



## INVESTOR RELATIONS RELEASE

**Yapı Kredi reported TL 1,553 mln net income in 2009 (+23% y/y) supported by strong operating performance (operating income up +59% y/y) leading to solid profitability (23% ROAE). Cost / Income at 41% (-12pp y/y). Strong operating performance allowing particularly conservative approach at year end, with 13 pp increase in specific coverage ratio vs 3Q09 to 84%**

On 2 March 2010, Yapı Kredi announced its consolidated 2009 results based on Turkish accounting standards (BRSA), reporting TL 1,553 mln of net income (+23% y/y). The Bank recorded 23% Return on Average Equity (ROAE), driven by strong operating performance.

The Bank posted TL 6,071 mln of revenues, (+26% y/y), driven by 37% y/y growth in net interest income and 13% y/y growth in fees and commissions. Costs declined by 2% y/y driven by ongoing tight cost and headcount management together with efficiency improvements. Cost / Income decreased to 41% (vs 53% at YE08). NPL ratio declined to 6.3% in December 2009 from 6.4% in September due to asset quality improvement. On the back of strong operating performance, Yapı Kredi continued its conservative approach to further increase specific coverage by 13pp in the last quarter to 84%.

In 2009, Yapı Kredi maintained strong focus on customer-related business with no major investment in securities. Loan volume remained stable at TL 38.9 bln on the back of subdued demand due to unfavourable macroeconomic environment. Lending activity was concentrated in selected areas, especially mortgages (20% y/y vs sector growth of 14%) with market share increasing to 9.0% (vs 8.5% at YE08). Yapı Kredi continued its strong focus on credit cards in 2009 and maintained its position as the sector leader with 20.4% outstanding volume market share.

In line with loan evolution, deposit volumes remained relatively flat at TL 43.4 bln on the back of low liquidity pressure and no significant increase in securities investment. Yapı Kredi grew its demand deposits by 28% y/y driven by strong focus on client relationships especially in SME and commercial segments. As a result, demand deposits/total deposits improved to 19% (vs 14% at YE08). In 2009, Assets Under Management (AUM) increased 24% y/y on the back of falling interest rate environment. Yapı Kredi maintained its #2 position in AUM volumes with 18% market share. As of end of 2009, Yapı Kredi regained its leadership positions in leasing and factoring with 16.1% and 26.9% market share, respectively.

Continuation of very strong customer focus allowed Yapı Kredi to maintain above average customer satisfaction in a difficult year.

In line with the sector, Yapı Kredi witnessed deterioration in asset quality in 2009, especially in the first half of the year. The Bank launched significant credit restructuring/crash programs in the beginning of April which contributed to strong collections performance and slowdown in Non-Performing Loan (NPL) inflows. As of end of 2009, NPL ratio was at 6.3% (vs 4.3% at YE08). Driven by conservative approach, specific provisioning coverage increased by 21pp in 2009 to 84%.

In 2009, YKB strengthened its capital position and maintained a comfortable liquidity level. YKB's capital adequacy ratio improved to 17.8% at bank-only level and at 16.5% at consolidated level. The Bank's loans/deposits ratio was 90% at YE09 on a consolidated basis.

As of December 2009, Yapı Kredi has the fourth largest branch network in Turkey with 838 branches and 9.3% market share. Yapı Kredi's branch expansion plan, which was put on temporary stand-by at the beginning of 2009, was resumed in December with 7 new retail branch openings and will continue in 2010 with ~60 branch openings.

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