



Yapı Kredi 2010 YE Earnings Presentation

BRSA Consolidated

İstanbul, 28 February 2011



AGENDA

- **2010 Operating Environment**
- 2010 Results (*BRSA Consolidated*)
- Performance by Strategic Business Unit (*Bank-only*)
- Performance of Subsidiaries
- 2011 Outlook and Priorities
- Annex

Strong economic recovery with solid GDP growth supported by stabilised interest rates and low inflation

	2007	2008	2009	2010
GDP Growth (y/y)	4.7%	0.7%	-4.7%	7.4% ²
Inflation (eop, y/y)	8.4%	10.1%	6.5%	6.4%
CBRT Policy Rate (eop) ¹	15.75%	15.00%	6.50%	6.50%
Industrial Production (y/y)	7.0%	-0.6%	-9.9%	13.1%
Consumer Confidence Index	93.9	69.9	78.8	91.0
Unemployment Rate	10.3%	11.0%	14.0%	11.6% ²
Current Account Deficit / GDP	5.9%	5.6%	2.3%	6.6% ²
FDI / GDP	3.4%	2.5%	0.9%	1.1% ²

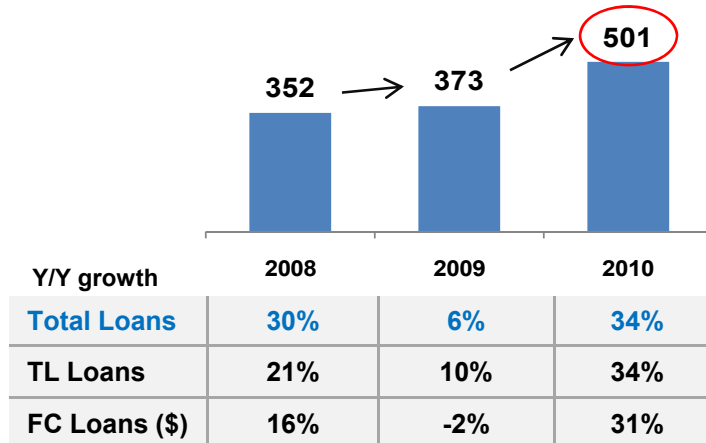
- **Strong and sustainable growth dynamics** driven by domestic demand and steady productivity gains
- **Sustained low inflation environment** with annual inflation paralel to CBRT target
- **Stabilised interest rates**, with rate cuts as part of **CBRT's new policy mix** together with hike in banks' reserve requirement **to contain current account deficit** through discouraging short-term capital inflows, preventing further appreciation of TL and curbing excessive loan growth
- **Significant pickup in industrial production** in line with increased private consumption
- **Consumer confidence progressively strengthening** to pre-crisis levels
- **Continuous improvement in unemployment**, albeit still higher than pre-crisis levels

¹ As of May 2010, the policy rate changed to one-week lending repo rate (7.0%) from the Central Bank of Turkey (CBRT) O/N borrowing rate (6.5%).
As of 21 January, 2011, policy rate decreased to 6.25% from 6.5% as of YE10. As of December 2010, CBRT O/N borrowing rate at 1.5%

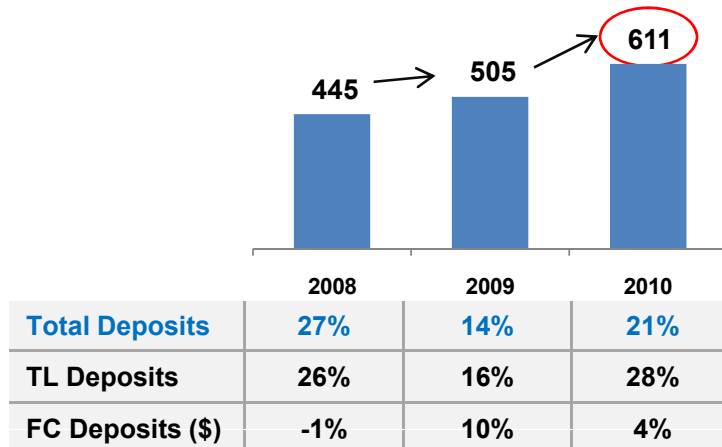
² YK Economic Research estimates

Sustained profitability at sector level driven by robust volume growth and improvement in asset quality, despite strong competition and margin pressure

Sector Loans (bln TL)



Sector Deposits (bln TL)



Sector KPIs

	2008	2009	2010	2010-2009 Δ
Total Assets (bln TL)	707	800	964	21%
Net Income (bln TL)	12.7	19.4	21.2	9%
Loans / Deposits	79%	74%	82%	8 pp
Deposits / Assets	61%	61%	61%	-
NPL Ratio	3.5%	5.3%	3.7%	-1.6 pp
NIM	4.9%	5.6%	4.4%	-1.2 pp
ROAE	18.3%	23.0%	20.1%	-2.9 pp
ROA	1.8%	2.4%	2.2%	-0.2 pp
Cost / Income	45.3%	36.0%	41.6%	5.6 pp
CAR	16.6%	19.3%	17.7%	-1.6 pp

- **Strong lending growth.** Loans up to TL 501 bln (+34%)
- **Comfortable funding position.** Deposits up to TL 611 bln (+21%), Loans / Deposits at 82%
- **Positive asset quality trend.** NPL ratio at 3.7% (-1.6 pp)
- **Decreasing but still robust capitalisation level.** CAR at 17.7%
- **Sustained profitability.** ROAE at 20.1%

Note: Banking sector loan and deposit figures based on BRSA weekly, all other figures based on monthly data, excluding participation banks

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Key achievements in 2010....

Robust above sector business volume growth

on the back of strong focus on customer related business with retail oriented mix

Improvement in commercial effectiveness

due to simplification of processes, enhancement of sales support tools, innovative products and customer penetration

Lowest cost growth among peers

driven by continued cost discipline and ongoing efficiency investments

Positive asset quality performance

impacted by slowdown in NPL inflows, strong collections, NPL sales and credit infrastructure enhancements

Strong profitability

through solid fees, asset quality improvement and controlled costs despite downward pressure on NIM

Diversification of funding

through syndications, multilateral loans and long-term loan participation notes secured from debt capital markets

Strong focus on customer satisfaction and lower cost to serve

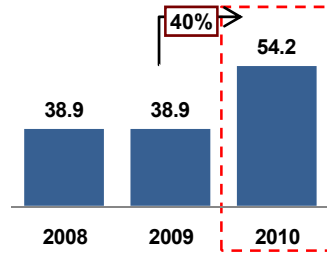
on the back of improving sales effectiveness, faster response times and investments in alternative delivery channels

...resulted in continuation of strong and sustainable financial performance

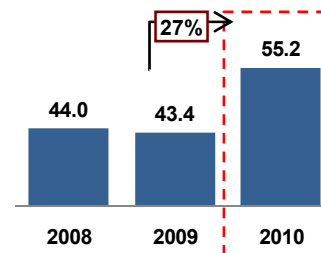
2010 Results (BRSA Consolidated)

Growth & Commercial Effectiveness

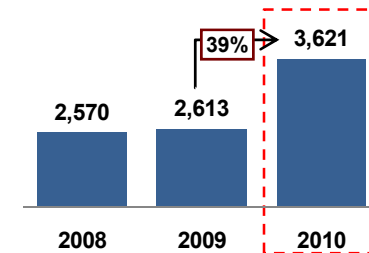
Performing Loans (bln TL)



Total Deposits (bln TL)

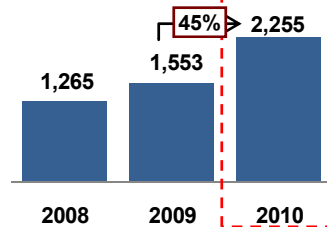


Loans / Employee (ths TL)

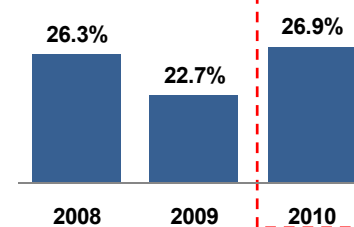


Profitability

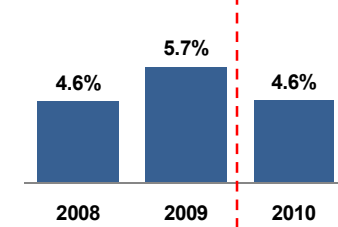
Net Income (mln TL)



Return on Average Equity (ROAE)¹

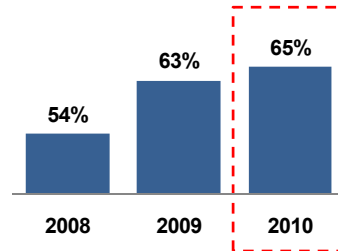


Net Interest Margin (NIM)

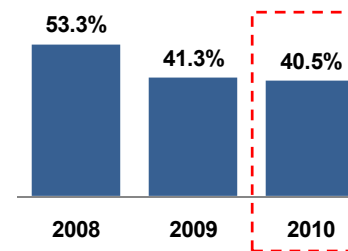


Sustainability

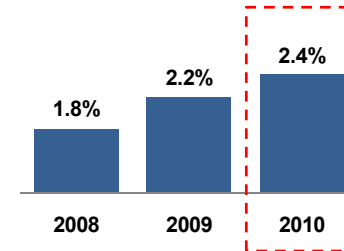
Fees / Costs



Cost / Income



Return on Assets (ROA)²



¹ Calculations based on the average of current period equity (excluding current period profit) and prior year equity. Annualised

² Calculations based on net income/end of period total assets. Annualised

2.3 bln TL net income (45% y/y) driven by strong volume growth, solid fee income, tight cost control and asset quality improvement

2010 Results (BRSA Consolidated)

<i>Income Statement, mln TL</i>	2009	2010	YoY
Total Revenues	6,071	6,649	10%
Net Interest Income	3,897	3,582	-8%
Non-Interest Income	2,174	3,067	41%
Fees & Comms.	1,569	1,738	11%
Trading & FX (net) ¹	371	-32	-109%
Other	234	1,361	482%
Operating Costs	2,510	2,693	7%
HR	1,021	1,128	10%
Non-HR ²	1,272	1,440	13%
Other ³	217	125	-42%
Operating Income	3,561	3,956	11%
Provisions	1,652	1,162	-30%
Loan Loss Provisions	1,592	1,120	-30%
Other Provisions	60	42	-30%
Pre-tax income	1,909	2,794	46%
Tax	356	539	51%
Net Income⁴	1,553	2,255	45%

- **Revenues up 10% y/y** driven by **positive fee performance and collections** despite **NIM compression** and **negative trading result¹**
- **Total costs up 7% y/y**, in line with inflation, with **10% y/y HR cost growth** and **13% y/y non-HR cost growth**
- **Provisions down 30% y/y** driven by asset quality improvement
- **Cumulative net income up 45% y/y to 2.3 bln TL**

¹ Negative trading results vs 2009 driven by (1) mark-to-market effect on fixed cross-currency interest rate swaps (IRS) due to historically low interest rates, (2) increasing IRS volume vs 2009 (3) annualised full year impact of interest payments on IRS bought in mid-2009 (4) high base in 2009 due to strong trading gains driven by declining rates

² Non-HR costs include HR related non-HR costs, advertising, rent, SDIF, taxes and depreciation

³ Other costs include pension fund provisions and loyalty points on World card

⁴ Indicates net income before minority. Net income after minority: 2,248 mln TL (+46% y/y)

Strong balance sheet evolution driven by customer related business with solid capital, funding and liquidity positions

2010 Results (BRSA Consolidated)

<i>Balance Sheet, bln TL</i>	2009	2010	%Y/Y
Total Assets	71.7	92.8	29%
Loans	38.9	54.2	40%
TL	24.6	34.6	41%
FC (in \$)	9.7	13.1	34%
Securities	16.3	19.9	22%
Deposits	43.4	55.2	27%
TL	23.2	32.3	39%
FC (in \$)	13.7	15.2	11%
Shareholders' Equity	8.5	10.7	27%
AUM	7.7	9.0	17%

<i>Ratios</i>	2009	2010	Δ YTD (pp)
Loans/Assets	54.2%	58.4%	4.3
Securities /Assets	22.8%	21.5%	-1.3
Loans/Deposits	89.6%	98.3%	8.7
Deposits/Assets	60.5%	59.5%	-1.0
Leverage¹	7.5x	7.6x	-
Borrowings/Liabilities²	13.8%	17.1%	3.3
Group CAR	16.5%	15.4%	-1.1
Bank CAR	17.8%	16.1%	-1.7

- **Above sector loan growth** (40% vs 34% sector) mainly driven by **TL loans** (41%) on the back of **increased commercial effectiveness. Strong pick-up in 4Q, also driven by seasonality** (14% q/q loan growth)
- **Above sector deposit growth** (27% vs 21% sector) **driven by TL deposits** (39%). **Pick-up in 4Q** in line with loan growth (12% q/q deposit growth)
- **AUM up 17%** (vs 9% sector)
- **Loans/assets at 58%** (+4pp) in line with **customer-business focus. Securities/assets at 21%**
- **Loan / deposit ratio at 98%** driven by ALM strategy. **Deposit / asset ratio at 60%**, in line with sector
- **Group CAR at 15.4%** and **Bank CAR at 16.1%**

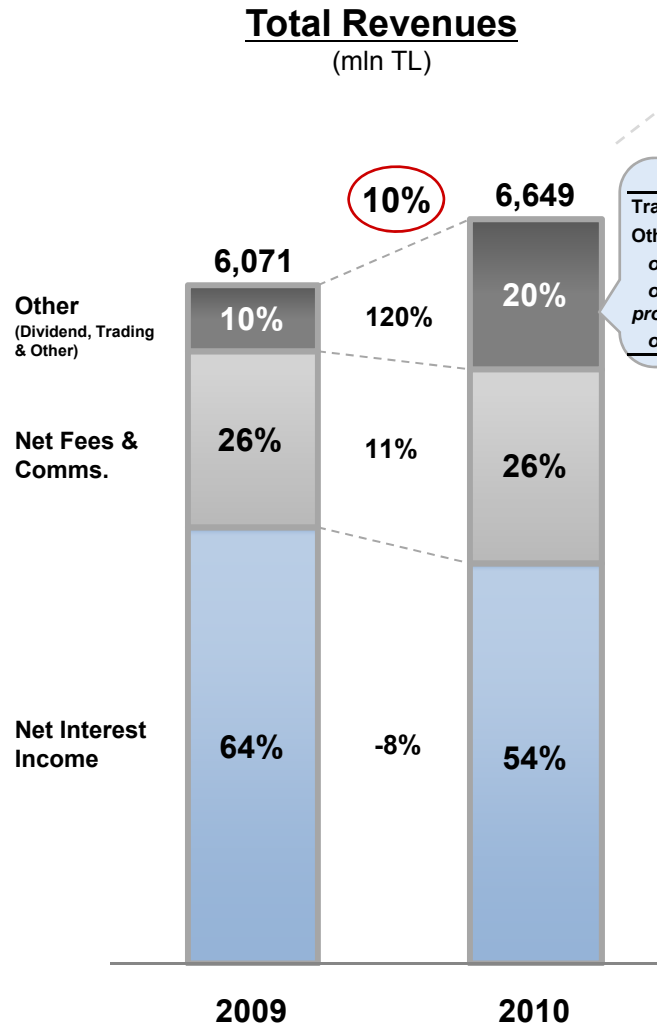
Note: Loan figures indicate performing loans

¹ Leverage ratio = (Total assets – equity) /equity

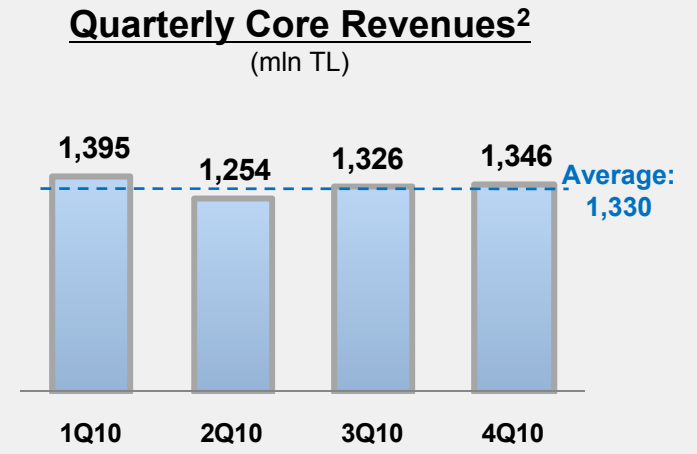
² Includes funds borrowed, sub-debt and repo funding

Sustained revenue performance and strong composition driven by focus on customer related business

2010 Results (BRSA Consolidated)



MIn TL	2009	2010
Trading & FX (net)	371	-32
Other	234	1,361
o/w collections	48	666
o/w general provision release ¹	-	114
o/w NPL sale	26	72

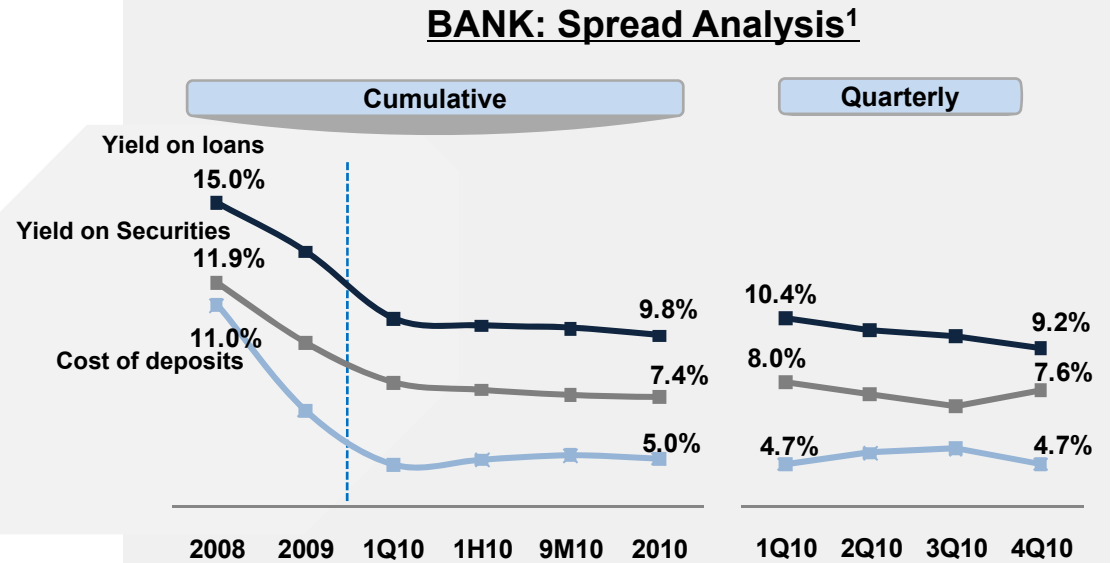
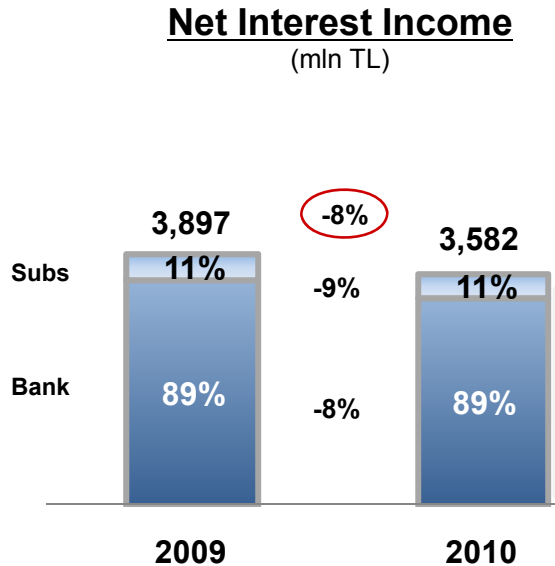


- Total revenues up 10% y/y driven by strong fee performance and asset quality improvement despite narrowing NIM
 - Quarterly core revenues at 1,346 mIn TL, slightly above 2010 average
- Net interest income / total revenues down to 54% (vs 64% in 2009) on the back of continued NIM pressure
- Fees / total revenues stable at 26%, highest in the sector
- Other income / total revenues at 20% due to negative trading results being compensated by other income (mainly collections)
 - Negative trading results vs 2009 driven by (1) mark-to-market effect on fixed cross-currency interest rate swaps (IRS) due to historically low interest rates, (2) increasing IRS volume vs 2009 (3) annualised full year impact of interest payments on IRS bought in mid-2009 (4) high base in 2009 due to strong trading gains driven by declining interest rates
 - Strong other income driven by asset quality improvement (strong collections, one-off general provision release and NPL sale)

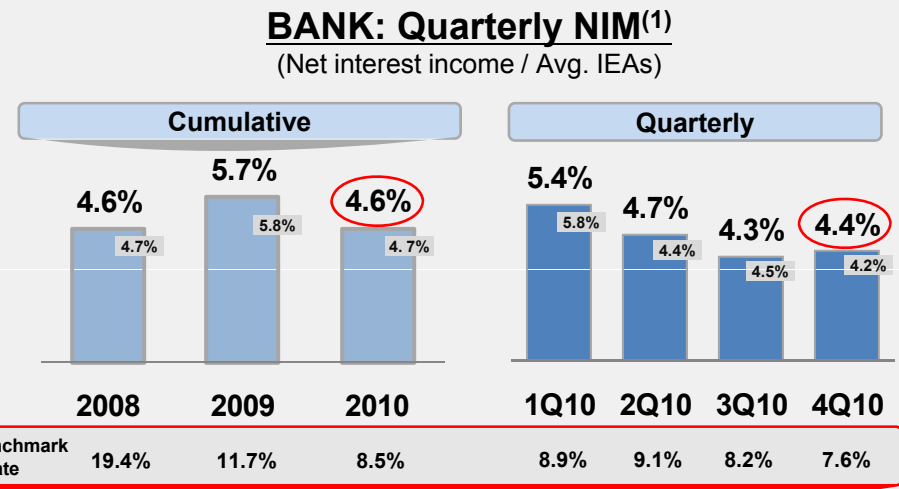
1 One-off general provision release in 3Q10 based on IBNR calculation methodology
 2 Net interest income and net fees and commissions

Full year NIM at 4.6%, (-110 bps vs 2009) in line with guidance and confirming disciplined approach

2010 Results (BRSA Consolidated)



- **Net interest income down 8% y/y**, driven by 8% y/y decline at Bank and 9% y/y decline at Subs
- **Cumulative NIM at 4.6% (-110bps y/y)** driven by **low interest rate environment** and **competition** despite strong volumes
- **Quarterly NIM at 4.4%** with slight pick-up in 4Q on the back of **stabilising loan yields**, **declining cost of deposits** and **improved contribution of securities portfolio**

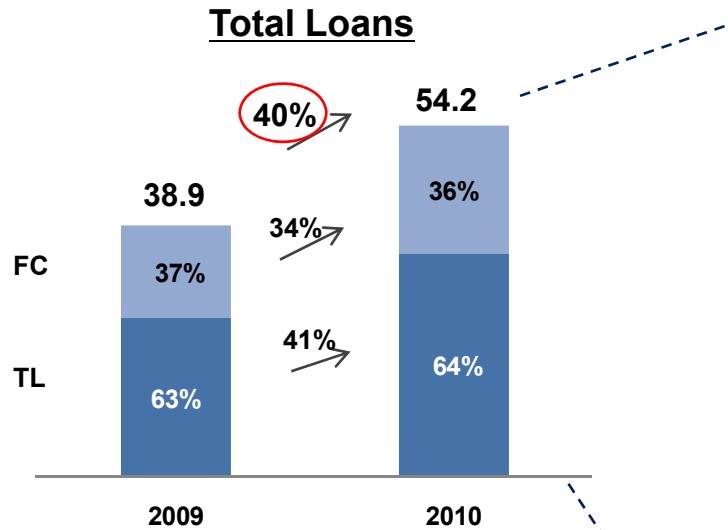


¹ All calculations based on average quarterly volumes

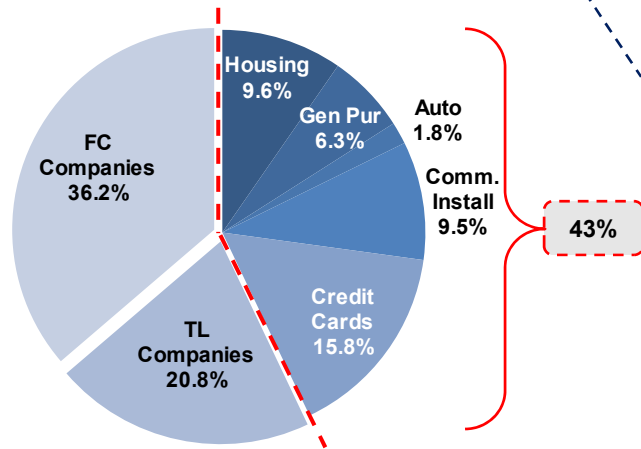
Note: NIM and yield on securities adjusted to exclude the effect of reclassification as per BRSA between interest income and other provisions related to impairment of held to maturity securities. Blue columns refer to adjusted NIM figures while figures in grey boxes refer to reported NIM

Strong above sector loan growth of 40% driven by consumer, SME and mid-term commercial lending on the local currency side and project finance loans on the foreign currency side

2010 Results (BRSA Consolidated)



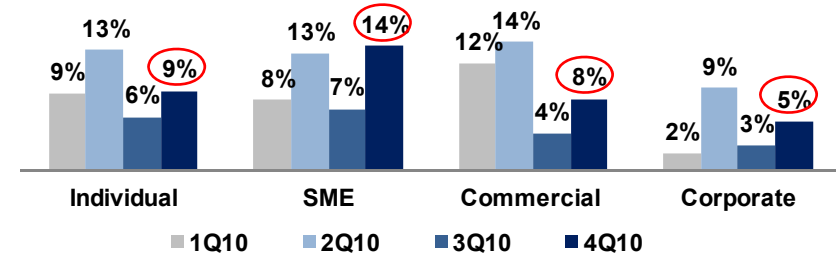
Composition of Total Loans¹



Loan Breakdown

	2010		Sector Growth	Market Shares			
	bln TL	Growth		2009	2010	Δ bps	
Consumer Loans	9.6	39%	38%	7.6%	7.6%	6.4	→
Mortgages	5.2	37%	35%	9.0%	9.1%	13.0	↑
General Purpose	3.4	37%	42%	5.6%	5.4%	-18.4	↓
Auto	1.0	62%	27%	14.0%	17.8%	380.4	↑
Credit Cards	8.5	14%	21%	20.4%	19.3%	-113.7	↓
Companies	36.1	48%	35%	9.6%	10.4%	73.2	↑
TL	16.4	61%	33%	7.0%	8.5%	146.6	↑
FC (\$)	13.1	34%	33%	12.5%	12.5%	2.4	→
Commercial Installment ²	5.1	69%	40%	7.8%	9.5%	175.3	↑

Loan Growth by Business Unit³



Note: Sector data based on weekly BRSA unconsolidated figures. Market shares based on unconsolidated figures for YKB and sector according to BRSA classification with FC-indexed loans included in TL loans

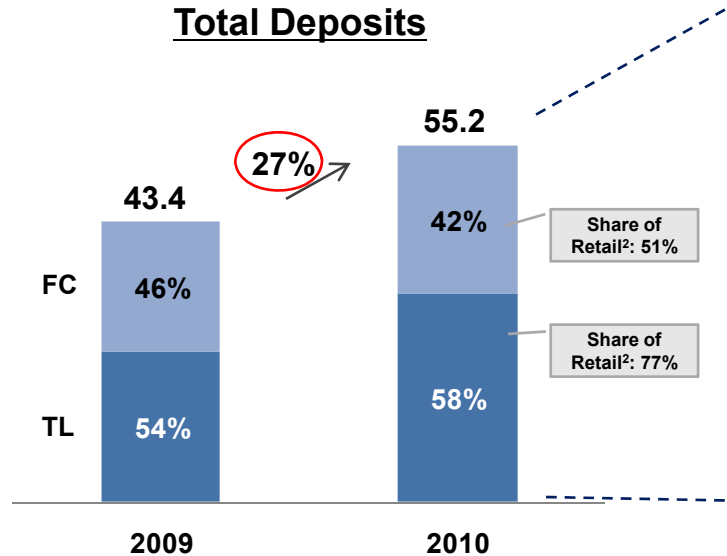
1 Total performing loans

2 Proxy for SME loans as per BRSA reporting

3 Based on MIS data. Please refer to annex for Yapı Kredi's internal segment definitions

Above sector deposit growth driven by TL deposits. Solid demand deposit base maintained

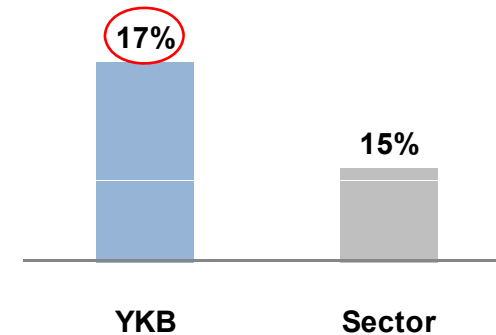
2010 Results (BRSA Consolidated)



	2010		Sector Growth	Market Shares			
	bIn TL	Growth		2009	2010	Δ bps	
TL Deposits	32.2	39%	28%	6.9%	7.6%	66.2	↑
FC Deposits (\$)	15.2	11%	4%	10.3%	11.0%	70.4	↑
Customer Deposits	53.4	27%	20%	8.2%	8.9%	62.9	↑
Demand Deposits	9.5	19%	22%	10.2%	9.8%	-37.1	↓
AUM	9.0	17%	9%	18.0%	18.4%	40.0	↑

- **Total deposits up 27%** driven by strong TL deposit growth (39%) in line with **TL driven retail focused strategy**. Increased share of TL in total deposits (58%)
 - Share of retail deposits in total TL deposits at 77%
- **Weight of demand deposits over total at 17%** (15% sector). Demand deposits up 19%
- **Total AUM up 17%** driven by **new product offerings** and **interest rate environment**. #2 ranking with 18.4% market share

Demand Deposits/Total Deposits



Note: Sector data based on weekly BRSA unconsolidated figures. Market shares based on unconsolidated figures for YKB and sector

1 Customer deposits exclude bank deposits

2 Retail includes SME, mass, affluent and private. Based on MIS data

Solid fee growth on the back of strong volumes, focus on new fee sources and introduction of innovative products

2010 Results (BRSA Consolidated)

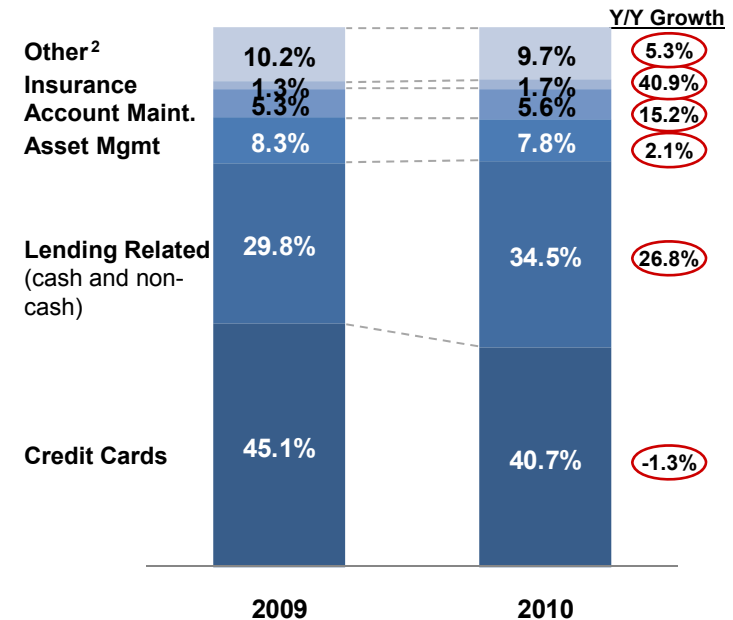
Net Fees & Commissions

mln TL	2009	2010	Y/Y
Group	1,569	1,738	11%
Subs	8%	8%	7%
Bank	92%	92%	11%

Key drivers of fee growth

New Products	Launch of product bundles 370K sales (295K retail, 75K SME) in just 10 months
New Fee Areas	Introduction of fees in leasing & factoring leasing and factoring fees +78%
Focus on Collection	Efforts to increase fee collection ratio 65% in retail, 70% at Bank level
Focus on Fee Generating Products	<p>Bancassurance Insurance fees +41%; Increase in share of insurance fees in total bank fees to 1.7% (vs 1.3%)</p> <p>Brokerage / Asset Management Equity trading +96%, Private AUM +15%</p> <p>Trade finance Average volumes +77%</p> <p>Cash management Average volumes +41%</p>

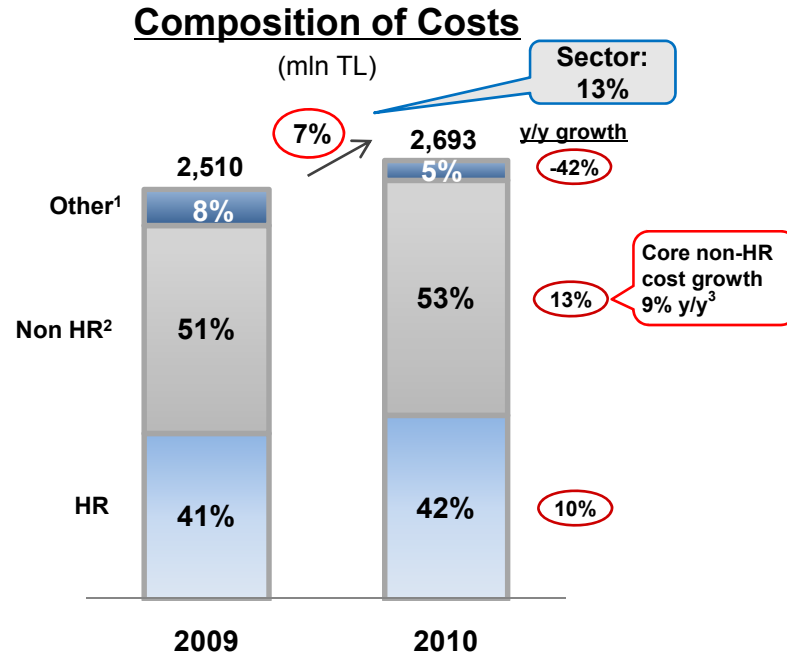
BANK: Composition of Fees & Commissions Received¹



- Fees up 11% y/y (vs 6% y/y at sector) driven by focused approach. Fees up 15% y/y, excluding credit cards
- Credit card fees -1.3% y/y, impacted by low interest rate environment. Share of credit cards in total fees at 40.7% confirming increasing diversification of fee base
- Lending related fees up 27% y/y, driven by strong above sector lending. Share of lending related fees in total at 35% (vs 30% in 2009)
- Insurance fees up 41% y/y driven by bancassurance focus
- Account maintenance fees up 15% y/y due to repricing actions

1 Total Bank fees received as of 2010: 1,852 mln TL (1,692 mln TL in 2009)
Total Bank fees paid as of 2010: 256 mln TL (255 mln TL in 2009)
2 Other includes money transfers, equity trading, campaign fees, product bundle fees etc.

Strong cost performance on the back of continuous cost discipline and efficiency initiatives since 2007



Cost and Efficiency Evolution

	2007	2010	Change
No of Branches (Bank)	676	868	28%
No of Headcount (Bank)	14,249	14,411	1%
Costs (mln TL)	2,338	2,697	5% ⁵

- **Total cost growth in line with inflation (7% y/y) despite continuous investment for growth, confirming unique capability of achieving business growth with below sector cost growth**
- **HR costs up 10% y/y driven by annual salary increases. 14,411 employees as of YE10**
- **Non-HR costs up 13% y/y driven by one-off effects of branch tax in 1Q and legal fees related to NPL sales. Excluding one-off effects, core non-HR costs up 9% y/y³**
 - **Branch expansion continuing with 39 new openings (30 net) in 2010. 868 branches as of December 2010**
- **Other costs down 42% y/y, driven by effective management of World loyalty points and stabilised pension fund deficit⁴ vs YE09**

1 Includes pension fund provision expense and loyalty points on World card

2 Non-HR costs include HR related non-HR costs, advertising, rent, SDIF, taxes and depreciation

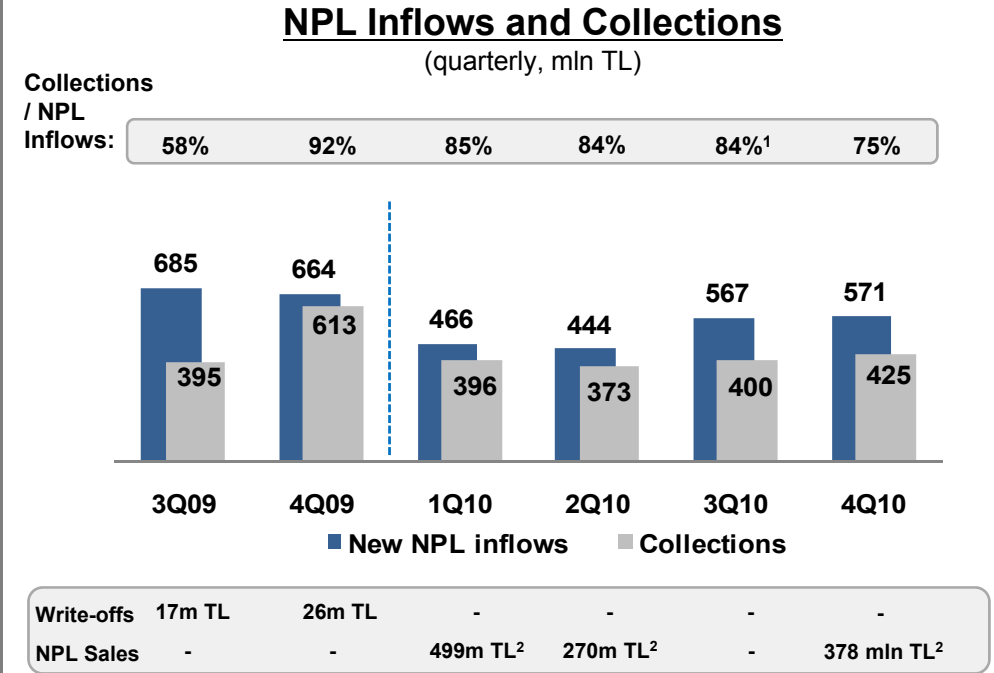
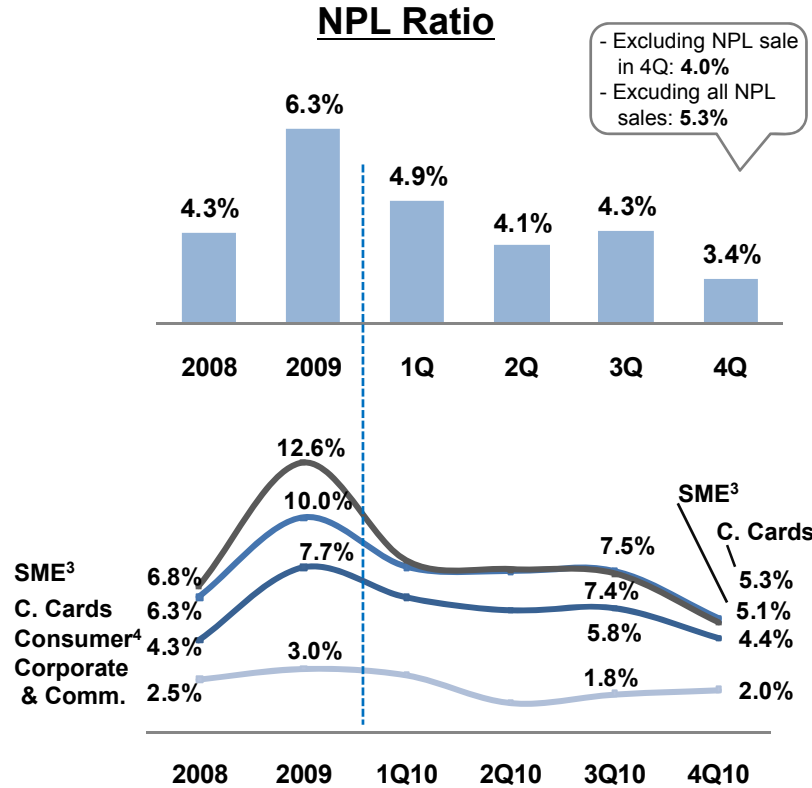
3 Excluding one-off effects of branch tax introduced in 2010 (40 mln TL), NPL sale legal fees in 1Q (8 mln TL), 2Q (1.2 mln TL), 4Q (1.1 mln TL)

4 Obligation to provide all qualified employees with pension and post-retirement benefits, calculated annually by an independent actuary registered with the Undersecretariat of the Treasury

5 2007-2010 CAGR

Significant improvement in asset quality, in line with improving macro conditions

2010 Results (BRSA Consolidated)



- NPL ratio down to 3.4% (-290 bps) driven by decreased NPL inflows, strong collections, NPL portfolio sales, credit infrastructure improvements and restructuring programs
- Continuing positive collections performance (cumulative collections /NPL inflows at 82%¹ in 2010 vs 63% in 2009)
- Ongoing restructuring programs for selected SME, credit cards and commercial loans, albeit at a slower pace (~1.6 bln TL)

1 Excluding one large commercial position (fully provisioned including collaterals) booked as NPL in 3Q

2 Please see Annex for detailed information on 2010 NPL sales

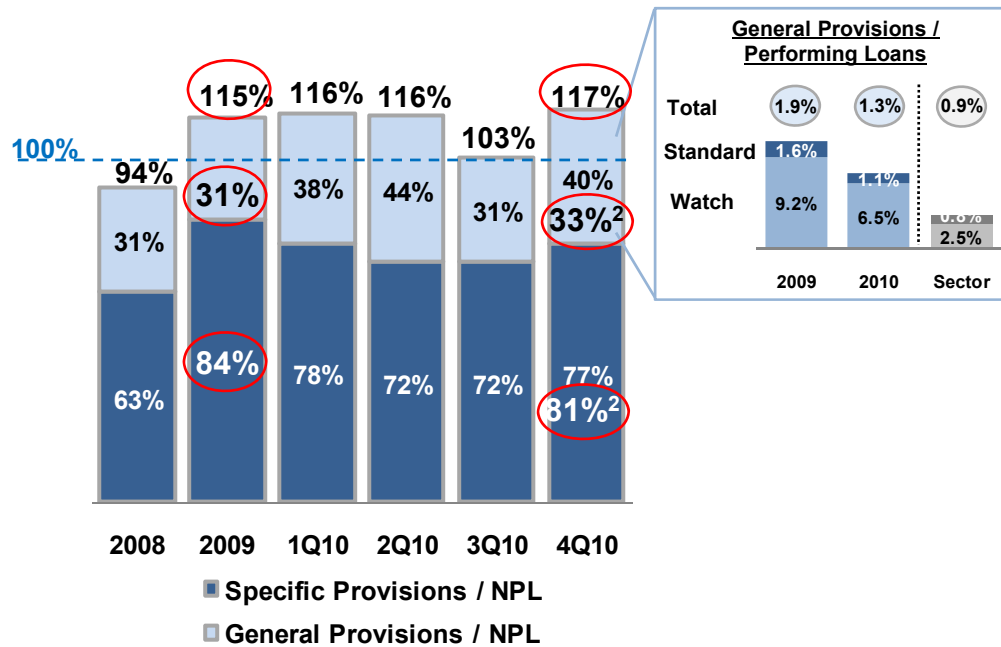
3 As per YKB's internal segment definition, SMEs: companies with annual turnover <5 mln USD. Corporate & Commercial: companies with annual turnover >5 mln USD

4 Including cross default. If excluding, 2010: 3.1%

Strong overall NPL coverage, normalising cost of risk

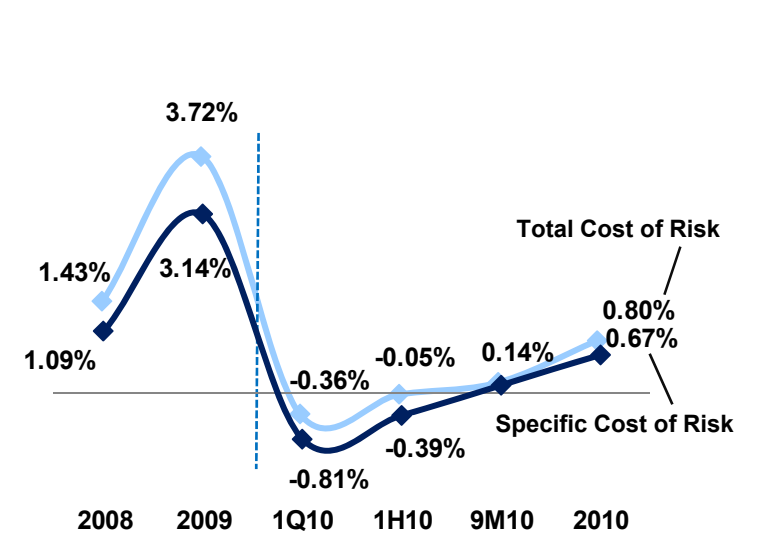
2010 Results (BRSA Consolidated)

Specific and General Provisions / NPL



Cumulative Cost of Risk¹

(net of collections)

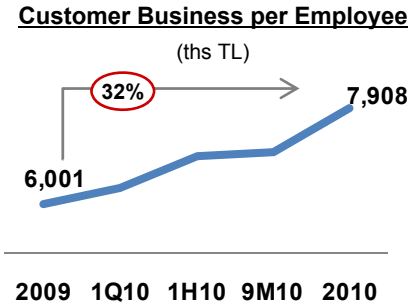
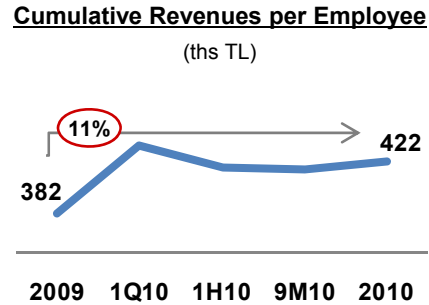


- Total coverage of NPL volume at 117% (including specific and general provisions / NPL)
 - Specific coverage at 77% (+5pp vs 3Q) driven by realignment of total coverage level
 - General provision coverage at 40% (+9pp vs 3Q impacted by NPL sale in 4Q), 33% excluding NPL sale
- Total cost of risk (net of collections) normalising at 0.80%, including effect of specific coverage increase in 4Q

¹ Cost of risk = (total loan loss provisions-collections) / total gross loans
² Excluding NPL sale in 4Q. Please see Annex for detailed information on 2010 NPL sales
 Note: General provisions / NPL = (standard + watch provisions) / NPL
 Total general provisions / performing loans = (standard + watch provisions) / performing loans

2010 performance in key commercial effectiveness areas

Productivity and Innovation



New and Innovative Product Launches

Retail Banking

- Product Bundles
- 2 new credit cards (Adios Premium and Taksitçi)
- Credit card protection insurance

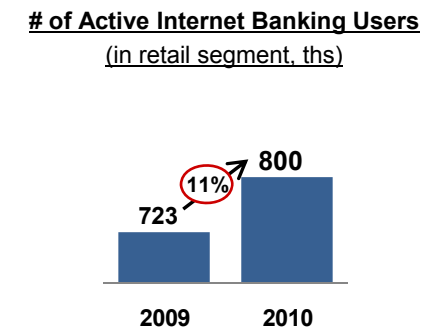
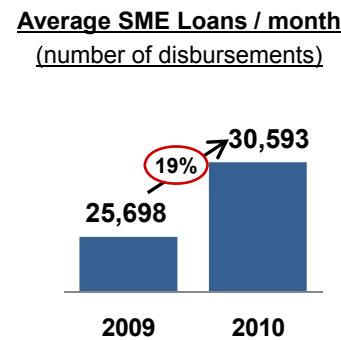
Private Banking

- 9 capital guaranteed funds
- 1 Gold fund

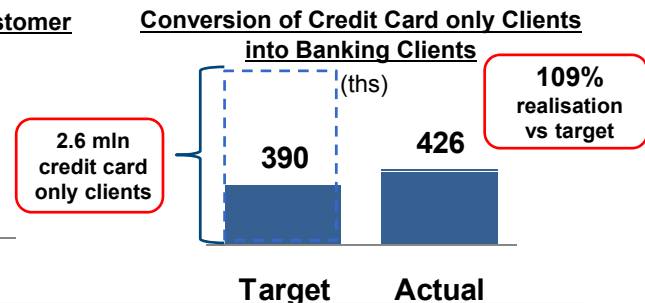
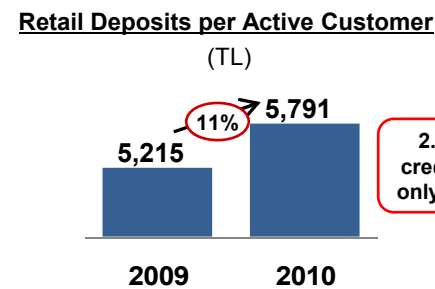
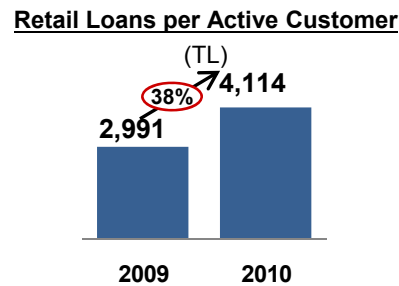
Process / System Enhancements

Lending Response Times
(number of days)

	2009	2010
Mortgages	2	1
SME	10	4
GPL	~1-2	1
Commercial	~40	~5-15



Customer Related Initiatives



In 2011, YKB will continue to focus on customer satisfaction and increasing commercial effectiveness through focus on cross-sell, bundling approach and customer activation

Note: BRSA Bank-only figures used for commercial effectiveness indicators

AGENDA

- 2010 Operating Environment
- 2010 Results (*BRSA Consolidated*)
- **Performance by Strategic Business Unit (*Bank-only*)**
- Performance of Subsidiaries
- 2011 Outlook and Priorities
- Annex

Strong performance of retail and private driven by above sector volume growth accompanied by rational pricing. Cards impacted by regulatory pressure and lower interest rates while corporate / commercial impacted by continued margin pressure

Performance by SBU

Weight in Bank		Revenues (mln TL)	Y/Y (2009 - 2010)	Drivers of revenue growth
Customer Revenues ¹	Business ²			
36%	35%	Retail ³ 1,713	16%	Revenues up 16% y/y, driven by above sector volume growth and strong fee performance (21 %y/y)
21%	8%	Credit Cards ⁴ 981	-15%	Revenues down 15% y/y due to continued decline in cap rates in a low / stable interest rate environment and downward pressure on interchange fees (-13% y/y)
4%	13%	Private 179	13%	Revenues up 13% y/y driven by above sector growth in AUM volumes (15% y/y) positively contributing to fee income (19% y/y)
5%	18%	Corporate 235	4%	Revenues up 4% y/y impacted by continued margin pressure on the back of low / stable interest rate environment and competition
18%	23%	Commercial 865	2%	Revenues up 2% y/y impacted by continued margin pressure on the back of low / stable interest rate environment and competition

1 Revenues excluding treasury and other
 2 Customer business = Loans + Deposits + AUM
 3 Retail includes individual (mass and affluent) and SME banking
 4 Net of loyalty point expenses on World cards
 Note: all figures based on MIS data

AGENDA

- 2010 Operating Environment
- 2010 Results (*BRSA Consolidated*)
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- **Performance of Subsidiaries**
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Strong profitability performance by subsidiaries, especially asset management, brokerage and factoring. Increased focus on further enhancing synergies between subsidiaries and the Bank

	Revenues (mln TL)	Revenue (y/y growth)	ROE	Key Highlights	
Core Product Factories	YK Leasing	180	-3%	14%	<ul style="list-style-type: none"> Slight revenue contraction due to increased margin pressure in low / stable rate environment #1 in the sector with 19.2% market share in total transaction volume
	YK Factoring	47	-14%	34%	<ul style="list-style-type: none"> Revenues down 14% y/y impacted by lower net interest income on the back of low / stable interest rate environment #1 in the sector with 23.1% market share
	YK Yatırım	117 ¹	7%	43%	<ul style="list-style-type: none"> Strong performance in equity trading and structured products on the back of better integration of Yatırım with Bank distribution model #4 in the sector with 5.9% market share in equity transaction volume
	YK Portföy	81	0%	141%	<ul style="list-style-type: none"> Revenues stable due to low interest rate environment and decrease in mutual fund cap rates despite increase in AUM volumes #2 in the sector in mutual funds with 18.4% market share
Insurance Subs	YK Sigorta	143 ²	145% ²	20%	<ul style="list-style-type: none"> Despite regulatory pressure, significant improvement in profitability and market share, also driven by increased focus on more profitable segments #1 in the health insurance market with 19.8% market share
	YK Emeklilik	97	7%	21%	<ul style="list-style-type: none"> Revenues up 7% driven by strong pension fund volume growth (32%) #6 in the life insurance sector with 5.0% market share #3 in the sector with private pension market share of 15.5%
International Subs	YK Azerbaijan	29	39%	17%	<ul style="list-style-type: none"> Strong revenue performance on the back of organic growth efforts to leverage on faster growing emerging economy
	YK Moscow	28	-12%	1%	<ul style="list-style-type: none"> Revenues contracting by 12% y/y due to ongoing margin pressure Performance mainly contributed by business generated through Turkish Yapı Kredi customers
	YK NV	108 ⁴	68% ³	20%	

All subsidiaries integrated with YKB distribution network to maximise cross sell to YKB customers as well as to generate revenue opportunities and cost synergies

1. Including dividend income from YK Portföy
2. Including dividend income from YK Emeklilik. Revenue growth excluding dividend income 127% y/y
3. Including one-off trading income from TL portfolio sale (EUR 17 mln). Adjusted revenue growth at 30% y/y

AGENDA

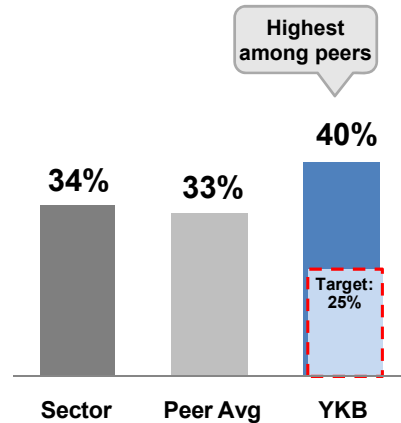
- 2010 Operating Environment
- 2010 Results (*BRSA Consolidated*)
- Performance by Strategic Business Unit (*Bank-only*)
- Performance of Subsidiaries
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Outstanding delivery of results in 2010 confirming ability to achieve ambitious management targets

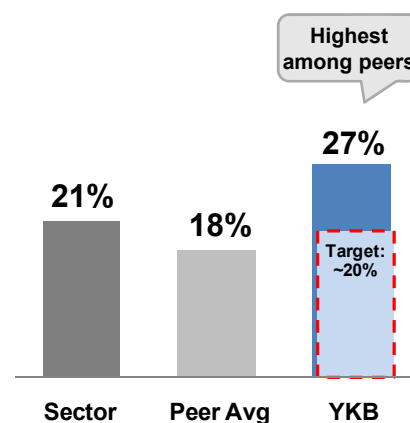
Key Focus Areas

Growth and Commercial Effectiveness

Total Loan Growth

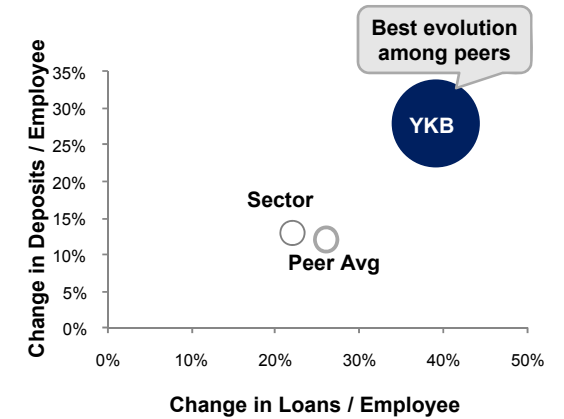


Total Deposit Growth



Change in Loans and Deposits / Employee

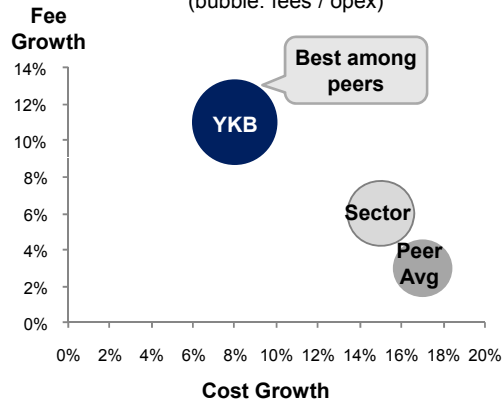
(bubble: change in revenue / employee)



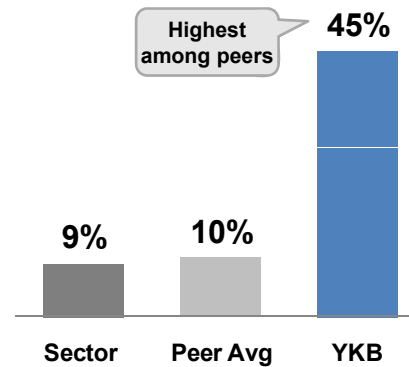
Profitability

Fee and Cost Growth

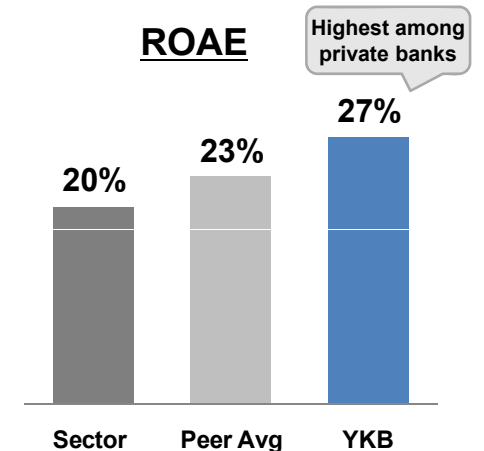
(bubble: fees / opex)



Net Income Growth



ROAE



Note: Peer group includes top 3 private banks and 2 state banks

Complex environment in 2011 to be accompanied by continued focus on above sector performance

MACRO	Continuation of growth → GDP 4.1%	SECTOR	Continuation of volume growth → Loans 23% Deposits 17%
	Low inflation environment → CPI 6.7%		NIM compression less vs 2010 → ~40 bps
	Rate hike towards year-end → 75 bps		Positive asset quality trend → Stable CoR

YAPI KREDİ	TREND		KEY DRIVERS	
	Disciplined revenue management	Sustained revenue growth driven by strong fee growth (above 20%) and focus on NIM management (-30 / 40 bps)	<ul style="list-style-type: none"> ▪ Loan growth at 25% with focus on high margin TL individual and SME ▪ Further penetration of existing and potential clients / enforced efforts on client acquisition ▪ Continuing focus on commercial effectiveness ▪ Continuation of branch expansion (50 / 60 openings) 	
	Continuous tight cost control	In line with / below inflation cost growth	<ul style="list-style-type: none"> ▪ Simplification of processes to increase efficiency ▪ Improvement of IT capability and operational efficiency via IT transformation project ▪ Efforts to decrease cost to serve, also by better leveraging on multi-channel focus 	
	Continued focus on asset quality	Slightly improving NPL ratio (10 / 20 bps); Stable CoR (net of collections)	<ul style="list-style-type: none"> ▪ Dynamic and proactive NPL portfolio management ▪ Further improvement in SME monitoring processes ▪ Centralisation of SME underwriting (launch of automatic loan granting up to 50K TL) ▪ Upgrade of individual scoring model 	

Note: 2011 figures shown for macro and banking sector indicate estimates / expectations by Yapı Kredi as of the date of this presentation

Strategic priorities

Growth & Commercial Effectiveness

- **Increased commercial effectiveness** via focus on further penetration of existing and potential client base, cross-sell and product bundling
- **Continuous efforts to redesign processes** to improve sales effectiveness
- **Continuation of branch expansion**

Cost & Efficiency Improvements

- **Continuation of disciplined approach towards cost containment**
- **Efficiency improvements** (through BO centralisation, HC rationalisation and IT improvements)
- **Continuation of investments in ADCs** (migration of both transactions and sales activity to ADCs)

**Above sector performance
with strong focus on
customer satisfaction**

Asset Quality

- **Dynamic / proactive NPL portfolio management**
- **Ongoing improvement of monitoring processes / tools**

Sustainability

- **Constant focus on customer and employee satisfaction**
- **Continuation of medium term investments**
- **Proactive loans / deposits management and diversification of funding sources**

AGENDA

- 2010 Operating Environment
- 2010 Results (*BRSA Consolidated*)
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AGENDA

- **Annex**

- **Detailed Performance by Strategic Business Unit**

- Other

Definitions of Strategic Business Units

Performance by SBU

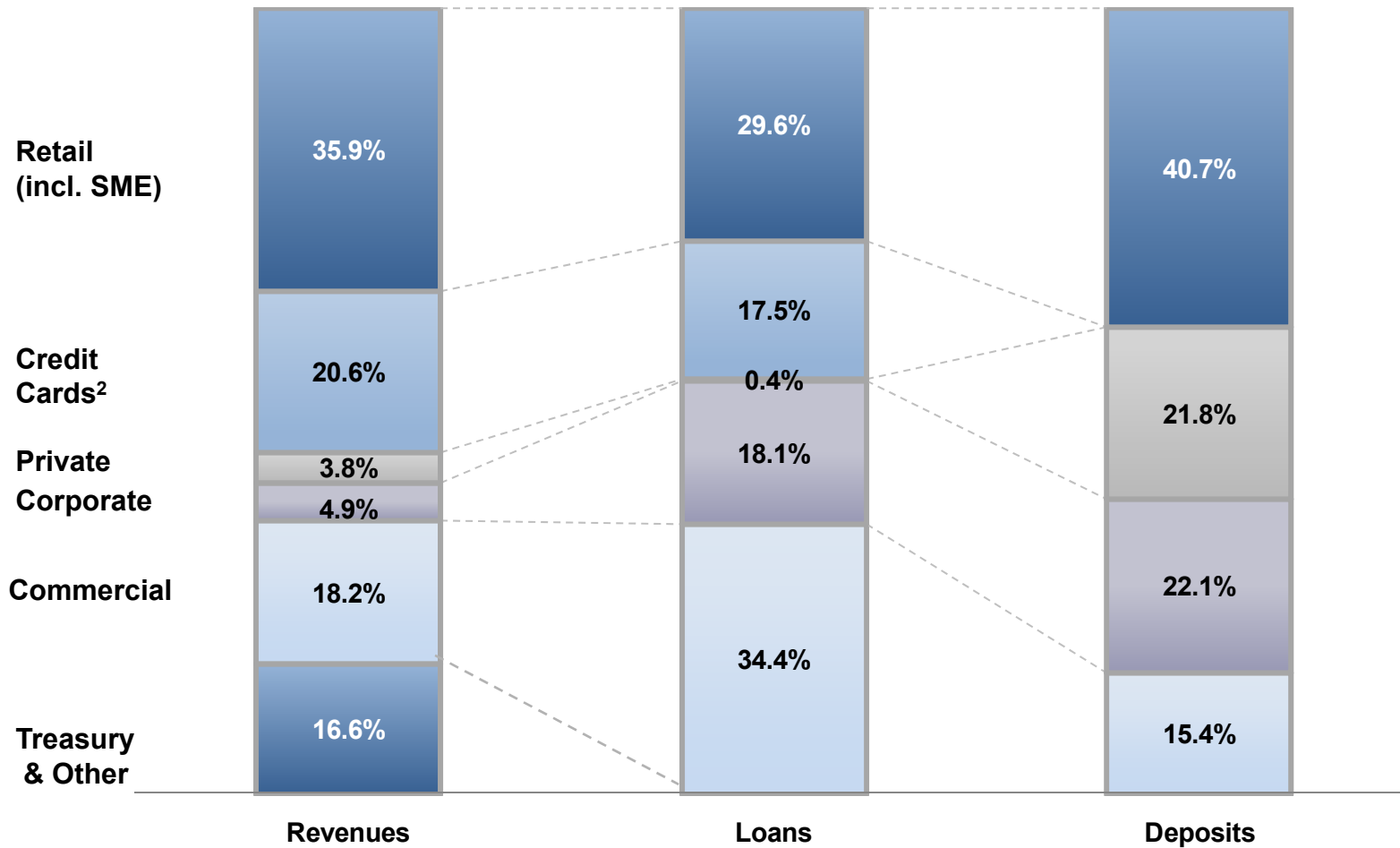
- **Retail:**
 - **SME:** Companies with turnover less than 5 mln USD
 - **Affluent:** Individuals with assets less than 500K TL
 - **Mass:** Individuals with assets less than 50K TL
- **Commercial:** Companies with annual turnover between 5-100 mln USD
- **Corporate:** Companies with annual turnover above 100 mln USD
- **Private:** Individuals with assets above 500K TL

Revision to segmentation criteria on 1 Jan 2011 in the context of service model fine-tuning resulted in the shown definitions of business units

Diversified revenue mix with retail focused loan and deposit portfolio

Performance by SBU

Revenues & Volumes by Business Unit¹ 2010 (Bank-only)



¹ Please refer to 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). All SBU figures based on 2010 segmentation criteria. Effective from 1 January 2011, criteria for private and affluent segments revised as follows: Private includes individuals with assets above 500K TL (2010: 250K TL); Affluent includes individuals with assets less than 500K TL (2010: 250K TL)

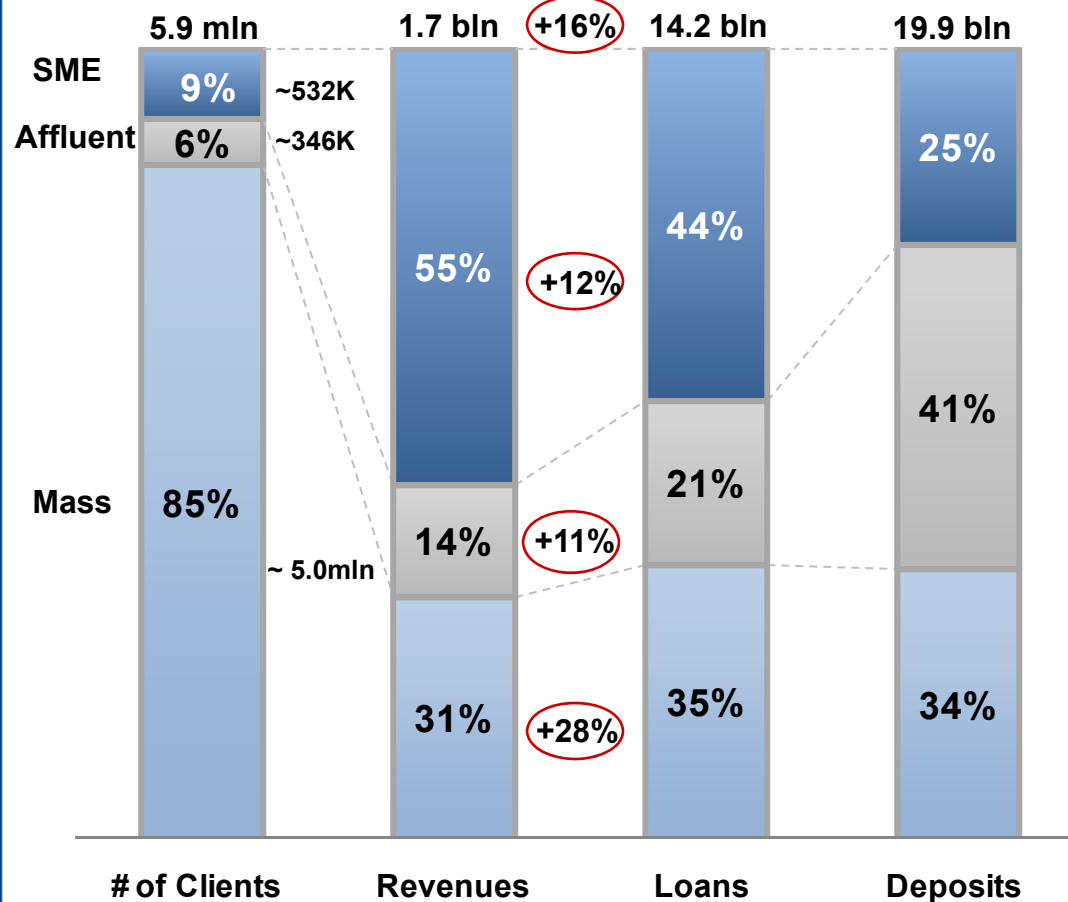
55% of retail banking revenues generated by SME business, constituting 9% of total retail clients

Performance by SBU

Retail Banking - Composition of Active Clients & Total Revenues

(TL, 2010)

YoY Growth



- ~532K active SME clients generating 55% of total Retail revenues
- 9% of total retail clients are SMEs generating 44% of loans and 25% of deposits
- Mass sub-segment generating 31% of total Retail revenues with 5 mln clients
- Affluent sub-segment generates 14% of total Retail revenues, with 11% y/y growth

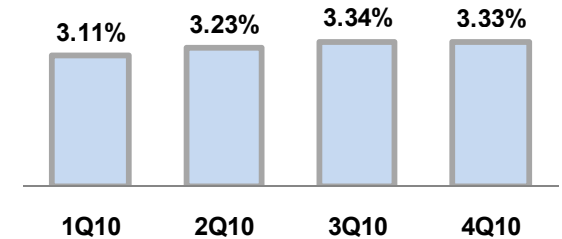
Note: All SBU figures based on 2010 segmentation criteria. Effective from 1 January 2011, criteria for private and affluent segments revised as follows: Private includes individuals with assets above 500K TL (2010: 250K TL); Affluent includes individuals with assets less than 500K TL (2010: 250K TL)

Retail (mass & affluent) banking revenues up 22% y/y driven by above sector volume growth and strong fee performance

Performance by SBU

MIn TL	2010	YoY
Revenues	767	22%
Loans	7,839	42%
Deposits	14,970	13%
AUM	2,689	5%
% of Demand in Retail Deposits	15.0%	0.6 pp
TL % in Retail Deposits	75.3%	3.2 pp
% of TL in Retail Loans	100.0%	0.0 pp

Revenues/
(Customer Business¹)



- Retail (mass & affluent) banking revenues up 22% y/y driven by above sector volume growth and strong fee performance (21% y/y)
- Retail loans up 42% mainly driven by mortgages (37%) and auto loans (62%). Innovative product bundling approach positively contributing to retail loan / deposit growth as well as fee income growth (~280K mass & affluent product bundles sold as of Dec 2010)
- Consumer loan NPL ratio down to 4.4%² (vs 7.7% in 2009) driven by lower NPL inflows, strong collections and NPL sales
- Better integration of retail with credit card business to increase customer penetration and 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. All SBU figures based on 2010 segmentation criteria. Effective from 1 January 2011, criteria for private and affluent segments revised as follows: Private includes individuals with assets above 500K TL (2010: 250K TL); Affluent includes individuals with assets less than 500K TL (2010: 250K TL)

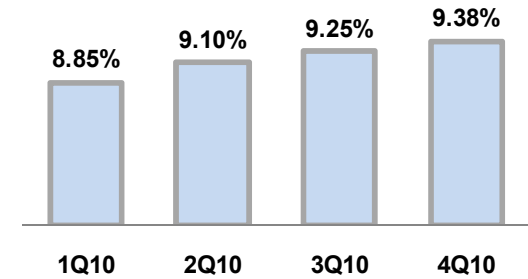
¹ Customer business: Loans + Deposits + AUM
² Including cross default. If excluding, 2010: 3.1%

SME banking revenues up 12% y/y driven by strong volume growth and positive fee performance

Performance by SBU

Mln TL	2010	YoY
Revenues	946	12%
Loans	6,314	48%
Deposits	4,953	28%
AUM	772	12%
% of Demand in SME Deposits	41.0%	1.8 pp
TL % in SME Deposits	73.4%	6.1 pp
% of TL in SME Loans	98.1%	0.7 pp

Revenues/ (Customer Business¹)



- SME revenues increasing 12% y/y driven by above sector volume growth and strong fee performance (22% y/y)
- SME loans up 48% in 2010 driven by increased commercial effectiveness supported by faster lending response times and product bundling approach (~84K SME product bundles sold as of Dec 2010)
- SME NPL ratio down to 5.1% (vs 12.6% in 2009) driven by positive macroeconomic environment, enhanced credit risk infrastructure and NPL sales

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 net revenues down 15% y/y due to continued decline in cap rates in a low/stable interest rate environment and downward pressure on interchange fees

Performance by SBU

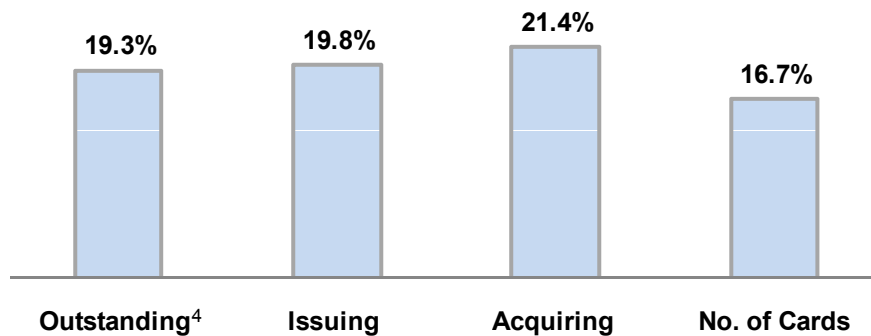
Mln TL	2009	2010	YoY
Revenues	1,265	1,050	-17%
Net Revenues ¹ (mln TL)	1,148	981	-15%
# of Credit Cards ² (mln)	7.6	7.8	3%
# of merchants (ths)	290	305	5%
# of POS (ths)	357	405	13%
Activation	84.2%	84.6%	40 bps

Credit Card Volumes & Market Shares³

Volumes (bln TL):



Market Shares:



- ~1.2 mln new World cards issued in 2010
- Credit card net revenues¹ down 15% y/y due to:
 - continued decrease in cap rates (82 bps of reduction in 2010)
 - lower commission income driven by continued downward pressure in interchange fees (-13% y/y)
- Credit Card NPL ratio down to 5.3% (vs 10% in 2009) driven by macroeconomic recovery, positive impact of restructurings and NPL sales

¹ Net of loyalty point expenses on World card

² Including virtual cards (2009: 1.5 mln, 2010: 1.5 mln)

³ Market shares and volumes based on bank-only 3-month cumulative figures

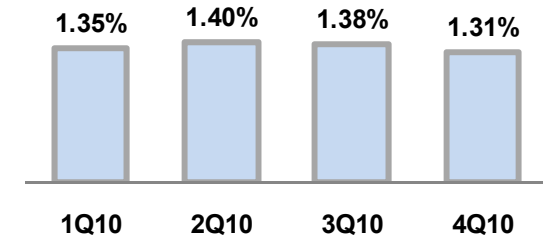
⁴ Based on personal and corporate credit card outstanding volume. Retail credit card outstanding volume (excluding corporate) market share: 19.1%

Private banking revenues up 13% y/y driven by above sector growth in AUM volumes positively contributing to fee income

Performance by SBU

MIn TL	2010	YoY
Revenues	179	13%
Loans	199	0%
Deposits	10,687	6%
AUM	2,597	15%
% of Demand in Priv. Deps.	5.9%	-1.3 pp
TL % in Private Deposits	57.0%	7.3 pp
% of TL in Private Loans	100.0%	0.0 pp

Revenues/ (Customer Business¹)



- Private banking revenues up 13% y/y driven by above sector growth in AUM volumes (15% y/y) positively contributing to solid fee income growth (19% y/y)
- Deposits up 6% in 2010 and mainly driven by TL
- Continued focus on leveraging on product factories in distribution of asset management and brokerage products with further development of existing customer base and customer acquisition

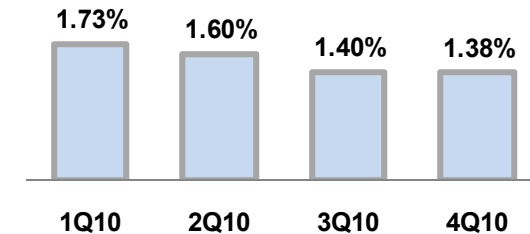
Note: Volumes (loans, deposits and AUM) based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data
All SBU figures based on 2010 segmentation criteria. Effective from 1 January 2011, criteria for private and affluent segments revised as follows: Private
includes individuals with assets above 500K TL (2010: 250K TL); Affluent includes individuals with assets less than 500K TL (2010: 250K TL)
1 Customer business: Loans + Deposits + AUM

Corporate banking revenues up 4% y/y impacted by continued margin pressure on the back of low / stable interest rate environment and competition

Performance by SBU

Mln TL	2010	YoY
Revenues	235	4%
Loans	8,660	20%
Deposits	10,821	105%
AUM	60	-12%
% of Demand in C. Deposits	6.5%	-7.0 pp
TL % in Corp. Deposits	47.3%	23.6 pp
% of TL in Corp Loans	17.7%	0.5 pp

Revenues/
(Loans + Deposits)



- Corporate banking revenues up 4% y/y impacted by continued margin pressure on the back of low / stable interest rate environment and competition
- Loans up 20% in 2010, also driven by increased focus on project finance loans
- Sound asset quality maintained (Corporate/Commercial NPL ratio at 2.0%)

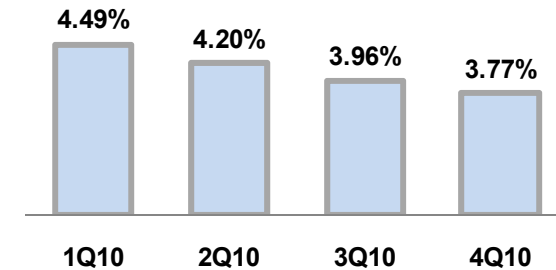
Note: Volumes (loans, deposits and AUM) based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data

Commercial banking revenues up 2% y/y impacted by continued margin pressure on the back of low / stable interest rate environment and competition

Performance by SBU

Mln TL	2010	YoY
Revenues	865	2%
Loans	16,414	44%
Deposits	7,558	21%
AUM	211	-42%
% of Demand in Com. Deposits	34.7%	2.8 pp
TL % in Comm. Deposits	42.8%	4.7 pp
% of TL in Com. Loans	41.1%	0.9 pp

Revenues/ (Loans + Deposits)



- Commercial banking revenues up 2% y/y impacted by continued margin pressure on the back of low / stable interest rate environment and competition
- Loans up 44% in 2010 driven by positive macroeconomic environment
- Sound asset quality maintained (Corporate/Commercial NPL ratio at 2.0%)

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**

Significant regulatory changes in December 2010 / January 2011 on several issues, with some potential impact in particular for credit cards

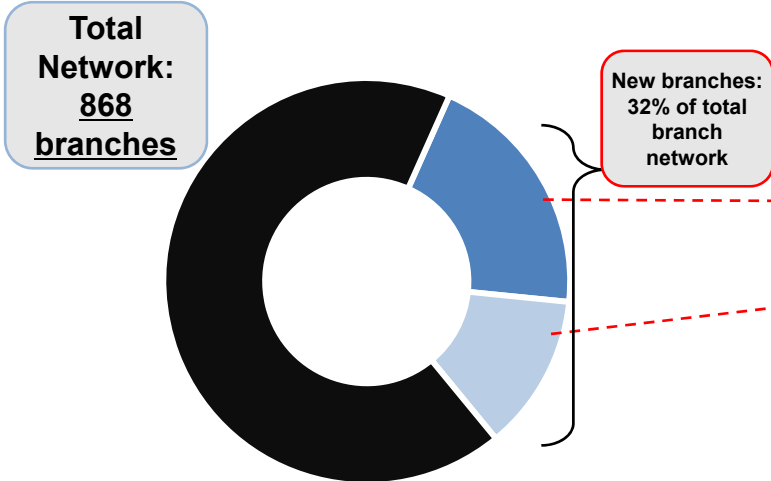
	Changes	Previously	December 2010 Changes	January 2011 Changes	Expected Possible Impact
Credit Cards	Decrease in credit card cap rate	2.44%	2.26%	-	Some pressure on credit card revenues, to be compensated by fees, volume growth and lower cost of funding
	Limitation on cash withdrawal from credit cards	No specific limit	Limitation for customers with track record of paying late 3 times	-	
	Increase in minimum payment requirement of credit cards depending on limit	20%	<15K: 25% 15K-20K: 30% +20K & new cards: 40%	-	
Reserve Requirement	Change in TL reserve requirement ratio according to maturity	6%	Demand: 8% Up to 1 month: 8% 1-6 months: 7% 6-12 months: 6% Over 12 months: 5%	Demand: 12% Up to 1 month: 10% 1-3 months: 9% 3-6 months: 7% 6-12 months: 6% Over 12 months: 5%	Loan growth capped at 25%; expected to slowdown NIM compression subject to competitive environment
Mortgages	Introduction of cap on loan to value ratio for mortgages	No specific cap	Residential: 75% Commercial: 50%	-	Minimal
CBRT Policy Rate (1-week repo rate)	Reduction by 50 bps in Dec'10 and 25 bps in Jan'11	7.00%	6.50%	6.25%	Positive impact mainly driven by lower cost of funding due to maturity mismatch

Measures aimed at slowing down loan growth, absorbing liquidity and ensuring a healthy environment by increasing banks' discipline. Overall positive assessment of changes as they demonstrate regulators' commitment to the sustainable development of the Turkish banking sector

Note: The changes on this page refer to those introduced by CBRT in December 2010 and January 2011.

Continuing branch expansion with positive contribution of new branches

Branch Network

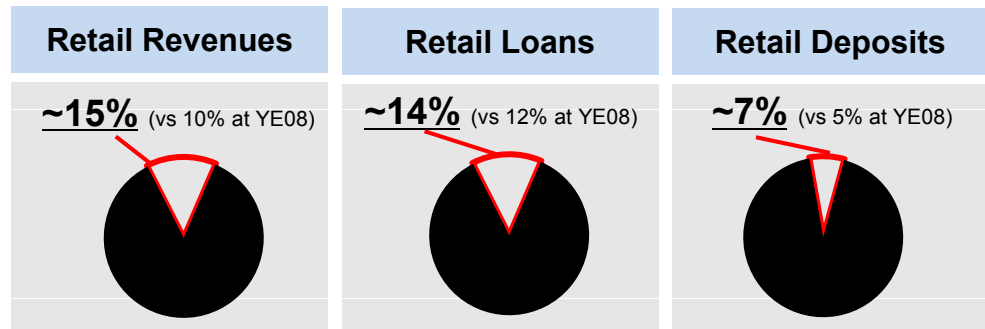


Branch Expansion Plan Details

- **39 new openings¹ in 2010**
- **281 new branch² openings since July 2007 (32% of total branch network)**
 - 173 branches already graduated / transferred to existing network
 - 108 branches currently monitored under "new branch" category
- **Target of ~50 / 60 openings in 2011**
- **Newly opened branches performing above expectations**
 - Cumulative break-even at ~18 months
 - Realisation vs plan better in loans, revenues and costs

- **Fourth largest branch network in Turkey with 868 branches as of YE10 (9.2% market share)**
- **Branch network in 71 cities indicating 88% coverage of Turkey (vs 80% in July 2007 at start of branch expansion plan)**
 - **55% of branches in top 4 cities, 45% mid/small cities**
- **Average relationship manager / retail branch: 5**

Contribution of New Branches



¹ Gross number of branch openings

² Gross number of branch openings including 6 commercial branches (excluding closures)

2010 NPL sale details

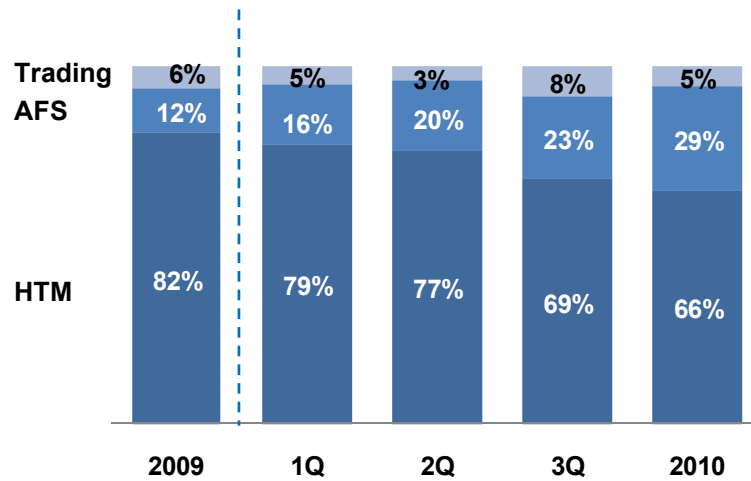
<i>TL mln</i>	March 2010	May 2010	November 2010
Segment	Credit Cards, SME and Individual Loans	Corporate and Commercial Loans	Credit Cards, SME and Individual Loans
Buyer	Girişim Varlık Yönetimi, LBT Varlık Yönetimi, Standard Varlık Yönetimi	LBT Varlık Yönetimi	Girişim Varlık Yönetimi, LBT Varlık Yönetimi
Portfolio Sold	681.0	299.1	427.8
<i>o/w Amount affecting Balance Sheet</i>	<i>499.3</i>	<i>270.1</i>	<i>378.0</i>
<i>o/w Already Written-off</i>	<i>125.0</i>	<i>-</i>	<i>-</i>
<i>o/w Overdue Interest</i>	<i>56.7</i>	<i>29.0</i>	<i>49.8</i>
Consideration	70.1 (~10 cents / \$)	7.5 (2.5 cents / \$)	56.0 (13.1 cents / \$)
Portfolio Coverage¹	88.4%	99.0%	100.0%
Gross Profit²	~12.0	~4.5	54.6
Average Age of Portfolio	NPLs predominantly from 2008	NPLs originating between 1997-2009	NPLs predominantly from 2009
Collateralisation	Limited	Very limited	Very limited

¹ Excluding written-off amount

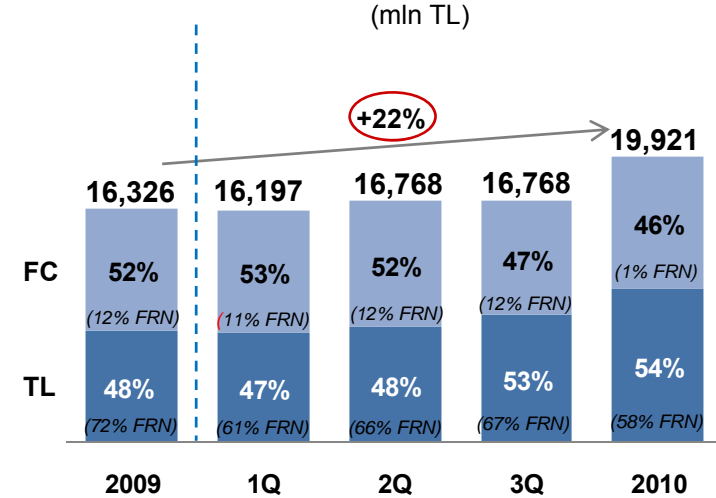
² Excluding legal / transaction expenses

66% of securities portfolio invested in HTM

Securities Composition by Type



Securities Composition by Currency



- Share of Held to Maturity (HTM) at 66% (vs 69% in 3Q). HTM mix in total securities higher at bank level at 68%
- Share of securities in total assets stable at 21.5%

FRN: Floating Rate Notes

International borrowings

Annex

Syndications	<p>~ USD 2.25 bln outstanding</p> <ul style="list-style-type: none"> ▪ Apr 10: ~USD 1 bln, Libor +1.5% bps all-in cost, 1 year ▪ Sept 10: ~USD 1.25 bln, Libor + 1.30% bps all-in cost, 1 year
Securitisations	<p>~ USD 845 mln outstanding</p> <ul style="list-style-type: none"> ▪ Dec 06 and Mar 07: ~ USD 300 mln, 6 wrapped notes, 7-8 years, Libor+18 -35 bps ▪ Aug 10 - DPR Exchange :~ USD 545 mln, 5 unwrapped notes, 5 years
Subloans	<p>€1,050 mln outstanding</p> <ul style="list-style-type: none"> ▪ Mar 06: €500 mln, 10NC5, Libor+2.00% p.a. ▪ Apr 06: €350 mln, 10NC5, Libor+2.25% p.a. ▪ Jun 07: €200 mln, 10NC5, Libor+1.85% p.a.
LPN	<p>USD 750 mln Loan Participation Note</p> <ul style="list-style-type: none"> ▪ Oct 10: 5.1875% (cost), 5 years
Multinational Loans	<p>Sace Loan- Jan 07: €100 mln outstanding, all-in Euribor+1.20% p.a, 5 years EIB Loan- Jul 08-Dec 10: €600 mln outstanding, 5-15 years IBRD (World Bank) Loan- Nov 08: USD 25 mln, Libor+1.50% p.a, 6 years</p>