

Yapı Kredi 9M17 Earnings Presentation

27 October 2017



Another set of strong results

2.7 bln TL *Net Income* +27% y/y¹

Already above 2016 net income¹

14.0% *ROATE*² +124 bps y/y

Ongoing strong performance in ROATE

41% *Cost/Income Ratio* -166 bps y/y¹

Cost increase significantly below inflation

1.11% *CoR* -29 bps y/y

Improvement despite higher coverage

11.3% *CET 1 Ratio*³ +69 bps ytd

Further internal capital generation

Notes:

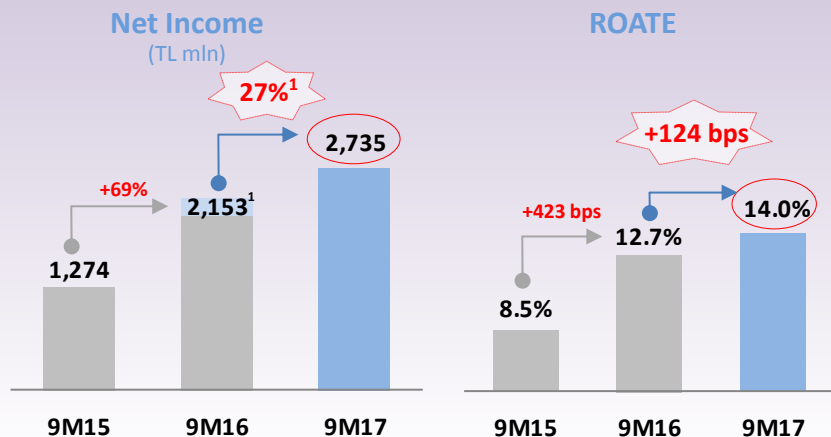
(1) 2016 figures exclude the Visa sale gain [Impact of Visa sale gain: TL 235 mln (net impact: TL 210 mln)]

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

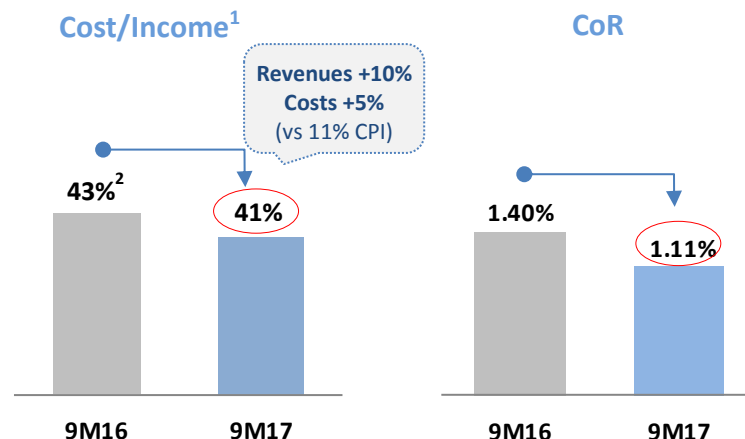
(3) Based on BRSA bank-only financials

...on ample improvement in all fundamentals

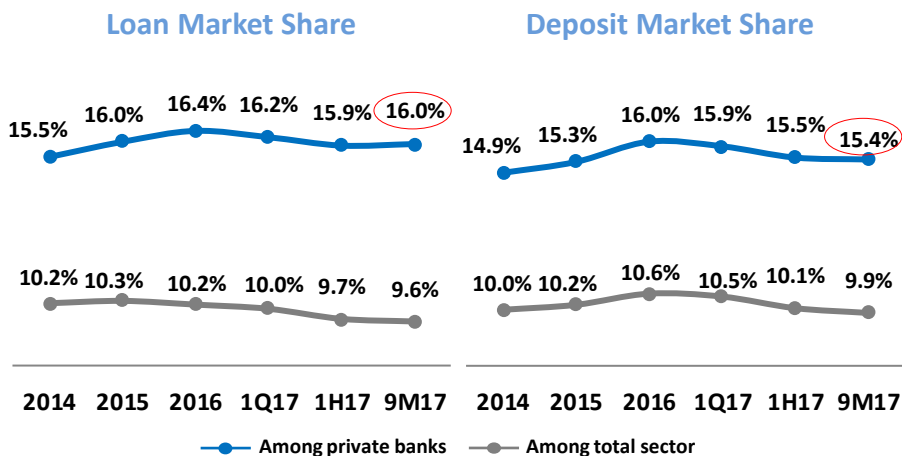
Profitability Acceleration



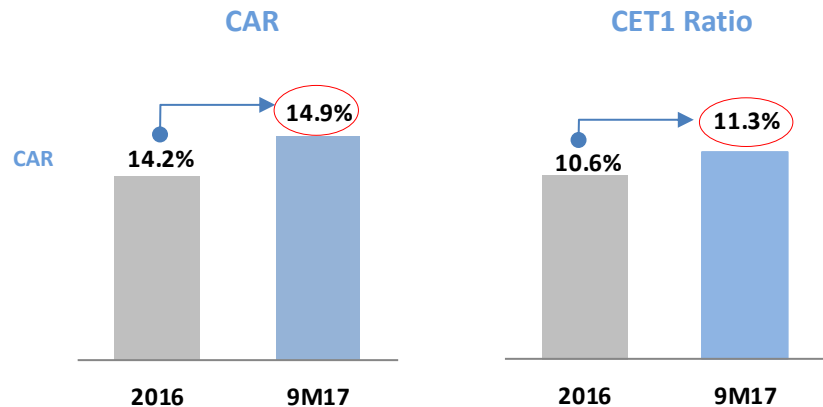
Strong Operational Performance



Balanced Scale Management



Solid Capitalization



Notes:
 Market shares based on BRSA bank-only weekly data. 9M17 as of 29 Sep'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 top-line performance

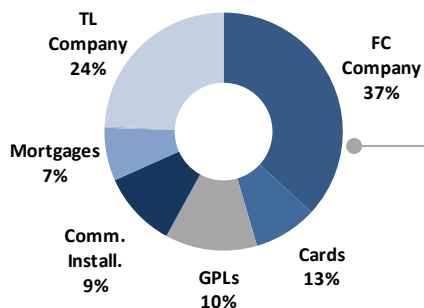
Volumes

Lending (TL bln)

Loan growth at 8% ytd
with a balanced mix

	YKB			Private Banks ¹	
	9M17	y/y	ytd	y/y	ytd
Cash + Non-Cash Loans	267.2	19%	9%	19%	10%
Total Loans²	190.6	18%	8%	18%	11%
TL	120.4	19%	14%	21%	17%
FC (\$)	19.8	-2%	-2%	-5%	0%
Consumer Loans	33.8	12%	9%	11%	8%
Credit Cards	23.8	9%	7%	9%	8%
Companies ³	132.9	21%	8%	22%	12%

Total Loans Breakdown



FC Company Lending Breakdown

	Share	y/y	ytd
Project Finance	70%	3%	4%
LT Investments	25%	-15%	-16%
ST Loans	5%	-9%	-15%

Funding (TL bln)

Deposit growth +5% ytd

Decline in more costly TL corporate deposits
at the end of 3Q; thanks to strong liquidity management

	YKB			Private Banks ¹	
	9M17	y/y	ytd	y/y	ytd
Total Deposits	165.0	19%	5%	18%	8%
TL	71.1	-6%	-16%	8%	5%
FC (\$)	26.4	25%	28%	9%	11%
Customer Deposits⁴	158.4	18%	6%	18%	9%
TL	69.2	-7%	-12%	8%	5%
FC (\$)	25.1	24%	26%	11%	12%
Demand Deposits⁴	29.7	32%	12%	32%	16%
TL Bonds	4.6	6%	15%	15%	17%
Repos	5.8	-39%	-8%	-25%	-10%
Borrowings	63.9	25%	11%	19%	4%

o/w individual⁵

	y/y	ytd
	32%	20%

Strong Liquidity Management
Allowing the shift in funding mix to
control cost of funding

Notes:

- (1) Private banks based on BRSA weekly data as of 29 Sep'17. TL Bonds and Borrowings for private banks based on BRSA monthly data as of Aug'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

Improvement in cost and asset quality coupled with sustainable revenues

Income Statement

P&L

Effective performance in all lines leading to
TL 2,735 mln net income (+27% y/y excl. Visa income in 9M16)

TL mln	Quarterly					Cumulative		
	3Q16	2Q17	3Q17	q/q	y/y	9M16 ¹	9M17	y/y
Total Revenues (excl. Visa)	3,189	3,363	3,261	-3%	2%	9,252	10,152	10%
Core Revenues ²	2,922	3,147	3,152	0%	8%	8,315	9,399	13%
Other Revenues (excl. Visa)	266	215	108	-50%	-59%	937	753	-20%
Other income (excl. Visa)	216	314	269	-15%	24%	780	945	21%
o/w Collections	159	202	198	-2%	25%	576	635	10%
Trading	51	-107	-160	49%	-	151	-201	-
o/w Swap costs	27	-226	-204	-10%	-	-96	-260	-
Dividend	0	8	0	-	-	6	10	70%
Operating Costs	1,352	1,422	1,363	-4%	1%	3,940	4,154	5%
Operating Income (excl. Visa)	1,836	1,941	1,898	-2%	3%	5,312	5,998	13%
Provisions	808	820	840	2%	4%	2,540	2,554	1%
Net Income (excl. Visa)	811	892	841	-6%	4%	2,153	2,735	27%
ROATE³	13.9%	13.4%	12.3%	-106bps	-162bps	12.7%	14.0%	124bps
ROAA	1.3%	1.3%	1.2%	-10bps	-15bps	1.2%	1.3%	11bps

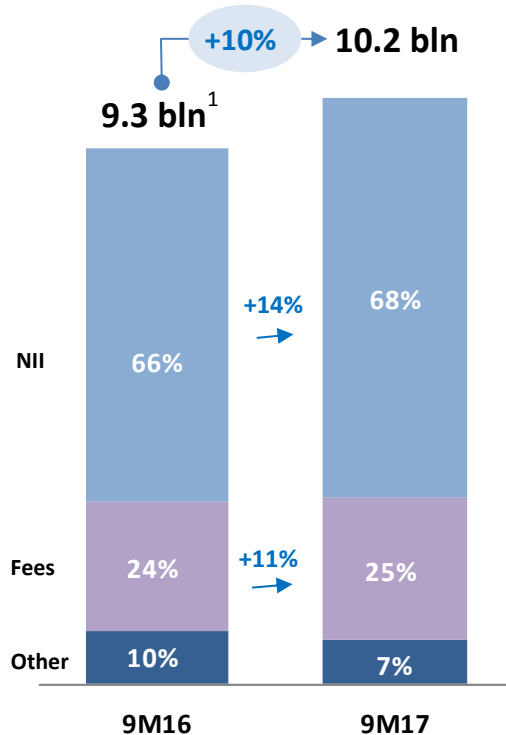
Notes:

- (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)

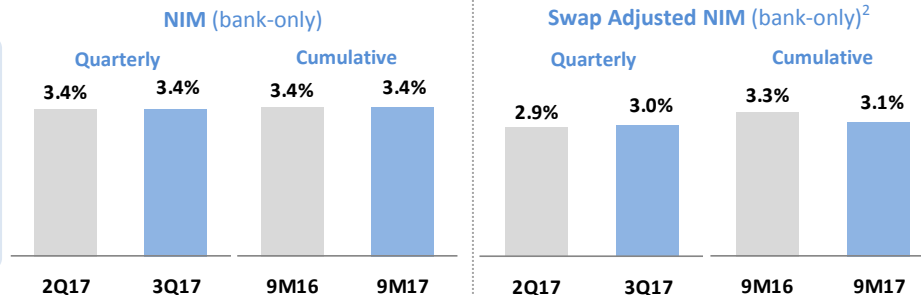
Quarterly NIM improvement on the back of wider core spreads

Revenues

Revenue Breakdown (TL)

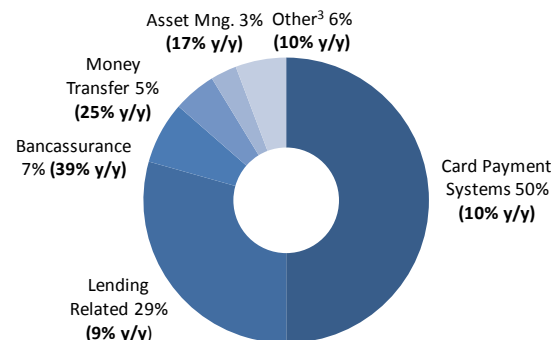


6 bps wider swap adjusted NIM
on higher core spreads
and lower swap costs
Stated NIM stable q/q



11% y/y fee growth
mainly driven by card
payment systems (+10%
y/y) and bancassurance
(+39% y/y)

Fees Received Composition



Strong collections driving other income in 2017; trading line negative due to increasing swap costs

Other Income Breakdown

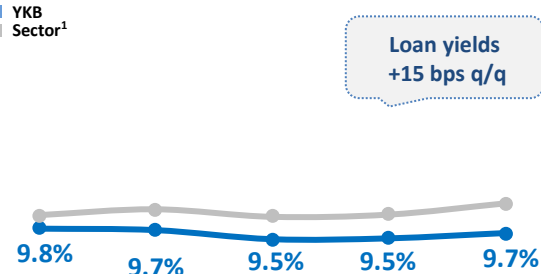
<i>mIn TL</i>	3Q16	2Q17	3Q17	9M16	9M17
Other Income	216	314	269	1,015	945
Collections ⁴	159	202	198	576	635
NPL Sale	0	45	18	0	90
Visa Sale Gain ⁵	0	0	0	235	0
Trading & FX (net)	51	-107	-160	151	-201
Swap Costs	-27	-226	-204	-124	-465

Notes:
 Conservatively Oct/Oct inflation estimate revised to 9.5% +TL53mIn NII impact (cumulative NIM impact +3bps)
 (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) 2016 figures exclude the Visa sale gain [Impact of Visa sale gain: TL 235 mln (net impact: TL 210 mln)]

Improvement in loan-deposit spreads thanks to loan repricing efforts

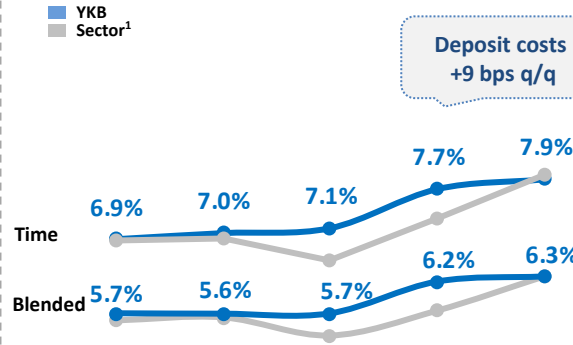
Loan Yields (Quarterly)

Loan yields improved thanks to loan repricing efforts



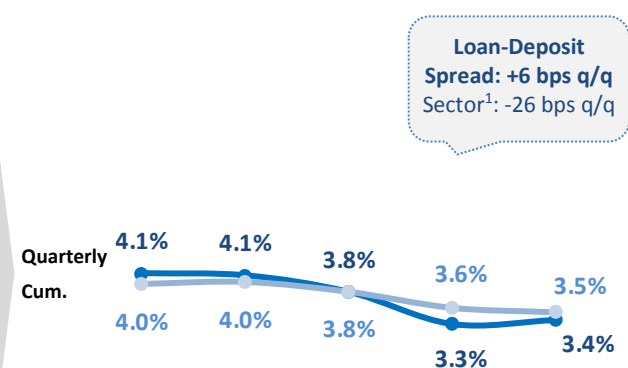
Deposit Costs (Quarterly)

Slight increase in cost of deposits due to ongoing upward trend in TL funding costs



Loan-Deposit Spread

Loan-Deposit spread improved given higher loan yields



3Q16 4Q16 1Q17 2Q17 3Q17

3Q16 4Q16 1Q17 2Q17 3Q17

3Q16 4Q16 1Q17 2Q17 3Q17

Change q/q based on daily averages²

	3Q16	4Q16	1Q17	2Q17	3Q17
TL	-20bps	-7bps	-4bps	+19bps	
FC	+12bps	+8bps	-3bps	+27bps	

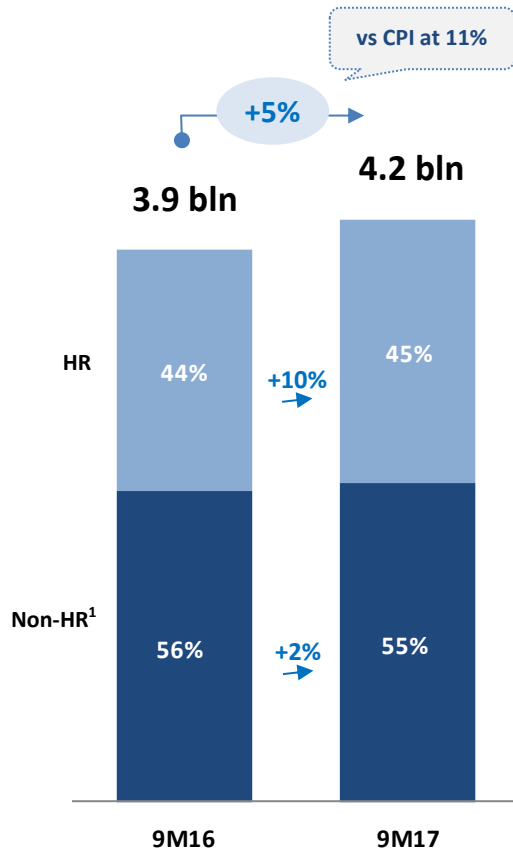
	3Q16	4Q16	1Q17	2Q17	3Q17
TL	-77bps	+9bps	+108bps	+43bps	
FC	-4bps	+45bps	+18bps	+2bps	

Notes:
 All information based on BRSA bank-only financials; Sector based on BRSA monthly data
 (1) 3Q17 sector data are as of August 2017
 (2) Based on MIS data

Ongoing improvement in cost ratios

Cost Breakdown (TL)

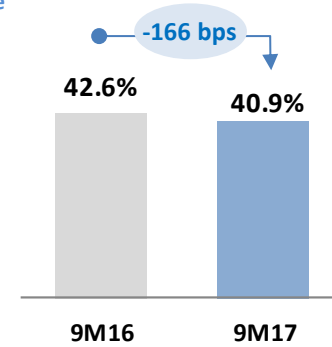
Cost increase 6 ppt below inflation
On the back of efficient optimization efforts



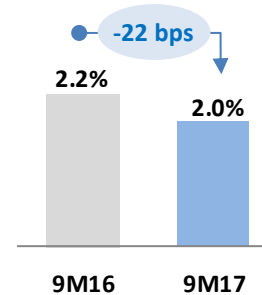
Cost KPIs

Cost / Income down to 40.9%
continuing improvement in all cost KPIs

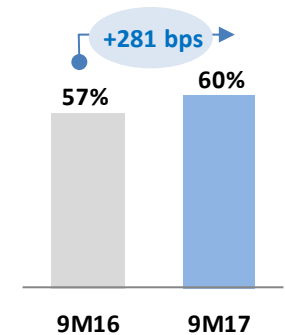
Cost / Income²



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) 9M16 figures exclude the Visa sale gain [Impact of Visa sale gain: TL 235 mln (net impact: TL 210 mln)]. 9M16 other income and provision figures are restated due to the revision on accounting treatment of collections

Digitalisation at full speed with increase in customer penetration



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

- **4.0 mln** customers (+200 k q/q) with **48%** digital customer penetration

Increase in number of products sold via digital channels allows us to further eliminate costs

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

Ongoing external recognition of digital performance
25 awards so far in 2017

- Most Innovative Digital Consumer Bank in Europe
- Best Digital Consumer Bank in Turkey
- Gold Stevie Winner - "Apps - Financial Services / Banking"
- Gold Stevie Winner - "Apps - Experimental & Innovation"
- Best Bill Paying Web Site



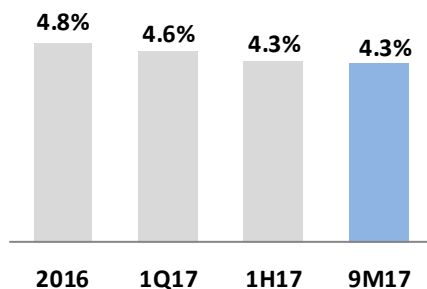
Notes:

(1) Digital market share is as of 2Q17. Due to the change in the calculation methodology, 2017 data is not comparable with the previous periods

Improvement in net NPL inflows decoupled with a decline in watch portfolio

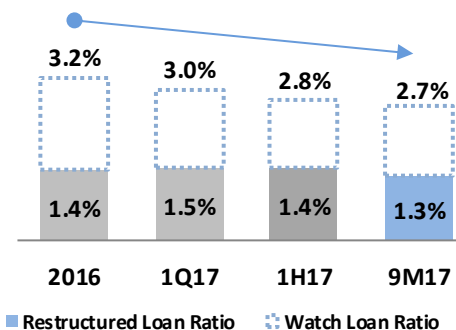
NPL ratio maintained q/q
48bps improvement ytd

NPL Ratio



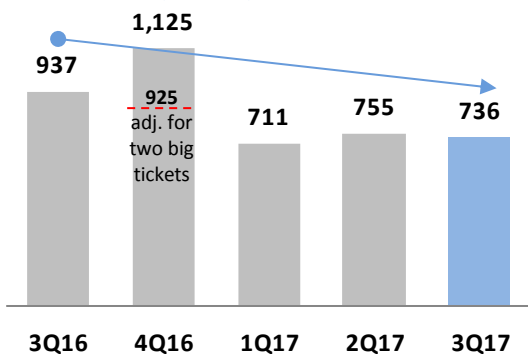
Consistent improvement in Watch Loan portfolio
for 4 consecutive quarters

Watch + Restructured Loans

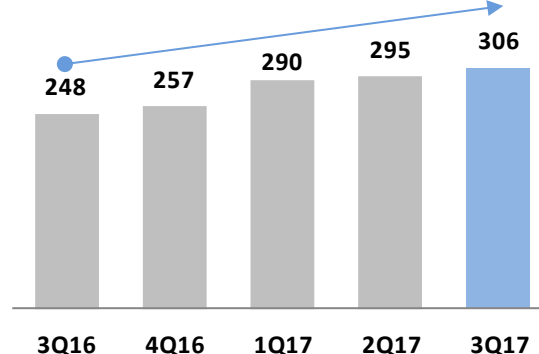


Decreasing trend in net new NPL formation vs 2016 continued
thanks to the strength in collections

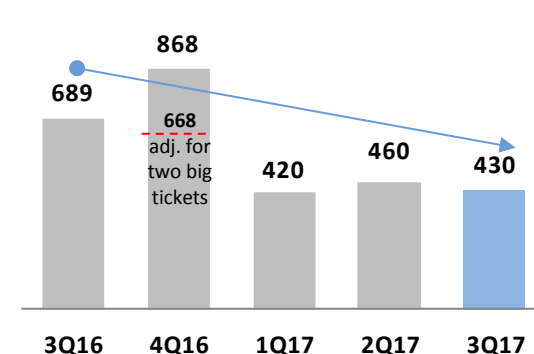
NPL Inflows (TL mln)



Collections (TL mln)



Net NPL inflows (TL mln)



Notes:
TL 1.6b In NPL sales in 9M17 (principal amounts – 1Q17: TL 493 mln ; 2Q17: TL 826 mln ; 3Q17: TL 307 mln)

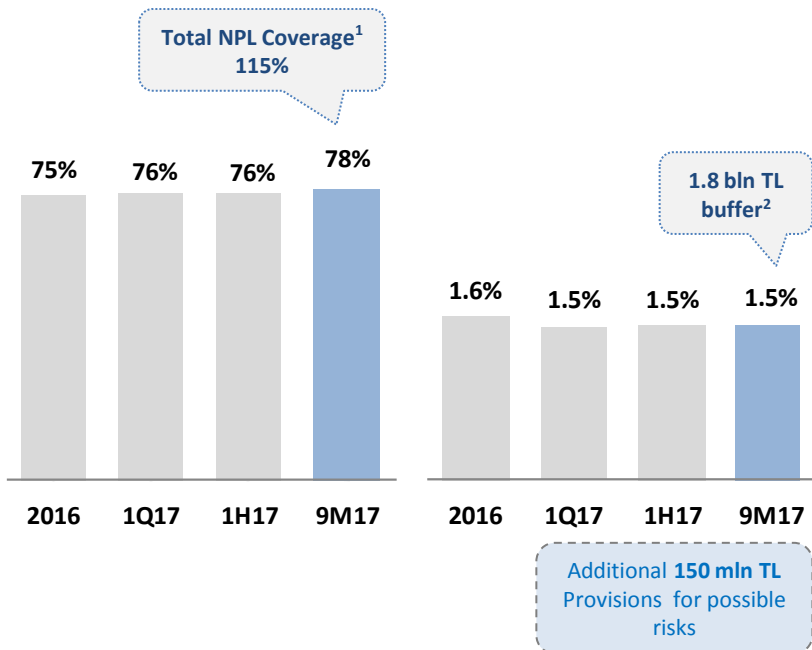
Stable CoR despite higher coverage levels and TL 1.6 bln of NPL sale

NPL Coverage

Increase in total coverage ratio to 115%;
NPL sale impact on specific coverage -90 bps q/q in 3Q17 (-550 bps ytd in 9M17)

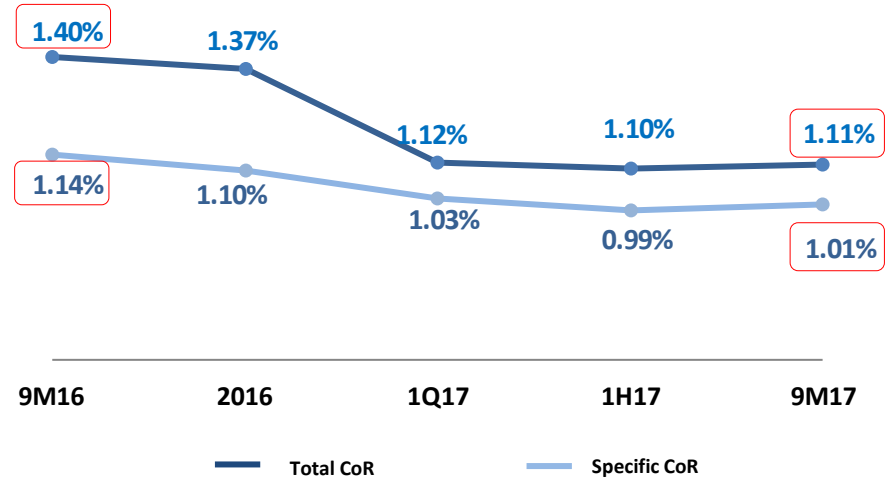
Specific provisions / NPL

Generic provisions / Performing Loans



Cost of Risk³ (Cumulative, net of collections)

Total cost of risk -29 bps y/y supported by improving collections (despite increase in coverage ratio)



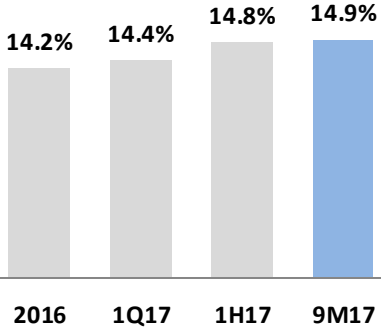
Notes:

- (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

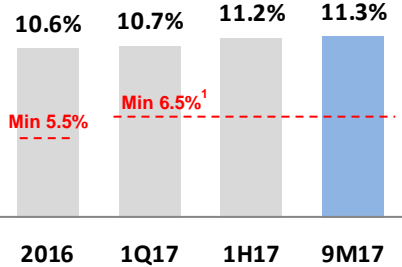
Internal capital generation supports the CAR for the last 6 quarters

Capital Ratios (Bank)

CAR



CET1

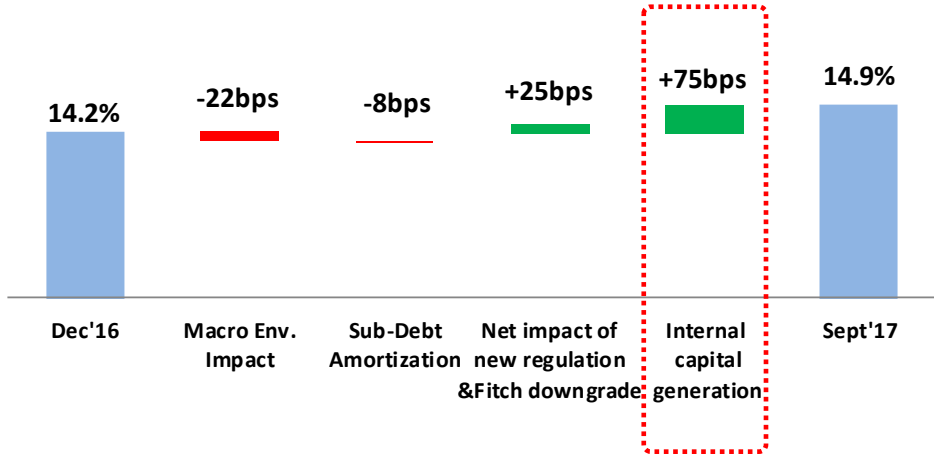


Consolidated



Internal Capital Generation reached to 75bps in 9M17
CAR up by 70bps ytd

CAR Evolution











	9M17	Δ ytd
ROATE ²	14.0%	+ 113 bps
RWA	TL 256 bln	4%

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 9M17. 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%)
 (2) ROATE change is based on reported financials

Confirming 2017 Guidance

	9M17 (y/y)		2017B	
Volume Growth				
		ytd		
Loans	18%	8%	10 - 12%	
Deposits	19%	5%	10 - 12%	
Revenues and Costs				
NIM ¹	Flattish		Flattish	
Fees	11%		10%	
Costs	6 pp below CPI		2-3pp below CPI	
Cost/Income	41%		42%	
Asset Quality				
NPL ratio (ytd)	-48 bps		Flattish	
Specific CoR (ytd)	-9 bps		Stable	
Fundamentals				
LDR	Stable		Stable	
CAR ¹	14.9%		>13%	
Net profit²	16%		Mid/High-teens	

Notes:

(1) All figures based on BRSA consolidated financials except NIM and CAR

(2) Based on reported net profit

Closing remarks

Ongoing strong performance, thanks to continuing improvement in fundamentals inline with strategies

All three phases of the strategy paying off:

- **Revenue growth:** consistently strong performance with double digit revenue growth in the 11 consecutive quarters
- **Cost elimination:** under control and below inflation since end-2015
- **Asset quality improvement:** positive trend maintained in 3Q17

2017 full year guidance confirmed

 **Annex**

A more supportive macro environment shed by hike in funding costs

Operating Environment

Macro Environment

Continuation of strong growth -through support by the government- **and tight stance** - by CBRT- **with the intention to keep the inflation under control**

Banking Sector

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

	4Q16	1Q17	2Q17	3Q17
GDP Growth (y/y)	4.2%	5.2%	5.1%	-
CPI Inflation (y/y)	8.5%	11.3%	10.9%	11.2%
Consumer Confidence Index	68.8	66.8	71.4	70.4
CAD/GDP¹	-3.8%	-3.9%	-4.1%	-4.4%
Budget Deficit/GDP	-1.1%	-1.6%	-2.0%	-1.7%
Unemployment Rate²	12.7%	11.7%	10.2%	10.7%
USD/TL (eop)	3.54	3.65	3.51	3.58
Benchmark Bond Rate (eop)	10.7%	11.3%	11.1%	11.9%

	2016	1Q17	2Q17	3Q17
Loan Growth (ytd)	17%	6%	11%	15%
<i>Private</i>	13%	6%	9%	11%
<i>State</i>	23%	7%	15%	20%
Deposit Growth (ytd)	17%	5%	9%	11%
<i>Private</i>	16%	5%	7%	8%
<i>State</i>	19%	4%	12%	17%
NPL Ratio	3.1%	3.1%	3.0%	3.0%
CAR³	14.9%	15.5%	16.4%	16.7%
ROATE³	14.6%	17.7%	16.8%	16.5%

Notes:

All macro data as of Sep'17 unless otherwise stated

Banking sector volumes based on BRSA weekly data

(1) CAD indicates Current Account Deficit as of Aug'17

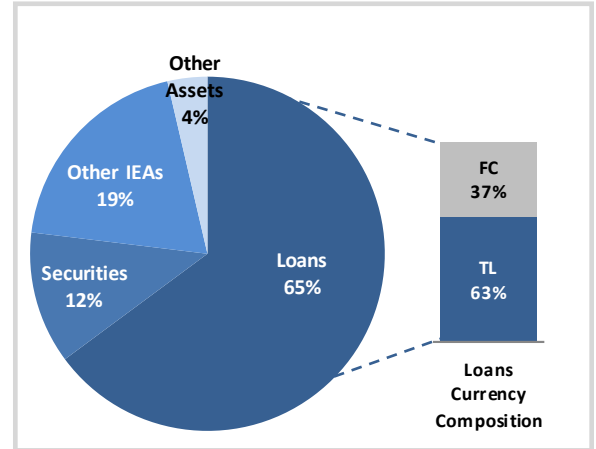
(2) Unemployment rate are as of Jul'17

(3) CAR and ROATE figures are as of Aug'17

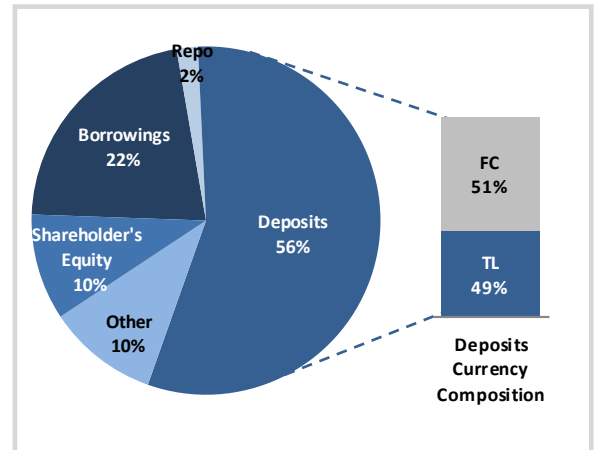
Consolidated Balance Sheet

TL bln	1Q15	1H15	9M15	YE15	1Q16	1H16	9M16	2016	1Q17	1H17	9M17	q/q	y/y	ytd
Total Assets	215.5	223.8	247.8	235.3	237.9	245.8	248.1	271.1	281.4	286.5	293.9	3%	18%	8%
Loans	135.5	142.8	153.7	152.5	154.6	161.3	161.6	176.5	183.7	185.8	190.6	3%	18%	8%
TL Loans	89.3	93.8	97.1	97.7	99.0	102.5	101.3	105.9	112.5	116.3	120.4	4%	19%	14%
FC Loans (\$)	17.7	18.2	18.6	18.8	19.6	20.3	20.1	20.1	19.6	19.8	19.8	0%	-2%	-2%
Securities¹	27.5	28.6	29.4	30.0	28.5	28.7	26.5	30.0	32.6	32.4	35.5	9%	34%	18%
TL Securities	20.1	20.9	19.9	20.4	18.9	19.2	17.8	19.7	22.0	22.3	25.0	12%	41%	27%
FC Securities (\$)	2.8	2.8	3.1	3.3	3.4	3.3	2.9	2.9	2.9	2.9	3.0	2%	1%	1%
Deposits	119.7	126.1	136.3	130.0	136.6	137.7	138.6	157.1	163.5	164.2	165.0	0%	19%	5%
TL Deposits	64.5	62.7	65.4	67.2	70.4	71.3	75.3	84.2	81.3	81.1	71.1	-12%	-6%	-16%
FC Deposits (\$)	21.2	23.5	23.3	21.6	23.3	22.9	21.1	20.7	22.6	23.7	26.4	12%	25%	28%
Borrowings	46.7	45.8	52.8	48.7	49.7	49.9	51.1	57.7	61.0	62.3	63.9	3%	25%	11%
TL Borrowings	5.6	5.5	4.9	5.5	5.3	4.8	5.0	5.4	5.1	6.1	6.5	7%	30%	22%
FC Borrowings (\$)	15.7	15.0	15.7	14.9	15.7	15.6	15.4	14.9	15.4	16.0	16.1	1%	5%	9%
Shareholders' Equity	21.0	22.1	22.0	23.1	23.7	24.3	25.0	26.1	27.7	28.5	29.0	2%	16%	11%
Assets Under Management	13.0	13.4	13.6	13.8	14.4	14.8	15.4	16.1	17.4	18.5	19.1	3%	24%	19%
Loans/Assets	63%	64%	62%	65%	65%	66%	65%	65%	65%	65%	65%			
Securities/Assets	13%	13%	12%	13%	12%	12%	11%	11%	12%	11%	12%			
Borrowings/Liabilities	22%	20%	21%	21%	21%	20%	21%	21%	22%	22%	22%			
Loans/(Deposits+TL Bonds)	110%	110%	110%	114%	110%	114%	113%	110%	110%	110%	112%			
CAR - cons	14.3%	13.0%	12.1%	12.9%	13.5%	13.6%	13.9%	13.2%	13.4%	13.7%	13.8%			
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%	10.3%			
Leverage Ratio	9.2x	9.1x	10.3x	9.2x	9.0x	9.1x	8.9x	9.4x	9.2x	9.1x	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	3Q17	q/q	y/y	9M16 ¹	9M17	y/y
Total Revenues	3,063	3,000	3,189	3,156	3,529	3,363	3,261	-3%	2%	9,252	10,152	10%
Core Revenues	2,704	2,689	2,922	2,878	3,100	3,147	3,152	0%	8%	8,315	9,399	13%
Net Interest Income	1,952	1,911	2,217	2,141	2,251	2,321	2,353	1%	6%	6,079	6,925	14%
o/w CPI-linkers	313	137	287	212	325	338	409	21%	43%	737	1,072	46%
Fees & Commissions	752	778	706	737	849	826	799	-3%	13%	2,236	2,474	11%
Other Revenues	359	311	266	277	430	215	108	-50%	-59%	937	753	-20%
Other income ²	307	257	216	240	362	314	269	-15%	24%	780	945	21%
o/w collections ²	209	208	159	178	234	202	198	-2%	25%	576	635	10%
o/w pension fund reversal	0	0	0	6	0	0	0	-	-	0	0	-
o/w NPL sale	0	0	0	0	28	45	18	-61%	-	0	90	-
o/w others	98	49	58	57	101	68	53	-22%	-8%	206	223	9%
Trading	48	52	51	37	66	-107	-160	49%	-	151	-201	-
o/w swap costs	-62	-34	-27	39	-34	-226	-204	-10%	-	-124	-465	276%
Dividend	3	3	0	0	2	8	0	-	-	6	10	70%
Operating Costs	1,264	1,324	1,352	1,375	1,370	1,422	1,363	-4%	1%	3,940	4,154	5%
o/w fee rebates	35	22	9	15	10	9	5	-40%	-40%	66	25	-63%
Operating Income	1,799	1,676	1,836	1,780	2,160	1,941	1,898	-2%	3%	5,312	5,998	13%
Provisions	888	844	808	1,034	895	820	840	2%	4%	2,540	2,554	1%
Specific Provisions ²	672	623	748	764	756	717	761	6%	2%	2,043	2,234	9%
Generic Provisions	120	158	46	171	45	62	46	-26%	1%	323	153	-53%
Other Provisions	96	63	14	99	94	40	33	-19%	134%	173	167	-4%
Pre-tax Income	911	832	1,028	746	1,265	1,121	1,058	-6%	3%	2,772	3,444	24%
Tax	207	194	218	176	263	229	216	-6%	-1%	619	709	15%
Net Income	704	638	811	570	1,001	892	841	-6%	4%	2,153	2,735	27%
Reported Net Income	704	848	811	570	1,001	892	841	-6%	4%	2,363	2,735	16%
ROTE¹	12.8%	11.3%	13.9%	9.4%	15.8%	13.4%	12.3%			12.7%	14.0%	
Visa Income	0	210	0	0	0	0	0	-	-	210	0	-

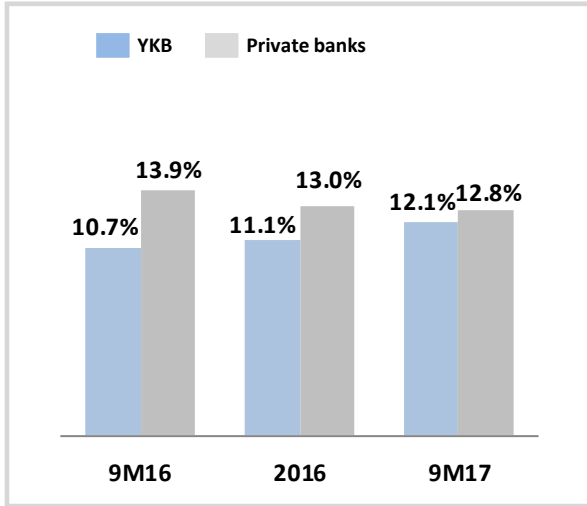
- Notes:
- (1) 2016 figures excludes the Visa sale gain [Impact of Visa sale gain: 235 mln TL (net impact: 210 mln TL)].
 - (2) 2016 other income and provisions figures are restated due to the revision on accounting treatment of collections

Bank-Only Income Statement

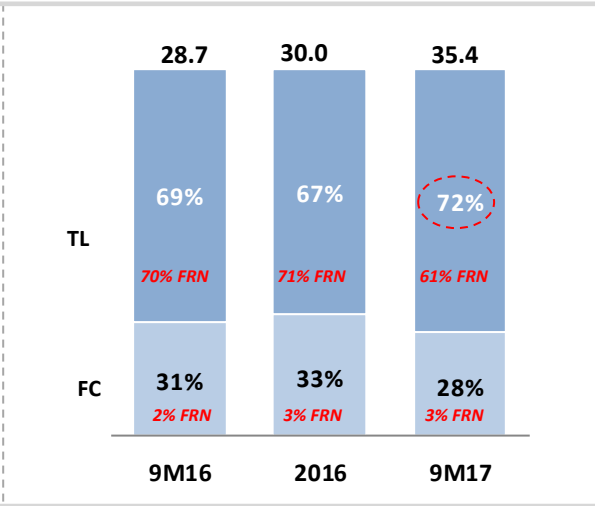
TL million	1Q16	2Q16 ¹	3Q16	4Q16	1Q17	2Q17	3Q17	q/q	y/y	9M16 ¹	9M17	y/y
Total Revenues	2,950	2,893	3,083	3,023	3,401	3,231	3,139	-3%	2%	8,926	9,771	9%
Net Interest Income	1,821	1,772	2,065	1,976	2,141	2,174	2,212	2%	7%	5,659	6,527	15%
o/w CPI-linkers	313	137	287	212	325	338	409	21%	43%	737	1,072	46%
Fees & Commissions	716	744	671	695	807	784	757	-3%	13%	2,130	2,348	10%
Other Revenues	413	377	347	352	453	273	170	-38%	-51%	1,137	896	-21%
Other income ¹	398	349	317	348	473	432	394	-9%	24%	1,064	1,300	22%
o/w collections ¹	209	208	159	178	234	202	198	-2%	25%	576	635	10%
o/w pension fund reversal	0	0	0	6	0	0	0	-	-	0	0	-
o/w NPL sale	0	0	0	0	28	45	18	-61%	-	0	90	-
o/w profit/(loss) of associates& jv.s accounted for using equity method	108	113	128	128	146	140	144	3%	13%	348	430	24%
o/w others	81	28	31	36	66	46	34	-26%	11%	140	145	4%
Trading	15	28	30	4	-22	-159	-224	41%	-	73	-406	-
o/w swap costs	-94	-52	-33	35	-114	-276	-252	-9%	-	-179	-642	-
Dividend	0	0	0	0	2	0	0	-	-	0	2	-
Operating Costs	1,199	1,258	1,310	1,309	1,295	1,346	1,293	-4%	-1%	3,768	3,935	4%
o/w fee rebates	35	22	9	15	10	9	9	0%	-1%	66	28	-57%
Operating Income	1,751	1,635	1,773	1,714	2,106	1,884	1,846	-2%	4%	5,158	5,836	13%
Provisions	863	828	776	995	876	792	821	4%	6%	2,467	2,490	1%
Specific Provisions ¹	654	610	723	725	745	687	749	9%	4%	1,987	2,181	10%
Generic Provisions	115	155	40	174	43	61	40	-34%	1%	310	144	-53%
Other Provisions	94	63	13	97	88	45	32	-28%	151%	170	164	-3%
Pre-tax Income	887	807	997	719	1,230	1,092	1,024	-6%	3%	2,691	3,346	24%
Tax	183	169	186	149	229	200	183	-9%	-2%	538	612	14%
Net Income	704	638	811	570	1,001	892	841	-6%	4%	2,153	2,735	27%
Visa Income	0	210	0	0	0	0	0	-	-	210	0	-
Reported Net Income	704	848	811	570	1,001	892	841	-6%	4%	2,363	2,735	16%
ROTE¹	12.8%	11.3%	13.9%	9.4%	15.8%	13.4%	12.3%			12.8%	14.0%	

Securities

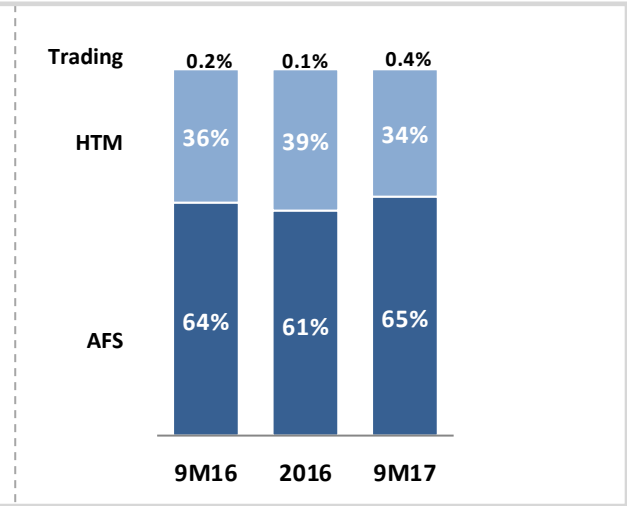
Securities¹/Assets



Composition by Currency (TL bln)



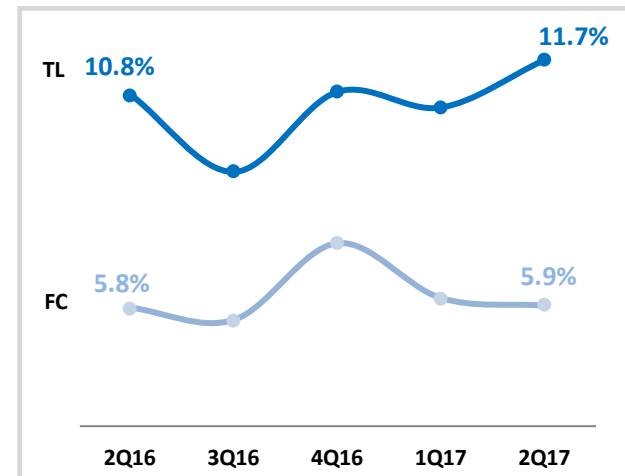
Composition by Type¹



- **Securities / assets at 12.1%** with dynamically managed mix to benefit from rate environment
- **Increase in CPI linkers to benefit from higher inflation levels.** CPI-linker volume at 10.9 bln TL (+14% ytd) with gain of TL 1,072 mln in 9M17 (3Q17: TL409 mln; 2Q17: TL 338 mln; 1Q17: TL 325 mln)

Inflation estimate for the revaluation CPI linker revised to 9.5% from 8.8%
 NII impact on 3Q17 financials +TL 53 mln
- **M-t-m unrealised loss at TL 241 mln as of 9M17** (TL -463 mln in 2016)

Security Yields²






Notes: Private banks data based on BRSA monthly data dated Aug'17; YKB data is based on Sept'17 consolidated BRSA financials
 AFS: Available for Sale; HTM: Held to Maturity; FRN: Floating Rate Notes; CPI: Consumer price index inflation

(1) Excluding derivatives classified under trading securities

(2) 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)

Borrowings: 22% of total liabilities

International	Syndications	<p>~ US\$ 2.7 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'17: US\$ 411.2 mln and € 799.6 mln, all-in cost at Libor+1.35% /Euribor+ 1.25% p.a. for the 367 days and Libor+ 2.20 % and Euribor+ 2.10 % for the 2 year and 1 day tranche, respectively . Participation of 37 banks from 17 countries
	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\$ 2.7 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 986.7 mln first tranche (outstanding ~ TL 814,6 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 ■ Oct'17: Mortgage-backed, maturity 5 years
Domestic	Local Currency Bonds / Bills	<p>TL 1.3 bln total</p> <ul style="list-style-type: none"> ■ June'17 : TL 385 mln, 4 months maturity ■ July'17 : TL 343,2 mln , 5 months maturity  ■ July'17 : TL 213,5 mln , 3 months maturity  ■ Aug'17 : TL 222,0 mln , 5 months maturity  ■ Sept'17: TL 150 mln , 5 months maturity 