

Yapı Kredi 1H18 Earnings Presentation

31 July 2018



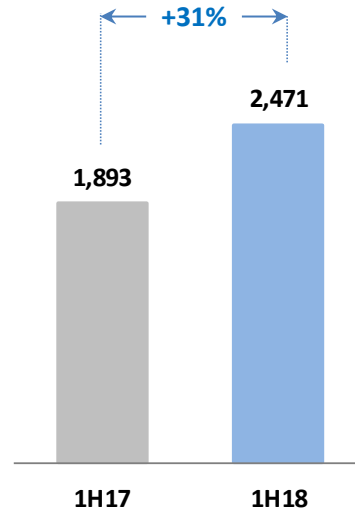
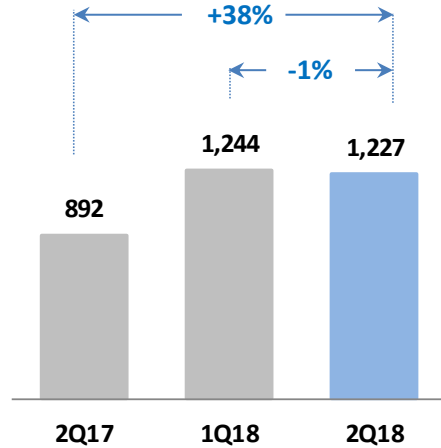
Continuous improvement in profitability with strong balance sheet fundamentals

Profitability

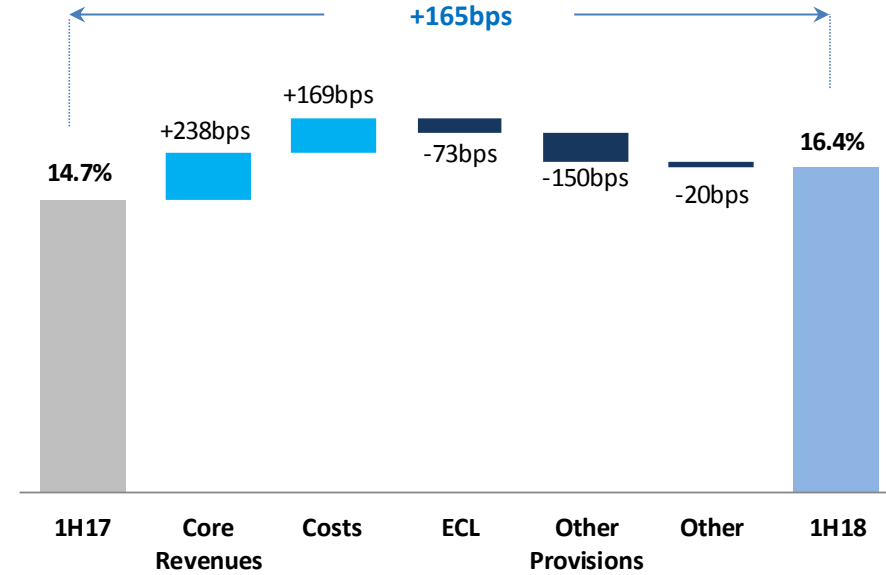
Net Profit (TL mIn)

Quarterly

Cumulative

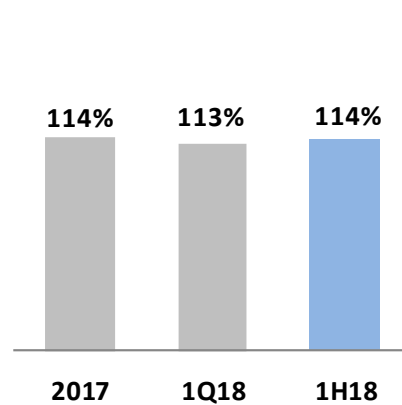
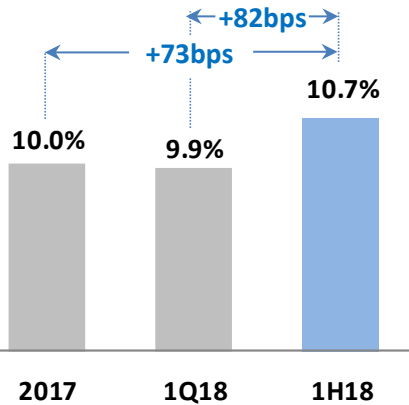


Evolution of RoTE¹

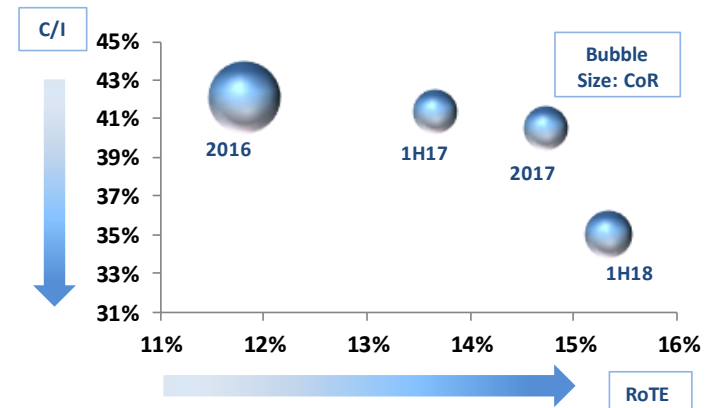


CET1 Ratio

LDR²



Improving trend in C/I & CoR supporting RoTE



Notes:

Other Provisions for Risks and Charges are at 288 mIn TL gross as of 1H18

1. RoTE calculation excludes TL 4.1 billion of rights issue which was realized as of 29 June 2018

2. LDR = Performing Loans / (Deposits + TL Bills sold to individuals)

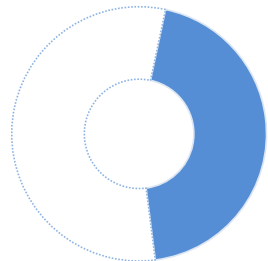
Shift in loan mix towards smaller tickets

Loan growth (TL bln)

	1H18	YKB			Private Banks ¹		
		y/y	ytd	q/q	y/y	ytd	q/q
Total Loans²	222.2	20%	11%	8%	17%	9%	6%
TL ³	123.0	11%	2%	4%	12%	5%	3%
FC (\$) ³	21.7	2%	3%	-1%	-4%	-3%	-4%

TL bln	2017	1Q18	1H18
CGF Utilisation	12.8	14.9	19.5
CGF Stock	9.5	10.5	13.4
Market Share	5.8%	6.1%	7.1%

FC Loans



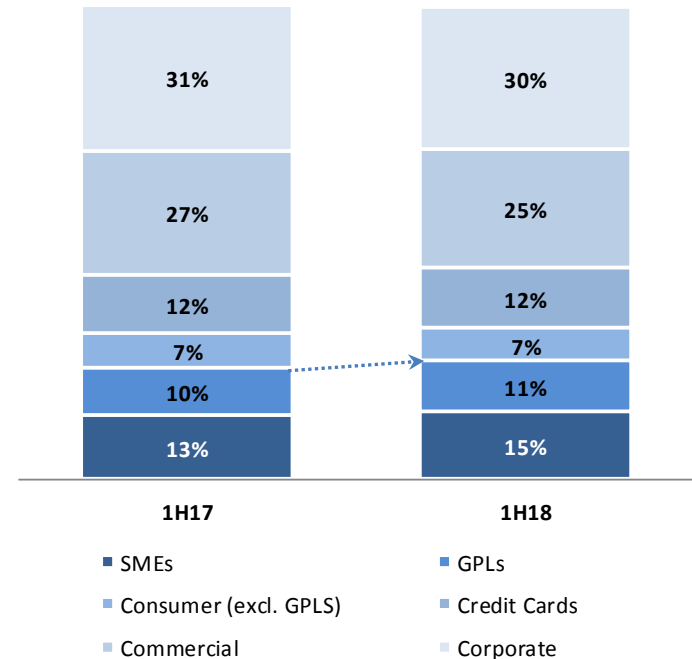
~35% of Project Finance loans are backed by government guarantee

FC Lending Breakdown

	Share	y/y
Project Finance	59%	0%
LT Investments	30%	23%
ST Loans	5%	-22%
Financial institutions	6%	-28%

Loan Mix (FX adjusted)⁴

Portion of SME and GPL lending is increasing in FX adjusted terms



Notes:

1. Private banks based on BRSA weekly data as of 29 June 18
2. Loans indicate performing loans excluding factoring and leasing receivables
3. TL and FC loans are adjusted for the FX indexed loans
4. Based on MIS data

Diversification towards lower cost funding sources

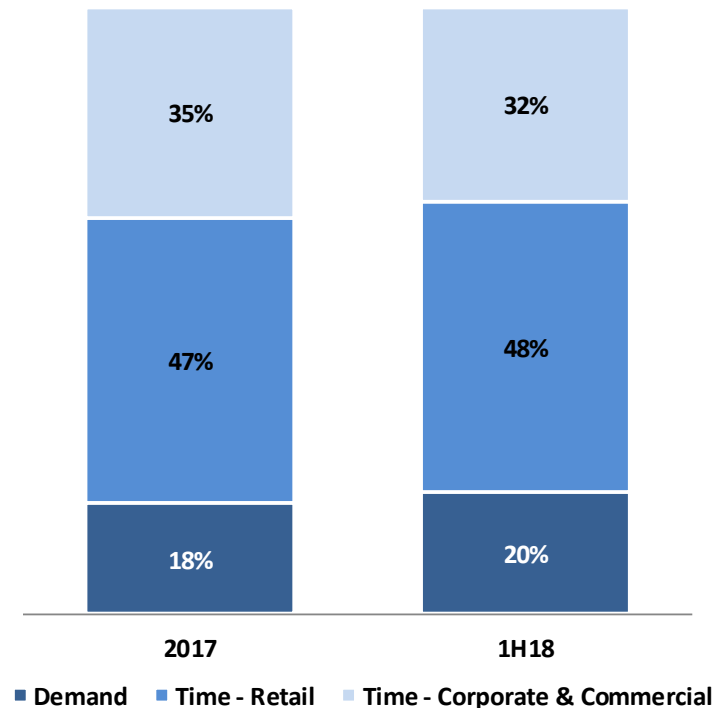
Deposit growth (TL bln)

	1H18	YKB			Private Banks ¹		
		y/y	ytd	q/q	y/y	ytd	q/q
Total Deposits	192.8	17%	11%	7%	16%	10%	6%
TL	80.1	-1%	5%	-6%	10%	4%	0%
FC (\$)	24.7	4%	-4%	3%	-7%	-4%	-3%
Customer Deposits	180.1	14%	10%	8%	17%	10%	6%
TL	76.7	-2%	5%	-6%	11%	4%	0%
FC (\$)	22.7	0%	0%	5%	-6%	-4%	-2%
Demand Deposits	36.6	22%	15%	12%	23%	14%	12%

Ongoing diversification in the funding mix

- 500 mln USD Eurobond in March 2018
- 111% roll-over ratio in syndication in May 2018
- 215 mln USD Securitization in 1H18
- 639 mln TL Covered in February and May 2018

Deposit Breakdown (FX adjusted)²



Notes:

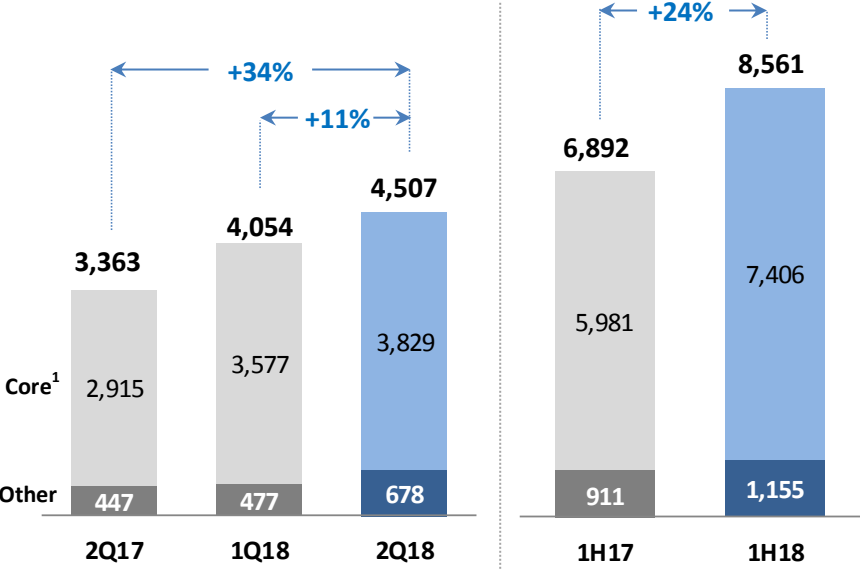
1. Private banks based on BRSA weekly data as of 29 Junr'18
2. Based on MIS data

Strong revenue growth via core revenue increase leading to improvement in revenue margin

Revenues (TL mIn)

Quarterly

Cumulative

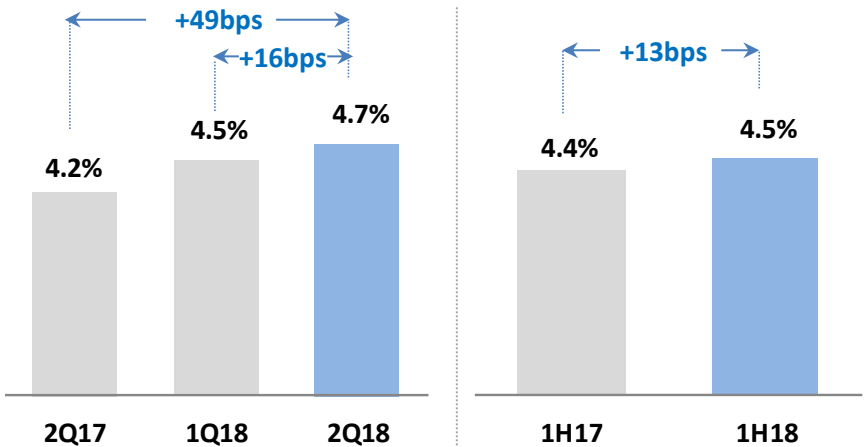


Revenue Margin²

Revenue Margin improved +13bps y/y with 24% increase both in swap adjusted NII and Fees

Quarterly

Cumulative



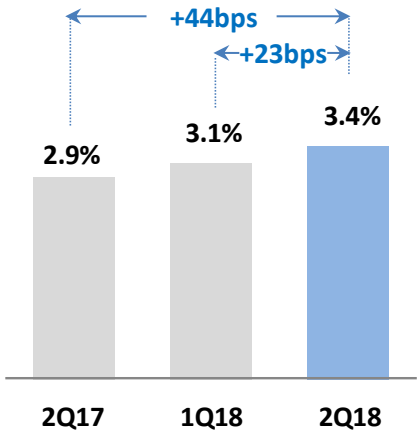
<i>mIn TL</i>	2Q17	1Q18	2Q18	1H17	1H18
Other Revenues	447	477	678	911	1,155
Other Income	323	466	403	686	869
Collections	247	330	363	509	693
Income From Subs	19	28	25	47	53
Dividend Income	8	4	8	10	12
Trading & FX (net)	125	11	275	225	286

Notes:
 1. Core Revenues = NII + swap costs + Net fee income
 2. Revenue margin= Core Revenues / average IEAs; Based on bank-only financials

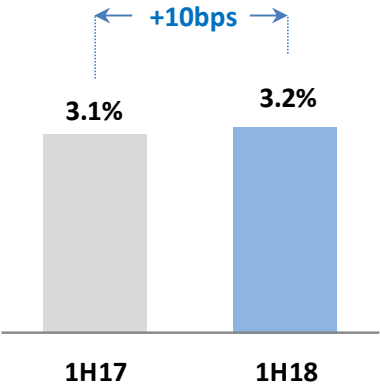
23bps q/q increase in NIM through wider core spreads

Swap Adjusted NIM

Quarterly

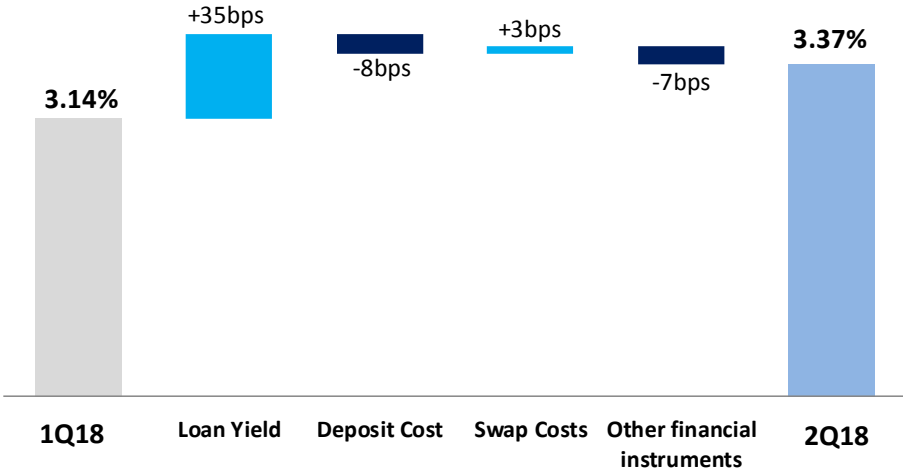


Cumulative

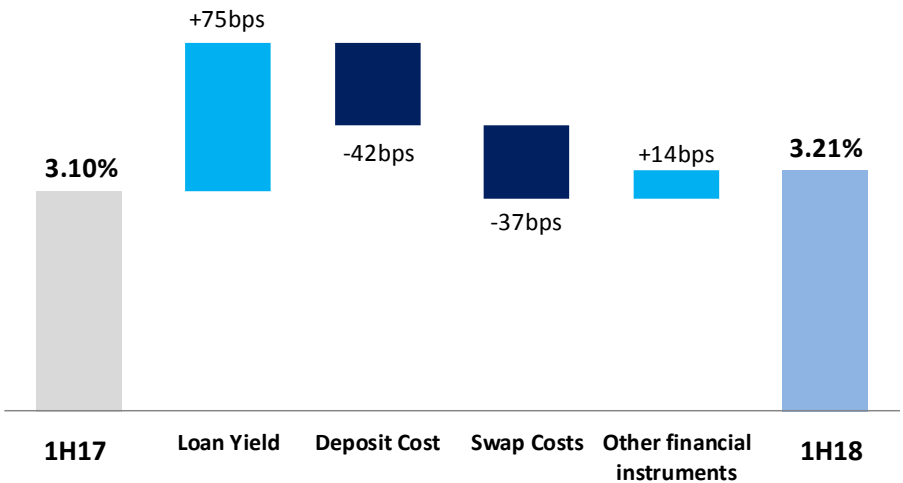


NIM waterfall

Quarterly



Cumulative



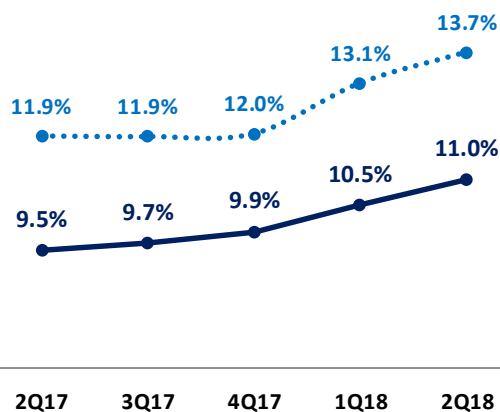
Notes:
Based on Bank-Only financials

Increase in Loan-Deposit spread thanks to ongoing loan repricing

Loan Yields¹ (Quarterly)

Another 55 bps increase in blended loan yield while loan repricing efforts sustains

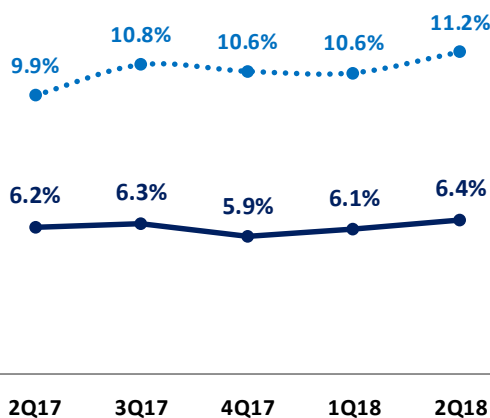
■ Blended
■ TL



Deposit Costs (Quarterly)

Increase in blended cost of deposits (+27 bps) due to upward trend in the rates

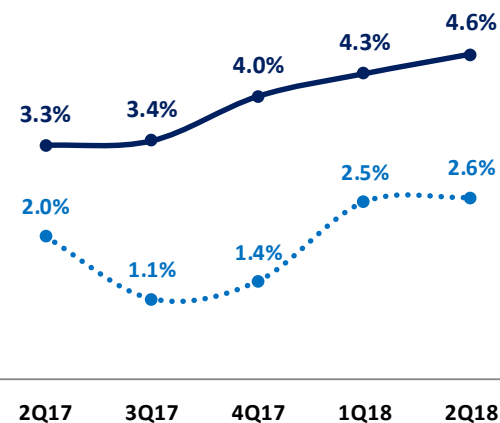
■ Blended
■ TL



Loan-Deposit Spread (Quarterly)

Loan-Deposit spread improved +28 bps through loan repricing

■ Blended
■ TL



Change q/q based on daily averages²

	3Q17	4Q17	1Q18	2Q18
TL	19bps	25bps	65bps	44bps
FC	27bps	30bps	5bps	65bps

	3Q17	4Q17	1Q18	2Q18
TL	43bps	-32bps	31bps	25bps
FC	2bps	3bps	-2bps	4bps

	3Q17	4Q17	1Q18	2Q18
TL	-24bps	57bps	34bps	19bps
FC	25bps	28bps	7bps	61bps

Notes:

Based on Bank-Only financials

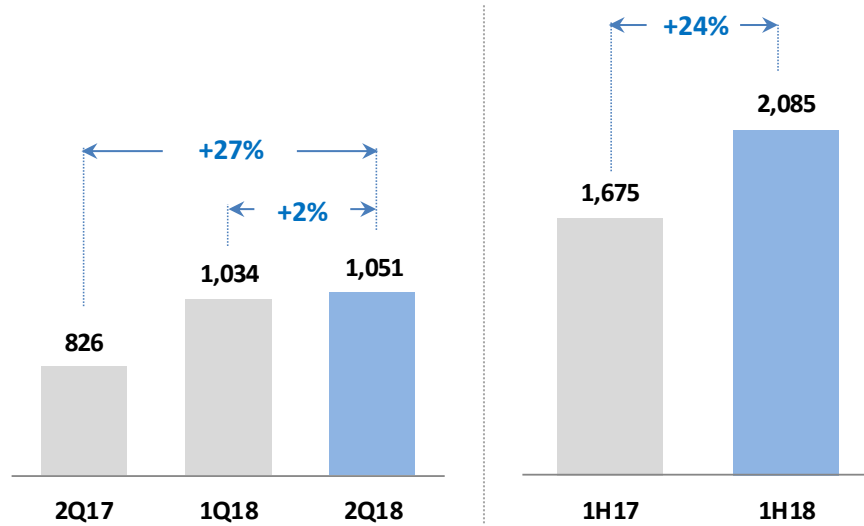
1. Performing Loan yields
2. Based on MIS data

Fee increase at 24% y/y thanks to core business fee generation

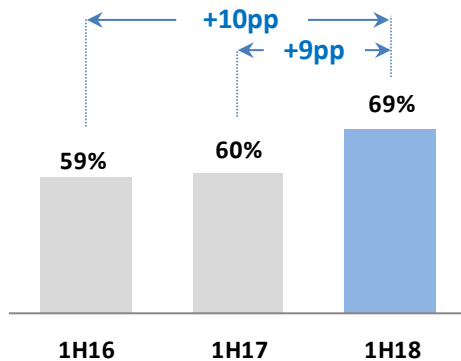
Net Fee income (TL mIn)

Quarterly

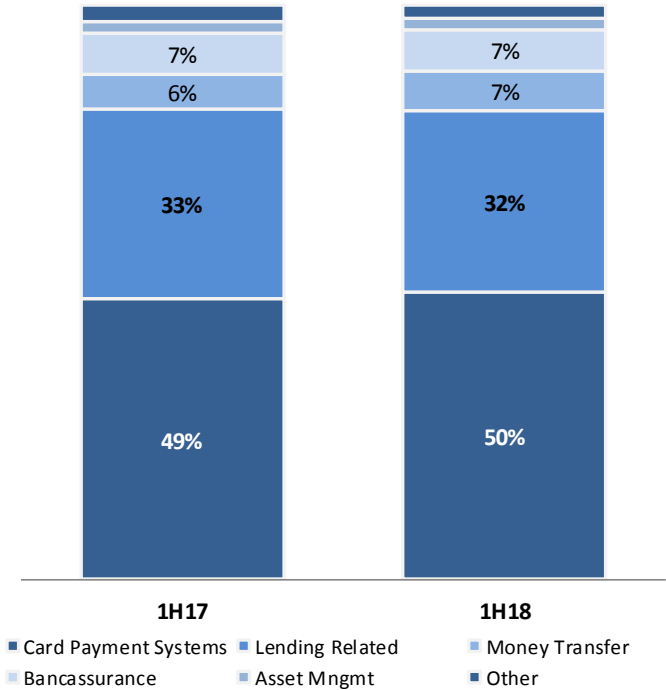
Cumulative



Fees / Opex



Fees Received Composition



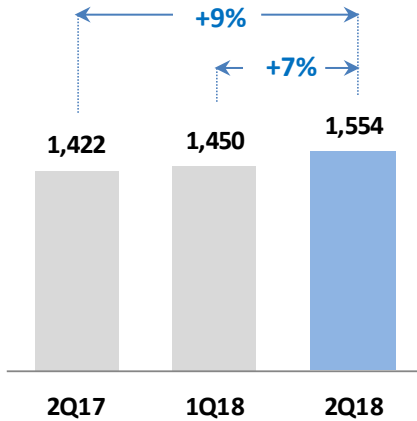
Diversification efforts on the top of ongoing support from Card payment systems:

- Money Transfer: +47% y/y
- Bancassurance: 23% y/y
- Card Payment systems: +28% y/y

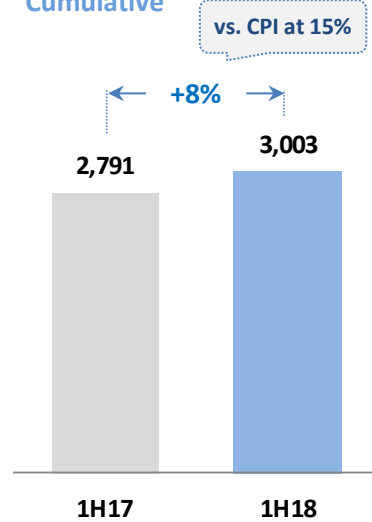
Cost discipline on track with y/y increase well below inflation

Costs (TL mIn)

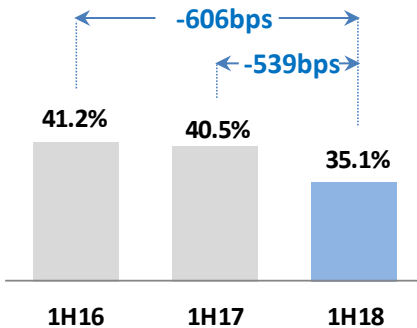
Quarterly



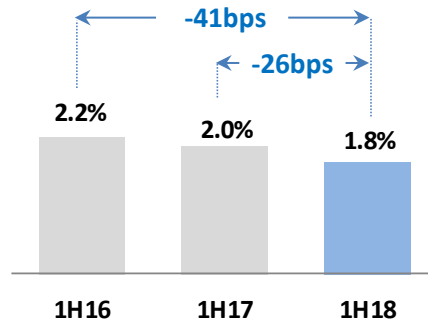
Cumulative



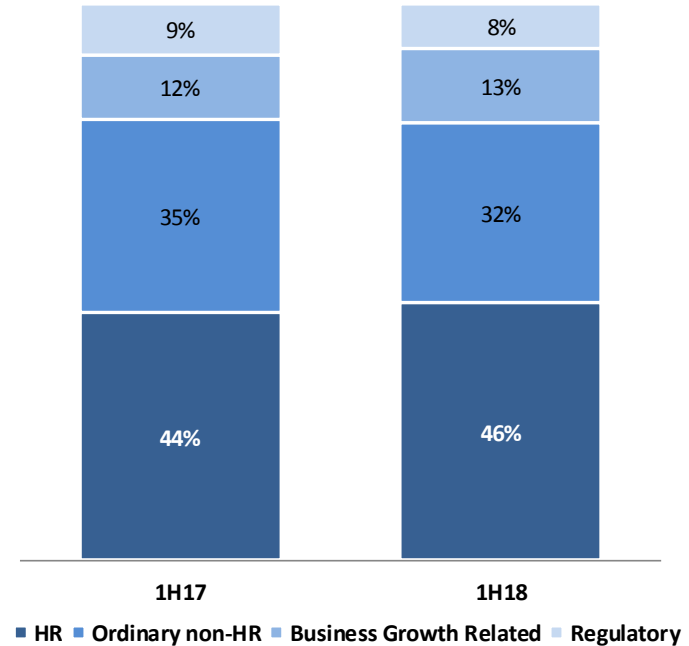
Cost / Income



Costs / Average Assets¹



Cost Breakdown²



Ordinary non-HR cost share is coming down; HR cost increase due to variable compensation

- HR costs: +12% y/y (# of FTE³: -2%)
- Ordinary non-HR costs: Stable y/y
- Business growth related costs⁴: +23% y/y

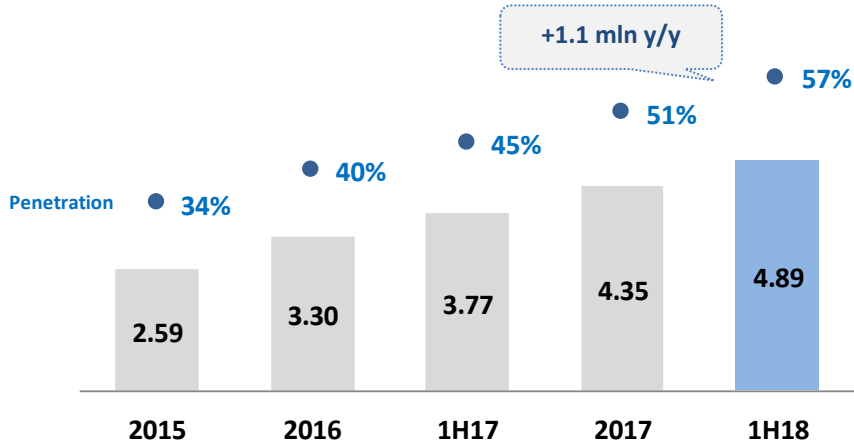
Notes:

1. 1H17 and 1H16 assets are recasted for the IFRS 9 adoption (reclassification of general provisions)
2. Based on MIS data
3. FTE: Full Time Equivalent
4. Includes Advertisement, Payroll Charity, World Points

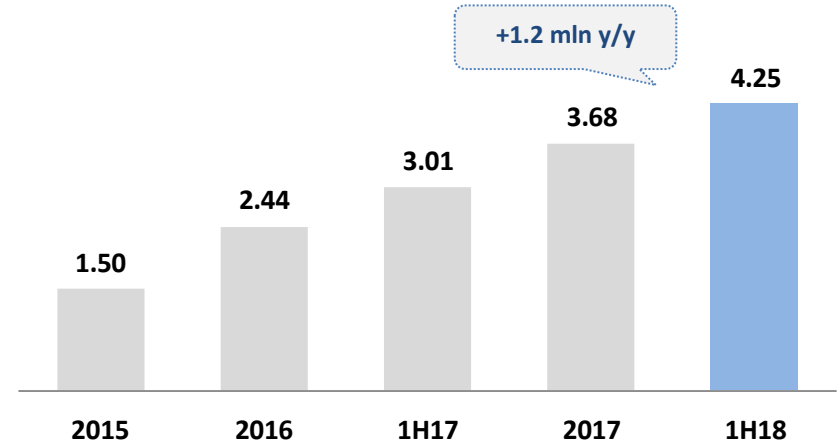
Digital transformation fully on track



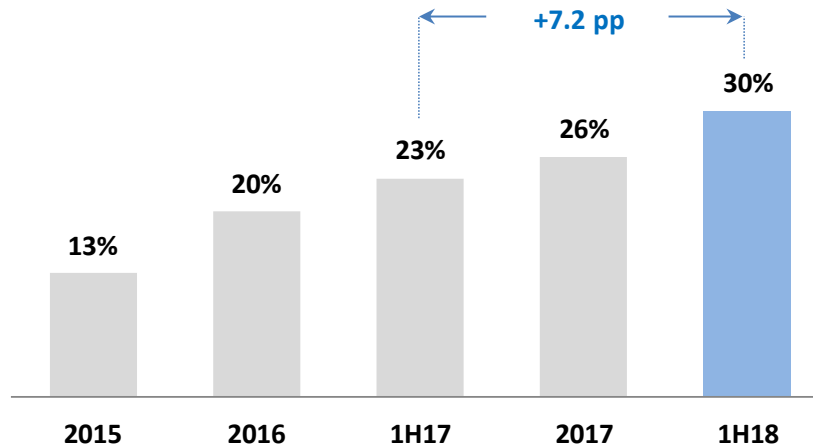
Number of Digital Customers (mIn)



Number of Mobile Banking Customers (mIn)



Share of digital in main products² sold

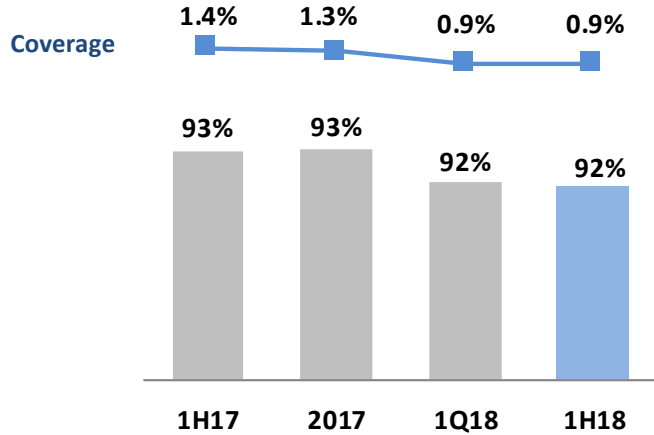


Notes:

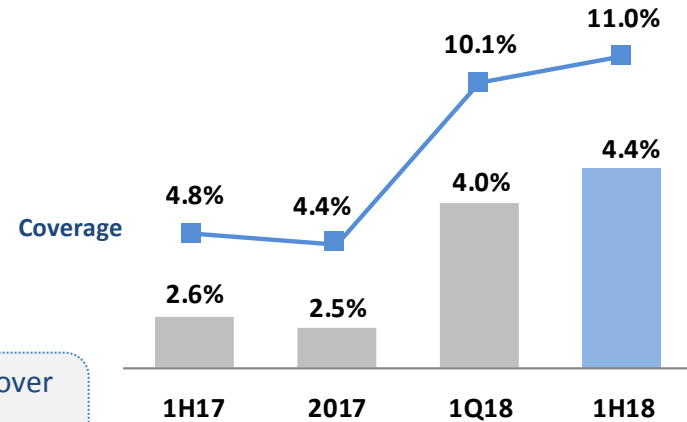
1. Main Products; GPL, CC, Time Deposit, and Flexible Account

Strong Stage I coverage enabling comfort-zone for further Stage 2 worsening; increase in NPL inflows through a couple of big tickets

Stage I loans to Gross Loans

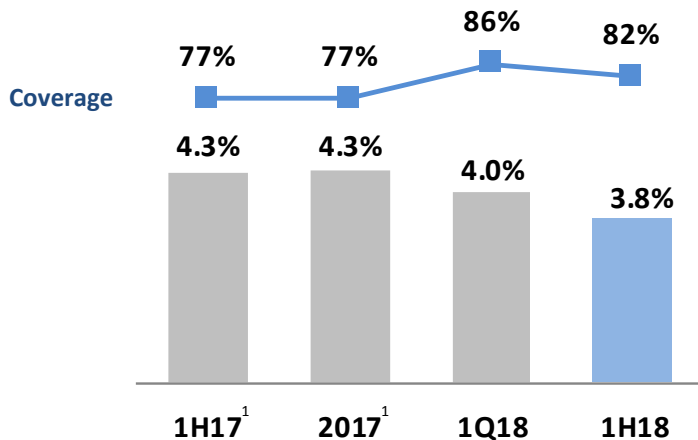


Stage II loans to Gross Loans

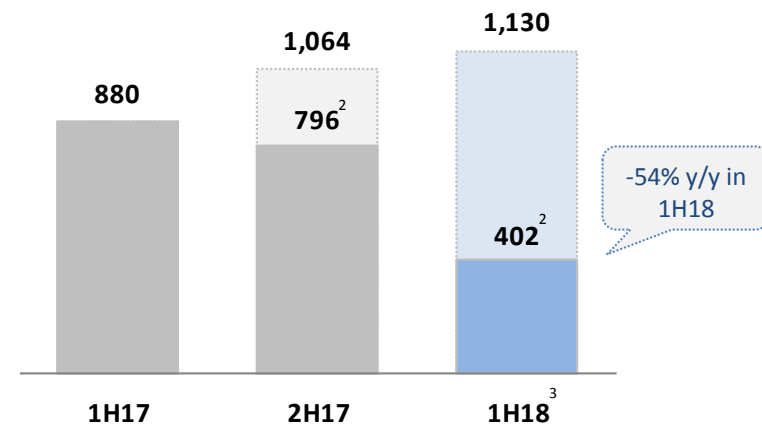


Solid coverage over gross loans
4.8%⁴

NPL & Coverage Ratio



Net NPL inflows (TL mIn)



Notes:

TL 1.6 bln NPL sales in 1H18 (628 mln in 1Q18; 1 bln in 2Q18)

1. For homogenous comparison Factoring and Leasing included

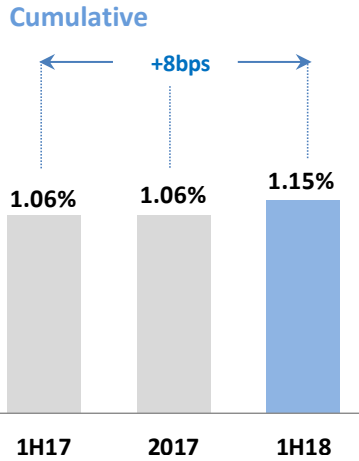
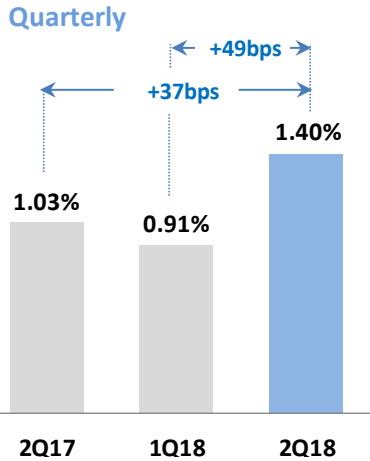
2. Adjusted for big ticket NPLs

3. For homogenous calculation 1H18 exclude interest accruals

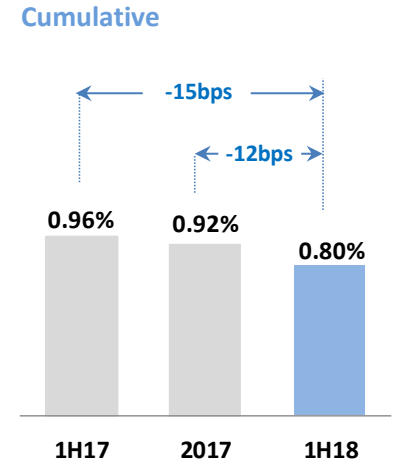
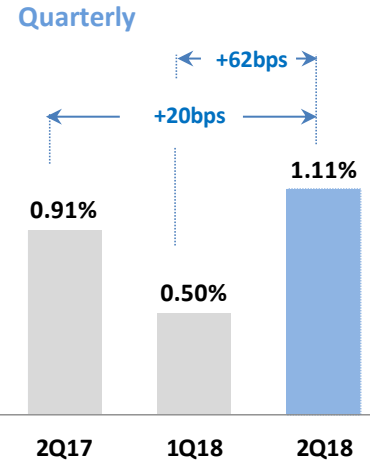
4. Based on Bank-only; consolidated coverage (including Leasing and Factoring) at 4.4%

CoR increase due to FX impact and macro scenario change

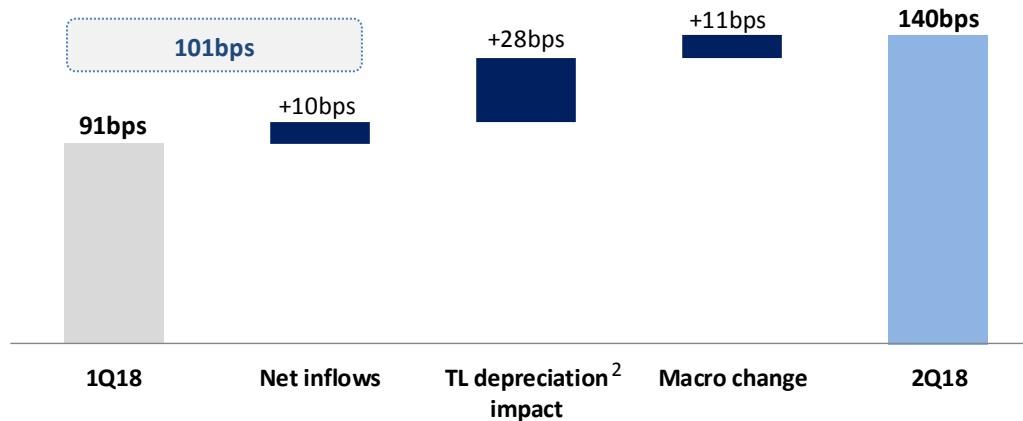
Total Cost of Risk¹ (net of collections)



Specific Cost of Risk (net of collections)



Cost of Risk evolution (quarterly)

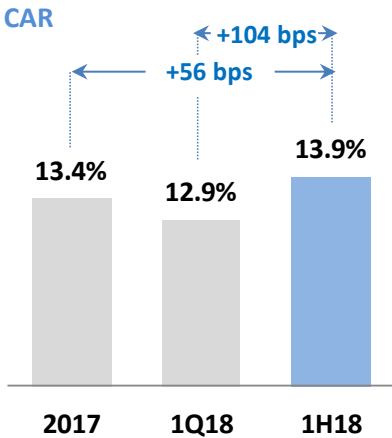
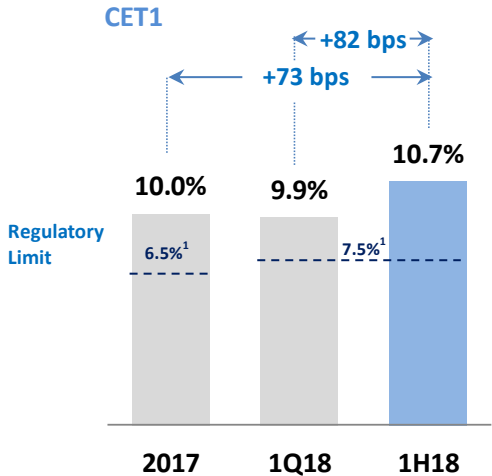


Notes:

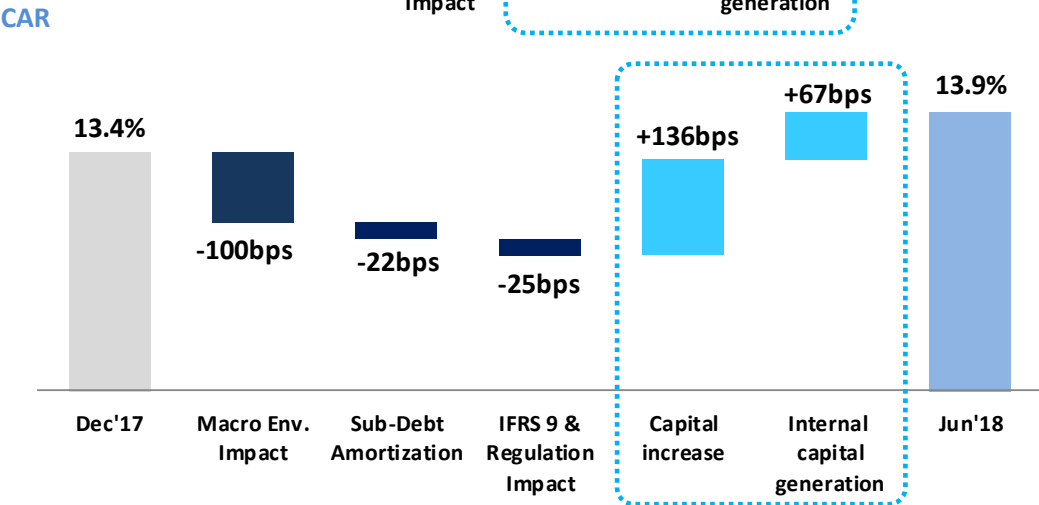
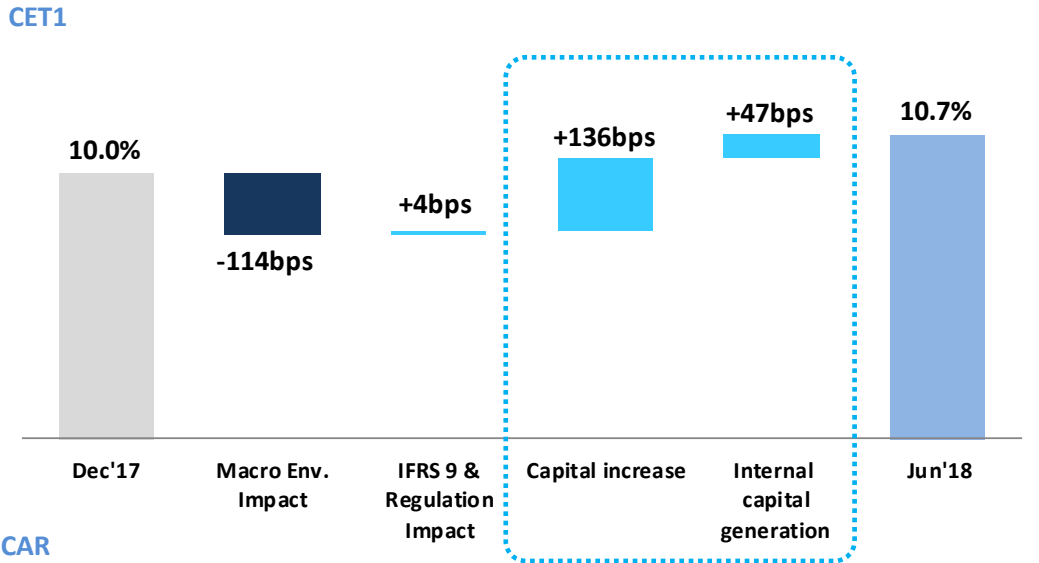
1. Cost of Risk = (Total Loan Loss Provisions - Collections) / Total Gross Loans
2. TL depreciation impact represents the impact of increase in stage 1 and stage 2 expected credit loss due to increase in TL equivalent of FX denominated loans

Weathered the volatility through capital injection and internal capital generation

Capital Ratios



Capital Evolution



Notes:
 1. CET 1 minimum level of 6.5% and 7.5% is based on consolidated requirements
 2018 Basel 3 related capitalisation buffers include capital conservation buffer of 1.875%, countercyclical buffer (bank-specific) of 0.025%, SIFI buffer of 1.125% (Group 2)
 T1 Ratio at 10.7% as of 1H18

Deterioration in macro environment creates a risk to CoR and CAR guidance, with a potential upside risk to Fees

Guidance

Volumes	Loans	12-14%	CONFIRMED
	Deposits	12-14%	CONFIRMED
Revenues	NIM	Flattish	CONFIRMED
	Fees	Low-teens	UPSIDE POTENTIAL
Costs	Costs	Below CPI	CONFIRMED
	Cost/Income	< 40%	CONFIRMED
Asset Quality	NPL Ratio	~-10 bps	CONFIRMED
	CoR	Slight improvement	DOWNSIDE RISK
Fundamentals	LDR	110%-115%	CONFIRMED
	CAR	> 15%	DOWNSIDE RISK
Profitability	Net Profit	High-teens	CONFIRMED
	RoTE	Improvement	CONFIRMED

Notes:
Based on bank-only financials

Robust performance in all fundamentals towards 2020 targets

2020 Targets

		1H18	2020E
Strengthen and optimise capital position	CET 1 Ratio	321bps over threshold	200bps over threshold
Sustainable revenues by rebalancing business mix	Revenue Margin ¹	4.5% (+13 bps y/y)	≥ 4.7%
Well managed cost structure with efficiency gains	Cost / Income	34.4% (-545 bps y/y)	≤ 36%
Asset quality optimisation	Total Cost of Risk	1.24% (+12 bps y/y)	~1.0%
A set of strong results heading to improvement in profitability	RoATE	16.3% ² (+164 bps y/y)	≥ 17%
	RoAA	1.6% (+8 bps y/y)	≥ 1.7%

Notes:

Based on bank-only financials except for capital ratios

1. Calculated as (NII + Swap Costs + Fees) / Interest Earning Assets

2. Adjusted for the capital injection

 **Annex**

Macro Environment and Banking Sector

Macro Environment

Strong growth performance sustains CBRT tightens with the intention to keep the inflation under control

	2Q17	4Q17	1Q18	2Q18
GDP Growth (y/y)	5.4%	7.3%	7.4%	-
CPI Inflation (y/y)	10.9%	11.9%	10.2%	15.4%
Consumer Confidence Index	70.0	65.1	71.3	70.3
CAD/GDP¹	-4.1%	-5.6%	-6.3%	-6.4%
Budget Deficit/GDP²	-2.0%	-1.5%	-1.6%	-1.7%
Unemployment Rate³	10.2%	10.4%	10.1%	9.6%
USD/TL (eop)	3.51	3.82	4.00	4.62
2Y Benchmark Bond Rate (eop)	11.1%	13.4%	14.0%	19.3%

Banking Sector

Banking sector remaining strong, despite the macro volatility...

	2Q17	4Q17	1Q18	2Q18
Loan Growth	5%	5%	5%	7%
<i>Private</i>	3%	5%	4%	6%
<i>State</i>	8%	6%	6%	10%
Deposit Growth	4%	5%	4%	7%
<i>Private</i>	2%	4%	4%	6%
<i>State</i>	7%	6%	5%	9%
NPL Ratio	3.0%	2.9%	2.8%	2.9%
CAR⁴	16.4%	16.5%	16.3%	15.6%
ROATE⁴	16.2%	13.6%	15.2%	15.2%

Notes:

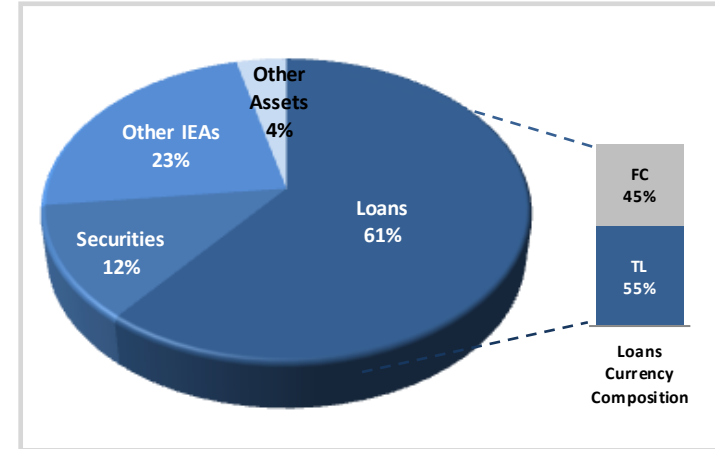
All macro data as of June 2018 unless otherwise stated
Banking sector volumes based on BRSA weekly data as of 29 Jun'18

1. CAD indicates Current Account Deficit as of May'18
2. Budget Deficit is as of May
3. Unemployment rate is as of Apr'18
4. CAR and ROATE as of May'18

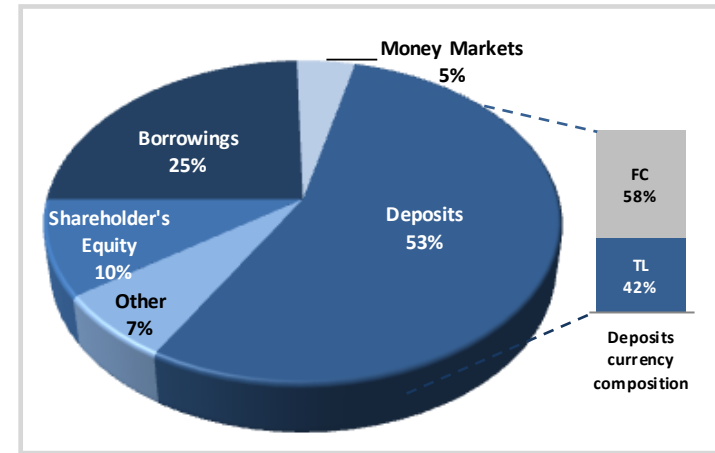
Consolidated Balance Sheet

TL bln	1Q17 ¹	1H17 ¹	9M17 ¹	2017 ¹	1Q18	1H18	q/q	y/y	ytd
Total Assets	278.3	283.3	290.6	316.9	328.7	365.1	11%	29%	15%
Loans²	183.7	185.8	190.6	199.9	205.3	222.2	8%	20%	11%
TL Loans	107.0	111.1	115.1	120.1	118.8	123.0	4%	11%	2%
FC Loans (\$)	21.1	21.3	21.2	21.2	21.9	21.7	-1%	2%	3%
Securities	32.6	32.4	35.5	38.8	41.7	45.2	8%	39%	17%
TL Securities	22.4	22.7	25.5	28.1	30.7	32.7	7%	44%	16%
FC Securities (\$)	2.8	2.8	2.8	2.8	2.8	2.7	-2%	-1%	-3%
Deposits	163.5	164.2	165.0	173.4	180.0	192.8	7%	17%	11%
TL Deposits	81.3	81.1	71.1	75.9	85.4	80.1	-6%	-1%	5%
FC Deposits (\$)	22.6	23.7	26.4	25.8	24.0	24.7	3%	4%	-4%
Borrowings	61.0	62.3	63.9	75.3	80.8	90.0	11%	44%	19%
TL Borrowings	5.1	6.1	6.5	7.1	6.8	7.8	16%	29%	11%
FC Borrowings (\$)	15.4	16.0	16.1	18.1	18.7	18.0	-4%	12%	0%
Shareholders' Equity	27.7	28.5	29.0	30.1	31.6	37.8	20%	33%	26%
Assets Under Management	17.4	18.5	19.1	19.5	20.1	19.6	-2%	6%	1%
Loans/Assets	66%	66%	66%	63%	62%	61%			
Securities/Assets	12%	11%	12%	12%	13%	12%			
Borrowings/Liabilities	22%	22%	22%	24%	25%	25%			
Loans/(Deposits+TL Bills)	112%	112%	115%	114%	113%	114%			
CAR - cons	13.4%	13.7%	13.8%	13.4%	12.9%	13.9%			
Common Equity Tier-I - cons	9.9%	10.3%	10.3%	10.0%	9.9%	10.7%			
Leverage Ratio	9.0x	8.9x	9.0x	9.5x	9.4x	8.7x			

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

1. 2017 figures recasted for IFRS 9 reclassification of general provisions

2. TL and FC Loans are adjusted for the FX indexed loans

Consolidated Income Statement

TL million	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	q/q	y/y	1H17	1H18	y/y
Net Interest Income including swap costs	2,217	2,089	2,154	2,522	2,543	2,778	9%	33%	4,306	5,321	24%
<i>o/w NII (incl. CPI linkers' income)</i>	1,926	1,983	1,944	2,147	2,409	2,748	14%	39%	3,909	5,157	32%
<i>o/w CPI-linkers</i>	325	338	409	663	436	460	6%	36%	663	896	35%
<i>o/w Swap costs</i>	-34	-232	-198	-288	-302	-431	43%	86%	-266	-733	175%
Fees & Commissions	849	826	799	841	1,034	1,051	2%	27%	1,675	2,085	24%
Core Revenues	3,066	2,915	2,954	3,364	3,577	3,829	7%	31%	5,981	7,406	24%
ECL net of collections	539	532	592	568	514	835	62%	57%	1,071	1,348	26%
<i>o/w Stage 3 Provisions</i>	756	717	761	596	607	738	21%	3%	1,473	1,345	-9%
<i>o/w Stage 1 + Stage 2 Provisions</i>	45	62	46	151	237	460	94%	637%	107	696	550%
<i>o/w Collections</i>	262	247	215	179	330	363	10%	47%	509	693	36%
Operating Costs	1,370	1,422	1,363	1,543	1,450	1,554	7%	9%	2,791	3,003	8%
Core Operating Income	1,156	962	999	1,253	1,613	1,441	-11%	50%	2,118	3,054	44%
Trading and FC gains/losses	100	125	38	-24	11	275	-	-	225	286	27%
Other income	102	75	53	109	136	40	-71%	-47%	177	176	-1%
<i>o/w income from subs</i>	28	19	19	22	28	25	-12%	31%	47	53	13%
<i>o/w Dividends</i>	2	8	0	0	4	8	99%	-4%	10	12	17%
<i>o/w Others</i>	72	48	35	86	104	7	-93%	-85%	120	111	-7%
Other Provisions & Costs	94	40	33	180	147	196	33%	385%	134	343	156%
<i>o/w Other provisions for risks and charges</i>	50	0	0	123	100	188	88%	-	50	288	476%
<i>o/w Other provisions</i>	44	40	33	58	47	8	-83%	-80%	84	55	-34%
Pre-tax Income	1,265	1,121	1,058	1,158	1,613	1,559	-3%	39%	2,386	3,173	33%
Tax	263	229	216	278	369	332	-10%	45%	493	701	42%
Net Income	1,001	892	841	880	1,244	1,227	-1%	38%	1,893	2,471	31%
ROTAE¹	15.8%	13.3%	12.4%	12.6%	17.1%	15.9%	-120bps	260bps	14.7%	16.4%	165bps

1. 2Q18 and 1H18 ROTE is adjusted for the 4.1 blmn TL rights issue on 30th of June

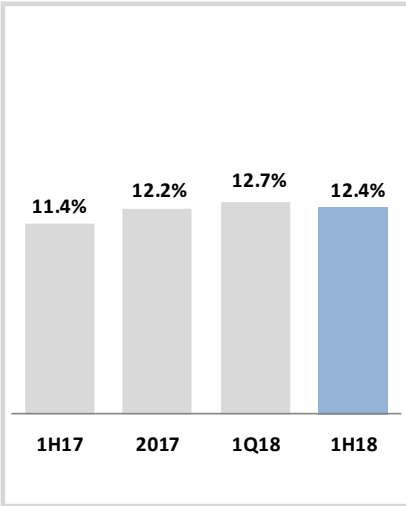
Bank-Only Income Statement

TL million	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	q/q	y/y	1H17	1H18	y/y
Net Interest Income including swap costs	2,030	1,895	1,965	2,306	2,270	2,585	14%	36%	3,925	4,856	24%
o/w NII (incl. CPI linkers' income)	1,816	1,836	1,803	2,021	2,332	2,648	14%	44%	3,652	4,979	36%
o/w CPI-linkers	325	338	409	663	436	460	6%	36%	663	896	35%
o/w Swap costs	-111	-278	-247	-378	-497	-523	5%	88%	-390	-1,020	162%
Fees & Commissions	807	784	757	788	986	993	1%	27%	1,591	1,979	24%
Core Revenues	2,837	2,679	2,722	3,094	3,257	3,578	10%	34%	5,516	6,835	24%
ECL net of collections	526	501	574	539	483	832	72%	66%	1,027	1,316	28%
o/w Stage 3 Provisions	745	687	749	572	590	716	21%	4%	1,432	1,305	-9%
o/w Stage 1 + Stage 2 Provisions	43	61	40	146	224	480	114%	689%	104	703	576%
o/w Collections	262	247	215	179	330	363	10%	47%	509	693	36%
Operating Costs	1,295	1,346	1,293	1,462	1,375	1,470	7%	9%	2,642	2,846	8%
Core Operating Income	1,016	832	855	1,093	1,398	1,276	-9%	53%	1,848	2,674	45%
Trading and FC gains/losses	89	119	23	-29	57	212	274%	78%	208	269	29%
Other income	213	186	179	233	252	227	-10%	23%	399	480	20%
o/w income from subs	146	140	144	145	211	171	-19%	23%	286	382	34%
o/w Dividends	2	0	0	0	3	2	-39%	294%	2	4	94%
o/w Others	65	45	35	88	39	54	41%	20%	111	93	-16%
Other Provisions & Costs	88	45	32	169	145	194	34%	337%	132	340	157%
o/w Other provisions for risks and charges	50	0	0	123	100	188	88%	-	50	288	476%
o/w Other provisions	38	45	32	46	45	6	-86%	-86%	82	52	-37%
Pre-tax Income	1,230	1,092	1,024	1,127	1,562	1,521	-3%	39%	2,322	3,083	33%
Tax	229	200	183	247	318	294	-8%	47%	429	611	43%
Net Income	1,001	892	841	880	1,244	1,227	-1%	38%	1,893	2,471	31%
ROTAE¹	15.8%	13.4%	12.4%	12.6%	17.0%	15.8%	-120bps	240bps	14.7%	16.3%	164bps

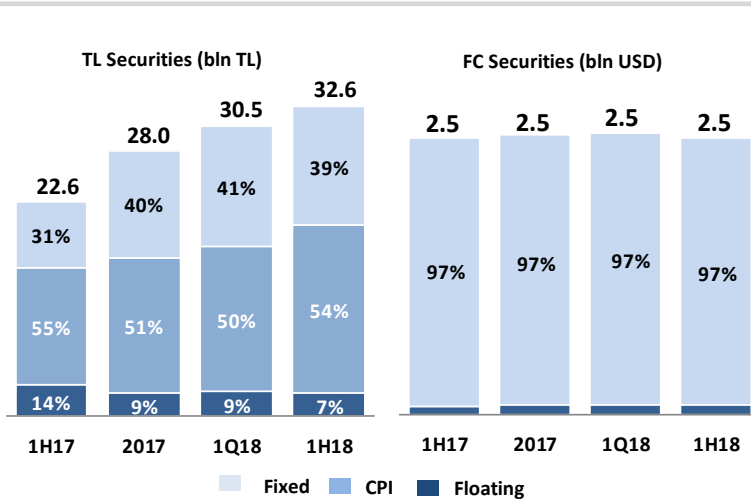
1. 2Q18 and 1H18 ROTE is adjusted for the 4.1 blmn TL rights issue on 30th of June

Securities

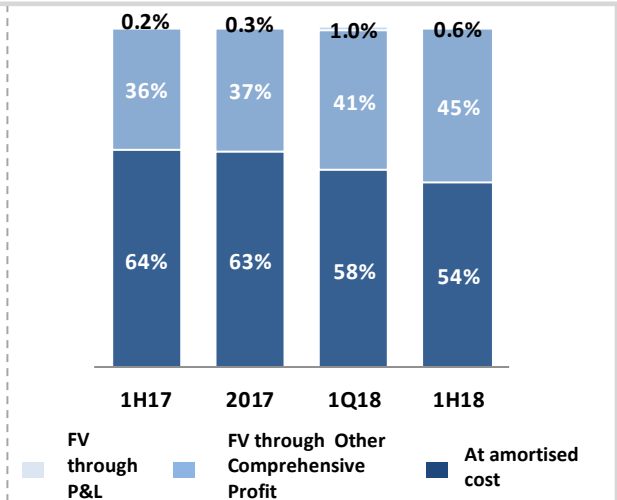
Securities/Assets



Composition by Type¹ (TL bln)



Composition by Classification¹

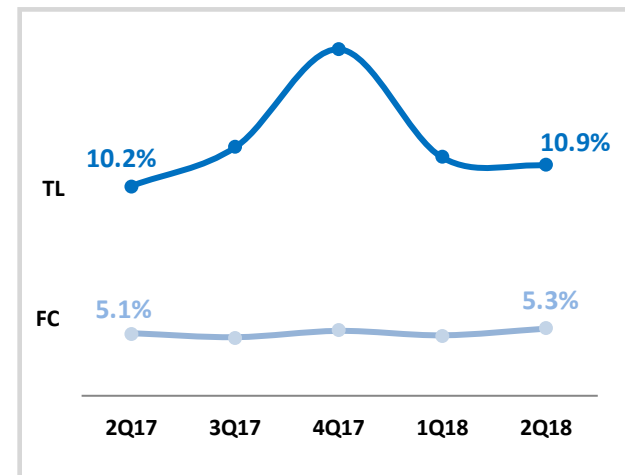


- **Securities / assets at 12.4%** with dynamically managed mix to benefit from rate environment
- **Increase in CPI linkers to benefit from higher inflation levels.** CPI-linker volume increased 39% y/y to TL 14.5 bn in nominal value; with a gain of TL 896 mln in 1H18

Inflation estimate for revaluation of CPI linkers: 9.3%







- **M-t-m unrealised loss at TL 1,172 mln as of 1H18** (TL -385 mln in 2017)

Security Yields¹



1. Based on Bank-Only financials

Borrowings: 25% of total liabilities

International	Syndications	<p>~ US\$ 2.9 bln outstanding</p> <ul style="list-style-type: none"> ■ May'17: US\$ 40 mln & € 60 mln, all-in cost at Libor+ 2.20 % and Euribor+ 2.10 % for the 2 year and 1 day tranche ■ Oct'17: US\$ 411 mln and € 800 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 ■ May'18: US\$ 382mln & € 923mln, all-in cost at Libor+ 1.30% and Euribor+ 1.20% for the 367 day tranche and Libor+ 2.10 % and Euribor+ 1.50 % for the 2 year and 1 day tranche, respectively. 48 banks from 19 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, 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 and Local Currency Bonds / Bills	<p>US\$ 3.2 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 ■ Jun'17: TL 500 mln, 13.13% (coupon rate), 3 years ■ Mar'18: US\$ 500 mln, 6.10% (coupon rate), 5 years
	Covered Bond	<p>TL 1.17 bln out standing</p> <ul style="list-style-type: none"> ■ Oct'17: Mortgage-backed, maturity 5 years ■ Feb'18: Mortgage-backed with 5 years maturity ■ May'18: Mortgage-backed with 5 years maturity 
Domestic	Local Currency Bonds / Bills	<p>TL 2.1 bln total</p> <ul style="list-style-type: none"> ■ Mar'18 : TL 487,0mln, 5 months maturity  ■ Apr'18 : TL 1,1 bio , 3 months maturity  ■ May'18 : TL 274 mln, 3 months maturity  ■ June'18 : TL 206 mln, 3 months maturity 

Disclaimer

This presentation has been prepared by Yapı ve Kredi Bankası A.Ş. (the “Bank”). This presentation is not directed at, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration, licensing or other action to be taken within such jurisdiction.

This presentation does not constitute or form part of, and should not be construed as, an offer or invitation to sell securities of the Bank, or the solicitation of an offer to subscribe for or purchase securities of the Bank, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever. Any decision to purchase any securities of the Bank should be made solely on the basis of the conditions of the securities and the information contained in the offering circular, information statement or equivalent disclosure document prepared in connection with the offering of such securities. Prospective investors are required to make their own independent investigations and appraisals of the business and financial condition of the Bank and the nature of any securities before taking any investment decision with respect to securities of the Bank.

This presentation and the information contained herein are not an offer of securities for sale in the United States or any other jurisdiction. No action has been or will be taken by the Bank in any country or jurisdiction that would, or is intended to, permit a public offering of securities in any country or jurisdiction where action for that purpose is required. In particular, no securities have been or will be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States and securities may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Bank does not intend to register or to conduct a public offering of any securities in the United States or any other jurisdiction.

This presentation is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC and any amendments thereto, including the amending directive, Directive 2010/73/EU to the extent implemented in the relevant member state and any relevant implementing measure in each relevant member state (the “Prospectus Directive”) and/or Part VI of the United Kingdom’s Financial Services and Markets Act 2000. This presentation is only directed at and being communicated to the limited number of invitees who: (A) if in the European Economic Area, are persons who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (“Qualified Investors”); (B) if in the United Kingdom are persons (i) having professional experience in matters relating to investments so as to qualify them as “investment professionals” under Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); and (ii) falling within Article 49(2)(a) to (d) of the Order; and/or (C) are other persons to whom it may otherwise lawfully be communicated (all such persons referred to in (A), (B) and (C) together being “Relevant Persons”). This presentation must not be acted or relied on by persons who are not Relevant Persons. Any investment activity to which this presentation relates is available only to Relevant Persons and may be engaged in only with Relevant Persons. Nothing in this presentation constitutes investment advice and any recommendations that may be contained herein have not been based upon a consideration of the investment objectives, financial situation or particular needs of any specific recipient. If you have received this presentation and you are not a Relevant Person you must return it immediately to the Bank.