

**YAPI VE KREDİ BANKASI A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS  
TOGETHER WITH REVIEW REPORT  
AT 31 MARCH 2008**

**(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") at 31 March 2008 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 the Bank's 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 31 March 2008 and the 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 on accounting and financial reporting principles.

Additional paragraph for convenience translation:

As explained in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of 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 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.

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

Zeynep Uras, SMMM

Istanbul, 15 May 2008

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

**THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF  
YAPI VE KREDİ BANKASI A.Ş. AS OF 31 MARCH 2008**

Yapı ve Kredi Bankası A.Ş.  
Genel Müdürlük  
Yapı Kredi Plaza D Blok  
Levent 34330 İstanbul  
Tel: (0212) 339 70 00  
Faks: (0212) 339 60 00  
www.yapikredi.com.tr

E-mail : financialreports@yapikredi.com.tr

The unconsolidated 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 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.

Dr. Bülent BULGURLU  
Chairman of the  
Board of Directors

Tayfun BAYAZIT  
Chief Executive Officer

Marco CRAVARIO  
Chief Financial Officer

Duygu DÖNMEZ  
Head of Financial  
Reporting Unit

Ranieri De MARCHIS  
President of Audit Committee

Herbert HANGEL  
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:** Aysel GÜR SOY / Head of Regulatory Reporting Section  
**Telephone Number** : 0212 339 63 29  
**Fax Number** : 0212 339 61 05

## **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	1
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	1
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	1
IV.	Information on qualified shareholders	3
V.	Summary information on the Bank's activities and services	3

## **SECTION TWO**

### Unconsolidated Financial Statements

I.	Balance sheet	4
II.	Income statements	6
III.	Off-balance sheet commitments	7
IV.	Statement of income and expense items accounted under shareholders' equity	8
V.	Statement of changes in shareholders' equity	9
VI.	Statement of cash flows	11

## **SECTION THREE**

### Explanations on Accounting Policies

I.	Basis of presentation	12
II.	Explanations on strategy of using financial instruments and foreign currency transactions	14
III.	Explanations on investments in associates, subsidiaries and joint ventures	14
IV.	Explanations on forward transactions, options and derivative instruments	14
V.	Explanations on interest income and expense	15
VI.	Explanations on fee and commission income and expense	15
VII.	Explanations on financial assets	16
VIII.	Explanations on impairment of financial assets	17
IX.	Explanations on offsetting financial assets	18
X.	Explanations on sales and repurchase agreements and securities lending transactions	18
XI.	Information on assets held for resale and related to discontinued operations and explanations on liabilities related with these assets	18
XII.	Explanations on goodwill and other intangible assets	19
XIII.	Explanations on property and equipment	20
XIV.	Explanations on leasing transactions	20
XV.	Explanations on provisions, contingent asset and liabilities	20
XVI.	Explanations on obligations related to employee rights	21
XVII.	Explanations on taxation	22
XVIII.	Explanations on borrowings	23
XIX.	Explanations on issuance of share certificates	23
XX.	Explanations on avalized drafts and acceptances	23
XXI.	Explanations on government grants	23
XXII.	Profit reserves and profit distribution	23
XXIII.	Earnings per share	24
XXIV.	Related parties	24
XXV.	Cash and cash equivalents	24
XXVI.	Explanations on operating segments	24
XXVII.	Reclassifications	24

## **SECTION FOUR**

### Information Related to Financial Position of the Bank

I.	Explanations on capital adequacy ratio	25
II.	Explanations on market risk	28
III.	Explanations on operational risk	28
IV.	Explanations on currency risk	28
V.	Explanations on interest rate risk	31
VI.	Explanations on liquidity risk	33
VII.	Explanations on operating segments	35

## **SECTION FIVE**

### Explanations and Notes Related to Unconsolidated Financial Statements

I.	Explanations and notes related to assets	37
II.	Explanations and notes related to liabilities	50
III.	Explanations and notes related to income statement	57
IV.	Explanations and notes related to off-balance sheet accounts	61
V.	Explanations and notes related to statement of cash flows	63
VI.	Explanations and notes related to Bank's merger, transfers and companies acquired by banks	64
VII.	Explanations and notes related to Bank's risk group	65
VIII.	Explanations and notes related to subsequent events	67

## **SECTION SIX**

### Other Explanations and Notes

I.	Other explanations on the Bank's operations	68
----	---	----

## **SECTION SEVEN**

### Explanations on Review Report

I.	Explanations on review report	68
II.	Explanations and notes prepared by independent auditor	68

**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 31 MARCH 2008**

(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 31 March 2008, 18,21% shares of the Bank are publicly traded (31 December 2007: 18,21%).

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”).

With and in scope of the Share Exchange Agreement signed with KFH and approved by the Banking Regulatory and Supervisory Agency (“BRSA”) and the Capital Markets Board (“CMB”), allowing the transfer Yapı Kredi Faktoring A.Ş., Yapı Kredi Finansal Kiralama A.O. and Yapı Kredi Bank Azerbaijan Joint Stock Company shares from KFH, the increase in capital by YTL277.601.284 from YTL3.149.450.000 to YTL3.427.051.284 giving the share to KFH has been approved in the Extraordinary General Assembly meeting held on 30 September 2007 and the decisions of the meeting have been registered as of 18 October 2007. The share transfer transactions in the framework of the agreement have been finalised as of 31 October 2007 and after the transaction, the share of KFH in YKB has increased to 81,79%.

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 31 March 2008, the Bank’s Board of Directors, Members of the Audit Committee and Executive President and Vice Presidents are listed below:

**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 31 MARCH 2008**

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

**GENERAL INFORMATION ABOUT THE BANK (CONTINUED)**

<b><u>Title</u></b>	<b><u>Name</u></b>	<b><u>Responsibility</u></b>	<b><u>Education Level</u></b>
<b>Chairman of the Board of Directors:</b>	Dr. Rüşdü SARAÇOĞLU (*)	Chairman	PhD
<b>Board of Directors Members:</b>	Federico GHIZZONI	Vice Chairman	Undergraduate
	Tayfun BAYAZIT	Chief Executive Officer	Graduate
	Alessandro M. DECIO	Chief Operating Officer	Graduate
	Seyit Kemal KAYA (**)	Member	Undergraduate
	Füsun Akkal BOZOK	Member	PhD
	Ranieri De MARCHIS	Member	Undergraduate
	Ahmet Fadıl ASHABOĞLU	Member	Undergraduate
	Herbert HANGEL	Member	Graduate
	Thomas GROSS	Member	Undergraduate
<b>General Manager :</b>	Tayfun BAYAZIT	Chief Executive Officer	Graduate
<b>Vice General Managers:</b>	Süleyman Cihangir KAVUNCU	Human Resources Management	Graduate
	Alpar ERGUN	Legal Activities Management	Undergraduate
	Mehmet Gani SÖNMEZ	Retail Banking Management	Undergraduate
	Erhan ÖZÇELİK	Private Banking and Foreign Operations Management	Undergraduate
	Hamit AYDOĞAN	Corporate Banking Management	Undergraduate
	Mert GÜVENEN	Commercial Banking Management	Graduate
	Mert YAZICIOĞLU	Treasury Management	Graduate
	Tülay GÜNGEN	Corporate Identity and Communication	Graduate
	Zeynep Nazan SOMER	Credit Cards and Consumer Lending	Undergraduate
	Marco CRAVARIO	Financial Planning, Administration and Control/CFO	Graduate
	Mehmet Güray ALPKAYA	Credit Management	Graduate
	Marco ARNABOLDI	Risk Management	Undergraduate
	Mahmut Tevfik ÇELİKEL	Logistics and Cost Management	Undergraduate
	Fahri ÖBEK	Information Technology Management	Graduate
	Muzaffer ÖZTÜRK	Retail Sales Management	Undergraduate
	Kemal SEMERCİLER (***)	Compliance Officer	Undergraduate
	Stefano PERAZZINI	Internal Audit	Undergraduate
	Luca RUBAGA	Organisation Management	Undergraduate
<b>Audit Committee Members:</b>	Ranieri De MARCHIS	Chairman	Undergraduate
	Herbert HANGEL	Member	Graduate
	Ahmet Fadıl ASHABOĞLU	Member	Undergraduate
<b>Statutory auditors:</b>	M. Abdullah GEÇER (****)	Auditor	Graduate
	Adil G. ÖZTOPRAK	Auditor	Undergraduate

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

(\*) With the decision out of the General Assembly meeting held at 7 April 2008, Dr. Bülent Bulgurlu has been selected as the Chairman of the Board of Directors.

(\*\*) With the decision out of the General Assembly meeting held at 7 April 2008, Seyit Kemal Kaya has resigned from Board of Directors and Aykut Ümit Taftalı has been assigned instead.

(\*\*\*) Kemal Semerciler has resigned from being Vice General Manager as of 31 March 2008 and M. Erkan Özdemir has been assigned as Compliance Officer as of 1 April 2008. At the meeting of board of directors in 30 April 2008, it has been decided to apply to BRSA in order to enable the assignation of M. Erkan Özdemir as Vice General Manager.

(\*\*\*\*) As of 19 March 2008, M. Erkan Özdemir has resigned and M. Abdullah Geçer has been assigned as the auditor.

**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 31 MARCH 2008**

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

**GENERAL INFORMATION ABOUT THE BANK (CONTINUED)**

**IV. INFORMATION ON QUALIFIED SHAREHOLDERS:**

<b>Name/Commercial title</b>	<b>Share Amounts (nominal)</b>	<b>Share percentage</b>	<b>Paid-in Capital(nominal)</b>	<b>Unpaid portion</b>
Koç Finansal Hizmetler A.Ş.	2.802.933.461,57	%81,79	2.802.933.461,57	-

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

The Bank's core business activities include retail banking, corporate banking, private banking, credit cards and international banking. As of 31 March 2008, the Bank has 724 branches operating in Turkey, 1 branch in off-shore region and 1 representative office operating abroad (31 December 2007: 675 branches operating in Turkey, 1 branch in off-shore region and 1 representative offices operating abroad) and 14.504 employees (31 December 2007: 14.249 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 31 MARCH 2008 AND 31 DECEMBER 2007  
(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)**

**SECTION TWO  
UNCONSOLIDATED FINANCIAL STATEMENTS**

I. BALANCE SHEET	Note (Section Five)	(31/03/2008)			(31/12/2007)		
		YTL	FC	Total	YTL	FC	Total
		ASSETS					
<b>I. CASH BALANCES WITH CENTRAL BANK</b>	<b>I-a</b>	<b>1.212.950</b>	<b>2.880.755</b>	<b>4.093.705</b>	<b>1.640.591</b>	<b>2.048.074</b>	<b>3.688.665</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)</b>	<b>I-b</b>	<b>59.809</b>	<b>181.418</b>	<b>241.227</b>	<b>38.724</b>	<b>190.218</b>	<b>228.942</b>
2.1 Trading Financial Assets		3.426	158.640	162.066	3.317	179.823	183.140
2.1.1 Government Debt Securities		3.426	158.640	162.066	3.317	179.823	183.140
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		56.383	22.778	79.161	35.407	10.395	45.802
<b>III. BANKS</b>	<b>I-c</b>	<b>18.379</b>	<b>935.880</b>	<b>954.259</b>	<b>47.846</b>	<b>683.129</b>	<b>730.975</b>
<b>IV. MONEY MARKETS</b>							
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>I-d</b>	<b>199.627</b>	<b>143.409</b>	<b>343.036</b>	<b>207.958</b>	<b>71.906</b>	<b>279.864</b>
5.1 Share Certificates		2.073	31.062	33.135	2.063	26.873	28.936
5.2 Government Debt Securities		128.378	101.959	230.337	159.064	36.314	195.378
5.3 Other Marketable Securities		69.176	10.388	79.564	46.831	8.719	55.550
<b>VI. LOANS</b>	<b>I-e</b>	<b>20.921.915</b>	<b>10.548.598</b>	<b>31.470.513</b>	<b>19.575.498</b>	<b>8.933.383</b>	<b>28.508.881</b>
6.1 Loans		20.611.856	10.548.111	31.159.967	19.228.559	8.933.326	28.161.885
6.1.1 Bank's risk group		206.833	218.574	425.407	208.630	190.931	399.561
6.1.2 Other		20.405.023	10.329.537	30.734.560	19.019.929	8.742.395	27.762.324
6.2 Loans under Follow-up		1.254.672	2.836	1.257.508	1.736.839	2.416	1.739.255
6.3 Specific Provisions (-)		(944.613)	(2.349)	(946.962)	(1.389.900)	(2.359)	(1.392.259)
<b>VII. FACTORING RECEIVABLES</b>							
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>I-f</b>	<b>6.123.660</b>	<b>5.979.016</b>	<b>12.102.676</b>	<b>6.205.305</b>	<b>5.837.681</b>	<b>12.042.986</b>
8.1 Government Debt Securities		6.123.660	5.979.016	12.102.676	6.205.305	5.837.681	12.042.986
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>2.658</b>	<b>43.404</b>	<b>46.062</b>
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		2.658	43.404	46.062	2.658	43.404	46.062
9.2.1 Financial Investments in Associates		2.658	43.404	46.062	2.658	43.404	46.062
9.2.2 Non-financial Investments in Associates		-	-	-	-	-	-
<b>X. SUBSIDIARIES (Net)</b>	<b>I-h</b>	<b>1.444.207</b>	<b>331.314</b>	<b>1.775.521</b>	<b>1.255.591</b>	<b>166.251</b>	<b>1.421.842</b>
10.1 Unconsolidated Financial Subsidiaries		1.441.907	331.314	1.773.221	1.253.291	166.251	1.419.542
10.2 Unconsolidated Non-financial Subsidiaries		2.300	-	2.300	2.300	-	2.300
<b>XI. JOINT VENTURES (Net)</b>							
11.1 Accounted 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>577</b>	<b>681</b>	<b>1.258</b>	<b>1.018</b>	<b>666</b>	<b>1.684</b>
13.1 Fair Value Hedge		577	681	1.258	1.018	666	1.684
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>		<b>1.053.426</b>		<b>1.053.426</b>	<b>1.068.086</b>		<b>1.068.086</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>I-j</b>	<b>1.179.663</b>		<b>1.179.663</b>	<b>1.187.125</b>		<b>1.187.125</b>
15.1 Goodwill		979.493	-	979.493	979.493	-	979.493
15.2 Other		200.170	-	200.170	207.632	-	207.632
<b>XVI. INVESTMENT PROPERTY (Net)</b>							
<b>XVII. TAX ASSET</b>		<b>411.489</b>		<b>411.489</b>	<b>420.118</b>		<b>420.118</b>
17.1 Current Tax Asset		215.422	-	215.422	212.319	-	212.319
17.2 Deferred Tax Asset		196.067	-	196.067	207.799	-	207.799
<b>XVIII. ASSETS HELD FOR RESALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>		<b>104.579</b>		<b>104.579</b>	<b>59.629</b>	<b>48.734</b>	<b>108.363</b>
18.1 Held for sale Purposes		104.579	-	104.579	59.629	48.734	108.363
18.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>I-k</b>	<b>734.311</b>	<b>336.878</b>	<b>1.071.189</b>	<b>269.159</b>	<b>350.157</b>	<b>619.316</b>
<b>TOTAL ASSETS</b>		<b>33.467.250</b>	<b>21.381.353</b>	<b>54.848.603</b>	<b>31.979.306</b>	<b>18.373.603</b>	<b>50.352.909</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 31 MARCH 2008 AND 31 DECEMBER 2007**

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

I. BALANCE SHEET	Note (Section Five)	(31/03/2008)			(31/12/2007)		
		YTL	FC	Total	YTL	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>19.747.235</b>	<b>14.572.243</b>	<b>34.319.478</b>	<b>18.863.332</b>	<b>13.302.621</b>	<b>32.165.953</b>
I.1 Deposits of Bank's risk group		1.341.695	1.602.716	2.944.411	1.386.568	1.444.162	2.830.730
I.2 Other		18.405.540	12.969.527	31.375.067	17.476.764	11.858.459	29.335.223
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-b</b>	<b>125.723</b>	<b>7.955</b>	<b>133.678</b>	<b>185.086</b>	<b>6.501</b>	<b>191.587</b>
<b>III. BORROWINGS</b>	<b>II-c</b>	<b>238.466</b>	<b>5.577.884</b>	<b>5.816.350</b>	<b>179.267</b>	<b>4.056.734</b>	<b>4.236.001</b>
<b>IV. MONEY MARKETS</b>		<b>593.935</b>	<b>402.399</b>	<b>996.334</b>	<b>1.572.724</b>	<b>204.890</b>	<b>1.777.614</b>
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		50.475	-	50.475	150.980	-	150.980
4.3 Funds Provided Under Repurchase Agreements		543.460	402.399	945.859	1.421.744	204.890	1.626.634
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>							
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>							
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>2.348.137</b>	<b>134.718</b>	<b>2.482.855</b>	<b>2.058.983</b>	<b>149.909</b>	<b>2.208.892</b>
<b>VIII. OTHER LIABILITIES</b>	<b>II-d</b>	<b>736.003</b>	<b>814.737</b>	<b>1.550.740</b>	<b>440.584</b>	<b>497.434</b>	<b>938.018</b>
<b>IX. FACTORING PAYABLES</b>							
<b>X. FINANCIAL LEASE PAYABLES (Net)</b>			<b>22.805</b>	<b>22.805</b>		<b>23.594</b>	<b>23.594</b>
10.1 Financial Lease Payables	II-e	-	23.663	23.663	-	24.540	24.540
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses ( - )		-	(858)	(858)	-	(946)	(946)
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-f</b>	<b>8.567</b>		<b>8.567</b>	<b>27.786</b>		<b>27.786</b>
11.1 Fair Value Hedge		8.567	-	8.567	27.786	-	27.786
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>II-g</b>	<b>1.401.853</b>	<b>218.544</b>	<b>1.620.397</b>	<b>1.495.813</b>	<b>261.611</b>	<b>1.757.424</b>
12.1 General Loan Loss Provision		307.570	186.992	494.562	433.346	232.548	665.894
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		126.533	-	126.533	126.225	-	126.225
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		967.750	31.552	999.302	936.242	29.063	965.305
<b>XIII. TAX LIABILITY</b>	<b>II-h</b>	<b>402.938</b>		<b>402.938</b>	<b>349.377</b>		<b>349.377</b>
13.1 Current Tax Liability		402.938	-	402.938	349.377	-	349.377
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS</b>							
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Related to discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	<b>II-i</b>		<b>2.091.289</b>	<b>2.091.289</b>		<b>1.772.914</b>	<b>1.772.914</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-j</b>	<b>5.357.052</b>	<b>46.120</b>	<b>5.403.172</b>	<b>4.860.522</b>	<b>43.227</b>	<b>4.903.749</b>
16.1 Paid-in Capital		3.427.051	-	3.427.051	3.427.051	-	3.427.051
16.2 Capital Reserves		550.109	46.120	596.229	551.679	43.227	594.906
16.2.1 Share Premium		541.633	-	541.633	541.633	-	541.633
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences	II-k	3.178	46.120	49.298	4.748	43.227	47.975
16.2.4 Property and Equipment Revaluation Differences		-	-	-	-	-	-
16.2.5 Intangible Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Revaluation differences of investment property		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures (business partners)		-	-	-	-	-	-
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Value increase in property and equipment held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		5.298	-	5.298	5.298	-	5.298
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)		1.036.708	-	1.036.708	538.608	-	538.608
16.4.1 Prior Years' Income or (Loss)		538.608	-	538.608	(170.577)	-	(170.577)
16.4.2 Current Period Income or (Loss)		498.100	-	498.100	709.185	-	709.185
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>30.959.909</b>	<b>23.888.694</b>	<b>54.848.603</b>	<b>30.033.474</b>	<b>20.319.435</b>	<b>50.352.909</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**

**YAPIVE KREDİ BANKASI A.Ş.**

**UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008 AND 2007**

(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>01/01-31/03/2008</b>	<b>01/01-31/03/2007</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>III-a</b>	<b>1.555.784</b>	<b>1.451.091</b>
1.1	Interest on Loans	III-a-1	1.128.201	922.994
1.2	Interest Received from Reserve Requirements		7.191	6.957
1.3	Interest Received from Banks	III-a-2	48.828	62.970
1.4	Interest Received from Money Market Transactions		598	168
1.5	Interest Received from Marketable Securities Portfolio	III-a-3	370.937	418.003
1.5.1	Trading Financial Assets		3.354	6.983
1.5.2	Financial Assets at Fair Value through Profit or (Loss)		-	-
1.5.3	Available-for-sale Financial Assets		11.737	7.887
1.5.4	Held to Maturity Investments		355.846	403.133
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		29	39.999
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>III-b</b>	<b>(968.146)</b>	<b>(976.116)</b>
2.1	Interest on Deposits	III-b-3	(822.423)	(780.933)
2.2	Interest on Funds Borrowed	III-b-1	(101.262)	(91.835)
2.3	Interest Expense on Money Market Transactions		(43.670)	(99.195)
2.4	Interest on Securities Issued		-	-
2.5	Other Interest Expenses		(791)	(4.153)
<b>III.</b>	<b>NET INTEREST INCOME (I + II)</b>		<b>587.638</b>	<b>474.975</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>279.433</b>	<b>200.152</b>
4.1	Fees and Commissions Received		345.928	258.797
4.1.1	Non-cash Loans		33.598	31.604
4.1.2	Other		312.330	227.193
4.2	Fees and Commissions Paid		(66.495)	(58.645)
4.2.1	Non-cash Loans		(7)	(39)
4.2.2	Other		(66.488)	(58.606)
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>168.208</b>	<b>22.045</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>III-c</b>	<b>(31.695)</b>	<b>30.120</b>
6.1	Trading Gains/(Losses) on Securities		138.818	15.928
6.2	Foreign Exchange Gains/(Losses)		(170.513)	14.192
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>III-d</b>	<b>272.486</b>	<b>59.069</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>1.276.070</b>	<b>786.361</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>III-e</b>	<b>(85.162)</b>	<b>(89.835)</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>III-f</b>	<b>(586.283)</b>	<b>(467.465)</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII+IX+X)</b>		<b>604.625</b>	<b>229.061</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/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XI+XII+XIII+XIV)</b>		<b>604.625</b>	<b>229.061</b>
<b>XVI.</b>	<b>PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>III-g</b>	<b>(106.525)</b>	<b>(41.299)</b>
16.1	Current Tax Provision		(45.337)	(39.877)
16.2	Deferred Tax Provision		(61.188)	(1.422)
<b>XVII.</b>	<b>NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)</b>		<b>498.100</b>	<b>187.762</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
18.1	Income from Non-current Assets Held for Resale		-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures (business partners)		-	-
18.3	Other Income From Discontinued Operations		-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Expenses for Non-current Assets Held for Resale		-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures (business partners)		-	-
19.3	Other Expenses From Discontinued Operations		-	-
<b>XX.</b>	<b>PROFIT /LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-
<b>XXI.</b>	<b>PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)</b>		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
<b>XXII.</b>	<b>NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSSES (XVII+XXII)</b>	<b>III-h</b>	<b>498.100</b>	<b>187.762</b>
	Earnings/(Loss) per share		0,0015	0,0006

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 31 MARCH 2008 AND 31 DECEMBER 2007  
(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)**

III.	OFF-BALANCE SHEET COMMITMENTS	Note (Section five)	(31/03/2008)			(31/12/2007)		
			YTL	FC	Total	YTL	FC	Total
<b>A</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>23.854.622</b>	<b>17.235.409</b>	<b>41.090.031</b>	<b>22.155.591</b>	<b>14.192.776</b>	<b>36.348.367</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>IV-a-2,3</b>	<b>5.512.845</b>	<b>8.893.155</b>	<b>14.406.000</b>	<b>5.797.524</b>	<b>7.953.203</b>	<b>13.750.727</b>
1.1	Letters of Guarantee		5.509.856	5.555.367	11.065.223	5.772.747	5.062.683	10.835.430
1.1.1	Guarantees Subject to State Tender Law		428.488	434.785	863.273	437.494	409.529	847.023
1.1.2	Guarantees Given for Foreign Trade Operations		682.051	5.120.582	5.802.633	650.971	4.653.154	5.304.125
1.1.3	Other Letters of Guarantee		4.399.317	-	4.399.317	4.684.282	-	4.684.282
1.2	Bank Acceptances		-	196.914	196.914	-	184.493	184.493
1.2.1	Import Letter of Acceptance		-	196.914	196.914	-	184.493	184.493
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		758	2.480.323	2.481.081	787	2.009.776	2.010.563
1.3.1	Documentary Letters of Credit		758	2.480.323	2.481.081	787	2.009.776	2.010.563
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		143	1.702	1.845	143	1.553	1.696
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		2.088	504.441	506.529	23.847	548.393	572.240
1.9	Other Collaterals		-	154.408	154.408	-	146.305	146.305
<b>II.</b>	<b>COMMITMENTS</b>	<b>IV-a-1</b>	<b>14.181.841</b>	<b>1.289.408</b>	<b>15.471.249</b>	<b>13.330.953</b>	<b>852.372</b>	<b>14.183.325</b>
2.1	Irrevocable Commitments		14.181.841	1.289.408	15.471.249	13.330.953	852.372	14.183.325
2.1.1	Asset Purchase and Sale Commitments		-	478.320	478.320	-	431.565	431.565
2.1.2	Deposit Purchase and Sales Commitments		-	343	343	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		1.674.335	810.724	2.485.059	1.482.180	420.760	1.902.940
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		1.406.969	-	1.406.969	1.359.423	-	1.359.423
2.1.8	Tax and Fund Liabilities from Export Commitments		39.311	-	39.311	39.945	-	39.945
2.1.9	Commitments for Credit Card Limits		11.061.226	-	11.061.226	10.449.281	-	10.449.281
2.1.10	Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		-	21	21	124	47	171
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>4.159.936</b>	<b>7.052.846</b>	<b>11.212.782</b>	<b>3.027.114</b>	<b>5.387.201</b>	<b>8.414.315</b>
3.1	Hedging Derivative Financial Instruments		77.418	74.461	151.879	119.763	102.004	221.767
3.1.1	Transactions for Fair Value Hedge		77.418	74.461	151.879	119.763	102.004	221.767
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Transactions		4.082.518	6.978.385	11.060.903	2.907.351	5.285.197	8.192.548
3.2.1	Forward Foreign Currency Buy/Sell Transactions		1.351.814	2.052.011	3.403.825	955.130	1.235.526	2.190.656
3.2.1.1	Forward Foreign Currency Transactions-Buy		706.899	1.006.282	1.713.181	375.653	713.805	1.089.458
3.2.1.2	Forward Foreign Currency Transactions-Sell		644.915	1.045.729	1.690.644	579.477	521.721	1.101.198
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		967.780	1.680.443	2.648.223	1.069.229	2.923.019	3.992.248
3.2.2.1	Foreign Currency Swap-Buy		28.033	374.456	372.489	305.407	956.634	1.262.041
3.2.2.2	Foreign Currency Swap-Sell		34.000	342.775	376.775	40.000	1.222.741	1.262.741
3.2.2.3	Interest Rate Swap-Buy		33.375	891.208	924.583	33.375	646.700	680.075
3.2.2.4	Interest Rate Swap-Sell		872.372	102.004	974.376	690.447	96.944	787.391
3.2.3	Foreign Currency, Interest rate and Securities Options		1.762.356	3.242.755	5.005.111	882.981	1.124.248	2.007.229
3.2.3.1	Foreign Currency Options-Buy		798.534	1.616.442	2.414.976	431.680	568.325	1.000.005
3.2.3.2	Foreign Currency Options-Sell		802.376	1.626.313	2.428.689	445.729	555.923	1.001.652
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		56.424	-	56.424	3.240	-	3.240
3.2.3.6	Securities Options-Sell		105.022	-	105.022	2.332	-	2.332
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
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		568	3.176	3.744	11	2.404	2.415
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>71.869.877</b>	<b>11.024.106</b>	<b>82.893.983</b>	<b>71.401.397</b>	<b>9.219.570</b>	<b>80.620.967</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>52.106.363</b>	<b>1.020.991</b>	<b>53.127.354</b>	<b>53.411.780</b>	<b>999.643</b>	<b>54.411.423</b>
4.1	Customer Fund and Portfolio Balances		-	1.743	1.743	-	2.603	2.603
4.2	Investment Securities Held in Custody		45.768.858	809.810	46.578.668	45.505.901	791.271	46.297.172
4.3	Checks Received for Collection		5.040.854	24.725	5.065.579	4.797.997	26.350	4.824.347
4.4	Commercial Notes Received for Collection		1.296.651	159.532	1.456.183	3.106.718	154.172	3.260.890
4.5	Other Assets Received for Collection		-	25.181	25.181	-	25.247	25.247
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		-	-	-	-	-	-
4.8	Custodians		-	-	-	1.164	-	1.164
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>18.838.418</b>	<b>9.203.136</b>	<b>28.041.554</b>	<b>16.985.999</b>	<b>7.413.664</b>	<b>24.399.663</b>
5.1	Marketable Securities		342.546	478	343.024	342.775	434	343.209
5.2	Guarantee Notes		320.974	265.254	586.228	304.997	223.708	528.705
5.3	Commodity		7.609	-	7.609	7.609	-	7.609
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		11.686.219	6.275.958	17.962.177	10.769.129	5.275.952	16.045.081
5.6	Other Pledged Items		6.481.070	2.659.130	9.140.200	5.561.240	1.911.476	7.472.716
5.7	Pledged Items-Depository		-	2.316	2.316	249	2.094	2.343
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>925.096</b>	<b>799.979</b>	<b>1.725.075</b>	<b>1.003.618</b>	<b>806.263</b>	<b>1.809.881</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>			<b>95.724.499</b>	<b>28.259.515</b>	<b>123.984.014</b>	<b>93.556.988</b>	<b>23.412.346</b>	<b>116.969.334</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 31 MARCH 2008 AND 2007**  
(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira (“YTL”).)

<b>IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>		
<b>INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>	<b>(31/03/2008)</b>	<b>(31/03/2007)</b>
<b>I. ADDITIONS TO THE MARKETABLE VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>860</b>	<b>(7,683)</b>
<b>II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES</b>	-	-
<b>III. INTANGIBLE ASSETS REVALUATION DIFFERENCES</b>	-	-
<b>IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS</b>	<b>4.254</b>	<b>(774)</b>
<b>V. PROFIT OR LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective part of the fair value differences)</b>	-	-
<b>VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	-	-
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS</b>	-	-
<b>VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY ACCORDING TO TAS</b>	-	-
<b>IX. DEFERRED TAX RELATED TO VALUATION DIFFERENCES</b>	<b>(2,132)</b>	<b>(346)</b>
<b>X. NET PROFIT OR LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)</b>	<b>2,982</b>	<b>(8,803)</b>
<b>XI. CURRENT PERIOD PROFIT/LOSS</b>	<b>1,659</b>	<b>1,143</b>
11.1 Net change in fair value of marketable securities (transfer to profit-loss)	1.659	1.143
11.2 Reclassification of cash flow hedge transactions and presentation of the related under income statement	-	-
11.3 Reclassification of foreign net investment hedge transactions and presentation of the related part under income statement	-	-
11.4 Other	-	-
<b>XII. TOTAL PROFIT/LOSS RELATED TO THE CURRENT PERIOD (X-XI)</b>	<b>1,323</b>	<b>(9,946)</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 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 31 MARCH 2007**

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

<b>V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>																	
	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	PPE and Intangible Assets Revaluation Fund	Bonus Shares From Investment in Associates and Subsidiaries	Hedging Transactions Funds	Held for Resale/ Discontinued Operations Revaluation Fund	Total Shareholders' Equity
<b>31 March 2007</b>																	
<b>I. 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. 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. 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. Changes in the Period</b>																	
<b>Increase/Decrease due to the Merger</b>																	
<b>V. Marketable Securities Valuation Differences</b>												(9.946)					(9.946)
<b>VI. Hedging Transactions Funds (Effective Parts)</b>																	
6.1 Cash Flow Hedge																	
6.2 Foreign Investment Hedge																	
<b>VII. Valuation Differences due to Revaluation of Property and Equipment</b>																	
<b>VIII. Valuation Differences due to Revaluation of Intangible Assets</b>																	
<b>IX. Property and Equipment Revaluation Differences</b>																	
<b>X. Intangible Fixed Assets Revaluation Differences</b>																	
<b>XI. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures</b>																	
<b>XII. Foreign Exchange Differences</b>																	
<b>XIII. Effect of the Changes in Investment in Associates' Equity to the Bank's Equity</b>																	
<b>XIV. Capital Increase</b>		6.632										(6.632)					
14.1 Cash increase																	
14.2 Internal Resources		6.632										(6.632)					
<b>XV. Share Premium</b>																	
<b>XVI. Share Cancellation Profits</b>																	
<b>XVII. Paid in-capital Adjustment Difference</b>																	
<b>XVIII. Other</b>																	
<b>XIX. Current Period Income or Loss</b>										187.762							187.762
<b>XX. Profit Distribution</b>									7.308	(513.908)	506.600						
20.1 Dividend Paid																	
20.2 Transfers to Reserves									7.308	(513.908)	506.600						
20.3 Other																	
<b>Period End Balance (III+..... XVIII+XIX+XX)</b>		3.149.450		45.781	-	17.159	-	326.025	7.308	187.762	(170.577)	40.071					3.602.979

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 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 31 MARCH 2008**

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

<b>V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>																		
		Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	PPE and Intangible Assets Revaluation Fund	Bonus Shares From Investment in Associates and Subsidiaries	Hedging Transactions Funds	Held for Resale/ Discontinued Operations Revaluation Fund	Total Shareholders' Equity
31 March 2008																		
<b>I.</b>	<b>Prior Period End Balance</b>		3.427.051		541.633	-	17.159	-	326.025	5.298	709.185	(170.577)	47.975					4.903.749
<b>II.</b>	Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Increase/Decrease due to the Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	1.323	-	-	-	-	1.323
<b>IV.</b>	Hedging Transactions Funds (Effective Parts)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V.</b>	<b>Valuation Differences due to Revaluation of Property and Equipment</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Valuation Differences due to Revaluation of Intangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	Property and Equipment Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	Effect of the Changes in Investment in Associates' Equity to the Bank's Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII.</b>	<b>Capital Increase</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII.</b>	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV.</b>	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV.</b>	<b>Paid in-capital Adjustment Difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI.</b>	<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII.</b>	<b>Current Period Income or Loss</b>		-	-	-	-	-	-	-	-	498.100		-	-	-	-	-	498.100
<b>XVIII.</b>	<b>Profit Distribution</b>		-	-	-	-	-	-	-	-	(709.185)	709.185	-	-	-	-	-	-
18.1	Dividend Paid		-	-	-	-	-	-	-	-			-	-	-	-	-	-
18.2	Transfers to Reserves		-	-	-	-	-	-	-	-	(709.185)	709.185	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Period End Balance</b>																	
	<b>(I+II+III+.....+XVI+XVII+XVIII)</b>		3.427.051		541.633	-	17.159	-	326.025	5.298	498.100	538.608	49.298					5.403.172

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.**

**NOTES TO UNCONSOLIDATED STATEMENTS OF CASH FLOWS AT 31 MARCH 2008 AND 2007**

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

VI. STATEMENT OF CASH FLOWS			
	Notes (Section Five)	(31/03/2008)	(31/03/2007)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating profit before changes in operating assets and liabilities		(569.695)	347.645
1.1.1 Interest received		1.455.078	1.562.060
1.1.2 Interest paid		(1.002.999)	(1.000.747)
1.1.3 Dividend received		2.070	583
1.1.4 Fees and commissions received		334.218	270.933
1.1.5 Other income		402.525	82.226
1.1.6 Collections from previously written-off loans and other receivables		294.958	97.616
1.1.7 Payments to personnel and service suppliers		(208.604)	(184.395)
1.1.8 Taxes paid		(101.279)	(14.298)
1.1.9 Other		(1.745.662)	(466.333)
1.2 Changes in operating assets and liabilities		960.735	(1.729.194)
1.2.1 Net decrease in trading securities		18.199	54.531
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net decrease/(increase) in banks		1.163.443	(91.605)
1.2.4 Net (increase)/decrease in loans		(2.746.729)	263.630
1.2.5 Net increase/(decrease) in other assets		(1.760.432)	274.992
1.2.6 Net (decrease)/increase in bank deposits		(735.958)	101.100
1.2.7 Net (increase)/decrease in other deposits		2.127.672	(2.094.106)
1.2.8 Net increase in funds borrowed		1.914.016	54.042
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase/(decrease) in other liabilities		980.524	(291.778)
<b>I. Net cash provided from banking operations</b>		<b>391.040</b>	<b>(1.381.549)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>(221.904)</b>	<b>1.452.024</b>
2.1 Cash paid for acquisition of investments, associates and subsidiaries (Business Partnerships)		(353.679)	-
2.2 Cash obtained from disposal of investments, associates and subsidiaries (Business Partnerships)		-	-
2.3 Purchases of property and equipment		(74.401)	(33.643)
2.4 Disposals of property and equipment		22.953	9.776
2.5 Cash paid for purchase of investments available-for-sale		(64.201)	(180.375)
2.6 Cash obtained from sale of investments available-for -sale		-	546
2.7 Cash paid for purchase of investment securities		(119.361)	(1.915.860)
2.8 Cash obtained from sale of investment securities		365.465	3.540.328
2.9 Other		1.320	31.252
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from financing activities</b>		<b>(789)</b>	<b>1.716</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		(789)	1.716
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 in cash and cash equivalents (I+II+III+IV)</b>		<b>168.347</b>	<b>72.191</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	<b>V-a</b>	<b>1.684.288</b>	<b>2.962.345</b>
<b>VII. Cash and cash equivalents at end of the period</b>	<b>V-a</b>	<b>1.852.635</b>	<b>3.034.536</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.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008**

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

---

**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 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 and “Draft Communiqués Regarding the Change in the Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published as of 22 September 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 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 XXVII. 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 unconsolidated financial statements. Accordingly, the 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.

**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 31 MARCH 2008**

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

The accounting principles and valuation methods used in the preparation of the prior period financial statements are revised in compliance with Turkish Accounting Standards and Turkish Financial Reporting Standards as per the communiqué no.1 “Frame for Preparation and Presentation of Financial Statements” of the Turkish Accounting Standards Board published on the Official Gazette No.25702 dated 16 January 2005. In compliance with the Turkish Accounting Standard 8 (TAS 8) “Accounting Policies, Changes in Accounting Estimates and Errors”, the adjustments net of deferred tax effects made to the financial statements of the prior period are summarized below:

	<b>Marketable Securities Value Increase Fund</b>	<b>Prior Years' Income or Losses</b>	<b>Total Shareholders' Equity</b>
<b>Balances Reported as at 31 December 2006</b>	<b>45.334</b>	<b>(745.500)</b>	<b>3.343.856</b>
Adjustment on currency differences of foreign subsidiaries and investments	4.683	74.955	81.307
<b>Adjusted balances as of 31 December 2006</b>	<b>50.017</b>	<b>(670.545)</b>	<b>3.425.163</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>31 December 2006</b>
<b>Income for the period before TAS applications</b>	<b>512.239</b>
Adjustment on currency differences of foreign subsidiaries and investments	1.669
<b>Income for the period after TAS applications</b>	<b>513.908</b>

**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 31 MARCH 2008**

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

---

**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 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 are 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 Act.

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” except foreign currency investments and subsidiaries valuation differences. 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.

The Bank has no joint ventures as of 31 March 2008 and 31 December 2007.

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

The Bank’s derivative transactions mostly include foreign money and interest rate swaps and foreign exchange purchase and sale transactions.

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.

**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 31 MARCH 2008**

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

---

**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.

**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 31 MARCH 2008**

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

---

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

**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.

**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.

**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 31 MARCH 2008**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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 management estimates are determined, on the basis of the prudence principle and Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture. General provisions are determined in accordance with the “incurred loss” model taking into consideration of the factors listed above and principles of TAS 39. As of 31 March 2008, as a result of the studies performed, the Bank revised the general loan loss provisions by considering new loss detection periods, which were formerly set as 1 year, differentiating them by segment/type of products. The general loan loss provision determined through this methodology is higher than the minimum amount required by the related regulations.

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 are 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 valuation differences”, 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.

**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 31 MARCH 2008**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**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.

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 AND RELATED TO DISCONTINUED  
OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE  
ASSETS:**

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at lower of carrying value or fair value less costs to sell. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

Additionally, assets that were acquired due to non-performing receivables 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 and classified as assets held for resale.

A discontinued operation is a part of the Bank’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Bank has no discontinued operations.

**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 31 MARCH 2008**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**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 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.

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 intangible assets	5 years



**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 31 MARCH 2008**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**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%

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.

**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, CONTINGENT ASSET AND LIABILITIES :**

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”).

---

**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 31 MARCH 2008**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

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

**a. Employee Termination Benefit**

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.

**b. Pension Rights**

The Bank’s personnel are members of the Yapı ve Kredi Bankası Anonim Şirketi Mensupları Yardım ve Emekli Sandığı Vakfı (“the Fund”) which was established in accordance with the 20th temporary article of the Social Security Law No.506. The technical financial statements of the Fund are audited in accordance with the Article 38 of the Insurance Supervision Law and the “Regulation regarding the Actuaries” by a registered independent actuary.

Temporary article 23 paragraph one of the Banking Act published in the Official Gazette dated 1 November 2005 numbered 25983 stated 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 Act 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.

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated 15 December 2007, numbered 26372. With the publication of the reasoning of the decision, the Grand National Assembly of Turkey (“GNAT”) started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the “Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations” numbered 5754 (“the New Law”) regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force.

---

**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 31 MARCH 2008**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

In the New Law, it has been decided to form a committee whose members are the representatives of the SSI, the Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA and SDIF representing the Fund and one member representing the Fund members. This committee is in charge of the calculation of the value of the payment that would need to be made to SSI to settle the obligation using a technical interest rate of 9,8% taking into consideration the excess of salaries and income in accordance with the SSI arrangements over the income and expense of the insurance branches of the Funds related to the members of the Fund as of the date of the transfer including the members who have left the scheme and salaries and income of whom were paid by the Funds. In accordance with the New Law, the social rights and payments of Fund members and their beneficiaries which are not provided although they are included in the Fund Title Deed will be provided by the Fund and the employers of the Fund members.

**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. 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 14th 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.

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.

**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 31 MARCH 2008**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**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.

**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 31 March 2008 and 31 December 2007, the Bank has no government grants.

**XXII. 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.

**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 31 MARCH 2008**

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXIII. EARNINGS PER SHARE:**

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

	<b>31 March 2008</b>	<b>31 March 2007</b>
Net Income/(Loss) to be Appropriated to Ordinary Shareholders	498.100	187.762
Weighted Average Number of Issued Ordinary Shares(Thousand)	342.705.100	314.945.000
<b>Earnings Per Share (Disclosed in full YTL)</b>	<b>0,0015</b>	<b>0,0006</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 period has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the period in which they were issued and for each earlier period.

During 2008, there are no bonus shares issued (31 December 2007: 6.631.545.090).

**XXIV. 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.

**XXV. 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.

**XXVI. EXPLANATIONS ON 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. of Section Four.

**XXVII. RECLASSIFICATIONS:**

Reclassifications have been made on comparative figures as of 31 December 2007 and 31 March 2007, to conform to changes in presentation in the 31 March 2008 financials.

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 31 MARCH 2008

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

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 14,61% (31 December 2007: 13,67%).
- 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” published as of 1 November 2006 and “Regulation Regarding the Change in the Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published as of 10 October 2007 and 22 March 2008 (together referred as “Regulation Regarding Capital Adequacy”). 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	% 150	% 200
<b>Amount subject to credit risk</b>						
<b>Balance sheet items (Net)</b>	<b>18.155.809</b>	<b>1.060.202</b>	<b>4.744.967</b>	<b>28.948.244</b>	<b>279.109</b>	<b>2.509</b>
Cash	474.451	1.239	-	-	-	-
Matured marketable securities						
The Central Bank of the Republic of Turkey	1.519.371					
Domestic, foreign banks, head offices and		948.657		4.459		
Interbank money market placements						
Receivables from reverse repurchase transactions						
Reserve requirements with the Central Bank of	2.113.785					
Loans	1.210.858	21.189	4.658.519	24.424.724	279.109	2.509
Non-performing receivables (Net)				310.546		
Lease receivables						
Available-for-sale financial assets	227.177	69.692		42.989		
Held-to-maturity investments	11.770.923					
Receivables from the disposal of assets				58.910		
Miscellaneous receivables		15.297		217.846		
Interest and income accruals	417.317	1.532	86.448	621.959		
Investments in associates, subsidiaries and joint ventures (Net)				1.747.379		
Fixed assets				1.158.005		
Other assets	421.927	2.596		361.427		
<b>Off-balance sheet items</b>	<b>459.441</b>	<b>60.966</b>	<b>311.824</b>	<b>10.031.353</b>		
Non-cash loans and commitments	459.441	12.399	311.824	10.001.218		
Derivative financial instruments		48.567		30.135		
Non-risk weighted accounts						
<b>Total Risk Weighted Assets</b>	<b>18.615.250</b>	<b>1.121.168</b>	<b>5.056.791</b>	<b>38.979.597</b>	<b>279.109</b>	<b>2.509</b>

(\*) There are no assets weighted with 10% risk.

**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 31 MARCH 2008**

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

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

**d. Summary information about capital adequacy ratio:**

	<b>31 March 2008</b>	<b>31 December 2007</b>
Amount subject to credit risk ("ASCR")	42.155.908	38.688.000
Amount subject to market risk ("ASMR")	451.638	331.825
Amount subject to operational risk ("ASOR")	4.839.316	3.640.891
<b>Shareholders' equity</b>	<b>6.929.619</b>	<b>5.831.740</b>
<b>Shareholders' equity / (ASCR+ASMR+ASOR) *100</b>	<b>14,61</b>	<b>13,67</b>

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

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>CORE CAPITAL</b>		
Paid-in capital	3.427.051	3.427.051
Nominal capital	3.427.051	3.427.051
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	-
Share premium	541.633	541.633
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	1.036.708	709.185
Current period net profit	498.100	709.185
Prior periods profit	538.608	-
Provisions for possible risks (up to 25% of core capital)	83.237	83.040
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	5.298	5.298
Primary subordinated loans (up to 15% of core capital)	-	-
Uncovered portion of loss with reserves (-)	-	(170.577)
Current period loss (net)	-	-
Prior periods loss	-	(170.577)
Limit exceeding amount regarding the third clause of the article 56 of the Law (-)	-	-
<b>Total Core Capital</b>	<b>5.437.111</b>	<b>4.938.814</b>

**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 31 MARCH 2008**

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

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

<b>SUPPLEMENTARY CAPITAL</b>		
General provisions	494.562	533.259
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	2.391.046	1.742.336
45 % of Marketable Securities valuation fund	22.184	21.589
From investments in associates and subsidiaries	-	-
Available-for-Sale financial assets	22.184	21.589
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>2.907.792</b>	<b>2.297.184</b>
<b>TIER III CAPITAL</b>	-	-
<b>CAPITAL</b>	<b>8.344.903</b>	<b>7.235.998</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>1.415.284</b>	<b>1.404.258</b>
Special costs	-	26.217
Prepaid expenses	160.919	116.258
Intangible Assets	1.179.663	1.187.125
Deferred tax asset amount exceeding 10% of core capital	-	-
Investments in Unconsolidated Financial Institutions (Domestic, foreign) and Banks in which 10% or more equity interest exercised	74.204	74.204
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	498	454
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 Act article 57 as They have been Held for More Than Five Years From the Acquisition Date.	-	-
Other	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6.929.619</b>	<b>5.831.740</b>



**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 31 MARCH 2008**

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

**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 31 March 2008 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>31 March 2008</b>	<b>31 December 2007</b>
(I) Capital to be Employed for General Market Risk - Standard Method	18.972	16.277
(II) Capital to be Employed for Specific Risk -Standard Method	3.790	397
(III) Capital to be Employed for Currency Risk - Standard Method	7.006	3.802
(IV)Capital to be Employed for Commodity Risk - Standard Method	88	-
(V) Capital to be Employed for Exchange Risk-Standard Method	-	-
(VI) Capital to be Employed for Market Risk Due to Options-Standard Method	6.275	6.070
(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+VII)	36.131	26.546
<b>(IX) Amount Subject to Market Risk 12,5xVIII) or (12,5xVII)</b>	<b>451.638</b>	<b>331.825</b>

**III. EXPLANATIONS ON OPERATIONAL RISK:**

The Bank calculates the amount subject to operational risk based on “Basic Indicator Method” by using 2007, 2006 and 2005 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” effective from 1 June 2007, published in the Official Gazette No.26333 dated 1 November 2006, namely “The Calculation of the Amount Subject to Operational Risk”. As of 31 March 2008, the total amount subject to operational risk is YTL4.839.316 thousand (31 December 2007: YTL3.640.891 thousand) and the amount of the related capital requirement is YTL387.145 thousand (31 December 2007: YTL291.271 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. When necessary, derivatives like forward foreign exchange contracts and currency swaps are used as part of currency risk management.

**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 31 MARCH 2008**

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

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

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>YTL1,24450</b>	<b>YTL1,96520</b>	<b>YTL0,01241</b>
28 March 2008 bid rate	YTL1,22640	YTL1,93580	YTL0,01229
27 March 2008 bid rate	YTL1,22740	YTL1,92730	YTL0,01232
26 March 2008 bid rate	YTL1,20160	YTL1,87000	YTL0,01193
25 March 2008 bid rate	YTL1,20750	YTL1,86240	YTL0,01206
24 March 2008 bid rate	YTL1,20690	YTL1,86460	YTL0,01210

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	: YTL1,19854
Euro	: YTL1,85588
Yen	: YTL0,01182

As of 31 December 2007 ;

	<b>USD</b>	<b>EUR</b>	<b>Yen</b>
<b>Balance Sheet Evaluation Rate:</b>	<b>YTL1,13550</b>	<b>YTL1,66740</b>	<b>YTL0,01002</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, the specific provision for non cash loans, derivative financial instruments and prepaid expenses 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 and the sum of liabilities 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:

**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 31 MARCH 2008**

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

**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>31 March 2008</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	2.364.490	510.885	231	5.149	2.880.755
Banks	457.192	467.317	1.004	10.367	935.880
Financial Assets at Fair Value Through Profit or Loss	60.467	98.173	-	-	158.640
Interbank Money Market Placements	-	-	-	-	-
Available-for-Sale Financial Assets	10.232	133.175	-	2	143.409
Loans (*)	4.175.216	7.453.294	44.076	280.034	11.952.620
Investments in Associates, Subsidiaries and Joint Ventures	275.967	55.347	-	43.404	374.718
Held-to-Maturity Investments	459.347	5.519.669	-	-	5.979.016
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	95.576	138.767	-	78.871	313.214
<b>Total Assets</b>	<b>7.898.487</b>	<b>14.376.627</b>	<b>45.311</b>	<b>417.827</b>	<b>22.738.252</b>
<b>Liabilities</b>					
Bank Deposits	80.464	188.482	92	147.040	416.078
Foreign Currency Deposits	4.432.132	9.377.238	12.066	334.729	14.156.165
Funds From Interbank Money Market	40.446	361.953	-	-	402.399
Funds Borrowed From Other Financial Institutions	1.058.314	4.516.608	1.186	1.776	5.577.884
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	46.321	84.165	792	3.440	134.718
Hedging Derivative Financial Liabilities	-	-	-	-	-
Other Liabilities	2.545.014	374.304	1.296	8.217	2.928.831
<b>Total Liabilities</b>	<b>8.202.691</b>	<b>14.902.750</b>	<b>15.432</b>	<b>495.202</b>	<b>23.616.075</b>
<b>Net On-balance Sheet Position</b>	<b>(304.204)</b>	<b>(526.123)</b>	<b>29.879</b>	<b>(77.375)</b>	<b>(877.823)</b>
<b>Net Off-balance Sheet Position</b>	<b>292.904</b>	<b>475.580</b>	<b>(33.595)</b>	<b>81.129</b>	<b>816.018</b>
Financial Derivative Assets	1.049.564	2.646.229	45.880	192.759	3.934.432
Financial Derivative Liabilities	756.660	2.170.649	79.475	111.630	3.118.414
<b>Non-Cash Loans</b>	<b>3.021.711</b>	<b>5.395.576</b>	<b>312.635</b>	<b>163.233</b>	<b>8.893.155</b>
<b>31 December 2007</b>					
Total Assets	6.253.065	12.786.144	30.463	376.171	19.445.843
Total Liabilities	6.921.406	12.619.540	10.596	456.554	20.008.096
<b>Net On-balance Sheet Position</b>	<b>(668.341)</b>	<b>166.604</b>	<b>19.867</b>	<b>(80.383)</b>	<b>(562.253)</b>
<b>Net Off-balance Sheet Position</b>	<b>703.468</b>	<b>(196.072)</b>	<b>(21.878)</b>	<b>104.612</b>	<b>590.130</b>
Financial Derivative Assets	985.773	1.761.524	5.794	235.573	2.988.664
Financial Derivative Liabilities	282.305	1.957.596	27.672	130.961	2.398.534
<b>Non-Cash Loans</b>	<b>2.614.749</b>	<b>4.918.273</b>	<b>270.066</b>	<b>150.115</b>	<b>7.953.203</b>

(\*) Includes FX indexed loans amounting to YTL1.404.022 thousand (31 December 2007: YTL1.084.894 thousand) which have been disclosed as YTL in the 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.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008**

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

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

**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 period 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:**

<b>31 March 2008</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years 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	2.161.900	-	-	-	-	1.931.805	4.093.705
Banks	191.559	-	137.110	-	-	625.590	954.259
Financial Assets at Fair Value Through Profit/Loss	37.919	30.040	37.706	113.848	21.714	-	241.227
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	4.984	4	34.398	109.088	91.757	102.805	343.036
Loans	7.404.921	3.758.023	8.379.470	7.568.073	4.049.480	310.546	31.470.513
Held-to-Maturity Investments	1.087.010	200.631	5.268.818	1.698.550	3.847.667	-	12.102.676
Other Assets	-	15	1.243	-	-	5.641.929	5.643.187
<b>Total Assets</b>	<b>10.888.293</b>	<b>3.988.713</b>	<b>13.858.745</b>	<b>9.489.559</b>	<b>8.010.618</b>	<b>8.612.675</b>	<b>54.848.603</b>
<b>Liabilities</b>							
Bank Deposits	320.630	5.954	134.540	-	-	131.147	592.271
Other Deposits	24.192.692	2.587.425	1.446.581	10.134	-	5.490.375	33.727.207
Funds From Interbank Money Market	633.237	161.420	201.677	-	-	-	996.334
Miscellaneous Payables	1.746.344	4.933	-	-	-	731.578	2.482.855
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	344.932	4.897.172	531.252	42.994	-	-	5.816.350
Other Liabilities and Shareholders' Equity	788.330	461.981	1.005.593	436	-	8.977.246	11.233.586
<b>Total Liabilities</b>	<b>28.026.165</b>	<b>8.118.885</b>	<b>3.319.643</b>	<b>53.564</b>	<b>-</b>	<b>15.330.346</b>	<b>54.848.603</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>10.539.102</b>	<b>9.435.995</b>	<b>8.010.618</b>	<b>-</b>	<b>27.985.715</b>
<b>Balance Sheet Short Position</b>	<b>(17.137.872)</b>	<b>(4.130.172)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.717.671)</b>	<b>(27.985.715)</b>
Off-balance Sheet Long Position	-	-	4.034	932	-	-	4.966
Off-balance Sheet Short Position	(76.638)	(25.717)	-	-	-	-	(102.355)
<b>Total Position</b>	<b>(17.214.510)</b>	<b>(4.155.889)</b>	<b>10.543.136</b>	<b>9.436.927</b>	<b>8.010.618</b>	<b>(6.717.671)</b>	<b>(97.389)</b>

**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 31 MARCH 2008**

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

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

<b>31 December 2007</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years 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	1.433.091	-	-	-	-	2.255.574	3.688.665
Banks	253.199	102.572	6.273	-	-	368.931	730.975
Financial Assets at Fair Value Through Profit/Loss	33.184	32.985	34.449	101.655	26.669	-	228.942
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	211	3.816	5.840	166.656	27.103	76.238	279.864
Loans	7.063.232	3.365.101	7.923.353	6.485.701	3.324.498	346.996	28.508.881
Held-to-Maturity Investments	1.150.245	4.021.609	1.783.185	1.213.323	3.874.624	-	12.042.986
Other Assets	209	72	529	874	-	4.870.912	4.872.596
<b>Total Assets</b>	<b>9.933.371</b>	<b>7.526.155</b>	<b>9.753.629</b>	<b>7.968.209</b>	<b>7.252.894</b>	<b>7.918.651</b>	<b>50.352.909</b>
<b>Liabilities</b>							
Bank Deposits	306.927	108.277	12.063	-	-	101.162	528.429
Other Deposits	22.765.554	2.090.180	1.575.450	21.977	-	5.184.363	31.637.524
Funds From Interbank Money Market	1.609.630	71.593	96.391	-	-	-	1.777.614
Miscellaneous Payables	2.139.396	7.703	2.546	-	-	59.247	2.208.892
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	35.517	4.009.529	143.099	47.856	-	-	4.236.001
Other Liabilities and Shareholders' Equity	48.263	898.443	1.068.190	984	-	7.948.569	9.964.449
<b>Total Liabilities</b>	<b>26.905.287</b>	<b>7.185.725</b>	<b>2.897.739</b>	<b>70.817</b>	<b>-</b>	<b>13.293.341</b>	<b>50.352.909</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>340.430</b>	<b>6.855.890</b>	<b>7.897.392</b>	<b>7.252.894</b>	<b>-</b>	<b>22.346.606</b>
<b>Balance Sheet Short Position</b>	<b>(16.971.916)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.374.690)</b>	<b>(22.346.606)</b>
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	(11.797)	(33.902)	(86.037)	(6.517)	-	-	(138.253)
<b>Total Position</b>	<b>(16.983.713)</b>	<b>306.528</b>	<b>6.769.853</b>	<b>7.890.875</b>	<b>7.252.894</b>	<b>(5.374.690)</b>	<b>(138.253)</b>

**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 31 MARCH 2008**

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

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

**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>31 March 2008</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	1,85	0,96		5,51
Banks	0,97	1,31		7,64
Financial Assets at Fair Value Through Profit/Loss	7,41	9,13		17,83
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	10,71	6,75		17,41
Loans	6,11	6,09	3,07	21,00
Held-to-maturity Investments	5,34	7,37		17,82
<b>Liabilities</b>				
Bank Deposits	2,97	2,20		13,16
Other Deposits	2,41	3,09	0,03	16,22
Funds From Interbank Money Market	6,51	4,77		16,66
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	6,03	3,37	1,72	15,24

<b>31 December 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	1,78	1,10		9,73
Banks	0,81	2,65		17,84
Financial Assets at Fair Value Through Profit/Loss	7,22	8,57		17,01
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	9,98	5,57		16,41
Loans	6,01	6,76	3,24	19,38
Held-to-maturity Investments	5,34	7,45		18,96
<b>Liabilities</b>				
Bank Deposits	0,54	4,27		14,24
Other Deposits	2,15	3,94	0,02	16,33
Funds From Interbank Money Market	6,36	7,43		17,37
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	6,40	5,49	1,87	15,26

**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 and the short and long term liquidity position of the Bank is monitored. During the monthly meetings of the ALCO, the liquidity position of the Bank is evaluated and it is ensured that the required actions are taken when considered necessary.

**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 31 MARCH 2008**

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

**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	3-12 Months	1-5 Years	5 Years and Over	Unclassified (*)	Total
<b>31 March 2008</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	1.931.805	2.161.900	-	-	-	-	-	4.093.705
Banks	625.590	191.559	-	137.110	-	-	-	954.259
Financial Assets at Fair Value Through Profit or Loss	-	29.157	18.669	37.955	133.674	21.772	-	241.227
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-sale Financial Assets	69.670	4.984	4	21.891	121.492	91.860	33.135	343.036
Loans	-	6.710.116	3.627.960	8.290.117	8.083.055	4.448.719	310.546	31.470.513
Held-to-maturity Investments	-	365.459	200.631	942.646	5.171.112	5.422.828	-	12.102.676
Other Assets (*)	427.272	418.563	9.818	231.407	29.455	196.065	4.330.607	5.643.187
<b>Total Assets</b>	<b>3.054.337</b>	<b>9.881.738</b>	<b>3.857.082</b>	<b>9.661.126</b>	<b>13.538.788</b>	<b>10.181.244</b>	<b>4.674.288</b>	<b>54.848.603</b>
<b>Liabilities</b>								
Bank Deposits	131.147	320.630	5.954	134.540	-	-	-	592.271
Other Deposits	5.490.375	24.192.692	2.587.425	1.446.581	10.134	-	-	33.727.207
Funds Borrowed From Other Financial Institutions	-	344.721	371.148	3.123.356	1.365.755	611.370	-	5.816.350
Funds From Interbank Money Market	-	633.237	161.420	201.677	-	-	-	996.334
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	49.916	2.428.006	4.933	-	-	-	-	2.482.855
Other Liabilities (**)	1.620.397	1.975.421	20.758	47.340	75.209	2.091.289	5.403.172	11.233.586
<b>Total Liabilities</b>	<b>7.291.835</b>	<b>29.894.707</b>	<b>3.151.638</b>	<b>4.953.494</b>	<b>1.451.098</b>	<b>2.702.659</b>	<b>5.403.172</b>	<b>54.848.603</b>
<b>Net Liquidity Gap</b>	<b>(4.237.498)</b>	<b>(20.012.969)</b>	<b>705.444</b>	<b>4.707.632</b>	<b>12.087.690</b>	<b>7.478.585</b>	<b>(728.884)</b>	<b>-</b>
<b>31 December 2007</b>								
Total Assets	2.901.442	8.170.736	3.653.738	9.746.627	12.076.280	9.471.464	4.332.622	50.352.909
Total Liabilities	7.102.196	28.174.949	2.876.468	3.619.302	1.282.063	2.394.182	4.903.749	50.352.909
<b>Net Liquidity Gap</b>	<b>(4.200.754)</b>	<b>(20.004.213)</b>	<b>777.270</b>	<b>6.127.325</b>	<b>10.794.217</b>	<b>7.077.282</b>	<b>(571.127)</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.

**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 31 MARCH 2008**

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

---

**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 customers and small and medium enterprises. 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 operations covers the management of products for the member stores as well as the sales and marketing operations for different types of customers. The clubs and programs under the umbrella brand of World include Gold Club, Platinum Club, Crystal Club, Travel Club (Travel Program and VIP Travel Program) Play Club (Young Employees Program and Student Program), Business Club (Corporate Program, Trio Program, Company Program and SME Program), Share Program and Communication Program.

Other operations mainly consist of Treasury transactions, operations of supporting business units and other unallocated transactions.



**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 31 MARCH 2008**

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

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

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

<b>31 March 2008</b>	<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>
Operating revenue	278.696	196.113	29.672	245.518	357.863	1.107.862
Unallocated costs					(671.445)	(671.445)
<b>Net Operating Profit</b>	<b>278.696</b>	<b>196.113</b>	<b>29.672</b>	<b>245.518</b>	<b>(313.582)</b>	<b>436.417</b>
Dividend income						168.208
<b>Profit before tax</b>						<b>604.625</b>
Tax Expense						(106.525)
<b>Net Profit</b>						<b>498.100</b>
Segment assets	7.896.976	14.466.504	195.227	6.514.099	20.133.868	49.206.674
Investments in associates, subsidiaries and joint ventures					1.821.583	1.821.583
Unallocated assets					3.820.346	3.820.346
<b>Total Assets</b>	<b>7.896.976</b>	<b>14.466.504</b>	<b>195.227</b>	<b>6.514.099</b>	<b>25.775.797</b>	<b>54.848.603</b>
Segment liabilities	13.672.434	11.313.371	7.937.096	1.646.820	12.852.375	47.422.096
Shareholders' Equity					5.403.172	5.403.172
Unallocated liabilities					2.023.335	2.023.335
<b>Total liabilities</b>	<b>13.672.434</b>	<b>11.313.371</b>	<b>7.937.096</b>	<b>1.646.820</b>	<b>20.278.882</b>	<b>54.848.603</b>

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 31 MARCH 2008

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

SECTION FIVE  
EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL  
STATEMENTS

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:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Cash	279.609	131.586	307.931	130.758
The CBRT	933.341	2.747.930	1.332.660	1.916.237
Other	-	1.239	-	1.079
<b>Total</b>	<b>1.212.950</b>	<b>2.880.755</b>	<b>1.640.591</b>	<b>2.048.074</b>

2. Information on the account of the CBRT:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Demand Unrestricted Amount (*)	933.341	623.366	1.332.660	521.735
Time Unrestricted Amount	-	-	-	-
Reserve Requirement	-	2.124.564	-	1.394.502
<b>Total</b>	<b>933.341</b>	<b>2.747.930</b>	<b>1.332.660</b>	<b>1.916.237</b>

(\*) The YTL reserve requirement booked as average has been classified in "Central Bank Demand Unrestricted Account" based on the correspondence with BRSA as of 3 January 2008.

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 for their YTL liabilities by 6% and for their foreign currency liabilities by 11% as USD and/or EUR. The CBRT makes quarterly interest payments over the reserve requirements based on the interest rates set. As of 31 March 2008 the corresponding interest rates are 11,43% for YTL, 0,95% for USD and 1,88% for EUR reserves.

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

1. As of 31 March 2008, financial assets at fair value through profit or loss subject to repo transactions amount to YTL113.114 thousand (31 December 2007: YTL102.027 thousand), and there are no financial assets at fair value through profit or loss those given as collateral/blocked (31 December 2007: YTL1 thousand).

2. Positive differences related to trading derivative financial assets:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Forward Transactions	42.748	14.599	18.806	4.854
Swap Transactions	13.635	4.938	16.601	4.480
Futures Transactions	-	-	-	-
Options	-	3.241	-	1.061
Other	-	-	-	-
<b>Total</b>	<b>56.383</b>	<b>22.778</b>	<b>35.407</b>	<b>10.395</b>

**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 31 MARCH 2008**

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

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

**c. Information on banks:**

1. Information on banks :

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Banks	18.379	935.880	47.846	683.129
Domestic	7.449	37.663	31.277	11.751
Foreign	10.930	898.217	16.569	671.378
Head Quarters and Branches Abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
<b>Total</b>	<b>18.379</b>	<b>935.880</b>	<b>47.846</b>	<b>683.129</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 31 March 2008, available-for-sale financial assets given as collateral/blocked amount to YTL18.332 thousand (31 December 2007: YTL12.767 thousand). There are no available-for-sale financial assets subject to repo transactions (31 December 2007: None).

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

	31 March 2008	31 December 2007
Debt Securities	235.122	196.067
Quoted to Stock Exchange (*)	235.122	196.067
Not Quoted	-	-
Share Certificates	74.937	70.738
Quoted to Stock Exchange	-	-
Not Quoted	74.937	70.738
Impairment Provision (-)	(46.587)	(42.491)
Other (**)	79.564	55.550
<b>Total</b>	<b>343.036</b>	<b>279.864</b>

(\*) As of 31 March 2008, even though Eurobonds amounting to YTL91.547 thousand (31 December 2007: YTL35.448 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 31 March 2008, other available-for-sale financial assets include mutual funds amounting to YTL69.670 thousand (31 December 2007: YTL47.301 thousand) and other countries' bonds amounting to YTL9.894 thousand (31 December 2007: YTL8.249 thousand).

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 31 MARCH 2008

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

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:

	31 March 2008		31 December 2007	
	Cash	Non-cash	Cash	Non-cash
<b>Direct Loans Granted to Shareholders</b>	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
<b>Indirect Loans Granted to Shareholders</b>	470.932	450.568	358.699	679.098
<b>Loans Granted to Employees</b>	52.423	-	56.355	-
<b>Total</b>	<b>523.355</b>	<b>450.568</b>	<b>415.054</b>	<b>679.098</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>30.121.259</b>	<b>265.774</b>	<b>758.155</b>	<b>14.779</b>
Discount and Purchase Notes	289.876	-	39	-
Export Loans	2.658.554	5.062	35.532	-
Import Loans	-	-	-	-
Loans Granted To Financial Sector	373.435	-	-	-
Foreign Loans	143.914	185.472	-	-
Consumer Loans	4.624.026	-	217.041	-
Credit Cards	6.233.914	-	374.954	-
Precious Metal Loans	199.945	-	-	-
Other	15.597.595	75.240	130.589	14.779
<b>Specialised Loans</b>	-	-	-	-
<b>Other Receivables</b>	-	-	-	-
<b>Total</b>	<b>30.121.259</b>	<b>265.774</b>	<b>758.155</b>	<b>14.779</b>

The Bank’s cash risk balance to Çukurova Group in the scope of Financial Restructuring Agreement (“FRA”) amounted to USD184.582.871 (YTL229.713 thousand) (31 December 2007: USD193.969.222 (YTL220.252 thousand)) as of 31 March 2008, 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 1,6644% 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 YTL422.055 thousand as of 31 March 2008. As explained in Note VIII. of Section Five, Çukurova Group has closed its cash risk balance by an early repayment at 28 April 2008.

**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 31 MARCH 2008**

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

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

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>191.639</b>	<b>4.287.883</b>	<b>4.479.522</b>
Real estate loans	6.996	2.359.508	2.366.504
Automotive loans	16.700	500.881	517.581
Consumer loans	34.743	172.271	207.014
Other	133.200	1.255.223	1.388.423
<b>Consumer Loans-FC Indexed</b>	<b>5.836</b>	<b>256.031</b>	<b>261.867</b>
Real estate loans	1.598	198.984	200.582
Automotive loans	1.872	30.589	32.461
Consumer loans	9	2.672	2.681
Other	2.357	23.786	26.143
<b>Consumer Loans-FC</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards-YTL</b>	<b>6.348.053</b>	<b>104.586</b>	<b>6.452.639</b>
With installments	2.843.532	104.586	2.948.118
Without installments	3.504.521	-	3.504.521
<b>Individual Credit Cards- FC</b>	-	-	-
With installments	-	-	-
Without installments	-	-	-
<b>Personnel Loans-YTL</b>	<b>5.114</b>	<b>17.235</b>	<b>22.349</b>
Real estate loans	9	1.890	1.899
Automotive loans	151	692	843
Consumer loans	97	199	296
Other	4.857	14.454	19.311
<b>Personnel Loans-FC Indexed</b>	<b>15</b>	<b>200</b>	<b>215</b>
Real estate loans	-	101	101
Automotive loans	-	3	3
Consumer loans	-	-	-
Other	15	96	111
<b>Personnel Loans-FC</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-YTL</b>	<b>29.172</b>	<b>345</b>	<b>29.517</b>
With installments	16.021	345	16.366
Without installments	13.151	-	13.151
<b>Personnel Credit Cards-FC</b>	-	-	-
With installments	-	-	-
Without installments	-	-	-
<b>Credit Deposit Account-YTL (Real Person) (*)</b>	<b>77.114</b>	-	<b>77.114</b>
<b>Credit Deposit Account-FC (Real Person)</b>	-	-	-
<b>Total</b>	<b>6.656.943</b>	<b>4.666.280</b>	<b>11.323.223</b>

(\*) YTL342 thousand of the credit deposit account belongs to the credits used by personnel.

**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 31 MARCH 2008**

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

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

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

	Short-term	Medium and long-term	Total
<b>Commercial Installments</b>			
<b>Loans-YTL</b>	<b>260.117</b>	<b>2.245.558</b>	<b>2.505.675</b>
Business Loans	5.959	295.208	301.167
Automotive Loans	66.540	1.300.623	1.367.163
Consumer Loans	-	-	-
Other	187.618	649.727	837.345
<b>Commercial Installments</b>			
<b>Loans-FC Indexed</b>	<b>29.828</b>	<b>260.103</b>	<b>289.931</b>
Business Loans	930	18.566	19.496
Automotive Loans	4.093	150.671	154.764
Consumer Loans	-	-	-
Other	24.805	90.866	115.671
<b>Commercial Installments</b>			
<b>Loans-FC</b>	-	-	-
Business Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Corporate Credit Cards-YTL</b>	<b>126.683</b>	<b>29</b>	<b>126.712</b>
With installment	21.619	29	21.648
Without installment	105.064	-	105.064
<b>Corporate Credit Cards-FC</b>	-	-	-
With installment	-	-	-
Without installment	-	-	-
<b>Credit Deposit Account-YTL (Legal Person)</b>	<b>123.313</b>	-	<b>123.313</b>
<b>Credit Deposit Account-FC (Legal Person)</b>	-	-	-
<b>Total</b>	<b>539.941</b>	<b>2.505.690</b>	<b>3.045.631</b>

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

	31 March 2008	31 December 2007
Domestic loans	30.830.581	27.904.507
Foreign loans	329.386	257.378
<b>Total</b>	<b>31.159.967</b>	<b>28.161.885</b>

6. Loans granted to investments in associates and subsidiaries:

	31 March 2008	31 December 2007
Direct loans granted to investments in associates and subsidiaries	8.779	67.986
Indirect loans granted to investments in associates and subsidiaries	-	-
<b>Total</b>	<b>8.779</b>	<b>67.986</b>

7. Specific provisions provided against loans:

	31 March 2008	31 December 2007
Loans and other receivables with limited collectability	36.165	30.108
Loans and other receivables with doubtful collectability	132.213	120.683
Uncollectible loans and other receivables	778.584	1.241.468
<b>Total</b>	<b>946.962</b>	<b>1.392.259</b>

**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 31 MARCH 2008**

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

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

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

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
<b>31 March 2008</b>			
<b>(Gross amounts before specific reserves)</b>	<b>62</b>	<b>711</b>	<b>13.337</b>
Restructured loans and other receivables	62	711	13.337
Rescheduled loans and other receivables	-	-	-
<b>31 December 2007</b>			
<b>(Gross amounts before the specific reserves)</b>	<b>303</b>	<b>576</b>	<b>185.107</b>
Restructured loans and other receivables	303	576	185.107
Rescheduled loans and other receivables	-	-	-

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
<b>31 December 2007</b>	<b>159.977</b>	<b>212.840</b>	<b>1.366.438</b>
Additions (+)	248.841	13.761	18.209
Transfers from other categories of non-performing loans (+)	-	136.614	101.302
Transfer to other categories of non-performing loans (-)	(136.614)	(101.302)	(7.773)
Collections (-)	(82.134)	(24.832)	(187.992)
Write-offs (-)	-	-	(459.827)
Corporate and Commercial Loans	-	-	(456.165)
Consumer Loans	-	-	(222)
Credit Cards	-	-	(3.440)
Other	-	-	-
<b>31 March 2008</b>	<b>190.070</b>	<b>237.081</b>	<b>830.357</b>
Special Provision (-)	(36.165)	(132.213)	(778.584)
<b>Net Balance on Balance Sheet</b>	<b>153.905</b>	<b>104.868</b>	<b>51.773</b>

As of 28 March 2008, the Bank sold out a non-performing loan portfolio amounting to YTL429.229 thousand selected out of its commercial, corporate and SME problematic loan stocks via adjudication as of 7 March 2008. The corresponding portfolio has eventuated as YTL421.167 thousand after deduction of amounts for which sales transactions were realised except the real estate having right of repurchase. As of the date of the sale, the Bank has recognised provision amounting to YTL376.395 thousand for the related loans stock. As of 28 March 2008, the portion amounting to YTL2.203 thousand out of the total amount of YTL60.500 thousand is kept as the value for the real estate with right to repurchase and the remaining portion amounting to YTL58.297 thousand is collected. After the deduction of mentioned amounts, the portfolio amounting to YTL362.468 thousand has been included in the table above in “write-offs” line.

**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 31 MARCH 2008**

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

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

8(iii). Information on Non-performing loans granted as foreign currency loans

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>31 March 2008</b>			
Period end balance	-	-	2.836
Specific provision (-)	-	-	(2.349)
<b>Net Balance on-balance sheet</b>	-	-	<b>487</b>
<b>31 December 2007</b>			
Period end balance	-	-	2.416
Specific provision (-)	-	-	(2.359)
<b>Net Balance on-balance sheet</b>	-	-	<b>57</b>

8(iv). Information on the gross and net amounts of the non-performing loans according to types of borrowers:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>31 March 2008 (Net)</b>	<b>153.905</b>	<b>104.868</b>	<b>51.773</b>
Loans granted to real persons and corporate entities (Gross)	190.070	237.081	745.371
Specific provision amount (-)	(36.165)	(132.213)	(693.598)
Loans granted to real persons and corporate entities (Net)	153.905	104.868	51.773
Banks (Gross)	-	-	-
Specific provision amount (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	84.986
Specific provision amount (-)	-	-	(84.986)
Other loans and receivables (Net)	-	-	-
<b>31 December 2007 (Net)</b>	<b>129.869</b>	<b>92.157</b>	<b>124.970</b>
Loans granted to real persons and corporate entities (Gross)	159.977	212.840	1.281.452
Specific provision amount (-)	(30.108)	(120.683)	(1.156.482)
Loans granted to real persons and corporate entities (Net)	129.869	92.157	124.970
Banks (Gross)	-	-	-
Specific provision amount (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	84.986
Specific provision amount (-)	-	-	(84.986)
Other loans and receivables (Net)	-	-	-



**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 31 MARCH 2008**

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

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

9. Policy followed-up for the collection of uncollectible loans and other receivables:

Uncollectible loans and other receivables are aimed to be liquidated through the collection of collaterals and legal procedures. The policy of the Bank regarding the writing-off the loans under legal follow up is as writing-off the ones that is proved as uncollectible.

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

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

	31 March 2008	31 December 2007
Government Bond	11.998.697	11.952.742
Treasury Bill	-	-
Other debt securities(*)	103.979	90.244
<b>Total</b>	<b>12.102.676</b>	<b>12.042.986</b>

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

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

	31 March 2008	31 December 2007
Debt Securities	12.149.043	12.070.661
Quoted to Stock Exchange (*)	11.993.519	11.921.396
Not Quoted	155.524	149.265
Impairment Provision (-)	(46.367)	(27.675)
<b>Total</b>	<b>12.102.676</b>	<b>12.042.986</b>

(\*) Even though Eurobonds amounting to YTL4.892.988 thousand are not quoted on stock exchanges, they are classified as such according to current sector practice as they are traded in secondary markets (31 December 2007: YTL4.682.818 thousand).

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

	31 March 2008	31 December 2007
<b>Beginning balance</b>	<b>12.042.986</b>	<b>15.879.899</b>
FC differences on monetary assets	542.351	(981.293)
Purchases during period	121.147	2.886.776
Disposals through sales and redemptions (-)	(585.116)	(5.718.209)
Impairment provision (-)	(18.692)	(24.187)
<b>Period end balance</b>	<b>12.102.676</b>	<b>12.042.986</b>

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

As of 31 March 2008, held-to-maturity investments given as collateral amount to YTL2.382.238 thousand (31 December 2007: YTL1.324.464 thousand). Held-to-maturity investments subject to repo transactions amount to YTL982.290 thousand (31 December 2007: YTL1.764.891 thousand).

**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 31 MARCH 2008**

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

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

**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

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	2.930.190	127.800	4.291	20.245	1.720	9.382	5.613	-
2	20.870	13.871	1.865	521	-	1.165	1.001	-

(\*) Information on financial figures above has been obtained from the financial statements at 31 March 2008 and is disclosed in thousands of CHF.

3. Movement of unconsolidated investments in associates :

	31 March 2008	31 December 2007
<b>Balance at the beginning of the period</b>	<b>46.062</b>	<b>46.932</b>
<b>Movements during the period</b>	-	(870)
Purchases	-	-
Transfers	-	-
Bonus shares obtained	-	-
Dividends from current period income	-	-
Sales	-	-
Revaluation (decrease)/increase	-	-
Impairment provision	-	(870)
<b>Balance at the end of the period</b>	<b>46.062</b>	<b>46.062</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:

	31 March 2008	31 December 2007
<b>Banks</b>	<b>43.404</b>	<b>43.404</b>
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Investments	2.658	2.658
<b>Total Financial Investments</b>	<b>46.062</b>	<b>46.062</b>

**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 31 MARCH 2008**

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

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

5. Valuation of unconsolidated investments in associates:

	31 March 2008	31 December 2007
Valuation with cost	46.062	46.062
Valuation with fair value	-	-
Valuation with equity method	-	-
<b>Total</b>	<b>46.062</b>	<b>46.062</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.	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	99,98	99,99
4	Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San.A.Ş.	Istanbul/ Turkey	99,99	100,00
5	Yapı Kredi Faktoring A.Ş.	Istanbul/ Turkey	99,95	100,00
6	Yapı Kredi Moscow (***)	Moscow/Russia	99,84	100,00
7	Yapı Kredi Sigorta A.Ş. (**)	Istanbul/Turkey	74,01	93,94
8	Yapı Kredi Finansal Kiralama A.O. (**)	Istanbul/Turkey	98,85	99,58
9	Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı A.Ş. (**)	Istanbul/ Turkey	30,45	30,45
10	Yapı Kredi Yatırım Ortaklığı A.Ş. (**)	Istanbul/ Turkey	11,09	56,07
11	Enternasyonal Turizm Yatırım A.Ş.	Istanbul/ Turkey	99,96	99,99
12	Yapı Kredi Azerbaijan (****)	Baku/Azerbaijan	99,80	100,00
13	Yapı Kredi Nderland N.V. (*)	Baku/Azerbaijan	67,24	100,00

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

(\*\*) Information on financial figures in Note 2 below are obtained from the financial statements at 31 December 2007.

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

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

**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 31 MARCH 2008**

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

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

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	82.947	34.722	516	2.995	476	11.196	10.137	-
2	45.418	45.367	-	7	-	(5.500)	1.273	-
3	312.209	218.333	17.165	7.000	5.692	39.342	26.820	-
4	8.919	6.942	125	35	-	97	243	-
5	901.453	72.780	411	23.804	-	5.459	5.431	-
6	238.865	64.402	8.126	4.225	742	2.239	785	-
7	650.522	253.598	32.420	30.705	20.392	25.357	3.083	960.000
8	2.460.330	552.947	817	263.173	-	131.876	31.630	1.091.798
9	259.325	106.148	28.396	4.224	727	11.358	2.397	87.200
10	60.193	60.002	34	2.146	2.146	13.341	4.211	20.741
11	36.140	11.881	4.135	8	344	367	3.004	-
12	82.620	13.523	429	1.967	1.091	1.233	764	-
13	1.413.581	145.426	250	28.671	10.267	3.682	722	-

(\*) Calculated with the ISE market prices as of 31 March 2008 considering the total number of shares.

3. Movement schedule of subsidiaries:

	31 March 2008	31 December 2007
<b>Balance at the beginning of the period</b>	<b>1.421.842</b>	<b>791.219</b>
<b>Movements during the period</b>	<b>353.679</b>	<b>630.623</b>
Purchases (*)	353.679	804.103
Transfers	-	(54.299)
Bonus shares obtained	-	-
Dividends from current period income	-	-
Sales	-	(24.500)
Revaluation (decrease) / increase	-	-
Impairment provision	-	(94.681)
<b>Balance at the end of the period</b>	<b>1.775.521</b>	<b>1.421.842</b>
<b>Capital commitments</b>	-	-
<b>Share percentage at the end of the period (%)</b>	-	-

(\*) Nominal share capital amount of YTL34.897.132,53 (35.28% of the capital), owned by KFH in Yapı Kredi Yatırım Menkul Değerler A.Ş. have been purchased by the Bank in return for USD158.754.689,63 and the cost of the share purchase has been paid to KFH as YTL188.617 thousand converted with the CBRT exchange rate at 15 February 2008.

Besides, the nominal share capital amount of EUR32.672.880,00 (67.24% of the capital), owned by KFH in Yapı Kredi NV has been purchased by the Bank in return for EUR97.502.661,71 and the cost of the share purchase has been paid to KFH as YTL165.062 thousand converted with the CBRT EUR exchange buying rate at 11 January 2008.

**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 31 MARCH 2008**

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

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

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

<b>Subsidiaries</b>	<b>31 March 2008</b>	<b>31 December 2007</b>
Banks	242.240	77.178
Insurance Companies	148.019	148.019
Factoring Companies	183.325	183.325
Leasing Companies	722.491	722.491
Finance Companies	-	-
Other Financial Subsidiaries	477.146	288.529
<b>Total Financial Subsidiaries</b>	<b>1.773.221</b>	<b>1.419.542</b>

5. Subsidiaries quoted to stock exchange:

	<b>31 March 2008</b>	<b>31 December 2007</b>
Quoted to domestic stock exchanges	904.240	904.240
Quoted to foreign stock exchanges	-	-

i. Information on hedging derivative financial assets:

	<b>31 March 2008</b>		<b>31 December 2007</b>	
	<b>YTL</b>	<b>FC</b>	<b>YTL</b>	<b>FC</b>
Fair Value Hedge	577	681	1.018	666
Cash Flow Hedge	-	-	-	-
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>577</b>	<b>681</b>	<b>1.018</b>	<b>666</b>

As part of an interest rate risk management strategy, the negative effects of changes in interest rates on the carrying value of corporate loans have been hedged with interest rate swaps. The changes in the fair value of corporate loans and the changes in the fair value of YTL payments of USD/YTL interest rate swaps have been matched and enabled to hedge the interest rate risk.

j. Information on intangible assets:

	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Balance at the beginning of the period</b>	<b>1.187.125</b>	<b>1.152.548</b>
Additions during the Period	2.956	65.981
Unused and Disposed Items (-)	(18)	(707)
Impairment Charges on Income Statement (-)	-	-
Amortisation Expenses (-)	(10.400)	(30.697)
<b>Balance at the end of the period</b>	<b>1.179.663</b>	<b>1.187.125</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.

**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 31 MARCH 2008**

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

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

Information on the acquisition of net assets related with Yapı Kredi 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>

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
Purchase Price Allocation (*)	163.084
Other Receivables and Other Assets	1.696.557
Deposits	(16.443.350)
<b>Borrowings and Money market</b>	<b>(3.195.687)</b>
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 31 March 2008, the net book value of these intangible assets amounts to YTL122.314 thousand.

**k. Information on other assets:**

As of 31 March 2008, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

**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 31 MARCH 2008**

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

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

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

**a. Information on deposits:**

1. Information on maturity structure of deposits/collected funds (\*):

1(i). 31 March 2008:

	Demand	Up to 1 Month	1-3 months	3-6 months	6 months- 1 year	1 year and over	Total
Saving Deposits	1.083.172	3.394.292	7.522.593	164.827	25.116	57.893	12.247.893
Foreign Currency Deposits	2.804.833	5.017.305	3.835.484	952.970	202.601	1.212.368	14.025.561
Residents in Turkey	2.716.696	4.582.740	3.721.679	920.471	181.232	1.110.616	13.233.434
Residents Abroad	88.137	434.565	113.805	32.499	21.369	101.752	792.127
Public Sector Deposits	308.378	13.443	29.872	8.928	14.400	560	375.581
Commercial Deposits	1.161.325	2.588.244	2.864.367	48.693	16.072	102.262	6.780.963
Other Institutions Deposits	20.432	138.880	5.440	1.442	106	305	166.605
Gold Vault	112.235	13.095	644	377	843	3.410	130.604
Bank Deposits	131.147	317.259	15	-	140.500	3.350	592.271
The CBRT	1	-	-	-	-	-	1
Domestic Banks	6.223	172.719	-	-	-	-	178.942
Foreign Banks	108.633	144.540	15	-	140.500	3.350	397.038
Special Financial Institutions	16.290	-	-	-	-	-	16.290
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>5.621.522</b>	<b>11.482.518</b>	<b>14.258.415</b>	<b>1.177.237</b>	<b>399.638</b>	<b>1.380.148</b>	<b>34.319.478</b>

1(ii). 31 December 2007:

	Demand	Up to 1 Month	1-3 months	3-6 months	6 months- 1 year	1 year and over	Total
Saving Deposits	930.436	2.913.831	7.136.187	176.172	29.122	63.605	11.249.353
Foreign Currency Deposits	2.773.702	4.843.571	3.143.355	687.897	186.509	1.137.875	12.772.909
Residents in Turkey	2.695.687	4.439.224	3.031.222	660.202	166.576	1.041.101	12.034.012
Residents Abroad	78.015	404.347	112.133	27.695	19.933	96.774	738.897
Public Sector Deposits	221.383	55.564	13.811	3.979	109.652	542	404.931
Commercial Deposits	1.177.592	3.145.445	2.234.202	282.095	12.659	101.394	6.953.387
Other Institutions Deposits	15.872	21.298	139.642	333	107	271	177.523
Gold Vault	65.378	10.126	375	283	624	2.635	79.421
Bank Deposits	101.162	305.643	126	1.848	116.438	3.212	528.429
The CBRT	72	-	-	-	-	-	72
Domestic Banks	6.633	263.722	-	-	3.153	-	273.508
Foreign Banks	53.653	41.921	126	1.848	113.285	3.212	214.045
Special Financial Institutions	40.804	-	-	-	-	-	40.804
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>5.285.525</b>	<b>11.295.478</b>	<b>12.667.698</b>	<b>1.152.607</b>	<b>455.111</b>	<b>1.309.534</b>	<b>32.165.953</b>

(\*) The Bank has no cumulative deposits and deposits with 7 days notifications.

**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 31 MARCH 2008**

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

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

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	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
<b>Saving Deposits</b>				
Saving Deposits	6.517.232	5.996.775	5.717.402	5.228.946
Foreign Currency Savings Deposit	2.869.193	2.837.947	5.177.130	4.712.030
Other Deposits in the Form of Savings deposits	6.536	5.793	113.639	64.590
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:

	31 March 2008	31 December 2007
Saving Deposits in Foreign Branches	-	-
Saving Deposits in Off-shore Banking Regions	90.093	83.319
<b>Total</b>	<b>90.093</b>	<b>83.319</b>

2(iii). Saving deposits which are not under the guarantee of saving deposit insurance fund of real persons:

	31 March 2008	31 December 2007
Foreign Branches' Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children in care	22.171	19.825
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Bank Which Established in Turkey in Order to Engage in Off-shore Banking Activities Solely	90.093	83.319



**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 31 MARCH 2008**

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

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

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

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Forward Transactions	23.350	4.593	24.528	5.522
Swap Transactions	102.373	-	160.558	-
Futures Transactions	-	-	-	-
Options	-	3.362	-	979
Other	-	-	-	-
<b>Total</b>	<b>125.723</b>	<b>7.955</b>	<b>185.086</b>	<b>6.501</b>

**c. Information on borrowings:**

1. Information on borrowings:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	176.889	105.259	178.941	116.453
From Foreign Banks, Institutions and Funds	61.577	5.472.625	326	3.940.281
<b>Total</b>	<b>238.466</b>	<b>5.577.884</b>	<b>179.267</b>	<b>4.056.734</b>

2. Information on maturity structure of borrowings :

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Short-term	238.466	1.878.625	179.267	1.376.738
Medium and Long-term	-	3.699.259	-	2.679.996
<b>Total</b>	<b>238.466</b>	<b>5.577.884</b>	<b>179.267</b>	<b>4.056.734</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 YTL1.745.563 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.

**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 31 MARCH 2008**

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

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

	31 March 2008	31 December 2007
2008	-	-
2009	-	-
2010	327.599	289.196
2011	354.453	312.977
2012	354.453	312.977
2013	354.453	312.977
2014	318.674	280.332
2015	26.856	23.781
Interest Expense Accrual	9.075	10.369
<b>Total</b>	<b>1.745.563</b>	<b>1.542.609</b>

**d. Information on other liabilities:**

As of 31 March 2008, other liabilities do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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

	31 March 2008		31 December 2007	
	Gross	Net	Gross	Net
Less than 1 year	23.612	22.796	24.483	23.581
Between 1-4 years	51	9	57	13
More than 4 years	-	-	-	-
<b>Total</b>	<b>23.663</b>	<b>22.805</b>	<b>24.540</b>	<b>23.594</b>

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

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Fair Value Hedge	8.567	-	27.786	-
Cash Flow Hedge	-	-	-	-
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>8.567</b>	<b>-</b>	<b>27.786</b>	<b>-</b>

As part of an interest rate risk management strategy, the negative effects of changes in interest rates on the carrying value of corporate loans have been hedged with interest rate swaps. The changes in the fair value of corporate loans and the changes in the fair value of YTL payments of USD/YTL interest rate swaps have been matched and enabled to hedge the interest rate risk.

**g. Information on provisions:**

1. Information on general provisions:

	31 March 2008	31 December 2007
Provisions for Group I loans and receivables	358.968	528.050
Provisions for Group II loans and receivables	43.363	42.466
Provisions for non cash loans	75.212	81.623
Other	17.019	13.755
<b>Total</b>	<b>494.562</b>	<b>665.894</b>

**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 31 MARCH 2008**

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

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

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.

	31 March 2008	31 December 2007
Discount rate (%)	5,71	5,71
The Rate Used Related to Retirement Expectation (%)	96,20	96,20

The principal actuarial assumption is that the maximum liability 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 YTL2.087,92 effective from 1 January 2008 has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefits liability in the balance sheet:

	31 March 2008	31 December 2007
<b>Prior period ending balance</b>	<b>88.549</b>	<b>94.345</b>
Provisions recognised during the period	3.056	11.198
Paid during the period	(5.585)	(16.994)
<b>Balance at the end of the period</b>	<b>86.020</b>	<b>88.549</b>

In addition, the Bank has accounted for vacation rights provision amounting to YTL40.513 thousand as of 31 March 2008 (31 December 2007 : YTL37.676 thousand).

3. Other provisions:

	31 March 2008	31 December 2007
Pension fund provision (*)	706.000	604.278
Tax risk provision (**)	71.564	72.043
Non-cash loan provision	51.111	50.249
Provisions on credit cards and promotion campaigns related to banking services	35.840	36.014
Provision on export commitment estimated liability	39.311	39.945
Legal risk provision (**)	11.673	10.997
Other	83.803	151.779
<b>Total</b>	<b>999.302</b>	<b>965.305</b>

(\*) As of 31 March 2008, the Bank provided full provision for the technical deficit based on the report prepared by a registered actuary in accordance with the technical interest rate of 9,8% determined by the New Law and CSO 1980 mortality table. In the financial statements of the Bank prepared as of 31 December 2007, the provision for the technical deficit calculated as of 31 December 2006 in accordance with the decision of the Council of Ministers numbered 2006/11345 published in the Official Gazette dated 15 December 2006 and numbered 26377 using a technical interest rate 10,24%.

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

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

As of 31 March 2008, the provision related to the foreign currency difference of foreign indexed loans amounts to YTL23.738 thousand (31 December 2007: YTL99.986 thousand).

**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 31 MARCH 2008**

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

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

**h. Information on taxes payable:**

(i) Information on taxes payable:

	31 March 2008	31 December 2007
Corporate Tax Payable	260.759	215.422
Taxation of Marketable Securities	59.129	84.246
Property Tax	1.023	1.051
Banking Insurance Transaction Tax (“BITT”)	27.763	28.033
Foreign Exchange Transaction Tax	2.822	3.167
Value Added Tax Payable	857	2.738
Other	31.589	13.580
<b>Total</b>	<b>383.942</b>	<b>348.237</b>

(ii) Information on premium payables:

	31 March 2008	31 December 2007
Social Security Premiums – Employee	-	-
Social Security Premiums – Employer	-	-
Bank Pension Fund Premiums – Employee	-	-
Bank Pension Fund Premiums – Employer	-	-
Pension Fund Deposit and Provisions – Employee	7.258	-
Pension Fund Deposit and Provisions – Employer	10.188	-
Unemployment Insurance – Employee	517	380
Unemployment Insurance – Employer	1.033	760
Other	-	-
<b>Total</b>	<b>18.996</b>	<b>1.140</b>

**i. Information on subordinated loans:**

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.091.289	-	1.772.914
From Other Foreign Institutions	-	-	-	-
<b>Total</b>	-	<b>2.091.289</b>	-	<b>1.772.914</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.

**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 31 MARCH 2008**

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

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

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

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

	31 March 2008	31 December 2007
Common Stock	3,427,051	3,427,051
Preferred Stock		-

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 YTL3.427.051 thousand and as explained in Note VIII. of this section, with the decision of the Ordinary General Assembly at 7 April 2008, the Bank has switched to the registered capital system.

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

There are no share capital increases during the period. Besides, as explained in Note II. of Section One, in scope of the transfer of the shares of Yapı Kredi Faktoring A.Ş., Yapı Kredi Finansal Kiralama A.O. and Yapı Kredi Azerbaijan Closed Joint Stock Company from KFH the capital of the Bank has increased by YTL277.601 thousand. The difference between the fair values of the transferred shares and the capital increase amounting to YTL495.852 thousand has been accounted under share premium.

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:

As of 31 March 2008, KFH has pledged YTL330.000 thousand to the Bank for the purpose of being used as a capital increase. This fund is non-interest bearing and is payable before the ordinary shares and after all other liabilities in case of a liquidation and is not related with any derivative contract or transaction and is not directly or indirectly linked to any kind of collateral. With the written approval of the BRSA numbered BDDK.UY1.50.1-4864 and dated 3 April 2008, this amount has been approved as subordinated loan and can be taken into consideration as supplementary capital within the equity calculation.

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.

**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 31 MARCH 2008**

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

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

**k. Information on marketable securities valuation differences:**

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	3.178	46.120	4.748	43.227
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>3.178</b>	<b>46.120</b>	<b>4.748</b>	<b>43.227</b>

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

**a. Information on interest income:**

1. Information on interest income on loans:

	31 March 2008		31 March 2007	
	YTL	FC	YTL	FC
Short-term Loans	662.704	61.913	612.418	39.530
Medium/Long-term Loans	279.003	93.261	175.386	79.241
Interest on Loans Under Follow-up	30.897	423	16.419	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total (*)</b>	<b>972.604</b>	<b>155.597</b>	<b>804.223</b>	<b>118.771</b>

(\*) Includes fees and commissions received for cash loans.

2. Information on interest income on banks:

	31 March 2008		31 March 2007	
	YTL	FC	YTL	FC
From the CBRT	37.336	2.693	35.269	2.583
From Domestic Banks	1.501	1.141	830	466
From Foreign Banks	745	5.412	987	22.835
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>39.582</b>	<b>9.246</b>	<b>37.086</b>	<b>25.884</b>

3. Information on interest income on marketable securities:

	31 March 2008		31 March 2007	
	YTL	FC	YTL	FC
From Trading Financial Assets	197	3.157	574	6.409
From Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	9.615	2.122	5.355	2.532
From Held-to-maturity investments	253.585	102.261	271.402	131.731
<b>Total</b>	<b>263.397</b>	<b>107.540</b>	<b>277.331</b>	<b>140.672</b>

**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 31 MARCH 2008**

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

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

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

	31 March 2008	31 March 2007
Interests Received From Investments in Associates and Subsidiaries	257	1.020

**b. Information on interest expense:**

1. Information on interest expense on borrowings:

	31 March 2008		31 March 2007	
	YTL	FC	YTL	FC
Banks	7.432	78.909	7.229	54.310
The CBRT	-	-	-	-
Domestic Banks	6.518	1.650	6.877	1.759
Foreign Banks	914	77.259	352	52.551
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	14.921	-	30.296
<b>Total (*)</b>	<b>7.432</b>	<b>93.830</b>	<b>7.229</b>	<b>84.606</b>

(\*) Includes fees and commissions related to cash loans.

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

	31 March 2008	31 March 2007
Interests paid to Investments in Associates and Subsidiaries	3.570	4.018

3. Maturity structure of the interest expense on deposits :

	Demand Deposit	Time Deposit					Cumulative Deposit	Total	31 March 2007
		Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	Over 1 Year			
<b>YTL</b>									
Bank Deposits	715	3.805	-	-	-	92	-	4.612	4.573
Saving Deposits	845	104.338	328.418	6.545	1.022	2.392	-	443.560	420.086
Public Sector Deposits	-	1.177	1.183	260	4.747	22	-	7.389	2.833
Commercial Deposits	7.660	119.721	115.143	3.527	600	4.307	-	250.958	236.343
Other Deposits	-	1.937	5.457	27	4	10	-	7.435	4.735
Deposits With 7 Days Notification	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9.220</b>	<b>230.978</b>	<b>450.201</b>	<b>10.359</b>	<b>6.373</b>	<b>6.823</b>	-	<b>713.954</b>	<b>668.570</b>
<b>FC</b>									
Foreign Currency Deposits	1.994	46.252	36.061	8.603	1.842	12.129	-	106.881	111.467
Bank Deposits	-	892	-	612	37	-	-	1.541	876
Deposits With 7 Days Notification	-	-	-	-	-	-	-	-	-
Gold Vault	-	14	1	1	3	28	-	47	20
<b>Total</b>	<b>1.994</b>	<b>47.158</b>	<b>36.062</b>	<b>9.216</b>	<b>1.882</b>	<b>12.157</b>	-	<b>108.469</b>	<b>112.363</b>
<b>Grand Total</b>	<b>11.214</b>	<b>278.136</b>	<b>486.263</b>	<b>19.575</b>	<b>8.255</b>	<b>18.980</b>	-	<b>822.423</b>	<b>780.933</b>

**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 31 MARCH 2008**

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

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

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

	<b>31 March 2008</b>	<b>31 March 2007</b>
<b>Income</b>	<b>2.716.900</b>	<b>1.249.969</b>
Income from Capital Market Transactions	1.503.254	267.989
Derivative Financial Transactions	1.476.488	259.068
Other	26.766	8.921
Foreign Exchange Gains	1.213.646	981.980
<b>Loss(-)</b>	<b>(2.748.595)</b>	<b>(1.219.849)</b>
Loss from Capital Market Transactions	(1.364.436)	(252.061)
Derivative Financial Transactions	(1.361.707)	(243.325)
Other	(2.729)	(8.736)
Foreign Exchange Loss	(1.384.159)	(967.788)
<b>Net Gain/(Loss)</b>	<b>(31.695)</b>	<b>30.120</b>

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

Other operating income mainly consists of collections from provisions recorded as expense in the previous years and positive impact of the study performed for the general loan loss provision calculation.

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

	<b>31 March 2008</b>	<b>31 March 2007</b>
Specific provisions for loans and other receivables	82.186	40.795
III. Group Loans and Receivables	6.057	923
IV. Group Loans and Receivables	16.275	22.309
V. Group Loans and Receivables	59.854	17.563
General Provision Expenses	-	6.099
Provision Expense for Possible Risks	2.976	2.531
Marketable Securities Impairment Expenses	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Available-for-Sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	40.410
Investments in Associates	-	-
Subsidiaries	-	40.410
Joint Ventures	-	-
Held-to-maturity Investments	-	-
Other	-	-
<b>Total</b>	<b>85.162</b>	<b>89.835</b>



**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 31 MARCH 2008**

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

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

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

	<b>31 March 2008</b>	<b>31 March 2007</b>
Personnel Expenses	208.604	184.395
Reserve For Employee Termination Benefits	-	-
Provision Expense for Pension Fund	101.722	30.249
Impairment Expenses of Fixed Assets	1.895	-
Depreciation Expenses of Fixed Assets	27.379	34.734
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortisation Expenses of Intangible Assets	10.400	6.212
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	447	-
Depreciation Expenses of Assets Held for Resale	1.222	4.059
Impairment Expenses of Fixed Assets Held for Sale	-	-
<b>Other Operating Expenses</b>	<b>160.713</b>	<b>152.630</b>
Operational Lease Expenses	18.086	9.958
Maintenance Expenses	5.591	3.443
Advertising Expenses	11.477	21.310
Other Expense	125.559	117.919
Loss on Sales of Assets	2.282	2.322
Other	71.619	52.864
<b>Total</b>	<b>586.283</b>	<b>467.465</b>

**g Provision for taxes on income from continuing operations:**

As of 31 March 2008, the Bank has current tax expense amounting to YTL45.337 thousand (31 March 2007: YTL39.877 thousand) and deferred tax income amounting to YTL61.188 thousand (31 March 2007: YTL1.422 thousand deferred tax expense).

The Bank made an agreement with local tax authorities in relation to the corporate tax declarations for the periods 2003/2005 and gave up the legal process against Boğaziçi Kurumlar Vergi Dairesi according to Law Numbered 5736 which came into force on 27 February 2008 and published in the Official Gazette numbered 26800. In relation to the agreement, a payment amounting to YTL49,064 thousand was made to the related tax office and has been accounted under deferred tax expense account.

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

- 1) The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions (other than provision expense for the actuarial deficit of the Pension Fund amounting to YTL102 million, tax expense amounting to YTL49 million related to the compromise with the tax office and provision reversal income amounting to YTL185 million related with the revised general loan loss provision calculation) don't require any additional explanation to understand the Bank's current period performance.
- 2) Information on any change in the accounting estimates concerning the current period or consequent periods: None

**i. Information on sub-accounts covering 20% of the other items in income statement if their total exceeds the 10% of the total income statement:**

Other items in income statement do not exceed 10% of the total.

**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 31 MARCH 2008**

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

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

**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 YTL11.061.226 thousand (31 December 2007: YTL10.449.281 thousand), commitments for cheque books are YTL1.406.969 thousand (31 December 2007: YTL1.359.423 thousand) and loan granting commitments are YTL2.485.059 thousand (31 December 2007: YTL1.902.940 thousand).

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

There are no material 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>31 March 2008</b>	<b>31 December 2007</b>
Bank acceptance loans	196.914	184.493
Letter of credits	2.481.081	2.010.563
Other guarantees and collaterals	662.782	720.241
<b>Total</b>	<b>3.340.777</b>	<b>2.915.297</b>

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

	<b>31 March 2008</b>	<b>31 December 2007</b>
Temporary letter of guarantees	532.224	638.848
Definite letter of guarantees	7.894.671	7.778.742
Advance letter of guarantees	1.700.717	1.539.381
Letter of guarantees given to customs	615.791	579.354
Other letter of guarantees	321.820	299.105
<b>Total</b>	<b>11.065.223</b>	<b>10.835.430</b>

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

	<b>31 March 2008</b>	<b>31 December 2007</b>
Non-cash Loans Given Against Cash Loans	181.284	180.627
With Original Maturity of 1 Year or Less Than 1 Year	32.061	28.046
With Original Maturity of More Than 1 Year	149.223	152.581
Other Non-cash Loans	14.224.716	13.570.100
<b>Total</b>	<b>14.406.000</b>	<b>13.750.727</b>

**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 31 MARCH 2008**

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

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

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

	Group I		Group II	
	YTL	FC	YTL	FC
<b>Non-cash Loans</b>				
Letters of Guarantee	5.453.805	5.514.538	56.051	40.829
Bank Acceptances	-	195.075	-	1.839
Letters of Credit	758	2.479.850	-	473
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	2.231	660.551	-	-
<b>Total</b>	<b>5.456.794</b>	<b>8.850.014</b>	<b>56.051</b>	<b>43.141</b>

**b. Information on contingent liabilities:**

In this respect, several outstanding legal cases against the Bank have been considered as contingent liabilities and an YTL11.673 thousand (31 December 2007: YTL10.997 thousand) provision against these legal cases has been accounted for in the financial statements under the “Other provisions” account.

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 31 MARCH 2008

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

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:

	31 March 2008	31 March 2007
<b>Cash</b>	<b>1.330.660</b>	<b>1.394.615</b>
Cash and Effectives	439.766	435.711
Demand Deposits in Banks	890.894	958.904
<b>Cash Equivalents</b>	<b>353.628</b>	<b>1.567.730</b>
Interbank Money Market	-	-
Deposits in Bank	353.628	1.567.730
<b>Total Cash and Cash Equivalents</b>	<b>1.684.288</b>	<b>2.962.345</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:

	31 March 2008	31 March 2007
<b>Cash</b>	<b>1.661.510</b>	<b>1.244.670</b>
Cash and Effectives	412.434	326.403
Demand Deposits in Banks	1.249.076	918.267
<b>Cash equivalents</b>	<b>191.125</b>	<b>1.789.866</b>
Interbank Money Market	-	-
Time Deposits in Banks	191.125	1.789.866
<b>Total Cash and Cash Equivalents</b>	<b>1.852.635</b>	<b>3.034.536</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.

**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 31 MARCH 2008**

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

---

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

**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 SDIF 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.

**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 31 MARCH 2008**

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

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

**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. 31 March 2008:

<b>Banks’ Risk Group (*) (**)</b>	<b>Associates, subsidiaries and joint ventures</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other real and legal persons that have been included in the risk group</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	67.986	110.549	358.699	679.098	211	-
Balance at the End of the Period	8.779	29.348	470.932	450.568	243	-
<b>Interest and Commission Income Received</b>	<b>257</b>	<b>52</b>	<b>12.000</b>	<b>481</b>	<b>10</b>	<b>-</b>

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

(\*\*) The information in table above includes banks as well as loans.

2. 31 December 2007:

<b>Banks’ Risk Group(*) (**)</b>	<b>Associates, subsidiaries and joint ventures</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other real and legal persons that have been included in the risk group</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<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	67.986	110.549	358.699	679.098	211	-
<b>Interest and Commission Income Received (***)</b>	<b>1.020</b>	<b>158</b>	<b>7.807</b>	<b>454</b>	<b>-</b>	<b>-</b>

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

(\*\*) The information in table above includes banks as well as loans.

(\*\*\*) Shows the 31 March 2007 values.

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

<b>Banks’ Risk Group(*) (**)</b>	<b>Associates, subsidiaries and joint ventures</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other real and legal persons that have been included in the risk group</b>	
	<b>31 March 2008</b>	<b>31 December 2007</b>	<b>31 March 2008</b>	<b>31 December 2007</b>	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>Deposit</b>						
Beginning of the Period	156.132	145.912	2.890.090	3.134.323	19.825	-
End of the Period	332.370	156.132	3.391.738	2.890.090	22.171	19.825
<b>Interest Expense on Deposits (***)</b>	<b>3.570</b>	<b>4.018</b>	<b>83.478</b>	<b>68.815</b>	<b>705</b>	<b>-</b>

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

(\*\*) The information in table above includes borrowings as well as deposits.

(\*\*\*) 31 December 2007 column shows the 31 March 2007 values.

**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 31 MARCH 2008**

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

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

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	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
<b>Transactions at Fair Value Through Profit or Loss (**)</b>						
Beginning of the Period(***)	844.729	1.472	261.295	213.997	-	-
End of the Period (***)	672.570	844.729	151.268	261.295	-	-
<b>Total Profit / Loss (****)</b>	<b>(3.087)</b>	<b>(1)</b>	<b>678</b>	<b>3.624</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 2007 column shows the 31 March 2007 values.

**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:

	Total Risk Group	Total Transaction Volume	%
Loans	425.407	31.159.967	1,37
Banks	54.547	954.259	5,72
Interest Income Received	12.267	1.177.029	1,04
Non-cash Loans	479.916	14.406.000	3,33
Commission Income Received	533	33.598	1,59
Deposit	2.944.411	34.319.478	8,58
Borrowings and Money Markets	801.868	6.812.684	11,77
Interest Expense Paid	87.753	967.355	9,07
Trading Transactions	823.838	11.212.782	7,35
Trading Transactions Profit (net)	(2.409)	138.818	(1,74)

**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 31 MARCH 2008**

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

---

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

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

Salaries paid to the Bank's key management amount to YTL1.632 thousand as of 31 March 2008 (31 March 2007: YTL1.903 thousand).

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

- 1) In accordance with the permission of the CMB decision numbered 567 and dated 4 April 2008, the permission of the BRSA decision numbered 4056 and dated 20 March 2008, the permission of the Domestic Trade General Directorate of the Ministry of Industry and Commerce decision numbered 1908 and dated 7 April 2008 it is decided to apply registered capital system and during the Ordinary General Assembly Meeting of the Bank held at 7 April 2008, the ceiling for the registered capital is determined as YTL5.000.000 thousand.
- 2) In the Ordinary General Assembly of the Bank held at 7 April 2008, it was decided to allocate YTL496.619.264 as extraordinary legal reserve after reserving taxation, previous period loss, legal reserves from the current period profit of 2007 and transfer of profit from the sale of real estate amounting to YTL15.058.715,42 to the other capital reserves account.
- 3) Çukurova Holding A.Ş., in scope of FRA, made an early payment related with its loan amounting to USD224.624.222,75 and YTL3.774.885,85 on 28 April 2008. As a result of the early payment, there are no outstanding risk of Çukurova in scope of FRA. Since all of the cash risk of Çukurova Group were paid and non cash loans amounting to YTL1.575.527,93 and USD736.087,07 were collateralized in cash, the pledges on other collaterals were eliminated.
- 4) The Board of Directors of the Bank resolved on 15 May 2008 to increase the Bank's issued capital of YTL3.427.051.284,00 within the Bank's registered capital of YTL5.000.000.000,00 to YTL4.347.051.284,00 by YTL920.000.000 in cash; to invite the shareholders of the Bank to exercise, proportionate with their share of the Bank's share capital, their pre-emptive rights at nominal value, during a 15 days period which will be announced in the circular; to realise for those new shares on which the pre-emptive rights have not been exercised within the time-limit, the sale in the stock exchange for 3 working days at a price prevailing on the ISE on the condition that such price shall not be less than the nominal value; to authorise the Head Office to make the necessary applications to the BRSA and the CMB in order to get the necessary approvals for the capital increase and to the Central Registry Agency Inc. for registration of the shares; to prepare the relevant documents, to approve the announcements and the other related declarations and documents; to perform all other transactions required for the capital increase to be realised.
- 5) According to the resolution taken by the Board of Directors of the Bank on 15 May 2008, it was resolved to start the preliminary assessment jointly with Koray Group about the existing controlling shareholdings in Yapı Kredi Koray Gayrimenkul Yatırım Ortaklığı A.Ş. (the Bank holds 30,45% of the share capital of the Company) including the possible divestiture and Rothschild Kurumsal Finansman Hizmetleri Limited Şirketi has been appointed as financial advisor jointly by the Bank and Koray Yapı Endüstrisi ve Ticaret A.Ş..



**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 31 MARCH 2008**  
(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira (“YTL”).)

---

**SECTION SIX  
OTHER EXPLANATIONS AND NOTES**

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

As of 29 February 2008, the shares of Yapı Kredi Bank Deutschland, which is owned 65,42% by the Bank and 34,58% by Yapı Kredi Holding BV has been sold to Avenue Europe Investments Singapore Pte Ltd. for net assets + EUR250 thousand and EUR4.742 thousand after capital decrease has been deposited to the Bank’s account. The effect of this sale to the unconsolidated financial statements is YTL2.512 thousand profit.

**SECTION SEVEN  
EXPLANATIONS ON REVIEW REPORT**

**I. EXPLANATIONS ON REVIEW REPORT**

The unconsolidated interim financial statements for the period ended 31 March 2008 have been reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers). The review report dated 15 May 2008 is presented prior to the unconsolidated financial statements.

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

None.

.....