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## Yapı Kredi 2011 Earnings Presentation

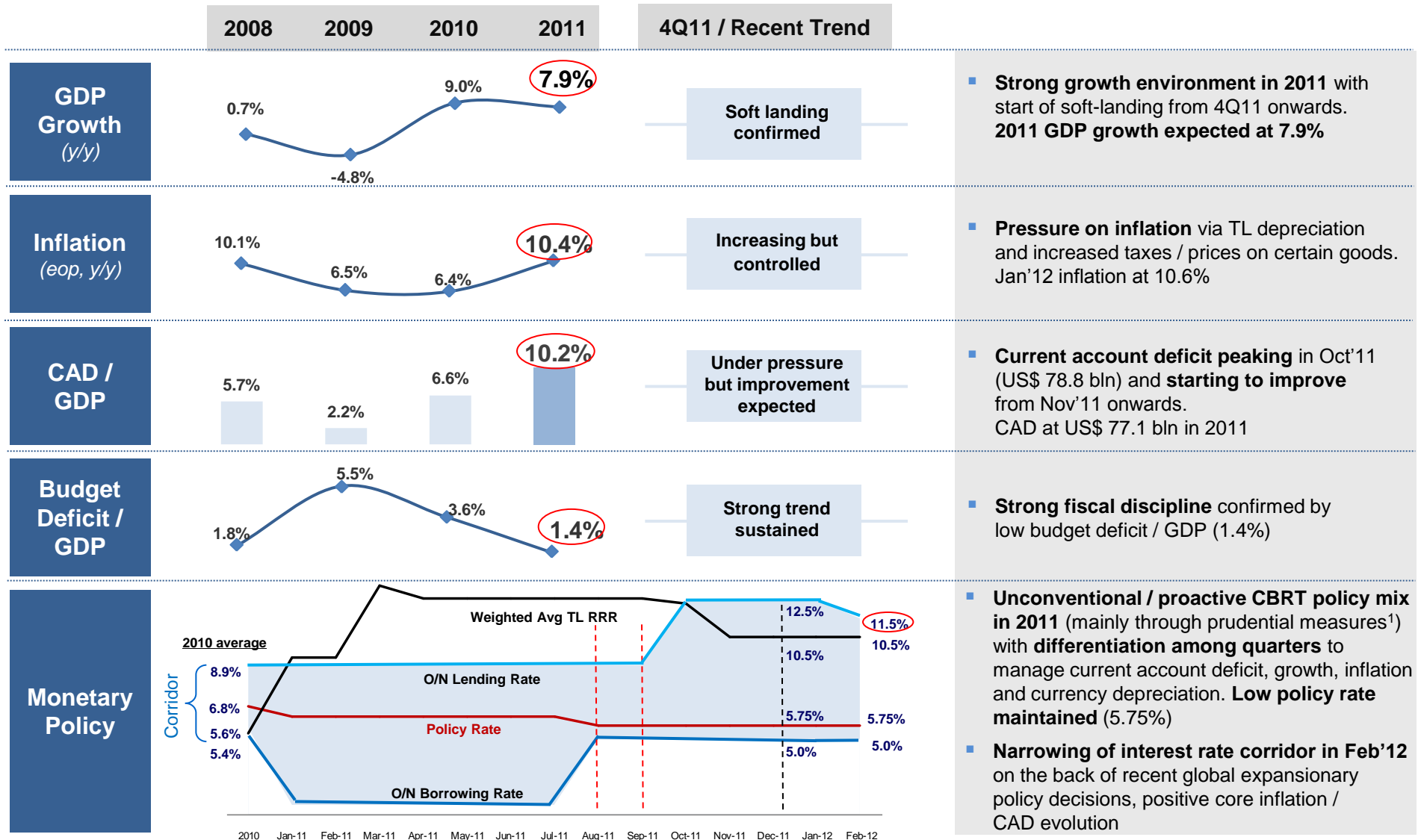
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## ■ Operating Environment

- 2011 Results (*BRSA Consolidated*)
- Performance of Strategic Business Units & Subsidiaries
- Outlook / Strategy

# Macroeconomic Environment

Solid fundamentals maintained throughout 2011 with start of soft-landing as of 4Q



Notes:  
 2011 GDP growth based on Yapı Kredi Economic Research estimate.  
 CAD: Current account deficit  
 RRR: Reserve requirement ratio  
 (1) Reserve requirement changes, interest rate corridor, repo / FX sale auctions

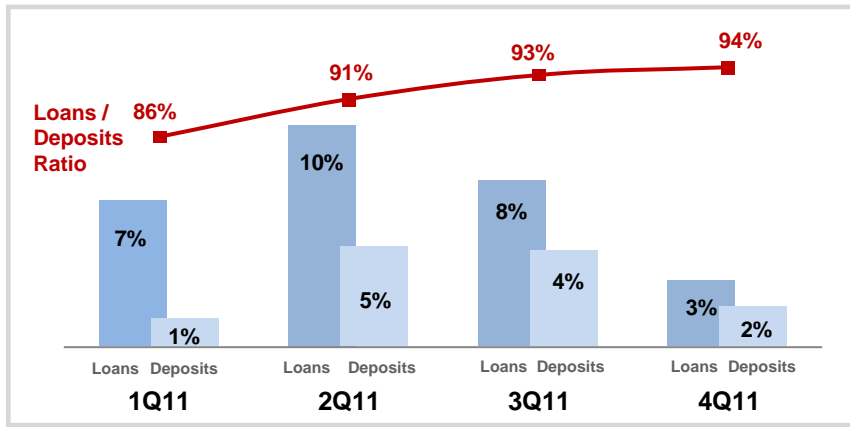
# Banking Sector

Positive growth and healthy profitability maintained in 2011 with varying trends between 1H and 2H

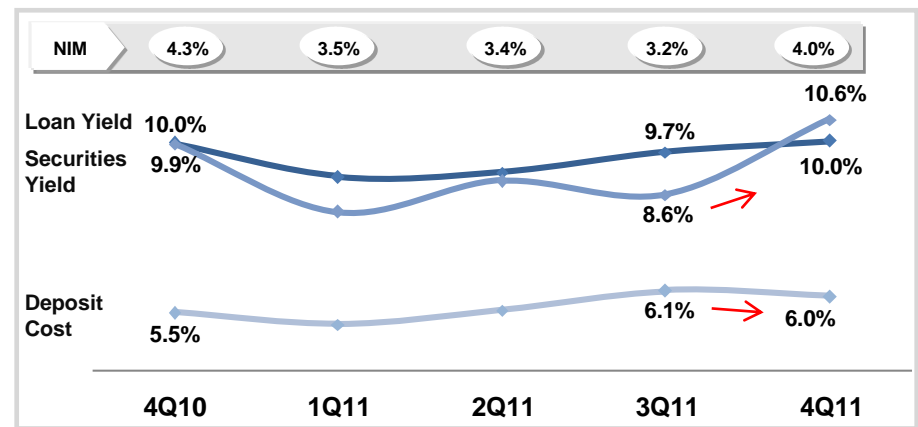
|                       | Nominal<br>(bin TL) | Growth Rates |            |            | Currency<br>Adjusted <sup>1</sup> |
|-----------------------|---------------------|--------------|------------|------------|-----------------------------------|
|                       | 2011                | 2009         | 2010       | 2011       |                                   |
| <b>Total Assets</b>   | <b>1,161</b>        | <b>13%</b>   | <b>20%</b> | <b>20%</b> |                                   |
| <b>Total Loans</b>    | <b>651</b>          | <b>6%</b>    | <b>34%</b> | <b>30%</b> | 22%                               |
| TL                    | 453                 | 9%           | 33%        | 27%        |                                   |
| FC (\$)               | 108                 | 0%           | 33%        | 13%        |                                   |
| <b>Total Deposits</b> | <b>691</b>          | <b>14%</b>   | <b>21%</b> | <b>13%</b> | 6%                                |
| TL                    | 449                 | 16%          | 28%        | 6%         |                                   |
| FC (\$)               | 131                 | 10%          | 4%         | 7%         |                                   |
| <b>Securities</b>     | <b>283</b>          | <b>36%</b>   | <b>9%</b>  | <b>-1%</b> |                                   |
| <b>Borrowings</b>     | <b>195</b>          | <b>-5%</b>   | <b>39%</b> | <b>44%</b> |                                   |
| LDR                   |                     | 74%          | 82%        | 94%        |                                   |
| NPL Ratio             |                     | 5.2%         | 3.6%       | 2.6%       |                                   |
| NIM (cumulative)      |                     | 5.6%         | 4.4%       | 3.5%       |                                   |
| ROAE                  |                     | 23.0%        | 20.0%      | 15.4%      |                                   |

- **Loans +30%** with slowdown from 4Q onwards (currency adjusted +22%)
- **Deposits +13%** with slowdown in 4Q, in line with loan growth (currency adjusted +6%)
- **Significant increase in loans / deposits ratio** (94%, +12pp vs YE10) driven by wide differential between loan and deposit growth
- Efforts towards **diversification of funding**
- **Regulatory and competitive pressure impacting NIM**, with improvement as of 4Q
- **Positive asset quality trend** with NPL ratio down to 2.6% (vs 3.6% at YE10)

## Quarterly Volume and Loans/Deposits Ratio



## NIM Analysis



(1) Assume no change in US\$/TL rate since 2010 (YKB balance sheet US\$/TL rate in 2010: 1.5073; 2011: 1.8417)

# Agenda

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- Operating Environment
- **2011 Results** (*BRSA Consolidated*)
- Performance of Strategic Business Units & Subsidiaries
- Outlook / Strategy

# Executive Summary

Healthy growth and sustained profitability thanks to proactive approach

## Customer Business

- **Strong customer business focus with loan growth of 28%** driven by selective high margin TL consumer, SME and project finance lending
- **Significantly above sector deposit growth of 20%** with **improving mix**
- **Improvement in commercial effectiveness via productivity gains**
- **Continued branch expansion** (39 net openings, 907 branches as of Dec'11)

## Profitability

- **Sustained revenues** driven by **healthy core revenues**
  - **Increasing net interest income** driven by disciplined NIM management including positive effect of upward repricing despite pressure on deposit costs
  - **Solid fee growth** driven by **focused approach** and **volume growth**
- **Below inflation cost growth**

## Asset Quality

- **Asset quality intact** driven by loan growth, NPL sale and solid collections
- **Cost of risk** still at low levels

## Funding / Liquidity / Capital

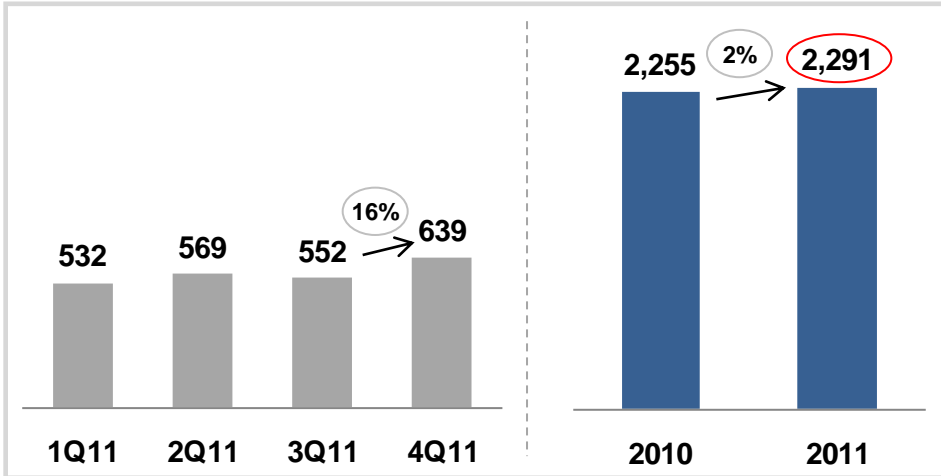
- **Loans / deposits ratio at 105%** (+7 pp vs +12 pp at sector)
- **Continuing funding diversification** (US\$ 2.7 bln syndications, US\$ 510 mln securitisations, TL 1.15 bln bond issuance)
- **CAR at 14.9% at Group level** and **14.7% at Bank level**, incorporating positive impact of ~US\$ 585 mln sub-loan<sup>1</sup>

(1) A sub-loan agreement was signed with UniCredit Bank Austria AG of US\$ 585 million (10NC5) at a rate of 3-months Libor+8.30%. This sub-loan has been utilised as Tier-II in the calculation of 2011 CAR by the authorisation of BRSA dated February 20, 2012.

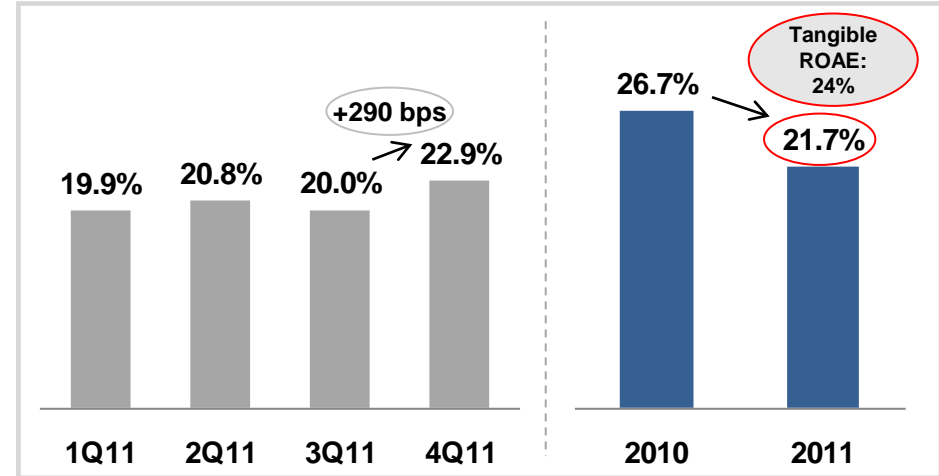
# Key Performance Indicators

## Solid profitability level maintained

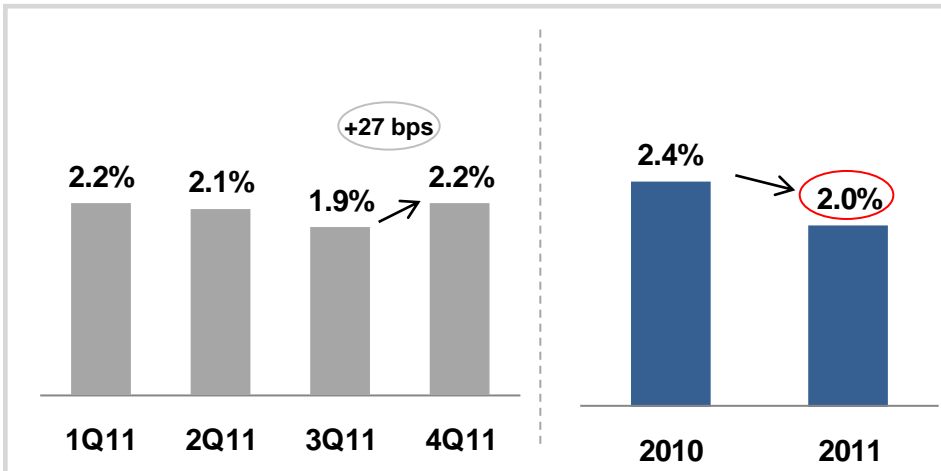
Net Income (mln TL)



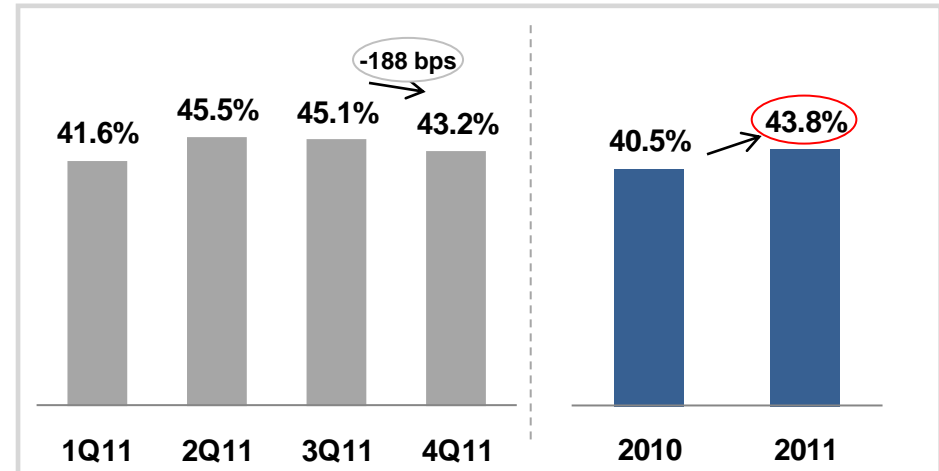
Return on Average Equity<sup>1</sup>



Return on Assets<sup>2</sup>



Cost / Income



(1) Calculations based on the average of current period equity (excluding current period profit) and prior year equity. Annualised  
 (2) Calculations based on net income / end of period total assets. Annualised

# Income Statement

Net income of 2.3 bln TL driven by core revenue performance, controlled costs and asset quality improvement

| mIn TL                        | 3Q11  | 4Q11  | 2010  | 2011  | y/y  |
|-------------------------------|-------|-------|-------|-------|------|
| <b>Total Revenues</b>         | 1,585 | 1,844 | 6,649 | 6,648 | 0%   |
| Net Interest Income           | 979   | 1,048 | 3,582 | 3,745 | 5%   |
| Non-Interest Income           | 606   | 796   | 3,067 | 2,903 | -5%  |
| o/w Fees & comms.             | 512   | 535   | 1,738 | 1,969 | 13%  |
| <b>Operating Costs</b>        | 715   | 797   | 2,693 | 2,911 | 8%   |
| <b>Operating Income</b>       | 870   | 1,047 | 3,956 | 3,737 | -6%  |
| Provisions                    | 191   | 219   | 1,162 | 861   | -26% |
| o/w Loan Loss                 | 108   | 231   | 1,120 | 741   | -34% |
| <b>Pre-tax income</b>         | 679   | 828   | 2,794 | 2,876 | 3%   |
| <b>Net Income<sup>1</sup></b> | 552   | 639   | 2,255 | 2,291 | 2%   |

- **Revenues stable y/y** driven by disciplined NIM management and sound fee growth
- **Costs +8% y/y, below inflation,** driven by tight cost control
- **Provisions -26% y/y,** driven by asset quality improvement
- **Net income at 2.3 bln TL (+2% y/y)**

- **Quarterly net income at 639 mln TL (+16% q/q)** positively impacted by core revenues including solid NIM expansion. Slight pick-up in costs due to seasonality

(1) Indicates net income before minority. 2011 net income after minority: 2,285 mln TL (+2% y/y)



# Balance Sheet

Continuous focus on customer business

| bln TL                                      | 2010  | 2011  | y/y  |
|---|-------|-------|--|
| <b>Total Assets</b>                         | 92.8  | 117.5 | 27% <small>Currency adjusted<sup>3</sup></small> |
| <b>Loans</b>                                | 54.2  | 69.3  | 28% <small>20%</small>                           |
| TL  | 34.6  | 44.6  | 29%  |
| FC (in US\$)                                | 13.1  | 13.4  | 3%   |
| <b>Securities</b>                           | 19.9  | 21.3  | 7%   |
| <b>Deposits</b>                             | 55.2  | 66.2  | 20% <small>10%</small>                           |
| TL  | 32.3  | 35.1  | 9%   |
| FC (in US\$)                                | 15.2  | 16.9  | 11%  |
| <b>Borrowings + Repo</b>                    | 16.8  | 26.4  | 57%  |
| <b>SHE</b>                                  | 10.7  | 12.6  | 18%  |
| <b>AUM</b>                                  | 9.0   | 8.1   | -10%   |
| <hr/>                                       |       |       |  |
| <b>Loans / Assets</b>                       | 58%   | 59%   | 1 pp   |
| <b>Securities / Assets</b>                  | 21%   | 18%   | -3 pp  |
| <b>Loans / Deposits</b>                     | 98%   | 105%  | 7 pp   |
| <b>Loans / (Deposits + TL bonds)</b>        | 98%   | 103%  | 5 pp   |
| <b>Leverage<sup>1</sup></b>                 | 7.6x  | 8.3x  | -  |
| <b>Borrowings<sup>2</sup> / Liabilities</b> | 15%   | 17%   | 2 pp   |
| <b>Group CAR</b>                            | 15.4% | 14.9% | -0.5 pp  |
| <b>Bank CAR</b>                             | 16.1% | 14.7% | -1.4 pp  |

- **Healthy loan growth of 28%** (currency adjusted: 20%) driven by **above sector TL lending**
- **Loans / assets up to 59%** (+1 pp) and **securities / assets down to 18%** (-3 pp), in line with **customer business focus**
- **Strong, above sector deposit growth of 20%** (currency adjusted: 10%) driven by both TL and FC deposits
- **Loans / deposits ratio at 105%** (+7 pp ytd vs +12 pp at sector). **Loans / (deposits and TL bonds) ratio at 103%**
- **Borrowings / liabilities at 17%** (+2 pp) driven by **funding diversification**
- **Group CAR at 14.9%** and **Bank CAR at 14.7%**, incorporating positive impact of ~US\$ 585 mln sub-loan<sup>4</sup>

Note: Loan figures indicate performing loans

(1) Leverage ratio: (Total assets – equity) / equity

(2) Borrowings include funds borrowed, sub-debt and marketable securities issued

(3) Assume no change in US\$/TL rate since 2010 (YKB balance sheet US\$/TL rate in 2010: 1.5073; 2011: 1.8417)

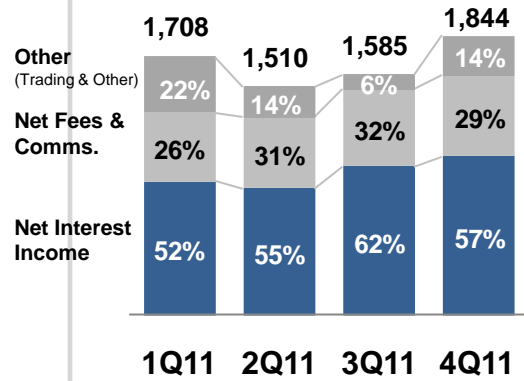
(4) A sub-loan agreement was signed with UniCredit Bank Austria AG of US\$ 585 million (10NC5) at a rate of 3-months Libor+8.30%. This sub-loan has been utilised as Tier-II in the calculation of 2011 CAR by the authorisation of BRSA dated February 20, 2012.

# Total Revenues

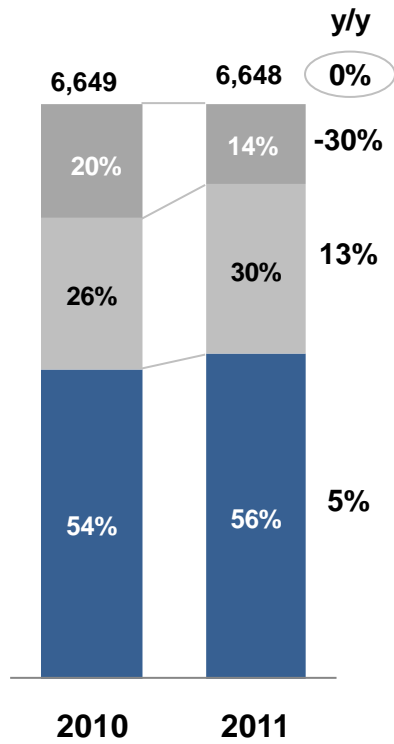
Increasing contribution of core revenues leading to sustained performance

## Revenue Composition (mln TL)

Quarterly



Cumulative



Rev/ Avg. RWA: 8.3% (1Q11), 6.8% (2Q11), 6.5% (3Q11), 7.2% (4Q11)

9.4% (2010), 7.2% (2011)

## Other Income Breakdown

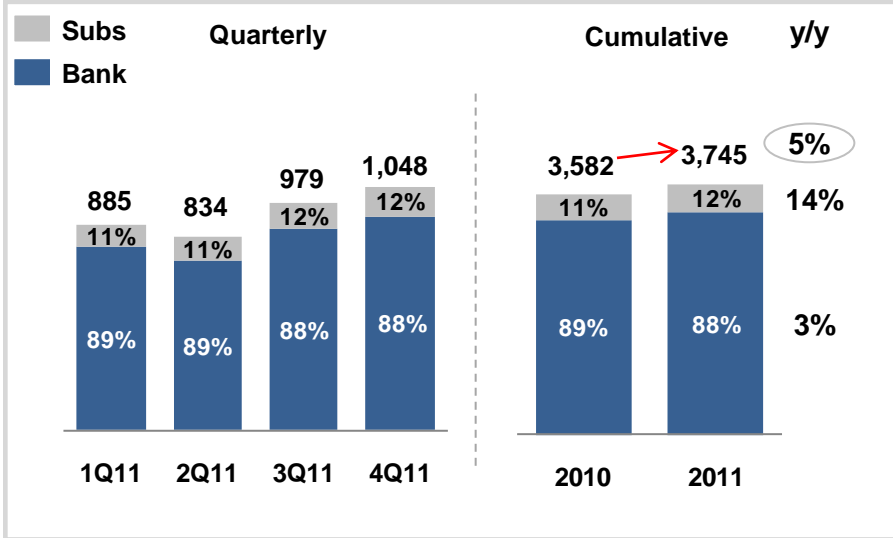
| mln TL                    | 1Q11       | 2Q11       | 3Q11      | 4Q11       | 2010         | 2011       |
|---------------------------|------------|------------|-----------|------------|--------------|------------|
| <b>Total Other Income</b> | <b>372</b> | <b>206</b> | <b>94</b> | <b>261</b> | <b>1,329</b> | <b>933</b> |
| Trading & FX (net)        | 50         | -22        | -95       | -70        | -32          | -137       |
| Collections               | 186        | 133        | 8         | 1          | 666          | 328        |
| Income from subs & other  | 136        | 95         | 181       | 330        | 695          | 743        |
| o/w NPL sale gain         | -          | -          | -         | 46         | 73           | 46         |

- **NII / revenues up to 56% (+2 pp). Revenues / RWA** impacted by stable revenues and solid lending growth
- **Fees / revenues up to 30%** (vs 26% at YE10)
- **Other income / revenues at 14%** (vs 20% in YE10) driven by:
  - **Negative trading results** mainly from m-t-m of hedging instruments
  - **Collections of 328 mln TL**, with deceleration vs 2010
  - **Positive performance of subsidiaries and other income** including NPL sale gain of 46 mln TL (vs 73 mln TL in 2010)

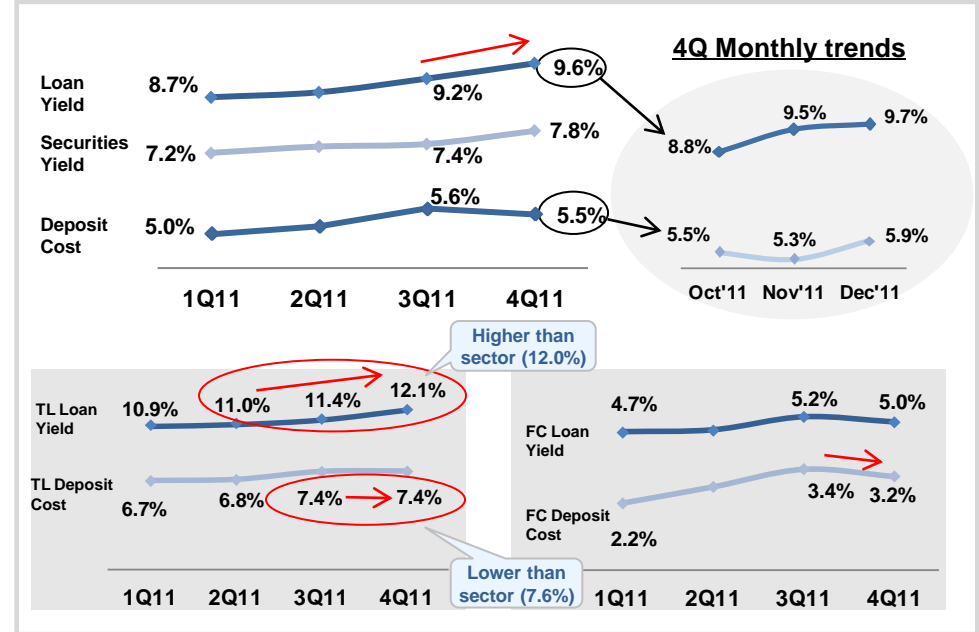
# Net Interest Income

NIM evolution incorporating positive impact of upward loan repricing resulting in stabilisation in 3Q and expansion in 4Q

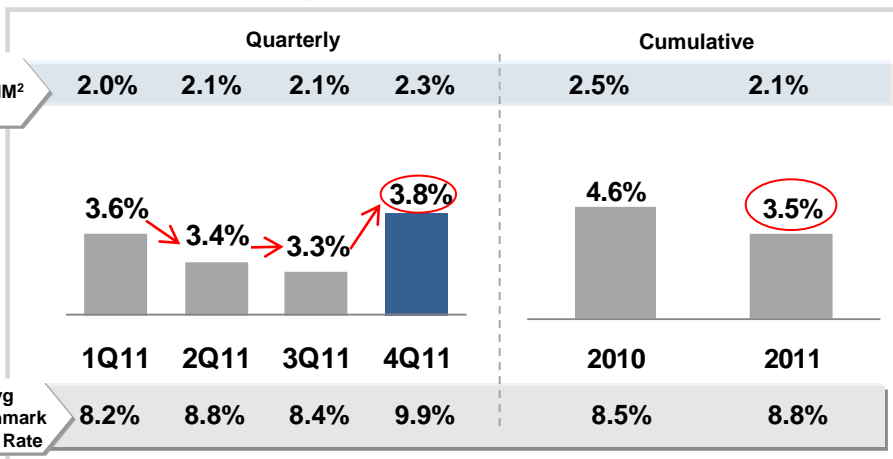
## Net Interest Income (NII) (mln TL)



## NIM Analysis, quarterly



## Net Interest Margin (NIM)<sup>1</sup>



- NII up by 5% y/y (Bank: 3% y/y, subs: 14% y/y)
- Cumulative NIM at 3.5% (-110 bps vs 2010) impacted by increased regulation and intense competition. **Core NIM at 2.1%** (-34 bps vs 2010)
- Quarterly NIM at 3.8% (+44 bps vs 3Q) driven by positive effect of upward loan repricing offsetting pressure on deposit costs. **Core NIM at 2.3%** (+19bps vs 3Q)

(1) NIM = Net interest income / Average Interest Earning Assets

(2) Core NIM = (Interest income on loans - interest expense on deposits) / Average (Loans + Deposits)

Notes: NIM and yield on securities adjusted to exclude the effect of reclassification as per BRSA between interest income and other provisions related to impairment of securities

Reported NIM figures as follows: 1Q11: 3.8%, 2Q11: 3.3%, 3Q11: 3.6%, 4Q11: 3.6%

Performing loan volume and net interest income used for loan yield calculations

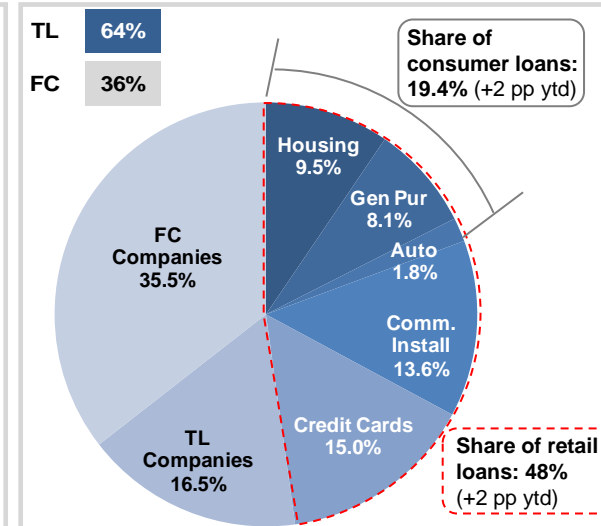
# Loans

Healthy, value generating growth driven by high margin consumer and SME lending

## Loans

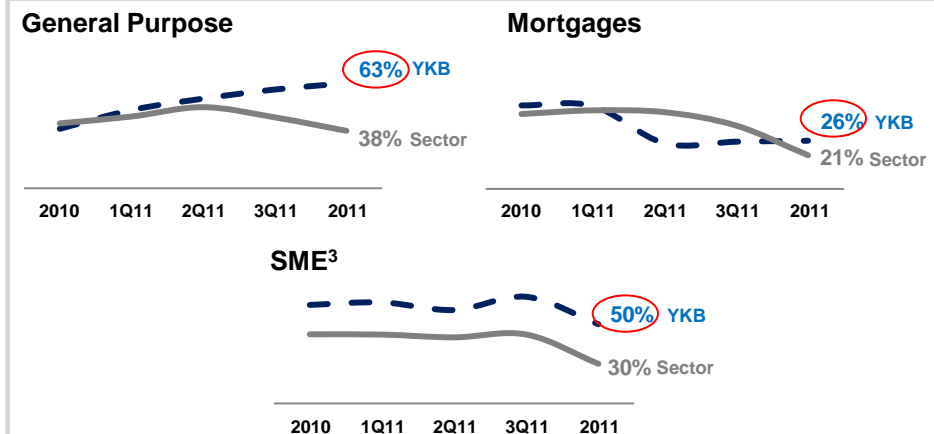
| bln TL                         | 2011        | YKB 4Q Growth | YKB 2011 Growth | Sector 2011 Growth | Market Share |
|--------------------------------|-------------|---------------|-----------------|--------------------|--------------|
| <b>Total Loans<sup>1</sup></b> | <b>69.3</b> | <b>2%</b>     | <b>28%</b>      | <b>30%</b>         | <b>10.3%</b> |
| TL                             | 44.6        | 5%            | 29%             | 27%                | 9.8%         |
| FC (\$)                        | 13.4        | -5%           | 3%              | 13%                | 11.5%        |
| <b>Consumer Loans</b>          | <b>13.5</b> | <b>9%</b>     | <b>40%</b>      | <b>30%</b>         | <b>8.2%</b>  |
| Mortgages                      | 6.6         | 7%            | 26%             | 21%                | 9.5%         |
| General Purpose                | 5.6         | 11%           | 63%             | 38%                | 6.4%         |
| Auto                           | 1.3         | 15%           | 33%             | 29%                | 18.3%        |
| <b>Credit Cards</b>            | <b>10.4</b> | <b>9%</b>     | <b>22%</b>      | <b>28%</b>         | <b>18.3%</b> |
| <b>Companies</b>               | <b>45.4</b> | <b>-1%</b>    | <b>26%</b>      | <b>30%</b>         | <b>10.0%</b> |
| TL                             | 20.7        | 0%            | 26%             | 24%                | 8.7%         |
| FC (\$)                        | 13.4        | -5%           | 3%              | 13%                | 11.5%        |
| Com. Install. <sup>2</sup>     | 9.4         | 4%            | 36%             | 40%                | 9.1%         |

## Composition of Loans



- Total loans +28% driven by TL
- Increasing share of retail driven by above sector growth in value generating areas:
  - GPLs +63% (vs 38% sector)
  - Mortgages +26% (vs 21% sector)
  - SMEs +50% (vs 30% sector)

## Retail Annual Loan Growth



Note: Sector data based on weekly BRSA unconsolidated figures. Market shares based on unconsolidated figures for YKB and sector according to BRSA classification with FC-indexed loans included in TL loans

(1) Total performing loans

(2) Proxy for SME loans as per BRSA reporting. Growth adjusted for YK Nederland reclassification (1.9 mln TL at YE10)

(3) YKB SME growth according to MIS data. Sector SME growth based on KOSGEB (Small and Medium Sized Industry Development Organisation) definition published by BRSA which includes companies with annual turnover of less than US\$ 5 million

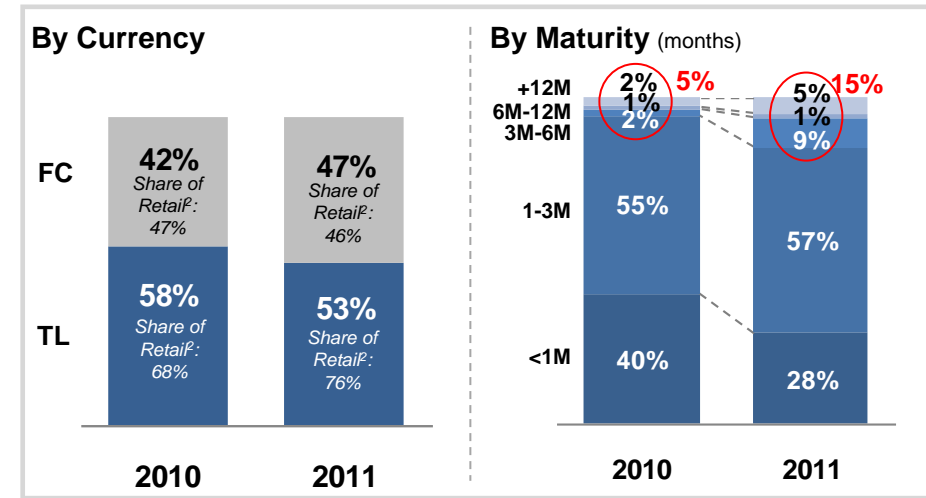
# Deposits

Significantly above sector growth (+56bps market share gain) with increasing share of retail, solid demand deposit base and lengthening maturity

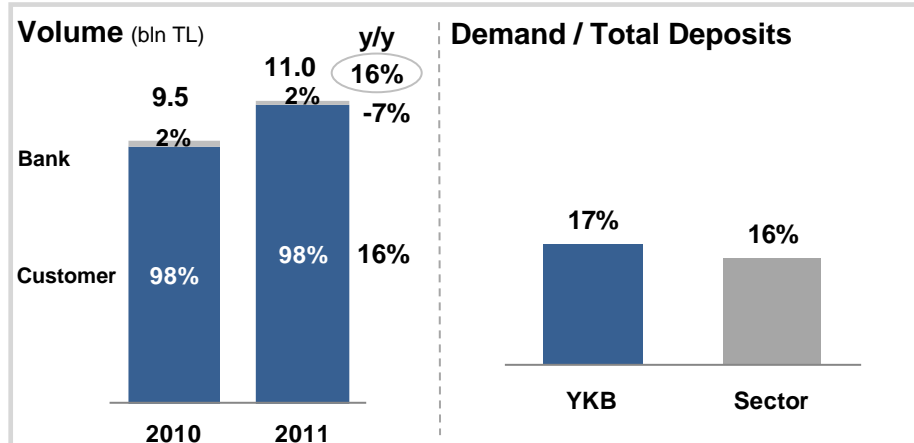
## Deposits

|                                      | 2011        | YKB<br>4Q<br>Growth | YKB<br>2011<br>Growth | Sector<br>2011<br>Growth | Market<br>Share |
|--------------------------------------|-------------|---------------------|-----------------------|--------------------------|-----------------|
| <b>Total Deposits</b>                | <b>66.2</b> | <b>1%</b>           | <b>20%</b>            | <b>13%</b>               | <b>9.2%</b>     |
| TL                                   | 35.1        | 3%                  | 9%                    | 6%                       | 7.8%            |
| FC (\$)                              | 16.9        | -5%                 | 11%                   | 7%                       | 11.8%           |
| <b>Customer Deposits<sup>1</sup></b> | <b>64.6</b> | <b>1%</b>           | <b>21%</b>            | <b>12%</b>               | <b>9.6%</b>     |
| <b>Demand Deposits</b>               | <b>11.0</b> | <b>-3%</b>          | <b>16%</b>            | <b>20%</b>               | <b>9.6%</b>     |
| <b>AUM</b>                           | <b>8.1</b>  | <b>-7%</b>          | <b>-10%</b>           | <b>-9%</b>               | <b>17.4%</b>    |

## Composition of Total Deposits



## Demand Deposits



- **Total deposits +20%** (vs 13% sector) driven by both TL (9%) and FC deposits (11% in US\$ terms)
- **Increasing share of retail<sup>2</sup> in total TL deposits** (76% vs 68% at YE10)
- **Demand deposit / total deposits ratio at 17%** driven by customer deposits (98% of total)
- **AUM -10%** impacted by market volatility

Note: Sector data based on weekly BRSA unconsolidated figures. Market shares based on unconsolidated figures for YKB and sector

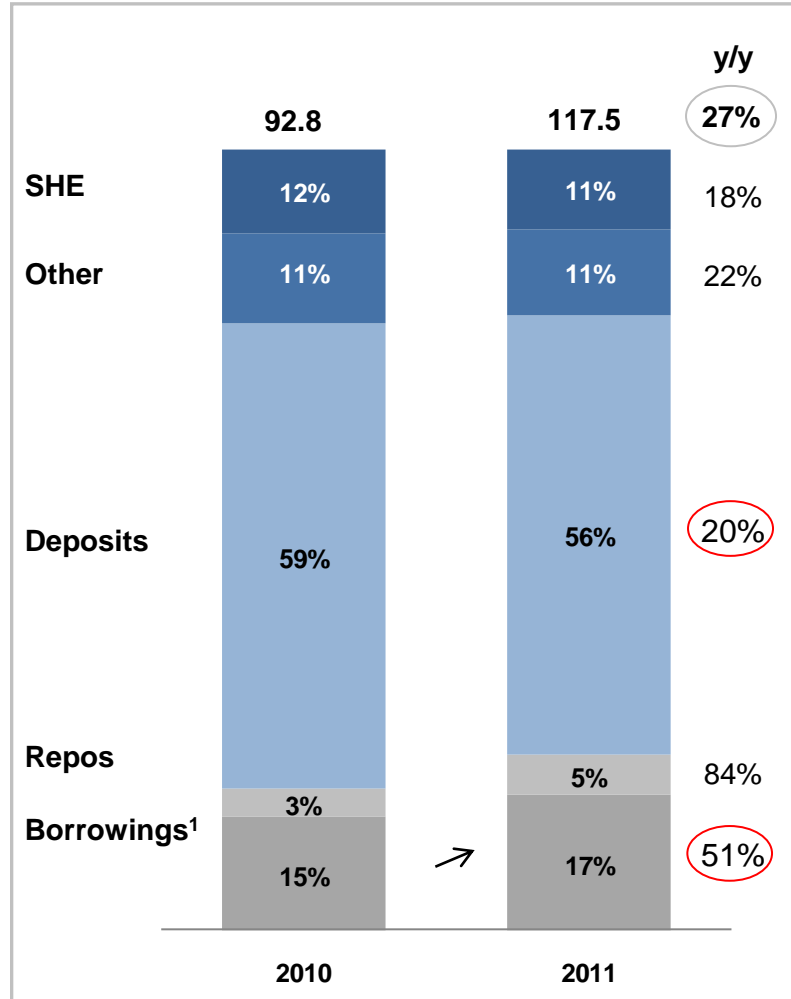
(1) Customer deposits exclude bank deposits

(2) Retail includes SME, mass, affluent and private. Based on MIS data

# Funding

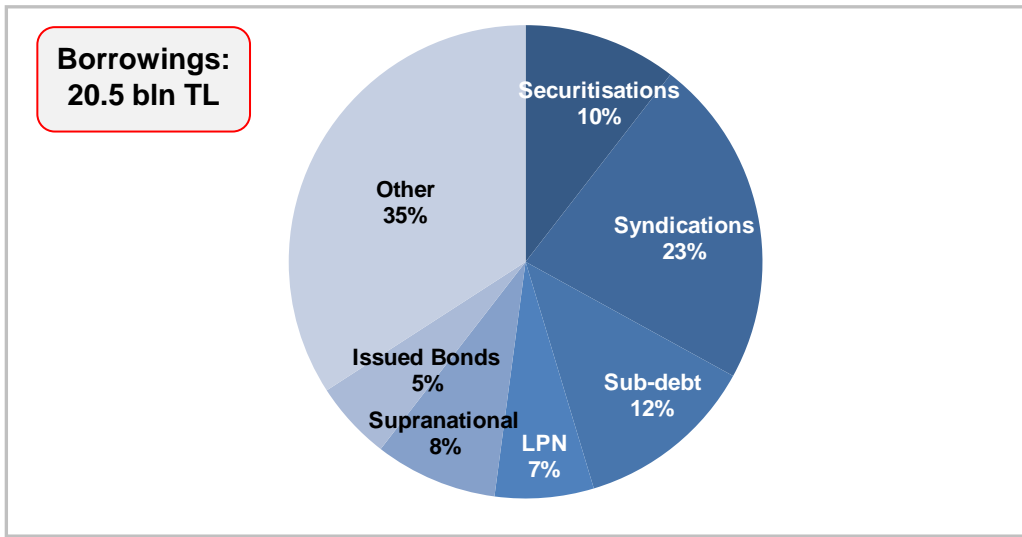
Continuously diversifying funding base with increasing access to international markets

## Liability Composition (bln TL)



- **Borrowings / liabilities at 17%** (vs 15% at YE10) driven by continuous funding diversification
  - **Funding secured in 4Q:** TL 150 mln bill issuance (9.08% compounded cost, 368 days maturity) in Oct'11 and TL 1 bln bond issuance in Dec'11 (10.92% compounded cost, 168 days maturity)
- **Repo funding utilised as a short-term liquidity management tool** (5% of total liabilities)

## Composition of Borrowings



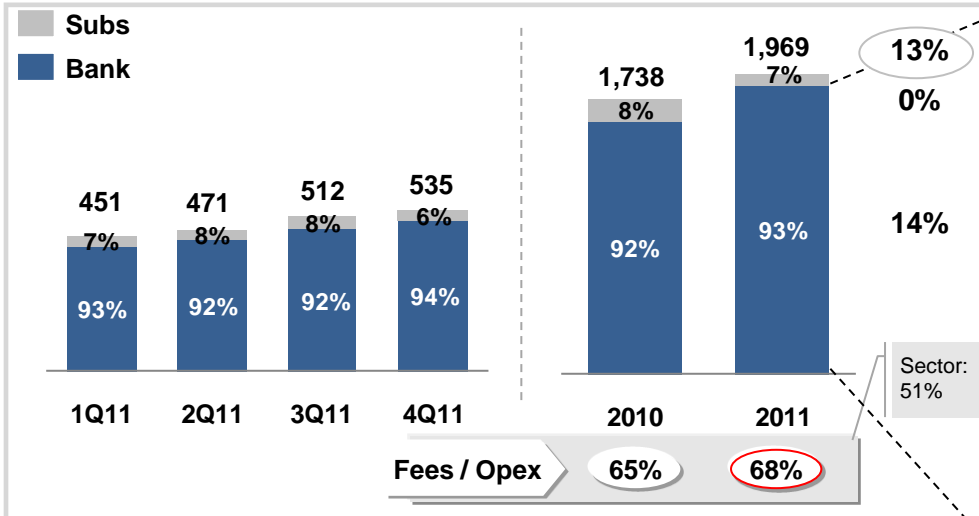
(1) Includes funds borrowed, sub-debt and marketable securities issued. Please refer to annex for details on international borrowings

(2) Other includes eximbank, postfinancing loans and subsidiaries

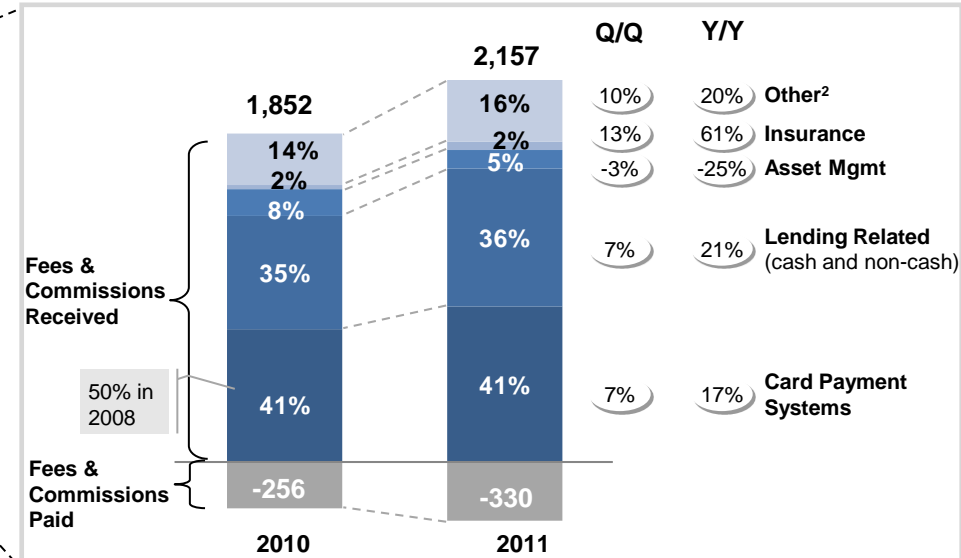
# Fees & Commissions

Solid performance driven by focused initiatives and volume growth

## Net Fees & Commissions (mln TL)



## Composition of Bank Fees & Commissions<sup>1</sup>



## Key Drivers of Fee Growth

| Contribution of fee generating retail                        | Contribution of corp / commercial                | New products / innovation   |
|--|--|---|
| <b>9.0%</b> Bancassurance market share (rank: 3)             | <b>25%</b> Cash Management volume increase       | <b>8</b> # of new products (PayMobile, Opetcard, agricultural banking etc.) |
| <b>11.0%</b> Interbank money transfer market share (rank: 3) | <b>37%</b> Trade Finance volume increase         | <b>257 thousand</b> # of product bundle sales                               |
| <b>5.7%</b> Brokerage market share (rank: 3)                 | <b>47%</b> Leasing and Factoring volume increase | <b>15%</b> Mobile banking market share leading position                     |

- Fees +13% y/y driven by Bank (+14% y/y). Fees at 17% y/y excluding asset management fees
  - Card payment system fees +17% y/y contributed by volume growth, repricing and new fee areas. Share in total at 41%
  - Lending related fees +21% y/y driven by healthy loan volume growth. Share in total at 36%
  - Asset management fees -25% y/y due to fund management fee cap decline and lower volumes
  - Insurance fees +61% y/y due to bancassurance focus
  - Other fees +20% y/y mainly driven by positive contribution of account maintenance fees, product bundles and growth in money transfer fees (+35% y/y)

(1) Total Bank fees received as of 2011: 2,157 mln TL (1,852 mln TL in 2010). Total fees paid as of 2011: 330 mln TL (256 mln TL in 2010)

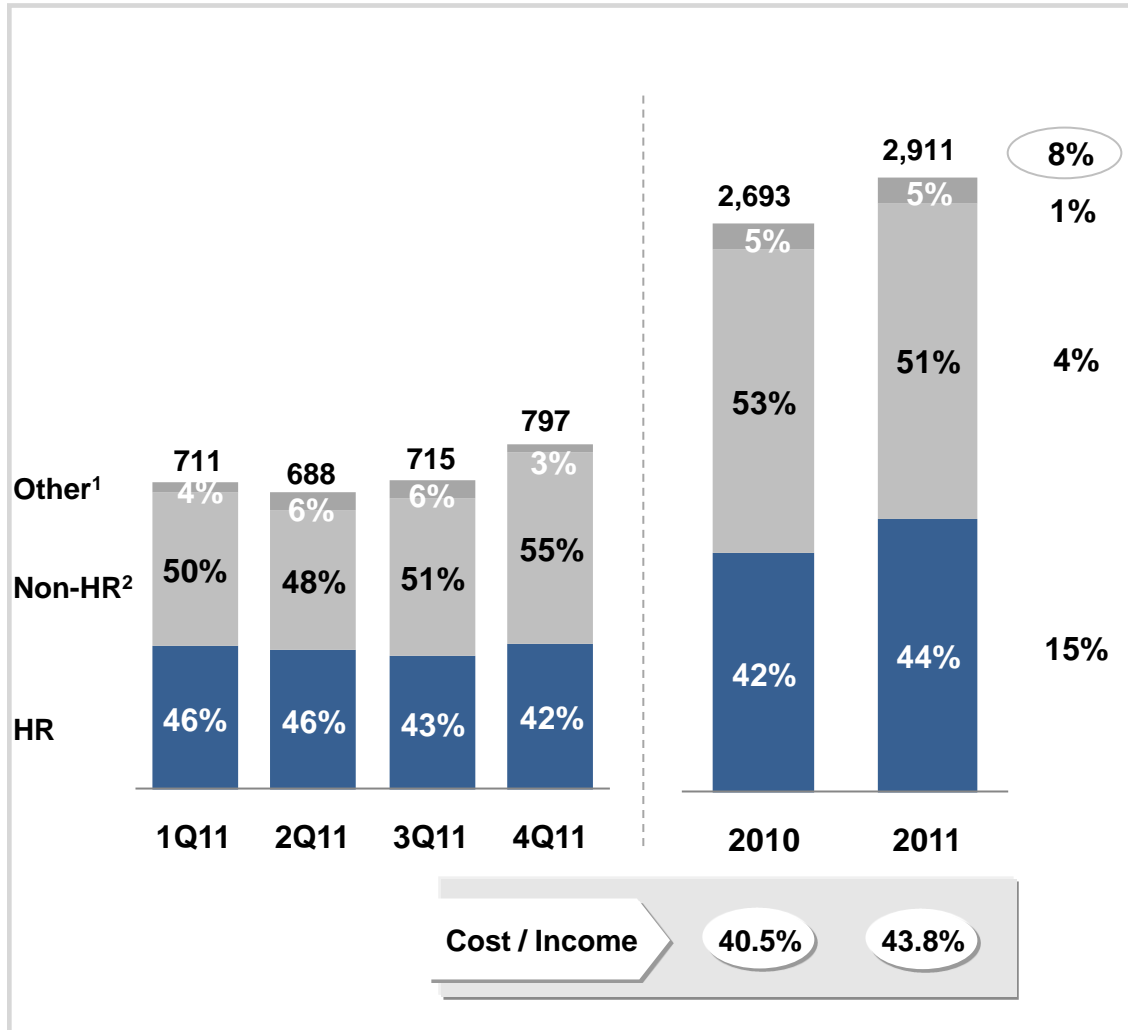
(2) Other includes account maintenance, money transfers, equity trading, campaigns and product bundles, etc.

(3) Including credit card mailing, late payment notification, ATM receipt printing, account information printing, detailed statement printing, background check fee for auto and general purpose loans etc.

# Operating Costs

Below inflation despite sustained investments for growth

## Total Operating Costs (mln TL)



- **Total costs +8% y/y** despite impact of currency depreciation and rising inflation in 4Q
- **HR costs +15% y/y** impacted by bonus payments<sup>3</sup> in 1Q11 (excluding, +12% y/y)
  - **Number of employees at 14,859** (+448 vs YE10)
- **Non-HR costs +4% y/y**
  - **Number of branches at 907** (+39 net openings in 2011). Market share at 9.2%
- **Other costs +1% y/y** thanks to effectively managed worldcard loyalty point expenses despite solid increase in issuing volume (+15% y/y)

(1) Other includes pension fund provisions and loyalty points on Worldcard

(2) Non-HR costs include HR related non-HR, advertising, rent, SDIF, taxes, depreciation and branch tax (1Q10: 40 mln TL, 1Q11: 44 mln TL)

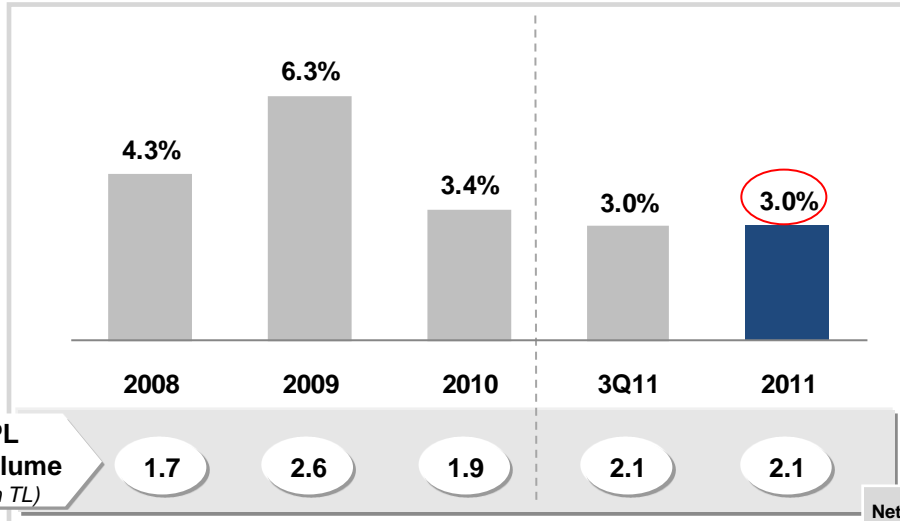
(3) 30 mln TL in 1Q11



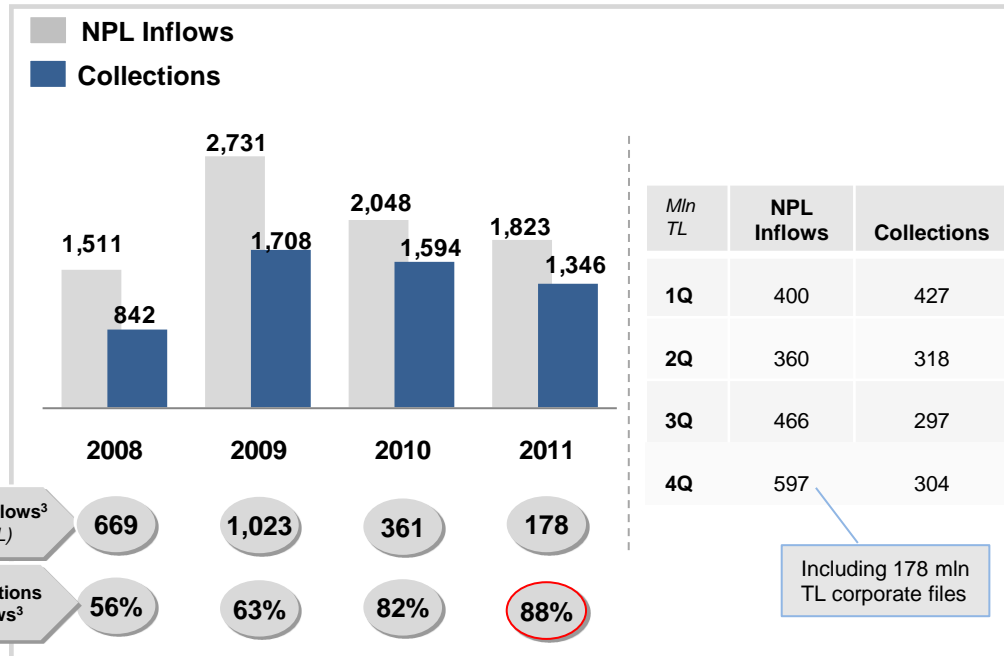
# Asset Quality

## Positive trend maintained

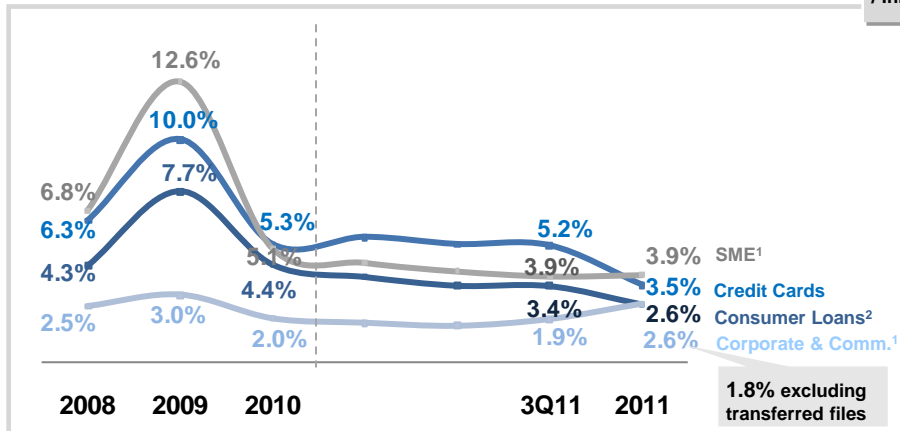
### NPL Ratio



### Asset Quality Flows (mln TL)



### NPL Ratio by Segment



- NPL ratio at 3.0%** (vs. 3.4% at YE10) impacted by **continuing collections, loan growth and NPL sale**
  - Credit card and consumer segments positively impacted by NPL sale of TL 290 mln in Nov'11
  - SME segment relatively stable at 3.9%
  - Corporate /commercial NPL ratio impacted by transfer of a few large files from watch category
- Collection/inflows at 88%** (vs 82% in 2010) on the back of lower NPL inflows and solid collections

(1) As per YKB's internal segment definition, SMEs: companies with annual turnover <5 mln US\$. Corporate & Commercial: companies with annual turnover >5 mln US\$

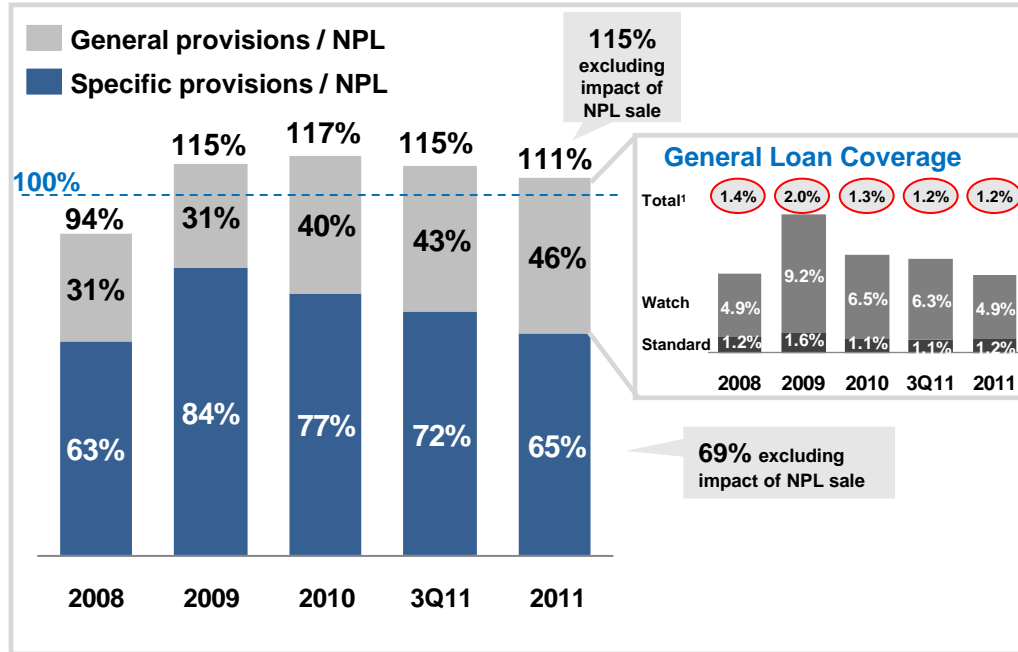
(2) Including cross default. If excluding, 4Q11: 2.0%

(3) Excluding impact of a few commercial positions being transferred from watch loans category to NPL impacting 3Q10 (92 mln TL), 3Q11 (121 mln TL) and 4Q11 figures (178 mln TL)

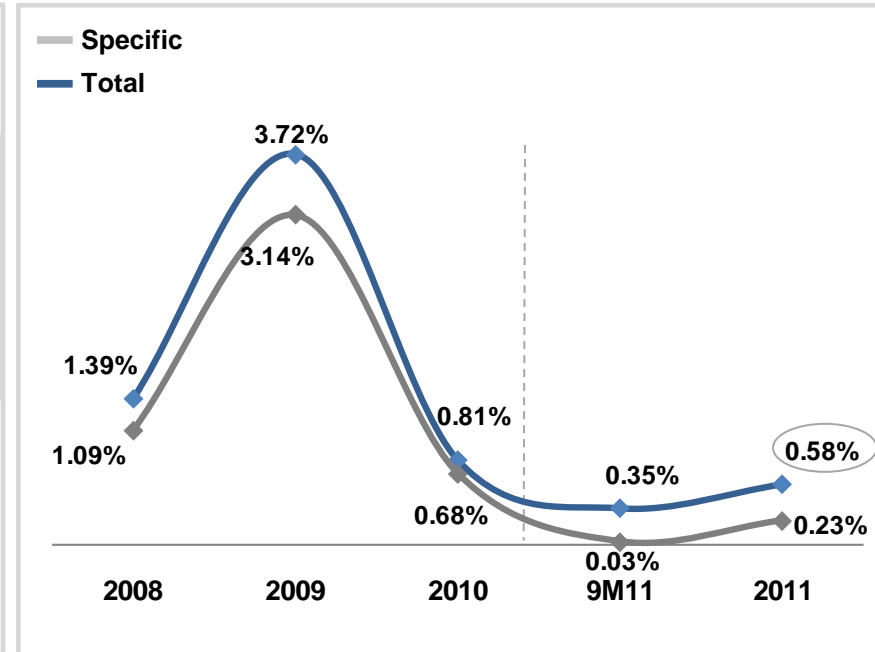
# Provisioning and CoR

## Sound coverage and cost of risk level

### Specific and General Provisioning



### Cost of Risk<sup>2</sup> (Cumulative, net of collections)



- **Total coverage of NPL volume at 111%** (115% excluding NPL sale impact)
  - **Specific coverage at 65%** impacted by transfer of few corporate files from watch loan category and NPL sale (excluding: 69%)
  - **Generic coverage of total performing loans at 1.2%** (vs 1.3% at YE10)
- **Total cost of risk (net off collections) at 0.58%** (vs 0.81% at YE10)

(1) Coverage of total performing loans

(2) Cost of risk = (total loan loss provisions – collections) / total gross loans

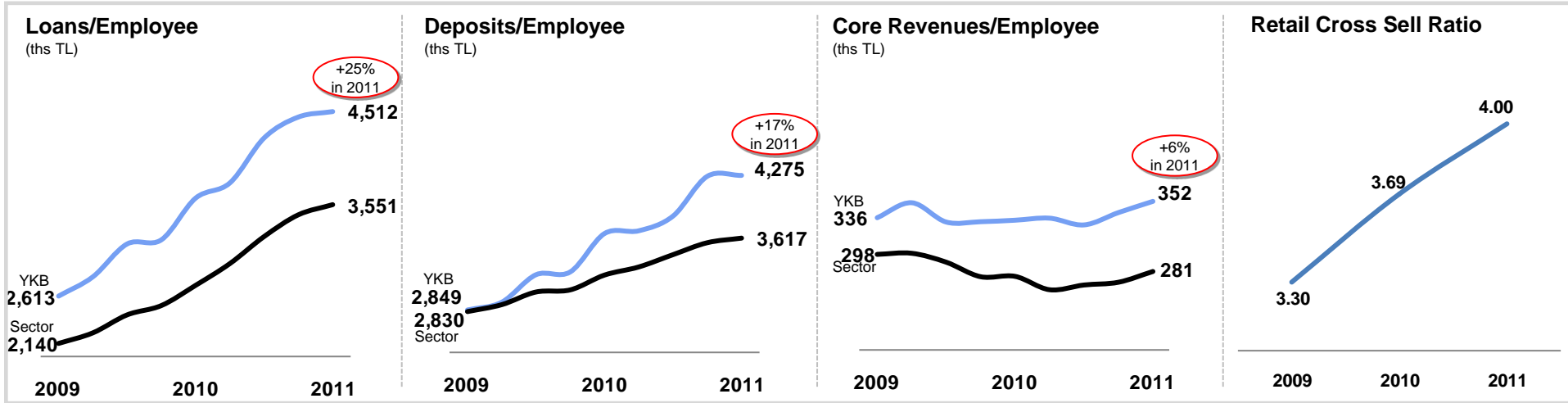
Note: General provisions / NPL = (standard + watch provisions) / NPL

General Loan Coverage: Total general provisions / performing loans = (standard + watch provisions) / performing loans

# Commercial Effectiveness

Ongoing progress due to focused approach

## Productivity



## Yearly Progress

### Retail

- Conversion of 441,000 credit card-only customers (112% of 2011 target)
- 38% increase in GPL sales (58 ths per month)
- 26% increase in overdraft accounts customer (1.6 mln customers)
- 58% increase in commercial overdraft account customers (223 ths)
- 45% increase in weekly SME loan applications (11 ths)

### Private

- 48% increase in TL deposit per relationship manager (~82 mln TL)
- Strong focus on customer acquisition and activation:
  - 1,600 customers activated (5% of total private customer base)
  - 614 customers acquired (2% of total private customer base)

### Corporate / Commercial

- 61% increase in project finance loans (outstanding at US\$ 5.8 bln)
- Strong focus on customer acquisition and activation in commercial segment:
  - 2,000 customers activated (7% of total commercial customer base)
  - 870 customers acquired (3% of total commercial customer base)

Note:  
Retail cross sell ratio: number of products used per active customer (including card only and new customers)

# Agenda

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- Operating Environment

- 2011 Results (*BRSA Consolidated*)

- Performance of Strategic Business Units & Subsidiaries**

- Outlook / Strategy

# Business Units

Solid performance overall but Private and Card Payment Systems impacted by regulatory and competitive pressure

## Weight in Bank

| Revenues <sup>1</sup> | Customer Business <sup>2</sup> |                                   | Revenues<br>(mln TL) | Y/Y<br>(2010 – 2011) | Drivers of revenue growth  |
|-----------------------|--------------------------------|-----------------------------------|----------------------|----------------------|--|
| 45%                   | 35%                            | Retail <sup>3</sup>               | 2,155                | 27%                  | <ul style="list-style-type: none"> <li>Revenues driven by <b>high margin loan growth, upward loan repricing</b> (+31% Nil) and <b>robust fees</b> (20 %y/y). <b>Solid performance by SME</b> (34% y/y) followed by <b>mass</b> (23% y/y) and <b>affluent</b> (4% y/y)</li> </ul> |
| 17%                   | 7%                             | Card Payment Systems <sup>4</sup> | 820                  | -16%                 | <ul style="list-style-type: none"> <li>Revenues impacted by <b>lower cap rates</b> (-55bps y/y avg<sup>5</sup>), <b>decline in revolving ratio</b> and <b>increased cost of funding</b></li> </ul>   |
| 3%                    | 14%                            | Private                           | 128                  | -24%                 | <ul style="list-style-type: none"> <li>Revenues impacted by <b>contraction in AUM volumes</b> (-34% y/y) due to lower risk appetite together with <b>decrease in mutual fund cap rates</b> impacting <b>fee performance</b> (-30% y/y)</li> </ul>                                |
| 7%                    | 18%                            | Corporate                         | 324                  | 39%                  | <ul style="list-style-type: none"> <li>Revenues driven by <b>strong lending growth</b> (25%) focused on <b>high margin FC project finance loans</b></li> </ul>   |
| 21%                   | 22%                            | Commercial                        | 1,002                | 15%                  | <ul style="list-style-type: none"> <li>Revenues driven by <b>robust loan growth</b> (18%) offsetting margin pressure and focused efforts to <b>increase effectiveness in mid / large sized commercial segment</b></li> </ul>   |

(1) Revenues excluding treasury and other

(2) Customer business= Loans + Deposits + AUM. Excluding other (3%)

(3) Retail includes individual (mass and affluent) and SME banking

(4) Card payment systems revenues (net of worldcard loyalty point expenses) include POS revenues. POS portion is also recognised in other related segment revenues

(5) Average credit card cap rate at 2.71% in 2010 and 2.16% in 2011

Note: All figures based on MIS data

# Subsidiaries

Strong profitability performance at core product factories. YK Portföy impacted by decrease in mutual fund cap rates. Robust performance at insurance subsidiaries

|                               | Revenues<br>(mln TL) | Revenue<br>(y/y growth) | ROE              | Sector<br>Positioning | Key Highlights   |
|-------------------------------|----------------------|-------------------------|------------------|-----------------------|--|
| <b>Core Product Factories</b> | <b>YK Leasing</b>    | 209                     | 16%              | 19%                   | <b>#1 in total transaction volume</b> (19.6% mkt share)<br><ul style="list-style-type: none"> <li>Strong revenue performance driven by increased business volume on the back of enhanced synergies with SME segment</li> </ul>                     |
|                               | <b>YK Factoring</b>  | 72 <sup>1</sup>         | 54% <sup>1</sup> | 55%                   | <b>#1 in total factoring volume</b> (17.7% mkt share)<br><ul style="list-style-type: none"> <li>Revenue performance positively impacted by higher net interest income and strong fee performance</li> </ul>  |
|                               | <b>YK Portföy</b>    | 66                      | -18%             | 115%                  | <b>#2 in mutual fund volume</b> (17.4% mkt share)<br><ul style="list-style-type: none"> <li>Revenue performance impacted by decrease in mutual fund cap rates</li> </ul>   |
|                               | <b>YK Yatırım</b>    | 124 <sup>2</sup>        | 6% <sup>2</sup>  | 44%                   | <b>#3 in equity transaction volume</b> (5.7% mkt share)<br><ul style="list-style-type: none"> <li>Revenue performance impacted by lower derivative trading volume and competitive environment</li> </ul>   |
| <b>Insurance Subs</b>         | <b>YK Sigorta</b>    | 163 <sup>3</sup>        | 14% <sup>3</sup> | 21%                   | <b>#1 in health insurance</b> (20.7% mkt share)<br><ul style="list-style-type: none"> <li>Strong revenue growth driven by higher premium generation and stable technical margins despite several one-offs</li> </ul>                               |
|                               | <b>YK Emeklilik</b>  | 127                     | 31%              | 39%                   | <b>#5 in life insurance</b><br><b>#4 in private pensions<sup>4</sup></b><br><ul style="list-style-type: none"> <li>Revenue growth driven by above sector pension fund volume growth and improving performance in life insurance segment</li> </ul> |
| <b>International Subs</b>     | <b>YK Azerbaijan</b> | 36                      | 25%              | 13%                   | <b>447 mln TL total assets</b><br><ul style="list-style-type: none"> <li>Positive revenue performance driven by strong volume growth and 3 branch openings</li> </ul>  |
|                               | <b>YK Moscow</b>     | 25                      | -10%             | 10%                   | <b>336 mln TL total assets</b><br><ul style="list-style-type: none"> <li>Revenues impacted by ongoing margin pressure</li> </ul>   |
|                               | <b>YK NV</b>         | 105                     | -3%              | 7%                    | <b>4.3 bln TL total assets</b><br><ul style="list-style-type: none"> <li>Revenues impacted by decrease in securities income due to continuation of TL bond portfolio sales</li> </ul>  |

(1) Revenues including dividend income from YK Sigorta. Revenue growth adjusted with dividend income

(2) Revenues including dividend income from YK Portföy and YK Sigorta Revenue growth adjusted with dividend income

(3) Revenues including dividend income from YK Emeklilik. Revenue growth adjusted with dividend income

(4) 16.1% as of YE11

# Agenda

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- Operating Environment
- 2011 Results (*BRSA Consolidated*)
- Performance of Strategic Business Units & Subsidiaries
- **Outlook / Strategy**

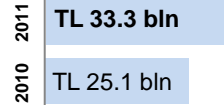
# 2011 Progress

Continued emphasis on profitable customer business yielding solid performance in key metrics

## Customer Business

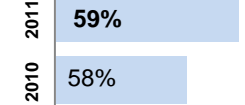
Above sector retail loan growth

**33%**



Highest loans / assets

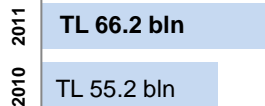
**59%**



## Funding

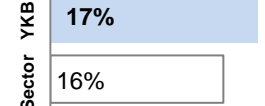
Above sector deposit growth

**20%**



Strong weight of demand deposits

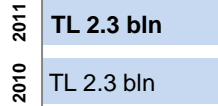
**17%**



## Profitability and Efficiency

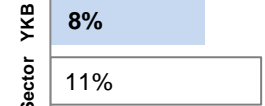
Sustained net income

**2.3**  
bln TL



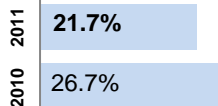
Consistently below inflation cost growth

**8%**



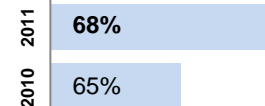
Leading ROAE level

**22%**



Highest fees / opex

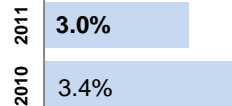
**68%**



## Asset Quality

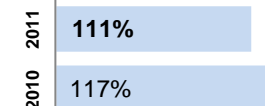
Improvement in NPL ratio

**3.0%**



Solid provisioning coverage<sup>1</sup>

**111%**



Note:  
Retail loans include total consumer loans + credit cards + commercial installment loans  
Sector figures as follows: Loans/assets 55%; retail loan growth 31%; deposit growth 13%; Fees/opex 51%  
(1) (Specific + generic provisions) / Total NPL volume



# 2012 Outlook

YKB macro / sector scenario based on soft-landing and positive volume evolution

| Macro                             |  | Banking Sector                  |   |
|-----------------------------------|--|---------------------------------|---|
| <b>3.6%</b> GDP Growth            | <b>Positive / moderated growth</b> driven by domestic demand                                       | <b>15%</b> Loans                | <b>Positive volume evolution</b>  |
| <b>6.2%</b> End of Year inflation | <b>Controlled inflation</b> with decline from 2H12 onwards   | <b>12%</b> Deposits             |   |
| <b>9.4%</b> Average inflation     |  | <b>Flat</b> Net Interest Margin | <b>Stable evolution</b> with continuation of upward loan repricing actions offsetting pressure on cost of funding |
| <b>5.75%</b> Policy Rate          | <b>Low / stable policy rate accompanied by flexible monetary policy</b> via interest rate corridor | <b>&lt;100 bps</b> Cost of Risk | <b>Slight asset quality deterioration</b>   |

|                   |  |  |
|-------------------|--|--|
| <b>Yapı Kredi</b> | <b>Sustained revenue performance....</b> <ul style="list-style-type: none"> <li>- Flat <b>NIM</b> via positive loan yields but low visibility on funding costs</li> <li>- Stable <b>fees</b> impacted by accounting change / regulation</li> </ul> | <b>...with continued focus on customer business</b> <ul style="list-style-type: none"> <li>- <b>Loans</b> slightly above sector driven by high margin TL individual, SME and FC project finance</li> <li>- <b>Deposits</b> in line with loan growth with balanced composition</li> </ul> |
|                   | <b>Lean cost management...</b> <ul style="list-style-type: none"> <li>- <b>Cost</b> growth in line with inflation</li> <li>- Increasing <b>efficiency</b>, also by better leveraging on multi-channel focus</li> </ul>                             | <b>...with continuation of investments for growth</b> <ul style="list-style-type: none"> <li>- Ordinary costs growing at low single digit</li> <li>- Investments for growth including 50/60 branch openings, credit card business strengthening</li> </ul>                               |
|                   | <b>Asset quality intact...</b> <ul style="list-style-type: none"> <li>- Slight / manageable deterioration in <b>NPL ratio</b></li> <li>- <b>Cost of risk</b> in line with / below sector</li> </ul>  | <b>...with disciplined approach</b> <ul style="list-style-type: none"> <li>- Dynamic and proactive NPL portfolio management</li> <li>- Continuous enhancements in credit granting, collection and monitoring processes</li> </ul>  |

# Strategy

Continued emphasis on key long-term strategic pillars

- **Tactical above sector growth** in value generating segments
- **Increased commercial effectiveness** (customer penetration, activation, cross-sell)
- **Organic expansion**

**Growth / Sustainability**

**Funding / Liquidity / Capital**

- **Optimisation of deposit pricing / mix**
- Accelerated focus on **funding diversification**
- **Effective use of capital**

- **Disciplined NIM management**
- **Strong focus on fee generation**
- **Lean costs** and **optimisation of cost to serve**

**Profitability**

**Risk Management**

- **Maintained focus on asset quality** to minimise pressure on cost of risk
- **Effective management of interest rate / liquidity risk**

# Agenda

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- Operating Environment
- 2011 Results (*BRSA Consolidated*)
- Performance of Strategic Business Units & Subsidiaries
- Outlook / Strategy
- Annex**

# Agenda

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- **Detailed Performance by Strategic Business Unit**
- Other Details

# Definitions of Strategic Business Units

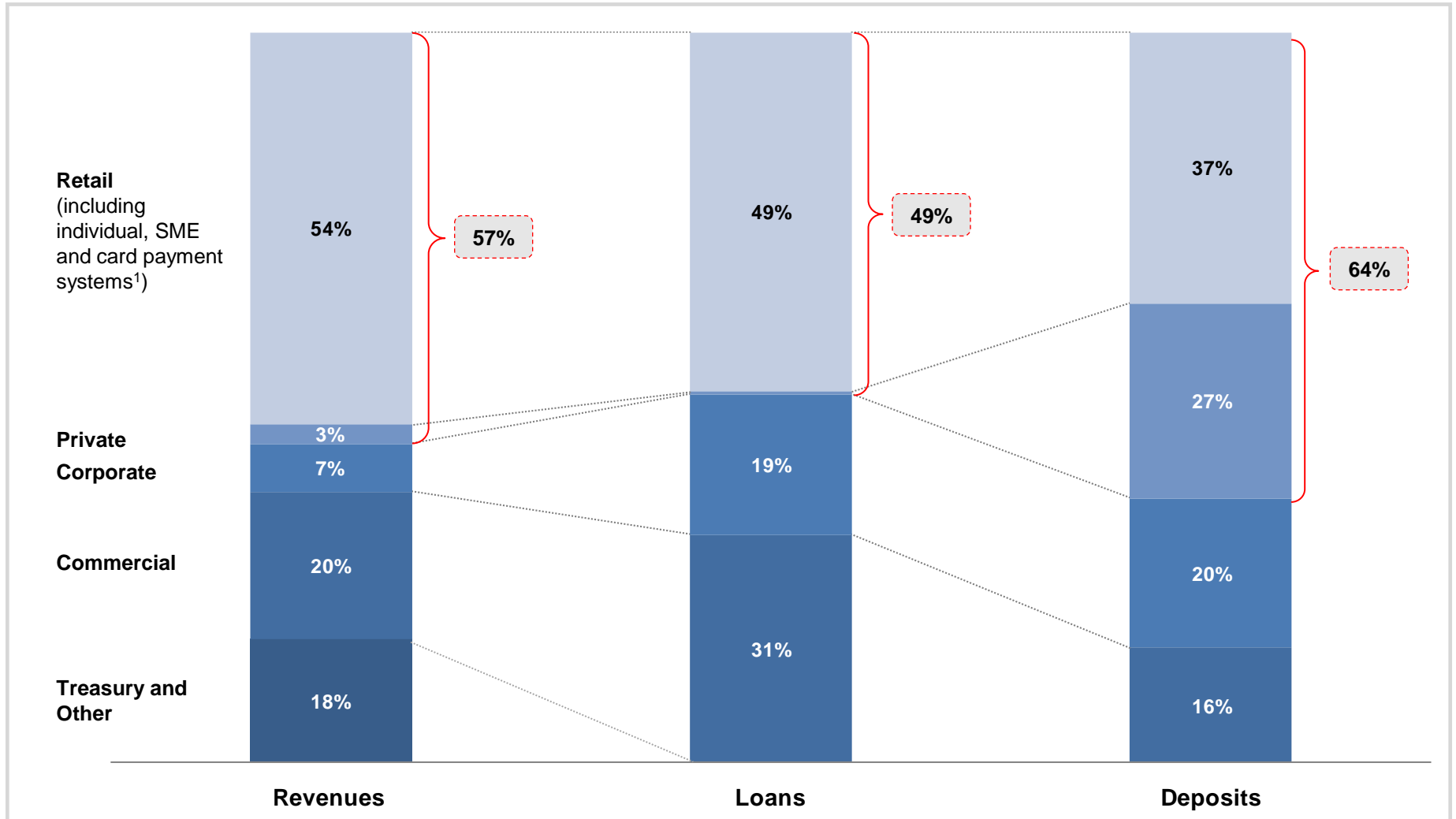
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- **Retail:**
  - **SME:** Companies with turnover less than 5 mln US\$
  - **Affluent:** Individuals with assets less than 500K TL
  - **Mass:** Individuals with assets less than 50K TL
- **Private:** Individuals with assets above 500K TL
- **Commercial:** Companies with annual turnover between 5-100 mln US\$
- **Corporate:** Companies with annual turnover above 100 mln US\$

# Performance by Strategic Business Units

Diversified revenue mix with retail focused loan and deposit portfolio

Revenues and Volumes by Business Unit (2011, Bank only)



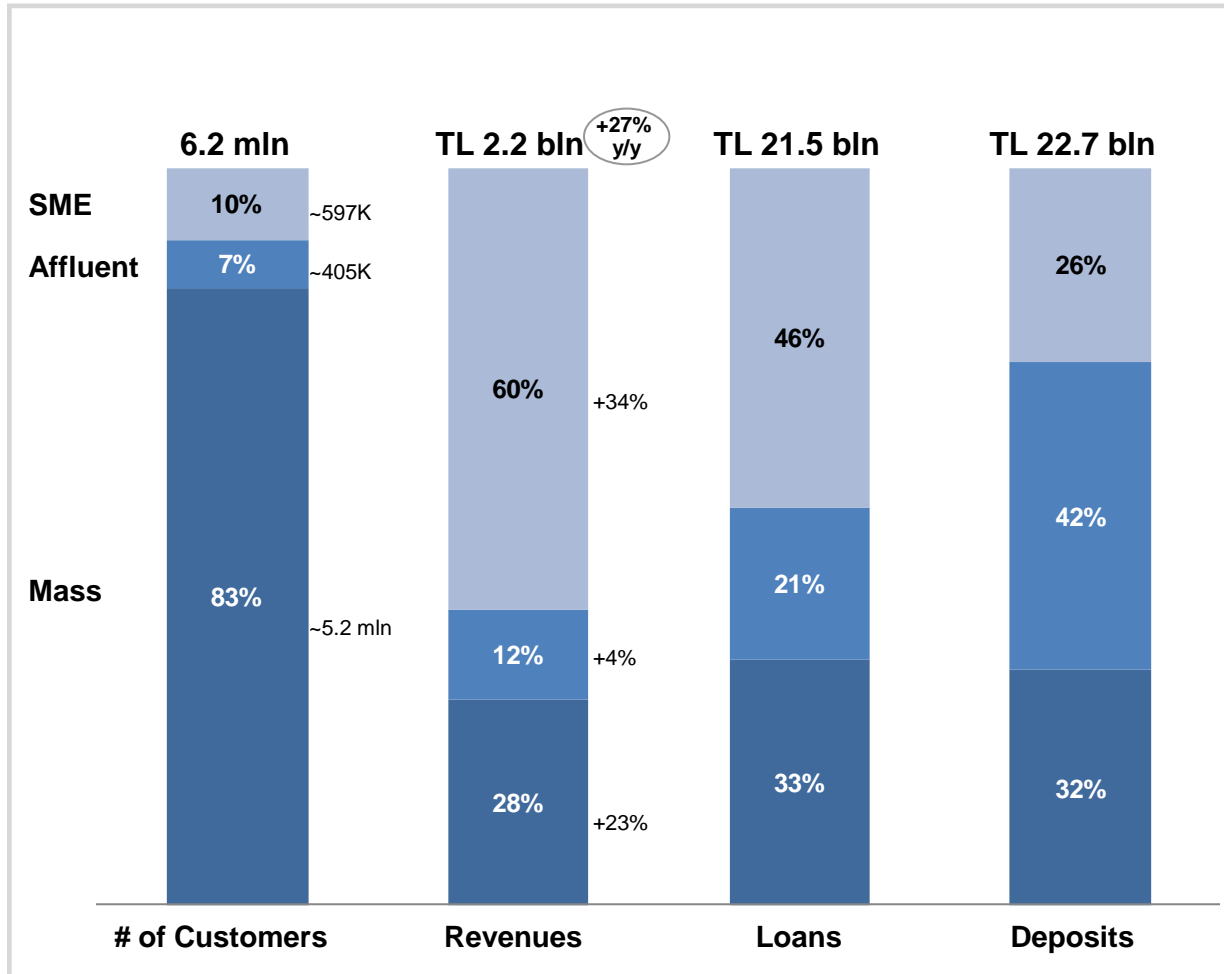
Note: Loan and deposit allocations based on end of period volumes (source: MIS data). All SBU figures based on 2011 segmentation criteria

(1) Card payment system revenues excluding POS revenues

# Retail Banking

~ 60% of retail banking revenues generated by SME business

Retail Banking Composition (2011)



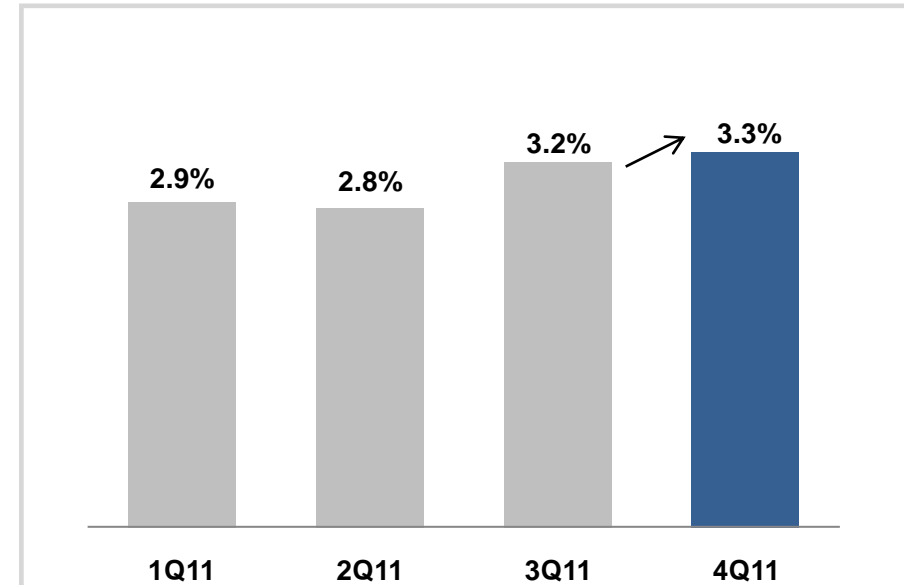
- **Mass Segment:** ~5.2 mln active customers generating 28% of total retail revenues (+23% y/y growth), 33% of loans and 32% of deposits
- **Affluent Segment:** ~405K active customers generating 12% of total retail revenues (+4% y/y growth), 21% of loans and 42% of deposits
- **SME Segment:** ~597K active customers generating 60% of total retail revenues (+27% y/y growth), 46% of loans and 26% of deposits

## Retail (Mass & Affluent)

Solid revenues driven by strong loan growth, upward repricing and healthy fee generation

| TL mln                         | 2011   | Y/Y     |   |
|--------------------------------|--------|---------|---|
| Revenues                       | 866    | 17%     | ↑ |
| Loans                          | 11,590 | 46%     | ↑ |
| Deposits                       | 16,741 | 14%     | ↑ |
| AUM                            | 2,759  | 4%      | ↑ |
| <hr/>                          |        |         |   |
| % of Demand in Retail Deposits | 18%    | 2.3 pp  |   |
| <hr/>                          |        |         |   |
| % of TL in Retail Deposits     | 73%    | -3.4 pp |   |
| <hr/>                          |        |         |   |
| % of TL in Retail Loans        | 99%    | 0.6 pp  |   |

### Revenues /Customer Business<sup>1</sup>



- **Revenues +17% y/y** driven by positive impact of ongoing upward loan repricing actions (NII +16% y/y) and healthy fee growth (+13% y/y)
- **Loans +46%** mainly driven by **general purpose loans** (+63%)
- **Deposits +14%** driven by both TL deposits (+9%) and FC deposits (+7% in US\$ terms)
- **Consumer loan NPL ratio down to 2.6%<sup>2</sup>** (vs 4.4% in 2010) impacted by loan growth and NPL sale

Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.

(1) Customer business: Loans + Deposits + AUM

(2) Excluding cross default

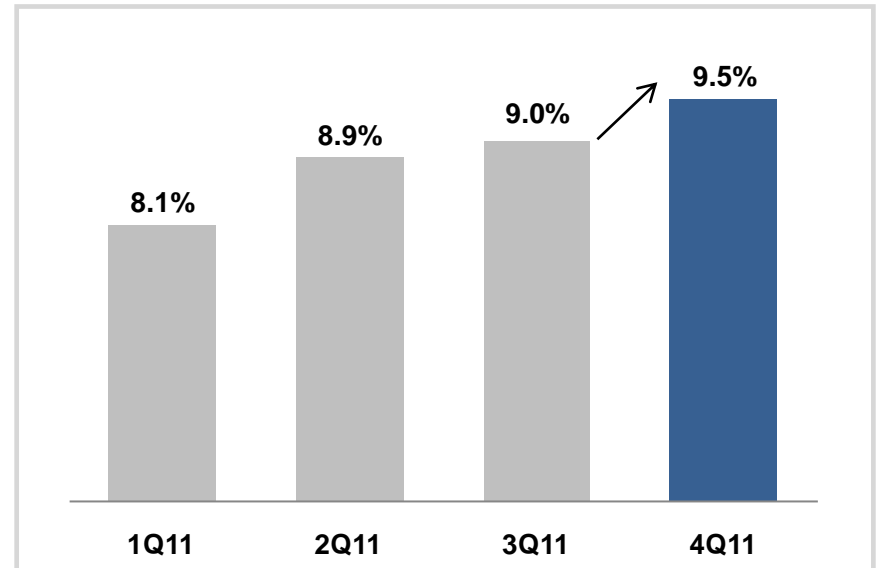


## Retail (SME)

Robust revenues driven high volume growth and margin expansion

| TL mln                      | 2011  | Y/Y     |   |
|-----------------------------|-------|---------|---|
| Revenues                    | 1,289 | 34%     | ↑ |
| Loans                       | 9,904 | 50%     | ↑ |
| Deposits                    | 6,007 | 23%     | ↑ |
| AUM                         | 756   | -1%     | ↓ |
| <hr/>                       |       |         |   |
| % of Demand in SME Deposits | 45.0% | 3.0 pp  |   |
| <hr/>                       |       |         |   |
| % of TL in SME Deposits     | 73.6% | -1.0 pp |   |
| <hr/>                       |       |         |   |
| % of TL in SME Loans        | 96%   | 0.5 pp  |   |

### Revenues /Customer Business<sup>1</sup>



- **Revenues +34% y/y** driven by **strong volume growth, margin expansion (NII +42%) and robust fee performance (26% y/y)**
- **Loans +50%** driven by focused approach, new loan products and shorter response times
- **Deposits +23%** driven by TL deposits (+21%)
- **SME NPL ratio down to 3.9%** (vs 5.1% at 2010) driven by rapid growth and positive impact of SME scorecards

Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.

(1) Customer business: Loans + Deposits + AUM

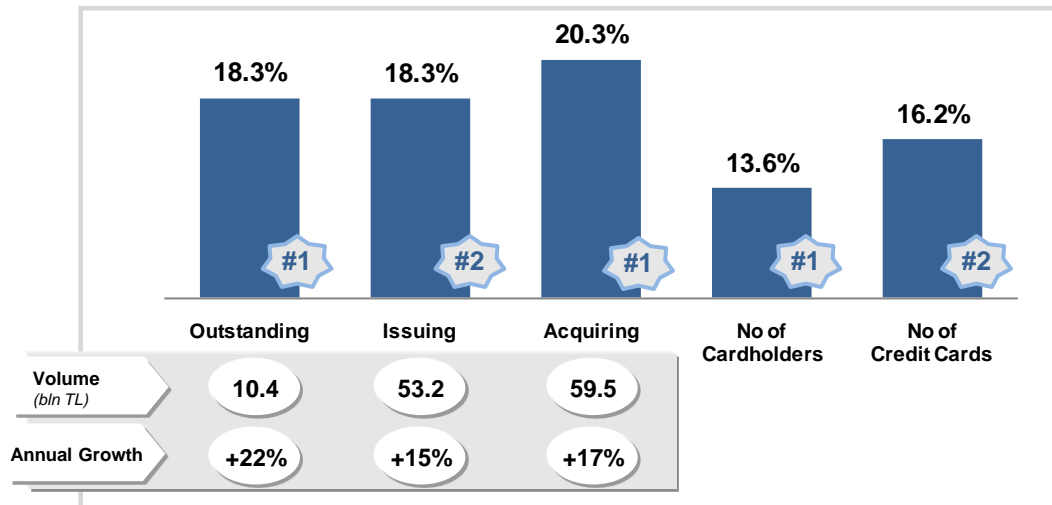
# Card Payment Systems

Continuous sector leadership accompanied by constant focus on profitability in view of decline in cap rates, lower revolving ratio and higher cost of funding

|                                      | 2011  | Y/Y    |   |
|--------------------------------------|-------|--------|---|
| Net Revenues <sup>1</sup> , mln TL   | 820   | -16%   | ↓ |
| # of Credit Cards (mln) <sup>2</sup> | 8.3   | 6%     | ↑ |
| # of Cardholders (mln)               | 5.0   | -      |   |
| # of Merchants (ths)                 | 329   | 8%     | ↑ |
| # of POS (ths)                       | 432   | 10%    | ↑ |
| Activation                           | 84.4% | 0.0 pp |   |

- Revenues impacted by **decline in cap rates** (-55bps y/y avg<sup>4</sup>), **lower revolving ratio** and **higher cost of funding**
- **Leadership maintained** in outstanding, acquiring and number of cardholders
- **Highest amount of payment system fees and commissions** in the sector (~880 mln TL)
- **Credit card NPL ratio down to 3.5%** (vs 5.3%) impacted by volume growth and NPL sale

## Market Shares<sup>3</sup>



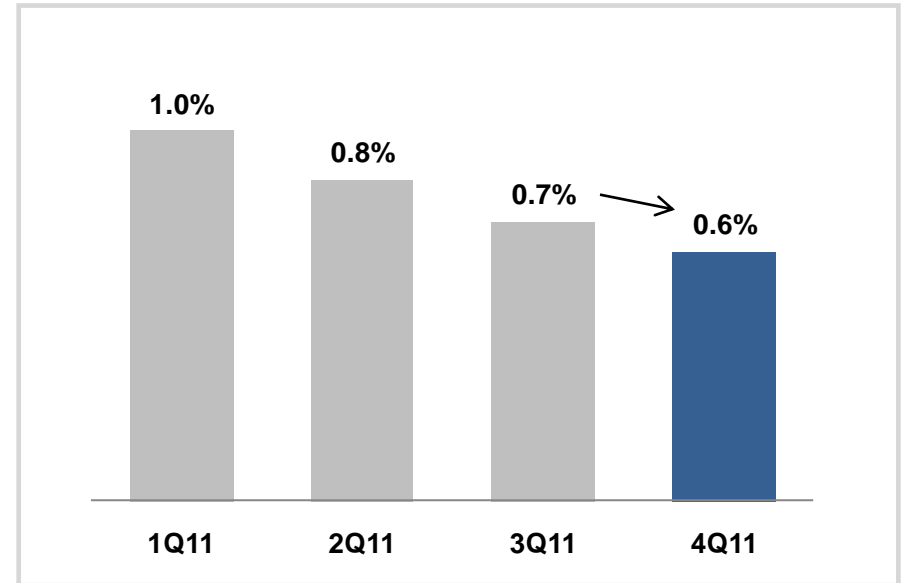
(1) Card payment systems revenues (net off worldcard loyalty point expenses) include POS revenues. POS portion is also recognised in other related segment revenues  
 (2) Including virtual cards (2009: 1.5 mln, 2010: 1.5 mln, 2011: 1.4 mln)  
 (3) Market shares based on bank-only 12-month cumulative figures  
 (4) Average credit card cap rate at 2.71% in 2010 and 2.16% in 2011

# Private

Revenues impacted by contraction in AUM volume and decline in mutual fund fee cap

| TL mln                          | 2011   | Y/Y     |   |
|---------------------------------|--------|---------|---|
| Revenues                        | 128    | -24%    | ↓ |
| Loans                           | 229    | -6%     | ↓ |
| Deposits                        | 16,371 | 45%     | ↑ |
| AUM                             | 2,081  | -34%    | ↓ |
| % of Demand in Private Deposits | 3.7%   | -1.8 pp |   |
| % of TL in Private Deposits     | 58.7%  | -1.3 pp |   |
| % of TL in Private Loans        | 81%    | 4.8 pp  |   |

## Revenues /Customer Business<sup>1</sup>



- **Revenues -24% y/y** driven by **contraction in AUM volume** due to lower customer risk appetite and **decline in fee performance** (-30% y/y) due to decline in mutual fund cap rate
- **Deposits +45%** due to increased **commercial effectiveness**, driven by TL deposits (+42%)
- **Continuous synergies with asset management and product factories** allowing diversification of customer product portfolio

Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.

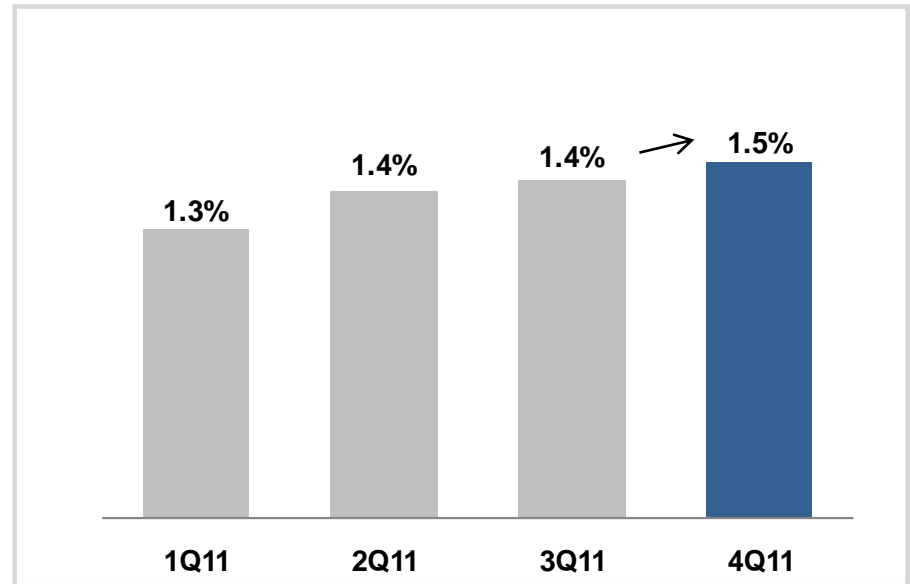
(1) Customer business: Loans + Deposits + AUM

# Corporate

Strong revenue growth on the back of disciplined pricing approach

| TL mln                               | 2011   | Y/Y      |   |
|--------------------------------------|--------|----------|---|
| <b>Revenues</b>                      | 324    | 39%      | ↑ |
| <b>Loans</b>                         | 12,295 | 25%      | ↑ |
| <b>Deposits</b>                      | 12,532 | 6%       | ↑ |
| <b>AUM</b>                           | 17     | -71%     | ↓ |
| <b>% of Demand in Corp. Deposits</b> | 5.5%   | -0.1 pp  |   |
| <b>% of TL in Corporate Deposits</b> | 31.8%  | -21.0 pp |   |
| <b>% of TL in Corporate Loans</b>    | 11%    | -12.1 pp |   |

## Revenues /Customer Business<sup>1</sup>



- **Revenues +39% y/y** driven by selective loan growth and disciplined pricing approach
- **Loans +25%** driven by FC loans (+18% in US\$ terms) and impacted by currency depreciation
- **Deposits +6%** driven by FC deposits (+25% in US\$ terms) and impacted by currency depreciation
- **Asset quality maintained** (Corporate/Commercial NPL ratio at 2.6%, 1.8% excluding files transferred from watch loan category)

Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.

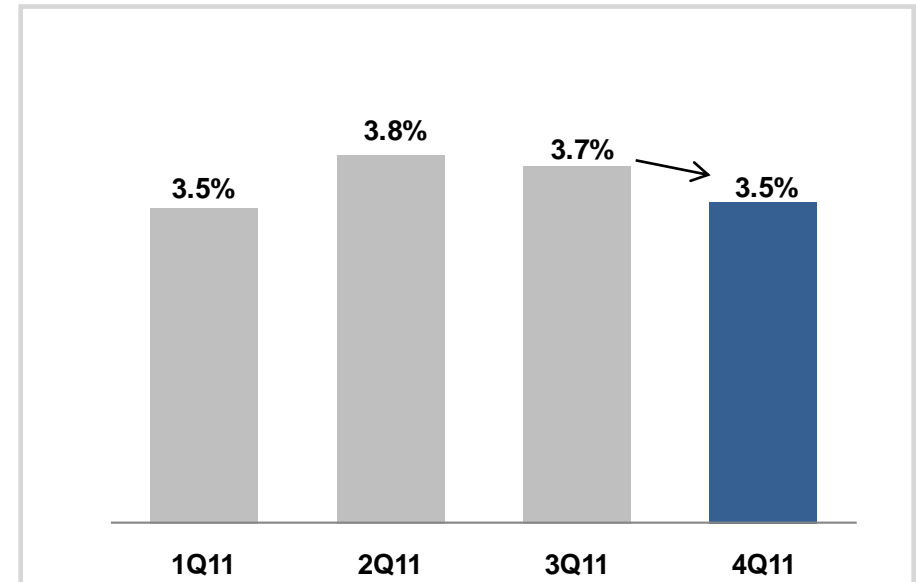
(1) Customer business: Loans + Deposits + AUM

# Commercial

## Revenues driven by selective lending approach

| TL mln                       | 2011   | Y/Y     |   |
|------------------------------|--------|---------|---|
| Revenues                     | 1,002  | 15%     | ↑ |
| Loans                        | 19,959 | 18%     | ↑ |
| Deposits                     | 9,600  | 23%     | ↑ |
| AUM                          | 167    | -25%    | ↓ |
| % of Demand in Com. Deposits | 30.7%  | -4.7 pp |   |
| % of TL in Com. Deposits     | 38.3%  | -6.7 pp |   |
| % of TL in Com. Loans        | 29%    | -1.9 pp |   |

### Revenues /Customer Business<sup>1</sup>



- **Revenues +15%** driven by **selective lending approach**
- **Loans +18%** driven by TL loans (+11%) and impacted by currency depreciation
- **Deposits +23%** driven by FC deposits (+13% in US\$ terms) and impacted by currency depreciation
- **Asset quality maintained** (Corporate/Commercial NPL ratio at 2.6%, 1.8% excluding files transferred from watch loan category)

Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.

(1) Customer business: Loans + Deposits + AUM

# Agenda

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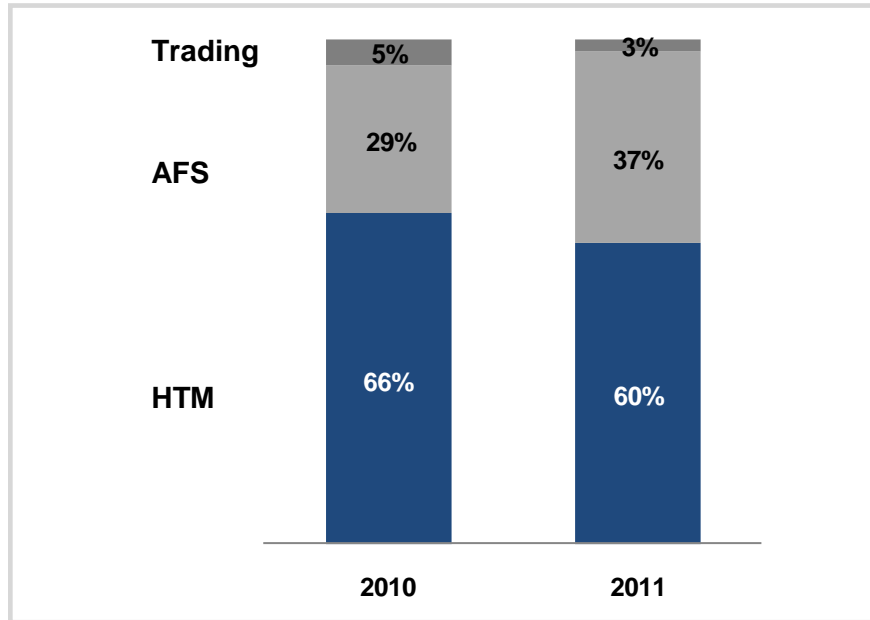
■ Detailed Performance by Strategic Business Unit

■ **Other Details**

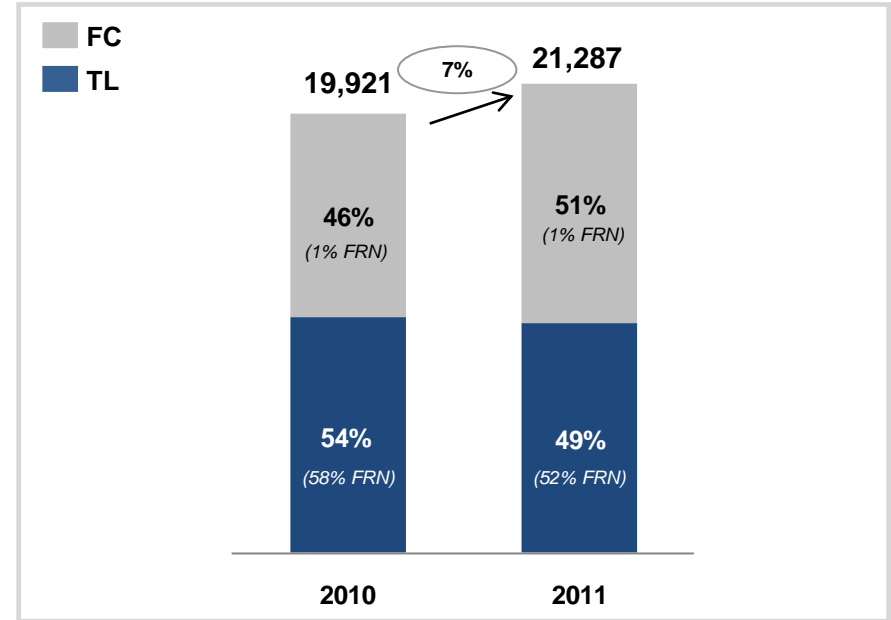
# Securities

60% of securities portfolio invested in HTM

## Securities Composition by Type



## Securities Composition by Currency (TL mln)



- Share of securities in total assets down to 18% (vs 21% in YE10)
- Share of Held to Maturity (HTM) at 60% (vs 66% in 2010). Increase in AFS portfolio (37% vs 29% at YE10) driven by focus on effective liquidity management
- Share of TL securities in total securities at 49% (vs 54% at YE10)

# Borrowings

|               |                         |  |
|---------------|-------------------------|--|
| International | Syndications            | <p>~ US\$ 2.7 bln outstanding</p> <ul style="list-style-type: none"> <li>■ Apr 11: ~US\$ 1.45 bln, Libor +1.1% p.a. all-in cost, 1 year</li> <li>■ Sep 11: US\$ 285 mln and €687 mln, Libor + 1.0% p.a. all-in cost, 1 year</li> </ul>   |
|               | Securitisations         | <p>~ US\$ 1,275 mln outstanding</p> <ul style="list-style-type: none"> <li>■ Dec 06 and Mar 07: ~US\$ 305 mln, 6 wrapped notes, 7-8 years, Libor+18-35 bps</li> <li>■ Aug 10 - DPR Exchange: ~US\$ 460 mln, 5 unwrapped notes, 5 years</li> <li>■ Aug 11: ~US\$ 410 mln, 4 unwrapped notes, 5 years</li> <li>■ Sep 11: ~€75 mln, 1 unwrapped note, 12 years</li> </ul> |
|               | Subordinated Loans      | <p>€1,050 mln outstanding</p> <ul style="list-style-type: none"> <li>■ Mar 06: €500 mln, 10NC5, Libor+2.00% p.a.</li> <li>■ Apr 06: €350 mln, 10NC5, Libor+2.25% p.a.</li> <li>■ Jun 07: €200 mln, 10NC5, Libor+1.85% p.a.</li> </ul>  |
|               | Loan Participation Note | <p>US\$ 750 mln Loan Participation Note (LPN)</p> <ul style="list-style-type: none"> <li>■ Oct 10: 5.1875% (cost), 5 years</li> </ul>  |
|               | Multinational Loans     | <ul style="list-style-type: none"> <li>■ Sace Loan - Jan 07: €100 mln, all-in Euribor+1.20% p.a, 5 years</li> <li>■ EIB Loan - Jul 08-Dec 10: €380 mln, 5-15 years</li> <li>■ IBRD (World Bank) Loan - Nov 08: US\$ 25 mln, Libor+1.50% p.a, 6 years</li> <li>■ EBRD Loan - Aug 11: €30 mln, 5 years</li> </ul>  |
| Domestic      | TL Bond                 | <p>TL 1.15 bln bond issue</p> <ul style="list-style-type: none"> <li>■ Oct 11: TL 150 mln, 9.08% compounded cost, 368 days maturity</li> <li>■ Dec 11: TL 1 bln, 10.92% compounded cost, 168 days maturity</li> </ul>  |