

Yapı Kredi 9M16 Earnings Presentation

Significant profitability acceleration supporting improving fundamentals

2 November 2016



Resilient fundamentals amidst challenging conditions & volatility

Operating Environment

Macro Environment

Macro environment impacted by local events and seasonality but supported by CBRT's accommodative approach

	4Q15	2Q16	3Q16
GDP Growth (y/y)	5.7%	3.1%	-
CPI Inflation (y/y)	8.8%	7.6%	7.3%
CAD/GDP	-4.5%	-4.1%	-4.3%
Budget Deficit/GDP	-1.2%	-1.1%	-0.9%
USD/TL (eop)	2.91	2.90	3.00
CBRT Upper Band	10.75%	9.00%	8.25%
CBRT Average CoF	8.7%	8.2%	7.7%

Banking Sector

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

	4Q15	2Q16	3Q16
Loan Growth	1%	4%	3%
<i>Private</i>	1%	3%	2%
<i>State</i>	2%	5%	5%
Deposit Growth	-1%	3%	2%
NPL Ratio	2.9%	3.1%	3.3%
CAR	15.0%	15.3%	15.5%
ROATE	11.5%	14.9%	14.7%

Notes:

CAD indicates Current Account Deficit

Banking sector volumes based on BRSA weekly data. CAR and ROATE (Return on Average Tangible Equity) based on monthly data

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

Profitability acceleration driven by core business

Maintained scale
with continuing remix

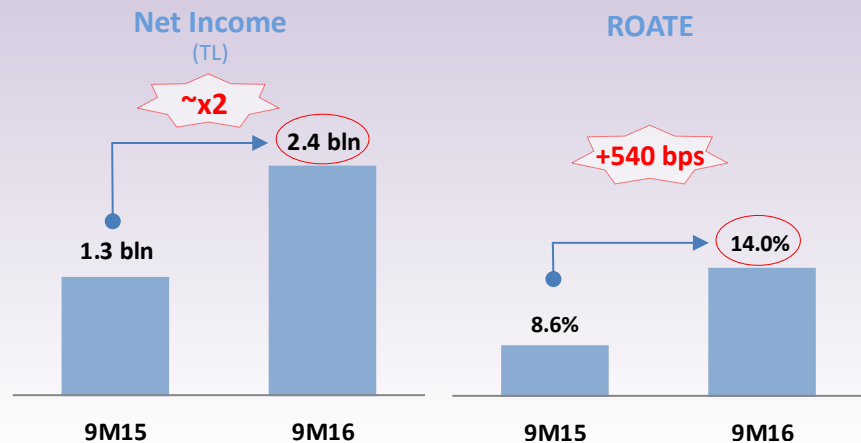
Strong revenue generation
via ongoing customer acquisition

Disciplined cost control
heavily leveraging digitalisation

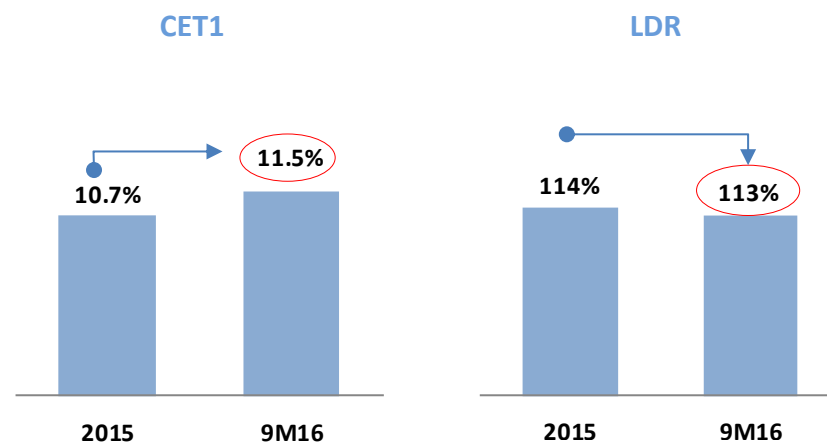
Controlled asset quality

9M16: Continued acceleration in profitability with solid fundamentals

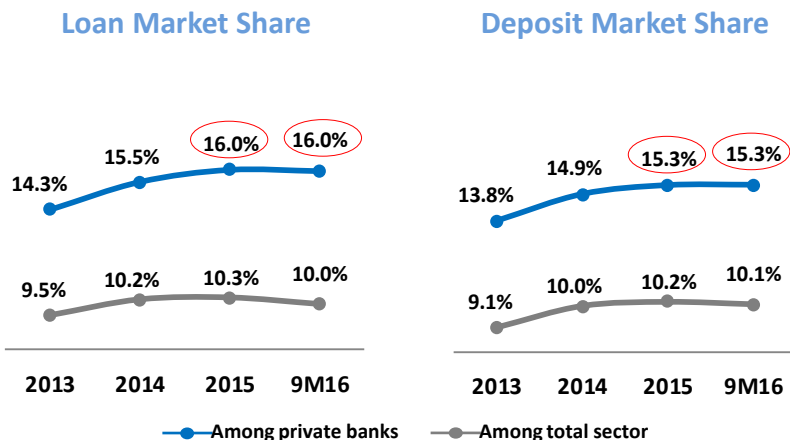
Significant Profitability Acceleration



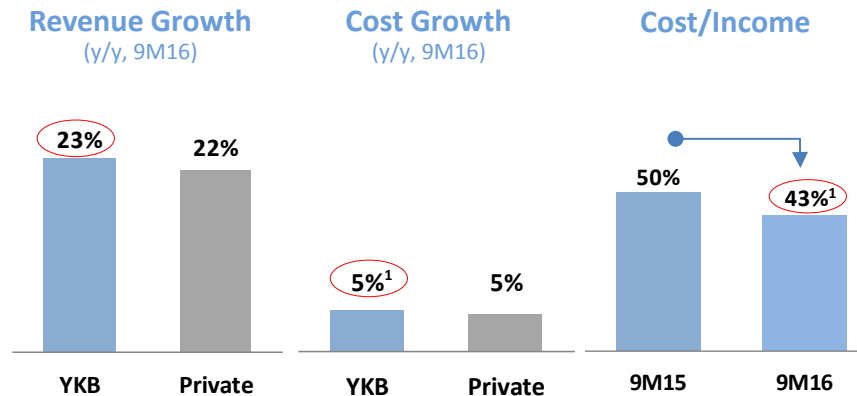
Improved Fundamentals



Maintained Scale



Strong Operational Performance



Notes:
 Market shares based on BRSA weekly data; Private banks figures for P&L items based on BRSA monthly data as of Sep'16
 CET1= Common Equity Tier-1; LDR= Loans / (Deposits + TL Bonds). CET1 and LDR based on BRSA unconsolidated financials
 ROATE indicates Return on Average Tangible Equity (excl. goodwill of TL 979 mln)
 (1) Adjusted for Customs&Trade fine of 87 mln TL recorded in 3Q16. Reported cost growth: 8% y/y. Reported Cost/Income: 44%

Ongoing selective volume growth with profitability focus

Volumes

Loans (TL bln)

Loan growth aligned with private banks ytd with ongoing remix towards value generating products; Conservative approach on SME

	YKB 3Q16	YKB 3Q16	YKB ytd	Private Banks ytd	Sector ytd
Cash + Non-Cash Loans	224.8	1%	7%	6%	9%
Total Loans ¹	161.6	0%	6%	6%	9%
TL	101.3	-1%	4%	6%	8%
FC (\$)	20.1	-1%	7%	3%	7%
Consumer Loans	30.3	0%	3%	3%	5%
Credit Cards	21.8	5%	9%	5%	6%
Companies ²	109.5	-1%	6%	7%	10%
Comm. Install.	11.3	-8%	-10%	3%	2%

FC Company Lending Breakdown

	Share	q/q	ytd
Project Finance	65%	4%	13%
LT Investments	29%	-8%	4%
ST Loans	6%	-13%	-19%

Leadership position in cards maintained based on outstanding volume and Nilson report⁴

Deposits (TL bln)

Rebalancing towards more cost efficient small ticket TL deposits and repo funding

	YKB 3Q16	YKB 3Q16	YKB ytd	Private Banks ytd	Sector ytd
Total Deposits	138.6	1%	7%	7%	8%
TL	75.3	6%	12%	16%	15%
FC (\$)	21.1	-8%	-2%	-5%	-4%
Customer ³	134.7	1%	8%	8%	8%
Demand	22.8	0%	12%	8%	10%
TL Bonds	4.3	12%	2%	0%	1%
Repos	9.6	11%	-8%	-6%	-2%
Borrowings	51.1	2%	5%	-3%	2%

Retail +29%
Companies +2%

Notes:
Balance sheet volumes for sector and private banks based on BRSA weekly data as of 30 Sep'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

(4) Nilson Report as of YE15 (#1 in Turkey and Europe (excl. UK); #7 in Europe

Profitability acceleration driven by core business

Income Statement Summary

Strong core revenue growth coupled with disciplined cost approach allowing significant profitability increase. Net income +86% y/y to TL 2.4 bln

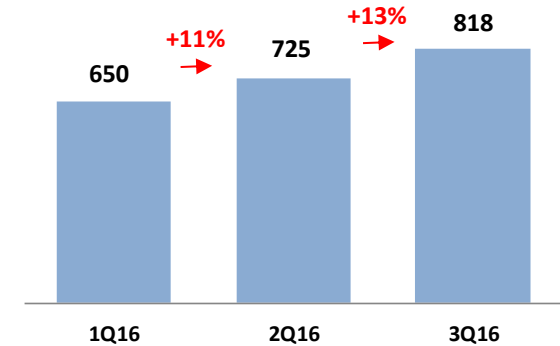
TL mln	Quarterly			Cumulative		
	3Q16	q/q	y/y	9M15	9M16	y/y
Total Revenues	3,039	-1%	29%	7,326	9,014	23%
Core Revenues	2,895	9%	35%	6,418	8,191	28%
Operating Costs	1,352	2%	8%	3,661	3,940	8%
Operating Income	1,686	-4%	53%	3,665	5,074	38%
Provisions	658	-4%	1%	1,953	2,067	6%
Net Income	811	-4%	155%	1,274	2,363	86%
ROATE	13.9%	+27% excl. Visa gain		8.6%	14.0%	
ROA	1.3%			0.7%	1.3%	

5% excl. Customs & Trade fine

50 mln TL free provisions in 3Q, no generic provision release

Quarterly Recurring Net Income (TL mln)

Consistent quarterly improvement in recurring net income



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. Annualised

Please refer to page 20 for calculation of recurring net income. Adjustments include Visa share sale gain, free provisions and CPI-linker quarterly variation due to accounting methodology

Strong revenue growth driven by 28% core revenue growth

Revenue Breakdown (TL)

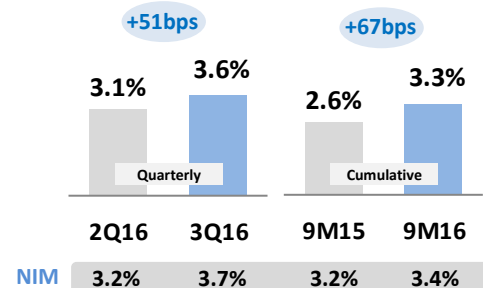
Core revenues driving strong performance

Core revenues

6.4 bln **+28%** 8.2 bln

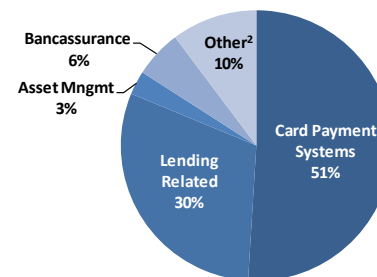
Strong improvement in swap adjusted NIM supported by both loan-deposit spread expansion and CPI-linkers¹

Swap Adjusted NIM (bank-only)



Double digit fee growth continuing mainly driven by cards; **14% y/y fee growth** excluding account maintenance fee impact

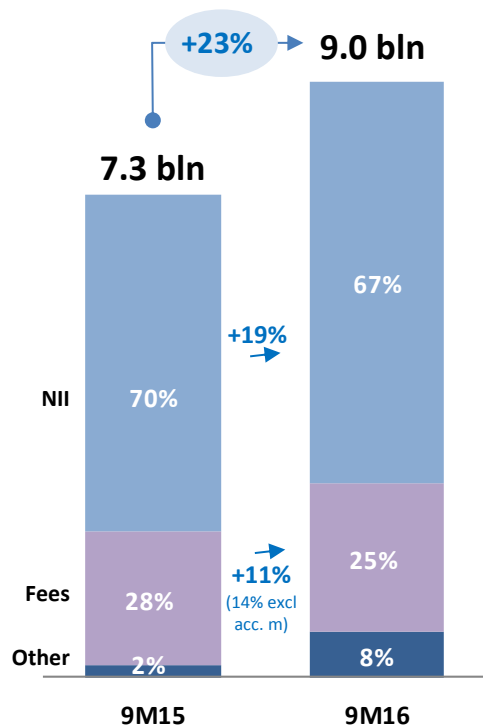
Fees Received Composition



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

Other Breakdown

<i>mIn TL</i>	2Q16	3Q16	9M15	9M16
Other Income	334	66	565	542
Trading & FX (net)	52	51	-386	151
Swap Costs	-34	-27	-723	-124



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 quarterly NIM figures: 2Q16: 3.3%, 3Q16: 3.7%; 9M15: 3.3%; 9M16: 3.5%

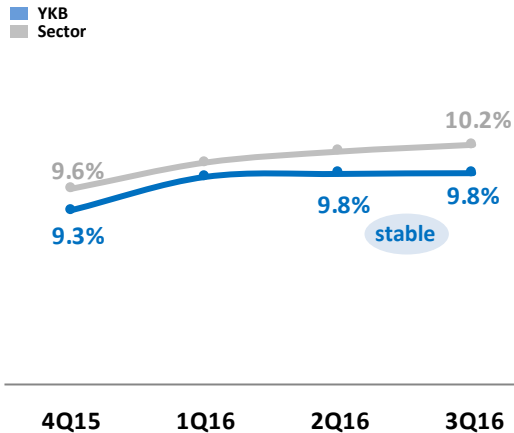
(1) CPI-linker gain 287 mln TL in 3Q16 vs 137 mln TL in 2Q16

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

Continued improvement in loan-deposit spread driven by effective pricing

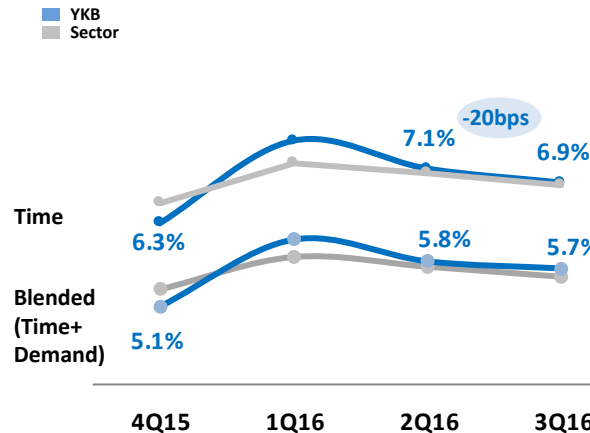
Loan Yields (Quarterly)

Loan yields stable for the past 2 quarters thanks to effective pricing capability



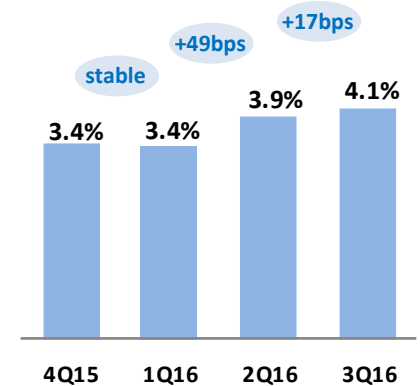
Deposit Costs (Quarterly)

TL deposit costs coming down supported by declining rate environment and remix towards small ticket retail deposits



Swap Adjusted Loan-Deposit Spread (Quarterly)

Sequential improvement in loan-deposit spread



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

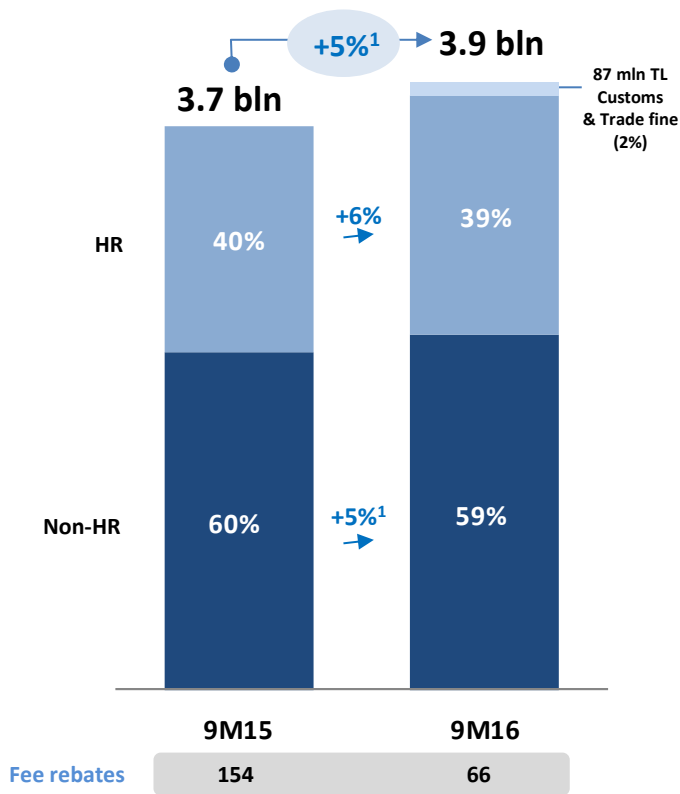
	4Q15	1Q16	2Q16	3Q16
TL	8.7%	10.0%	9.4%	9.0% -40 bps
FC	1.4%	1.6%	1.6%	1.6%

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)

Disciplined cost growth, better than both guidance and inflation

Cost Breakdown (TL)

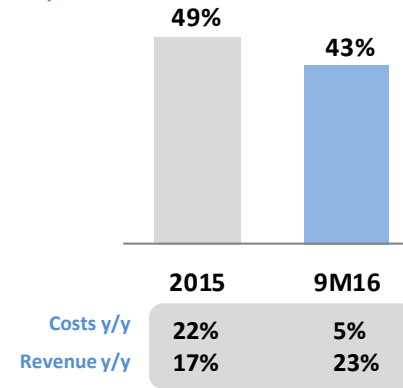
Cost growth supported by disciplined approach and decelerating fee rebates



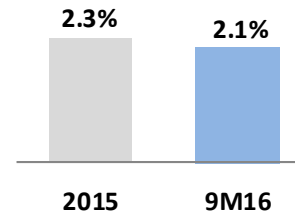
Cost KPIs¹

Rapid improvement in all cost KPIs

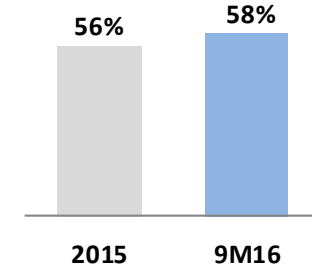
Cost / Income



Costs / Average Assets



Fees / Opex



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

(1) Cost growth + KPIs adjusted for Customs&Trade fine of 87 mln TL in 3Q16. Stated cost growth 8% y/y; Cost/Income at 44%

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

88%
of transactions
via non-branch
channels

36%
of GPLs
sold digitally

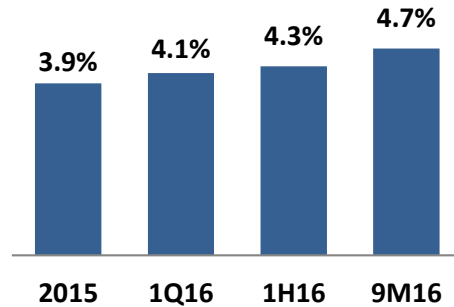
15%
digital customer
market share¹

~9%
market share
in branches, HC
and ATMs

Asset quality picture impacted by stable volumes; NPL volume growth aligned with sectoral trends

NPL Ratio

NPL ratio increasing due to a combination of operating environment and stable loan volume. NPL volume growth aligned with private banks

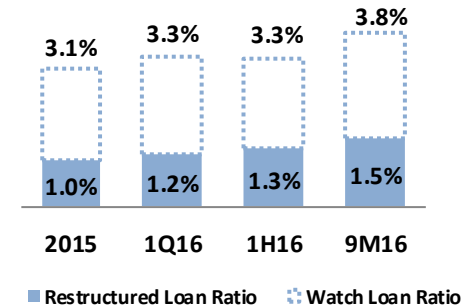


q/q	YKB	Private Banks
Loan growth	0%	2%
NPL growth	10%	10%
NPL ratio Δ	+40 bps	+27 bps

+30 bps
@ 2% loan growth

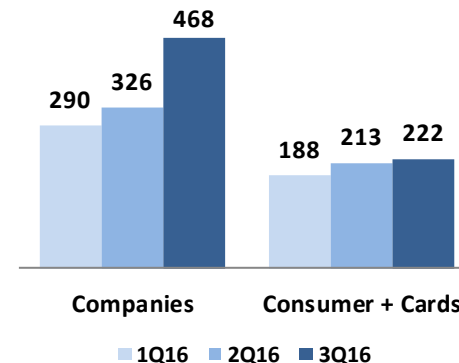
Watch + Restructured Loans

Proactive approach leading to increase, mainly driven by companies



Net NPL Inflows (TL mln)

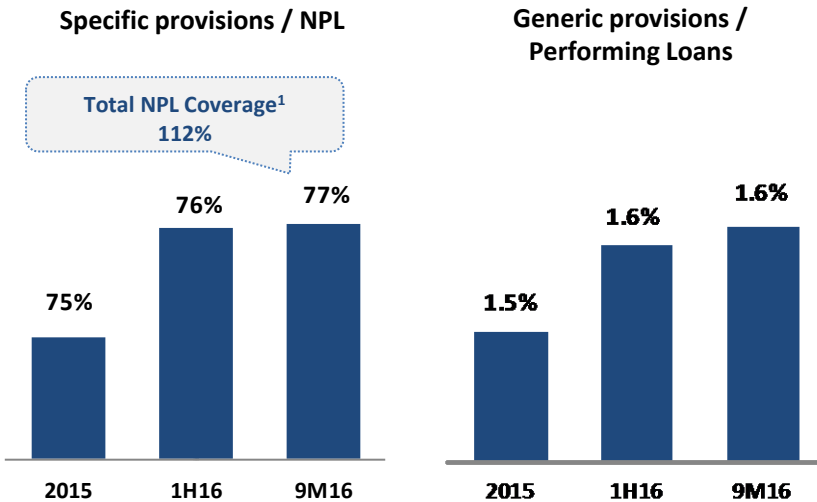
Resilient performance in consumer + cards



Comfortable coverage levels and controlled cost of risk

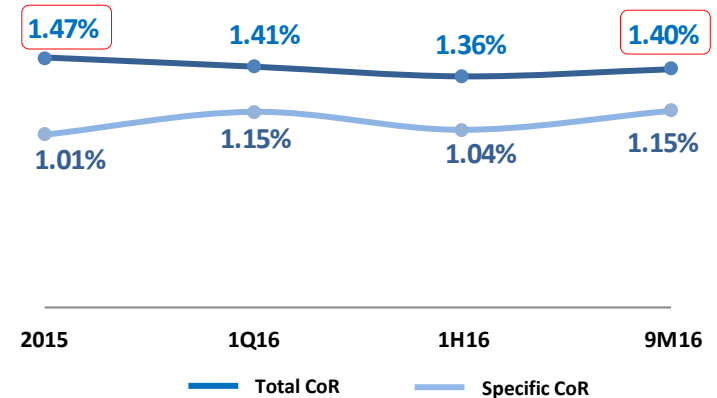
NPL Coverage

Specific and generic coverage increasing since 2015. Generic provisioning level indicating significant buffer vs regulation



Cost of Risk² (Cumulative, net of collections)

Total cost of risk up slightly q/q due to macroeconomic backdrop but still down -7 bps ytd



Notes:

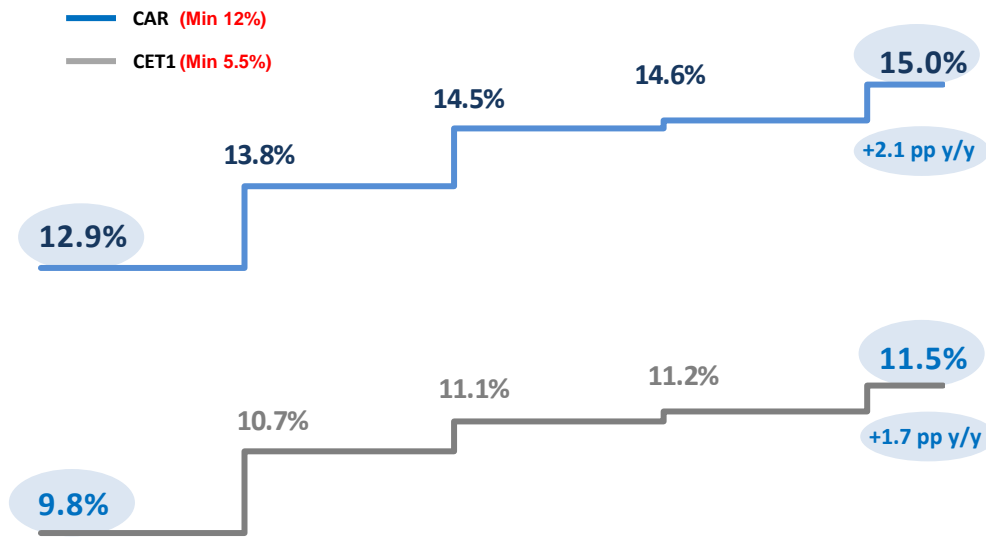
(1) Total NPL coverage = (Specific + Generic Provisions)/NPLs

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

Continued improvement in capital ratios

Capital Ratios (Bank)

Strong improvement in capitalisation supported by profitability acceleration and stable market share approach



	9M15	9M16
ROATE	8.6%	14.0%
RWA Growth (ytd)	27%	4%

	9M15	2015	1Q16	1H16	9M16
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Consolidated

CAR	12.1%	12.9%	13.5%	13.6%	13.9%
CET1	9.2%	10.0%	10.2%	10.3%	10.6%

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)
 Bank T1 Ratio at 11.2% as of 9M16. 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
 (2016: 60%, 2017: 80%, 2018: 100%)

Overall 2016 performance above expectations with a slightly different mix, reflecting more subdued macro environment

Guidance

Macro

	Old	New
GDP Growth (y/y)	~3.5%	~3%
CPI Inflation (y/y)	7/8%	~8%
USD/TL (eop)	3.10	3.10

Banking Sector

	Old	New
Loan Growth	13%	11%
Deposit Growth	11%	11%
NIM	Flat	Flat
NPL Ratio	+40bps	+50/60bps

YKB 2016 Guidance

Trend

Volumes	In line with sector	Aligned with private banks with some pickup expected in 4Q
Revenues	NIM flattish Fee growth low-teens	Confirmed with regulatory pressure on fee growth offset by better other income
Costs	In-line with inflation	Confirmed
Asset Quality	NPL Ratio +30/40 bps CoR -20 bps	CoR slightly above expectations yet still below 2015 level; aligned with sectoral trends
Fundamentals	LDR flattish CAR ~14%	Better trend via stronger profitability and contained loan growth

Notes:

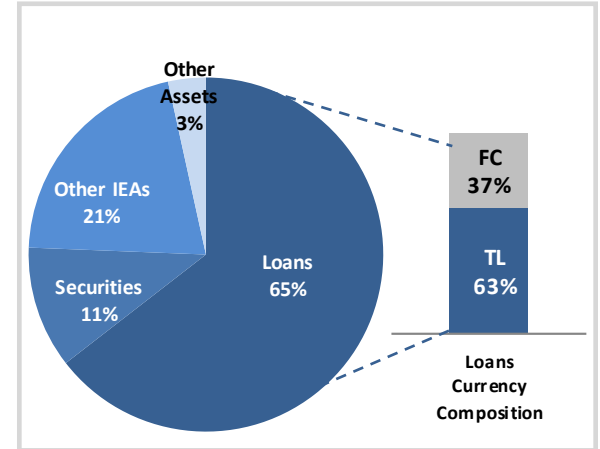
Cost of Risk = (Total Loan Loss Provisions- Collections)/Total Gross Loans

 **Annex**

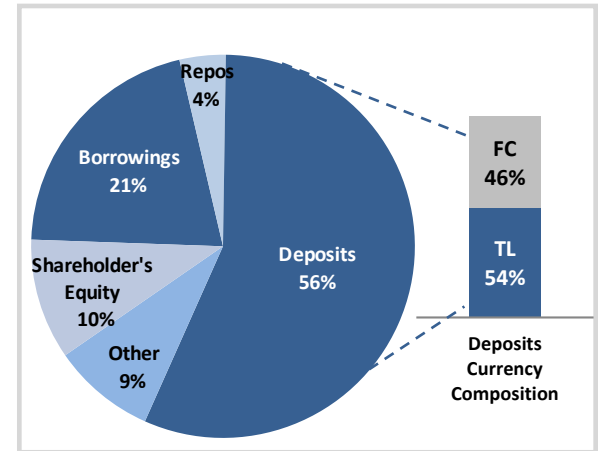
Consolidated Balance Sheet

TL bln	YE14	1Q15	1H15	9M15	YE15	1Q16	1H16	9M16	ytd	y/y
Total Assets	195.0	215.5	223.8	247.8	235.3	237.9	245.8	248.1	5%	0%
Loans	125.5	135.5	142.8	153.7	152.5	154.6	161.3	161.6	6%	5%
TL Loans	83.7	89.3	93.8	97.1	97.7	99.0	102.5	101.3	4%	4%
FC Loans (\$)	18.1	17.7	18.2	18.6	18.8	19.6	20.3	20.1	7%	8%
Securities	25.4	29.9	30.5	33.4	31.7	30.1	30.4	27.9	-12%	-16%
TL Securities	18.3	22.5	22.9	23.8	22.1	20.5	20.9	19.1	-14%	-20%
FC Securities (\$)	3.1	2.8	2.8	3.1	3.3	3.4	3.3	2.9	-11%	-6%
Deposits	107.6	119.7	126.1	136.3	130.0	136.6	137.7	138.6	7%	2%
TL Deposits	62.9	64.5	62.7	65.4	67.2	70.4	71.3	75.3	12%	15%
FC Deposits (\$)	19.3	21.2	23.5	23.3	21.6	23.3	22.9	21.1	-2%	-9%
Borrowings	41.5	46.7	45.8	52.8	48.7	49.7	49.9	51.1	5%	-3%
TL Borrowings	5.4	5.6	5.5	4.9	5.5	5.3	4.8	5.0	-8%	4%
FC Borrowings (\$)	15.6	15.7	15.0	15.7	14.9	15.7	15.6	15.4	3%	-2%
Shareholders' Equity	20.2	21.0	22.1	22.0	23.1	23.7	24.3	25.0	8%	14%
Assets Under Management	12.5	13.0	13.4	13.6	13.8	14.4	14.8	15.4	12%	13%
Loans/Assets	64%	63%	64%	62%	65%	65%	66%	65%		
Securities/Assets	13%	14%	14%	13%	13%	13%	12%	11%		
Borrowings/Liabilities	21%	22%	20%	21%	21%	21%	20%	21%		
Loans/(Deposits+TL Bonds) (solo)	112%	108%	110%	109%	114%	109%	114%	113%		
CAR - solo	15.0%	14.3%	14.0%	12.9%	13.8%	14.5%	14.6%	15.0%		
Common Equity Tier-I - solo	11.6%	10.8%	10.9%	9.8%	10.7%	11.1%	11.2%	11.5%		
Leverage Ratio	8.6x	9.2x	9.1x	10.3x	9.2x	9.0x	9.1x	8.9x		

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	9M16	Private			Private			Private			Private			Private			Market Share
		YKB	Banks	Sector	YKB	Banks	Sector	YKB	Banks	Sector	YKB	Banks	Sector	YKB	Banks	Sector	
		3Q15 Δ	3Q15 Δ	3Q15 Δ	4Q15 Δ	4Q15 Δ	4Q15 Δ	1Q16 Δ	1Q16 Δ	1Q16 Δ	2Q16 Δ	2Q16 Δ	2Q16 Δ	3Q16 Δ	3Q16 Δ	3Q16 Δ	
Cash + Non-cash loans	224.8	9%	6%	7%	-3%	-1%	0%	1%	1%	1%	5%	4%	4%	1%	2%	3%	10.9%
Total Loans¹	161.6	8%	5%	6%	-1%	1%	1%	1%	1%	1%	4%	3%	4%	0%	2%	3%	10.0%
TL	101.3	4%	1%	2%	1%	2%	3%	1%	1%	2%	4%	4%	4%	-1%	1%	2%	9.7%
FC (\$)	20.1	2%	-1%	1%	1%	2%	2%	4%	3%	3%	3%	0%	1%	-1%	-1%	2%	10.8%
Consumer Loans	30.3	6%	1%	1%	2%	0%	1%	1%	0%	1%	3%	2%	2%	0%	1%	2%	9.8%
Mortgages	12.1	3%	3%	3%	-2%	1%	2%	-2%	1%	2%	2%	3%	3%	-2%	0%	3%	8.4%
General Purpose	17.9	9%	0%	0%	5%	0%	0%	3%	0%	0%	3%	1%	1%	1%	1%	1%	11.2%
Credit Cards	21.8	4%	4%	4%	3%	3%	4%	-1%	-1%	-1%	6%	4%	4%	5%	3%	3%	21.9%
Companies²	109.5	9%	6%	8%	-2%	1%	1%	2%	1%	2%	4%	4%	4%	-1%	2%	4%	9.1%
TL	49.2	2%	1%	2%	-1%	4%	4%	3%	2%	2%	3%	5%	5%	-4%	1%	2%	7.6%
FC (\$)	20.1	2%	-1%	1%	1%	2%	2%	4%	3%	3%	3%	0%	1%	-1%	-1%	2%	10.8%
Comm. Install.	11.3	1%	3%	4%	4%	2%	0%	0%	3%	0%	-3%	1%	2%	-8%	-1%	0%	5.9%
Total Deposits	138.6	8%	6%	6%	-5%	-2%	-1%	5%	3%	3%	1%	3%	3%	1%	1%	2%	10.1%
TL	75.3	4%	2%	3%	3%	5%	4%	5%	2%	3%	1%	6%	5%	6%	7%	7%	9.7%
FC (\$)	21.1	-1%	-3%	-2%	-7%	-4%	-2%	8%	6%	6%	-2%	-2%	-2%	-8%	-9%	-7%	10.7%
Customer Demand	134.7	8%	6%	6%	-6%	-1%	-1%	5%	3%	3%	2%	3%	3%	1%	2%	2%	10.5%
Demand	22.8	12%	1%	1%	-17%	5%	4%	12%	2%	3%	1%	4%	5%	0%	2%	2%	8.6%
TL Bonds	4.3	5%	1%	2%	9%	-6%	-2%	6%	5%	2%	-14%	-3%	0%	12%	-5%	-2%	15.3%
Repos	9.6	58%	12%	9%	-2%	1%	2%	-31%	-4%	-1%	20%	-7%	-1%	11%	6%	0%	6.3%
Borrowings	51.1	15%	9%	10%	-8%	-4%	-4%	2%	-3%	-1%	0%	3%	2%	2%	0%	2%	

Note: Balance sheet 3Q volumes for sector and private banks based on BRSB weekly data as of 30 Sep'16. FC-indexed loans included in TL loans
Market share information as of 9M16

(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	q/q	9M15	9M16	y/y
Total Revenues	2,409	2,565	2,352	2,938	2,898	3,077	3,039	-1%	7,326	9,014	23%
Net Interest Income	1,518	1,838	1,763	2,059	1,952	1,911	2,217	16%	5,119	6,079	19%
<i>o/w CPI-linkers</i>	97	266	70	295	313	137	287	109%	432	737	70%
Fees & Commissions	632	688	703	819	752	778	706	-9%	2,022	2,236	11%
Other Revenues	260	39	-114	60	194	388	116	-70%	184	699	279%
Other income	276	169	120	113	142	334	66	-80%	565	542	-4%
<i>o/w collections</i>	59	41	22	26	44	50	9	-82%	122	103	-15%
<i>o/w pension fund reversal</i>	0	44	0	37	0	0	0	-	44	0	-
<i>o/w NPL sale</i>	0	0	0	0	0	0	0	-	0	0	-
<i>o/w others</i>	217	84	98	50	98	284	58	-80%	399	441	10%
Trading	-18	-134	-234	-53	48	52	51	-3%	-386	151	-139%
<i>o/w swap costs</i>	-160	-245	-318	-189	-62	-34	-27	-21%	-723	-124	-83%
Dividend	3	3	0	0	3	3	0	-	6	6	-
Operating Costs	1,184	1,228	1,249	1,416	1,264	1,324	1,352	2%	3,661	3,940	8%
<i>o/w fee rebates</i>	50	50	63	43	35	22	9	-57%	163	66	-59%
Operating Income	1,225	1,336	1,103	1,521	1,634	1,753	1,686	-4%	3,665	5,074	38%
Provisions	571	731	650	697	723	686	658	-4%	1,953	2,067	6%
Specific Provisions	394	403	416	543	507	465	598	29%	1,213	1,570	29%
Generic Provisions	144	235	243	97	120	158	46	-71%	622	323	-48%
Other Provisions	33	93	-9	57	96	63	14	-78%	117	173	48%
Pre-tax Income	655	605	453	825	911	1,067	1,028	-4%	1,712	3,007	76%
Tax	154	150	135	190	207	219	218	-1%	439	644	47%
Net Income	501	455	318	635	704	848	811	-4%	1,274	2,363	86%
ROE	10.3%	8.9%	6.1%	12.0%	12.8%	15.0%	13.9%		8.5%	14.0%	
Cost/Income	49%	48%	53%	48%	44%	43%	45%		50%	44%	
CoR	1.36%	1.61%	1.60%	1.55%	1.41%	1.36%	1.50%		1.47%	1.40%	
Tax Rate	24%	25%	30%	23%	23%	21%	21%		26%	21%	

Notes:

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

Bank-Only Income Statement

	Quarterly								Cumulative		
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	q/q	9M15	9M16	y/y
Total Revenues	2,300	2,394	2,231	2,796	2,785	2,970	2,933	-1%	6,924	8,688	25%
Net Interest Income	1,423	1,778	1,677	1,965	1,821	1,772	2,065	17%	4,877	5,659	16%
<i>o/w CPI-linkers</i>	97	266	70	295	313	137	287	109%	432	737	70%
Fees & Commissions	593	651	667	777	716	744	671	-10%	1,911	2,130	11%
Other Revenues	284	-35	-112	54	248	454	197	-57%	137	899	555%
Other income	351	231	201	192	233	426	167	-61%	784	826	5%
<i>o/w collections</i>	59	41	22	26	44	50	9	-82%	122	103	-15%
<i>o/w pension fund reversal</i>	0	44	0	37	0	0	0	-	44	0	-
<i>o/w NPL sale</i>	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	13%	278	348	25%
<i>o/w others</i>	202	59	79	40	81	263	31	-88%	340	375	10%
Trading	-69	-267	-314	-139	15	28	30	9%	-649	73	-
<i>o/w swap costs</i>	-198	-320	-380	-256	-94	-52	-33	38%	-898	-179	-80%
Dividend	2	1	0	0	0	0	0	-	3	0	-
Operating Costs	1,116	1,166	1,183	1,345	1,199	1,258	1,310	4%	3,466	3,768	9%
<i>o/w fee rebates</i>	50	50	63	43	35	22	9	-57%	163	57	-65%
Operating Income	1,184	1,228	1,048	1,451	1,586	1,712	1,623	-5%	3,459	4,920	42%
Provisions	550	695	621	655	698	670	626	-7%	1,867	1,994	7%
Specific Provisions	381	378	398	506	489	452	573	27%	1,157	1,514	31%
Generic Provisions	138	225	232	93	115	155	40	-74%	595	310	-48%
Other Provisions	32	92	-10	56	94	63	13	-80%	114	170	49%
Pre-tax Income	634	532	427	797	887	1,042	997	-4%	1,593	2,926	84%
Tax	133	125	109	162	183	194	186	-4%	367	563	53%
Net Income	501	407	318	635	704	848	811	-4%	1,226	2,363	93%
ROE	10.3%	8.0%	6.1%	12.0%	12.8%	15.0%	13.9%		8.2%	14.0%	
Cost/Income	49%	49%	53%	48%	43%	42%	45%		50%	43%	
CoR	1.36%	1.57%	1.58%	1.49%	1.40%	1.37%	1.48%		1.41%	1.39%	
Tax Rate	21%	23%	26%	20%	21%	19%	19%		23%	19%	

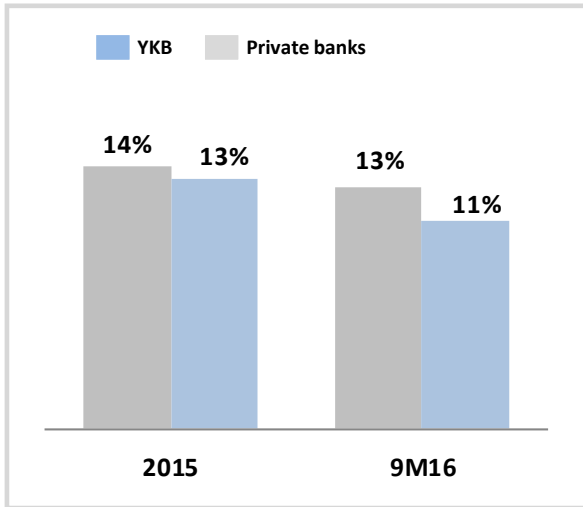
Net Income excl. non-recurring items

	1Q16	2Q16	3Q16	q/q
Net Income	704	848	811	-4%
Visa Income	0	-210	0	
CPI linker income adjustment	-54	87	-33	
Free provisions	0	0	40	
Recurring Net Income	650	725	818	13%

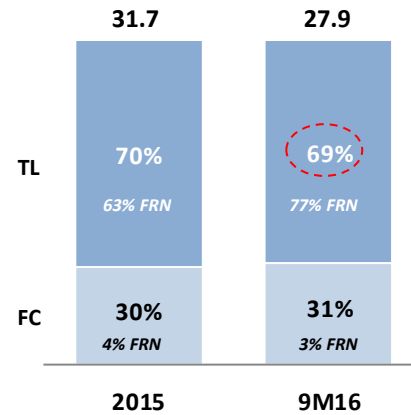
Notes:
Adjustments made on a post-tax basis
CPI linker gain adjustment calculated on a cumulative basis by equally distributing the total CPI linker income to the quarters of the year

Securities

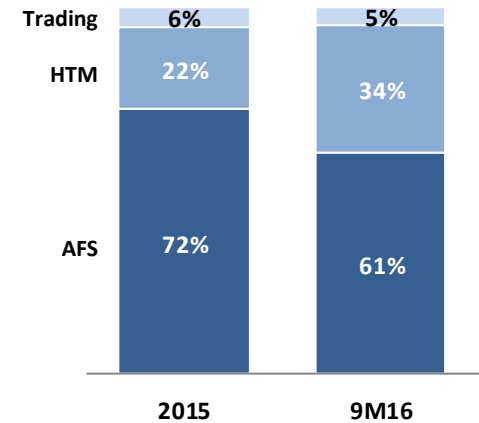
Securities/Assets



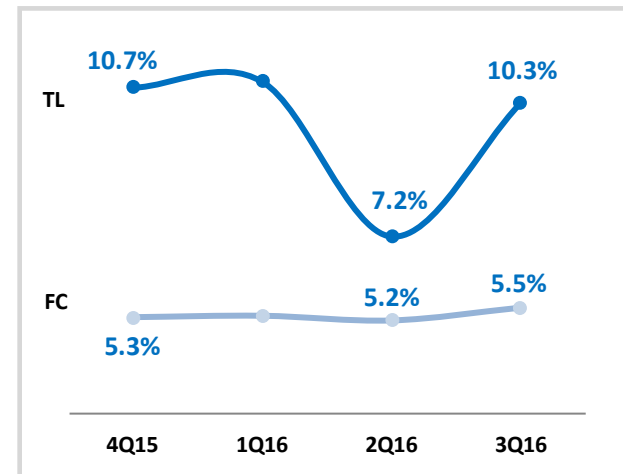
Composition by Currency (TL bln)



Composition by Type



Security Yields



- **Securities / assets at 11% impacted by redemptions.** CPI-linker volume at 8.5 bln TL (+3% qtd) with gain of TL 287 mln in 3Q16 (vs TL 137 mln in 2Q16)
- **M-t-m unrealised loss at TL 85 mln in 3Q** (vs gain of TL 52 mln in 2Q) supported by proactive transfer of some securities from AFS to HTM

Notes: Private banks data based on BRSA monthly data

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

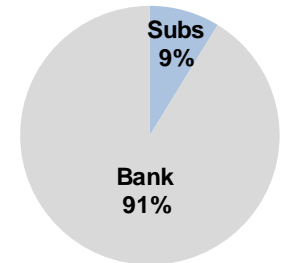
Securities yields based on bank-only financials and exclude effect of reclassification between interest income and other provisions related to amortisation of issuer premium on securities (as per BRSA)

Subsidiaries

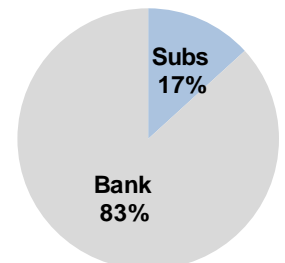
	Revenues (mln TL)	Revenues (y/y growth)	RoE	Sector Positioning	
Domestic Subs	YK Leasing	258	25%	15%	#1 in total transaction volume (14.6% market share)
	YK Factoring	70	14%	19%	#1 in total factoring volume (18.5% market share)
	YK Invest	82	-27%	16%	#3 in equity transaction volume (7.7% market share)
	YK Asset Management	42	6%	104%	#2 in mutual funds (17.1% market share)
International Subs	YK Azerbaijan	23 mln US\$	-18%	-2%	US\$ 273 mln total assets
	YK Moscow	8 mln US\$	-8%	8%	US\$ 129 mln total assets
	YK Nederland	32 mln US\$	25%	9%	US\$ 2.3 bln total assets
	YK Malta	1 mln US\$	150%	-1%	US\$ 159 mln total assets

Contribution of Subsidiaries¹

to Assets




to Net Income



Note: Revenues in TL unless otherwise stated. Market shares as of 1H16
(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: ~€ 52.5 mn) ■ Jul'13: US\$ 355 mln and €115 mln, 5-13 years (outstanding: ~US\$ 258 mn and € 67.1 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, 10NC5, 5.7% fixed rate – Basel III Compliant ■ Dec'13: US\$ 470 mln, 10NC5, 6.55% – Basel III Compliant (midswap+4.88% after the first 5 years) ■ Mar'16: US\$ 500 mln market transaction, 10NC5, 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\$ 586.6 mln outstanding</p> <ul style="list-style-type: none"> ■ EFIL Loan - 2008/2011: US\$ 34 mln and € 13 mln (outstanding: ~US\$ 8.5mln and € 3.3mln) ■ EIB Loan - 2008/2012: US\$ 102.4 mln and € 300 mln and TL 187 mln, 5-15 years (outstanding: ~US\$ 102.4 mln, € 191.6 mln and TL 54.3 mln) ■ EBRD Loan - 2011/2013: US\$ 55 mln 5 years (outstanding: ~US\$ 33.8 mn) ■ CEB Loan - 2011/2014: US\$ 39 mln and € 100 mln (outstanding: ~US\$ 33.9 mln and € 70.3 mln)
Domestic	Local Currency Bonds / Bills	<p>TL 1.5 bln total (original public offering amount)</p> <ul style="list-style-type: none"> ■ Sep'15: TL 170 mln, 12.12% compound rate, 392 days maturity ■ Nov'15: TL 116 mln, 10.97% compound rate, 392 days maturity ■ Apr'16: TL 290 mln, 10.45% compound rate, 179 days maturity ■ May'16: TL 262 mln, 10.08% compound rate, 179 days maturity ■ Jun'16: TL 332 mln, 9.66% compound rate, 177 days maturity ■ Aug'16: TL 278 mln, 9.02% compound rate, 177 days maturity 