Yapı Kredi 1Q12 Earnings Presentation

Istanbul, 9 May 2012

Agenda

- **Operating Environment**
- 1Q12 Results (BRSA Consolidated)
- Performance of Strategic Business Units & Subsidiaries
- Outlook / Strategy

Macroeconomic Environment

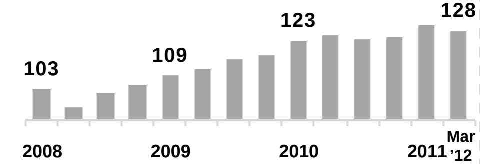
Ongoing soft-landing supported by flexible monetary policy

GDP

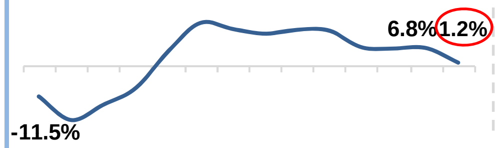
Slowdown in growth confirming soft-landing with moderation in industrial production coupled with still high consumer confidence

Annual growth, real	4Q11A: 5.2%	1Q12E: 2.6%

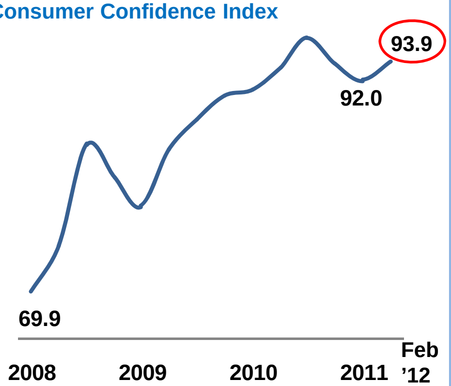
Industrial Production Index (quarterly)



Industrial Production (y/y)[1]



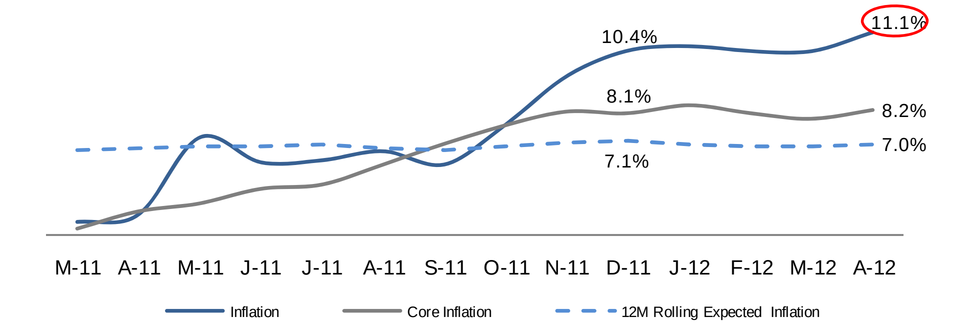
Consumer Confidence Index



Inflation

Stabilising trend in inflation; temporary pick-up in Apr'12 related to higher energy prices

Annual increase	4Q11A: 10.45%	1Q12A: 10.43%

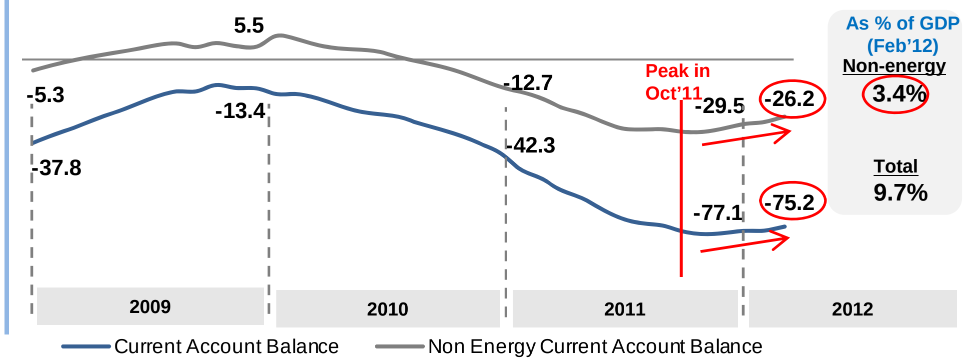


Current Account Deficit

Moderating trend with higher sustainability as 88% of imports driven by private investments vs only 12% to consumption

As % of GDP	4Q11A: 10.0%	Feb'12A: 9.7%

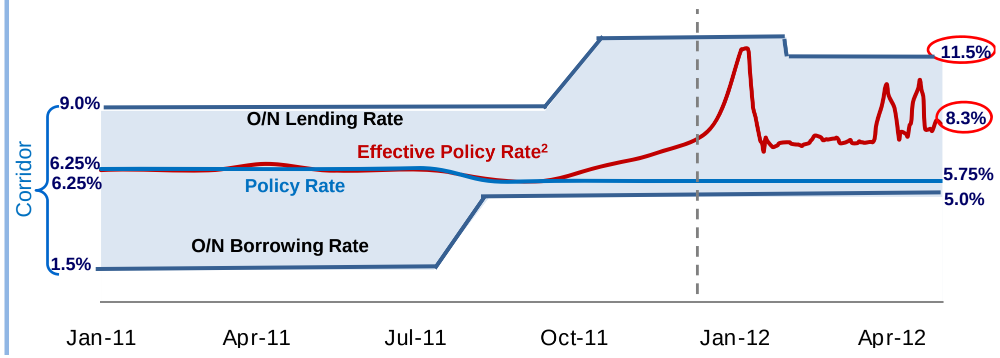
Current Account Balance (US$ bln, 12 m rolling)



Monetary Policy

Continuation of flexible / tight CBRT monetary policy to maintain financial stability

O/N lending rate	4Q11A: 12.5%	1Q12A: 11.5%



Notes: 1Q12 GDP growth expectation refers to YK Economic research estimates.
(1) Industrial production growth is cumulative, seasonally and calendar adjusted. Stated growth 2.7% y/y for 3-month cumulative 1Q12 data; 2.4% y/y for monthly Mar'12 data
(2) Blended CBRT one-week repo, one-month repo and O/N repo funding rate
CBRT actions in 1Q12 include: narrowing of interest rate corridor in Feb'12; increasing TL reserve requirements held in gold from 10% to 20%

Banking Sector

Slow start in volume growth, mild asset quality deterioration

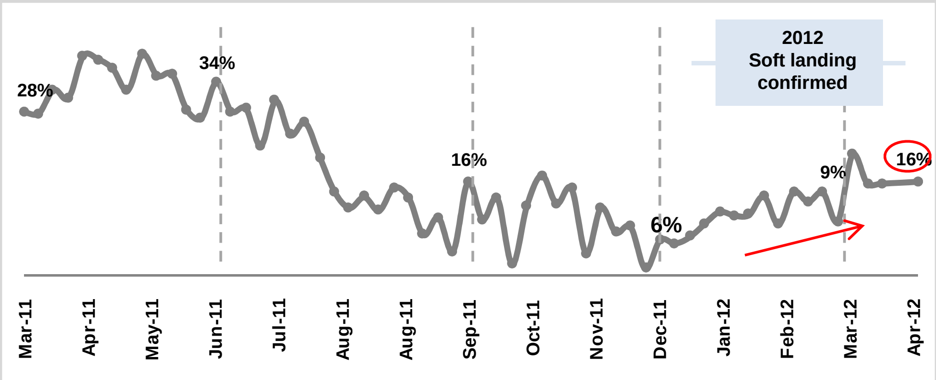
Banking Sector Volumes and KPIs

	Nominal (bln TL)	Growth Rates (q/q)		
	1Q12	1Q11	4Q11	1Q12
Total Loans	**664**	**7%**	**3%**	**2%**
TL	471	6%	3%	4%
FC ($)	112	9%	2%	-3%
Total Deposits	**695**	**1%**	**2%**	**0%**
TL	449	0%	1%	0%
FC ($)	142	3%	3%	8%
Securities	**284**	**-4%**	**-1%**	**0%**
Loans / Deposits		**86%**	**94%**	**96%**
Loans / (Deposits+TL Bonds)		**86%**	**92%**	**93%**
CAR		**16.8%**	**15.4%**	**15.5%**

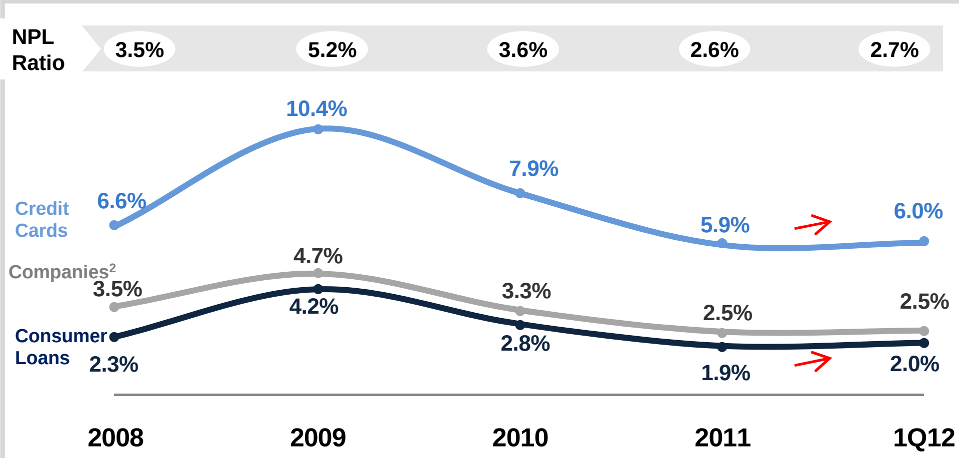
+1 % incl. TL bonds

- **Loans +2%** due to start of economic slowdown and seasonality
- **Deposits flat.** Increasing focus on TL bond issuances (TL 6.25 bln in 1Q12)
- **Loans / deposits ratio at 96%**, +2pp ytd (93% including TL bonds)
- **Mild asset quality deterioration.** NPL ratio at 2.7% (+10 bps ytd) driven by consumer loans and credit cards

Currency Adjusted Rolling Annualised Loan Growth[1]



NPL by Segment



(1) Calculated by taking the actual loan growth of previous 8 weeks
(2) Companies includes SME, commercial and corporate

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Key Messages on 1Q12 Results

Solid performance on the back of above market volume growth in profitable segments / products accompanied by continued funding diversification

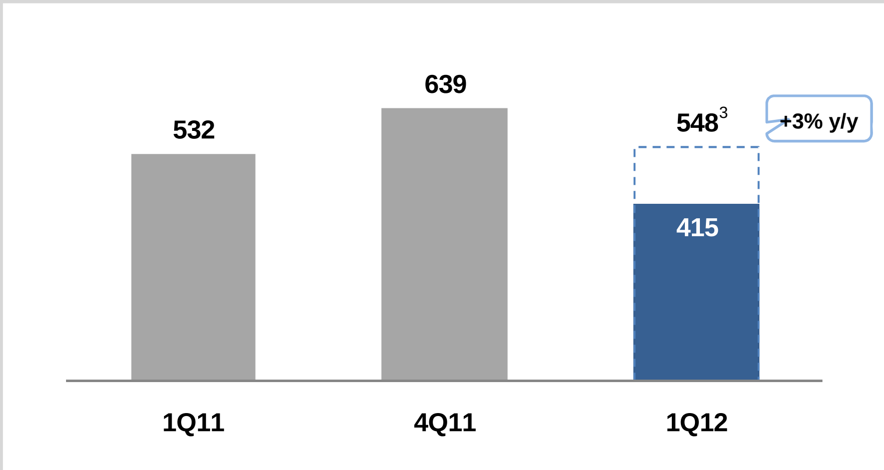
Unyielding focus on customer business	Above sector growth in profitable TL segments / products including GPL and TL companies	**4.4%** TL loan growth
Stronger funding emphasis with a differentiated approach	Significantly above sector TL deposit growth and continued funding diversification	**4.5%** TL deposit growth
Robust core revenue performance	Disciplined pricing approach with ongoing positive impact of timely loan repricing leading to solid rise in loan yields and contained deposit costs	**13%** Core revenue growth
Disciplined cost control	Continuation of cost control, focus on efficiency and effective HR management	**11%** Cost growth
Maintained asset quality	Mild rise in NPL stock, in line with ongoing soft-landing	**3.2%** NPL ratio
Comfortable capital position	Strenghtened capital base through issuance of sub-debt in Feb'12	**14.6%** Group CAR

Note: Sector figures listed below:
4.1% TL loan growth; flat TL deposits; 26% core revenue growth; 10% HR cost growth; 2.7% NPL ratio, 15.7% CAR
Sector balance sheet figures based on BRSA weekly data as of 1Q12 for balance sheet and BRSA monthly cumulative data as of Feb'12 for income statement

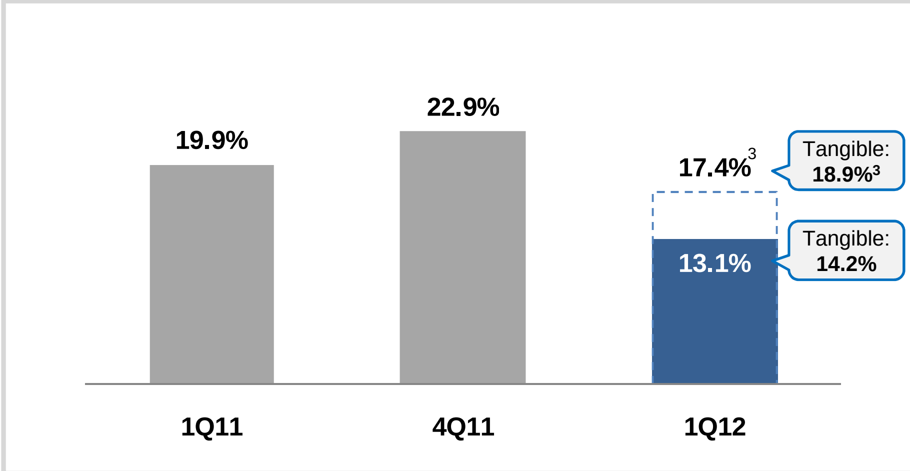
Key Performance Indicators

Healthy profitability incorporating impact of regulatory changes

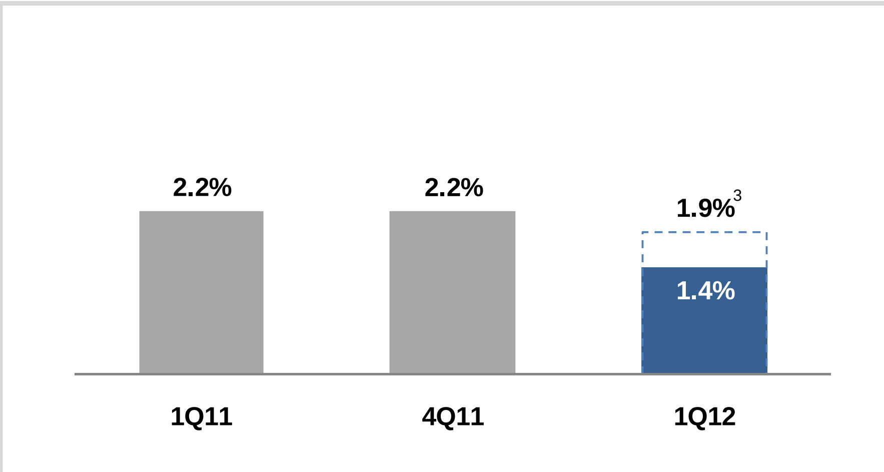
Net Income (mln TL)



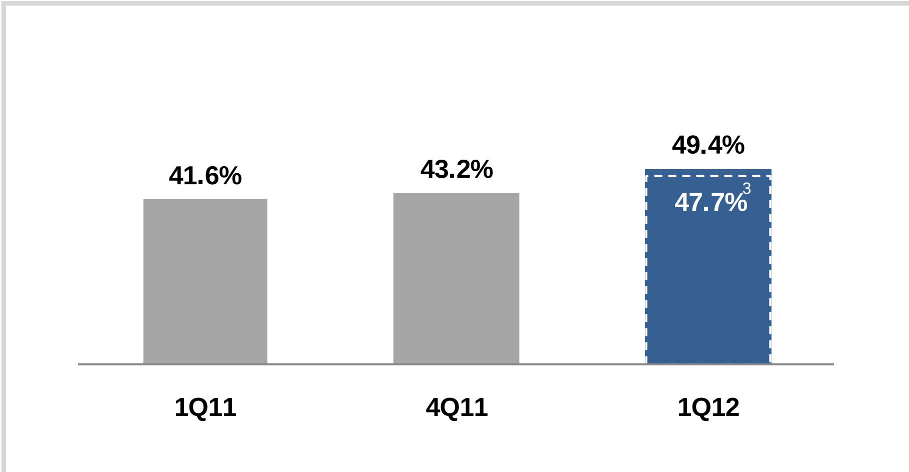
Return on Average Equity[1]



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 and decrease in regulatory cap of liquid fund management fees. On provisions, impact of change on general purpose and rescheduled loans on general provisions.

Income Statement

Net income of 415 mln TL driven by disciplined NIM management and controlled costs

mln TL	1Q11	4Q11	1Q12	y/y	y/y excl. reg. impacts[2]
Total Revenues	**1,708**	**1,844**	**1,599**	**-6%**	**-3%**
Core Revenues	1,336	1,583	1,508	13%	**17%**
o/w Net Interest Income	885	1,048	1,092	23%	
o/w Fees & Comms.	451	535	416	-8%	**6%**
Other Revenues	372	261	91	-76%	
Operating Costs	**711**	**797**	**790**	**11%**	
Operating Income	**997**	**1,047**	**809**	**-19%**	
Provisions	313	219	279	-11%	
o/w Loan Loss	256	231	227	-11%	
Pre-tax income	**684**	**828**	**530**	**-22%**	
Net Income[1]	**532**	**639**	**415**	**-22%**	**3%**

- **Revenues -6% y/y** (-3% excl. regulatory impacts) mainly impacted by other revenues. **Core revenues +13% y/y** (+17% excl. regulatory impacts) driven by disciplined NIM management and value generating growth
- **Costs +11% y/y**, slightly above inflation
- **Provisions -11% y/y**
- **Net income at 415 mln TL** (-22% y/y, +3% excl. regulatory impacts)

- **Quarterly net income trend** (-35% q/q) impacted by **seasonality of fee income, decline in other income** and **slight asset quality deterioration**

(1) Indicates net income before minority. 1Q12 net income after minority: 412 mln TL (-22% y/y)
(2) Excluding regulatory impacts: On fees, impact of change on loan-related fee deferrals and decrease in regulatory cap of liquid fund management fees. On provisions, impact of change on general purpose and rescheduled loans on general provisions.

Balance Sheet

Customer-oriented balance sheet supported by growth in TL business and continued funding diversification

bln TL	1Q11	2011	1Q12	ytd
Total Assets	**97.6**	**117.5**	**115.4**	**-2%**
Loans	**56.6**	**69.3**	**69.5**	**0%**
TL	35.6	44.6	46.6	4%
FC (in US$)	13.9	13.4	13.3	-1%
Securities	**20.6**	**21.3**	**20.7**	**-3%**
Deposits	**56.1**	**66.2**	**64.2**	**-3%**
TL	32.0	35.1	36.6	4%
FC (in US$)	15.9	16.9	15.9	-6%
Borrowings	**13.8**	**20.5**	**20.6**	**1%**
SHE	**11.2**	**12.6**	**13.1**	**4%**
AUM	**9.1**	**8.1**	**8.4**	**3%**
Loans / Assets	**58%**	**59%**	**60%**	1 pp
Securities / Assets	**21%**	**18%**	**18%**	0 pp
Loans / Deposits	**101%**	**105%**	**108%**	4 pp
Loans / (Deposits + TL bonds)	**101%**	**103%**	**106%**	3 pp
Loans (excl. LT loans[1]) / Deposits	**82%**	**81%**	**83%**	2 pp
Leverage[2]	**7.7x**	**8.3x**	**7.8x**	-
Group CAR	**14.3%**	**14.9%**	**14.6%**	-0.3 pp
Bank CAR	**14.9%**	**14.7%**	**14.8%**	0.1 pp

-2% incl. TL bonds

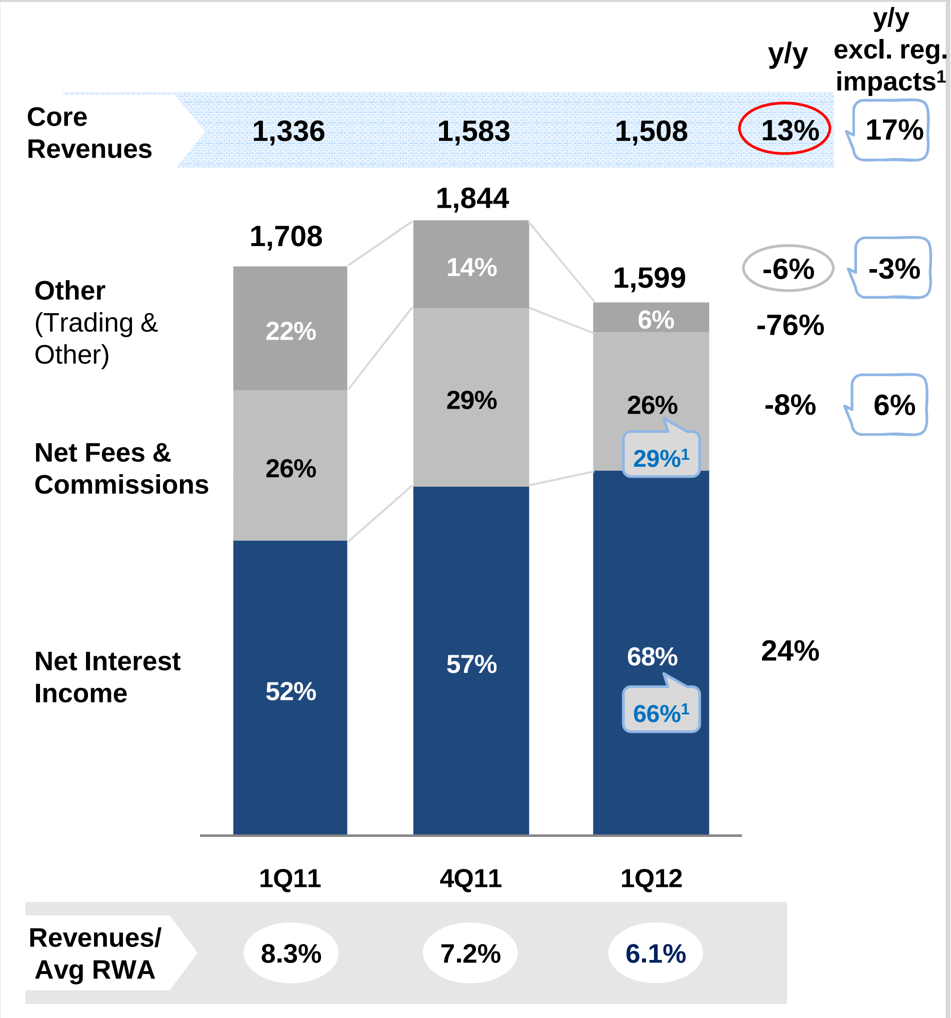
- **Stable loans** with **solid growth in value-generating TL lending** (+4%)
- **Loans / assets further rising to 60%** (vs 59% in 2011), **securities / assets at 18%** (stable vs 2011) confirming **customer business focus**
- **Slight decline in deposits** (-3%) **driven by:**
  - **Release of big ticket costly FC deposits** due to comfortable liquidity, also thanks to US$500 mln Eurobond in Feb'12
  - **Above sector TL deposit growth** (4% vs flat sector)
- **Loans / deposits ratio at 108%**, (106% including TL bonds, 83% excluding long-term lending[1])
- **Group CAR at 14.6%**, Bank CAR at 14.8%

Note: Loan figures indicate performing loans
(1) Long-term loans indicate project finance and mortgages
(2) Leverage ratio: (Total assets – equity) / equity

Total Revenues

Robust core revenue performance driven by net interest income

Revenue Composition (mln TL)



Other Income Breakdown (mln TL)

	1Q11	4Q11	1Q12
Total Other Income	**372**	**261**	**91**
Trading & FX (net)	50	-70	-45
Collections	186	1	10
Income from subs & other	136	330	126
o/w NPL sale gain	*0*	*46*	*0*

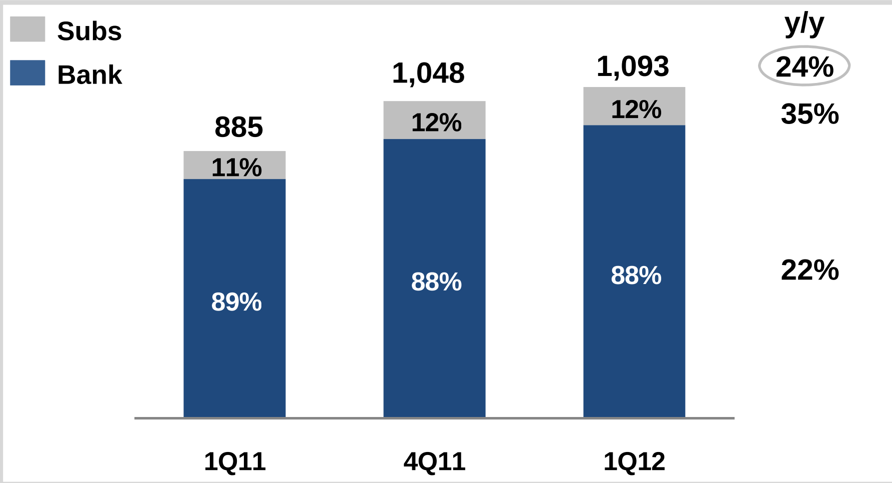
- **NII / revenues at 68%** due to healthy NIM evolution despite limited volume growth. **Revenues / avg RWA** impacted by pressure on revenues and solid GPL growth
- **Fees / revenues at 26%** due to regulatory changes (29% excluding regulatory impacts[1])
- **Other income / revenues at 6%** (vs 22% in 1Q11) driven by:
  - **Negative trading results** mainly from m-t-m of hedging instruments
  - **Moderation in collections** (10 mln TL in 1Q12 vs 186 mln TL in 1Q11)

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

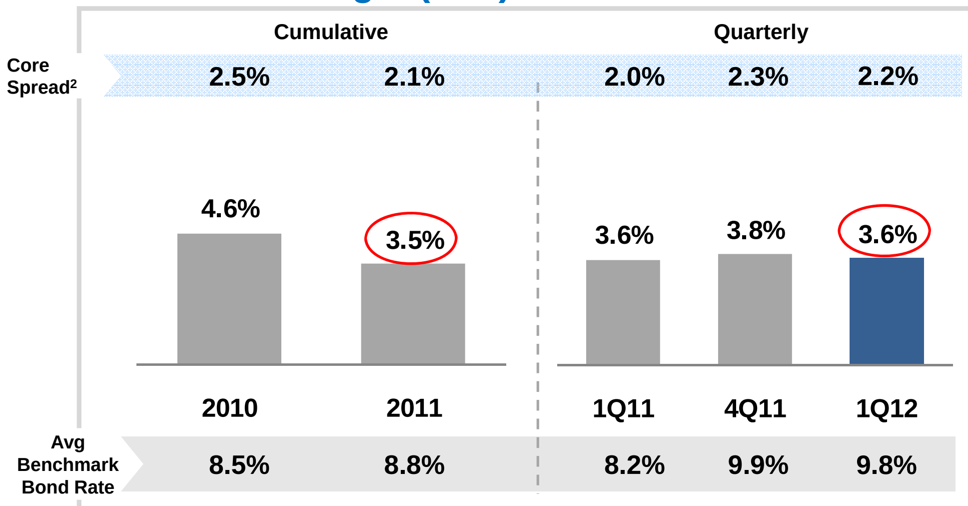
Net Interest Income

Disciplined NIM management incorporating ongoing positive impact of upward loan repricing despite pressure on deposit costs

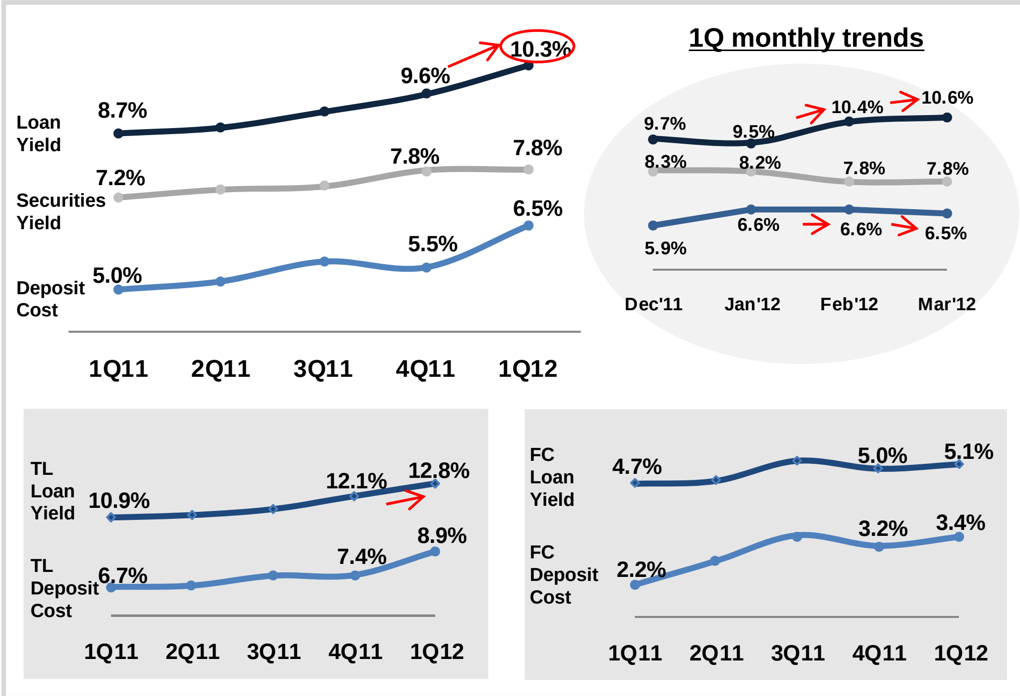
Net Interest Income (NII) (mln TL)



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



NIM Drivers (quarterly, bank-only)



- **NII +24% y/y** (Bank: 22% y/y, subs: 35% y/y) driven by **upward loan repricing** and **focus on high value generating segments**
- **NIM at 3.6%** (-14 bps q/q, +2bps y/y), positively impacted by increasing loan yields despite higher deposit costs
- **Core spread at 2.2%** (-6 bps q/q, +27 bps y/y)

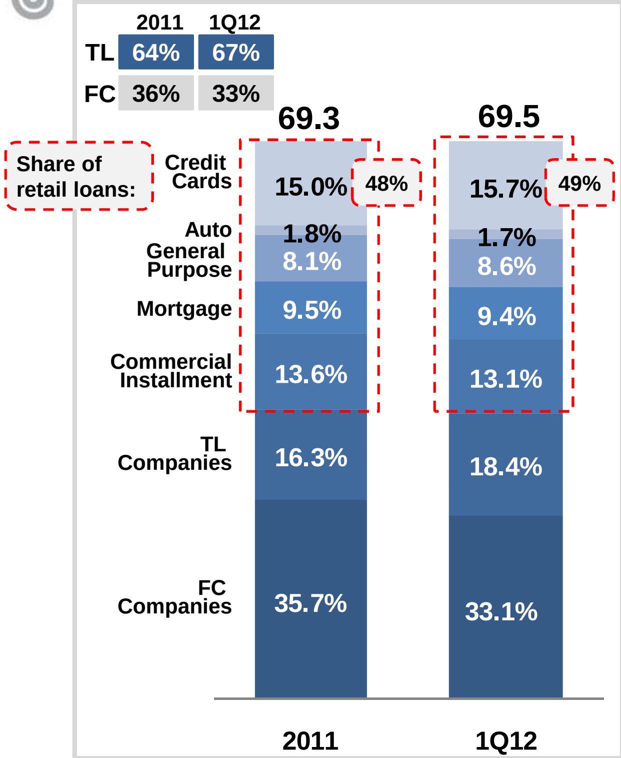
(1) NIM = Net interest income / Average Interest Earning Assets
(2) Core Spread = (Interest income on loans - interest expense on deposits) / Average (Loans + Deposits)
Notes: NIM and yield on securities adjusted to exclude the effect of reclassification as per BRSA between interest income and other provisions related to impairment of securities
Reported NIM figures as follows: 1Q11: 3.8%, 4Q11: 3.6%, 1Q12: 3.8%
Performing loan volume and net interest income used for loan yield calculations

Loans

Above sector growth in lucrative TL segments / products

- **Share of TL loans in total at 67%** (+3pp vs YE11)
- **Share of retail loans in total at 49%** (+1pp vs YE11)

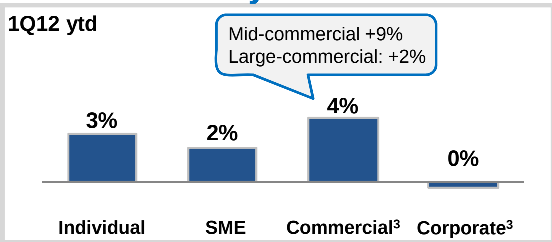
Composition of Loans (bln TL)



Loans (bln TL)

	1Q12	YKB 1Q Growth	Sector 1Q Growth	Market Share	
Total Loans[1]	**69.5**	**0.3%**	**2.1%**	***10.1%***	Total loans stable driven by selective approach
TL	46.6	4.4%	4.1%	*9.8%*	Above sector growth in TL loans driven by value generating segments
FC ($)	13.3	-1.1%	3.7%	*11.0%*	FC lending impacted by pricing discipline
Consumer Loans	**13.7**	**1.9%**	**1.9%**	***8.2%***	
Mortgages	6.5	-1.4%	0.9%	*9.3%*	Slight decline in mortgage volume due to focus on profitability
General Purpose	6.0	7.6%	3.0%	*6.7%*	GPL remaining as a key focus area with strong above sector growth
Auto	1.2	-6.1%	-1.3%	*17.3%*	Normalisation in auto loan volume following robust growth in 4Q11 (15%)
Credit Cards	**10.9**	**5.2%**	**5.4%**	***18.3%***	In line with sector growth in credit cards
Companies	**44.9**	**-1.3%**	**1.8%**	***9.7%***	
TL	21.9	5.7%	5.5%	*8.7%*	Solid growth in TL company loans driven by continuing emphasis on profitable products and focused approach on mid-commercial (9%)
FC ($)	13.3	-1.1%	3.7%	*11.0%*	
Com. Install.	9.1	-2.9%	3.4%	*8.8%*	

Loan Growth by Business Units[2]



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

Consistently strong, above sector growth in TL deposits

Deposits

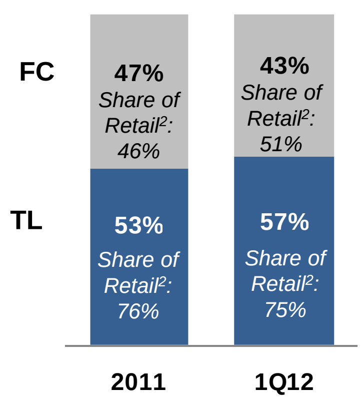
	1Q12	YKB 1Q Growth	Sector 1Q Growth	Market Share
Total Deposits	**64.2**	**-3%**	**0%**	***8.9%***
TL	36.6	4%	0%	*8.2%*
FC ($)	15.9	-6%	8%	*10.1%*
Customer Deposits[1]	**62.9**	**-3%**	**0%**	***9.3%***
Demand Deposits	**10.5**	**-4%**	**-5%**	***9.5%***
AUM	**8.4**	**3%**	**-2%**	***17.3%***

Demand / Total Deposits, 1Q12

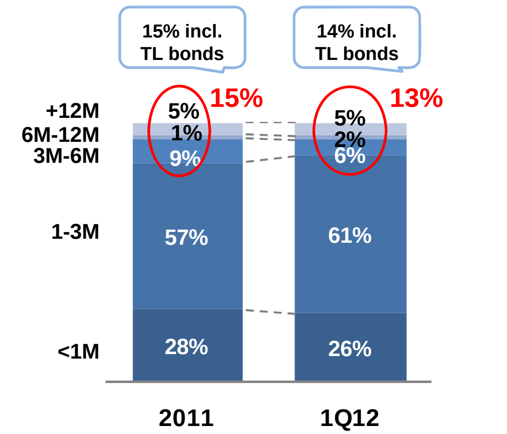
- **Total deposits -3%** driven by focus on TL deposits coupled with release of costly big ticket FC deposits
- **Strong share of retail in total deposits** (75% in TL deposits, 51% in FC deposits)
- **Share of demand deposits in total at 16%** (vs 15% sector)
- **Above sector annual deposit growth** since 1Q11

Composition of Total Deposits

By Currency

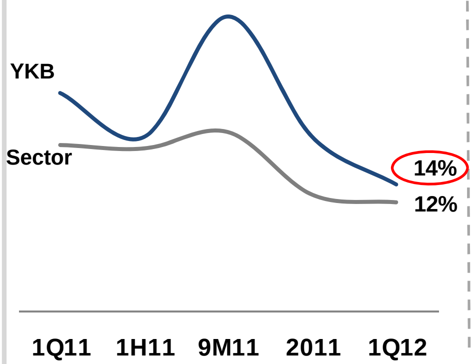


By Maturity (months)

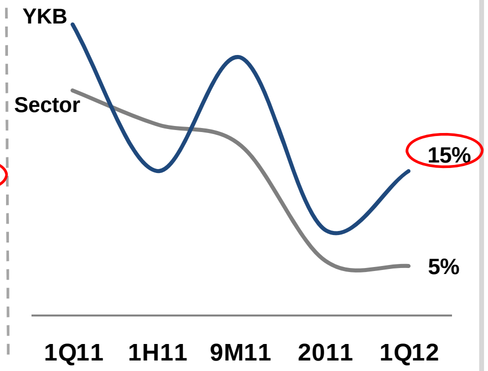


Deposit Growth Evolution (annual)

Total Deposits



TL Deposits

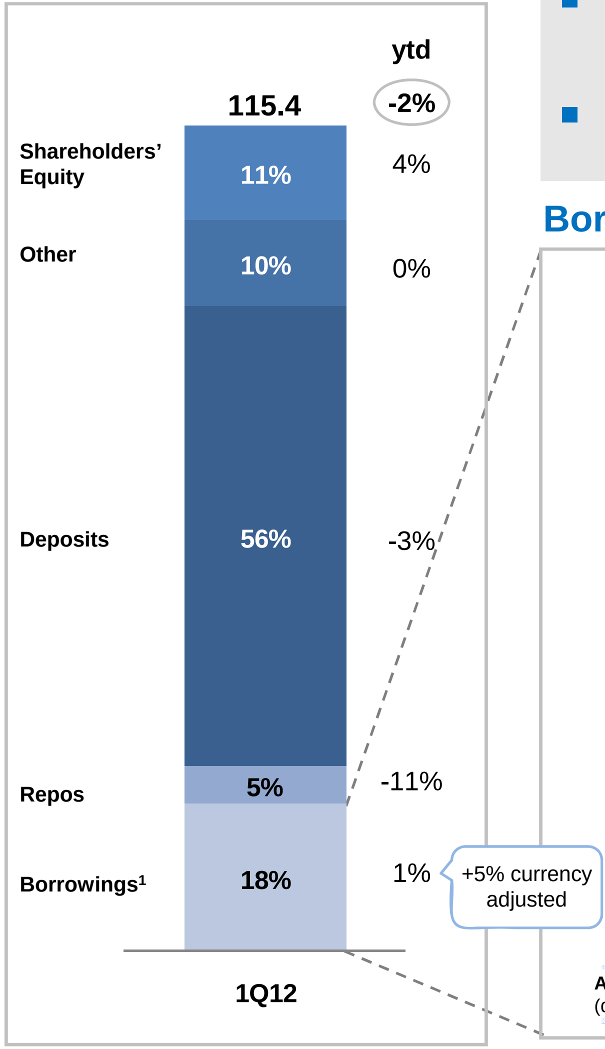


Note: Sector data based on weekly BRSA unconsolidated figures. Market shares based on unconsolidated figures for YKB and sector
(1) Customer deposits exclude bank deposits
(2) Retail includes SME, mass, affluent and private. Based on MIS data

Funding

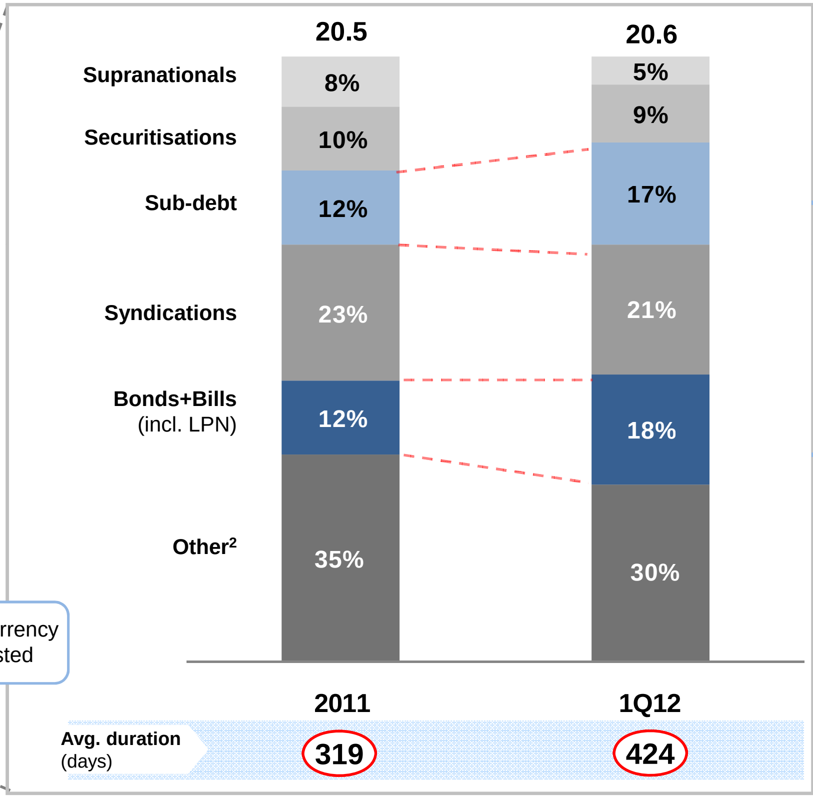
Continued funding diversification accompanied by progressive increase in duration

Liability Composition (bln TL)



- **Borrowings / liabilities at 18%.** Borrowings +5% ytd currency adjusted with increasing duration (424 days in 1Q12 vs 319 days at YE11)
- **Repos / liabilities at 5%.** Repos -11% ytd, mainly utilised as a short-term liquidity management tool

Borrowings Composition (bln TL)



Borrowings Secured in 1Q12

Subordinated Debt
Feb 12: US$ 585 mln, 10NC5, 3-month Libor+8.30%

Eurobond
Feb 12: US$ 500 mln Eurobond, 5 years, 6.75% (coupon rate)

TL Bonds
Feb 12:
- **TL 400 mln**, 161 days maturity, 10.22% compounded cost
- **TL 150 mln**, 368 days maturity, 10.21% compounded cost
- **TL 30 mln**, 6 years maturity, private placement

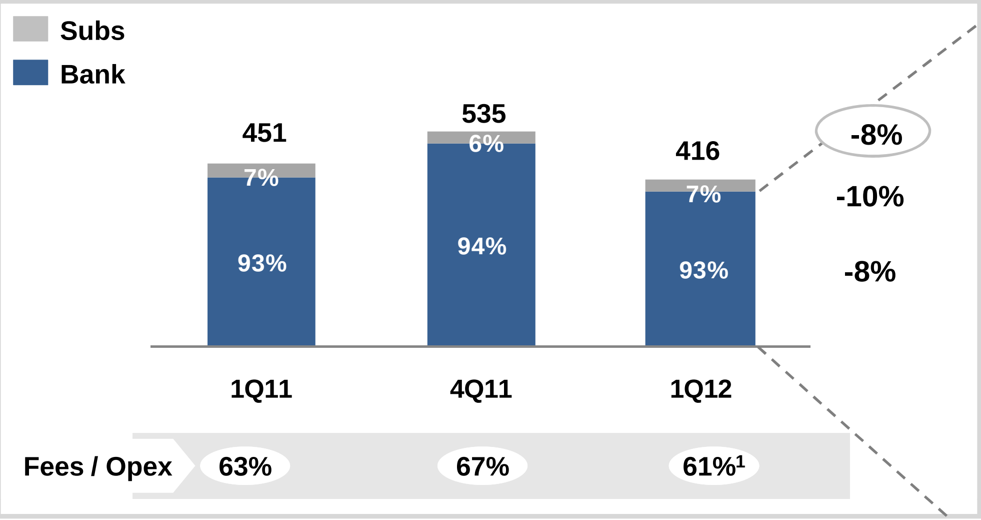
Mar 12:
- **TL 150 mln**, 374 days maturity, 10.49% compounded cost

(1) Includes funds borrowed, sub-loan and marketable securities issued. Please refer to annex for details on international borrowings
(2) Other includes eximbank, postfinancing loans and subsidiaries

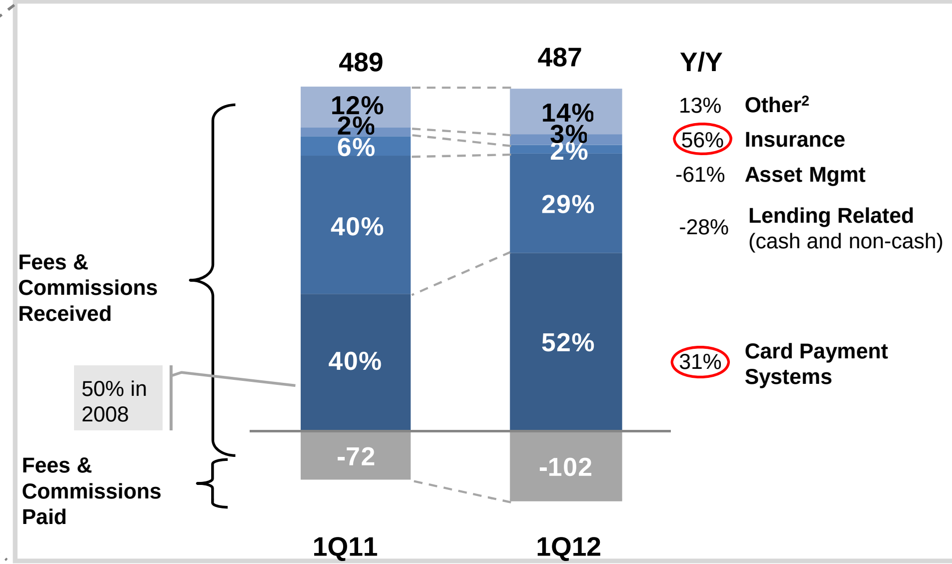
Fees & Commissions

Performance impacted by regulatory changes; strong contribution of cards and bancassurance

Net Fees & Commissions (mln TL)

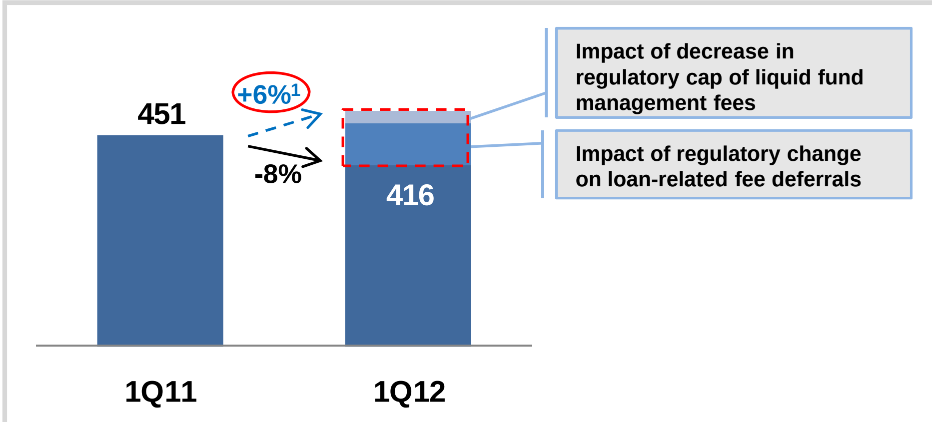


Composition of Bank Fees & Commissions



- **Fees -8% y/y, +6% excluding regulatory impacts[1]**
  - **Card payment system fees +31% y/y** driven by **volume growth, repricing** and **new fee areas**. Share in total at 52%
  - **Lending related fees -28% y/y** impacted by regulatory change and stable volumes. Share in total at 29%
  - **Asset management fees -61% y/y** due to decrease of regulatory cap on liquid fund management fees (cap at 1.1% in 1Q12 vs 3.65% in 1Q11)
  - **Insurance fees +56% y/y** due to bancassurance focus
  - **Other fees[2] +13% y/y**
  - **Increase of fees paid** (+42% y/y) mainly driven by **increase in credit card acquiring volume** and **interchange fee**

Annual Fee Growth (actual vs adjusted[1])

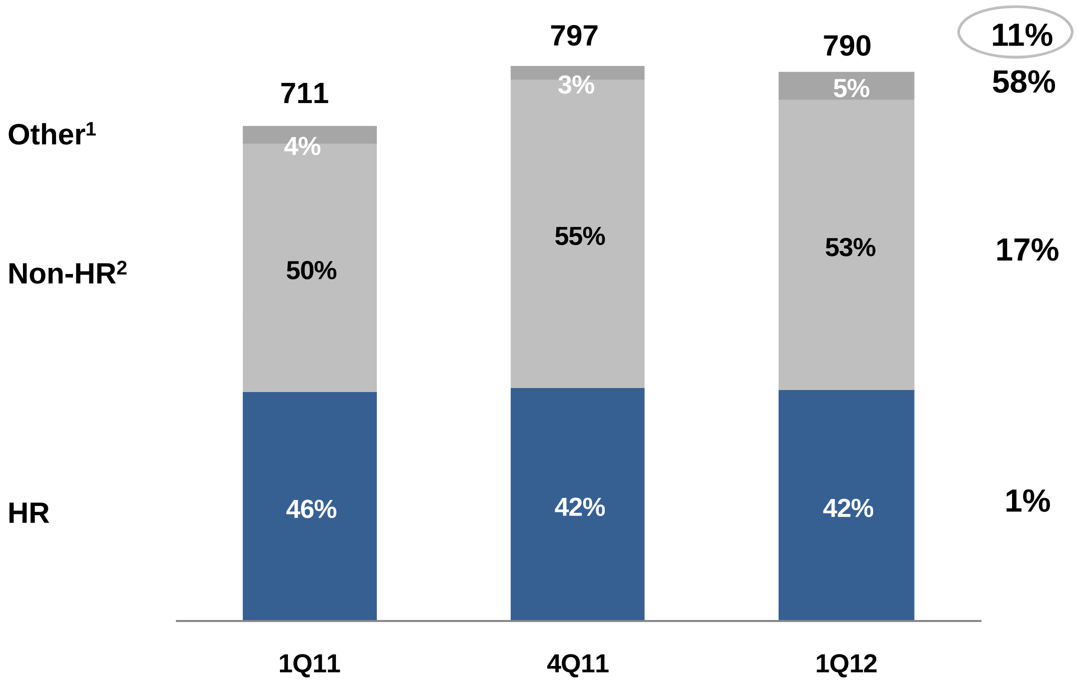


(1) Excluding regulatory impacts: On fees, impact of change on loan-related fee deferrals and decrease in regulatory cap of liquid fund management fees
(2) Other includes account maintenance, money transfers, equity trading, campaigns and product bundles, etc.

Operating Costs

Controlled cost management

Total Operating Costs (mln TL)



Cost / Income	1Q11	4Q11	1Q12
Cost / Income	41.6%	43.2%	47.7%[3]

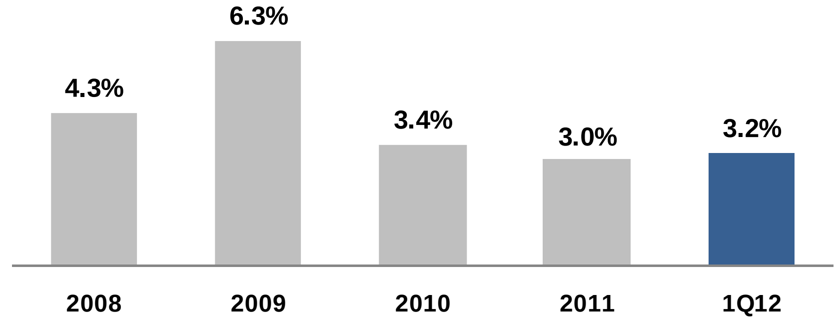
- **Total costs +11% y/y,** slightly above inflation
- **HR costs +1% y/y** despite early recruitment for upcoming branch openings
  - **Number of employees at 14,966** (+107 vs YE11)
- **Non-HR costs +17% y/y** influenced by **increased level of branch tax** (like for like +14% y/y)
  - **Number of branches at 908** (+1 net opening in 1Q12)
- **Other costs +58% y/y** 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 (1Q11: 44 mln TL, 1Q12: 53 mln TL)
(3) Excluding regulatory impacts: On fees, impact of change on loan-related fee deferrals and decrease in regulatory cap of liquid fund management fees

Asset Quality

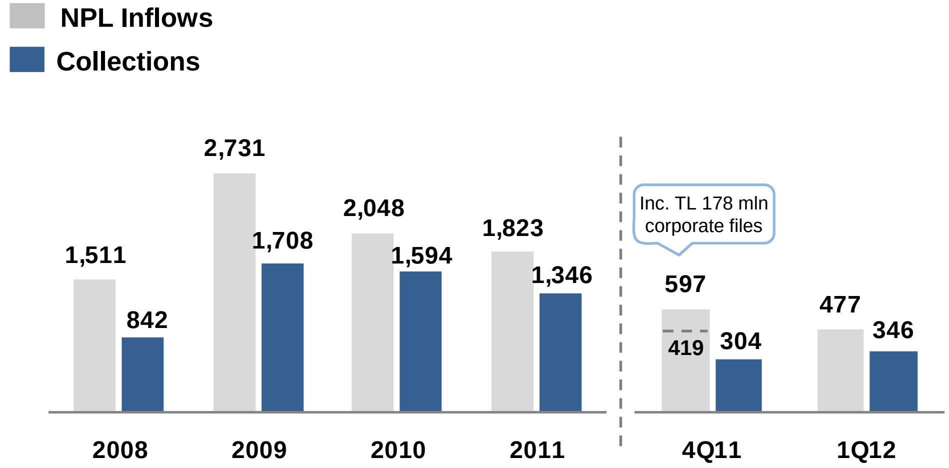
Mild rise in NPL stock, in line with ongoing soft-landing

NPL Ratio



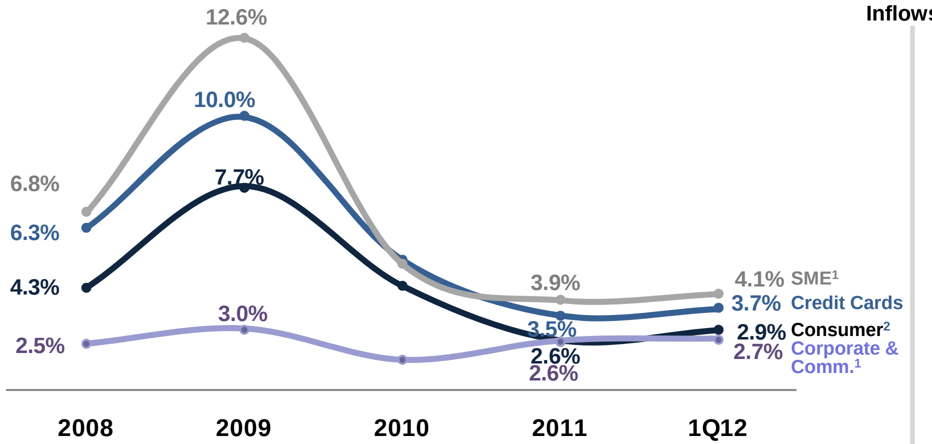
NPL Volume (bln TL)	2008	2009	2010	2011	1Q12
	1.7	2.6	1.9	2.1	2.3

Asset Quality Flows (mln TL)



	2008	2009	2010	2011	4Q11	1Q12
Net Inflows[3] (mln TL)	669	1,023	361	178	115	136
Collections/ Inflows[3]	56%	63%	82%	88%	73%	72%

NPL Ratio by Segment

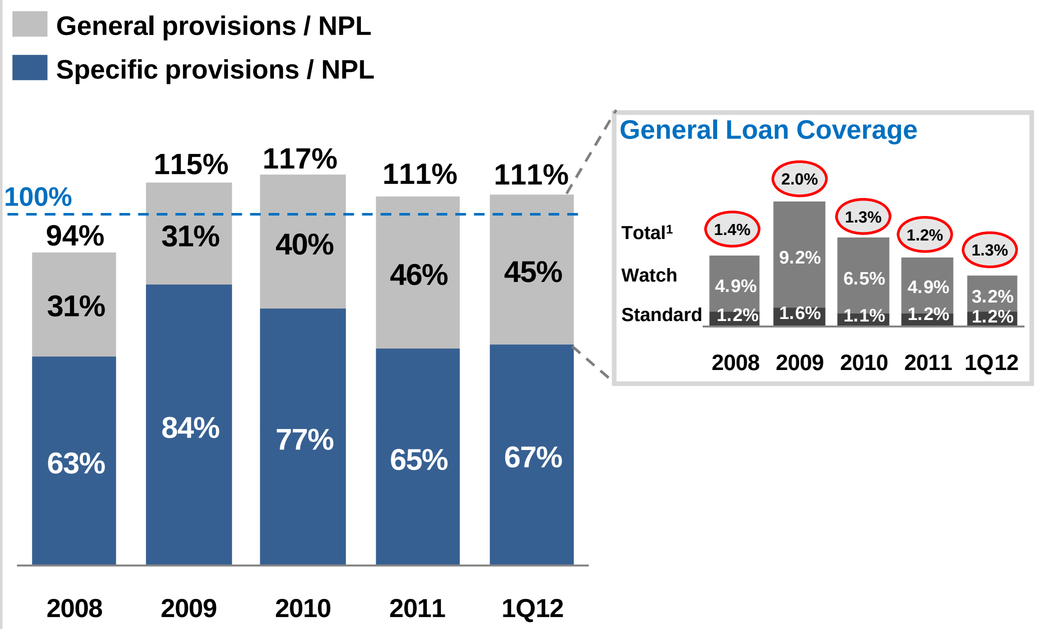


- **NPL ratio at 3.2%** (vs 3.0% at YE11) impacted by **mild increase in net inflows** and **stable loan volume**
  - NPL evolution similar across all segments
  - Credit card NPL ratio at 3.7% vs 6% at sector
- **Collections / inflows at 72%** (vs 73% in 4Q11) on the back of continuation of solid collection performance

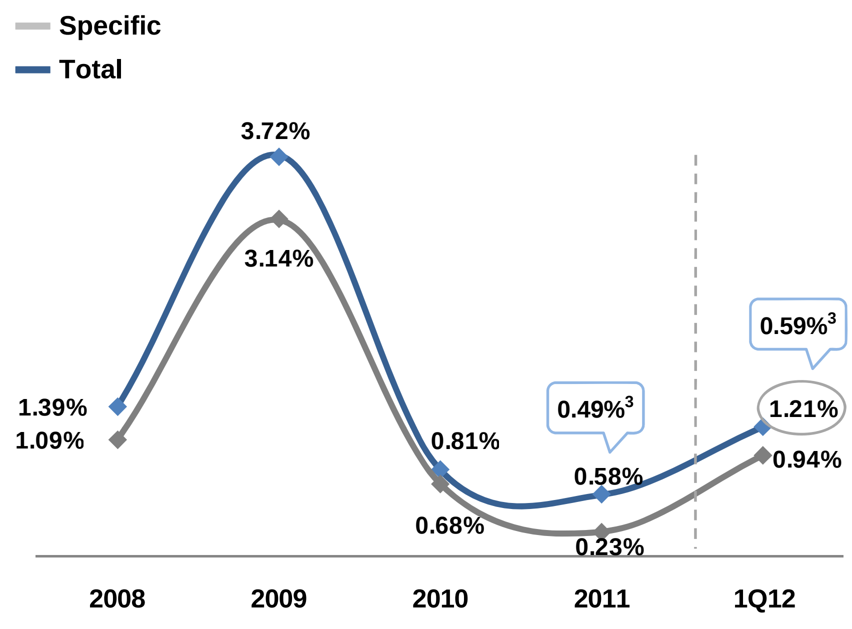
(1) As per YKB's internal segment definition, SMEs: companies with annual turnover <5 mln US$. Corporate & Commercial: companies with annual turnover >5 mln US$
(2) Including cross default. If excluding, 1Q12: 2.2%
(3) Excluding impact of a few commercial positions being transferred from watch loans category to NPL impacting 3Q10 (92 mln TL), 3Q11 (121 mln TL) and 4Q11 figures (178 mln TL)

Provisioning and CoR
Sound coverage and normalising cost of risk

Specific and General Provisioning



Cost of Risk[2] (Cumulative, net of collections)



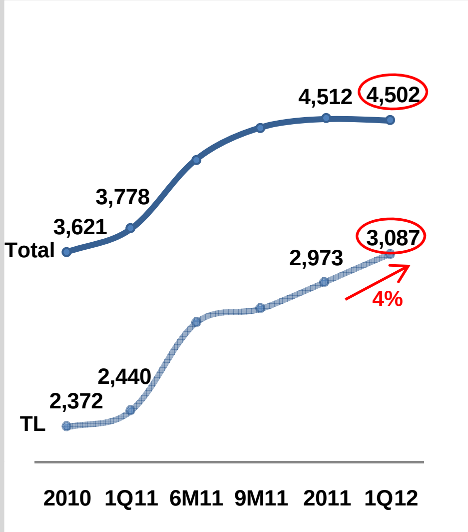
- **Total coverage of NPL volume at 111%**
  - **Specific coverage at 67%** (+2pp vs YE11)
  - **Generic coverage of total performing loans at 1.3%** (+1bps vs YE11)
- **Total cost of risk** (net of collections) **at 1.21% impacted by regulatory changes. Cost of risk excluding regulatory impact at 0.59%** (vs 0.49% at YE11) driven by mild asset quality deterioration

(1) Coverage of total performing loans
(2) Cost of risk = (total loan loss provisions – collections) / total gross loans
(3) 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
Note: General provisions / NPL= (standard + watch provisions) / NPL
General Loan Coverage: Total general provisions / performing loans = (standard + watch provisions) / performing loans

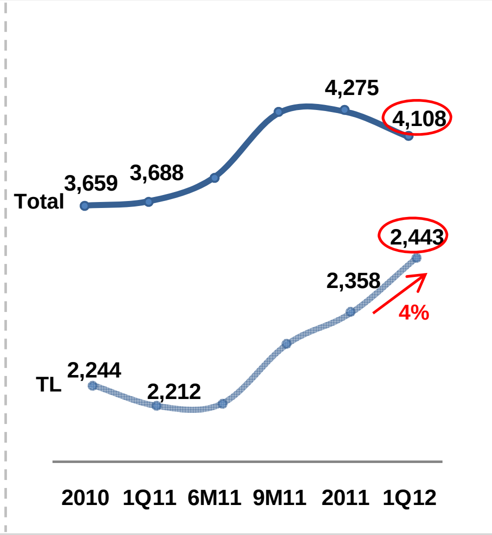
Commercial Effectiveness

Steady progress on the back of consistent focus

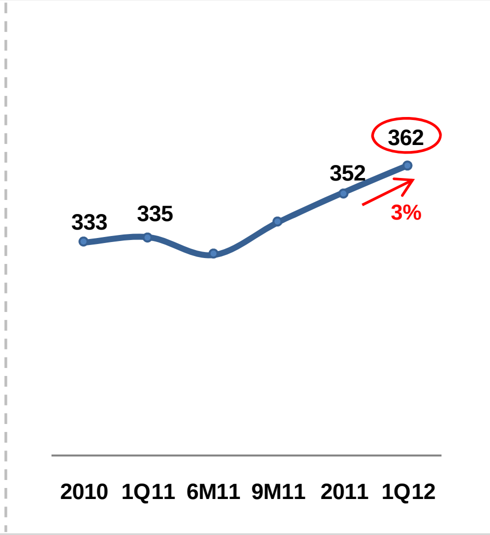
Loans / Employee
(ths TL)



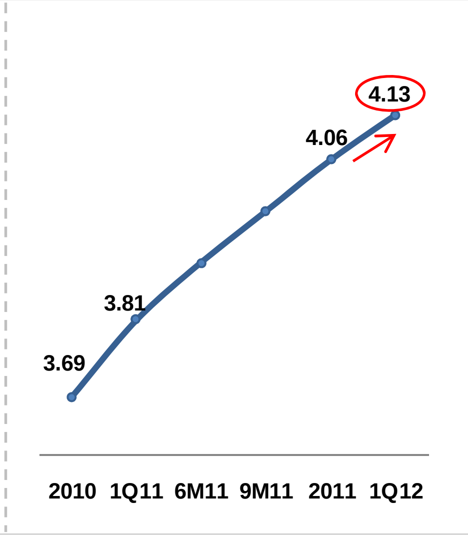
Deposits / Employee
(ths TL)



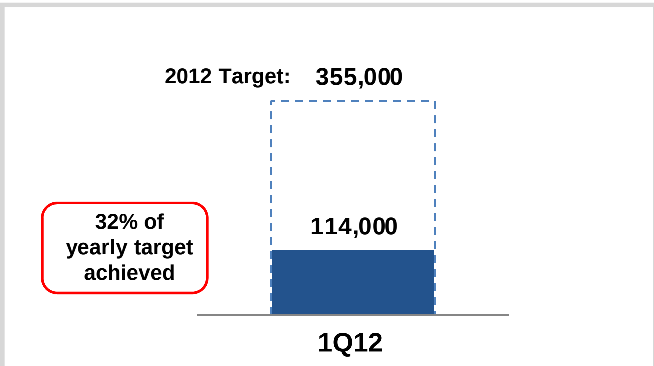
Core Revenue / Employee
(ths TL)



Retail Cross Sell Ratio
(# of products)



Conversion of Credit Card-only Customers



- **Further improvement in key productivity indicators** driven by **strong focus on TL business growth** (TL loans / employee +4%; TL deposits / employee +4%)
- **Continuing positive trend in retail cross-sell** on the back of **focused efforts** (new product offerings, customer acquisitions, product bundles)
- **Sustained efforts to convert credit card-only customers into bank customers** (32% of yearly target achieved as of 1Q12)

Business Units

Solid performance by Retail, Corporate and Commercial; Card Payment Systems impacted by higher cost of funding; Private affected by regulatory pressure

Weight in Bank

Revenues[1]	Customer Business[2]		Revenues (mln TL)	Y/Y (1Q12 – 1Q11)	Drivers of Revenue Growth
43%	36%	Retail[3]	538	21%	**Revenues** driven by **high margin loan growth** and **upward loan repricing. Solid revenue performance by SME** (40% y/y) driven by **focus on profitable lending products**
14%	8%	Card Payment Systems[4]	179	-13%	**Revenues** impacted by **decline in net interest income** due to **cost of funding increasing faster than cap rate**
3%	14%	Private	31	-12%	**Revenues impacted by lower fees** due to **decrease in mutual fund cap rate**
8%	18%	Corporate	103	34%	**Revenues** driven by **positive impact of upward loan repricing** despite **decline in volumes**
22%	19%	Commercial	281	34%	**Revenues** driven by **upward loan repricing initiatives** and focused approach on mid-commercial sub-segment (+9% loan growth)

(1) Total share of business units at 84% in 1Q (excluding impact of POS revenues recognition in card payment systems). The remaining 16% 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. Factoring impacted by asset quality pressure and 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	51	11%	14%	**#1 in total transaction volume** (19.6% mkt share)	Revenue performance driven by increase in business volume despite lower spreads
	YK Factoring	28[1]	80%[1]	-33%	**#1 in total factoring volume** (17.7% mkt share)	Strong revenues on the back of widening margins. ROE impacted by a one-off NPL entry leading to higher LLP
	YK Portföy	10	-43%	49%	**#2 in mutual fund volume** (17.3% mkt share)	Revenues impacted by decrease in commission income due to decrease of liquid fund management fee cap
	YK Yatırım	56[2]	-7%[2]	88%	**#2 in equity transaction volume** (6.6% mkt share)	Revenues impacted by decrease in commission income
Insurance Subs	YK Sigorta	61[3]	4%[3]	46%	**#1 in health insurance** (20.7% mkt share)	Revenue base supported by solid performance in the health sector
	YK Emeklilik	39	54%	53%	**#5 in life insurance** **#4 in private pensions[4]**	Strong revenue growth driven by above sector increase in pension fund volume and improving performance in the life insurance segment
International Subs	YK Azerbaijan	6 mln US$	37%	13%	**TL 560 mln** total assets	Revenue growth driven by increased in loan volume and branch openings (+4 new branches in 1Q12)
	YK Moscow	4 mln US$	-12%	11%	**TL 348 mln** total assets	Revenues impacted by ongoing margin pressure
	YK NV	9 mln EUR	2%	9%	**TL 4.1 bln** total assets	Revenues positvely impacted by upward loan repricing despite increasing funding costs

Note: Revenues in mln TL otherwise states. Market shares for leasing, factoring and insurance are based on 2011-end figures
(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) 16.0% as of 1Q12

Outlook for the remainder of 2012

YKB confirming soft-landing scenario

Macro

- **Moderate GDP growth with upward revision of consensus** *(2012E GDP growth: 4.4% vs 8.5% in 2011)*
- **Controlled inflation with downward trend expected from May'12 onwards** *(2012E avg 9.5%; end of period 6.9%)*
- **Continuation of TL-supportive, flexible and tight monetary policy** via interest rate corridor
- **Improvement trend in CAD expected to continue** *(2012E: 7.3% of GDP)*

Banking Sector

- **Positive volume growth expectations confirmed** *(2012E loan growth 15%; deposit growth 13%)*
- **Stable NIM with upside potential**
- **Slight asset quality deterioration** *(+30/40bps NPL ratio, <100bps CoR)*

Yapı Kredi

- **No revision to budget expectations**
- **Business volume growth slightly above sector**
- **Upside revenue potential via better NIM evolution to absorb possible asset quality pressure**

Strategy

Continued emphasis on key long-term strategic pillars

NIM / Liquidity Management

- **Faster repricing and optimisation of segment / loan / product mix**
- **Optimisation of deposit pricing** *(one-to-one deposit pricing project)*
- **Diversification of funding with increasing focus on wholesale borrowing**

Growth / Commercial Effectiveness

- **Growth focused on value generating segments**
- **Enhanced customer penetration, acquisition and cross-sell**
- **Continuation of organic growth**

Cost Efficiency / Optimisation of Cost to Serve

- **Sustained focus on efficiency improvements** *(new SME model, multichannel approach)*
- **Headcount optimisation**
- **Continuous search for lower cost-to-serve models**

Risk Management

- **Ongoing focus on asset quality to minimise pressure on cost of risk**
- **Further improvements in credit infrastructure and NPL / delinquent management** *(including collections, collateralisation)*
- **Investments in market risk to better manage interest rate / liquidity risk**

Agenda

- Operating Environment
- 1Q12 Results (BRSA Consolidated)
- Performance of Strategic Business Units & Subsidiaries
- Outlook / Strategy
- **Annex**

Agenda

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

Definitions of Strategic Business Units

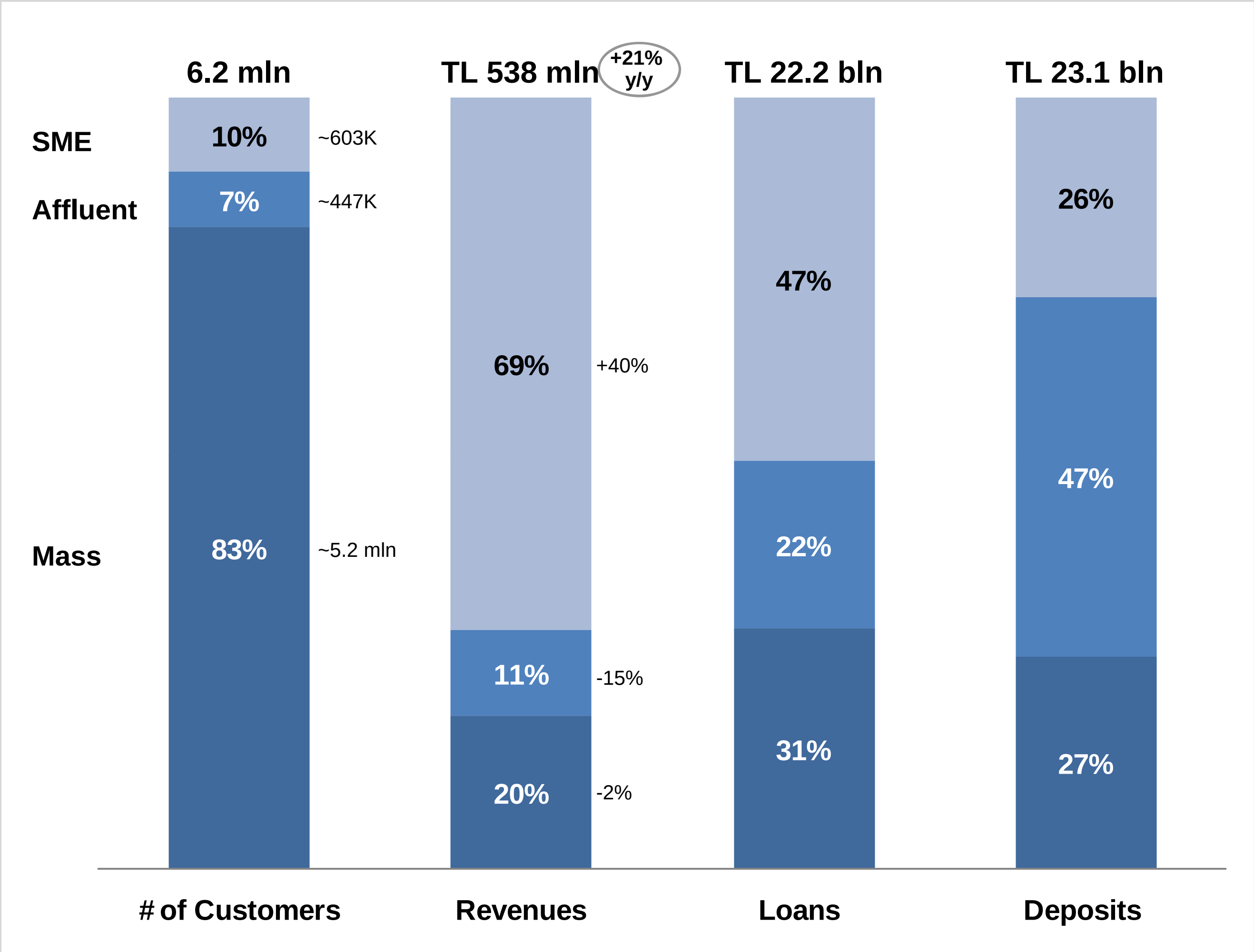
- **Retail:**
  - **SME:** Companies with turnover less than 5 mln US$
  - **Affluent:** Individuals with assets less than 500K TL
  - **Mass:** Individuals with assets less than 50K TL
- **Private:** Individuals with assets above 500K TL
- **Commercial:** Companies with annual turnover between 5-100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

Retail Banking

~ 69% of retail banking revenues generated by SME business

Retail Banking Composition (1Q12)

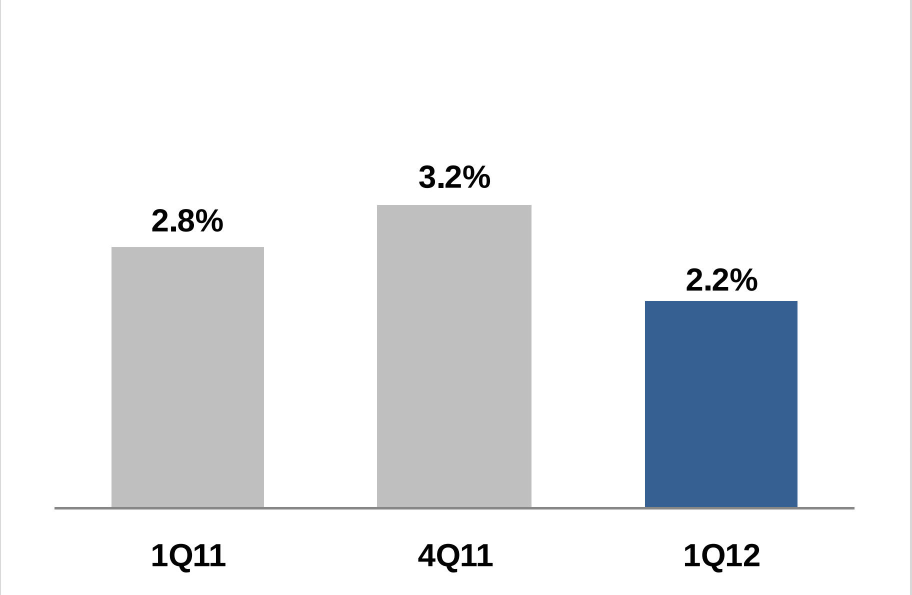


- **Mass Segment: ~5.2 mln active customers** generating:
  - 20% of retail revenues
  - 31% of retail loans
  - 27% of retail deposits
- **Affluent Segment: ~447K active customers** generating:
  - 11% of total retail revenues
  - 22% of retail loans
  - 47% of retail deposits
- **SME Segment: ~603K active customers** generating
  - 69% of total retail revenues
  - 47% of retail loans
  - 26% of retail deposits

Retail (Mass & Affluent)
Revenues impacted by regulatory changes

TL mln	1Q12	ytd
Revenues (y/y)	166	-7%
Loans	11,739	3%
Deposits	17,163	5%
AUM	2,376	-13%
% of Demand in Retail Deposits	17%	-1.5 pp
% of TL in Retail Deposits	74%	1.0 pp
% of TL in Retail Loans	99%	0.1 pp

Revenues / Customer Business[1]



- **Revenues -7% y/y** impacted by regulatory change on fees. NII +51% y/y driven by upward loan repricing and value generating growth
- **Loans +3% ytd** mainly driven by **general purpose loans** (+8%)
- **Deposits +5% ytd** driven by TL deposits (+6%)
- **Consumer loan NPL ratio at 2.9%**[2] (vs 2.6% at YE11) driven by minor rise in NPL volumes on the back of macroeconomic soft-landing

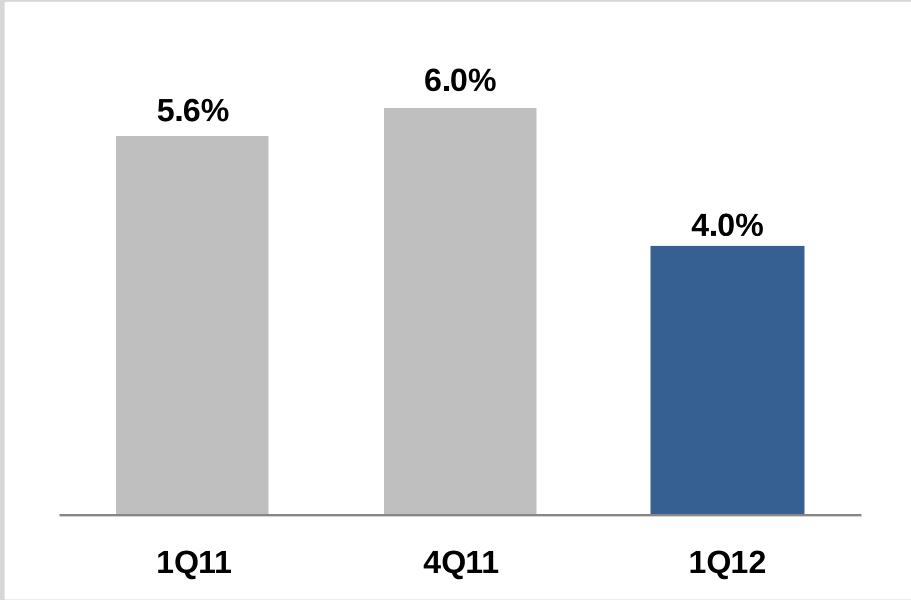
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM
(2) Excluding cross default

Retail (SME)

Solid revenue performance driven by focus on profitable products

TL mln	1Q12	ytd
Revenues (y/y)	372	40%
Loans	10,446	2%
Deposits	5,975	-3%
AUM	624	-21%
% of Demand in SME Deposits	41%	-4.7 pp
% of TL in SME Deposits	72%	-0.5 pp
% of TL in SME Loans	96%	0.5 pp

Revenues / Customer Business[1]



- **Revenues +40% y/y** driven by **continuing emphasis on profitable products** (ie overdraft) **to generate maximum value**
- **Loans +2% ytd** impacted by sluggish demand conditions
- **Deposits -3% ytd** driven by decline in TL deposits (-4%)
- **SME NPL ratio at 4.1%** (vs 3.9% at YE11) driven by minor rise in NPL volumes on the back of macroeconomic soft-landing

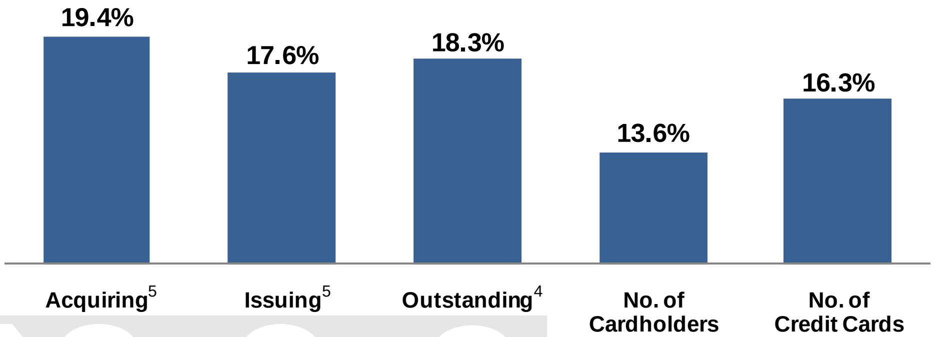
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Card Payment Systems

Growing volume and expanding credit card merchant base with maintained focus on profitability

	1Q12	ytd	y/y
Net Revenues[1] (mln TL)	179		-13%
# of Credit Cards[2] (mln)	8.5	2%	7%
# of Cardholders (mln)	5.1	2%	-
# of Merchants (ths)	337	3%	5%
# of POS (ths)	432	0%	6%
Activation	84%	-	-

Market Shares[3]



	Acquiring[5]	Issuing[5]	Outstanding[4]
Volume (bln TL)	15.5	14.1	10.9
YoY growth	18%	19%	28%

- **Revenues** impacted by **decline in net interest income** due to **cost of funding increasing faster than cap rate**
- **Highest amount of payment system fees and commissions** in the sector (1Q12: TL 254 mln)
- **Credit card NPL ratio at 3.7%** (vs 3.5% at YE11) impacted by minor rise in NPL volumes on the back of macroeconomic soft-landing

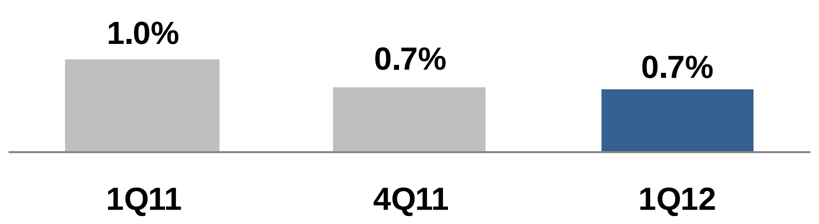
(1) Card payment systems revenues (net off worldcard loyalty point expenses) include POS revenues. POS portion is also recognised in other related segment revenues
(2) Including virtual cards (2011: 1.4 mln, 1Q12: 1.4 mln)
(3) Market shares based on bank-only figures
(4) Outstanding volume is the sum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

Private

Revenues impacted by decrease in liquid fund management fee cap

TL mln	1Q12	ytd
Revenues (y/y)	31	-12%
Loans	238	-9%
Deposits	16,445	-1%
AUM	2,408	14%
% of Demand in Private Deposits	4%	0.2 pp
% of TL in Private Deposits	61%	2.3 pp
% of TL in Private Loans	82%	0.7 pp

Revenues /Customer Business[1]



- **Revenues -12% y/y** impacted by **decrease in regulatory cap of liquid management fees** (cap at 1.1% in 1Q12 vs 3.65% in 1Q11)
- **Deposits -1% ytd** driven by decline in FC deposits (-1% US$ terms)
- **AUM +14%**
- **Continous synergies with assset management and invest product factories** allowing diversified customer product portfolio

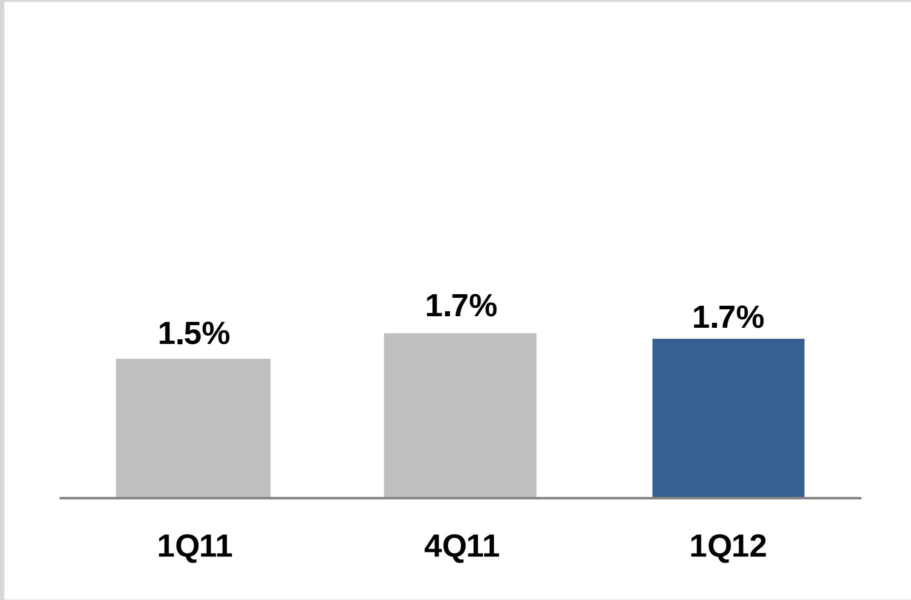
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Corporate

Revenues driven by positive impact of upward loan repricing despite decline in volumes

TL mln	1Q12	ytd
Revenues	103	34% ↑
Loans	11,379	-6% ↓
Deposits	12,586	-11% ↓
AUM	6	-66% ↓
% of Demand in Corporate Deposits	8%	2.2 pp
% of TL in Corporate Deposits	37%	8.3 pp
% of TL in Corporate Loans	16%	3.4 pp

Revenues /Customer Business[1]



- **Revenues +34% y/y** positively impacted by upward loan repricing
- **Loans -6% ytd** (currency adjusted flat) driven by FC loans (-3% in US$ terms) despite solid growth in TL loans (+20%)
- **Deposits +11%** driven by FC deposits (-16% in US$ terms) due to release of costly big ticket deposits
- **Asset quality maintained** (Corporate/Commercial NPL ratio at 2.7%, +1pp vs YE11)

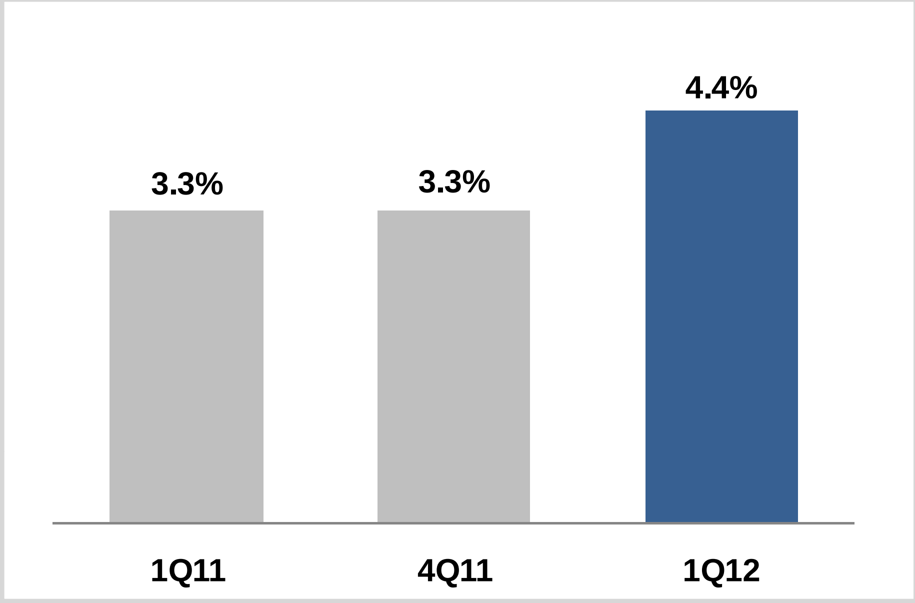
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Commercial

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

TL mln	1Q12	ytd
Revenues	281	34%
Loans	18,367	0%
Deposits	7,419	-6%
AUM	179	-11%
% of Demand in Commercial Deposits	33%	-3.4 pp
% of TL in Commercial Deposits	49%	2.3 pp
% of TL in Commercial Loans	35%	3.3 pp

Revenues /Customer Business[1]



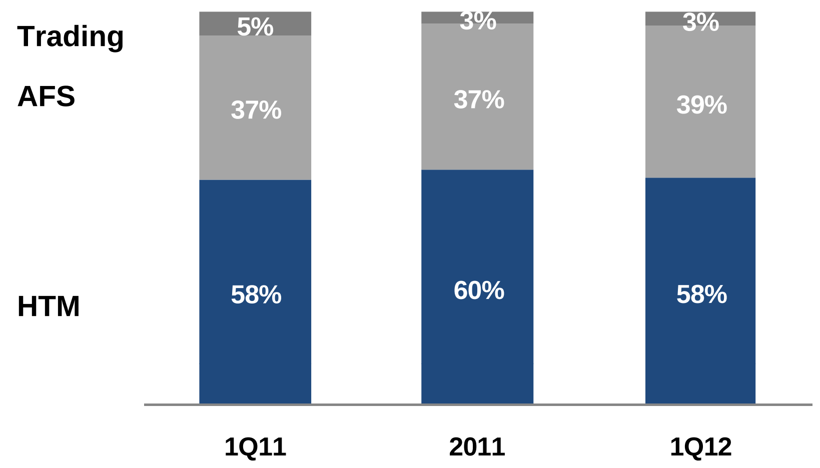
- **Revenues +34%** driven by significant margin expansion due to upward loan repricing
- **Loans flat** (currency adjusted 4%) driven by **focused approach on mid-commercial sub-segment** (growth +9%)
- **Deposits -6%** driven by FC deposits (-5% in US$ terms) due to release of costly big ticket deposits
- **Asset quality maintained** (Corporate/Commercial NPL ratio at 2.7%, +1pp vs YE11)

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

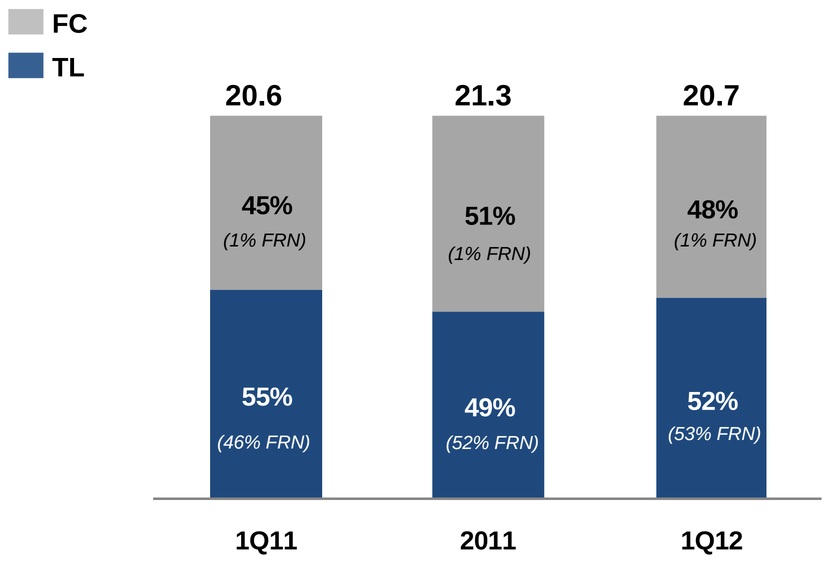
Securities

58% of securities portfolio invested in HTM

Securities Composition by Type



Securities Composition by Currency (TL bln)



- **Share of securities in total assets at 18%** (stable vs YE11)
- **Share of Held to Maturity** (HTM) **at 58%** (vs 60% at YE11). **Share of AFS portfolio at 39%** (vs 37% at YE11) driven by focus on effective liquidity management
- **Share of TL securities in total securities at 52%** (vs 49% at YE11)

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$ 1,275 mln 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	**~€1,480 mln 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% (cost), 5 years
	Multinational Loans	▪ **EIB Loan - Jul 08-Dec 10:** €380 mln, 5-15 years ▪ **IBRD (World Bank) Loan - Nov 08:** US$ 25 mln, Libor+1.50% p.a, 6 years ▪ **EBRD Loan - Aug 11:** €30 mln, 5 years
Domestic	Local Currency Bonds / Bills	**TL 1.85 bln bond issue** ▪ **Oct 11:** TL 150 mln, 9.08% compounded cost, 368 days maturity ▪ **Dec 11:** TL 1 bln, 10.92% compounded cost, 168 days maturity ▪ **Feb 12:** TL 400 mln, 10.22% compounded cost ,161 days maturity; TL 150 mln, 10.21% compounded cost, 368 days maturity ▪ **Mar 12:** TL 150 mln, 10.49% compounded cost, 374 days maturity