

3Q12 Consolidated Financial Results

8 November 2012

AKBANK

Clear strategy and successful execution

Our strong results are an outcome of;

- Excellence in market reading
 - Successful reading of the yield curve and the economy
 - Accumulating profitable investments for longer term through increase in higher yield loan book
 - Selective investment in securities including Turkish Eurobonds
- Effective implementation of strategy
 - Increased branch sales effectiveness
 - Change in asset mix
 - Strong loan growth coupled with NIM improvement
 - Fee & commission income growth

Strong growth with strong profitability

- We achieved strong market share gains with operational profitability
 - 20.0% growth in lending with market share gain of 100bps y-t-d
 - 10.1% growth in deposit with market share gain of 50bps y-t-d
 - 47bps loan/deposit net interest margin impact achieved with strong loan growth
- Fee income generation of 7.7% y-o-y despite the base effect. Excluding loan fees accounting change and mutual fund cap, the growth is 17.4%
- Quarterly net profit TL 801 mn with NIM at 3.7%, ROA at 2.1%, ROE at 16.0%.
- Net profit TL 1,907 mn with ROE at 13.2%, ROA at 1.7%
 - GLLP expense additionally weighed on net profit by TL 303 mn, due to loan growth
 - Loan growth will bring us further profitability in the declining rate environment
- Strong capital adequacy ratio sustained at 16.6% according to Basel II
- Asset quality maintained with continuing full coverage

Improvement in profit and ratios supported by strong lending and asset mix change

(TL mn.)	9M11	1Q12	2Q12	3Q12	9M12
Net Profit	1,960	531	575	801	1,907
ROAE	14.8%	11.5%	12.1%	16.0%	13.2%
ROAA	2.0%	1.5%	1.6%	2.1%	1.7%
NIM	3.1%	3.2%	3.5%	3.7%	3.5%
Cost of Risk	-0.1%	0.3%	0.4%	0.5%	0.4%
Cost to Asset	1.9%	1.9%	2.0%	2.0%	2.0%
Fees to Cost	65.6%	58.9%	63.7%	57.6%	60.1%
CIR	39.7%	44.2%	46.8%	39.4%	43.2%

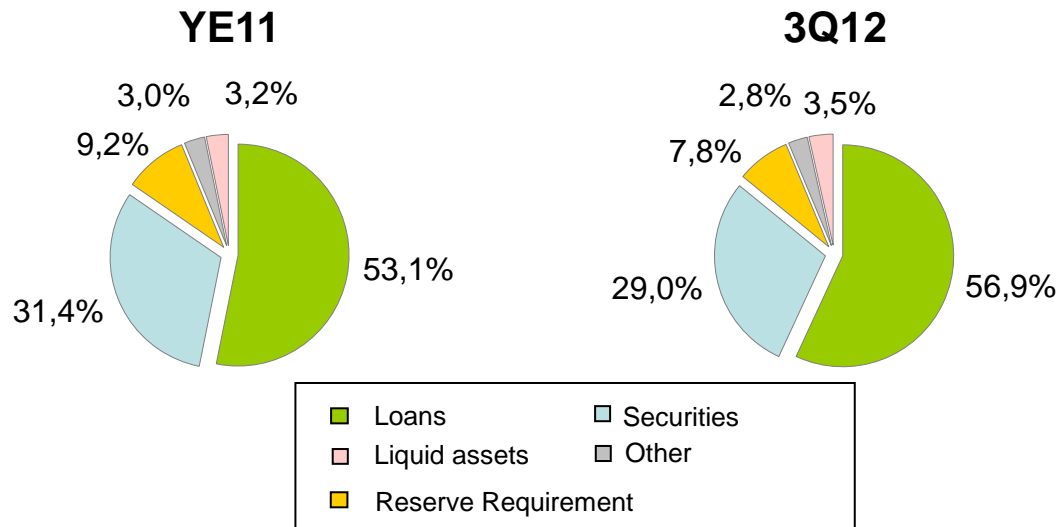
Strong market share gains in all areas

	2011	3Q2012	Change bps
Total Loans	10.1%	11.1%	100
TL	8.6%	10.0%	140
FX	14.0%	14.3%	30
Consumer Loans	9.3%	10.4%	110
Mortgage	10.0%	11.0%	100
Auto	11.8%	12.1%	30
General Purpose	8.4%	9.8%	140
Credit Cards	17.4%	18.8%	140
Total Deposits	10.5%	11.0%	50
TL	9.2%	9.8%	60
FX	12.9%	13.1%	20

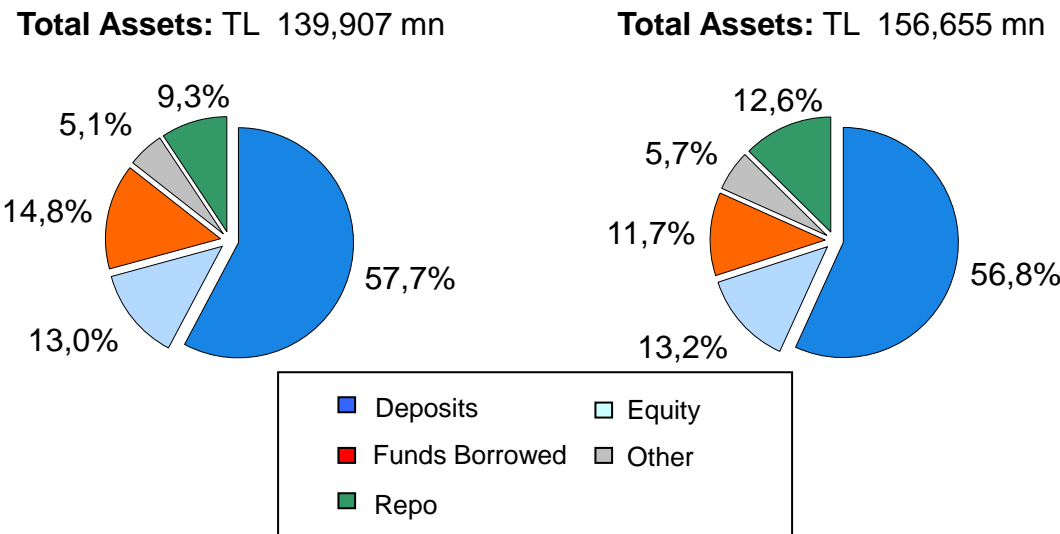
Sector comparisons based on weekly BRSA unconsolidated figures.

Healthy growth with liquid & flexible balance sheet – securities to assets down to 29%

- Loans / assets increased to 57% from 53%
- Securities / assets decreased to 29% from 31%



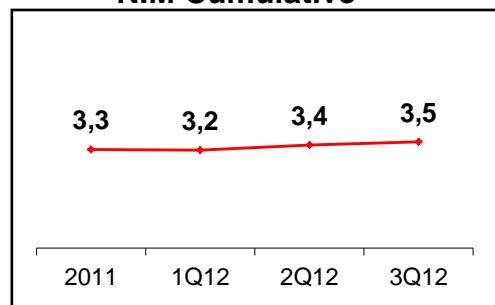
- CAR 16.6%*
- Tier I Ratio 15.4%*
- Leverage 7.6X
- Loans to Deposit 100%



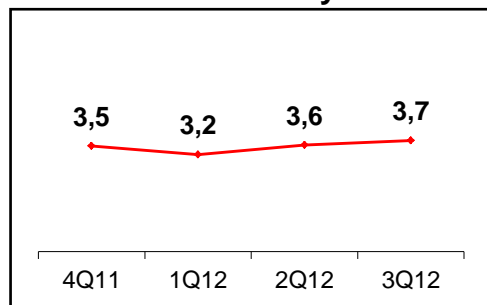
* According to Basel II

Strong NIM expansion along with strong loan growth

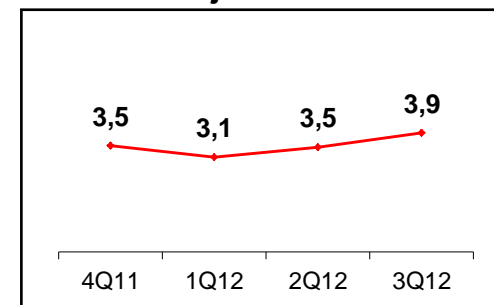
NIM Cumulative*



NIM Quarterly*



NIM Adjusted for CPI**

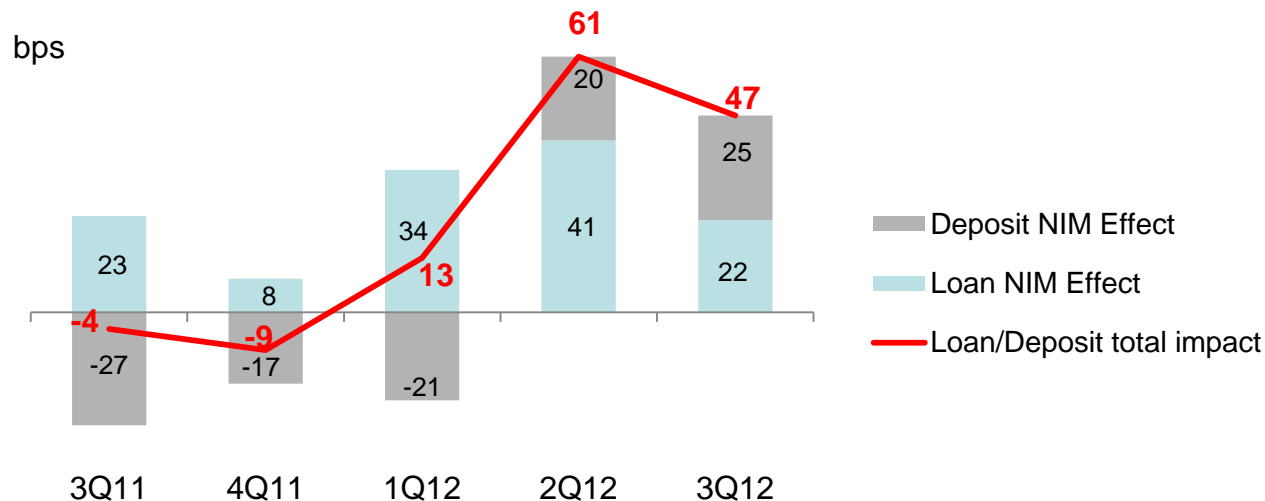


(TL mn., \$ mn.)	4Q11	1Q12	2Q12	3Q12	NIM impact		
					4Q11-1Q12	1Q12-2Q12	2Q12-3Q12
TL Loans	10.70%	10.99%	11.49%	11.52%	34	29	35
TL Deposits	8.01%	8.58%	8.53%	7.91%	-16	12	18
FX Loans	4.37%	4.66%	5.13%	4.92%	0	12	-13
FX Deposits	3.20%	3.33%	2.88%	2.85%	-5	8	7
Loan-Deposit impact					13	61	47
TL Securities	11.78%	10.26%	10.76%	10.19%	-32	-19	-43
FX Securities	4.44%	4.67%	4.43%	4.62%	-2	7	3
Securities impact					-34	-12	-40
Other					-7	-16	10
Total					-28	33	17

* Adjusted for BRSA classification, reserve requirements included in interest earning assets

** NIM adjusted quarterly for annual 7.9% CPI inflation

Lower cost of funding and increased share of high yielding loan portfolio will support NIM



- We will continue to see the positive effect of duration gap in the following quarters
- Y-t-d 20% increase in loans and shifting the portfolio towards higher yielding loans will put Akbank in a beneficiary position in the sector

High yielding TL loans to bring further profitability as the major contributor to growth

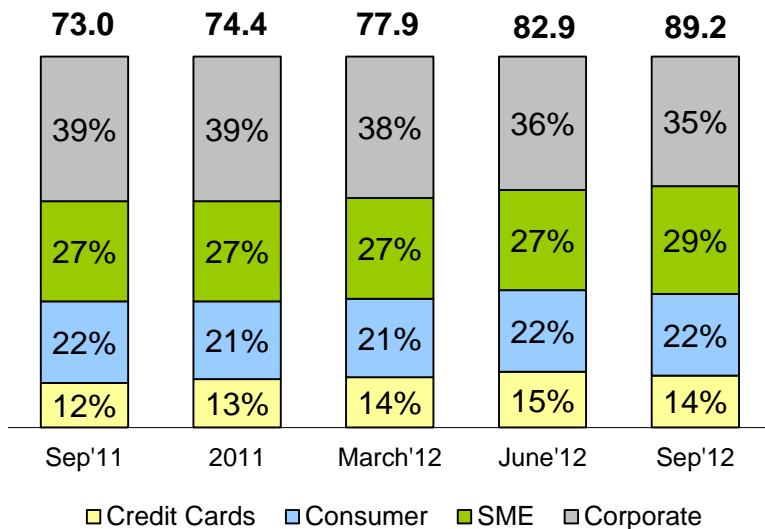
(TL mn., \$ mn.)	3Q11	YE11	1Q12	2Q12	3Q12	y-t-d
TL loans	40,903	42,000	44,455	49,897	56,668	34.9%
FX loans (\$ mn)	17,341	17,129	17,728	18,267	18,228	6.4%
Total loans	73,005	74,356	77,884	82,897	89,199	20.0%

(TL mn., \$ mn.)*	3Q11	YE11	1Q12	2Q12	3Q12	y-t-d
TL Corporate	4,737	4,470	5,972	5,094	7,537	68.6%
FX Corporate (\$ mn)	12,885	12,635	13,191	13,603	13,078	3.5%
TL SME	10,591	10,804	11,893	12,972	15,493	43.4%
FX SME (\$ mn)	4,787	4,896	5,065	5,250	5,783	18.1%
Consumer	15,623	15,506	16,245	17,855	19,071	23.0%
Credit Cards	8,504	9,505	10,462	11,971	12,357	30.0%

(*) Excluding accrued interest on loans

Share of higher yielding loans is increasing while maintaining strong asset quality and high collateralization

(TL billion)



NPL ratios

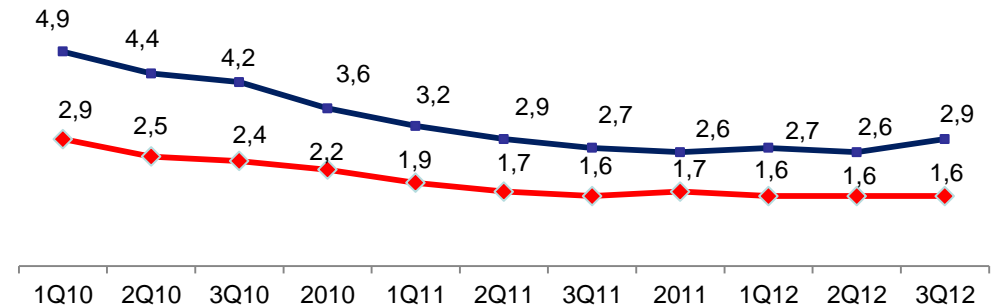
	Akbank		Sector	
	2011	3Q12	2011	3Q12
Corporate	0.0%	0.0%	1.1%	2.5%
SME	2.9%	2.4%	2.3%	2.5%
Consumer	1.8%	1.7%	1.9%	2.1%
Credit Cards	3.2%	3.2%	5.9%	5.6%
Total	<u>1.7%</u>	<u>1.6%</u>	<u>2.6%</u>	<u>2.9%</u>

Note: Corporate and SME NPL ratios for Akbank are grouped under a 1.3% bracket in the original image.

- The share of SME & consumer loans increased to 65% from 61% y-t-d
- 172% coverage ratio including general provisions

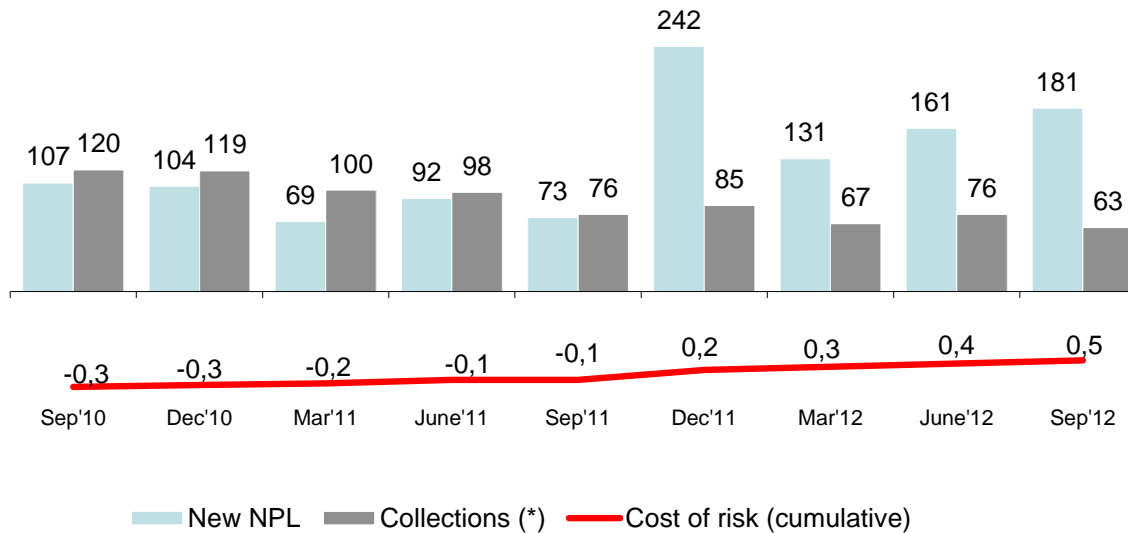
Well managed asset quality with a widening gap vs sector

NPL ratio



(TL mn.)

Cost of risk

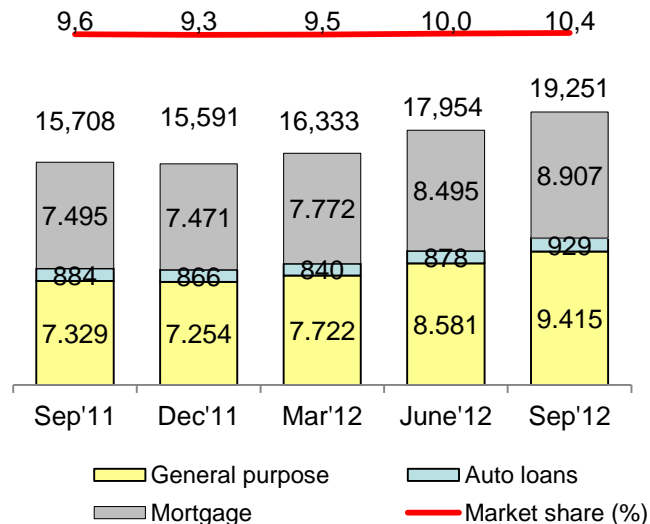


(*) Excluding NPL Sales

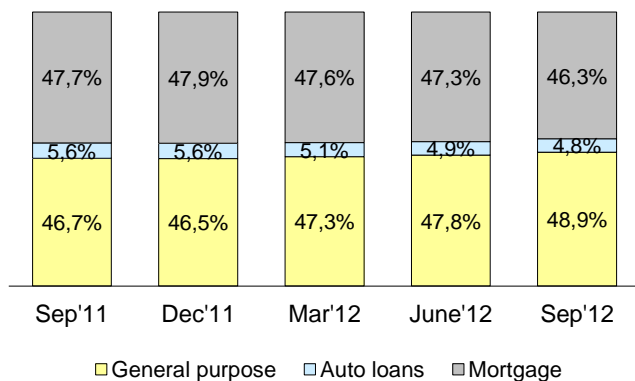
Focus on highly profitable products: 30% increase in GPLs

(TL mn.)

23.5% y-t-d



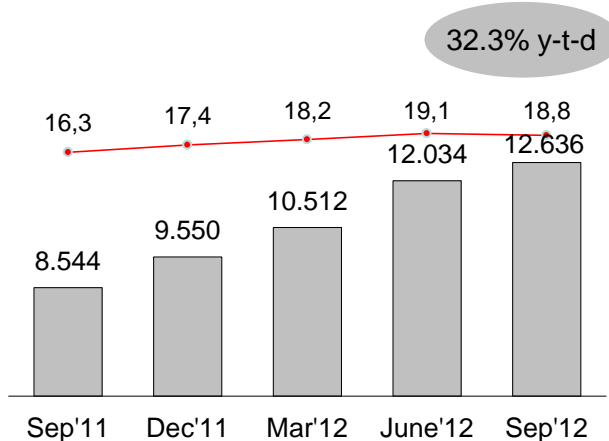
- GPLs grew 29.8% y-t-d, 140bps increase in market share
- Strong benefit from GPLs through high spread and cross sell
- Mortgage loans grew 19.2% y-t-d, 100bps increase in market share



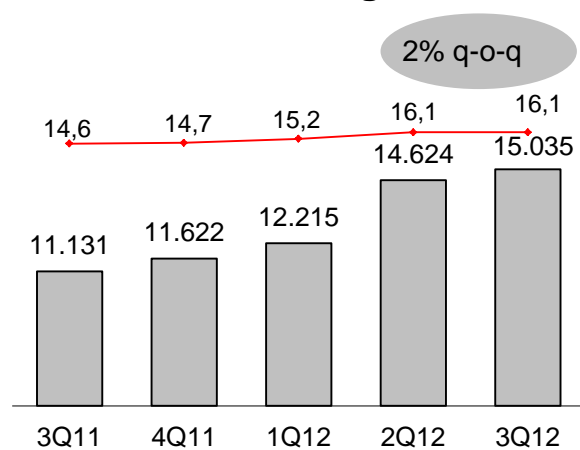
Cross-sell ratio	
Mortgage Loans	5.9x
General Purposes Loans	5.6x
Auto Loans	5.2x

Extending our strong position in credit card business

Credit Card Loans (TL mn)



Credit Cards Issuing Volume



■ Volume (TL mn.)

■ Market shares

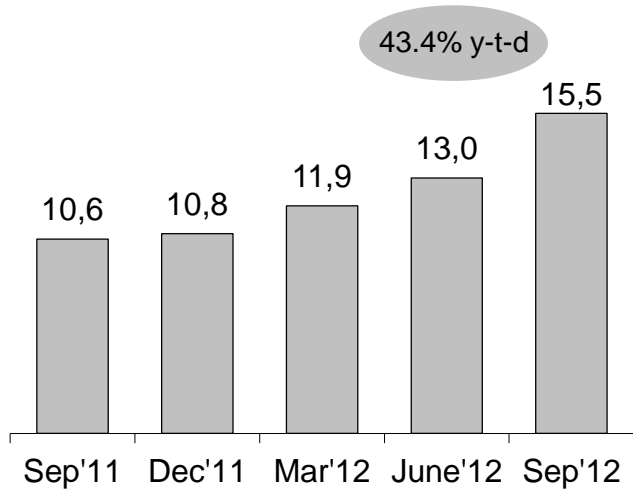
Higher quality portfolio with;

- 1.4% market share gain y-t-d in credit card loans
- Highest fee generating bank in payment systems*
- Highest issuance volume per card in the peer group by 27%*
- Low NPL ratio of 3.2% vs 5.6% for the sector

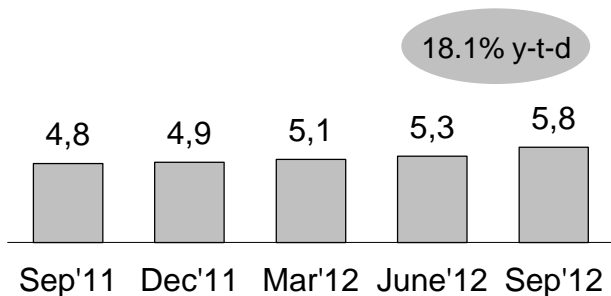
* According to 2Q12

SME loans – strong momentum with risk focus

TL Loans (TL bn)



FX Loans (USD bn)

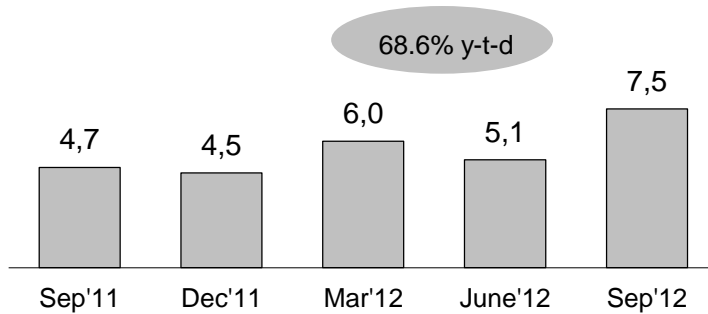


- Growth in SME loans through enhanced marketing capability and improved risk management
- Bundled product packages for different sectors i.e. tourism, wholesale and foreign trade support
- Loan packages with loyalty and support programmes for Merchants and Small Businesses
- Channeling of multilateral funds from OPIC, EIB and EBRD
- Increased focus on export finance, energy efficiency, renewable energy
- Cross sell ratio of 3.8x

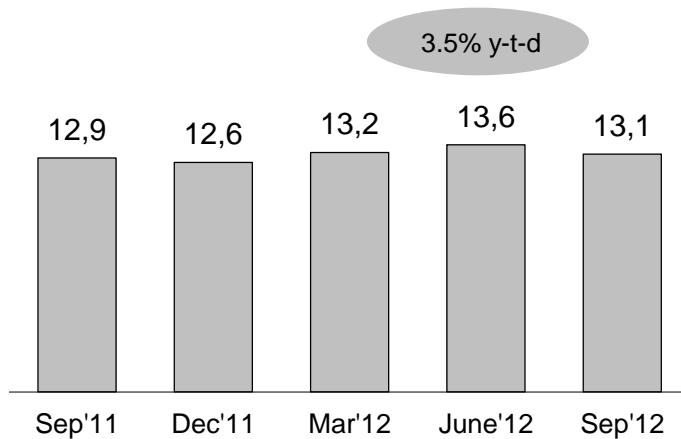
SME loans given to companies with sales turnover <TL 100 mn

Corporate loans – growth with profitability focus

TL Loans (TL bn)

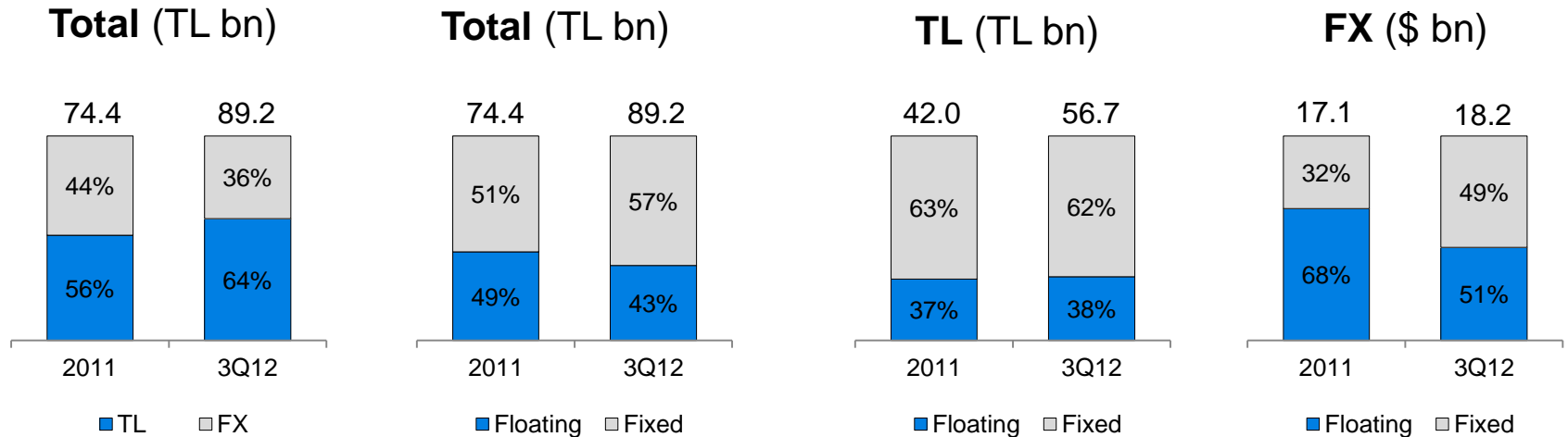


FX Loans (USD bn)



- Levering synergies across different business units
- Proactive and customer-focused approach and an emphasis on customer satisfaction
- High quality portfolio with zero credit losses
- Cross sell ratio of 5.0x

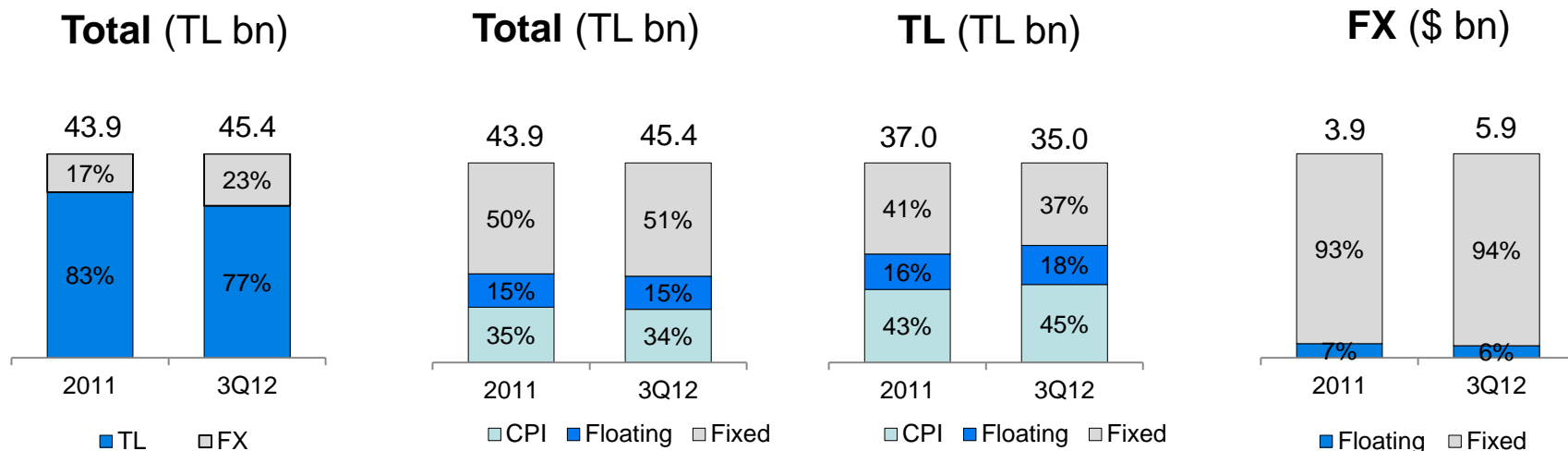
Loans - increasing share of TL loans



- 20% increase in loans, 100 bps market share gain
- 35% increase in TL loans, 140bps market share gain

Securities – well managed to support profitability and liquidity

Timely investment into FX securities will further differentiate us

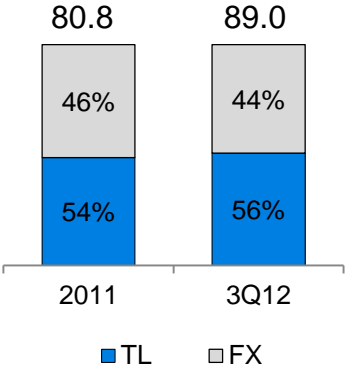


- Strong unrealized gain of TL 1.2 bn
- TL 781 mn of trading gain
- CPI inflation initially estimated at 8.7% vs realization of 7.9% leading to TL 97 mn adjustment to net interest income
- Available for sale 92% (2011: 88%), held-to-maturity 8% (2011: 11%), trading 0.1% (2011:1%)

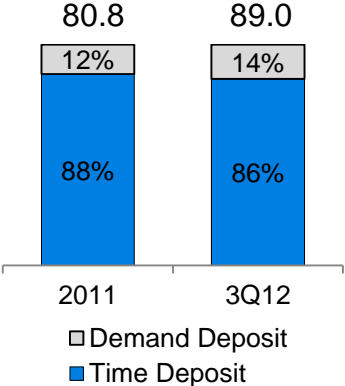
Percentage breakdowns are calculated based on cost of securities, excluding accruals

Deposits - 50 bps increase in market share with decreased cost

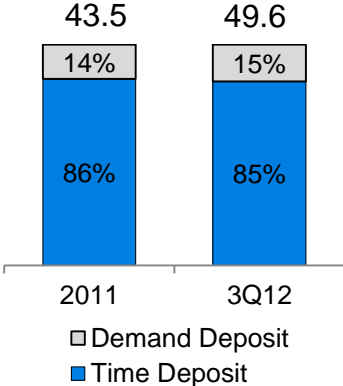
Total (TL bn)



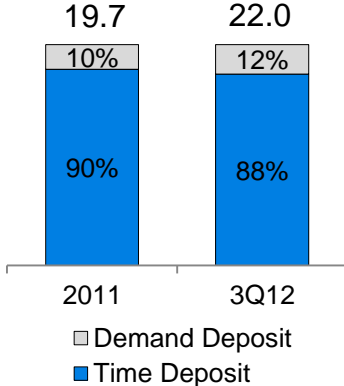
Total (TL bn)



TL (TL bn)



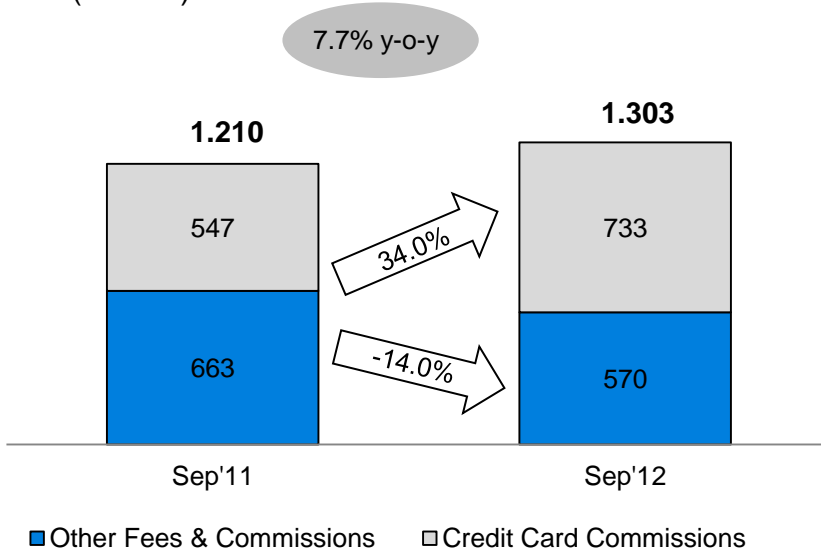
FX (\$ bn)



- Focus on increasing share of demand and lower cost deposits

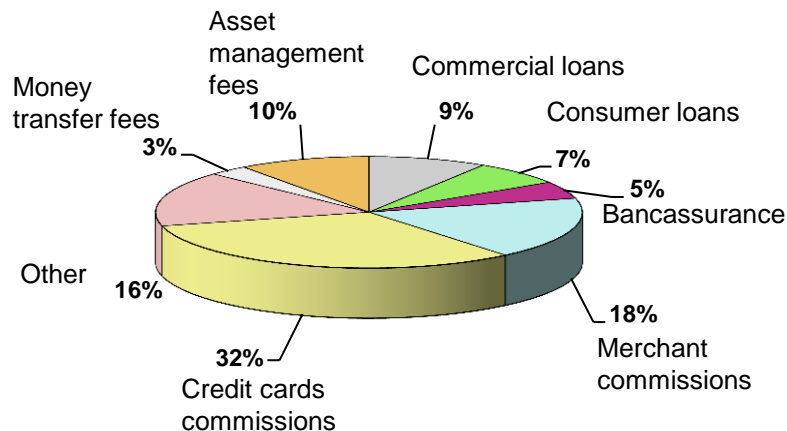
Strong fee & commission growth: 17.4% increase like by like basis

(TL mn.)

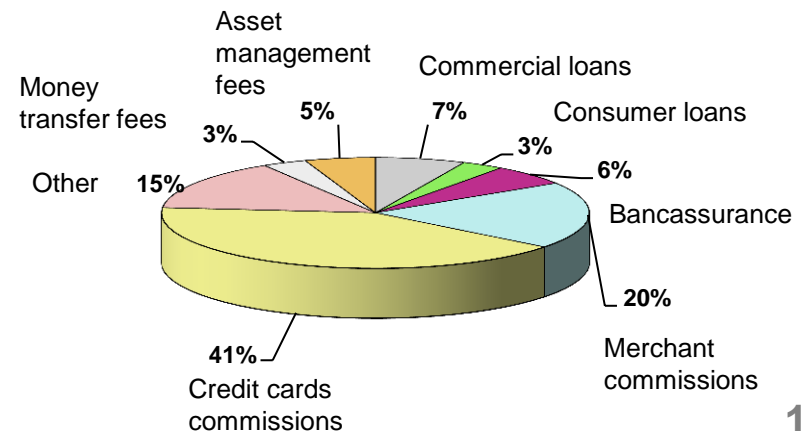


- Growth is mainly due to credit card (34%) and bancassurance (39%) commissions
- 34% increase in non-branch channels commissions
- Fee/income and fee/cost ratios are 25.9% and 60.1% respectively
- Loan fees accounting change and mutual fund cap are reducing growth from 17.4 to 7.7%

9M11

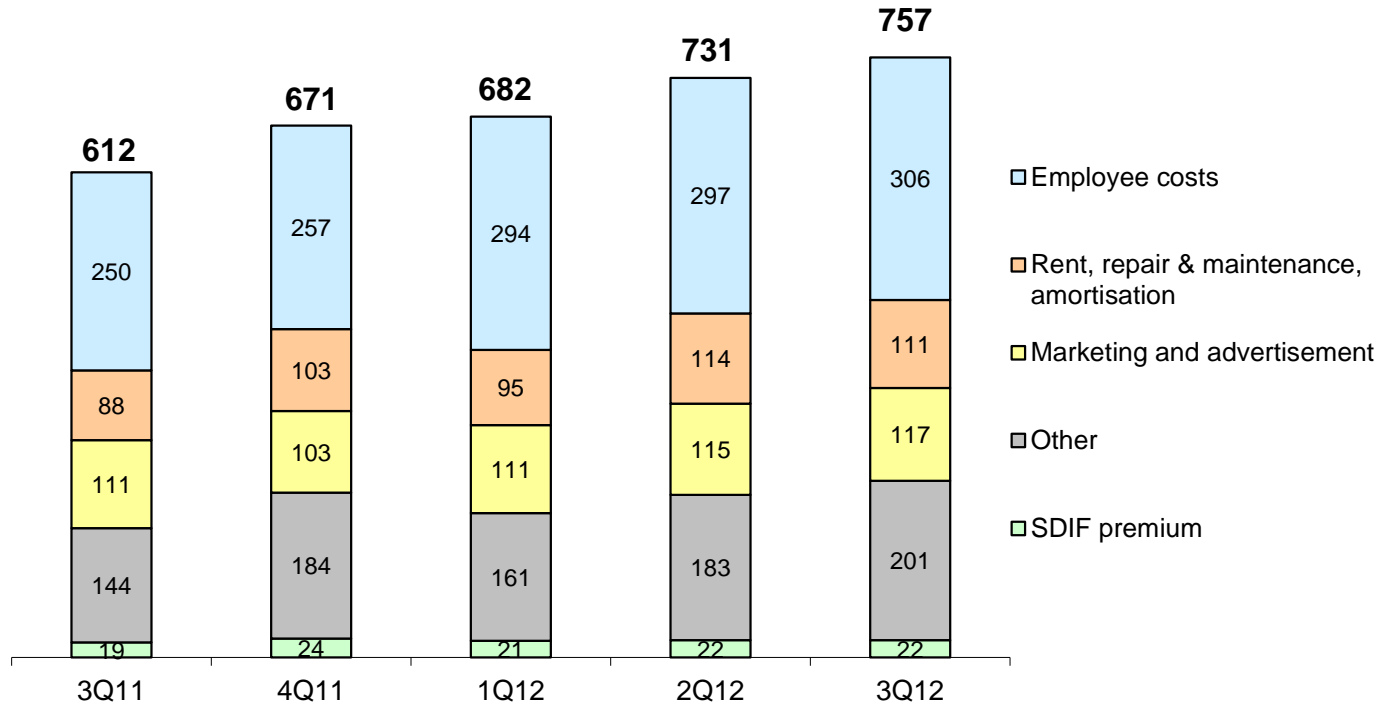


9M12



Operational cost increase due to branch network expansion

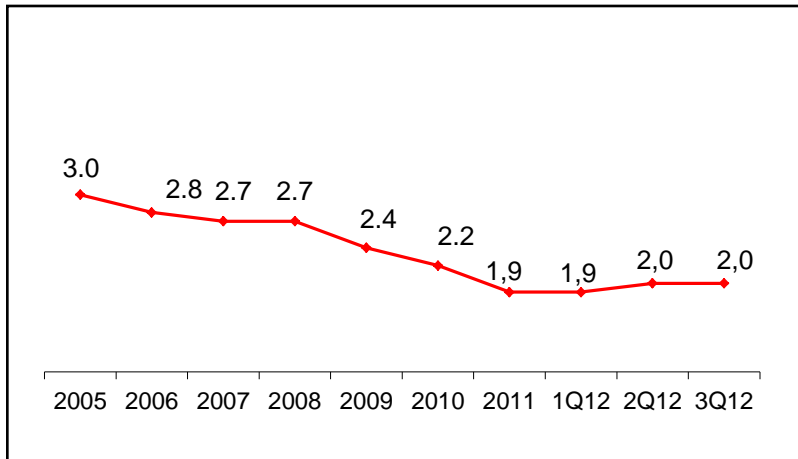
Quarterly Operational Cost



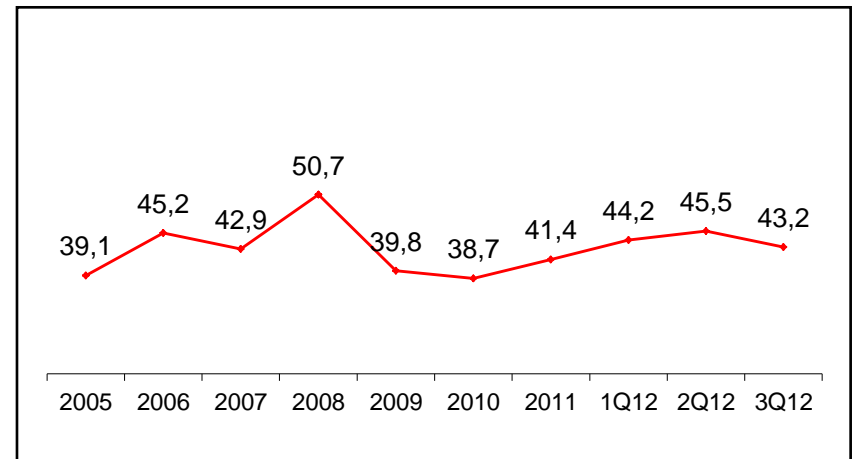
- 3.6% q-o-q increase in operational costs
- 17.7% y-o-y increase mainly due to HR expenses and branch network expansion

Cost ratios started to improve

Cost/average assets (%)



Cost/income (%)



- Low cost / asset ratio has a positive impact on ROA

Balance sheet highlights

Consolidated (TL mn.)			Shares (%)		Change (%)
	2011	3Q12	2011	3Q12	
Cash and Due from Banks	17,342	17,565	12.4	11.3	1
Securities	43,957	45,432	31.4	29.0	3
Loans	74,356	89,199	53.1	56.9	20
Other	4,252	4,459	3.0	2.8	5
TOTAL ASSETS	139,907	156,655			12
Deposits	80,771	88,967	57.7	56.8	10
Funds Borrowed	20,741	18,368	14.8	11.7	(11)
Repo	13,062	19,673	9.3	12.6	51
Other	7,201	8,958	5.1	5.7	24
Equity	18,131	20,689	13.0	13.2	14
TOTAL LIABILITIES	139,907	156,655			12

Income statement highlights

Consolidated (TL mn.)	3Q11	3Q12	Change (%)
Interest Income	6,804	8,692	28
Interest Expense	(3,845)	(4,875)	27
Net Interest Income	2,959	3,817	29
Trading Gain (Loss), Net	73	33	-
Provision for Loan Losses, net of collections	38	(267)	-
Net Interest Income after Trading Gain/Loss & NPL Prov.	3,069	3,583	17
Fees and Commissions (Net)	1,210	1,303	8
Operating Expense	(1,844)	(2,170)	(18)
Other Income	409	139	(66)
Other Provisions	(367)	(385)	5
Income Before Tax	2,477	2,470	-
Tax	(517)	(563)	(9)
Net Income	1,960	1,907	(3)

Balance sheet highlights in USD

Consolidated (USD mn.*)			Shares (%)	
	2011	3Q12	2011	3Q12
Cash and Due from Banks	9,181	9,842	12.4	11.3
Securities	23,271	25,456	31.4	29.0
Loans	39,364	49,980	53.1	56.9
Other	2,251	2,499	3.0	2.8
TOTAL ASSETS	74,068	87,777		
Deposits	42,761	49,850	57.7	56.8
Funds Borrowed	10,981	10,292	14.8	11.7
Repo	6,915	11,023	9.3	12.6
Other	3,813	5,019	5.1	5.7
Equity	9,599	11,593	13.0	13.2
TOTAL LIABILITIES	74,068	87,777		

* Figures are stated with exchange rates effective at respective dates: 2011 – 1.8889; 3Q12 – 1.7847

Income statement highlights in USD

Consolidated (USD mn.*)	3Q11	3Q12
Interest Income	3,675	4,870
Interest Expense	(2,077)	(2,731)
Net Interest Income	1,598	2,139
Trading Gain (Loss), Net	39	19
Provision for Loan Losses, net of collections	21	(150)
Net Interest Income after Trading Gain/Loss & NPL Prov.	1,658	2,008
Fees and Commissions (Net)	653	730
Operating Expenses	(996)	(1,216)
Other Income	221	78
Other Provisions	(198)	(216)
Income Before Tax	1,338	1,384
Tax	(279)	(316)
Net Income	1,059	1,068

* Figures are stated with exchange rates effective at respective dates: 3Q11– 1.8512; 3Q12 – 1.7847

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