

Yapi Kredi 2014 Earnings Presentation & Outlook

Profitable growth delivered, strategy confirmed

Agenda

Phase I: 2014

- Overview
- Details of 2014 Performance

Phase II: 2015 and Beyond

2014: Ambitious targets of accelerated growth strategy successfully achieved with some areas performing even better than guidance

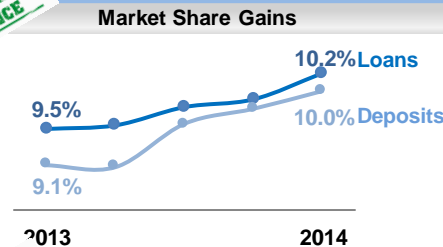
Strategic Guidelines

Results

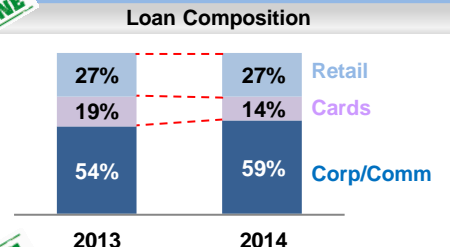
Accelerated Growth

- Increasing «natural market share» to 10%
- Remixing loan book towards more profitable segments

BETTER THAN GUIDANCE



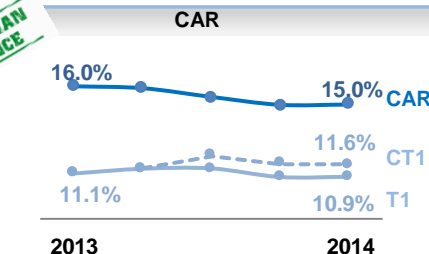
IN LINE



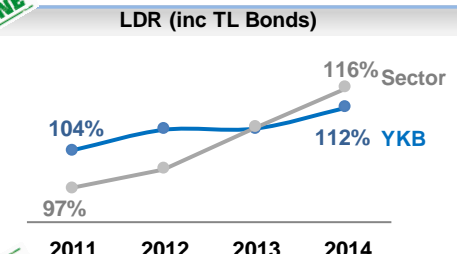
Strong Fundamentals

- CAR >14% and Tier-1 >10%
- LDR within comfortable band

BETTER THAN GUIDANCE



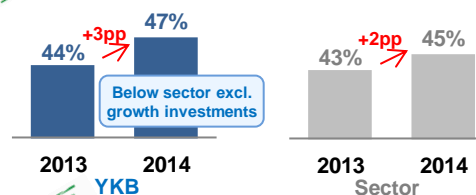
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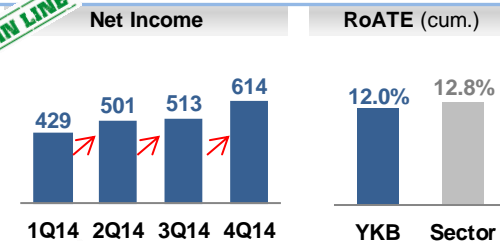
Solid Profitability

- Investing in growth while maintaining discipline in ordinary costs
- Increasing trend in quarterly net income

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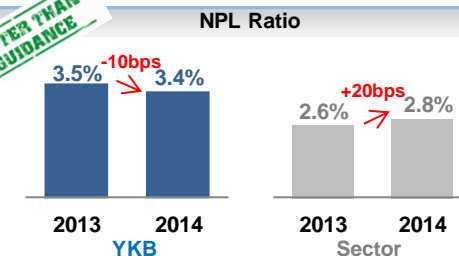
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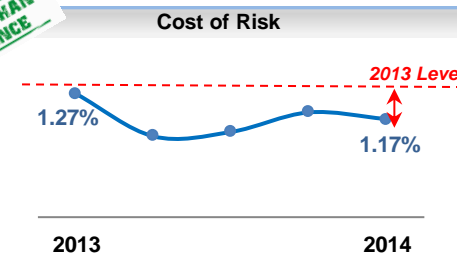
Resilient Asset Quality

- In line with sector NPL ratio evolution
- Stable CoR vs YE13

BETTER THAN GUIDANCE



BETTER THAN GUIDANCE



Note:
LDR (inc TL bonds), Cost/Income and RoATE ratios for sector based on BRSA monthly data as of Dec'14
NPL ratio for sector based on BRSA weekly data as of 2 Jan'15
RoATE indicates return on average tangible equity (excl TL 979 mIn goodwill)
Cost of Risk, cumulative = (Total Loan Loss Provisions-Collections)/Total Gross Loans

How did we do it? Through significant investment in our network and commercial effectiveness capabilities



(1) Indicates Group headcount. Bank only: ~17,500

(2) Includes branches and call center

(3) Net new: 54 branches

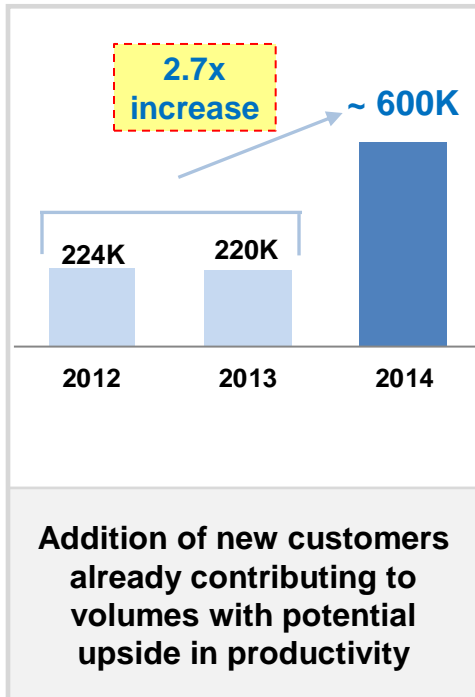
(4) Direct Banking, launched in May'14 under the new brand name of "NUVO", is a branchless service via internet and mobile channels which offers advantageous pricing and other non-banking advantages

(5) As of 9M14

«Core Bank»: increasing commercial effectiveness

«New Bank»: already contributing with acceleration expected in the future

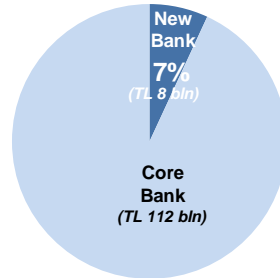
Customer Acquisition



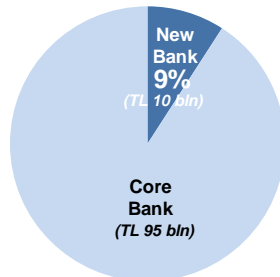
Volumes

«New Bank» contribution already visible

Loans



Deposits



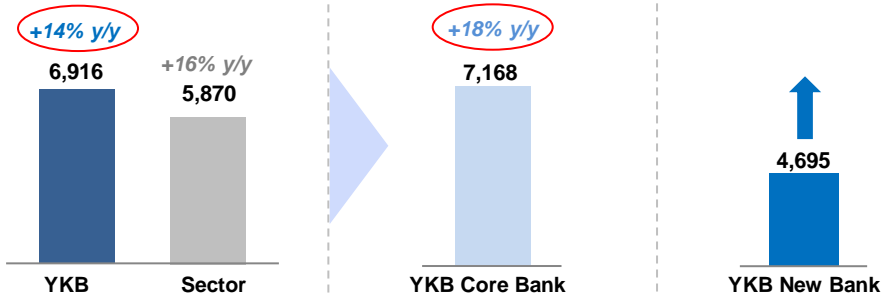
Productivity

YKB above sector in productivity

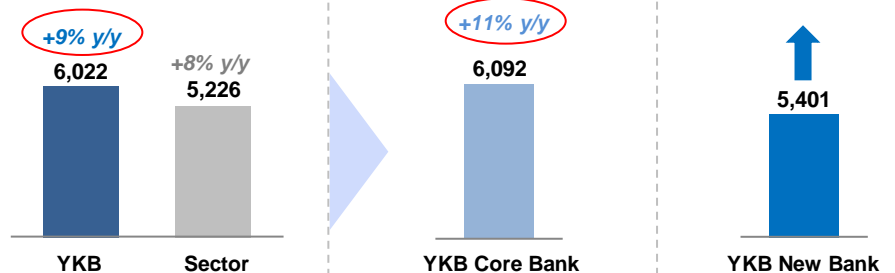
«Core Bank» increasing faster

«New Bank» with further potential

Loans/Employee



Deposits/Employee



Note: Based on YKB's internal calculations

Balance sheet volumes for sector based on BRSA weekly data as of 2 Jan'15; Sector employee number based on Turkish Banking Association data as of Dec'14

Agenda



Phase I: 2014

- Overview
- **Details of 2014 Performance**



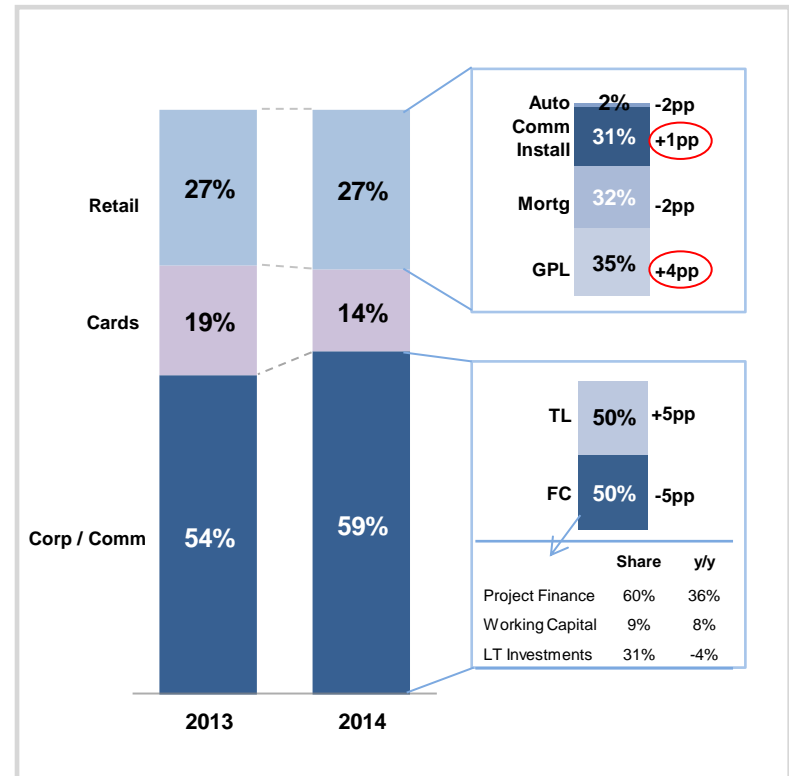
Phase II: 2015 and Beyond

Significantly above sector loan growth together with effective remixing towards higher value generating areas

LEADERSHIP IN CARDS CONFIRMED

(TL bln)	2014	y/y		Market Share	ytd Δ bps	Rank
		YKB	Sector			
Total Loans¹	125.5	26%	18%	10.2%	+71	5
TL	83.7	28%	17%	10.1%	+84	5 ⁺¹
FC (\$)	18.1	13%	12%	10.6%	+38	4
Consumer Loans	23.8	29%	13%	8.8%	+111	6 ⁺¹
Mortgages	11.0	22%	13%	9.6%	+72	6 ⁺¹
General Purpose	12.2	46%	15%	8.1%	+173	7
Auto	0.7	-39%	-22%	10.8%	-316	4
Credit Cards	17.8	-5%	-6%	20.8%	+16	1
Companies²	84.0	35%	24%	9.6%	+94	5 ⁺¹
TL	42.1	50%	26%	8.9%	+142	6 ⁺¹
FC (\$)	18.1	13%	12%	10.6%	+38	4
SME³	36.1	49%	25%	11.9%	+187	n/a
Comm. Install.	10.5	34%	30%	6.7%	+18	6

Loan Composition



- **Total loans +26% ytd** (vs 18% sector) with highest quarterly growth recorded in 4Q (+8% q/q vs +5% sector)
- **Effective remixing of loan book** to higher value generating areas **while increasing market share**
- **Currency balance maintained** in company loans to mitigate risk

Note: Balance sheet volumes for sector based on BRSA weekly data as of 2 Jan'15. FC-indexed loans included in TL loans
Market share ranking information as of 9M14, ranking evolution compared to YE13

(1) Total performing loans

(2) Total loans excluding consumer loans and credit cards

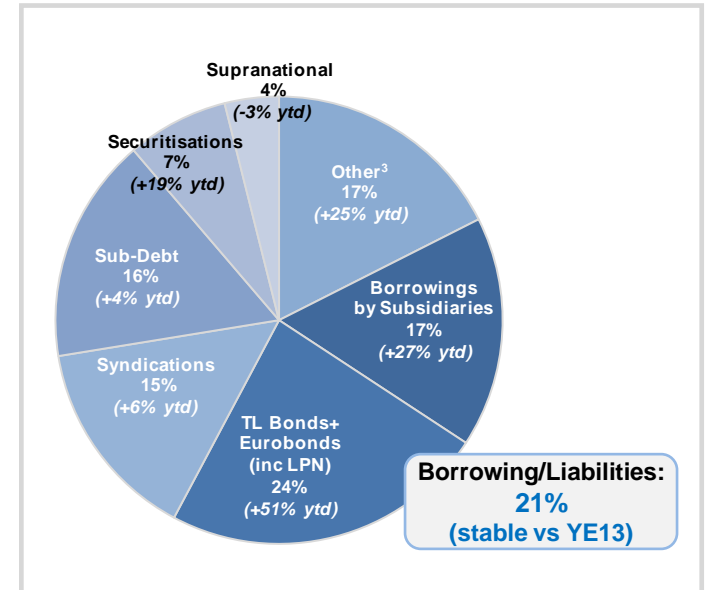
(3) SME definition: <TL 40 mIn annual turnover as per BRSA. YKB internal SME definition: <US\$ 10 mIn annual turnover (share of TL: 95%)

Strong focus on deposit gathering to sustain growth initiatives and wholesale funding to manage duration mismatch while preserving margins

Funding

(TL bln)	2014	y/y		Market Share	ytd Δ bps	Rank
		YKB	Sector			
Total Deposits	107.6	22%	10%	10.0%	+94	6
TL	62.9	41%	11%	10.0%	+236	7
FC (\$)	19.3	-6%	1%	10.0%	-127	4
Customer Deposits¹	105.1	22%	10%	10.5%	+104	5 +1
Demand Deposits	16.6	16%	9%	8.5%	+59	7
TL Bonds²	3.3	98%	43%	7.3%	+205	
Repos	6.2	83%	18%	4.7%	+168	

Borrowing Composition



- **Significantly above sector deposit growth** (+22% ytd vs 10% sector) mainly driven by TL deposits
- **Repo volume increasing ytd due to attractive pricing** - still among lowest levels in peer group (3% share in liabilities vs 10% avg private peers)
- **Sustained focus on funding diversification** with >100% of funding plan for 2014 achieved

Notes: Balance sheet volumes for sector based on BRSA weekly data as of 2 Jan'15
Market share ranking information as of 9M14, ranking evolution compared to YE13

(1) Excluding bank deposits

(2) Including TL and covered bonds

(3) Other borrowings include foreign trade related borrowings

~TL 2.1 bln net income with progressive improvement on a quarterly basis via increased contribution of growth investments

Income Statement

(TL mln)	1Q14	2Q14	3Q14	4Q14	q/q	2013	2014	y/y
Total Revenues	1,938	2,149	2,201	2,466	12%	8,058	8,754	9%
Operating Costs	935	1,029	1,009	1,173	16%	3,543	4,146	17%
Operating Income	1,003	1,120	1,192	1,293	9%	4,515	4,607	2%
Provisions	463	443	515	518	1%	1,552	1,939	25%
Pre-tax Income	540	677	677	775	15%	2,963	2,669	-10%
Discontinued Operations	0	0	0	0	nm	1,326	0	nm
Net Income	429	501	513	614	20%	3,659	2,056	-44%
Net Income (excluding insurance business sale)						2,375	2,056	-13%
Return on Average Tangible Assets	10.0%	11.6%	11.6%	13.7%		16.7%	12.0%	
Return on Assets	1.0%	1.2%	1.1%	1.3%		1.5%	1.1%	
Cost/Income	48%	48%	46%	48%		44%	47%	

- **Revenues +9% y/y** despite volatile operating environment
- **Costs +17% y/y** incorporating significant investments for growth
- **Provisions impacted by strong loan growth and regulation**
- **Cumulative net income at TL 2,056 mln with RoATE at 12.0%**
- **Strong contribution of subsidiaries** with 17% of net income and 8% of assets

Note: Return on Average Tangible Equity, Return on Assets and Cost/Income Ratios for 2013 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

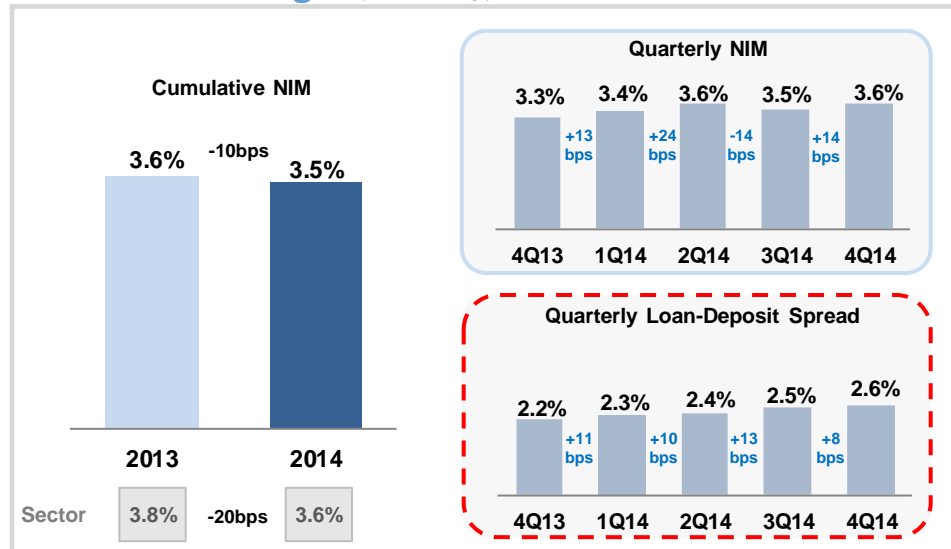
RoATE calculation based on the average of current period equity (excluding current period profit) and prior year equity. Annualised

Return on Assets (RoA) calculation based on net income / end of period total assets. Annualised

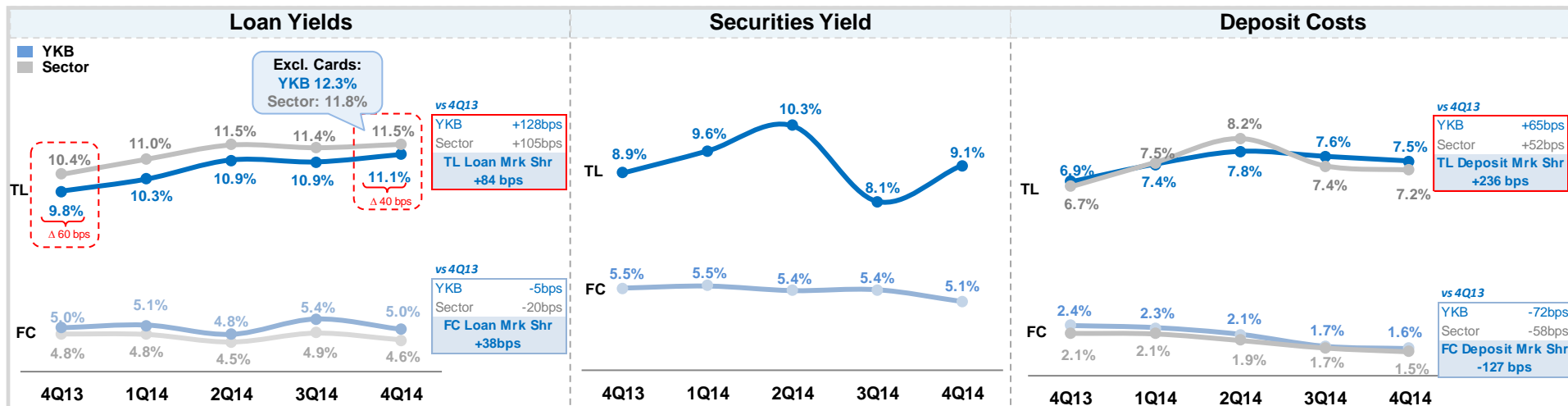
Cumulative NIM -10 bps with steady improvement in loan-deposit spread throughout the year via effective pricing

Net Interest Margin

Net Interest Margin (Bank-only)



- **Cumulative NIM evolution better than sector** confirming ability to manage challenging rate environment
- **Quarterly NIM expanding** supported by expanding loan-deposit spread and positive contribution of CPI linkers
- **Loan-deposit spread improving throughout the year** driven by effective pricing despite continuous market share gains in both loans and deposits



Notes: Sector based on BRSA monthly data as of Dec'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)

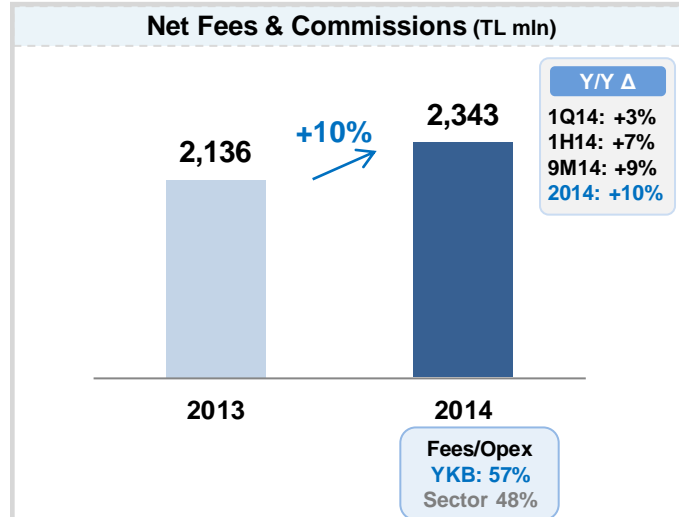
NIM and securities yields exclude effect of reclassification between interest income and other provisions related to amortisation of issuer premium on securities (as per BRSA)

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

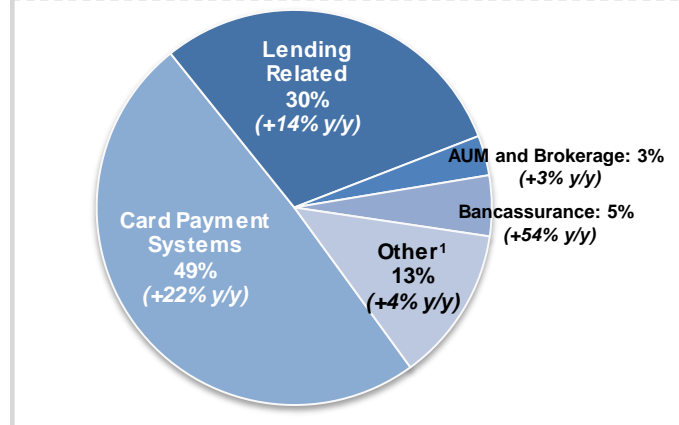
«Double digit growth» in fees; consistently improving contribution of other income

Fees & Other Income

Fees & Commissions



Fees Received Composition (Bank-only)



Other Revenues

	1Q14	2Q14	3Q14	4Q14	4Q Δ	2013	2014	y/y Δ
Total Other Revenues	76	59	134	169	26%	856	438	-49%
Other Income	209	209	95	152	60%	453	665	47%
Collections & Prov. Reversals ²	134	94	39	11	-71%	208	279	34%
Subs and Other	74	115	56	141	151%	245	386	58%
Dividend Income	2	7	0	0	nm	15	9	-39%
Trading&FX (net)	-135	-157	39	17	-56%	388	-236	nm

- Fees +10% y/y, in line with guidance despite regulatory impact in 4Q mainly driven lending related fees and bancassurance
- Other income supported by collections and provision reversals
- Quarterly trading gain positively impacted by securities portfolio sale offsetting swap costs

Sector based on BRSA monthly data as of Dec'14

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

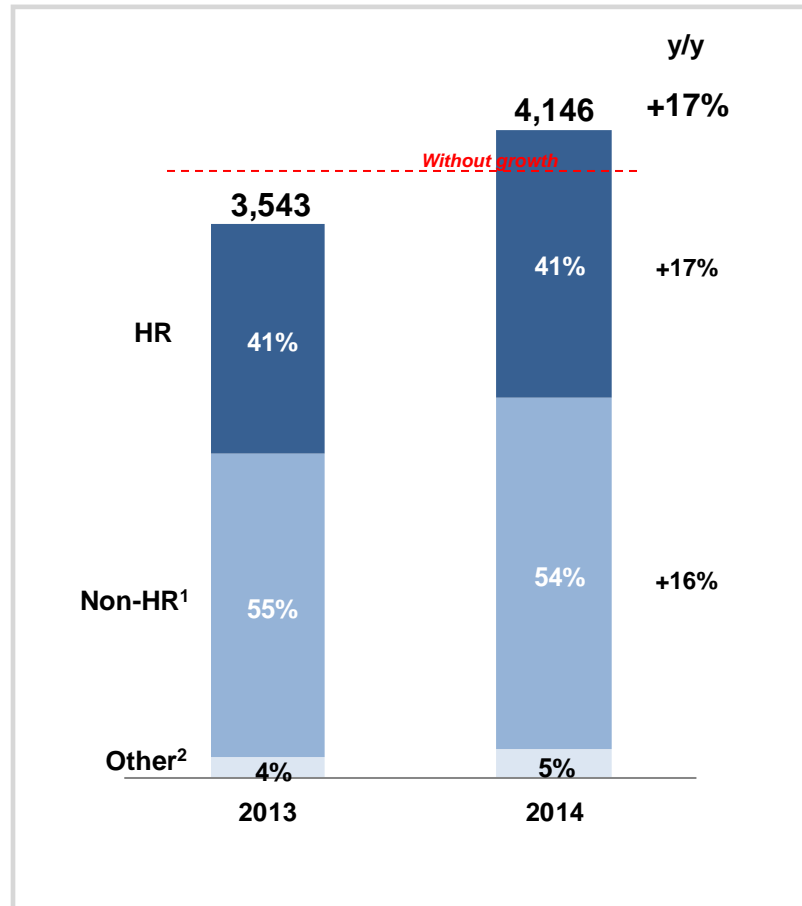
(2) Total of 447 mln TL NPL sale in 2014. (Jun'14: TL 104 mln fully provisioned credit card and consumer loan portfolio for TL 15.5 mln. Sept'14: TL 282 mln fully provisioned credit card, consumer and SME loan portfolio for TL 28.4 mln. Dec'14: TL 61.1 mln fully provisioned credit card portfolio for TL 8.3 mln)

(3) Interchange fee rate at 1.18% in 2014 vs 0.77% in 2013. Currently at 1.15% since 5 Sep'14

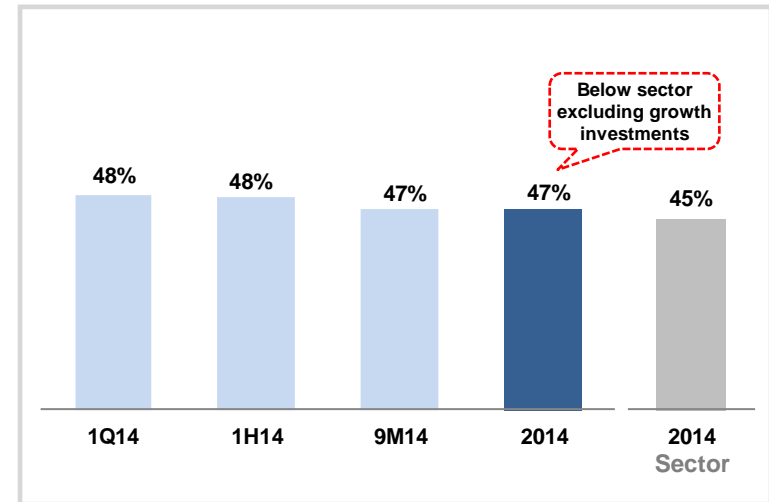
2014 investments successfully deployed with continued discipline in ordinary costs

Costs

Total Costs (TL mIn)



Cost/Income (cumulative)



- **Costs +17% y/y despite extensive investments for growth**
- **Improving cumulative cost/income trend; YE14 level below sector excluding growth investments**
- **Cost/average employee³ +4% vs YE13 (sector: +11%)**

Note: Cost/Income ratio for sector based on BRSA monthly data as of Dec'14

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

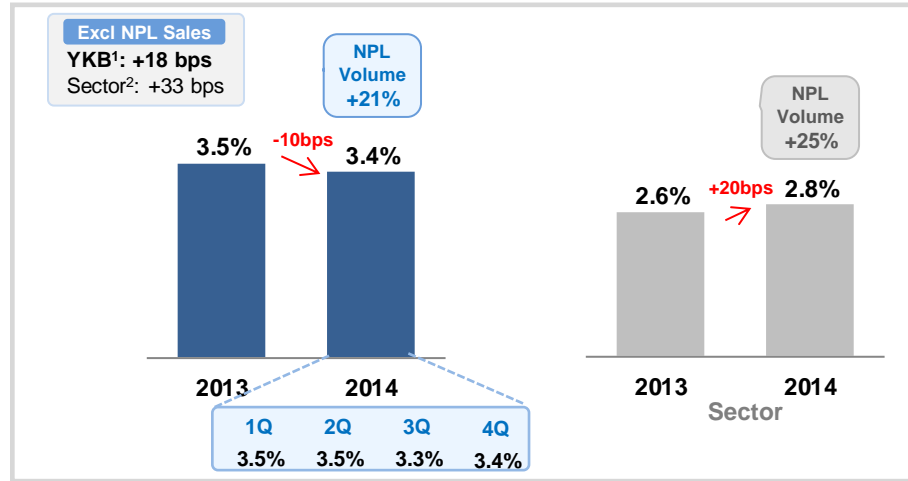
(2) Other includes pension fund provisions and loyalty points on Worldcard

(3) Bank-only

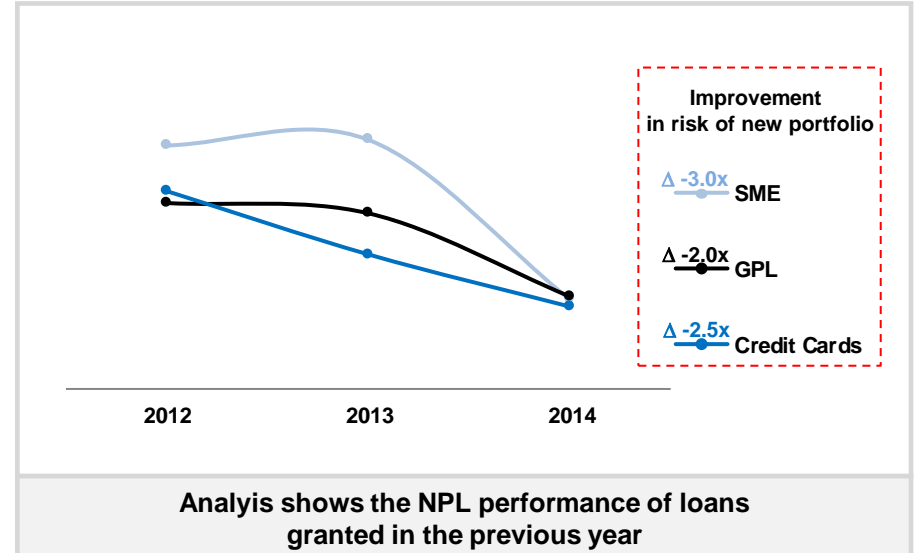
Better than sector evolution in asset quality supported by strong underlying trends

Asset Quality

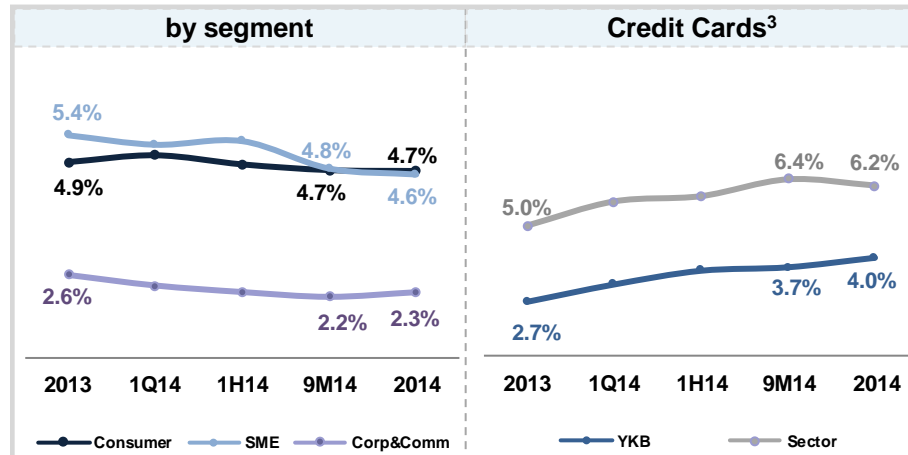
NPL Ratio



Quality of New Loan Generation (Vintage Analysis)



NPL Ratio by Segment and Product



- NPL ratio -10 bps to 3.4% (sector: +20 bps)
- Quality of new loan generation improving significantly due to better scoring, system improvements and other risk related actions
- Solid evolution in all segments; Credit cards impacted by regulation

Notes: NPL ratio for credit cards includes retail + business cards. NPL ratio for sector based on BRSA weekly data as of 2 Jan'15

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

(1) Total of 447 mln TL NPL sale in 2014. (Jun'14: TL 104 mln fully provisioned credit card and consumer loan portfolio for TL 15.5 mln with -9bps NPL ratio impact. Sept'14: TL 282 mln fully provisioned credit card, consumer and SME loan portfolio for TL 28.4 mln with -24bps NPL ratio impact. Dec'14: TL 61.1 mln fully provisioned credit card portfolio for TL 8.3 mln with -5bps NPL ratio impact)

(2) Total NPL sales in the sector amounting to TL 3.5 bln as of Dec'14 (o/w TL 1.2 bln credit cards)

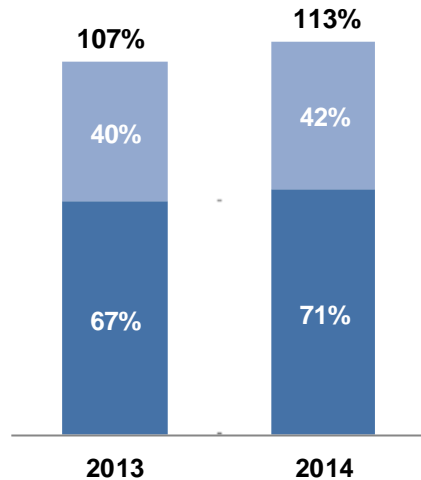
(3) Excluding NPL sales, YKB credit cards NPL ratio at 5.2% (+249 bps vs 2013), sector NPL ratio at 7.4% (+242 bps vs 2013)

Solid coverage level maintained; CoR improving

Asset Quality

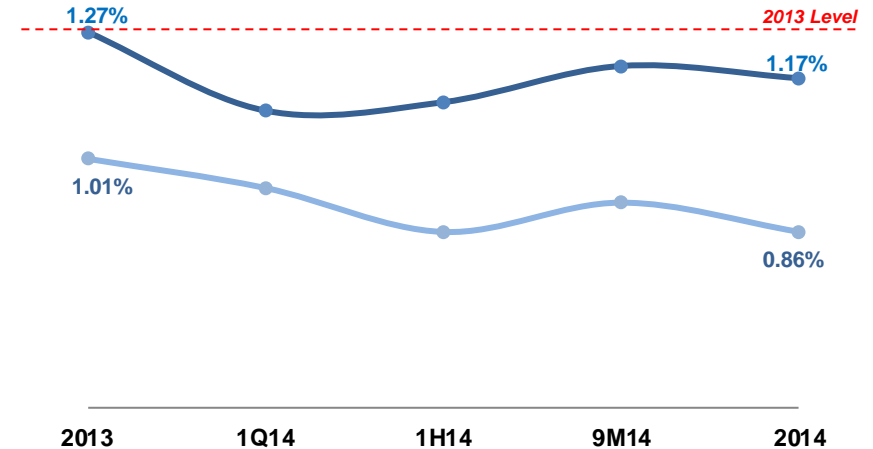
NPL Coverage

General provisions / NPL
Specific provisions / NPL



Cost of Risk¹ (Cumulative, net of collections)

Total
Specific



- **Total NPL coverage² at 113%** (+5 pp vs 2013). Increase in general provisioning coverage (+2 pp vs 2013) due to strong lending growth and regulation
- **Total CoR (net off collections) at 1.17%** (-10 bps vs 2013), **better than guidance of stable vs YE13**

(1) Cost of Risk = (Total Loan Loss Provisions-Collections)/Total Gross Loans

(2) Total NPL coverage = (Specific +General Provisions)/NPLs

2014: Key Take-Aways

Volumes

- **Strong loan growth** leading to 10.2% market share (+70bps y/y)
- **Significantly above sector deposit growth** leading to 10% market share (+90bps y/y)
- **Comfortable LDR** level maintained

Revenues & Costs

- **Cumulative NIM performance in line with guidance** of better than sector evolution (-10 bps vs -20 sector)
- **Fees in line with guidance** of low double digit growth
- **Costs under control** incorporating all planned investments

Capital

- **Comfortable CAR maintained** incorporating strong loan growth

Asset Quality

- **Better than guidance & better than sector** (NPL ratio -10 bps vs +20 bps sector)

YKB performance appreciated both internationally and domestically with >30 awards in 2014

Agenda

■ Phase I: 2014

■ **Phase II: 2015 and Beyond**

Supportive macro and banking sector scenario

		2014	2015	
MACRO	GDP	~3.5%	~4%	
	Inflation (eop)	8.2%	6 / 6.5%	➔ Further improvement potential dependant on oil prices
	USD/TL (eop)	2.32	2.33	
	Policy rate (eop)	8.25%	8.25%	➔ Declining trend started as of Jan'15 (-50bps to 7.75%) with further changes subject to inflation dynamics and global developments
	Unemployment	9.5%	9.3%	
	CAD/GDP	~6%	<5%	
SECTOR	Loan Growth	18%	17%	
	Deposit Growth	12%	15%	
	NIM	-20 bps	Flat	➔ Dependant on possible changes in CBRT monetary policy
	CoR	Flat	Flat	
	NPL Ratio	+20 bps	+20 bps	

Notes:
 Scenario based on YK Economic Research estimates as of Oct'14
 2014 inflation, USD/TL, policy rate, loan growth, deposit growth and NPL ratio based on realisations
 Banking sector data based on BRSA weekly financials as of 2 Jan'15

For YKB, further acceleration of growth in 2015 with leadership ambitions in the medium-term...

Strategic Direction

Key Drivers

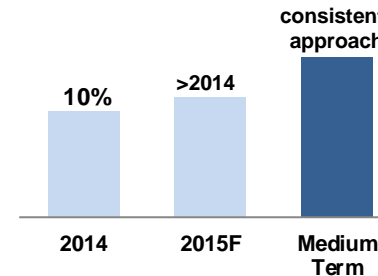
Goals

Growth

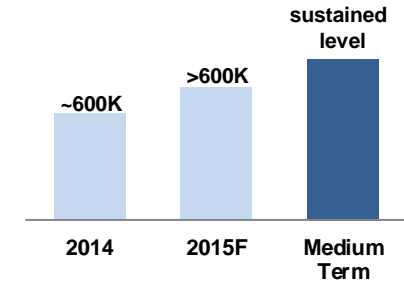
Continuation of market share gains via customer acquisition and loan remix

- **Headcount increase, network expansion and IT / infrastructure investments** (2015: ~700 HC, ~700 ATMs, +20/25 branches)
- **Customer acquisition / activation / penetration**
- **Increased productivity**, both for core bank and new bank
- **Loan book remix towards** more profitable segments
- **Enhanced effectiveness in branches** via further optimisation of systems and processes (ie. freeing up more time for sales)
- **Further improvement in customer satisfaction**

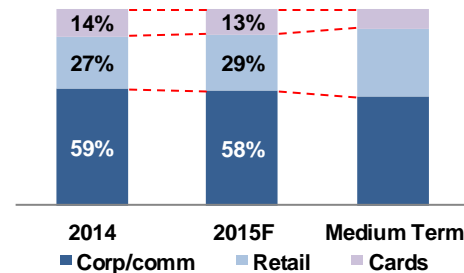
Natural Market Share



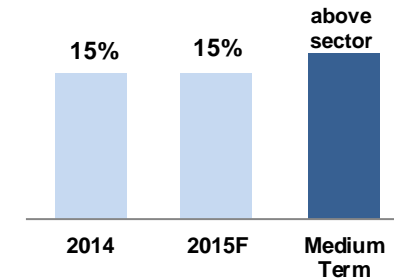
Customer Acquisition



Loan Book Remix



Demand Deposits/Deposits



Asset Quality

Resilient performance to continue

- **Further enhancement of risk systems**
- **Strong underlying trends** supported by improving quality of new loan generation
- **Base effect**

NPL Ratio

Better than sector trend

Cost of Risk

Better than sector trend

...leading to consistent improvement in profitability while maintaining strong base

Strategic Direction

Key Drivers

Goals

Profitability

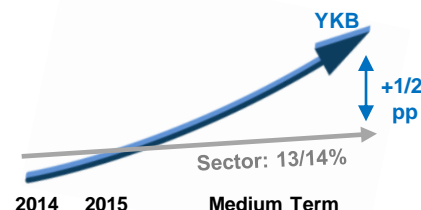
Expanding «jaws»

Increasing commercial effectiveness

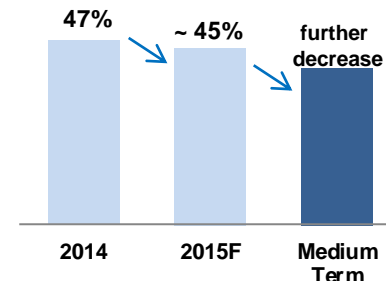
Focus on value generating segments

- **Profitability supported by** (i) increased productivity («New Bank») and cross sell (ii) loan book remix (iii) disciplined ordinary cost management
- **NIM supported by effective pricing via** (i) 1-to-1 deposit pricing approach (ii) introduction of loan pricing tool (iii) focus on demand deposits
- **Fee dynamic supported by** (i) consumer and SME lending (ii) increased contribution from bancassurance, cash management and ADCs
- **Fine-tuning of credit card business model** to improve profitability while maintaining leadership position

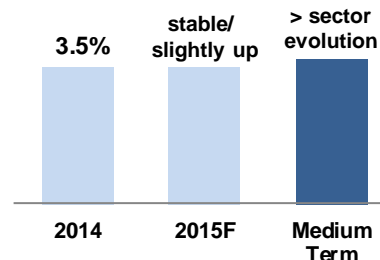
RoATE



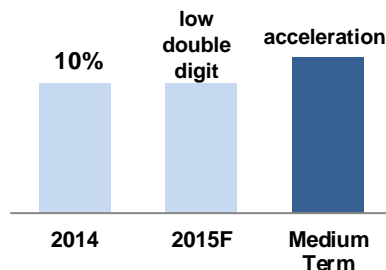
Cost / Income



NIM



Fees



Base

Strong fundamentals to be maintained

- **Comfortable capital position to support growth in 2015** with various options to be evaluated to further support longer-term growth (T2, AT1, capital increase)
- **Proven discipline in maintaining LDR in comfortable band**

Capital

CAR > 14%
Tier I Ratio > 10%

Liquidity

LDR within comfortable band

In summary, 2015 to be marked by sustainable profit generation coupled with ongoing scale change

	<div>PHASE 1 ACHIEVED</div> <div>2014 </div>	<div>STRATEGY CONFIRMED</div> <div>2015</div>
Lending	Above sector loan growth	Above sector loan growth
Funding	Deposit growth aligned with loan growth	Deposit growth aligned with loan growth
Revenues	NIM: Better than sector Fees: Low double digit growth	NIM: Better/In line with sector Fees: Low double digit growth
Costs	Slightly above sector growth	Improving cost/income Investments to continue at a milder pace
Asset Quality	Better than sector evolution	Better than sector evolution

Agenda

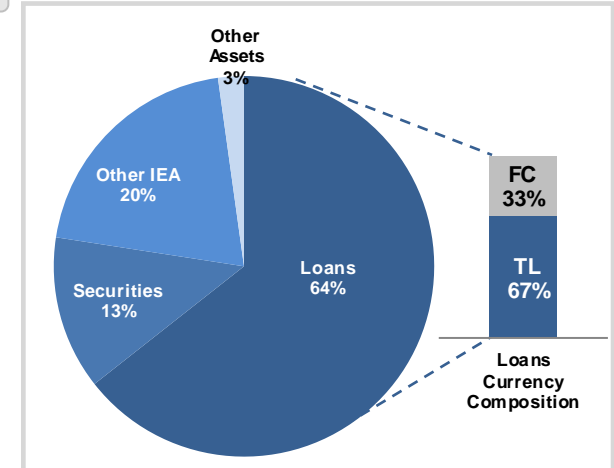
Annex

Consolidated Balance Sheet

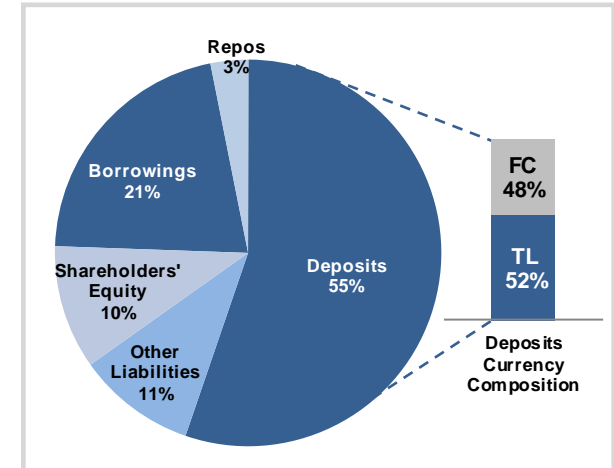
Balance Sheet

TL bln	2013	2014	1QA	2QA	3QA	4QA	YKB YTD	Sector
Total Assets	160.3	195.0	5%	1%	7%	7%	22%	
Loans	99.4	125.5	4%	5%	7%	8%	26%	18%
Securities	21.8	25.4	0%	0%	11%	5%	17%	4%
Deposits	88.5	107.6	2%	6%	7%	5%	22%	10%
Borrowings	34.2	41.5	5%	0%	3%	11%	21%	
Shareholders' Equity	18.3	20.2	1%	4%	3%	3%	11%	
Assets Under Management	10.7	12.5	-4%	9%	4%	8%	17%	
Loans/Assets	62%	64%						
Securities/Assets	14%	13%						
Borrowings/Liabilities	21%	21%						
Loans/Deposits (Bank)	110%	115%						
Loans/Deposits (Group)	112%	117%						
Loans/(Deposits+TL Bonds) (Bank)	108%	112%						
Loans/(Deposits+TL Bonds) (Group)	110%	113%						

Assets



Liabilities



Note: Loans indicate performing loans

Other interest earning assets (IEAs): include cash and balances with the Central Bank of Turkey, banks and other financial institutions, money markets, factoring receivables, financial lease receivables

Other assets: include investments in associates, subsidiaries, joint ventures, hedging derivative financial assets, property and equipment, intangible assets, tax assets, assets held for resale and related to discontinued operations (net) and other

Borrowings: include funds borrowed, marketable securities issued (net), subordinated loans

Other liabilities: include retirement benefit obligations, insurance technical reserves, other provisions, hedging derivatives, deferred and current tax liability and other

Quarterly Loan Evolution

		1Q Δ		2Q Δ		3Q Δ		4Q Δ		y/y		Market Share	ytd Δ bps	Rank
	2014	YKB	Sector	YKB	Sector	YKB	Sector	YKB	Sector	YKB	Sector			
Total Loans¹	125.5	4%	4%	5%	3%	7%	6%	8%	5%	26%	18%	10.2%	+71	5
TL	83.7	4%	4%	6%	5%	7%	4%	9%	4%	28%	17%	10.1%	+84	5
FC (\$)	18.1	2%	1%	6%	3%	-1%	2%	6%	4%	13%	12%	10.6%	+38	4
Consumer Loans	23.8	4%	2%	5%	3%	9%	4%	9%	3%	29%	13%	8.8%	+111	6
Mortgages	11.0	3%	2%	2%	2%	5%	5%	10%	3%	22%	13%	9.6%	+72	6
General Purpose	12.2	6%	2%	11%	5%	14%	4%	9%	3%	46%	15%	8.1%	+173	7
Auto	0.7	-11%	-7%	-11%	-7%	-12%	-8%	-14%	-3%	-39%	-22%	10.8%	-316	4
Credit Cards	17.8	-6%	-4%	-3%	-3%	2%	0%	2%	0%	-5%	-6%	20.8%	+16	1
Companies²	84.0	7%	5%	7%	4%	7%	7%	10%	6%	35%	24%	9.6%	+94	5
TL	42.1	10%	6%	12%	7%	8%	5%	12%	6%	50%	26%	8.9%	+142	6
FC (\$)	18.1	2%	1%	6%	3%	-1%	2%	6%	4%	13%	12%	10.6%	+38	4
SME³	36.1	10%	6%	8%	7%	11%	5%	13%	6%	49%	25%	11.9%	+187	n/a
Comm. Install.	10.5	8%	6%	3%	4%	5%	8%	14%	9%	34%	30%	6.7%	+18	6

Note: Balance sheet volumes for sector based on BRSA weekly data as of 2 Jan'15. FC-indexed loans included in TL loans

Market share ranking information as of 9M14, ranking evolution compared to YE13

(1) Total performing loans

(2) Total loans excluding consumer loans and credit cards

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

Consolidated Income Statement

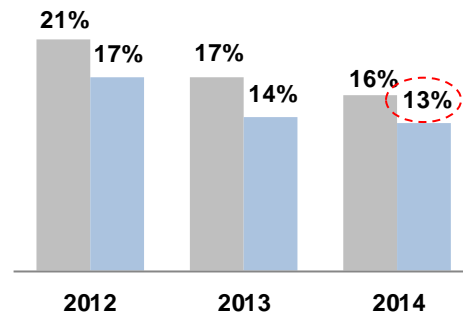
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	q/q	2013	2014	y/y
Total Revenues	1,842	2,183	1,905	2,128	1,938	2,149	2,201	2,466	12%	8,058	8,754	9%
Core Revenues	1,801	1,891	1,687	1,824	1,862	2,090	2,067	2,297	11%	7,203	8,316	15%
Net Interest Income	1,306	1,347	1,165	1,248	1,352	1,485	1,480	1,656	12%	5,066	5,973	18%
Fees & Commissions	495	544	522	576	510	605	587	641	9%	2,136	2,343	10%
Other Revenues	41	292	218	304	76	59	134	169	26%	856	438	-49%
Other income	121	82	73	176	209	209	95	152	60%	453	665	47%
Trading	-86	200	145	128	-135	-157	39	17	-56%	388	-236	nm
Dividend	6	10	0	0	2	7	0	0	nm	15	9	-39%
Operating Costs	815	897	835	996	935	1,029	1,009	1,173	16%	3,543	4,146	17%
Operating Income	1,027	1,286	1,070	1,132	1,003	1,120	1,192	1,293	9%	4,515	4,608	2%
Provisions	366	351	396	439	463	443	515	518	1%	1,552	1,939	25%
Specific Provisions	242	280	373	263	343	322	374	282	-24%	1,159	1,321	14%
General Provisions	58	42	23	110	88	94	114	172	51%	233	468	101%
Other Provisions	67	29	1	67	32	27	27	64	137%	160	150	-6%
Pre-tax Income	661	935	674	693	540	677	677	775	15%	2,963	2,669	-10%
Discontinued Operations	15	25	1,296	-10	0	0	0	0	nm	1,326	0	nm
Net Income	544	752	1,822	541	429	501	513	614	20%	3,659	2,056	-44%
Net Income (excluding insurance business sale)				538						2,375	2,056	-13%

Bank-Only Income Statement

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	q/q		2013	2014	y/y
Total Revenues	1,773	1,980	1,732	1,886	1,884	1,988	2,013	2,276	13%		7,371	8,161	11%
Core Revenues	1,669	1,760	1,567	1,674	1,738	1,968	1,947	2,153	11%		6,671	7,806	17%
Net Interest Income	1,203	1,249	1,076	1,136	1,258	1,393	1,397	1,558	11%		4,664	5,606	20%
Fees & Commissions	466	511	491	538	480	575	550	596	8%		2,006	2,201	10%
Other Revenues	104	220	165	212	146	20	66	123	84%		700	355	-49%
Other income	117	82	89	165	185	200	85	127	49%		452	597	32%
Trading	-108	137	38	48	-213	-180	-19	-4	-76%		115	-416	nm
Dividend	95	1	37	0	174	0	0	0	nm		133	174	31%
Operating Costs	767	846	787	939	875	968	982	1,104	12%		3,339	3,930	18%
Operating Income	1,006	1,134	945	947	1,009	1,021	1,031	1,172	14%		4,032	4,232	5%
Provisions	353	333	374	415	434	435	490	503	3%		1,475	1,862	26%
Specific Provisions	230	267	352	248	318	314	352	274	-22%		1,097	1,258	15%
General Provisions	57	40	22	106	86	93	112	169	52%		225	459	104%
Other Provisions	67	26	1	63	31	28	27	60	125%		153	145	-6%
Pre-tax Income	653	801	570	532	575	585	541	669	24%		2,557	2,370	-7%
Discontinued Operations	0	0	1,182	-10	0	0	0	0	nm		1,172	0	nm
Net Income	541	621	1,627	414	487	428	405	525	30%		3,203	1,845	-42%
Net Income (excluding insurance business sale)			455								2,031	1,845	-9%

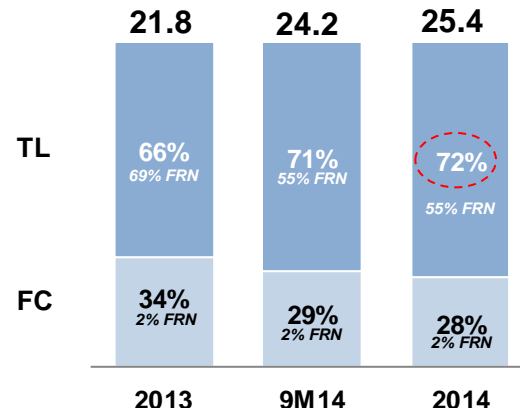
Securities

Securities/Assets



■ YKB ■ Sector

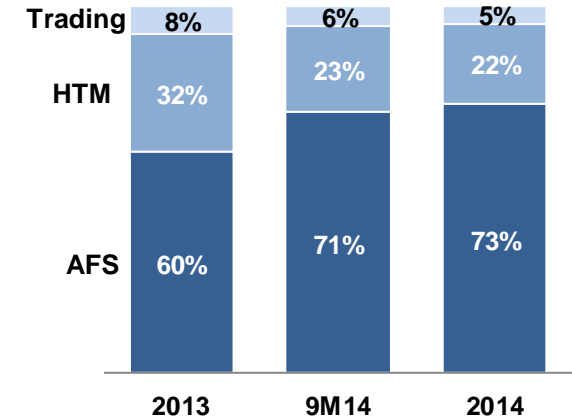
Composition by Currency (TL bln)



Turkey Sovereign Bond Rates¹

TL	10.3%	10.0%	8.0%
FC	6.7%	5.8%	5.1%

Composition by Type



- Share of securities in total assets at 13% (vs 16% sector)
- Increase in share of TL securities in total to 72% (vs 64% in 2013)
- CPI-linkers at TL 5.4 bln (21% of total securities)
- M-t-m unrealised gains under equity at TL 391 mln
(9M14: TL 140 mln, 1H14: TL 387 mln, 1Q: TL -150 mln, YE13: TL -118 mln)

Notes: Sector based on BRSA monthly data as of Dec'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

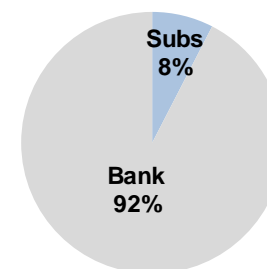
Subsidiaries

Subsidiaries

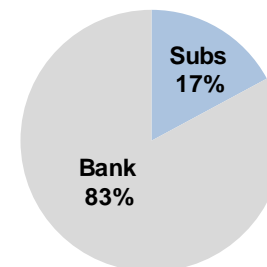
		Revenues (mln TL)	Revenues (y/y growth)	RoE	Sector Positioning
Domestic Subs	YK Leasing	247	4%	13%	#1 in total transaction volume (17.7% market share)
	YK Factoring ¹	93	28%	25%	#1 in total factoring volume (14.8% market share)
	YK Invest ¹	144	15%	17%	#2 in equity transaction volume (7.4% market share)
	YK Asset Management	48	<1%	87%	#2 in mutual funds (18.0% market share) Highest credit rating in its sector ²
International Subs	YK Azerbaijan ³	49 mln US\$	40% ³	11% ³	US\$ 453 mln total assets
	YK Moscow ³	17 mln US\$	-7% ³	22% ³	US\$ 210 mln total assets
	YK Nederland ³	41 mln US\$	7% ³	7% ³	US\$ 2.0 bln total assets

Contribution of Subsidiaries⁴

to Assets



to Net Income



Note: Revenues in TL unless otherwise stated. All market shares based on 9M14, except for mutual funds and equity transaction volume which as of YE14 2013 revenues for YK Factoring and YK Yatırım adjusted for YK Sigorta sale gain

(1) YK Faktoring and YK Invest: Revenues including dividend. Revenue growth adjusted with dividend income

(2) YK Asset Management: 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

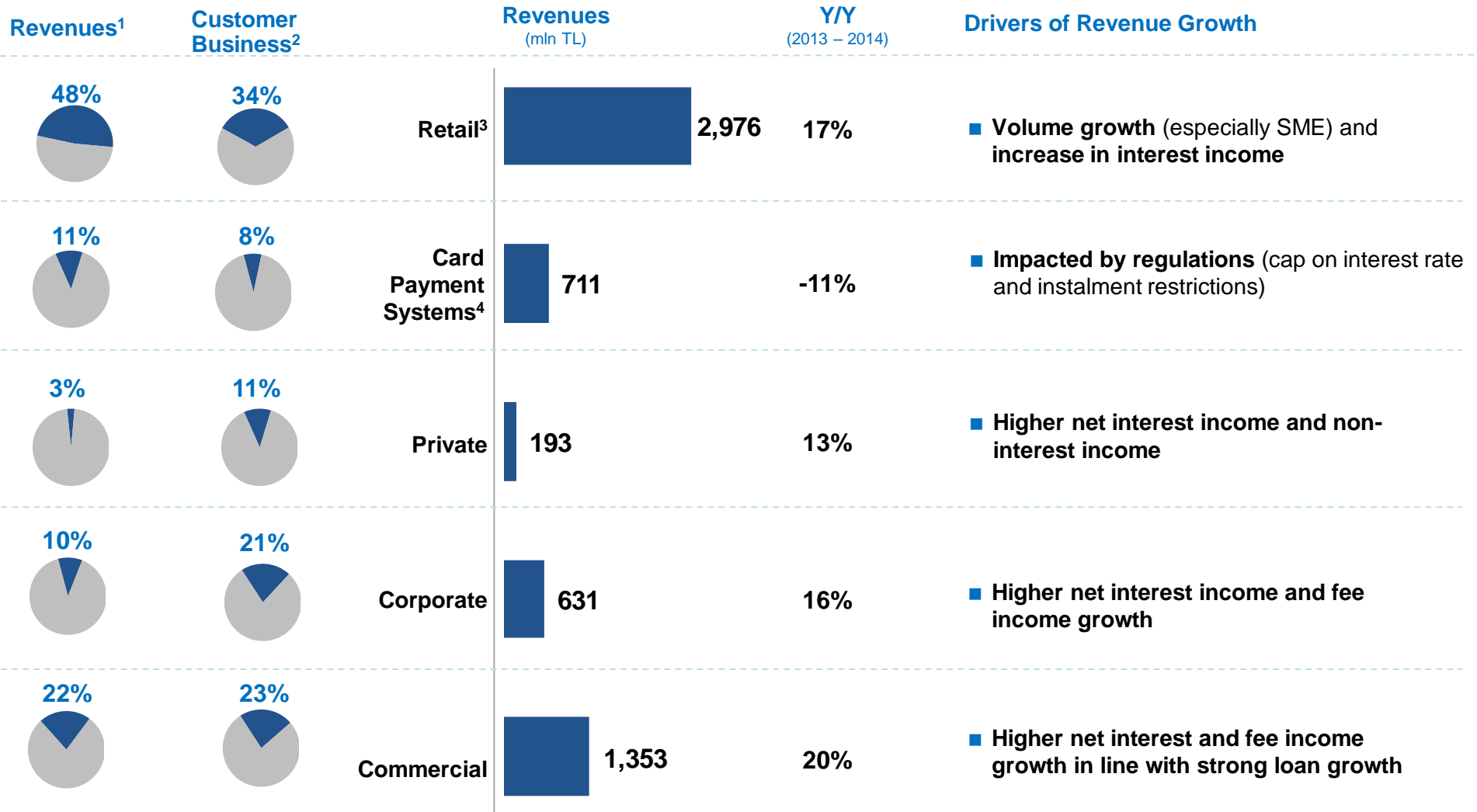
(3) Currency adjusted y/y revenue growth

(4) Including consolidation eliminations

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



Note: All figures based on MIS data

(1) Total share of business units at 84% in 2014. Card payment systems revenues (net of Worldcard loyalty point expenses) include POS revenues. POS portion is also recognised in other related segment revenues. The remaining 16% is attributable to treasury and other operations









(2) Customer business=Loans + Deposits + AUM. Total share of business units at 97% in 2014. The remaining 3% 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

Borrowings: 21% of total liabilities

Borrowings

International	Syndications	~ US\$ 2.7 bln outstanding <ul style="list-style-type: none"> ■ Apr'14: 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 ■ Sep'14: 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
	Securitisations	~ US\$ 1.3 bln outstanding <ul style="list-style-type: none"> ■ Aug'11: US\$ 225 mln and €130 mln, 4 unwrapped notes, 5 years (outstanding: ~US\$ 191 mln) ■ Sep'11: €75 mln, 1 unwrapped note, 12 years (outstanding: ~US\$ 64 mln) ■ Jul'13: US\$ 355 mln and €115 mln, 5 unwrapped notes, 5-13 years (outstanding: ~US\$ 494 mln) ■ Oct'14: US\$ 550 mln, 20 years (outstanding: US\$ 550 mln) 
	Subordinated Loans	~US\$ 3.0 bln outstanding <ul style="list-style-type: none"> ■ 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, 5.7% fixed rate ■ Dec'13: US\$ 470 mln, 10NC5, 6.55% (midswap+4.88% after the first 5 years)
	Foreign Currency Bonds / Bills	US\$ 750 mln Loan Participation Note (LPN) <ul style="list-style-type: none"> ■ Oct'10: 5.1875% (coupon rate), 5 years US\$ 2.0 bln Eurobonds Issuance <ul style="list-style-type: none"> ■ Feb'12: US\$ 500 mln, 6.75% (coupon rate), 5 years ■ Jan'13: US\$ 500 mln, 4.00% (coupon rate), 7 years ■ Dec'13: US\$ 500 mln, 5.25% (coupon rate), 5 years ■ Oct'14: US\$ 550 mln, 5.125% (coupon rate), 5 years 
	Covered Bond	TL 458 mln first tranche <ul style="list-style-type: none"> ■ Nov'12: SME-backed with maturity between 3-5 years; highest Moody's rating (A3) for Turkish bonds
	Multilateral Loans	~US\$ 700 mln outstanding <ul style="list-style-type: none"> ■ EIB Loan - 2008/2012: US\$ 102 mln and €300 mln and TL 187 mln, 5-15 years (outstanding: ~US\$431 mln) ■ EBRD Loan - 2011/2013: US\$ 55 mln and €30 mln, 5 years (outstanding: ~US\$ 76 mln) ■ CEB Loan - 2011/2014: US\$39 mln and €100 mln (outstanding: ~US\$ 156 mln) ■ EFIL Loan – 2008/2011: US\$ 59 mln and €13 mln (outstanding: ~US\$ 37 mln)
Domestic	Local Currency Bonds / Bills	TL 2.7 bln total (original public offering amount) <ul style="list-style-type: none"> ■ Jun'14: TL 89 mln, 9.21% compounded rate, 368 days maturity ■ Sep'14: TL 450 mln, 9.29% compounded rate, 178 days maturity ■ Sep'14: TL 150 mln, 9.86% compounded rate, 367 days maturity ■ Oct'14: TL 600 mln, 9.74% compounded rate, 176 days maturity  ■ Oct'14: TL 300 mln, 10.13% compounded rate, 392 days maturity  ■ Nov'14: TL 539 mln, 9.00% compound rate, 175 days maturity  ■ Nov'14: TL 114 mln, 9.30% compound rate, 392 days maturity  ■ Dec'14: TL 336 mln, 8.19% compound rate, 178 days maturity  ■ Dec'14: TL 68 mln, 8.19% compound rate, 420 days maturity 

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

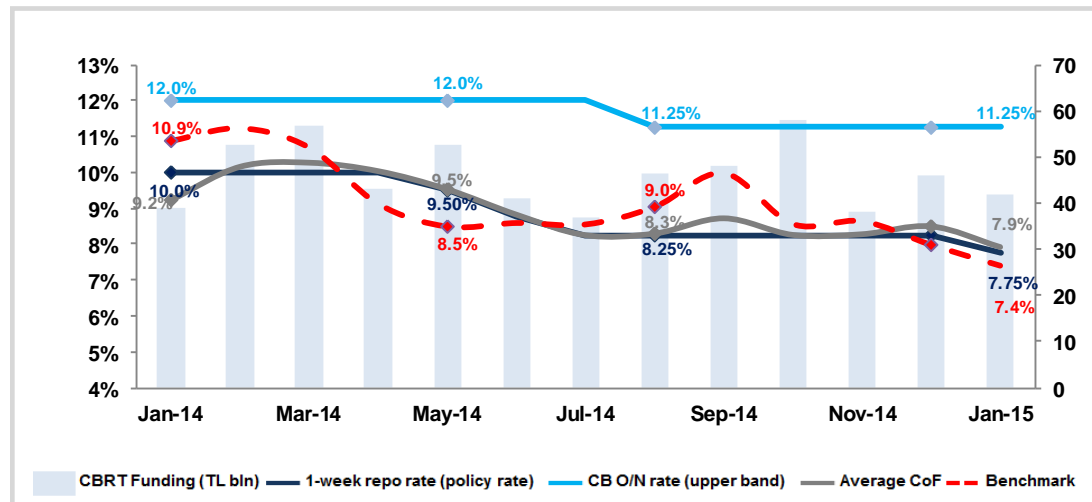
Macro environment

Macro

	2013	1Q14	2Q14	3Q14	4Q14	2014
GDP Growth, y/y	4.1%	4.8%	2.2%	1.7%	3.6% ¹	3.5%
Inflation (CPI) , y/y	7.4%	8.4%	9.2%	8.9%	8.2%	8.2%
Industrial Production (IP), y/y Seasonal Adjusted	3.4%	5.3%	3.2%	3.7%	1.9% ²	3.8% ²
Capacity Utilisation Rate (CUR) Seasonal Adjusted	74.6%	74.7%	74.5%	74.1%	74.2%	74.4%
Purchasing Managers Index (PMI)	52.5	52.6	50.0	49.7	51.7	51.0
Consumer Confidence Index	76.0	71.4	76.1	73.7	68.9	72.5
Current Account Deficit (CAD)/GDP	7.9%	7.3%	6.4%	5.8%	5.8% ²	5.8% ²
Unemployment Rate	9.0%	9.7%	9.1%	10.5%	10.4% ³	10.4% ³

2014 Trend

- **GDP growth supported by recovery in external demand** offsetting slowdown in domestic demand
- **Higher inflation** driven by hike in food prices and FX pass-through from TL depreciation
- **Improving industrial production, relatively stable capacity utilisation and PMI**
- **Decreasing CAD/GDP** due to declining gold trade and moderation in domestic demand
- **Slightly increasing unemployment rate**



Monetary Policy

- **Significant tightening in Jan'14** to control currency depreciation and inflationary pressure (hike in 1-week repo rate to 10% and O/N lending rate to 12%)
- **Easing starting from 2Q14** due to positive macro backdrop with **continued focus on inflation dynamics** (decrease in 1-week repo rate to 8.25% and O/N lending rate to 11.25%)
- **Continuation of easing in 1Q15** (decrease in 1-week repo rate to 7.75%)

Note: GDP, Industrial Production and Unemployment Rate based on Turkish Statistics Institute, Inflation, Consumer Confidence Index, Current Account Balance, Capacity Utilisation and Interest rates based on Central Bank of Turkey. PMI based on HSBC.

(1) Based on Yapı Kredi Economic Research Forecasts

(2) As of Nov'14

(3) As of Oct'14

Banking Sector

Banking Sector

Banking Sector Volumes and KPIs

b/ln TL	Nominal		Quarterly Growth				2014
	2013	2014	1Q14	2Q14	3Q14	4Q14	
Total Loans¹	995	1,179	4%	3%	6%	5%	18%
TL	701	821	4%	5%	4%	4%	17%
FC(\$)	138	154	1%	3%	2%	4%	12%
Total Deposits	951	1,050	1%	1%	5%	3%	10%
TL	580	642	-4%	7%	2%	6%	11%
FC(\$)	174	176	7%	-4%	2%	-4%	1%
Total Securities	282	295	3%	-2%	2%	1%	4%
NPL Ratio	2.6%	2.8%	2.7%	2.7%	2.8%	2.8%	
CAR	14.6%	15.7%	15.1%	15.7%	15.3%	15.7%	
NIM (quarterly)	-	-	3.4%	3.6%	3.7%	3.8%	
NIM (cumulative)	3.8%	3.6%	3.4%	3.5%	3.6%	3.6%	

Note: NIM based on BRSA monthly financials as of Dec'14. Balance sheet volumes BRSA weekly data as of 2 Jan'15
(1) Indicates performing loans

Awards 2014



Banking Services

Best Philanthropy Service	Private Asset Management Magazine
Private Banking Innovation	Private Asset Management Magazine
Ethics Awards	Ethical Values Center Association (EDMER)
Best Retail Bank Turkey	Global Banking and Finance Review
Internal Audit Awareness Award	Turkish Institute of Internal Auditors
Excellence in Financial Services Category	The Communicator Awards
Distinction in Banking/Bill Payment Category	The Communicator Awards
Distinction in Corporate Identity Category	The Communicator Awards
Best Branch Service	Innovative Owl Award
Most Innovative Bank	International Finance Magazine

Banking Products

Leading Bank in Visa Credit Card Transaction Volume	Visa Europe
Leading Bank in Visa Commercial Credit Card Transaction Volume	Visa Europe
Play Card Hürriyet Newspaper Project - Certificate of Achievement	Mediacat 9. Felis Awards

Alternative Delivery Channels

Outstanding Achievement Award in Website Design- yapikredi.com.tr	Interactive Media Awards
Best in Mobile Banking	Global Finance

Human Resources and Yapı Kredi Banking Academy

2013 Most Admired Job Listing of the Year Award	13 th Respect for People Awards
Best Institution to Work With	Kariyer.net
The Corporate University Best-in-Class	IQPC-International Quality & Productivity Center
Talent Development Excellence	IQPC-International Quality & Productivity Center

Yapı Kredi Subsidiaries

Yapı Kredi Invest: Best Derivatives House Turkey	Global Banking and Finance Review
Yapı Kredi Invest: Best Equity House Turkey	Global Banking and Finance Review
Yapı Kredi Invest: Most Innovative Brokerage House Turkey	Global Banking and Finance Review
Yapı Kredi Invest: Most Innovative Equity House Turkey	Global Banking and Finance Review
Yapı Kredi Asset Management: Best Asset Manager Turkey	EMEA Finance Magazine
Yapı Kredi Asset Management: Best Asset Management Company	World Finance
Yapı Kredi Asset Management: Best Asset Management Company	International Finance Magazine
Yapı Kredi Asset Management: Best Asset Manager in Turkey	EMEA Finance Magazine
Yapı Kredi Factoring: Excellent Export Factor	Factors Chain International
Yapı Kredi Azerbaijan: Most Innovative Corporate Bank 2014 Azerbaijan	Global Banking and Finance Review
Yapı Kredi Azerbaijan: Best New Retail Bank Azerbaijan	Global Banking and Finance Review

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