

3Q10 Consolidated Financial Results

12 November, 2010

AKBANK

3Q10 Results

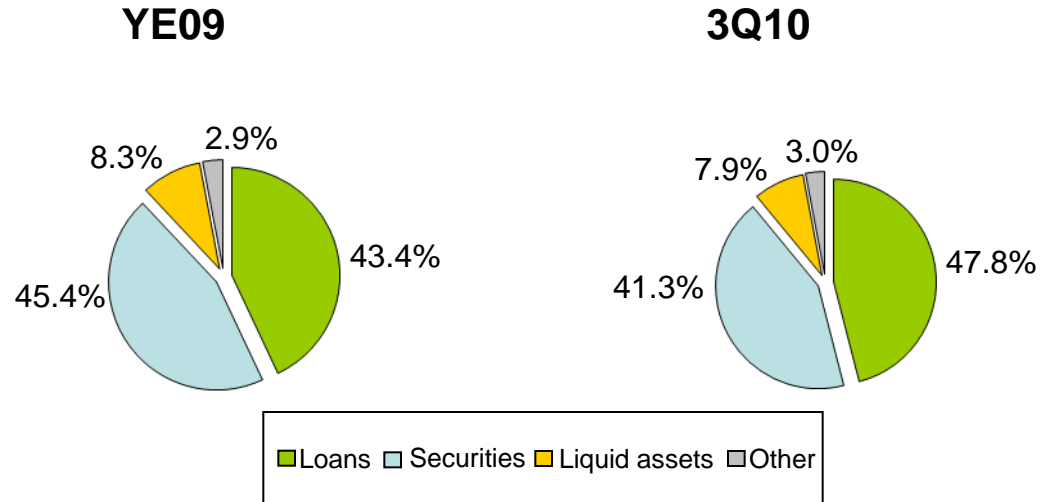
Concentration on loan - deposit spread capped quarterly growth

- 8.2% y-t-d growth in total assets
- 19.3% y-t-d increase in total loans, 20bps increase in market share
 - comprising 27.7% growth in TL loans, 12.8% in FX loans in dolar terms
- 1.6% q-o-q increase in total loans
 - comprising 5.5% growth in TL loans, 5.5% in FX loans in dolar terms
- 28.5% y-t-d increase in consumer loans, 7.4% q-o-q growth
 - 34.7% y-t-d increase in general purpose loans
 - 24.9% y-t-d increase in mortgage loans
- 23.1% y-t-d increase in SME and corporate loans
- 11.8% y-t-d increase in deposits; 3.1% q-o-q reduction
- Limited loan/deposit NIM contraction of 10bps
- Net profit reached TRY 2,288mn (USD 1,585 mn)
- ROAE of 19.8%, ROAA of 2.8%

Sector comparisons based on weekly BRSA unconsolidated figures.

3Q10 Highlights – shifting asset mix from securities to loans

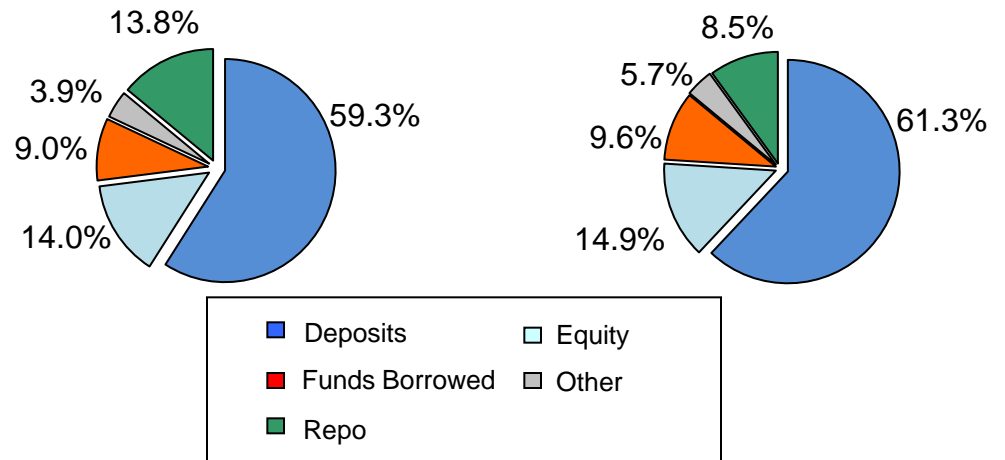
- Loans / assets increased to 47.8% from 43.4%
- Securities / assets decreased to 41.3% from 45.4%



- CAR 20.0 %
- Tier I Ratio 18.7 %
- Leverage 6.7X
- Loans to Deposit 78.1%

Total Assets: TL 102,833 mn

Total Assets: TL 111,278 mn



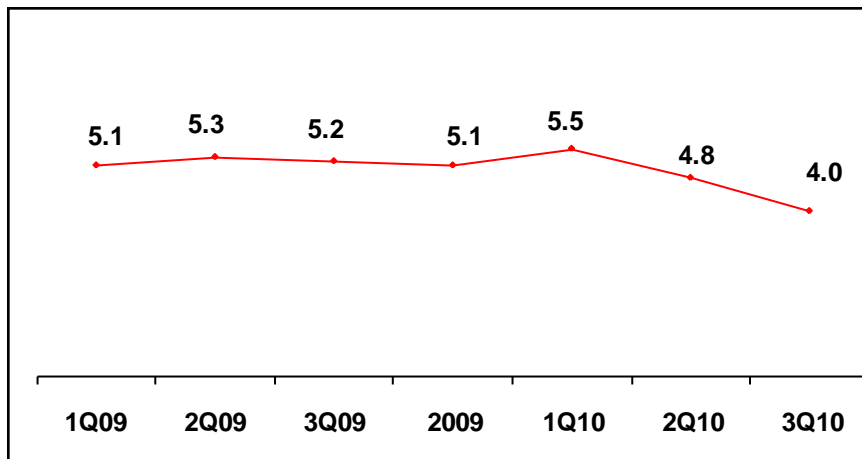
3Q10 Highlights – one off effect from CPI linkers

- 13.7% y-o-y increase in net income; 40% q-o-q decrease mainly due to CPI linkers

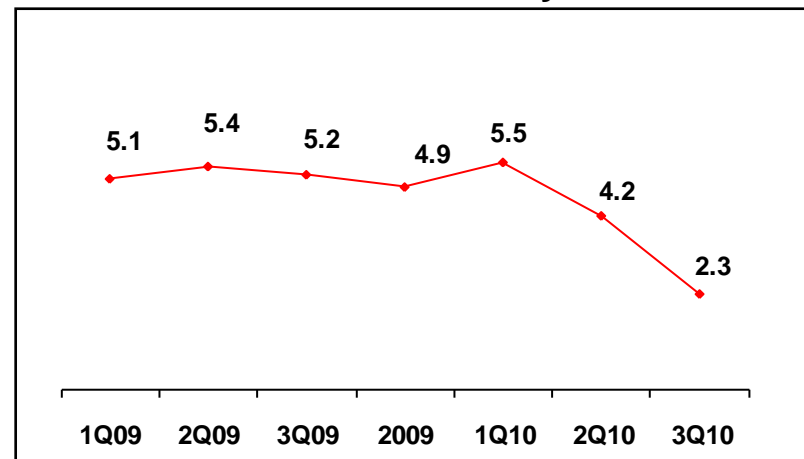
(TL mn.)	Sep'09	1Q10	2Q10	3Q10	Sep'10
Net Profit	2,013	1,003	805	480	2,288
ROAE	22.0%	27.2%	20.9%	11.9%	19.8%
ROAA	2.9%	3.8%	2.9%	1.7%	2.8%
NIM	5.2%	5.5%	4.2%	2.3%	4.0%
Cost of Risk	1.9%	-0.5%	-0.4%	-0.1%	-0.3%
Cost to Asset	2.3%	2.3%	2.2%	2.2%	2.2%
Fees to Cost	59.3%	55.1%	61.3%	51.5%	55.9%
CIR	39.3%	29.8%	36.4%	53.6%	38.0%

NIM – limited contraction on loan / deposit spread of only 10bps - already compensated by changing asset mix

NIM Cumulative



NIM Quarterly

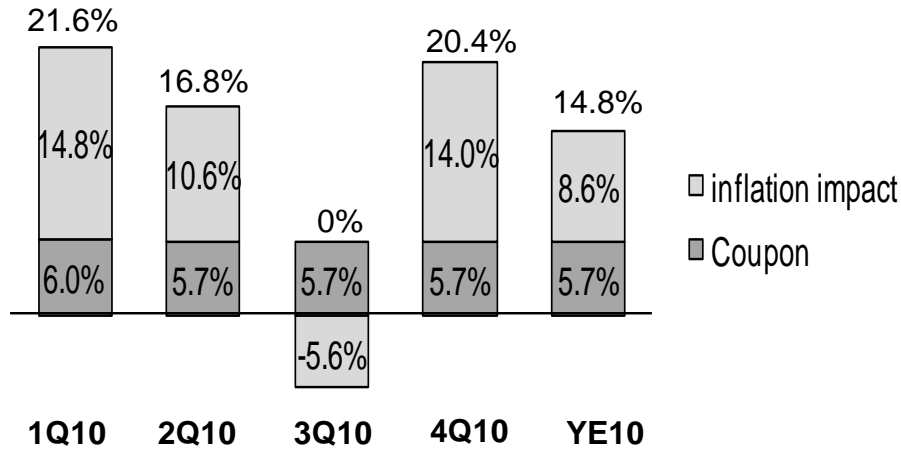


(TL mn., \$ mn.)	1Q10	2Q10	3Q10	Change (bps)	Effect on NIM (bps)
TL Loans	12.73%	12.01%	11.40%	-60	-17
FX Loans	3.96%	4.03%	4.18%	15	3
TL Securities	13.51%	10.89%	5.83%	-506	-182
FX Securities	4.03%	4.21%	4.64%	44	2
TL Deposits	7.62%	7.86%	7.62%	-24	9
FX Deposits	1.92%	2.17%	2.40%	23	-5

Source : Akbank's financials & footnotes

One-off effect from CPI linkers – being reversed in 4Q10

Annualized quarterly yield



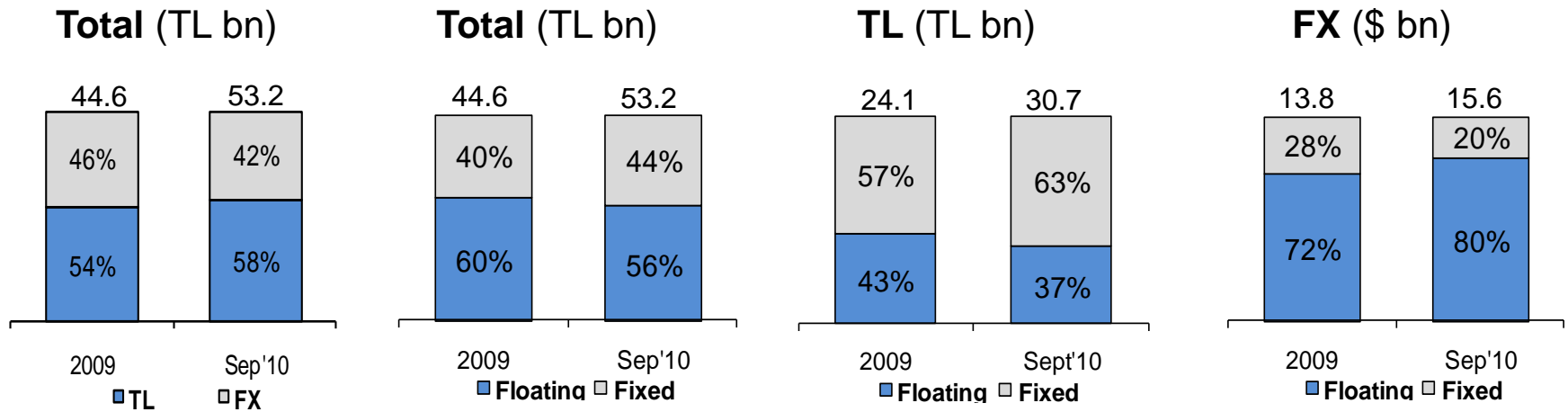
CPI Linkers effect on net interest income (TL mn)				
1Q10	2Q10	3Q10	4Q10E	Total
550	479	3	~ 600	~ 1.632

- CPI linked securities at approx. 1/4 of our securities portfolio will put Akbank at a beneficial position vs. the sector - as these securities will have a high return differential vis-a-vis the average securities yield in the market

2011 strategy

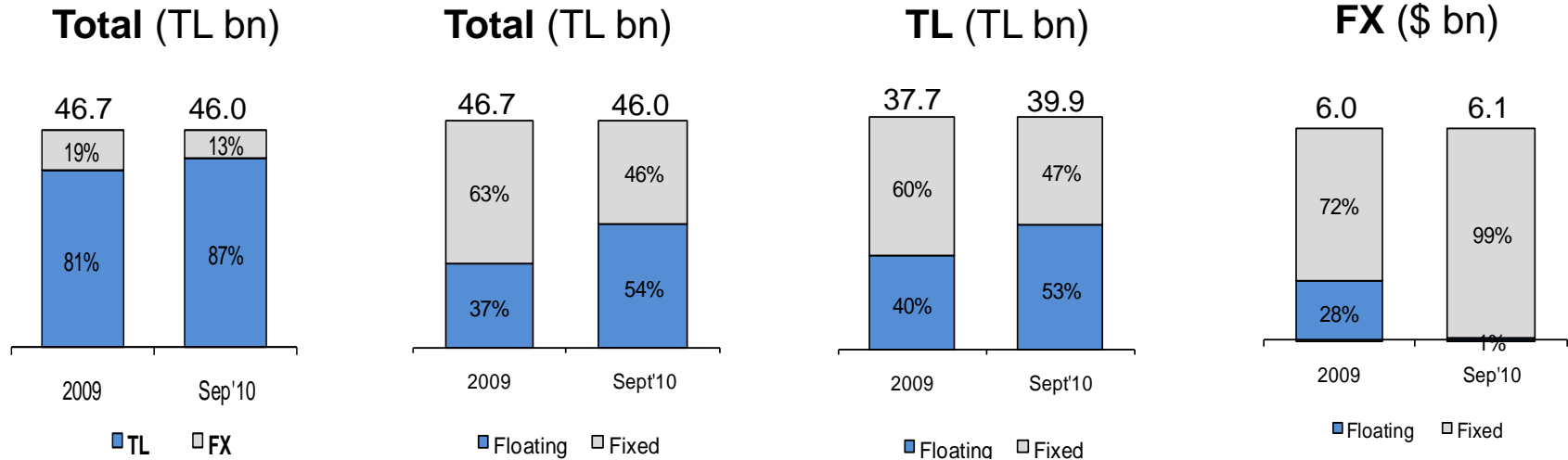
- We target to mitigate the pressure on NIM by shifting the asset mix from securities to loans
- Akbank will continue to focus on high yielding areas such as SME loans and consumer loans
- Akbank will continue to increase its market shares in product areas with high cross sell ratios, such as mortgage loans and corporate loans
- Asset quality and cost efficiency will be more important in 2011. Akbank's excellent risk management capability, cost efficiency are major competitive advantages
- Akbank's high ROA with higher "leverage" will limit the pressure on ROE's
- Our low loan to deposit ratio and strong capital adequacy will be supportive of growth
- CPI linked securities at approx. $\frac{1}{4}$ of our securities portfolio will put Akbank at a beneficial position
- Besides our securities portfolio will enhance our flexibility in expanding lending growth

Loans – changing currency mix



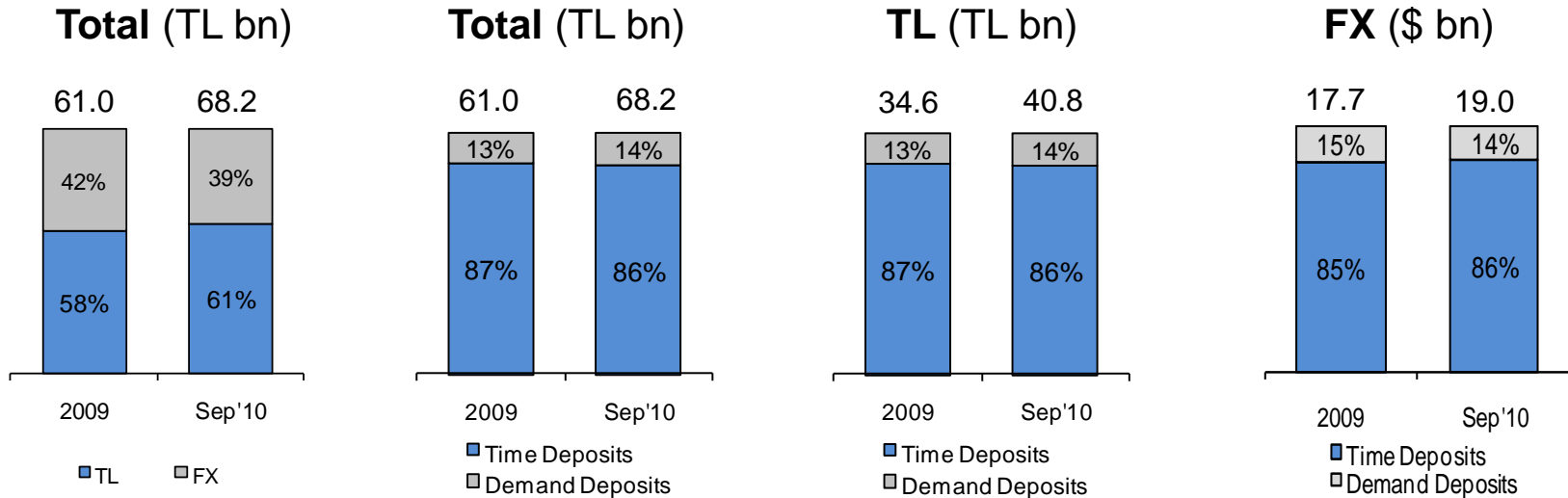
- Share of TL loans increasing to support margins

Securities - unrealized gain more than TL 2.0 bn.



- High yield securities with short duration and strong trading capability (TL duration of 225 days, FX duration of 1,830 days)
- Available for sale 86% (2009: 66%), held-to-maturity 14% (2009: 34%)
- TL 436 mn of trading gain

Deposits – Positive cost effect on NIM



- We have reduced TL deposit costs and this will continue in 4Q

Loans - growth in all segments

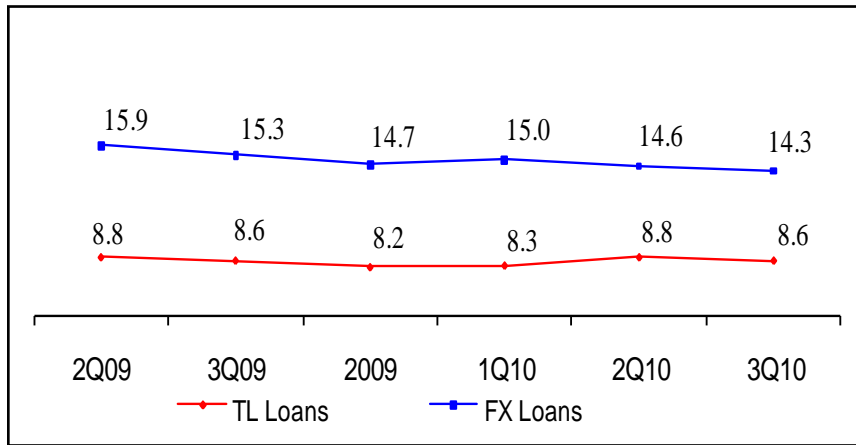
(TL mn., \$ mn.)	YE09	1Q10	2Q10	3Q10	y-t-d
TL loans	24,073	25,504	29,157	30,747	27.7%
FX loans (\$ mn)	13,804	14,434	14,759	15,566	12.8%
Total loans	44,604	47,382	52,383	53,215	19.3%

(TL mn., \$ mn.)	YE09	1Q10	2Q10	3Q10	y-t-d
TL Corporate	2,881	3,300	4,400	4,327	50.2%
FX Corporate (\$ mn)	9,169	9,911	10,203	10,600	15.6%
TL SME	5,676	5,962	6,965	7,581	33.6%
FX SME (\$ mn)	4,759	4,671	4,703	5,092	7.0%
Consumer	9,245	9,875	11,060	11,877	28.5%
Credit Cards	5,754	5,781	6,163	6,405	11.3%

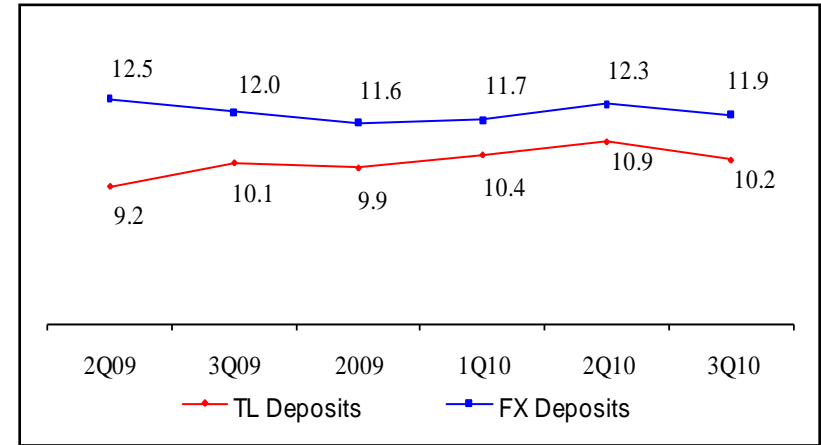
Akbank refrained from aggressive pricing strategies

Market Shares (%)

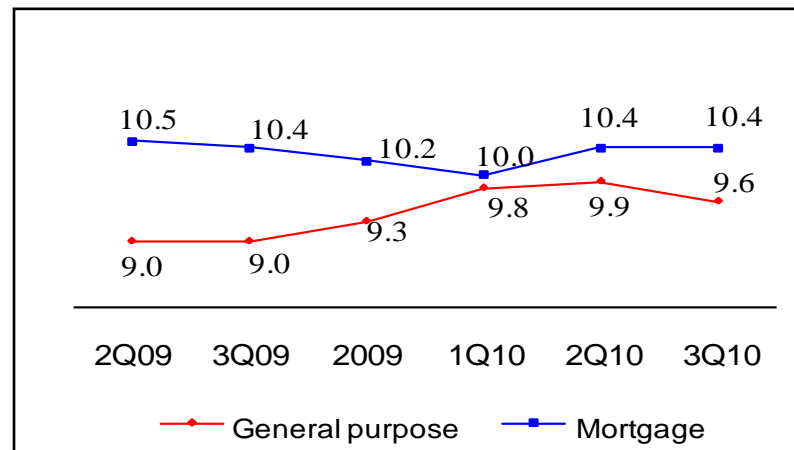
Loans (%)



Deposits (%)



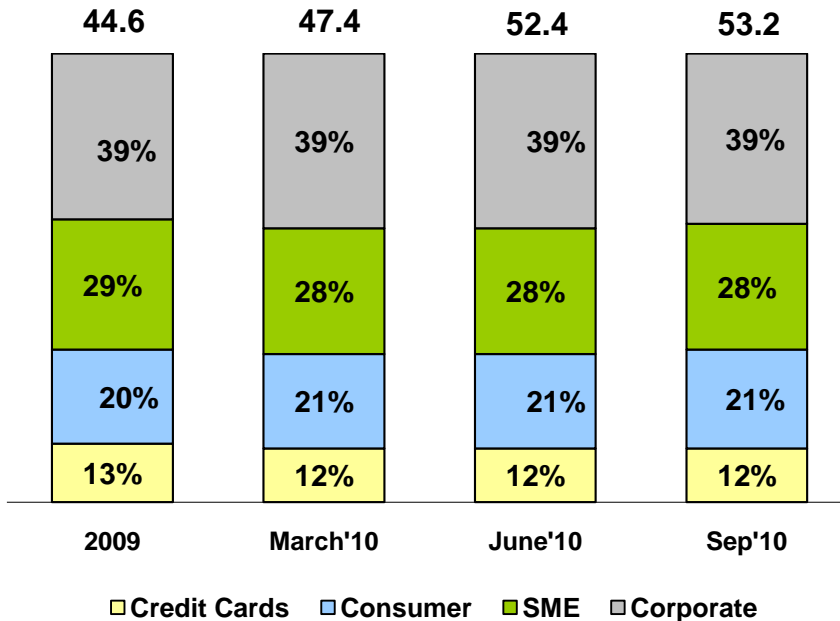
Consumer Loans (%)



Sector comparisons based on weekly BRSA unconsolidated figures.

Loans - superior asset quality continued

(TL billion)

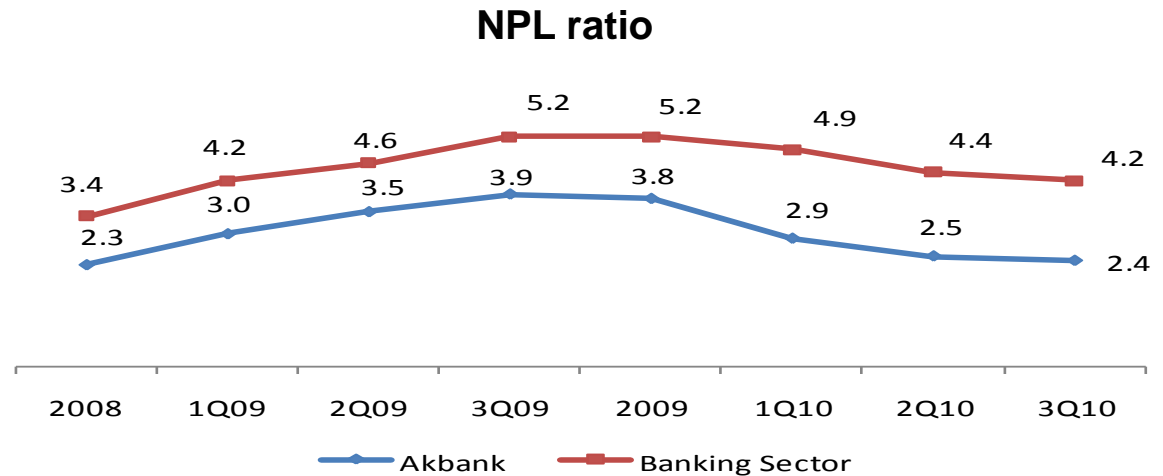


NPL ratios

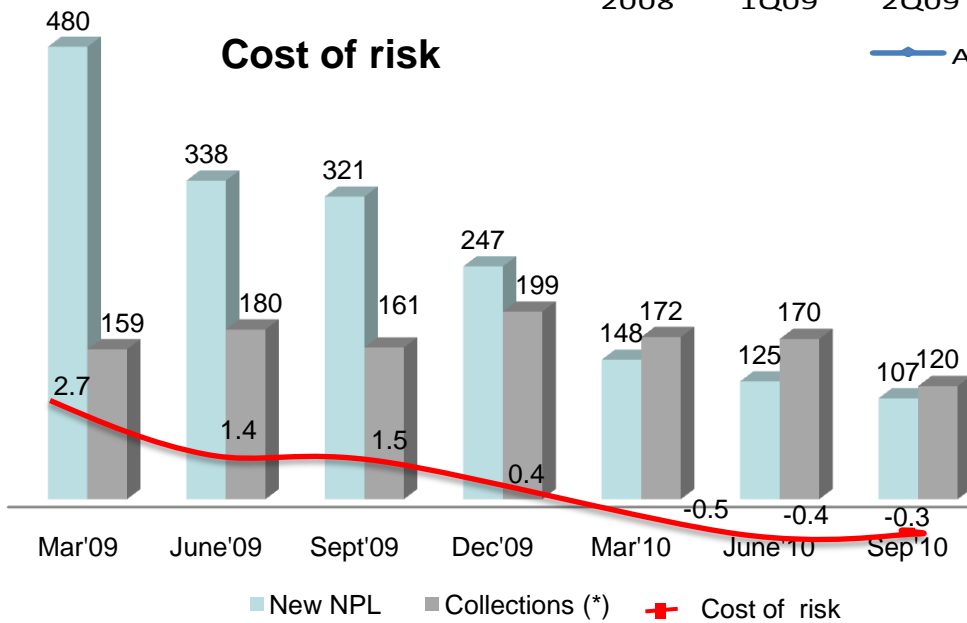
	Akbank		Sector	
	2009	3Q10	2009	3Q10
Corporate	0.0%	0.0%	4.7%	3.5%
SME	7.7%	4.1%		
		} 1.8%		
Consumer	4.1%	2.5%	4.0%	3.1%
Credit Cards	6.5%	4.9%	10.8%	8.9%
Total	<u>3.8%</u>	<u>2.4%</u>	<u>5.2%</u>	<u>4.2%</u>

- 100% specific provisioning; strong buffer and hidden reserve of around TL 464 mn
- 137% coverage ratio including general provisions

Cost of risk – the lowest



(TL mn.)

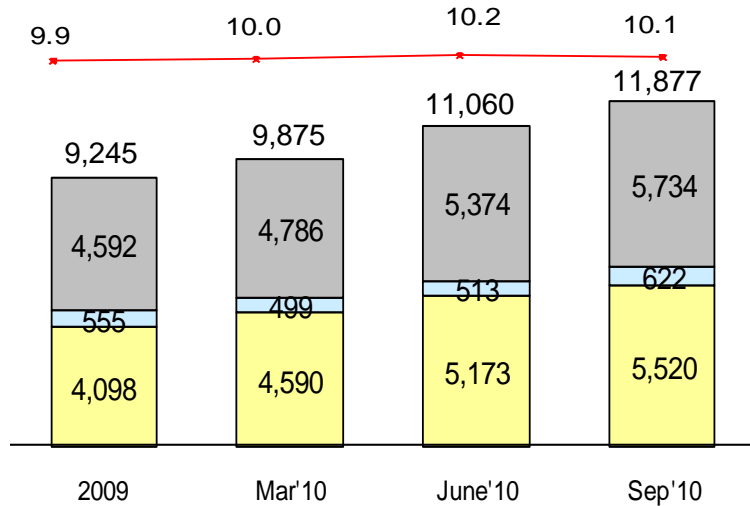


(*) Excluding NPL Sales

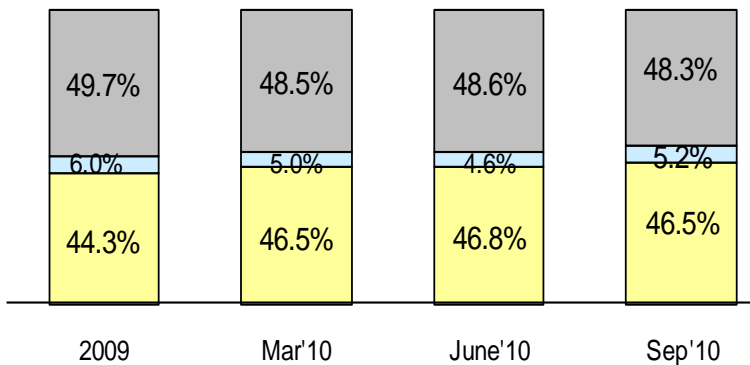
Consumer loans – strong growth helps margin pressure

(TL mn.)

28.5% y-t-d



□ General purpose □ Auto loans □ Mortgage

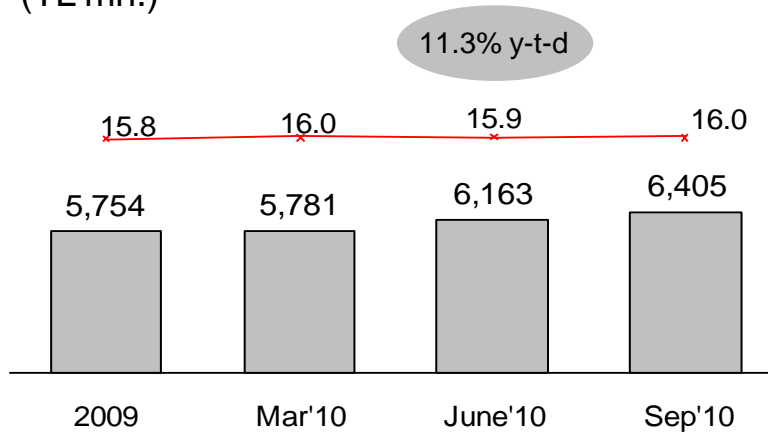


□ General purpose □ Auto loans □ Mortgage

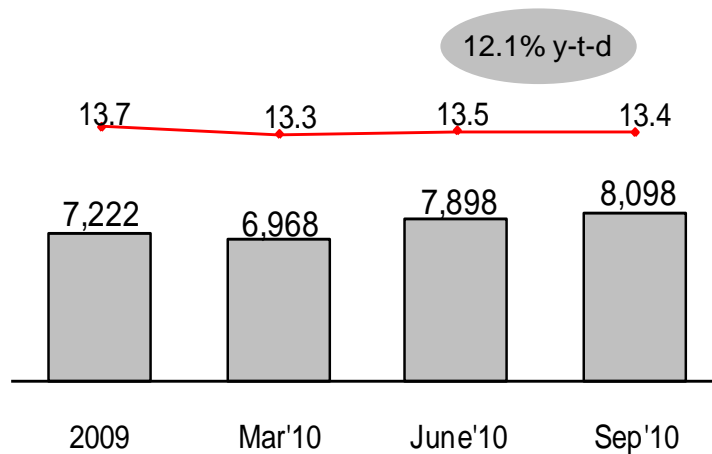
- General purpose loans grew 34.7% y-t-d vs 30.5% of sector
- 30 bps increase in market share:
 - Customer targeting with improved CRM capability
- Auto loans grew 12% y-t-d vs 7.6% of sector
 - Deals with major auto brands
- Mortgage loans grew 24.9% y-t-d vs 22.7% of sector
- 20 bps increase in market share:
 - Strong relationship with successful land developers and real-estate agents

Credit card loans - highest quality portfolio

(TL mn.)



Credit Cards Issuing Volume

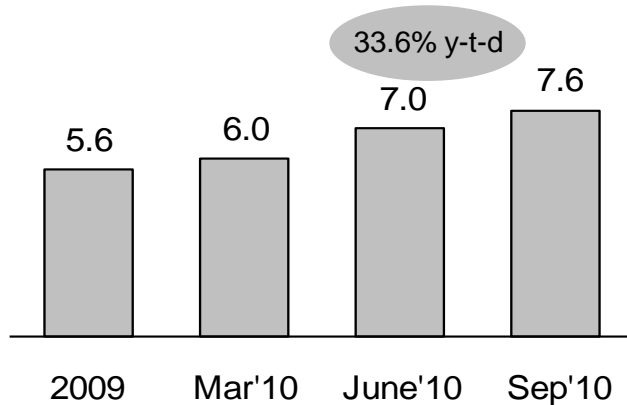


■ Volume (TL mn.) ■ Market shares

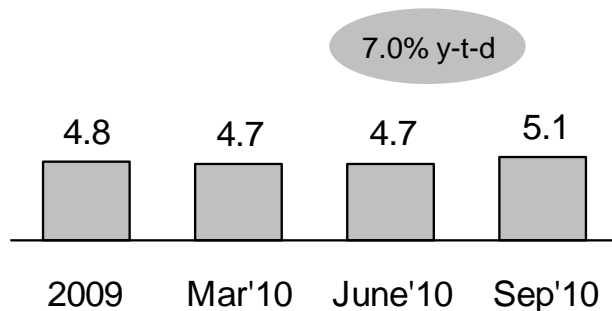
- 10 bps increase in loans market share
- NPL ratio 4.9% vs 8.9% of the sector
- Higher issuing & acquiring commission income on volumes

SME loans – growth without aggressive price deterioration

TL Loans (TL bn)



FX Loans (USD bn)



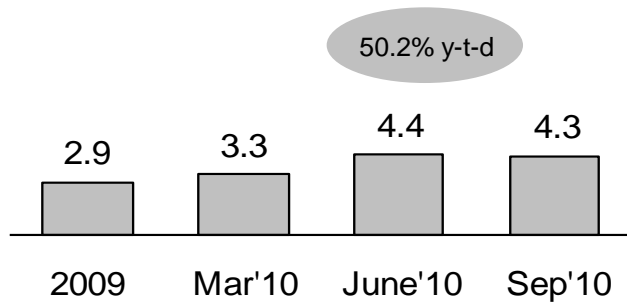
Growth result of;

- 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"

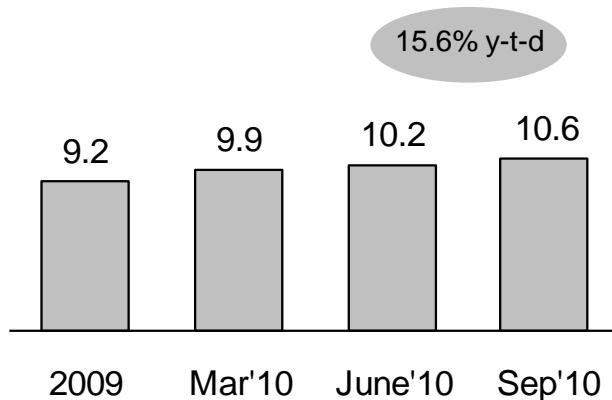
SME loans given to companies with sales turnover <TL 85 mn

Corporate loans – a slower quarter

TL Loans (TL bn)



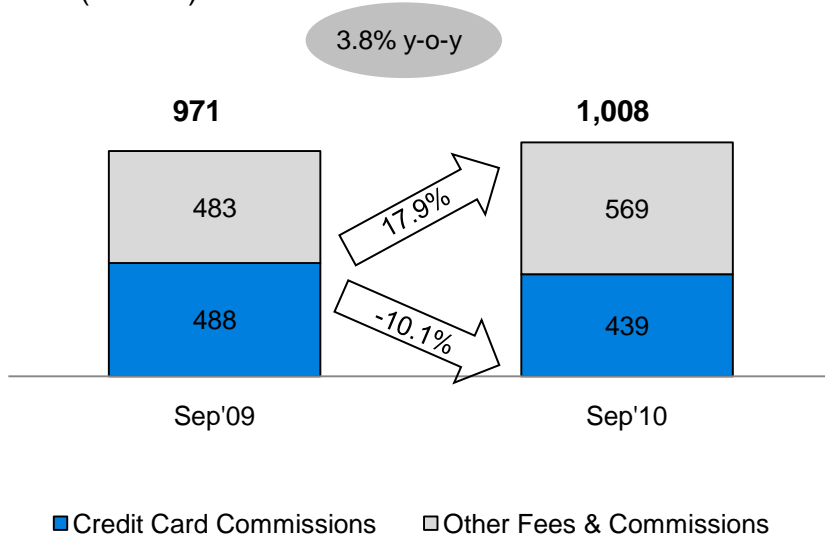
FX Loans (USD bn)



- 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

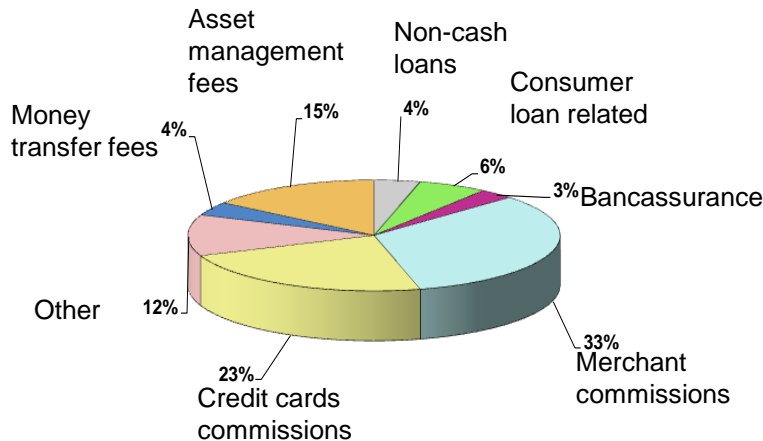
Fees and commissions

(TL mn.)

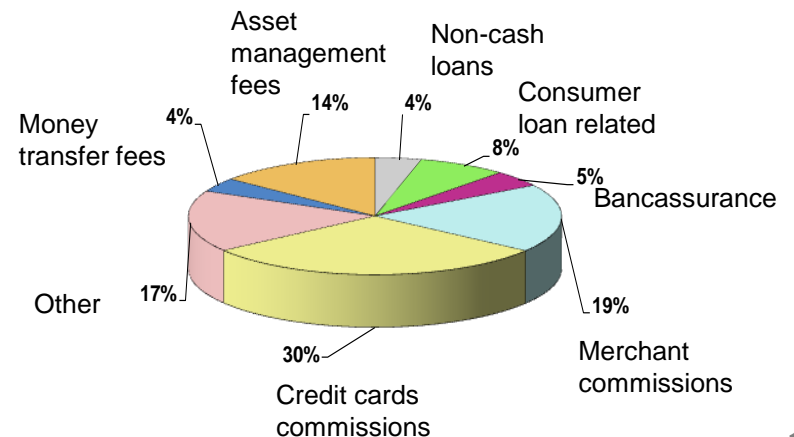


- Excluding credit cards, fee income growth is 17.9%
- Growth is mainly due to bancassurance, consumer loans and other banking commissions
- Bancassurance 56%, consumer loans 28%, other banking commissions 38% y-o-y growth

3Q09

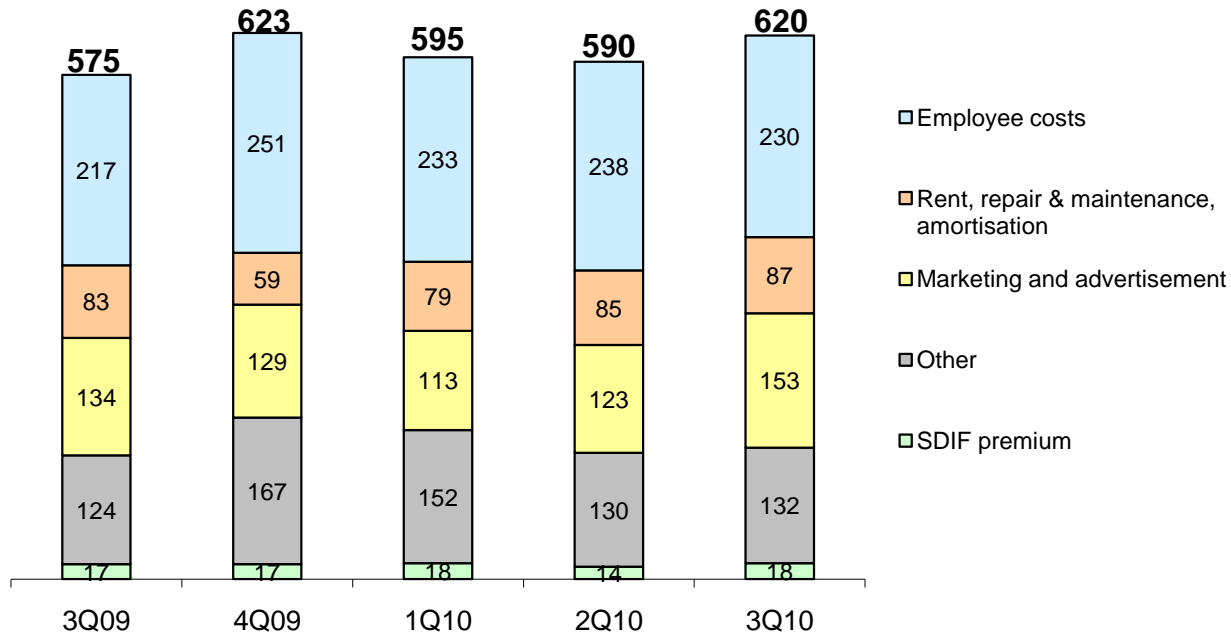


3Q10



Operating costs – the lowest cost base

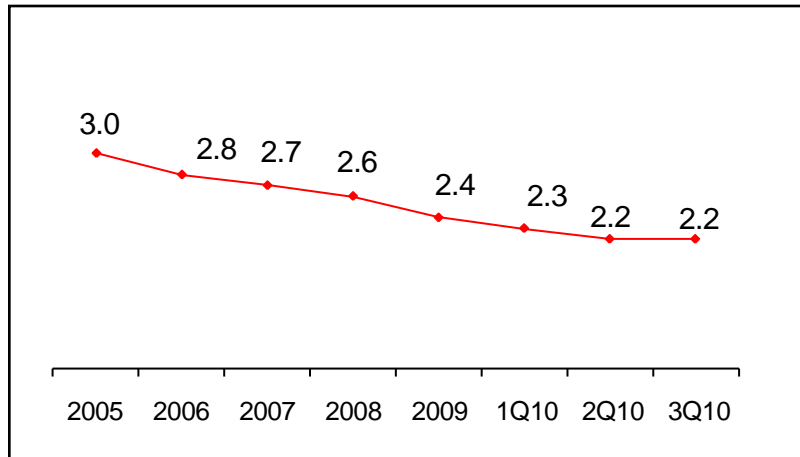
Quarterly Operating Cost



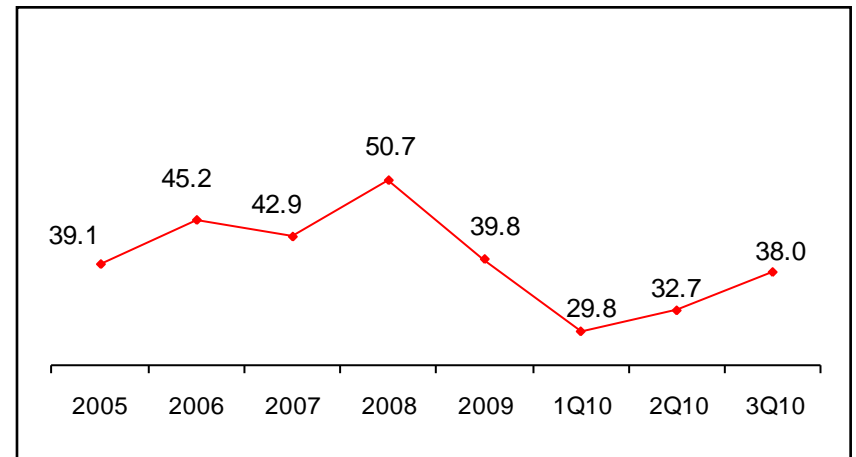
- Operating costs increased 10.2% y-o-y

Efficiency – the most efficient

Cost/average assets (%)



Cost/income (%)



- Cost efficiency will be a major competitive advantage

Balance sheet highlights

Consolidated (TL mn.)			Shares (%)		Change (%)
	2009	3Q10	2009	3Q10	
Cash and Due from Banks	8,493	8,754	8.3	7.9	3
Securities	46,703	45,980	45.4	41.3	-2
Loans	44,604	53,215	43.4	47.8	19
Other	3,033	3,329	2.9	3.0	10
TOTAL ASSETS	102,833	111,278			8
Deposits	60,954	68,159	59.3	61.3	12
Funds Borrowed	9,209	10,672	9.0	9.6	16
Repo	14,231	9,510	13.8	8.5	-33
Other	3,992	6,304	3.9	5.7	58
Equity	14,447	16,633	14.0	14.9	15
TOTAL LIABILITIES	102,833	111,278			8

Income statement highlights

Consolidated (TL mn.)	3Q09	3Q10	Change (%)
Interest Income	7,330	6,537	-11
Interest Expense	(3,796)	(3,387)	-11
Net Interest Income	3,534	3,150	-11
Trading Gain (Loss), Net	132	137	4
Provision for Loan Losses, net of collections	(638)	82	-
Net Interest Income after Trading Gain/Loss & NPL Prov.	3,028	3,369	11
Fees and Commissions (Net)	971	1,008	4
Operating Expense	(1,638)	(1,805)	10
Other Income	165	401	143
Other Provisions	(22)	(132)	-
Income Before Tax	2,505	2,841	13
Tax	(492)	(553)	12
Net Income	2,013	2,288	14

Balance sheet highlights in USD

Consolidated (USD mn.*)			Shares (%)	
	2009	3Q10	2009	3Q10
Cash and Due from Banks	5,710	6,065	8	8
Securities	31,401	31,855	45	41
Loans	29,990	36,868	43	48
Other	2,040	2,306	2.9	3
TOTAL ASSETS	69,141	77,094		
Deposits	40,983	47,221	59	61
Funds Borrowed	6,192	7,394	9	10
Repo	9,568	6,588	14	9
Other	2,684	4,368	4	6
Equity	9,714	11,523	14	15
TOTAL LIABILITIES	69,141	77,094		

* Figures are stated with exchange rates effective at respective dates: 2009 – 1.4873; 3Q10 – 1.4434

Income statement highlights in USD

Consolidated (USD mn.*)	3Q09	3Q10
Interest Income	4,963	4,529
Interest Expense	(2,570)	(2,346)
Net Interest Income	2,393	2,182
Trading Gain (Loss), Net	89	95
Provision for Loan Losses, net of collections	(432)	57
Net Interest Income after Trading Gain/Loss & NPL Prov.	2,050	2,334
Fees and Commissions (Net)	658	699
Operating Expenses	(1,109)	(1,251)
Other Income	112	278
Other Provisions	(15)	(92)
Income Before Tax	1,696	1,968
Tax	(333)	(383)
Net Income	1,363	1,585

* Figures are stated with exchange rates effective at respective dates: 3Q09 – 1.4770; 3Q10 – 1.4434

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