Yapı Kredi 2013 Earnings Presentation

Robust base, resilient performance

BRSA Consolidated Financials

10 February 2014

2013 Operating Environment: A year divided in two parts

Until May...

- *Improving fundamentals with achievement of investment grade*
- *Strong economic growth*
- *Banking sector: Accelerating volume growth, healthy profitability and asset quality*

...up to December

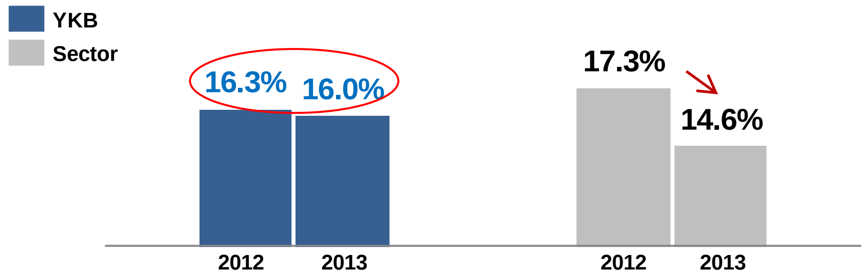
- *Impact of FED tapering and domestic political uncertainties*
- *Significant market volatility and decreasing visibility*
- *Banking sector: Increasing regulation, NIM pressure, slowdown in volume growth*

	May	December
Inflation	6.5%	7.4%
USD / TL (eop)	1.8	2.1
Interest Rates	~5%	~10%
Pace of Loan Growth	~35%	~20%
NIM	~4%	~3%

Notes:
Inflation indicates CPI y/y evolution
Interest rates indicates Benchmark bond rate
Loan growth based on 13-week annualised average loan growth
NIM = Net interest margin

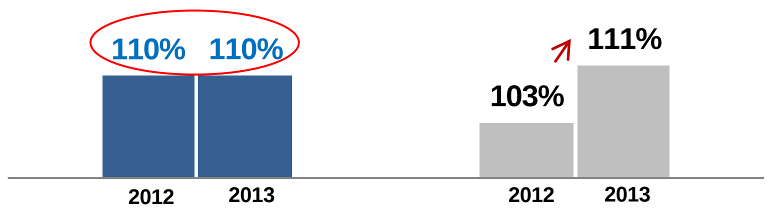
YKB in 2013: Base effectively strengthened while maintaining resilient performance

Solid CAR



- **Sustainable annual evolution** vs significant decrease in the sector (YKB -32bps vs -266bps sector)
- **Highest level among peers**

Effective LDR Management



- **Loans / Deposits ratio maintained stable at 110%** vs significant increase in the sector
- **LDR Level in line with previously communicated "comfortable band"**

Robust Profitability

Net Income	ROATE
TL 3.7 bln (+74% y/y)	**25.7%**
TL 2.4 bln excl insurance sale (+13% y/y)	**16.7%** excl insurance sale *(sector: 13.6%)*

- **Solid profit generation capability** driven by focus on customer-business and sustainability
- **Timely insurance business sale creating additional value**

Notes:
Sector information based on Dec'13 BRSA monthly data
LDR and CAR based on bank-only figures
CAR = Capital Adequacy Ratio
LDR = Loans/Deposits Ratio
ROATE = Return on Average Tangible Equity (excluding TL 979 mln goodwill). Sector data also excluding Yapı Kredi insurance business sale

Current Trends

Following CBRT tightening actions on 29-Jan’14,
YKB dynamically adapting to the new environment via a proactive approach

- ***Loan growth continuing****, albeit at a slower pace (+3% as of end-Jan’14)*
- ***Upward repricing activities started immediately*** *(~15/20 bps monthly on consumer loans)*

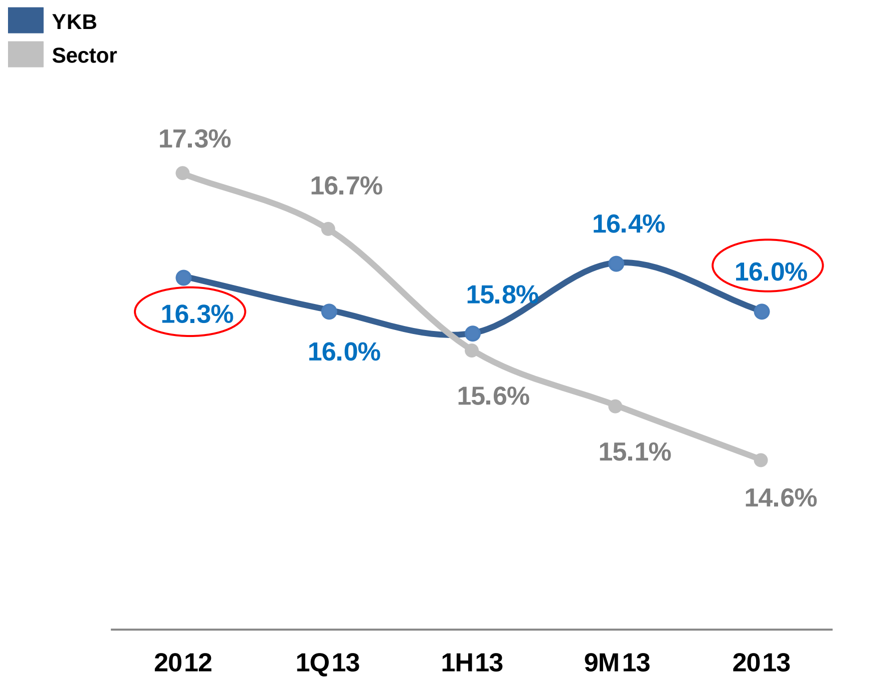
- ***Deposit gathering being managed strategically*** *(stable as of end-Jan’14)*
- ***Strong focus on price optimisation*** *(rate hike only partially reflected on deposit rates, ~150bps)*

- ***Asset quality remaining controlled*** *and aligned with 4Q13 evolution*
- *Deep analysis of FC corporate lending book continuing with emphasis on increasing collateralisation in light of currency depreciation*

Trends will continue to be monitored closely in upcoming period to determine full impact on 2014 given market / competitive dynamics

Among the best capitalised banks in the sector

Capital Adequacy (Bank)



Tier-I Ratio	2012	1Q13	1H13	9M13	2013
YKB	10.6%	10.2%	10.7%	11.7%	11.1%
Sector	14.2%	13.8%	13.2%	12.6%	12.2%

- **Resilient capital base despite market volatility. CAR at 16.0% vs 14.6% in the sector**
  - Regulation impact[1]: -40bps in 4Q13
- **Low leverage maintained** (7.6x)

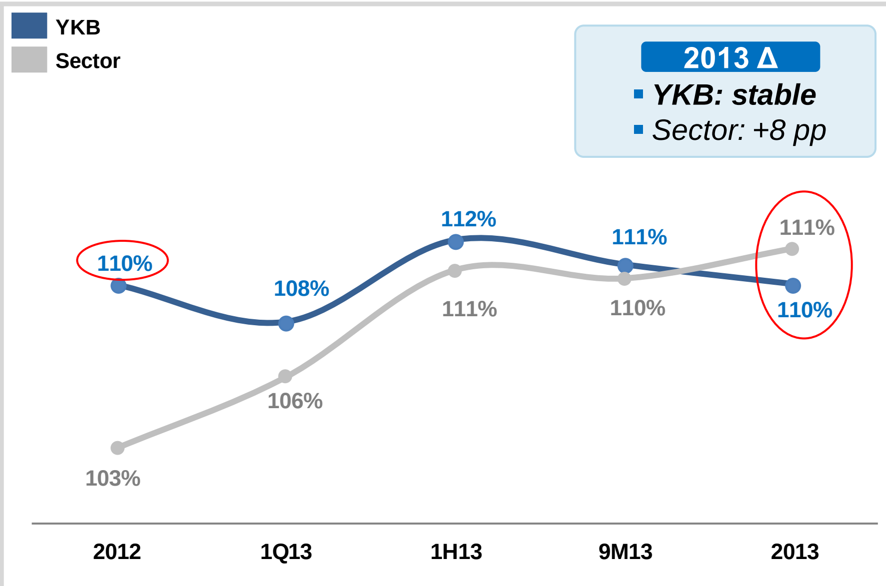
Solid capital base supported by:

- ***Successful sale of insurance business***
- ***Timely sale of Eurobonds*** *from AFS portfolio*
- ***Renewal of sub-debt[2]*** *leading to increased CAR contribution*
- ***RWA optimisation efforts*** *and continuous capital discipline*
- ***High share of FC in Tier-II*** *serving as a buffer against TL depreciation*
- ***Conservative balance sheet*** *(low share of securities → low mtm volatility[3])*

(1) Increase in risk weighting for auto loans from 75% to 150% for 1-2 year maturity, from 75% to 200% for >2 years maturity; for credit cards from 75% to 100% for 1-6 months maturity, from 150% to 200% for 6-12 months maturity, from 200% to 250% for >12 months maturity
(2) New sub-loan via UniCredit on 18 Dec' 13 of US$ 470 mln, 10NC5 and 6.35% coupon rate to replace €350 mln sub-loan granted by Goldman Sachs in Apr'06 (repayed on 19 Dec'13)
(3) M-t-m unrealised gains under equity at TL -118 mln in 4Q (3Q: TL 240 mln, 2Q: TL 411 mln and 1Q: TL 1.2 bln)

Successful liquidity management with stable loans/deposits ratio and timely wholesale funding issuances

Loans / Deposits Ratio (Bank)



Funding Secured in 4Q13

- **US$ 470 mln sub-loan:** 6.35% coupon rate, 10NC5, Dec'13
- **US$ 500 mln Eurobond:** 5.25% coupon rate, 5 years, Dec'13
- **GMTN program launched** and already reached >US$ 850 mln
- **1.1 bln TL bonds** (Oct'13: TL 600 mln, 7.87% compounded rate, 179 days maturity; Nov'13: TL 500 mln, 8,48% compounded rate, 178 days maturity)

- **Loans / Deposits ratio maintained stable** at 110% vs significant increase at sector level
  - Strong deposit culture in network and effective one-to-one deposit pricing approach
- Sustained focus on **funding diversification** and access to international capital markets
- **50% of 2014 additional funding plan completed as of YE13**

Balanced volume evolution with no deviation from customer-orientation

TL bln	2012	2013	3QΔ	4QΔ	YTD	Curr. Adj
Total Assets	131.5	160.3	7%	5%	22%	
Loans	77.8	99.4	7%	7%	28%	20%
Securities	22.5	21.8	3%	-1%	-3%	
Deposits	71.1	88.5	6%	7%	24%	13%
Borrowings	23.4	34.2	15%	13%	46%	
Shareholders' Equity	16.0	18.3	10%	2%	14%	
Loans/Assets	59%	62%				
Securities/Assets	17%	14%				
Loans/Deposits (Group)	109%	112%				
Loans/Deposits (Bank)	110%	110%				

- **Loans +28% ytd** with sustained pace in 4Q
- **Loans/assets up to 62%**, securities/assets down to 14% confirming continuous customer-business focus
- **Deposits +24% ytd** with growth accelerating in 4Q

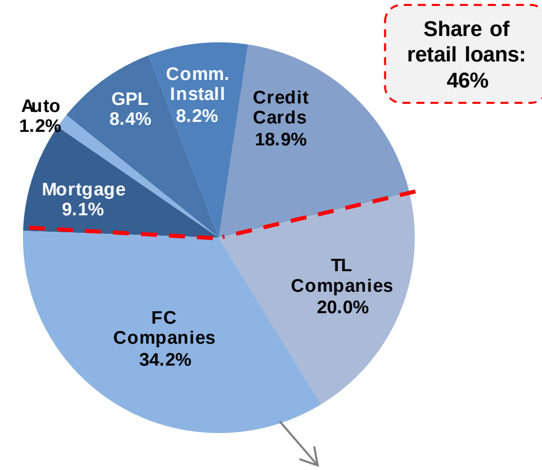
Note: Loans indicate performing loans
Currency adjusted growth assumes no change in US$/TL vs 2012 (YKB balance sheet US$/TL rate in 2012: 1.7380; 2013: 2.1343)

Solid lending evolution with balanced growth in consumer and companies

Loans

	2013	1QΔ	2QΔ	3QΔ	4QΔ	YTD	Curr. Adj	Market Share
Total Loans[1]	**99.4**	**4%**	**8%**	**7%**	**7%**	**28%**	**20%**	**9.5%**
TL	65.3	2%	6%	6%	6%	20%		*9.3%*
FC ($)	16.0	3%	6%	4%	4%	19%		*10.2%*
Consumer Loans	**37.3**	**6%**	**9%**	**6%**	**3%**	**25%**		**15.5%**
Mortgages	9.0	8%	6%	5%	3%	25%		*8.9%*
General Purpose	8.3	5%	4%	4%	5%	20%		*6.3%*
Auto	1.2	-7%	2%	2%	4%	1%		*14.0%*
Credit Cards	18.8	5%	12%	8%	2%	30%		*20.6%*
Companies[2]	**62.1**	**2%**	**7%**	**8%**	**9%**	**29%**	**16%**	**8.7%**
TL	28.0	-3%	2%	5%	9%	14%		*7.5%*
FC ($)	16.0	3%	6%	4%	4%	19%		*10.2%*
SME[3]	24.3	8%	15%	7%	5%	40%		-

Loan Composition



	Share	Ytd Δ
Project Finance	52%	38%
Working Capital	10%	-36%
LT Investments	38%	30%

- **Total loans +28%** (20% currency adjusted) with sustained growth in 4Q (7% q/q)
  - TL loans +20% driven by credit cards, mortgages and general purpose loans
  - FC loans in US$ +19% driven by project finance and long-term investment lending
- **Balanced loan composition maintained** with share of retail loans in total loans at 46%

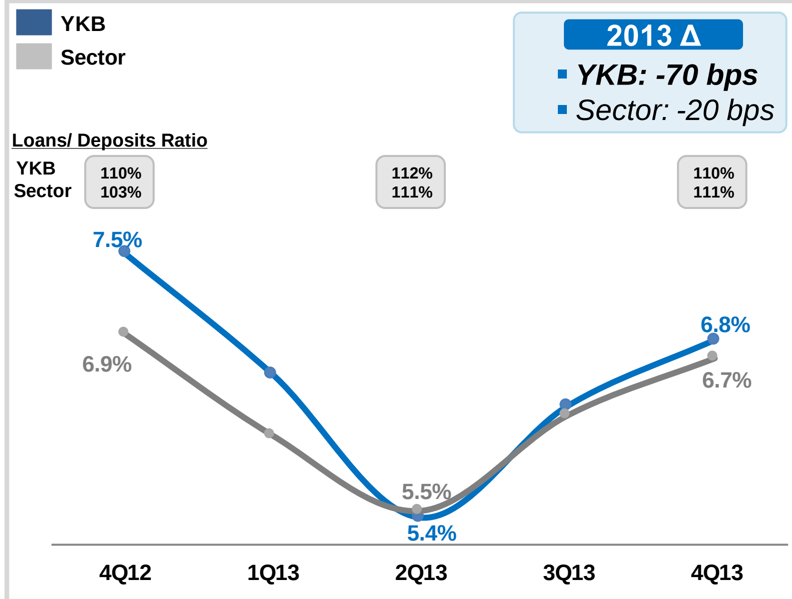
Notes:
Market shares based on BRSA bank-only data. FC-indexed loans included in TL loans
Currency adjusted growth assumes no change in US$/TL vs 2012 (YKB balance sheet US$/TL rate in 2012: 1.7380; 2013: 2.1343)
(1) Total performing loans
(2) Total loans excluding consumer loans
(3) SME definition: <40 mln TL annual turnover (Share of TL: 65%). YKB internal SME definition: <US$ 5 mln annual turnover (share of TL: 96%)

Strategically managed deposit base

Deposits

	2013	1QΔ	2QΔ	3QΔ	4QΔ	YTD	Curr. Adj.	Market Share
Total Deposits	88.5	4%	6%	6%	7%	24%	13%	*9.1%*
TL	44.5	10%	0%	-1%	-1%	8%		*7.6%*
FC ($)	20.6	-9%	8%	10%	10%	19%		*11.3%*
Customer Deposits[1]	88.3	3%	7%	6%	9%	27%		*9.5%*
Demand Deposits	14.4	3%	4%	17%	-2%	22%		*8.0%*

TL Deposit Cost Evolution (quarterly)



- **Deposits +24%** (13% currency adjusted) with focus on disciplined pricing due to comfortable liquidity position
  - TL deposits +8% with stable evolution over last 3 quarters due to deposit cost optimisation efforts
  - FC deposits in US$ +19% via shift in corporate/private customer preferences on the back of TL depreciation
- **Better than sector evolution in deposit costs.** Gap narrowed significantly between YKB and sector supported by one-to-one deposit pricing approach[2]

Notes:
Market shares based on unconsolidated figures for YKB and sector. Sector TL deposit cost based on BRSA monthly data as of Dec'13
Currency adjusted growth assumes no change in US$/TL vs 2012 (YKB balance sheet US$/TL rate in 2012: 1.7380; 2013: 2.1343)
(1) Excluding bank deposits
(2) 1-to-1 deposit pricing launched in Feb'12 to facilitate cost-effective TL time deposit rate offers based on customer price sensitivity

TL 3.7 bln net income via growth, cost management and supported by insurance business sale

TL mln	2012	2013	y/y	Comparable Basis[2]
Total Revenues	7,148	8,058	13%	17%
Operating Costs	3,159	3,543	12%	9%
Operating Income	3,989	4,515	13%	
Provisions	1,400	1,552	11%	
o/w General + Specific	1,225	1,366	12%	
Pre-tax Income	2,589	2,963	14%	
Discontinued Operations[1]	107	1,326		
Net Income	2,098	3,659	74%	
Net Income (excluding insurance business sale)	2,098	2,375	13%	27%

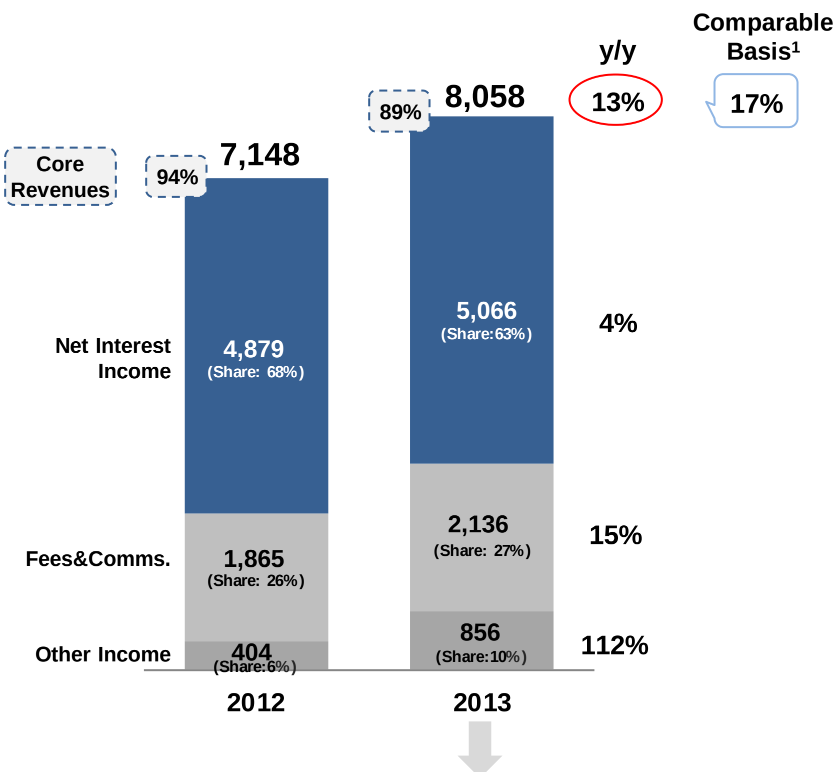
- **Revenues +13% y/y** despite regulatory impacts
- **Costs +12% y/y (+9% on a comparable basis[2])** with sustained discipline
- **Provisions +11% y/y** with minor 4Q regulation impact
- **Net income + 74% y/y to TL 3.7 bln.** Excluding insurance business sale, **double digit growth momentum maintained** (+13% y/y, +27% on a comparable basis)

(1) On 12 July 2013, sale of insurance business to Allianz was finalised. Accordingly, YKB sold its 94% stake in YK Sigorta which owns 100% of YK Emeklilik. 20% stake in YK Emeklilik is retained. Consolidated capital gain is TL 1,284 mln post 5% capital gain tax (bank-only capital gain is TL 1,174 mln post-tax). Previous period restated for comparability purposes

(2) Comparable basis: Revenues excluding: (i) TL 57 mln sub-debt early repayment penalty (ii) TL 250 mln impact of regulations (introduction of cap rate on overdrafts as of Jul'13 and reduction of cap rate on business cards as of Aug'13). Costs excluding: (i) TL 32 mln TL competition board fine in 3Q, (ii) regulatory costs (ie SDIF premium increase, SDIF penalty and other) (ii) impact of retail business expansion in Azerbaijan

Strong contribution of core revenues and positive impact of other income

Revenues (TL mln)



quarterly, 2013	1Q	2Q	3Q	4Q
Total Revenues	**1,842**	**2,183**	**1,906**	**2,127**
Share of NII	71%	62%	61%	59%
Share of Fees	27%	25%	27%	27%
Share of Other	2%	13%	12%	14%

Other Income Breakdown (TL mln)

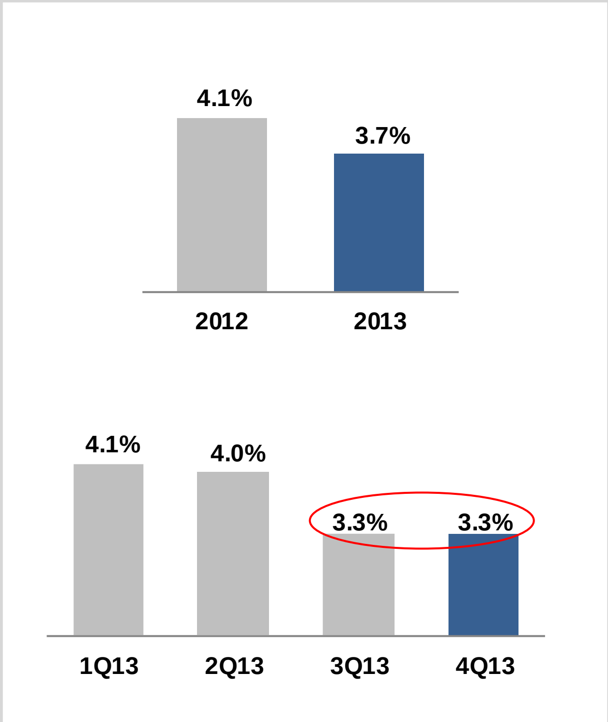
	1Q13	2Q13	3Q13	4Q13	2012	2013
Total Other Income	40	293	218	303	404	855
Trading&FX (net)	-86	200	146	129	30	388
Collections & Prov. Reversals	80	31	40	18	77	168
NPL Sale	0	0	0	40	65	40
Subs & Other	46	62	32	116	232	259

- **High share of core revenues in total** (89%) ensuring sustainable and healthy growth
- **Other income/revenues** (11%) driven by:
  - US$ 1.3 bln sale of Eurobonds from AFS portfolio in 2Q & 4Q
  - Collections performance and NPL sale gain

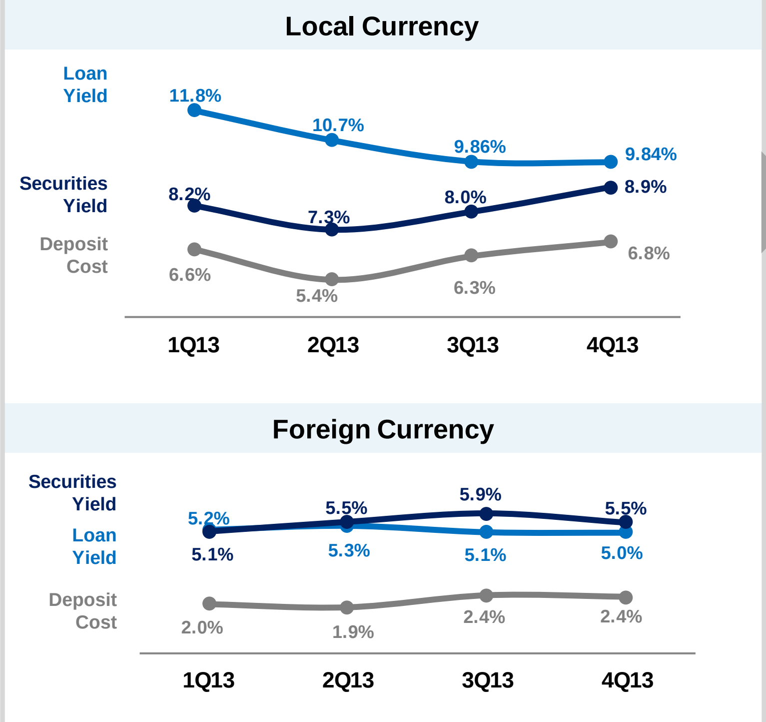
Note: Core revenues indicate the sum of net interest income and net fees & commissions
(1) Comparable basis: Revenues excluding: (i) TL 57 mln sub-debt early repayment penalty (ii) TL 250 mln impact of regulations (introduction of cap rate on overdrafts as of Jul'13 and reduction of cap rate on business cards as of Aug'13)

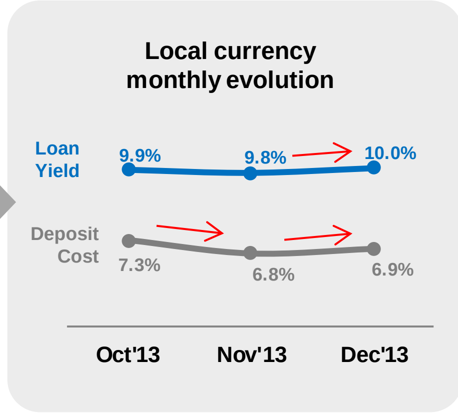
Annual NIM evolution in line with guidance (-40bps) despite significant pressure in 2H13 from rising rates

Net Interest Margin (bank-only)



Yields and Costs (bank-only)



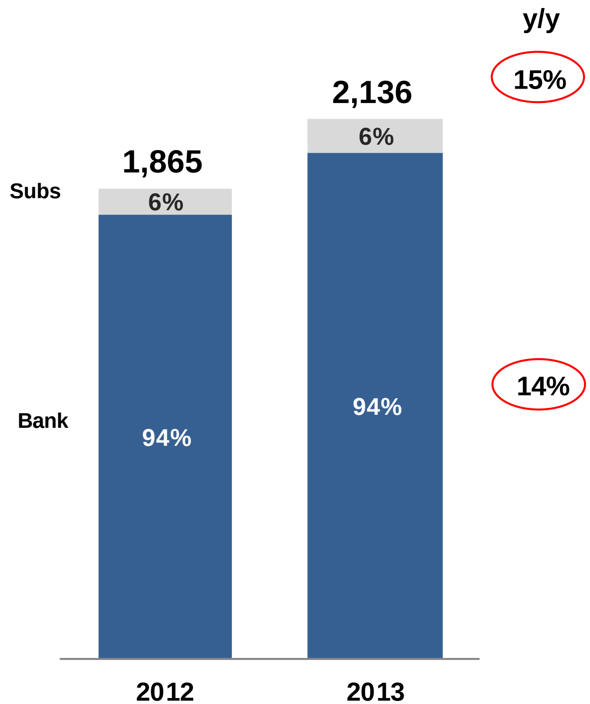


- **Cumulative NIM at 3.7%** with evolution (-40 bps y/y) confirming guidance and ability to navigate challenging rate environment
- **Quarterly NIM at 3.3%** (stable q/q) supported by relatively stable TL loan yield, rising TL securities yield and slowdown in pace of TL deposit cost increase. FC dynamics relatively stable

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).
1Q13 and 2013 adjusted NIM excludes 57 mln TL sub-debt early repayment penalty in net interest income
Reported NIM figures as follows: 2012: 4.2%, 2013: 3.7%; 1Q13: 4.1%, 2Q13: 4.1%, 3Q13: 3.3%, 4Q13: 3.3%
Yield on loans and securities and cost of deposits based on average volumes. Loan yields calculated using performing loan volume and interest income
NIM = Net interest income/Average Interest Earning Assets

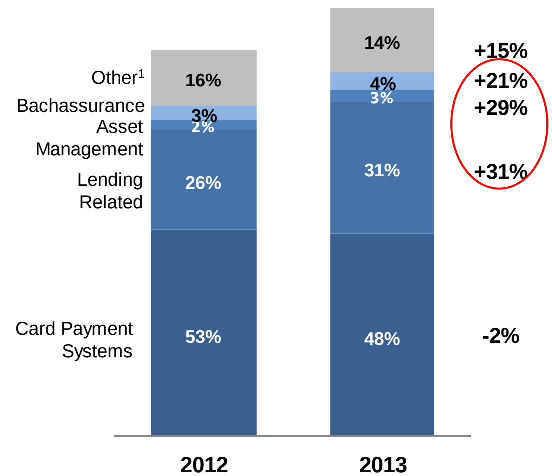
15% fee growth driven mainly by value generating lending growth

Net Fees & Commissions (TL mln)



quarterly, 2013	1Q	2Q	3Q	4Q
Total	494	544	522	576

Fees Received Composition (bank-only)

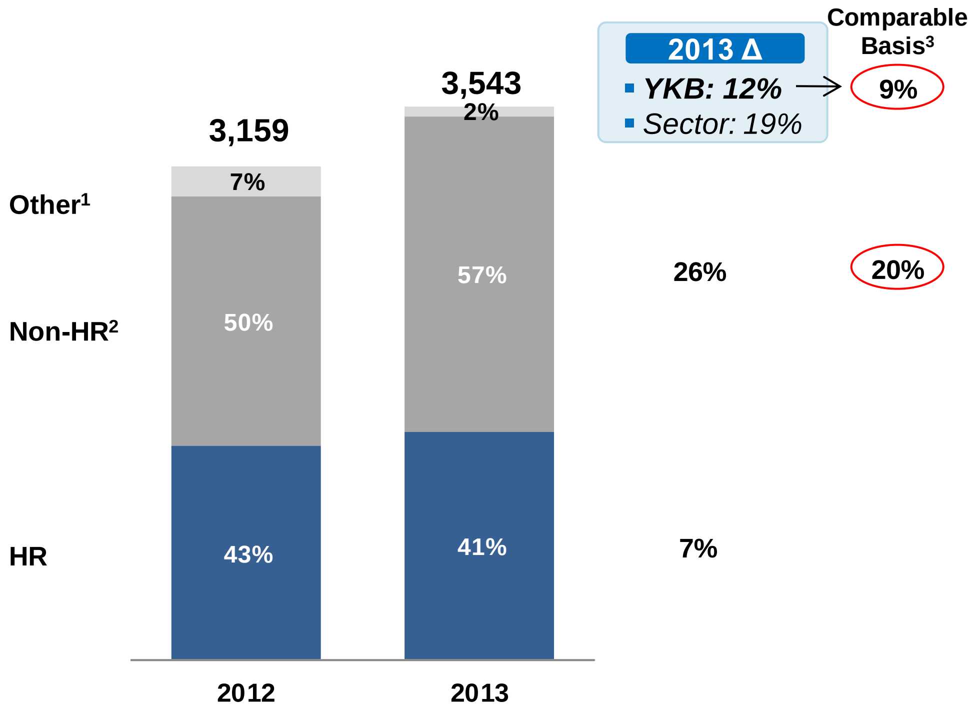


- **Fees +15% driven purely by commercial business activity** with no accounting changes
  - Lending related fees +31% y/y
  - Card fees received impacted by decrease in interchange fee[2]
  - Ongoing strong contribution of asset management (+29% y/y) and bancassurance fees (+21% y/y)

(1) Other includes account maintenance, money transfers, equity trading, campaigns and product bundles, etc.
(2) Interchange fee at 0.77% in 2013 vs 1.02% in 2012. Currently 1.08% as of 8 January 2014

Sustained discipline in cost management

Total Costs (mln TL)



quarterly	1Q	2Q	3Q	4Q
Total Costs	**815**	**897**	**835**	**996**
Share of HR	42%	40%	44%	44%
Share of Non-HR	52%	53%	52%	52%
Other	6%	7%	4%	4%

- **Total costs +12% y/y (+9% on a comparable basis[3])** driven by strict management of ordinary costs and ongoing investments for growth

Investments for Growth:

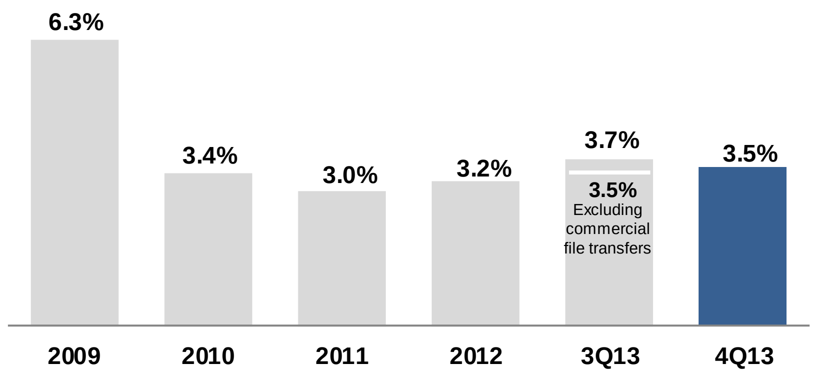
- *+21 branch openings to 949*
- *+7% increase in HC to 16,683*
- *+6% increase in ATM network to 3,000*
- *Fully renewed website "Selected by Google as a case study"*
- *Fully renewed internet banking*
- *Fully renewed IT platform*

(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
(3) Costs excluding: (i) TL 32 mln TL competition board fine in 3Q, (ii) regulatory costs (ie SDIF premium increase, SDIF penalty and other) (ii) impact of retail business expansion in Azerbaijan

Asset quality evolution on track

NPL Ratio

NPL ratio at 3.5% supported by NPL sale of 202 mln TL in 4Q[1]; stable vs 3Q excluding sale impact



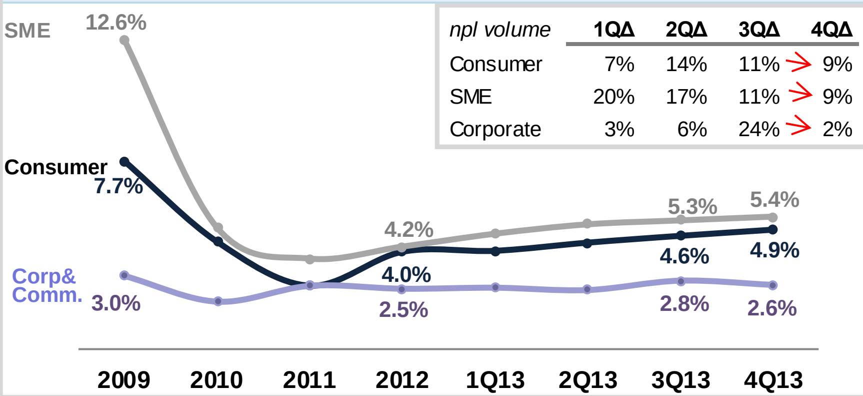
Key Risk Mitigating Actions:

- ***Increased call center capacity for collections***
- ***Redesign of delinquency process*** *from product based to customer-based view*
- ***Change in branch lending authority*** *to link to asset quality performance*
- ***Limited restructuring portfolio*** *due to prudent NPL classification approach. NPL+restructured loan ratio at 3.9% with 0.4% share of restructuring (vs 3.6%[3] at peers with 1.1% share of restructuring)*

NPL Ratio by Segment[2]

Segment NPL ratio trend impacted by lower volume growth in 4Q despite improving NPL volume in all areas

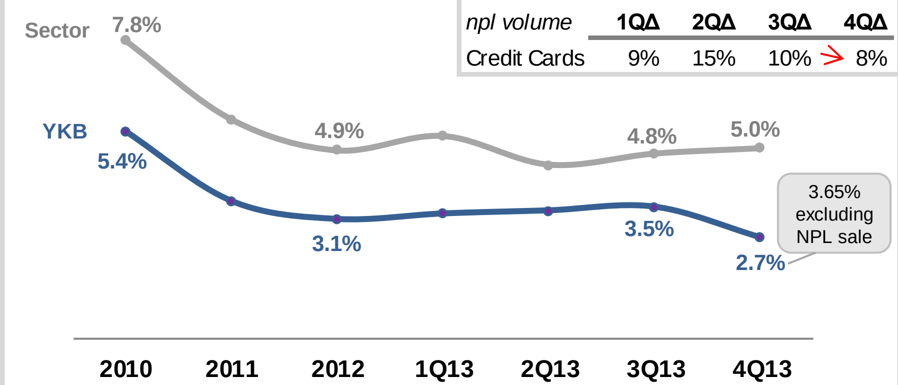
npl volume	1QΔ	2QΔ	3QΔ	4QΔ
Consumer	7%	14%	11% →	9%
SME	20%	17%	11% →	9%
Corporate	3%	6%	24% →	2%



NPL Ratio by Product (credit cards)

Sustainably better than sector in credit cards

npl volume	1QΔ	2QΔ	3QΔ	4QΔ
Credit Cards	9%	15%	10% →	8%



Notes: NPL ratio for credit cards includes retail + business cards

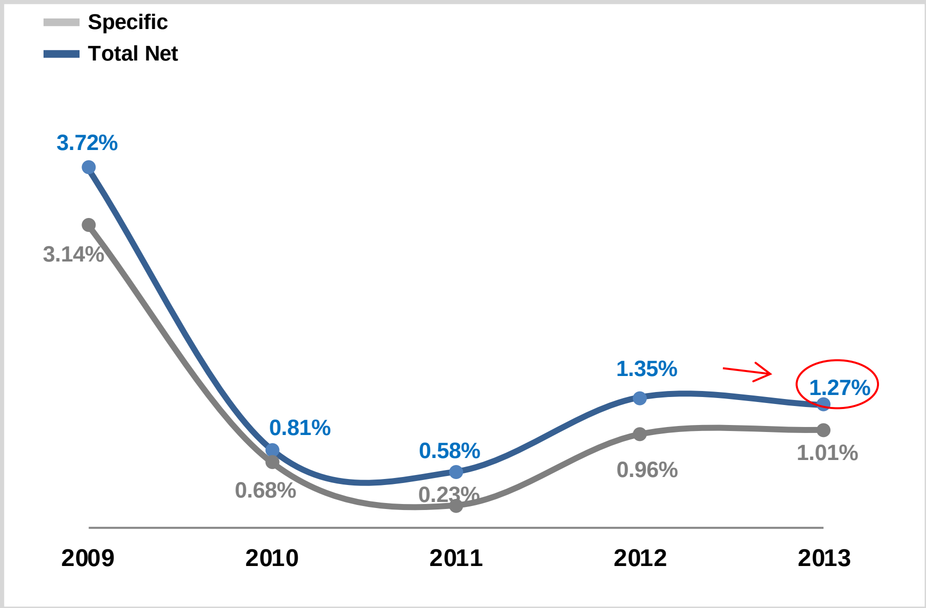
(1) On 18 December 2013, YKB sold a fully provisioned 202 mln TL NPL portfolio of credit cards for a total consideration of TL 40 mln. Positive impact on total NPL ratio: ~20 bps

(2) As per YKB's internal segment definition, SMEs: <5 mln US$ annual turnover

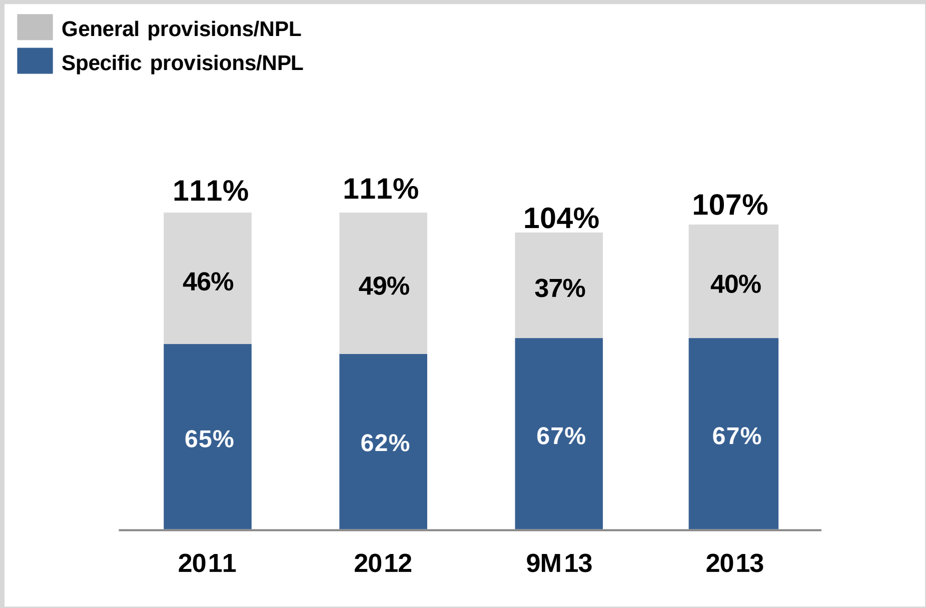
(3) Peer data for NPL + restructured loan ratio as of 9M13

CoR at 1.27% with sustainable level of specific coverage

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



Specific and General Provisioning



- **Total NPL coverage[2] at 107%** with **specific coverage up to 67%** (+5 pp vs 2012)
- **Net cost of risk at 1.27%**, below YE12 level of 1.35%, in line with guidance and including regulation impact[3]

(1) Cost of Risk=(Total Loan Loss Provisions–Collections)/Total Gross Loans
(2) Total NPL coverage indicates (Specific +General Provisions)/NPLs
(3) Increase in general provisions for standard consumer loans (excluding mortgages) from 1% to 4% and watchlist consumer loans from 2% to 8%. Decrease in general provisioning for SME loans from 1% to 0.5% and export loans from 1% to 0%. Minimum booking requirements over 3 years as follows: 25% in 2013, 25% in 2014 and 50% in 2015

2014 Outlook: Revision of scenario based on recent market dynamics / CBRT actions

	Budget Scenario	Continuation of Current Environment
GDP	**4.0%**	**2.5%**
Inflation (eop)	6.4%	7.8%
USD/TL (eop)	2.06	2.25
Policy rate (eop)	5.5%	11.0%
B. Bond rate (eop)	8.2%	11.8%
Unemployment	9.1%	10.5%
CAD/GDP	7.4%	5.2%
Loan Growth	17%	14%
Deposit Growth	15%	13%
NIM	Slightly Down	Around -50 bps
CoR	Slightly Down	+25 bps
NPL Ratio	+10 bps	+60 bps

- **Current scenario incorporating 2.5% GDP growth** (vs 4% in budget) based on current conditions
- **Visibility expected to increase in end-1Q/2Q;** indicating potential upside
- **Banking sector fundamentals expected to remain relatively intact**

Note: Macroeconomic estimates based on latest YK Economic Research forecasts as of Jan-14. Inflation and benchmark bond rate (2 yr) expectations indicate end-of-year forecasts
Current macro indicator levels as follows: Inflation 7.8% (Jan'14); CAD/GDP 7.2% (Nov'13), USD/TL 2.22 (Feb'14), CDS 247 (Feb'14), Policy rate 10% (Feb'14)
Bond rate refers to 2 yr benchmark bond rate
(1) Net of collections

YKB in 2014: Prioritising sustainability and smart growth

Lending	▪ ***Value generating and above sector loan growth*** ▪ *SME, consumer and project finance key drivers* ▪ *Slowdown in credit card growth with focus on balancing profitability and leadership*	**Above sector loan growth**
Funding	▪ ***Deposit growth relatively aligned with loan growth.*** *Strong focus on price discipline* ▪ ***Ongoing access to wholesale funding.*** *50% of additional funding plan already realised so far*	**Above sector deposit growth**
Revenues	▪ ***NIM evolution*** *supported by dynamic repricing actions* ▪ ***Fee growth*** *driven by lending activity and product innovation*	**NIM: better/aligned with sector** **Fees: Low double digit growth**
Costs	▪ ***Disciplined ordinary cost management with adequate investments for smart growth***	**Slightly above sector**
Asset Quality	▪ ***Remaining relatively intact*** *supported by conservative lending structure and approach* ▪ *Key infrastructure enhancements over the last 2 years starting to pay-off*	**In line with sector**

YapıKredi

Closing Remarks

2013 results confirm unyielding focus on customer-orientation with 'Smart Growth' strategy continuing to differentiate YKB in the sector

- **Leveraging on its key pillars, YKB successfully delivered on its guidance and recorded a resilient performance while strengthening its base further during 2013 driven by:**
  - Strengthening of the capital base
  - Effectively managed liquidity
  - Continued focus on cost discipline and efficiency
  - Strong focus on asset quality
  - Value Generating Growth
- **Accordingly, profitability remained sound**

In the upcoming period, customer oriented approach with strict focus on sustainability will continue. In view of volatility, YKB will utilise market opportunities in the best possible way

Annex

Detailed Income Statement (BRSA consolidated)

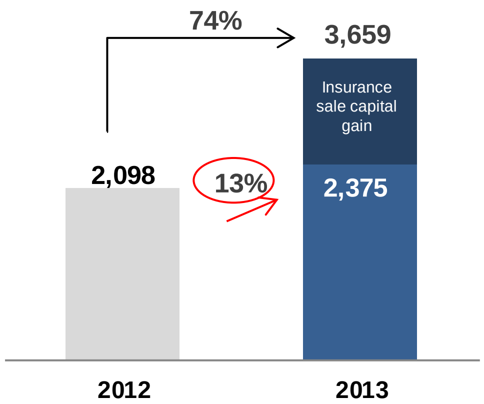
TL mln	1Q13	2Q13	3Q13	4Q13	2012	2013	y/y
Total Revenues	1,842	2,183	1,905	2,128	7,148	8,058	13%
Core Revenues	1,801	1,891	1,687	1,824	6,744	7,203	7%
o/w Net Interest Income	*1,306*	*1,347*	*1,165*	*1,248*	*4,879*	*5,066*	*4%*
o/w Fees & Commissions	*495*	*544*	*522*	*576*	*1,865*	*2,136*	*15%*
Other Revenues	41	292	218	304	404	856	112%
o/w other income	*121*	*82*	*73*	*176*	*372*	*453*	22%
o/w trading	*-86*	*200*	*145*	*128*	*30*	*388*	nm
o/w dividend	*6*	*10*	*0*	*0*	*2*	*15*	818%
Operating Costs	815	897	835	996	3,159	3,543	12%
Operating Income	1,027	1,286	1,070	1,132	3,989	4,515	13%
Provisions	366	351	396	439	1,400	1,552	11%
Specific Provisions	*242*	*280*	*373*	*263*	*868*	*1,159*	*34%*
General Provisions	*58*	*42*	*23*	*110*	*358*	*233*	*-35%*
Other Provisions	*66*	*29*	*0*	*66*	*175*	*160*	*-9%*
Pre-tax Income	661	935	674	693	2,589	2,963	14%
Discontinued Operations [1]	*15*	*25*	*1,296*	*-10*	*107*	*1,326*	
Net Income	544	752	1,822	541	2,098	3,659	74%
Net Income (excluding insurance business sale)	544	752	538	541	2,098	2,375	13%

Detailed Income Statement (BRSA Bank Only)

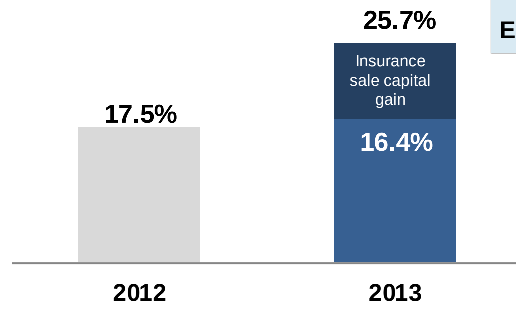
TL mln	1Q13	2Q13	3Q13	4Q13	2012	2013	y/y
Total Revenues	**1,773**	**1,980**	**1,732**	**1,886**	**6,736**	**7,371**	**9%**
Core Revenues	**1,669**	**1,760**	**1,567**	**1,674**	**6,253**	**6,671**	**7%**
o/w Net Interest Income	*1,203*	*1,249*	*1,076*	*1,136*	*4,492*	*4,665*	*4%*
o/w Fees & Commissions	*466*	*511*	*491*	*538*	*1,761*	*2,006*	*14%*
Other Revenues	**104**	**220**	**165**	**212**	**483**	**700**	**45%**
o/w other income	*117*	*82*	*89*	*164*	*338*	*452*	34%
o/w trading	*-108*	*137*	*38*	*48*	*-39*	*115*	nm
o/w dividend	*95*	*1*	*38*	*0*	*184*	*133*	-28%
Operating Costs	**767**	**846**	**787**	**939**	**2,993**	**3,339**	**12%**
Operating Income	**1,006**	**1,134**	**945**	**947**	**3,743**	**4,032**	**8%**
Provisions	**353**	**333**	**374**	**415**	**1,293**	**1,475**	**14%**
Specific Provisions	*230*	*267*	*352*	*248*	*788*	*1,097*	*39%*
General Provisions	*57*	*40*	*22*	*106*	*332*	*225*	*-32%*
Other Provisions	*66*	*26*	*0*	*62*	*173*	*153*	*-12%*
Pre-tax Income	**653**	**801**	**571**	**532**	**2,450**	**2,557**	**4%**
Discontinued Operations [1]	*0*	*0*	*1,182*	*-10*	*0*	*1,172*	
Net Income	**541**	**621**	**1,627**	**414**	**1,913**	**3,203**	**67%**
Net Income (excluding insurance business sale)	**541**	**621**	**455**	**414**	**1,913**	**2,031**	**6%**

Key Performance Indicators

Net Income (TL mln)

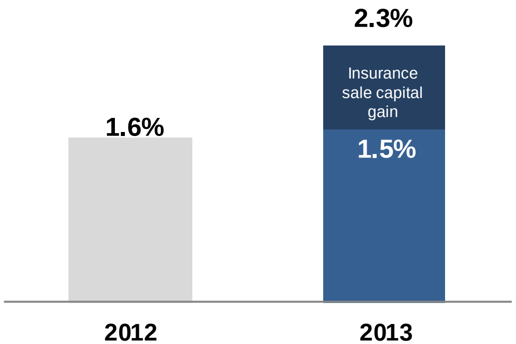


Return on Average Tangible Equity[1]

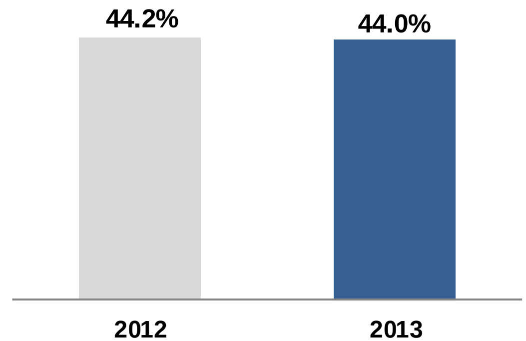


2013
ROAE 24.0%
Excl insurance 15.3%

Return on Assets[2]



Cost/Income



Notes:
Insurance sale capital gain is TL 1,284 mln post 5% capital gain tax (bank-only TL 1,172 mln post-tax)
ROATE indicates return on average tangible equity (excluding TL 979 mln goodwill)
(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

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

Business Units

Weight in Bank

Revenues[1]	Customer Business[2]		Revenues (mln TL)	Y/Y (2013 – 2012)	Drivers of Revenue Growth
45%	33%	Retail[3]	2,701	2%	Solid volume growth and fee generation offsetting impact of regulations
13%	10%	Card Payment Systems[4]	800	-9%	Impacted by cap rate and decrease in interchange fees
3%	12%	Private	160	-2%	Fee generation partially offsetting pressure on deposit costs
9%	18%	Corporate	540	17%	Strong net interest income and fee growth
20%	23%	Commercial	1,166	1%	Healthy fee growth offsetting pressure on loan yields

Note: All figures based on MIS data

(1) Total share of business units at 90% in 2013. The remaining 10% is attributable to treasury and other operations

(2) Customer business= Loans + Deposits + AUM. Total share of business units at 96% in 2013. The remaining 4% is attributable to treasury and other operations

(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

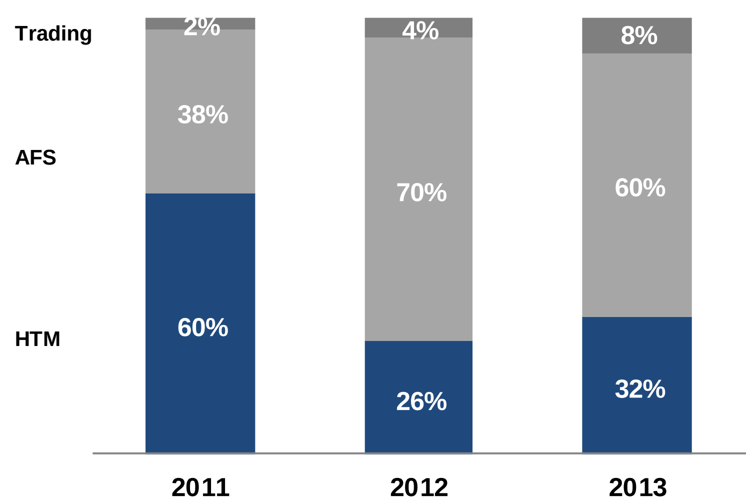
Subsidiaries

		Revenues (mln TL)	Revenue (y/y growth)	ROE	Sector Positioning	Drivers of Revenue Growth
Core Product Factories	YK Leasing	238	11%	14%	**#1 in total transaction volume** (14.8% market share)	Strong fee generation and volume growth
	YK Factoring	200[1]	-13%[1]	23%[1]	**#1 in total factoring volume** (18.1% market share)	Lower commercial activity leading to lower net interest income
	YK Portföy	48	3%	89%	**#2 in mutual funds[3]** *Highest credit rating in its sector*	Solid volume growth in fund volume
	YK Yatırım	339[2]	3%[2]	10%[2]	**#3 in equity transaction volume** (6.9% market share)	Increase in equity trading volume
International Subs	YK Azerbaijan	34.8 mln US$	16%[4]	2%	**US$ 401 mln** total assets	Continued strength in retail loan volume and credit card business
	YK Moscow	17.8 mln US$	24%[4]	15%	**US$ 242 mln** total assets	Increase in net interest revenues supported by repricing and collections
	YK NV	38.3 mln US$	-19%[4]	6%	**US$ 2.2 bln** total assets	Pressure on margins

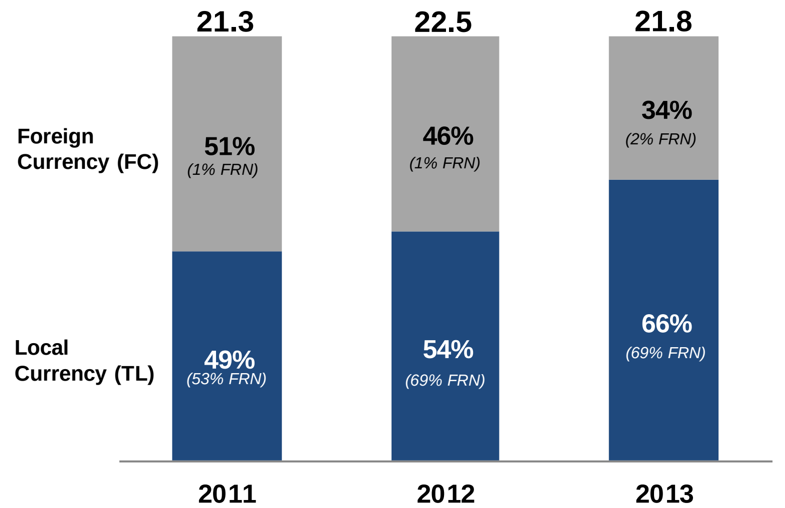
Note: Revenues in TL unless otherwise stated. All market shares as of Dec'13 unless otherwise stated. Factoring market share as of Sep'13.
(1) 2013 revenues include gain from stake in Yapı Kredi Sigorta, 2012 revenues include dividend income. Revenue growth and ROE adjusted
(2) Revenues include gain from stake in Yapı Kredi Sigorta and Yapı Kredi GYO as well as dividend income. Revenue growth and ROE adjusted
(3) Mutual Fund market share at 18.2%. Fitch Ratings upgraded YK Portföy (YKP) in Mar'13 from M2+ to M1+. YKP is the only institution in Turkey to reach this level
(4) Currency adjusted y/y revenue growth

Securities: 14% of total assets

Securities Composition by Type



Securities Composition by Currency (TL bln)



- **Share of securities in total assets at 14%** (vs 17% at YE12)
- **Share of TL securities in total up to 66%** (vs 54% at YE12) due to strategic disposal of Eurobonds from AFS portfolio in 2Q & 4Q and replacement with TL securities
- **CPI-linkers at TL 3.5 bln** (16% of total securities)
- **M-t-m unrealised gains under equity at TL -118 mln** (3Q: TL 240 mln, 2Q: TL 411 mln and 1Q: TL 1.2 bln)

Notes:
AFS: Available for Sale
HTM: Held to Maturity
FRN: Floating Rate Notes
CPI: Consumer price index inflation

Borrowings: 20% of total liabilities

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'13:** US$ 302.5 mln and €657 mln, Libor + 0.75% p.a. all-in cost, 1 year, participation of 37 banks from 15 countries
	Securitisations	**~ US$ 1.2 bln outstanding** ■ **Dec'06 and Mar'07:** US$ 740 mln and €415 mln, 6 wrapped notes, 7-8 years, Libor+18-35 bps (outstanding: ~US$ 88 mln) ■ **Aug'10 - DPR Exchange:** US$ 235 mln and €222, 5 unwrapped notes, 5 years (outstanding: ~US$ 130 mln) ■ **Aug'11:** US$ 225 mln and €130 mln, 4 unwrapped notes, 5 years (outstanding:~US$ 368 mln) ■ **Sep'11:** €75 mln, 1 unwrapped note, 12 years (outstanding: ~US$ 100 mln) ■ **Jul'13:** US$ 355 mln and €115 mln, 5 unwrapped notes, 5-13 years (outstanding: ~US$ 511 mln)
	Subordinated Loans	**~US$ 3.0 bln outstanding** ■ **Mar'06:** €500 mln, 10NC5, Euribor+3.00% p.a. ■ **Jun'07:** €200 mln, 10NC5, Euribor+2.78% p.a ■ **Dec'12**: US$ 1.0 bln market transaction, 10 years, 5.5% (coupon rate) ■ **Jan'13:** US$ 585 mln, 10NC5, 5.5% fixed rate ■ **Dec'13**: US$ 470 mln, 10NC5, 6.35% (coupon rate, midswap +4.68% after the first 5 years) 4Q13
	Foreign Currency Bonds / Bills	**US$ 750 mln Loan Participation Note (LPN)** ■ **Oct'10:** 5.1875% (coupon rate), 5 years **US$ 1.5 bln Eurobonds outstanding** ■ **Feb'12:** US$ 500 mln, 6.75% (coupon rate), 5 years ■ **Jan'13:** US$ 500 mln, 4.00% (coupon rate), 7 years ■ **Dec'13**: US$ 500 mln, 5.25% (coupon rate), 5 years 4Q13
	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
	Multilateral Loans	■ **EIB Loan - Jul'08/Dec'13:** €386 mln, 5-15 years ■ **EBRD Loan - Aug'11/Jul'13:** US$ 55 mln and € 26 mln, 5 years ■ **CEB Loan - Jul'11/May'13:** €60 mln and US$ 26 mln
Domestic	Local Currency Bonds / Bills	**TL 2.4 bln outstanding** ■ **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 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 ■ **Oct'13:** TL 600 mln, 7.87% compounded rate, 179 days maturity 4Q13 ■ **Nov'13:** TL 500 mln, 8,48% compounded rate, 178 days maturity 4Q13 ■ **Jan' 14:** TL 600 mln, 9.77% compounded rate, 132 days maturity 1Q14

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

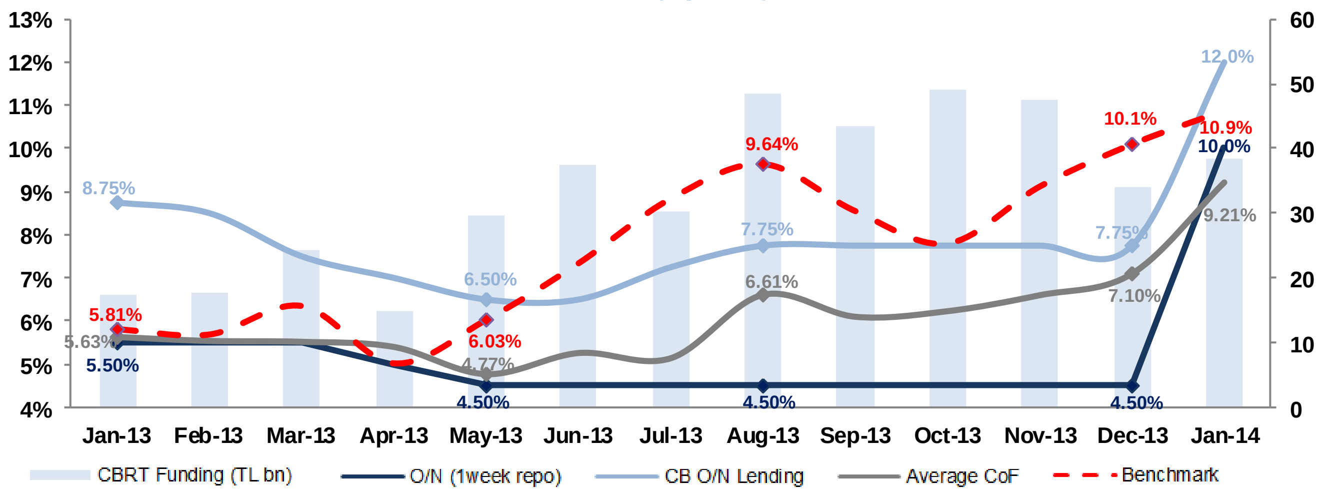
Macro environment

	2012	1Q13	2Q13	3Q13	4Q13	2013
GDP Growth, y/y	2.2%	3.0%	4.5%	4.4%	4.1%[1]	4.0%[1]
Inflation (CPI) , y/y	6.2%	7.3%	8.3%	7.9%	7.4%	7.4%
Industrial Production (IP), y/y[2]	2.5%	2.6%	2.9%	3.7%	3.9%[4]	3.0%[4]
Capacity Utilisation Rate[3]	74.3%	73.5%	74.6%	75.0%	75.5%	74.6%
Purchasing Managers Index (PMI)	51.1	53.3	51.2	51.6	53.9	52.5
Consumer Confidence Index	75.6	75.8	76.4	75.9	76.0	76.0
Current Account Deficit (CAD)/GDP	6.1%	6.0%	6.8%	7.2%	7.2%[4]	6.9%[1]
Unemployment Rate[3]	9.2%	9.4%	9.7%	10.2%	9.9%[5]	10.0%[1]

2013 Trend

- **Solid GDP growth** supported by private consumption and investments
- **Higher inflation vs 2012** due to currency pass-through and higher food prices, albeit on a declining trend
- **Improving industrial production**, **capacity utilisation** and **PMI**
- **Relatively stable consumer confidence**
- **Increasing CAD/GDP** due to negative contribution from gold trade. Improving trend excl gold at 6.0% (6.8% in 2012)
- **Slight increase in unemployment rate**

Monetary policy



2013 Monetary Policy

- **1H13: Slight easing** to support growth
- **2H13: Balanced tightening** to prevent currency depreciation on the back of FED tapering announcement

2014 Monetary Policy so far

- **Significant tightening** to control currency depreciation and pressure on inflation
- **Hike in 1-week repo rate to 10%** and **O/N lending rate to 12%**

(1) Based on YK Economic Research 2013 GDP estimates
(2) Calendar adjusted
(3) Seasonally adjusted
(4) As of Nov'13
(5) As of Oct'13

Banking Sector

Banking Sector Volumes and KPIs

bln TL	Nominal 2012	Nominal 2013	Quarterly Growth 1Q	2Q	3Q	4Q	2013	Curr. Adj.
Total Loans[1]	**751**	**995**	**5%**	**11%**	**7%**	**6%**	**33%**	**25%**
TL	545	701	6%	9%	6%	5%	28%	
FC($)	118	138	0%	8%	3%	5%	17%	
Total Deposits	**768**	**951**	**3%**	**5%**	**8%**	**6%**	**24%**	**15%**
TL	505	580	3%	5%	3%	3%	15%	
FC($)	151	174	-2%	0%	12%	6%	15%	
Total Securities	**270**	**282**	**-1%**	**1%**	**5%**	**-1%**	**5%**	
NPL Ratio	**2.8%**	**2.6%**	**2.9%**	**2.7%**	**2.7%**	**2.6%**	Excl NPL sales 2.8%	
CAR	**17.3%**	**14.6%**	**16.7%**	**15.6%**	**15.1%**	**14.6%**		
NIM (quarterly)	**4.6%**	**3.5%**	**4.3%**	**4.0%**	**3.5%**	**3.5%**		
ROAE (cumulative)	**15.8%**	**14.1%**	**15.5%**	**15.6%**	**15.0%**	**14.1%**		

- **Loans +33% ytd** (+25% currency adjusted) **with slight deceleration in 4Q**
- **Deposits +24% ytd** (+15% currency adjusted) **with deceleration in 4Q** driven by FC deposits
- **Resilient asset quality with NPL ratio at 2.6%,** also supported by NPL sales of TL 1,714 mln in 2013

Note: CAR, NIM and ROAE based on BRSA monthly financials as of Dec'13. Volumes based on BRSA weekly data
(1) Indicate performing loans
(2) Assumes no change in US$/TL vs 2012 (YKB balance sheet US$/TL rate in 2012: 1.7380; 2013: 2.1343)