

Yapi Kredi 1H 2007 Earnings Presentation

30 June 2007, IFRS Consolidated Results

İstanbul, 31 August 2007

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

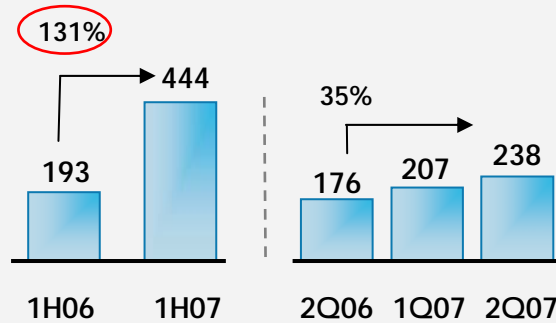
- **YTL 444 mln** of consolidated **net income** and **YTL 517 mln** of **combined** (before minorities) **net income** (**131% YoY** and **15% QoQ**); **consolidated ROE** of **22%** (+10 pts up YoY)
- **Market share gains** in almost all segments of loans and deposits over 1Q07 with the return of commercial focus to the network as a result of **segment-focused organisation** put in place
- **Healthy revenue growth** of **19% YoYN⁽¹⁾**, **solid fee & commission growth** of **14% QoQ** as a result of renewed commercial focus
- **CAR⁽²⁾** at **12.6%** including impact of operational risk and issuance of **Euro 200 mln subordinated loan** in June guaranteed by UniCredit
- Continued **No 1 position** in credit cards (**25.2% outstanding balance market share**), leasing (**22.1% market share**), factoring (**21.8% market share**) and private pension fund (**24.1%**)
- **Cost/Income** down to **51%** (-1 pts YoY), **non-HR costs** down **1% YoY**
- **NPL ratio** down to **6.4%** (-0.8 pts vs 1Q) with **78.0% NPL provisioning coverage**
- **24 new branch openings** in 2Q07 as a first step of **recently announced accelerated branch opening plan** (total # of branches at YK Group level: **680**)
- **Early collection** of **US\$480 mln** from **Çukurova** on 13 July will lead to a debt reduction to **US\$258 mln** at Bank level
- **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) YK Group consolidated figures normalized for the financial cost of stake increase and sub-loan as well as some minor accounting policy applications.

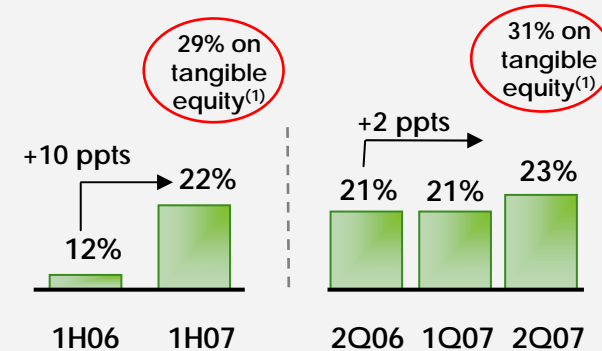
(2) BRSA Consolidated

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

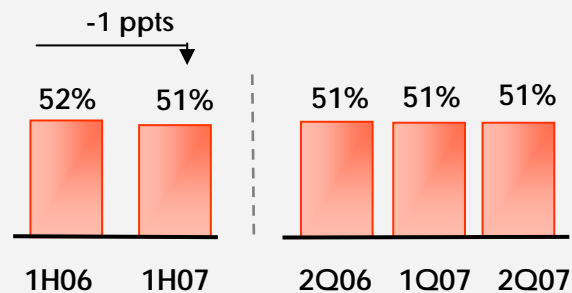
Consolidated Net Income (mln YTL)



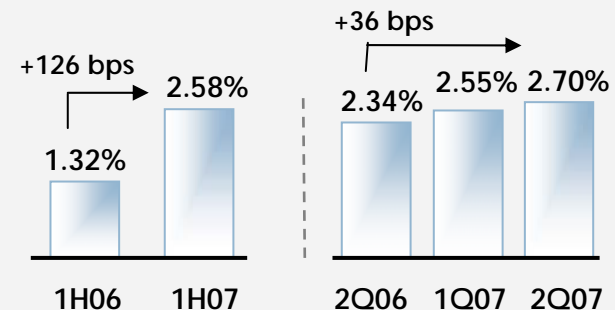
Consolidated ROE



Cost / Income



Consolidated Net Income / Av.RWA⁽²⁾



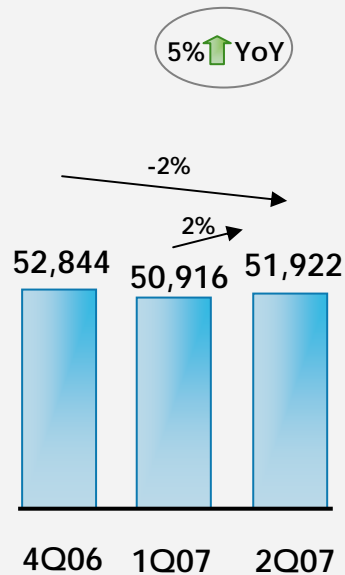
1H06 figures not adjusted for the effects of corporate tax rate decrease from 30% to 20% due to change in tax legislation.

(1) Excluding goodwill of YTL 1,024 mln

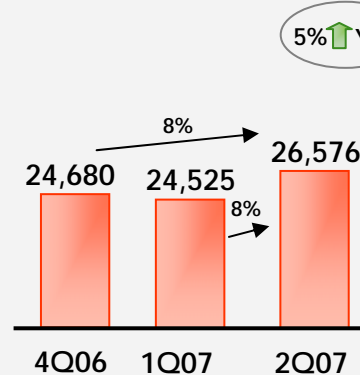
(2) BRSA Consolidated figures for RWA

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

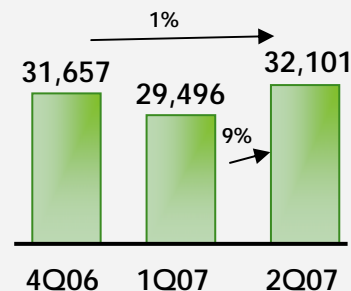
Total Assets (mln YTL)



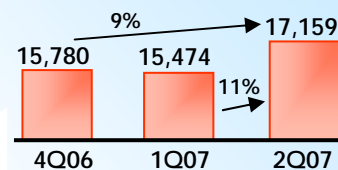
Total Loans (mln YTL)



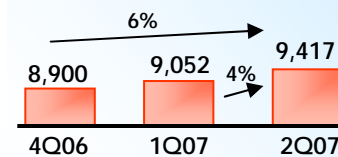
Total Deposits (mln YTL)
(excluding repos)



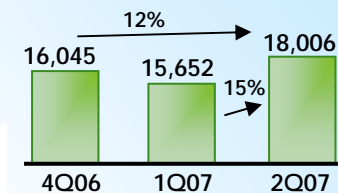
TL Loans (mln YTL)



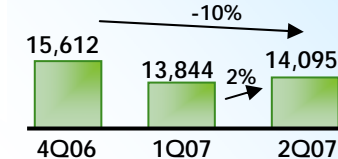
FC Loans (mln YTL)



TL Deposits (mln YTL)



FC Deposits (mln YTL)



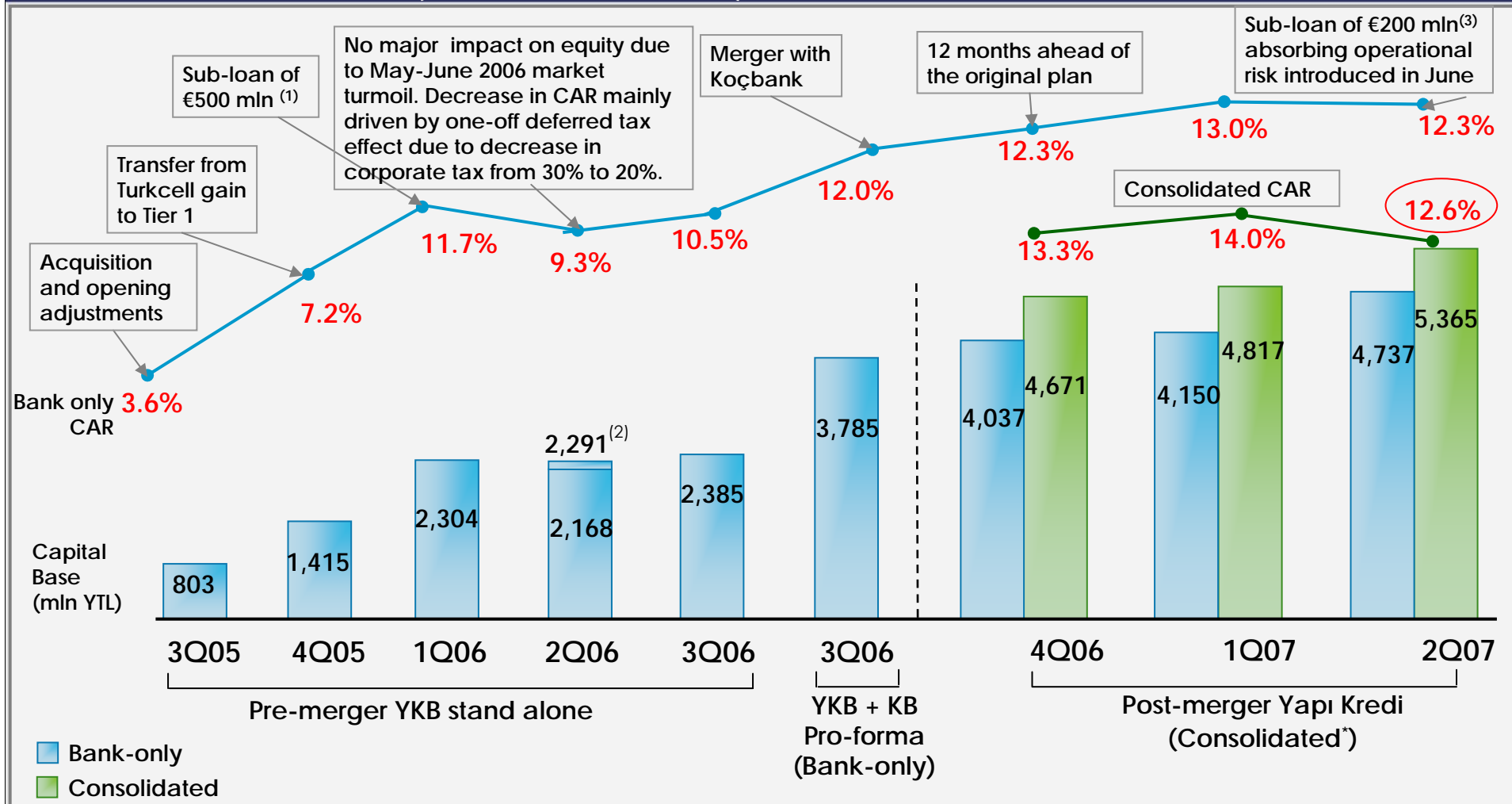
Market Shares (%)*

	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, YKB only

As per IFRS, total deposit figures include repo transactions.

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

(*) BRSA Consolidated figures



CAR calculated in line with BRSA guidelines



Healthy revenue growth (+19% YoYN) and cost control (+12% YoY, -1% non-HR costs) sustained

(mln YTL)	1H06	1Q07	1H07	YoY %
Total Revenues	1,555	824	1,751	+13%
Net Interest Income	973	499	1,046	+8%
Non-Interest Income	583	325	705	+21%
o/w Fees & Comm.	459	236	505	+10%
Operating Costs	(804)	(423)	(899)	+12%
HR costs	(406)	(241)	(506)	+25%
Bank (YKB)	(336)	(204)	(429)	+28%
Subs.	(70)	(37)	(77)	+10%
Non-HR costs	(398)	(182)	(393)	-1%
Operating Income	751	401	853	+13%
Provisions	(258)	(92)	(221)	-15%
Provisions for Loans	(115)	(31)	(86)	-25%
Other Provisions	(143)	(61)	(135)	-6%
Pre-tax Income	493	309	632	+28%
Net Income before Min.Int.	165	244	517	+214%
Minority Interest	28	(37)	(72)	n.s
Consolidated Net Income	193	207	444	131%

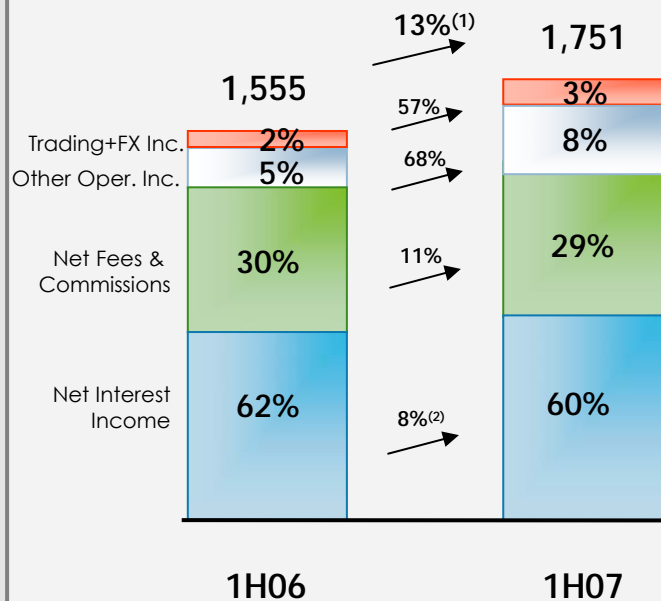
+19%
YoYN⁽¹⁾

(1) YK Group consolidated figures normalized for the financial cost of stake increase and sub-loan as well as some minor accounting policy applications.

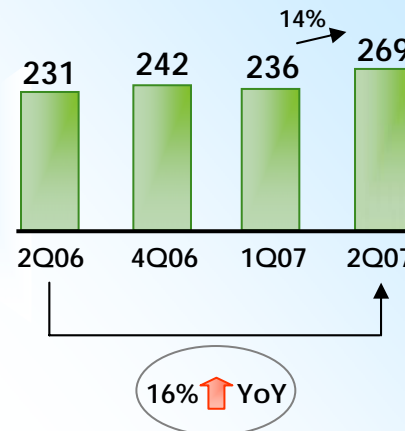
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Revenue market share focus driving healthy earnings structure

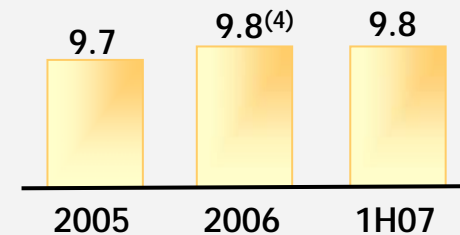
Composition of Revenues (mln YTL)



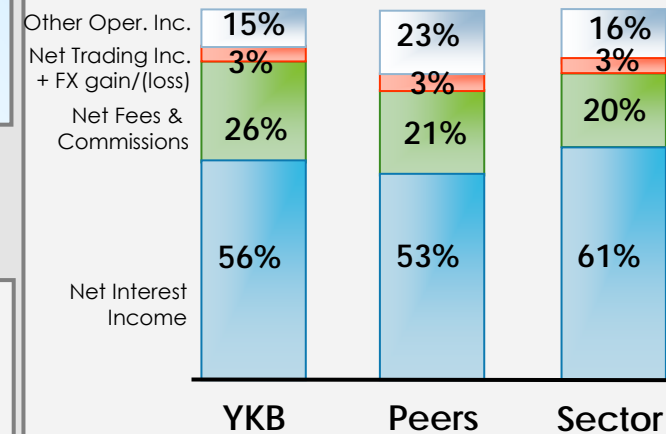
Net Fees & Commissions (mln YTL)



Revenue⁽³⁾ Market Share (%)



**1H2007 Revenue Composition
YKB vs Peers & Sector***



- In 1H07, 8% YoY increase in net interest income, 10% YoY increase in fee & commission
- Higher share of fee income in total revenues vs the peer average and the sector

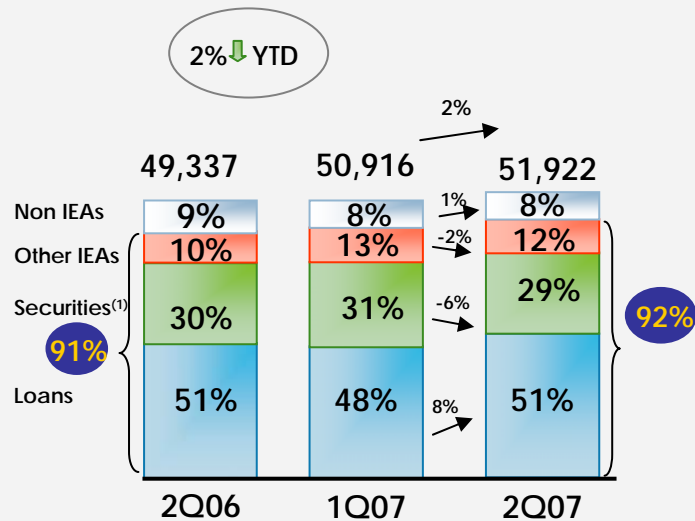
(1) If normalized: 19% (2) If normalized: 18%

(3) System revenues excluding dividends and all asset sales (4) Excluding acquisition costs

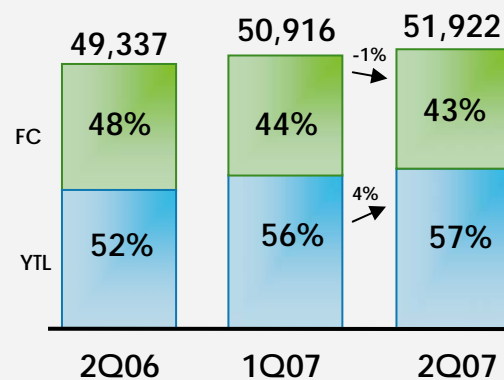
(*) BRSA bank-only figures

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	56%	65%	64%	65%
TL IEAs/IEAs	49%	52%	54%	56%
Loans/Deposits ⁽²⁾	82%	76%	81%	81%

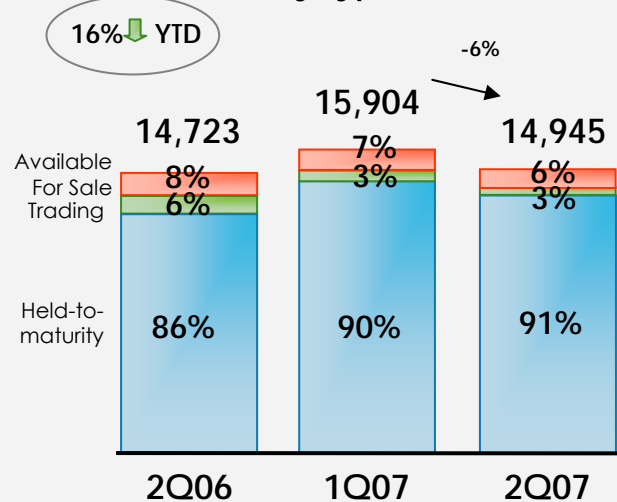
- Continued decrease in non-IEAs; shrinkage of 100 ppts vs 2Q06
- Announced sale of ~230 mln YTL (Euro 134 mln) of non-core real estate on 12 July. Remaining ~ 200 mln YTL of non-core portfolio expected to be disposed within 2007
- YTL IEAs constitute 56% of total IEAs, driving margins higher
- Share of loans in total assets increased to 51% while share of securities decreased to 29%
- 65% of total loans constituted by higher margin YTL loans
- Further room for improvement in loans/deposits ratio (81%)

(1) Securities including derivative accruals.

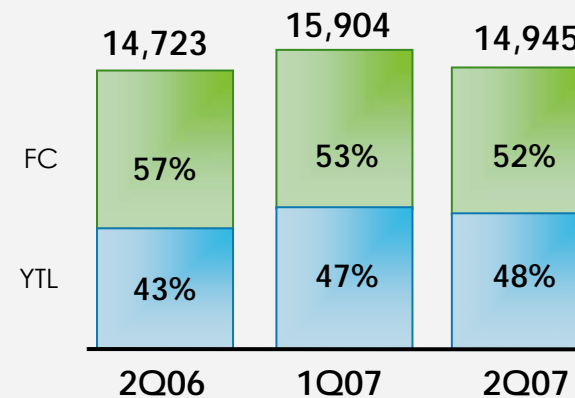
(2) Total deposits excluding repos.

Share of securities in total assets decreasing to 29% (-2ppts vs 1Q), 91% of portfolio invested in HTM in line with stable revenue generation and limited capital at risk

Securities Composition
by Type (mln YTL)



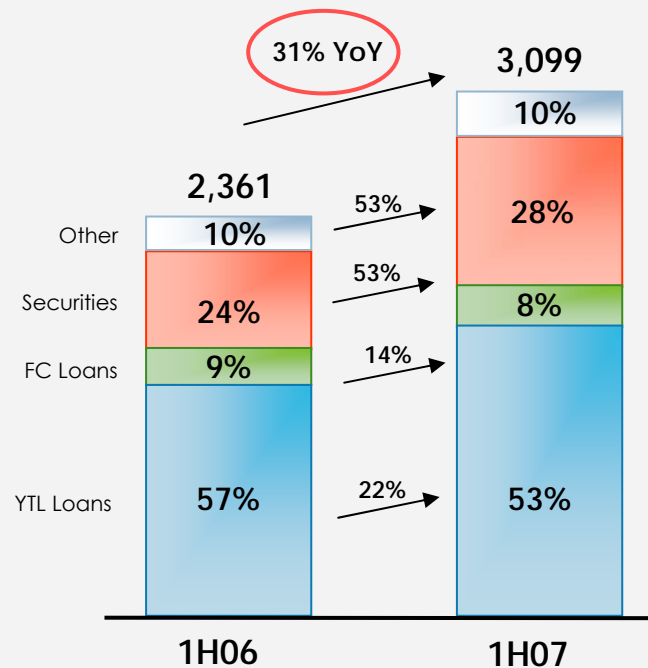
Securities Composition
by Currency (mln YTL)



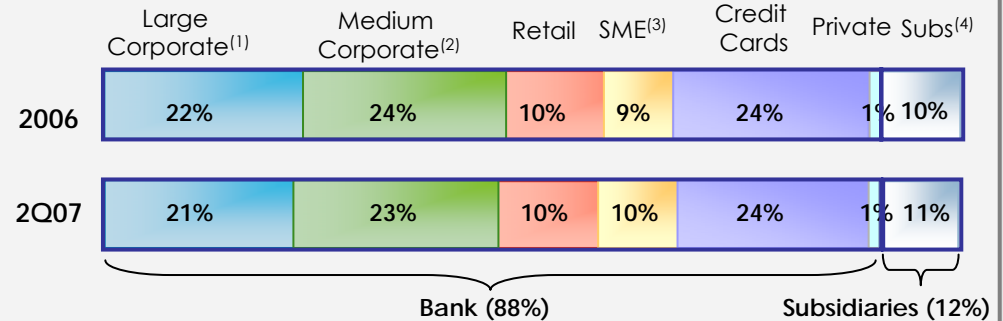
- Strong focus on **effective risk management**
- **Derivatives allowed only for hedging purpose**; options allowed only for client-driven transactions immediately fully hedged
- **No FX speculative open positions allowed** ; VaR limits, stop loss, max open position monitored on a daily basis
- Securities declined by 16% YTD due to redemptions of short term bonds; share of securities in total assets shrunk by 2 ppts vs 1Q to 31%

Share of interest income from loans constitute 53% of total interest income

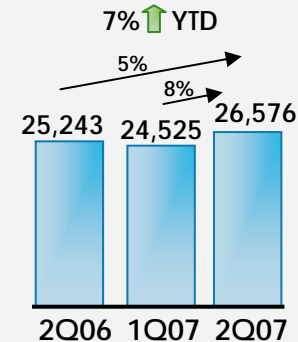
Composition of Interest Income (mln YTL)



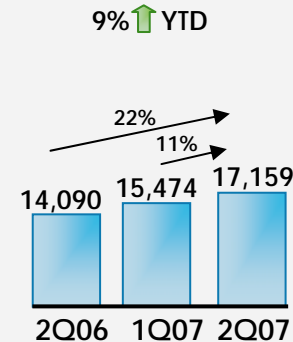
Cash Loans by SBU* at YK Group Level



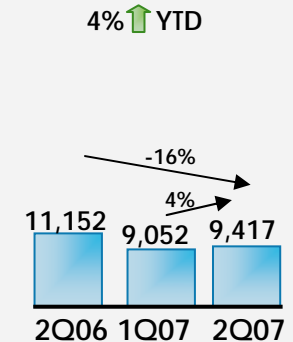
Total Loans (mln YTL)



TL Loans (mln YTL)



FC Loans (mln YTL)



- 7% YTD increase in total loans (8% QoQ); TL loans increased by 9% YTD (11% QoQ) while FC loans (4% QoQ) up by 4% YTD
- Impressive 31% YoY increase in interest income

(*) MIS data, excluding accruals

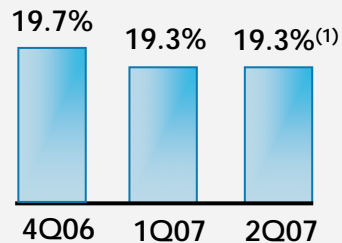


(1) Loans extended to companies with annual turnover of above 50 mln USD
 (2) Loans extended to companies with annual turnover between 3 – 50 mln USD
 (3) Loans extended to companies with annual turnover less than 3 mln USD
 (4) Include YK leasing, YK Yatırım, YK Factoring, YK Moscow, YK NV and YK Deutschland

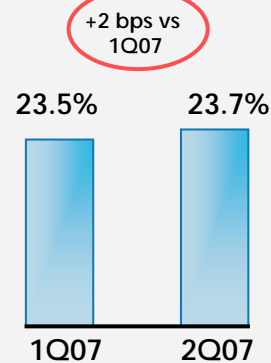


Best value proposition and constant focus in credit cards enabling continuous leadership despite stronger competition

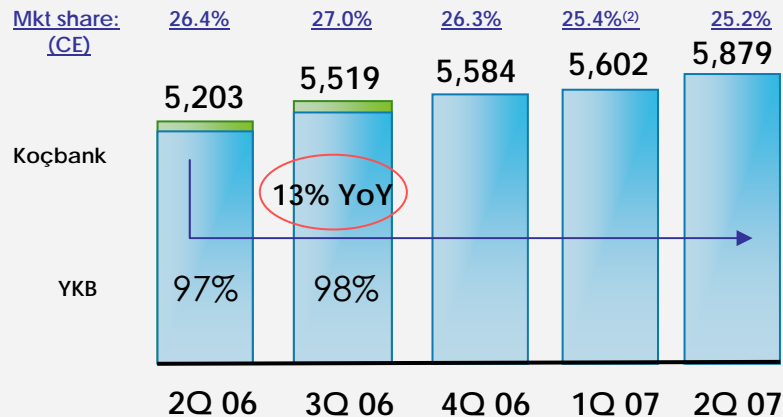
No of CCs
Market Share



Issuing Volume
Market Share (quarterly)



Credit Card Outstanding (mln YTL)



	2006	1Q07	1H07
# 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	2,759
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 ⁽²⁾ Outstanding
YKB	19.3% ⁽¹⁾	22.5%	23.7%	25.4%
Mkt. Share Advantage	+ 205 bps	-7 bps	+ 199 bps	+ 373 bps

BRSA Bank-only figures

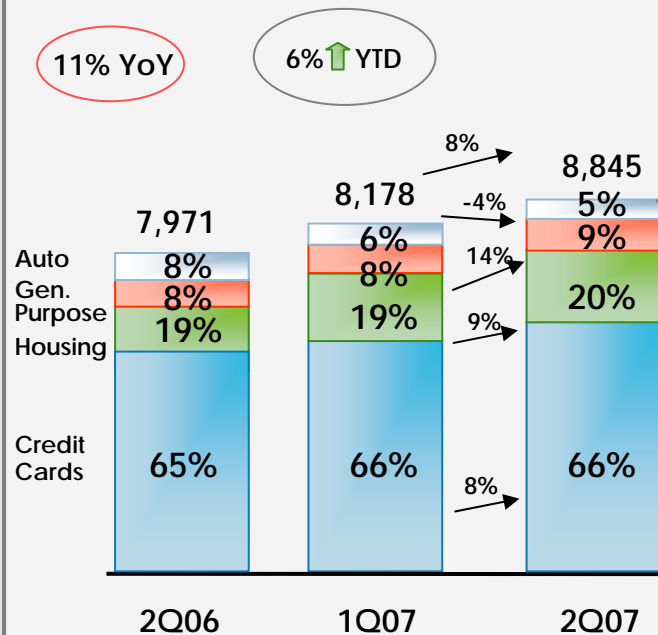


- (1) Excluding the estimated Maximum-card issuance of Ziraat to the existing customers. Including: 18.8%
- (2) As of March 2007
- (3) Excluding virtual cards

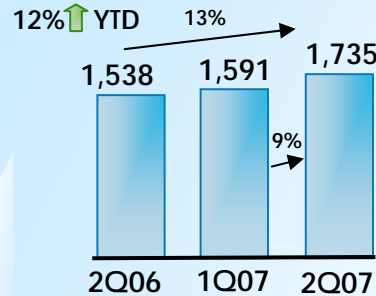


Healthy loan growth in almost all segments; share of credit cards in total consumer loans at 66%

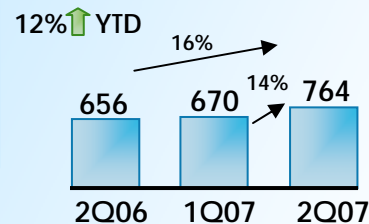
Composition of Consumer Loans & Credit Cards (mln YTL)



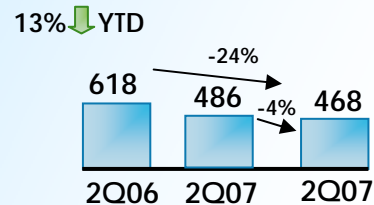
Housing Loans (mln YTL)



Gen. Purpose Loans (mln YTL)



Auto Loans (mln YTL)



Market Shares*

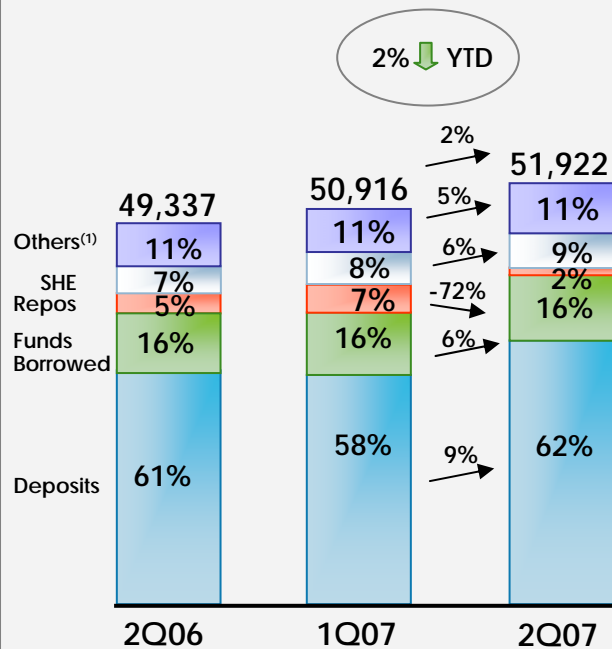
	4Q06	1Q07	6 July
Cash loans	10.2%	9.6%	10.0%
- LC loans	9.9%	9.2%	9.5%
- FC loans	11.0%	10.7%	10.8%
Consumer loans	5.9%	5.6%	5.5%
- Housing	7.0%	6.8%	6.8%
- Gen. Purpose	3.8%	3.4%	3.4%
- Auto	8.4%	8.1%	8.1%
Non-cash loans	20.2%	18.7%	18.6%

- 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

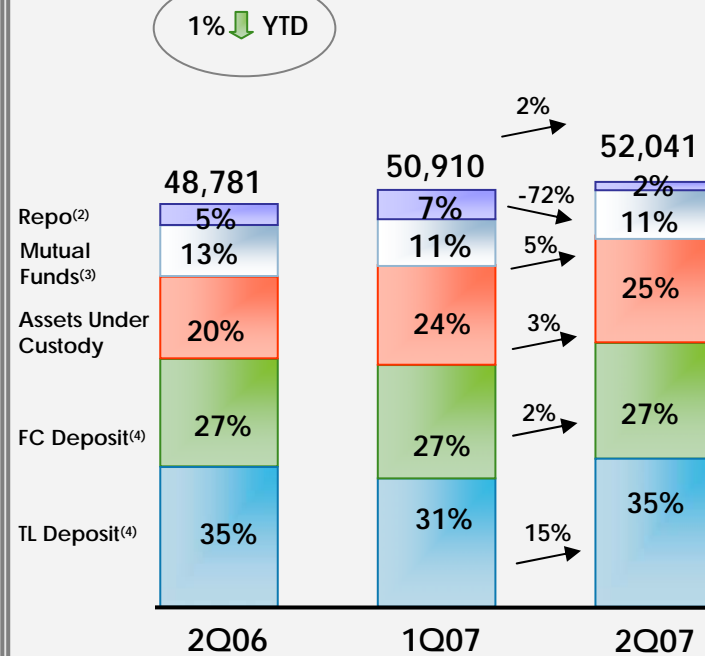
(*) Excluding accruals, YKB BRSA bank-only figures

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

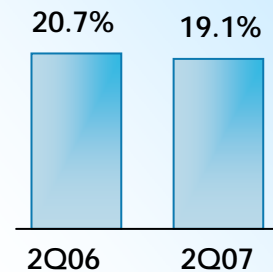
**Composition of Liabilities
(mln YTL)**



**Composition of Customer Assets
(mln YTL)**



**Market Share
in Mutual Funds**

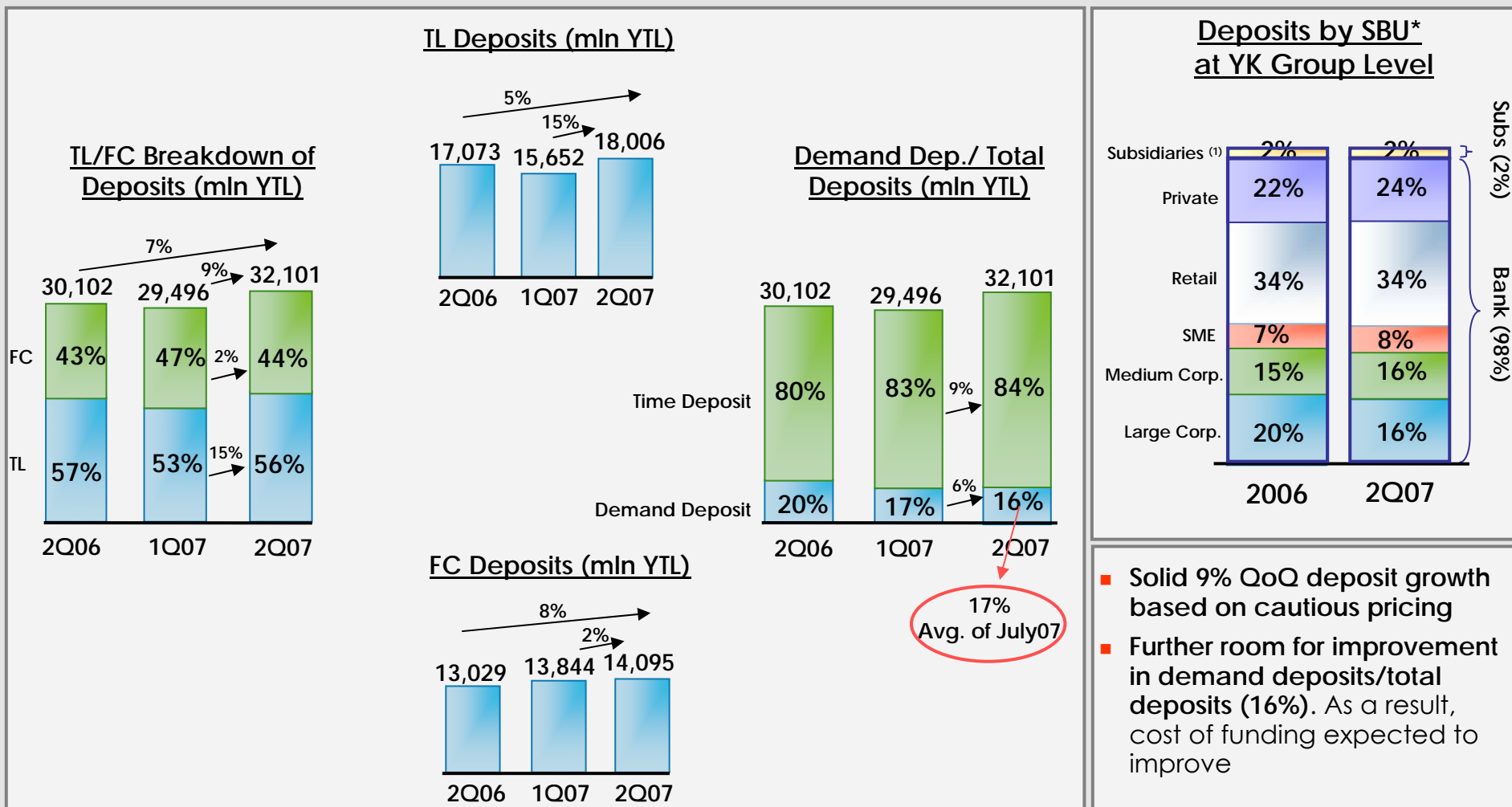


- Despite slight decrease in market share, positive increase in the weight of mutual funds (5% vs 1Q07)

(1) Includes pension fund deficit of 616 mln YTL and 645 mln YTL accounted respectively in 2Q06 and 2Q07.

(2) Including bank repos (3) Excluding pension funds and other DPM

Continued focus on diversification in funding base; share of retail deposits increased to 66% (+3 ppts vs YE06)



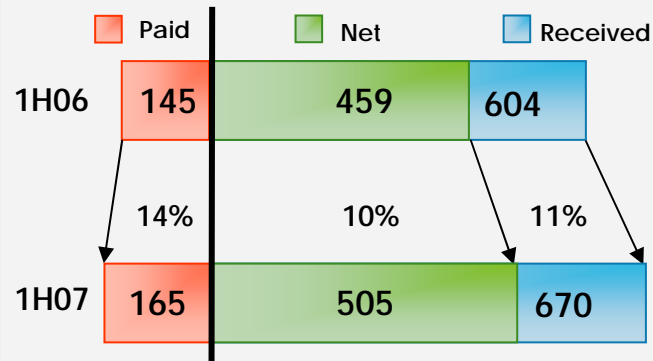
All deposit data exclude repos.

(*) MIS data

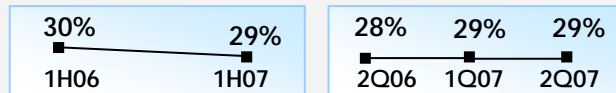
(1) Include YK Moscow, YK NV and YK Deutschland

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

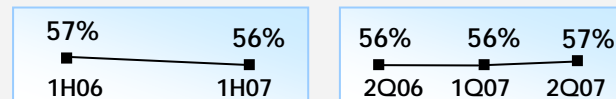
Fees & Commission Income (mln YTL)



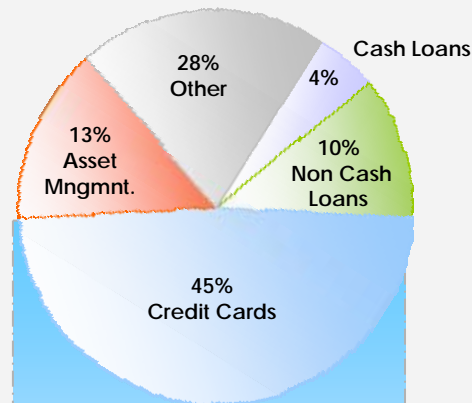
Net Fees & Commissions / Total Revenues



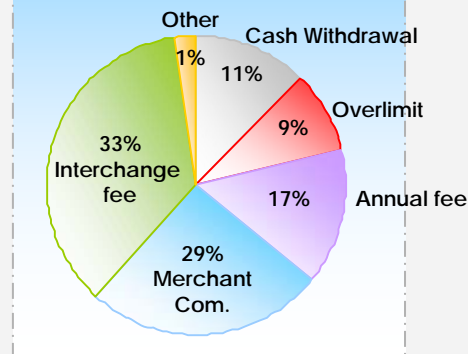
Net Fees & Commissions / Opex



Fees & Commission received composition



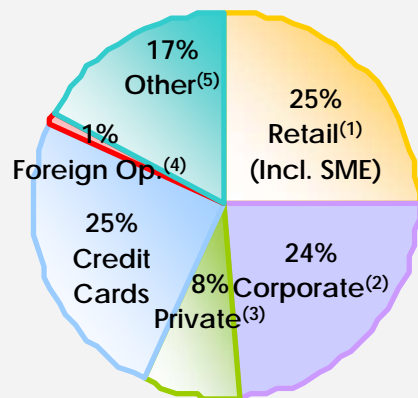
CC Fee and Commission



- Healthy composition of fee and commission income derived from leadership positions in credit cards, asset management and non-cash loans
- 10% YoY growth in fee and commission income
- 45% 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%
- Fees & commissions cover 100% of HR related costs

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

1H07 YK Group Revenues



IFRS figures

(1) Bank

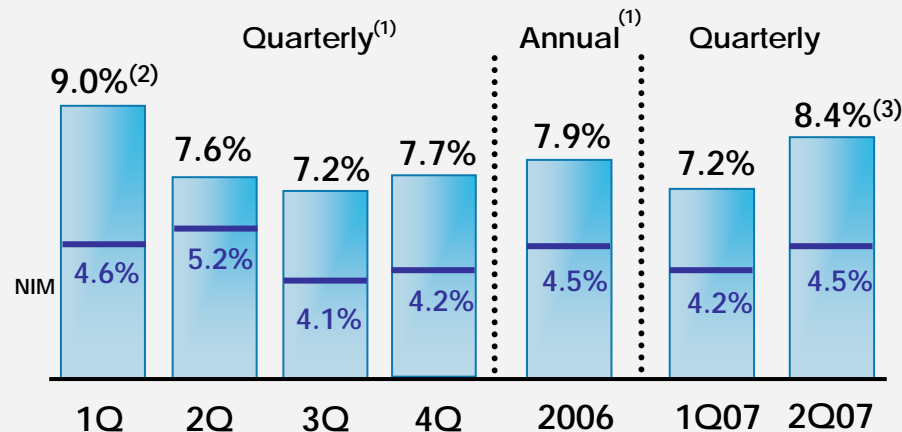
(2) Bank, YK Faktoring, YK Leasing

(3) Bank, YK Portföy, YK Yatırım

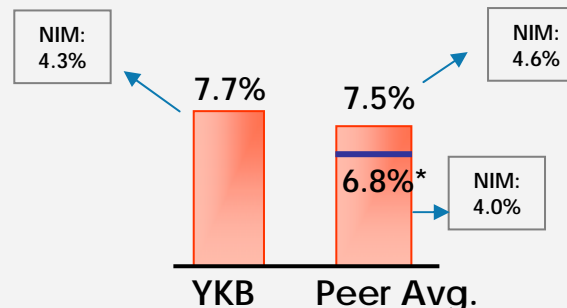
(4) YK NV, YK Deutschland, YK Moscow

(5) Mainly treasury operations of the bank

Revenues / Average IEAs (BRSA Bank-only)



Revenues / Average IEAs (1H07 BRSA Bank-only)



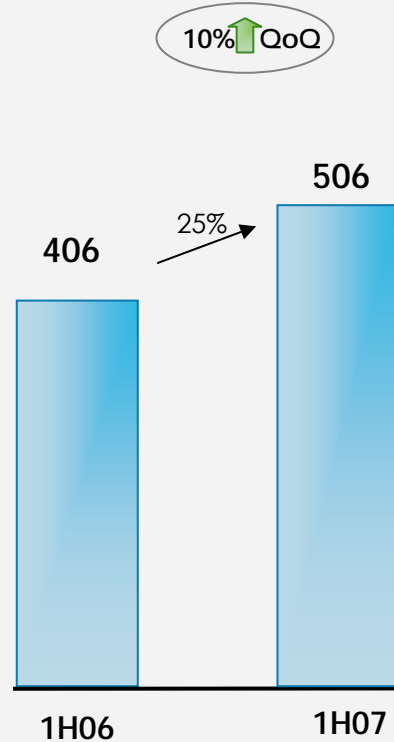
(*) After adjusting revenues for the excess capital base vs. 12% CAR as the benchmark (excess capital * avg. annual interbank rate). Peers adjusted for one-off gains in 1H07.

- Improvement in NIM up to 4.5% in 2Q (up from 4.2% in 1Q07 and 4Q06)
- 25% of revenues generated by most profitable credit card business
- Retail segment (incl. SME) generates 25% of revenues
- Revenues/IEAs up to 8.4% in 2Q driven by growth in higher margin products (credit cards, SME loans)
- Highest ratio of Revenues/IEAs (7.7%) among peers in 1H07

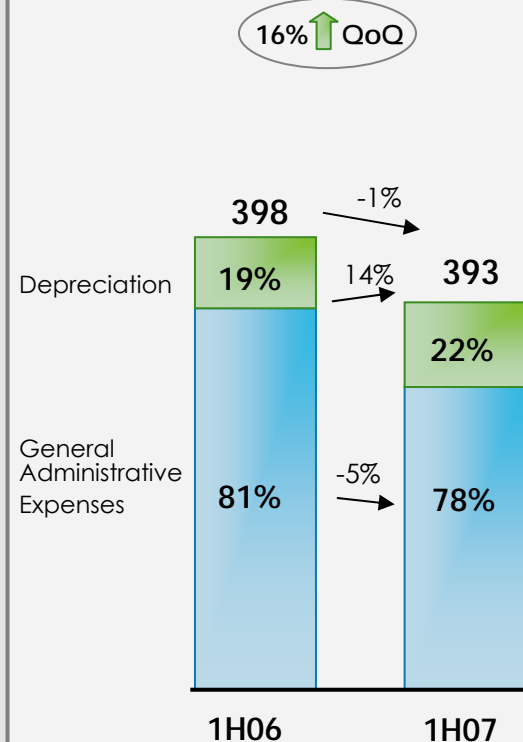
(1) Normalized (2) Excluding dividends: 8.5% (3) If adjusted by provision reversals: 7.7%

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

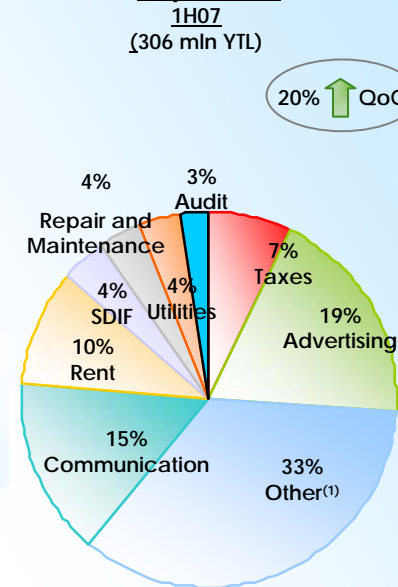
Total HR Costs (mln YTL)



Total Non HR Costs (mln YTL)



General Administrative Expenses
1H07
(306 mln YTL)

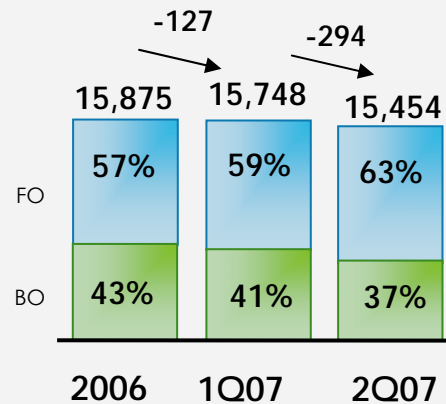


- Total HR costs increased to 506 mln YTL in 1H07 (25% YoY) affected by salary adjustment
- Total Non HR costs decreased to 393 mln YTL in 1H07 (-1% YoY)

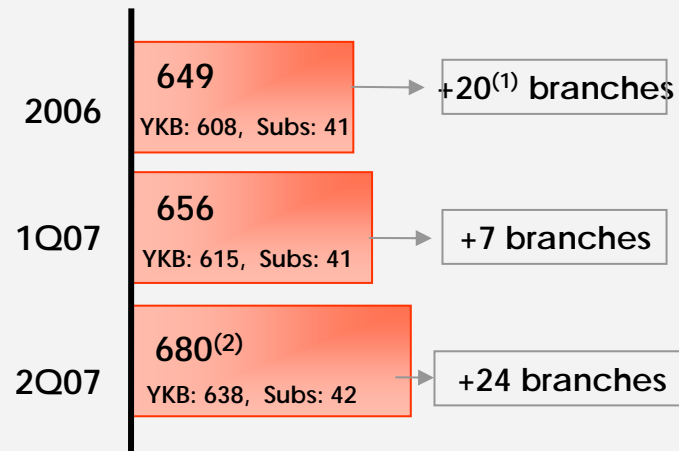
(1) Includes insurance fees, BRSA participation, charity, outsourcing and cleaning expenses among others.

Continued reorganization of the sales force and accelerated branch expansion strategy

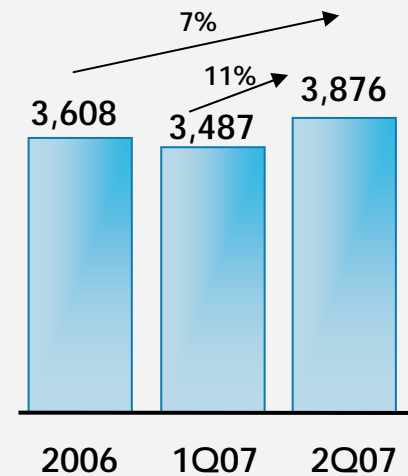
YK Group Level Headcount



Branch Openings



Customer Business per head* at YK Group Level (ths YTL)



- 24 new branch openings as a first step of announced accelerated branch opening plan (total # of branches at YK Group Level: 680)
- Increasing share of FO personnel in total headcount from 57% to 63% at 1H07
- Continuous increase in average productivity per head (+11% YoY)
- Outsourcing completed for 819 headcount (security and cash in transfer) in April. Additional 130 expected till the end of 2007

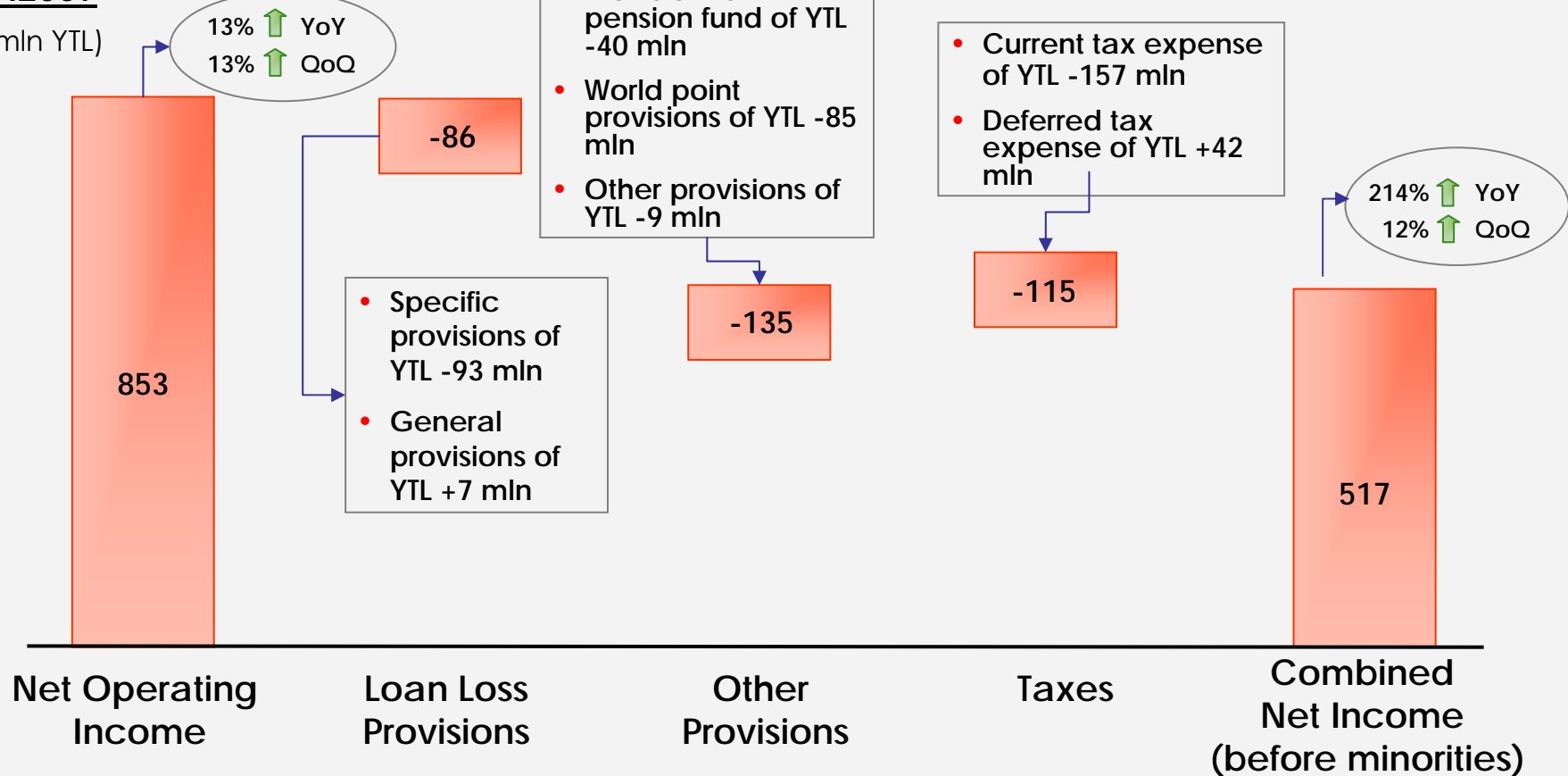
* Group's deposits + loans per head

(1) Bank branches (2) Includes 1 off-shore branch in Bahrain and 5 branches in Moscow. 18

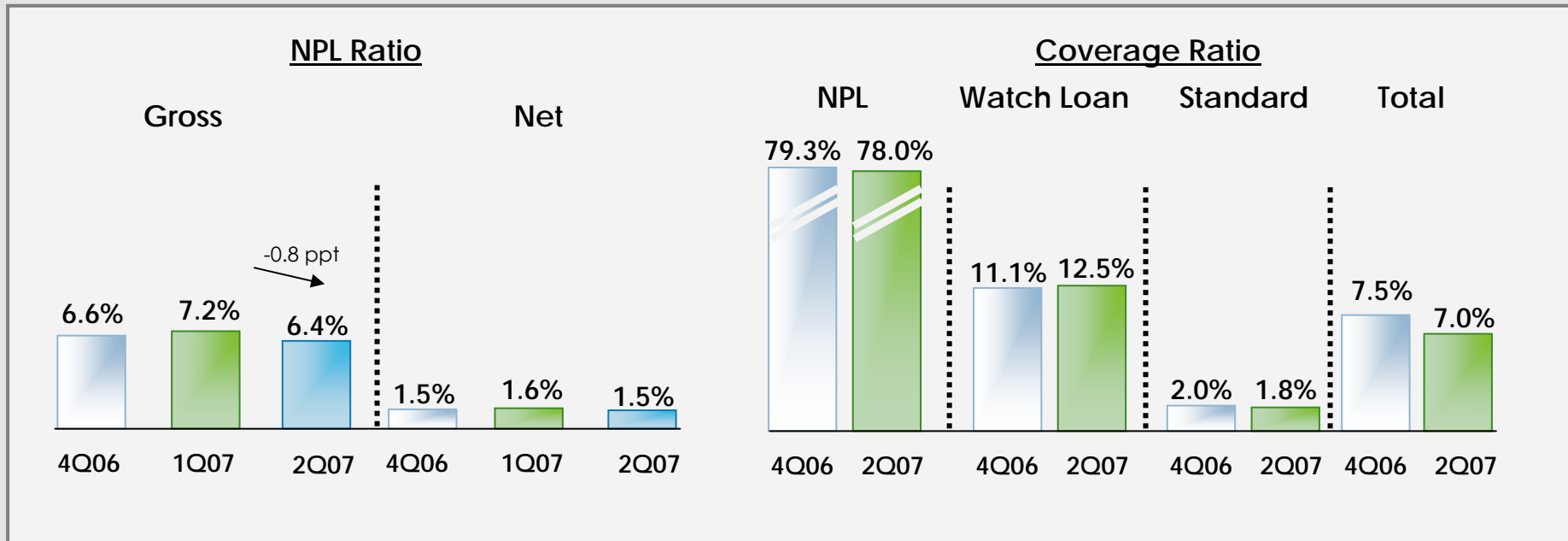
From operating income to net income

1H2007

(mln YTL)



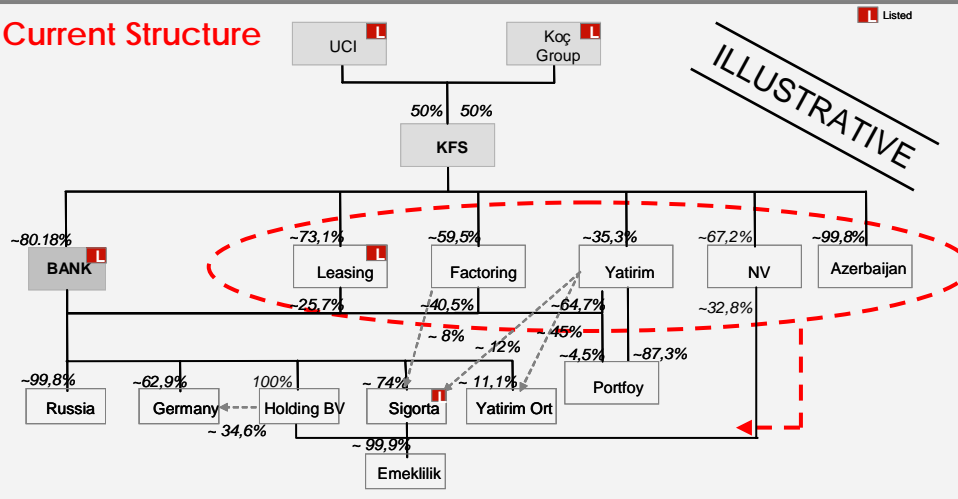
NPL ratio down to 6.4% (-0.8 ppt vs 1Q), confirming improvement in asset quality; more conservative provisioning policy vs the market



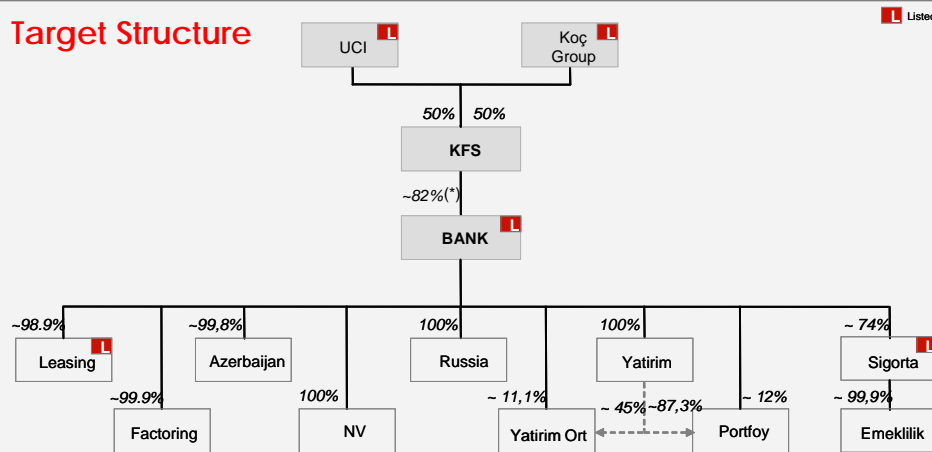
- Gross NPL ratio on a comparable basis down by 0.8 ppt to 6.4% with further room to improve
- NPL coverage ratio at 78.0% (remaining 22.0% collateralized) and total coverage ratio at 7.0%
- Watch loan coverage at 12.5% and standard coverage at 1.8%, highlighting a more conservative approach vs. the market

Completion of KFS restructuring expected within 2007

Current Structure



Target Structure



(*) To be determined based on exchange ratio

- Currently KFS has a hybrid structure (consequence of the merger of KB & YKB organization model)
- Moving the financial subs under YKB would mean:
 - more transparency for the market due to full consolidation of all subs under listed YKB
 - more efficient allocation of capital (increase of capital in YKB) and absorption of Basel II impact
 - no more cross shareholding, clearer chain of control; no duplication of functions
- Share exchange method (non-cash and tax free) expected to be utilized allowing the exchange of shares between YKB and KFS. Transfer of NV and Yatirim (including Portfoy) expected to be realized through cash transaction
- Process under progress:
 - First approval of BRSA received on June 21st
 - 1st Extraordinary General Assembly to obtain shareholders' approval took place on July 18th
 - Exchange ratio announced on July 23rd; second BRSA approval (on draft share transfer agreement) received on August 21st
 - Upon receipt of CMB approval, 2nd Extraordinary General Assembly expected within September to be followed by 3rd BRSA notification
 - Completion of the process (inc. NV & Yatirim) expected by December 2007 subject to CMB and BRSA approvals



Selected Financial Statements

YKB – 2Q 2007 Summary P&L (IFRS Consolidated)

(mln YTL)	1Q06	2Q06	1Q07	2Q07	YoY %	QoQ %
Total Revenues	744	812	824	927	+14	+13
Operating Expenses	(389)	(415)	(423)	(475)	+15	+12
Gross Operating Profit	354	397	401	452	+14	+13
Provisions	(119)	(139)	(92)	(129)	-7	+40
Pre-tax Profit	235	258	309	323	+25	+5
Tax	(273)	(56)	(65)	(50)	-10	-23
Net Profit before Minority Interest	-38	202	244	273	+35	+12
Minority Interest	54	(26)	(37)	(35)	+35	-4
Consolidated Net Profit	17	176	207	238	+35	+15

YKB -2Q 2007 Summary Balance Sheet (IFRS Consolidated)

(mln YTL)	2Q06	4Q06	1Q07	2Q07	YTD %	YoY %	QoQ %
Assets	49,337	52,844	50,916	51,922	-2	+5	+2
Loans	25,243	24,680	24,525	26,576	+8	+5	+8
Securities	14,723	17,800	15,904	14,945	-16	+2	-6
Fixed Assets & Participations⁽¹⁾	2,555	2,498	2,479	2,450	-2	-4	-1
Deposits	30,102	31,657	29,496	32,101	+1	+7	+9
Repos	2,585	3,357	3,591	1,005	-70	-61	-72
Borrowings	7,652	8,097	8,033	8,482	+5	+11	+6
Equity	3,475	4,035	4,232	4,494	+11	+29	+6
Assets under Management	6,134	6,145	5,664	5,957	-3	-3	+5
Assets under Custody	9,960	8,927	12,159	12,978	+45	+30	+7
Non-cash Loans	14,842	15,501	14,822	14,954	-4	1	+1

(1) Including YTL 1,024 mln amount of goodwill

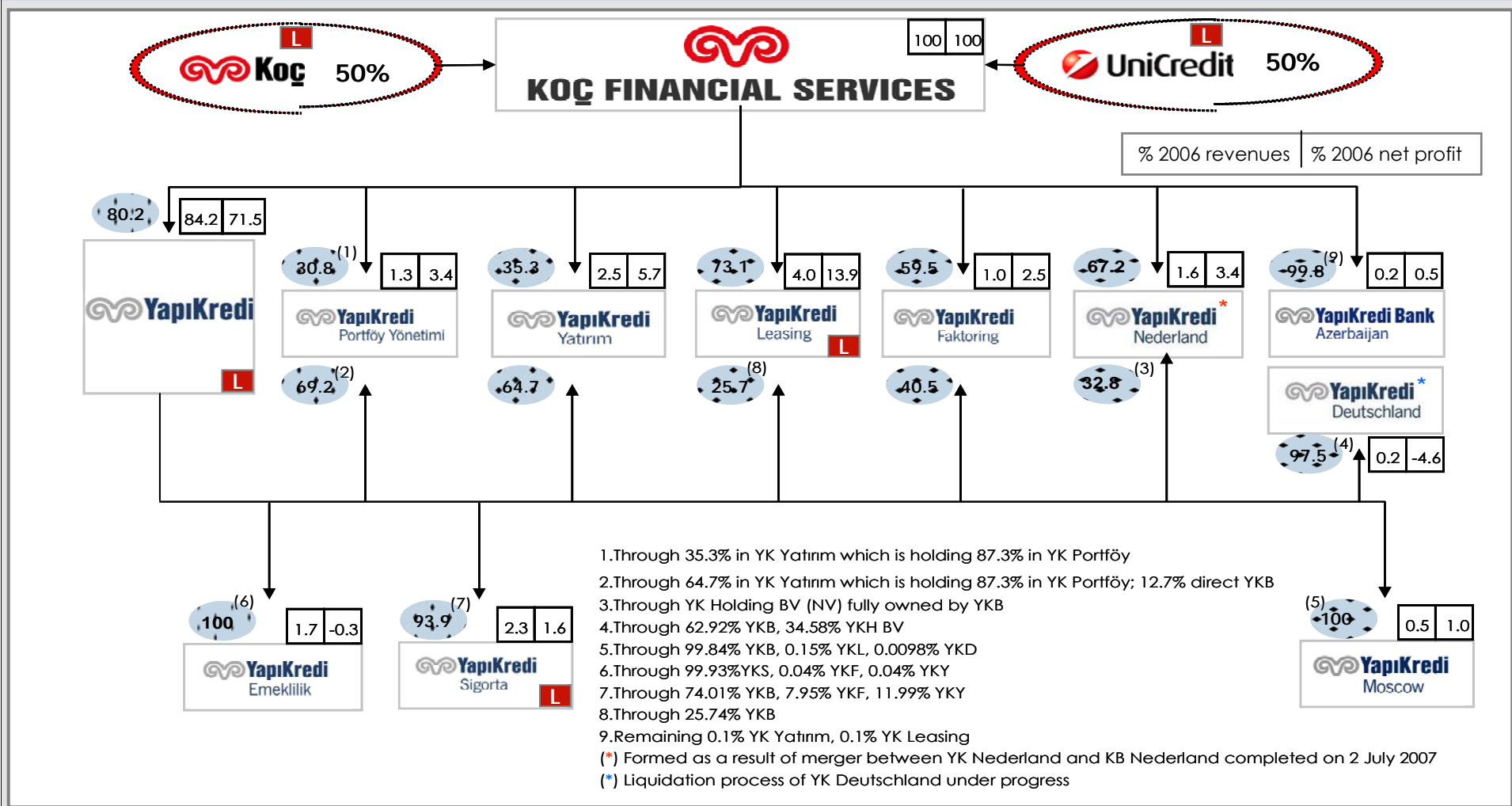
Leadership in key segments/products on the back of a strengthened franchise, large network and leading brand

POSITIONING – JUNE '07

Yapı Kredi Total Assets Rank nr 5	TOTAL	# of Branches Deposits Loans Assets	Rank 4 5 4 5	Mkt. Sh. % 8.9 9.8 9.9 9.4 ⁽⁶⁾	Key Competitors - % Ziraat 17, İş 13, Ak 10 Ziraat 20, İş 14, Ak 12, Gar 10 Ak 15, Garanti 14, İş 13 İş 16, Ziraat 15, Ak 12, Garanti 11 ⁽⁶⁾
	Retail	Consumer Loans ⁽¹⁾ Credit Cards ⁽²⁾	7 1	5.5 25.2	Ziraat 15, Ak 14, İş 14, Gar 12 Garanti 21, Ak 15, İş 13
	AuM + Brokerage	Asset Management Brokerage ⁽⁴⁾	2 6	19.1 4.4	İş 21, Garanti 13, Ak 13 İş 6, Ak 6, Fin 5
	Corporate	Cash Loans ⁽⁵⁾ Non Cash Loans Leasing Factoring	4 1 1 1 ⁽⁶⁾	9.2 18.7 22.1 21.8 ⁽⁶⁾	Ak 15, İş 13, Gar 13 Garanti 14, İş 9 Garanti 19, Finans 8 Garanti 10, Fiba 9, TEB 8 ⁽⁶⁾
	Insurance	Life Pension Non-Life	3 ⁽³⁾ 1 ⁽³⁾ 1 ⁽³⁾	12.5 24.1 15.8	Anadolu 23, Başak 16, Ak+Aviva 11 Ak+Aviva 24, Anadolu 19 AxaOyak 12, Anadolu 12

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Four core subs of KFS and YKB merged in Dec '06/Jan '07 (leasing, factoring, asset management, inv. banking/ brokerage)



L = Listed

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