Yapı Kredi 1H09 Earnings Presentation

BRSA Consolidated

İstanbul, 4 August 2009

AGENDA

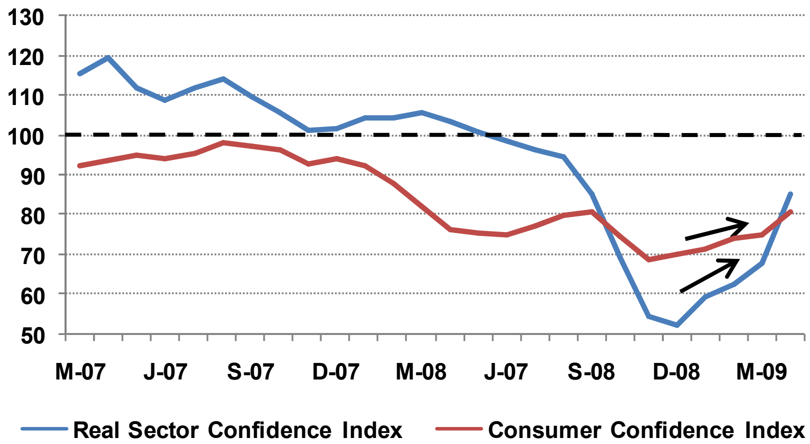
- **1H09 Operating Environment**
- 1H09 Results *(BRSA Consolidated)*
- Performance by Strategic Business Unit *(Bank-only)*
- Performance of Subsidiaries
- 2H09 Outlook
- Annex

Following sharp GDP contraction in 1Q09, some positive signs of stabilisation in economic activity in 2Q09 leading to improvement in expectations in Turkey despite sluggish international environment

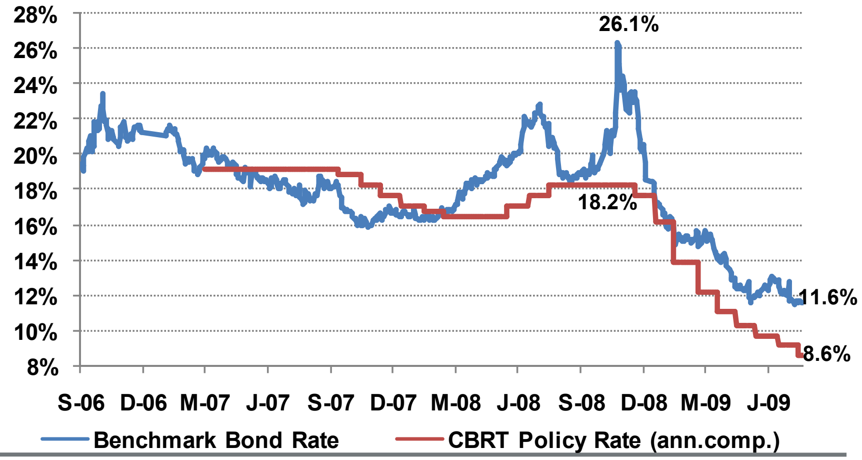
	4Q08	1Q09	2Q09
GDP Growth (y/y)	-6.2%	-13.8%	-
Industrial Production (y/y)	-12.5%	-21.9%	-17.4%
Inflation (eop, y/y)	10.1%	7.9%	5.7%
Central Bank O/N (eop)	15.0%	10.5%	8.75%
Consumer Confidence Index	69.9	74.8	85.3
Exports (y/y)	-13.2%	-26.1%	-37.4%
Imports (y/y)	-20.6%	-41.3%	-43.7%

- **Worst impact of the crisis in 1Q09** with **sharpest GDP contraction** (-13.8%)
- **Industrial production still contracting** in 2Q09 but at a **slower pace**
- **Continuation** of **downward trend** in **inflation**
- **CBRT pursuing easing monetary policy with continuation of rate cuts** (since November, 850 bps of rate cuts to 8.25% as of July)
- **Positive signs** in **consumer confidence** and **domestic sales in 2Q** driven by **government's tax incentives** and **relative stability in global markets**

Confidence Indices*



Benchmark Bond Rate and CBRT Policy Rate



Despite flat/contracting volumes and increase in cost of risk, strong profitability maintained in the sector driven by positive NIM evolution on the back of CBRT rate cuts

Sector Volume Growth & KPIs

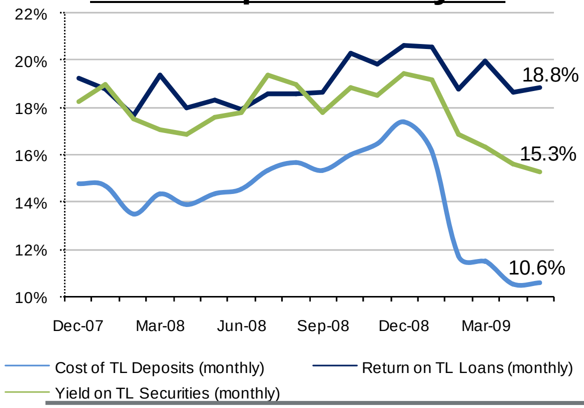
	1Q09	2Q09	1H09
Loan Growth	**-1%**	**1%**	**0%**
TL Loan Growth	-2%	5%	3%
FC Loan Growth ($)	-5%	0%	-5%
Deposit Growth	**3%**	**1%**	**4%**
TL Deposit Growth	1%	3%	4%
FC Deposit Growth ($)	-2%	6%	3%
Loans/Deposits	**79%**	**79%**	
NPL Ratio	**4.1%**	**4.6%**	
Cost of Risk	**2.9%**	**2.7%***	
Net Interest Margin (NIM)	**5.5%**	**5.9%***	
Return on Average Equity	**24.4%**	**25.5%***	
CAR (Deposit Banks)	**17.1%**	**17.9%**	

Sector P&L Summary

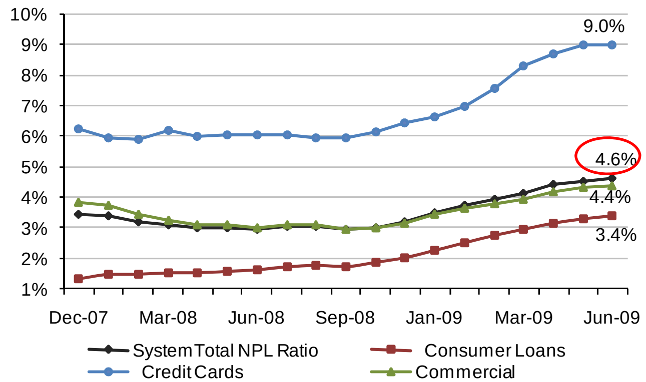
bln TL	2009 Jan-May	% chg
Total Revenues	**24.7**	**29%**
Net Interest Income	16.4	35%
Non-Interest Income	8.3	19%
o/w Fees & Comm.	4.4	15%
o/w Other	4.0	24%
Operating Costs	**9.5**	**10%**
HR costs	4.0	9%
Non-HR costs	5.5	11%
Operating Income	**15.2**	**45%**
Provisions	4.3	117%
Pre-tax Income	**10.9**	**28%**
Tax	2.1	27%
Net Income	**8.8**	**29%**

- **Volumes flat ytd but starting to pick up in 2Q**
- **No liquidity pressure with stable L/D ratio** (79%)
- **Asset quality deterioration continuing**, albeit at a slower pace, also thanks to **restructuring efforts**
- **Strong profitability maintained** thanks to **positive NIM evolution** driven by **favourable interest rate environment**

Sector Spread Analysis



Sector NPL Ratio



Note: Banking sector data based on BRSA weekly data as of 26 June 2009, excluding participation banks
Annualised ROAE calculated based on cumulative net income and the average of current period equity (excluding current period profit) and prior year equity
* As of May-09

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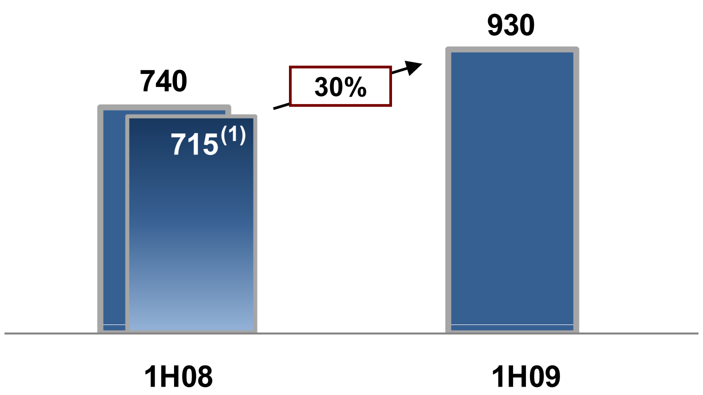
Yapı Kredi At a Glance in 1H09

- **Solid profitability performance** driven by **robust revenue growth** and **strong cost control**
  - **Strong performance** by **all Strategic Business Units**
- **No major changes** in **balance sheet evolution in 2Q vs 1Q,** confirming **sluggish business environment; volumes slowly starting to pick up in 2Q** (TL loans +1%, TL deposits +2%)
- **Focus on customer related core banking business** vs **investment in securities**
- **NPL ratio increasing** but **at a slower pace vs 1Q** due to **proactive credit risk management**
  - Credit restructuring/collection programs launched in commercial, SMEs and credit cards in March/April
  - Sale of TL 394 mln NPL portfolio
  - Increased focus on credit infrastructure improvements
- **Increase in specific provisioning coverage** (+10 pp) vs 1Q
- **Cost / Income ratio down to 37.9%** thanks to high revenues accompanied by tight cost and headcount management
- **Strong and dedicated focus** in parallel **on short term priorities** and **on long-term sustainable actions**
  - **Capital, liquidity and funding position remains strong**
    (Consolidated CAR at 15.7%, Bank-only CAR at 17.1%, Loans/Deposits at 91%)
  - **Continued investment in key strategic projects**
    (Open World, contact management, improvement of CRM/MIS systems, bancassurance, fine-tuning of affluent/private)
- **Total number of branches** slightly **declining** to 844 (856 vs 1Q09) driven by **focus on existing network optimisation. Branch openings expected to be resumed starting from 4Q once macro conditions normalise**

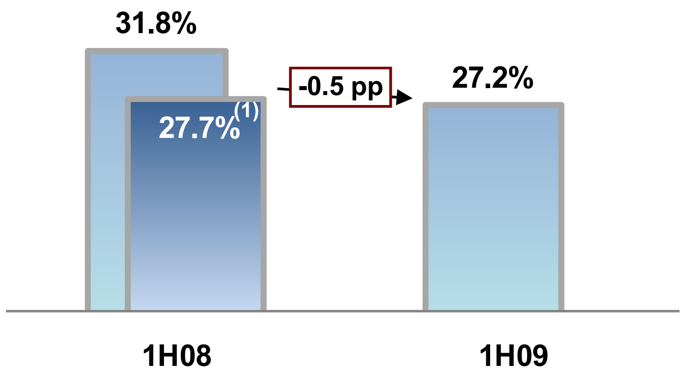
Key performance indicators

1H09 Results (BRSA Consolidated)

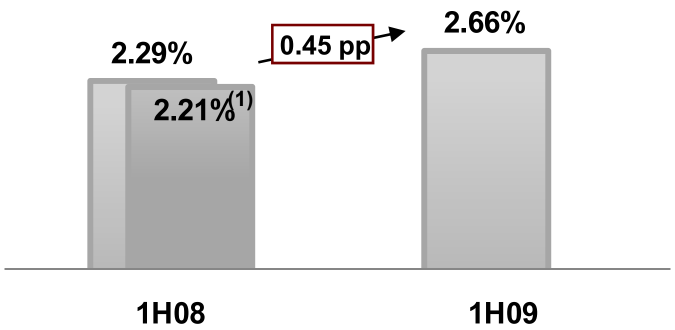
Net Income
(mln TL)



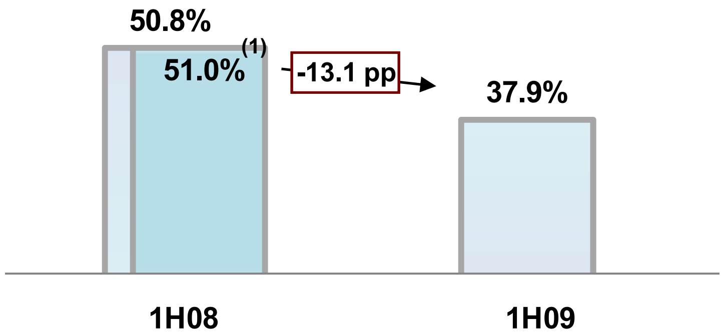
Return on Average Equity (ROAE)(*)



Return on Assets (ROA)(**)



Cost / Income



(*) Calculations based on the average of current period equity (excluding current period profit) and prior year equity. Annualised
(**) Calculations based on net income/end of period total assets. Annualised
(1) Normalised 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. In the case of 2008 ROAE, to ensure comparability with 2009, the effect of capital increase (registered in 4Q08) has been reflected on net income and equity

Net income up 30% y/y[1], driven by robust revenue growth on the back of positive NIM evolution and tight cost control despite increase in specific provisioning coverage (~TL230 mln in 2Q)

1H09 Results (BRSA Consolidated)

Income Statement, mln TL	1H08	1H09	YoY	YoYN[1]
Total Revenues	**2,458**	**3,199**	**30%**	**40%**
Net Interest Income	1,375	1,883	37%	37%
Non-Interest Income	1,083	1,316	22%	44%
o/w Fees & Comms.	643	730	14%	14%
Operating Costs	**1,249**	**1,214**	**-3%**	**4%**
HR	497	505	2%	2%
Non-HR*	551	606	10%	10%
Other**	201	103	-49%	-14%
Operating Income	**1,209**	**1,985**	**64%**	**77%**
Provisions	256	803	214%	257%
Pre-tax income	**953**	**1,182**	**24%**	**32%**
Tax	213	252	18%	40%
Net Income	**740**	**930**	**26%**	**30%**

- **Revenues up** 30% y/y**, 40% if normalised**[1]
- **Revenue growth** driven by **37% y/y growth in net interest income** due to NIM[2] expansion (+80 bps y/y) and **14% y/y growth in fees and commissions**
- **Operating costs** -3% y/y, **+4% y/y if normalised**[1] (to exclude one-off pension fund expense in 1Q08) thanks to **tight cost management measures** limiting cost impact of the branches opened in 2008. **HR costs up 2% y/y** and **non-HR costs up 10% y/y**
- **Operating income up** 64% y/y, **77% if normalised**[1]
- **Provisions up 257% y/y**[1] as a function of **continuation of asset quality deterioration** and **prudent increase of specific coverage**
- **Net income up** 26% y/y, **30% if normalised**[1]

(1) Normalisations refer to 2008 only. 1Q08 normalised to exclude the one-off effects of pension fund provisions on costs, general provision release on revenues and tax settlement expense on tax provisions

(*) 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

Balance sheet evolution confirming continuation of sluggish business environment. No major change in asset mix with share of loans/assets stable at 55% vs YE08

Balance Sheet, bln TL	1H08	2008	1H09	% YoY	%YTD
Total Assets	**64.6**	**70.9**	**70.0**	**8%**	**-1%**
Loans	**34.1**	**38.9**	**38.2**	**12%**	**-2%**
TL	22.9	24.8	23.8	4%	-4%
FC (in $)	9.4	9.6	9.7	3%	1%
Securities	**14.3**	**15.4**	**15.1**	**6%**	**-2%**
Deposits	**39.6**	**44.0**	**41.9**	**6%**	**-5%**
TL	21.9	24.8	22.6	3%	-9%
FC (in $)	14.8	13.1	12.9	-13%	-1%
Shareholders' Equity	**5.4**	**6.9**	**7.8**	**45%**	**14%**
AUM	**6.6**	**6.2**	**7.3**	**10%**	**17%**

Ratios	1H08	2008	1H09	Δ YoY *(pp)*	Δ YTD *(pp)*
Loans/Assets	52.8%	54.9%	54.6%	1.8	-0.3
Securities /Assets	22.1%	21.7%	21.6%	-0.5	-0.1
Loans/Deposits	86.3%	88.4%	91.3%	5.0	2.9
Borrowings/Liabilities	15.7%	14.8%	14.7%	-1.1	-0.2
Consolidated CAR*	13.2%	14.2%	15.7%	2.5	1.4
Bank-only CAR*	15.0%	15.7%	17.1%	2.1	1.3

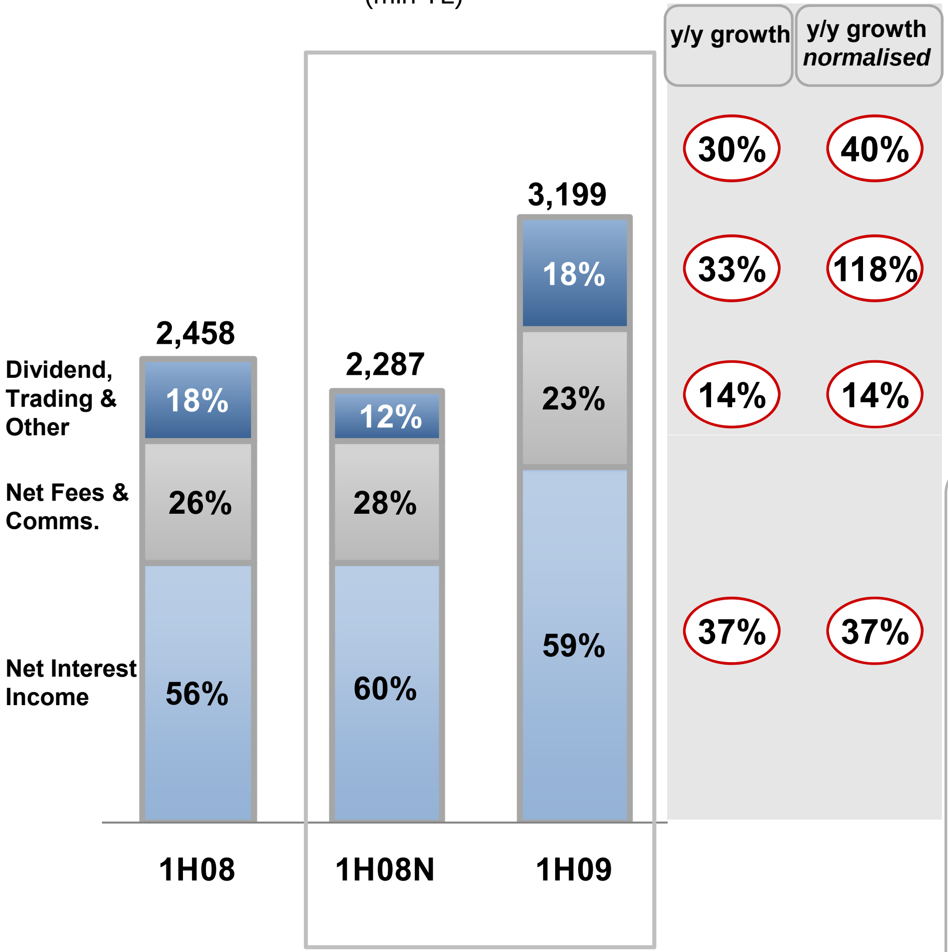
- **Loans down 2% ytd** mainly driven by **subdued demand** despite **continued focus on supporting customer base**
  - **Despite 1% q/q growth in both TL and FC** (in USD) **loans, 3% q/q contraction in total loans** driven by **FX effect**
- **Deposits down 5% ytd** driven by **lower liquidity pressure**, **release of costly TL deposits** and **conversion to AUM**
  - **2% q/q growth in TL deposits** in line with **signs of pick-up in TL retail lending**
- **AUM up 17% ytd; flat q/q**
- **Loans/deposits ratio still comfortable at 91%**
- **Asset mix maintained vs YE08** with **Loans/Assets at 55%** and **Securities/ Assets at 22%**
- **Improvement in CAR to 15.7% at Group level** and **17.1% at Bank level**

(*) 2008 CAR includes full impact of TL 920 mln cash capital increase
Note: Loan figures indicate performing loans

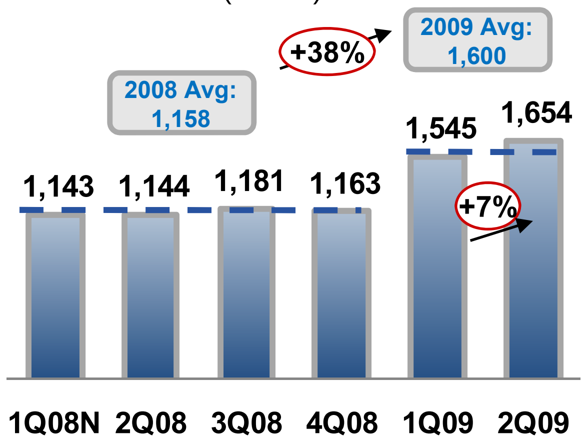
Strong growth in revenues due to positive NIM evolution and solid fee growth

1H09 Results (BRSA Consolidated)

Total Revenues
(mln TL)



Quarterly Revenues
(mln TL)



- **Total revenues up 30% y/y, 40% if normalised**[1], driven by **repricing efforts** and **favorable interest rate environment**. Despite **stable/contracting volumes, quarterly revenues at 1.7 bln TL.** Quarterly average of 2009 revenues 38% higher than 2008 average
- **Share of net interest income in total revenues almost stable at 59%** (vs 60% in 1H08N)
- **14% y/y growth in fees and commissions,** driven by **upward repricing since 2Q08,** despite slowdown in lending volume in 1H09 (especially in TL retail lending)
- **Share of other income** (dividend, trading and other) **in total revenues increased to 18%** driven by **higher net trading income** and **other income**

N= Normalised to exclude the one-off effects on revenues of general provision release in 1Q08

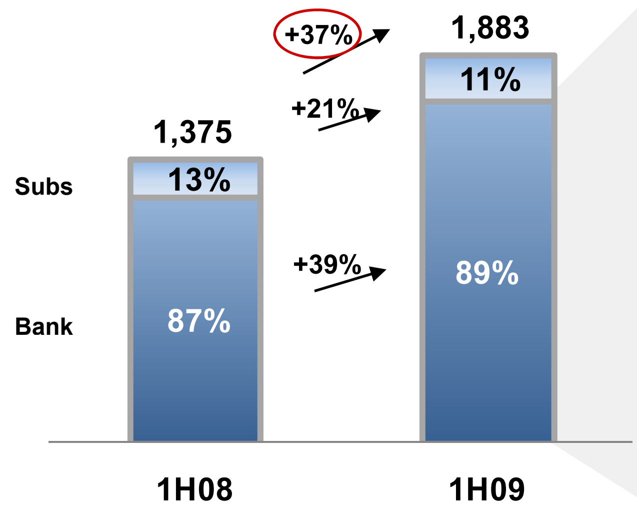
YapıKredi

+50 bps expansion in net interest margin in 2Q vs 1Q thanks to continuation of rate cuts by CBRT and timely repricing by Yapı Kredi

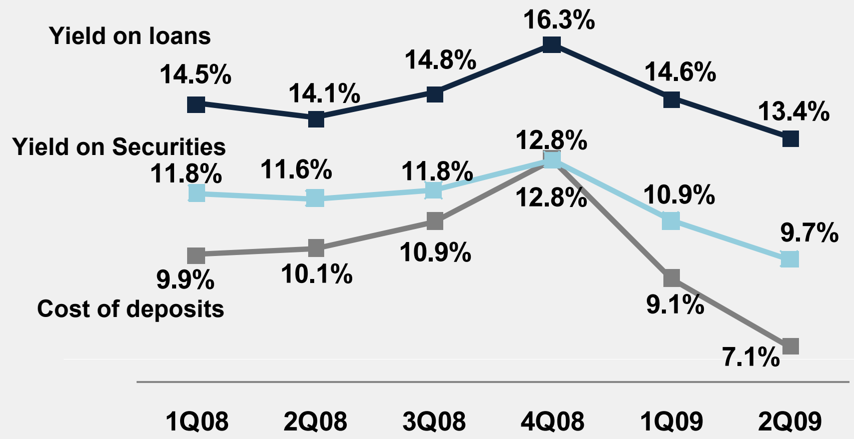
1H09 Results (BRSA Consolidated)

Net Interest Income

(mln TL)

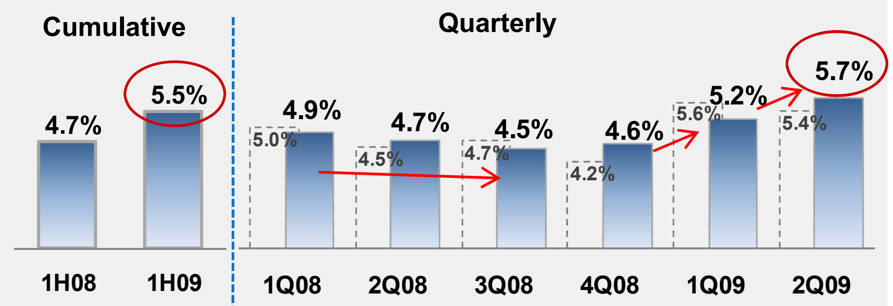


BANK: Spread Analysis[1]



BANK: NIM[1]

(Net interest income / Avg. IEAs)



	1H08	1H09	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09
Benchmark Bond Rate (avg)	18.5%	13.8%	17.0%	19.9%	19.7%	21.0%	15.1%	12.5%

- **Net interest income** grew by **37% y/y** at Group level, driven by **40% y/y growth at Bank level** and **21% y/y growth at Subs**
- **Bank cumulative NIM up to 5.5%** (+80 bps vs 1H08)
- **Bank quarterly NIM up to 5.7%** (+50bps vs 1Q09), thanks to sharp decline in cost of deposits accompanied by **softer pace of decline in yield on loans** due to **maturity mismatch** and **repricing efforts**

(1) All calculations based on average volumes
Note: NIM and yield on securities adjusted to exclude the effect of reclassification as per BRSA between interest income and other provisions related to impairment of held to maturity securities

KOÇ UniCredit Group

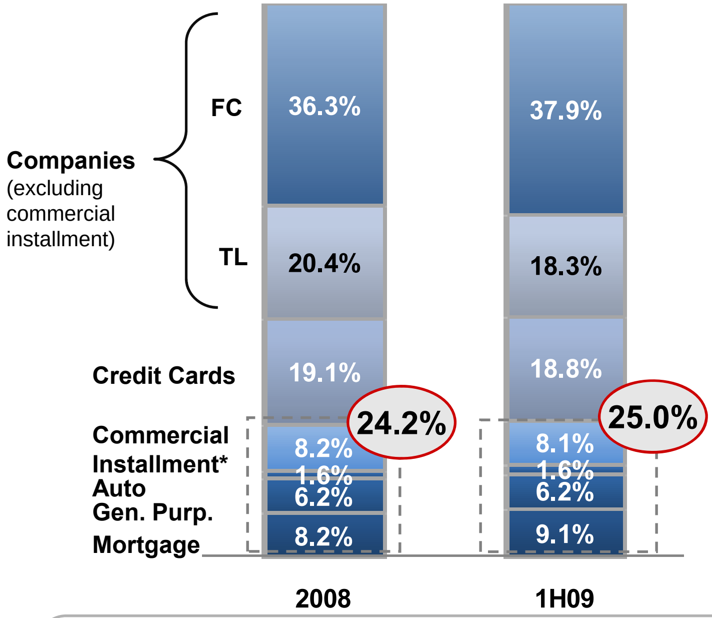
YKB exploiting opportunities in volume growth in selected areas with high margins (mortgages) while maintaining stronger pricing discipline in corporate loans

1H09 Results (BRSA Consolidated)

1H09 Loan Growth vs Sector

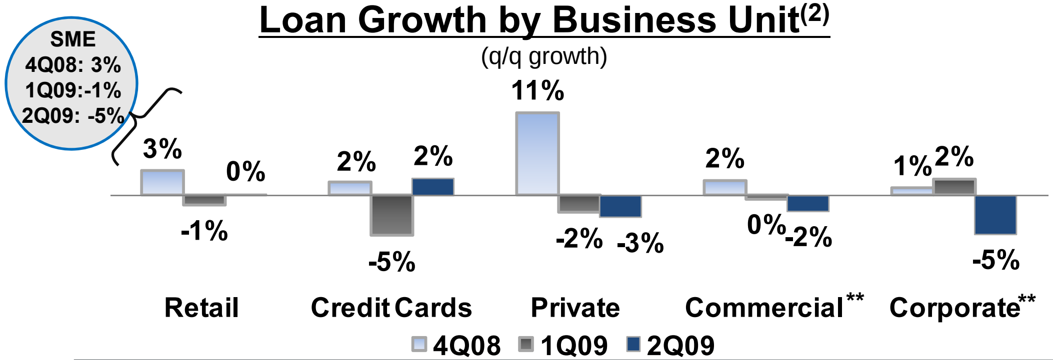
	YTD		2Q09 vs 1Q09	
	YKB	Sector(3)	YKB	Sector(3)
Total Loans	**-2%**	**0%**	**-3%**	**1%**
TL Loans	-4%	3%	1%	5%
FC Loans ($)	1%	-5%	1%	0%
Consumer Loans	**4%**	**3%**	**4%**	**3%**
Housing Loans	10%	-3%	6%	3%
Auto Loans	-5%	-13%	2%	-3%
General Purpose	-1%	5%	3%	4%
Credit Cards	**-4%**	**2%**	**4%**	**7%**
Companies	**-3%**	**-1%**	**-6%**	**-1%**
Comm. Installment*	-3%	-6%	1%	-1%

Composition of Total Loans(1)



Loan Growth by Business Unit(2)

(q/q growth)



- **Share of consumer loans in total loans up ytd** due to **positive evolution in retail lending in 2Q09**
- **Above sector consumer loan growth** mainly driven by **housing** (6% q/q) **and general purpose** (3% q/q)
- **Credit cards up 4% q/q** (vs 7% sector) on the back of **continued emphasis on cost initiatives** and **risk management**
- **Corporate loans down 5% q/q** due to **TL appreciation** and **stronger pricing discipline**

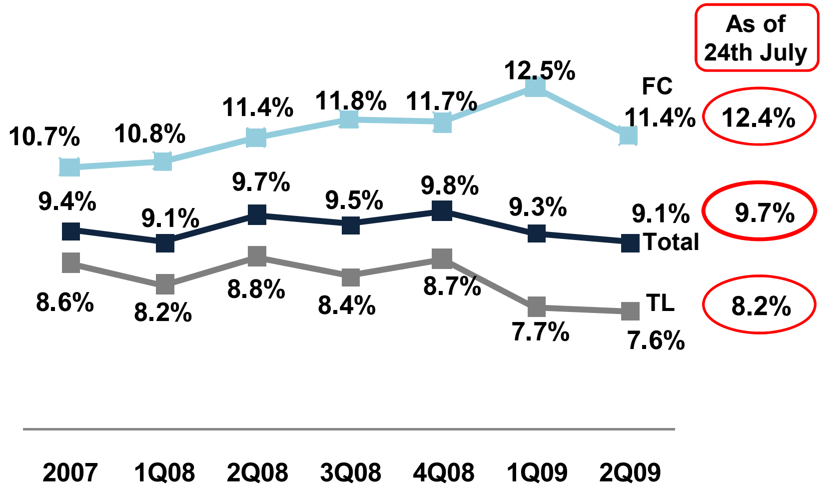
(1) Total performing loans as per BRSA consolidated figures
(2) Loan growth as per MIS data based on monthly averages. Please refer to Annex for definitions of Strategic Business Units
(3) Sector data based on weekly BRSA unconsolidated figures
(*) Proxy for SME loans as per BRSA reporting
(**) Excluding exchange rate impact

Deposit volumes contracting ytd on the back of lower liquidity pressure and release of costly deposits; pick-up in July bringing total deposit market share to 9.7%

1H09 Deposit Growth vs Sector

	YTD		2Q09 vs 1Q09	
	YKB	Sector (1)	YKB	Sector (1)
Total Deposits	**-5%**	**4%**	**-5%**	**1%**
TL Deposits	-9%	4%	2%	3%
FC Deposits ($)	-1%	3%	-3%	6%
	2008		**1H09**	
Demand/Total Deposits	**14%**	**13%**	**16%**	**14%**

BANK: Deposit Market Shares



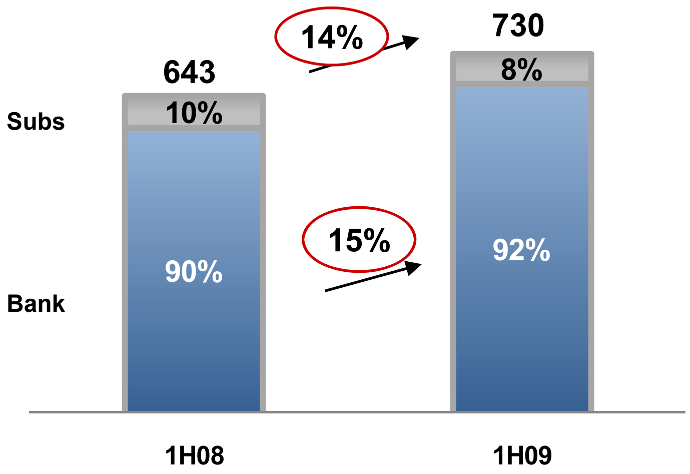
- **2% q/q growth in TL deposits in 2Q09** driven by **slight pick-up in consumer lending activity**
- **Weight of demand deposits** over total **at 16% (vs.14% at sector level,** and **vs. 14% at YE08)**
- **In 2H09, funding strategy** to be driven by **efforts on sustaining deposit market share once loan volumes start to pick-up, ensuring adequate ALM contribution**

(1) Sector data based on weekly BRSA unconsolidated figures
(2) Deposit growth as per MIS data based on monthly averages. Please refer to Annex for definitions of Strategic Business Units

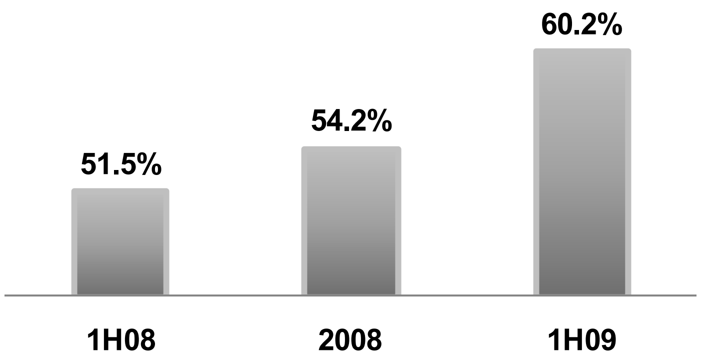
Solid performance in fees and commissions

1H09 Results (BRSA Consolidated)

Net Fees & Commissions
(mln TL)

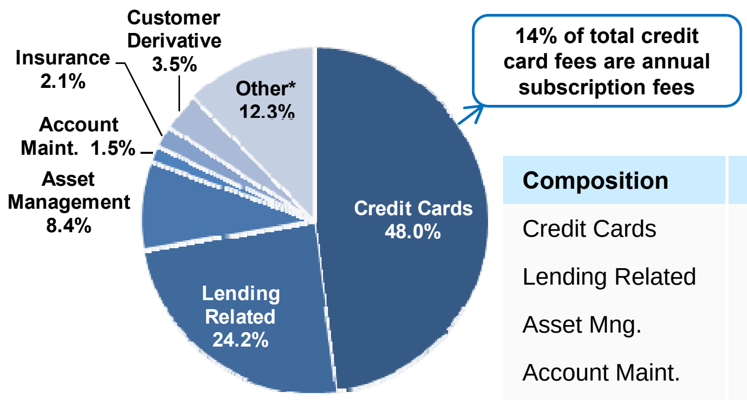


Fees & Commissions / Total Costs



- **Fees up 14% y/y at Group level**
- **Fees up at 15% y/y** at **Bank level,** driven by **upward repricing since 2Q08 especially in retail lending**, despite slowdown in volumes in 1H09
- **Continuing improvement in coverage of total costs by net fees and commissions** (+6.0 pps vs 2008) driven both by **fee growth** and by **cost control**

BANK: Composition of Fees & Commission Received (1H09)



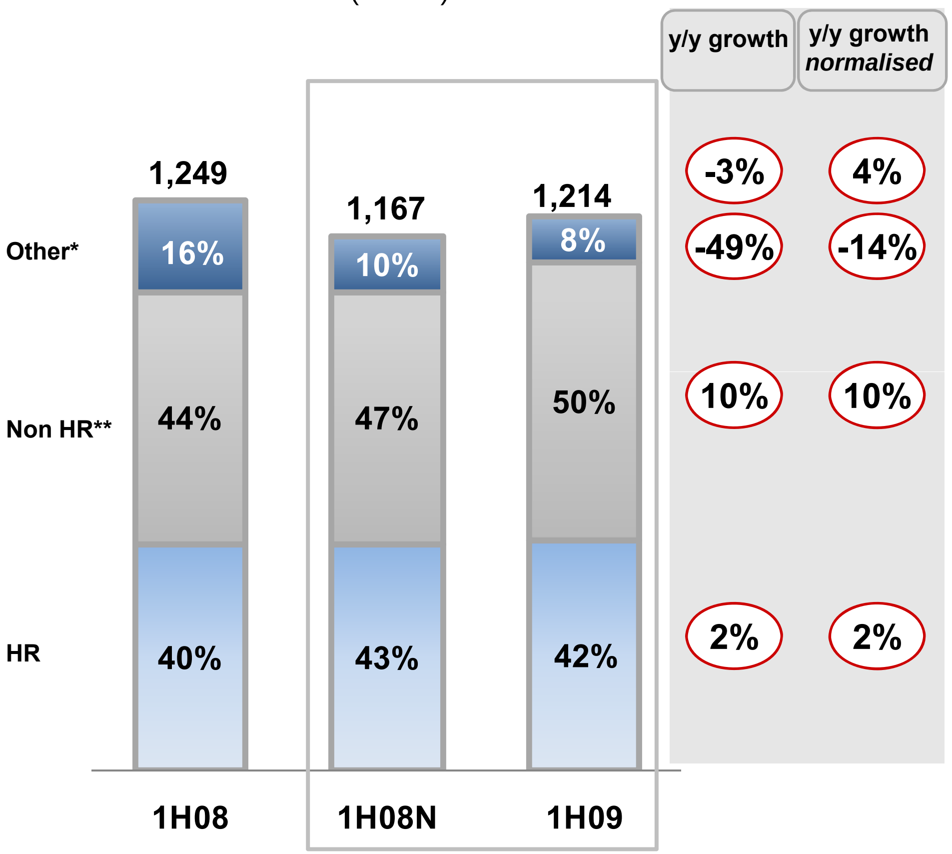
Composition	1H08
Credit Cards	50.1%
Lending Related	23.9%
Asset Mng.	8.9%
Account Maint.	1.5%
Insurance	1.6%
Cust. Derivat.	4.1%
Other*	10.0%

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

Tight cost management measures leading to limited cost growth despite impact of branches opened in 2008

Composition of Costs

(mln TL)

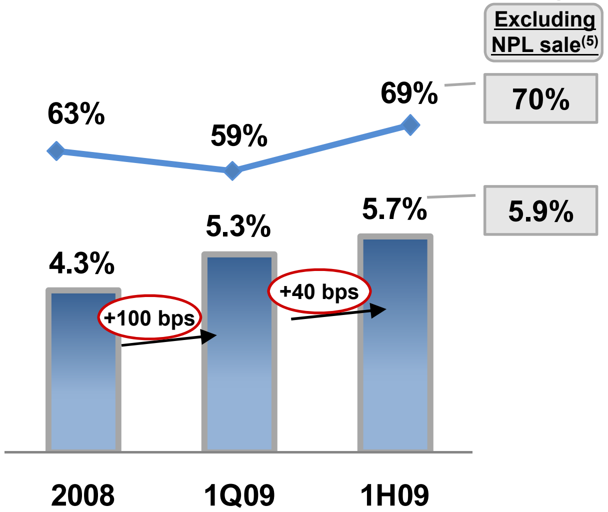


- **Total costs down 3% y/y** due to **limited growth in core cost basis** and **one-off effect of pension fund provision** in 1Q08
- **Total costs +4% y/y** if **normalised**[(1)] thanks to **tight cost management measures limiting cost impact of branches opened in 2008**
- **Cost growth** driven by **10% y/y increase in non-HR costs** and **limited by 2% y/y increase in HR costs**
- **Other costs down 49% y/y**, -14% if normalised[(1)], driven by **tight management of World loyalty point expenses** and lower **pension fund provision**
- **Group headcount at 17,211** (-174 vs YE08)**, +11%** vs **the beginning of the branch expansion plan** (July 2007) despite **32% increase in branch network** during the same period
- **Optimisation of existing branch network** leading to **slight decline in branch number** (844 in 1H09 vs 861 at YE08)

(*) 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) Normalised to exclude the one-off effects of pension fund provision in 1Q08
(2) Including consolidation adjustments

Asset quality deterioration continuing in 2Q09 partially compensated by proactive credit risk management efforts leading to significant increase in collections. Specific coverage up by 10pp to 69% (70% excluding NPL sale)

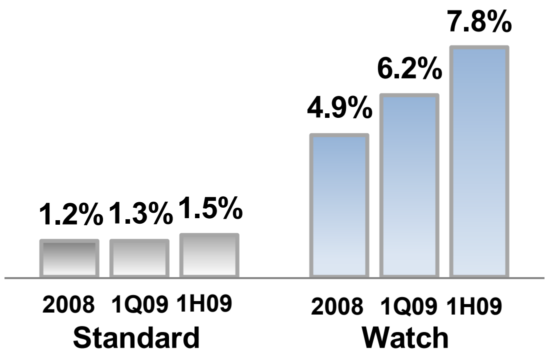
NPL Ratio and Specific Coverage



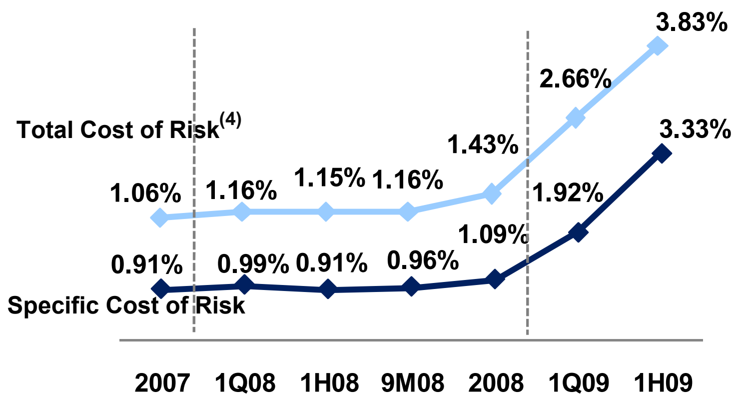
NPL ratio by Segment

	2008	1H09
Consumer loans[1]	4.3%	7.2%
Credit Cards	6.3%	9.7%
SME[2]	6.8%	9.8%
Corp & Commercial	2.5%	2.8%

Generic Coverage



Cost of Risk[3]



- **NPL ratio at 5.7%** (vs 5.3% in 1Q09) impacted by **new NPL flows in credit cards, SMEs and consumer loans** partially offset by **credit restructuring/collections** and **NPL portfolio sale[5]** of TL 394 mln in 2Q09. **Corporate & commercial still resilient**
- **Successful implementation of credit restructuring/collections** for selected **SME, credit cards** and **commercial loans (launched in Mar/Apr-09)** yielding **positive results**
- **Specific coverage up to 69%** (+10 pp vs 1Q09), **70% excluding NPL sales and write-offs**
- **Total cost of risk at 3.8%** (+1.2 pp vs 1Q09)**; specific cost of risk at 3.3%** (+1.4 pp vs 1Q09), also driven by **increase in specific coverage**

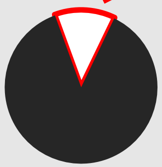
(1) Including cross default. If excluding, 1H09: 3.9%
(2) As per YKB's internal segment definitions, SMEs are companies with turnover less than 5 mln USD
(3) Cost of risk = total loan loss provisions / total gross loans
(4) In 2008, adjusted to exclude the one-off effect of general provision release in 1Q
(5) 100% provisioned credit card and individual segment NPL portfolio of TL 394 mln sold for TL 26.5 mln. P&L impact of TL 22.5 mln; positive impact on NPL ratio of ~20 bps

Increasing contribution of newly opened branches in terms of revenues, deposits and loans confirms success of branch expansion plan. Substantial upside still to be realised

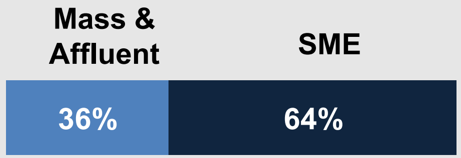
- **The branch expansion plan was launched in July 2007**
  - **YKB has the fourth largest branch network with 844 branches** (+235 increase in branch number since 2007, of which 227 retail branches)
  - **New branches represent 28% of total network**
  - **Branch openings expected to be resumed in 4Q (~10 openings)**

Contriution of New Retail Branches

Revenues

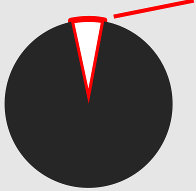


As of 1H09, ~13% of total retail revenues generated by new branches (vs 6% in 1H08)

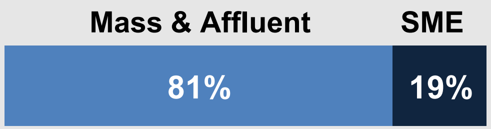


- **87 mln TL total cumulative revenues generated by new branches in 1H09** (Average monthly generation of 15 mln TL)

Deposits

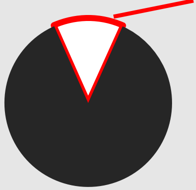


As of 1H09, ~6% of total retail deposits generated by new branches (vs 5% at YE08)

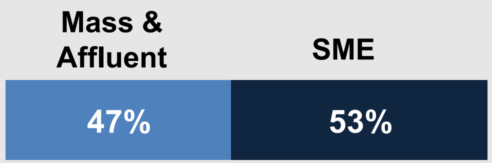


- **1.1 bln TL of deposits generated by new branches as of 1H09** (up 200 mln TL vs YE08)

Loans



As of 1H09, ~13% of total retail loans generated by new branches (vs 12% at YE08)



- **1.3 bln TL of loans generated by new branches as of 1H09** (up 150 mln TL vs YE08)

Clients

- **150K new clients acquired since YE08**
  - **~ 25K new clients acquired each month by new branches**
  - **>100 new customers acquired per new branch per month**
- **Customer satisfaction at new branches consistently higher than existing branch network**

AGENDA

- 1H09 Operating Environment
- 1H09 Results (BRSA Consolidated)
- **Performance by Strategic Business Unit (Bank-only)**
- Performance of Subsidiaries
- 2H09 Outlook
- Annex

Strong performance of corporate/commercial banking and credit cards more than compensating slower growth in retail and private banking

Performance by SBU

Weight in Bank: Revenues	Weight in Bank: Customer Business**		Revenues (mln TL)	YoY (1H09 – 1H08)	vs. Budget	Drivers of revenue growth
26%	36%	Retail	717	24%	=/-	**Revenues up 24% y/y,** aligned with budget due to **mild recovery in consumer activity** **SME revenues in line with expectations (+35% y/y)**
22%	8%	Credit Cards*	590	38%	+	**Despite continued cap rate reductions; higher revolving ratio, profitability focus** and **significant decrease in cost of funding** sustaining **38% y/y growth of revenues**
3%	15%	Private	79	26%	-	**Take off in AUM volumes (23% y/y)** driven **by lower interest rate environment** **26% y/y revenue growth**
5%	19%	Corporate	130	32%	+	**Disciplined pricing approach** so as to **improve risk adjusted return on capital**, resulting in **32% y/y revenue growth**
16%	20%	Commercial	432	39%	+	**Profitability focus maintained** on the back of **declining lending volumes** **Focus on revenue oriented initiatives** to **maintain adequate risk/return profile** resulting in **39% y/y revenue growth**

(*) Net of loyalty point expenses on World cards
(**) Customer business = Loans + Deposits + AUM
Note: all figures based on MIS data

AGENDA

- 1H09 Operating Environment
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- **Performance of Subsidiaries**
- 2H09 Outlook
- Annex

Adverse market conditions impacting profitability of leasing and insurance. Overall, sustained profitability of subsidiaries especially factoring, brokerage and asset management also thanks to tight cost discipline. Increased focus on better integration of subsidiaries with the Bank

		Revenues (mln TL)	Revenue (y/y growth)	ROE	Key Highlights
Core Product Factories	YK Leasing	93	0%	14%	▪ **Revenues stable y/y** due to **sector slowdown** ▪ **Asset quality deterioration** driving **shift of strategy** towards **closer cooperation with Bank** ▪ **Leading player** with **18.8%**[(3)] **market share** in **leasing receivables**
	YK Factoring	31	76%	52%	▪ **Outstanding growth both in domestic** and **international business** supported by **customer acquisition, favorable interest rate environment** and **better cooperation with Bank** ▪ **#2 in the sector with 19.7% market share**[(3)]
	YK Yatırım	76[1]	18%	67%	▪ **Strong performance in equity trading** and **structured products** despite **adverse market conditions** leading to **increased profitability** and **market shares** ▪ **#1 in the sector** in terms of **total ISE transaction volume**[(3)]
	YK Portföy	40	10%	172%	▪ **Sustained profitability supported by increase in AUM volumes** impacting **revenue growth** ▪ **# 2 in the sector in mutual funds with 18.2% market share**
Insurance Subs	YK Sigorta*	~38[2]	~ -40%	~0%	▪ **Difficult first half for the sector in both health and non-health branches** ▪ **Selective approach maintained to protect profitability** ▪ **Stronger cooperation with Yapı Kredi's branch network** ▪ **#2 in the health insurance market with 16.6%**[(4)] **market share**
	YK Emeklilik	47	18%	24%	▪ **Continuous** and **strong growth in life insurance** ▪ **#5 in the life insurance sector with 5.1%**[(4)] **market share** ▪ **#3 in the sector** with **private pension market share of 14.9%**[(4)] ▪ **Stronger cooperation** with **YKB's branch network**
International Subs	YK Azerbaijan	11	50%	14%	▪ **Strong performance** on the back of **organic growth efforts** to leverage on **positive macro environment**
	YK Moscow	16	27%	21%	▪ **Performance** mainly driven by **business generated by Turkish Yapı Kredi customers**
	YK NV	29	23%	8%	

1 Including dividend income from YK Portföy
2 Including dividend income from YK Emeklilik
3 Market share data as of end of March
4 Market share data as of end of May
* Draft 1H09 financials
Note: YKB bank-format financials have been used for publicly traded subsidiaries instead of their announced financials for consistency purposes
Following the launch of the new organisational structure in February 2009, management changes took place in the following subsidiaries: YK Leasing, YK Factoring, YK Portföy, YK Sigorta, YK Emeklilik

AGENDA

- 1H09 Operating Environment
- 1H09 Results (BRSA Consolidated)
- Performance by Strategic Business Unit (Bank-only)
- Performance of Subsidiaries
- **2H09 Outlook**
- Annex

Trends and expectations for 2H09

Macro

- **Slight pick-up in economic activity** that started in 2Q09 expected **to gain pace from September onwards. Positive quarterly GDP growth expected to kick in by 4Q following contraction in both 2Q** and **3Q** (2009 estimate: -5.2%)
- **Possible further rate cuts expected by CBRT** could prolong **easing cycle**

Banking Sector

- **Sector volume growth expected to pick-up** (~5/8% loan/deposit growth expected for full year 2009)
- **Positive NIM evolution in 1H09 expected to potentially reverse in 2H09** due to **catch up on asset repricing** and **competitive pressure**
- **Asset quality deterioration expected to continue**
- **Strong focus on cost containment expected to continue**

AGENDA

- 1H09 Operating Environment
- 1H09 Results (BRSA Consolidated)
- Performance by Strategic Business Unit (Bank-only)
- Performance of Subsidiaries
- 2H09 Outlook
- **Annex**

AGENDA

- **Annex**
  - **Detailed Performance by Strategic Business Unit**
  - Other

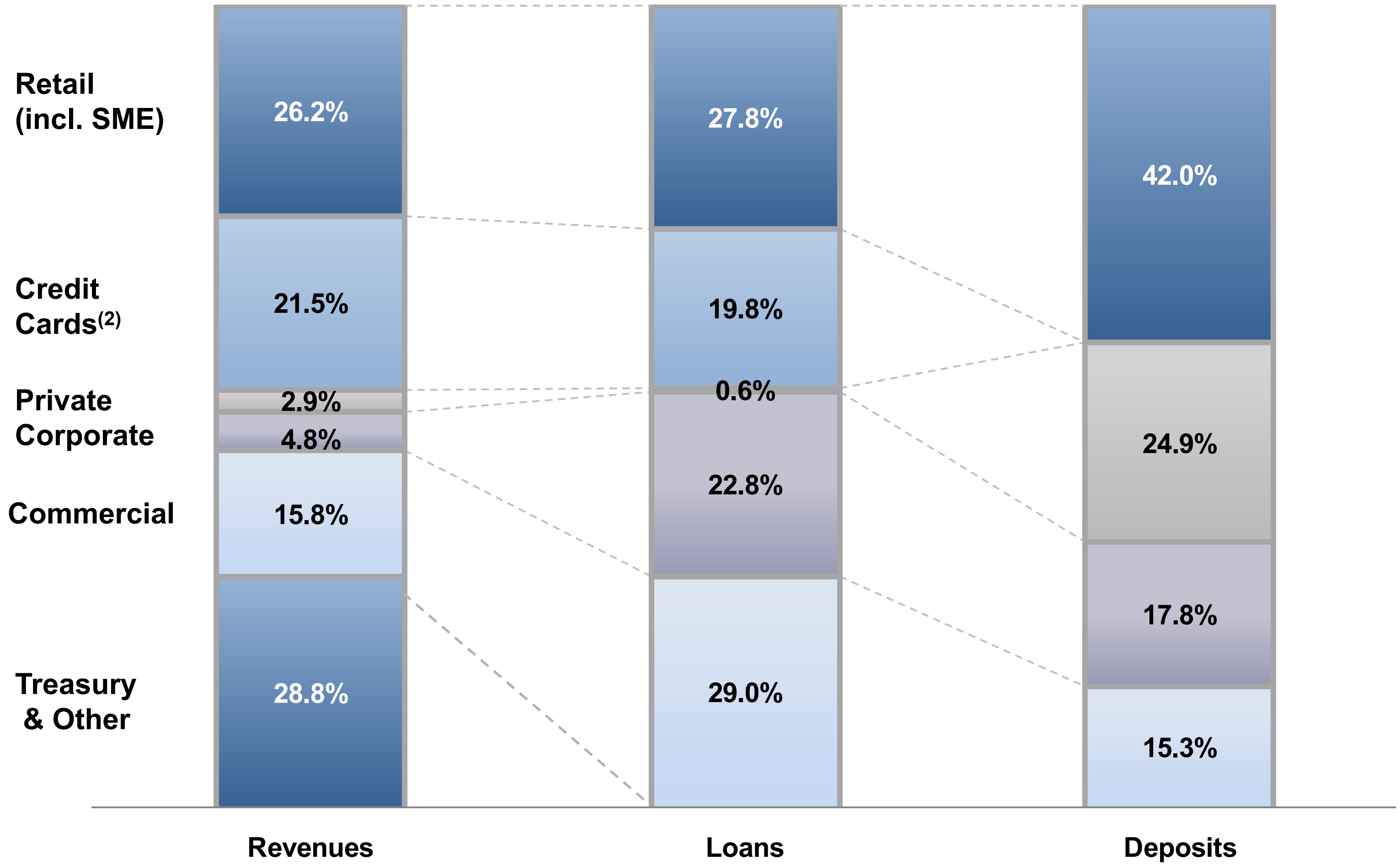
Definitions of Strategic Business Units

- **Retail:**
  - **SME**: Companies with turnover less than 5 mln USD
  - **Affluent**: Individuals with assets less than 250K TL
  - **Mass**: Individuals with assets less than 50K TL
- **Commercial:** Companies with annual turnover between 5-100 mln USD
- **Corporate:** Companies with annual turnover above 100 mln USD
- **Private:** Individuals with assets above 250K TL

Revision to segmentation criteria on 1 Jan 2009 in the context of service model fine-tuning resulted in changes in the definitions of business Units

Diversified revenue mix with retail focused loan and deposit portfolio

Revenues & Volumes by Business Unit(1) 1H09 (Bank-only)



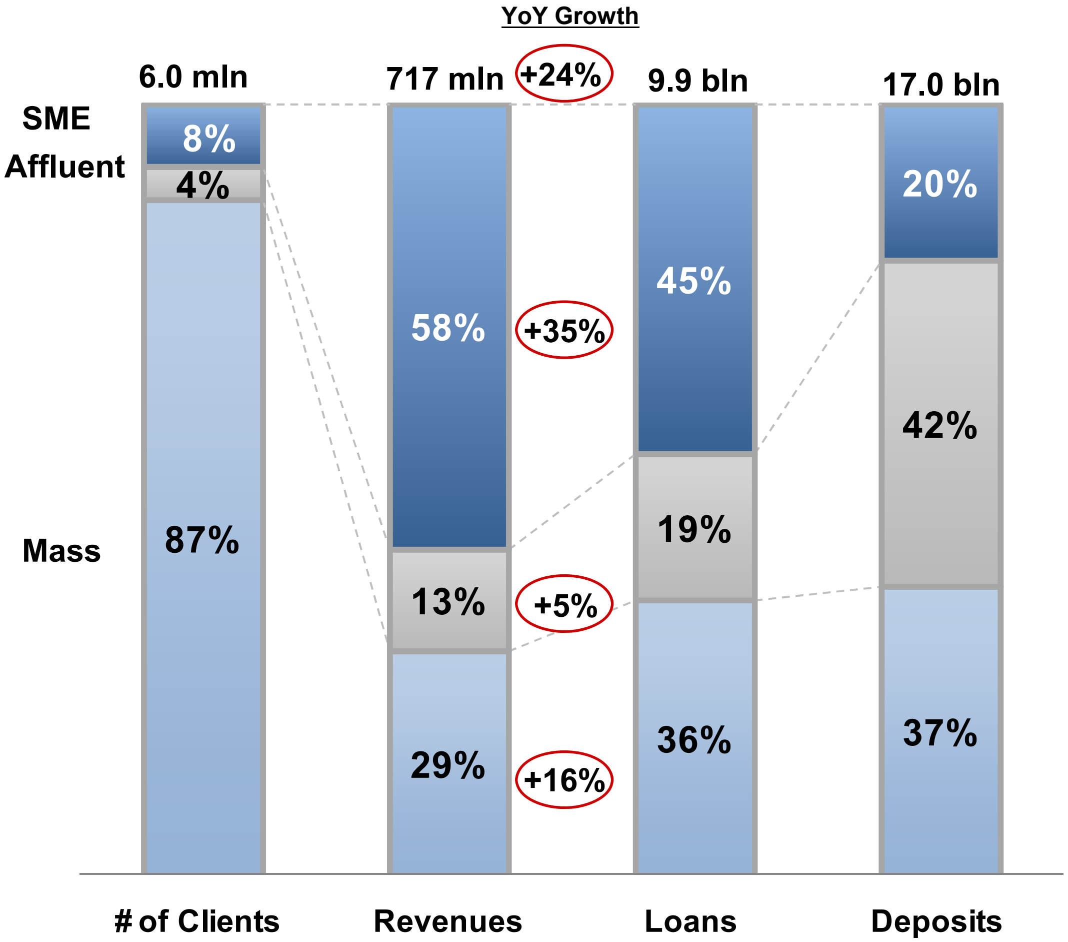
(1) Please refer to Annex for definitions of Business Units
(2) Net of loyalty point expenses on World card

Note: Loan and deposit allocations based on monthly averages (source: MIS data)

58% of retail banking revenues generated by SME business, constituting 8% of total retail clients

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

(TL, 1H09)



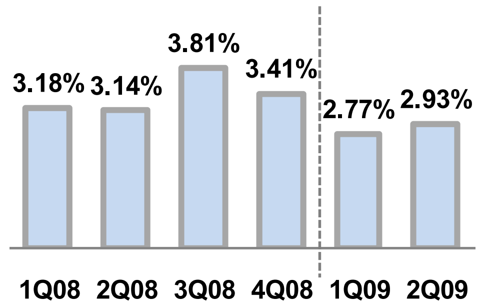
- **~485K active SME clients** generating **58% of total Retail revenues**
- **8% of total retail clients are SMEs generating 45% of loans and 20% of deposits**
- **Highest rate of revenue growth** on an annual basis driven **by SME segment (+35% y/y)**
- **Mass sub-segment** generating **29% of total Retail revenues with ~5.2 mln clients**
- **Mass sub-segment revenues growing** at **16% y/y**
- **Affluent sub-segment** generates **13% of total Retail revenues**

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

Retail (mass & affluent) banking revenues up 12% y/y impacted by sluggish demand on consumer lending

Mln TL	1H09	YoY	YTD
Revenues	304	12%	-
Loans	5,380	25%	4%
Deposits	13,569	23%	4%
AUM	2,618	5%	11%
% of Demand in Retail Deposits	13.7%	-1.2 pp	0.7 pp
TL % in Retail Deposits	72.3%	3.0 pp	-1.1 pp
% of TL in Retail Loans	100.0%	0.0 pp	0.0 pp

Revenues/ (Customer Business[(1)])



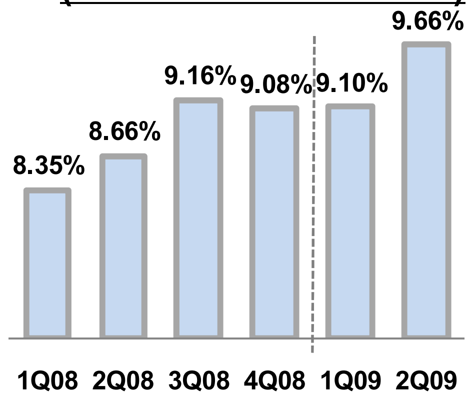
- **Retail (mass & affluent) banking revenues increasing by 12% y/y** due to **subdued consumer lending** not compensated by lower cost of funding
- **Following contraction in 1Q09** due to **sluggish demand, some increase in retail lending in 2Q09 (4% ytd) mainly** driven by **mortgages** and **general purpose loans**
- **Continued focus on customer satisfaction** in order to deepen relationships
- **Consumer loan NPL ratio at 7.2%**[(2)]. **Strong emphasis on asset quality** and **credit risk management in view of continuing deterioration**
- **Strong focus on collaboration among network** and **product factories** in order to **increase cross sell**
- **Launch of a partnership with Cardif** in April for **distribution of unemployment coverage** bundled with consumer loans, credit cards and income protection
- **Better integration between retail and card business** to **develop existing customer base** and **increase cross-sell**

Note: Volumes (loans, deposits and AUM) based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data
(1) Customer business: Loans + Deposits + AUM
(2) Including cross default. If excluding, 1H09: 3.9%

SME banking generating higher revenue growth (35% y/y); more selective lending policy and strong emphasis on credit infrastructure improvement so as to control asset quality deterioration

Mln TL	1H09	YoY	YTD
Revenues	414	35%	-
Loans	4,486	5%	-6%
Deposits	3,467	24%	-5%
AUM	580	4%	12%
% of Demand in SME Deposits	34.0%	-4.0 pp	4.4 pp
TL % in SME Deposits	68.0%	1.8 pp	-5.6 pp
% of TL in SME Loans	96.9%	-1.3 pp	-0.7 pp

Revenues/ (Customer Business[1])



- **SME revenues increasing 35% y/y** due to **more selective lending policy** in order to **ensure adequate risk-return profile**
- **Contraction in SME lending (-6%ytd)** driven by **more selective approach** and **lower business activity**
- **Increase in AUM** (12% ytd) supporting also **revenue growth**
- **SME NPL ratio at 9.8%. Increased focus on asset quality** and **improvement of credit risk infrastructure** so as to **identify riskier clients** :
  - **Launch of restructuring / crash programs** delivering positive results
  - **Limitations on branch manager authority since 1Q08**
  - **reinforcement** of **monitoring**, **work-out** and **collections** activities
  - **SME scorecard project launched in all branches as of June'09**

Note: Volumes (loans, deposits and AUM) based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data
(1) Customer business: Loans + Deposits + AUM

Credit card revenues up by 38% y/y due to significant decrease in cost of funding accompanied by higher revolving ratio and cost containment initiatives

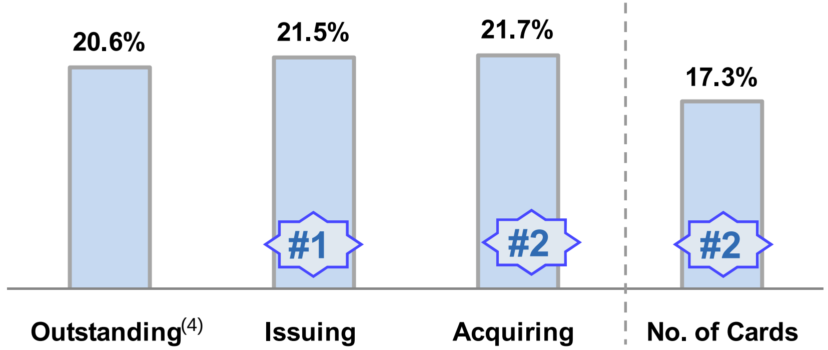
Mln TL	1H08	1H09	YoY	YTD
Revenues	491	639	30%	-
Net Revenues[1] (mln TL)	426	590	38%	-
# of Credit Cards[2] (mln)	7.3	7.6	5%	-2%
# of merchants (ths)	240	276	15%	6%
# of POS (ths)	289	333	15%	7%
Activation	86.6%	84.4%	-220 bps	90 bps

Credit Card Volumes & Market Shares[3]

Volumes (bln TL):

7.0 | 21.0 | 21.3

Market Shares:



- **~224 ths new World cards** issued in 2Q09
- **Credit card net revenues[1] up 38% y/y** due to **significant decrease in cost of funding, higher revolving ratio** and increased **profitability focus** despite continued **cap rate reductions by CBRT**
- Increased efforts to **transfer credit card customers into bank customers** to **fully exploit YKB franchise/customer base**
- **Tight cost containment measures** through **review of installments, loyalty points expenses** and **cutting costs through merhants**
- Credit Card NPL ratio at **9.7%. Launch of credit card restucturing** in 2Q09 expected to have **positive impact on asset quality in 2H09**
- **New credit card / travel program "Adios",** launched in April '09, **~100 ths cards issued in the first three months**
- Received **"Best of the Best in Europe in 2009"** award **by Visa Europe**
- **Seventh largest credit card platform in Europe in 2008** according to latest Nilson report

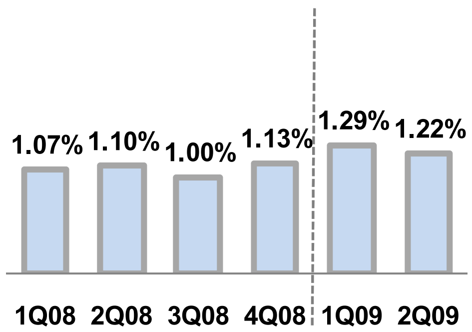
(1) Net of loyalty point expenses on World card
(2) Including virtual cards (1H09 :1.5 mln, 1H08: 1.3 mln)
(3) Market shares and volumes based on bank-only 6-month cumulative figures
(4) Based on personal credit card outstanding volume. Total credit card outstanding volume (also including corporate cards): 20.7%

Private

Private banking revenues up 26% y/y, positively impacted by the take off in AUM volumes driven by lower interest rate environment

Mln TL	1H09	YoY	YTD
Revenues	79	26%	-
Loans	223	7%	-5%
Deposits	10,079	-1%	-12%
AUM	2,038	23%	27%
% of Demand in Priv. Deps.	6.4%	2.3 pp	3.1 pp
TL % in Private Deposits	50.0%	-2.3 pp	-9.3 pp
% of TL in Private Loans	100.0%	0.0 pp	0.2 pp

Revenues/ (Customer Business[1])



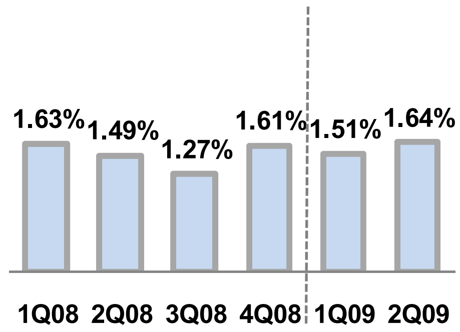
- **Private banking revenues up 26% y/y** thanks to **strong performance in AUM volumes** (+27% ytd) driven by **lower interest rate environment**
- **12% ytd decline in private banking deposits** driven by **lower interest rate environment** and **customers' shift towards AUM**
- Continued focus on **leveraging on product factories** in **distribution of asset management** and **brokerage products**
- **Revised segmentation** resulting in **enhanced service model** launched in early 2009

Note: Volumes (loans, deposits and AUM) based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data
(1) Customer business: Loans + Deposits + AUM

Corporate banking revenues up 32% y/y driven by selective volume growth and profitability focus

Mln TL	1H09	YoY	YTD
Revenues	130	32%	-
Loans	8,110	24%	-8%
Deposits	7,222	-6%	-18%
AUM	132	-19%	24%
% of Demand in C. Deposits	8.7%	0.4 pp	2.6 pp
TL % in Corp. Deposits	30.7%	-22.6 pp	-7.8 pp
% of TL in Corp Loans	13.0%	-3.1 pp	-5.4 pp

Revenues/ (Loans + Deposits)



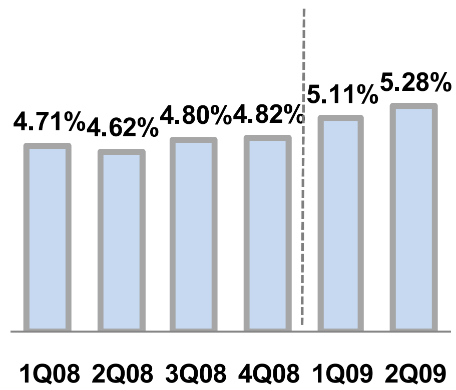
- **Corporate banking revenues up 32% y/y** driven by **selective lending policy** and **profitability focus**
- **Loans down by 8% ytd** driven by **sluggish business activity**
- **Disciplined pricing approach yielding positive results in terms of improvement in risk adjusted return on capital**
- **AUM up by 24% ytd** driven by **lower interest rate environment**
- **Relatively sound asset quality** (Corporate/Commercial NPL ratio at 2.8%) with focus on **reviewing portfolios to manage exposures at risk** through **strenghtened collateral or eventually exits/restructuring**

Note: Volumes (loans, deposits and AUM) based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data

Commercial banking revenues up 39% y/y driven by profitability focus on the back of declining lending volumes

Mln TL	1H09	YoY	YTD
Revenues	**432**	**39%**	**-**
Loans	**10,278**	**11%**	**-6%**
Deposits	**6,186**	**33%**	**1%**
AUM	**368**	**85%**	**65%**
% of Demand in Com. Deposits	**26.5%**	**-4.3 pp**	**0.1 pp**
TL % in Comm. Deposits	**42.1%**	**-1.2 pp**	**-5.1 pp**
% of TL in Com. Loans	**43.3%**	**-7.0 pp**	**-3.2 pp**

Revenues/ (Loans + Deposits)



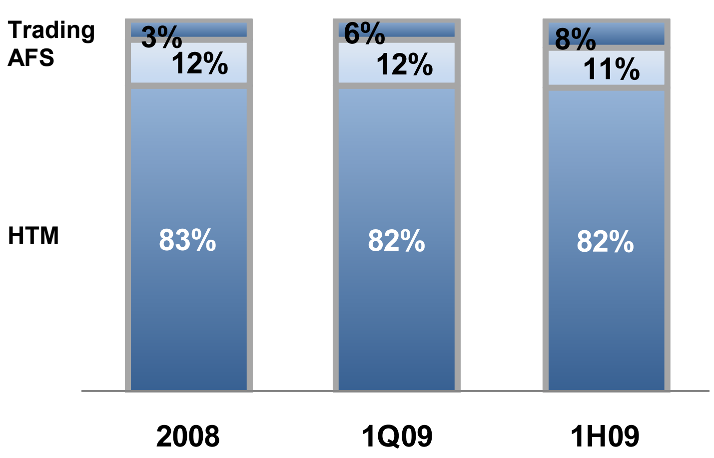
- **Commercial banking revenues up 39% y/y** driven by **profitability focus on the back of volume contraction**
- **Significant increase** in **AUM** (85% y/y and 65% ytd) due to **lower interest rate environment**
- **Focus on revenue oriented initiatives** to **improve profitability / return on capital**
- **Strong emphasis** on **supporting existing core clients** while **selective acquisition of new clients** in **underpenetrated areas** with **sound risk approach**
- Expanding **product specialist approach** (including **cash management products, trade finance** and **TMU);** leverage on **leasing** and **factoring products**
- **Relatively sound asset quality** (Corporate/Commercial NPL ratio at 2.8%) with focus on **reviewing portfolios to manage exposures at risk through strenghtened collateral or eventually exits/restructuring**

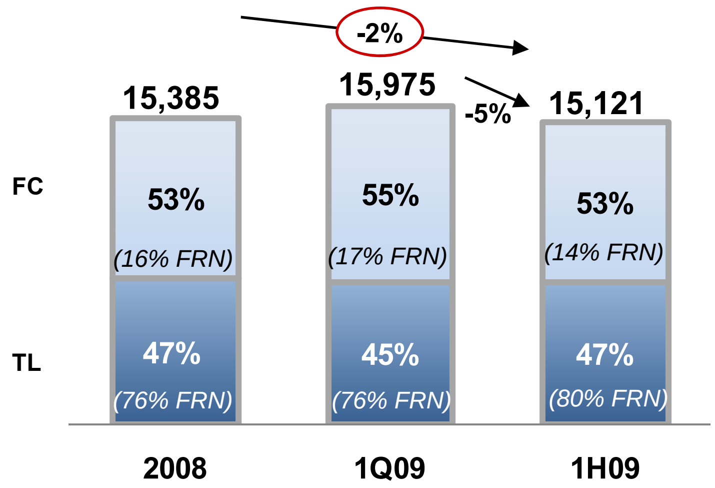
Note: Volumes (loans, deposits and AUM) based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data

AGENDA

- **Annex**
  - Detailed Performance by Strategic Business Unit
  - **Other**

82% of securities portfolio invested in HTM





- **Share of HTM stable at 82%**, while **share of AFS decreasing to 11%** (vs. 12% in 1Q09)
- **Held to maturity (HTM) mix in total securities higher at bank level at 86%**
- **FX open position is kept minimal**, restricted with VaR and position limits; **monitored on a daily basis**
- **-5% q/q decrease in total securities** driven by **FX impact and redemptions** but **share of securities in total assets stable at 21.6%**

FRN: Floating Rate Notes

International Borrowings

Syndications

1.4 bln USD outstanding

- Sept 09: ~USD 1 bln, Libor +0.75% all-in cost, 1 year
- Apr 10: ~USD 410 mln, Libor +2.5% bps all-in cost, 1 year

Securitisations

1.4 bln USD outstanding resulting from market transactions concluded in Dec 06 and Mar 07

- 7-8 year, 6 wrapped tranches, Libor+18 bps-35 bps + insurance premiums
- No principal repayment in '09

Subloans

€1,050 mln outstanding

- €500 mln - YKB Mar 06 (10NC5, Libor+2.00% p.a.)
- €350 mln - Koçbank Apr 06 (10NC5, Libor+2.25% p.a.)
- €200 mln - YKB Jun 07(10NC5, Libor+1.85% p.a.)

Other

- **Sace Loan:** €100 mln in Jan 07 to support Italian trade finance transactions (5 years, all-in Euribor+1.20% p.a.)
- **EIB Loan:** €100 mln Jul 08 to support SMEs in Turkey (10 years). No principal repayment in '09
- **IBRD (World Bank) Loan:** $25 mln 6 year loan signed in Nov 08 to be disbursed on a project basis (Libor+1,50% p.a.). No principal repayment in '09