

# Yapı Kredi 1Q16 Earnings Presentation

*Balanced growth...*

*...Strong profitability acceleration*

2 May 2016

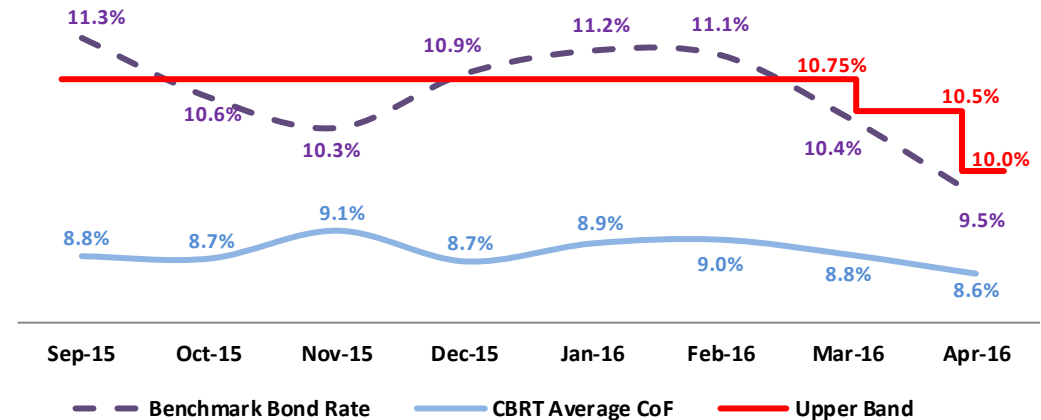


# Improving operating environment following a volatile start to the year

## Macro Environment

	4Q15	1Q16
GDP Growth, y/y	5.7%	-
Inflation (CPI) , y/y	8.8%	7.5%
Consumer Confidence Index	71.2	68.4
Current Account Deficit/GDP	4.5%	-
Unemployment Rate	10.3%	10.1%
USD/TL	2.91	2.84

FY2015  
4.0%



## Banking Sector

	1Q15	4Q15	1Q16
Loan Growth	7%	1%	1%
Private	6%	1%	1%
State	10%	2%	3%
Deposit Growth	7%	-1%	3%
Private	8%	-1%	3%
State	6%	0%	3%
NPL Ratio	2.7%	2.9%	3.1%

- **Accelerating GDP growth in 4Q** driven by better net trade and domestic demand
- **Decline in inflation** due to lower food prices and stronger currency
- **Improvement in market rates supported by recent CBRT rate cuts** (upper band -75bps to 10.0%)
- **Banking sector remaining resilient** albeit with mild loan growth and slight deterioration in asset quality

Notes:  
All 1Q macro data as of Mar'16 unless otherwise stated; Unemployment based on seasonally adjusted figures as of Jan'16  
1Q16 sector based on BRSA weekly data as of 1 Apr'16

CBRT Average CoF (cost of funding): Weighted average cost of outstanding funding of the CBRT via open market operations including O/N repo, one-week repo and one-month repo  
Upper Band indicates CBRT overnight lending rate

## 2016 Outlook: Efficiency and core business driven profitability

---

**Strong core revenue generation supported by customer acquisition**

**Disciplined cost management**

**Controlled asset quality & LLP**

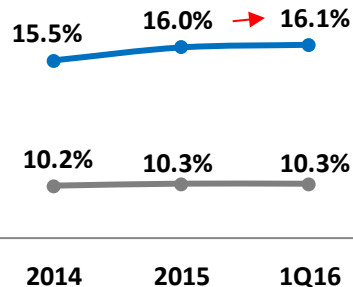


**Strong profitability improvement**

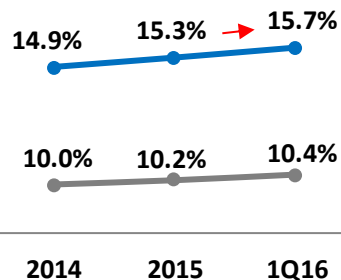
# Strong profitability with solid fundamentals: Investments paying off; harvest phase delivering

## Maintained Scale

Loan Market Share



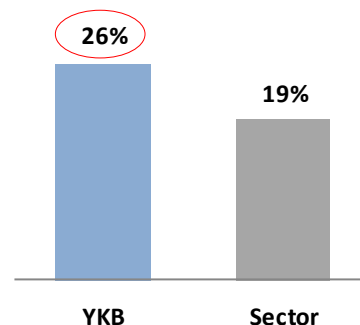
Deposit Market Share



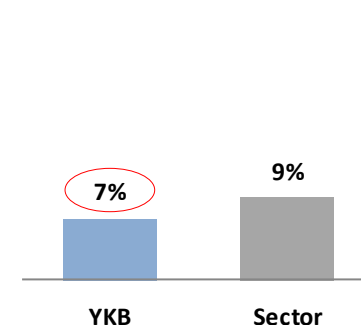
— Among private banks — Among total sector

## Strong Operational Performance

Core Revenue Growth (y/y, 1Q16)

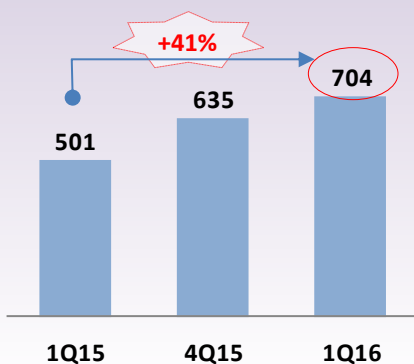


Cost Growth (y/y, 1Q16)

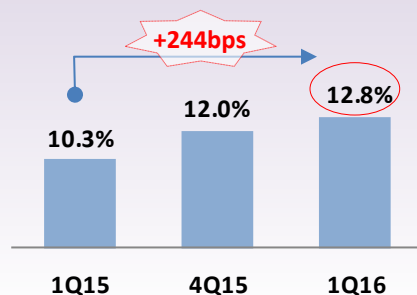


## Significant Profitability Acceleration

Net Income

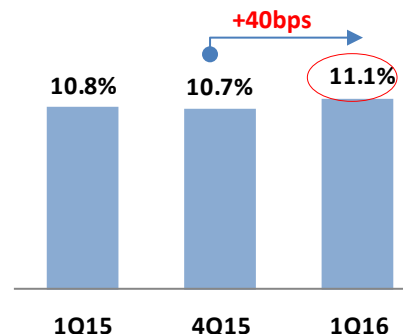


ROATE

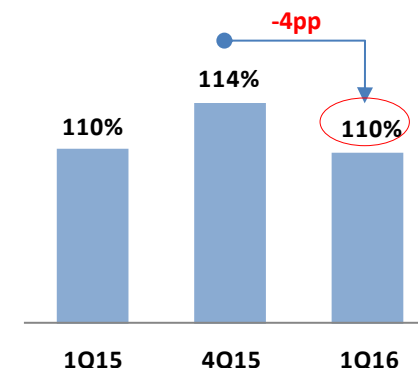


## Comfortable Fundamentals

CET1



LDR



Notes:

Market shares based on BRSA weekly data as of 1 Apr'16

Core revenues indicate Net Interest Income and Fees&Commissions

Sector figures based on BRSA monthly data as of Mar'16

CET1= Common Equity Tier-1

LDR= Loans / (Deposits + TL bonds)

ROATE indicates return on average tangible equity (excl. goodwill of TL 979 mln)

# Loan growth aligned with sector with significant outperformance in deposits

Volumes

## Loans (TL bln)

	YKB	YKB	Private		YKB
	1Q16	1QA	Banks	Sector	y/y
<b>Cash + Non-Cash Loans</b>	<b>212.8</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>14%</b>
<b>Total Loans<sup>1</sup></b>	<b>154.6</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>14%</b>
TL	99.0	1%	1%	2%	11%
FC (\$)	19.6	4%	3%	3%	11%
<b>Consumer Loans</b>	<b>29.6</b>	<b>1%</b>	<b>0%</b>	<b>1%</b>	<b>17%</b>
Mortgages	12.0	-2%	1%	2%	5%
General Purpose	17.2	3%	0%	0%	30%
<b>Credit Cards</b>	<b>19.7</b>	<b>-1%</b>	<b>-1%</b>	<b>-1%</b>	<b>9%</b>
<b>Companies<sup>2</sup></b>	<b>105.4</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>	<b>14%</b>
TL	49.7	3%	2%	2%	8%
FC (\$)	19.6	4%	3%	3%	11%
<b>Comm. Install.</b>	<b>12.6</b>	<b>0%</b>	<b>3%</b>	<b>0%</b>	<b>10%</b>

### FC Company Lending Breakdown

	Share	ytd	y/y
<b>Project Finance</b>	62%	7%	18%
<b>LT Investments</b>	29%	1%	10%
<b>ST Loans</b>	9%	7%	-3%

Leadership position in cards maintained according to BKM and Nilson reports<sup>4</sup>

## Deposits (TL bln)

	YKB	YKB	Private	Sector	YKB
	1Q16	1QA	1QA	1QA	y/y
<b>Total Deposits</b>	<b>136.6</b>	<b>5%</b>	<b>3%</b>	<b>3%</b>	<b>14%</b>
TL	70.4	5%	2%	3%	9%
FC (\$)	23.3	8%	6%	6%	10%
<b>Customer<sup>3</sup></b>	<b>130.7</b>	<b>5%</b>	<b>3%</b>	<b>3%</b>	<b>14%</b>
<b>Demand</b>	<b>22.7</b>	<b>12%</b>	<b>2%</b>	<b>3%</b>	<b>19%</b>
<b>TL Bonds</b>	<b>4.5</b>	<b>6%</b>	<b>3%</b>	<b>1%</b>	<b>25%</b>
<b>Repos</b>	<b>7.2</b>	<b>-31%</b>	<b>-4%</b>	<b>-1%</b>	<b>7%</b>
<b>Borrowings</b>	<b>49.7</b>	<b>2%</b>	<b>0%</b>	<b>2%</b>	<b>0%</b>

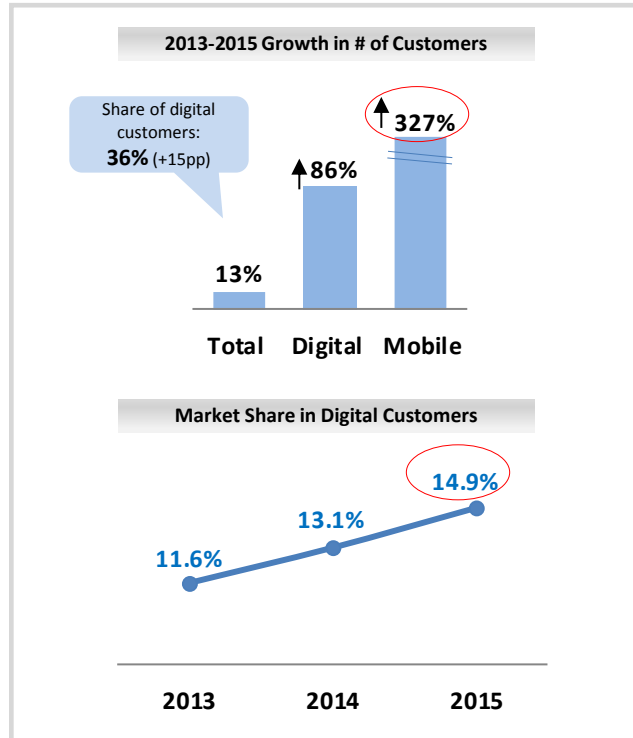
- Loan growth at 1% ytd, aligned with sector. Yearly loan growth at 14%, in line with guidance
- Ongoing outperformance in key value generating areas (GPL and TL mid-size company lending at 3% ytd)
- Significant outperformance in deposit growth (+5% ytd)
- Rapid growth in demand deposits (+12% ytd vs 3% sector) supported by ongoing customer acquisition

Notes:  
 Balance sheet volumes for sector and private banks based on BRSA weekly data as of 1 Apr'16. FC-indexed loans included in TL loans  
 (1) Loans indicate performing loans  
 (2) Total loans excluding consumer loans and credit cards. Companies includes commercial instalment loans (proxy for SME lending)  
 (3) Excluding bank deposits  
 (4) BKM (Turkish Card Center) report as of Mar'16 and Nilson Report as of YE15 (#1 in Turkey and Europe (excl. UK); #7 in Europe

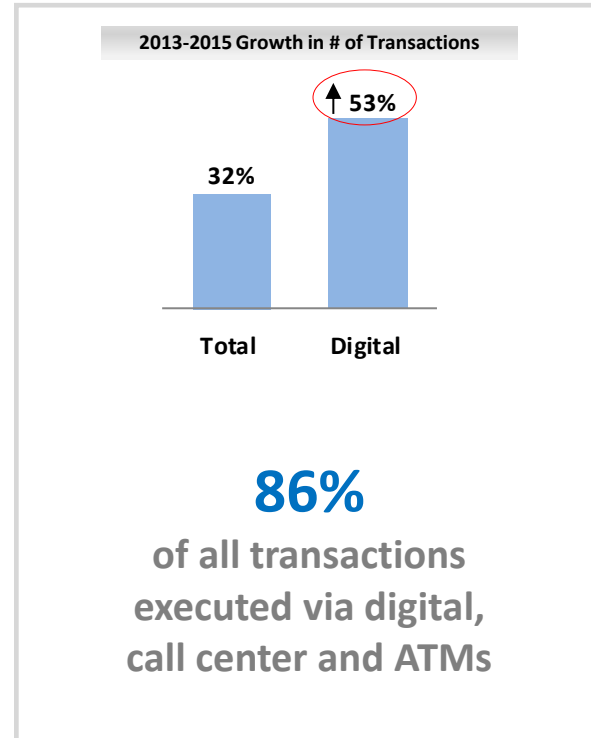
# Investments made between 2013-2015 paying off; digital performance above expectations

Digital

## Customers



## Transactions



## Penetration



- Strong pick-up in digital presence over the last 2 years supported by focused approach
- Share of digital in total customers, transactions and product sales increasing rapidly
- Digital channels serving not only as a service point but a revenue generating sales channel

# Highest quarterly net income for the last 3 years with ROATE up to 12.8%

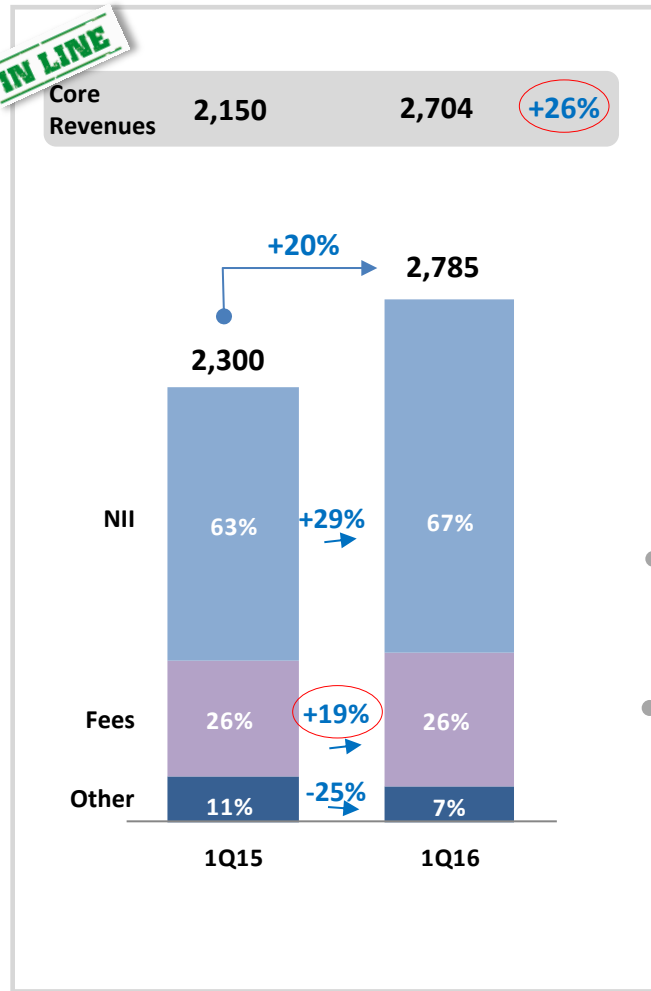
	1Q15	4Q15	1Q16	y/y	q/q
<b>Total Revenues</b>	<b>2,409</b>	<b>2,938</b>	<b>2,898</b>	<b>20%</b>	<b>-1%</b>
Core Revenues	2,150	2,878	2,704	26%	-6%
Net Interest Income	1,518	2,059	1,952	29%	-5%
Fees & Commissions	632	819	752	19%	-8%
Other Revenues	260	60	194	-25%	223%
<b>Operating Costs</b>	<b>1,185</b>	<b>1,416</b>	<b>1,264</b>	<b>7%</b>	<b>-11%</b>
<b>Operating Income</b>	<b>1,224</b>	<b>1,521</b>	<b>1,634</b>	<b>33%</b>	<b>7%</b>
<b>Provisions</b>	<b>571</b>	<b>697</b>	<b>723</b>	<b>27%</b>	<b>4%</b>
Specific Provisions	394	543	507	29%	-7%
Generic Provisions	144	97	120	-17%	23%
Other Provisions	33	57	96	191%	70%
<b>Pre-tax Income</b>	<b>654</b>	<b>825</b>	<b>911</b>	<b>39%</b>	<b>10%</b>
Tax	154	190	207	34%	9%
<b>Net Income</b>	<b>501</b>	<b>635</b>	<b>704</b>	<b>41%</b>	<b>11%</b>
<b>ROATE</b>	<b>10.3%</b>	<b>12.0%</b>	<b>12.8%</b>		
<b>ROA</b>	<b>0.9%</b>	<b>1.1%</b>	<b>1.2%</b>		
<b>Cost/Income</b>	<b>49%</b>	<b>48%</b>	<b>44%</b>		

- **41% y/y growth in net income up to 704 mln TL** driven by solid operational performance
- **Profitability improvement also evident compared to 4Q** with 11% q/q net income increase

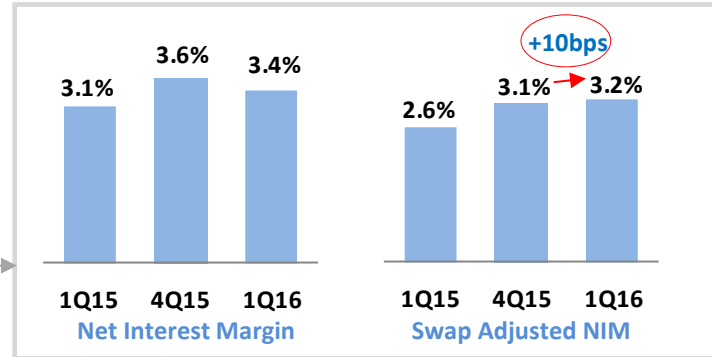
Notes:  
 ROATE indicates return on average tangible equity (excl. goodwill of TL 979 mln)  
 ROA indicates return on assets. Calculation based on net income/end of period total assets. Annualised

# Robust revenues driven by 26% y/y growth in core revenues

## Revenue Breakdown (TL mln)



## NIM



## Fees Received Composition

	1Q15	1Q16	y/y Δ
Card Payment Systems	45%	49%	29%
Lending Related	35%	32%	13%
Asset Mngmt	3%	3%	1%
Bancassurance	7%	6%	4%
Other <sup>(1)</sup>	10%	10%	24%

## Other Income

	1Q15	4Q15	1Q16
Other Revenues	260	60	194
Other Income	276	113	142
Collections	33	26	44
Subs and Other	139	87	98
Fixed Assets Revaluation	104	0	0
Trading & FX (net)	-18	-53	48
Swap Costs	-160	-189	-62

- Core revenue growth outpacing total revenue growth (26% vs 20%). Core revenue growth >15% y/y for the 7th consecutive quarter
- Swap adjusted NIM +10bps q/q indicating effectively ALM capability. CPI-linker contribution relatively stable q/q<sup>2</sup>
- Strong fee growth of +19% y/y driven by lending and cards
- Increasing positive contribution of other income due to declining swap cost burden

Notes:

Core revenues indicate Net Interest Income and Fees&Commissions

NIM= Net Interest Income/Average Interest Earning Assets (bank-only). NIM excludes effect of reclassification between interest income and other provisions related to amortisation of issue premium on securities (as per BRSA). Reported quarterly NIM figures: 4Q15: 3.7%, 1Q16: 3.4%

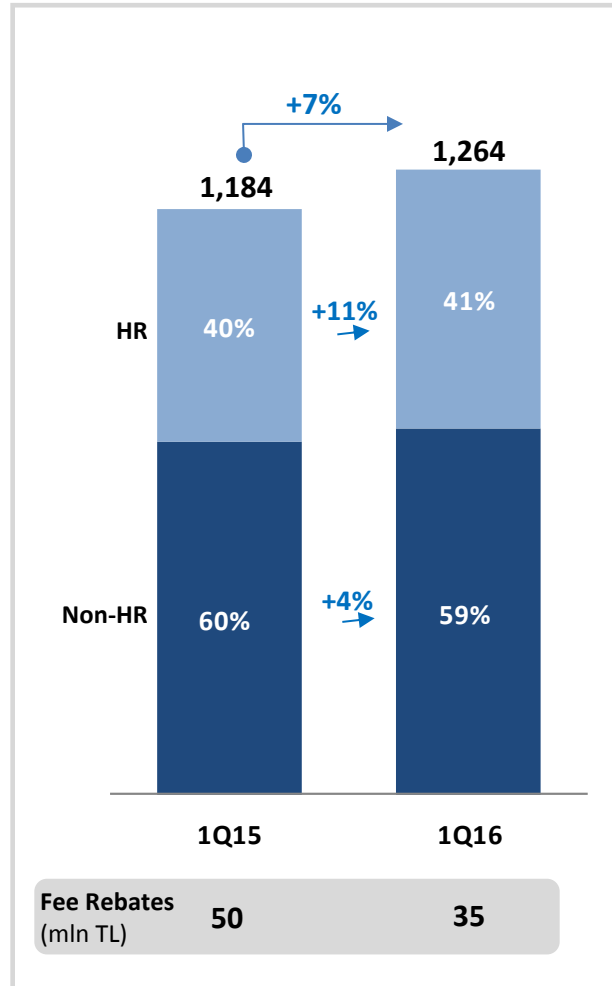
(1) Other includes account maintenance, money transfers, equity trading, campaigns and product bundles etc.

(2) CPI-linker gain 313 mln TL in 1Q16 vs 295 mln TL in 4Q15



# Evident ability to manage costs effectively

## Cost Breakdown (TL mln)



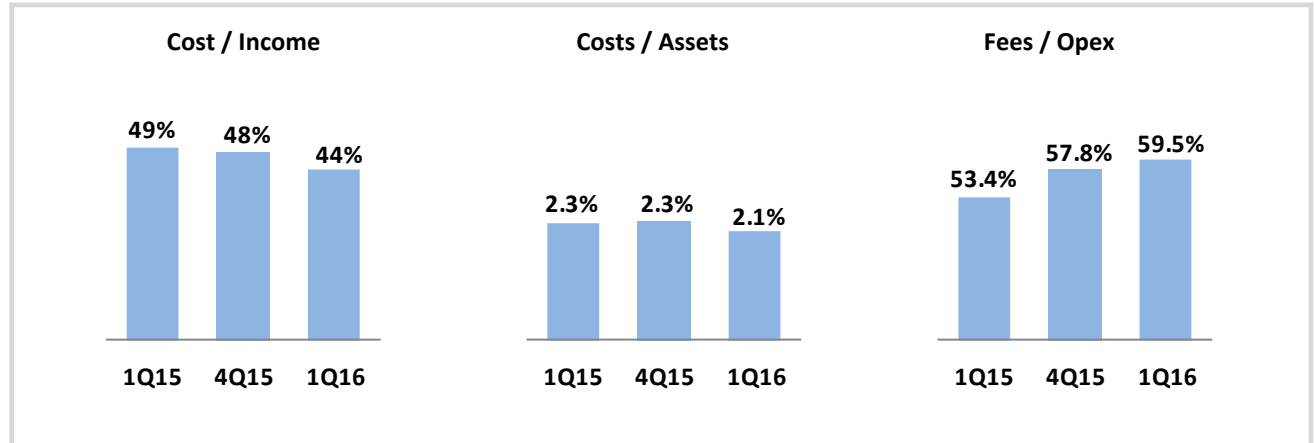
## Network Investments

**IN LINE**

	1Q14	1Q15	1Q16	1Q15Δ	1Q16Δ
Branches	947	1,007	997	6%	-1%
Employees	16,685	18,125	18,473	9%	2%
ATMs	3,025	3,647	4,374	21%	20%
Costs	935	1,184	1,264	<b>27%</b>	<b>7%</b>

- **Controlled cost evolution** (7% y/y)
- **Base effect of investments easing** with no bulk investments remaining. ATM investments continuing to support digital strategy
- **Efficiency improvement accelerating** with positive trend in all KPIs

## Efficiency KPIs



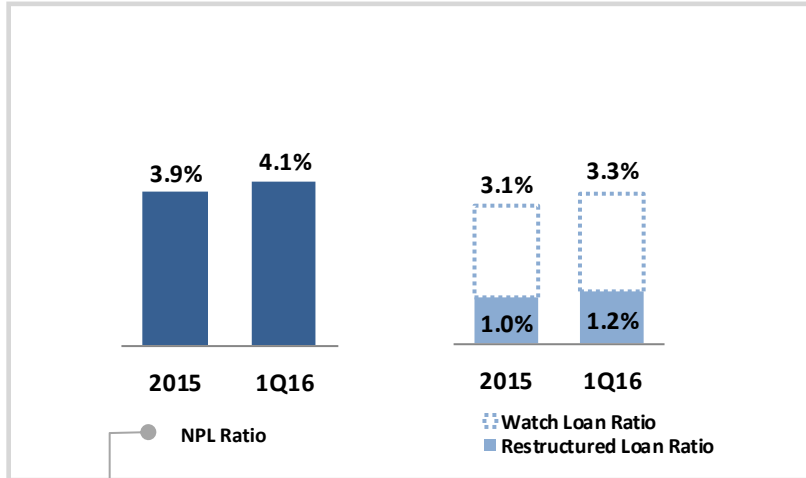
Notes:

Non-HR costs include HR related non-HR, advertising, rent, SDIF premium, taxes, depreciation, branch tax, pension fund provisions and loyalty points on Worldcard

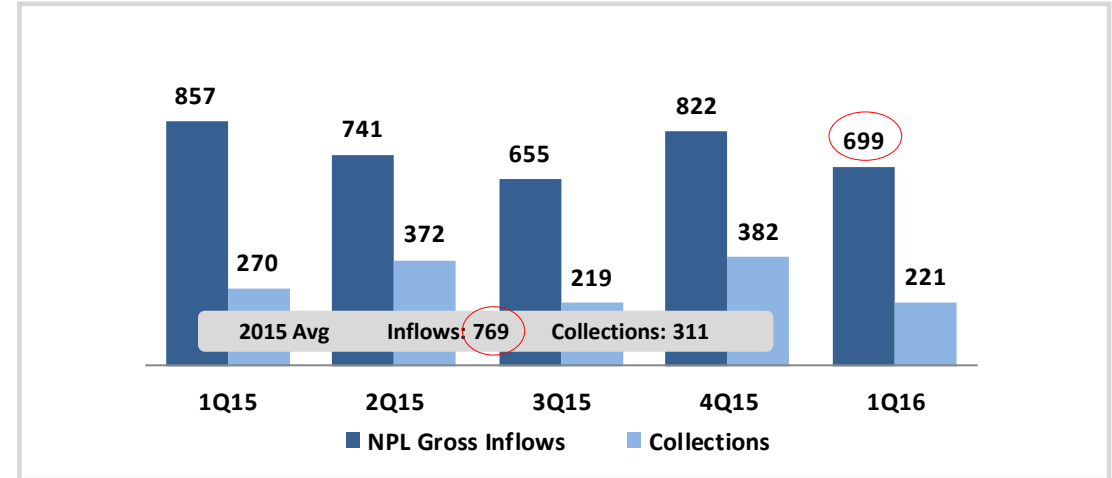
Network data based on bank-only figures

# Controlled trend in NPL inflows with focus on improving collections

## NPL + Restructured Loan Ratio



## NPL Inflows & Collections (mIn TL)



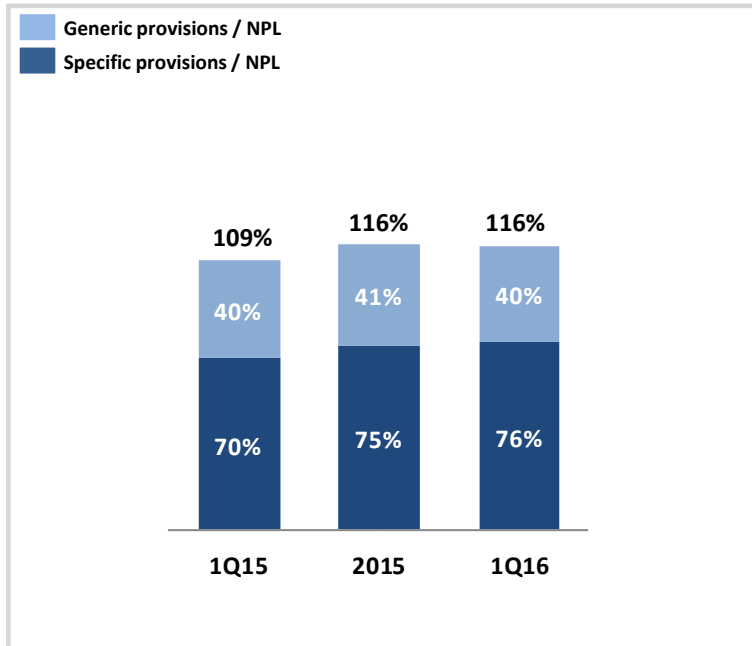
NPL ratio by segment	4Q15	1Q16
Corp&Comm	2.4%	2.3%
SME	5.4%	6.0%
Consumer	5.4%	5.8%
YKB Credit Cards	5.9%	6.4%
Sector Credit Cards	7.9%	8.4%

- **NPL Ratio at 4.1% driven by:**
  - **Controlled NPL inflows** with lower level in 1Q16 vs 2015 avg
  - **Lower collections due to operating environment.** Pick-up already visible in Apr'16
  - **No NPL sales** since beg-2015
- **Restructured loan ratio at 1.2%** with entry of a few strongly collateralised corporate files

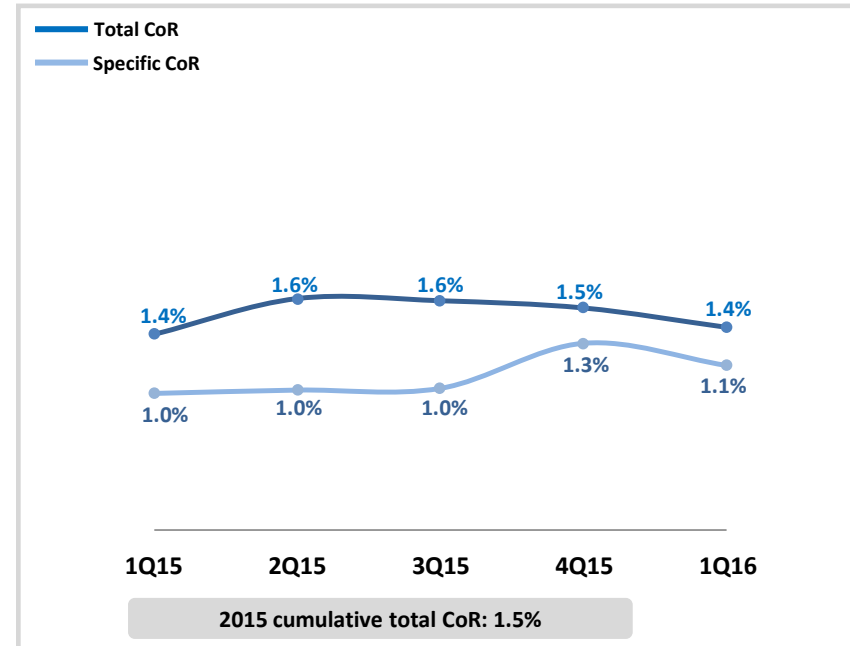
Notes:  
 NPL ratio for credit cards includes retail + business cards. NPL ratio for sector based on BRSA weekly data, excluding NPL sales over the last 2 years (TL 516 mln for 2015 and TL 866 mln for 1Q16) for comparability purposes as YKB has not sold any NPLs in this period  
 SME NPL ratio based on YKB's internal SME definition of companies with < US\$ 10 mln annual turnover

# Comfortable coverage level; declining trend in cost of risk

## NPL Coverage



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



- Total NPL coverage at 116%, stable ytd with slight uptick in specific coverage to 76%
- Total cost of risk (net of collections) down 14bps q/q to 1.41% supported by higher collections and declining trend in specific CoR

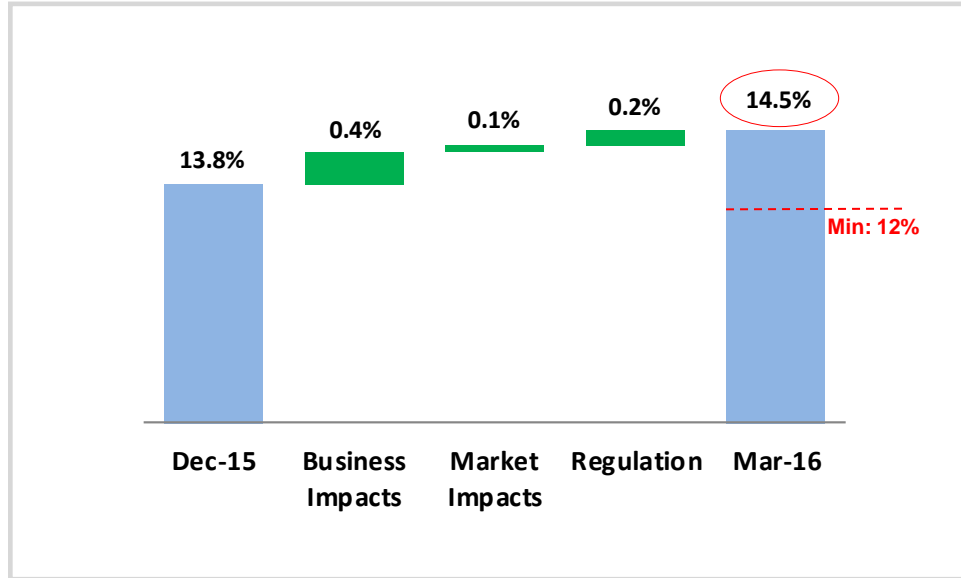
Notes:

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

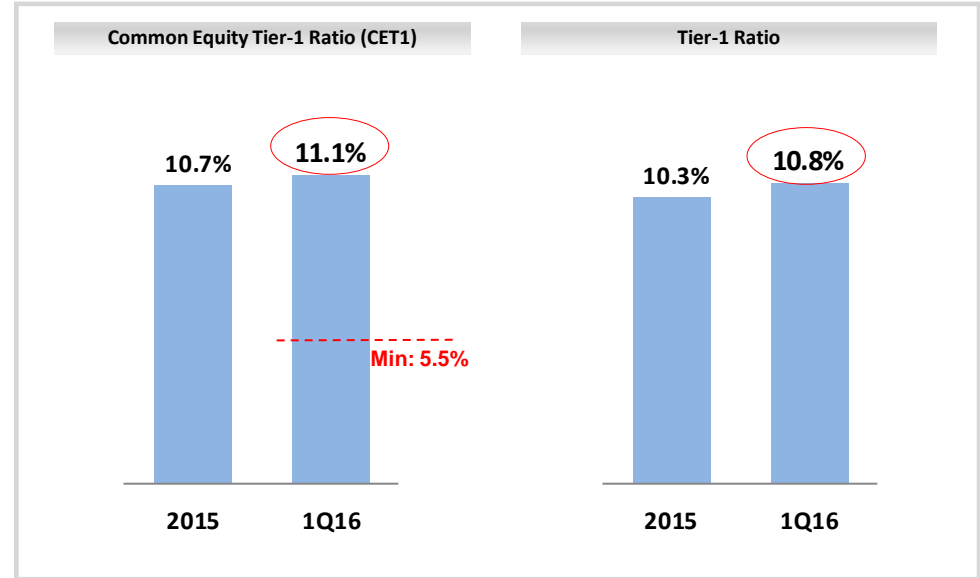
(2) Total NPL coverage = (Specific + Generic Provisions)/NPLs

# Regulations clarified, capital position further strengthened

## CAR



## Tier-1



- **Improving trend in capital ratios with CAR at 14.5% and CET-1 at 11.1%** impacted by:
  - USD 500 mln sub-debt issuance in Mar'16 (+70bps)
  - Full reflection of Basel 3 related regulations with positive impact on capitalisation (+20 bps)
  - Improving operating environment (+10 bps)
- **Capitalisation comfortable given regulatory minimums**, including phase in of Basel 3 related regulatory buffers

### Notes:

2016 Basel 3 related capitalisation buffers include capital conservation buffer of 0.625%, countercyclical buffer of 0.005%, SIFI buffer of 0.375% (Group 2)  
CET1 higher than T1 ratio in BRSA financials as all deduction items (including goodwill) are subject to deduction from Core Tier 1 in an amortized manner (2014: 20%, 2015: 40%, 2016: 60%, 2017: 80%, 2018: 100%)

# 2016 guidance confirmed

Macro	
GDP Growth, y/y	~3.5%
Inflation (CPI) , y/y	~7-8%
USD/TL (eop)	3.10
Banking Sector	
Loan Growth	13%
Deposit Growth	11%
NIM	Flat
NPL Ratio	+40bps

	YKB 2016 Guidance		Trend
Volumes	Loans 13%	Deposits 13%	
Revenues	NIM Flattish	Fees Mid-Teens	
Costs	Costs In-line with inflation	Investments Flat HC and branches	
Asset Quality	NPL +30 bps	CoR -20 bps	
Fundamentals	LDR Flattish	CAR ~ 14%	

Notes:  
 Cost of Risk = (Total Loan Loss Provisions- Collections)/Total Gross Loans  
 Macro expectations are based on YK Economic Research estimates

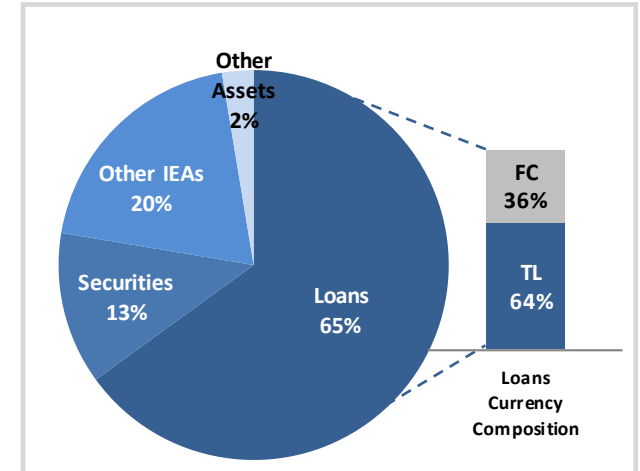
---

 **Annex**

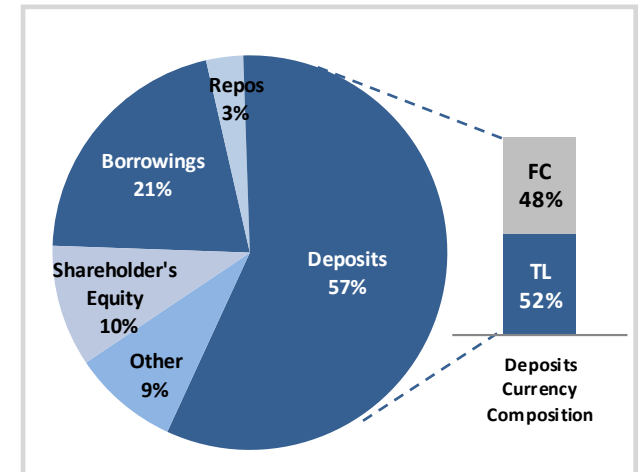
# Consolidated Balance Sheet

TL bln	1Q14	1H14	9M14	YE14	1Q15	1H15	9M15	YE15	1Q16	ytd	y/y
<b>Total Assets</b>	<b>168.8</b>	<b>170.6</b>	<b>182.0</b>	<b>195.0</b>	<b>215.5</b>	<b>223.8</b>	<b>247.8</b>	<b>235.3</b>	<b>237.9</b>	<b>1%</b>	<b>10%</b>
<b>Loans</b>	<b>103.3</b>	<b>108.7</b>	<b>115.8</b>	<b>125.5</b>	<b>135.5</b>	<b>142.8</b>	<b>153.7</b>	<b>152.5</b>	<b>154.7</b>	<b>1%</b>	<b>14%</b>
TL Loans	68.6	73.0	77.8	84.7	90.4	95.0	98.4	99.2	100.5	1%	11%
FC Loans (\$)	15.8	16.8	16.7	17.6	17.3	17.8	18.2	18.3	19.1	4%	11%
<b>Securities</b>	<b>21.8</b>	<b>21.8</b>	<b>24.2</b>	<b>25.4</b>	<b>29.9</b>	<b>30.5</b>	<b>33.4</b>	<b>31.7</b>	<b>30.1</b>	<b>-5%</b>	<b>1%</b>
TL Securities	14.9	14.9	17.1	18.3	22.5	22.9	23.8	22.1	20.5	-8%	-9%
FC Securities (\$)	3.2	3.2	3.1	3.1	2.8	2.8	3.1	3.3	3.4	3%	20%
<b>Deposits</b>	<b>90.4</b>	<b>96.1</b>	<b>102.5</b>	<b>107.6</b>	<b>119.7</b>	<b>126.1</b>	<b>136.3</b>	<b>130.0</b>	<b>136.6</b>	<b>5%</b>	<b>14%</b>
TL Deposits	44.8	52.0	53.4	62.9	64.5	62.7	65.4	67.2	70.4	5%	9%
FC Deposits (\$)	20.8	20.7	21.5	19.3	21.2	23.5	23.3	21.6	23.3	8%	10%
<b>Borrowings</b>	<b>36.0</b>	<b>36.0</b>	<b>37.3</b>	<b>41.5</b>	<b>46.7</b>	<b>45.8</b>	<b>52.8</b>	<b>48.7</b>	<b>49.7</b>	<b>2%</b>	<b>7%</b>
TL Borrowings	3.6	4.4	4.9	5.4	5.6	5.5	4.9	5.5	5.3	-2%	-5%
FC Borrowings (\$)	14.8	14.9	14.2	15.6	15.7	15.0	15.7	14.9	15.7	5%	0%
<b>Shareholders' Equity</b>	<b>18.4</b>	<b>19.2</b>	<b>19.6</b>	<b>20.2</b>	<b>21.0</b>	<b>22.1</b>	<b>22.0</b>	<b>23.1</b>	<b>23.7</b>	<b>3%</b>	<b>13%</b>
<b>Assets Under Management</b>	<b>10.2</b>	<b>11.1</b>	<b>11.6</b>	<b>12.5</b>	<b>13.0</b>	<b>13.4</b>	<b>13.6</b>	<b>13.8</b>	<b>14.4</b>	<b>5%</b>	<b>11%</b>
<b>Loans/Assets</b>	<b>61%</b>	<b>64%</b>	<b>64%</b>	<b>64%</b>	<b>63%</b>	<b>64%</b>	<b>62%</b>	<b>65%</b>	<b>65%</b>		
<b>Securities/Assets</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>14%</b>	<b>14%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>		
<b>Borrowings/Liabilities</b>	<b>21%</b>	<b>21%</b>	<b>20%</b>	<b>21%</b>	<b>22%</b>	<b>20%</b>	<b>21%</b>	<b>21%</b>	<b>21%</b>		
<b>Loans/(Deposits+TL Bonds) (solo)</b>	<b>111%</b>	<b>110%</b>	<b>110%</b>	<b>113%</b>	<b>110%</b>	<b>110%</b>	<b>110%</b>	<b>114%</b>	<b>110%</b>		
<b>CAR - solo</b>	<b>14.4%</b>	<b>15.4%</b>	<b>15.0%</b>	<b>15.0%</b>	<b>14.3%</b>	<b>14.0%</b>	<b>12.9%</b>	<b>13.8%</b>	<b>14.5%</b>		
<b>Tier-I - solo</b>	<b>10.3%</b>	<b>11.4%</b>	<b>10.9%</b>	<b>10.9%</b>	<b>10.4%</b>	<b>10.5%</b>	<b>9.4%</b>	<b>10.3%</b>	<b>10.8%</b>		
<b>Leverage Ratio</b>	<b>8.2x</b>	<b>7.9x</b>	<b>8.3x</b>	<b>8.6x</b>	<b>9.2x</b>	<b>9.1x</b>	<b>10.3x</b>	<b>9.2x</b>	<b>9.0x</b>		

## 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

# Volume growth evolution

TL bln	1Q16	Private			Private			Private			Private			Private			Market Share	ytd Δ bps
		YKB	Banks	Sector	YKB	Banks	Sector	YKB	Banks	Sector	YKB	Banks	Sector	YKB	Banks	Sector		
<b>Cash + Non-cash loans</b>	<b>212.8</b>	<b>7%</b>	6%	7%	<b>6%</b>	5%	6%	<b>9%</b>	6%	7%	<b>-3%</b>	-1%	0%	<b>1%</b>	1%	1%	<b>11.0%</b>	<b>-1</b>
<b>Total Loans<sup>1</sup></b>	<b>154.6</b>	<b>8%</b>	6%	7%	<b>5%</b>	5%	6%	<b>8%</b>	5%	6%	<b>-1%</b>	1%	1%	<b>1%</b>	1%	1%	<b>10.3%</b>	<b>+0</b>
TL	99.0	7%	4%	5%	5%	6%	6%	4%	1%	2%	1%	2%	3%	1%	1%	2%	10.1%	-7
FC (\$)	19.6	-2%	-2%	-1%	3%	2%	3%	2%	-1%	1%	1%	2%	2%	4%	3%	3%	10.8%	+13
<b>Consumer Loans</b>	<b>29.6</b>	<b>6%</b>	3%	4%	<b>8%</b>	3%	3%	<b>6%</b>	1%	1%	<b>2%</b>	0%	1%	<b>1%</b>	0%	1%	<b>10.0%</b>	<b>-2</b>
Mortgages	12.0	5%	4%	5%	7%	5%	5%	3%	3%	3%	-2%	1%	2%	-2%	1%	2%	8.9%	-39
General Purpose	17.2	9%	3%	3%	9%	1%	1%	9%	0%	0%	5%	0%	0%	3%	0%	0%	11.0%	33
<b>Credit Cards</b>	<b>19.7</b>	<b>2%</b>	-2%	-2%	<b>3%</b>	4%	4%	<b>4%</b>	4%	4%	<b>3%</b>	3%	4%	<b>-1%</b>	-1%	-1%	<b>21.1%</b>	<b>-9</b>
<b>Companies<sup>2</sup></b>	<b>105.4</b>	<b>10%</b>	8%	9%	<b>5%</b>	6%	7%	<b>9%</b>	6%	8%	<b>-2%</b>	1%	1%	<b>2%</b>	1%	2%	<b>9.5%</b>	<b>3</b>
TL	49.7	9%	5%	7%	4%	8%	8%	2%	1%	2%	-1%	4%	4%	3%	2%	2%	8.3%	-3
FC (\$)	19.6	-2%	-2%	-1%	3%	2%	3%	2%	-1%	1%	1%	2%	2%	4%	3%	3%	10.9%	+13
<b>Comm. Install.</b>	<b>12.6</b>	<b>9%</b>	7%	7%	<b>4%</b>	6%	6%	<b>1%</b>	3%	4%	<b>4%</b>	2%	0%	<b>0%</b>	3%	0%	<b>6.7%</b>	<b>1</b>
<b>Total Deposits</b>	<b>136.6</b>	<b>11%</b>	8%	7%	<b>5%</b>	4%	5%	<b>8%</b>	6%	6%	<b>-5%</b>	-2%	-1%	<b>5%</b>	3%	3%	<b>10.4%</b>	<b>+24</b>
TL	70.4	2%	1%	2%	-3%	-2%	0%	4%	2%	3%	3%	5%	4%	5%	2%	3%	10.1%	43
FC (\$)	23.3	10%	5%	3%	11%	9%	9%	-1%	-3%	-2%	-7%	-4%	-2%	8%	6%	6%	10.9%	-1
<b>Customer Demand</b>	<b>130.7</b>	<b>9%</b>	8%	7%	<b>6%</b>	5%	6%	<b>8%</b>	6%	6%	<b>-6%</b>	-1%	-1%	<b>5%</b>	3%	3%	<b>10.7%</b>	<b>32</b>
<b>Demand</b>	<b>22.7</b>	<b>14%</b>	6%	6%	<b>15%</b>	11%	10%	<b>12%</b>	1%	1%	<b>-17%</b>	5%	4%	<b>12%</b>	2%	3%	<b>9.3%</b>	<b>73</b>
<b>TL Bonds</b>	<b>4.5</b>	<b>9%</b>	0%	0%	<b>2%</b>	0%	0%	<b>5%</b>	0%	2%	<b>9%</b>	-6%	-2%	<b>6%</b>	3%	1%	<b>15.8%</b>	<b>73</b>
<b>Repos</b>	<b>7.2</b>	<b>9%</b>	0%	0%	<b>0%</b>	0%	0%	<b>58%</b>	0%	9%	<b>-2%</b>	1%	2%	<b>-31%</b>	-4%	-1%	<b>4.7%</b>	<b>-20</b>
<b>Borrowings</b>	<b>49.7</b>	<b>12%</b>	0%	0%	<b>-2%</b>	0%	0%	<b>15%</b>	0%	7%	<b>-8%</b>	-4%	-4%	<b>2%</b>	0%	2%		

Note: Balance sheet 1Q volumes for sector and private banks based on BRSA weekly data as of 1 Apr'16. FC-indexed loans included in TL loans  
Market share information as of 1Q16

(1) Total performing loans

(2) Total loans excluding consumer loans and credit cards



# Consolidated Income Statement

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	q/q	y/y
<b>Total Revenues</b>	<b>1,842</b>	<b>2,183</b>	<b>1,906</b>	<b>2,128</b>	<b>1,938</b>	<b>2,149</b>	<b>2,201</b>	<b>2,466</b>	<b>2,409</b>	<b>2,565</b>	<b>2,352</b>	<b>2,938</b>	<b>2,898</b>	<b>-1%</b>	<b>20%</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>2,297</b>	<b>2,150</b>	<b>2,526</b>	<b>2,466</b>	<b>2,878</b>	<b>2,704</b>	<b>-6%</b>	<b>26%</b>
Net Interest Income	1,306	1,347	1,165	1,248	1,351	1,485	1,480	1,656	1,518	1,838	1,763	2,059	1,952	-5%	29%
<i>o/w CPI-linkers</i>	69	49	54	80	136	166	98	153	97	266	70	295	313	6%	225%
Fees & Commissions	495	544	522	576	510	605	587	641	632	688	703	819	752	-8%	19%
<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>169</b>	<b>260</b>	<b>39</b>	<b>-114</b>	<b>60</b>	<b>194</b>	<b>223%</b>	<b>-25%</b>
Other income	121	82	73	176	209	209	95	152	276	169	120	113	142	26%	-48%
<i>o/w collections</i>	53	8	29	43	135	94	38	11	59	41	22	26	44	68%	-25%
<i>o/w generic provision reversals</i>	27	22	10	0	46	1	0	0	0	0	0	0	13	n.m.	n.m.
<i>o/w pension fund reversal</i>	0	0	0	60	0	51	0	61	0	44	0	37	0	n.m.	n.m.
<i>o/w NPL sale</i>	0	0	0	39	0	16	28	8	0	0	0	0	0	n.m.	n.m.
<i>o/w others</i>	41	51	33	34	28	48	28	72	217	84	98	50	85	70%	-61%
Trading	-86	200	145	128	-135	-158	39	17	-18	-134	-234	-53	48	n.m.	n.m.
<i>o/w swap costs</i>					-228	-259	-81	-159	-160	-245	-318	-189	-62	-67%	-61%
Dividend	6	10	0	0	2	7	0	0	3	3	0	0	3	n.m.	36%
<b>Operating Costs</b>	<b>815</b>	<b>897</b>	<b>835</b>	<b>996</b>	<b>935</b>	<b>1,030</b>	<b>1,009</b>	<b>1,173</b>	<b>1,184</b>	<b>1,228</b>	<b>1,249</b>	<b>1,416</b>	<b>1,264</b>	<b>-11%</b>	<b>7%</b>
<i>o/w fee rebates</i>	0	0	0	0	11	17	28	45	50	50	63	43	35	-18%	-30%
<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>1,119</b>	<b>1,192</b>	<b>1,293</b>	<b>1,225</b>	<b>1,336</b>	<b>1,103</b>	<b>1,521</b>	<b>1,634</b>	<b>7%</b>	<b>33%</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>518</b>	<b>571</b>	<b>731</b>	<b>650</b>	<b>697</b>	<b>723</b>	<b>4%</b>	<b>27%</b>
Specific Provisions	242	280	373	263	343	322	374	282	394	403	416	543	507	-7%	29%
Generic Provisions	58	42	23	110	88	94	114	172	144	235	243	97	120	23%	-17%
Other Provisions	66	29	0	66	32	27	27	64	33	93	-9	57	96	70%	191%
<b>Pre-tax Income</b>	<b>661</b>	<b>935</b>	<b>674</b>	<b>693</b>	<b>540</b>	<b>676</b>	<b>677</b>	<b>775</b>	<b>655</b>	<b>605</b>	<b>453</b>	<b>825</b>	<b>911</b>	<b>10%</b>	<b>39%</b>
Tax	132	208	149	141	111	175	164	161	154	150	135	190	207	9%	34%
<b>Net Income</b>	<b>544</b>	<b>752</b>	<b>538</b>	<b>541</b>	<b>429</b>	<b>501</b>	<b>513</b>	<b>614</b>	<b>501</b>	<b>455</b>	<b>318</b>	<b>635</b>	<b>704</b>	<b>11%</b>	<b>41%</b>
<b>ROE</b>	<b>14.7%</b>	<b>20.2%</b>	<b>13.5%</b>	<b>12.8%</b>	<b>10.0%</b>	<b>11.4%</b>	<b>11.3%</b>	<b>13.2%</b>	<b>10.3%</b>	<b>8.9%</b>	<b>6.1%</b>	<b>12.0%</b>	<b>12.8%</b>		
<b>Cost/Income</b>	<b>44%</b>	<b>41%</b>	<b>44%</b>	<b>47%</b>	<b>48%</b>	<b>48%</b>	<b>46%</b>	<b>48%</b>	<b>49%</b>	<b>48%</b>	<b>53%</b>	<b>48%</b>	<b>44%</b>		
<b>CoR</b>	<b>1.2%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.3%</b>	<b>0.8%</b>	<b>1.1%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.4%</b>		
<b>Tax Rate</b>	<b>20%</b>	<b>22%</b>	<b>22%</b>	<b>20%</b>	<b>21%</b>	<b>26%</b>	<b>24%</b>	<b>21%</b>	<b>24%</b>	<b>25%</b>	<b>30%</b>	<b>23%</b>	<b>23%</b>		

Notes:

CPI linker impact same in both consolidated and bank-only financials

3Q13 net income excludes TL 1,284 mln insurance sale gain

# Bank-Only Income Statement

Restated financials  
due to updated IAS 27  
application

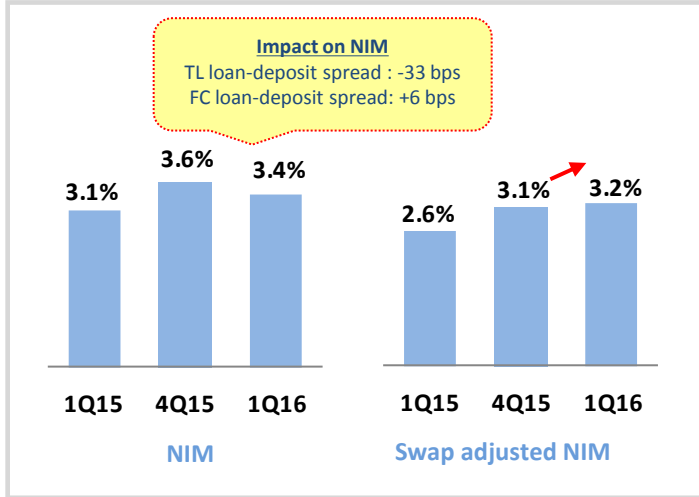
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	q/q	y/y
<b>Total Revenues</b>	<b>1,773</b>	<b>1,980</b>	<b>1,732</b>	<b>1,886</b>	<b>1,809</b>	<b>2,085</b>	<b>2,098</b>	<b>2,381</b>	<b>2,300</b>	<b>2,394</b>	<b>2,231</b>	<b>2,796</b>	<b>2,785</b>	<b>0%</b>	<b>21%</b>
<b>Core Revenues</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>2,153</b>	<b>2,016</b>	<b>2,429</b>	<b>2,344</b>	<b>2,742</b>	<b>2,537</b>	<b>-7%</b>	<b>26%</b>
Net Interest Income	1,203	1,249	1,076	1,136	1,258	1,393	1,397	1,558	1,423	1,778	1,677	1,965	1,821	-7%	28%
<i>o/w CPI-linkers</i>	69	49	54	80	136	166	98	153	97	266	70	295	313	6%	225%
Fees & Commissions	466	511	491	538	480	575	550	596	593	651	667	777	716	-8%	21%
<b>Other Revenues</b>	<b>104</b>	<b>220</b>	<b>165</b>	<b>123</b>	<b>71</b>	<b>117</b>	<b>152</b>	<b>227</b>	<b>284</b>	<b>-35</b>	<b>-112</b>	<b>54</b>	<b>248</b>	<b>361%</b>	<b>-13%</b>
Other income	117	82	89	164	281	297	171	336	351	231	201	192	233	21%	-34%
<i>o/w collections</i>	53	8	29	43	135	94	38	11	59	41	22	26	44	68%	-25%
<i>o/w generic provision reversals</i>	27	22	10	0	46	1	0	0	0	0	0	0	13	n.m.	n.m.
<i>o/w pension fund reversal</i>	0	0	0	60	0	51	0	61	0	44	0	37	0	n.m.	n.m.
<i>o/w NPL sale</i>	0	0	0	39	0	16	28	8	0	0	0	0	0	n.m.	n.m.
<i>o/w profit/(loss) of associates&amp; jv.s     accounted for using equity method</i>	0	0	0	0	97	97	85	104	90	87	101	90	108	20%	20%
<i>o/w others</i>	37	51	50	22	4	38	19	47	202	59	79	40	68	71%	-66%
Trading	-108	137	37	48	-213	-180	-19	-4	-69	-267	-314	-139	15	n.m.	n.m.
<i>o/w swap costs</i>					-274	-312	-131	-191	-198	-320	-380	-256	-94	-63%	-53%
Dividend	95	1	37	0	2	0	0	0	2	1	0	0	0	n.m.	n.m.
<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>1,104</b>	<b>1,116</b>	<b>1,166</b>	<b>1,183</b>	<b>1,345</b>	<b>1,199</b>	<b>-11%</b>	<b>7%</b>
<i>o/w fee rebates</i>	0	0	0	0	11	17	28	45	50	50	63	43	35	-18%	-30%
<b>Operating Income</b>	<b>1,006</b>	<b>1,134</b>	<b>945</b>	<b>947</b>	<b>934</b>	<b>1,117</b>	<b>1,116</b>	<b>1,276</b>	<b>1,184</b>	<b>1,228</b>	<b>1,048</b>	<b>1,451</b>	<b>1,586</b>	<b>9%</b>	<b>34%</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>503</b>	<b>550</b>	<b>695</b>	<b>621</b>	<b>655</b>	<b>698</b>	<b>7%</b>	<b>27%</b>
Specific Provisions	230	267	352	248	318	314	352	274	381	378	398	506	489	-3%	28%
Generic Provisions	57	40	22	106	86	93	112	169	138	225	232	93	115	24%	-16%
Other Provisions	66	26	0	62	31	27	27	60	32	92	-10	56	94	69%	199%
<b>Pre-tax Income</b>	<b>653</b>	<b>802</b>	<b>571</b>	<b>532</b>	<b>500</b>	<b>683</b>	<b>626</b>	<b>773</b>	<b>634</b>	<b>532</b>	<b>427</b>	<b>797</b>	<b>887</b>	<b>11%</b>	<b>40%</b>
Tax	112	181	125	118	88	158	136	143	133	125	109	162	183	13%	38%
<b>Net Income</b>	<b>541</b>	<b>621</b>	<b>455</b>	<b>414</b>	<b>412</b>	<b>525</b>	<b>490</b>	<b>630</b>	<b>501</b>	<b>407</b>	<b>318</b>	<b>635</b>	<b>704</b>	<b>11%</b>	<b>41%</b>
<b>ROE</b>	<b>13.7%</b>	<b>15.7%</b>	<b>15.8%</b>	<b>15.3%</b>	<b>9.6%</b>	<b>12.0%</b>	<b>10.8%</b>	<b>13.5%</b>	<b>10.3%</b>	<b>8.0%</b>	<b>6.1%</b>	<b>12.0%</b>	<b>12.8%</b>		
<b>Cost/Income</b>	<b>43%</b>	<b>43%</b>	<b>45%</b>	<b>52%</b>	<b>48%</b>	<b>46%</b>	<b>47%</b>	<b>46%</b>	<b>49%</b>	<b>49%</b>	<b>53%</b>	<b>48%</b>	<b>43%</b>		
<b>CoR</b>	<b>1.2%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.3%</b>	<b>0.9%</b>	<b>1.1%</b>	<b>1.4%</b>	<b>1.7%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.4%</b>		
<b>Tax Rate</b>	<b>17.1%</b>	<b>22.5%</b>	<b>21.9%</b>	<b>22.2%</b>	<b>17.5%</b>	<b>23.1%</b>	<b>21.7%</b>	<b>18.6%</b>	<b>21.0%</b>	<b>23.5%</b>	<b>25.6%</b>	<b>20.3%</b>	<b>20.6%</b>		

## Notes:

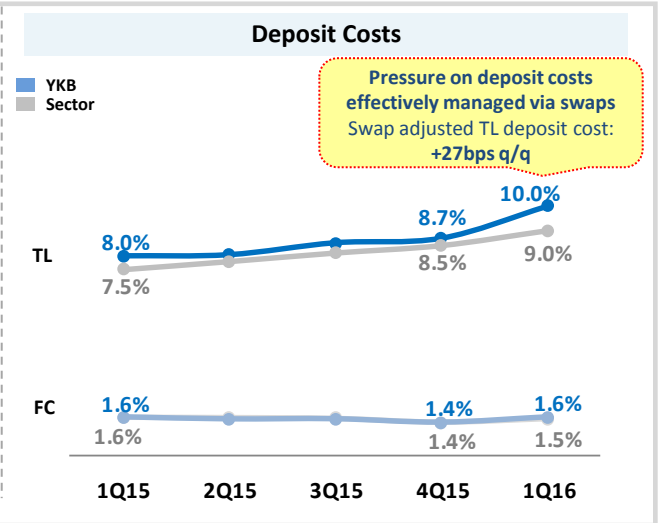
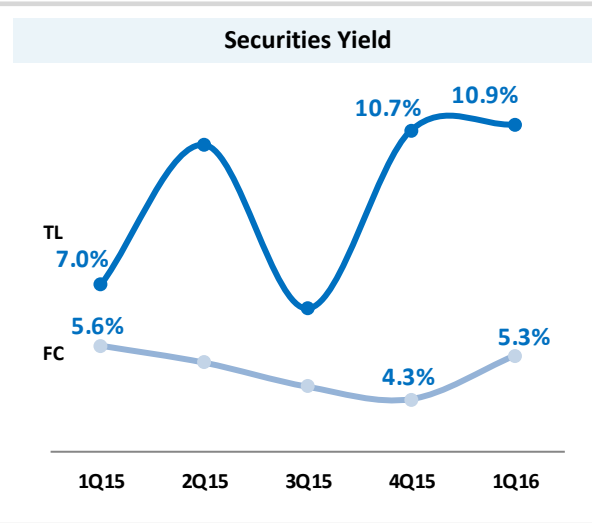
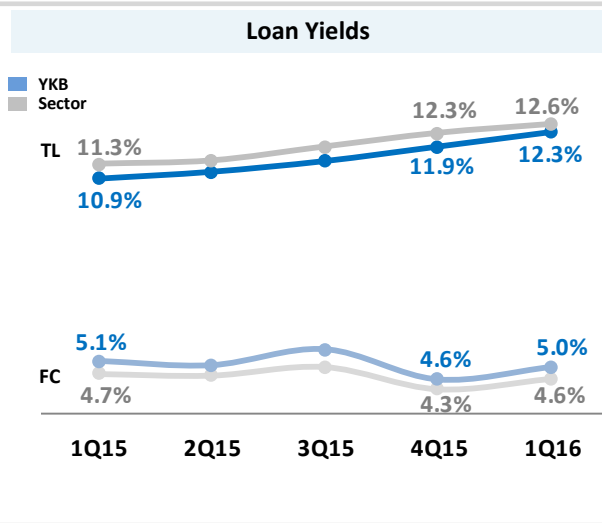
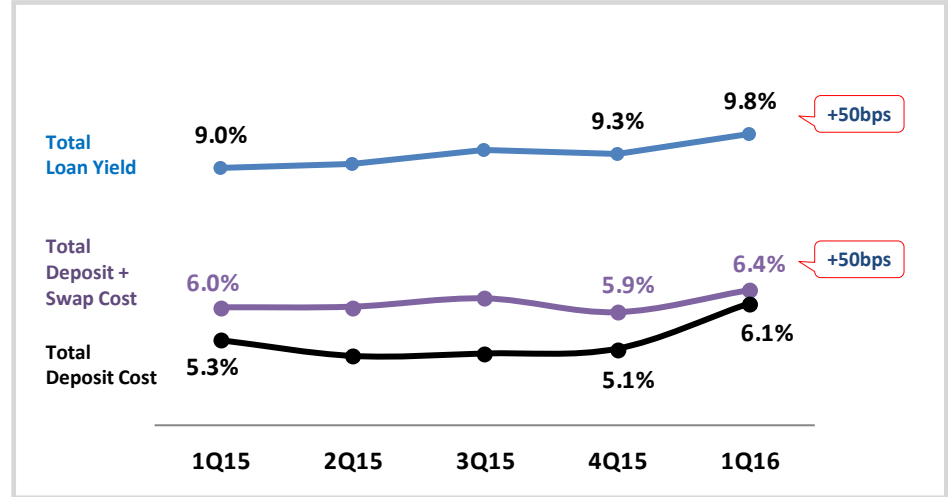
As of 1H15, Yapı Kredi revised its accounting methodology to use updated IAS 27. Accordingly, equity method is applied for reporting of investments in subsidiaries, associates and joint ventures. Therefore, in order to ensure comparability, backward restatement has been carried out starting from 1Q14. This revision only impacts bank-only financials 3Q13 net income excludes TL 1,172 mln insurance sale gain

# NIM details

## Margin



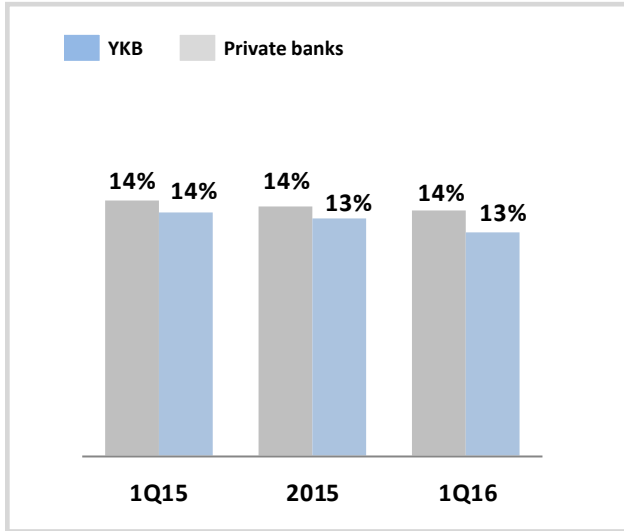
## Yields - Costs



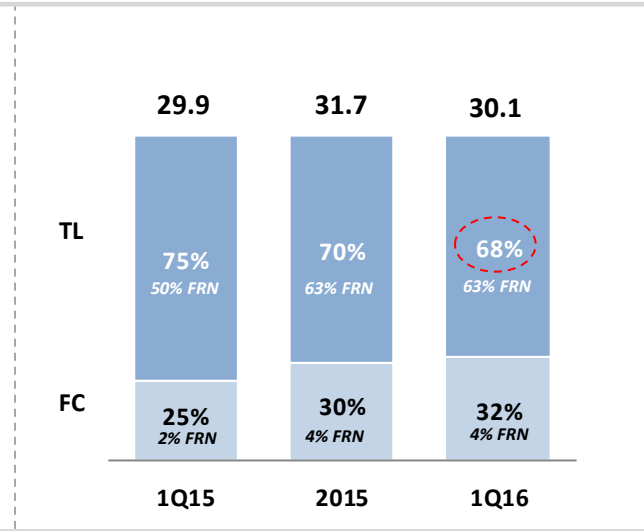
Notes:  
 All information on YKB based on BRSA bank-only financials  
 Sector based on BRSA monthly data as of Mar'16  
 NIM = Net interest income/Average Interest Earning Assets. Loan yields, securities yields and cost of deposits based on average volumes. Loan yields calculated using performing loan volume and interest income  
 Loan-Deposit Spread: (Interest Income on Loans-Interest Expense on Deposits)/Average (Loans+Deposits)  
 NIM and securities yield exclude effect of reclassification between interest income and other provisions related to amortisation of issuer premium on securities (as per BRSA)  
 Reported Quarterly NIM figures: 4Q15: 3.7%; 1Q16: 3.4%

# Securities

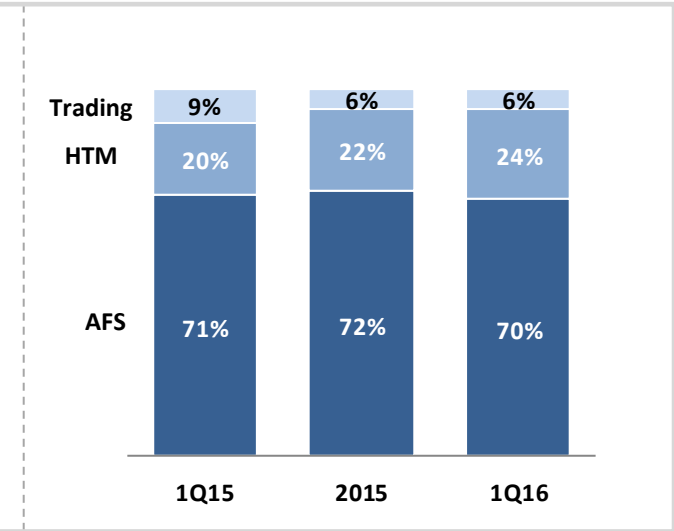
## Securities/Assets



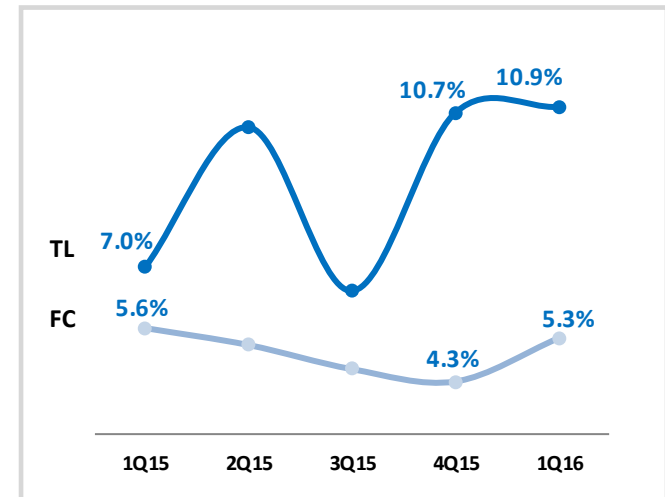
## Composition by Currency (TL bln)



## Composition by Type



## Security Yields



- **Securities / assets stable at 13%** with dynamically managed mix to benefit from rate environment
- **Slight decrease in TL share in total securities due to redemptions.** CPI-linker volume at 8.4 bln TL (-1% ytd) with gain of TL 313 mln in 1Q16 (vs TL 295 mln in 4Q15)
- **M-t-m unrealised loss at TL -80 mln in 1Q**, down from TL -285 mln in 4Q supported by positive evolution in TL rates

Notes: Private banks data based on BRSA monthly data as of Mar'16

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

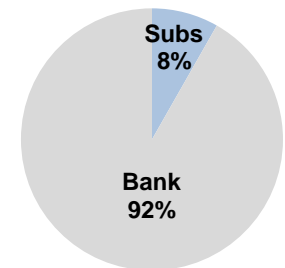
Securities yields based on bank-only financials and exclude effect of reclassification between interest income and other provisions related to amortisation of issuer premium on securities (as per BRSA)

# Subsidiaries

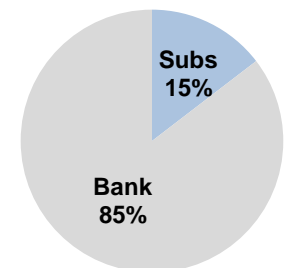
	Revenues (mln TL)	Revenues (y/y growth)	RoE	Sector Positioning	
Domestic Subs	YK Leasing	84	33%	16%	#1 in total transaction volume (20.3% market share)
	YK Factoring	23	12%	11%	#1 in total factoring volume (17.6% market share)
	YK Invest	28	-42%	32%	#2 in equity transaction volume (7.2% market share)
	YK Asset Management	14	8%	98%	#2 in mutual funds (17.5% market share) Highest credit rating in its sector <sup>1</sup>
International Subs	YK Azerbaijan	9 mln US\$	-23%	4%	US\$ 278 mln total assets
	YK Moscow	3 mln US\$	-8%	8%	US\$ 157 mln total assets
	YK Nederland	10 mln US\$	8%	7%	US\$ 2.2 bln total assets
	YK Malta	7 mln US\$	641%	45%	US\$ 118 mln total assets

## Contribution of Subsidiaries<sup>2</sup>

to Assets



to Net Income





Note: Revenues in TL unless otherwise stated. All market shares as of 2015

(1) YK Asset Management: Fitch Ratings upgraded YK Portföy (YKP) in Mar'13 from M2+ to M1+ and affirmed in Jun'15. YK Asset Management is the only institution in Turkey to reach this level

(2) Including consolidation eliminations

# Borrowings: 21% of total liabilities

International	<b>Syndications</b>	<p>~ US\$ 2.6 bln outstanding</p> <ul style="list-style-type: none"> <li>■ Apr'16: US\$ 381 mln &amp; € 959.1 mln, Libor/Euribor+0.85%&amp;0.75p.a. all-in cost for 367 days, respectively. 48 banks from 15 countries</li> <li>■ Sep'15: US\$ 295 mln and € 810.5 mln, Libor /Euribor+ 0.75% p.a. all-in cost, 367 days. Participation of 38 banks from 17 countries</li> </ul>
	<b>Securitisations</b>	<p>~ US\$ 2.1 bln outstanding</p> <ul style="list-style-type: none"> <li>■ Aug'11: US\$ 225 mln and € 130 mln, 4 unwrapped notes, 5 years (outstanding: ~US\$ 37.5 mn and € 21.6mn)</li> <li>■ Sep'11: € 75 mln, 1 unwrapped note, 12 years (outstanding: ~€ 56,2mn)</li> <li>■ Jul'13: US\$ 355 mln and €115 mln, 5 unwrapped notes, 5-13 years (outstanding: ~US\$ 298.8mn and € 86.5mn)</li> <li>■ Oct'14: US\$ 550 mln, 20 years (outstanding: ~US\$ 550 mln)</li> <li>■ Mar'15: US\$ 100 mln, 5 years &amp; US\$ 316 mln, 10 years (outstanding: US\$ 416 mln)</li> <li>■ Jul'15: US\$ 575 mln, 5-12 years (outstanding: US\$ 575 mln)</li> </ul>
	<b>Subordinated Loans</b>	<p>~US\$ 2.7 bln outstanding</p> <ul style="list-style-type: none"> <li>■ Jun'07: € 200 mln, 10NC5, Euribor+2.78% p.a.</li> <li>■ Dec'12: US\$ 1.0 bln market transaction, 10 years, 5.5% (coupon rate)</li> <li>■ Jan'13: US\$ 585 mln, 10NC5, 5.7% fixed rate – Basel III Compliant</li> <li>■ Dec'13: US\$ 470 mln, 10NC5, 6.55% – Basel III Compliant (midswap+4.88% after the first 5 years)</li> <li>■ Mar'16: US\$ 500 mln market transaction, 10NC5, 8.5% (coupon rate) </li> </ul>
	<b>Foreign Currency Bonds / Bills</b>	<p>US\$ 2.0 bln Eurobonds Issuance</p> <ul style="list-style-type: none"> <li>■ Feb'12: US\$ 500 mln, 6.75% (coupon rate), 5 years</li> <li>■ Jan'13: US\$ 500 mln, 4.00% (coupon rate), 7 years</li> <li>■ Dec'13: US\$ 500 mln, 5.25% (coupon rate), 5 years</li> <li>■ Oct'14: US\$ 550 mln, 5.125% (coupon rate), 5 years</li> </ul>
	<b>Covered Bond</b>	<p>TL 458 mln first tranche (outstanding ~ TL 285,9 mn)</p> <ul style="list-style-type: none"> <li>■ Nov'12: SME-backed with maturity between 3-5 years; highest Moody's rating (A3) for Turkish bonds</li> </ul>
	<b>Multilateral Loans</b>	<p>~US\$ 586.6 mln outstanding</p> <ul style="list-style-type: none"> <li>■ EIB Loan - 2008/2012: US\$ 102 mln and € 300 mln and TL 187 mln, 5-15 years (outstanding: ~ US\$ 99 mln, € 214.2 mln and TL 83.8 mln)</li> <li>■ EBRD Loan - 2011/2013: US\$ 55 mln and € 30 mln, 5 years (outstanding: ~€ 4.3 mln and US\$ 42.3 mn)</li> <li>■ CEB Loan - 2011/2014: US\$ 39 mln and € 100 mln (outstanding: ~€ 91.2 mln and US\$ 39 mln)</li> <li>■ EFIL Loan – 2008/2011: US\$ 34 mln and € 13 mln (outstanding: ~US\$ 17mln and € 6.5mln)</li> </ul>
Domestic	<b>Local Currency Bonds / Bills</b>	<p>TL 2.5 bln total (original public offering amount)</p> <ul style="list-style-type: none"> <li>■ Mar'15: TL 9 mln, 10.65% compound rate, 420 days maturity</li> <li>■ Sep'15: TL 170 mln, 12.12% compound rate, 392 days maturity</li> <li>■ Nov'15: TL 613 mln, 10.77% compound rate, 176 days maturity</li> <li>■ Nov'15: TL 116 mln, 10.97% compound rate, 392 days maturity</li> <li>■ Dec'15: TL 518 mln, 11.01% compound rate, 179 days maturity</li> <li>■ Jan'16: TL 353 mln, 10.88% compound rate, 134 days maturity</li> <li>■ Mar'16: TL 471 mln, 10.68% compound rate, 167 days maturity } </li> <li>■ Apr'16: TL 290 mln, 10.45% compound rate, 179 days maturity</li> </ul>