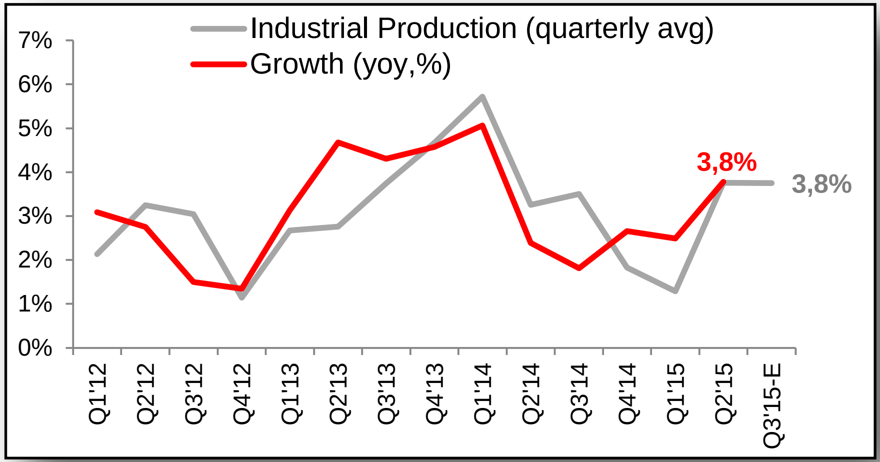
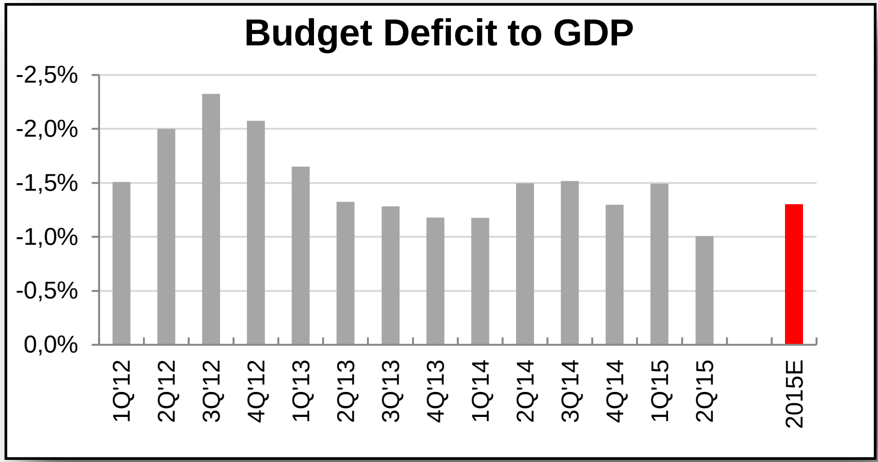
3Q15 Consolidated Financial Results

26 October 2015

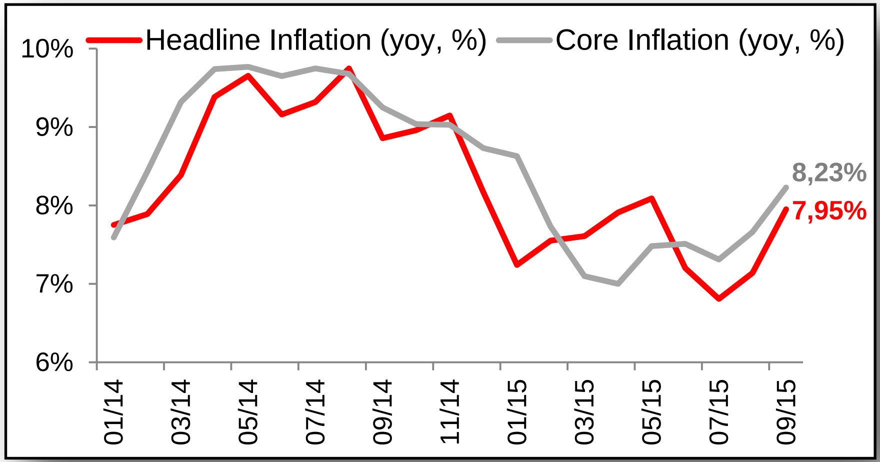
3Q15 Macro Outlook



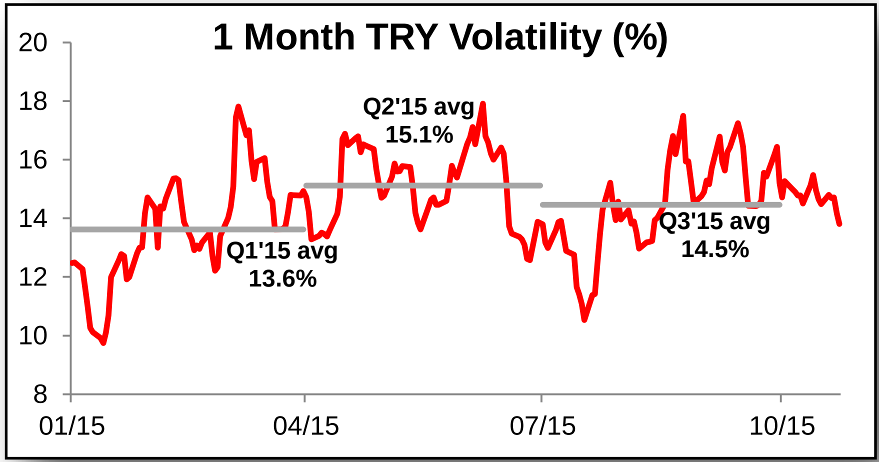
- Economic activity is supported by resilient IP trend



- Fiscal discipline continues



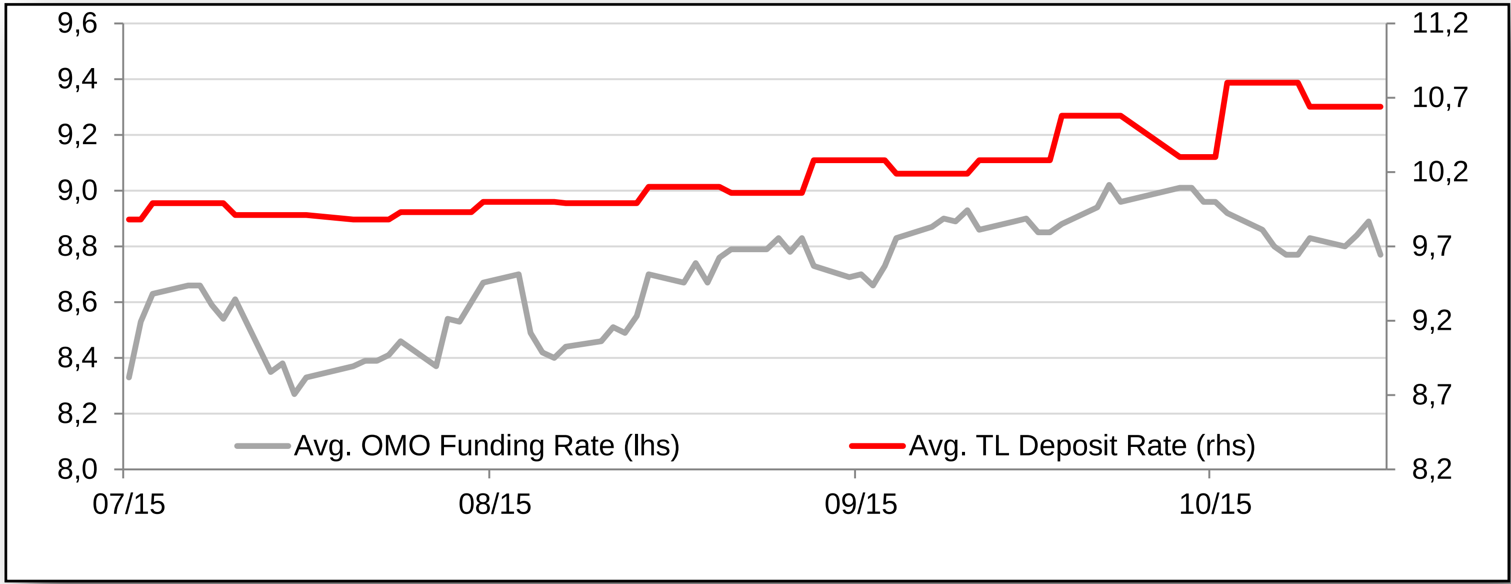
- Inflation risks are on the upside.



- Both TL volatility and depreciation were higher in the third quarter

Source: Akbank Economic Research, CBT, Bloomberg, * MTP Estimate

3Q15 Monetary Policy



- In response to heightened volatility in FX rates and continued risks on inflation outlook, The Central Bank continued to hold a tight monetary policy in the third quarter
- Thus, the average cost of OMO funding has risen from 8,60% levels to 9% at the end of 3rd quarter (8.0% in 1Q15)
- While TL deposit cost was up by 40 bps during the same period

Source: Akbank Economic Research, CBT

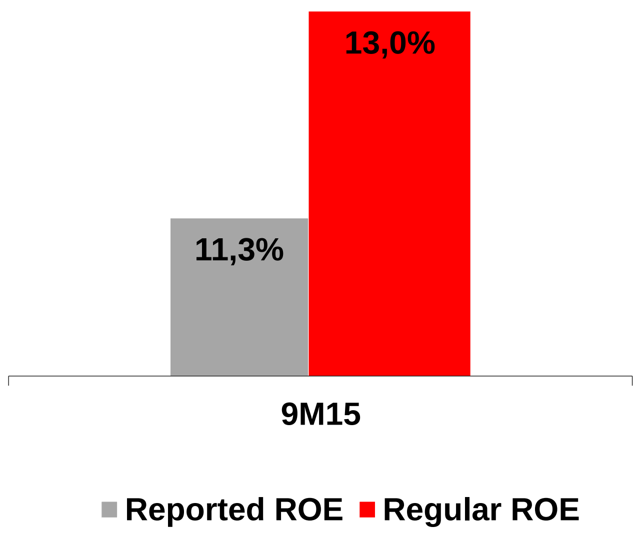
Proactive balance sheet management

- ***Superior A&L management***
  - *Cumulative NII (swap cost adj.) up by 16% YoY with quarterly flat NIM*
    - Flat core spread maintained despite higher share of costlier core funding
    - Continuous re-pricing starts to pay-off in lending yields
  - *Funding mix inclining towards core liabilities*
    - 60% of liabilities deposits vs. 55% at year-end
    - Lower LDR of 101%
    - Maturity mismatch continues to shrink (duration gap of 5.3 months)
    - Reduced short-term FX Repo and swap position
  - *Asset growth gained pace with favorable yields*
    - Selective lending growth with higher share in business banking
    - Positioned for more profitable retail loan growth
    - Timely re-investment in TL securities
- ***Efficiency metrics (cost to assets, CIR, Fees/OPEX) improved as guided***
- ***Capitalization and asset quality remained strong despite significant TL depreciation***

Regular Net Income implying an ROE of 13.0%

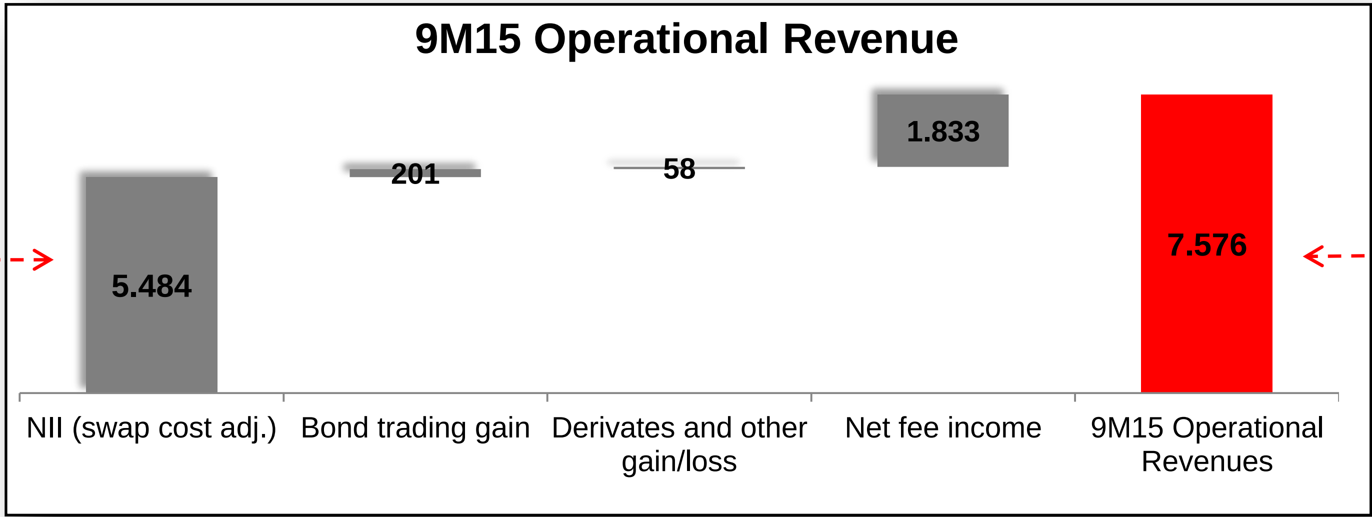
	9M15	
Consolidated (TL mio)	**Net Income**	**ROE (%)**
Reported	2,222	11.3
Non-operational item adj.:		
Add. General provisions	180	0.9
Fee rebates	140	0.7
One-off OPEX	20	0.1
Regular Net Income	***2,562***	***13.0***

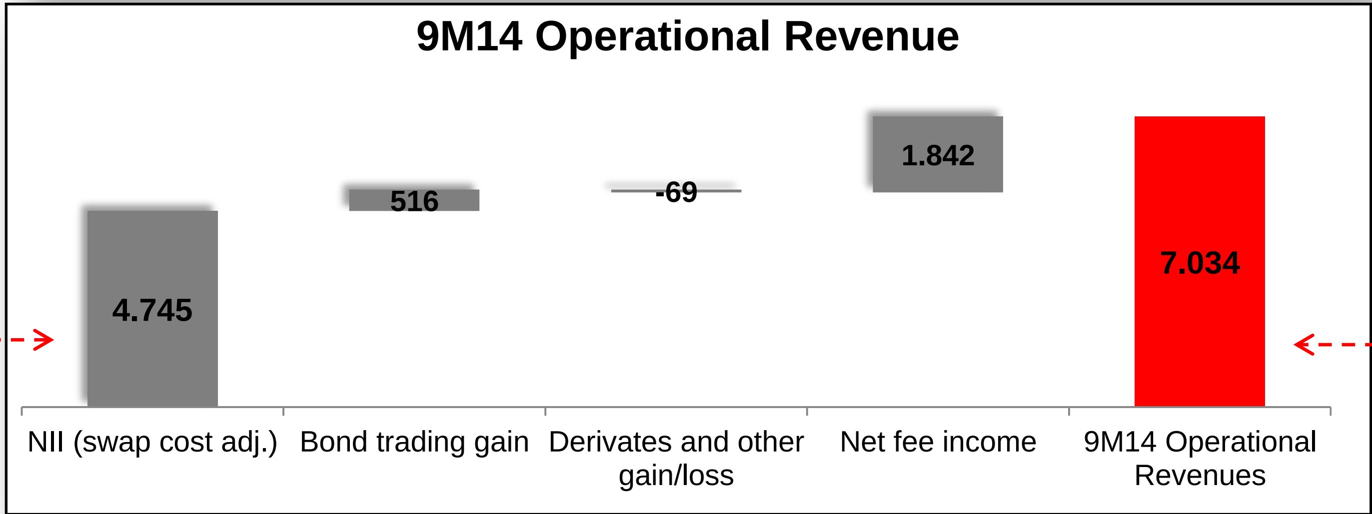
Cumulative ROE



Additional general provisions requirement together with high fee rebates have almost 2ppt negative impact on ROE

NII up by 16%, Operational revenues increased by 8% with more customer business





16% annual growth in NII (Swap Cost adj)

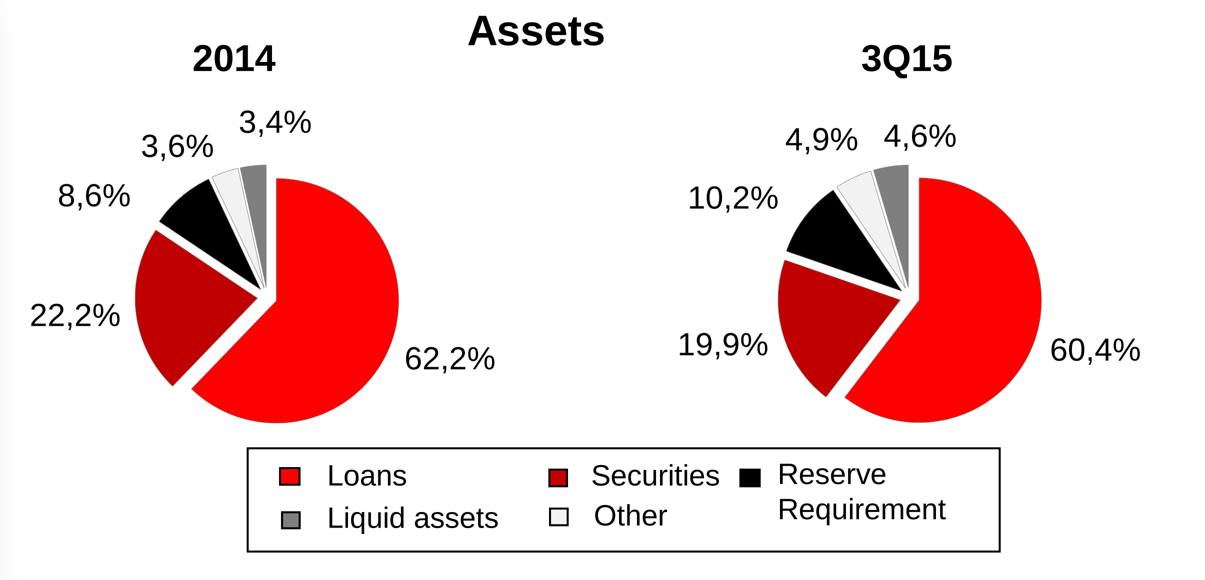
8% annual growth in Operational Revenues

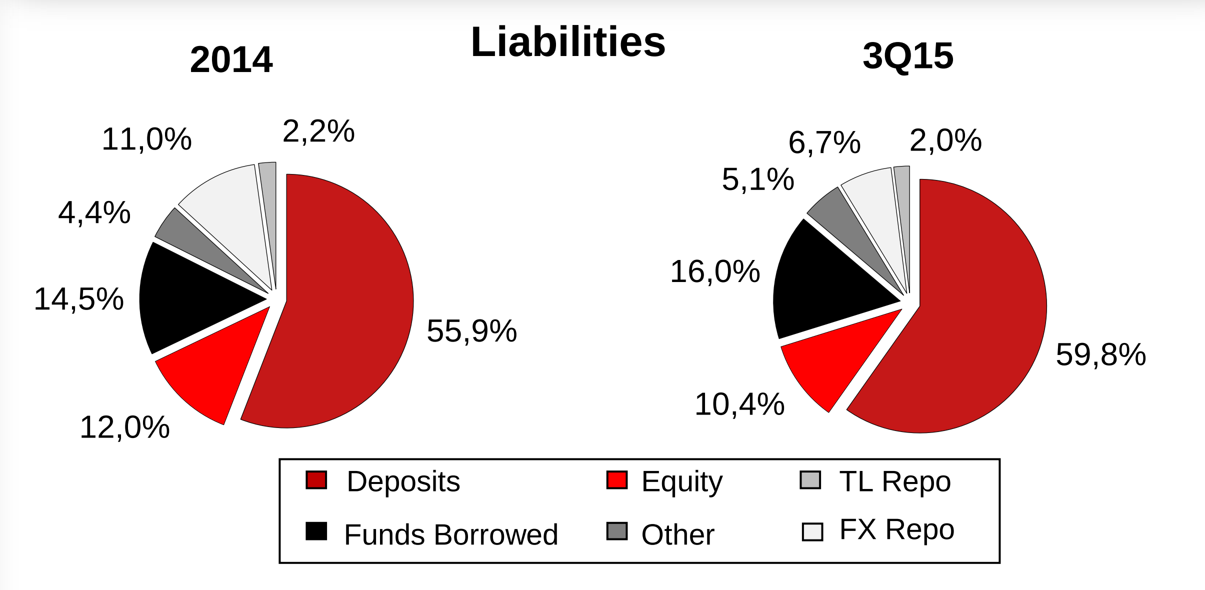
Operational Revenues up by 8% YoY,

Despite - Lower CPI, Lower bond trading gain, Regulatory fee pressure

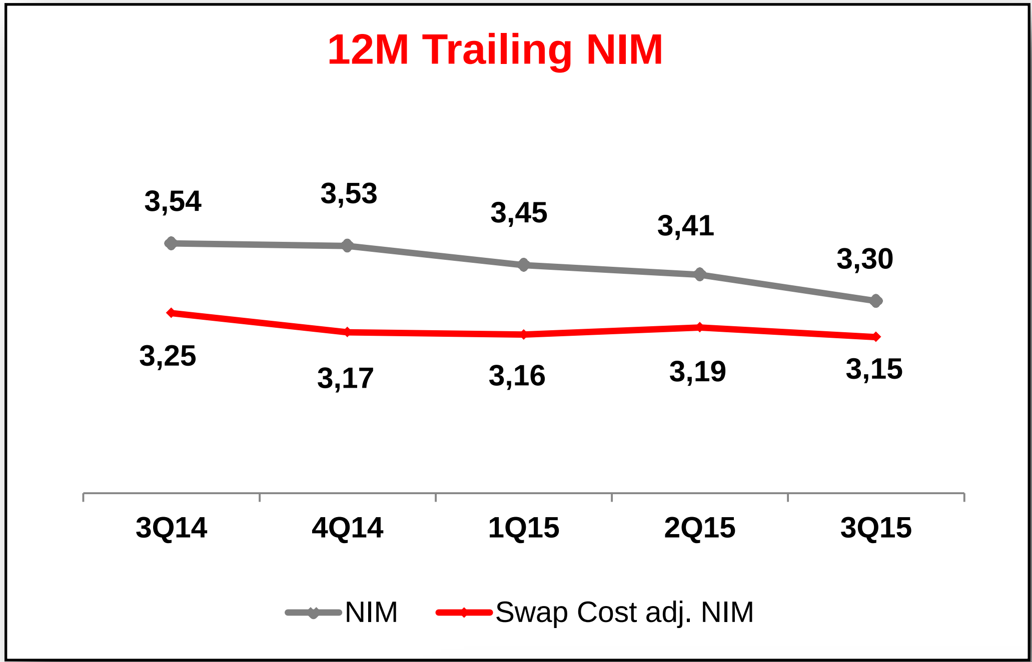
Strong liquidity & stronger core liabilities...

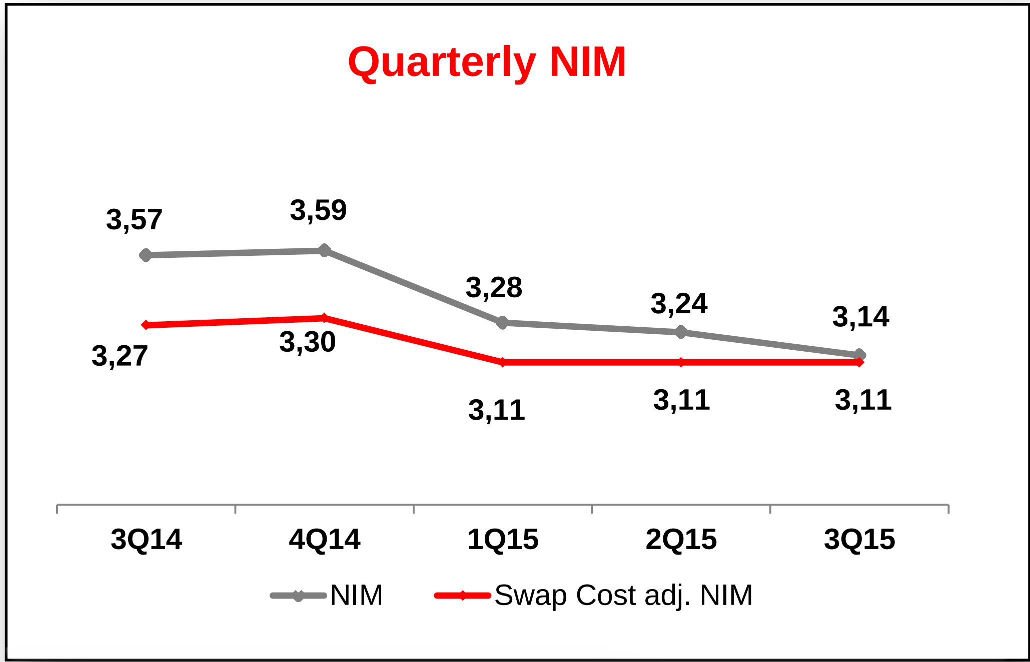
- Loans and securities set to benefit from favorable yields
- Liquidity continues to be strong (17% of total assets are high quality liquid assets)
- Significantly improved LDR down to 101% from 111% in YE2014
- Duration gap reduced to 5.3 months
- More focus on core liabilities
  - Deposits share in total liabilities up to 60%
  - Lower share of FX repo as short term portion reduced

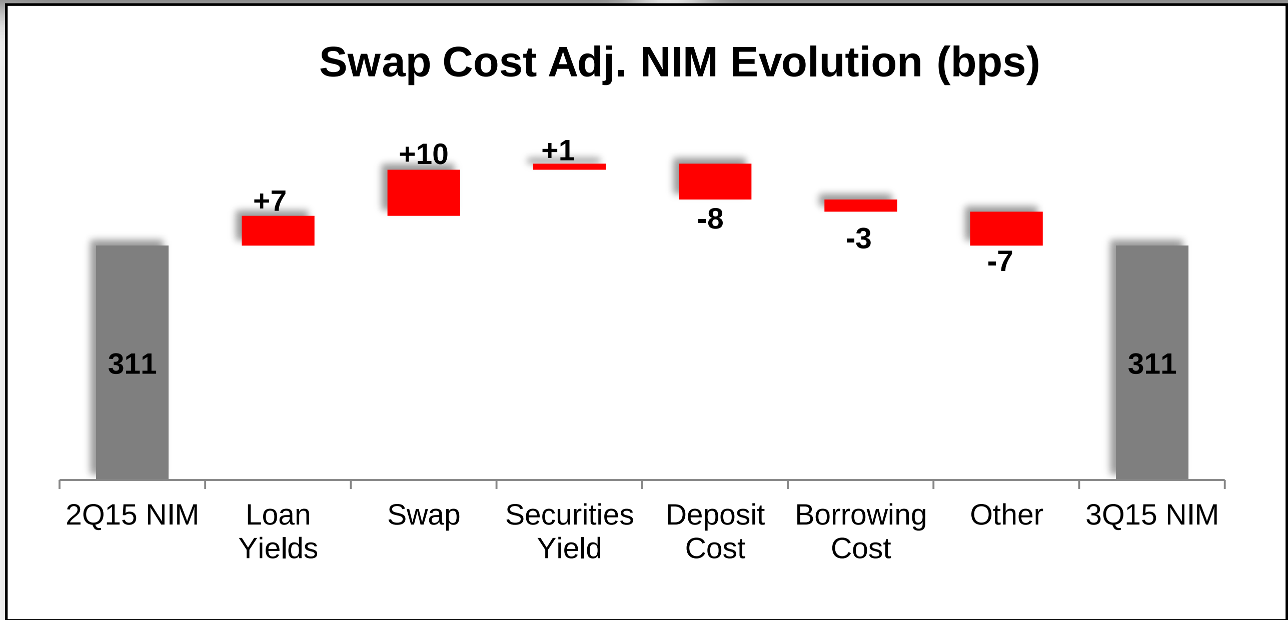




...with well managed NIM

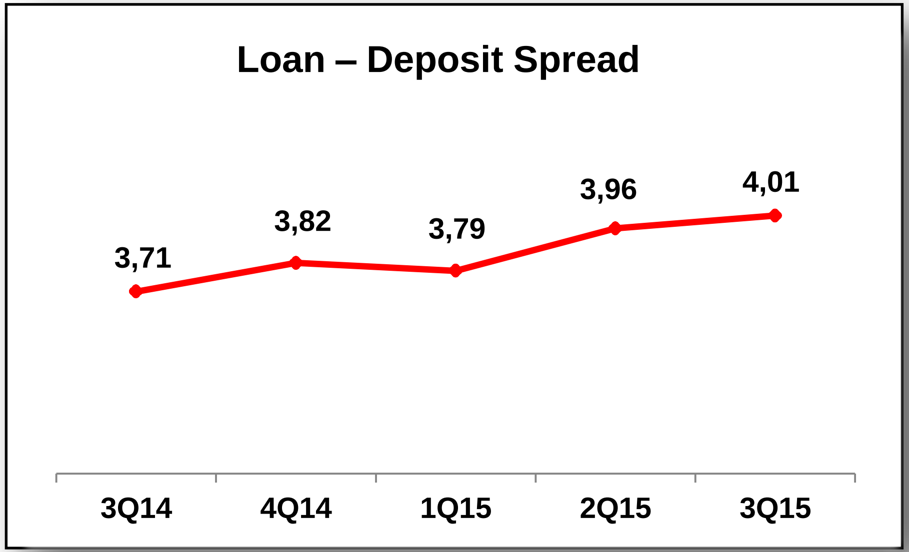


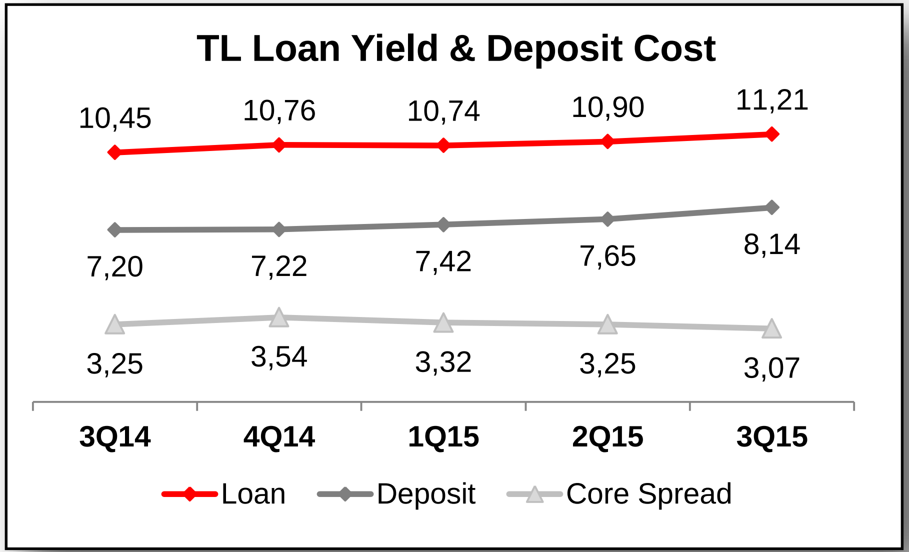


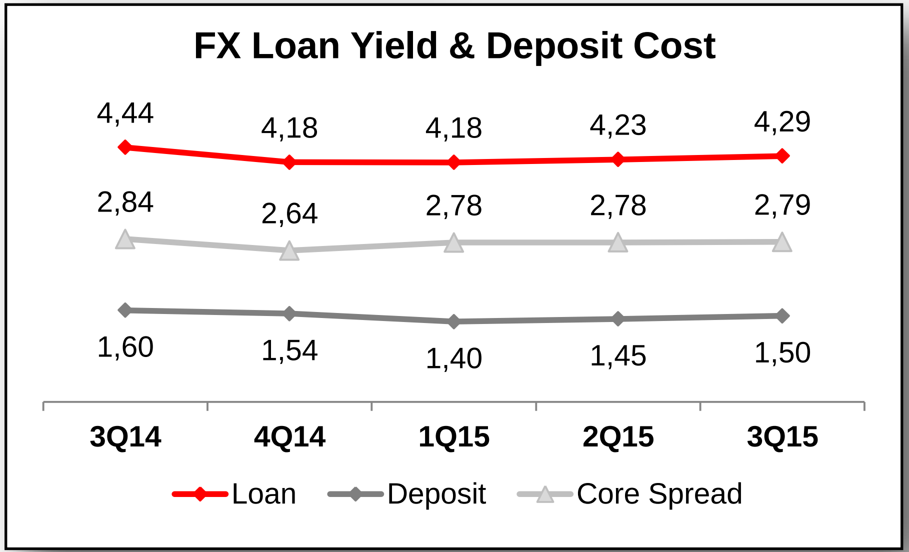


Another quarter of flat NIM despite the rise in cost of funding

Core spread is flat as lending yields continue to improve







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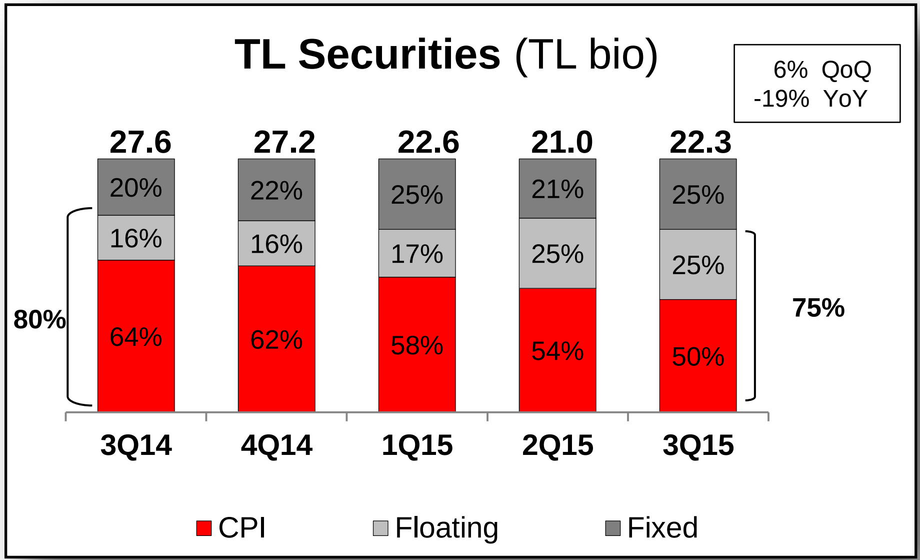
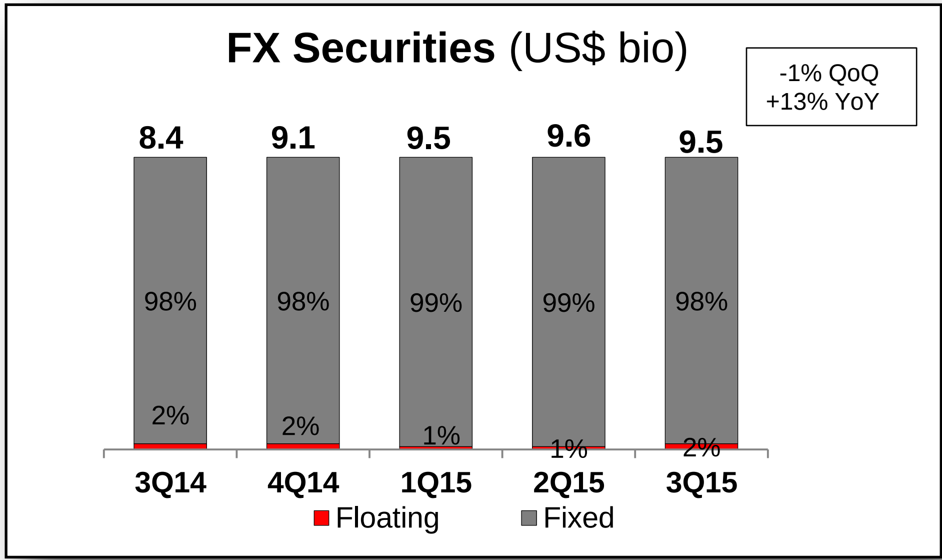
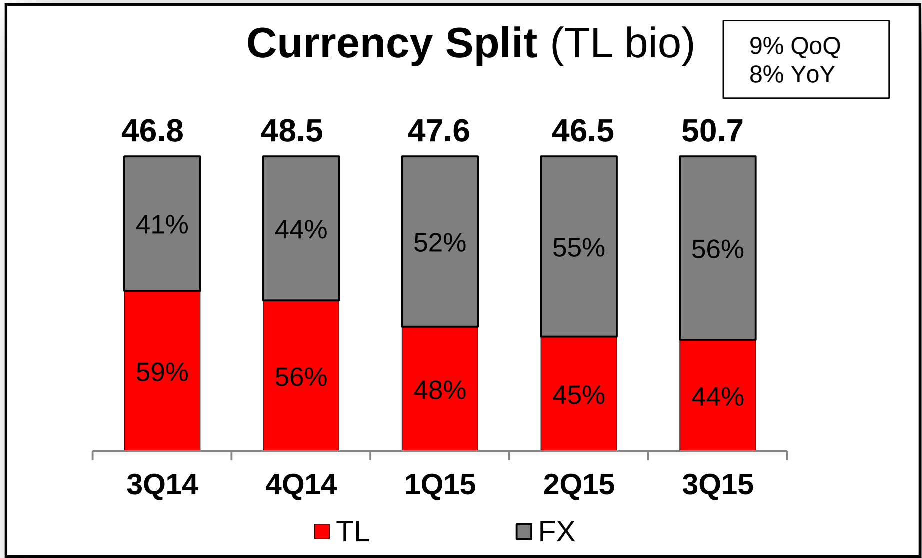
Benefiting from TL yield pick-up







21% HtM, 79% AFS

MtM Valuation in Equity net,
(-) TL 1.8 bio

Lucrative growth in TL business lending; Prepared for profitable growth in retail

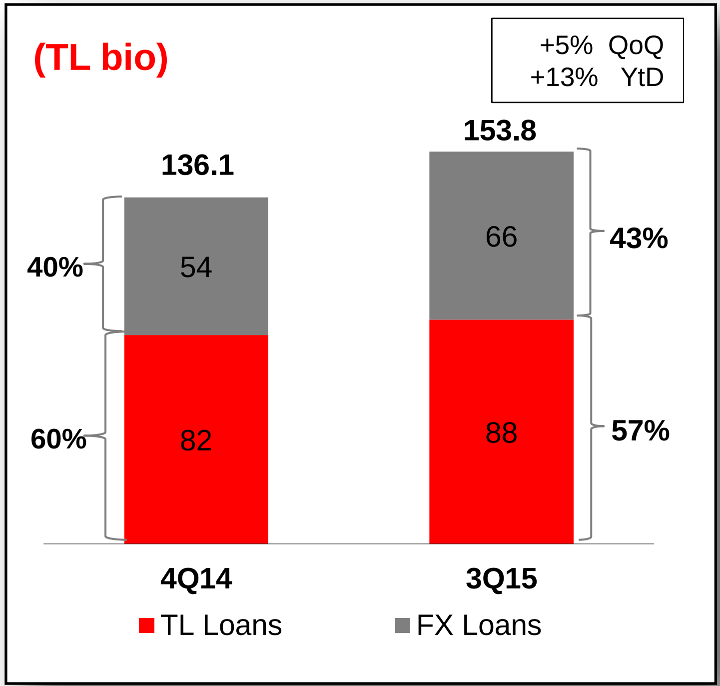
(TL mio)	3Q14	4Q14	1Q15	2Q15	3Q15	QoQ (%)	YtD (%)
TL Loans	**81,718**	**81,983**	**82,033**	**85,214**	**88,011**	***3***	***7***
Corporate	7,684	7,818	8,546	10,676	13,328	***25***	***71***
SME	30,915	31,603	32,442	34,455	35,263	***2***	***12***
Medium	22,790	22,653	23,560	25,057	25,865	***3***	***14***
Small & Micro	8,125	8,950	8,882	9,398	9,395	***0***	***5***
Consumer	30,935	30,975	29,902	29,126	28,719	***(1)***	***(7)***
Credit Cards	12,184	11,587	11,143	10,957	10,885	***(1)***	***(6)***

(US$ mio)							
FX Loans	**22,868**	**23,270**	**22,660**	**22,964**	**22,086**	***(4)***	***(5)***
Corporate	15,254	15,643	15,552	16,151	15,332	***(5)***	***(2)***
Medium	7,614	7,627	7,108	6,813	6,754	***(1)***	***(12)***

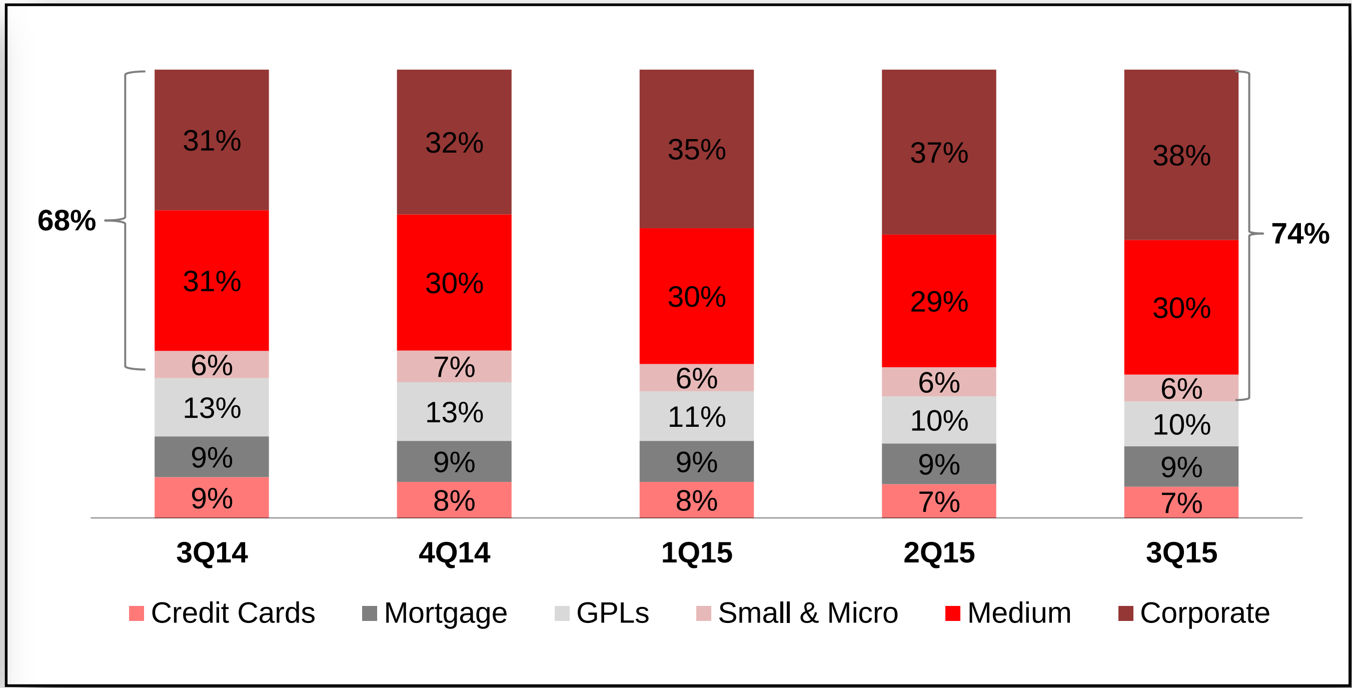
Total Loans (TL mio)	**133,794**	**136,131**	**141,253**	**146,069**	**153,827**	**5**	**13**

FX indexed loans are shown under FX loans

Loan mix towards business banking



FX indexed loans are shown under FX loans



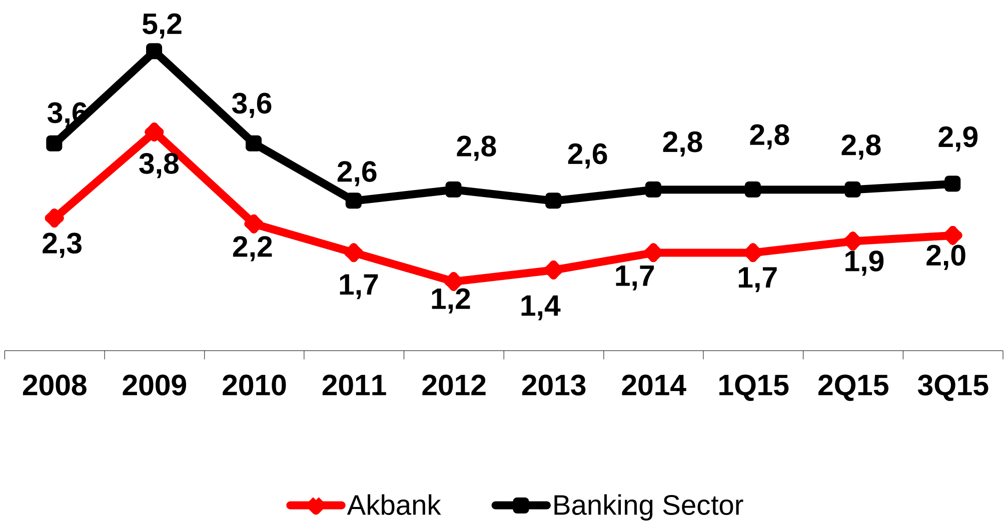
- Growth in TL business lending continues
- TL daily re-pricable loans increased to 18% from 13% in end-2014

Slight NPL deterioration within budget...

NPL Ratios by Segment (%)

	Akbank 2014	Akbank 3Q15	Sector 2014	Sector 3Q15
Business	0.8	0.8	2.4	2.3
Consumer	2.1	3.6	2.4	3.0
Credit Cards	6.6	8.6	6.8	7.9
Total	1.7	2.0	2.8	2.9

Akbank vs. Sector NPL Ratio (%)

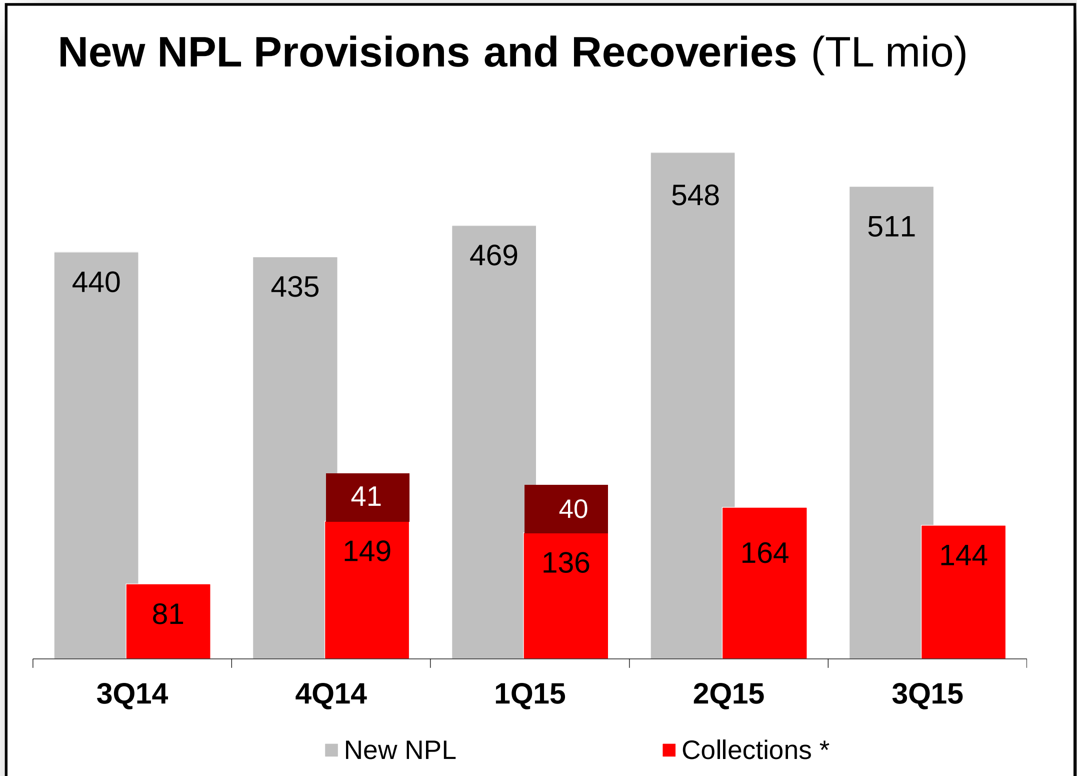


95% Specific

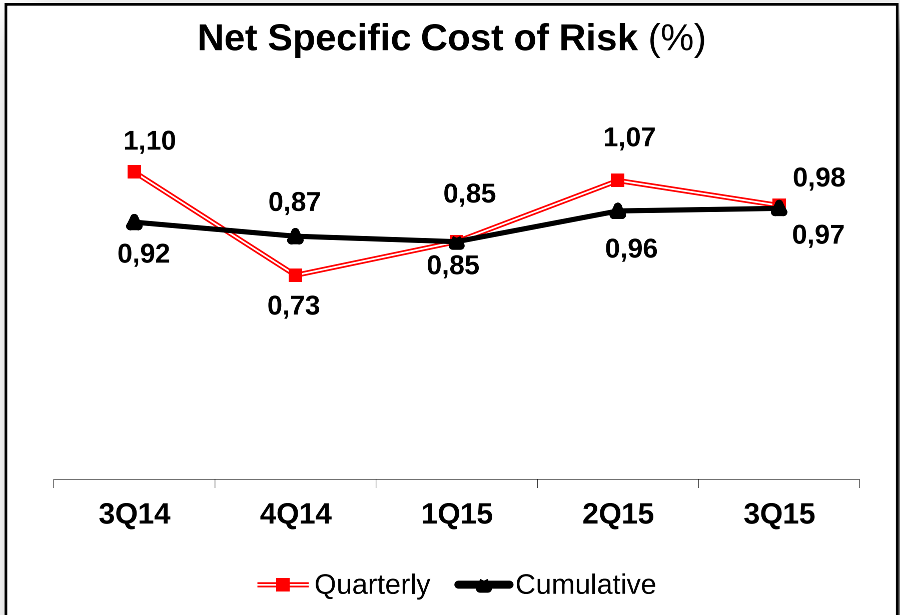
176% Total Coverage Ratio

Impact of higher specific coverage on **ROE around 1%**

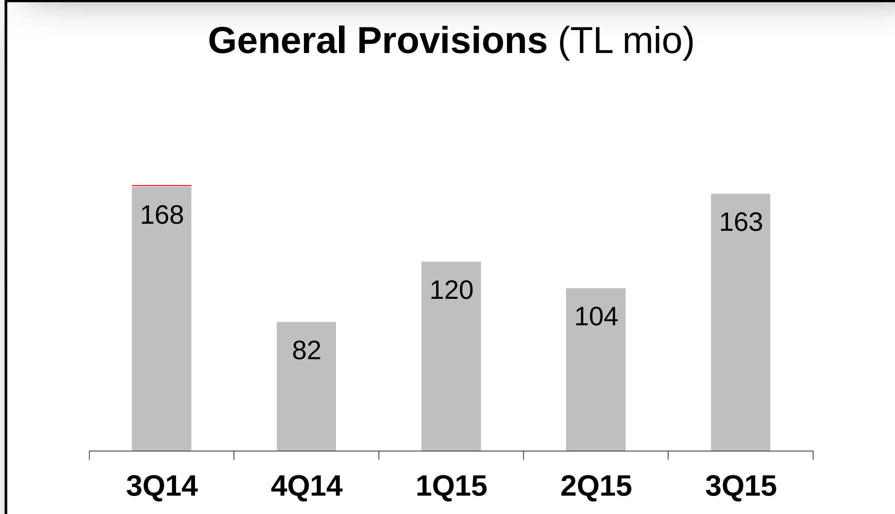
...COR improvement as guided



* Collections include NPL Sales Proceeds of TL 40 mio in 1Q15, 41 mio in 4Q14

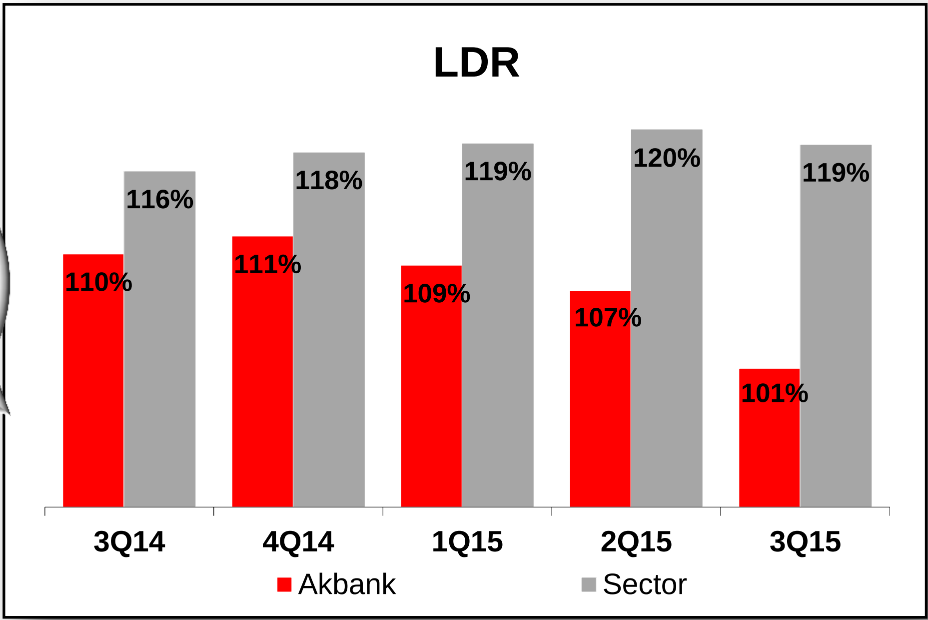


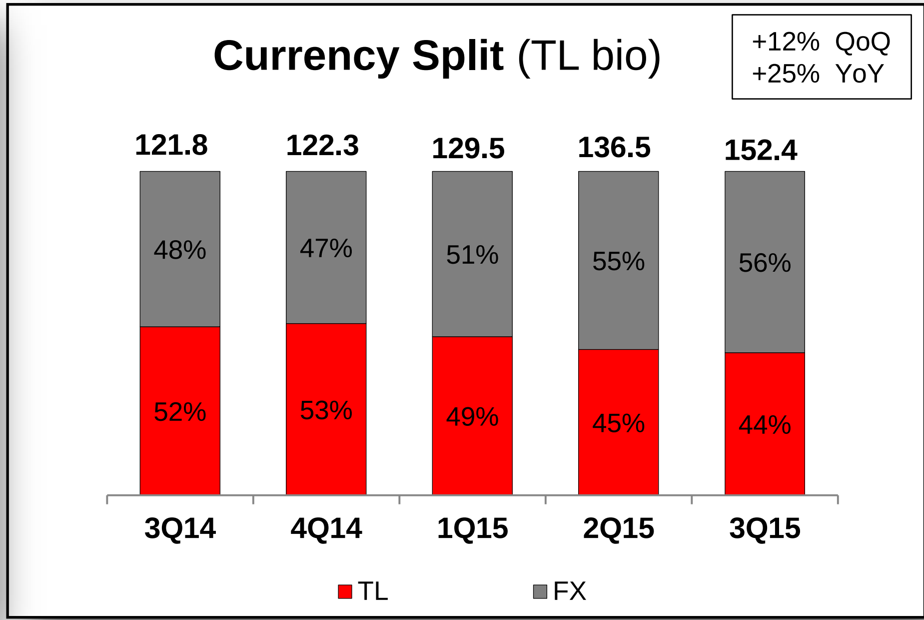
Impact of higher specific coverage on **CoR 25bps**



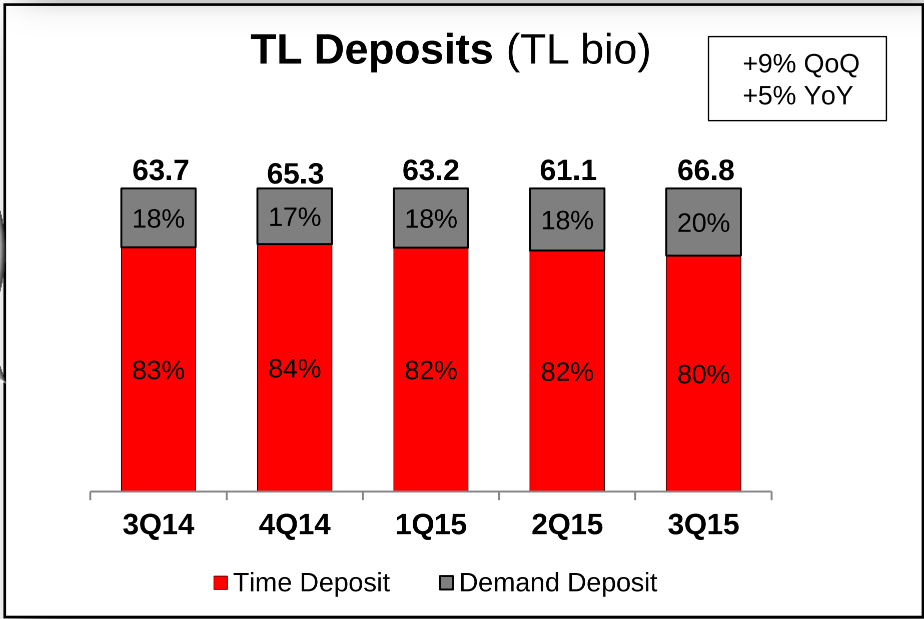
LDR continues to improve as well as TL demand deposit ratio

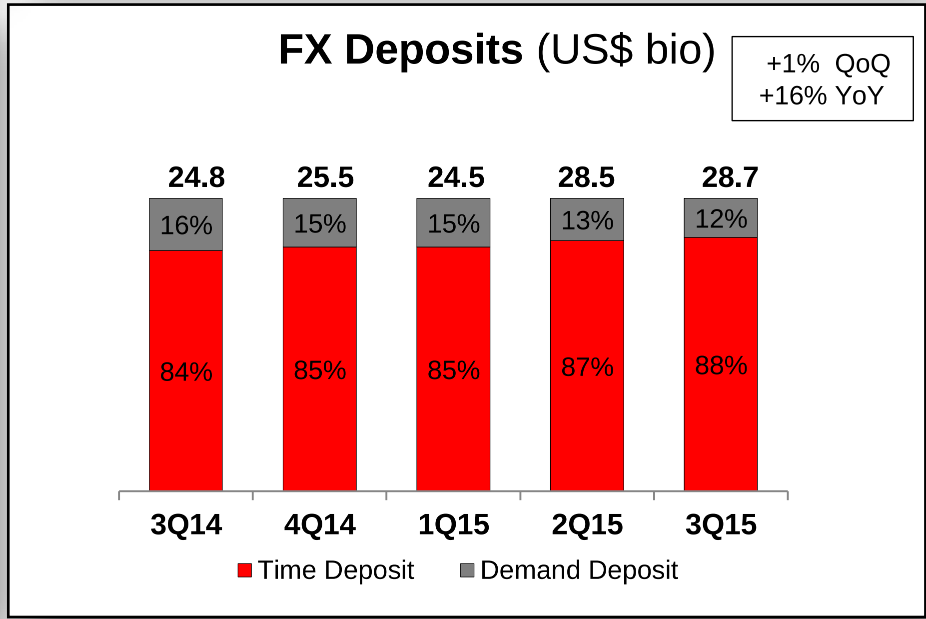
LDR at **101%,** down by 10 ppt since the beginning of the year



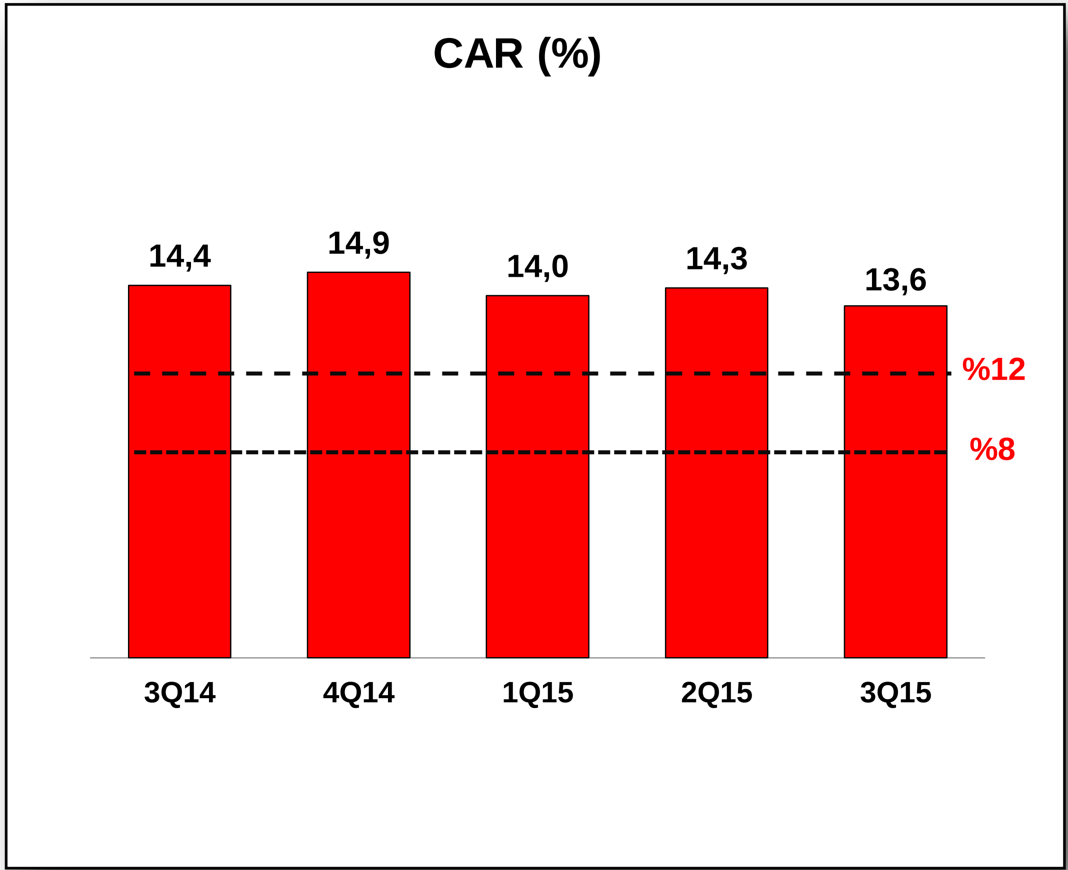


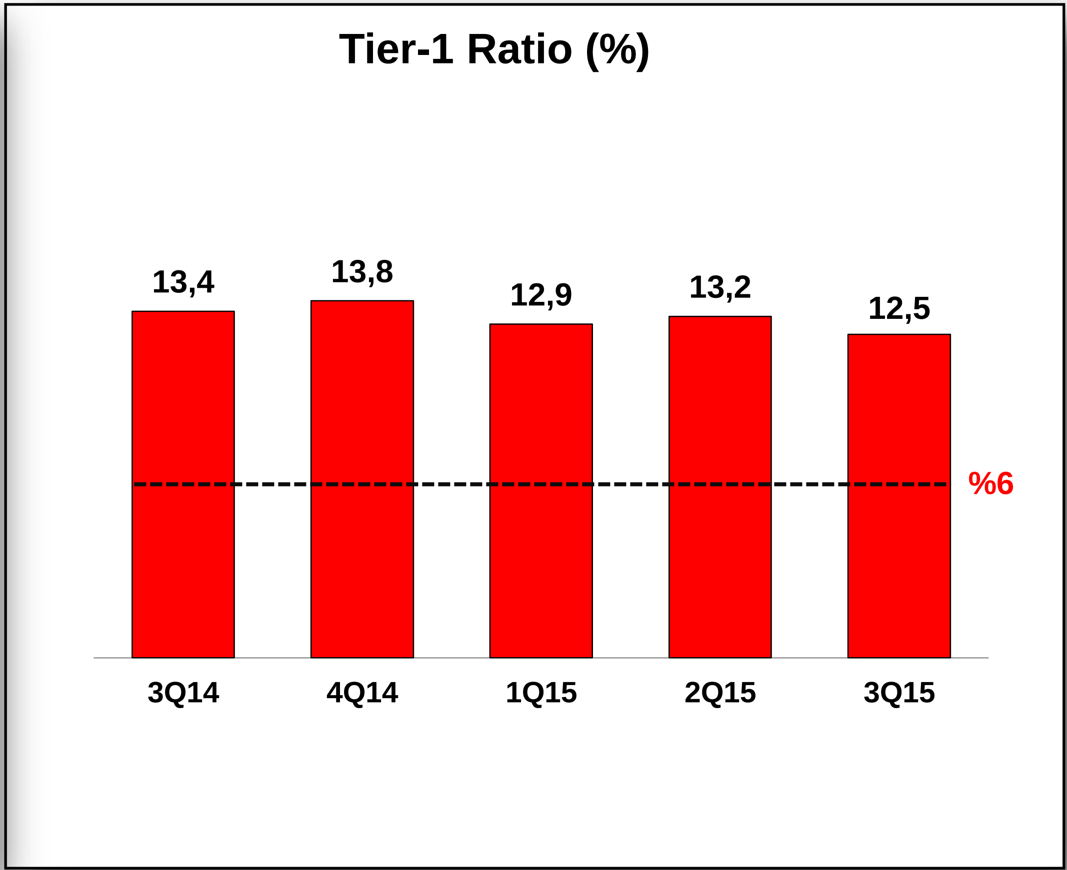
TL demand deposit ratio **(20%)** improvement continues as targeted





Strongest Tier-1 in private sector

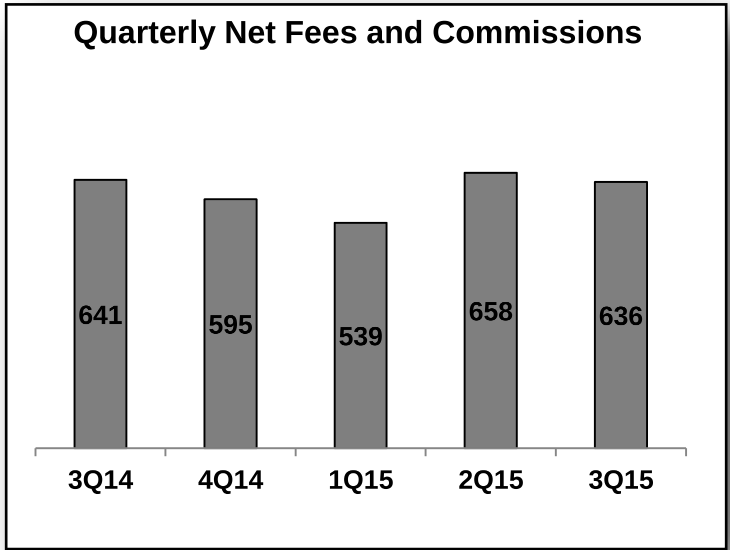


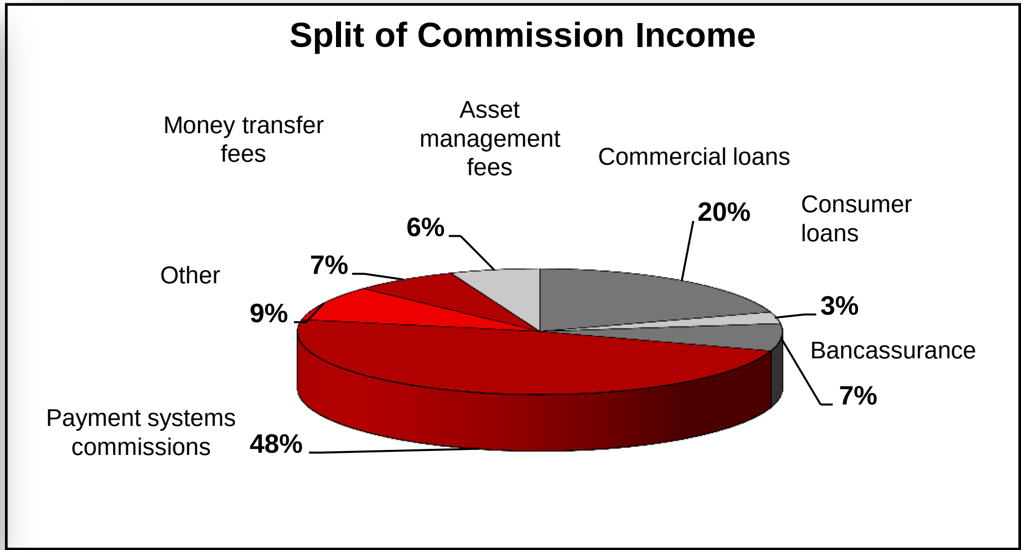


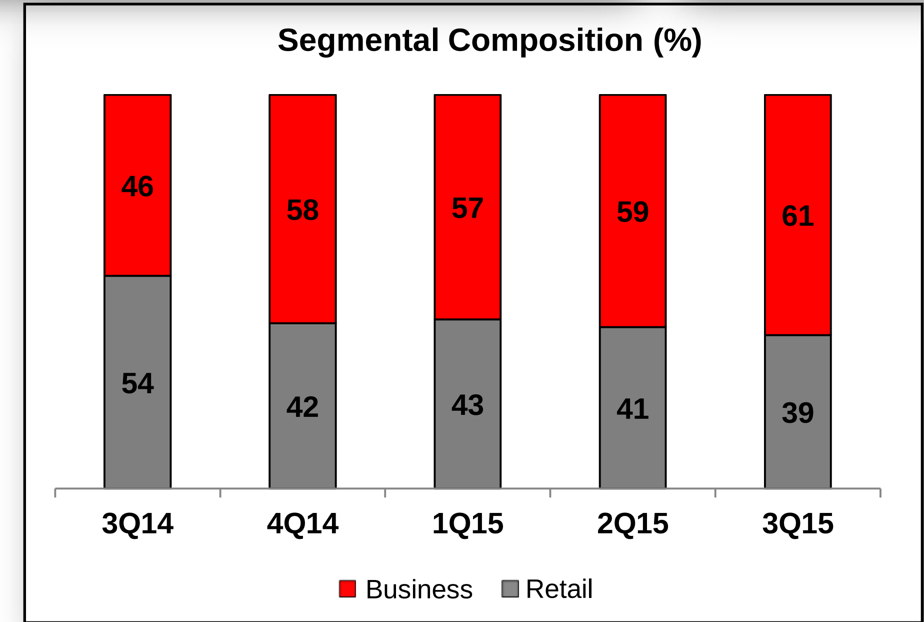
- CAR and Tier I ratios consistently well above minimum requirements

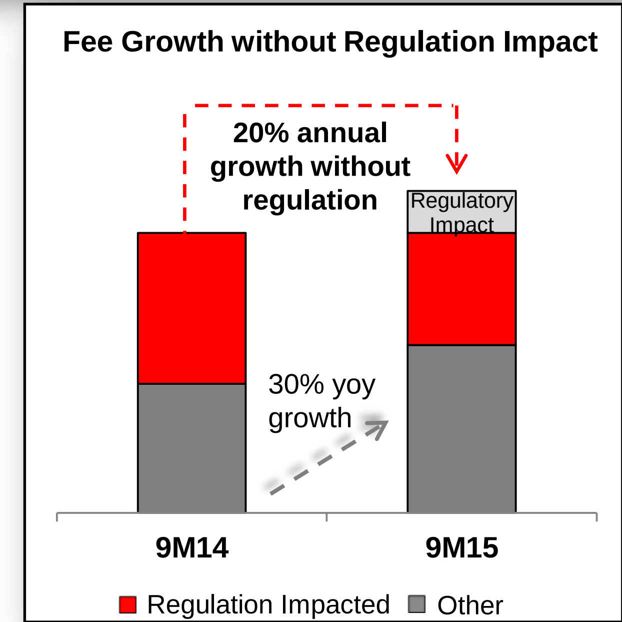
Using the advantage of greater share of Business Banking

(TL mio)









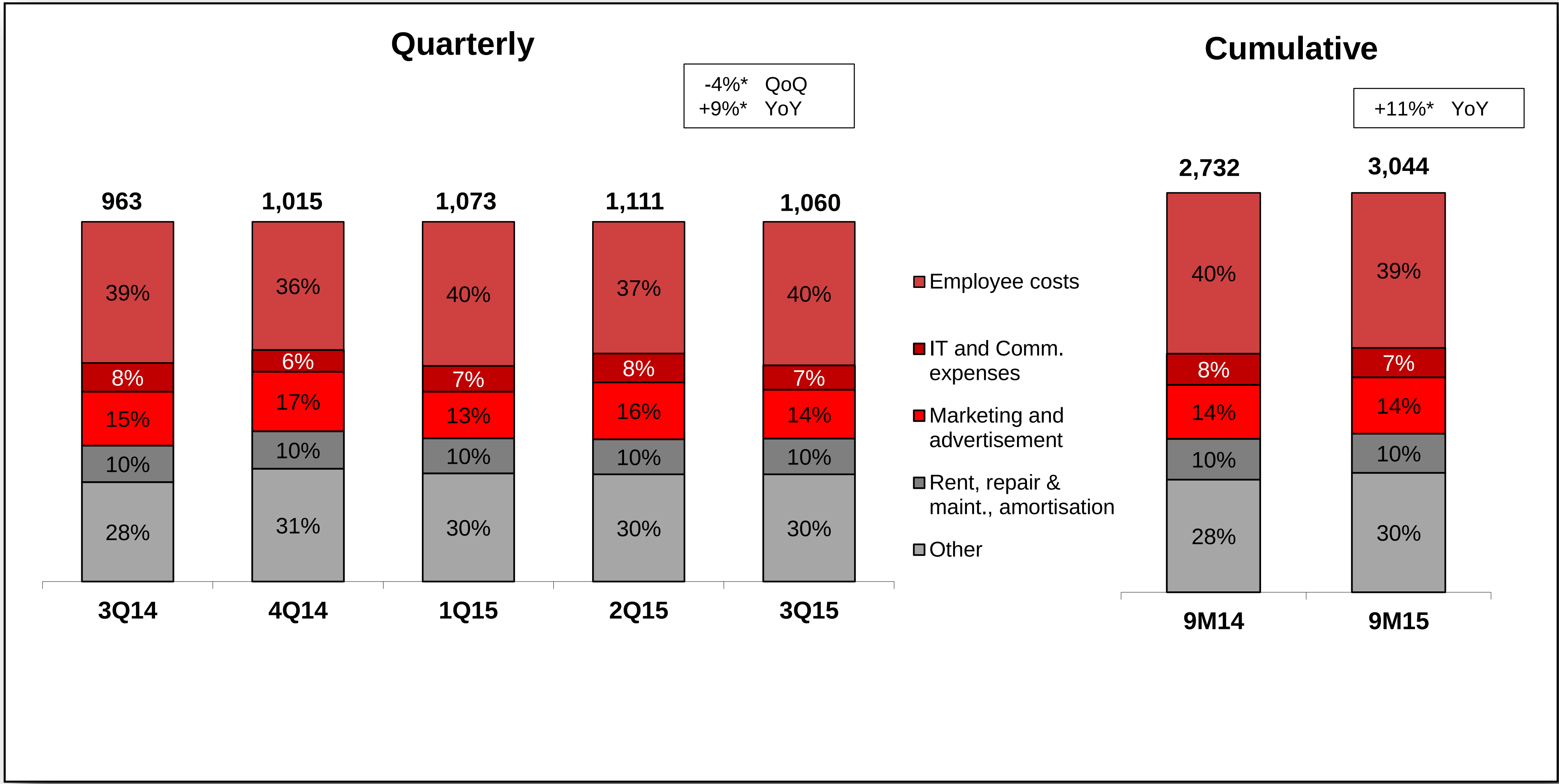
+73% YoY increase in Business Banking Fees

+38% YoY increase in Money Transfer Fees

+41% YoY increase in Asset Management Fees

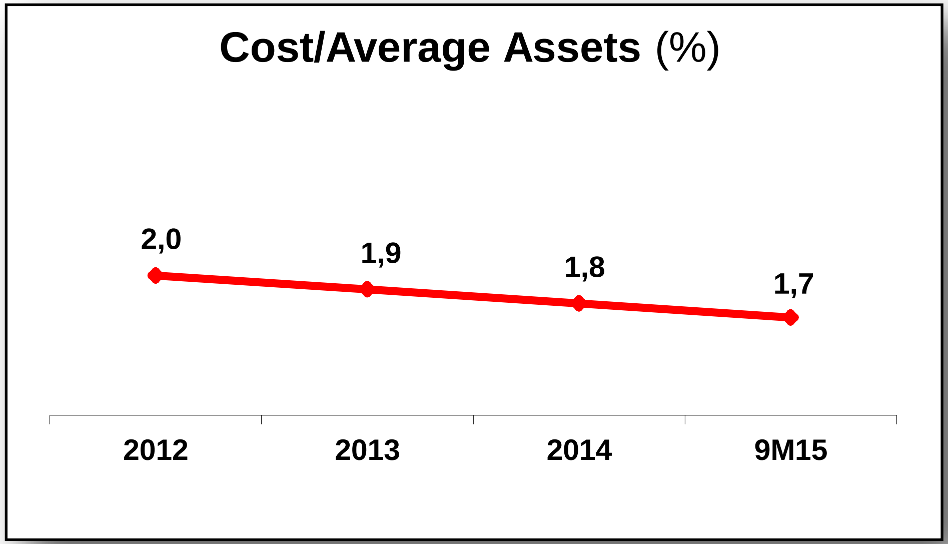
OPEX growth converging to 10% guidance

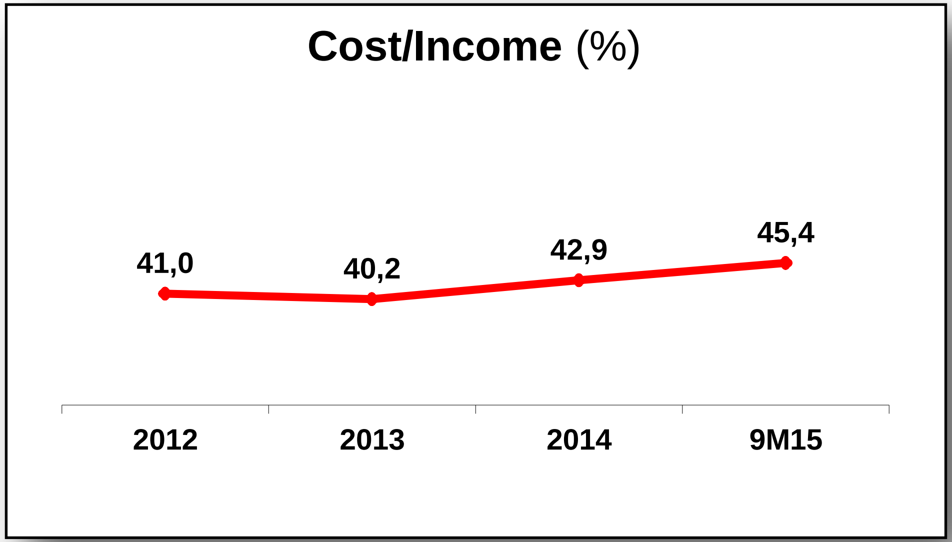
(TL mio)

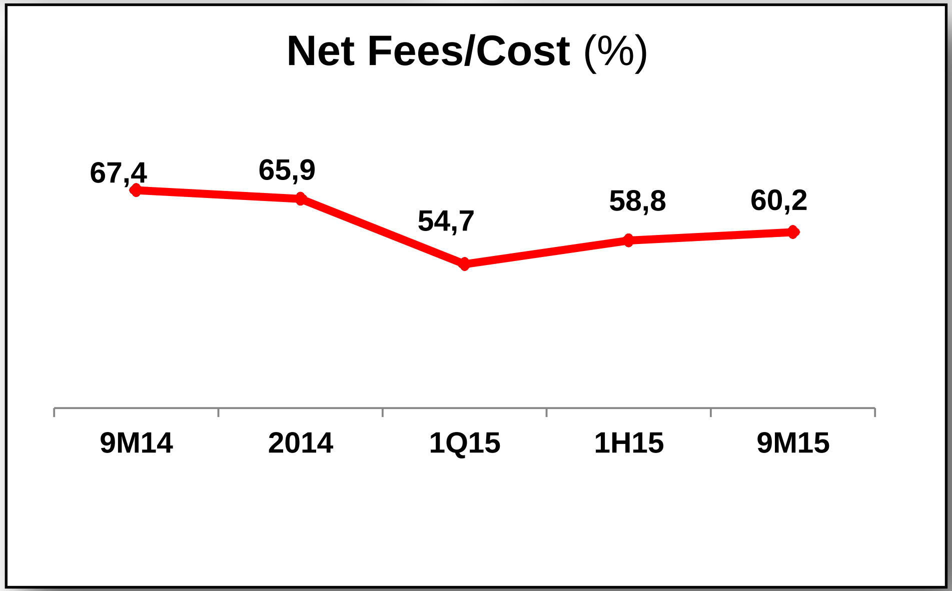


* Non-operational items and one-off excluded; TL 6 mio, TL 14 mio and TL 39 mio fee rebates in 1Q14, 2Q14 and 3Q14, TL 62 mio fee rebates and TL 25 mio personnel indemnity related with outsourced security staff in 1Q15, TL 64 mio fee rebates in 2Q15 and TL 49 mio fee rebates in 3Q15 adjusted for quarterly and annual growth

Divergence in efficiency becomes more visible

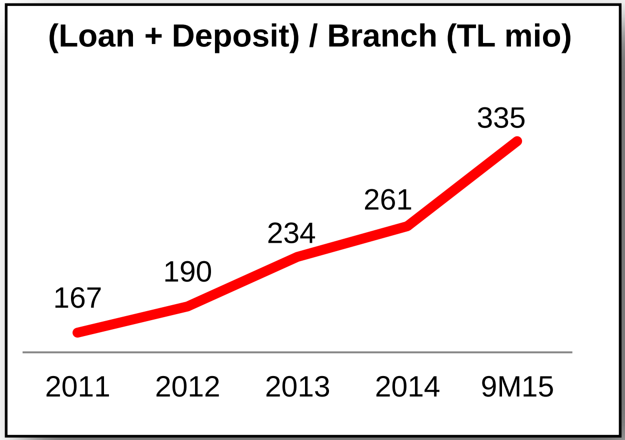


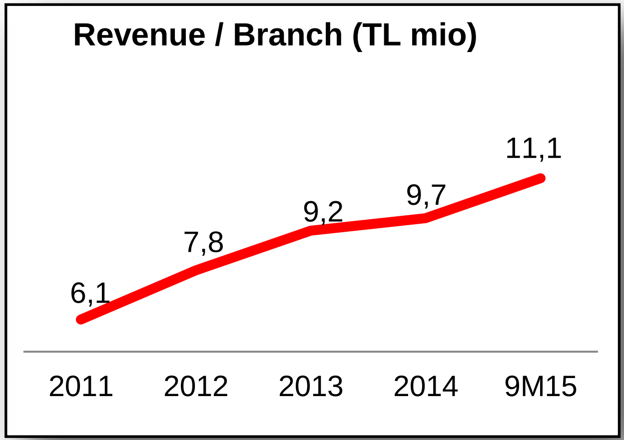


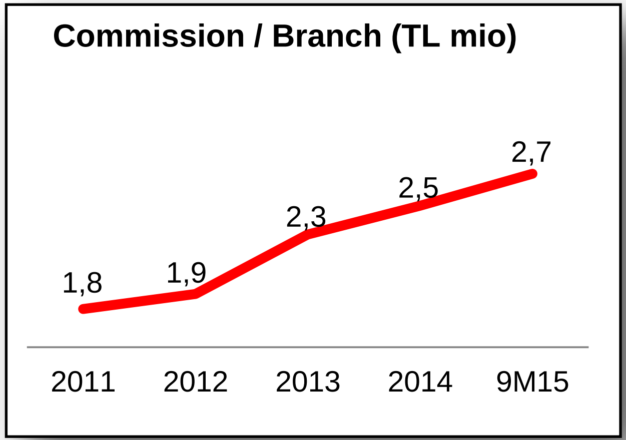


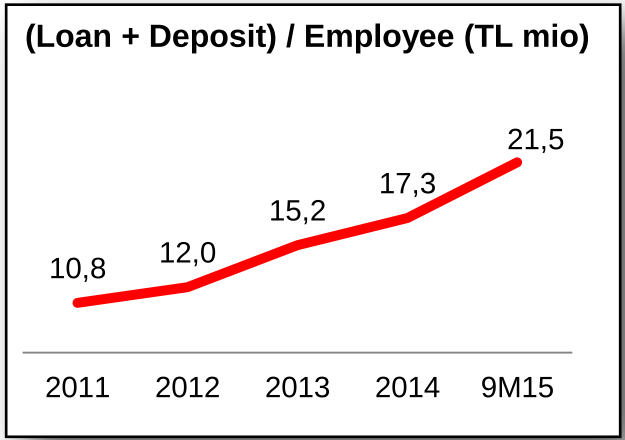
*In all calculations non-operational items and one-off excluded; TL 129 mio competition board penalty, TL 109 mio fee rebates in 2014, TL 175 mio fee rebates and TL 25 mio personnel indemnity related with outsourced security staff in 9M15

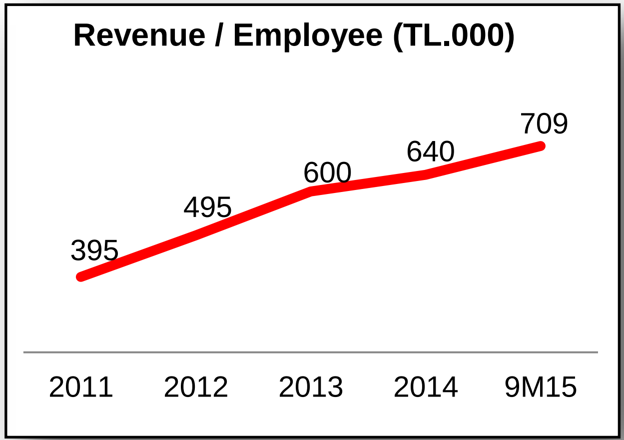
All efficiency metrics almost doubled in last 4 years

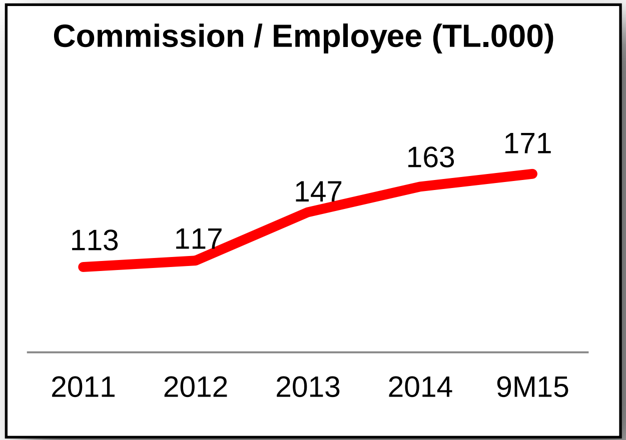












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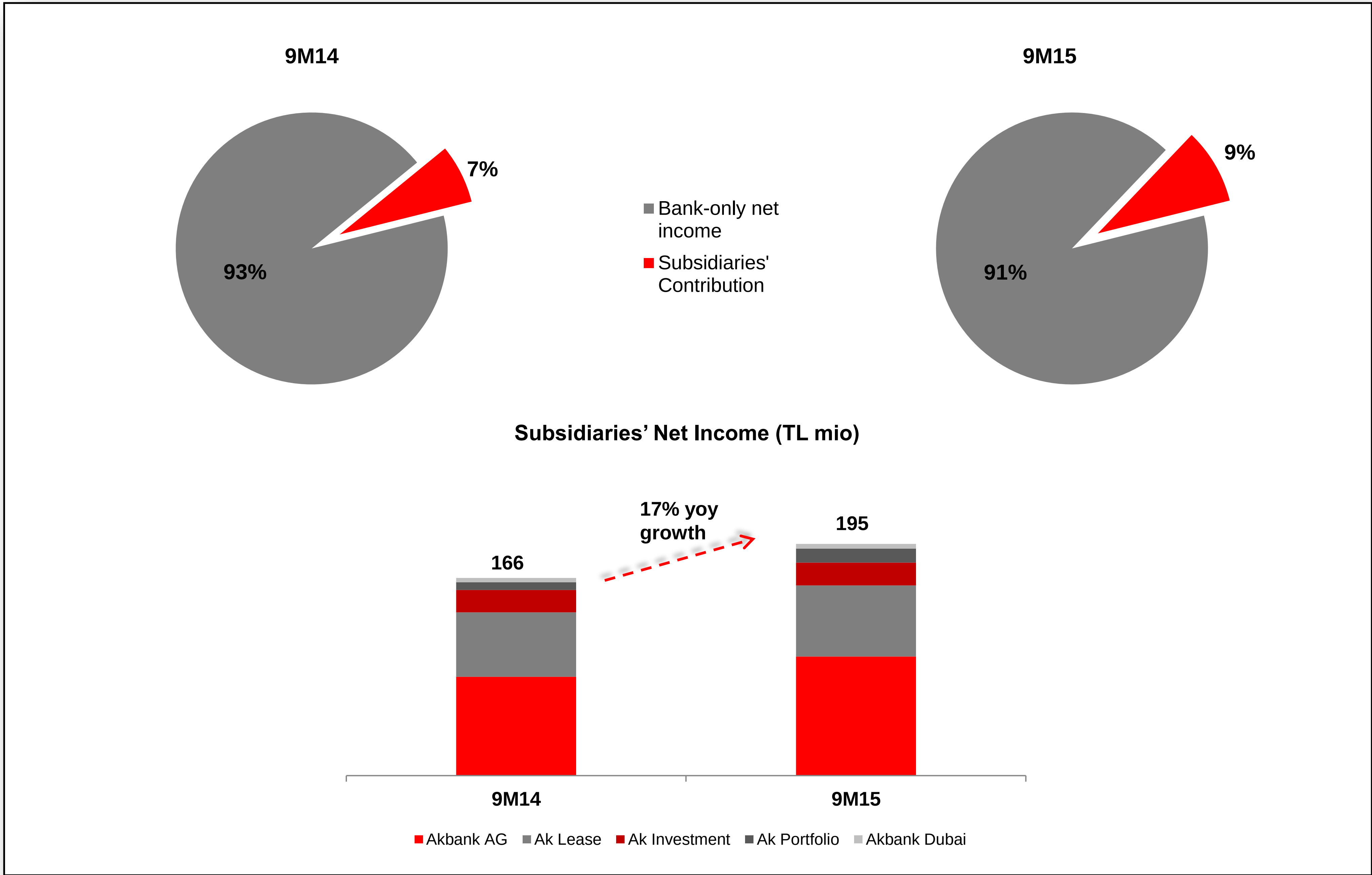
Sustainable contribution of subsidiaries to bottom-line



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2015 Guidance – Mostly within budget apart from NIM impact

Growth (%)	
Total Assets	13-15
Loans	15-17
TL	15-17
FX ($ terms)	11-13
Total Deposits	15-17
TL	16-18
FX ($ terms)	9-11

ROA	~1.6%
Leverage	~ 8.8x
ROE	13-14%
NIM	~ 3.6%
Net fees&com. growth	5-7%
Opex growth	~10%
Cost/ income	~41%
Cost / assets	~1.7%
CAR	Min ~ 14%
LDR	Max 108%
NPL	~2.0%
Cost of risk	90 bps
EPS Growth	mid-teen

Snapshot of Results

(TL mio, ratios in %)	9M14	1Q15	2Q15	3Q15	9M15	YoY* (%)	QoQ (%)
Total Assets	214,942	233,744	238,264	254,926	254,926	16.6	7.0
Loans	133,794	141,253	146,069	153,827	153,827	13.0	5.3
Deposits	121,781	129,540	136,485	152,421	152,421	24.6	11.7
Net Profit	2,416	785	727	709	2,222	-8.1	-2.4
Net interest income	5,317	1,870	1,900	1,898	5,668	6.6	-0.1
Net fee income	1,842	539	658	636	1,833	-0.5	-3.2
ROAE	13.7	12.0	11.1	10.7	11.3	-2.4	-0.4
ROAA	1.6	1.4	1.2	1.2	1.3	-0.3	0.0
NIM	3.50	3.28	3.24	3.14	3.22	-0.3	-0.1
Swap adj. NIM	3.25	3.11	3.11	3.11	3.11	-0.1	0.0
Cost of Risk	0.98	0.85	1.1	0.98	0.97	0.0	0.1
Cost to Asset**	1.8	1.7	1.8	1.7	1.7	-0.1	-0.1
CAR	14.4	14.0	14.3	13.6	13.6	-0.8	-0.7
Tier I	13.4	12.9	13.2	12.5	12.5	-0.9	-0.7

* Ytd growth for assets, loans and deposits

** Adjusted for non-operational items; TL 126 mio fee rebates in 1H15 &TL 20 mio in 1H14 and TL 25 mio one-off in 1H15

Annex

- Balance Sheet Highlights
- Income Statement Highlights
- Loans by Segment
- Swap Costs & CPI Linkers Income

Balance Sheet Highlights

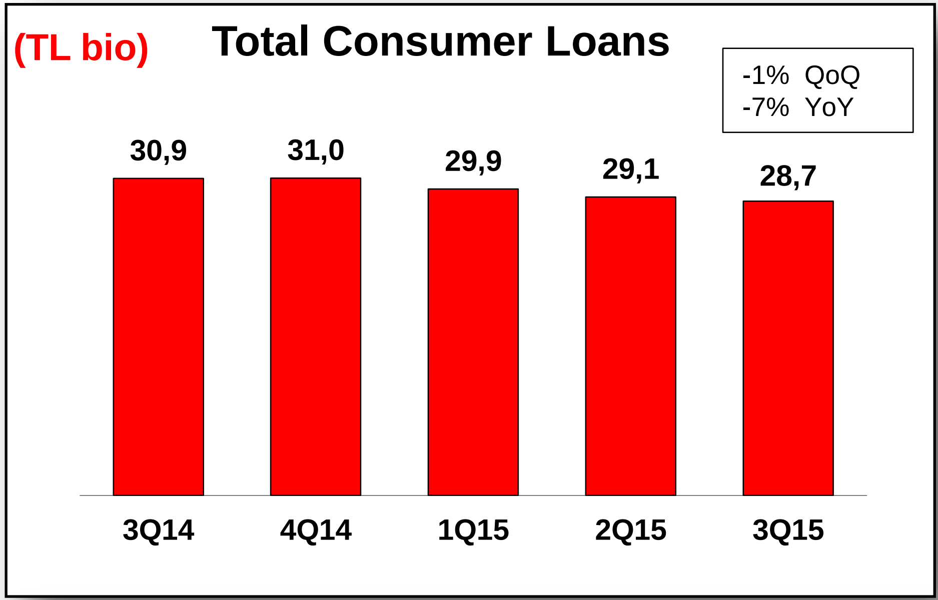
Consolidated (TL mio)	2014	3Q15	Shares (%) 2014	Shares (%) 3Q15	Change (%)
Cash and Due from Banks	26,352	37,901	12.1	14.9	44
Securities	48,459	50,739	22.2	19.9	5
Loans	136,131	153,827	62.2	60.3	13
Other	7,754	12,459	3.5	4.9	61
Total Assets	**218,697**	**254,926**			**17**
Deposits	122,294	152,421	55.9	59.8	25
Funds Borrowed and Bonds Issued	31,810	40,715	14.5	16.0	28
Repo	28,851	22,084	13.2	8.7	(23)
- TL Repo	4,872	5,028	2.2	2.0	3
- FX Repo	23,979	17,056	11.0	6.7	(29)
Other	9,602	13,289	4.4	5.2	(38)
Equity	26,140	26,417	12.0	10.4	1
Total Liabilities and S/H Equity	**218,697**	**254,926**			**17**

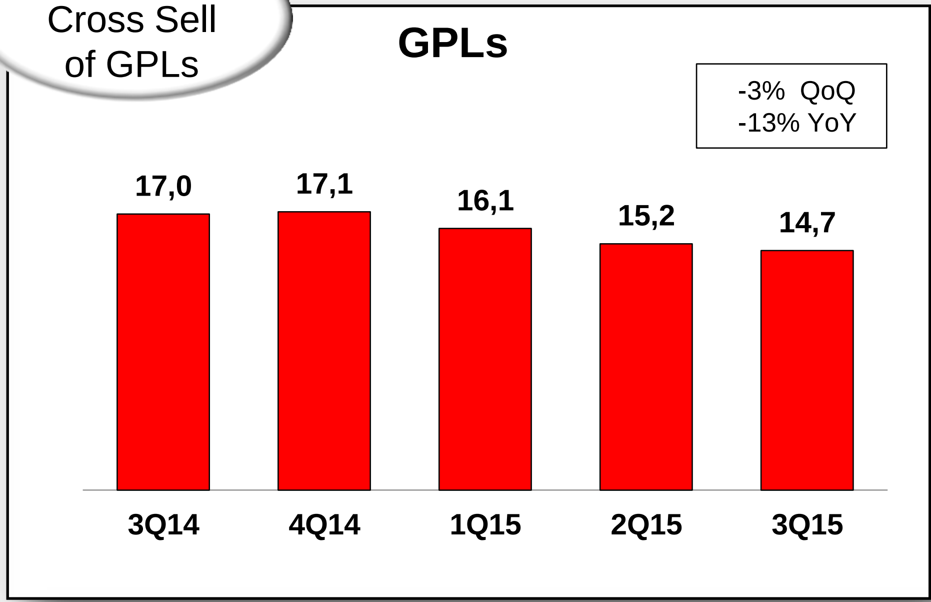
Income Statement Highlights

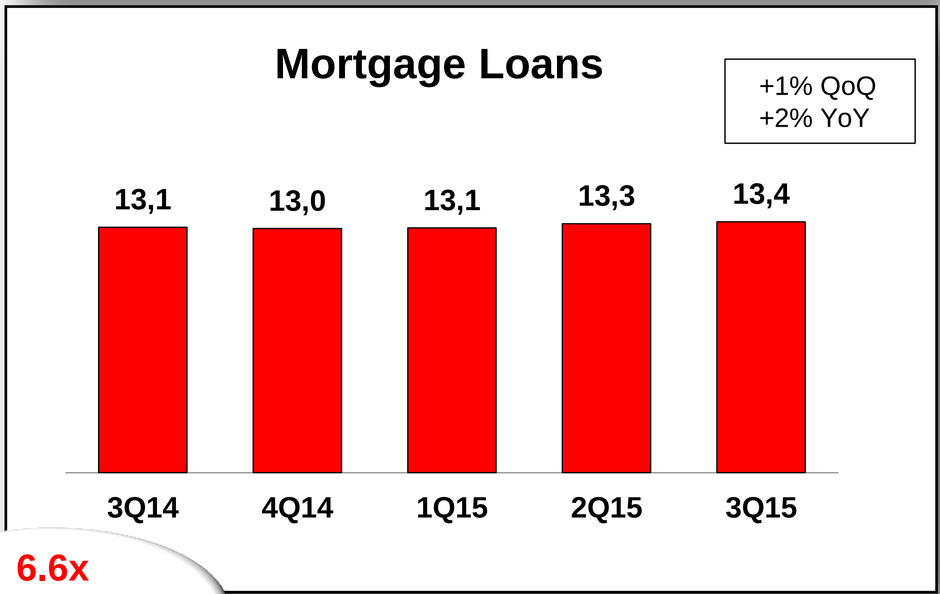
Consolidated (TL mio)	9M14	9M15	Change (%)
Interest Income	10,943	11,665	7
Interest Expense	(5,626)	(5,997)	7
Net Interest Income	**5,317**	**5,668**	**7**
Trading Gain (Loss)	(125)	75	-
- Securities	516	201	(61)
- Other	(641)	(127)	(80)
Provision for Loan Losses, net of collections	(851)	(1,041)	22
Fees and Commissions (Net)	1,842	1,833	0
Operating Expense	(2,791)	(3,244)	16
Other Income	170	166	(2)
Other Provisions	(459)	(559)	22
Income Before Tax	**3,102**	**2,898**	**(7)**
Tax	(686)	(675)	(2)
Net Income	**2,416**	**2,222**	**(8)**

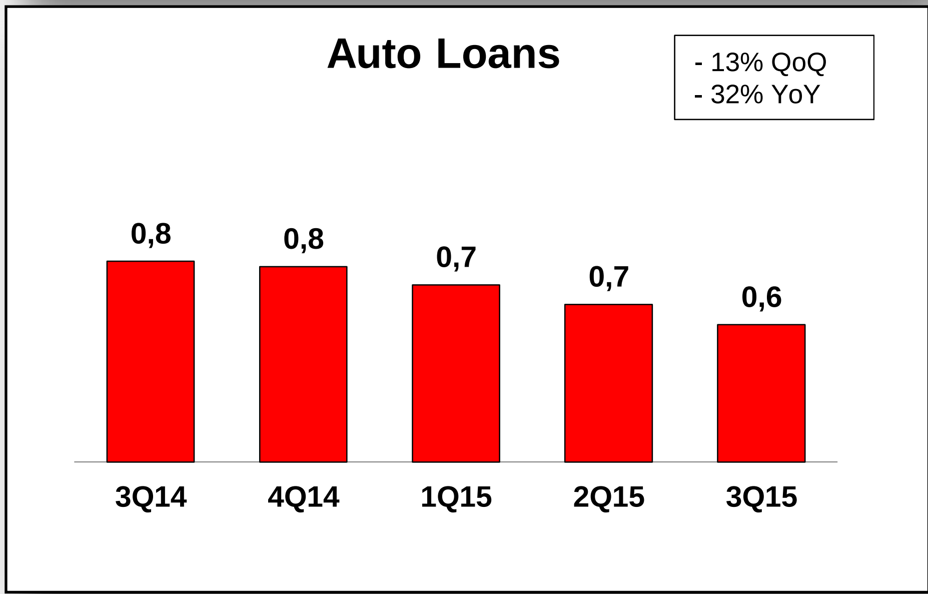
Consumer Loans – Prepared for profitable growth

5.4x
Cross Sell
of GPLs





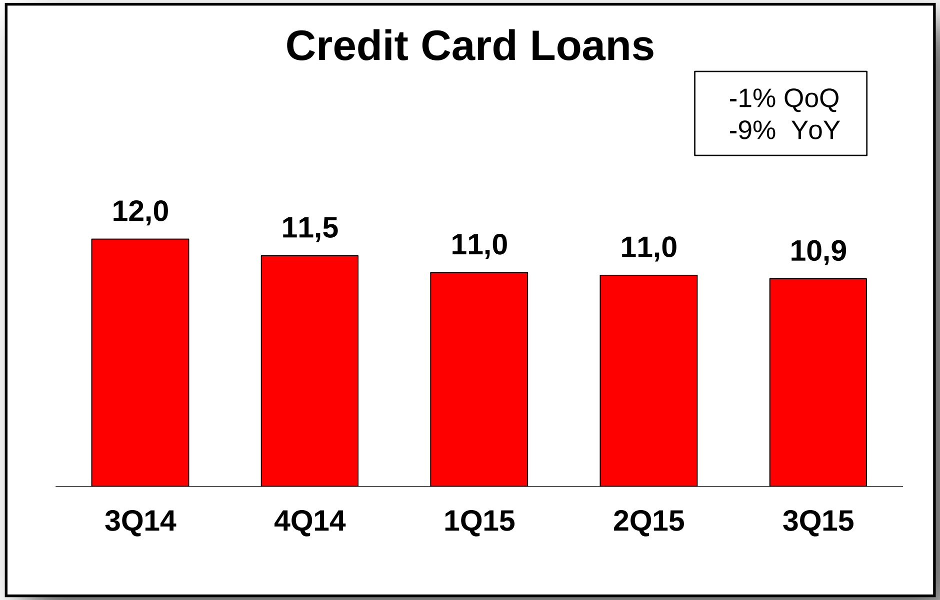


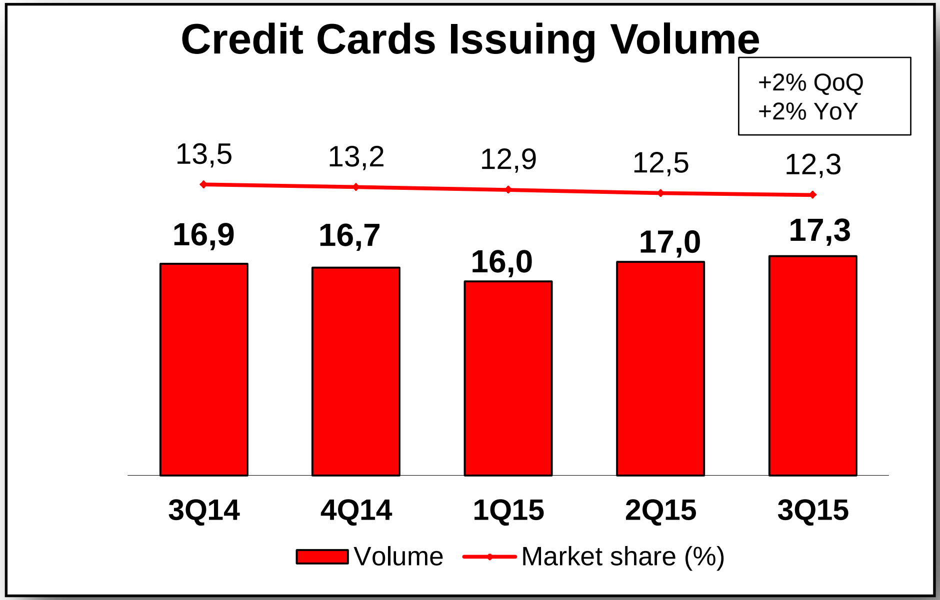


6.6x
Cross Sell
of Mortgage

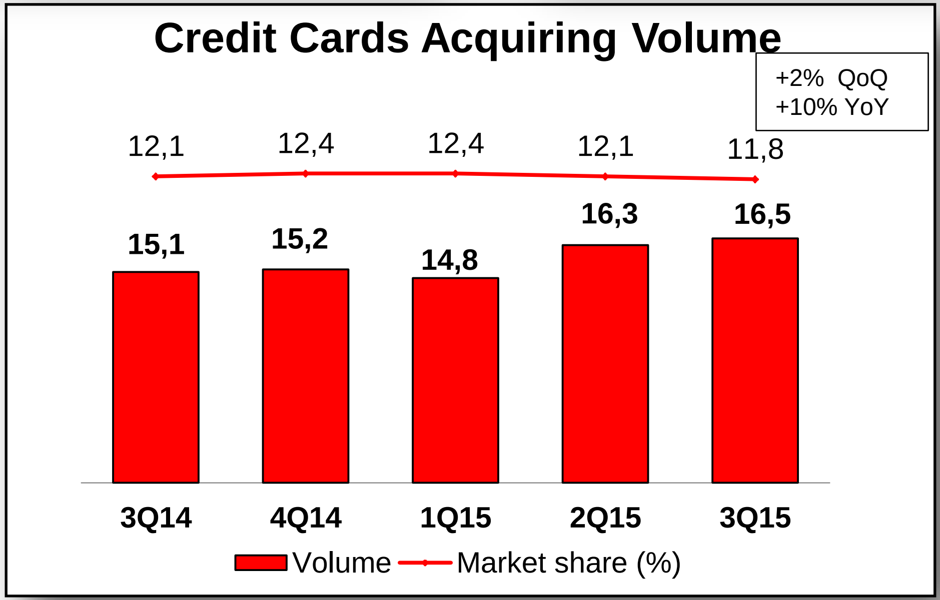
Credit Cards – Lower balance, higher volumes

(TL bio)

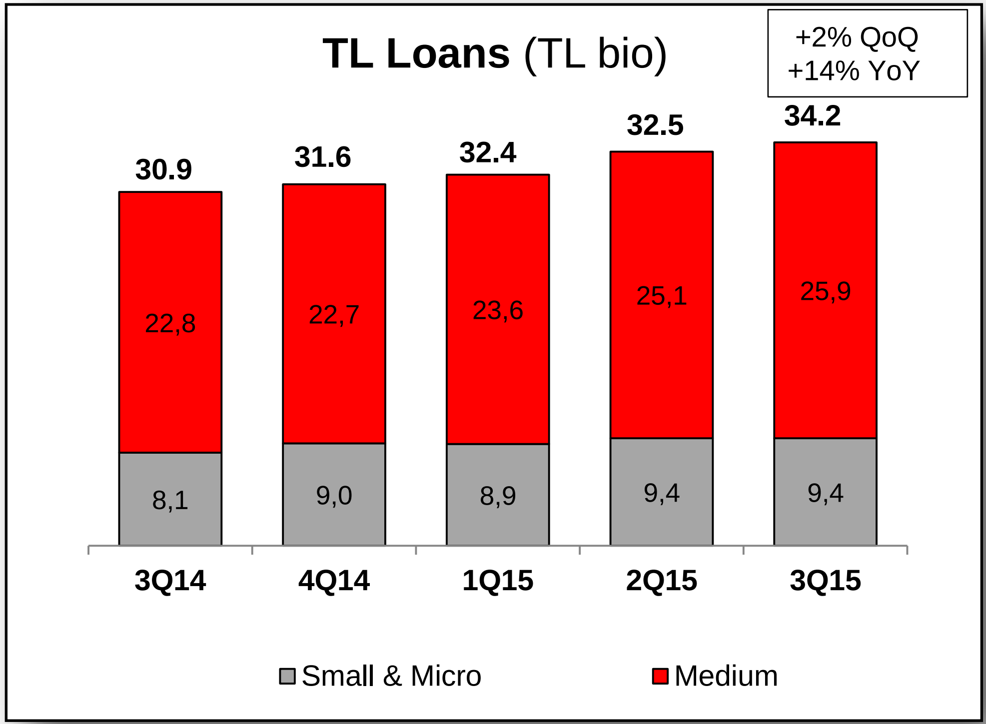


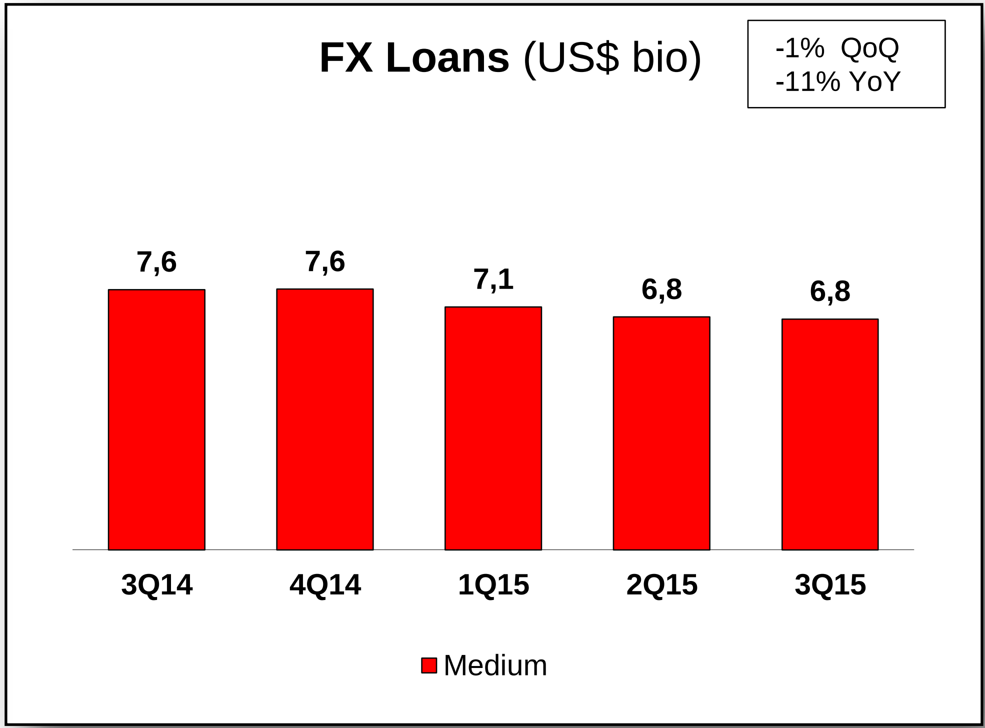


#1
in Issuing Volume per Card in the Peer Group in 3Q15



Growth in upper-end of SMEs keep good pace



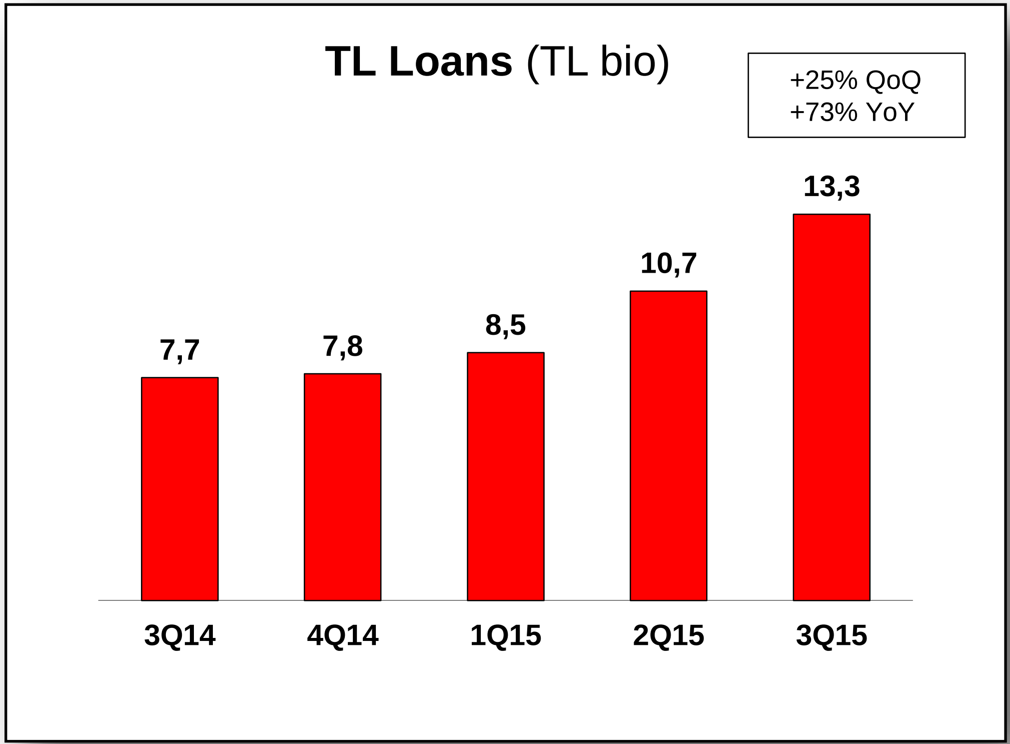


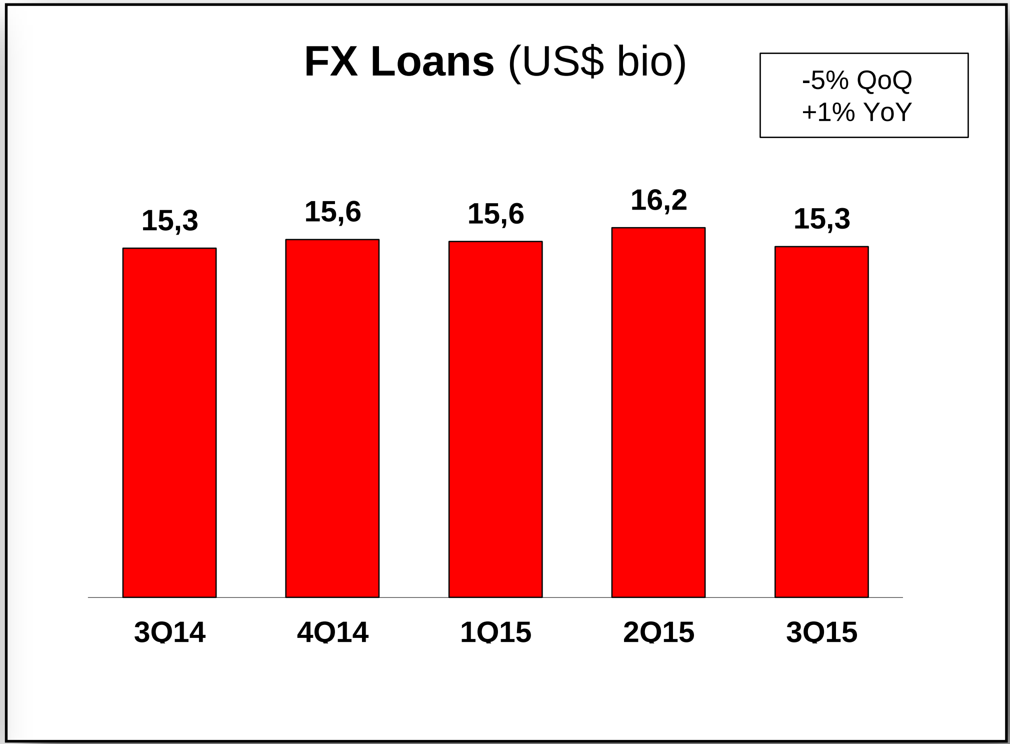
13% YoY Growth in Medium

5.4x Cross Sell in Medium
4.4x Cross Sell in Small and Micro Loans

Significant growth in lucrative TL corporate lending

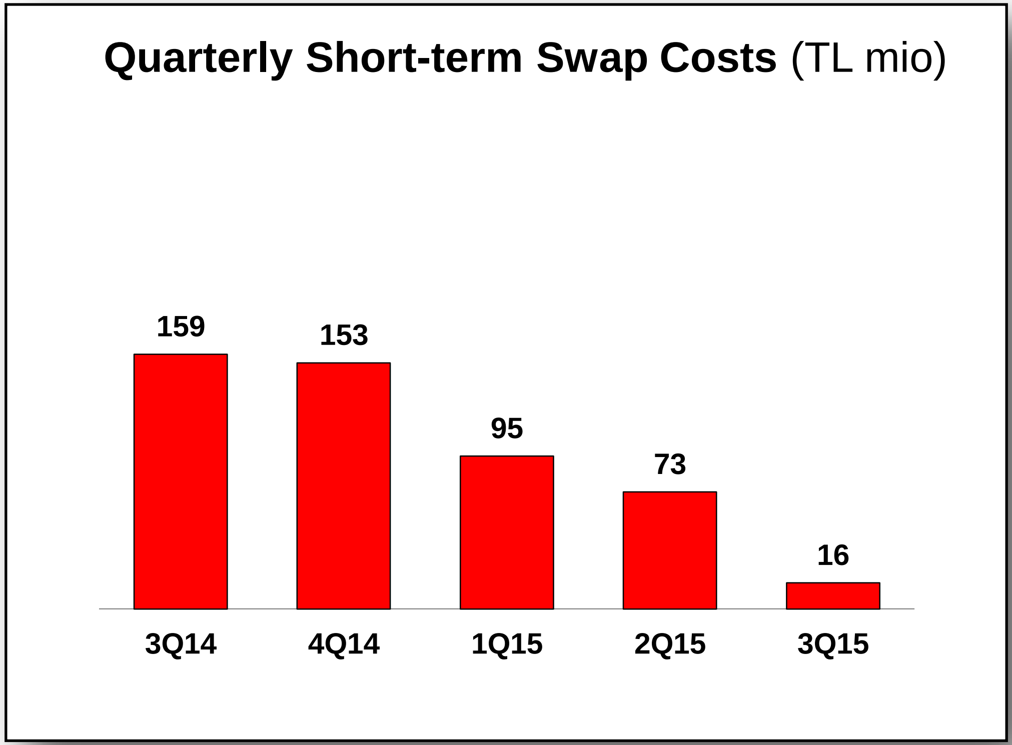
5.1x
Cross Sell in Corporate Loans

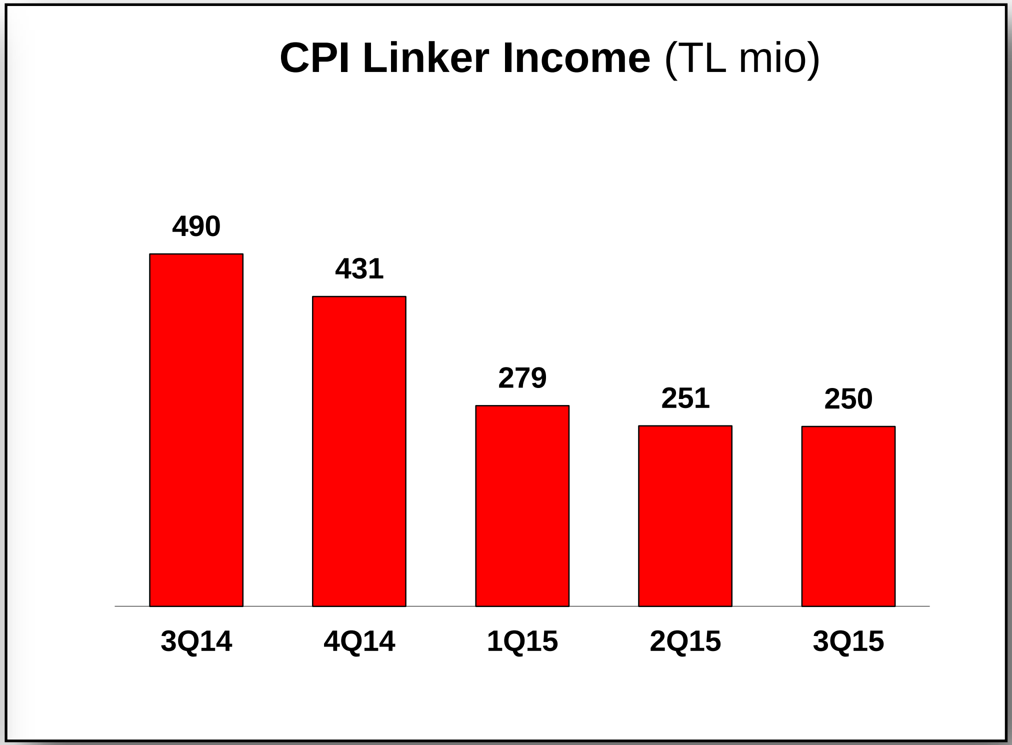




Share of daily repricable loans in TL corporate loans increased to 20% from 14% at the year end

Swap Cost & CPI Linkers Income





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