

INVESTOR RELATIONS RELEASE

For the first quarter of 2012, Yapı Kredi posted TL 415 mln net income with solid business performance accompanied by continued funding diversification

On 9 May 2012, Yapı Kredi announced its consolidated 1Q12 results based on Turkish accounting standards (BRSA), reporting TL 415 mln net income. Return on Average Equity (ROAE) was at 13.1% (17.4% excluding regulatory impacts¹). Capital adequacy ratio stood at 14.6% at Group level and 14.8% at Bank level.

Yapı Kredi posted TL 1,599 mln in revenues (-6% y/y) impacted by regulatory changes. The Bank achieved robust core revenue performance (+13% y/y) driven by disciplined NIM (net interest margin) management and growth focused on value generating segments. Cost growth was at 11% y/y and cost/income ratio was at 49.4% (47.7% excluding regulatory impacts¹).

Unyielding focus on customer-oriented business continued in 1Q12 with loans to total assets further rising to 60% (vs 59% at YE11). Total loan growth was stable with solid above sector performance in TL loans (+4.4%). TL loan growth was driven by profitable segments and products including general purpose loans (+8% vs +3% sector), TL company loans (+6%) and credit cards (+5%).

Yapı Kredi maintained strong market presence in credit cards (#1 with 19.4% acquiring volume market share, #1 with 13.6% number of cardholders market share), leasing (#1 with 19.6% market share), factoring (#1 with 17.7% market share), asset management (#2 with 17.3% market share), brokerage (#2 with 6.6% market share), private pension funds (#4 with 16.0% market share) and life and non-life insurance (#5 with 6.4% and 6.7% market shares, respectively).

In 1Q12, Yapı Kredi further strengthened its funding emphasis with a differentiated approach. Deposits recorded a slight decline (-3%) driven by release of costly big ticket FC deposits on the back of comfortable foreign currency liquidity position. TL deposits grew significantly above sector (4% vs flat sector) mainly focused on small ticket retail deposits. Demand deposit to total deposits ratio was maintained above sector at 16%.

Funding diversification continued by issuance of a ten-year subordinated debt of US\$585 mln and five-year Eurobond of US\$500 mln in international capital markets as well as TL 700 mln bond issuances in the local market. Furthermore, in April 2012, the Bank successfully secured a dual-tranche one-year syndication of US\$ 264 million and € 864.5 million with 104% rollover ratio at Libor+1.45%.

In terms of asset quality, the Bank recorded a mild rise in NPL stock in 1Q12, in line with ongoing macroeconomic soft-landing. NPL ratio was at 3.2% (vs 3.0% at YE11) and specific coverage was at 67% (vs 65% at YE11).

Yapı Kredi continued its steady progress in commercial effectiveness driven by ongoing initiatives on customer acquisition, penetration and conversion of credit-card only customers into banking customers.

As of the end of March, Yapı Kredi has the fifth largest branch network in Turkey with 908 branches (9.2% market share) and 90% country coverage. In addition, the Bank has the fifth largest ATM network (2,680 ATMs), a leading mobile banking channel (15.7% market share), an award winning internet bank and 2 call centers. 78% of total banking transactions are realised through these non-branch channels.

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¹ Excluding regulatory impacts on fees and general provisions
Note: market shares for leasing, factoring, life and non-life insurance are based on 2011 figures