

Yapı Kredi 2016 Earnings Presentation

Strong profitability and solid fundamentals

2 February 2017



Resilient fundamentals amidst challenging conditions & volatility

Operating Environment —

Macro Environment

Macro environment impacted by local events and seasonality but partially offset by CBRT and BRSA's supportive approach

	2015	2016
GDP Growth (y/y)	6.1%	2.2%
CPI Inflation (y/y)	8.8%	8.5%
Consumer Confidence Index	66.3	69.5
CAD/GDP	-3.7%	-4.0%
Budget Deficit/GDP	-1.0%	-1.1%
Unemployment Rate	10.3%	11.8%¹
USD/TL (eop)	2.91	3.52
Benchmark Bond Rate (eop)	10.9%	10.7%

Banking Sector

Banking sector remaining resilient with solid CAR and improving ROATE. Growth ongoing, mainly driven by state banks

	2015	4Q16	2016
Loan Growth	21%	8%	17%
<i>Private</i>	18%	7%	13%
<i>State</i>	27%	9%	23%
Loan Growth (FX adjusted)	12%	-	9%
Deposit Growth	19%	8%	17%
NPL Ratio	2.9%		3.2%
<i>Private excl. NPL sales</i>	3.4%		4.0%
CAR	15.0%		15.1%
ROATE	11.6%		14.3%

Notes:
 CAD indicates Current Account Deficit; as of Nov'16
 2016 GDP growth based on latest cumulative figure as of Sept'16
 Banking sector volumes based on BRSA weekly data. CAR and ROATE (Return on Average Tangible Equity) based on Dec'16 BRSA monthly data
 (1) Unemployment rate as of Oct'16

Profitability acceleration driven by core business

Maintained scale
with continuing remix

Strong revenue generation
via ongoing customer acquisition

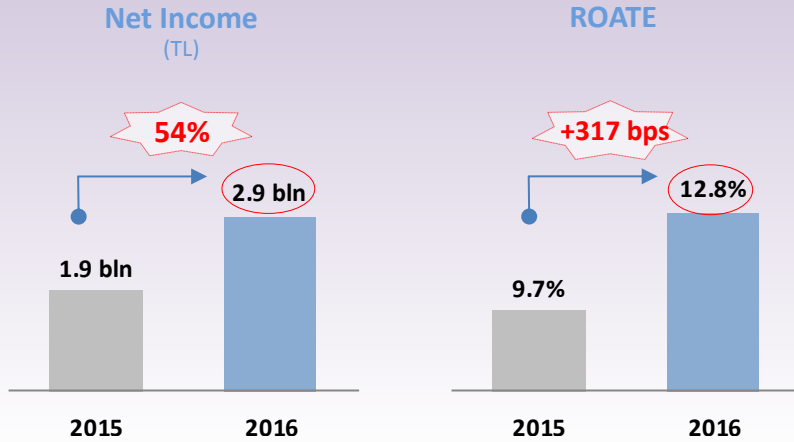
Disciplined cost control
heavily leveraging digitalisation

Controlled asset quality

2016: Acceleration in profitability with solid fundamentals

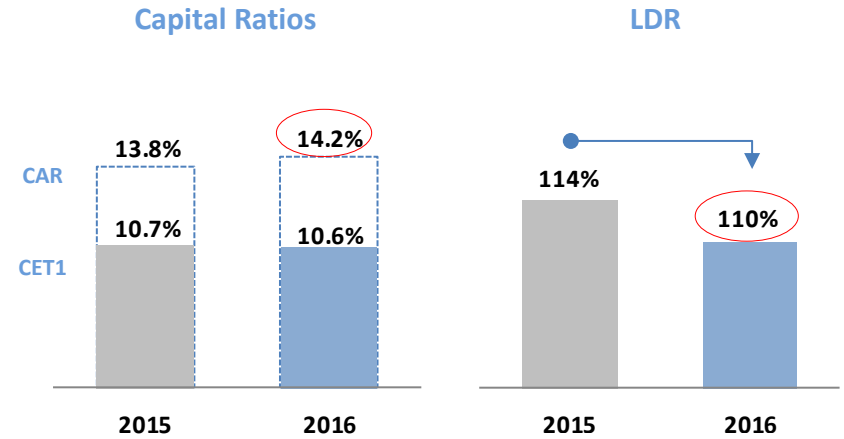
BETTER THAN GUIDANCE

Significant Profitability Acceleration



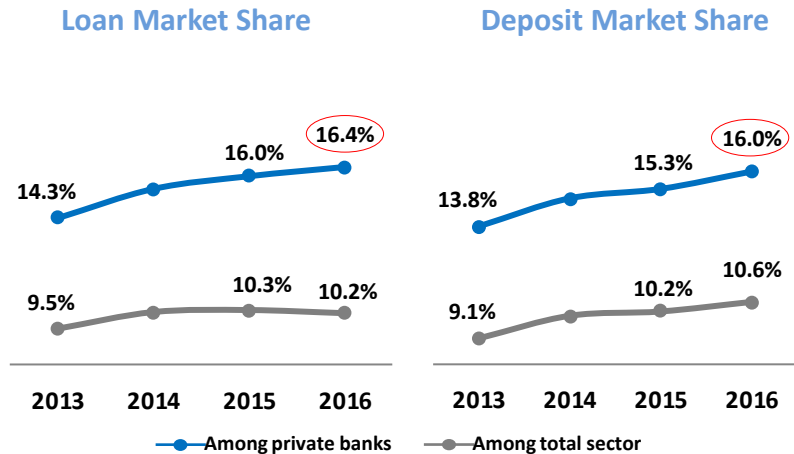
IN LINE

Solid Fundamentals



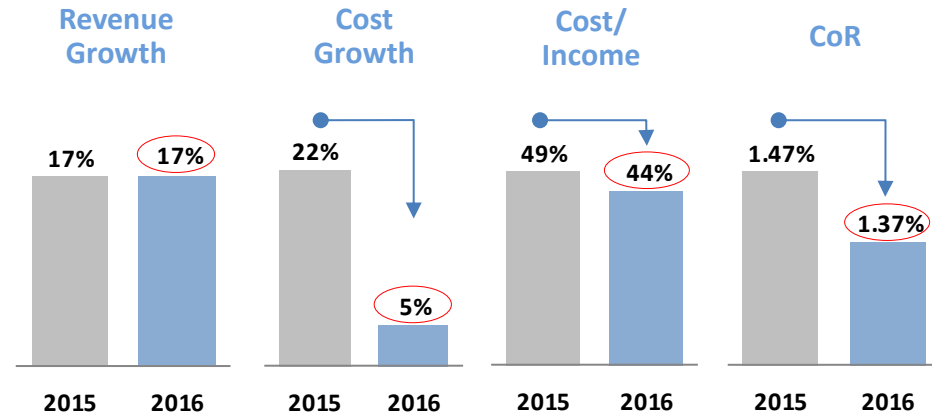
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Efficient Scale



BETTER THAN GUIDANCE

Strong Operational Performance



Notes:

Market shares based on BRSA bank-only weekly data

CAR= Capital Adequacy Ratio; CET1= Common Equity Tier-1; LDR= Loans / (Deposits + TL Bonds); CoR= Total Specific + Generic Cost of Risk. CAR and CET1 based on BRSA bank-only financials

ROATE indicates Return on Average Tangible Equity (excl. goodwill of TL 979 mln)

Solid evolution in loans and deposits with profitability focus

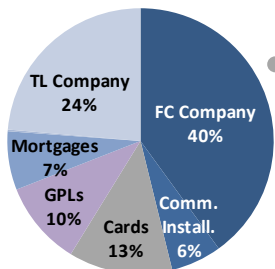
Loans (TL bln)

Ongoing loan growth

with remix towards value generating products
+8% ytd on FX adjusted terms

	YKB	YKB	YKB	Private	Private
	4Q16	4QΔ	ytd	Banks	Sector
Cash + Non-Cash Loans	244.9	9%	17%	14%	18%
Total Loans¹	176.5	9%	16%	13%	17%
TL	105.9	5%	8%	10%	12%
FC (\$)	20.1	0%	7%	-2%	5%
Total Loans (FX adjusted)	-	-	8%	5%	9%
Consumer Loans	31.1	0%	6%	6%	11%
Credit Cards	22.2	2%	12%	6%	7%
Companies ²	123.2	12%	19%	16%	20%
Comm. Install.	10.9	-4%	-13%	9%	10%

Loan Breakdown



FC Company Lending Breakdown

	Share	ytd
Project Finance	64%	13%
LT Investments	29%	5%
ST Loans	7%	-14%

Deposits (TL bln)

Strong deposit growth driven by local currency and
significant improvement in demand deposits
+11% ytd on FX adjusted terms

	YKB	YKB	YKB	Private	Private
	4Q16	4QΔ	ytd	Banks	Sector
Total Deposits	157.1	13%	21%	16%	17%
TL	84.2	12%	25%	19%	18%
FC (\$)	20.7	-2%	-4%	-7%	-5%
Total Deposits (FX adjusted)	-	-	11%	6%	8%
Customer³	148.9	11%	19%	17%	17%
Demand	27.2	19%	34%	23%	28%
TL Bonds	4.0	-7%	-5%	-3%	-1%
Repos	6.3	-34%	-40%	-21%	-12%
Borrowings	57.7	13%	18%	11%	17%

Mainly led by
small ticket
individuals

Notes:

Sector and private banks based on BRSA weekly data as of 30 Dec'16. FC-indexed loans included in TL loans

(1) Loans indicate performing loans

(2) Total loans excluding consumer loans and credit cards and including commercial instalment loans (proxy for SME lending)

(3) Excluding bank deposits

Profitability acceleration driven by core business

Strong core revenue growth coupled with disciplined cost approach leading to significant profitability increase
 Net income +54% y/y to TL 2.9 bln

<i>TL mln</i>	2015	2016	y/y
Total Revenues	10,263	12,023	17%
Core Revenues	9,107	11,108	22%
Operating Costs	5,077	5,315	5%
Operating Income	5,186	6,708	29%
Provisions	2,649	2,955	12%
Net Income	1,909	2,933	54%
ROATE	9.7%	12.8%	317bps
ROA	0.8%	1.1%	27bps

3%
 excluding Customs
 and Trade Fine

Notes:
 Core revenues= Net Interest Income - Swap Costs + Fees
 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

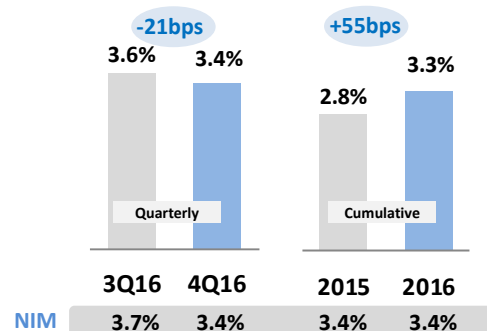
Strong revenue growth driven by +22% in core revenues

Revenue Breakdown (TL)

Core revenues driving strong performance despite lack of account maintenance fees

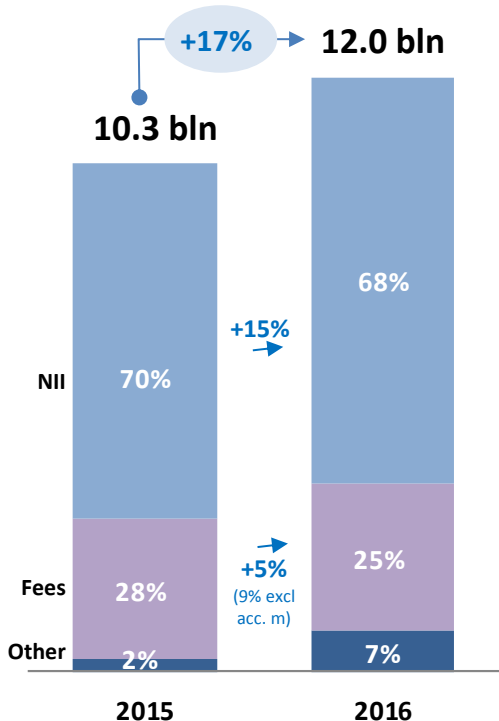
Swap adjusted NIM +55bps y/y; quarterly NIM impacted by lower contribution of CPI-linkers¹

Swap Adjusted NIM (bank-only)



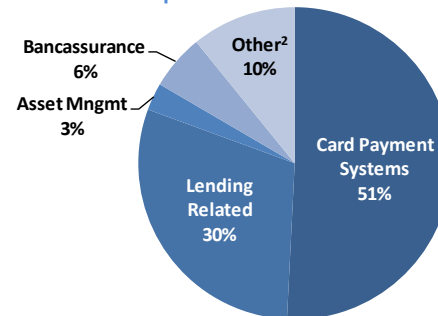
Core revenues

9.1 bln +22% 11.1 bln



Fee growth mainly driven by cards; +9% y/y fee growth excluding account maintenance fee impact

Fees Received Composition



Relatively stable other income y/y; trading line supported by positive trend in swap costs

Other Breakdown

mln TL	3Q16	4Q16	2015	2016
Other Income ³	66	94	678	636
Trading & FX (net)	51	37	-439	187
Swap Costs	-27	39	-912	-85

Notes:
 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 NIM figures: 3Q16: 3.7%; 4Q16: 3.4%; 2015: 3.4%; 2016: 3.4%

(1) CPI-linker gain 212 mln TL in 4Q16 vs 287 mln TL in 3Q16

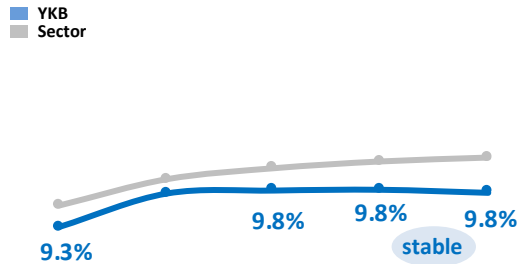
(2) Other includes account maintenance, money transfers, equity trading, campaigns and product bundles etc.

(3) One-offs in other income include Fixed Asset Revaluation of 104 mln TL in 1Q15 and Visa sale gain (gross) of 235 mln TL in 3Q16

Continued improvement in loan-deposit spread driven by effective pricing

Loan Yields (Quarterly)

Loan yields stable for the past 3 quarters thanks to effective pricing capability

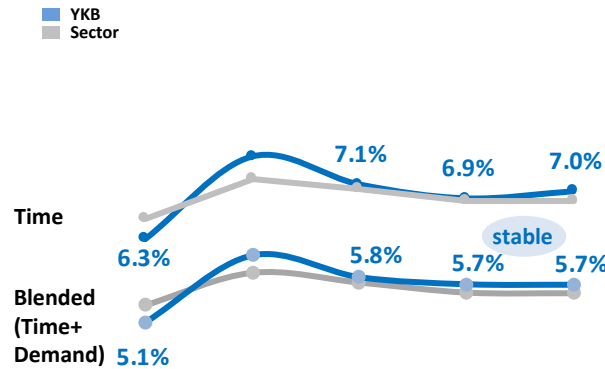


4Q15 1Q16 2Q16 3Q16 4Q16

	4Q15	1Q16	2Q16	3Q16	4Q16
TL	11.9%	12.3%	12.3%	12.3%	12.0%
FC	4.6%	5.0%	5.3%	5.4%	6.1%

Deposit Costs (Quarterly)

Relatively stable deposit costs supported by ongoing positive trend in TL deposit costs

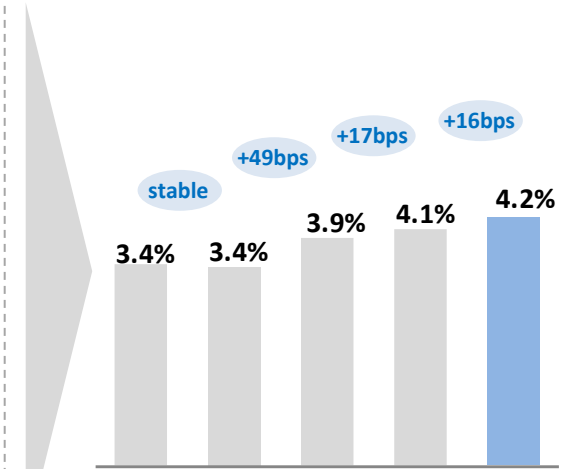


4Q15 1Q16 2Q16 3Q16 4Q16

	4Q15	1Q16	2Q16	3Q16	4Q16
TL	8.7%	10.0%	9.4%	9.0%	8.7%
FC	1.4%	1.6%	1.6%	1.6%	1.9%

Swap Adjusted Loan-Deposit Spread (Quarterly)

Sequential improvement in loan-deposit spread



4Q15 1Q16 2Q16 3Q16 4Q16

	4Q15	1Q16	2Q16	3Q16	4Q16
TL	3.1%	2.3%	2.9%	3.3%	3.3%
FC	3.2%	3.4%	3.6%	3.9%	4.2%

Notes:

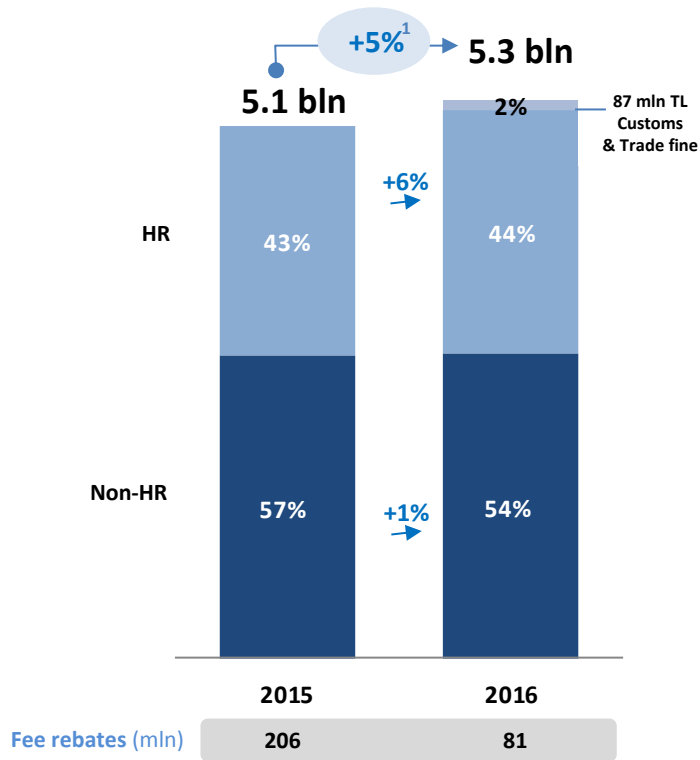
All information based on BRSA bank-only financials; Sector based on BRSA monthly data

Swap Adjusted Loan-Deposit Spread: (Interest Income on Loans - Interest Expense on Deposits - Swap Costs)/Average (Loans+Deposits). Please note TL and FC loan-deposit spread is not adjusted by swap costs

Disciplined cost growth, significantly better than guidance

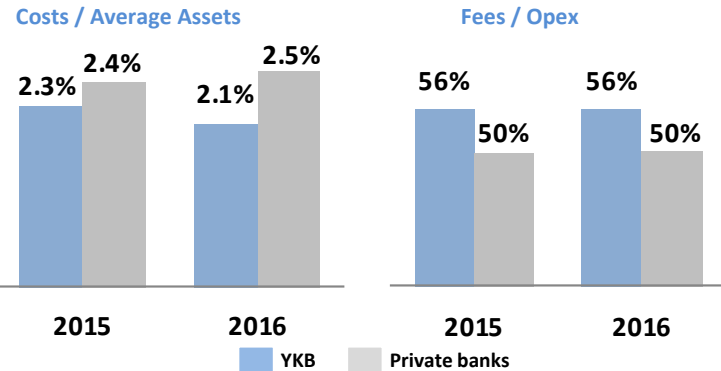
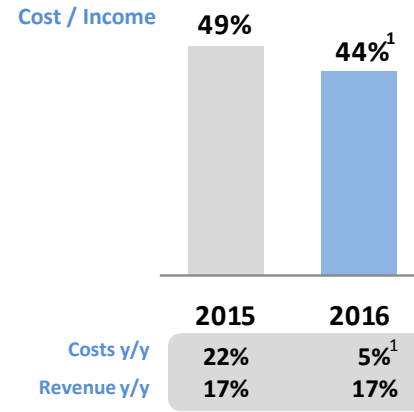
Cost Breakdown (TL)

Cost growth significantly below inflation, supported by disciplined approach



Cost KPIs

Rapid improvement in all cost 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

Private banks data based on BRSA monthly financials as of Dec'16

(1) If adjusted with Customs Fine: 87 m TL booked in 3Q16, cost growth is 3% y/y; Cost/Income is 43%

Rapid pickup of digital allowing effective network optimisation

Holistic network approach with increasing focus on digital

Digital: ~56x lower cost to serve

Significantly higher market share
in digital vs physical network

Transactions

New Sales

88%

of transactions
via non-branch
channels

37%

of GPLs
sold digitally

15.9%

digital customer
market share¹

~9%

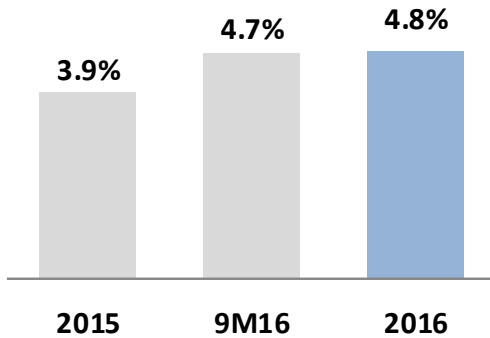
market share
in branches, HC
and ATMs

Notes:
% of GPLs sold digitally includes sales initiated through call center
Non-branch transaction penetration indicates share of ADCs in total comparable financial and non-financial transactions
(1) Digital customer market share as of 9M16

Asset quality dynamics intact despite conservative and proactive stance

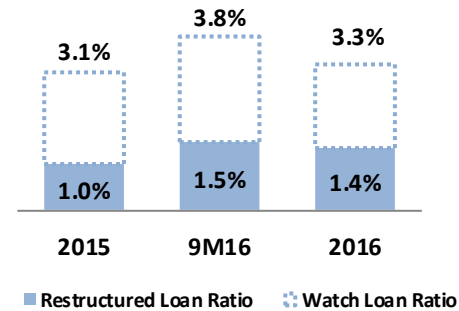
NPL Ratio

Stabilising trend in NPL ratio despite conservative stance in classification



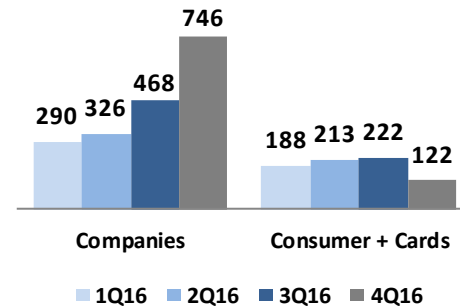
Watch + Restructured Loans

Decline in watch portfolio reflecting conservative classification policy



Net NPL Inflows (TL mIn)

Improving performance in consumer + cards; Companies including two big tickets



Comfortable coverage levels and controlled cost of risk

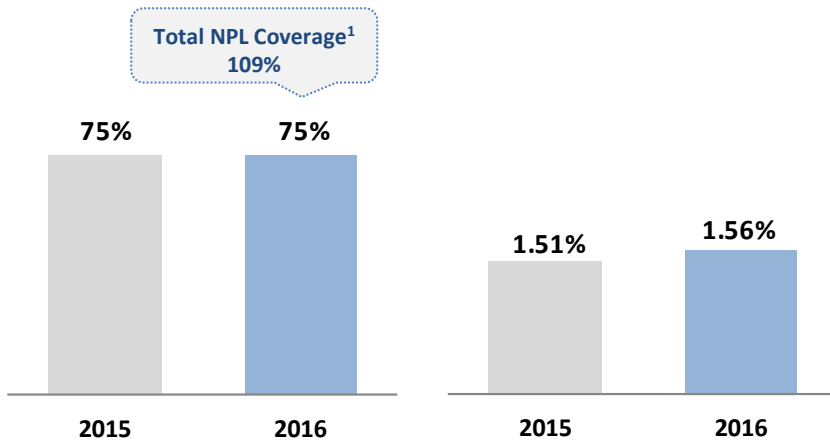
NPL Coverage

Relatively stable specific and generic coverage

Generic provisioning level indicating significant buffer vs regulation

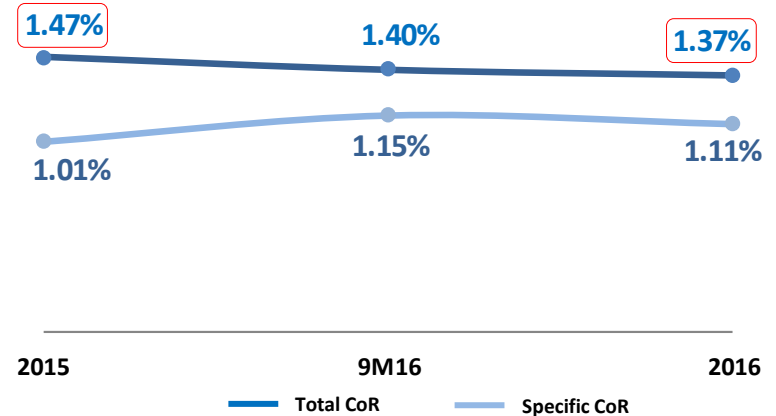
Specific provisions / NPL

Generic provisions /
Performing Loans



Cost of Risk² (Cumulative, net of collections)

Total cost of risk -10 bps y/y despite volatile operating environment



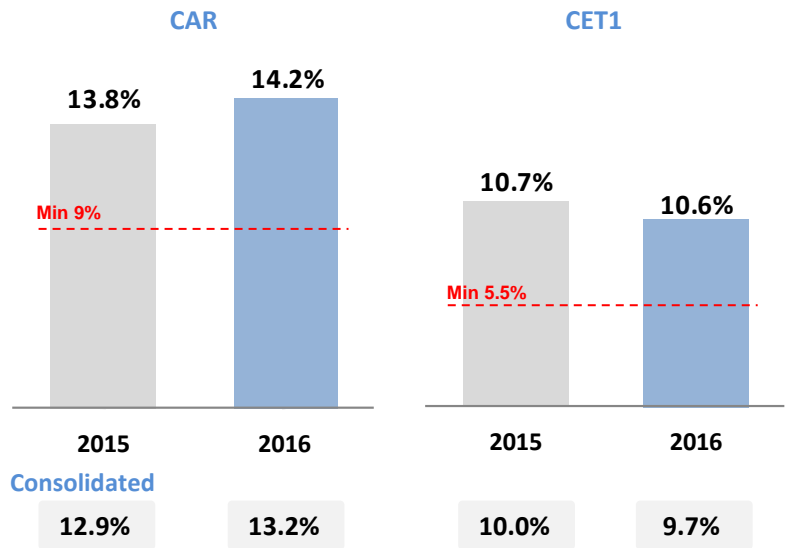
Notes:

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

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

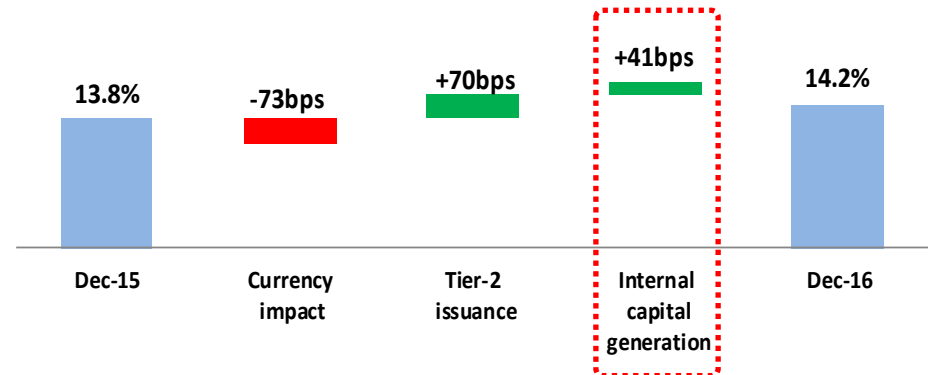
Comfortable capital ratios

Capital Ratios (Bank)



Improvement in capitalisation supported by **profitability acceleration, stable market share approach and optimization efforts** despite challenging operating environment

CAR Evolution



	2015	2016
ROATE	9.7%	12.8%
RWA Growth (ytd)	21%	14%

Notes:

2016 Basel 3 related capitalisation buffers include capital conservation buffer of 0.625%, countercyclical buffer(bank-specific) of 0.007%, SIFI buffer of 0.375% (Group 2)

BRSA minimum requirement is 8% + buffers (first trigger is at 12%)

Bank T1 Ratio at 10.3% as of 2016. 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

(2015:40%, 2016: 60%, 2017: 80%, 2018: 100%) Y/Y decline mainly due to amortisation of goodwill

2016 Wrap-up: Strong execution on strategic path

Net Income from 1.9bln to 2.9bln (54%)

Consistently strong revenue growth
supported by effective customer
acquisition machine

>15% revenue growth for 8 quarters
+730k new active customers

Rapid cost elimination
via digitalisation

3%⁽¹⁾ cost growth (vs 8% inflation)
Cost/Income from 49% to 43% (-12%)

Capital accretive business model
with strong profitability acceleration

ROATE from 9.7% to 12.8% (+32%)
Internal capital generation (+41 bps)

2017 Macro & Banking Sector Outlook: Resilient fundamentals to be maintained despite ongoing volatility

Macro

Comments

	2016	2017
GDP Growth	~3% ¹	~3-3.5%
CPI Inflation	8.5%	8.0%

- **Overall resilient fundamentals to be maintained** with manageable volatility expected
- **Sustained GDP growth trend** with potentially lower 1H evolution due to high base effect and acceleration in 2H
- **Similar inflation dynamics to continue in 2017** with peak likely to occur in 1H

Banking Sector

	2016	2017
Loan Growth <i>FX adjusted</i>	17% 9%	13% 9%
Deposit Growth <i>FX adjusted</i>	17% 8%	14% 9%
NIM	~+30bps	Slightly Down
NPL Ratio ²	~+30bps	+50bps

- **Loan and deposit growth** similar to 2016 in FX adjusted terms leading to stable LDR. Private banks volume growth expected to be slightly lower at 10%/12%
- **NIM** expected to be slightly down in 2017 after an increase in 2016
- **NPL ratio** expected to maintain current trend but remain at low levels (<4%)

(1) 2016 budget assumption
 (2) Excludes NPL sales

2017 YKB Outlook: Improving profitability driven by core banking focus and strict cost discipline, heavily leveraging digitalisation

Outlook

Volumes	Stable market positioning vs private banks with focus on value generating mix	Loans 10-12%	Deposits 10-12%	<ul style="list-style-type: none"> Lending mainly driven by TL company and retail; mild FC lending Strong focus on small-ticket retail deposit generation with increasing share of demand in total
Revenues	Ongoing outperformance supported by sustainable core banking activity	NIM Flattish	Fees ~10%	<ul style="list-style-type: none"> Flattish NIM with effective loan pricing and proactive swap utilization to partially mitigate funding cost pressure Fee growth supported by lending and customer acquisition Strong focus on digital sales
Costs	Strict cost discipline leveraging heavily on digitalisation & efficiency	Costs 2-3pp below CPI	Cost/Income ~42%	<ul style="list-style-type: none"> Significantly below inflation cost growth Key projects to continue offset by discipline on ordinary costs Digitalisation focus to decrease cost to serve and support 'cost elimination'
Asset Quality	Conservative & proactive approach to ensure resilient performance	NPL Ratio Flattish	Specific CoR Stable	<ul style="list-style-type: none"> Flattish NPL ratio with mild increase in NPL inflows almost fully offset by improving collections and proactive approach to NPL sales Stable specific CoR
Fundamentals	Focus on maintaining solid capital and liquidity position	LDR Stable	CAR >13%	<ul style="list-style-type: none"> Stable LDR driven by balanced volume growth No significant redemptions on wholesale borrowings Capital ratios to be maintained at comfortable levels with ongoing focus on RWA optimisation, internal capital generation and potential Tier 2 issuances depending on market conditions

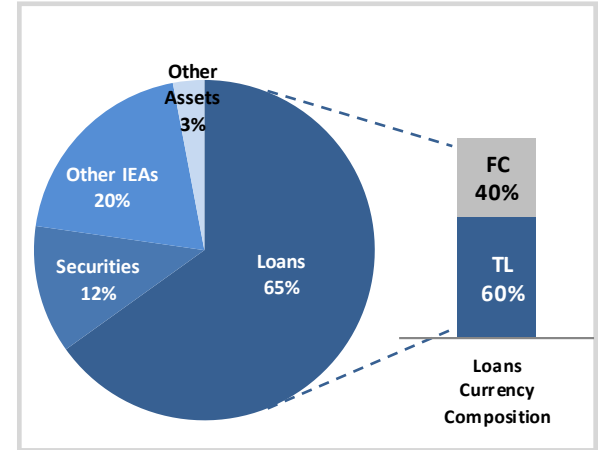
Mid/High-teens earnings growth momentum

 **Annex**

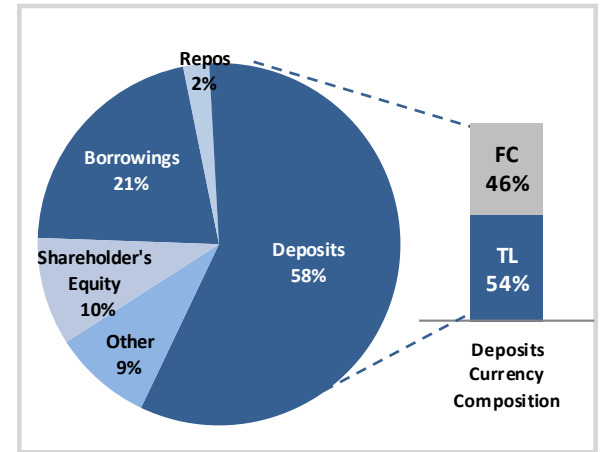
Consolidated Balance Sheet

TL bln	YE14	1Q15	1H15	9M15	YE15	1Q16	1H16	9M16	2016	ytd	y/y
Total Assets	195.0	215.5	223.8	247.8	235.3	237.9	245.8	248.1	271.1	15%	15%
Loans	125.5	135.5	142.8	153.7	152.5	154.6	161.3	161.6	176.5	16%	16%
TL Loans	83.7	89.3	93.8	97.1	97.7	99.0	102.5	101.3	105.9	8%	8%
FC Loans (\$)	18.1	17.7	18.2	18.6	18.8	19.6	20.3	20.1	20.1	7%	7%
Securities	25.4	29.9	30.5	33.4	31.7	30.1	30.4	27.9	33.0	4%	4%
TL Securities	18.3	22.5	22.9	23.8	22.1	20.5	20.9	19.1	22.7	3%	3%
FC Securities (\$)	3.1	2.8	2.8	3.1	3.3	3.4	3.3	2.9	2.9	-11%	-11%
Deposits	107.6	119.7	126.1	136.3	130.0	136.6	137.7	138.6	157.1	21%	21%
TL Deposits	62.9	64.5	62.7	65.4	67.2	70.4	71.3	75.3	84.2	25%	25%
FC Deposits (\$)	19.3	21.2	23.5	23.3	21.6	23.3	22.9	21.1	20.7	-4%	-4%
Borrowings	41.5	46.7	45.8	52.8	48.7	49.7	49.9	51.1	57.7	18%	18%
TL Borrowings	5.4	5.6	5.5	4.9	5.5	5.3	4.8	5.0	5.4	-2%	-2%
FC Borrowings (\$)	15.6	15.7	15.0	15.7	14.9	15.7	15.6	15.4	14.9	0%	0%
Shareholders' Equity	20.2	21.0	22.1	22.0	23.1	23.7	24.3	25.0	26.1	13%	13%
Assets Under Management	12.5	13.0	13.4	13.6	13.8	14.4	14.8	15.4	15.9	16%	16%
Loans/Assets	64%	63%	64%	62%	65%	65%	66%	65%	65%		
Securities/Assets	13%	14%	14%	13%	13%	13%	12%	11%	12%		
Borrowings/Liabilities	21%	22%	20%	21%	21%	21%	20%	21%	21%		
Loans/(Deposits+TL Bonds)	113%	110%	110%	110%	114%	110%	114%	113%	110%		
CAR - solo	15.0%	14.3%	14.0%	12.9%	13.8%	14.5%	14.6%	15.0%	14.2%		
Common Equity Tier-I - solo	11.6%	10.8%	10.9%	9.8%	10.7%	11.1%	11.2%	11.5%	10.6%		
Leverage Ratio	8.6x	9.2x	9.1x	10.3x	9.2x	9.0x	9.1x	8.9x	9.4x		

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	2016	Private			Private			Private			Private			Private			Market Share
		YKB	Banks	Sector	YKB	Banks	Sector	YKB	Banks	Sector	YKB	Banks	Sector	YKB	Banks	Sector	
		4Q15 Δ	4Q15 Δ	4Q15 Δ	1Q16 Δ	1Q16 Δ	1Q16 Δ	2Q16 Δ	2Q16 Δ	2Q16 Δ	3Q16 Δ	3Q16 Δ	3Q16 Δ	4Q16 Δ	4Q16 Δ	4Q16 Δ	
Cash + Non-cash loans	244.9	-3%	-1%	0%	1%	1%	1%	5%	4%	4%	1%	2%	3%	9%	8%	9%	10.9%
Total Loans¹	176.5	-1%	1%	1%	1%	1%	1%	4%	3%	4%	0%	2%	3%	9%	7%	8%	10.2%
TL	105.9	1%	2%	3%	1%	1%	2%	4%	4%	4%	-1%	1%	2%	5%	3%	4%	9.8%
FC (\$)	20.1	1%	2%	2%	4%	3%	3%	3%	0%	1%	-1%	-1%	2%	0%	-5%	-2%	11.0%
Consumer Loans	31.1	2%	0%	1%	1%	0%	1%	3%	2%	2%	0%	1%	2%	3%	3%	5%	9.6%
Mortgages	12.6	-2%	1%	2%	-2%	1%	2%	2%	3%	3%	-2%	0%	3%	4%	3%	6%	8.2%
General Purpose	18.1	5%	0%	0%	3%	0%	0%	3%	1%	1%	1%	1%	1%	1%	3%	4%	10.9%
Credit Cards	22.2	3%	3%	4%	-1%	-1%	-1%	6%	4%	4%	5%	3%	3%	2%	1%	1%	22.1%
Companies²	123.2	-2%	1%	1%	2%	1%	2%	4%	4%	4%	-1%	2%	4%	12%	8%	9%	9.4%
TL	52.6	-1%	4%	4%	3%	2%	2%	3%	5%	5%	-4%	1%	2%	7%	4%	4%	7.9%
FC (\$)	20.1	1%	2%	2%	4%	3%	3%	3%	0%	1%	-1%	-1%	2%	0%	-5%	-2%	11.0%
Comm. Install.	10.9	4%	2%	0%	0%	3%	0%	-3%	1%	2%	-8%	-1%	0%	-4%	7%	7%	5.3%
Total Deposits	157.1	-5%	-2%	-1%	5%	3%	3%	1%	3%	3%	1%	1%	2%	13%	9%	8%	10.6%
TL	84.2	3%	5%	4%	5%	2%	3%	1%	6%	5%	6%	7%	7%	12%	3%	3%	10.3%
FC (\$)	20.7	-7%	-4%	-2%	8%	6%	6%	-2%	-2%	-2%	-8%	-9%	-7%	-2%	-2%	-1%	11.0%
Customer Demand	148.9	-6%	-1%	-1%	5%	3%	3%	2%	3%	3%	1%	2%	2%	11%	8%	8%	10.7%
Demand	27.2	-17%	5%	4%	12%	2%	3%	1%	4%	5%	0%	2%	2%	19%	14%	16%	8.8%
TL Bonds	4.0	9%	-6%	-2%	6%	5%	2%	-14%	-1%	0%	12%	-5%	-2%	-7%	-2%	-2%	14.2%
Repos	6.3	-2%	1%	2%	-31%	-4%	-1%	20%	-7%	-1%	11%	6%	0%	-34%	-16%	-11%	4.1%
Borrowings	57.7	-8%	-4%	-4%	2%	-3%	-1%	0%	2%	2%	2%	0%	2%	13%	13%	14%	

Note: Balance sheet 4Q volumes for sector and private banks based on BRSAs weekly data as of 30 Dec'16. FC-indexed loans included in TL loans
Market share information as of 2016

(1) Total performing loans

(2) Total loans excluding consumer loans and credit cards

Consolidated Income Statement

	Quarterly									Cumulative		
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	q/q	2015	2016	y/y
Total Revenues	2,409	2,565	2,352	2,938	2,898	3,077	3,039	3,010	-1%	10,263	12,023	17%
Net Interest Income	1,518	1,838	1,763	2,059	1,952	1,911	2,217	2,141	-3%	7,178	8,221	15%
o/w CPI-linkers	97	266	70	295	313	137	287	212	-26%	727	949	30%
Fees & Commissions	632	688	703	819	752	778	706	737	4%	2,841	2,973	5%
Other Revenues	260	39	-114	60	194	388	116	131	13%	244	830	240%
Other income	276	169	120	113	142	334	66	94	43%	678	636	-6%
o/w collections	59	41	22	26	44	50	9	32	253%	148	135	-9%
o/w pension fund reversal	0	44	0	37	0	0	0	6	-	81	6	-
o/w NPL sale	0	0	0	0	0	0	0	0	-	0	0	-
o/w others	217	84	98	50	98	284 ¹	58	57	-1%	449	498	11%
Trading	-18	-134	-234	-53	48	52	51	37	-28%	-439	187	143%
o/w swap costs	-160	-245	-318	-189	-62	-34	-27	39	-242%	-912	-85	-91%
Dividend	3	3	0	0	3	3	0	0	-	6	6	4%
Operating Costs	1,184	1,228	1,249	1,416	1,264	1,324	1,352	1,375	2%	5,077	5,315	5%
o/w fee rebates	50	50	63	43	35	22	9	15	71%	206	81	-61%
Operating Income	1,225	1,336	1,103	1,521	1,634	1,753	1,686	1,634	-3%	5,186	6,708	29%
Provisions	571	731	650	697	723	686	658	888	35%	2,649	2,955	12%
Specific Provisions	394	403	416	543	507	465	598	618	3%	1,756	2,188	25%
Generic Provisions	144	235	243	97	120	158	46	171	275%	719	495	-31%
Other Provisions	33	93	-9	57	96	63	14	99	607%	174	272	56%
Pre-tax Income	655	605	453	825	911	1,067	1,028	746	-27%	2,537	3,753	48%
Tax	154	150	135	190	207	219	218	176	-19%	628	820	31%
Net Income	501	455	318	635	704	848	811	570	-30%	1,909	2,933	54%
ROE	10.3%	8.9%	6.1%	12.0%	12.8%	15.0%	13.9%	9.4%		9.4%	12.8%	
Cost/Income	49%	48%	53%	48%	44%	43%	45%	46%		49%	44%	
Tax Rate	24%	25%	30%	23%	23%	21%	21%	24%		25%	22%	

Notes:

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

(1) Net impact of visa sale gain: 210 mln TL in 2Q16

Bank-Only Income Statement

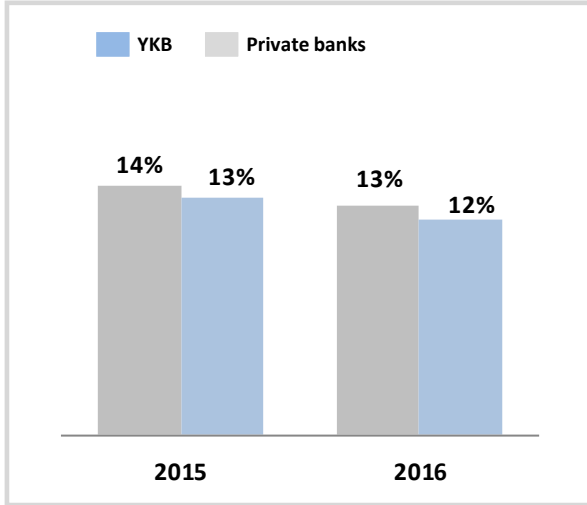
	Quarterly									Cumulative		
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	q/q	2015	2016	y/y
Total Revenues	2,300	2,394	2,231	2,796	2,785	2,970	2,933	2,877	-2%	9,720	11,565	19%
Net Interest Income	1,423	1,778	1,677	1,965	1,821	1,772	2,065	1,976	-4%	6,842	7,635	12%
<i>o/w CPI-linkers</i>	97	266	70	295	313	137	287	212	-26%	727	949	30%
Fees & Commissions	593	651	667	777	716	744	671	695	4%	2,688	2,826	5%
Other Revenues	284	-35	-112	54	248	454	197	206	4%	191	1,105	478%
Other income	351	231	201	192	233	426	167	202	21%	976	1,028	5%
<i>o/w collections</i>	59	41	22	26	44	50	9	32	253%	148	135	-9%
<i>o/w pension fund reversal</i>	0	44	0	37	0	0	0	6	-	81	6	-
<i>o/w NPL sale</i>	0	0	0	0	0	0	0	0	-	0	0	-
<i>o/w profit/(loss) of associates& jv.s accounted for using equity method</i>	90	87	101	90	108	113	128	128	1%	368	476	29%
<i>o/w others</i>	202	59	79	40	81	263 ¹	31	36	17%	379	411	8%
Trading	-69	-267	-314	-139	15	28	30	4	-88%	-788	76	110%
<i>o/w swap costs</i>	-198	-320	-380	-256	-94	-52	-33	35	-	-1,155	-143	-88%
Dividend	2	1	0	0	0	0	0	0	-	3	0	-
Operating Costs	1,116	1,166	1,183	1,345	1,199	1,258	1,310	1,309	0%	4,810	5,077	6%
<i>o/w fee rebates</i>	50	50	63	43	35	22	9	15	71%	206	81	-61%
Operating Income	1,184	1,228	1,048	1,451	1,586	1,712	1,623	1,568	-3%	4,910	6,488	32%
Provisions	550	695	621	655	698	670	626	849	36%	2,521	2,844	13%
Specific Provisions	381	378	398	506	489	452	573	579	1%	1,663	2,094	26%
Generic Provisions	138	225	232	93	115	155	40	174	336%	689	484	-30%
Other Provisions	32	92	-10	56	94	63	13	97	659%	170	266	57%
Pre-tax Income	634	532	427	797	887	1,042	997	719	-28%	2,389	3,645	53%
Tax	133	125	109	162	183	194	186	149	-20%	529	712	35%
Net Income	501	407	318	635	704	848	811	570	-30%	1,861	2,933	58%
ROE	10.3%	8.0%	6.1%	12.0%	12.8%	15.0%	13.9%	9.4%		9.2%	12.8%	
Cost/Income	49%	49%	53%	48%	43%	42%	45%	45%		49%	44%	
Tax Rate	21%	23%	26%	20%	21%	19%	19%	21%		22%	20%	

Notes:

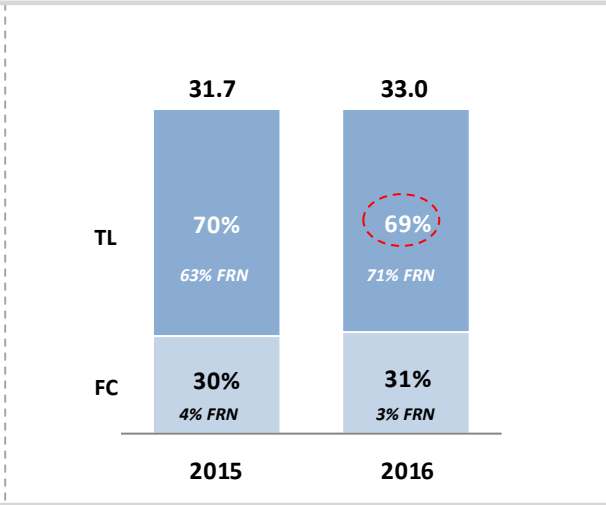
(1) Net impact of visa sale gain: 210 mln TL in 2Q16

Securities

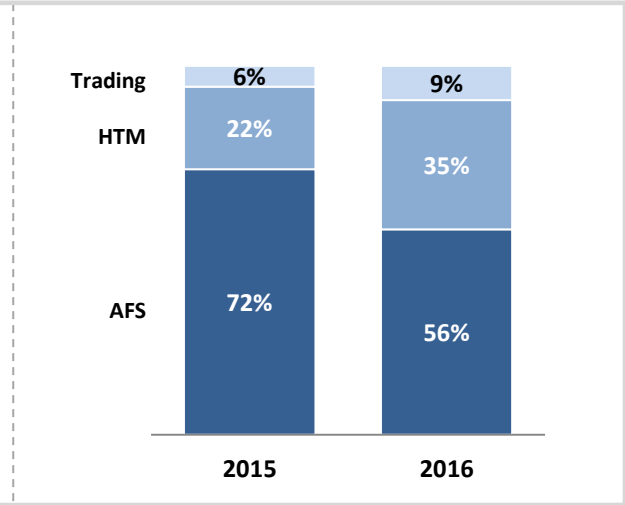
Securities/Assets



Composition by Currency (TL bln)

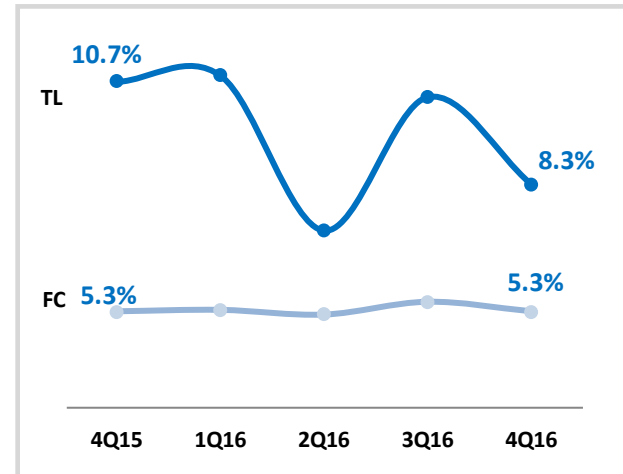


Composition by Type



- **Securities / assets at 12% impacted by redemptions.** CPI-linker volume at 9.5 bln TL (+13% ytd) with gain of TL 212 mln in 4Q16 (vs TL 287 mln in 3Q16)
- **M-t-m unrealised loss at TL 464 mln as of YE16** (vs loss of TL 476 mln as of YE15¹)

Security Yields



Notes: Private banks data based on BRSA monthly data dated Dec'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)

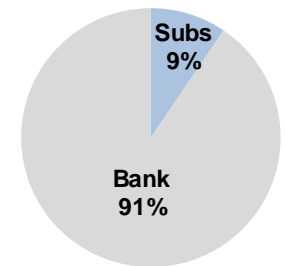
(1) Excluding 191 mln TL Visa sale gain impact

Subsidiaries

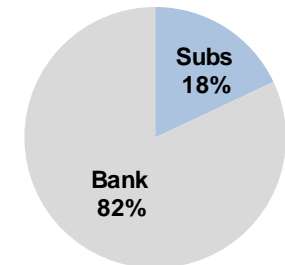
	Revenues (mln TL)	Revenues (y/y growth)	RoE	Sector Positioning	
Domestic Subs	YK Leasing	354	13%	15%	#1 in total transaction volume (19.8% market share)
	YK Factoring	96	18%	21%	#1 in total factoring volume (18.1% market share)
	YK Invest	119	2%	15%	#3 in equity transaction volume (7.3% market share)
	YK Asset Management	63	8%	126%	#2 in mutual funds (17.1% market share)
International Subs	YK Azerbaijan	23 mln US\$	-45%	-5%	US\$ 262 mln total assets
	YK Moscow	9 mln US\$	-23%	7%	US\$ 127 mln total assets
	YK Nederland	39 mln US\$	3%	8%	US\$ 2.1 bln total assets
	YK Malta	2 mln US\$	112%	0%	US\$ 158 mln total assets

Contribution of Subsidiaries¹

to Assets



to Net Income



Note: Revenues in TL unless otherwise stated. Market shares of YK Leasing and YK Factoring as of 9M16

(1) Including consolidation eliminations

Borrowings: 21% of total liabilities

International	Syndications	<p>~ US\$ 2.6 bln outstanding</p> <ul style="list-style-type: none"> ■ May'16: US\$ 381 mln & € 959.1 mln, Libor/Euribor+0.85% and 0.75% p.a. all-in cost for 367 days, respectively. 48 banks from 15 countries ■ Oct'16: US\$ 233.5 mln and € 817.3 mln, Libor+1.10% /Euribor+ 1.00% p.a. all-in cost, 367 days. Participation of 33 banks from 14 countries
	Securitisations	<p>~ US\$ 1.9 bln outstanding (all unwrapped)</p> <ul style="list-style-type: none"> ■ Sep'11: € 75 mln, 12 years (outstanding: ~€ 50.625 mn) ■ Jul'13: US\$ 355 mln and €115 mln, 5-13 years (outstanding: ~US\$ 236 mn and € 57.5 mn) ■ Oct'14: US\$ 550 mln, 20 years (outstanding: ~US\$ 550 mln) ■ Mar'15: US\$ 100 mln, 5 years & US\$ 316 mln, 10 years (outstanding: US\$ 416 mln) ■ Jul'15: US\$ 575 mln, 5-12 years (outstanding: US\$ 575 mln)
	Subordinated Loans	<p>~US\$ 2.6 bln outstanding</p> <ul style="list-style-type: none"> ■ Dec'12: US\$ 1.0 bln market transaction, 10 years, 5.5% (coupon rate) ■ Jan'13: US\$ 585 mln, 10NCS, 5.7% fixed rate – Basel III Compliant ■ Dec'13: US\$ 470 mln, 10NCS, 6.55% – Basel III Compliant (midswap+4.88% after the first 5 years) ■ Mar'16: US\$ 500 mln market transaction, 10NCS, 8.5% (coupon rate)
	Foreign Currency Bonds / Bills	<p>US\$ 2.0 bln Eurobonds</p> <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	<p>TL 458 mln first tranche (outstanding ~ TL 285,9 mn)</p> <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	<p>~US\$ 409.5 mln outstanding</p> <ul style="list-style-type: none"> ■ EFIL Loan - 2008/2011: US\$ 34 mln and € 13 mln (outstanding: ~US\$ 8.5 mln and € 3.3 mln) ■ EIB Loan - 2008/2012: US\$ 102.4 mln and € 300 mln and TL 187 mln, 5-15 years (outstanding: ~US\$ 99.1 mln, € 141.6 mln and TL 54.3 mln) ■ EBRD Loan - 2011/2013: US\$ 55 mln 5 years (outstanding: ~US\$ 29.6 mn) ■ CEB Loan - 2011/2014: US\$ 39 mln and € 100 mln (outstanding: ~US\$ 33.9 mln and € 65.3 mln)
Domestic	Local Currency Bonds / Bills	<p>TL 278 mln total (original public offering amount)</p> <ul style="list-style-type: none"> ■ Aug'16: TL 278 mln, 9.02% compound rate, 179 days maturity