Yapı Kredi 1Q16 Investor Presentation

Balanced growth...
...Strong profitability acceleration

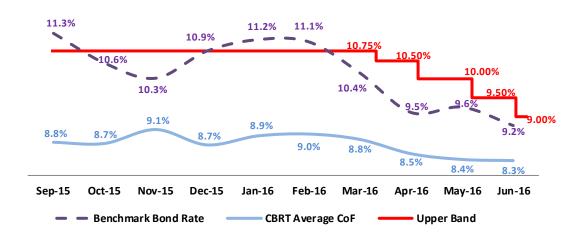


Improving operating environment following a volatile start to the year

Operating Environment =

Macro Environment

	FY2015	4Q15	1Q16
GDP Growth, y/y	4.0%	5.7%	4.8%
Inflation (CPI) , y/y		8.8%	7.5%
Consumer Confidence	ce Index	71.2	68.4
Current Account Def	icit/GDP	4.5%	4.1%
Unemployment Rate		10.3%	9.9%
USD/TL		2.91	2.84



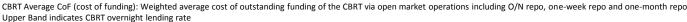
Banking Sector

	1Q15	4Q15	1Q16
Loan Growth	7%	1%	1%
Private	6%	1%	1%
State	10%	2%	3%
Deposit Growth	7 %	-1%	3%
Private	8%	-1%	3%
State	6%	0%	3%
NPL Ratio	2.7%	2.9%	3.1%

- Above consensus GDP growth in 1Q driven by private consumption
- **Decline in inflation** due to lower food prices and stronger currency
- Improvement in market rates supported by recent CBRT rate cuts (upper band -175bps to 9.00%)
- Banking sector remaining resilient albeit with mild loan growth and slight deterioration in asset quality

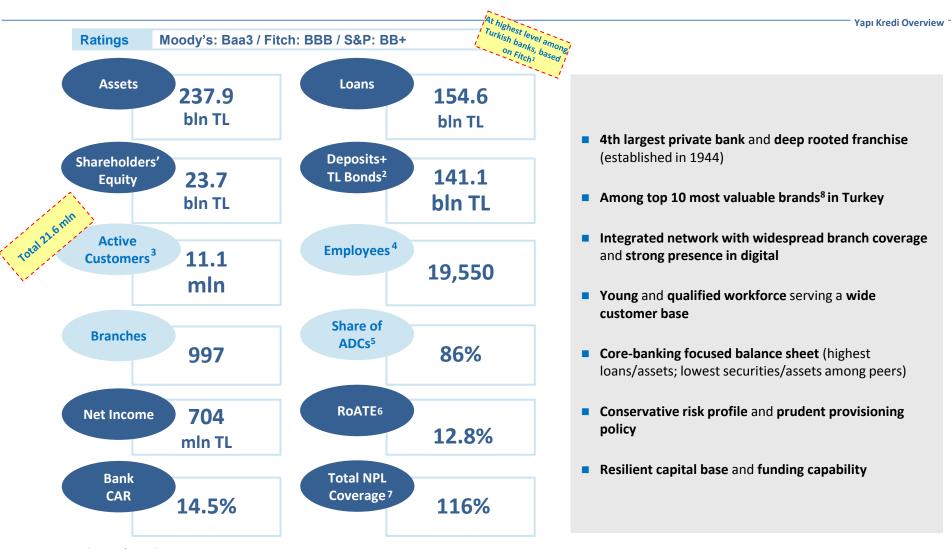
All 1Q macro data as of Mar'16 unless otherwise stated; Unemployment based on seasonally adjusted figures as of Feb'16

1Q16 sector based on BRSA weekly data as of 1 Apr'16





Yapı Kredi: A leading financial services group



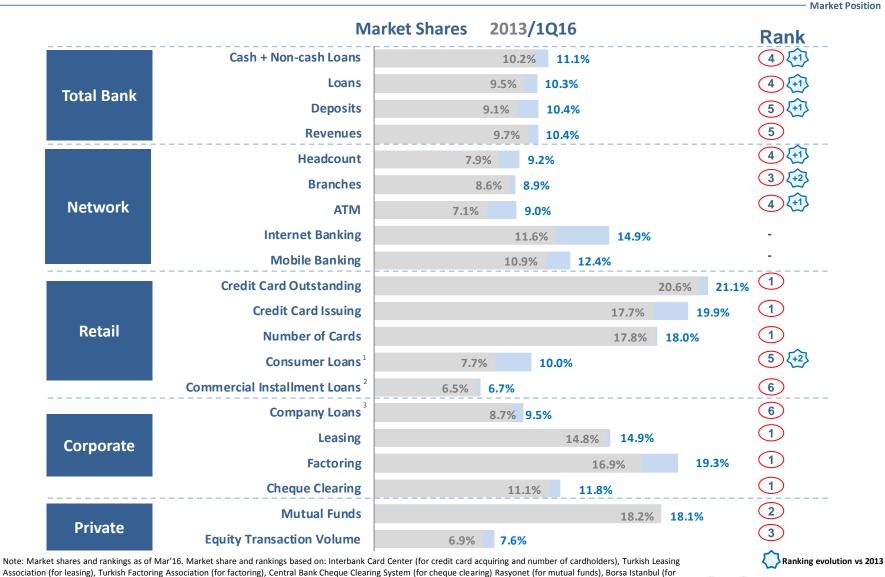
Note: Loans indicate performing loans

- (1) On 24 Jun'14, Fitch affirmed YKB's Long-Term Foreign Currency and Long-Term Local Currency ratings at "BBB" while downgrading private peers ratings to "BBB" from "BBB".
- (2) Deposits: TL 136.6 bln, TL Bonds: TL 4.5 bln
- (3) Indicates customers with at least one product usage in the last 1.5 years
- (4) Group data. Bank-only: 18,473
- (5) Share of alternative delivery channels (ADCs) in total comparable transactions
- RoATE indicates return on average tangible equity (excl goodwill)
- (7) Total NPL Coverage indicates (Specific+ Generic Provisions)/NPLs
- (8) Brand Finance Turkey 100 report 2015 (Yapı Kredi ranked number 9 as of Jun'16)



Leading positions in value generating services and products

equity transaction volume). If not specified, data based on BRSA bank-only data for YKB and BRSA weekly sector data excluding participation banks for banking sector as of 1 Apr/16



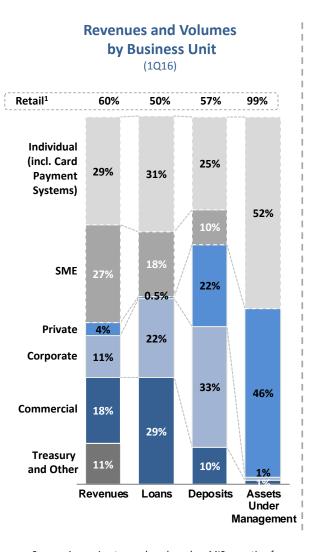
 $\hbox{(1)} \quad \hbox{Including mortgages, general purpose and auto loans} \\$

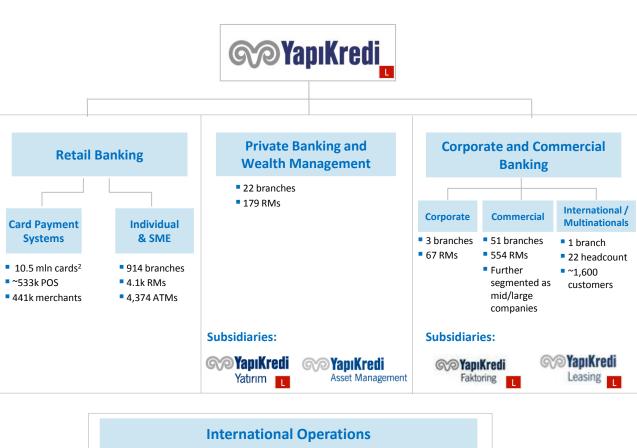
⁽²⁾ Proxy for SME loans

⁽³⁾ Cash loans excluding credit cards and consumer loans

Well-diversified business mix on the back of a customer-oriented and divisionalised service model

Organisational Structure





International Operations

YapıKredi
Nederland

Total
Assets

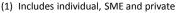
US\$ 2.2 bln

US\$ 157 mln

US\$ 278 mln

US\$ 118 mln

Source: Approximate numbers based on MIS reporting for company information. Asset size data of international operations based on 1Q16 BRSA financials Branch numbers exclude 3 mobile, 1 free-zone, 1 abroad, 1 custody branches



(2) Including 2.2 mln virtual cards



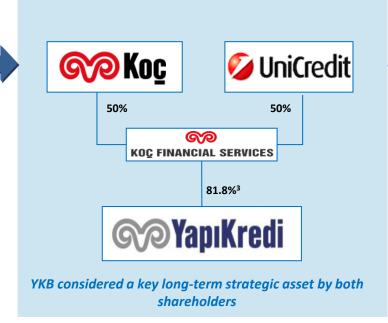
= Listed

Stable, long-term focused shareholding structure supporting YKB's balanced growth and sustainable performance

- Established in 1926, largest conglomerate in Turkey and ranks among the world's top 400 companies¹
- Long-standing leadership in core sectors (automotive, finance, energy, consumer durables, food, retailing, tourism)
- 5 out of top 10 industrial enterprises in Turkey are part of the Koç Group²
- Best proxy to the Turkish market (total sales/GDP: 7%, total exports/Turkey's exports: 9%)
- Share of intragroup lending in total capital at 13.3% as of 1Q16 (max regulatory limit 20%)

Total Assets (EUR bln)	23.7
Revenues (EUR mln)	4,332
Net Income (EUR mln)	159
Number of Employees	91,552

Ratings Moody's: Baa3 / S&P: BBB-



- Systemically important Italian financial institution in Europe with roots dating back to 1473
- Full service group engaged in a wide range of banking, financial and related activities
- Extensive international presence with strong roots in 17 European countries and presence in 50 other markets
- Leader in Austria, #2 in Italy, #3 in Germany. Turkey among top 4 long-term growth markets in CEE
- €2.5 bln funding to YKB as of 1Q16 (o/w 50% for YKB subsidiaries)

Total Assets (EUR bln)	892
Revenues (EUR mln)	5,476
Net Income (EUR mln)	406
Number of Employees	143,0004

Moody's: Baa1 / Fitch: BBB+ / S&P: BBB-

Note: Note: All information and figures regarding Koç and UniCredit based on publicly available 1Q16

- (1) Fortune Global 500 2015 report, ranking based on an average annual growth rate of 11% in consolidated profit in US\$ terms between 2005-2015
- (2) Istanbul Chamber of Commerce ranking (2014 report), ranking based on production-based sales
- (3) Remaining 18.2% listed on the Istanbul Stock Exchange and Global Depository Receipts that represent the Bank's shares are quoted on the London Stock Exchange
- (4) Data includes employees of Koç Financial Services calculated at 100%



Successful execution of strategy resulting in delivery of strong results

2006	Merger and Integration
2007	Restructuring
2008	Relaunch of Growth
2009	
2010	Back to Growth
2011 2012 2013	Smart Growth
2014	Growth Oriented Investment Strategy

Between 2007 and 2015

Revenues +13%

Costs +10% (vs average inflation of 8%)

Number of branches +64%

Number of ATMs +154%

Number of employees +36%

Notes: Compounded annual growth rates used for revenues and costs. Increase in number of branches, employees and ATMs calculated from beginning of 2007



2016 Outlook: Efficiency and core business driven profitability

Strong core revenue generation supported by customer acquisition

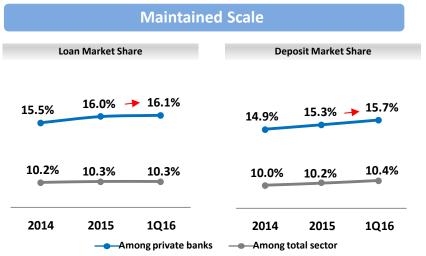
Disciplined cost management

Controlled asset quality & LLP

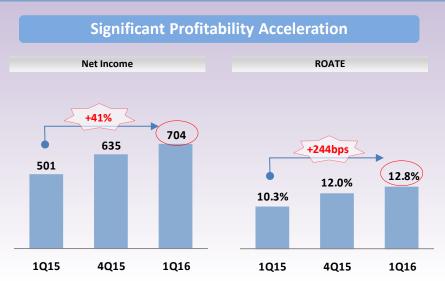
Strong profitability improvement

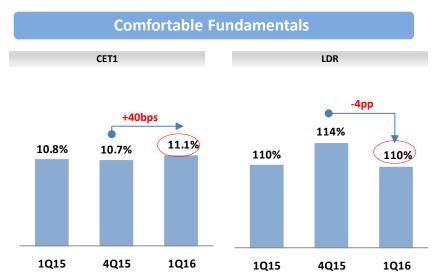


Strong profitability with solid fundamentals: Investments paying off; harvest phase delivering









Notes:

Market shares based on BRSA weekly data as of 1 Apr'16
Core revenues indicate Net Interest Income and Fees&Commissions
Sector figures based on BRSA monthly data as of Mar'16
CET1= Common Equity Tier-1
LDR= Loans / (Deposits + TL bonds)



Loan growth aligned with sector with significant outperformance in deposits

Loans (TL bln)

THE			Private		
N LINE	YKB	YKB	Banks	Sector	YKB
	1Q16	1Q∆	1QΔ	1QΔ	у/у
Cash + Non-Cash Loans	212.8	1%	1%	1%	14%
Total Loans ¹	154.6	1%	1%	1%	14%
TL	99.0	1%	1%	2%	11%
FC (\$)	19.6	4%	3%	3%	11%
Consumer Loans	29.6	1%	0%	1%	17%
Mortgages	12.0	-2%	1%	2%	5%
General Purpose	17.2	3%	0%	0%	30%
Credit Cards	19.7	-1%	-1%	-1%	9%
Companies ²	105.4	2%	1%	2%	14%
TL	49.7	3%	2%	2%	8%
FC (\$)	19.6	4%	3%	3%	11%
Comm. Install.	12.6	0%	3%	0%	10%

FC Company Lending Breakdown

	Share	ytd	y/y
Project Finance	62%	7%	18%
LT Investments	29%	1%	10%
ST Loans	9%	7%	-3%

Leadership position in cards maintained according to BKM and Nilson reports⁴

Deposits (TLbIn)

YKВ	YKB	Private	Sector	YKB
1Q16	1Q ∆	1Q∆	1Q∆	у/у
136.6	5%	3%	3%	14%
70.4	5%	2%	3%	9%
23.3	8%	6%	6%	10%
130.7	5%	3%	3%	14%
22.7	12%	2%	3%	19%
4.5	6%	3%	1%	25%
7.2	-31%	-4%	-1%	7%
49.7	2%	0%	2%	0%
	1Q16 136.6 70.4 23.3 130.7 22.7 4.5 7.2	1Q16 1QΔ 136.6 5% 70.4 5% 23.3 8% 130.7 5% 22.7 12% 4.5 6% 7.2 -31%	1Q16 1QΛ 1QΛ 136.6 5% 3% 70.4 5% 2% 23.3 8% 6% 130.7 5% 3% 22.7 12% 2% 4.5 6% 3% 7.2 -31% -4%	1Q16 1QΛ 1QΛ 1QΛ 136.6 5% 3% 3% 70.4 5% 2% 3% 23.3 8% 6% 6% 130.7 5% 3% 3% 22.7 12% 2% 3% 4.5 6% 3% 1% 7.2 -31% -4% -1%

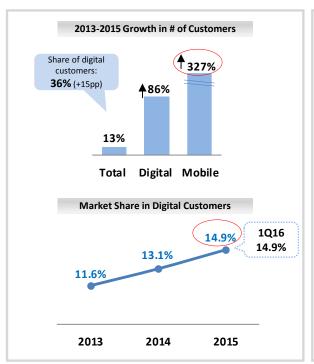
- Loan growth at 1% ytd, aligned with sector. Yearly loan growth at 14%, in line with guidance
- Ongoing outperformance in key value generating areas (GPL and TL mid-size company lending at 3% ytd)
- Significant outperformance in deposit growth (+5% vtd)
- Rapid growth in demand deposits (+12% ytd vs 3% sector) supported by ongoing customer acquisition

Balance sheet volumes for sector and private banks based on BRSA weekly data as of 1 Apr'16. FC-indexed loans included in TL loans (1)Loans indicate performing loans

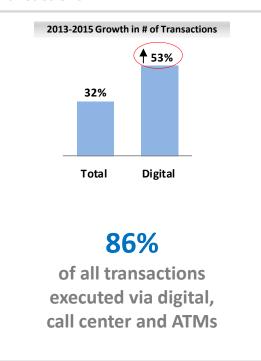
(2)Total loans excluding consumer loans and credit cards. Companies includes commercial instalment loans (proxy for SME lending)



Customers



Transactions



Penetration



- Strong pick-up in digital presence over the last 2 years supported by focused approach
- Share of digital in total customers, transactions and product sales increasing rapidly
- Digital channels serving not only as a service point but a revenue generating sales channel



Highest quarterly net income for the last 3 years with ROATE up to 12.8%

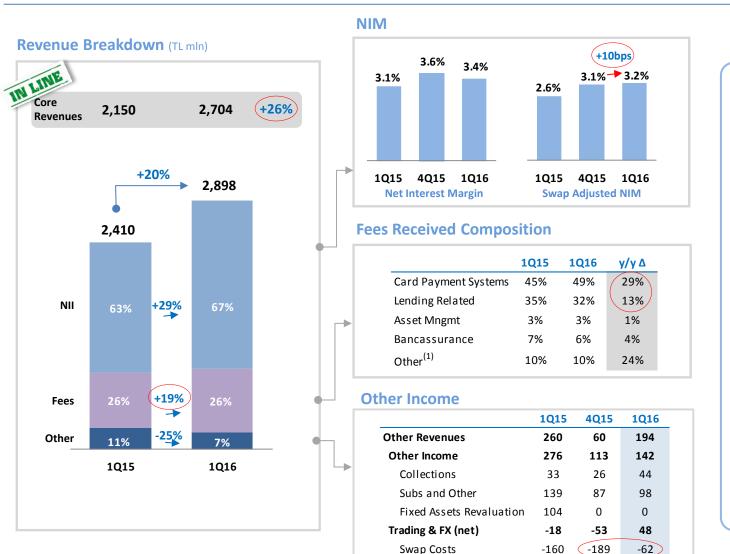
Income Statement

	1Q15	4Q15	1Q16	у/у	q/q
Total Revenues	2,409	2,938	2,898	20%	-1%
Core Revenues	2,150	2,878	2,704	26%	-6%
Net Interest Income	1,518	2,059	1,952	29%	-5%
Fees & Commissions	632	819	752	19%	-8%
Other Revenues	260	60	194	-25%	223%
Operating Costs	1,185	1,416	1,264	7%	-11%
Operating Income	1,224	1,521	1,634	33%	7%
Provisions	571	697	723	27%	4%
Specific Provisions	394	543	507	29%	-7%
Generic Provisions	144	97	120	-17%	23%
Other Provisions	33	57	96	191%	70%
Pre-tax Income	654	825	911	39%	10%
Tax	154	190	207	34%	9%
Net Income	501	635	704	41%	11%
ROATE	10.3%	12.0%	12.8%		
ROA	0.9%	1.1%	1.2%		
Cost/Income	49%	48%	44%		

- 41% y/y growth in net income up to 704 mln TL driven by solid operational performance
- Profitability improvement also evident compared to
 4Q with 11% q/q net income increase







- Core revenue growth outpacing total revenue growth (26% vs 20%). Core revenue growth >15% y/y for the 7th consequtive quarter
- Swap adjusted NIM
 +10bps q/q indicating effectively ALM capability.

 CPI-linker contribution relatively stable q/q²
- Strong fee growth of +19%
 y/y driven by lending and cards
- Increasing positive contribution of other income due to declining swap cost burden

Notes:

Core revenues indicate Net Interest Income and Fees&Commissions

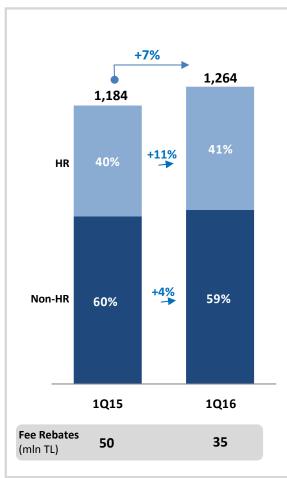
NIM= Net Interest Income/Average Interest Earning Assets (bank-only). NIM excludes effect of reclassification between interest income and other provisions related to amortisation of issue premium on securities (as per BRSA). Reported quarterly NIM figures: 4Q15: 3.7%, 1Q16: 3.4%

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

(2) CPI-linker gain 313 mln TL in 1Q16 vs 295 mln TL in 4Q15



Cost Breakdown (TL mln)

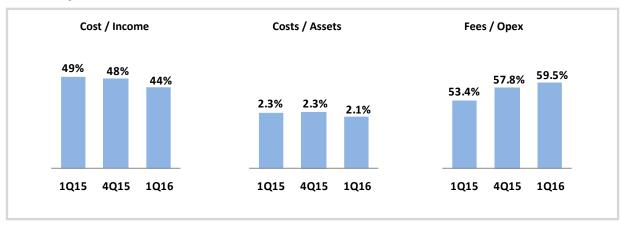


Network Investments

1Q14	1Q15	1Q16	1Q15∆	1Q164
947	1,007	997	6%	-1%
16,685	18,125	18,473	9%	2%
3,025	3,647	4,374	21%	20%
935	1,184	1,264	27%	7%
	947 16,685 3,025	947 1,007 16,685 18,125 3,025 3,647	947 1,007 997 16,685 18,125 18,473 3,025 3,647 4,374	947 1,007 997 6% 16,685 18,125 18,473 9% 3,025 3,647 4,374 21%

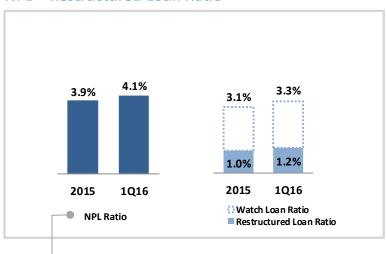
- Controlled cost evolution (7% y/y)
- Base effect of investments easing with no bulk investments remaining. ATM investments continuing to support digital strategy
- Efficiency improvement accelerating with positive trend in all KPIs

Efficiency KPIs

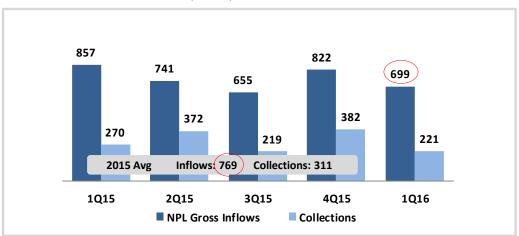




NPL + Restructured Loan Ratio



NPL Inflows & Collections (mln TL)

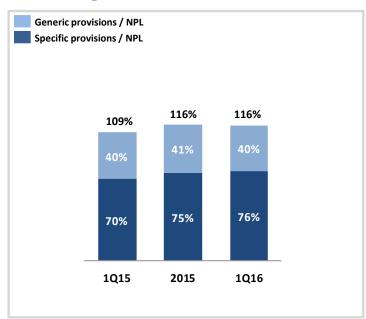


NPL ratio by segment	4Q15	1Q16
Corp&Comm	2.4%	2.3%
SME	5.4%	6.0%
Consumer	5.4%	5.8%
YKB Credit Cards	5.9%	6.4%
Sector Credit Cards	7.9%	8.4%

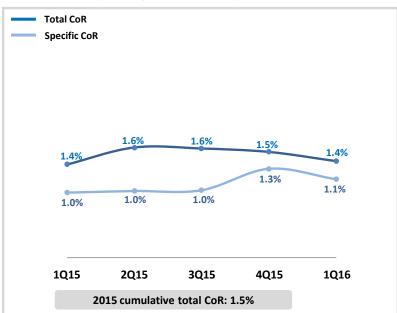
- NPL Ratio at 4.1% driven by:
 - Controlled NPL inflows with lower level in 1Q16 vs 2015 avg
 - Lower collections due to operating environment. Pick-up already visible in Apr'16
 - No NPL sales since beg-2015
- Restructured loan ratio at 1.2% with entry of a few strongly collateralised corporate files



NPL Coverage

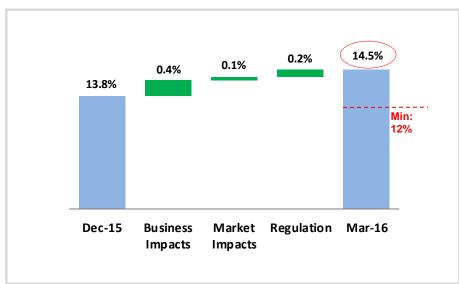


Cost of Risk¹ (Quarterly, net of collections)

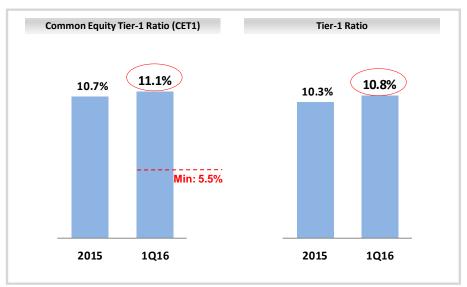


- Total NPL coverage at 116%, stable ytd with slight uptick in specific coverage to 76%
- Total cost of risk (net of collections) down 14bps q/q to 1.41% supported by higher collections and declining trend in specific CoR

CAR



Tier-1



- Improving trend in capital ratios with CAR at 14.5% and CET-1 at 11.1% impacted by:
 - USD 500 mln sub-debt issuance in Mar'16 (+70bps)
 - Full reflection of Basel 3 related regulations with positive impact on capitalisation (+20 bps)
 - Improving operating environment (+10 bps)
- Capitalisation comfortable given regulatory minimums, including phase in of Basel 3 related regulatory buffers

2016 guidance confirmed

Macro	
GDP Growth, y/y	~3.5%
Inflation (CPI) , y/y	~7-8%
USD/TL (eop)	3.10
Banking Sector	
Loan Growth	13%
Deposit Growth	11%
NIM	Flat
NPL Ratio	+40bps

	YKB 2016 (Guidance	Trend
Volumes	Loans 13%	Deposits 13%	
Revenues	NIM Flattish	Fees Mid-Teens	⊘
Costs	Costs In-line with inflation	Investments Flat HC and branches	Ø
Asset Quality	NPL +30 bps	CoR -20 bps	
Fundamentals	LDR Flattish	CAR ~ 14%	Ø



Annex

Network

Headcount

Branches

ATMs

19,550

2014: +1,850 2015: +811

1Q16: **+205**

Market Share +10 bps y/y to 9.2%

997

2014: +60 new 2015: +17 new

1Q16: -3

Market Share flat y/y to 8.9%

4,402

2014: +600

2015: +699

1Q16: +42

Market Share +93 bps y/y to 9.0%



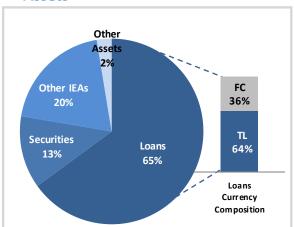




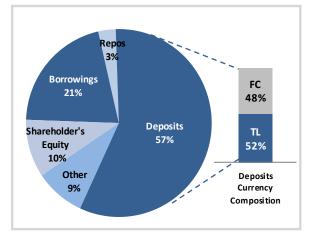
Consolidated Balance Sheet

TL bln	1Q14	1H14	9M14	YE14	1Q15	1H15	9M15	YE15	1Q16	ytd	у/у
Total Assets	168.8	170.6	182.0	195.0	215.5	223.8	247.8	235.3	237.9	1%	10%
Loans	103.3	108.7	115.8	125.5	135.5	142.8	153.7	152.5	154.6	1%	14%
TL Loans	68.6	73.0	77.8	84.7	90.4	95.0	98.4	99.2	100.4	1%	11%
FC Loans (\$)	15.8	16.8	16.7	17.6	17.3	17.8	18.2	18.3	19.1	4%	11%
Securities	21.8	21.8	24.2	25.4	29.9	30.5	33.4	31.7	30.1	-5%	1%
TL Securities	14.9	14.9	17.1	18.3	22.5	22.9	23.8	22.1	20.5	-8%	-9%
FC Securities (\$)	3.2	3.2	3.1	3.1	2.8	2.8	3.1	3.3	3.4	3%	20%
Deposits	90.4	96.1	102.5	107.6	119.7	126.1	136.3	130.0	136.6	5%	14%
TL Deposits	44.8	52.0	53.4	62.9	64.5	62.7	65.4	67.2	70.4	5%	9%
FC Deposits (\$)	20.8	20.7	21.5	19.3	21.2	23.5	23.3	21.6	23.3	8%	10%
Borrowings	36.0	36.0	37.3	41.5	46.7	45.8	52.8	48.7	49.7	2%	6%
TL Borrowings	3.6	4.4	4.9	5.4	5.6	5.5	4.9	5.5	5.3	-3%	-6%
FC Borrowings (\$)	14.8	14.9	14.2	15.6	15.7	15.0	15.7	14.9	15.7	5%	0%
Shareholders' Equity	18.4	19.2	19.6	20.2	21.0	22.1	22.0	23.1	23.7	3%	13%
Assets Under Management	10.2	11.1	11.6	12.5	13.0	13.4	13.6	13.8	14.4	5%	11%
Loans/Assets	61%	64%	64%	64%	63%	64%	62%	65%	65%		
Securities/Assets	13%	13%	13%	13%	14%	14%	13%	13%	13%		
Borrowings/Liabilities	21%	21%	20%	21%	22%	20%	21%	21%	21%		
Loans/(Deposits+TL Bonds) (solo)	111%	110%	110%	113%	110%	110%	110%	114%	110%		
CAR - solo	14.4%	15.4%	15.0%	15.0%	14.3%	14.0%	12.9%	13.8%	14.5%		
Tier-I - solo	10.3%	11.4%	10.9%	10.9%	10.4%	10.5%	9.4%	10.3%	10.8%		
Leverage Ratio	8.2x	7.9x	8.3x	8.6x	9.2x	9.1x	10.3x	9.2x	9.0x		

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



Volume growth evolution

		YKB	Private Banks	Sector														
TL bln	1Q16	1Q15 Δ	1Q15 Δ	1Q15 Δ	2Q15 Δ	2Q15 Δ	2Q15 Δ	3Q15 Δ	3Q15 Δ	3Q15 Δ	4Q15 Δ	4Q15 Δ	4Q15 Δ	1Q16 Δ	1Q16 Δ	1Q16 Δ	Market Share	ytd ∆ bps
Cash + Non-cash loans	212.8	7%	6%	7%	6%	5%	6%	9%	6%	7%	-3%	-1%	0%	1%	1%	1%	11.0%	-1
Total Loans ¹	154.6	8%	6%	7%	5%	5%	6%	8%	5%	6%	-1%	1%	1%	1%	1%	1%	10.3%	+0
TL	99.0	7%	4%	5%	5%	6%	6%	4%	1%	2%	1%	2%	3%	1%	1%	2%	10.1%	-7
FC (\$)	19.6	-2%	-2%	-1%	3%	2%	3%	2%	-1%	1%	1%	2%	2%	4%	3%	3%	10.8%	+13
Consumer Loans	29.6	6%	3%	4%	8%	3%	3%	6%	1%	1%	2%	0%	1%	1%	0%	1%	10.0%	-2
Mortgages	12.0	5%	4%	5%	7%	5%	5%	3%	3%	3%	-2%	1%	2%	-2%	1%	2%	8.9%	-39
General Purpose	17.2	9%	3%	3%	9%	1%	1%	9%	0%	0%	5%	0%	0%	3%	0%	0%	11.0%	33
Credit Cards	19.7	2%	-2%	-2%	3%	4%	4%	4%	4%	4%	3%	3%	4%	-1%	-1%	-1%	21.1%	-9
Companies ²	105.4	10%	8%	9%	5%	6%	7%	9%	6%	8%	-2%	1%	1%	2%	1%	2%	9.5%	3
TL	49.7	9%	5%	7%	4%	8%	8%	2%	1%	2%	-1%	4%	4%	3%	2%	2%	8.3%	-3
FC (\$)	19.6	-2%	-2%	-1%	3%	2%	3%	2%	-1%	1%	1%	2%	2%	4%	3%	3%	10.9%	+13
Comm. Install.	12.6	9%	7%	7%	4%	6%	6%	1%	3%	4%	4%	2%	0%	0%	3%	0%	6.7%	1
Total Deposits	136.6	11%	8%	7%	5%	4%	5%	8%	6%	6%	-5%	-2%	-1%	5%	3%	3%	10.4%	+24
TL	70.4	2%	1%	2%	-3%	-2%	0%	4%	2%	3%	3%	5%	4%	5%	2%	3%	10.1%	43
FC (\$)	23.3	10%	5%	3%	11%	9%	9%	-1%	-3%	-2%	-7%	-4%	-2%	8%	6%	6%	10.9%	-1
Customer	130.7	9%	8%	7%	6%	5%	6%	8%	6%	6%	-6%	-1%	-1%	5%	3%	3%	10.7%	32
Demand	22.7	14%	6%	6%	15%	11%	10%	12%	1%	1%	-17%	5%	4%	12%	2%	3%	9.3%	73
TL Bonds	4.5	9%	0%	0%	2%	0%	0%	5%	0%	2%	9%	-6%	-2%	6%	3%	1%	15.8%	73
Repos	7.2	9%	0%	0%	0%	0%	0%	58%	0%	9%	-2%	1%	2%	-31%	-4%	-1%	4.7%	-20
Borrowings	49.7	12%	0%	0%	-2%	0%	0%	15%	0%	7%	-8%	-4%	-4%	2%	0%	2%		

Note: Balance sheet 1Q volumes for sector and private banks based on BRSA weekly data as of 1 Apr'16. FC-indexed loans included in TL loans Market share information as of 1Q16



⁽¹⁾ Total performing loans

⁽²⁾ Total loans excluding consumer loans and credit cards

Consolidated Income Statement

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	q/q
Total Revenues	1,842	2,183	1,906	2,128	1,938	2,149	2,201	2,466	2,409	2,565	2,352	2,938	2,898	-1%
Core Revenues	1,801	1,891	1,687	1,824	1,862	2,090	2,067	2,297	2,150	2,526	2,466	2,878	2,704	-6%
Net Interest Income	1,306	1,347	1,165	1,248	1,351	1,485	1,480	1,656	1,518	1,838	1,763	2,059	1,952	-5%
o/w CPI-linkers	69	49	54	80	136	166	98	153	97	266	70	295	311	5%
Fees & Commissions	495	544	522	576	510	605	587	641	632	688	703	819	752	-8%
Other Revenues	41	292	218	304	76	59	134	169	260	39	-114	60	194	223%
Other income	121	82	73	176	209	209	95	152	276	169	120	113	142	26%
o/w collections	53	8	29	43	135	94	38	11	59	41	22	26	44	68%
o/w generic provision reversals	27	22	10	0	46	1	0	0	0	0	0	0	13	n.m.
o/w pension fund reversal	0	0	0	60	0	51	0	61	0	44	0	37	0	n.m.
o/w NPL sale	0	0	0	39	0	16	28	8	0	0	0	0	0	n.m.
o/w others	41	51	33	34	28	48	28	72	217	84	98	50	85	70%
Trading	-86	200	145	128	-135	-158	39	17	-18	-134	-234	-53	48	n.m.
o/w swap costs					-228	-259	-81	-159	-160	-245	-318	-189	-62	-67%
Dividend	6	10	0	0	2	7	0	0	3	3	0	0	3	n.m.
Operating Costs	815	897	835	996	935	1,030	1,009	1,173	1,184	1,228	1,249	1,416	1,264	-11%
o/w fee rebates	0	0	0	0	11	17	28	45	50	50	63	43	35	-18%
Operating Income	1,027	1,286	1,070	1,132	1,003	1,119	1,192	1,293	1,225	1,336	1,103	1,521	1,634	7%
Provisions	366	351	396	439	463	443	515	518	571	731	650	697	723	4%
Specific Provisions	242	280	373	263	343	322	374	282	394	403	416	543	507	-7%
Generic Provisions	58	42	23	110	88	94	114	172	144	235	243	97	120	23%
Other Provisions	66	29	0	66	32	27	27	64	33	93	-9	57	96	70%
Pre-tax Income	661	935	674	693	540	676	677	775	655	605	453	825	911	10%
Tax	132	208	149	141	111	175	164	161	154	150	135	190	207	9%
Net Income	544	752	538	541	429	501	513	614	501	455	318	635	704	11%
ROE	14.7%	20.2%	13.5%	12.8%	10.0%	11.4%	11.3%	13.2%	10.3%	8.9%	6.1%	12.0%	12.8%	
Cost/Income	44%	41%	44%	47%	48%	48%	46%	48%	49%	48%	53%	48%	44%	
CoR	1.2%	1.4%	1.6%	1.3%	0.8%	1.1%	1.4%	1.6%	1.4%	1.6%	1.6%	1.5%	1.4%	



Bank-Only Income Statement

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	q/q	у/у
Total Revenues	1,773	1,980	1,732	1,886	1,809	2,085	2,098	2,381	2,300	2,394	2,231	2,796	2,785	0%	21%
Core Revenues	1,669	1,760	1,567	1,674	1,738	1,968	1,947	2,153	2,016	2,429	2,344	2,742	2,537	-7%	26%
Net Interest Income	1,203	1,249	1,076	1,136	1,258	1,393	1,397	1,558	1,423	1,778	1,677	1,965	1,821	-7%	28%
o/w CPI-linkers	69	49	54	80	136	166	98	153	97	266	70	295	313	6%	225%
Fees & Commissions	466	511	491	538	480	575	550	596	593	651	667	777	716	-8%	21%
Other Revenues	104	220	165	123	71	117	152	227	284	-35	-112	54	248	361%	-13%
Other income	117	82	89	164	281	297	171	336	351	231	201	192	233	21%	-34%
o/w collections	53	8	29	43	135	94	38	11	59	41	22	26	44	68%	-25%
o/w generic provision reversals	27	22	10	0	46	1	0	0	0	0	0	0	13	n.m.	n.m.
o/w pension fund reversal	0	0	0	60	0	51	0	61	0	44	0	37	0	n.m.	n.m.
o/w NPL sale	0	0	0	39	0	16	28	8	0	0	0	0	0	n.m.	n.m.
<pre>o/w profit/(loss) of associates& jv.s accounted for using equity method</pre>	0	0	0	0	97	97	85	104	90	87	101	90	108	20%	20%
o/w others	37	51	50	22	4	38	19	47	202	59	79	40	68	71%	-66%
Trading	-108	137	37	48	-213	-180	-19	-4	-69	-267	-314	-139	15	n.m.	n.m.
o/w swap costs					-274	-312	-131	-191	-198	-320	-380	-256	-94	-63%	-53%
Dividend	95	1	37	0	2	0	0	0	2	1	0	0	0	n.m.	n.m.
Operating Costs	767	846	787	939	875	968	982	1,104	1,116	1,166	1,183	1,345	1,199	-11%	7%
o/w fee rebates	0	0	0	0	11	17	28	45	50	50	63	43	35	-18%	-30%
Operating Income	1,006	1,134	945	947	934	1,117	1,116	1,276	1,184	1,228	1,048	1,451	1,586	9%	34%
Provisions	353	333	374	415	434	435	490	503	550	695	621	655	698	7%	27%
Specific Provisions	230	267	352	248	318	314	352	274	381	378	398	506	489	-3%	28%
Generic Provisions	57	40	22	106	86	93	112	169	138	225	232	93	115	24%	-16%
Other Provisions	66	26	0	62	31	27	27	60	32	92	-10	56	94	69%	199%
Pre-tax Income	653	802	571	532	500	683	626	773	634	532	427	797	887	11%	40%
Tax	112	181	125	118	88	158	136	143	133	125	109	162	183	13%	38%
Net Income	541	621	455	414	412	525	490	630	501	407	318	635	704	11%	41%
ROE	13.7%	15.7%	15.8%	15.3%	9.6%	12.0%	10.8%	13.5%	10.3%	8.0%	6.1%	12.0%	12.8%		
Cost/Income	43%	43%	45%	52%	48%	46%	47%	46%	49%	49%	53%	48%	43%		
CoR	1.2%	1.4%	1.6%	1.3%	0.9%	1.1%	1.4%	1.7%	1.4%	1.6%	1.6%	1.5%	1.4%		
Tax Rate	17.1%	22.5%	21.9%	22.2%	17.5%	23.1%	21.7%	18.6%	21.0%	23.5%	25.6%	20.3%	20.6%		

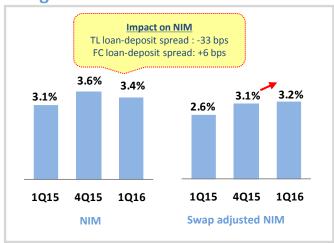
Notes:

As of 1H15, Yapı Kredi 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 starting from 1Q14. This revision only impacts bank-only financials

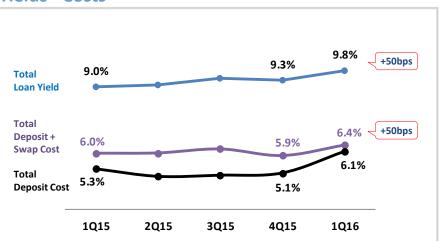


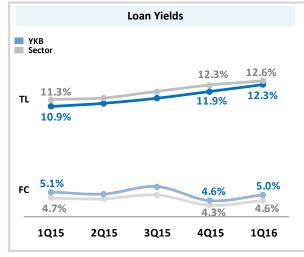
NIM details

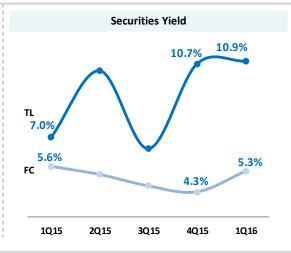
Margin

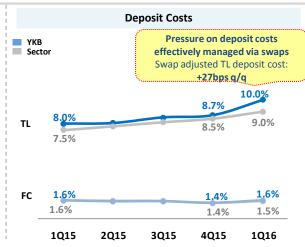


Yields - Costs









Notes:

All information on YKB based on BRSA bank-only financials

Reported Quarterly NIM figures: 4Q15: 3.7%; 1Q16: 3.4%

Sector based on BRSA monthly data as of Mar'16

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)



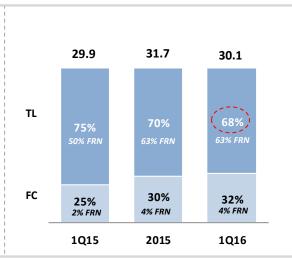
Securities

1Q15

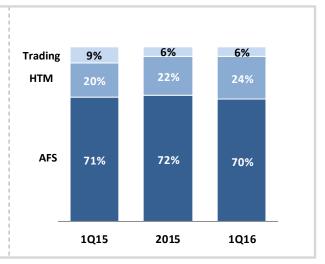
Securities/Assets 14% 14% 14% 13% 14% 13%

2015

Composition by Currency (TL bln)



Composition by Type



- Securities / assets stable at 13% with dynamically managed mix to benefit from rate environment
- Slight decrease in TL share in total securities due to redemptions.
 CPI-linker volume at 8.4 bln TL (-1% ytd) with gain of TL 313 mln in 1Q16 (vs TL 295 mln in 4Q15)
- M-t-m unrealised loss at TL -80 mln in 1Q, down from TL -285 mln in 4Q supported by positive evolution in TL rates

Security Yields



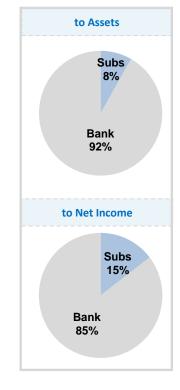


1Q16

Subsidiaries

		Revenues (mln TL)	Revenues (y/y growth)	RoE	Sector Positioning
	YK Leasing	84	33%	16%	#1 in total transaction volume (14.9% market share)
Domestic Subs	YK Factoring	23	12%	11%	#1 in total factoring volume (19.3% market share)
Domest	YK Invest	28	-42%	32%	#3 in equity transaction volume (7.6% market share)
	YK Asset Management	14	8%	98%	#2 in mutual funds (18.1% market share) Highest credit rating in its sector ¹
ω	YK Azerbaijan	9 mln US\$	-23%	4%	US\$ 278 mln total assets
International Subs	YK Moscow	3 mln US\$	-8%	8%	US\$ 157 mln total assets
nternati	YK Nederland	10 mln US\$	8%	7%	US\$ 2.2 bln total assets
_	YK Malta	7 mln US\$	641%	45%	US\$ 118 mln total assets

Contribution of Subsidiaries²



⁽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





Note: Revenues in TL unless otherwise stated. Market shares as of 1Q16



Financial Highlights

(in EUR, 1Q16)

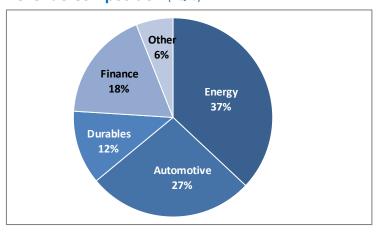
Total Assets (bln)	23.7
Revenues (mln)	4,332
Net Income (mln)	159

Number of Employees	91,552
Market Capitalisation (bln)	10.1

- Established in 1926, Turkey's largest industrial and services group in terms of turnover and exports
- 381st largest company in the world¹
- Leading positions with strong competitive advantages in energy, automotive, consumer durables, finance, food, retailing and tourism sectors



Revenue Composition (1Q16)



Market Positions²

- Sole petroleum refiner in Turkey
- #1 in **LPG distribution** (29% market share)
- #2 in petroleum products distribution (18% market share)
- #1 in total automotive (24% market share)
- #3 in passenger cars (14% market share)
- #1 in commercial vehicles (51% market share)
- #1 in white goods (50% market share) (refrigerators, washing machines, ovens, air conditioners)
- #4 in total banking assets among private banks
- #1 in leasing; #1 in factoring and #2 mutual funds

Source: Koç Group investor relations website, presentations and publicly available financials Market shares as of YE15. Market capitalisation as of 13 Jun'16, calculated as share price * paid-in capital. Free float: 22.35%

(1) According to Fortune Global 500 as of 2015

(2) As of full year 2015





Financial Highlights

(in EUR, 1Q16)

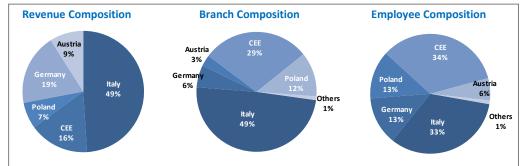
Total Assets (bln)	892
Loans (bln)	483
Deposits and Debt Securities Issued (bln)	606
Revenues (mln)	5,476
Net Income (mln)	406
No. of Branches	7,839 ¹
No. of Employees	143,000²
CET1 - FL	10.85%
Capital Adequacy Ratio	13.98%
Market Capitalisation (bln)	13.5 ³

- Roots dating back to 1473. Created through the merger of 9 of Italy's largest banks and the subsequent combination with the German HVB Group and the Italian Capitalia Group
- A major international financial institution based in Italy with operations in 17 countries and 50 financial markets
 - Leader in Austria with 14.8% market share
 - #2 in Italy with 12.5% market share
 - #3 in Germany with 2.5% market share
- Largest international banking network in the CEE region with more than 4 thousand branches and outlets
 - Leader in Bosnia, Bulgaria and Croatia
 - In the Top 5 in Serbia, Slovakia, Turkey, Czech Rep., Poland
 - In the Top 10 in Romania, Baltics, Russia, Slovenia, Hungary and Ukraine



- BulgariaCroatiaSlovakiaSlovenia
- CroatiaCzech RepublicSerbia
- Hungary Turkey
- Hungary Poland





Source: Unicredit Group investor relations website, presentations and publicly available financials. Market shares as of 2015 EUR/US\$: 1.1. Market capitalisation as of 15 Feb'16, calculated as share price * paid-in capital. Free float: ~%80



⁽¹⁾ Figures include branches of Koç Financial Services calculated at 100% (1,038 branches)

²⁾ Figures include employees of Koç Financial Services calculated at 100% (19,550 employee)

⁽³⁾ As of 13 Jun'16

Turkey: A large and dynamic country with solid growth potential and resilient fundamentals

urke

Europe's 8th largest economy¹ and a member of G20

- Young, dynamic, large and growing population
- Sovereign ratings of Baa3/BB+/BBB- by Moody's/ S&P/Fitch. First investment grade achieved in Nov'12 (Fitch). Second investment grade achieved in May'13 (Moody's)

	TR 2015	EU 2015
Population (mln)	79	508
Median Age	30	43
Population Growth (CAGR 2000-2015)	1.4%	0.4%
GDP (€ bln)	646	14,625
World Ranking	18	-
Per Capita GDP (€)	8,199	28,767
World Ranking	65 ¹	-

Macro

- Converging economy with solid growth potential
- Focus on achieving balanced growth driven by both consumption and net exports
- Strong fiscal discipline with low public debt/GDP
- Improving CAD/GDP due to lower oil prices and domestic demand

	2011	2012	2013	2014	2015	2016F
GDP Growth	8.8%	2.2%	4.2%	3.0%	4.0%	~3.5%
nflation (eop)	10.4%	6.2%	7.4%	8.2%	8.8%	~7-8%
Benchmark Rate (eop)	11.0%	6.2%	8.7%	8.5%	10.6%	~10.0%
Unemployment	9.1%	8.4%	9.0%	9.9%	10.3%	10.9%
Policy Rate	5.8%	5.5%	4.5%	8.3%	7.5%	~9.0%
CAD/GDP	9.9%	6.1%	7.9%	5.5%	4.5%	4.5%
o/w energy	6.1%	6.6%	6.0%	6.0%	4.6%	-
Public Debt/GDP	40%	38%	37%	35%	32%	33%
Private Debt/GDP ²	80%	82%	100%	105%	115%	-
Budget deficit/GDP	-1.3%	-2.0%	-1.2%	-1.3%	-1.2%	-1.8%

Source: Turkstat, Eurostat (for population, median age, population growth, GDP, per capita GDP, unemployment), IMF (for world ranking), CBRT (inflation), Bloomberg (benchmark), Turkstat and CBRT (for CAD/GDP), Treasury and Turkstat (public debt/GDP), CBRT, BRSA, Treasury and Turkstat (private debt/GDP)

YapıKredi

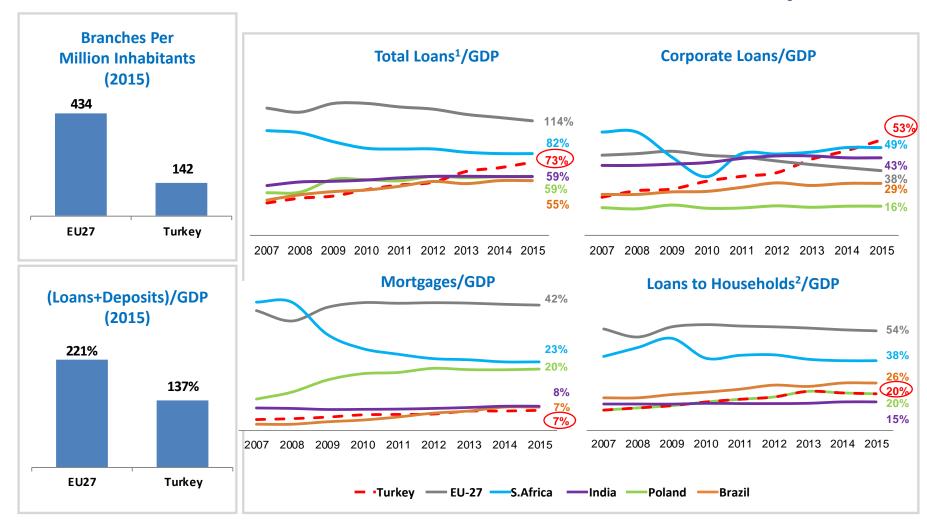
Notes: EU indicates EU27 countries (source: population and macro data based on Turkish Statistical Institute). 2015F based on YKB Economic Research

⁽¹⁾ Based on Turkish Statistical Institute and IMF World Economic Outlook

⁽²⁾ Total private debt/GDP of 105% includes domestic debt of 65% (o/w Households 20%, Companies 45%) and external debt of companies & financial institutions of 49%

Despite solid growth in recent years, Turkish banking sector still underpenetrated in household lending

Banking Sector Penetration



Source: European Central Bank, BRSA, CBRT, Turkstat, ML database for India, Brazil, S.Africa

Note: Loan data for all countries based on 2015 actual figures

(1) Excluding lending to credit institutions



⁽²⁾ Including housing loans, consumer lending and other household lending (including CC, excluding SMEs)

Healthy banking sector, resilient against external shocks and supporting economic growth

Banking Sector

Banking Sector

- Well regulated (BRSA est. in 2001)
- Best practices in technology: payment systems and qualified workforce
- Healthy profitability albeit impacted by regulation and competition
- Sound asset quality, liquidity and capitalisation

Developments

- Regulatory pressure related to:
 - fees (account maintenance fees)
 - costs (fee rebates)
 - capital (alignment to IRB as of 2017)
 - provisioning (IFRS9 analysis ongoing)

es
eng
a
5

- Interest rate and currency volatility
- Pricing competition and maturity of funding sources
- Asset quality

	Banking Sector									
	2007	2012	2013	2014	2015	1Q16				
Banks #	46	46	48	48	48	48				
Branches #	7,618	10,234	11,023	11,223	11,193	11,185				
Loan Growth	30%	15%	33%	18%	21%	1%				
Deposit Growth	27%	11%	24%	10%	19%	3%				
Loans/GDP ¹	32%	53%	64%	67%	73%	65%				
Deposits/GDP ¹	42%	54%	61%	60%	64%	58%				
Loans/Assets	48%	58%	61%	62%	64%	63%				
Deposits/Assets	62%	59%	58%	56%	56%	56%				
NIM	5.0%	4.2%	3.8%	3.6%	3.6%	3.6%				
NPL Ratio	3.5%	2.8%	2.6%	2.8%	2.9%	3.1%				
Specific Coverage	88%	75%	77%	75%	76%	77%				
CAR ²	17.4%	17.3%	14.6%	15.7%	15.0%	14.9%				
Tier 1 Ratio	15.5%	14.2%	12.2%	13.1%	12.5%	12.7%				
ROAE	24.6%	15.8%	13.3%	12.8%	11.5%	12.9%				
ROAA	2.6%	1.7%	1.4%	1.3%	1.1%	1.4%				

Source: Turkish Banks Association for bank and branch numbers, BRSA for banking sector data (including BS, P&L, KPIs), Turkstat for GDP data Notes:

Minimum total CAR at 8% (threshold for opening branches minimum 12% CAR), T1 at 6%, core T1 at 4.5% Leverage regulation effective as of Jan'14; yet the minimum of 3% applicable as of Jan'15

(1) GDP expectation used for 2016

(2) Based on BRSA monthly financials; indicating deposit banks



Credit Ratings

Credit Ratings

L	ong-Term Forei	gn Currency	Long-Term Local (Currency
	Rating	Outlook	Rating	Outlook
Yapı Kredi *	Baa3	Negative	Baa3	Negative
Garanti	Baa3	Negative	Baa3	Negative
Akbank	Baa3	Negative	Baa3	Negative
Işbank	Baa3	Negative	Baa3	Negative
Halkbank	Baa3	Negative	Baa3	Negative
Vakıfbank	Baa3	Negative	Baa3	Negative
Yapı Kredi *	BB+ (affirmed)	Stable (upgraded)	BB+ (affirmed)	Stable (upgraded)
Garanti	BB+ (affirmed)	Stable (upgraded)	BB+ (affirmed)	Stable (upgraded)
Akbank	Not rated	-	Not rated	-
Işbank	BB+	Negative	BB+	Negative
Yapı Kredi	BBB (affirmed)	Negative (downgraded)	BBB (affirmed)	Negative (downgraded)
Garanti	BBB	Stable	BBB	Stable
Akbank	BBB-	Stable	BBB-	Stable
Işbank	BBB-	Stable	BBB-	Stable

S&P's Outlook Change on 10 May'16

- S&P revised Yapı Kredi's outlook to "Stable" from "Negative" based on an upward revision on Turkey's outlook to "Stable"
- According to S&P: «YKB would receive group support from their foreign parent if their stand-alone credit profiles were to worsen through deterioration in their operating conditions»

Fitch Outlook change on 31 Mar'16

 Fitch revised Yapı Kredi's outlook to "Negative" from "Stable" based on an action taken on UniCredit's rating outlook, and affirmed Yapı Kredi's BBB FC and LC Long-term ratings.



^{*} Ratings valid since Mar'14 (Moody's), Nov'12 (Fitch), Apr'13 (S&P)

Note: Ratings and outlook changes presented in the table are based on actions made in 2016

YKB's investment grade ratings

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