



**INVESTOR PRESENTATION**

# ■ **Macroeconomic Overview**

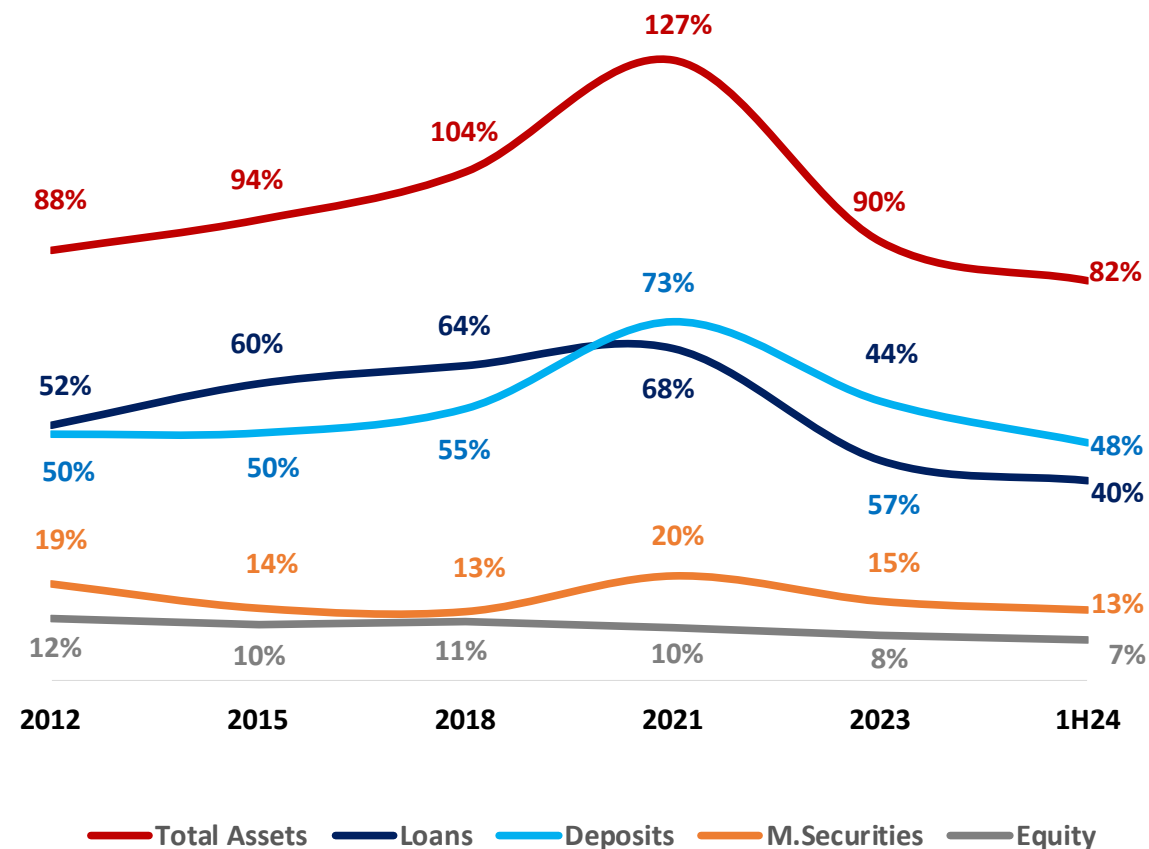
- Turkish Banking Sector
- Shareholder Structure
- Yapı Kredi at a Glance – Key Financial Figures
- Strategic Pillars
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# Macro Trends & Demographics - I

## Turkey Statistics

Total Population <sup>1</sup> <i>(in mn)</i>	85.3	CAD <sup>3</sup> /GDP <sup>4</sup>	-2.1%
Population <sup>1</sup> < age 30	45%	Budget Deficit /GDP <sup>4</sup>	-4.8%
Household Debt <sup>2</sup> /GDP	10%	Public Debt /GDP <sup>5</sup>	28.5%
Total assets / GDP	82%	Total loans /GDP	40%

## Selected Balance Sheet Item Shares in GDP



1. Source: TÜİK, as of 2023-end.

2. As of March 2024.

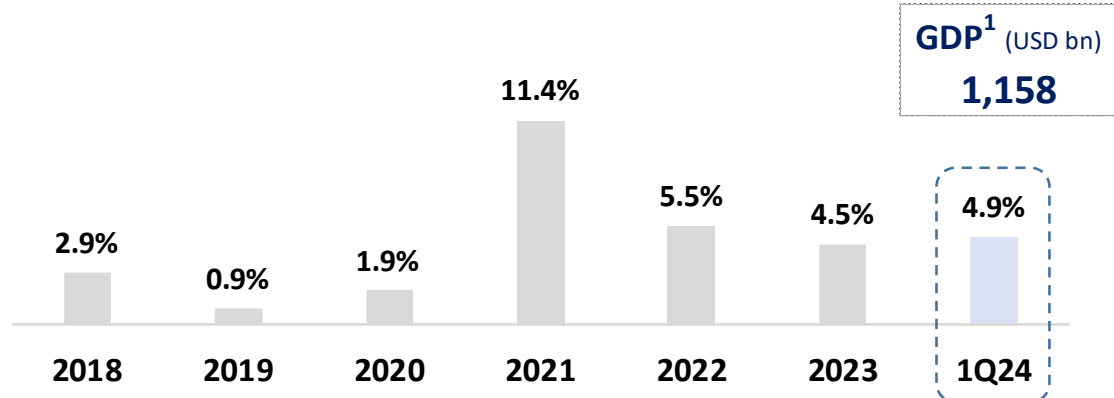
3. CAD indicates Current Account Deficit as of May'24.

4. 2Q24 GDP Forecast.

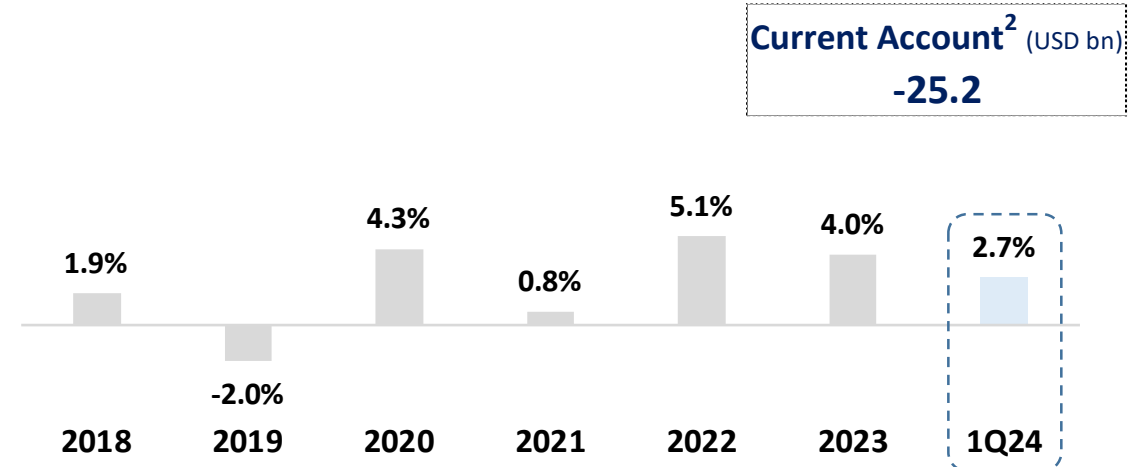
5. Source: Ministry of Treasury and Finance, ratio as of March 2024.

# Macro trends & Demographics - II

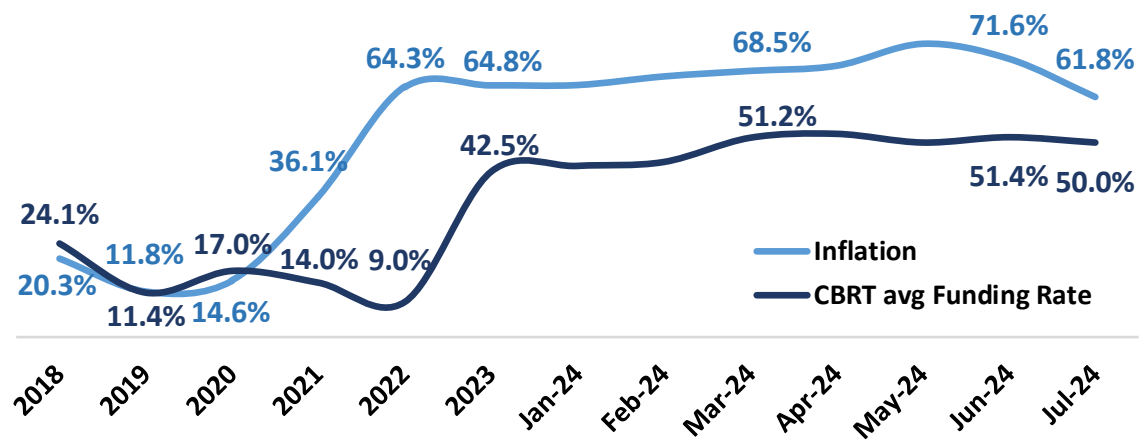
## GDP – 12 month rolling



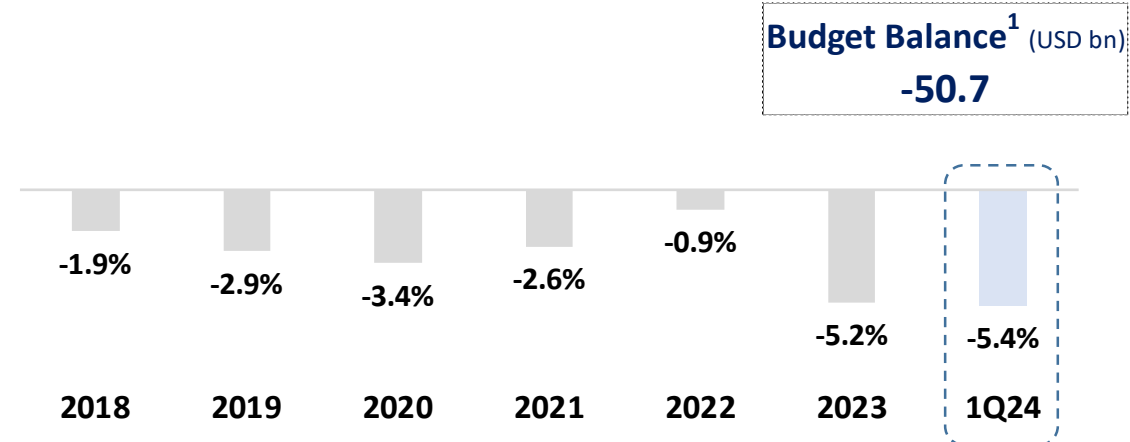
## Current Account Balance/GDP



## Inflation (YoY) & CBRT avg Funding Rate



## Budget Deficit/GDP

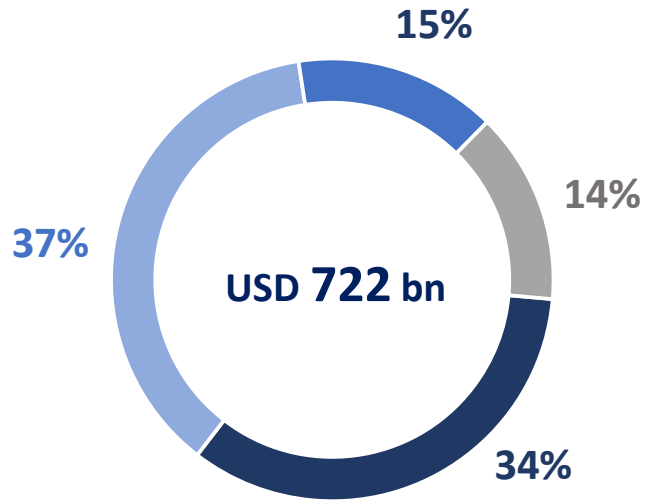


1. As of 1Q24.  
2. As of May 2024.

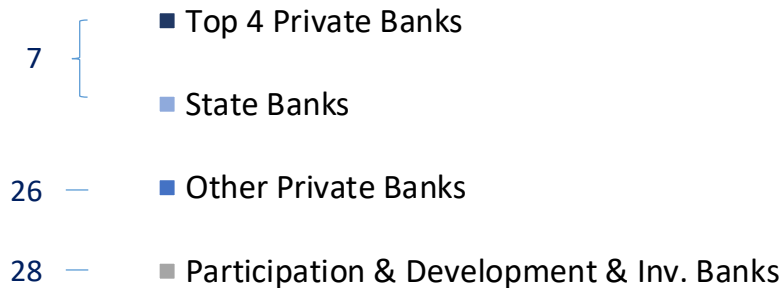
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# Turkish Banking Sector

## Asset Breakdown of Banking System<sup>1</sup>



# of Banks<sup>2</sup> 61



Top 10 Banks <sup>3</sup>	Market Share		Free Float	Foreign Direct Ownership
	Assets	Loans		
<i>State</i>				
Ziraat Bank	16.2%	16.7%	-	
VakıfBank	11.5%	12.3%	6.0%	
Halk Bankası	9.3%	9.7%	8.5%	
<i>Private</i>				
Isbank	10.3%	10.3%	33.6%	
Garanti BBVA	8.2%	9.3%	13.9%	BBVA (85.97%)
Akbank	7.8%	7.8%	50.8%	
<b>Yapı Kredi</b>	<b>7.8%</b>	<b>8.1%</b>	<b>38.8%</b>	
QNB Finansbank	4.5%	5.3%	0.12%	QNB (99.88%)
DenizBank	4.4%	4.4%	-	Emirates NBD (100%)
TEB	1.8%	2.1%	-	BNP Paribas (72.5%)

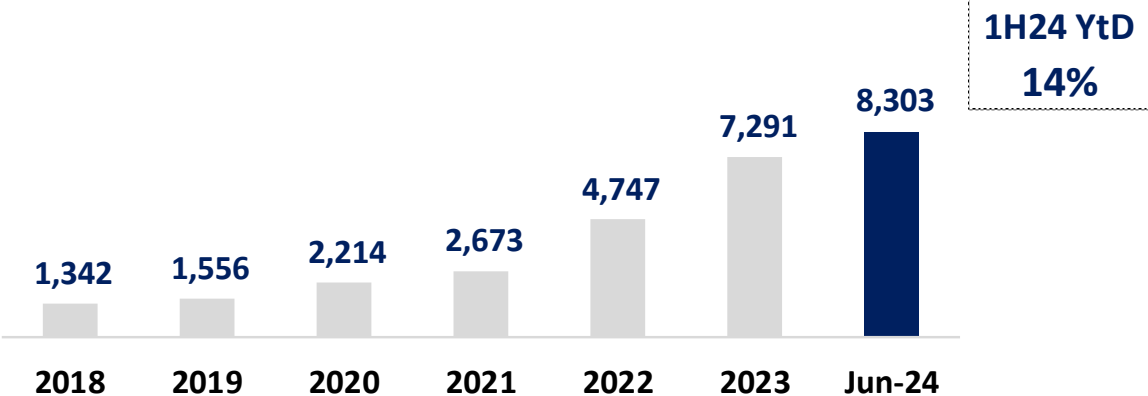
1. Based on BRSA monthly data, as of June 2024.

2. Based on TBB data, as of June 2024.

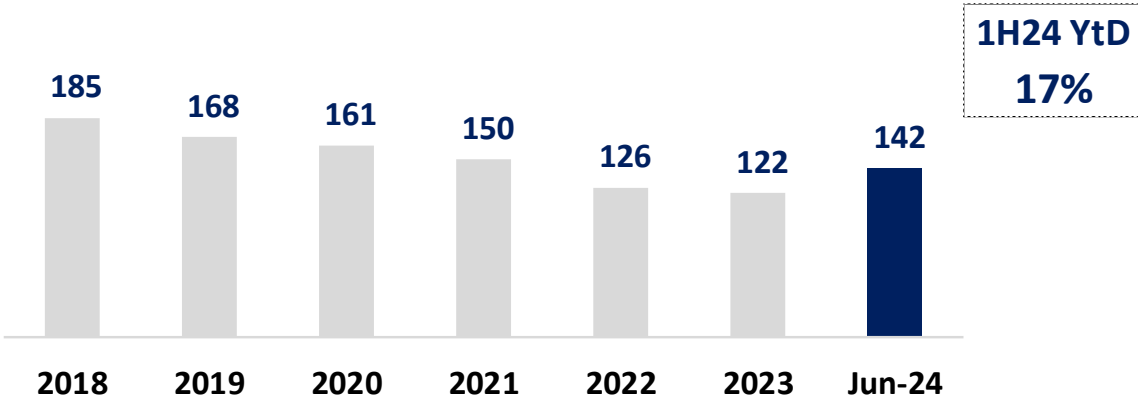
3. Based on BRSA bank-only financials, as of June, 2024, unless stated otherwise.

# Turkish Banking Sector – Commercial Banks

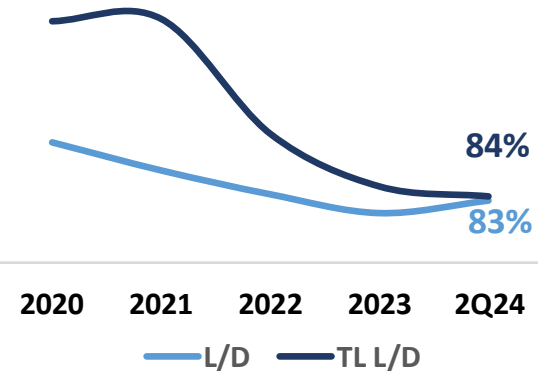
**TL Performing Loans<sup>1</sup> (TL bn)**



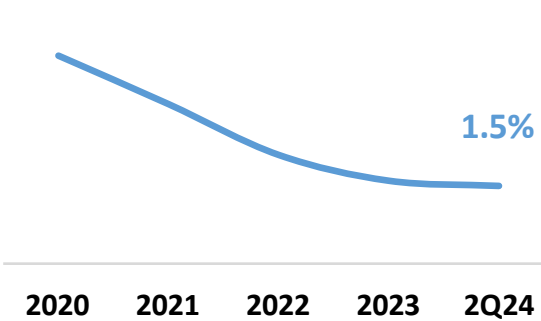
**FC Performing Loans<sup>1</sup> (USD bn)**



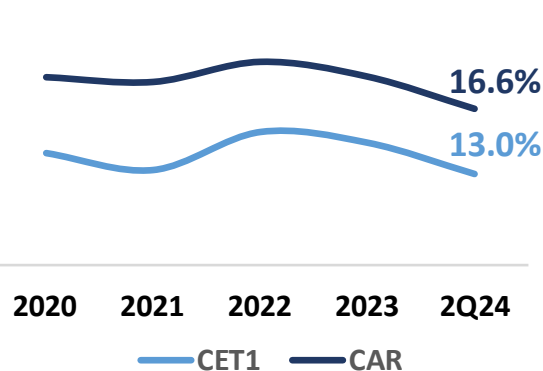
**L/D Ratios<sup>2</sup>**



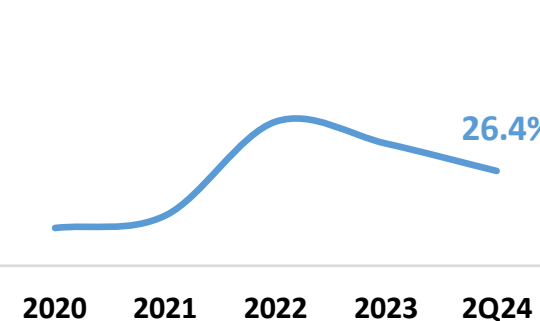
**NPL Ratio<sup>2</sup>**



**Capital Ratios<sup>2</sup>  
incl. forbearances**



**RoAE<sup>2</sup>**



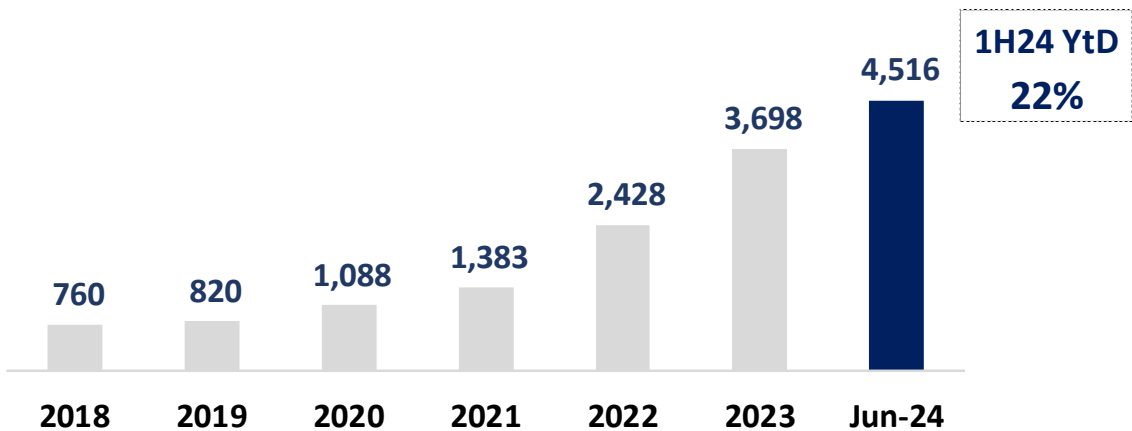
Notes: Commercial banks' figures

1. Based on BRSA weekly data, as of June 28, 2024

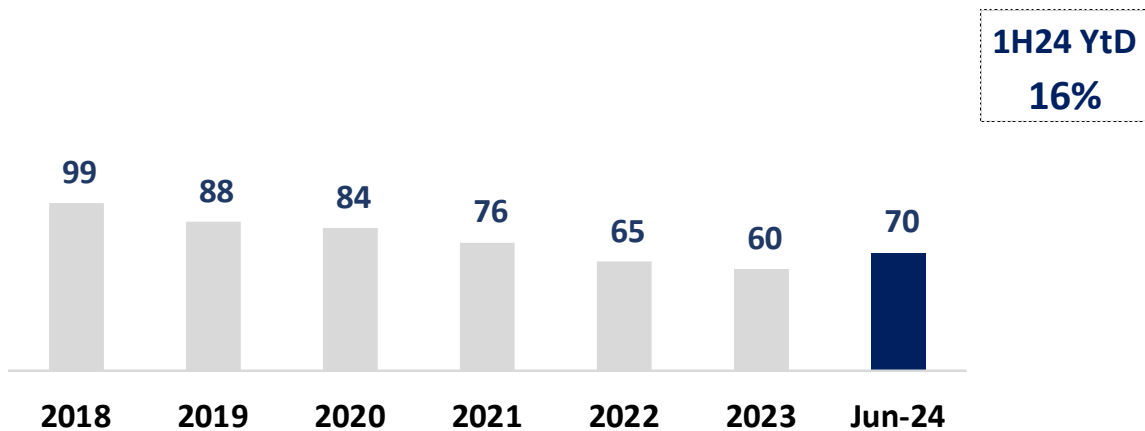
2. Based on BRSA monthly data, as of June 2024

# Turkish Banking Sector – Private Banks

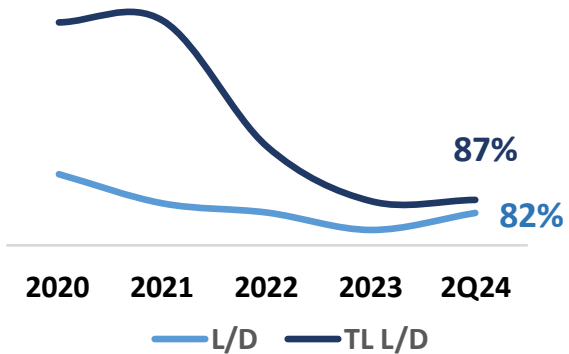
**TL Performing Loans<sup>1</sup> (TL bn)**



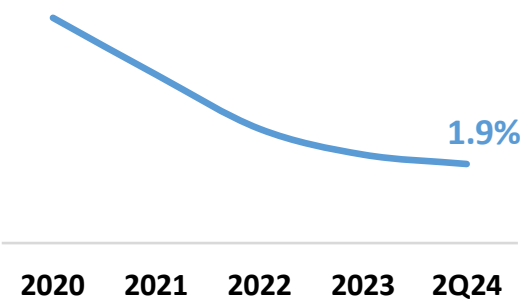
**FC Performing Loans<sup>1</sup> (USD bn)**



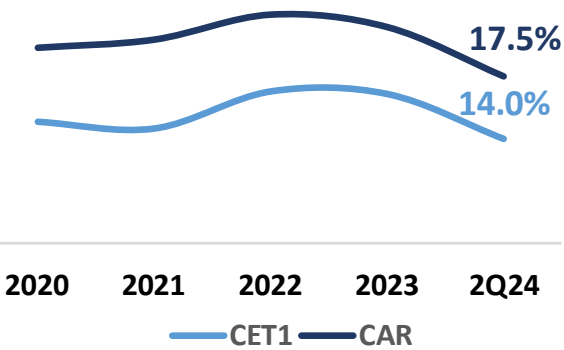
**L/D Ratios<sup>2</sup>**



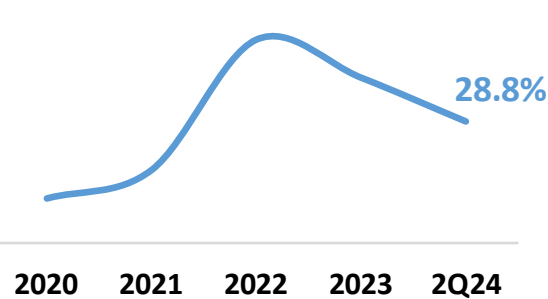
**NPL Ratio<sup>2</sup>**



**Capital Ratios<sup>2</sup>**  
*incl. forbearances*



**RoAE<sup>2</sup>**



Notes: Private banks' figures

1. Based on BRSA weekly data, as of June 28, 2024

2. Based on BRSA monthly data, as of June 2024

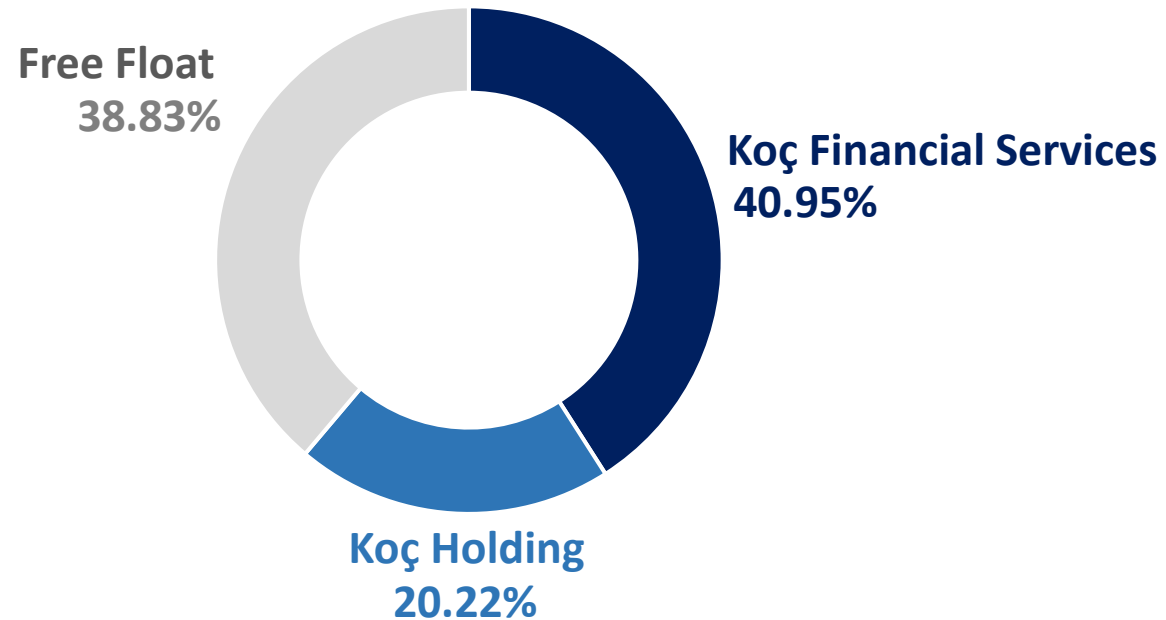


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# Yapı Kredi Ownership Structure

*Koç Holding: Stable, long-term focused majority shareholder*

## Ownership Structure

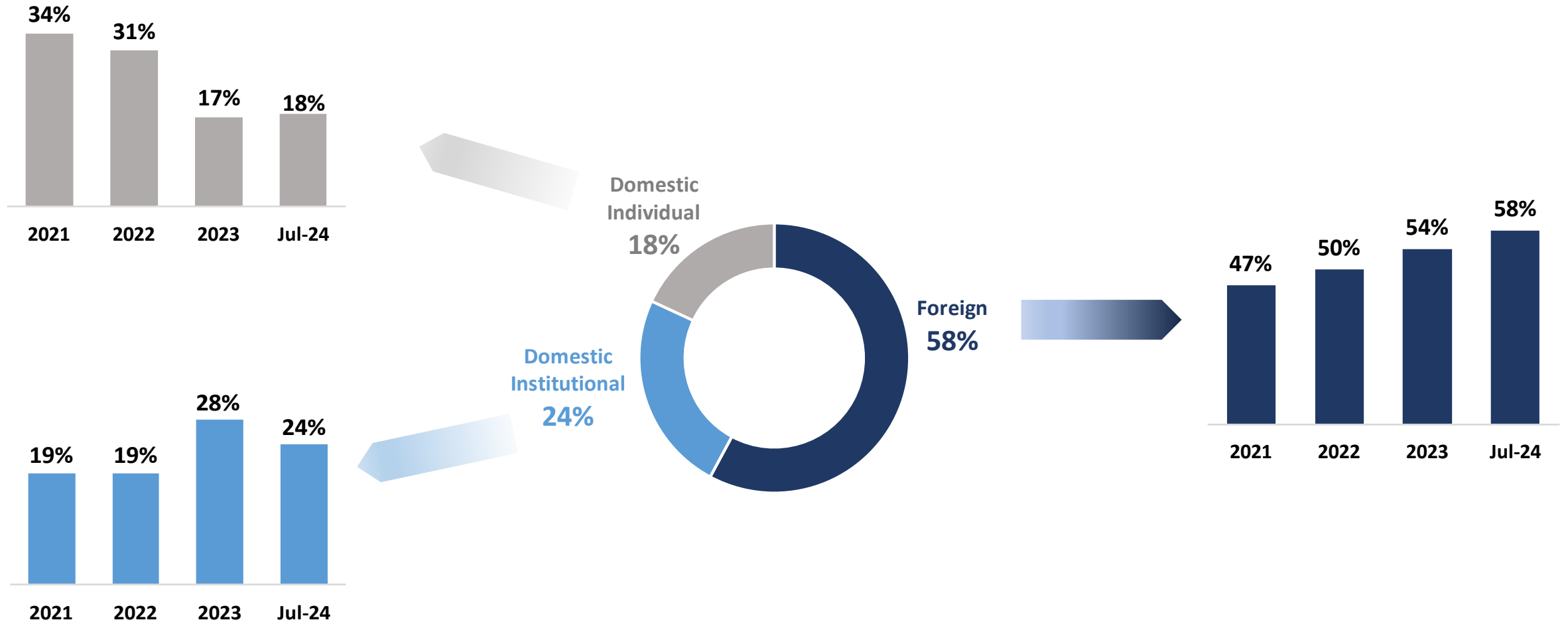


**Largest exporting group in Turkey:**  
~7% of Turkey's total exports

Koç Holding	1H24
Total Assets (TL mln)	3,586,889
Revenues (TL mln)	1,009,725
Net Income (TL mln)	1,632

**Koç Holding Ratings: Moody's: Ba3 / S&P: BB**

# Yapı Kredi Ownership Structure – Free Float Analysis



Notes:  
Based on the MKK data dated 31.07.2024

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# Yapı Kredi: A leading financial services group

## Yapı Kredi in Numbers<sup>1</sup>

Number of Branches	781	Employees	15.409
Number of ATM's	5,323	POS Terminals	~1.3mn
Number of Customers	~16mn	Customer Penetration	>60%

## Subsidiaries



**14.7%<sup>2</sup>** market share on the basis of market share in equities



Advanced product management expertise with a **8.9%<sup>3</sup>** market share



Solidly positioned in the sector with a **7.5%<sup>4</sup>** market share



A leading institution with **21.6%<sup>4</sup>** market share



Strong transaction capabilities in foreign trade and structured commodity finance

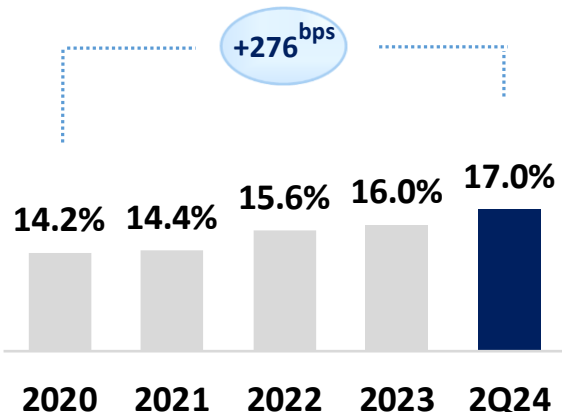


Investments in digital products and channels

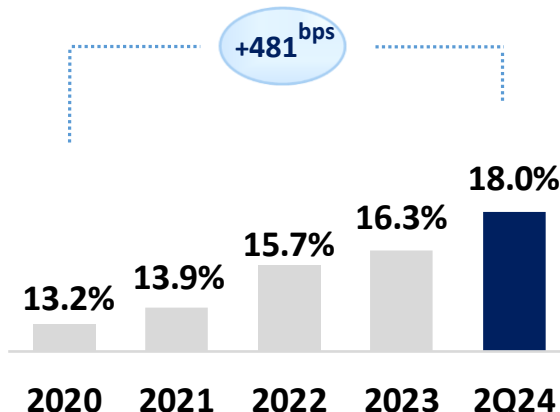
Notes:  
1. As of June 2024-end  
2. Market share based on Takasbank data as of March 2023  
3. Market share based on Borsa Istanbul data as of June 2024  
4. Leasing and Factoring market shares based on Association of Financial Institution data as of March 2024

# Market share gains in lucrative products, empowering profitability

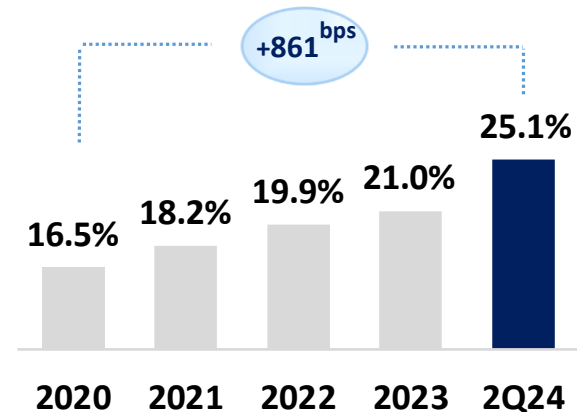
*TL Customer Demand Deposits*



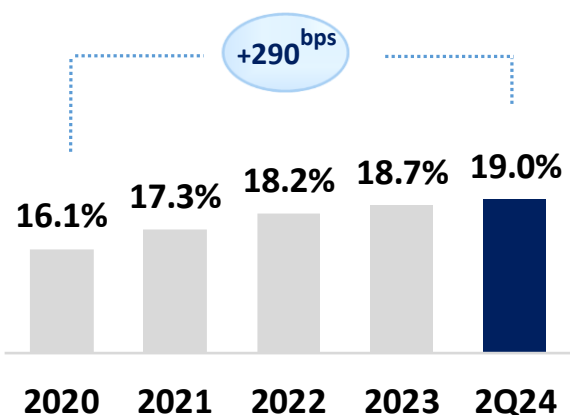
*Individual Demand Deposits*



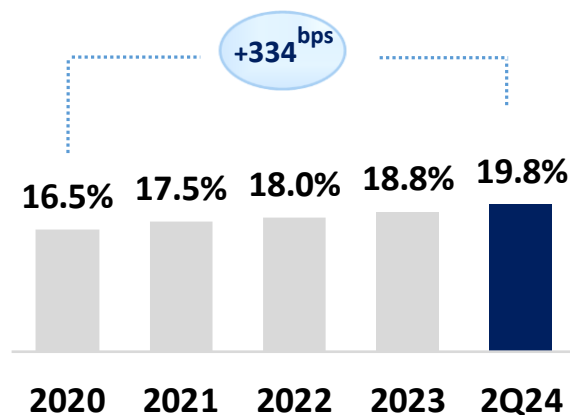
*Individual TL Demand Deposits*



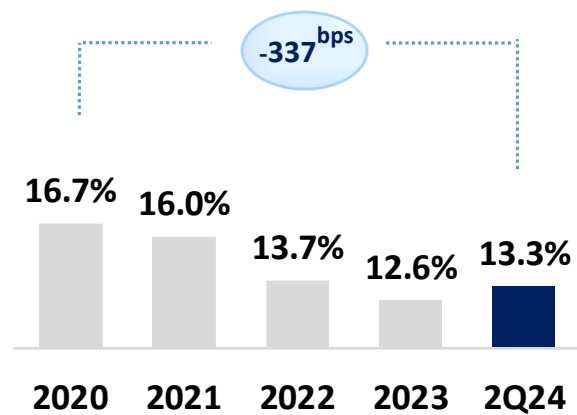
*Consumer Loans*



*General Purpose Loans*



*FC Loans*



Notes:  
Market Shares among Private Banks  
Based on BRSA weekly data, FC Loans exclude loans provided to financial institutions.

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# Strategic pillars solidifying the outlook for upcoming periods

## Strong Customer Base

**>16 million and counting**

**+1 million new customer acquisition ytd**

AUM driven acquisition rather than free-lending  
More room to penetrate & long lasting relations

**Highest # of salary & pension customers  
>6 million**

**>60% of customers are efficient in terms  
penetrated products**

**Widespread customer base**

Supporting margin management especially cost of  
funding

**Increasing # of transactions**

**+1.5x** since 2022

**Individual driven high demand deposit share**

**Total → 43%    TL → 24%    FC → 73%**

Individual TL demand deposit market share

**+522bps** since 2022

## Repricing for the Future

**Widening in TL duration mismatch**

Extending duration of TL assets  
&  
Reducing duration of TL liabilities

**TL loan pricing**

**~250bps** higher for new flow vs sector  
throughout June

**Controlled TL deposit pricing**

**~140bps** below sector  
throughout June

**Focus in lucrative FC loan growth**

**18%** ytd growth in FC loans with hefty  
high single-digit spreads

**External Borrowings**

**~7 bln USD** external funding in a year

## Sound Asset Quality

**A well covered portfolio**

Total coverage at **3.5%**  
**~100 bln TL** provision set aside since 2017

**NPL inflows under control**

Net inflows / Gross loans<sup>1</sup> at **1.6%**

**Strengthening collection performance**

Collection ratio<sup>2</sup> at **50%** (2022: 24%)

**Salary customer support**

Share of salary customers in GPLs **~60%**  
GPL life-time P/D **< 1%**

**Credit Cards**

Credit Card NPL ratio below sector average<sup>3</sup>  
at **1.4%**

**Low Concentration in Loans**

Highest sectoral loan book concentration  
**~6%**



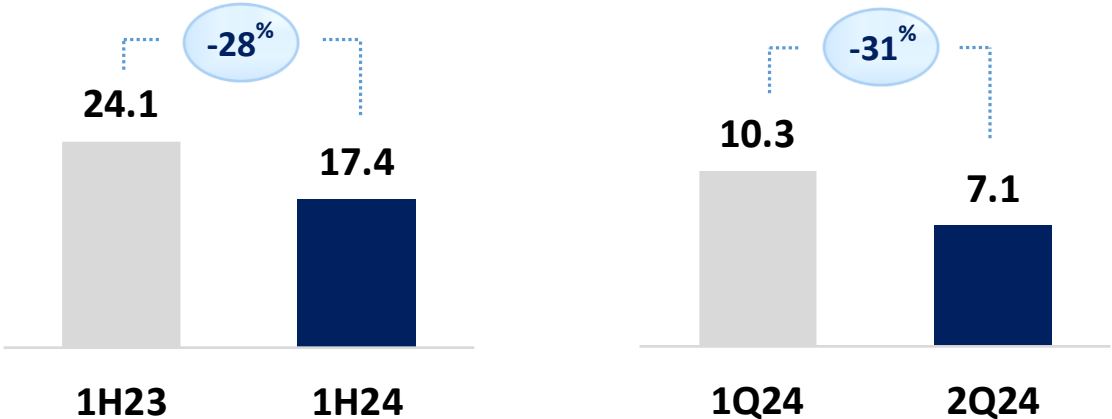
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# Robust fundamentals for normalisation, macro backdrop weighs on net profit in 1H

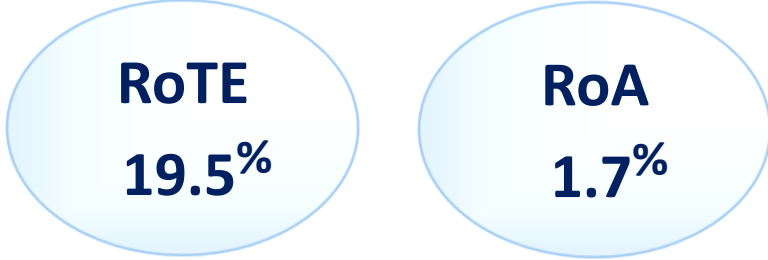
## Net Profit (TL bln)

Cumulative

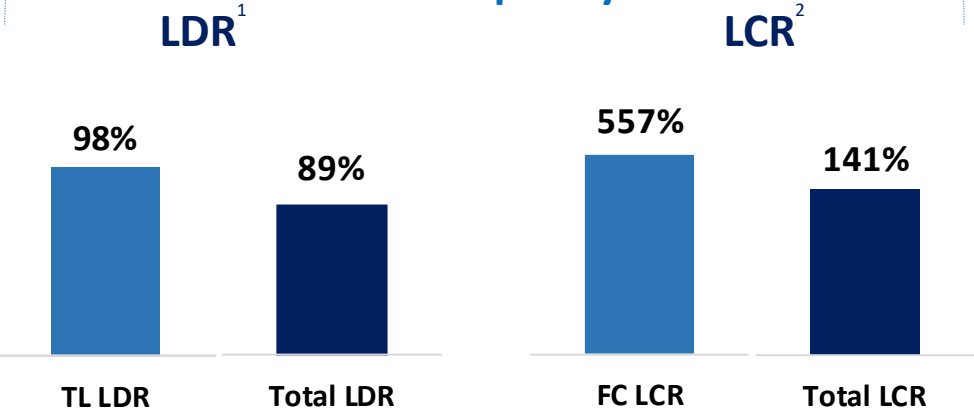
Quarterly



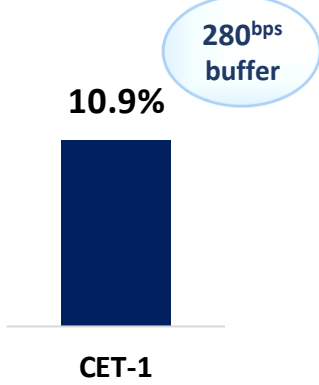
## Profitability



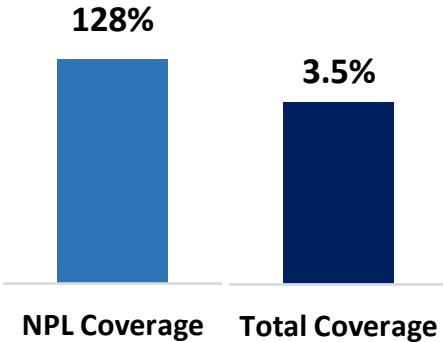
## Solid Liquidity



## Resilient Capital Buffers



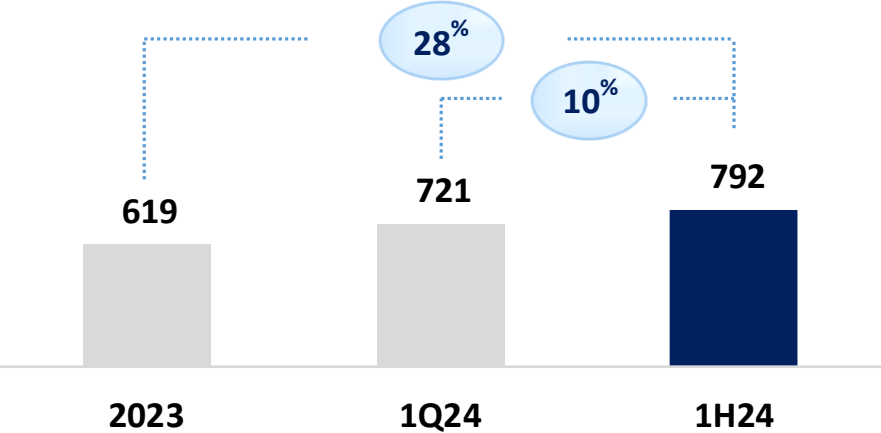
## Prudent loan provisions<sup>3</sup>



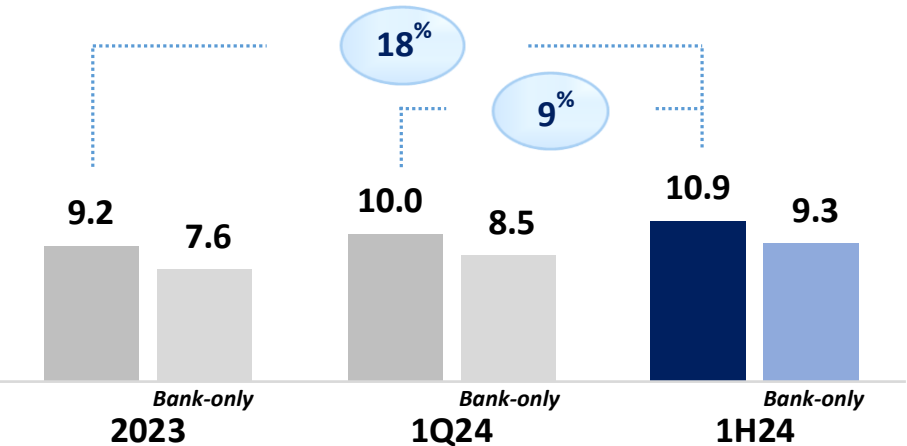
Notes:  
 1. LDR= Loans / (Deposits + TL Bonds). 2. 3 months average. 3. Based on Bank-only BRSA financials, NPL coverage: (Specific provisions+general provisions)/NPL volume.

# Selective and lucrative small ticket focus with longer tenors

## TL Performing Loans<sup>1</sup> (TL bln)



## FC Performing Loans<sup>1</sup> (US\$ bln)



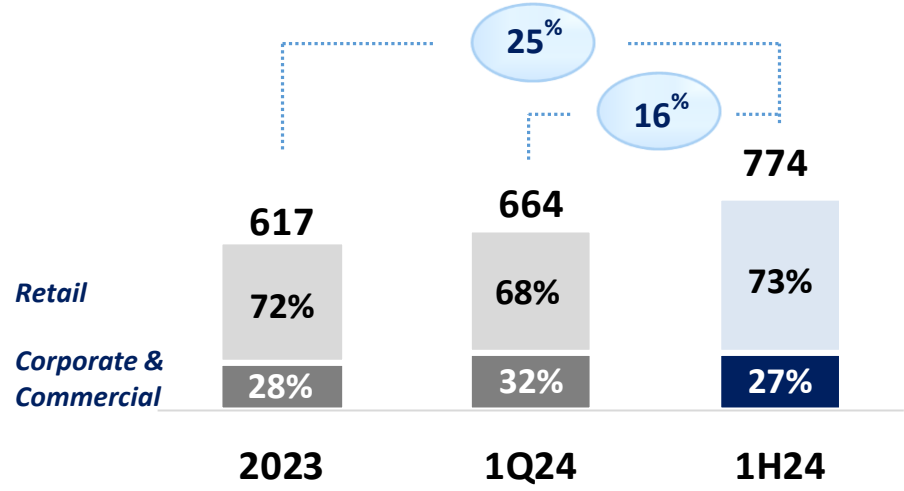
## Lucrative Loan Growth



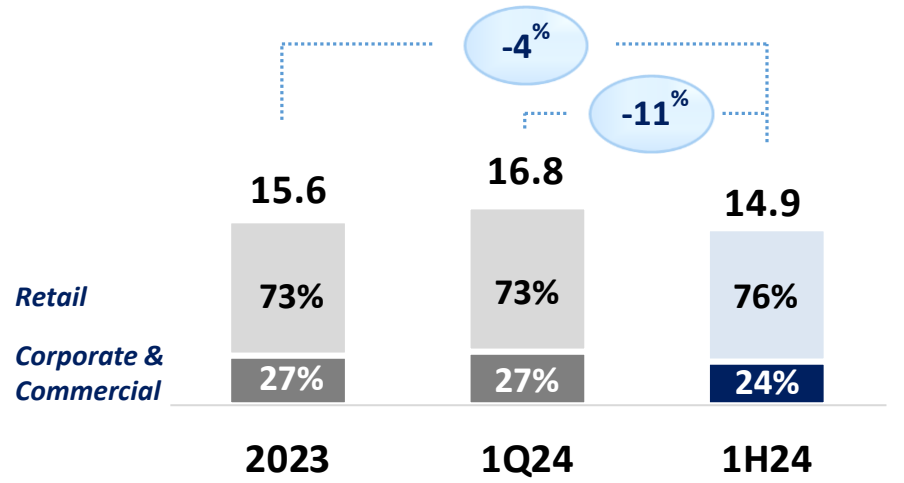
Notes:  
 1. Loans exclude loans provided to financial institutions; adjusted for the FX indexed loans.  
 2. Among private banks as of 28 June 2024 BRSA weekly sector data.

# Increase in customer penetration further supports demand deposit base

## TL Customer Deposits (TL bln)

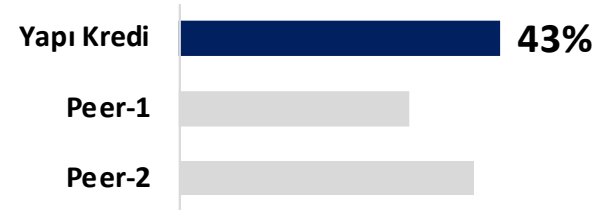


## FC Customer Deposits (USD bln)



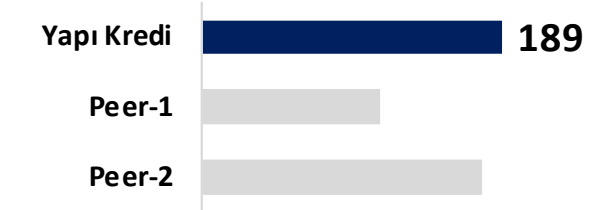
## Eye-catching demand deposit performance

### Highest<sup>1</sup> Demand Deposits' Shares



TL: 24%, +302bps ytd  
FC: 73%, +266bps ytd

### Highest<sup>1</sup> TL Demand Deposits (TL bln)



ytd: +43%  
q/q: +32%

## Market Shares<sup>2</sup>

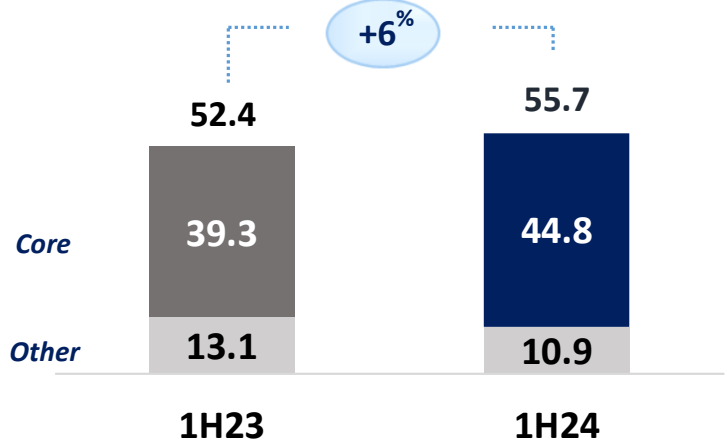


1. Based on BRSA financials as of 1H24 for peers announced . 2. Among private banks as based on 28 June 2024 BRSA weekly sector data so far.

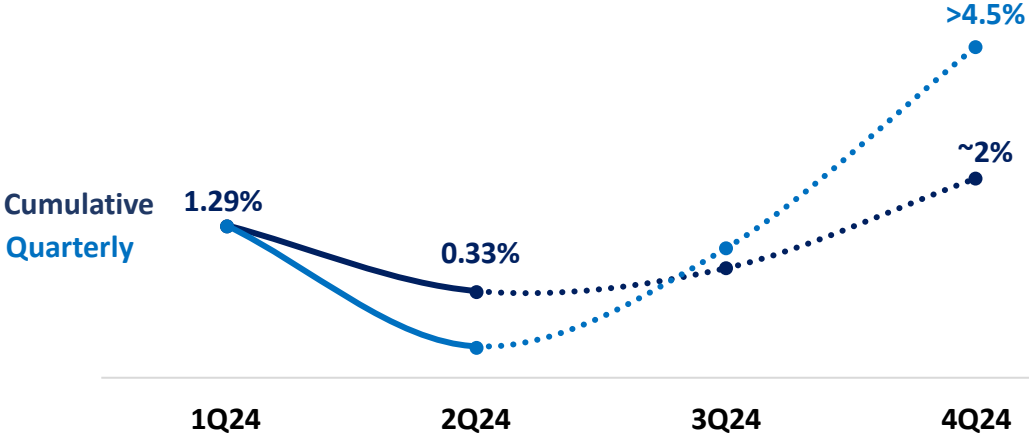
# Kick starting the NIM improvement, effective loan-deposit pricing intact

## Revenues<sup>1,2</sup> (TL bln)

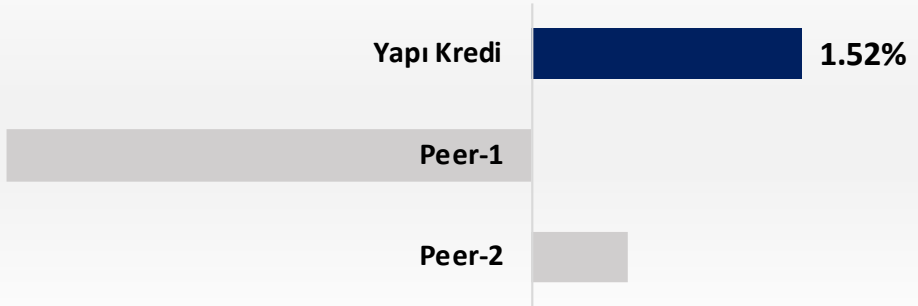
Core Revenue Margin 6.6% 4.6%



## NIM<sup>3</sup>



## Loan-Deposit Contribution to NIM<sup>4</sup> (cumulative)



### NIM improvement already started

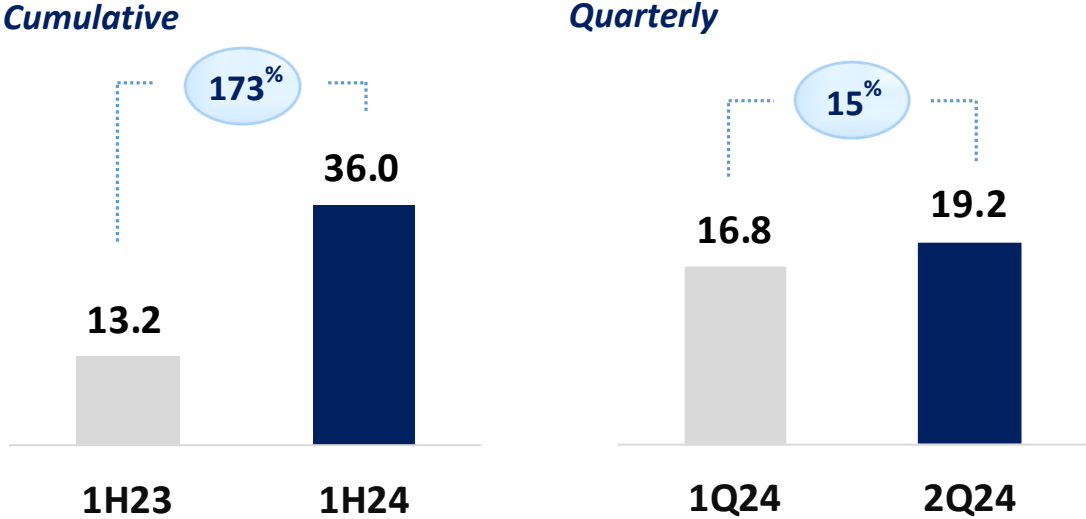
- ✓ Well managed TL Loan-Deposit spread with ongoing pricing actions
- ✓ High level of demand deposits
- ✓ Strong contribution of Loan-Deposits will visibly support NIM

Notes:

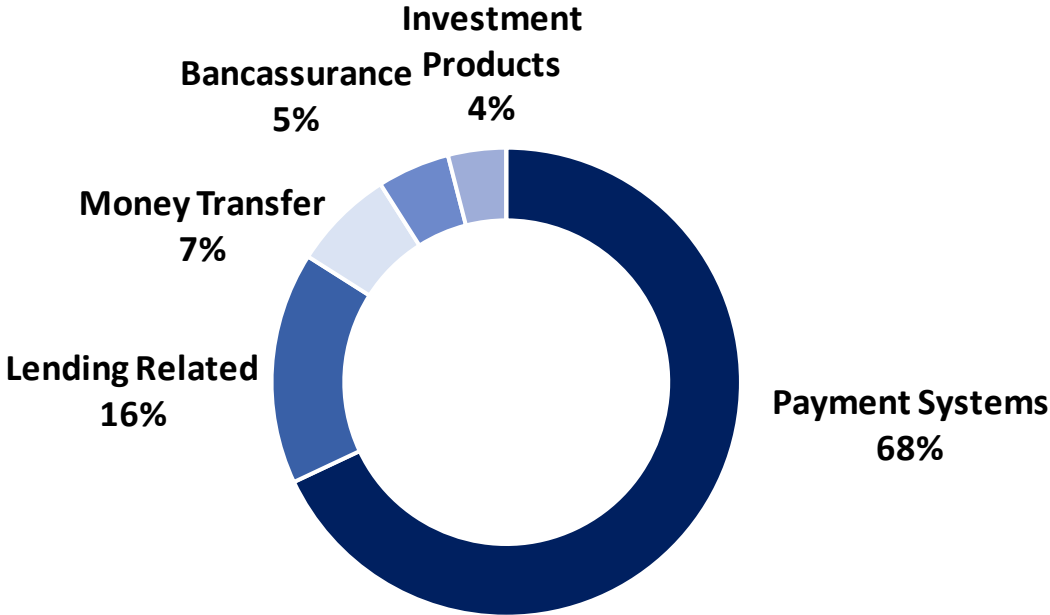
1.Revenues and other revenues exclude ECL collection income and trading income to hedge FC ECL. 2. Core Revenues = NII + swap costs + net fee income 3. Based on Bank-Only financials. 4. Based on 1H24 BRSA bank-only financials, announced so far.

# Strength in fees thanks to consistently increasing number of transactions

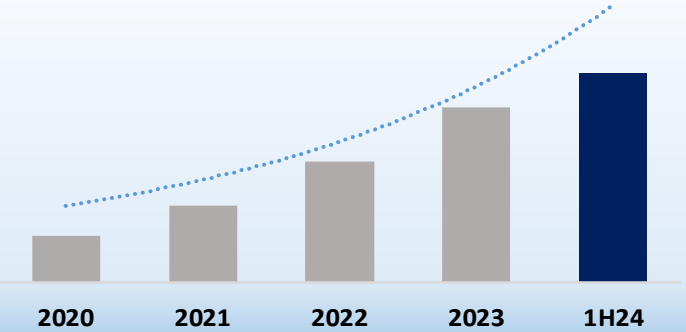
## Net Fee & Commission Income (TL bln)



## Net Fee & Commission Composition<sup>1</sup>



## Number of Transactions<sup>1</sup> (monthly average)



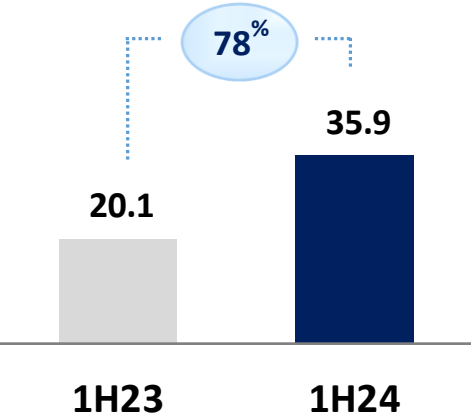
Category	Payment Systems	Lending Related	Money Transfers	Bancassurance	Investment Products
y/y:	376%	33%	101%	93%	95%

Notes:  
1. Based on MIS, Bank-Only financials.

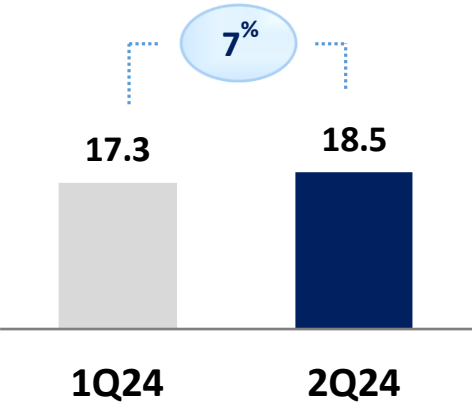
# Cost growth contained, fees fully cover opex

## Operating Costs (TL bln)

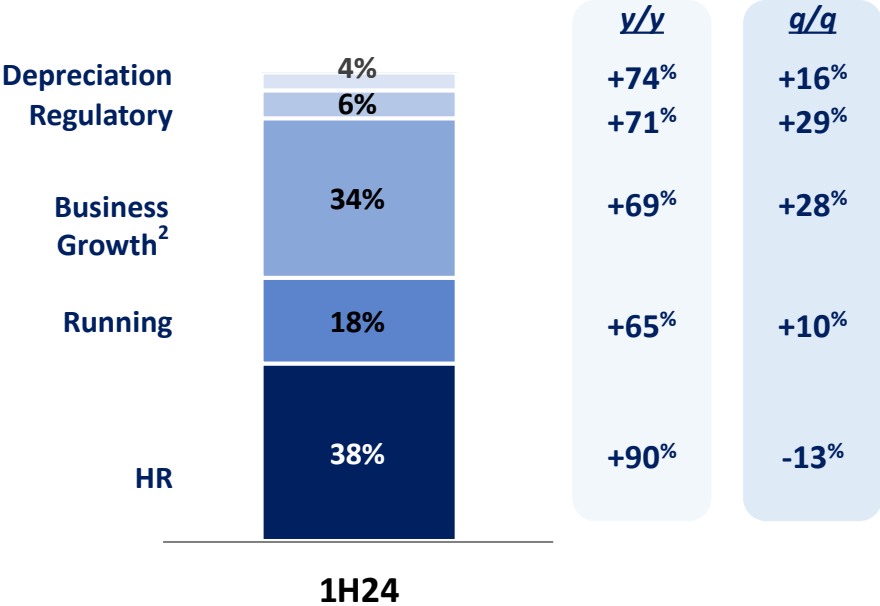
Cumulative



Quarterly



## Cost Breakdown<sup>1</sup>



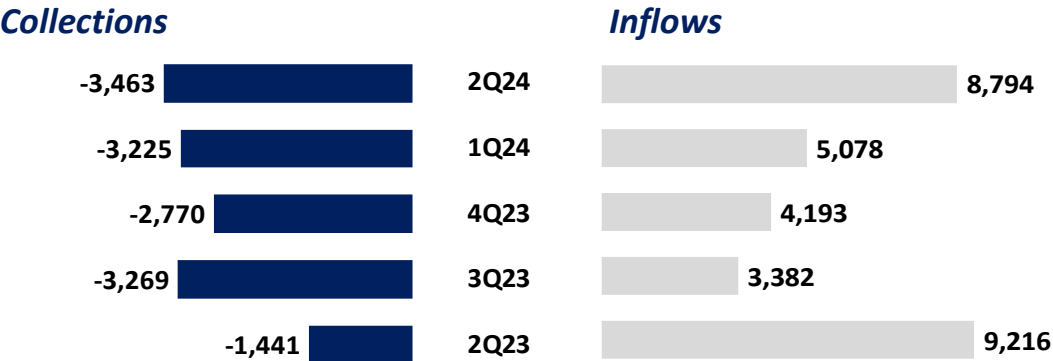
## Strong efficiency KPIs (cumulative)



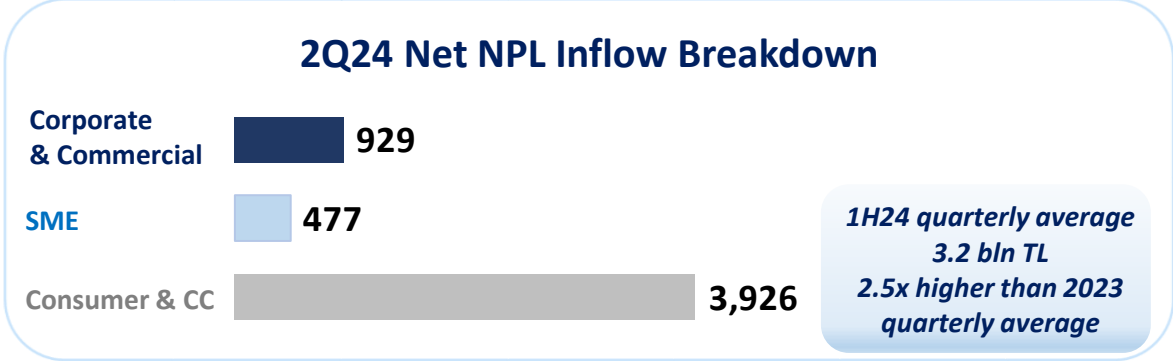
Notes:  
 1. Based on Bank-only financials, MIS data.  
 2. Including customer acquisition costs, World points and advertisement.

# Inflows under control and strong support from collections sustain

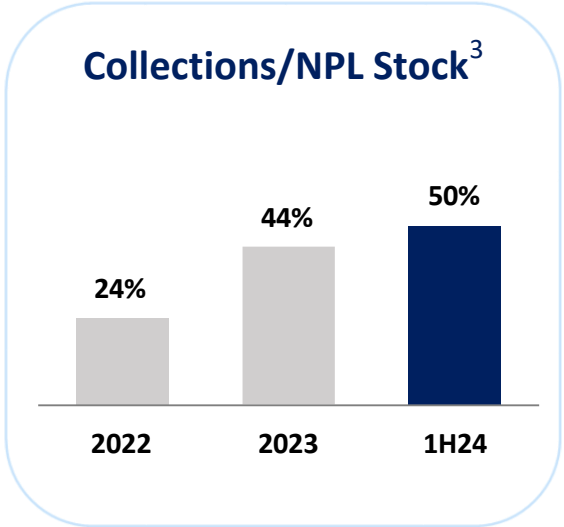
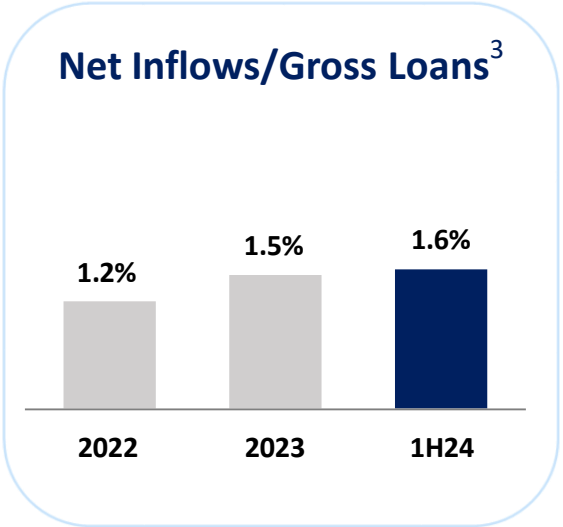
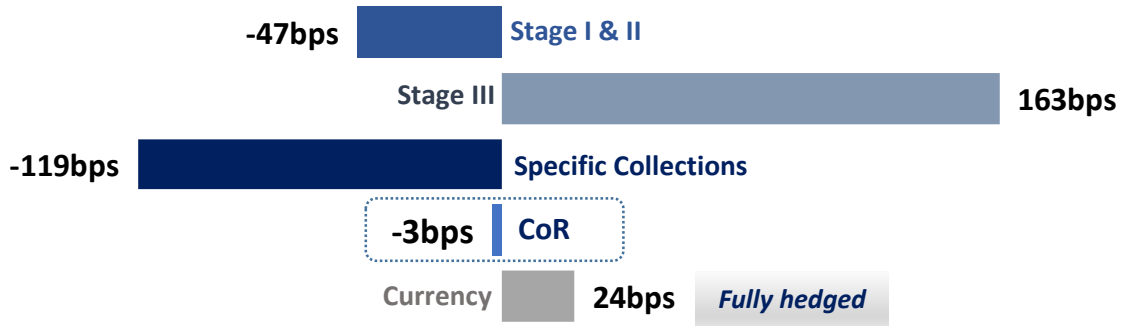
## Quarterly Net NPL Formation<sup>1,2</sup> (TL mln)



	2Q23	3Q23	4Q23	1Q24	2Q24
Net NPL Inflow	7,774	113	1,423	1,853	5,332



## Cost of Risk (cumulative)

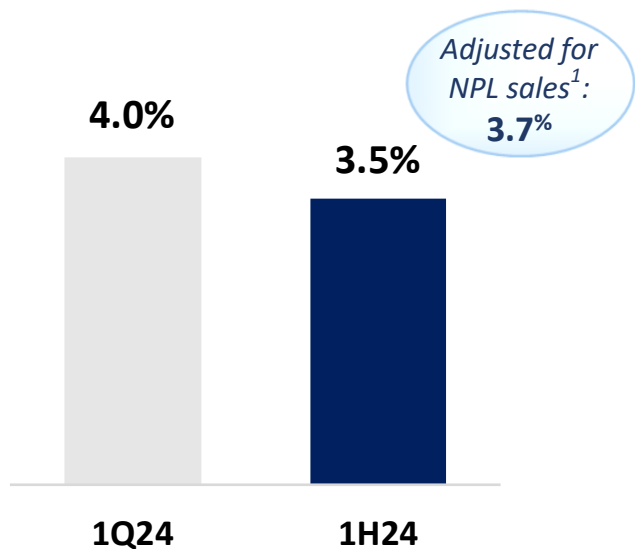


Notes:  
 1. Based on Bank-only BRSA financials.  
 2. Excluding the positive impact of NPL sales & write-offs ; NPL Sales 1H24: 2.1 bln TL (1Q24: 1 bln TL, 2Q24: 1.1 bln TL).  
 3. Gross Loans and NPL Stock as of previous year-end.

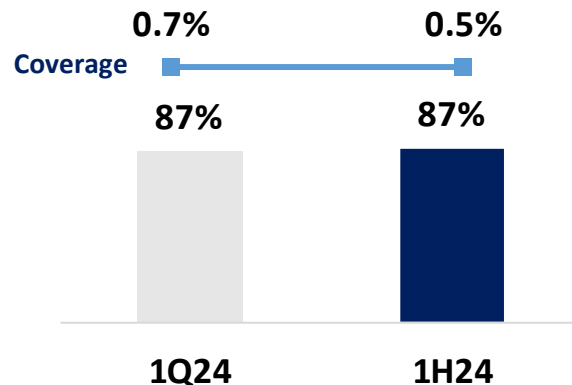


# Ongoing prudence in provisioning, further increase in unsecured consumer loan coverage

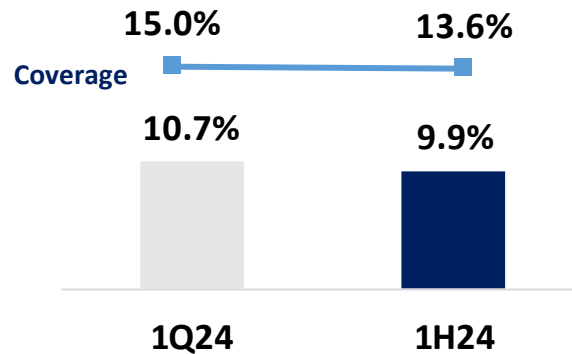
## Total Coverage



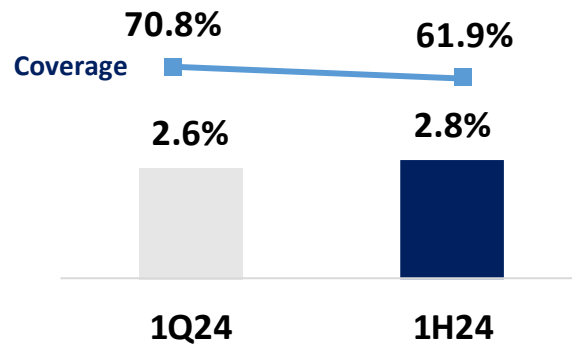
Stage I



Stage II

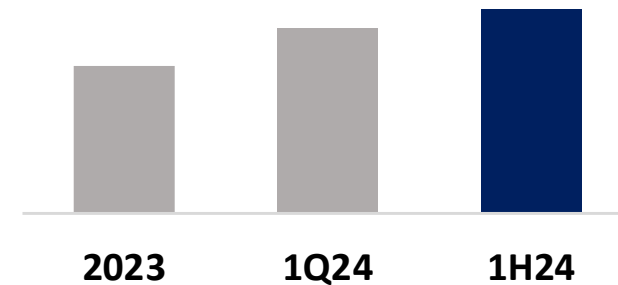


Stage III

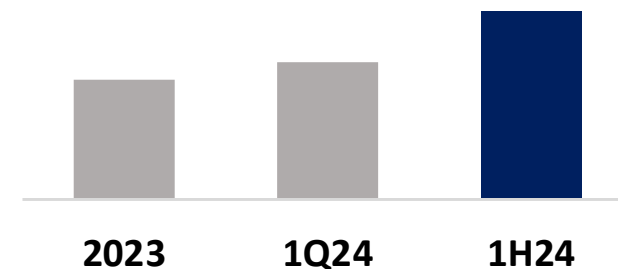


*Increasing Coverage of Unsecured Consumer Loans in-line with Prudence*

## Consumer Loans Coverage²



## Credit Card Loans Coverage²



Note:

Based on Bank-only BRSA financial

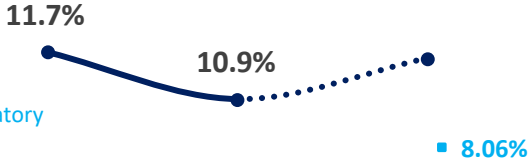
1. Adjusted with NPL Sales 1H24: 2.1 bln TL (1Q24: 1 bln TL, 2Q24: 1.1 bln TL)

2. Based on MIS data excluding NPL sales

# Capital buffers remain intact, internal capital generation support will sustain in 2H

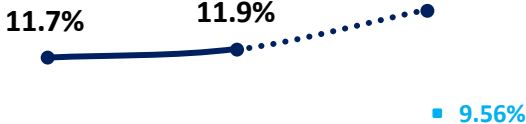
## CET-1

Buffer +280bps >320bps



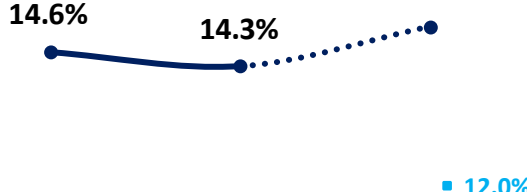
## Tier-1

+230bps >270bps



## CAR

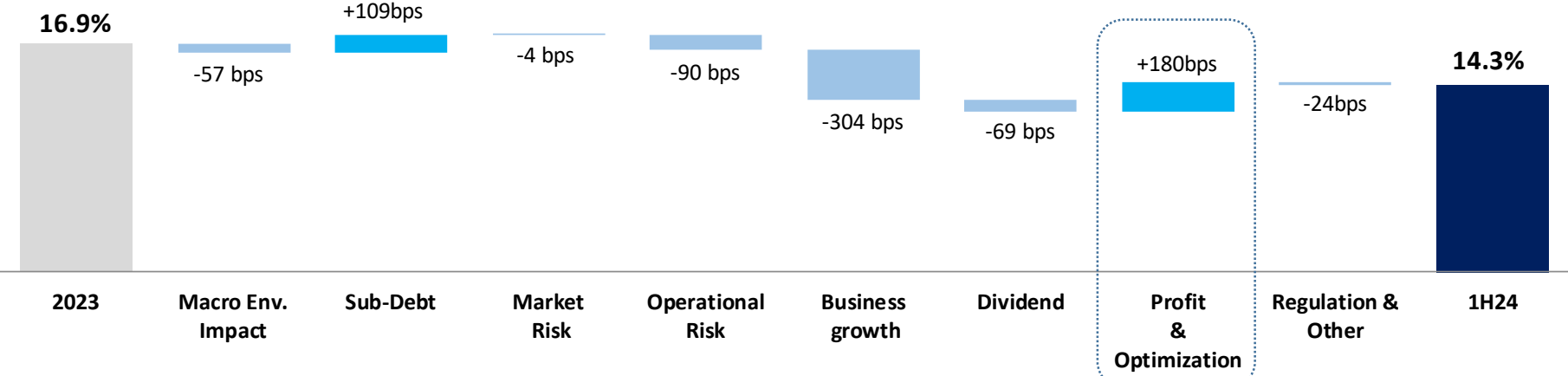
+233bps >300bps



### Comfortable Capital Buffers

Improvement will be visible in 2H24 with ongoing support from **Internal Capital Generation**

## CAR Evolution (without forbearance)







**+100<sup>bps</sup> TL interest rate**  
 impact on Capital ratios  
 ~-15<sup>bps</sup>

**10% depreciation**  
 impact on  
 CET-1: -28<sup>bps</sup> Tier-1: -20<sup>bps</sup>  
 CAR: -4<sup>bps</sup>

Notes: Capital Conservation Buffer: 2.5%; Counter-Cyclical Buffer: 0.058%; SIFI Buffer: 1.0%

# Details of main borrowings

International	Syndications	<p>~ US\$ 1.69 bln</p> <ul style="list-style-type: none"> <li>Nov'23: US\$ 359 mln and € 372,5 mln, all-in cost at SOFR+ 3.50% and Euribor+ 3.25% for 367 days. 39 banks from 22 countries <i>Sustainability Linked</i></li> <li>May'24: US\$ 442,5 mln and € 454,5 mln, all-in cost at SOFR+ 2.50% and Euribor+ 2.25% for 367 days. 46 banks from 25 countries <i>Sustainable Loan</i> </li> </ul>
	AT1	<p>US\$ 500 mln outstanding</p> <ul style="list-style-type: none"> <li>Apr'24: US\$ 500 mln market transaction, callable at 5.25 years and every interest payment date onwards, perpetual, 9.743% (coupon rate)</li> </ul>
	Subordinated Transactions	<p>US\$ 1.15 bln outstanding</p> <ul style="list-style-type: none"> <li>Jan'21: US\$ 500 mln market transaction, 10NC5, 7.875% (coupon rate)- Basel III Compliant</li> <li>Jan'24: US\$ 650 mln market transaction, 10NC5, 9.25% (coupon rate)- Basel III Compliant</li> </ul>
	Foreign and Local Currency Bonds / Bills	<p>US\$ 1.30 bln Eurobonds</p> <ul style="list-style-type: none"> <li>Mar'19: US\$ 500 mln, 8.25% (coupon rate), 5.5 years</li> <li>Sep'23: US\$ 500 mln, 9.25% (coupon rate), 5 years- <i>Sustainable</i> <ul style="list-style-type: none"> <li>Nov'23: US\$ 300 mln, 8.75% (yield rate), 5 years- <i>Tap</i></li> </ul> </li> </ul>
	Covered Bond	<p>TL 400 mln outstanding</p> <ul style="list-style-type: none"> <li>Dec'19: Mortgage-backed with 5 years maturity</li> </ul>
	DPRs	<p>US\$ 2.85 bln total outstanding</p> <ul style="list-style-type: none"> <li>Sep'23: US\$ 714.4 mln and € 100 mln with maturities varying between 5 and 8 years and with 6 different investors</li> <li>Oct'23: US\$ 175 mln with 5 years maturity and with 2 different investors</li> </ul>
Domestic	Local Currency Bonds / Bills	<p>TL 9.11 bln total</p> <ul style="list-style-type: none"> <li>Feb'24: TL 261 mln, 3-month maturity</li> <li>Feb'24: TL 312 mln, 1-year maturity, TLREF index + 50 bps</li> <li>Mar'24: TL 700 mln, 6-month maturity, TLREF index + 50 bps</li> <li>Apr'24: TL 3.52 bln, 3-month maturity </li> <li>May'24: TL 2.09 bln, 3-month maturity </li> <li>Jun'24 : TL 2.23 bln, 3-month maturity </li> </ul>
	Subordinated Bonds	<p>TL 800 mln total</p> <ul style="list-style-type: none"> <li>Jul'19: TL 500 mln, 10-year maturity, TLREF index + 193 bps</li> <li>Oct'19: TL 300 mln, 10-year maturity, TLREF index + 130 bps</li> </ul>

# 2024 Guidance Revision: In the year of transition, getting ready for normalisation

		2024 New	2024 Old	Revision
Volumes	TL Loan Growth	Real Loan Growth	Real Loan Growth	✓ Maintained
	FC Loan Growth	Double-Digit Increase	Low-Single Digit Increase	⬆️ Revised Up
Revenues	NIM	~2% (Exit: >4.5%)	> 4.5%	⬇️ Revised Down
	Core Revenue Margin	~6%	> 8%	⬇️ Revised Down
	Fee Growth	> 100%	> 80%	⬆️ Revised Up
Costs	Cost growth	< 65%	< 80%	⬇️ Revised Down
Asset Quality	Total CoR	< 75bps	~100bps	⬇️ Revised Down

***RoTE: Mid-to-High Twenties***

*(Inf. Acc. 2024 RoTE: Positive)*

*Old: Inf. Acc. RoTE:  
Improvement*

- Macroeconomic Overview
- Turkish Banking Sector
- Shareholder Structure
- Yapı Kredi at a Glance – Key Financial Figures
- Strategic Pillars
- Financial Performance
- **Sustainability Approach**
- Annex

# Sustainability

## Net-Zero Banking & Sustainable Finance

- Obtained SBTi verification in July 2024 (highest lending portfolio target coverage among Turkish banks)
- Committed to **Net-Zero Banking Alliance (NBZA)** in July 2023
- Measuring **Scope-3 Category 15: Investments emissions** according to PCAF since 2021
- Thermal Coal-related Power & Mining **phase out**
- The goal of **10% increase in the percentage of women entrepreneur customers** with 2 or more active financial products from different categories by 2026 to support their financial resilience within the scope of UN PRB financial inclusion commitment
- Nature Friendly Mortgage & Auto loans
- Sustainability-Linked Loans
- ESG-Linked Investment Funds

## Indices & Initiatives

Founding Signatory of:

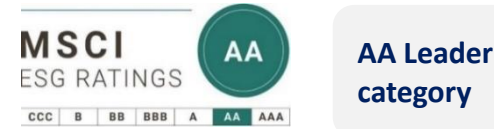


The first Turkish Bank to become a signatory



## Ratings

Leader in Turkey, Best-in-Class Globally



The only bank in leader category in Türkiye since 2021

CDP Climate Change and Water Security A Leadership Score



Above global sector average

The first and only bank in Türkiye having A Score in both Climate Change and Water Security

Included in Sustainalytics' ESG Top-Rated Companies List



Risk Rating Score: 14.5 Low Risk

Best Among the Top Tier-1 Turkish Banks



Score: 59 ESG Rating: 3

Sustainability Yearbook Member




S&P Global

Total ESG Score: 69

S&P Global Sustainability Yearbook Member 3rd time in a row

# ESG Presence and Supported Initiatives

## ESG Indices and Ratings

										
Sustainalytics	MSCI	S&P CSA	Sustainable Fitch	Moody's Vigeo EIRIS	ISS ESG Rating	CDP Climate Change	CDP Water Security	BİST Sustainability Index	FTSE4Good Index	Bloomberg GEI
14,5 <b>#1</b>	AA <b>#1</b>	69 <b>#2</b>	59 <b>#1</b>	41	C-	A <b>#1</b>	A <b>#1</b>	+	+	+
Best score among the Tier-I banks in Turkey	The only bank in Leader category in Turkey	Second best score among the Tier-I banks in Turkey	Best score among the Tier-I banks in Turkey			First and only financial institution to be included in the Global A List for both programmes in Turkey		Listed since 2014	Listed since 2017	Listed since 2021

## Supported Initiatives and Commitments



# Sustainability Milestones





# STEP: A new Program to trigger our customers' behaviors towards sustainability

## Reducing Paper Consumption

Digital on-boarding  
E-statement & E-receipt  
Digital contracts / documents

## Sustainable Products

Nature Friendly Mortgage  
Electric Vehicle Loan  
ESG Mutual Funds

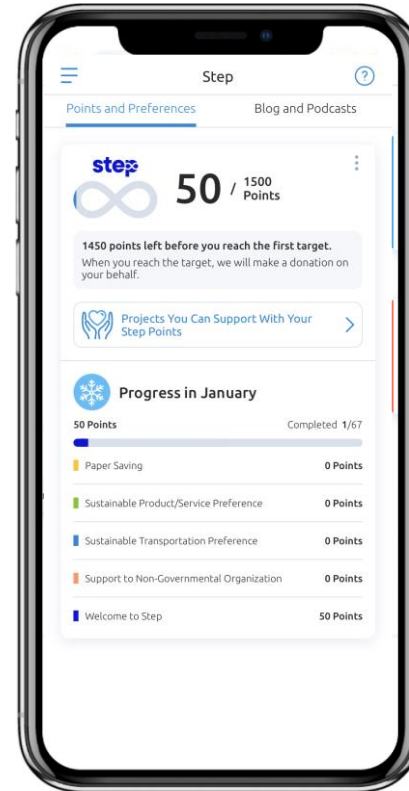
## Conscious Consumption

Sustainable Brand Preferences  
(Shopping from STEP Member Businesses)

## Sustainable Life Style

Transportation preferences  
Daily step tracking  
NGO donations

## + STEP Points



## Donation to NGOs



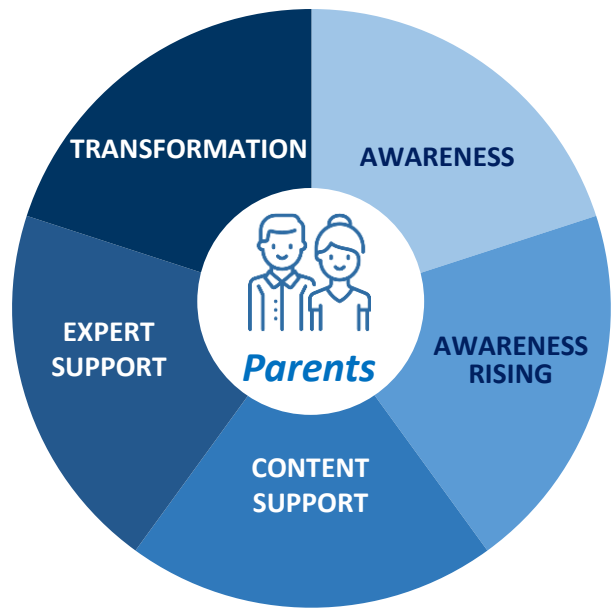
## Leading Sustainability Transformation

- Creating awareness
- Driving the demand for sustainable products

Contributing to environment, climate & education

# Snowball for the Future: In honor of the «100<sup>th</sup> anniversary» of our Republic

## Pre-school Educational Development Programme



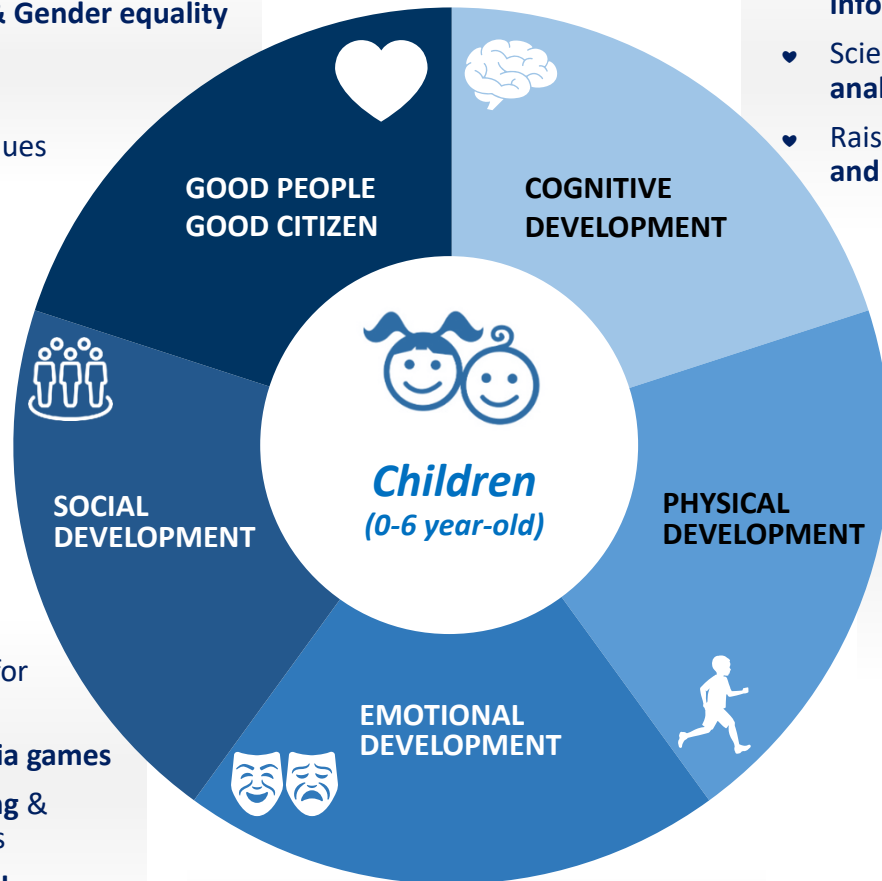
Please Click here to watch the launch movie

Web:

<https://yapikrediyarinlarakartopu.com.tr>

- ♥ Sustainability & Gender equality awareness
- ♥ Non-violence
- ♥ Basic ethical values

- ♥ Support self-awareness for **better self expression**
- ♥ Interaction with peers via **games**
- ♥ Focus on **problem-solving & decision-making** abilities
- ♥ Strengthen **interpersonal communication skills**



- ♥ Increase ability to **use and produce information**
- ♥ Scientific support to **improve analytical intelligence**
- ♥ Raising awareness on **mathematics and digitalization**

- ♥ Strengthen **physical coordination**
- ♥ **Healthy and balanced nutrition** awareness
- ♥ Participation in **physical activities**
- ♥ **Language skills** and participation in oral activities

- ♥ Focus on comprehending their own and others' emotions
- ♥ Increase **ability to cope with family problems**

- Macroeconomic Overview
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## ■ **Annex**

# Ratings Turkey

Fitch Ratings	Rating	Outlook
Long Term Foreign Currency	B+	Positive
Long Term Local Currency	B+	Positive
Short Term Foreign Currency	B	
Short Term Local Currency	B	
Seniour Unsecured Debt Foreign	B+	
Country Ceiling	B+	

**8 March 2024:**  
 International Rating Agency Fitch Ratings upgraded Turkiye Sovereign rating to "B+" from "B" while revising the outlook upwards to "Positive" from "Stable".

Moody's	Rating	Outlook
Long Term Foreign Currency Deposit	B1	Positive
Long Term Foreign Local Deposit	B1	Positive
Seniour Unsecured Debt Foreign	B1	Positive

**19 July 2024:**  
 International Rating Agency Moody's oday upgraded Government of Turkiye's long-term foreign- and domestic-currency issuer and foreign-currency senior unsecured ratings to B1 from B3. The outlook remains positive.

Standard & Poor's	Rating	Outlook
Long Term Foreign Currency	B+	Positive
Long Term Local Currency	B+	Positive
Short Term Foreign Currency	B	
Short Term Local Currency	B	
National Long Term Local Currency	trAA-	
National Short Term Local Currency	trA-1+	

# Ratings Yapı Kredi

Fitch Ratings	Rating	Outlook
Long Term Foreign Currency	B	Positive
Long Term Local Currency	B+	Positive
Short Term Foreign Currency	B	
Short Term Local Currency	B	
Viability Rating	b+	
Government Support	ns	
National Long Term	AA- (tur)	Stable
Senior Unsecured Debt	B	

## 15 June 2024:

International Rating Agency Fitch Ratings has affirmed Yapı ve Kredi Bank's long-term foreign currency deposit rating at "B" and the outlook at "Positive". Fitch has upgraded Yapı ve Kredi Bank's Long-Term Local Currency rating to "B+" from "B" and removed it from "Rating Watch Positive". Fitch has also upgraded Viability Rating to "b+" from "b" and National Rating to "AA-(tur)" from "A+(tur)". The rating agency also revised Subordinated Rating to "B-" from "CCC+".

Moody's	Rating	Outlook
Long Term Foreign Currency Deposit	B1	Positive
Long Term Foreign Local Deposit	B1	Positive
Short Term Foreign Currency Deposit	Not Prime	
Short Term Foreign Local Deposit	Not Prime	
National Scale Rating	Aa1.tr	
Senior Unsecured Debt	B1	Positive

## 23 July 2024:

On 19 July 2024, International Rating Agency Moody's upgraded the Government of Türkiye's sovereign rating to "B1" from "B3" and Türkiye's foreign-currency country ceiling to "Ba3" from "B2" and the local-currency country ceiling to "Ba1" from "Ba3" with a positive outlook. Following this change, on 23 July 2024, the rating agency upgraded Yapı ve Kredi Bank's Long Term Foreign currency deposit, long term local currency deposit and senior unsecured debt ratings by two notch to "B3" from "B1" with a positive outlook.

# Macro environment and banking sector

## Macro Environment

	2022	2023	1H24
<b>GDP Growth (y/y)</b>	5.5%	4.5%	-
<b>CPI Inflation (y/y)</b>	64.3%	64.8%	71.6%
<b>CAD<sup>1</sup>/GDP<sup>2</sup></b>	-5.1%	-4.0%	-2.1%
<b>Budget Deficit/GDP<sup>2</sup></b>	-0.9%	-5.2%	-4.8%
<b>USD/TL (eop)</b>	18.70	29.44	32.83
<b>2Y Benchmark Bond Rate (eop)</b>	8.8%	39.7%	41.6%

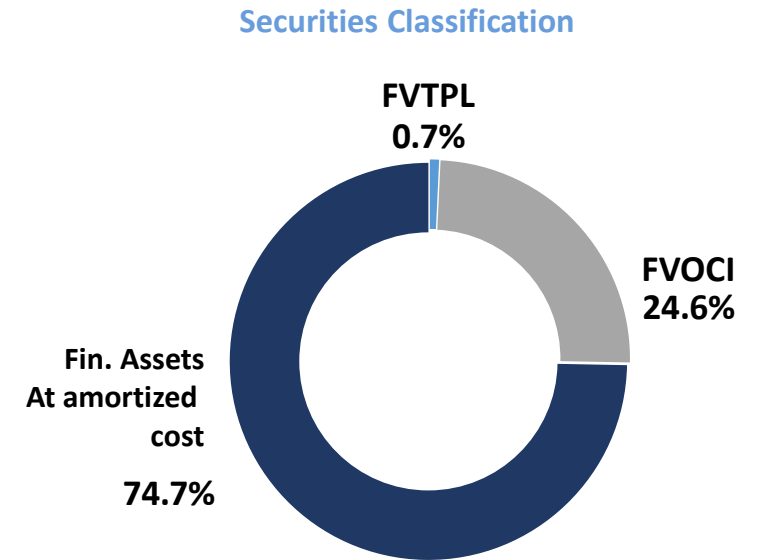
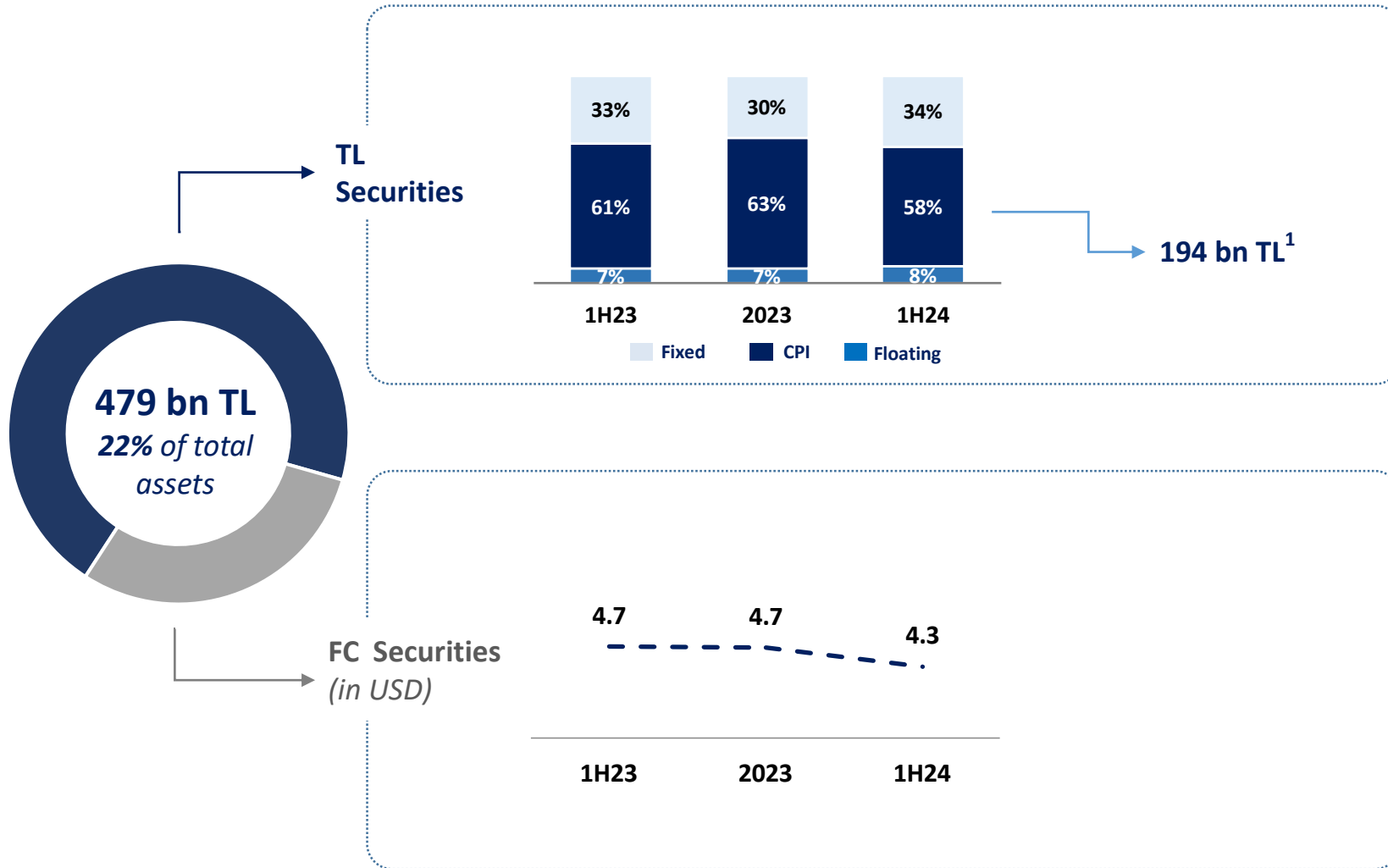
## Banking Sector - Private Banks

	2022	2023	1H24
<b>Loan Growth (ytd)</b>	<b>52%</b>	<b>51%</b>	<b>24%</b>
<i>TL</i>	76%	52%	22%
<i>FC (USD)</i>	-15%	-7%	16%
<b>Cust. Deposit Growth (ytd)</b>	<b>59%</b>	<b>61%</b>	<b>14%</b>
<i>TL</i>	152%	83%	20%
<i>FC (USD)</i>	-20%	-13%	-6%
<b>NPL Ratio</b>	<b>2.7%</b>	<b>2.1%</b>	<b>1.9%</b>
<b>CAR<sup>3</sup></b>	<b>21.6%</b>	<b>20.3%</b>	<b>17.5%</b>
<b>RoTE</b>	<b>48.2%</b>	<b>39.2%</b>	<b>28.8%</b>

Notes:

- All macro data as of June 2024 unless otherwise stated  
 Banking sector volumes based on BRSA weekly data as of 28 June 2024
- CAD indicates Current Account Deficit as of May'24
  - 2Q24 GDP Forecast
  - CAR includes regulatory forbearances

# Securities portfolio

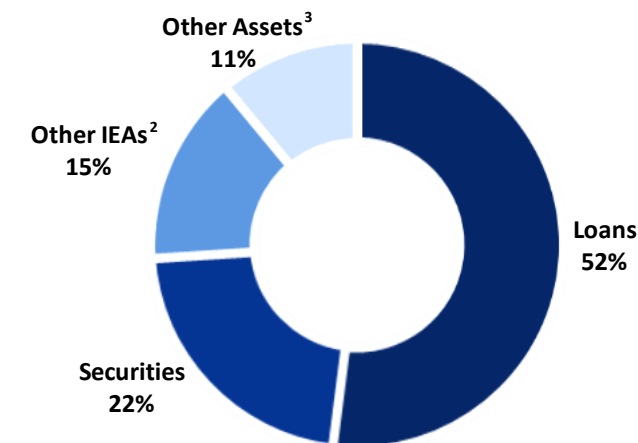


Notes:  
Based on BRSA Bank-Only financials  
1. Including Accruals

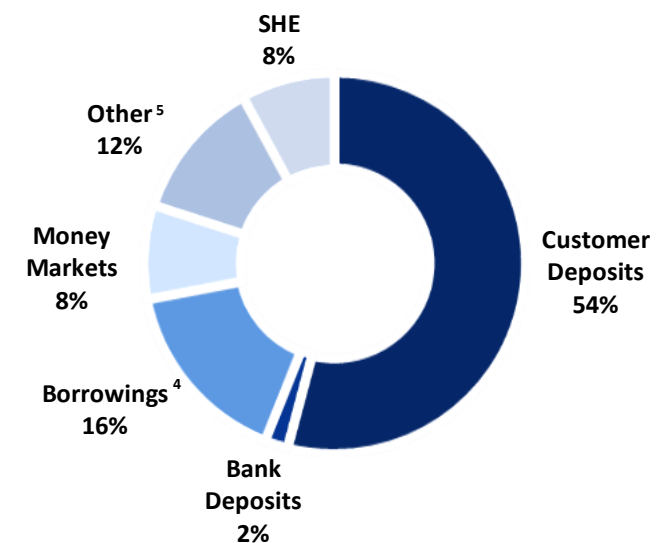
# Consolidated balance sheet

TL bln	1H23	2023	1Q24	1H24	q/q	ytd	y/y
<b>Total Assets</b>	<b>1,482</b>	<b>1,863</b>	<b>2,144</b>	<b>2,320</b>	<b>8%</b>	<b>25%</b>	<b>57%</b>
<b>Loans<sup>1</sup></b>	<b>709</b>	<b>890</b>	<b>1,045</b>	<b>1,149</b>	<b>10%</b>	<b>29%</b>	<b>62%</b>
TL Loans	465	619	721	792	10%	28%	70%
FC Loans (\$)	9	9	10	11	9%	18%	15%
<b>Securities</b>	<b>332</b>	<b>417</b>	<b>480</b>	<b>496</b>	<b>3%</b>	<b>19%</b>	<b>50%</b>
TL Securities	201	266	322	338	5%	27%	68%
FC Securities (\$)	5	5	5	5	-1%	-6%	-5%
<b>Customer Deposits</b>	<b>941</b>	<b>1,076</b>	<b>1,206</b>	<b>1,264</b>	<b>5%</b>	<b>17%</b>	<b>34%</b>
TL Customer Deposits	537	617	664	774	16%	25%	44%
FC Customer Deposits (\$)	16	16	17	15	-11%	-4%	-5%
<b>Borrowings</b>	<b>252</b>	<b>366</b>	<b>430</b>	<b>482</b>	<b>12%</b>	<b>32%</b>	<b>92%</b>
TL Borrowings	20	25	27	61	124%	145%	197%
FC Borrowings (\$)	9	12	12	13	3%	11%	43%
<b>Shareholders' Equity</b>	<b>139</b>	<b>179</b>	<b>181</b>	<b>183</b>	<b>1%</b>	<b>2%</b>	<b>31%</b>
<b>Assets Under Management</b>	<b>173</b>	<b>238</b>	<b>315</b>	<b>371</b>	<b>18%</b>	<b>56%</b>	<b>115%</b>

## Assets – Bank Only



## Liabilities – Bank Only



### Notes:

- Loans indicate performing loans excluding loans provided to financial institutions. TL and FC Loans are adjusted for the FX indexed loans
- Other interest earning assets (IEAs) include Balances with the Central Bank Turkey, banks and other financial institutions, money markets, factoring receivables, financial lease receivables
- Other assets include investments in associates, subsidiaries, joint ventures, hedging derivative financial assets, property and equipment, intangible assets, tax assets, assets held for resale and related to discontinued operations (net) and other
- Borrowings: include funds borrowed, marketable securities issued (net), subordinated loans. Intragroup funding / Total exposures is limited to cash excluding Business Related (i.e. Trade Finance), Repos and loro/nostro accounts
- Other liabilities: other provisions, hedging derivatives, deferred and current tax liability and other



# Consolidated income statement

TL million	1Q24	2Q24	q/q	1H23	1H24	y/y
<b>Net Interest Income including swap costs</b>	<b>8,182</b>	<b>613</b>	<i>n.m</i>	<b>26,115</b>	<b>8,795</b>	<b>-66%</b>
<i>o/w NII</i>	25,356	20,117	<b>-21%</b>	23,903	45,473	<b>90%</b>
<i>o/w Swap costs</i>	-17,175	-19,504	14%	2,213	-36,678	<i>n.m.</i>
<b>Fees &amp; Commissions</b>	<b>16,757</b>	<b>19,201</b>	<b>15%</b>	<b>13,189</b>	<b>35,958</b>	<b>173%</b>
<b>Core Revenues</b>	<b>24,939</b>	<b>19,813</b>	<b>-21%</b>	<b>39,304</b>	<b>44,753</b>	<b>14%</b>
<b>Operating Costs</b>	<b>17,343</b>	<b>18,548</b>	<b>7%</b>	<b>20,124</b>	<b>35,891</b>	<b>78%</b>
<b>Core Operating Income</b>	<b>7,596</b>	<b>1,266</b>	<b>-83%</b>	<b>19,180</b>	<b>8,862</b>	<b>-54%</b>
<b>Trading and FX gains/losses</b>	<b>7,154</b>	<b>3,543</b>	<b>-50%</b>	<b>16,450</b>	<b>10,697</b>	<b>-35%</b>
Trading excl. ECL hedge	6,023	3,345	-44%	11,593	9,368	-19%
<i>ECL hedging</i>	1,131	198	-82%	4,857	1,329	-73%
<b>Other income</b>	<b>477</b>	<b>1,056</b>	<b>121%</b>	<b>1,483</b>	<b>1,532</b>	<b>3%</b>
<i>o/w income from subs</i>	325	416	28%	509	741	45%
<b>Pre-provision Profit</b>	<b>15,227</b>	<b>5,864</b>	<b>-61%</b>	<b>37,113</b>	<b>21,091</b>	<b>-43%</b>
<b>ECL net of collections</b>	<b>3,338</b>	<b>-2,193</b>	<i>n.m</i>	<b>6,060</b>	<b>1,145</b>	<b>-81%</b>
ECL (excl. currency impact)	2,207	-2,391	<i>n.m</i>	1,203	-184	<i>n.m</i>
<i>o/w Collections/Provision Reversals (-)</i>	-8,899	-7,847	-12%	-9,257	-16,747	81%
<b>Provisions for Risks and Charges &amp; Other</b>	<b>87</b>	<b>-51</b>	<i>n.m</i>	<b>80</b>	<b>36</b>	<b>-55%</b>
<b>Pre-tax Income</b>	<b>11,802</b>	<b>8,108</b>	<b>-31%</b>	<b>30,973</b>	<b>19,910</b>	<b>-36%</b>
Tax	1,499	1,005	-33%	6,856	2,504	-63%
<b>Net Income</b>	<b>10,302</b>	<b>7,103</b>	<b>-31%</b>	<b>24,117</b>	<b>17,406</b>	<b>-28%</b>

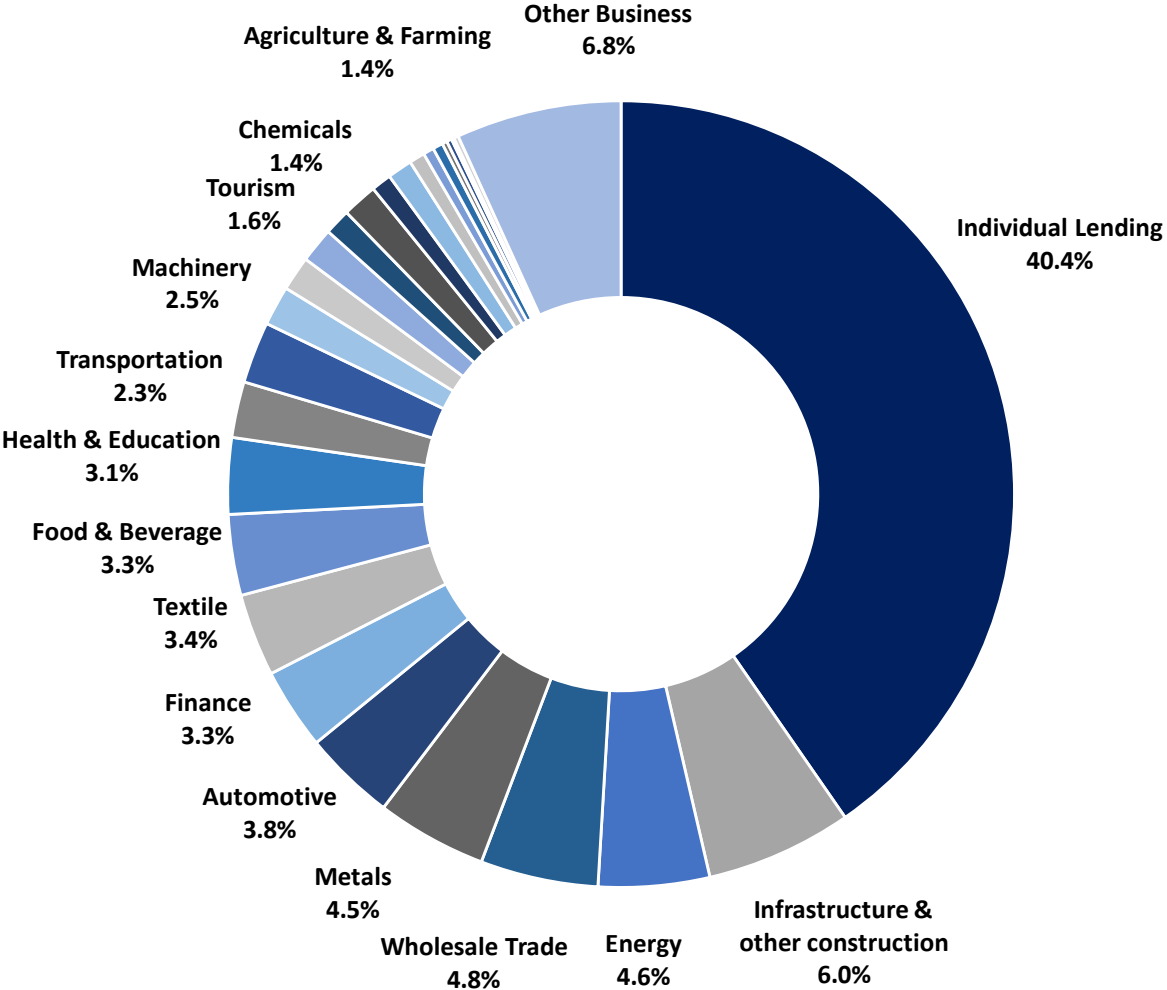
Notes:  
n.m.: not meaningful

# Bank-only income statement

TL million	1Q24	2Q24	q/q	1H23	1H24	y/y
<b>Net Interest Income including swap costs</b>	<b>5,433</b>	<b>-2,509</b>	<i>n.m</i>	<b>23,492</b>	<b>2,924</b>	<b>-88%</b>
<i>o/w NII</i>	22,628	17,026	-25%	21,428	39,654	85%
<i>o/w Swap costs</i>	-17,195	-19,534	14%	2,063	-36,729	<i>n.m.</i>
<b>Fees &amp; Commissions</b>	<b>15,557</b>	<b>18,141</b>	<b>17%</b>	<b>11,727</b>	<b>33,699</b>	<b>187%</b>
<b>Core Revenues</b>	<b>20,990</b>	<b>15,633</b>	<b>-26%</b>	<b>35,219</b>	<b>36,623</b>	<b>4%</b>
<b>Operating Costs</b>	<b>16,384</b>	<b>17,535</b>	<b>7%</b>	<b>19,248</b>	<b>33,919</b>	<b>76%</b>
<b>Core Operating Income</b>	<b>4,606</b>	<b>-1,902</b>	<i>n.m</i>	<b>15,971</b>	<b>2,704</b>	<b>-83%</b>
<b>Trading and FX gains/losses</b>	<b>6,944</b>	<b>3,440</b>	<b>-50%</b>	<b>15,779</b>	<b>10,384</b>	<b>-34%</b>
Trading excl. ECL hedge	5,813	3,242	-44%	10,923	9,055	-17%
<i>ECL hedging</i>	1,131	198	-82%	4,857	1,329	-73%
<b>Other income</b>	<b>2,818</b>	<b>3,490</b>	<b>24%</b>	<b>4,430</b>	<b>6,308</b>	<b>42%</b>
<i>o/w income from subs</i>	2,596	2,934	13%	3,429	5,531	61%
<b>Pre-provision Profit</b>	<b>14,368</b>	<b>5,028</b>	<b>-65%</b>	<b>36,180</b>	<b>19,396</b>	<b>-46%</b>
<b>ECL net of collections</b>	<b>3,378</b>	<b>-2,072</b>	<i>n.m</i>	<b>6,113</b>	<b>1,306</b>	<b>-79%</b>
ECL (excl. currency impact)	2,247	-2,270	<i>n.m</i>	1,256	-23	<i>n.m</i>
<i>o/w Collections/Provision Reversals (-)</i>	-8,645	-7,689	-11%	-8,967	-16,334	82%
<b>Provisions for Risks and Charges &amp; Other</b>	<b>73</b>	<b>-55</b>	<i>n.m</i>	<b>46</b>	<b>18</b>	<b>-60%</b>
<b>Pre-tax Income</b>	<b>10,918</b>	<b>7,154</b>	<b>-34%</b>	<b>30,021</b>	<b>18,072</b>	<b>-40%</b>
Tax	616	52	-92%	5,904	668	-89%
<b>Net Income</b>	<b>10,302</b>	<b>7,103</b>	<b>-31%</b>	<b>24,116</b>	<b>17,405</b>	<b>-28%</b>

Notes:  
n.m.: not meaningful

# Sectoral breakdown of loans



- *Well-diversified loan portfolio*
- *The Share of Energy Loans in total down by 8 pp since 2018*
- *The Share of Infrastructure and Other Construction in total down by 5 pp since 2018*
- *7% share of **SMEs** in cash loans*

Notes:  
Based on MIS Data, Loans include gross cash and non-cash loans

# ECL details

TL million	1Q24	2Q24	1H24
<b>Provisions</b>	<b>12,237</b>	<b>5,655</b>	<b>17,892</b>
<i>Stage-1</i>	<i>3,550</i>	<i>-1,965</i>	<i>1,585</i>
<i>Stage-2</i>	<i>4,789</i>	<i>2,318</i>	<i>7,107</i>
<i>Stage-3</i>	<i>3,898</i>	<i>5,302</i>	<i>9,200</i>
Currency Impact	-1,131	-198	-1,329
Provision Reversals	-6,170	-3,865	-10,036
Collections	-2,729	-3,982	-6,711
<b>ECL</b>	<b>2,207</b>	<b>-2,391</b>	<b>-184</b>

Notes:  
Based on consolidated financials.

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