Yapı Kredi 1H 2007 Earnings Presentation

30 June 2007, BRSA Bank-only Results

İstanbul, 3 August 2007

1H2007 Key Highlights:
Post-merger catch up well en route…

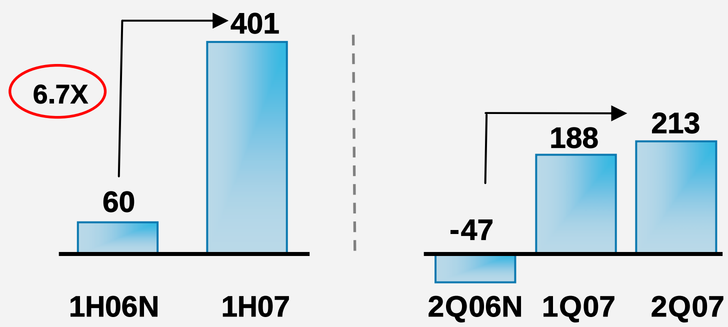
- **YTL 401 mln** of **net income; 7x YoY[1]** and **13% QoQ ; ROE of 23%** (+19 ppts up YoY[1])
- **Market share gains** in almost all segments of loans and deposits over 1Q07 with the return of commercial focus to the network as a result of **segment-focused organisation** put in place
- **Healthy revenue growth** of **25% YoY[1], solid fee&commission growth** of **13% QoQ** as a result of renewed commercial focus
- **CAR** at **12.3%** including impact of operational risk and issuance of **Euro 200 mln subordinated loan** in June **guaranteed by UniCredit**
- **Cost/Income down to 60%[2]** (-7 ppts YoY[1]) (**50%** if cost base adjusted for IFRS)
- **NPL ratio down to 6.8% (-0.7 ppts vs 1Q)** excluding the new regulation impact (6.5% including) with **80.5% NPL provisioning coverage**
- **23 new branch** openings in 2Q07 as a first step of **recently announced accelerated branch opening plan** (**total # of branches: 638)**
- **Early collection of US$480 mln from Çukurova** on 13 July will lead to a debt reduction to US$258 mln
- **91.90%** of **share exchange ratio** announced on 23 July **for transferring YK Leasing, YK Factoring** and **YK Azerbaijan from KFS to YKB**, 1.6% increase expected in KFS ownership up to 81.8%. Subject to BRSA and CMB approvals, **completion of KFS restructuring expected within 2007**

(1) In comparison with 1H 2006 YKB merged bank figures normalized for the financial cost of stake increase and sub-loan as well as some minor accounting policy applications.
(2) Adjusted by loan write-off, mainly from Superonline. Unadjusted: 64%

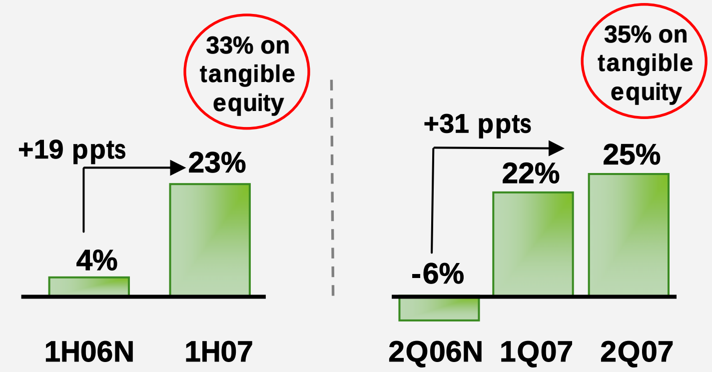
Koç UniCredit YapıKredi

Continued to build further track record in profitability improvement and strict cost management

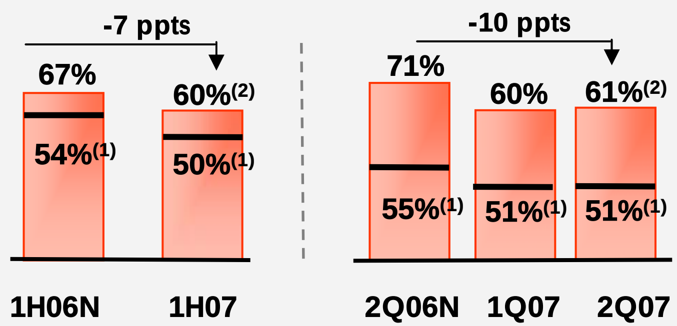
Net Income (mln YTL)



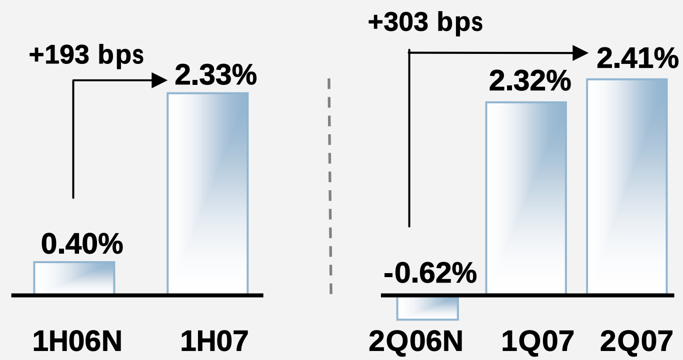
ROE



Cost / Income



Net Income / Av.RWA



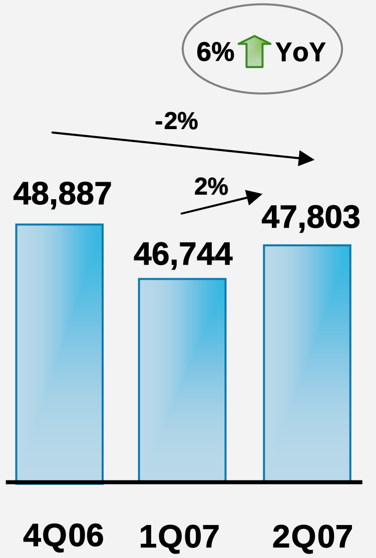
Throughout the presentation, "1H06N" refers to 1H 06 YKB merged bank figures normalized for the financial cost of stake increase and sub-loan as well as some minor accounting policy applications.

1H06 figures not adjusted for the effects of corporate tax rate decrease from 30% to 20% due to change in tax legislation.

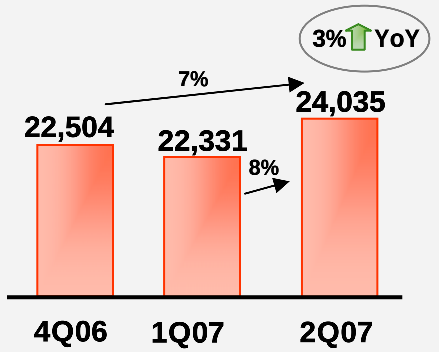
(1) Cost base adjusted by provision expenses of pension fund and Worldcard points for comparison with IFRS guidance ,(2) Loan write-off adjusted, mainly from Superonline

Positive market share gains over 1Q07 in almost all segments of loans and deposits as a result of return of commercial focus in the network

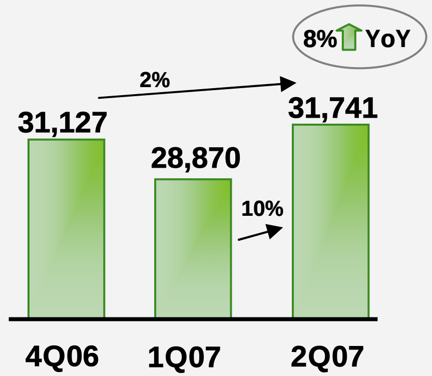
Total Assets (mln YTL)



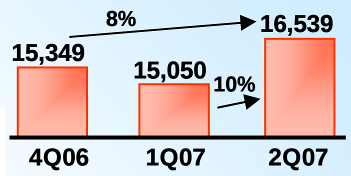
Total Loans (mln YTL)



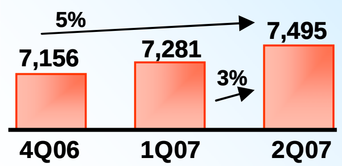
Total Deposits (mln YTL)



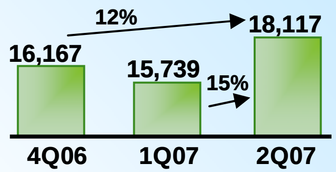
TL Loans (mln YTL)



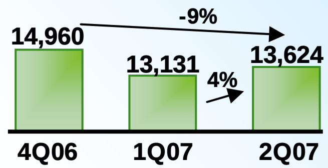
FC Loans (mln YTL)



TL Deposits (mln YTL)



FC Deposits (mln YTL)

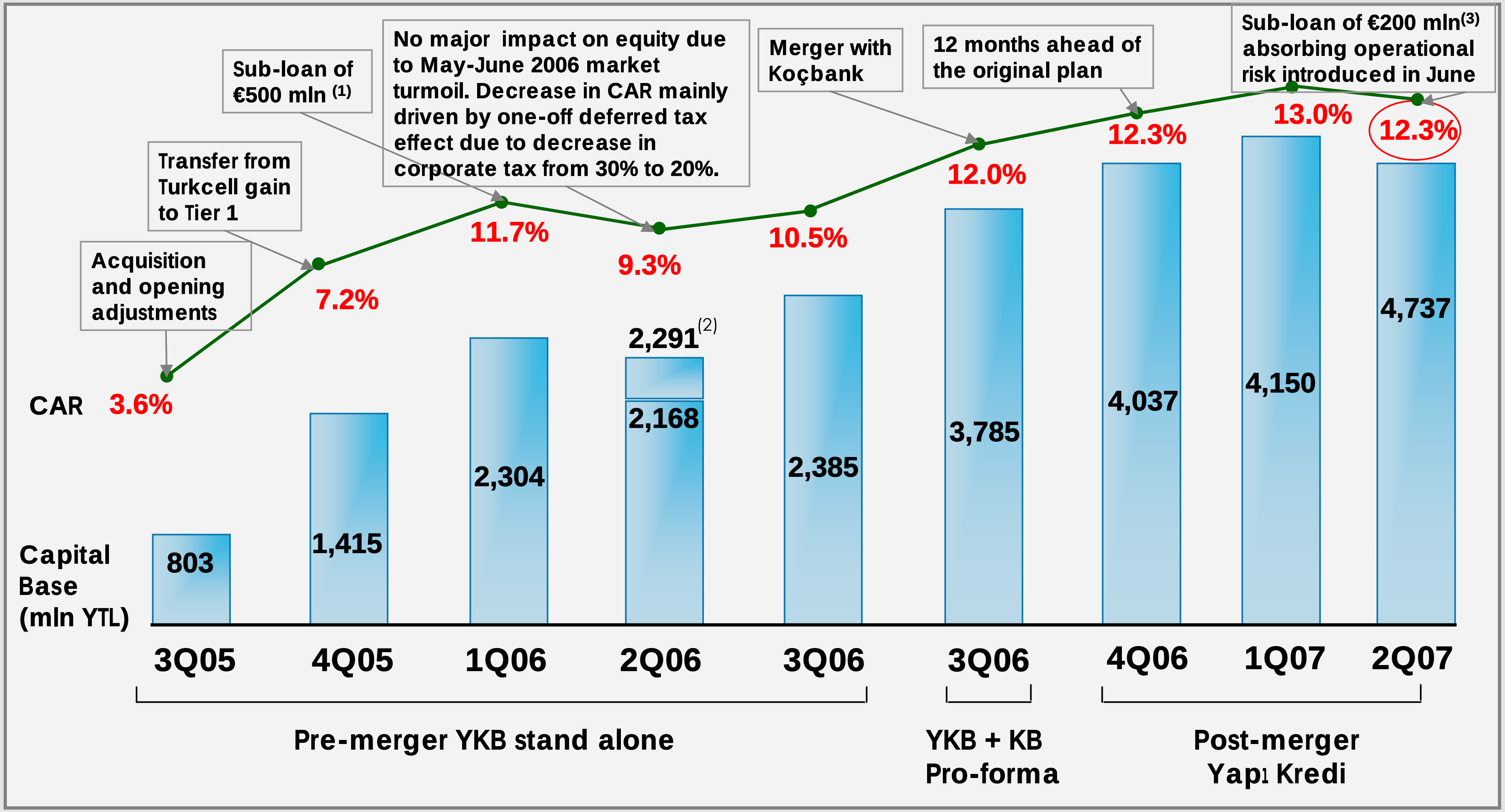


Market Shares (%)*

	4Q06	1Q07	6 July
Loans	10.2%	9.6%	10.0%
TL Loans	9.9%	9.2%	9.5%
FC loans	11.0%	10.7%	10.8%
Deposits	10.3%	9.2%	9.9%
TL Dep.	8.7%	8.1%	9.1%
FC Dep.	12.9%	11.0%	11.3%

(*) Excluding accruals

Capital absorption impact due to recent introduction of operational risk fully covered through new subordinated loan issuance (Euro 200 mln) in June



(1) Additional €350 mln sub-loan added to Koçbank's Tier 2 Capital in April 2006
(2) Excluding deferred tax effect
(3) €200 mln sub-loan added to YKB's Tier 2 capital in June 2007

Koç UniCredit YapıKredi

Healthy revenue growth (+25% YoYN) and cost control (+8% YoY(2), -1% core non-HR costs) sustained

(mln YTL)	1H06	1H06N	1Q07	1H07	YoY %	YoY % Normalized
Total Revenues	**1,449**	**1,361**	**786**	**1,701**	**+17%**	**+25%**
Net Interest Income	891	803	464	949	+6%	+18%
Non-Interest Income	558	558	323	752	+35%	+35%
o/w Fees & Comm.	404	404	211	450	+11%	+11%
Operating Costs	**(912)**	**(912)**	**(473)**	**(1,086)**	**+19%**	**+19%**
HR costs	(302)	(302)	(184)	(381)	+26%	+26%
Non-HR costs	(611)	(611)	(289)	(705)	+15%	+15%
Core Non-HR(1)	(386)	(386)	(177)	(383)	-1%	-1%
Operating Income	**537**	**448**	**313**	**615**	**+15%**	**+37%**
Provisions	(207)	(168)	(84)	(122)	-40%	-27%
Pre-tax Income	**330**	**280**	**229**	**493**	**+49%**	**+76%**
Net Income	**101**	**60**	**188**	**401**	**+298%**	**+569%**

+8% Total Costs(2)

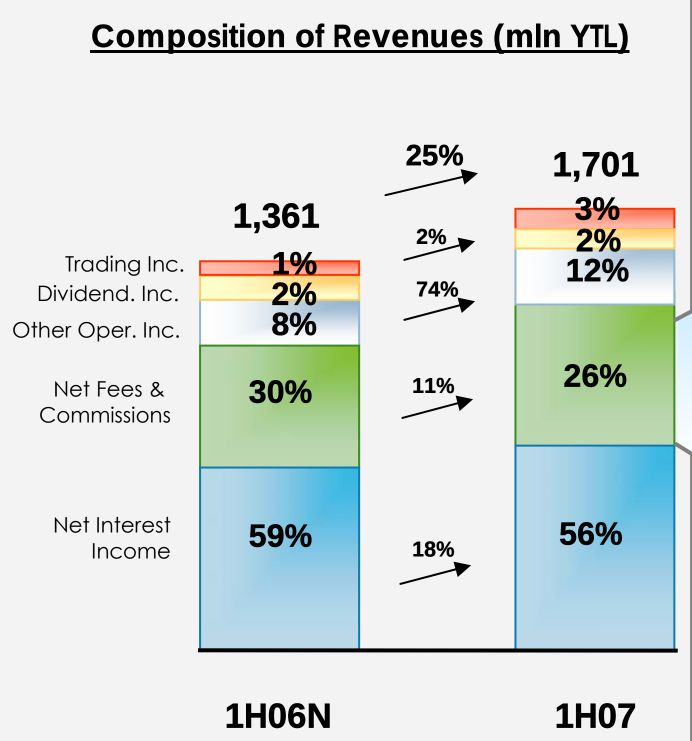
-2% Non-HR(2)

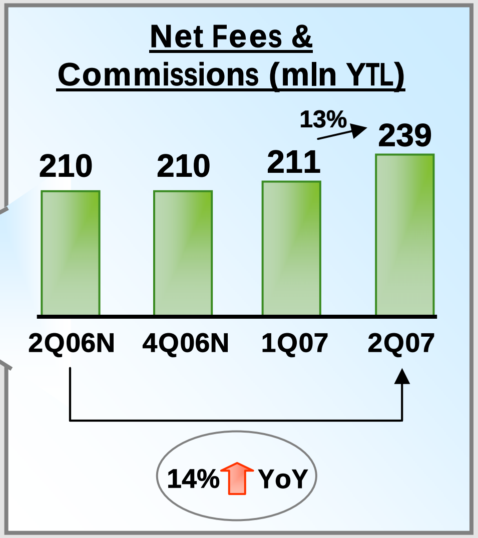
(1) Including depreciation and excluding HR related costs (such as management bonuses, ETB, and vacation rights) and pension fund and bonus point provisions

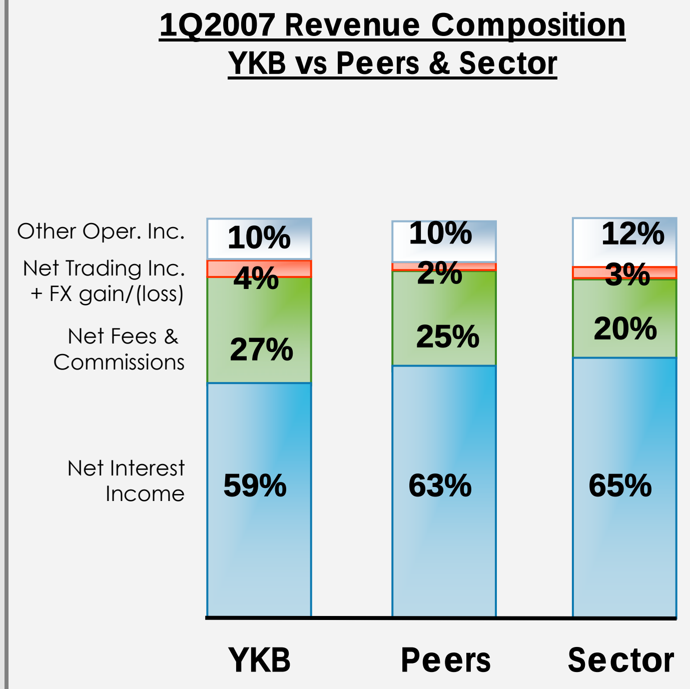
(2) Excluding loan write-off expenses mainly due to Superonline stake sale.

Koç UniCredit YapıKredi

Revenue market share focus driving healthy earnings structure



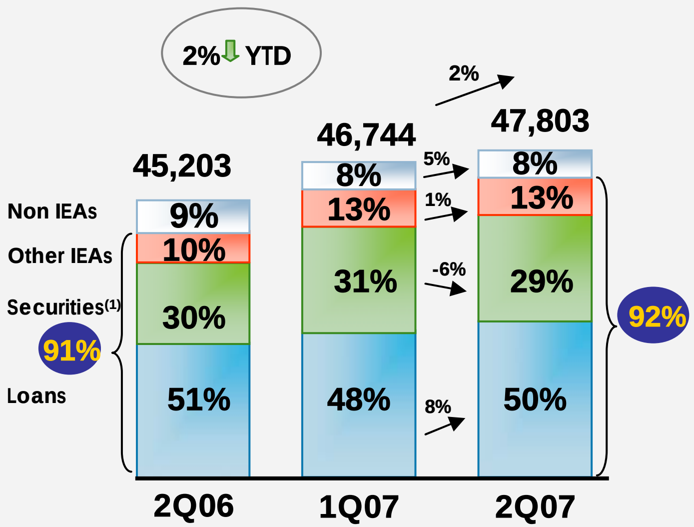




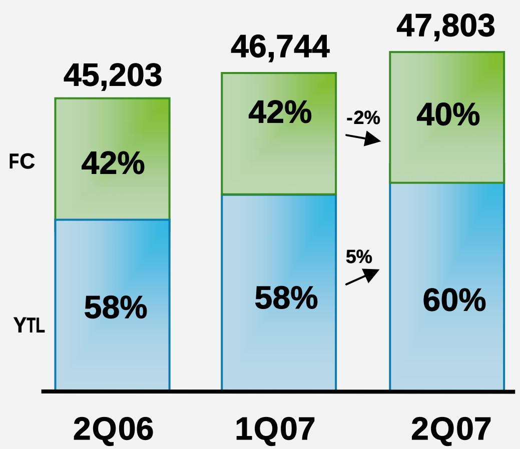
- In 1H07, **18% YoY increase in net interest income**, **11% YoY increase in fee & commission (13% QoQ)**
- **Higher share of fee income in total revenues** vs the **peer average** and the **sector**

Increasing share of loans, decreasing share of securities. Non-core asset disposal strategy and growth in higher yielding assets continue to drive share of IEAs up (92%)

Composition Of Assets (mln YTL)



TL/FC Breakdown of Assets (mln YTL)



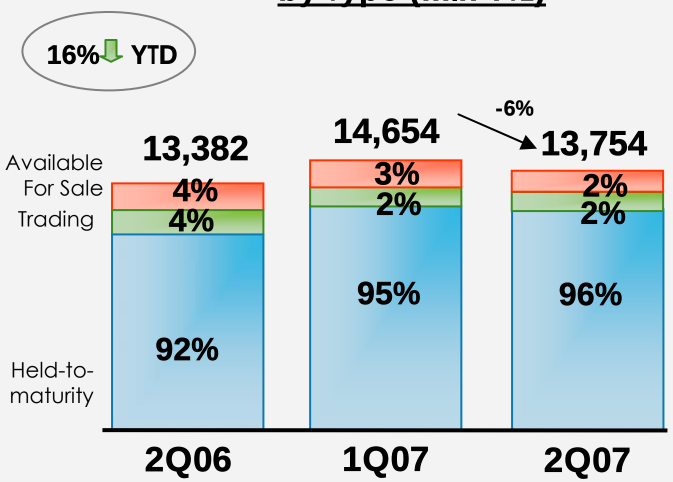
	2Q06	2006	1Q07	2Q07
TL Loans/Loans	66%	68%	67%	68%
TL IEAs/IEAs	54%	53%	55%	57%
Loans/Deposits	79%	71%	77%	75%

- Continued **decrease in non-IEAs; shrinkage of 100 ppts** vs 2Q06
- Announced **sale of ~230 mln YTL (Euro 134 mln) of non-core real estate** on 12 July. **Remaining ~200 mln YTL of non-core** portfolio **expected to be disposed within 2007**
- **YTL IEAs constitute 57% of total IEAs,** driving margins higher
- **Share of loans** in total assets **increased to 50%** while **share of securities decreased to 29%**
- **68%** of total loans constituted by **higher margin YTL loans**
- **Further room for improvement in loans/deposits ratio** (75%)

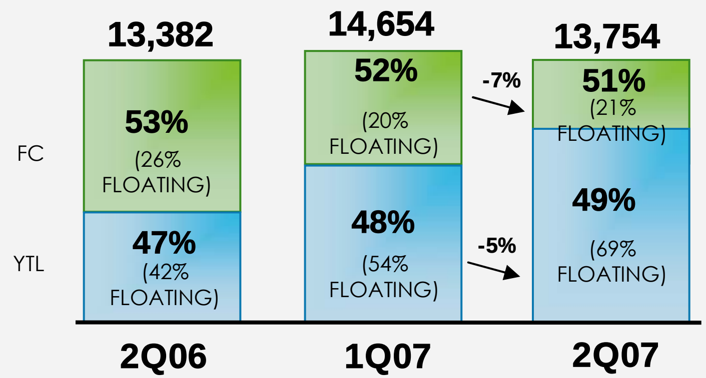
(1) Securities including derivative accruals.

Share of securites in total assets decreasing to 29% (-2ppts vs 1Q), 96% of portfolio invested in HTM in line with stable revenue generation and limited capital at risk

Securities Composition by Type (mln YTL)



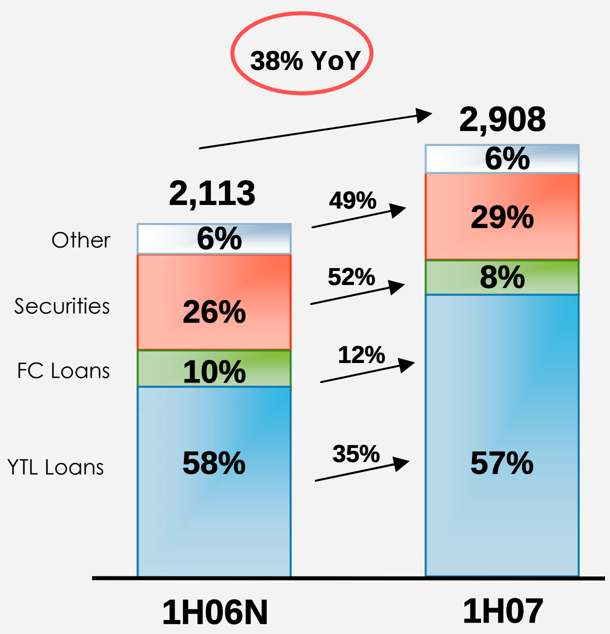
Securities Composition by Currency (mln YTL)



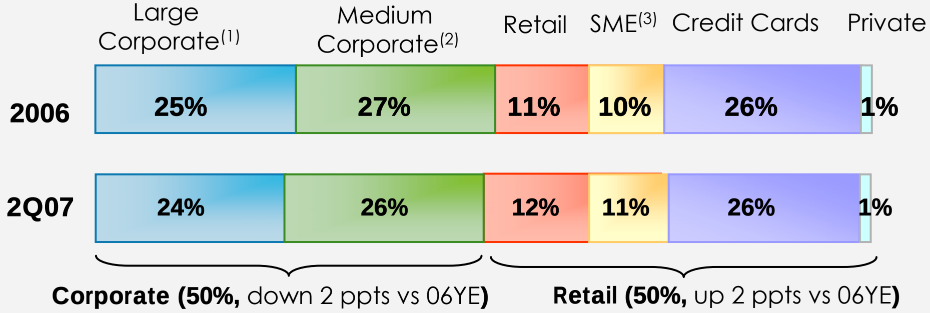
- Strong focus on **effective risk management**
- **Derivatives allowed only for hedging purpose**; options allowed only for client-driven transactions immediately fully hedged
- **No FX speculative open positions** allowed ; **VaR limits, stop loss, max open position monitored on a daily basis**
- Securities **declined** by **16% YTD due to redemptions of short term bonds; share of securities** in total assets **shrunk by 2 ppts vs 1Q to 29%**

Share of interest income from loans constitute 65% of total interest income; share of retail in cash loans up to 50% from 48% vs YE06

Composition of Interest Income (mln YTL)

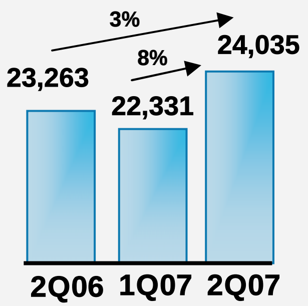


Cash Loans by SBU*



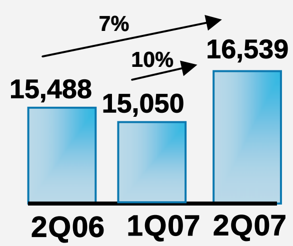
Total Loans (mln YTL)

7% YTD



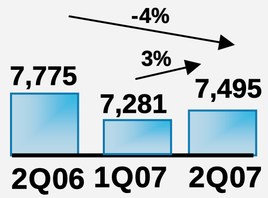
TL Loans (mln YTL)

8% YTD



FC Loans (mln YTL)

5% YTD

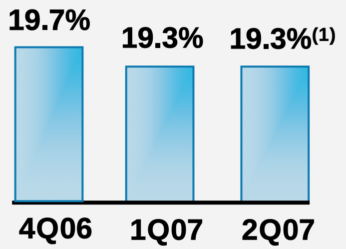


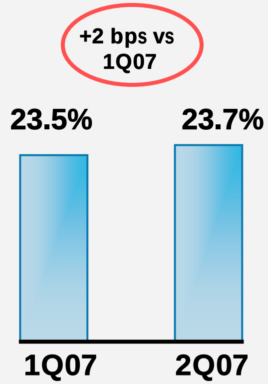
- **Share of retail** in total cash loans **increased to 50% (+2ppts vs YE06) mainly driven** by increased focus on **consumer** and **SME loans**
- **26%** of cash loans **constituted by highest yielding** credit cards
- **7% YTD** increase **in total loans** (8% QoQ); **TL loans** increased by **8% YTD (10% QoQ)** while **FC loans (3% QoQ)** up by **5% YTD**

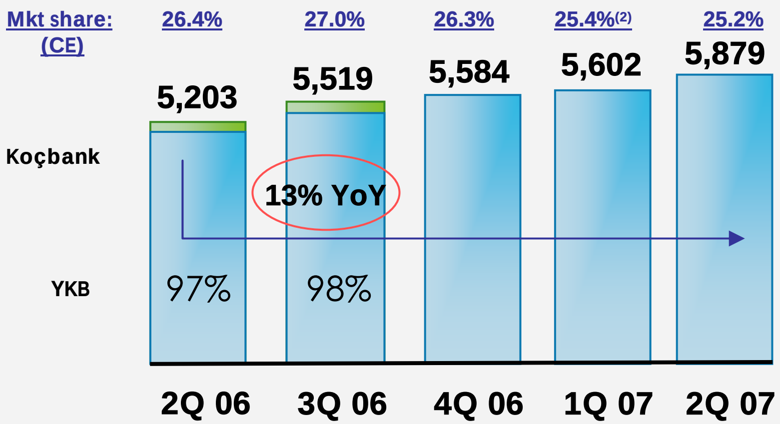
(*) MIS data (commercial bank only)

(1) Loans extended to companies with annual turnover of above 50 mln USD
(2) Loans extended to companies with annual turnover between 3 – 50 mln USD
(3) Loans extended to companies with annual turnover less than 3 mln USD

Best value proposition and constant focus in credit cards enabling continuous leadership despite stronger competition







	2006	1Q07	2Q07
# of credit cards(3)	5,098,115	5,164,730	5,328,742
# of merchants	168,235	174,332	185,825
# of POS	194,400	174,332	218,603
Credit Card Turnover (mln YTL)	28,009	6,997	15,251
Revolving Ratio	29.6%	31.80%	29.40%
Card Activation Ratio	84.0%	84.0%	86.7%
Fraud/Volume	0.022%	0.015%	0.015%
Churn Rate	4.20%	4.20%	4.35%

Market Share vs Closest Competitor

(As of June 2007)

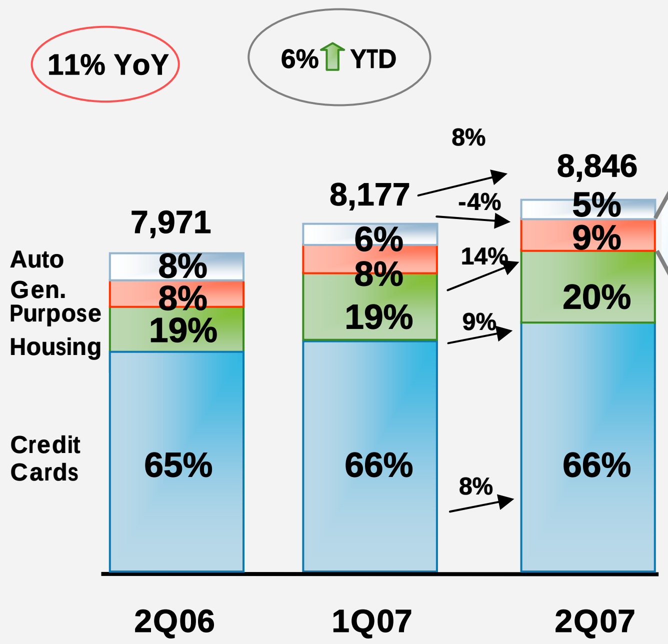
	Number of CCs	Acquiring Volume	Issuing Volume	CCs Outstanding(2)
YKB	19.3%(1)	22.5%	23.7%	25.4%
Mkt. Share Advantage	+ 205 bps	-7 bps	+ 199 bps	+ 373 bps

(1) Excluding the estimated Maximum-card issuance of Ziraat to the existing customers. Including: 18.8%

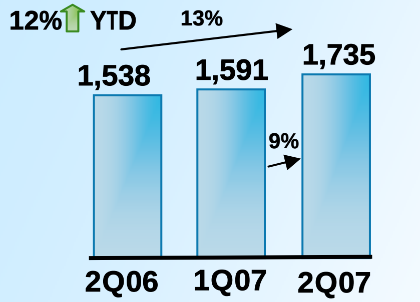
(2) As of March 2007 (3) Excluding virtual cards

Market share gains in almost all loan segments vs 1Q showing start of healthy growth; share of credit cards in total consumer loans at 66%

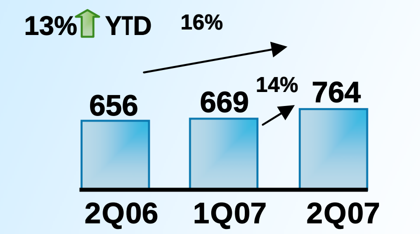
Composition of Consumer Loans & Credit Cards (mln YTL)



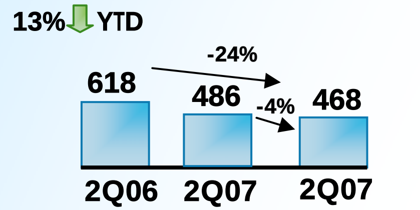
Housing Loans (mln YTL)



Gen. Purpose Loans (mln YTL)



Auto Loans (mln YTL)



Market Shares*

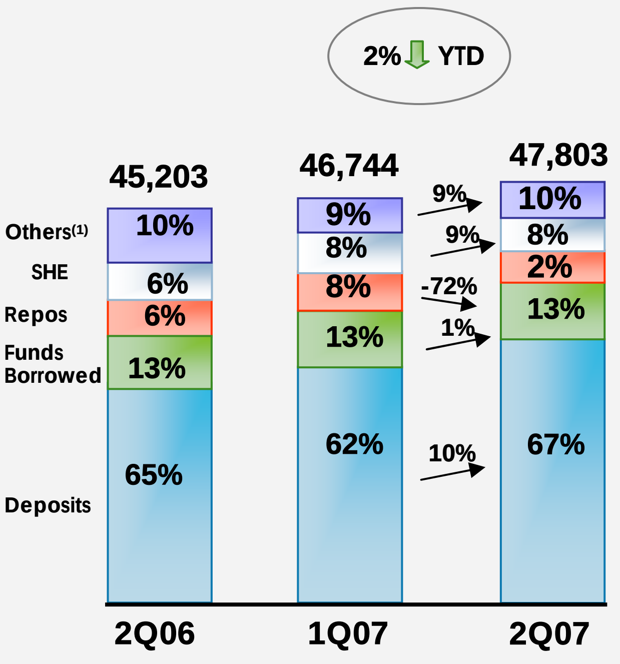
	4Q06	1Q07	6 July
Cash loans	10.2%	9.6%	10.0%
- LC loans	9.9%	9.2%	9.5%
- FC loans	11.0%	10.7%	10.8%
Consumer loans	5.9%	5.6%	5.5%
- Housing	7.0%	6.8%	6.8%
- Gen. Purpose	3.8%	3.4%	3.4%
- Auto	8.4%	8.1%	8.1%
Non-cash loans	20.2%	18.7%	18.6%

- **Achieved 2006YE level market shares back in loans** due to return of commercial focus in the network, **no window dressing**
- **Consumer loan growth** mainly driven **by general purpose loans (14% vs 1Q)** and **housing loans (9% vs 1Q)**
- **66% share of credit cards** in retail loans

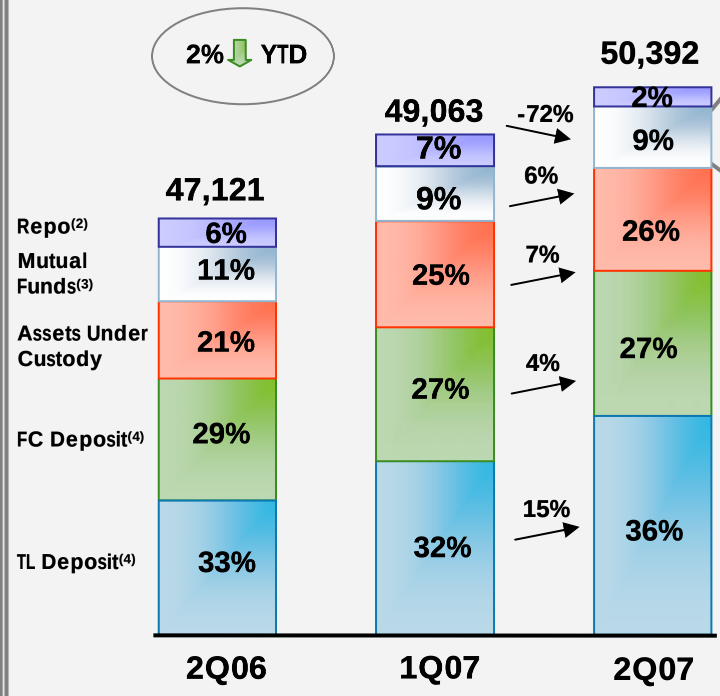
(*) Excluding accruals

Constant focus on customer asset gathering, healthier liability structure thanks to international funding access and diversified deposit base

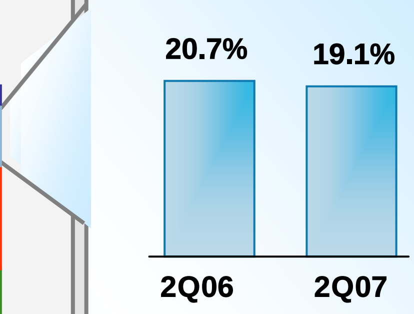
Composition of Liabilities (mln YTL)



Composition of Customer Assets (mln YTL)



Market Share in Mutual Funds



- Despite slight **decrease in market share, positive increase** in the **weight of mutual funds (6% vs 1Q07)**

(1) Includes pension fund deficit of 417 mln YTL and 544 mln YTL accounted respectively in 2Q06 and 2Q07.
(2) Including bank repos (3) Excluding pension funds and other DPM
(4) Including bank deposits

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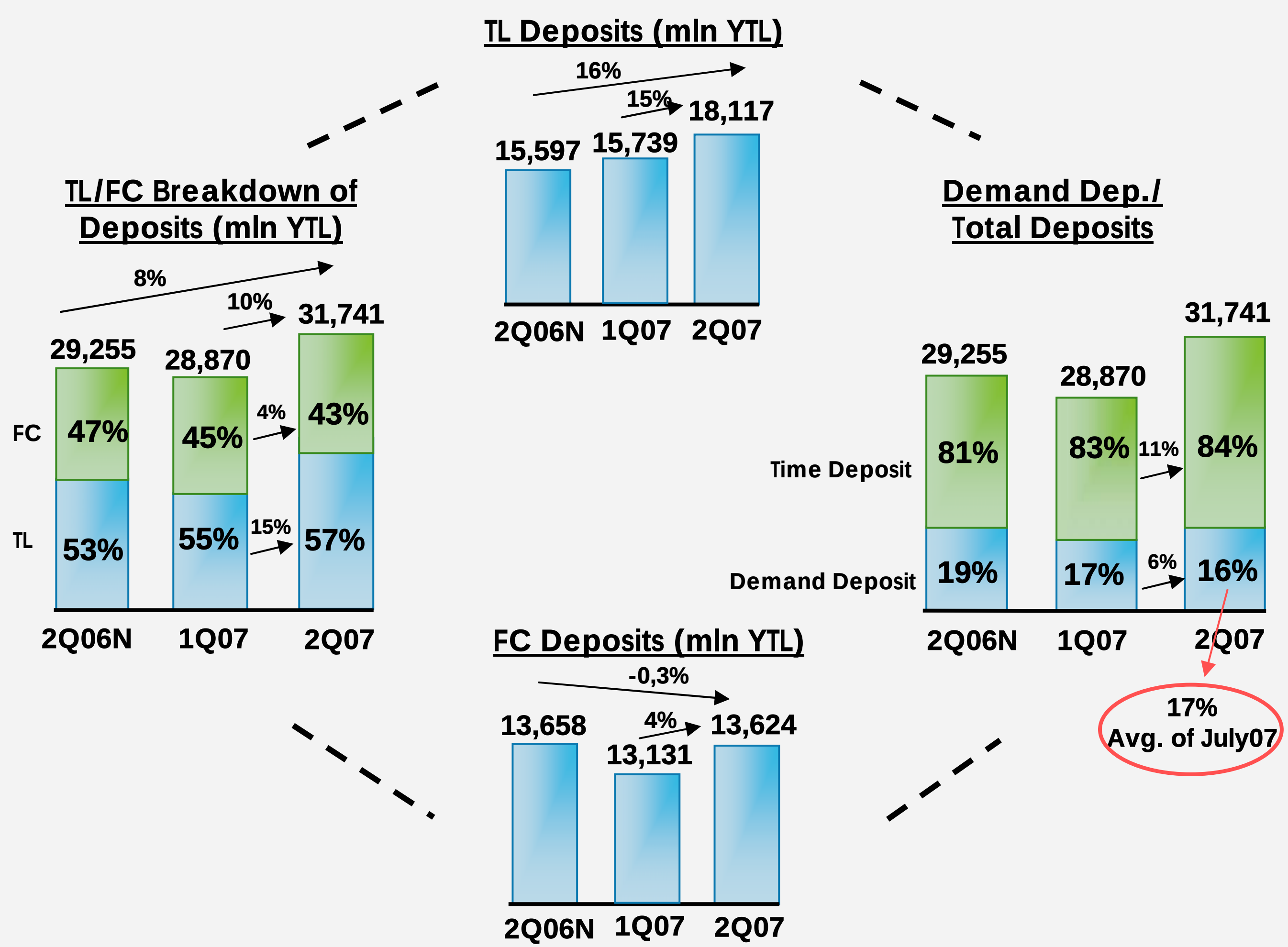
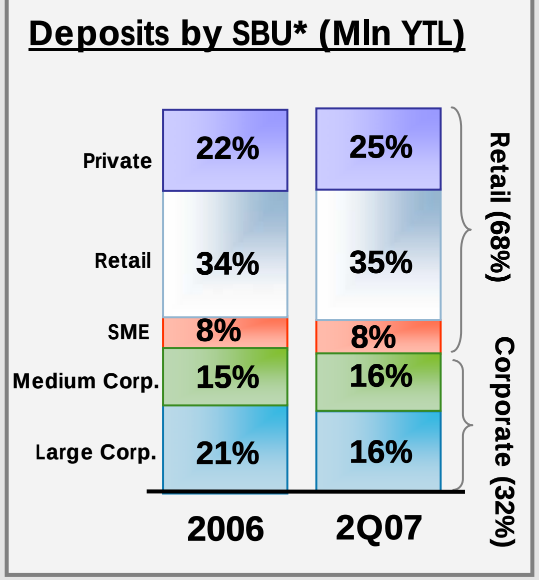
Continued focus on diversification in funding base; share of retail deposits increased to 68% (+4 ppts vs YE06)



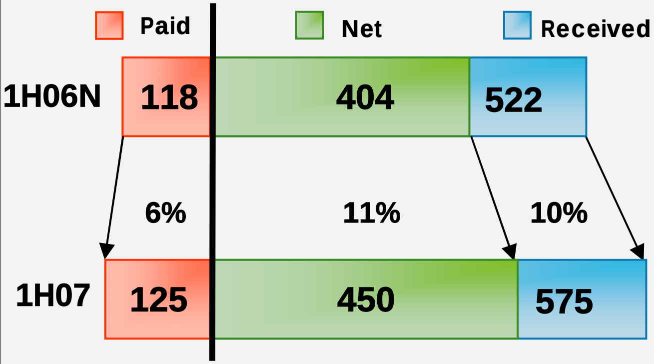


- **Solid 10% QoQ deposit growth based on cautious pricing**
- **Further room for improvement in demand deposits/total deposits (16%).** As a result, cost of funding expected to improve

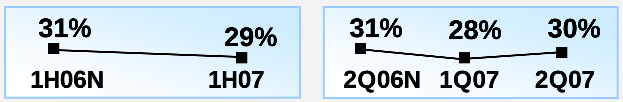
(*) MIS data (Commercial bank only)

Sustained fee & commission growth driven by leading positions in credit cards, asset management and non-cash loans

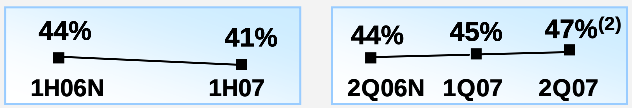
Fees & Commission Income (mln YTL)



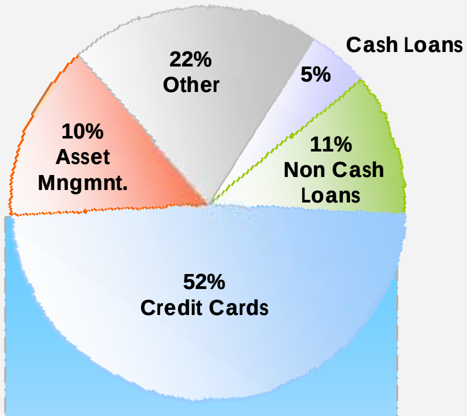
Net Fees & Commissions / Total Revenues[1]



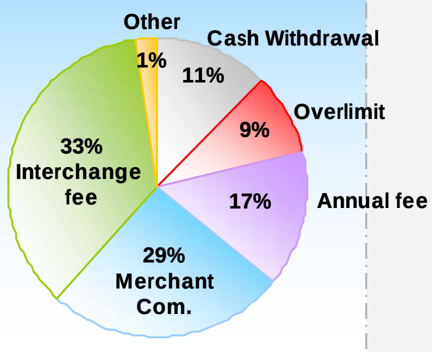
Net Fees & Commissions / Opex



Fees & Commission received composition



CC Fee and Commission



- **Healthy composition of fee and commission income** derived from leadership positions in credit cards, asset management and non-cash loans
- **11% YoY** growth in **fee and commission** income (13% QoQ)
- **52% of** total **fee and commission** income **generated** by **credit cards**
- **Further room for diversification and expansion in fee income due to cash-loan growth potential**
- **Contribution of fee & commission income** to total revenues **at 29%**[1]
- **Fees & commissions cover 104% of HR related costs***

(*) Including HR-related Non-HR costs

(1) Excluding provision reversals and dividend income
(2) Loan write-off adjusted, mainly from Superonline

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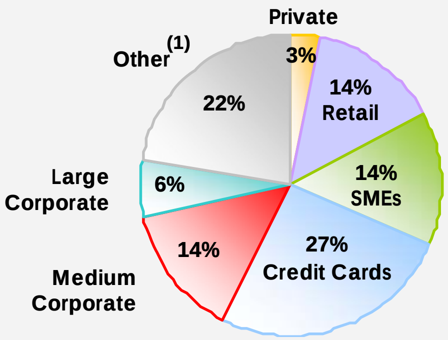
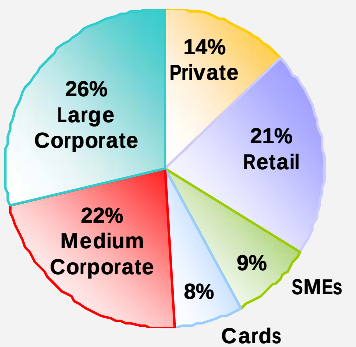
More favorable revenue mix than peers further boosting capability to generate higher quality revenues, NIM improved to 4.5%

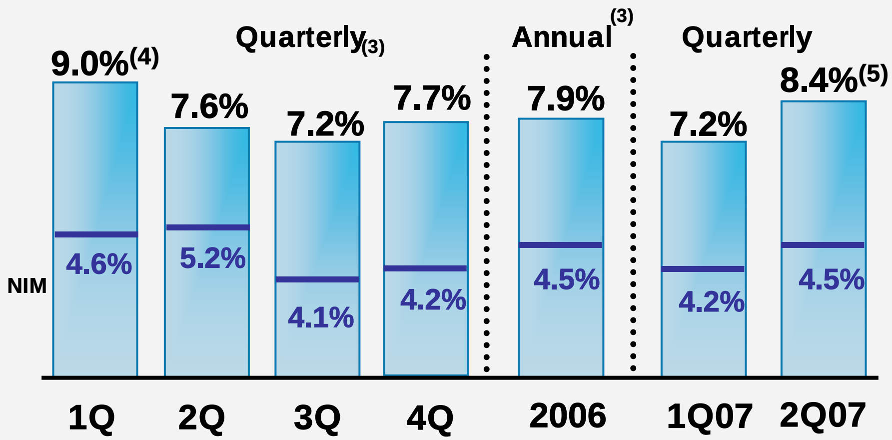
1H07 Net Revenues



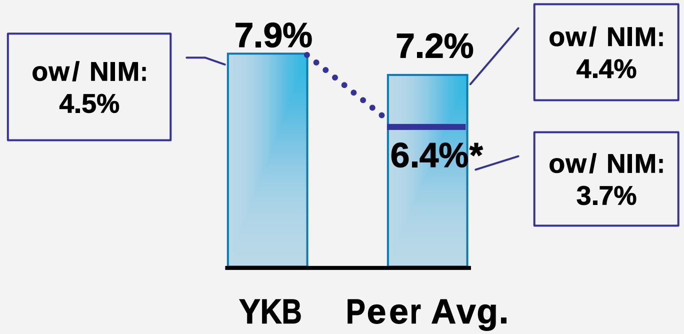
2Q07 Customer Volumes(2)



Revenues / Average IEAs



2006 - 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)

- **Improvement in NIM up to 4.5% in 2Q** (up from 4.2% in 1Q07 and 4Q06)
- **27% of revenues generated by** most profitable **credit card business**
- **Sum of retail and SME segments** generate **28% of revenues** and **30% volumes**(2)
- **Revenues/IEAs** up to **8.4%** in 2Q driven by growth in higher margin products (credit cards, SME loans)
- **Highest ratio of Revenues/IEAs (7.9%) among peers in 2006**

(1) Treasury, work out and other

(2) Cash loans + Non cash loans + Deposits + Asset under Management + Assets under Custody(Only commercial bank driven values)

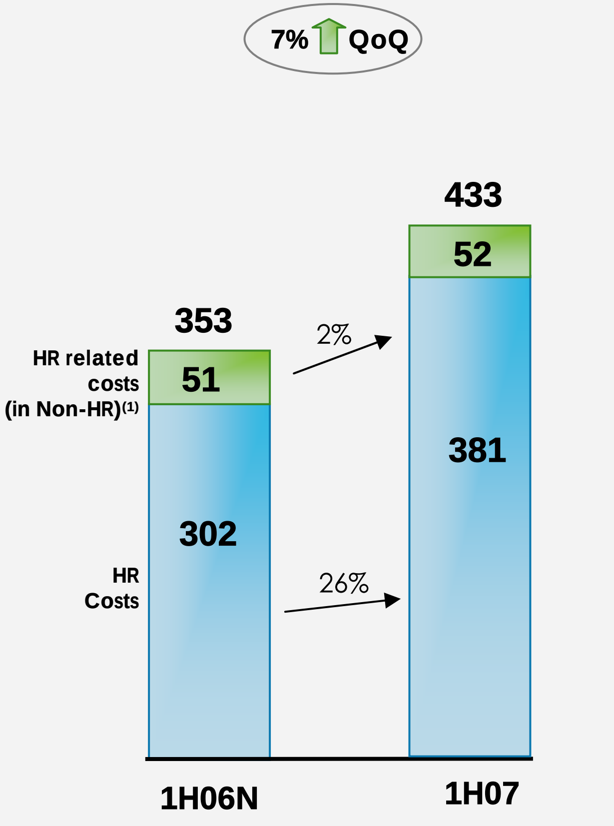
(3) Normalised

(4) Excluding dividends: 8.5%

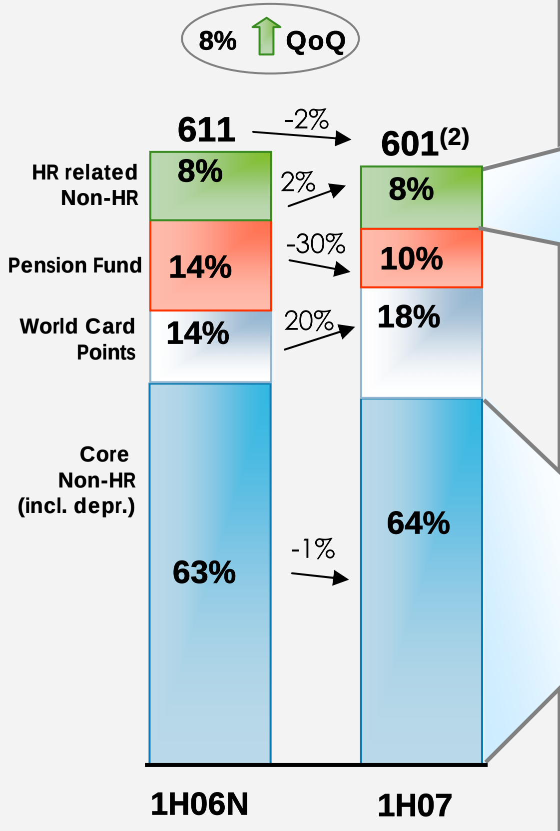
(5) If adjusted by provision reversals: 7.7%

Cost/income in a declining trend despite the already foreseen impact of HR costs

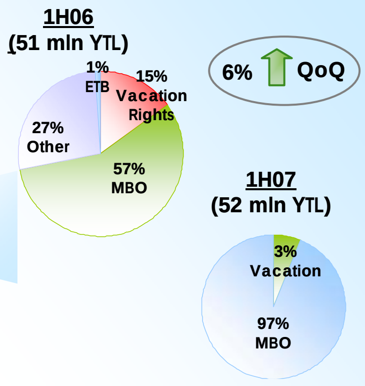
Total HR Costs (mln YTL)



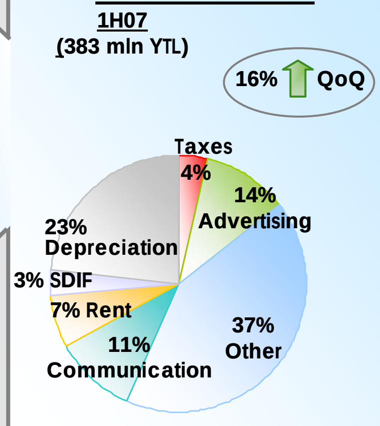
Total Non HR Costs (mln YTL)



HR related Non-HR



Core Non-HR

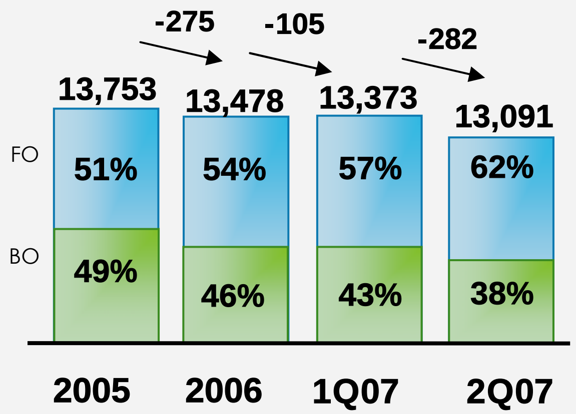


- **Total costs** increased to **509(3) mln YTL** in 2Q07 **(30% QoQ) affected by salary adjustment**
- **HR costs** (incl. HR-related non-HR) make up **40% of total costs**

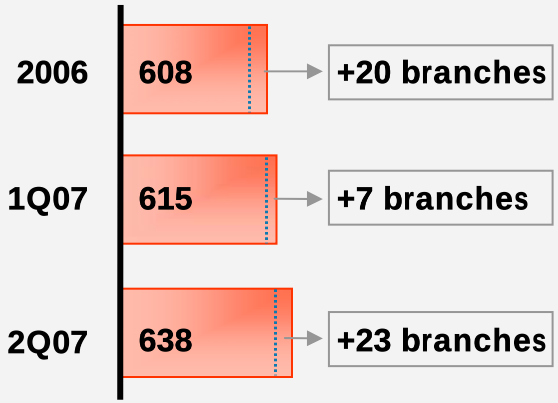
(*) MBO (Management By Objectives): Results-driven bonus scheme
(1) MBO, ETB, vacation rights
(2) Excluding loan write-off, mainly from Superonline
(3) 2Q07 adjusted by loan write-off, mainly from Superonline. If not adjusted: 613 mln YTL

Continued improvement in productivity and operational efficiency in light of accelerated branch expansion strategy

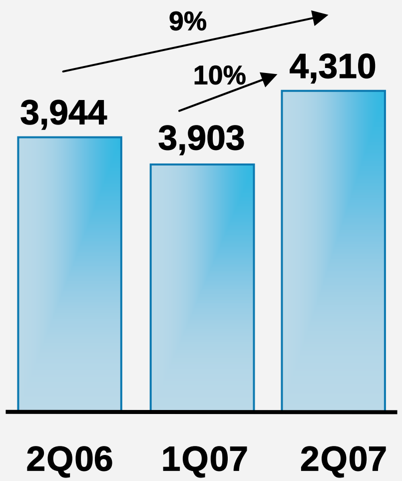
Headcount



Branch[(1)] Openings



Customer Business per head* (ths YTL)

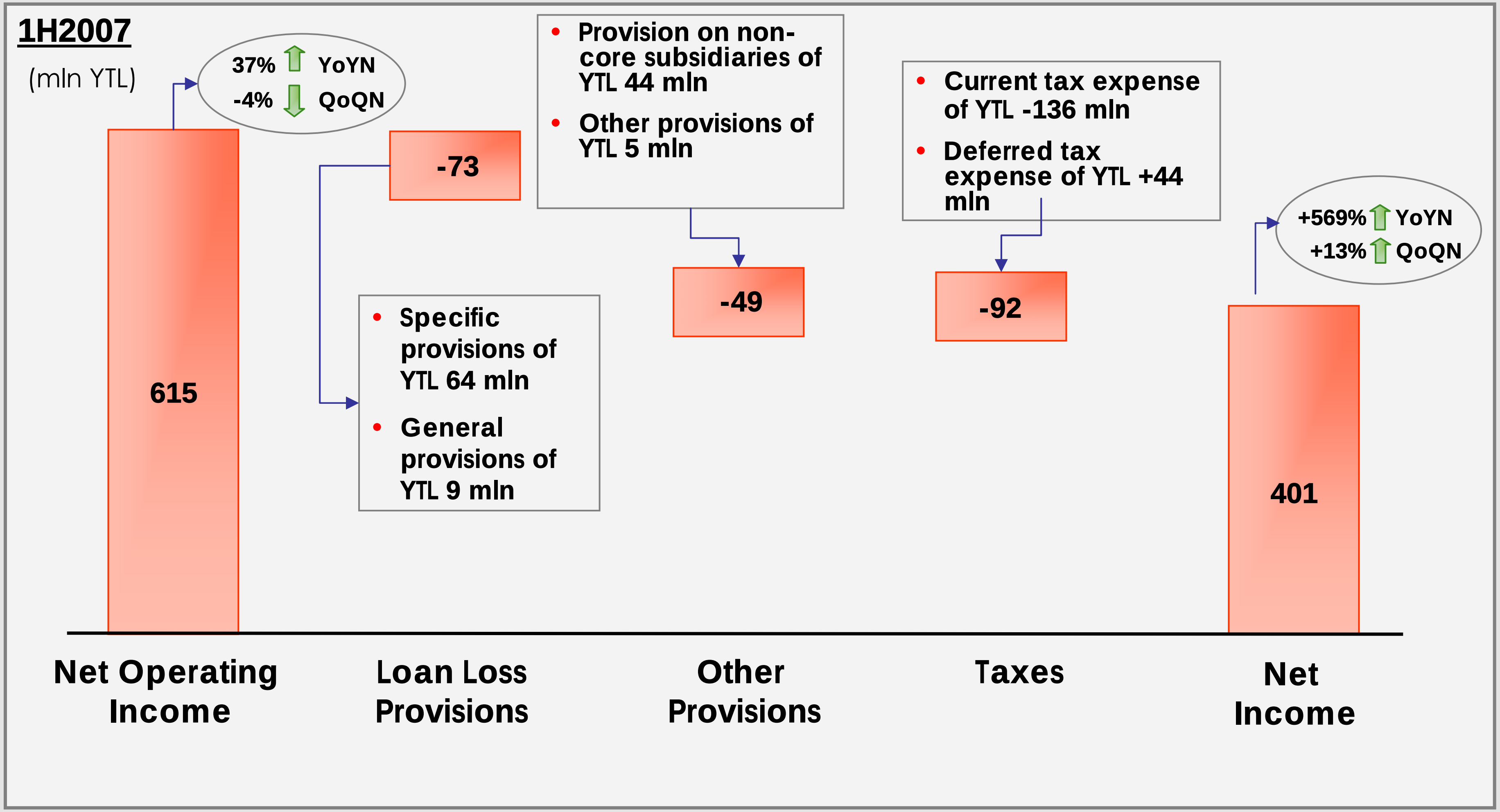


- **Decrease of 1,062 headcount in HQ** since Dec 2005 thanks to the **consolidation of the headquarters of two banks** completed in June 2006 and **efficiency improvements**
- **23 new branch openings** as a first step of **announced accelerated branch opening plan** (total # of branches: 638)
- **Continuous increase in average productivity per head** (+9% y-o-y)
- **Outsourcing completed for 819 headcount** (security and cash in transfer) **in April.** Additional 130 expected till the end of 2007

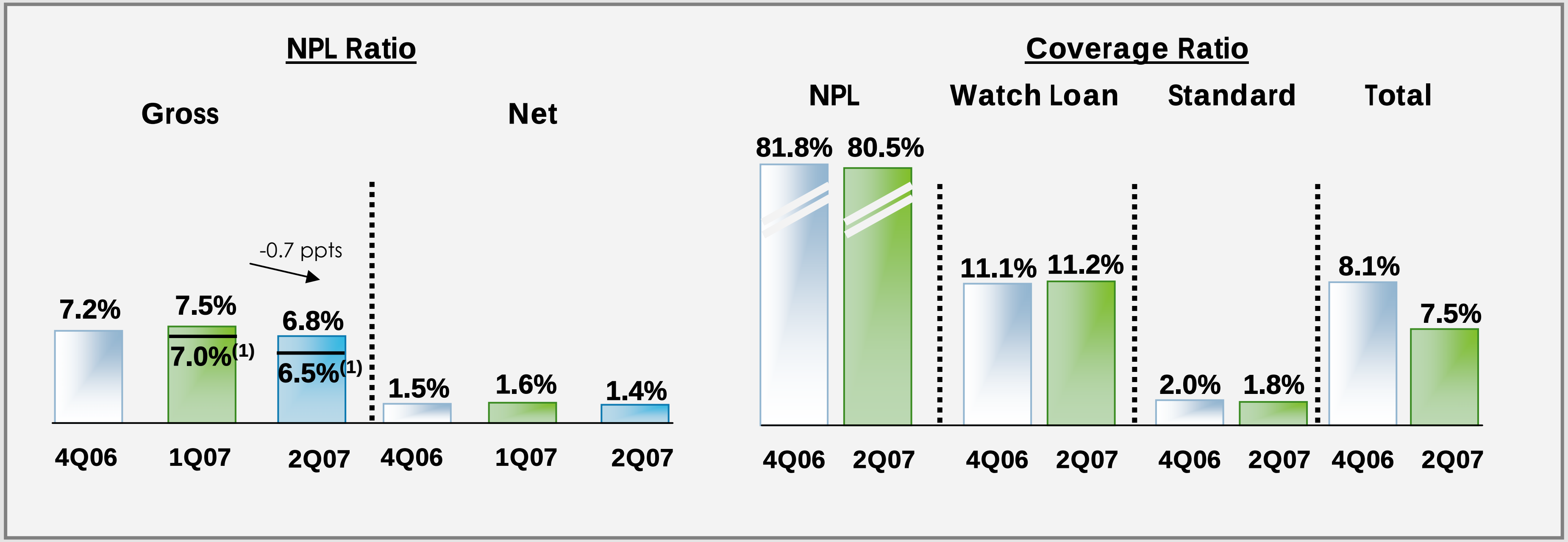
* Bank's deposits + loans per head

(1) Branch numbers include 1 off-shore branch in Bahrain

From operating income to net income



NPL ratio down to 6.8% (-0.7 ppt vs 1Q), confirming improvement in asset quality; more conservative provisioning policy vs the market



- **Gross NPL ratio on a comparable basis down by 0.7** ppts to **6.8%** with further room to improve
- **NPL coverage ratio** at **80.5%** (remaining 19.5% collateralized) and **total coverage ratio constant** at **7.5%**
- **Watch loan** coverage at **11.2%** and **standard** coverage at **1.8%,** highlighting a **more conservative approach vs. the market**

(1) Excluding the participation effect of the new regulation

Annex

Selected Financial Statements

YKB – 2Q 2007 Summary P&L (BRSA Bank-only)

(mln YTL)	1Q06N(1)	2Q06	2Q06N(2)	1Q07	2Q07	YoY %	YoYN(1) %	QoQ %
Total Revenues	684	705	677	786	914	+30	+35	+16
Operating Expenses	(434)	(478)	(478)	(473)	(612)	+28	+28	+29
Gross Operating Profit	**249**	**227**	**199**	**313**	**302**	**+33**	**+52**	**-4**
Provisions	(75)	(112)	(93)	(84)	(37)	-67	-60	-56
Pre-tax Profit	**174**	**115**	**106**	**229**	**264**	**+130**	**+150**	**+15**
Tax	(67)	(154)	(152)	(41)	(51)	-67	-67	-23
Net Profit	**107**	**(39)**	**(47)**	**188**	**213**	**-642**	**-554**	**+13**

(1) YKB merged bank figures normalized for the financial cost of stake increase and sub-loan as well as some minor accounting policy applications.
(2) YKB merged bank figures normalized for some minor accounting policy applications

YKB -2Q 2007 Summary Balance Sheet (BRSA Bank-only)

(mln YTL)	2Q06	4Q06	1Q07	2Q07	YTD %	YoY %	QoQ %
Assets	45,203	48,887	46,744	47,803	-2	+6	+2
Loans	23,263	22,504	22,331	24,035	+7	+3	+8
Securities	13,382	16,470	14,654	13,754	-16	+3	-6
Fixed Assets & Participations (1)	2,943	3,069	3,016	3,099	+1	+5	+3
Deposits	29,255	31,127	28,870	31,741	+2	+8	+10
Repos	2,654	3,357	3,601	1,012	-70	-62	-72
Borrowings	5,864	6,159	6,207	6,277	+2	+7	+1
Equity	2,842	3,344	3,526	3,826	+14	+35	+9
Assets under Management	6,134	6,145	5,665	5,958	-3	-3	-5
Assets under Custody	9,960	8,927	12,159	12,978	+45	+30	+7
Non-cash Loans	14,752	15,342	14,571	14,721	-4	0	+1

(1) Including YTL 979 mln amount of goodwill

Leadership in key segments/products on the back of a strengthened franchise, large network and leading brand

POSITIONING – JUNE ´07

Yapı Kredi — Total Assets Rank nr 5

Segment	Product	Rank	Mkt. Sh. %	Key Competitors - %
TOTAL	# of Branches	4	8.9	Ziraat 17, İş 13, Ak 10
	Deposits	5(6)	9.8	Ziraat 20, İş 15, Ak 11, Gar 10(6)
	Loans	4(6)	9.9	Ak 14, İş 14, Garanti 13(6)
	Assets	5(6)	9.4	İş 16, Ziraat 15, Ak 12, Garanti 11(6)
Retail	Consumer Loans(1)	7(6)	5.5	Ak 13, Ziraat 16, İş 14, Gar 12(6)
	Credit Cards(2)	1(6)	25.2	Garanti 22, Ak 15, İş 12(6)
AuM + Brokerage	Asset Management	2	19.1	İş 21, Garanti 13, Ak 13
	Brokerage(4)	6	4.4	İş 6.4, Ak 6.1, Fin 5.4
Corporate	Cash Loans(5)	4(6)	9.2	İş 14, Ak 14, Gar 12(6)
	Non Cash Loans	1(6)	18.7	Garanti 13, İş 9(6)
	Leasing	1	22.1	Garanti 19, Finans 8
	Factoring	1(6)	21.8(6)	Garanti 10, Fiba 9, TEB 8(6)
Insurance	Life	3(3)(6)	12.7	Anadolu 22, Başak 20, Gar 8(6)
	Pension	1(3)	24.1	Ak+Aviva 24, Anadolu 19
	Non-Life	1(3)(6)	17.1	AxaOyak 11.8, Anadolu 11.6(6)

(1) Excluding credit card loans, (2) Outstanding balance market share,
(3) Through Koç Allianz which is not a KFS subsidiary (Koç Group subsidiary), (4) Equity trading volumes
(5) Cash Loans excluding credit card outstanding and consumer loans (6) As of March 2007

Koç UniCredit YapıKredi

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