

Yapı Kredi 1H17 Earnings Presentation

1 August 2017



Continuation of profitability improvement...

1.9 bln TL *Net Income* **+41% y/y¹**

Above private banks' growth

14.7% *ROATE*² **+257 bps y/y**

Ongoing strong performance in ROATE

41% *Cost/Income Ratio* **-217 bps y/y¹**

Cost increase 3ppt below inflation

1.10% *CoR* **-26 bps y/y**

Active asset quality management

11.2% *CET 1 Ratio*³ **+61 bps ytd**

Internal capital generation on track

Notes:

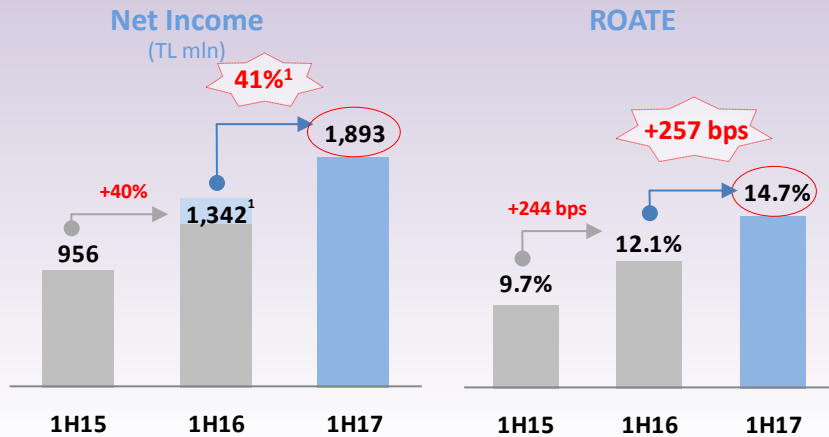
(1) 2016 figures exclude the Visa sale gain [Impact of Visa sale gain: TL 235 mln (net impact: TL 210 mln)]

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

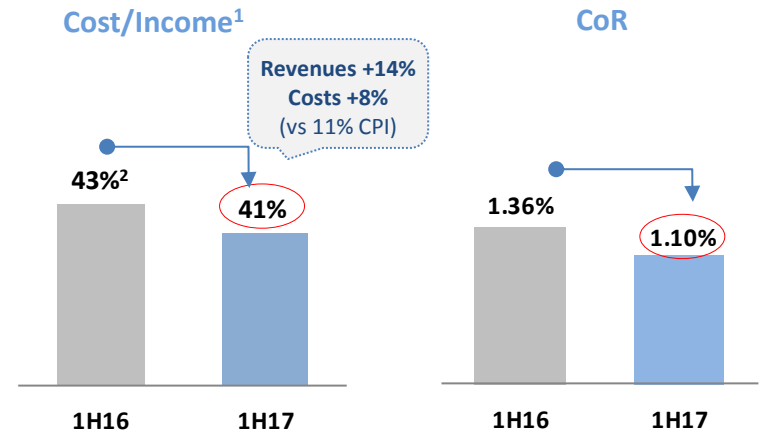
(3) Based on BRSA bank-only financials

...on the back of sustainable performance

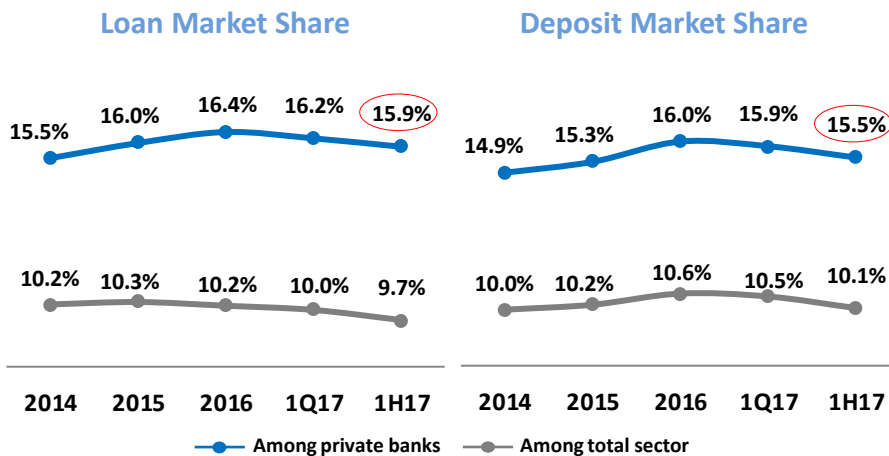
Profitability Acceleration



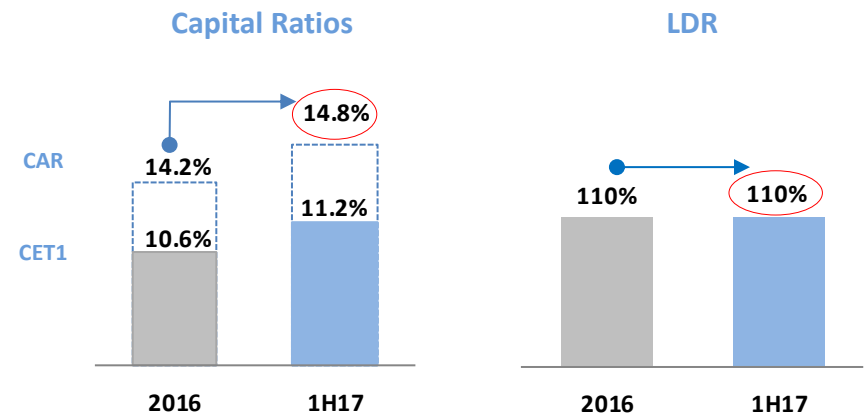
Strong Operational Performance



Balanced Scale Management



Solid Fundamentals



Notes:
 Market shares based on BRSA bank-only weekly data. 1H17 as of 30 Jun'17
 CAR= Capital Adequacy Ratio; CET1= Common Equity Tier-1; LDR= Loans / (Deposits + TL Bonds); CoR= Total Specific + Generic Cost of Risk net of collections. CAR and CET1 based on BRSA bank-only financials
 ROATE indicates Return on Average Tangible Equity (excl. goodwill of TL 979 mln)
 (1) 2016 figures exclude the Visa sale gain [Impact of Visa sale gain: TL 235 mln (net impact: TL 210 mln)]
 (2) 2016 other income and provision figures are restated due to the revision on accounting treatment of collections

Optimized volume growth supporting the profitability

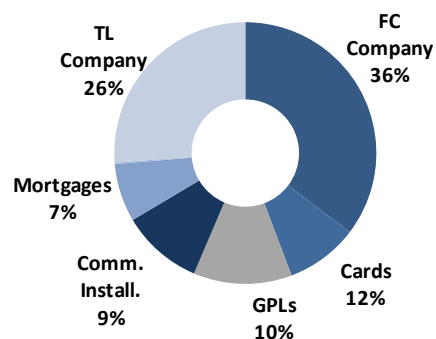
Volumes

Lending (TL bln)

Loans +5% ytd driven by TL company lending

	YKB			Private Banks ¹	
	1H17	y/y	ytd	y/y	ytd
Cash + Non-Cash Loans	260.7	17%	6%	19%	8%
Total Loans ²	185.8	15%	5%	18%	9%
TL	116.3	13%	10%	20%	14%
FC (\$)	19.8	-2%	-1%	-5%	1%
Consumer Loans	32.4	7%	4%	8%	4%
Credit Cards	22.6	9%	1%	7%	3%
Companies ³	130.8	19%	6%	22%	10%

Total Loans Breakdown



Conservative approach sustained
Credit Guarantee Fund lending increased to ~ TL 10 bln by June 2017

Market share in CGF lending in line with market share in SME loans

Funding (TL bln)

Deposits +5% ytd driven by FX deposits changing the overall mix

	YKB			Private Banks ¹	
	1H17	y/y	ytd	y/y	ytd
Total Deposits	164.2	19%	5%	18%	7%
TL	81.1	14%	-4%	12%	1%
FC (\$)	23.7	3%	15%	2%	14%
Customer Deposits ⁴	157.4	18%	6%	18%	7%
TL	78.8	15%	0%	11%	1%
FC (\$)	22.4	1%	12%	4%	15%
Demand Deposits ⁴	29.7	32%	12%	31%	13%
TL Bonds	4.4	14%	10%	-3%	4%
Repos	4.9	-44%	-23%	-29%	-20%
Borrowings	62.3	25%	8%	20%	6%

o/w individual⁵ y/y ytd
27% 19%

Diversified funding mix towards longer term funding sources

Eurobond issuances in 2Q
USD 500 mln
TL 500 mln

Notes:

- (1) Private banks based on BRSA weekly data as of 30 Jun'17. TL Bonds and Borrowings for private banks based on BRSA monthly data as of Jun'17
- (2) Loans indicate performing loans
- (3) Total loans excluding consumer loans and credit cards and including commercial instalment loans
- (4) Excluding bank deposits
- (5) Based on MIS data

Core revenues and asset quality drive the profit improvement

P&L

Effective performance in all lines leading to
TL 892 mln quarterly net income (+40% y/y excl. Visa income in 2Q16)

TL mln	Quarterly					Cumulative		
	2Q16 ¹	1Q17	2Q17	q/q	y/y	1H16 ¹	1H17	y/y
Total Revenues (excl. Visa)	3,000	3,529	3,363	-5%	12%	6,063	6,892	14%
Core Revenues ²	2,689	3,100	3,147	2%	17%	5,393	6,247	16%
Other Revenues (excl. Visa)	311	430	215	-50%	-31%	670	645	-4%
Other income (excl. Visa)	257	362	314	-13%	22%	564	676	20%
Trading	52	66	-107	-	-	100	-41	-
<i>o/w Swap costs</i>	-34	-34	-226	-	-	-96	-261	-
Operating Costs	1,324	1,370	1,422	4%	7%	2,587	2,791	8%
Operating Income (excl. Visa)	1,676	2,160	1,941	-10%	16%	3,476	4,100	18%
Provisions	844	895	820	-8%	-3%	1,732	1,714	-1%
Net Income (excl. Visa)	638	1,001	892	-11%	40%	1,342	1,893	41%
ROATE³	11.3%	15.8%	13.4%	-237bps	204bps	12.1%	14.7%	257bps
ROAA	1.1%	1.4%	1.3%	-19bps	20bps	1.1%	1.4%	23bps

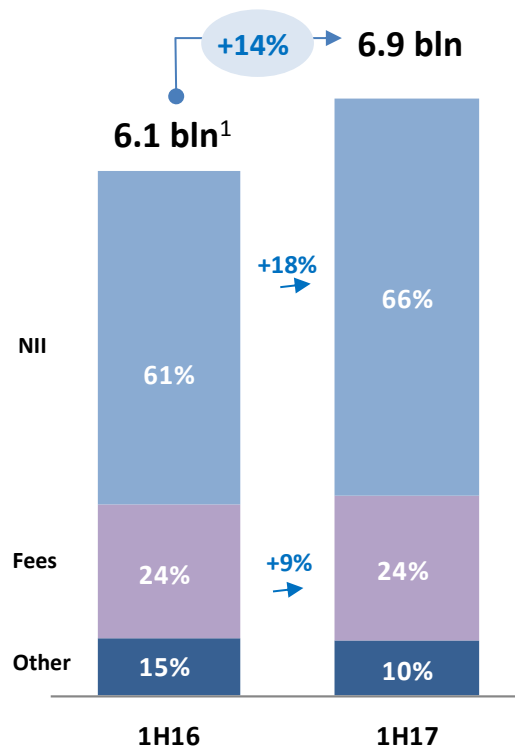
Notes:

- (1) 2016 figures exclude the Visa sale gain [Impact of Visa sale gain: TL 235 mln (net impact: TL 210 mln)]. 2016 other income and provision figures are restated due to the revision on accounting treatment of collections
- (2) Core revenues = Net Interest Income + Fees
- (3) ROATE indicates return on average tangible equity (excl. goodwill of TL 979 mln)

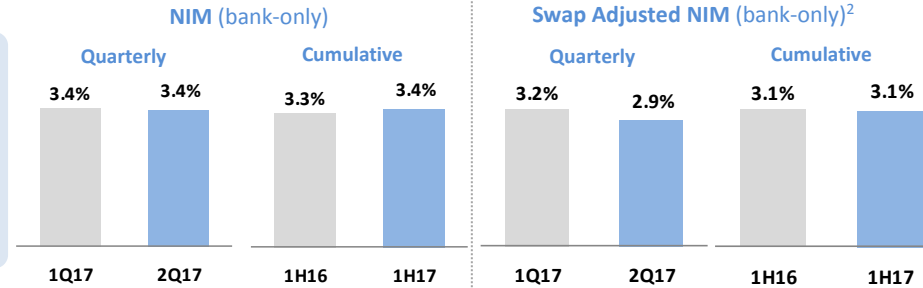
Sustainable revenue growth through double digit NII increase

Revenues

Revenue Breakdown (TL)

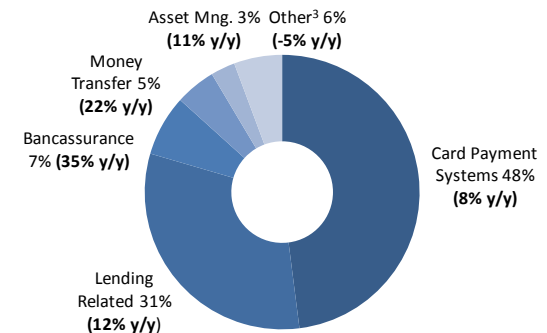


Stable NIM q/q;
swap adjusted NIM
-29 bps q/q due to
increasing swap costs



9% y/y fee growth
mainly driven by lending
related fees (+12% y/y)
and bankassurance
(+35% y/y)

Fees Received Composition



**Positive trend in
collections driving other
income; trading line
negative due to
increasing swap costs**

Other Income Breakdown

<i>mIn TL</i>	2Q16	1Q17	2Q17	1H16	1H17
Other Income	492	362	314	799	676
Collections ⁴	208	234	202	417	437
NPL Sale	0	28	45	0	72
Visa Sale Gain ⁵	235	0	0	235	0
Trading & FX (net)	52	66	-107	100	-41
Swap Costs	-34	-34	-226	-96	-261

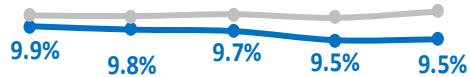
- Notes:
- (1) 2016 figures exclude the Visa sale gain,
 - (2) Swap Adjusted NIM calculation based on bank-only swap costs. Please refer to page 19 for bank-only swap costs
 - (3) Other includes account maintenance, equity trading, campaigns and product bundles etc.,
 - (4) 2016 collections figures are restated due to the revision on accounting treatment of collections
 - (5) Net income from Visa in 2Q16: TL 210 mln

Decline in loan-deposit spread due to increase in TL funding costs

Loan Yields (Quarterly)

Loan yields maintained with ongoing efforts on loan repricing despite remix in composition

■ YKB
■ Sector

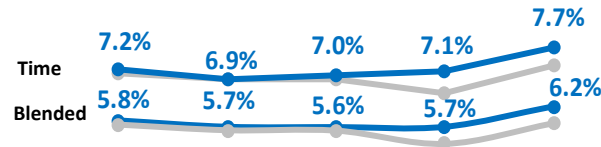


	2Q16	3Q16	4Q16	1Q17	2Q17
TL	12.3%	12.2%	11.9%	11.9%	11.9%
FC	5.3%	5.4%	6.1%	5.6%	5.3%

Deposit Costs (Quarterly)

Increase in deposit costs driven mainly by hike in TL deposit costs

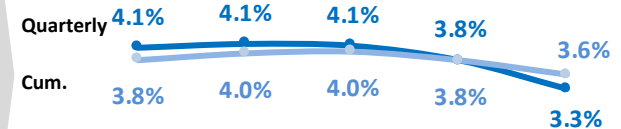
■ YKB
■ Sector



	2Q16	3Q16	4Q16	1Q17	2Q17
TL	9.4%	8.9%	8.6%	8.9%	9.9%
FC	1.6%	1.6%	1.9%	2.1%	2.3%

Loan-Deposit Spread (Quarterly)

Loan-Deposit spread came down 50bps q/q due to surge in TL funding costs



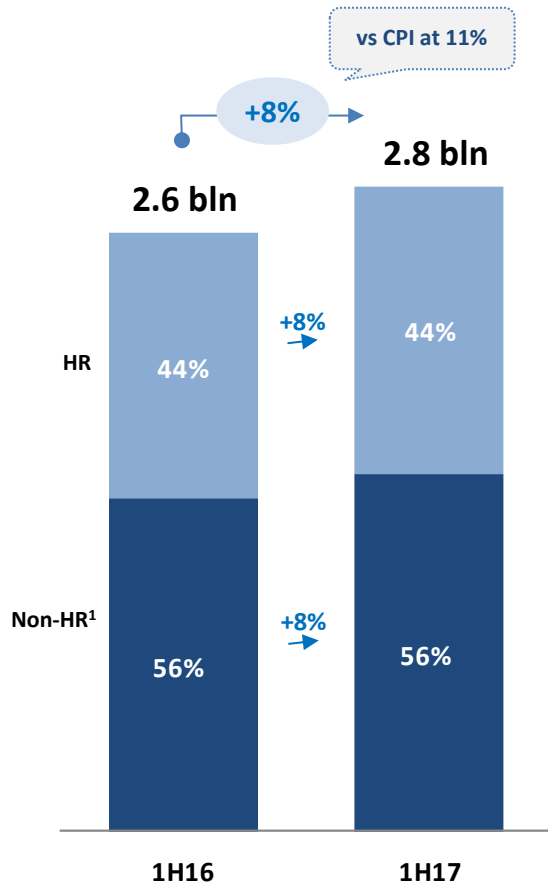
	2Q16	3Q16	4Q16	1Q17	2Q17
TL	4.1%	4.1%	4.1%	3.8%	3.6%
FC	3.8%	4.0%	4.0%	3.8%	3.3%

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

Disciplined cost performance sustained

Cost Breakdown (TL)

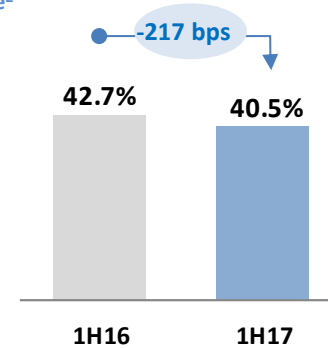
Below inflation cost performance showing results of effective optimisation efforts



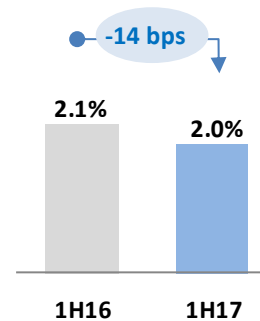
Cost KPIs

Cost / Income down to 40.5% together with improvement in all cost KPIs

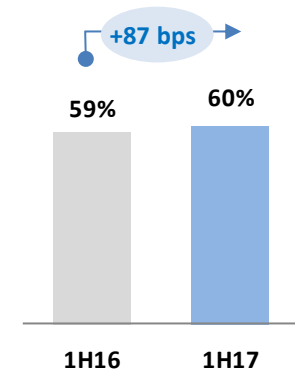
Cost / Income²



Costs / Average Assets



Fees / Opex



Notes:

- (1) Non-HR costs include advertising, rent, SDIF premium, taxes, depreciation, branch tax, pension fund provisions and loyalty points on Worldcard
- (2) 1H16 figures exclude the Visa sale gain [Impact of Visa sale gain: TL 235 mln (net impact: TL 210 mln)]. 1H16 other income and provision figures are restated due to the revision on accounting treatment of collections

Digital transformation on track on the back of increasing digital customers



Higher market share in digital vs physical network

- **12.3%**¹ digital customer market share vs 9% market share in physical network

Digital and mobile banking customers increased significantly

- **3.8mln** customers (2x vs 2014) with **45%** digital customer penetration

Contribution of digital transformation in sales and processes

- **34%** y/y increase in products sold via digital channels
- **40%** share in total transactions (+25% y/y)

External recognition of digital performance

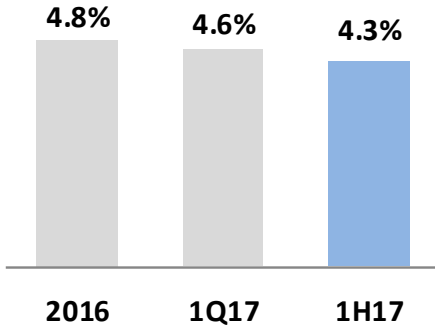
- **Most Innovative Digital Consumer Bank** in Europe
- **Best Digital Consumer Bank** in Turkey
- **Best Corporate Web Site** in Europe
- **Best Bill Paying Web Site**



Focus on asset quality paying off – Conservative and proactive approach intact

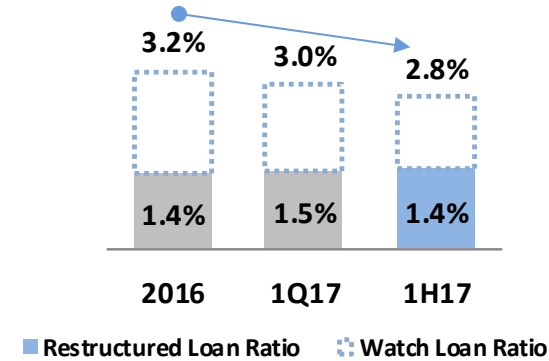
NPL Ratio

Improvement in NPL ratio through slowdown in NPL inflows as well as positive impact of NPL sales¹



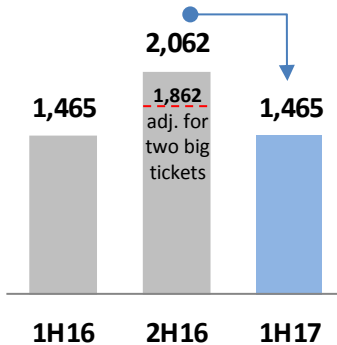
Watch + Restructured Loans

Decline in watch portfolio with conservative approach on restructuring maintained

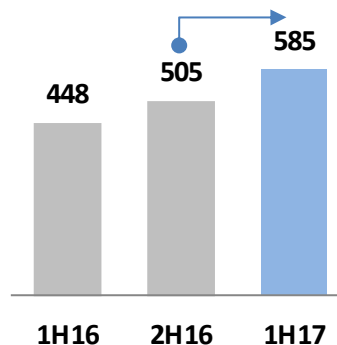


Decreasing trend in net new NPL formation vs 2016 continued, with slight increase q/q due to seasonality in the first quarter

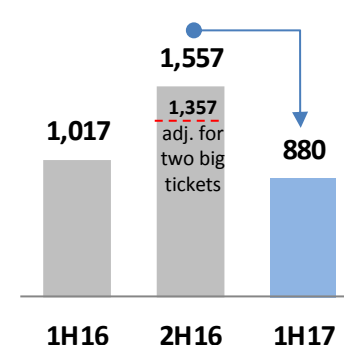
NPL Inflows (TL mln)



Collections (TL mln)



Net NPL inflows (TL mln)



Notes:
 (1) Three NPL sales with principal amounts of TL 493 mln in 1Q17 and TL 308 mln and TL 518 mln in 2Q17

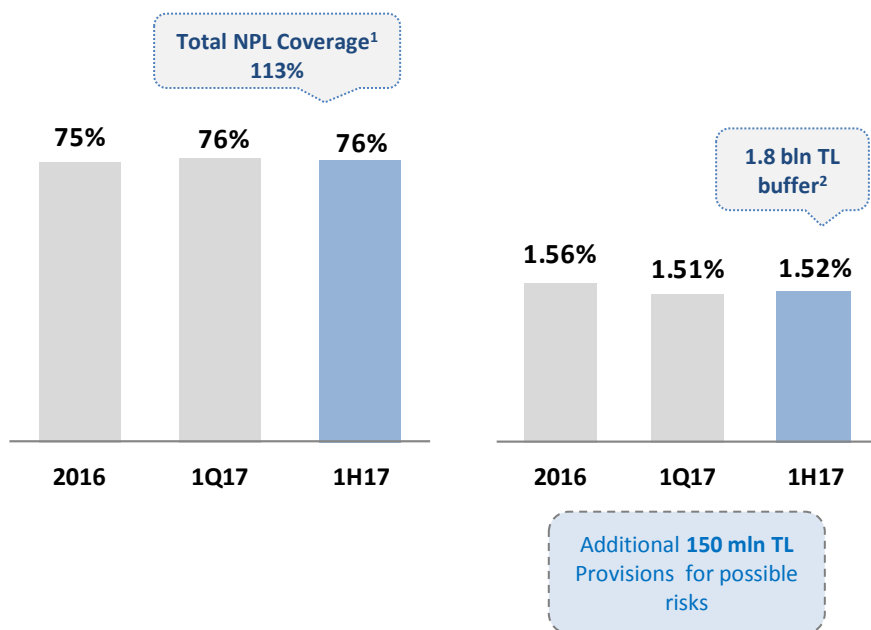
Stable coverage levels despite TL 1.3bln of NPL sale

NPL Coverage

Total coverage ratio at 113%;
 NPL sale impact on specific coverage -250 bps q/q in 2Q17 (-410 bps ytd in 1H17)

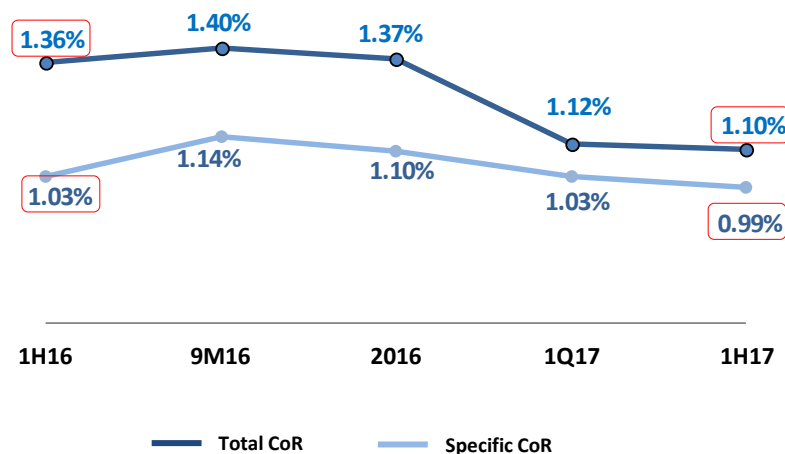
Specific provisions / NPL

Generic provisions / Performing Loans



Cost of Risk³ (Cumulative, net of collections)

Total cost of risk -26 bps y/y supported by improving collections

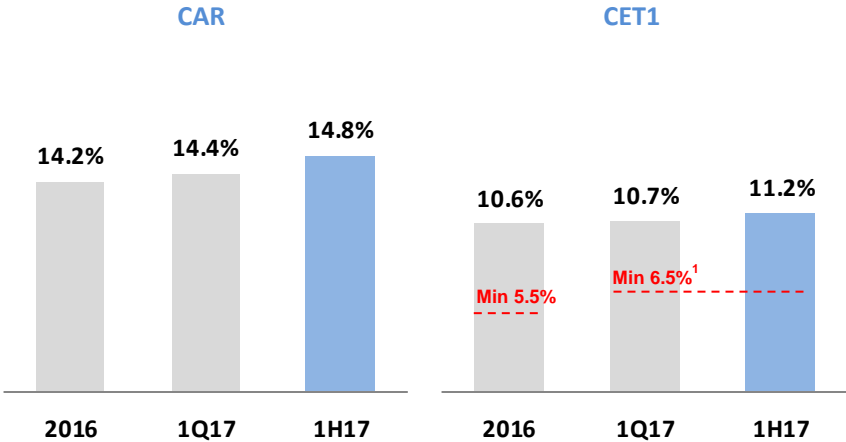


Notes:

- (1) Total NPL coverage = (Specific + Generic Provisions)/NPLs
- (2) Currently, YKB is continuing to provision for existing and new consumer loans and cards as before and maintaining its buffer on generic provisions, following the change in the general provisioning policy
- (3) Cost of Risk = (Total Loan Loss Provisions- Collections)/Total Gross Loans

Improving capital ratios with ongoing internal capital generation

Capital Ratios (Bank)

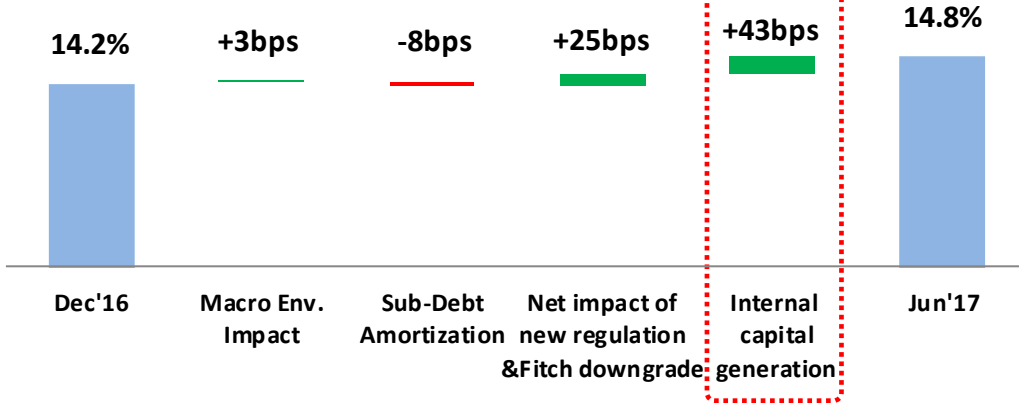


Internal Capital Generation continues to support Capital Ratios

Consolidated



CAR Evolution










	1H17	Δ ytd
ROATE	14.7%	+ 184 bps
RWA	TL 254 bln	3%

Notes:

(1) CET 1 minimum level of 6.5% is based on consolidated requirements (Bank Only: 5.76%)
 2017 Basel 3 related capitalisation buffers include capital conservation buffer of 1.25%, countercyclical buffer (bank-specific) of 0.009%, SIFI buffer of 0.75% (Group 2)
 Bank T1 Ratio at 11.1% as of 1H17. CET1 higher than T1 ratio in BRSA financials as all deduction items (including goodwill) are subject to deduction from Core Tier 1 through phase-in (2015:40%, 2016: 60%, 2017: 80%, 2018: 100%)
 ROATE based on reported financials

Confirming 2017 Guidance

	1H17 (y/y)	2017B	
Volume Growth			
Loans	15%	10 - 12%	
Deposits	19%	10 - 12%	
Revenues and Costs			
NIM	Flattish	Flattish	
Fees	9%	10%	
Costs	3pp below CPI	2-3pp below CPI	
Cost/Income	41%	42%	
Asset Quality			
NPL ratio (ytd)	-46 bps	Flattish	
Specific CoR (ytd)	-11 bps	Stable	
Fundamentals			
LDR	Stable	Stable	
CAR	14.8%	>13%	
Net profit¹	22%	Mid/High-teens	

Notes:
 All figures based on BRSA consolidated financials except NIM and CAR
 (1) Based on reported net profit

Closing remarks

Continuation of strong performance with ROATE at 14.7%,
despite the uptick in funding costs

All three phases of the strategy paying off:

- **Revenue growth:** consistently strong performance with around 15% y/y growth in total revenues for the last 10 quarters
- **Cost elimination:** under control and below inflation since end-2015
- **Asset quality improvement:** positive trend maintained in 2Q17 ensuring the first signs

2017 full year guidance confirmed

 **Annex**

A more supportive macro environment shed by hike in funding costs

Macro Environment

Stabilization of volatile macro environment in the second quarter with improvement in inflation, consumer confidence and exchange rate

	4Q16	1Q17	2Q17
GDP Growth (y/y)	3.5%	5.0%	-
CPI Inflation (y/y)	8.5%	11.3%	10.9%
Consumer Confidence Index	68.8	66.8	71.4
CAD/GDP¹	-3.8%	-3.9%	-4.4%
Budget Deficit/GDP	-1.1%	-1.7%	-2.0%
Unemployment Rate	12.7%	11.7%	-
USD/TL (eop)	3.54	3.65	3.51
Benchmark Bond Rate (eop)	10.7%	11.3%	11.1%

Banking Sector

Banking sector remaining resilient despite increasing TL funding costs. **Ongoing growth**, with state banks overweighing private banks

	2Q16	4Q16	1Q17	2Q17
Loan Growth (ytd)	4%	8%	6%	11%
<i>Private</i>	3%	7%	6%	9%
<i>State</i>	5%	9%	7%	15%
Deposit Growth (ytd)	3%	8%	5%	9%
<i>Private</i>	3%	8%	5%	7%
<i>State</i>	3%	8%	5%	13%
NPL Ratio	3.1%	3.2%	3.1%	3.0%
CAR	15.3%	15.1%	15.5%	16.4%
ROATE	14.9%	14.3%	17.7%	16.8%

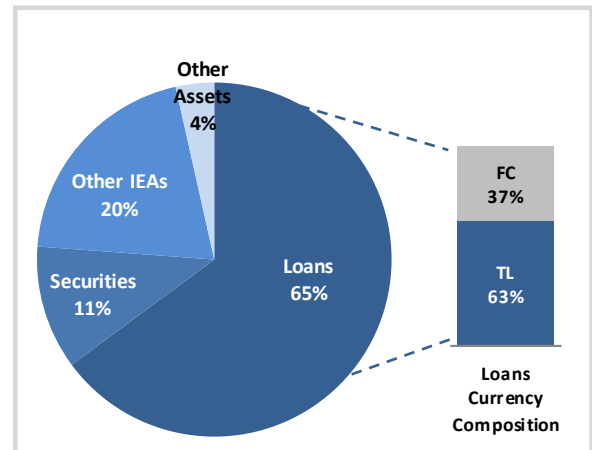
Notes:

All macro data as of June'17 unless otherwise stated
 Banking sector volumes based on BRSA weekly data
 (1) CAD indicates Current Account Deficit as of May/17

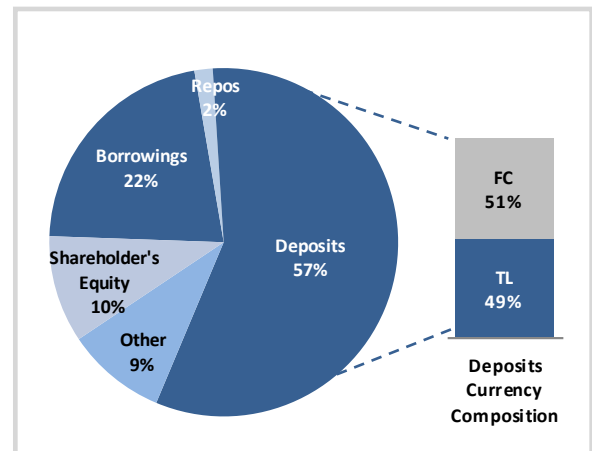
Consolidated Balance Sheet

TL bln	1Q15	1H15	9M15	YE15	1Q16	1H16	9M16	2016	1Q17	1H17	q/q	y/y
Total Assets	215.5	223.8	247.8	235.3	237.9	245.8	248.1	271.1	281.4	286.5	2%	17%
Loans	135.5	142.8	153.7	152.5	154.6	161.3	161.6	176.5	183.7	185.8	1%	15%
TL Loans	89.3	93.8	97.1	97.7	99.0	102.5	101.3	105.9	112.5	116.3	3%	13%
FC Loans (\$)	17.7	18.2	18.6	18.8	19.6	20.3	20.1	20.1	19.6	19.8	1%	-2%
Securities¹	27.5	28.6	29.4	30.0	28.5	28.7	26.5	30.0	32.6	32.4	-1%	13%
TL Securities	20.1	20.9	19.9	20.4	18.9	19.2	17.8	19.7	22.0	22.3	1%	16%
FC Securities (\$)	2.8	2.8	3.1	3.3	3.4	3.3	2.9	2.9	2.9	2.9	-1%	-12%
Deposits	119.7	126.1	136.3	130.0	136.6	137.7	138.6	157.1	163.5	164.2	0%	19%
TL Deposits	64.5	62.7	65.4	67.2	70.4	71.3	75.3	84.2	81.3	81.1	0%	14%
FC Deposits (\$)	21.2	23.5	23.3	21.6	23.3	22.9	21.1	20.7	22.6	23.7	5%	3%
Borrowings	46.7	45.8	52.8	48.7	49.7	49.9	51.1	57.7	61.0	62.3	2%	25%
TL Borrowings	5.6	5.5	4.9	5.5	5.3	4.8	5.0	5.4	5.1	6.1	20%	26%
FC Borrowings (\$)	15.7	15.0	15.7	14.9	15.7	15.6	15.4	14.9	15.4	16.0	4%	3%
Shareholders' Equity	21.0	22.1	22.0	23.1	23.7	24.3	25.0	26.1	27.7	28.5	3%	17%
Assets Under Management	13.0	13.4	13.6	13.8	14.4	14.8	15.4	16.1	17.4	18.5	7%	25%
Loans/Assets	63%	64%	62%	65%	65%	66%	65%	65%	65%	65%		
Securities/Assets	13%	13%	12%	13%	12%	12%	11%	11%	11%	11%		
Borrowings/Liabilities	22%	20%	21%	21%	21%	20%	21%	21%	22%	22%		
Loans/(Deposits+TL Bonds)	110%	110%	110%	114%	110%	114%	113%	110%	110%	110%		
CAR - cons	14.3%	13.0%	12.1%	12.9%	13.5%	13.6%	13.9%	13.2%	13.4%	13.7%		
Common Equity Tier-I - cons	10.6%	10.1%	9.2%	10.0%	10.2%	10.3%	10.6%	9.7%	9.9%	10.3%		
Leverage Ratio	9.2x	9.1x	10.3x	9.2x	9.0x	9.1x	8.9x	9.4x	9.2x	9.1x		

Assets



Liabilities



(1) Securities excluding derivatives

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

Consolidated Income Statement

TL million	1Q16	2Q16 ¹	3Q16	4Q16	1Q17	2Q17	q/q	y/y	1H16 ¹	1H17	y/y
Total Revenues	3,063	3,000	3,189	3,156	3,529	3,363	-5%	12%	6,063	6,892	14%
Core Revenues	2,704	2,689	2,922	2,878	3,100	3,147	2%	17%	5,393	6,247	16%
Net Interest Income	1,952	1,911	2,217	2,141	2,251	2,321	3%	21%	3,863	4,572	18%
o/w CPI-linkers	313	137	287	212	325	338	4%	146%	450	663	47%
Fees & Commissions	752	778	706	737	849	826	-3%	6%	1,530	1,675	9%
Other Revenues	359	311	266	277	430	215	-50%	-31%	670	645	-4%
Other income ²	307	257	216	240	362	314	-13%	22%	564	676	20%
o/w collections ²	209	208	159	178	234	202	-14%	-3%	417	437	5%
o/w pension fund reversal	0	0	0	6	0	0	-	-	0	0	-
o/w NPL sale	0	0	0	0	28	45	-	-	0	72	-
o/w others	98	49	58	57	101	68	-32%	39%	148	169	14%
Trading	48	52	51	37	66	-107	-	-	100	-41	-
o/w swap costs	-62	-34	-27	39	-34	-226	-	-	-96	-261	170%
Dividend	3	3	0	0	2	8	-	-	6	10	70%
Operating Costs	1,264	1,324	1,352	1,375	1,370	1,422	4%	7%	2,587	2,791	8%
o/w fee rebates	35	22	9	15	10	9	-14%	-59%	57	19	-66%
Operating Income	1,799	1,676	1,836	1,780	2,160	1,941	-10%	16%	3,476	4,100	18%
Provisions	888	844	808	1,034	895	820	-8%	-3%	1,732	1,714	-1%
Specific Provisions ²	672	623	748	764	756	717	-5%	15%	1,295	1,473	14%
Generic Provisions	120	158	46	171	45	62	40%	-60%	278	107	-61%
Other Provisions	96	63	14	99	94	40	-57%	-36%	159	134	-16%
Pre-tax Income	911	832	1,028	746	1,265	1,121	-11%	35%	1,743	2,386	37%
Tax	207	194	218	176	263	229	-13%	18%	401	493	23%
Net Income	704	638	811	570	1,001	892	-11%	40%	1,342	1,893	41%
Reported Net Income	704	848	811	570	1,001	892	-11%	5%	1,552	1,893	22%
ROTE¹	12.8%	11.3%	13.9%	9.4%	15.8%	13.4%			12.1%	14.7%	

- Notes:
- (1) 2016 figures excludes the Visa sale gain [Impact of Visa sale gain: 235 mln TL (net impact: 210 mln TL)].
 - (2) 2016 other income and provisions figures are restated due to the revision on accounting treatment of collections

Bank-Only Income Statement

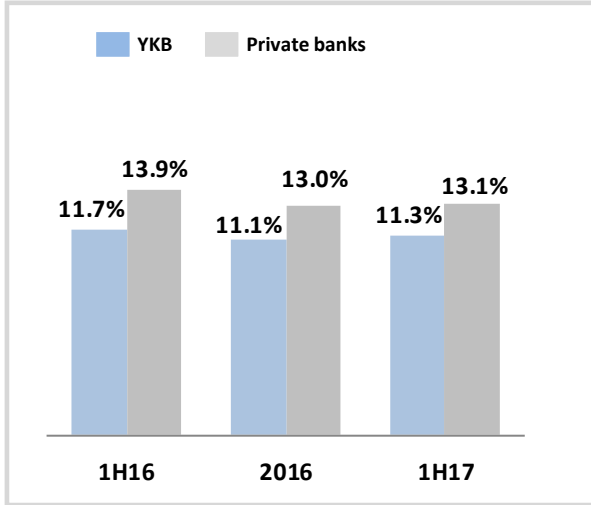
TL million	1Q16	2Q16 ¹	3Q16	4Q16	1Q17	2Q17	q/q	y/y	1H16 ¹	1H17	y/y
Total Revenues	2,950	2,893	3,083	3,023	3,401	3,231	-5%	12%	5,843	6,632	14%
Net Interest Income	1,821	1,772	2,065	1,976	2,141	2,174	2%	23%	3,594	4,315	20%
o/w CPI-linkers	313	137	287	212	325	338	4%	146%	450	663	47%
Fees & Commissions	716	744	671	695	807	784	-3%	5%	1,460	1,591	9%
Other Revenues	413	377	347	352	453	273	-40%	-27%	790	726	-8%
Other income ¹	398	349	317	348	473	432	-9%	24%	747	906	21%
o/w collections ¹	209	208	159	178	234	202	-14%	-3%	417	437	5%
o/w pension fund reversal	0	0	0	6	0	0	-	-	0	0	-
o/w NPL sale	0	0	0	0	28	45	63%	-	0	72	-
o/w profit/(loss) of associates & jv.s accounted for using equity method	108	113	128	128	146	140	-4%	24%	221	286	30%
o/w others	81	28	31	36	65	45	-31%	62%	109	111	1%
Trading	15	28	30	4	-22	-159	-	-	42	-182	-
o/w swap costs	-94	-52	-33	35	-114	-276	-	-	-146	-390	-
Dividend	0	0	0	0	2	0	-	-	0	2	-
Operating Costs	1,199	1,258	1,310	1,309	1,295	1,346	4%	7%	2,457	2,642	8%
o/w fee rebates	35	22	9	15	10	9	-14%	-59%	57	19	-66%
Operating Income	1,751	1,635	1,773	1,714	2,106	1,884	-11%	15%	3,386	3,990	18%
Provisions	863	828	776	995	876	792	-10%	-4%	1,691	1,668	-1%
Specific Provisions ¹	654	610	723	725	745	687	-8%	13%	1,264	1,432	13%
Generic Provisions	115	155	40	174	43	61	40%	-61%	270	104	-61%
Other Provisions	94	63	13	97	88	45	-49%	-29%	157	132	-16%
Pre-tax Income	887	807	997	719	1,230	1,092	-11%	35%	1,694	2,322	37%
Tax	183	169	186	149	229	200	-13%	18%	352	429	22%
Net Income	704	638	811	570	1,001	892	-11%	40%	1,342	1,893	41%
Visa Income	0	210	0	0	0	0	-	-	210	0	-
Reported Net Income	704	848	811	570	1,001	892	-11%	5%	1,552	1,893	22%
ROTE¹	12.8%	11.3%	13.9%	9.4%	15.8%	13.4%			12.1%	14.7%	

Notes:

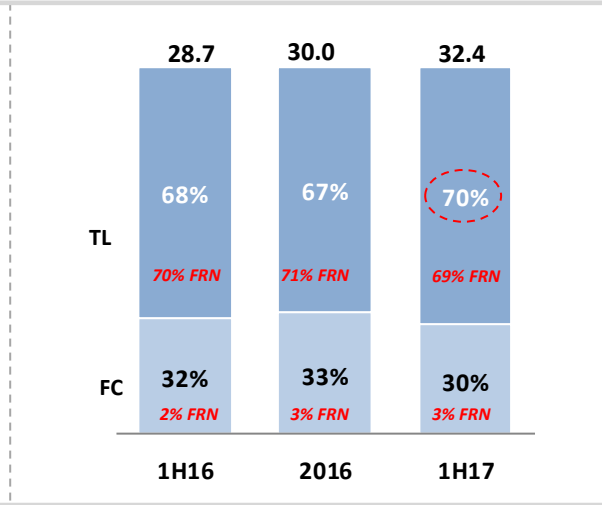
(1) 2016 figures excludes the Visa sale gain [Impact of Visa sale gain: TL 235 mln (net impact: TL 210 mln)]. 2016 other income and provision figures are restated due to the revision on accounting treatment of collections

Securities

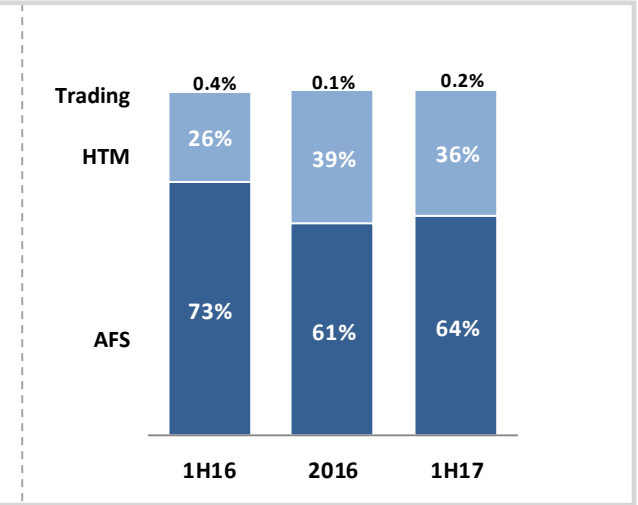
Securities¹/Assets



Composition by Currency (TL bln)



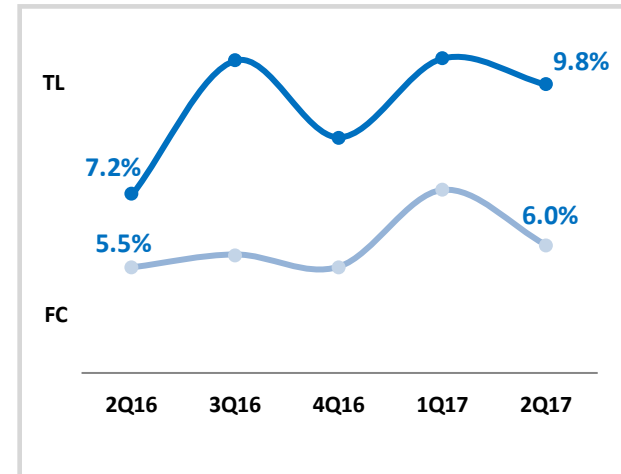
Composition by Type¹



- **Securities / assets at 11.3%** with dynamically managed mix to benefit from rate environment
- **Increase in CPI linkers to benefit from higher inflation levels.** CPI-linker volume at 10.5 bln TL (+10% ytd) with gain of TL 663 mln in 1H17 (2Q17: TL 338 mln; 1Q17: TL 325 mln)

Inflation estimate for the revaluation CPI linkers: 8.8%
- **M-t-m unrealised gain at TL 5 mln as of 1H17** (TL -463 mln in 2016)

Security Yields







Notes: Private banks data based on BRSA monthly data dated Mar'17; YKB data is based on Mar'17 consolidated BRSA financials
 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 amortization of issuer premium on securities (as per BRSA)

(1) Excluding derivatives classified under trading securities

Borrowings: 21% of total liabilities

International	Syndications	<p>~ US\$ 2.5 bln outstanding</p> <ul style="list-style-type: none"> ■ May'17: US\$ 306 mln & € 956.5 mln, all-in cost at Libor+ 1.45% and Euribor+ 1.35% for the 367 day tranche and Libor+ 2.20 % and Euribor+ 2.10 % for the 2 year and 1 day tranche, respectively. 48 banks from 19 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\$ 1.85 bln outstanding (all unwrapped)</p> <ul style="list-style-type: none"> ■ Sep'11: € 75 mln, 12 years (outstanding: ~€ 47 mn) ■ Jul'13: US\$ 355 mln and €115 mln, 5-13 years (outstanding: ~US\$ 192 mn and € 38 mn) ■ Oct'14: US\$ 550 mln, 20 years (outstanding: ~US\$ 550 mln) ■ Mar'15: US\$ 100 mln, 5 years and 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\$ 2.7 bln Eurobonds</p> <ul style="list-style-type: none"> ■ 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 ■ Feb'17: US\$ 600 mln, 5.75% (coupon rate), 5 years ■ Jun'17: US\$ 500 mln, 5.85% (coupon rate), 7 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\$ 383 mln outstanding</p> <ul style="list-style-type: none"> ■ EIB Loan - 2008/2012: US\$ 102.4 mln and € 250 mln and TL 187 mln, 5-15 years (outstanding: ~US\$ 95.8 mln, € 128.9 mln and TL 37.6 mln) ■ EBRD Loan - 2011/2013: US\$ 55 mln 5 years (outstanding: ~US\$ 21.2 mn) ■ CEB Loan - 2011/2014: US\$ 39 mln and € 70 mln (outstanding: ~US\$ 33.9 mln and € 64 mln)
Domestic	Local Currency Bonds / Bills	<p>TL 1.3 bln total</p> <ul style="list-style-type: none"> ■ Feb'17: TL 401.5 mln, 5 months maturity ■ Mar'17: TL 213.6 mln, 5 months maturity ■ Apr'17: TL 160 mln , 3 months maturity  ■ May'17: TL 120,3 mln, 3 months maturity  ■ June'17: TL 385 mln, 4 months maturity 