

Yapı Kredi 1H13 Earnings Presentation

Customer-oriented sustainable results

Agenda

 **1H13 Results (BRSA Consolidated)**

 Annex

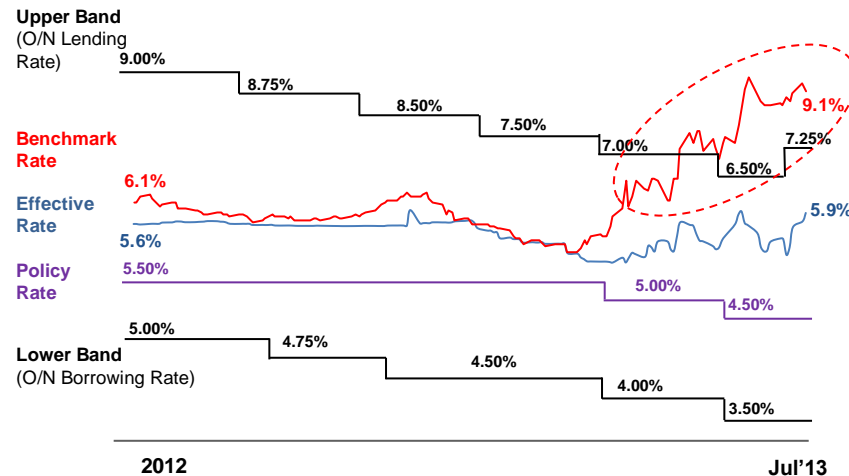
Macro backdrop intact supported by flexible monetary policy

Key Macro Indicators

	2012	1Q13	2Q13
GDP Growth	2.2%	3.0%	2.3% ³
Inflation	6.2%	7.3%	8.3%
Industrial Production (IP) ¹	2.5%	2.5%	1.9%
Consumer Confidence Index (eop)	73.6	74.9	76.2
Current Account Deficit (CAD)/GDP ¹	6.0%	5.9%	6.4%
Unemployment Rate ²	9.2%	9.2%	9.4% ⁴

- **GDP growth** driven by public consumption and investment
- **Inflation impacted by temporary volatility** in unprocessed food prices yet core inflation on a downward trend
- **Industrial production slowing down** via weak exports
- **Consumer confidence index continuing to improve**, yet sustainability to be seen
- **Current Account Deficit increasing** due to decline in gold exports and weak exports
- **Unemployment rate remaining at single-digit**

Monetary Policy

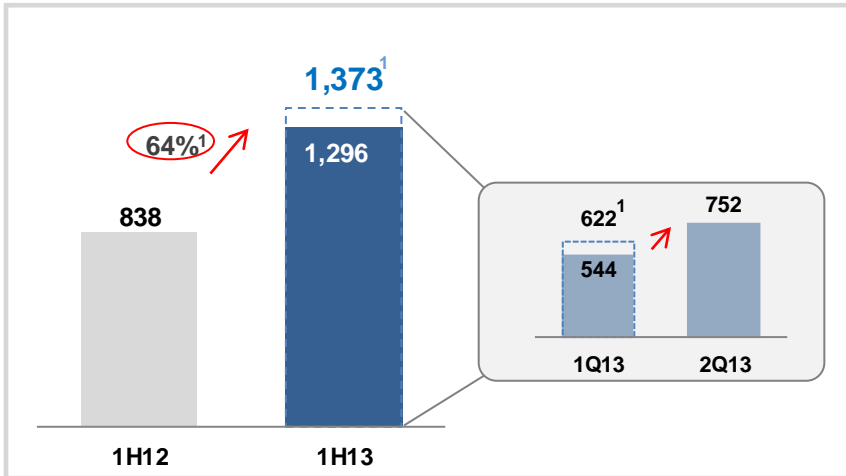


- **Till mid-2Q, CBRT focused on supporting growth via rate cuts** (100bps cut in policy rate and 250 bps cut in upper band of corridor)
- **Following FED announcements / domestic political developments at end-May, CBRT focused on preventing TL depreciation via**
 - FX sale auctions (US\$ 6.9 bln sale since 10 Jun'13)
 - 75 bps increase in upper band of corridor⁵
- **In the upcoming period, other available means of FX liquidity could be used if necessary** (ie changes to ROC, RRR, corridor, policy rate)

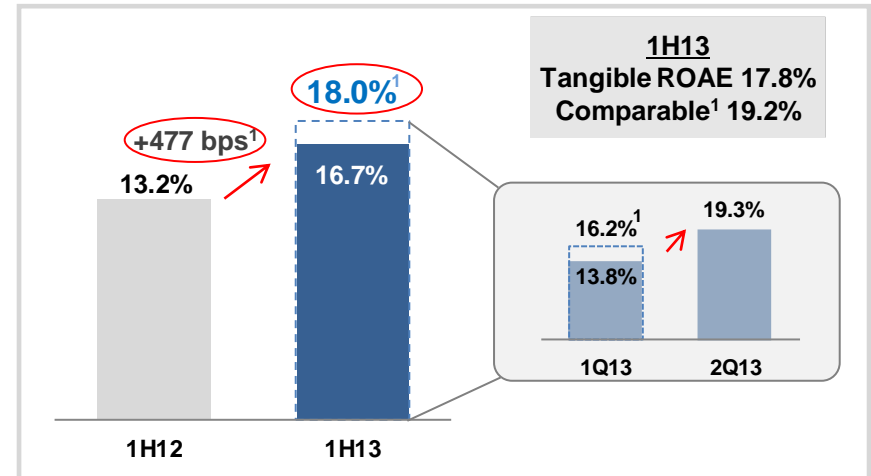
(1) As of May'13
 (2) Seasonally adjusted
 (3) YK Economic research estimate used for 2Q13 GDP growth, as of Aug'13
 (4) As of Apr'13
 (5) For primary dealers on extraordinary days, CBRT increased the overnight lending rates (upper band of interest rate corridor) by 125 bps

Key performance indicators consistently strong with further improvement in 2Q

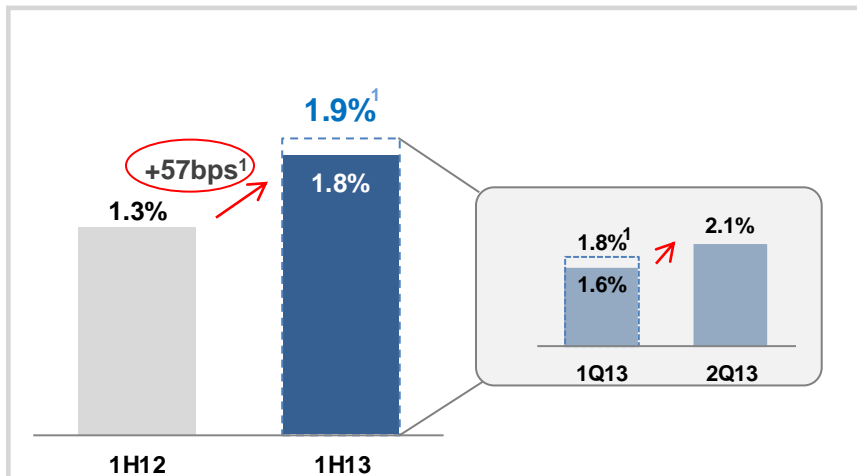
Net Income (TL mln)



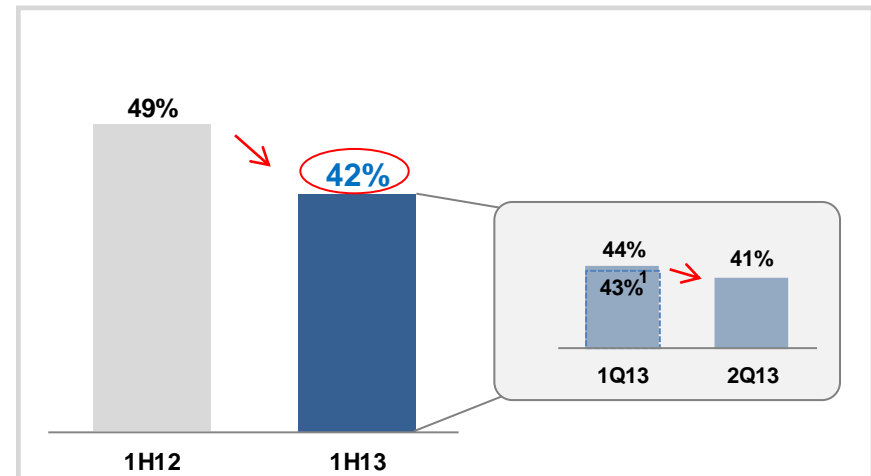
Return on Average Equity²



Return on Assets³



Cost/Income



(1) Comparable basis: 1H13 adjusted to exclude 57 mln TL sub-debt early repayment penalty in net interest income (1Q13) and competition board fine in other provisions (1Q13). Comparable ROAE calculation based on: (average 2012 shareholders equity + 1H13 shareholders equity) to exclude mtm impact of transfer to AFS (from HTM) in 4Q12
 (2) Calculations based on the average of current period equity (excluding current period profit) and prior year equity. Annualised
 (3) Calculations based on net income / end of period total assets. Annualised

1H13 Highlights

- **Net income at TL 1,296 mln (+64%¹ y/y)** driven by:
 - **Sustainable revenue growth (+31%¹ y/y)** on the back of **solid core revenue performance (+22%¹ y/y)** with **double-digit net interest income and fee growth**
 - **Cost discipline maintained (+9%² y/y, 12% y/y reported)**
 - **Asset quality in line with expectations.** Cost of Risk (net of collections) at 1.14%
- **Year-to-date, loans +12% and deposits +10%** with acceleration in 2Q
 - **Leadership position in credit cards reinforced by market share gains in all parameters** (market share between 17/33%)
 - **Number of customers up to 9.6 mln³** (of which 6.6 mln active)
- **Tangible ROAE at 19.2%¹** and **Bank Capital Adequacy Ratio at 15.8%** despite market volatility and business growth
- **Sale of insurance businesses finalised** in Jul'13 with **TL 1,243 mln⁴ capital gain**

(1) Comparable basis: 1H13 adjusted to exclude 57 mln TL sub-debt early repayment penalty in net interest income (1Q13) and competition board fine in other provisions (1Q13).

Comparable ROAE calculation based on: (average 2012 shareholders equity + 1H13 shareholders equity) to exclude mtm impact of transfer to AFS (from HTM) in 4Q12

(2) 1H13 operating costs excluding impact of retail business expansion in Azerbaijan and regulatory costs, including increase in SDIF premiums

(3) Customers which meet the active customer criteria at least once and are assigned to a portfolio within the last 1 year

(4) To be booked in Yapı Kredi's 3Q13 solo BRSA financial statements (before tax)

TL 1,296 mln net income driven by strong revenue performance and cost discipline

TL mln	1Q13	2Q13	1H12	1H13	y/y	Comparable Basis ²
Total Revenues	1,815	2,160	3,067	3,975	30%	31%
Operating Costs	798	877	1,497	1,675	12%	9%
Operating Income	1,017	1,283	1,570	2,300	46%	
Provisions	366	351	553	717	30%	24%
Pre-tax Income	651	932	1,017	1,583	56%	
Discontinued Operations ¹	25	28	78	53	-32%	
Net Income	544	752	838	1,296	55%	64%

- **Revenues +30% y/y (+31% on a comparable basis²)** with solid performance in core revenues and supported by other income
- **Costs +12% y/y (+9% on a comparable basis²)** driven by organic growth in Turkey and expansion of retail business in Azerbaijan
- **Provisions +30% y/y (+24% on a comparable basis²)**
- **Net income at TL 1,296 mln (+55% y/y, +64% on a comparable basis²)**

(1) On 12 July 2013, sale of insurance businesses to Allianz finalised (94% stake in YK Sigorta which owns 100% of YK Emeklilik). 20% stake in YK Emeklilik is retained. Insurance subsidiaries have been classified as "discontinued operations" in BRSA financials. 1H12 results have been restated for comparability purposes

(2) Comparable basis: 1H13 adjusted to exclude 57 mln TL sub-debt early repayment penalty in net interest income (1Q13) and competition board fine in other provisions (1Q13). 1H13 operating costs excluding impact of retail business expansion in Azerbaijan and regulatory costs, including increase in SDIF premiums

Unyielding focus on customer-oriented strategy with increasing pace of growth in 2Q

Balance Sheet

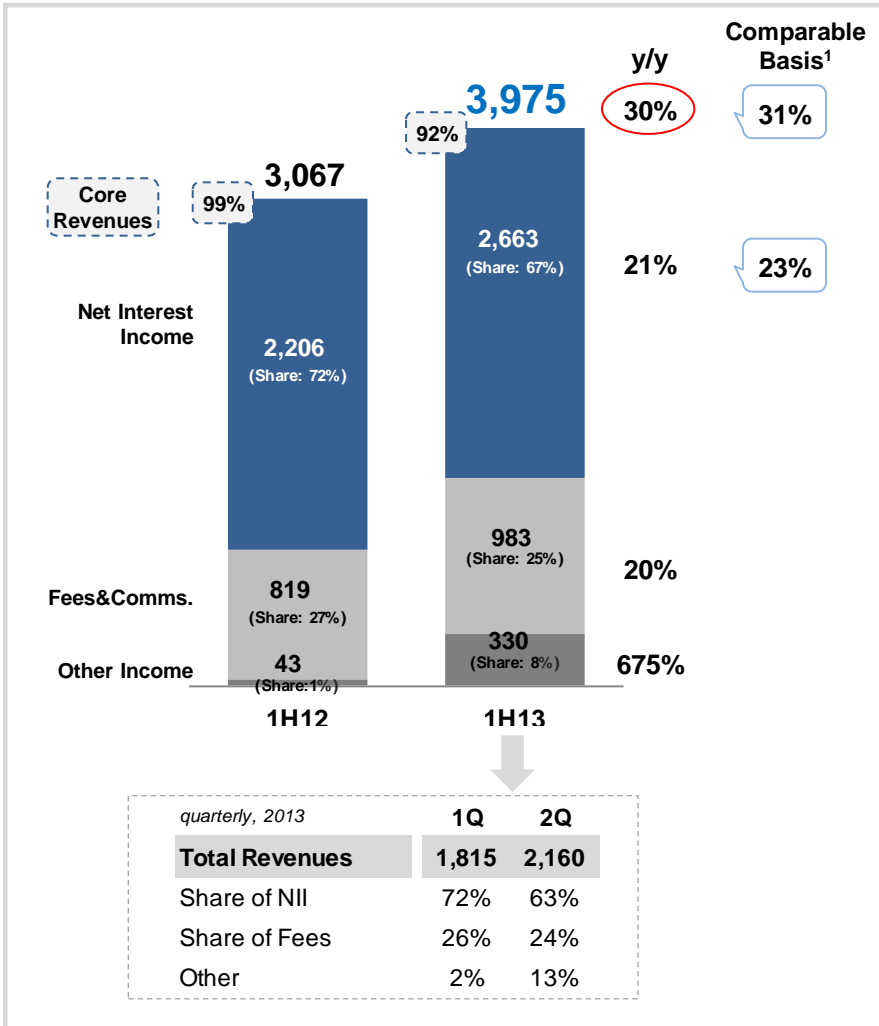
TL bln	2012	2Q13	1Q Growth	2Q Growth	YTD
Total Assets	131.5	143.2	3%	6%	9%
Loans	77.8	86.9	4%	8%	12%
Securities	22.5	21.4	-7%	2%	-5%
Deposits	71.1	77.9	4%	6%	10%
Borrowings	23.4	26.2	7%	4%	12%
Shareholders' Equity	16.0	16.3	1%	1%	2%
Assets Under Management	9.6	11.0	5%	9%	15%
Loans/Assets	59%	61%			
Securities/Assets	17%	15%			
Loans/Deposits	109%	112%			
Loans/(Deposits+TL Bonds)	107%	109%	With insurance sale impact in 3Q:		
Group CAR (Basel II)	15.2%	14.8%	Group: >15.5%		
Bank CAR (Basel II)	16.3%	15.8%	Bank: >16.5%		

- **Acceleration in loan growth** (+8% in 2Q vs +4% in 1Q)
- **Loans/assets at 61%, securities/assets at 15%** confirming customer-orientation
- **Acceleration in deposit growth** (+6% in 2Q vs +4% in 1Q)
- **Loans/deposits ratio at 112%**, (109% including local TL bonds)
- **Bank CAR at 15.8%** (vs 16.0% in 1Q), Group CAR at 14.8% (vs 14.7% in 1Q)

Note: Loans indicate performing loans

Robust revenue growth with ongoing strong core revenue performance and increased contribution of other income in 2Q

Revenues (TL mln)



Other Income Breakdown (TL mln)

	1Q13	2Q13	1H12	1H13
Total Other Income	37	293	43	330
Trading&FX (net)	-88	202	-79	114
<i>o/w Eurobond Sale Gain</i>	-	230	-	230
Collections & Provision Reversals	80	31	11	111
Subs & other	45	60	111	105

- Core revenues/revenues high at 92%, ensuring sustainability. Core revenues +22% y/y¹
- Other income/revenues (8%) mainly driven by:
 - Eurobond sales from AFS portfolio in 2Q offsetting m-t-m impact of derivative instruments
 - Higher collections vs 1H12
- Unrealised m-t-m gains from AFS securities under equity at TL 411 mln in Jun'13 (vs TL 1.2 bln in 1Q13), improving as of Jul'13

Note: Core revenues indicate net interest income and net fees & commissions

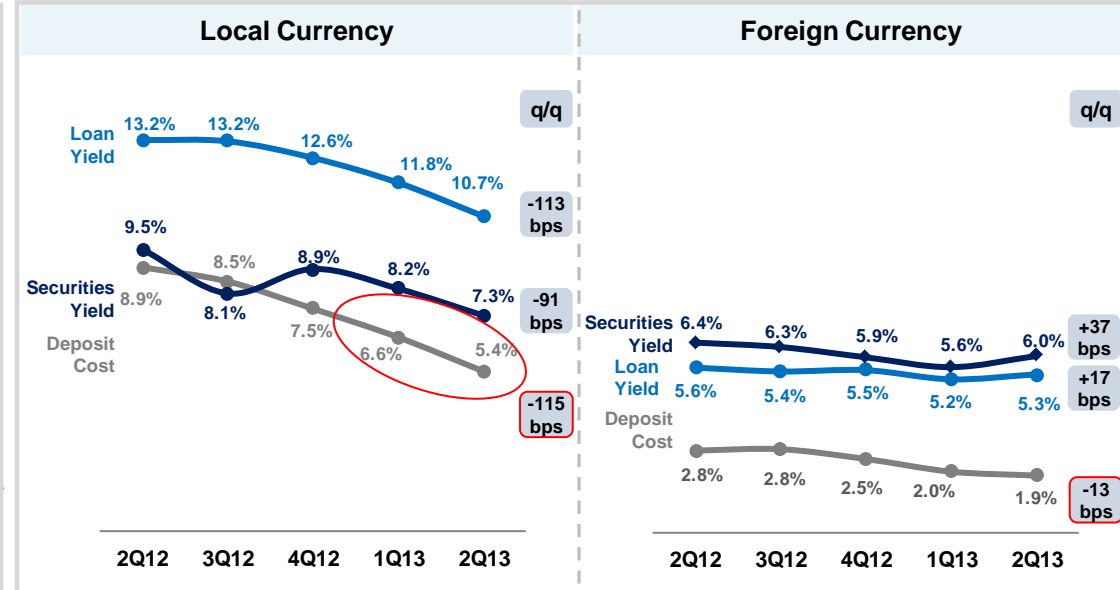
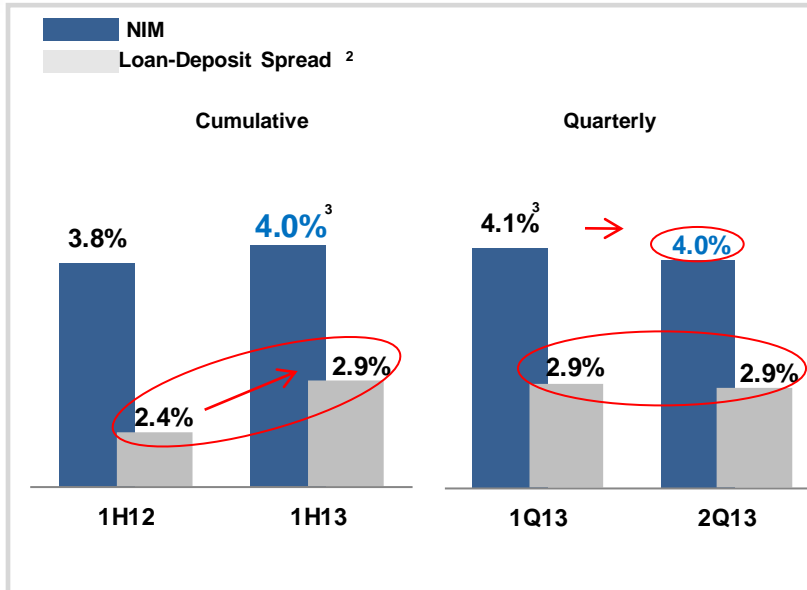
(1) Comparable basis: 1H13 adjusted to exclude 57 mln TL sub-debt early repayment penalty in net interest income (1Q13) and competition board fine in other provisions (1Q13)

Positive annual NIM evolution and relatively stable 2Q trend thanks to disciplined pricing ensuring significant decline in deposit costs

Net Interest Margin

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

Yields and Costs (bank-only)



- Cumulative NIM at 4.0%³ (+20 bps y/y)
 - Quarterly NIM at 4.0% (-10 bps q/q) supported by **successful management of deposit costs**
- Cumulative loan-deposit spread at 2.9% (+44 bps y/y)
 - Quarterly loan-deposit spread stable at 2.9% in 2Q driven by **better evolution of deposit costs vs loan yields**

Notes: NIM and yield on securities exclude effect of reclassification between interest income and other provisions related to amortisation of issuer premium on securities (as per BRSA).

Reported NIM figures as follows: 1H12: 3.9%, 1H13: 4.1%, 1Q13: 4.1%, 2Q13: 4.1%

Yield on loans and securities and cost of deposits based on average volumes. Loan yields calculated using performing loan volume and interest income

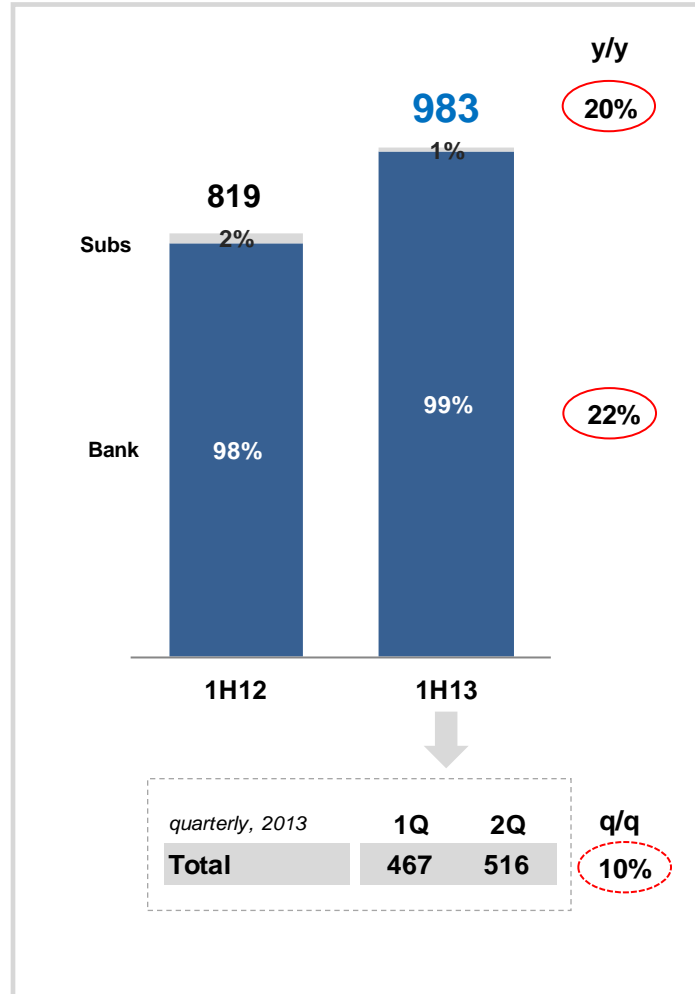
(1) NIM=Net interest income/Average Interest Earning Assets Volume

(2) Loan-Deposit Spread=(Interest Income on Loans-Interest Expense on Deposits)/Average(Loans+Deposits)

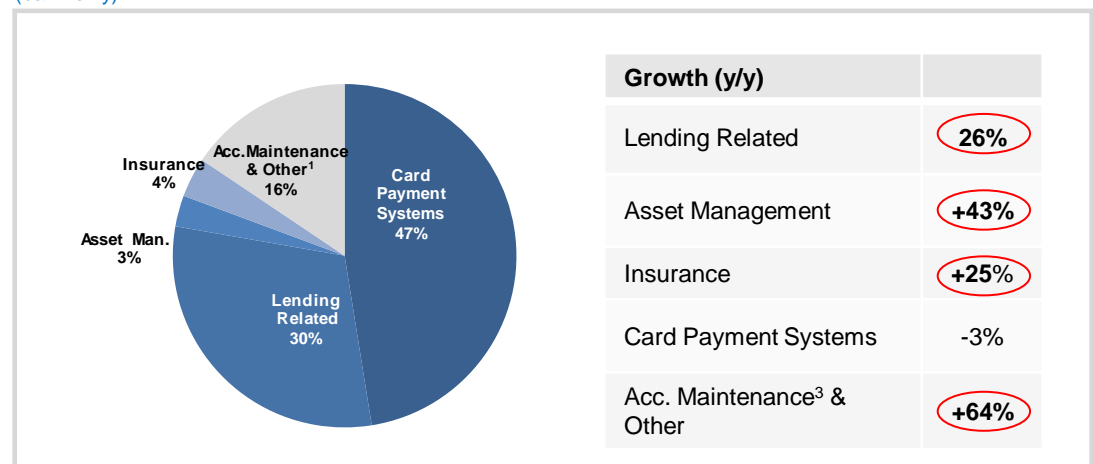
(3) Adjusted to exclude 57 mln TL sub-debt early repayment penalty in net interest income

Bank fees +22% y/y mainly driven by consumer lending, account maintenance fee and asset management

Net Fees & Commissions (TL mln)



Fees Received Composition (bank-only)



- **Lending related fees +26% y/y** supported by consumer lending
- **Asset management fees +43% y/y** via strong pension fund volume
- **Insurance fees +25% y/y** driven by bancassurance
- **Card payment system fees -3% y/y** impacted by lower interchange fee rates²
- **Other fees +64% y/y** due to change in collection period of seasonal account maintenance fees³

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

(2) Interchange fee at 0.73% in 1H13 vs 1.15% in 1H12. Currently 0.66%

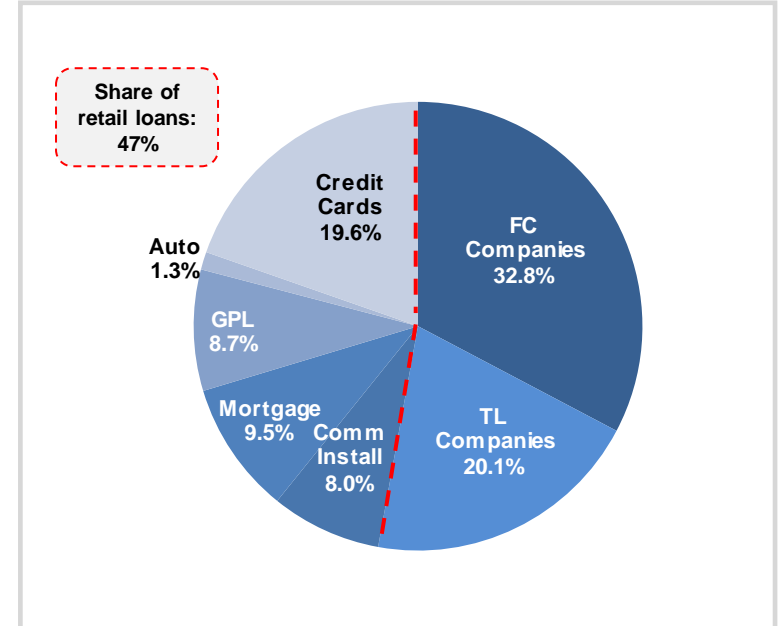
(3) In 2013, account maintenance fees collected in 2Q and 4Q (vs 3Q and 4Q in previous years)

Solid lending growth with improving trend in 2Q driven by credit cards, mortgages, GPLs and project finance

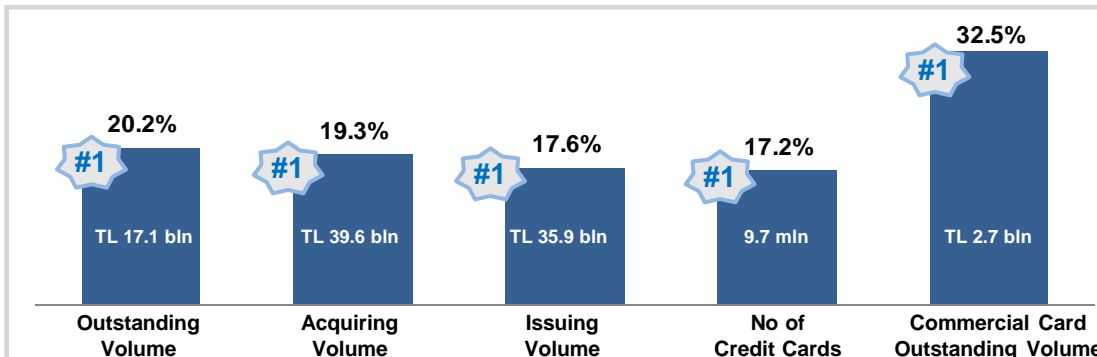
Loans

	YKB 2Q13	YKB 1Q13Δ	YKB 2Q13Δ	YKB 1H13Δ	Curr. Adj.	Market Share
Total Loans¹	86.9	4%	8%	12%	10%	9.6%
TL	58.5	2%	6%	8%		9.3%
FC (\$)	14.8	3%	6%	10%		10.4%
Consumer Loans	17.0	6%	5%	11%		7.8%
Mortgages	8.3	8%	6%	15%		9.0%
General Purpose	7.6	5%	4%	10%		6.5%
Auto	1.1	-7%	2%	-5%		13.9%
Credit Cards	17.1	5%	12%	18%		20.2%
Companies²	52.9	2%	7%	10%	6%	8.7%
TL	24.4	-3%	2%	-1%		7.5%
FC (\$)	14.8	3%	6%	10%		10.4%

Loan Composition



Credit Cards



■ Leadership position in credit cards reinforced by market share gains in all parameters (market share between 17/33%)

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

(1) Total performing loans

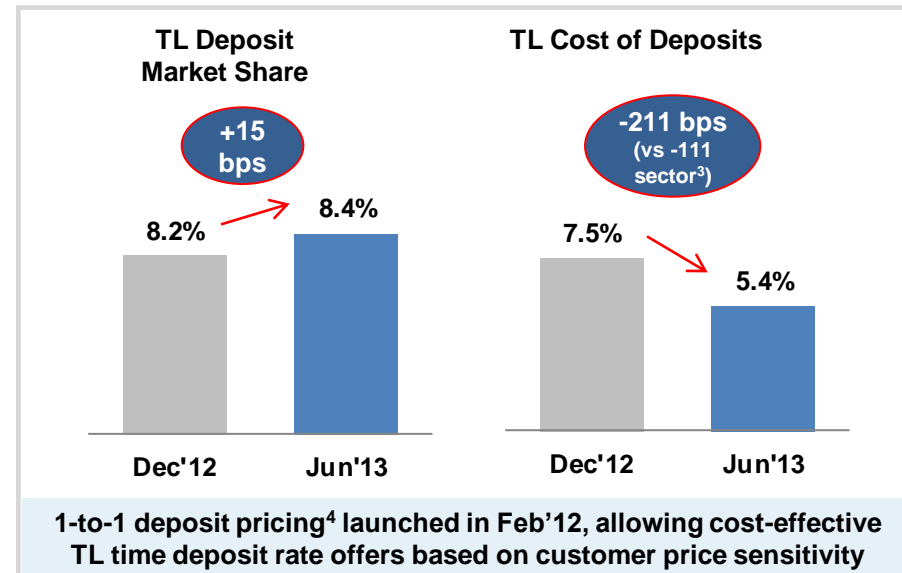
(2) Total loans excluding consumer loans and credit cards

Market share gain in TL deposits accompanied by significant improvement in deposit cost also thanks to 1-to-1 deposit pricing approach

Deposits

	YKB 2Q13	YKB 1Q13Δ	YKB 2Q13Δ	YKB 1H13Δ	Curr. Adjusted	Market Share
Total Deposits	77.9	4%	6%	10%	7%	9.1%
TL	45.1	10%	0%	10%		8.4%
FC (\$)	17.0	-9%	8%	-2%		10.4%
Customer Deposits ¹	76.4	3%	7%	10%		9.5%
Demand Deposits	12.6	3%	4%	7%		8.0% ²

1-to-1 Deposit Pricing Approach



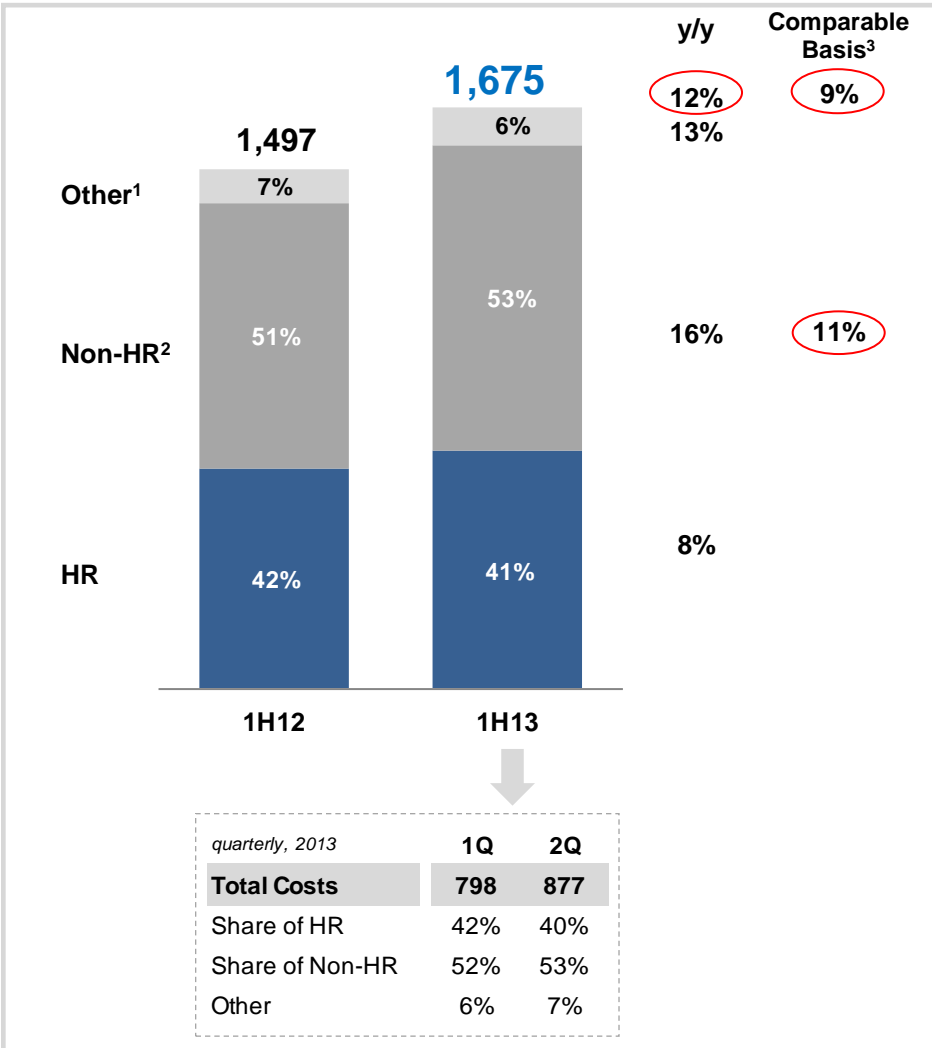
- Deposit growth 10% ytd driven by TL deposits (+10%)
- TL deposits stable in 2Q due to focus on disciplined pricing
- Since Dec'12, +15 bps market share gain with better than sector deposit cost evolution (-211bps vs -111bps sector³)

Note: Market shares based on unconsolidated figures for YKB and sector

- (1) Customer deposits exclude bank deposits
- (2) Including bank demand deposits
- (3) Based on monthly BRSA data as of May'13
- (4) Covers TL time deposits for individuals

Ongoing cost control

Total Costs (mln TL)

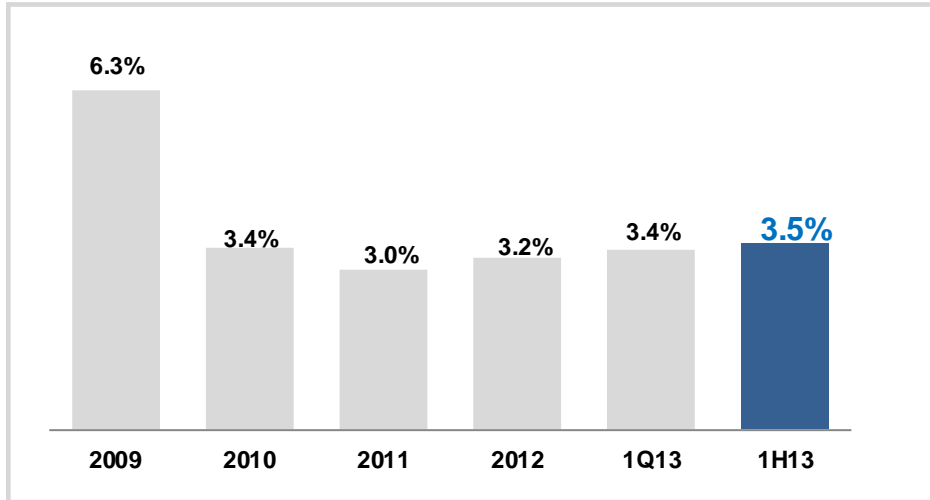


- **Total costs +12% y/y** (9% on a comparable basis³) driven by:
 - **HR costs +8% y/y. Group headcount +241 in 1H to 17,702**
 - **Non-HR costs +16% y/y** (11% on a comparable basis³) impacted by organic growth in Turkey and expansion of retail business in Azerbaijan
 - **Other costs +13% y/y** impacted by solid growth in credit card issuing volume reflecting in credit card loyalty points

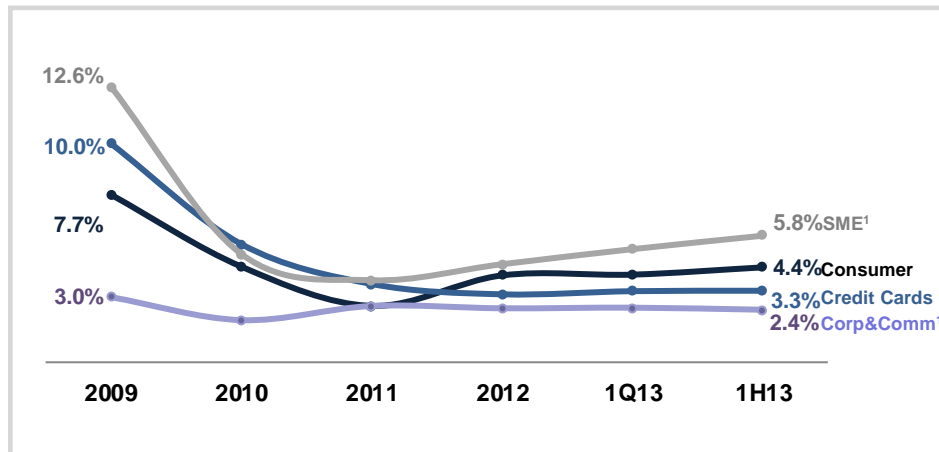
(1) Other includes pension fund provisions (25 mln TL in 1H13 vs 22 mln TL in 1H12) and loyalty points on Worldcard
 (2) Non-HR costs include HR related non-HR, advertising, rent, SDIF premium, taxes, depreciation and branch tax
 (3) Excluding impact of retail business expansion in Azerbaijan and regulatory costs, including increase in SDIF premiums

Asset quality trend in line with expectations

NPL Ratio



NPL Ratio by Segment



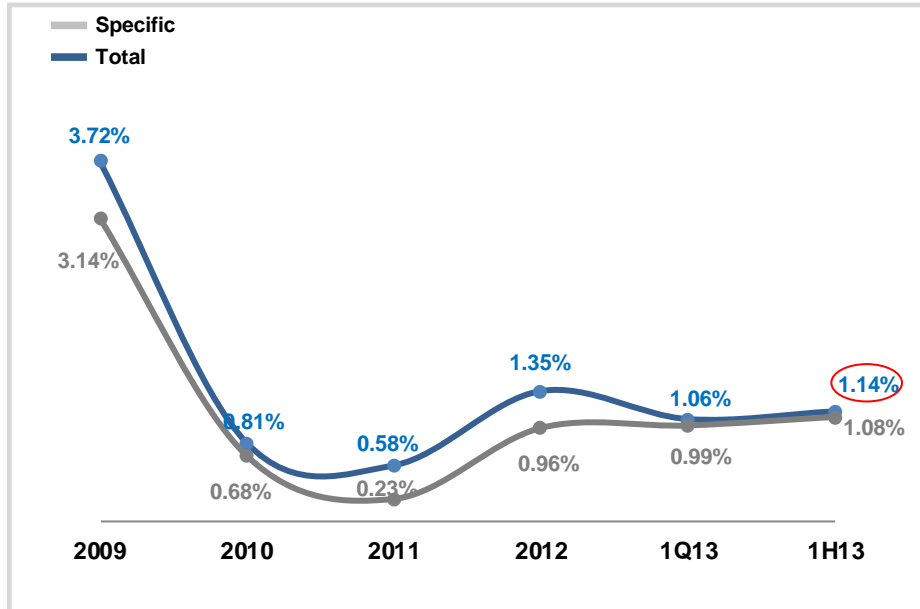
- **NPL ratio at 3.5%** (vs 3.4% in 1Q13) driven by **solid evolution in all segments** also thanks to improvement in monitoring, delinquency management and scoring

- **SME inflows starting to stabilise** from June onwards and better vs 2H12
- **Credit cards / consumer loans relatively stable**
- **Corporate / commercial resilient**

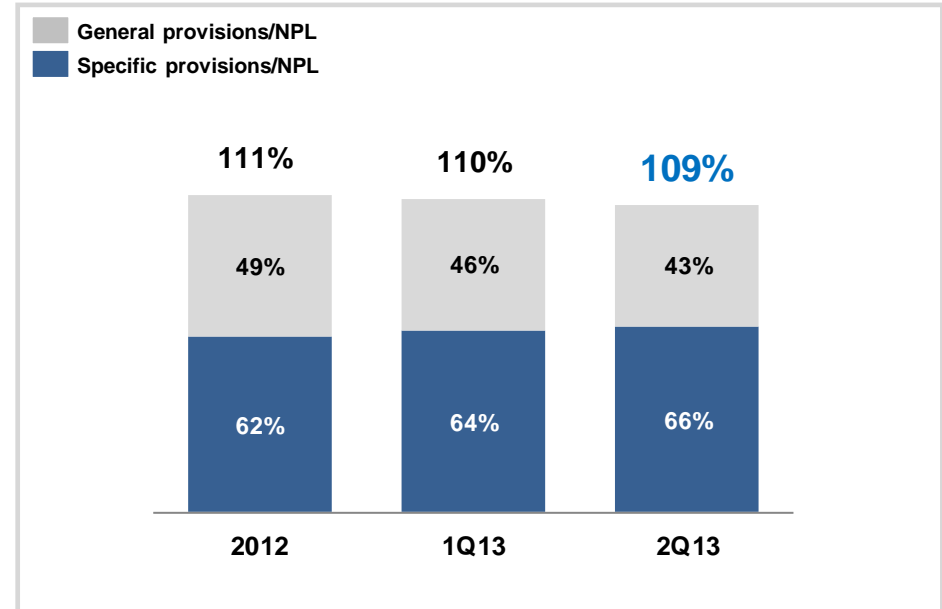
(1) As per YKB's internal segment definition, SMEs: companies with annual turnover <5 mln US\$. Corporate & Commercial: companies with annual turnover >5 mln US\$

CoR at 1.14% with relatively stable NPL coverage

Cost of Risk¹ (Cumulative, net of collections)



Specific and General Provisioning



- **Total NPL coverage² at 109%** (vs 110% in 1Q13) with **specific coverage up to 66%** (+2 pp vs 1Q13)
- **Total cost of risk (net of collections) at 1.14%** (vs 1.06% at 1Q13) impacted by slight increase in specific CoR (1.08%)

(1) Cost of risk = (total loan loss provisions – collections)/total gross loans
 (2) Total NPL coverage indicates (specific + general provisions)/NPLs

Outlook for the remainder of 2013

2013 Guidance

		Previous	Current	
MACRO	GDP Growth	Slower growth vs previous guidance due to lower contribution of net exports and weaker domestic demand	4.8%	3.4%
	Inflation	Controlled despite higher impact of currency pass-through and unprocessed food/energy prices	6.4%	7.2%
	Benchmark Rate	Higher vs previous guidance parallel to volatility in global markets and domestic political developments	5.7/6.0%	8.7%
	CAD / GDP	Slightly increased pressure due to weaker exports and volatility in global markets	6.6%	6.9%
Yapi Kredi	Loan Growth	In line with sector loan growth incorporating seasonal slowdown in 3Q followed by pick-up in 4Q	18%	18%
	Deposit Growth	Above sector growth with flexible deposit gathering strategy	17%	17%
	NIM	Positive 1H13 trend supporting NIM , subject to funding costs	Stable/Slightly Down	Slightly Down
	Fees	Continuation of focused approach supported by volumes	17%	17%
	Cost	Normalisation in 3Q followed by seasonal pick up in 4Q	9%	9%
	Cost of Risk	Specific CoR controlled, general CoR dependent on volumes	Stable / Slightly Down	Stable / Slightly Down

Agenda

■ 1H13 Results (BRSA Consolidated)

■ **Annex**

Strategic Business Units

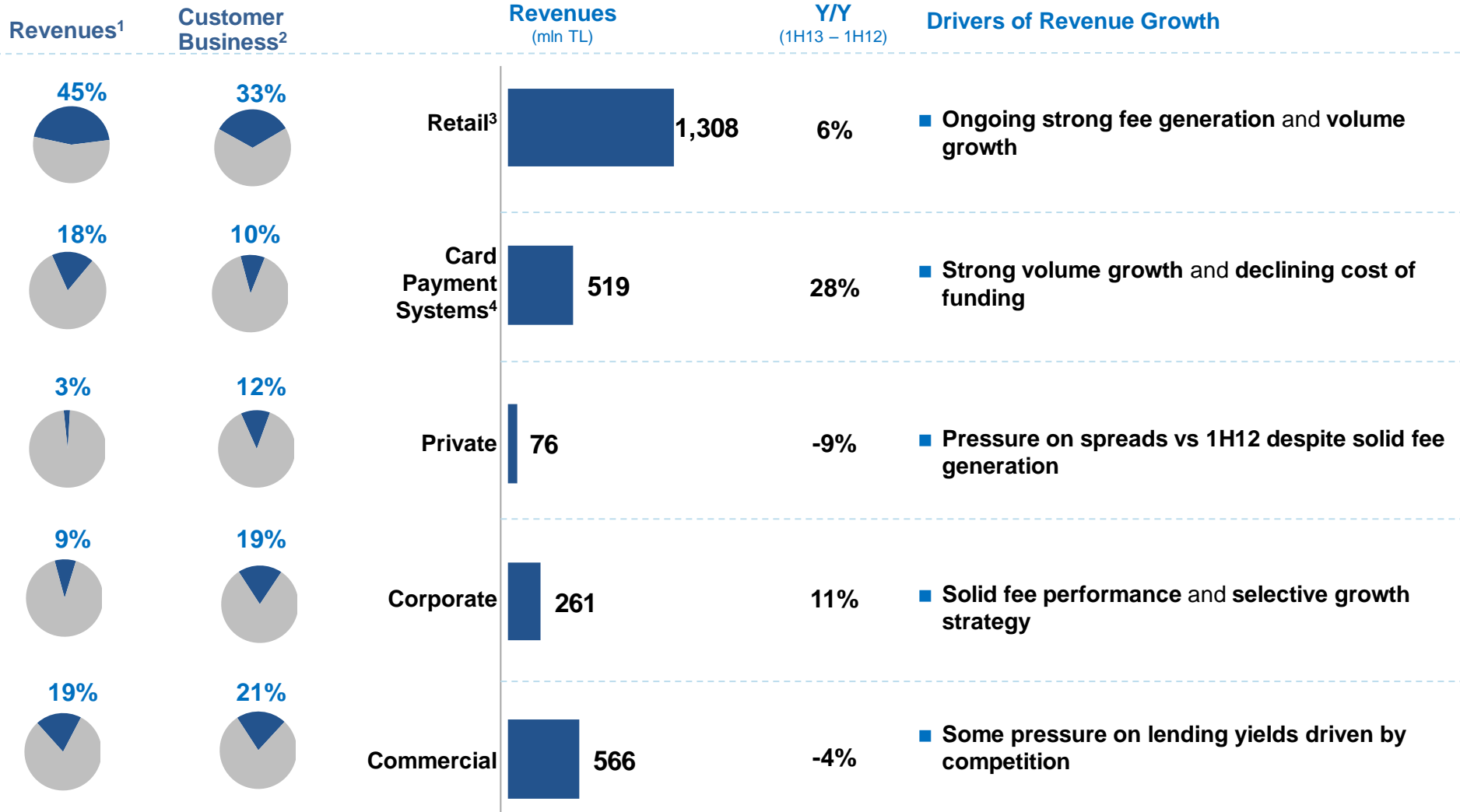
- **Retail:**
 - **SME:** Companies with turnover less than 5 mln US\$
 - **Affluent:** Individuals with assets less than 500K TL
 - **Mass:** Individuals with assets less than 50K TL
- **Private:** Individuals with assets above 500K TL
- **Commercial:** Companies with annual turnover between 5-100 mln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

Performance of Business Units

Business Units (bank only)

Weight in Bank



(1) Total share of business units at 94% in 1H13. The remaining 6% 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

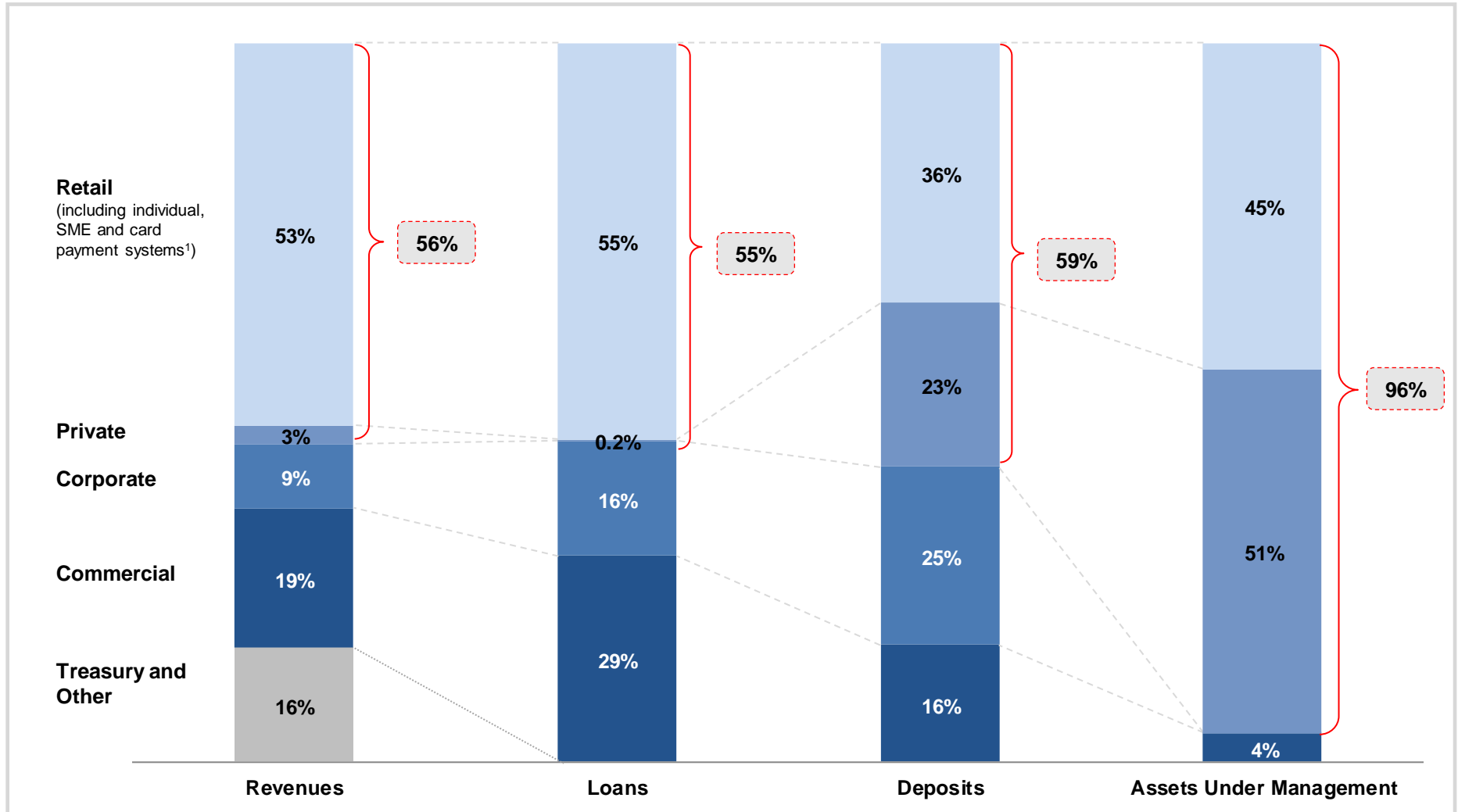
(4) Card payment systems revenues (net of Worldcard loyalty point expenses) include POS revenues. POS portion is also recognised in other related segment revenues

Note: All figures based on MIS data

Revenues and Volumes by Business Unit

Strategic Business Units

Revenues and Volumes by Business Unit (1H13, Bank only)

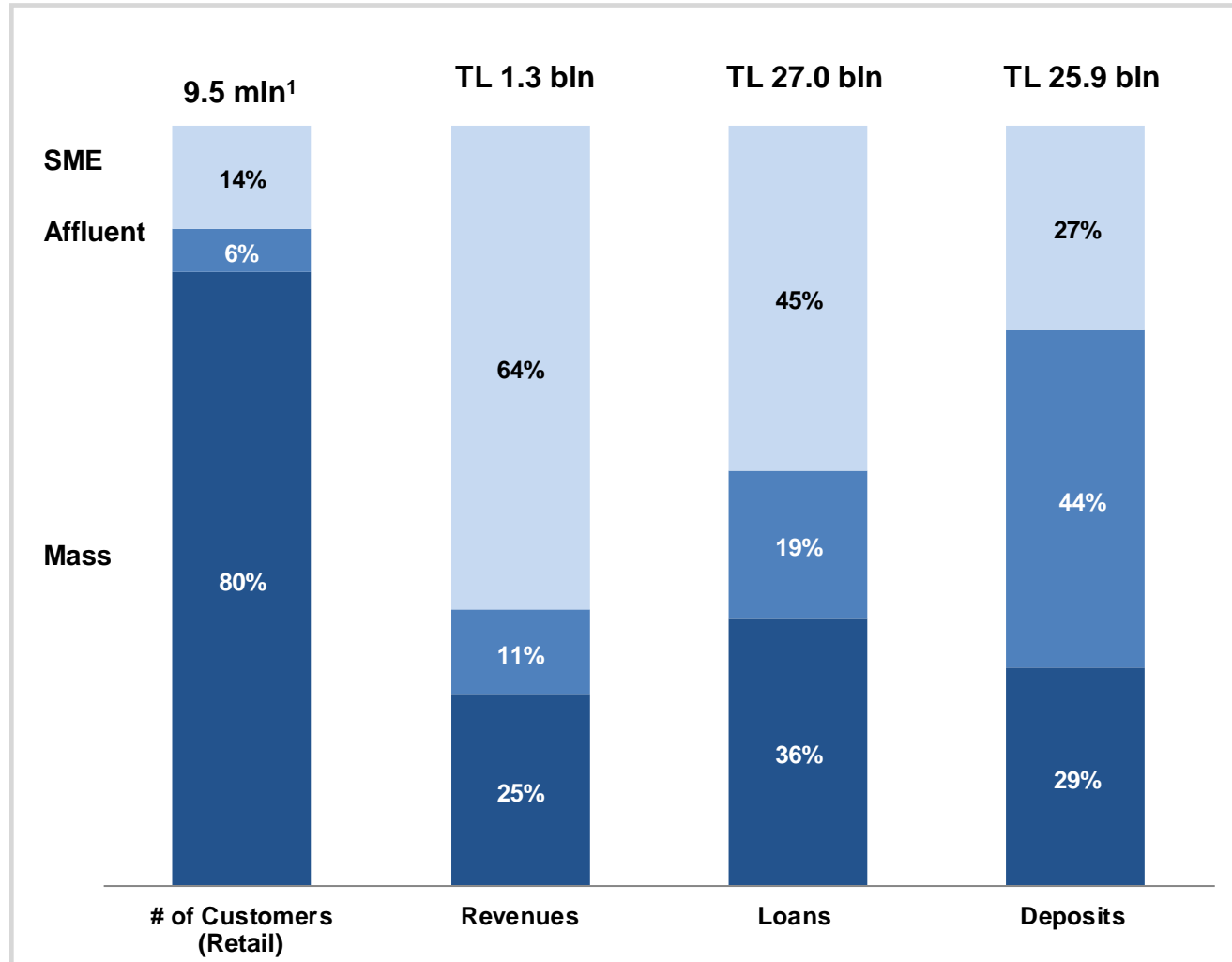


Note: Loan and deposit allocations based on end of period volumes (source: MIS data).

(1) Card payment system revenues excluding POS revenues

Retail Banking (Mass, Affluent and SME)

Retail Banking Composition (1H13)



- **Mass Segment:** ~7.7 mln active customers generating:
 - 25% of retail revenues
 - 36% of retail loans
 - 29% of retail deposits

- **Affluent Segment:** ~534K active customers generating:
 - 11% of total retail revenues
 - 19% of retail loans
 - 44% of retail deposits

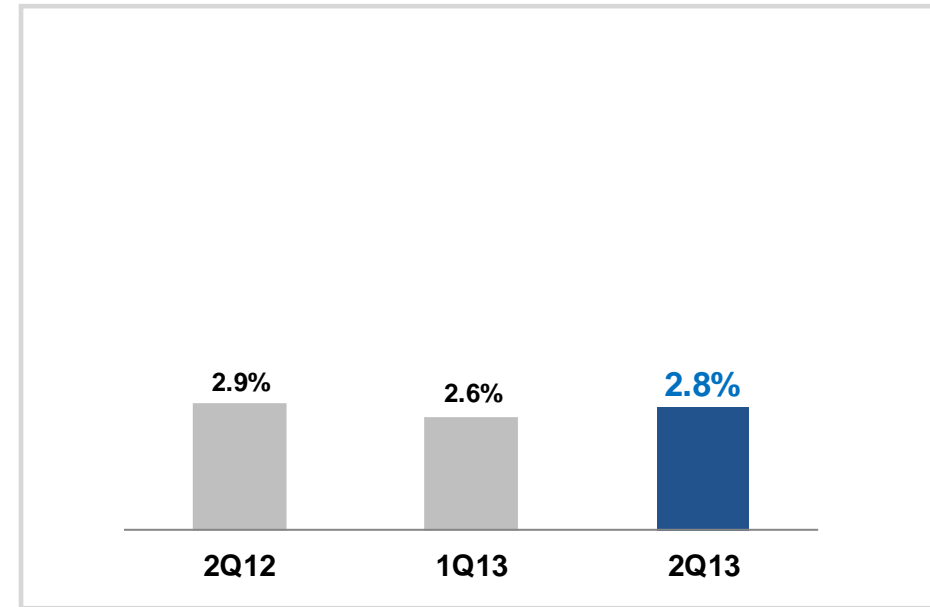
- **SME Segment:** ~1.3 mln active customers generating:
 - 64% of total retail revenues
 - 45% of retail loans
 - 27% of retail deposits

(1) Customers which meet the active customer criteria at least once and are assigned to a portfolio within the last 1 year
 Number of active retail customers at 6.5 mln

Retail Banking (Mass & Affluent)

Revenues/Customer Business¹

TL mln	1H13	ytd	
Revenues (y/y)	475	8%	↑
Loans	14,754	12%	↑
Deposits	18,919	-2%	↓
AUM	2,465	9%	↑
% of Demand in Retail Deposits	18%	2.5 pp	
% of TL in Retail Deposits	74%	-1.1 pp	
% of TL in Retail Loans	100%	0.1 pp	



- **Revenues +8% y/y** mainly driven by strong fee generation (+35%) due to volume growth
- **Loans +12% ytd** driven by mortgages (+15%) and general purpose loans (+8%)
- **Deposits -2% ytd.** Demand/total deposits up 2.5 pp to 18%

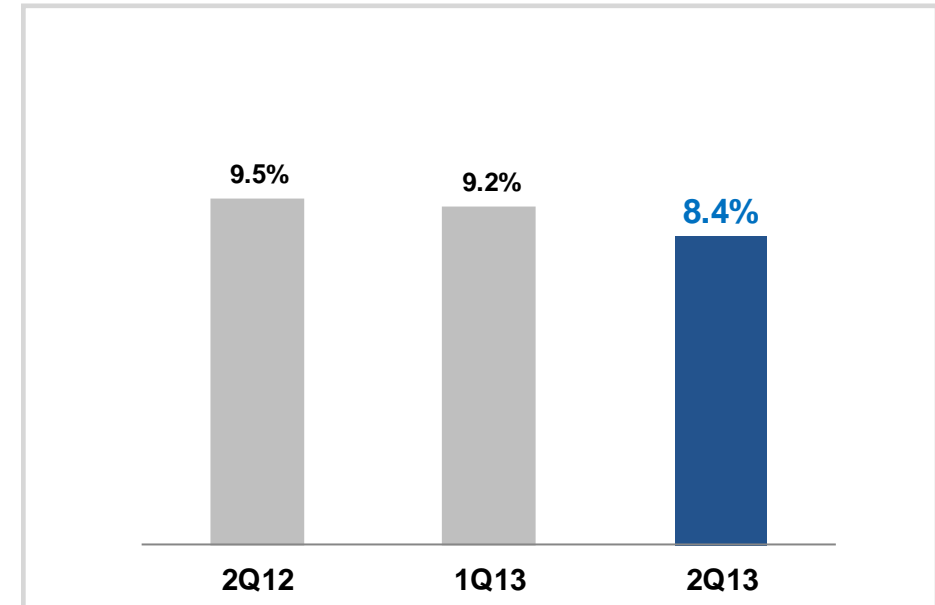
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average on an annualised basis. MIS data.

(1) Customer business: Loans + Deposits + AUM

Retail Banking (SME)

TL mln	1H13	ytd	
Revenues (y/y)	833	5%	↑
Loans	12,247	6%	↑
Deposits	6,986	12%	↑
AUM	672	8%	↑
% of Demand in SME Deposits	50%	7.5 pp	
% of TL in SME Deposits	75%	4.4 pp	
% of TL in SME Loans	96%	-0.4 pp	

Revenues/Customer Business¹



- **Revenues +5% y/y** supported by +12% y/y growth in fees
- **Loans +6% ytd** driven by commercial installment loans
- **Deposits +12% ytd** driven by TL demand deposit growth. Demand/total deposits up to 50%

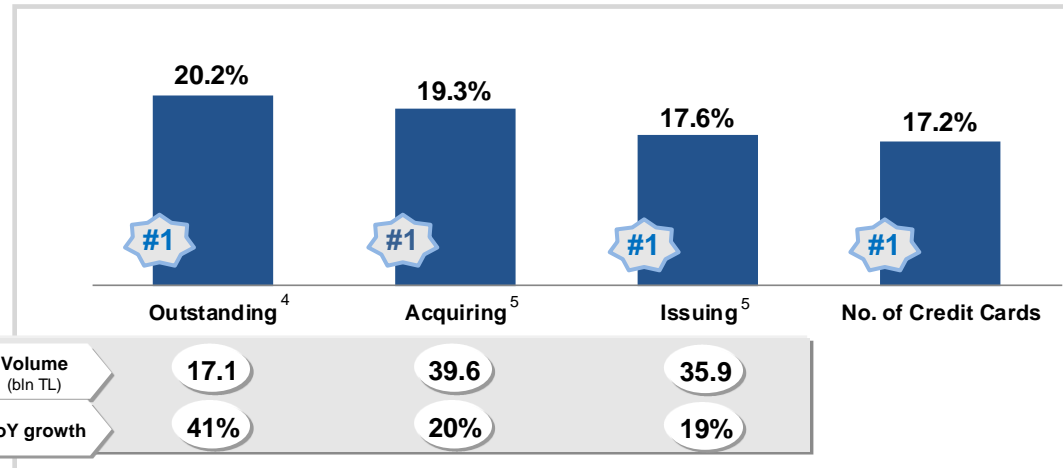
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.

(1) Customer business: Loans + Deposits + AUM

Card Payment Systems

	1H13	ytd		y/y	
Net Revenues¹ (mln TL)	519			28%	↑
# of Credit Cards² (mln)	9.7	4%	↑	11%	↑
# of Cardholders (mln)	5.5	3%	↑	6%	↑
# of Merchants (ths)	358	5%	↑	3%	↑
# of POS (ths)	439	-2%	↓	0%	→
Activation	82%	-		-	

Market Shares³



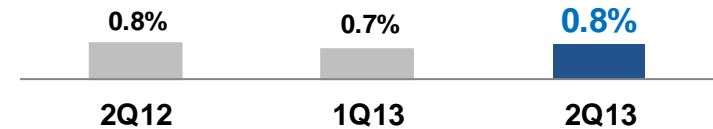
- **Leadership position in credit cards reinforced by market share gains in all parameters**
- **Revenues +28% y/y** positively impacted by strong volume growth and declining funding costs
- **Credit card NPL ratio at 3.3%, better than sector of 4.6%** thanks to enhanced delinquency management process and scoring

(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
 (3) Market shares based on bank-only cumulative figures
 (4) Outstanding volume is the sum of individual and commercial credit card outstanding volume
 (5) Issuing and acquiring volume are based on 6 month cumulative figures

Private Banking

TL mln	1H13	ytd	
Revenues (y/y)	76	-9%	↓
Loans	182	-12%	↓
Deposits	16,824	0%	→
AUM	3,497	23%	↑
% of Demand in Private Deposits	4%	-0.2 pp	
% of TL in Private Deposits	63%	2.2 pp	
% of TL in Private Loans	82%	-1.5 pp	

Revenues/Customer Business¹



- **Revenues -9% y/y** impacted by pressure on spreads vs 1H12 despite solid fee generation
- **Deposits stable ytd**
- **AUM +23% ytd** driven by strong mutual fund performance
- **Strong synergies** with asset management and brokerage subsidiaries

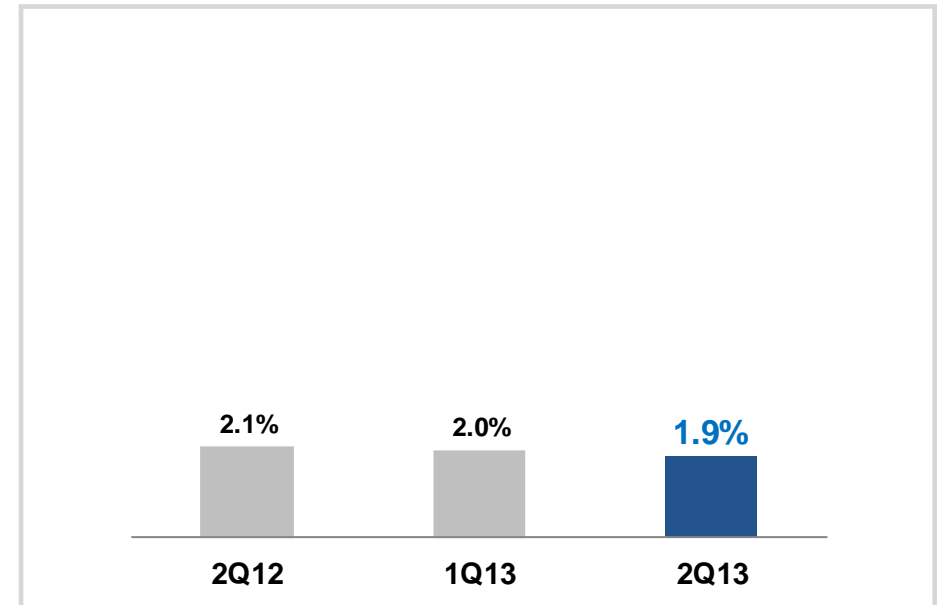
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.

(1) Customer business: Loans + Deposits + AUM

Corporate Banking

TL mln	1H13	ytd	
Revenues (y/y)	261	11%	↑
Loans	12,779	12%	↑
Deposits	18,262	26%	↑
AUM	2.1	66%	↑
% of Demand in Corporate Deposits	4%	-2.3 pp	
% of TL in Corporate Deposits	34%	-5.2 pp	
% of TL in Corporate Loans	16%	-0.1 pp	

Revenues/Customer Business¹



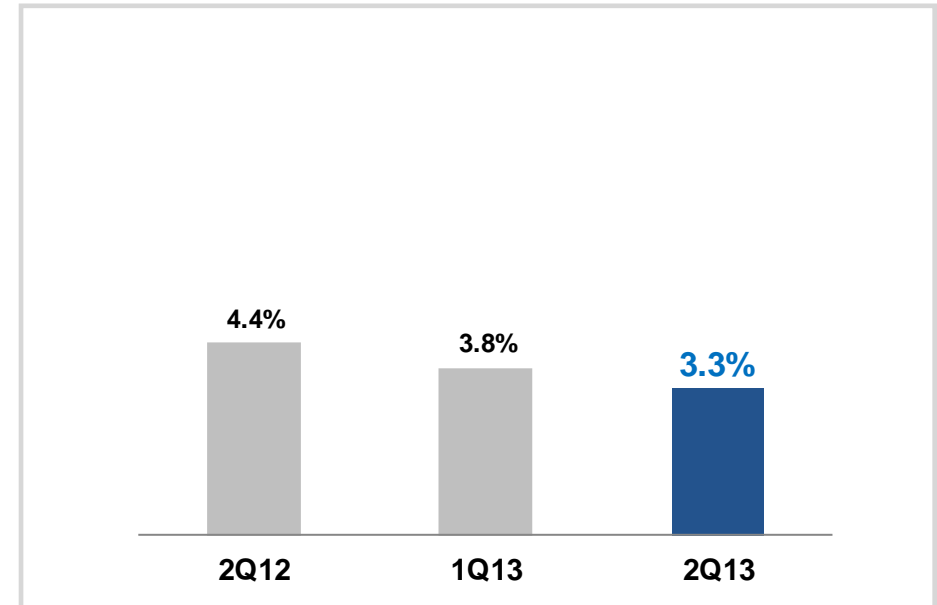
- **Revenues +11% y/y** driven by positive fee performance (+12% y/y) and selective growth strategy
- **Loans +12%** supported by long-term investment lending
- **Deposits +26%** driven by foreign currency time deposits
- **Corporate / commercial NPL ratio at 2.4%** with resilient trend

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 Banking

TL mIn	1H13	ytd	
Revenues (y/y)	566	-4%	↓
Loans	22,950	16%	↑
Deposits	12,039	28%	↑
AUM	278	55%	↑
% of Demand in Commercial Deposits	26%	-4.0 pp	
% of TL in Commercial Deposits	68%	11.3 pp	
% of TL in Commercial Loans	31%	-9.6 pp	

Revenues/Customer Business¹



- **Revenues -4% y/y** impacted by pressure on lending yields driven by competition
- **Loans +16% ytd** driven by foreign currency lending
- **Deposits +28% ytd** driven by local currency deposits
- **Corporate / commercial NPL ratio at 2.4%** with resilient trend

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

Performance of Subsidiaries

Subsidiaries

		Revenues (mln TL)	Revenue (y/y growth)	ROE	Sector Positioning	Drivers of Revenue Growth
Core Product Factories	YK Leasing	113	10%	12%	#1 in total transaction volume (16.3% mkt share)	■ Solid volume growth and strong fee generation
	YK Factoring	34	-25% ¹	22%	#1 in total factoring volume (18.5% mkt share)	■ Declining volumes leading to lower fees and net interest income
	YK Portföy	22	8%	83%	#2 in mutual funds ² Highest credit rating in its sector ²	■ Increasing fee income and volume growth
	YK Yatırım	78 ²	14% ²	16%	#3 in equity transaction volume (6.8% market share)	■ Strong increase in equity trading volume
Insurance Subs	YK Sigorta ³	67	13% ²	4%	#2 in health insurance (15.7% market share)	■ Positive trend in non-health margin and better technical margin in accident branch
	YK Emeklilik ³	88	11%	35%	#3 in private pension ⁴ #5 in life insurance ⁵ #6 in non-life insurance ⁶	■ Increase in private pension fund volume and life insurance premium
International Subs	YK Azerbaijan	16.8 mln US\$	23% ⁷	2%	US\$ 334 mln total assets	■ Increase in retail loan volume and positive contribution of credit card business
	YK Moscow	8.7 mln US\$	22% ⁷	14%	US\$ 203 mln total assets	■ Positive impact of upward loan repricing and fee generation
	YK NV	20.4 mln US\$	-22% ⁷	7%	US\$ 2.1 bln total assets	■ Decrease in fee income despite solid increase in margin

Note: Revenues in TL, unless otherwise stated. Factoring, life and non-life insurance market share as of Mar'13. All other market shares as of Jun'13

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

(2) Mutual Fund market share at 18.3%. Fitch Ratings upgraded YK Portföy (YKP) in Mar'13 from M2+ to M1+. YKP is the only institution in Turkey to reach this level

(3) On 12 July 2013, YKB finalised sale of its insurance businesses with Allianz for sale of its 94% stake in YK Sigorta (which owns 100% of YK Emeklilik). YKB retained a 20% stake in YK Emeklilik

(4) Market share 17.4%

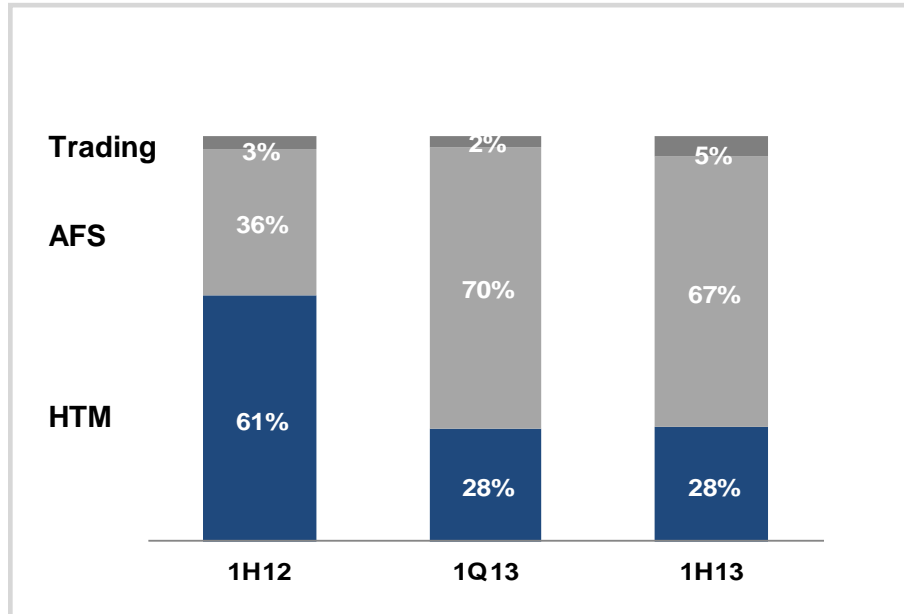
(5) Market share 6.3%

(6) Market share 6.3%

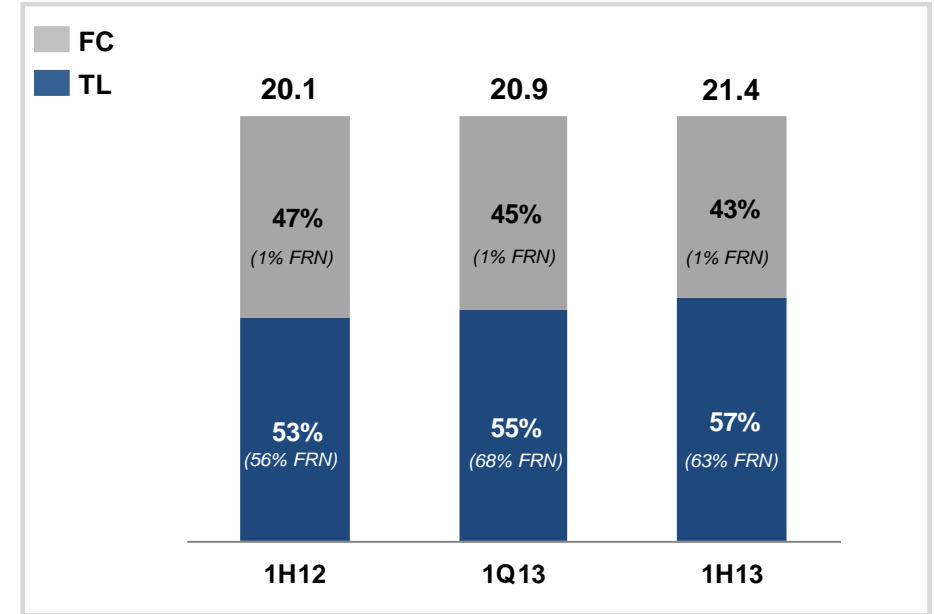
(7) Currency adjusted y/y revenue growth

Securities

Securities Composition by Type



Securities Composition by Currency (TL bln)



- Share of securities in total assets at **15%** (stable vs 1Q13)
- Share of Held to Maturity (HTM) at **28%** (stable vs 1Q13). **Share of AFS portfolio at 67%** (vs 70% in 1Q13)
- Share of TL securities in total securities at **57%** (vs 55% in 1Q13)
- CPI-linkers at TL 2.2 bln (10% of total securities)
- M-t-m unrealised gains under equity at TL 411 mln (vs TL 1.2 bln in 1Q13)

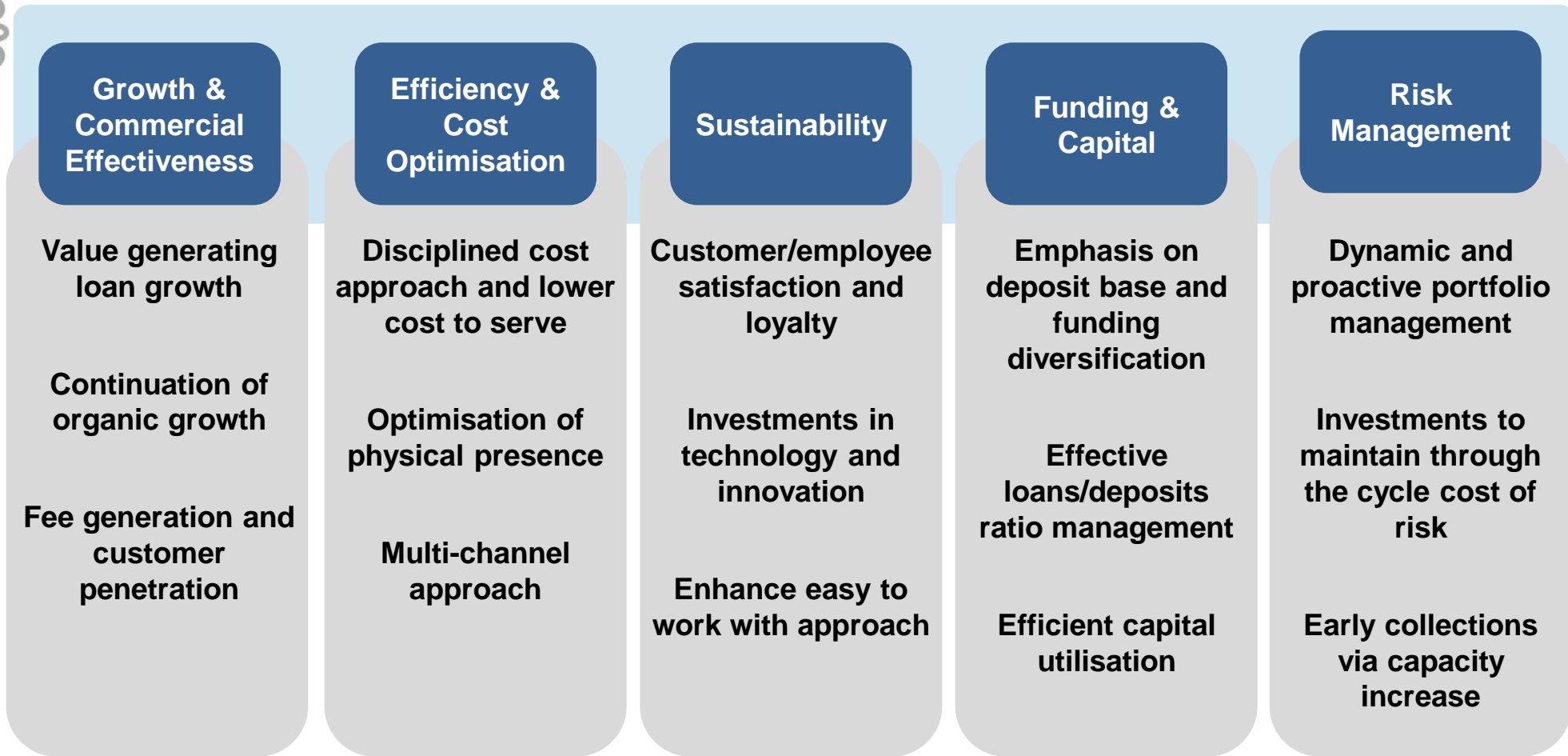
FRN: Floating Rate Notes

Borrowings

International	Syndications	<p>~ US\$ 2.7 bln outstanding</p> <ul style="list-style-type: none"> ■ Apr'13: US\$ 437 mln and €759.5 mln, Libor +1.00% p.a. all-in cost, 1 year, participation of 52 banks from 20 countries ■ Sep'12: US\$ 322 mln and €618 mln, Libor + 1.35% p.a. all-in cost, 1 year, participation of 37 banks from 16 countries
	Securitisations	<p>~ US\$ 1.8 bln outstanding</p> <ul style="list-style-type: none"> ■ Dec'06 and Mar'07: ~US\$ 650 mln, 6 wrapped notes, 7-8 years, Libor+18-35 bps ■ Aug'10 - DPR Exchange: ~US\$ 189 mln, 5 unwrapped notes, 5 years ■ Aug'11: ~US\$ 400 mln, 4 unwrapped notes, 5 years ■ Sep'11: ~€75 mln, 1 unwrapped note, 12 years ■ Jul'13: US\$ 505 mln, 5 unwrapped notes, 5-13 years
	Subordinated Loans	<p>~€ 2.3 bln outstanding</p> <ul style="list-style-type: none"> ■ 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. ■ Dec'12: US\$ 1.0 bln, 10 years, 5.5% (coupon rate) ■ Jan'13: US\$ 585 mln, 10NC5, 5.5% fixed rate
	Foreign Currency Bonds / Bills	<p>US\$ 750 mln Loan Participation Note (LPN)</p> <ul style="list-style-type: none"> ■ Oct'10: 5.1875% (coupon rate), 5 years <p>US\$ 1 bln Eurobond outstanding</p> <ul style="list-style-type: none"> ■ Feb'12: US\$ 500 mln, 6.75% (coupon rate), 5 years ■ Jan'13: US\$ 500 mln, 4.00% (coupon rate), 7 years
	Covered Bond	<p>TL 458 mln first tranche</p> <ul style="list-style-type: none"> ■ Nov'12: SME-backed with maturity between 3-5 years; highest Moody's rating (A3) for Turkish bonds
	Multilateral Loans	<ul style="list-style-type: none"> ■ EIB Loan - Jul'08 / Dec'10: €525 mln, 5-15 years ■ EBRD Loan - Aug'11: €30 mln, 5 years, Jul'13: \$80 mln ■ CEB Loan - Jul'13: €100 mln
Domestic	Local Currency Bonds / Bills	<p>TL 1.4 bln outstanding</p> <ul style="list-style-type: none"> ■ Feb'13: TL 59 mln, 6.51% compounded rate, 286 days maturity ■ Apr'13: TL 328 mln, 6.49% compounded rate, 179 days maturity & TL 22 mln, 6.66% compounded rate, 294 days maturity ■ May'13: TL 377 mln, 4.96% compounded rate, 176 days maturity & TL 23 mln, 5.43% compounded rate, 294 days maturity ■ Jun'13: TL 200 mln, 6.70% compounded rate, 122 days maturity & TL 50 mln, 7.41% compounded rate, 360 days maturity ■ Jul'13: TL 300 mln, 8.80% compounded rate, 139 days maturity & TL 50 mln, 9.44% compounded rate, 322 days maturity

Note: Information on borrowings current as of the date of this presentation

Key strategic guidelines



Banking Sector Volumes and KPIs

bln TL	Nominal	Quarterly Growth			
	2Q13	1Q13	2Q13	1H13	
Total Loans¹	873	5%	11%	16%	Curr.adj 14%
TL	628	6%	9%	15%	
FC (\$)	127	0%	8%	8%	
Total Deposits	830	3%	5%	8%	Curr.adj 6%
TL	547	3%	5%	8%	
FC (\$)	147	-2%	0%	-3%	
Total Securities	271	-1%	1%	0%	
NPL Ratio		2.9%	2.7%		Excl.NPL sales 2.8%
CAR		16.7%	16.2%		
Loans/Deposits Ratio		100%	105%		
NIM (quarterly)		4.3%	4.4%		
ROAE (cumulative)		15%	15%		

- **Loans +16% ytd** (14% currency adjusted) **with acceleration in 2Q** driven by balanced growth in TL and FC
- **Deposits +8% ytd** (currency adjusted: 6%) **with acceleration in 2Q** purely driven by TL deposits
- **Resilient asset quality**, also supported by NPL sales (TL 1,247 mln in 1H13)
- **Loans / deposits ratio up to 105%** (+5 pp q/q) due to acceleration in loan growth in 2Q

(1) Indicate performing loans

Note: NIM, ROAE and CAR based on May'13 BRSA monthly financials. Volumes based on BRSA weekly data