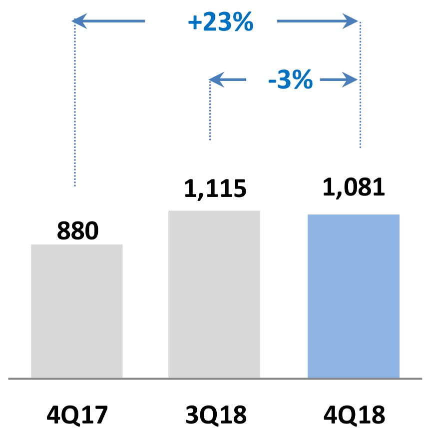
Yapı Kredi
2018 Earnings Presentation

1 February 2019

Improved profitability achieved via strong top-line while maintaining a prudent asset quality approach

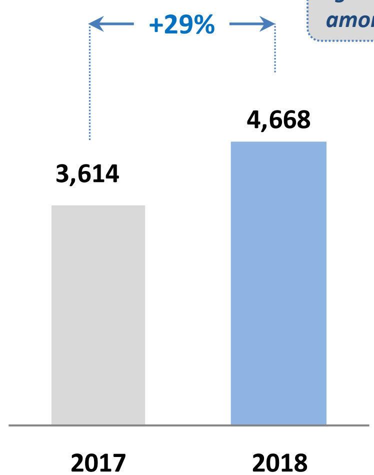
Net Profit (TL mln)

Quarterly

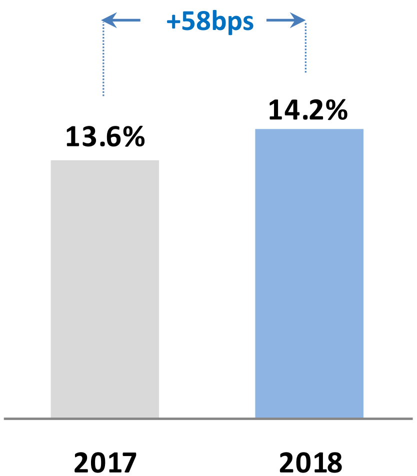


Cumulative

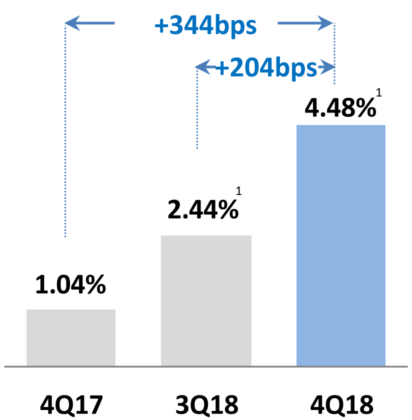
Highest growth among peers

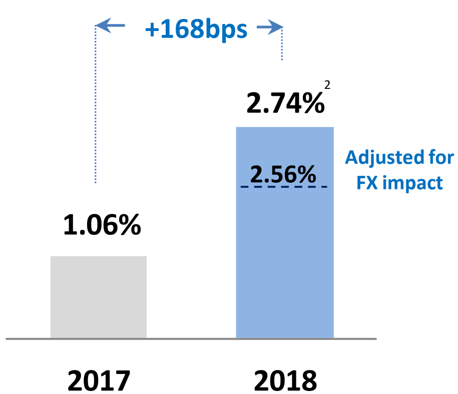


RoTE



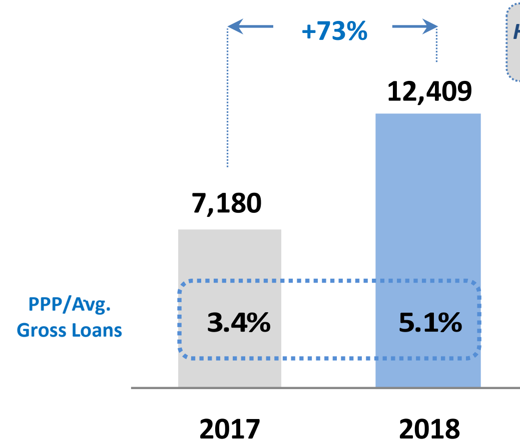
CoR





Pre-Provision Profit[3] (TL mln)

Highest growth among peers



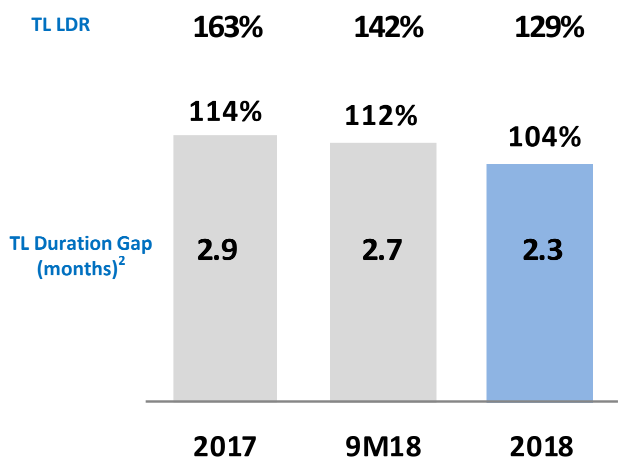
Notes:
1. Adjusted for hedged FX impact
2. Adjusted for cheques following the change in regulation in 1H18
3. Pre-Provision Profit figures exclude ECL collection income, trading income to hedge FC ECL and pension fund provisions reserved in 4Q18

Peers include private banks that have released their financials as of 1 Feb 2019

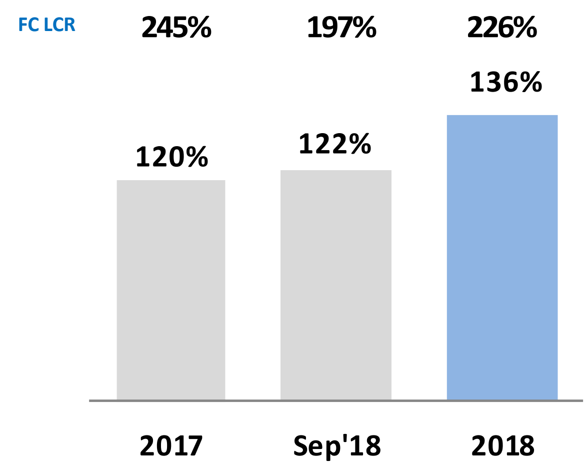
Strong managerial focus on solid liquidity and decisive improvement in capital ratios

Liquidity

LDR[1]



LCR[2]

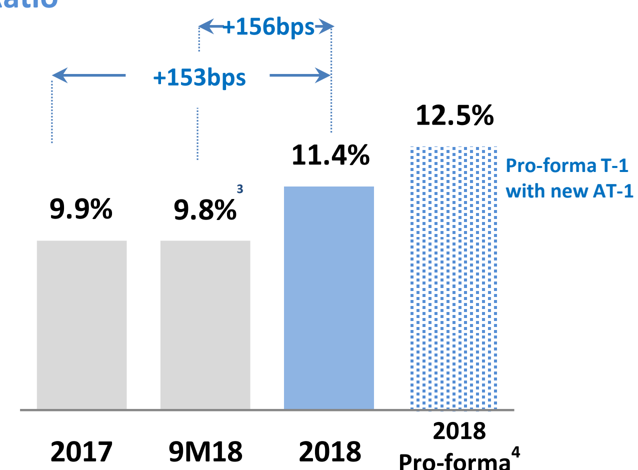


Short term Liquidity: ~11 bln USD

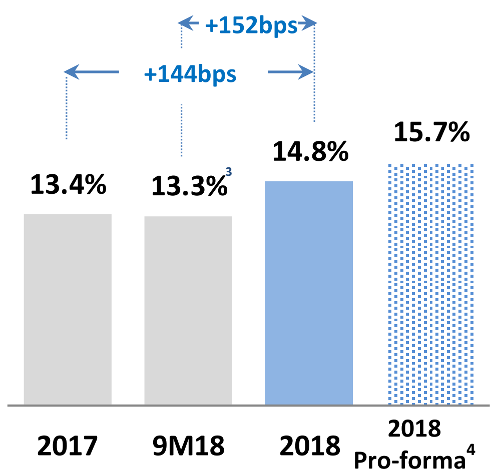
Upcoming run-off's: 4.3 bln USD

Capital

Tier 1 Ratio



CAR



Notes:
1. LDR: LDR= Loans / (Deposits + TL Bonds)
2. Based on past three months averages
3. Tier 1 ratio is presented without the forbearance actions as of 9M18 (with forbearance: 12.1%)
4. Including 650 mln USD AT1 issuance finalised in January 2019 and 200 mln USD Tier 2 payment

Subdued loan growth driven by market conditions

Loan volumes (TL bln)

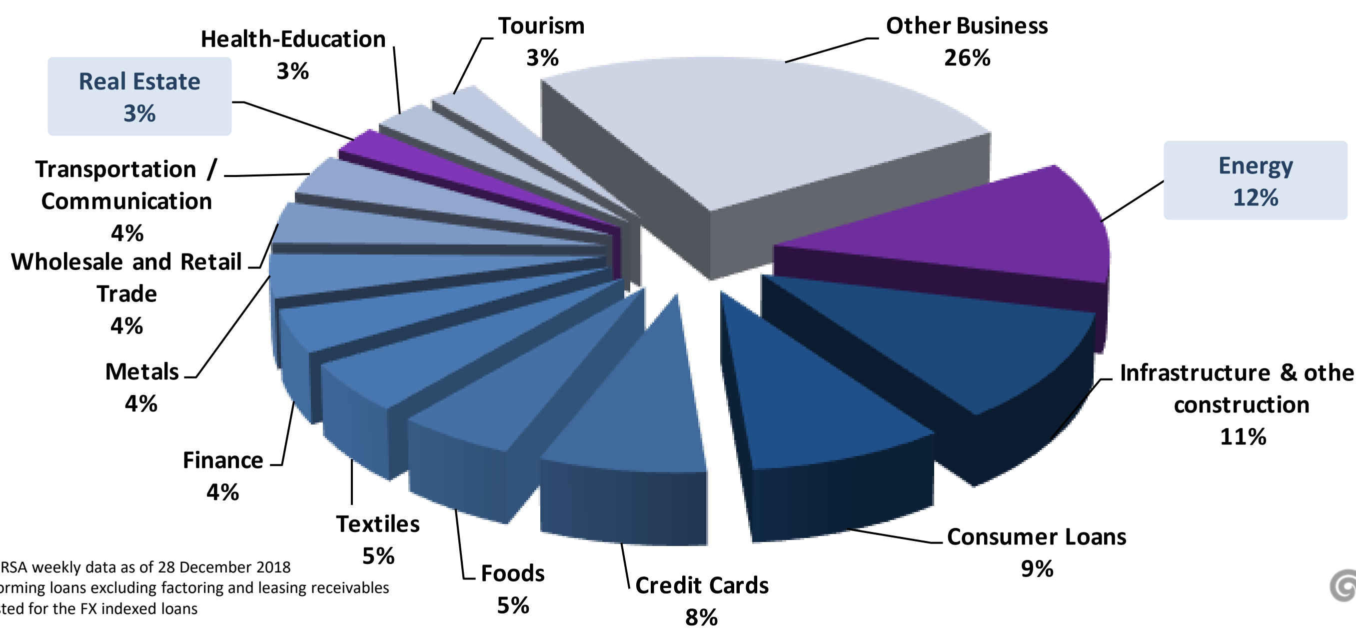
	Yapı Kredi			Private Banks[1]	
	2018	y/y	q/q	y/y	q/q
Total Cash+Non-cash Loans[2]	**306.3**	**10%**	**-13%**	**7%**	**-11%**
TL[3]	147.1	0%	-3%	-1%	-4%
FC ($)[3]	30.3	-14%	-10%	-14%	-7%
Total Cash Loans (FX adjusted)	**220.5**	**-5%**	**-6%**	**-7%**	**-5%**

10% total loan growth
with ~40bps market share gain in TL Loans, within private banks

-14% contraction in FC Loans

-5% FX adjusted cash loan growth

Sectoral Breakdown of Cash and Non-Cash Loans - bank only



Notes:
1. Private banks based on BRSA weekly data as of 28 December 2018
2. Cash Loans indicate performing loans excluding factoring and leasing receivables
3. TL and FC loans are adjusted for the FX indexed loans

Focus on small ticket retail deposits paying off

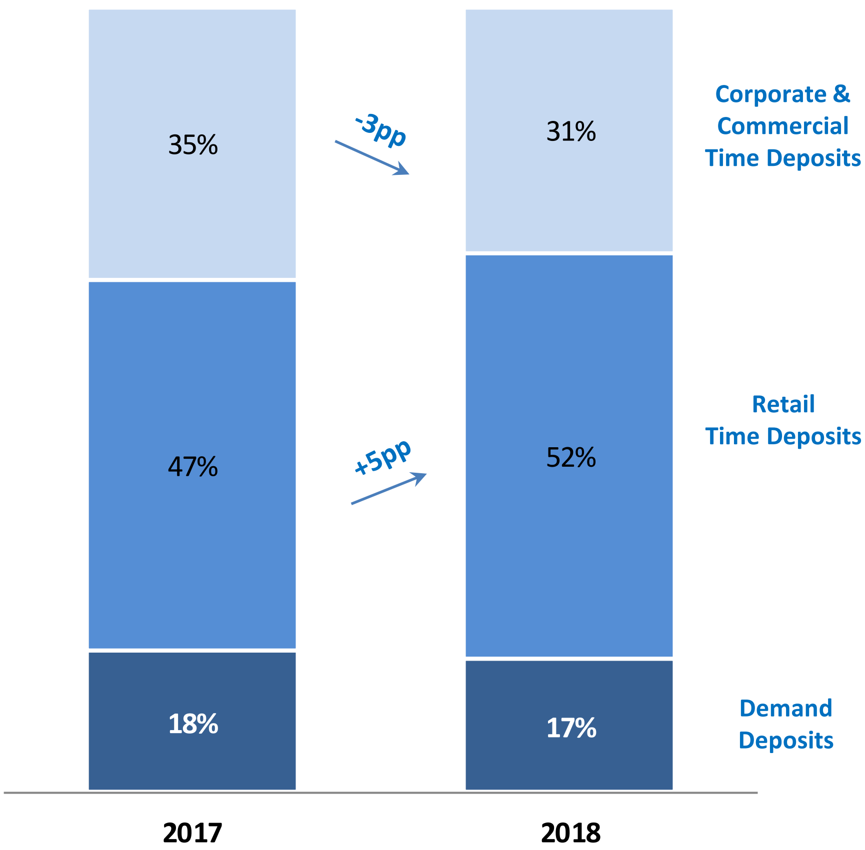
Deposit volumes (TL bln)

	YKB			Private Banks[1]	
	2018	y/y	q/q	y/y	q/q
Customer Deposits	**199.9**	**22%**	**-5%**	**16%**	**-7%**
Customer Deposits (FX adjusted)		*0%*	*2%*	*-2%*	*0%*
TL	86.9	19%	3%	11%	2%
FC ($)	21.5	-11%	2%	-13%	-2%

Deposit market share[3]

	2017	2018	chg y/y
Customer Deposits	**15.4%**	**15.9%**	**51bps**
o/w Individual Time	*12.4%*	*13.3%*	*90bps*
o/w Individual TL demand	*14.0%*	*14.1%*	*10bps*

Deposit Breakdown (FX adjusted)[2]

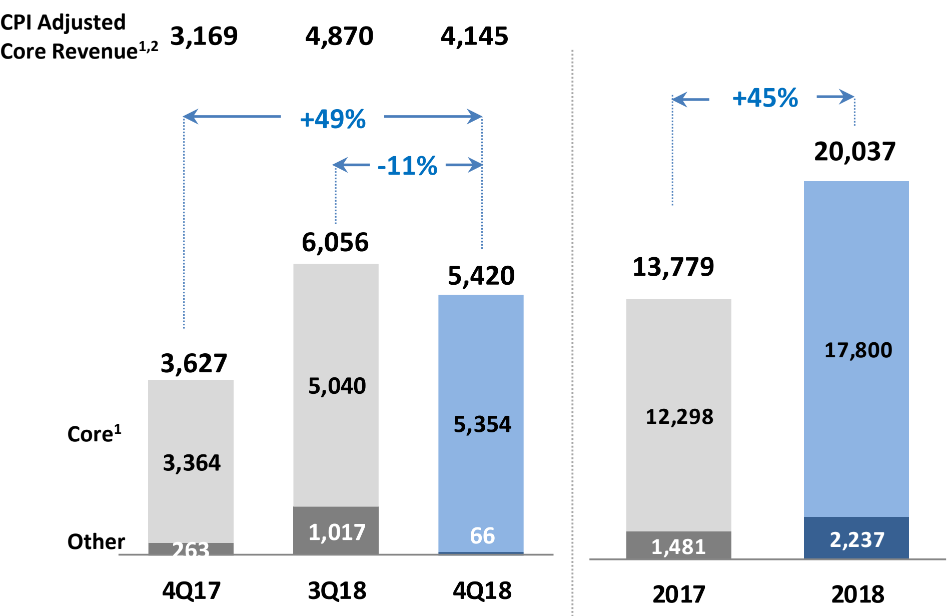


Notes:
1. Private banks based on BRSA weekly data as of 28 December 2018
2. Based on MIS data
3. Market Share vs. Private Banks based data on 28 December 2018

Strong revenue growth and improved revenue margin, driven by sustainable core-spread, fee generation and CPI linkers

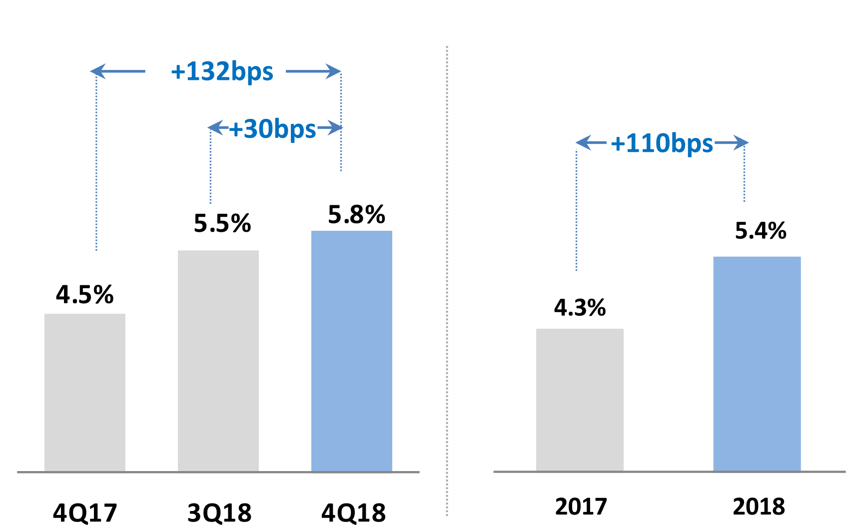
Revenues (TL mln)

Quarterly | Cumulative



Revenue Margin[2]

Quarterly | Cumulative



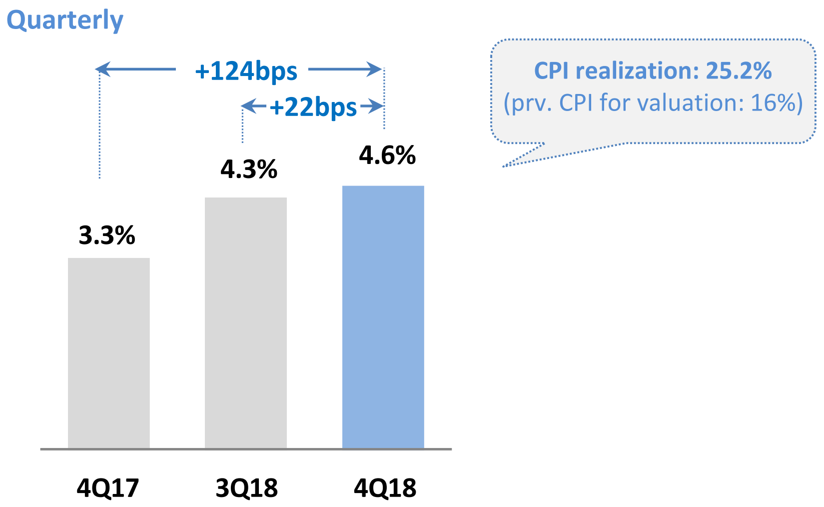
***Revenue margin would have been 4.6%**, keeping CPI linkers' inflation at 2017 level (11.9%)*

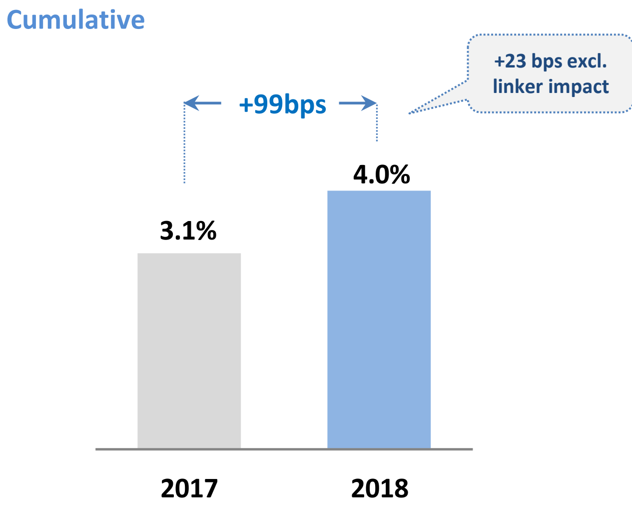
Notes:

1. Core Revenues = NII + swap costs + Net fee income
2. Period end CPI linkers adjustments are distributed to each quarter evenly (period end adjustments: 4Q17: 260mln, 3Q18: 859mln, 4Q18: 1,613mln)
3. Revenue margin= Core Revenues / average IEAs; Based on bank-only financials

Improvement in quarterly NIM driven by CPI linker income, whereas yearly core-spread evolution still positive at 23bps

Swap Adjusted NIM





- ***+22bps quarterly improvement:***
  - ***+121bps from CPI adjustment***
  - ***-99bps** from core spread evolution due to the **hike in TL funding costs***

- ***+99bps yearly improvement:***
  - *+76bps from CPI adjustment*
  - ***+23bps from core spread evolution***
- ***2018 NIM would have been 3.5%**, keeping CPI linkers' marginal impact only for the last 4 months to offset the increase in funding costs*

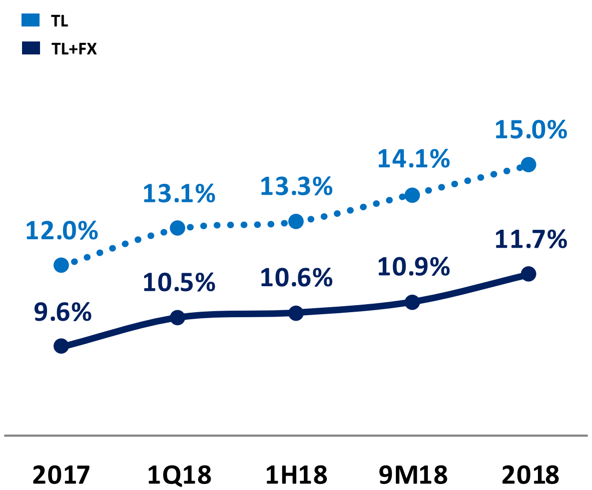
Notes:
Based on Bank-Only financials

Wider annual loan-deposit spread with ongoing loan repricing offsetting the hike in deposit costs

Loan – Deposit Spread Evolution

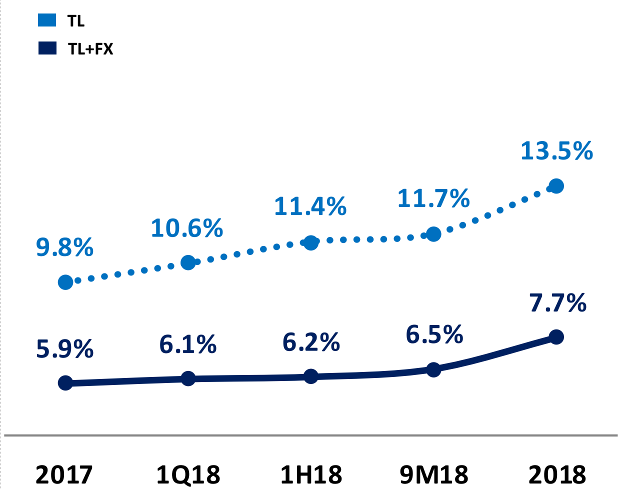
Loan Yields[1]
(Cumulative)

214bps yearly increase in total loan yields on a cumulative basis vs. 2017 thanks to ongoing loan repricing through the year



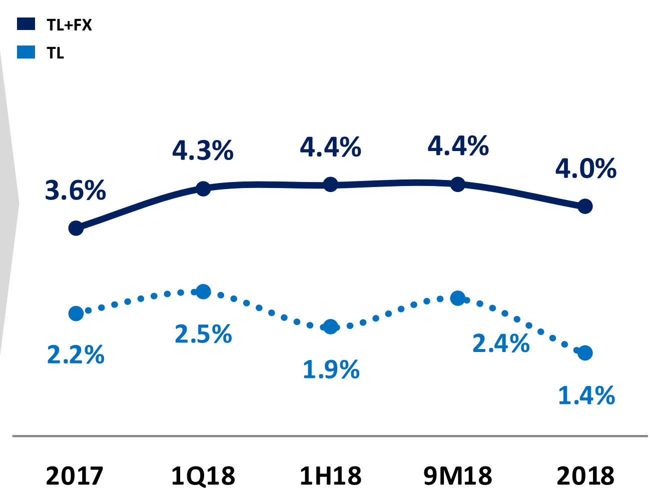
Deposit Costs
(Cumulative)

Increase in total cost of deposits (+176 bps, yearly) due to the hike in TL deposit costs (+368 bps)



Loan-Deposit Spread
(Cumulative)

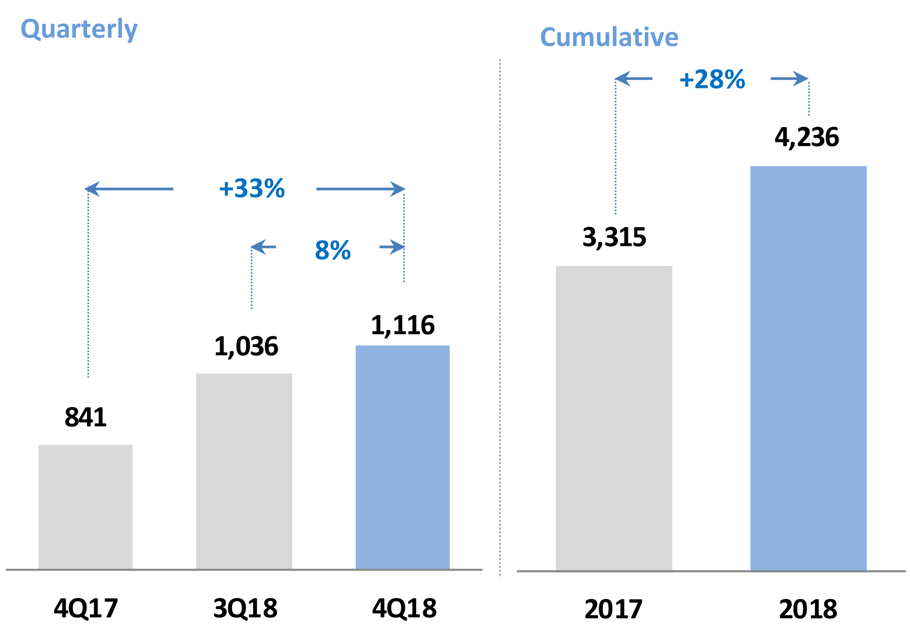
Wider Loan-Deposit spread despite the decline in TL core spread arising from jump in TL deposit costs



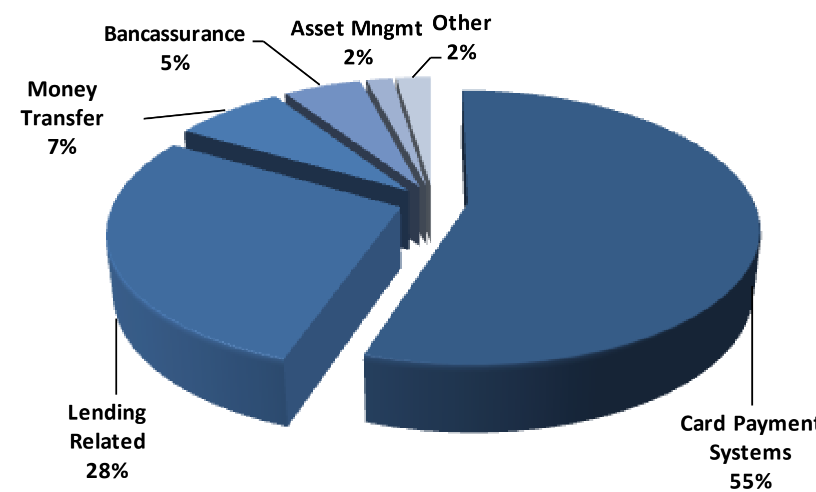
Notes:
Based on Bank-Only financials
1. Performing Loan yields

Fee increased 28% y/y driven by leading position in card business and transactional banking

Net Fee income (TL mln)



Fees Received Composition

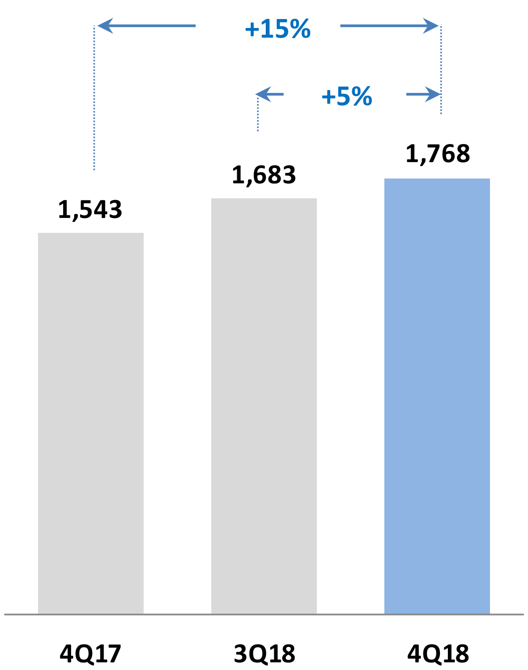


- *Money Transfer: +57% y/y*
- *Card Payment systems: +41% y/y*
- *Lending Related: +24% y/y (non-cash: 37%)*

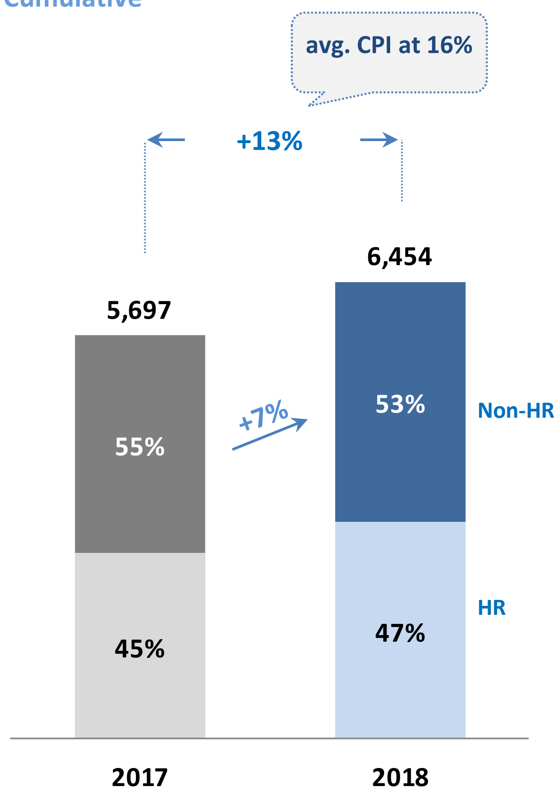
Cost increase well below inflation thanks to ongoing cost discipline

Costs[1] (TL mln)

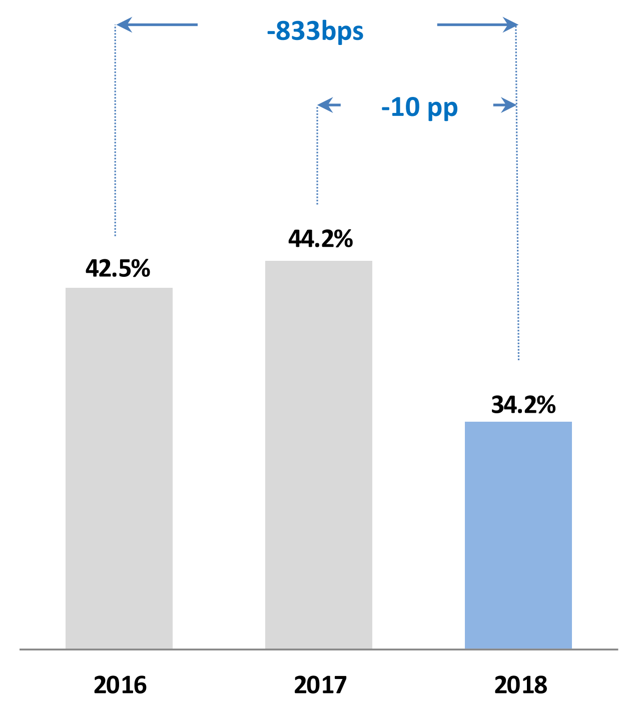
Quarterly



Cumulative



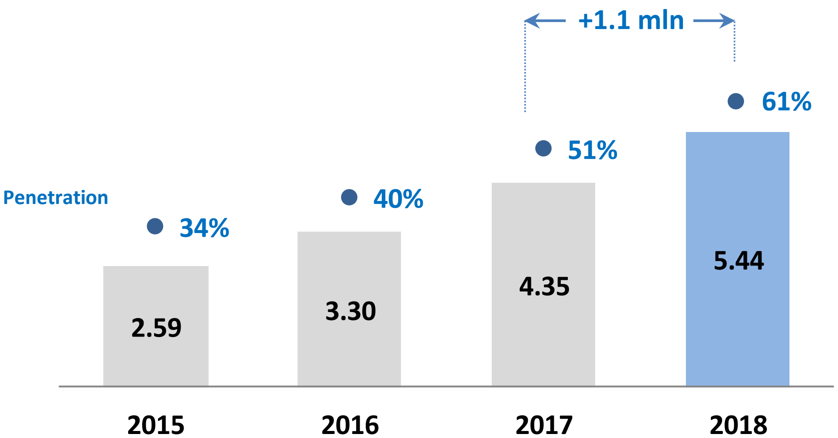
Cost[1] / Income[2] (TL mln)



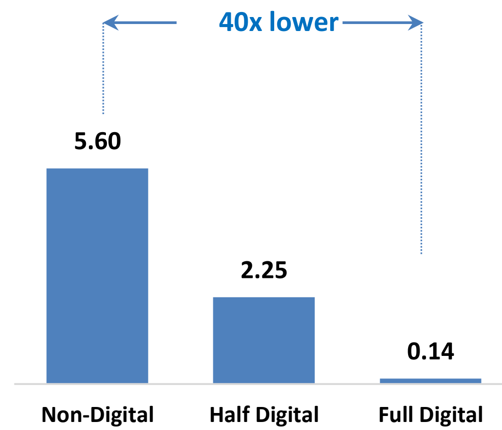
Notes:
1. Excluding pension fund provision (4Q18: TL 230 mln; 4Q17: TL 123 mln). Reported cost growth (including pension fund provisions) at15% y/y
2. 2018 Income adjusted for trading income to hedge FC ECL and collections

Digital transformation fully on track

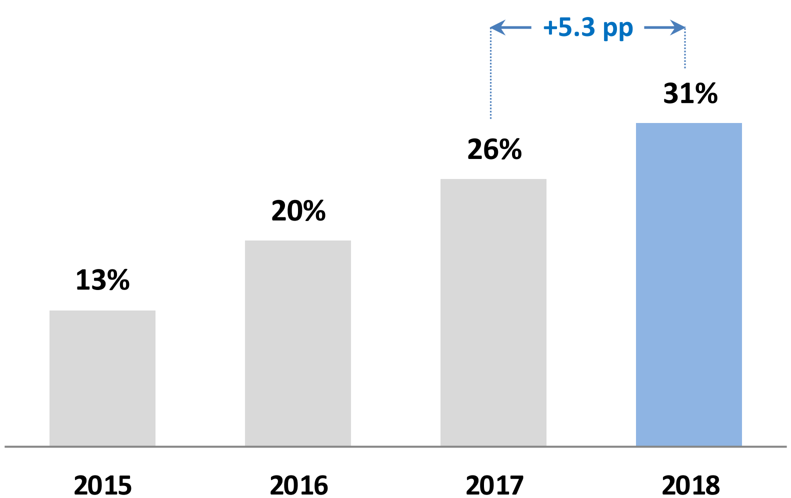
Number of Digital Customers (mln)



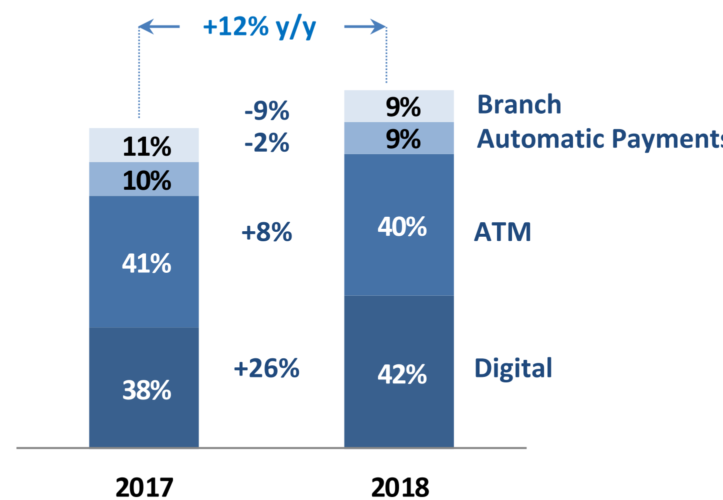
Cost to Serve per channel[1] (TL)



Share of digital in main products[2] sold



Transaction[3] per channel

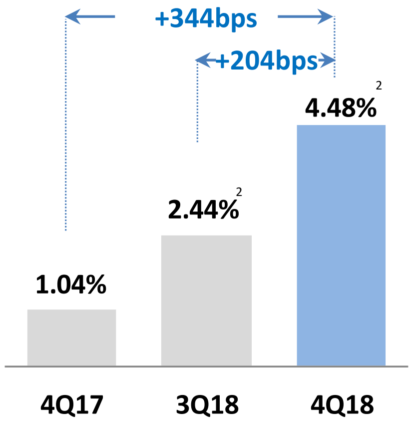


Notes:
Based on MIS data
1. Total Cost to Serve and Cost to Serve per channel are calculated based on direct costs of each sales channels
2. Main Products; GPL, CC, Time Deposit, and Flexible Account
3. Transactions include, Money Transfers, Payments, Deposit, Cash Loans, Non-cash Loans, Insurance, Money withdrawal, Investment products, Credit Cards

Prudent provisioning in challenging operating conditions

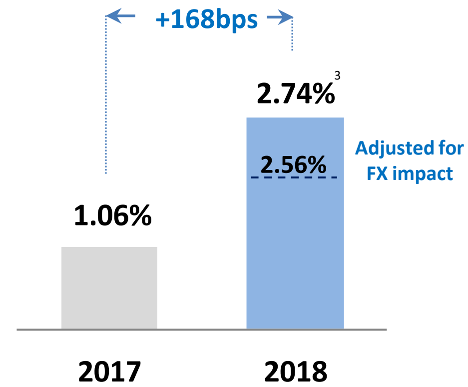
Total Cost of Risk[1]

Quarterly



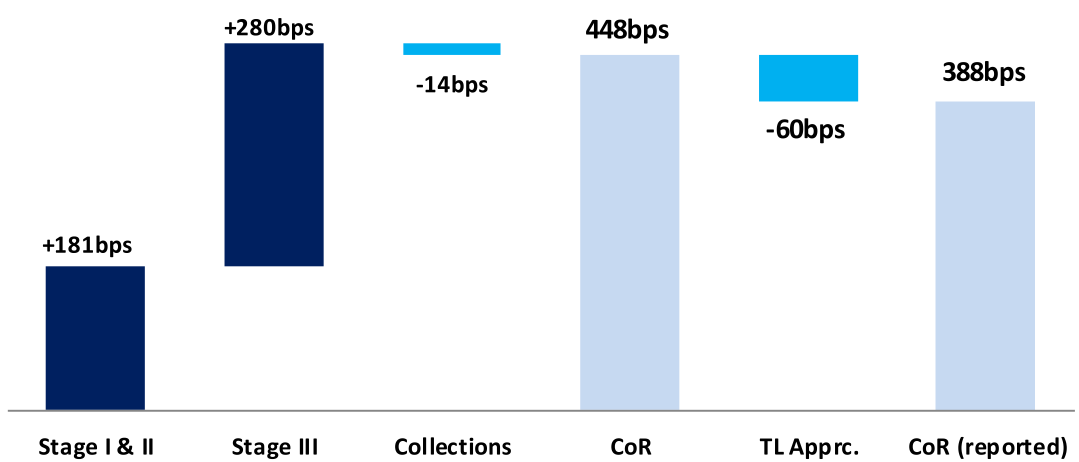
Specific CoR	4Q17	3Q18	4Q18
Specific CoR	0.77%	1.87%	3.31%

Cumulative



Specific CoR	2017	2018
Specific CoR	0.92%	1.88%

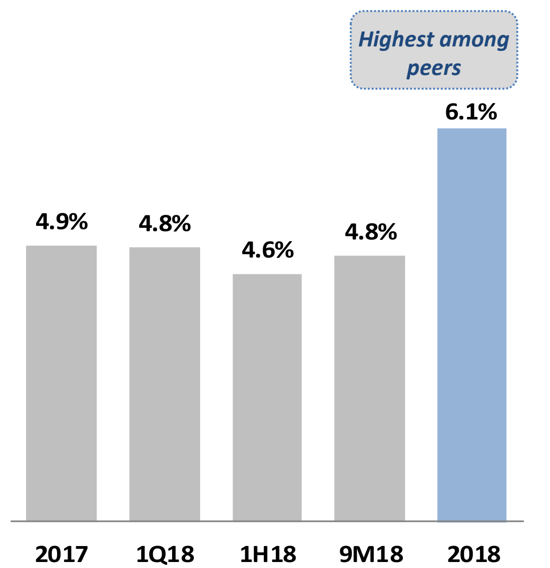
Cost of Risk composition (4th Quarter)

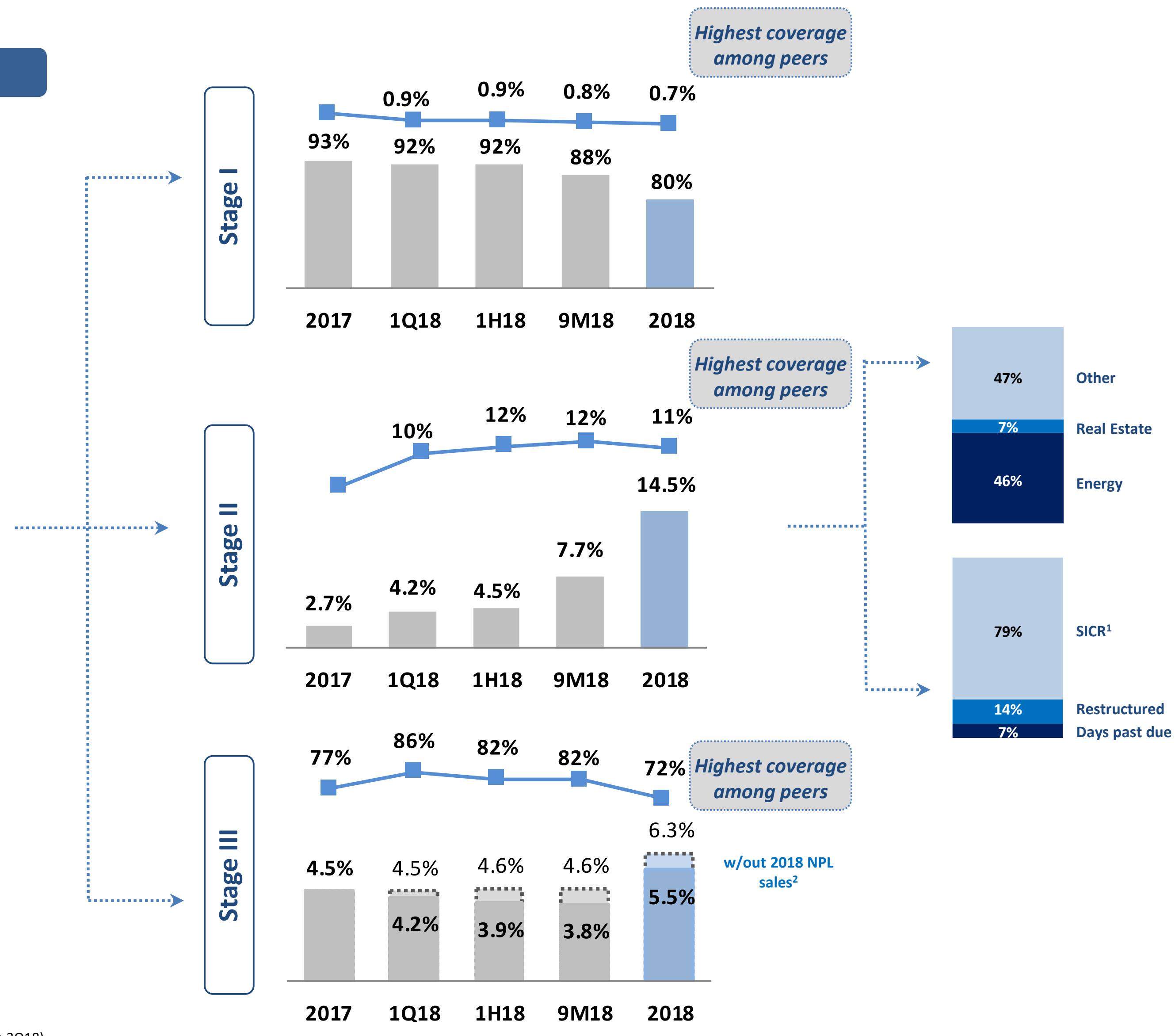


Notes:
1. Cost of Risk = (Total Expected Credit Loss- Collections)/Total Gross Loans;
2. Adjusted for hedged FX impact
3. Adjusted for cheques following the change in regulation in 1H18

Provisioning levels further strengthened to weather conservatively a potential economic deterioration

Provisions / Gross Loans





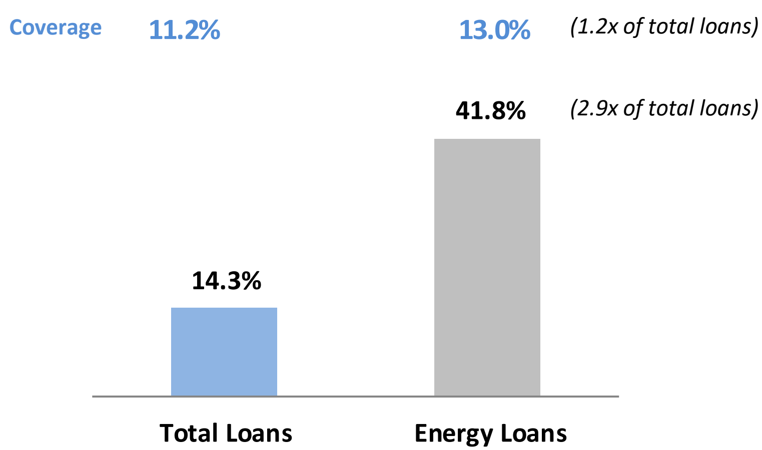
Coverage

Notes:
Based on Bank-Only BRSA financials
1. SCIR: Significant Increase in Credit Risk
2. TL 2.0 bln NPL sales in 2018 (628 mln in 1Q18; 1 bln in 2Q18; 367 mln in 3Q18)
Peers include private banks that have released their financials as of 1 Feb 2019

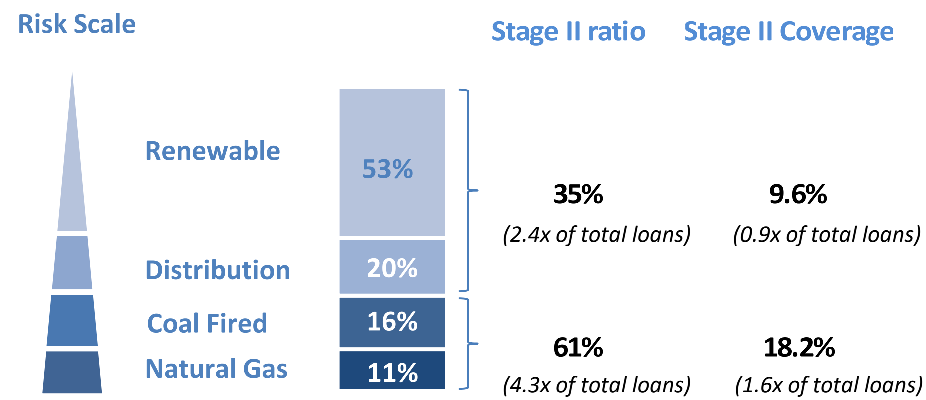
A very conservative approach towards the energy and real estate sector

Energy Loans[1] details

Stage II Loans

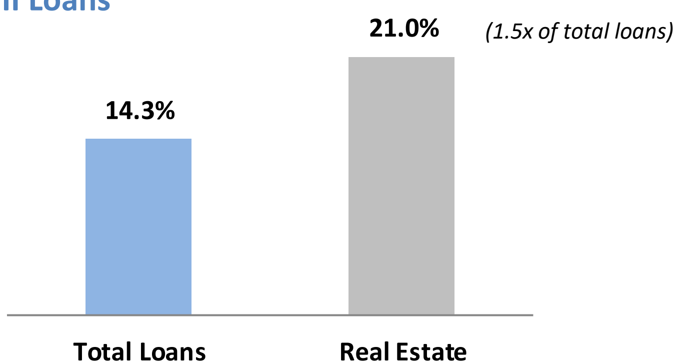


Breakdown by sub-segments

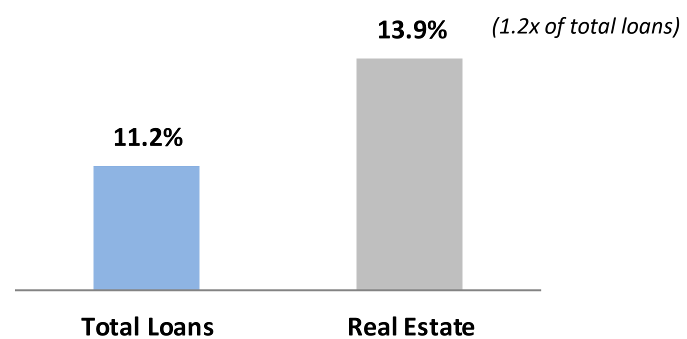


Real Estate Loans[1] details

Stage II Loans



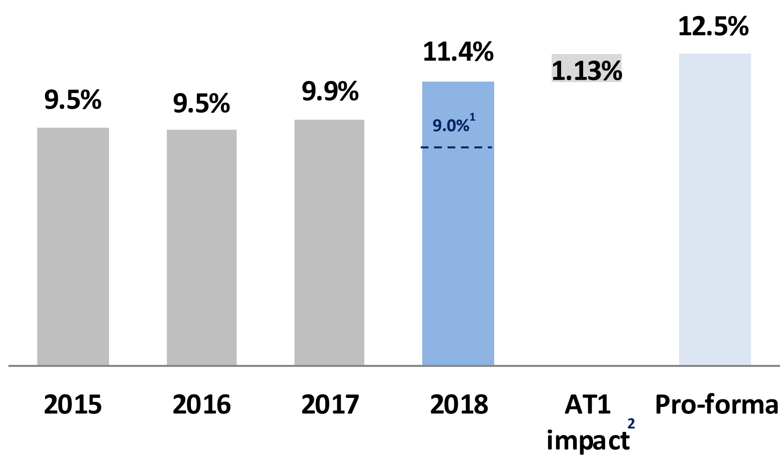
Stage II Coverage

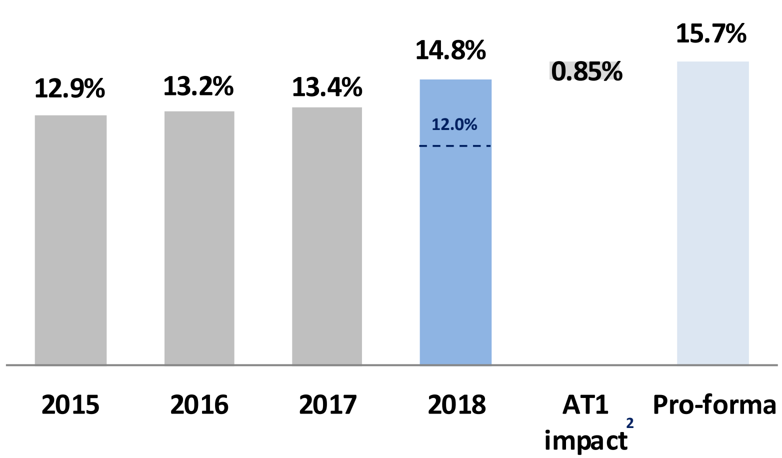


Notes:
1. Based on Bank-Only MIS data

Capital strengthening actions are concluded, further strengthening via internal capital generation

Capital Ratios





Tier1

	2015	2016	2017	2018	AT1 impact
Capital Raising Actions (bps)	-	-	-	136	113
Internal Capital Generation (bps)	50	14	79	209	

CAR

	2015	2016	2017	2018	AT1 impact
Capital Raising Actions (bps)	-	66	-	136	85
Internal Capital Generation (bps)	35	-	68	243	

Notes:
1. Tier 1 minimum levels are based on consolidated requirements
2. AT1 İmpact includes 650 mln USD AT1 issuance finalised in January 2019 and 200 mln USD Tier 2 payment

2018 Basel 3 related capitalisation buffers include capital conservation buffer of 2.5%, countercyclical buffer (bank-specific) of 0.034%, SIFI buffer of 1.5% (Group 2)
CeT1 Ratio at 11.4% as of 2018

2018 full year guidance beaten in many aspects

		2018 Guidance	2018 ACTUAL	
Fundamentals	LDR	110% - 115%	104%	✓
	CAR	>13%	14.8%	✓
Volumes	Loans	20 - 22%	10%	X
	Deposits	23 - 25%	21%	✓
Revenues	NIM (w/o CPI impact)	Flattish	Wider NIM	✓
	Fees	High-teens	28%	✓
Costs	Costs	Well below CPI	7 pp below CPI	✓
	Cost/Income	< 35%	34.2%	✓
Asset Quality	NPL ratio (with NPL sales)	~-30bps	-100 bps	X
	Total CoR	~200 bps	274 bps	X
Profitability	Net profit	High-teens	29%	✓
	RoTE	Flattish to slightly down	+58 bps	✓

Notes:
All figures based on BRSA bank-only except for CAR

2019 YKB Guidance: Low teens RoTE with flat core-spread, controlled cost discipline and prudent provisioning, supported by TL loan growth

Guideline

Volumes	Volume growth focusing on value generating segments	▪ **Loan growth slightly higher than private banking sector** mainly driven by TL loans ▪ **Further increase in the share of small ticket retail deposits and retail demand deposits in total**	**TL Loans** **Deposits**	~15% Mid-teens
Revenues	Pressure on loan-deposit spread due to low entry point, double digit fee increase with diversification efforts	▪ **Flat NIM excluding the negative base impact from CPI-linked securities,** with ongoing repricing efforts ▪ **Fee growth supported by efforts towards diversification** ▪ **Ongoing strong focus on digital sales**	**NIM** **Fees**	Flat swap adj. exc. CPI impact Mid-teens
Costs	Cost discipline to be sustained despite challenging macro conditions	▪ **Below average inflation cost growth** ▪ **Ongoing support from digitalization**	**Costs**	Below average CPI
Asset Quality	Proactive approach will continue	▪ **Maintaining the prudent risk appetite** ▪ **Slight deterioration vs. 2018**	**NPL Ratio** **CoR**	< 7% excl. potential NPL sales < 300bps
Fundamentals	Ample liquidity levels with solid capital ratios	▪ **LDR at ~105% driven by stronger deposit growth** ▪ **Capital ratios to improve** with ongoing efforts towards capital strengthening and internal capital generation and the AT1 issuance	**LDR** **CAR**[1]	~105% > 15%

RoTE at low teens

Notes:
All figures based on BRSA bank-only except for CAR

Annex

Macro Environment and Banking Sector

Macro Environment

CBRT maintains the tight stance to improve the inflation outlook

	2016	2017	2018
GDP Growth (y/y)[1]	3.2%	7.4%	**4.5%**
CPI Inflation (y/y)	8.5%	11.9%	**20.3%**
Consumer Confidence Index	69.5	65.1	**58.2**
CAD/GDP[2]	-3.8%	-5.5%	**-4.1%**
Budget Deficit/GDP[2]	-1.1%	-1.5%	**-1.9%**
Unemployment Rate[3]	12.7%	10.4%	**11.6%**
USD/TL (eop)	3.52	3.81	**5.26**
2Y Benchmark Bond Rate (eop)	10.7%	13.4%	**19.7%**

Banking Sector

Slowdown in loan growth with **deterioration in the asset quality** on the back of macro volatility

	2016	2017	2018
Loan Growth	**17%**	**21%**	**14%**
Private	*13%*	*16%*	*6%*
State	*23%*	*27%*	*23%*
Deposit Growth	**17%**	**16%**	**19%**
Private	*16%*	*13%*	*16%*
State	*19%*	*24%*	*25%*
NPL Ratio	**3.1%**	**2.9%**	**3.8%**
CAR	**15.1%**	**16.5%**	**16.9%**
ROATE	**13.5%**	**15.0%**	**13.7%**

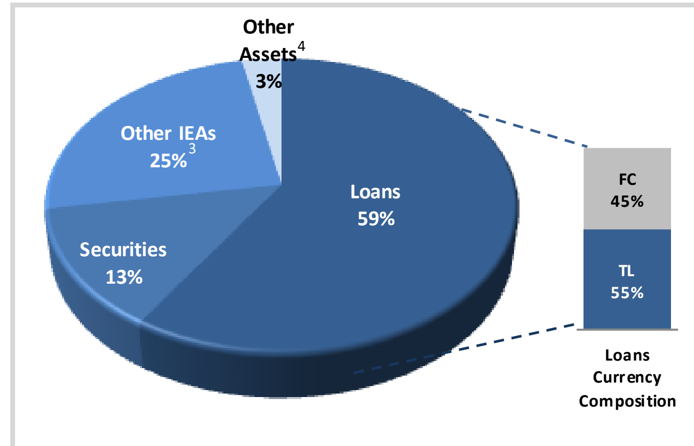
Notes:
All macro data as of December 2018 unless otherwise stated
Banking sector volumes based on BRSA weekly data as of 28 Dec'18; NPL Ratio, CAR and ROATE based on BRSA monthly data

1. GDP figures as of September 2018
2. CAD indicates Current Account Deficit as of Nov'18
3. Unemployment rate is as of Oct'18

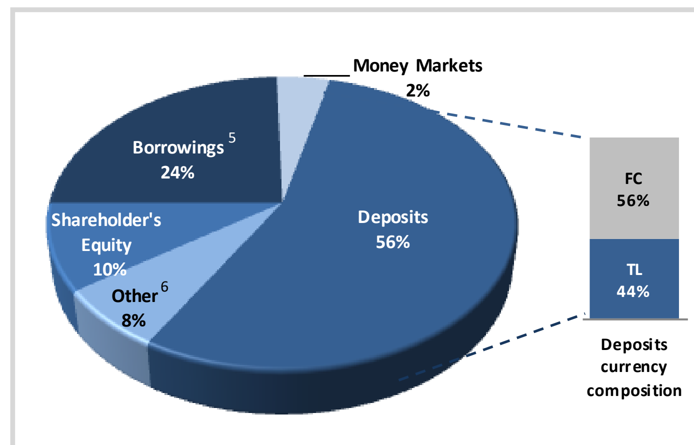
Consolidated Balance Sheet

TL bln	1Q17[1]	1H17[1]	9M17[1]	2017[1]	1Q18	1H18	9M18	2018	q/q	y/y
Total Assets	**278.3**	**283.3**	**290.6**	**316.9**	**328.7**	**365.1**	**422.0**	**373.4**	**-12%**	**18%**
Loans[2]	**183.7**	**185.8**	**190.6**	**199.9**	**205.3**	**222.2**	**249.4**	**220.5**	**-12%**	**10%**
TL Loans	107.0	111.1	115.1	120.1	118.8	123.0	124.8	120.9	-3%	1%
FC Loans ($)	21.1	21.3	21.2	21.2	21.9	21.7	20.8	18.9	-9%	-10%
Securities	**32.6**	**32.4**	**35.5**	**38.8**	**41.7**	**45.2**	**49.7**	**50.0**	**1%**	**29%**
TL Securities	22.4	22.7	25.5	28.1	30.7	32.7	33.7	35.9	7%	28%
FC Securities ($)	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.7	0%	-5%
Deposits	**163.5**	**164.2**	**165.0**	**173.4**	**180.0**	**192.8**	**221.0**	**210.3**	**-5%**	**21%**
TL Deposits	81.3	81.1	71.1	75.9	85.4	80.1	88.6	92.7	5%	22%
FC Deposits ($)	22.6	23.7	26.4	25.8	24.0	24.7	22.1	22.3	1%	-14%
Borrowings	**61.0**	**62.3**	**63.9**	**75.3**	**80.8**	**90.0**	**114.5**	**90.0**	**-21%**	**19%**
TL Borrowings	5.1	6.1	6.5	7.1	6.8	7.8	7.0	5.6	-20%	-22%
FC Borrowings ($)	15.4	16.0	16.1	18.1	18.7	18.0	17.9	16.1	-11%	-11%
Shareholders' Equity	**27.7**	**28.5**	**29.0**	**30.1**	**31.6**	**37.8**	**40.3**	**39.0**	**-3%**	**30%**
Assets Under Management	**17.4**	**18.5**	**19.1**	**19.5**	**20.1**	**19.6**	**19.9**	**21.1**	**6%**	**8%**
Loans/Assets	66%	66%	66%	63%	62%	61%	59%	59%		
Securities/Assets	12%	11%	12%	12%	13%	12%	12%	13%		
Borrowings/Liabilities	22%	22%	22%	24%	25%	25%	27%	24%		
Loans/(Deposits+TL Bills)	112%	112%	115%	114%	113%	114%	112%	104%		
CAR - cons	13.4%	13.7%	13.8%	13.4%	12.9%	13.9%	13.3%	14.8%		
Tier-I - cons	9.7%	10.1%	10.2%	9.9%	9.9%	10.7%	9.8%	11.4%		
Common Equity Tier-I - cons	9.9%	10.3%	10.3%	10.0%	9.9%	10.7%	9.8%	11.4%		
Leverage Ratio	9.0x	8.9x	9.0x	9.5x	9.4x	8.7x	9.5x	8.6x		

Assets



Liabilities



Note: Loans indicate performing loans

1. 2017 figures recasted for IFRS 9 reclassification of general provisions
2. TL and FC Loans are adjusted for the FX indexed loans
3. 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
4. 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
5. Borrowings: include funds borrowed, marketable securities issued (net), subordinated loans. Intragroup funding from UniCredit €2.43bn". Comparable number for Dec 17 was €2.58bn (New definition of intragroup funding aligned with UniCredit Group methodology, i.e. all subordinated (Tier 2) and senior funding from UniCredit Group companies to Yapi Kredi Group excl. trade finance (which is client business)
6. 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	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	q/q	y/y	2017	2018	y/y
Net Interest Income including swap costs	**2,217**	**2,089**	**2,154**	**2,522**	**2,543**	**2,778**	**4,004**	**4,239**	**6%**	**68%**	**8,983**	**13,563**	**51%**
o/w NII	*2,251*	*2,321*	*2,353*	*2,810*	*2,845*	*3,209*	*4,311*	*4,131*	**-4%**	**47%**	*9,735*	*14,496*	**49%**
o/w CPI-linkers	*325*	*338*	*409*	*663*	*436*	*460*	*1,360*	*2,478*	*82%*	*274%*	*1,735*	*4,735*	173%
o/w Swap costs	*-34*	*-232*	*-198*	*-288*	*-302*	*-431*	*-308*	*107*	**-135%**	**-137%**	*-752*	*-933*	**24%**
Fees & Commissions	**849**	**826**	**799**	**841**	**1,034**	**1,051**	**1,036**	**1,116**	**8%**	**33%**	**3,315**	**4,236**	**28%**
Core Revenues	**3,066**	**2,915**	**2,954**	**3,364**	**3,577**	**3,829**	**5,040**	**5,354**	**6%**	**59%**	**12,298**	**17,800**	**45%**
Operating Costs	**1,370**	**1,422**	**1,363**	**1,543**	**1,450**	**1,554**	**1,683**	**1,768**	**5%**	**15%**	**5,697**	**6,454**	**13%**
Core Operating Income	**1,696**	**1,494**	**1,591**	**1,821**	**2,127**	**2,275**	**3,357**	**3,586**	**7%**	**97%**	**6,601**	**11,345**	**72%**
Trading and FX gains/losses	**100**	**125**	**38**	**-24**	**11**	**275**	**152**	**266**	***75%***	**-**	**239**	**704**	***194%***
o/w FX gains/losses	*38*	*99*	*28*	*9*	*27*	*65*	*-193*	*225*	-	-	*174*	*124*	*-29%*
o/w MtM gains/losses	*34*	*16*	*-7*	*-32*	*-7*	*118*	*300*	*35*	-	-	*11*	*446*	-
o/w Trading gains/losses	*28*	*10*	*17*	*-1*	*-9*	*92*	*45*	*6*	-	-	*55*	*134*	*146%*
Other income	**102**	**75**	**53**	**109**	**136**	**40**	**76**	**107**	**40%**	**-1%**	**339**	**359**	**6%**
o/w income from subs	*28*	*19*	*19*	*22*	*28*	*25*	*31*	*32*	*3%*	*46%*	*88*	*116*	*32%*
o/w Dividends	*2*	*8*	*0*	*0*	*4*	*8*	*1*	*2*	-	-	*11*	*15*	*36%*
o/w Others	*72*	*48*	*35*	*86*	*104*	*7*	*45*	*73*	*64%*	*-15%*	*241*	*229*	*-5%*
Pre-provision Profit	**1,898**	**1,694**	**1,682**	**1,906**	**2,274**	**2,590**	**3,585**	**3,959**	**10%**	**108%**	**7,180**	**12,409**	**73%**
ECL net of collections	**539**	**532**	**592**	**568**	**514**	**835**	**1,640**	**2,950**	***80%***	***420%***	**2,231**	**5,939**	***166%***
o/w Stage 3 Provisions	*756*	*717*	*761*	*596*	*607*	*738*	*1,433*	*1,844*	*29%*	*210%*	*2,829*	*4,622*	*63%*
o/w Stage 1 + Stage 2 Provisions	*45*	*62*	*46*	*151*	*237*	*460*	*451*	*1,195*	*165%*	*693%*	*304*	*2,343*	*670%*
o/w Collections	*262*	*247*	*215*	*179*	*330*	*363*	*244*	*90*	*-63%*	*-50%*	*903*	*1,026*	*14%*
Other Provisions & Costs	**94**	**40**	**33**	**180**	**147**	**196**	**527**	**-448**	**-**	**-**	**347**	**422**	**21%**
o/w Other provisions for risks and charges	*50*	*0*	*0*	*0*	*100*	*100*	*330*	*-530*	-	-	*50*	*0*	-
o/w Pension fund provisions	*0*	*0*	*0*	*123*	*0*	*85*	*145*	*0*	-	-	*123*	*230*	-
o/w Pension fund provisions (under cost)	*0*	*0*	*0*	*123*	*0*	*0*	*0*	*230*	-	*87%*	*123*	*230*	*87%*
o/w Pension fund provisions (under provisions)	*0*	*0*	*0*	*0*	*0*	*85*	*145*	*-230*	-	-	*0*	*0*	-
o/w Other provisions	*44*	*40*	*33*	*58*	*47*	*11*	*52*	*81*	*56%*	*41%*	*175*	*191*	*10%*
Pre-tax Income	**1,265**	**1,121**	**1,058**	**1,158**	**1,613**	**1,559**	**1,418**	**1,457**	**3%**	**26%**	**4,601**	**6,048**	**31%**
Tax	263	229	216	278	369	332	303	376	24%	35%	987	1,380	40%
Net Income	**1,001**	**892**	**841**	**880**	**1,244**	**1,227**	**1,115**	**1,081**	**-3%**	**23%**	**3,614**	**4,668**	**29%**
ROTE[1]	**15.8%**	**13.3%**	**12.4%**	**12.6%**	**17.1%**	**15.9%**	**11.9%**	**11.4%**	**-53bps**	**-120bps**	**13.6%**	**14.2%**	**58bps**

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

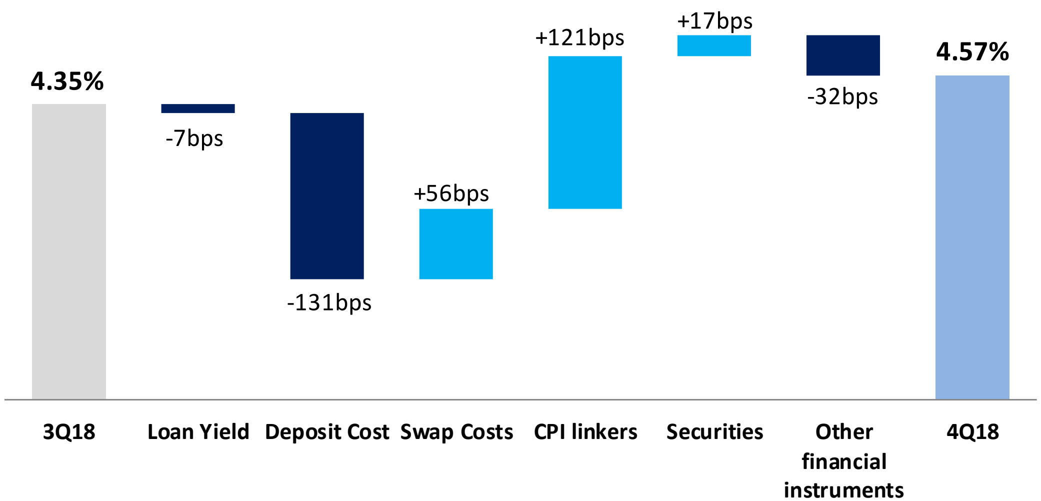
Bank-Only Income Statement

TL million	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	q/q	y/y	2017	2018	y/y
Net Interest Income including swap costs	**2,030**	**1,895**	**1,965**	**2,306**	**2,270**	**2,585**	**3,677**	**3,925**	**7%**	**70%**	**8,196**	**12,458**	**52%**
o/w NII	*2,141*	*2,174*	*2,212*	*2,684*	*2,768*	*3,108*	*4,143*	*3,923*	**-5%**	**46%**	*9,211*	*13,942*	**51%**
o/w CPI-linkers	*325*	*338*	*409*	*663*	*436*	*460*	*1,360*	*2,478*	*82%*	*274%*	*1,735*	*4,735*	*173%*
o/w Swap costs	*-111*	*-278*	*-247*	*-378*	*-497*	*-523*	*-466*	*2*	-	-	*-1,015*	*-1,484*	*46%*
Fees & Commissions	**807**	**784**	**757**	**788**	**986**	**993**	**977**	**1,059**	**8%**	**34%**	**3,136**	**4,016**	**28%**
Core Revenues	**2,837**	**2,679**	**2,722**	**3,094**	**3,257**	**3,578**	**4,655**	**4,984**	**7%**	**61%**	**11,333**	**16,474**	**45%**
Operating Costs	**1,295**	**1,346**	**1,293**	**1,462**	**1,375**	**1,470**	**1,591**	**1,659**	**4%**	**13%**	**5,398**	**6,096**	**13%**
Core Operating Income	**1,542**	**1,333**	**1,429**	**1,632**	**1,881**	**2,108**	**3,064**	**3,325**	**9%**	**104%**	**5,935**	**10,378**	**75%**
Trading and FX gains/losses	**89**	**119**	**23**	**-29**	**57**	**212**	**119**	**301**	***153%***	-	**202**	**689**	***241%***
o/w FX gains/losses	*76*	*86*	*-28*	*0*	*23*	*58*	*-50*	*265*	-	-	*134*	*297*	*121%*
o/w MtM gains/losses	*0*	*0*	*48*	*-33*	*-8*	*114*	*125*	*35*	*-72%*	-	*15*	*266*	-
o/w Trading gains/losses	*13*	*33*	*3*	*4*	*41*	*40*	*43*	*2*	-	-	*53*	*126*	-
Other income	**213**	**186**	**179**	**233**	**252**	**227**	**276**	**212**	**-23%**	**-9%**	**810**	**967**	**19%**
o/w income from subs	*146*	*140*	*144*	*145*	*211*	*171*	*233*	*160*	*-31%*	*11%*	*575*	*776*	*35%*
o/w Dividends	*2*	*0*	*0*	*0*	*3*	*2*	*1*	*1*	*119%*	-	*2*	*6*	*178%*
o/w Others	*65*	*45*	*35*	*88*	*39*	*54*	*42*	*50*	*19%*	*-43%*	*233*	*185*	*-20%*
Pre-provision Profit	**1,844**	**1,637**	**1,631**	**1,835**	**2,190**	**2,547**	**3,458**	**3,838**	**11%**	**109%**	**6,947**	**12,034**	**73%**
ECL net of collections	**526**	**501**	**574**	**539**	**483**	**832**	**1,586**	**2,908**	***83%***	***439%***	**2,141**	**5,810**	***171%***
o/w Stage 3 Provisions	*745*	*687*	*749*	*572*	*590*	*716*	*1,389*	*1,779*	*28%*	*211%*	*2,753*	*4,473*	*62%*
o/w Stage 1 + Stage 2 Provisions	*43*	*61*	*40*	*146*	*224*	*480*	*440*	*1,219*	*177%*	*734%*	*290*	*2,363*	*714%*
o/w Collections	*262*	*247*	*215*	*179*	*330*	*363*	*244*	*90*	*-63%*	*-50%*	*903*	*1,026*	*14%*
Other Provisions & Costs	**88**	**45**	**32**	**169**	**145**	**194**	**516**	**-487**	**-194%**	-	**333**	**369**	**11%**
o/w Other provisions for risks and charges	*50*	*0*	*0*	*0*	*100*	*100*	*330*	*-530*	-	-	*50*	*0*	-
o/w Pension fund provisions	*0*	*0*	*0*	*123*	*0*	*85*	*145*	*0*	-	-	*123*	*230*	-
o/w Pension fund provisions (under cost)	*0*	*0*	*0*	*123*	*0*	*0*	*0*	*230*	-	*87%*	*123*	*230*	-
o/w Pension fund provisions (under provisions)	*0*	*0*	*0*	*0*	*0*	*85*	*145*	*-230*	-	-	*0*	*0*	-
o/w Other provisions	*38*	*45*	*32*	*46*	*45*	*9*	*41*	*42*	-	-	*161*	*138*	*-14%*
Pre-tax Income	**1,230**	**1,092**	**1,024**	**1,127**	**1,562**	**1,521**	**1,357**	**1,416**	**4%**	**26%**	**4,473**	**5,855**	**31%**
Tax	229	200	183	247	318	294	242	335	39%	35%	859	1,188	38%
Net Income	**1,001**	**892**	**841**	**880**	**1,244**	**1,227**	**1,115**	**1,081**	**-3%**	**23%**	**3,614**	**4,667**	**29%**
ROTE[1]	**15.8%**	**13.4%**	**12.4%**	**12.6%**	**17.0%**	**15.8%**	**11.9%**	**11.4%**	**-53bps**	**-120bps**	**13.6%**	**14.2%**	**58bps**

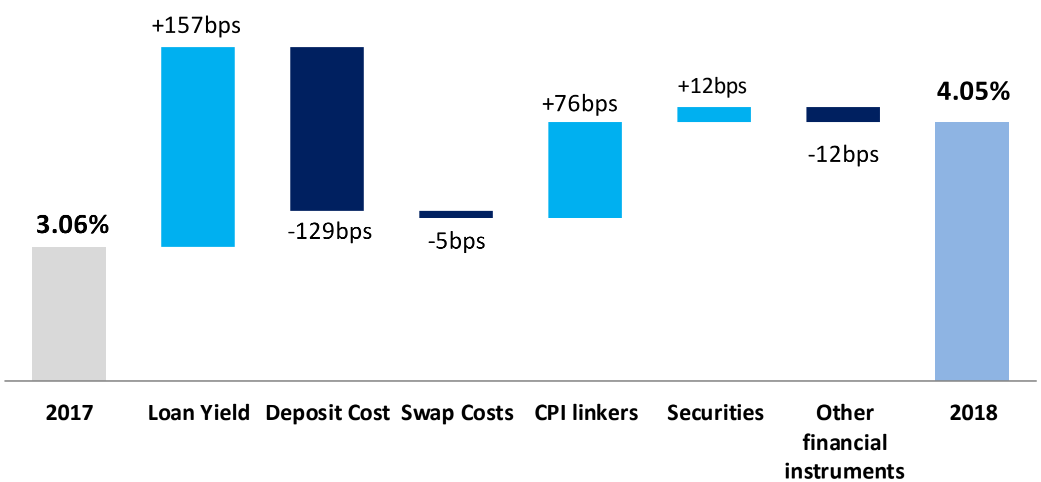
Note:
1. 2Q18 ROTAE is adjusted for the 4.1 bln TL rights issue on 30th of June

NIM Evolution

Quarterly

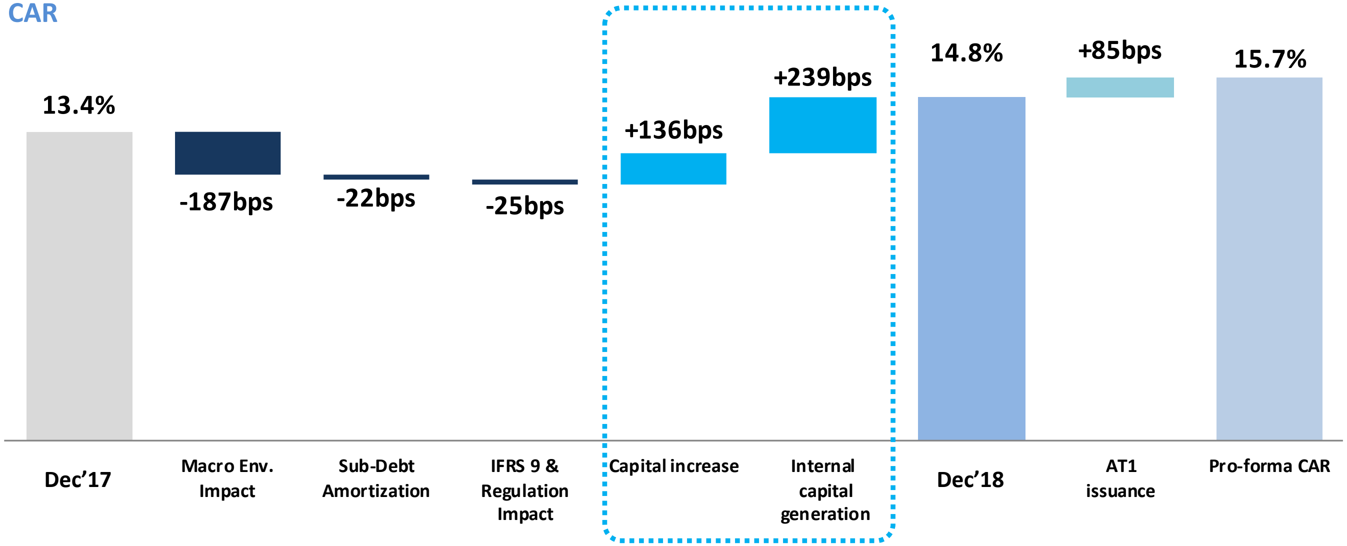


Cumulative

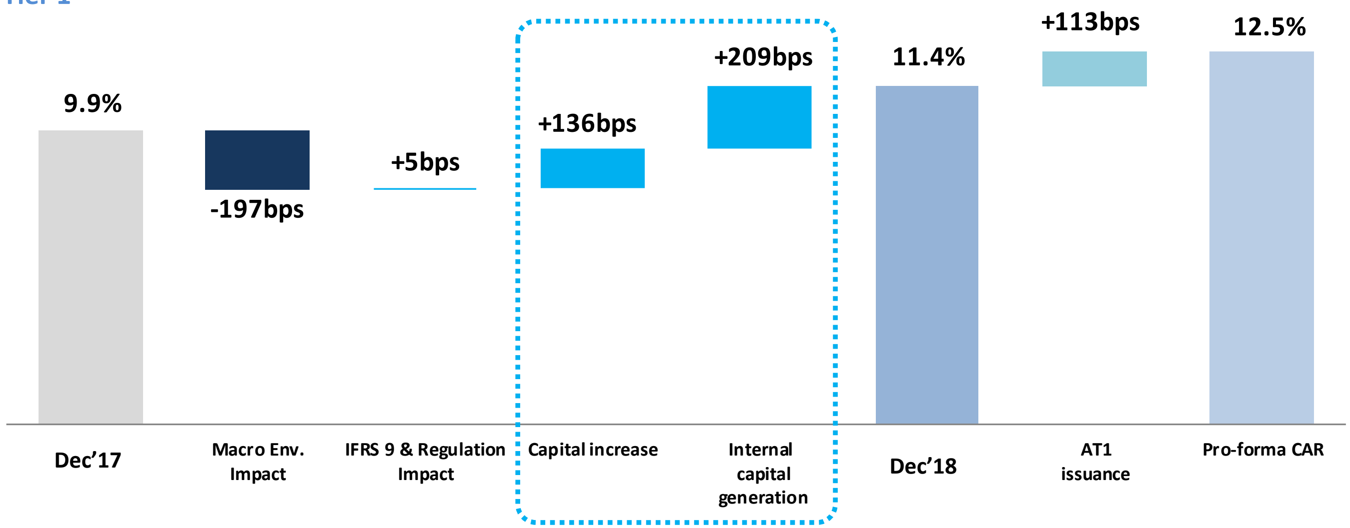


Capital Evolution

CAR

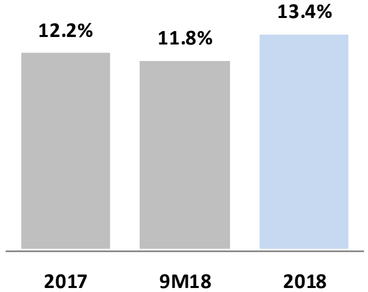


Tier 1

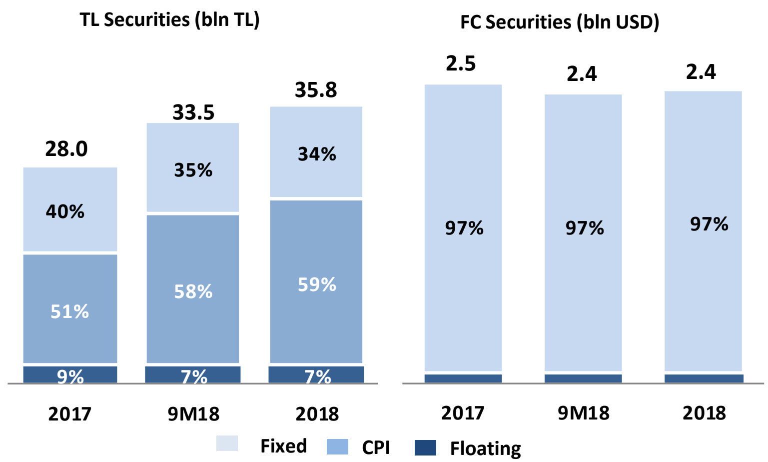


Securities

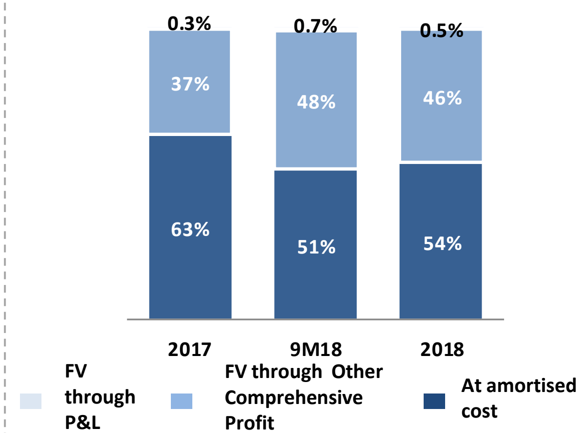
Securities/Assets



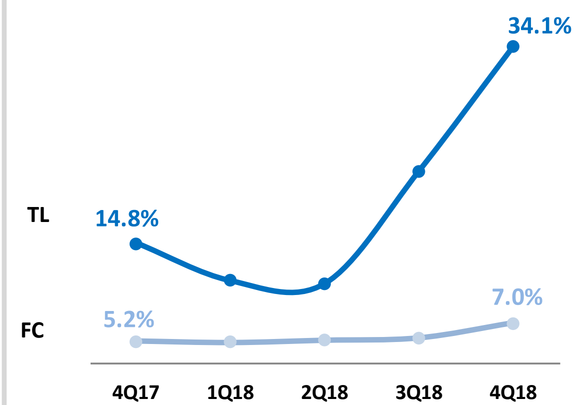
Composition by Type[1]



Composition by Classification[1]



Security Yields[1]



- **Securities / assets at 13.4%** with dynamically managed mix to benefit from rate environment
- **Increase in CPI linkers to benefit from higher inflation levels.** CPI-linker volume increased 29% y/y to TL 15.4 bln in book value[2]; with a gain of TL 4,735 mln in 2018

  Actual Inflation at 25.2% for valuation of CPI linkers (previous valuation at 16.0%)

- **M-t-m unrealised loss at TL 1,748 mln as of 2018** (TL -385 mln in 2017)

Notes:
1. Based on Bank-Only financials
2. Excluding accruals

Details of main Borrowings

International	Syndications	**~ US$ 2.6 bln in 2018** ■ **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 ■ **Oct'18:** US$ 275mln & € 690.7mln, all-in cost at Libor+ 2.75% and Euribor+ 2.65% for 367 days. 27 banks from 13 countries
International	AT1	**~US$ 650 mln outstanding** ■ **Jan'19**: US$ 650 mln market transaction, callable every 5 years, perpetual, 13.875% (coupon rate) 1Q19
International	Subordinated Loans	**~US$ 2.6 bln outstanding** ■ **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**[1]: 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)
International	Foreign and Local Currency Bonds / Bills	**US$ 2.7 bln Eurobonds** ■ **Jan'13:** US$ 500 mln, 4.00% (coupon rate), 7 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
International	Covered Bond	**TL 1.17 bln out standing** ■ **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	**TL 1.4 bln total** ■ **Aug'18 :** TL 85 mln, 6 months maturity ■ **Oct'18 :** TL 391 mln, 3 months maturity 4Q18 ■ **Nov'18** : TL 606 mln , 3 months maturity 4Q18 ■ **Dec'18** :TL 324 mln, 2 months maturity 4Q18

Notes:
1. We have paid back a 200 mln US$ of the subordinated loan in January 2019, the outstanding amount is at 270 mln US$

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