Yapı Kredi 1Q13 Earnings Presentation

Istanbul, 7 May 2013

Agenda

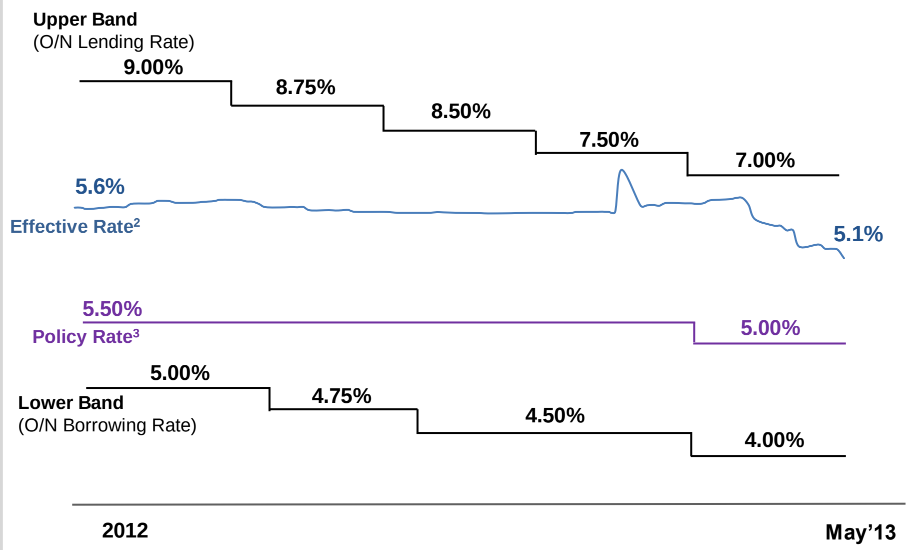
- **Operating Environment**
- 1Q13 Results (BRSA Consolidated)
- Outlook / Key Strategic Guidelines

Supportive macro environment with sound fundamentals and positive growth trend backed by proactive monetary policy

Key Macro Indicators

	2012	1Q13
GDP Growth	2.2%	2.8%
Inflation	6.2%	7.3%
Benchmark Rate	6.2%	6.3%
Industrial Production (IP)	2.5%	3.2%
Consumer Confidence Index	73.6	75.6
Current Account Deficit (CAD)/GDP	6.0%	6.0%
Unemployment Rate[1]	9.5%	9.4%

Monetary Policy Indicators



- **Improving growth dynamics** with recovery in IP and consumer confidence
- **Pick-up in inflation in Mar'13 followed by normalisation in Apr'13** (6.1%) driven by food prices
- **Low / stable interest rate environment**
- **Sustained single-digit unemployment rate**

- **Proactive / flexible monetary policy** with multiple objectives of managing growth, CAD and inflation
- **Policy rate decreased by 50 bps in Apr'13** to 5.00% aimed at supporting growth, also reflected in **declining effective rate**

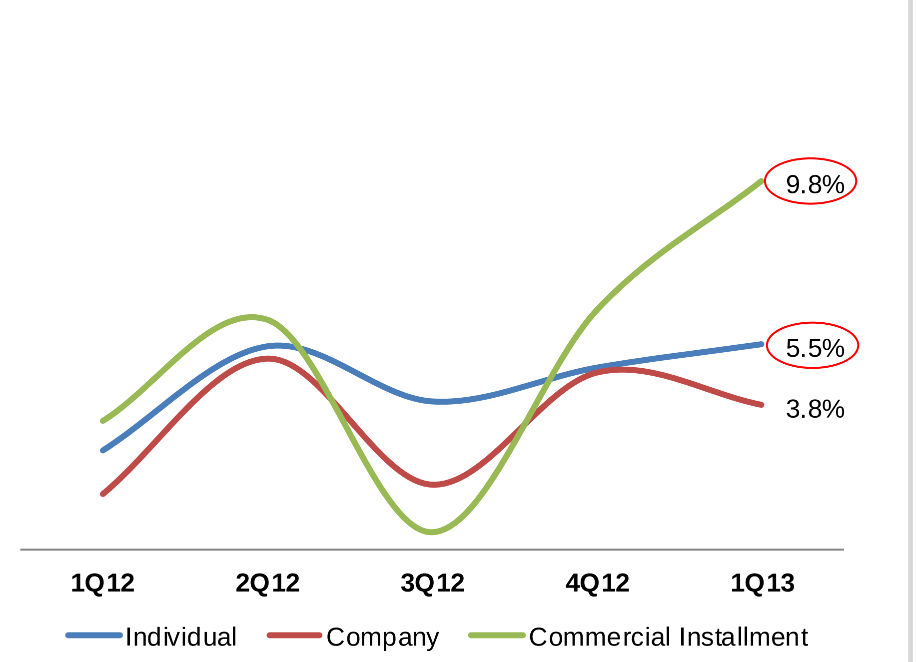
Notes: 1Q13 GDP growth expectation refers to YK Economic research estimates. CAD and IP as of Feb'13
(1) Seasonally adjusted
(2) Effective rate is the weighted average cost of outstanding funding of the CBRT via open market operations including O/N repo, one-week repo and one-month repo
(3) One-week repo rate

Healthy volume growth driven by local currency with limited pressure on NIM and asset quality

Banking Sector Volumes and KPIs

bln TL	Nominal 1Q13	Quarterly Growth 1Q12	4Q12	1Q13
Total Loans[1]	**789**	**2%**	**5%**	**5%**
TL	576	4%	5%	6%
FC ($)	118	4%	4%	0%
Total Deposits	**788**	**0%**	**4%**	**3%**
TL	521	0%	5%	3%
FC ($)	147	8%	4%	-2%
Total Securities	**267**	**0%**	**-3%**	**-1%**
NPL Ratio		**2.7%**	**2.8%**	**2.9%**
CAR		**15.5%**	**17.3%**	**17.0%**
Loans/Deposits Ratio		**96%**	**98%**	**100%**
NIM (quarterly)		**3.9%**	**4.6%**	**4.4%**
ROAE (cumulative)		**17%**	**16%**	**14%**

Drivers of Loan Growth (annualised)



- **Loans +5% ytd** driven primarily by **commercial installment loans** as well as **mortgages and GPLs**
- **Deposits +3% ytd** supported by **3% ytd TL deposit growth.** Contraction in FC deposits due to ongoing funding diversification
- **NPL ratio at 2.9%** with limited increase (+10bps) vs YE12
- **Loans / deposits ratio at 100%** (vs 98% in 4Q12)
- **NIM at 4.4%** (-20bps vs 4Q12) with significant decline in deposit costs partially offsetting lower loan and security yields

(1) Indicate performing loans
Note: NIM, ROAE and CAR based on Feb'13 BRSA monthly financials

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- **1Q13 Results (BRSA Consolidated)**
- Outlook / Key Strategic Guidelines

1Q13 Highlights

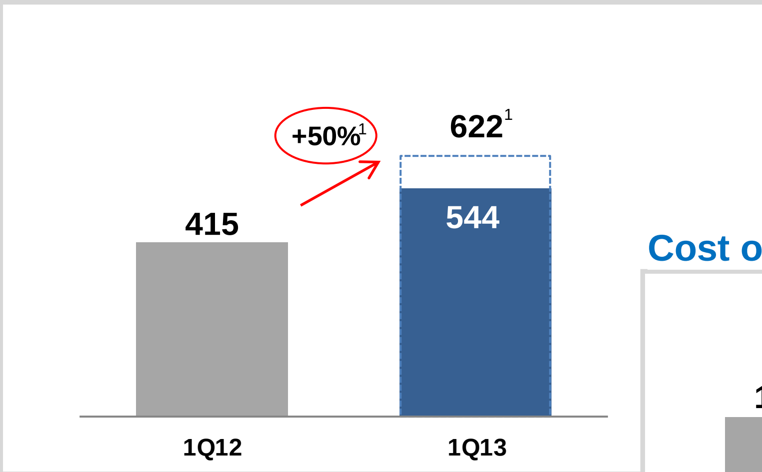
Unyielding focus on customer-business	Focus on **value generating growth** driven by mortgages, general purpose loans and SME. **Leadership position in credit cards in all parameters reinforced** with 1Q results (outstanding, acquiring and issuing volume, number of cardholders[1] and number of credit cards). FC loan growth via **long-term investment lending**
Healthy & diversifying funding base	**TL deposit growth >3x sector**, **ongoing funding diversification** with US$ 500 mln Eurobond issuance in Jan'13[2]
Robust core revenue performance	**Positive annual NIM evolution** with **limited quarterly compression** thanks to **significant decline in deposit costs** despite pressure on yields. **Strong fee growth** driven by consumer lending activity and bancassurance
Disciplined cost management	Continuation of **cost control** and focus on **efficiency** accompanied by **ongoing investments for growth** (branch openings, internet banking renewal, mobile banking enhancements)
Controlled asset quality	**Slowdown** in pace of **NPL inflows** with **sustained trend in collections** (Collections/NPL inflows up to 64%). **CoR** further **normalising down (1.06%)**
Non-core asset sale	**Agreement[3] signed with Allianz for sale of 94% stake in YK Sigorta** (including YK Emeklilik) coupled with a **15-year bancassurance agreement**. 20% stake in YK Emeklilik to be bought-back and retained. Transaction **expected to finalise in 2H13** with **positive CAR impact of ~80/90 bps**

1Q results based on core recurring business performance without one-off gains
(no change in fee accounting, no bond sales, limited impact of competition board fine and conservative ALM policy)

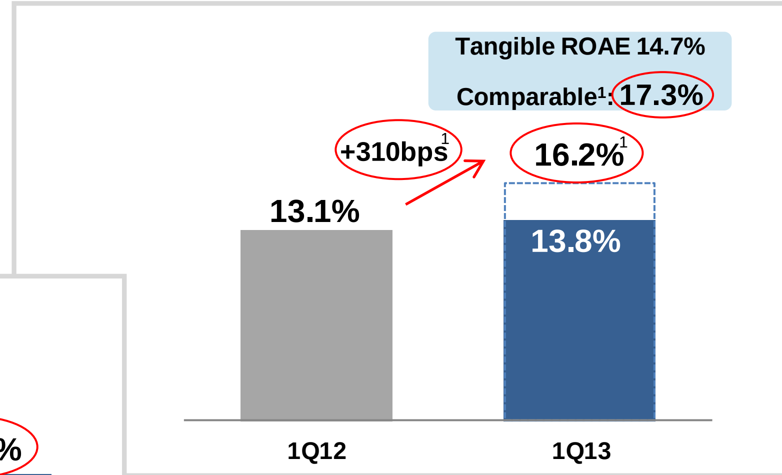
(1) Number of unique credit card customers
(2) 7 year maturity and 4.00% coupon rate
(3) Implying total valuation (@100%) of TL 1,906 mln

Key performance indicators above target with further improvement anticipated in upcoming quarters

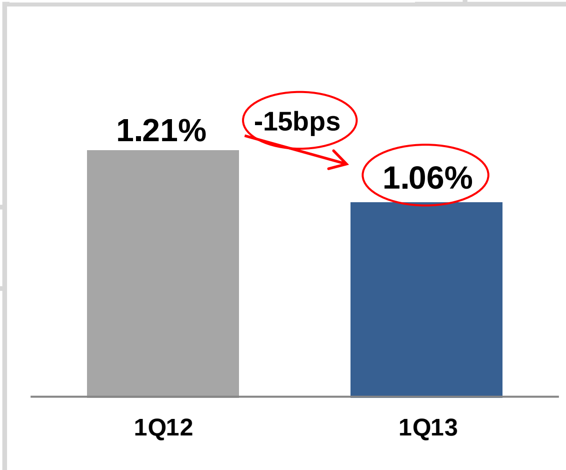
Net Income (mln TL)



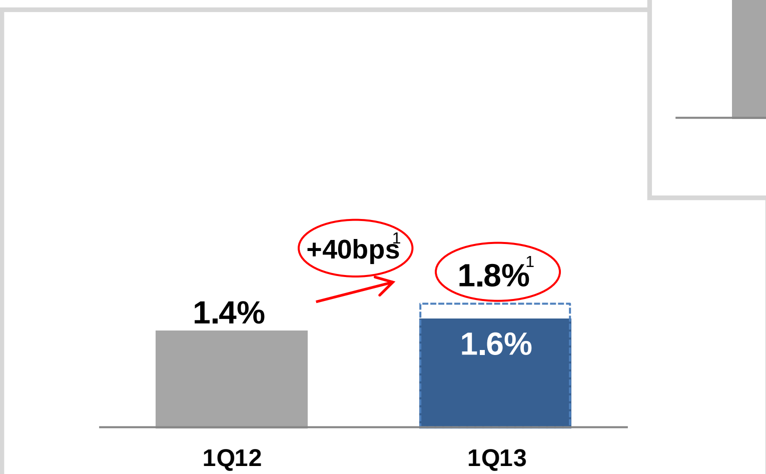
Return on Average Equity[2]



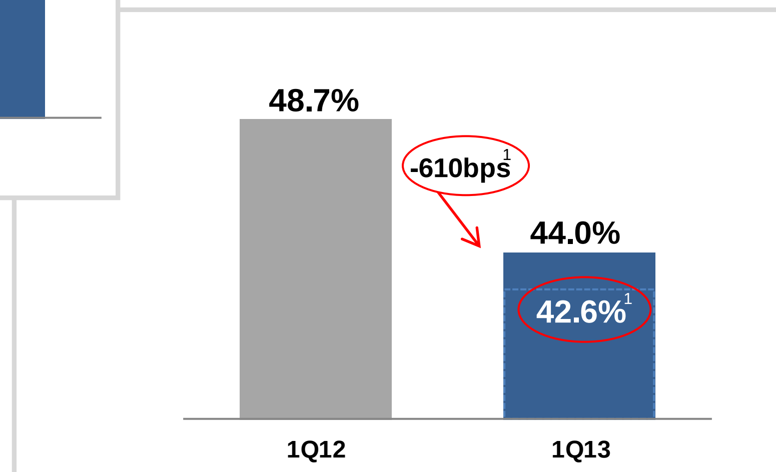
Cost of Risk (net of collections)



Return on Assets[3]



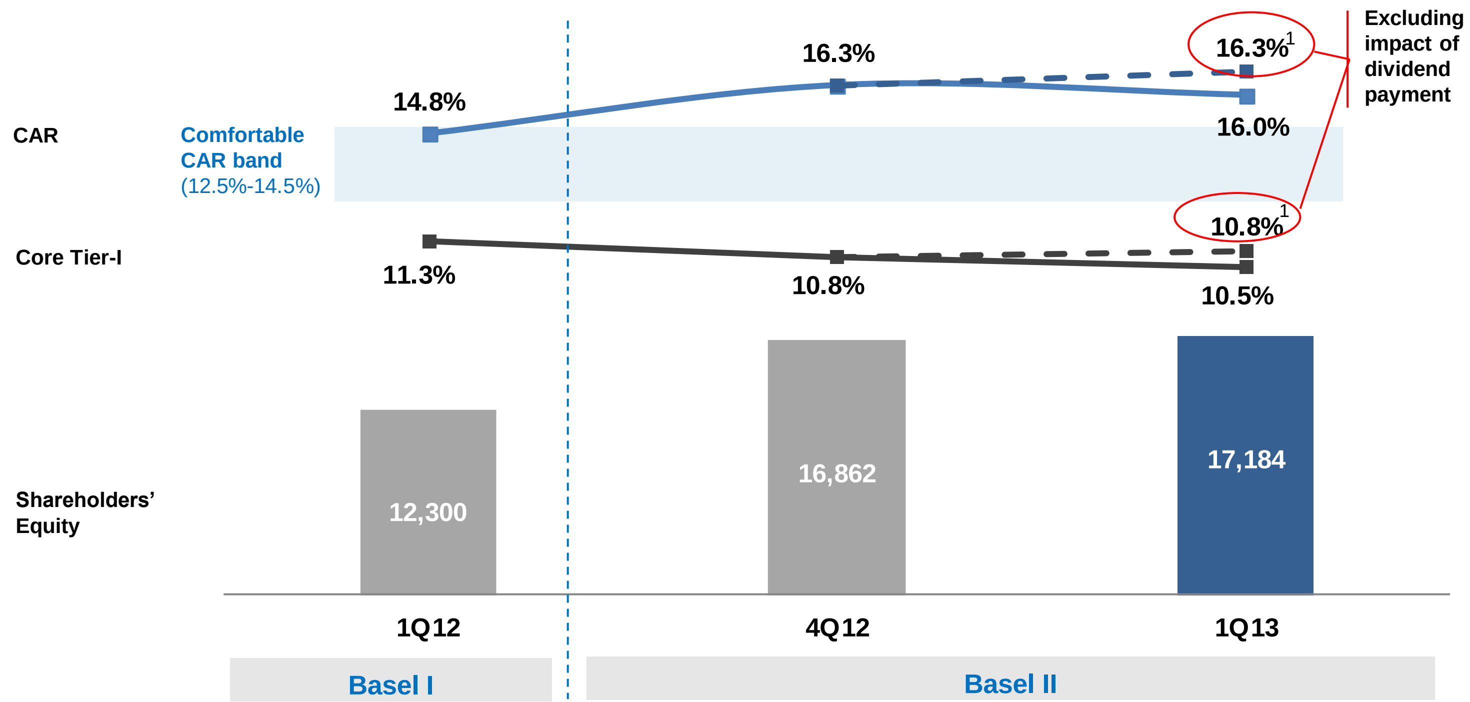
Cost / Income



(1) Comparable basis: 1Q13 results adjusted to exclude 57 mln TL sub-debt early repayment penalty impact on net interest income and impact of competition board fine on other provisions for comparability purposes. Comparable ROAE calculation based on (average 2012 shareholders equity + 1Q13 shareholders equity) to exclude mtm impact of transfer to AFS (from HTM)
(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

Comfortable capital adequacy level with Basel II Bank CAR at 16% supported by ongoing initiatives

Evolution of Capital Base and Capital Adequacy Ratio (CAR), Bank



- **Capital adequacy ratio under Basel II at 16% in 1Q13** (14.7% Group). **Bank core Tier-I at 10.5%** (Group:10.5%)
- **Significant strengthening of capital adequacy ratio** in 2012 resulting in **dividend distribution** (300 mln TL, 16.5% payout ratio)
- **Expected finalisation of insurance sale process in 2H13 to further strengthen CAR[2].** Bank CAR to remain >15% and Core Tier-I >11% by YE13 (including impact of insurance sale and dividend payment)

(1) Excluding dividend payment impact of 25 bps
(2) On 26 March 2013, YKB signed an agreement with Allianz for sale of its 94% stake in YK Sigorta (which owns 100% of YK Emeklilik). As part of the agreement, YKB will buy-back and retain a 20% stake in YK Emeklilik. Transaction expected to be finalised in 2H13

544 mln TL net income driven by robust core revenue performance and disciplined cost control

mln TL	1Q12	1Q13	y/y	Comparable Basis[1]
Total Revenues	**1,535**	**1,815**	**18%**	**22%**
Core Revenues	1,473	1,778	21%	**24%**
o/w Net Interest Income	1,079	1,311	22%	**27%**
o/w Fees & Commissions	394	467	19%	
Other Revenues	62	37	-41%	
Operating Costs	**747**	**798**	**7%**	
Operating Income	**788**	**1,017**	**29%**	
Provisions	**279**	**366**	**31%**	**20%**
o/w Loan Loss	227	300	33%	
Pre-tax Income	**509**	**651**	**28%**	
Discontinued Operations[2]	18	25	**41%**	
Net Income	**415**	**544**	**31%**	**50%**

- **Revenues +18% y/y** (+22% on a comparable basis[1]) driven by core revenues. **Core revenues +21% y/y** (+24% on a comparable basis[1]) driven by **strong fee** and **net interest income evolution**
- **Costs +7% y/y** driven by disciplined approach
- **Provisions +31% y/y** (+20% on a comparable basis[1])
- **Net income at 544 mln TL** (+31% y/y, +50% on a comparable basis[1]) driven by **core recurring business**

(1) Comparable basis: 1Q13 results adjusted to exclude 57 mln TL sub-debt early repayment penalty impact on net interest income and impact of competition board fine on other provisions for comparability purposes

(2) On 26 March 2013, YKB signed an agreement with Allianz for sale of its 94% stake in YK Sigorta (which owns 100% of YK Emeklilik). As part of the agreement, YKB will buy-back and retain a 20% stake in YK Emeklilik. Transaction expected to be finalised in 2H13. Accordingly insurance subsidiaries (YK Sigorta and YK Emeklilik) have been classifed as "discontinued operations" as of 1Q13 in BRSA financials. 1Q12 results have been restated for comparability purposes

Customer-oriented balance sheet supported by value generating growth

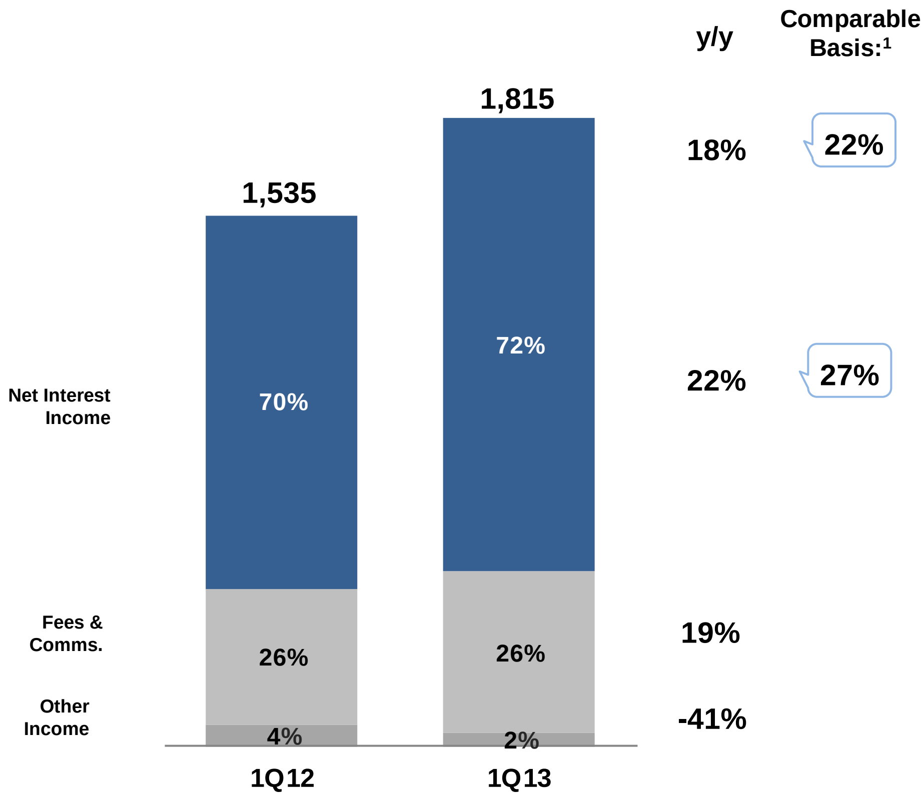
bln TL	1Q12	2012	1Q13	ytdΔ	y/yΔ
Total Assets	115.4	131.5	135.3	3%	17%
Loans	69.5	77.8	80.6	4%	16%
Securities	20.7	22.5	20.9	-7%	1%
Deposits	64.2	71.1	73.8	4%	15%
Borrowings	20.6	23.4	25.1	7%	22%
SHE	13.1	16.0	16.0	0%	22%
AUM	8.4	9.6	10.2	5%	21%
Loans/Assets	60%	59%	60%		
Securities/Assets	18%	17%	15%		
Loans/Deposits	108%	109%	109%		
Loans/(Deposits+TL Bonds)	106%	107%	107%		
Loans (excl. LT loans[1])/Deposits	83%	85%	84%		
Borrowings/Liabilities	18%	18%	19%		
Deposits/Assets	56%	54%	55%		
Group CAR (Basel II)	14.6%	15.2%	14.7%		
Bank CAR (Basel II)	14.8%	16.3%	16.0%		
Leverage[2]	7.8x	7.2x	7.4x		

- **Loans +4% ytd** driven by **growth in value generating segments**
- **Loans / assets up to 60%** (vs 59% in 2012), **securities / assets down to 15%** (vs 17% in 2012) due to redemptions and mtm impact of market volatility
- **Deposits +4% ytd** driven by **significant TL deposit growth**
- **Borrowings / liabilities at 19%** (vs 18% at YE12) driven by ongoing funding diversification
- **Loans / deposits ratio stable at 109%**, (107% including local TL bonds, 84% excluding long-term lending[1])
- **Basel II Bank CAR at 16.0%**, Group CAR at 14.7%

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

Solid revenue growth driven by positive evolution of core revenues

Revenues (mln TL)



	1Q12	1Q13	y/y	Comparable Basis
Core Revenues	1,473	1,778	21%	24%
Share in Total Revenues	96%	98%		

Other Income Breakdown (mln TL)

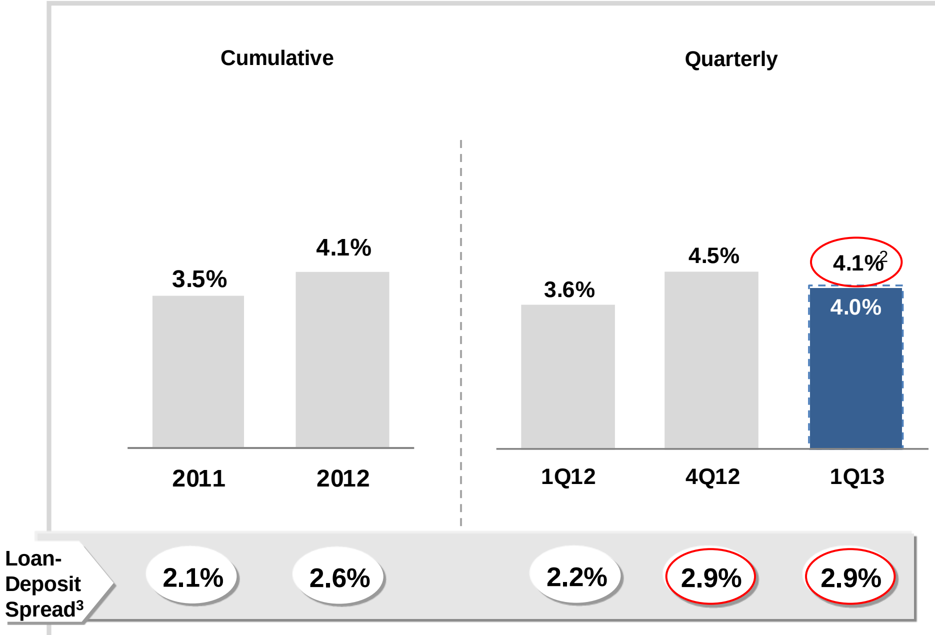
	1Q12	4Q12	1Q13
Other Income	62	401	37
Trading&FX (net)	-46	148	-88
o/w Eurobond Sale Gain	*0*	*206*	*0*
Collections & Provision Reversals	10	60	80
NPL Sale	-	65	0
Subs & other	98	128	45

- **Core revenues/revenues up to 98%** (+2pp vs 1Q12) with 18% y/y growth (+22% on a comparable basis[1])
- **Other income/revenues at 2%** (vs 4% in 1Q12) **mainly driven by:**
  - **Increasing collections** driven by normalisation in asset quality
  - **Trading line** mainly impacted by **m-t-m of cross currency interest rate swaps**

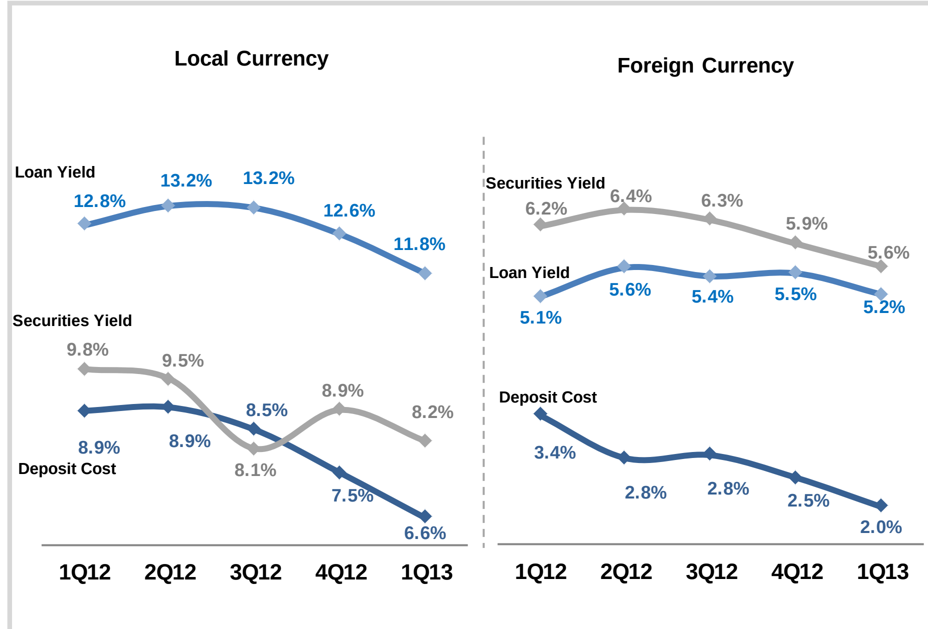
Note:
Core revenues indicate net interest income and net fees & commissions
(1) Comparable basis: 1Q13 results adjusted to exclude 57 mln TL sub-debt early repayment penalty impact on net interest income for comparability purposes

Positive annual NIM evolution with limited quarterly compression thanks to significant decline in deposit costs despite pressure on yields

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



Yields and Costs (bank-only)

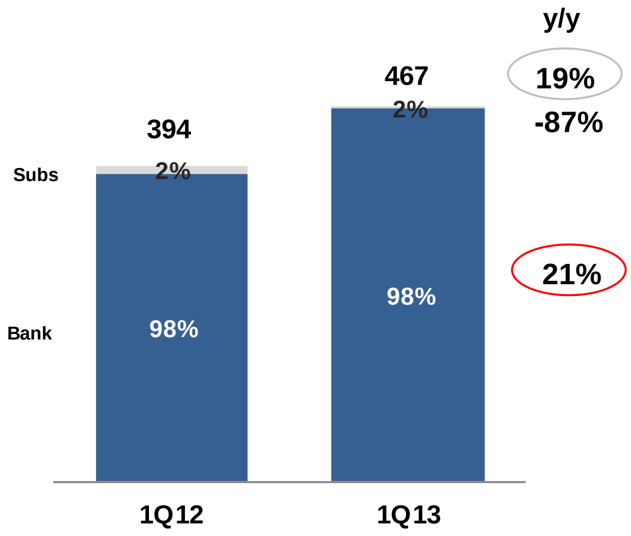


- **NIM at 4.1%[2]**, +50bps y/y, -40 bps q/q. **Loan-deposit spread at 2.9%, +70bps y/y, stable q/q.** Quarterly evolution driven by:
  - **Stable loan-deposit spread** thanks to significant decline in deposit costs offsetting pressure on loan yields due to sectorwide downward repricing in 2H12
  - **Decline in both TL and FC security yields**, more pronounced in TL due to volatility from CPI-linkers

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 securities. Reported NIM figures as follows: 2011: 3.6%, 2012: 4.1%, 1Q12: 3.8%, 4Q12: 4.4%, 1Q13: 4.1%
Yield on loans and securities and cost of deposits based on average volumes. Loan yields indicate performing loan volume and net interest income
(1) NIM = Net interest income / Average Interest Earning Assets Volume
(2) Comparable basis: 1Q13 results adjusted to exclude 57 mln TL sub-debt early repayment penalty impact on net interest income for comparability purposes
(3) Loan-Deposit Spread: (Interest Income on Loans – Interest Expense on Deposits) / Average (Loans + Deposits)

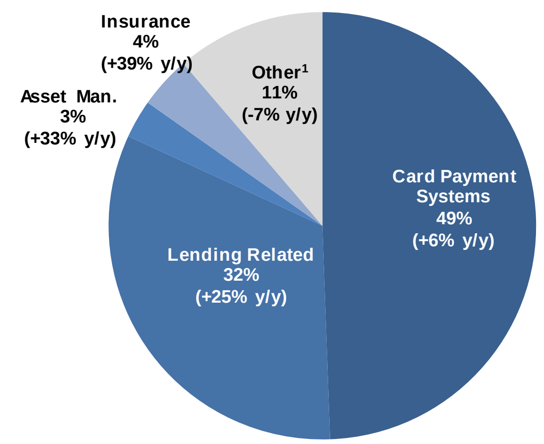
Strong +21% y/y growth in Bank fees mainly driven by consumer lending activity and bancassurance focus

Net Fees & Commissions (mln TL)



	1Q12	1Q13
Fees / Opex	53%	59%
Fees / Revenues	26%	26%

Fees Received Composition (bank-only)



- **Fees +19% y/y** driven by **21% y/y growth at Bank level**, fully comparable vs 1Q12
  - **Lending related fees +25% y/y** mainly driven by consumer loans, also including mortgage refinancing
  - **Insurance fees +39% y/y** driven by focused bancassurance approach
  - **Card payment system fees +6% y/y** impacted by lower rate on interchange fees

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

Balanced growth with focus on high yielding segments/products

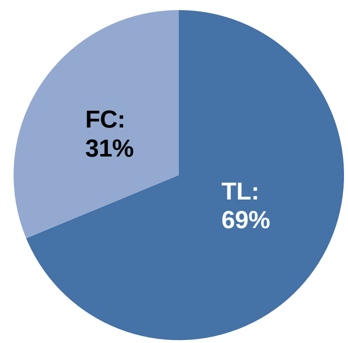
Loans

	YKB 1Q13	YKB 1Q13Δ	Sector 1Q13Δ	Market Share
Total Loans[1]	**80.6**	**4%**	**5%**	***9.8%***
TL	55.4	2%	6%	*9.5%*
FC ($)	13.9	3%	0%	*10.5%*
Consumer Loans	**16.2**	**6%**	**6%**	***8.1%***
Mortgages	7.8	8%	7%	*9.2%*
General Purpose	7.3	5%	6%	*6.8%*
Auto	1.1	-7%	-1%	*14.2%*
Credit Cards	**15.2**	**5%**	**5%**	***19.4%***
Companies[2]	**49.2**	**2%**	**5%**	***8.8%***
TL	24.0	-3%	6%	*7.7%*
FC ($)	13.9	3%	0%	*10.5%*

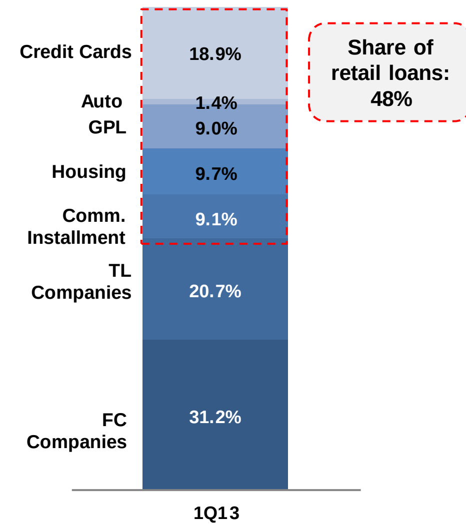
- **Total loans +4% ytd** driven by:
  - **Solid growth in mortgages, GPLs, credit cards and SME lending** in local currency
  - **Leadership position in credit cards in all parameters reinforced with 1Q results** (outstanding, acquiring and issuing volume, no of cardholders[3] and no of credit cards)
  - **Focus on higher yielding long-term investment lending** in foreign currency
- **Share of retail loans at 48%,** stable vs YE12

Loan Composition

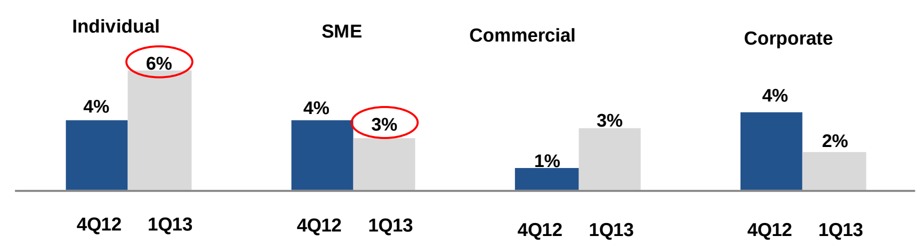
by Currency



by Product



SBU Loan Growth (quarterly)



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. Breakdown of TL and FC company loans based on MIS data. Credit card market shares based on cumulative figures
(1) Total performing loans
(2) Total loans excluding consumer loans and credit cards
(3) Number of unique credit card customers

Significant TL deposit growth and solid increase in demand deposits

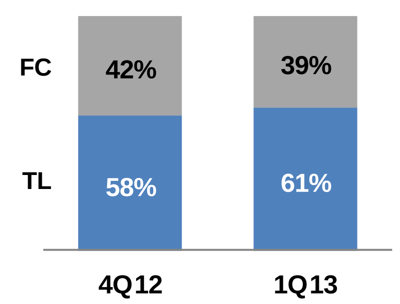
Deposits

	YKB 1Q13	YKB 1Q13∆	Sector 1Q13∆	Market Share
Total Deposits	**73.8**	**4%**	**3%**	***9.0%***
TL	45.2	10%	3%	*8.8%*
FC ($)	15.8	-9%	-2%	*9.6%*
Customer Deposits[1]	**71.7**	**3%**	**2%**	***9.5%***
Demand Deposits	**12.1**	**3%**	**0%**	***9.0%***

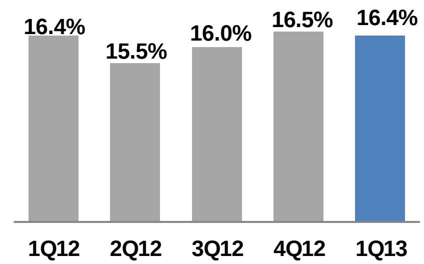
- **Deposits +4% ytd** driven by:
  - **Significantly above sector growth in TL deposits** (+10% vs +3% sector)
  - **Deliberate decrease in FC deposits** (-9% ytd) due to comfortable FC liquidity position
- **Above sector growth in demand deposits** (3% ytd vs stable sector) with 16% demand/total deposits
- **Continuing TL deposit market share gains with better than sector evolution in TL deposit costs** supported by 1-1 deposit pricing approach

Deposit Composition

by Currency



Demand Deposit/Total Deposits



1-to-1 Deposit Pricing Approach

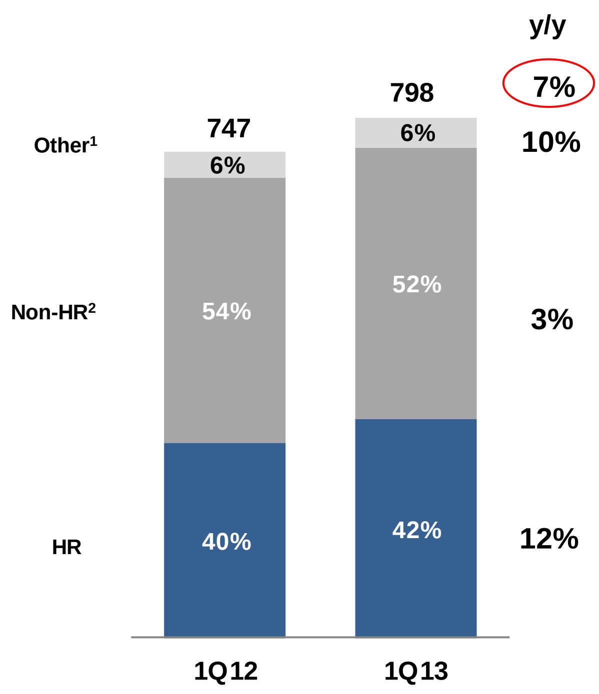
- **Launched in Feb'12** to determine most **cost-effective TL deposit rates to customers based on their price sensitivity**
- Following successful results so far, **also to be utilised for FC deposits in late-2013**

	Vs Feb'12	Vs YE12
YKB Market Share	**+75 bps**	**+27 bps**
YKB Cost of TL Deposits[2]	**-255 bps**	**-80 bps**
Sector Cost of TL Deposits[2]	**-239 bps**	**-48 bps**

Note: Market shares based on unconsolidated figures for YKB and sector
(1) Customer deposits exclude bank deposits
(2) Data as of Feb'13 for comparability purposes. Sector cost of TL deposits at 6.1% based on BRSA monthly data

Sustained discipline in cost management

Total Costs (mln TL)



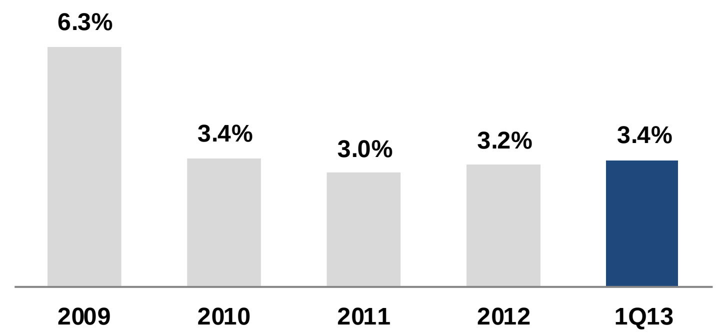
Cost / Income	1Q12	1Q13
Cost / Income	49%	44%

- **Total costs +7% y/y** driven by disciplined approach at Bank level (5% y/y)
  - **HR costs +12% y/y**. Group headcount +77 in 1Q to 17,538 (Bank headcount stable) o/w +56 agents for YKS and YKE
  - **Non-HR costs +3% y/y** incorporating **ongoing investments for growth** (+1 new opening in 1Q to 929 branches, start of internet banking renewal, mobile banking enhancements)
  - **Other costs +10% y/y** impacted by solid growth in credit card issuing volume reflecting in credit card loyalty points

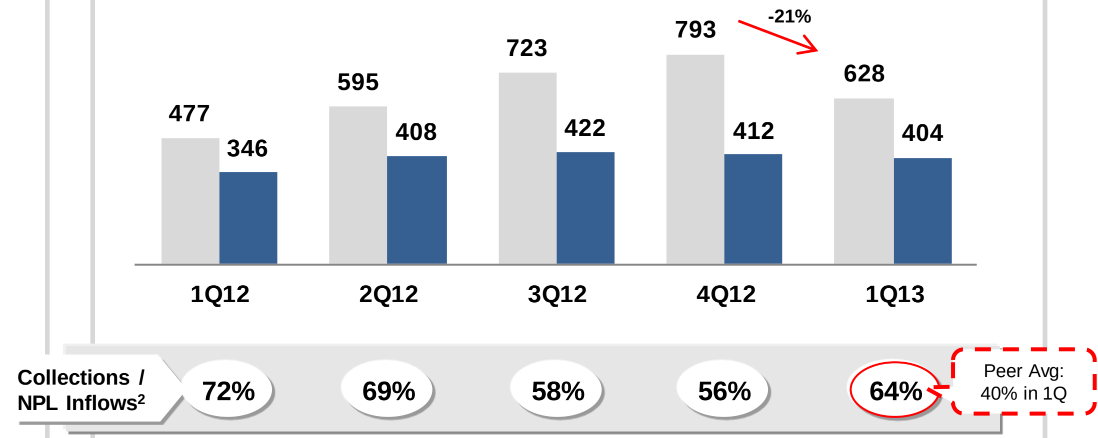
Note: YKS indicates Yapı Kredi Sigorta and YKE indicates Yapı Kredi Emeklilik
(1) Other includes pension fund provisions and loyalty points on Worldcard
(2) Non-HR costs include HR related non-HR, advertising, rent, SDIF premium, taxes, depreciation and branch tax

Controlled asset quality evolution

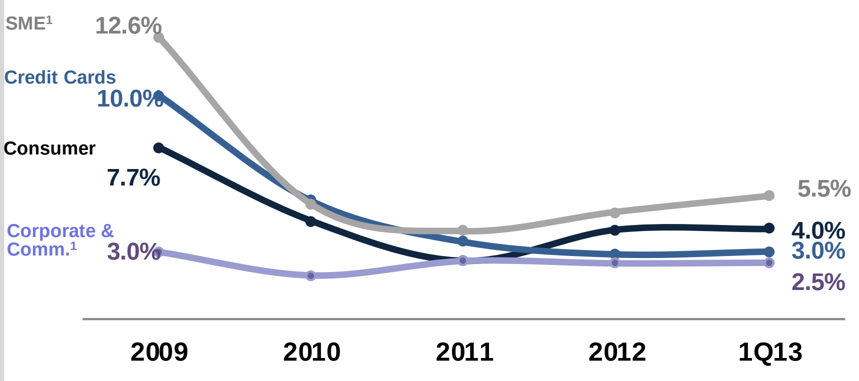
NPL Ratio



NPL Inflows and Collections (mlnTL)



NPL Ratio by Segment

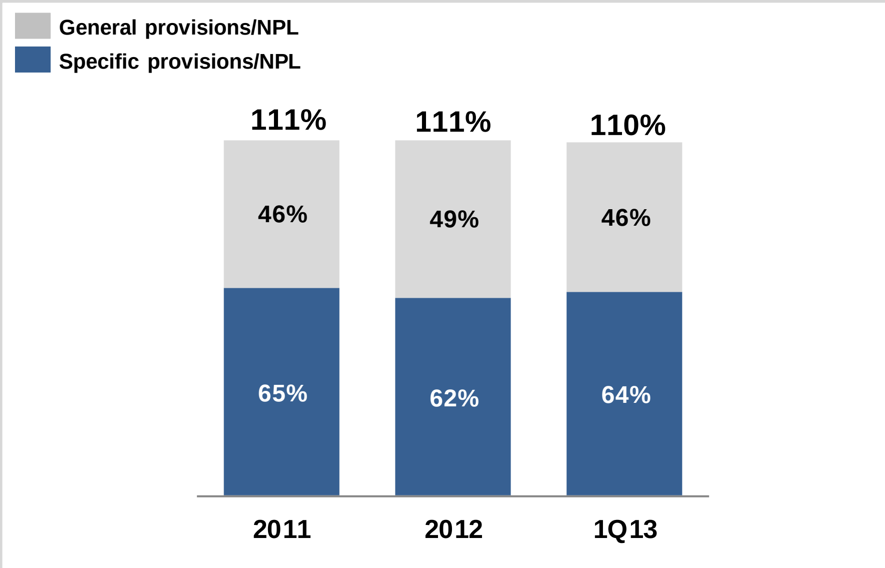


- **NPL ratio at 3.4%** (vs 3.2% at YE12) driven by:
  - **Stabilisation in consumer loan and credit cards**. Credit card NPL ratio at 3.0% vs 5.3% at sector
  - **Ongoing SME NPL inflows** due to slowdown in economic activity in 2012
  - **Resilient corporate/commercial**
- **Collections/NPL inflows up to 64%** (vs 56% in 4Q12 and 40% peer avg) driven by deceleration of NPL inflows and sustained collections

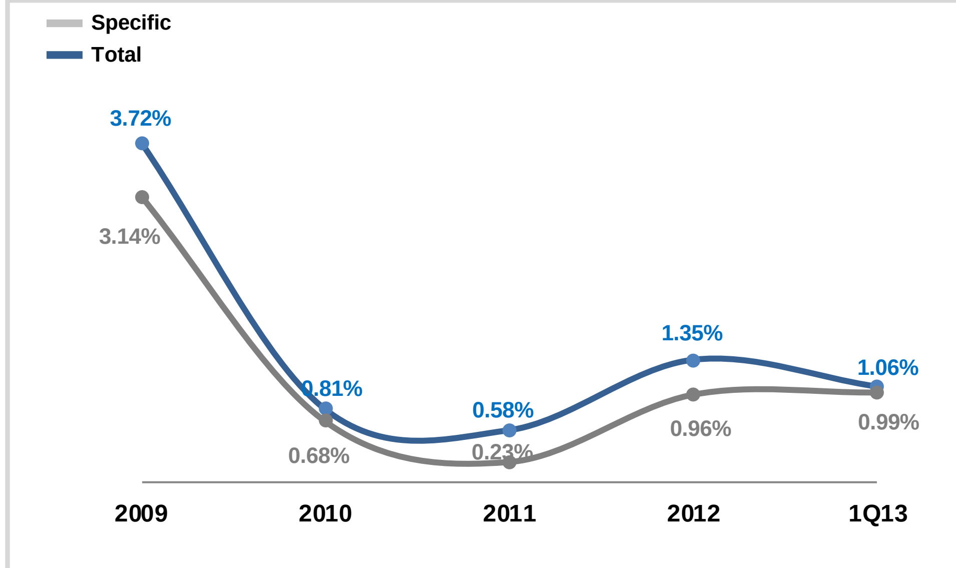
(1) As per YKB's internal segment definition, SMEs: companies with annual turnover <5 mln US$. Corporate & Commercial: companies with annual turnover >5 mln US$
(2) Excluding impact of a few commercial positions (TL 59 mln in 4Q12)

Relatively stable NPL coverage and below through-the-cycle cost of risk

Specific and General Provisioning



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



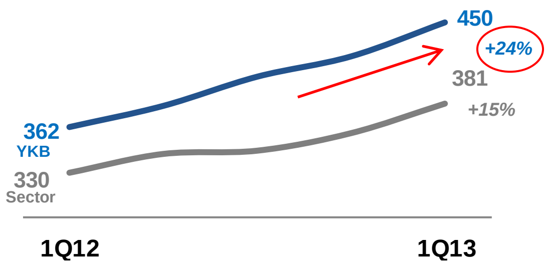
- **Total NPL coverage[2] at 110%** (vs 111% at YE12) with **specific coverage up at 64%** (+2 pp vs YE12)
- **Total cost of risk** (net of collections) **at 1.06%** (vs 1.35% at YE12) driven by lower general provisions and **relatively stable specific cost of risk** (99 bps)

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

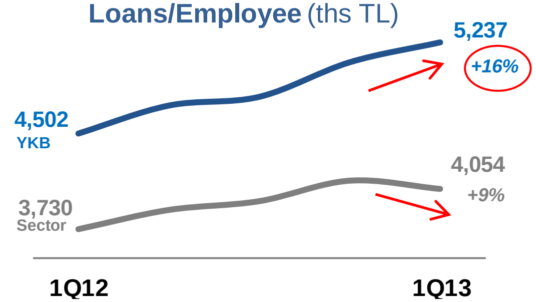
Solid performance in commercial effectiveness

Productivity

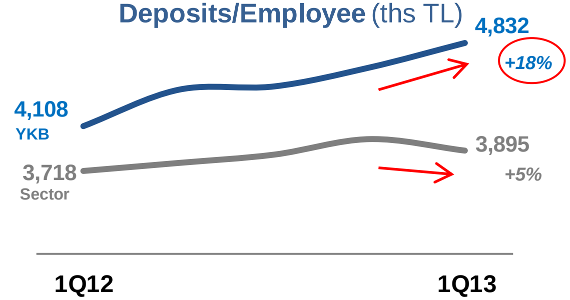
Core Revenues/Employee (ths TL)



Loans/Employee (ths TL)

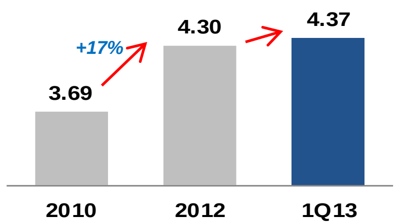


Deposits/Employee (ths TL)

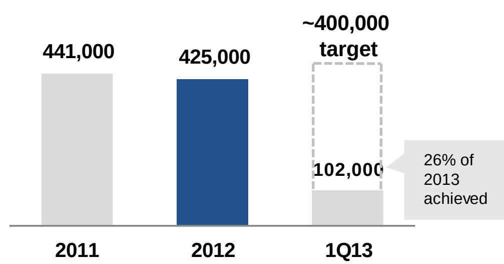


Efficiency

Retail Cross-Sell



Conversion of Card-only Customers



- **Significant outperformance vs sector in key productivity indicators**
- **Consistent improvement in retail cross-sell**
- **Ongoing focus on converting card-only customers** into bank customers
- **Reaping benefits of multi-channel approach, with share of ADCs up to 81%**

ADCs

- **Increasing contribution of alternative delivery channels in sales activity**. In total sales, share of ADC increased to 22% (vs 15% at YE11) and share of teller increased to 17% (vs 16% at YE11)
- **Significant increase in mobile banking penetration** following launch of innovative application in Sept'11
  - Mobile banking market share up to 13.2% (vs 0.6% at launch)
  - Mobile banking users up to 210K (vs 68K at YE11)
- **Increasing effectiveness of call center center activites**
  - 77% increase in number of calls to 2.3 mln (vs 2009)
  - 1 sale realised per 9 contacts (vs 18 in 2009)

Note: ADCs indicate Alternative Delivery Channels

Ongoing solid contribution from subsidiaries

		Revenues (mln TL)	Revenue (y/y growth)	ROE	Sector Positioning	Drivers of Revenue Growth
Core Product Factories	YK Leasing	55	9%	12%	**#1 in total transaction volume** (17.6% mkt share)	Solid volume growth and strong fee generation
	YK Factoring	18	-27%	25%	**#1 in total factoring volume** (15.0% mkt share)	Declining volumes leading to lower fees and net interest income
	YK Portföy	11	4%	76%	**#2 in mutual funds[1]** ***Highest credit rating in its sector[1]***	Increasing fee income and volume growth
	YK Yatırım	58[2]	27%[2]	86%	**#3 in equity transaction volume** (7.3% market share)	Strong volume growth in mutual funds and increase in equity trading volume
Insurance Subs	YK Sigorta[3]	30	18%	-	**#3 in health insurance** (12.4% market share)	Positive trend in non-health margin and better technical margin in accident branch
	YK Emeklilik[3]	41	5%	29%	**#3 in private pension[4]** **#4 in life insurance[5]** **#6 in non-life insurance[6]**	Increase in private pension fund volume
International Subs	YK Azerbaijan	8.1 mln US$	28%[7]	3%	**US$ 327 mln** total assets	Increase in retail loan volume and positive contribution of credit card business
	YK Moscow	3.9 mln US$	8%[7]	10%	**US$ 182 mln** total assets	Positive impact of upward loan repricing and fee generation
	YK NV	10.4 mln US$	-10%[7]	8%	**US$ 2.2 bln** total assets	Decrease in fee income despite solid increase in margin

Note: Revenues in TL, unless otherwise stated. Factoring market share as of Dec'12. All other market shares as of Mar'13
(1) Mutual Fund market share at 16.9%. Fitch Ratings upgraded YK Portföy (YKP) in Mar'13 from M2+ to M1. YKP is the only institution in Turkey to reach this level
(2) Revenues including dividend income from YK Portföy. Revenue growth adjusted with dividend income
(3) On 26 March 2013, YKB signed an agreement with Allianz for sale of its 94% stake in YK Sigorta (which owns 100% of YK Emeklilik). As part of the agreement, YKB will buy-back and retain a 20% stake in YK Emeklilik. Transaction expected to be finalised in 2H13.
(4) Market share 17.3%
(5) Market share 5.0%
(6) Market share 6.9%
(7) Currency adjusted y/y revenue growth

Agenda

- Operating Environment
- 1Q13 Results (BRSA Consolidated)
- **Outlook / Key Strategic Guidelines**

2013 guidance confirmed, backed by positive macro evolution

2013 Macro[1]	
GDP Growth	4.8%
CPI Inflation	6.4%
Policy Rate	5.0%
Current Account Deficit / GDP	6.6%

2013 Forecasts	Sector	YKB	
Loans	17%	18%	~20% TL loan growth via market share gains in value generating segments / products, ~13% FC loan driven by project finance
Deposits	13%	17%	Above sector growth driven by ~20% TL deposit growth
Fees	16%	17%	Solid growth driven by acceleration in business volumes
NIM	Stable / Slightly Down	Stable / Slightly Down	Pressure on loan yields in 1H13 and deposit cost evolution aligned with sector
Costs	10%	9%	Emphasis on cost efficiency and strict management of ordinary costs while continuing investments for growth
Cost of Risk (CoR)	Stable / Slightly Down	Stable / Slightly Down	Total CoR to be driven by controlled evolution in specific CoR and general CoR dependent on volume growth / regulation

(1) Current YK Economic Research estimates as of May'13

Key strategic guidelines in place to deliver sustainable long-term performance

Strategic pillars

Healthy and consistent growth	Strong and sustainable profitability	Superior and long-lasting customer satisfaction
Focus on core banking activities	Strict cost-control, efficiency gains	Integrity, «easy to work with» approach and employee satisfaction

Key Guidelines

Growth & commercial effectiveness

- Selective and value generating loan growth in Retail (GPL, SME and mortgages), higher yielding mid-commercial and project finance in Corp/Commercial
- Continuation of organic growth (+30/40 branch openings/year)
- Process/systems investments to increase sales effectiveness
- Focus on fee & commission generation and customer penetration, acquisition, activation to offset margin compression

Funding & capital

- Further emphasis on deposit base and funding diversification
- Effective loans/deposits ratio management
- Effective capital usage via optimum allocation/monitoring of EVA at customer/product and segment level

Efficiency & cost optimisation

- Disciplined cost approach
- Development of lower cost to serve models to reduced time to serve leveraging on IT/operations transformation plan
- Ongoing investments for growth and optimisation of physical presence
- Multi-channel approach via improvement in ADC capabilities

Risk management

- Dynamic and proactive portfolio management to decrease NPL entries and improve collections/collateralisation
- Continuous investments to maintain below through the cycle cost of risk
- Focus on early collections via capacity increase and strategy redesign

Sustainability

- Constant focus on customer/employee satisfaction and loyalty
- Continuous investments in technology and innovation to enhance easy to work with approach

Agenda

- Operating Environment
- 1Q13 Results (BRSA Consolidated)
- Outlook / Key Strategic Guidelines
- **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

Strong performance in almost all segments driven by declining funding costs and solid fee growth

Business Units (bank only)

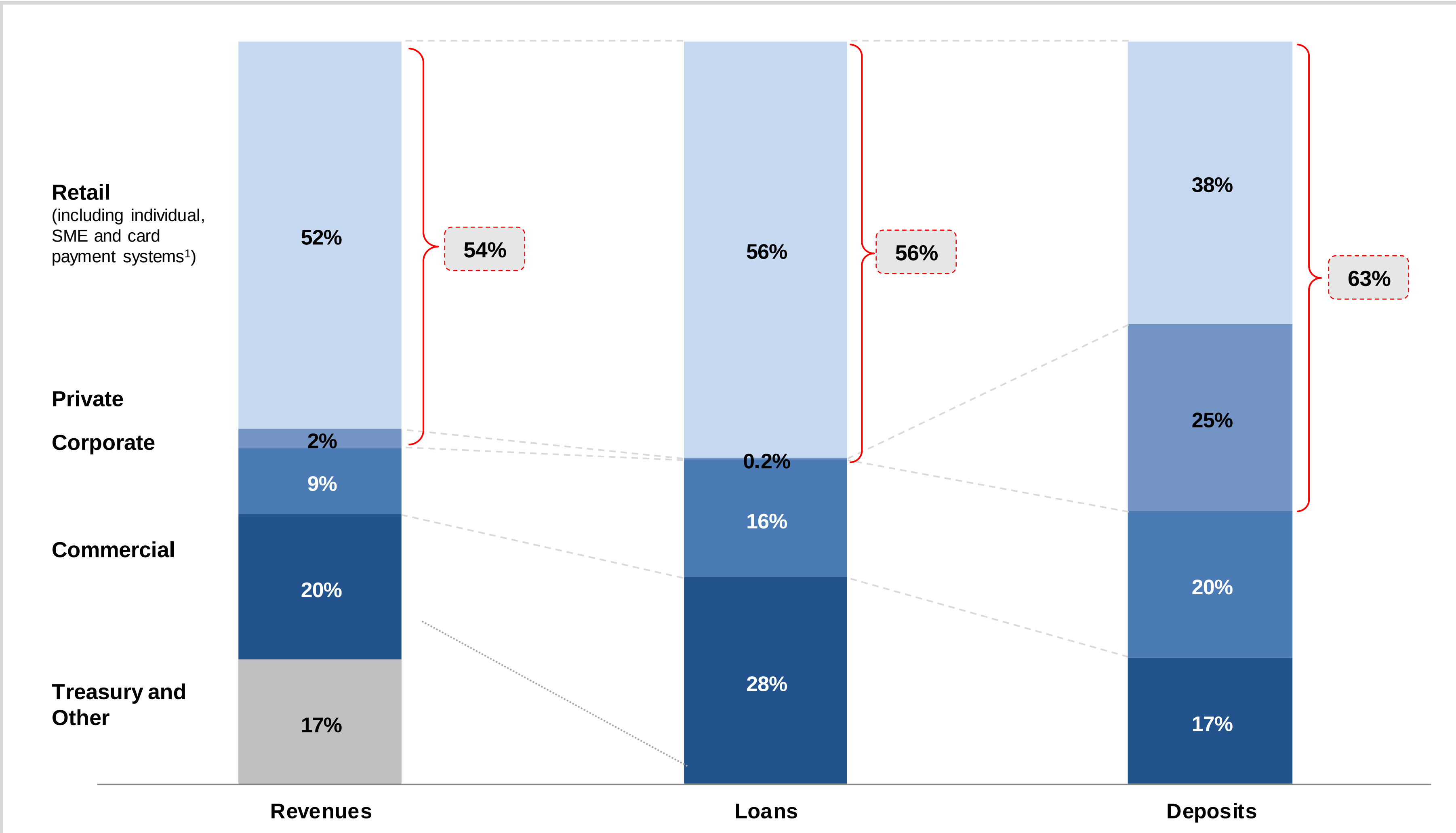
Weight in Bank

Revenues[1]	Customer Business[2]	Segment	Revenues (mln TL)	Y/Y (1Q13 – 1Q12)	Drivers of Revenue Growth
44%	35%	Retail[3]	654	11%	Strong fee generation in individual segment and positive spread evolution in SME segment
17%	10%	Card Payment Systems[4]	254	39%	Strong revenue trend mainly driven by declining cost of funding and volume growth
2%	13%	Private	37	-16%	Revenues impacted by pressure on deposit costs despite solid fee generation
9%	16%	Corporate	133	20%	Revenues positively impacted by margin expansion due to selective growth strategy
20%	21%	Commercial	290	-1%	Performance impacted by pressure on lending yields driven by strong competition, partially offset by solid fee generation

(1) Total share of business units at 85% in 4Q12 (excluding impact of POS revenues recognition in card payment systems). The remaining 15% is attributable to treasury and other operations
(2) Customer business= Loans + Deposits + AUM. Excluding other (2%)
(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

Diversified revenue mix with retail focused loan and deposit portfolio

Revenues and Volumes by Business Unit (1Q13, Bank only)

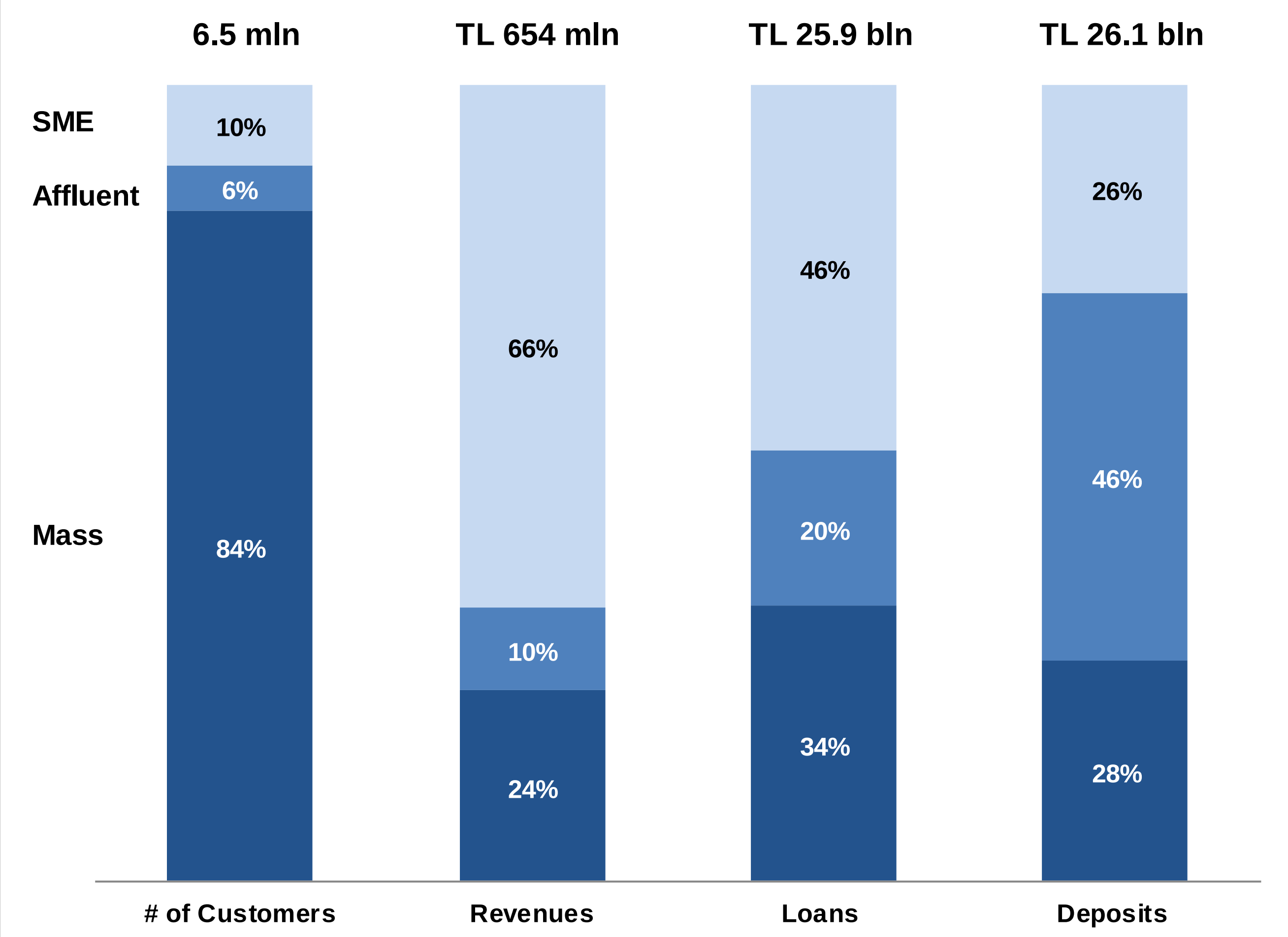


Note: Loan and deposit allocations based on end of period volumes (source: MIS data).
(1) Card payment system revenues excluding POS revenues

Retail Banking

~ 66% of retail banking revenues generated by SME business

Retail Banking Composition (1Q13)



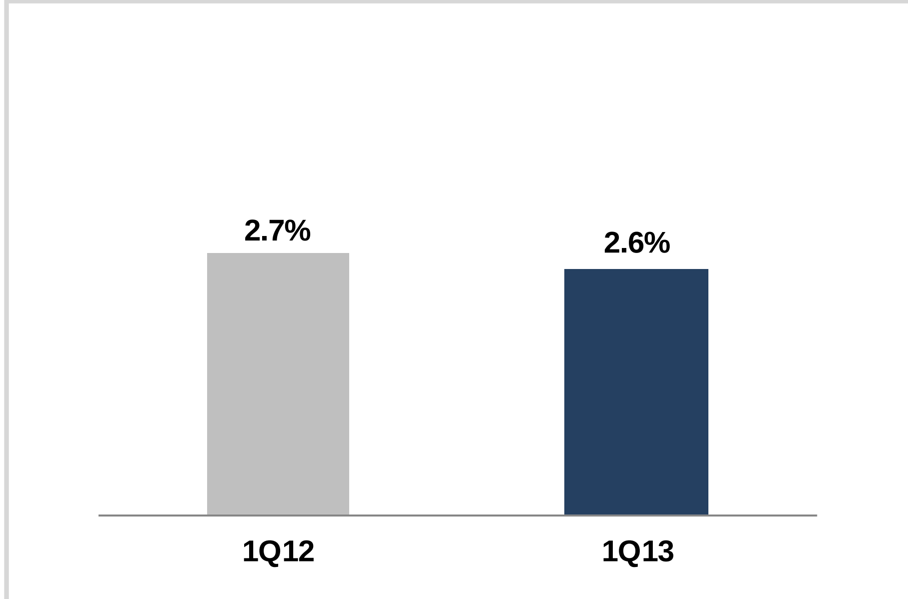
- **Mass Segment: ~5.4 mln active customers** generating:
  - **24% of retail revenues**
  - **34% of retail loans**
  - **28% of retail deposits**
- **Affluent Segment: ~370K active customers** generating:
  - **10% of total retail revenues**
  - **20% of retail loans**
  - **46% of retail deposits**
- **SME Segment: ~652K active customers** generating
  - **66% of total retail revenues**
  - **46% of retail loans**
  - **26% of retail deposits**

Retail (Mass & Affluent)

Value generating growth driving revenue performance

TL mln	1Q13	ytd
Revenues (y/y)	225	7%
Loans	14,019	6%
Deposits	19,326	0.1%
AUM	2,275	0.2%
% of Demand in Retail Deposits	16%	-0.3 pp
% of TL in Retail Deposits	74%	0.1 pp
% of TL in Retail Loans	100%	0.3 pp

Revenues/Customer Business[1]



- **Revenues +7% y/y** driven by strong fee generation. Spread relatively stable impacted by pressure on loan yields despite declining deposit costs
- **Loans +6% ytd** mainly driven by general purpose loans and mortgages
- **Deposits stable ytd**

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.

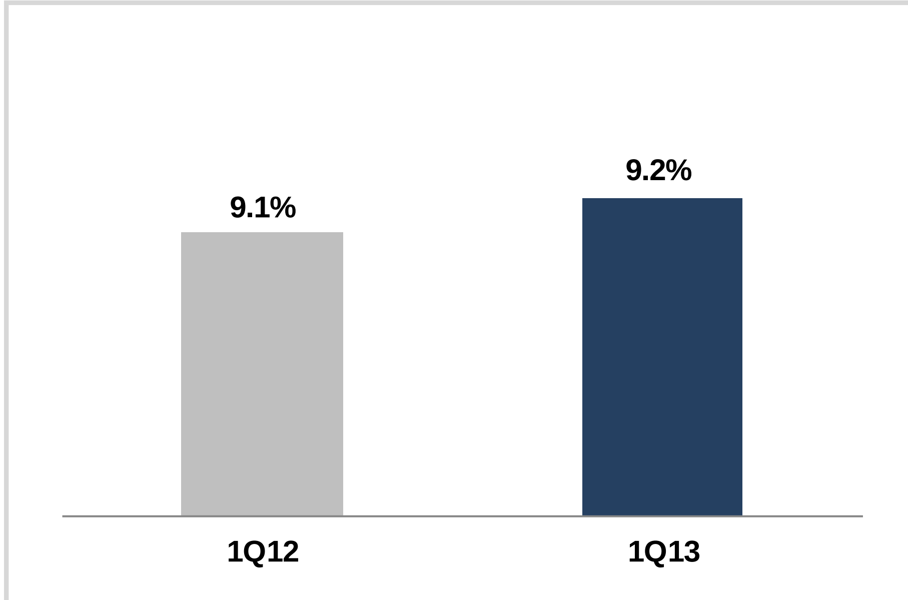
(1) Customer business: Loans + Deposits + AUM

Retail (SME)

Revenues driven by strong fee growth and positive spread evolution

TL mln	1Q13	ytd
Revenues (y/y)	429	12%
Loans	11,895	3%
Deposits	6,840	9%
AUM	610	-2%
% of Demand in SME Deposits	43%	0.9 pp
% of TL in SME Deposits	72%	1.5 pp
% of TL in SME Loans	96%	0.0 pp

Revenues/Customer Business[1]



- **Revenues +12% y/y** supported by 19% growth in fees and positive spread evolution
- **Loans +3% ytd** mainly driven by commercial installment loans
- **Deposits +9% ytd driven by 12% growth in TL deposits** with effective management of deposit costs

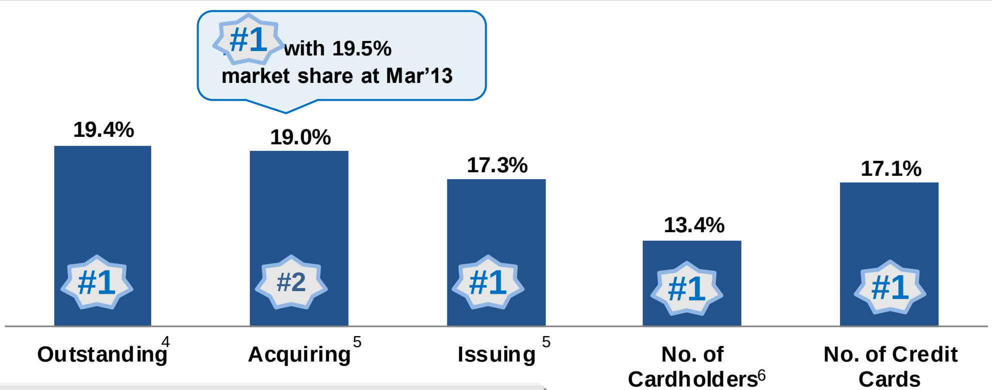
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Card Payment Systems

Leadership position reinforced with 1Q results in all parameters (outstanding, acquiring and issuing volume, number of cardholders[6] and number of credit cards)

	1Q13	ytd	y/y
Net Revenues[1] (mln TL)	254		39% ↑
# of Credit Cards[2] (mln)	9.5	2% ↑	12% ↑
# of Cardholders (mln)	5.4	1% ↑	6% ↑
# of Merchants (ths)	347	2% ↑	3% ↑
# of POS (ths)	449	1% ↑	4% ↑
Activation	82%	-	-

Market Shares[3]



	Outstanding	Acquiring	Issuing
Volume (bln TL)	15.2	18.5	16.8
YoY growth	39%	19%	19%

- **Revenues +39% y/y** positively impacted by declining funding costs and volume growth
- **Asset quality significantly better than sector. Credit card NPL ratio at 3.0%, relatively stable vs YE12** (+12bps) vs 5.3% in the sector (+38 bps)

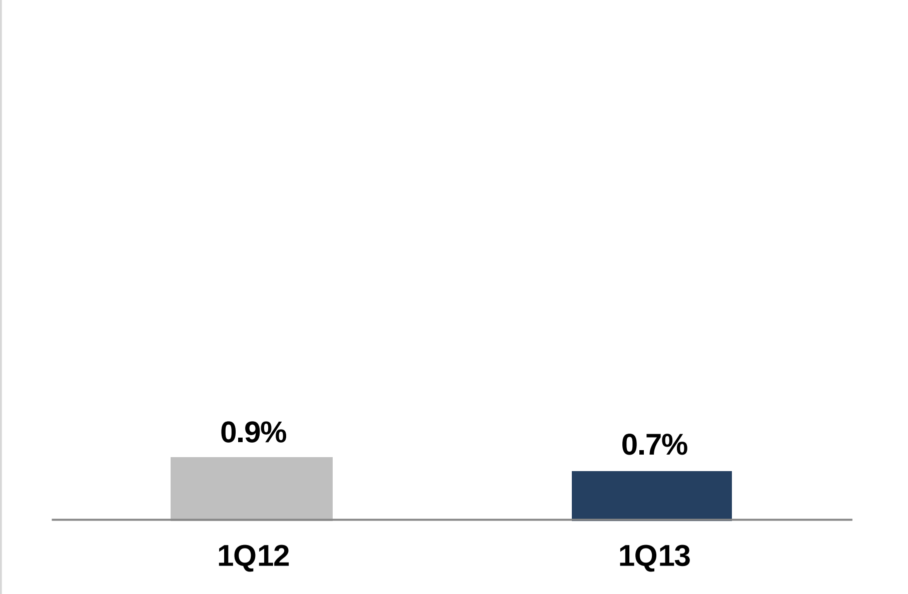
(1) Card payment systems revenues (net off worldcard loyalty point expenses) include POS revenues. POS portion is also recognised in other related segment revenues
(2) Including virtual cards
(3) Market shares based on bank-only figures
(4) Outstanding volume is the sum of individual and commercial credit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

Private

Revenues impacted by pressure on deposit costs despite solid fee generation

TL mln	1Q13	ytd
Revenues (y/y)	37	-16%
Loans	178	-14%
Deposits	17,276	3%
AUM	2,969	5%
% of Demand in Private Deposits	4%	0.0 pp
% of TL in Private Deposits	63%	1.4 pp
% of TL in Private Loans	82%	0.4 pp

Revenues/Customer Business[1]



- **Revenues -16% y/y** impacted by pressure on cost of deposits despite solid growth in fees (+42% y/y)
- **Deposits +3% ytd** driven by strong growth in TL deposits (+6% ytd)
- **AUM +5% ytd** driven by positive performance of mutual and pension funds
- **Customer portfolio continuously diversified** through strong synergies with asset management and brokerage product factories

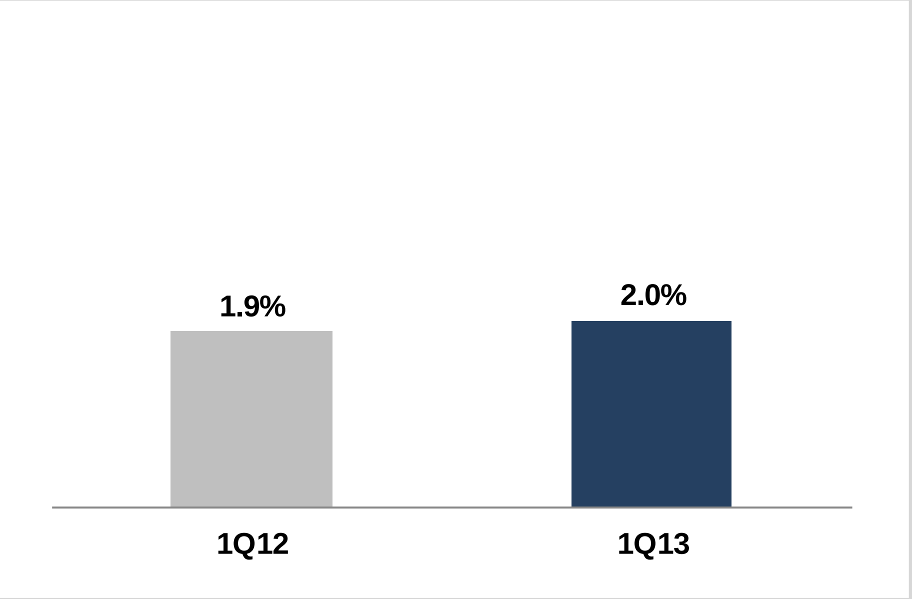
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Corporate

Strong revenue growth via selective growth strategy

TL mln	1Q13	ytd	
Revenues (y/y)	133	20%	↑
Loans	11,654	2%	↑
Deposits	13,536	-6%	↓
AUM	1	13%	↑
% of Demand in Corporate Deposits	6%	-0.3 pp	
% of TL in Corporate Deposits	46%	6.1 pp	
% of TL in Corporate Loans	13%	-3.4 pp	

Revenues/Customer Business[1]



- **Revenues +20% y/y** driven by positive spread evolution and robust fee performance (+53% y/y)
- **Loans +2%** supported by foreign currency lending focused on long-term investment loans (+6% ytd)
- **Resilient asset quality** with corporate / commercial NPL ratio at 2.5% (stable ytd)

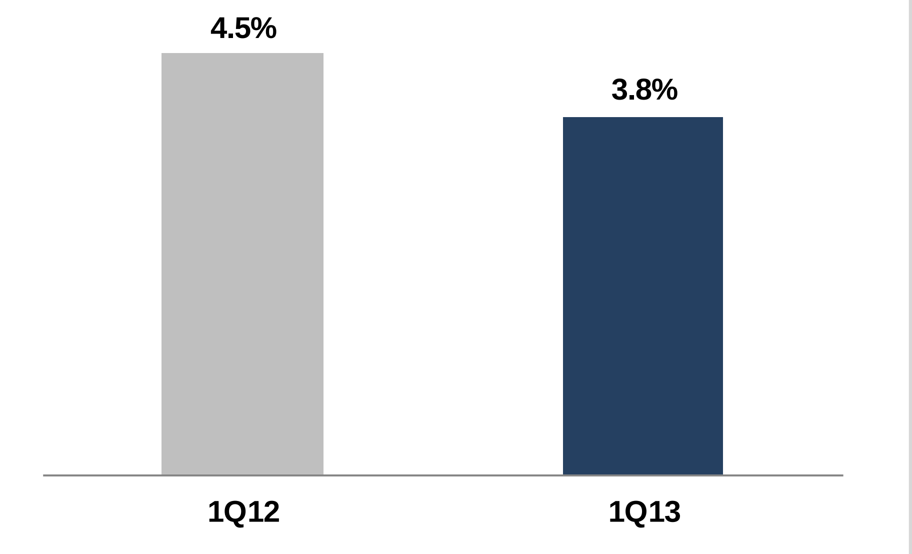
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Commercial

Revenues impacted by pressure on loan yields due to competition

TL mln	1Q13	ytd
Revenues (y/y)	290	-1%
Loans	20,362	3%
Deposits	11,711	25%
AUM	185	3%
% of Demand in Commercial Deposits	25%	-5.2 pp
% of TL in Commercial Deposits	64%	7.4 pp
% of TL in Commercial Loans	36%	-3.7 pp

Revenues/Customer Business[1]



- **Revenues -1% y/y** impacted by pressure on loan yields due to competition
- **Loans +3% ytd** driven by foreign currency lending (+10% ytd)
- **Deposits +25% ytd** driven by TL deposit growth
- **Resilient asset quality** with corporate / commercial NPL ratio at 2.5% (stable ytd)

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

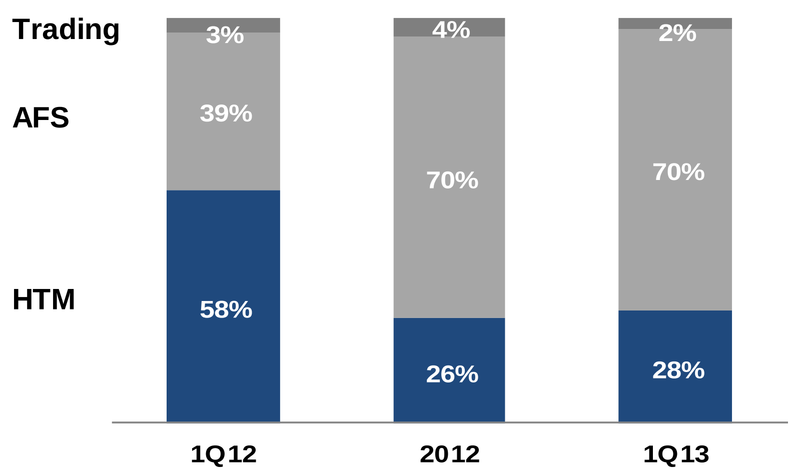
Agenda

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

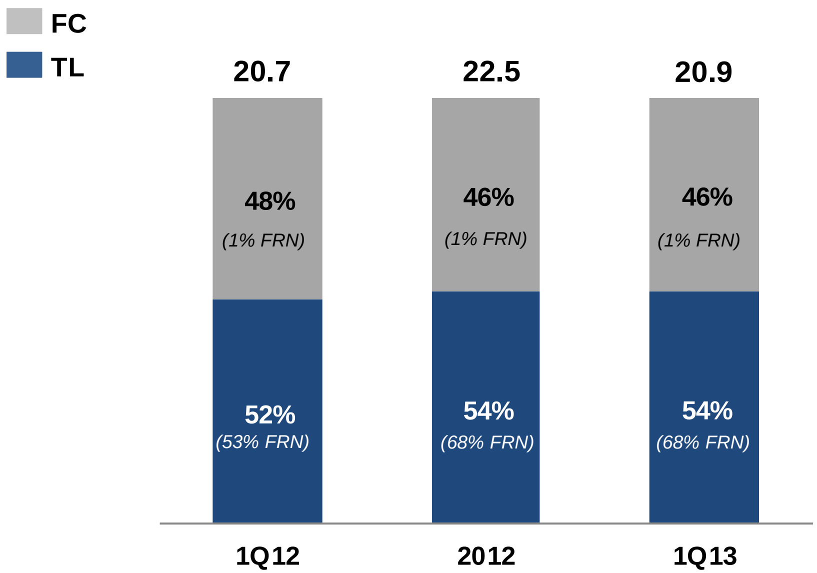
Securities

70% of securities portfolio invested in AFS

Securities Composition by Type



Securities Composition by Currency (TL bln)



- **Share of securities in total assets at 16%** (vs 18% at 1Q12)
- **Share of Held to Maturity** (HTM) **at 28%** (vs 58% at 1Q12). **Share of AFS portfolio at 70%** (vs 39% at 1Q12) driven by focus on effective liquidity management
- **Share of TL securities in total securities at 54%** (vs 52% at 1Q12)
- **CPI-linkers at 2.1 bln TL** (10% of total securities)

FRN: Floating Rate Notes

Borrowings *(as of May'13)*

International	Syndications	**~ US$ 2.7 bln outstanding** ▪ **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	**~ 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	**~€ 2.3 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 ▪ **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	**US$ 750 mln Loan Participation Note (LPN)** ▪ **Oct'10:** 5.1875% (coupon rate), 5 years **US$ 1 bln Eurobond outstanding** ▪ **Feb'12:** US$ 500 mln, 6.75% (coupon rate), 5 years ▪ **Jan'13:** US$ 500 mln, 4.00% (coupon rate), 7 years
	Covered Bond	**TL 458 mln first tranche** ▪ **Nov'12:** SME-backed with maturity between 3-5 years; highest Moody's rating (A3) for Turkish bonds
	Multinational Loans	▪ **EIB Loan - Jul'08 / Dec'10:** €525 mln, 5-15 years ▪ **EBRD Loan - Aug'11:** €30 mln, 5 years
Domestic	Local Currency Bonds / Bills	**TL 1.4 bln outstanding** ▪ **Apr'12:** TL 200 mln, 10.33% compounded rate, 406 days maturity ▪ **Nov'12:** TL 507 mln, 6.45% compounded rate, 178 days maturity ▪ **Feb'13:** TL 241 mln, 6.09% compounded rate, 146 days maturity ▪ **Feb'13:** TL 59 mln, 6.51% compounded rate, 286 days maturity ▪ **Apr'13:** TL 328 mln, 6,49% compounded rate, 179 days maturity ▪ **Apr'13:** TL 22 mln, 6,66% compounded rate, 294 days maturity