



Assessment of 2016

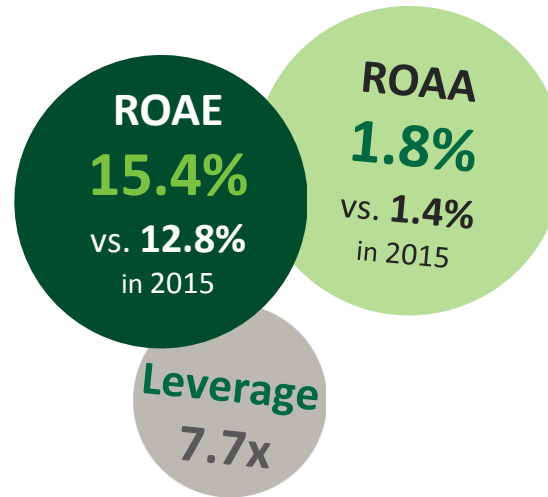
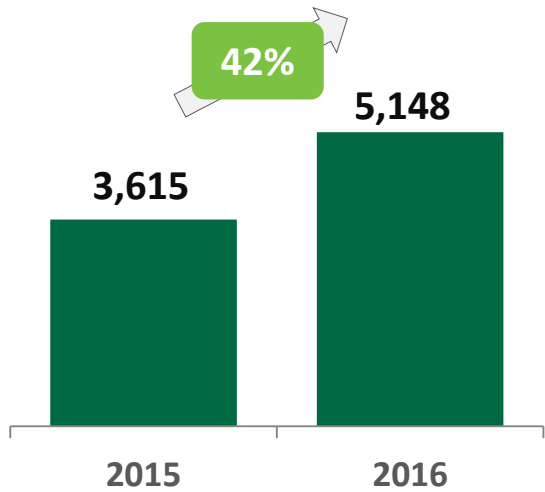
Financial Results

Ordinary General Meeting of Shareholders

30 March 2017

RECORD HIGH PROFIT

Net Income
(TL Million)

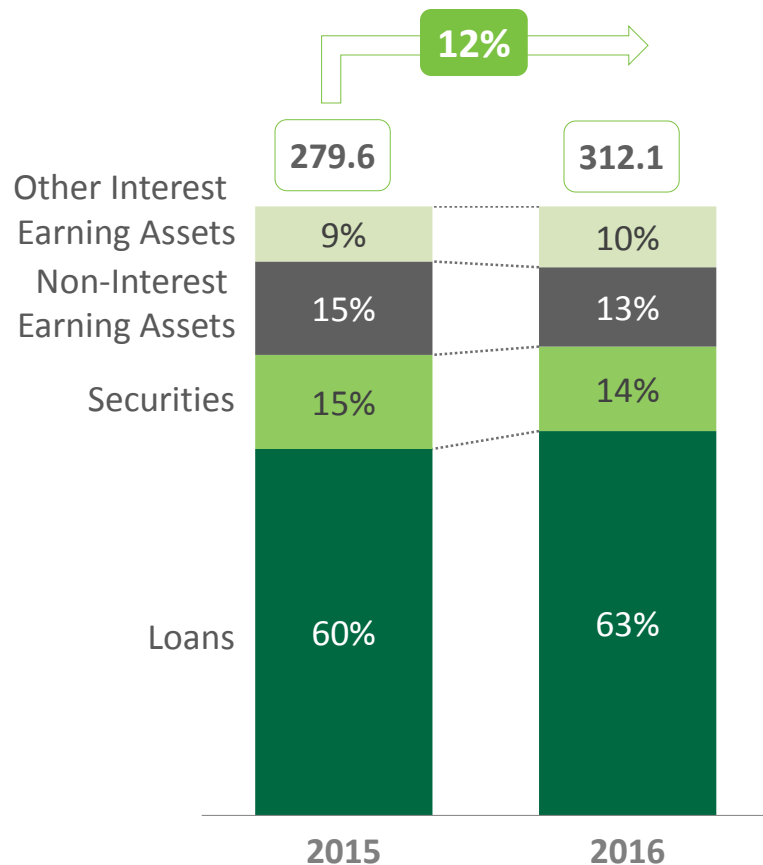


TL 300mn free provisions
remain as buffer

COMPOSITION OF ASSETS CONTINUED TO BE CUSTOMER DRIVEN

Total Assets

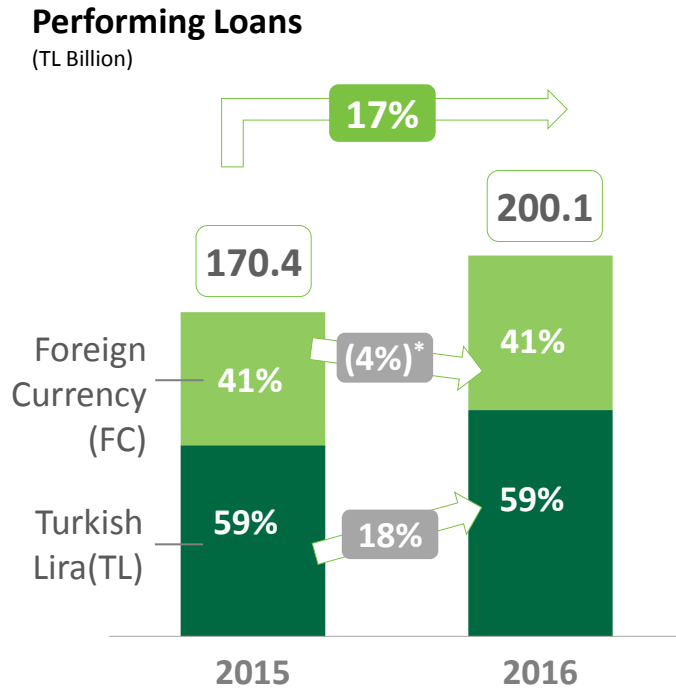
(TL Billion)



Increasingly customer-driven asset mix

- Asset growth remained **lending driven** throughout 2016
 - Loans/Assets **reached its highest level: 63%**
- **Securities continued to serve as hedge** against volatility

CONTINUED TO SUPPORT THE ECONOMY WHILE PRESERVING SOUND ASSET QUALITY



Main drivers of loan growth

	YoY Growth
+ TL Business Banking Loans ¹	25%
+ Consumer Loans #1	13%
+ Mortgages #1	17%
+ Auto Loans #1	25%

Sound asset quality

- NPL ratio: **3.0%** -- maintained below sector's
- Total Cash Coverage Ratio²: **131%**

* In US\$ terms

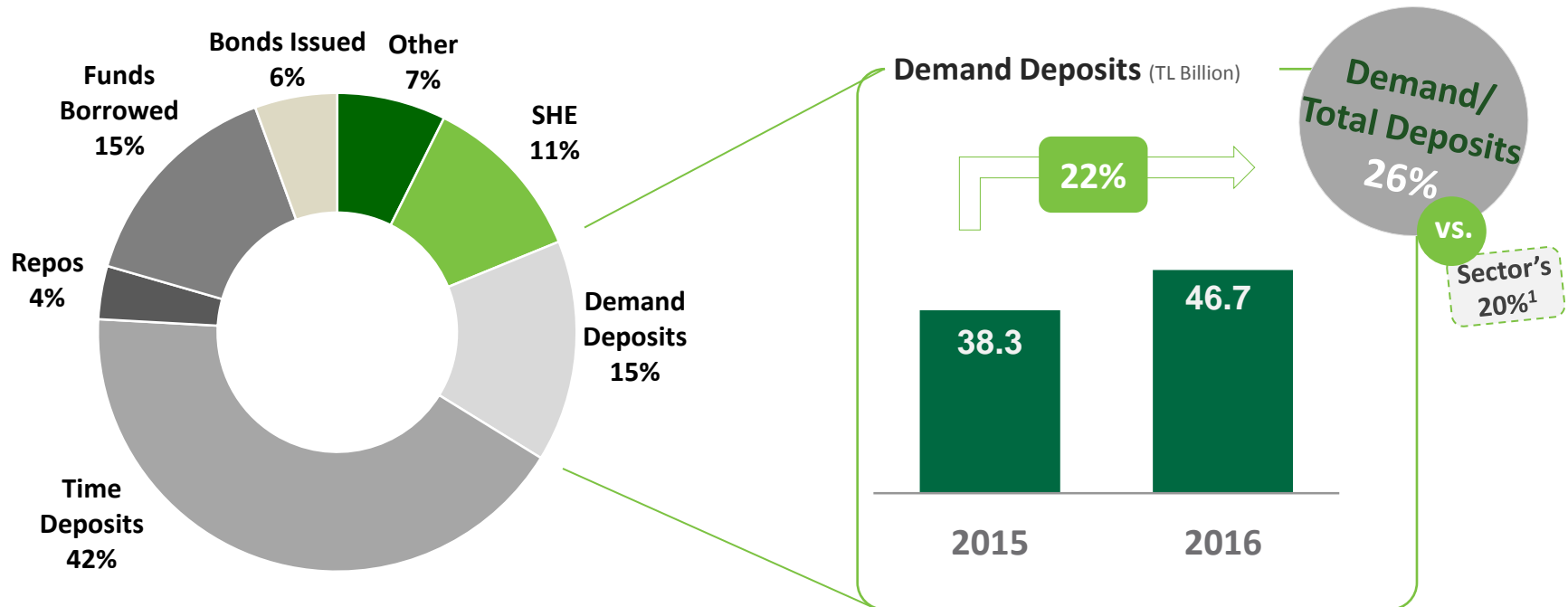
1 TL business banking loans; TL loans – TL retail loans

2 Includes specific and general provisions

SOLID & WELL-DIVERSIFIED FUNDING MIX

Reigned by deposits & further reinforced with increasing share of free funds

Composition of Liabilities



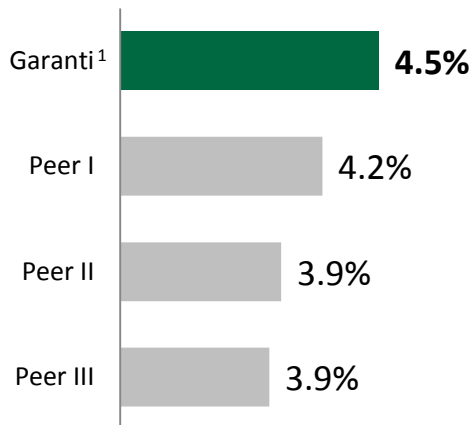
● Deposits/Assets: **57%**

● Total Deposits Growth YoY: **+14%**

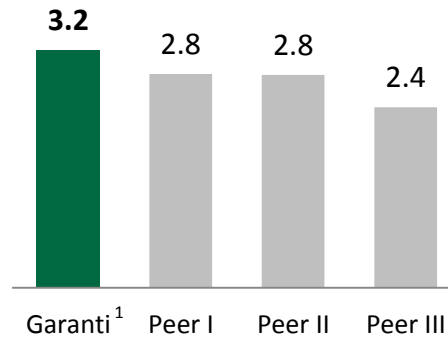
¹ Sector data is based on BRSA weekly bank-only data as of December 30, 2016, commercial banks only.

HIGHEST SUSTAINABLE INCOME GENERATION CAPACITY AND EFFICIENT COST MANAGEMENT

NIM (incl. Swap costs)
+30bps YoY



Net Fees & Comm. (TL billion)
+10% YoY



OPEX
+6% YoY

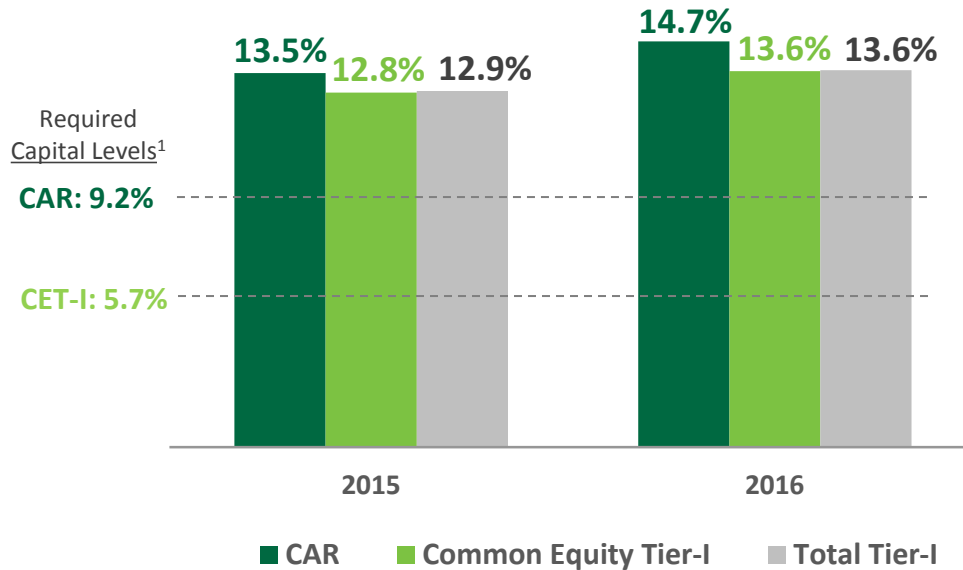
- ✓ +7pp YoY improvement in Cost/Income ratio
- ✓ Highest per branch efficiency
- ✓ Effective utilization of digital channels: **Managing Turkey's largest digital customer base**

HIGHEST CORE OPERATING INCOME¹

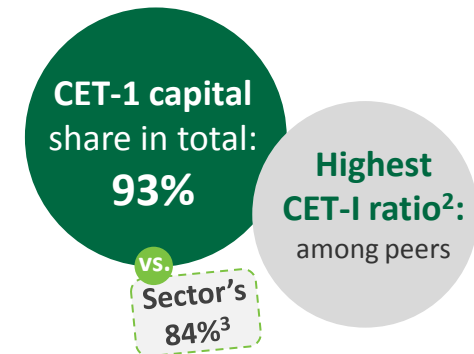
¹ Comparison is among 4 large private banks and based on BRSA bank-only financials
Note: Core Operating Income defined as NII excluding income on CPI linkers
+ Net F&C - Net Specific & General Provisions + Net Swap Gains/Losses-OPEX

CAPITAL GENERATIVE GROWTH STRATEGY ASSURES SOUND SOLVENCY RATIOS

Capital Adequacy Ratios



- CAR: ↑ +115bps YoY
- CET-1: ↑ +77bps YoY



¹ Required Consolidated CAR (9.158%) = 8.0% + SIFI Buffer for Group 3 (0.5%) + Capital Conservation Buffer (0.625%) + Counter Cyclical Buffer (0.033%) Required Consolidated CET-I (5.658%) = 4.5% + SIFI Buffer for Group 3 (0.5%) + Capital Conservation Buffer (0.625%) + Counter Cyclical Buffer (0.033%)
² Among peers as of Dec16.
³ BRSA monthly data as of Dec'16 commercial banks only

THANK YOU

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