

## Yapı Kredi 9M14 Earnings Presentation

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*Successful execution of growth strategy on track*

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# Supportive operating environment with acceleration in banking sector volumes in 3Q

## 3Q14 Trends

## Current Trend

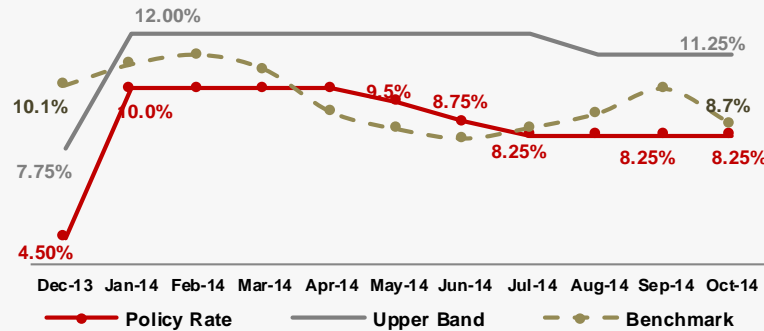
### Macro

	1Q14	2Q14	3Q14
GDP Growth	4.7%	2.1%	2.1%
Inflation	8.4%	9.2%	8.9%
Unemployment	9.7%	9.1%	9.8% <sup>1</sup>
Capacity Utilisation Rate	74.7%	74.6%	74.2%
CAD/GDP	7.3%	6.4%	6.0% <sup>2</sup>

**Economic activity on track** with ongoing growth and start of normalisation in inflation

**Supportive environment sustained** despite some uncertainty due to geo-political risks

### Monetary Policy



**Stable monetary policy dynamics** while benchmark levels impacted by external developments

**CBRT maintaining stable policy rates** while utilising other tools to manage market (remunerations on RRRs)

### Banking Sector

	1Q14	2Q14	3Q14
Loan Growth	4%	3%	6%
Deposit Growth	1%	1%	5%
Net Interest Margin (quarterly)	3.4%	3.6%	3.6%
NPL Ratio	2.7%	2.7%	2.8%
CAR	15.1%	15.7%	15.6%

**Acceleration in volume growth** with healthy margin evolution and resilient asset quality

**Healthy evolution ongoing**

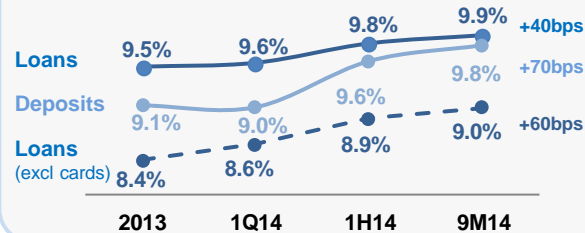
Note: 3Q14 GDP growth based on Yapı Kredi Economic Research Forecasts. 4Q14 expected to be 3.6%

(1) As of Jul'14  
(2) As of Aug'14

# YKB in 9M14: Successful execution of growth strategy on track

## We are growing...

### Market Share Gains



### Customer Acquisition

**+310,000**  
net ytd increase in customer number  
(2x the increase recorded in 9M13)

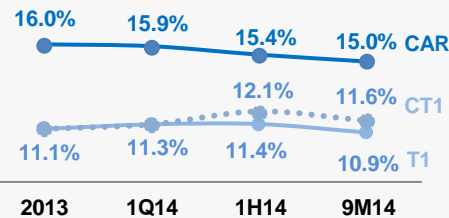
**10.4 mln**  
customers as of Sep'14

### Strengthened Distribution

**+2,051** headcount  
**+35** new branches  
**+485** ATMs deployed/under deployment

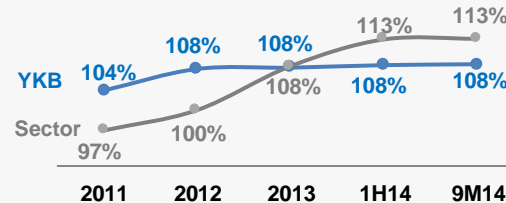
## while maintaining our fundamentals...

### Strong Capital Base



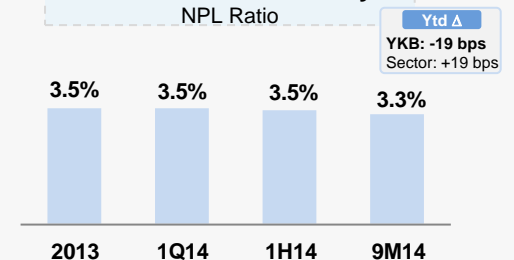
### Well-Managed Liquidity

Loans/(Deposit+TL Bonds)



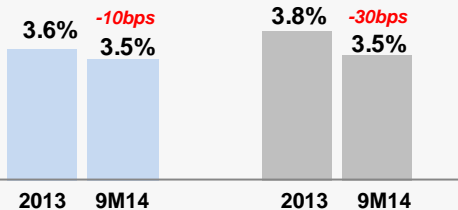
### Resilient Asset Quality

NPL Ratio



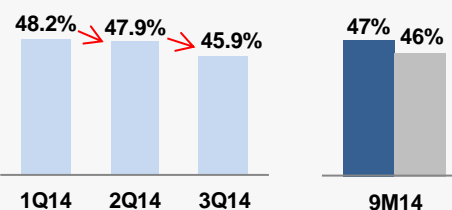
## and recording solid profitability

### Solid NIM (Cumulative)



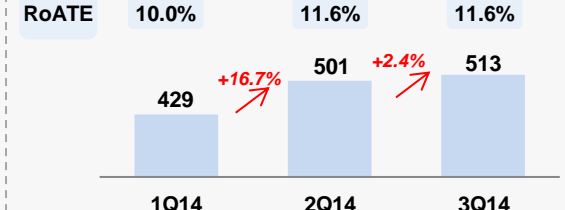
### Disciplined Cost Control

Cost/Income Ratio



### Improving Bottom-Line

Net Income (TL mln)



Note: (Loans/Deposit+TL Bonds), NIM and Cost/Income Ratio for sector based on BRSA monthly data as of Aug'14  
NPL Ratio and balance sheet volumes for sector based on BRSA weekly data as of 3 Oct'14  
ROATE indicates return on average tangible equity (excluding TL 979 mln goodwill)

# Three consecutive quarters of above sector loan growth

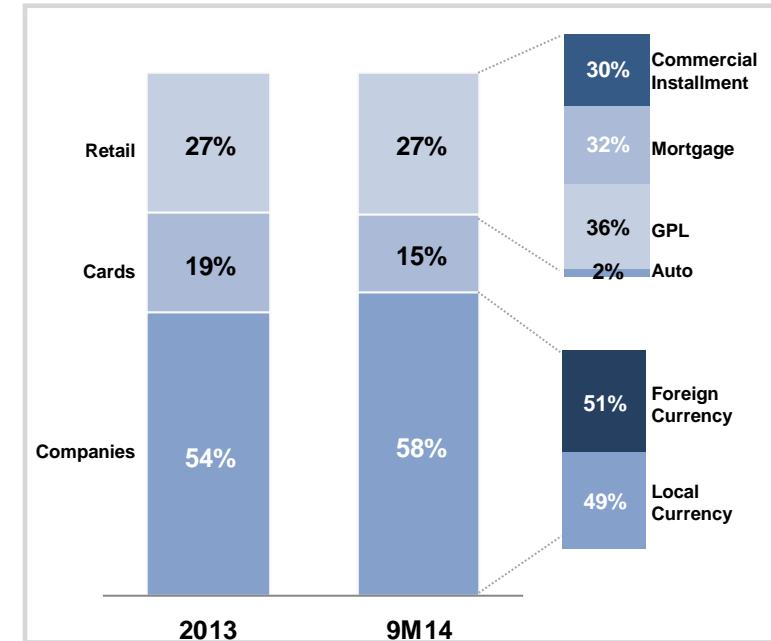
Loans

## Loans (TL bln)

	9M14	Growth				Sector YTD	Market Shares	
		YKB 1Q	YKB 2Q	YKB 3Q	YKB YTD		9M14	ytd Δ (pp)
<b>Total Loans<sup>1</sup></b>	<b>115.8</b>	<b>4%</b>	<b>5%</b>	<b>7%</b>	<b>17%</b>	<b>13%</b>	<b>9.9%</b>	<b>+0.38</b>
TL	76.9	4%	6%	7%	18%	12%	9.7%	+0.44
FC (\$)	17.1	2%	6%	-1%	7%	7%	10.4%	+0.20
<b>Consumer Loans</b>	<b>21.9</b>	<b>4%</b>	<b>5%</b>	<b>9%</b>	<b>19%</b>	<b>9%</b>	<b>8.3%</b>	<b>+0.64</b>
Mortgages	10.0	3%	2%	5%	11%	9%	9.0%	+0.15
General Purpose	11.1	6%	11%	14%	34%	12%	7.6%	+1.27
Auto	0.8	-11%	-11%	-12%	-30%	-20%	12.2%	-1.78
<b>Credit Cards</b>	<b>17.5</b>	<b>-6%</b>	<b>-3%</b>	<b>2%</b>	<b>-7%</b>	<b>-7%</b>	<b>20.5%</b>	<b>-0.16</b>
<b>Companies<sup>2</sup></b>	<b>76.4</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>	<b>23%</b>	<b>17%</b>	<b>9.3%</b>	<b>+0.61</b>
TL	37.5	10%	12%	8%	34%	19%	8.4%	+0.96
FC (\$)	17.1	2%	6%	-1%	7%	7%	10.4%	+0.20
<b>SME<sup>3</sup></b>	<b>31.9</b>	<b>10%</b>	<b>8%</b>	<b>11%</b>	<b>31%</b>	<b>-</b>	<b>&gt;10%</b>	<b>-</b>
Comm. Install.	9.2	4%	3%	5%	13%	20%	6.4%	-0.13

- **Total loans +17% ytd (vs 13% sector)**
- **Outperformance in all key areas vs sector: Mortgages, GPL, SME and company loans**
- **Leadership maintained in credit cards**

## Loan Composition



Note: Balance sheet volumes for sector based on BRSA weekly data as of 3 Oct'14. FC-indexed loans included in TL loans

(1) Total performing loans

(2) Total loans excluding consumer loans and credit cards

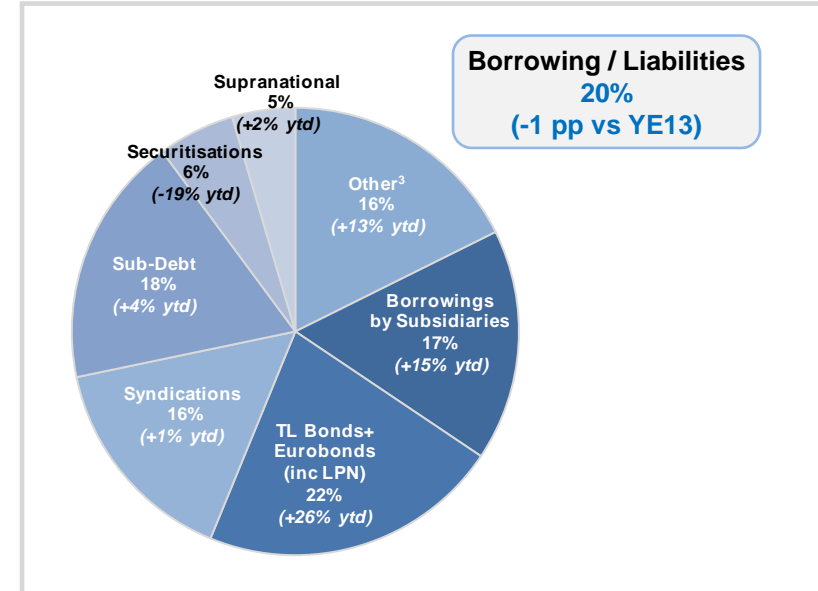
(3) SME definition: <TL 40 mln annual turnover. YKB internal SME definition: <US\$ 10 mln annual turnover (share of TL: 95%)

# Strong deposit growth together with continued funding diversification

## Deposits

(TL bln)	9M14	Growth				Sector YTD	Market Shares	
		YKB 1Q	YKB 2Q	YKB 3Q	YKB YTD		9M14	ytd Δ (pp)
<b>Total Deposits</b>	<b>102.5</b>	<b>2%</b>	<b>6%</b>	<b>7%</b>	<b>16%</b>	<b>7%</b>	<b>9.8%</b>	<b>+0.72</b>
TL	53.4	1%	16%	3%	20%	4%	8.8%	+1.14
FC (\$)	21.5	1%	0%	4%	4%	5%	11.2%	-0.06
<b>Customer Deposits<sup>1</sup></b>	<b>99.8</b>	<b>2%</b>	<b>7%</b>	<b>6%</b>	<b>16%</b>	<b>6%</b>	<b>10.3%</b>	<b>+0.84</b>
<b>Demand Deposits</b>	<b>17.0</b>	<b>3%</b>	<b>12%</b>	<b>2%</b>	<b>18%</b>	<b>2%</b>	<b>9.2%</b>	<b>+1.26</b>
<b>TL Bonds<sup>2</sup></b>	<b>3.0</b>	<b>51%</b>	<b>14%</b>	<b>5%</b>	<b>81%</b>	<b>25%</b>	<b>7.6%</b>	<b>+2.34</b>
<b>Repos</b>	<b>3.1</b>	<b>80%</b>	<b>-80%</b>	<b>150%</b>	<b>-8%</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Borrowing Composition



- **Deposit growth +16% ytd** (vs 7% sector) supported by significant TL deposit growth
- **Repo volume increasing in 3Q** due to attractive pricing; used as a short-term liquidity management tool
- **Continued focus on funding diversification. 100% of 2014 additional funding needs finalised with some front-loading also for 2015** (Eurobond issuance of US\$500 mln in Oct'14 and DPR securitisation of US\$ 550 mln)

## Borrowings secured in 3Q

- ~US\$ 1.3 bln syndication (>110% rollover)
- **TL 600 mln local currency bonds issuances**
  - Sep'14: TL 450 mln with 9.3% rate, 178 days maturity
  - Sep'14: TL 150 mln with 9.9% rate, 367 days maturity
- **GMTN program > US\$ 680 mln** (total issuance amount: US\$ 1.6 bln)

Notes: Balance sheet volumes for sector based on BRSA weekly data as of 3 Oct'14.

(1) Excluding bank deposits

(2) Including TL and covered bonds

(3) Other borrowings include foreign trade related borrowings

# TL 1.4 bln net income incorporating solid core revenue performance and focus on disciplined cost management

	1Q14	2Q14	3Q14	q/q	9M13	9M14	y/y
<b>Total Revenues</b>	1,938	2,149	2,201	2%	5,931	6,287	6%
<b>Core Revenues</b>	1,862	2,090	2,067	-1%	5,379	6,019	12%
<b>Other Revenues</b>	76	59	134	127%	552	268	-51%
<b>Operating Costs</b>	935	1,029	1,009	-2%	2,547	2,974	17%
<b>Operating Income</b>	1,003	1,120	1,192	6%	3,384	3,314	-2%
<b>Provisions</b>	463	443	515	16%	1,113	1,421	28%
<b>Pre-tax Income</b>	540	677	677	0%	2,271	1,892	-17%
Discontinued Operations	0	0	0	nm	1,336	0	nm
<b>Net Income</b>	429	501	513	2%	3,118	1,442	-54%
<b>Net Income</b> (excluding insurance business sale)					1,834	1,442	-21%
<b>Return on Average Tangible Equity</b>	10.0%	11.6%	11.6%		16.9%	11.2%	
<b>Return on Assets</b>	1.0%	1.2%	1.1%		1.6%	1.1%	
<b>Cost/Income</b>	48.2%	47.9%	45.9%		43.0%	47.3%	

- **Cumulative net income at TL 1,442 mln with solid core revenue evolution and disciplined cost management despite ongoing growth investments**
- **Quarterly net income at TL 513 mln, +2% q/q.** Bank-only quarterly net income at TL 405 mln incorporating a one-off impact of YKYO liquidation in opex. Excluding one-off, bank-only net income ~TL 425 mln, flat vs 2Q

Note: Return on Average Tangible Equity, Return on Assets and Cost/Income Ratios for 9M13 are adjusted for Yapı Kredi insurance business sale (consolidated capital gain of TL 1,284 mln post 5% capital gain tax)

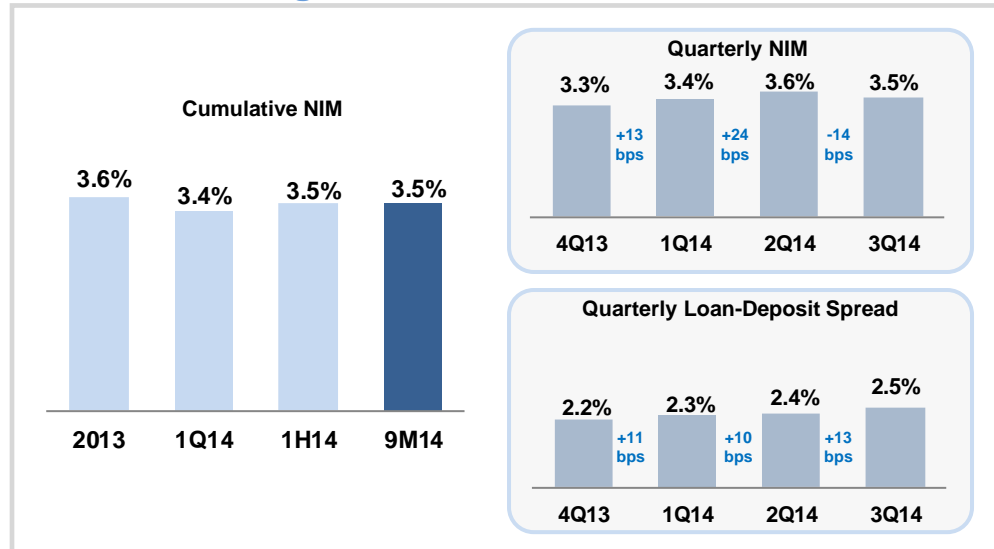
Return on Average Tangible Equity (ROATE) excludes TL 979 mln goodwill

ROATE calculation based on the average of current period equity (excluding current period profit) and prior year equity. Annualised

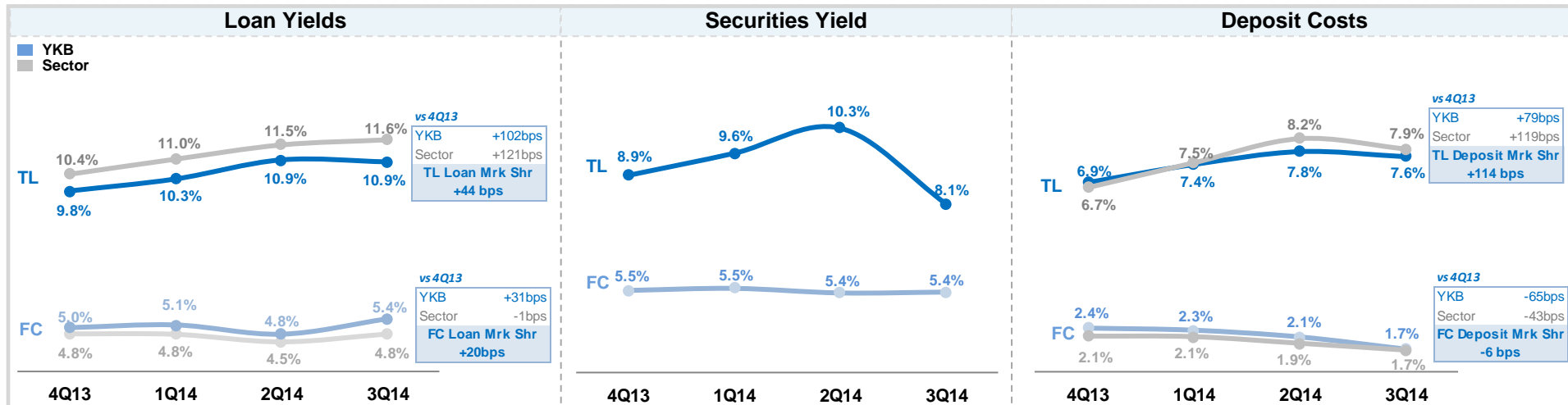
ROA calculation based on net income / end of period total assets. Annualised

# Effective pricing leading to three quarters of sequential increase in loan-deposit spread

## Net Interest Margin (Bank-only)



- Quarterly NIM at 3.5% (-14 bps vs 2Q) due to seasonal impact of CPI linkers. Including swap costs, NIM improving 30 bps vs 2Q
- Loan-deposit spread continuing to improve driven by commercial effectiveness
- Better than sector evolution in deposit cost with continuing market share gains



Notes: Sector based on BRSA monthly data as of Aug'14  
 NIM = Net interest income/Average Interest Earning Assets. Loan yields, securities yields and cost of deposits based on average volumes. Loan yields calculated using performing loan volume and interest income

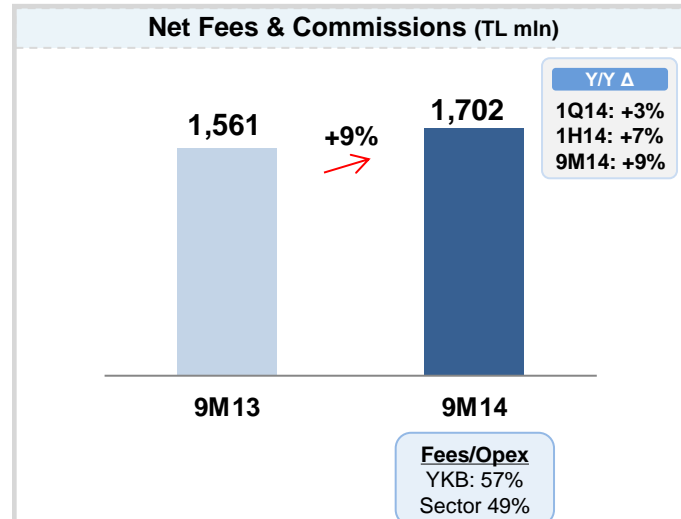
Loan-Deposit Spread: (Interest Income on Loans-Interest Expense on Deposits)/Average(Loans+Deposits)

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

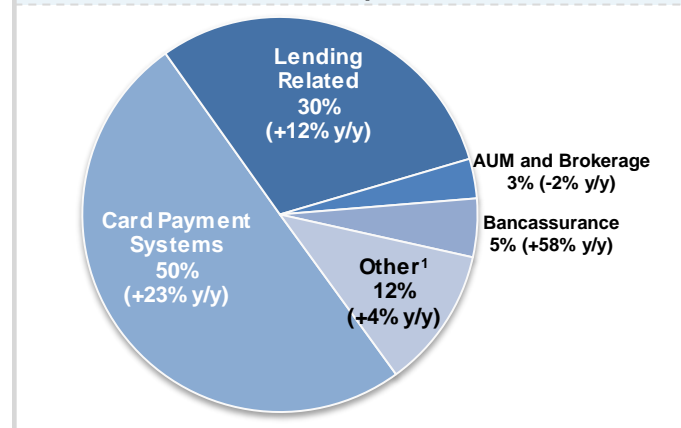
Reported NIM figures as follows: 4Q13: 3.3%, 1Q14: 3.4%, 2Q14: 3.7%, 3Q14: 3.5%

# Non-interest income driven by further acceleration in fees and positive contribution of other revenues

## Fees & Commissions



## Fees Received Composition (Bank-only)



## Other Revenues

	1Q14	2Q14	3Q14	9M13	9M14
Total Other Revenues	76	59	134	552	268
Other Income	209	209	95	276	513
Collections & Prov. Reversals <sup>2</sup>	134	94	39	111	268
Subs and Other	74	115	56	165	245
Dividend Income	2	7	0	16	9
Trading&FX (net)	-135	-157	39	260	-254

- **Fees +9% y/y with acceleration vs 1H** mainly driven by card payment systems<sup>3</sup>, lending related fees and increasing contribution of bancassurance
- **Other income supported by NPL sale gain** despite seasonally low collections
- **Trading gain positively impacted by securities trading income and lower swap costs**

Sector based on BRSA monthly data as of Aug'14

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

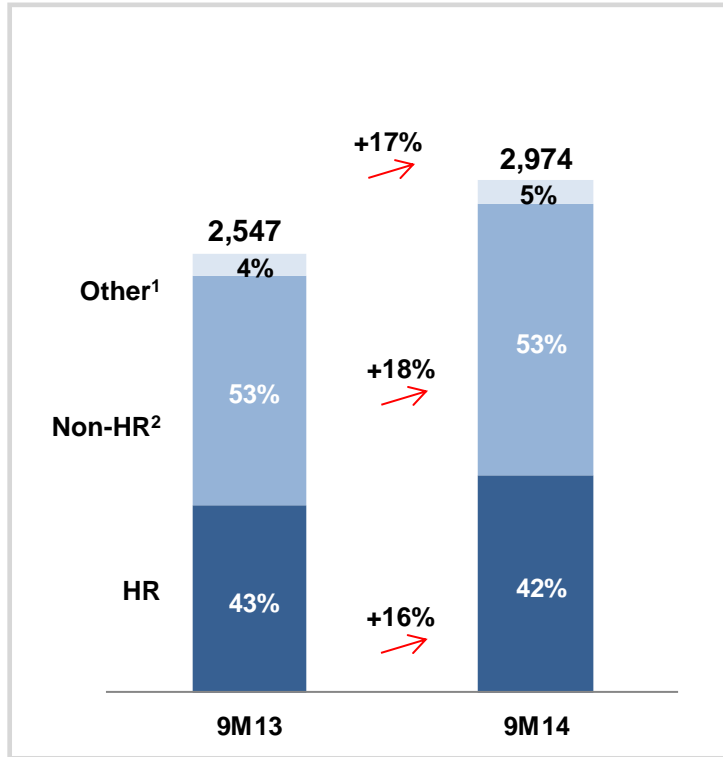
(2) 2Q and 3Q includes NPL sale gains. On 25 June 2014, YKB sold a fully provisioned TL 104 mln NPL portfolio of credit cards (TL 50.2 mln) and consumer loans (TL 46.2 mln) for a total consideration of TL 15.5 mln. On 24 September 2014, YKB sold a fully provisioned TL 282 mln NPL portfolio of credit cards (TL 108 mln), consumer loans (TL 50 mln) and SME (TL 100 mln) for a total consideration of TL 28.4 mln

(3) Interchange fee rate at 1.19% in 9M14 vs 0.74% in 9M13. Currently at 1.15% since 5 Sep'14



# Costs in line with guidance incorporating significant growth investments; expected to start paying back in upcoming quarters

Total Costs (TL mln)



■ **Costs +17% y/y** despite extensive investments for growth

## Headcount

**+2,051** increase ytd  
(~70% in network and call center<sup>3</sup>)

## Branches

**+35** branches opened  
**~190** renovations underway

## ATMs

**+340** ATMs deployed  
**~145** under deployment

## Direct Banking<sup>4</sup>

Branchless service model  
launched in May'14

(1) Other includes pension fund provisions and loyalty points on Worldcard

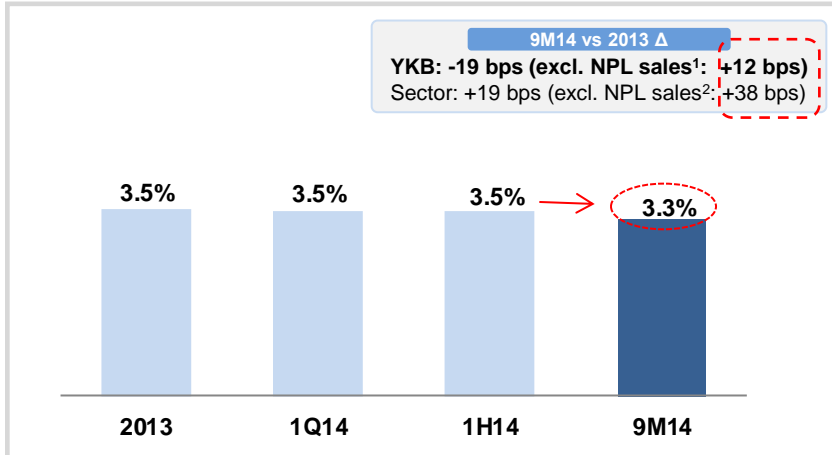
(2) Non-HR costs include HR related non-HR, advertising, rent, SDIF premium, taxes, depreciation and branch tax

(3) Including branches and call center

(4) Direct Banking, launched in May'14 under the new brand name of "NUVO", is a branchless service via internet and mobile channels which offers advantageous pricing and other non-banking advantages

# Asset quality resilient with better evolution vs sector

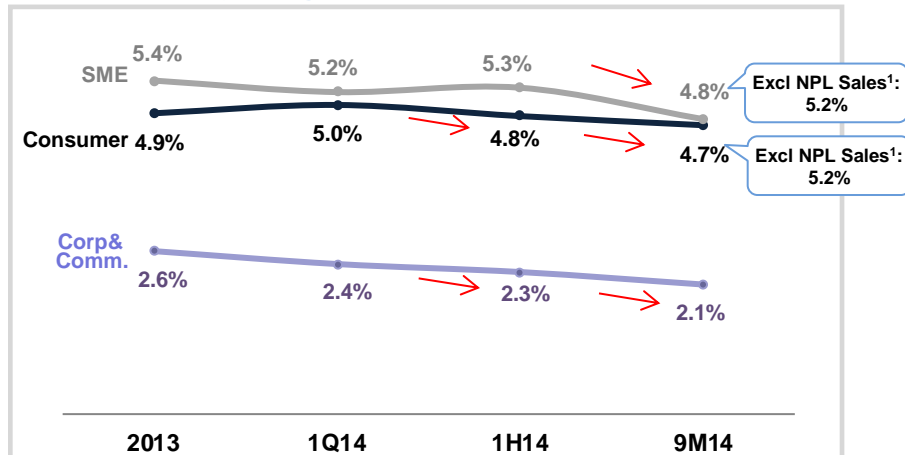
## NPL Ratio



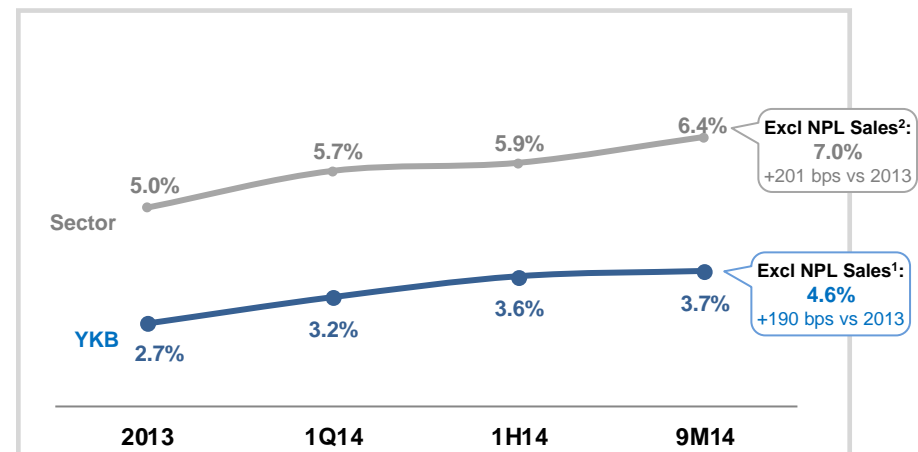
### Key Focus Areas:

- **Limited restructuring portfolio due to prudent NPL classification approach.** NPL+restructured loan ratio at 4.2% with 0.9% share of restructuring (vs 3.6% at peers with 1.1% share of restructuring)
- **Segment NPL ratios trend under control** with decrease in SME, consumer and corp/commercial vs YE13
- **Strong ongoing focus on infrastructure enhancements** (call center collections capacity, delinquency processes, branch lending authority)

## NPL Ratio by Segment²



## Credit Cards NPL Ratio



Notes: NPL ratio for credit cards includes retail + business cards. Peers data based on 1H14 financials

SME NPL ratio based on YKB's internal SME definition of companies with <10 mln \$ annual turnover and <3 mln \$ loan volume

(1) On 25 June 2014, YKB sold a fully provisioned TL 104 mln NPL portfolio of credit cards (TL 50.2 mln) and consumer loans (TL 46.2 mln) for a total consideration of TL 15.5 mln.

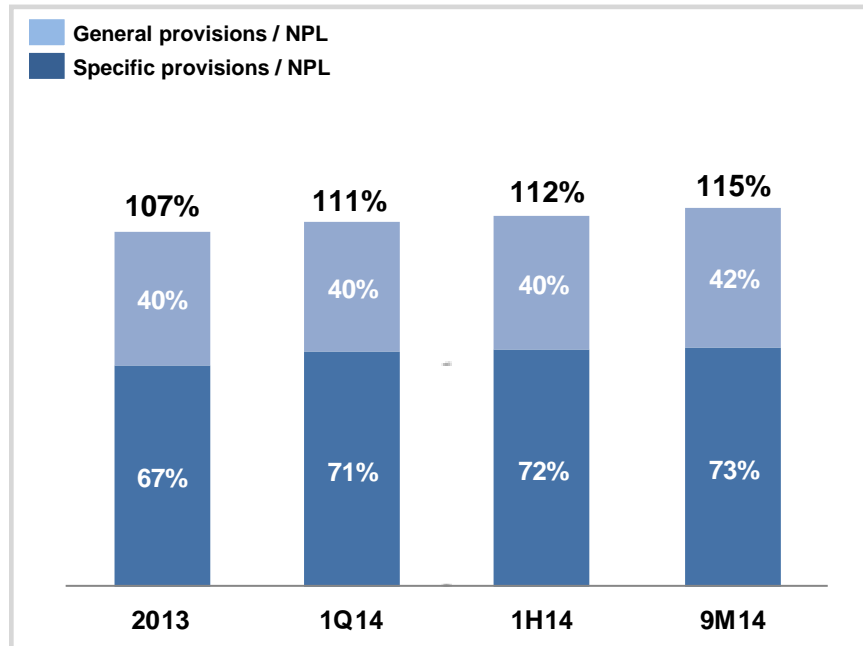
Positive impact on NPL ratio: ~9 bps. On 24 September 2014, YKB sold a fully provisioned TL 282 mln NPL portfolio of credit cards (TL 108 mln), consumer loans (TL 50 mln) and

SME (TL 100 mln) for a total consideration of TL 28.4 mln. Positive impact on NPL ratio: ~24 bps

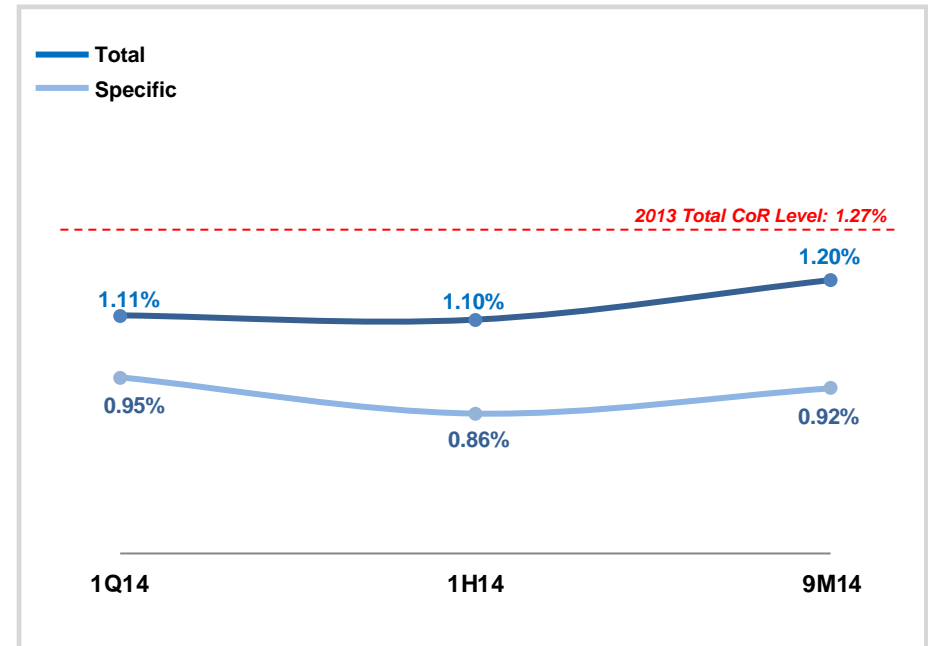
(2) Total NPL sales in the sector amounting to TL 2.4 bln as of Sep'14 (o/w TL 589 mln credit cards)

# Increasing coverage and controlled CoR

## NPL Coverage



## Cost of Risk<sup>1</sup> (Cumulative, net of collections)



- **Total NPL coverage<sup>2</sup> at 115%** with **specific coverage increasing to 73%** (+6 pp vs 2013)
- **Total Cost of Risk** (net off collections) **at 1.20%**, slightly up vs 1H impacted by rapid loan growth and regulation on general provisions as well as seasonally low collections

(1) Cost of Risk = (Total Loan Loss Provisions-Collections)/Total Gross Loans  
 (2) Total NPL coverage = (Specific +General Provisions)/NPLs

Macro Outlook	Budget Scenario (Sep/Oct'13)	Post-CBRT Rate Hike Scenario (Jan'14)	Current Scenario (Oct'14)
GDP	4.0%	2.5%	~3.5%
Inflation (eop)	6.4%	7.8%	9.3%
USD/TL (eop)	2.06	2.08	2.25
Policy rate (eop)	5.5%	9.5%	8.25%
Unemployment	9.1%	10.5%	9.5%
CAD/GDP	5.8%	5.2%	6.0%
Sector Outlook			
Loan Growth	17%	14%	~15%
Deposit Growth	15%	13%	~10%
NIM	Slightly Down	-50 bps	-20 bps
CoR	Slightly Down	+25 bps	Flat
NPL Ratio	+10 bps	+60 bps	+30 bps

### YKB in 2014

- Lending**: Above sector loan growth
- Funding**: Above sector deposit growth
- Revenues**: NIM: Better than sector  
Fees: Low double digit growth
- Costs**: Slightly above sector
- Asset Quality**: In line with sector

Macro expectations based on YK Economic Research data as of Oct'14

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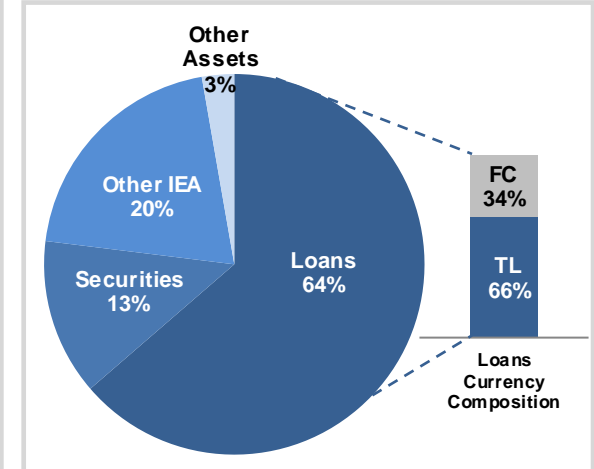
 **Annex**

# Consolidated Balance Sheet

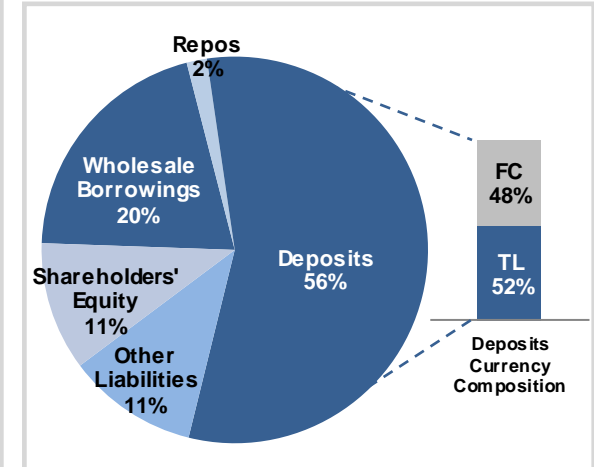
Balance Sheet

TL bln	2013	9M14	1QA	2QA	3QA	YTD
<b>Total Assets</b>	<b>160.3</b>	<b>182.0</b>	<b>5%</b>	<b>1%</b>	<b>7%</b>	<b>14%</b>
<b>Loans</b>	99.4	115.8	4%	5%	7%	17%
<b>Securities</b>	21.8	24.2	0%	0%	11%	11%
<b>Deposits</b>	88.5	102.5	2%	6%	7%	16%
<b>Borrowings</b>	34.2	37.3	5%	0%	3%	9%
<b>Shareholders' Equity</b>	18.3	19.6	1%	4%	3%	7%
<b>Assets Under Management</b>	10.7	11.6	-4%	9%	4%	8%
<b>Loans/Assets</b>	<b>62%</b>	<b>64%</b>				
<b>Securities/Assets</b>	<b>14%</b>	<b>13%</b>				
<b>Borrowings/Liabilities</b>	<b>21%</b>	<b>20%</b>				
<b>Loans/Deposits (Bank)</b>	<b>110%</b>	<b>112%</b>				
<b>Loans/Deposits (Group)</b>	<b>112%</b>	<b>113%</b>				
<b>Loans/(Deposits+TL Bonds) (Bank)</b>	<b>108%</b>	<b>108%</b>				
<b>Loans/(Deposits+TL Bonds) (Group)</b>	<b>110%</b>	<b>110%</b>				

## Assets



## Liabilities



Note: Loans indicate performing loans

# Consolidated Income Statement

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	q/q	9M13	9M14	y/y
<b>Total Revenues</b>	<b>1,842</b>	<b>2,183</b>	<b>1,905</b>	<b>2,128</b>	<b>1,938</b>	<b>2,149</b>	<b>2,201</b>	<b>2%</b>	<b>5,931</b>	<b>6,287</b>	<b>6%</b>
<b>Core Revenues</b>	<b>1,801</b>	<b>1,891</b>	<b>1,687</b>	<b>1,824</b>	<b>1,862</b>	<b>2,090</b>	<b>2,067</b>	<b>-1%</b>	<b>5,379</b>	<b>6,019</b>	<b>12%</b>
Net Interest Income	1,306	1,347	1,165	1,248	1,351	1,485	1,480	0%	3,819	4,317	13%
Fees & Commissions	495	544	522	576	510	605	587	-3%	1,561	1,702	9%
<b>Other Revenues</b>	<b>41</b>	<b>292</b>	<b>218</b>	<b>304</b>	<b>76</b>	<b>59</b>	<b>134</b>	<b>127%</b>	<b>552</b>	<b>268</b>	<b>-51%</b>
Other income	121	82	73	176	209	209	95	-55%	276	513	86%
Trading	-86	200	145	128	-135	-157	39	-125%	260	-254	nm
Dividend	6	10	0	0	2	7	0	-100%	16	9	-40%
<b>Operating Costs</b>	<b>815</b>	<b>897</b>	<b>835</b>	<b>996</b>	<b>935</b>	<b>1,029</b>	<b>1,009</b>	<b>-2%</b>	<b>2,547</b>	<b>2,974</b>	<b>17%</b>
<b>Operating Income</b>	<b>1,027</b>	<b>1,286</b>	<b>1,070</b>	<b>1,132</b>	<b>1,003</b>	<b>1,120</b>	<b>1,192</b>	<b>6%</b>	<b>3,384</b>	<b>3,313</b>	<b>-2%</b>
<b>Provisions</b>	<b>366</b>	<b>351</b>	<b>396</b>	<b>439</b>	<b>463</b>	<b>443</b>	<b>515</b>	<b>16%</b>	<b>1,113</b>	<b>1,421</b>	<b>28%</b>
Specific Provisions	242	280	373	263	343	322	374	16%	895	1,039	16%
General Provisions	58	42	23	110	88	94	114	21%	123	296	140%
Other Provisions	67	29	1	67	33	27	27	-2%	95	86	-9%
<b>Pre-tax Income</b>	<b>661</b>	<b>935</b>	<b>674</b>	<b>693</b>	<b>540</b>	<b>677</b>	<b>677</b>	<b>0%</b>	<b>2,271</b>	<b>1,892</b>	<b>-17%</b>
Discontinued Operations	15	25	1,296	-10	0	0	0	nm	1,336	0	nm
<b>Net Income</b>	<b>544</b>	<b>752</b>	<b>1,822</b>	<b>541</b>	<b>429</b>	<b>501</b>	<b>513</b>	<b>2%</b>	<b>3,118</b>	<b>1,442</b>	<b>-54%</b>
<b>Net Income</b> (excluding insurance business sale)			<b>538</b>						<b>1,834</b>	<b>1,442</b>	<b>-21%</b>

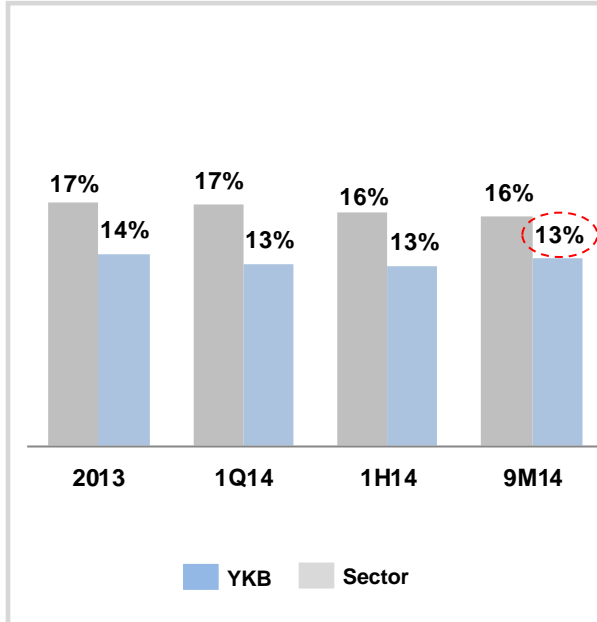
# Bank-Only Income Statement

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	q/q	9M13	9M14	y/y
<b>Total Revenues</b>	<b>1,773</b>	<b>1,980</b>	<b>1,732</b>	<b>1,886</b>	<b>1,884</b>	<b>1,988</b>	<b>2,013</b>	<b>1%</b>	<b>5,484</b>	<b>5,885</b>	<b>7%</b>
<b>Core Revenues</b>	<b>1,669</b>	<b>1,760</b>	<b>1,567</b>	<b>1,674</b>	<b>1,738</b>	<b>1,968</b>	<b>1,947</b>	<b>-1%</b>	<b>4,996</b>	<b>5,653</b>	<b>13%</b>
Net Interest Income	1,203	1,249	1,076	1,136	1,258	1,393	1,397	0%	3,528	4,048	15%
Fees & Commissions	466	511	491	538	480	575	550	-4%	1,468	1,605	9%
<b>Other Revenues</b>	<b>104</b>	<b>220</b>	<b>165</b>	<b>212</b>	<b>146</b>	<b>20</b>	<b>66</b>	<b>229%</b>	<b>488</b>	<b>232</b>	<b>-53%</b>
Other income	117	82	89	165	185	200	85	-57%	287	470	64%
Trading	-108	137	38	48	-213	-180	-19	-89%	67	-412	nm
Dividend	95	1	37	0	174	0	0	-100%	133	174	31%
<b>Operating Costs</b>	<b>767</b>	<b>846</b>	<b>787</b>	<b>939</b>	<b>875</b>	<b>968</b>	<b>982</b>	<b>2%</b>	<b>2,400</b>	<b>2,826</b>	<b>18%</b>
<b>Operating Income</b>	<b>1,006</b>	<b>1,134</b>	<b>945</b>	<b>947</b>	<b>1,009</b>	<b>1,021</b>	<b>1,031</b>	<b>1%</b>	<b>3,085</b>	<b>3,059</b>	<b>-1%</b>
<b>Provisions</b>	<b>353</b>	<b>333</b>	<b>374</b>	<b>415</b>	<b>434</b>	<b>435</b>	<b>490</b>	<b>13%</b>	<b>1,060</b>	<b>1,359</b>	<b>28%</b>
Specific Provisions	230	267	352	248	318	314	352	12%	850	984	16%
General Provisions	57	40	22	106	86	93	112	20%	119	290	143%
Other Provisions	67	26	1	63	31	28	27	-6%	91	85	-7%
<b>Pre-tax Income</b>	<b>653</b>	<b>801</b>	<b>570</b>	<b>532</b>	<b>575</b>	<b>585</b>	<b>541</b>	<b>-8%</b>	<b>2,025</b>	<b>1,700</b>	<b>-16%</b>
Discontinued Operations	0	0	1,182	-10	0	0	0	nm	1,182	0	nm
<b>Net Income</b>	<b>541</b>	<b>621</b>	<b>1,627</b>	<b>414</b>	<b>487</b>	<b>428</b>	<b>405</b>	<b>-5%</b>	<b>2,789</b>	<b>1,320</b>	<b>-53%</b>
<b>Net Income</b> (excluding insurance business sale)			<b>455</b>						<b>1,617</b>	<b>1,320</b>	<b>-18%</b>

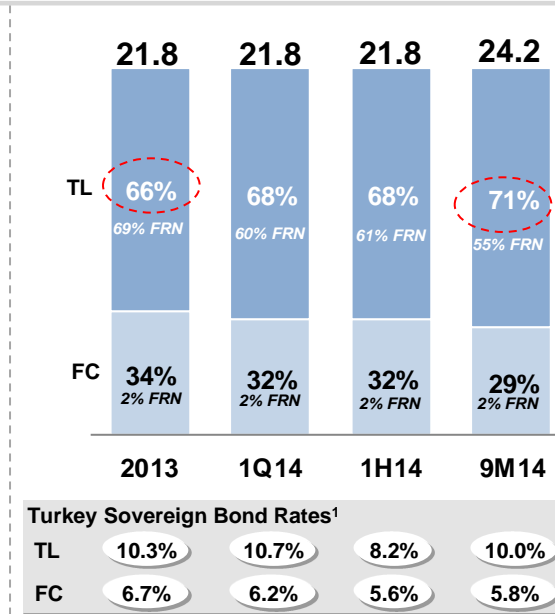


# Securities

## Securities/Assets

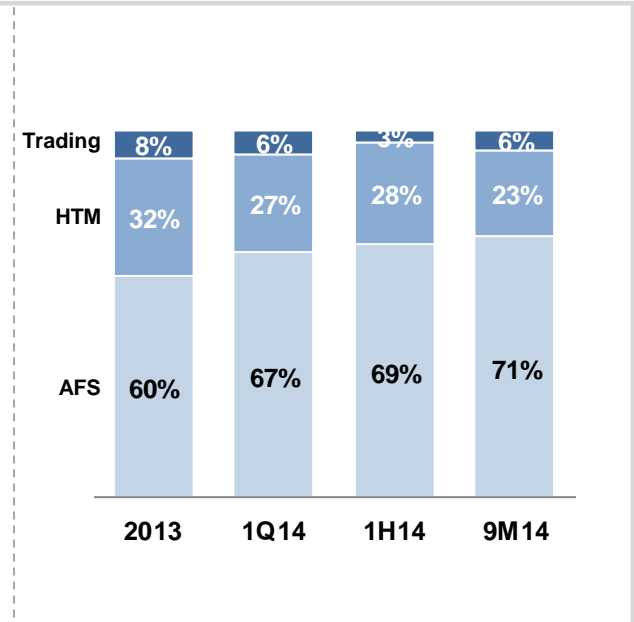


## Composition by Currency (TL bln)



Turkey Sovereign Bond Rates <sup>1</sup>			
TL	10.3%	10.7%	8.2%
FC	6.7%	6.2%	5.6%

## Composition by Type



- Share of securities in total assets at 13% (vs 16% sector)
- Increase in share of TL securities in total at 71% (vs 68% in 1H14)
- CPI-linkers at TL 4.6 bln (19% of total securities)
- M-t-m unrealised gains under equity at TL 140 mln (1H14: TL 387 mln, 1Q14: TL -150 mln, YE13: TL -118 mln)

Notes: Sector based on BRSA monthly data as of Aug'14

AFS: Available for Sale

HTM: Held to Maturity

FRN: Floating Rate Notes

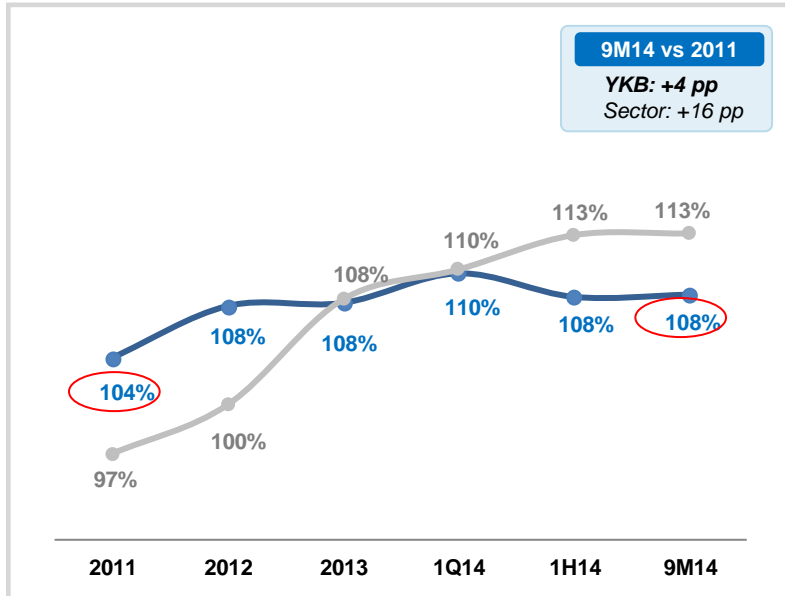
CPI: Consumer price index inflation

(1) TL Bond rate indicates 2 year benchmark bond rate. FC bond rate indicates 30 year USD Eurobond Rate

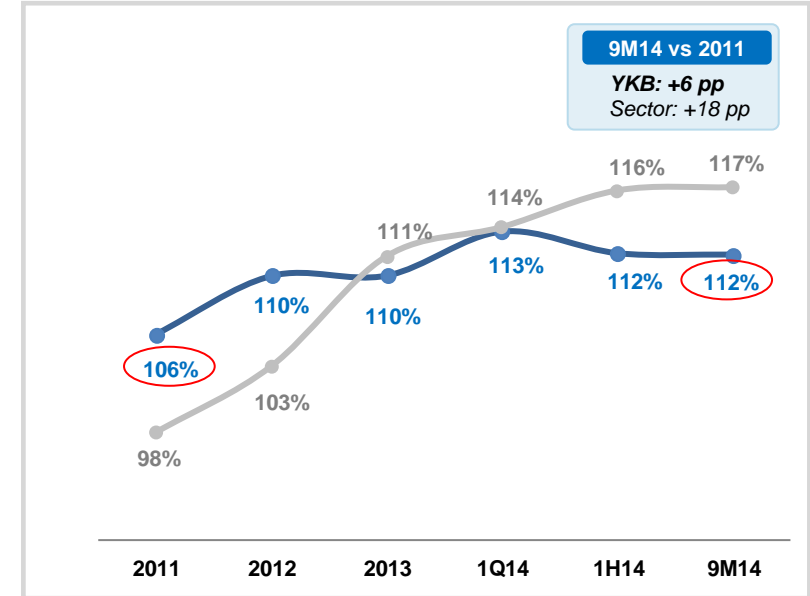
# Effectively managed liquidity with relatively stable loans/deposits ratio

■ YKB  
■ Sector

## Loans/(Deposits+TL Bonds) Ratio (Bank)



## Loans/Deposits Ratio (Bank)



- LDR maintained relatively stable at 112% vs significant increase at sector level
  - Strong deposit culture in network and effective one-to-one deposit pricing approach
- LDR level in line with previously communicated «comfortable band»
- Ongoing TL bond issuances (~ TL 2.8 bln in 9M14)

# Business Units

- **Retail:**
  - **SME:** Companies with turnover less than 10 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 10-100 mln US\$
- **Corporate:** Companies with annual turnover above 100 mln US\$

## Weight in Bank

Revenues <sup>1</sup>	Customer Business <sup>2</sup>	Revenues (mln TL)	Y/Y (Sep'13 – Sep'14)	Drivers of Revenue Growth
		<b>Retail<sup>3</sup></b> 2,187	16%	■ Volume growth and increase in interest income
		<b>Card Payment Systems<sup>4</sup></b> 453	-31%	■ POS revenues and increase in interchange fee rate <sup>5</sup> offsetting impact regulations (cap on interest rate and installment restrictions)
		<b>Private</b> 144	17%	■ Higher net interest income and non-interest income
		<b>Corporate</b> 469	18%	■ Higher net interest income and fee income growth
		<b>Commercial</b> 1,008	22%	■ Higher net interest and fee income growth in line with strong loan growth

Note: All figures based on MIS data

(1) Total share of business units at 95% in 9M14. The remaining 5% is attributable to treasury and other operations

(2) Customer business= Loans + Deposits + AUM. Total share of business units at 96% in 9M14. 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

(5) Interchange fee rate at 1.19% in 9M14 vs 0.74% in 9M13. Currently at 1.15% since 5 Sep'14

# Subsidiaries

Subsidiaries

	Revenues (mln TL)	Revenue (y/y growth)	ROE	Sector Positioning	Drivers of Revenue Growth	
<b>Domestic Subs</b>	<b>YK Leasing</b>	184	7%	13%	<b>#1 in total transaction volume</b> (20.1% market share)	■ Healthy fee generation and volume growth
	<b>YK Factoring</b>	74 <sup>1</sup>	+43%	30%	<b>#2 in total factoring volume</b> (10.7% market share)	■ Improving commercial activity leading to higher net interest income
	<b>YK Yatırım<sup>1</sup></b>	112	Flat	20%	<b>#2 in equity transaction volume</b> (7.5% market share)	■ Higher interest income offsetting decrease in other income
	<b>YK Portföy</b>	34	-4%	75%	<b>#2 in mutual funds</b> (17.6% market share) <i>Highest credit rating in its sector<sup>2</sup></i>	■ Decrease in fee income growth
<b>International Subs</b>	<b>YK Azerbaijan</b>	35.7 mln US\$	40% <sup>3</sup>	8%	<b>US\$ 441 mln</b> total assets	■ Strong loan growth and increasing credit card business
	<b>YK Moscow</b>	11.4 mln US\$	-5% <sup>3</sup>	8%	<b>US\$ 242 mln</b> total assets	■ Increasing interest income partially offsetting decrease in other income
	<b>YK NV</b>	32.4 mln US\$	9% <sup>3</sup>	7%	<b>US\$ 2.0 bln</b> total assets	■ Revenues supported by collections under other income

Note: Revenues in TL unless otherwise stated. All market shares as of Jun'14. 9M13 revenues for YK Factoring and YK Yatırım adjusted for YK Sigorta sale gain

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

(2) Fitch Ratings upgraded YK Portföy (YKP) in Mar'13 from M2+ to M1+. YK Portföy is the only institution in Turkey to reach this level

(3) Currency adjusted y/y revenue growth

# Borrowings: 20% of total liabilities

International	<b>Syndications</b>	<p>~ US\$ 2.7 bln outstanding</p> <ul style="list-style-type: none"> <li>■ <b>Apr'14:</b> US\$ 319.1 mln and €852.6 mln, Libor/Euribor +0.90% p.a. all-in cost, 1 year, participation of 51 banks from 17 countries</li> <li>■ <b>Sep'14:</b> US\$ 340 mln and €760.7 mln, Libor /Euribor+ 0.90% p.a. all-in cost, 1 year, participation of 38 banks from 17 countries</li> </ul>
	<b>Securitisations</b>	<p>~ US\$ 1.4 bln outstanding</p> <ul style="list-style-type: none"> <li>■ <b>Aug'11:</b> US\$ 225 mln and €130 mln, 4 unwrapped notes, 5 years (outstanding: ~US\$ 227 mln)</li> <li>■ <b>Sep'11:</b> €75 mln, 1 unwrapped note, 12 years (outstanding: ~US\$ 83 mln)</li> <li>■ <b>Jul'13:</b> US\$ 355 mln and €115 mln, 5 unwrapped notes, 5-13 years (outstanding: ~US\$ 500 mln)</li> <li>■ <b>Oct'14:</b> US\$ 550 mln, 20 years (outstanding: US\$ 550 mln)</li> </ul>
	<b>Subordinated Loans</b>	<p>~US\$ 3.0 bln outstanding</p> <ul style="list-style-type: none"> <li>■ <b>Mar'06:</b> €500 mln, 10NC5, Euribor+3.00% p.a.</li> <li>■ <b>Jun'07:</b> €200 mln, 10NC5, Euribor+2.78% p.a</li> <li>■ <b>Dec'12:</b> US\$ 1.0 bln market transaction, 10 years, 5.5% (coupon rate)</li> <li>■ <b>Jan'13:</b> US\$ 585 mln, 10NC5, 5.5% fixed rate</li> <li>■ <b>Dec'13:</b> US\$ 470 mln, 10NC5, 6.35% (coupon rate, midswap +4.68% after the first 5 years)</li> </ul>
	<b>Foreign Currency Bonds / Bills</b>	<p><b>US\$ 750 mln Loan Participation Note (LPN)</b></p> <ul style="list-style-type: none"> <li>■ <b>Oct'10:</b> 5.1875% (coupon rate), 5 years</li> </ul> <p><b>US\$ 2.0 bln Eurobonds Issuance</b></p> <ul style="list-style-type: none"> <li>■ <b>Feb'12:</b> US\$ 500 mln, 6.75% (coupon rate), 5 years</li> <li>■ <b>Jan'13:</b> US\$ 500 mln, 4.00% (coupon rate), 7 years</li> <li>■ <b>Dec'13:</b> US\$ 500 mln, 5.25% (coupon rate), 5 years</li> <li>■ <b>Oct'14:</b> US\$ 500 mln, 5.125% (coupon rate), 5 years</li> </ul>
	<b>Covered Bond</b>	<p><b>TL 458 mln first tranche</b></p> <ul style="list-style-type: none"> <li>■ <b>Nov'12:</b> SME-backed with maturity between 3-5 years; highest Moody's rating (A3) for Turkish bonds</li> </ul>
	<b>Multilateral Loans</b>	<p>~US\$ 754 mln outstanding</p> <ul style="list-style-type: none"> <li>■ <b>EIB Loan - 2008/2012:</b> US\$ 102 mln and €300 mln and TL 187 mln, 5-15 years (outstanding: ~US\$469 mln)</li> <li>■ <b>EBRD Loan - 2011/2013:</b> US\$ 55 mln and €30 mln, 5 years (outstanding: ~US\$ 76 mln)</li> <li>■ <b>CEB Loan - 2011/2014:</b> US\$39 mln and €100 mln (outstanding: ~US\$163 mln)</li> <li>■ <b>EFIL Loan – 2008/2011:</b> US\$ 59 mln and €13 mln (outstanding: ~US\$ 42 mln)</li> </ul>
Domestic	<b>Local Currency Bonds / Bills</b>	<p><b>TL 2.8 bln total (original public offering amount)</b></p> <ul style="list-style-type: none"> <li>■ <b>May'14:</b> TL 670 mln, 10.07% compounded rate, 170 days maturity</li> <li>■ <b>Jun'14:</b> TL 565 mln, 8.88% compounded rate, 179 days maturity</li> <li>■ <b>Jun'14:</b> TL 89 mln, 9.21% compounded rate, 368 days maturity</li> <li>■ <b>Sep'14:</b> TL 450 mln, 9.29% compounded rate, 178 days maturity </li> <li>■ <b>Sep'14:</b> TL 150 mln, 9.86% compounded rate, 367 days maturity </li> <li>■ <b>Oct'14:</b> TL 600 mln, 9.74% compounded rate, 176 days maturity </li> <li>■ <b>Oct'14:</b> TL 300 mln, 10.13% compounded rate, 392 days maturity </li> </ul>

## Banking Sector Volumes and KPIs

bln TL	Nominal	Quarterly Growth				9M14
	9M14	4Q13	1Q14	2Q14	3Q14	
<b>Total Loans<sup>1</sup></b>	<b>1,126</b>	<b>6%</b>	<b>4%</b>	<b>3%</b>	<b>6%</b>	<b>13%</b>
TL	788	5%	4%	5%	4%	12%
FC(\$)	148	5%	1%	3%	2%	7%
<b>Total Deposits</b>	<b>1,022</b>	<b>6%</b>	<b>1%</b>	<b>1%</b>	<b>5%</b>	<b>7%</b>
TL	605	3%	-4%	7%	2%	4%
FC(\$)	183	6%	7%	-4%	2%	5%
<b>Total Securities</b>	<b>291</b>	<b>-1%</b>	<b>3%</b>	<b>-2%</b>	<b>2%</b>	<b>3%</b>
<b>NPL Ratio</b>		<b>2.6%</b>	<b>2.7%</b>	<b>2.7%</b>	<b>2.8%</b>	
<b>CAR</b>		<b>14.6%</b>	<b>15.1%</b>	<b>15.7%</b>	<b>15.6%</b>	Excl NPL Sale 3.0%
<b>NIM (quarterly)</b>		<b>3.5%</b>	<b>3.4%</b>	<b>3.6%</b>	<b>3.6%</b>	
<b>NIM (cumulative)</b>		<b>3.8%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>3.5%</b>	

Note: NIM based on BRSA monthly financials as of Aug'14. Balance sheet volumes for sector based on BRSA weekly data as of 3 Oct'14  
 (1) Indicates performing loans

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The image displays three overlapping 'Quarterly Fixed Income Investor Bulletin' documents from Yapı Kredi for Q4 2013. The documents contain financial data, analysis, and performance metrics. Key elements include:

- Quarterly Fixed Income Investor Bulletin - Q4 2013: Robust base, resilient performance**
- Quarterly Fixed Income Investor Bulletin - Q4 2013: Rapid response to changes continues resilience**
- Quarterly Fixed Income Investor Bulletin - Q4 2013: Resilient performance**

Each bulletin includes sections such as 'Key Highlights', 'Financial Performance', 'Risk Management', and 'Outlook'. The documents also feature various tables and charts, including a 'Key Ratios' table and a 'Financial Performance' table. The 'Key Ratios' table shows metrics like Return on Assets (ROA), Return on Equity (ROE), and Capital Adequacy Ratio (CAR). The 'Financial Performance' table shows metrics like Total Assets, Total Liabilities, and Net Income.