

SUBSCRIPTION AGREEMENT

DATED 3 DECEMBER 2012

between

YAPI VE KREDİ BANKASI A.Ş.

and

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

MITSUBISHI UFJ SECURITIES INTERNATIONAL PLC

MORGAN STANLEY & CO. INTERNATIONAL PLC

UNICREDIT BANK AG

in relation to the issue of

USD 1,000,000,000 5.500 per cent. Subordinated Notes due 2022

ALLEN & OVERY

Allen & Overy LLP

CONTENTS

Clause	Page
1. Subscription	1
2. Closing.....	2
3. Undertakings.....	2
4. Commissions.....	5
5. Expenses	6
6. Representations and Warranties of the Issuer	6
7. Indemnification and Contribution.....	12
8. Listing	13
9. Conditions.....	14
10. Joint Lead Managers' Representations, Warranties and Undertakings	16
11. Stabilisation	18
12. Arm's Length Transactions	18
13. Termination.....	19
14. Governing Law and Jurisdiction.....	21
15. Miscellaneous	21
 Schedule	
1. The Joint Lead Managers.....	23
2. Form of Pricing Term Sheet	24
3. Underwriting Commitments	26
 Signatories	 27

THIS AGREEMENT is made on 3 December 2012 **BETWEEN:**

- (1) **YAPI VE KREDİ BANKASI A.Ş.**, a joint stock company incorporated under the laws of the Republic of Turkey with registered offices at Yapı Kredi Plaza D Block, Levent 34330, Istanbul, Turkey; and
- (2) **THE JOINT LEAD MANAGERS** listed in Schedule 1 hereto (each a **Joint Lead Manager** and together, the **Joint Lead Managers**).

WHEREAS:

- (A) **YAPI VE KREDİ BANKASI A.Ş.** (the **Issuer**) proposes to issue USD 1,000,000,000 5.500 per cent. Subordinated Notes due 2022 (the **Notes**, which expression where the context admits shall include the Global Certificates (as defined below)).
- (B) The Notes will be in registered form in denominations of USD 200,000 and integral multiples of USD 1,000 thereafter and will be issued subject to and with the benefit of an agency agreement (the **Agency Agreement**) between the Issuer and the agents named therein, substantially in the form of the draft signed for identification by Allen & Overy LLP with such changes as may be approved by the Joint Lead Managers and the parties to the Agency Agreement.

IT IS AGREED as follows:

1. SUBSCRIPTION

- 1.1 Subject to the terms and conditions of this Agreement, the Issuer agrees to issue the Notes and each Joint Lead Manager severally, but not jointly, agrees to subscribe and pay for, or to procure subscriptions and payment for, the Notes on the Closing Date (as defined below) at the issue price of 100 per cent. of the principal amount of the Notes (the **Issue Price**). The underwriting commitments of the Joint Lead Managers are set out in Schedule 3 hereto.
- 1.2 The Issuer confirms that:
 - (a) it has authorised each of the Joint Lead Managers to re-offer and re-sell Notes on its behalf to third parties, in each case for subscription at the Issue Price;
 - (b) it has prepared the Preliminary Offering Memorandum and has previously authorised the distribution thereof by the Joint Lead Managers in connection with the offering of the Notes subject to the provisions of clause 10. As used herein the **Preliminary Offering Memorandum** shall mean, with respect to any date or time referred to in this Agreement (i) the preliminary offering memorandum dated 20 November 2012, and (ii) if supplemented or amended, the preliminary offering memorandum at the date of each such amendment or supplement (the most recent form of preliminary offering memorandum that has been prepared and delivered to the Joint Lead Managers in connection with their solicitation of offers to purchase Notes prior to the time this Agreement is executed by the parties hereto (as supplemented by the final pricing term sheet dated 29 November 2012 substantially in the form attached to this Agreement as Schedule 2 hereto (the **Pricing Term Sheet**)) shall be referred to herein as the **Disclosure Package**);
 - (c) it has prepared the offering memorandum dated 3 December 2012 (the **Offering Memorandum**), and hereby authorises the Joint Lead Managers to distribute copies of the Offering Memorandum in connection with the offering of the Notes subject to the provisions of clause 10;

- (d) the Notes will be (i) issued in compliance with Article 8 of the Banking Regulatory Supervisory Authority (in Turkish: *Bankacılık Düzenleme ve Denetleme Kurumu*) (the **BRSA**) Regulation on Equities of Banks (published in the Official Gazette dated 1 November 2006 and numbered 26333) (the **BRSA Regulation**) and (ii) registered with the Capital Markets Board (the **CMB**) in accordance with Article 15/b of Decree No. 32 on the Protection of the Value of the Turkish Currency (published in the Official Gazette dated 11 August 1989 and numbered 20249) and Articles 6 and 25 of the CMB's Communiqué on the Principles of Registration and the Sale of Debt Instruments (Series: II, No: 22); and
- (e) it has approved the arrangements made on its behalf by the Joint Lead Managers for announcements in respect of the Notes to be published on such dates and in such newspapers or other publications as it may agree with the Joint Lead Managers, if permissible and in compliance with all applicable securities laws.

- 1.3 The Joint Lead Managers agree as between themselves that they will be bound by and will comply with the International Capital Market Association Standard Form Agreement Among Managers Version 1 (the **Agreement Among Managers**) with respect to the Notes and further agree that references in the Agreement Among Managers to the **Lead Manager** shall mean the Joint Lead Managers, save that clause 3 of the Agreement Among Managers shall not apply.

2. CLOSING

- 2.1 The subscription money in respect of the Notes, namely the sum of USD 1,000,000,000 representing the Issue Price will be paid by the Joint Lead Managers to the Issuer at or about 10.00 a.m. (New York City time) on 6 December 2012 or at such other time and/or date as the Issuer and the Joint Lead Managers may agree (the **Closing Date**) in New York same day funds against delivery of:

- (a) a global certificate in respect of resales of the Notes by the Joint Lead Managers outside the United States, to persons other than U.S. persons (**U.S. persons**), as defined in Regulation S (**Regulation S**) of the United States Securities Act of 1933, as amended (the **Securities Act**), in offshore transactions in reliance on, and in compliance with, Regulation S (the **Unrestricted Global Certificate**), duly executed and registered in the name of a nominee for a common depositary for Euroclear Bank S.A./N.V. (**Euroclear**) and for Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) and in or substantially in the form provided in the Agency Agreement, to a common depositary for Euroclear and Clearstream, Luxembourg; and
- (b) one or more global certificates in respect of Notes offered and sold in the United States to a limited number of "qualified institutional buyers" (**QIBs**), as defined in Rule 144A (**Rule 144A**) of the Securities Act, in connection with resales by the Joint Lead Managers in reliance on, and in compliance with, Rule 144A (the **Restricted Global Certificate** and, together with the Unrestricted Global Certificate, the **Global Certificates**), duly executed and registered in the name of Cede & Co. as nominee for the Depository Trust Company (**DTC**) and in or substantially in the form provided in the Agency Agreement, to a custodian for DTC,

and the registration of the holdings of the Notes represented by the Global Certificates in the register maintained by the registrar for the Notes; *provided that* the aggregate principal amount of the Notes represented by the Global Certificates shall not exceed USD 1,000,000,000.

3. UNDERTAKINGS

- 3.1 The Issuer undertakes with the Joint Lead Managers that:

- (a) it will, on or before the Closing Date, execute the Agency Agreement;
- (b) it will, on or before the Closing Date, execute a deed of covenant (the **Deed of Covenant**) and a deed poll in respect of the Restricted Global Certificate (the **144A Deed Poll**) substantially in the form of the drafts agreed and with such changes as may be approved by the Joint Lead Managers;
- (c) it will bear and pay (i) any stamp or other duties or taxes on or in connection with the issue and delivery of the Notes and the execution and delivery of this Agreement, the Deed of Covenant and the Agency Agreement (together, the **Agreements**) and (ii) any value added tax payable in connection with the commissions or other amounts payable or allowed under this Agreement and otherwise in connection with the transactions envisaged by this Agreement;
- (d) it will not, between the date of this Agreement and the Closing Date (or such date on which the Notes have been fully distributed as notified by the Joint Lead Managers, if later) (both dates inclusive), without the prior consent of the Joint Lead Managers, make any announcement which might reasonably be expected to have an adverse effect on the marketability of the Notes (such prior consent not to be unreasonably withheld or delayed), save that any announcement required by applicable CMB Regulations will not require such consent but, where practicable, shall be made after consultation with the Joint Lead Managers;
- (e) it will promptly notify the Joint Lead Managers of any change affecting any of the representations, warranties, agreements and indemnities in this Agreement at any time, and any event that occurs and as a result of which: (i) the Disclosure Package; (ii) the Offering Memorandum; or (iii) any written communication (as such term is defined in Rule 405 under the Securities Act), including, without limitation, any written roadshow presentation materials used in connection with the offering of the Notes (the **Supplementary Offering Material**), would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, at any time before payment is made to the Issuer on the Closing Date, and that it will promptly take those reasonable steps which may be requested by the Joint Lead Managers to remedy and/or publicise the change or event (including, if requested, the publication of a supplement to any of the Disclosure Package, the Offering Memorandum, or the Supplementary Offering Material);
- (f) it will comply with its obligations under Condition 8 (*Taxation*) of the Notes;
- (g) it will use reasonable efforts to arrange for the qualification of the Notes for offer and sale by the Joint Lead Managers under the laws of such States of the United States, or other jurisdictions or possessions of the United States, as the Joint Lead Managers shall reasonably request, and shall use reasonable efforts to maintain such qualifications in effect so long as required by the Joint Lead Managers for the sale of the Notes (not in excess of six months from the date of this Agreement); provided, however, that in connection therewith, the Issuer will not be required to qualify as a foreign corporation or to execute a general consent to service of process in any jurisdiction or subject itself to taxation in excess of a nominal dollar amount in any such jurisdiction where it is not then so subject. The Issuer will immediately advise the Joint Lead Managers of the receipt by the Issuer of any notification with respect to the suspension of the qualification of the Notes for sale in any jurisdiction or possession of the United States or the initiation or threatening of any proceeding for such purposes. As used in this clause 3.1(g), United States means the United States of America (including the States and the District of Colombia); and its possessions

include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands;

- (h) for so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, and it is not subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**), or exempt from such reporting pursuant to Rule 12g3-2(b) thereunder, it will provide to each holder or beneficial owner of such restricted securities, and to any prospective purchaser of such restricted securities designated by a holder, upon the request of such holder, beneficial owner or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Securities Act;
- (i) for so long as any of the Notes are "restricted securities" (as defined above), it will not, and will not permit any of its affiliates (as defined in Rule 405 under the Securities Act) (other than UniCredit Bank AG in its capacity as Joint Lead Manager and its affiliates (other than the Issuer and its subsidiaries), as to whom no undertaking is made) to resell any Notes that have been acquired by any of them, other than pursuant to Regulation S;
- (j) it will not, and it will procure that none of its Subsidiaries (as such term is defined in the Agency Agreement) will, take any action or omit to take any action which will result in it or any of its Subsidiaries violating the offering restrictions applicable to the Notes set forth in clauses 6.1(q), 6.1(r), 6.1(s), 6.1(v), 6.1(w) and 6.1(z) of this Agreement;
- (k) neither the Issuer, its affiliates (as defined in Rule 501(b) of Regulation D of the Securities Act (**Regulation D**)) (other than UniCredit Bank AG in its capacity as Joint Lead Manager and its affiliates (other than the Issuer and its subsidiaries)), nor any persons acting on its or their behalf (other than the Joint Lead Managers, their affiliates (other than the Issuer and its subsidiaries) or persons acting on their behalf, as to whom no undertaking is made) will, directly or indirectly, (i) offer or sell, within six months following the date the Notes are issued, any security of the same or a similar class as such Notes or (ii) otherwise make offers or sales of any security, or solicit offers to buy, or otherwise negotiate in respect of, any security (as defined in the Securities Act), in the cases of both (i) and (ii), under circumstances that would require the registration of the Notes under the Securities Act;
- (l) prior to the Closing Date, it will not issue or publicly announce any intention to issue, any debt securities, save for (i) any securitisations or any other similar secured transactions (including, but not limited to, transactions under the Issuer's DPR securitisation programmes), in the international capital markets or (ii) any Turkish Lira (**TL**) denominated domestic capital markets debt transactions having, collectively, a nominal value of less than or equal to TL3,500,000,000, without the prior written consent of the Joint Lead Managers;
- (m) it will deliver to the Joint Lead Managers, without charge, on the date of this Agreement, and from time to time, such number of copies of the Offering Memorandum as the Joint Lead Managers may reasonably request;
- (n) it will not make any amendment or supplement to the Disclosure Package or Offering Memorandum without the prior consent of the Joint Lead Managers such consent not to be unreasonably withheld or delayed;
- (o) so long as any of the Notes remains outstanding, the Issuer will, to the extent permitted by applicable laws, furnish to the Joint Lead Managers copies of each document which have been provided to Noteholders under any applicable laws or regulations and which have been filed by the Issuer with the Financial Services Authority and the Central Bank of Turkey (if

necessary), and copies of financial statements and other periodic reports that the Issuer may furnish generally to holders of its debt securities other than those which the Issuer reasonably considers to be confidential;

- (p) it will use the net proceeds received by it from the issue of the Notes in the manner specified in the Offering Memorandum;
- (q) it will not (A) directly or indirectly use or otherwise make available the proceeds of the offering of the Notes for the purpose of financing directly or indirectly the activities of any person or entity which is currently listed on the "Specially Designated Nationals and Blocked Persons" list (the **SDN List**) maintained by the Office of Foreign Assets Control of the United States Department of the Treasury (**OFAC**), or in a country which is subject to OFAC sanctions (including, while they remain so subject, Burma/Myanmar, Cuba, Iran, North Korea, Syria and Sudan), or any similar sanctions or measures imposed by the United States Department of State (or other U.S. government department or agency), United Nations or the European Union (the **Sanctions**) and/or to finance the purchase of firearms or any other equipment that might be used for military purposes or in the trade of illegal goods, including, without limitation, drugs and services; or (B) contribute or otherwise make available the proceeds of the Notes to any person or entity if it has knowledge, after due enquiry, that such party intends to use such proceeds for the purpose of financing the activities of any person or entity which is currently listed on the SDN List or in a country which is subject to Sanctions and/or financing the purchase of firearms or any other equipment that might be used for military purposes or in the trade of illegal goods, including, without limitation, drugs and services;
- (r) the Issuer will use its reasonable endeavours to permit the Notes to be eligible for clearance and settlement through DTC and Euroclear and Clearstream; and
- (s) it will deliver, register and furnish such documents, instruments, information and undertakings to, and obtain any consent from, any governmental or regulatory agency or authority, competent authority, stock exchange and/or quotation system as may be necessary from time to time to comply with all relevant laws and directives that are relevant to any Notes or this Agreement or the Agency Agreement, and hereby authorises each of the Joint Lead Managers so to deliver, register and furnish such documents, instruments, information and undertakings and obtain such consents (at the expense of the Issuer). Whichever of the Joint Lead Managers may act on the basis of the authorisation contained in clause 3.1(s) undertakes to notify the Issuer prior to so acting and otherwise to notify the Issuer as soon as practicable thereafter.

3.2 The covenant in clause 3.1(i) is intended to be for the benefit of the holders, beneficial owners and prospective purchasers designated by such holders, from time to time of the restricted securities and may be enforced by them notwithstanding clause 15.8 of this Agreement.

4. COMMISSIONS

In consideration of the agreement by the Joint Lead Managers to act as the managers in relation to the issue of the Notes and to subscribe, severally and not jointly, and pay for or procure subscriptions and payment for the Notes as provided above, the Issuer shall pay to the Joint Lead Managers a combined management and underwriting commission of 0.3 per cent. of the principal amount of the Notes and may, in its sole discretion, pay to the Joint Lead Managers an additional discretionary fee of up to 0.06 per cent. of the principal amount of the Notes, increased by any applicable value added tax, or similar tax, as provided in clause 3.1(c) above.

5. EXPENSES

- 5.1 The Issuer shall bear and pay all costs and expenses reasonably incurred in connection with the offering of the Notes and evidenced by invoices, subject to such expenses being agreed with the Issuer prior to engaging third parties (including fees and expenses of legal counsel to the Joint Lead Managers), as described in the mandate letter dated 20 November 2012 (the **Mandate Letter**) between the Issuer and the Joint Lead Managers, including but not limited to: (a) the printing, checking and initial delivery of the Notes (including the delivery of individual Note Certificates in definitive form in exchange for the Global Note, if required), (b) the printing and distribution of the Offering Memorandum, the Disclosure Package and the Preliminary Offering Memorandum, (c) the printing and production of all other documents connected with the issue and distribution of the Notes, (d) the admission of the Notes to the official list of the UK Listing Authority and to trading on the London Stock Exchange plc's regulated market as provided in subclause 8.1 and on-going listing costs and expenses, (e) any tax, accounting or regulatory advice received by the Issuer (f) any rating agencies engaged in connection with the issue of the Notes (g) any roadshows and advertising (h) the publication of any notices, (i) obtaining CMB registration and approval from the BRSA and (j) the arrangements for signing this Agreement. The Issuer shall also pay (x) the remuneration of the agents appointed under the Agency Agreement and the expenses incurred by them (y) the fees and expenses of its accountants and auditors and (z) all fees and expenses of legal counsel to each of the Issuer and the Joint Lead Managers, such legal counsels' fees being subject to any separately agreed fee caps.. The Issuer agrees that it shall be responsible for all fees, expenses and other on-going costs incurred in connection with the Notes throughout their life to maturity.
- 5.2 As described in the Mandate Letter, the Issuer shall bear all travelling, telex, telephone, facsimile, postage and other costs and expenses plus value added tax or any similar taxes, if any, thereon arising out of or in connection with the offering of the Notes incurred and to be incurred by the Joint Lead Managers in connection with the preparation and management of the offer, issue and distribution of the Notes, up to a maximum of USD 50,000.
- 5.3 All payments by the Issuer under this Agreement shall be made free and clear of any set-off, counterclaim, and free and clear of and without deduction or withholding for or on account of, any present or future taxes, levies, imports, duties, fees, assessments or other charges of whatever nature, imposed by the Republic of Turkey (**Turkey**) or by any department, agency or other political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto (**Taxes**). If any Taxes are required by law to be deducted or withheld in connection with any such payment, the Issuer will increase the amount paid so that the full amount of such payment is received by the payee as if no such deduction or withholding had been made. All payments are exclusive of value added tax that might be chargeable in connection with the payment. If any value added tax is so chargeable, it shall be paid by the Issuer at the same time as it makes the relevant payments. In addition, the Issuer agrees to indemnify and hold the Joint Lead Managers harmless against any Taxes and value added tax which they are required to pay in respect of any amount paid by the Issuer under this Agreement.

6. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

- 6.1 As a condition of the obligation of the Joint Lead Managers to subscribe and pay for or procure subscriptions and payment for the Notes, the Issuer represents and warrants to each Joint Lead Manager as of: (i) the **Applicable Time** (which is 8:30 a.m. London time on 30 November 2012); (ii) the date hereof; (iii) the date of the Offering Memorandum, and (iv) the Closing Date, as follows:
- (a) that the consolidated balance sheets of the Issuer and its Subsidiaries (the **Issuer's Group**), in each case as at 31 December 2009, 2010, 2011 and 30 June 2012 and the consolidated profit and loss accounts of the Issuer's Group, for each of the years ended 31 December

2009, 2010 and 2011 and for the six months ended 30 June 2012 included in the Preliminary Offering Memorandum, the Disclosure Package and the Offering Memorandum were prepared in accordance with the requirements of International Financial Reporting Standards and that they give a true and fair view of the financial condition of the Issuer's Group as at the dates as at which they were prepared and the results of the operations of the Issuer's Group in respect of the periods for which they were prepared and that there has been no material adverse change or any development or event reasonably likely to involve a material adverse change in or affecting the prospects, and no significant change in the financial or trading position, of the Issuer's Group since 30 June 2012, or any development that could materially adversely affect the ability of the Issuer to perform its obligations under this Agreement or the Notes;

- (b) that none of (i) the Preliminary Offering Memorandum, as of its date (ii) the Disclosure Package as of the Applicable Time (iii) the Offering Memorandum, as of its date and as of the Closing Date and (iv) any Supplementary Offering Material, as of its date of publication included, or will include, as the case may be, any untrue statement of a material fact or omitted, or will omit, to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that this representation and warranty shall not apply to statements in or omissions from the Disclosure Package, the Offering Memorandum and/or the Supplementary Offering Material made in reliance on and in conformity with information provided solely by the Joint Lead Managers (which information is limited to the legal and marketing names and addresses of the Joint Lead Managers);
- (c) that each of (i) the Preliminary Offering Memorandum, as of its date (ii) the Disclosure Package as of the Applicable Time (iii) the Offering Memorandum, as of its date and as of the Closing Date and (iv) any other material used or approved by the Issuer in the offering and sale of the Notes including any Supplementary Offering Material, as of its date of publication:
 - (A) contains all material information with respect to the Issuer, the Issuer's Group and the Notes, including, without limitation, all information which, according to the particular nature of the Issuer, the Issuer's Group and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the Issuer's Group and of the rights attaching to the Notes;
 - (B) includes or will include (1) statements of fact that are or will be in every material particular true and accurate and not misleading and that there are no other facts in relation to the Issuer, the Issuer's Group and the Notes the omission of which would in the context of the issue of the Notes make any statement in the foregoing and/or any such other material, misleading in any material respect and (2) statements of intention, opinion, belief or expectation that are or will be honestly made or held, and all proper enquiries have been and will be made to ascertain such facts and to verify the accuracy of all such statements;
 - (C) includes or will include statistical or market related information that is accurately reproduced and not misleading and has been or will be included, where appropriate with the consent of any owner, proprietor or licensor, of such information; and
 - (D) all forward-looking statements (within the meaning of Section 27A of the Securities Act and Section 21E of the Securities and Exchange Act of 1934 (the **Exchange Act**) contained in any of the Preliminary Offering Memorandum, the Disclosure

Package or the Offering Memorandum and any Supplementary Offering Material have been made or reaffirmed on a reasonable basis and have been disclosed in good faith.

- (d) that the Offering Memorandum contains all the information required by section 87A of the Financial Services and Markets Act 2000 (the **FSMA**) and otherwise complies with the prospectus rules made under the FSMA (the **Prospectus Rules**) and that the Offering Memorandum contains all the information required by applicable Turkish law and regulations and otherwise complies with such law and regulations to the extent applicable;
- (e) that the Issuer has been duly organised and incorporated and is validly existing under Turkish law, is not in liquidation or receivership and has the power and legal right to own its properties and conduct its business as described in the Preliminary Offering Memorandum and the Offering Memorandum and the Issuer is able lawfully to execute and perform its obligations under the Notes and the Agreements;
- (f) that each of the Issuer's Subsidiaries (i) has been duly organised and incorporated and is validly existing under the laws of its jurisdiction of incorporation or organisation, (ii) is not in liquidation or receivership and (iii) has the power and legal right to own its properties and conduct its business as described in the Preliminary Offering Memorandum and the Offering Memorandum, with such exceptions as do not and are not reasonably likely to materially adversely affect the Issuer and its ability to execute and perform its obligations under the Notes and the Agreements;
- (g) that the Issuer (i) has all material licences, permits, authorisations, consents and approvals, certificates, registrations and orders (**Licences**) and has made all necessary declarations and filings with all government agencies that are necessary to (A) own its properties and conduct its business as described in the Preliminary Offering Memorandum and Offering Memorandum, and (B) issue the Notes, and (ii) is conducting its business and operations in compliance with all applicable laws, regulations and guidelines;
- (h) that the offer, sale and issue of the Notes and the execution and delivery of the Agreements by the Issuer have been duly authorised by the Issuer and that this Agreement constitutes, and the other Agreements and the Notes upon due execution, issue and delivery will constitute, legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms subject to applicable bankruptcy, insolvency, moratorium and other laws affecting the rights of creditors generally and subject to general principles of equity;
- (i) that the offer, sale and issue of the Notes in accordance with the terms of this Agreement and the execution and delivery of the Agreements by the Issuer, and the compliance with the terms and conditions of the Agreements by the Issuer, (a) do not and will not result in any breach by the Issuer of any applicable law or regulation, or any final order, judgment and/or award of any governmental, judicial, arbitral or public body or authority of Turkey and are not contrary to the provisions of the constitutional documents of the Issuer or any Subsidiary and (b) do not and will not result in any breach or constitute a default under, any instrument, indenture, agreement or order to which the Issuer is a party or which is binding on it or any of its assets or revenues, which breach or default in the case of both (a) and (b) above is likely to materially affect the ability of the Issuer to perform its obligations under this Agreement or the Notes;
- (j) neither the Issuer nor any Subsidiary is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the previous 12 months, significant effects

on the financial position or profitability of the Issuer and/or the Issuer and its Subsidiaries, or otherwise be material in the context of the issue of the Notes;

- (k) that all authorisations, consents and approvals of any court, government department or other regulatory body required by the Issuer for the execution and delivery of the Agreements by the Issuer and the offer, sale, issue and distribution of the Notes and the performance of the terms of the Notes and the Agreements by the Issuer have been obtained and are unconditional and in full force and effect, save in respect of the CMB registration certificate and which in any event will be obtained by the Issuer prior to the Closing Date;
- (l) the issue of the Notes has been approved by the CMB (in its letter to the Issuer dated 30 October 2012 and numbered B.02.6.SPK.13.00-105.03.01-2414), and the BRSA has notified the Issuer of its decisions (i) (in its letter to the Issuer dated 22 October 2012 and numbered B.02.1.BDK.0.11.00.00.50.2-21579) approving the issuance of Notes outside of Turkey provided that such Notes are offered or sold to real persons or legal entities domiciled outside of Turkey and (ii) (in its letter to the Issuer dated 2 November 2012 and numbered B.02.1.BDK.0.11.00.00.50.2-21991) approving the qualification of the Notes as secondary subordinated debt instruments and, accordingly, treatment of the Notes as Tier 2 capital of the Issuer as long as they comply with the requirements of the BRSA Regulation;
- (m) that upon issue, the Notes will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will as described in Condition 3 of the terms and conditions of the Notes;
- (n) that (i) subject as described in Condition 8 of the terms and conditions of the Notes, payments of principal and interest on the Notes will be made by the Issuer without withholding or deduction for any taxes, duties or other charges of whatever nature of Turkey or any political subdivision or authority thereof or therein having power to tax and (ii) no stamp or other duty or similar tax is assessable or payable in, and no withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature is required to be made by or within Turkey or other subdivision of or authority therein or thereof having power to tax, in each case in connection with the authorisation, execution or delivery of the Agreements and issue and sale of the Notes in compliance with any applicable selling restrictions or the performance of the obligations of the Issuer under the Agreements and the Notes;
- (o) that no event has occurred which would constitute (after the issue of the Notes) an event of default under Condition 10 of the Notes, or which, with the giving of notice or the lapse of time or making of any determination, would (after the issue of the Notes) constitute an event of default;
- (p) that no action has been taken or is contemplated by the Issuer or any Subsidiary (and the Issuer is not aware of any action having been taken or being contemplated by any other person with respect to the Issuer or any of its Subsidiaries) which may result in the Issuer being obliged, under listing requirements or other obligations to its shareholders generally, to make any information which may be material to a subscriber for the Notes available to the public prior to the Closing Date;
- (q) that neither the Issuer, its affiliates (as defined in Rule 405 under the Securities Act) (other than UniCredit Bank AG in its capacity as Joint Lead Manager and its affiliates (other than the Issuer and its subsidiaries)) nor any persons acting on its or their behalf (other than the Joint Lead Managers, their affiliates (other than the Issuer and its subsidiaries) or persons acting on their behalf, as to whom no representation or warranty is made) have engaged or

will engage in any “directed selling efforts” (as defined in Regulation S under the Securities Act) in respect of the Notes;

- (r) that the Issuer is a “foreign issuer” as defined in Regulation S;
- (s) that neither the Issuer, its affiliates (as defined under Rule 501(b) of Regulation D) (other than UniCredit Bank AG in its capacity as Joint Lead Manager and its affiliates (other than the Issuer and its subsidiaries)) nor any persons acting on its or their behalf (other than the Joint Lead Managers, their affiliates (other than the Issuer and its subsidiaries) or persons acting on their behalf, as to whom no representation or warranty is made) have engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in connection with any offer or sale of the Notes in the United States;
- (t) that neither the Issuer, its affiliates (as defined in Rule 501(b) of Regulation D) (other than UniCredit Bank AG in its capacity as Joint Lead Manager and its affiliates (other than the Issuer and its subsidiaries)) nor any persons acting on its behalf has made or will make offers or sales of securities (other than the Joint Lead Managers, their affiliates (other than the Issuer and its subsidiaries) or persons acting on their behalf, as to whom no representation is made) or solicited offers to buy, or otherwise negotiated in respect of, any security, under circumstances that would require the registration of the Notes under the Securities Act;
- (u) that the Notes meet the eligibility requirements of Rule 144A(d)(3) under the Securities Act;
- (v) that the Issuer is not and will not, as a result of the offering and issue of the Notes or the receipt or application of the proceeds therefrom, be an “investment company” (as such term is defined in the United States Investment Company Act of 1940, as amended);
- (w) that neither the Issuer, its affiliates (as defined in Rule 501(b) of Regulation D) (other than UniCredit Bank AG in its capacity as Joint Lead Manager and its affiliates (other than the Issuer and its subsidiaries)) nor any persons acting on their behalf (other than the Joint Lead Managers, their affiliates (other than the Issuer and its subsidiaries) or persons acting on their behalf, as to whom no representation is made) has taken or will take, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to cause or result in, the stabilisation in violation of applicable laws or manipulation of the price of any security to facilitate the sale or resale of the Notes;
- (x) that neither the Issuer nor any agent acting on its behalf (other than the Joint Lead Managers, their affiliates (other than the Issuer and its subsidiaries) or persons acting on their behalf, as to whom no representation is made) has taken or will take any action that might cause this Agreement or the sale of the Notes to violate Regulations T, U or X of the Board of Governors of the Federal Reserve System, in each case as in effect on the date hereof, or as the same may hereafter be in effect on the Closing Date;
- (y) that it is not necessary in connection with the offer, sale and delivery of the Notes to the Joint Lead Managers and re-offer and re-sale of the Notes by the Joint Lead Managers in the manner contemplated by this Agreement to register any of the Notes under the Securities Act or to qualify an indenture under the U.S. Trust Indenture Act of 1939, as amended;
- (z) that (a) in connection with the issue and sale of the Notes, neither the Issuer nor any of its affiliated purchasers (as defined in Regulation M under the Exchange Act) has bid for or purchased, and (b) until the Joint Lead Managers have notified the Issuer of the completion

of the distribution of the Notes, the Issuer: (i) will not, and will procure that its affiliated purchasers will not, either alone or with one or more persons, bid for or purchase, for any account in which it or any of its affiliated purchasers has a beneficial interest, any Notes, or attempt to induce any person to purchase any Notes and (ii) will not, and will cause that its affiliated purchasers will not, make bids or purchases for the purpose of creating actual or apparent active trading in or raising the price of the Notes;

- (aa) that each of the Issuer and any Subsidiary maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorisations; (ii) transactions are recorded as necessary to (A) permit preparation of financial statements in conformity with accounting rules and standards generally applicable in its jurisdiction of incorporation and/or with International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (**IASB**) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time) (**IFRS**) and (B) maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorisation; and (iv) each of the Issuer and its consolidated subsidiaries (if any) makes and has made and keeps and has kept books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of such entity and provide a sufficient basis for the preparation of the Issuer's consolidated financial statements in accordance with IFRS and neither the Issuer nor any of its Subsidiaries has experienced any material weakness and/or significant deficiency with regard to (i) to (iv) above;
- (bb) that none of the Issuer, any Subsidiary nor any of their respective directors or officers, nor, so far as the Issuer is aware, after due and careful inquiry, any of their employees, affiliates, agents or other persons acting on behalf of the foregoing, (i) is listed on, or owned by any persons identified on, the SDN List or any similar list maintained by the United States Department of State (or other U.S. government department or agency), United Nations or the European Union (ii) is currently subject to any Sanctions, (iii) directly or indirectly, supports or facilitates, or plans to support or facilitate, or otherwise become involved with, any person, government, entity or project subject to Sanctions ("subject to Sanctions" signifying that a US person or national from the sanctioning jurisdiction would be prohibited from doing business with that person, government, entity, or project), or (iv) is or ever has been in violation of or subject to an investigation relating to Sanctions;
- (cc) that neither the Issuer nor any Subsidiary, nor any director or officer, nor, so far as the Issuer is aware, after due and careful inquiry, any agent, employee or other person associated with or acting on behalf of the Issuer or any of its Subsidiaries, has (i) violated or is in violation of any applicable anti-corruption law (including, without limitation, the United States Foreign Corrupt Practices Act 1977, the UK Bribery Act 2010 and the OECD Convention), (ii) made, offered to make, promised to make or authorised the payment or giving of, directly or indirectly, any bribe, rebate, payoff, influence payment, kickback or other unlawful payment or gift to any officer, employee or ceremonial office holder of any government or instrumentality thereof, any political party or supra-national organisation (such as the United Nations), any political candidate, any royal family member or any other person who is connected or associated personally with any of the foregoing that is prohibited under any applicable law or regulation or otherwise for the purpose of influencing any act or decision of such payee in his official capacity, inducing such payee to do or omit to do any act in violation of his lawful duty, securing any improper advantage or inducing such payee to use his influence with a government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality (**Prohibited Payments**), or (iii) been

subject to any investigation by any governmental entity with regard to any actual or alleged Prohibited Payment;

- (dd) the operations of the Issuer and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements and money laundering statutes in Turkey and of all jurisdictions in which the Issuer and its Subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, **Money Laundering Laws**) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer or any of its Subsidiaries with respect to Money Laundering Laws is pending and, to the best of the Issuer's knowledge and belief, after due enquiry, no such actions, suits or proceedings are threatened or contemplated; and
- (ee) that the Offering Memorandum has been published as required by the Prospectus Directive.

6.2 Upon any breach of any of the above representations and warranties, or any change rendering any of the above representations and warranties inaccurate or any such event coming to the notice of the Joint Lead Managers before payment of the net subscription money under clause 2.1 being made to the Issuer on the Closing Date, the Joint Lead Managers shall be entitled (but not bound) by notice to the Issuer to elect to treat such breach or change or event as (except as otherwise specifically provided) releasing and discharging the Joint Lead Managers from their obligations under this Agreement.

6.3 The representations and warranties above, and the indemnity below shall continue in full force and effect in relation to each Joint Lead Manager notwithstanding its actual or constructive knowledge with respect to any of the matters referred to in the representations and warranties, the completion of the arrangements set out in this Agreement for the subscription and issue of the Notes or the termination of this Agreement pursuant to clause 6.2, and clause 9 or 13.

7. INDEMNIFICATION AND CONTRIBUTION

7.1 The Issuer hereby undertakes and agrees, to the fullest extent permitted by law, to indemnify and hold harmless each Joint Lead Manager, and each of its affiliates, representatives, directors, officers, employees, agents and each person who controls such Joint Lead Manager (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) (each, an **Indemnified Person**) from and against any and all losses, claims, costs, expenses, damages, demands or liabilities, joint or several (including, but not limited to, all costs, charges and expenses paid or incurred in investigating, disputing or defending any of the foregoing, or appearing as a third party witness in connection therewith, in each case, as such fees and expenses are incurred) (a **Loss**) arising out of, or based on, or in connection with:

- (a) any breach, or alleged breach, by the Issuer of any of the representations, warranties, undertakings and agreements contained in or deemed to be made pursuant to this Agreement including, without limitation, the failure by the Issuer to issue the Notes;
- (b) any untrue or misleading statement, or allegedly untrue or misleading statement, contained in, or any omission or alleged omission from, the Disclosure Package and/or the Offering Memorandum and/or any amendment or supplement thereto and/or any Supplementary Offering Material;

and will pay to each such Indemnified Person, on demand, an amount equal to such Loss, provided such Loss is properly documented. If any action shall be brought against any Indemnified Person,

above, in respect of which payment may be sought pursuant to this clause 7.1, that Indemnified Person shall promptly notify the Issuer in writing (but failure to do so will not discharge the Issuer from any liability under this Agreement) and shall employ such legal advisers as may be agreed with the Issuer, or, failing agreement, as the Indemnified Person may select. The Issuer shall not, without the prior written consent of any Indemnified Person, settle or compromise or consent to the entry of any judgement with respect to any litigation, investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this clause 7.1 (whether or not such Indemnified Person is an actual or potential party thereto), unless such settlement, compromise or consent: (i) includes an unconditional release of each Indemnified Person from all liability arising out of such litigation, investigation, proceeding or claim; and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of any Indemnified Person. No Joint Lead Manager shall have any duty or obligation, whether as fiduciary or otherwise for any Indemnified Person, to recover any payment or to account to any such person for any amount paid to it under this clause 7.1.

- 7.2 If the indemnification provided for in clause 7.1 is unavailable to, or insufficient to indemnify, an Indemnified Person in respect of the full amount of any Loss incurred by such Indemnified Person, then the Issuer shall contribute to the amount paid or payable by such Indemnified Person as a result of any such Loss: (a) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the relevant Joint Lead Manager on the other from the offering of the Notes or (b) if, however the allocation provided by (a) above is not permitted by applicable law, then the Issuer shall contribute to such amount paid or payable by such Indemnified Person as a result of any such Loss in such proportion as is appropriate to reflect not only such relative benefits referred to in (a), above, but also the relative fault of the Issuer on the one hand and the relevant Joint Lead Manager on the other, in connection with the statement, omission or breach, or alleged statement, omission or breach, as the case may be, which resulted in such Loss, as well as any other relevant equitable considerations. The relative benefits received by the Issuer, on the one hand, and the relevant Joint Lead Manager, on the other, shall be deemed to be in the same respective proportion as the total net proceeds from the offering of the Notes (before deducting expenses) received by the Issuer bear to the total commission received by the relevant Joint Lead Manager with respect to the Notes as set out in this Agreement. The relative fault of the Issuer, on one hand, and the relevant Joint Lead Manager, on the other, shall be determined by reference to, among other things, whether the statement, omission or breach, or alleged statement, omission or breach, relates to information supplied by the Issuer or the relevant Joint Lead Manager, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or breach or alleged statement, omission or breach. The Issuer and each Joint Lead Manager agree that it would not be just or equitable if contribution pursuant to this clause 7.2 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this clause 7.2. Notwithstanding the provisions of this clause 7.2, no Joint Lead Manager shall be required to contribute any amount in excess of the amount of any commission received by such Joint Lead Manager. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Joint Lead Managers' respective obligations to contribute pursuant to this clause 7.2 are several and not joint.

8. LISTING

- 8.1 The Issuer shall, if it has not already done so, make an application for the Notes to be listed on the official list (the **Official List**) maintained by the UK Listing Authority (the **UKLA**) and admitted to trading on the London Stock Exchange plc's regulated market (which together constitute official listing on the London Stock Exchange). In connection with such application, the Issuer shall use reasonable endeavours to obtain the listing as promptly as practicable and the Issuer shall furnish any

and all documents, instruments, information and undertakings that may be necessary in order to obtain or maintain the listing.

- 8.2 The Issuer confirms that the Offering Memorandum has been approved as a prospectus by the UKLA.
- 8.3 If after the approval of the Offering Memorandum by the UKLA and before the commencement of trading in the Notes on the London Stock Exchange plc's regulated market there arises or is noted a significant new factor, material mistake or inaccuracy relating to the information included in the Offering Memorandum which is capable of affecting the assessment of the Notes, then the Issuer shall give to the Joint Lead Managers full information about the change or matter and shall produce and publish a supplementary prospectus (in a form approved by the Joint Lead Managers, such approval not to be unreasonably withheld or delayed) in accordance with section 87(G) of the FSMA.
- 8.4 If the Notes cease to be admitted to trading on the London Stock Exchange plc's regulated market, the Issuer shall use its reasonable endeavours to promptly admit the Notes to trading on another European Economic Area regulated market (for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC)) to be agreed between the Issuer and the Joint Lead Managers.

9. CONDITIONS

- 9.1 This Agreement and the respective rights and obligations of the parties to this Agreement are conditional upon:
- (a) (i) the truth and accuracy, as of the Applicable Time (as defined above), the date hereof, the date of the Offering Memorandum, and the Closing Date, as the case may be, of the representations and warranties set out in clause 6 at, and as if made on, such time and such date, as the case may be; and (ii) the Issuer, having performed all the obligations to be performed by it under this Agreement, including the undertakings in clause 3, on or before the Closing Date;
 - (b) there having been, between the date of this Agreement and as at the Closing Date (both dates inclusive), no material adverse change or development or event reasonably likely to involve a material adverse change in or affecting the prospects, and no significant change in the financial or trading position, of the Issuer or the Issuer's Group;
 - (c) the delivery to the Joint Lead Managers on the date of this Agreement of U.S. SAS 72 and SAS 72 international comfort letters from Ernst & Young (**E&Y**), auditors to the Issuer;
 - (d) the Offering Memorandum having been approved as a prospectus by the UKLA;
 - (e) the delivery to the Joint Lead Managers on or before the Closing Date of:
 - (i) legal opinions dated the Closing Date in such form and with such contents as the Joint Lead Managers may require:
 - (A) as to U.S. law (including federal income tax, no registration and the U.S. Investment Company Act) from White & Case LLP, counsel to the Issuer as to U.S. securities law;
 - (B) as to Turkish law (including Turkish taxation) from Akol Avukatlık Bürosu, counsel to the Issuer as to Turkish law;

- (C) as to U.S. law from Allen & Overy LLP, counsel to the Joint Lead Managers as to U.S. securities law;
 - (D) as to English law from Allen & Overy LLP, counsel to the Joint Lead Managers as to English law; and
 - (E) as to Turkish law (including Turkish taxation) from Paksoy Ortak Avukat Bürosu (**Paksoy**), counsel to the Joint Lead Managers as to Turkish law;
- (ii) a U.S. 10b-5 disclosure letter dated the Closing Date in such form and with such contents as the Joint Lead Managers may require from White & Case LLP, legal advisers to the Issuer;
 - (iii) a U.S. 10b-5 disclosure letter dated the Closing Date in such form and with such contents as the Joint Lead Managers may require from Allen & Overy LLP, legal advisers to the Joint Lead Managers and a disclosure letter dated the Closing Date in such form and with such contents as the Joint Lead Managers may require from Paksoy, legal advisers to the Issuer as to Turkish matters;
 - (iv) a certificate dated the Closing Date signed by authorised signatories of the Issuer to the effect stated in subclause 9.1(a) and 9.1(b);
 - (v) bring-down U.S. SAS 72 and SAS 72 international comfort letters from E&Y, dated the Closing Date, delivered pursuant to clause 9.1(c)(ii) above, in such form as the Joint Lead Managers may require;
 - (vi) confirmation from each rating agency relating to the ratings to be assigned to the Notes, subject to their issuance;
 - (vii) a certified copy or original version of the articles of association of the Issuer (reflecting all amendments) certified by a duly authorised officer of the Issuer;
 - (viii) a certified copy or an original up-to-date certificate of activity of the Issuer issued by the trade registry office (in Turkish: *Istanbul Ticaret Sicili Memurluğu*) dated 3 October 2012;
 - (ix) certified copies of the resolutions of the Board of Directors of the Issuer authorising the issuance of the Notes, execution of the Agreements and other documents in relation to the issue of the Notes, and entry into and performance of the transactions contemplated hereby and thereby (dated 17 September 2012 and 22 October 2012);
 - (x) a certified copy of the CMB approval letter dated 30 October 2012 and numbered B.02.6.SPK.0.13.00-105.03.01-2414 in connection with the issue of the Notes;
 - (xi) a certified copy of the BRSA consent letter dated 22 October 2012 and numbered B.02.1.BDK.0.11.00.00.50.2-21579 in connection with the issue of the Notes;
 - (xii) a certified copy of the BRSA letter dated 2 November 2012 and numbered B.02.BDK.0.11.00.00.50.2-21991 in connection with the issue of the Notes approving the qualification of the Notes as secondary subordinated debt instruments and, accordingly, treatment of the Notes as Tier 2 capital of the Issuer as long as they comply with the requirements of the BRSA Regulation;

- (xiii) a certified copy of the CMB registration certificate expected to be dated no later than 5 December 2012 in connection with the issue of the Notes; and
- (xiv) such other documents, certificates and information (including, but not limited to, any resolutions, consents and authorities) relating to the issue of the Notes which the Joint Lead Managers may reasonably require;
- (f) the Notes being admitted to trading on the London Stock Exchange plc's regulated market;
- (g) the execution of the Deed of Covenant, the 144A Deed Poll and the Agency Agreement by the parties thereto on or before the Closing Date;
- (h) during the period of time between the date of this Agreement and the Closing Date (both dates inclusive) no rating agency having downgraded, nor given notice or made any public announcement of any intended or potential downgrading, review, or surveillance with negative implications of, the rating accorded to the Notes or any other debt securities of the Issuer;
- (i) the Notes being eligible for clearance and settlement through DTC, Euroclear and Clearstream, Luxembourg including, in each case, its participants and indirect participants, in the case of Notes represented by beneficial interests in a Restricted Global Certificate and in an Unrestricted Global Certificate, respectively;
- (j) no supplement having been prepared pursuant to clause 3.1(e) and/or 3.1(n);
- (k) the consent and approvals of the BRSA remaining in force and the CMB registration certificate relating to the Notes having been received; and
- (l) UniCredit Bank AG, London Branch having accepted its appointment as process agent of the Issuer with respect to English law service of process.

9.2 In the event that any of the conditions set out in clause 9.1 is not satisfied on or before the Closing Date, this Agreement shall (subject as mentioned below) terminate and the parties hereto shall (except for the liability of the Issuer in relation to expenses as provided under, or under any arrangements referred to in, clause 5 and except for any liability arising before or in relation to such termination) be under no further liability arising out of this Agreement, provided that each of the Joint Lead Managers, on behalf of itself only, may in its discretion and by notice in writing to the Issuer waive satisfaction of any of the above conditions or of any part of them.

10. JOINT LEAD MANAGERS' REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

10.1 Each Joint Lead Manager understands that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to any other exemption from the registration requirements of the Securities Act. Each Joint Lead Manager represents, warrants and agrees that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S or Rule 144A under the Securities Act. Each Joint Lead Manager also represents, warrants and agrees that it has offered and sold the Notes, and will offer and sell the Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the **distribution compliance period**), only in accordance with Rule 903 of Regulation S or Rule 144A under the Securities Act. Each Joint Lead Manager agrees that, at or prior to confirmation of sale of Notes (other than a sale pursuant to Rule 144A), it will have sent to

each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Notes covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meaning given to them by Regulation S of the Securities Act."

Terms used in subclause 10.1 have the meanings given to them by Regulation S.

Each Joint Lead Manager represents and agrees that neither it, its affiliates (other than the Issuer and its subsidiaries, as to whom no representation or warranty is made) nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined under Regulation S) with respect to the Notes.

Each Joint Lead Manager represents and agrees that neither it, its affiliates (other than the Issuer and its subsidiaries, as to whom no representation or warranty is made), nor any persons acting on its or their behalf have engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in connection with any offer or sale of the Notes in the United States.

10.2 Each Joint Lead Manager represents and agrees that:

- (a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

10.3 The Notes have not been and will not be offered or sold within Turkey under the provisions of Capital Markets Law (Law No. 2499). The Joint Lead Managers agree that neither they, nor any of their respective affiliates (other than the Issuer and its subsidiaries, as to whom no representation or warranty is made), nor any person acting on their behalf, has engaged or will engage in any directed selling efforts within Turkey in connection with the Notes. The Joint Lead Managers further agree that neither they nor any of their respective affiliates (other than the Issuer and its subsidiaries, as to whom no representation or warranty is made), nor any person acting on their behalf (i) has engaged or will engage in any form of general solicitation or general advertising in connection with any offer and sale of the Notes in Turkey, or (ii) will make any disclosure in Turkey in relation to the Issuer or the Offering Memorandum without the prior consent of the Issuer, save as may be required by applicable law, court order or regulation.

10.4 Each Joint Lead Manager represents and agrees that it will not sell 10 per cent. or more of the aggregate principal amount of the Notes as part of their distribution at any time to any one person (including its subsidiaries and affiliates) (together, an **Investor Group**) (except where Notes are being purchased on behalf of any other person(s) and no individual person or Investor Group will

have a beneficial interest in more than 10 per cent. of the aggregate principal amount of the Notes on such purchase).

- 10.5 No action has been taken by any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Notes, or possession or distribution of the Offering Memorandum or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager undertakes that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief after due enquiry reasonable in the circumstances, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.
- 10.6 The representations, warranties and undertakings of each of the Joint Lead Managers under this clause 10 are several and not joint.

11. STABILISATION

- 11.1 If a Joint Lead Manager (or persons acting on its behalf), in connection with the distribution of the Notes, offers Notes in excess of the aggregate principal amount to be issued or effects transactions with a view to supporting the market price of the Notes at levels other than those which might otherwise prevail in the open market, such person(s) shall not in doing so be deemed to act as an agent of the Issuer. The Issuer will not as a result of any action taken by a Joint Lead Manager (or persons acting on its behalf), under this clause be obliged to issue Notes in excess of the aggregate amount of Notes to be issued under this Agreement, nor shall the Issuer be liable for any loss, or entitled to any profit, arising from any excess offers or stabilisation.
- 11.2 The Issuer confirms that it has not issued, nor will it issue, without the prior consent of the Joint Lead Managers, any press or other public announcement referring to the proposed issue of Notes unless the announcement adequately discloses that stabilising action may take place in relation to the Notes to be issued.

12. ARM'S LENGTH TRANSACTIONS

The Issuer acknowledges and agrees that:

- 12.1 *Scope of work* - Each Joint Lead Manager is acting only as an independent contractor to provide the services of a manager as expressly set out in this Agreement. Regardless of any pre-existing or separate relationship, it is agreed that the issue, offer and sale of any Notes (including determining the terms of the issue, issue price, offer and sale of any Notes) (the **Activities**) does not give rise to any fiduciary or trust duties on the part of any Joint Lead Manager to the Issuer, or any other person connected to the Issuer, in connection with this Agreement and/or the Activities.
- 12.2 *Advice* - The Issuer is not relying on any Joint Lead Manager for any investment advice, advice on legal, tax, regulatory and accounting matters in any jurisdiction which, if the Issuer requires it, it will obtain from its separate advisers.
- 12.3 *Conflict of Interest* - Consistent with the broad range of activities that each Joint Lead Manager undertakes for itself and others, and the Issuer acknowledging that these may involve interests that differ from those of the Issuer, none of the Joint Lead Managers is under any duty to disclose to the Issuer or use for the benefit of the Issuer any information about or derived from entering into or acting under the Activities or to account to the Issuer for any benefits obtained in connection with this Agreement or undertaking the Activities.

- 12.4 *Pricing* - The Issuer will independently determine the price and other commercial aspects of the issue and offer of any Notes pursuant to this Agreement following arm's-length negotiations with the Joint Lead Managers. The Issuer also acknowledges that such price and commercial terms may not reflect the best price and/or terms obtainable in the market. The Issuer acknowledges that it is capable of evaluating and understands and accepts the terms of and risks associated with the services and transactions contemplated by this Agreement and the Activities.
- 12.5 *Waiver* - To the fullest extent permitted by applicable laws and regulations, the Issuer waives any rights it may have, and agrees that none of the Joint Lead Managers will be liable to anyone, for breaches, or alleged breaches, of fiduciary duties or actual or potential conflicts of interest relating to this Agreement and/or the Activities. Nothing in this clause 12 purports to exclude any obligations and duties imposed on a Joint Lead Manager by the regulatory system (as defined in the FSA Handbook of Rules and Guidance).

13. TERMINATION

- 13.1 Notwithstanding anything contained in this Agreement, any of the Joint Lead Managers may by notice to the Issuer terminate this Agreement at any time before the time on the Closing Date when payment would otherwise be due under this Agreement to the Issuer in respect of the Notes if:
- (a) in the opinion of the Joint Lead Managers (after such consultation with the Issuer as may be reasonably practicable in the circumstances), there shall have been such a change, whether or not foreseeable at the date of this Agreement, in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in their view, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Notes, whether in the primary market or in respect of dealings in the Notes in the secondary market; or
 - (b) there shall have come to the notice of the Joint Lead Managers any breach of, or any event rendering untrue, misleading or incorrect, any of the warranties and representations of the Issuer contained in clause 6, or failure to perform any of the Issuer's covenants or agreements in this Agreement, including the covenants in clause 3; or
 - (c) as at the Closing Date, any of the conditions precedent in clause 9.1 hereof have not been met or waived.
- 13.2 Upon the notice being given the parties to this Agreement shall (except for the liability of the Issuer in relation to expenses as provided in clause 5 and except for any liability arising before or in relation to such termination) be released and discharged from their respective obligations under this Agreement.
- 13.3 Any notice or notification in any form to be given by the Joint Lead Managers to the Issuer may be given by UniCredit Bank AG on behalf of the Joint Lead Managers and may be delivered in person or sent by fax or telephone addressed to:

Yapı ve Kredi Bankası A.Ş.

Yapı Kredi Plaza D Block
Levent 34330
Istanbul, Turkey

Fax: +90 212 339 61 32
Tel: +90 212 339 7238
Attention: Ms. Sinem Dogu

- 13.4 Any notice or notification in any form to be given by the Issuer to the Joint Lead Managers may be delivered in person or sent by fax or telephone addressed to:

Merrill Lynch, Pierce, Fenner & Smith Incorporated
50 Rockefeller Plaza
NY1-050-12-01
New York, New York 10020
One Bryant Park
New York, NY10036
USA

Fax Number: +1 212 901 7867
Attention of: High Grade Transaction Management/Legal

Mitsubishi UFJ Securities International plc
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

Fax Number: +44 207 577 2872
Attention of: Legal-Debt and Equity Capital Markets

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Fax Number: +44 20 7056 4984
Attention of: Head of Transaction Management

UniCredit Bank AG
Arabellastrasse 12
81925 Munich, Germany

Tel Number: +49 89 378 18976
Fax Number: +49 89 378 33 15964
Attention: DCM Legal (LC14DC)

- 13.5 Any such notice or notification shall be in English and shall take effect, in the case of a letter, at the time of delivery, in the case of fax, at the time of the fax delivery confirmation and, in the case of telephone, when made. In addition to other permissible legal evidence pursuant to the Civil Procedure Code of Turkey (Law No. 6100), any notice, demand, request or other communication pursuant to this Agreement that is made by facsimile shall constitute legally written evidence between the parties thereto pursuant to the first paragraph of Article 193 of the Civil Procedure Code of Turkey (Law No. 6100).
- 13.6 Any notice or notification made by telephone shall be promptly confirmed by letter, email or fax but failure to send or receive the confirmation shall not invalidate the original notice or notification.

14. GOVERNING LAW AND JURISDICTION

- 14.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.
- 14.2 Subject to subclause 14.3, the Issuer agrees for the benefit of the Joint Lead Managers that the courts of London, England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement (including any dispute relating to any non-contractual obligations arising out of or in connection with this Agreement) and accordingly submit to the exclusive jurisdiction of the courts of London, England.
- 14.3 The Joint Lead Managers may take any suit, action or proceedings (including any proceedings relating to any non-contractual obligations arising out of or in connection with this Agreement) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. The Issuer hereby appoints UniCredit Bank AG, London Branch at its registered office for the time being in England, to accept service of any Proceedings on its behalf.
- 14.4 The Issuer agrees, without prejudice to the enforcement of a judgment obtained in the English courts according to the provisions of Article 54 of the International Private and Procedural Law of Turkey (Law No. 5718), that in the event that any action is brought in relation to the Issuer in a court in Turkey in connection with this Agreement, in addition to the other permissible legal evidence pursuant to the Civil Procedure Code of Turkey (Law No. 6100), any judgment obtained in the courts of England and Wales in connection with such action shall constitute conclusive evidence of the existence and amount of the claim against the Issuer, pursuant to the provisions of the first paragraph of Article 193 of the Civil Procedure Code of Turkey (Law No. 6100) and Articles 58 and 59 of the International Private and Procedural Law of Turkey (Law No. 5718).
- 14.5 The Issuer irrevocably and unconditionally with respect to any Proceedings (i) waives any right to claim sovereign or other immunity from jurisdiction, recognition or execution and any similar argument in any jurisdiction, (ii) submits to the exclusive jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the courts of any competent jurisdiction in relation to any Proceedings and (iii) consents to the giving of any relief (whether by way of injunction, attachment, specific performance or other relief) or the issue of any related process, in any jurisdiction, whether before or after final judgment, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment in connection with any Proceedings. Without limiting the generality of the foregoing, the Issuer agrees that the foregoing waiver of immunity shall have the fullest scope permitted under the U.S. Foreign Sovereign Immunities Act of 1976 and is intended to be irrevocable for purposes of such Act.

15. MISCELLANEOUS

- 15.1 If, under any applicable law and whether pursuant to a judgment being made or registered against the Issuer or in the liquidation, insolvency or analogous process of the Issuer or for any other reason, any payment under or in connection with this Agreement is made or falls to be satisfied in a currency (the **other currency**) other than that in which the relevant payment is expressed to be due (the **required currency**) under this Agreement, then, to the extent that the payment (when converted into the required currency at the rate of exchange on the date of payment or, if it is not practicable for any Joint Lead Manager to purchase the required currency with the other currency on the date of payment, at the rate of exchange as soon thereafter as it is practicable for it to do so or, in the case of a liquidation, insolvency or analogous process of the Issuer, at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such liquidation, insolvency or

analogous process) actually received by any Joint Lead Manager falls short of the amount due under the terms of this Agreement, the Issuer shall, as a separate and independent obligation, indemnify and hold such Joint Lead Manager harmless against the amount of such shortfall. For the purpose of this clause 15.1, **rate of exchange** means the rate at which the relevant Joint Lead Manager is able on the relevant date in London to purchase the required currency with the other currency and shall take into account any premium and other costs of exchange.

- 15.2 Each of the provisions of this Agreement shall be severable and distinct from the others and the illegality, invalidity or unenforceability of any one or more provisions under the law of any jurisdiction shall not affect or impair the legality, validity or enforceability of any other provisions in that jurisdiction nor the legality, validity or enforceability of any provisions under the law of any other jurisdiction. The rights and obligations of a Joint Lead Manager shall not be affected or impaired by the rights and obligations of any other Joint Lead Manager or, in particular (but without limitation), by any want of legality, validity or enforceability in respect thereof.
- 15.3 The provisions of this Agreement shall continue in full force and effect notwithstanding the completion of the arrangements set out herein for the issue of the Notes and regardless of any investigation by any party hereto.
- 15.4 Time shall be of the essence of this Agreement.
- 15.5 The heading to each clause is included for convenience only and shall not affect the construction of this Agreement.
- 15.6 This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Agreement by executing a counterpart.
- 15.7 References in this Agreement to a Directive include any relevant implementing measure of each Member State of the European Economic Area which has implemented such Directive.
- 15.8 Except with respect to clause 3.1(h), a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

AS WITNESS the hands of the parties (or their duly authorised representatives) on the date which appears first on page 1.

SCHEDULE 1
THE JOINT LEAD MANAGERS

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Mitsubishi UFJ Securities International plc

Morgan Stanley & Co. International plc

UniCredit Bank AG

SCHEDULE 2

PRICING TERM SHEET

YAPI VE KREDİ BANKASI A.Ş.

PRICING TERM SHEET

YAPI VE KREDİ BANKASI A.Ş.

USD 1,000,000,000 5.500 per cent. Subordinated Notes due 2022

PRICING TERM SHEET

29 November 2012

Issuer:	YAPI VE KREDİ BANKASI A.Ş.
Expected Issue Ratings:	Ba1 (Moody's) / BBB- (Fitch)
Type:	Subordinated Unsecured Notes
Market:	144A and Regulation S
Currency:	U.S. dollars (USD)
Issue Size:	USD 1,000,000,000
Denominations:	USD 200,000 and integral multiples of USD 1,000 in excess thereof
Tenor:	10 years
Issue Date:	6 December 2012
Coupon Payment Dates:	Semi-annual in arrear on 6 June and 6 December; first interest payment date on 6 June 2013
First Coupon Date:	6 June 2013
Maturity Date:	6 December 2022
Benchmark:	UST 1.625 per cent. due 15 November 2022
Benchmark Yield:	1.615 per cent.
Re-offer Yield:	5.500 per cent.
Re-offer US Treasury Spread:	3.885 per cent.
Coupon Rate:	5.500 per cent.
Day Count Fraction:	30/360
Issue Price:	100 per cent.
Gross Proceeds:	USD 1,000,000,000
Listing:	Regulated Market, London Stock Exchange
Governing Law:	English law and, in respect of subordination, Turkish law
Clearing:	The Depository Trust Company (Rule 144A) and Euroclear/Clearstream (Regulation S)
Form of the Notes:	Registered Global Notes
Joint Lead Managers:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mitsubishi UFJ Securities International plc, Morgan Stanley & Co. International plc and UniCredit Bank AG
U.S. Selling Restrictions:	Reg. S Category 2/Rule 144A
Regulation S ISIN:	XS0861979440
Regulation S Common Code:	086197944
Rule 144A ISIN:	US984848AB73
Rule 144A Common Code:	086198584
Rule 144A CUSIP:	984848 AB7
Common Depositary /	The Bank of New York Mellon, London Branch / The Bank of New York

Custodian / Nominee	Mellon, New York Branch / The Bank of New York Mellon Depository (Nominees) Limited
Documentation:	Standalone
Stabilising Manager	Merrill Lynch, Pierce, Fenner & Smith Incorporated

Before you invest, you should read the Preliminary Offering Memorandum dated 20 November 2012 (the **Memorandum**) for more complete information about the Issuer and this offering. Any Joint Lead Manager participating in the offering will arrange to send you the Memorandum and the final Offering Memorandum (when available) if you request it.

This pricing term sheet is qualified in its entirety by reference to the Memorandum. The information in this pricing term sheet supplements the Memorandum and supersedes the information therein to the extent that there are any inconsistencies. Before you invest in the Notes, you should read the Memorandum for more information concerning the Issuer and the Notes. Terms not otherwise defined herein shall have the meanings ascribed to them in the Memorandum. Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

* * * * *

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities or "blue sky" laws of any state of the United States of America, the Republic of Turkey (other than approval by the Capital Markets Board of Turkey), the United Kingdom or any other jurisdiction, and are being offered: (a) for sale in the United States to qualified institutional buyers (each a **QIB**) as defined in, and in reliance upon, Rule 144A under the Securities Act and (b) for sale outside the United States to, or for the account or benefit of, persons other than U.S. Persons in reliance upon Regulation S under the Securities Act. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and the distribution of the Memorandum and this pricing term sheet, see "Subscription and Sale", beginning on page 227 in the Memorandum and "Transfer Restrictions", beginning on page 230 in the Memorandum.*

*The distribution of the Memorandum and this pricing term sheet and the offering in certain jurisdictions may be restricted by law and therefore persons into whose possession the Memorandum and/or this pricing term sheet comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions could result in a violation of the laws of such jurisdiction. In particular, the Memorandum and this pricing term sheet may only be distributed in the United States to persons reasonably believed to be persons who are **QIBs**.*

*This pricing term sheet is an advertisement and is not a prospectus for the purposes of Directive 2003/71/EC, as amended (such directive, together with any applicable implementing measures in the United Kingdom under such Directive, the **Prospectus Directive**). The prospectus prepared pursuant to the Prospectus Directive can be obtained in accordance with the Prospectus Directive. Investors should not subscribe for any Notes except on the basis of information contained in the Memorandum.*

A rating is not a recommendation to buy, sell or hold securities and may be subject to revisions, suspension or withdrawal at any time by the assigning rating organisation.

Stabilisation/FSA.

Any disclaimers or other notices that may appear below are not applicable to this communication and should be disregarded. Such disclaimers or other notices were automatically generated as a result of this communication being sent via Bloomberg or another email system.

SCHEDULE 3
UNDERWRITING COMMITMENTS

Joint Lead Manager	Commitment (USD)
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	250,000,000
MITSUBISHI UFJ SECURITIES INTERNATIONAL PLC	250,000,000
MORGAN STANLEY & CO. INTERNATIONAL PLC	250,000,000
UNICREDIT BANK AG	250,000,000

SIGNATORIES

The Issuer

YAPI VE KREDİ BANKASI A.Ş.

By:

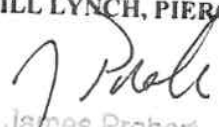

Faik Acikalin
CEO


Carlo Vivaldi
Deputy CEO

The Joint Lead Managers

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By:


James Probert
Managing Director


mitsubishi UFJ securities international plc

By: 

Anthony Barklam
Managing Director

MORGAN STANLEY & CO. INTERNATIONAL PLC

By:



Paul Olivera
Vice President

UNICREDIT BANK AG

By:



R Sutor
MO



MATTHEW HYDE
DIRECTOR