

1H10 Consolidated Financial Results

August 06, 2010

AKBANK

1H10 Results

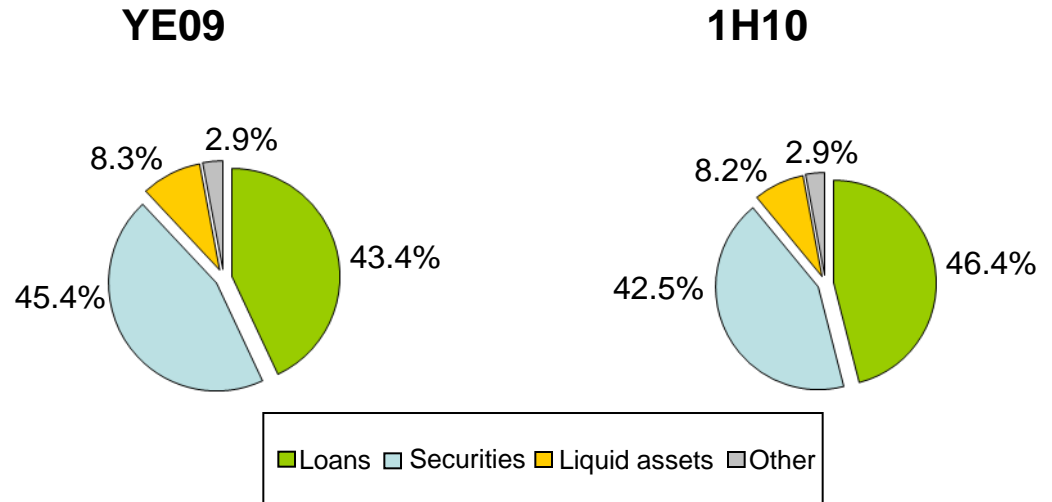
Strong growth

- 9.9% y-t-d growth in total assets
- 17.4% y-t-d increase in total loans; 50bps increase in market share
- Limited loan/deposit NIM contraction of 32bps
 - 19.6% increase in consumer loans; 30bps increase in market share
 - 26.2% increase in general purpose loans; 60bps increase in market share
 - 17.0% increase in mortgage loans; 20bps increase in market share
 - 18.8% increase in SME and corporate loans, 60bps increase in market share
- 15.7% y-t-d increase in deposits; 90bps increase in market share
- Net profit reached TRY 1,808mn (USD 1,149mn)
- ROAE of 24.0%, ROAA of 3.4%

Sector comparisons based on weekly BRSA unconsolidated figures.

1H10 Highlights - growing balance sheet with high ROA of 3.4%

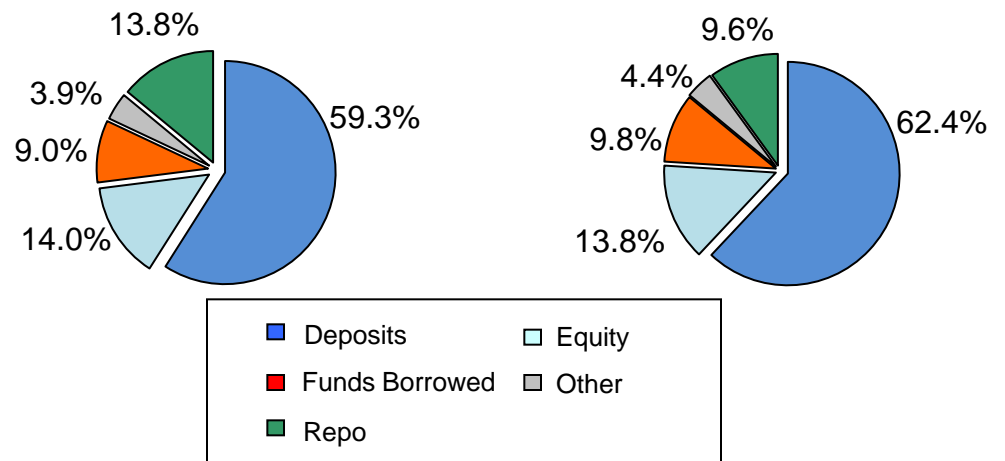
- Loans / assets increased to 46.4% from 43.4%
- Securities / assets decreased to 42.5% from 45.4%



- CAR 19.6 %
- Tier I Ratio 18.6 %
- Leverage 7.3X
- Loans to Deposit 74.3%

Total Assets: TL 102,833 mn

Total Assets: TL 112,994 mn



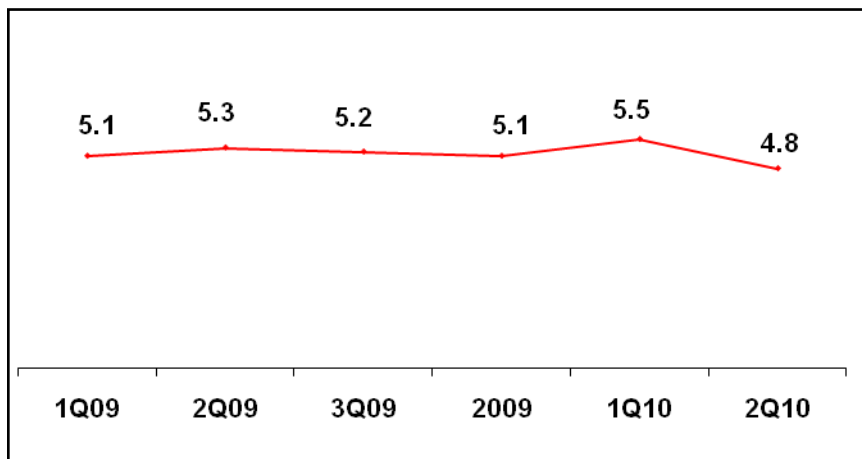
1H10 Highlights - high earnings quality

- 38% y-o-y increase in net income; 20% q-o-q decrease mainly due to CPI linkers

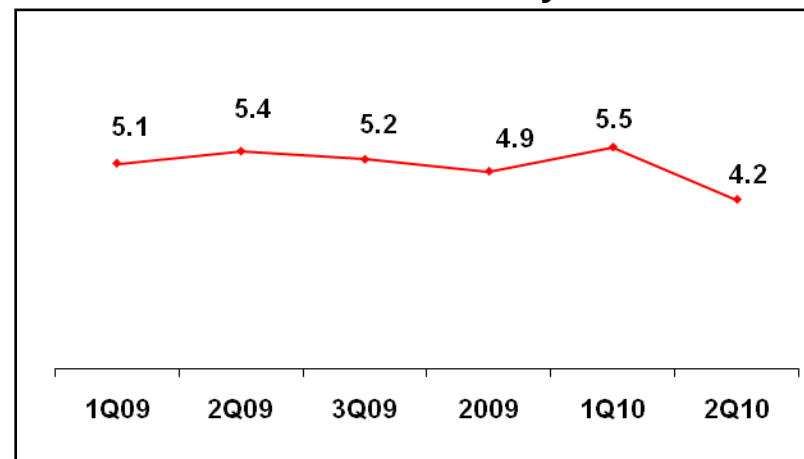
(TL mn.)	1H09	1Q10	2Q10	1H10
Net Profit	1,309	1,003	805	1,808
ROAE	22.3%	27.2%	20.9%	24.0%
ROAA	2.8%	3.8%	2.9%	3.4%
NIM	5.3%	5.5%	4.2%	4.8%
Cost of Risk	2.0%	-0.5%	-0.4%	-0.4%
Cost to Asset	2.3%	2.3%	2.2%	2.2%
Fees to Cost	61.2%	55.1%	61.3%	58.2%
CIR	39.3%	29.8%	36.4%	32.7%

NIM – limited contraction of loan / deposit spread despite strong growth

NIM Cumulative



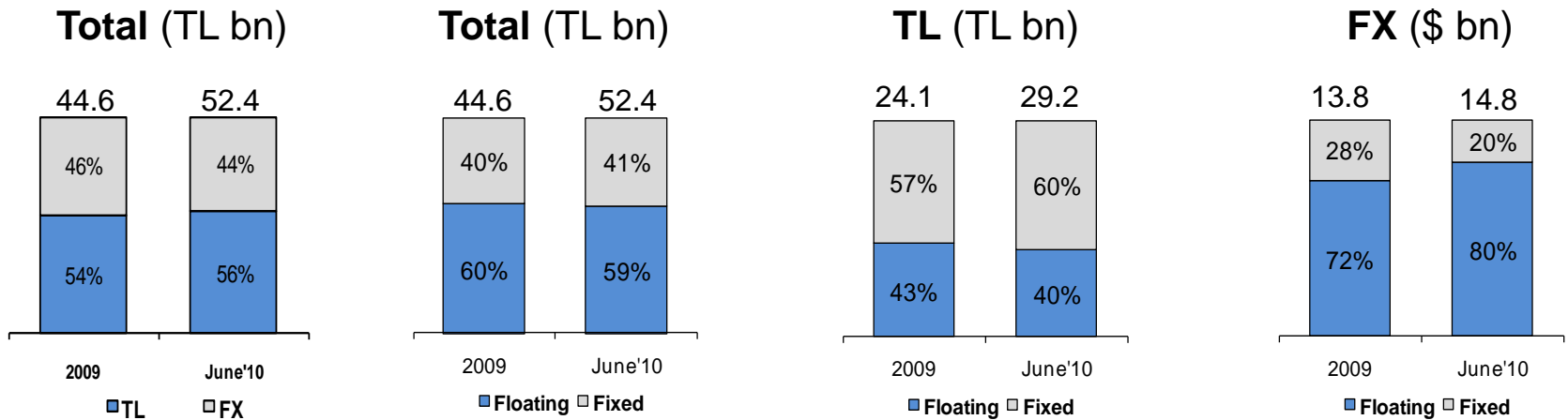
NIM Quarterly



(TL mn., \$ mn.)	1Q10	2Q10	Change (bps)	Effect on NIM (bps)
TL Loans	12.73%	12.01%	-72	-19
FX Loans	3.96%	4.03%	7	1
TL Securities	13.51%	10.89%	-262	-91
FX Securities	4.03%	4.21%	18	1
TL Deposits	7.62%	7.86%	24	-8
FX Deposits	1.92%	2.22%	30	-6

Source : Akbank's financials & footnotes

Loans – changing currency mix



- Share of TL loans increasing to support margins

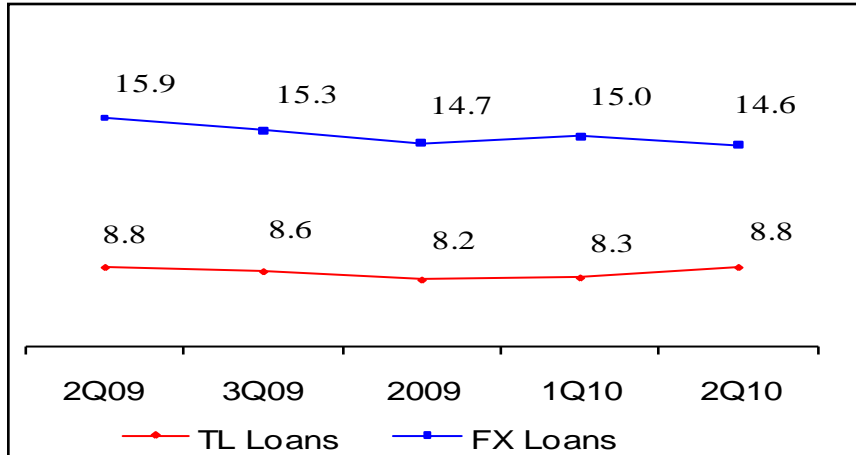
Loans - growth in all segments

(TL mn., \$ mn.)	2Q09	YE09	1Q10	2Q10	y-t-d
TL loans	24,350	24,073	25,504	29,157	21.1%
FX loans (\$ mn)	12,785	13,804	14,434	14,759	6.9%
Total loans	44,471	44,604	47,382	52,383	17.4%

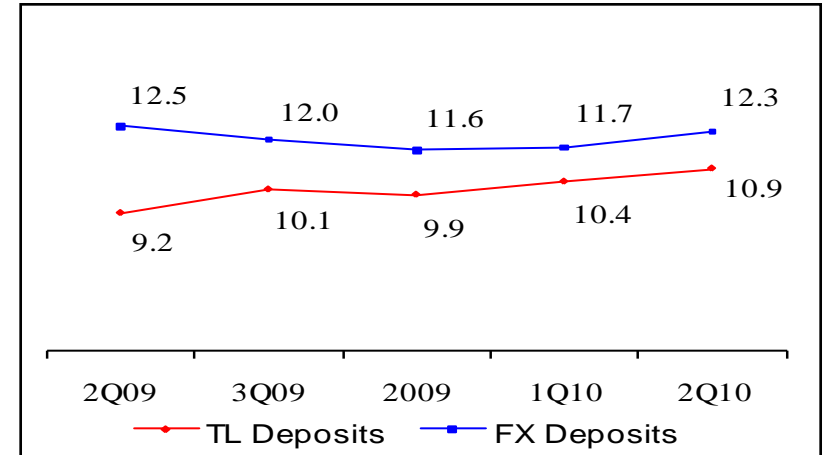
(TL mn., \$ mn.)	2Q09	YE09	1Q10	2Q10	y-t-d
TL Corporate	4,078	2,881	3,300	4,400	52.7%
FX Corporate (\$ mn)	8,688	9,169	9,911	10,203	11.3%
TL SME	5,991	5,676	5,962	6,965	22.7%
FX SME (\$ mn)	4,613	4,759	4,671	4,703	-1.2%
Consumer	8,618	9,245	9,875	11,060	19.6%
Credit Cards	5,057	5,754	5,781	6,163	7.1%

Y-t-d growth in market shares

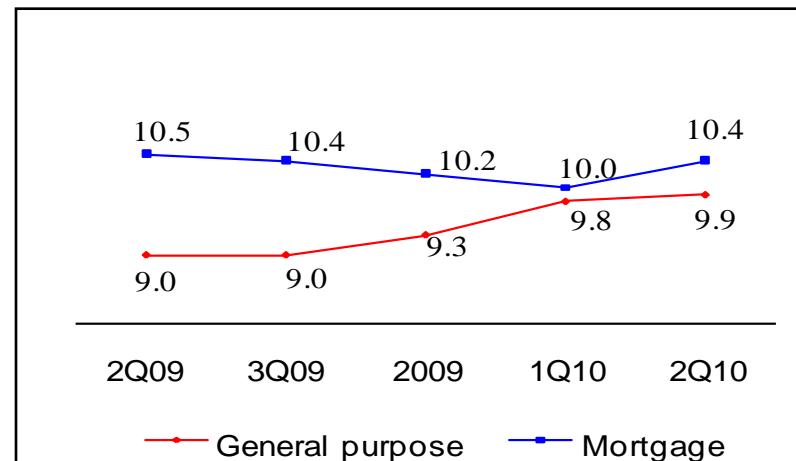
Loans (%)



Deposits (%)



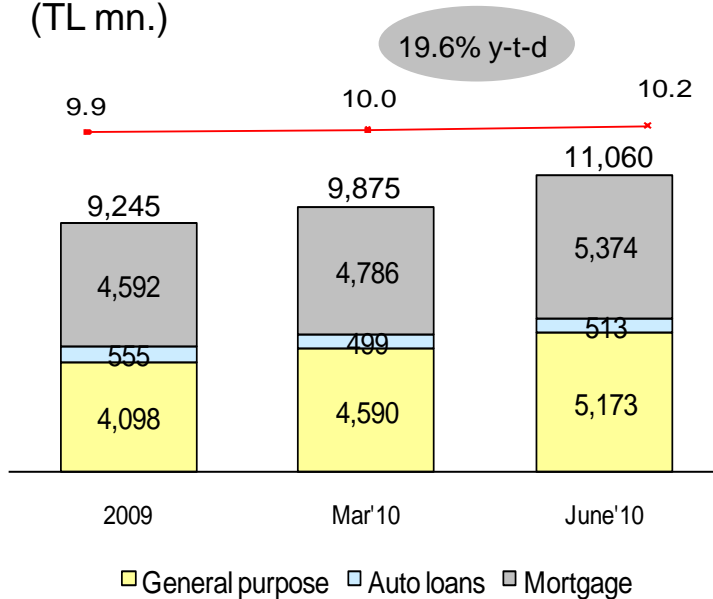
Consumer Loans (%)



Sector comparisons based on weekly BRSA unconsolidated figures.

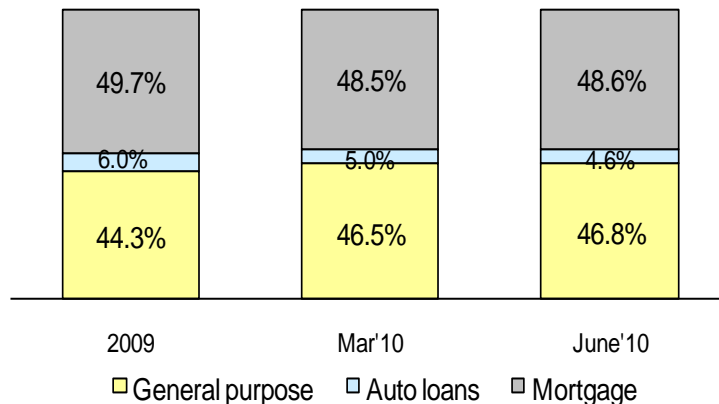
Consumer loans – strong growth helps margin pressure

(TL mn.)



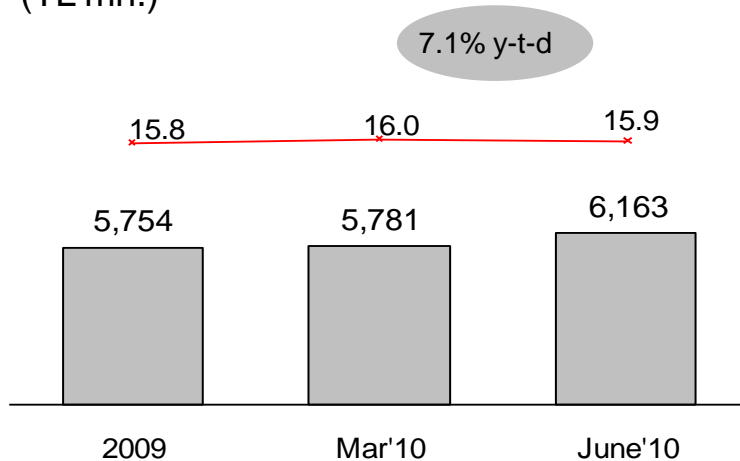
- General purpose loans grew 26.2% y-t-d vs 18.4% of sector
- 60 bps increase in market share:
 - Customer targeting with improved CRM capability

- Mortgage loans grew 17.0% y-t-d vs 15.3% of sector
- 20 bps increase in market share:
 - Strong relationship with successful land developers and real-estate agents



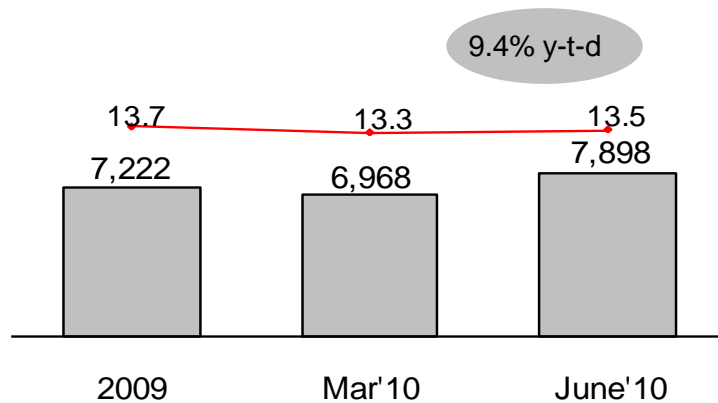
Credit card loans - highest quality portfolio

(TL mn.)



- 10 bps increase in loans market share
- NPL ratio 5.1% vs 9.5% of the sector

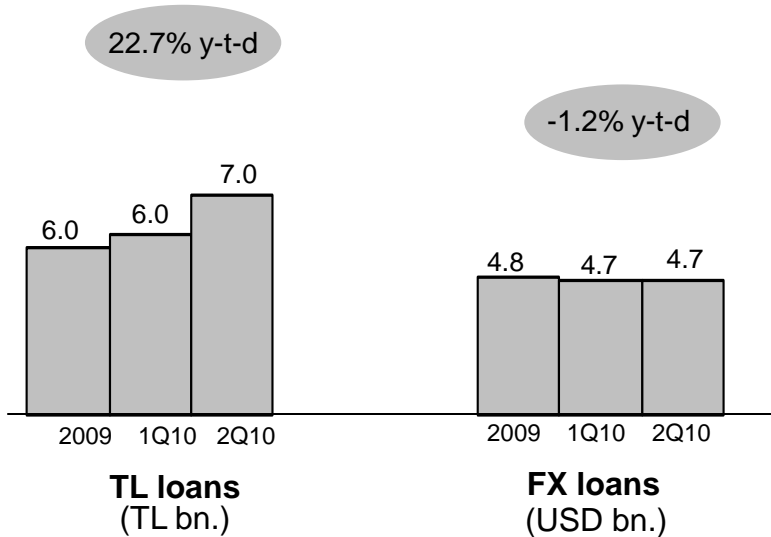
Credit Cards Issuing Volume



- Volume and market share growth in Q2
- Higher issuing & acquiring commission income on volumes compared to sector

■ Volume (TL mn.) ■ Market shares

SME loans - remarkable growth



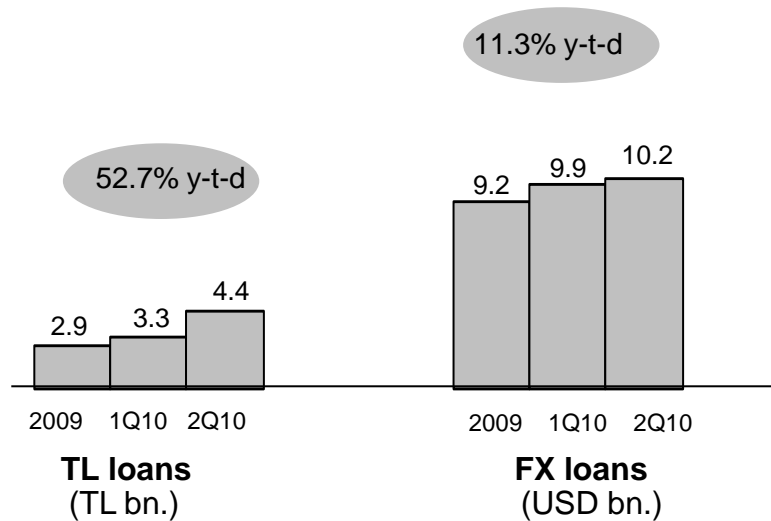
Strong growth result of;

- New business structure
- Effective customer targeting

- New products for export finance, energy efficiency, renewable energy
- The channeling of cheap multilateral funds to SME's
 - EIB 7 year loan for SME's
 - IFC loan for SME's
 - EBRD "Sustainable Energy Financing Facility"

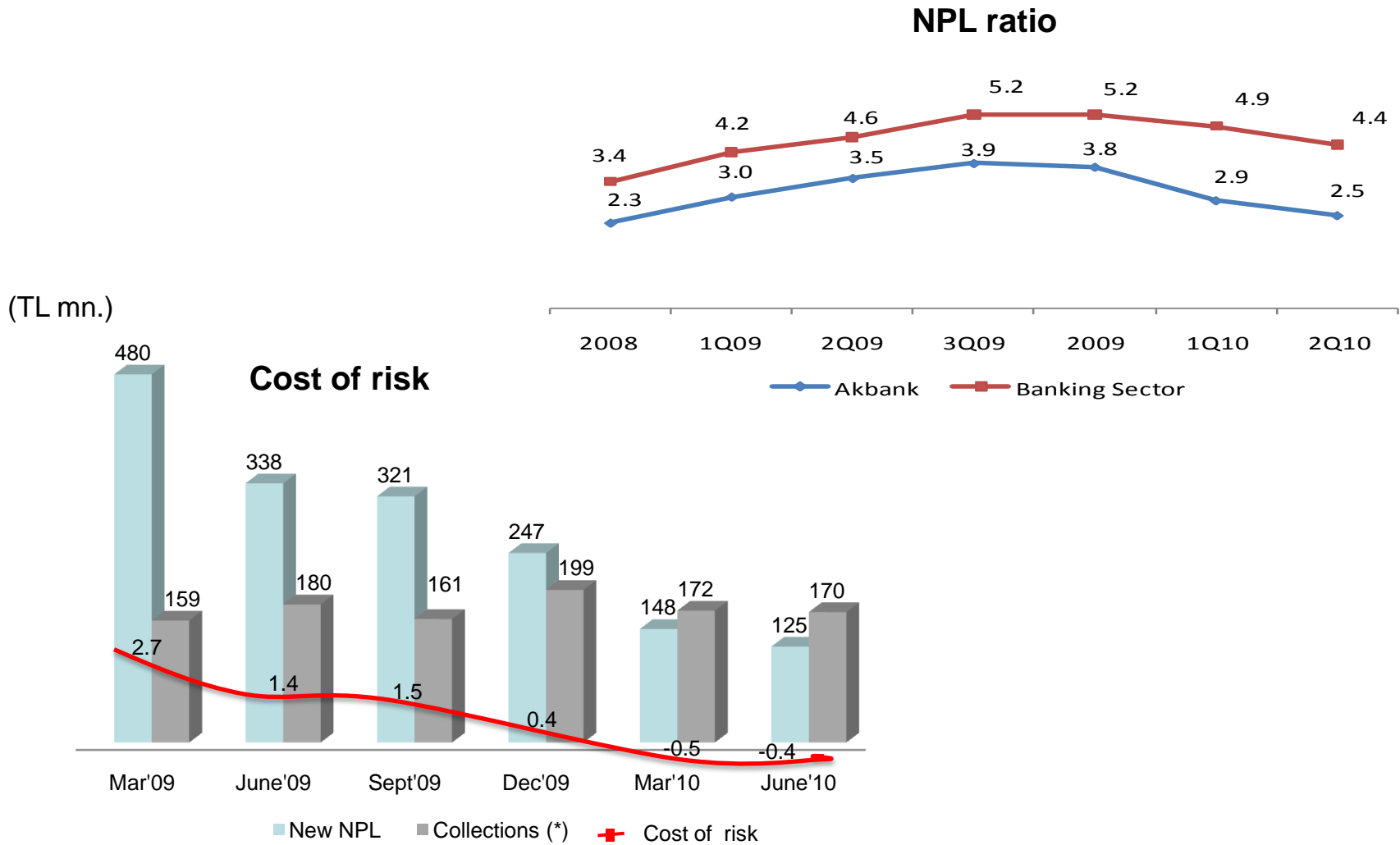
SME loans given to companies with sales turnover <TL 85 mn

Corporate loans - strong growth



- At the top of the “Synergy Pyramid” – excellent relationship management
- Strong penetration to the cash cycles of companies resulting in strong growth in deposit volumes
- Increased M&A advisory, IPO’s, Corporate Bond Issuance Services

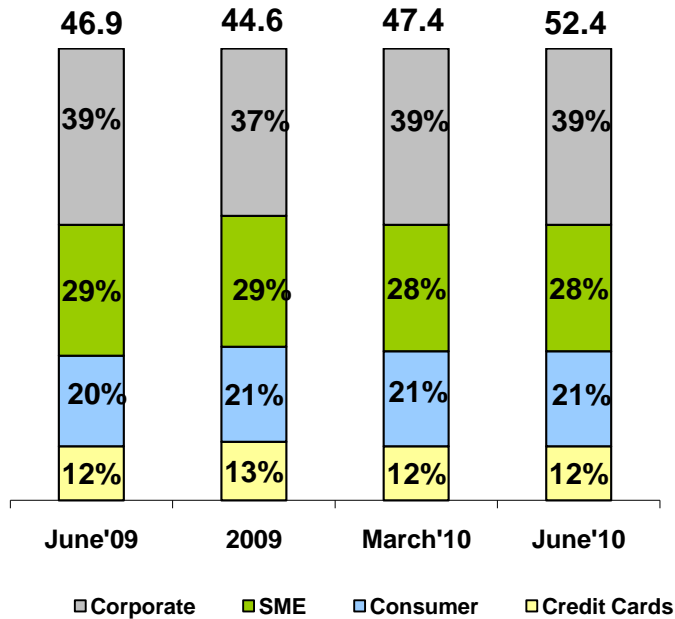
Cost of risk – the lowest



(*) Excluding NPL Sales

Loans - superior asset quality continued

(TL billion)

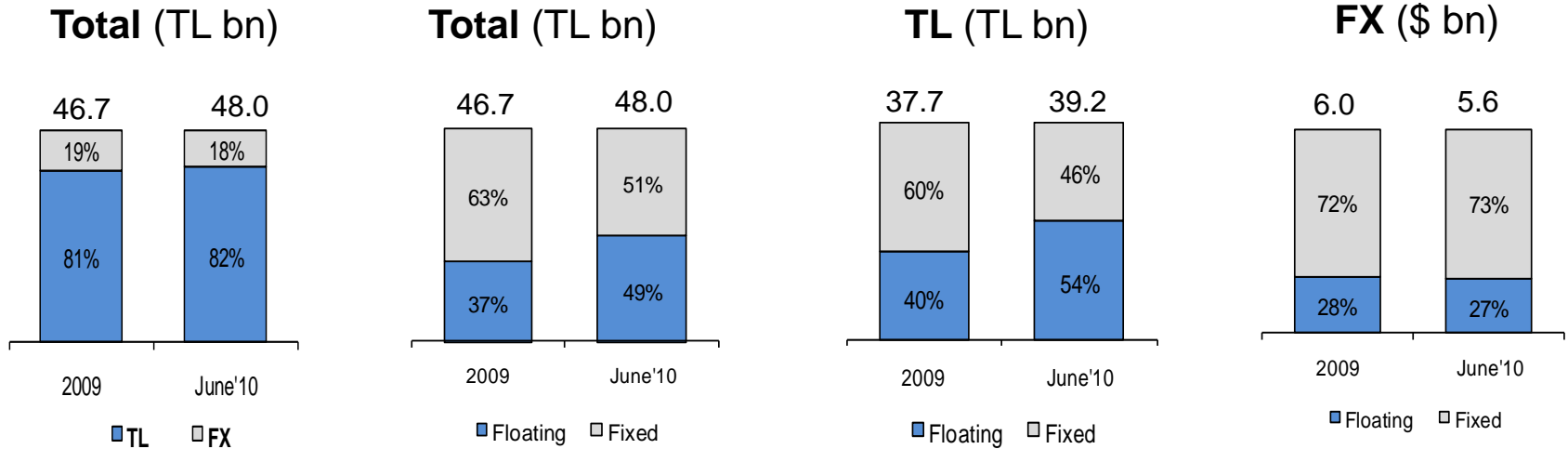


NPL ratios

	Akbank		Sector	
	2009	2Q10	2009	2Q10
Corporate	3.1%	0.0%	1.9%	4.7%
SME				
Consumer	4.1%	2.7%	4.0%	3.4%
Credit Cards	6.5%	5.1%	10.8%	9.5%
Total	<u>3.8%</u>	<u>2.5%</u>	<u>5.2%</u>	<u>4.4%</u>

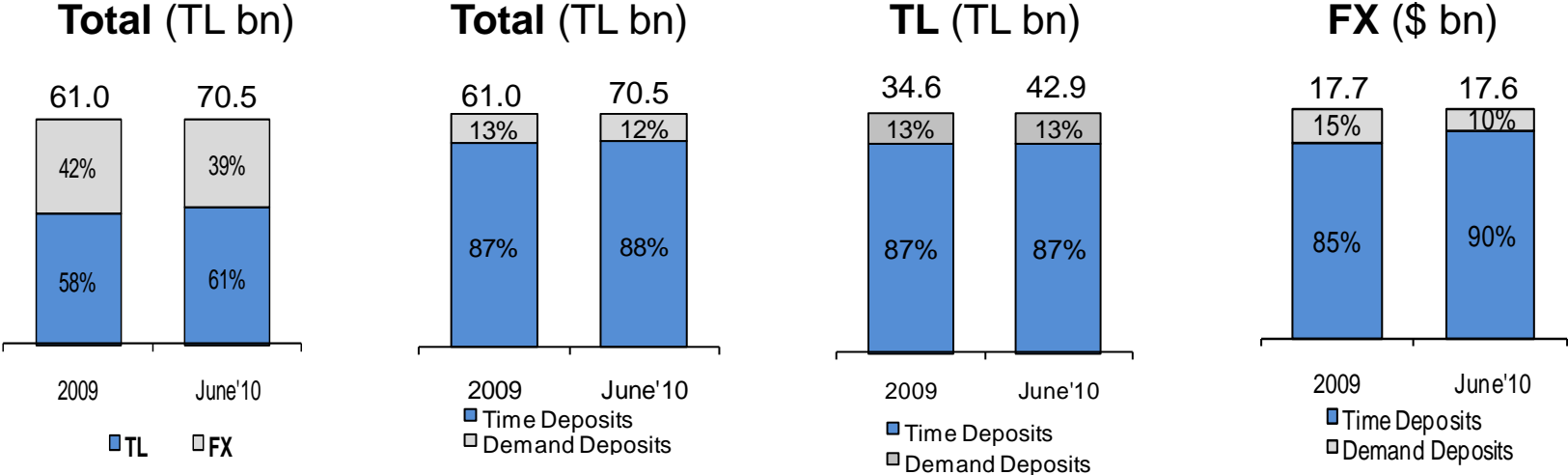
- 100% specific provisioning; strong buffer and hidden reserve of around TL 475 mn
- 135% coverage ratio including general provisions

Securities - unrealized gain more than TL 1.2 bn.



- High yield securities with short duration and strong trading capability
- Available for sale 81% (2009: 66%), held-to-maturity 19% (2009: 34%)
- TL 325 mn of trading gain

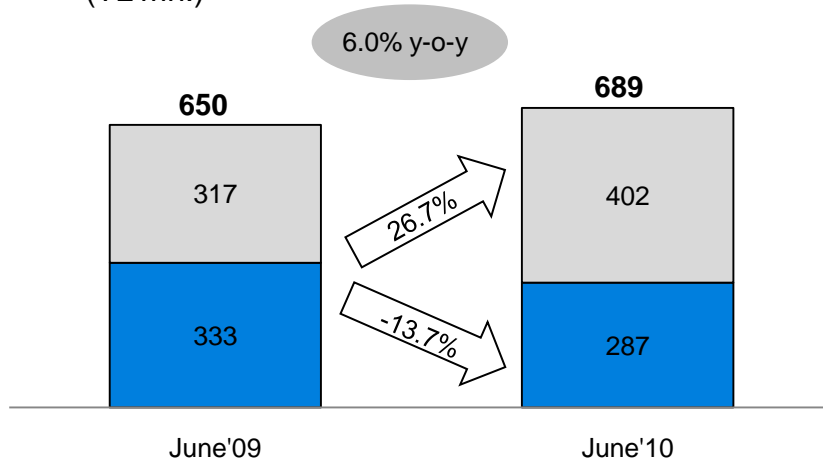
Deposits - strong growth with limited cost increase



- Core deposit base will continue to achieve lower deposit costs

Fees and commissions

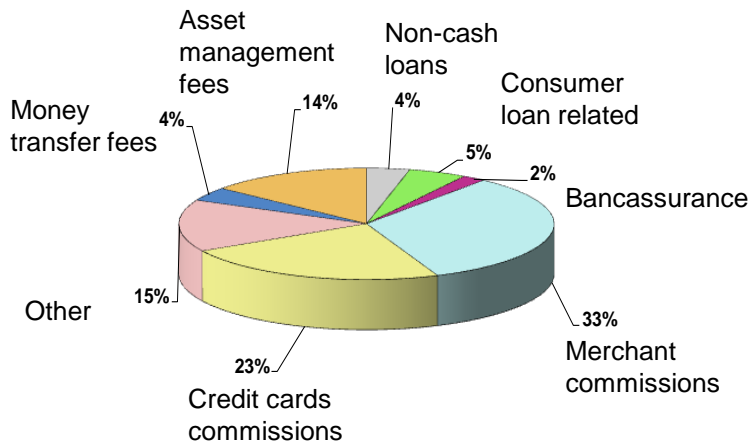
(TL mn.)



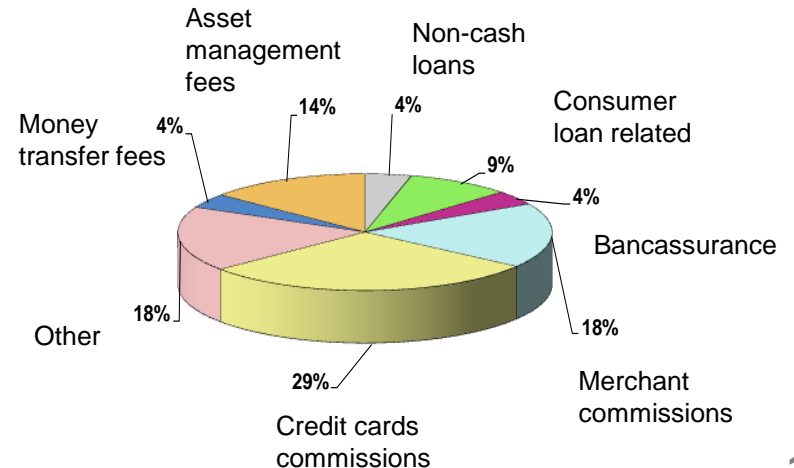
■ Credit Card Commissions □ Other Fees & Commissions

- Excluding credit cards, fee income growth is 26.7%
- Growth is mainly due to consumer loans, bancassurance and other banking commissions

1H09

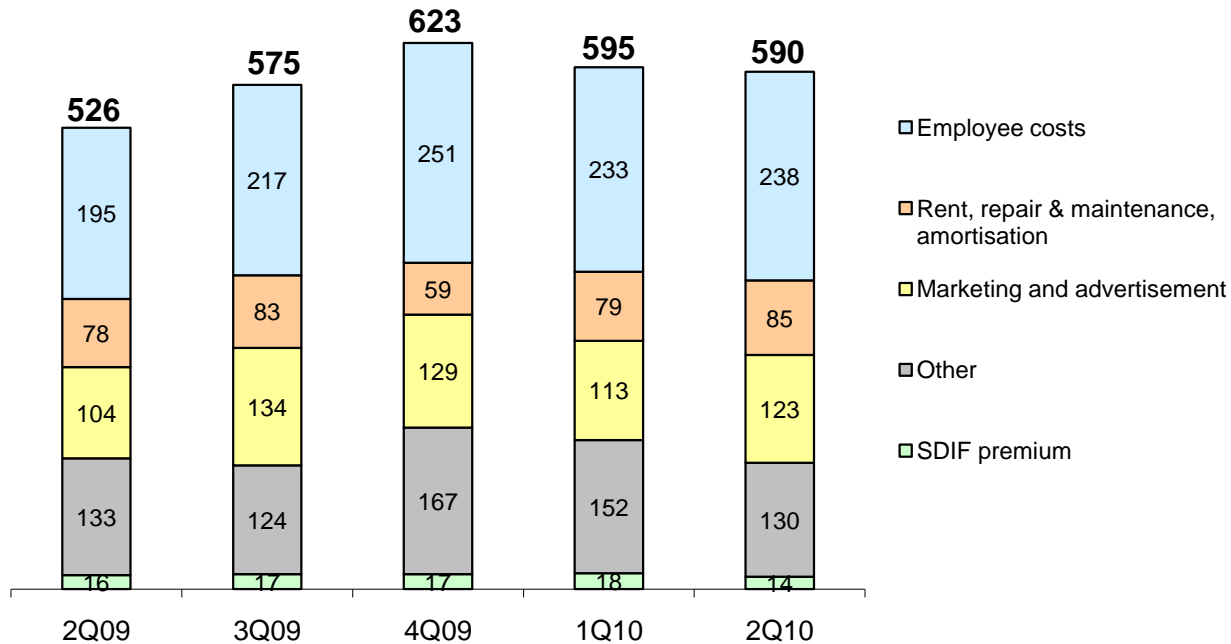


1H10



Operating costs – the lowest cost base

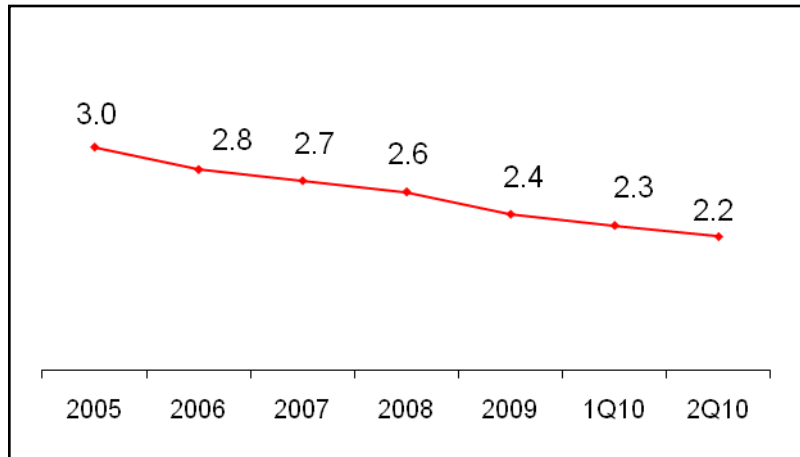
Quarterly Operating Cost



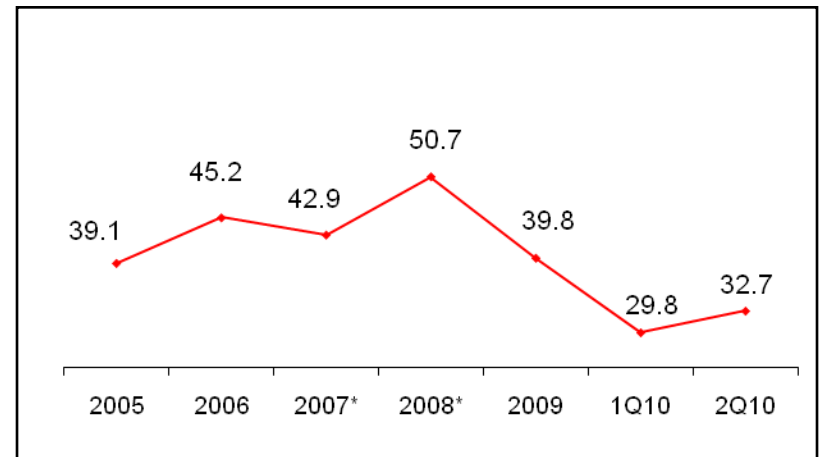
- Operating costs increased 11% y-o-y and decreased 1% q-o-q

Efficiency – the most efficient

Cost/average assets (%)



Cost/income (%)



* Adjusted for one-off items

Balance sheet highlights

Consolidated (TL mn.)			Shares (%)		Change (%)
	2009	2Q10	2009	2Q10	
Cash and Due from Banks	8,493	9,328	8.3	8.2	10
Securities	46,703	48,031	45.4	42.5	3
Loans	44,604	52,383	43.4	46.4	17
Other	3,033	3,252	2.9	2.9	7
TOTAL ASSETS	102,833	112,994			10
Deposits	60,954	70,527	59.3	62.4	16
Funds Borrowed	9,209	10,837	9.0	9.8	18
Repo	14,231	11,096	13.8	9.6	-22
Other	3,992	4,962	3.9	4.4	24
Equity	14,447	15,572	14.0	13.8	8
TOTAL LIABILITIES	102,833	112,994			10

Income statement highlights

Consolidated (TL mn.)	1H09	1H10	Change (%)
Interest Income	5,004	4,718	-6
Interest Expense	(2,659)	(2,202)	-17
Net Interest Income	2,345	2,516	7
Trading Gain (Loss), Net	71	115	62
Provision for Loan Losses, net of collections	(479)	69	-
Net Interest Income after Trading Gain/Loss & NPL Prov.	1,937	2,700	39
Fees and Commissions (Net)	650	689	6
Operating Expense	(1,063)	(1,185)	11
Other Income	115	232	101
Other Provisions	(10)	(156)	-
Income Before Tax	1,629	2,282	40
Tax	(320)	(474)	48
Net Income	1,309	1,808	38

Balance sheet highlights in USD

Consolidated (USD mn.*)			Shares (%)	
	2009	2Q10	2009	2Q10
Cash and Due from Banks	5,710	5,927	8.3	8.2
Securities	31,401	30,521	45.4	42.5
Loans	29,990	33,286	43.4	46.4
Other	2,040	2,067	2.9	2.9
TOTAL ASSETS	69,141	71,801		
Deposits	40,983	44,816	59.3	62.4
Funds Borrowed	6,192	6,886	9.0	9.8
Repo	9,568	7,051	13.8	9.6
Other	2,684	3,153	3.9	4.4
Equity	9,714	9,895	14.0	13.8
TOTAL LIABILITIES	69,141	71,801		

* Figures are stated with exchange rates effective at respective dates: 2009 – 1.4873 ; 2Q10 – 1.5737

Income statement highlights in USD

Consolidated (USD mn.*)	1H09	1H10
Interest Income	3,282	2,998
Interest Expense	(1,744)	(1,399)
Net Interest Income	1,538	1,599
Trading Gain (Loss), Net	47	73
Provision for Loan Losses, net of collections	(314)	44
Net Interest Income after Trading Gain/Loss & NPL Prov.	1,271	1,716
Fees and Commissions (Net)	426	438
Operating Expenses	(697)	(753)
Other Income	76	148
Other Provisions	(7)	(98)
Income Before Tax	1,069	1,456
Tax	(211)	(300)
Net Income	858	1,149

* Figures are stated with exchange rates effective at respective dates: 2Q09 – 1.5247; 2Q10 – 1.5737

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