3Q17 Consolidated Financial Results

25 October 2017

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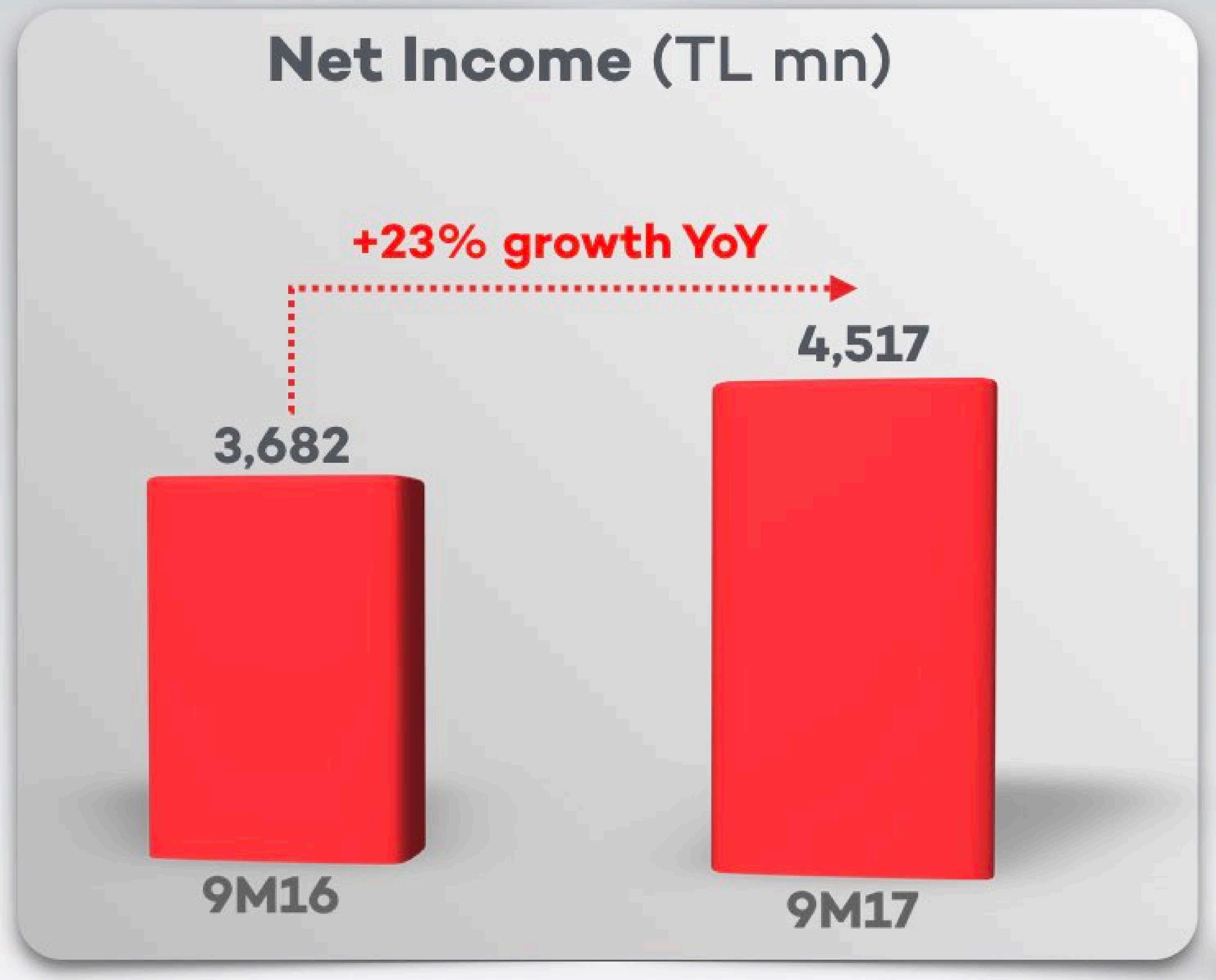
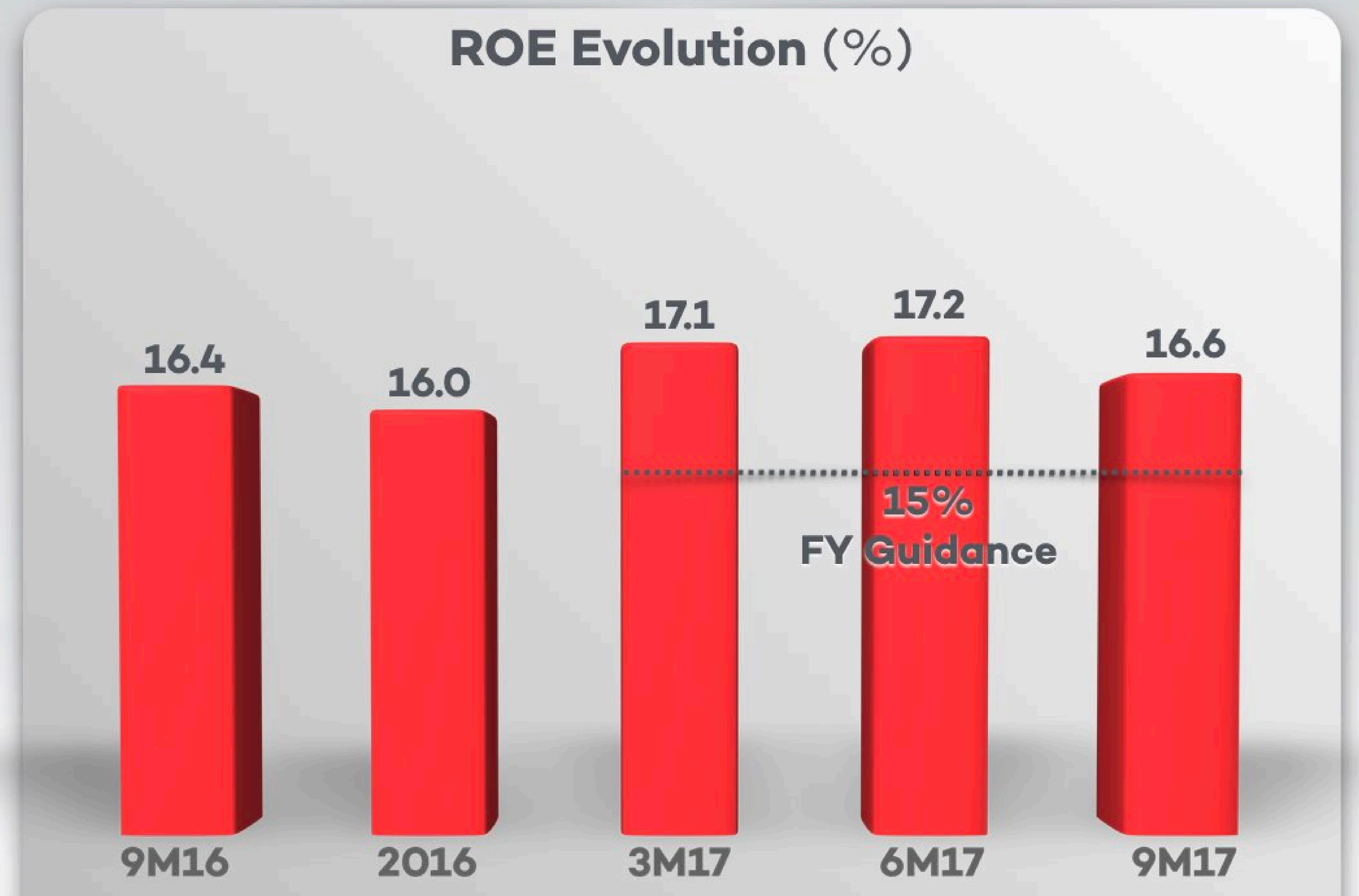
3Q17: Profitable growth with clear strategic priorities…

- ROE well-above guidance at 16.6% with NI at TRY 4.517mn, +23% YoY → as a result of solid banking model
- Across the board accelerated fee income growth at 14% YoY → thanks to bank-wide initiatives
- Strong lending growth in selective lucrative areas → TL business loans at +5.8% QoQ and general purpose loans at +9.3% QoQ
- Our balance sheet remains flexible at 104% LDR → increasing share of demand deposit in both TL and FX to support margin evolution
- Best in class asset quality with flat cumulative COR at 39bps → attributable to our prudent risk approach
- CAR at 16.4% and TIER I at 14.6% → positioned for increased dividend payout
- Change to IAS 27 equity model in bank-only financials → ensures comparability of real performance, no impact on consolidated financials

Profitable growth: ROE remains well above guidance





ROE is adjusted with one-offs including fee rebates, Visa gains and fines for all quarters

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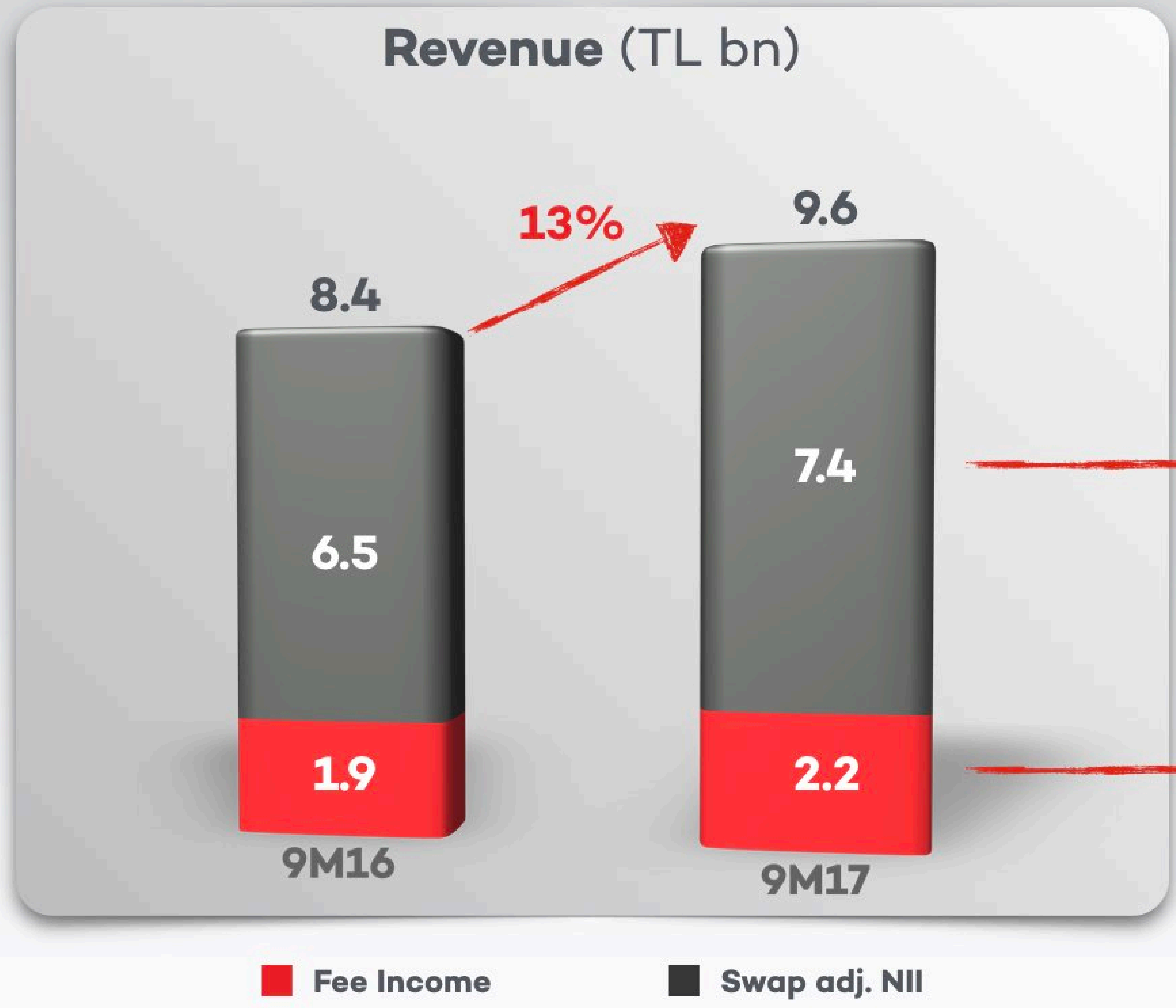
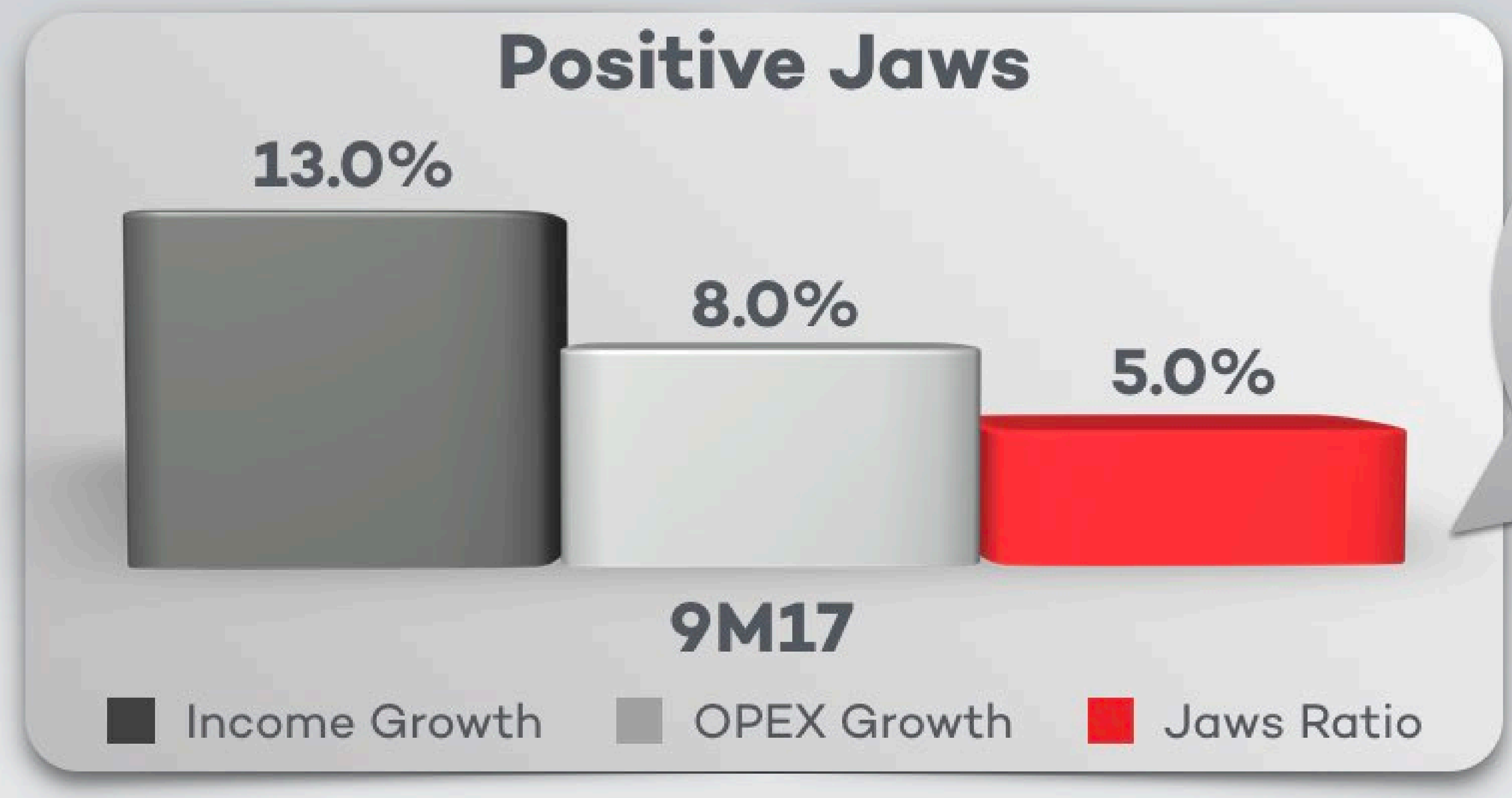
Revenue growth driven by accelerated fee income and solid NII



- **12% swap adj. NII growth**
  - Strategic A&L management
  - Selective Volume growth

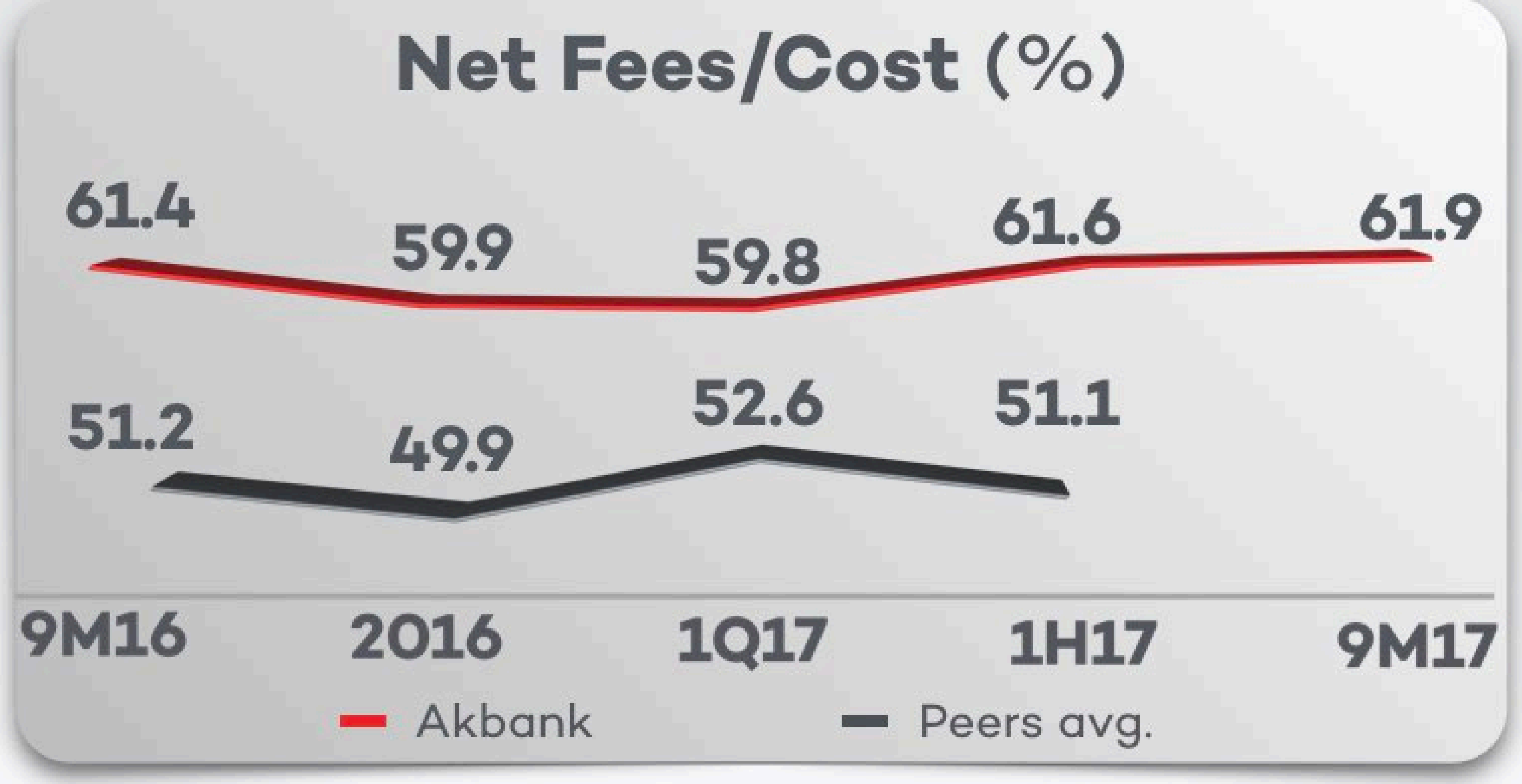
- **14% fee income growth**
  - Direct Banking
  - Money Transfer Fees
  - Bancassurance

Proven Efficiency Track Record Continues



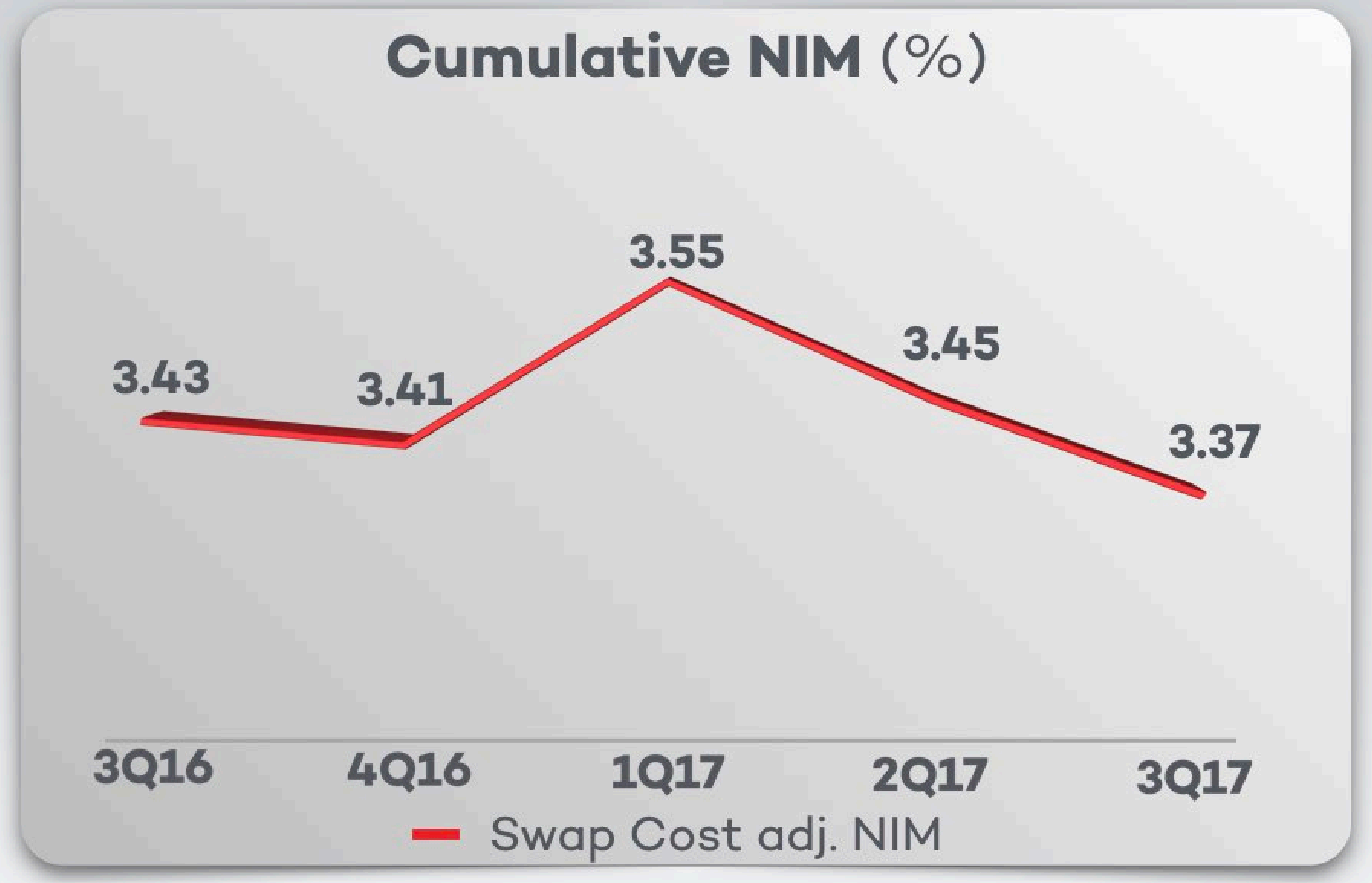
Positive Jaws of 5%

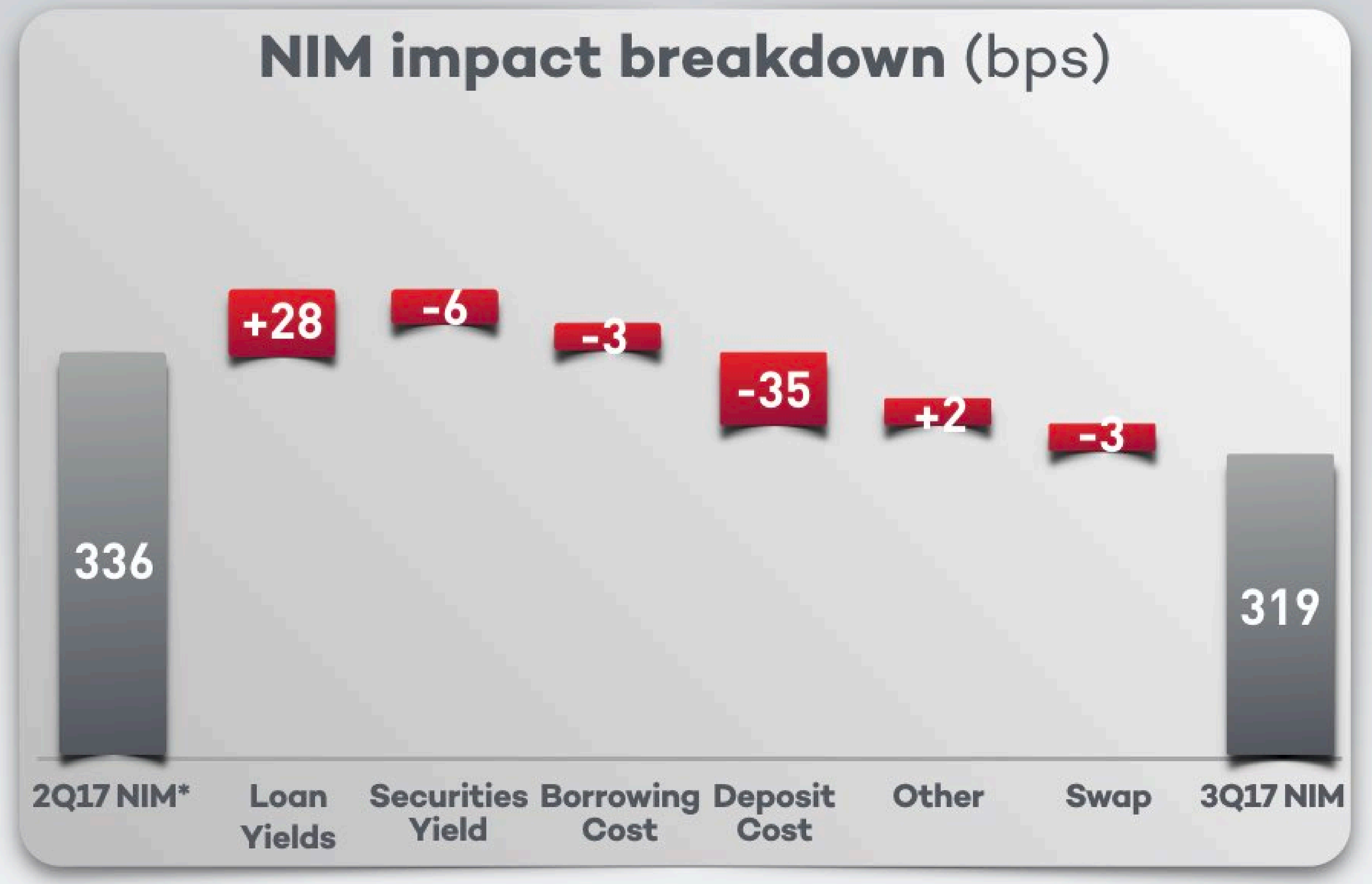
CIR is one of the lowest globally



In cost ratio calculations, non-operational items and one-off excluded

NIM on Track to Meet FY Guidance





*2Q17 NIM would have been 3.30 excluding the one-off positive impact of CPI expectation revision

CPI Linkers income calculated with **9.5%** inf. est.

UPSIDE potential in CPI linker income

Yield enhancement gained pace towards end of 3Q17

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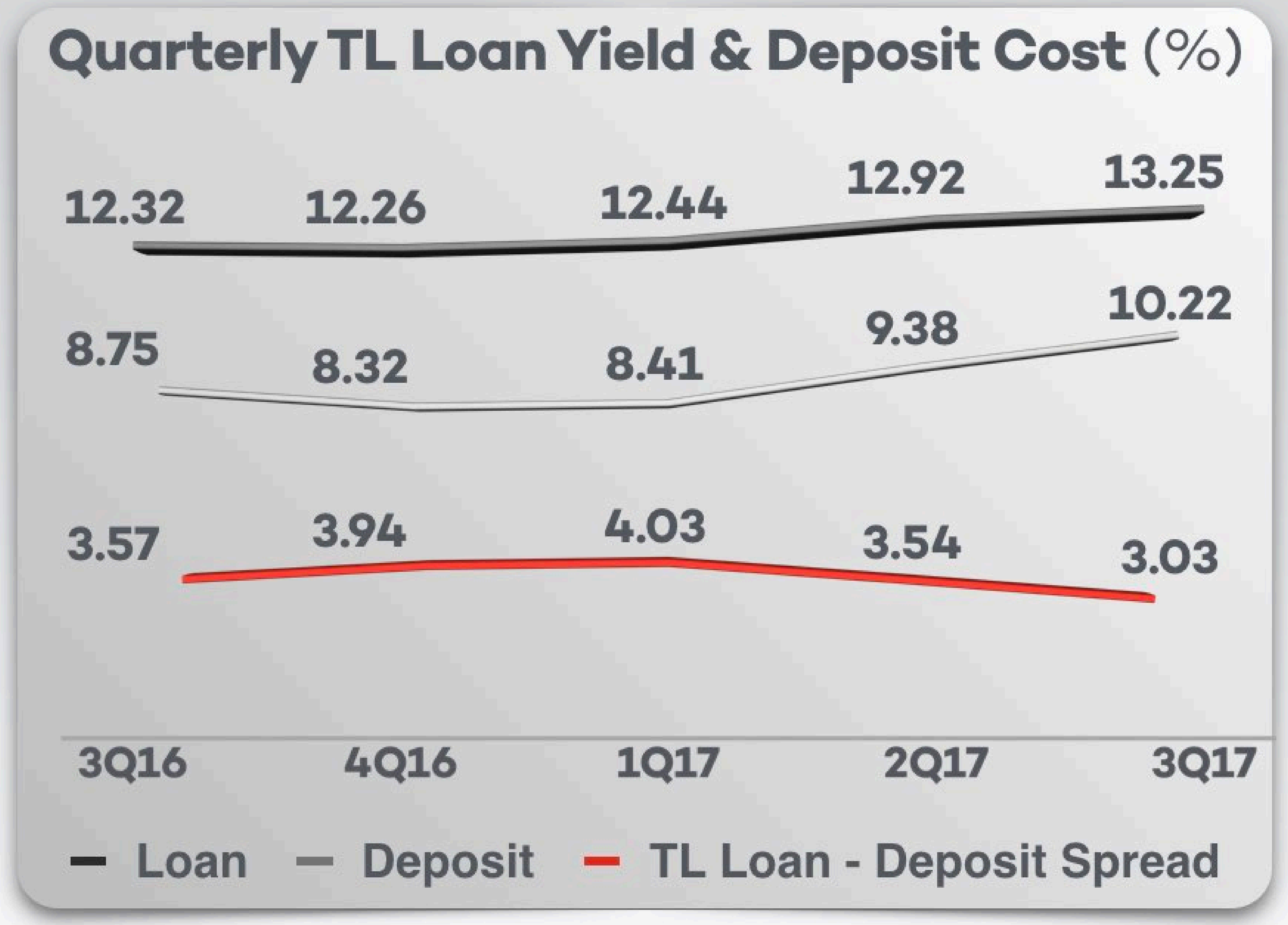
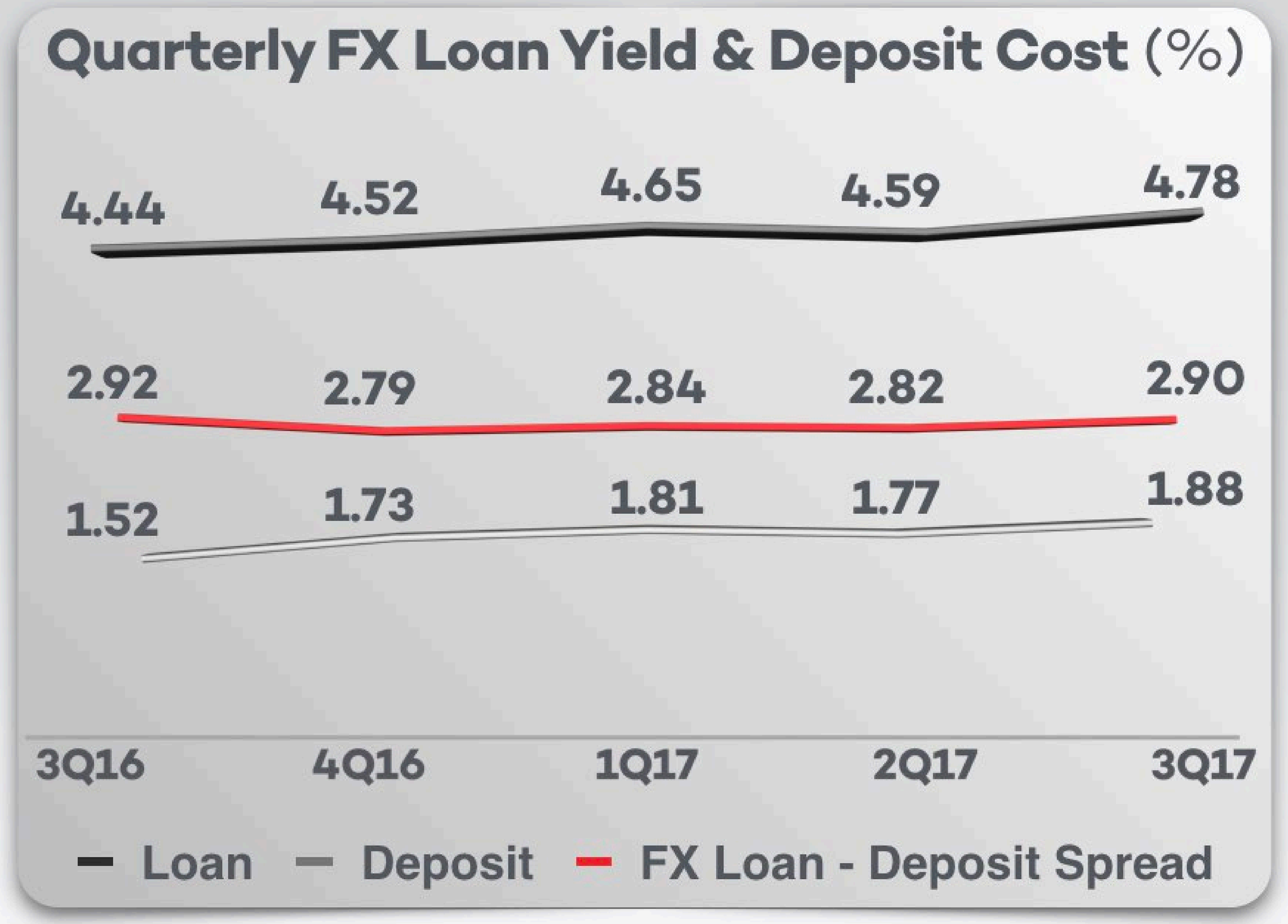
Proactive Loan Repricing Limiting Pressure on Deposit Costs





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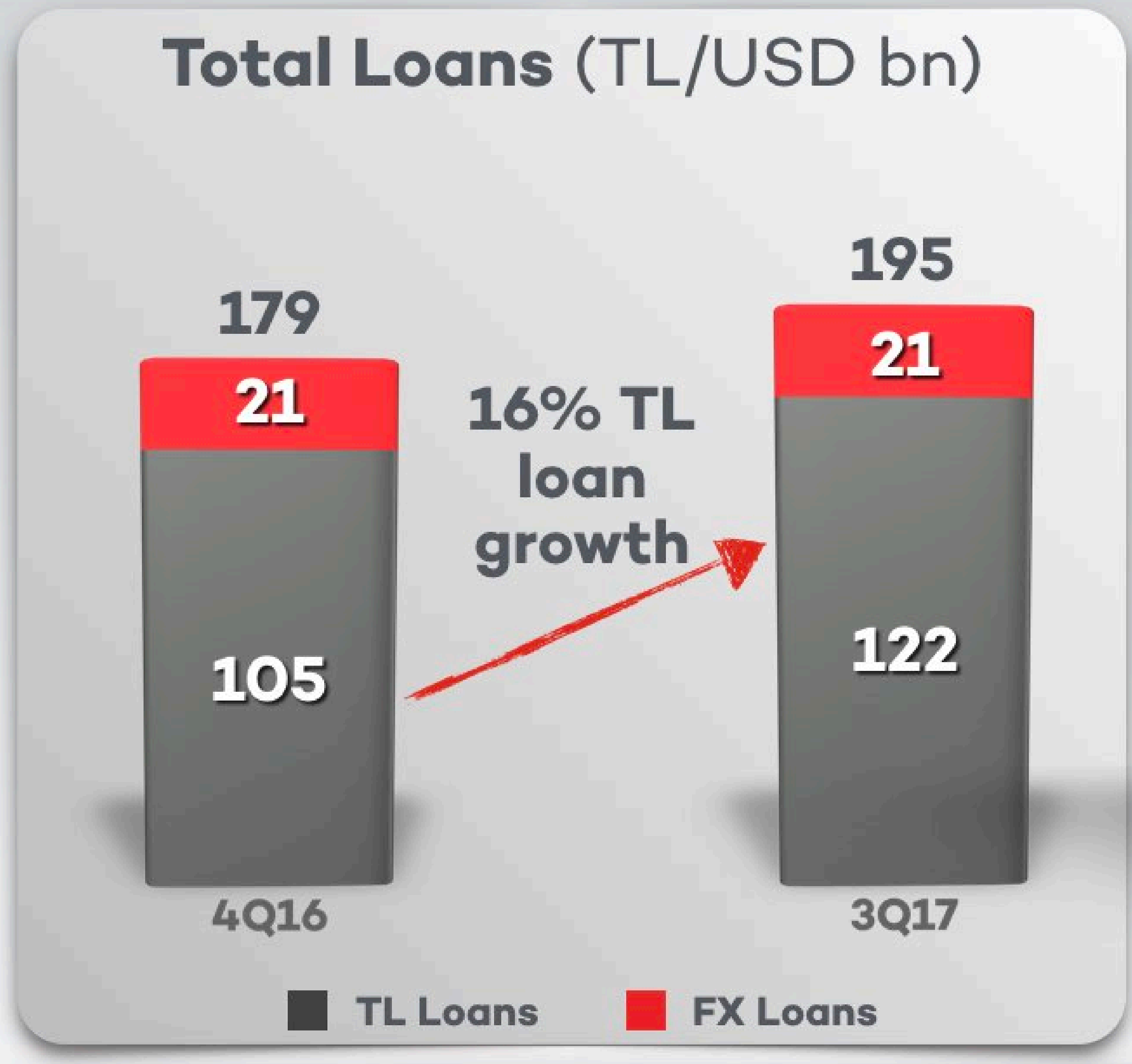
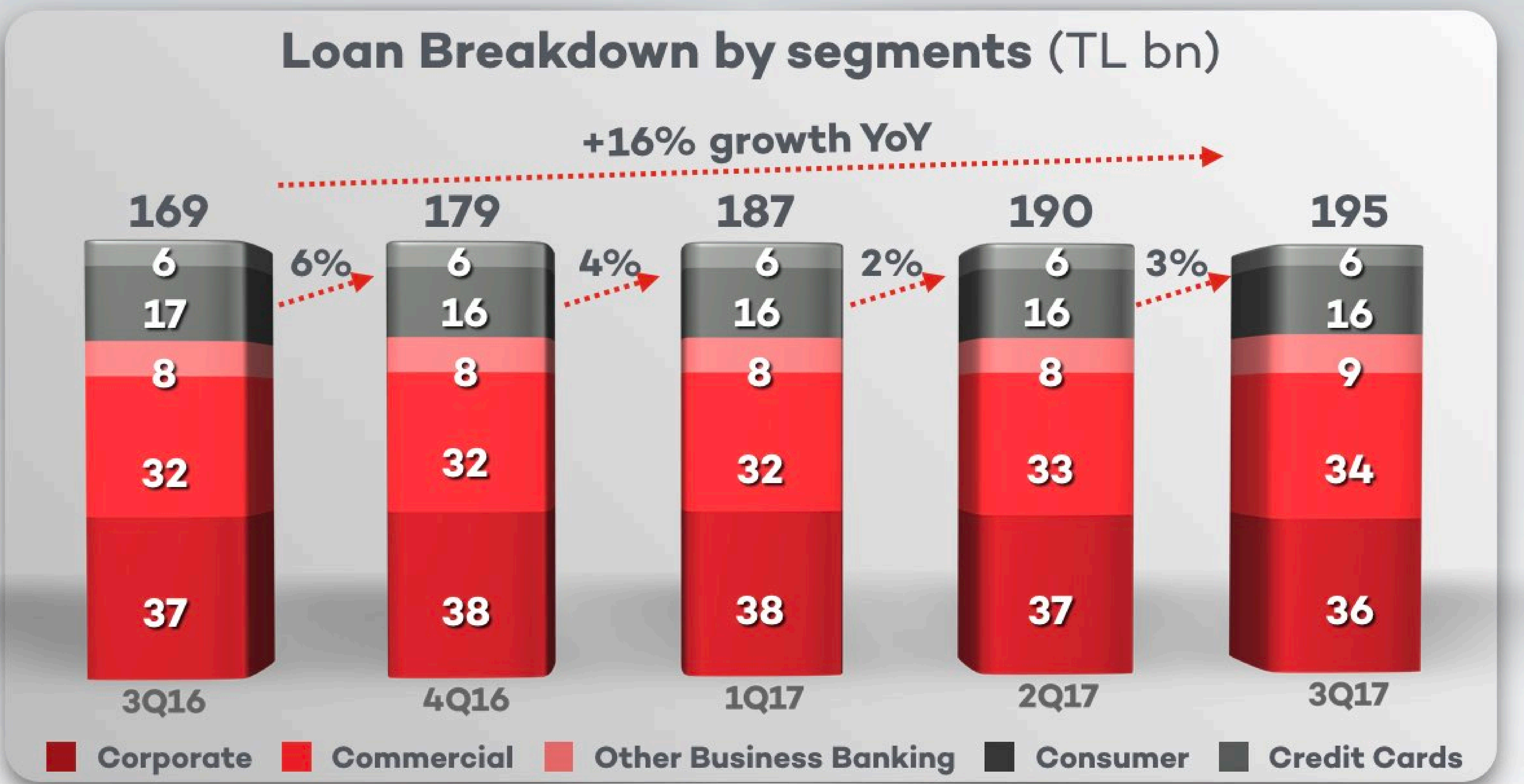
Accelerated Profitable Lending Growth





- CGF utilization reached TL16bn
- Targeted lending strategy in TL commercial and general purpose consumer loans, where yield enhancement gained pace

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TL loans advanced in commercial and GPL

(TL bn)	3Q16	4Q16	1Q17	2Q17	3Q17	YtD (%)	YoY (%)
TL Loans	**101,3**	**105,0**	**112,5**	**116,6**	**122.2**	**16**	**20**
Business Banking	**61,6**	**65,1**	**71,9**	**75,8**	**80.2**	**23**	**30**
Corporate	17,9	20,1	22,9	22,5	22.5	12	25
Commercial	30,0	31,2	34,1	37,2	40.7	31	36
Other Business	13,7	13,7	14,9	16,1	17.0	24	24
Retail	**39,7**	**40,0**	**40,5**	**40,8**	**41.9**	**5**	**6**
Consumer	29,0	29,4	30,0	30,1	31.2	6	8
- GPL	15,3	15,5	15,6	16,1	17.6	14	15
- Mortgage	13,4	13,5	14,0	13,7	13.4	(1)	-
- Auto	0,4	0,4	0,3	0,3	0.3	-	-
Credit Cards	10,6	10,6	10,6	10,7	11.2	6	6
(USD bn)							
FX Loans	**22,6**	**21,1**	**20,6**	**21,0**	**20.8**	**(1)**	**(8)**
Corporate	14,5	13,8	13,4	13,7	13.4	(3)	(8)
Commercial	8,1	7,3	7,2	7,3	7.5	3	(7)
Total Loans (TL bn)	**169,1**	**178,9**	**186,6**	**190,0**	**195.5**	**9**	**16**

FX indexed loans are shown under FX loans

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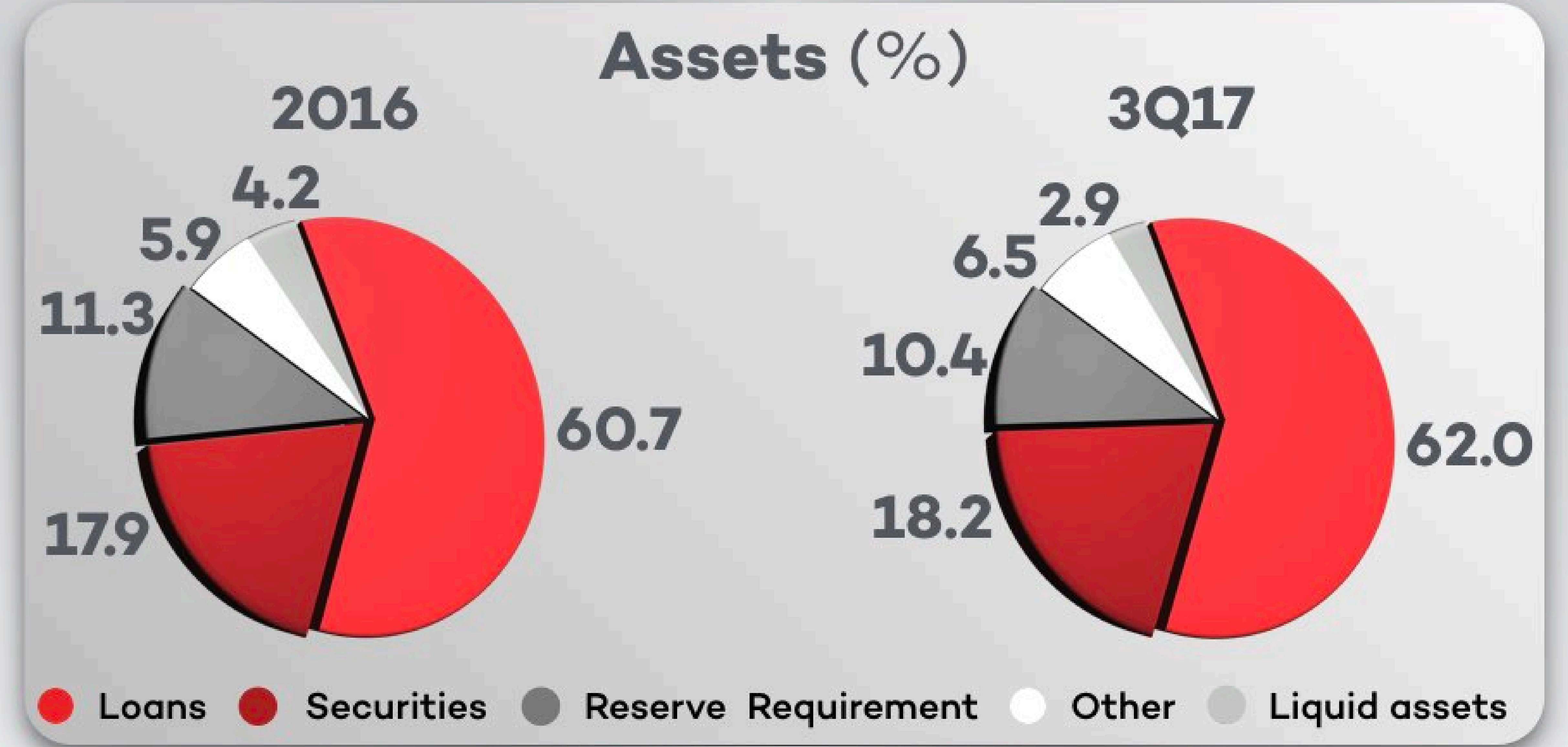
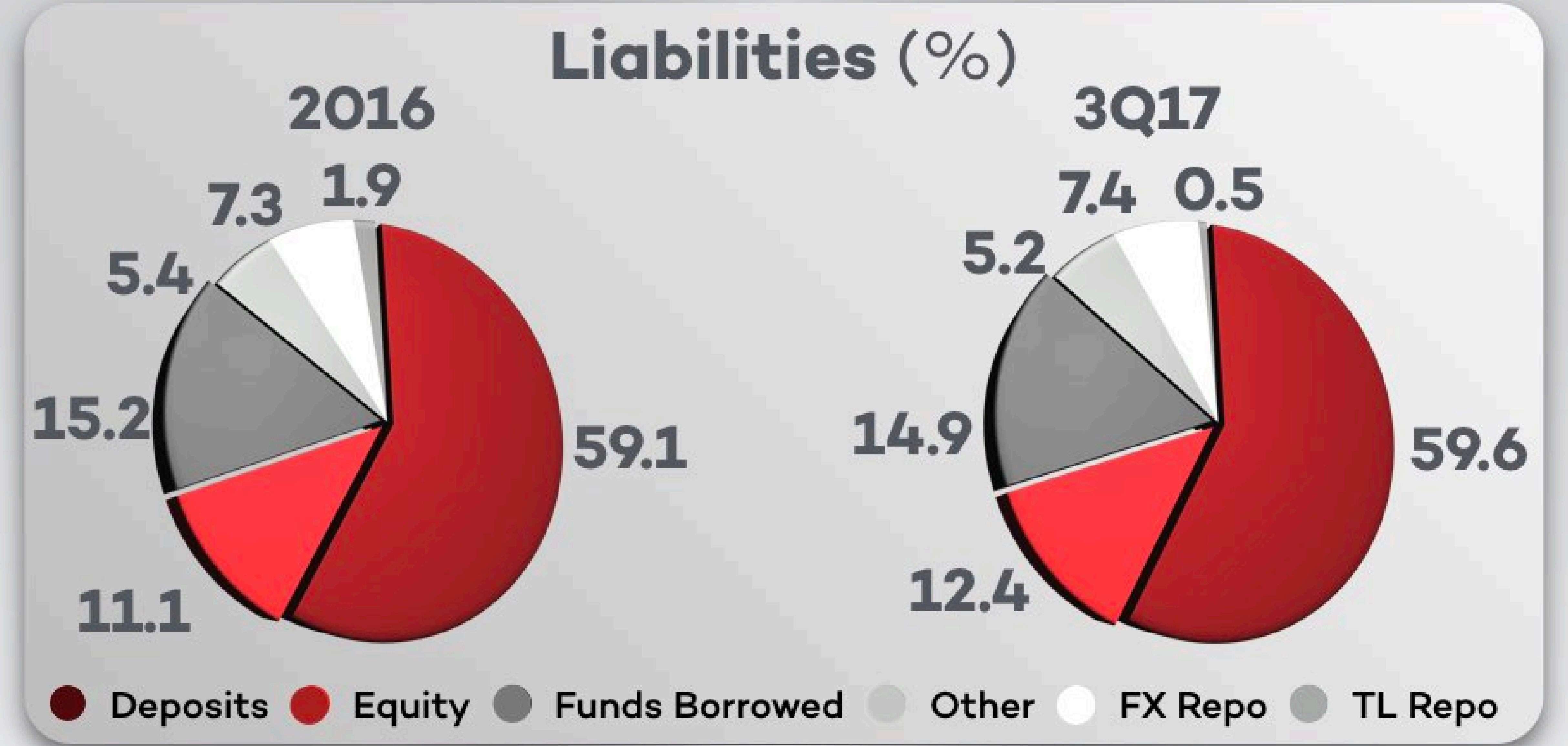
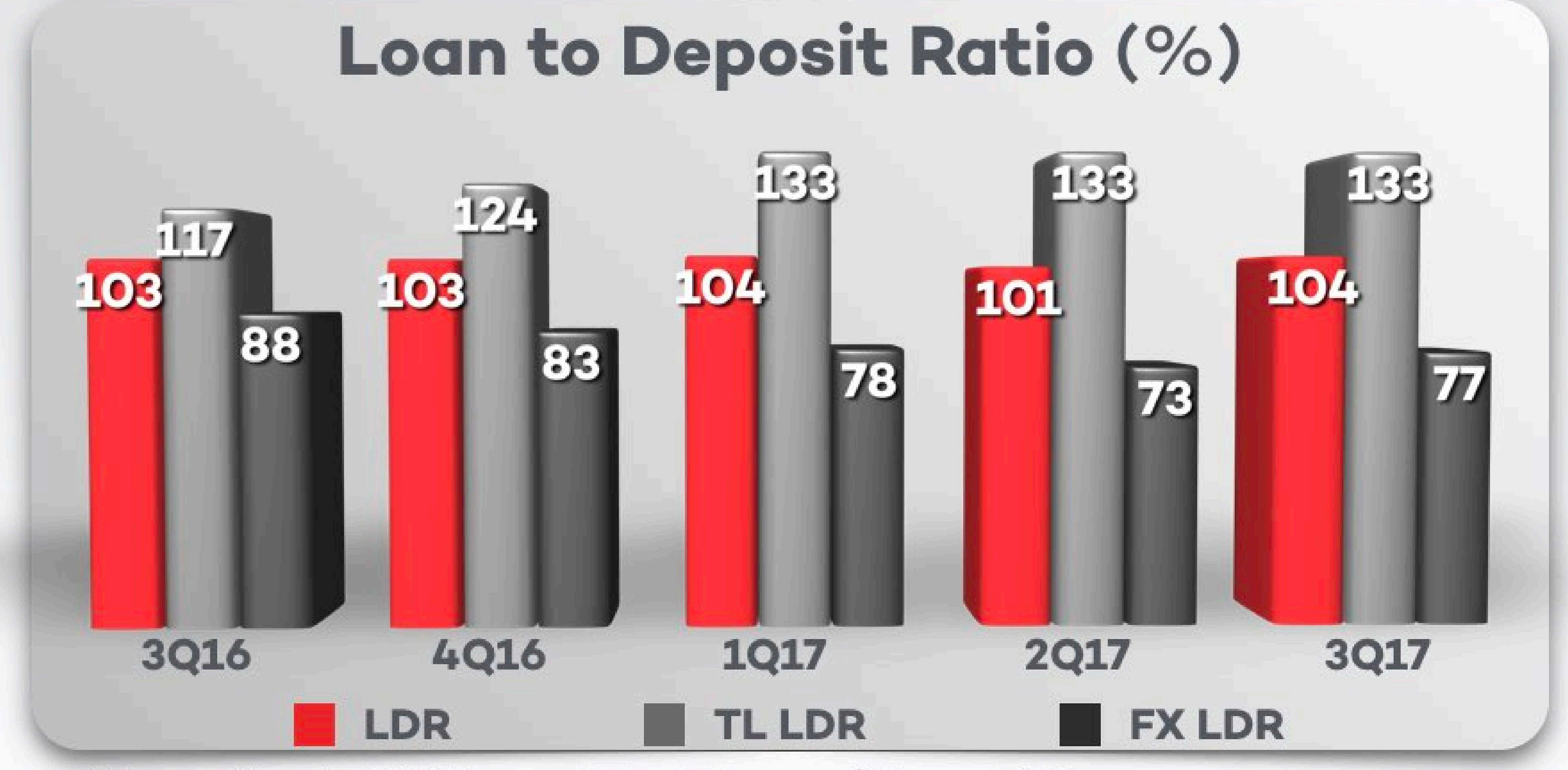
Growth supported by disciplined funding policy



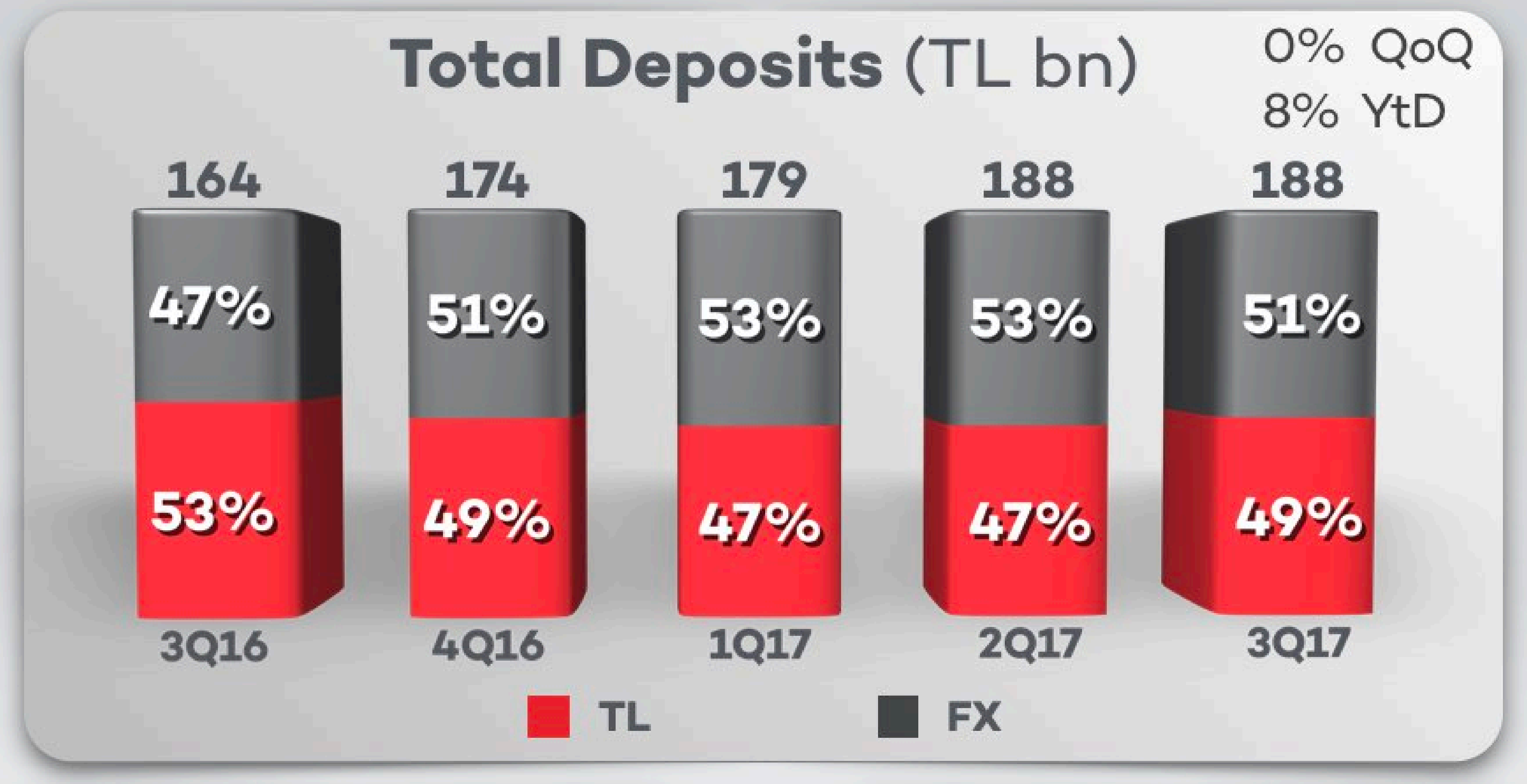


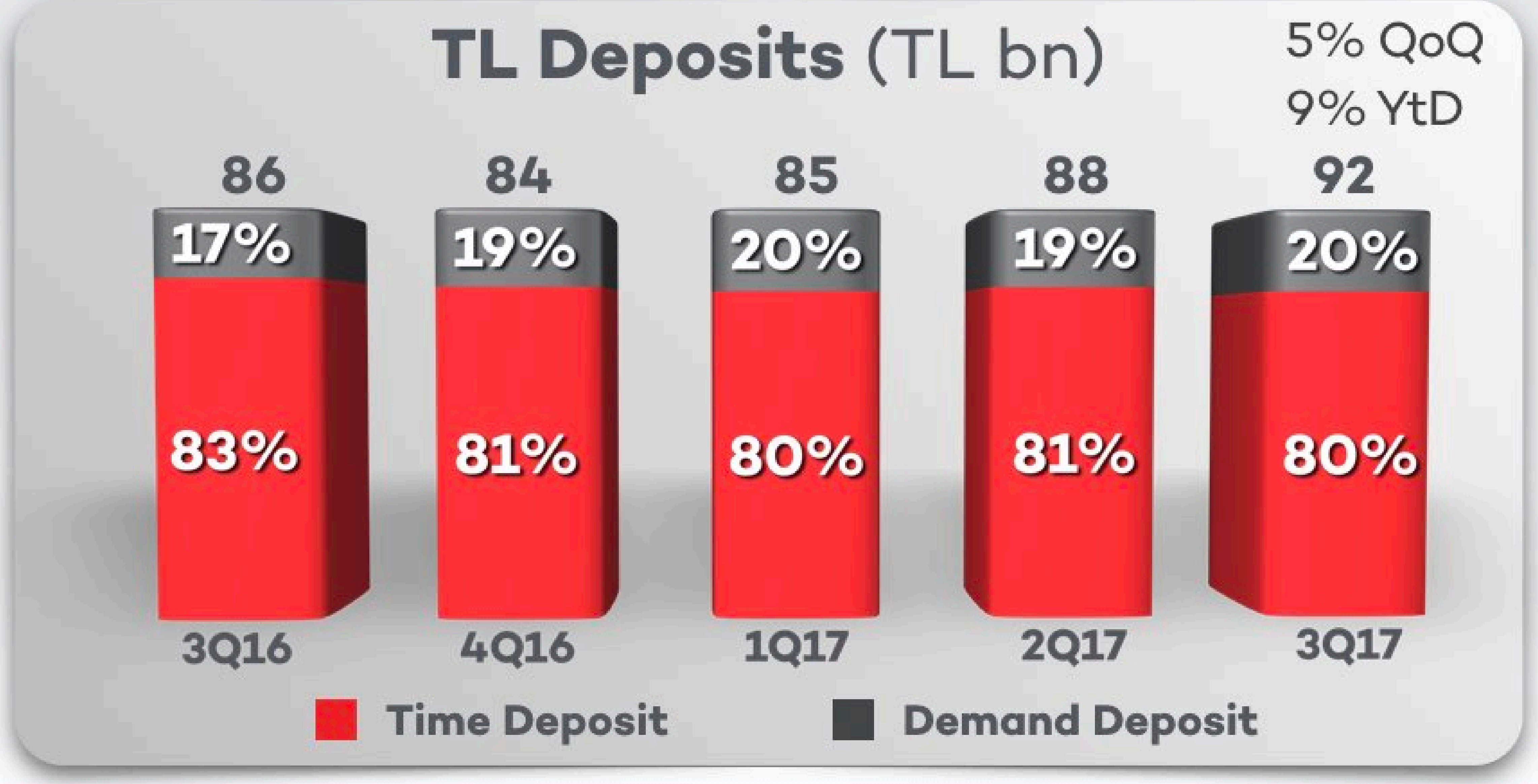
Lowest LDR of 104% vs. sector avg.* of 122%

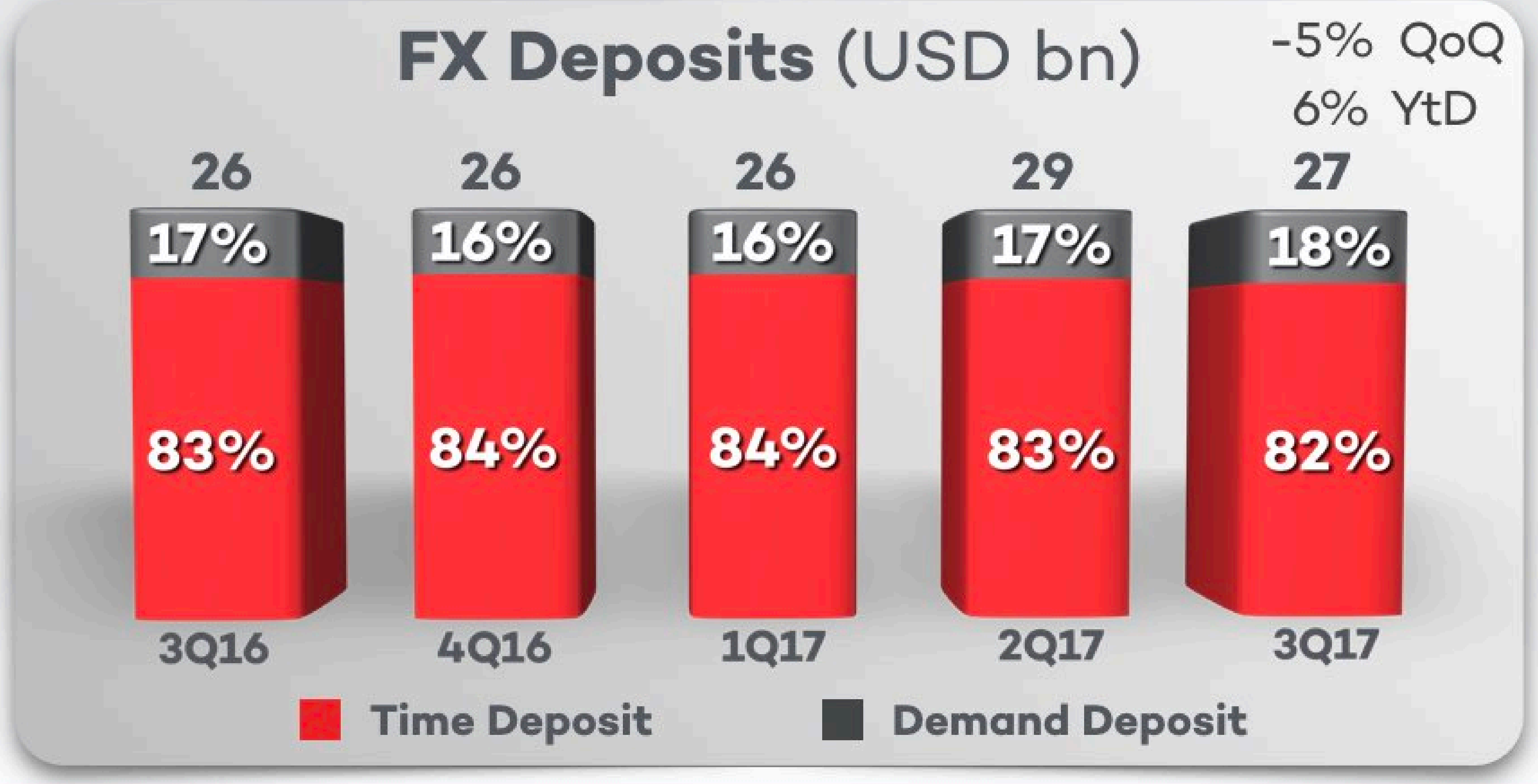


*According to BRSA monthly data as of August'17

TL and FX demand deposit increase share in the mix







Sound fee growth supported by bank-wide initiatives

Cumulative Net Fees & Comm.

(TL mn)

Split of Comissions by product (%)

Superior 70% YoY increase in **Direct Banking Fees, share in total fees is up to 21%** vs. 15% in 9M16

+52% YoY increase in **Money Transfer Fees**

+29 YoY increase in fees from **Asset Management**

+25% YoY increase in **Bancassurance commissions**

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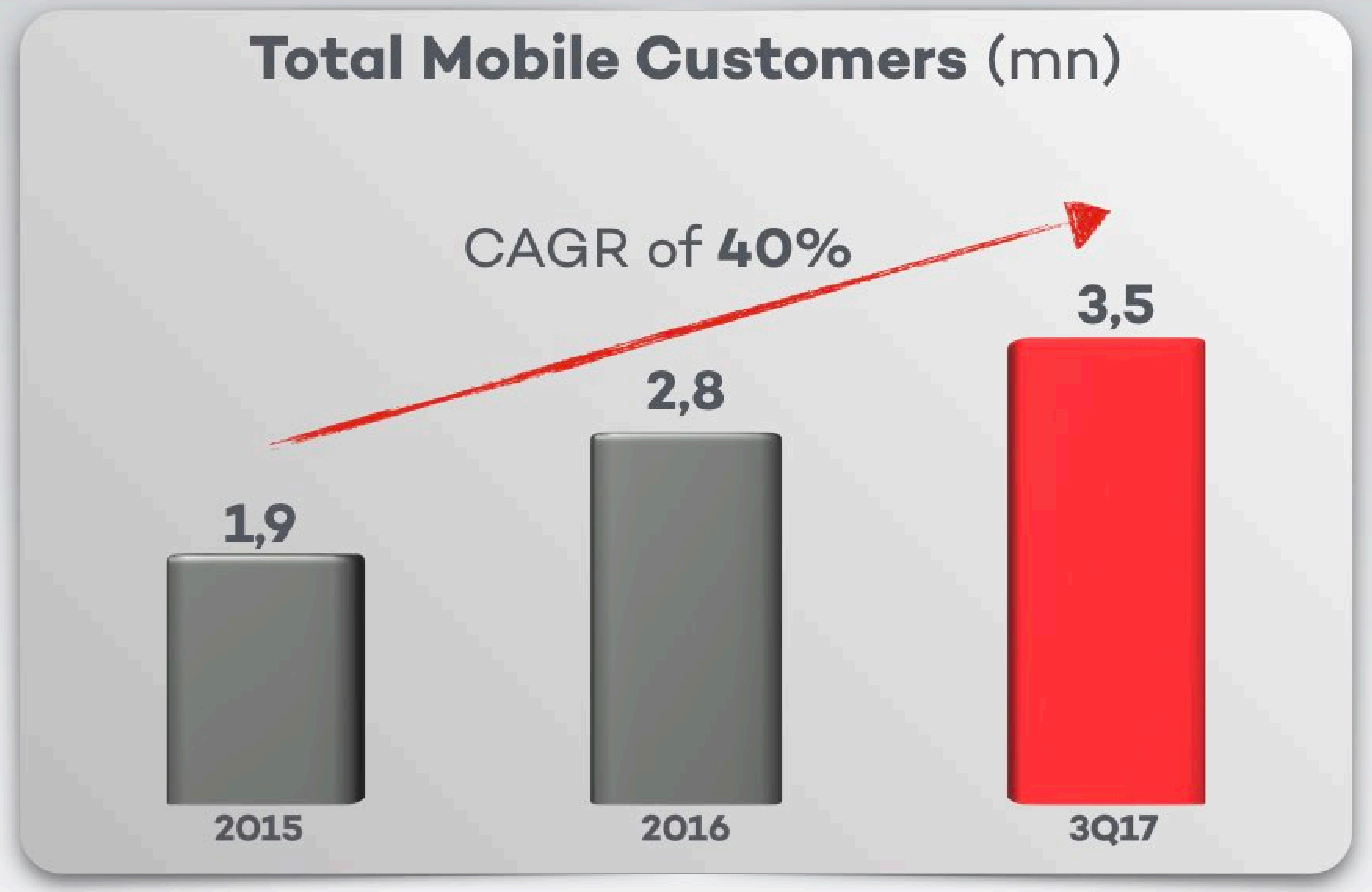
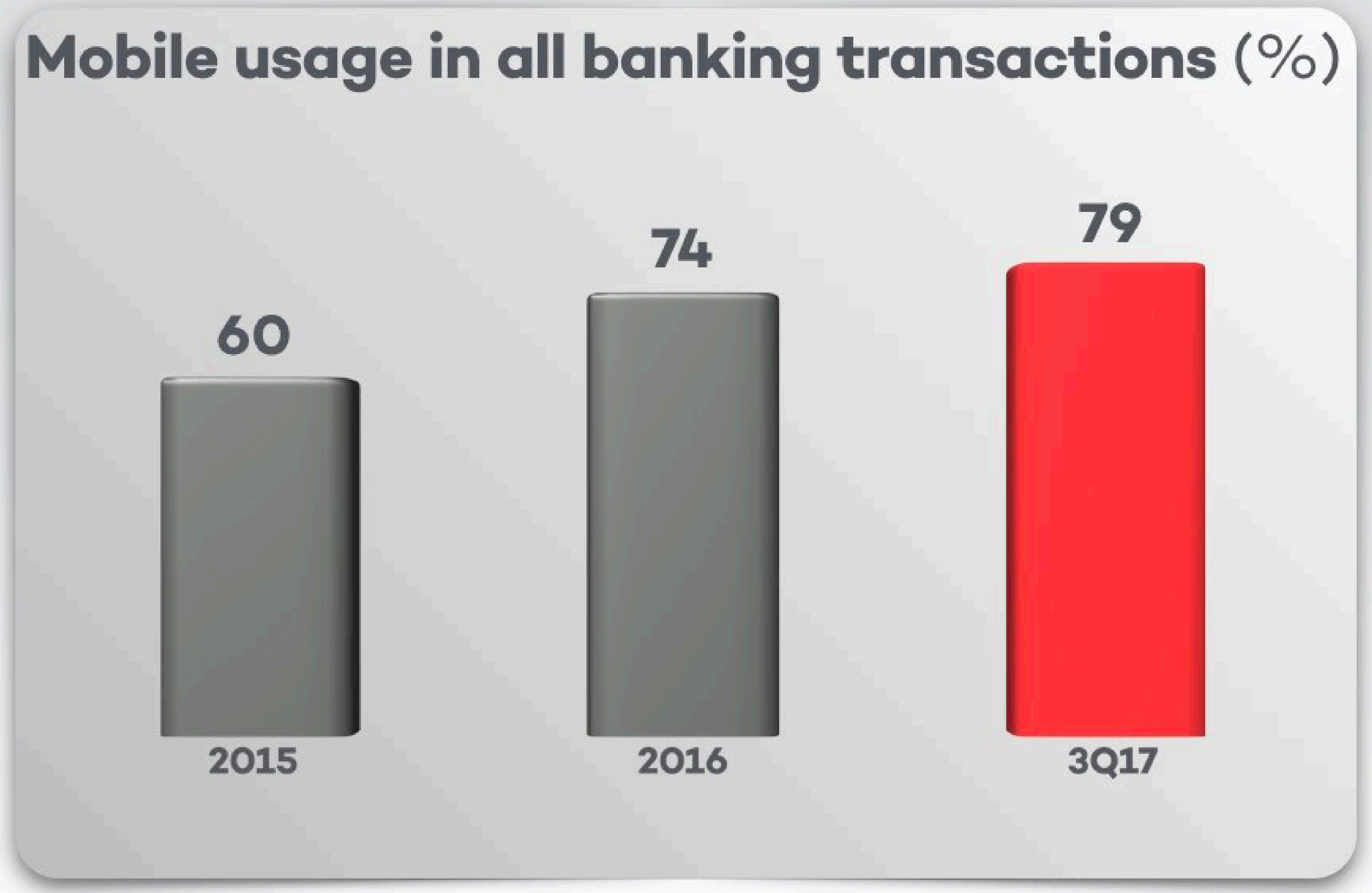
Digital transformation to gear revenue growth



47% of customers use Akbank mobile banking

52% of GPL origination is fully digital through Direct channels* in 9M17



Mobile cross-sell 5x vs. 2.5x conventional

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

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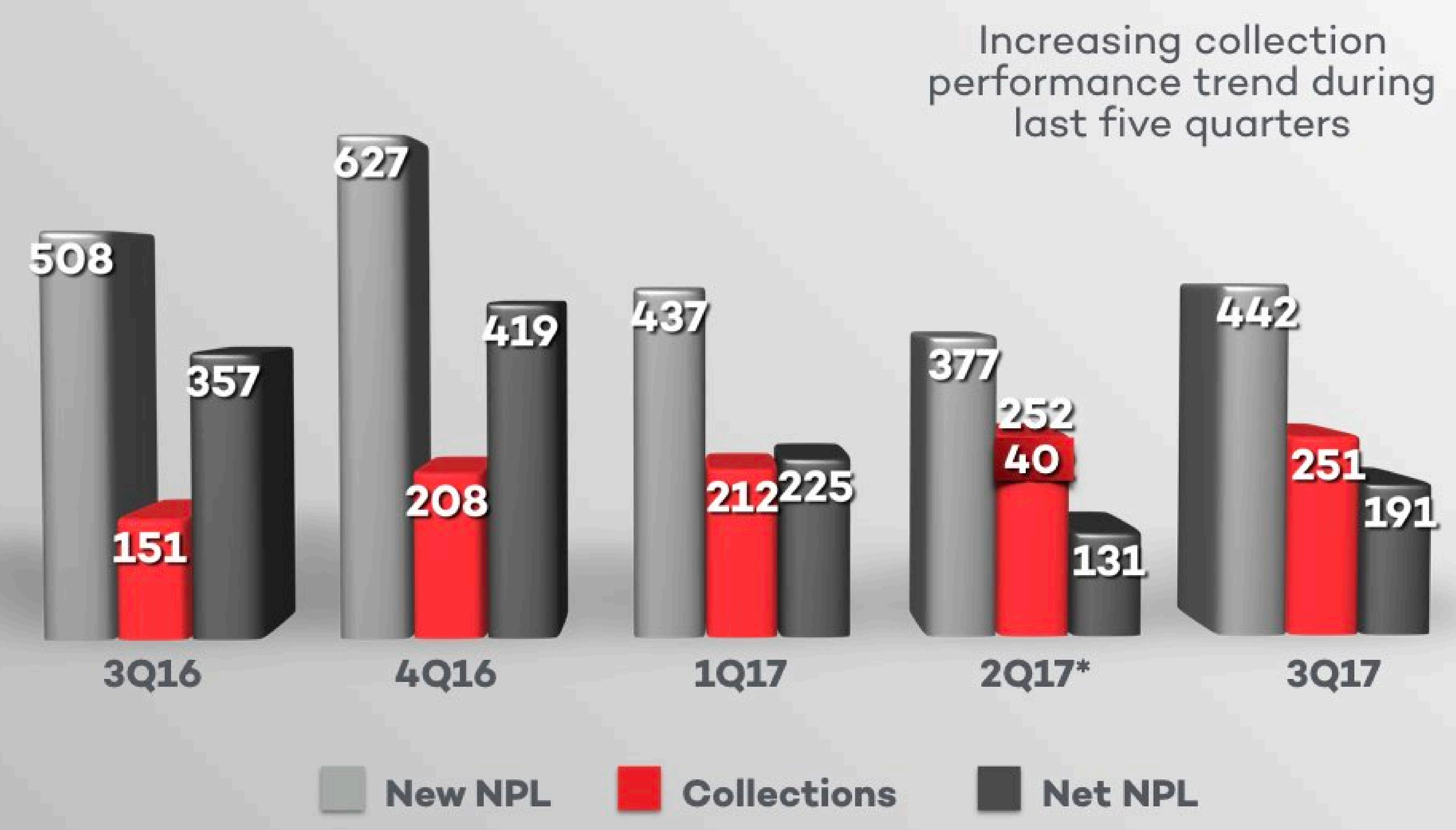
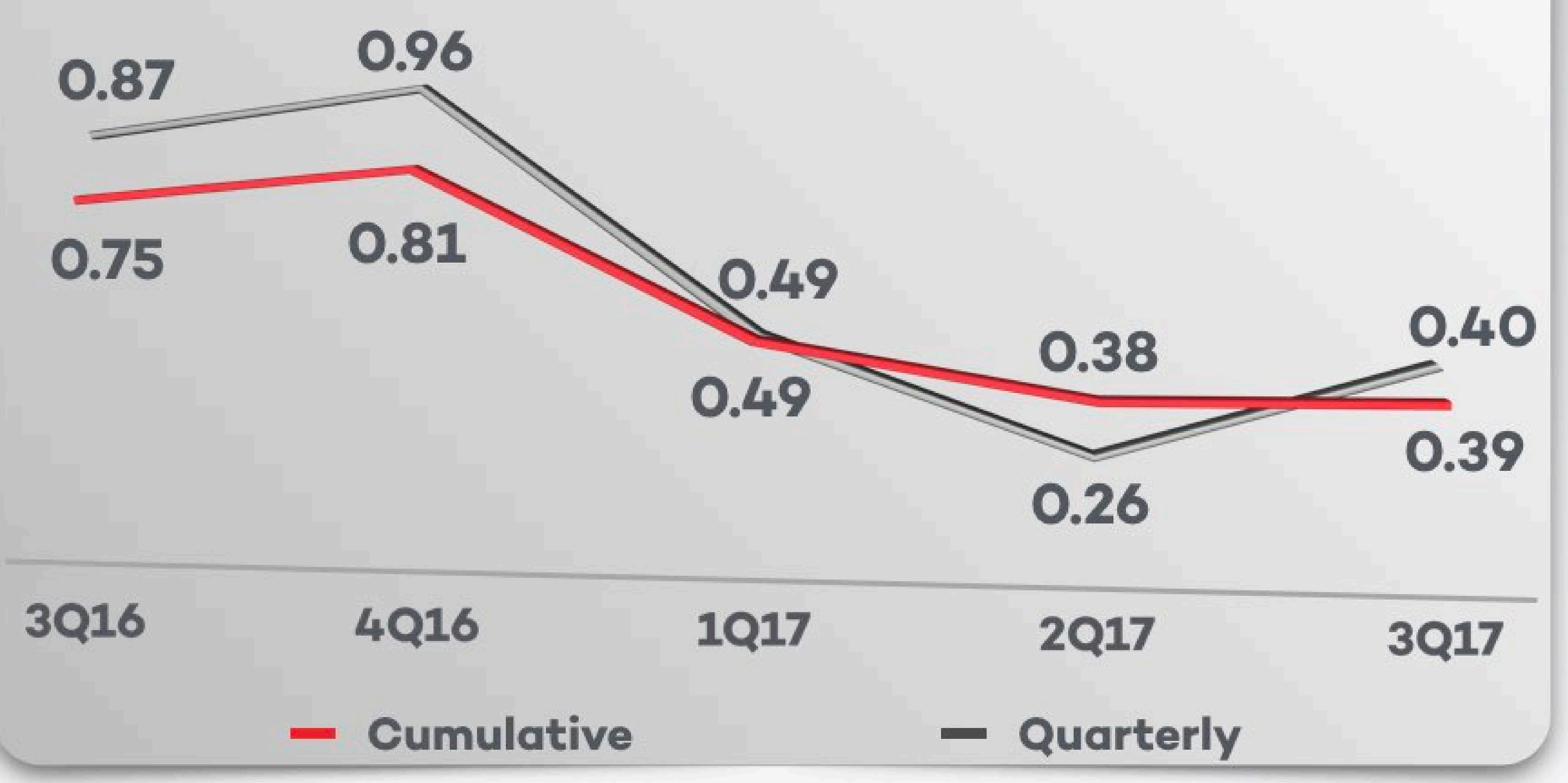
Success of superior credit risk management

New NPL Provisions and Recoveries (TL mn)



*NPL sale of TL 40mn included in collections

Net Specific Cost of Risk (%)



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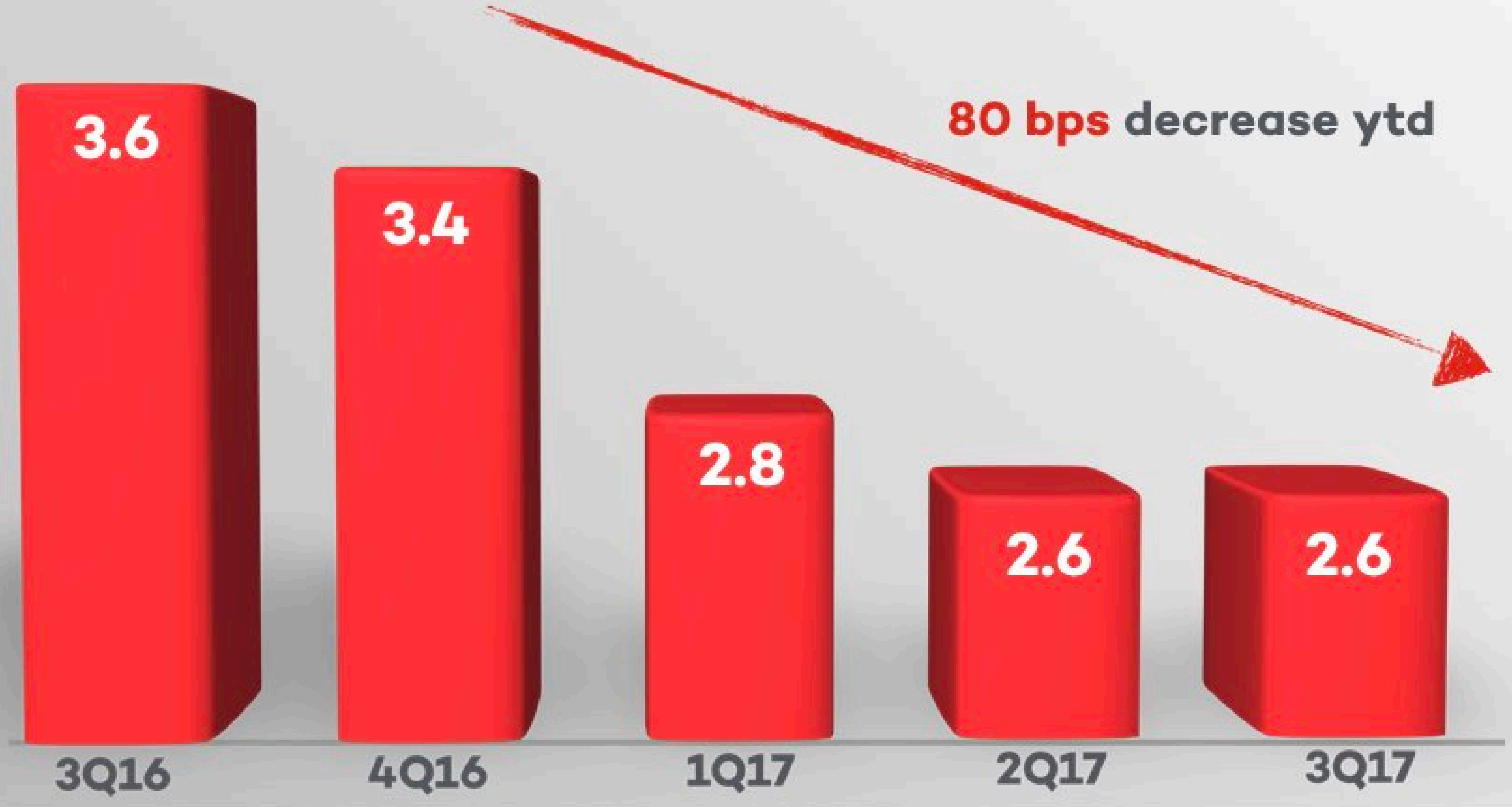
Group II loans remain at very low levels

Group II loans ratio (%)



COR and NPL Ratios by Segment (%)

	COR		NPL	
	2016	3Q17	2016	3Q17
Business	0.6	0.3	1.2	1.2
Consumer	1.1	0.3	4.6	4.0
Credit Cards	2.3	0.9	9.4	7.5
Total	0.8	0.4	2.3	2.1

96% Specific

170% Total Coverage Ratio

Impact of higher specific coverage in 3Q17;

CoR c.10bps

ROE c.40bps

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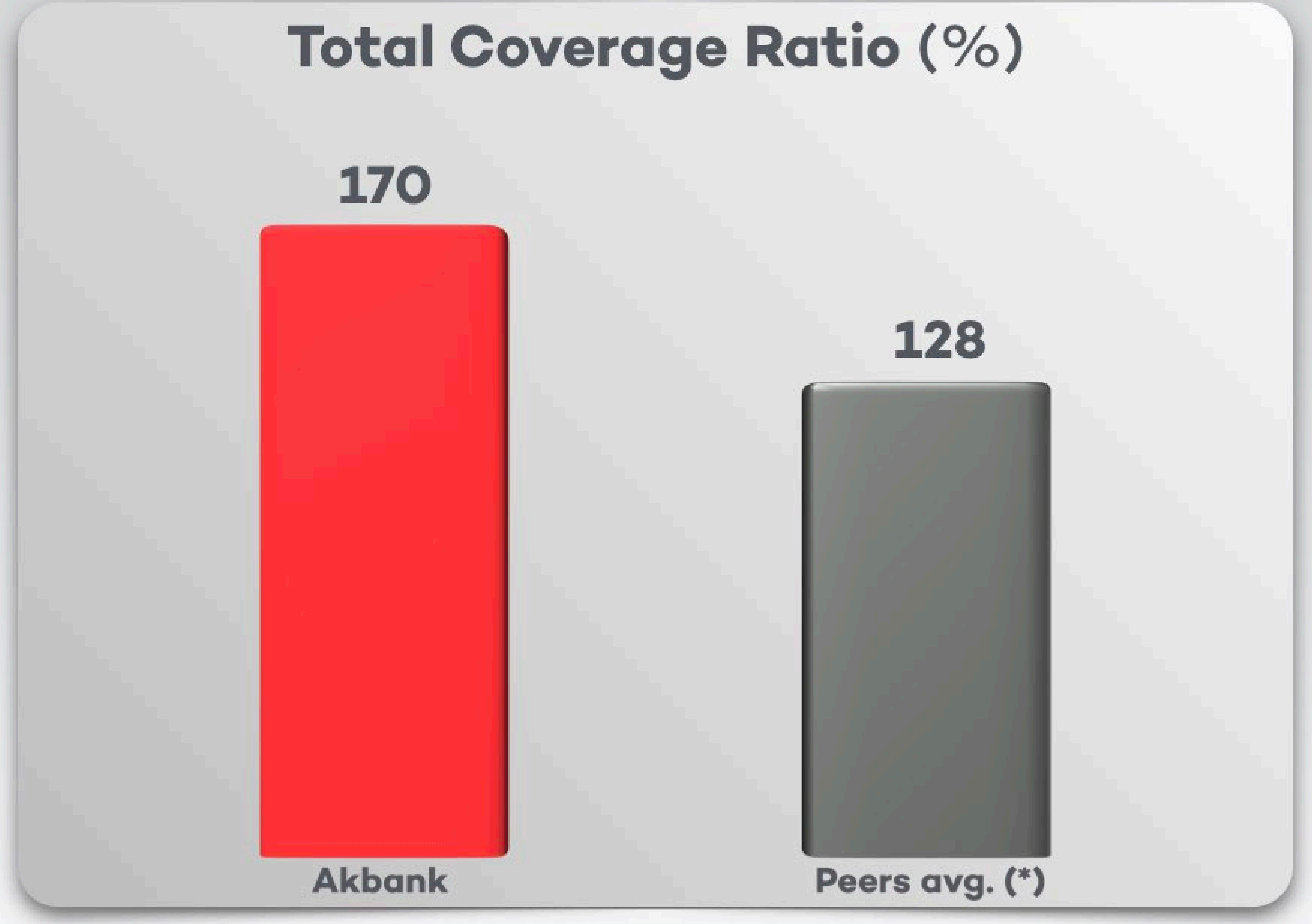
Strongest provisioning buffer



Excess general provision of TL1.8bn
+
TL 200mn free provisions
=
TL2.0 bn total available buffer
(TL2.5 bn pretax equivalent)

Based on 2Q17 consolidated figures for peers

Cost Base converging towards FY guidance

(TL mn)

3Q17 results signal strong upside potential to FY guidance

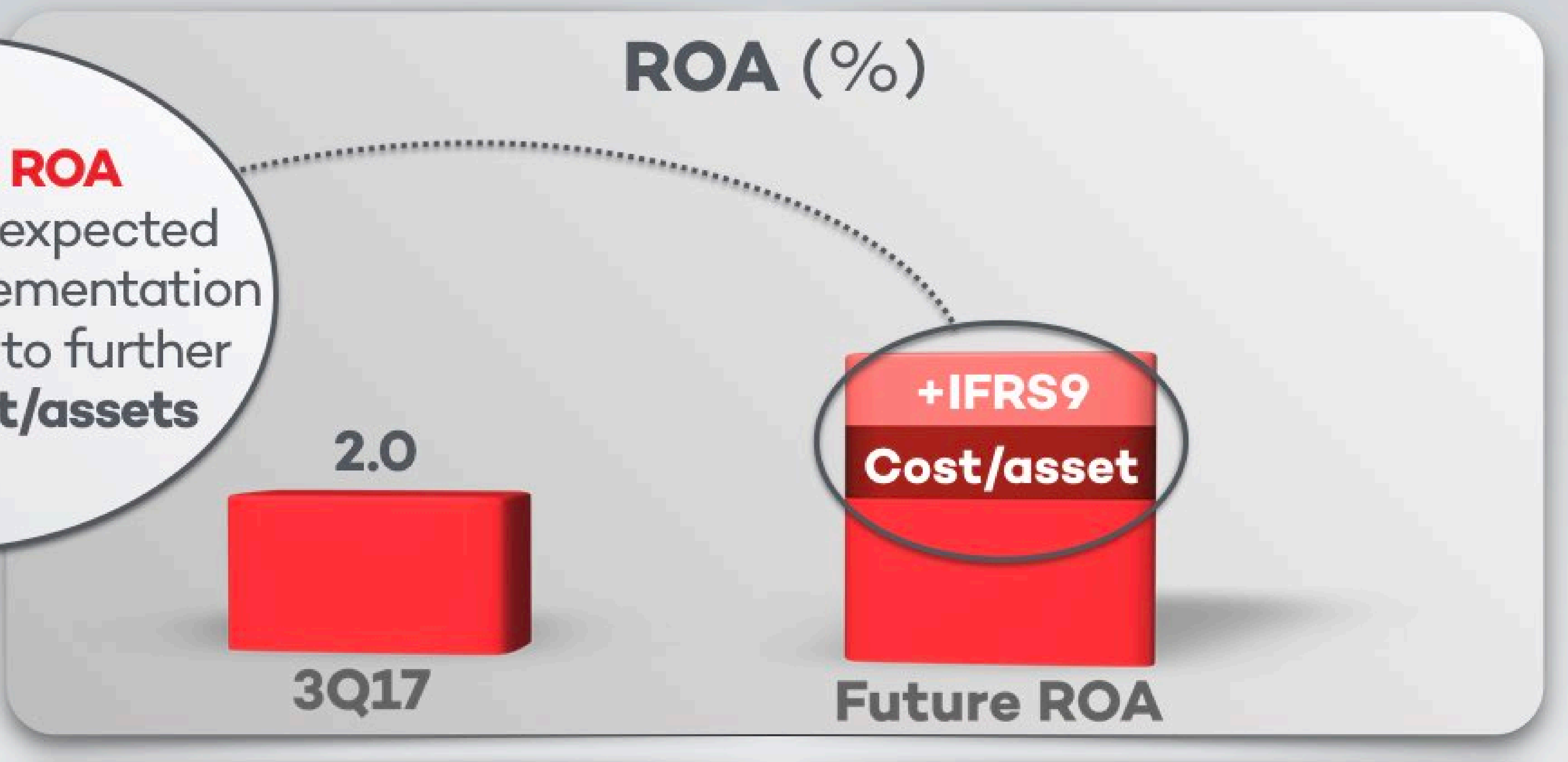
Growth (%)	2017T	3Q17 (Ann.)
Total Assets	10-12	9
Loans	10-12	12
TL	10-12	21
FX (in USD terms)	2-4	-2
Total Deposits	10-12	11
TL	10-12	12
FX (in USD terms)	2-4	8

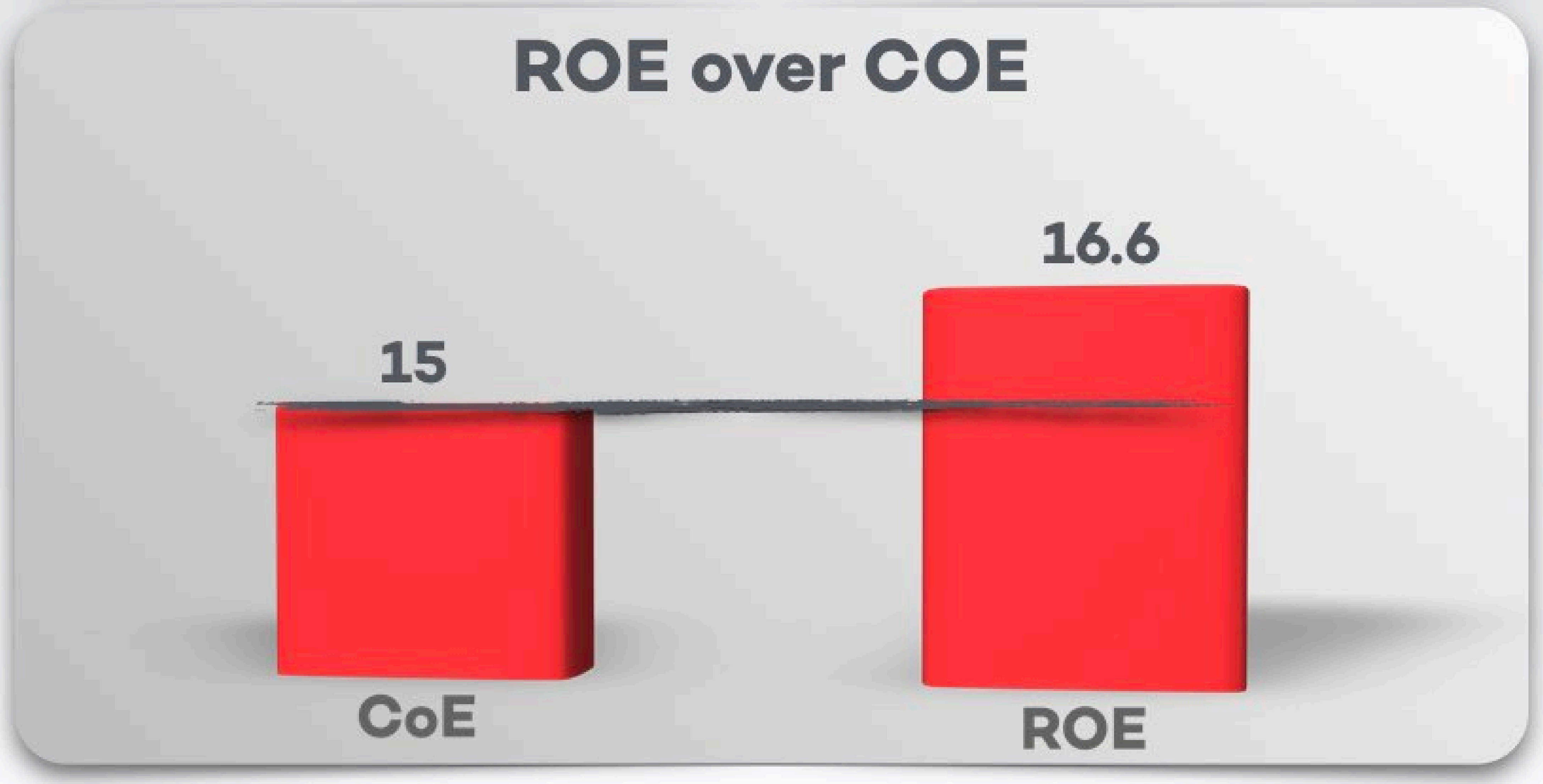
	2017T	3Q17A	
ROA	~1.7%	2.0%	+
Leverage	~ 9.0x	8.1x	+
ROE	~15%	16.6%	+
NIM	~3.4%	flat	+
Net fees&com. growth	~10%	14%	+
Opex growth	~6%	8%	~
Cost/ income	~36%	35%	+
Cost / assets	~1.5%	1.5%	+
CAR	~ 14%	16.4%	+
LDR	Max 105%	104%	+
NPL	~2.5%	2.1%	+
Cost of risk	90 bps	39 bps	+
EPS Growth	~10%	23%	+

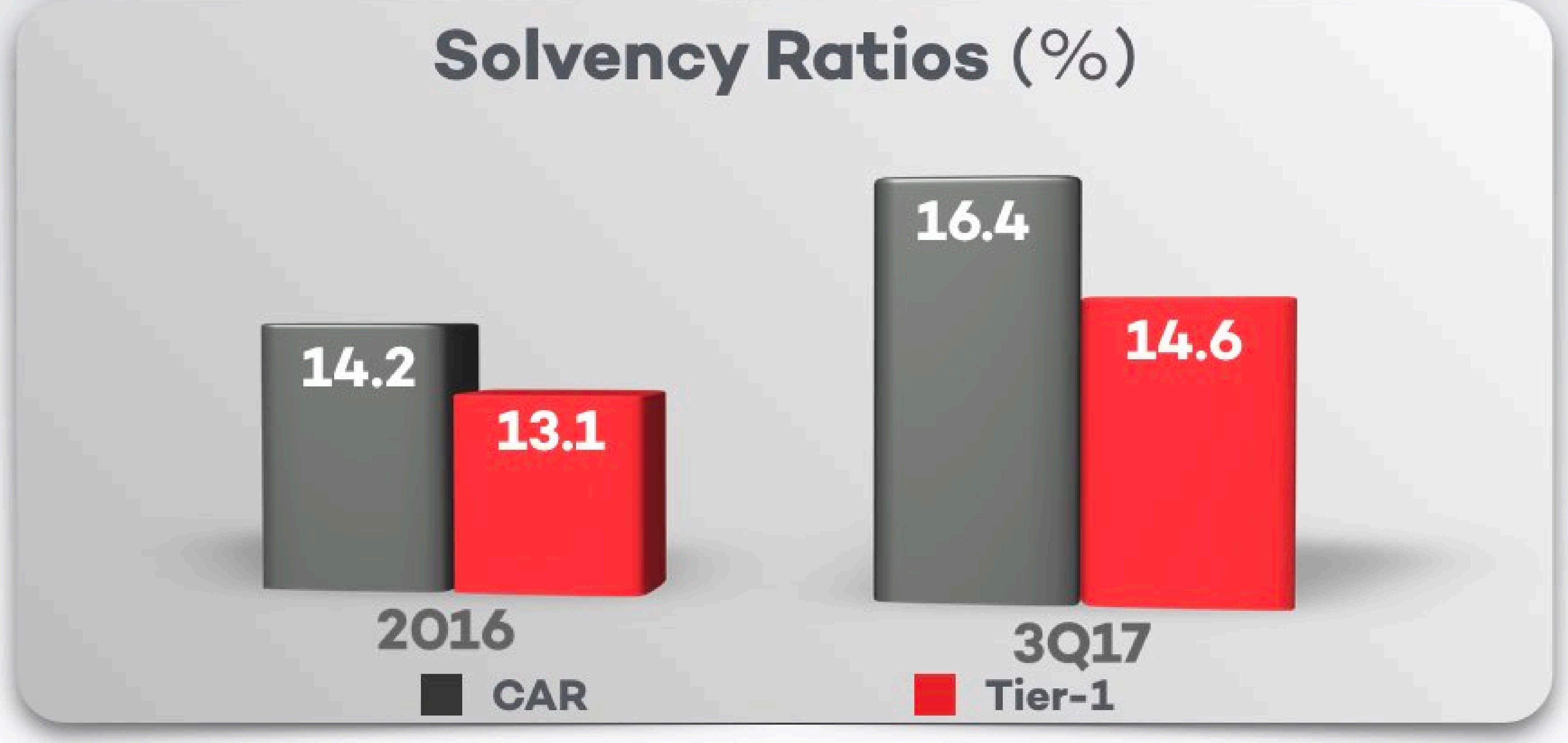
* All data is based on reported figures apart from CIR (excl. one-off gain)

Positioned to deliver higher profitability and increased dividend payout

10-20 bps ROA **enhancement** expected with IFRS 9 implementation & our ambition to further **IMPROVE cost/assets**







Annex

- Snapshot of Results
- Balance Sheet Highlights
- Income Statement Highlights
- IAS 27 - Impact on financials
- Loans growth by Segments
- Securities Portfolio Breakdown
- Subsidiaries Contribution
- Swap Costs/Gains & CPI Linkers Income

Snapshot of Results

(TL mio, ratios in %)	9M16	1Q17	2Q17	3Q17	9M17	YoY (%)	QoQ (%)
Total Assets	277,363	305,910	315,298	315,475	315,475	14	-
Loans	169,118	186,550	189,956	195,460	195,460	16	3
Deposits	164,026	179,353	188,044	187,876	187,876	15	-
Net Profit	3,682	1,452	1,571	1,494	4,517	23	-5
Net interest income	6,280	2,552	2,749	2,686	7,987	27	-2
Net fee income	1,906	680	745	742	2,166	14	-1
ROAE	16.5	17.0	17.0	15.5	16.6	0.1	-1.5
ROAA	1.9	1.9	2.0	1.9	2.0	0.1	0.1
NIM	3.29	3.59	3.75	3.61	3.66	0.4	-0.1
NIM after swap	3.43	3.55	3.36	3.19	3.37	-0.1	-0.2
Cost of Risk	0.75	0.49	0.28	0.40	0.39	-0.4	0.1
Cost to Income*	34.7	34.8	34.8	35.7	35.1	0.4	0.9
CAR	14.8	15.2	16.0	16.4	16.4	1.5	0.4
Tier I	13.7	13.4	14.2	14.6	14.6	0.8	0.4

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

Balance Sheet Highlights

Consolidated (TL mn)	2016	3Q17	Shares (%) 2016	Shares (%) 3Q17	Change (%)
Cash and Due from Banks	45,399	41,875	15.4	13.2	(8)
Securities	52,848	57,325	17.9	18.2	8
Loans	178,893	195,460	60.7	62.0	9
Other	17,361	20,815	5.9	6.6	20
Total Assets	**294,501**	**315,475**			**7**
Deposits	173,968	187,876	59.1	59.6	8
Funds Borrowed and Bonds Issued	44,838	46,882	15.2	14.9	5
Repo	27,320	24,912	9.3	7.9	(9)
- TL Repo	5,726	1,680	1.9	0.5	(71)
- FX Repo	21,594	23,232	7.3	7.4	8
Other	15,883	16,667	5.4	5.3	5
Equity	32,492	39,137	11.0	12.4	20
Total Liabilities and S/H Equity	**294,501**	**315,475**			**7**

Income Statement Highlights

Consolidated (TL mn)	3Q16	3Q17	Change (%)
Interest Income	14,037	17,386	24
Interest Expense	(7,757)	(9,399)	21
Net Interest Income	**6,280**	**7,987**	**27**
Trading Gain (Loss)	557	(292)	n.m.
- Securities	238	244	3
- Other	320	(536)	n.m.
Provision for Loan Losses, net of collections	(890)	(578)	(35)
Fees and Commissions (Net)	1,906	2,166	14
Operating Expense	(3,272)	(3,522)	8
Other Income	381	108	(72)
Other Provisions	(282)	(151)	(46)
Income Before Tax	**4,680**	**5,718**	**22**
Tax	(998)	(1,201)	20
Net Income	**3,682**	**4,517**	**23**

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IAS 27 - Impact on bank-only financials
(TL mn)

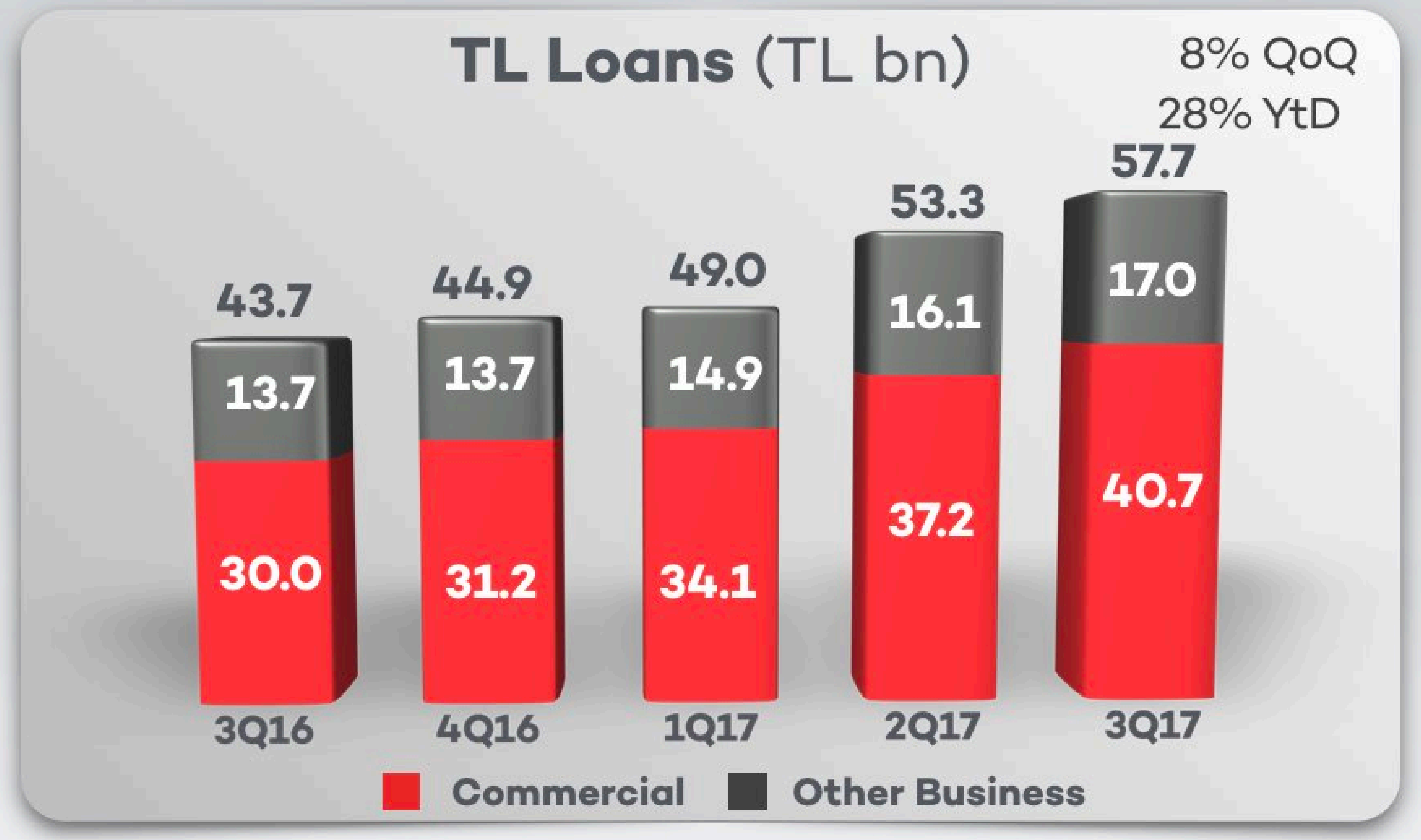
	1Q17	2Q17	3Q17
Net Income (pre-IAS 27)	**1,405**	**1,501**	**1,394**
IAS 27 Impact	44	67	105
Income from subs. under equity acc.	99	76	115
Dividend net off and other adj.	-55	-9	-10
Net Income reported	**1,449**	**1,568**	**1,499**

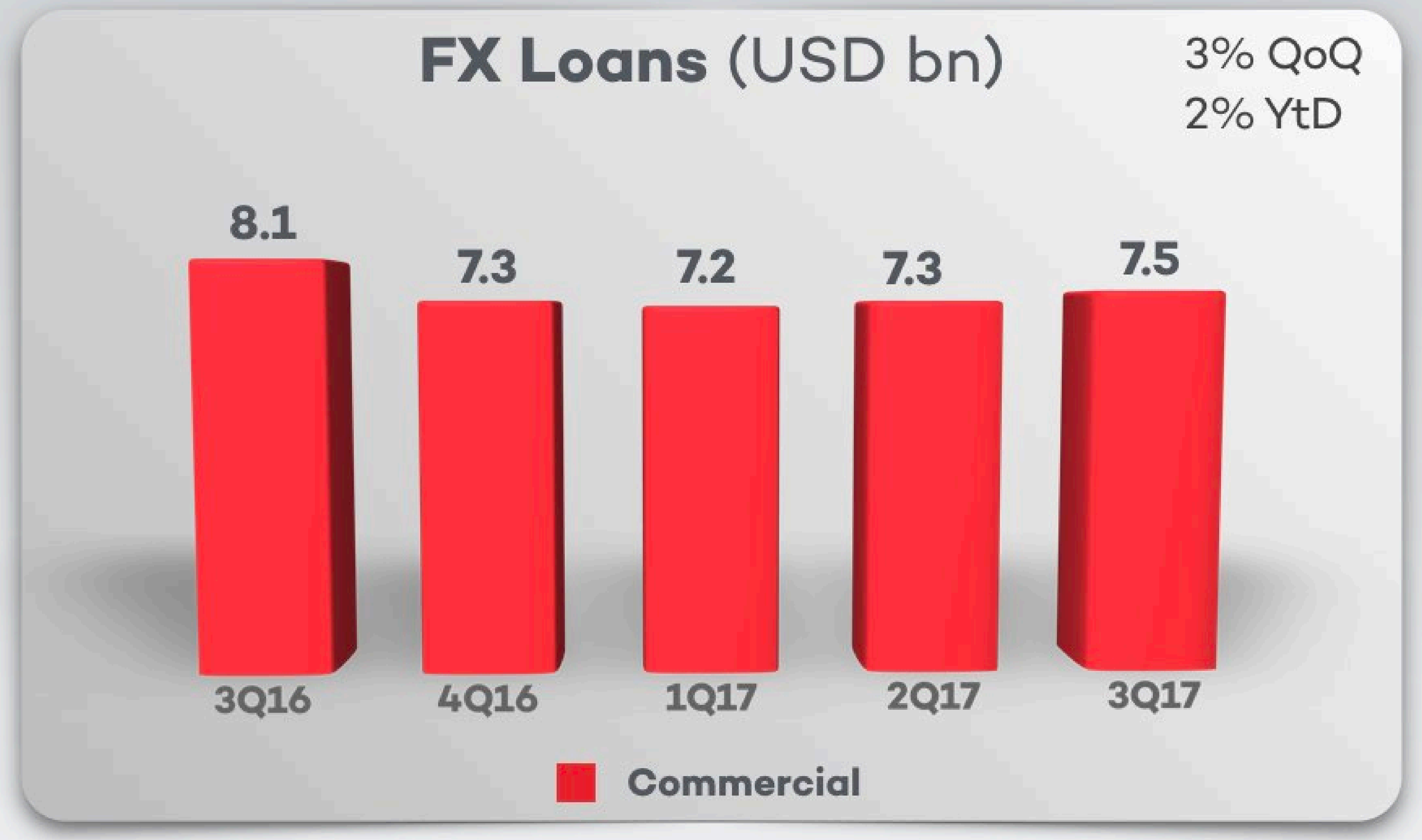
No IMPACT on consolidated financials

	1Q16	2Q16	3Q16	4Q16
Net Income (pre-IAS 27)	**1,007**	**1,332**	**1,105**	**1,085**
IAS 27 Impact	60	81	81	70
Income from subs. under equity acc.	82	81	93	91
Dividend net off and other adj.	-22	0	-12	-21
Net Income reported	**1,067**	**1,413**	**1,186**	**1,155**

- As of 9M17 we have revised our accounting methodology to IAS 27 in order to prepare for IFRS 9 implementation in bank-only financials.
- Equity pick-up method is applied for reporting investments in subsidiaries which will help reflect their contribution to bank-only results.

Sustained growth in TL commercial loans





36% YoY
Growth in **TL**
Commercial loans

5.6x Cross Sell in
Commercial
Loans

Increasing market share in GPLs

(TL bn)

Total Consumer Loans

4% QoQ
6% YtD

6.2x
Cross Sell of GPLs

GPLs

9% QoQ
14% YtD

6.8x
Cross Sell of Mortgage

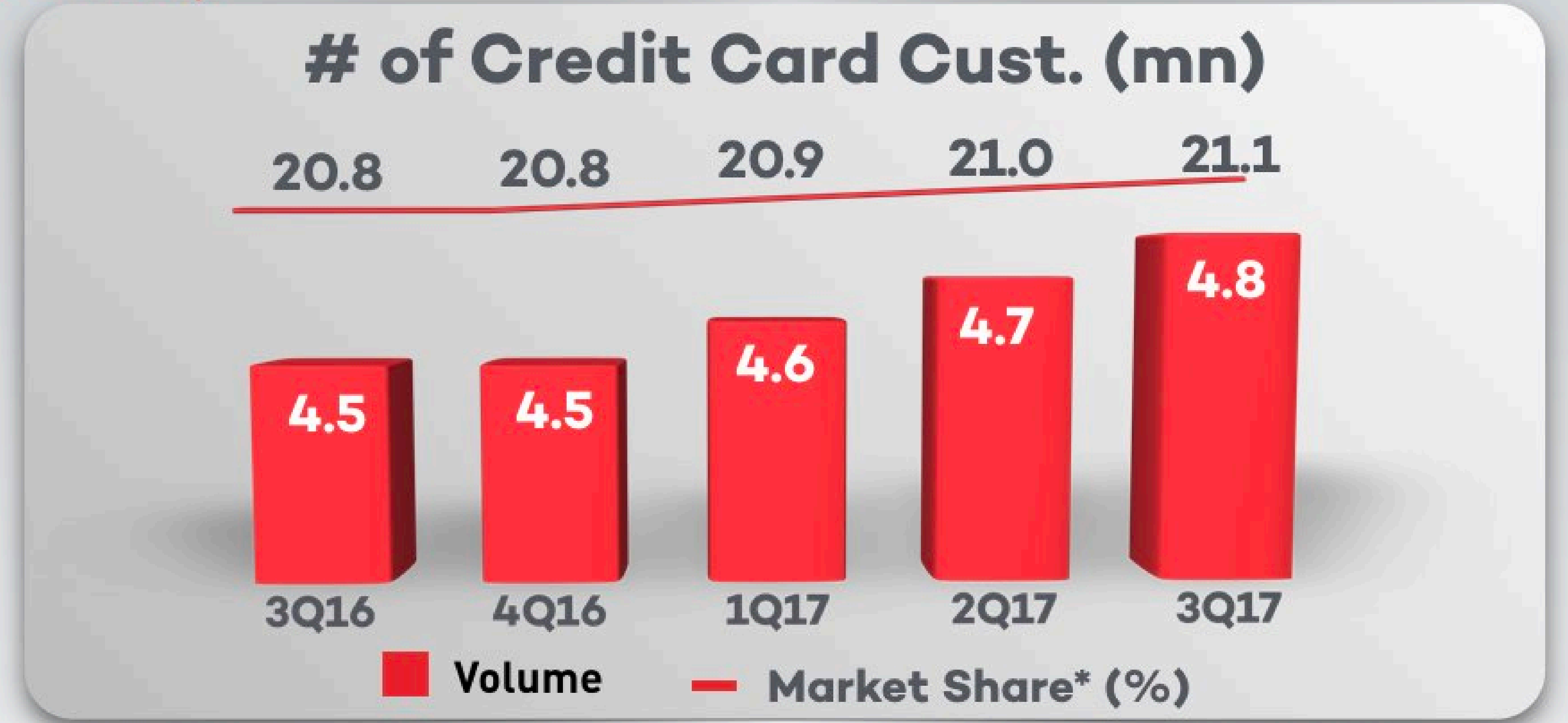
Mortgage Loans

-3% QoQ
-1% YtD

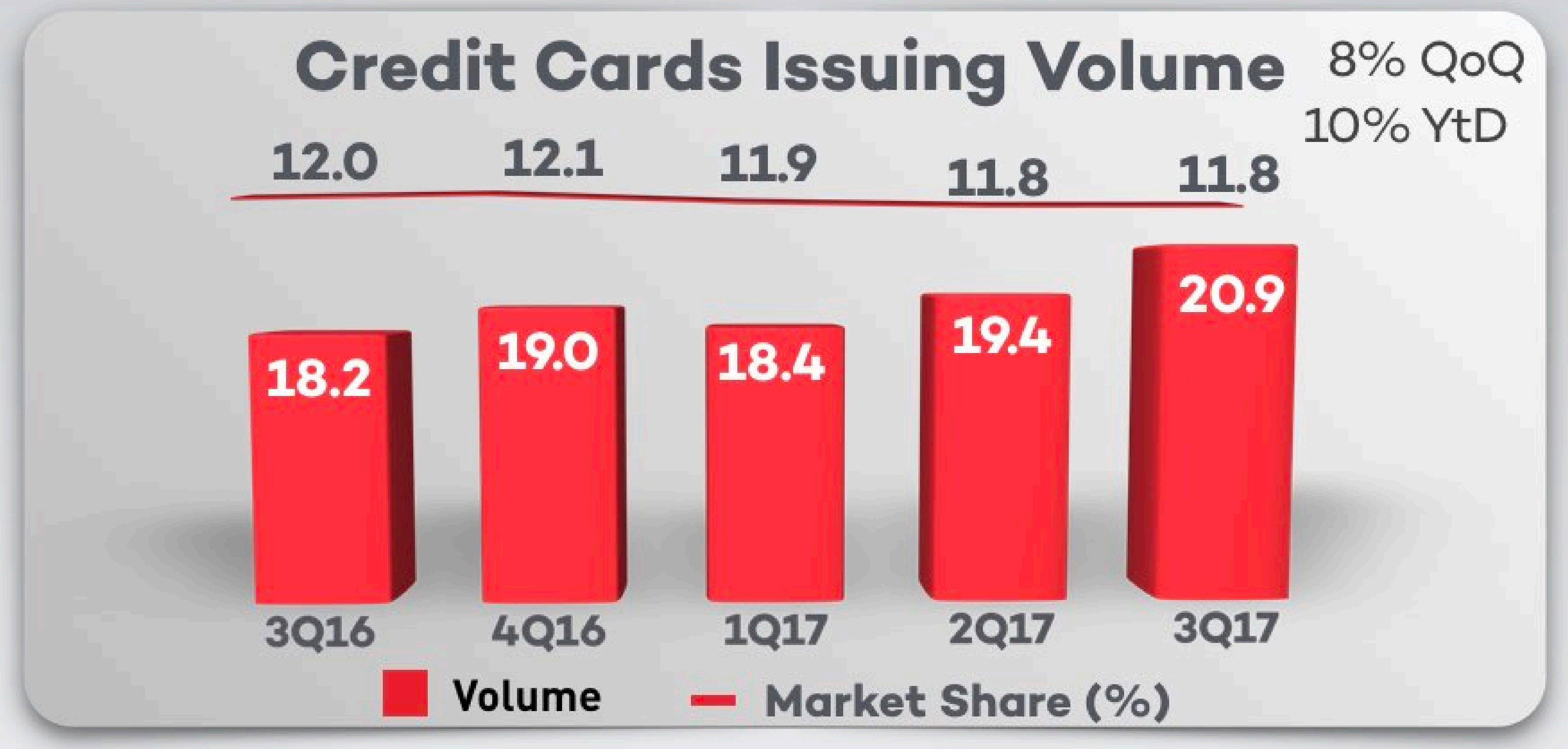
Auto Loans

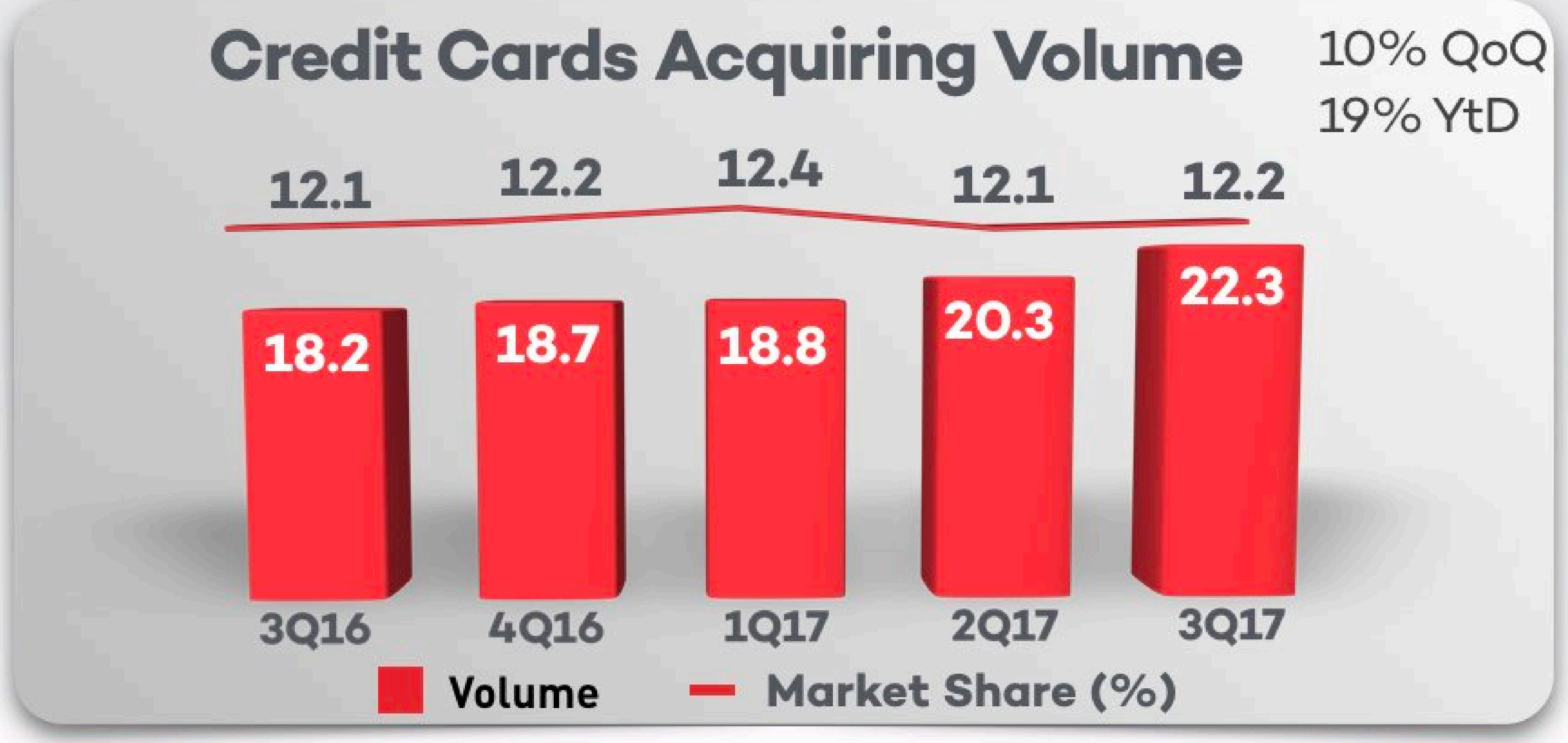
-13% QoQ
-26% YtD

Customer Growth in Credit Cards to support volume and profitability
(TL mn)



* Market share among private peers





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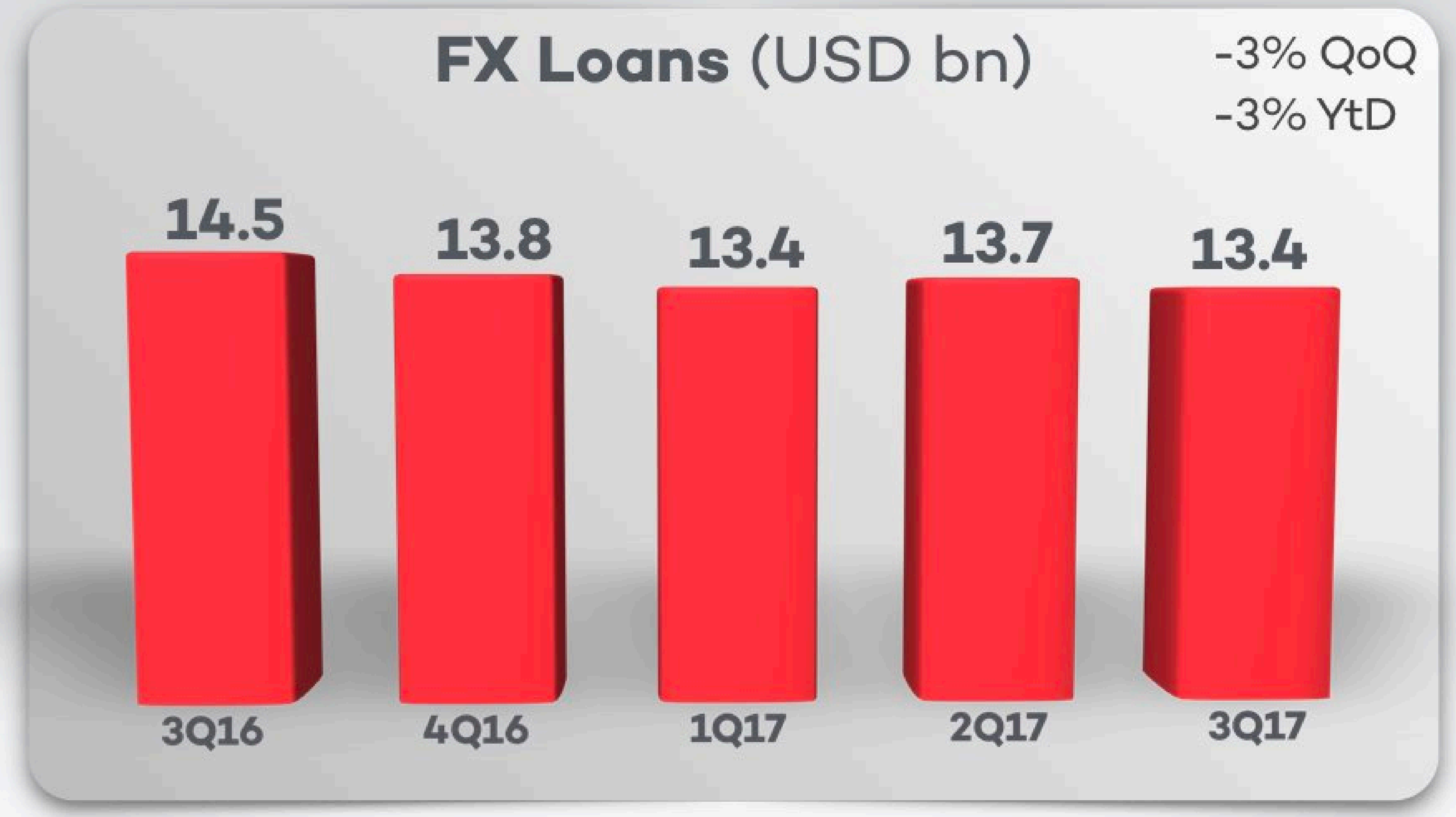
Corporate lending

5.4x
Cross Sell
in **Corporate Loans**



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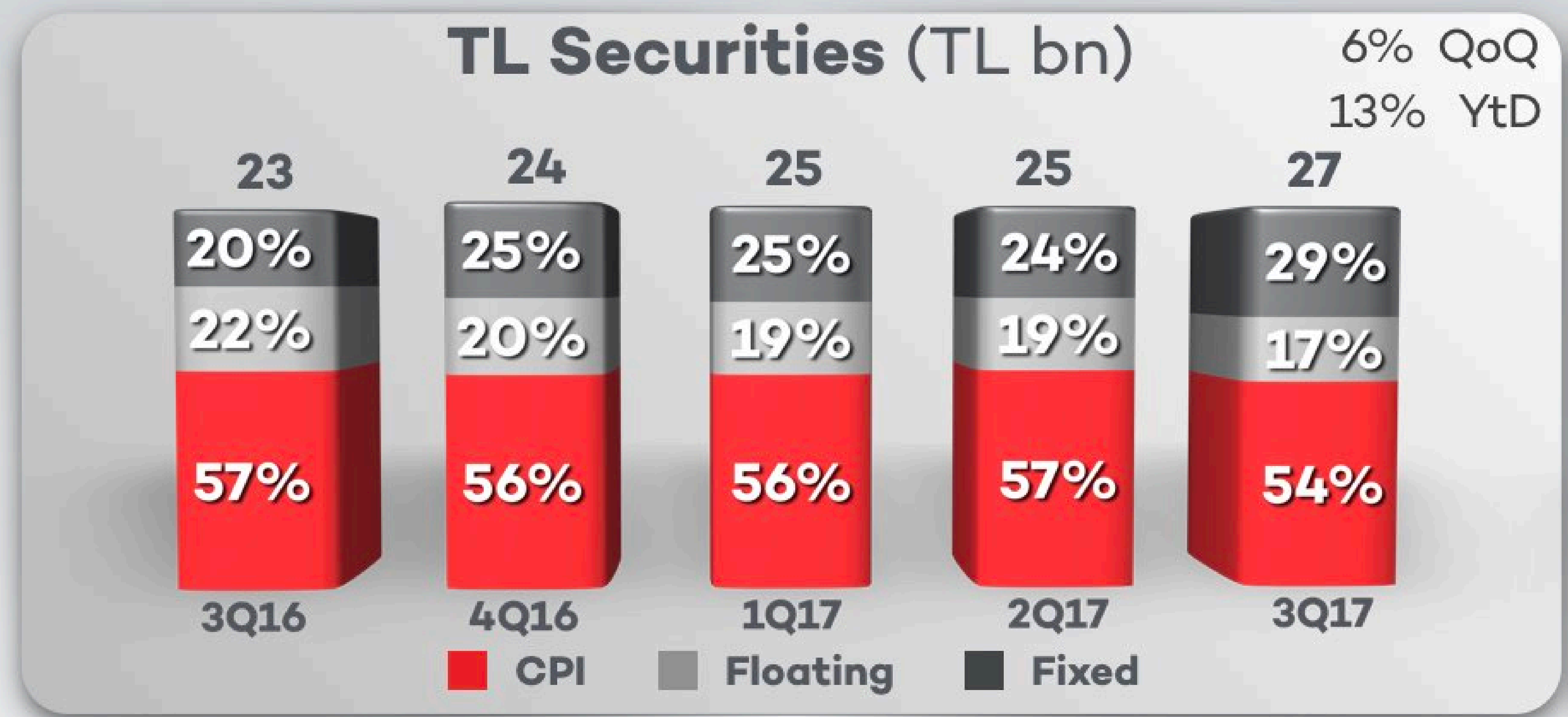
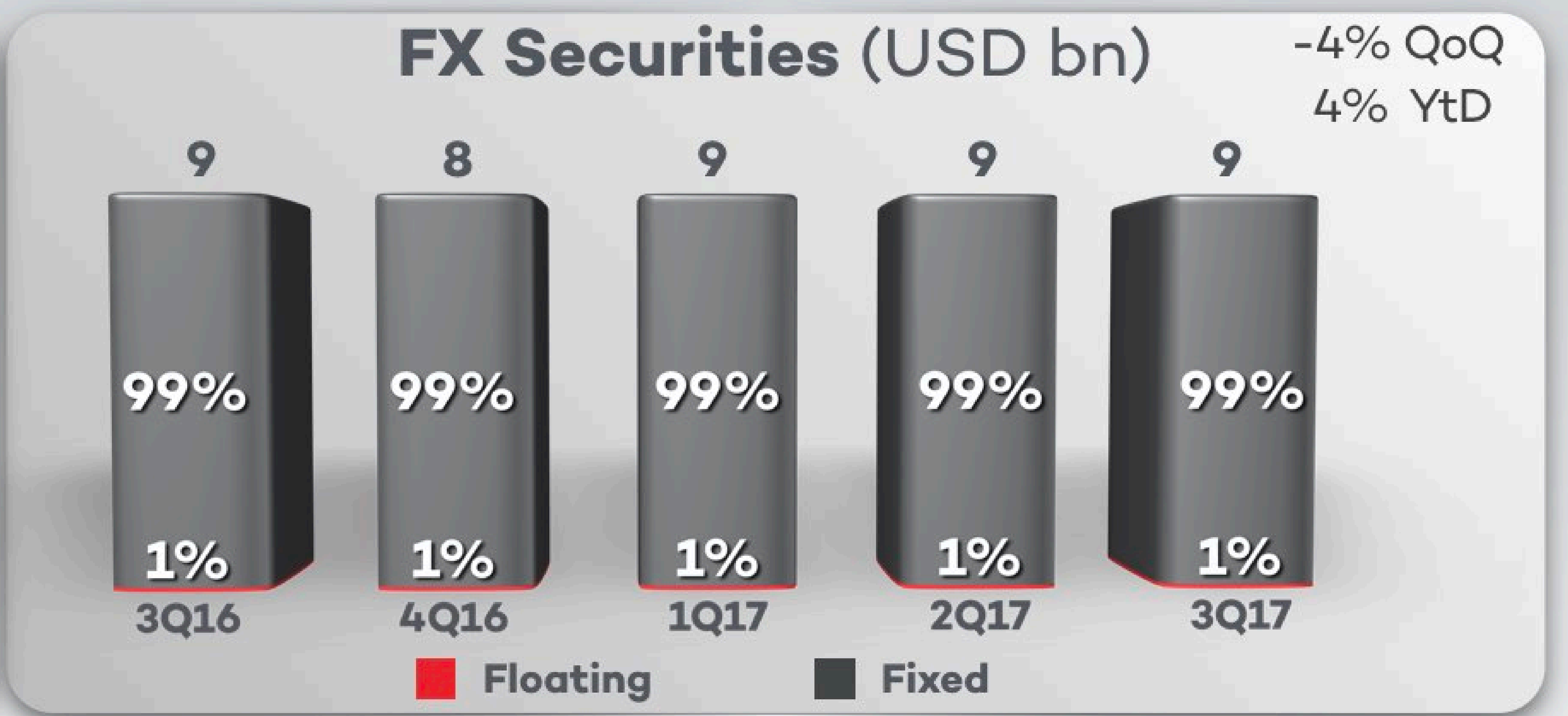
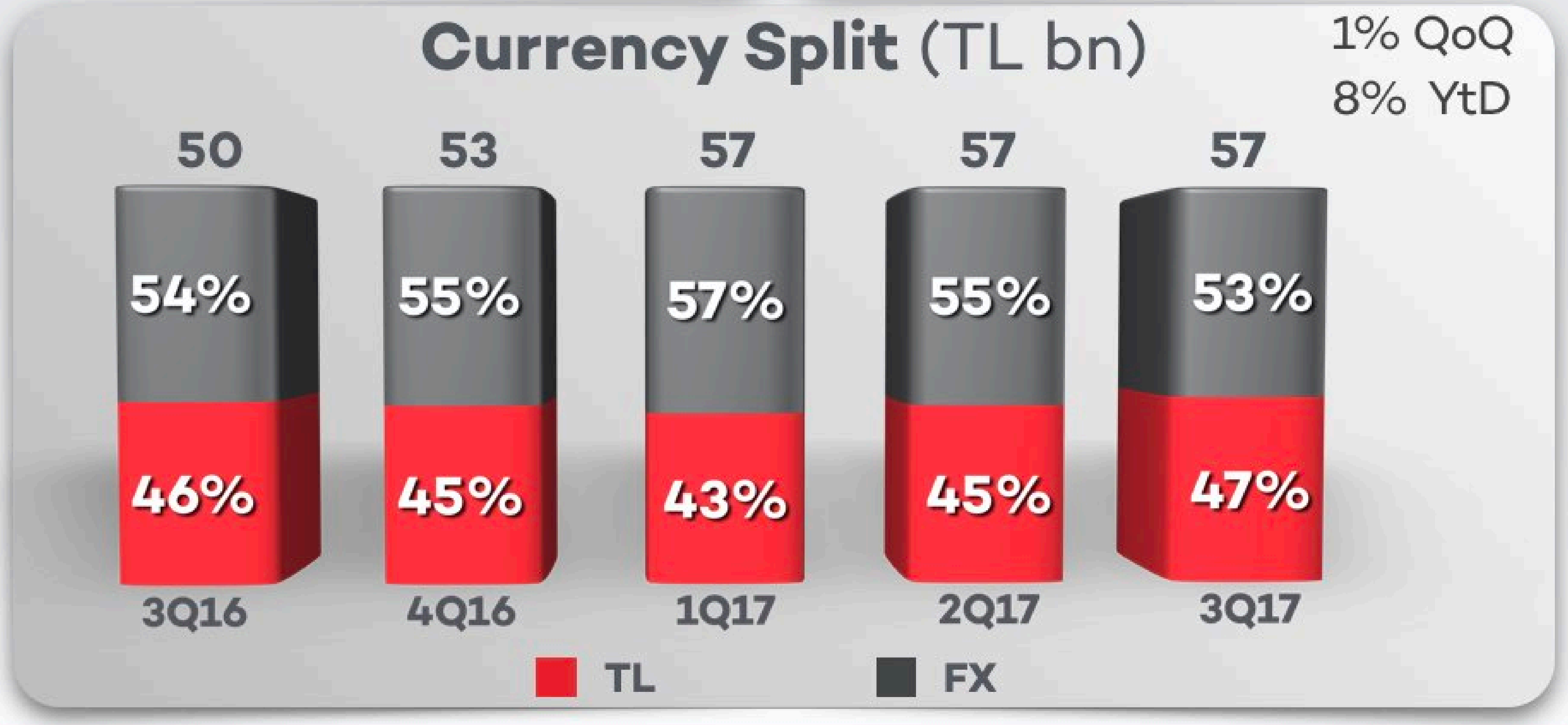
Strategic treasury management both in liquidity and profitability





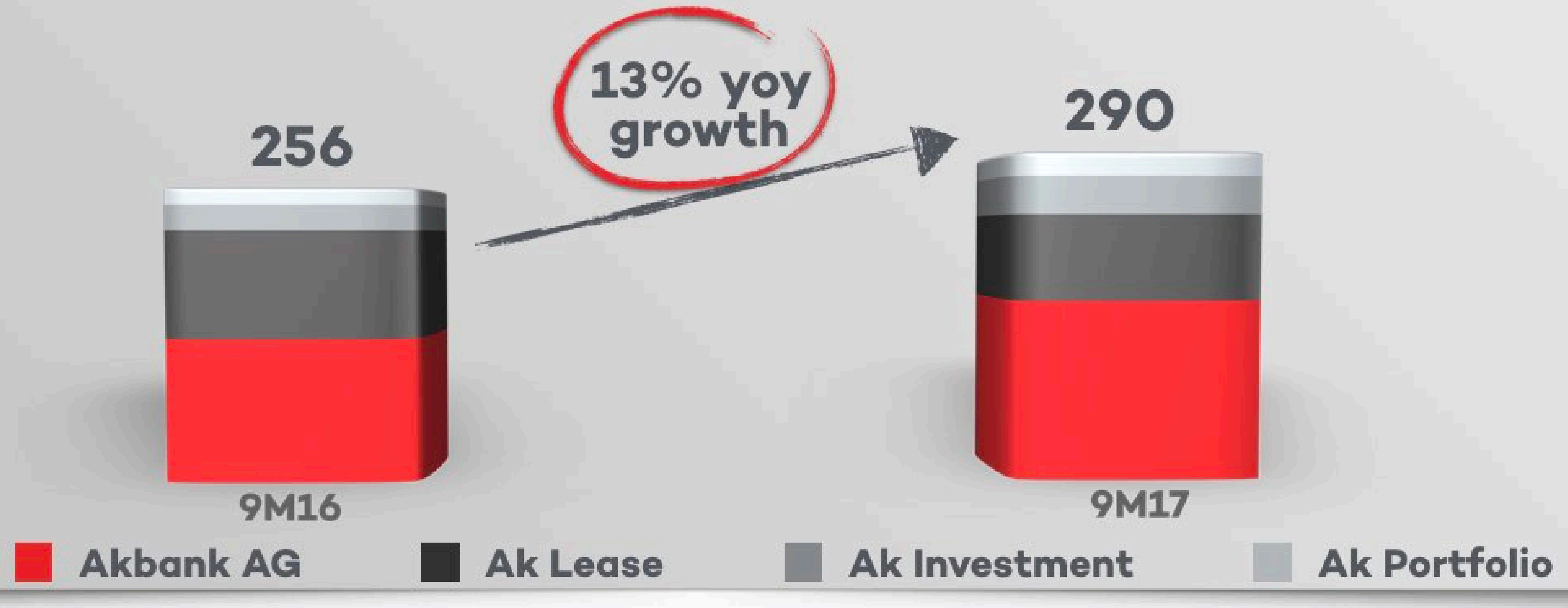


31% HtM,
69% AFS

MtM Valuation in Equity net,
(-) TL 0.6 bio

Subsidiaries net income is up by 13% YoY

Subsidiaries' Net Income (TL mn)



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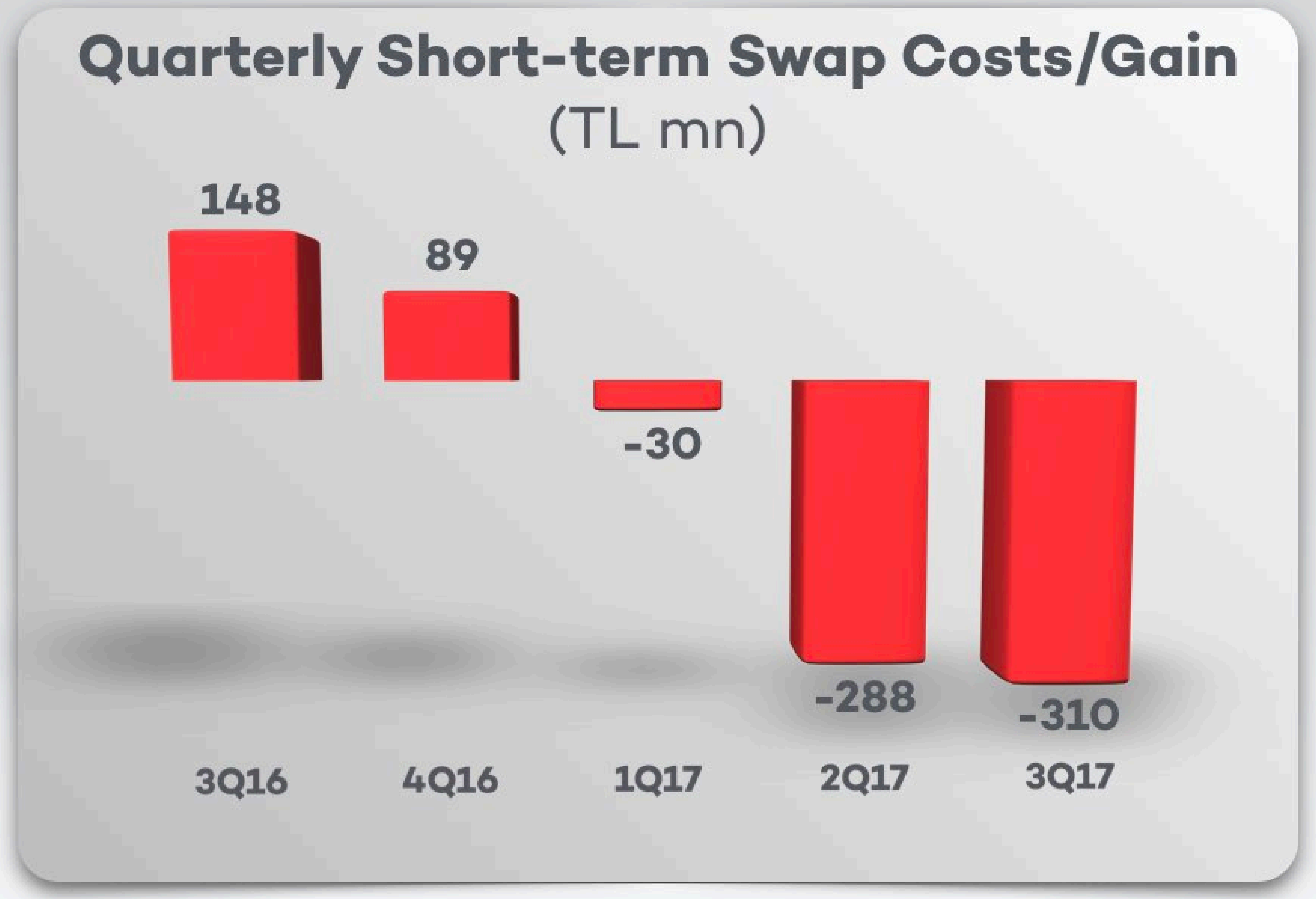
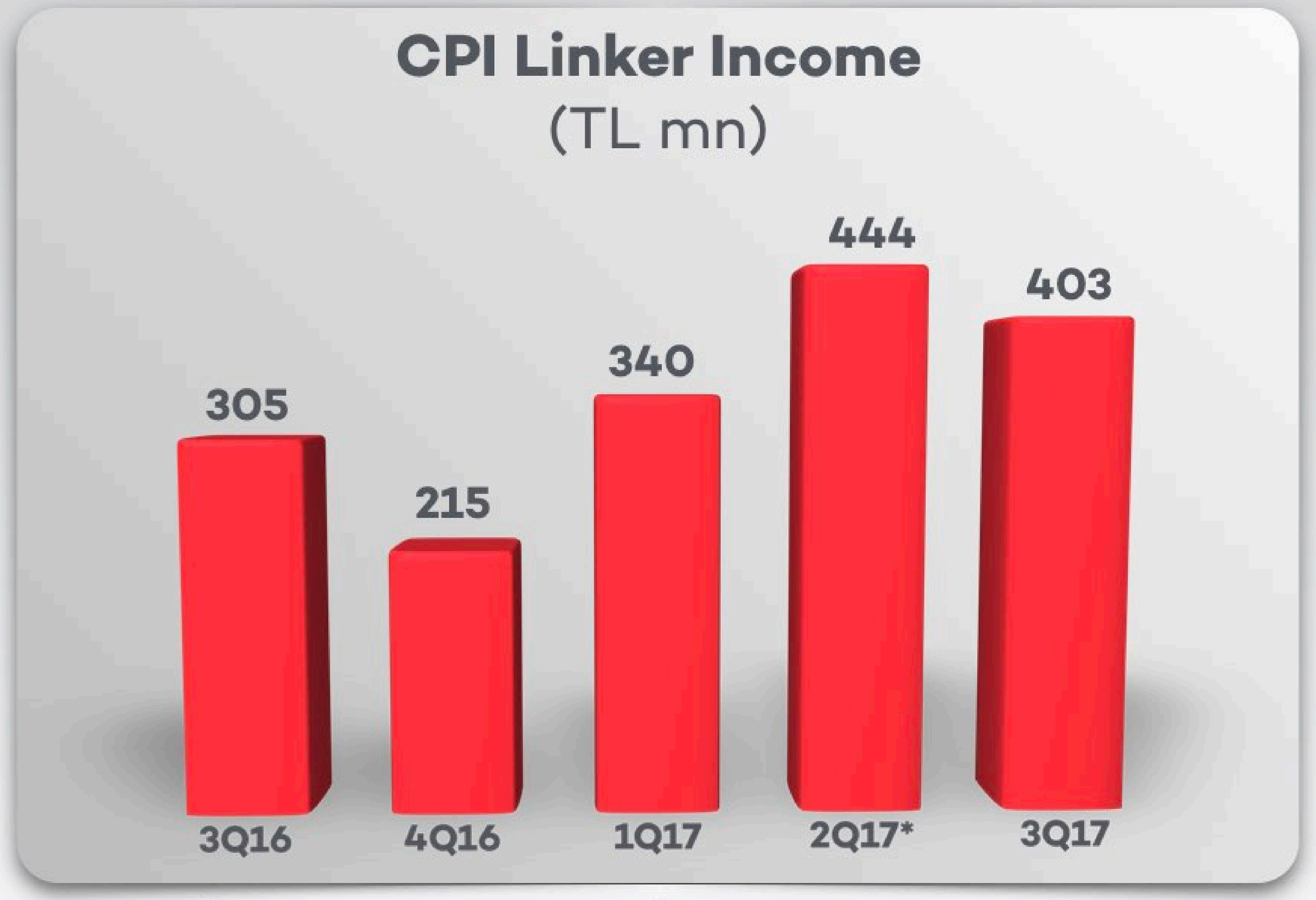
Swap Costs/Gains & CPI Linkers Income





* Annual inflation estimate was revised from 8% to 9.5% in 2Q17

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