Yapı Kredi 2006YE Earnings Presentation

(Based on 31 December 2006, BRSA Bank-only Results)

Istanbul, 12 March 2007

Important Disclosure

- *The **legal merger of Yapı Kredi (YKB) and Koçbank (KB) took place on 2 October 2006**. The financials announced on 12 March 2007 based on 2006YE results are the **first financials of the new merged Bank***
- *Since the merger, the new entity carries in its assets a **goodwill of YTL 979 mln** which is **subject to annual impairment test** (in line with the new TR GAAP principles as well as international practices)*
- *Because 2005 figures represent only ex-YKB (restated in line with the new BRSA regulation) in the financial report dated 31 December 2006, **a pro-forma of KB + YKB has been created** and selected balance sheet and income statement items have been presented in the disclosure of the report*
- ***Only for the purposes of this presentation,** and in order to better follow the trends, **pro-forma KB+YKB has been normalized** to exclude the effects of one-off adjustments of the acquisition that took place in September 2005*

Agenda

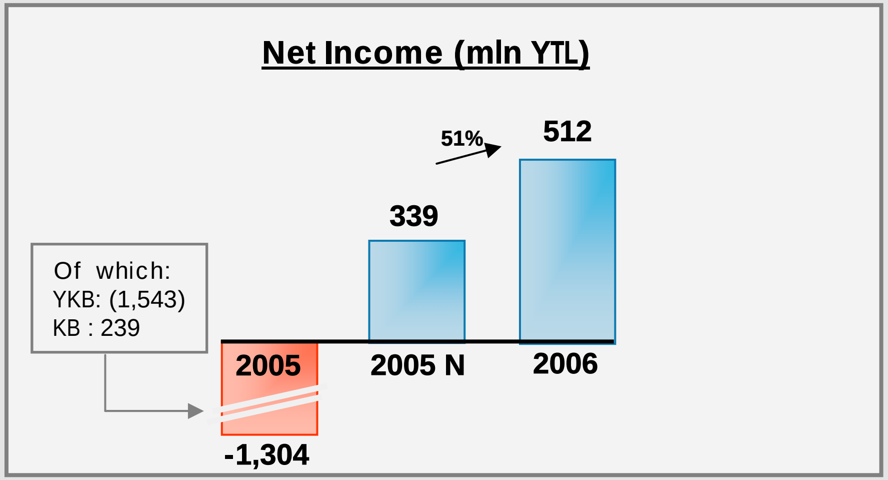
- Key Highlights of 2006 Results
- 2006 Financial and Business Performance
- 2006 Post-Merger Integration Achievements
- 2007 Outlook
- Annexes

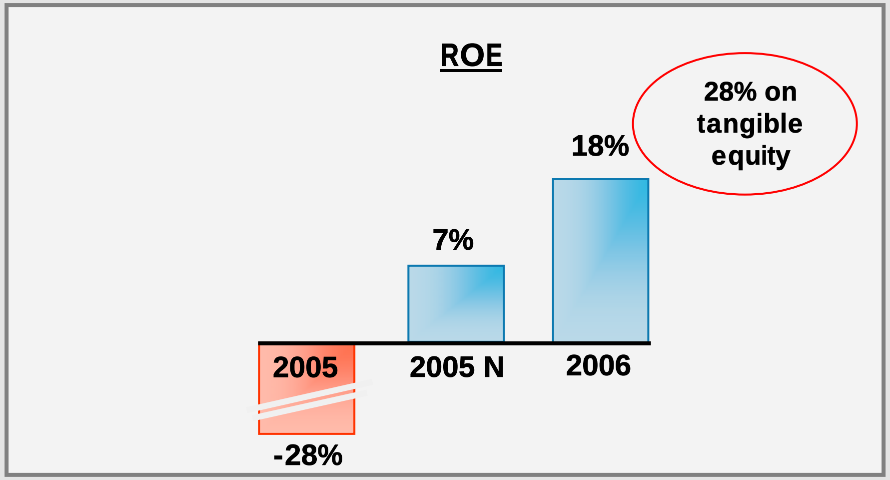
2006 Key Highlights

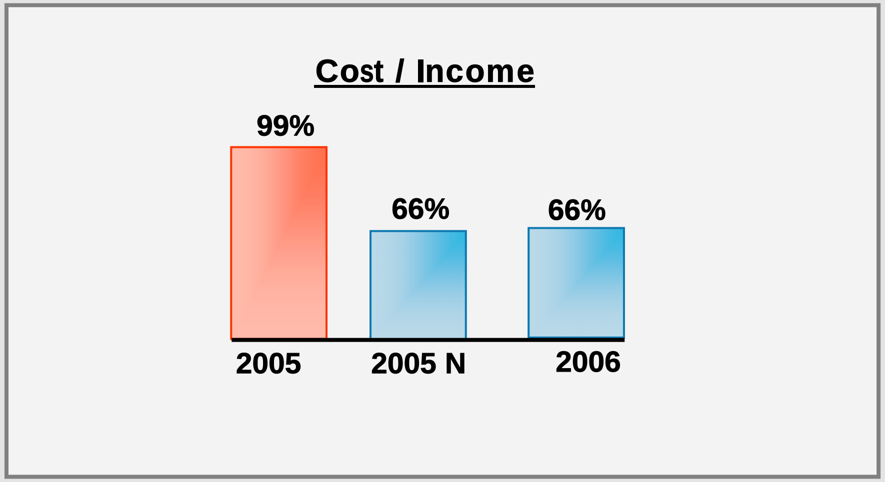
- **Successfully completed legal and IT merger 12 months after the acquisition**
- **YTL 512 mln of net income and ROE of 18%** in a year of integration and market turmoil
- **Capital adequacy ratio (CAR) at 12.3%** as a result of quick capital base restructuring (-12 months vs original plan)
- **Revenue growth of 13% y-o-y**(1) and **market share up to 10%(2)** (from 9.7% in 2005)
- **Reinforced no 1 position in credit card business** (26% issuing volume market share) and **no 1 position in mutual funds** (23% market share)
- **Additional ~450 employees at branches** due to HQ rationalization, leading to an improvement in Front Office ratio of +3 ppts (up to 54%); **20 new branch** openings
- **Core Non HR costs down 5% y-o-y and Cost/Income at 66%**
- **NPL ratio down by 0.5 ppts** y-o-y to 6.7% excluding the new regulation impact (7.2% including) with **82% provisioning coverage**

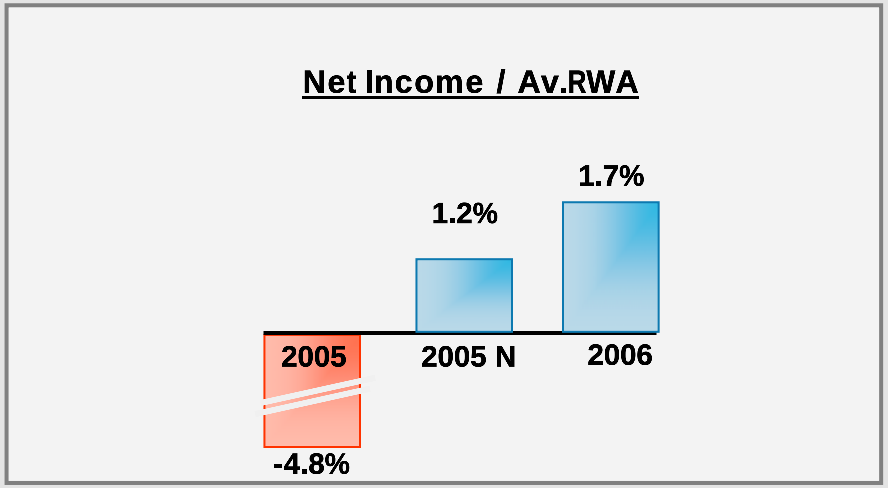
(1) Normalized for acquisition adjustments + financial cost of acquisition and sub-loan
(2) System revenues for the first 11 months of 2006, excluding dividends and all asset sales

In the integration year, Yapı Kredi is back to profitability with clear improvement also vs. 2005 normalized results



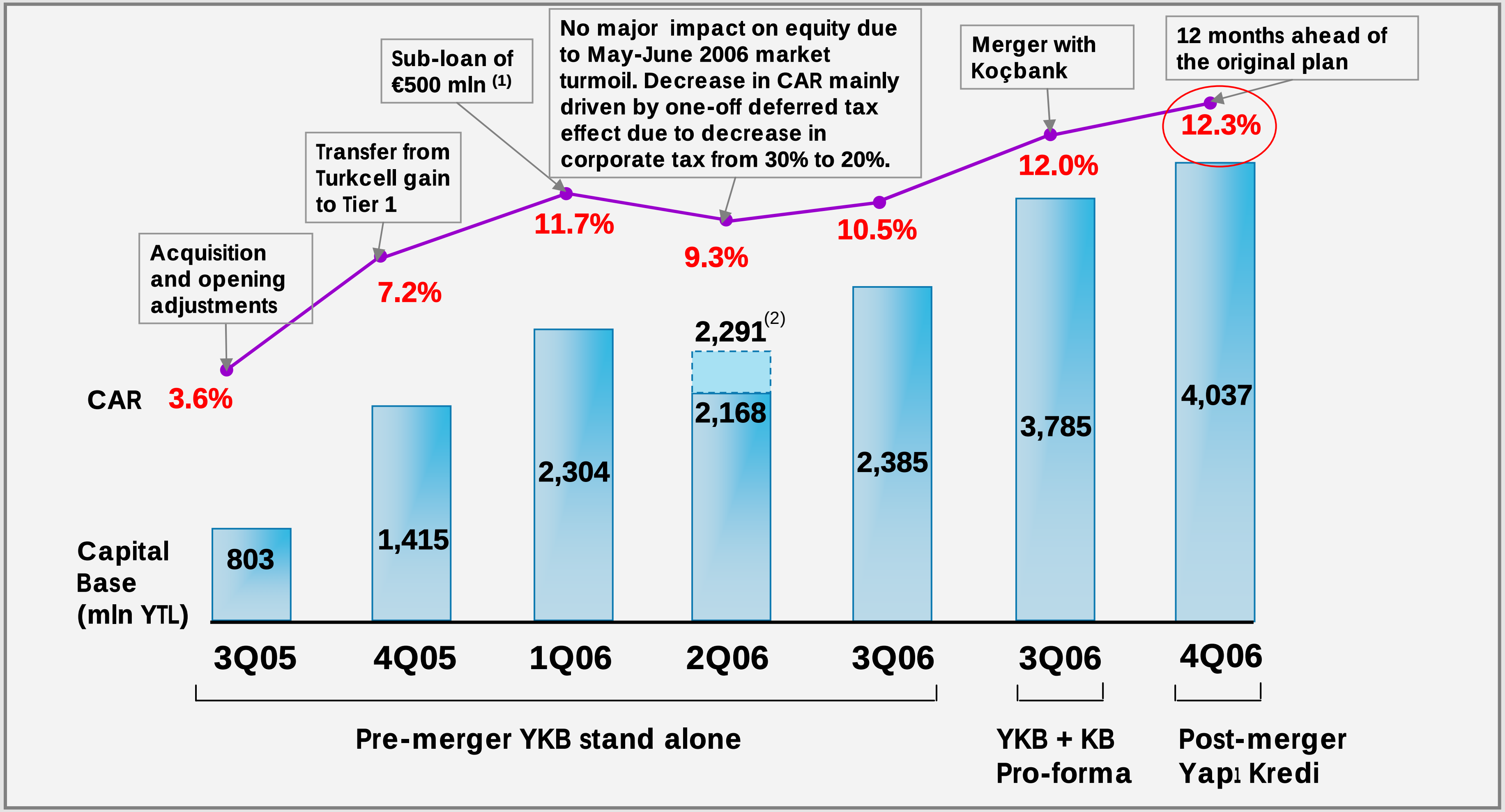






N = Normalized, excluding acquisition adjustments

Completed restructuring of full capital base in 12 months



(1) Additional €350 mln sub-loan added to Koçbank's Tier 2 Capital in April 2006

(2) Excluding deferred tax effect

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Performance driven by 9% revenue growth, cost control (core non-HR down by 5% absorbing integration costs) and risk management (net provisions up by 2%)

(mln YTL)	2005 Pro-forma	2005 Normalized	2006	YoY %	YoY % Normalized(1)
Total Revenues	**3,936**	**2,802**	**3,047**	**-23%**	**+9%**
Net Interest Income	1,633	1,631	1,759	+8%	+8%
Non-Interest Income	2,303	1,171	1,288	-44%	+10%
o/w Fees & Comm.	724	736	852	+18%	+16%
Operating Costs	**(3,887)**	**(1,857)**	**(1,998)**	**-49%**	**+8%**
HR costs	(613)	(613)	(637)	+4%	+4%
Non-HR costs	(3,274)	(1,244)	(1,361)	-58%	+9%
Core Non-HR (2)	(2,702)	(911)	(863)	-68%	-5%.
Operating Income	**49**	**945**	**1,049**	**n.s**	**+11%**
Provisions	(1,404)	(333)	(340)	-76%	+2%
Pre-tax Income	**(1,355)**	**612**	**709**	**n.s**	**+16%**
Net Income	**(1,304)**	**339**	**512**	**n.s**	**+51%**

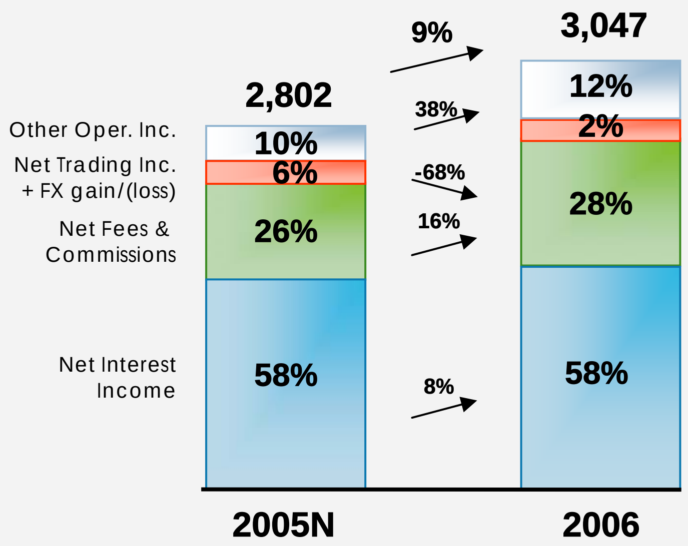
+13%
Excluding acquisition and sub-loan financial costs

(1) Excluding acquisition adjustments
(2) Including depreciation and excluding HR related costs such as management bonuses, ETB, and vacation rights amounting to 99 mln YTL in 2005 Proforma and 151 mln YTL (incl. HR integration costs) in 2006.

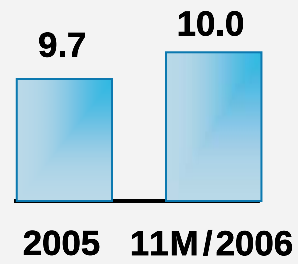
Koç UniCredit YapıKredi

Commercial strategy focused on increasing revenue market share through a healthy earnings structure

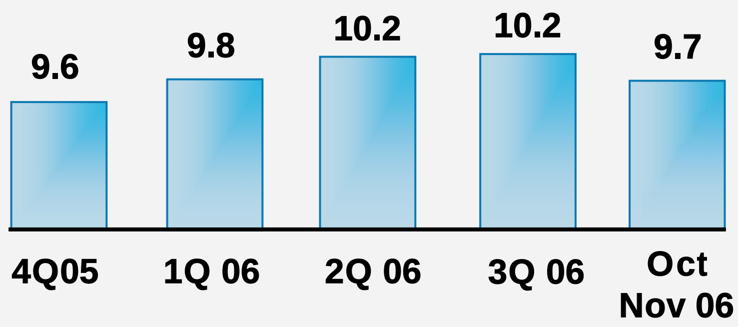
Composition of Revenues (mln YTL)



Revenue[1] Market Share (%, Yearly)



Revenue[1] Market Share (%, Quarterly)

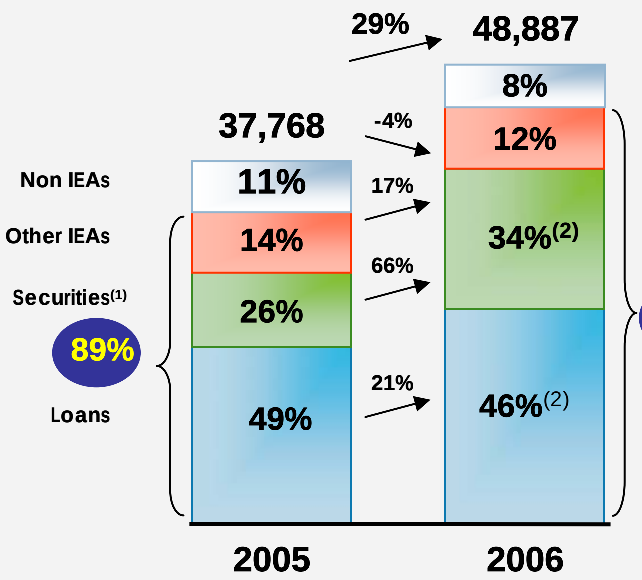


- Increased revenue market share to 10% from 9.7% in 2005
- Revenues at +13% if 2006 normalized from the effects of acquisition and sub loan costs

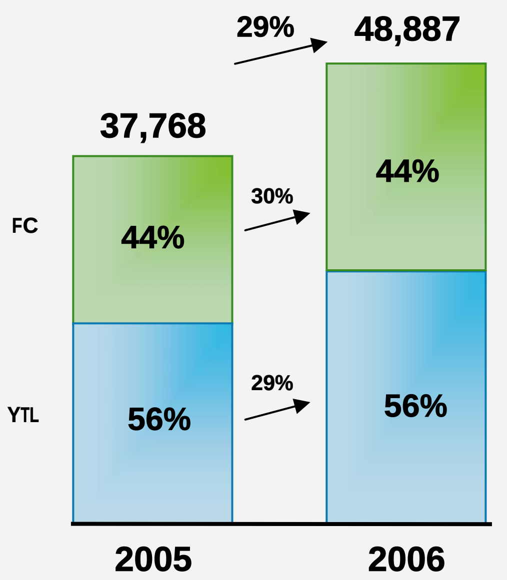
(1) System revenues excluding dividends and all asset sales

Share of IEAs in total assets increased by +3 ppts up to 92% due to disposal of non-core assets and collection of receivables

Composition Of Assets (mln YTL)



TL/FC Breakdown of Assets (mln YTL)



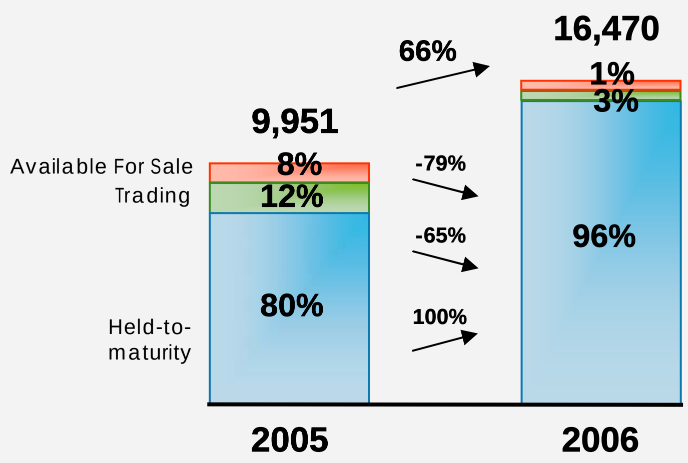
	2005	2006
TL Loans/Loans	65%	68%
TL IEAs/IEAs	52%	53%
Loans/Deposits	70%	72%

- Since the acquisition at end-2005, **secured 3.2 bln YTL of cash inflow**, of which **1.6 bln YTL from** the sale of non-core assets and collection of receivables (Turkcell, A-tel, Fintur/Digiturk and Fiskobirlik)
- Constant **decrease in non-IEAs** -- shrinkage of 4% since end-2005
- **Share of loans in total assets at 46%** while 68% of total loans constituted by higher margin YTL loans
- **YTL IEAs constitute 53% of total IEAs** driving higher margins
- **Further room for improvement in loans/deposits ratio** -- 72% at end-2006

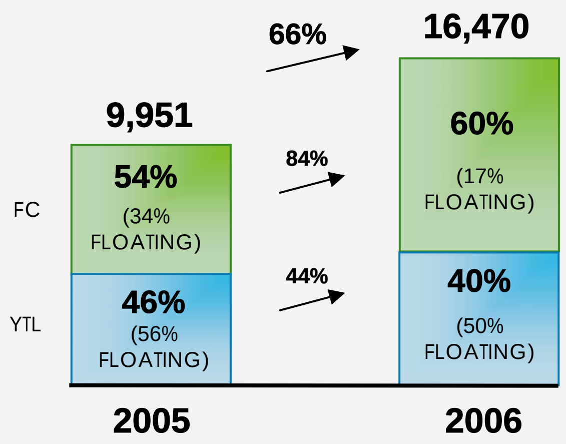
(1) Securities including derivative accruals.
(2) As of February 2007, securities 30% and loans 48% of total assets

96% of securities portfolio invested in Held-to-Maturity, aimed at stable revenue generation and limited capital at risk

Securities Composition by Type (mln YTL)

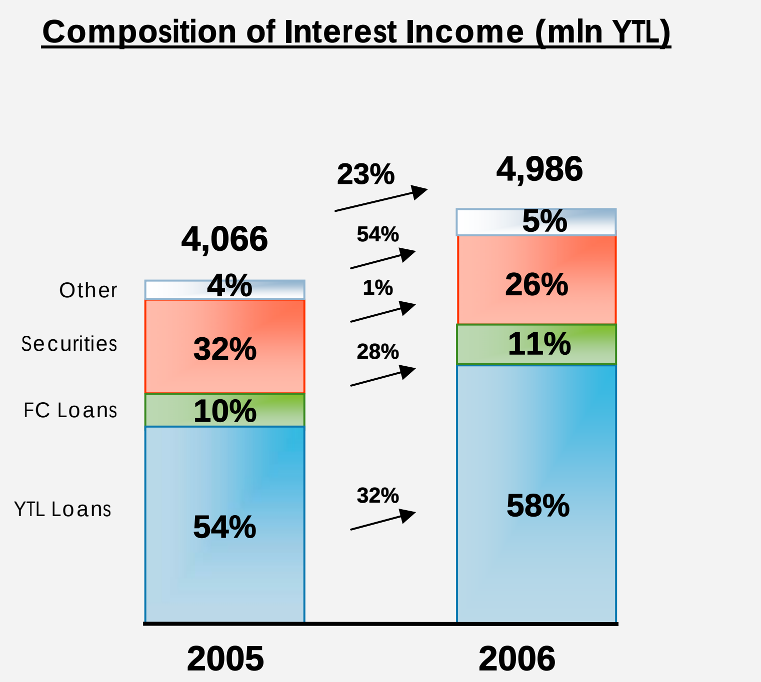


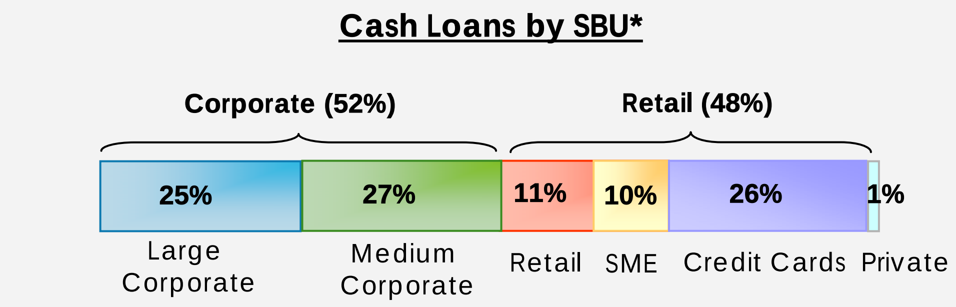
Securities Composition by Currency (mln YTL)

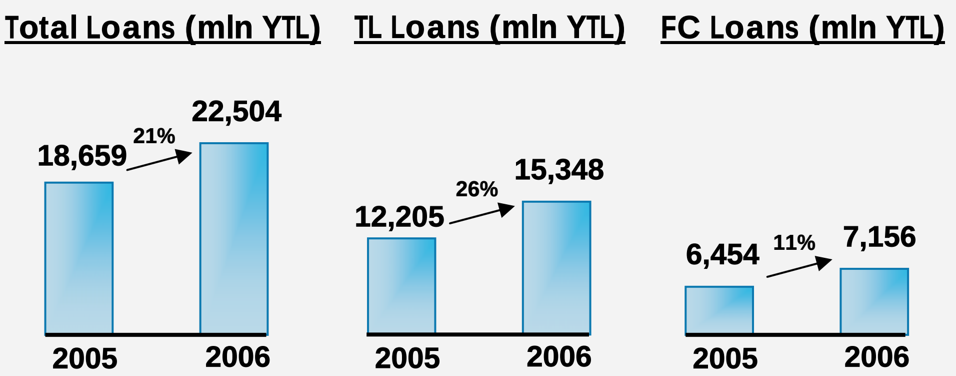


- Strong focus on **effective risk management**
- **Derivatives allowed only for hedging purpose**; options allowed only for client-driven transactions immediately fully hedged
- **No FX speculative open positions** allowed
- **VaR limits, stop loss, max open position monitored on a daily basis**

Interest income mainly driven by loans rather than securities income





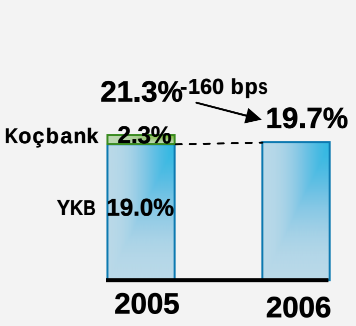


- **Share of interest income driven by loans** increased from 64% in 2005 to 69% in 2006
- **Share of securities income in total interest income decreased** from 32% in 2005 to 26% in 2006
- **Profitability focused loan composition** with credit cards making up 26% of cash loans -- the highest yielding instrument in the sector

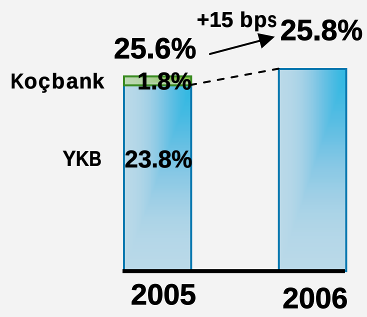
(*) MIS data (commercial bank only)

Uninterrupted leadership in credit cards since 1991 further reinforced in 2006 despite the challenges of integration

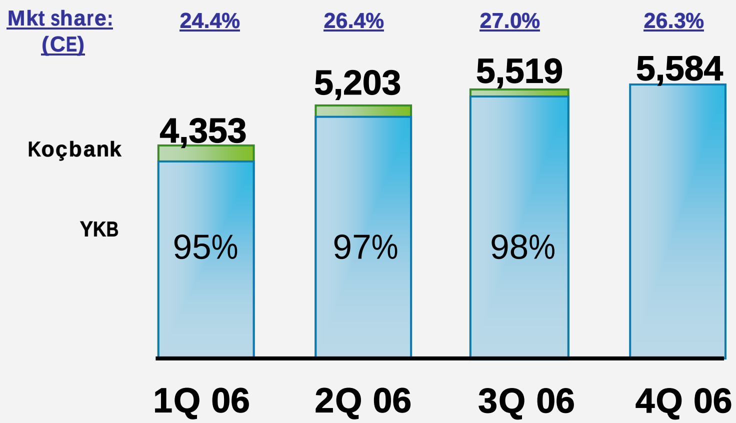
Market Share in No of CCs



Market Share in Issuing Volume (eop)



Credit Card Outstanding (mln YTL)



	2005 CE	2006 CE	YoY%
# of merchants	160,776	168,235	+5%
# of POS	184,097	194,400	+6%
Credit Card Turnover (mln YTL)	21,890	28,009	+28%
Credit Card Outstanding (mln YTL)	4,159	5,584	+34%
Revolving Ratio	34.6%	29.6%	-500 bps
Card Activation ratio	79.0%	84.0%	+500 bps
Fraud/Volume	0.041%(1)	0.022%	-1.9 bps
Churn Rate	5.30%	4.20%	-110 bps

Market Share vs Closest Competitor

world

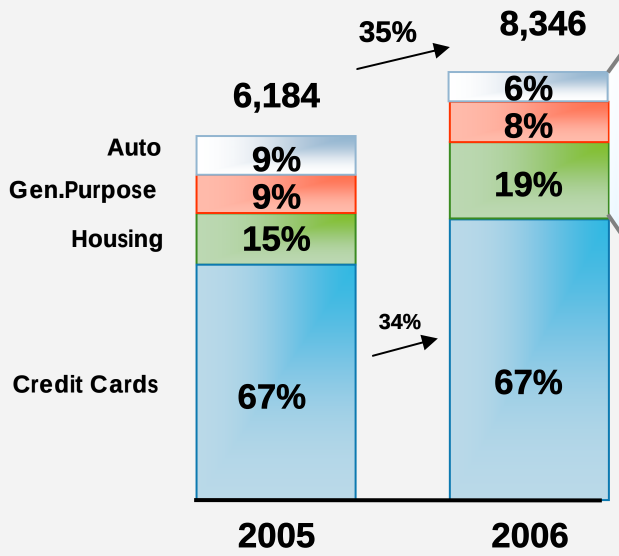
	Number of CCs	Acquiring Volume(2)	Issuing Volume(2)	CCs Outstanding
YKB	19.7%	24.8%	25.0%	26.3%
Mkt. Share Advantage	+ 216 bps	+ 255 bps	+ 336 bps	+ 425 bps

CE=Combined Entity (Yapı Kredi + Koçbank) (1) Pre-merger YKB only.
(2) Annual cumulative market share

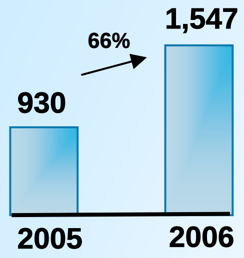
Koç UniCredit YapıKredi

Significant room for growth in consumer loans; promising potential in mortgages and general purpose loans

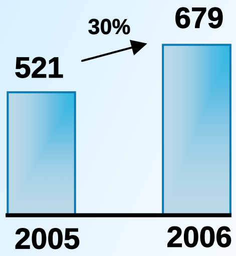
Composition of Consumer Loans & Credit Cards (mln YTL)



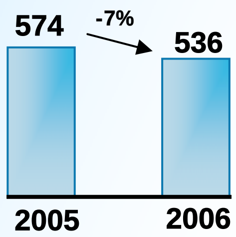
Housing Loans (mln YTL)



Gen. Purpose Loans (mln YTL)



Auto Loans (mln YTL)

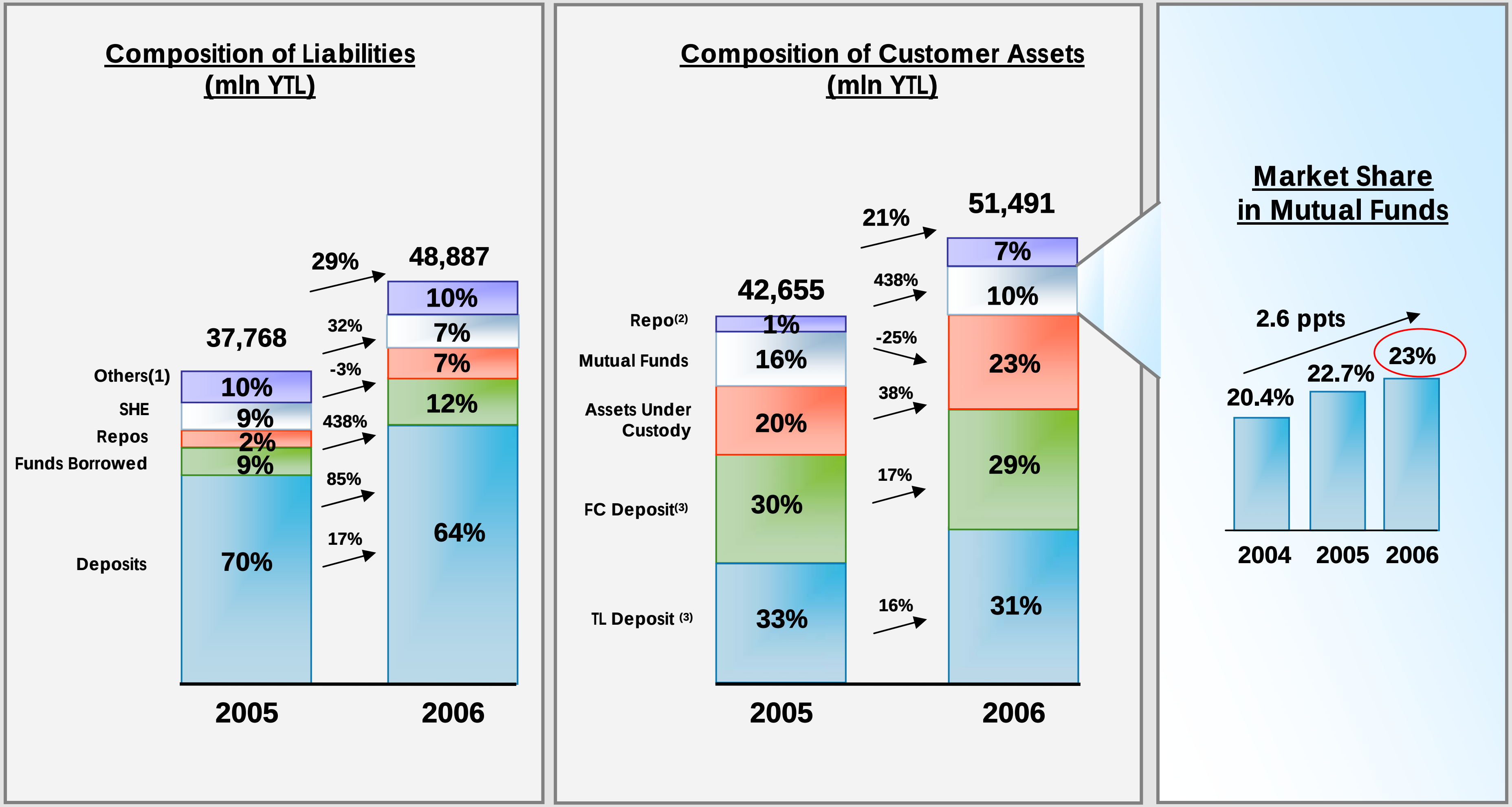


2006 Market Share

Consumer loans	6.0%
- Housing	7.0%
- General Purpose	3.9%
- Auto	8.4%

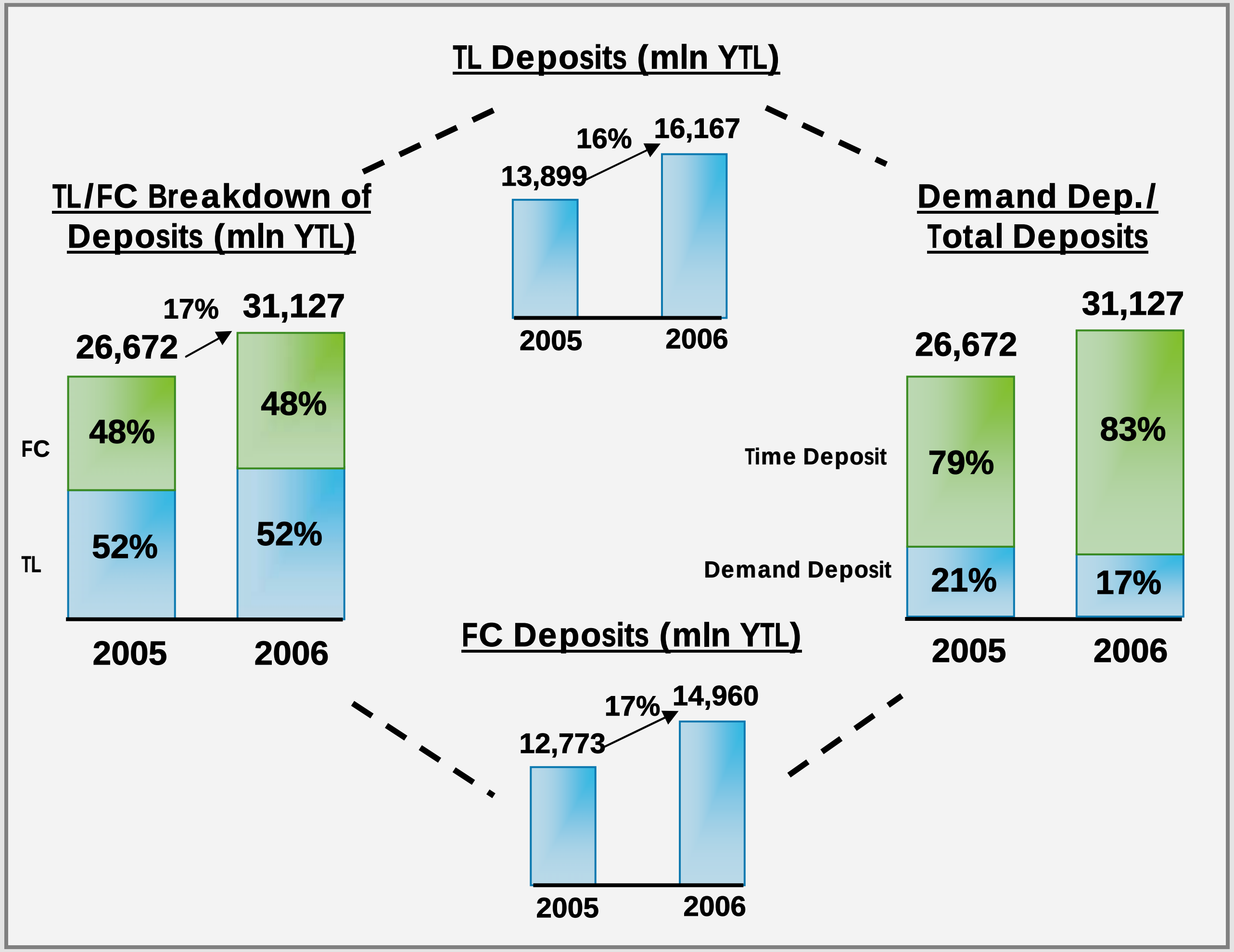
- **Highest share of credit cards** in total retail loans among peers -- 67% (peer ave: 36%)
- **Through CRM potential,** in 2006 made mortgage offers to 1,7 mln customers of the combined customer base
- **Enhanced agreements with car companies** (more than 20) **and dealers** (1,500)

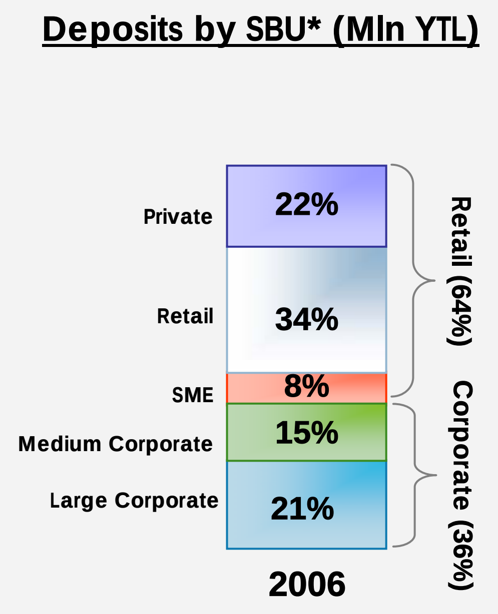
Healthier liability structure thanks to international funding access and strong focus on customer asset gathering



(1) Includes pension fund deficit of 331 mln YTL and 481 mln YTL accounted respectively in 2005 and 2006. As per most recent calculation, total pension fund deficit increased from 556 mln YTL to 599 mln YTL **(2) Including bank repos** **(3) Including bank deposits**

Growth and diversification focus in funding base freed from pre-merger high cost deposits totalling 1.8 bln YTL





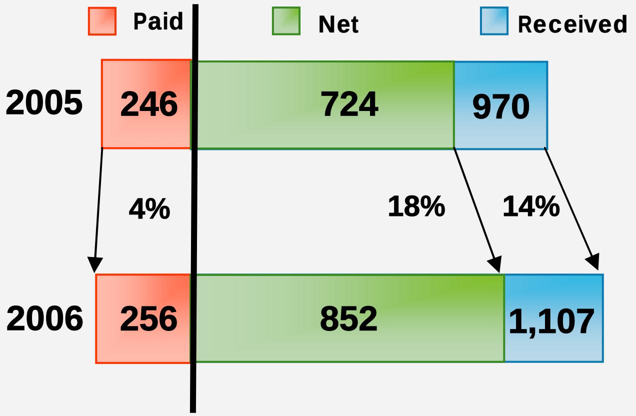
- **Further room for improvement in demand deposits/total deposits**. As a result, cost of funding expected to improve
- Retail deposits represents 64% of total deposits

(*) MIS data (Commercial bank only)

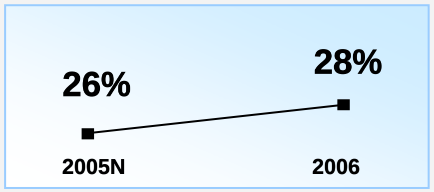
Koç UniCredit YapıKredi

Solid fee & commission growth on the back of enhanced leadership positions in credit cards, asset management and non-cash loans

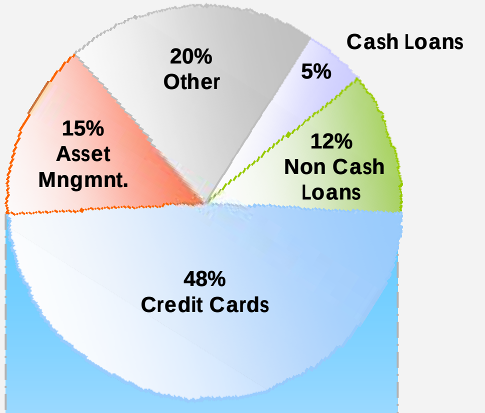
Fees & Commission Income (mln YTL)



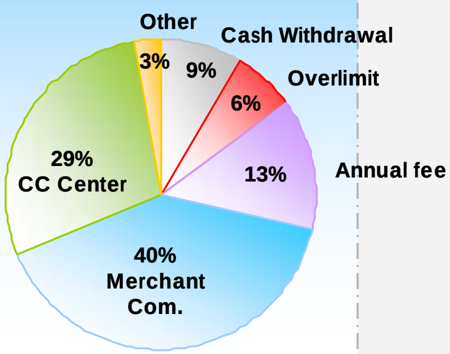
Net Fees & Commissions / Total Revenues



Fees & Commission Composition



CC Fee and Commission

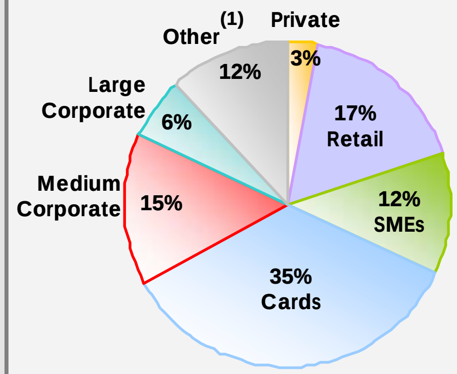


- **18% YoY growth** in fee and commissions, indicating continued focus on sustainable revenue sources
- **Increased portion of fee & commission income** in total revenues to 28% at end-2006
- **Fees & commissions represents 108% of HR related costs***
- **Healthy composition of fee and commission income** derived from leadership positions in credit cards, asset management and non-cash loans

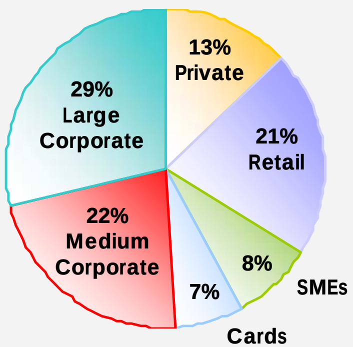
(*) Including Hr-related non-hr costs

Well diversified revenue mix focused on high growth and profitable business lines for a superior return vs. peers

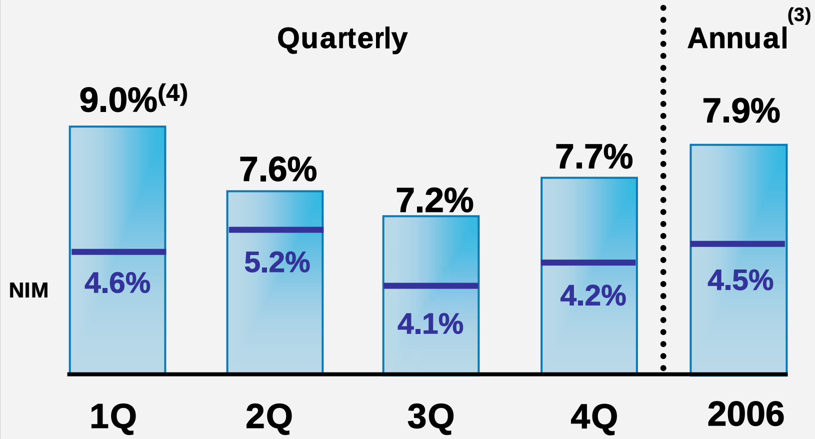
2006 Net Revenues



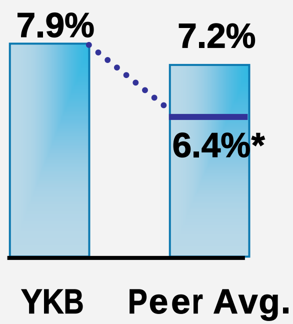
2006 Customer Volumes (2)



Revenues / Average IEAs



Annual Revenues / Average IEAs (3)



(*) After adjusting revenues for the excess capital base vs. 12% CAR as the benchmark (excess capital * avg. annual interbank rate)

- **35% of revenues generated by most profitable credit card business**
- **Sum of retail and SME segments derive 29% of revenues** and 29% of volumes
- **Highest ratio of Revenues/IEAs (7.9%) among peers**, confirming quality revenue generation capability

(1) Treasury, work out and other
(2) Cash loans + Non cash loans + Deposits + Asset under Management + Assets under Custody(Only commercial bank driven values)
(3) Average= End of period/2
(4) Excluding dividends 8.5%

Koç UniCredit YapıKredi

...with strategic presence in most attractive segments

POSITIONING – DECEMBER ´06

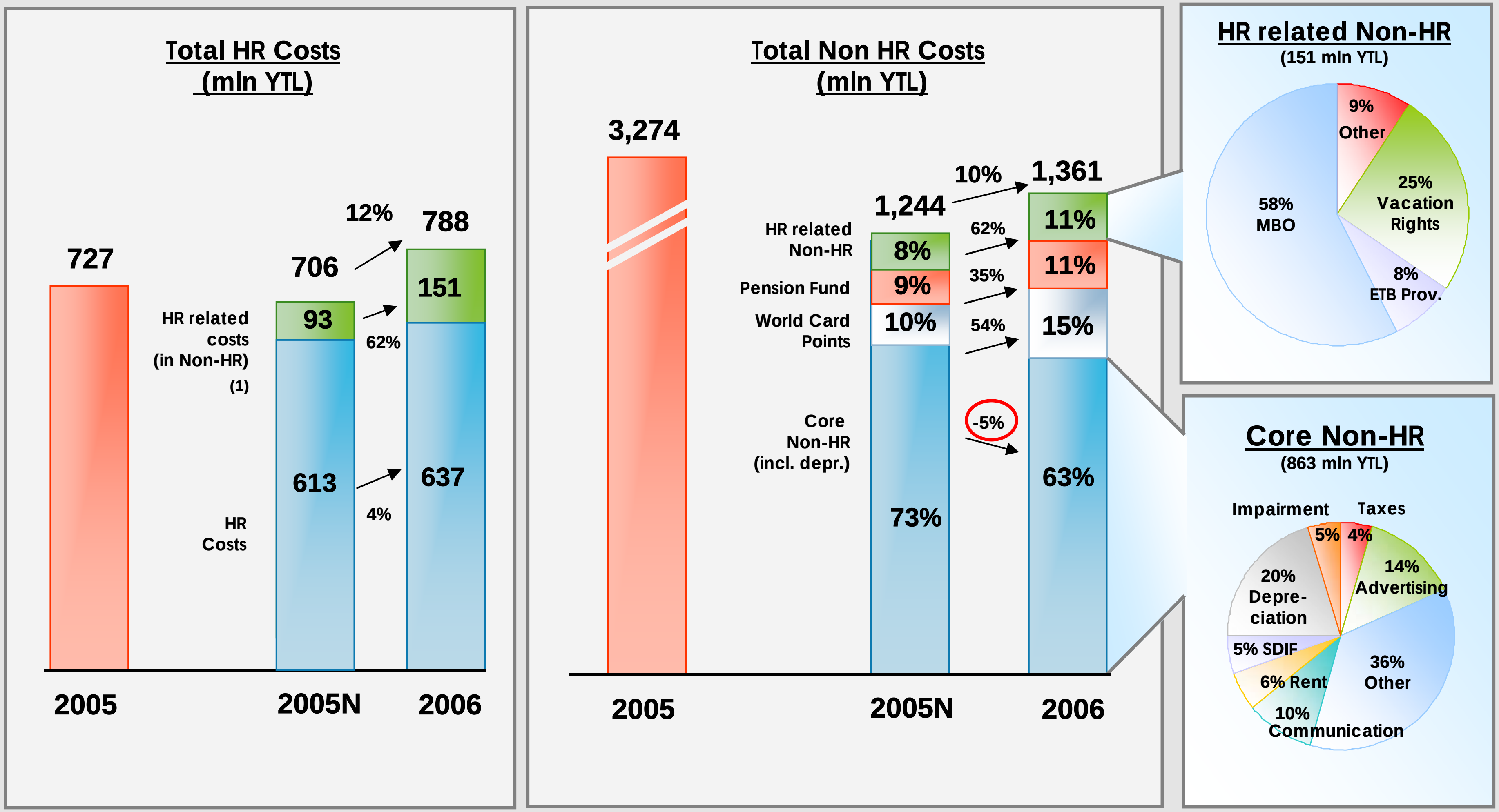
Yapı Kredi
Total Assets
Rank nr 5

Segment	Product	Rank	Mkt. Sh. %	Key Competitors - %
Retail	# of Branches	4	8.9	Ziraat 17, İş 13, Ak 10
	Deposits (1)	4	10.4	Ziraat 20 (7), İş 15, Ak 11
	Consumer Loans (2)	6 (7)	6.0	Ak 13,Ziraat 15 (7), İş 14
	Credit Cards (3)	1	26.3	Garanti 22, Ak 15
AuM + Brokerage	Asset Management	1	23.0	İş 21 Garanti 12 Ak 13
	Brokerage (5)	6	4.5	İş 6.4, Fin.5.9 ,RJ 6.2
Corporate	Deposits (1)	4	10.4	Ziraat 20 (7), İş 15, Ak 11
	Cash Loans (6)	4	9.4	İş 14, Ak 13, Garanti 11
	Non Cash Loans	1	18.9	Garanti 13, İş 10
	Leasing	1	18.3	Garanti 16,Finans 8
	Factoring	1	22.7	Garanti 12, Deniz 8
Insurance	Life	2(4)	14.4	Anadolu 25,Başak 13
	Pension	1(4)	22.7	Ak 14, Anadolu 19
	Non-Life	1(4)	18.5	AxaOyak 11.5, Anadolu 12.9

(1) Total deposit since total retail deposits for all banks are not disclosed separately
(2) Excluding credit card loans, **(3)** Outstanding balance market share,
(4) Through Koc Allianz which is not a KFS subsidiary (Koç Group subsidiary), **(5)** Equity trading volumes
(6) Cash loans excluding credit card outstanding and consumer loans **(7)** As of September 2006

Koç UniCredit YapıKredi

HR costs up by 12% y-o-y driven by full introduction of MBO* system, ETB and vacation rights while core non-HR declined by 5% y-o-y on a normalized basis

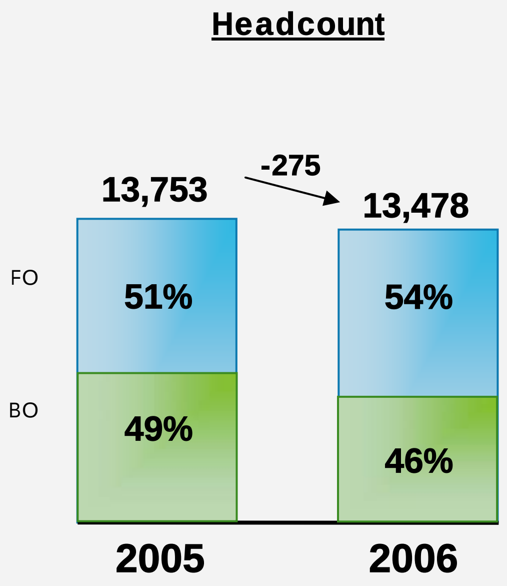


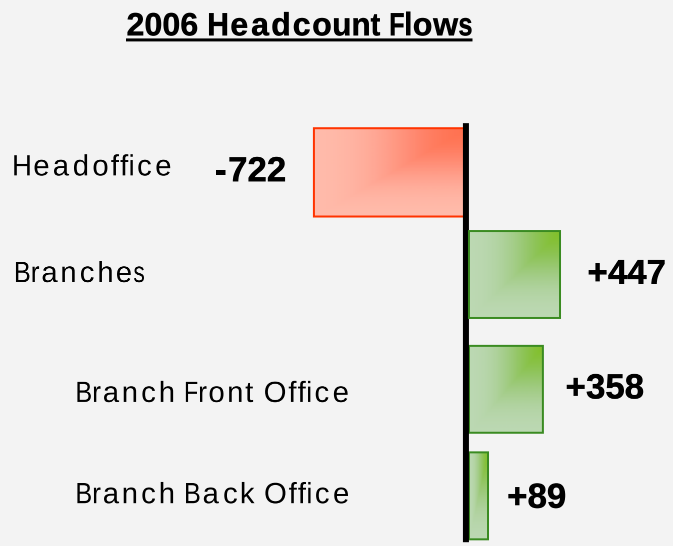
(*) MBO (Management By Objectives): results-driven bonus scheme

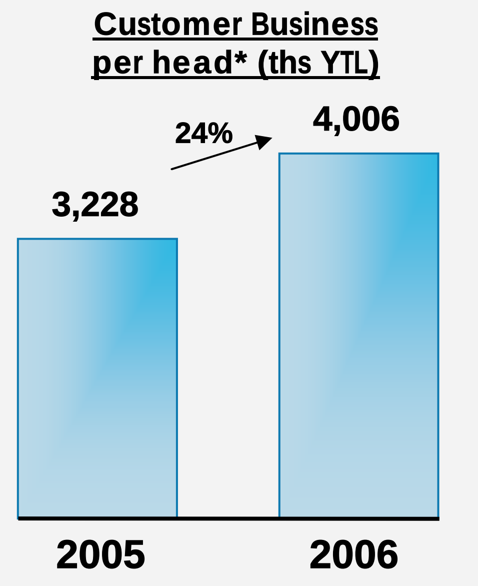
(1) MBO, ETB, vacation rights

Koç UniCredit YapıKredi

Substantial reorganization of the sales force leading to improved productivity and operational efficiency



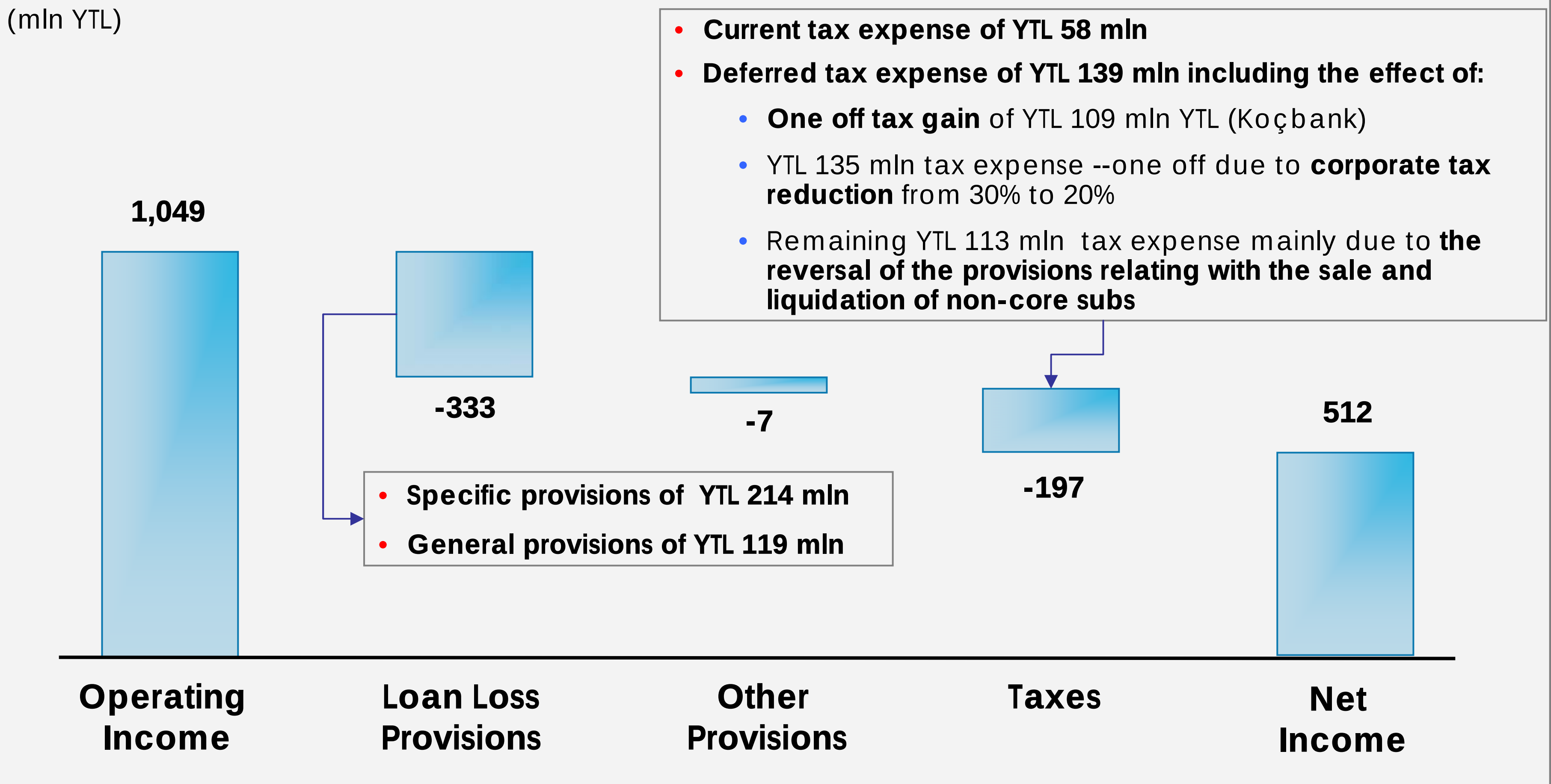




- **Decrease of 722 headcount in HQ** thanks to the consolidation of the headquarters of two banks completed in June 2006
- **Achieved major shift from HQ to NW (network)** through reorientation of 447 headcount. Further improvement expected in 2007; **20 new branch openings** in 2006.
- **Substantial increase in average productivity per head** (+24% y-o-y)

* Bank's deposits + loans per head

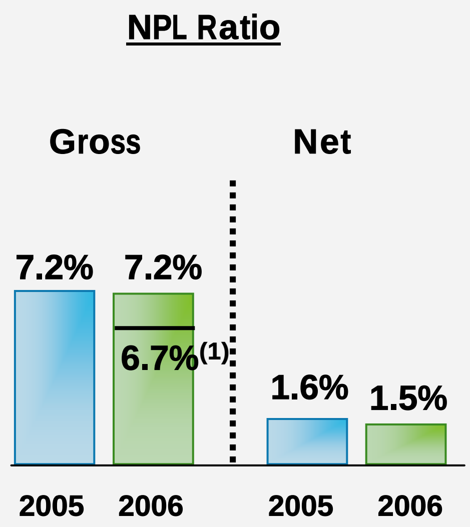
From operating income to net income

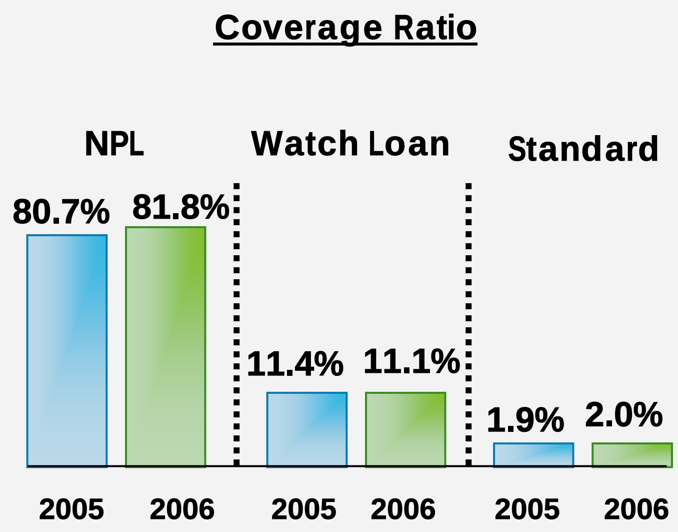


- **Current tax expense of YTL 58 mln**
- **Deferred tax expense of YTL 139 mln including the effect of:**
  - **One off tax gain** of YTL 109 mln YTL (Koçbank)
  - YTL 135 mln tax expense --one off due to **corporate tax reduction** from 30% to 20%
  - Remaining YTL 113 mln tax expense mainly due to **the reversal of the provisions relating with the sale and liquidation of non-core subs**

- **Specific provisions of YTL 214 mln**
- **General provisions of YTL 119 mln**

Constantly improving trend in asset quality with decreasing NPL ratio coupled with more than adequate provisioning level





- **Gross NPL ratio on a comparable basis down by 0.5** ppts to 6.7% with further room to improve
- **Increase in coverage ratio to 82%** (remaining 18% fully collateralized)
- Watch loan coverage at 11% and standard coverage at 2%, highlighting a **more conservative approach vs. the market**

(1) Excluding the participation effect of the new regulation

Koç UniCredit YapıKredi

Agenda

- Key Highlights of 2006 Results
- 2006 Financial and Business Performance
- 2006 Post-Merger Integration Achievements
- 2007 Outlook
- Annexes

Major 2006 Integration Accomplishments

Business Strategy	■ **Focus on the key segments / products**: Cards (leadership reinforced and consolidated), Retail (upper mass, strategically positioned in consumer lending/mortgages, decreased Mass cost to serve), Private, Small Business, Mid-Large Corporate. ■ **New service model** implemented ■ **Monitoring and risk management** functions aligned to KFS standards ■ **Macro offer and pricing alignment** completed for the most important services: Cross product sales on both networks started ■ **MBO system** established
Integra. / Restructu-ring	■ **Head quarters consolidated**, regional operations centers consolidated (June 2006) ■ **Branches relocated/new branches opened** (respectively 12 and 20) ■ **Operational engine rationalized** (including back-office / operation centres / call centres) ■ **Legal Merger** of the 2 banks executed (Oct 2006) ■ **IT integration** completed (End-October 2006) ■ **Subs integration / merger** (four core financial subs) concluded (Dec 2006/ Jan 2007)

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2007 IFRS Financial Guidance

2007 Banking Sector Growth Forecasts		2007 Yapı Kredi Performance	Key Focus Areas
Assets	17%	SECTOR OUTPERFORM	Further increase in IEAs (sale of ~400 mln YTL non-core)
Loans	24%	SECTOR OUTPERFORM	Less capital absorbing products/reinforce leadership in cards
Deposits	16%	SECTOR OUTPERFORM	Remix towards demand deposits and lower cost funding base
Mutual Funds	18%	SECTOR OUTPERFORM	Maintain leadership position in mutual funds
Revenues	10%	SECTOR OUTPERFORM	High double digit growth in all key segments, aiming to increase market share

2005-2008 IFRS Targets at KFS Level (3 Year Plan)

ROE	> 20%
Cost/Income	< 50%
CAR	> 12%
Cost of Risk	~ 0.9%

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Annex

(mln YTL)	2005 KB Original (a)	2005 YKB Original (b)	2005 KB+YKB Pro-forma (c) a+b	2005 YKB Adjust. (d)	2005 KB+YKB Normalized (e) c-d	2006 YKB (f)	YoY % (g) f/c	YoY % (h) f/e
Total Revenues	921	3,016	3,937	1,135[1]	2,802	3,047	-23	+9
Operating Expenses	(443)	(3,445)	(3,888)	(2,031)	(1,857)	(1,998)	-49	+8
Gross Operating Profit	**478**	**(429)**	**49**	**(896)**	**945**	**1,049**	**+2061**	**+11**
Provisions	(114)	(1,290)	(1,404)	(1,071)	(333)	(340)	-76	+2
Pre-tax Profit	**364**	**(1,719)**	**(1,355)**	**(1,967)**	**612**	**709**	**-152**	**+16**
Tax	(123)	176	51	325	(273)	(197)	-481	-28
Net Profit	**239**	**(1,543)**	**(1,304)**	**(1,643)**	**339**	**512**	**-139**	**+51**

(1) Including income from the sale of Turkcell shares (YTL 1,144 mln)

Summary Balance Sheet

(mln YTL)	FY05 KB	FY05 YKB	FY05 Pro-forma	FY06	YoY %
Assets	14,792	23,840	37,768	48,887	+29
Loans	7,238	11,421	18,659	22,504	+21
Securities	3,976	5,975	9,951	16,470	+66
Fixed Assets & Participations	2,068	1,860	3,064	3,069 (1)	-
Deposits	9,593	17,079	26,672	31,127	+17
Repos	140	445	624	3,357	+438
Borrowings	1,425	1,899	3,324	6,159	+85
Equity	2,724	1,588	3,428 (2)	3,344	-2
Assets under Management	4,200	3,186	7,386	6,145	-17
Assets under Custody	3,770	4,905	8,675	11,966	+38
Non-cash Loans	3,754	9,457	13,211	15,342	+16

(1) Including YTL 979 mln amount of goodwill.

(2) Calculated as if merger occured in 2005.

Quarterly P&L Trends

(mln YTL)	1Q	2Q	3Q	4Q	QoQ %	1 H	2 H	HoH
Revenues	**753**	**711**	**741**	**842**	**+14**	**1,465**	**1,583**	**+8**
Interest Income	**391**	**487**	**422**	**459**	**+9**	**878**	**881**	**-**
Non-Interest Income	**362**	**224**	**318**	**383**	**+20**	**587**	**702**	**+20**
Costs	**(437)**	**(477)**	**(451)**	**(633)**	**+40**	**(914)**	**(1,084)**	**+19**
HR Costs	(157)	(162)	(163)	(156)	-4	(319)	(318)	-
Non HR Costs	(235)	(271)	(245)	(435)	+78	(506)	(680)	+35
Depreciation	(45)	(45)	(44)	(42)	-3	(90)	(86)	-5
Net Operating Income	**316**	**234**	**289**	**210**	**-28**	**550**	**499**	**-9**
Provisions	**(94)**	**(100)**	**(70)**	**(76)**	**+9**	**(194)**	**(146)**	**-24**
Pre-tax profit	**223**	**134**	**219**	**133**	**-39**	**357**	**352**	**-1**
Tax	**(76)**	**(145)**	**53**	**(29)**	**-155**	**(221)**	**(24)**	**-111**
Net Profit	**147**	**(11)**	**272**	**104**	**-62**	**136**	**376**	**+177**

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