Yapı Kredi 1H11 Earnings Presentation

Istanbul, 3 August 2011

Agenda

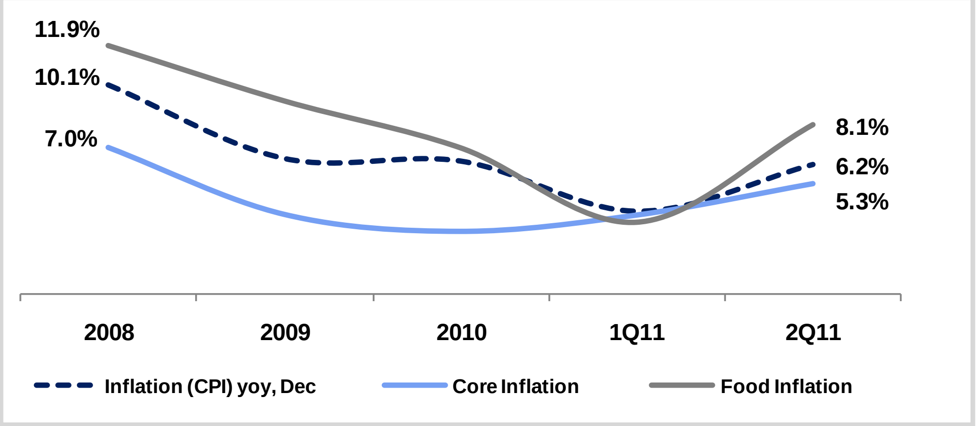
- **Operating Environment**
- 1H11 Results *(BRSA Consolidated)*
- Performance of Strategic Business Units & Subsidiaries
- Outlook

Macroeconomic Environment

Continuation of positive growth environment with sustained low interest rates, controlled inflation and declining unemployment

	2010	1Q11	2Q11
GDP Growth (y/y)	8.9%	11.0%	6.6%[1]
Inflation (eop, y/y)	6.4%	4.0%	6.2%
CBRT Policy Rate (eop)[2]	6.50%	6.25%	6.25%
Industrial Production (y/y)	13.1%	14.2%	8.1%[3]
Consumer Confidence Index (eop)	91.0	93.4	96.4
Unemployment Rate	11.9%	11.5%	9.9%[4]
Current Account Deficit / GDP	6.6%	7.5%	8.5%[5,6]
Budget Deficit / GDP	3.6%	2.6%	1.7%[6]

Inflation Dynamics



- **Positive growth environment** albeit with some moderation expected in 2Q driven by **more contained domestic demand**
- **Low annual inflation** with some quarterly volatility driven mainly by food inflation
- **CBRT's policy of sustained low interest rates** supported by controlled inflation
- **Industrial production still below pre-crisis levels** while **consumer confidence index continuing to increase**
- **Unemployment rate returning to pre-crisis single digit level** posted in June 2008
- **Current account deficit widening** but with **recent signs of slowdown in private consumption, moderation in investments** and **external demand**
- **Sustained fiscal discipline** (budget deficit / GDP at 1.7%) supportive of CBRT's "low for longer" policy

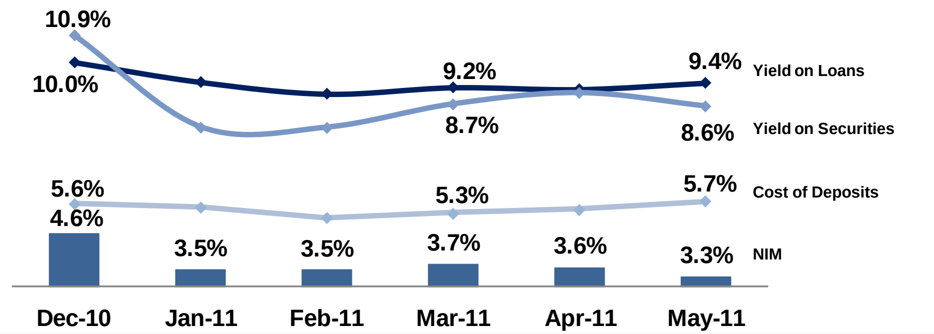
(1) Yapı Kredi Economic Research estimate
(2) As of May 2010, the policy rate changed to one-week lending repo rate (7.0%) from the Central Bank of Turkey (CBRT) O/N borrowing rate (6.5%)
(3) Average of Apr'11 and May'11
(4) Average of Mar'11, Apr'11 and May'11
(5) May'11 Current Account Deficit
(6) 2011 GDP estimate used for calculation

Banking Sector
Sustained volume growth in a more regulated and competitive environment

Banking Sector Volumes (as of June 2011)

bln TL	1H11	1Q11	2Q11	1H11
Loans	**588**	**7%**	**10%**	**17%**
TL	417	6%	10%	17%
FC ($)	107	8%	4%	12%
Deposits	**649**	**1%**	**5%**	**6%**
TL	446	0%	5%	5%
FC ($)	127	3%	0%	3%
Securities	**277**	**-4%**	**0%**	**-3%**
Repo	**108**	**12%**	**66%**	**87%**
Loans/Deposits		**86%**	**91%**	
NPL Ratio		**3.2%**	**2.9%**	

NIM Evolution (as of May 2011)



- **Acceleration in loan growth in 2Q** (10% vs 7% in 1Q) **mainly driven by TL** (10% in 2Q) leading to **strong ytd growth** (17%). **FC loan growth slowing down in 2Q** (4% vs 8% in 1Q in USD terms)
- **Acceleration in deposit growth in 2Q** (5% vs 1% in 1Q) **driven by TL** (5% in 2Q). Total ytd deposit growth (6%) impacted by RRR hikes and competition
- **End of securities liquiditation in 2Q.** Continued increase in repo funding (+87% ytd) for liquidity management
- **Loans / deposits ratio +9pp ytd to 91%** (82% at YE10) driven by **widening differential between loan and deposit growth** due to **upfronting of private investments and consumption**
- **Continuation of positive trend in asset quality** (NPL ratio at 2.9% vs 3.7% at YE10)
- **As of May, sector NIM still under pressure** impacted by **increasing deposit costs** despite **slight recovery in loan yields**. Some signs of stabilisation in securities yields

Note: Banking sector data based on BRSA weekly data excluding participation banks

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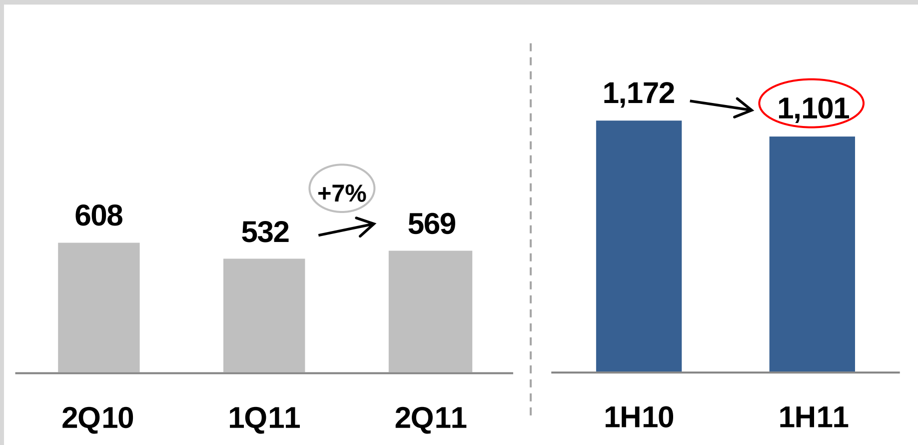
Executive Summary
Balanced growth and sustained profitability

Customer Business	■ **Customer business focus continuing** with **17% loan growth ytd,** in line with budget path**,** driven by **higher yielding loan segments** including general purpose and SME in local currency retail and project finance in foreign currency loans ■ **6% deposit growth ytd,** with **acceleration in 2Q** driven by **foreign currency deposits** on the back of RRR hikes and competition ■ **Continued management focus on commercial effectiveness** leading to **ongoing improvement** ■ **Ongoing branch expansion** (19 net openings as of Jun11, 887 branches)
Profitability	■ **Positive revenue performance** - **Net interest income -5% y/y** due to regulatory and competitive pressure, partially compensated by **+250/400bps upward loan repricing** since YE10 and **disciplined approach in asset gathering** - **Strong fee performance** supported by solid volume growth and focused approach ■ **Controlled cost growth**
Asset Quality	■ **Continuation of improvement trend in asset quality** driven by decelerating NPL inflows and strong collections, contributing to **positive evolution of cost of risk**
Capital / Funding	■ **Increasing emphasis on diversification of funding** (1.4 bln USD syndication, 1 bln TL bond) ■ **Solid CAR level maintained**

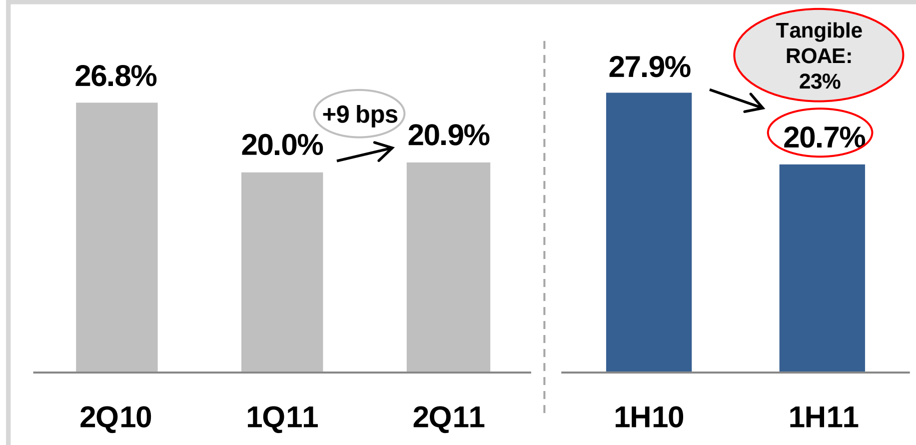
Key Performance Indicators

Sound performance

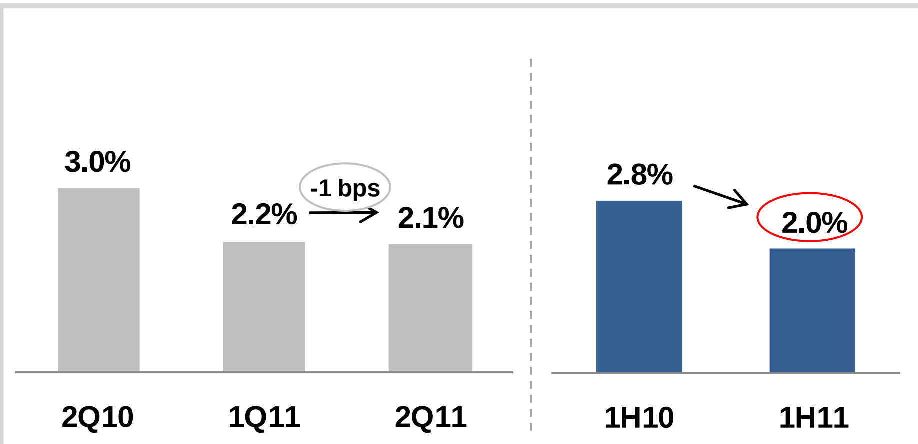
Net Income (mln TL)



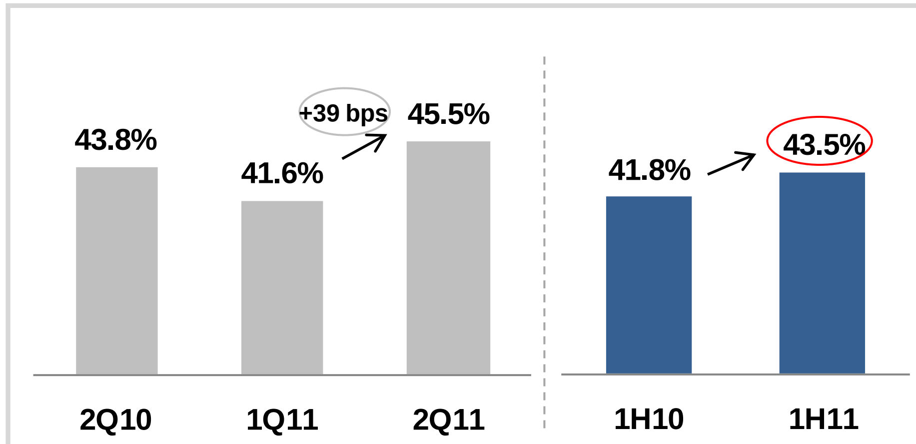
Return on Average Equity[1]



Return on Assets[2]



Cost / Income



(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

Income Statement

1,101 mln TL net income in 1H11 driven by positive revenue performance (despite NIM pressure), contained costs and improving asset quality

mln TL	2Q10	1Q11	2Q11	1H10	1H11	y/y
Total Revenues	**1,566**	**1,708**	**1,510**	**3,140**	**3,218**	**3%**
Net Interest Income	824	885	834	1,818	1,718	-5%
Non-Interest Income	742	823	676	1,322	1,500	13%
o/w Fees & comms.	430	451	471	830	922	11%
Operating Costs	**622**	**711**	**687**	**1,312**	**1,398**	**7%**
Operating Income	**944**	**997**	**823**	**1,828**	**1,820**	**0%**
Provisions	185	313	138	353	451	28%
o/w Loan Loss	230	256	146	319	402	26%
Pre-tax income	**759**	**684**	**685**	**1,475**	**1,369**	**-7%**
Net Income[1]	**608**	**532**	**569**	**1,172**	**1,101**	**-6%**

- **Revenues +3% y/y** driven by solid fee growth and sustained collections despite NIM pressure
- **Costs +7% y/y** driven by continuous cost control
- **Provisions +28% y/y**
- **Net income at 1,101 mln TL, -6% y/y** and **+7% q/q**

(1) Indicates net income before minority. 1H11 net income after minority: 1,062 mln TL

Balance Sheet

Strong evolution with continuation of customer business focus and increasing diversification of funding

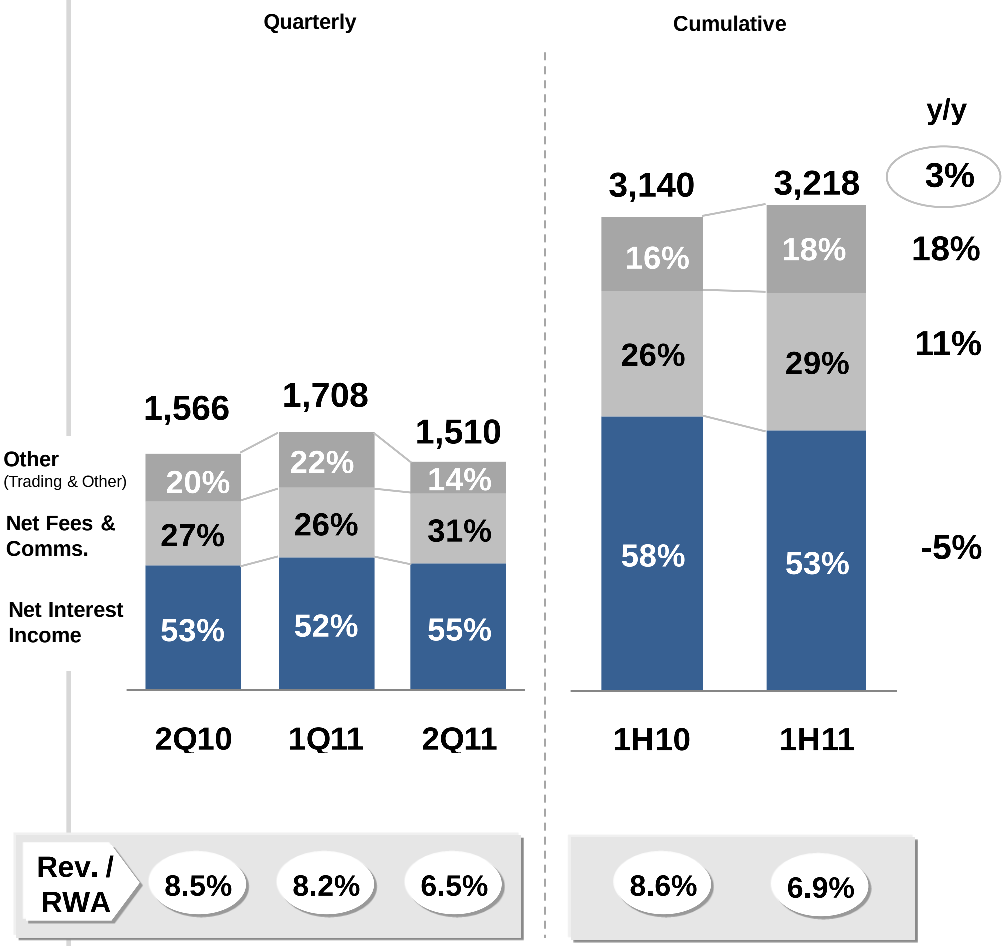
bln TL	2010	1Q11	2Q11	1Q Growth	2Q Growth	ytd Growth
Total Assets	**92.8**	**97.6**	**107.5**	**5%**	**10%**	**16%**
Loans	**54.2**	**56.6**	**63.7**	**4%**	**13%**	**17%**
TL	34.6	35.6	41.1	3%	15%	19%
FC (in US$)	13.1	13.9	14.2	6%	2%	9%
Securities	**19.9**	**20.6**	**20.9**	**3%**	**2%**	**5%**
Deposits	**55.2**	**56.1**	**58.7**	**2%**	**5%**	**6%**
TL	32.3	32.0	32.1	-1%	0%	0%
FC (in US$)	15.2	15.9	16.7	5%	5%	10%
Repo	**3.2**	**6.1**	**9.4**	**89%**	**54%**	**191%**
SHE	**10.7**	**11.2**	**11.8**	**4%**	**5%**	**10%**
AUM	**9.0**	**9.1**	**9.0**	**1%**	**-2%**	**-1%**
Loans/Assets	**58%**	**58%**	**59%**	0 pp	1 pp	1 pp
Securities /Assets	**21%**	**21%**	**19%**	0 pp	-2 pp	-2 pp
Loans/Deposits	**98%**	**101%**	**109%**	3 pp	8 pp	10 pp
Deposits/Assets	**59%**	**57%**	**55%**	-2 pp	-3 pp	-5 pp
Leverage[1]	**7.6x**	**7.7x**	**8.1x**	-	-	-
Wholesale Borrows./Liab[2]	**15%**	**14%**	**15%**	-1 pp	1 pp	1 pp
Group CAR	**15.4%**	**14.4%**	**13.8%**	-1 pp	-1 pp	-2 pp
Bank CAR	**16.1%**	**14.9%**	**14.1%**	-1 pp	-1 pp	-2 pp

- **Acceleration in loan growth in 2Q** (13% vs 4% in 1Q) **driven mainly by TL** (15% in 2Q) leading to **strong ytd growth** (17%). **FC loan growth at 9% ytd in USD terms**
- **Acceleration in deposit growth in 2Q** (5% vs 2% in 1Q) leading to **6% ytd growth mainly** driven by FC deposits (+10% in US$ terms). **TL deposits stable** impacted by **RRR hikes and competition**, partially offset by **repo funding** (+191% ytd)
- **AUM relatively stable** impacted by market conditions
- **Loans/assets at 59%** and **securities/assets at 19%,** confirming **customer business focus**
- **Loans/deposits ratio at 109%** on the back of **further diversification of funding base** (wholesale borrowings/liabilities at 15%)
- **Group CAR at 13.8%** and **Bank CAR at 14.1%**

Note: Loan figures indicate performing loans
(1) Leverage ratio: (Total assets – equity) / equity
(2) Wholesale borrowings include funds borrowed, sub-debt and marketable securities issued

Total Revenues
Sustained revenue base with quality mix

Revenue Composition (mln TL)



Other Income Breakdown

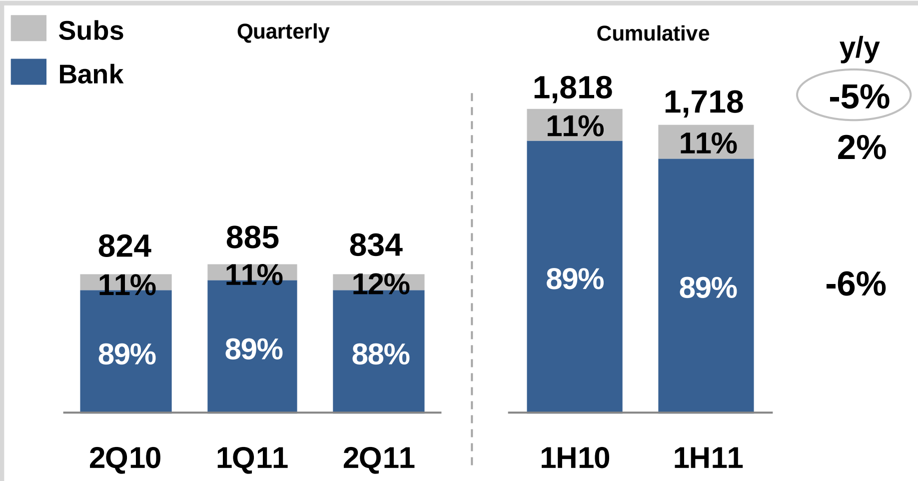
mln TL	2Q10	1Q11	2Q11	1H10	1H11
Total Other Income	**313**	**372**	**206**	**491**	**578**
Trading & FX (net)	-31	50	-22	-53	28
Collections	197	186	133	327	319
Income from subs & other	147	136	95	217	231

- **NII / revenues at 53%** (vs 58% in 1H10) due to NIM pressure. **Revenues / RWA** impacted by **relatively stable revenues y/y and acceleration of volume growth at quarter-end**
- **Fees / revenues up to 29%** (vs 26% in 1H10)
- **Other income / revenues at 18%** mainly driven by:
  - **Trading / FX income** (28 mln TL in 1H11) impacted by m-t-m of hedging instruments
  - **Solid collections performance** (319 mln TL in 1H11)

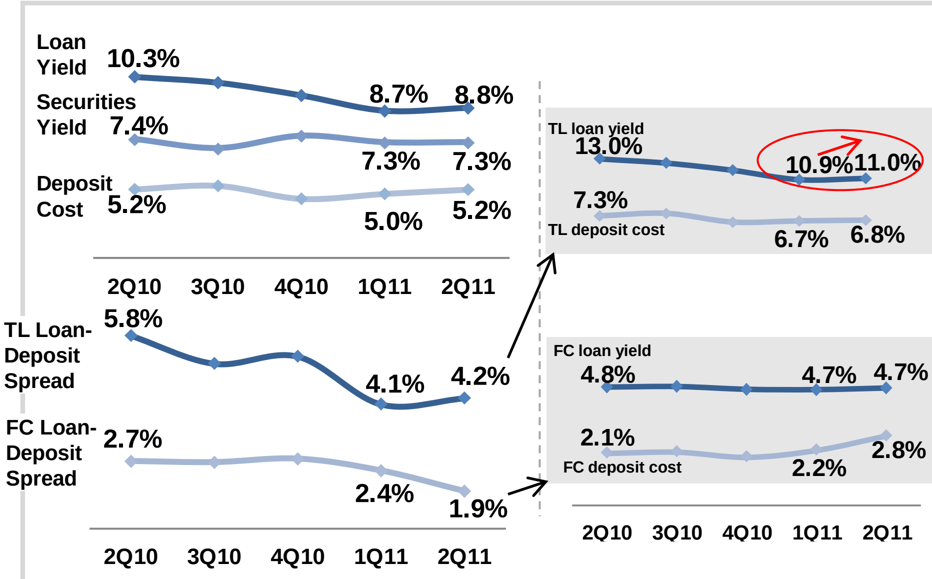
Net Interest Income

Slowdown in NIM compression in 2Q on the back of positive effect of early repricing actions on loan yields. Pressure on deposit costs

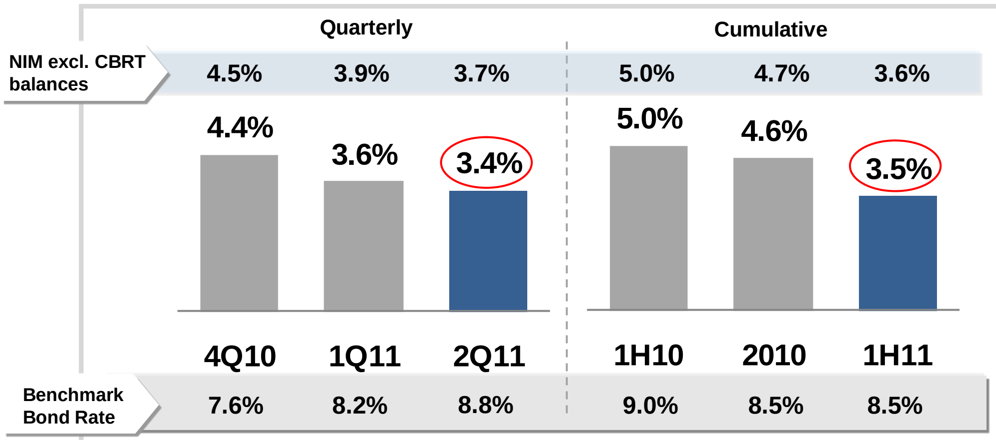
Net Interest Income (NII) (mln TL)



Quarterly NIM Analysis



Net Interest Margin (NIM)[1]



- **NII declining 5% y/y** driven by Bank (-6%)
- **Cumulative NIM at 3.5%** (-152 bps y/y) driven by low interest rate environment, regulation and competition
- **Quarterly NIM at 3.4%** (-23 bps q/q) resulting from:
  - **Increase in TL loan-deposit spread** due to early loan repricing
  - **Decline in FC loan-deposit spread** due to increasing FC deposit costs on the back of reduced sector liquidity
  - **Stable securities yield**

(1) NIM = Net interest income (NII) / Avg. IEAs

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.

Reported NIM figures as follows. 1Q10: 5.8%, 4Q10: 4.2%, 1Q11: 3.8%, 2Q11: 3.3%

Performing loan volume and net interest income used for loan yield calculations

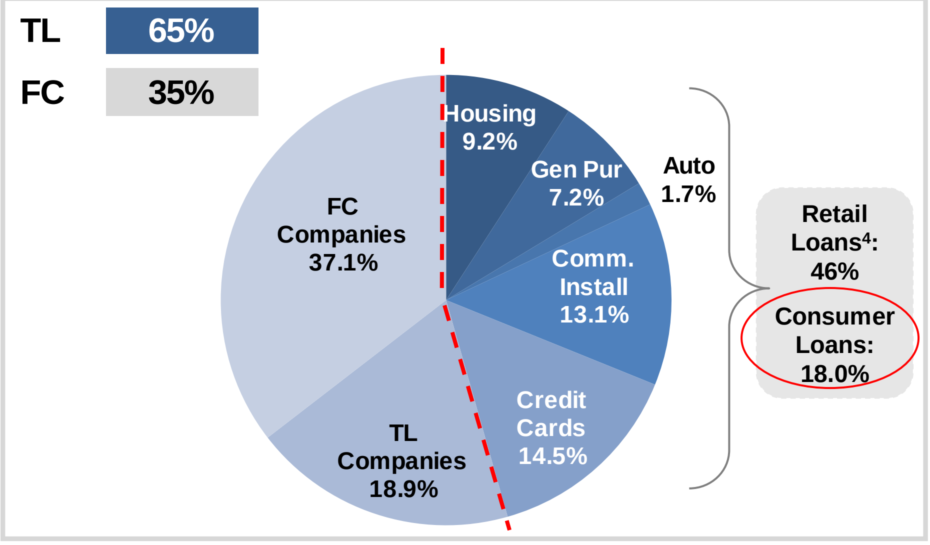
Loans

Overall growth in 1H in line with budget path driven by higher margin GPL and SME in local currency and project finance in foreign currency

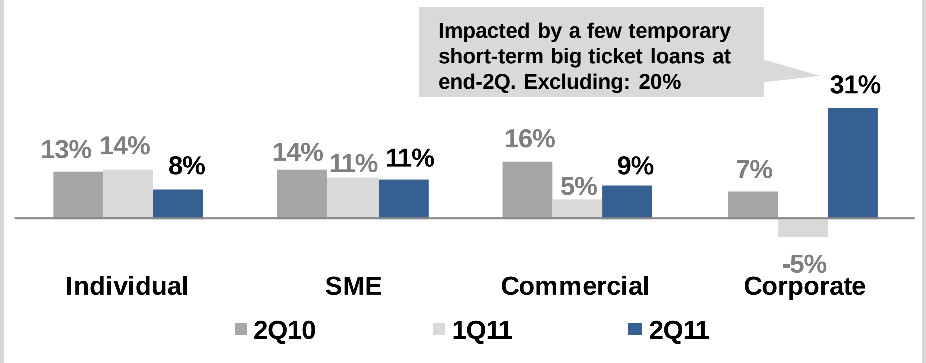
Loans

bln TL	2Q11	YKB 2Q Growth	YKB Ytd Growth	Sector Ytd Growth	Mk Shr
Total Loans[1]	**63.7**	**13%**	**17%**	**17%**	***10.5%***
TL	41.1	15%	19%	17%	*9.8%*
FC ($)	14.2	2%	9%	12%	*12.3%*
Consumer Loans	**11.5**	**7%**	**19%**	**21%**	***7.5%***
Mortgages	5.9	2%	11%	16%	*8.7%*
General Purpose	4.6	13%	34%	26%	*5.8%*
Auto	1.1	8%	12%	16%	*17.3%*
Credit Cards	**9.2**	**8%**	**8%**	**14%**	***18.2%***
Companies	**43.0**	**15%**	**19%**	**16%**	***10.6%***
TL	20.4	25%	24%	15%	*9.3%*
FC ($)	14.2	2%	9%	12%	*12.3%*
Com. Installment[2]	8.3	9%	20%	28%	*9.1%*

Composition of Loans



Loan Growth by Business Unit[3]



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. Growth adjusted for YK Nederland reclassification (1.9 mln TL at YE10)
(3) Based on MIS data. Please refer to annex for Yapı Kredi's internal segment definitions
(4) Including consumer loans (housing, general purpose, auto), commercial installment and credit cards.

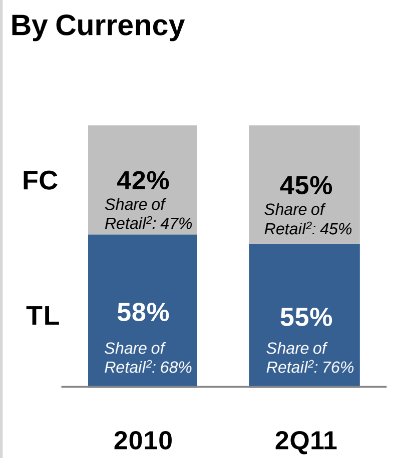
Deposits
Overall growth in 1H in line with sector with increasing emphasis on demand deposits and lengthening maturity

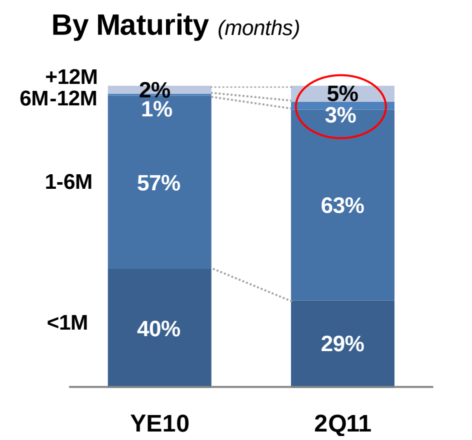
Deposits

bln TL	2Q11	YKB 2Q Growth	YKB Ytd Growth	Sector Ytd Growth	Mk Shr
Total Deposits	**58.7**	**5%**	**6%**	**6%**	*8.6%*
TL	32.1	0%	0%	5%	*7.2%*
FC ($)	16.7	5%	10%	3%	*11.7%*
Customer Deposits[1]	**57.0**	**4%**	**7%**	**6%**	*8.9%*
Demand Deposits	**10.4**	**10%**	**9%**	**6%**	*10.1%*
AUM	**9.0**	**-2%**	**-1%**	**1%**	*18.0%*

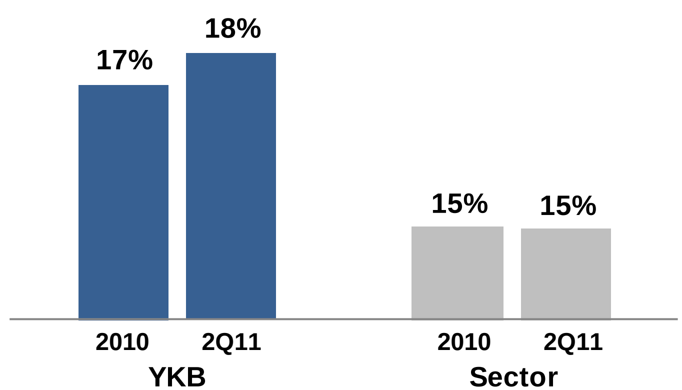
- **Total deposits +6% ytd** (in line with sector) driven by **FC deposits** (10% in US$ terms). **TL deposits stable** impacted by RRR hikes and competition. **Strong increase in share of retail² in total TL deposits** (76% vs 68% at YE10)
- **Solid demand deposit growth** (9% vs 6% sector) leading to increase in **demand deposit / total deposits ratio (18%)**
- **AUM relatively stable** impacted by market conditions

Composition of Total Deposits





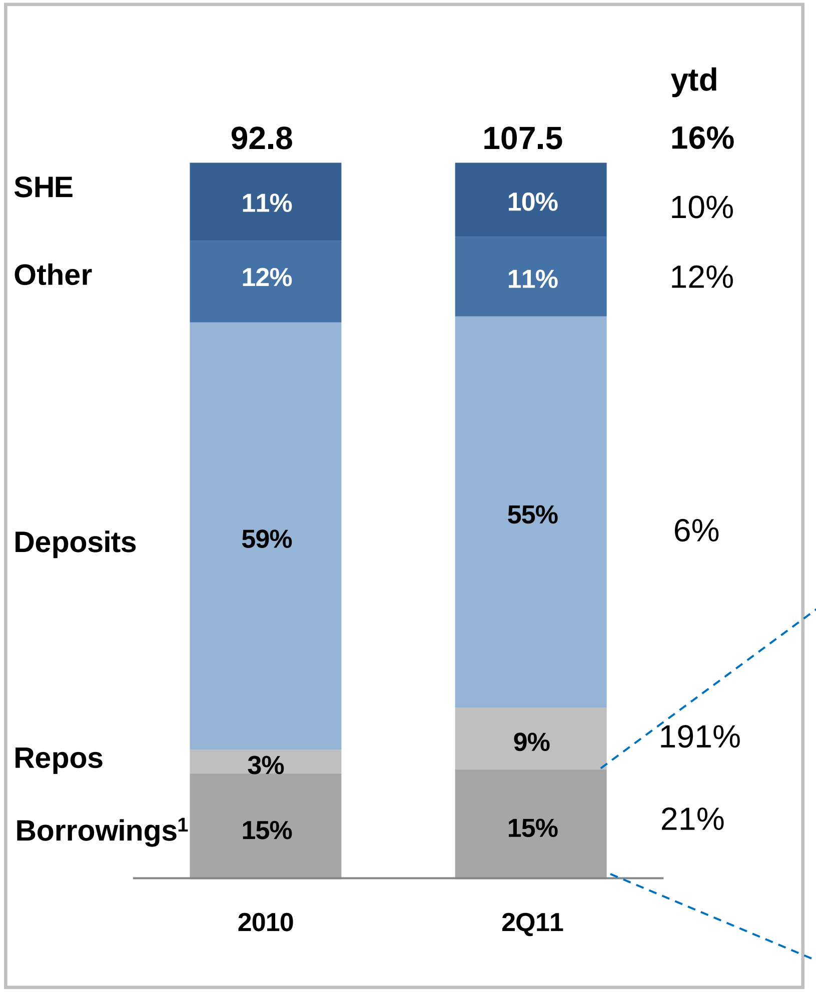
Demand Deposits / Total Deposits



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

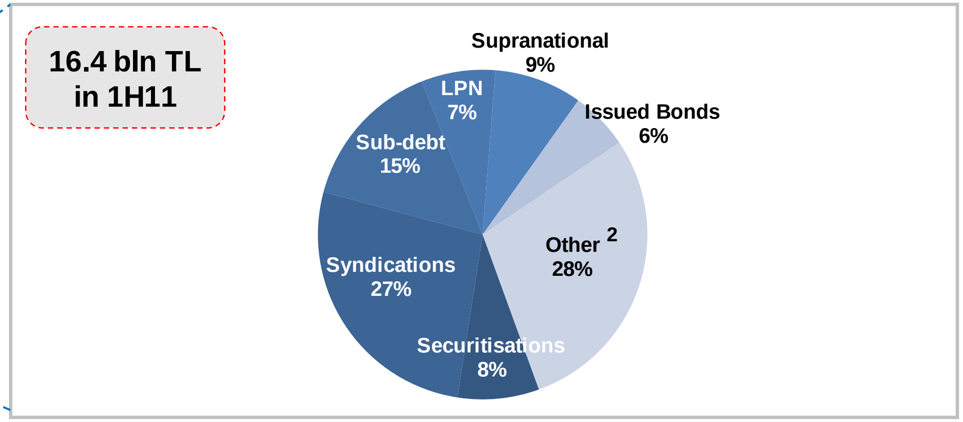
Funding
Further diversification of the funding base

Liability Composition (bln TL)



- **Increasing diversification of the funding base**
  - **1,450 mln USD syndication with** 145% rollover in Apr'11 (Libor+1.10%, -40bps vs previous year, 1 year maturity)
  - **1 bln TL bond issuance** in domestic capital markets in Jun'11 (8.86% compounded rate, 175 days maturity)
- **Short term liquidity management via utilisation of repo funding** (9% of total liabilities vs 3% at YE10)

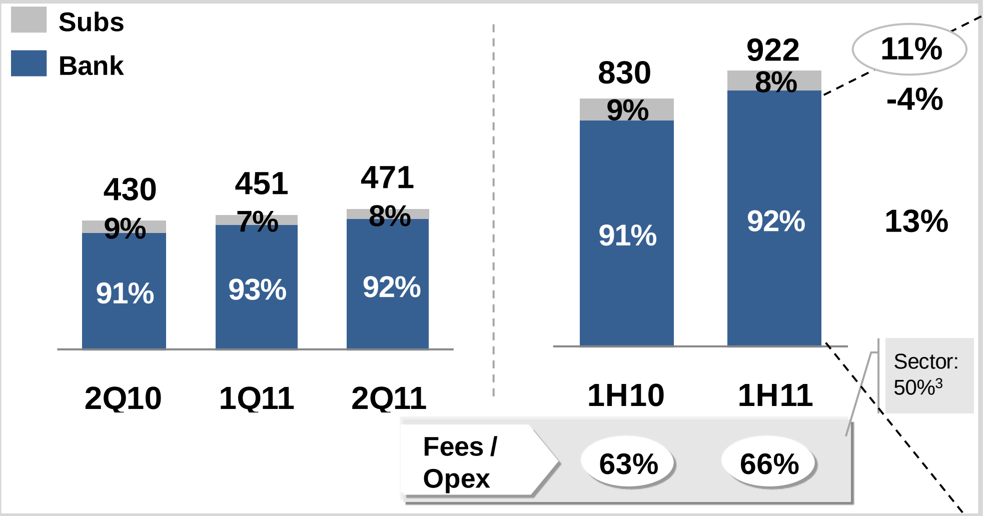
Composition of Borrowings



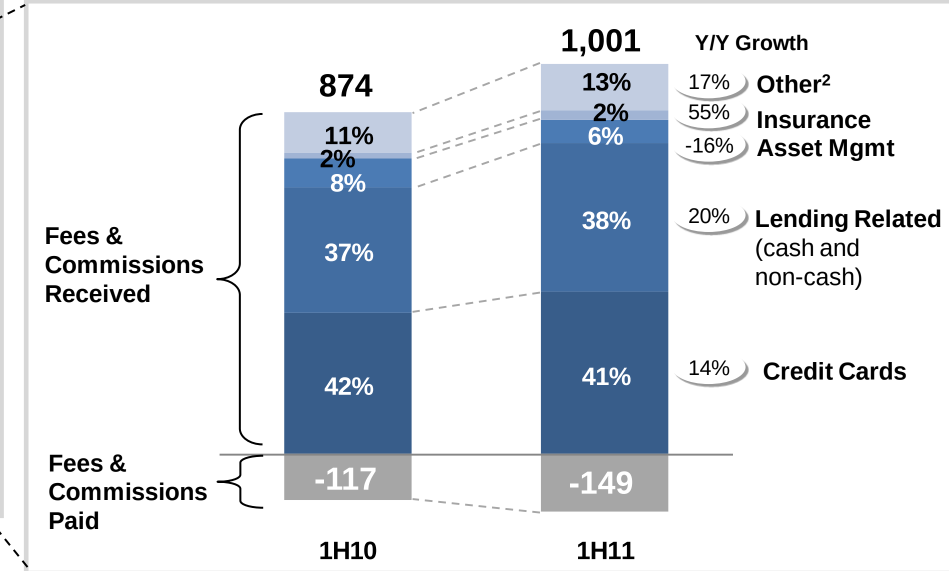
(1) Includes funds borrowed, sub-debt and marketable securities issued. Please refer to annex for details on international borrowings
(2) Other includes eximbank, postfinancing loans and subsidiaries

Fees & Commissions
Robust growth performance driven by focused approach and volume growth

Net Fees & Commissions (mln TL)



Composition of Bank Fees & Commissions



Key Drivers of Fee Growth

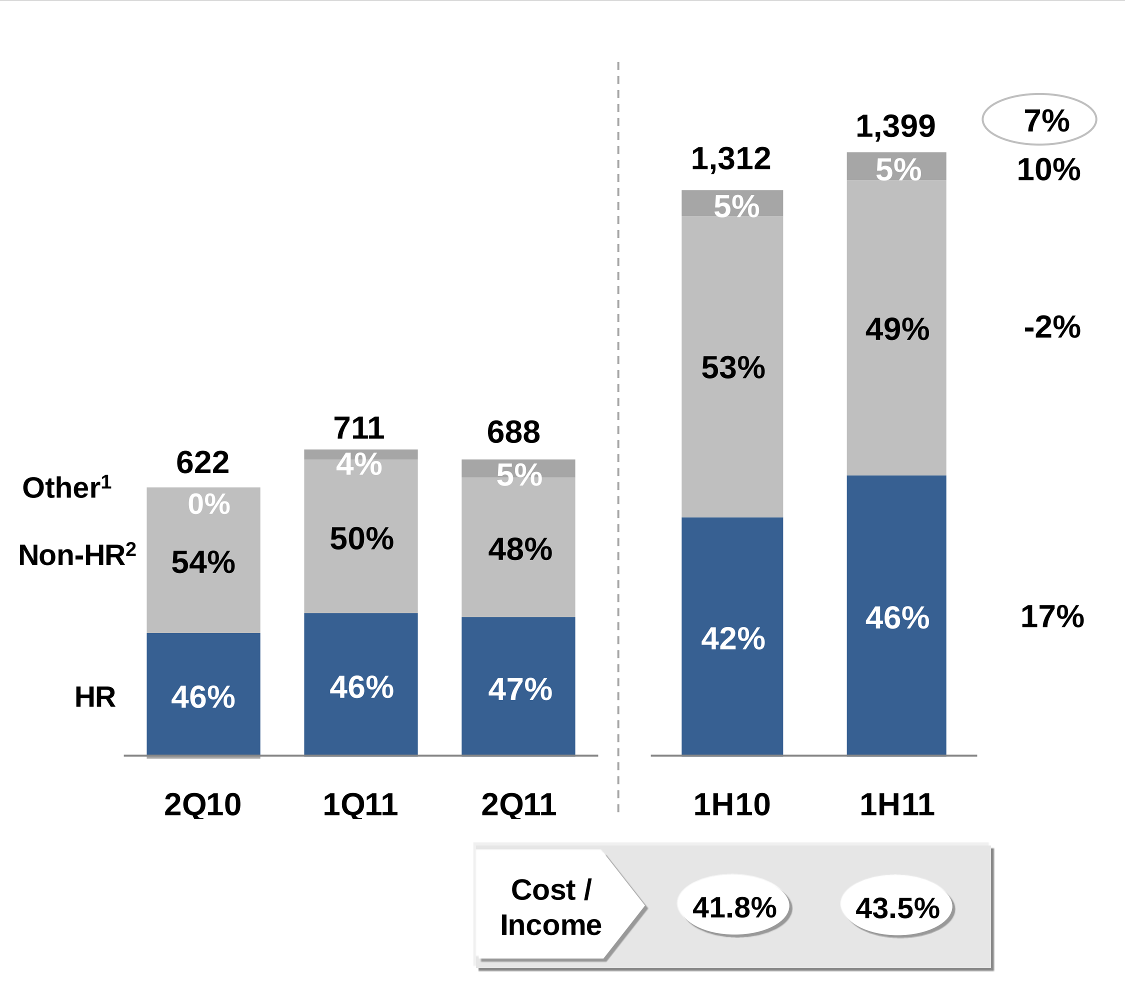
New Products	**Continued strong product bundle sales** *138K sales in 1H11 (43% of 2011 target achieved)*
New Fee Areas	**Solid performance of leasing & factoring fees** *+92% y/y*
Focus on Collection	**Strong trend in collection ratio due to focused efforts** *61% retail (+6pp vs YE10)*
Fee Generating Products	**Continued robust performance in bancassurance** (+55% y/y), **trade finance** (+20% ytd avg volumes)**, cash mngmt** (+12% ytd avg volumes), **derivative trading** (+7% ytd)

- **Fees +11% y/y driven by Bank** (+13% y/y)
  - **Credit card fees +14% y/y** contributed by **volume growth** and **increase in interchange/acquiring fees. Share in total at 41%** confirming increasing diversification of fee base
  - **Lending related fees +20% y/y** driven by **volume growth** and **repricing in some consumer loans**. **Share in total at 38%**
  - **Asset management fees -16% y/y** due to fund management fee cap decline and stable volumes
  - **Insurance fees +55%** y/y due to bancassurance focus
  - **Other fees +17% y/y** mainly driven by increasing contribution of product bundle fees and campaigns
- **Subs fees impacted by fund management fee cap decline** (-4% y/y)

(1) Total Bank fees received as of 1H11: 1,001 mln TL (874 mln TL in 1H10). Total fees paid as of 1H11: 149 mln TL (117 mln TL in 1H10)
(2) Other includes account maintenance, money transfers, equity trading, campaign fees, product bundle fees etc.
(3) As of May 2011

Operating Costs
Continuation of controlled cost growth

Total Operating Costs (mln TL)

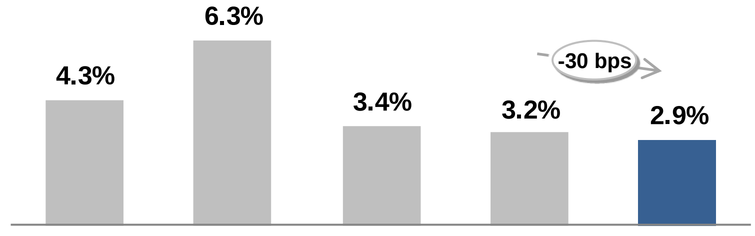


- **Total costs +7% y/y; +6% excluding one-offs[3],** in line with inflation
- **HR costs +17% y/y** impacted by bonus payments in 1Q11 (+12% y/y excluding one-offs[3])
  - **Number of employees at 14,547** (+136 vs YE10) driven by branch expansion
- **Non-HR costs -2% y/y[4]** impacted by one-off items in 1H10 (NPL sale legal fees and non-cash loan general provisions), +1% y/y excluding one-offs[3]
  - **Number of branches at 887**, +19 net openings in 2Q, +2% ytd. Market share at 9.1%
- **Other costs 10% y/y** driven by stabilised pension fund deficit[5] and effective management of Worldcard loyalty points

(1) Other includes pension fund provisions and loyalty points on Worldcard
(2) Non-HR costs include HR related non-HR, advertising, rent, SDIF, taxes and depreciation
(3) One-offs in 1Q10: NPL sale legal fees (9.2 mln TL), non-cash loan general provisions (13 mln TL) in non-HR costs 1Q11: variable compensation (30 mln TL) in HR costs
(4) Including branch tax: 1Q10: 40 mln TL, 1Q11: 44 mln TL
(5) 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

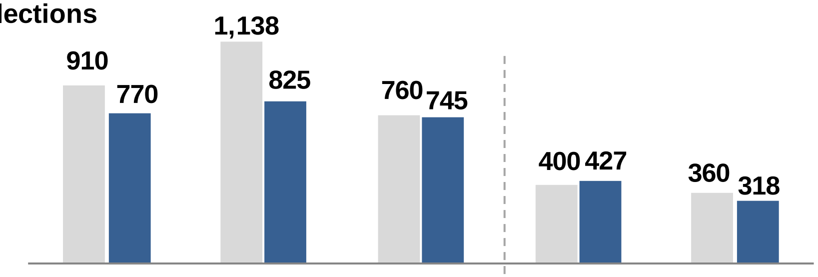
Asset Quality
Continuing positive trend

NPL Ratio



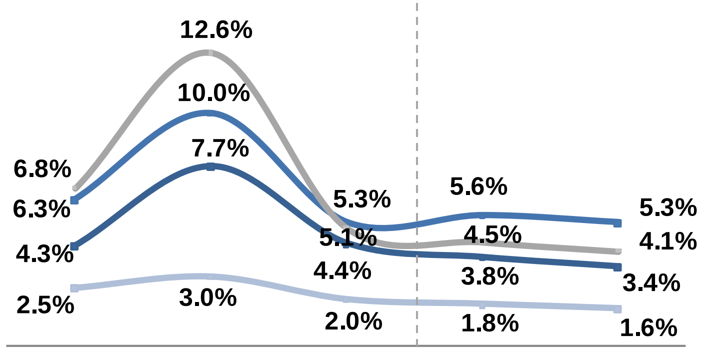
	2008	2009	2010	1Q11	2Q11
NPL Ratio	4.3%	6.3%	3.4%	3.2%	2.9%
NPL Volume *(bln TL)*	1.7	2.6	1.9	1.9	1.9

Asset Quality Flows (mln TL)



	1H10	2H10	1H11	1Q11	2Q11
NPL Inflows	910	1,138	760	400	360
Collections	770	825	745	427	318
Net Inflows	140	313	15	-27	42
Collections / Inflows	85%	80%[3]	98%	107%	88%

NPL Ratio by Segment



	2008	2009	2010	1Q11	2Q11
Credit Cards	6.3%	10.0%	5.3%	5.6%	5.3%
SME[2]	6.8%	12.6%	5.1%	4.5%	4.1%
Consumer Loans[1]	4.3%	7.7%	4.4%	3.8%	3.4%
Corporate & Comm.[2]	2.5%	3.0%	2.0%	1.8%	1.6%

- **NPL ratio down to 2.9%** (vs 3.4% at YE10), in line with sector, driven by **decelerating NPL inflows, strong collections** and **solid loan growth**
  - **NPL ratio improving in all segments** with deceleration in NPL flows
- **Collection/inflows at 98% in 1H11** on the back of declining NPL inflows and strong collections performance

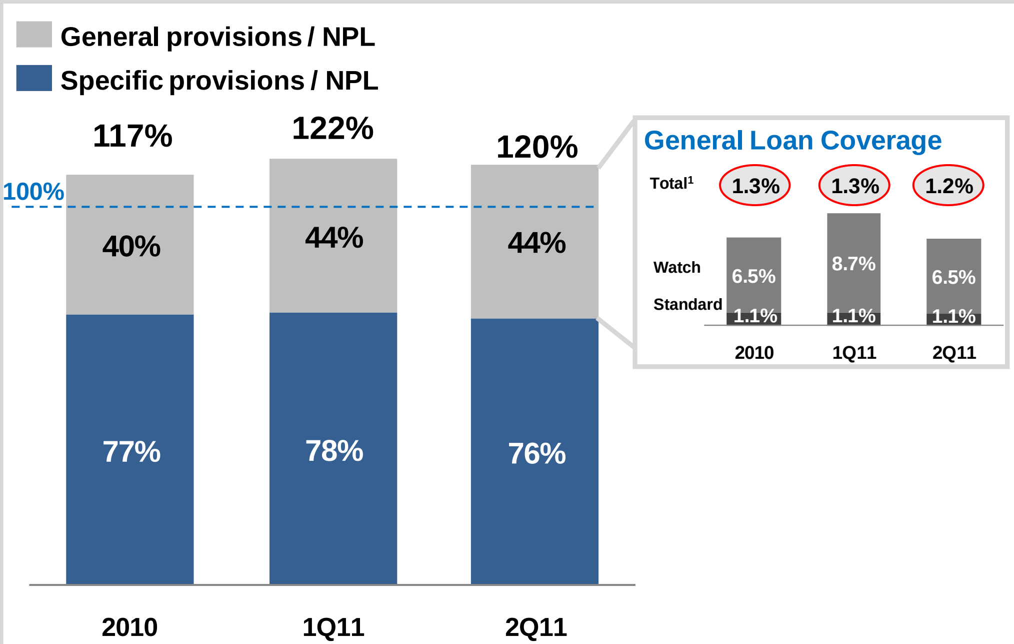
(1) Including cross default. If excluding, 2Q11: 2.8%

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

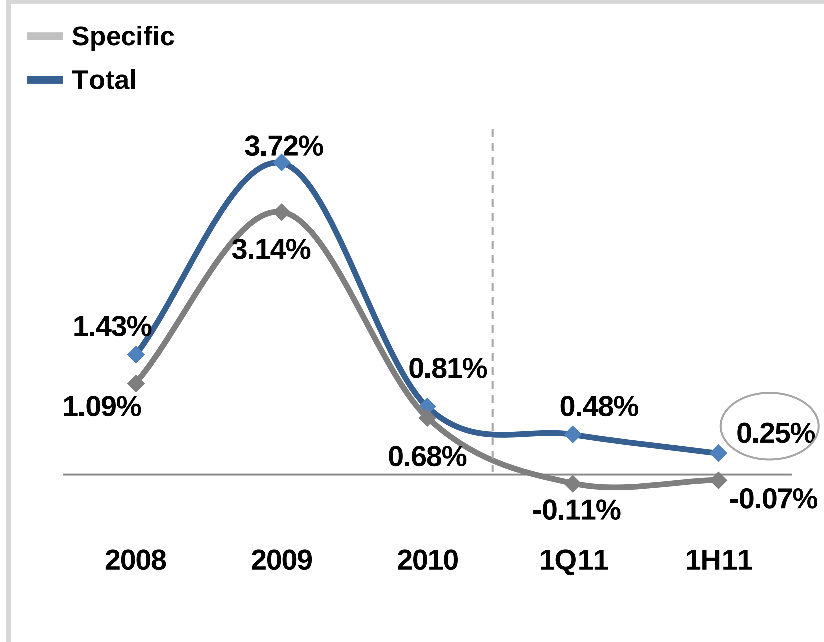
(3) Excluding one large commercial position (fully provisioned including collaterals) booked as NPL in 3Q

Provisioning and CoR
Strong NPL coverage and improving cost of risk driven by continuation of positive asset quality

Specific and General Provisioning



Cost of Risk[2] Cumulative net off collections



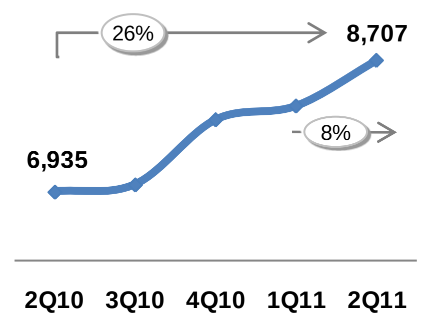
- **Total coverage of NPL volume at 120%** (including specific and general provisions)
  - **Specific coverage at 76%** (-1pp vs YE10) driven by improving asset quality
  - **Generic coverage of total performing loans at 1.2%** (vs 1.3% at YE10)
- **Total cost of risk** (net off collections) **at 0.25%** (vs -0.03% in 1H10)

(1) Coverage of total performing loans
(2) Cost of risk = (total loan loss provisions – collections) / total gross loans
Note: General provisions / NPL= (standard + watch provisions) / NPL
Total general provisions / performing loans = (standard + watch provisions) / performing loans

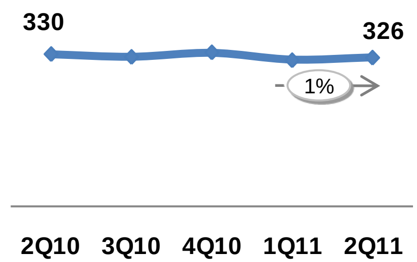
Commercial Effectiveness
Ongoing initiatives resulting in continuous improvement

Productivity

Customer Business / Employee
(ths TL)

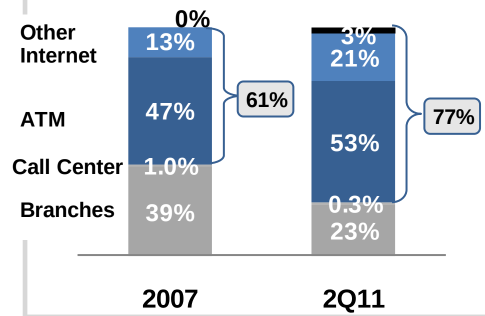


Core Revenues / Employee
(ths TL)

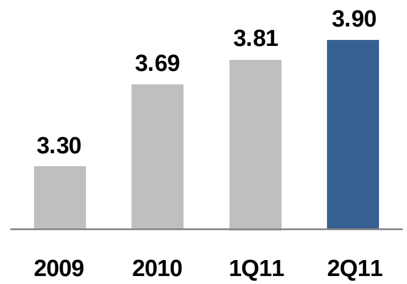


Systems / Efficiency

Non-branch Channels in Total Transactions



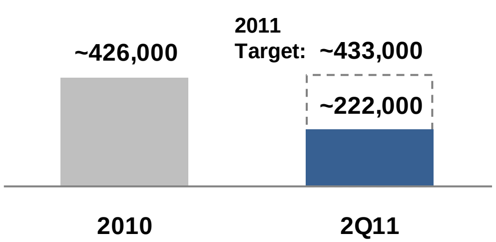
Retail Cross-sell



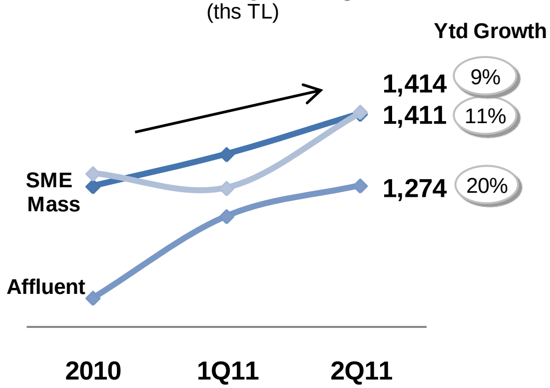
Products / Services

Conversion of Card only Clients

- 2.0 mln total card only clients
- 51% of 2011 target achieved



Retail Demand Deposits / Relationship Manager
(ths TL)



Synergies with Insurance Subs
(# of new products sold)

	1Q11	2Q11	Δ
# of Health Policies	9,739	30,419	212%
# of SME Policies	3,411	9,136	168%
# of Income Protection Policies	2,596	4,802	85%
# of Commercial Credit Life Policies	8,327	18,131	118%

* Other includes POS, mobile etc.
Note: BRSA Bank-only figures used for commercial effectiveness indicators. All other figures based on MIS data
RM = Relationship Manager

Agenda

- Operating Environment
- 1H11 Results *(BRSA Consolidated)*
- **Performance of Strategic Business Units & Subsidiaries**
- Outlook

Performance of Business Units

Strong performance of retail, corporate and commercial. Cards impacted by decline in cap rate and higher cost of funding. Private impacted by difficult market conditions

Weight in Bank: Revenues[1]	Weight in Bank: Customer Business[2]		Revenues (mln TL)	Y/Y (1H10 – 1H11)	Drivers of revenue growth
40%	35%	Retail[3]	944	22%	**Revenues** driven by **high margin loan growth, early loan repricing** and **robust fees** (19 %y/y). **Solid performance by SME** (28% y/y) followed by **Mass** (21% y/y) **compensating affluent** (stable y/y)
10%	7%	Credit Cards[4]	229	-37%	**Revenues** impacted by **lower cap rates** (-32bps)**, decline in revolving ratio** and **increased cost of funding**
3%	13%	Private	68	-20%	**Revenues** impacted by **contraction in AUM volumes** and **derivative products** together with **decrease in mutual fund cap rates** impacting **fee performance** (-19% y/y)
6%	18%	Corporate	140	20%	**Revenues** driven by **volume growth**
20%	23%	Commercial	469	9%	**Revenues** driven by **selective lending approach** and **continuation of competitive environment**

(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

Performance of Subsidiaries

Strong profitability performance at core product factories. YK Portföy impacted by decrease in mutual fund cap rates. Robust performance at insurance subsidiaries

		Revenues (mln TL)	Revenue (y/y growth)	ROE	Sector Positioning	Key Highlights
Core Product Factories	YK Leasing	96	13%	19%	**#1 in total transaction volume** (18.9% mkt share)	Strong revenue performance driven by increased business volume on the back of enhanced synergies with SME segment
	YK Factoring	31[1]	36%[1]	67%	**#1 in total factoring volume** (19.1% mkt share)[4]	Revenue performance positively impacted by higher net interest income and strong fee performance
	YK Yatırım	89[2]	0%[2]	55%	**#3 in equity transaction volume** (5.5% mkt share)	Revenue performance impacted by competitive environment in equity trading
	YK Portföy	36	-11%	126%	**#2 in mutual fund volume** (17.4% mkt share)	Revenue contraction due to decrease in mutual fund cap rates
Insurance Subs	YK Sigorta	88[3]	30%[3]	27%	**#2 in health insurance** (14.8% mkt share)[5]	Strong revenue growth driven by higher premium generation and improving technical margins on the back of focus on high margin segments
	YK Emeklilik	56	19%	30%	**#5 in life insurance[6]** **#3 in private pensions[6]**	Revenue growth driven by above sector pension fund volume growth and improving performance in life insurance segment
International Subs	YK Azerbaijan	15	10%	12%	**335 mln TL** total assets	Positive revenue performance driven by strong volume growth compensating for margin pressure
	YK Moscow	13	-13%	10%	**333 mln TL** total assets	Revenues impacted by ongoing margin pressure
	YK NV	39	-3%	10%	**3.7 bln TL** total assets	Revenues impacted by decrease in securities income due to continuation of TL bond portfolio sales

(1) Including dividend income from YK Sigorta. Revenue growth adjusted with dividend income
(2) Including dividend income from YK Portföy. Revenue growth adjusted with dividend income
(3) Including dividend income from YK Emeklilik. Revenue growth adjusted with dividend income
(4) As of Mar'11
(5) As of May'11
(6) 5.4% life insurance market share as of May'11; 16.0% private pension market share as of June'11

Agenda

- Operating Environment
- 1H11 Results *(BRSA Consolidated)*
- Performance of Strategic Business Units & Subsidiaries
- **Outlook**

2H11 Outlook

Slowdown in sector loan growth expected in 2H with increasing focus on profitability in a more rational environment

MACRO	■ **Moderation in economic activity** on the back of contained domestic demand and weak external demand impacted by regulatory actions and global uncertainty *(2011E GDP growth: 5.8%)* ■ **Sustained low inflation** despite possible short-term acceleration in core inflation *(2011E inflation: 6.9%)* ■ **Improvement in current account deficit** in 4Q on the back of CBRT policy mix and regulatory actions ■ **CBRT policy rate hike expected to be postponed to 2012**
SECTOR	■ **Significant slowdown in loan growth** in 2H accompanied by **lessened funding pressure** *(2011E loan growth: 25%, deposit growth: 15/17%)* resulting in **reduced NIM pressure** vs 1H *(2011E: -80/100 bps vs 2010)* ■ **Positive asset quality trend to continue** *(2011E CoR <2010 level)*
YKB	■ **Continuation of volume growth in line with CBRT guidance** *(2011E loan growth: 25%, deposit growth: 15/20%)* ■ **Acceleration of funding diversification** *(further eurobond and TL bond issuances)* ■ **NIM to progressively improve in 2H11** on the back of positive effect of upward loan repricing subject to more rational deposit competition *(2011E: -80/100 bps vs 2010)* ■ **Continued emphasis on fee generation** *(2011E: ~15%)* ■ **Controlled cost growth** *(2011E: in line with inflation)* ■ **Asset quality to remain strong**, in line with sector trend ■ **Ongoing branch expansion** to reach 50/60 openings by end of 2011

2011E = 2011 Estimate

Strategy

YKB confirms long-term strategic pillars while effectively managing the new environment in the short-term

- **New operating environment highly impacted by intensification of regulations / fierce competition with implications on banking sector profitability:**
  - **Short-term**: Significant pressure on profitability via acceleration of expected structural NIM compression trend in banking sector, calling for more rational behaviour by banks
  - **Long-term**: Full impact on profitability subject to future evolution of regulatory landscape and competitive dynamics
- **Despite short-term uncertainty, Turkey's prospects structurally positive** with strong macroeconomic fundamentals (taking into account potential risks on CAD, inflation) and **underpenetrated / healthy banking sector**
- **In this context, Yapı Kredi will continue its focus on achieving long-term strategic pillars while effectively managing the new environment in the short-term**

Long-Term Strategic Pillars of YKB

- **Growth and commercial effectiveness**
- **NIM management**
- **Funding and liquidity**
- **Cost and efficiency**
- **Asset quality**
- **Sustainability**

Short-Term Focus Areas

- **Upward loan repricing actions**
- **Emphasis on optimal asset allocation**
- **Focus on cost of funding optimisation, lenghtening maturity and diversification**
- **Realignment of ALM strategies**

Agenda

- Operating Environment
- 1H11 Results *(BRSA Consolidated)*
- Performance of Strategic Business Units & Subsidiaries
- Outlook
- **Annex**

Agenda

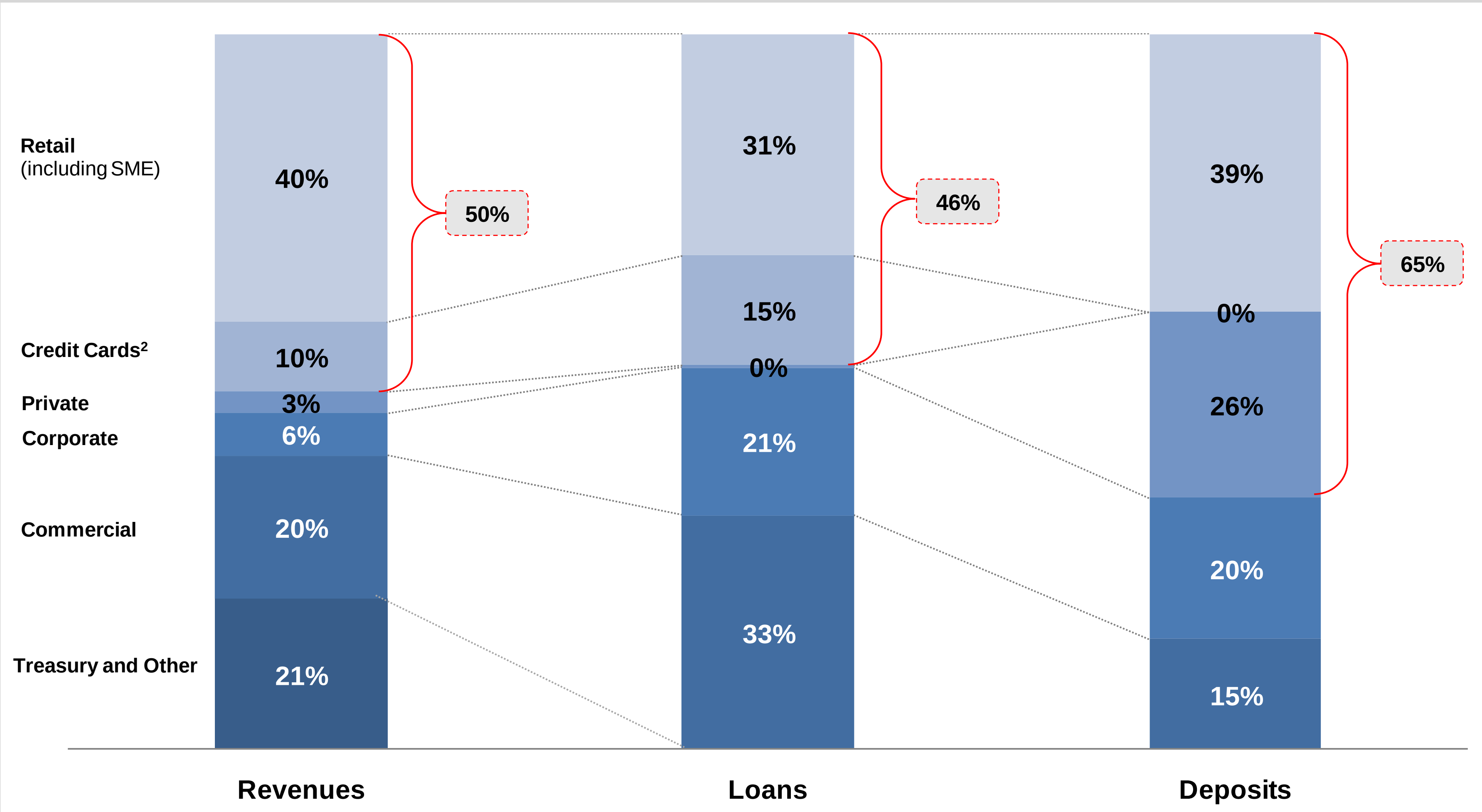
- **Detailed Performance by Strategic Business Unit**
- Other Details

Definitions of Strategic Business Units

- **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

Performance by Strategic Business Units
Diversified revenue mix with retail focused loan and deposit portfolio

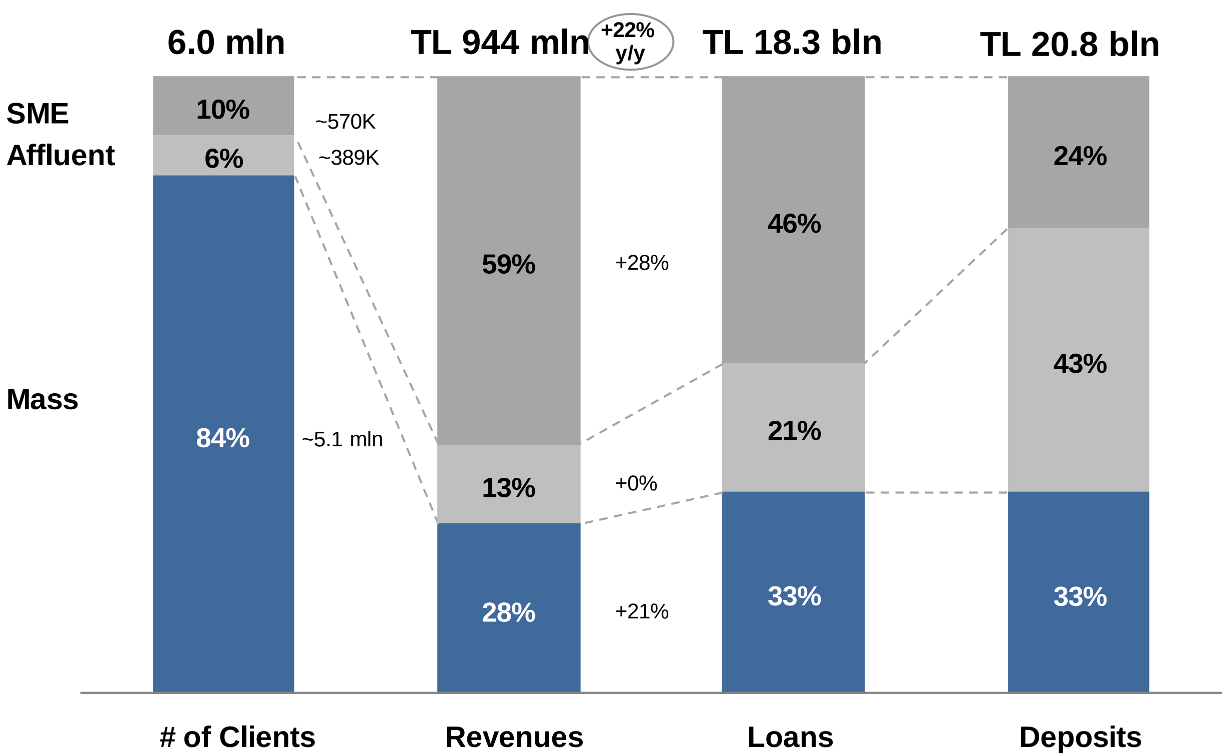
Revenues and Volumes by Business Unit[1] 1H11 (Bank only)



Note: Loan and deposit allocations based on end of period volumes (source: MIS data). All SBU figures based on 1H11 segmentation criteria
(1) Please refer to definitions of Business Units
(2) Net of loyalty point expenses on World card

Retail Banking
~60% of retail banking revenues generated by SME business

Retail Banking Composition (1H11)

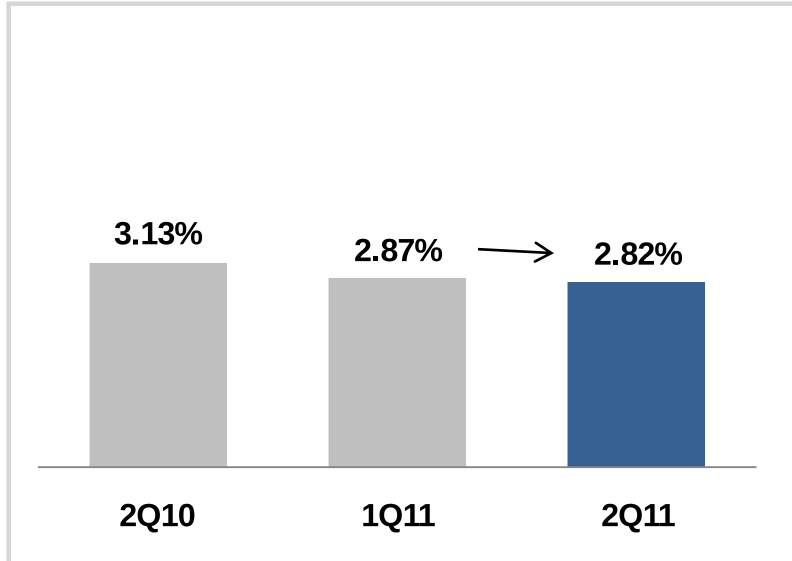


- **~570K active SME clients** generating **59% of total retail revenues** (+28% y/y growth), **46% of retail loans and 24% of retail deposits**
- **~5.1 mln active banking clients** in **mass segment** generating **28% of total retail revenues** (+21% y/y growth) and **33% of both retail loans and deposits**
- **~389K affluent clients** generating **13% of total retail revenues**, **21% of retail loans and 43% of retail deposits**

Retail (Mass & Affluent)
Revenues driven by high margin loan growth, early loan repricing and robust fee performance

TL mln	1H11	ytd
Revenues	382	14% y/y ↑
Loans	9,819	23% ↑
Deposits	15,695	7% ↑
AUM	2,840	7% ↑
% of Demand in Retail Deposits	16.8%	1.1 pp
% of TL in Retail Deposits	76.6%	0.5 pp
% of TL in Retail Loans	99%	0.3 pp

Revenues /Customer Business[1]



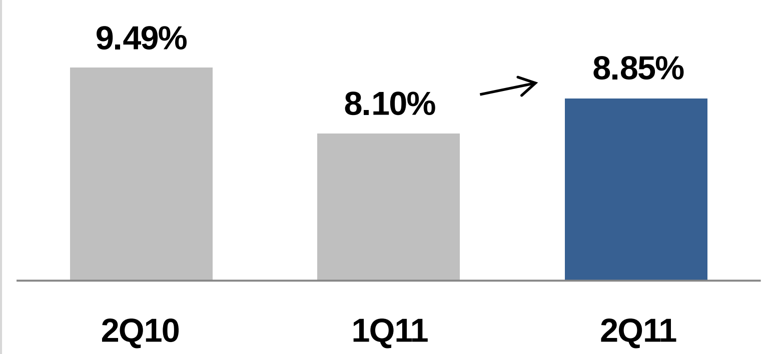
- **Revenues +14% y/y** driven by robust loan growth in high margin areas, especially general purpose and strong fee performance (19% y/y)
- **Loans +23% ytd** mainly driven by **general purpose loans** (+34%)
- **Deposits +7% ytd** driven by TL deposits (+8%)
- **Consumer loan NPL ratio down to 3.4%**[2] (vs 3.8% at 1Q11) driven by deceleration in NPL inflows and positively impacted by volume growth

Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM
(2) Excluding cross default

Retail (SME)
Revenues driven by strong volume growth and robust fee performance

TL mln	1H11	ytd
Revenues	563	28% y/y ↑
Loans	8,498	24% ↑
Deposits	5,095	4% ↑
AUM	772	1% ↑
% of Demand in SME Deposits	43.3%	1.4 pp
% of TL in SME Deposits	74.4%	-0.2 pp
% of TL in SME Loans	96%	0.1 pp

Revenues /Customer Business[1]



- **Revenues +28% y/y** driven by **strong volume growth** and **robust fee performance** (25% y/y)
- **Loans +24% ytd** driven by focused approach and **increased commercial effectiveness**
- **Deposits +4% ytd** driven by TL(+4%)
- **SME NPL ratio down to 4.1%** (vs 4.5% at 1Q11) driven by deceleration in NPL inflows and positively impacted by volume growth

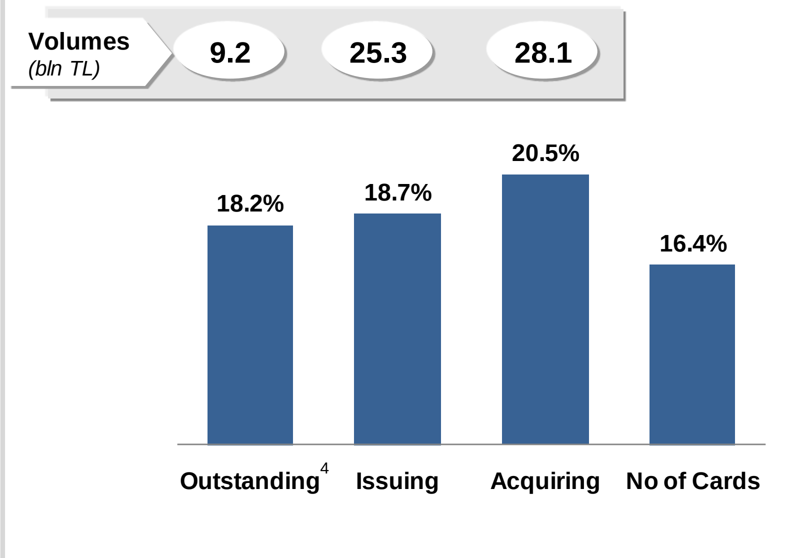
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Credit Cards

Revenues impacted by continued decline in cap rates and lower revolving ratio

TL mln	1H10	1H11	ytd
Revenues	412	283	-31% y/y
Net Revenues[1]	364	229	-37% y/y
# of Credit Cards (mln)[2]	7.7	8.0	3%
# of Merchants (ths)	315	321	5%
# of POS (ths)	378	418	7%
Activation	84.6%	84.7%	0.0 pp

Volumes and Market Shares[3]



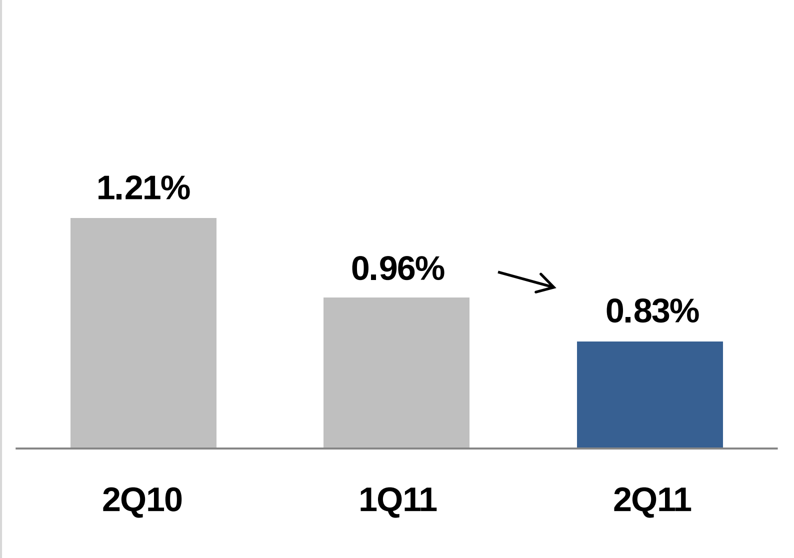
- **~626K new World cards issued in 1H11**
- **Net revenues[1]** impacted by **continued decline in cap rates** (-32 bps in 1H11) in a stable interest rate environment, **lower revolving ratio** and **higher cost of funding**
- **Credit Card NPL ratio down to 5.3%** (vs 5.6% in 1Q11) on the back of **decelerating inflows**

(1) Net of loyalty point expenses on World card
(2) Including virtual cards (2009: 1.5 mln, 2010: 1.5 mln, Jun'11: 1.5 mln)
(3) Market shares and volumes based on bank-only 6-month cumulative figures
(4) Based on personal and corporate credit card outstanding volume. Retail credit card outstanding volume (excluding corporate) market share: 18.2%

Private
Revenues impacted by contraction in AUM volume and derivative products as well as decrease in mutual fund cap rates

TL mln	1H11	ytd
Revenues	68	-20% y/y
Loans	221	-9%
Deposits	13,872	23%
AUM	2,350	-26%
% of Demand in Priv. Deposits	4.4%	-1.1 pp
% of TL in Priv. Deposits	60.5%	0.5 pp
% of TL in Priv. Loans	75%	-1.3 pp

Revenues /Customer Business[1]



- **Revenues -20% y/y** driven by **contraction in AUM volume and derivate products** due to **volatility in financial markets** as well as **decrease in mutual fund cap rates**
- **Deposits +23% ytd** driven by TL (+24%) and FC (+15% in USD terms)
- **Loans -9% ytd** driven by both TL and FC (~-10%)
- **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 end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.

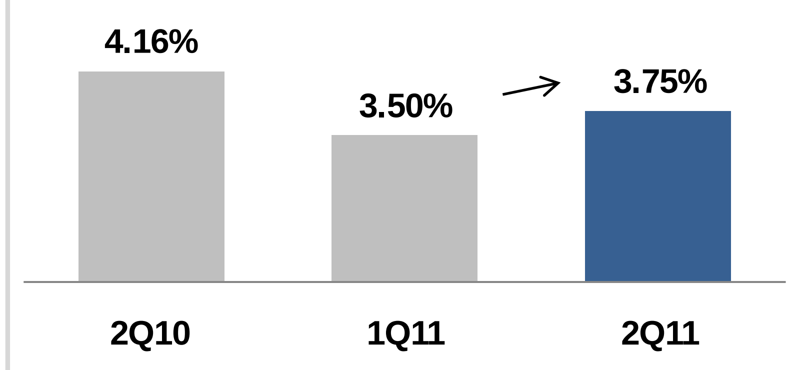
(1) Customer business: Loans + Deposits + AUM

Commercial

Revenues driven by selective lending approach on the back of competitive environment

TL mln	1H11	ytd
Revenues	469	9% y/y ↑
Loans	19,359	14% ↑
Deposits	8,238	5% ↑
AUM	216	-3% ↓
% of Demand in Com. Deposits	33.2%	-2.2 pp
% of TL in Com. Deposits	42.8%	-2.2 pp
% of TL in Com. Loans	30%	-1.3 pp

Revenues /Customer Business[1]



- **Revenues +9%** driven by **selective lending approach** in a competitive environment
- **Loans +14% ytd** driven by TL (10% ytd) and FC (+11% ytd in USD terms)
- **Deposits +5% ytd** driven by FC deposits in USD terms (+4% ytd in USD terms). TL deposits stable
- **Sound asset quality maintained** (Corporate/Commercial NPL ratio at 1.6%)

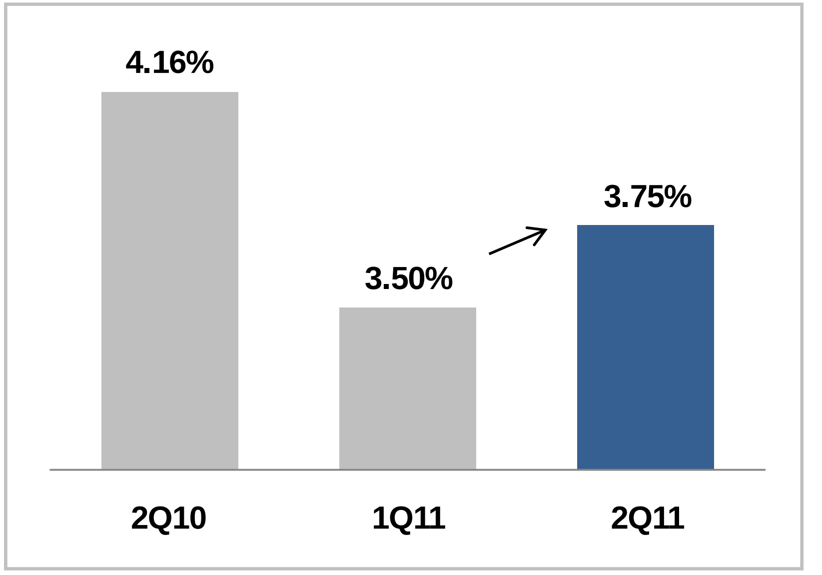
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.

(1) Customer business: Loans + Deposits + AUM

Corporate
Revenues driven by volume growth

TL mln	1H11	ytd	
Revenues	140	20% y/y	↑
Loans	12,172	24%	↑
Deposits	10,556	-11%	↓
AUM	40	-33%	↓
% of Demand in Corp. Deposits	5.1%	-0.5 pp	
% of TL in Corp. Deposits	30.3%	-22.5 pp	
% of TL in Corp. Loans	24%	0.9 pp	

Revenues /Customer Business[1]



- **Revenues +20% y/y** driven by loan growth and disciplined pricing approach compensating for margin pressure
- **Loans 24% ytd** driven by balanced growth in TL (+28% ytd) and FC loans (+16% ytd in USD terms)
- **Deposits -11% ytd** due to **contraction in TL deposits** (-49% ytd) in view of **reserve requirement hikes**
- **Sound asset quality maintained** (Corporate/Commercial NPL ratio at 1.6%)

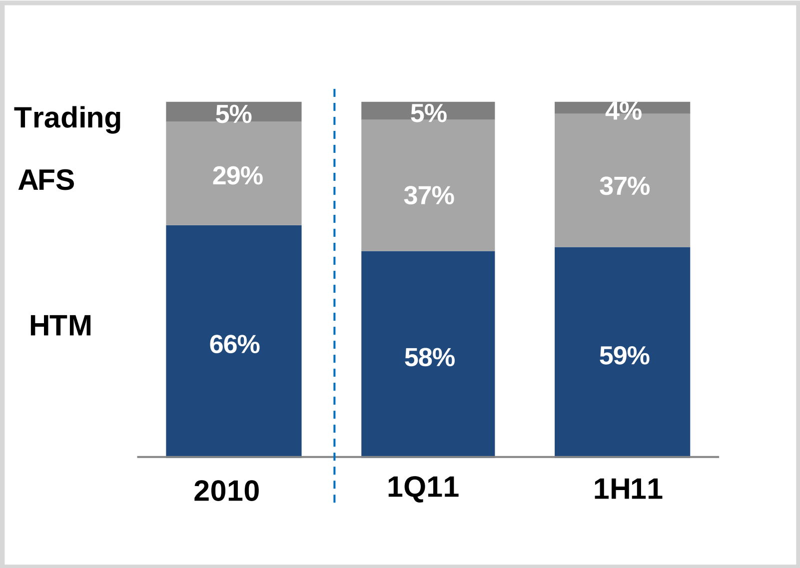
Note: Volumes (loans, deposits and AUM) based on end of period data except for revenues/customer business ratio which is based on 3 month average. MIS data.
(1) Customer business: Loans + Deposits + AUM

Agenda

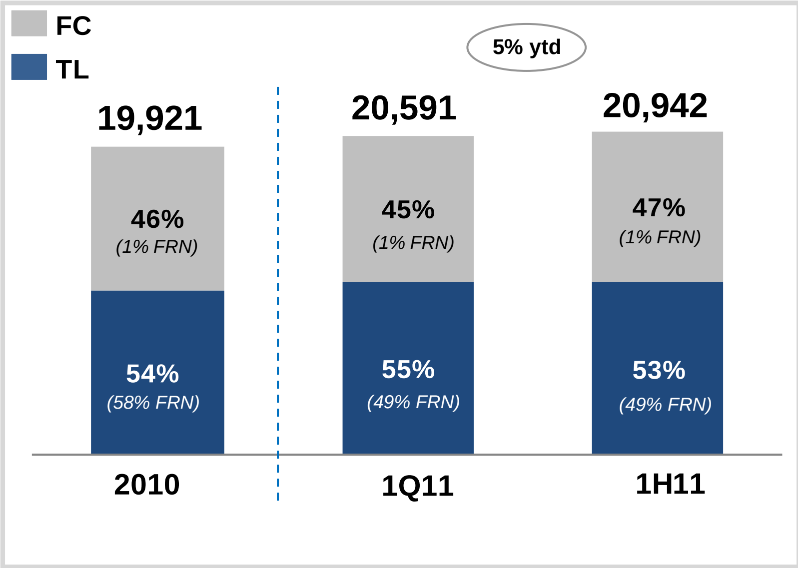
- Detailed Performance by Strategic Business Unit
- **Other Details**

Securities
59% of securities portfolio invested in HTM

Securities Composition by Type



Securities Composition by Currency (TL mln)



- **Share of Held to Maturity (HTM) at 59%** (vs 58% in 1Q11). HTM mix in total securities higher at bank level at 62%
- **Share of securities in total assets down to 19%** (vs 21% in 1Q11)
- **Share of TL securities in total securities at 53%** (vs 55% in 1Q11)

Borrowings

International	Syndications	**~ USD 2.7 bln outstanding** ■ **Apr 11:** ~USD 1.45 bln, Libor +1.1% bps all-in cost, 1 year ■ **Sept 10:** ~USD 1.25 bln, Libor + 1.30% bps all-in cost, 1 year
	Securitisations	**~ USD 825 mln outstanding** ■ **Dec 06 and Mar 07:** ~USD 365 mln, 6 wrapped notes, 7-8 years, Libor+18-35 bps ■ **Aug 10 - DPR Exchange:** ~USD 460 mln, 5 unwrapped notes, 5 years
	Subordinated Loans	**€1,050 mln outstanding** ■ **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.
	Loan Participation Note	**USD 750 mln Loan Participation Note (LPN)** ■ **Oct 10:** 5.1875% (cost), 5 years
	Multinational Loans	■ **Sace Loan - Jan 07**: €100 mln, all-in Euribor+1.20% p.a, 5 years ■ **EIB Loan - Jul 08-Dec 10:** €350 mln, 5-15 years ■ **IBRD (World Bank) Loan - Nov 08:** USD 25 mln, Libor+1.50% p.a, 6 years
Domestic	TL Bond	**TL 1 bln bond issue** ■ **Jun 11:** 8.86% compounded cost, 175 days maturity