

## Yapı Kredi 9M15 Earnings Presentation

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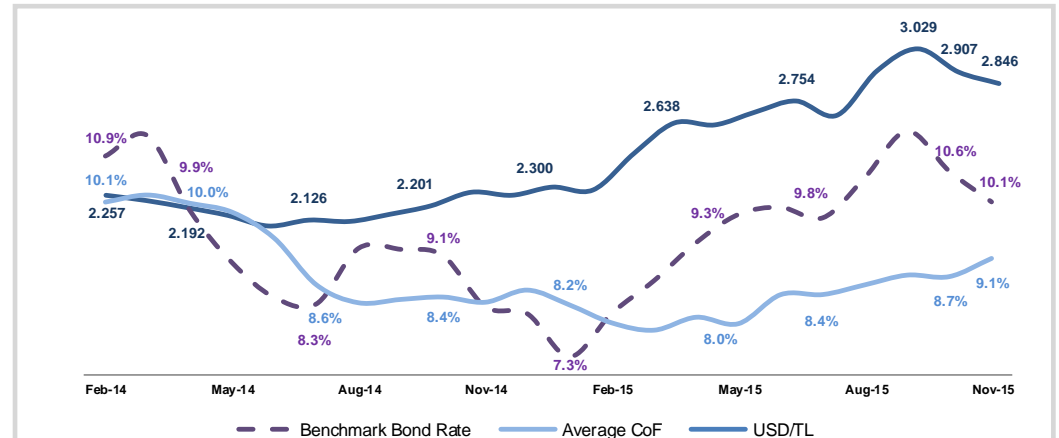
*Resilient commercial performance in a challenging environment*

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# Volatile operating environment marked by currency depreciation and rising rates

## Macro Environment

	2014	2Q15	3Q15
GDP Growth, y/y	2.9%	3.8%	-
Inflation (CPI) , y/y	8.2%	7.2%	7.9%
Consumer Confidence Index	72.5	65.4	61.8
Current Account Deficit/GDP	5.9%	5.9%	-
Unemployment Rate	9.9%	10.4%	10.4%



## Banking Sector

	2014	1Q15	2Q15	3Q15
Loan Growth	19%	7%	6%	6%
Private	17%	6%	5%	5%
State	21%	10%	6%	7%
Deposit Growth	10%	7%	6%	6%
NPL Ratio	2.8%	2.7%	2.7%	2.8%
CAR	15.7%	14.9%	14.8%	14.1%

## Recent Developments

- **Slowdown in GDP growth, rising inflation and decreasing consumer confidence**
- **Significant currency depreciation** (avg. 25% TL depreciation as of 30 Sep'15) **and rising rates** (Benchmark rate 11.3% vs 10.0% in 2Q); **improving trend as of Oct'15**
- **Banking sector resilient** with ongoing loan growth (state banks continuing to differentiate) and only slight uptick in NPL ratio (+7bps q/q)

### Notes:

All 3Q macro data as of Sep'15 unless otherwise stated; GDP growth for 3Q15 based on YKB economic research forecasts; Unemployment based on seasonally adjusted figures as of Jul'15  
 3Q15 sector and private banks volume and NPL ratio data based on BRSA weekly data as of 2 Oct'15; CAR based on BRSA monthly data as of Aug'15  
 Average CoF: Weighted average cost of outstanding funding of the CBRT via open market operations including O/N repo, one-week repo and one-month repo

# Commercial performance intact with strong focus on effectively managing the volatile environment

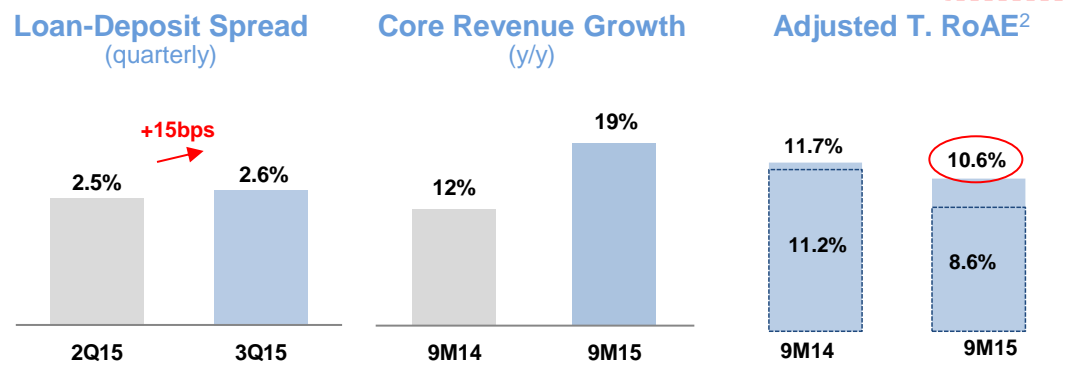
**+512k**  
customers  
acquired in  
9M15

## Ongoing volume growth and remix

	3Q vs 2Q Δ		ytd Δ				Market Share	ytd Δ (bps)
	YKB	YKB	Private Banks	State Banks	Sector			
<b>Loans</b>	<b>8%</b>	<b>22%</b>	<b>17%</b>	<b>24%</b>	<b>20%</b>	<b>10.5%</b>	<b>+24</b>	
Consumer Loans	6%	21%	8%	9%	8%	9.9%	+108	
Companies <sup>1</sup>	9%	26%	22%	31%	25%	9.7%	+8	
<b>Deposits</b>	<b>8%</b>	<b>27%</b>	<b>19%</b>	<b>21%</b>	<b>20%</b>	<b>10.5%</b>	<b>+51</b>	
Demand	12%	47%	19%	16%	18%	10.7%	+214	

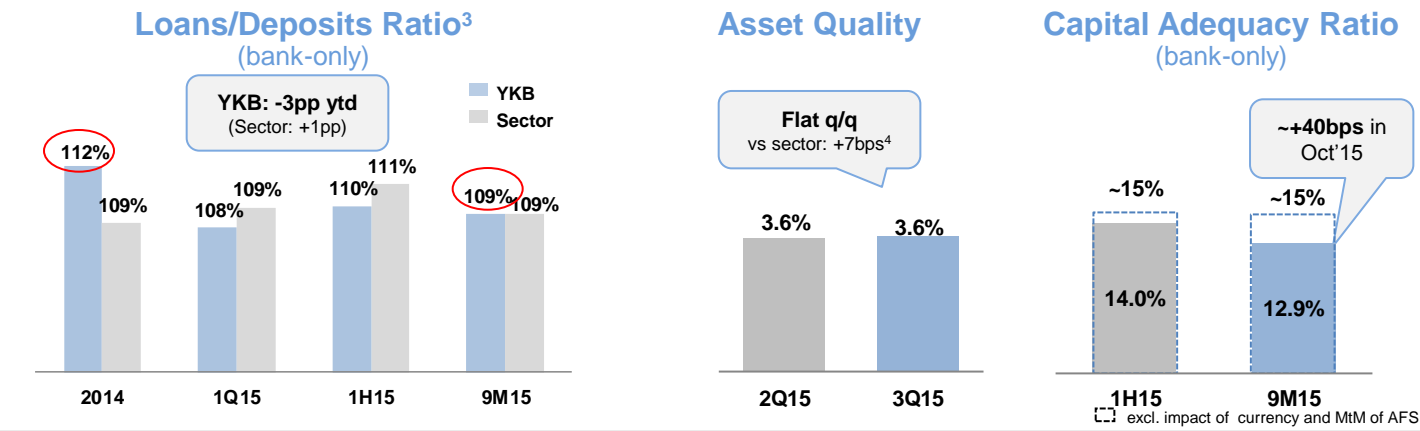
- Above sector volume growth with **significant outperformance in value generating consumer loans and demand deposits**

## Solid commercial performance



- Core spread +15bps** thanks to upward loan repricing and remix
- Strong growth in core revenues**
- T. RoAE at 10.6%** excluding one-offs

## Resilient fundamentals



- LDR maintained at comfortable levels**
- Better than sector NPL ratio evolution**
- CAR impacted by significant currency depreciation and MtM of AFS**

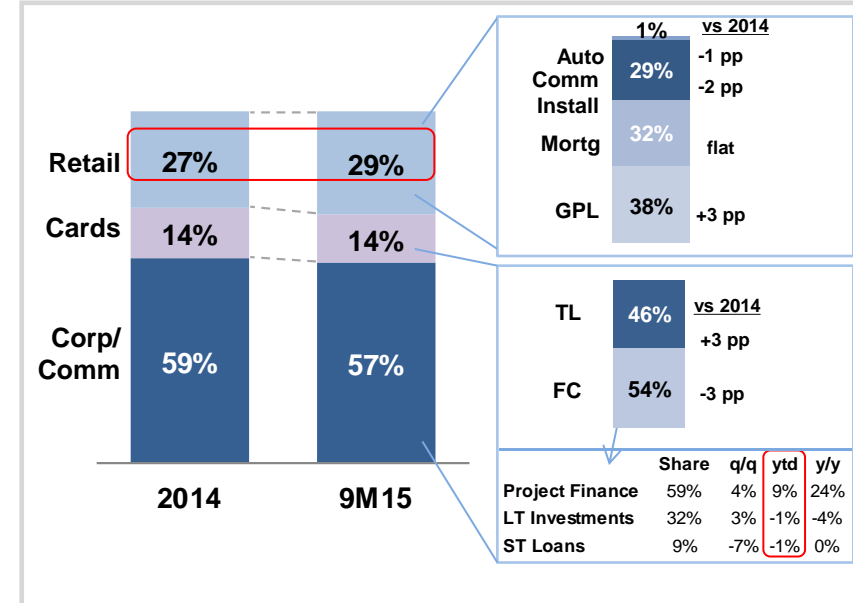
(1) Total loans excluding consumer loans and credit cards  
 (2) T. RoAE adjustments include (post-tax): Fixed asset revaluation (TL-104 mln), Fee rebates (TL+130 mln), One-off specific provisions (TL+84 mln), Additional generic provisions (TL+193 mln)  
 (3) LDR (incl. TL bonds and bank deposits) for sector based on BRSA monthly data as of Aug'15  
 (4) NPL ratio for sector based on BRSA weekly data as of 2 Oct'15

# Effective loan book remix via significantly above sector growth in value generating areas while maintaining conservative underwriting principles

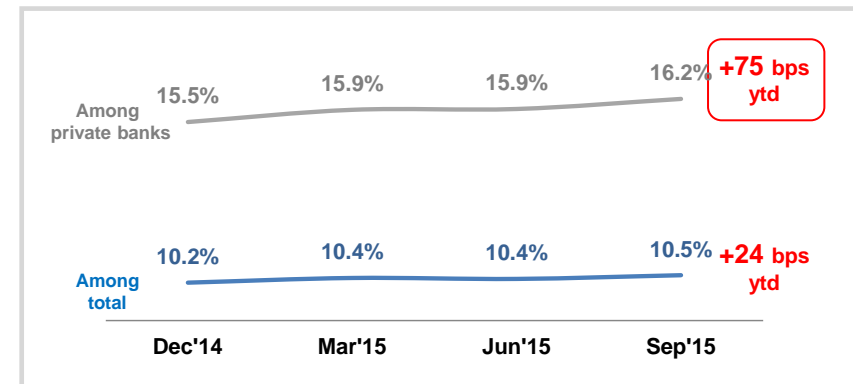
Loans

TL bln	9M15	1Q vs	2Q vs	3Q vs	ytd Δ			Market Share
		2014 Δ	1Q Δ	2Q Δ	YKB	Private Banks	Sector	
<b>Total Loans<sup>1</sup></b>	<b>153.7</b>	<b>8%</b>	<b>5%</b>	<b>8%</b>	<b>22%</b>	<b>17%</b>	<b>20%</b>	<b>10.5%</b>
TL	97.1	7%	5%	4%	16%	11%	13%	10.4%
FC (\$)	18.6	-2%	3%	2%	3%	-1%	3%	10.7%
<b>Consumer Loans</b>	<b>28.8</b>	<b>6%</b>	<b>8%</b>	<b>6%</b>	<b>21%</b>	<b>8%</b>	<b>8%</b>	<b>9.9%</b>
Mortgages	12.6	5%	7%	3%	15%	12%	14%	9.7%
General Purpose	15.8	9%	9%	9%	30%	5%	5%	10.1%
<b>Credit Cards</b>	<b>19.4</b>	<b>2%</b>	<b>3%</b>	<b>4%</b>	<b>9%</b>	<b>6%</b>	<b>6%</b>	<b>21.4%</b>
<b>Companies<sup>2</sup></b>	<b>105.5</b>	<b>10%</b>	<b>5%</b>	<b>9%</b>	<b>26%</b>	<b>22%</b>	<b>25%</b>	<b>9.7%</b>
TL	48.9	9%	4%	2%	16%	15%	17%	8.8%
FC (\$)	18.6	-2%	3%	2%	3%	-1%	3%	10.7%
<b>SME<sup>3</sup></b>	<b>49.3</b>	<b>10%</b>	<b>15%</b>	<b>9%</b>	<b>37%</b>	<b>17%</b>	<b>16%</b>	<b>13.9%</b>
Comm. Install.	12.0	9%	4%	1%	14%	17%	19%	6.4%

## Loan Remix (FX adjusted<sup>4</sup>)



## Loan Market Share



- **Loan growth +22% ytd** (12% FX-adj<sup>4</sup>) with solid growth in 4Q (8% q/q) mainly driven by TL
- **Evident outperformance vs private peers** (+75bps market share gain ytd)
- **Ongoing remix towards value generating areas and conservative approach to FX lending** (+3% ytd, in line with sector)

Note: Balance sheet volumes for sector and private banks based on BRSA weekly data as of 2 Oct'15. SME market share based on BRSA monthly data as of Aug'15. FC-indexed loans included in TL loans

- (1) Total performing loans
- (2) Total loans excluding consumer loans and credit cards
- (3) SME definition: <TL 40 mln annual turnover as per BRSA. YKB internal SME definition: <US\$ 10 mln annual turnover (share of TL: 95%)
- (4) FX adjustment utilizes 2014-end USD/TL rate 2.32 as constant

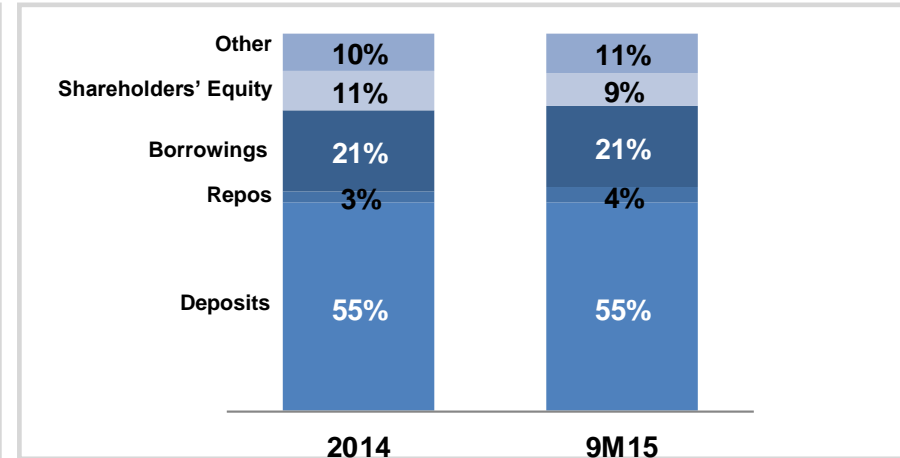
# Above sector deposit growth and ongoing funding diversification

Funding

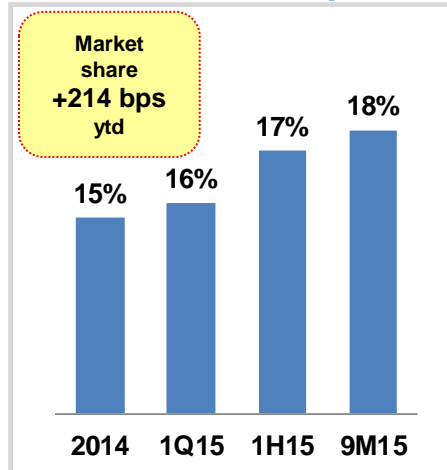
## Deposits

	9M15	1Q vs 2014 Δ	2Q vs 1Q Δ	3Q vs 2Q Δ	ytd Δ			Market Share
					YKB	Private	Sector	
<b>Total Deposits</b>	<b>136.3</b>	<b>11%</b>	<b>5%</b>	<b>8%</b>	<b>27%</b>	<b>19%</b>	<b>20%</b>	<b>10.5%</b>
TL	65.4	2%	-3%	4%	4%	0%	5%	9.7%
FC (\$)	23.3	10%	11%	-1%	21%	11%	10%	11.5%
<b>Customer<sup>1</sup></b>	<b>132.4</b>	<b>9%</b>	<b>6%</b>	<b>8%</b>	<b>26%</b>	<b>20%</b>	<b>20%</b>	<b>11.0%</b>
<b>Demand</b>	<b>24.4</b>	<b>14%</b>	<b>15%</b>	<b>12%</b>	<b>47%</b>	<b>19%</b>	<b>18%</b>	<b>10.7%</b>
TL Bonds	3.8	9%	2%	5%	17%	-6%	-4%	13.4%
Repos	10.6	9%	0%	58%	71%	17%	15%	7.0%
Borrowings	52.8	12%	-2%	15%	27%	23%	27%	

## Liability Breakdown



## Demand / Total Deposits



## Segment Deposit Growth

	9M15 (ytd)
<b>Corp/Comm</b>	<b>21%</b>
TL	-26%
FC (\$)	32%
<b>Individual</b>	<b>26%</b>
TL	20%
FC (\$)	9%
<b>SME</b>	<b>19%</b>
TL	8%
FC (\$)	10%
<b>Private</b>	<b>29%</b>
TL	0%
FC (\$)	31%

- **Deposit growth +27% ytd** (11% FX-adj<sup>2</sup>) driven by FC deposits due to shift by companies and private customers. Ongoing strong growth in TL in individuals
- **Strong evolution in demand deposits** (+47% ytd vs +18% sector)
- **Increased usage of repo in 3Q** due to favourable rates (8.8% vs 11.1% avg TL time deposit cost). Share in total still low (4% vs 7% peer average<sup>3</sup>)
- **Funding diversification ongoing (i) ~US\$ 1.2 bln syndication** rolled over at 101% and improved pricing (Libor/Euribor+0.75% vs 0.9% in 2014) (ii) **US\$ 575 mIn DPR transaction** with 5-12 yr maturity

Note: Balance sheet volumes for sector based on BRSA weekly data as of 2 Oct'15 except for TL bonds and borrowings which are based on BRSA monthly data as of Aug'15

(1) Excluding bank deposits

(2) FX adjustment utilizes 2014-end USD/TL rate 2.32 as constant

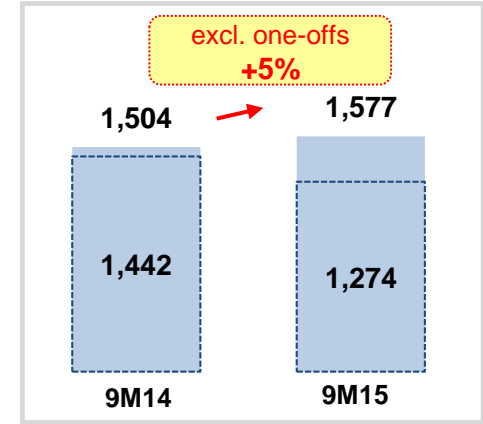
(3) Peer average as of 1H15

# Solid commercial performance partly overshadowed by one-off impacts, adjusted Tangible RoAE at 10.6%

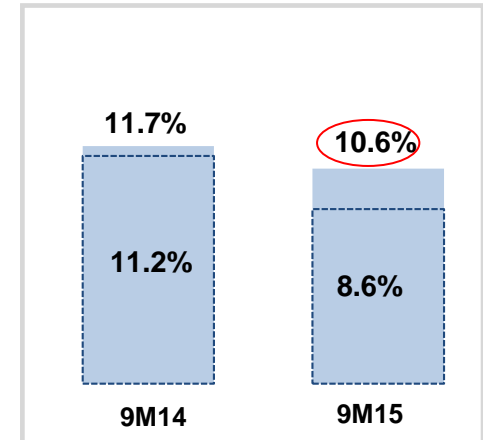
Income Statement

	1Q14	2Q14	3Q14	1Q15	2Q15	3Q15	q/q	9M14	9M15	y/y
<b>Total Revenues</b>	1,938	2,149	2,201	2,409	2,565	2,352	-8%	6,288	7,326	17%
Core Revenues	1,862	2,090	2,067	2,150	2,526	2,466	-2%	6,019	7,141	19%
<b>Operating Costs</b>	935	1,029	1,009	1,185	1,228	1,249	2%	2,974	3,661	23%
<b>Operating Income</b>	1,003	1,120	1,192	1,224	1,337	1,103	-18%	3,314	3,665	11%
<b>Provisions</b>	463	443	515	571	731	650	-11%	1,421	1,953	37%
Specific Provisions	343	322	374	394	403	416	3%	1,039	1,213	17%
Generic Provisions	88	94	114	144	235	243	3%	296	622	110%
<b>Pre-tax Income</b>	540	677	677	654	606	453	-25%	1,893	1,712	-10%
<b>Net Income</b>	429	501	513	501	455	318	-30%	1,442	1,274	-12%

## Net Income (excl. one-offs)



## Tangible ROAE<sup>1</sup> (excl. one-offs<sup>2</sup>)

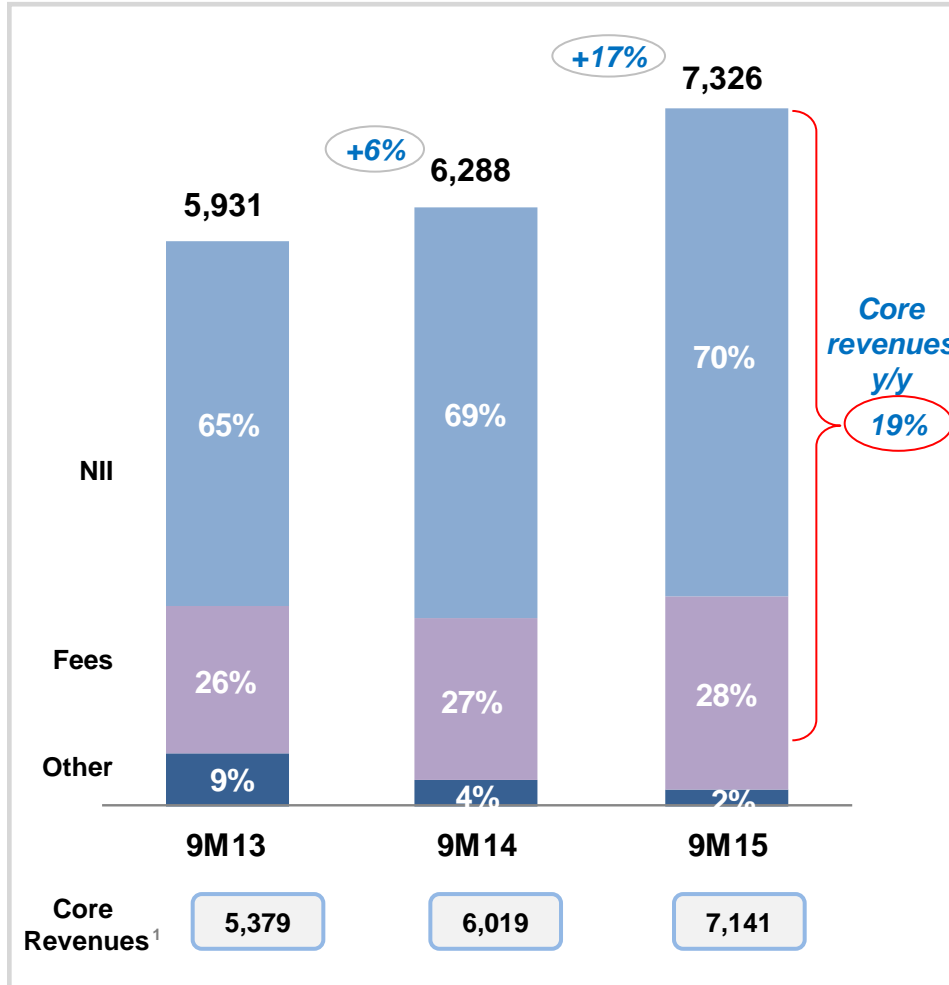


- **Strong core revenue evolution (+19% y/y)** driven by both fees and NII
- **Costs +23% y/y due to growth investments and impact of fee rebates;** physical investment needs almost fully finalized as of 9M15. **Excl. fee rebates, costs +20% y/y**
- **Provisions +37% y/y** mainly driven by credit card regulation and currency depreciation impact on generic provisions
- **Net income -12% y/y (+5% adjusted for one-offs<sup>2</sup>)**

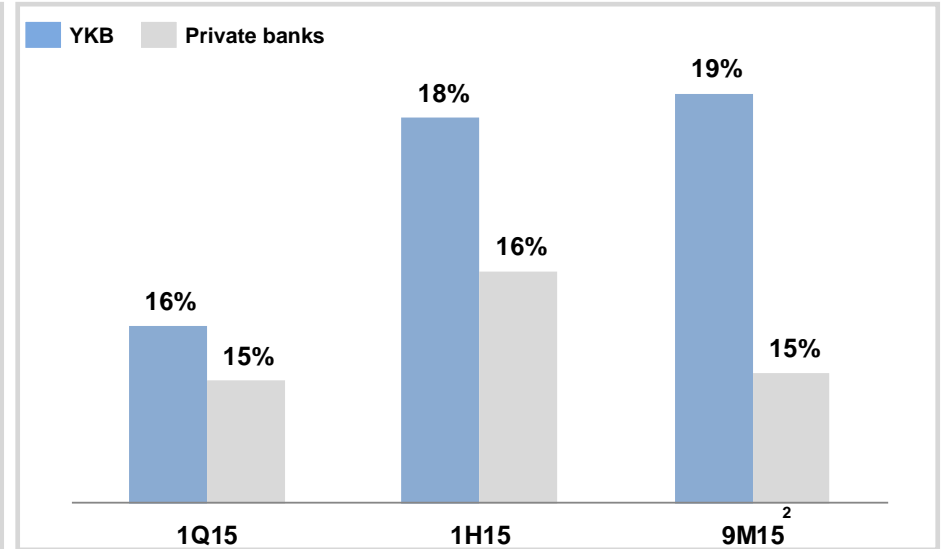
Note:  
 (1) Tangible RoAE calculation based on the average of current period equity (excluding current period profit) and prior year equity. Annualised  
 (2) T. RoAE adjustments include (post-tax): Fixed asset revaluation (TL-104 mln), Fee rebates (TL+130 mln), One-off specific provisions (TL+84 mln), Additional generic provisions (TL+193 mln)

# Core revenue evolution above private banks with a growing spread

Revenues (TL mln)



Core revenue evolution vs private banks



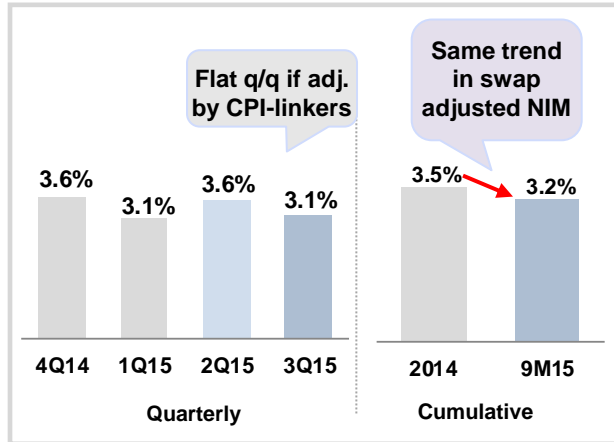
- **Core revenues +19% y/y** with significant outperformance vs private banks (16% y/y)<sup>2</sup>
- **Total revenue growth lagging core revenue growth** (17% y/y) due to pressure from swap costs and lower collections

(1) Core revenues indicate Net Interest Income + Fees & Commissions  
 (2) Private banks based on BRSA monthly data as of Aug'15

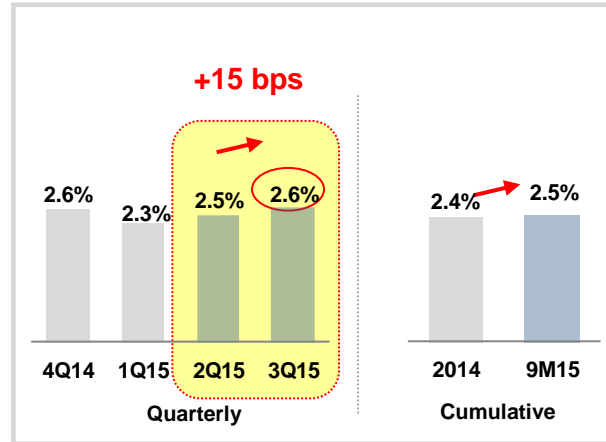
# Loan-deposit spread expanding due to effective pricing and remix

Net Interest Margin

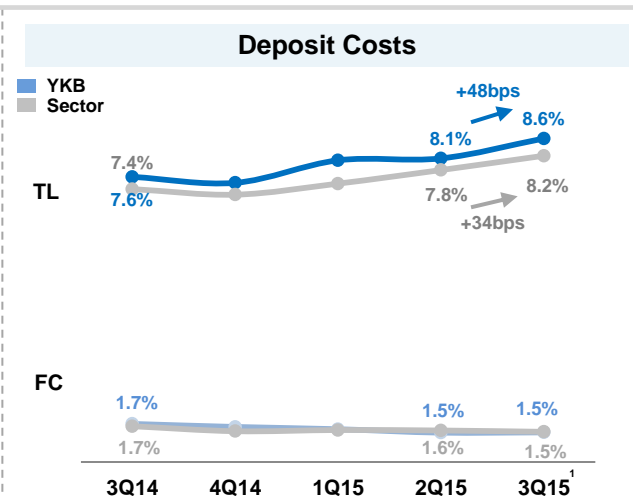
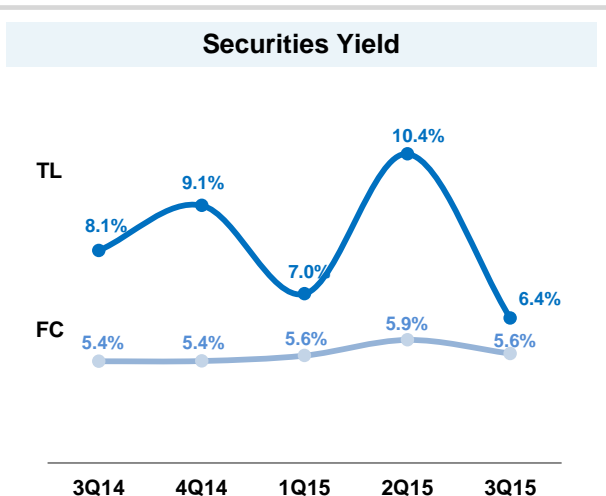
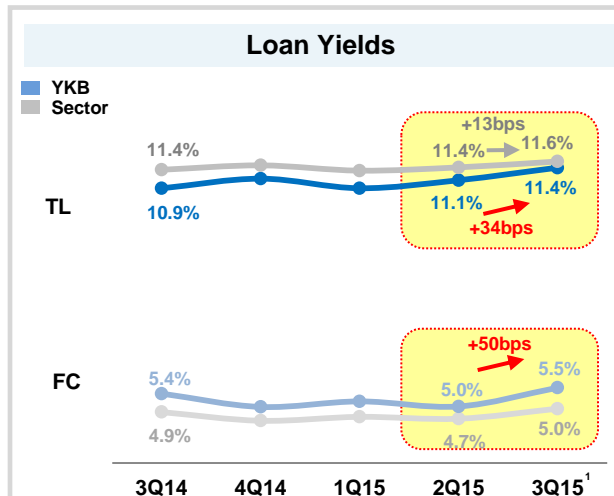
## Net Interest Margin



## Loan - Deposit Spread



- **NIM -41 bps q/q** due to lower contribution of CPI-linkers. **Excluding CPI-linkers, NIM flat q/q**
- **Loan-deposit spread +15bps q/q** thanks to remix and upward loan repricing despite ongoing pressure on deposit costs

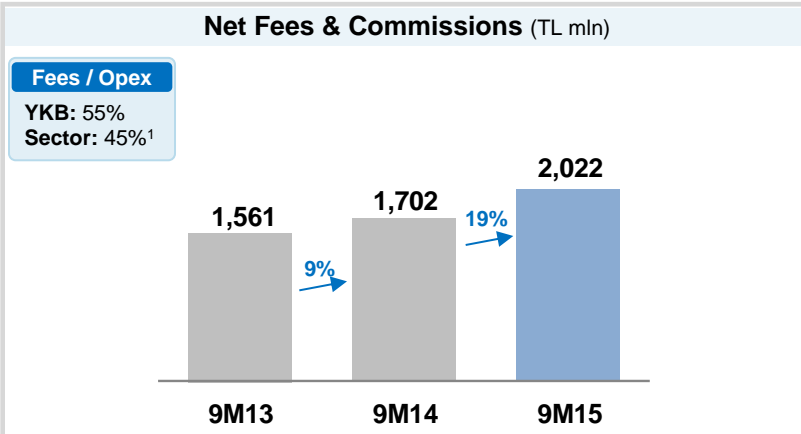


Notes:  
 All information on YKB based on BRSA bank-only financials  
 (1) Sector based on BRSA monthly data as of Aug'15  
 NIM = Net interest income/Average Interest Earning Assets. Loan yields, securities yields and cost of deposits based on average volumes. Loan yields calculated using performing loan volume and interest income  
 Loan-Deposit Spread: (Interest Income on Loans-Interest Expense on Deposits)/Average(Loans+Deposits)  
 NIM and securities yield exclude effect of reclassification between interest income and other provisions related to amortisation of issuer premium on securities (as per BRSA)  
 Reported NIM figures as follows: 4Q14: 3.7%, 1Q15: 3.1%, 2Q15: 3.6%, 3Q15: 3.2%

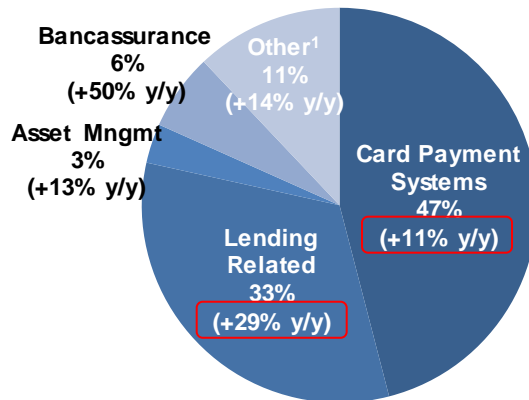


# Solid fee growth continuing; other income at normalised levels

## Fees & Commissions



### Fees Received Composition



## Other Income

	1Q15	2Q15	3Q15	9M14	9M15
<b>Total Other Revenues</b>	261	39	-114	269	184
<b>Other Income</b>	276	169	120	513	565
Collections & Prov. Reversals	59	41	22	267	122
Subs and Other	217	128	98	246	443
<b>Dividend Income</b>	3	3	0	9	6
<b>Trading &amp; FX (net)</b>	-18	-133	-234	-254	-386

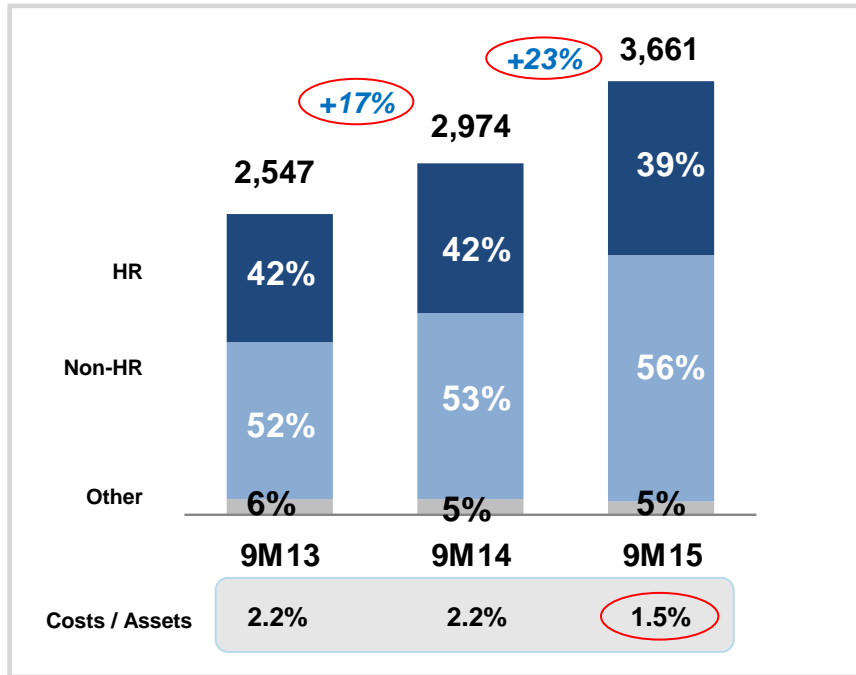
- **Solid fee growth (+19% y/y)** mainly supported by **value generating loan growth**
- **Other revenues negative mainly driven by trading**
  - **Other income impacted by lower collections** due to operating environment
  - **Trading line impacted by increasing swap costs** (-315mln TL in 3Q15 vs -245mln TL in 2Q15 and -160 mln TL in 1Q15)

(1) Sector data based on BRSA monthly financials as of Aug'15

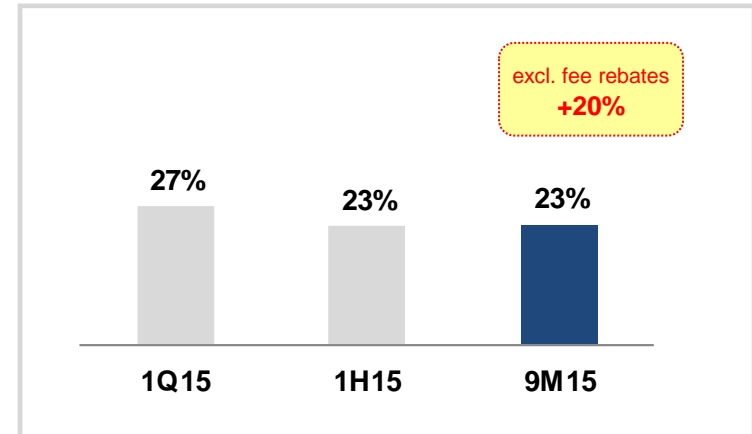
(2) Other includes account maintenance, money transfers, equity trading, campaigns and product bundles, etc.

# Steady trend in cost evolution with deceleration to be more visible in the coming term

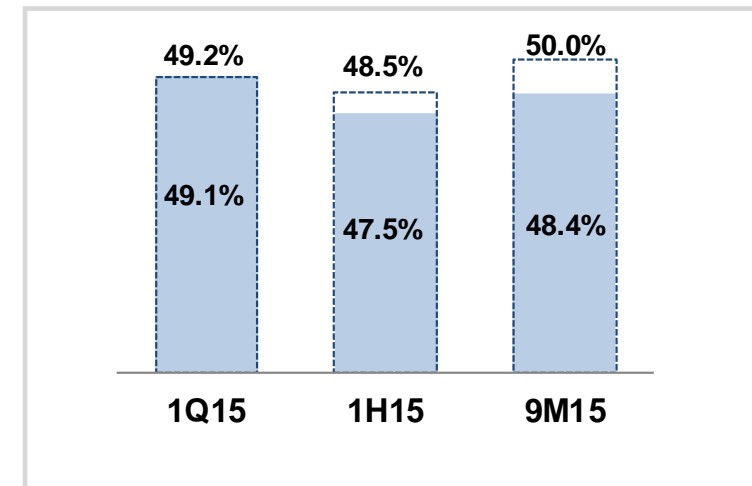
## Cost Breakdown



## Cost Growth, cumulative (y/y)



## Cost / Income

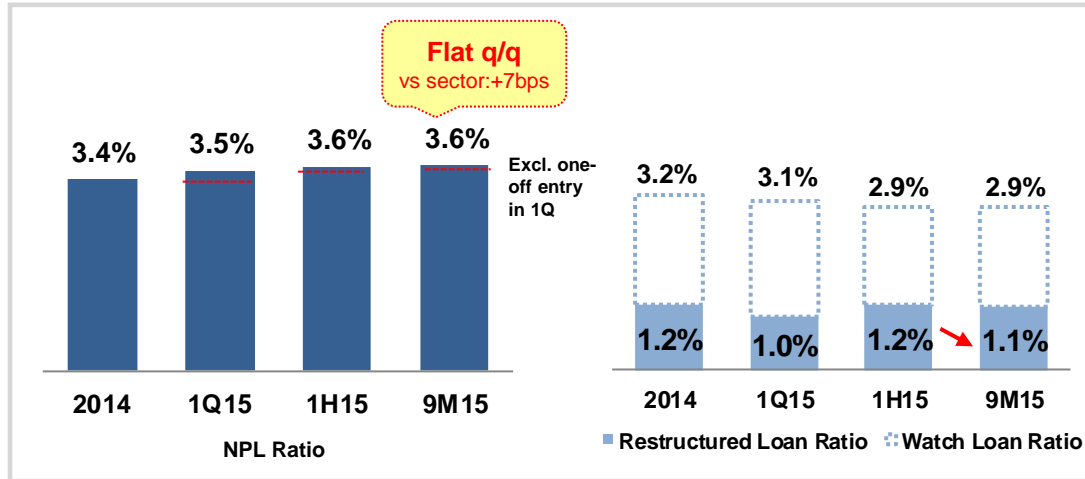


- **Cost growth +23% y/y** impacted by **base effect of growth investments, fee rebates** (TL63mln in 3Q15, TL 50mln in both 1Q&2Q) and **currency depreciation**
- **Growth investments almost fully finalized as of Sep'15;** disciplined ordinary cost management to continue

Note:  
 Cost/Income adjustments include (pre-tax): Fixed asset revaluation (TL-104 mln), Fee rebates (TL+163 mln)  
 Currency depreciation impact calculated bearing 10% of total cost base in FX; USD/TL average depreciation of 25% in 9M15; 15% in 9M14

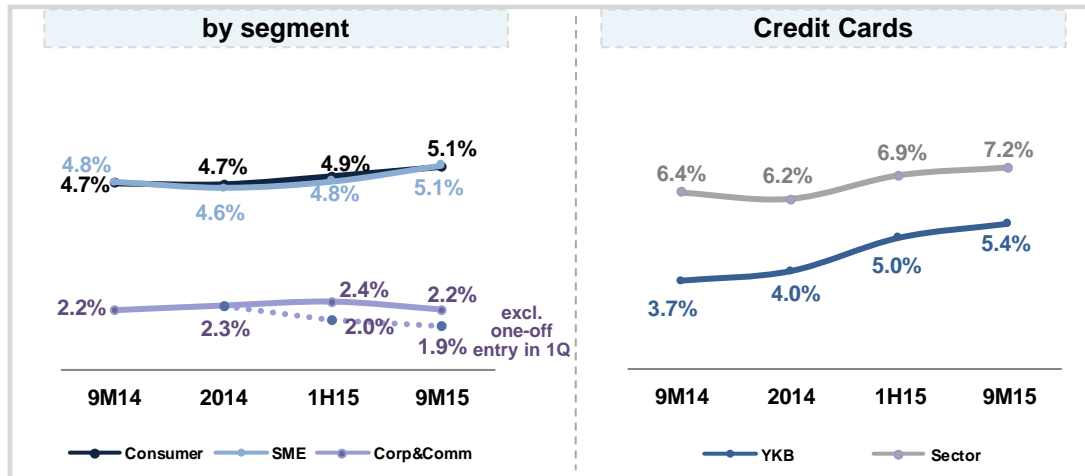
# Flat NPL ratio indicating better evolution vs sector

## NPL + Restructured Loan Ratio



- **Flat NPL ratio q/q** (vs +7bps sector) and declining trend in restructured loan ratio (-4 bps q/q)
- **Segment NPL ratios relatively resilient** despite volatile environment:
  - slight uptick in consumer and SME offset by decreasing trend in corporate
  - cards impacted by market conditions and tail end of installment regulation
- **Conservative underwriting approach:**
  - 26% of GPL volume to payroll customers; 68% pre-approved to existing clients
  - 40% of SME loan volume to YKB merchants
  - Decreased share of micro SME in total SME loan book
  - Conservative approach to approval ratios continuing

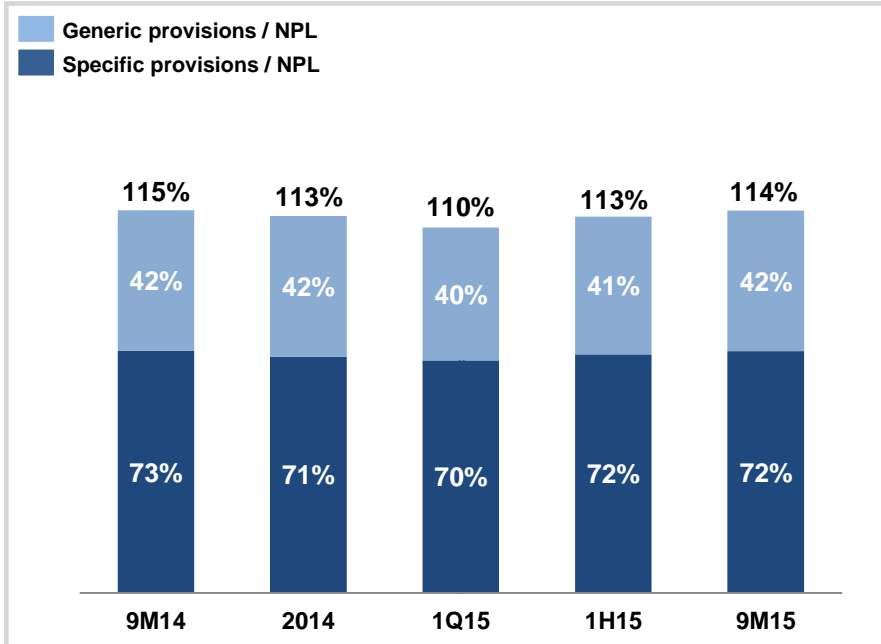
## NPL Ratio by Segment and Product



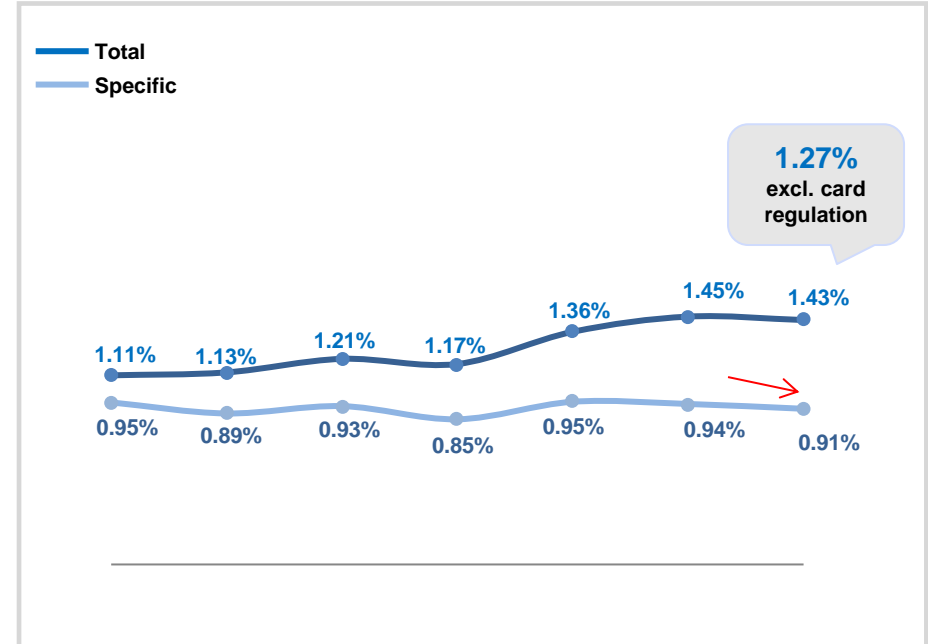
Notes: NPL ratio for credit cards includes retail + business cards. NPL ratio for sector based on BRSA weekly data as of 2 Oct'15  
 SME NPL ratio based on YKB's internal SME definition of companies with <10 mln \$ annual turnover and <3 mln \$ loan volume  
 Micro SME: risk < TL500k

# Comfortable coverage level; declining cost of risk

## NPL Coverage



## Cost of Risk<sup>1</sup> (Cumulative, net of collections)



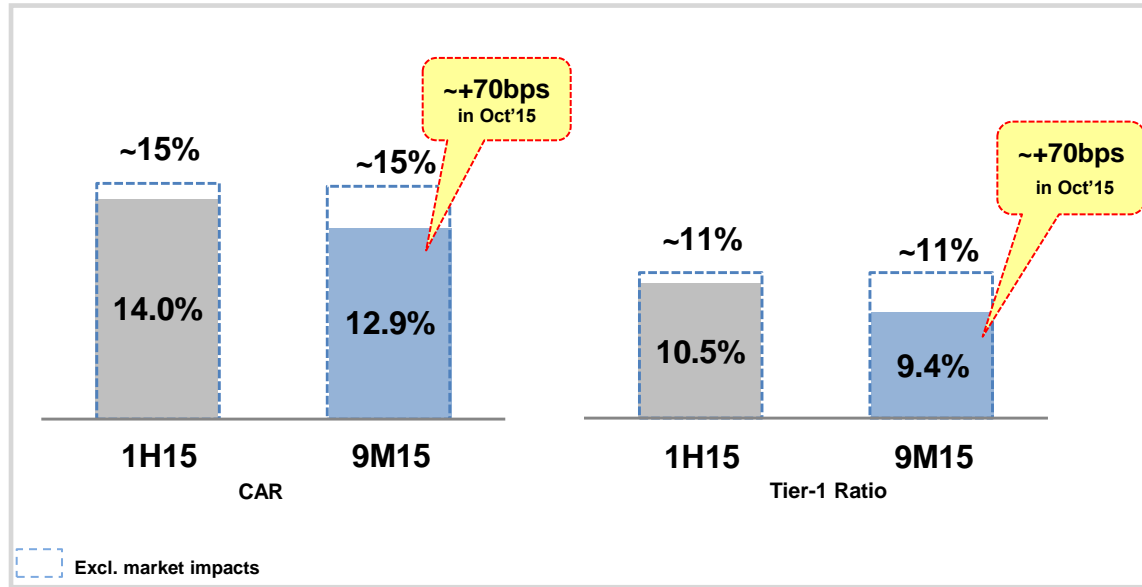
- Total NPL coverage<sup>2</sup> at 114%, specific coverage flat at 72%
- Total CoR (net off collections) at 1.43% incorporating TL 193 mln booking for card regulation in 9M15. Excluding regulatory impact, CoR at 1.27%
  - Specific CoR at 0.91%, -3 bps vs 1H15

(1) Cost of Risk = (Total Loan Loss Provisions-Collections)/Total Gross Loans

(2) Total NPL coverage = (Specific + Generic Provisions)/NPLs

# Capital levels impacted by peak of market volatility in Sep'15; normalization already evident in Nov'15 with ~70 bps improvement

## Capital Adequacy (Bank)



- **CAR down to 12.9% mainly due to market volatility**
  - In Nov'15 due to normalizing market environment, CAR already up by ~70bps vs Sep'15
- **Current levels still comfortably above regulatory requirements (CAR>12%; Tier-1>6%)**

### Notes:

Market impacts on CAR in 9M15: Currency: -140bps; MtM of AFS: -76bps ytd  
 MtM of AFS under equity: 9M15:-TL922 mln, 1H15: -TL249 mln, 1Q15: TL 190 mln, YE14: TL 391 mln, As of Oct'15, down to TL -300 mln

# 2015 expectations

## Macro

	2014	2015 Scenario
GDP	2.9%	~2.5%
Inflation (eop)	8.2%	~8.0%
Unemployment	10.4%	10.5%
CAD/GDP	5.9%	5.7%

## Banking sector

	2014	2015 Scenario		excl. FX impact
		Old	New	
Loan Growth	18%	17%	22%	12%
Deposit Growth	10%	15%	22%	9%
NIM	-20 bps	Flat	Flat	
CoR	Flat	+30 bps	+15 bps	
NPL Ratio	+20 bps	+40 bps	+10 bps	

## YKB

### Guidance

### Current expectation

Lending	Above sector loan growth	
Funding	Deposit growth aligned with loan growth	
Revenue	NIM: Better/In line with sector	Slightly below in NIM compensated by better fees
	Fees: Low double digit growth	
Costs	Improving cost/income, Investments continuing at a milder pace	Weaker dynamic due to swap costs and fee rebates
Asset Quality	Better than sector evolution	NPL inflows in line with expectations; weaker collections

Notes:  
Scenario based on YK Economic Research estimates as of Aug'15  
2014 figures based on realisations

# Agenda

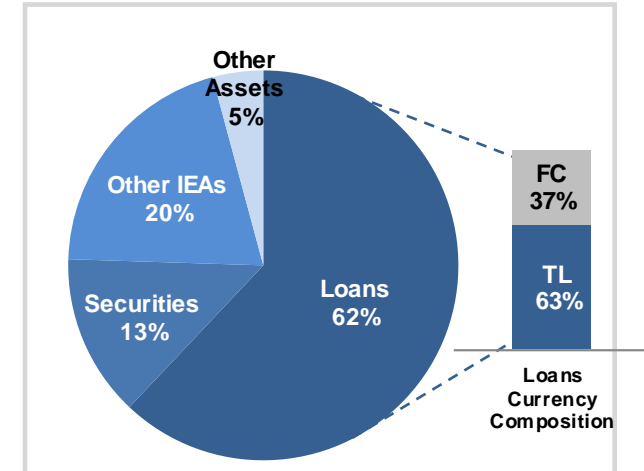
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 **Annex**

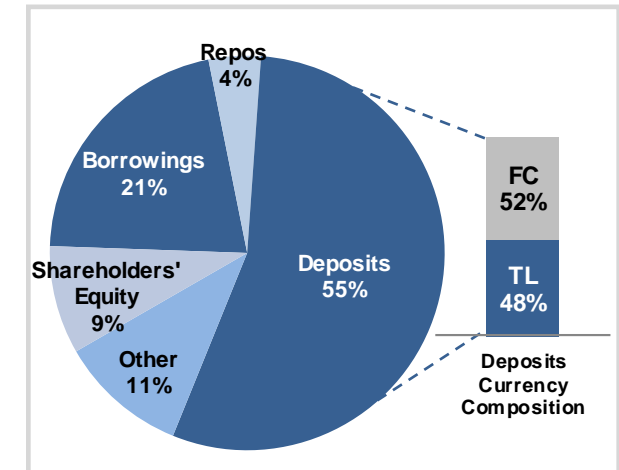
# Consolidated Balance Sheet

TL bln	1Q14	1H14	9M14	YE14	1Q15	1H15	9M15	1QΔ	2QΔ	3QΔ	ytd	y/y
<b>Total Assets</b>	<b>168.8</b>	<b>170.6</b>	<b>182.0</b>	<b>195.0</b>	<b>215.5</b>	<b>223.8</b>	<b>247.8</b>	11%	4%	11%	27%	36%
<b>Loans</b>	103.3	108.7	115.8	125.5	135.5	142.8	153.7	8%	5%	8%	22%	33%
<b>Securities</b>	21.8	21.8	24.2	25.4	29.9	30.5	33.4	17%	2%	9%	31%	38%
TL Securities	14.9	14.9	17.1	18.3	22.5	22.9	23.8	23%	2%	4%	30%	40%
FC Securities (\$)	3.2	3.2	3.1	3.1	2.8	2.8	3.1	-8%	0%	11%	2%	0%
<b>Deposits</b>	90.4	96.1	102.5	107.6	119.7	126.1	136.3	11%	5%	8%	27%	33%
<b>Borrowings</b>	36.0	36.0	37.3	41.5	46.7	45.8	52.8	12%	-2%	15%	27%	41%
TL Borrowings	3.6	4.4	4.9	5.4	5.6	5.5	4.9	5%	-2%	-12%	-9%	-2%
FC Borrowings (\$)	14.8	14.9	14.2	15.6	15.7	15.0	15.7	1%	-5%	5%	1%	11%
<b>Shareholders' Equity</b>	18.4	19.2	19.6	20.2	21.0	22.1	22.0	4%	5%	0%	9%	12%
<b>Assets Under Management</b>	10.2	11.1	11.6	12.5	13.0	13.4	13.6	4%	3%	1%	9%	17%
<b>Loans/Assets</b>	61%	64%	64%	64%	63%	64%	62%					
<b>Securities/Assets</b>	13%	13%	13%	13%	14%	14%	13%					
<b>Borrowings/Liabilities</b>	21%	21%	20%	21%	22%	20%	21%					
<b>Loans/(Deposits+TL Bonds) (solo)</b>	110%	108%	108%	112%	108%	110%	109%					
<b>CAR - solo</b>	14.4%	15.4%	15.0%	15.0%	14.3%	14.0%	12.9%					
<b>Tier-I - solo</b>	10.3%	11.4%	10.9%	10.9%	10.4%	10.5%	9.4%					
<b>Leverage Ratio</b>	8.2x	7.9x	8.3x	8.6x	9.2x	9.1x	10.3x					

## 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



# Loan and Deposit Evolution

TL bin	9M15	1Q vs 2014 Δ			2Q vs 1Q Δ			3Q vs 2Q Δ			ytd Δ			Market Share	ytd Δ bps	q/q Δ bps
		YKB	Private Banks	Sector	YKB	Private Banks	Sector	YKB	Private Banks	Sector	YKB	Private Banks	Sector			
<b>Total Loans<sup>1</sup></b>	<b>153.7</b>	<b>8%</b>	<b>6%</b>	<b>7%</b>	<b>5%</b>	<b>5%</b>	<b>6%</b>	<b>8%</b>	<b>5%</b>	<b>6%</b>	<b>22%</b>	<b>17%</b>	<b>20%</b>	<b>10.5%</b>	<b>+24</b>	<b>+12</b>
TL	97.1	7%	4%	5%	5%	6%	6%	4%	1%	2%	16%	11%	13%	10.4%	+27	+12
FC (\$)	18.6	-2%	-2%	-1%	3%	2%	3%	2%	-1%	1%	3%	-1%	3%	10.7%	+14	+9
<b>Consumer Loans</b>	<b>28.8</b>	<b>6%</b>	<b>3%</b>	<b>4%</b>	<b>8%</b>	<b>3%</b>	<b>3%</b>	<b>6%</b>	<b>1%</b>	<b>1%</b>	<b>21%</b>	<b>8%</b>	<b>8%</b>	<b>9.9%</b>	<b>+108</b>	<b>+42</b>
Mortgages	12.6	5%	4%	5%	7%	5%	5%	3%	3%	3%	15%	12%	14%	9.7%	+10	-1
General Purpose	15.8	9%	3%	3%	9%	1%	1%	9%	0%	0%	30%	5%	5%	10.1%	+199	+82
<b>Credit Cards</b>	<b>19.4</b>	<b>2%</b>	<b>-2%</b>	<b>-2%</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>9%</b>	<b>6%</b>	<b>6%</b>	<b>21.4%</b>	<b>+59</b>	<b>-14</b>
<b>Companies<sup>2</sup></b>	<b>105.5</b>	<b>10%</b>	<b>8%</b>	<b>9%</b>	<b>5%</b>	<b>6%</b>	<b>7%</b>	<b>9%</b>	<b>6%</b>	<b>8%</b>	<b>26%</b>	<b>22%</b>	<b>25%</b>	<b>9.7%</b>	<b>+8</b>	<b>+7</b>
TL	48.9	9%	5%	7%	4%	8%	8%	2%	1%	2%	16%	15%	17%	8.8%	-8	-4
FC (\$)	18.6	-2%	-2%	-1%	3%	2%	3%	2%	-1%	1%	3%	-1%	3%	10.7%	+14	+9
<b>SME<sup>3</sup></b>	<b>48.3</b>	<b>10%</b>	<b>7%</b>	<b>4%</b>	<b>15%</b>	<b>6%</b>	<b>7%</b>	<b>7%</b>	<b>3%</b>	<b>3%</b>	<b>34%</b>	<b>17%</b>	<b>15%</b>	<b>13.8%</b>	<b>+195</b>	<b>+42</b>
Comm. Install.	12.0	9%	7%	7%	4%	6%	6%	1%	3%	4%	14%	17%	19%	6.4%	-23	-19
<b>Total Deposits</b>	<b>136.3</b>	<b>11%</b>	<b>8%</b>	<b>7%</b>	<b>5%</b>	<b>4%</b>	<b>5%</b>	<b>8%</b>	<b>6%</b>	<b>6%</b>	<b>27%</b>	<b>19%</b>	<b>20%</b>	<b>10.5%</b>	<b>+51</b>	<b>+14</b>
TL	65.4	2%	1%	2%	-3%	-2%	0%	4%	2%	3%	4%	0%	5%	9.7%	-33	+13
FC (\$)	23.3	10%	5%	3%	11%	9%	9%	-1%	-3%	-2%	21%	11%	10%	11.5%	+147	+9
<b>Customer Demand</b>	<b>132.4</b>	<b>9%</b>	<b>8%</b>	<b>7%</b>	<b>6%</b>	<b>5%</b>	<b>6%</b>	<b>8%</b>	<b>6%</b>	<b>6%</b>	<b>26%</b>	<b>20%</b>	<b>20%</b>	<b>11%</b>	<b>+47</b>	<b>+21</b>
<b>Demand</b>	<b>24.4</b>	<b>14%</b>	<b>6%</b>	<b>6%</b>	<b>15%</b>	<b>11%</b>	<b>10%</b>	<b>12%</b>	<b>1%</b>	<b>1%</b>	<b>47%</b>	<b>19%</b>	<b>18%</b>	<b>10.7%</b>	<b>+214</b>	<b>+102</b>
<b>TL Bonds</b>	<b>3.8</b>	<b>9%</b>	<b>0%</b>	<b>-24%</b>	<b>2%</b>	<b>0%</b>	<b>-4%</b>	<b>5%</b>	<b>0%</b>	<b>2%</b>	<b>17%</b>	<b>-5%</b>	<b>-4%</b>	<b>13.4%</b>	<b>+238</b>	<b>+45</b>
<b>Repos</b>	<b>10.6</b>	<b>9%</b>	<b>0%</b>	<b>-2%</b>	<b>0%</b>	<b>0%</b>	<b>15%</b>	<b>58%</b>	<b>12%</b>	<b>9%</b>	<b>71%</b>	<b>17%</b>	<b>15%</b>	<b>7.0%</b>	<b>+228</b>	<b>+218</b>
<b>Borrowings</b>	<b>52.8</b>	<b>12%</b>	<b>0%</b>	<b>5%</b>	<b>-2%</b>	<b>0%</b>	<b>10%</b>	<b>15%</b>	<b>8%</b>	<b>7%</b>	<b>27%</b>	<b>20%</b>	<b>23%</b>			

Note: Balance sheet 3Q volumes for sector and private banks based on BRSA weekly data as of 2 Oct'15. FC-indexed loans included in TL loans  
Market share information as of 9M15

(1) Total performing loans

(2) Total loans excluding consumer loans and credit cards

(3) SME definition: <TL 40 mln annual turnover as per BRSA. YKB internal SME definition: <US\$ 10 mln annual turnover (share of TL: 95%)

# Consolidated Income Statement

	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	q/q	y/y	9M14	9M15	y/y
<b>Total Revenues</b>	<b>1,938</b>	<b>2,149</b>	<b>2,201</b>	<b>2,466</b>	<b>2,409</b>	<b>2,565</b>	<b>2,352</b>	<b>-8%</b>	<b>7%</b>	<b>6,288</b>	<b>7,326</b>	<b>17%</b>
<b>Core Revenues</b>	<b>1,862</b>	<b>2,090</b>	<b>2,067</b>	<b>2,297</b>	<b>2,150</b>	<b>2,526</b>	<b>2,466</b>	<b>-2%</b>	<b>19%</b>	<b>6,019</b>	<b>7,141</b>	<b>19%</b>
Net Interest Income	1,351	1,485	1,480	1,656	1,518	1,838	1,763	-4%	19%	4,317	5,119	19%
Fees & Commissions	510	605	587	641	632	688	703	2%	20%	1,702	2,022	19%
<b>Other Revenues</b>	<b>76</b>	<b>59</b>	<b>134</b>	<b>169</b>	<b>260</b>	<b>39</b>	<b>-114</b>	<i>n.m</i>	<i>n.m</i>	<b>269</b>	<b>184</b>	<b>-31%</b>
Other income	209	209	95	152	276	169	120	-29%	27%	513	565	10%
<i>o/w collections</i>	135	94	38	11	59	41	22	-46%	-43%	267	122	-54%
<i>o/w generic provision reversals</i>	46	1	0	0	0	0	0	<i>n.m</i>	<i>n.m</i>	47	0	<i>n.m</i>
<i>o/w pension fund reversal</i>	0	51	0	61	0	44	0	<i>n.m</i>	<i>n.m</i>	51	44	-14%
<i>o/w NPL sale</i>	0	16	28	8	0	0	0	<i>n.m</i>	<i>n.m</i>	44	0	<i>n.m</i>
<i>o/w others</i>	28	48	28	72	217	84	98	17%	251%	104	399	284%
Trading	-135	-158	39	17	-18	-134	-234	76%	-702%	-254	-386	<i>n.m</i>
Dividend	2	7	0	0	3	3	0	<i>n.m</i>	<i>n.m</i>	9	6	-37%
<b>Operating Costs</b>	<b>935</b>	<b>1,030</b>	<b>1,009</b>	<b>1,173</b>	<b>1,184</b>	<b>1,228</b>	<b>1,249</b>	<b>2%</b>	<b>24%</b>	<b>2,974</b>	<b>3,661</b>	<b>23%</b>
<b>Operating Income</b>	<b>1,003</b>	<b>1,119</b>	<b>1,192</b>	<b>1,293</b>	<b>1,225</b>	<b>1,336</b>	<b>1,103</b>	<b>-17%</b>	<b>-7%</b>	<b>3,314</b>	<b>3,665</b>	<b>11%</b>
<b>Provisions</b>	<b>463</b>	<b>443</b>	<b>515</b>	<b>518</b>	<b>571</b>	<b>731</b>	<b>650</b>	<b>-11%</b>	<b>26%</b>	<b>1,421</b>	<b>1,953</b>	<b>37%</b>
Specific Provisions	343	322	374	282	394	403	416	3%	11%	1,039	1,213	17%
Generic Provisions	88	94	114	172	144	235	243	3%	113%	296	622	110%
Other Provisions	32	27	27	64	33	93	-9	-109%	-132%	86	117	37%
<b>Pre-tax Income</b>	<b>540</b>	<b>676</b>	<b>677</b>	<b>775</b>	<b>655</b>	<b>605</b>	<b>453</b>	<b>-25%</b>	<b>-33%</b>	<b>1,893</b>	<b>1,712</b>	<b>-10%</b>
<b>Net Income</b>	<b>429</b>	<b>501</b>	<b>513</b>	<b>614</b>	<b>501</b>	<b>455</b>	<b>318</b>	<b>-30%</b>	<b>-38%</b>	<b>1,442</b>	<b>1,274</b>	<b>-12%</b>

# Bank-Only Income Statement

Restated financials  
due to updated IAS 27  
application

	1Q14	2Q14	3Q14	1Q15	2Q15	3Q15	q/q	y/y	9M14	9M15	y/y
<b>Total Revenues</b>	<b>1,809</b>	<b>2,085</b>	<b>2,098</b>	<b>2,300</b>	<b>2,394</b>	<b>2,231</b>	-7%	6%	<b>5,992</b>	<b>6,925</b>	16%
<b>Core Revenues</b>	<b>1,738</b>	<b>1,968</b>	<b>1,947</b>	<b>2,016</b>	<b>2,429</b>	<b>2,344</b>	-4%	20%	<b>5,653</b>	<b>6,788</b>	20%
Net Interest Income	1,258	1,393	1,397	1,423	1,778	1,677	-6%	20%	4,048	4,877	20%
Fees & Commissions	480	575	550	593	651	667	2%	21%	1,605	1,911	19%
<b>Other Revenues</b>	<b>71</b>	<b>117</b>	<b>152</b>	<b>284</b>	<b>-35</b>	<b>-112</b>	n.m	n.m	<b>340</b>	<b>137</b>	-60%
Other income	281	297	171	351	231	201	-13%	18%	749	784	5%
<i>o/w collections</i>	135	94	38	59	41	22	-46%	-43%	267	122	-54%
<i>o/w generic provision reversals</i>	46	1	0	0	0	0	n.m	n.m	47	0	n.m
<i>o/w pension fund reversal</i>	0	51	0	0	44	0	n.m	n.m	51	44	-14%
<i>o/w NPL sale</i>	0	16	28	0	0	0	n.m	n.m	44	0	n.m
<i>o/w profit/(loss) of associates &amp; jv.s accounted for using equity method</i>	97	97	85	90	87	101	15%	18%	279	278	0%
<i>o/w others</i>	4	38	19	202	59	79	n.m	n.m	61	340	456%
Trading	-213	-180	-19	-69	-267	-314	n.m	n.m	-412	-649	58%
Dividend	2	0	0	2	1	0	n.m	n.m	2	3	20%
<b>Operating Costs</b>	<b>875</b>	<b>968</b>	<b>982</b>	<b>1,116</b>	<b>1,166</b>	<b>1,183</b>	1%	20%	<b>2,826</b>	<b>3,466</b>	23%
<b>Operating Income</b>	<b>934</b>	<b>1,117</b>	<b>1,116</b>	<b>1,184</b>	<b>1,228</b>	<b>1,048</b>	-15%	-6%	<b>3,167</b>	<b>3,460</b>	9%
<b>Provisions</b>	<b>434</b>	<b>435</b>	<b>490</b>	<b>550</b>	<b>695</b>	<b>621</b>	-11%	27%	<b>1,359</b>	<b>1,867</b>	37%
Specific Provisions	318	314	352	381	378	398	5%	13%	984	1,157	18%
Generic Provisions	86	93	112	138	225	232	3%	108%	290	595	105%
Other Provisions	31	27	27	32	92	-10	-111%	-137%	85	114	35%
<b>Pre-tax Income</b>	<b>500</b>	<b>683</b>	<b>626</b>	<b>634</b>	<b>532</b>	<b>427</b>	-20%	-32%	<b>1,808</b>	<b>1,593</b>	-12%
<b>Net Income</b>	<b>412</b>	<b>525</b>	<b>490</b>	<b>501</b>	<b>407</b>	<b>318</b>	-22%	-35%	<b>1,427</b>	<b>1,226</b>	-14%

As of 1H15, Yapı Kredi has revised its accounting methodology to use updated IAS 27. Accordingly, equity method is applied for reporting of investments in subsidiaries, associates and joint ventures

Therefore, in order to ensure comparability, backward restatement has been carried out

This revision only impacts bank-only financials

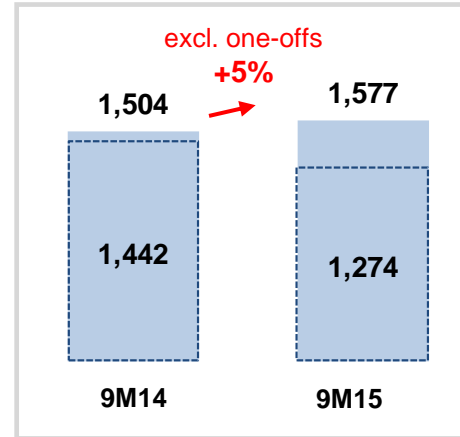
# P&L impacted by significant one-offs in 9M15

T. RoAE at 10.6% excl. one-offs and net income growth +5% y/y

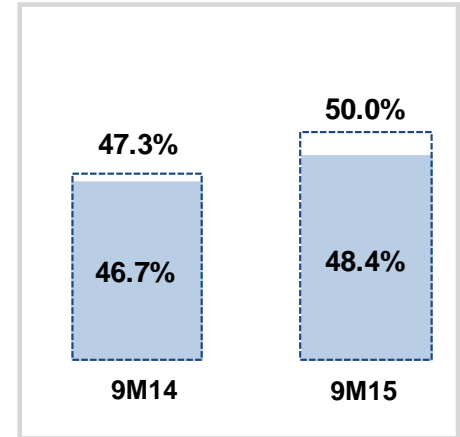
Post-tax

	9M14	9M15	Δ
<b>Net Income</b>	<b>1,442</b>	<b>1,274</b>	-12%
Fixed asset revaluation impact	0	-104	
NPL sales	-35	0	
Fee rebates	44	130	
One-off specific provisions	0	84	
Additional generic provisions	53	193	
<b>Net Income excl. one-offs</b>	<b>1,504</b>	<b>1,577</b>	5%
<b>T. ROAE</b>	<b>11.2%</b>	<b>8.6%</b>	-261
<b>T. ROAE excl. one-offs</b>	<b>11.7%</b>	<b>10.6%</b>	-110
<b>Cost/Income</b>	<b>47.3%</b>	<b>50.0%</b>	268
<b>Cost/Income excl. one-offs</b>	<b>46.7%</b>	<b>48.4%</b>	170
<b>Reported NII</b>	<b>4,317</b>	<b>5,119</b>	19%
Swap costs	700	896	28%
<b>Swap cost adj. NII</b>	<b>3,617</b>	<b>4,223</b>	17%
<b>NIM</b>	<b>3.49%</b>	<b>3.25%</b>	-24.5
<b>NIM adj. by swaps</b>	<b>2.88%</b>	<b>2.64%</b>	-23.8

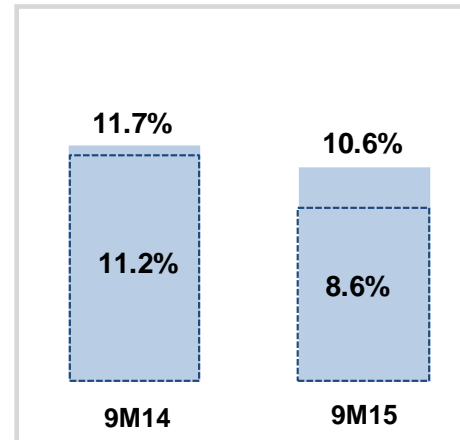
Net Income (excl. one-offs)



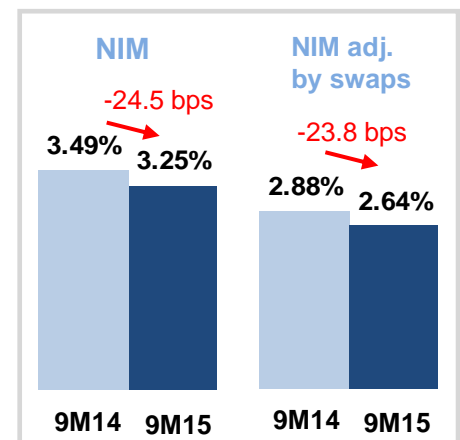
Cost/Income (excl. one-offs)



Tangible ROAE (excl. one-offs)



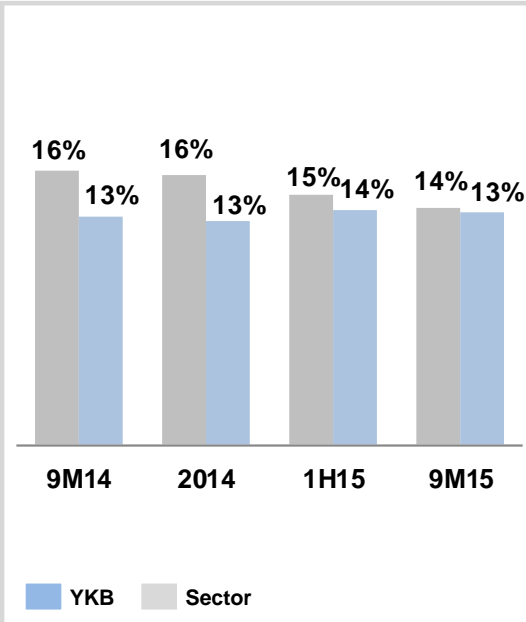
NIM



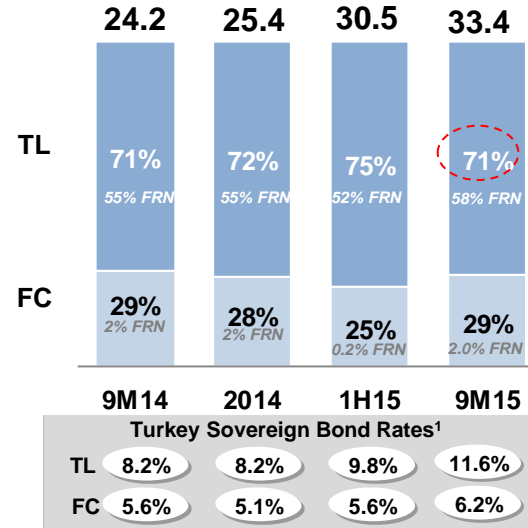
Notes:  
 Currency depreciation impact calculated bearing 10% of total cost base in FX; USD/TL average depreciation of 25% in 9M15; 15% in 9M14  
 All relevant one-off impacts are net-off by 20% corporate tax

# Securities

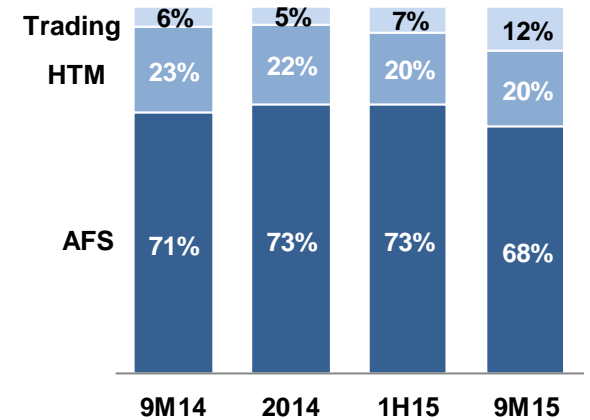
## Securities/Assets



## Composition by Currency (TL bln)



## Composition by Type



- Share of securities in total assets at 13% (vs 14% sector)
- Share of TL securities in total at 71% (flat vs 71% in 9M14), down 4 pp q/q
- CPI-linkers at TL 7.1 bln (26% of total securities)
- M-t-m unrealised loss under equity at TL -922 mln for 9M15; as of Oct'15 down to TL -300 mln (1H15: TL -249mln, 1Q15: TL 190mln, YE14: TL 391mln, 9M14: TL 140mln, YE13: TL -118 mln)

Notes: Sector based on BRSA monthly data as of Aug'15

AFS: Available for Sale

HTM: Held to Maturity

FRN: Floating Rate Notes

CPI: Consumer price index inflation

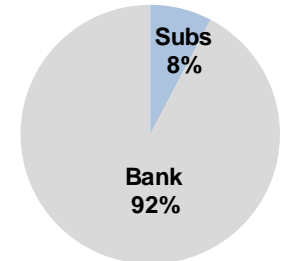
(1) TL Bond rate indicates 2 year benchmark bond rate. FC bond rate indicates 30 year USD Eurobond Rate

# Subsidiaries

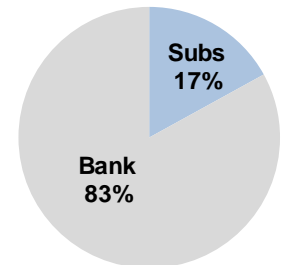
	Revenues (mln TL)	Revenues (y/y growth)	RoE	Sector Positioning	
Domestic Subs	YK Leasing	207	12%	14%	#1 in total transaction volume (18.1% market share)
	YK Factoring	61	-17%	12%	#1 in total factoring volume (19.4% market share)
	YK Invest	111	-1%	16%	#2 in equity transaction volume (7.2% market share)
	YK Asset Management	40	24%	110%	#2 in mutual funds (18.1% market share) Highest credit rating in its sector <sup>1</sup>
International Subs	YK Azerbaijan	28 mln US\$	-22%	-2%	US\$ 356 mln total assets
	YK Moscow	8 mln US\$	-25%	11%	US\$ 173 mln total assets
	YK Nederland	26 mln US\$	-20%	6%	US\$ 2.0 bln total assets

## Contribution of Subsidiaries<sup>2</sup>

### to Assets



### to Net Income



Note: Revenues in TL unless otherwise stated. All market shares as of 1H15

(1) YK Asset Management: Fitch Ratings upgraded YK Portföy (YKP) in Mar'13 from M2+ to M1+ and affirmed in Jun'15. YK Asset Management is the only institution in Turkey to reach this level

(2) Including consolidation eliminations

# Borrowings: 21% of total liabilities

International	<b>Syndications</b>	<p>~ US\$ 2.6 bln outstanding</p> <ul style="list-style-type: none"> <li>■ <b>Apr'15:</b> US\$ 513 mln &amp; € 835 mln, Libor/Euribor+0.70%&amp;0.80p.a. all-in cost for 364 days &amp; 367 days, respectively. 48 banks from 15 countries</li> <li>■ <b>Sep'15:</b> US\$ 295 mln and € 810.5 mln, Libor /Euribor+ 0.75% p.a. all-in cost, 367 days. Participation of 38 banks from 17 countries </li> </ul>
	<b>Securitisations</b>	<p>~ US\$ 2.3 bln outstanding</p> <ul style="list-style-type: none"> <li>■ <b>Aug'11:</b> US\$ 225 mln and € 130 mln, 4 unwrapped notes, 5 years (outstanding: ~US\$ 191 mln)</li> <li>■ <b>Sep'11:</b> € 75 mln, 1 unwrapped note, 12 years (outstanding: ~US\$ 76 mln)</li> <li>■ <b>Jul'13:</b> US\$ 355 mln and €115 mln, 5 unwrapped notes, 5-13 years (outstanding: ~US\$ 493 mln)</li> <li>■ <b>Oct'14:</b> US\$ 550 mln, 20 years (outstanding: ~US\$ 550 mln)</li> <li>■ <b>Mar'15:</b> US\$ 100 mln, 5 years &amp; US\$ 316 mln, 10 years (outstanding: US\$ 416 mln)</li> <li>■ <b>Jul'15:</b> US\$ 575 mln, 5-12 years (outstanding: US\$ 575 mln) </li> </ul>
	<b>Subordinated Loans</b>	<p>~US\$ 3.0 bln outstanding</p> <ul style="list-style-type: none"> <li>■ <b>Jun'07:</b> € 200 mln, 10NC5, Euribor+2.78% p.a.</li> <li>■ <b>Dec'12:</b> US\$ 1.0 bln market transaction, 10 years, 5.5% (coupon rate)</li> <li>■ <b>Jan'13:</b> US\$ 585 mln, 10NC5, 5.7% fixed rate – Basel III Compliant</li> <li>■ <b>Dec'13:</b> US\$ 470 mln, 10NC5, 6.55% – Basel III Compliant (midswap+4.88% after the first 5 years)</li> </ul>
	<b>Foreign Currency Bonds / Bills</b>	<p><b>US\$ 750 mln Loan Participation Note (LPN)</b></p> <ul style="list-style-type: none"> <li>■ <b>Oct'10:</b> 5.1875% (coupon rate), 5 years</li> </ul> <p><b>US\$ 2.0 bln Eurobonds Issuance</b></p> <ul style="list-style-type: none"> <li>■ <b>Feb'12:</b> US\$ 500 mln, 6.75% (coupon rate), 5 years</li> <li>■ <b>Jan'13:</b> US\$ 500 mln, 4.00% (coupon rate), 7 years</li> <li>■ <b>Dec'13:</b> US\$ 500 mln, 5.25% (coupon rate), 5 years</li> <li>■ <b>Oct'14:</b> US\$ 550 mln, 5.125% (coupon rate), 5 years</li> </ul>
	<b>Covered Bond</b>	<p><b>TL 458 mln first tranche</b></p> <ul style="list-style-type: none"> <li>■ <b>Nov'12:</b> SME-backed with maturity between 3-5 years; highest Moody's rating (A3) for Turkish bonds</li> </ul>
	<b>Multilateral Loans</b>	<p>~US\$ 640 mln outstanding</p> <ul style="list-style-type: none"> <li>■ <b>EIB Loan - 2008/2012:</b> US\$ 102 mln and € 300 mln and TL 187 mln, 5-15 years (outstanding: ~US\$ 366 mln)</li> <li>■ <b>EBRD Loan - 2011/2013:</b> US\$ 55 mln and € 30 mln, 5 years (outstanding: ~US\$ 76 mln)</li> <li>■ <b>CEB Loan - 2011/2014:</b> US\$ 39 mln and € 100 mln (outstanding: ~US\$ 158 mln)</li> <li>■ <b>EFIL Loan – 2008/2011:</b> US\$ 59 mln and € 13 mln (outstanding: ~US\$ 37 mln)</li> </ul>
Domestic	<b>Local Currency Bonds / Bills</b>	<p><b>TL 2.5 bln total (original public offering amount)</b></p> <ul style="list-style-type: none"> <li>■ <b>Oct'14:</b> TL 300 mln, 10.75% compounded rate, 392 days maturity</li> <li>■ <b>Nov'14:</b> TL 114 mln, 11.70% compound rate, 392 days maturity</li> <li>■ <b>Dec'14:</b> TL 68 mln, 10.45% compound rate, 420 days maturity</li> <li>■ <b>Feb'15:</b> TL 6 mln, 11.82% compound rate, 392 days maturity</li> <li>■ <b>Mar'15:</b> TL 9 mln, 10.65% compound rate, 420 days maturity</li> <li>■ <b>May'15:</b> TL 500 mln, 10.80% compound rate, 178 days maturity</li> <li>■ <b>Jun'15:</b> TL 447 mln, 10.37% compound rate, 173 days maturity</li> <li>■ <b>Sep'15:</b> TL 876 mln, 11.44% compund rate, 179 days maturity </li> <li>■ <b>Sep'15:</b> TL 170 mln, 12.12% compund rate, 392 days maturity </li> </ul>