1H08 Yapı Kredi Earnings Presentation

BRSA Consolidated

Istanbul, 7 August 2008

AGENDA

- **1H08 Operating Environment**
- 1H08 Results (BRSA Consolidated)
- Performance by Business Unit (Bank-only)
- 3 Year Strategic Plan
- Annex

Operating environment in 1H08

1Q08

- **Expansion** of the **financial turmoil internationally**
  - Global **tightening in liquidity**
- **Generally favorable operating conditions** in Turkey
  - **Still declining interest rate** trend
  - **Strong lending** growth, **no negative signs** of deterioration in **asset quality**
- **Upward** shift in **interest rate trend towards the end of 1Q**
  - **Loans repricing** both on retail and corporate

2Q08

- Continuation of **adverse global liquidity** conditions
- **Less favorable operating conditions** in Turkey mostly driven by political uncertainty
  - Some signs of **slowing economy**, **increasing inflation**, **declining consumer confidence**
  - **Start of tightening cycle** (+100 bps increase in CBT policy rate to 16.25%(2)) in parallel with interest rate increases internationally
  - **Slowdown in retail lending**, with some **slight signal of deterioration** in **asset quality** trend (i.e. SME)
- **Higher cost of funding** due to **reversal of interest rate trend** putting **pressure on NIM** despite loans repricing upward

At YKB Group level:

- **Consolidated net income** grew by **55%**(1) YoY
- **ROE** up to **31%**(1)

(1) Performance in 1H08 vs 1H07. Normalized to exclude the one-off effects of pension fund provisions on costs, general provision release on revenues and tax settlement expense on tax provisions in 1Q08. Also normalized to exclude one-off tax provision in 2Q08. ROE Annualized

(2) As of end of June 2008. Latest CBT policy rate (as of end of July): 16.75%

Preventive measures taken to sustain growth and profitability in view of economic slowdown and macro/political uncertainty

Under such macro conditions, **Yapı Kredi confirms its commitment to profitable growth** by:

- **Continuing investment** in **sustainable growth**
- Giving **higher priority to profitability and healthy growth** vs market share driven volume increase
- Focusing on **cost management** coupled with **tight control on running costs**

Pricing / Profitability

- **Repricing** of both **retail and corporate loan margins upward** (inclusive of lending fees & commissions)

Credit Process

- **More selective criteria** with regards to **loan underwriting** and **monitoring**
- **Reduced branch authority** in **SME/Individual lending**
- **Strengthened collection process** in **credit cards & SMEs**
- **Reduced exposure** to **certain sectors** (i.e. transportation, textile, construction)

Cost Management / Efficieny

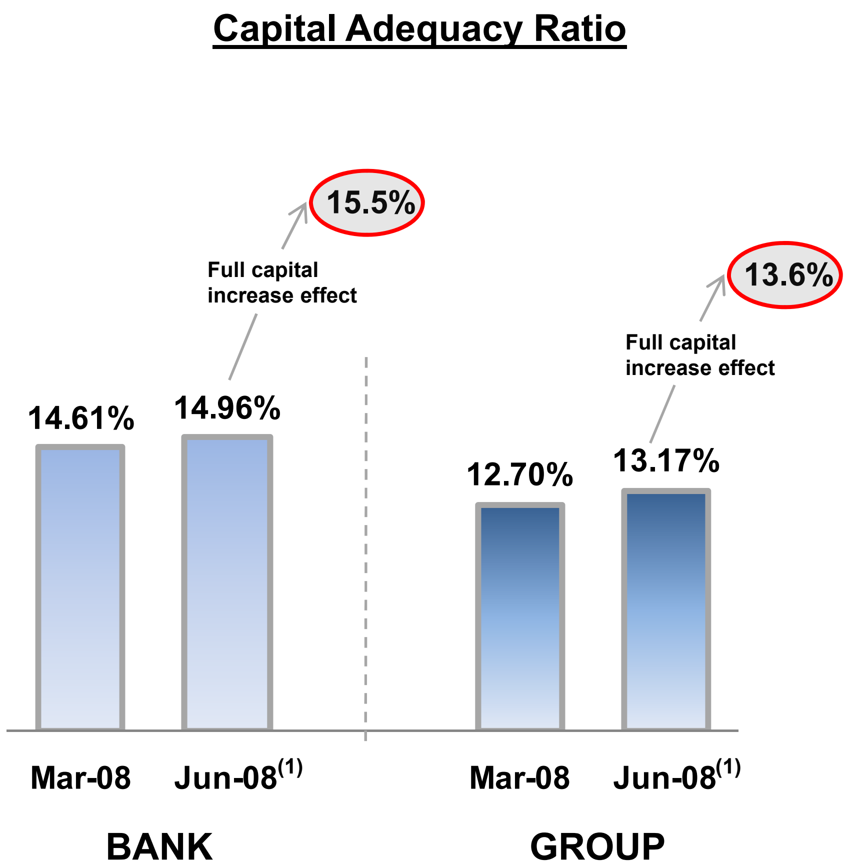
- **Revised budget internally** and took **active steps** to take **costs under control**
- Increased **efficieny program release target** from ~500 headcount **to ~750 headcount**
- **Froze new hiring at HQ level**
- **Reduced advertising/ communication budget**

Organic Growth

- **No deviation** from **accelerated branch opening plan**
- Close **monitoring** of **revenue** and **profitability of new branch openings**

As a result, YKB confirms its net profit target and healthy/profitable balance sheet evolution for 2008

Successfully completed YTL 920 mln rights issue



- **Capital increase** aimed at:
  - further **supporting long-term growth plan** and **leadership ambitions,**
  - **reducing leverage,** and
  - strengthening capital base to provide a **cushion for regulatory changes** and **financial volatility**
- **Paid in capital up by 920 mln YTL** to **4,347 mln YTL**
- **KFS,** controlling shareholder, **fully took up its rights of 81.8%** (~750 mln)
- **99.85% subscription** achieved
- **Remaining ~YTL 1.4 mln (nominal) rump** to be sold on ISE on 7, 8 and 11 August
- **Official completion of capital increase process** expected **within August***

* Subject to obtainment of all regulatory approvals

(1) As of June 08, YTL 670 mln of capital commitment of KFS was incorporated in Tier 2 as approved by BRSA (YTL 330 mln in 1Q, YTL 340 mln in 2Q)

AGENDA

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1H08 Key performance highlights

1H08 Results (BRSA Consolidated)

- **740 mln YTL** of **consolidated net income**, **up 61% YoY**, **55% if normalized** (1), confirming positive profitability and growth trend
- **Consolidated normalized(1) ROE** of **31.1%**, (up +5.4 pps YoYN(1)), **consolidated reported ROE** of **32.2%**
- **2,453 mln YTL** of **revenues**, up 30% YoY, 19% if normalized(1), **driven by solid commercial performance** both in net interest income (+20% YoY) and fees (+37% YoY)
- Further **market share gains** driven by **growth in consumer** (+83% YoY, +33% YTD) and **SME lending** (+72% YoY, +24% YTD). **More than doubled sector growth** in **general purpose loans** (+55% YTD, 169% YoY),
- **Healthy, above market deposit growth** (+17% YTD, +23% YoY) resulting in 9.6% market share (+20 bps vs YE07)
- **Leadership position in credit cards** maintained in terms of market share in outstanding volume (23.0%), total issuing volume (22.1%) and number of credit cards (18.0%), with **sound profitability** despite margin compression
  - **Exceeded 10 mln cards on World platform** as a result of Fortis and Vakıf brand sharing agreements
- **Accelerated branch expansion** well **on track** and **ahead of plan**
  - **3rd largest branch network in Turkey** (up from # 4 position in March), 791 branches and 9.7% market share
  - +115 net new openings YTD, +153 since launch of plan in July 07
  - Revenues of new branches 26% above plan, costs 16% below plan
- **Cost / Income down to 51%** (vs 57% in 1H07), confirming strong focus on cost management and sustainable growth
- **NPL ratio down to 3.9%** from 5.8% at YE07 (stable vs 1Q08), also benefitting from portfolio disposal in 1Q08 with specific coverage at 74%
- **Successful completion of 920 mln YTL rights issue (99.85% subscription** achieved). **CAR at 13.2%** at **Group level;** 15.0% at Bank level
- Ongoing process of **non-core asset divestiture**; including **insurance** and **REIT (YK Koray)**

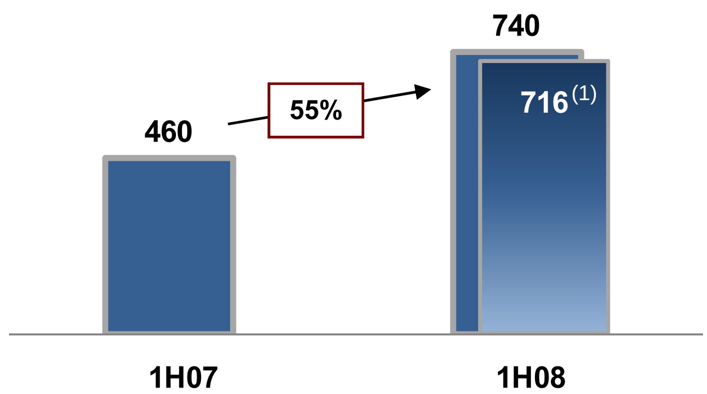
(1) Normalized to exclude the one-off effects of pension fund provisions on costs, general provision release on revenues and tax settlement expense on tax provisions in 1Q08. Also normalized to exclude one-off tax provision in 2Q08. ROE annualized

Note: Throughout the presentation, normalized figures, indicated with “N”, are shown where applicable. Otherwise, stated figures are shown

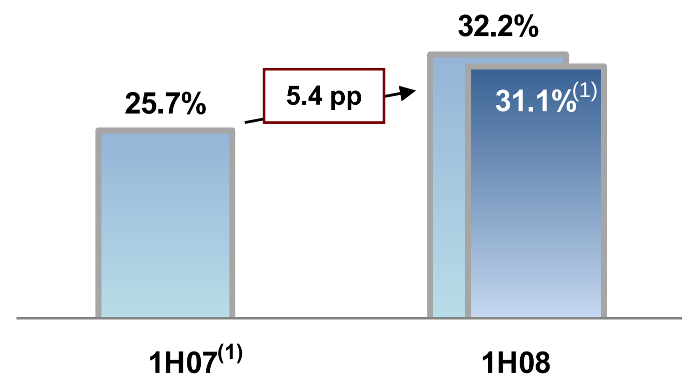
Key performance indicators

Consolidated Net Income

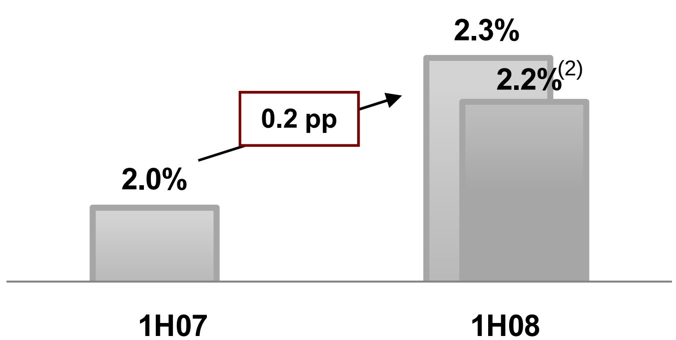
(mln YTL)



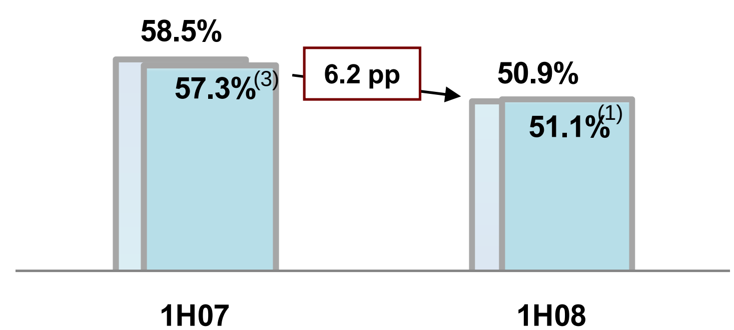
Consolidated ROE(*)



Consolidated ROA(**)



Cost / Income



(*) Calculations based on beginning of the year equity. Annualized

(**) Calculations based on net income/end of period total assets. Annualized

(1) Calculations based on restated equity and net income; ROE as of 1H07 was 26.2% based on reported equity and net income

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

(3) Normalized to exclude the gross up effect of Superonline write-off on revenues and provisions in 2Q07

On a normalized basis, net profit up 55% YoY[(1)], confirming positive results of improved commercial focus and tight cost management despite accelerated branch expansion plan and less positive environment in 2Q

Income Statement, mln YTL	1H07	1H08	% YoY	%YoYN[(1)]
Total Revenues	**1,881**	**2,453**	**30%**	**19%**
Net Interest Income	1,142	1,370	20%	20%
Non-Interest Income	739	1,083	47%	17%
o/w Fees&Comm.	470	643	37%	37%
Operating Costs	**-1,101**	**-1,249**	**13%**	**6%**
HR	-443	-497	12%	12%
Non-HR*	-491	-551	12%	12%
Other**	-167	-201	20%	-29%
Operating Income	**780**	**1,204**	**54%**	**36%**
Provisions	-131	-251	92%	29%
Pre-tax Income	**649**	**953**	**47%**	**38%**
Tax	-117	-213	82%	54%
Net Income	**532**	**740**	**39%**	**34%**
Minority Interest	-72	0	n.s.	n.s.
Consolidated Net Income	**460**	**740**	**61%**	**55%**

- **Revenues up 30% YoY**, **19% if normalized[(1)]**
- **Revenue growth** driven by **20% YoY growth in net interest income** and **37% YoY growth in fees and commissions**
- **HR** and **non-HR costs up 12% YoY** despite **accelerated branch expansion plan at Bank level. Total Costs up 13% YoY**, 6% if normalized[(1)]
- **Operating income up 54% YoY, 36% if normalized[(1)]**
- **Cost of risk at 1.07%, 1.15% if normalized[(1)]**

(1) Normalized to exclude the one-off effects of pension fund provisions on costs, general provision release on revenues and provisions and tax settlement expense on tax provisions in 1Q08. Also normalized to exclude one-off tax provision in 2Q08. 1Q07 normalized to exclude the gross-up effect of write-off on revenues and 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

Continued growth momentum in core banking activities, with further improvement of balance sheet mix

Balance Sheet *bln YTL*	1H07	2007	1H08	% YoY	%YTD	%QoQ
Total Assets	**52.4**	**56.1**	**64.6**	**23%**	**15%**	**6%**
Loans	**23.8**	**28.7**	**34.1**	**43%**	**19%**	**7%**
TL	*16.2*	*19.4*	*22.9*	*41%*	*18%*	*10%*
FC	*7.6*	*9.3*	*11.2*	*47%*	*20%*	*1%*
Securities	**15.0**	**14.5**	**14.3**	**-5%**	**-1%**	**-3%**
Deposits	**32.1**	**33.7**	**39.5**	**23%**	**17%**	**9%**
TL	*18.0*	*18.9*	*21.9*	*22%*	*16%*	*11%*
FC	*14.1*	*14.8*	*17.6*	*25%*	*19%*	*7%*
Shareholders' Equity	**4.4**	**5.0**	**5.4**	**23%**	**8%**	**6%**
AUM	**6.0**	**6.8**	**6.2**	**5%**	**-9%**	**-6%**

Ratios	1H07	2007	1H08	ΔYoY	ΔYTD	ΔQoQ
Loans / Assets	45.4%	51.2%	52.8%	7.4 pp	1.6 pp	0.4 pp
Securities / Assets	28.6%	25.9%	22.1%	-6.5 pp	-3.7 pp	-2.0 pp
Loans / Deposits	74.1%	85.2%	86.3%	12.2 pp	1.1 pp	-2.0 pp
CAR	12.61%	12.81%	13.17%	0.6 pp	0.4 pp	0.5 pp
o/w Bank	12.30%	13.67%	14.96%	2.7 pp	1.3 pp	0.4 pp

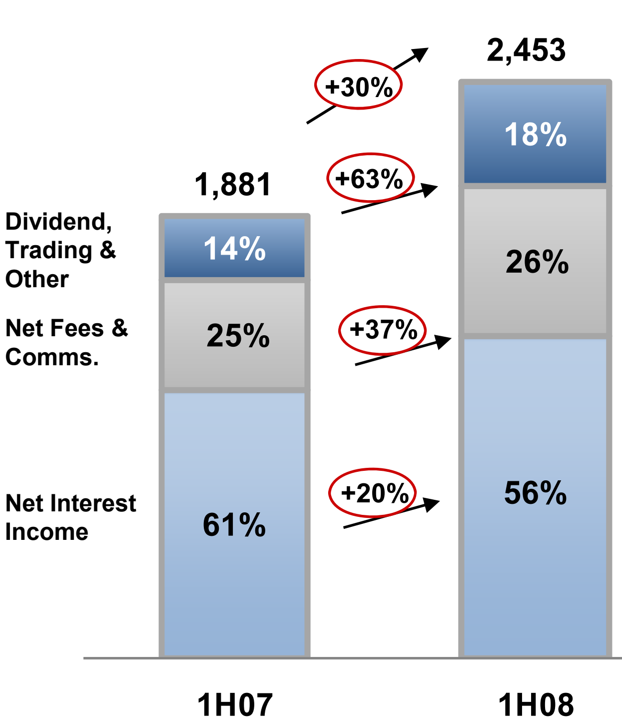
- **Loans up 19% YTD (43% YoY)** despite slowing demand in 2Q
- **Loans/Assets up to 53%** (vs 51% at YE07) while **securities weight in assets down to 22%** (vs 26% at YE07)
- **Deposits up 17% YTD (23% YoY)** with **share of demand deposits over total at 16.6%** stable vs 1Q08
- **Loans / Deposits ratio at 86%** (vs 85% at YE07), **at a comfortable level**
- **CAR* at 13.2%** at **Group level** and **15.0%** at **Bank level**

(*) For additional information, please refer to slide 5. As of June 08, YTL 670 mln of capital commitment of KFS was incorporated in Tier 2 as approved by BRSA (YTL 330 mln in 1Q, YTL 340 mln in 2Q)

Note: Loan figures indicate performing loans

Strong fee & net interest income growth as main drivers of improved revenue performance confirming strength of commercial activity

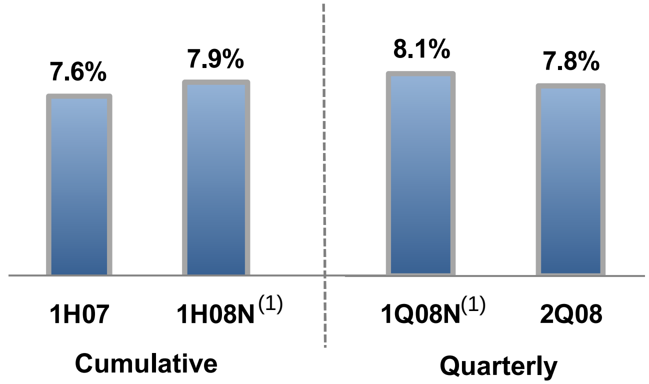
Total Revenues
(mln YTL)



% Comp	YoY Growth
100%	19%
12%	-13%
28%	37%
60%	20%

1H08N(1)

Revenues / Avg. IEAs

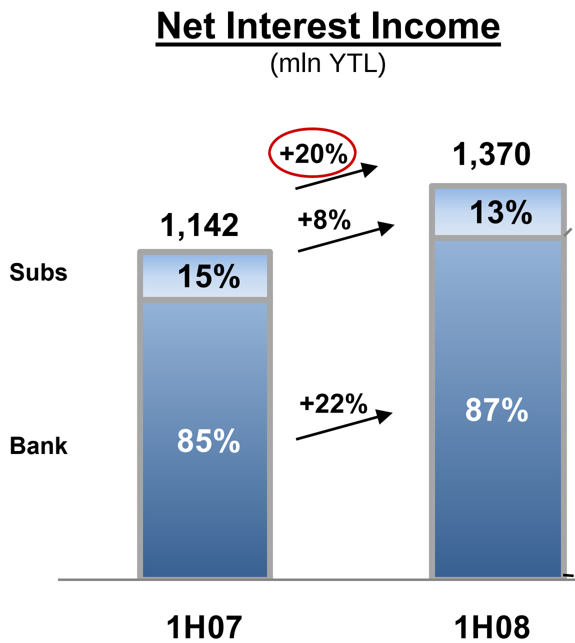


- **Revenue growth** mainly driven **by net interest income (+20% YoY)** and **net fees and commissions (+37% YoY)**
- Improved **revenue mix with higher share of fees at 28%[1]** (vs 25% in 1H07) and **net interest income at 60%[1]** in total
- **Revenues / Avg. IEAs up at 7.9%** on a six-month cumulative basis (+0.3 pp YoY) and down at **7.8% in 2Q08** (-0.3 pp QoQ) impacted by **reversal of declining interest rate trend**

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

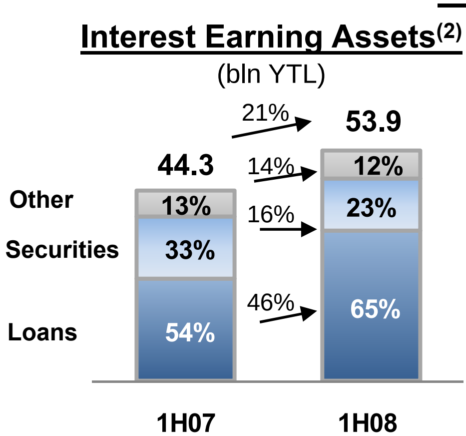
Solid net interest income performance despite a tougher operating environment in 2Q

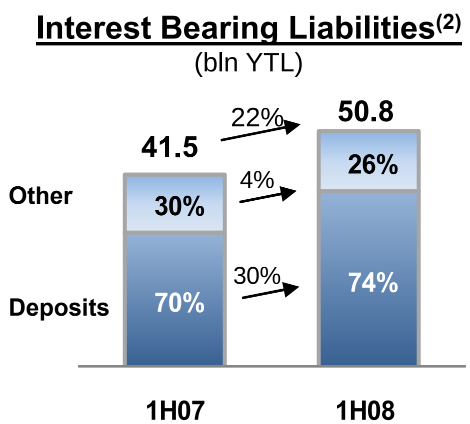
1H08 Results (BRSA Consolidated)



BANK[1]		YoY Growth (1H08 – 1H07)	QoQ Growth (2Q08 – 1Q08)
IEA	Interest Income	+9%	+5%
	Avg. IEAs volume	+11%	+7%
	Avg. Interest, %	-29 bps	-31 bps
IBL	Interest Expense	+2%	+6%
	Avg. IBLs volume	+11%	+8%
	Avg. Interest, %	-76 bps	-16 bps
	Avg. Spread	+47 bps	-15 bps

BANK





- **Interest income up 9% YoY at Bank level** and **up 5% QoQ**, driven by **volume growth**, with **increased weight** of **higher margin consumer** and **SME loans**
- **Interest expense up 2% YoY at Bank level** and **up 6% QoQ**, driven by **increased cost of funding due to reversal of interest rate trend** in 2Q08
- **Improvement of the overall spread (+47 bps) for 1H08** vs 1H07**, but quarterly decline of 15 bps** vs 1Q08 **driven by higher cost of funding**

(1) Based on quarterly BRSA bank-only financials
(2) End of period

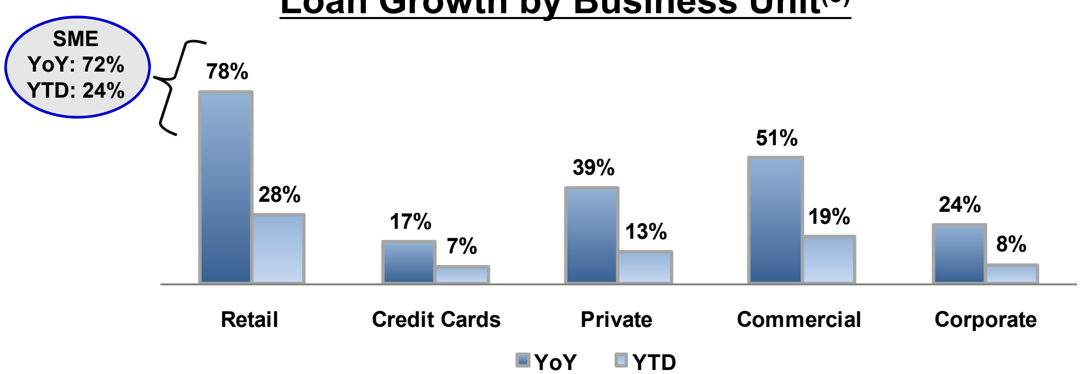
Loan growth driven by Consumer, SME and Commercial Banking, above the sector despite slowdown in the market

1H08 Results (BRSA Consolidated)

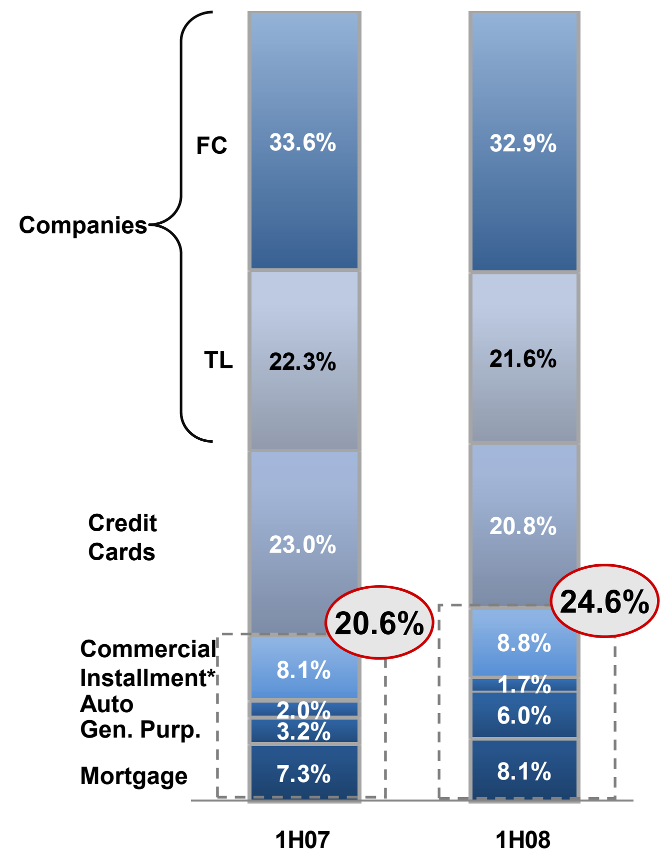
Consumer and Commercial Installment Loan Quarterly Growth vs. Sector[1]

	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08
Consumer Loans	**-0.6%**	**8.0%**	**14.0%**	**20.4%**	**19.3%**	**11.6%**
Sector	*5.0%*	*10.6%*	*10.3%*	*10.9%*	*9.5%*	*7.8%*
Gen. Purpose	-1.7%	14.1%	25.8%	38.3%	30.7%	18.3%
Sector	*9.1%*	*16.2%*	*13.2%*	*14.3%*	*10.8%*	*9.7%*
Mortgage	2.8%	9.0%	12.5%	14.0%	15.5%	7.9%
Sector	*5.2%*	*9.1%*	*10.6%*	*9.5%*	*10.3%*	*7.1%*
Auto	-9.3%	-3.9%	0.2%	10.2%	6.7%	7.7%
Sector	*-6.0%*	*-2.0%*	*-1.7%*	*2.6%*	*-1.4%*	*0.9%*
Comm. Instl.*	**6.3%**	**11.7%**	**13.1%**	**17.3%**	**14.9%**	**7.0%**
Sector	*3.5%*	*14.4%*	*6.1%*	*8.0%*	*8.0%*	*8.0%*

Loan Growth by Business Unit[3]



Composition of Total Loans[2]

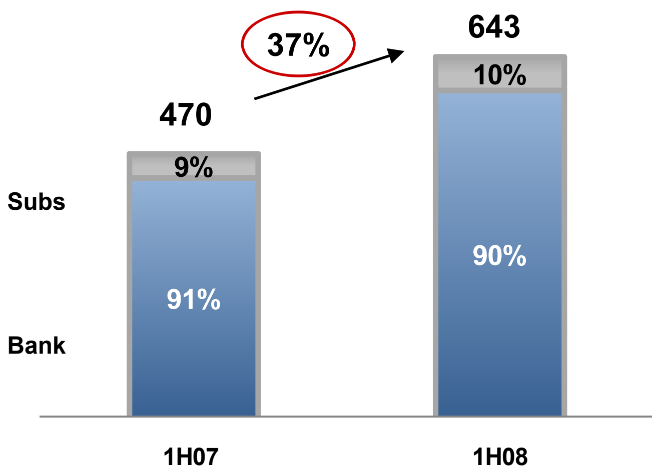


(1) Due to unavailability of consolidated data, sector figures are bank-only
(2) Total performing loans as per BRSA consolidated figures
(3) Loan growth as per MIS data. Please refer to Annex for definitions of Business Units
(*) Proxy for SME loans as per BRSA reporting

Consistently strong performance in fees & commissions mainly driven by lending related fees

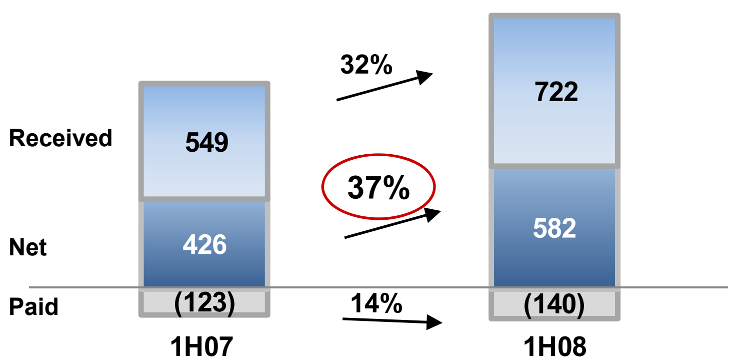
GROUP: Net Fees & Commissions[1]

(mln YTL)



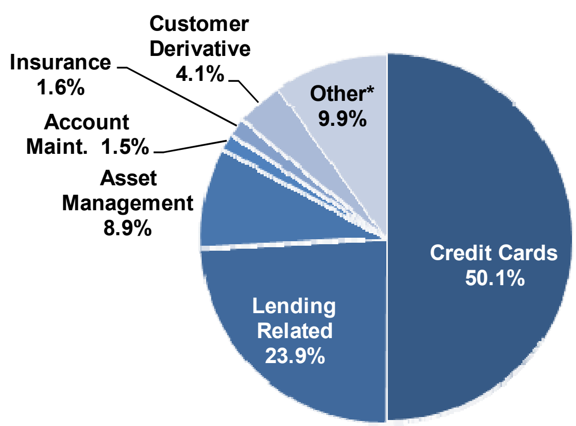
BANK: Net Fees & Commissions

(mln YTL)



- **Fees up 37% YoY at Group level**
- **Fees up at 37% YoY** at **Bank level, mainly** driven by **lending** related fees
- **50%** of **Bank fees & commissions generated by credit cards, 24% by lending** and **9% by asset management**

BANK: Composition of Fees & Commission Received (1H08)



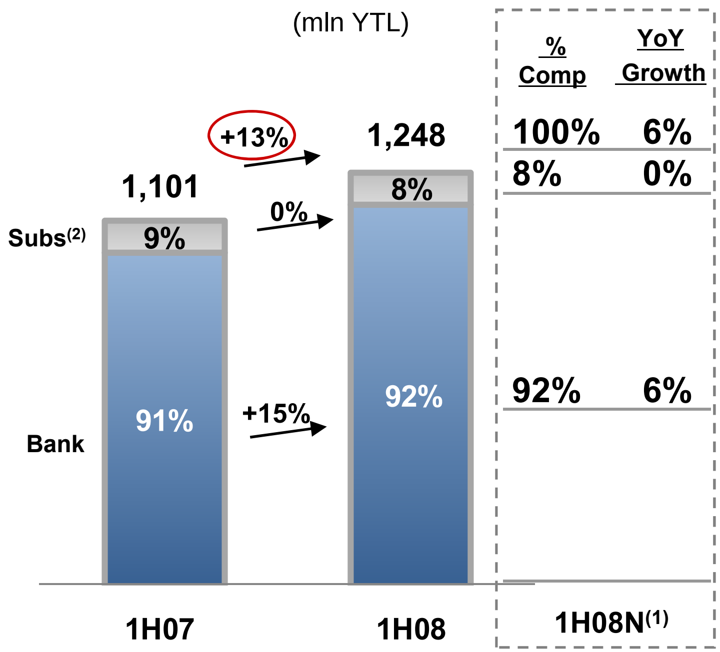
composition	1H07
Credit Cards	55.7%
Asset Mng.	10.5%
Lending Related	18.4%
Account Maint.	1.6%
Insurance	1.5%
Cust. Derivat.	0.3%
Other*	12.1%

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

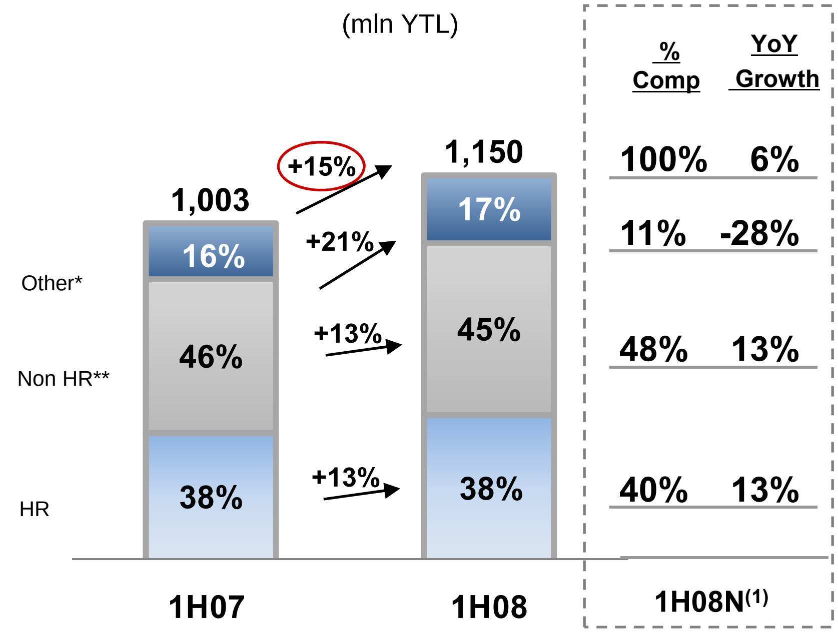
Cost growth under control despite accelerated branch opening plan at Bank level

1H08 Results (BRSA Consolidated)

GROUP: Composition of Costs



BANK: Composition of Costs

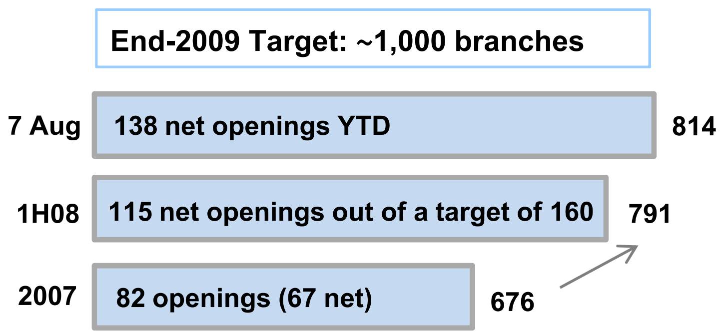


- **Total Group costs, up 13% YoY**, **6% if normalized[1], driven by Bank costs** (up 15% YoY, 6% YoY if normalized[1])
- **Total Bank costs driven by 13% YoY increase in HR costs** and **13% YoY increase in non-HR costs**
- **Bank costs** impacted by **accelerated network expansion,** accompanied by **tight control on running costs** (0% growth target in '08 budget) as well as **ongoing efficiency measures (+400 headcount released from operational back-office in 1H08 to be deployed in new branches)**
  - **Bank costs up 12% QoQ[1] driven by 15% QoQ increase in non-HR costs (impacted by higher advertising expenses in 2Q in comparison with a low 1Q) and 7% QoQ increase in HR costs (impacted by salary increase)**
- **Other Bank costs up 21% YoY** driven by **one-off pension fund increase** partially compensated by 33% YoY **decrease in World loyalty point expenses**

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

Accelerated branch openings well on track and ahead of plan

No. of Bank Branches



Realized Performance of New Openings vs. Plan

No. of openings:
13% above plan

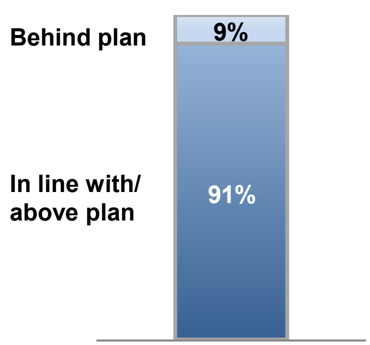
Total Cum. Revenues
26% above plan

Total Cust. Business[(2)]**:**
48% above plan

Total Costs
16% below plan

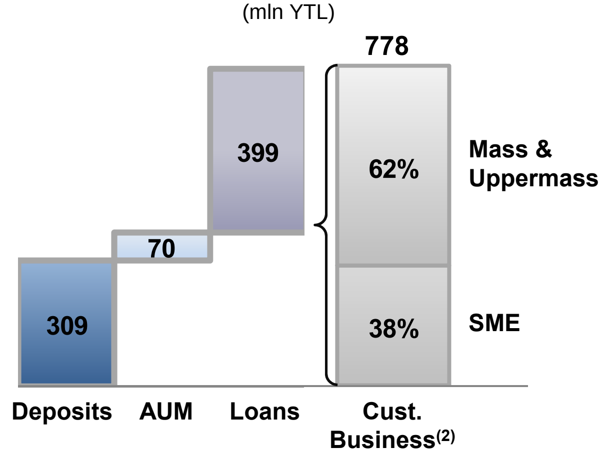
Performance of New Openings[(3)]

(No. of Branches)



Customer Business Generation by New Openings since launch of plan

(mln YTL)

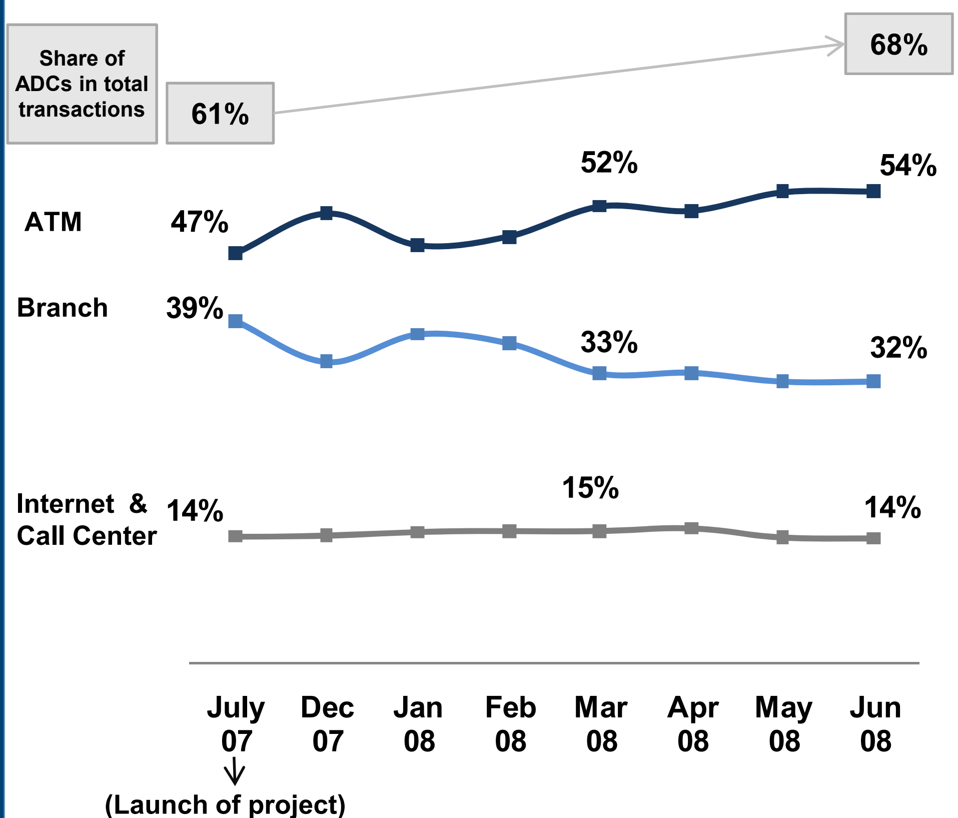


- As of end of June, YKB has **the 3rd largest branch network in Turkey** (up from # 4 position in 1Q) with **9.7% market share in terms of number of branches**
- **153 net new openings** as of end of June **since launch of plan in July 07** (51 in 1Q08 and 64 in 2Q08)
- **~1,500 additional recruitments** to support the plan since launch (of which 215 in 2Q08)
- **Total Bank branches at 791**[(1)] as of end of June, **covering 70 cities** as of end of 2Q (59% in top 4 cities vs 63% at YE07)
- Of the new branch openings in 1H08, **32% in top 4 cities, 68% spreading throughout the country**

(1) Including one off-shore branch in Bahrain
(2) Customer business: loans + deposits + AUM
(3) Including branches open for more than 2 months
Note: All numbers indicated on this page are as of June 2008 unless otherwise indicated and refer to Bank only

Aggressive transaction migration to ADCs continues to bring incremental benefits despite accelerated branch expansion

Alternative Delivery Channel (ADC) Utilization* vs. Branch Utilization

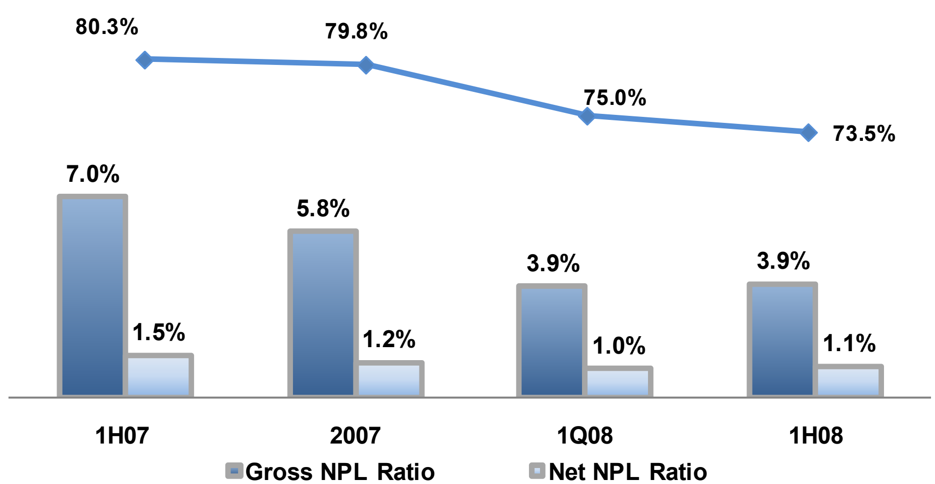


- **Total of 1,375 advanced ATMs (Tele24 Plus)** as of 1H08 (+348 YTD)
  (Total # of ATMs: 2,220)
- **As a result of installation of advanced ATMs between July 07 and June 08:**
  - **107% increase** in ATM usage for **depositing cash**
  - **69% increase** in ATM usage for **credit card payments**
  - **10% increase** in ATM usage for **withdrawing cash**
- **Launch of new internet platform for corporates & SMEs** (June 08) expected to trigger increase of usage in 2H08
- **Leadership of internet platform and call center confirmed** by PC Magazine 2008 award

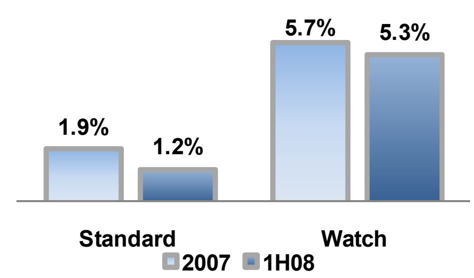
(*) All migration transactions with no limits and all customer types

NPL ratio down to 3.9% from 5.8% at YE07 (stable vs 1Q08), also benefitting from portfolio disposal in 1Q08

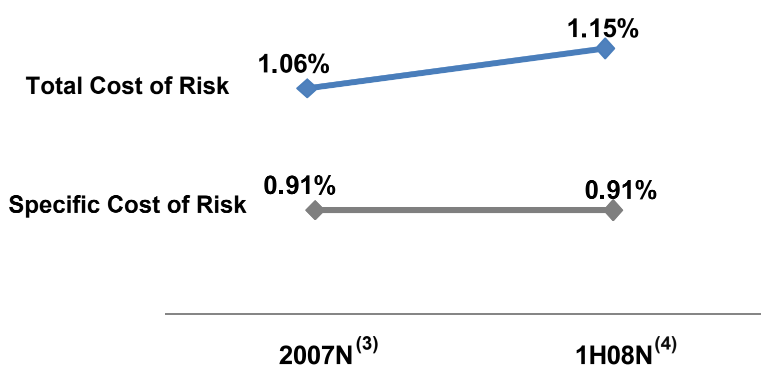
Gross and Net NPL Ratio[1], Specific Coverage



General Provisioning



Cost of Risk[2]



- **More selective criteria** with regards to **underwriting** and **monitoring of loans; strenghtened collections process**
- **SME scorecard project positively progressing,** with expected completion within 2008
- **New NPLs driven by SMEs and credit cards in line with expectations** with **no material deterioration in overall asset quality,** but higher level of attention on SMEs
- **Normalized cost of risk at 1.15%** impacted by **higher general provisions; specific cost of risk at 0.91%,** stable vs 2007

(1) Excludes factoring receivables and financial lease receivables
(2) Cost of risk = total loan loss provisions / total gross loans
(3) Normalized to exclude the gross up effect of write-off in 2Q07
(4) Normalized to exclude the one-off effect of general provision release in 1Q08

AGENDA

- 1H08 Operating Environment
- 1H08 Results (BRSA Consolidated)
- **Performance by Business Unit (Bank-only)**
- 3 Year Strategic Plan
- Annex

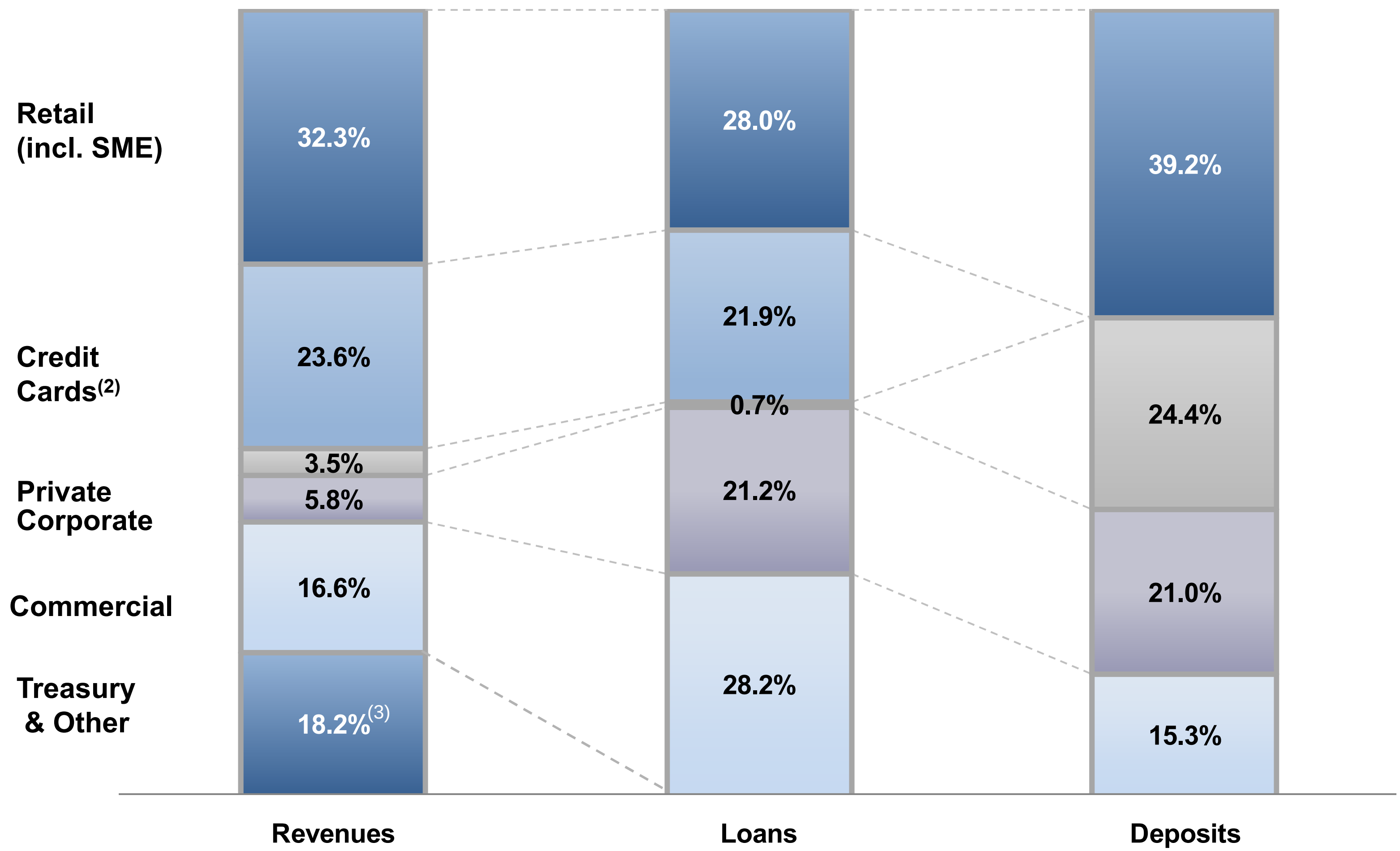
Revenue performance by Business Unit

Weight in Bank Revenues		Revenues (YTL mln)	QoQ (2Q08 – 1Q08)	YoY (1H08 – 1H07)	vs. Budget	Drivers of revenue growth
32%	Retail	583	9%	25%	+	■ **Improved commercial momentum** in **consumer** and **SME lending** coupled with **accelerated branch expansion**
24%	Credit Cards*	426	0.2%	8%	=	■ **Higher revolving ratio** and **fee collection** despite **higher cost of funding** and **continuation of interest rate cap reduction** by Central Bank
3%	Private	63	11%	41%	+	■ **Growth in customer business**, **positively impacted by** performance of **structured deposits**
6%	Corporate	105	7%	4%	-	■ **Repricing focus** to improve return on capital coupled with **selective volume growth**
17%	Commercial	300	6%	25%	+	■ **Strong volume growth** with **increased focus on revenue oriented initiatives**

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

Diversified revenue composition driven by an increasingly retail focused loan portfolio and high quality deposit mix

Revenues & Volumes by Business Unit[1] 1H08 (Bank-only)



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

AGENDA

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Key pillars of 3 Year Strategic Plan (2008-2010)

3YP centered on
ambitious organic growth via **network expansion**, **strong commercial focus** accompanied by **continuous attention on costs** and **on capital management**, with increasing **focus on customer satisfaction**

Network Expansion

- ~340 **branch openings** between 2008-2010 to **exceed 1,000 branches in 2010**
- Acquire new customer business with **increasing presence in mid size cities**

Strong Commercial Focus

- Rapid growth in **SME segment**; **profitable growth** in **mortgage** and **consumer lending**
- Maintain **leadership in credit cards** with growing **focus on profitability**
- **Reinforce leadership** in **Private and Affluent segments** also through introduction of **new enhanced service model**
- Continuous strenghtening of **Commercial segment** based on **profitability** and **return on capital**; focus on **overall client/product profitability** in Corporate segment

Continuous Attention on Cost/Income

- **Productivity enhancements** on **existing network,** also leveraging on **strong collaboration** among **network** and **product factories**
- **Continuous strong focus** on **efficiency improvement** and **tight cost management**

Capital Management

- **Active strategic portfolio management** for better capital usage/allocation
- **RWAs reduction measures** to reduce capital absorption and boost value creation

Key Targets

Revenue Growth *(CAGR 2007-2010)*	~18%
ROE	in the range of 20%
Cost / Income	<50%
NPL Ratio	<3%
Specific Cost of Risk	~1.0%
Capital Adequacy Ratio	~13%*
Number of Branches**	~1,000
Full Time Employees**	~17,000

Source: 3 Year Strategic Plan based on IFRS YK Group financials
(*) Both at Bank and Group level. Including possible impact of Basel II. If excluded, CAR at YK Group and Bank level: ~14%
(**) At Bank level. At Group level, No. of Branches: ~1,100, No of FTE: ~20,000

AGENDA

- 1H08 Operating Environment
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Annex

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

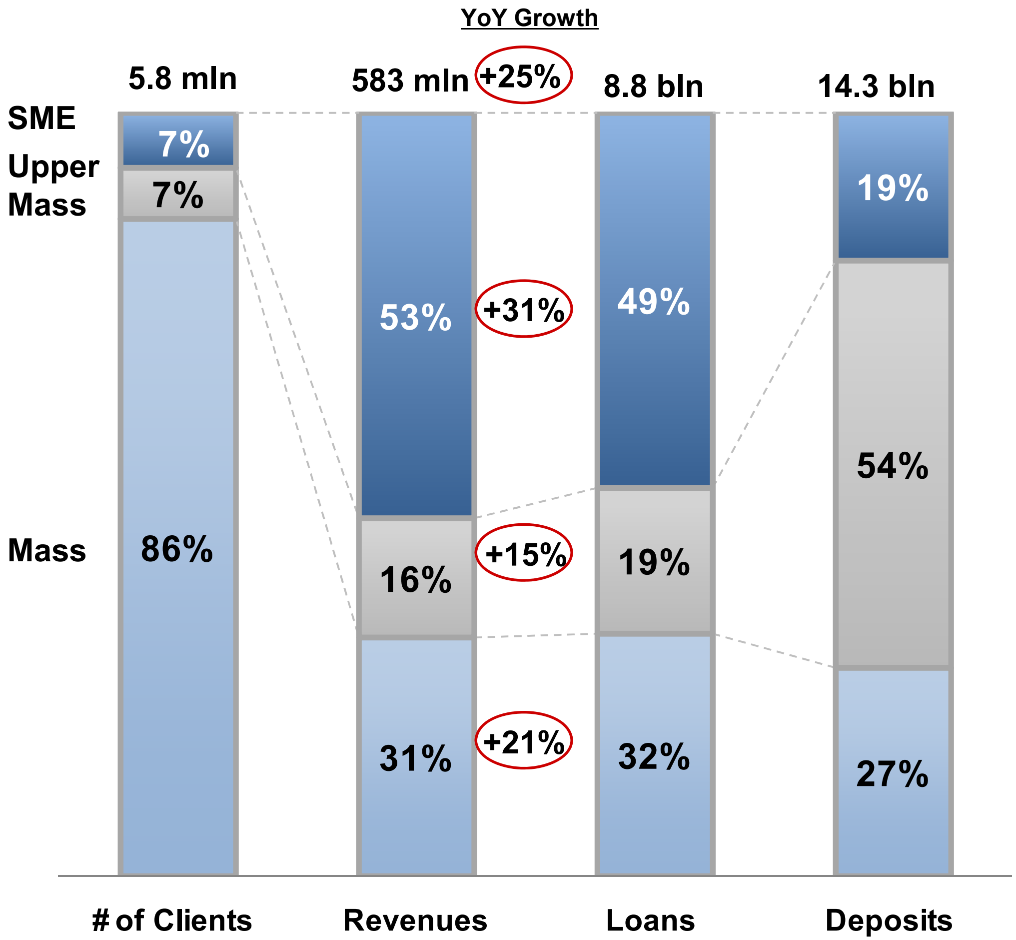
Definitions of Business Units

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

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

Retail Banking[1] - Composition of Active Clients & Total Revenues

(YTL, 1H08)



- **~420K active SME clients** generating **53% of total Retail revenues**
- **Highest rate of growth** on an annual basis driven **by SME segment (+31% YoY)**
- **Mass sub-segment** generating **31% of total Retail revenues with ~5 mln clients**
- **Mass sub-segment revenues growing** at **21% YoY**
- **Uppermass sub-segment** generates **16% of total Retail revenues**

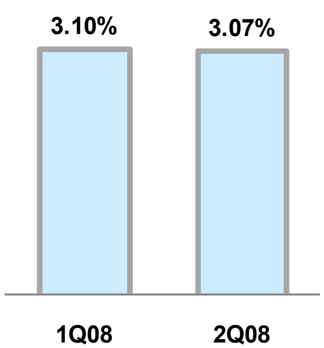
(1) Please refer to Annex for definitions of Business Units

Retail (Mass & Uppermass)

Retail (mass & uppermass) banking driven by accelerated branch expansion and focused growth in consumer lending, outperforming market and peers

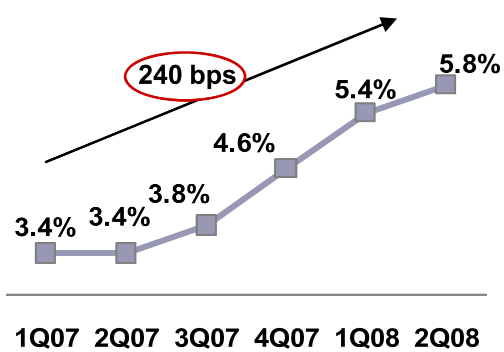
Mln YTL	1H07	1H08	YoY	YTD
Revenues	229	273	19%	-
Loans	2,454	4,485	83%	33%
Deposits	10,449	11,532	10%	6%
AUM (eop)	2, 356	2,498	6%	-6%
% of Demand in R. Deposits	*16.1%*	*14.5%*	*-1.6 pp*	*-0.3 pp*
% of TL in Retail Deposits	*63.4%*	*69.2%*	*5.8 pp*	*1.7 pp*
% of TL in Retail Loans	*100%*	*100%*	*0 pp*	*0 pp*

Revenues/ Cust. Business(1)

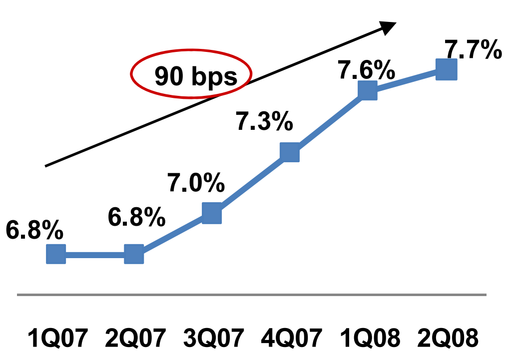


- **Retail banking revenues up 19% YoY** driven by **improved commercial momentum in consumer lending**(2) as well as **branch expansion**
- **General purpose loan growth** mainly due to **implementation of CARMA**(3)
- **Auto loan market share** improving due to partnerships **(Ford Finans)**
- **Upward loan repricing** starting from February' 08 accompanied by ongoing **efforts on improving deposit pricing**

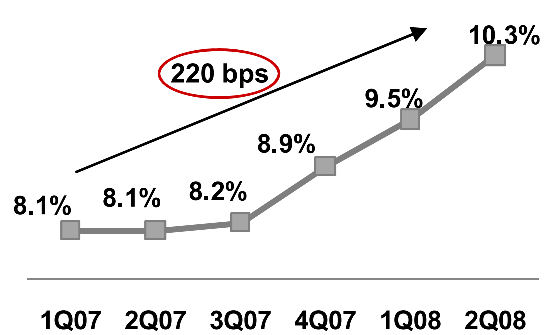
Gen. Purpose Loan Market Share(3)



Mortgage Market Share(3)



Auto Loan Market Share(3)

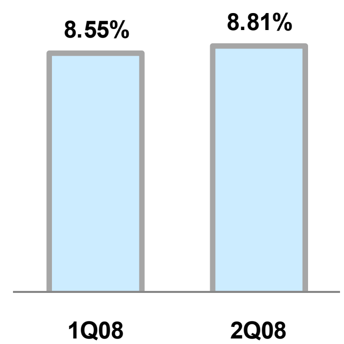


Note: all loan and deposit figures based on monthly averages except for revenues/customer business ratio which is based on 3-month average. MIS data
(1) Customer business: Loans + Deposits + AUM
(2) Consumer lending includes loans that are granted to individuals only. Market shares based on BRSA bank-only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

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

Mln YTL	1H07	1H08	YoY	YTD
Revenues	237	310	31%	-
Loans	2,505	4,317	72%	24%
Deposits	2,518	2,752	9%	-6%
AUM (eop)	441	498	13%	-20%
% of Demand in SME Deposits	37.0%	38.4%	1.4 pp	5.2 pp
% of TL in SME Deposits	64.3%	65.7%	1.4 pp	-1.9 pp
% of TL in SME Loans	97.6%	97.6%	0.0 pp	0.2 pp

Revenues/ (Customer Business[1])



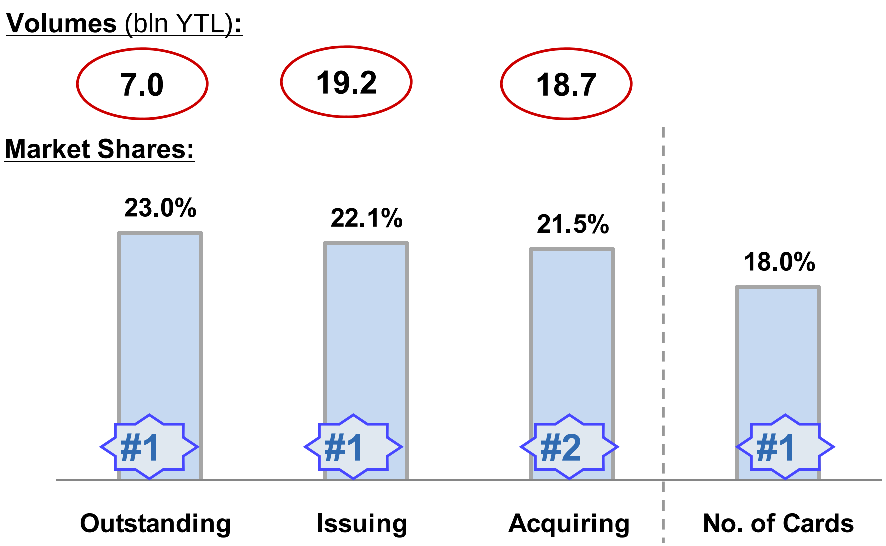
- **SME revenues up 31% YoY** driven by **consistent focus on lending** as well as **branch expansion**
- **~45K SME clients acquired** during first 6 months of 2008 (total number of SME clients: ~420K)
- **SME loans up 72% YoY** driven by **dedicated service model** and **unique product offerings**
- **Increased focus on credit risk management** resulting in limitations on branch manager authority. **Launch of new SME scorecard** planned **within 2008**

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

Solid revenue contribution by credit cards in line with budget, despite regulatory changes putting pressure on margins

	1H07	1H08	YoY
Revenues *(mln YTL)*	456	491	8%
Net Revenues[1] *(mln YTL)*	375	426	14%
# of C. Cards[2] *(mln)*	6.5	7.3	12%
# of Merchants *(ths)*	~203	~240	18%
# of POS *(ths)*	~ 219	~289	32%
Revolving Ratio *(%)*	30.9	31.7	0.8 pp
Activation *(%)*	82.9	86.5	3.6 pp

Credit Card Volumes & Market Shares[3]



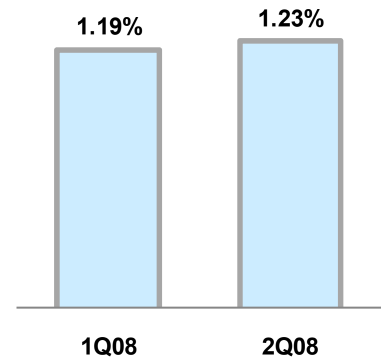
- **~ 659K new World cards issued** and **+155 personnel** added to **Direct Sales Force** (total number: 354) **in 1H08** to maintain **leadership position**
- **Credit card revenues up 8% YoY** and **profitability sustained in 2Q08** due to **higher revolving ratio** despite **higher cost of funding**
- **Focus** on **optimizing loyalty point expenses**
- **Co-branding agreement** with **Fortis** and **Vakıf launched** in June and August , respectively. Implementation of agreement with **Anadolu planned within 2008**
- **8th largest credit card programme in Europe** with $23.5 bln of issuing volume in 2007, according to recently published The Nilson Report

(1) Net of loyalty point expenses on World card
(2) Including virtual cards (2007: 1.1 mln, 1Q08: 1.2 mln)
(3) Market shares and volumes based on bank-only 6-month cumulative figures

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

Mln YTL	1H07	1H08	YoY	YTD
Revenues	44	63	41%	-
Loans	150	208	39%	13%
Deposits	7,585	8,893	17%	30%
AUM (eop)	1,642	1,670	2%	-15%
% of Demand in Private Deposits	4.2%	4.4%	0.2 pp	0.1 pp
% of TL in Private Deposits	51.6%	52.3%	0.8 pp	3.5 pp
% of TL in Private Loans	100%	100%	0 pp	0 pp

Revenues/ (Customer Business[1])

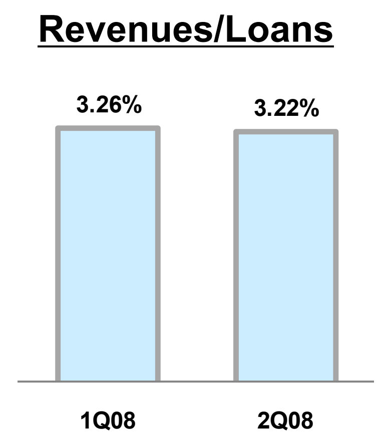


- **Private banking revenues up 41% YoY** driven by **growth in customer business**
- **Deposit volume growth up 17% YoY** (30% YTD) positively impacted by **performance of structured deposits** and **contributing 24% of Bank's total deposits** in 2Q08
- **Positive development in project,** launched in 1Q08, to **review strategic approach on affluent/private customer segments** and (i) **define new value proposition** and **enhanced service model** (ii) **review product offerings**

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

Selective growth in Corporate banking driven by ongoing repricing focus to improve return on capital

Mln YTL	1H07	1H08	YoY	YTD
Revenues	102	105	3%	-
Loans	5,366	6,676	24%	8%
Deposits	4,995	7,654	53%	60%
AUM (eop)	282	160	-43%	-7%
% of Demand in Corp. Deposits	14.3%	8.8%	-5.5 pp	-7.8 pp
% of TL in Corporate Deposits	60.2%	52.8%	-7.4 pp	-5.5 pp
% of TL in Corporate Loans	31.2%	18.3%	-13.0 pp	-8.5 pp



- **Corporate banking revenues up 3% YoY** impacted by **pricing pressure despite volume growth (loans +24% YoY, deposits +53% YoY)**
- **Upward loan repricing** starting from January of **on cash and non-cash lending**
- **Selective slowdown in big ticket corporate lending due to pricing driven profitability concerns** resulting in **loan growth of 8% YTD**
- Increasing **focus on cash management products** and **high margin areas including trade finance, project finance** and **acquisition finance;** leverage on **leasing and factoring products**
- **Review strategy on non-cash loans**, mainly **letter of credit** and **letter of guarantees** (8.4% YTD decline in letter of guarantees) due to revised regulatory environment

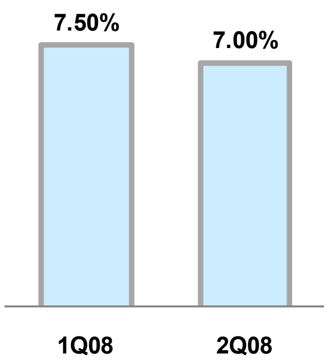
Note: all loan and deposit figures based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data

Commercial

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

Mln YTL	1H07	1H08	YoY	YTD
Revenues	240	300	25%	-
Loans	5,899	8,894	51%	19%
Deposits	4,825	5,590	16%	-3%
AUM (eop)	221	238	8%	-20%
% of Demand in Commercial Deposits	25.6%	25.4%	-0.2 pp	1.1 pp
% of TL in Commercial Deposits	47.3%	45.2%	-2.1 pp	-7.8 pp
% of TL in Commercial Loans	57.9%	49.2%	-8.7 pp	-5.4 pp

Revenues/Loans



- **Commercial banking revenues up 25% YoY** driven by **strong loan growth of 51% YoY**
- **Upward repricing on cash and non-cash lending** starting from Jan '08 due to **increased focus on revenues / RWAs**
- **Review strategy on non-cash loans**, mainly **letter of credit** and **letter of guarantees** due to **revised regulatory environment**
- Increasing **focus on cash management products** and **high margin areas including trade finance, project finance** and **acquisition finance;** leverage on **leasing** and **factoring products**

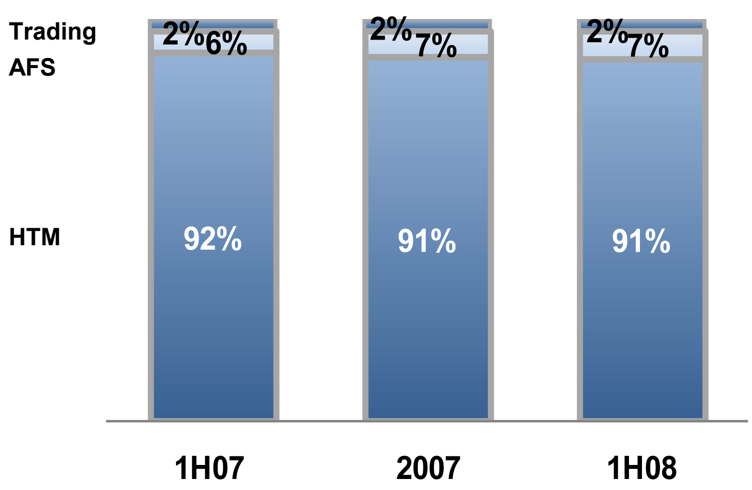
Note: all loan and deposit figures based on monthly averages except for revenues/loans ratio which is based on 3-month average. MIS data

Annex

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

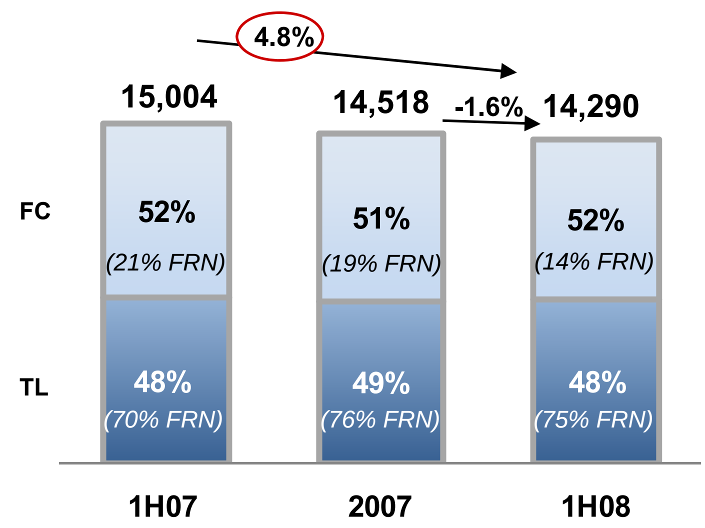
Share of securities in total assets progressively decreasing with 91% of securities portfolio invested in HTM

Securities Composition by Type



Securities Composition by Currency

(mln YTL)



- **Held to maturity (HTM) mix in total securities** even **higher at bank level at 96%**
- **FX open position is kept minimal**, restricted with VaR and position limits; monitored on a daily basis
- **5% decline in total securities YoY, share of securities in total assets declined to 22%** (vs. 26% at YE07)

FRN: Floating Rate Notes

Enquiries :

Yapı Kredi Investor Relations

yapikredi_investorrelations@yapikredi.com.tr