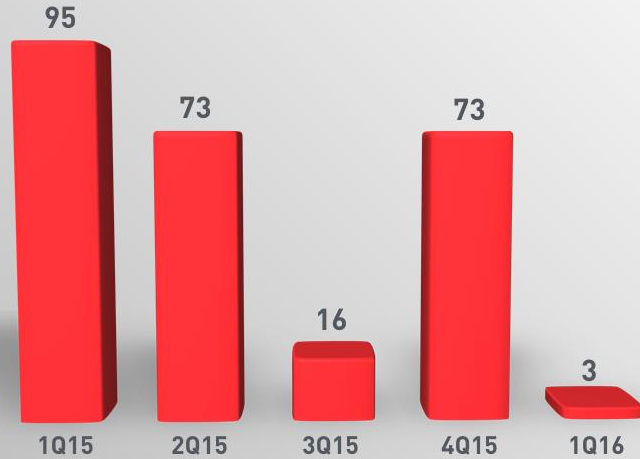


#1
in Issuing Volume
per Card in the Peer
Group in 1Q16

■ Volume — Market share (%)

Swap Cost & CPI Linkers Income

Quarterly Short-term Swap Costs (TL mio)



CPI Linker Income (TL mio)





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1Q16 Consolidated Financial Results

22 April 2016

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