

**YAPI VE KREDİ BANKASI A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS  
TOGETHER WITH REVIEW REPORT  
AT 30 SEPTEMBER 2007**

**(Convenience Translation of Publicly Announced Unconsolidated  
Financial Statements and Review Report Originally Issued in Turkish,  
See in Note I. of Section Three)**

**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S  
REVIEW REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH**

To the Board of Directors of Yapı ve Kredi Bankası A.Ş.

We have reviewed the accompanying unconsolidated balance sheet of Yapı ve Kredi Bankası A.Ş. ("the Bank" or "Yapı Kredi") at 30 September 2007 and the related unconsolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of Yapı ve Kredi Bankası A.Ş. at 30 September 2007 and the unconsolidated results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 of Banking Law No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency ("BRSA") on accounting and financial reporting standards.

We would like to draw your attention to the following matters:

- (i) As explained in detail in Note VI. of Section Five, the approval of the BRSA with regard to the merger of Koçbank A.Ş. ("Koçbank") and Yapı Kredi through the transfer of Koçbank with all of its rights, receivables, liabilities and obligations to Yapı Kredi and the consequential dissolution of Koçbank without liquidation; and the transfer of all Koçbank's rights, receivables, liabilities and obligations to Yapı Kredi in accordance with article 19 of the Banking Act No.5411 and other relevant legislation was published in the Official Gazette dated 1 October 2006. Due to the merger and the consequential dissolution of Koçbank without liquidation, the record of Koçbank was erased from the trade registry as of 2 October 2006.

As explained in detail in Note XXII. of Section Three, the legal merger has been accounted by applying the pooling of interest method since both Koçbank and Yapı Kredi were banks under common control of Koç Finansal Hizmetler A.Ş. The unconsolidated income statement, statement of cash flow and statement of changes in shareholders' equity as of 30 September 2007 are presented comparatively with the publicly announced unconsolidated income statement, statement of cash flow and statement of changes in shareholders' equity of Yapı Kredi before the legal merger as of 30 September 2006. On the other hand, the selected major income statement items derived from the publicly announced unconsolidated financial statements of Koçbank and Yapı Kredi (after the adoption of TAS) as of 30 September 2006 have been combined and presented as pro-forma information in Note VI. of Section Five.

- ii) As explained in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

Zeynep Uras, SMMM

Istanbul, 14 November 2007

**THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF  
YAPI VE KREDİ BANKASI A.Ş. AS OF 30 SEPTEMBER 2007**

E-mail : [financialreports@yapikredi.com.tr](mailto:financialreports@yapikredi.com.tr)

The unconsolidated interim financial report includes the following sections in accordance with the “Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency.

- **Section one** - **GENERAL INFORMATION ABOUT THE BANK**
- **Section two** - **UNCONSOLIDATED FINANCIAL STATEMENTS**
- **Section three** - **EXPLANATIONS ON ACCOUNTING POLICIES**
- **Section four** - **INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**
- **Section five** - **EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**
- **Section six** - **OTHER EXPLANATIONS AND NOTES**
- **Section seven** - **EXPLANATIONS ON REVIEW REPORT**

The accompanying unconsolidated interim financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of New Turkish Lira (“YTL”), have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks’ Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently reviewed.

Rüşdü SARAÇOĞLU  
Chairman of the  
Board of Directors

Tayfun BAYAZIT  
Chief Executive Officer

Alessandro DECCIO  
Chief Operating Officer

Duygu DÖNMEZ  
Head of Financial  
Reporting Unit

Ranieri De MARCHIS  
President of Audit Committee

Robert ZADRAZIL  
Member of Audit Committee

Ahmet F. ASHABOĞLU  
Member of Audit Committee

Contact information of the personnel in charge of the addressing of questions about this financial report:

**Name-Surname / Title:** H. Yeşim BİNAY / Head of Regulatory Reporting Section

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YAPI VE KREDİ BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

I. HISTORY OF THE BANK INCLUDING ITS INCORPORATION DATE, INITIAL LEGAL STATUS AND AMENDMENTS TO LEGAL STATUS, IF ANY:

Yapı ve Kredi Bankası A.Ş. ("the Bank" or "Yapı Kredi"), was established on 9 September 1944 with the permission of the Council of Ministers No. 3/6710 as a private capital commercial bank authorised to perform all banking, economic, financial and commercial activities which are allowed by the laws of the Turkish Republic. The statute of the Bank has not changed since its incorporation.

II. EXPLANATION ABOUT THE BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE BANK BELONGS TO :

The Bank's shares have been traded on the Istanbul Stock Exchange ("ISE") since 1987. As of 30 September 2007, 19,57% shares of the Bank are publicly traded (31 December 2006: 19,54%).

As of 28 September 2005, 57,4% of the Bank's shares that were owned by Çukurova Group Companies and the Saving Deposits Insurance Fund ("SDIF") were purchased by Koçbank A.Ş. ("Koçbank"). Besides, during April 2006 Koçbank purchased 9,1% of the shares of the Bank which were publicly traded on the ISE and 0,8% of the shares of an investment fund owned by the Bank by 100%, which were in the available-for-sale portfolio of the Bank. As a result, Koçbank increased its participation ratio to 67,3%. As explained in detail in Note VI. of Section Five; all rights, receivables, debts and liabilities of Koçbank have been transferred to the Bank thereby the merger of the two banks has been registered as at 2 October 2006. After the merger, 80,18% of the direct and indirect control of the Bank's shares was transferred to the Koç Finansal Hizmetler A.Ş ("KFH").

KFH was established on 16 March 2001 to combine Koç Group finance companies under one organisation and it became the main shareholder of Koçbank in 2002. As of 22 October 2002, Koç Group established a strategic partnership with UniCredit SpA ("UCI") over KFH. Therefore, the Bank is a joint venture of UCI and Koç Group.

III. INFORMATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE BANK THEY POSSESS:

As of 30 September 2007, the Bank's Board of Directors, Members of the Audit Committee and Executive President and Vice Presidents are listed below:

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>
<b>Chairman of the Board of Directors:</b>	Dr. Rüşdü SARAÇOĞLU	Chairman
<b>Board of Directors Members:</b>	Federico GHIZZONI	Vice Chairman
	Tayfun BAYAZIT	Managing Director and Chief Executive Officer
	Alessandro M. DECIO	Managing Director
	Seyit Kemal KAYA	Member
	Fusun Akkal BOZOK	Member
	Ranieri De MARCHIS	Member
	Ahmet Fadıl ASHABOĞLU	Member
	Robert ZADRAZIL	Member
	Thomas GROSS	Member
<b>General Manager :</b>	Tayfun BAYAZIT	Chief Executive Officer

CONVENIENCE TRANSLATION OF PUBLICLY  
ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE

YAPI VE KREDİ BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007

(Amounts expressed in thousands of New Turkish Lira ("YTL") unless otherwise stated.)

GENERAL INFORMATION ABOUT THE BANK (CONTINUED)

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>
<b>Vice General Managers:</b>	Süleyman Cihangir KAVUNCU	Human Resources Management
	Alpar ERGUN	Legal Activities Management
	Mehmet Gani SÖNMEZ	Retail Banking Management
	Erhan ÖZÇELİK	Private Banking and Foreign Operations Management
	Hamit AYDOĞAN	Corporate Banking Management
	Mert GÜVENEN	Commercial Banking Management
	Mert YAZICIOĞLU	Treasury Management
	Tülay GÜNGEN	Corporate Identity and Communication
	Zeynep Nazan SOMER	Credit Cards and Consumer Lending
	Carlo VIVALDI (*)	Financial Planning, Administration and Control/CFO
	Mehmet Güray ALPKAYA	Credit Management
	Marco ARNABOLDI	Risk Management
	Mahmut Tevfik ÇELİKEL	Logistics and Cost Management
	Mohammed Hishem LAROSSI (**)	Information Technology Management
	Muzaffer ÖZTÜRK	Retail Sales Management
	Kemal SEMERCİLER	Compliance Officer
Stefano PERAZZINI	Internal Audit	
Luca RUBAGA	Organisation Management	
<b>Audit Committee Members:</b>	Ranieri De MARCHIS	Chairman
	Robert ZADRAZIL	Member
	Ahmet Fadıl ASHABOĞLU	Member
<b>Statutory auditors:</b>	M. Erkan ÖZDEMİR	Auditor
	Adil G. ÖZTOPRAK	Auditor

The shares of the above individuals are insignificant in the Bank.

- (\*) As of 1 October 2007, Carlo Vivaldi has resigned and as of the same date it is resolved that Alessandro M. Decio to be responsible for the aforementioned area.
- (\*\*) As of 1 October 2007, Mohammed Hishem Laroussi has resigned and as of the same date Fahri Öbek has been assigned as Acting Manager.

IV. INFORMATION ON QUALIFIED SHAREHOLDERS:

<u>Name/Commercial title</u>	<u>Share Amounts (nominal)</u>	<u>Share percentage</u>	<u>Paid-in Capital(nominal)</u>	<u>Unpaid portion</u>
Koç Finansal Hizmetler A.Ş.	2.525.332.177,57	%80,18	2.525.332.177,57	-

V. SUMMARY INFORMATION ON THE BANK'S ACTIVITIES AND SERVICES:

The Bank's core business activities include retail banking, corporate banking, private banking, foreign exchange, money markets and securities transactions (treasury transactions) and international banking. As of 30 September 2007, the Bank has 660 branches operating in Turkey, 1 branch and 1 representative office operating abroad (31 December 2006: 607 branches operating in Turkey, 1 branch and 4 representative offices operating abroad) and 13.712 employees (31 December 2006: 13.478 employees).

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**YAPI VE KREDİ BANKASI A.Ş.  
UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006  
(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)**

**SECTION TWO  
UNCONSOLIDATED FINANCIAL STATEMENTS**

I. BALANCE SHEET	Note (Section Five)	(30/09/2007)			(31/12/2006)		
		ASSETS					
		YTL	FC	Total	YTL	FC	Total
<b>I. CASH BALANCES WITH CENTRAL BANK</b>	<b>I-a</b>	<b>1.836.122</b>	<b>1.846.085</b>	<b>3.682.207</b>	<b>1.857.176</b>	<b>2.223.509</b>	<b>4.080.685</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)</b>	<b>I-b</b>	<b>92.320</b>	<b>184.367</b>	<b>276.687</b>	<b>85.613</b>	<b>347.828</b>	<b>433.441</b>
2.1 Trading Financial Assets		55.921	174.110	230.031	13.513	342.773	356.286
2.1.1 Government Debt Securities		55.921	174.110	230.031	13.513	342.773	356.286
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Other Marketable Securities		-	-	-	-	-	-
2.2 Financial Assets Designated at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Other Marketable Securities		-	-	-	-	-	-
2.3 Trading Derivative Financial Assets		36.399	10.257	46.656	72.100	5.055	77.155
<b>III. BANKS AND OTHER FINANCIAL INSTITUTIONS</b>	<b>I-c</b>	<b>38.795</b>	<b>1.905.771</b>	<b>1.944.566</b>	<b>7.397</b>	<b>1.955.988</b>	<b>1.963.385</b>
<b>IV. MONEY MARKETS</b>		<b>303.770</b>	-	<b>303.770</b>	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		303.770	-	303.770	-	-	-
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>I-d</b>	<b>193.626</b>	<b>47.197</b>	<b>240.823</b>	<b>78.803</b>	<b>33.035</b>	<b>111.838</b>
5.1 Share Certificates		2.035	19.257	21.292	1.814	15.206	17.020
5.2 Government Debt Securities		148.550	17.312	165.862	31.457	17.258	48.715
5.3 Other Marketable Securities		43.041	10.628	53.669	45.532	571	46.103
<b>VI. LOANS</b>	<b>I-e</b>	<b>17.800.348</b>	<b>7.403.715</b>	<b>25.204.063</b>	<b>15.348.542</b>	<b>7.155.604</b>	<b>22.504.146</b>
6.1 Loans		17.488.720	7.403.715	24.892.435	15.036.519	7.155.604	22.192.123
6.2 Loans under Follow-up		1.765.751	-	1.765.751	1.714.040	-	1.714.040
6.3 Specific Provisions (-)		(1.454.123)	-	(1.454.123)	(1.402.017)	-	(1.402.017)
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>I-f</b>	<b>6.035.714</b>	<b>6.150.844</b>	<b>12.186.558</b>	<b>6.416.628</b>	<b>9.463.271</b>	<b>15.879.899</b>
8.1 Government Debt Securities		6.035.714	6.150.844	12.186.558	6.416.628	9.463.271	15.879.899
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>I-g</b>	<b>2.658</b>	<b>43.404</b>	<b>46.062</b>	<b>3.528</b>	<b>43.404</b>	<b>46.932</b>
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		2.658	43.404	46.062	3.528	43.404	46.932
9.2.1 Financial Investments in Associates		2.658	43.404	46.062	3.528	43.404	46.932
9.2.2 Non-financial Investments in Associates		-	-	-	-	-	-
<b>X. SUBSIDIARIES (Net)</b>	<b>I-h</b>	<b>510.801</b>	<b>259.900</b>	<b>770.701</b>	<b>533.288</b>	<b>257.931</b>	<b>791.219</b>
10.1 Financial Subsidiaries		479.838	235.400	715.238	452.853	233.431	686.284
10.2 Non-financial Subsidiaries		30.963	24.500	55.463	80.435	24.500	104.935
<b>XI. JOINT VENTURES (Net)</b>		-	-	-	-	-	-
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-financial Joint Ventures		-	-	-	-	-	-
<b>XII. FINANCIAL LEASE RECEIVABLES (Net)</b>		-	-	-	-	-	-
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
<b>XIII. HEDGING DERIVATIVE FINANCIAL ASSETS</b>	<b>I-i</b>	<b>676</b>	<b>658</b>	<b>1.334</b>	-	-	-
13.1 Fair Value Hedge		676	658	1.334	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>		<b>1.079.847</b>	-	<b>1.079.847</b>	<b>1.159.432</b>	-	<b>1.159.432</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>I-j</b>	<b>1.138.767</b>	-	<b>1.138.767</b>	<b>1.152.548</b>	-	<b>1.152.548</b>
15.1 Goodwill		979.493	-	979.493	979.493	-	979.493
15.2 Other		159.274	-	159.274	173.055	-	173.055
<b>XVI. TAX ASSET</b>		<b>364.447</b>	-	<b>364.447</b>	<b>275.664</b>	-	<b>275.664</b>
16.1 Current Tax Asset		134.931	-	134.931	118.070	-	118.070
16.2 Deferred Tax Asset	<b>I-k</b>	229.516	-	229.516	157.594	-	157.594
<b>XVII. ASSETS HELD FOR RESALE (Net)</b>		<b>119.646</b>	-	<b>119.646</b>	<b>180.447</b>	-	<b>180.447</b>
<b>XVIII. OTHER ASSETS</b>	<b>I-l</b>	<b>277.174</b>	<b>280.825</b>	<b>557.999</b>	<b>219.010</b>	<b>217.992</b>	<b>437.002</b>
<b>TOTAL ASSETS</b>		<b>29.794.711</b>	<b>18.122.766</b>	<b>47.917.477</b>	<b>27.318.076</b>	<b>21.698.562</b>	<b>49.016.638</b>

The accompanying explanations and notes form an integral part of these financial statements



**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**YAPI VE KREDİ BANKASI A.Ş.**

**UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

I. BALANCE SHEET	Note (Section Five)	(30/09/2007)			(31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>18.283.777</b>	<b>13.233.242</b>	<b>31.517.019</b>	<b>16.166.969</b>	<b>14.960.302</b>	<b>31.127.271</b>
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-b</b>	<b>204.228</b>	<b>1.466</b>	<b>205.694</b>	<b>21.061</b>	<b>2.603</b>	<b>23.664</b>
<b>III. BORROWINGS</b>	<b>II-c</b>	<b>210.678</b>	<b>4.151.882</b>	<b>4.362.560</b>	<b>192.385</b>	<b>4.407.358</b>	<b>4.599.743</b>
<b>IV. MONEY MARKETS</b>		<b>825.635</b>	<b>211.283</b>	<b>1.036.918</b>	<b>2.957.463</b>	<b>399.088</b>	<b>3.356.551</b>
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		2.718	-	2.718	-	-	-
4.3 Funds Provided Under Repurchase Agreements		822.917	211.283	1.034.200	2.957.463	399.088	3.356.551
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>2.163.293</b>	<b>116.340</b>	<b>2.279.633</b>	<b>1.844.442</b>	<b>467.460</b>	<b>2.311.902</b>
<b>VIII. OTHER LIABILITIES</b>	<b>II-d</b>	<b>216.008</b>	<b>506.311</b>	<b>722.319</b>	<b>363.516</b>	<b>482.291</b>	<b>845.807</b>
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. FINANCIAL LEASE PAYABLES (Net)</b>		-	<b>15.203</b>	<b>15.203</b>	-	<b>18.789</b>	<b>18.789</b>
10.1 Financial Lease Payables	II-e	-	15.719	15.719	2	19.455	19.457
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses ( - )		-	(516)	(516)	(2)	(666)	(668)
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-f</b>	<b>42.916</b>	-	<b>42.916</b>	-	-	-
11.1 Fair Value Hedge		42.916	-	42.916	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>II-g</b>	<b>1.342.778</b>	<b>234.515</b>	<b>1.577.293</b>	<b>1.334.285</b>	<b>270.066</b>	<b>1.604.351</b>
12.1 General Loan Loss Provision		419.049	207.672	626.721	410.912	236.070	646.982
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		119.851	-	119.851	148.292	-	148.292
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		803.878	26.843	830.721	775.081	33.996	809.077
<b>XIII. TAX LIABILITY</b>	<b>II-h</b>	<b>332.058</b>	-	<b>332.058</b>	<b>144.139</b>	-	<b>144.139</b>
13.1 Current Tax Liability		332.058	-	332.058	144.139	-	144.139
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. PAYABLES FOR ASSET HELD FOR RESALE</b>		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	<b>II-i</b>	-	<b>1.775.495</b>	<b>1.775.495</b>	-	<b>1.559.258</b>	<b>1.559.258</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-j</b>	<b>4.012.806</b>	<b>37.563</b>	<b>4.050.369</b>	<b>3.382.604</b>	<b>42.559</b>	<b>3.425.163</b>
16.1 Paid-in Capital		3.149.450	-	3.149.450	3.142.818	-	3.142.818
16.2 Capital Reserves		58.639	37.563	96.202	53.239	42.559	95.798
16.2.1 Share Premium		45.781	-	45.781	45.781	-	45.781
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Value Increase Fund	II-k	5.550	37.563	43.113	7.458	42.559	50.017
16.2.4 Revaluation of Property and Equipment		-	-	-	-	-	-
16.2.5 Revaluation of Intangible Fixed Assets		-	-	-	-	-	-
16.2.6 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.7 Hedging Funds (Effective portion)		-	-	-	-	-	-
16.2.8 Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.9 Other Capital Reserves		7.308	-	7.308	-	-	-
16.3 Profit Reserves		343.184	-	343.184	343.184	-	343.184
16.3.1 Legal Reserves		17.159	-	17.159	17.159	-	17.159
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		326.025	-	326.025	326.025	-	326.025
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		461.533	-	461.533	(156.637)	-	(156.637)
16.4.1 Prior Years' Income or (Loss)		(170.577)	-	(170.577)	(670.545)	-	(670.545)
16.4.2 Current Year Income or (Loss)		632.110	-	632.110	513.908	-	513.908
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>27.634.177</b>	<b>20.283.300</b>	<b>47.917.477</b>	<b>26.406.864</b>	<b>22.609.774</b>	<b>49.016.638</b>

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**YAPI VE KREDİ BANKASI A.Ş.  
UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007 AND 2006**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

<b>II. INCOME STATEMENTS</b>				
<b>INCOME AND EXPENSE ITEMS</b>		<b>Note (Section Five)</b>	<b>01/01-30/09/2007</b>	<b>01/01-30/09/2006(*)</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>III-a</b>	<b>4.408.846</b>	<b>2.371.332</b>
1.1	Interest on Loans	III-a-1	2.903.994	1.764.277
1.2	Interest Received from Reserve Requirements		141.526	54.862
1.3	Interest Received from Banks	III-a-2	67.309	36.287
1.4	Interest Received from Money Market Transactions		6.296	3.270
1.5	Interest Received from Marketable Securities Portfolio	III-a-3	1.248.901	494.368
1.5.1	Trading Financial Assets		16.094	52.580
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		21.455	24.181
1.5.4	Held to Maturity Investments		1.211.352	417.607
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		40.820	8.268
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>III-b</b>	<b>(2.957.928)</b>	<b>(1.418.899)</b>
2.1	Interest on Deposits	III-b-3	(2.470.001)	(1.200.469)
2.2	Interest on Funds Borrowed	III-b-1	(283.592)	(102.707)
2.3	Interest Expense on Money Market Transactions		(198.633)	(114.377)
2.4	Interest on Securities Issued		-	-
2.5	Other Interest Expenses		(5.702)	(1.346)
<b>III.</b>	<b>NET INTEREST INCOME (I + II)</b>		<b>1.450.918</b>	<b>952.433</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>725.592</b>	<b>477.307</b>
4.1	Fees and Commissions Received		918.626	633.623
4.1.1	Cash Loans		40.667	28.717
4.1.2	Non-cash Loans		97.905	56.082
4.1.3	Other		780.054	538.824
4.2	Fees and Commissions Paid		(193.034)	(156.316)
4.2.1	Cash Loans		(2.196)	(2.280)
4.2.2	Non-cash Loans		(53)	(156)
4.2.3	Other		(190.785)	(153.880)
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>38.617</b>	<b>42.813</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>III-c</b>	<b>74.322</b>	<b>9.871</b>
6.1	Trading Gains/(Losses) on Securities		(63.466)	50.834
6.2	Foreign Exchange Gains/(Losses)		137.788	(40.963)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>III-d</b>	<b>401.803</b>	<b>96.508</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>2.691.252</b>	<b>1.578.932</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>III-e</b>	<b>(186.053)</b>	<b>(234.770)</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>III-f</b>	<b>(1.737.143)</b>	<b>(1.083.263)</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>768.056</b>	<b>260.899</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>XIII.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>INCOME/(LOSS) BEFORE INCOME TAXES (XI+XII+XIII+XIV)</b>		<b>768.056</b>	<b>260.899</b>
<b>XVI.</b>	<b>PROVISION FOR INCOME TAXES (±)</b>	<b>III-g</b>	<b>(135.946)</b>	<b>(221.058)</b>
16.1	Current Tax Provision		(213.544)	(25.049)
16.2	Deferred Tax Provision		77.598	(196.009)
<b>XVII.</b>	<b>OPERATING INCOME/(LOSS) AFTER TAXES</b>		<b>632.110</b>	<b>39.841</b>
17.1	Discontinued Operations		-	-
17.2	Other		632.110	39.841
<b>XVIII.</b>	<b>NET INCOME/(LOSS) (XV+XVI)</b>	<b>III-h</b>	<b>632.110</b>	<b>39.841</b>
	Earnings/(Loss) per share (in YTL full)		0,0020	0,0002

(\*) The unconsolidated financial statements as of 30 September 2007 are presented comparatively with the publicly announced unconsolidated financial statements (after the application of Turkish Accounting Standards) of Yapı Kredi before the legal merger as of 30 September 2006.

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**YAPI VE KREDİ BANKASI A.Ş.  
UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIODS  
FROM 1 JULY TO 30 SEPTEMBER 2007 AND 2006**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira (“YTL”).)

<b>II. INCOME STATEMENTS</b>		<b>Note (Section Five)</b>	<b>01/07-30/09/2007</b>	<b>01/07-30/09/2006(*)</b>
<b>INCOME AND EXPENSE ITEMS</b>				
<b>I.</b>	<b>INTEREST INCOME</b>		<b>1.500.874</b>	<b>907.189</b>
1.1	Interest on Loans		1.012.805	667.186
1.2	Interest Received from Reserve Requirements		50.793	26.532
1.3	Interest Received from Banks		21.220	17.648
1.4	Interest Received from Money Market Transactions		5.902	440
1.5	Interest Received from Marketable Securities Portfolio		410.154	194.044
1.5.1	Trading Financial Assets		3.829	10.124
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		6.585	5.426
1.5.4	Held to Maturity Investments		399.740	178.494
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		-	1.339
<b>II.</b>	<b>INTEREST EXPENSE</b>		<b>(999.245)</b>	<b>(575.012)</b>
2.1	Interest on Deposits		(870.943)	(468.649)
2.2	Interest on Funds Borrowed		(96.905)	(31.153)
2.3	Interest Expense on Money Market Transactions		(30.907)	(74.781)
2.4	Interest on Securities Issued		-	-
2.5	Other Interest Expenses		(490)	(429)
<b>III.</b>	<b>NET INTEREST INCOME (I+II)</b>		<b>501.629</b>	<b>332.177</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>275.186</b>	<b>173.575</b>
4.1	Fees and Commissions Received		343.507	230.937
4.1.1	Cash Loans		14.960	9.528
4.1.2	Non-cash Loans		32.884	22.699
4.1.3	Other		295.663	198.710
4.2	Fees and Commissions Paid		(68.321)	(57.362)
4.2.1	Cash Loans		(505)	(768)
4.2.2	Non-cash Loans		(6)	(56)
4.2.3	Other		(67.810)	(56.538)
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>22</b>	<b>5.746</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>		<b>18.529</b>	<b>27.713</b>
6.1	Trading Gains/(Losses) on Securities		(34.180)	(6.892)
6.2	Foreign Exchange Gains/(Losses)		52.709	34.605
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>		<b>194.796</b>	<b>33.829</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>990.162</b>	<b>573.040</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>		<b>(63.933)</b>	<b>(44.538)</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>		<b>(650.686)</b>	<b>(362.924)</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>275.543</b>	<b>165.578</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XIII.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>-</b>	<b>-</b>
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>INCOME/(LOSS) BEFORE INCOME TAXES (XI+XII+XIII+XIV)</b>		<b>275.543</b>	<b>165.578</b>
<b>XVI.</b>	<b>PROVISION FOR INCOME TAXES (±)</b>		<b>(43.968)</b>	<b>(41.921)</b>
16.1	Current Tax Provision		(77.120)	(15.368)
16.2	Deferred Tax Provision		33.152	(26.553)
<b>XVII.</b>	<b>OPERATING INCOME/(LOSS) AFTER TAXES</b>		<b>231.575</b>	<b>123.657</b>
17.1	Discontinued Operations		-	-
17.2	Other		231.575	123.657
<b>XVIII.</b>	<b>NET INCOME/(LOSS) (XV+XVI)</b>		<b>231.575</b>	<b>123.657</b>
	Earnings/(Loss) per share (in YTL full)		0,0007	0,0007

(\*) The unconsolidated financial statements for 1 July-30 September 2007 are presented comparatively with the publicly announced unconsolidated financial statements (after the application of Turkish Accounting Standards) of Yapı Kredi before the legal merger for 1 July-30 September 2006 interim period.

The accompanying explanations and notes form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**YAPI VE KREDİ BANKASI A.Ş.  
UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

III. OFF-BALANCE SHEET COMMITMENTS	Note (Section five)	(30/09/2007)			(31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
<b>A OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>20.957.130</b>	<b>11.745.067</b>	<b>32.702.197</b>	<b>17.472.597</b>	<b>13.141.772</b>	<b>30.614.369</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>IV-a-2,3</b>	<b>6.564.383</b>	<b>7.997.363</b>	<b>14.561.746</b>	<b>6.297.403</b>	<b>9.044.405</b>	<b>15.341.808</b>
1.1. Letters of Guarantee		5.632.325	4.998.832	10.631.157	5.571.632	5.534.958	11.106.590
1.1.1. Guarantees Subject to State Tender Law		437.222	514.801	952.023	431.794	647.471	1.079.265
1.1.2. Guarantees Given for Foreign Trade Operations		728.284	4.484.031	5.212.315	1.032.791	4.887.487	5.920.278
1.1.3. Other Letters of Guarantee		4.466.819	-	4.466.819	4.107.047	-	4.107.047
1.2. Bank Acceptances		-	198.727	198.727	-	216.649	216.649
1.2.1. Import Letter of Acceptance		-	198.727	198.727	-	216.649	216.649
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		734	2.088.433	2.089.167	325	2.535.477	2.535.802
1.3.1. Documentary Letters of Credit		734	2.088.433	2.089.167	325	2.535.477	2.535.802
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		143	1.613	1.756	143	1.884	2.027
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		5.165	576.008	581.173	4.770	583.506	588.276
1.9. Other Collaterals		926.016	133.750	1.059.766	720.533	171.931	892.464
<b>II. COMMITMENTS</b>	<b>IV-a-1</b>	<b>11.051.306</b>	<b>251.895</b>	<b>11.303.201</b>	<b>9.514.236</b>	<b>1.056.426</b>	<b>10.570.662</b>
2.1. Irrevocable Commitments		11.051.306	251.895	11.303.201	9.514.236	1.056.426	10.570.662
2.1.1. Asset Purchase Commitments		2.424	250.313	252.737	-	470.055	470.055
2.1.2. Deposit Purchase and Sales Commitments		-	707	707	-	569.144	569.144
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		-	-	-	-	-	-
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		1.355.462	-	1.355.462	1.310.760	-	1.310.760
2.1.8. Tax and Fund Liabilities from Export Commitments		39.021	-	39.021	39.365	-	39.365
2.1.9. Commitments for Credit Card Limits		3.654.275	-	3.654.275	3.163.986	-	3.163.986
2.1.10. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Other Irrevocable Commitments		124	875	999	125	17.227	17.352
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>3.341.441</b>	<b>3.495.809</b>	<b>6.837.250</b>	<b>1.660.958</b>	<b>3.040.941</b>	<b>4.701.899</b>
3.1. Hedging Derivative Financial Instruments		179.763	155.341	335.104	-	-	-
3.1.1. Transactions for Fair Value Hedge		179.763	155.341	335.104	-	-	-
3.1.2. Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Transactions		3.161.678	3.340.468	5.502.146	1.660.958	3.040.941	4.701.899
3.2.1. Forward Foreign Currency Buy/Sell Transactions		987.055	1.163.788	2.150.843	535.769	994.628	1.530.397
3.2.1.1. Forward Foreign Currency Transactions-Buy		587.241	494.010	1.081.251	379.139	400.948	780.087
3.2.1.2. Forward Foreign Currency Transactions-Sell		399.814	669.778	1.069.592	156.630	593.680	750.310
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		1.218.603	1.367.482	2.586.085	579.009	1.439.889	2.018.898
3.2.2.1. Foreign Currency Swap-Buy		-	510.144	510.144	112.788	449.948	562.736
3.2.2.2. Foreign Currency Swap-Sell		494.781	68.625	563.406	159.236	395.911	555.147
3.2.2.3. Interest Rate Swap-Buy		33.375	679.934	713.309	-	450.968	450.968
3.2.2.4. Interest Rate Swap-Sell		690.447	108.779	799.226	306.985	143.062	450.047
3.2.3. Foreign Currency, Interest rate and Securities Options		955.021	808.490	1.763.511	546.180	606.424	1.152.604
3.2.3.1. Foreign Currency Options-Buy		445.350	408.144	853.494	273.090	303.212	576.302
3.2.3.2. Foreign Currency Options-Sell		454.671	400.346	855.017	273.090	303.212	576.302
3.2.3.3. Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5. Securities Options-Buy		-	-	-	-	-	-
3.2.3.6. Securities Options-Sell		55.000	-	55.000	-	-	-
3.2.4. Foreign Currency Futures		733	708	1.441	-	-	-
3.2.4.1. Foreign Currency Futures-Buy		733	-	733	-	-	-
3.2.4.2. Foreign Currency Futures-Sell		-	708	708	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		266	-	266	-	-	-
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>58.486.108</b>	<b>7.663.491</b>	<b>66.149.599</b>	<b>50.536.429</b>	<b>2.527.949</b>	<b>53.064.378</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>43.091.866</b>	<b>1.187.036</b>	<b>44.278.902</b>	<b>47.296.282</b>	<b>1.500.439</b>	<b>48.796.721</b>
4.1. Customer Fund and Portfolio Balances		-	1.957	1.957	-	2.267	2.267
4.2. Investment Securities Held in Custody		34.927.765	865.386	35.793.151	39.229.872	1.154.620	40.384.492
4.3. Checks Received for Collection		4.941.243	53.113	4.994.356	4.669.933	49.098	4.719.031
4.4. Commercial Notes Received for Collection		3.221.694	215.436	3.437.130	3.395.301	235.461	3.630.762
4.5. Other Assets Received for Collection		-	51.144	51.144	-	58.993	58.993
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		-	-	-	11	-	11
4.8. Custodians		1.164	-	1.164	1.165	-	1.165
<b>V. PLEDGES RECEIVED</b>		<b>14.467.441</b>	<b>6.476.455</b>	<b>20.943.896</b>	<b>13.240.147</b>	<b>1.027.510</b>	<b>14.267.657</b>
5.1. Marketable Securities		361.901	451	362.352	362.711	580	363.291
5.2. Guarantee Notes		295.445	267.668	563.113	291.104	363.967	655.071
5.3. Commodity		6.704	-	6.704	-	-	20.617
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		9.640.182	4.242.082	13.882.264	9.682.256	499.324	10.181.580
5.6. Other Pledged Items		4.162.960	1.964.089	6.127.049	2.883.210	39.853	2.923.053
5.7. Pledged Items-Depository		249	2.165	2.414	249	123.786	124.035
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>926.801</b>	<b>-</b>	<b>926.801</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>79.443.238</b>	<b>19.408.558</b>	<b>98.851.796</b>	<b>78.009.026</b>	<b>15.669.721</b>	<b>93.678.747</b>

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**YAPI VE KREDİ BANKASI A.Ş.**

**UNCONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY MOVEMENT AT 30 SEPTEMBER 2006**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

<b>IV. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>																
<b>30 September 2006 (*)</b>	<b>Note (Section Five)</b>	<b>Paid-in Capital</b>	<b>Adjustment to Share Capital</b>	<b>Share Premiums</b>	<b>Share Cancellation Profits</b>	<b>Legal Reserves</b>	<b>Status Reserves</b>	<b>Extraordinary Reserves</b>	<b>Other Reserves</b>	<b>Current Period Net Income/(Loss)</b>	<b>Prior Period Net Income/(Loss)</b>	<b>Revaluation Fund</b>	<b>Revaluation Differences</b>	<b>Marketable Securities Value Increase Fund</b>	<b>Total Shareholders' Equity</b>	
<b>I. Period Opening Balance (31 December 2005) (*)</b>		752.345	2.672.886	10.781	-	-	-	-	-	(2.996.274)	(58.871)	1.144.318	-	152.116	1.677.301	
<b>II. Changes in Accounting Policies according to TAS 8</b>		-	-	-	-	-	-	-	-	1.453.264	(260.410)	(1.144.318)	-	(51.356)	(2.820)	
2.1 Effects of Adjustments of Mistakes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	1.453.264	(260.410)	(1.144.318)	-	(51.356)	(2.820)	
<b>III. New Balance (I+II)</b>		<b>752.345</b>	<b>2.672.886</b>	<b>10.781</b>	-	-	-	-	-	<b>(1.543.010)</b>	<b>(319.281)</b>	-	-	<b>100.760</b>	<b>1.674.481</b>	
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>IV. Increase/Decrease due to the Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>V. Available-for-sale Investments</b>		-	-	-	-	-	-	-	-	-	-	-	-	6.850	6.850	
<b>VI. Hedging from Risky Transactions</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.1 Hedging from the Cash Flow risk		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.2 Hedging from the Direct Investment Risk Abroad		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transferred Amounts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>VII. Available-for-sale Investments</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>VIII. Hedging from Risky Transactions</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.1 Hedging from the Cash Flow risk		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.2 Hedging from the Foreign Net Investment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>IX. Net Current Period Income/Loss</b>		-	-	-	-	-	-	-	-	39.841	-	-	-	-	39.841	
<b>X. Profit Distribution</b>		-	-	-	-	-	-	-	-	1.543.010	(1.543.010)	-	-	-	-	
10.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10.2 Transfers to Reserves		-	-	-	-	-	-	-	-	1.543.010	(1.543.010)	-	-	-	-	
10.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XI. Capital Increase</b>		<b>1.144.318</b>	-	-	-	-	-	-	-	-	-	(1.144.318)	-	-	-	
11.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2 Value Increase due to Revaluation of Property and Equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.3 Investments, Subsidiaries and Joint Ventures Free Shares obtained		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.4 Marketable Securities Value Increase Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.5 Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.6 Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.7 Foreign Currency Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.8 Other		1.144.318	-	-	-	-	-	-	-	-	(1.144.318)	-	-	-	-	
<b>XII. Gains and Losses on Disposal of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XIII. Changes due to the Reclassification of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XIV. First Capital Subordinated Borrowings</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XV. Secondary Capital Subordinated Borrowings</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XVI. Effects of the Investments Equity on the Bank's Equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XVII. Elimination of Accumulated Deficit</b>		-	(2.672.886)	-	-	-	-	-	-	-	2.672.886	-	-	-	-	
<b>Period End Balance (III+IV+.....+XIV+XV+XVII)</b>		<b>1.896.663</b>	-	<b>10.781</b>	-	-	-	-	-	<b>39.841</b>	<b>(333.723)</b>	-	-	<b>107.610</b>	<b>1.721.172</b>	

(\*) The unconsolidated financial statements as of 30 September 2007 are presented comparatively with the publicly announced unconsolidated financial statements (after the application of Turkish Accounting Standards) of Yapı Kredi before the legal merger as of 30 September 2006.

The accompanying explanations and notes form an integral part of these financial statements

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**YAPI VE KREDİ BANKASI A.Ş.**

**UNCONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY MOVEMENT AT 30 SEPTEMBER 2007**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

<b>IV. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>															
<b>30 September 2007</b>	<b>Note (Section Five)</b>	<b>Paid-in Capital</b>	<b>Adjustment to Share Capital</b>	<b>Share Premiums</b>	<b>Share Cancellation Profits</b>	<b>Legal Reserves</b>	<b>Status Reserves</b>	<b>Extraordinary Reserves</b>	<b>Other Reserves</b>	<b>Current Period Net Income/(Loss)</b>	<b>Prior Period Net Income/(Loss)</b>	<b>Revaluation Fund</b>	<b>Revaluation Differences</b>	<b>Marketable Securities Value Increase Fund</b>	<b>Total Shareholders' Equity</b>
<b>I</b>	<b>Prior Period End Balance</b>	3.142.818	-	45.781	-	17.159	-	326.025	-	512.239	(745.500)	-	-	45.334	3.343.856
<b>II.</b>	<b>Changes in Accounting Policies according to TAS 8</b>	-	-	-	-	-	-	-	-	1.669	74.955	-	-	4.683	81.307
2.1	Effects of Adjustments of Mistakes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	1.669	74.955	-	-	4.683	81.307
<b>III.</b>	<b>New Balance (I+II)</b>	3.142.818	-	45.781	-	17.159	-	326.025	-	513.908	(670.545)	-	-	50.017	3.425.163
<b>IV.</b>	<b>Increase/Decrease due to the Merger</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V.</b>	<b>Investments in Associates, Subsidiaries and Available-for-sale Investments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Hedging Transactions</b>	-	-	-	-	-	-	-	-	-	-	-	-	(6.904)	(6.904)
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Foreign Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transferred Amounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Available-for-Sale Investments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Hedging from Risky Transactions</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.2	Foreign Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Net Current Period Income</b>	-	-	-	-	-	-	-	-	632.110	-	-	-	-	632.110
<b>X.</b>	<b>Profit Distribution</b>	-	-	-	-	-	-	-	7.308	(513.908)	506.600	-	-	-	-
10.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.2	Transfers to Reserves	-	-	-	-	-	-	-	7.308	(513.908)	506.600	-	-	-	-
10.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>Capital Increase</b>	6.632	-	-	-	-	-	-	-	-	(6.632)	-	-	-	-
11.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Value Increase due to Revaluation of the Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3	Investments in Associates, Subsidiaries and Joint Ventures Bonus Shares Obtained	6.632	-	-	-	-	-	-	-	-	(6.632)	-	-	-	-
11.4	Marketable Securities Value increase fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.5	Adjustment to Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.6	Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.7	Foreign Currency Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.8	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII.</b>	<b>Changes due to the Disposal of Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII.</b>	<b>Changes due to the Reclassification of the Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV.</b>	<b>Primary Subordinated Borrowings</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV.</b>	<b>Secondary Subordinated Borrowings</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI.</b>	<b>Effects of Changes in Equity of Investments in Associates</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Period End Balance (I+II+III+IV+V+ .....XI+XIII+XIV+XV+XVI)</b>	3.149.450	-	45.781	-	17.159	-	326.025	7.308	632.110	(170.577)	-	-	43.113	4.050.369

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**YAPI VE KREDİ BANKASI A.Ş.**

**UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007 AND 2006**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira (“YTL”).)

V. STATEMENT OF CASH FLOWS			
	Notes (Section Five)	(30/09/2007)	(30/09/2006) (*)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating profit before changes in operating assets and liabilities		2.223.709	397.612
1.1.1 Interest received		4.747.166	2.167.007
1.1.2 Interest paid		(2.924.136)	(1.460.270)
1.1.3 Dividend received		38.617	42.813
1.1.4 Fees and commissions received		918.626	633.623
1.1.5 Other income		496.696	1.013.762
1.1.6 Collections from previously written-off loans and other receivables		358.892	143.962
1.1.7 Payments to personnel and service suppliers		(573.972)	(341.414)
1.1.8 Taxes paid		(197.497)	(10.599)
1.1.9 Extraordinary Items		-	(10.288)
1.1.10 Other		(640.683)	(1.780.984)
1.2 Changes in operating assets and liabilities		(4.863.962)	803.819
1.2.1 Net decrease in trading securities		122.322	770.021
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net (increase) in due from banks and other financial institutions		(345.268)	(999)
1.2.4 Net (increase) in loans		(2.698.982)	(3.207.119)
1.2.5 Net decrease/(increase) in other assets		37.623	(682.043)
1.2.6 Net (decrease)/increase in bank deposits		(2.442.442)	2.946.411
1.2.7 Net increase in other deposits		488.577	241.724
1.2.8 Net (decrease) in funds borrowed		(30.757)	(504.338)
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase in other liabilities		4.965	1.240.162
<b>I. Net cash provided from banking operations</b>		<b>(2.640.253)</b>	<b>1.201.431</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>2.420.851</b>	<b>(2.048.260)</b>
2.1 Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2 Cash obtained from disposal of investments, associates and subsidiaries		-	7.400
2.3 Purchases of property and equipment		(90.300)	(49.343)
2.4 Disposals of property and equipment		111.346	7.750
2.5 Cash paid for purchase of investments available-for-sale		(85.982)	(198.047)
2.6 Cash obtained from sale of investments available-for-sale		546	595.727
2.7 Cash paid for purchase of investment securities		(2.577.613)	(2.503.147)
2.8 Cash obtained from sale of investment securities		5.048.892	91.400
2.9 Other		13.962	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from financing activities</b>		<b>(3.586)</b>	<b>762</b>
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Issued capital instruments		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		(3.586)	762
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>(222.988)</b>	<b>(846.067)</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	V-a	<b>3.220.136</b>	<b>2.949.505</b>
<b>VII. Cash and cash equivalents at end of the period</b>	V-a	<b>2.997.148</b>	<b>2.103.438</b>

(\*) The unconsolidated financial statements as of 30 September 2007 are presented comparatively with the publicly announced unconsolidated financial statements (after the application of Turkish Accounting Standards) of Yapı Kredi before the legal merger as of 30 September 2006.

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**YAPI VE KREDİ BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira (“YTL”).)

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**SECTION THREE  
EXPLANATIONS ON ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION:**

The Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 (“Banking Act”), which is effective from 1 November 2005, the Turkish Commercial Code and Turkish tax legislation.

The unconsolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Application and Keeping Documents” published in the Official Gazette No:26333 dated 1 November 2006 by the Banking Regulatory and Supervisory Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) issued by the Turkish Accounting Standards Board (“TASB”) and other decrees, notes and explanations related to the accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No. 26430 dated 10 February 2007.

The unconsolidated financial statements have been prepared in YTL, under the historical cost convention as modified in accordance with inflation adjustments, except for the financial assets and liabilities carried at fair value.

The financial statements have been subjected to the inflation adjustment according to “Turkish Accounting Standard for Financial Reporting in Hyperinflationary Economies” (“TAS 29”) until 31 December 2004. As of 28 April 2005, the BRSA announced that the inflation accounting application in the banking sector had been terminated based on the decree No:1623 dated 21 April 2005. Therefore, the application of inflation accounting has been terminated in the preparation of the financial statements as of 1 January 2005.

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II. to XXVIII. below.

**Additional paragraph for convenience translation into English:**

The differences between accounting principles, as described in the preceding paragraphs, and accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**Explanations on first-time adoption of Turkish Accounting Standards:**

The Bank has prepared its financial statements in accordance with TAS as of 31 December 2006 for the first time.

According to the “Turkish Financial Reporting Standard Regarding the First-time Adoption of Turkish Financial Reporting Standards” (“TFRS1”), the effects of the adoption of TAS are reflected to the financial statements as of 1 January 2005 and also to financial statements as of 30 September 2006 that are presented comparative to 30 September 2007 financial statements.

**Effects of adoption of TAS:**

The reconciliation of the unconsolidated shareholders’ equity reported under previous accounting principles to the unconsolidated shareholders’ equity under TAS is as follows:

	Marketable Securities Value Increase Fund	Revaluation Fund	Net Income/ Loss for the Period	Prior Years’ Income or Losses	Total Equity
<b>Balances Reported as at 31 December 2005</b>	<b>152.116</b>	<b>1.144.318</b>	<b>(2.996.274)</b>	<b>(58.871)</b>	<b>1.677.301</b>
Adjustment of reserve for employee rights	-	-	(16.110)	(46.836)	(62.946)
Adjustment of impairment on and valuation differences of subsidiaries and associates	(51.356)	-	293.339	(287.607)	(45.624)
Adjustment on currency differences of foreign subsidiaries and investments	-	-	26.884	59.982	86.866
Adjustment on sales income of investments in associates	-	(1.144.318)	1.144.318	-	-
Effect of adjustments on deferred tax	-	-	4.833	14.051	18.884
<b>Total effect of TAS adjustments</b>	<b>(51.356)</b>	<b>(1.144.318)</b>	<b>1.453.264</b>	<b>(260.410)</b>	<b>(2.820)</b>
<b>Adjusted balances as of 31 December 2005</b>	<b>100.760</b>	<b>-</b>	<b>(1.543.010)</b>	<b>(319.281)</b>	<b>1.674.481</b>

The reconciliation of the net income reported under previous accounting principles in the financial statements to profit under TAS for the same period is as follows:

	<b>30 September 2006</b>
<b>Income for the period before TAS applications</b>	<b>77.252</b>
Reserve for employee rights	(954)
Change in the impairment of subsidiaries	(8.654)
Correction of the currency differences of foreign subsidiaries and investments	(28.134)
Deferred tax effect	331
<b>Total effect on the profit of the period before the application of TAS</b>	<b>(37.411)</b>
<b>Income for the period after TAS applications</b>	<b>39.841</b>

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND  
FOREIGN CURRENCY TRANSACTIONS:**

The general strategy of the Bank in using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Bank is deposits. The Bank can also sustain a lengthened liability structure by using long-term foreign currency borrowings from foreign financial institutions. Funds obtained from deposits and other sources are invested in high yield and quality financial assets in order to keep currency, interest rate and liquidity risks within the limits determined by the asset-liability strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed accordingly within the risk limits accepted by the Bank and the related legal limits. Derivative instruments are mainly utilised for liquidity needs and for mitigating currency and interest rate risks. The position of the Bank as a result of foreign currency activities being held at minimum levels and the exposed currency risk is followed within the determined levels by the Board of Directors, by considering the limits given by the Banking Law.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognised in the income statement under the account of “Foreign exchange gains or losses”. Since the foreign currency investments and subsidiaries are considered as non-monetary items, they are translated with the exchange rates at the transaction date and therefore no foreign exchange differences are realised.

**III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT  
VENTURES :**

Based on the “ Turkish Accounting Standard for Consolidated and Separate Financial Statements” (“TAS 27”), Turkish Lira denominated investments in associates and subsidiaries are accounted at cost and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if one exists.

Foreign currency denominated investments in associates and subsidiaries are accounted at their original foreign currency costs translated into Turkish Lira using the exchange rate prevailing at the transaction date and are reflected to the financial statements after deducting the provision for impairment, if one exists. In the financial statements of the previous period, foreign currency denominated investments in associates and subsidiaries are accounted at their original foreign currency costs translated into Turkish Lira using the exchange rate prevailing at the balance sheet date and are reflected to the financial statements after deducting the provision for impairment, if one exists. To comply with the current period evaluation policies, the effect of the related change has been reflected to the previous period’s financial statements.

The Bank has no joint ventures as of 30 September 2007 and 31 December 2006.

**IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE  
INSTRUMENTS:**

Derivative instruments are measured at fair value on initial recognition and subsequently re-valued at their fair values. The accounting method of the income or loss arising from derivative instruments depends on whether the derivative is being used for hedging purposes or not and depends on the type of item being hedged. As of 30 September 2007, the Bank has derivative instruments qualifying for hedging purposes.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued):**

At the transaction date, the Bank documents the relation between hedge items and hedged balances, together with the risk management policies and the strategies on hedging transactions. Besides, the Bank regularly documents the hedge effectiveness of fair value hedges.

Changes in the fair value of derivative instruments subject to fair value hedges are recognised under profit or loss accounts together with the variation in the fair value of hedged items. If the underlying hedge does not conform to the hedge accounting requirements, the corrections in the hedged item for which the effective interest rate is considered, is discounted within the time to maturity and recognised under the profit and loss accounts.

Certain derivative transactions, even though they provide effective economic hedges under the Bank’s risk management position, do not qualify for hedge accounting under the specific rules in “Turkish Accounting Standard for Financial Instruments: Recognition and Measurement (“TAS 39”)” and are therefore treated as “financial assets at fair value through profit or loss”.

“Financial assets at fair value through profit or loss” are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account “financial assets at fair value through profit or loss” in “trading derivative financial assets” and if the fair value difference is negative, it is disclosed under “trading derivative financial liabilities”. Differences in the fair value of trading derivative instruments are accounted under “trading income/loss” in the income statement. Differences in the fair value of fair value hedge derivative instruments are accounted under “trading income/loss” in the income statement.

The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts from their contractual values.

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:**

Interest income and expenses are recognised in the income statement on an accrual basis using the effective interest method.

The Bank ceases accrued interest income on non-performing loans and any interest income accruals from such loans are reversed and no income is accounted until the collection is made according to the related regulation.

**VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:**

All fees and commission income/expenses are recognised on an accrual basis, except for certain commission income and fees from various banking services which are recorded as income at the time of collection. Fees and commission expenses paid to the other institutions are recognised as operational costs and recorded using the effective interest method. Contract-based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third or legal person are recognised as income at the time of collection.

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

The Bank classifies and accounts its financial assets as “fair value through profit or loss”, “available-for-sale”, “loans and receivables” or “held-to-maturity”. Sales and purchases of the financial assets mentioned above are recognised at the “settlement dates”. The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**a. Financial assets at fair value through profit or loss:**

Financial assets, which are classified as “financial assets at fair value through profit or loss”, are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer’s margin, or are the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognised at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from the fair market transactions, it is accepted that the fair value cannot be measured reliably and that the financial assets are carried at amortised cost using the effective interest method. All gains and losses arising from these evaluations are recognised in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are not designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV. of Section Three.

**b. Held-to-maturity financial assets:**

Held-to-maturity financial assets are assets that are not classified under loans and receivables and are held-for-trading at the time of acquisition and are not included in available-for-sale financial assets, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognised at cost which is considered as their fair value. The fair values of held-to-maturity financial assets on initial recognition are either the transaction prices at acquisition or the market prices of similar financial instruments. Held-to-maturity securities are carried at “amortised cost” using the “effective interest method” after their recognition. Interest income earned from held-to-maturity financial assets is reflected to the statement of income.

There are no financial assets that were previously classified as held-to-maturity but cannot be subject to this classification for two years due to the contradiction of classification principles.

**c. Loans and receivables:**

Loans and receivables are financial assets which are created by providing money, service or goods to debtors. Loans and receivables originated by the Bank are carried initially at cost and subsequently recognised at the amortised cost value calculated using the “effective interest method”. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognised in the expense accounts.

The Bank provides general and specific provisions based on the assessments and estimates of the management, by considering the “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” published in the Official Gazette No.26333 dated 1 November 2006. In this context, the revised credit risk, general structure of the current loan portfolio, financial conditions of the customers, non-financial information and economic conjunction on the basis of the prudence principle are taken into consideration by the Bank in determining the estimates. The general loan loss provision provided by this methodology is greater than the minimum amount required by the related regulations.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

Provision expenses are deducted from the net income of the year. If there is a subsequent collection from a receivable that was already provisioned in the previous years, the recovery amount is classified under “other operating income”. If a receivable is collected which is provisioned in the same year, it is deducted from the “provisions for loan losses and other receivables”. Uncollectible receivables are written-off after all the legal procedures have been finalised.

**d. Available-for-sale financial assets:**

Available-for-sale financial assets are defined as financial assets other than the ones classified as “loans and receivables”, “held-to-maturity assets” or “financial asset at fair value through profit or loss”.

Available-for-sale financial assets are subsequently re-measured at fair value. When fair value calculations, based on market prices, cannot be obtained reliably, the available-for-sale financial assets are carried at amortised cost using the effective interest method. “Unrealised gains and losses” arising from changes in the fair value of financial assets classified as available-for-sale are recognised in the shareholders’ equity as “marketable securities value increase fund”, until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:**

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the “effective interest method”, or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and it is charged against the income for the year.

The principles for the accounting of provisions for loans are explained in detail in Note VII. of this section.

**IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

**X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:**

Securities subject to repurchase agreements (“repos”) are classified as “fair value difference through profit or loss”, “available-for-sale” and “held-to-maturity” according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under “funds provided under repurchase agreements” in liabilities and the difference between the sale and repurchase price is accrued over the life of the repurchase agreements using the “effective interest method”. Interest expense on repo transactions are recorded under “interest expense on money market transactions” in the income statement.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

Funds given against securities purchased under agreements (“Reverse Repo”) to resell are accounted under “receivables from reverse repurchase agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the effective interest method.

The Bank has no securities lending transactions.

**XI. INFORMATION ON ASSETS HELD FOR RESALE:**

Assets held-for-resale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the “Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal” published in the Official Gazette dated 1 November 2006, No.26333.

**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS :**

**a. Goodwill:**

The excess of the cost of an acquisition over the fair value of the Group’s share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. The acquirer also recognises assets that are capable of being individually identified and separately recognised, intangible assets (i.e. credit card brand value, deposit base and customer portfolio) and contingent liabilities at fair value, irrespective of whether the asset had been recognised by the acquiree before the business combination, if it can be distinguished from the goodwill and if the asset’s fair value can be measured reliably.

In line with “Turkish Financial Reporting Standard for Business Combinations” (“TFRS 3”), the goodwill is not subject to depreciation but is tested annually for impairment and carried at cost less accumulated impairment losses, if any, in line with “Turkish Accounting Standard for Impairment on Assets” (“TAS 36”). For the purpose of impairment testing, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer’s cash generating units that are expected to benefit from the synergies of the business combination. The Bank allocated its goodwill to Retail Banking, Private Banking, Corporate Banking and Credit Card operations.

**b. Other intangible assets:**

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

When the book value of an other intangible asset exceeds the recoverable amount, the related asset is meant to be impaired. Some indicators of a possible loss out of impairment can be identified. If any of these indicators exists, The Bank develops a recoverable amount expectation. If not, there is no need to forecast the recoverable amount.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

Intangibles are amortised over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilise the economic benefit from the asset. The rates are presented below:

Credit card brand value, deposit base and customer portfolio	10 years
Other tangible expenditures	5 years

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT :**

Property and equipment is measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease.

Depreciation is calculated over the cost of property and equipment using the straight-line method. The expected useful lives are stated below:

Buildings	2%
Movables, Movables Acquired by Financial Leasing	20%
Special Costs (*)	Amortised over the lease period.

(\*) Special costs include the expenditures for the leased immovables and are amortised over the lease period if the lease period is less than the useful life and over the useful life (five years) if the lease period is greater than the useful life.

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

Where the carrying amount of an asset is greater than its estimated “recoverable amount”, it is written down to its “recoverable amount” and the provision for the diminution in value is charged to the income statement.

Property and equipment has not been re-valued in order to be presented at fair value in the financial statements.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

Expenditures for the repair and renewal of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the “lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset”. Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a “provision for value decrease” is recognised. Liabilities arising from the leasing transactions are included in “financial lease payables” on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not provide financial leasing services as a “lessor”.

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

**XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:**

Provisions and contingent liabilities, except for the specific and general provisions recognised for loans and other receivables, are accounted in accordance with the “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (“TAS 37”).

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognised in the same period of occurrence in accordance with the “matching principle”. When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Bank, it is considered that a “contingent” liability exists and it is disclosed in the related notes to the financial statements.

***Provision for Bank’s Pension Fund deficit:***

The Bank’s personnel are members of the Yapı ve Kredi Bankası Anonim Şirketi Mensupları Yardım ve Emekli Sandığı Vakfı (“Fund”) which was established in accordance with the 20th temporary article of the Social Security Law No.506.

Banking Law No.5411 temporary article 23 paragraph one states that foundations like the Fund are to be transferred to the Social Security Institution (“SSI”) within three years beginning from the published date of the article. However, on 2 November 2005 the President applied to the Constitutional Court for abrogation of the concerned article of Banking Law and with the decision of the Constitutional Court dated 22 March 2007 numbered E. 2005/39, K. 2007/33 published in the Official Gazette dated 31 March 2007 numbered 26479, the article has been abrogated as of the publication date of the decision.

An actuarial report has been prepared by a registered actuary for the Fund in accordance with the written decree published by the Council of Ministers in the Official Gazette dated 15 December 2006 No.26377 for the purpose of determining the principles and procedures to be applied during the transfer. The Bank will provide a full provision regarding the deficit reported in the actuarial report by 31 December 2007 and the calculated provision is accounted under the “Other provisions” account as of the balance sheet date.



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

Moreover, in accordance with the article 58 and temporary article 7 of the Banking Law, banks cannot transfer any resources to these foundations for financing their deficits as of 1 January 2008.

The BRSA expressed its opinion regarding the announcement of temporary article 23, paragraph one of the Banking Law that the cancellation of the transfer of the Fund to the SSI will have no impact on the measurement principles of the existing liability of the Bank calculated based on the above mentioned methodology in the subsequent periods.

**XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:**

Obligations related to employee termination and vacation rights are accounted for in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) and are classified under “reserve for employee rights” account in the balance sheet.

Under the Turkish Labour Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Bank arising from this liability.

**XVII. EXPLANATIONS ON TAXATION :**

**a. Current tax:**

“Corporate Tax Law”(“New Tax Law”) No.5520 was taken into effect after being published in the Official Gazette dated 21 June 2006 No.26205. Many clauses of the “New Tax Law” are effective from 1 January 2006. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% as of 1 January 2006 (year 2005: 30%). The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 10th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder’s equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

**b. Deferred tax:**

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”) and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements.

**XVIII. EXPLANATIONS ON BORROWINGS:**

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at “amortised cost” using the “effective interest method”.

The Bank utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued by the Bank.

**XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:**

Transaction costs regarding the issuance of share certificates are accounted under shareholders’ equity after eliminating the tax effects.

No dividend payments were announced after the balance sheet date.

**XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:**

Avalized drafts and acceptances shown as liabilities against assets are included in the “off-balance sheet commitments”.

**XXI. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 30 September 2007 and 31 December 2006, the Bank has no government grants.

**XXII. LEGAL MERGER:**

As both Koçbank and Yapı Kredi were banks under the common control of KFS and in order to provide the financial statement users with more useful information, the legal merger has been accounted using the “pooling of interest” method. This application requires the combination of the financial statement items of the merged banks in the corresponding period and the formation of new unconsolidated financial statements for the merged bank. The main principle of the “pooling of interest” method is the sharing of risks and rewards which were also applicable before the merger.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

The main principles of the application are summarised below;

- All the assets, liabilities and off-balance sheet items were combined as of 31 December 2006.
- As of 31 December 2006, all the transactions between Koçbank and Yapı Kredi were eliminated.
- The goodwill resulting from the acquisition of 57,42% shares of Yapı Kredi by Koçbank as of 28 September 2005 (“acquisition date”) calculated in line with TFRS 3 was recorded in the unconsolidated financial statements of the Bank (in Note I.j of Section Five).
- As of the acquisition date, a valuation of the intangible assets of Yapı Kredi was performed and the credit card brand value, deposit base and customer portfolio values have been reflected to the unconsolidated financial statements of the Bank in accordance with TFRS 3 (Note I.j of Section Five).
- The difference that occurred as a result of the transactions listed above was booked in “prior period’s income and losses” under shareholders’ equity.
- The income statement, equity movement and the statement of cash flow as of 30 September 2007 are presented comparatively with the unconsolidated publicly announced financial statements (after TAS corrections) of Yapı Kredi as of 30 September 2006.

**XXIII. PROFIT RESERVES AND PROFIT DISTRIBUTION:**

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. Legal reserves consist of first and second reserves as foreseen in the Turkish Commercial Code (“TCC”). The TCC specifies that the first legal reserve is appropriated at the rate of 5% until the total reserve is equal to 20% of paid-in capital and that the second legal reserve is appropriated at the rate of 10% of distributions in excess of 5% of paid-in capital; however holding companies are not subject to this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate for accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

**XXIV. EARNINGS PER SHARE:**

Earnings per share disclosed in the income statement are calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned.

	<b>30 September 2007</b>	<b>30 September 2006</b>
Net Income/(Loss) to be Appropriated to Ordinary Shareholders	632.110	39.841
Weighted Average Number of Issued Ordinary Shares(Thousand)	314.945.000	189.666.249
<b>Earnings Per Share (Disclosed in full YTL)</b>	<b>0,0020</b>	<b>0,0002</b>

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

As of 30 September 2007, the total number bonus shares issued is 663.154.590 (30 September 2006: 114.431.780.062).

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXV. RELATED PARTIES:**

For the purpose of these financial statements, shareholders, key management personnel and board members together with their families and companies controlled by/affiliated with them, and associated companies are considered and referred to as related parties in accordance with “Turkish Accounting Standard for Related Parties” (“TAS 24”). The transactions with related parties are disclosed in detail in Note VII. of Section Five.

**XXVI. CASH AND CASH EQUIVALENTS:**

For the purposes of the cash flow statement, cash includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and cash equivalents include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

**XXVII. OPERATING SEGMENTS:**

Information about operating segments which are determined in line with “Turkish Accounting Standard about Segment Reporting” (“TAS 14”) together with organisational and internal reporting structure of the Bank, are disclosed in Note VII. in Section Four.

**XXVIII. RECLASSIFICATIONS:**

Together with the adjustments made in accordance with the first-time adoption of TAS, which are explained in details in Note I. of this Section; reclassifications have been made on comparative figures as of 31 December 2006 and 30 September 2006, to conform to changes in presentation in the 30 September 2007 financials.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

- a. The capital adequacy ratio of the Bank is 12,89% (31 December 2006: 12,31%).
- b. The capital adequacy ratio of the Bank is calculated in accordance with the “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio” and “Regulation Regarding Banks’ Shareholders Equity” (together referred as “Regulation Regarding Capital Adequacy”) published as of 1 November 2006. The following tables show the details of “risk weighted assets” and the calculation of “shareholders’ equity” for the capital adequacy ratio calculation.

c. Information related to capital adequacy ratio :

	Risk Weights			
	0%	20%	50%	100%
<b>Amount subject to credit risk</b>				
<b>Balance sheet items (Net)</b>	<b>18.194.528</b>	<b>2.312.234</b>	<b>3.952.916</b>	<b>21.807.351</b>
Cash	424.866	1.298	-	-
Matured marketable securities	-	-	-	-
The Central Bank of the Republic of Turkey	459.413	-	-	-
Domestic, foreign banks, foreign head offices and branches	-	1.900.532	-	16.071
Interbank money market placements	-	-	-	-
Receivables from reverse repurchase transactions	-	300.000	-	-
Reserve requirements with the Central Bank of the Republic of Turkey	2.786.331	-	-	-
Loans	1.715.769	11.654	3.900.580	18.934.160
Non-performing receivables (Net)	-	-	-	311.628
Lease receivables	-	-	-	-
Available-for-sale financial assets	164.350	43.041	-	31.827
Held-to-maturity investments	11.890.027	-	-	-
Receivables from the disposal of assets	-	-	-	11.833
Miscellaneous receivables	-	43.128	-	211.837
Interest and income accruals	382.865	5.576	52.336	254.063
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	742.559
Fixed assets	-	-	-	1.170.130
Other assets	370.907	7.005	-	123.243
<b>Off-balance sheet items</b>	<b>234.040</b>	<b>3.990.866</b>	<b>2.402.051</b>	<b>7.971.642</b>
Non-cash loans and commitments	234.040	3.955.249	2.402.051	7.955.634
Derivative financial instruments	-	35.617	-	16.008
Non-risk weighted accounts	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>18.428.568</b>	<b>6.303.100</b>	<b>6.354.967</b>	<b>29.778.993</b>

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**d. Summary information about capital adequacy ratio (“CAR”) :**

	<b>30 September 2007</b>	<b>31 December 2006</b>
Amount subject to credit risk “ASCR”	34.217.097	32.474.602
Amount subject to market risk “ASMR”	388.025	309.900
Amount subject to operational risk “ASOR” (*)	3.695.750	-
<b>Shareholders’ equity</b>	<b>4.937.330</b>	<b>4.037.076</b>
<b>Shareholders’ equity /(ASCR+ASMR+ASOR) *100</b>	<b>12,89</b>	<b>12,31</b>

(\*) Amount subject to operational risk is effective from 1 June 2007 regarding the “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published in the Official Gazette No. 26333 dated 1 November 2006, and it has been calculated for the first time as of 30 June 2007.

**e. Information about shareholders’ equity items:**

	<b>30 September 2007</b>	<b>31 December 2006</b>
<b>CORE CAPITAL</b>		
Paid-in capital	3.149.450	3.142.818
Nominal capital	3.149.450	3.142.818
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	-
Share premium	45.781	45.781
Share cancellation profits	-	-
Legal reserves	17.159	17.159
First legal reserve (Turkish Commercial Code 466/1)	17.159	17.159
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	326.025	326.025
Reserves allocated by the General Assembly	326.025	326.025
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	632.110	512.239
Current period profit (net)	632.110	512.239
Prior period profit	-	-
Provisions for possible risks (up to 25% of core capital)	50.841	76.138
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	7.308	-
Primary subordinated loans (up to 15% of core capital)	-	-
Uncovered portion of loss with reserves (-)	(170.577)	(745.500)
Current period loss (net)	-	-
Prior period loss	(170.577)	(745.500)
Special costs (-) (*)	(29.362)	(25.771)
Prepaid expenses (-) (*)	(103.088)	(68.711)
Intangible assets (-) (*)	(1.138.767)	(1.152.548)
Deferred tax asset amount exceeding 10% of core capital (-) (*)	-	-
Limit exceeding amount regarding the third clause of the article 56 of the Law (-)	-	-
<b>Total Core Capital (*)</b>	<b>4.058.097</b>	<b>3.374.660</b>

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<b>SUPPLEMENTARY CAPITAL</b>		
General provisions	478.761	409.806
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	-	-
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary Subordinated Loans that are not considered in the calculation of core capital	-	-
Secondary Subordinated Loans	1.727.200	1.540.285
45 % of Marketable Securities valuation fund	19.401	20.400
From investments in associates and subsidiaries	-	(2.108)
Available-for-Sale financial assets	19.401	22.508
Inflation adjustment of Capital Reserve, Profit Reserve and Prior Years' Income or Loss (Except inflation adjustment of Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
<b>Total Supplementary Capital</b>	<b>2.225.362</b>	<b>1.970.491</b>
<b>TIER III CAPITAL</b>	-	-
<b>CAPITAL</b>	<b>6.283.459</b>	<b>5.345.151</b>
<b>DEDUCTIONS FROM THE CAPITAL (*)</b>	<b>1.346.129</b>	<b>1.308.075</b>
Investments in Unconsolidated Financial Institutions (Foreign) and Banks in which 10% or more equity interest exercised	74.204	60.217
Investments in Financial Institutions (Domestic, foreign) and Banks, in which less than 10% equity interest is exercised and that exceeds 10% and more of the total core and supplementary capital of the Bank	-	-
The Secondary Subordinated Loans extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and the Debt Instruments That Have Primary or Secondary Subordinated Loan Nature Purchased From Them	708	828
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The Net Book Value of Bank's Immovables That Are Over 50% of Shareholders' Equity and Immovables or Commodities That Are Received on behalf of the Receivables From Customers and are to be Disposed According to Banking Law article 57 as They have been Held for More Than Five Years From the Acquisition Date.	-	-
Other	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4.937.330</b>	<b>4.037.076</b>

(\*) According to the temporary article 1. of the “Regulation Regarding Capital Adequacy”; “Special Costs”, “Prepaid Expenses”, “Intangible Assets” and “Amount of deferred tax exceeding 10% of core capital” which are presented under “Core Capital” will be considered as “Deductions from the Capital” until 1 January 2009.

Previous period's information disclosed in the notes “Summary information about capital adequacy ratio” and “Information about shareholders' equity items” does not include the effects of the TAS corrections made as of 30 September 2007, on 31 December 2006 financial statements.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**II. EXPLANATIONS ON MARKET RISK:**

The Bank considers currency risk, liquidity risk and interest rate risk as the most important components of market risk. The Bank’s market risk exposure is calculated on a daily and weekly basis with the “Value-at-Risk Method” on the basis of the marketable securities portfolio including the Bank’s currency risk. The below table represents the details of market risk calculation as of 30 September 2007 in accordance with Section 3 of the “ Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published in the Official Gazette No.26333 dated 1 November 2006, namely the “Calculation of Market Risk with Standard Method”.

**a. Information on Market Risk:**

	<b>Balance</b>
(I) Capital to be Employed for General Market Risk - Standard Method	17.823
(II) Capital to be Employed for Specific Risk -Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	10.106
(IV)Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Exchange Risk-Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options-Standard Method	3.113
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	31.042
<b>(IX) Amount Subject to Market Risk 12,5xVIII) or (12,5xVII)</b>	<b>388.025</b>

**III. EXPLANATIONS ON OPERATIONAL RISK:**

The Bank calculates the amount subject to operational risk based on “Basic Indicator Method” by using 2006, 2005 and 2004 year-end gross income balances of the Bank, in accordance with Section 4 of the “ Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published in the Official Gazette No.26333 dated 1 November 2006, namely “The Calculation of the Amount Subject to Operational Risk”. As of 30 September 2007, the total amount subject to operational risk is YTL 3.695.750 thousand and the amount of the related capital requirement is YTL 295.660 thousand.

**IV. EXPLANATIONS ON CURRENCY RISK:**

The difference between the Bank’s foreign currency denominated and foreign currency indexed on- and off-balance sheet assets and liabilities is defined as the “Net Foreign Currency Position” and it is the basis of currency risk. Another important dimension of the currency risk is the change in the exchange rates of different foreign currencies in “Net Foreign Currency Position” (Cross Currency Risk). The Bank keeps the foreign currency value-at-risk within the legal limits and follows closely daily currency risk and reports it to the Asset and Liability Committee. When necessary, derivatives like forward foreign exchange contracts and currency swaps are used as part of currency risk management.



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The Bank’s publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are as follows:

	<b>USD</b>	<b>EUR</b>	<b>Yen</b>
<b>Balance Sheet Evaluation Rate:</b>	<b>1,17970YTL</b>	<b>1,67000YTL</b>	<b>0,01019YTL</b>
1. Day bid rate	1,18620YTL	1,67600YTL	0,01028YTL
2. Day bid rate	1,19710YTL	1,68680YTL	0,01043YTL
3. Day bid rate	1,18810YTL	1,67670YTL	0,01031YTL
4. Day bid rate	1,19700YTL	1,68380YTL	0,01035YTL
5. Day bid rate	1,19990YTL	1,68500YTL	0,01038YTL

The simple arithmetic average of the Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

USD	: 1,23082 YTL
Euro	: 1,70654 YTL
Yen	: 0,01067 YTL

As of 31 December 2006;

	<b>USD</b>	<b>EUR</b>	<b>Yen</b>
<b>Balance Sheet Evaluation Rate:</b>	<b>1,37770 YTL</b>	<b>1,81210 YTL</b>	<b>0,01157 YTL</b>

**Information on currency risk of the Bank:**

The foreign currency position of the Bank is disclosed in terms of the material currencies in the following table. Foreign currency indexed assets, classified as Turkish Lira assets according to Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of the Net Foreign Currency Position. In addition, foreign currency general provisions in the balance sheet are considered as Turkish Lira in the calculation of the Net Currency Position regarding the related regulation. Therefore, there is a difference between the sum of the foreign currency assets in the following table and in the balance sheet. The Banks’ real position, both in financial and economic terms, is presented in the table below:

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>Other FC</b>	<b>Total</b>
<b>30 September 2007</b>					
<b>Assets</b>					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	1.776.267	62.247	126	7.445	1.846.085
Due From Banks and Other Financial Institutions	1.462.287	241.075	188	202.221	1.905.771
Financial Assets at Fair Value Through Profit or Loss	69.467	104.643	-	-	174.110
Interbank Money Market Placements	-	-	-	-	-
Available-for-Sale Financial Assets	10.271	36.926	-	-	47.197
Loans (*)	2.870.453	5.273.915	27.880	151.027	8.323.275
Investments in Associates, Subsidiaries and Joint Ventures	180.053	79.847	-	43.404	303.304
Held-to-Maturity Investments	378.608	5.772.236	-	-	6.150.844
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	112.523	123.448	3	42.724	278.698
<b>Total Assets</b>	<b>6.859.929</b>	<b>11.694.337</b>	<b>28.197</b>	<b>446.821</b>	<b>19.029.284</b>
<b>Liabilities</b>					
Bank Deposits	67.291	23.836	41	108.407	199.575
Foreign Currency Deposits	3.721.954	9.010.234	13.072	288.407	13.033.667
Funds From Interbank Money Market	34.328	176.955	-	-	211.283
Funds Borrowed From Other Financial Institutions	1.080.855	3.069.665	371	991	4.151.882
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	37.722	74.680	1.081	2.857	116.340
Hedging Derivative Financial Liabilities	-	-	-	-	-
Other Liabilities	2.091.651	177.750	771	15.063	2.285.235
<b>Total Liabilities</b>	<b>7.033.801</b>	<b>12.533.120</b>	<b>15.336</b>	<b>415.725</b>	<b>19.997.982</b>
<b>Net On-balance Sheet Position</b>	<b>(173.872)</b>	<b>(838.783)</b>	<b>12.861</b>	<b>31.096</b>	<b>(968.698)</b>
<b>Net Off-balance Sheet Position</b>	<b>72.947</b>	<b>940.871</b>	<b>(15.803)</b>	<b>1.322</b>	<b>999.337</b>
Financial Derivative Assets	322.946	1.898.620	12.540	13.467	2.247.573
Financial Derivative Liabilities	249.999	957.749	28.343	12.145	1.248.236
<b>Non-Cash Loans</b>	<b>2.748.938</b>	<b>4.797.482</b>	<b>282.378</b>	<b>168.565</b>	<b>7.997.363</b>
<b>31 December 2006</b>					
Total Assets	7.223.801	14.585.069	24.597	427.899	22.261.366
Total Liabilities	7.169.852	14.559.607	19.179	538.285	22.286.923
<b>Net On-balance Sheet Position</b>	<b>53.949</b>	<b>25.462</b>	<b>5.418</b>	<b>(110.386)</b>	<b>(25.557)</b>
<b>Net Off-balance Sheet Position</b>	<b>(78.480)</b>	<b>141.914</b>	<b>(5.373)</b>	<b>111.237</b>	<b>169.298</b>
Financial Derivative Assets	483.463	1.155.688	2.881	198.115	1.840.147
Financial Derivative Liabilities	561.943	1.013.774	8.254	86.878	1.670.849
<b>Non-Cash Loans</b>	<b>2.747.217</b>	<b>5.813.378</b>	<b>347.800</b>	<b>136.010</b>	<b>9.044.405</b>

(\*) Includes FX indexed loans amounting to YTL919.560 thousand (31 December 2006: YTL649.167 thousand) which have been disclosed as YTL in the financial statements.

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**V. EXPLANATIONS ON INTEREST RATE RISK:**

The monitoring of interest rate sensitive assets and liabilities and sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements are performed by the risk management department for all interest sensitive instruments. The results are presented monthly to Asset and Liability Committee (“ALCO”). By using sensitivity and scenario analyses, the possible loss effects on the equity are analysed due to the interest rate volatility not only within the current year but also for the future periods. The effects of the volatility of market interest rates on positions and on cash flows are closely monitored.

**a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:**

	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non Interest Bearing	Total
<b>30 September 2007</b>							
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	2.836.800	-	-	-	-	845.407	3.682.207
Due From Banks and Other Financial Institutions	1.514.102	8.651	90.911	1.025	-	329.877	1.944.566
Financial Assets at Fair Value Through Profit/Loss	87.566	23.617	28.859	6.273	130.372	-	276.687
Interbank Money Market Placements	303.770	-	-	-	-	-	303.770
Available-for-Sale Financial Assets	222	4	8.826	137.537	29.413	64.821	240.823
Loans	6.053.708	3.142.439	4.162.422	3.297.354	8.236.512	311.628	25.204.063
Held-to-Maturity Investments	822.229	554.265	4.918.603	674.137	5.217.324	-	12.186.558
Other Assets	21	859	262	191	-	4.077.470	4.078.803
<b>Total Assets</b>	<b>11.618.418</b>	<b>3.729.835</b>	<b>9.209.883</b>	<b>4.116.517</b>	<b>13.613.621</b>	<b>5.629.203</b>	<b>47.917.477</b>
<b>Liabilities</b>							
Bank Deposits	35.181	6.568	99.881	3.073	-	162.189	306.892
Other Deposits	22.826.090	1.935.748	561.484	982.752	22.185	4.881.868	31.210.127
Funds From Interbank Money Market	824.867	103.082	108.969	-	-	-	1.036.918
Miscellaneous Payables	2.217.797	3.053	10.826	861	-	47.096	2.279.633
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	47.563	2.516.761	1.656.278	91.262	50.696	-	4.362.560
Other Liabilities and Shareholders' Equity	633.098	471.178	865.546	69.181	305	6.682.039	8.721.347
<b>Total Liabilities</b>	<b>26.584.596</b>	<b>5.036.390</b>	<b>3.302.984</b>	<b>1.147.129</b>	<b>73.186</b>	<b>11.773.192</b>	<b>47.917.477</b>
<b>Balance Sheet Long Position</b>	-	-	<b>5.906.899</b>	<b>2.969.388</b>	<b>13.540.435</b>	-	<b>22.416.722</b>
<b>Balance Sheet Short Position</b>	<b>(14.966.178)</b>	<b>(1.306.555)</b>	-	-	-	<b>(6.143.989)</b>	<b>(22.416.722)</b>
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	(7.732)	(87.137)	(16.970)	(42.418)	(738)	-	(154.995)
<b>Total Position</b>	<b>(14.973.910)</b>	<b>(1.393.692)</b>	<b>5.889.929</b>	<b>2.926.970</b>	<b>13.539.697</b>	<b>(6.143.989)</b>	<b>(154.995)</b>

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

<b>31 December 2006</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	3.074.427	-	-	-	-	1.006.258	4.080.685
Due From Banks and Other Financial Institutions	1.476.745	94.274	3.007	1.002	-	388.357	1.963.385
Financial Assets at Fair Value Through Profit/Loss	16.233	56.472	113.570	20.120	227.046	-	433.441
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	1.275	2.688	1.670	20.038	23.044	63.123	111.838
Loans	5.162.457	3.960.928	4.230.932	3.620.257	5.217.549	312.023	22.504.146
Held-to-Maturity Investments	3.419.703	3.629.478	2.398.335	742.908	5.689.475	-	15.879.899
Other Assets	-	-	-	-	-	4.043.244	4.043.244
<b>Total Assets</b>	<b>13.150.840</b>	<b>7.743.840</b>	<b>6.747.514</b>	<b>4.404.325</b>	<b>11.157.114</b>	<b>5.813.005</b>	<b>49.016.638</b>
<b>Liabilities</b>							
Bank Deposits	273.903	6.836	-	-	-	72.059	352.798
Other Deposits	21.051.890	3.721.781	384.521	481.440	38.771	5.096.070	30.774.473
Funds From Interbank Money Market	3.071.497	12.808	272.246	-	-	-	3.356.551
Miscellaneous Payables	1.937.632	165.227	86.601	-	-	122.442	2.311.902
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	94.196	2.134.660	91.824	1.030.570	1.248.493	-	4.599.743
Other Liabilities and Shareholders' Equity	1.995	2.587	7.124	6.968	1.559.373	6.043.124	7.621.171
<b>Total Liabilities</b>	<b>26.431.113</b>	<b>6.043.899</b>	<b>842.316</b>	<b>1.518.978</b>	<b>2.846.637</b>	<b>11.333.695</b>	<b>49.016.638</b>
<b>Balance Sheet Long Position</b>	-	<b>1.699.941</b>	<b>5.905.198</b>	<b>2.885.347</b>	<b>8.310.477</b>	-	<b>18.800.963</b>
<b>Balance Sheet Short Position</b>	<b>(13.280.273)</b>	-	-	-	-	<b>(5.520.690)</b>	<b>(18.800.963)</b>
Off-balance Sheet Long Position	6.550	23.882	12.229	-	86	-	42.747
Off-balance Sheet Short Position	-	-	-	(4.375)	-	-	(4.375)
<b>Total Position</b>	<b>(13.273.723)</b>	<b>1.723.823</b>	<b>5.917.427</b>	<b>2.880.972</b>	<b>8.310.563</b>	<b>(5.520.690)</b>	<b>38.372</b>

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**b. Average interest rates for monetary financial instruments:**

The following average interest rates have been calculated by weighting the simple rates with their principal amounts as of the balance sheet date.

<b>30 September 2007</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>YTL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,80	1,12	-	11,12
Due From Banks and Other Financial Institutions	4,23	5,31	-	20,25
Financial Assets at Fair Value Through Profit/Loss	6,27	8,82	-	19,56
Interbank Money Market Placements	-	-	-	19,47
Available-for-sale Financial Assets	10,78	6,26	-	17,31
Loans	5,96	7,18	2,84	21,68
Held-to-maturity Investments	5,74	7,51	-	18,97
<b>Liabilities</b>				
Bank Deposits	-	4,07	-	18,49
Other Deposits	2,78	4,78	0,23	19,63
Funds From Interbank Money Market	6,36	7,77	-	18,85
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	5,84	5,28	2,40	17,05
<b>31 December 2006</b>	<b>EURO</b>	<b>USD</b>	<b>Yen</b>	<b>YTL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,71	2,26	-	11,07
Due From Banks and Other Financial Institutions	3,63	5,39	-	19,06
Financial Assets at Fair Value Through Profit/Loss	9,06	8,44	-	19,08
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	-	7,43	-	16,94
Loans	5,55	5,48	2,17	21,38
Held-to-maturity Investments	3,85	7,25	-	19,25
<b>Liabilities</b>				
Bank Deposits	1,00	5,66	-	20,70
Other Deposits	2,69	4,97	0,29	21,14
Funds From Interbank Money Market	4,02	6,97	-	20,38
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	4,19	5,35	1,28	15,62

**VI. EXPLANATIONS ON LIQUIDITY RISK:**

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed in illiquid markets. The liquidity risk is managed within the Asset and Liability Management strategy of the Bank in accordance with the policies of the market risk. In this scope, the funding sources are being diversified, and sufficient cash and cash equivalents are held. In order to meet an instant cash necessity it is ensured that the cash and cash equivalent assets level does not fall below a predetermined portion of the deposits. During the monthly meetings of the Asset and Liability Committee, the liquidity position of the Bank is evaluated and it is ensured that the required actions are taken when considered necessary.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

The mismatching of payments, asset and liabilities with interest rates is followed via daily and monthly liquidity gap reports and any effects of incompliance investigated.

Subordinated loans with a maturity of 10 years have been provided in order to extend the short-term funding structure in the banking sector. The liquidity risk according to the mismatching of assets and liabilities is decreased with the placement of these loans in the short-term derivatives and liquid treasury bills.

**Breakdown of assets and liabilities according to their outstanding maturities:**

	Demand	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Unclassified (*)	Total
<b>30 September 2007</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	845.407	2.836.800	-	-	-	-	-	3.682.207
Due From Banks and Other Financial Institutions	329.877	1.514.102	8.651	90.911	1.025	-	-	1.944.566
Financial Assets at Fair Value Through Profit or Loss	-	36.236	15.383	20.825	59.688	144.555	-	276.687
Interbank Money Market Placements	-	303.770	-	-	-	-	-	303.770
Available-for-sale Financial Assets	43.529	222	4	-	137.537	38.239	21.292	240.823
Loans	-	5.277.943	3.349.213	4.124.971	3.242.187	8.898.121	311.628	25.204.063
Held-to-maturity Investments	-	142.389	201.412	379.769	1.060.999	10.401.989	-	12.186.558
Other Assets (*)	170.399	267.209	2.174	138.205	6.129	230.119	3.264.568	4.078.803
<b>Total Assets</b>	<b>1.389.212</b>	<b>10.378.671</b>	<b>3.576.837</b>	<b>4.754.681</b>	<b>4.507.565</b>	<b>19.713.023</b>	<b>3.597.488</b>	<b>47.917.477</b>
<b>Liabilities</b>								
Bank Deposits	162.189	35.181	6.568	99.881	3.073	-	-	306.892
Other Deposits	4.881.868	22.826.090	1.935.748	561.484	982.752	22.185	-	31.210.127
Funds Borrowed From Other Financial Institutions	-	47.563	101.406	543.621	1.035.995	2.633.975	-	4.362.560
Funds From Interbank Money Market	-	824.867	103.082	108.969	-	-	-	1.036.918
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	47.096	2.217.027	2.023	10.826	2.661	-	-	2.279.633
Other Liabilities (**)	1.577.293	1.077.228	68.855	19.704	15.932	1.911.966	4.050.369	8.721.347
<b>Total Liabilities</b>	<b>6.668.446</b>	<b>27.027.956</b>	<b>2.217.682</b>	<b>1.344.485</b>	<b>2.040.413</b>	<b>4.568.126</b>	<b>4.050.369</b>	<b>47.917.477</b>
<b>Net Liquidity Gap</b>	<b>(5.279.234)</b>	<b>(16.649.285)</b>	<b>1.359.155</b>	<b>3.410.196</b>	<b>2.467.152</b>	<b>15.144.897</b>	<b>(452.881)</b>	<b>-</b>
<b>31 December 2006</b>								
Total Assets	1.601.855	12.094.728	4.798.936	5.244.586	3.447.386	18.096.213	3.732.934	49.016.638
Total Liabilities	6.966.628	27.365.853	4.376.718	835.747	1.521.344	4.525.185	3.425.163	49.016.638
<b>Net Liquidity Gap</b>	<b>(5.364.773)</b>	<b>(15.271.125)</b>	<b>422.218</b>	<b>4.408.839</b>	<b>1.926.042</b>	<b>13.571.028</b>	<b>307.771</b>	<b>-</b>

(\*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments in associates, subsidiaries, stationery stocks, prepaid expenses and loans under follow-up, are classified in this column.

(\*\*) Shareholders' equity is presented under the "Other liabilities" item in the "Unclassified" column.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**VII. EXPLANATIONS ON OPERATING SEGMENTS:**

The Bank manages its banking operations through four main commercial business units: retail banking, corporate banking, private banking and credit cards.

Retail banking provides products and services to individual and small business customers. Products and services include general purpose loans, car loans, mortgage, deposits, investment accounts, life and non-life insurance products, payroll services, ATMs, telephone banking, internet banking and mobile banking.

Corporate banking is organised into two segments, namely commercial banking, which serves mid-sized company clients, and corporate banking, which serves large-sized company clients. Corporate and commercial banking activities include working capital financing, foreign trade finance, project finance, domestic and international non-cash credit line facilities such as letters of credit and guarantees, cash management, investment banking and factoring and leasing services.

Private banking serves affluent, high net worth and ultra high net worth customers of the Group and delivers investment products to the Group. Activities include time deposits, fiduciary deposits, mutual funds, derivative products such as forwards, futures and options, personal loans, foreign exchange, gold and equity trading, pension plans, insurance products, safe deposit boxes and e-banking services. Private banking services are enhanced by investment advisory and portfolio management services provided by the Group’s portfolio management and brokerage subsidiaries.

The credit cards segment under the umbrella brand of World include Worldcard, Worldgold, Worldplatinum, World Signia, Virtual Worldcard, Worlduniversity, Visa Business Card, Worldcard-Turkcell, Worldgold-Turkcell and Cagdaskart, each addressing the various needs of different types of consumers. It also provides POS merchant services for company clients.

Other operations mainly consist of Treasury transactions, operations of supporting business units and other unallocated transactions. Total assets managed by Treasury amount to YTL15.193.550 thousand and total liabilities amount to YTL6.808.466 thousand.

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**Some balance sheet and income statement items based on operating segments:**

	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Private Banking</b>	<b>Credit Cards</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
<b>30 September 2007</b>						
Segment revenue	744.070	521.638	68.867	686.516	631.544	2.652.635
Unallocated costs	-	-	-	-	(1.923.196)	(1.923.196)
<b>Net Operating Profit</b>	<b>744.070</b>	<b>521.638</b>	<b>68.867</b>	<b>686.516</b>	<b>(1.291.652)</b>	<b>729.439</b>
Dividend income	-	-	-	-	-	38.617
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>768.056</b>
Tax Expense	-	-	-	-	-	(135.946)
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>632.110</b>
Segment assets	5.676.339	12.175.430	166.758	6.096.003	19.725.478	43.840.008
Investments in associates, subsidiaries and joint ventures	-	-	-	-	816.763	816.763
Unallocated assets	-	-	-	-	3.260.706	3.260.706
<b>Total Assets</b>	<b>5.676.339</b>	<b>12.175.430</b>	<b>166.758</b>	<b>6.096.003</b>	<b>23.802.947</b>	<b>47.917.477</b>
Segment liabilities	13.564.148	9.715.827	7.524.405	1.616.571	9.535.682	41.956.633
Shareholders' Equity	-	-	-	-	4.050.369	4.050.369
Unallocated liabilities	-	-	-	-	1.910.475	1.910.475
<b>Total liabilities</b>	<b>13.564.148</b>	<b>9.715.827</b>	<b>7.524.405</b>	<b>1.616.571</b>	<b>15.496.526</b>	<b>47.917.477</b>



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SECTION FIVE  
EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL  
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I. EXPLANATIONS AND NOTES RELATED TO ASSETS

a. Information related to cash and the account of The Central Bank of the Republic of Turkey (the “CBRT”):

1. Information on cash and the account of the CBRT:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Cash	271.537	113.158	307.316	125.231
CBRT	1.564.585	1.731.629	1.549.860	2.095.114
Other	-	1.298	-	3.164
<b>Total</b>	<b>1.836.122</b>	<b>1.846.085</b>	<b>1.857.176</b>	<b>2.223.509</b>

2. Information on the account of the CBRT:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Demand Unrestricted Amount	224	459.190	283	570.264
Time Unrestricted Amount	-	-	-	-
Reserve Requirement	1.564.361	1.272.439	1.549.577	1.524.850
<b>Total</b>	<b>1.564.585</b>	<b>1.731.629</b>	<b>1.549.860</b>	<b>2.095.114</b>

3. Information on reserve requirements:

In accordance with the “Communiqué Regarding the Reserve Requirements” numbered 2005/1, issued by the CBRT, the banks operating in Turkey are supposed to place reserves in the CBRT at a rate of 6% for their YTL liabilities and 11% as USD and/or EUR for their foreign currency liabilities. The CBRT makes quarterly interest payments over the reserve requirements based on the interest rates set. As of 30 September 2007 the corresponding interest rates are 12,93% for YTL, 2,33% for USD and 1,70% for EUR reserves.

b. Information on financial assets at fair value through profit or loss:

1. As of 30 September 2007, financial assets at fair value through profit or loss subject to repo transactions amount to YTL105.791 thousand (31 December 2006: YTL195.994 thousand), and those given as collateral/blocked amount to YTL1 thousand (31 December 2006: YTL14.358 thousand).

2. Positive differences related to trading derivative financial assets:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Forward Transactions	36.047	4.132	34.413	3.311
Swap Transactions	352	5.628	37.687	1.744
Futures Transactions	-	-	-	-
Options	-	497	-	-
Other	-	-	-	-
<b>Total</b>	<b>36.399</b>	<b>10.257</b>	<b>72.100</b>	<b>5.055</b>

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**c. Information on banks and other financial institutions:**

1. Information on banks and other financial institutions:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Banks	38.795	1.905.771	7.306	1.955.988
Domestic	6.860	12.082	7.298	226
Foreign	31.935	1.893.689	8	1.955.762
Head Quarters and Branches Abroad	-	-	-	-
Other Financial Institutions	-	-	91	-
<b>Total</b>	<b>38.795</b>	<b>1.905.771</b>	<b>7.397</b>	<b>1.955.988</b>

**d. Information on available-for-sale financial assets:**

1. Characteristics and carrying values of available-for-sale financial assets given as collateral:

As of 30 September 2007, available-for-sale financial assets given as collateral/blocked amount to YTL4.592 thousand (31 December 2006: YTL21.113 thousand). There are no available-for-sale financial assets subject to repo transactions (31 December 2006: None).

2. Information on available-for-sale financial assets:

	30 September 2007	31 December 2006
Debt Securities	166.361	49.660
Quoted to Stock Exchange (*)	166.361	49.660
Not Quoted	-	-
Share Certificates	63.094	58.822
Quoted to Stock Exchange	-	-
Not Quoted	63.094	58.822
Impairment Provision (-)	(42.301)	(42.747)
Other (**)	53.669	46.103
<b>Total</b>	<b>240.823</b>	<b>111.838</b>

(\*) As of 30 September 2007, even though Eurobonds amounting to YTL7.748 thousand (31 December 2006: YTL15.104 thousand) are not quoted on stock exchanges, they are classified as such according to current sector practice as they are traded in secondary markets.

(\*\*) As of 30 September 2007, other available-for-sale financial assets include mutual funds amounting to YTL43.529 thousand (31 December 2006: YTL46.103 thousand) and other countries' bonds amounting to YTL10.140 thousand (31 December 2006: None).

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

e. Explanations on loans:

1. Information on all types of loans or advance balances given to shareholders and employees of the Bank:

	30 September 2007		31 December 2006	
	Cash	Non-cash	Cash	Non-cash
<b>Direct Loans Granted To Shareholders</b>	-	-	89	224
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	89	224
<b>Indirect Loans Granted To Shareholders</b>	310.705	489.518	379.531	731.251
<b>Loans Granted To Employees</b>	51.826	-	45.343	-
<b>Total</b>	<b>362.531</b>	<b>489.518</b>	<b>424.963</b>	<b>731.475</b>

2. Information on the first and second group loans, other receivables and loans that have been restructured or rescheduled and other receivables:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
<b>Cash Loans</b>				
<b>Non-Specialised Loans</b>	<b>23.799.422</b>	<b>299.745</b>	<b>778.594</b>	<b>14.674</b>
Discount and Purchase Notes	201.149	-	13	-
Export Loans	2.226.731	5.960	27.732	-
Import Loans	-	-	-	-
Loans Granted To Financial Sector	384.729	-	-	-
Foreign Loans	44.387	200.278	-	-
Consumer Loans	3.198.158	-	182.512	-
Credit Cards	5.831.931	-	351.716	-
Precious Metal Loans	122.614	-	-	-
Other	11.789.723	93.507	216.621	14.674
<b>Specialised Loans</b>	-	-	-	-
<b>Other Receivables</b>	-	-	-	-
<b>Total</b>	<b>23.799.422</b>	<b>299.745</b>	<b>778.594</b>	<b>14.674</b>

The Bank’s cash risk balance to Çukurova Group in the scope of Financial Restructuring Agreement (“FRA”) amounted to USD227.629.379 (YTL268.534 thousand) (31 December 2006: USD752.945.836 (YTL1.037.333 thousand)) as of 30 September 2007, which is classified under “Standard Loans and Other Receivables that have been restructured or rescheduled”. The annual interest rate for the remaining portion of the Çukurova Group risk per the “FRA Modification Agreement” is identified as Libor+2,5 and the maturity of the last payment is 30 September 2015. According to the “Pledge Agreement” signed between the Bank, Çukurova Holding A.Ş. (“Çukurova Holding”) and Çukurova Investments N.V. (“Çukurova Investments”) on 28 September 2005, the Bank has a continuous pledge on 2,73% of Turkcell İletişim Hizmetleri A.Ş. (“Turkcell”) shares of Çukurova Holding and Çukurova Investments in relation to the Çukurova Group loans repayment liability. The fair value of those Turkcell collaterals amounts to approximately YTL563.646 thousand as of 30 September 2007.

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3. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short- term	Medium and Long-term	Total
<b>Consumer Loans-YTL</b>	<b>137.594</b>	<b>2.992.549</b>	<b>3.130.143</b>
Real estate loans	6.277	1.823.600	1.829.877
Automotive loans	13.159	435.982	449.141
Consumer loans	27.894	98.548	126.442
Other	90.264	634.419	724.683
<b>Consumer Loans-FC Indexed</b>	<b>3.062</b>	<b>150.931</b>	<b>153.993</b>
Real estate loans	813	118.265	119.078
Automotive loans	871	17.944	18.815
Consumer loans	30	33	63
Other	1.348	14.689	16.037
<b>Consumer Loans-FC</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards-YTL</b>	<b>5.602.804</b>	<b>438.648</b>	<b>6.041.452</b>
With instalments	2.460.889	438.648	2.899.537
Without instalments	3.141.915	-	3.141.915
<b>Individual Credit Cards- FC</b>	-	-	-
With instalments	-	-	-
Without instalments	-	-	-
<b>Personnel Loans-YTL</b>	<b>4.875</b>	<b>16.239</b>	<b>21.114</b>
Real estate loans	2	1.848	1.850
Automotive loans	56	622	678
Consumer loans	188	215	403
Other	4.629	13.554	18.183
<b>Personnel Loans-FC Indexed</b>	<b>12</b>	<b>332</b>	<b>344</b>
Real estate loans	-	261	261
Automotive loans	-	11	11
Consumer loans	-	-	-
Other	12	60	72
<b>Personnel Loans-FC</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-YTL</b>	<b>29.386</b>	<b>1.581</b>	<b>30.967</b>
With instalments	14.764	1.581	16.345
Without instalments	14.622	-	14.622
<b>Personnel Credit Cards-FC</b>	-	-	-
With instalments	-	-	-
Without instalments	-	-	-
<b>Credit Deposit Account-YTL (Real Person)</b>	<b>75.076</b>	-	<b>75.076</b>
<b>Credit Deposit Account-FC (Real Person)</b>	-	-	-
<b>Total</b>	<b>5.852.809</b>	<b>3.600.280</b>	<b>9.453.089</b>

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4. Information on commercial instalment loans and corporate credit cards:

	Short-term	Medium and long-term	Total
<b>Commercial Instalments Loans- YTL</b>	<b>208.527</b>	<b>1.697.704</b>	<b>1.906.231</b>
Business Loans	5.639	215.531	221.170
Automotive Loans	50.618	999.219	1.049.837
Consumer Loans	-	-	-
Other	152.270	482.954	635.224
<b>Commercial Instalments Loans- FC Indexed</b>	<b>22.686</b>	<b>159.032</b>	<b>181.718</b>
Business Loans	24	11.016	11.040
Automotive Loans	3.323	81.025	84.348
Consumer Loans	-	-	-
Other	19.339	66.991	86.330
<b>Commercial Instalments Loans- FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Corporate Credit Cards-YTL</b>	<b>111.063</b>	<b>165</b>	<b>111.228</b>
With instalment	16.891	165	17.056
Without instalment	94.172	-	94.172
<b>Corporate Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With instalment	-	-	-
Without instalment	-	-	-
<b>Credit Deposit Account-YTL (Legal Person)</b>	<b>95.059</b>	<b>-</b>	<b>95.059</b>
<b>Credit Deposit Account-FC (Legal Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>437.335</b>	<b>1.856.901</b>	<b>2.294.236</b>

5. Distribution of domestic and foreign loans: Distribution has been disclosed based on the location where the customers operate.

	30 September 2007	31 December 2006
Domestic loans	24.647.770	21.398.737
Foreign loans	244.665	793.386
<b>Total</b>	<b>24.892.435</b>	<b>22.192.123</b>

6. Loans granted to investments in associates and subsidiaries:

	30 September 2007	31 December 2006
Direct loans granted to investments in associates and subsidiaries	28.483	24.145
Indirect loans granted to investments in associates and subsidiaries	-	-
<b>Total</b>	<b>28.483</b>	<b>24.145</b>

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7. Specific provisions provided against loans:

	30 September 2007	31 December 2006
Loans and other receivables with limited collection ability	22.512	25.098
Loans and other receivables with doubtful collection ability	124.665	87.664
Uncollectible loans and other receivables	1.306.946	1.289.255
<b>Total</b>	<b>1.454.123</b>	<b>1.402.017</b>

8. Information on non-performing loans (Net) :

8(i). Information on non-performing loans and other receivables restructured or rescheduled:

	III. Group Loans and other receivables with limited collection ability	IV. Group Loans and other receivables with doubtful collection ability	V. Group Uncollectible loans and other receivables
<b>30 September 2007</b>			
(Gross amounts before specific reserves)	97	2.252	188.039
Restructured loans and other receivables	97	2.252	188.039
Rescheduled loans and other receivables	-	-	-
<b>31 December 2006</b>			
(Gross amounts before the specific reserves)	455	1.110	221.192
Restructured loans and other receivables	455	1.110	221.192
Rescheduled loans and other receivables	-	-	-

8(ii). Information on the movement of total non-performing loans:

	III. Group Loans and other receivables with limited collection ability	IV. Group Loans and other receivables with doubtful collection ability	V. Group Uncollectible loans and other receivables
<b>31 December 2006</b>	<b>138.198</b>	<b>139.901</b>	<b>1.435.941</b>
Additions (+)	442.657	39.210	33.564
Transfers from other categories of non-performing loans (+)	-	399.652	297.103
Transfers to other categories of non-performing loans (-)	399.652	297.103	-
Collections (-)	60.420	57.389	241.084
Write-offs (-)	-	4	104.823
<b>30 September 2007</b>	<b>120.783</b>	<b>224.267</b>	<b>1.420.701</b>
Special Provision (-)	22.512	124.665	1.306.946
<b>Net Balance on balance sheet</b>	<b>98.271</b>	<b>99.602</b>	<b>113.755</b>

8(iii). Information on non-performing loans granted as foreign currency loans: None.

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**f. Information on held-to-maturity investments:**

1. Information on government debt securities held-to-maturity :

	<b>30 September 2007</b>	<b>31 December 2006</b>
Government Bond	12.186.558	12.705.554
Treasury Bill	-	-
Other debt securities(*)	-	3.174.345
<b>Total</b>	<b>12.186.558</b>	<b>15.879.899</b>

(\*) Other debt securities represent the debt securities that are issued by foreign countries.

2. Information on investment securities held-to-maturity:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Debt Securities	12.217.901	15.883.387
Quoted to Stock Exchange (*)	12.055.484	15.737.531
Not Quoted	162.417	145.856
Impairment Provision (-)	(31.343)	(3.488)
<b>Total</b>	<b>12.186.558</b>	<b>15.879.899</b>

(\*) Even though Eurobonds are not quoted on stock exchanges, they are classified as such according to current sector practice as they are traded in secondary markets.

3. Movement of held-to-maturity investments within the year:

	<b>30 September 2007</b>	<b>31 December 2006</b>
<b>Beginning balance</b>	<b>15.879.899</b>	<b>4.162.401</b>
FC differences on monetary assets	(850.231)	(831.228)
Transfers from Koçbank due to legal merger	-	5.038.780
Purchases during year	2.707.632	7.949.578
Disposals through sales and redemptions	(5.522.887)	(437.708)
Impairment provision (-)	(27.855)	(1.924)
<b>Period end balance</b>	<b>12.186.558</b>	<b>15.879.899</b>

4. Characteristics and carrying values of held-to-maturity investments given as collateral:

As of 30 September 2007, held-to-maturity investments given as collateral amount to YTL1.163.816 thousand (31 December 2006: YTL1.254.568 thousand). Held-to-maturity investments subject to repo transactions amount to YTL1.116.952 thousand (31 December 2006: YTL3.497.368 thousand).

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g. Information on investments in associates (Net):

1. General information on unconsolidated investments in associates:

No	Description	Address (City/ Country)	Bank's share percentage if different voting percentage (%)	Bank's risk group share percentage(%)
1	Banque de Commerce et de Placements S.A. (*)	Geneva/ Switzerland	30.67	30.67
2	Kredi Kayıt Bürosu	Istanbul/ Turkey	18.18	18.18

(\*) Financial statement information in Note-II. below are disclosed in thousands of CHF.

2. Main financial figures of the investments in associates in the order of the above table:

No	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Market value
1	2.317.991	132.878	2.469	69.353	4.632	18.574	16.877	-
2	19.433	15.163	1.920	1.882	334	2.894	2.671	-

3. Movement of unconsolidated investments in associates :

	30 September 2007	31 December 2006
<b>Balance at the beginning of the period</b>	<b>46.932</b>	<b>55.684</b>
<b>Movements during the period</b>	<b>(870)</b>	<b>(8.752)</b>
Purchases	-	-
Transfers from Koçbank due to legal merger	-	2.003
Transfers	-	(2.657)
Bonus shares obtained	-	-
Dividends from current year income	-	-
Sales	-	(7.400)
Revaluation (decrease)/increase	-	-
Impairment provision	(870)	(698)
<b>Balance at the end of the period</b>	<b>46.062</b>	<b>46.932</b>
<b>Capital Commitments</b>	-	-
<b>Share percentage at the end of the period (%)</b>	-	-

4. Information on sectors and the carrying amounts of unconsolidated investments in associates:

	30 September 2007	31 December 2006
Banks	43.404	43.404
Insurance Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Investments	2.658	3.528
<b>Total Financial Investments</b>	<b>46.062</b>	<b>46.932</b>



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5. Valuation of unconsolidated investments in associates:

	30 September 2007	31 December 2006
Valuation with cost	46.062	46.932
Valuation with fair value	-	-
Valuation with equity method	-	-
<b>Total</b>	<b>46.062</b>	<b>46.932</b>

6. The Bank has no investments in associates quoted on a stock exchange.

**h. Information on subsidiaries (Net):**

1. Information on subsidiaries:

No	Description	Address (City/ Country)	Bank's share percentage if different voting percentage (%)	Bank's risk group share percentage (%)
1	Yapı Kredi Portföy Yönetimi A.Ş. (Yapı Kredi Portföy)	Istanbul/Turkey	12,65	99,99
2	Yapı Kredi Holding B.V. (*)	Amsterdam/The Netherlands	100,00	100,00
3	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Istanbul/ Turkey	64,70	100,00
4	Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San.A.Ş.	Istanbul/ Turkey	100,00	100,00
5	Yapı Kredi Faktoring A.Ş.	Istanbul/ Turkey	40,48	100,00
6	Yapı Kredi Moscow (**)	Moscow/Russia	99,84	100,00
7	Yapı Kredi Bank Deutschland A.G. (*)	Frankfurt/Germany	65,42	100,00
8	Yapı Kredi Sigorta A.Ş.	Istanbul/Turkey	74,01	93,94
9	Yapı Kredi Finansal Kiralama A.O.	Istanbul/Turkey	25,74	99,58
10	Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı A.Ş. (***)	Istanbul/ Turkey	30,45	30,45
11	Yapı Kredi Yatırım Ortaklığı A.Ş.	Istanbul/ Turkey	11,09	56,07
12	Enternasyonal Turizm Yatırım A.Ş. (****)	Istanbul/ Turkey	99,96	100,00
13	Azur Tourism Investment NV (**)	Caracua/ Netherlands Antilles	100,00	100,00

(\*) Financial statement information is expressed in EUR thousands in Note 2  
As explained in details in Note VIII. of Section Five, it has been decided to sell Yapı Kredi Bank Deutschland A.G. to Avenue Europe Investments LP in accordance with the purchase-sale agreement that would be subject to the transaction between the buyer and the seller.

(\*\*) Financial statement information is expressed in USD thousands in Note 2

(\*\*\*) Information on financial figures in Note 2 below was obtained from the financial statements at 30 June 2007.

(\*\*\*\*) Extraordinary General Assembly related with the taking over of Bayındırlık İşleri A.Ş. and Akdeniz Marmara Turizm ve Ticaret A.Ş by Enternasyonal Turizm Yatırım A.Ş was held on 5 February 2007 and the merger was registered on 8 February 2007.

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2. Main financial figures of the subsidiaries in order of the above table:

No	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income From Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Market value(*)
1	62.041	50.356	476	5.909	2.123	31.999	1.712	-
2	50.938	50.916	-	14	-	2.460	3.496	-
3	310.502	220.537	16.613	22.041	8.249	44.825	15.259	-
4	7.502	6.119	117	73	-	80	335	-
5	1.095.229	102.179	469	77.152	-	14.752	2.066	-
6	203.182	58.324	7.503	10.570	2.042	5.458	4.057	-
7	57.677	45.762	88	1.788	429	(169)	(12.700)	-
8	588.505	233.306	32.097	21.711	14.884	22.950	4.376	984.000
9	2.399.018	520.973	808	190.045	-	97.979	83.581	1.450.531
10	258.680	111.642	4.246	749	271	12.632	1.974	175.200
11	58.234	58.059	21	1.643	1.591	11.233	2.068	32.053
12	40.452	(317)	12.620	1.415	1.446	(35.873)	(49.909)	-
13	18.154	18.154	-	-	-	65	-	-

(\*) Calculated with the ISE market prices as of 30 September 2007 considering the total number of shares.

3. Movement schedules of subsidiaries:

	30 September 2007	31 December 2006
<b>Balance at the beginning of the period</b>	<b>791.219</b>	<b>693.764</b>
<b>Movements during the period</b>	<b>(20.518)</b>	<b>97.455</b>
Purchases (*)	30.653	97.910
Transfers	-	4.470
Bonus shares obtained	-	697
Dividends from current year income	-	-
Sales	-	-
Revaluation (decrease) / increase	-	-
Impairment provision	(51.171)	(5.622)
<b>Balance at the end of the period</b>	<b>770.701</b>	<b>791.219</b>
<b>Capital commitments</b>	-	-
<b>Share percentage at the end of the period (%)</b>	-	-

(\*) 18.345.746 shares of Yapı Kredi Portföy with a value of USD19.521.380 and the 289.468,32 shares of Yapı Kredi Finansal Kiralama with a total amount of YTL1.088.562,64 that were in the Yapı Kredi Emeklilik portfolio have been purchased by the Bank at 1 May 2007.

4. Sectoral information on financial subsidiaries and the related carrying amounts :

Subsidiaries	30 September 2007	31 December 2006
Banks	109.649	107.679
Insurance Companies	148.016	148.016
Factoring Companies	38.782	38.782
Leasing Companies	115.411	114.321
Finance Companies	-	-
Other Financial Subsidiaries	303.380	277.486
<b>Total Financial Subsidiaries</b>	<b>715.238</b>	<b>686.284</b>

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5. Subsidiaries quoted to stock exchange:

	30 September 2007	31 December 2006
Quoted to domestic stock exchanges	297.157	296.069
Quoted to foreign stock exchanges	-	-

**i. Information on hedging derivative financial assets:**

1. Positive differences related to the hedging derivative financial assets:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Fair Value Hedge	676	658	-	-
Cash Flow Hedge	-	-	-	-
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>676</b>	<b>658</b>	-	-

**j. Information on intangible assets:**

<b>31 December 2006</b>	<b>1.152.548</b>
Additions due to Mergers, Transfers and Acquisitions	-
Amounts due to Cost Distribution of Merger (*)	-
Additions during the Period	8.292
Unused and Disposed Items (-)	-
Impairment Charges on Income Statement (-)	-
Amortisation Expenses (-)	(22.073)
<b>30 September 2007</b>	<b>1.138.767</b>

Koçbank acquired 57,42% of the shares of Yapı Kredi Bank’s as of 28 September 2005. As a result of the acquisition transaction, the cost of the acquisition exceeding the fair value of acquired identifiable assets, liabilities and commitments is accounted as goodwill which amounts to YTL979.493 thousand.

Information on the acquisition of net assets related with Yapı Kredi Bank and the related information on the goodwill calculation is as follows:

Paid cash	1.925.965
Direct costs attributable to acquisition	42.054
<b>Total cost of acquisition</b>	<b>1.968.019</b>
Net assets acquired	988.526
<b>Goodwill</b>	<b>979.493</b>

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Fair value amounts of assets and liabilities from the acquisition are as follows:

	<b>28 September 2005</b>
Cash and the CBRT, Banks and Money Market	3.659.118
Marketable Securities	7.658.504
Loans	10.914.241
Property, Equipment and Intangible Assets	1.454.959
Amounts due to Cost Distribution of Merger (*)	163.084
Other Receivables and Other Assets	1.696.557
Deposits	(16.443.350)
Borrowings and Money market	(3.195.687)
Other Liabilities	(4.185.850)
<b>Addition to Net Assets</b>	<b>1.721.576</b>

(\*) Koçbank, assigned a consultancy firm for the valuation of intangible assets determined as a credit card trademark, customer base and relationship that can be measured reliably and for which the future economic benefit is embodied in the asset. In line with the report dated 13 February 2006 the Bank recognised YTL163.084 thousand of intangible assets in its unconsolidated financial statements. Identified intangible assets are amortised using the straight-line method over their useful lives, which have been assessed as 10 years. As of 30 September 2007, the net book value of these intangible assets amounts to YTL130.468 thousand.

**k. Information on deferred tax asset:**

	<b>30 September 2007</b>		<b>31 December 2006</b>	
	<b>Tax Base</b>	<b>Deferred Tax</b>	<b>Tax Base</b>	<b>Deferred Tax</b>
Reserves for employment termination benefit	119.851	23.970	148.292	29.658
Provision for pension fund	574.029	114.806	483.281	96.656
Trading derivative financial liabilities	248.610	49.722	23.231	4.646
Impairment on immovables	425.291	85.058	576.027	115.205
Subsidiaries, investment in associates and share certificates	87.123	17.425	76.333	15.267
Other	185.302	37.060	138.221	27.645
<b>Total deferred tax asset</b>	<b>1.640.206</b>	<b>328.041</b>	<b>1.445.385</b>	<b>289.077</b>
Trading derivative financial assets	47.990	9.598	66.167	13.233
Valuation difference of securities portfolio	66.850	15.714	110.981	24.061
Property, equipment and intangibles , net	484.870	72.811	591.768	94.189
Other	2.010	402	-	-
<b>Total deferred tax liability</b>	<b>601.720</b>	<b>98.525</b>	<b>768.916</b>	<b>131.483</b>
<b>Deferred Tax Asset, net</b>	<b>1.038.486</b>	<b>229.516</b>	<b>676.469</b>	<b>157.594</b>

**l. Information on other assets:**

As of 30 September 2007, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

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**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES**

**a. Information on deposits:**

1. Information on maturity structure of deposits/collected funds:

1(i). 30 September 2007:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months- 1 year	1 year and over
Saving Deposits	909.381	-	1.808.297	8.310.981	213.370	24.599	62.073
Foreign Currency Deposits	2.819.993	-	4.092.913	4.125.584	753.925	188.582	987.005
Residents in Turkey	2.712.737	-	3.815.555	3.899.045	718.012	170.615	898.198
Residents Abroad	107.256	-	277.358	226.539	35.913	17.967	88.807
Public Sector Deposits	71.326	-	30.563	136.669	-	104.309	3
Commercial Deposits	1.012.076	-	1.956.087	2.879.145	245.836	7.725	94.471
Other Institutions Deposits	16.050	-	10.088	282.395	400	99	252
Gold Vault	53.042	-	275	1.641	1.654	904	8.413
Bank Deposits	162.189	-	31.604	386	6.492	103.149	3.073
The CBRT	1	-	-	-	-	-	-
Domestic Banks	63.504	-	-	-	-	3.018	-
Foreign Banks	89.296	-	31.604	386	6.492	100.131	3.073
Special Financial Institutions	9.388	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>5.044.057</b>	<b>-</b>	<b>7.929.827</b>	<b>15.736.801</b>	<b>1.221.677</b>	<b>429.367</b>	<b>1.155.290</b>

1(ii). 31 December 2006:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months- 1 year	1 year and over
Saving Deposits	832.569	-	2.501.374	5.984.533	240.647	17.653	68.195
Foreign Currency Deposits	3.099.672	-	3.478.312	6.234.730	945.431	241.899	597.265
Residents in Turkey	3.014.434	-	3.340.963	5.838.622	866.036	225.797	529.805
Residents Abroad	85.238	-	137.349	396.108	79.395	16.102	67.460
Public Sector Deposits	9.115	-	44.113	9.710	6.603	-	37
Commercial Deposits	935.225	-	2.280.723	2.408.194	54.068	959	1.823
Other Institutions Deposits	63.553	-	23.694	253.088	5.463	87	204
Gold Vault	151.312	-	101.452	456	246	444	590
Bank Deposits	72.036	-	253.054	20.121	6.889	-	-
The CBRT	-	-	-	-	-	-	-
Domestic Banks	6.616	-	252.508	15.879	2.067	-	-
Foreign Banks	46.687	-	546	4.242	4.822	-	-
Special Financial Institutions	18.733	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Accrued Interest on Deposits	4.647	-	137.130	30.941	4.128	4.383	503
<b>Total</b>	<b>5.168.129</b>	<b>-</b>	<b>8.819.852</b>	<b>14.941.773</b>	<b>1.263.475</b>	<b>265.425</b>	<b>668.617</b>

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2. Information on saving deposits insurance:

2(i). Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
<b>Saving Deposits</b>				
Saving Deposits	5.587.769	4.970.931	5.711.780	4.749.385
Foreign Currency Savings Deposit	2.752.917	3.058.148	5.168.141	5.209.910
Other Deposits in the Form of Savings deposits	5.507	5.893	51.439	90.317
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-

2(ii). Saving deposits, which are not under the guarantee of the saving deposits insurance fund:

	30 September 2007	31 December 2006
Saving Deposits in Foreign Branches	-	-
Saving Deposits in Off-shore Banking Regions	106.557	158.746
<b>Total</b>	<b>106.557</b>	<b>158.746</b>

**b. Information on trading derivative financial liabilities :**

Schedule of negative differences concerning trading derivative financial liabilities:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Forward Transactions	38.752	1.397	11.542	2.154
Swap Agreements	165.476	-	9.519	449
Futures Transactions	-	-	-	-
Options	-	69	-	-
Other	-	-	-	-
<b>Total</b>	<b>204.228</b>	<b>1.466</b>	<b>21.061</b>	<b>2.603</b>

**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	193.604	119.429	176.640	188.672
From Foreign Banks, Institutions and Funds	17.074	4.032.453	8.584	4.183.889
Accrued Interest Expense of Banks and Other Financial Institutions	-	-	7.161	34.797
<b>Total</b>	<b>210.678</b>	<b>4.151.882</b>	<b>192.385</b>	<b>4.407.358</b>

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2. Information on maturity structure of borrowings :

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Short-term	210.678	1.242.944	185.224	2.447.116
Medium and Long-term	-	2.908.938	-	1.925.445
Accrued Interest on Borrowings	-	-	7.161	34.797
<b>Total</b>	<b>210.678</b>	<b>4.151.882</b>	<b>192.385</b>	<b>4.407.358</b>

3. Repayment schedule of securitisation credits:

The Bank has a securitisation borrowing deal from Standard Chartered Bank and Unicredit Markets and Investment Banking amounting to YTL1.576.995 thousand using Yapı Kredi Diversified Payment Rights Finance Company (“Special Purpose Entity”) as an intermediary and Assured Guarantee, MBIA, Radian, Ambac, FGIC and XL Capital as guarantors. The interest rate of this borrowing ranges between Euribor/Libor+ 0,18% and 0,35%, and the maturity ranges between 7 and 8 years; the repayments will begin in the first period of 2010.

	30 September 2007	31 December 2006
2008	-	32.853
2009	-	131.411
2010	295.640	383.074
2011	319.989	383.074
2012	319.989	251.662
2013	319.989	251.662
2014	286.073	212.054
2015	24.349	-
Interest Expense Accrual	10.966	4.216
<b>Total</b>	<b>1.576.995</b>	<b>1.650.006</b>

**d. Information on other foreign liabilities:**

As of 30 September 2007, other foreign liabilities do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

**e. Information on financial leasing agreements:**

The contingent rent instalments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts have no conditions which cause significant commitments for the Bank.

	30 September 2007		31 December 2006	
	Gross	Net	Gross	Net
Less than 1 year	15.669	15.189	19.338	18.674
Between 1-4 years	50	14	119	115
More than 4 years	-	-	-	-
<b>Total</b>	<b>15.719</b>	<b>15.203</b>	<b>19.457</b>	<b>18.789</b>

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**f. Information on hedging derivative financial liabilities:**

1. Negative differences related to the hedging derivative financial liabilities:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Fair Value Hedge	42.916	-	-	-
Cash Flow Hedge	-	-	-	-
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>42.916</b>	<b>-</b>	<b>-</b>	<b>-</b>

**g. Information on provisions:**

1. Information on general provisions:

	30 September 2007	31 December 2006
Provisions for Group I loans and receivables	434.192	430.929
Provisions for Group II loans and receivables	90.203	97.214
Provisions for non cash loans	84.469	102.806
Other	17.857	16.033
<b>Total</b>	<b>626.721</b>	<b>646.982</b>

2. Information on reserve for employment termination benefits:

In accordance with Turkish Labour Law, the reserve for employment termination benefits is calculated over today’s possible liability of the Bank in case of the retirement of employees. TAS 19 necessitates the actuarial valuation methods to calculate the liabilities of enterprises.

Following actuarial assumptions were used in the calculation of total liabilities.

	30 September 2007	31 December 2006
Discount rate (%)	5,71	5,71
The Rate Used Related to Retirement Expectation (%)	96,24	96,50

The principal actuarial assumption is that the maximum liability of YTL2.030,19 will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of YTL2.030,19 (31 December 2006:YTL1.857,44) effective from 1 June 2007 has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefits liability in the balance sheet:

	30 September 2007	31 December 2006
<b>Prior period ending balance</b>	<b>94.345</b>	<b>72.230</b>
Transfer from Koçbank due to Legal Merger	-	9.923
Provisions recognised during the period	(1.413)	21.146
Paid during the period	(9.084)	(8.954)
<b>Balance at the end of the period</b>	<b>83.848</b>	<b>94.345</b>

In addition, the Bank has accounted for vacation rights provision amounting to YTL36.003 thousand as of 30 September 2007 (31 December 2006 : YTL53.947 thousand).



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3. Other provisions:

	30 September 2007	31 December 2006
Pension fund provision (*)	574.029	483.281
Tax risk provision (**)	39.276	63.662
Non-cash loan provision	48.876	57.666
Provisions on credit cards and promotion campaigns related to banking services	27.099	53.441
Provision on export commitment estimated liability	39.021	39.365
Legal risk provision (**)	11.565	12.476
Other	90.855	99.186
<b>Total</b>	<b>830.721</b>	<b>809.077</b>

(\*) The Bank obtained an actuarial report from a registered actuary regarding this Fund in accordance with the decree related to principles and procedures on determining the application of transfer transactions published in the Official Gazette dated 15 December 2006, No 26377 determined by the decision of Council of Ministers No 2006/11345. Based on this decree, the actuarial balance sheet of the Fund has been prepared in accordance with a technical interest rate of 10,24% and CSO 1980 mortality table, and reflects a technical deficit of YTL 599.240 thousand as of 31 December 2006. The Bank will provide a full provision regarding the actuarial report by the end of the year 2007 and has provided a provision amounting to YTL574.029 thousand (31 December 2006: YTL483.281 thousand) in the financial statements as of 30 September 2007.

(\*\*) Considered as provisions for possible risks.

4. Information on provisions related with the foreign currency difference of foreign indexed loans:

As of 30 September 2007, the provision related to the foreign currency difference of foreign indexed loans amounts to YTL99.896 thousand (31 December 2006: YTL32.202 thousand).

**h. Information on taxes payable:**

(i) Information on taxes payable:

	30 September 2007	31 December 2006
Corporate Tax Payable	211.560	58.536
Taxation of Marketable Securities	65.836	41.971
Property Tax	605	651
Banking Insurance Transaction Tax (BITT)	24.280	25.584
Foreign Exchange Transaction Tax	3.988	3.122
Value Added Tax Payable	1.310	1.432
Other	12.189	11.818
<b>Total</b>	<b>319.768</b>	<b>143.114</b>

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(ii) Information on premium payables:

	30 September 2007	31 December 2006
Social Security Premiums – Employee	-	-
Social Security Premiums – Employer	-	-
Bank Pension Fund Premiums – Employee	-	-
Bank Pension Fund Premiums – Employer	-	-
Pension Fund Deposit and Provisions – Employee	5.105	-
Pension Fund Deposit and Provisions – Employer	6.097	-
Unemployment Insurance – Employee	363	341
Unemployment Insurance – Employer	725	684
Other	-	-
<b>Total</b>	<b>12.290</b>	<b>1.025</b>

**i. Information on subordinated loans:**

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1.775.495	-	1.559.258
From Other Foreign Institutions	-	-	-	-
<b>Total</b>	-	<b>1.775.495</b>	-	<b>1.559.258</b>

At 30 March 2006, Yapı Kredi obtained a subordinated loan amounting to EUR500 million, with 10 years maturity and a repayment option at the end of five years. The interest rate was determined as EURIBOR+2% for the first five years. The loan was obtained from Merrill Lynch Capital Corporation with UniCredito Italiano S.p.A. as guarantor. In addition, the subordinated loan obtained by Koçbank on 28 April 2006 amounting to EUR350 million, with 10 years maturity and a repayment option at the end of 5 years has been transferred to the Bank. The interest rate is determined as EURIBOR+2,25% for the first five years. The loan was obtained with decrees from Goldman Sachs International Bank with Unicredit S.p.A. as guarantor. In addition, the Bank obtained a subordinated loan on 25 June 2007 amounting to EUR200 million, with 10 years maturity and a repayment option at the end of 5 years. The interest rate is determined as EURIBOR+1,85% for the first 5 years. The loan was obtained from Citibank, N.A., London Branch with Unicredito Italiano SpA as guarantor. With the written approvals of the BRSA dated 3 April 2006, 2 May 2006 and 19 June 2007, the loans have been approved as subordinated loans and can be taken into consideration as supplementary capital within the limits of the “Capital Adequacy Regulation”.

**j. Information on shareholders’ equity:**

1. Presentation of paid-in capital (as nominal; inflation unadjusted balances):

	30 September 2007	31 December 2006
Common Stock	3.149.450	3.142.818
Preferred Stock	-	-

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2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling (As nominal; inflation unadjusted balances):

The Bank has paid-in-capital in an amount of YTL3.149.450 thousand and does not apply the registered share capital system.

3. Information on the share capital increases during the period and the sources:

Increase Date	Increase Amount	Cash	Profit Reserve Regarding Increase	Capital Reserve Regarding Increase
30 March 2007	6.632	-	6.632	-

In the General Assembly held at 29 March 2007 it was decided that the Bank's capital would increase by YTL6.632 through the addition of the recent gain from the subsidiaries' sale into the capital.

4. Information on transfers from revaluation funds to capital during the current period: None.
5. Information on capital commitments, until the end of the fiscal year and the subsequent interim period: None.
6. Information on privileges given to shares representing the capital by considering the banks income profitability, prior period indicators on liquidity and uncertainty on these indicators:

The interest, liquidity, and foreign exchange risk on on-balance sheet and off-balance sheet assets and liabilities are managed by the Bank within several risk and legal limits.

7. Privilege on the corporate stock: None.

**k. Information on marketable securities value increase fund:**

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	5.550	37.563	7.458	42.559
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>5.550</b>	<b>37.563</b>	<b>7.458</b>	<b>42.559</b>

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**III. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:**

**a. Information on interest income:**

**1. Information on interest income on loans:**

	30 September 2007		30 September 2006	
	YTL	FC	YTL	FC
Short-term Loans	1.898.053	127.731	1.256.214	47.365
Medium/Long-term Loans	576.013	236.662	254.029	166.370
Interest on Loans Under Follow-up	65.470	65	40.299	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total</b>	<b>2.539.536</b>	<b>364.458</b>	<b>1.550.542</b>	<b>213.735</b>

**2. Information on interest income on banks:**

	30 September 2007		30 September 2006	
	YTL	FC	YTL	FC
From the CBRT	-	-	-	2.424
From Domestic Banks	3.112	1.657	1.055	4.019
From Foreign Banks	4.787	57.753	826	27.913
Headquarters and Branches Abroad	-	-	-	50
<b>Total</b>	<b>7.899</b>	<b>59.410</b>	<b>1.881</b>	<b>34.406</b>

**3. Information on interest income on marketable securities:**

	30 September 2007		30 September 2006	
	YTL	FC	YTL	FC
From Trading Financial Assets	1.777	14.317	25.160	27.420
From Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	15.742	5.713	17.396	6.785
From Held-to-maturity investments	838.455	372.897	294.640	122.967
<b>Total</b>	<b>855.974</b>	<b>392.927</b>	<b>337.196</b>	<b>157.172</b>

**4. Information on interest income received from investments in associates and subsidiaries:**

	30 September 2007	30 September 2006
Interests Received From Investments in Associates and Subsidiaries	9.415	308

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**b. Information on interest expense:**

**1. Information on interest expense on borrowings:**

	30 September 2007		30 September 2006	
	YTL	FC	YTL	FC
Banks	22.539	176.761	11.484	91.223
The CBRT	-	-	-	-
Domestic Banks	21.061	6.851	5.876	6.484
Foreign Banks	1.478	169.910	1.898	84.715
Headquarters and Branches Abroad	-	-	3.710	24
Other Institutions	-	84.292	-	-
<b>Total</b>	<b>22.539</b>	<b>261.053</b>	<b>11.484</b>	<b>91.223</b>

**2. Information on interest expense given to investments in associates and subsidiaries:**

	30 September 2007	30 September 2006
Interests paid to Investments in Associates and Subsidiaries	13.004	3.094

**3. Maturity structure of the interest expense on deposits :**

Account Name	Demand Deposit	Time Deposit					Cumulative Deposit	Total
		Up to 1 month	Up to 3 Month	Up to 6 month	Up to 1 year	More than 1 year		
<b>YTL</b>								
Bank Deposits	965	7.620	73	-	776	776	-	10.210
Saving Deposits	2.227	292.331	1.011.422	27.760	2.361	7.744	-	1.343.845
Public Sector Deposits	-	9.172	7.012	487	4.309	4	-	20.984
Commercial Deposits	19.427	356.816	330.692	29.849	423	4.970	-	742.177
Other Deposits	-	6.902	15.997	190	10	26	-	23.125
Deposits With 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22.619</b>	<b>672.841</b>	<b>1.365.196</b>	<b>58.286</b>	<b>7.879</b>	<b>13.520</b>	<b>-</b>	<b>2.140.341</b>
<b>FC</b>								
Foreign Currency Deposits	6.037	129.132	137.604	25.204	6.950	21.876	-	326.803
Bank Deposits	-	56	4	167	2.542	-	-	2.769
Deposits With 7 Days Notification	-	-	-	-	-	-	-	-
Gold Vault	-	34	3	3	6	42	-	88
<b>Total</b>	<b>6.037</b>	<b>129.222</b>	<b>137.611</b>	<b>25.374</b>	<b>9.498</b>	<b>21.918</b>	<b>-</b>	<b>329.660</b>
<b>Grand Total</b>	<b>28.656</b>	<b>802.063</b>	<b>1.502.807</b>	<b>83.660</b>	<b>17.377</b>	<b>35.438</b>	<b>-</b>	<b>2.470.001</b>

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**c. Information on trading loss/income (Net):**

	30 September 2007	30 September 2006
<b>Income</b>	<b>5.907.079</b>	<b>1.206.936</b>
Income from Capital Market Transactions	2.880.628	937.086
Derivative Financial Transactions	2.854.394	896.237
Other	26.234	40.849
Foreign Exchange Gains	3.026.451	269.850
<b>Loss(-)</b>	<b>5.832.757</b>	<b>1.197.065</b>
Loss from Capital Market Transactions	2.944.094	886.252
Derivative Financial Transactions	2.896.899	858.426
Other	47.195	27.826
Foreign Exchange Loss	2.888.663	310.813
<b>Net Gain/Loss</b>	<b>74.322</b>	<b>9.871</b>

**d. Information on other operating income:**

Other operating income mainly consists of collections from loans that were provisioned in the previous years.

**e. Provision expenses related to loans and other receivables of the Bank:**

	30 September 2007	30 September 2006
Specific provisions for loans and other receivables	118.462	97.829
III. Group Loans and Receivables	2.737	8.301
IV. Group Loans and Receivables	17.171	10.696
V. Group Loans and Receivables	98.554	78.832
General Provision Expenses	10.740	123.052
Provision Expense for Possible Risks	4.810	-
Marketable Securities Impairment Expenses	-	3.394
Financial Assets at Fair Value Through Profit or Loss	-	176
Available-for-Sale Financial Assets	-	3.218
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	52.041	10.194
Investments in Associates	870	408
Subsidiaries	51.171	5.995
Joint Ventures	-	-
Held-to-maturity Investments	-	3.791
Other	-	301
<b>Total</b>	<b>186.053</b>	<b>234.770</b>

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**f. Information related to other operational expenses:**

	<b>30 September 2007</b>	<b>30 September 2006</b>
Personnel Expenses	573.975	341.414
Reserve For Employee Termination Benefits	-	1.695
Provision Expense for Pension Fund	90.747	116.206
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	102.243	82.826
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortisation Expenses of Intangible Assets	22.073	7.828
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	-
Depreciation Expenses of Assets Held for Resale	14.877	4.877
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	506.835	351.610
Operational Lease Expenses	40.060	14.445
Maintenance Expenses	16.488	14.655
Advertising Expenses	61.788	64.681
Other Expense	388.499	257.829
Loss on Sales of Assets (*)	187.423	615
Other	238.970	176.192
<b>Total</b>	<b>1.737.143</b>	<b>1.083.263</b>

(\*) In accordance with the Real Estate Wholesale Agreement explained in details in Section VI, as of 30 September 2007, YTL11.014 thousand profit has been realised. In accordance with Uniform Chart of Accounts, regarding the sales profit, YTL158.013 thousand has been accounted under “Other Operating Expenses” and YTL169.027 thousand has been accounted under “Other Operating Income”.

**g. Information on tax provision:**

As of 30 September 2007, the Bank has current tax expense amounting to YTL213.544 thousand (30 September 2006: YTL25.049 thousand) and deferred tax income amounting to YTL77.598 thousand (30 September 2006: YTL196.009 thousand deferred tax expense).

As of 30 September 2006, YTL122.762 thousand of the deferred tax is due to the decrease of the corporate tax rate from 30% to 20% based on the new Corporate Tax Law.

**h. Information on net income/loss for the period:**

To understand the Bank’s current year performance, the characteristics of income or expense items arising from common banking transactions, and the dimension and recurrence of these transactions are not required.

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**IV. EXPLANATIONS AND NOTES RELATED TO OFF-BALANCE SHEET ACCOUNTS**

**a. Information on off balance sheet commitments:**

1. The amount and type of non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments :

Commitments on credit cards limits are YTL9.654.275 thousand (31 December 2006: YTL8.163.986 thousand) and commitments for cheque books are YTL1.355.462 thousand (31 December 2006: YTL1.310.760 thousand).

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

There are no probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in “Off-balance sheet commitments”.

- 2(i). Non-cash loans including guarantees, bank avalized and acceptance loans, collaterals that are accepted as financial commitments and other letter of credits:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Bank acceptance loans	198.727	216.649
Letter of credits	2.089.167	2.535.802
Other guarantees	1.642.695	1.482.767
<b>Total</b>	<b>3.930.589</b>	<b>4.235.218</b>

- 2(ii). Revocable, irrevocable guarantees, contingencies and other similar commitments:

	<b>30 September 2007</b>	<b>31 December 2006</b>
Temporary letter of guarantees	601.175	645.865
Definite letter of guarantees	7.443.998	7.529.880
Advance letter of guarantees	1.621.632	1.564.355
Letter of guarantees given to customs	651.061	1.073.683
Other letter of guarantees	313.291	292.807
<b>Total</b>	<b>10.631.157</b>	<b>11.106.590</b>

- 3(i). Total amount of non-cash loans

	<b>30 September 2007</b>	<b>31 December 2006</b>
Non-cash Loans Given Against Cash Loans	193.144	291.750
With Original Maturity of 1 Year or Less Than 1 Year	34.015	75.127
With Original Maturity of More Than 1 Year	159.129	216.623
Other Non-cash Loans	14.368.602	15.050.058
<b>Total</b>	<b>14.561.746</b>	<b>15.341.808</b>



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3 (ii). Information on sectoral concentration of non-cash loans:

	30 September 2007				31 December 2006			
	YTL	(%)	FC	(%)	YTL	(%)	FC	(%)
<b>Agricultural</b>	<b>57.861</b>	<b>0,88</b>	<b>130.392</b>	<b>1,63</b>	<b>76.530</b>	<b>1,22</b>	<b>48.383</b>	<b>0,53</b>
Farming and Raising Livestock	40.893	0,62	124.710	1,56	59.239	0,95	43.824	0,48
Forestry	12.395	0,19	4.955	0,06	13.439	0,21	3.949	0,04
Fishing	4.573	0,07	727	0,01	3.852	0,06	610	0,01
<b>Manufacturing</b>	<b>2.562.390</b>	<b>39,04</b>	<b>3.456.577</b>	<b>43,22</b>	<b>2.355.731</b>	<b>37,41</b>	<b>4.048.609</b>	<b>44,78</b>
Mining	58.712	0,89	76.092	0,95	29.417	0,47	94.787	1,05
Production	2.427.036	36,98	3.090.577	38,64	2.278.549	36,18	3.617.516	40,00
Electric, Gas and Water	76.642	1,17	289.908	3,63	47.765	0,76	336.306	3,73
<b>Construction</b>	<b>1.540.939</b>	<b>23,47</b>	<b>1.744.704</b>	<b>21,82</b>	<b>1.461.235</b>	<b>23,20</b>	<b>1.773.148</b>	<b>19,60</b>
<b>Services</b>	<b>2.347.757</b>	<b>35,77</b>	<b>2.135.020</b>	<b>26,69</b>	<b>2.351.550</b>	<b>37,34</b>	<b>2.836.511</b>	<b>31,36</b>
Wholesale and Retail Trade	1.403.487	21,39	343.650	4,29	1.483.733	23,56	366.995	4,06
Hotel, Food and Beverage Services	78.815	1,20	86.024	1,08	70.874	1,13	91.289	1,01
Transportation and Telecommunication	305.143	4,65	480.865	6,01	236.576	3,76	604.485	6,68
Financial Institutions	359.099	5,47	702.285	8,78	328.983	5,22	1.145.333	12,66
Real Estate and Leasing Services	63.296	0,96	89.056	1,11	70.282	1,12	135.389	1,50
Self-Employment Services	-	-	-	-	-	-	-	-
Education Services	6.220	0,09	3.249	0,04	7.833	0,12	3.850	0,04
Health and Social Services	131.697	2,01	429.891	5,38	153.269	2,43	489.170	5,41
<b>Other</b>	<b>55.436</b>	<b>0,84</b>	<b>530.670</b>	<b>6,64</b>	<b>52.357</b>	<b>0,83</b>	<b>337.754</b>	<b>3,73</b>
<b>Total</b>	<b>6.564.383</b>	<b>100,00</b>	<b>7.997.363</b>	<b>100,00</b>	<b>6.297.403</b>	<b>100,00</b>	<b>9.044.405</b>	<b>100,00</b>

3(iii). Information on non-cash loans classified in I. and II. group:

	Group I		Group II	
	YTL	FC	YTL	FC
<b>Non-cash Loans</b>				
Letters of Guarantee	5.572.897	4.952.832	59.428	45.999
Bank Acceptances	-	191.192	-	7.534
Letters of Credit	734	2.072.712	-	15.721
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	931.324	701.646	-	9.727
<b>Total</b>	<b>6.504.955</b>	<b>7.918.382</b>	<b>59.428</b>	<b>78.981</b>

**b. Information on contingent liabilities:**

In this respect, several outstanding legal cases against the Bank have been considered as contingent liabilities and an YTL11.565 thousand provision against these legal cases has been accounted for in the financial statements under the “Other provisions” account.

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**V. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS**

**a. Information on cash and cash equivalent assets:**

1. Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as “Cash”; interbank money market and time deposits in banks with original maturities of less than three months are defined as “Cash Equivalents”.

2. Effect of a change on the accounting policies: None.
3. Reconciliation of cash and cash equivalent items with balance sheet and cash flow statements:

3(i). Cash and cash equivalents at the beginning of period:

	30 September 2007	30 September 2006
<b>Cash</b>	<b>1.432.961</b>	<b>537.364</b>
Cash and Effectives	344.620	256.465
Demand Deposits in Banks	1.088.341	280.899
<b>Cash Equivalents</b>	<b>1.787.175</b>	<b>2.412.141</b>
Interbank Money Market		640.000
Deposits in Bank	1.787.175	1.772.141
<b>Total Cash and Cash Equivalents</b>	<b>3.220.136</b>	<b>2.949.505</b>

The total amount from the operations occurring in the prior period is the total cash and cash equivalents amount at the beginning of the current period.

3(ii). Cash and cash equivalents at the end of the period:

	30 September 2007	30 September 2006
<b>Cash</b>	<b>1.175.284</b>	<b>542.119</b>
Cash and Effectives	385.993	217.967
Demand Deposits in Banks	789.291	324.152
<b>Cash equivalents</b>	<b>1.821.864</b>	<b>1.561.319</b>
Interbank Money Market		-
Time Deposits in Banks	1.821.864	1.561.319
<b>Total Cash and Cash Equivalents</b>	<b>2.997.148</b>	<b>2.103.438</b>

- b. Information on cash and cash equivalents that are not in use due to legal limitations and other reasons: None.

- c. The effects of the change in foreign exchange rates on cash and cash equivalents: None.

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**VI. EXPLANATIONS AND NOTES RELATED TO BANK’S MERGER, TRANSFERS AND  
COMPANIES ACQUIRED BY BANKS**

On 28 September 2005, the final version of the Share Purchase Agreement was signed between Çukurova Holding, various Çukurova Companies, Mehmet Emin Karamehmet and Koç Finansal Hizmetler A.Ş., Koçbank N.V., Koçbank regarding the sale of 57,42% of the shares of the Bank. With the signing of the agreement, the Share Purchase Agreement which was agreed on 8 May 2005 officially became valid. According to the agreement on 28 September 2005, 44,52% of the shares of Yapı Kredi owned by Çukurova companies amounting to a nominal YTL335.015 thousand and 12,90% of the shares of Yapı Kredi owned by Saving Deposit Insurance Fund amounting to a nominal YTL97.032 thousand were transferred to Koçbank.

Moreover, Koçbank purchased a further 9,09% of Yapı Kredi shares traded on the ISE and 0,79% of the shares under a foreign mutual fund in Yapı Kredi’s available-for-sale financial assets portfolio during April 2006 and as a result, the ownership of the Bank increased to 67,31%. The Bank recognised the difference between the acquisition cost and net asset acquired amount directly in the account of “Prior Years’ Income/Losses” under Equity, as it was considered as a transaction with minorities.

In addition, the approval of the BRSA with regard to the merger of Koçbank and Yapı Kredi through the transfer of Koçbank with all of its rights, receivables, liabilities and obligations to Yapı Kredi and the consequential dissolution of Koçbank without liquidation; and the transfer of all Koçbank’s rights, receivables, liabilities and obligations to Yapı Kredi in accordance with article 19 of the Banking Act and other relevant legislation was published in the Official Gazette dated 1 October 2006. Due to the merger and the consequential dissolution of Koçbank without liquidation, the record of Koçbank was erased from the trade registry as of 2 October 2006. The new capital of Yapı Kredi was registered with the Istanbul Commercial Registrar on 2 October 2006. Yapı Kredi’s current capital has increased from YTL1.896.662.493,80 to YTL3.142.818.454,10 and a distribution of the increased portion amounting to YTL1.246.155.960,30 has been made to the shareholders of the Bank, starting from 10 October 2006. The shareholders of the Bank have the right to purchase 0,5313538 units of Ykr1 nominal valued shares in exchange for each Ykr1 nominal valued Bank share.

After the merger, the share of KFH, which owned 99,78% shares of Koçbank, became 80,18% in the merged Bank.

The effects of the acquisition and legal merger transactions to the unconsolidated financial statements as of 30 September 2007 are explained in detail in Note XXII. of Section Three.

The effects of the related applications on the equity as of 31 December 2006 are disclosed below:

	<b>Paid-in Capital</b>	<b>Capital Reserves</b>	<b>Profit Reserves</b>	<b>Prior Year Income / (Loss)</b>	<b>Total Equity</b>
Transfer from Koçbank due to legal merger	2.345.246	36.053	343.184	-	2.724.483
The effects of uniting of interests method applied due to legal merger	(1.099.091)	-	-	(351.795)	(1.450.886)
<b>Total</b>	<b>1.246.155</b>	<b>36.053</b>	<b>343.184</b>	<b>(351.795)</b>	<b>1.273.597</b>

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As explained in Note XXII. of Section Three, the unconsolidated income statement as of 30 September 2007 is presented comparatively with the unconsolidated publicly announced financial statements of Yapı Kredi as of 30 September 2006. In order to provide further information to the readers of these financial statements, selected income statement items of the unconsolidated publicly announced financial statements of Koçbank and Yapı Kredi as of 30 September 2006 (after the application of TAS) are combined and presented below:

Selected income statement items	30 September 2007	30 September 2006
		Not Reviewed
Interest income	4.408.846	3.571.973
Interest expense	(2.957.928)	(2.264.980)
<b>Net interest income</b>	<b>1.450.918</b>	<b>1.306.993</b>
Net fee and commission income	725.592	629.339
Trading income/(loss)	74.322	37.235
Other operating income (including dividend income)	440.420	210.527
<b>Total operating income</b>	<b>2.691.252</b>	<b>2.184.094</b>
Provision for loan and other receivables	(186.053)	(266.613)
Other operating expenses	(1.737.143)	(1.362.400)
<b>Net operating income</b>	<b>768.056</b>	<b>555.081</b>
Tax provision	(135.946)	(168.040)
<b>Net profit/(loss) for the year</b>	<b>632.110</b>	<b>387.041</b>

**VII. EXPLANATIONS AND NOTES RELATED TO BANK’S RISK GROUP**

**a. The volume of transactions relating to the Bank’s risk group, outstanding loan and deposit transactions and profit and loss of the period:**

**1. 30 September 2007:**

Banks’ Risk Group (*)	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>	-	-	-	-	-	-
Balance at the Beginning of the Period	24.145	85.916	379.620	731.475	-	-
Balance at the End of the Period	28.483	113.712	310.705	489.518	-	-
<b>Interest and Commission Income Received</b>	<b>9.415</b>	<b>688</b>	<b>36.808</b>	<b>1.719</b>	-	-

(\*) Defined in the 49th article of subsection 2 of the Banking Act No.5411

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2. 31 December 2006:

Banks' Risk Group(*)	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non- Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	-	-	-	-	-	-
Balance at the Beginning of the Period	176.616	132.626	210.560	358.908	-	-
Balance at the End of the Period	24.145	85.916	379.620	731.475	-	-
<b>Interest and Commission Income Received (**)</b>	<b>308</b>	<b>376</b>	<b>10</b>	-	-	-

(\*) Defined in the 49th article of subsection 2 of the Banking Act No. 5411.

(\*\*) The amounts show the 30 September 2006 values.

3. Information on deposits of the Bank's risk group:

Banks' Risk Group(*)	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Deposit						
Beginning of the Period	145.912	180.120	3.134.323	107.017	-	-
End of the Period	180.499	145.912	2.292.716	3.134.323	-	-
<b>Interest Expense on Deposits (**)</b>	<b>13.004</b>	<b>3.094</b>	<b>207.520</b>	<b>6.409</b>	-	-

(\*) Defined in the 49th article of subsection 2 of the Banking Act No. 5411.

(\*\*) 31 December 2006 column shows the 30 September 2006 values.

4. Information on forward and option agreements and other derivative instruments with the Bank's risk group:

Banks' Risk Group(*)	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006	30 September 2007	31 December 2006
<b>Transactions at Fair Value Through Profit or Loss (**)</b>						
Beginning of the Period(***)	1.472	10.641	213.997	-	-	-
End of the Period (***)	768.526	1.472	255.712	213.997	-	-
<b>Total Profit / Loss (****)</b>	<b>18.194</b>	<b>1.243</b>	<b>313</b>	<b>(6.443)</b>	-	-
<b>Transactions for hedging purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
<b>Total Profit/Loss</b>	-	-	-	-	-	-

(\*) Defined in the 49th article of subsection 2 of the Banking Act No. 5411.

(\*\*) The Bank's derivative instruments are classified as "Financial Assets at Fair Value Through Profit or Loss" according to TAS 39.

(\*\*\*) The balances at the beginning and end of the periods are disclosed as the total of purchase and sell amounts of derivative financial instruments

(\*\*\*\*) 31 December 2006 column shows the 30 September 2006 values.

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IN TURKISH, SEE NOTE I. OF SECTION THREE**

**YAPI VE KREDİ BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira (“YTL”).)

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**b. With respect to the Bank’s risk group:**

1. The relations with entities that are included in the Bank’s risk group and controlled by the Bank irrespective of the relationship between the parties:

The Bank performs various transactions with group companies during its banking activities. These are commercial transactions realised with market prices.

2. Type of transaction, the amount and its ratio to total transaction volume, the amount of significant items and their ratios to total items, pricing policy and other issues:

	<b>Total Risk Group</b>	<b>Total Transaction Volume</b>	<b>%</b>
<b>Loans and Due from Banks</b>	339.188	27.148.628	1
<b>Interest Income Received</b>	46.223	2.971.302	2
<b>Non-cash Loans</b>	603.230	14.561.746	4
<b>Commission Income Received</b>	2.407	97.905	2
<b>Deposit, Borrowings and Money Markets</b>	2.473.215	36.913.779	7
<b>Interest Expense Paid</b>	220.524	2.952.226	7
<b>Trading Transactions</b>	1.024.238	6.837.249	15
<b>Trading Transactions Expenses (net)</b>	18.507	63.466	29

3. Information regarding benefits provided to the Bank’s key management:

Salaries paid to the Bank’s key management amount to YTL5.246 thousand as of 30 September 2007.

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**YAPI VE KREDİ BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007**

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**VIII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

- 1) With the authorisation of the BRSA and Capital Markets Board (“CMB”), it has been decided to permit the start of transactions regarding the shares of KFS in Yapı Kredi Faktoring, Yapı Kredi Finansal Kiralama and Yapı Kredi Azerbaycan Closed Joint Stock Company and the YKB share certificates to be subject to the share exchange, in accordance with article 19 of the Banking Act numbered 5411 and article 5 of the Regulation regarding the Merger, Transfer, Spin-off and Share Exchange Transactions of Banks. The Bank’s available capital amounting YTL3.149 million has increased to YTL3.427 million by an increase of YTL277 million; this increase has been registered with the Istanbul Commercial Registry Office as of 18 October 2007.
- 2) During the Board of Directors’ meeting held on 3 October 2007, it was decided that the Bank would purchase shares with a nominal value of YTL34.897.132,53 constituting 35,28% of the capital of Yapı Kredi Yatırım Menkul Değerler A.Ş. held by KFS, at a cost of USD158.754.689,63 in accordance with the independent valuation report; and that the exchange rate to be used to calculate the YTL equivalent would be the CBRT USD FX Buy rate as at the payment date. It was also decided that the Bank would purchase shares with a nominal value of EUR32.672.880,00 constituting 67,24% of the capital of Yapı Kredi Bank Nederland N.V. at a cost of EUR97.502.661,71 in accordance with the independent valuation report and that the exchange rate to be used to calculate the YTL equivalent would be the CBRT EUR FX Buy rate as at the payment date. In addition, it was decided to make the necessary applications to the CMB and Competition Authority in order to assure the approval to sell the shares of Yapı Kredi Yatırım Menkul Değerler A.Ş. and to the competent authorities in the Netherlands for the shares of Yapı Kredi Bank Nederland N.V..
- 3) During the Board of Directors’ meeting held on 3 October 2007, it was decided that Yapı Kredi Bank Deutschland A.G., whose shares are owned by the Bank and Yapı Kredi Holding B.V. at a rate of 65,42% and 34,58% respectively, would be sold to Avenue Europe Investments LP at a cost of net assets plus EUR250.000 (and an additional EUR250.000 if the closing takes place by no later than 31 October 2007) in accordance with the purchase-sale agreement that would be subject to the transaction between the buyer and the seller and that the Bank Head Office be authorised to perform the necessary operations.

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**YAPI VE KREDİ BANKASI A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007**

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**SECTION SIX  
OTHER EXPLANATIONS AND NOTES**

**I. OTHER EXPLANATIONS ON THE BANK’S OPERATIONS**

The process that started as of October 2006 regarding the collection of offers via adjudication in order to wholesale some immovables under the scope of the “Non-Core Option Agreement” signed between the Bank and Çukurova Holding at 28 September 2005 and some other non-core real estate that are outside the scope of the Option Agreement, has been finalised as of 11 July 2007 with the Real Estate Wholesale Agreement signed with Anadolu Gayrimenkul Yatırımcılığı ve Ticaret A.Ş. which is fully owned by AIM Consortium. The Bank and its subsidiaries will realise EUR134 million of sales proceeds as a result of the transaction and each sales transaction is realised individually. The total profit gained out of the sales realised as of 30 September 2007 is YTL11.014 thousand.

**SECTION SEVEN  
EXPLANATIONS ON REVIEW REPORT**

**I. EXPLANATIONS ON REVIEW REPORT**

The unconsolidated financial statements for the period ended 30 September 2007 have been reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the auditor’s review report dated 14 November 2007 is presented prior to the unconsolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR**

None.

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