



SUSTAINABILITY
REPORT 2014



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ABOUT THE REPORT

Covering the period of January 1, 2014 and December 31, 2014, this report has been prepared to share with stakeholders the sustainability performance of Yapı Kredi, the first nationwide private bank in Turkey, and of all its consolidated subsidiaries. Yapı Kredi Sustainability Report complies with the transparency, responsibility and accountability principles of our company.

Limiting our subsidiaries' performance to financial and social indicators, the sustainability report covers social, economic and environmental performance of Yapı Kredi Bankası A.Ş. regarding its operations conducted in Turkey alone. This report is "In accordance" with the GRI G4 Guidelines Core Option – a globally accepted standard for sustainable reporting. Based on GRI G4 indicators, the performance indicators are prepared in view of the 10 principles identified by the UN Global Compact, to which our main shareholders Koç Holding and UniCredit are also signatories.

In an effort to minimize its related environmental impact, the sustainability report is printed in limited numbers while a PDF version is available for our stakeholders to view on www.yapikredi.com.tr.

You are welcome to contact us at sustainability@yapikredi.com.tr to share any feedback, suggestions, questions and criticism you might have.



CEO MESSAGE

Esteemed Stakeholders,

We are relishing the joy of leaving behind a fruitful 2014 in which we celebrated our 70th anniversary and contributed to the financing of Turkish economy, despite difficult political conditions both on local and global scale.

Year 2014 has been a year in which we successfully sustained our growth-oriented investment strategy to maintain long-term sustainable profitability. We aimed at providing the fastest and most convenient service to our customers with a customer-oriented approach to banking. To this end, we have not only expanded our branch network throughout the year, but also expanded our alternative distribution channels. With 60 new openings, we now have more than a thousand branches across the country. Our current number of ATMs is 3.606, with 606 new ATMs opened in 2014. We have a total of 10.6 million customers with 600.000 new ones that have chosen to bank with us this year. Also a part of this growth is another area we take pride in, namely the products and services we have developed for our disabled citizens. The percentage of our Enabled ATMs among the total number of ATMs has reached 35%. A new employment project we launched in 2014 as part of our Enabled Banking initiative allows disabled people to work at home. Also we used 70% of the income generated through the Yapı Kredi's For My Country Fund to build ramps/elevators in the schools for disabled students.

As a corporate signatory to the United Nations Global Compact, we aim to create value for our stakeholders as well as contribute to a safe and prosperous future for the society we live in. In 2014, we continued our sustainability activities as part of our "Smart Growth" strategy. Thanks to our successful performance in social, environmental and economic areas in line with our corporate management principle, we succeeded to be listed in the BIST (Istanbul Stock Exchange) Sustainability Index, along with 14 select companies.

More than 30 national and international institutions have affirmed our growth-oriented investments and banking transactions that cater to the needs of our stakeholders as well as our social responsibility activities. Yapı Kredi has been awarded "The Most Innovative Bank of Turkey" by International Finance Magazine, "Best Retail Bank of Turkey" by Global Banking and Finance Review and "Best Mobile Bank of Europe" by Global Finance, just to name a few. As a result of our successful corporate management approach, we have raised our Corporate Management Rating from 8.82 in 2013 to 9.25 in 2014.

We take heed of climate change and the ensuing environmental/social risks as well as opportunities in all of our operational processes. To serve this end, we provide financial support in renewable energy projects. Additionally, we carry out efficiency studies in an effort to minimize our environmental footprint and develop eco-friendly products and services. During the reporting period, we allocated 30% of project finance loans to renewable energy projects, totaling a 5.801 MW installed power.

Furthermore, we have saved 1,273 GJ energy and cut down on 1,972 tons of CO2 greenhouse gas emissions in our premises, thanks to our yearlong efforts to reduce energy consumption and boost energy efficiency.

With a vision to become “The Best Company to Work For”, we have developed human resources practices and improved employee satisfaction performance during the reporting period as well. We accelerated our effective career management activities during the period and placed the professional development of our employees at the center of our activities. Yapı Kredi Banking Academy has been awarded “Best International Corporate University of the Year” and “Excellence in Skill Development” by International Quality & Productivity Center. In 2014, the number of employees trained in Yapı Kredi Banking Academy rose by 36% year-on-year. In accordance with our values of “transparency, respect, trust, fairness and freedom”, we aim to create value not only for our customers and stakeholders but for every individual in the society. We strive to manage the risks arising from human rights issues with our employees, customers and suppliers. We have finalized the “Yapı Kredi Human Rights Statement” in a reliable and comprehensive approach to prevent human rights violations. The statement encompasses human rights principles and systems we apply in our operations.

We place honesty and integrity at the core of all of our activities, as dictated by our corporate values. Consequently, bribery and anti-corruption are among the fields in which we never compromise. As a result of our invariable attitude in this area, we are guided by our “Bribery and Anti-Corruption Policy”.

We have further strengthened our sustainability activities with CSR activities in order to fulfill social expectations, needs and social problems. In addition to supporting the social projects of Koç Holding and UniCredit, we have engaged in partnerships with non-governmental organizations for educational, cultural projects including a few health and sports-related projects. We encourage volunteerism in our CSR projects and have thereby continued to develop communication channels to increase employee participation. Approximately 3000 employees have placed voluntary support in our projects in 2014.

We have sustained our mission to support culture and arts projects to raise the welfare level of the society. Yapı Kredi Culture, Arts and Publications, our subsidiary, therefore continued to offer the best cultural and arts events in our society for art-lovers in 2014. Yapı Kredi Publications published 2.7 million books in 2014. We maintained our substantial role in the publication industry with a total of 4.250 titles published so far; an average of 257 new titles and 581 reprinted titles per year. We increase the rate of our titles targeted for children's each and every year. Yapı Kredi Cultural Center continued to play a major role with the exhibitions hosting an average 70.000 visitors in 169 events held throughout the year.

This report prepared in line with the Global Reporting Initiative (GRI) G4 reporting framework provides detailed information and performance data on our sustainability activities in 2014.

Just as we have been doing for 70 years, we, as Yapı Kredi, will continue to support sustainable development for our country today and in the future. To this end, we will continue to pioneer change in productivity, infrastructure, human resources, service network and social responsibility. We would like to extend our gratitude to all of our stakeholders who have believed in and supported the activities we have launched to serve this goal.

Faik Açıkalın
CEO





ABOUT YAPI KREDİ

Started in 1944 with a focus on retail banking, Yapı Kredi is the first nationwide private bank in Turkey, and has always taken on a pioneering role in the banking sector. Since its very first day, Yapı Kredi has strengthened its position in the sector through its understanding of customer-oriented banking, innovation-based approach and contribution towards the development of the finance sector. Today Yapı Kredi is the largest 4th private bank in Turkey. Thanks to its strong balance sheet structure, sound equity and professional management, Yapı Kredi enjoys a strong position in the Turkish finance sector and seeks to achieve sustainable and profitable growth through its open and distinctive strategy.

As one of the most valuable 10 brands in Turkey, Yapı Kredi not only shows a sustainable and powerful performance with an emphasis placed on innovation but also strives to contribute to the society's efforts to materialize sustainable development goals. With its widespread branch distribution covering all the regions in Turkey, multi-channel service network, young and dynamic human capital, Yapı Kredi seeks to be the customers' top choice and enjoys 195 billion TL in total asset size.

Serving 10.6 million customers over a broad geographic distribution and multi-channel service network, Yapı Kredi has over 1000 branches in all the regions of Turkey with over 18,500 employees. Yapı Kredi is a leading financial services organization with its banking subsidiaries located in Turkey and abroad. Banking operations of Yapı Kredi include retail banking (consumer banking, SME banking and card payment systems), corporate and commercial banking besides private banking and asset management. Operations of the bank are supported by the domestic subsidiaries including portfolio management, investment and financial leasing and factoring besides the banking subsidiaries located in Netherlands, Russia and Azerbaijan.

Yapı Kredi has been defined as the Best Bank in Turkey by prestigious organizations including The Banker and World Finance.

Vision, Mission and Strategy

Vision

To be the undisputed leader in the finance sector

Mission

To ensure long-term sustainable growth and value creation for all stakeholders, and become the first choice of customers and employees

Strategy

Healthy and consistent growth: Focus on core banking activities, growth in value generating segments and products, continuous improvement in commercial effectiveness, expansion of market presence and funding diversification to sustain long-term performance

Strong and sustainable profitability: Address specific customer needs via segment-based service model, optimise cost to serve to improve competitiveness and maintain effective cost, risk and capital management

Superior and long-lasting customer satisfaction: Enhance easy to work with approach through continuous investments in technology and delivery channels while maintaining focus on innovation, employee satisfaction and loyalty

Values

Freedom: Yapi Kredi employees express their opinions easily through appropriate and constructive methods; they act in accordance with the Bank's values and contribute to the future of the Bank.

Respect: Yapi Kredi employees listen to their customers and colleagues, irrespective of their identities, to understand their needs. They respect the opinion of others and know that their opinions and ideas also count.

Fairness: Yapi Kredi employees treat their customers, colleagues and the Bank's stakeholders in a consistent manner without seeking personal gain; they make objective decisions and act in accordance with their values while focusing on corporate and social responsibility.

Transparency: Yapi Kredi employees share relevant corporate information with their customers, colleagues and other stakeholders in a transparent and timely manner while adhering to the Bank’s confidentiality principles and ensuring accessibility; they express their opinions with the same degree of transparency.

Trust: Yapi Kredi employees build relationships based on trust with all relevant parties utilising their banking knowledge, skills and commitment to corporate values; they trust those that they grant responsibility and authority to. Consistent with the Bank’s corporate values, Yapi Kredi employees keep their promises in a timely and accurate manner. They take responsibility for their customers’ problems, find rapid solutions and follow up on the results.



| Financial Targets (2015) | | | |
|--------------------------|---|------------------------------|--|
| Growth | Balanced growth that outperforms the sector in value added areas both for the bank and customers | Liquidity and Capital | Efficient liquidity and capital management via healthy growth in deposit base and a diversified funding base |
| Profitability | Maintaining profitability by continuous contribution of main banking revenues and disciplined cost management | Asset Quality | Maintaining asset quality with a proactive and cautious approach |

SUBSIDIARIES

Yapı Kredi Azerbaijan

Started in 1998, Yapı Kredi Bank Azerbaijan provides a wide range of retail and corporate banking products and services for 190 thousand customers through its 16 branches and 463 employees located in Baku, Ganja and Sumgait. During the reporting period the assets of the bank rose by 13% at a higher impetus than the sector average and reached 453 million USD while enjoying a leading position with a market share of 12.3% in credit cards. During the reporting period, the bank came at the very top of the Best Retail Bank and the Best Innovative Corporate Bank list for Azerbaijan announced by Global Banking and Finance Review.

Seeking to develop its distribution network and product portfolio further to reinforce its position in the sector, Yapı Kredi Azerbaijan continued to develop alternative delivery channels throughout 2014 and reached 27 ATMs, internet branch, mobile branch and 2,994 payment points. Moreover, the bank launched practices and applications strengthening the IT infrastructure hence ensuring efficiency and speed while completing strategic and operational transactions.

www.yapikredi.com.az

Yapı Kredi Bank Moscow

Yapı Kredi Bank Moscow, the first Turkish bank to provide banking services in Russia, provides banking services including corporate financing, project financing and foreign trade financing for corporate customers in construction, industrial production, textile, trade and tourism sectors. With its assets amounting to 210 million USD during the reporting period, the bank focused on diversifying its customer base, enhancing its

efficiency and asset quality while showing a successful performance with its return on assets reaching 4% and its return on equity reaching 22%.

www.ykb.ru

Yapı Kredi Bank Nederland

Pursuing the mission of providing support for Yapı Kredi customers living abroad, Yapı Kredi Bank Nederland offers products and services in retail, corporate and private banking areas. With its 46 employees, the Bank offers savings and deposit products to more than 15 thousand customers of retail banking while providing structured commodity finance and foreign trade finance solutions for its corporate banking customers as well as providing Islamic Banking products. The asset size of the bank reached 2 billion USD during the reporting period.

www.yapikredi.nl

Yapı Kredi Factoring

Yapı Kredi Factoring, leader of Turkish factoring sector with 16.9% market share, offers diverse products and services to its customers, including debt follow-up and collections, with 114 employees on board. Increasing its transaction volume by 161% to 19,6 billion USD during the reporting period, Yapı Kredi Factoring focused on the product use and increasing the number of customers while expanding its service network. 85% of its transaction volume stemmed from domestic transactions and the remaining 15% stemmed from foreign transactions. Started in 1999 and operating as the sector leader for the last 14 years, the company ranks second on the Best Exports Factoring Companies list organized worldwide by Factors Chain International (FCI).

www.yapikredifactoring.com.tr

Yapı Kredi Leasing

With its 18.3% market share and market leader position maintained for the last 6 years, Yapı Kredi Leasing is one of the prominent companies of the leasing sector. Providing its high quality services and products for sectors especially including production machinery and construction equipment besides yachting, sustainable energy and project financing, Yapı Kredi Leasing has 12 branches and 138 employees. Apart from the “Sell and Lease Back” practice, Yapı Kredi Leasing focused on studies involving production machinery and construction equipment areas during the reporting period and therefore increased its real sector investors while its transaction volume rose by 35% and went over 3 billion TL.

www.yapikredileasing.com.tr

Yapi Kredi Koray Real Estate Investment Trust

Established in 1996, Yapi Kredi Koray Real Estate Investment Trust operates both in housing and commercial real estate development areas with 30.45% of the company capital owned by Yapi Kredi. The company is listed on Borsa Istanbul (BIST) and enjoys a market value of 86 million TL as per the reporting period.

www.yapikredikoray.com

Yapi Kredi Cultural Activities, Arts and Publishing

Started in 1984 and fully owned by Yapi Kredi, Yapi Kredi Cultural Activities, Arts and Publishing (YKKSŞ) is one of the most reputable culture and arts companies in Turkey. YKKSŞ presents important publications, organizes cultural events and exhibitions for the community through the Yapi Kredi Cultural Centre as well as Yapi Kredi Publications.

www.ykykultur.com.tr

Yapi Kredi Portfolio Management

Operating as one of the leading portfolio companies in Turkey since 2002, Yapi Kredi Portfolio Management has 62 employees and provides offers its services with its customized research and analysis in all asset classes besides a strong risk management infrastructure. During the reporting period the company was managing 39 mutual funds and 19 pension funds actively while its total asset volume comprising pension funds, hedge funds, and private portfolio management reaching an all-time high level of 12.5 billion TL.

Also providing portfolio consultancy services and ranking 2nd among the investment funds with its market share of 18%, Yapi Kredi Portfolio Management is the first and only portfolio management company in Turkey to enjoy “Highest Standards (tur)” rating, which was confirmed by Fitch in 2014, and is one of the only 17 companies with that rating in the world.

www.yapikrediporfoy.com.tr

Yapi Kredi Investment

As one of the leading investment companies in Turkey with its sector experience of over 20 years in the capital markets, Yapi Kredi Investment provides its services for over 140 thousand individual and corporate customers. With its 191 experienced employees, the company offers a wide range of products including commodity derivatives transactions, domestic and international stock transactions, advanced derivatives transactions, and consultancy services; and is also the leader in Borsa Istanbul (BIST) transaction volume with a market share of 12%.

www.yky.com

Allianz Yaşam ve Emeklilik

Allianz, one of the largest insurance companies and asset groups in the world, acquired 80% of Yapı Kredi Emeklilik shares and became the main partner of the company as of 12 July 2013 while changing the of the company to Allianz Yaşam ve Emeklilik on 27 September 2013. In an effort to support its long-term strategic partnership with Allianz, Yapı Kredi keeps its 20% of its shares. Yapı Kredi has a 15-year exclusivity agreement with Allianz for bank assurance partnership while Allianz's insurance and private pension products are offered to customers through the extensive branch network of Yapı Kredi and its innovative alternative delivery channels.

www.allianzyasamemeklilik.com.tr

Banque de Commerce et de Placements

A Swiss bank founded in 1963 with its HQ located in Geneva, Banque de Commerce et de Placements (BCP) operates through its two branches in Luxembourg and Dubai. 31% of the Bank's shares belongs to Yapı Kredi. With a particular focus on commodity finance, foreign trade finance and wealth management as well as treasury operations and correspondent banking services, the bank's core competency rate is 17.8%. Rated by Fitch, BCP enjoys an investment grade rating.

www.bcp-bank.com

POSITIONING

| | | Market Share | Rank |
|---------------------------------------|--|--------------|------|
| Total Bank | Cash Loans | 10.2% | 5 |
| | Deposit | 10.0% | 5 |
| | Number of branches | 8.9% | 3 |
| Retail Banking | Credit Card Outstanding | 20.8% | 1 |
| | Credit Card Issuing | 18.6% | 1 |
| | Number of Credit Cards | 17.9% | 1 |
| | Credit Card Acquiring | 20.0% | 1 |
| | Consumer Loans | 8.8% | 6 |
| | Commercial Instalment Loans | 6.7% | 6 |
| Corporate and Commercial Banking | Corporate Loans | 9.6% | 5 |
| | Non-Cash Loans | 13.8% | 1 |
| | Leasing Transaction Volume | 18.3% | 1 |
| | Factoring Turnover | 16.9% | 1 |
| | Cheque Clearing | 11.0% | 1 |
| Private Banking and Wealth Management | Mutual Funds | 18.0% | 2 |
| | Borsa İstanbul Transaction Volume ⁽¹⁾ | 12.0% | 1 |
| | Equality Transaction Volume | 7.4% | 2 |

1. Includes repo, reverse repo, treasury bills, government bonds, equity and derivative transaction volume.

SHAREHOLDING STRUCTURE

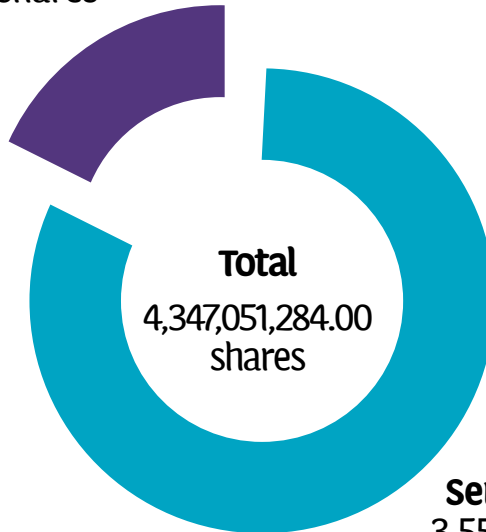
81,80% of Yapı Kredi shares belong to Koç Financial Services (KFS), which is a 50%-50% joint venture between Koç Holding and Unicredit. The remaining 18.20% is publicly traded on Borsa Istanbul while the Global Depositary Receipts representing the Bank's shares are quoted on the London Stock Exchange.

With a history dating back to 1926, Koç Group is the largest conglomerate in Turkey in terms of its turnover, exports and 81 thousand employees. Koç Group's turnover comprises 8% of Turkey's total Gross Domestic Product (GDP) and its exports comprise 10% of Turkey's total exports.

With its roots dating back to 1473, Unicredit Group is a systematically important European financial institution based in Italy. The Group has a widespread network of 9,000 branches and 148 thousand employees in 17 countries.

During the reporting period our shareholding structure did not undergo any changes.

other (18.2%);
791,338,887.93 shares



**Koç Financial
Services A.Ş. (81.8%);**
3,555,712,396.07 shares

AWARDS RECEIVED DURING THE REPORTING PERIOD

| | | |
|-------------------------------|---|--|
| Banking | One of the Top Three Banks in Turkey | Capital Magazine |
| | Best Retail Bank in Turkey | Global Banking and Finance Review |
| | Best Private Banking in Turkey | World Finance |
| | Best Branch Service | Innovative Owl Award |
| | Most Innovative Bank | International Finance Magazine |
| | Best Bank in Cash Management | Euro Money |
| | Most Ethical Company in Turkey | Ethical Values Centre Association |
| | Internal Audit Awareness | Turkish Institute of Internal Auditors |
| | Best Philanthropy Service | Private Asset Management Magazine |
| | Private Banking Innovation | |
| Credit Cards | Leading Bank in Visa Credit Card Transaction Volume | Visa Europe |
| | Leading Bank in Visa Commercial Credit Card Transaction Volume | |
| | Play Card Hürriyet Newspaper Project – Certificate of Achievement | Mediacat 9th Felis Awards |
| Alternative Delivery Channels | Best Mobile Banking in Europe | Global Finance |
| | Outstanding Achievement Award in Website Design | Interactive Media Awards |
| | Excellence in Financial Services Category | The Communicator Awards |
| | Distinction in Banking/Bill Payment Category | |
| | Distinction in Corporate Identity Category | |
| | Google Case Study | Google |

| | | |
|---|--|---|
| Human Resources and Yapı Kredi Banking Academy | Most Admired Job Listing of the Year | Kariyer.net |
| | The Company with the Most Job Applications | |
| | Respect for People Award | |
| | Best-in-Class Corporate University | International Quality & Productivity Centre |
| | Excellence in Talent Development | |

| | | |
|---------------------|--|-----------------------------------|
| Subsidiaries | Yapı Kredi Invest – Best Derivatives House | Global Banking and Finance Review |
| | Yapı Kredi Invest – Best Equity House | |
| | Yapı Kredi Invest – Most Innovative Brokerage House | |
| | Yapı Kredi Invest – Most Innovative Equity House | |
| | Yapı Kredi Asset Management – Best Asset Manager in Turkey | EMEA Finance Magazine |
| | Yapı Kredi Asset Management – Best Asset Manager in Turkey | World Finance Magazine |
| | Yapı Kredi Asset Management – Best Asset Manager in Turkey | International Finance Magazine |
| | Yapı Kredi Asset Management – Best Asset Manager in Turkey | Global Banking and Finance Review |
| | Yapı Kredi Factoring – Second Best Export Factoring Company in the World | Factor Chain International |
| | Yapı Kredi Azerbaijan – Best New Retail Bank in Azerbaijan | Global Banking and Finance Review |
| | Yapı Kredi Azerbaijan – Most Innovative Corporate Bank in Azerbaijan | |



CORPORATE GOVERNANCE

Creating long-term sustainable values for our entire value chain is only possible through a strong governance structure. Aware of this requirement, Yap Kredi advances on realizing its strategic goals through its transparent, fair, responsible and accountable governance structure. As we get closer to achieving our goals, we comply with the related laws and regulations fully and conduct our operations accordingly. Our committees and boards perform their duties actively in an effort to make those aforementioned operations possible. Yapı Kredi Board of Directors is the main structure identifying the short, medium and long-term sustainable growth goals and is composed of 12 members while 10 of those members have executive roles. Among the members of the board lacking any executive roles, 5 of them are independent board members- higher than the minimum 3 independent board members requirement as stipulated in the Corporate Governance Guidelines issued by the Capital Markets Board (CMB). The duties and authority of the chairman of the board of directors and those of the CEO's are separated from each other clearly while those duties are performed by different people.

Apart from facilitating information sharing across senior management, Yapı Kredi Executive Committee is responsible to collectively decide upon material topics for Yapı Kredi and its subsidiaries. The Committee is in charge of managing issues such as defining Group strategies and Bank's structural risk management in addition to approving internal and external communication plans, bank's annual project plan as well as major organizational changes.

Our committees established under the board of directors are important building blocks for ensuring that our operations are sustainable. Those committees include Credit Committee, Corporate Governance Committee, Remuneration Committee and Audit Committee.

Detailed information regarding Yapı Kredi Corporate Governance Structure is available on <http://www.yapikredi.com.tr/en/investor-relations/corporate-governance/>.

Sustainability and Risk Management

Modern circumstances require the business world to opt for a more aware and responsible way of doing business not only about the management of financial risks but also social and environmental risks. Therefore day by day it gets more important for companies to identify and manage their environmental, financial and social impact. Conscious of the significant long-term values to be generated accordingly, Yapı Kredi manages sustainability by integrating it with all its operations in line with the related know-how and experience acquired by its main shareholders, Koç Holding and Unicredit.

Due to this understanding, we strive to minimize the impact from our operations, share the results we gain with our stakeholders regularly in a transparent fashion, and conduct our operations by introducing policies focused on reducing our impact in line with the feedback we have received. During the reporting period we established a “Sustainability Committee” in an effort to coordinate our studies regarding sustainability areas and as a reflection of the emphasis we place on sustainability.

The goal of the Sustainability Committee is to establish a sustainability strategy and policy for Yapı Kredi about economic, social and environmental areas while ensuring that the necessary studies are conducted to integrate the issue of sustainability with Yapı Kredi operations. In that respect, the committee is responsible for coordinating and decision-making processes for all the operations regarding sustainability.

Sustainability Committee is represented by a member on the Board of Directors level while Corporate Communication Management organizes sustainability coordination studies. Meeting twice annually to monitor and guide developments regarding sustainability, Sustainability Committee reports its studies to the Executive Committee every 6 months and the studies conducted are presented once annually to the Board of Directors in addition to these reports submitted.

Sustainability Committee



| | | | | | | |
|--|---|-----------------------------|---------------------------------------|---|---|---|
| Member of the Board of Directors | Financial Planning and Administration | Corporate Communications | Compliance and Internal Control | Human Resources and Organization | Corporate and Commercial Banking | Logistics, Cost Management and Purchasing |
|--|---|-----------------------------|---------------------------------------|---|---|---|

In an effort to coordinate and ensure integrity of the studies and reporting conducted within the scope of the committee, Sustainability Working Group and subcommittees are established. The working group operates in collaboration with the other units in the process for implementing the decisions taken by the committee. The Working Group is responsible for following upon the goals and performance, consolidating the related data and evaluating them in relation to the Yapı Kredi goals.

We have listed our sustainability priorities while taking the results from the workshop held to revise and update our prioritised issues into consideration during the process. As a result of the studies held in that respect, we have also expanded the number of our stakeholders we receive feedback from regarding our prioritised issues. Our goal is to expand the scope of those studies, increase the number of channels we receive feedback from our stakeholders, and therefore conduct an even more comprehensive prioritization study.

Yapı Kredi risk management operations are implemented by 58 employees and are managed by the Audit Committee to calculate, monitor, report and keep under control the risks the bank might face. Risk management is conducted in three different areas including credit, operational and market risks.

Our Material Issues

| |
|---|
| Corporate Governance |
| - Sustainability and Risk Management |
| - Business Ethics and Bribery and Anti-Corruption |
| - Human Rights |
| Operational Sustainability |
| - Sustainable Product Portfolio |
| - Fair and Transparent Fees and Commissions |
| - Product and Service Quality |
| Environmental Management |
| - Responsible Resource Utilization |
| - Energy Issues and Efficiency (Energy and Emission Management) |
| Professional Life |
| - Employee Rights |
| - Talent Management and Occupational Training |
| - Employee Volunteerism Practices |
| - Occupational Health and Safety |
| Social Investments |
| - Culture & Arts |
| - Education |
| - Investments Overcoming Disabilities |

According to Yapı Kredi Risk Management policy, every employee is to participate in risk management. In line with the related regulation, bank management and the Executive Committee are informed on time in case of any limit excess or policy violation. Policies are revised annually and are updated if need be and are submitted for the approval of the Board of Directors. In an effort to mitigate and control risks, risk maps are drawn up and reviewed while key risk/performance indicators are regularly monitored. Apart from operational and market risks, Counterparty Credit Risk, Operational Risk, Financial Investment Risk, Real Estate Risk, Concentration Risk, Interest Rate Risk, Country Risk, Residual Risk, Liquidity Risk, Reputational Risk and Strategic Risk are also monitored. In addition to these risks, Yapı Kredi monitors social risks, environmental risks and ethical risks too and takes actions accordingly. The bank seeks to safeguard in the best way and implement meticulously not only the national and international laws but also the ethical values and business principles in all the business environments it is directly or indirectly involved. The bank avoids transactions that might lead to

high reputational risks, acts responsibly towards environment and seeks to support projects that will create a positive influence over the society.

In an effort to ensure continuity of our operations and minimize the risks that might be caused in that respect, we undertake operations complying with Business Continuity Management Policy. Approved by the Board of Directors, the Business Continuity Management Policy is regularly updated. Besides our Business Continuity Management Policy, we also implement practices to ensure business continuity through Contingency, Crisis Management and Business Recovery plans.

Stakeholder Engagement

Stakeholder engagement practices are important in terms of sustainability of Yapı Kredi operations. As far as our understanding of sustainability is concerned that is why we establish mutual dialogue platforms and seek to receive feedback from our stakeholders and evaluate our operations accordingly. We meet out stakeholders that influence our operations and are directly influenced by our operations through different channels at changing frequencies. While setting our sustainability priorities, we also receive feedback from our external stakeholders. For that purpose, our main goal is to expand the dialogue platforms providing us feedback regarding sustainability issues further so that they could include our external stakeholders more.

The Internet and social media practices get to be more and more important for our sector gradually. As Yapı Kredi, we use those channels effectively to learn about our stakeholders' views and are also able to inform them on our products, services and performance in a transparent fashion. In that respect, we established "Bizler Plus", our Corporate Social Media Platform during the reporting period in an effort to develop internal communication and increase our dialogue with stakeholders. Regarding all these platforms developed for our stakeholders as an element that enhances our sustainability performance, we assess the feedback we receive through a structure established within the scope of our sustainability management and implement them.

Within the scope of our memberships to national and international sector associations and NGOs as well as the activities undertaken by those organizations, we have the opportunity to receive feedback from different stakeholders and their representatives. In that respect, we enjoy further access to current information and are also able to use regularly the feedback we receive to improve our sustainability performance.

| Stakeholder Group | Communication Methods |
|-----------------------------------|---|
| Employees | Sustainability Reports, Evreka Idea Development Platform, Bizler Plus Intranet, Biz TV, Poster Areas, Internal Announcements, Ethic Hotline, HR Support Line, 44 Employee Engagement Program- Call Centre for Yapi Kredi Employees Only, 44 Centre, Internal Customer Satisfaction Surveys, Yapi Kredi Banking Academy Trainings, Videowall Screens in Bank Operations Centre and Plaza Service Building, CSR Projects, Yapi Kredi Volunteers Platform, Budget Meetings and Roadshows, Manager Meetings, Activities for Employees, Safir Development Program, Cross Visits between the HQ and Branches with A Day at the HQ and A Day at the Branch Events |
| Shareholders, Investors, Analysts | General Assembly Meetings and Minutes, Annual Report, Quarterly Report, Finance Report, Public Disclosure Platform, Sustainability Report, Corporate Governance Principles Compliance Report, Rating Reports, Analyst and Investor Meetings, Teleconference and E-Mail Interviews, Social Media, Corporate Website, Press Releases |
| Customers | Customer Satisfaction Surveys, Yapi Kredi Banking Academy, Finance Reports, Annual Report, Sustainability Report, Corporate Website, Social Media Accounts, Events Call Centre, Branches, E-Mail Notification, Media, Advertising and Promotional Campaigns, yapikredi.com.tr, nuvo.com.tr, nuvo00.com, worldcard.com.tr, vadaaclub.com.tr, playcard.com.tr, olurmuolur.com.tr, adioscard.com.tr, adiospremium.com.tr, crystalcard.com.tr, taksitcikart.com.tr, tlcard.com.tr, yapikredipos.com.tr, ykbticarikartlar.com, yapikredimortgage.com, ykprivate.com.tr, kredisimdi.com.tr, engelsizbankacilik.com, afife.org, worldcard.az, www.ykportfoy.com, yapikrediyatirim.com.tr, www.yapikredileasing.com.tr, www.yapikredifactoring.com.tr |
| NGO's | Joint CSR Projects, Project Meetings, Yapi Kredi Volunteers' Studies, Sponsorships, Sustainability Reports, Corporate Website, www.engelsizbankacilik.com, Memberships |
| Universities | Yapi Kredi Banking Academy, Academy Summit, Koç University Yapi Kredi Finance Chair, CSR Projects, Campus Branches, Sponsorships, Scholarships |
| Suppliers | Face to Face Interviews, Tenders, Corporate Website, Audits, E-Mail, Mail, Telephone, Fax |
| Society | CSR Projects, Sponsorships, Press Releases, Sustainability Report, YKSY Activities |
| Banking Sector | Banks Association of Turkey Membership and Sector Associations |
| Public Authorities-Regulators | Audit Reports, Official Correspondence, Corporate Governance Principles Compliance Report, Meetings, Forum and Conferences |
| Media | Corporate Website, Subsidiaries' Websites, Press Releases, Press Meetings, Advertisements, Commercials, Social Media Accounts, Sustainability Reports. |

Yapı Kredi's Voluntary Affiliations

Foundation / Association / Union

Advertisers Association
Banks Association of Turkey / TBB
Corporate Communication Professionals Association / KİD
Corporate Governance Association of Turkey / TKYD
Corporate Volunteers Association / ÖSGD
Credit Reference Agency / KKB
Endeavor – High-Impact Entrepreneurship Support Association
Ethics and Reputation Society / TEİD
Financial Literacy and Access Association / FODER
Foreign Economic Relations Board / DEİK
Foundation for Economic Research / İAV
Institute of International Finance / IIF
Interbank Card Centre / BKM
International Chamber of Commerce – Turkey / ICC
İstanbul Foundation for Culture & Arts / İKSV
İzmir Foundation for Culture & Arts / İKSEV
Turkish Association for Quality / KALDER
Turkish Family Health and Planning Foundation / TAPV
Turkish Industry and Business Association / TÜSİAD
Turkish Marine Environment Protection Association / TURMEPA

Initiatives

Equality at Work Platform and Declaration
For My Country
International Finance Corporation (IFC) Social and Environmental Performance Standards
Turkey Private Sector Sustainable Energy Finance Facility Program / TURSEFF
UN Global Compact
UN Women's Empowerment Principles
Visa Colourful Horizons / I Can Manage My Money

Business Ethics, Bribery and Anti-Corruption

As Yapı Kredi our main goal is to approach our employees in a respectful, considerate and understanding fashion, and to create an environment enabling full communication on all levels. In that respect, we encourage discussing any work-related problems openly and produce solutions for them. Code of Ethics and Business Conduct is valid for all the employees at Yapı Kredi. Code of Ethics and Business Conduct norms seek to highlight the fundamental principles and standards to be complied with in an understandable and guiding fashion for all Yapı Kredi managers and employees as they fulfil their duties and responsibilities.

Under the Compliance and Internal Control Ethics Management, Anti-Corruption and Conflict of Interest Division is responsible for the issues regarding Ethics, Bribery and Anti-Corruption. While the division reports directly to the Assistant General Manager Responsible for Compliance and Internal Control, it also submits reports to the Audit and Corporate Governance Committee besides the Board of Directors regularly. There are communication channels available for our employees and business partners to pose any questions regarding ethics, corruption and bribery as well as to report those that violate the rules defined or any suspicious cases anonymously. All the reports made about the violation of ethical norms are kept confidential. The cases reported are assessed according to their contents and nature. As a result of that assessment, any operational mistakes, risks involved or cases that require an investigation or further examination etc. are followed up by the related management sections and are looked into without compromising confidentiality, and therefore further related feedback is provided. Within the scope of the Code of Ethics and Business Conduct, 365 reports were made through the ethic hotline and e-mail communication channels in the reporting period.

Detailed information about Yapı Kredi Code of Ethics and Business Conduct is available on <http://www.yapikredi.com.tr/en/investor-relations/corporate-governance/>.

Yapı Kredi is against any kind of bribery and corruption and is determined to comply with the related laws, regulations and principles. For that purpose, it has formed a Bribery and Anti-Corruption Policy. The policy is updated regularly whenever needed.

Yapı Kredi has implemented considerably powerful systems established in line with the regulations undertaken by the “Internal Audit”, “Risk Management” and “Compliance and Internal Control” departments. Reporting directly to the Audit Committee under the Board of Directors, those managements ensure compliance with all internal Yapı Kredi policies and external laws and regulations, Code of Ethics and Business Conduct, Bribery and Anti-Corruption Policy, and Policy on Prevention of Laundering Proceeds of Crime and Financing of Terrorism.

Apart from undertaking control and audit operation, the departments quoted above submit reports to the Audit Committee and the Board of Directors besides monitoring and reporting risks so that Yapı Kredi operations comply with the laws, regulations, corporate policies and procedures.

Bribery and Anti-Corruption Policy covers all Yapı Kredi employees and managers including the Board of Directors, associates and subsidiaries, intermediaries, those acting on behalf, suppliers, contractors, third parties, affiliated agencies and those that do business with.

All Yapı Kredi employees and managers receive either in-class or online trainings regularly regarding Bribery and Anti-Corruption Policy as well as Code of Ethics and Business Conduct. Completion of the training for Bribery and Anti-Corruption is obligatory and a valid score needs to be received from the training in order to complete the training successfully. 10,705 people including the employees of the Bank and associates completed the related training as part of the Bribery and Anti-Corruption Policy.

Within the scope of Bribery and Anti-Corruption Policy, Yapı Kredi expects its suppliers to comply with its related policies and ensure that their employees adopt these principles and operate accordingly. In order to ensure that, the contracts signed with the parties cover related provisions. Yapı Kredi has also issued a document titled “Guidelines Applicable To Purchase Process Of Agents, Suppliers And Contractors In Anti-Corruption”. In that respect a due-diligence study is made before signing contracts with the related business units while studies have begun to audit those companies.

Suppliers and the employees of the suppliers working at Yapı Kredi buildings receive distant training via video regarding Bribery and Anti-Corruption issues. The contents of the training are adjusted accordingly once Bribery and Anti-Corruption Policy has been revised. During the reporting period 202 supplier company employees were trained. Moreover, 378 supplier companies received video trainings on anti-corruption issues and are informed on the requirements for their employees to watch them.

Since the announcement of the Bribery and Anti-Corruption Policy, no reports have been made to the communication channels established for issues involving bribery and corruption.

Detailed information regarding Yapı Kredi Bribery and Anti-Corruption practices are available on <http://www.yapikredi.com.tr/en/corporate-social-responsibility/countering-corruption-and-bribery.aspx> while detailed information on the Bribery and Anti-Corruption Policy is available on <http://www.yapikredi.com.tr/en/investor-relations/corporate-governance/>

Human Rights

Operating in a respectful way for human rights, defending human rights and improving our performance in related areas are among our permanent goals. Leading approaches undertaken by our main shareholders Koç Holding and UniCredit guide Yapı Kredi to improve its performance in that respect. Both our two main shareholders are signatories to the UN Global Compact, and share their human rights performances with the public in an open and transparent fashion. As part of this integrated approach, we monitor the related principles closely, comply with our commitments stemming from the UN Global Compact and observe our performance. Yapı Kredi is a natural signatory to the “Equality at Work Declaration” signed by Koç Holding and continues its studies to fulfil its commitments related to this declaration. In the same way, Yapı Kredi is also a natural signatory to the UN Women’s Empowerment Principles signed by Koç Holding on 19 December 2014.

Fully adhering to the laws and obligations regarding human rights, we take great care to ensure that all our operations comply with the UN Universal Declaration of Human Rights. Not allowing any form of discrimination, we provide equal employment opportunities for everyone. As also stated in the Ethical Rules and Human Resources Policies of our Bank, our employees do not face any discrimination not only during the recruitment practices but also regarding the opportunities provided during their professional life.

We continued to improve our Human Rights Statement as Yapı Kredi during the reporting period. Yapı Kredi Human Rights Statement is revised periodically and the practices are regularly monitored. We aim to include the human rights issues in the general risk evaluation processes and complete regular risk assessments every two years.

Detailed information regarding Yapı Kredi Human Rights Statement is available on <http://www.yapikredi.com.tr/en/investor-relations/corporate-governance/> and <http://www.yapikredi.com.tr/en/corporate-social-responsibility/human-rights.aspx>.





OPERATIONAL SUSTAINABILITY AT YAPI KREDİ

Creating long-term values both for our customers and for our stakeholders is important to Yapi Kredi and during that process our main goals include ensuring lasting customer satisfaction, providing different products and services for our customers. In an effort to comply with this goal, we undertake the necessary studies to launch and provide sustainable, innovative services making life easier for our customers.

Sustainable Product Portfolio

Innovation management and collaborations

Observing technological developments in the world with great curiosity, Yapi Kredi adapts to any technologies presented in the market. We continue to improve and develop our Internet and mobile platforms in order to make life easier for our customers and score many first times in the sector regarding that area. In line with our mission to be the top and pioneering bank in digital banking, we develop our digital channels constantly for our customers to complete their banking transactions fast and comfortably while adding new features depending on the needs coming up. In order for our SME and corporate customers to make their banks available anywhere, we launched our **Corporate Mobile Branch application**. The application not only allows banking transactions but also enables approval of transactions carried out by different users besides providing access to reports and monthly payment plans. Thanks to **Remember My Company and User Code** feature, our customers do not have to keep the user/company information on their minds and are able to use the corporate mobile branch with a single password.

Our special mobile branch application for iPad has been updated in order to take the customers' banking experience one step ahead. Besides the updated design, the transaction set has also been expanded so iPad users are now able to do close to 500 banking transactions ranging from stock transactions to cash advance, from paying motor vehicles tax to paying their parking fines over their devices easily. Following our tablet device application, we have also begun to revise our iPhone and Android applications. Introduced in 2014 to the individual mobile branch, "Remember Me" feature enables our customers to use their passwords alone to access the mobile branch fast.

In view of the digital banking experience of our customers, our Internet Branch was redesigned in a simple, modern and much more easy to use way in 2014. Scoring yet another first time in Turkey, we used **Google Search Appliance** product to update our website while Google covered our website project as "**Google Case Study**" in 2014. Integrated with our corporate website yapikredi.com.tr, BehaviorPad product provides the most suitable product and services for our customers over the banner areas depending on the customers' behaviours on the website.

In addition to that, another innovative service we implemented to meet our customers' needs fast over digital channels is consumer loan application and provision option for our customers over Yapi Kredi Retail Internet Branch. We began developing this service in 2014 and our customers are able to transfer the approved loans to their accounts online without having to go to the branch including the holiday times.

The studies we implement are designed through an “omnichannel” perspective and they shape customer experience according to the principles we set in common for every channel. In that respect, the hybrid application created by integrating our Internet branch interface with our iPad application has not only provided an experience suitable for the tablet devices but also customized the customer experience. We have also designed our corporate website and the re-launched retail mobile branch in line with the same customer experience principles with our other channels. Apart from that, we are working on our websites in line with the flow of our other digital channels. In 2014 we designed our mobile website to comply with the mobile usability principles and share the same language with the desktop website.

In the period ahead, we will keep providing unlimited banking comfort for our customers through practices that will increase the use of wearable technologies and take the sector to a higher level. We keep working on location based services and new mobile financial services too.

We keep developing the Direct Banking Service Model, which has been globally popular in recent years, in the light of our understanding regarding our customers' expectations and needs. Launched to enable everyone intertwined with the digital world to meet their basic banking needs easily and for free, our new generation banking platform Nuvo has been an ideal product especially for young employees, university students and those that prefer to use technology in every aspect of their lives. In line with the increase in the use of and access to technology and smart mobiles, our mobile applications and practices for our World credit card have developed too. In that respect we are investing in technology and our World Shopping Assistant, our mobile application, to contact our customers via their mobile devices.

We plan to undertake a study to increase the number of stores accepting contactless payment option in 2015 so that our contactless feature practice could be used further in the market. In parallel with the rise in the expansion, we seek to encourage the use of contactless card use through increasing customer knowledge and campaigns. By being one of the top 5 companies selected in 2014, Yapı Kredi made it to the finals of the InovoLig organized by the Turkish Exporters Assembly (TİM) for supporting innovation. Our bank is also represented in the TÜSİAD Innovation and Technology Working Group besides Koç Holding Technology and Innovation Board in line with the studies regarding innovation.

Some of the projects developed and undertaken within the scope of the Yapı Kredi R&D and Special Projects are supported through national and international incentive programs. In that respect, 3 projects are supported by TÜBİTAK within the TEYDEB 1501 program and 2 projects by the Ministry of Science, Industry and Technology's San-Tez program on a national level. On an international level, 2 projects received support as part of the Eureka Program while 2 international and 4 national patent applications have been made as a result of these projects and 1 patent has been registered so far.

Idea Development Centre (Evreka)

Launched in 2012 to manage idea development process actively, Idea Development Centre Evreka enables collecting innovative, creative ideas from employees and encouraging them. The system is open to ideas from all the employees. Its web-based system is easy to use with easy idea placing in a flexible structure. Once the Evreka team has evaluated the ideas first, department representatives and experts on the matter are contacted over the system and the ideas are presented to the Evaluation Committee eventually. Composed of at least 7 members all assigned by the senior management, the Evaluation Committee makes the final assessment and grants the final scores for the ideas received. In 2014 12,179 suggestions were received and 102 ideas were implemented in total.



2014 Innovative Owl Award

Thanks to its Transaction Experience research methodology continued since 2013, Yapı Kredi won the “Golden Owl” award in the “Innovative Owl” category of the “Owl Awards” organized by the Researchers Association of Turkey in 2014.

| | Award Categories |
|----|-----------------------|
| 1. | Curious Owl Awards |
| 2. | Master Owl Awards |
| 3. | Visionary Owl Awards |
| 4. | Insightful Owl Awards |
| 5. | Innovative Owl Awards |
| 6. | Social Owl Awards |
| 7. | Young Owl Awards |



Fair and Transparent Products and Services

As Yapı Kredi we seek to be a bank easy to work with for our customers. For that purpose, we try to provide the right information regarding our products and services for our customers through many channels on a timely, right and easy to comprehend fashion. We provide over 500 products and services for our customers over our branch network, ATMs and digital channels (mobile banking applications, Internet branch and 444 0 444 Telephone Banking). The commission pricing set in view of our costs for those products and services are presented to our customers over our corporate website yapikredi.com.tr, Fee Commission Tariff hang up on our branches and Telephone Banking channel⁽²⁾. All the fees and commissions related to our credit cards are available on the credit card application forms, card internet websites and credit card statements. Any changes to be introduced to pricing are announced to our customers before the changes are actually introduced.

2. The information is also available over the Banking Regulatory and Supervisory Board (BDDK) website.

With a view to identifying the internal process, policy and procedures for the pricing of Deposit and Retail Banking products and services, “Deposit Products Pricing Committee” and “Retail Banking Pricing Committee” were established during the reporting period while the related procedures were prepared by the committees in a way to cover the technical and analytical pricing processes. Moreover, studies have begun to cover all the fees under the groups stated by the Banking Regulatory and Supervisory Board (BDDK) on the Retail Product and Service Commissions table available in our branches.

Due to the increasing popularity of social media usage, we also provide information for our customers over our Yapi Kredi Facebook and Twitter accounts on our products, services and campaigns. Moreover, we are able to establish a mutual dialogue with our customers thanks to the “service line” feature available 7/24 over our social media and website.

We announce current campaigns regarding our credit card through our credit card mobile applications adios and World Shopping while customers are able to apply for cards using the application. The website for Play Card, our credit card for young people, shares important details regarding the use of credit cards and helps them make smart financial choices.

<http://www.playcard.com.tr/onemli-play-bilgileri/kredi-karti-kullanma-taktikleri.aspx>

Transparent Information Provision on Products and Services

- Information regarding all our products and campaigns are available on our website and the related product pages. Besides, many combinations are included on the sample repayment tables for customers to enjoy more detailed information on credit products.
- Improvement studies have been conducted to enrich the printed and online information channels for our deposit products and campaigns so that their contents will be enriched to avoid any conflicts and customers will be able to compare the product and interest rates more comfortably.
- The gains and losses to be derived from the products are presented to be customer in a transparent and understandable fashion. All the necessary information is provided within the scope of the communiqué of contracts while the interview texts used by the Call Centre and conveyed to customers are formed in line with the views/ approval of the legal affairs and compliance office so the information (risks/gain/loss) that has to be provided for the customers are conveyed on the phone.

The information related to all products and campaigns are covered by their own websites (yapikredi.com.tr and the websites that are related to the credit cards. (In addition to that, the information on the campaigns and products covered by the Retail Portal and Bizler Plus, both used by Yapı Kredi staff, are always updated.)

All contact and product information forms are available on the website for credit cards.

In line with our responsible banking mission, we are an active supporter of the “I Can Manage My Money” platform developed in collaboration with the Ministry of Development, UNDP, Habitat Centre for Development and Governance, Visa Europe Turkey and member banks with a view to creating awareness among young people so that they can create a healthy financial future and contribute to sustainable development.

Answering any kinds of questions and complaints from our customers, Yapı Kredi Call Centre is available 7/24 with 1,191 staff. Through our Call Centres, the third of which was established in Kağıthane İstanbul in 2014, we answer 51 million calls on average over our telephone, chat, e-mail and voice response system.

Other platforms we monitor customer complaints include digital channels and social media. The users reaching us over these channels are replied to in 2 hours on average and create solutions for the customers through our first contact.

We use all our solution channels so that we can evaluate the complaints, requests and suggestions from our customers regarding our products and services and provide a reply for them as soon as possible.

<http://www.yapikredi.com.tr/en/we-are-here-for-you/>

Yapi Kredi believes that sustainable financial success is only possible through high customer satisfaction and loyalty. Hence we develop ourselves constantly in an effort to be the first choice both for our customers and employees.

<http://www.yapikredi.com.tr/en/we-are-here-for-you/customer-satisfaction-approach.aspx>

Aware of the fact that customer complaints are a crucial element to maintain customer relations and identify problems, we provide answers for the complaints and requests made by our customers as soon as possible.

<http://www.yapikredi.com.tr/en/we-are-here-for-you/complaint-management-approach.aspx>

One of our projects adding great value both to our bank and our customers has been our Branch Call Management project. The project differentiates the call experience in our branches according to the different needs of the customers in the related segments so that our branch employees and customers are able to enjoy a more active and efficient call experience. Thanks to the project implemented, our customer satisfaction regarding call experiences has significantly risen.

Branch Complaint Management

We are aware that customer complaint management carries great importance to ensure customer relations efficiently, enhance service quality and maximize customer satisfaction. In that respect, we develop our studies further everyday to structure complaint management and inspections. We look into the complaints about the branch received through the branch and other channels so as to take actions focused on enhancing customer satisfaction.

Enabling customers to access the transactions they would like to carry out without dialling and enjoy a simpler life, NUVO Call Steering was introduced in 2014 to our Nuvo Voice Response System. Thanks to this development, our customers only have to say the transaction they would like to carry aloud.

Call Centre Customer Contacts 51 million

Added Value Generated through Our Products and Services/Access to Financial Services

By its very nature, banking and finance sector creates high added value. Seeking to make positive contributions to the country economies we operate in, we prepare our products and services to comply with the international standards and shape them according to customers' needs.

Yapı Kredi intends to expand its customer base in retail banking while taking our studies with the current customers to a higher level so that we can be the main bank to work with for many more customers. Focused on systematic and process improvements regarding added value generation areas for customers, we prioritize enhancing customer experience in line with this goal. We remain also focused on gaining more salary customers and pensioner banking customers to expand our retail banking customer base. The advantages coming with our banking products and services for our pensioner banking customers make their lives easier.

Consumer, housing and car loans provided as retail banking products not only speed up production and investments but also assist capital accumulation and channel the idle capital waiting to be used into the real sector. In 2014 annual loan volume for retail consumer and housing loans, which are both among the main elements for the bank's growth strategy, rose by 46% and 22% reaching 12.2 billion TL and 11 billion TL respectively.

We work in cooperation with corporate real estate and contractor companies in the loan use for housing projects. In 2013 the housing loans guided by the contractor companies rose by 20% while life insurance penetration rose from around 30% to 60%.

Everyday digital channels are used more often so the number of products and services provided for our customers over them increase every year while we continue to develop related systems to make their lives easier. In that respect, Yapi Kredi Internet banking made available money wiring/receiving, Swift transactions etc. through Western Union.

In 2014 we launched a new project titled “Five Senses” in an effort to standardize all our branches physically and thus reinforce our brand image. Introduced to pilot branches, the project has replaced the equipment and hardware in the branches. Smell and music standardization is planned to be implemented in the next phase.

Yapi Kredi has been the sector leader in card payment systems for over 25 years. Card payment systems reduce cash circulation in the market and help registering economy besides increasing tax revenues. Spending made through credit cards also reduces inflation. While the increase in the money supply increases inflation by 0.13% credit card spending reduce inflation by 0.13% in the same period. According to the data from the Interbank Card Centre, credit cards also create new jobs. 1% increase in credit card spending creates 5,954 new jobs⁽³⁾. Our innovative practices in card payment systems, which have high economic added value, continued in the reporting period. We launched “World Eko” product, which does not charge an annual membership fee, so that all our customers could use cards.

Card Payment Systems

Number of Credit Cards 10.2 million

Number of Debit Cards 7.5 million

Number of Customers 5.7 million

Developed and provided for our customers within the scope of Platinum Banking, “İlk Param” is a long-term investment product that saves money via automatic withdrawal from either demand deposit or credit card account for the future needs of the customer’s children.

Individual and Platinum Banking

Number of Customers 9.5 million

Number of Branches 912

3. The quoted information is received from the Interbank Card Centre (BKM) website on <http://bkm.com.tr/kartli-odeme-sistemlerinin-ekonomiye-katkilari.bkm>

With a view to enabling our customers to reach financial and banking transactions information 7/24 fast and easily, we provide close to 500 transactions available over our website and expand our transaction set constantly. In an effort to be accessible over all platforms, we have launched m.ykb.com for the first time simultaneously along with mobile banking applications compatible with our customers' iPhone, iPad, Android, Android Tablet, Blackberry and Windows Phone 8 devices so that the customers can experience true mobile Internet. In 2014 we developed a special mobile banking application for Apple Watch too, hence adding another platform available for our services. What is more, in an effort for the customers to use the digital channels more comfortably, we introduced enter with Turkish Republic ID Number option besides the entry with Card Transactions option, which enables customers to use the internet and mobile branch without a membership only using their credit card information, and Remember Me feature, which enables customers to use the mobile branch without having to enter their user information all over again.

Apart from increasing access to bank products and services, we also provide many added value services through our digital channels. Thanks to 7 Day Payment Plan our customers are able to view their almost due payments over the internet and mobile branch, Smart Guide feature enables them to record the transactions they have carried out so that they will not have to re-enter the same information again in the future. They are able to use the Online Analyst service to monitor market data real time and carry out transactions over the Internet or mobile devices. Smart Assistant service enables our customers to receive information any time they wish regarding the banking transactions they need via e-mail, SMS or push notifications.

As of late 2014 the number of our customers using Smart Assistant reached 3.47 million. 61.1 million e-mails, 20.5 million SMS and 4.3 million push notifications were delivered within the scope of the Smart Assistant service in 2014.

In addition to these our corporate website yapikredi.com.tr analyses the behaviours and provide the most suitable products for the users in a user-based service approach. The goal is to help customers access the service they need easily and receive faster service. As a result, we have established a structure developing itself constant and providing the most suitable results. In 2014 the number of our visitors rose by 22% while our result-based success rate reached 71%.

Aware of the significance of the SMEs, which account for 99% of the total enterprises and 78% of the employment in Turkey, to the country's economy, Yapi Kredi offers a segment-based service model suggesting solutions depending on the customers' needs and providing information for SMEs to create more efficient business models. As of late 2014, the Yapi Kredi SME Banking customers amounted to approximately 1.6 million while the total amount of funds provided for SMEs reached 36 billion TL.

In 2014 we participated in various loan programs providing long-term and low-interest funding for SMEs. Yapi Kredi provided loan support for SMEs thanks to funds including the Greater Anatolia Guarantee Facility (GAGF), Turkey Agriculture Financing Facility (TURAFF) and Turkey Sustainable Energy Financing Facility (TURSEFF) provided at suitable costs by the European Investment Bank (EIB), European Bank of Reconstruction and Development (EBRD), International Finance Corporation (IFC) and Council of Europe Development Bank (CEB).

EBRD (European Bank for Reconstruction and Development) Loan Project
Seeking to provide funds for women entrepreneurs for suitable costs, we signed 20 million Euros worth loan deal with the EBRD in March 2013. Within the scope of the loan deal, we provided loans for up to 20 million Euros in total for the banks owned or managed by women entrepreneurs. All women entrepreneurs benefited from our loan no matter what sector they operated in.

In an effort to make a difference through our EBRD loan project, we held meetings with women from different places in Turkey and evaluated capabilities of women entrepreneurs in Turkey to access loans. Apart from that, our women customers are also able to benefit from our other loan products. We provide franchising services for the start-up entrepreneurs due to the fact that those that would like to start a new initiative mostly prefer franchising.

A new funding option was created for the SMEs finding it hard to access funds and located in the provinces prioritized for development by channelling the EBRD funds through the Greater Anatolia Guarantee Facility (GAGF) program into those SMEs. Approximately 25 million TL loan was used in the provinces covered by the program. We receive feedback from customers that the loans provided have had a positive impact on increasing the investments and employment in those provinces. Moreover, within the scope of the Turkey Sustainable Energy Financing Facility (TURSEFF), we support

our SME customers that have established renewable energy production facilities using solar and wind resources or replace their current technologies with new and low-consumption machinery.

We also continue our collaboration with the Small and Medium Industry Development Organization (KOSGEB) and Credit Guarantee Fund (CGF) to provide government subsidized loans to small businesses.

We believe that the support lent for agriculture is an important part of the country economy and our corporate sustainability. Yapi Kredi supports agricultural sector in every segment from plant production to animal husbandry through our approximately 250 branches located in rural areas and provide all banking services and products required by our farmers. We invest agricultural investments through 20 different agricultural loan types maturing according to harvest times, 7 insurances and 2 different card practices.

Thanks to loans provided for business finance, farmers are able to pay upfront for their purchases and enjoy net increase in total production profitability. Moreover, Yapi Kredi investment loans have played a significant role in switching from traditional production methods to modern and technological production. The fact that the Government subsidies like the IPARD project can now be provided through banks makes the processes of grant involving investments for farmers. By supporting agricultural production and renewal projects covered by the grant programs through suitable repayment conditions, we seek to provide the highest quality services for investors in long-term project funding. Our “Verimli Kart” card product used by farmers to purchase agricultural input also meets farmers’ needs thanks to its increasing usage scope.

In 2014 agricultural loans grew by 25% on average as far considering the sectoral sum, while Yapi Kredi grew by close to 60% in agricultural loans. The number of our customers grew by 15% last year, hence enabling us to work with more farmers.

Yapi Kredi provides various support services and payment management mechanisms for Turkish companies involved in international trade. Besides traditional products focused on imports and exports, we support our customers through innovative and alternative foreign trade solutions. In 2014 a special team was started to increase the foreign trade funding volume structured through other export loan organizations and Eximbanks in other countries.

SME and Agricultural Banking

Number of Customers 1.2 million

Yapi Kredi offers a wide range of products and cash management services including county wide collection and payment services, cash transfer services, electronic banking and operational services besides diverse data integration and reconciliation solutions related to these products.

As of the end of 2014, the number of Yapi Kredi customers using cash management and trade finance products reached 229 thousand.

Leveraging on Unicredit's expertise and especially extensive network in Europe and Central Eastern Europe, Yapi Kredi maintains its position as the ideal commercial banking partner and entry point for international companies in Turkey. At of the end of 2014, the number of international and multinational companies working with Yapi Kredi exceeded 1,000. In 2014 we restructured the International and Multinational Banking section in an effort to further enhance customer experience.

Project finance is one of the major drivers of Yapi Kredi's growth strategy. In 2014 our bank enjoyed a strong performance in project finance lending and participated in the financing of 28 new projects. Throughout 2014, we realized 2,4 billion USD cash and non-cash loan disbursement and reached a total underwriting amount of 12 billion USD in project finance via 196 projects. One of the Yapi Kredi's key strengths in project finance was environmentally friendly renewable energy projects. As of late 2014, our total underwriting amount reached 3.5 billion USD with a total installed capacity of 5,801 MW in 108 different projects.

Corporate and Commercial Banking

Number of Customers 39 thousand

Number of Branches 63

Providing uninterrupted access opportunity for our customers regarding our financial services through alternative delivery channels and taking into consideration the widespread use of technology and country's young population, we keep investing further in alternative delivery channels. The share of non-branch channels in total banking transactions rose from 56% in 2007 to 83% in 2014.

Providing simple, fast and uninterrupted service for our customers, our Internet branch enjoyed 32% and 16% increase in the number of individual and corporate banking customer users respectively in 2014. Our bank scored a first time in 2011 by becoming the first bank to provide its services over all the smart mobiles in Turkey thanks to the launch of the mobile branch application in 2011. Introduced in 2014, the new branchless banking service NUVO enables customers to open accounts and conduct financial transactions over the mobile and Internet branch. In 2014 the number of our mobile branch users rose by 120% when compared with the previous year.

As the most widely used non-branch delivery channel, ATMs also boast the highest transaction volume among the alternative delivery channels. In 2014 approximately 5 million users completed over the ATMs 141 million transactions, which correspond to 46% of all the banking transactions of Yapı Kredi. In 2014, 606 new ATMs were installed, therefore increasing the total number of our ATMs to 3,606. In an effort to increase ATM security and protect customers from ATM frauds, we completed installation of Card Protection Systems on all ATMs.

Number of ATMs 3,606

Number of Internet Branches 4.2 million

Number of Mobile Branch Users 1.2 million

Private Banking and Wealth Management

Providing our services for individuals with a total wealth of 500 thousand TL and over, we maintain our leadership in the Private Banking and Wealth Management segment with a total sum of 38,6 billion TL worth customer assets, 22 private banking centres and a broad customer basis.

Throughout the year, Yapı Kredi focused on customer acquisition and activation. Accordingly, number of customers acquired increased by 39% annually to 2,414 and the number of customers activated increased by 25% to 1,745 supported by cross-sell activities and new products.

The Bank also started a new “Referral System” in 2014, which improved customer acquisition in terms of number and asset size. 4 awards received in 2014 crowned our success. Those awards include “World Finance – The Best Private Banking 2014 – Turkey”, “Private Asset Management (PAM) Magazine – “Private Banking Innovation”, “Private Asset Management (PAM) Magazine – Best Philanthropy Service”.

As a result of Yapi Kredi’s continued customer-oriented approach, customer satisfaction in private banking reached the highest level of TRIM index globally in 2014. Increase in frequency of contact with customers and improvements in information process to customers about new products and services contributed significantly to this increase.

In 2014 two special events were organized for private banking customers so that our customers enjoyed the opportunity to meet a wide range of experts from economy to arts while also having face to face interviews with experts throughout the year as part of our consultancy services.

Private Banking

Number of Customers 23 thousand

Number of Branches 22

Enabled Banking

Firmly believing in the fact that one of the most important social problems faced in Turkey is the problems faced by the disabled citizens, who constitute 12.29% of the population, we launched Enabled Banking Program in 2008 so that disabled citizens will be able to enjoy easier access to banking services in line with our “Dedication to Deliver” philosophy.

Scoring a first time in the banking sector, Enabled Banking Program seeks to minimize the troubles experienced by the disabled people while receiving banking services.

By launching the very first enabled banking website in Turkey www.engelsizbankacilik.com.tr, we sought to make it easier for the disabled citizens to access financial sector easily.

Thanks to a new employment project launched within the scope of enabled banking in 2014, we provide the opportunity for the disabled citizens to work from their homes and recruited 9 disabled individuals as part of the project. Apart from all the software, hardware and processes helping our disabled colleagues work as home agents, we worked on all the processes meticulously in an effort to turn them into competent

employees through the required trainings, communication methods with a view to enhancing their corporate loyalty, motivation and commitment. We provided special disability friendly vehicles for their transportation throughout the training and orientation process. Once the training and orientation process were completed, the new Yapı Kredi employees that started to work from home during the daily working hours began to enjoy the same opportunities and options when compared with those working from the office locations. Moreover, we provided sign language training for around voluntary 300 branch employees in an effort to offer faster and more efficient services for the hearing-impaired customers as part of our “Speaking is in our Hands” project.

Benefiting from technological advantages during our efforts to facilitate life for our disabled citizens, we took visually impaired users into consideration as we developed our website, Internet branch and mobile branch iPhone application so that all our designs and coding were suitable for their use. Labelling all the buttons and functions properly, we developed our application to comply with the Voice Over application on iPhones fully.

Our Services within the scope of Enabled Banking:

1260 Enabled ATMs for the Visually Impaired People

We provide the option to conduct transactions using their voice for the visually impaired customers.

Technology Converting Voice into Writing

This special technology coding voice into writing enables the visually impaired customers to receive voice information regarding changes in the markets.

20 Enabled ATMs for the Orthopedically Handicapped

Our orthopedically handicapped customers enjoy easier access to banking services thanks to this service.

230 Enabled Branches for the Orthopedically Handicapped

Mobile or permanent ramps provided at the branch entrances make it easier for the customers using wheelchairs to enter branches.

Online Chat for the Hearing Impaired

Online chat service is possible for our customers to complete transactions including reporting lost-stolen cards, closing card to transactions, requesting new cards due to magnetic damage besides credit card information update without having to go to the bank branches or using the call centre.

Customer Satisfaction at Yapi Kredi

We believe that ensuring customer satisfaction lies in the foundation for achieving corporate sustainability. Our customers' satisfaction level provides us detailed feedback opportunities regarding our operations. Hence we regularly listen to what our customers have to say. Undertaking many surveys, research and activities, we use the results obtained from those channels to define our strategies.

Quality Group is responsible for coordinating the efforts to measure Customer Satisfaction and plan the required actions. Established to provide the necessary guidance to enhance customer satisfaction and experience and to take the necessary decisions, Customer Experience Committee submits reports to the Executive Committee while the Quality Group is responsible for the agenda of the committee. The Assistant General Manager responsible for Compliance and Internal Control is present on this committee to represent customers' rights. Customer Satisfaction is an indispensable element for the bank's performance model. Customer Satisfaction goals are covered by all our employees' corporate and personal goal cards.

We monitor customer satisfaction through "Customer Satisfaction Research", "Customer Experience Research" and "Mystery Shopper Research. Thanks to these methods online daily reports are formed so that the issues could be monitored by our branch employees. If they have granted their approval to be contacted, our branches contact the unhappy customers as a result of that daily information and the required actions are taken fast.

Apart from these researches, we also hold "Internal Customer Satisfaction" survey regularly once every year in order to measure the internal service quality. Analysing all the customer complaints through our "Customer's Voice" customer complaint management system, we form the required action plans in an effort to avoid the complaints from being experienced again.

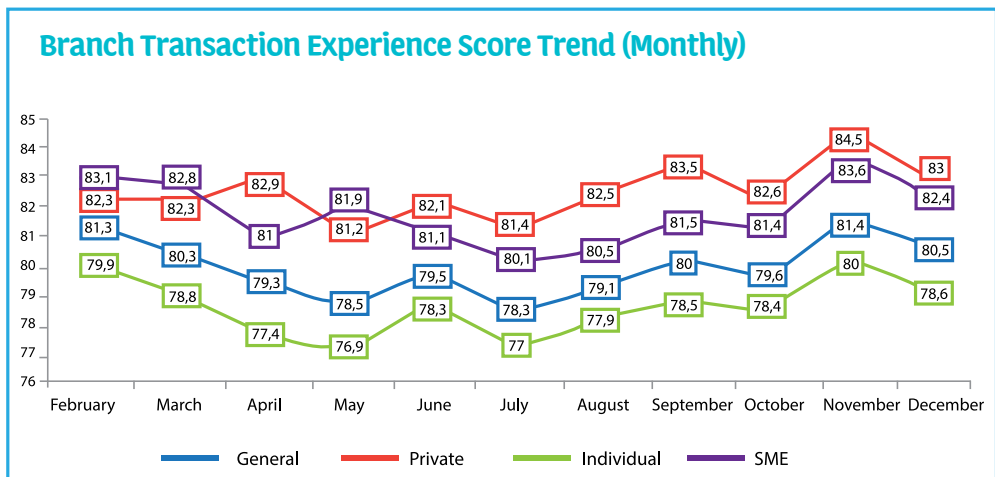
Our Customer Satisfaction Researches

| | | |
|---|--|--|
| YKB Retail Banking Customer Satisfaction Interview Count : ~20.000 Method : On the Phone Reporting: Quarterly | Retail Banking Sector Research Interview Count : ~3.000 Method : CATI Reporting: Every Six Months | YKB Retail Banking Branch Transaction Experience Interview Count ~312.000 Method : IVR after Transaction Reporting : Daily |
| Private Banking Customer Satisfaction Research Interview Count : ~400 Method : On the Phone Reporting: Every Six Months | YKB Corporate and Commercial Banking Customer Satisfaction Research Interview Count : ~1.000 Method :On the Phone/Internet Reporting: Every Six Months | Corporate and Commercial Banking Sector Research Interview Count : ~300 Method : On the Phone/Internet Reporting: Year End |
| YKB Internet Branch Customer Satisfaction Research Interview Count: ~20.000 Method: Internet Branch Reporting: Year End | YKB App Rating Play Store: ★★★★★ App Store: ★★★★★ | |

The research reached ~20,000 YKB customers and ~3000 customers working with other banks.

Branch Transaction Experience Research

Formed according to the satisfaction levels of ~312,000 customers called a day after the transaction via IVR method regarding their satisfaction levels about the related transaction, the general score for the bank turned out to be 80%.







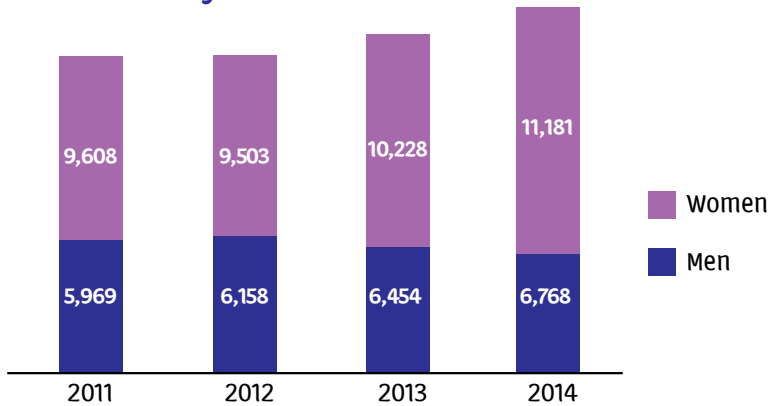
OUR EMPLOYEES

Acting in line with the vision to be the “Best Corporation to Work for” in all our human resources policies and practices, we do our best to provide our employees with a working environment that develops constantly and is respectful to fundamental human rights. While creating a working environment that values each and every one of our employee’s talent and experience and gives them the right to voice their views and ideas while meeting the necessary conditions for peace at work, we seek to be the first choice of our employees and manage our human resources accordingly on the path to the finance sector leadership.

In that respect we adopt a dynamic human resources policy to manage recruitment, adaptation, career planning and training processes besides providing attractive development opportunities for our employees through our collaboration with academic organizations and our shareholders. In line with our responsible employer identity, we provide a safe working environment for our employees and contribute to our employees’ social lives by means of our activities developed to ensure a successful work life and life balance for all the employees besides our voluntary employee practices.

| Social Goals | | | |
|------------------------------|---|---------------------------------------|--|
| Human Rights | Maintaining a “0” level of incidents of discrimination | Equal Opportunity | Implementing a policy of fair compensation, raising return rates of female employees after maternity leaves. |
| Employee Satisfaction | Increasing the number of visits to regions and branches and strengthening communications through closer contacts with employees. Increasing the use of alternative educational models such as mobile learning, the Online Academy and other smart applications, making training and development opportunities easily accessible at any time | Occupational Health and Safety | Periodically setting up rules of Occupational Health and Safety Committees and continuing the practices that are conducive to a healthy and safe workplace environment |

Employee Distribution by Gender



EMPLOYEE RIGHTS

Our sustainability goals include providing a fair and safe workplace worthy of human dignity for our employees. Yapi Kredi therefore implements fair human resources practices that are respectful to human as well as employee rights and are against discrimination. In line with our “Equal Opportunity” and “Equal Employment Opportunities” principles, we act with no regard paid to race, religion, colour, age, gender, nationality or ethnic background, sexual preference, physical disability, seniority as well as any other factors stated by law during all our human resources processes including recruitment and afterwards.

Expecting all our employees to emphasize social diversity and act according to principles of respectfulness, tactfulness, honesty and equality in their relations with each other, we show great effort for them to adopt the corporate citizenship understanding and ethical principles of Yapı Kredi.

During the reporting period no discrimination incidents were reported within our company.

Our remuneration policy forms the basis of our career management practices. We ensure that our employees receive just payments in return for their performances and do not pursue any discriminations based on gender. As of the reporting period, the ratio of our standard starting wage in our operations to local minimum wage is 110%.

Yapı Kredi accepts the main principles and norms stated by the UN Global Compact, also signed by our main shareholders Koç Holding and Unicredit, as well as the responsibilities and obligations stemming from it. In that respect we promise to comply with all the related laws and rules ensuring equal rights for everyone and avoiding discrimination. Moreover, in line with the article No 4 and 5 of the Global Compact, we promise not to allow any child labour, forced labour nor forced labourers in our business promises. During the reporting period no complaints were filed to us about the violation of those aforementioned principles.

By supplementing our remuneration policy through the fringe benefits provided for our employees according to work levels, we intend to maximize employee commitment. All our employees enjoy the right to benefit from Group Annual Life Insurance as of their first day at work besides the right to benefit from the Group Health Insurance a month later they started to work. Moreover, our employees are able to join in the Corporation-Supported Private Pension System upon their request. Our employees' spouses and their children aged over 18 are also entitled to benefit from the Group Health Insurance and Private Pension System services.

As far as our employees participating in the Private Pension System are concerned, the corporate contribution provided is in parallel with their seniority. As of the reporting period, private pension system contributions are made for 12,384 employees while the ratio of employees participating in the system is 67%. A group health insurance plan with appropriate premium amounts is available for the employees that worked for Koç Financial Services for at least 15 years and then left later on.

Yapı ve Kredi Bankası A.Ş. Employees Assistance and Pension Fund Foundation Nursing Home

Home located in Kadıköy, Istanbul and available for Yapı Kredi pensioners in need of this service and for their spouses in line with capabilities, the Nursing Home accommodates 18 Yapı Kredi pensioners during the reporting period.

Yapı ve Kredi Bankası A.Ş. Employees Savings and Assistance

Established to promote social solidarity and mutual assistance opportunities, the organization provides short-term loans for employees that are also members of the Yapı Kredi Assistance Fund Association. The association also provides cash fund and aid in kind available to employees facing financial difficulties due to illness, accidents or natural disasters. As of the reporting period 6,673 of our employees are members of the assistance fund.

In line with the related legal regulations, Yapı Kredi respects the collective bargaining and occupational organization membership rights of the employees and strives to conduct its operations in ways to avoid setting barriers to these rights and freedoms.

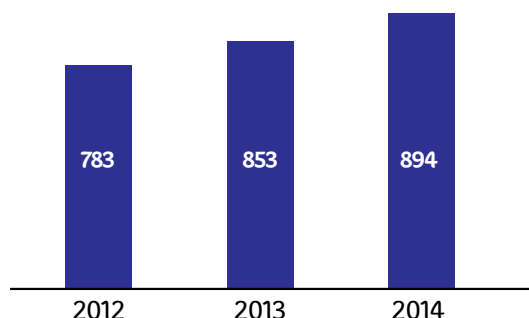
Announcing the articles covered by the collective bargaining agreement throughout Yapı Kredi, we make them accessible for all the employees to view over the internal communication channels within the bank. In addition to that, we provide summary information during the orientation training given to those newly recruited employees. Apart from those information provision efforts, Employee Relations Advisory Board (ÇİDAK) has been established with a view to resolving the problems that might arise in the working life fast and on time through social dialogue. ÇİDAK also aims to contribute to labour peace among the Bank and Trade Union members besides enhancing efficiency. ÇİDAK meets 6 times a year regularly.

Total Number and Ratio of Employees Covered by Collective Bargaining Agreements:

| 2012 | 2013 | 2014 |
|-------|-------|--------|
| 9,388 | 9,787 | 10,997 |
| (64%) | (62%) | (61%) |

894 employees took upon active duties in the trade union in 2014 while union membership ratio among Yapi Kredi employees turned out to be 63%.

Number of Employees with Active Duties in Trade Unions



Taking seriously the positive influence of maintaining private and professional life on work satisfaction besides performance, we organize campaigns encouraging the use of taking annual leaves and monitor the on time using of the leaves. Apart from ensuring compliance with the working hours stated by the labour law, we hold informative meetings about the avoidance of working overtime with managers.

We started Yapi Kredi Employee Support Program in an effort to alleviate the pressure from the busy schedule and responsibilities in the private and professional lives of our employees and help them reach a healthy balance. The program seeks to identify the individual problems of the employees and provide proactive support from experts for resolving those issues so that the employee satisfaction and efficiency are enhanced in the workplace. Within the scope of the program, there is an Employee Support Helpline providing 7/24 free consultancy services. Launched in 2010 to provide free consultancy services for Yapi Kredi employees in financial, legal and psychological areas, the “Employee Support Helpline” is available for calls any time of the day. Throughout 2014 the calls made to the hotline rose by 16% when compared with the previous reporting period and reached 4,667 calls.

The activities helping employees use their time outside work more efficiently and make their social lives more colourful are organized under Safir Program. Within the scope of the program, we provide many development opportunities regarding diverse areas from seminars for maintaining private and professional life to personal image issues, from distant learning to parenting seminars organized in collaboration with the Foundation for Mother Child Education (AÇEV). Encouraging our employees to participate in social activities outside the work through different awards given for establishing professional and private life balance under Safir Social title, we provide administrative leave option in the first week of the schools for the employees that have children going to kindergarten and elementary school in an effort to support positive and efficient communication within the family under Safir Family Support title. What is more, our employees living in İstanbul are able to benefit from the Bilfen Kindergarten and day care centre service for 110 children.

We have continued “Internal Sponsorship” project since 2005 to support the success of our employees in sports and encourage them while contributing to their personal development and sportive activities. Besides the financial support provided as part of this sponsorship, we cover the success stories of our employees in their sportive activities through internal communication channels and therefore share them with all the employees.

In 2014 we supported Yapı Kredi employees Bayram Kuytan, Kaan Göker, Metin Akbaş, Ömer Şahin and Veli Canpolat competing successfully in mountaineering, tennis and athletics individually within the scope of the internal sponsorship.

Within the framework of internal sponsorship in 2014;

Bayram Kuytan: Waved Yapı Kredi banner on 4,130 mt by reaching Annapurna Base Camp after climbing up the most dangerous mountains to the northwest of the Himalayas.

Metin Akbaş: Successfully completed the 29 marathons and half marathons he ran during the year and won 4 gold, 7 silver and 3 bronze medals.

Ömer Şahin: Successfully completed the 23 marathons and half marathons he ran during the year and won 4 gold, 6 silver and 3 bronze medals.



Kaan Göker: Won 7 medals in the tournaments he participated in both individually and as Yapı Kredi team.

Veli Canpolat: Receiving internal sponsorship in 2014 for the first time, Veli Canpolat successfully climbed up the Kazbek Mountain (5,047 mt), one of the highest summits in the Caucasus, and also waved Yapı Kredi banner on the summits of Erciyes, Allahuekber, Aydos, Emler, Kızılkaya and Demirkazık in Turkey.

As far maintaining balance between private and professional life, we attach importance to our employees' using maternity leaves. While our women employees benefit from the legal maternity leave of 56 calendar days granted both before and after giving birth, our male employees use 3 business days of casual leave and annual leave. The HQ buildings provide nursing rooms and shuttle service for breastfeeding breaks.

Sportive Activities at Yapı Kredi

In an effort to provide healthy life options and strengthen communication among the employees and reinforce the team spirit, we bring our employees together through numerous activities. Providing for our employees a sportive infrastructure in our facilities and Yapı Kredi Sports Club established in 2007, we enable our employees to be involved in diverse sports branches in the sports centres located in Yapı Kredi Plaza D Block and Banking Base.

Apart from participating in Koç Group Sports Fest, we organize races and tournaments within Yapı Kredi and take part in many corporate sports competitions and events. During the reporting period our theatre group active under the Sports Club won the “Most Successful Organization Award” in the “Direkterarası Theatre Audience Awards” for its musical show titled “Yaygara-70” and therefore made us proud.

Return to Work Rates for Women Employees after Maternity Leave⁴

| | 2012 | 2013 | 2014 |
|---|------|------|------|
| Return to Work Rate after Maternity Leave | 97% | 98% | 96% |

OCCUPATIONAL HEALTH AND SAFETY

Yapı Kredi takes employee health and safety as its prioritized goal in all its business processes. We therefore prepared a policy identifying our principles about the matter to form a guideline regarding our Occupational Health and Safety practices. Having established an Occupational Health and Safety Unit under the Human Resources and Organization Management for developing the corrective and preventive actions for the workplace safety and employee health, we have also started Occupational Health and Safety Boards led by that unit with the participation of the employee representatives. 17 locations were defined for holding the Occupational Health and Safety Board meetings every three months within the scope of the Yapı Kredi operations. Every location includes employee representatives and the trade union representatives are prioritized while selecting representatives. Our locations feature 29 employee representatives in total while 6 of them are from the Banking Base and 5 of them are from the headquarters. OHS employee representatives collect views, suggestions and

4. Shows the ratio of our female employees that have used maternity leave and are still working twelve months after they have come back from the leave to the total number.

complaints received from the employees convey them to the OHS unit. Once the OHS Unit has looked into the matter, it prioritizes the necessary actions to sort out the matter.

We work with an expert occupational health and safety consulting firm specializing in aspects including risk analysis, emergency action plan, trainings and periodic examinations for employees. Within the scope of these studies, emergency action plans were drawn up for our HQ, regions, branches and all other service locations. The plans prepared include the emergency response team, emergency response procedures and action plans (emergency numbers, fire action plan, earthquake action plan etc.). During the reporting period risk assessment and action plan forming studies went on for all the locations while those assessments are planned to be completed within 2015. In line with the Law No. 6331 on Occupational Health and Safety, all employees are required to provide medical reports when they are recruited and there is a workplace doctor examining employees' health in the locations employing over 50 staff. Within the scope of the same law, employees are given periodical medical examinations when they are recruited and every 5 years after that.

The work accidents that take place during Yapi Kredi operations are registered and shared with the related authorities. Major and minor accidents are separated at the end of the year and the accident frequency rates are calculated accordingly. In 2014 accident frequency rate turned out to be 0.08.⁵ 3 of the accidents experienced were minor accidents affecting 4 female and 3 male employees. The workforce loss amounted to 52 days since the female employees were on medical leave for 31 days (59.61%) and male employees for 21 days (40.39%). Within the scope of our operations, there are no detected occupational diseases defined by the OSH norms.

In an effort to increase employee awareness about Occupational Health and Safety, training programs are organized and 11,177 employees participated in 31,005 hours of OHS training in 2014.

Detailed information regarding Yapi Kredi Occupational Health and Safety practices are available on <http://www.yapikredi.com.tr/en/corporate-social-responsibility/health-and-safety.aspx> while detailed information on Yapi Kredi Occupational Health and Safety Policy is available on [http://assets.yapikredi.com.tr/WebSite/_assets/pdf/en/corporate-social-responsibility/HS_Principles_\(EN\).pdf](http://assets.yapikredi.com.tr/WebSite/_assets/pdf/en/corporate-social-responsibility/HS_Principles_(EN).pdf)

5. Accident frequency rate is calculated over the (total active working hours/minor accidents count)/1000000 formula.

EMPLOYER RESPONSIBILITY

As far as our company operations are concerned, Yapı Kredi develops practices enabling internal stakeholder engagement and we manage our operations in line with the expectations and demands from our employees. Through the active communication channels we have developed, we reach for suggestions, complaints and expectations from our employees and use those elements as reference points to focus on employee satisfaction. Thanks to the importance we attach to the views of our employees, Yapı Kredi employees get to be more efficient and satisfied while we strengthen our business process via tangible and feasible solutions.

We issue a monthly CEO message for our employees for them to receive transparent and fast information regarding Yapı Kredi operations. Moreover, we share the current news regarding the in-house studies held, events organized and external communication studies over the information screens located in the HQ and the Banking Operations Centre lobbies, the intranet main page titled “Bizler Plus” and BizTV.

“Bizler Plus” is a corporate social network implemented for the first time and only by Yapı Kredi in the entire financial sector in Turkey. We ensure transparent, fast and interactive information flow within the company since it is a single platform also covering the portals of the management units within Yapı Kredi.

Apart from the management units, employees too are able to publish stories over Bizler Plus and comment on the stories published. Strengthening the communication among themselves, this feature ensures that communication between the company and employees remains mutual.

Our employees are able to convey their problems regarding the professional life at Yapı Kredi over the Trade Union, Ministry of Labour or the Employment Agency. The contents of the problems delivered by the related organizations are looked into and the aspects to be improved in the practices are reviewed while the problems are discussed with all the HR levels and business units in an effort to ensure improvement/correction. The entire unit in question is audited in relation to the complaints submitted by the Ministry of Labour inspectors. Moreover, Yapı Kredi employees are able to deliver their complaints to those in charge of ethical issues in confidence by sending e-mails and calling the Ethic Hotline.

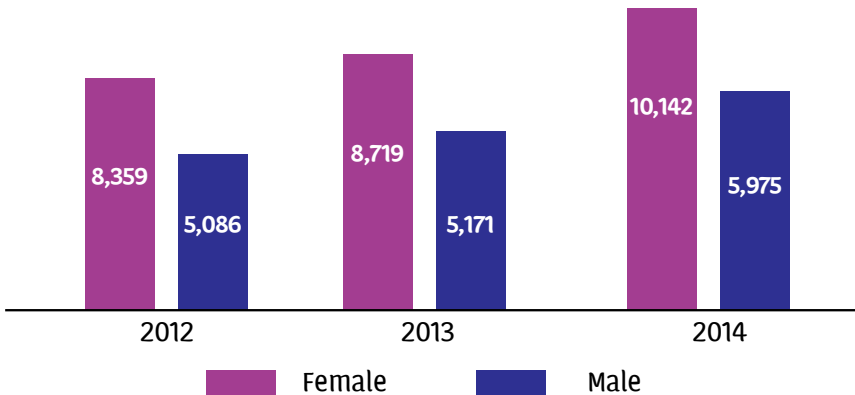
In 2014 “HR Support Line” call centre was launched to provide support for Yapi Kredi employees regarding human resources issues. Since the day it was made available, the hotline has received over 16 thousand calls. Moreover, Active E-Mail Management project was launched to ensure communication efficiency among Yapi Kredi employees.

TALENT MANAGEMENT AND OCCUPATIONAL TRAINING

Yapi Kredi implements talent management practices focused on increasing the employees’ initiative over their careers. We accompany their individual and professional development through the trainings we provide and ensure our employees’ active participation in the talent management processes via performance evaluation procedures. Talent pools within the company are established during the manager selection processes. Structured in an effort to ensure that all the manager candidates are evaluated fairly, the related processes that are implemented in a transparent fashion and shared openly with the rest of the company.

Within the scope of the Total Performance System, the weighted average of the evaluations composed 60% of the goals and 40% of competences are calculated eventually yielding the “Total Performance Scores”. Except for the employees in the support positions, all the employees that have been working at the company for over three months are covered by the evaluation processes the human resources procedures use. During the reporting period all our employees and executives covered by the aforementioned scope are included in the performance evaluation processes.

Number of Employees by Gender Regularly Undergoing Performance and Career Development Evaluation

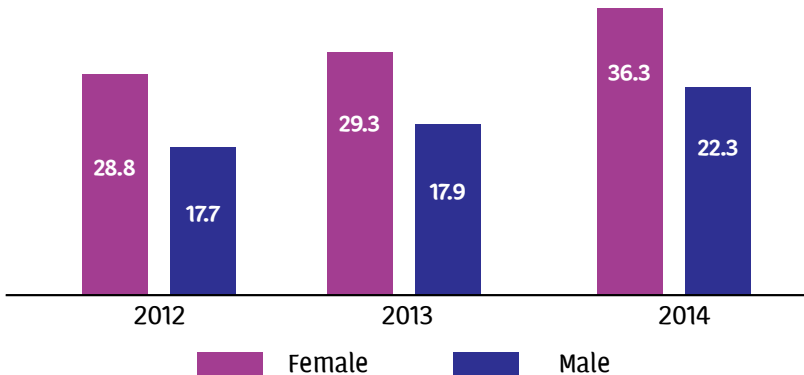


Within the scope of our Leadership and Talent Management practice, we design training and development processes for discovering and developing talented employees with high performance and potential. Education catalogues customized for individuals are formed and the employees in the talent pool are able to pick from among the trainings covered by the catalogue. Developing collaboration with private universities, we provide mini MBA programs for our employees and guide them to the right positions in line with the company needs.

Employee trainings are comprise trainings planned according to the employees' education catalogues as well as project trainings planned in relation to the strategic needs during the year. These trainings include banking and technical trainings with an emphasis on the banking aspects so that the employees could fulfil their duties efficiently as well as personal development trainings required for them to develop their competence. In that respect our employees participate in in-class training and development programs focused on improving their knowledge and skills. What is more, there are numerous trainings about risk management and legal compliance obligatory for all our employees to complete.

In addition to in-class trainings, our employees also receive distant trainings/mobile trainings. Provided over channels such as e-learning, video, online class, the distant trainings reduce the number of business travels required by our employees living outside Istanbul, which accounts approximately half of our workforce, and therefore take the greenhouse gas emission generated due to the travels. In 2013, 20% of the employee trainings were conducted via distant training methods while during the reporting period that rate rose to 21%.

Training Hours per Employee by Gender



98% of all the employees received training in 2014.

Yapı Kredi Banking Academy

Established in 2009 as one of the most comprehensive corporate universities in Turkey, Yapı Kredi Banking Academy provides training and education for Yapı Kredi employees, their families, customers, university students and volunteers. Designing required and elective courses for the employees to pick according to their titles, Yapı Kredi Banking Academy plans the training programs (banking, banking system, personal development etc.) picked by people during the training demand period and provides them for the development people during the year. Moreover, special development programs are also developed during the year for the target groups in line with the strategic priorities of the bank. During the reporting period the number of employees received training rose by 36% when compared with the previous period.

EMPLOYEE VOLUNTEERISM PRACTICES

Yapı Kredi Volunteers undertook social responsibility studies within the framework of 10 main projects in 2014. As of late 2014, 2,911 Yapı Kredi employees lent their support as volunteers for the projects within the scope of the Yapı Kredi Volunteers Platform. During the year, our employees established libraries in many schools, provided technological equipment such as printers and computers besides cheering children up through charity and wish tree campaigns held. Moreover, they did not forget about elderly people and continued to visit them in the retirement homes as well as supporting the revenue generation processes of NGOs.



79 Yapi Kredi employees ran in the 36th Istanbul Eurasia Marathon. Living the marathon experience, the sports people called on people to make donations to the Spinal Cord Paralytics Association of Turkey (TOFD) while also donating a motorized wheelchair to the association in an effort to contribute to the process for many disabled people to join in social life.

Heroes Club

Introduced in 2012 as a young talent and development program for junior students, Heroes Club enables selected students to benefit from various trainings, participate in projects, seminars and social responsibility studies. Also enjoying opportunities to do internships and work part-time at Yapi Kredi, the students are assigned human resources consultants every year while senior managers act as their mentors during the second year. Those that complete the program successfully are offered jobs depending on our needs and their performance. In 2014, 100 students were selected from 34 different universities in Turkey for the Heroes Club.

Our 300 employees donated food for stray animals in the cities through “Alive on the Streets” group besides donating books and stationery to Hacı Canik Naipli Primary School students.

572 Yapi Kredi employees developed their own projects in 2014 as part of the Gift Matching project and called on all Yapi Kredi employees to make donations.



Thanks to the campaign completed successfully, an ultrasonography device was procured for the Foundation for Children with Leukaemia (LÖSEV) oncology hospital to diagnose cancer in addition to providing new computers for the Altı Nokta Sight Impaired Foundation Emirgan Rehabilitation Centre.

Thanks to the traditional New Year's Eve Tree Gift Campaign organized by Yapı Kredi employees, books were collected for the Education Volunteers Foundation of Turkey (TEGV) Şanlıurfa Sevgi Erdoğan Gönül Educational Park Library. 1,000 volunteers participated in the event and the books left under the tree by our employees were delivered to educational park library for children.

During the reporting period Yapı Kredi Banking Academy and TOÇEV renovated the Ağrı Patnos Yürekveren Baltacık Primary School Kindergarten. Our 48 volunteers organized events for that purpose and therefore advanced on the path to become leaders with social responsibilities while raising the funds required for this project.





ENVIRONMENTAL MANAGEMENT

Implementing practices to minimize the negative impact of our operations on the environment, Yapı Kredi benefits from the related know-how and experience of its main shareholders Koç Holding and UniCredit for that purpose. As far as all our operations are concerned and in line with this understanding, we take initiatives to

- Protect the natural resources in our country and the world, use them in the most efficient way possible and minimize the environmental impact stemming from our operations,
- Avoid waste generation as much as possible and ensure the recycling of the waste generated,
- Increase environmental sensitivity of our employees and the public while also raising their awareness regarding environmental sustainability.

Yapı Kredi is a member of the Koç Environment Committee, which is composed of the managers responsible for environmental management issues in the Koç Group companies. This structure defines, implements and expands the policies and strategies throughout the Group. Turning the strategic goals set by this structure into our performance goals, we expand those goals throughout the entire Yapı Kredi organization starting from the senior management. We monitor all the results and processes reached regularly in line with the goals set. In that respect, we attach great importance to complying with the related regulations and conduct regular audits in collaboration with the Koç Audit Group.

Social and Environmental Management System (SEMS)

Implementing the principles stipulated by the Social and Environmental Management System (SEMS), Yapı Kredi secures funds from the International Financial Institutions (IFI) and the German Investment and Development Corporation (DEG). In line with the conditions of the funds secured from these organizations, projects harmful to the natural habitat, polluting environment and causing the local population in the region to migrate as well as projects related to manufacturing and trading of wood and forest products outside the sustainable forests are categorized as banned projects. Every factor harming the wildlife and social life are evaluated and the projects undertaken in banned sectors are not funded.

Responsible Resource Use

Due to the characteristics of the sector we operate in, a significant portion of our environmental impact is composed of plastic, paper, glass and metal waste. A great deal of these wastes generated during our operations comes out during the office processes. An important way of reducing the amount of waste generated during the related processes is changing the way employees behave. Therefore, we undertake informative activities that support our efforts of helping our employees reduce waste.

Apart from informative studies for our employees, we also inform our customers too through different channels especially regarding waste paper. Encouraging our customers to switch to e-extract, we reduce the paper waste caused by the traditional banking transactions thanks to the use of the Internet and telephone

banking practices. In parallel with the developments in the digital world and the widespread internet usage, we organize campaigns focused on increasing the rate of our customers receiving electronic bank statements and every year we take that rate to higher levels. Aware of the responsibility falling on the business world regarding environment, we support the practices that help spreading of this responsibility throughout our value chain too. In line with this understanding, we continued our studies to integrate environmental criteria to the supplier contract processes in 2014.

Supporting our studies to inform our employees and customers through information technology practices and operational practices, we implement practices reducing the waste stemming from personal use in our offices. We contribute to recycling by ensuring that licenced companies collect our electronic equipment that reached the product end-of-life. We also contribute to recycling by collecting the waste oil from the HQ cafeteria. In addition to these, Integrated Waste Management System practices began in 2014 and the system is expected to be completed in 2015. Within the scope of recycling/recovery program, we separate waste at the source through these studies. We give the recyclable paper, plastic, metal and glass waste to the municipalities or licensed companies dealing with the service points and therefore ensure their recycling. The hazardous waste generated as a result of our operations are delivered to licensed waste disposal facilities and are thus included in the disposal/recovery processes.

Just like waste management, as far as water management is concerned, our employees account for the majority of water used since we do not conduct production or water-intensive operations. That is why we attach special importance to informative studies ensuring conscious use of water and inform our employees through different communication channels during the year. While the Banking Base Centre recycles and recovers consumed water via its biological wastewater treatment plant, wastewater discharge quality is kept within the legal limits.

Recycling Movement

Since 2011 we have continued our recycling project in line with our understanding for efficient resource usage and were active about it in 2014. Within the scope of the project, waste is collected via paper, plastic, glass and metal waste bins located within the HQ and region buildings. Waste collected that way in 2014 was then taken to the municipalities and other waste centres just like in the past years. Studies for informing employees created a positive influence over the performance results obtained from the recycling project.

The results obtained within the scope of the project in the last 3 years:

| | 2012 | 2013 | 2014 | TOTAL |
|-------------------------------|------------|------------|--------------|--------------|
| 1. Glass Waste Amount (ton) | 0.95 | 1.46 | 0.52 | 2.93 |
| 2. Paper Waste Amount (ton) | 889 | 970 | 1,033 | 2,892 |
| 3. Metal Waste Amount (ton) | 1.48 | 3.36 | 0.29 | 5.13 |
| 4. Plastic Waste Amount (ton) | 13.96 | 17.80 | 6.15 | 37.90 |
| TOTAL | 905 | 993 | 1,040 | 2,938 |

Hence within the scope of the Recycling Movement in the last 3 years;

- 2,892 tons of paper was sent for recycling and 104,127 tons of greenhouse gas emission was prevented as well as saving 49,181 trees and 75,203 m³ of water.
- 37.90 tons of plastic was sent for recycling saving 530,154 kW/h on energy. This way 166 tons of crude oil was prevented from being consumed.
- 2.93 tons of glass was sent for recycling saving on 301 liters of gasoline.
- 5.13 tons of metal was sent for recycling, hence saving on 82,904 liters of water and preventing 10,261 tons of greenhouse gas emission.

Energy and Emission Management

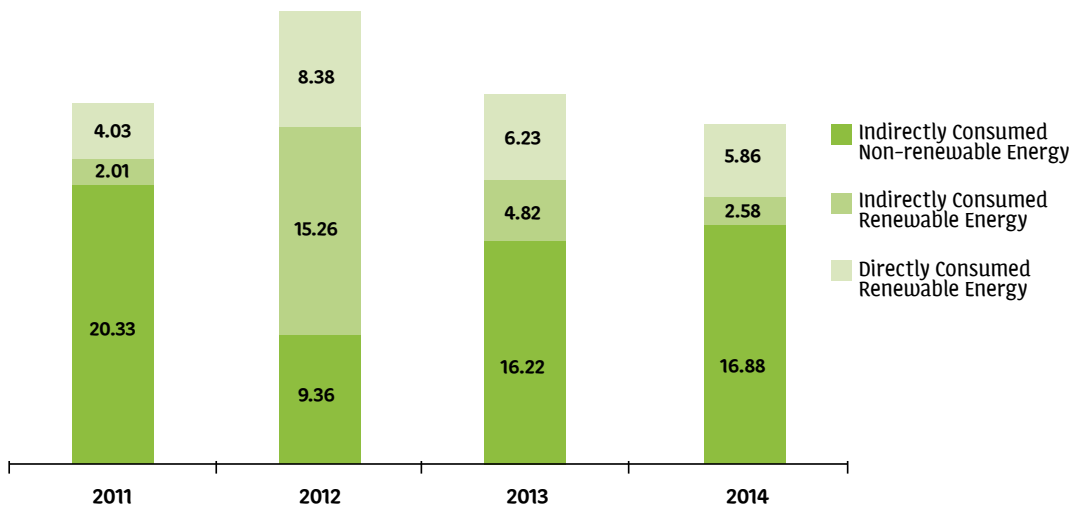
Aware of the risks caused by climate change for the entire business world, we attach special importance to energy and emission management. Not only do we implement practices reducing our operational impact but also fund renewable energy projects, therefore creating long-term values for our customers and stakeholders.

Renewable Energy Support

In line with the special interest it shows in sustainability, Yapı Kredi spares a significant portion of the project finance loans for renewable energy projects. As of late 2014, 30% of the project finance loans were provided for renewable energy projects while funding 5,801 MW of installed renewable energy projects. With the implementation of these projects funded, 9,542 tons of carbon emission will be prevented on an annual basis.

During the reporting period we saved 1,273 GJ of energy through energy saving practices and informative studies focused on developing employees' behaviour.

Direct and Indirect Energy Consumption per Employee (GJ)



Our priority is to act in line with the related laws and regulations within the scope of our environmental management practices. In that sense we do not limit our approach by our operations alone and seek to expand it throughout our value chain too. Emission management is another important issue we deal with in terms of environmental management. In that respect, we undertake practices including energy efficiency projects, reduce emissions stemming from employee transportation and implement numerous information technology practices.

Within the scope of these operations, we introduce practices that will minimize carbon emission without compromising the safety and comfort of our employees and reduce fuel consumption accordingly. Thanks to updating employee shuttle routes and limiting them to arterial roads, we shortened the shuttle route by 1,111 km on a daily basis and therefore managed to save 4.83% on fuel and reduced CO₂ emission by 92 tons on an annual basis.

What is more, we planned a study to be implemented in 2015 regarding vehicle ages. The study seeks to replace the old generation vehicles with new generation vehicles and engines to reduce our carbon emission. The plan is to ensure that our 69 vehicles of 27 seats each will be maximum 4 years old and our 42 vehicles of 45 seats each will be maximum 10 years old.

Besides these studies, we carry out practices towards reducing our environmental impact in the field of information technologies. We pursue our activities in order to create positive impact on the subjects of energy consumption, heat and carbon emissions, productive computer experience and to establish more environmentally friendly IT strategy.

Within the scope of our studies, in all our branches, we aim at transitioning to computers that support green strategies. 70% of our branches already use computers of such feature. Through the use of green strategies for every computer in our branches, we saved 29% of electric power. With our energy savings policy applied in all our branches between 00:00 and 08:00, our Bank achieved yearly 0.9 MW energy saving. By this means, carbon emissions level is reduced significantly.

Information Technologies energy saving policies are put in use in the first quarter of 2014. The transition to the system is completed in May and June and thus, in 2014 for 7,742 computer, 40% energy saving based on kWh was achieved and approximately 306,000 tons carbon emissions were prevented from being released to the atmosphere.

Besides transitioning to computers that support environmentalist strategies, energy saving studies were also conducted in our data centers. Within the scope of these studies, energy saving was achieved through physical cancellations of devices, which reached the end of their technical useful life, and through implementation of virtualization technology. Another added value of these studies is that problems in

system rooms regarding thermal camera, energy management systems, and hardware are managed to be detected proactively without damaging the media.

The energy saved by means of these works is approximately 330 MW. The amount of carbon emissions corresponding to the energy saving is calculated as approximately 180,000 tonnes. We aim at changing lighting technology with new led lighting products and at updating warning and monitor system with new devices in order to detect mechanical and electrical problems of air conditions in advance.

Launched in 2011, ISO 14064 Greenhouse Gas Emission verification study continued in 2014 too. As a result of our studies calculating, developing, managing and reporting the greenhouse gas inventories on the company level in line with the related guidelines and standards; the greenhouse gas reduction amount we obtained during the reporting period through our energy saving projects and practices amounted to 1,972 tons of CO₂.

Greenhouse Gas Emission Values per Employee (CO₂e)



Responsible Procurement Practices

As with all its operations, Yapı Kredi is committed to act in a responsible manner in procurement processes, and aims to include its suppliers in its audit and communications efforts in order to extend its corporate principles and business culture across its entire value chain. During the reporting period, we have included environmental and social criteria in supplier contracts, therefore ensuring that these stakeholders fully comply with environmental and human rights obligations as well as laws and regulations.

Yapı Kredi prefers local suppliers for procurement, contributing to the development of local economies in its region of operations. We also work with suppliers from different countries including USA, England, Germany, France, Italy. During the reporting period, Yapı Kredi worked with 1,573 local and 130 international suppliers, and 96% of all procurements were made through local suppliers.





SOCIAL INVESTMENTS

Yapı Kredi believes in the significance of a sustainable social future and strives to integrate its corporate citizenship understanding with all its operations. Apart from the support lent for the social operations undertaken by our main shareholders Koç Holding and UniCredit, we develop our own social responsibility project in line with the needs and expectations of our stakeholders and support the active engagement of our stakeholders while shaping our studies. Supplementing the investments we make in education, sports, culture & arts through our innovative and sustainable social responsibility projects seeking lasting solutions to social problems, we collaborate with public organizations, NGOs and universities in an effort to reach large groups.

Besides the current projects undertaken during the report, we continued our operations in education, culture & arts through our subsidiaries.

Education

Yapı Kredi Girls' Technical and Vocational High School (2008)

Yapı Kredi Banking Academy (2008)

Yapı Kredi Finance Chair – Koç University (2011)

Culture & Arts

Yapı Kredi Publications (1945)

Yapı Kredi Kâzım Taşkent Art Gallery (1964)

Yapı Kredi Cultural Centre (1992)

Sermet Çifter Research Library (1978)

Yapı Kredi Vedat Nedim Tör Museum (1992)

Yapı Kredi Cultural Activities, Arts and Publishing

Our culture and art publishing house operations, which have remained a cornerstone of our social responsibility understanding since the day Yapı Kredi was established, continues through Yapı Kredi Cultural Activities, Arts and Publishing started in 1992. Through our subsidiary that has been successfully active for 22 years, we seek to ensure that the best samples of our country's culture and art life meets art lovers while enriching our cultural heritage on a national and global scale. In that respect we continued our publishing activities, exhibition and event organizations under Yapı Kredi Publications and Yapı Kredi Cultural Centre during the reporting period.

Yapı Kredi Publications

As one of the largest and most influential companies in the publishing sector, Yapı Kredi Publications continued to publish many masterpieces selected carefully for the readers in many areas from literature and arts to cartoons, novels and history during the reporting period. Yapı Kredi Publications (YKY) published 2.7 million books with 257 new titles and 581 reprints in 2014. Through 235 school events and library presentations organized, 42,000 students, teachers and librarians met the authors and editors of the books published by Yapı Kredi Publications.

In 2014 Yapı Kredi Publications continued a special project launched for the visually impaired people in collaboration with Technology and Education Centre for the Visually Impaired (GETEM) and SESTEK. Within the scope of the project, all the new books published by Yapı Kredi Publishing House become available on the Internet and on a special phone line for the visually impaired people. Thanks to the project giving the opportunity for the visually impaired people to read books at the same time with everyone and for free, 93 books were transferred to digital environment as a result of the project in late 2014.

Yapı Kredi Cultural Centre

Hosting striking exhibitions, meetings and chats that become an important part of the agenda in the areas of painting, sculpture, photography, graphics, archaeology and culture; Yapı Kredi Cultural Centre organized 9 exhibitions and 160 art events in 2014 while 70,000 participated in them. One of the most outstanding exhibitions in 2014 was the “Here I am, Zeki Müren”, which sheds light on the artist’s photos and private possessions in his archive that has been under the protection of the Turkish Educational Foundation and the TSK Mehmetçik Foundation for 18 years. Visited by over 1,000 people, the exhibition featured his paintings and drawings that present Müren’s avant-garde life and talent in a complete perspective.

Besides “Hoca Ali Rıza Painting Exhibition”, one of the other significant exhibitions organized in 2014 was Handan Börüteçene’s “I Remained Buried Within Myself” exhibition in Istanbul Archaeological Museum held in cooperation with İzmir Arkas Art Centre.



Yapı Kredi Afife Theatre Awards

Held for the 18th time this year as the most prestigious and long-lasting award organization in Turkey, Yapı Kredi Afife Theatre Awards went to their owners in a glamorous ceremony at the Haliç Congress Centre. Featuring leading figures from the world of arts and business, the award ceremony made winners happy in 14 categories, three of which were special. Muhsin Ertuğrul Special Prize went to Münir Özkul, whose daughter Güner Özkul received on his behalf; Cevat Fehmi Başkur Special Prize went to Ahmet Sami Özbudak while Prof. Dr. Zehra İpşiroğlu received the Yapı Kredi Special Prize. Composed of 33 members, the jury for the awards went to the theatre for 1,700 times and watched 208 plays in total in order to evaluate 2,836 candidates one by one in 11 categories and decide on the winners. Nominated in seven categories and therefore receiving a lot of attention, “The Rise of Arturo Ui” proved to be the star of this year’s awards and won four awards.



Çatalhöyük Excavations

Yapı Kredi has supported the archaeological excavations at Çatalhöyük, the first and most important archaeological discovery from the Neolithic Age in Anatolia, since 1997, as the main sponsor. Located in Çumra Konya and housing the secrets from 9,000 years in the past, Çatalhöyük was discovered in 1958 by archaeologist James Mellaart. The excavation continued from 1961 to 1965 and then came to halt until it began again in 1993 by archaeology professor Ian Hodder. Covered by the UNESCO World Heritage List, Çatalhöyük was excavated by 180 team members from 17 different countries in 2014. The findings from the excavations are exhibited and stored by the Konya Archaeology Museum. Organized by Yapı Kredi Cultural Activities, Arts and Publishing in 2014, Çatalhöyük Exhibition was hosted by the Istanbul Technical University (İTÜ) Taşkışla Campus during the European Association of Archaeologists (EAA) 20th anniversary meeting.

I read, I play

Organized by Yapı Kredi in collaboration with the in Educational Volunteers Foundation of Turkey (TEGV) since 2006, “I Read, I Play” project continued during the reporting period. Designed to improve children’s reading skills, the project went on through 10 Educational Parks, 40 learning Units and 684 volunteers. Since its onset, the project has reached 120,000 children in total.



Within the scope of the “I Read, I Play” project, “Colored Pens” newspaper activities were held in 2014. Receiving “I Read, I Play” training on the TEGV education parks in Samsun, Van, İstanbul, İzmir, Ankara and Gaziantep children experienced publishing a newspaper under the coaching of experienced journalists. Produced by children from the page-settings to photographs and news contents, “Colored Pens” will continue under the leadership of TEGV volunteers and coaching journalists in 2015 too.

“Vadaa”s Support for Education

Identified with Worldcard, Yapı Kredi World’s popular mascot Vadaa became a plush toy in December 2014 for the sake of children’s education. Available for sale for the first time, Vadaa was in store for consumers in Yapı Kredi Cultural Activities, Arts and Publishing stores in collaboration with Education Volunteers Foundation of Turkey (TEGV). The income enjoyed from the sale of Vadaa toys became available for the children’s education on TEGV educational parks in all over Turkey.



Yapı Kredi Finance Chair

In 2014 Yapı Kredi continued to provide support for Yapı Kredi Finance Chair started with a view to supporting scientific research in finance.

As one of Yapı Kredi initiatives ensuring direct contribution to society and education, Yapı Kredi Finance Chair seeks to establish a bridge between banking sector and academy. Supplemented through diverse analyses, case studies and theories, Yapı Kredi Finance Chair education process provides great experience for students to form real business strategies by using financial instruments.

Yapı Kredi Technical and Vocational High School

One of the most important studies we have undertaken regarding education is Yapı Kredi Girls' Technical and Vocational High School opened in Çayırova Kocaeli in the 2008-2009 school year. Today over 500 students study in the Child Development and Education, Graphics and Photography, IT, Catering and Office Management departments of the school. Moreover in an effort to contribute ensure uninterrupted education life for the successful Yapı Kredi Girls' Technical and Vocational High School students, we have organized a scholarship program available since 2012-2013 school year.

Anatolian Scholars Program

Introduced by Koç University in 2011 to provide the best education opportunities for the successful university students facing limited finances, Anatolian Scholars Program is also supported by Yapı Kredi.

We continued our support for the Anatolian Scholars Program in 2014 by increasing the number of scholars supported to 4.

Yapı Kredi Engages Women in Social Life with AÇEV

Within the scope of the social responsibility studies undertaken through Yapı Kredi Banking Academy (YKBA), we continue to conduct projects adding values to different groups in the society. Launched in collaboration with Mother Child Education Foundation (AÇEV) in Diyarbakır back in 2013, the literacy course program continued in three provinces including Ankara, İzmir and Diyarbakır during the reporting program with a view to ensuring that the women that had failed to complete their basic education could participate actively in social life.



Within the scope of the project we reached 1,500 women in total with our basic literacy, advanced literacy and access to information, easy computer using skills and financial literacy trainings. Our 28 voluntary employees gave trainings in financial literacy in the project.

Speaking is in Our Hands

“Speaking is in our Hands” project was initiated by Yapı Kredi Banking Academy in collaboration with the Federation for the Hearing Impaired People in 2012. Designed to understand the banking problems faced by 3 million hearing impaired people in Turkey and to provide better services for them, the project featured two days of trainings for participants eager to learn sign language. The project went on in 2014 too and so far approximately 300 of our employees participated in the project voluntarily.

Sports Sponsorships

In 2012 we scored a first time by being the first Turkish brand to sponsor the UEFA Champions League and gained the Official Sponsor Bank in Turkey status, which continued in 2014 too.



I Know No Barriers for My Country

Yapı Kredi supports “I Know No Barriers for My Country” project initiated by Koç Holding to support improving quality of life for the disabled people in their business and social lives. Within the scope of the project we launched “Type B Fund for My Country” and used approximately 70% of the revenue generated by this fund’s sale to make schools more accessible to disabled students. Thanks to the revenue received from the fund and in cooperation with Vehbi Koç Foundation, we improved the physical conditions of two primary schools in İstanbul and Samsun while supporting the conversion of an idle village school into a school for the mentally challenged.

Seeking to create values in all the regions in our entire sphere of influence, Yapı Kredi provides aid and donations in its operation regions with a view to increasing educational opportunities and cultural capital. In that respect the total spending made under “Aid and Donation Transactions” during the reporting period amounted to 6.8 million TL. Detailed information regarding our corporate social responsibility studies and sponsorships are available on <http://www.yapikredi.com.tr/en/corporate-social-responsibility/>.





PERFORMANCE TABLES

FINANCIAL PERFORMANCE INDICATORS

| | | 2013 | 2014 | 2013-2014 Changes |
|------------------------------|--|-------|-------|----------------------|
| Growth | Assets (billion TL) | 160.3 | 195.0 | 22% |
| | Cash (billion TL) | 99.4 | 125.5 | 26% |
| | Deposits (billion TL) | 88.5 | 107.6 | 22% |
| Profitability | Revenues (million TL) | 8,058 | 8,754 | 9% |
| | Operating Expenses (million TL) | 3,543 | 4,146 | 17% |
| | Net Income (million TL) ⁶ | 2,375 | 2,056 | -13% |
| | Return on Average Tangible Equity ⁶⁻⁷ | 16,7% | 12.0% | -470 bp |
| | Return on Assets ⁸ | 1,5% | 1.1% | -40 bp |
| | Cost/Income Ratio | 44,0% | 47.0% | +3 p |
| Liquidity and Capital | Bank Capital Sufficiency Ratio | 16.0% | 15.0% | -100 bp |
| | Bank ⁸ | 7.6x | 8.5x | +0.9x |
| | Bank Loans / DepositRatio | 110% | 115% | +5 p |
| Asset Quality | Non-Performing Loans Ratio | 3.5% | 3.4% | -10 bp |
| | Total Coverage ⁹ | 107% | 113% | +6p |
| | Cost of Risk ¹⁰ | 1.27% | 1.17% | -10 bp |

6. 2013 net income excludes 1.3 billion TL capital gain from the sale of Yapı Kredi insurance. Net Income including the sale is 3,659 million TL.

7. Net Income/Average Shareholders' Equity. Average Shareholders' Equity is calculated by subtracting 979 million TL of goodwill generated from the merger of Koçbank and Yapı Kredi in 2006.

8. (Total Assets-Shareholders' Equity)/Shareholders' Equity.

9. Indicates specific and general provision coverage .

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

Note: pp (percentage points), bps (basis points) indicate difference between ratios.

HUMAN RESOURCES PERFORMANCE INDICATORS¹¹

Employee Distribution by Contract Type and Gender

| | 2011 | | 2012 | | 2013 | | 2014 | |
|--------|----------------|-------------------|----------------|-------------------|----------------|--------------------|----------------|--------------------|
| | Contracted | Permanent | Contracted | Permanent | Contracted | Permanent | Contracted | Permanent |
| FEMALE | 118 (0.76%) | 9,490 (60.92%) | 84 (0.54%) | 9,419 (60.14%) | 217 (1.30%) | 10,011 (60.01%) | 177 (0.99%) | 11,004 (61.31%) |
| MALE | 57 (0.36%) | 5,912 (37.95%) | 127 (0.81%) | 6,031 (38.51%) | 123 (0.74%) | 6,331 (37.95%) | 36 (0.20%) | 6,732 (37.51%) |

Employee Distribution by Employment Type and Gender

| | 2011 | | 2012 | | 2013 | | 2014 | |
|--------|-------------------|----------------|-------------------|----------------|--------------------|----------------|--------------------|----------------|
| | Full-Time | Part-Time | Full-Time | Part-Time | Full-Time | Part-Time | Part-Time | Part-Time |
| FEMALE | 9,413 (60.43%) | 195 (1.25%) | 9,355 (59.73%) | 148 (0.94%) | 10,047 (60.23%) | 181 (1.08%) | 10,897 (60.71%) | 284 (1.58%) |
| MALE | 5,923 (38.02%) | 46 (0.29%) | 6,141 (39.21%) | 17 (0.11%) | 6,417 (38.47%) | 37 (0.22%) | 6,731 (37.50%) | 37 (0.21%) |

Employee Distribution by Age Group Type and Gender

| | 2011 | | | | 2012 | | | |
|--------|------------------|-------------------|-------------------|----------------|-------------------|-------------------|-------------------|----------------|
| | 18-25 | 26-35 | 36-45 | 46+ | 18-25 | 26-35 | 36-45 | 46+ |
| FEMALE | 1,070 (6.87%) | 5,661 (36.34%) | 2,669 (17.13%) | 208 (1.33%) | 1,050 (6.70%) | 5,306 (33.88%) | 2,920 (18.64%) | 227 (1.44%) |
| MALE | 381 (2.45%) | 2,929 (18.80%) | 2,095 (13.45%) | 564 (3.62%) | 503 (3.21%) | 2,911 (18.59%) | 2,151 (13.73%) | 593 (3.79%) |
| | 2013 | | | | 2014 | | | |
| | 18-25 | 26-35 | 36-45 | 46+ | 18-25 | 26-35 | 36-45 | 46+ |
| FEMALE | 1,657 (9.93%) | 5,157 (30.91%) | 3,166 (18.98%) | 248 (1.49%) | 1,963 (10.94%) | 5,525 (30.78%) | 3,404 (18.96%) | 289 (1.61%) |
| MALE | 681 (4.08%) | 2,977 (17.84%) | 2,215 (13.28%) | 581 (3.48%) | 676 (3.77%) | 3,199 (17.82%) | 2,302 (12.82%) | 591 (3.29%) |

11.The data on the Human Resources Performance Table covers Yapı Kredi Bank employees alone and excludes the subsidiaries.

Employee Distribution by Educational Background and Gender

| | 2011 | | 2012 | | 2013 | | 2014 | |
|--------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | Two-year degree and below | Undergraduate and above | Two-year degree and below | Undergraduate and above | Two-year degree and below | Undergraduate and above | Two-year degree and below | Undergraduate and above |
| FEMALE | 3,008 (19.31%) | 6,600 (42.37%) | 2,880 (18.39%) | 6,623 (42.29%) | 2,927 (17.54%) | 7,301 (43.76%) | 3,004 (16.74%) | 8,177 (45.56%) |
| MALE | 1,763 (11.32%) | 4,206 (27.00%) | 1,736 (11.08%) | 4,422 (28.23%) | 1,691 (10.14%) | 4,763 (28.55%) | 1,709 (9.52%) | 5,059 (28.18%) |

Number of Employees with Disabilities

| | 2011 | 2012 | 2013 | 2014 |
|--------|-------------|-------------|-------------|-------------|
| FEMALE | 60 (0.38%) | 59 (0.38%) | 60 (0.36%) | 78 (0.43%) |
| MALE | 238 (1.53%) | 237 (1.51%) | 248 (1.49%) | 345 (1.92%) |

Total Number of Employees Recruited by Age Group

| 2011 | | | | 2012 | | | |
|-------------------|------------------|----------------|---------------|------------------|-------------------|----------------|--------------|
| 18-25 | 26-35 | 36-45 | 46+ | 18-25 | 26-35 | 36-45 | 46+ |
| 1,085 (6.96%) | 948 (6.08%) | 55 (0.35%) | 5 (0.03%) | 1,213 (7.74%) | 875 (5.59%) | 72 (0.46%) | 9 (0.06%) |
| 2013 | | | | 2014 | | | |
| 18-25 | 26-35 | 36-45 | 46+ | 18-25 | 26-35 | 36-45 | 46+ |
| 1,951 (11.69%) | 1,284 (7.70%) | 121 (0.72%) | 12 (0.07%) | 1,768 (9.85%) | 2,034 (11.33%) | 154 (0.86%) | 7 (0.04%) |

Total Number of Employees Leaving Employment by Age Group

| 2011 | | | | 2012 | | | |
|----------------|------------------|----------------|----------------|----------------|------------------|----------------|----------------|
| 18-25 | 26-35 | 36-45 | 46+ | 18-25 | 26-35 | 36-45 | 46+ |
| 357 (2.29%) | 793 (5.09%) | 339 (2.18%) | 123 (0.79%) | 583 (3.72%) | 967 (6.17%) | 391 (2.50%) | 144 (0.92%) |
| 2013 | | | | 2014 | | | |
| 18-25 | 26-35 | 36-45 | 46+ | 18-25 | 26-35 | 36-45 | 46+ |
| 551 (3.30%) | 1,178 (7.06%) | 429 (2.57%) | 188 (1.13%) | 646 (3.60%) | 1,041 (5.80%) | 304 (1.69%) | 153 (0.85%) |

Total Number of Employees Recruited by Gender

| | 2011 | 2012 | 2013 | 2014 |
|--------|------------------|------------------|-------------------|-------------------|
| FEMALE | 1,218 (7.82%) | 1,168 (7.46%) | 2,055 (12.32%) | 2,377 (13.24%) |
| MALE | 875 (5.62%) | 1,001 (6.39%) | 1,313 (7.87%) | 1,586 (8.84%) |

Total Number of Employees Leaving Employment by Gender

| | 2011 | 2012 | 2013 | 2014 |
|--------|----------------|------------------|------------------|------------------|
| FEMALE | 660 (4.24%) | 1,269 (8.10%) | 1,018 (6.10%) | 1,236 (6.89%) |
| MALE | 952 (6.11%) | 816 (5.21%) | 1,328 (7.96%) | 908 (5.06%) |

Average Seniority (year)

| | 2011 | 2012 | 2013 | 2014 |
|--------|------|------|------|------|
| FEMALE | 8.99 | 9.24 | 8.66 | 8.31 |
| MALE | 9.12 | 9.08 | 8.67 | 8.40 |

Senior Managers

| | 2011 | 2012 | 2013 | 2014 |
|------------------------------|---------------|---------------|---------------|---------------|
| Senior Managers Total | 53 | 48 | 47 | 45 |
| Female Senior Managers Total | 16 (30%) | 11 (23%) | 9 (19%) | 12 (26.6%) |
| Local Senior Managers Total | 47 (88.7%) | 42 (87.5%) | 42 (89.3%) | 42 (93.3%) |

Distribution of Senior Managers by Age Group

| 2011 | | | 2012 | | | 2013 | | | 2014 | | |
|-------|-------|-----|-------|-------|-----|-------|-------|-----|-------|-------|-----|
| 26-35 | 36-45 | 46+ | 26-35 | 36-45 | 46+ | 26-35 | 36-45 | 46+ | 26-35 | 36-45 | 46+ |
| 3 | 36 | 14 | 2 | 30 | 16 | 0 | 26 | 21 | 0 | 21 | 24 |

Occupational Health and Safety Data

| | 2013 | 2014 |
|-------------------|--------|--------|
| Injury Rate (IR) | 0.01 | 0.09 |
| Absence Rate (AR) | 347.80 | 366.47 |

Training Hours by Gender

| | 2012 | 2013 | 2014 |
|--------|------|------|------|
| Female | 28.8 | 29.3 | 36.3 |
| Male | 17.7 | 17.9 | 22.3 |

ENVIRONMENTAL PERFORMANCE TABLES

Energy Consumption

| GJ | 2011 | 2012 | 2013 | 2014 |
|--|---------|---------|---------|---------|
| Total Direct Renewable Energy Amount | 0 | 0 | 0 | 0 |
| Total Direct Non-Renewable Energy Amount | 62,763 | 131,218 | 103,966 | 105,200 |
| Total Indirect Renewable Energy Amount | 31,315 | 239,061 | 80,388 | 46,390 |
| Total Indirect Non-Renewable Energy Amount | 316,631 | 146,521 | 270,631 | 303,017 |

Emissions

| CO ₂ e | 2011 | 2012 | 2013 | 2014 |
|---|-----------|-----------|-----------|-----------|
| Direct greenhouse gas emissions | 7,265.00 | 13,162.40 | 12,018.26 | 10,684.96 |
| Indirect greenhouse gas emissions | 49,391.00 | 49,808.16 | 52,104.26 | 51,069 |
| Other indirect greenhouse gas emissions | 14,304.00 | 8,898.23 | 9,820.83 | 12,065.54 |

Water Consumption

| Source (m ³) | 2012 | 2013 | 2014 |
|--------------------------|---------|---------|---------|
| Surface Water | 0 | 0 | 0 |
| Well Water | 1,533 | 1,046 | 7,478 |
| Rainwater | 0 | 0 | 0 |
| Municipal Water | 366,276 | 429,603 | 392,116 |
| Other Sources | 0 | 0 | 0 |
| Total | 367,809 | 435,797 | 399,594 |

Reused Water Amount and Ratio

| | 2013 | 2014 |
|--|-------|------|
| Total Amount of Recycled / Reused Water (m³) | 5,606 | 0.00 |
| Total Amount of Recycled / Reused Water (%) | 0.06 | 0 |

Water Discharge

| m³ | 2011 | 2012 | 2013 | 2014 |
|-----------------------------------|--------|--------|--------|--------|
| Total Wastewater Discharge Amount | 28,694 | 80,039 | 89,731 | 91,912 |

Wastewater Discharge Quality

| Data Processing Centre | 2010 | 2011 | 2012 | 2014 |
|------------------------|------|------|-------|-------|
| BOi (mg/l) | 31.1 | 20.4 | 19.8 | 24.87 |
| KO _i (mg/l) | 61.7 | 61.5 | 56.8 | 75.44 |
| AKM (mg/l) | 31.3 | 23.2 | 22.3 | 14.25 |
| pH | 7.05 | 6.83 | 7.06 | 7.26 |
| ACCR- Academy Building | 2010 | 2011 | 2012 | 2014 |
| BOi (mg/l) | 35.2 | 26.1 | 34.8 | 20.03 |
| KO _i (mg/l) | 66.2 | 77.1 | 121.2 | 57.34 |
| AKM (mg/l) | 36.5 | 30.2 | 32.4 | 13.14 |
| pH | 7.35 | 7.14 | 7.05 | 7.53 |

Wastes Collected within the Scope of Recycling Movement

| kg | 2011 | 2012 | 2013 | 2014 |
|---------|---------|---------|---------|-----------|
| Paper | 282,360 | 888,750 | 970,380 | 1,033,000 |
| Glass | 744 | 950 | 1.459 | 520 |
| Metal | 281 | 1.478 | 3.363 | 290 |
| Plastic | 783 | 13.955 | 17.791 | 6.150 |
| Total | 284,168 | 905,133 | 992,993 | 1,039,960 |





GRI G4 CONTENT INDEX



| Indicator | Description | Identified Omissions | External Assurance |
|----------------------------|--|----------------------|--------------------|
| Profile Disclosures | | | |
| G4-1 | Message From the CEO (p.6-7) | - | - |
| G4-2 | Message From the CEO (p.6-7); Corporate Governance (p.21-25) | - | - |
| G4-3 | Contact (p.103) | - | - |
| G4-4 | About Yapı Kredi (p.9); Corporate Website: http://www.yapikredi.com.tr/bireysel-bankacilik ; http://www.yapikredi.com.tr/kobi ; http://www.yapikredi.com.tr/ticari ; http://www.yapikredi.com.tr/kurumsal ; http://www.ykprivate.com.tr/ | - | - |
| G4-5 | Contact (p.103) | - | - |
| G4-6 | About the Report (p.5); Subsidiaries (p.12-15); Yapı Kredi 2014 Annual Report (p.19-25) | - | - |
| | Shareholding Structure (p.11-12) | - | - |
| G4-7 | Shareholding Structure (p.17) | - | - |
| G4-8 | About Yapı Kredi (p.9, 12-15) | - | - |
| G4-9 | About Yapı Kredi (p.9); Financial Performance Indicators (p.88) | - | - |
| G4-10 | Human Resources Performance Tables (p.90-92) | - | - |
| G4-11 | Employee Rights (p.57) | - | - |
| G4-12 | Business Ethics, Bribery and Anti-Corruption (p.28-30); Responsible Procurement Practices (p.75) | - | - |
| G4-13 | Corporate Website: http://www.yapikredi.com.tr/en/investor-relations/corporate-governance/public-disclosures.aspx | - | - |
| G4-14 | Sustainability and Risk Management (p.22-23); Business Ethics, Bribery and Anti-Corruption (p.28-30); Human Rights (p.30-31) | - | - |
| G4-15 | Yapı Kredi's Voluntary Affiliations (p.27) | - | - |
| G4-16 | Yapı Kredi's Voluntary Affiliations (p.27) | - | - |
| G4-17 | About the Report (p.5) | - | No |
| G4-18 | About the Report (p.5); Sustainability and Risk Management (p.22-23) | - | No |
| G4-19 | Our Material Issues (p.24) | - | No |
| G4-20 | Our Material Issues (p.24) | - | No |
| G4-21 | Our Material Issues (p.24) | - | No |
| G4-22 | GRI G4 Content Index (p.98) (The report does not have any restatements of information provided in previous reports.) | - | No |
| G4-23 | About the Report (p.5); Sustainability and Risk Management (p.22-23) | - | No |
| G4-24 | Stakeholder Engagement (p.25-26) | - | No |
| G4-25 | Stakeholder Engagement (p.25) | - | No |
| G4-26 | Stakeholder Engagement (p.25-26) | - | No |
| G4-27 | Sustainability and Risk Management (p.22-23); Customer Satisfaction at Yapı Kredi (50-51); Social Investments (p.82-85) | - | No |
| G4-28 | About the Report (p.5) | - | - |
| G4-29 | About the Report (p.5) | - | - |
| G4-30 | About the Report (p.5) | - | - |
| G4-31 | About the Report (p.5); Contact (p.103) | - | - |
| G4-32 | About the Report (p.5); GRI G4 Content Index (p.98) (Yapı Kredi Sustainability Report 2014 was not subjected to any external audit.) | - | - |
| G4-33 | GRI G4 Content Index (p.98) (Yapı Kredi Sustainability Report 2014 was not subjected to any external audit.) | - | - |
| G4-34 | Corporate Governance (p.21-23) Yapı Kredi Annual Report 2014 (p.35-41) | - | - |

| Indicator | Description | Identified Omissions | External Assurance |
|--|---|----------------------|--------------------|
| G4-56 | Business Ethics, Bribery and Anti-Corruption (p.28-30); Human Rights (p.30-31); Yapı Kredi Code of Ethics http://www.yapikredi.com.tr/_assets/pdf/en/investor-relations/governance/corporate-governance/Code-of-Ethics.pdf | - | - |
| Standard Disclosures | | | |
| Material Aspect: Economic Performance | | | |
| G4-DMA | Employee Rights (p.54-56); Financial Performance Indicators (p.88); Yapı Kredi 2014 Annual Report 2013 (p.158, 196-197) | - | - |
| G4-EC1 | Financial Performance Tables (p.88) | - | - |
| G4-EC2 | Message from the CEO (p.6-7); Added Value Generated through Our Products and Services/Access to Financial Services (p.41-44,45-49); SME and Agricultural Banking (p.46); Renewable Energy Support (p.73) | - | - |
| G4-EC3 | Employee Rights (p.54-56); Yapı Kredi Annual Report 2014 (p.196-197) | - | - |
| G4-EC4 | Yapı Kredi 2014 Annual Report (p.89, 92, 99, 117) | - | - |
| Material Aspect: Market Presence | | | |
| G4-DMA | Not material | - | - |
| G4-EC5 | GRI G4 Content Index (p.99) (Yapı Kredi pays equal salary for equal job, hence no salary difference can be measured by gender. Therefore ratios of entry wage to minimum wage calculated by employee category.) Employee Rights (p.54-56) | - | - |
| G4-EC6 | Human Resources Performance Indicators (p.91-92) | - | - |
| Material Aspect: Indirect Economic Impacts | | | |
| G4-DMA | Fair and Transparent Products and Services (p.37-40); Added Value Generated through Our Products and Services/Access to Financial Services (p.41-44,45-49); Employee Rights (p.54-56); Social Investments (p.84-85) | - | - |
| G4-EC7 | Social Investments (p.77-81, 81-85) | - | - |
| G4-EC8 | Fair and Transparent Products and Services (p.23-24); Added Value Generated through Our Products and Services/Access to Financial Services (p.41-44,45-49); Employee Rights (p.54-56); Social Investments (p.84-85) | - | - |
| Material Aspect: Procurement Practices | | | |
| G4-DMA | Not material | - | - |
| G4-EC9 | Responsible Procurement Practices (p.75) | - | - |
| Material Aspect: Energy | | | |
| G4-DMA | Environmental Management (p.69-70); Energy and Emission Management (p.73-75) | - | - |
| G4-EN3 | Energy and Emission Management (p.73); Environmental Performance Indicators (p.93) | - | - |
| G4-EN4 | Energy and Emission Management (p.73); Environmental Performance Indicators (p.93) | - | - |
| G4-EN5 | Energy and Emission Management (p.73) | - | - |
| G4-EN6 | Energy and Emission Management (p.74-75) | - | - |
| G4-EN7 | Energy and Emission Management (p.74-75) | - | - |
| Material Aspect: Water | | | |
| G4-DMA | Not material | - | - |
| G4-EN8 | Environmental Performance Tables (p.93) | - | - |
| G4-EN9 | GRI G4 Content Index (p.99) (As the water used by Yapı Kredi is withdrawn from municipal water system, no water sources are significantly affected.) | - | - |
| G4-EN10 | Environmental Performance Indicators (p.94) | - | - |

| Indicator | Description | Identified Omissions | External Assurance |
|---|---|----------------------|--------------------|
| Material Aspect: Emissions | | | |
| G4-DMA | Energy and Emission Management (p.47-48) | - | - |
| G4-EN15 | Environmental Performance Indicators (p.93) | - | - |
| G4-EN16 | Environmental Performance Indicators (p.93) | - | - |
| G4-EN17 | Environmental Performance Indicators (p.93) | - | - |
| G4-EN18 | Energy and Emission Management (p.75) | - | - |
| G4-EN19 | Energy and Emission Management (p.75) | - | - |
| Material Aspect: Effluents and Waste | | | |
| G4-DMA | Responsible Resource Use (p.70-71); Recycling Movement (p.72) | - | - |
| G4-EN22 | Environmental Performance Indicators (p.94) | - | - |
| G4-EN23 | Recycling Movement (p.72); Environmental Performance Indicators (p.94) | - | - |
| G4-EN26 | GRI G4 Content Index (p.100) (There is no body of water significantly affected by Yapı Kredi's water use.) | - | - |
| Material Aspect: Compliance | | | |
| G4-EN29 | GRI G4 Content Index (p.100) (No significant environmental penalties were received during the reporting period for non-compliance with environmental laws and regulations.) | - | - |
| Material Aspect: Supplier Environmental Assessment | | | |
| G4-DMA | Not material | - | - |
| G4-EN32 | Responsible Resource Use (p.71) | - | - |
| Material Aspect: Employment | | | |
| G4-DMA | Our Employees (p.53); Employee Rights (p.54-58) | - | - |
| G4-LA1 | Human Resources Performance Indicators (p.90-91) | - | - |
| G4-LA2 | Employee Rights (p.54-56) | - | - |
| G4-LA3 | Employee Rights (p.60) | - | - |
| Material Aspect: Labour/Management Relations | | | |
| G4-DMA | Not material | - | - |
| G4-LA4 | GRI G4 Content Index (p.100) (For serious operational changes, Yapı Kredi complies with the minimum period of notice defined by the law. Collective bargaining agreements regulate minimum notice periods for covered employees.) | - | - |
| Material Aspect: Occupational Health and Safety | | | |
| G4-DMA | Occupational Health and Safety (p.60-61) | - | - |
| G4-LA5 | Occupational Health and Safety (p.60-61) | - | - |
| G4-LA6 | Occupational Health and Safety (p.60-61); Human Resources Performance Indicators (p.92) | - | - |
| Material Aspect: Training and Education | | | |
| G4-DMA | Talent Management and Occupational Training (p.41-42) | - | - |
| G4-LA8 | GRI G4 Content Index (p.100) Our formal agreements with trade unions cover health and safety. | - | - |
| G4-LA9 | Talent Management and Occupational Training (p.64); Human Resources Performance Indicators (p.92) | - | - |
| G4-LA10 | Talent Management and Occupational Training (p.63-65) | - | - |
| G4-LA11 | Talent Management and Occupational Training (p.63) | - | - |

| Indicator | Description | Identified Omissions | External Assurance |
|--|---|----------------------|--------------------|
| Material Aspect: Diversity and Equal Opportunity | | | |
| G4-DMA | Human Rights (p.30-31); Our Employees (p.53) | - | - |
| G4-LA12 | Human Resources Performance Indicators (p.92) | - | - |
| Material Aspect: Equal Remuneration for Women and Men | | | |
| G4-DMA | Employee Rights (p.53) | - | - |
| G4-LA13 | Employee Rights (p.55); GRI G4 Content Index (p.101) (Yapi Kredi adopts equal salary for equal work approach, therefore remuneration discrimination based on gender are prevented.) | - | - |
| Material Aspect: Non-discrimination | | | |
| G4-DMA | Human Rights (p.30-31); Employee Rights (p.54-55) | - | - |
| G4-HR3 | GRI G4 Content Index (p.101) (No incidents of discrimination occurred during the reporting period.) | - | - |
| Material Aspect: Freedom of Association and Collective Bargaining | | | |
| G4-DMA | Human Rights (p.30-31); Employee Rights (p.54-57) | - | - |
| G4-HR4 | Employee Rights (p.56-58); GRI G4 Content Index (p.101) (In all Yapi Kredi operations, exercise of the freedom of association and collective bargaining is ensured. During the reporting period no breach or significant risk is identified regarding exercise of these rights. | - | - |
| Material Aspect: Child Labor | | | |
| G4-DMA | Employee Rights (p.54-56) | - | - |
| G4-HR5 | Employee Rights (p.54-56) | - | - |
| Material Aspect: Forced or Compulsory Labor | | | |
| G4-DMA | Employee Rights (p.54-56) | - | - |
| G4-HR6 | Employee Rights (p.54-56) | - | - |
| Material Aspect: Security Practices | | | |
| G4-DMA | Not material | - | - |
| G4-HR7 | GRI G4 Content Index (p.101) (In line with legal regulations, all security personnel receive trainings, which also include aspects of human rights.) | - | - |
| Material Aspect: Indigenous People | | | |
| G4-DMA | Not material | - | - |
| G4-HR8 | GRI G4 Content Index (p.101) (Yapi Kredi does not pursue operations with significant negative impacts on local communities.) | - | - |
| Material Aspect: Anti-corruption | | | |
| G4-DMA | Business Ethics, Bribery and Anti-Corruption (p.28-30) | - | - |
| G4-S03 | Business Ethics, Bribery and Anti-Corruption (p.28-30) | - | - |
| G4-S04 | Business Ethics, Bribery and Anti-Corruption (p.29-30) | - | - |
| G4-S05 | Business Ethics, Bribery and Anti-Corruption (p.30) | - | - |

| Indicator | Description | Identified Omissions | External Assurance |
|--|---|----------------------|--------------------|
| Material Aspect: Public Policy | | | |
| G4-DMA | Not material | - | - |
| G4-S06 | GRI G4 Content Index (p.102) (Yapı Kredi does not make directly or indirectly any financial and in-kind political contributions.) | - | - |
| Material Aspect: Anti-competitive Behaviour | | | |
| G4-DMA | Business Ethics, Bribery and Anti-Corruption (p.28-30); Yapı Kredi Code of Ethics http://www.yapikredi.com.tr/_assets/pdf/en/investor-relations/governance/corporate-governance/code-of-Ethics.pdf | - | - |
| G4-S07 | GRI G4 Content Index (p.102) (There is not any legal action taken against Yapı Kredi concerning any anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.) | - | - |
| Material Aspect: Product and Service Labeling | | | |
| G4-DMA | Customer Satisfaction at Yapı Kredi (p.50-51) | - | - |
| G4-PR5 | Our Customer Satisfaction Researches (p.51) | - | - |
| Material Aspect: Marketing Communication | | | |
| G4-DMA | Fair and Transparent Products and Services (p.37-40) | - | - |
| G4-PR7 | GRI G4 Content Index (p.102) (There is not any incident of non-compliance with regulations and voluntary codes concerning marketing communications.) | - | - |
| Material Aspect: Customer Privacy | | | |
| G4-PR8 | GRI G4 Content Index (p.102) We did not receive any substantiated complaints regarding breaches of customer privacy and losses of customer data. | - | - |
| Material Aspect: Compliance | | | |
| G4-PR9 | GRI G4 Content Index (p.102) There have been no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | - | - |

DISCLAIMER

This Corporate Social Responsibility Report has been prepared by Yapı ve Kredi Bankası A.Ş. in the context of United Nations Global Compact Initiative. All information and opinions contained in this Report which does not purport to be comprehensive, have been provided to by Yapı ve Kredi Bankası A.Ş. and have not been independently verified for this purposes.

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Yapı Kredi Sustainability Committee



Standing (left to right)

Kaan Şakul, EVP (Corporate and Commercial Banking)
Tolga Akkerman, EVP (Logistics, Cost Management and Purchasing)
M. Erkan Özdemir, AGM (Compliance and Internal Control)
Murat Ermert, AGM (Corporate Communications)

Seated (left to right)

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Yapı Kredi Sustainability Report can be downloaded from
<http://www.yapikredi.com.tr/en/corporate-social-responsibility/sustainability-report.aspx>

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