

## INVESTOR RELATIONS RELEASE

**In 9M11, Yapı Kredi confirmed healthy profitability posting TL 1,653 mln net income and 21% ROAE on the back of sustained customer business focus (loans/assets at 59%). The Bank maintained solid liquidity position with above sector deposit growth and increased funding diversification**

On 3 November 2011, Yapı Kredi announced its consolidated 9M11 results based on Turkish accounting standards (BRSA), reporting TL 1,653 mln net income and 21% Return on Average Equity (ROAE) in the first nine months of 2011 driven by sustained core revenue performance, contained cost growth and positive asset quality evolution. On a quarterly basis, the Bank posted net income of 552 mln TL (-3% q/q). Capital adequacy ratio was at 13.8% at Bank level and 13.6% at Group level.

The Bank posted TL 4,804 mln revenues (-1% y/y) driven by sound fee generation (13% y/y) and other income despite margin pressure and negative trading results. Cost growth was at 8% y/y on the back of continued cost discipline. Cost/income ratio was at 44%.

Yapı Kredi sustained its focus on customer business and recorded loan growth of 25% ytd (in line with sector) driven by strong emphasis on high margin general purpose (47% ytd) and SME loans (37% ytd) in local currency and project finance loans in foreign currency. Yapı Kredi realised US\$ 4 bln project financing, mainly concentrating on the energy sector. In credit cards, Yapı Kredi maintained its leadership position with 17.7% outstanding volume market share.

Yapı Kredi maintained its strong market positioning in 9M11 with leading positions in leasing (#1 with 18.9% market share), factoring (#1 with 17.3% market share), asset management (#2 with 17.7% market share), brokerage (#3 with 5.6% market share), private pension funds (#4 with 16.1% market share) and life and non-life insurance (#5 with 5.9% and #5 with 6.1% market shares, respectively).

In 9M11, the Bank recorded strong deposit growth of 19% ytd (above sector) with significant acceleration in 3Q11 driven by foreign currency deposits. Share of retail deposits in total deposits increased to 61%. In 9M11, Yapı Kredi continued its emphasis on demand deposits (19% ytd vs 13% sector) and lengthening maturity (share of deposits >6 months increased to 8% in 9M11 vs 3% at YE10). Loans to deposits ratio improved by 6pp to 103%.

The Bank focused on funding diversification with continuing access to international markets. In terms of international funding, the Bank successfully renewed its syndication of US\$1.25 bln in Sept'11 (100% rollover at Libor+1%, indicating 30 bps improvement in cost vs 2010) and obtained new long-term financing of US\$410 mln and €75 mln as part of its Diversified Payment Rights Securitisation Program. In terms of domestic funding, the Bank finalised a TL 150 mln bond issue in Oct'11 (1-year, 9.08% compounded cost) as a clear first step in lengthening maturity of this type of funding.

In 9M11, the Bank's asset quality remained solid driven by steady NPL inflows, sustained collections and loan growth. NPL ratio was at 3.0% (vs 3.4% at YE10). Specific coverage of NPLs was at 72%.

As of the end of September 2011, Yapı Kredi increased its branch network to 894 branches (+26 net new branches vs 868 at YE10), thereby maintaining the fifth largest branch network in Turkey with 9.1% market share.

During 9M11, Yapı Kredi continued to receive awards in a variety of categories such as alternative delivery channels (contactcenterworld.com-Second Best Call Center in EMEA, Best Internal Technology Innovation, Global Finance-Best Bill Payment and Presentment in Europe) and credit cards (Interactive Media Awards-Best in Class in Lifestyle Category, Best Customer Satisfaction in Credit Cards).

*Note: All market share and ranking information compiled from latest available data as of the date of this release*

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