

Yapı Kredi 9M18 Earnings Presentation

31 October 2018



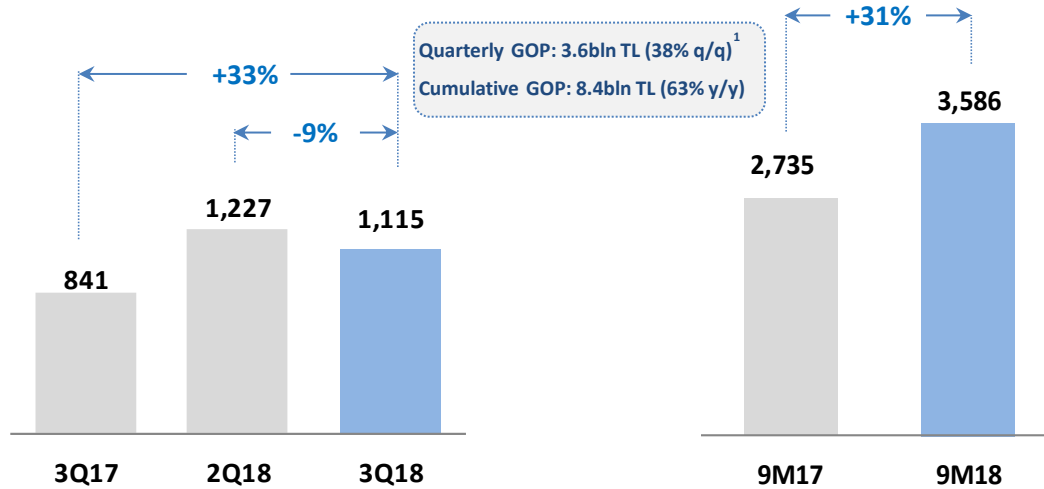
A solid top-line within conservative asset quality and liquidity approach

Profitability

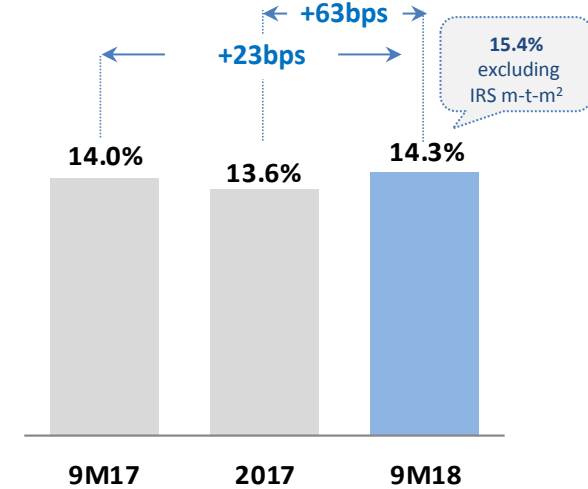
Net Profit (TL mIn)

Quarterly

Cumulative

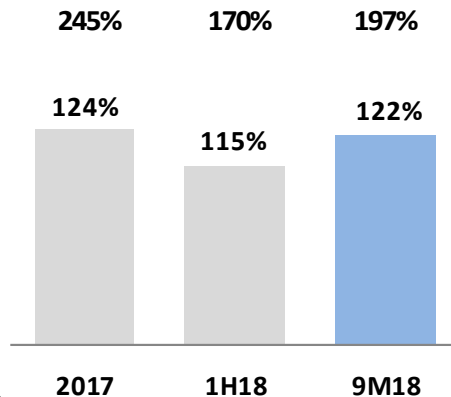


RoTE

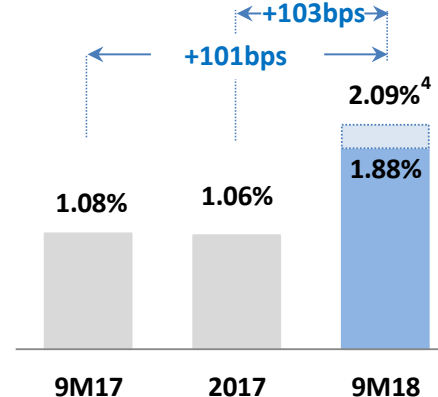


LCR (TL+FC)³

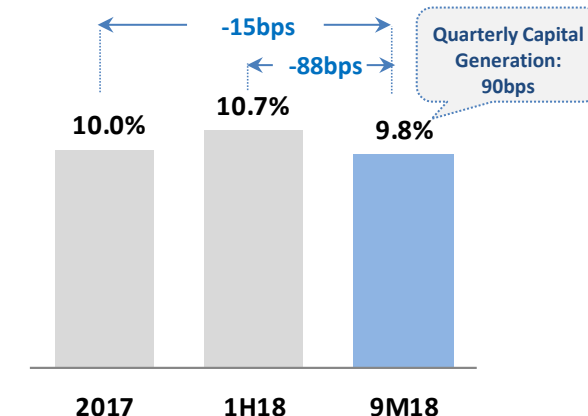
FC LCR



CoR



CET1 Ratio⁵



Notes:

- Gross Operating Profit (GOP) figures excludes ECL collection income and trading income to hedge FC ECL
- TL 4.1bln (2017: TL 838mln) IRS m-t-m valuation gain that is booked under equity but not considered in capital calculations
- Based on past three months averages
- Adjusted for provision reversals related with cheques following the change in regulation in 1H18
- CET-1 ratio is presented without the forbearance actions (with forbearance: 12.1%)

A controlled loan growth during the volatile period

Loan volumes (TL bln)

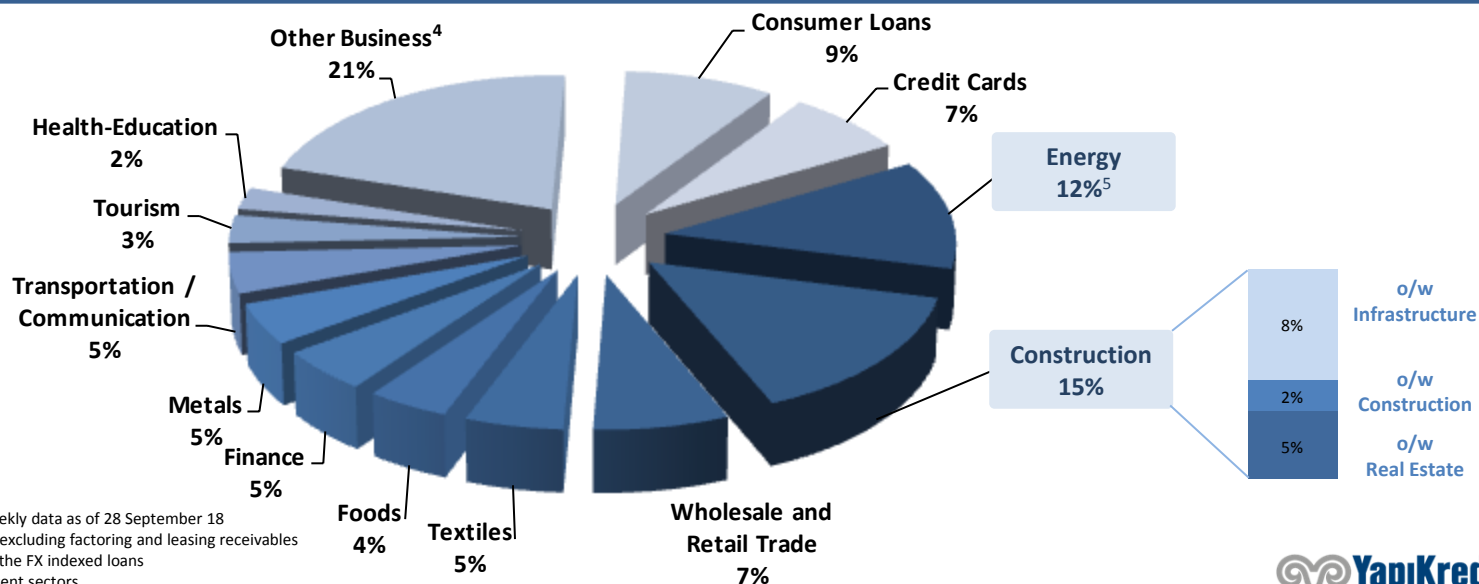
	9M18	Yapı Kredi			Private Banks ¹		
		y/y	ytd	q/q	y/y	ytd	q/q
Total Cash+Non-cash Loans²	353.2	32%	27%	12%	27%	21%	9%
TL ³	152.0	9%	4%	1%	8%	3%	-2%
FC (\$) ³	33.6	-6%	-4%	-7%	-9%	-8%	-6%
Total Cash Loans²	249.4	31%	25%	12%	23%	18%	7%
TL ³	124.8	8%	4%	1%	7%	3%	-2%
FC (\$) ³	20.8	-2%	-2%	-4%	-9%	-9%	-6%
Total Cash Loans (FX adjusted)	249.4	3%	1%	-2%	-1%	-3%	-4%

FC loans (in \$) down by 17%
based on 13 weeks average
(vs sector: -7.5%)

FC loans comprised mainly of project finance and long-term loans (93%)
(short-term loans: 7%)

7.24% market share in CGF loans
as of September 2018

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



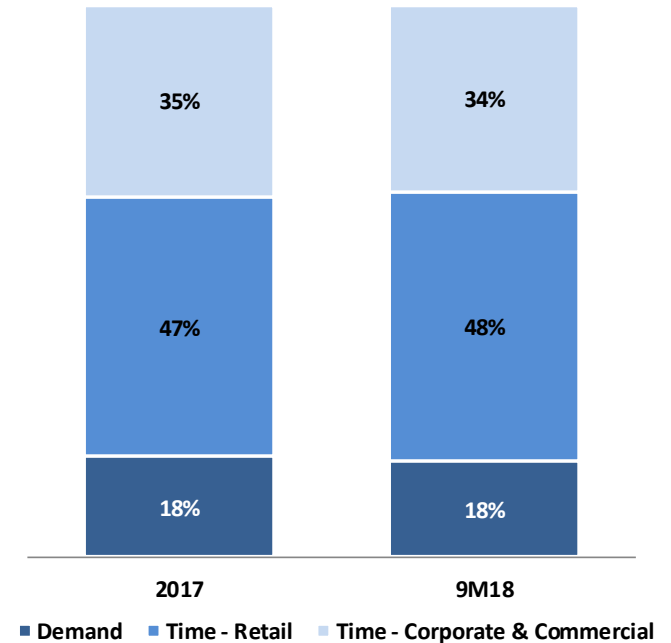
Notes:
 1. Private banks based on BRSA weekly data as of 28 September 18
 2. Loans indicate performing loans excluding factoring and leasing receivables
 3. TL and FC loans are adjusted for the FX indexed loans
 4. Other Business includes 17 different sectors
 5. Please see page 14 for the detailed breakdown of Energy loans

Strong deposit base as a corner stone for liquidity

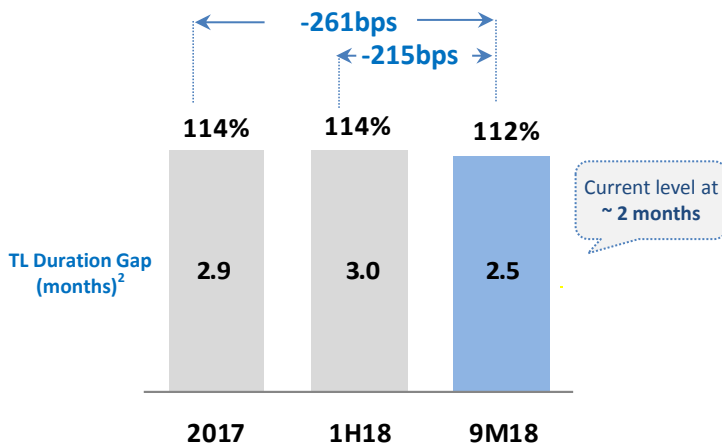
Deposit volumes (TL bln)

	9M18	YKB			Private Banks ¹		
		y/y	ytd	q/q	y/y	ytd	q/q
Total Deposits	221.0	34%	27%	15%	30%	25%	13%
TL	88.6	25%	17%	11%	13%	10%	5%
FC (\$)	22.1	-16%	-14%	-11%	-12%	-11%	-8%
Customer Deposits	210.8	33%	29%	17%	30%	25%	14%
TL	84.7	22%	16%	10%	12%	9%	6%
FC (\$)	21.1	-16%	-13%	-7%	-12%	-11%	-8%
Demand Deposits	41.3	37%	29%	13%	34%	29%	10%

Deposit Breakdown (FX adjusted)²



LDR³



Successful roll-over of the syndication on Oct'18 with 96%

Short-term FC Liquidity ~11bln USD as of 9M18
more than the upcoming run-off

Upcoming run-offs

4Q18: 1 bln USD

2019: 3.6 bln USD (1.5 bln of which is syndications)

Notes:

1. Private banks based on BRSA weekly data as of 28 September 2018
2. Based on MIS data
3. LDR: LDR= Loans / (Deposits + TL Bonds)

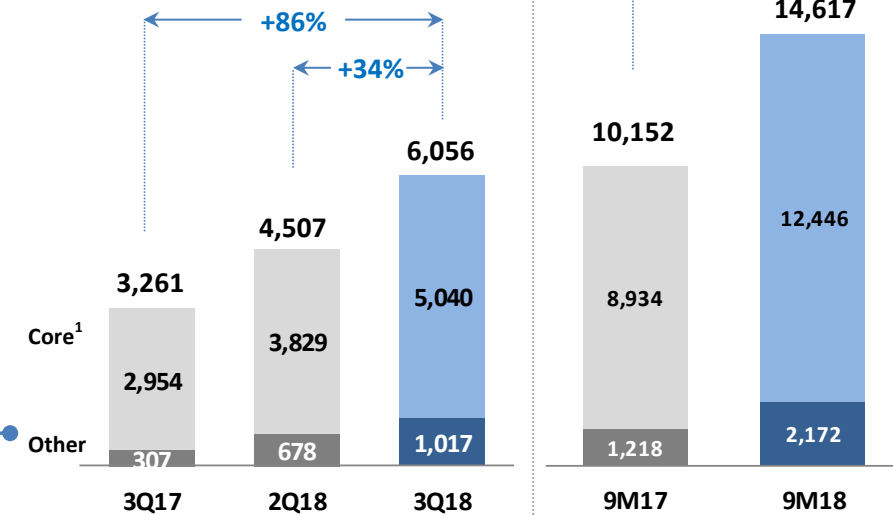
Ongoing strength in the top-line performance

Revenues (TL mln)

Quarterly

Cumulative

CPI linker adj:
3Q17: TL53mln;
3Q18: TL859 mln



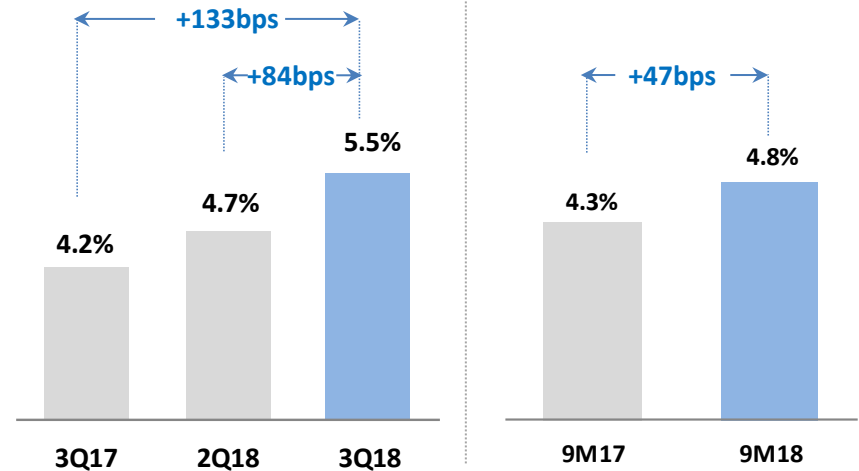
mln TL	3Q17	2Q18	3Q18	9M17	9M18
Other Revenues	307	678	1,017	1,218	2,172
Other Income	269	403	320	955	1,189
Collections	215	363	244	724	937
Income From Subs	19	25	31	66	84
Dividend Income	0	8	1	10	13
Trading & FX (net)	38	275	697	263	983

Revenue Margin²

Revenue Margin improved +47bps y/y with support from the linker adjustment on top of a strong top-line performance

Quarterly

Cumulative



mln TL	3Q17	2Q18	3Q18	9M17	9M18
Trading & FX (net)	38	275	697	263	983
MtM gains	-7	118	26	43	137
Trading gains/losses	17	92	46	56	128
FX Gains	28	65	626	165	717

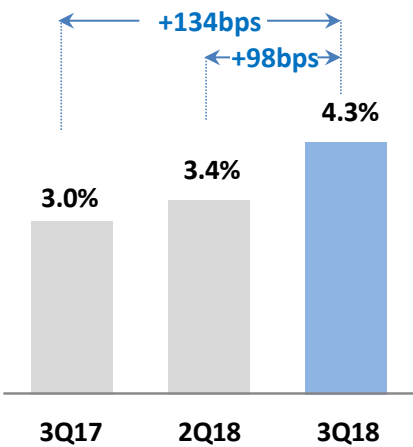
Notes:

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

A limited tightening in the quarterly CPI adjusted NIM through protected loan spreads, thanks to shortest TL duration gap

Swap Adjusted NIM

Quarterly



CPI adjusted to 16%
(prev: 9.3%)

Lowest Duration Gap among Peers

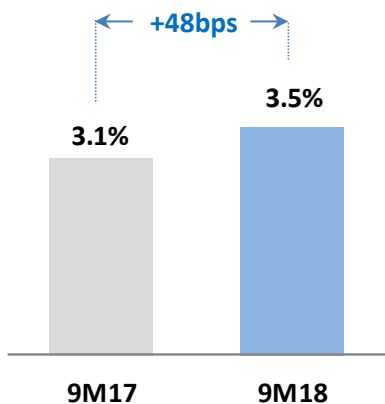
TL Duration Gap
~2.5 months
(Recent ~2 months)

FC Duration Gap
~-20 days

thanks to Interest Rate Swaps

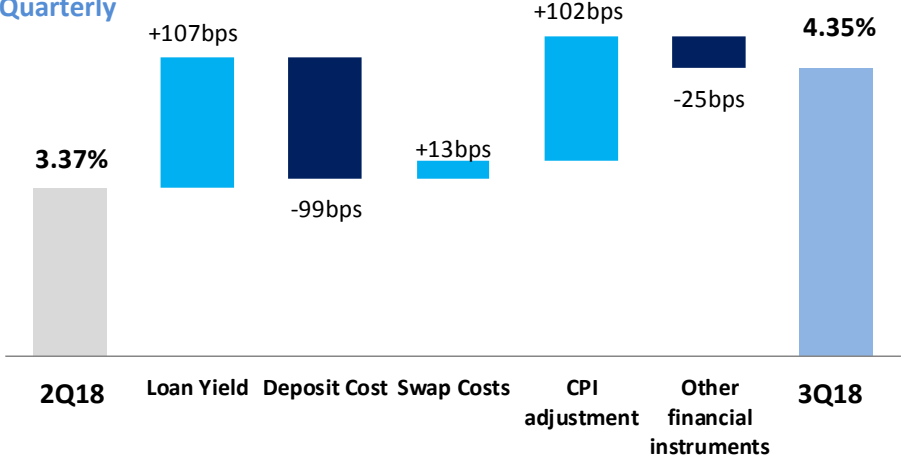
MtM of IRS under equity:
4.1 bln TL¹

Cumulative

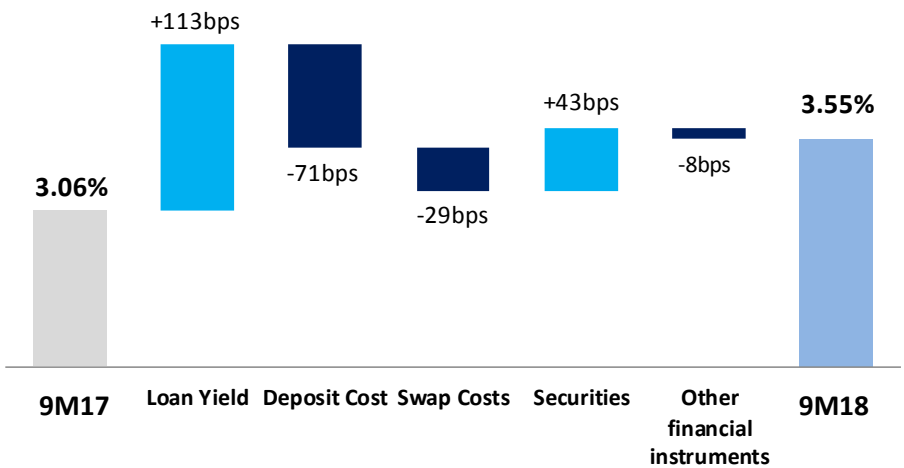


NIM waterfall

Quarterly



Cumulative

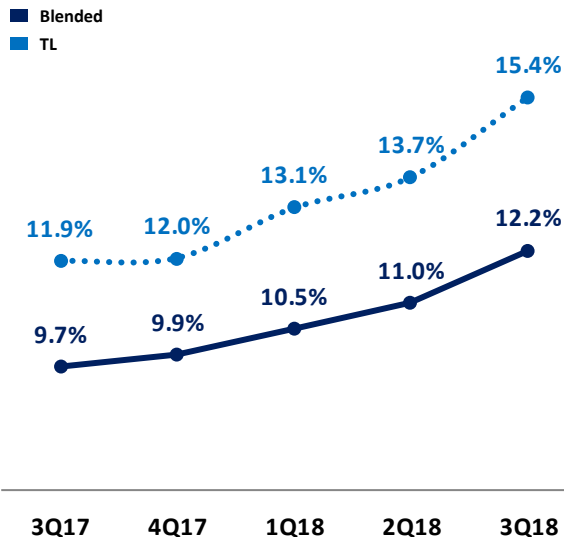


Notes:
Based on Bank-Only financials
1. Net of tax

Ongoing loan repricing protects the loan-deposit spread in 3Q

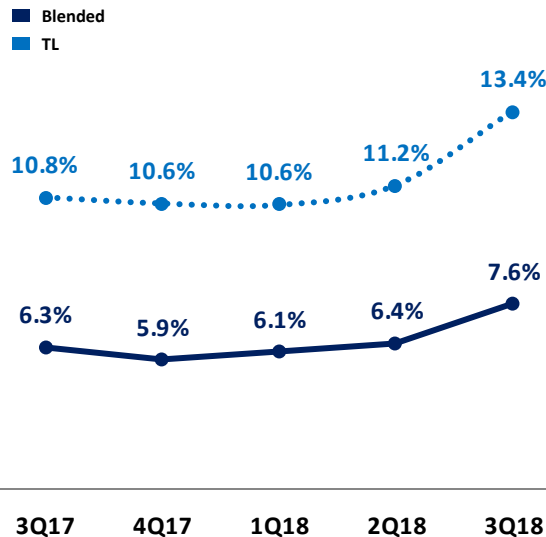
Loan Yields¹ (Quarterly)

115 bps increase in blended loan yields in the quarter given ongoing repricing



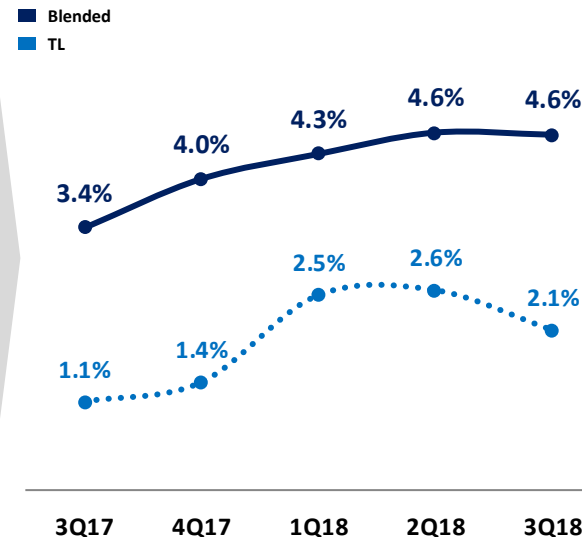
Deposit Costs (Quarterly)

Increase in blended cost of deposits (+118 bps) given the rate hike decision of the CBT



Loan-Deposit Spread (Quarterly)

Loan-Deposit spread almost stable through loan repricing

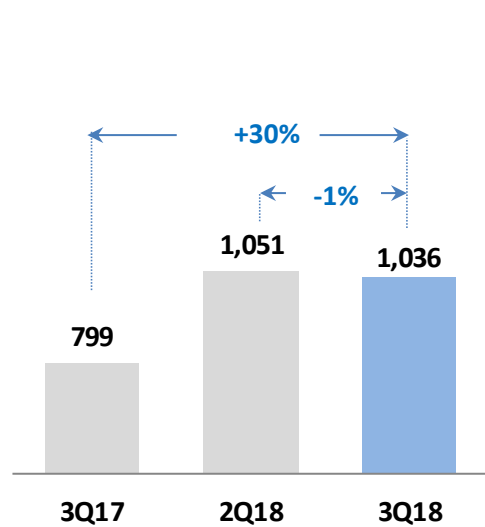


Notes:
Based on Bank-Only financials
1. Performing Loan yields

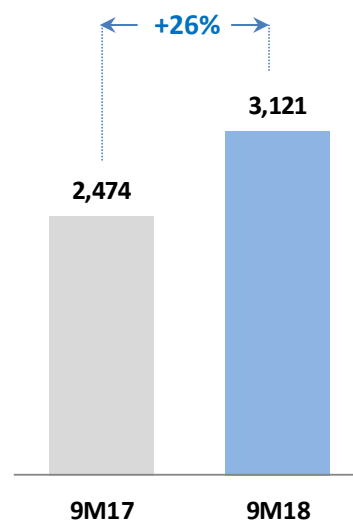
Fee increase at 26% y/y driven by the strength in card business

Net Fee income (TL mIn)

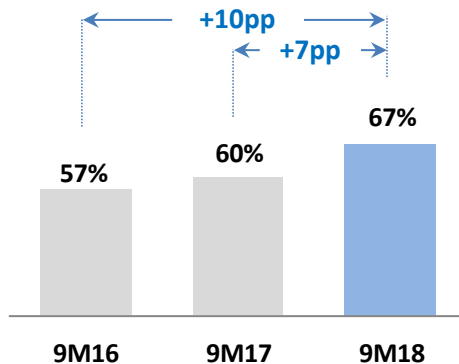
Quarterly



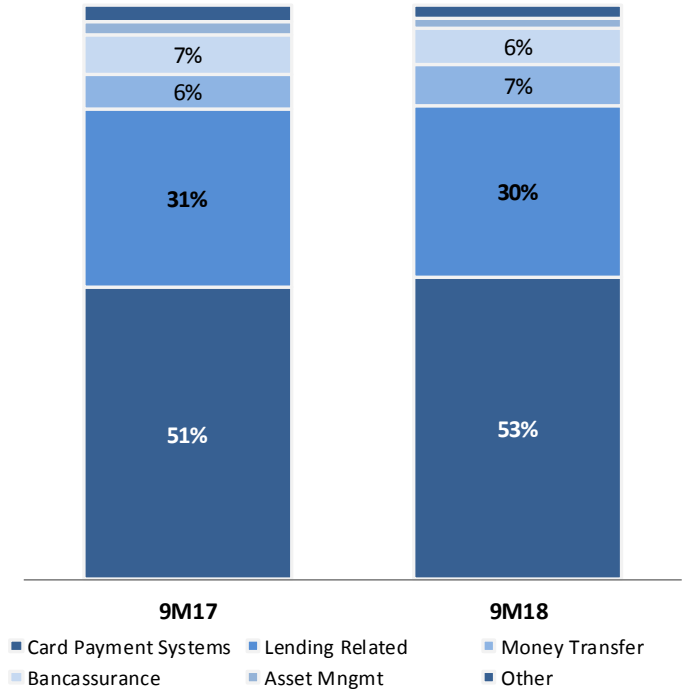
Cumulative



Fees / Opex



Fees Received Composition



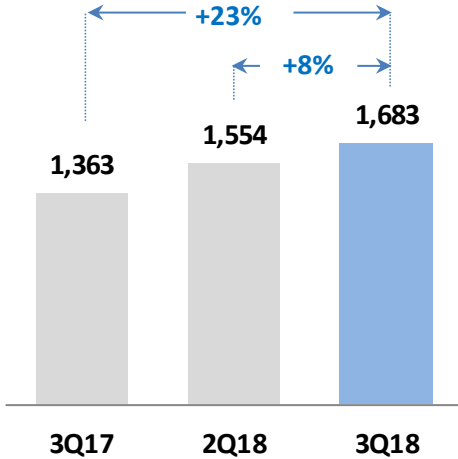
Strong performance with ongoing diversification efforts supported by the core business:

- Money Transfer: +58% y/y
- Lending Related: +22% y/y (non-cash: 29%)
- Card Payment systems: +33% y/y

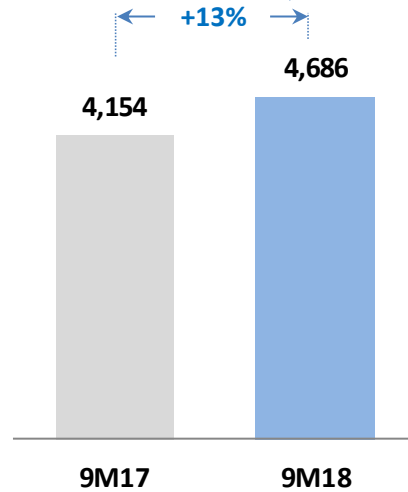
Cost discipline sustains with controlled ordinary costs

Costs (TL mln)

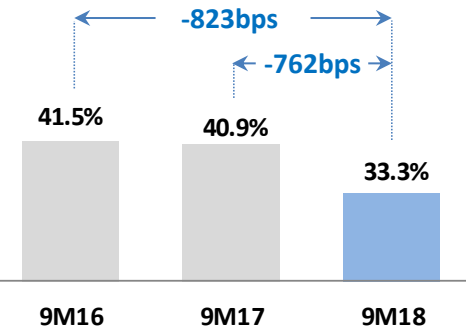
Quarterly



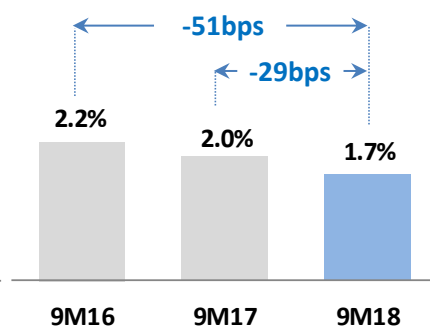
Cumulative



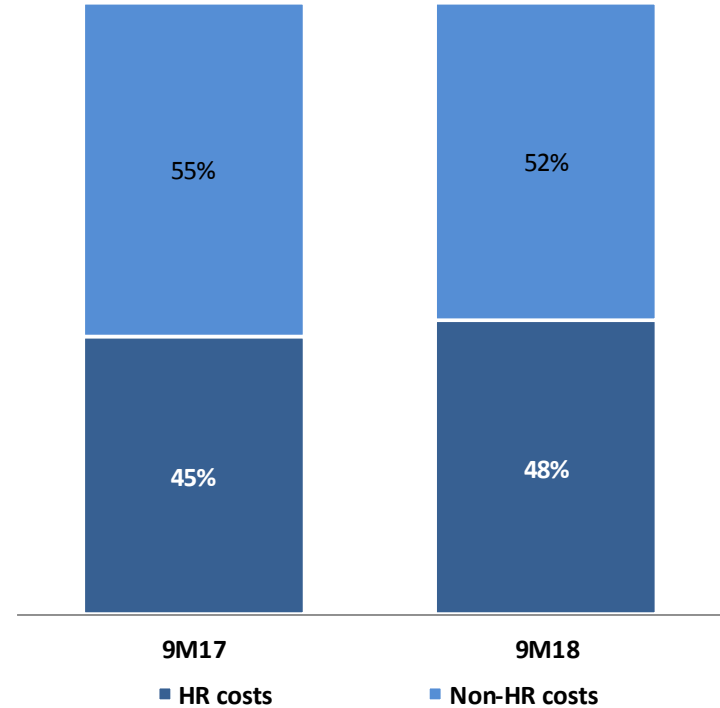
Cost / Income¹



Costs / Average Assets²



Cost Breakdown³



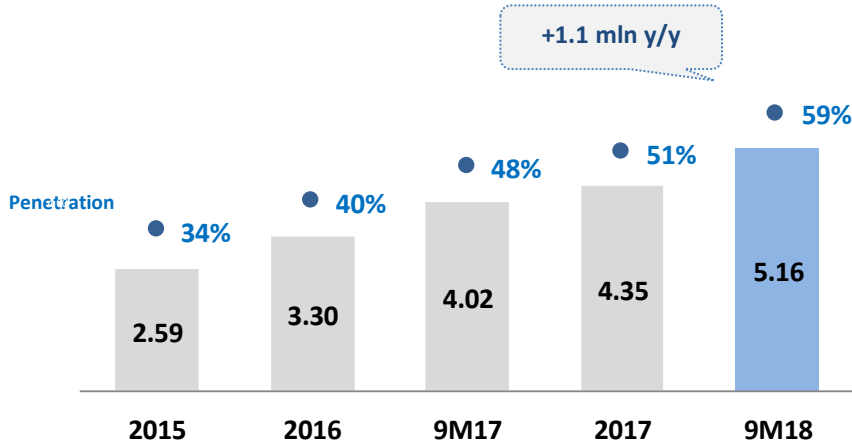
Non-HR cost share is coming down; HR cost increase due to variable compensation

- HR costs: +19% y/y (# of FTE⁴: -2%)
- Non-HR costs: +7% y/y

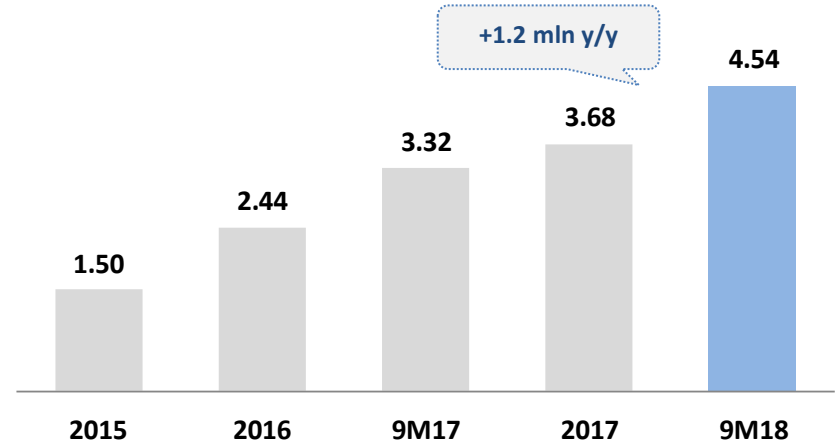
Notes:
 1. 9M18 Income adjusted for trading income to hedge FC ECL
 2. 9M17 and 9M16 assets are recasted for the IFRS 9 adoption (reclassification of general provisions)
 3. Based on MIS data
 4. FTE: Full Time Equivalent

Digital transformation fully on track

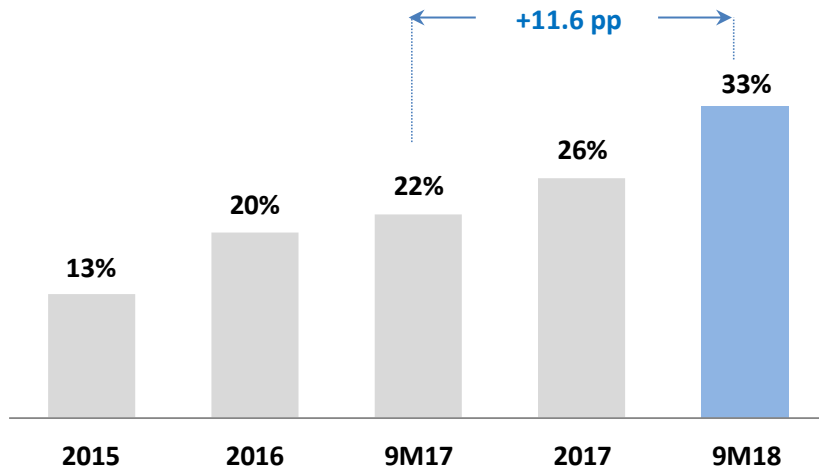
Number of Digital Customers (mln)



Number of Mobile Banking Customers (mln)



Share of digital in main products¹ sold



25 Awards in 3Q18

o/w 14 Stevie Awards

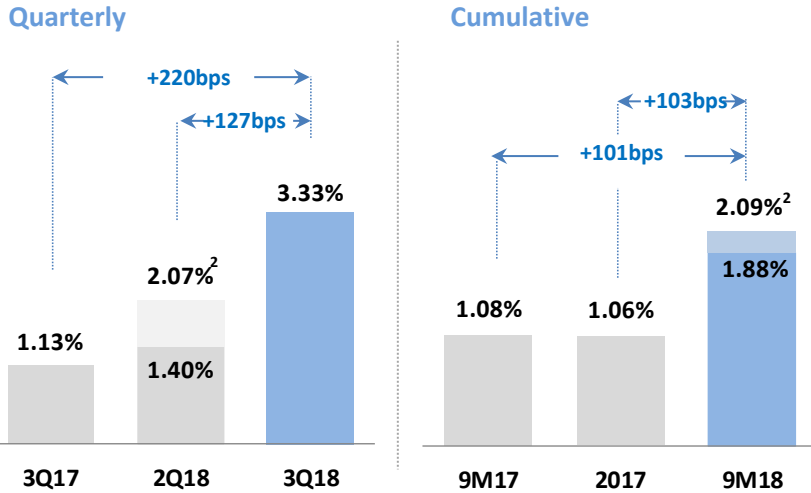
- Best New Product or Service of the Year
- Integrated Mobile Experience
- Grand Stevie
-

o/w 5 Global Finance Awards

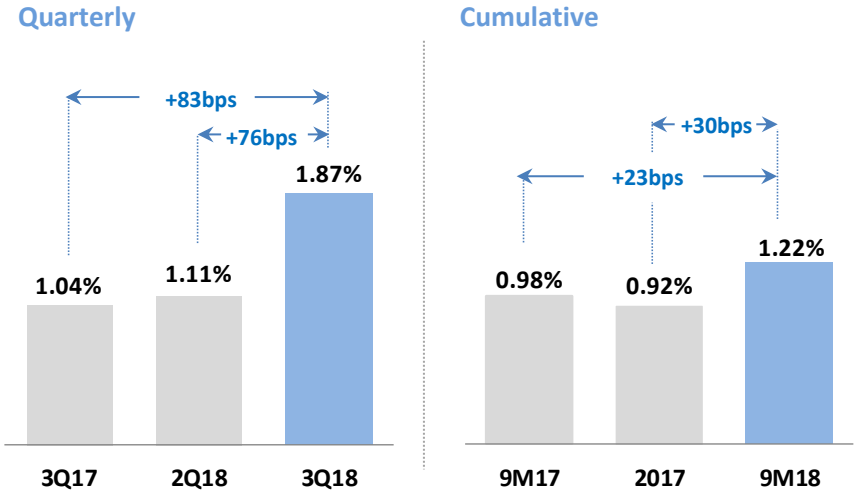
- Best Online Portal Services
- Best Integrated Corporate Bank site
- Best Bill Payment & Presentment
-

CoR increase with a prudent and conservative approach

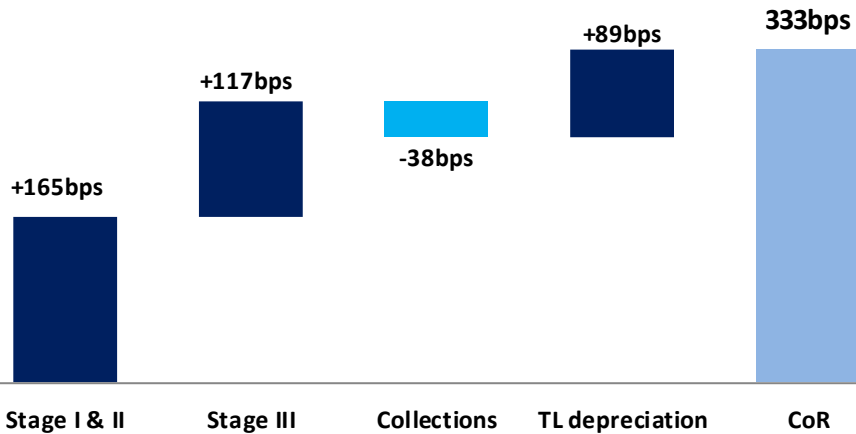
Total Cost of Risk¹ (net of collections)



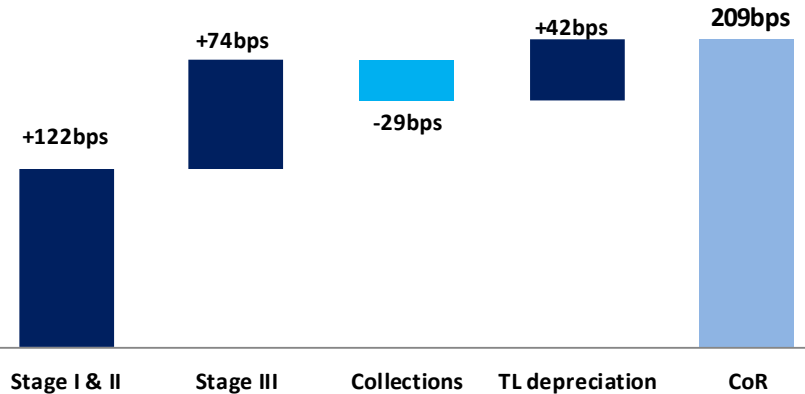
Specific Cost of Risk (net of collections)



Cost of Risk evolution (quarterly)



Cost of Risk evolution (cumulative)

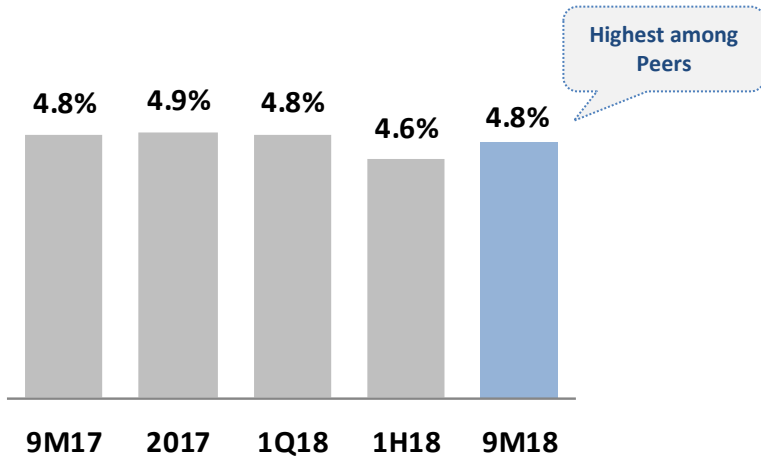


Notes:

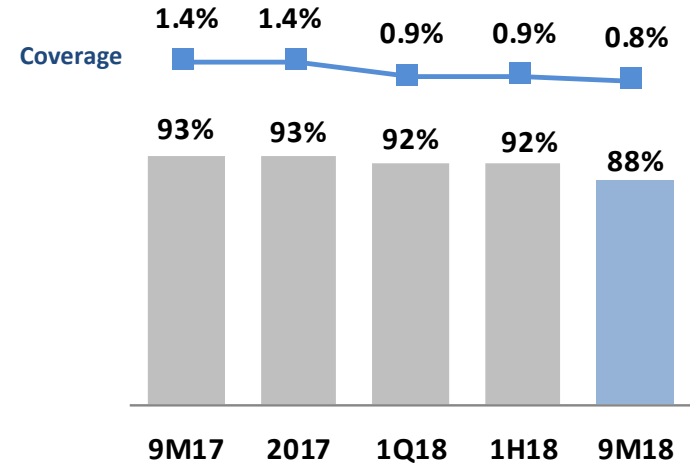
1. Cost of Risk = (Total Expected Credit Loss- Collections)/Total Gross Loans
2. Adjusted for provision reversals related with cheques in 2Q18
3. TL depreciation impact represents the impact of increase in Stage 1 and Stage 2 expected credit loss due to increase in TL equivalent of FX denominated loans

A proactive asset quality approach with a strong coverage ratio

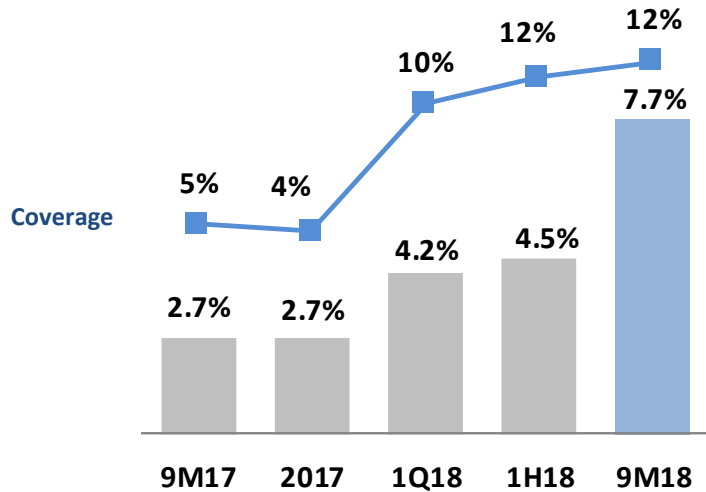
Provisions / Gross Loans



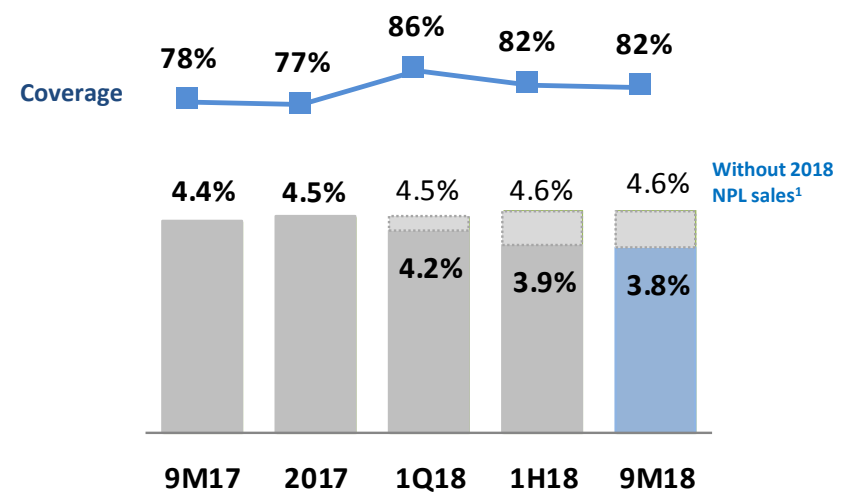
Stage I loans to Gross Loans



Stage II loans to Gross Loans



Stage III loans to Gross Loans



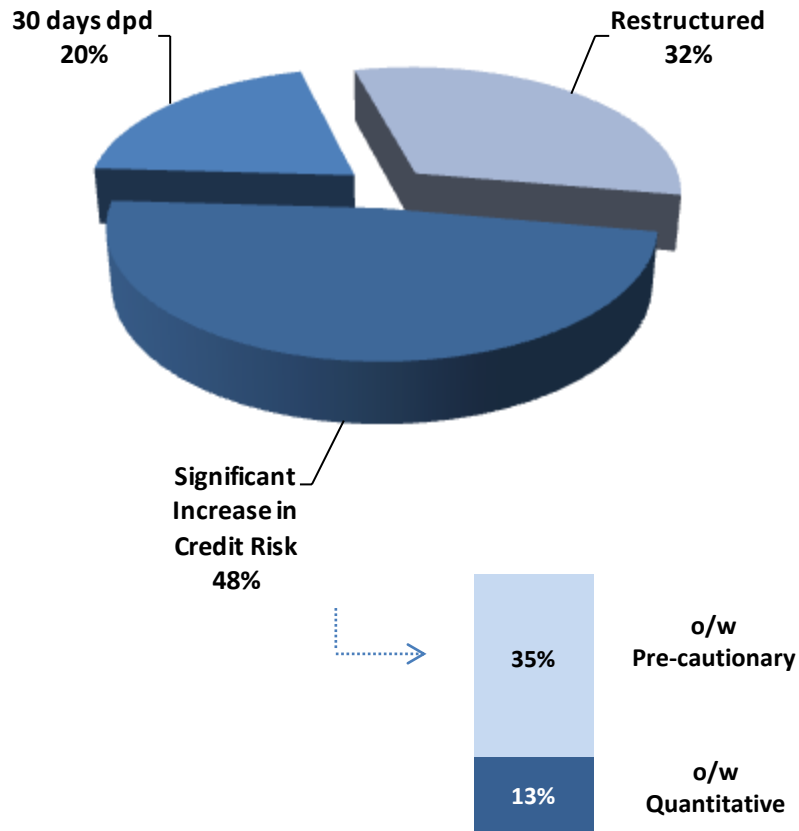
Notes:

Based on Bank-Only BRSA financials

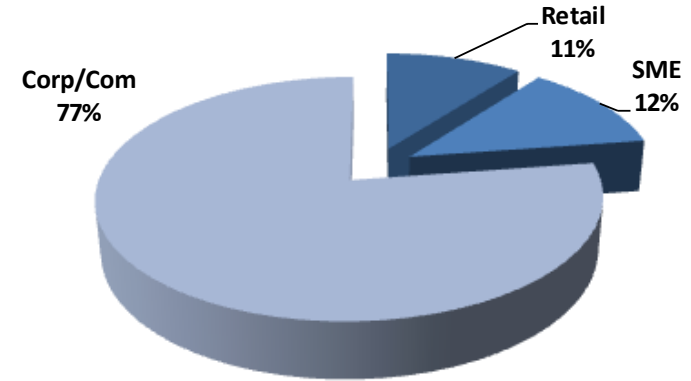
1. TL 2.0 bln NPL sales in 9M18 (628 mln in 1Q18; 1 bln in 2Q18; 367 mln in 3Q18)

Stage 2 composition reflecting the worsening in the macro environment

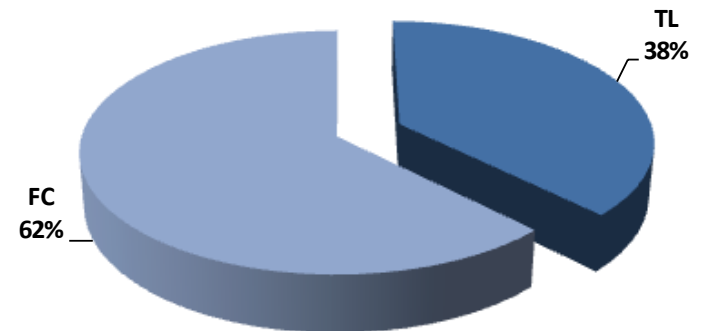
Classification by rational



Classification by segment

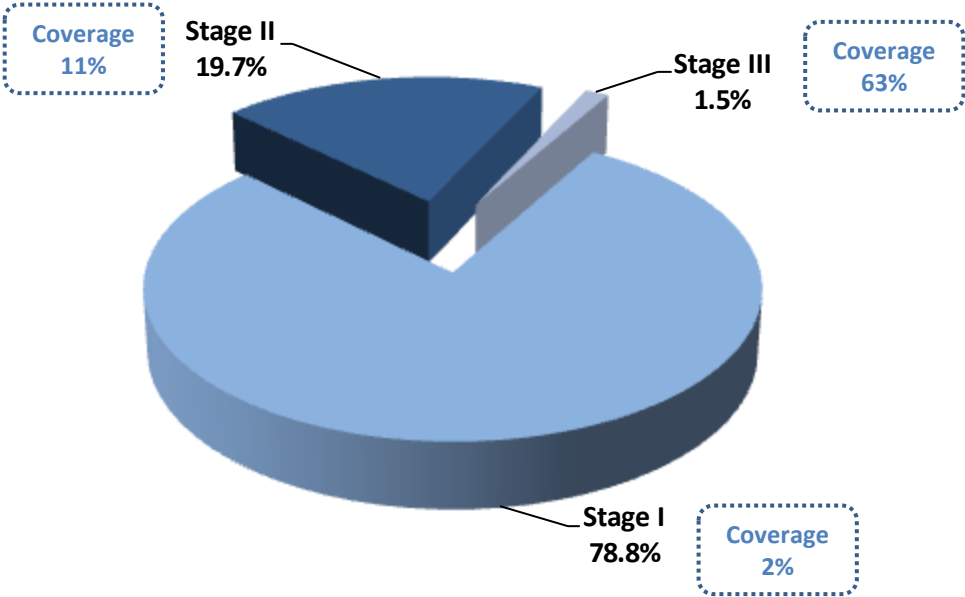


Classification by currency

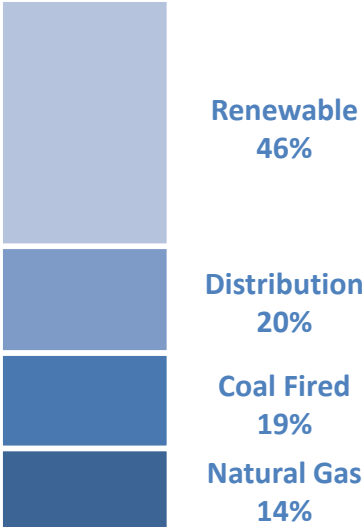


Conservative approach towards energy sector

Energy Loans¹ - Breakdown by Stage



Energy Loans - Breakdown by sub-sector



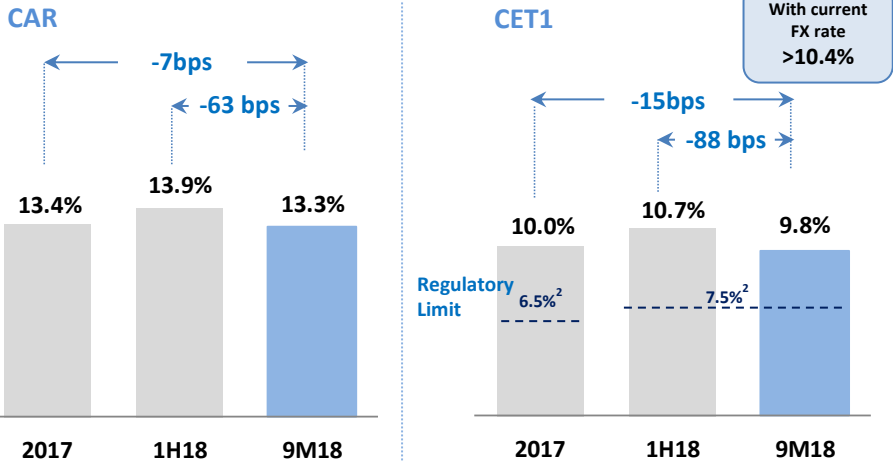
Renewable energy risks are backed by FX basis feed-in tariff

18% Share of Wallet

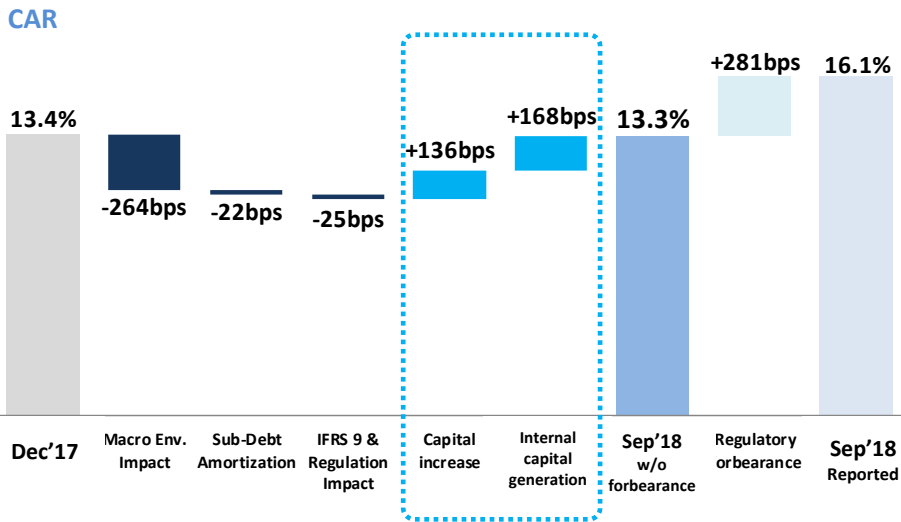
Notes:
Based on Bank-Only MIS data
1. Cash and Non-cash loans

Capital ratios higher than the threshold despite the macro volatility, thanks to strong internal capital generation

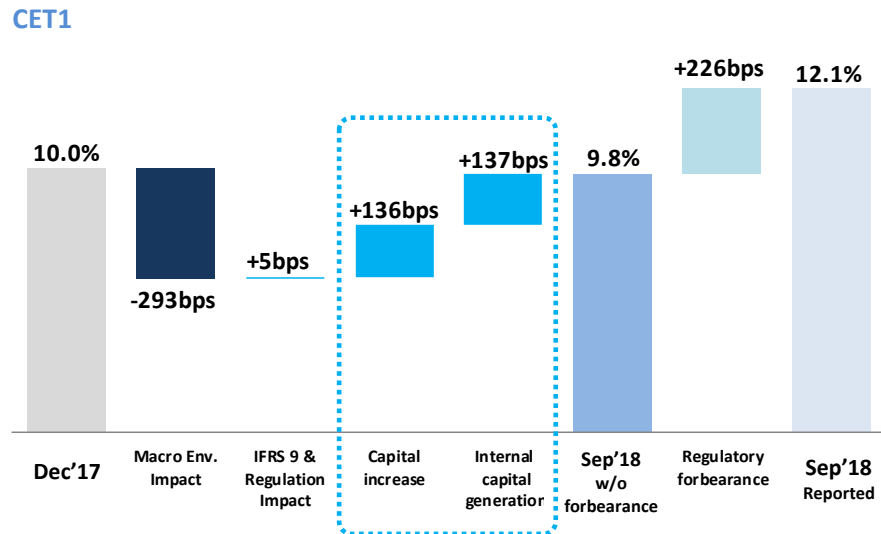
Capital Ratios¹



Capital Evolution



In the context of our capital strengthening plan announced on 26th April 2018 and following the successful completion of our Rights Offering in June 2018, we will continue to explore opportunities for the issuance of [benchmark] Perp NC5 AT1 securities in US\$ Reg S/144A format, which - as currently anticipated - could include participation from our controlling shareholders alongside third party investors



Notes:
 1. Capital ratios are presented without the forbearance actions (with forbearance: CET-1: 12.1%, CAR: 16.1%)
 2. 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 9.8% as of 9M18 (with forbearance: CET-1: 12.1%)

Revising 2018 full year guidance; bottom-line maintained

Guidance

		2018 Revised	2018B OLD	
Fundamentals	LDR	110% - 115%	110% - 115%	CONFIRMED
	CAR (w/o forbearance)	>13%	>15%	↓ REVISED DOWN
Volumes	Loans	20 - 22%	12 - 14%	↑ REVISED UP
	Deposits	23 - 25%	12 - 14%	↑ REVISED UP
Revenues	NIM (w/o CPI impact)	Flattish	Flattish	CONFIRMED
	Fees	High-teens	Low-teens	↑ REVISED UP
Costs	Costs	Well below CPI	Below CPI	CONFIRMED
	Cost/Income	< 35%	< 40%	↑ REVISED UP
Asset Quality	NPL ratio (with NPL sales)	~30bps	~10bps	↑ REVISED UP
	Total CoR	~200 bps	Slightly Down	↓ REVISED DOWN
Profitability	Net profit	High-teens	High-teens	CONFIRMED
	RoTE	Flattish to slightly down	Improvement	↓ REVISED DOWN

Notes:
Based on bank-only financials

 **Annex**

Macro Environment and Banking Sector

Macro Environment

CBRT tightens with the intention to maintain the stability

	3Q17	4Q17	1Q18	2Q18	3Q18
GDP Growth (y/y)	11.5%	7.3%	7.3%	5.2%	-
CPI Inflation (y/y)	11.2%	11.9%	10.2%	15.4%	24.5%
Consumer Confidence Index	68.7	65.1	71.3	70.3	59.3
CAD/GDP¹	-4.6%	-5.5%	-6.2%	-6.4%	-6.1%
Budget Deficit/GDP²	-1.6%	-1.5%	-1.6%	-2.0%	-2.0%
Unemployment Rate³	10.6%	10.4%	10.1%	9.6%	10.8%
USD/TL (eop)	3.57	3.81	3.99	4.61	6.08
2Y Benchmark Bond Rate (eop)	11.9%	13.4%	14.0%	19.3%	25.8%

Banking Sector

Slowdown in FX adjusted loan growth;
Slight deterioration in the asset quality on the back of macro volatility

	3Q17	4Q17	1Q18	2Q18	3Q18
Loan Growth	4%	5%	5%	7%	10%
<i>Private</i>	2%	5%	4%	6%	7%
<i>State</i>	5%	6%	6%	10%	11%
Deposit Growth	2%	5%	4%	7%	12%
<i>Private</i>	1%	4%	4%	6%	13%
<i>State</i>	5%	6%	5%	9%	10%
NPL Ratio	3.0%	2.9%	2.8%	2.9%	3.1%
CAR⁴	16.7%	16.5%	16.3%	15.9%	17.0%
ROATE⁴	15.5%	13.6%	15.2%	15.4%	15.0%

Notes:

All macro data as of September 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 Aug'18

2. Budget Deficit is as of Aug'18

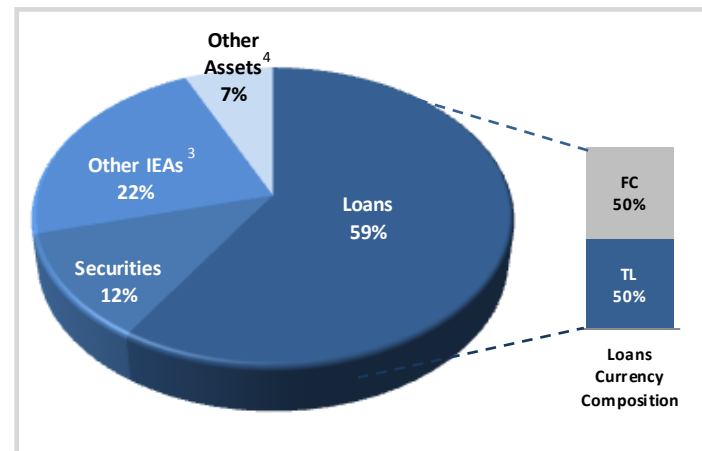
3. Unemployment rate is as of Jul'18

4. CAR and ROATE as of Aug'18

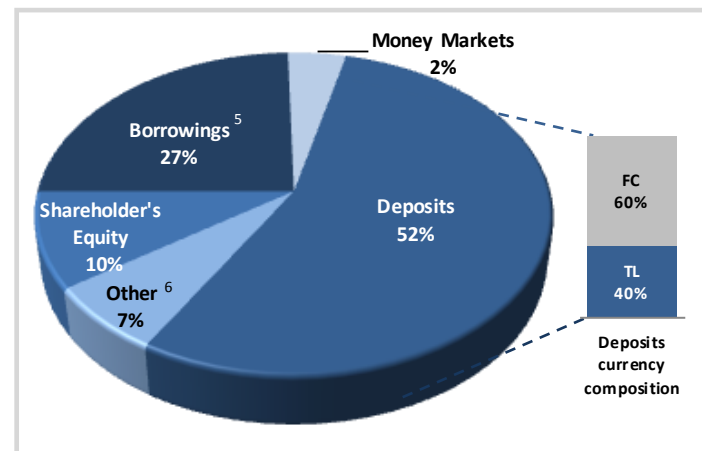
Consolidated Balance Sheet

TL bln	1Q17 ¹	1H17 ¹	9M17 ¹	2017 ¹	1Q18	1H18	9M18	q/q	y/y	ytd
Total Assets	278.3	283.3	290.6	316.9	328.7	365.1	422.0	16%	45%	33%
Loans²	183.7	185.8	190.6	199.9	205.3	222.2	249.4	12%	31%	25%
TL Loans	107.0	111.1	115.1	120.1	118.8	123.0	124.8	1%	8%	4%
FC Loans (\$)	21.1	21.3	21.2	21.2	21.9	21.7	20.8	-4%	-2%	-2%
Securities	32.6	32.4	35.5	38.8	41.7	45.2	49.7	10%	40%	28%
TL Securities	22.4	22.7	25.5	28.1	30.7	32.7	33.7	3%	32%	20%
FC Securities (\$)	2.8	2.8	2.8	2.8	2.8	2.7	2.7	-2%	-5%	-5%
Deposits	163.5	164.2	165.0	173.4	180.0	192.8	221.0	15%	34%	27%
TL Deposits	81.3	81.1	71.1	75.9	85.4	80.1	88.6	11%	25%	17%
FC Deposits (\$)	22.6	23.7	26.4	25.8	24.0	24.7	22.1	-11%	-16%	-14%
Borrowings	61.0	62.3	63.9	75.3	80.8	90.0	114.5	27%	79%	52%
TL Borrowings	5.1	6.1	6.5	7.1	6.8	7.8	7.0	-11%	7%	-1%
FC Borrowings (\$)	15.4	16.0	16.1	18.1	18.7	18.0	17.9	0%	11%	-1%
Shareholders' Equity	27.7	28.5	29.0	30.1	31.6	37.8	40.3	7%	39%	34%
Assets Under Management	17.4	18.5	19.1	19.5	20.1	19.6	19.9	1%	4%	2%
Loans/Assets	66%	66%	66%	63%	62%	61%	59%			
Securities/Assets	12%	11%	12%	12%	13%	12%	12%			
Borrowings/Liabilities	22%	22%	22%	24%	25%	25%	27%			
Loans/(Deposits+TL Bills)	112%	112%	115%	114%	113%	114%	112%			
CAR - cons	13.4%	13.7%	13.8%	13.4%	12.9%	13.9%	13.3%			16.1%
Common Equity Tier-I - cons	9.9%	10.3%	10.3%	10.0%	9.9%	10.7%	9.8%			12.1%
Leverage Ratio	9.0x	8.9x	9.0x	9.5x	9.4x	8.7x	9.5x			

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 €2.56bn⁷ (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). Comparable number for Dec 17 was €2.58bn)

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	q/q	y/y	9M17	9M18	y/y
Net Interest Income including swap costs	2,217	2,089	2,154	2,522	2,543	2,778	4,004	44%	86%	6,460	9,325	44%
o/w NII (excl. CPI linkers' income)	1,926	1,983	1,944	2,147	2,409	2,748	2,951	7%	52%	5,853	8,108	39%
o/w CPI-linkers	325	338	409	663	436	460	1,360	196%	232%	1,072	2,257	111%
o/w Swap costs	-34	-232	-198	-288	-302	-431	-308	-29%	55%	-465	-1,040	124%
Fees & Commissions	849	826	799	841	1,034	1,051	1,036	-1%	30%	2,474	3,121	26%
Core Revenues	3,066	2,915	2,954	3,364	3,577	3,829	5,040	32%	71%	8,934	12,446	39%
ECL net of collections	539	532	592	568	514	835	2,187	162%	270%	1,663	3,535	113%
o/w Stage 3 Provisions	756	717	761	596	607	738	1,447	96%	90%	2,234	2,792	25%
o/w Stage 1 + Stage 2 Provisions	45	62	46	151	237	460	984	114%	-	153	1,680	995%
o/w Collections	262	247	215	179	330	363	244	-33%	13%	724	937	29%
Operating Costs	1,370	1,422	1,363	1,543	1,450	1,554	1,683	8%	23%	4,154	4,686	13%
Core Operating Income	1,156	962	999	1,253	1,613	1,441	1,170	-19%	17%	3,117	4,224	36%
Trading and FX gains/losses	100	125	38	-24	11	275	697	154%	1718%	263	983	273%
o/w FX gains/losses	38	99	28	9	27	65	626	-	-	165	717	336%
o/w MtM gains/losses	34	16	-7	-32	-7	118	26	-	-	43	137	218%
o/w Trading gains/losses	28	10	17	-1	-9	92	46	-	-	56	128	131%
Other income	102	75	53	109	136	40	76	90%	43%	231	252	9%
o/w income from subs	28	19	19	22	28	25	31	24%	66%	66	84	28%
o/w Dividends	2	8	0	0	4	8	1	-91%	-	10	13	24%
o/w Others	72	48	35	86	104	7	45	516%	29%	155	156	1%
Other Provisions & Costs	94	40	33	180	147	196	525	168%	-	167	868	420%
o/w Other provisions for risks and charges	50	0	0	0	100	100	330	-	-	50	530	-
o/w Pension fund provisions	0	0	0	123	0	88	145	-	-	0	233	-
o/w Other provisions	44	40	33	58	47	8	50	-	52%	117	105	-10%
Pre-tax Income	1,265	1,121	1,058	1,158	1,613	1,559	1,418	-9%	34%	3,444	4,591	33%
Tax	263	229	216	278	369	332	303	-9%	40%	709	1,005	42%
Net Income	1,001	892	841	880	1,244	1,227	1,115	-9%	33%	2,735	3,586	31%
ROTE¹	15.8%	13.3%	12.4%	12.6%	17.1%	15.9%	11.9%	-391bps	-46bps	14.0%	14.3%	23bps

Note:

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

Bank-Only Income Statement

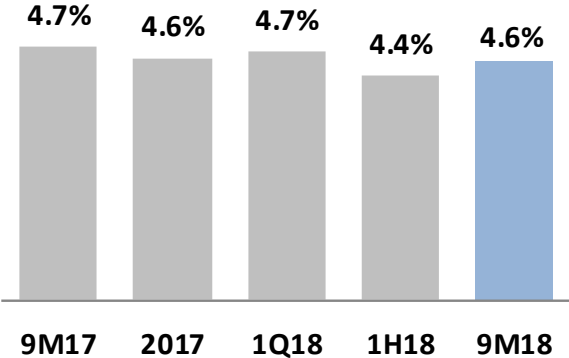
TL million	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	q/q	y/y	9M17	9M18	y/y
Net Interest Income including swap costs	2,030	1,895	1,965	2,306	2,270	2,585	3,677	42%	87%	5,890	8,533	45%
o/w NII (excl. CPI linkers' income)	1,816	1,836	1,803	2,021	2,332	2,648	2,783	5%	54%	5,455	7,762	42%
o/w CPI-linkers	325	338	409	663	436	460	1,360	196%	232%	1,072	2,257	111%
o/w Swap costs	-111	-278	-247	-378	-497	-523	-466	-11%	88%	-637	-1,486	133%
Fees & Commissions	807	784	757	788	986	993	977	-2%	29%	2,348	2,957	26%
Core Revenues	2,837	2,679	2,722	3,094	3,257	3,578	4,655	30%	71%	8,238	11,490	39%
ECL net of collections	526	501	574	539	483	832	2,131	156%	271%	1,601	3,446	115%
o/w Stage 3 Provisions	745	687	749	572	590	716	1,389	94%	85%	2,181	2,694	24%
o/w Stage 1 + Stage 2 Provisions	43	61	40	146	224	480	985	105%	-	144	1,689	-
o/w Collections	262	247	215	179	330	363	244	-33%	13%	724	937	29%
Operating Costs	1,295	1,346	1,293	1,462	1,375	1,470	1,591	8%	23%	3,935	4,437	13%
Core Operating Income	1,016	832	855	1,093	1,398	1,276	933	-27%	9%	2,702	3,607	33%
Trading and FX gains/losses	89	119	23	-29	57	212	664	213%	-	231	933	304%
o/w FX gains/losses	37	71	26	0	23	58	589	912%	-	133	671	403%
o/w MtM gains/losses	39	11	-6	-33	-8	114	31	-73%	-	44	138	213%
o/w Trading gains/losses	13	37	3	4	41	40	43	9%	-	54	124	132%
Other income	213	186	179	233	252	227	276	21%	54%	578	755	31%
o/w income from subs	146	140	144	145	211	171	233	36%	62%	430	615	43%
o/w Dividends	2	0	0	0	3	2	1	-58%	-	2	5	125%
o/w Others	65	45	35	88	39	54	42	-23%	21%	145	135	-7%
Other Provisions & Costs	88	45	32	169	145	194	516	166%	-	164	856	422%
o/w Other provisions for risks and charges	50	0	0	0	100	100	330	230%	-	50	530	-
o/w Pension fund provisions	0	0	0	123	0	88	145	65%	-	0	233	-
o/w Other provisions	38	45	32	46	45	6	41	-	-	114	93	-19%
Pre-tax Income	1,230	1,092	1,024	1,127	1,562	1,521	1,357	-11%	32%	3,346	4,439	33%
Tax	229	200	183	247	318	294	242	-18%	32%	612	853	39%
Net Income	1,001	892	841	880	1,244	1,227	1,115	-9%	33%	2,735	3,586	31%
ROTE¹	15.8%	13.4%	12.4%	12.6%	17.0%	15.8%	11.9%	-390bps	-46bps	14.0%	14.3%	23bps

Note:

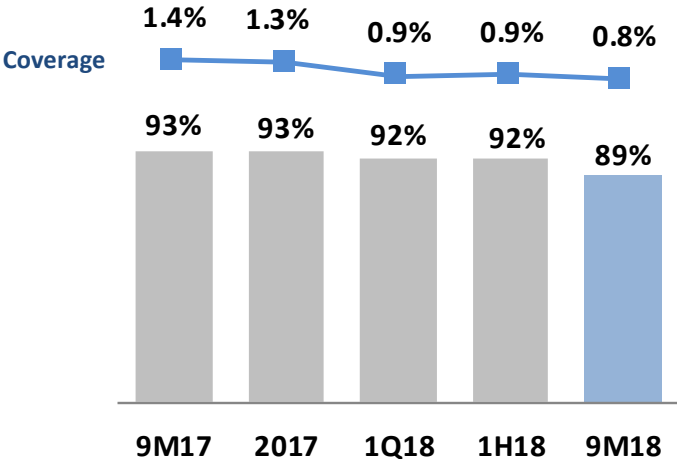
1. 2Q18 ROTAE is adjusted for the 4.1 bln TL rights issue on 30th of June

Consolidated asset quality indicators

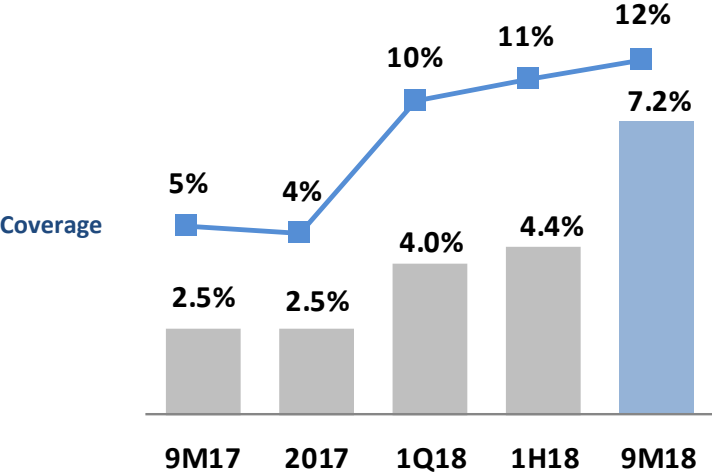
Provisions / Gross Loans



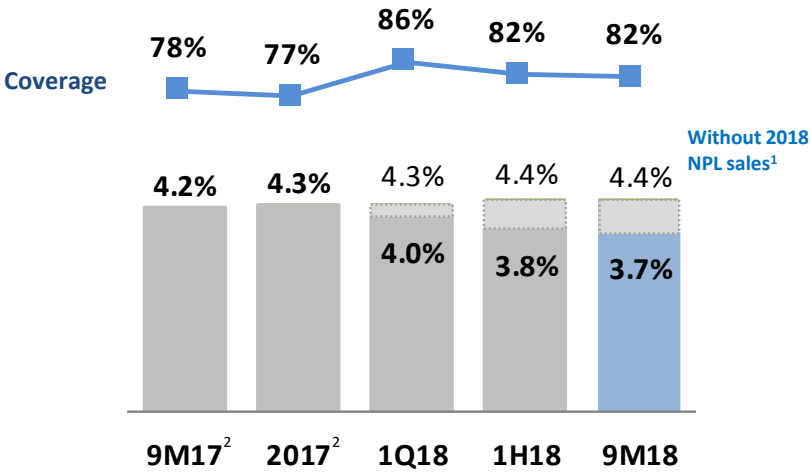
Stage I loans to Gross Loans



Stage II loans to Gross Loans



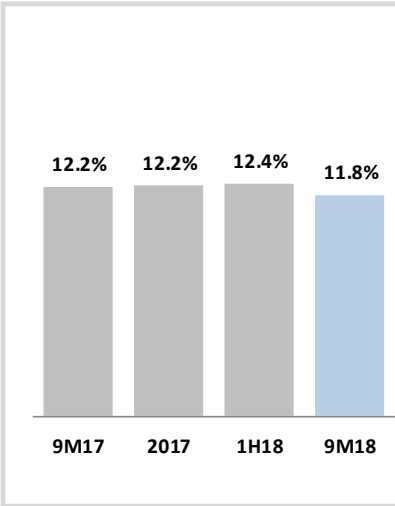
Stage III loans to Gross Loans



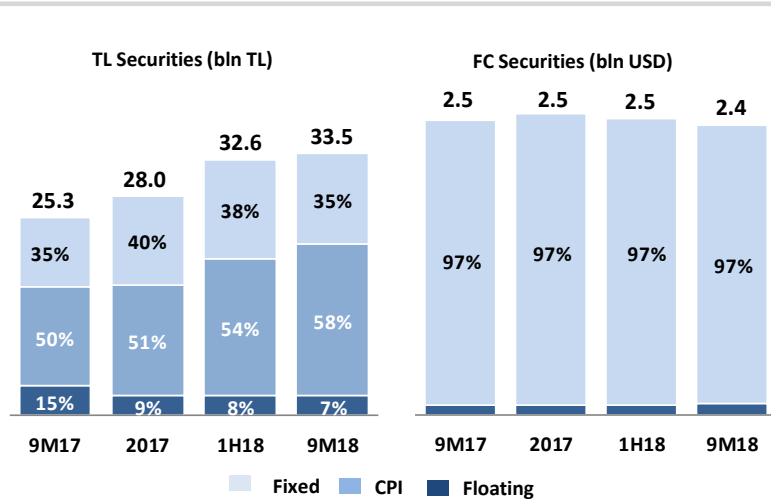
Notes:
 1. TL 2.0 bln NPL sales in 9M18 (628 mln in 1Q18; 1 bln in 2Q18; 367 mln in 3Q18)
 2. For homogenous comparison Factoring and Leasing included

Securities

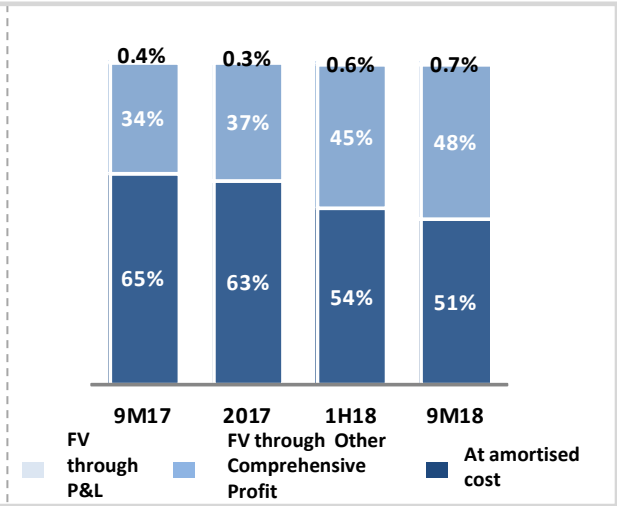
Securities/Assets



Composition by Type¹ (TL bln)



Composition by Classification¹

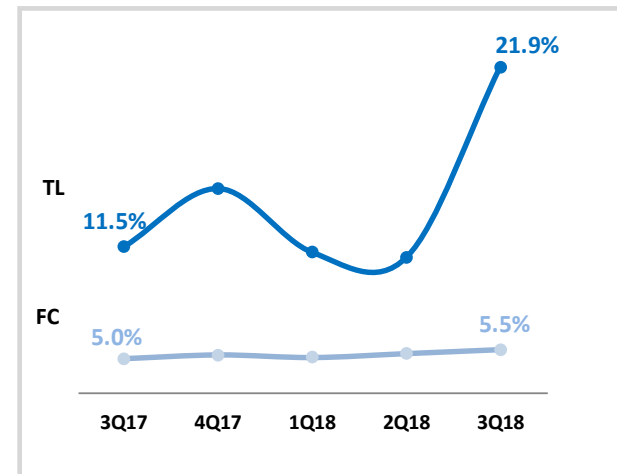


- **Securities / assets at 11.8%** with dynamically managed mix to benefit from rate environment
- **Increase in CPI linkers to benefit from higher inflation levels.** CPI-linker volume increased 42% y/y to TL 15.4 bln in book value²; with a gain of TL 2,257 mln in 9M18

Inflation estimate for revaluation of CPI linkers: 16.0% (previous: 9.3%)

- **M-t-m unrealised loss at TL 2,006 mln as of 9M18** (TL -385 mln in 2017)





Security Yields¹



Notes:

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

Details of main Borrowings

International	Syndications	<p>~ US\$ 2.6 bln in 2018</p> <ul style="list-style-type: none"> ■ 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
	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 1.95 bln total</p> <ul style="list-style-type: none"> ■ Jul'18 : TL 962 mln, 3 months maturity  ■ Aug'18 : TL 767 mln , 3 months maturity  ■ Sep'18 : TL 219 mln, 2 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.