Yapı Kredi 1H12 Earnings Presentation

Istanbul, 2 Aug 2012

Agenda

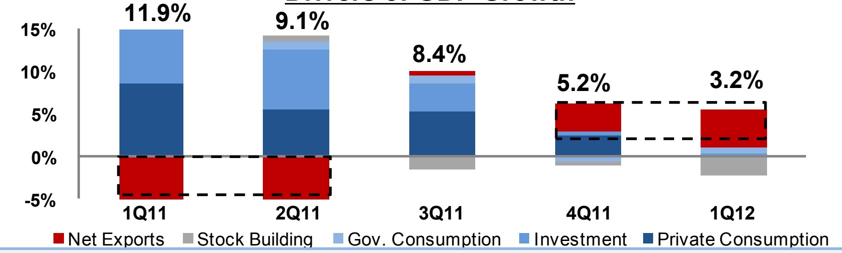
- **Operating Environment**
- 1H12 Results (BRSA Consolidated)
- Performance of Strategic Business Units & Subsidiaries
- Outlook / Strategy

Macroeconomic Environment

Soft-landing underway with ongoing economic growth and declining inflation also driving current account deficit improvement

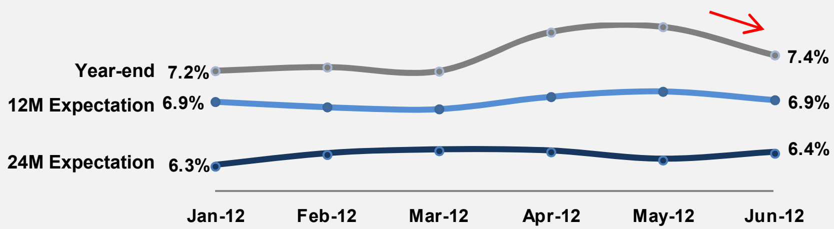
		4Q11	1Q12	2Q12
Growth	GDP Growth (y/y)	5.2%	3.2%	3.6%[1]
	Industrial Production (eop y/y) (seasonally adjuested)	2.8%	2.6%	5.9%[2]
Inflation	Consumer Price Inflation (eop, y/y)	10.4%	10.4%	8.9%
	Core Inflation[3] (eop, y/y)	8.1%	7.9%	7.4%
Current Account Deficit	Current Account Deficit (CAD) / GDP	10.0%	9.1%	8.4%[2]
	Non-Energy CAD / GDP	3.8%	2.8%	2.0%[2]
Monetary Policy	Effective Policy Rate[5] (eop)	8.27%	9.75%	9.02%
	CBRT Policy Rate (eop)	5.75%	5.75%	5.75%

Drivers of GDP Growth



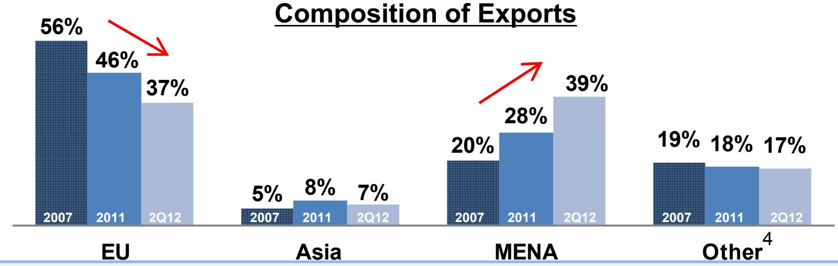
- **GDP growth confirming soft-landing** with gradual **rebalancing** between external and domestic demand
- **Solid increase in seasonally adjusted industrial production in May'12** due to positive contribution of net exports

Rolling CPI Expectations



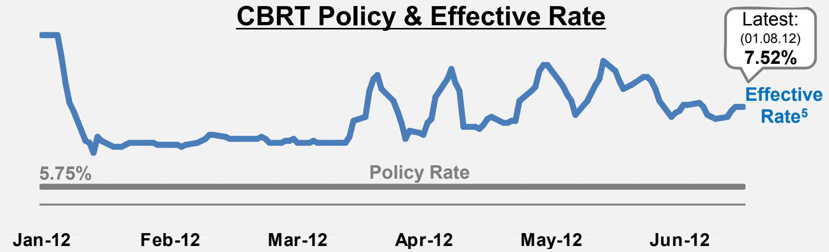
- **Improvement trend in inflation** with **steady decline in core inflation**; lowest level since Sept'11
- **Normalisation in inflation expectations** after reaching peak in May'12

Composition of Exports



- **Continuing improvement in CAD/GDP** due to lower trade deficit and oil prices. Increasing sustainability with 88% of imports to private investment
- **Significant diversification of exports towards MENA** vs EU since 2007

CBRT Policy & Effective Rate



- **Maintained conservative / flexible monetary policy** with some relief in macro-prudential measures
- **Easing of effective rate** towards the end of the quarter

(1) Based on Yapı Kredi Economic Research estimates
(2) As of May'12
(3) Core inflation includes clothing, housing, furnishing, health, transport, communication, recreation, education, hotels, cafe, restaurant and other (excludes food, energy, alcohol, tobacco and gold)
(4) Other includes North America and non-EU European nations
(5) Effective policy rate is the weighted average cost of outstanding funding of the CBRT via open market operations including O/N repo, one-week repo and one-month repo

Banking Sector

Acceleration in loan growth in 2Q incorporating seasonality in company loans. Net interest margin on a continuous positive trend

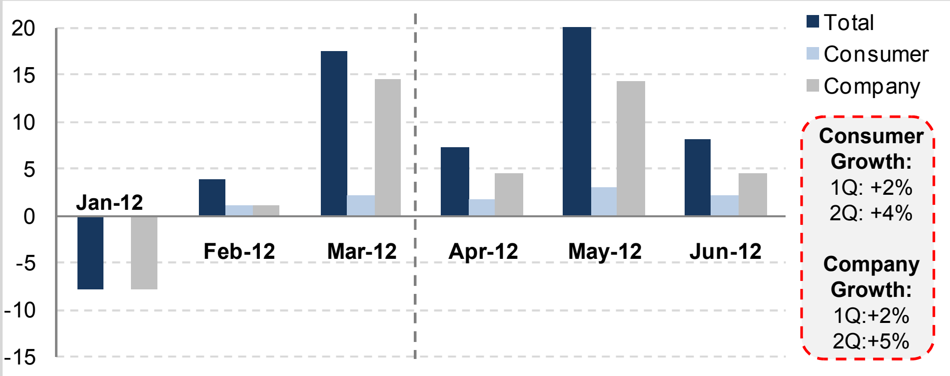
Banking Sector Volumes and KPIs

	Nominal (bln TL)	Growth Rates		
	2Q12	1Q12	2Q12	1H12
Total Loans[1]	**699**	**2%**	**5%**	**7%**
TL	503	4%	7%	11%
FC ($)	112	4%	0%	4%
Total Deposits	**719**	**0%**	**3%**	**4%**
TL	460	0%	3%	2%
FC ($)	147	8%	3%	12%
Securities	**283**	**0%**	**0%**	**0%**

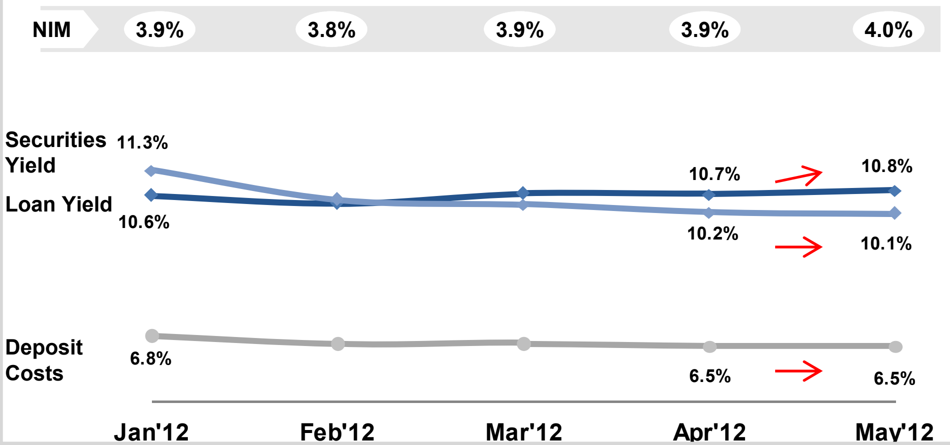
	1Q12	2Q12
Loans[1]/ Deposits	**96%**	**97%**
Loans[1]/ (Deposits+TL Bonds)	**93%**	**95%**
NPL Ratio	**2.7%**	**2.6%**
CAR	**15.5%**	**15.2%**[2]

- **Loans +5%** in 2Q (vs 2% in 1Q) driven by TL
- **Deposits +3%** in 2Q (vs stable in 1Q) driven by balanced growth in TL and FC
- **Loans / deposits ratio at 97%**, +1pp vs 1Q (94% including TL bonds)
- **Slight improvement in NPL ratio** supported by volume growth. NPL ratio at 2.6% (-10 bps vs 1Q)
- **Cumulative NIM at 4.0%** (+45 bps vs full year 2011) driven by upward trend in loan yield and contained deposit costs

Monthly Loan Origination (bln TL)



Cumulative NIM Evolution (as of May'12)



Note: Sector data based on weekly BRSA unconsolidated figures
(1) Total performing loans
(2) As of May'12

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Key Highlights

Operationally strong quarter driven by core revenues

1 Focus on quality growth supporting core revenues

- **Above sector growth in high margin lending** with historically lowest securities/assets
- **Solid, above sector deposit growth**
- **Strong quarterly NIM expansion** via higher loan and security yields and declining deposit costs

2 Ongoing cost discipline

- Evolution impacted by **seasonality in HR costs despite tight headcount management**
- **Focus on maintaining ordinary costs at minimum** while continuing growth initiatives

3 Resilient asset quality

- **Moderate asset quality pressure** on retail, offset by improvement in corporate/commercial
- **Maintained specific coverage** coupled with slight decline in specific cost of risk

4 Wholesale funding diversification further progressing

- **>100% syndication rollover** and continuous **TL bond issuances**
- **SME-backed covered bond underway**
- Eurobond rating upgrade to **investment grade by Moody's**

5 Dynamic liquidity management

- **Improvement in loans/(deposits+TL bonds) ratio** via accelerated deposit growth and further TL bond issuances
- **One-to-one deposit pricing** further supporting quality deposit growth

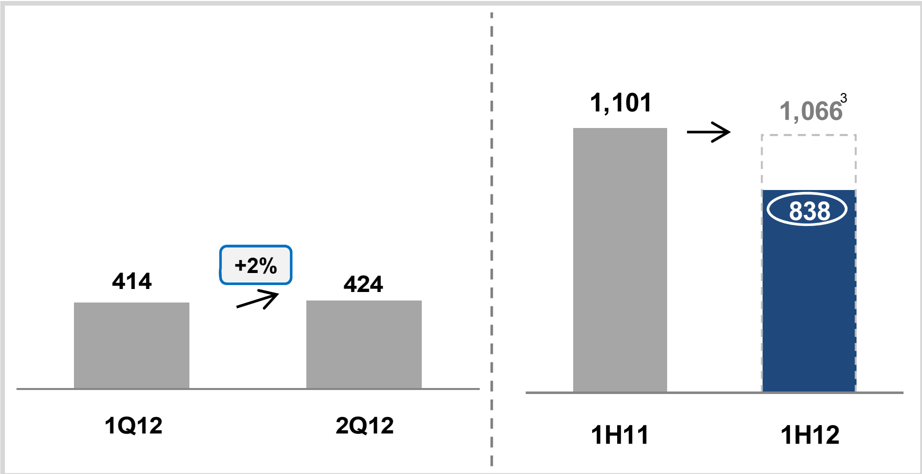
6 Continuing sustainability initiatives

- **Sustained efforts on growth and efficiency** (systems and infrastructure projects, increase in share of non-branch channels in banking transactions to 80%)
- Recent launch of process for **reorganisation of insurance business**

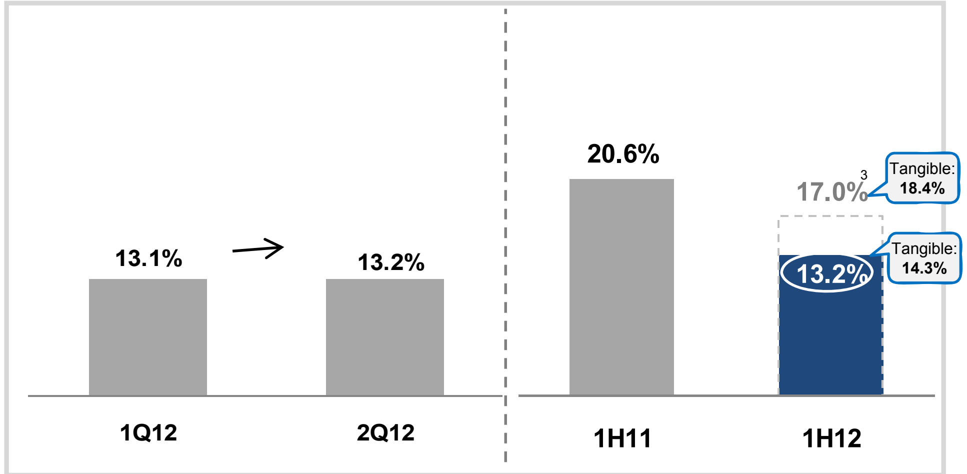
Key Performance Indicators

First half 2012 trends

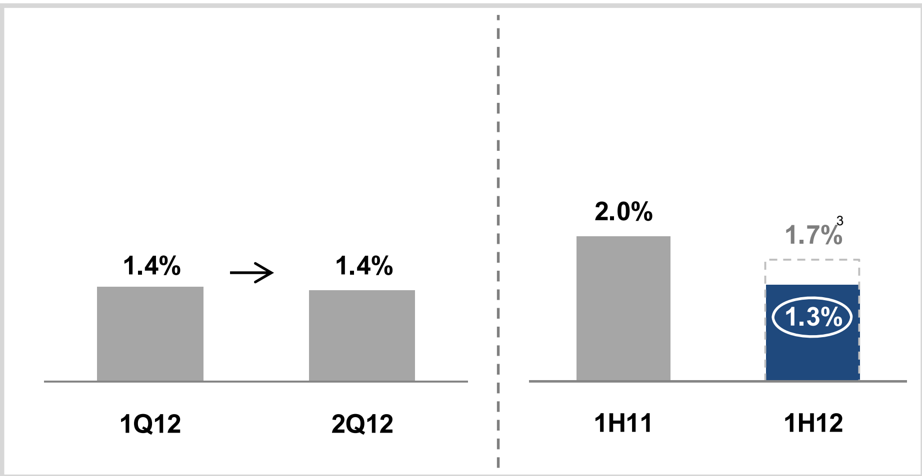
Net Income (mln TL)



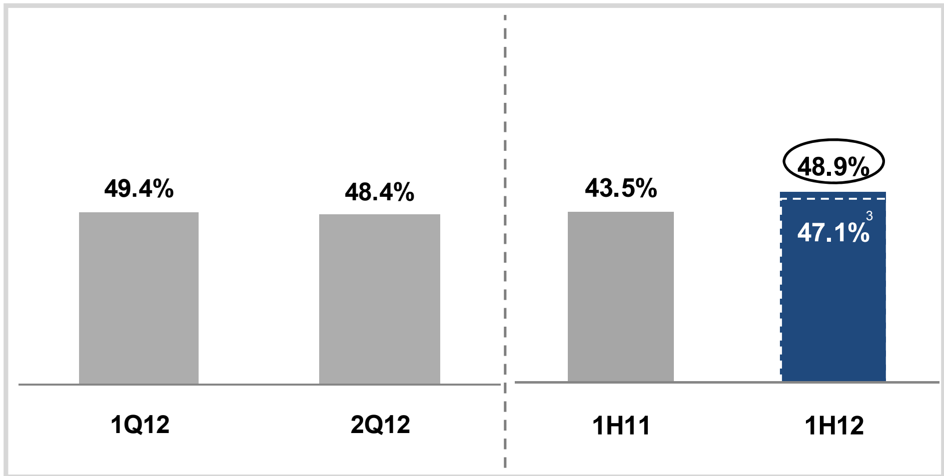
Return on Average Equity[1]



Return on Assets[2]



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
(3) Excluding regulatory impacts: On fees, impact of change on loan-related fee deferrals, transfer to net interest income and decrease in regulatory cap of liquid fund management fees. On provisions, impact of change on general purpose and rescheduled loan general provision levels

Indicates reported figures

Income Statement

838 mln TL net income driven by solid NIM expansion despite regulatory changes and increasing general provisions

mln TL	2Q11	1Q12	2Q12	1H11	1H12	y/y	y/y excl. reg. impacts[2]
Total Revenues	**1,510**	**1,599**	**1,644**	**3,218**	**3,244**	**1%**	**5%**
Core Revenues	1,305	1,508	1,548	2,640	3,056	16%	**21%**
o/w Net Interest Income	834	1,092	1,138	1,718	2,230	30%	**28%**
o/w Fees & Comms.	471	416	410	922	826	-10%	**6%**
Other Revenues	205	91	96	578	188	-68%	
Operating Costs	**688**	**790**	**796**	**1,399**	**1,586**	**13%**	
Operating Income	**822**	**809**	**848**	**1,819**	**1,658**	**-9%**	**-2%**
Provisions	138	279	274	451	553	23%	
o/w Loan Loss	146	227	300	402	527	31%	
Pre-tax income	**684**	**530**	**574**	**1,368**	**1,105**	**-19%**	
Net Income[1]	**569**	**414**	**424**	**1,101**	**838**	**-24%**	**-3%**

- **Revenues +1% y/y** (+5% excl. regulatory impacts). **Core revenues +16% y/y** (+21% excl. regulatory impacts) driven by solid NIM expansion and focus on value generating growth
- **Costs +13% y/y** due to seasonal wage increases and one-off cost[3]
- **Provisions +23% y/y** due to higher general provisions driven by loan growth and regulatory changes
- **Net income at 838 mln TL** (-24% y/y, -3% excl. regulatory impacts)

- **Quarterly net income at 424 mln TL** (+2% q/q)

(1) Indicates net income before minority. 1H12 net income after minority: 833 mln TL (-24% y/y)
(2) Excluding regulatory impacts: On fees, impact of change on loan-related fee deferrals, transfer to net interest income and decrease in regulatory cap of liquid fund management fees. On provisions, impact of change on general purpose and rescheduled loans on general provisions
(3) TL 21.7 mln pension fund charge mainly driven by regulation changes

Balance Sheet

Acceleraton in customer business coupled with further strengthening of funding base

bln TL	2011	2Q12	1Q Growth	2Q Growth	ytd
Total Assets	**117.5**	**124.2**	**-2%**	**8%**	**6%**
Loans	**69.3**	**72.9**	**0%**	**5%**	**5%**
TL	44.6	49.4	4%	6%	11%
FC (in US$)	13.4	13.4	-1%	1%	0%
Securities	**21.3**	**20.9**	**-3%**	**1%**	**-2%**
Deposits	**66.2**	**68.6**	**-3%**	**7%**	**4%**
TL	35.1	38.1	4%	4%	9%
FC (in US$)	16.9	17.3	-6%	9%	2%
Borrowings	**20.5**	**21.7**	**1%**	**5%**	**6%**
SHE	**12.6**	**13.5**	**4%**	**3%**	**7%**
AUM	**8.1**	**8.7**	**3%**	**4%**	**7%**
Loans / Assets	**59%**	**59%**	1 pp	-2 pp	0 pp
Securities / Assets	**18%**	**17%**	0 pp	-1 pp	-1 pp
Loans / Deposits	**105%**	**106%**	4 pp	-2 pp	2 pp
Loans / (Deposits + TL bonds)	**103%**	**104%**	3 pp	-2 pp	1 pp
Loans (excl. LT loans[1]) / Deposits	**81%**	**81%**	2 pp	-3 pp	-1 pp
Leverage[2]	**8.3x**	**8.2x**	-	-	-
Group CAR	**14.9%**	**14.4%**	0 pp	0 pp	-0.5 pp
Bank CAR	**14.7%**	**14.5%**	0 pp	0 pp	-0.2 pp

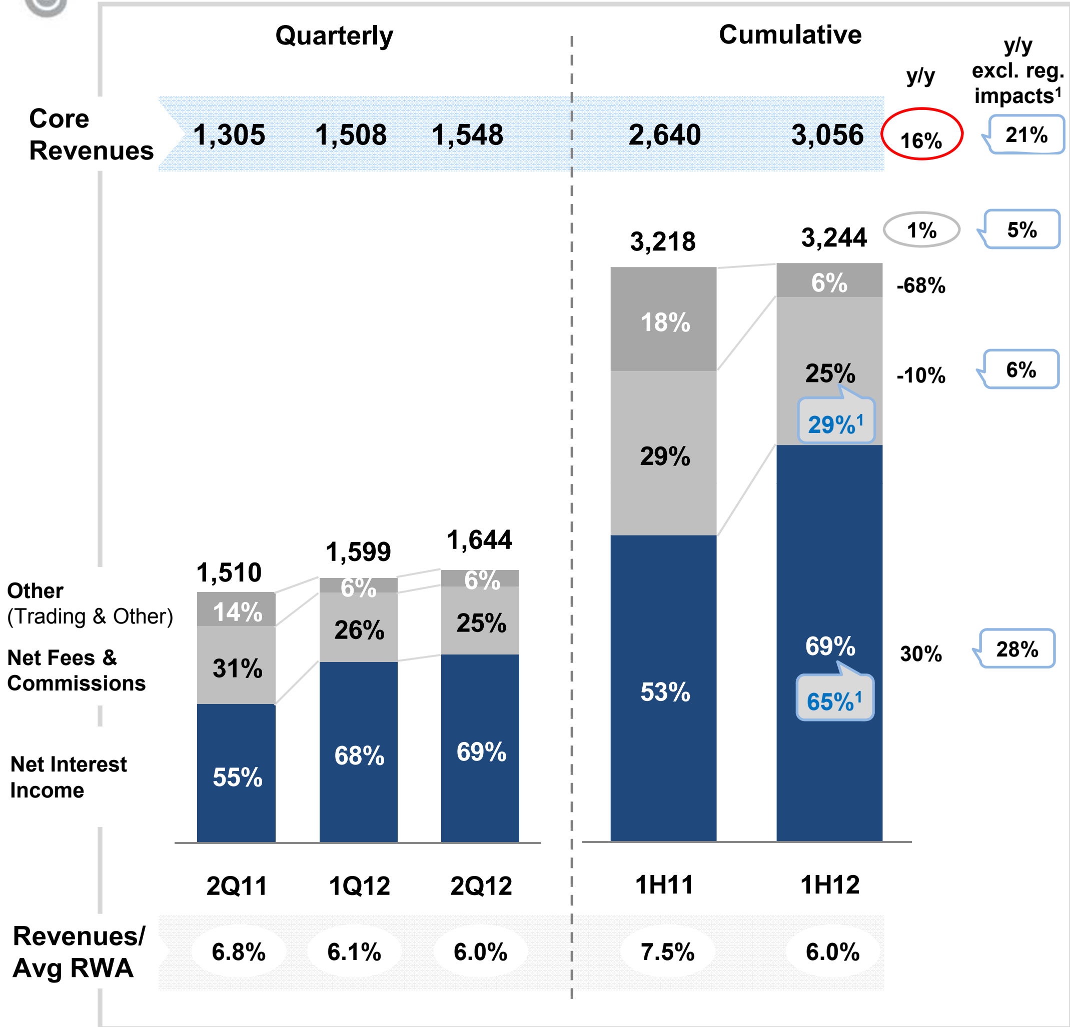
- **Acceleration of loan growth in 2Q** (+5% vs stable in 1Q) via **value generating TL lending** (+6%)
- **Loans / assets at 59%, securities/assets at 17%** confirming **customer business focus**
- **Significant pick up in deposit growth in 2Q** (+7% vs -3% in 1Q) driven by:
  - **Continuing solid growth in TL** (+4% vs +3% sector)
  - **Focused efforts on low-cost deposit collection in FC** (9% vs 3% sector)
- **Improvement in loans / deposits ratio** (-2 pp q/q to 106%). 104% including TL bonds, 81% excluding long-term lending
- **Continuous progress in funding diversification** (borrowings +6% ytd)
- **Group CAR at 14.4%, Bank CAR at 14.5%** also positively impacted by revaluation of subs at fair value[3]

Note: Loan figures indicate performing loans
(1) Long-term loans indicate project finance and mortgages
(2) Leverage ratio: (Total assets – equity) / equity
(3) Subsidiaries for which the fair value can be determined reliably are carried at fair value starting from June 2012. Positive impact on SHE of TL 1.312 million and CAR of +38 bps on a bank-only basis. No impact at Group level

Total Revenues

Sustained revenue base driven by positive core revenue performance

Revenue Composition (mln TL)



Other Income Breakdown (mln TL)

	2Q11	1Q12	2Q12	1H11	1H12
Total Other Income	**205**	**91**	**96**	**578**	**188**
Trading & FX (net)	-22	-45	-31	28	-76
Collections	133	10	1	319	11
Income from subs & other	94	126	126	231	253

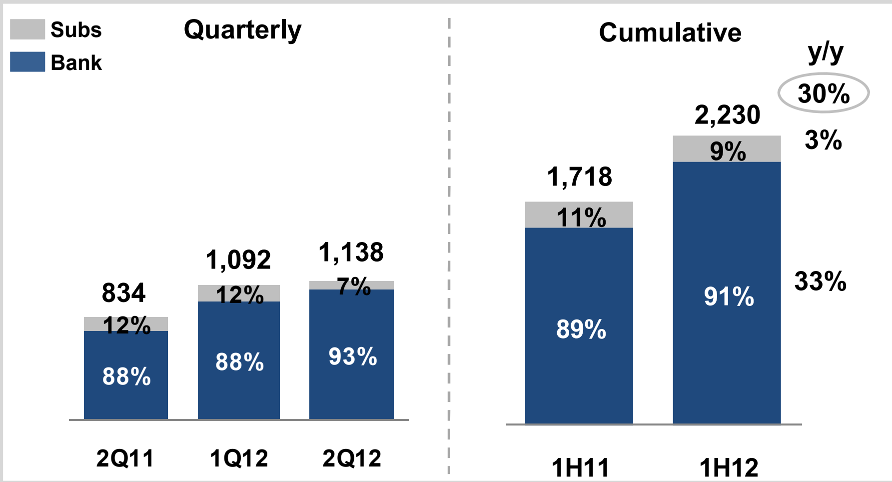
- **NII / revenues at 69%** (53% in 1H11). **Revenues / avg RWA** impacted by pressure on revenues and above sector GPL growth
- **Fees / revenues at 25%** impacted by regulatory changes (29% excluding regulatory impacts[1])
- **Other income / revenues declining to 6%** (vs 18% in 1H11) driven by:
  - **Negative trading result** mainly from m-t-m of hedging instruments
  - **Normalisation in collections** (11 mln TL in 1H12 vs 319 mln TL in 1H11)

Note: Core revenues indicate net interest income and net fees & commissions
(1) Excluding regulatory impacts: On fees, impact of change on loan-related fee deferrals, transfer to net interest income and decrease in regulatory cap of liquid fund management fees

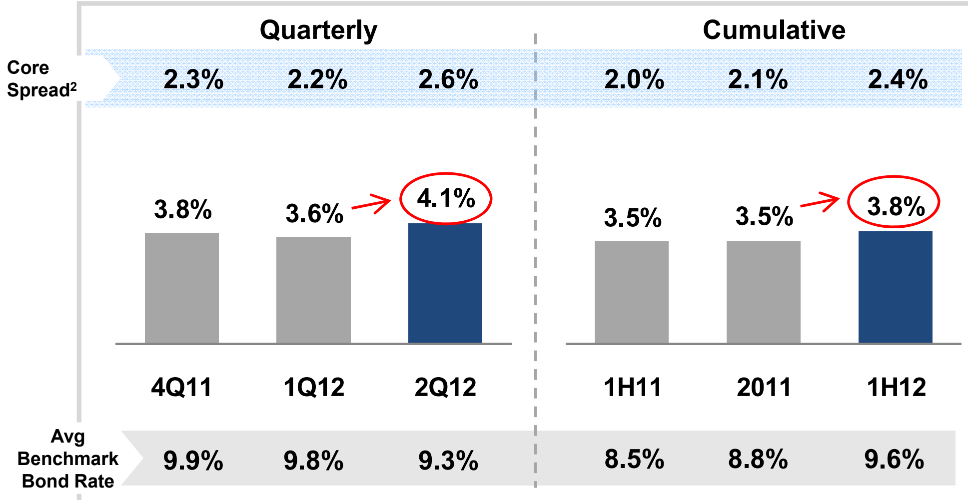
Net Interest Income

Quarterly NIM expansion of 53 bps driven by increasing loan and security yields and declining deposit costs

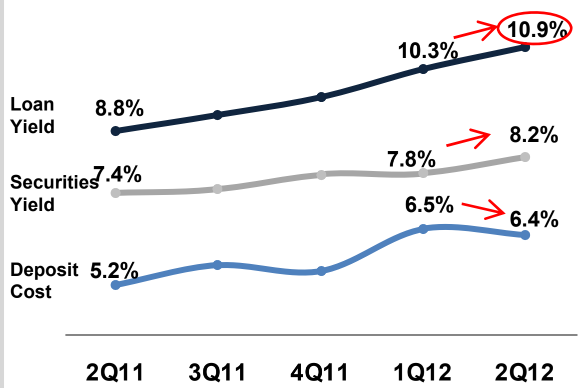
Net Interest Income (NII) (mln TL)



Net Interest Margin (NIM) [1] (bank-only)

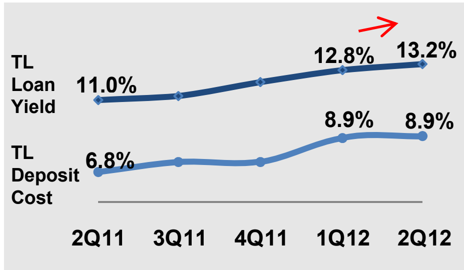


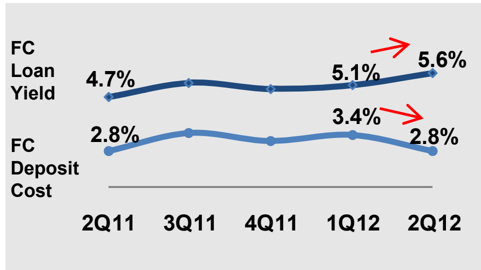
NIM Drivers (quarterly, bank-only)



Sector vs YKB Evolution (q/q)

bps	YKB	Sector[3]
Yield on Loans	+55	+44
Yield on Securities	+40	-57
Deposit Costs	-16	-11





- **NII +30% y/y** (Bank: 33% y/y, subs: 3% y/y)
- **Quarterly NIM at 4.1%** (+53 bps q/q) and **cumulative NIM at 3.8%** (+32 bps vs full year 2011)
- Continuing **positive effect of upward loan repricing** coupled with **focus on value generating segments**
- **Declining deposit costs** despite above market volume growth
- **CPI-linkers at 1.4 bln TL** (7% of securities), slightly increasing vs YE11

Notes: NIM and yield on securities adjusted to exclude the effect of reclassification as per BRSA between interest income and other provisions related to amortisation of issuer premium on HTM securities
Reported NIM figures as follows: 4Q11: 3.6%, 1Q12: 3.8%, 2Q12: 4.0%
Performing loan volume and net interest income used for loan yield calculations
(1) NIM = Net Interest Income / Average Interest Earning Assets
(2) Core Spread = (Interest Income on Loans - Interest Expense on Deposits) / Average (Loans + Deposits)
(3) As of May'12

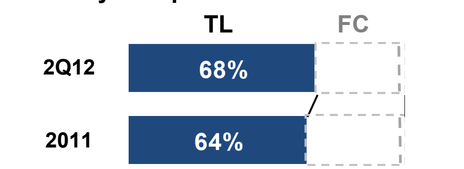
Loans

Solid performance in profitable TL segments and products with further increase in share of retail loans

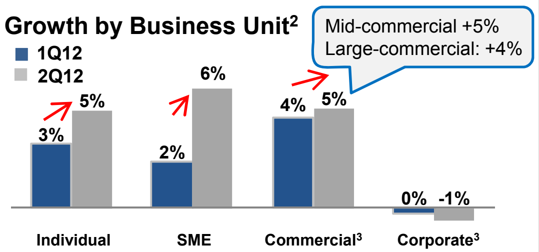
Loans (bln TL)

	2Q12	YKB 1Q Growth	YKB 2Q Growth	YKB Ytd Growth	Market Share
Total Loans[1]	**72.9**	**0%**	**5%**	**5%**	***10.1%***
TL	49.4	4%	6%	11%	*9.8%*
FC ($)	13.4	-1%	1%	0%	*11.0%*
Consumer Loans	**14.1**	**2%**	**3%**	**5%**	***8.1%***
Mortgages	6.6	-1%	2%	0%	*9.1%*
General Purpose	6.3	8%	5%	13%	*6.7%*
Auto	1.2	-6%	-1%	-7%	*16.5%*
Credit Cards	**12.1**	**5%**	**10%**	**16%**	***18.4%***
Companies	**46.7**	**-1%**	**4%**	**3%**	***9.6%***
TL	23.2	6%	6%	12%	*8.6%*
FC ($)	13.4	-1%	1%	0%	*11.0%*
Com. Install.	9.6	-3%	5%	2%	*8.7%*

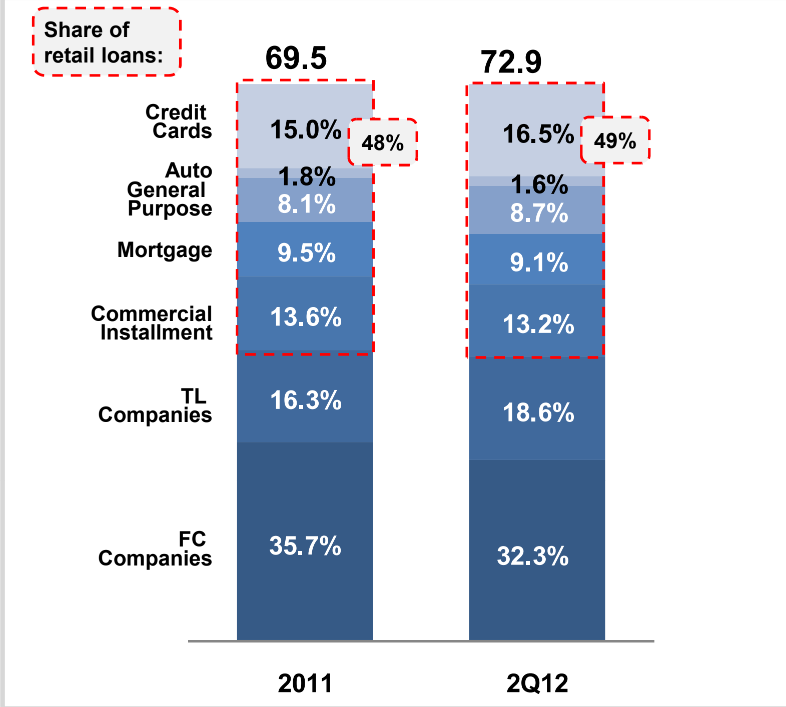
Currency Composition



Growth by Business Unit[2]



Composition of Loans (bln TL)



- **Loan growth further accelerating in 2Q** (5% vs stable in 1Q) **driven by TL** (6% vs 4% in 1Q)
- **Solid growth in value generating segments** (GPL +13% ytd; TL companies +12%; credit cards +16%)
- **Share of TL loans in total at 68%** (+4pp vs YE11)
- **Share of retail loans in total at 49%** (+1pp vs YE11)

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) Based on MIS data. Please refer to annex for Yapı Kredi's internal definitions
(3) Currency adjusted loan growth

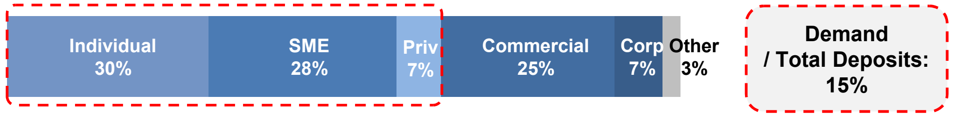
Deposits

Continued above sector TL deposit growth coupled with acceleration in FC deposits

Deposits

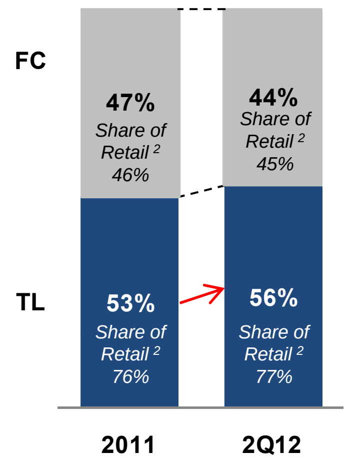
	2Q12	YKB 1Q Growth	YKB 2Q Growth	YKB Ytd Growth	Market Share
Total Deposits	**68.6**	**-3%**	**7%**	**4%**	***9.2%***
TL	38.1	4%	4%	9%	*8.2%*
FC ($)	17.3	-6%	9%	2%	*11.0%*
Customer Deposits[1]	**67.1**	**-3%**	**7%**	**4%**	***9.7%***
Demand Deposits	**10.6**	**-4%**	**1%**	**-4%**	***8.8%***
AUM	**8.7**	**3%**	**4%**	**7%**	***17.4%***

Composition of Demand Deposits by Business Unit[3] (2Q12)

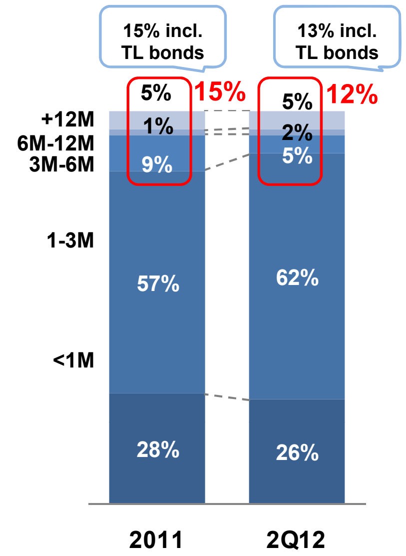


Composition of Deposits

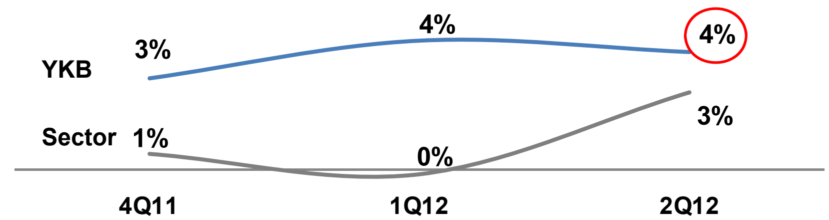
By Currency



By Maturity (months)



TL Deposit Growth Evolution (quarterly)

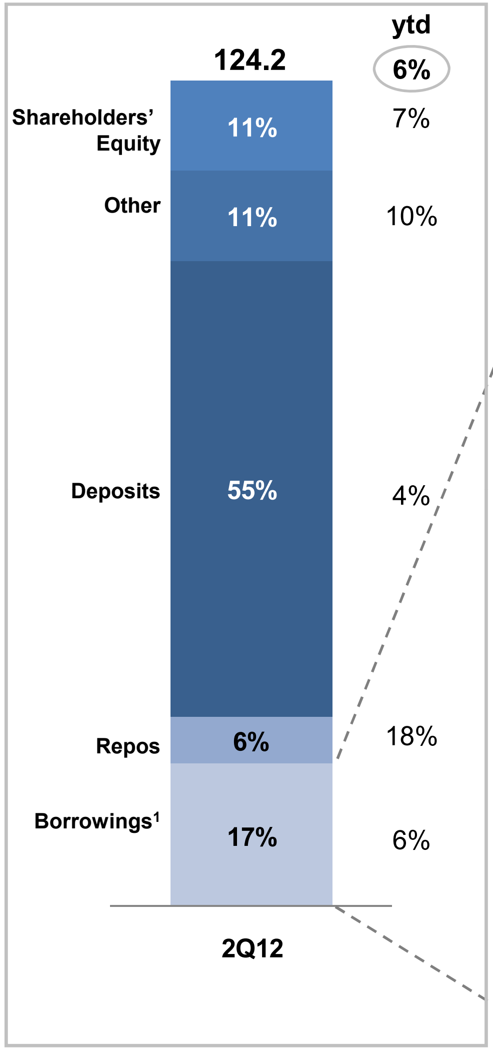


- **Acceleration of deposit growth in 2Q** (+7% vs -3% in 1Q) driven by:
  - **Continuing above sector TL deposit growth** supported by **1-to-1 deposit pricing** (4% vs 3% sector)
  - **Acceleration of FC deposit growth in light of favourable costs** (+9% vs +3% sector)
- **Share of TL in total deposits at 56%** (vs 53% at YE11), **progressing together with TL lending growth**
- **Strong share of retail in total demand deposit base** (65%)

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
(3) Based on MIS data. Please refer to annex for Yapı Kredi's internal definitions.

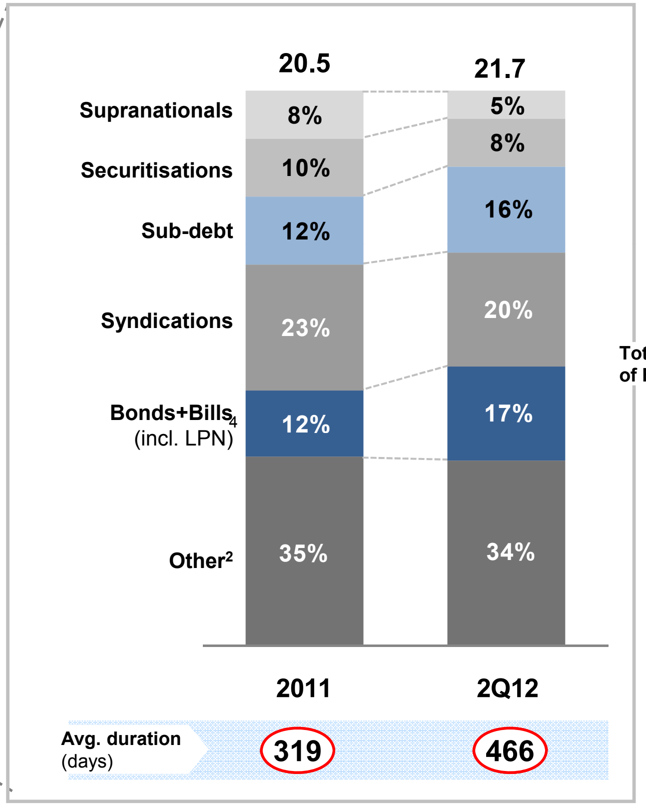
Funding
Ongoing diversification of wholesale funding

Liability Composition (bln TL)



- **Borrowings / liabilities at 17%.** Borrowings +6% ytd with further increase in duration
- **Repos / liabilities at 6%.** Repos +18% ytd, used to manage short-term liquidity with positive impact on cost of funding

Borrowings Composition (bln TL)

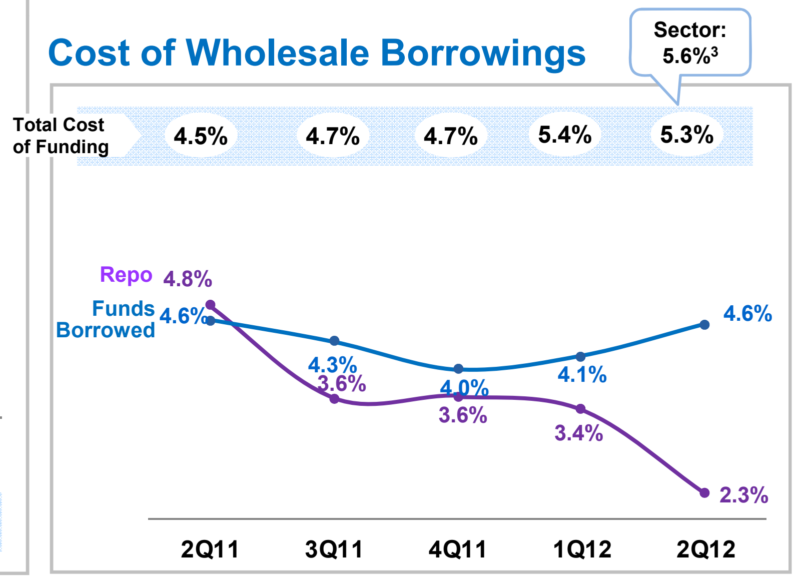


Borrowings secured in 2Q12

Syndications:
- US$ 264 million and € 865 million in Apr'12 indicating roll-over of 104% at Libor+1.45%

TL Bonds:
- 1,017 mln TL bond issuances in Apr'12 and May'12

Cost of Wholesale Borrowings

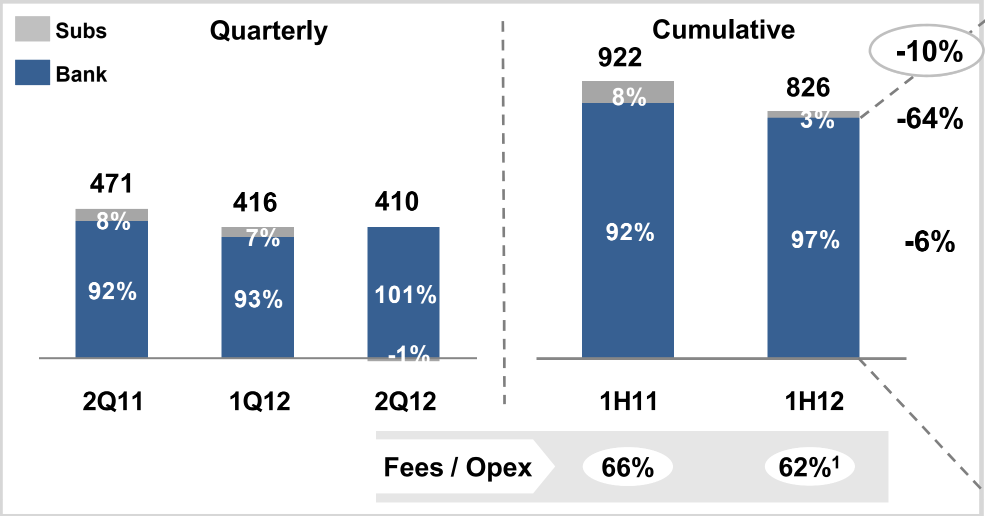


(1) Includes funds borrowed, sub-loan and marketable securities issued. Please refer to annex for details on international borrowings
(2) Other includes eximbank, postfinancing borrowings, bilateral and money market borrowings
(3) As of May'12
(4) LPN indicates Loan Participation Note

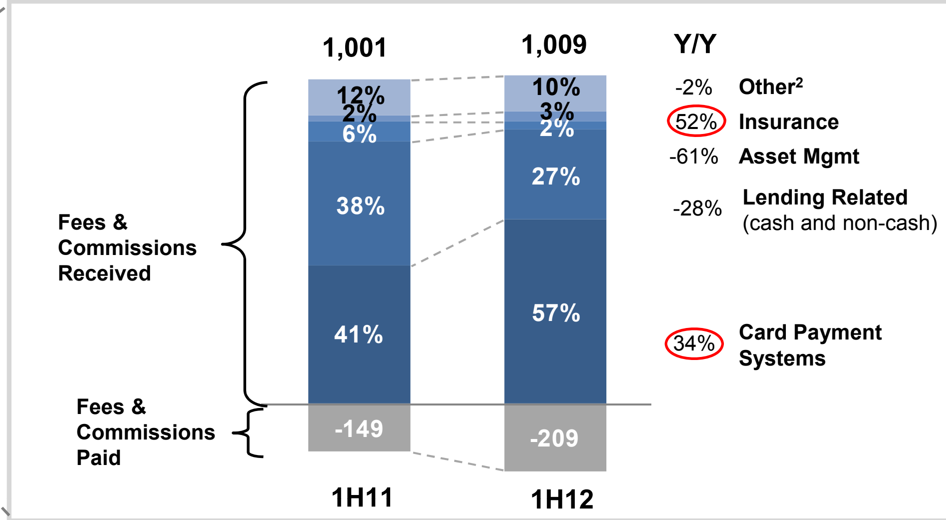
Fees & Commissions

Strong growth in bancassurance and card fees. Fees +12% y/y[1] at Bank level

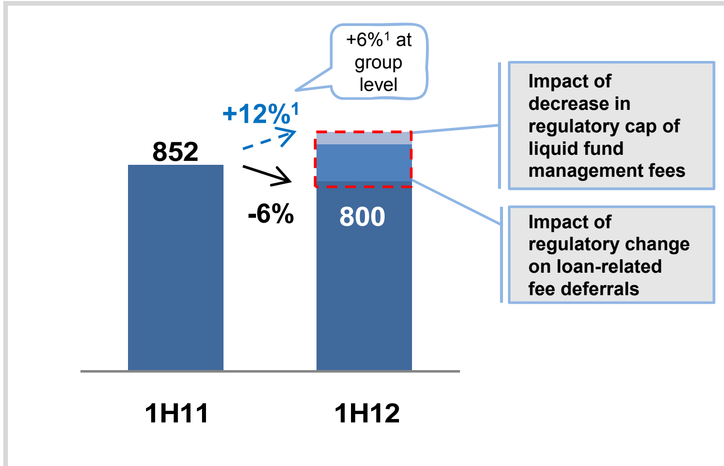
Net Fees & Commissions (mln TL)



Composition of Bank Fees & Commissions (bank-only)



Annual Fee Growth (bank-only, actual vs adjusted[1])



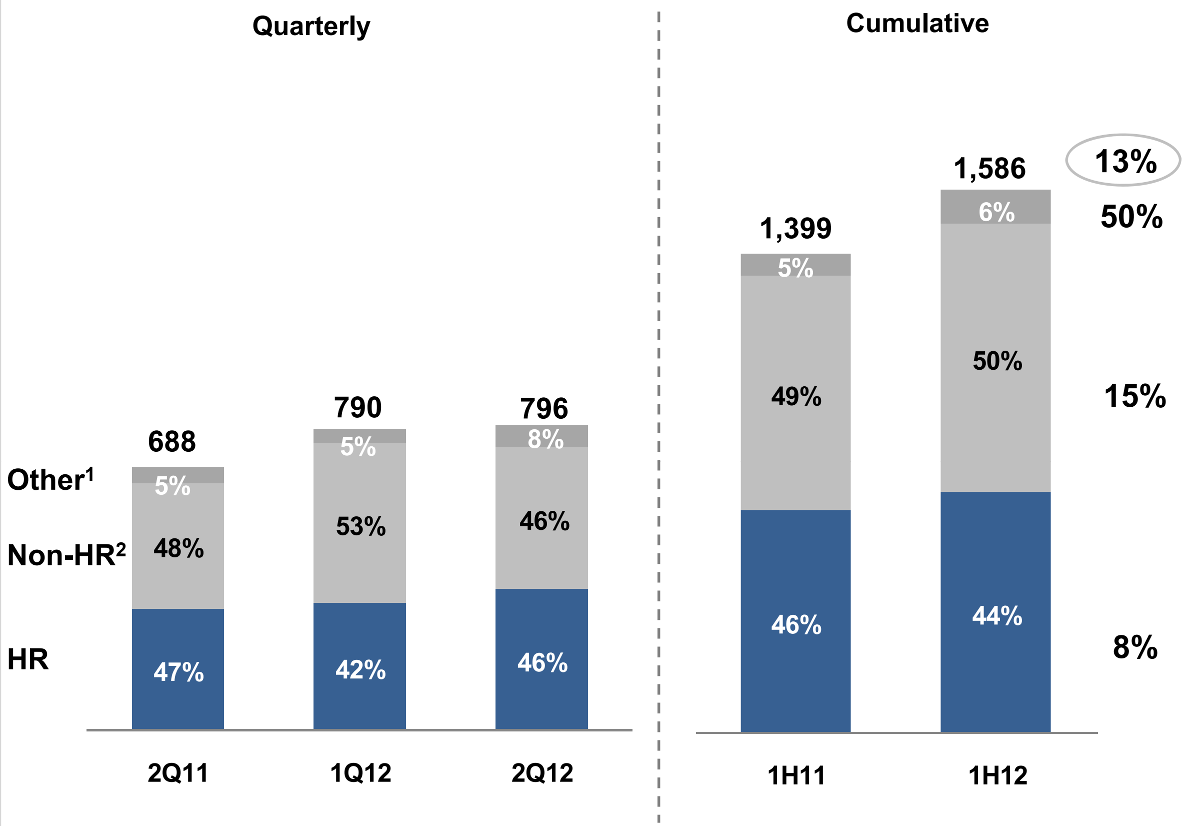
- **Group fees +6% y/y** on a like-for-like basis[1] (-10% y/y stated) impacted by contribution of subs. **Bank fees +12% y/y** on a like-for-like basis[1] (-6% y/y stated)
  - **Card fees +34% y/y** driven by **volume growth, repricing** and **new fee areas**
  - **Lending related fees -28% y/y** impacted by regulation
  - **Asset management fees -61% y/y** due to decrease of regulatory cap on liquid fund management fees (cap at 1.10% vs 3.65% in 2011)
  - **Insurance fees +52% y/y** due to bancassurance focus
  - **Increase of fees paid** (+40% y/y) mainly driven by increase in credit card acquiring volume and interchange fee

(1) Excluding regulatory impacts: On fees, impact of change on loan-related fee deferrals, transfer to NII and decrease in regulatory cap of liquid fund management fees
(2) Other includes account maintenance, money transfers, equity trading, campaigns and product bundles, etc.

Operating Costs

Ongoing cost discipline with stable quarterly trend

Total Operating Costs (mln TL)



	2Q11	1Q12	2Q12	1H11	1H12
Cost / Income	46%	49%	48%	43%	47%[3]

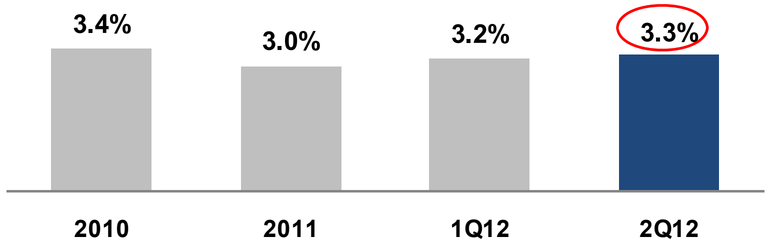
- **Total costs +13% y/y** (+12% excl. one-off[4])
- **HR costs +8% y/y** due to seasonal impact of wage increases
  - **Number of employees at 14,978** (+119 vs YE11)
- **Non-HR costs +15% y/y** influenced by branch openings
  - **Number of branches at 918** (+10 net openings in 1H12)
- **Other costs +50% y/y** (+17% excl. one-off[4]) impacted by increase in world loyalty point expenses due to rise in credit card volumes

(1) Other includes pension fund provisions and loyalty points on Worldcard
(2) Non-HR costs include HR related non-HR, advertising, rent, SDIF premium, taxes, depreciation and branch tax (1H11: 44 mln TL, 1H12: 53 mln TL)
(3) Excluding regulatory impacts: On fees, impact of change on loan-related fee deferrals, transfer to NII and decrease in regulatory cap of liquid fund management fees
(4) TL 21.7 mln pension fund charge mainly driven by regulation changes

Asset Quality

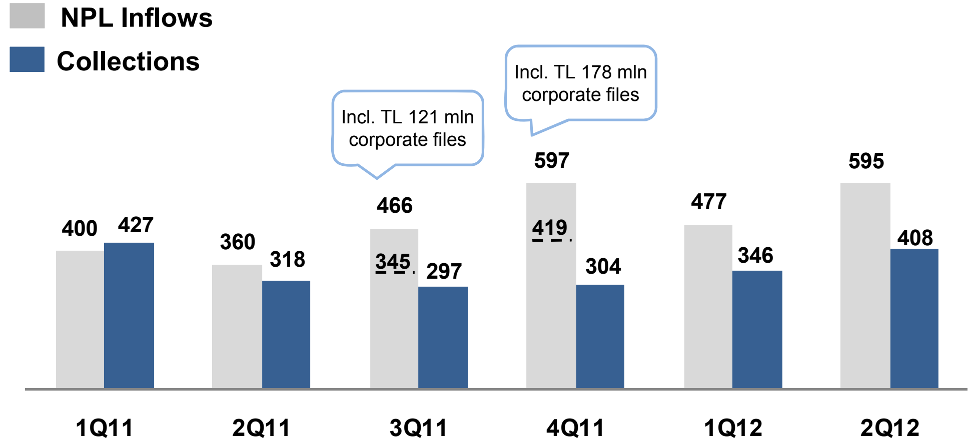
NPL ratio at 3.3%, evolving consistently with soft-landing

NPL Ratio



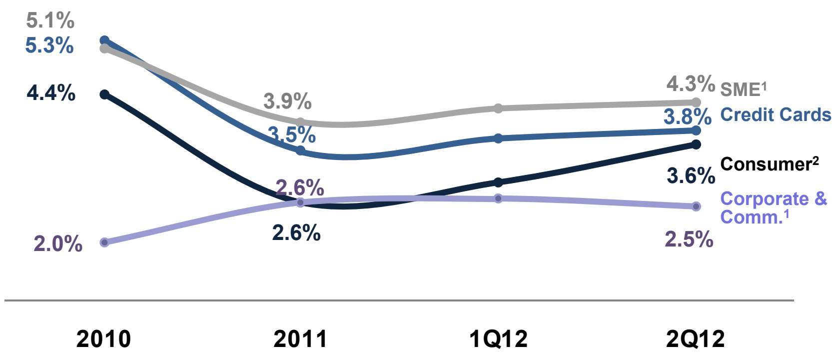
NPL Volume (bln TL)	2010	2011	1Q12	2Q12
	1.9	2.1	2.3	2.5

Asset Quality Flows (mln TL)



	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12
Net Inflows[3] (mln TL)	-27	42	48	115	132	187
Collections/ Inflows[3]	107%	88%	86%	73%	72%	69%

NPL Ratio by Segment



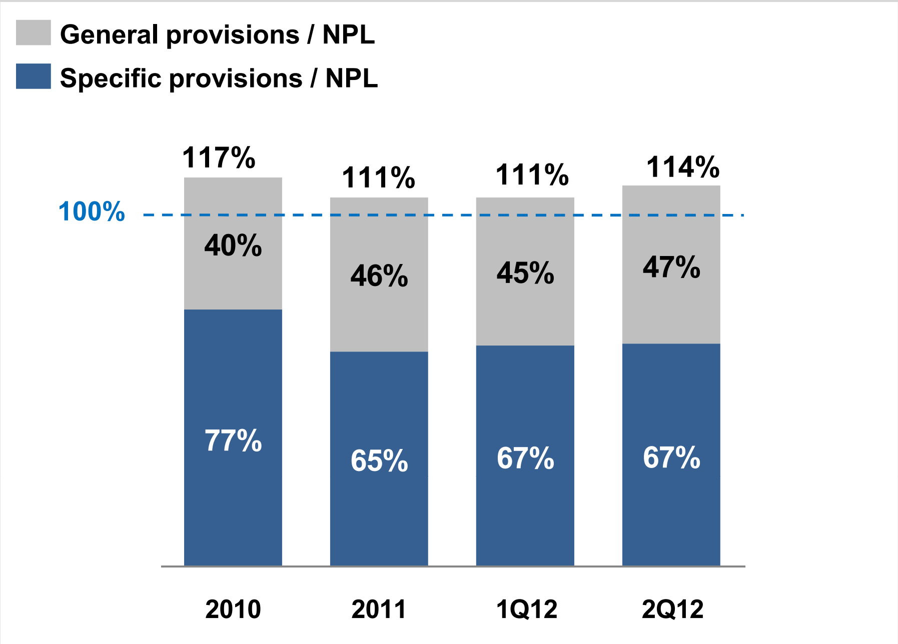
- **NPL ratio improving in corporate/commercial**
- **Moderate/manageable NPL ratio increase** in retail, credit cards and SME
- **Collections / inflows at 69%** (vs 72% in 1Q12)

(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, 2Q12: 2.6%
(3) Excluding impact of a few commercial positions being transferred from watch loans category to NPL impacting 3Q11 (121 mln TL) and 4Q11 (178 mln TL)

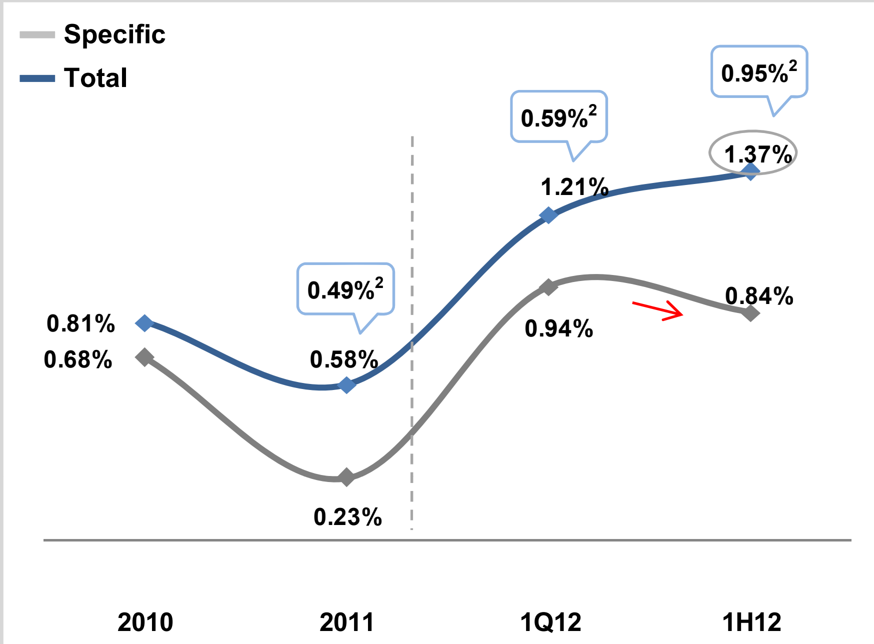
Provisioning and CoR

Stable coverage coupled with below 100bps cost of risk

Specific and General Provisioning



Cost of Risk[1] (Cumulative, net of collections)



- **Total coverage of NPL volume** (incl. specific and general provisions) **at 114%; specific coverage at 67%** (stable vs 1Q12)
- **Total cost of risk** (net of collections) **at 1.37% impacted by additional general provisioning requirements for general purpose loans and rescheduled loans. Cost of risk excluding regulatory impact at 0.95%** (vs 0.49% at YE11) driven by mild asset quality deterioration and increasing general provisions. Specific CoR on a positive trend in 2Q

(1) Cost of risk = (total loan loss provisions – collections) / total gross loans
(2) Excluding regulatory impacts: On provisions, impact of change on general purpose and rescheduled loans on general provisions. Impact in 2011 only related to rescheduled loans

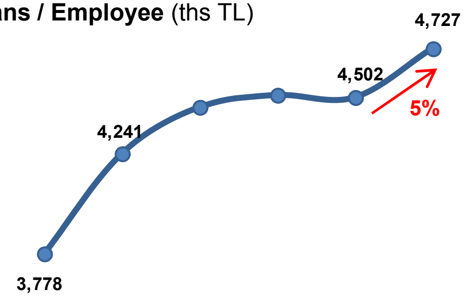
Commercial Effectiveness

Improvement trend continuing

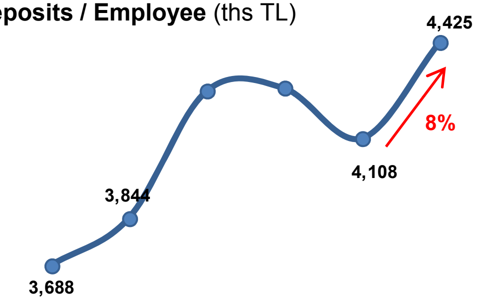
Key Productivity Indicators

1Q11 2Q11 3Q11 2011 1Q12 2Q12

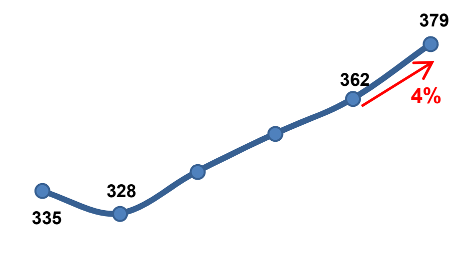
Loans / Employee (ths TL)



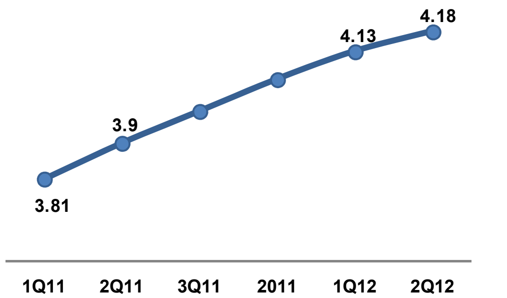
Deposits / Employee (ths TL)



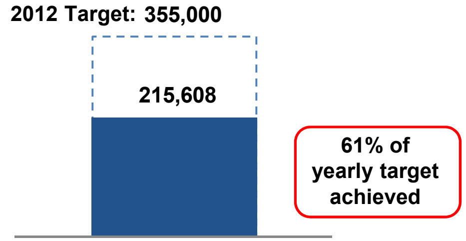
Core Revenues / Employee (ths TL)



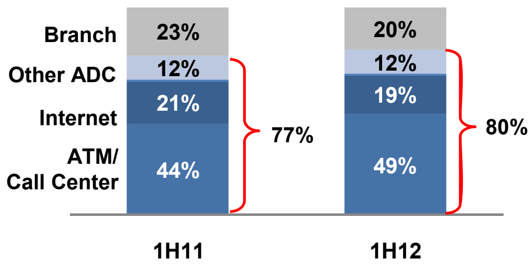
Retail Cross Sell Ratio



Conversion of Credit Card-only Customers



Transaction by Channel



Synergies with Insurance Subs

New Products Sales (ths)	1Q12	2Q12	Δ
Private Pension	8.8	18.8	113%
Commercial Credit Life Policies	10.0	17.9	80%
Health Policies	21.6	33.9	57%
Credit Card Protection Insurance	62.3	87.8	41%
Credit Protection Insurance	12.8	14.1	10%
SME Policies	1.1	1.2	6%

- **Strong improvement in key productivity indicators**
  - Loans / Employee: + 5% q/q
  - Deposits / Employee: + 8% q/q
  - Core Revenues / employee: +4% q/q
- **Successful conversion of credit-card only customers into bank customers** (61% of 2012 target achieved)
- **Further increase in share of non-branch channels in total transactions to 80%** (+3 pp vs 1H11)
- Positive value generation of **bancassurance business**

Business Units

Solid performance in Retail, Corporate and Commercial. Cards gradually improving. Private impacted by regulatory pressure

Weight in Bank

Revenues[1]	Customer Business[2]		Revenues (mln TL)	Y/Y (1H12 – 1H11)	Drivers of Revenue Growth
42%	35%	Retail[3]	1,125	20%	**Revenues** driven by **high margin loan growth** and **upward loan repricing. Solid revenue performance by SME** (34% y/y)
15%	8%	Card Payment Systems[4]	397	-4%	**Revenues** driven by **successful fee management** partially compensating for **higher cost of funding**
2%	14%	Private	62	-11%	**Revenues impacted by lower fees** due to **decrease in mutual fund cap rate**
8%	18%	Corporate	220	37%	**Revenues** driven by **positive impact of upward loan repricing** and **improvement in fee performance**
21%	20%	Commercial	568	27%	**Revenues** driven by **upward loan repricing initiatives** and focused approach on mid-commercial sub-segment

(1) Total share of business units at 88% in 2Q (excluding impact of POS revenues recognition in card payment systems). The remaining 12% is attributable to treasury and other operations
(2) Customer business= Loans + Deposits + AUM. Excluding other (5%)
(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
Note: All figures based on MIS data

Subsidiaries

Steady performance by subsidiaries. YK Portföy impacted by decrease in mutual fund fee cap

		Revenues (mln TL)	Revenue (y/y growth)	ROE	Sector Positioning	Key Highlights
Core Product Factories	YK Leasing	108	12%	14%	**#1 in total transaction volume** (17.8% mkt share)	Revenues driven by increase in business volume despite lower spreads
	YK Factoring	50[1]	55%[1]	8%	**#1 in total factoring volume[4]** (15.1% mkt share)	Strong revenues positively impacted by widening margins
	YK Portföy	21	-42%	49%	**#2 in mutual fund volume** (17.7% mkt share)	Revenues impacted by decrease in commission income due to decrease of liquid fund management fee cap
	YK Yatırım	76[2]	-2%[2]	53%	**#2 in equity transaction volume[4]** (6.6% mkt share)	Revenues impacted by decrease of commission income
Insurance Subs	YK Sigorta	96[3]	10%[3]	27%	**#2 in health insurance[4]** (15.3% mkt share)	Revenues supported by continuing positive performance in the health sector
	YK Emeklilik	80	43%	54%	**#4 in life insurance[4]** **#4 in private pension[5]**	Strong revenue growth driven by increase in pension fund volume and improving performance in the life insurance segment
International Subs	YK Azerbaijan	14 mln US$	44%	9%	**US$ 265 mln** total assets	Strong revenue growth driven by increased in loan volume and new branch openings
	YK Moscow	7 mln US$	-10%	12%	**US$ 194 mln** total assets	Revenues impacted by ongoing margin pressure
	YK NV	21 mln EUR	23%	11%	**US$ 2.3 bln** total assets	Revenues positively impacted by upward loan repricing

Note: Revenues in TL, unless otherwise stated.

(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) Market share 7.1% as of March 2012
(5) Market share 16.1% as of June 2012

Outlook for the remainder of 2012
Soft-landing scenario intact

			Current 2012 Guidance
Macro	GDP Growth	**Pick up via improving domestic demand** (3Q: 5.5%, 4Q: 5.7%)	4.4% with upside potential
	Inflation	**Base effect impact in July and drop in 4Q12.** Core inflation to decline steadily	6.9%[1] with downside potential
	CAD / GDP	**Sustained improvement trend**	7.3%
Yapı Kredi	Loan Growth	**Seasonality in 3Q, pick-up in 4Q to reach slightly above sector growth** (sector 15%)	~17%
	Deposit Growth	**Flexible deposit gathering with above sector growth** (sector 12/13%)	~16%
	NIM	**Positive 1H12 trend supporting NIM expansion**, subject to funding costs	+20/30 bps
	Fees	**Continuation of focused approach** to increasingly offset regulatory pressure	- 5% (+10/15% like-for-like)
	Cost	**Normalisation in 3Q followed by seasonal pick up in 4Q**	~10%
	NPL Ratio	**Moderate trend** with favourable evolution of corporate/commercial	+30/40 bps
	Cost of Risk	**Increasing but remaining below through-the-cycle level of 100/110bps**	<100bps

(1) Indicates year-end inflation. Average inflation expectation: 9.5%

Strategy
Continued focus on long-term strategic pillars with ongoing initiatives

	Long Term Strategic Pillars	Key Ongoing Initiatives
Growth & Commercial Effectiveness	▪ **Selective and quality loan growth** ▪ Focus on **customer penetration, acquisition, activation** and **cross-sell** ▪ **Continuation of organic growth**	▪ Utilisation of **enhanced SME service model** ▪ **Transformation of IT system** to optimise commercial activity ▪ **~30/40 branch openings** per year
Funding & Capital	▪ **Above sector deposit growth** ▪ **Proactive loans/deposits ratio management** and ongoing funding **diversification** ▪ **Effective use of capital**	▪ Enhancement to **1-to-1 deposit pricing** ▪ **SME-backed covered bond** and possible additional **eurobond issuances** ▪ **RWA optimisation project**
Efficiency & Cost Optimisation	▪ **Disciplined cost approach** ▪ Development of **lower cost to serve** models ▪ Focus on **multi-channel approach**	▪ **Tight control** on ordinary costs ▪ **Enhancement of ATMs/call center** with CRM systems ▪ Further development of **leading mobile banking application**
Asset Quality	▪ **Dynamic and proactive portfolio management** ▪ Continuous investments to **maintain below through-the-cycle cost of risk**	▪ **Restructuring programs for SME** and **individual** ▪ Increased headcount for **soft collections** ▪ **Systems enhancements** to better monitor risk

Agenda

Agenda

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

Definitions of Strategic Business Units (SBU)

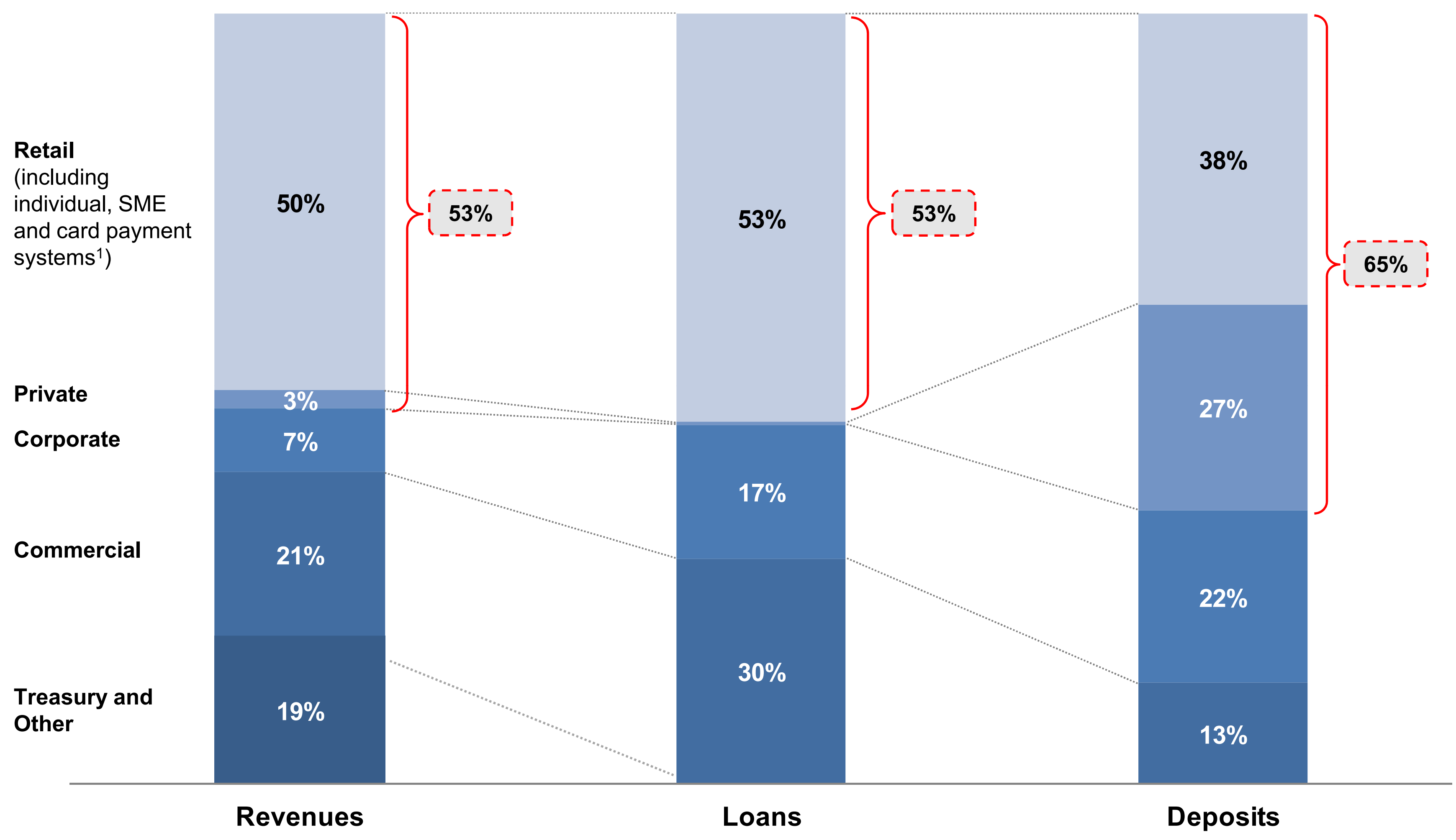
- **Retail:**
  - **SME:** Companies with turnover less than 5 mln US$
  - **Affluent:** Individuals with assets less than 500K TL
  - **Mass:** Individuals with assets less than 50K TL
- **Private:** Individuals with assets above 500K TL
- **Commercial:** Companies with annual turnover between 5-100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

Note: SBU data in the following pages has been updated to reflect reflagging of customers among segments at the end of 2011

Performance by Strategic Business Units

Diversified revenue mix with retail focused loan and deposit portfolio

Revenues and Volumes by Business Unit (1H12, Bank only)

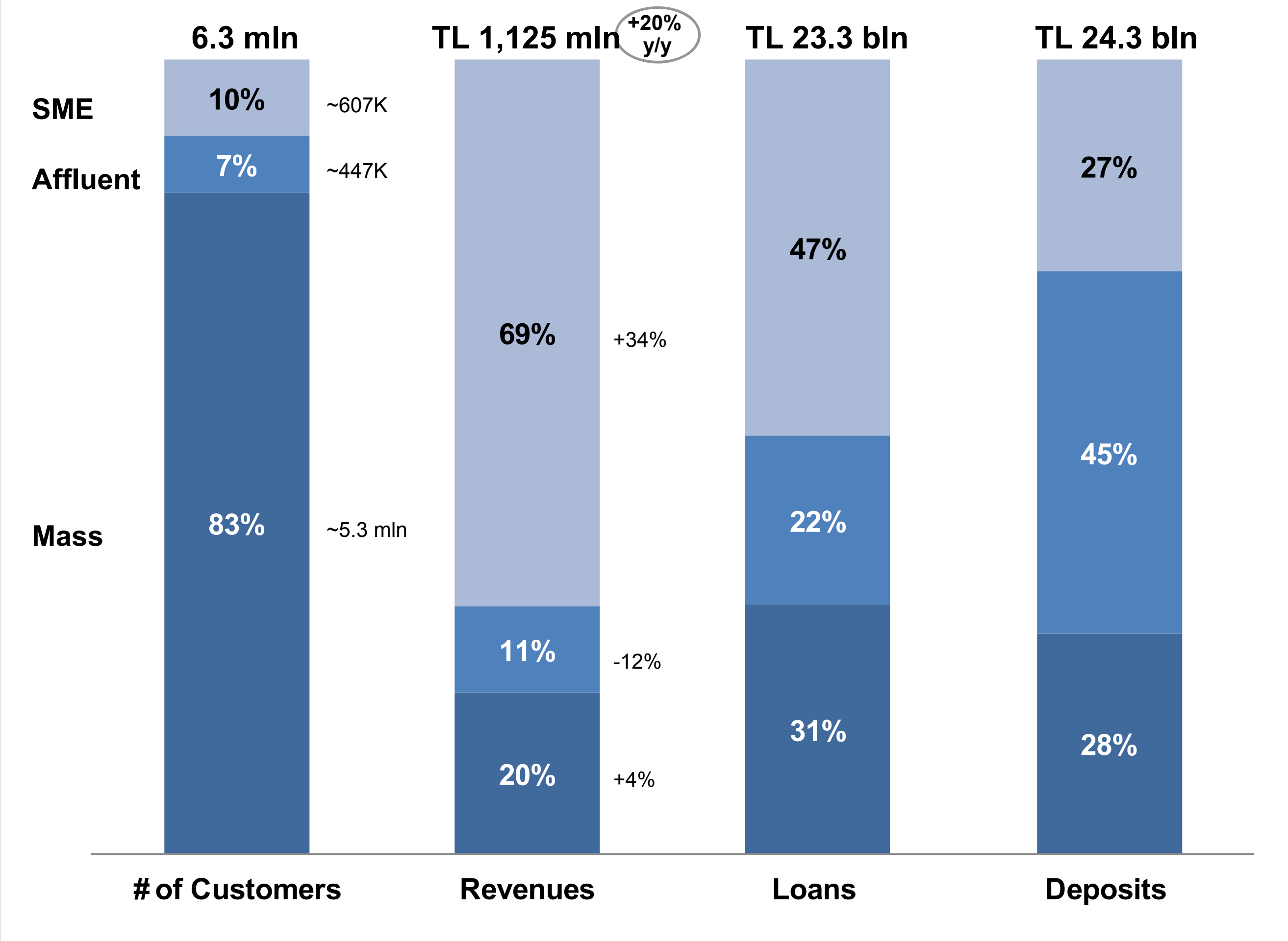


Note: Loan and deposit allocations based on end of period volumes (source: MIS data). All SBU figures based on 1H12 segmentation criteria

(1) Card payment system revenues excluding POS revenues

Retail Banking (Individual & SME)
Solid revenue growth mainly driven by positive contribution of SME segment

Retail Banking Composition (1H12)



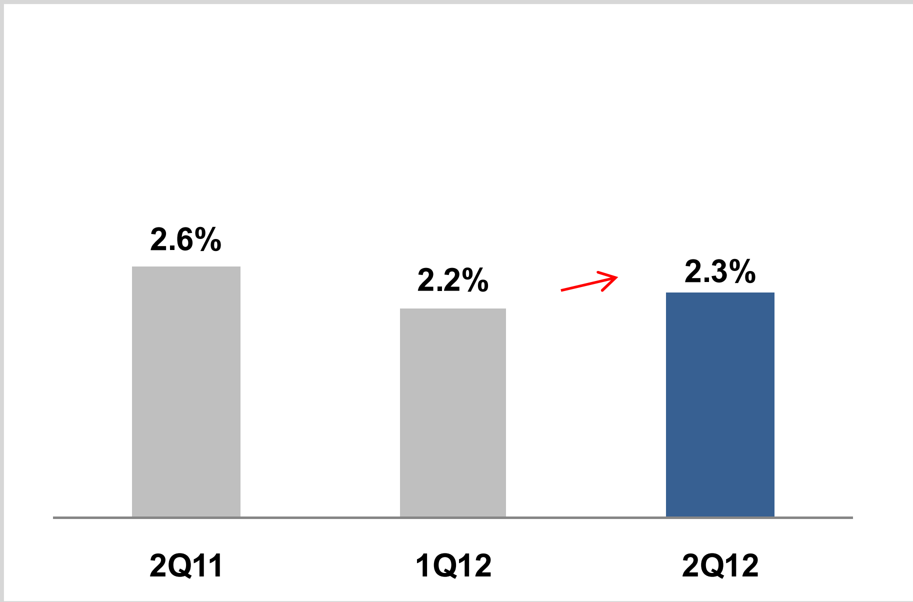
- **Mass Segment: ~5.3 mln customers** generating:
  - 20% of retail revenues
  - 31% of retail loans
  - 28% of retail deposits
- **Affluent Segment: ~447K customers** generating:
  - 11% of retail revenues
  - 22% of retail loans
  - 45% of retail deposits
- **SME Segment: ~607K customers** generating
  - 69% of retail revenues
  - 47% of retail loans
  - 27% of retail deposits

Retail (Mass & Affluent)

Quality growth and earlier upward repricing partially offsetting negative impact of regulatory changes

TL mln	1H12	ytd	
Revenues (y/y)	352	-2%	↓
Loans	12,271	8%	↑
Deposits	17,805	8%	↑
AUM	2,353	-14%	↓
% of Demand in Retail Deposits	17%	-1.6 pp	
% of TL in Retail Deposits	75%	1.7 pp	
% of TL in Retail Loans	99%	0.2 pp	

Revenues / Customer Business[1]



- **Revenues -2% y/y** driven by continued impact of regulatory change on fees. NII +49% y/y driven by upward loan repricing and quality growth
- **Loans +8% ytd** mainly driven by **general purpose loans** (+13% ytd)
- **Deposits +8% ytd** driven by TL deposits (+11%) also supported by one-on-one deposit pricing initiative

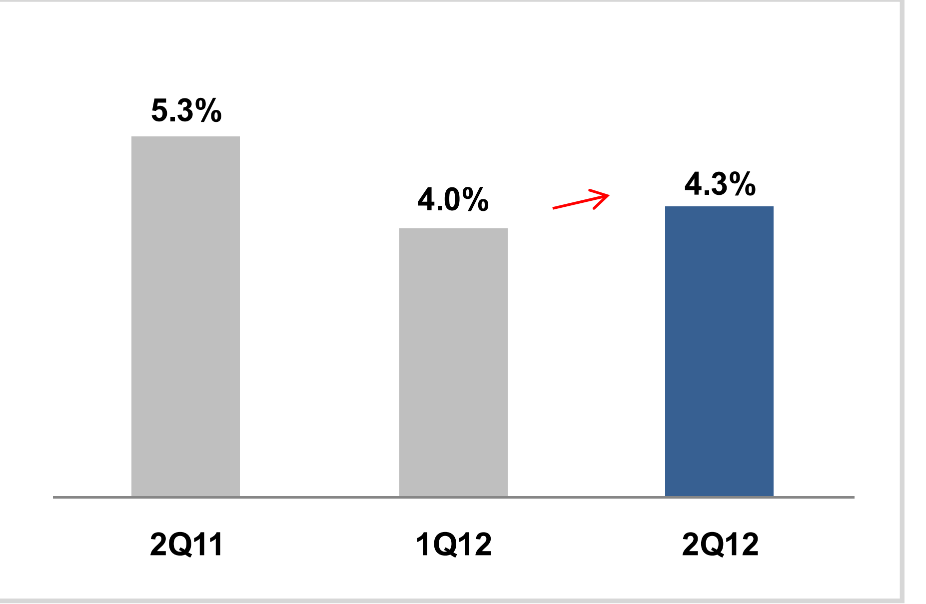
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average on an annualised basis. MIS data.
(1) Customer business: Loans + Deposits + AUM

Retail (SME)

Strong revenue performance driven by systems and product initiatives

TL mln	1H12	ytd
Revenues (y/y)	773	34%
Loans	11,027	8%
Deposits	6,503	5%
AUM	643	-18%
% of Demand in SME Deposits	42%	-3.0 pp
% of TL in SME Deposits	71%	-1.9 pp
% of TL in SME Loans	96%	0.7 pp

Revenues / Customer Business[1]



- **Revenues +34% y/y** driven by **continuing emphasis on profitable products** (ie overdraft) **to generate maximum value**
- **Loans +8% ytd** supported by successful customer campaigns
- **Deposits +5% ytd** driven FC deposits (+13%)

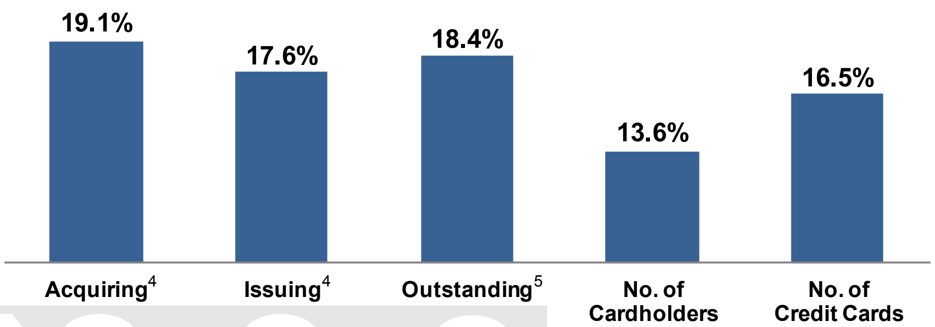
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Card Payment Systems

Performance in cards improving despite higher cost of funding and regulatory impacts

	1H12	ytd	y/y
Net Revenues[1] (mln TL)	397		-4%
# of Credit Cards[2] (mln)	8.7	5%	9%
# of Cardholders (mln)	5.2	4%	6%
# of Merchants (ths)	348	6%	8%
# of POS (ths)	439	2%	5%
Activation	84%	-	-

Market Shares[3]



	Acquiring[4]	Issuing[4]	Outstanding[5]
Volume (bln TL)	32.9	30.0	12.1
y/y growth	17%	19%	31%

- **Revenues** impacted by **decline in net interest income** due to **higher cost of funding**
- **Effective fee management** also supported by **outstanding volume growth**
- **Highest amount of payment system fees and commissions** in the sector (1H12: TL 577 mln)
- **Credit card NPL ratio at 3.8%** (vs 5.4% at sector) impacted by minor rise in NPL volumes in line with soft-landing

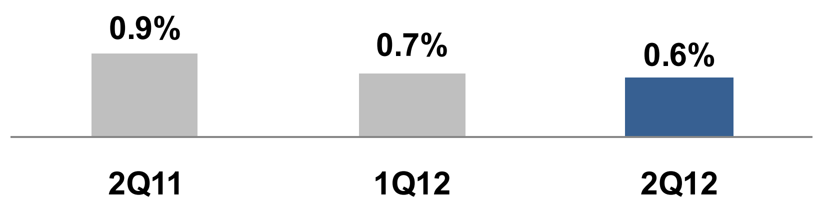
(1) Card payment systems revenues (net off Worldcard loyalty point expenses) include POS revenues. POS portion is also recognised in other related segment revenues
(2) Including virtual cards (2011: 1.4 mln, 2Q12: 1.5 mln)
(3) Market shares based on bank-only figures as of June 2012
(4) Acquiring and issuing volumes are based on 6 month cumulative figures
(5) Outstanding volume is the sum of individual and commercial credit card volume

Private

Revenues impacted by decrease in liquid fund management fee cap

TL mln	1H12	ytd
Revenues (y/y)	62	-11%
Loans	233	-10%
Deposits	17,215	3%
AUM	2,454	16%
% of Demand in Private Deposits	4%	0.0 pp
% of TL in Private Deposits	63%	4.1 pp
% of TL in Private Loans	83%	1.7 pp

Revenues / Customer Business[1]



- **Revenues -11% y/y** impacted by **decrease in liquid management fee cap** (1.1% in 1H12 vs 3.65% in 2011)
- **Deposits +3% ytd** driven by TL deposits (+11%)
- **AUM +16%**
- **Diversified customer product portfolio** supported by **strong synergies with asset management and brokerage product factories**

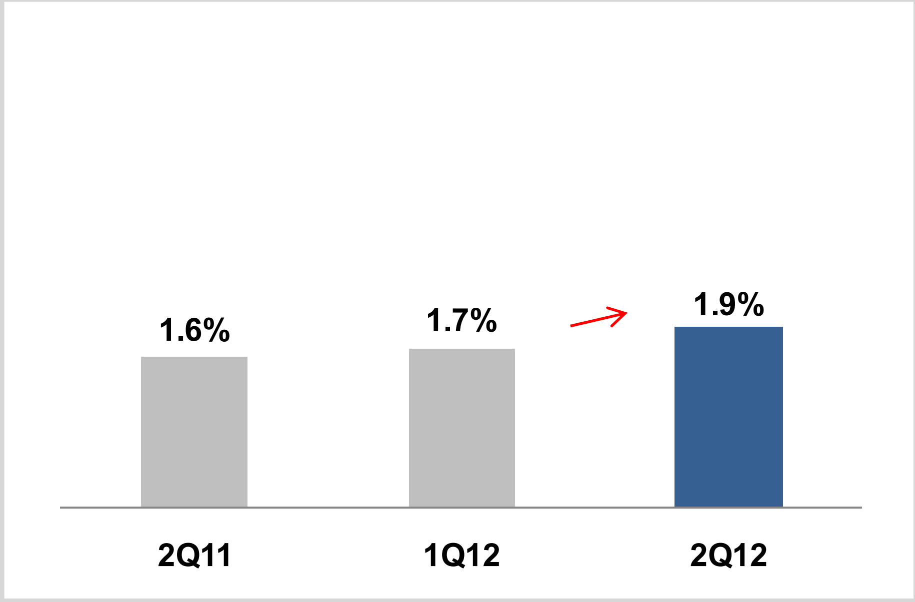
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Corporate

Revenues driven by positive impact of upward loan repricing

TL mln	1H12	ytd
Revenues	220	37% ↑
Loans	11,495	-5% ↓
Deposits	14,473	3% ↑
AUM	5	-68% ↓
% of Demand in Corporate Deposits	5%	-0.7 pp
% of TL in Corporate Deposits	27%	-1.7 pp
% of TL in Corporate Loans	15%	2.1 pp

Revenues / Customer Business[1]



- **Revenues +37% y/y** positively impacted by upward loan repricing
- **Loans -5% ytd** (currency adjusted -1%). FC loans -9% in US$ terms, TL loans +12%
- **Deposits +3%** driven by FC deposits (+5% in US$ terms)
- **Improvement in asset quality** (Corporate/Commercial NPL ratio at 2.5%, -2pp vs 1Q12)

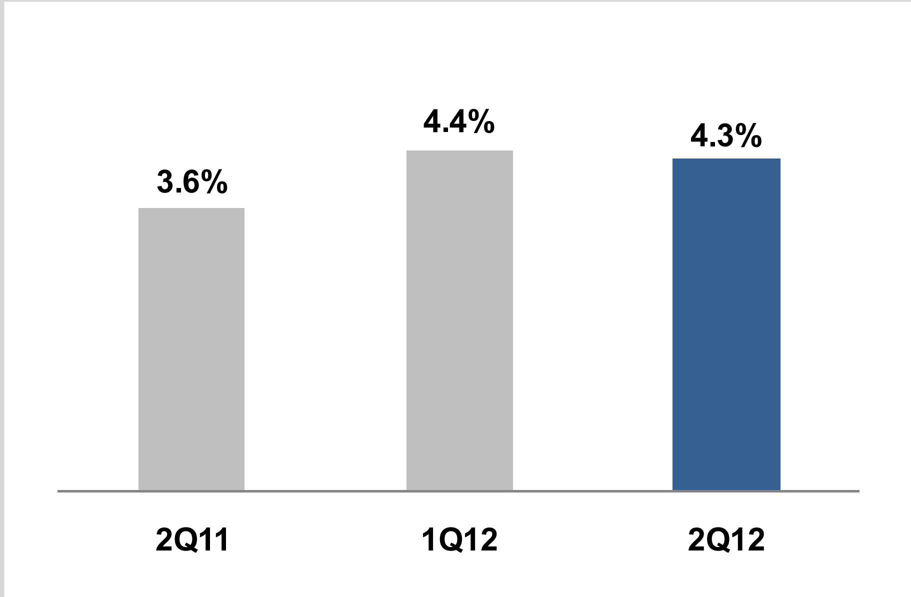
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Commercial

Revenues driven by upward loan repricing initiatives and focused approach on mid-commercial sub-segment

TL mln	1H12	ytd
Revenues	568	27% ↑
Loans	19,457	6% ↑
Deposits	8,384	6% ↑
AUM	180	-10% ↓
% of Demand in Commercial Deposits	30%	-6.0 pp
% of TL in Commercial Deposits	49%	2.4 pp
% of TL in Commercial Loans	37%	5.1 pp

Revenues /Customer Business[1]



- **Revenues +27%** driven by significant margin expansion due to upward loan repricing
- **Loans +6%** (currency adjusted 5%)
- **Deposits +6%** driven by TL deposits (+11%)
- **Improvement in asset quality** (Corporate/Commercial NPL ratio at 2.5%, -2pp vs 1Q12)

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

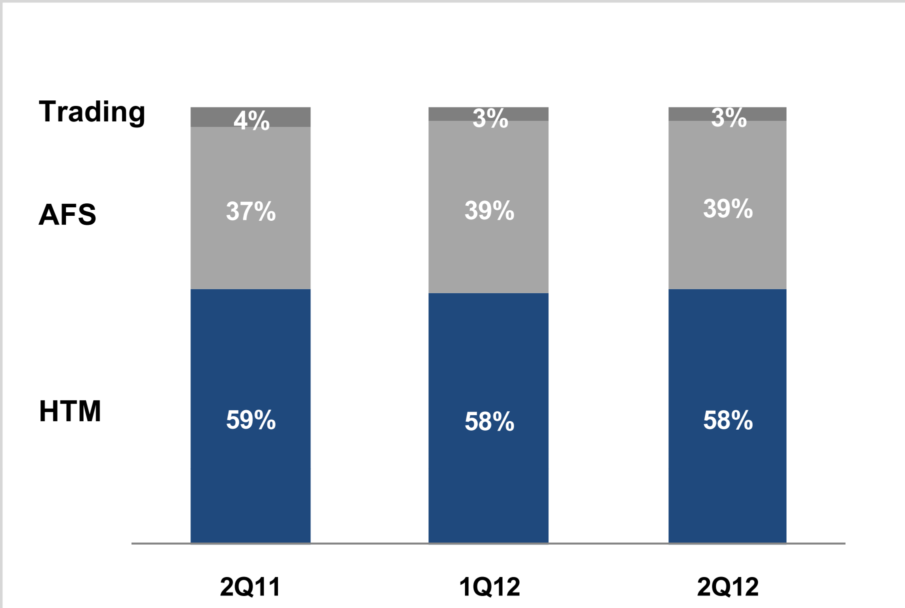
Agenda

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

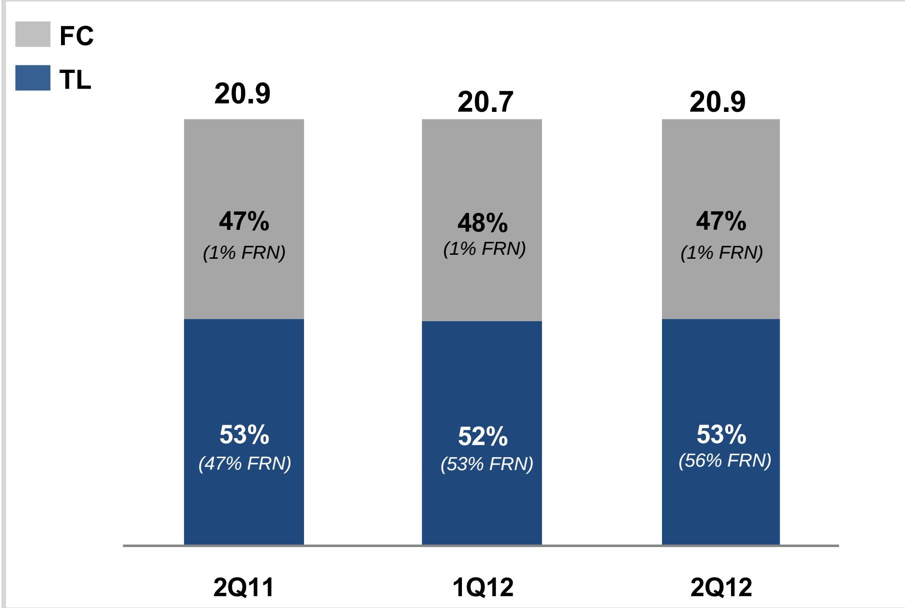
Securities

58% of securities portfolio invested in HTM

Securities Composition by Type



Securities Composition by Currency (TL bln)



- **Share of securities in total assets at 17%** (-1 pp vs 1Q12)
- **Share of HTM** (58%) and **share of AFS portfolio** (39%) both stable vs 1Q12
- **Share of TL securities in total securities at 53%** (vs 52% at 1Q12)
  - **CPI-linkers at 1.4 bln TL** (7% of securities), slightly increasing vs YE11

Note:
HTM indicates Held to Maturity portfolio
AFS indicates Available for Sale portfolio
CPI indicates Consumer Price Index

Borrowings

International	Syndications	**~ US$ 2.7 bln outstanding** ▪ **Apr’12:** US$ 264 mln and €865 mln, Libor +1.45% p.a. all-in cost, 1 year, participation of 44 banks from 21 countries ▪ **Sep’11:** US$ 285 mln and €687 mln, Libor + 1.0% p.a. all-in cost, 1 year, participation of 42 banks from 18 countries
	Securitisations	**~ US$ 1,3 bln outstanding** ▪ **Dec’06 and Mar’07:** ~US$ 305 mln, 6 wrapped notes, 7-8 years, Libor+18-35 bps ▪ **Aug’10 - DPR Exchange:** ~US$ 460 mln, 5 unwrapped notes, 5 years ▪ **Aug’11:** ~US$ 410 mln, 4 unwrapped notes, 5 years ▪ **Sep’11:** ~€75 mln, 1 unwrapped note, 12 years
	Subordinated Loans	**~€1,5 bln outstanding** ▪ **Mar’06:** €500 mln, 10NC5, Libor+2.00% p.a. ▪ **Apr’06:** €350 mln, 10NC5, Libor+2.25% p.a. ▪ **Jun’07:** €200 mln, 10NC5, Libor+1.85% p.a ▪ **Feb’12:** US$ 585 mln, 10NC5, 3 month Libor+8.30%
	Foreign Currency Bonds / Bills	**US$ 500 mln Eurobond** ▪ **Feb’12:** 6.75% (coupon rate), 5 years **US$ 750 mln Loan Participation Note (LPN)** ▪ **Oct’10:** 5.1875% (coupon rate), 5 years
	Multinational Loans	▪ **EIB Loan - Jul’08/Dec’10:** €380 mln, 5-15 years ▪ **IBRD (World Bank) Loan - Nov’08:** US$ 25 mln, 6 years ▪ **EBRD Loan - Aug’11:** €30 mln, 5 years
Domestic	Local Currency Bonds / Bills	**TL 2.1 bln bond issue** ▪ **Oct’11:** TL 150 mln, 9.08% compounded rate, 368 days maturity ▪ **Feb’12:** TL 539 mln, 10.22% compounded rate ,161 days maturity; TL 11 mln, 10.21% compounded rate, 368 days maturity ▪ **Mar’12:** TL 150 mln, 10.49% compounded rate, 374 days maturity ▪ **Apr’12:** TL 200 mln, 10.33% compounded rate, 406 days maturity ▪ **May’12:** TL 817 mln, 10.66% compounded rate, 175 days maturity ▪ **Jul’12:** TL 200 mln, 9.01% compounded rate, 179 days maturity