9M08 Yapı Kredi Earnings Presentation

BRSA Consolidated

Istanbul, 12 November 2008

AGENDA

- **9M08 Operating Environment**
- 9M08 Results (BRSA Consolidated)
- Performance by Business Unit (Bank-only)
- Actions taken in consideration of market deterioration (Sep/Oct)
- 2009 Outlook
- Annex

Three different quarters so far in 2008

9M08 Operating Environment

2008	Macro/Sector Trends
1st Quarter	■ Expansion of international financial turmoil ■ Upward loan repricing both on retail and corporate ■ Generally favorable operating conditions in Turkey ■ Still declining interest rate trend ■ Strong lending growth ■ Start of tightening cycle towards quarter end ■ Negative regulatory environment (credit card interest rate cap, cancellation of VAT exemption on leasing)

2nd Quarter	■ Less favorable operating conditions in Turkey
	    ■ Signs of macro deterioration
	    ■ Economic slowdown impacting loans and deposits
	■ Slowdown in retail lending, some signals of deterioration in asset quality (SME)
	■ Higher cost of funding pressurizing NIM due to structural maturity mismatch

3rd Quarter	■ Acceleration of international financial turmoil ■ Adverse global and local liquidity conditions ■ Unfavorable operating conditions in Turkey ■ Political uncertainty and macro deterioration ■ Further slowdown in lending growth, some deterioration in asset quality (SME and credit cards) ■ NIM still under pressure driven by higher cost of funding despite upward loan and security repricing

YAPI KREDİ

Consolidated net income grew by
49%(1) y/y
7%(2) q/q

ROE up to 31%(1,3)

(1) Normalized to exclude the one-off effects of pension fund provisions on costs, general provision release on revenues and tax settlement expense on tax provisions in 1Q08. Also normalized to exclude one-off tax risk provision in 2Q08
(2) Normalized to exclude one-off tax risk provision in 2Q08
(3) Annualized

Key achievements

- **Commercial business on track** generating sustained and profitable growth
- **Proven capability** to revise strategy **to focus on profitable and healthy growth** vs. market share driven volume increase
- Despite agressive branch openings, **Cost/Income down to 51% (-6 pp y/y)** due to **rigid cost management and strong efficiency effort**
- **Strong focus on customer satisfaction, supporting growth** (customer satisfaction already integrated into employee incentive schemes in 2008)
- **Significant improvement in Alternative Delivery Channels** bringing YKB back to leadership in innovation and technology
- **Solid funding position**
    - 91% loans/deposits ratio
    - Stable deposit base with individuals contributing 71% of TL deposits
    - Limited dependence on wholesale funding
- **Strong capital base**
    - Timely and successful capital increase of YTL 920 mln completed in August
    - Termination of divestiture processes of YK Sigorta & YK Emeklilik and YK Koray not constraining capital adequacy and liquidity
- **Sound liquidity**
    - Comfortable liquidity level to serve upcoming syndication following successful rollover and increase of syndication in September
- Despite some signals of deterioration in credit card & SME segments, **asset quality stable vs 2Q** but **improved vs YE07**, also driven by portfolio disposal, write-offs and collections
- **2008 branch opening target already achieved**, branch expansion plan for 2009 put on hold in light of changing macro scenario

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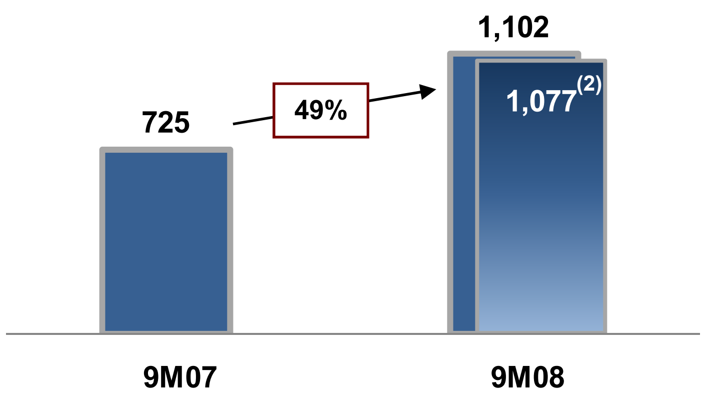
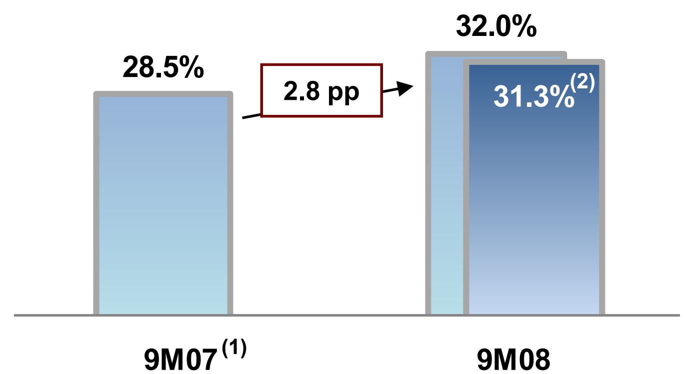
Key performance indicators

9M08 Results (BRSA Consolidated)

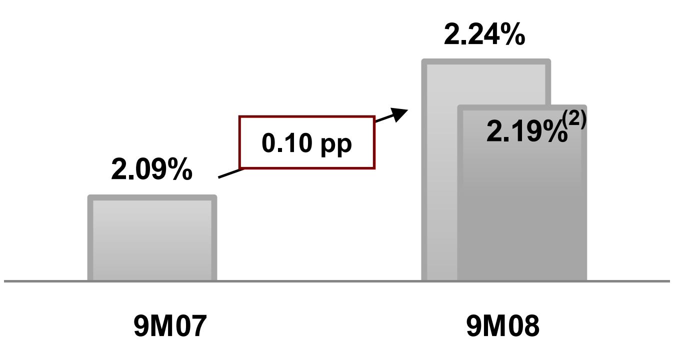
Consolidated Net Income
(mln YTL)



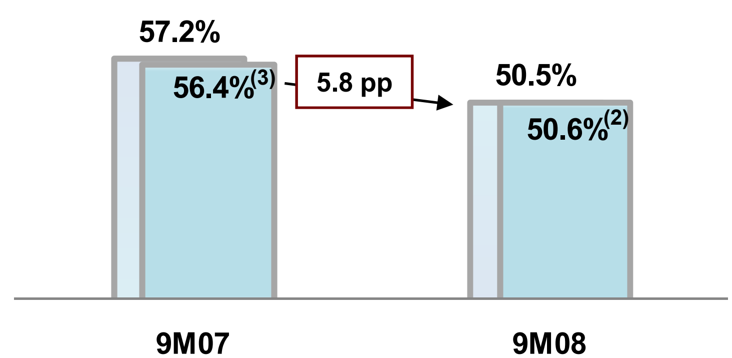
Consolidated ROE(*)



Consolidated ROA(**)



Cost / Income



(*) Calculations based on beginning of the year equity. Annualized
(**) Calculations based on net income/end of period total assets. Annualized
(1) Calculations based on restated equity and net income; ROE as of 9M07 was 28.7% based on reported equity and net income
(2) Normalized to exclude the one-off effects of pension fund provisions on costs, general provision release on revenues and tax settlement expense on tax provisions in 1Q08. Also normalized to exclude one-off tax risk provision in 2Q08
(3) Normalized to exclude the gross-up effect of Superonline write-off on revenues and provisions in 2Q07

Net profit up 49%[1] y/y and 7%[1] q/q driven by positive commercial performance and rigid cost management despite worsening market conditions

Income Statement, mln YTL	9M07	9M08	YoY	YoYN[1]	QoQN[2]
Total Revenues	**2,856**	**3,608**	**26%**	**19%**	**0%**
Net Interest Income	1,746	2,075	19%	19%	1%
Non-Interest Income	1,110	1,533	38%	18%	-3%
o/w Fees&Comm.	755	1,020	35%	35%	11%
Operating Costs	**-1,633**	**-1,821**	**12%**	**7%**	**-7%**
HR	-666	-751	13%	13%	-1%
Non-HR*	-724	-816	13%	13%	-10%
Other**	-243	-254	4%	-29%	-19%
Operating Income	**1,223**	**1,787**	**46%**	**34%**	**8%**
Provisions	-197	-383	94%	48%	11%
Pre-tax Income	**1,026**	**1,404**	**37%**	**31%**	**7%**
Tax	-173	-299	73%	54%	3%
Net Income	**853**	**1,105**	**30%**	**27%**	**8%**
Minority Interest	-128	-3	n.s.	n.s.	n.s.
Consolidated Net Income	**725**	**1,102**	**52%**	**49%**	**7%**

- **Revenues up 26% y/y,** 19% if normalized[1]. 3Q revenues stable vs 2Q
- **Revenue growth** driven by **19% y/y growth in net interest income (stable NIM)** and **35% y/y growth in fees and commissions**
- **HR** and **non-HR costs grew by 13% y/y** despite **accelerated branch expansion plan** at Bank level. **Total Costs up 12% y/y**, 7% if normalized[1] **due to rigid cost management**
- **Operating income** up **46% y/y,** 34% if normalized[1]
- **Cost of risk** at **1.11%,** 1.16% if normalized[1]

(1) Normalized to exclude the one-off effects of pension fund provisions on costs, general provision release on revenues and tax settlement expense on tax provisions in 1Q08. Also normalized to exclude one-off tax risk provision in 2Q08. 2Q07 normalized to exclude the gross-up effect of Superonline write-off on revenues and provisions
(2) 2Q08 normalized to exclude one-off tax risk provision
(*) Non-HR costs include HR related non-HR costs, advertising, rent, SDIF, taxes and depreciation
(**) Oher includes pension fund provisions and loyalty points on World card

Growth in core banking activities leading to further improvement of balance sheet mix

Balance Sheet *bln YTL*	9M07	2007	9M08	% YoY	%YTD	%QoQ
Total Assets	**54.3**	**56.1**	**65.9**	**21%**	**17%**	**2%**
Loans	**25.5**	**28.7**	**36.5**	**44%**	**27%**	**7%**
TL	*17.7*	*19.4*	*24.7*	*40%*	*27%*	*8%*
FC	*7.8*	*9.3*	*11.8*	*53%*	*27%*	*5%*
Securities	**14.6**	**14.5**	**13.2**	**-10%**	**-9%**	**-8%**
Deposits	**32.6**	**33.7**	**40.3**	**24%**	**20%**	**2%**
TL	*18.4*	*18.9*	*22.8*	*24%*	*21%*	*4%*
FC	*14.2*	*14.8*	*17.5*	*23%*	*18%*	*-1%*
Shareholders' Equity	**4.8**	**5.0**	**5.7**	**19%**	**15%**	**7%**
AUM	**6.1**	**6.8**	**6.3**	**4%**	**-8%**	**-5%**

Ratios	9M07	2007	9M08	∆YoY	∆YTD	∆QoQ
Loans / Assets	46.8%	51.2%	55.4%	8.6 pp	4.2 pp	2.6 pp
Securities / Assets	26.9%	25.9%	20.0%	-6.9 pp	-5.9 pp	-2.1 pp
Loans / Deposits	78.0%	85.2%	90.5%	12.5 pp	5.3 pp	4.2 pp
Capital Adequacy Ratio	13.4%	12.8%	13.7%	0.2 pp	0.9 pp	0.5 pp
o/w Bank	12.9%	13.7%	15.4%	2.5 pp	1.7 pp	0.4 pp

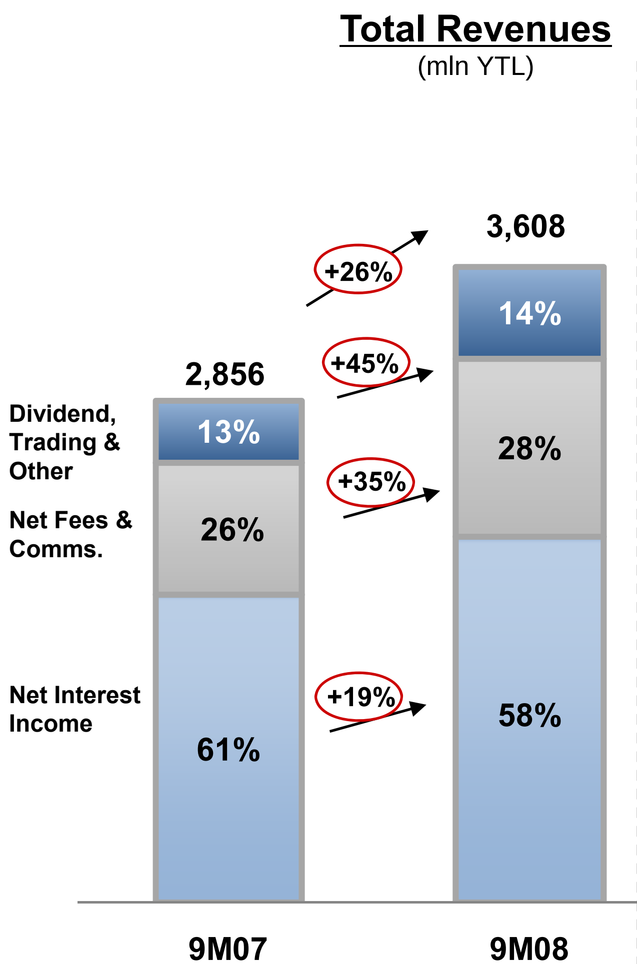
- **Loans up 27% ytd** (44% y/y). **3Q growth at 7%**
- **Loans/Assets up to 55%** (vs 51% at YE07) **while securities weight in assets down to 20%** (vs 26% at YE07)
- **Deposits up 20% ytd** (24% y/y) with **share of demand deposits** over total at **17.0% vs 16.6% in 2Q08**
- **Loans / Deposits ratio at 91%** (vs 85% at YE07)**, at a comfortable level**
- **Capital adequacy ratio* at 13.7% at Group level** and **15.4% at Bank level**
- **Refocusing growth in TL loans in 3Q**

(*) Does not include full effect of YTL 920 mln capital increase. As of September 08, YTL 670 mln of capital commitment of KFS was incorporated in Tier 2 as approved by BRSA (YTL 330 mln in 1Q, YTL 340 mln in 2Q) . Including the full impact of capital increase, CAR would be ~16% at Bank level and ~ 14% at Group level

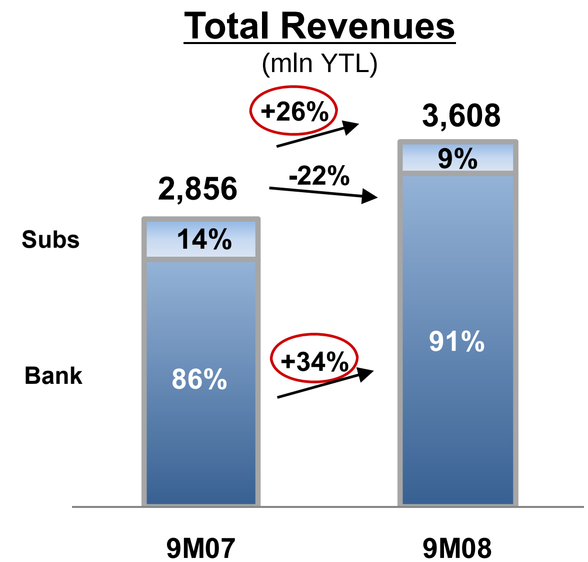
Note: Loan figures indicate performing loans

Improvement in revenue mix with increased share of fees and commissions

9M08 Results (BRSA Consolidated)



% Comp	Y/Y Growth
100%	19%
10%	-13%
30%	35%
60%	19%
9M08N(1)	



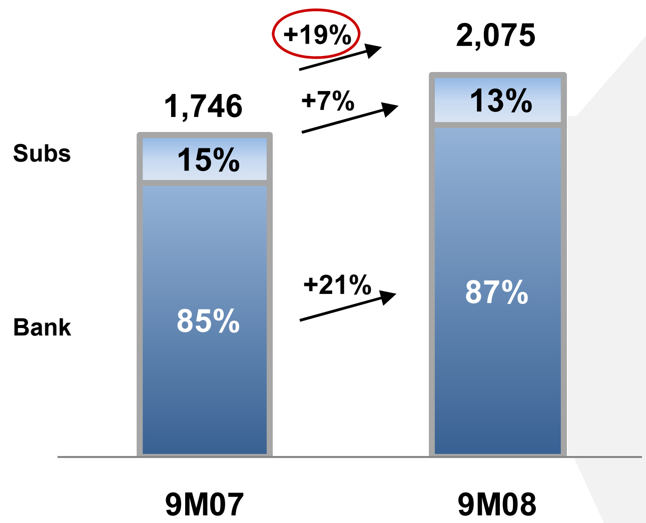
- **Total Group revenues up 26% y/y**, (19% if normalized(1)), **driven by Bank** (34% y/y, 25% if normalized(1))
- **Improved revenue mix** driven by **higher share of fees at 30%(1)** (vs 26% in 9M07)
- **Slight decrease in share of net interest income in total to 60%(1)** (vs. 61% in 9M07)
- **Lower share of other income** (dividend, trading and other) **in total at 10%(1)** vs. 13% in 9M07), driven mainly by 10% decrease in trading income

(1) Normalized to exclude the one-off effects on revenues of general provision release in 1Q08. 2Q07 normalized to exclude the gross-up effect of Superonline write-off on revenues

Asset repricing contributing to stable net interest margin, yet continued pressure from higher cost of deposits

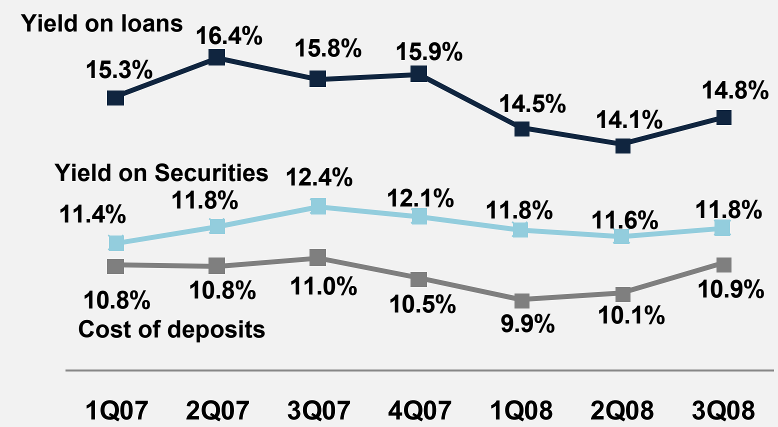
9M08 Results (BRSA Consolidated)

Net Interest Income
(mln YTL)

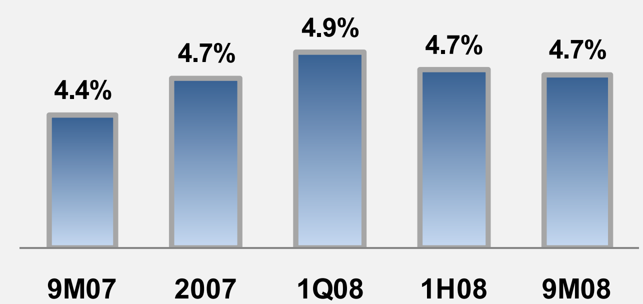


- **Net interest income** grew by **19% y/y** at Group level, driven by **21% y/y growth at Bank level**
- **Bank cumulative NIM at 4.7%** impacted by **higher cost of deposits but offset by higher yield on loans and securities due to upward repricing**

BANK: Spread Analysis[1]



BANK: Cumulative NIM[1]
(Net interest income / Avg. IEAs)

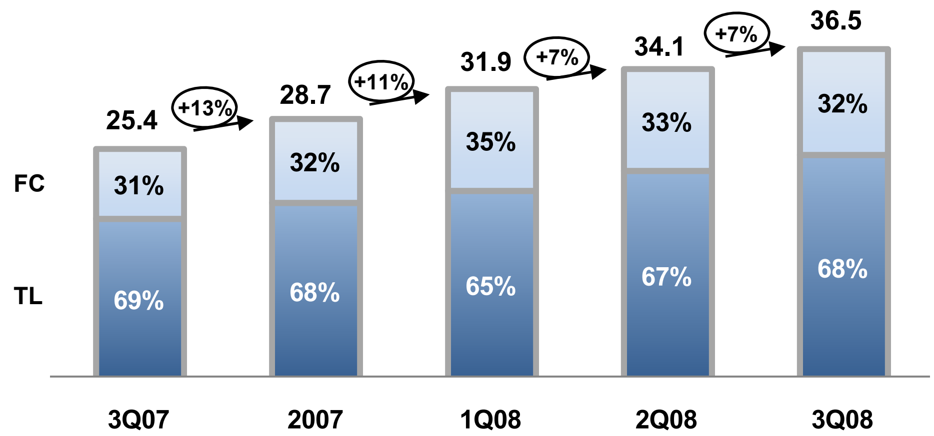


(1) All calculations based on average volumes

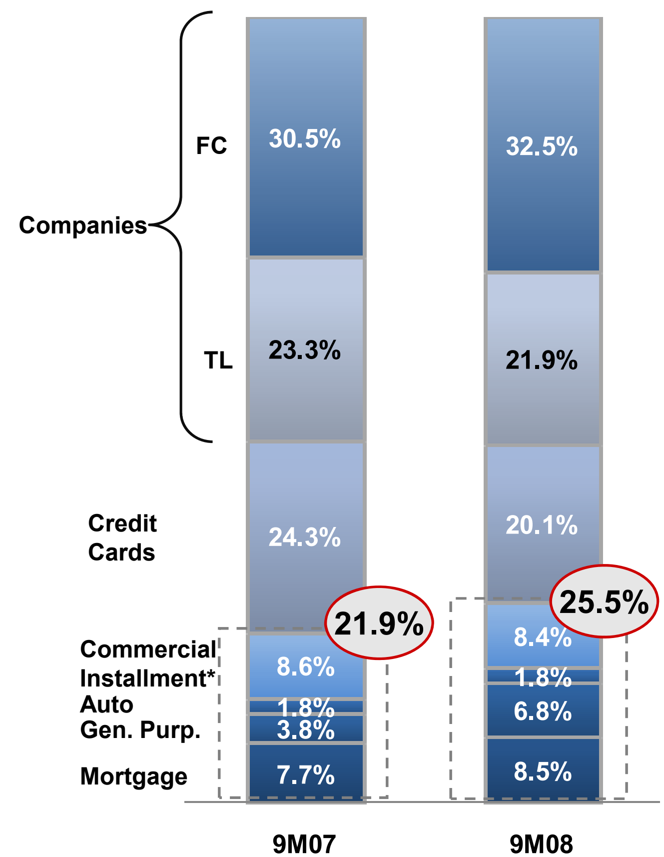
Selective loan growth driven by Consumer, SME and Commercial Banking

9M08 Results (BRSA Consolidated)

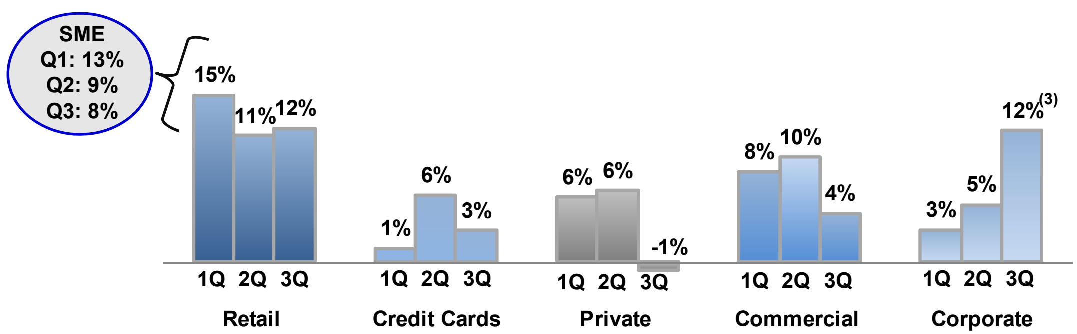
Total Loans
(bln YTL)



Composition of Total Loans(1)



Loan Growth by Business Unit(2)

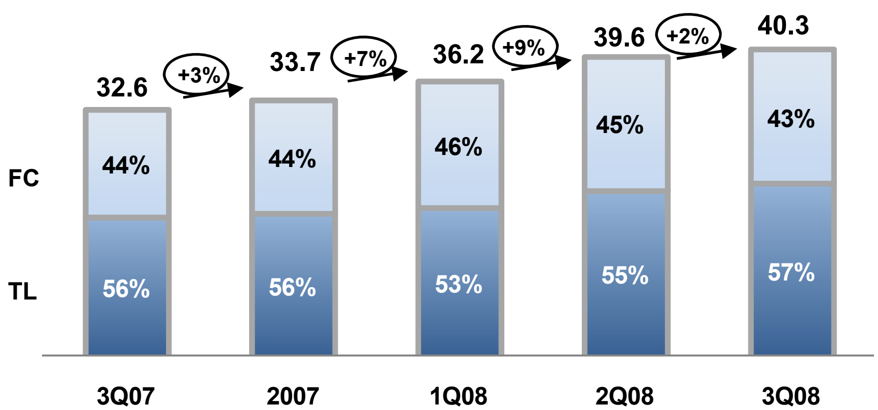


(1) Total performing loans as per BRSA consolidated figures
(2) Loan growth as per MIS data based on monthly averages. Please refer to Annex for definitions of Business Units
(3) Treasury driven for O/N placement of short-term liquidity in YTL
(*) Proxy for SME loans as per BRSA reporting

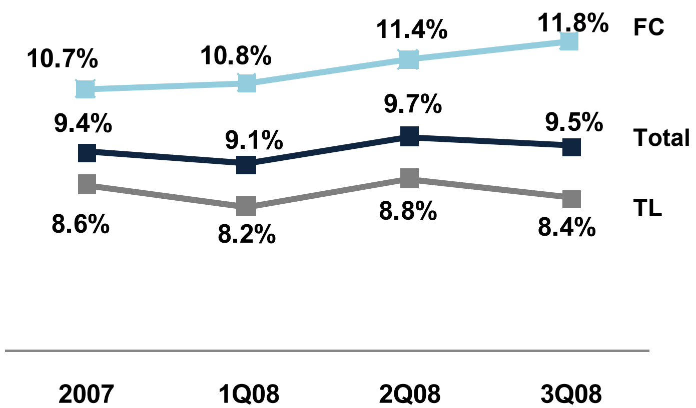
Despite below market growth in 3Q due to conscious strategy of not participating in price competition, healthy deposit growth YTD

9M08 Results (BRSA Consolidated)

Total Deposits
(bln YTL)

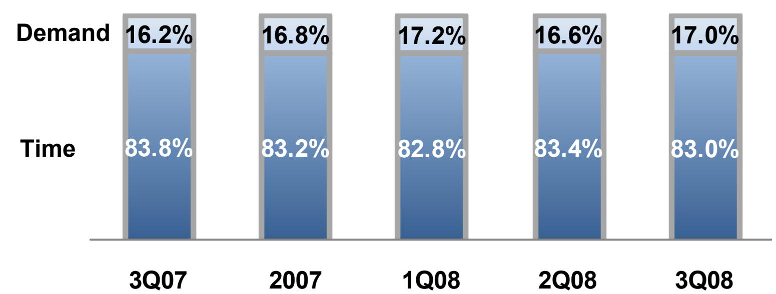


BANK: Deposit Market Shares



- **Total deposits at YTL 40.3 bln, up 20% YTD** (24% y/y)
- **2Q deposit growth** (9% q/q) mainly driven by **change in liquidity regulation**, while **3Q deposit growth** (2% q/q) impacted by **avoidance of agressive price competition**
- **Total deposit market share at 9.5%, stable vs 2007, FC deposit market share at 11.8% (110 bps increase vs 2007)**
- **Weight of demand deposits** over total at **17.0%,** indicating **slight improvement vs. 2Q**

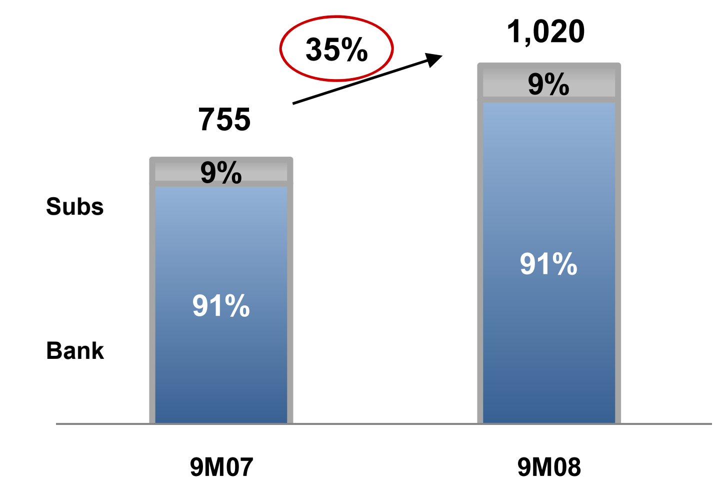
Composition of Deposits



Consistent performance in fees & commissions

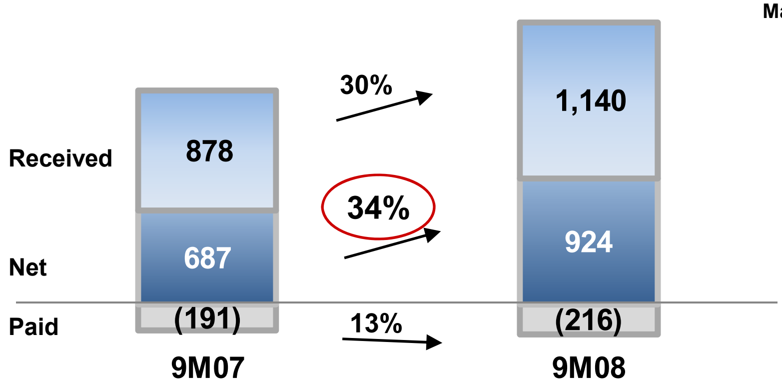
GROUP: Net Fees & Commissions[1]

(mln YTL)



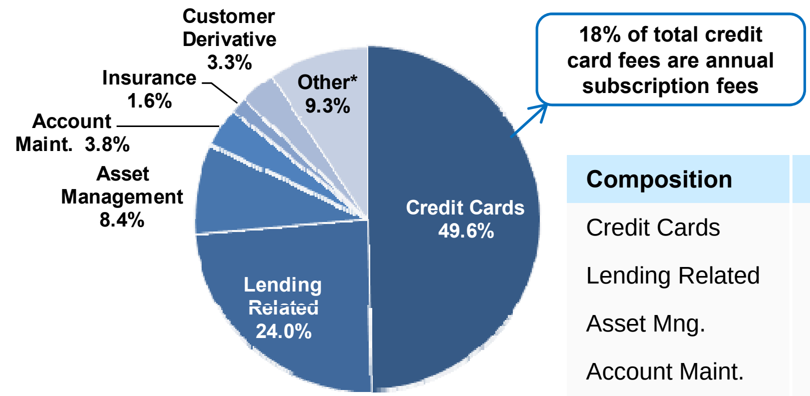
BANK: Net Fees & Commissions

(mln YTL)



- **Fees up 35% y/y at Group level**
- **Fees up at 34% y/y** at **Bank level, mainly** driven by **lending** related fees
- **50%** of **Bank fees & commissions generated by credit cards, 24% by lending** and **8% by asset management**

BANK: Composition of Fees & Commission Received (9M08)



Composition	9M07
Credit Cards	54.4%
Lending Related	18.5%
Asset Mng.	10.1%
Account Maint.	3.9%
Insurance	1.4%
Cust. Derivat.	0.4%
Other*	11.4%

(*) Other includes money transfers, equity trading, campaign fees etc.

KOÇ UniCredit Group

Successful execution of the plan for new branch openings

9M08 Results (BRSA Consolidated)

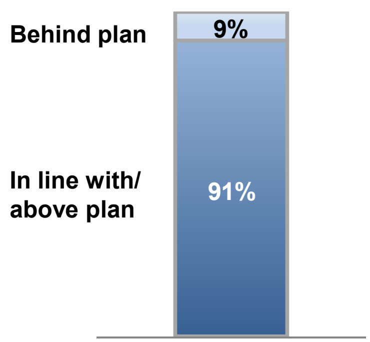
YKB's Branch Network[1]

2007 676 branches → **+49 net openings** → **1Q08** 725 branches → **+66 net openings** → **2Q08** 791 branches → **+44 net openings** → **3Q08** 835 branches

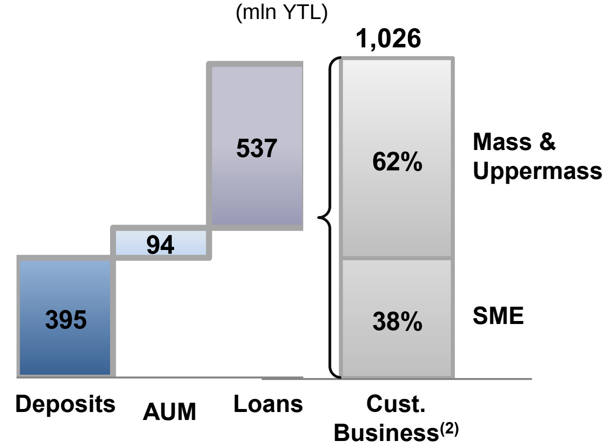
Realizations vs Plan *(as of 9M08)*

Total Revenues	26% above plan
Total Cust. Business[2]:	48% above plan
Total Costs	16% below plan

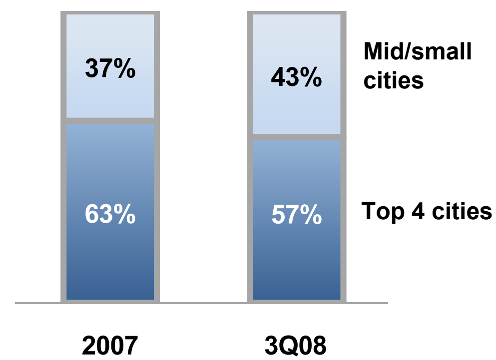
Performance of New Openings[3]
(No. of Branches)



Customer Business Generation by New Openings since launch of plan
(mln YTL)



Territorial Distribution of Branches



- As of end of September, YKB has **835[1] branches** with **9.8% market share**
- **197 net new openings since launch of plan in July 2007**
- **~1,700 additional recruitments** to support the plan since launch (of which 190 in 3Q08)
- **Branch network covering 70 cities, share of mid/small cities at 43%, increasing vs 2007** (37%)
- Of the new branch openings in the first nine months of 2008, **31% in top 4 cities, 69% spreading throughout the country**

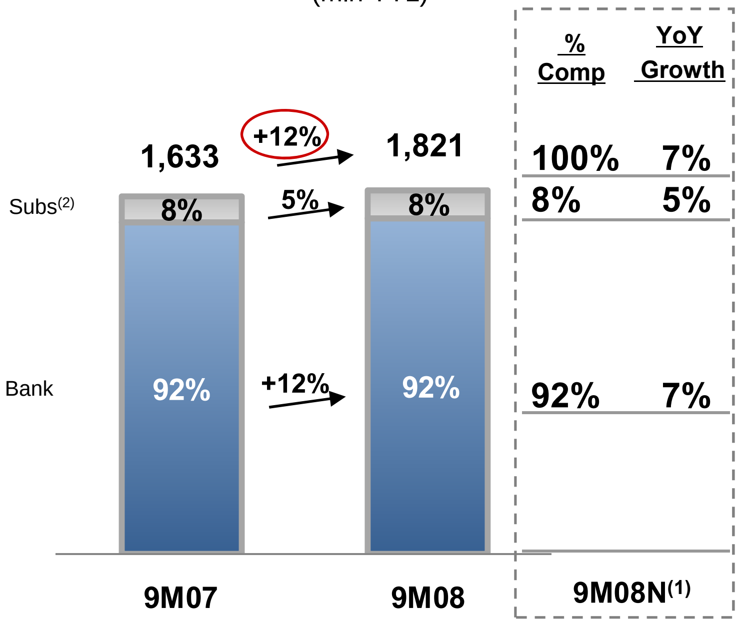
(1) Including one off-shore branch in Bahrain
(2) Customer business: loans + deposits + AUM
(3) Including branches open for more than 2 months

Despite sustained branch openings, controlled cost growth due to rigid cost management and strong efficiency effort

9M08 Results (BRSA Consolidated)

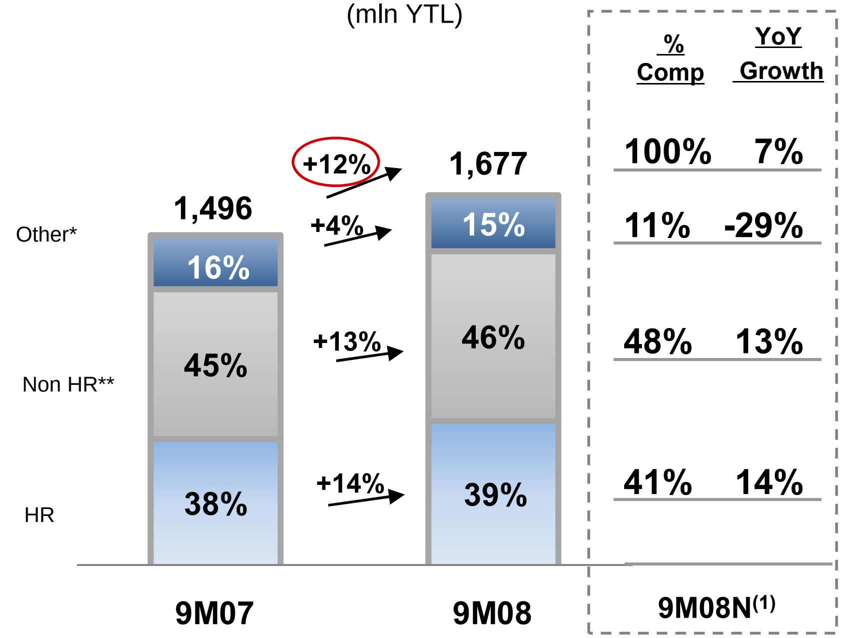
GROUP: Composition of Costs

(mln YTL)



BANK: Composition of Costs

(mln YTL)

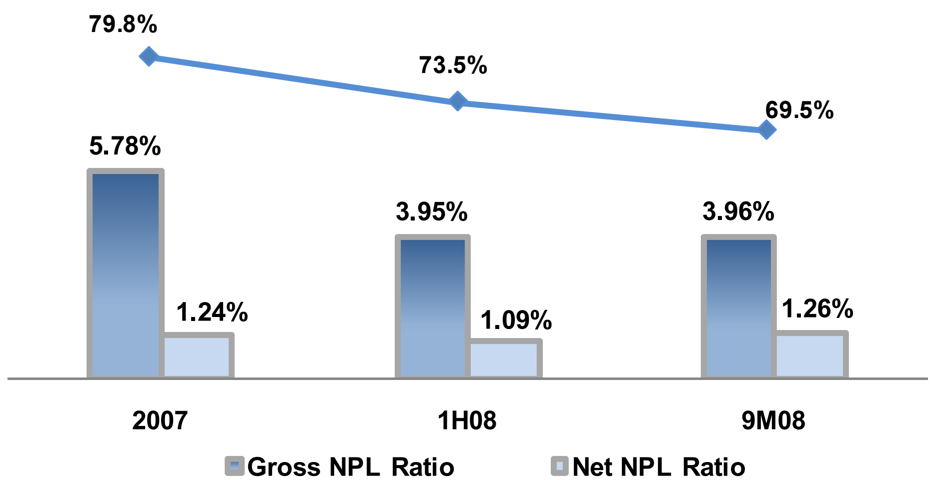


- **Total Group costs, up 12% y/y** (7% if normalized[(1)]), **driven by Bank** (12% y/y, 7% y/y if normalized[(1)])
- **Total Bank costs driven by 14% y/y increase in HR costs** and **13% y/y increase in non-HR costs**
- **Bank costs** impacted by **branch network expansion** mitigated by **tight management of running costs** (0% growth target in '08 budget) coupled with **ongoing efficiency measures** (+600 headcount released from operational back-office and deployed in new branches)
- **Other Bank costs up 4% y/y** (-29% if normalized[(1)]), driven by **one-off pension fund increase in 1Q08,** partially compensated by 30% y/y **decrease in World loyalty point expenses**

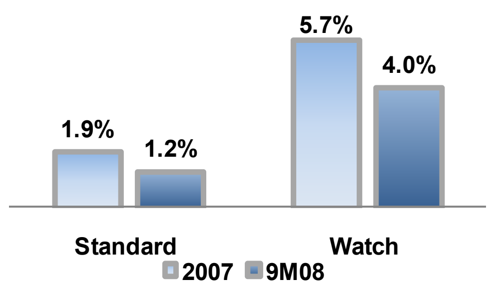
(*) Includes pension fund provision expense and loyalty points on Wold card
(**) Non-HR costs include HR related non-HR costs, advertising, rent, SDIF, taxes and depreciation
(1) Normalized to exclude the one-off effects of pension fund provision in 1Q08
(2) Including consolidation adjustments

NPL ratio stable vs. 2Q08 but down vs YE07, partially benefitting from portfolio disposal, write-offs and collections. Trend deterioration in SME segment and credit cards

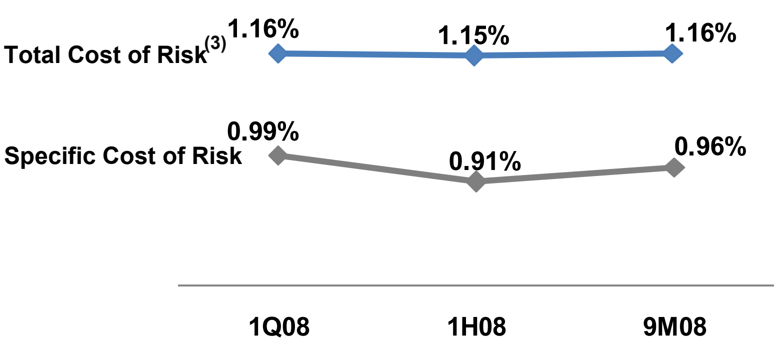
Gross and Net NPL Ratio[1], Specific Coverage



General Provisioning



Cost of Risk[2]



- **Ongoing active NPL portfolio management in 3Q** (credit card write-off)
- **More selective criteria** with regards to **underwriting** and **monitoring of loans; strenghtened collections process**
- Launch of new **SME scorecard system** planned for **Feb-09**
- **New NPLs driven by SMEs and credit cards in line with expectations** with **no material deterioration in overall asset quality,** but higher level of attention on SMEs
- **Normalized[3] cost of risk at 1.16%; specific cost of risk at 0.96%**

(1) Excludes factoring receivables and financial lease receivables
(2) Cost of risk = total loan loss provisions / total gross loans
(3) Normalized to exclude the one-off effect of general provision release in 1Q08

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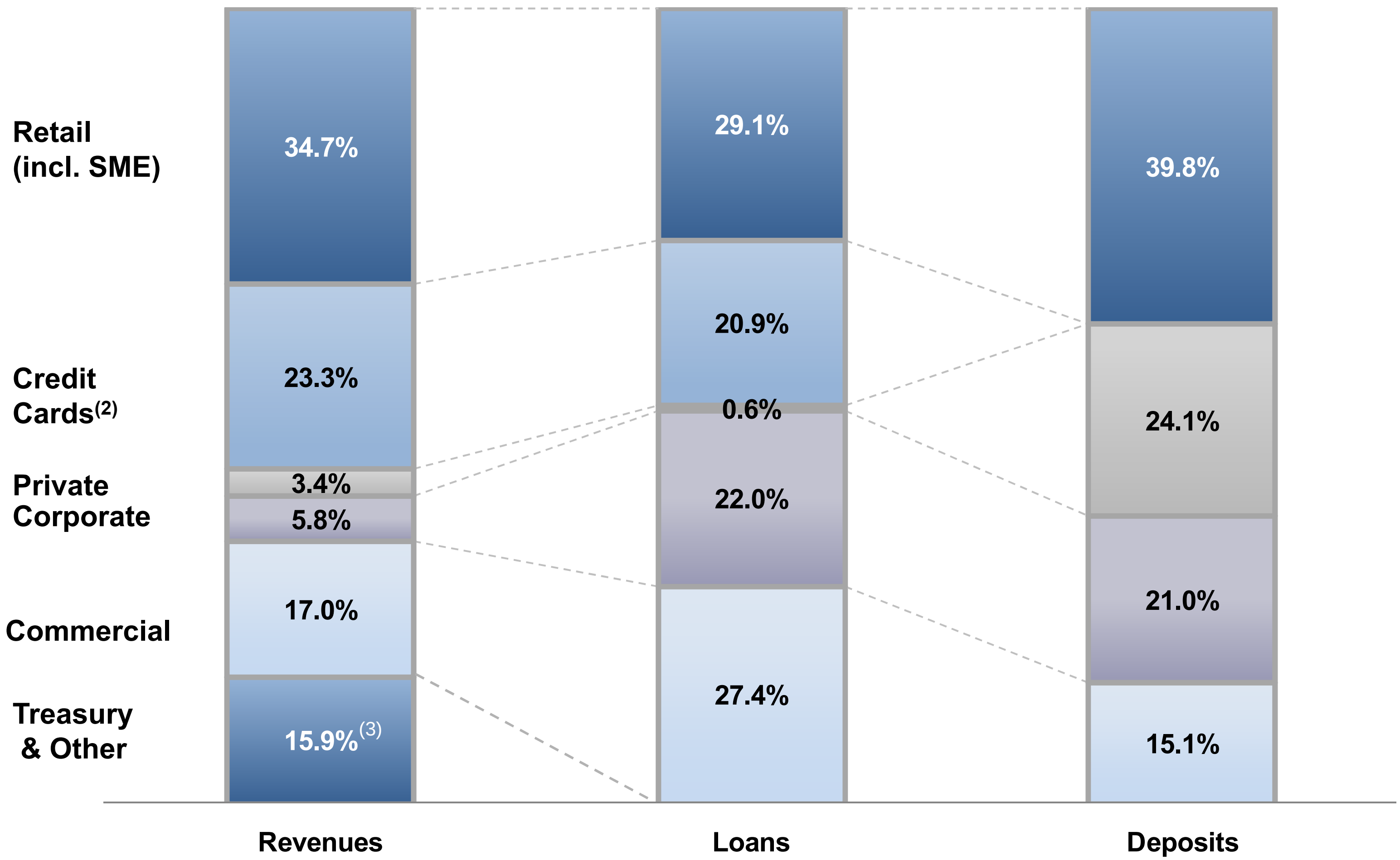
Revenue performance by Business Unit

Weight in Bank Revenues		Revenues (YTL mln)	QoQ (3Q08 – 2Q08)	YoY (9M08 – 9M07)	vs. Budget	Drivers of revenue growth
35%	Retail	948	20%	27%	+	**Improved commercial momentum** in **consumer** and **SME lending** coupled with **accelerated branch expansion & repricing**
23%	Credit Cards*	637	-1%	7%	-	**Revenue growth constrained by higher cost of funding** and **declining regulatory interest rate cap** despite **higher revolving ratio** and **fee collection**
3%	Private	92	-11%	33%	+	**Growth in customer business**, **positively impacted by** performance of **structured deposits** until early 3Q08
6%	Corporate	157	-4%	4%	-	**Repricing focus** to improve return on capital coupled with **selective volume growth**
17%	Commercial	463	6%	25%	+	**Volume growth** with **increased focus on revenue oriented initiatives** and **upward repricing**

(*) Net of loyalty point expenses on World cards
Note: all figures based on MIS data

Diversified revenue mix with retail focused loan and deposit portfolio

Revenues & Volumes by Business Unit[1] 9M08 (Bank-only)



(1) Please refer to Annex for definitions of Business Units
(2) Net of loyalty point expenses on World card
(3) Other revenues adjusted by NPL sales and collections for 1Q08
Note: Loan and deposit allocations based on monthly averages (source: MIS data)

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While taking preventive measures in light of changed environment during the first nine months of 2008, YKB revised strategy to manage new scenario from end of September onwards

Area	Measures already taken in 9M08	Additional new measures
Profitability & Funding	■ **Repricing of both retail and corporate loan margins upward** (inclusive of lending fees & commissions)	■ **Selective lending growth** with **significant upward repricing** ■ **Focus on ensuring liquidity** while **optimizing cost of funding**
Credit Process	■ **More selective criteria** with regards to **loan underwriting** and **monitoring** ■ **Reduced branch authority** in SME/Individual lending ■ **Strengthened collection process** in **credit cards & SMEs** ■ **Reduced exposure to certain sectors** (i.e. transportation, textile, construction) ■ **Credit check on sizeable disbursements**	■ **Stronger focus** on **asset quality** and **credit risk** ■ **Review** and **reclassification** of **entire client portfolio** in terms of **riskiness** ■ **Tightened application, scoring, limit assignment** and **collateralization** ■ **Decreased loan-to-value; reduced debt-to-income** (i.e. auto loans)
Cost Management & Efficiency	■ **Revised budget internally** ■ **Increased efficieny program release target** ■ **Froze new hiring** at **HQ level** ■ **Reduced discretionary costs** (advertising, events, projects)	■ **Additional cost stretch** on **operating expenses** ■ **Further push** on **efficiency**
Organic Growth	■ **Close monitoring of revenue** and **profitability of new branch openings**	■ **Branch network expansion put on hold**

YKB entered into the current turbulent and challenging period with strong emphasis on liquidity and capitalization

Actions taken in consideration of market deterioration (Sep/Oct)

Liquidity

- Solid funding position with consolidated Loans*/Deposits ratio at 91% as of 9M08
- YTL liquidity position comfortable, FX liquidity position manageable through access to swap market and CBT depo market
- Robust wholesale funding strategy
  - ✓ Secured USD 1 bln syndication in September (USD 800 mln replaced 1 year facility dated Sept-07, USD 200 mln additional financing)
  - ✓ Plan to repay the USD 700 mln syndicated loan maturing in December and tap the market for a new syndication in 1Q-2Q/09

Capital

- Successfully completed YTL 920 mln capital increase through a rights issue with 100% subscription
- Capital adequacy ratio (including the full impact of capital increase) at:
  - ✓ ~16% at Bank level
  - ✓ ~ 14% at Group level
- Divestiture processes of YK Sigorta & YK Emeklilik and YK Koray:
  - ✓ Not preconditions of YKB's capital management strategy
  - ✓ Termination of these processes not putting strong capital position at risk

(*) Performing loans

Branch opening plan for 2009 currently on hold; tougher cost management measures to maintain profitability

Actions taken in consideration of market deterioration (Sep/Oct)

Branch Opening Plan

- By year-end YKB will have opened ~180 net new branches (~190 total new openings)
- Performance of new branches in line/above budget
- Branch opening plan for 2009 currently put on hold under new scenario
- New openings will be assessed in context of 2009 budget

Cost Management

- Already started to implement further stretch on discretionary cost items including:
  - ✓ Reduction in advertising budget
  - ✓ Halt in credit card direct sales force expansion, moving sales staff to collections
  - ✓ Further cut of card reward program
  - ✓ Freeze on new recruitment except for selective positions

AGENDA

- 9M08 Operating Environment
- 9M08 Results (BRSA Consolidated)
- Performance by Business Unit (Bank-only)
- Actions taken in consideration of market deterioration (Sep/Oct)
- **2009 Outlook**
- Annex

New scenario for 2009 budget process significantly different from the one originally envisaged

		2008F	2009F Original	2009F Revised
Macro	GDP Growth	3.5%	4.6%	2.5%
Macro	CPI	11.0%	7.8%	7.8%
Macro	CB O/N rate	16.75%	15.75%	15.75%
Macro	Benchmark Bond Yield	21.0%	17.3%	19.5%
Macro	YTL/USD*	1.50	1.36	1.60
Sector	Deposit growth	24%	20%	17%
Sector	Loan growth	34%	27%	18%
Sector	Cost of risk	1.31%	1.34%	1.65%

- **2009 GDP growth projection significantly reduced** due to **global recession**
- Amid weakening domestic demand, **no revision in inflation projections** due to **exchange rate pass through**
- **Since disinflation will not be rapid, Central Bank is expected to keep policy rates on hold,** at least in the first part of 2009. **Rate cut expected after stability in global markets is achieved** and **disinflation starts**
- **Exchange rates and bond rates under pressure** with **foreign investors' closing-up positions. Projections for 2009 revised upwards** after the global financial turmoil
- Accordingly, **sector forecasts revised to reflect slowdown in growth** and **deteriorating asset quality scenario**
- **Cost of risk to increase by 34 bps in 2009 vs 2008**

* Year-end

Yapı Kredi approach towards 2009

- 2009 budget still in progress
- Revenue target maintained almost in line with 3 Year Plan target (above 15% annual revenue growth)
- Impact of increased cost of risk counterbalanced with additional efficiency measures
  - Cost management
  - Headcount management
  - Lower branch opening investment

AGENDA

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Annex

- **Detailed performance by Business Unit**
- Other

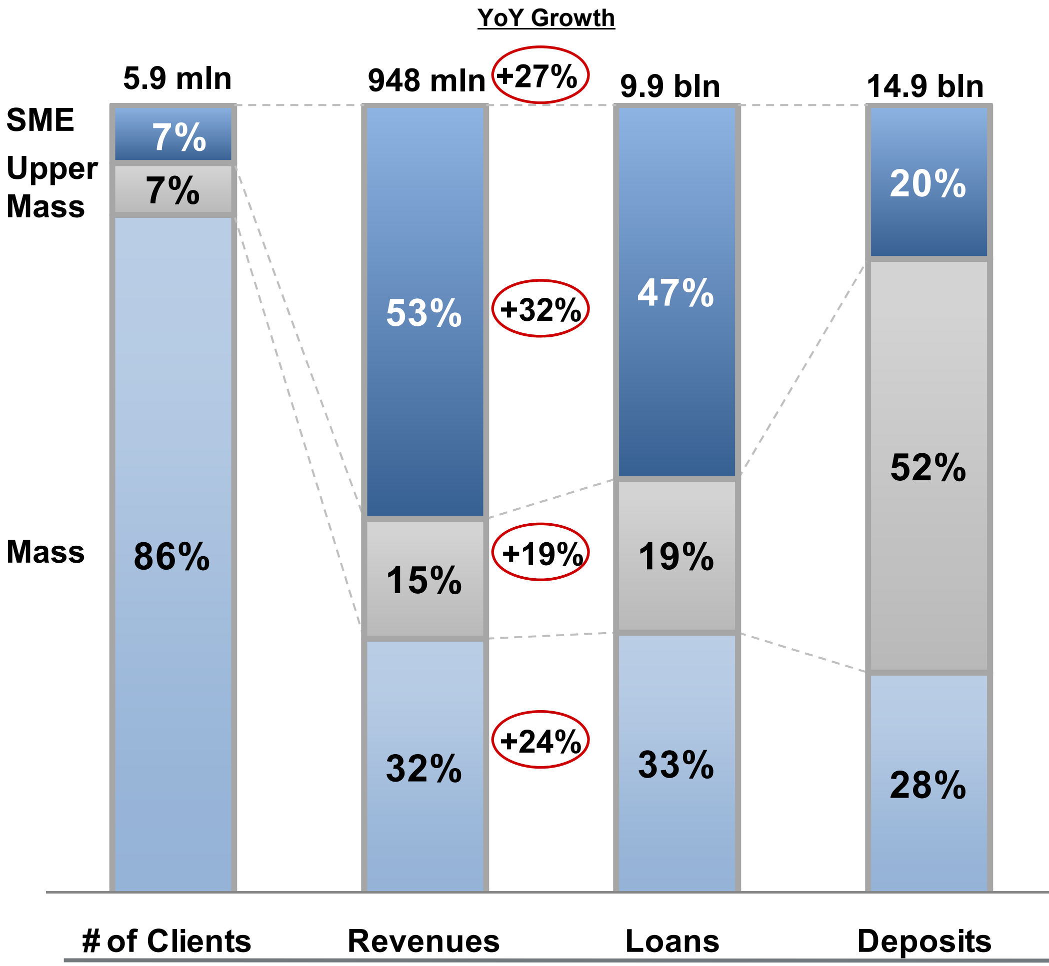
Definitions of Business Units

- **Retail:**
  - SME: Companies with turnover less than 3 mln USD
  - Uppermass: Individuals with assets between 10K -70K USD
  - Mass: Individuals with assets less than 10K USD
- **Commercial:** Companies with annual turnover between 3-50 mln USD
- **Corporate:** Companies with annual turnover above 50 mln USD
- **Private:**
  - Ultra High Net Worth: Individuals with assets above 500K USD
  - High Net Worth: Individuals with assets between 150K - 500K USD
  - Affluent: Individuals with assets between 70K – 150K USD

53% of retail banking revenues generated by SME business, constituting 7% of total retail clients

Retail Banking(1) - Composition of Active Clients & Total Revenues

(YTL, 9M08)



- **~430K active SME clients** generating **53% of total Retail revenues**
- **Highest rate of revenue growth** on an annual basis driven **by SME segment (+32% y/y)**
- **Mass sub-segment** generating **32% of total Retail revenues with ~5 mln clients**
- **Mass sub-segment revenues growing** at **24% y/y**
- **Uppermass sub-segment** generates **15% of total Retail revenues**

(1) Please refer to Annex for definitions of Business Units

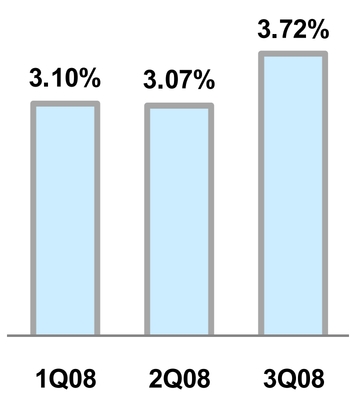
Retail (Mass & Uppermass)

Retail (mass & uppermass) banking driven by branch expansion and focused growth in consumer lending

Performance by BU

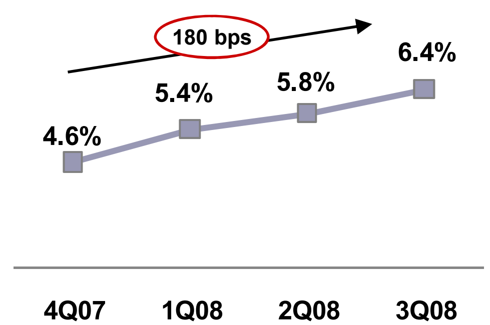
Mln YTL	9M07	9M08	YoY	YTD
Revenues	368	451	23%	-
Loans	2,762	5,205	88%	54%
Deposits	10,801	11,976	11%	10%
AUM (eop)	2, 367	2,430	3%	-8%
% of Demand in R. Deposits	*15.3%*	*14.1%*	*-1.2 pp*	*-0.6 pp*
% of TL in Retail Deposits	*65.8%*	*71.1%*	*5.3 pp*	*3.5 pp*
% of TL in Retail Loans	*100%*	*100%*	*0 pp*	*0 pp*

Revenues/ Cust. Business(1)

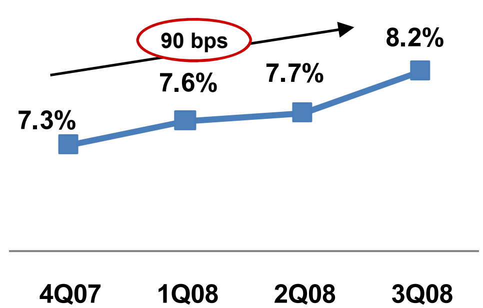


- **Retail banking revenues up 23% y/y** driven by **improved commercial momentum in consumer lending**(2) as well as **branch expansion**
- **General purpose loan growth** mainly due to **implementation of CARMA**(3)
- **Auto loan market share** improving due to partnerships **(Ford Finans)**
- **Upward loan repricing** starting from February' 08 accompanied by ongoing **efforts on improving deposit pricing**

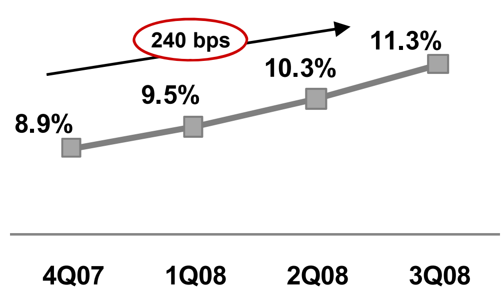
Gen. Purpose Loan Market Share(3)



Mortgage Market Share(3)



Auto Loan Market Share(3)



Note: all loan and deposit figures based on monthly averages except for revenues/customer business ratio which is based on 3-month average. MIS data
(1) Customer business: Loans + Deposits + AUM
(2) Consumer lending includes loans that are granted to individuals only. Market shares based on BRSA bank-only figures
(3) CARMA= Centralized Automated Risk Management Approach based on loan offerings with pre-approved limits for ~1.3 mln existing customers

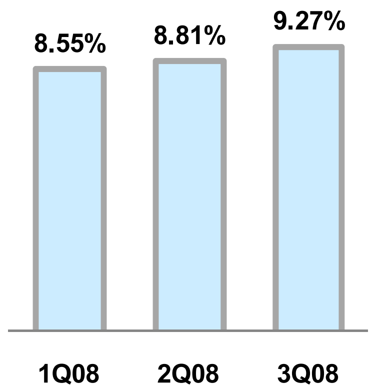
Retail (SME)

SME banking generating highest revenue growth among retail sub-segments due to strong volume increase

Performance by BU

Mln YTL	9M07	9M08	YoY	YTD
Revenues	376	496	32%	-
Loans	2,915	4,668	60%	34%
Deposits	2,764	2,919	6%	0%
AUM (eop)	460	552	20%	-11%
% of Demand in SME Deposits	36.4%	38.7%	2.4 pp	5.5 pp
% of TL in SME Deposits	66.3%	67.0%	0.7 pp	-0.6 pp
% of TL in SME Loans	97.3%	97.3%	0.0 pp	0.0 pp

Revenues/ (Customer Business[1])



- **SME revenues up 32% y/y** driven by **lending focus, repricing** as well as **branch expansion**
- **~57K SME clients acquired** during first 9 months of 2008 (total number of active SME clients: ~430K)
- **Dedicated service model** and **unique product offerings**
- **Increased focus on credit risk management** resulting in limitations on branch manager authority
- **Launch of new SME scorecard** expected in February 2009

Note: all loan and deposit figures based on monthly averages except for revenues/customer business ratio which is based on 3-month average. MIS data
(1)Customer business: Loans + Deposits + AUM

Solid revenue contribution by credit cards, despite regulatory changes putting pressure on margins

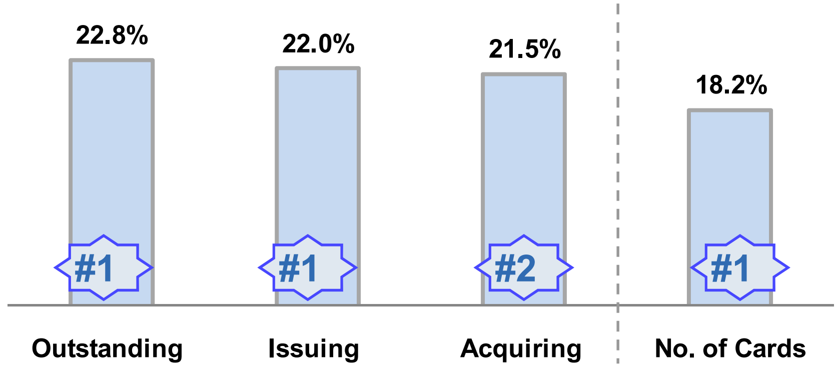
	9M07	9M08	YoY
Revenues *(mln YTL)*	687	736	7%
Net Revenues[1] *(mln YTL)*	566	637	12%
# of C. Cards[2] *(mln)*	6.6	7.7	17%
# of Merchants *(ths)*	~194	~254	31%
# of POS *(ths)*	~ 230	~307	34%
Revolving Ratio *(%)*	30.7	31.8	1.1 pp
Activation *(%)*	86.4	85.8	-0.6 pp

Credit Card Volumes & Market Shares[3]

Volumes (bln YTL):

7.2 30.1 29.7

Market Shares:



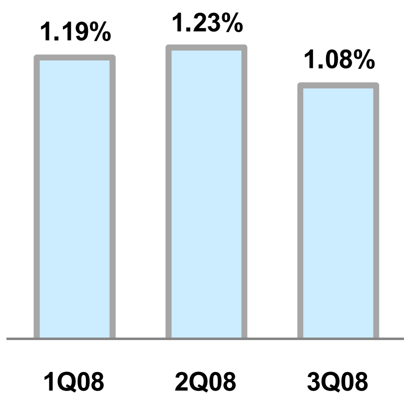
- **~ 1.1 mln new World cards issued** and **+80 personnel** added to **Direct Sales Force** (total number: 422) **in 9M08** to maintain **leadership position**
- **Credit card revenues up 7% y/y** and **profitability sustained in 3Q08** due to **higher revolving ratio** despite **higher cost of funding**
- **Focus** on **optimizing loyalty point expenses**
- **Co-branding agreement** with **Fortis, Vakıf and Anadolu launched** in June, August and October, respectively
- **8th largest credit card programme in Europe** with $23.5 bln of issuing volume in 2007, according to recently published The Nilson Report

(1) Net of loyalty point expenses on World card
(2) Including virtual cards (2007: 1.1 mln, 9M08: 1.5 mln)
(3) Market shares and volumes based on bank-only 9-month cumulative figures

Private banking significantly contributing to Bank's total asset gathering growth through new tailor-made product offerings

Mln YTL	9M07	9M08	YoY	YTD
Revenues	69	92	33%	-
Loans	167	206	24%	12%
Deposits	7,524	9,042	20%	33%
AUM (eop)	1,766	1,632	-8%	-17%
% of Demand in Private Deposits	4.2%	3.9%	-0.3 pp	-0.4 pp
% of TL in Private Deposits	52.8%	56.5%	3.7 pp	7.6 pp
% of TL in Private Loans	100%	100%	0 pp	0 pp

Revenues/ (Customer Business[1])



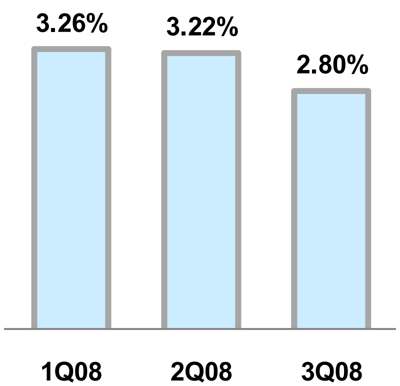
- **Private banking revenues up 33% y/y** driven by **growth in customer business**
- **Deposit volume growth up 20% y/y** (33% ytd) positively impacted in 1H08 by **performance of structured deposits** and **contributing 24% of Bank's total deposits**
- **Positive development in project,** launched in 1Q08, to **review strategic approach on affluent/private customer segments** and (i) **define new value proposition** and **enhanced service model** (ii) **review product offerings**

Note: all loan and deposit figures based on monthly averages except for revenues/customer business ratio which is based on 3-month average. MIS data
(1) Customer business: Loans + Deposits + AUM

Corporate banking revenues impacted by pricing pressure

Mln YTL	9M07	9M08	YoY	YTD
Revenues	151	157	4%	-
Loans	5,513	7,473	36%	21%
Deposits	4,845	7,877	63%	65%
AUM (eop)	140	105	-25%	-39%
% of Demand in Corp. Deposits	20.2%	9.1%	-11.1 pp	-7.5 pp
% of TL in Corporate Deposits	61.9%	43.7%	-18.2 pp	-14.6 pp
% of TL in Corporate Loans	28.3%	21.3%	-7.0 pp	-5.4 pp

Revenues/Loans



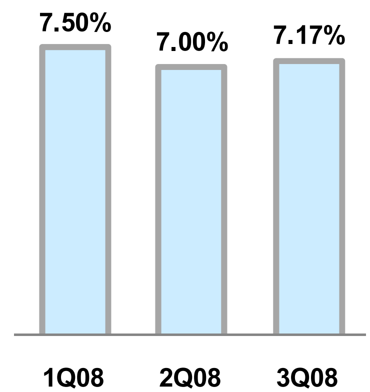
- **Corporate banking revenues up 4% y/y** impacted by **pricing pressure**
- **Upward loan repricing** starting from January of **on cash and non-cash lending**
- **Selective slowdown in big ticket corporate lending due to pricing driven profitability concerns, but still sustained volume growth** (loans 21% YTD, deposits 65% YTD)
- Increasing **focus on cash management products** and **high margin areas including trade finance, project finance** and **acquisition finance;** leverage on **leasing and factoring products**
- **Review strategy on non-cash loans**, mainly **letter of credit** and **letter of guarantees** (11.3% ytd decline in letter of guarantees) due to revised regulatory environment

Note: all loan and deposit figures based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data

Commercial banking revenues driven by strong volume growth with increased focus on revenue oriented initiatives

Mln YTL	9M07	9M08	YoY	YTD
Revenues	370	463	25%	-
Loans	6,663	9,285	39%	24%
Deposits	4,871	5,656	16%	-2%
AUM (eop)	235	272	16%	-9%
% of Demand in Commercial Deposits	25.2%	25.6%	0.4 pp	1.3 pp
% of TL in Commercial Deposits	49.9%	47.2%	-2.7 pp	-5.8 pp
% of TL in Commercial Loans	55.5%	49.4%	-6.2 pp	-5.2 pp

Revenues/Loans

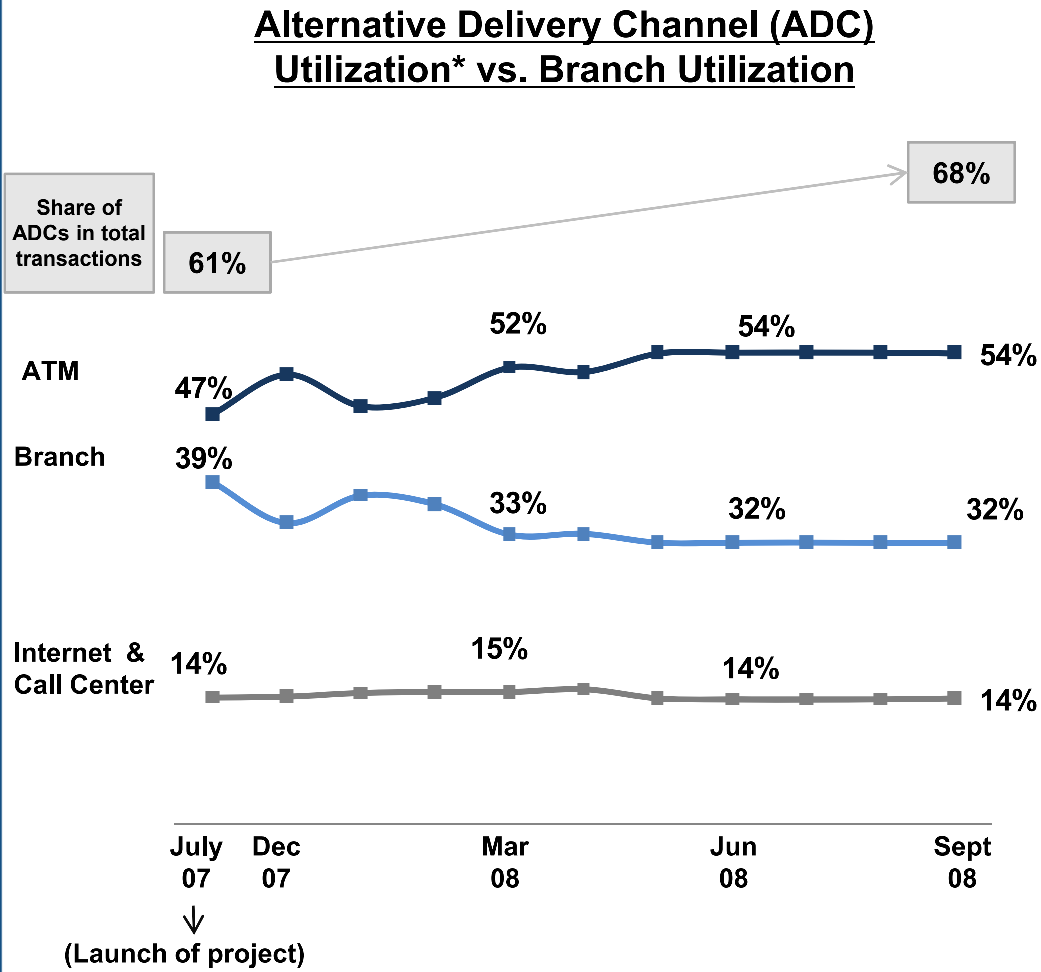


- **Commercial banking revenues up 25% y/y** driven by **upward repricing on cash and non-cash lending** starting from Jan '08 due to **increased focus on revenues / RWAs** and **loan growth (24% YTD)**
- **Review strategy on non-cash loans**, mainly **letter of credit** and **letter of guarantees** due to **revised regulatory environment**
- Increasing **focus on cash management products** and **high margin areas including trade finance, project finance** and **acquisition finance;** leverage on **leasing** and **factoring products**

Note: all loan and deposit figures based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data

- **Annex**
  - Detailed performance by Business Unit
  - **Other**

Transaction migration to ADCs continues to bring incremental benefits despite branch expansion

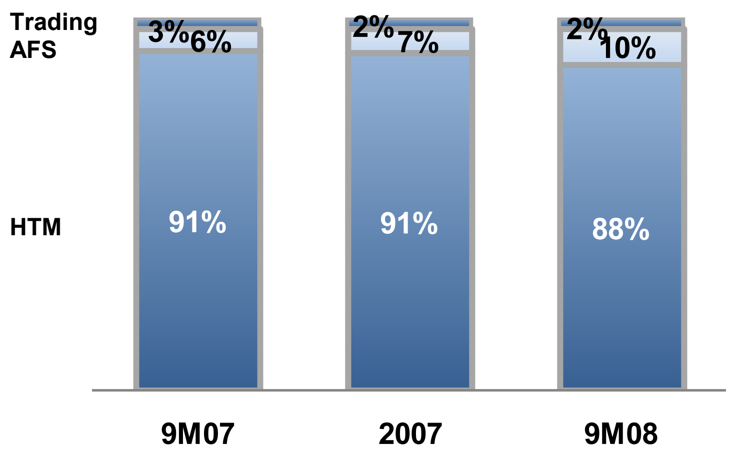


- **Total of 1,509 advanced ATMs (Tele24 Plus)** as of 9M08 (+482 YTD) (Total # of ATMs: 2,294)
- **As a result of installation of advanced ATMs between July 07 and Sept 08:**
  - **143% increase** in ATM usage for **depositing cash**
  - **87% increase** in ATM usage for **credit card payments**
  - **7% increase** in ATM usage for **withdrawing cash**
- **Launch of new internet platform for corporates & SMEs** (June 08) triggering increase of usage in 2H08
- **Leadership of internet platform and call center confirmed** by PC Magazine 2008 award

(*) All migration transactions with no limits and all customer types

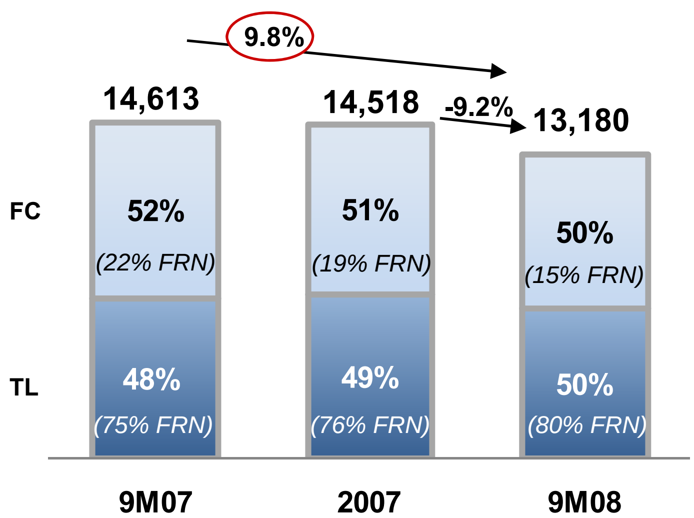
Share of securities in total assets progressively decreasing with 88% of securities portfolio invested in HTM

Securities Composition by Type



Securities Composition by Currency

(mln YTL)



- **Share of HTM decreasing to 88%** (vs. 91% at YE07), while **share of AFS increasing to 10%** (vs. 7% at YE07) to cope with changes in **liquidity regulation**
- **Held to maturity (HTM) mix in total securities** even **higher at bank level at 93%**
- **FX open position is kept minimal**, restricted with VaR and position limits; **monitored on a daily basis**
- **10% decline in total securities y/y, share of securities in total assets declined to 20%** (vs. 26% at YE07)

FRN: Floating Rate Notes

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