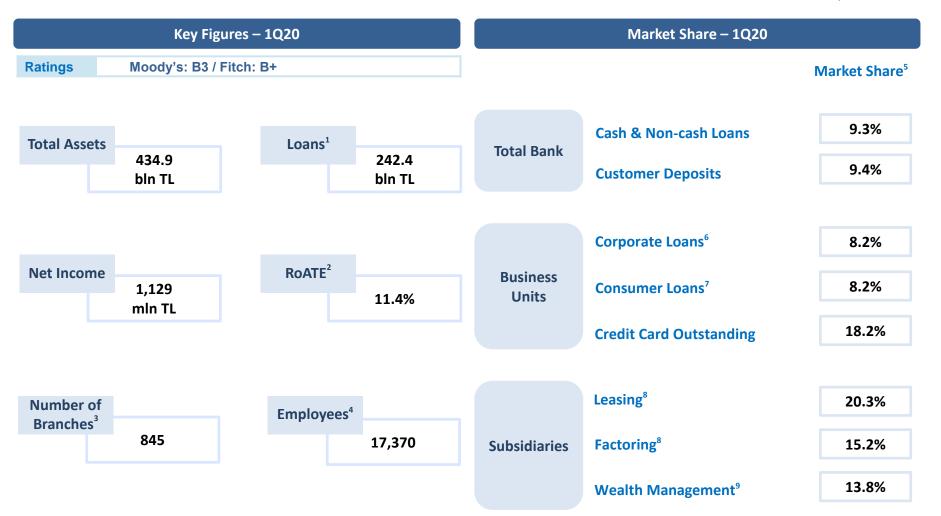
#StayAtHome #WeWillGetBetter

Yapı Kredi 1Q20 Investor Presentation



Yapı Kredi: A leading financial services group

Yapı Kredi Overview



Notes:



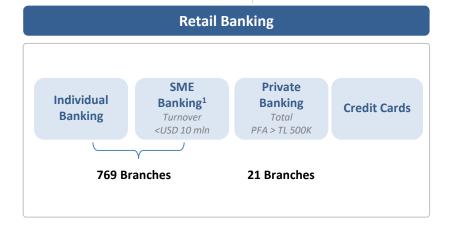
^{1.} Loans indicate performing loans, 2. RoATE indicates return on average, tangible equity (excl. intangible assets), 3. Bank-only,

^{4.} Group data. Bank-only: 16,540, 5. Market shares are based on: Interbank Card Center (for credit card acquiring and number of cardholders), Turkish Leasing Association (for leasing), Turkish Factoring Association (for factoring), Central Bank Cheque Clearing System (for cheque clearing) Rasyonet (for mutual funds), Borsa Istanbul (for 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 27 Mar'20, 6. Cash loans excluding credit cards and consumer loans, 7. Including mortgages, GPL and auto loans, 8. As of 2019 year-end, 9. Refers to Mutual Funds

Well-diversified commercial business mix and customer-oriented service model



Corporate and Commercial Banking Corporate Turnover >USD 100 mln Commercial Turnover USD 10-100 mln International/ Multinational 3 Branches 45 Branches 1 Branch

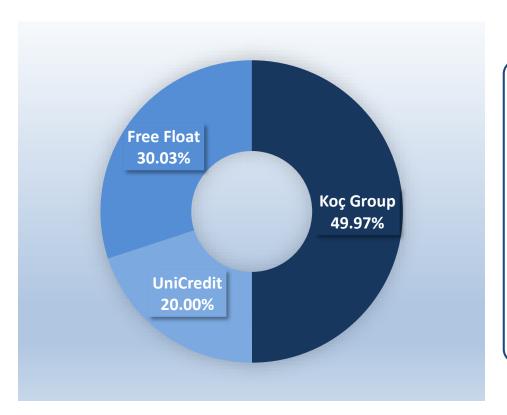








Stable, long-term focused majority shareholder supporting Yapı Kredi's strategy





Largest business group in Turkey with combined revenue equal to 8% of Turkey's GDP

Koç Holding	2019
Total Assets (EUR bln)	22.6
Revenues (EUR mln)	24,185
Net Income (EUR mln)	692

Koç Holding Ratings: Moody's: B1 / S&P: BB-

Covid-19 time-line in Turkey and Yapı Kredi's actions



PREVENTIVE ACTIONS

- Crisis management activated, action plan set for five phases of severity
- IT set-up tested for extensive remote working mode
- Travel ban put for all employees
- Physical meetings, events, trainings and customer visits cancelled
- Employees with chronic illnesses or expecting put in administrative leave
- Hygiene equipment restored and sent to branches

- 10,000+ employees started to work from home
- All visits to head office or banking campus cancelled
- Branches in hospitals and malls closed
- ATM cash withdrawal limits raised
- Daily contactless payment limit raised
- No fee on money transfer via Digital/Mobile Banking or ATMs
- Online trainings increased
- Entire Call Center capacity enabled to be fully functional as home-agent
- Thermal scanners, notouch thermometers and visors started to be used

- Branches started to work between 12:00 – 17:00 with 50% rotation
- Call center re-designed, all direct sales teams were rerouted to call center for outside working hours
- Loan repayments postponed for three months in case of request
- Remote customer services by branch RMs extended via increased utilisation of mobile approvals
- Supportive actions for the employees (i.e. insurance, pays)
- Transparent communication with vendors and suppliers
- Close monitoring of press and social media

- Branch back-up process started(~25% of the network)
- Remote customer services capacity increased via shared sources created for call center and RMs
- Masks & glove pairs sent to homes of employees
- TL 10 mln of donation via emergency equipment support to the hospitals
- Social distance was encouraged at all locations with signals and barriers
- Technical staff stay at Operation Center during curfew

333 Actions Taken

- 178 on Remote Working
- 49 Enhance Digital Experience
- 3 Video Banking
- 103 Regulatory Changes

IMMEDIATE CUSTOMER COMMUNICATION VIA ALL CHANNELS

FULLY OPEN COMMUNICATION WITH PERSONNEL



Covid-19 Actions and implications: Safety of franchise first and foremost, with sustained customer service alongside with solid fundamentals

Employees Kept Healthy and Safe

- 75% of the work-force moved to home-office (all head-quarter, call center and rotated network)
- Rotated branch employees using remote customer services
- ~40 mln TL additional cost incurred where possible new business model hints more savings

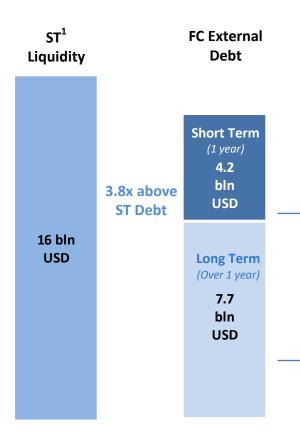
Un-interrupted Customer Service

- No disruption on customer services, transactions moved to digital channels and call center w/out any loss in m.shares
- Loan postponements (~320k customers, ~1.0% of total loans)
- Active utilisation of CGF schemes
- Utilisation of existing limits, with additions, if needed
- Strong e-commerce presence; 100bps market share increase

Solid Fundamentals

- **LIQUIDITY**: Ample liquidity levels (c.200% vs 150% under severe stress) maintained even in a severe stress test scenario
- **CAPITAL:** Capital buffers at a very comfortable level (c.400bps vs 200bps under severe stress)

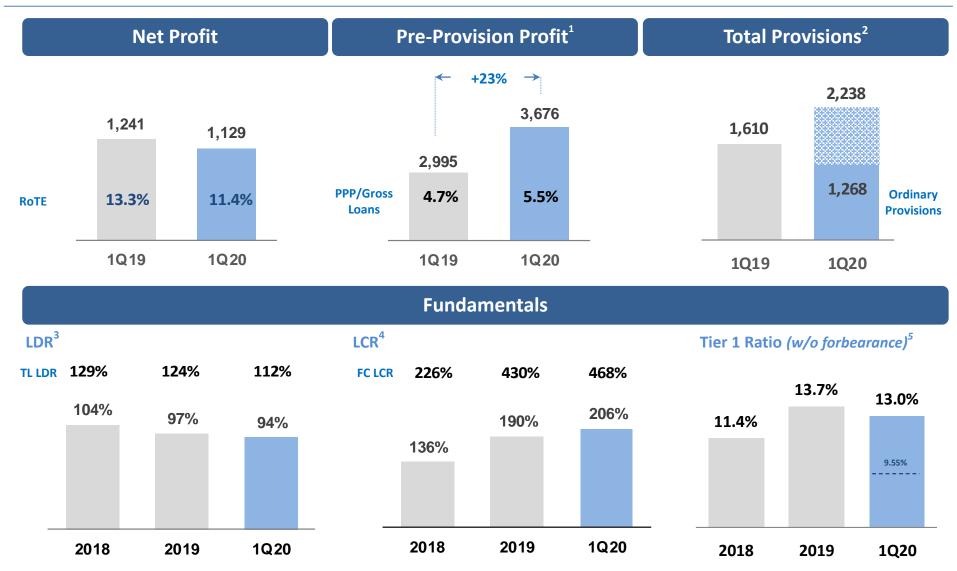
Ample level of liquidity 3.8x of ST FC external debt



Shout Town Funding /hlp (ICD)	Total	2020	2020	4020	1021
Short Term Funding (bln USD)	TOTAL	2Q20	3Q20	4Q20	1Q21
Tier I & II	0.0	0.0	0.0	0.0	0.0
Senior Bonds	0.0	0.0	0.0	0.0	0.0
Securitizations & Supranational Funding	0.4	0.1	0.1	0.1	0.1
Syndications	2.0	1.1	0.0	0.9	0.0
Other	1.8	0.6	0.3	0.7	0.2
Total	4.2	1.8	0.5	1.8	0.2

Long Term Funding (bln USD)	Total	Rest of 2021	2022	2023	+2023
Tier I & II	2.9	0.0	0.9	0.9	1.2
Senior Bonds	2.1	0.0	0.6	0.5	1.0
Securitizations & Supranational Funding	2.5	0.3	0.4	0.4	1.5
Syndications	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.1	0.1	0.0	0.2
Total	7.7	0.4	2.0	1.7	3.8

1.1 bln TL net profit with strong PPP generation and cautious provisioning supported by solid fundamentals



Notes:

- 1. 1Q19 PPP with normalised CPI linker income for homogenous comparison (reported: 3,193 TL mln)
- 2. ECL + other provisions
- 3. LDR= Loans / (Deposits + TL Bonds)
- 4. Based on past three months averages
- 5. 1Q20 Reported Tier 1 Ratio at 13.7%

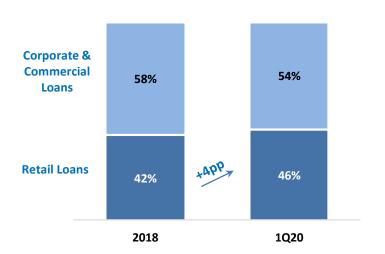
TL driven loan and deposit growth, with enhanced focus on small tickets

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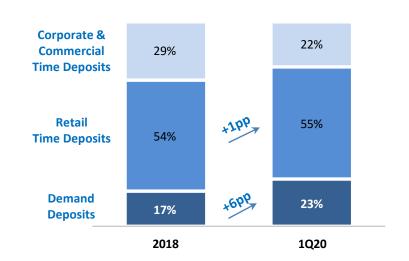
Loan volumes (TL bln)										
	Yapı Kredi Private Banks									
	1Q20	ytd	у/у	ytd	у/у					
Cash+Non-cash Loans ²	336.6	6%	4%	7 %	8%					
TL^3	164.4	3%	11%	6%	11%					
FC (\$) ³	26.4	-1%	-14%	-1%	-9%					
Cash Loans ²	242.4	6%	5%	7 %	9%					
TL^3	136.1	3%	12%	7%	13%					
FC (\$) ³	16.3	0%	-16%	-1%	-9%					

Deposit	t volun	nes (TL	bln)		
	Ya	apı Kredi	i	Private	Banks ¹
	1Q20	ytd	у/у	ytd	у/у
Customer Deposits	247.2	9%	15%	7 %	19%
TL	111.7	12%	29%	4%	22%
FC (\$)	20.8	-2%	-9%	1%	2%
Customer Demand Deposits	60.3	17 %	46%	19%	43%
TL	22.0	6%	42%	4%	36%
FC (\$)	5.9	13%	29%	18%	28%

Cash Loan Breakdown (FX adjusted)4



Deposit Breakdown (FX adjusted)⁴



Notes:

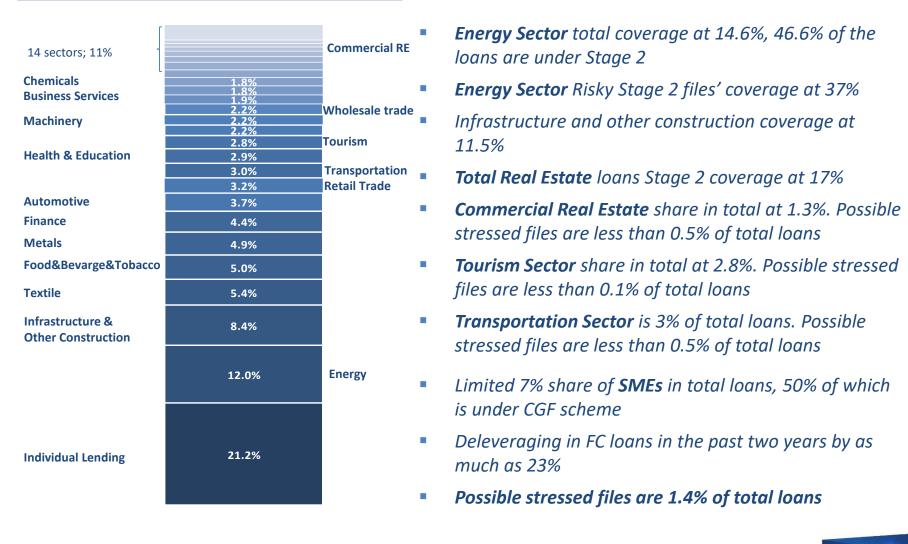
- Private banks based on BRSA weekly data as of 27 March 2020
- Cash Loans indicate performing loans excluding factoring and leasing receivables
- 3. TL and FC loans are adjusted for the FX indexed loans
- . Based on MIS data adjusted for FX, Retail includes individual, credit cards and SMEs



Well diversified loan portfolio and sound coverage sectors with possibility of deterioration

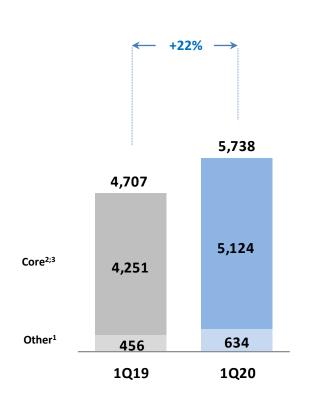
ending.

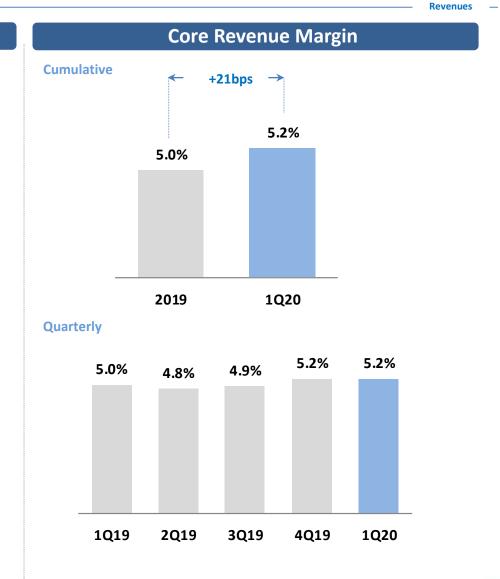
Sectoral breakdown of Loans



Strong y/y increase in core revenues, with 21 bps ytd improvement in revenue margin





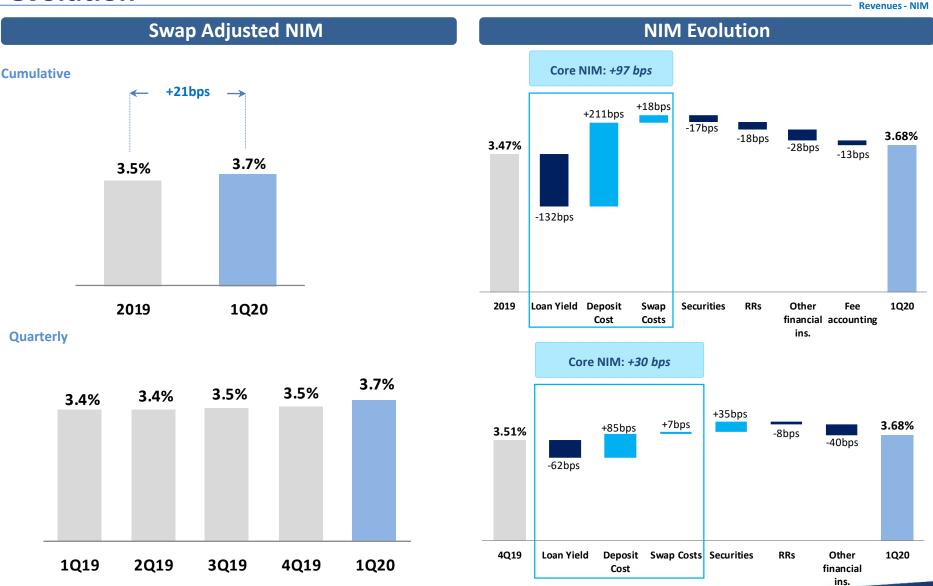


Notes:

- 1. Revenues and other revenues exclude ECL collection income and trading income to hedge FC ECL
- 2. Core Revenues = NII + swap costs + net fee income
- 3. 1Q19 Reveneues and Core Revenues with normalised CPI linker income for homogenous comparison (reported: Revenues: 4,906; Core: 4,449 TL mln

Expansion in NIM on a ytd basis, thanks to better Core NIM

evolution



Notes:

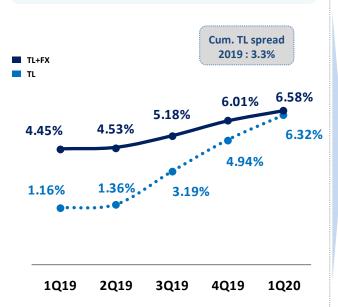
%YapıKredi

Loan-Deposit Spread -

Loan – Deposit Spread Evolution

Loan-Deposit Spread (Quarterly)

vs. 4Q19 on the back of a significant improvement of 138 bps in TL loan-deposit spread q/q



Deposit Costs (Quarterly)

143 bps improvement in total cost of deposits q/q mainly due to 283 bps decline in TL deposit costs q/q also supported by the downward trend in FC deposits

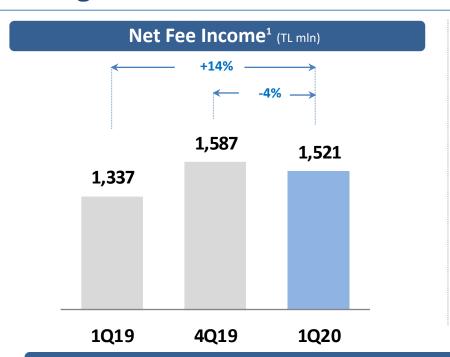


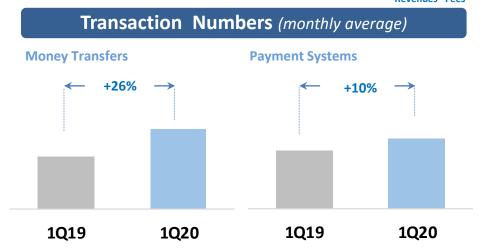
Loan Yields (Quarterly)

Controlled decrease of 85 bps in loan yields (TL: -145 bps) vs.4Q19 in a decreasing interest rate environment



Fees still strong on a y/y basis... Under pressure due to regulation change and less commercial activity

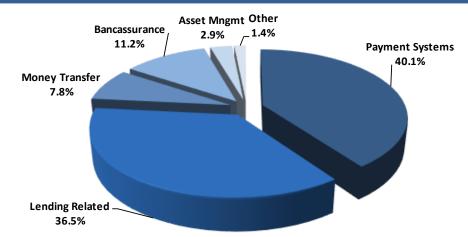




Strong transaction numbers...

Decline in revenue generation in March due to Covid-19 impact and Regulations

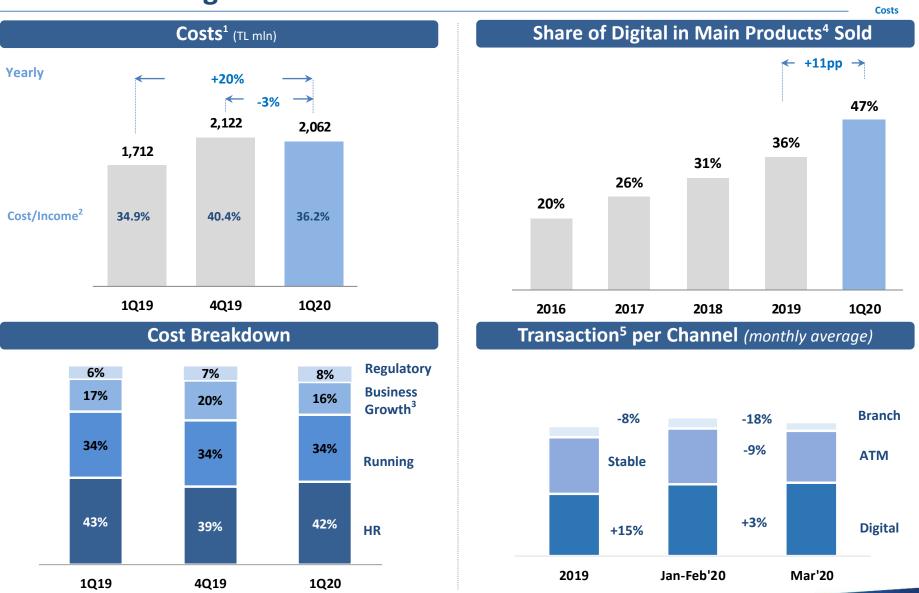
Net Fees Composition¹



- Payment systems: +9% y/y
- Lending Related: +4% y/y
- Bancassurance: +57% y/y
- Asset management: +106% y/y

Mapikredi

Cost growth mainly impacted by elevated regulatory costs and actions taken against Covid-19



Notes:

- Excluding pension fund provision (4Q19: TL 257 mln)
- 2. Income adjusted for trading income to hedge FC ECL and collections
- 3. Includes customer acquisition cost and investments

- . Based on MIS data; Main Products; GPL, CC, Time Deposit, and Flexible Account
- Transactions include, Money Transfers, Payments, Deposit, Cash Loans, Non-cash Loans, Insurance, Money withdrawal, Investment products, Credit Cards



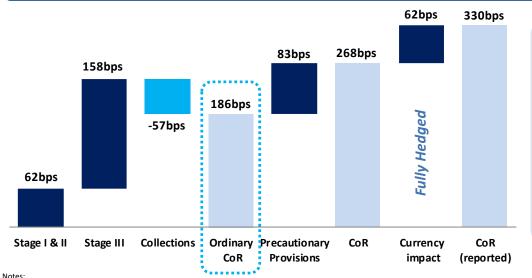
15

Improvement in CoR due to limited NPL inflows with further cautious increase in coverages





Cost of Risk Composition



- + Ordinary CoR at 186 bps; c.85 bps additional CoR to be on the conservative side; elevating the coverage levels
- + 413 mln TL other provisions including pension fund

Notes:

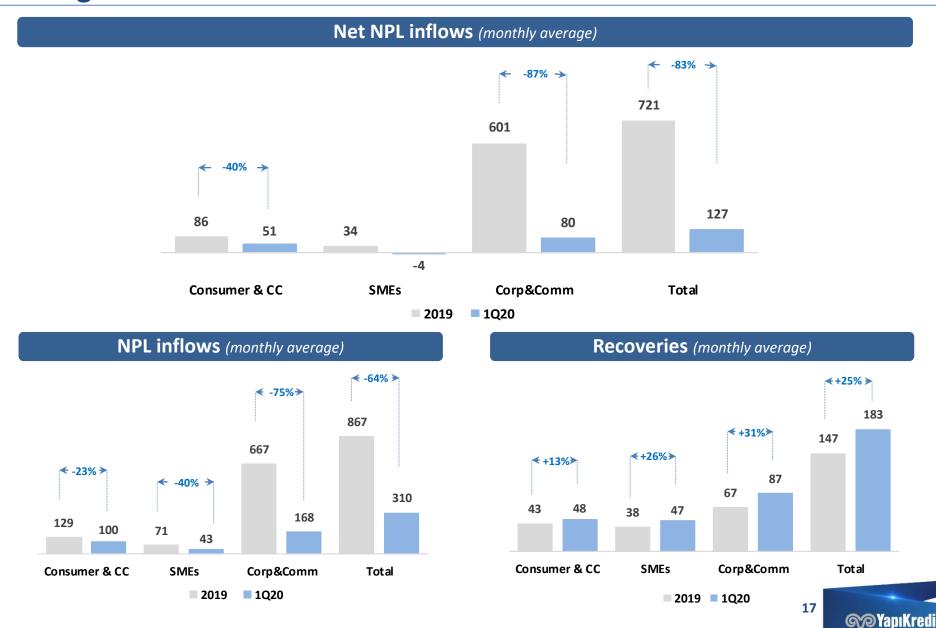
Based on Consolidated BRSA financials



^{1.} Cost of Risk = (Total Expected Credit Loss- Collections-FC ECL hedge)/Total Gross Loans

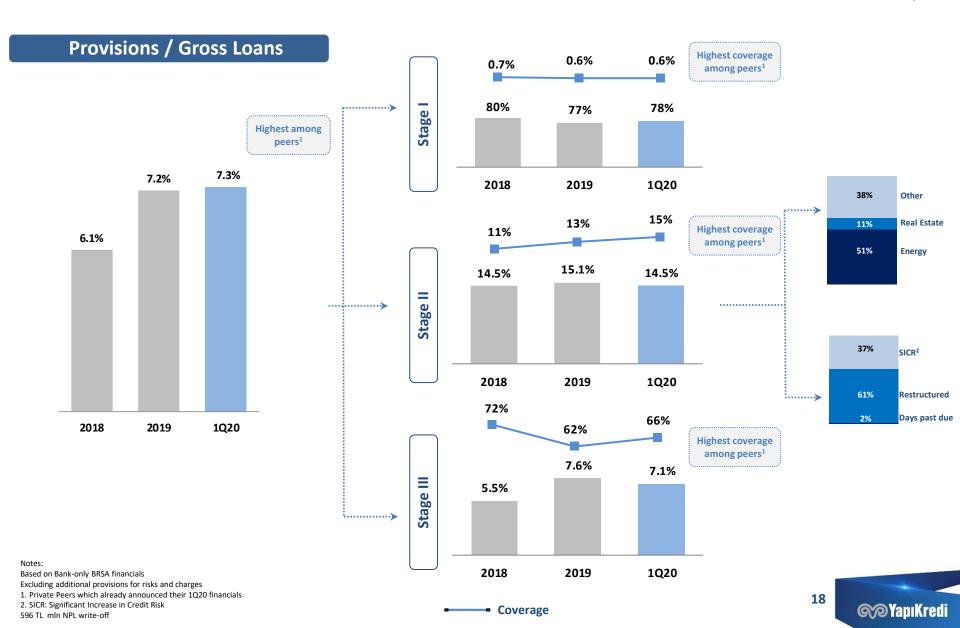
^{2.} Stated CoR - 1Q19: 2.71%; 2Q19: 2.75%; 3Q19: 2.77%; 4Q19: 4.81%; 1Q20: 3.30% - 2019: 3.29%)

NPL formation was supportive in 1Q20, in all segments with strength in collections



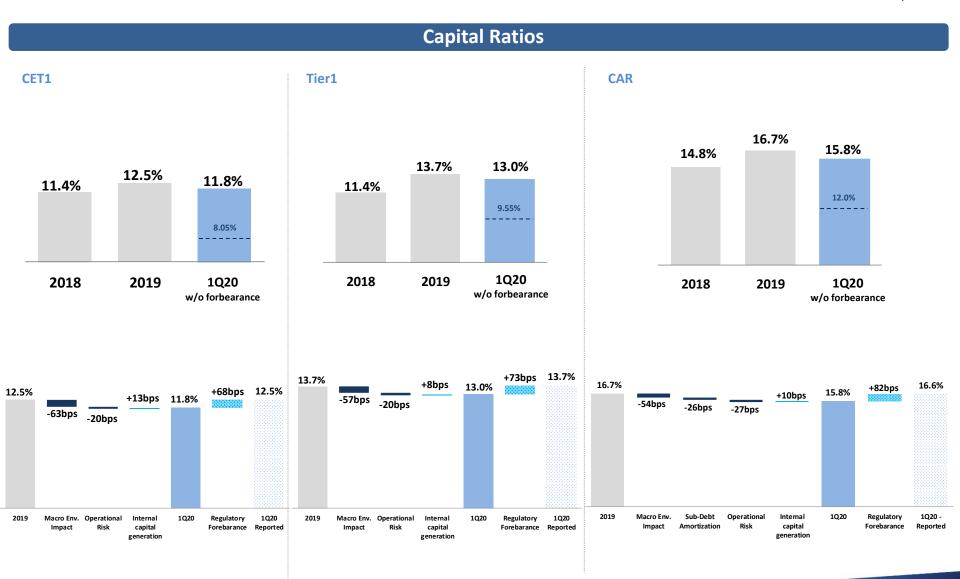
Improvement in asset quality with further increase in coverages despite write-off of fully covered files...

Asset Quality



Capital ratios 350-400 bps above regulatory requirements despite negative impact arising from macro environment

Capital



2020 Guidance

		2020 Guidance	Potential	Reasons
Fundamentale	LDR	≤ 105%	✓ No Risk	-
Fundamentals	CAR	≥ 16%	Slight Downside Risk	Slight downside risk due to macro economic developments
Volumes	TL Loans	High-teens	Downside Risk	Slight downside risk due to slowdown in demand
Revenues	NIM	≥ 3.7%	Slight Downside Risk	Lower commercial activity and higher liquidity
Revenues	Fees	High-single digit	Downside Risk	Negative impact arising from regulation change and lower commercial activity
Costs	Costs	Mid-teens	✓ No Risk	-
Asset Quality	NPL ratio	~ 7%	♠ Upside Risk	Potential deterioration in asset quality due to elevated levels of coverage, lower than expected growth and
Asset Quality	Total CoR	~ 225 bps	.a. Obside visk	difficulties arising from lock-down
Profitability	RoTE	Mid/Low-teens	Downside Risk	Potential downside risk due to above mentioned reasons

Annex

Macro Environment and Banking Sector

Macro Environment

Normalization trend on all macro lines in the first two months of 2020, with potential negative impact arising from Covid-19

	2017	2018	1Q19	2019	1Q20
GDP Growth (y/y)	7.5%	2.8%	-2.3%	0.9%	-
CPI Inflation (y/y)	11.9%	20.3%	19.7%	11.8%	11.9%
Consumer Confidence Index (avg)	68.6	67.0	58.6	58.2	58.2
CAD ¹ GDP ²	-4.8%	-2.6%	-0.7%	1.2%	0.8%
Budget Deficit/GDP	-1.5%	-1.9%	-2.3%	-2.9%	-2.6%
Unemployment Rate ³	10.9%	11.0%	13.9%	13.7%	12.6%
USD/TL (eop)	3.77	5.26	5.63	5.94	6.52
2Y Benchmark Bond Rate (eop)	13.4%	19.7%	21.2%	11.8%	11.2%

Banking Sector

Strong fundamentals of the sector with ongoing support to the economy during times with uncertainty

	2017	2018	1Q19	2019	1Q20
Loan Growth (y/y)	21%	14%	15%	10%	13%
Private	16%	6%	5%	5%	9%
State	27%	23%	27%	19%	20%
Deposit Growth (y/y)	16%	19%	23%	22%	22%
Private	13%	16%	19%	17%	18%
State	24%	25%	32%	31%	28%
NPL Ratio	2.9%	3.8%	3.9%	5.2%	4.9%
CAR	16.5%	16.9%	16.0%	18.0%	17.4%
ROATE	10.8%	13.9%	11.7%	10.6%	12.7%

Notoc:

All macro data as of March 2020 unless otherwise stated Banking sector volumes based on BRSA weekly data as of 27 March 2020

CAD indicates Current Account Deficit as of Feb'20

GDP as of 2019 year-end

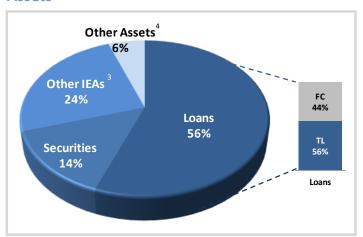
Unemployment rate is as of Jan'20, seasonally adjusted



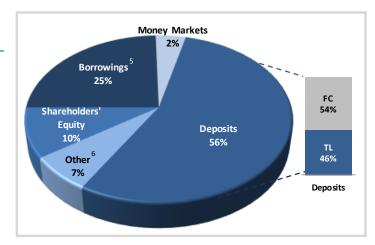
Consolidated Balance Sheet

TL bln	1Q18	1H18	9M18	2018	1Q19	1H19	9M19	2019	1Q20	q/q	у/у
Total Assets	328.7	365.1	422.0	373.4	393.4	409.0	396.9	411.2	434.9	6%	11%
Loans ¹	205.3	222.2	249.4	220.5	230.5	232.3	222.4	229.4	242.4	6%	5%
TL Loans	118.8	123.0	124.8	117.3	121.8	128.0	126.2	132.6	136.1	3%	12%
FC Loans (\$)	21.9	21.7	20.8	19.6	19.3	18.1	17.0	16.3	16.3	0%	-16%
Securities	41.7	45.2	49.7	49.9	52.1	54.5	54.4	57.1	62.6	10%	20%
TL Securities	30.7	32.7	33.7	35.9	37.4	39.0	39.3	41.1	44.6	9%	19%
FC Securities (\$)	2.8	2.7	2.7	2.7	2.6	2.7	2.7	2.7	2.8	2%	6%
Customer Deposits	166.6	180.1	210.8	199.9	215.4	219.5	214.4	226.0	247.2	9%	15%
TL Customer Deposits	81.4	76.7	84.7	86.9	86.6	90.9	90.5	99.5	111.7	12%	29%
FC Customer Deposits (\$)	21.6	22.7	21.1	21.5	22.9	22.4	21.9	21.3	20.8	-2%	-9%
Borrowings	80.8	90.0	114.5	90.0	98.6	101.9	100.1	102.4	102.6	0%	4%
TL Borrowings	6.8	7.8	7.0	5.6	7.6	8.2	8.3	10.8	11.3	4%	49%
FC Borrowings (\$)	18.7	18.0	17.9	16.1	16.2	16.3	16.2	15.4	14.0	-9%	-13%
Shareholders' Equity	31.6	37.8	40.3	39.0	39.1	40.5	40.2	41.2	41.9	2%	7%
Assets Under Management	20.1	19.6	19.9	21.1	17.4	25.7	26.5	27.3	28.6	5%	64%
Loans/Assets	62%	61%	59%	59%	59%	57%	56%	56%	56%		
Securities/Assets	13%	12%	12%	13%	13%	13%	14%	14%	14%		
Borrowings/Liabilities	25%	25%	27%	24%	25%	25%	25%	25%	24%		
Loans/(Deposits+TL Bills)	113%	114%	112%	104%	103%	101%	100%	97%	94%		
CAR ²	12.9%	13.9%	13.3%	14.8%	15.0%	15.6%	16.7%	16.7%	15.8%		
Tier-l ²	9.9%	10.7%	9.8%	11.4%	12.1%	12.8%	13.6%	13.7%	13.0%		
Common Equity Tier-I ²	9.9%	10.7%	9.8%	11.4%	11.0%	11.6%	12.5%	12.5%	11.8%		

Assets



Liabilities



Note: Loans indicate performing loans

- 1. TL and FC Loans are adjusted for the FX indexed loans
- 2. 1Q20 excluding regulatory forbearance; Reported: CAR: 16.6%; Tier-1: 13.7% CET-1: 12.4%
- 3. Other interest earning assets (IEAs) include Balances with the Central Bank 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 / Total exposures is limited to cash excluding Business Related (i.e. Trade Finance), Repos and Ioro/nostro accounts
- Other liabilities: other provisions, hedging derivatives, deferred and current tax liability and other



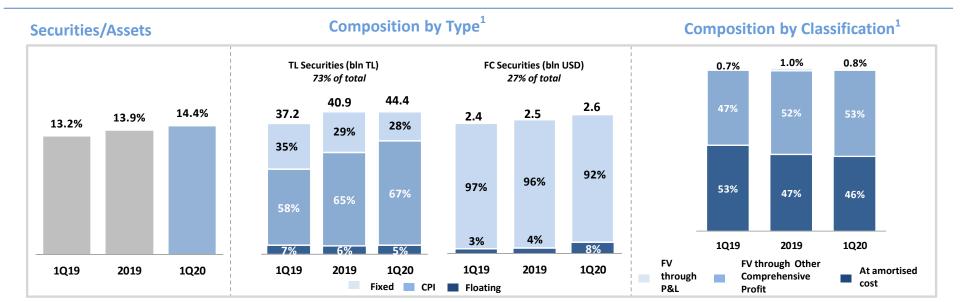
Consolidated Income Statement

TL million	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	q/q	y/y
Net Interest Income including swap costs	2,543	2,778	4,004	4,239	3,112	3,241	3,254	3,329	3,582	8%	15%
o/w NII	2,845	3,209	4,311	4,131	3,485	4,041	4,079	3,926	4,210	7%	21%
o/w CPI-linkers	436	460	1,360	2,478	787	770	830	304	762	150%	-3%
CPI-linkers (normalised)	1,126	1,150	1,191	1,269	588	687	689	727	762	5%	30%
o/w Swap costs	-302	-431	-308	107	-372	-801	-825	-597	-627	5%	69%
Fees & Commissions	1,034	1,051	1,036	1,116	1,337	1,258	1,347	1,587	1,521	-4%	14%
Core Revenues	3,577	3,829	5,040	5,354	4,449	4,499	4,600	4,916	5,103	4%	15%
Operating Costs	1,450	1,557	1,683	1,768	1,712	1,793	1,779	2,122	2,062	-3%	20%
Core Operating Income	2,127	2,272	3,357	3,586	2,737	2,706	2,821	2,794	3,041	9%	11%
Trading and FX gains/losses	11	275	152	266	336	79	211	148	473	220%	41%
o/w FX gains/losses	27	65	-193	225	77	128	138	98	157	60%	104%
o/w MtM gains/losses	-7	118	300	35	195	-115	-24	-7	152	-	-
o/w Trading gains/losses	-9	92	45	6	64	67	97	56	164	190%	154%
Other income	136	40	76	107	120	105	78	186	162	-13%	35%
o/w income from subs	28	25	31	32	28	18	22	26	20	-23%	-29%
o/w Dividends	4	8	1	2	10	6	0	1	1	-17%	-90%
o/w Others	104	7	45	73	82	81	55	160	141	-11%	72%
Pre-provision Profit	2,274	2,587	3,585	3,959	3,193	2,890	3,110	3,128	3,676	18%	15%
ECL net of collections	514	835	1,640	2,950	1,395	1,577	1,785	2,726	1,805	-34%	29%
o/w Stage 3 Provisions	607	738	1,433	1,844	1,406	1,900	1,575	2,812	1,737	-38%	23%
o/w Stage 1 + Stage 2 Provisions	237	460	996	798	533	29	279	450	864	92%	62%
o/w Collections (-)	330	363	244	90	337	251	198	329	381	16%	13%
o/w ECL hedging (-)	0	0	545	-397	207	101	-129	207	415	101%	100%
Provisions for Risks and Charges	100	185	475	-530	211	0	59	-12	413	-	-
Other Provisions	47	8	52	82	5	5	20	18	20	12%	289%
Pre-tax Income	1,660	1,568	1,470	1,539	1,588	1,314	1,266	414	1,458	252%	-8%
Tax	369	332	303	376	341	189	270	133	308	132%	-10%
Net Income	1,244	1,227	1,115	1,081	1,241	1,120	976	263	1,129	329%	-9%
ROTE	17.1%	16.4%	14.3%	14.2%	13.3%	12.5%	11.8%	9.8%	11.4%	161bps	-195bps
ROAA	1.5%	1.4%	1.3%	1.4%	1.3%	1.2%	1.2%	0.9%	1.1%	15bps	-23bps

Bank-Only Income Statement

3,326 3,973 762 762 -646 1,423 4,750 1,954 2,796 442 107 176	9% 7% 150% 5% -5% -6% 4% -3% 10% 241%	19% 18% -3% 30% 17% 11% 16% 21%
762 762 -646 1,423 4,750 1,954 2,796 442	150% 5% -5% -6% 4% -3%	-3% 30% 17% 11% 16% 21%
762 -646 1,423 4,750 1,954 2,796 442	5% -5% -6% 4% -3%	30% 17% 11% 16% 21%
-646 1,423 4,750 1,954 2,796 442	-5% -6% 4% -3%	17% 11% 16% 21% 13%
1,423 4,750 1,954 2,796 442 107	-6% 4% -3% 10%	11% 16% 21% 13%
4,750 1,954 2,796 442 107	4% -3% 10%	16% 21% 13%
1,954 2,796 442 107	-3%	21% 13%
2,796 442 107	10%	13%
442 107		
107	241%	-
		37%
176	151%	67%
2.0	363%	-9%
159	-49%	149%
302	-3%	1%
207	16%	-8%
0	-	-
95	-29%	43%
3,540	19%	14%
1,726	-34%	27%
1,703	-38%	24%
818	103%	57%
381	16%	13%
415	101%	100%
413		96%
16	18%	-
1,384	292%	-9%
255	185%	-11%
1,129	329%	-9%
11.4%	722bps	-195bps
1 1%	85bps	-26bps
,	381 415 413 16 1,384 255	381 16% 415 101% 413 - 16 18% 1,384 292% 255 185% 1,129 329% 11.4% 722bps

Securities



- Securities / Assets at 14.4% with dynamically managed mix
- CPI-linker volume at TL 21.6bln in book value² (nominal: 18.4 bln TL); with a gain of TL 762 mln in 1Q20 (Normalised 4Q19: TL 727 mln; 1Q19: TL 588 mln)

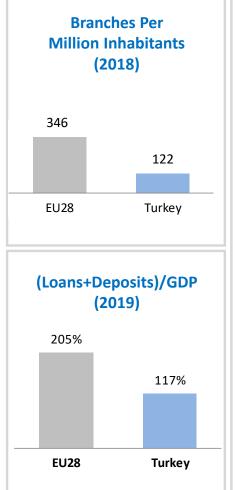
CPI linker valuation at 8.5% in 1Q20 (2019: 8.55%)

■ M-t-m unrealised loss at TL -441³ mln as of 1Q20 (TL -2,507³ mln in 1Q19)

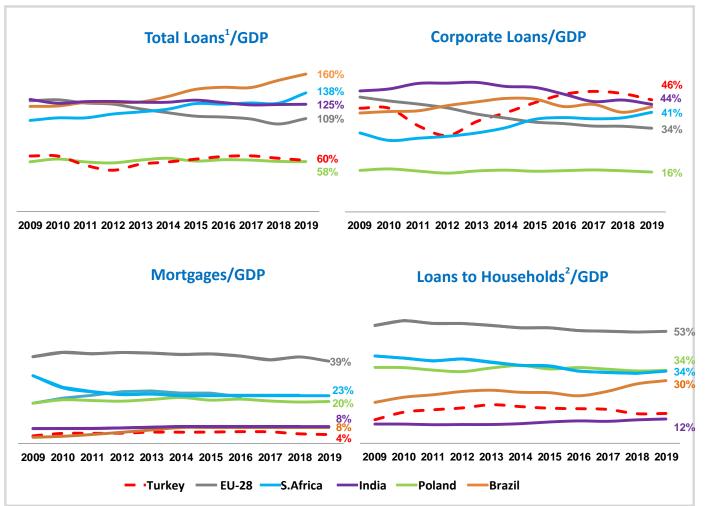


Details of main Borrowings

	Syndications	 US\$ 2.0 bln May'19: US\$ 350 mln and € 607 mln, all-in cost at Libor+ 2.50% and Euribor+ 2.40% for 367 days. 49 banks from 21 countries Oct'19: US\$ 370 mln & € 520 mln, all-in cost at Libor+ 2.25% and Euribor+ 2.10% for 367 days. 39 banks from 21 countries 				
	AT1	~US\$ 650 mln outstanding Jan'19: US\$ 650 mln market transaction, callable every 5 years, perpetual, 13.875% (coupon rate)				
ional	Subordinated Loans	~US\$ 2.36 bln outstanding Dec'12: US\$ 1,000 mln market transaction, 10 years, 5.5% (coupon rate) Jan'13: US\$ 585 mln, 10NC5, 5.7% fixed rate – Basel III Compliant Dec'13: US\$ 270 mln, 10NC5, 7.72% – Basel III Compliant Mar'16: US\$ 500 mln market transaction, 10NC5, 8.5% (coupon rate)				
International	Foreign and Local Currency Bonds / Bills	US\$ 2.18 bin Eurobonds 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 Mar'19: US\$ 500 mln, 8.25% (coupon rate), 5.5 years				
	Covered Bond	TL 1.97 bin out standing Oct'17: Mortgage-backed with maturity 5 years Feb'18: Mortgage-backed with 5 years maturity May'18: Mortgage-backed with 5 years maturity Mar'19: Mortgage-backed with 5 years maturity Dec'19: Mortgage-backed with 5 years maturity				
Domestic	Local Currency Bonds / Bills	TL 6.24 bin total Dec'19: TL 228 mln, 6-month maturity Dec'19: TL 1.00 bln, 6-month maturity, TLREF indexed Jan'20: TL 395 mln, 2-month maturity Feb'20: TL 1.20 bln, 2-month maturity Feb'20: TL 1.00 bln, 8-month maturity, TLREF indexed Mar'20: TL 631 mln, 2-month maturity Mar'20: TL 985 mln, 6-month maturity, TLREF indexed				
	Subordinated Loans	TL 800 mln total Jul'19: TL 500 mln, 10-year maturity, TRLIBOR + 100 bps Oct'19: TL 300 mln, 10-year maturity, TLREF index + 130 bps				



2019 GDP numbers are forecasted figures





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 well-qualified workforce
- Healthy profitability
- Sound asset quality, liquidity and capitalisation

Developments

- Regulatory developments:
 - CGF (supporting the loan growth)
 - capital (potential alignment to IRB)
 - provisioning (IFRS9 as of 2018)
 - corporate tax rate increase (2018-20 to 22%)

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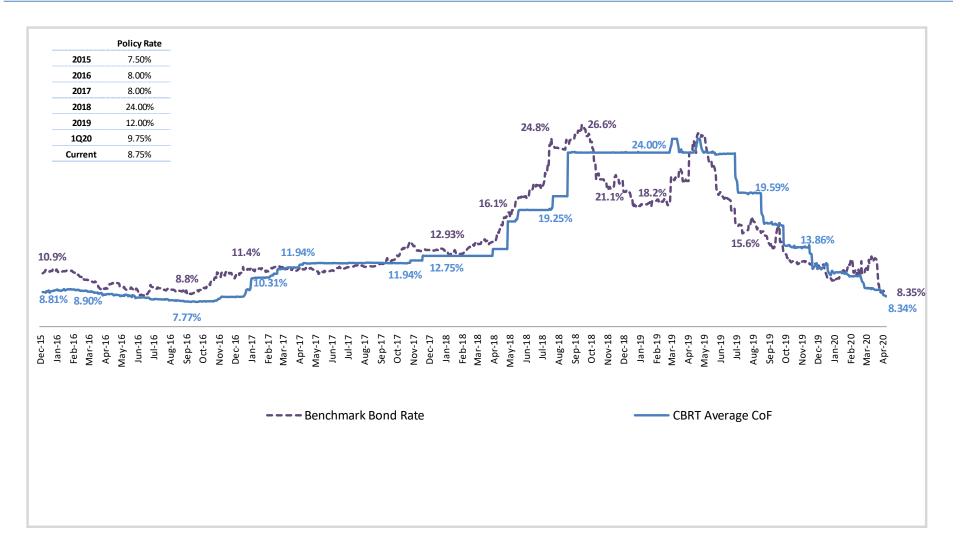
- Interest rate and currency volatility
- Pricing competition and maturity of funding sources
- Asset quality

	Banking Sector							
	2017	9M18	2018	1Q19	1H19	9M19	2019	1Q20
Banks #	51	52	47	47	53	53	53	53
Branches #	10,550	10,505	10,454	10,398	10,359	10,289	10,199	10,161
Loan Growth (yoy)	21%	30%	14%	15%	8%	-2%	10%	13%
Deposit Growth (yoy)	16%	31%	19%	23%	17%	8%	22%	22%
Loans/GDP ¹	65%	70%	62%	63%	61%	60%	60%	62%
Deposits/GDP ¹	55%	59%	55%	57%	55%	56%	58%	59%
Loans/Assets	65%	63%	63%	62%	61%	61%	61%	60%
Deposits/Assets	55%	53%	55%	56%	55%	57%	59%	58%
NIM	3.5%	4.1%	4.1%	3.7%	3.8%	3.9%	4.1%	4.9%
NPL Ratio	2.9%	3.1%	3.7%	4.0%	4.3%	4.7%	5.2%	5.0%
Specific Coverage	0%	70%	69%	69%	68%	66%	65%	69%
CAR ²	16.5%	17.7%	16.9%	16.0%	17.3%	18.0%	18.0%	17.4%
Tier 1 Ratio	13.6%	14.1%	13.6%	12.9%	14.2%	14.9%	14.9%	14.4%
ROAE	10.8%	14.3%	13.9%	11.7%	11.3%	10.7%	10.6%	12.7%
ROAA	1.1%	1.3%	1.4%	1.2%	1.2%	1.1%	1.1%	1.3%

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

⁽¹⁾ GDP calculation on a trailing basis

CBRT rates



Credit Ratings

Moody's

	Long-Term Foreign Currency			Long-Term Local Currency		
	Rating	Outlook	Rating	Outlook		
Turkey	B1	Negative	B1	Negative		
Yapı Kredi	В3	Negative	B2	Negative		
Garanti	В3	Negative	В2	Negative		
Akbank	В3	Negative	В2	Negative		
lşbank	В3	Negative	В3	Negative		
Halkbank	В3	Negative	В3	Negative		
Vakıfbank	В3	Negative	B2	Negative		

Fitch

Turkey	BB-	Stable	BB-	Stable
Yapı Kredi	B+	Negative	B+	Stable
Garanti	B+	Stable	BB-	Stable
Akbank	B+	Negative	B+	Stable
Işbank	B+	Negative	B+	Stable
Halkbank	B+	Negative	BB-	Negative
Vakıfbank	B+	Stable	BB-	Stable

Contact investor relations

Yapı ve Kredi Bankası

Head Office Yapı Kredi Plaza D Blok Levent 34330 Istanbul - TURKEY

Tel: +90 (212) 339 67 70

Email: yapikredi_investorrelations@yapikredi.com.tr Web: http://www.yapikredi.com.tr/en/investor-relations

Kürşad KETECi - Strategic Planning and Investor Relations, EVP <u>kursad.keteci@yapikredi.com.tr</u>

Hilal VAROL - Head of Investor Relations and Strategic Analysis hilal.varol@yapikredi.com.tr

Ece OKTAR GÜRBÜZ - Investor Relations Manager <u>ece.gurbuz@yapikredi.com.tr</u>

Burak ÖLMEZ - Investor Relations Specialist burak.olmez@yapikredi.com.tr

Cansu GÖRCÜK - Investor Relations Specialist cansu.gorcuk@yapikredi.com.tr

Ezgi KAHRAMAN - Investor Relations Specialist <u>ezgi.kahraman@yapikredi.com.tr</u>

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