Yapı Kredi 1Q 2007 Earnings Presentation

(31 March 2007, BRSA Bank-only Results)

İstanbul, 11 May 2007

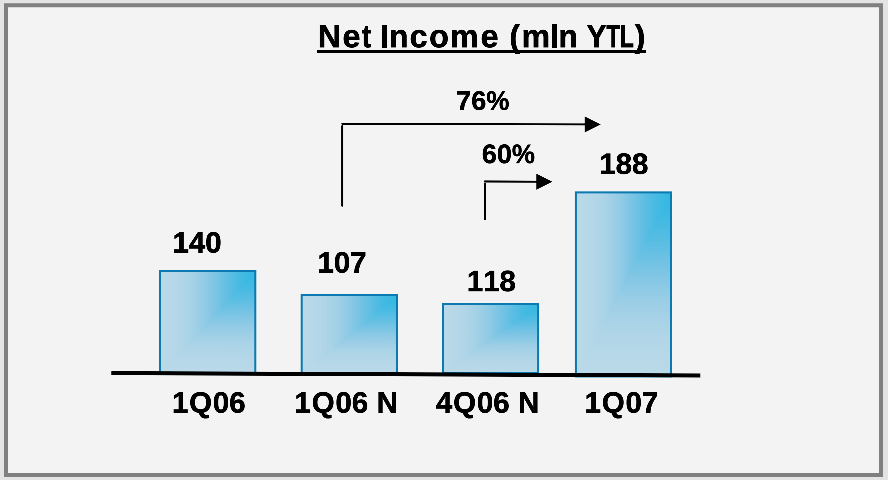
1Q 2007 Key Highlights:
"Enhanced profitability & improved operational efficiency"

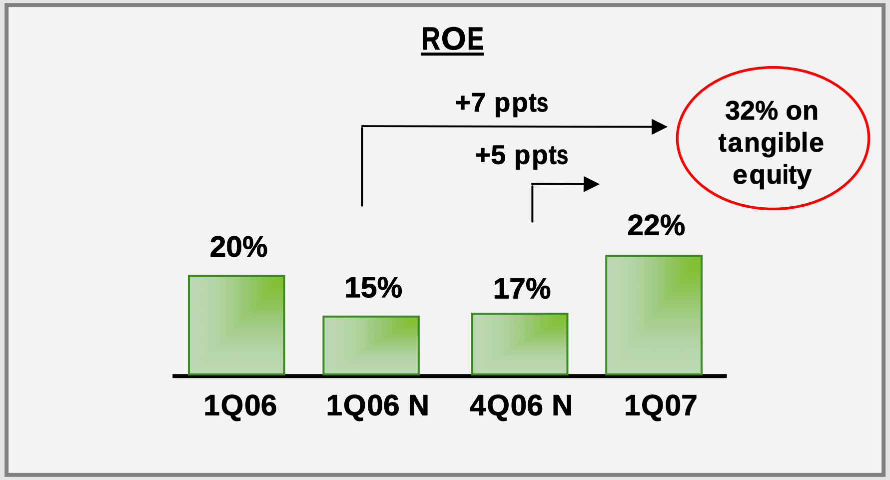
- **YTL 188 mln** of **net income; growth of 76% YoY[1]** and **60%[1] QoQ (highest among peers); ROE of 22%** (+7 ppts up YoY N)
- **CAR** up to **12.97%** (+0.66 ppts) due to controlled RWA trend and improved profitability
- **Healthy revenue growth** of **15% YoY[1] (20%[2]** expected **at YKB Group level)** in a subdued market
- **No 1 position** in the **highest yielding credit card** business further **enhanced** through **market share gains in April** notwithstanding the **solidified** market positions (25.6 % in outstanding balance, +1.2 ppts vs March 06). **Leading position** in **mutual funds** (#2) (20% market share)
- **Additional ~182 employees** shifted to **branch front office** during 1Q07, leading to an improvement in **Front Office ratio** of **+3ppts** vs YE06 (**up to 57%**); **7 new branch** openings (total # of branches 615).
- **Core Non-HR costs down 9% YoY; Cost/Income down to 60%** (-3 ppts YoY) (**51%** if cost base adjusted for IFRS)
- **NPL ratio at 7.0%** excluding the new regulation impact (7.5% including) with **81% NPL provisioning coverage**
- **Upgrade** by **Moody's of** YKB's **BFSR rating to D+ (2 notches up),** confirming quick post-merger recovery
- Start of **KFS restructuring process** announced to **bring all financial subs under YKB umbrella** with an aim to eliminate cross-ownership between YKB and KFS; more simplified structure, full transparency for the market and more efficient capital allocation. **Completion of the process**, subject to regulatory approvals, **expected within 2007**

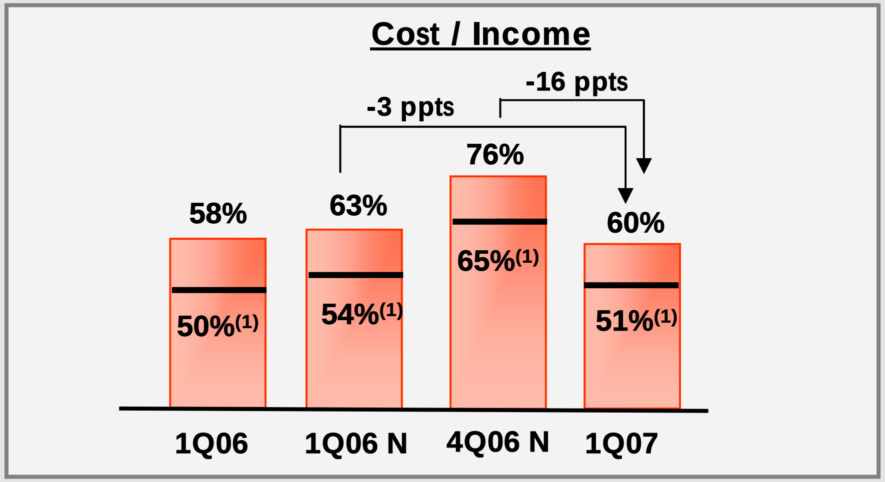
(1) In comparison with 1Q 2006 YKB merged bank figures normalized for the financial cost of stake increase and sub-loan as well as some minor accounting policy applications. 4Q 2006 normalized for some minor accounting policy applications

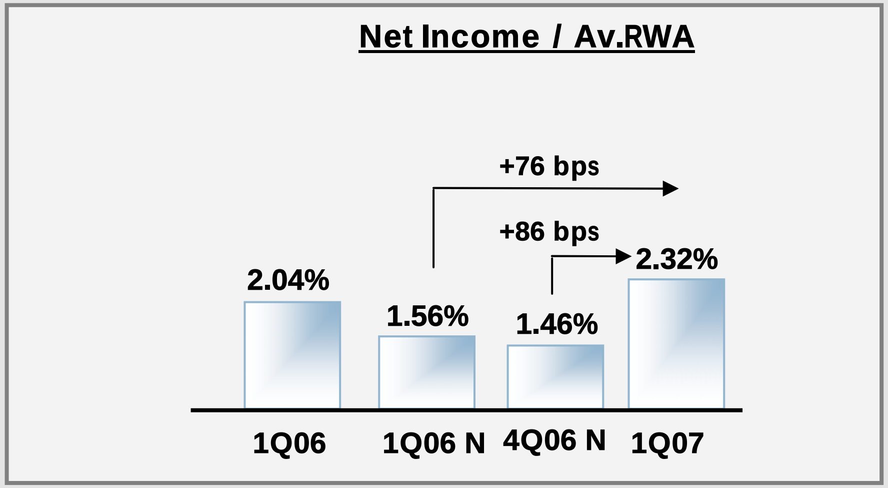
(2) Management estimate based on consolidated IFRS figures

Enhanced profitability and tighter cost control lead to strong net income growth









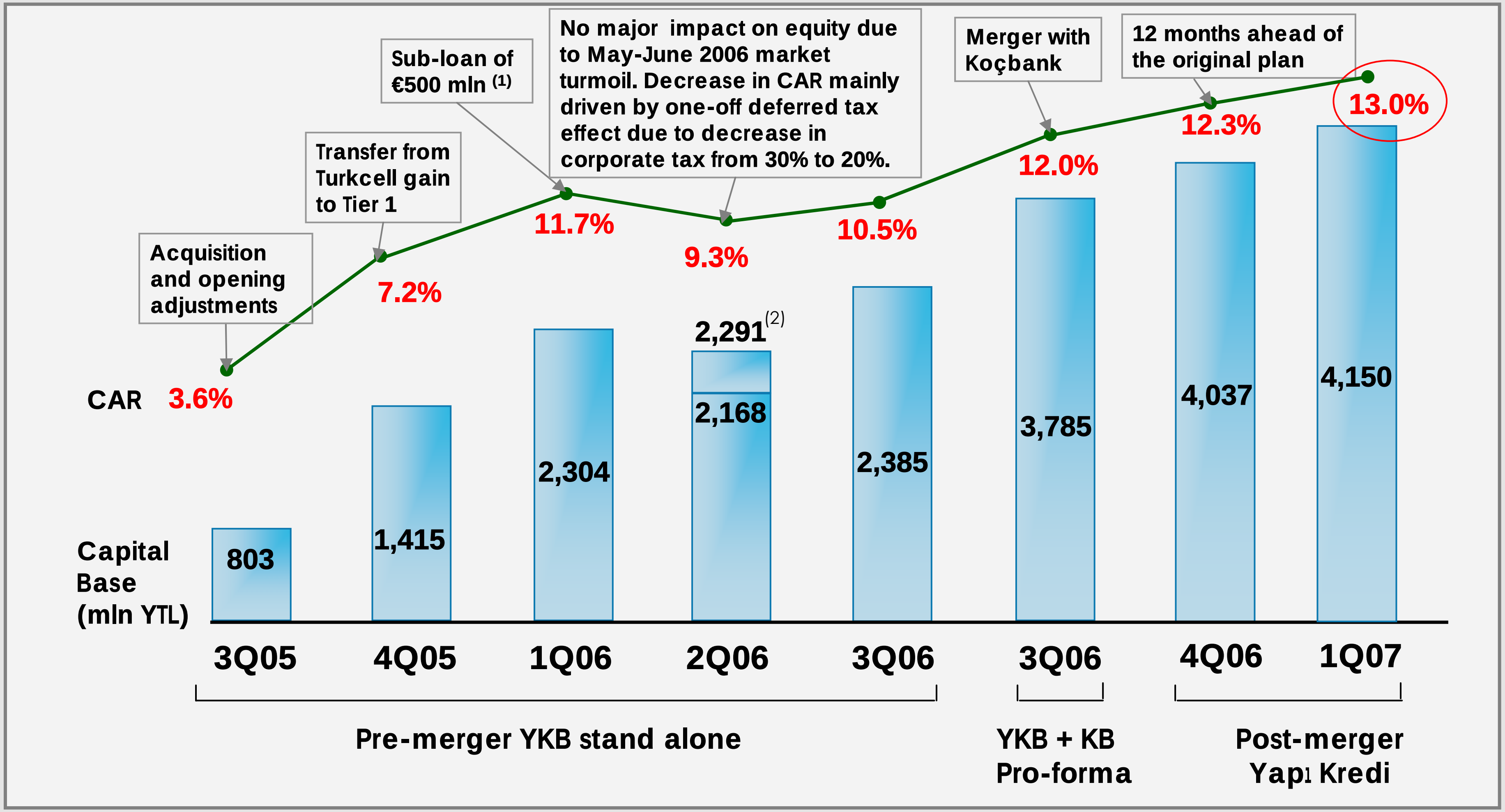
Throughout the presentation, "1Q06 N" refers to 1Q 06 YKB merged bank figures normalized for the financial cost of stake increase and sub-loan as well as some minor accounting policy applications. "4Q06 N" refers to normalization for some minor accounting policy applications.

Koç UniCredit

(1) Cost base adjusted by provision expenses of pension fund and Worldcard points for comparison with IFRS guidance

YapıKredi

Process of making capital adequacy ratio more solid continued



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

(2) Excluding deferred tax effect

Sustained revenue growth (+15% YoY) and cost control (+9% YoY, -9% core non-HR costs) in line with the budget

(mln YTL)	1Q06	1Q06 Normalized(1)	1Q07	YoY %	YoY % Normalized
Total Revenues	**744**	**684**	**786**	**+6%**	**+15%**
Net Interest Income	398	338	464	+16%	+37%
Non-Interest Income	345	345	323	-7%	-7%
o/w Fees & Comm.	194	194	211	+9%	+9%
Operating Costs	**(434)**	**(434)**	**(473)**	**+9%**	**+9%**
HR costs	(148)	(148)	(184)	+24%	+24%
Non-HR costs	(286)	(286)	(289)	+1%	+1%
Core Non-HR(2)	(195)	(195)	(177)	-9%	-9%.
Operating Income	**309**	**249**	**313**	**+1%**	**+26%**
Provisions	(94)	(75)	(84)	-10%	+12%
Pre-tax Income	**215**	**174**	**229**	**+6%**	**+32%**
Net Income	**140**	**107**	**188**	**+34%**	**+76%**

+20%(3)
At YKB Group level including contributions from the subs

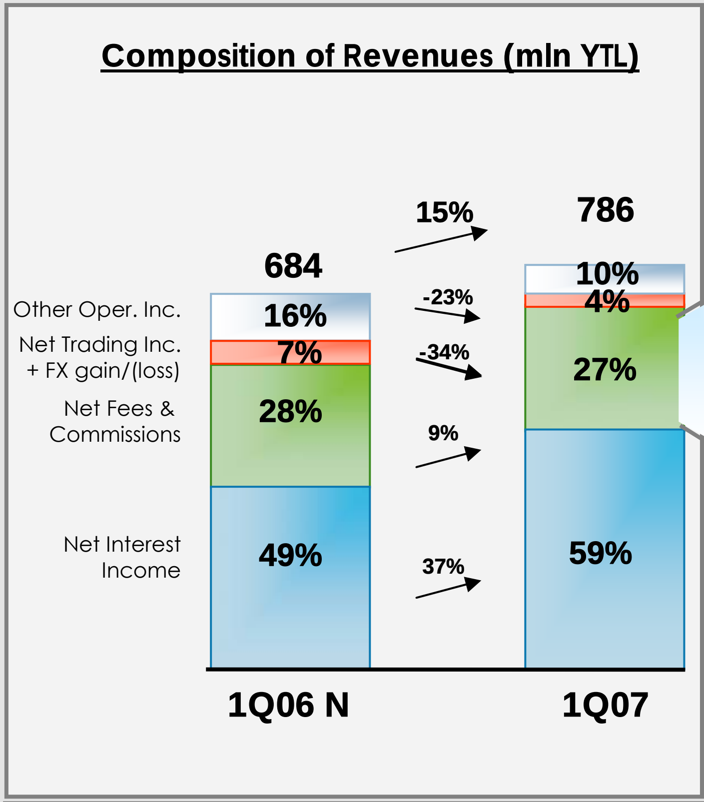
(1) YKB merged bank figures normalized for the financial cost of stake increase and sub-loan as well as some minor accounting policy applications

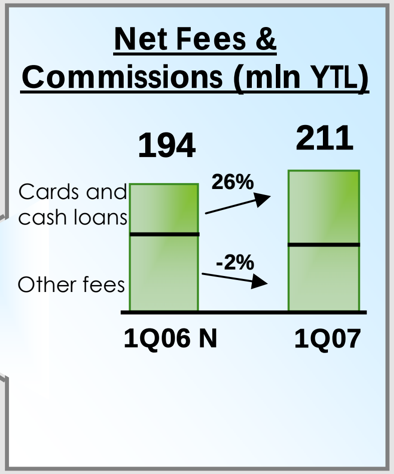
Koç UniCredit

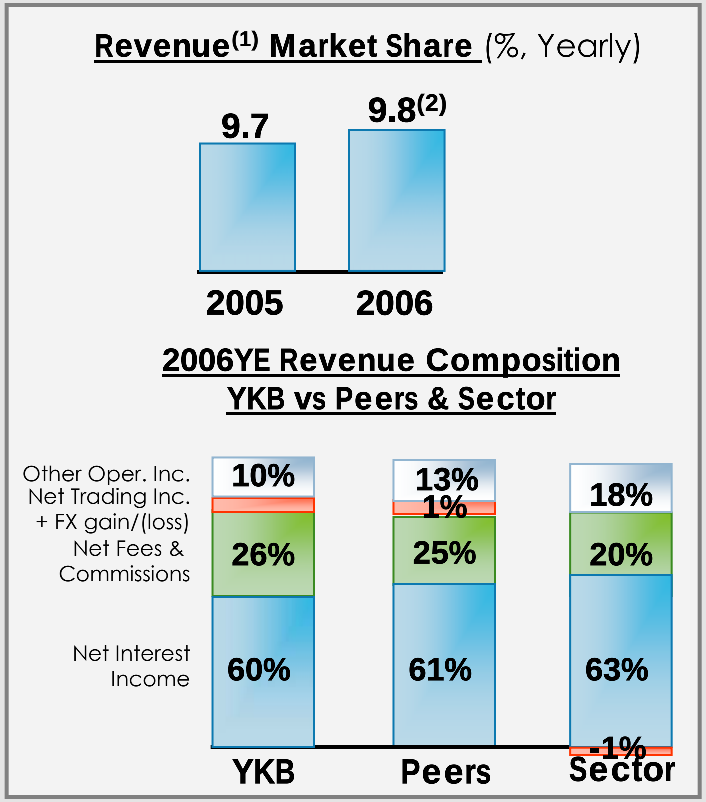
(2) Including depreciation and excluding HR related costs (such as management bonuses, ETB, and vacation rights) and pension fund and bonus point provisions
(3) Management estimate based on consolidated IFRS figures

YapıKredi

Healthy earnings structure driven by commercial strategy focused on increasing revenue market share



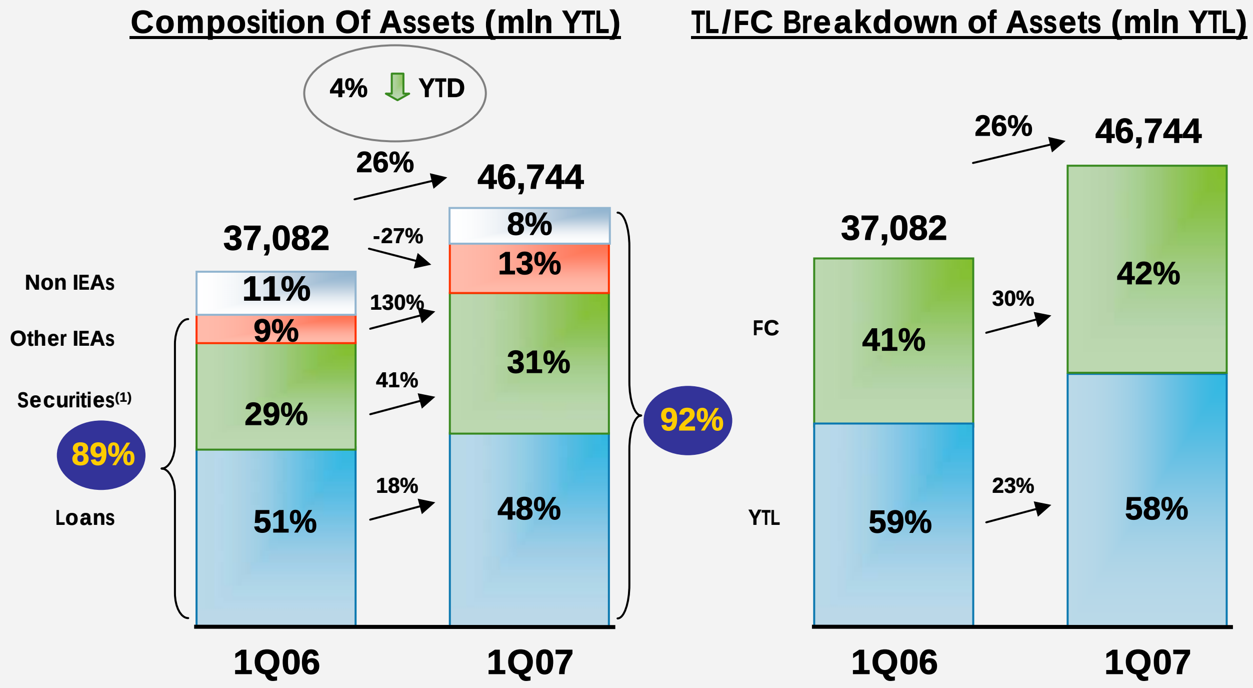




- **Revenue market share** up to **9.8% in 2006**
- **37% YoY increase in net interest income** and **26% YoY increase in fee & commission from cards and cash loans**
- Other fees down by 2% YoY mainly due to lower average AUM

(1) System revenues excluding dividends and all asset sales (2) Excluding acquisition costs

Share of IEAs increased to 92% (+3 ppts) driven by effective balance sheet restructuring, non-core asset disposal strategy and growth in high yielding assets

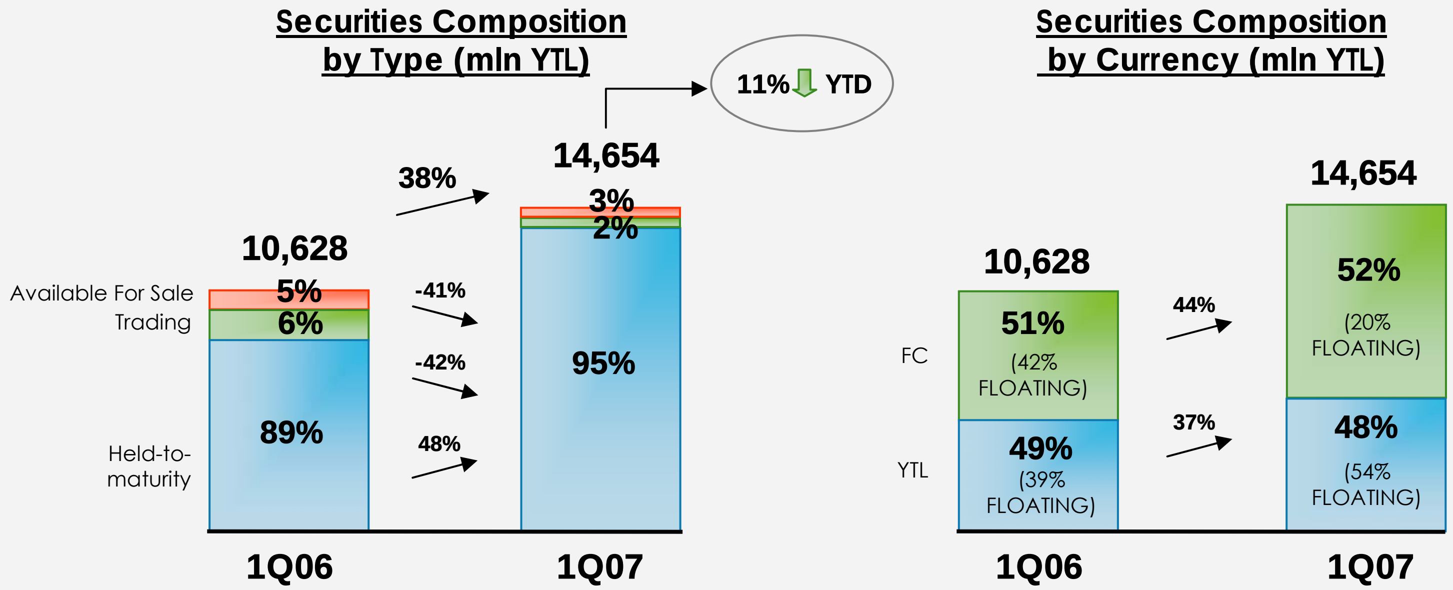


	1Q06	2006	1Q07
TL Loans/Loans	66%	68%	67%
TL IEAs/IEAs	59%	53%	55%
Loans/Deposits	74%	72%	77%

- Continued **decrease in non-IEAs; shrinkage of 3 ppts** vs 1Q06
- **Share of loans in total assets at 48%** while 67% of total loans constituted by higher margin YTL loans
- **YTL IEAs constitute 55% of total IEAs** driving higher margins
- **Further room for improvement in loans/deposits ratio** (77%)
- 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)

(1) Securities including derivative accruals.

95% of securities portfolio invested in Held-to-Maturity, aimed at stable revenue generation and limited capital at risk

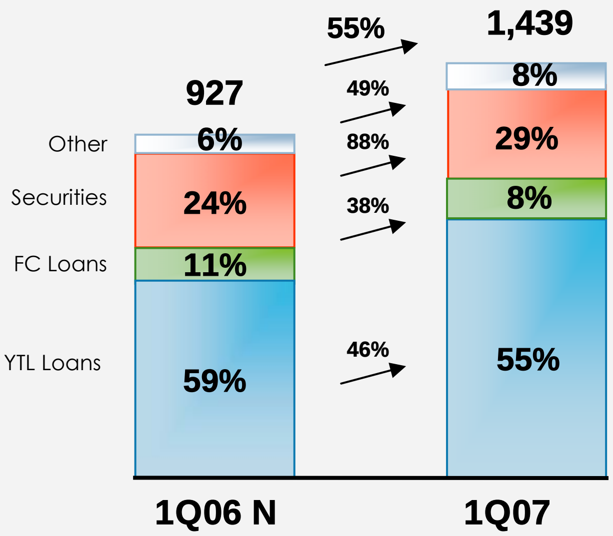


- Strong focus on **effective risk management**
- **Derivatives allowed only for hedging purpose**; options allowed only for client-driven transactions immediately fully hedged
- **No FX speculative open positions** allowed ; **VaR limits, stop loss, max open position monitored on a daily basis**
- Securities **declined** by **11% YTD due to redemptions of short term bonds; share of securities** in total assets **shrunk by 3 ppts to 31% YTD**

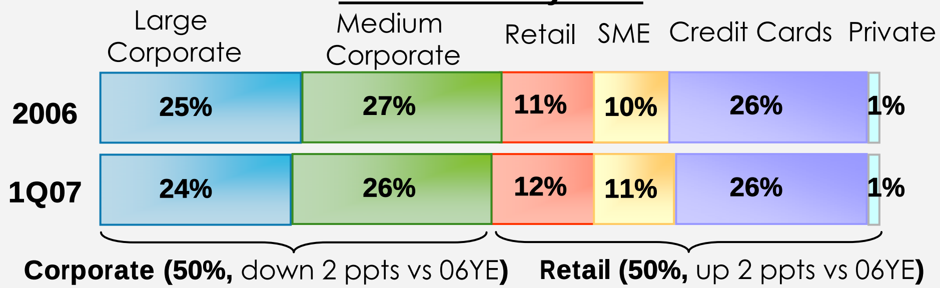
Koç UniCredit YapıKredi

Share of interest income from loans constitute 63% of total interest income; share of retail in cash loans up to 50% from 48% vs YE06

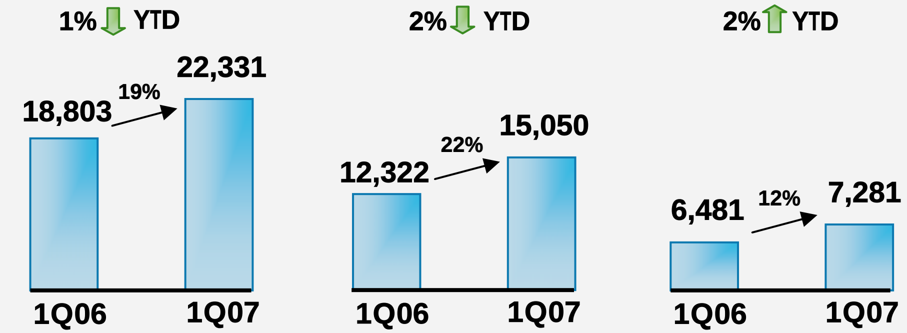
Composition of Interest Income (mln YTL)



Cash Loans by SBU*



Total Loans (mln YTL) **TL Loans (mln YTL)** **FC Loans (mln YTL)**

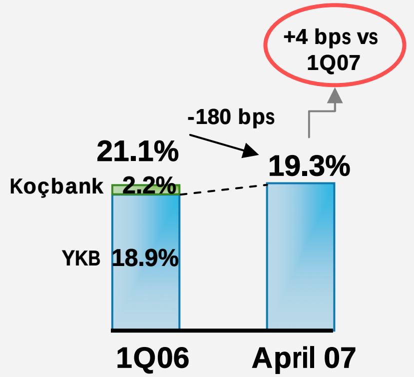


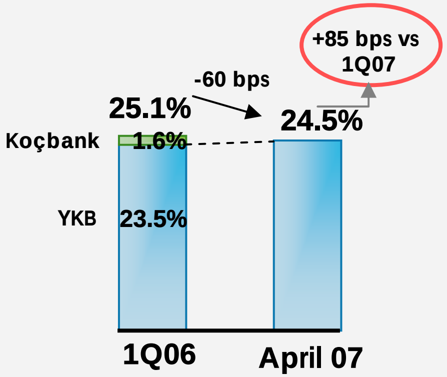
- **Share of retail** in total cash loans **increased to 50%** (+2ppts vs YE06) driven by **SME loans**
- **Profitability focused loan composition** with credit cards making up 26% of cash loans - the highest yielding instrument in the sector
- **19% YoY** increase **in total loans** (-1% YTD); **TL loans** declined by **2% YTD** while **FC loans** up by **2% YTD**

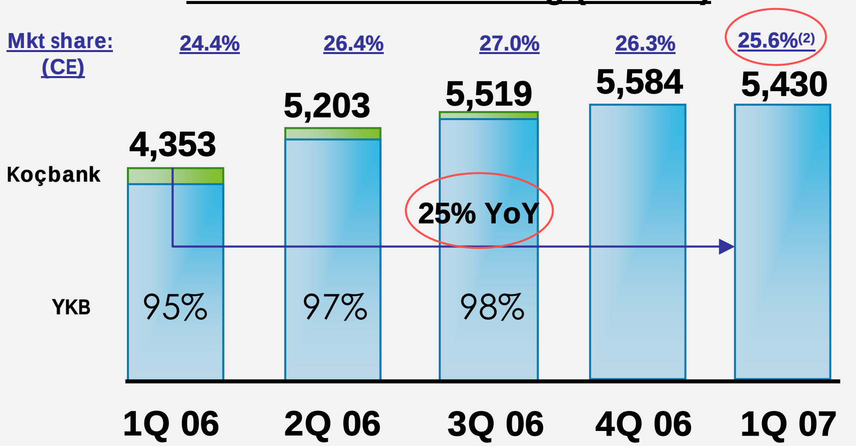
(*) MIS data (commercial bank only)

Koç UniCredit YapıKredi

No 1 position in credit cards further enhanced despite solidified competitive dynamics; market share gains in April, issuing vol. market share +85 bps up vs 1Q 07



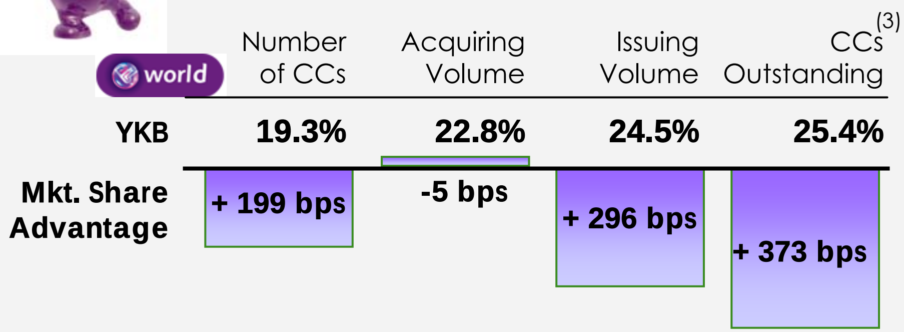




	2005 CE	2006 CE	1Q07 CE
# of credit cards(4)	6,389,283	5,098,115	5,164,730
# of merchants	160,776	168,235	174,332
# of POS	184,097	194,400	204,268
Credit Card Turnover (mln YTL)	21,890	28,009	6,997
Revolving Ratio	34.6%	29.6%	31.80%
Card Activation Ratio	79.0%	84.0%	84.0%
Fraud/Volume	0.041%(1)	0.022%	0.015%
Churn Rate	5.30%	4.20%	4.20%

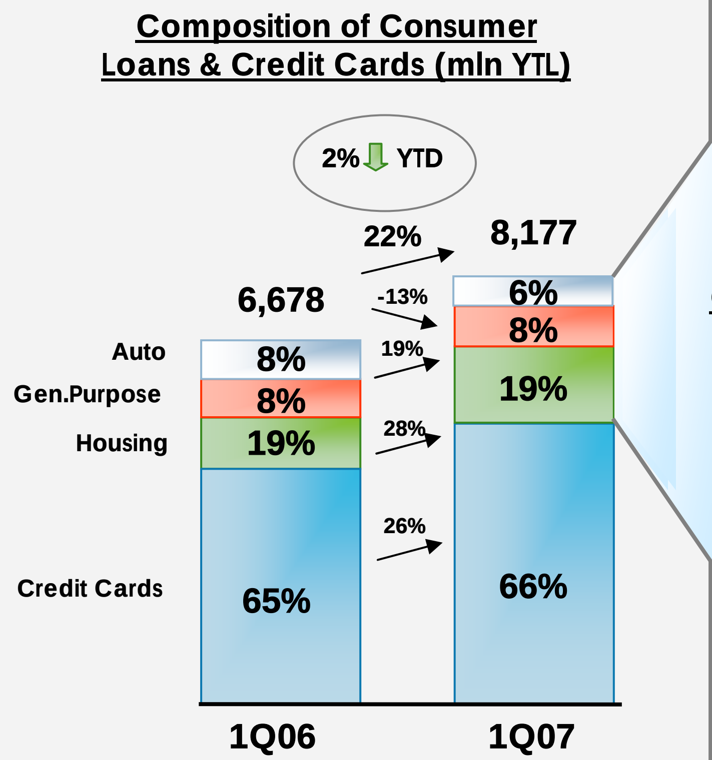
Market Share vs Closest Competitor

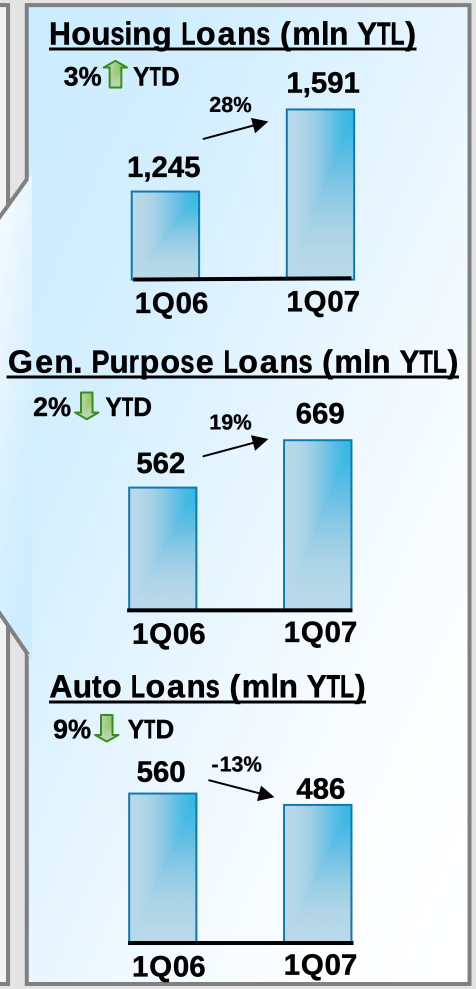
(As of April 2007)



CE=Combined Entity (Yapı Kredi + Koçbank) (1) Pre-merger YKB only.
(2) As of April 2007 (3) As of March 2007 (4) Excluding virtual cards

Share of credit cards in total consumer loans at 66%; positive trend in cash and non-cash loan growth since end of first quarter





Market Shares*

	Q1 07	27/4/07
Cash loans	9.6%	9.9%
- LC loans	9.2%	9.2%
- FC loans	10.7%	11.0%
Consumer loans	5.6%	5.5%
- Housing	6.8%	6.8%
- Gen. Purpose	3.4%	3.3%
- Auto	8.1%	8.1%
Non-cash loans	18.7%	18.9%

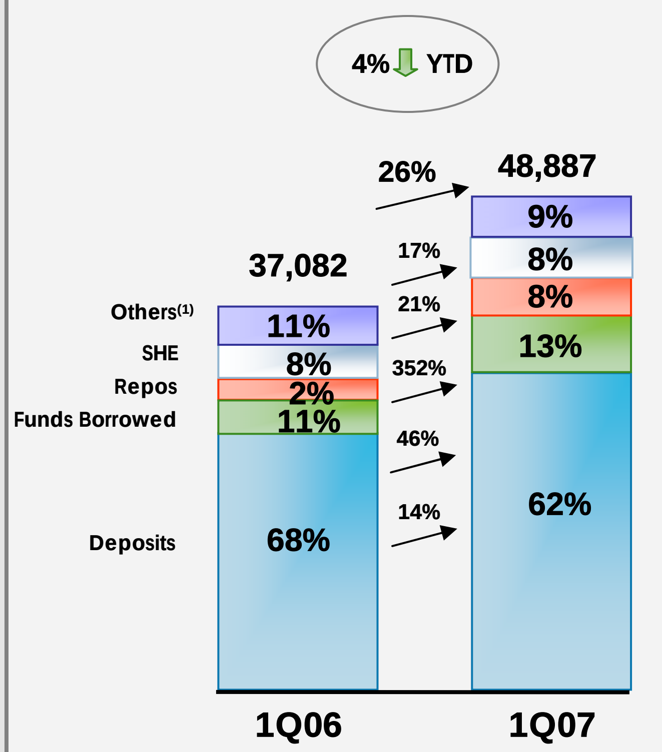
- **Highest share of credit cards** in total retail loans **among peers (66%)**
- **Credit card outstanding** volume **market share** up to **25.6% in April**
- **Housing loans** up **3% YTD**

(*) Excluding accruals

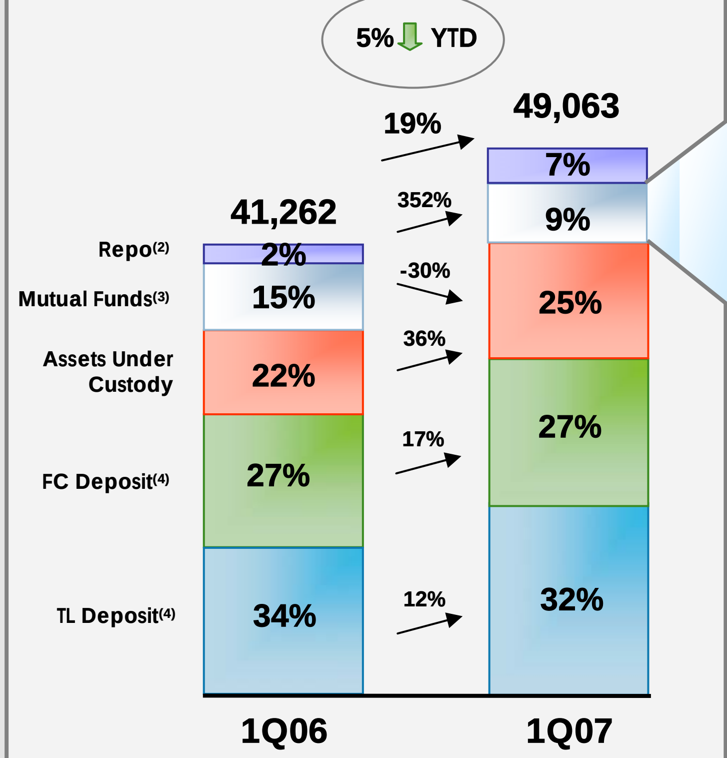
Koç UniCredit YapıKredi

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

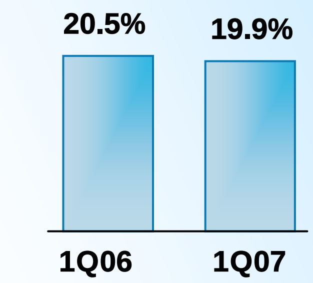
Composition of Liabilities (mln YTL)



Composition of Customer Assets (mln YTL)

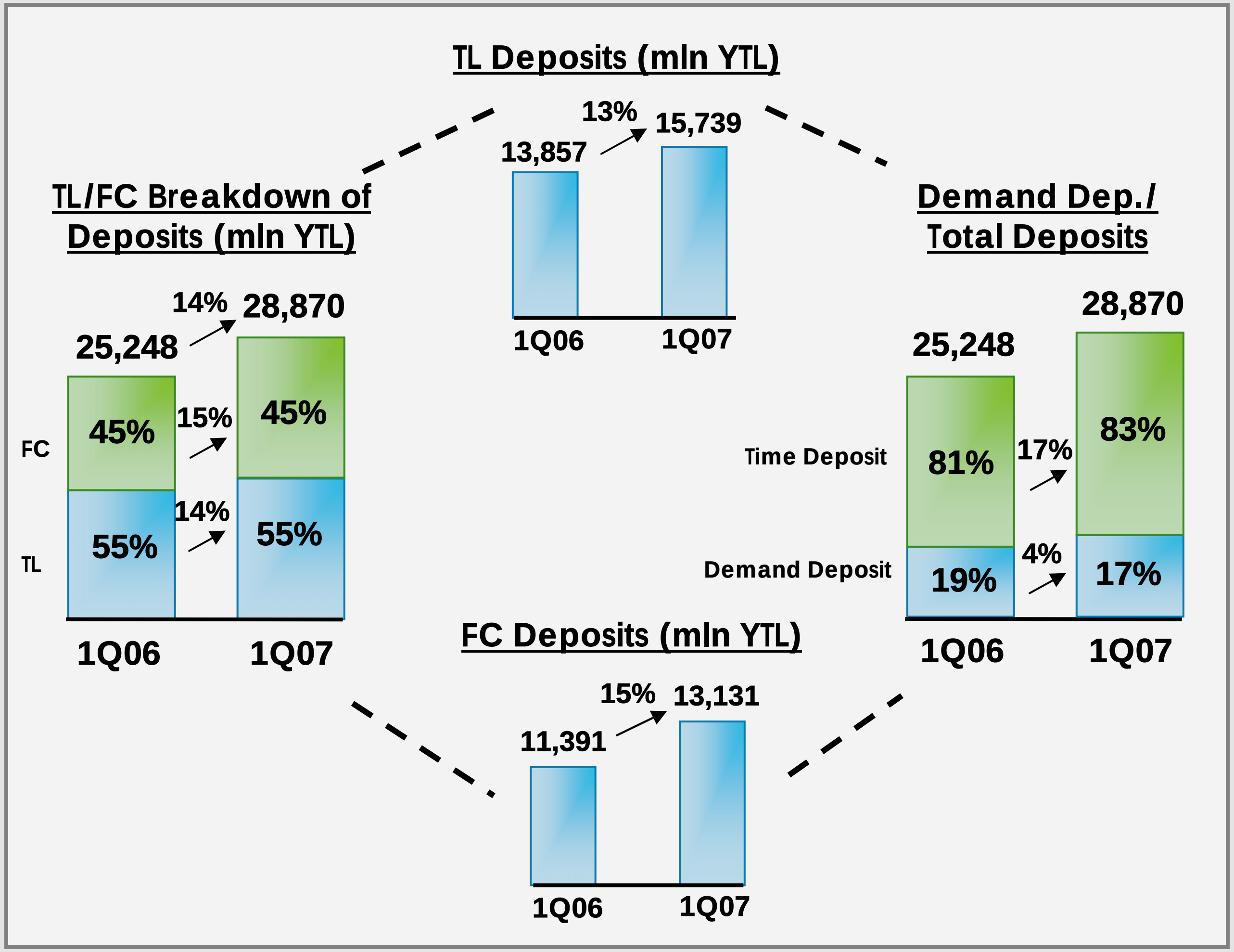


Market Share in Mutual Funds

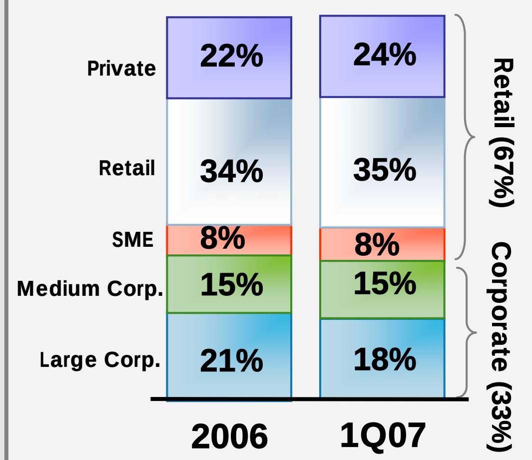


(1) Includes pension fund deficit of 358 mln YTL and 514 mln YTL accounted respectively in 1Q06 and 1Q07.
(2) Including bank repos (3) Excluding pension funds and other DPM
(4) Including bank deposits

Continued focus on diversification in funding base; share of retail deposits increased to 67% (+3 ppts vs YE06)



Deposits by SBU* (Mln YTL)

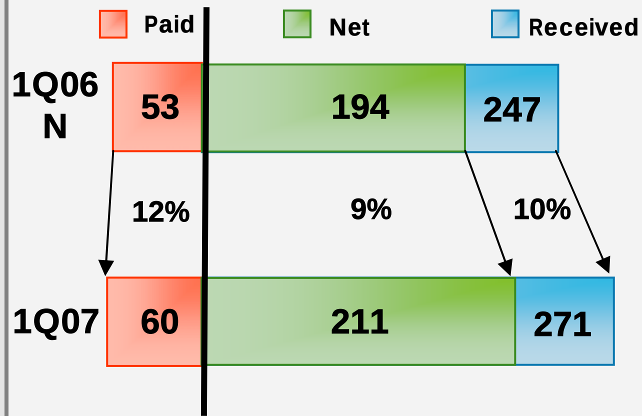


- **Further room for improvement in demand deposits/total deposits (17%).** As a result, cost of funding expected to improve
- **Retail deposits** contribute **67% of total deposits**

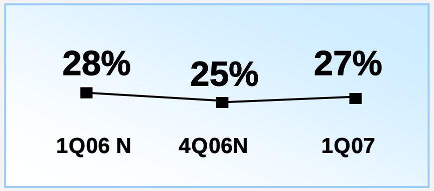
(*) MIS data (Commercial bank only)

Solid fee & commission growth continues to contribute to total revenues as a sustainable revenue source

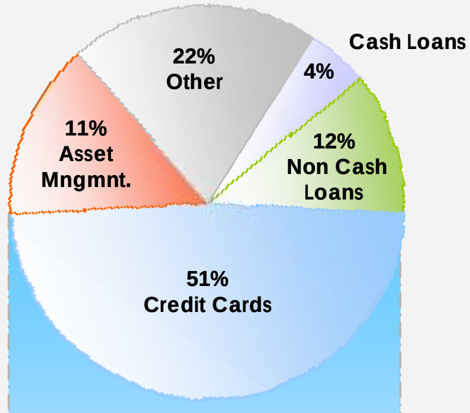
Fees & Commission Income (mln YTL)



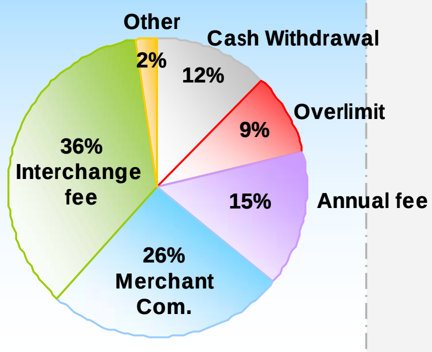
Net Fees & Commissions / Total Revenues



Fees & Commission received composition



CC Fee and Commission



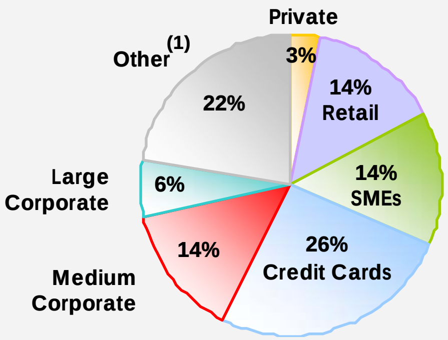
- **9% YoY** growth in **fee and commission** income (26% YoY increase from cards and cash loans)
- **Healthy composition of fee and commission income** derived from leadership positions in credit cards, asset management and non-cash loans
- **Contribution of fee & commission income** to total revenues **increased** to **27%** in 1Q07 from 25% in 4Q06
- **51% of** total **fee and commission** income **generated** by **credit cards**
- **Fees & commissions cover 100% of HR related costs***

(*) Including HR-related Non-HR costs

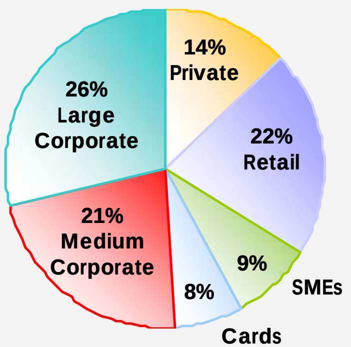
Koç UniCredit YapıKredi

Capability to generate higher quality revenues than peers due to favorable revenue mix focused on profitable business lines

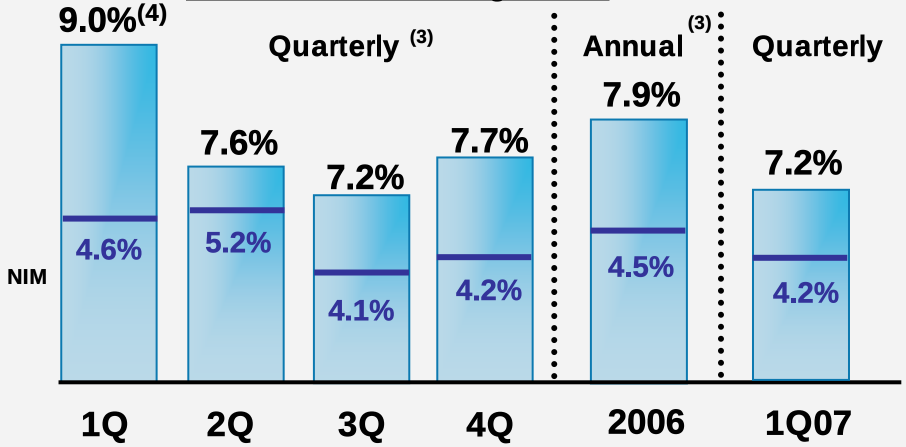
1Q07 Net Revenues



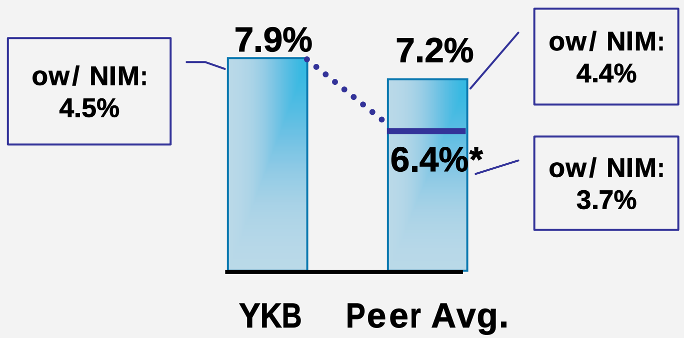
1Q07 Customer Volumes(2)



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)

- **26% of revenues generated by** most profitable **credit card business**
- **Sum of retail and SME segments** generate **28% of revenues** and **31% volumes**(2)
- **Highest ratio of Revenues/IEAs (7.9%) among peers in 2006**, confirming quality revenue generation capability

(1) Treasury, work out and other
(2) Cash loans + Non cash loans + Deposits + Asset under Management + Assets under Custody (commercial bank driven values)
(3) Normalised
(4) Excluding dividends 8.5%

...with strategic presence in most attractive segments

POSITIONING – DECEMBER ´06

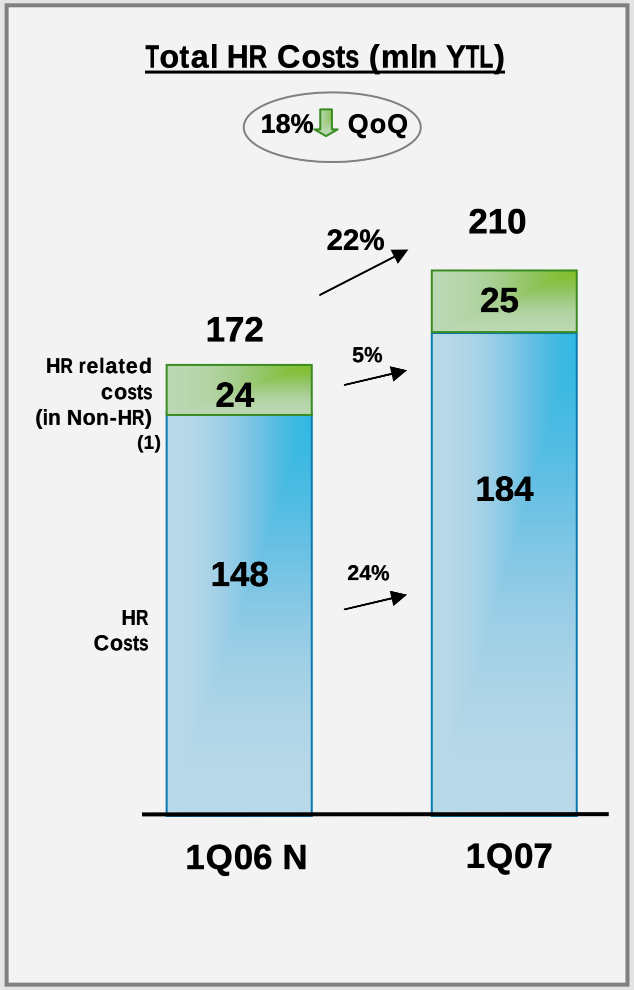
Yapı Kredi
Total Assets
Rank nr 5

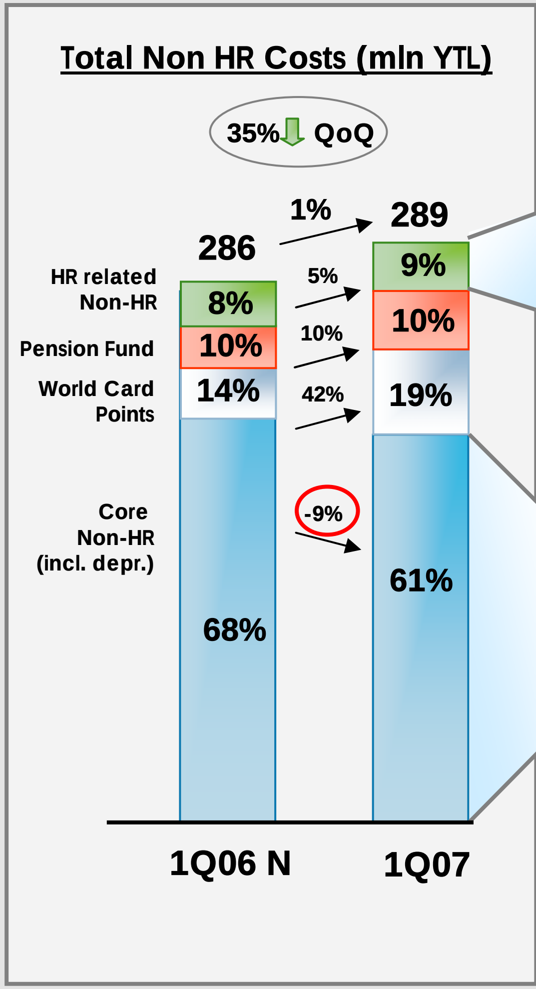
Segment	Product	Rank	Mkt. Sh. %	Key Competitors - %
Retail	# of Branches	4	8.9	Ziraat 17, İş 13, Ak 10
	Deposits (1)	4	10.4	Ziraat 20 (7), İş 15, Ak 11
	Consumer Loans (2)	6 (7)	6.0	Ak 13,Ziraat 15 (7), İş 14
	Credit Cards (3)	1	26.3	Garanti 22, Ak 15
AuM + Brokerage	Asset Management	1	23.0	İş 21 Garanti 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)	16.5	AxaOyak 11.5, Anadolu 12.9

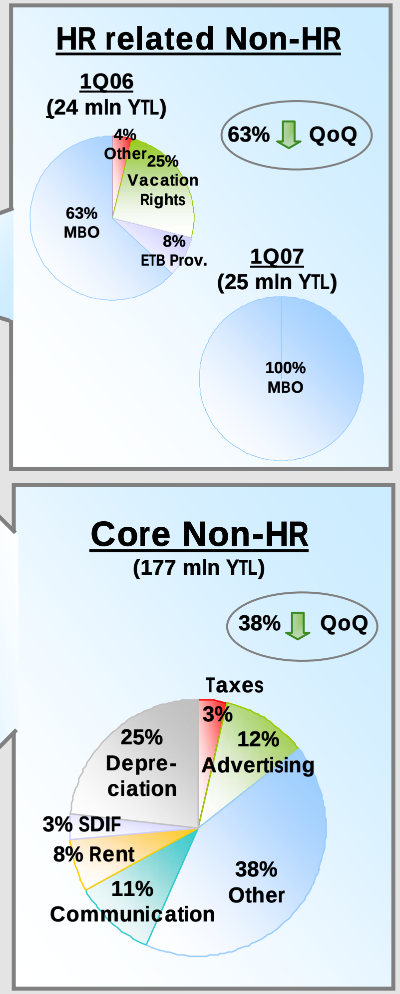
(1) Total deposit since total retail deposits for all banks are not disclosed separately
(2) Excluding credit card loans, (3) Outstanding balance market share,
(4) Through Koç Allianz which is not a KFS subsidiary (Koç Group subsidiary), (5) Equity trading volumes
(6) Cash loans excluding credit card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

Koç UniCredit YapıKredi

Total Non-HR costs stable YoY (+1%), while core non-HR declined by 9% YoY



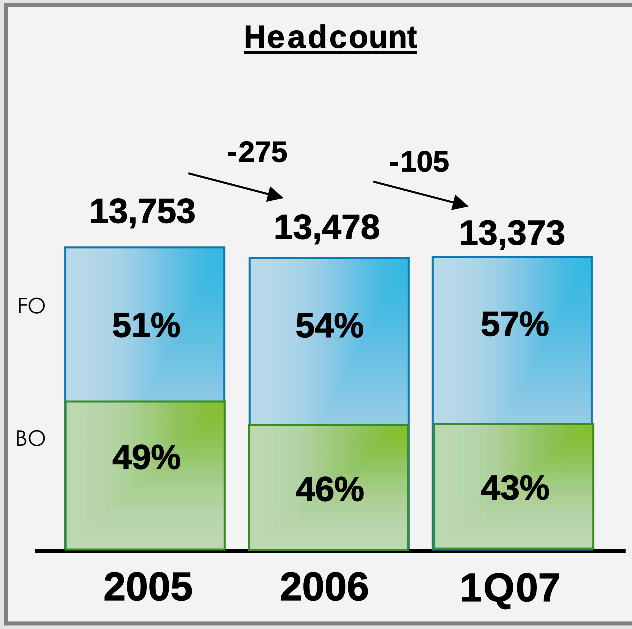


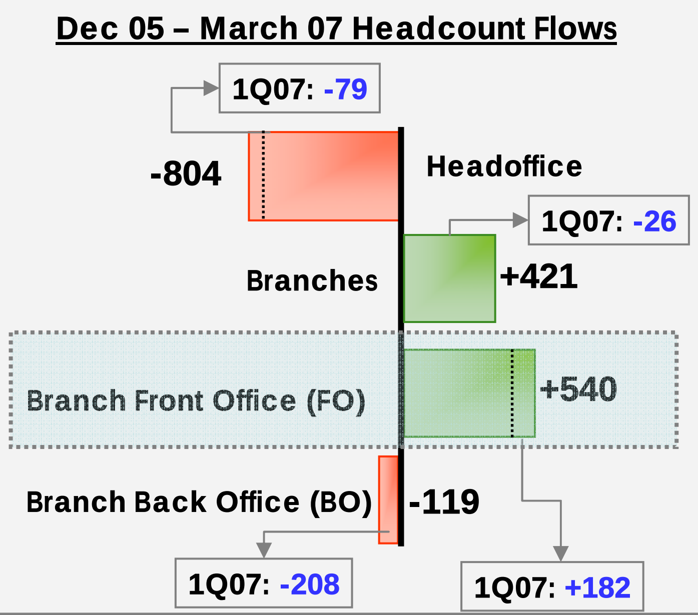


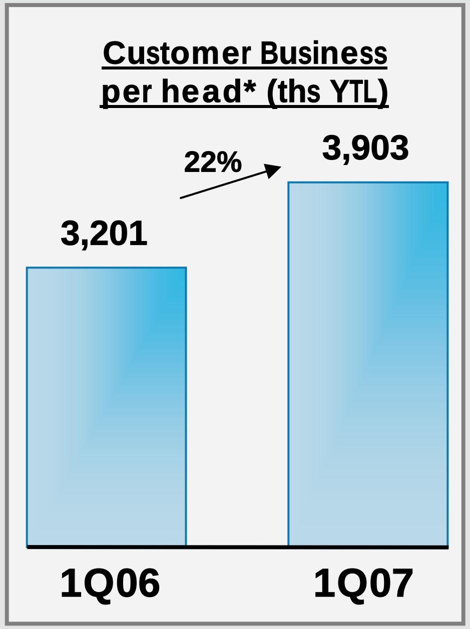
- **Total costs** reduced to **473 mln YTL** in 1Q07 **(-26% QoQ;** +9% YoY)
- **HR costs** (incl. HR-related non-HR) make up **44% of total costs** (+4 ppts YoY)
- **Core non-HR costs** (incl. depreciation) further **shrunk** by **9% YoY, 38% QoQ**

(*) MBO (Management By Objectives): Results-driven bonus scheme
(1) MBO, ETB, vacation rights

Improved productivity and operational efficiency as a result of constant focus on reorganisation of the sales force – FO/ BO ratio increased to 57% in March 07 (+3 ppts vs 06)





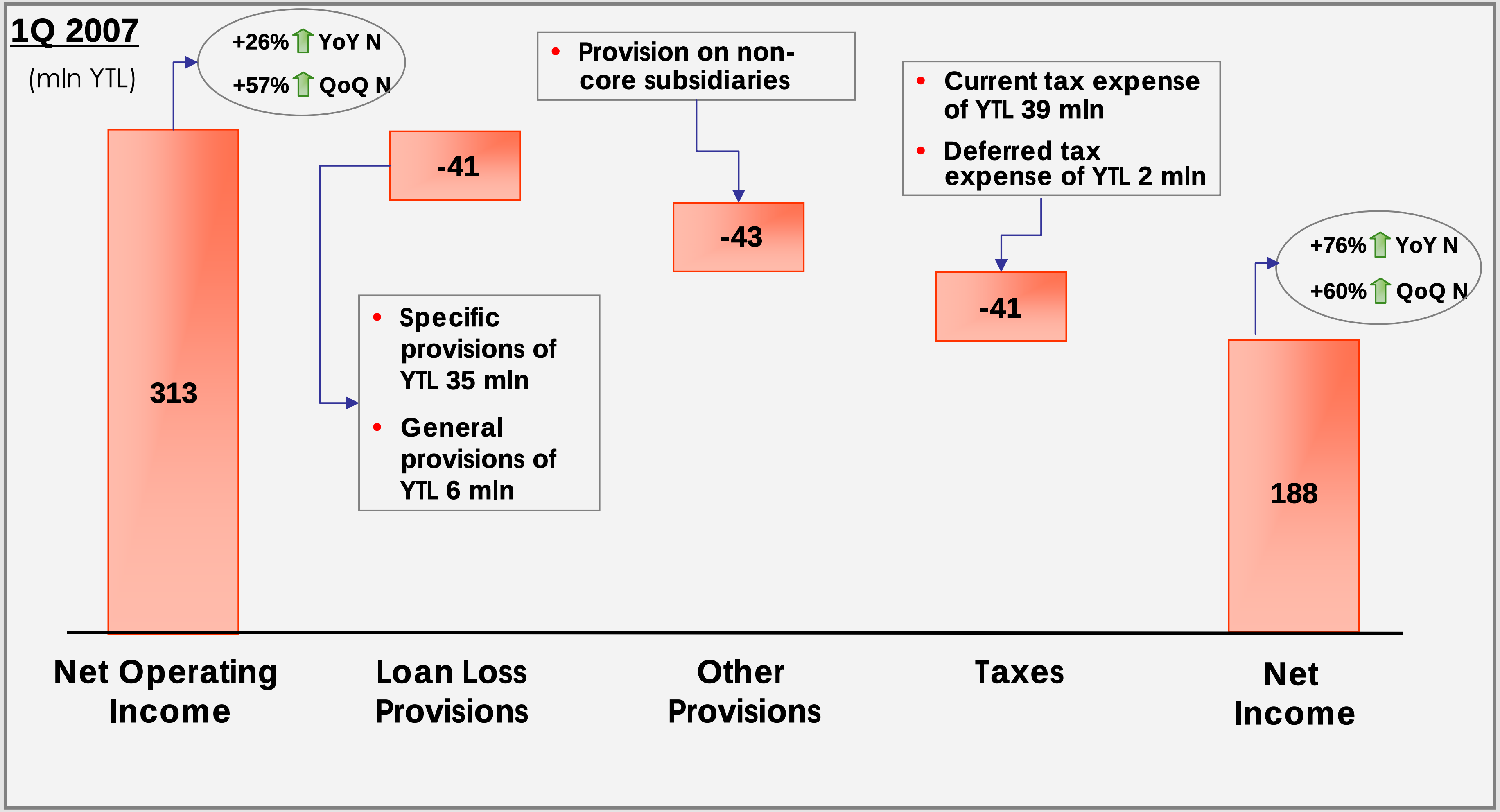


- **Decrease of 804 headcount in HQ** since Dec 2005 thanks to the consolidation of the headquarters of two banks completed in June 2006 and efficiency improvements
- **Achieved major shift from HQ to NW (network)** through reorientation of 421 headcount. During the first three months of 2007, additional 182 headcount moved to branch FO while branch BO reduced by an additional 208 headcount; **7 new branch openings** during 1Q 2007
- **Continuous increase in average productivity per head** (+22% y-o-y)
- **Outsourcing action** put in place in order to fuel number of sales force by around 700 until end of Sep 2007

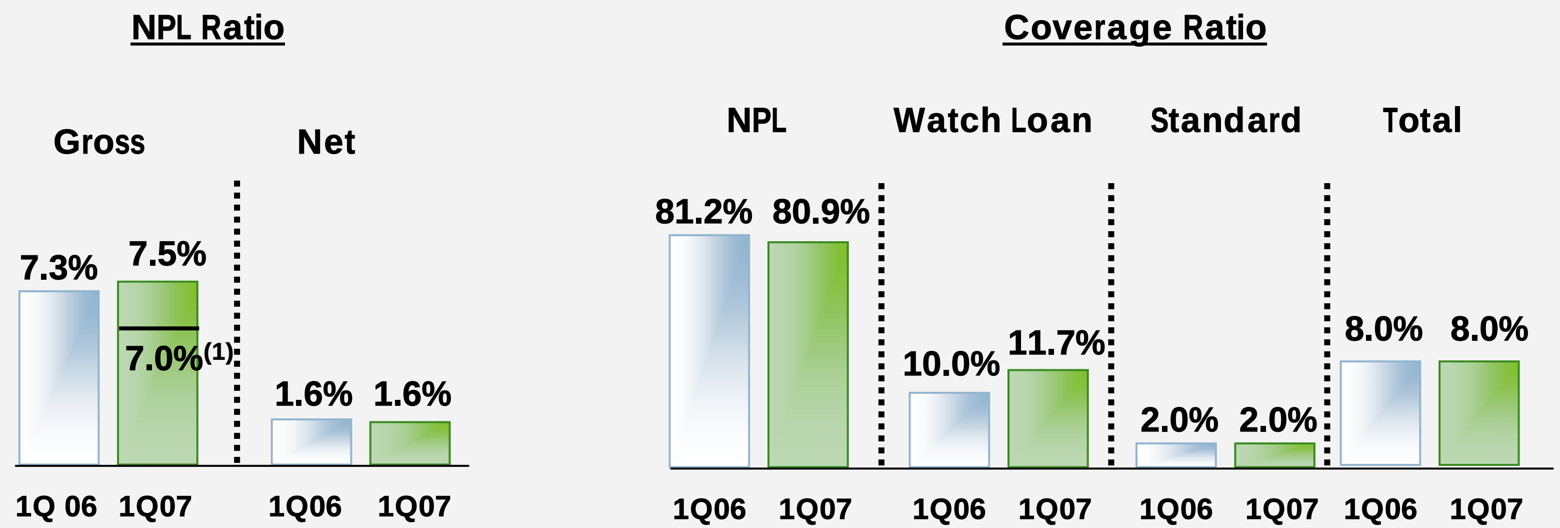
* Bank's deposits + loans per head

Koç UniCredit YapıKredi

From operating income to net income



Potential for asset quality improvement; more conservative provisioning policy vs the market



- **Gross NPL ratio on a comparable basis down by 0.3** ppts to **7.0%** with further room to improve
- **NPL coverage ratio** at **81%** (remaining 19% fully collateralized) and **total coverage ratio constant** at **8.0%**
- **Watch loan** coverage at **12%** and **standard** coverage at **2%,** highlighting a **more conservative approach vs. the market**

(1) Excluding the participation effect of the new regulation

Major 1Q2007 Achievements/Developments

- **Outsourcing action** put in place in order to fuel number of sales force by around 700 until end of September 2007
- **KFS restructuring process:** On 26 April 2007, YKB's BoD unanimously decided to start and execute the restructuring transactions between KFS and YKB. **Objective: to bring all financial subsidiaries** (YK Leasing, YK Factoring, YK Yatırım (Investment banking and brokerage), YK Azerbaijan, Koçbank Nederland N.V. and YK Nederland N.V.) **under YKB umbrella with an aim to eliminate cross-ownership between YKB and KFS**. **Completion targeted within 2007**. Expected implications:
  - More **simplified structure** and **full transparency** for the market
  - More **efficient allocation of capital** and **increase in CAR**
  - **Increase in organizational efficiency** through elimination of duplication of functions between KFS and YKB, clearer chain of control
- **Disposal** process for the first tranche **(200 mln YTL)** out of **400 mln YTL non-core asset portfolio** already started

Annex

- Selected Financial Statements

YKB – 1Q 2007 Summary P&L (BRSA Bank-only)

(mln YTL)	1Q06	1Q06 Normalized(1)	4Q06	4Q06 Normalized(2)	1Q07	YoY %	YoY N %	QoQ %	QoQ N %
Total Revenues	744	684	863	835	786	+6	+15	-9	-6
Operating Expenses	(434)	(434)	(636)	(636)	(473)	+9	+9	-26	-26
Gross Operating Profit	**309**	**249**	**228**	**199**	**313**	**+1**	**+26**	**+38**	**+57**
Provisions	(94)	(75)	(73)	(55)	(84)	-10	+12	+15	+54
Pre-tax Profit	**215**	**174**	**154**	**145**	**229**	**+6**	**+32**	**+49**	**+58**
Tax	(76)	(67)	(29)	(27)	(41)	-45	-39	+43	+53
Net Profit	**140**	**107**	**125**	**118**	**188**	**+34**	**+76**	**+50**	**+60**

(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 -1Q 2007 Summary Balance Sheet (BRSA Bank-only)

(mln YTL)	1Q06 Pro-forma (1)	2006	1Q07	YTD %	YoY %
Assets	37,082	48,887	46,744	-4	+26
Loans	18,803	22,504	22,331	-1	+19
Securities	10,628	16,470	14,654	-11	+38
Fixed Assets & Participations (2)	3,001	3,069	3,016	-2	+1
Deposits	25,248	31,127	28,870	-7	+14
Repos	797	3,357	3,601	+7	+352
Borrowings	4,258	6,159	6,207	+1	+46
Equity	2,907	3,344	3,526	+5	+21
Assets under Management	6,970	6,145	5,665	-8	-19
Assets under Custody	8,927	11,966	12,159	+2	+36
Non-cash Loans	12,793	15,342	14,571	-5	+14

(1) Pro-forma balance sheet for the merged bank normalised

(2) Including YTL 979 mln amount of goodwill

For enquiries please contact:

Yapı Kredi Investor Relations

yapikredi_investorrelations@yapikredi.com.tr