



YAPI KREDİ: Post-Legal Merger Overview

İstanbul, December 2006

AGENDA

- **MACROECONOMIC & BANKING ENVIRONMENT**
- **THE NEW BANK**
- **SHAREHOLDING AND ORGANIZATIONAL STRUCTURE**
- **VISION & STRATEGY**
- **STATUS OF THE INTEGRATION**
- **3Q 2006 RESULTS**
- **PEER COMPARISON**
- **ANNEX – SELECTED HISTORICAL AND RECENT FINANCIALS**

TURKEY IS A BIG AND ATTRACTIVE COUNTRY, RAPIDLY AND STRUCTURALLY RECOVERING FROM RECENT FINANCIAL TURMOILS ...

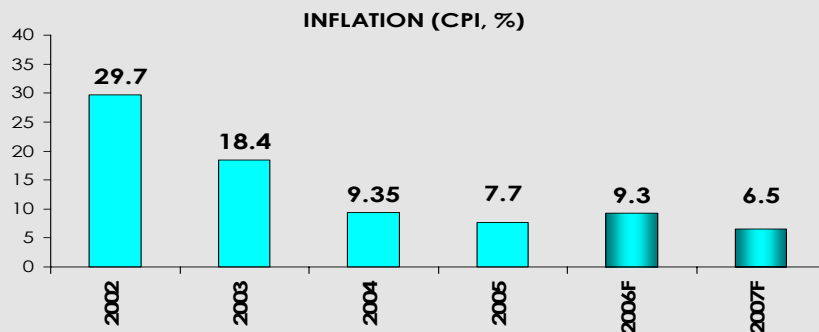
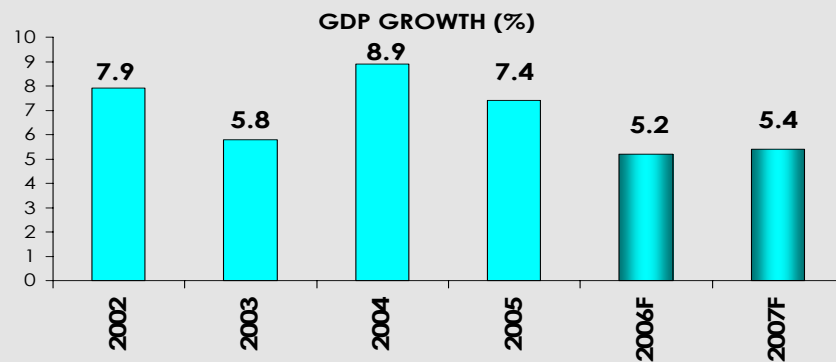
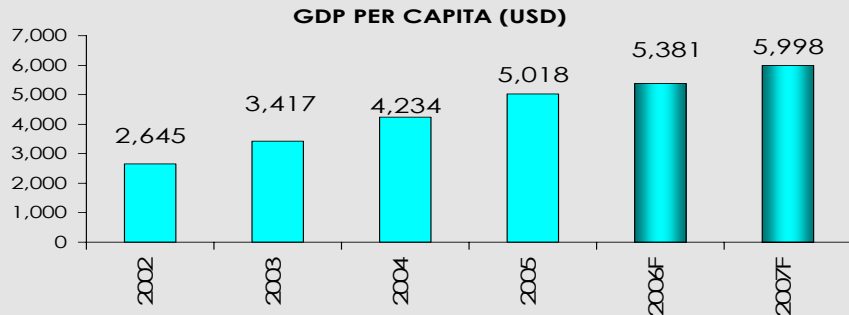
Year 2005	Turkey
Population, mln	72
Avg. age population	29.5
Per Capita GDP, Euro	4,032
Country rating	Delta vs 2002
- S&P (1)	BB- +3
- Fitch	BB- +2
- Moody's	Ba3 +1

- Turkey is **one of the biggest markets** in the European and Mediterranean area
- **Population is young (avg 29.5 years)** and is concentrated in top 10 cities (43.9%),
- **Per capita GDP is on an increasing trend** after '94, '00, and '01 financial crises
- **The 2 key anchors:**
 - **IMF:** for the first time in 2004 a program has been completed; the new IMF program for 2005-2007 is on track (Usd 10 billion)
 - **EU:** full membership negotiations started in October 2005

Political situation

- **Single party government since December 2002** with strong Parliamentary majority (two-third) enables government to react promptly
- Reforms are continuing: the most important ones are (a) ongoing tax reform and (b) ongoing social security reform
- **FDI up to USD 9 billion in 2005** and **expected to be about USD 19 billion in 2006**

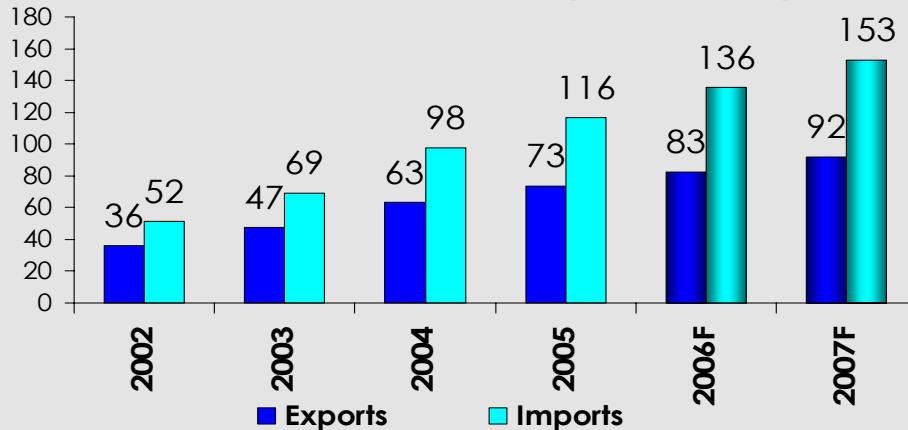
TURKISH ECONOMY HAS BEEN RECOVERING FROM THE FINANCIAL TURMOILS IN RECENT YEARS, ACHIEVING HIGH GROWTH RATES AND SINGLE DIGIT INFLATION



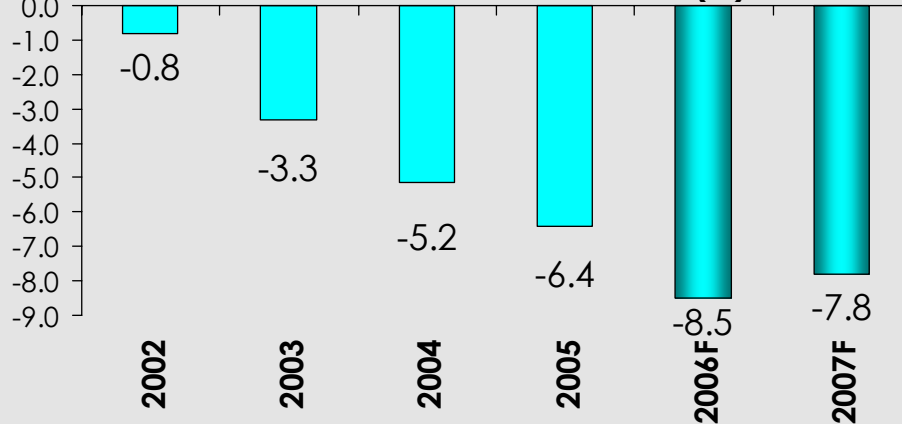
- After decades of instability, Turkey has been enjoying **high growth rates in the aftermath of 2001 crisis**
- Turkey is expected to **continue growing above 5% in 2006 and 2007**.
- The impressive decline in inflation during the last 3 years paused in 2006 due to the financial turmoil in May and June, which affected all emerging markets.
- However, **inflation** seems to have returned to a **declining path recently**.
- **Disinflation process is expected to continue in 2007** and beyond.

GROWING CURRENT ACCOUNT DEFICIT REMAINS THE MAJOR RISK

ANNUAL FOREIGN TRADE (USD BILLION)

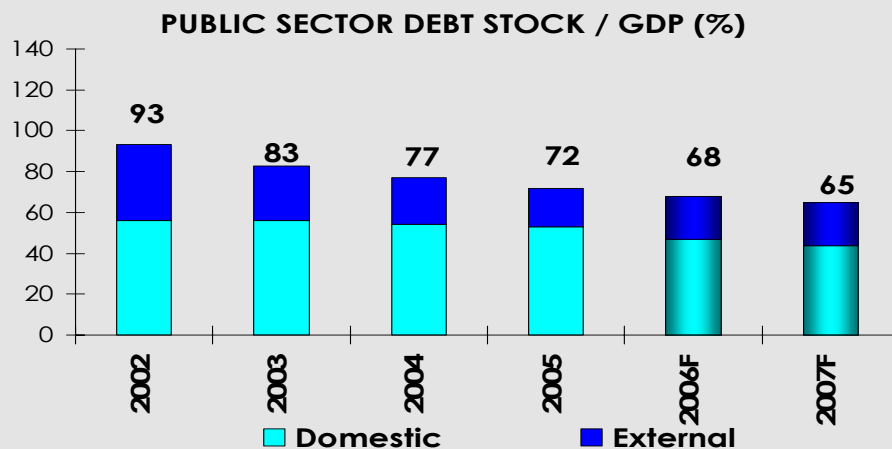
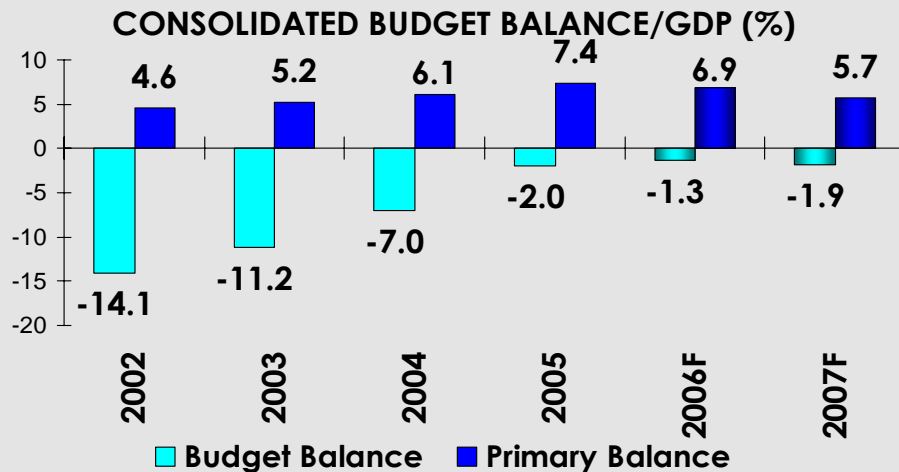


CURRENT ACCOUNT BALANCE/GDP(%)



- **Current account deficit** has been the **major concern** lately in the economy.
- The current account deficit reached **6.4% of the GDP in 2005** and is expected to increase in 2006.
- However, **capital inflows**, especially in **the form of FDI also increased** significantly during this period.
- Meanwhile, the share of **long term capital inflow financing the current account deficit increased** considerably...
- ...which helped to **ease the concerns regarding sustainability of high current account deficits**.

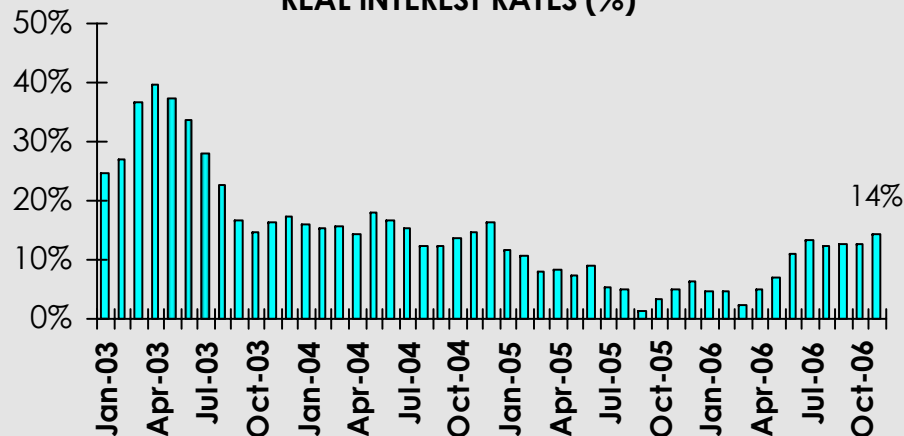
TIGHT FISCAL POLICY SINCE 2002 HAS RESULTED IN A CONSIDERABLE REDUCTION OF THE BUDGET DEFICIT AND THE PUBLIC DEBT STOCK



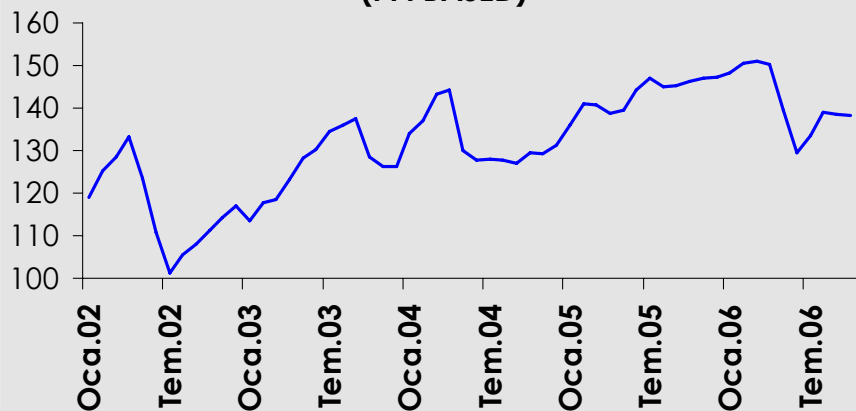
- Keeping **high primary surplus** in the consolidated budget has been one of the **main pillars of the economic program** after the 2001 crisis.
- These targets were attained successfully so far. As a result, **the budget deficit**, which was one of the major concerns about Turkey's economy, **declined even below the Maastricht criteria as of 2005,...**
- ...and the **strong performance of the consolidated budget is expected to continue in 2006 and 2007.**
- **Budgetary discipline**, as well as the **decline in real interest rates** helped to **reduce considerably the public debt stock**, the sustainability of which has been the major concern in the past.

THE OUTCOME OF SOUND ECONOMIC POLICIES, SUCCESSFUL DISINFLATION AND CONSISTENT GROWTH WERE REFLECTED POSITIVELY IN THE FINANCIAL MARKETS

REAL INTEREST RATES (%)



REAL EXCHANGE RATE (PPI BASED)



- The **economic program** implemented since 2002 **improved confidence** in Turkey's economy – also **reflected in fin. markets**.

- The **huge capital inflow** led to a **considerable appreciation of the YTL** in the recent years.

- Meanwhile, **lower borrowing requirement** of the Treasury thanks to the **improvement in budget balances**, and **increased confidence** in Turkey's economy led to a significant **decline in real interest rates...**

- ...which is an indication of reduced risk perception for the country.

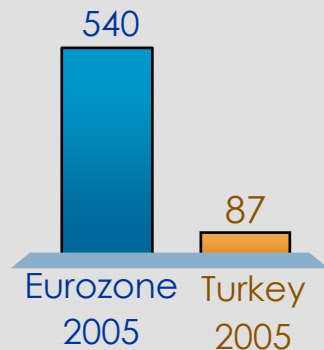
- Though the **turmoil** which began in May led to some **depreciation of the YTL and increase in real interest rates, balances seem to be restored** once again.

THE TURKISH BANKING SYSTEM HAS BECOME HEALTHIER AND MORE COMPETITIVE IN THE LAST THREE YEARS

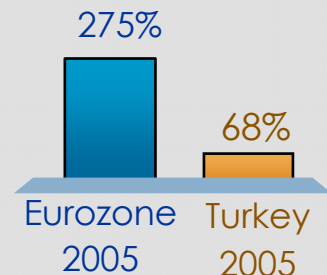
2000 - 2001	2002	2003 - 2004	2005 - 2006
<ul style="list-style-type: none"> • Economic crisis led by political conflicts: <ul style="list-style-type: none"> – 33% depreciation in TL – Short-term interest rates around 95% level – Rapid increase in inflation • Aggravated problems in the banking sector • The takeover of 20 banks by the SDIF 	<ul style="list-style-type: none"> • IMF reform program • Restructuring in the banking sector: <ul style="list-style-type: none"> – Tight regulatory and supervisory rules – Triple supervision process – Sale or liquidation of troubled banks – Strengthening of capital structure of banks – Istanbul Approach • Single party government 	<ul style="list-style-type: none"> • Sale and merging process of SDIF-managed banks • Robust capital structure • More efficient risk management systems (BASEL II) • Improvement in asset quality • Rapid change in the structure of the sector in a declining interest rate & inflation environment 	<ul style="list-style-type: none"> • Privatization of state-owned banks • Increase in banks' capital • Increase in mergers and portfolio investments • Foreign partnerships • Increase in real sector financing in the disinflationary environment

THE SECTOR IS AMONG THE MOST ATTRACTIVE IN NEW EUROPE IN TERMS OF SIZE AND GROWTH PROSPECTS...

Branches per mln inhabitants



(Loans+Deposits)/GDP



- Today **financial intermediation role** of Turkish banking sector **is significantly low**
- Banks are **rapidly recovering** from the recent financial crises that led to significant losses
- **The crises served as filter:** total number of banks in the sector declined to 47 from 81 at the end of 1999, while that of privately owned commercial banks declined to 18 from 35

	2004	2005	2006F	2007F
Loans growth⁽¹⁾, %	52	51	40	24
Deposits growth⁽¹⁾, %	26	27	21	16
Rate on Loans⁽²⁾, %	17.5	15.4	15.0	13.5
Rate on Dep.⁽²⁾, %	9.8	8.0	9.4	9.0
Spread⁽²⁾, %	7.7	7.3	5.6	4.5

- **Strong performing loan growth** with the restructuring of the loan portfolio starting from 2003 and stable macroeconomic growth
- **Deposit growth to be parallel to GDP growth**
- **Spread expected to stay around 5.6% in 2006 and 4.5% in 2007**

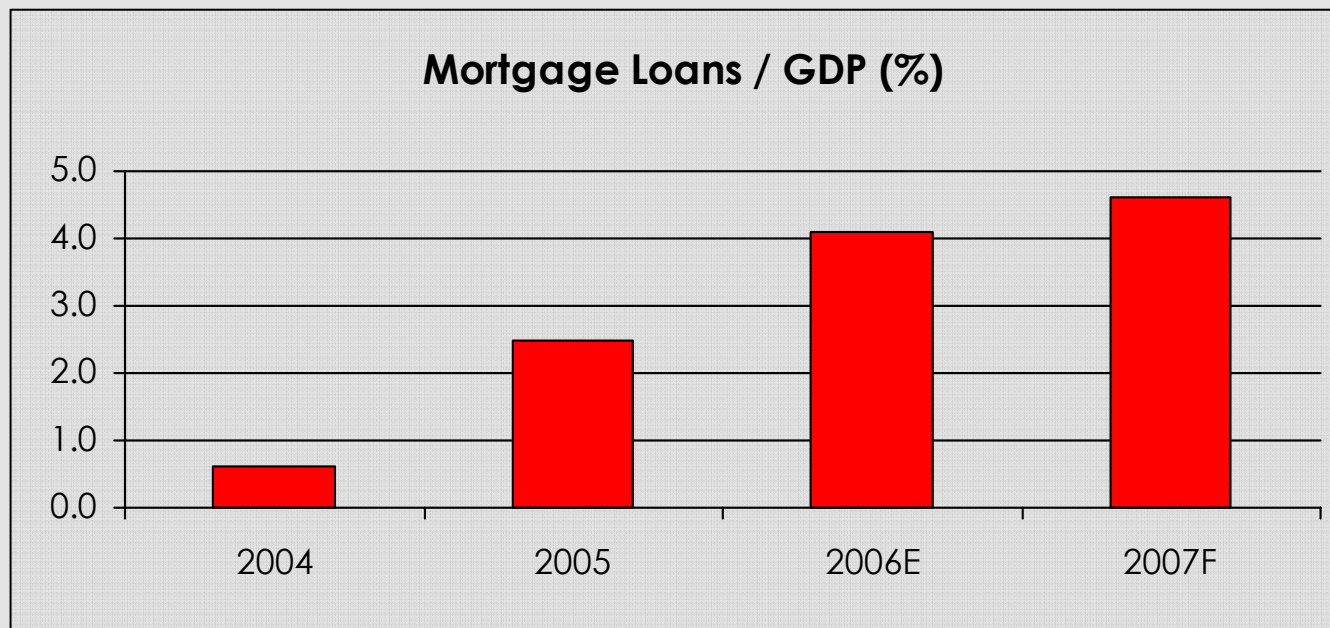
Source: NE research network

(1) Nominal Growth

(2) End-of-period Banking System data; compound rates calculated on average of FX and LC Loans and Deposits

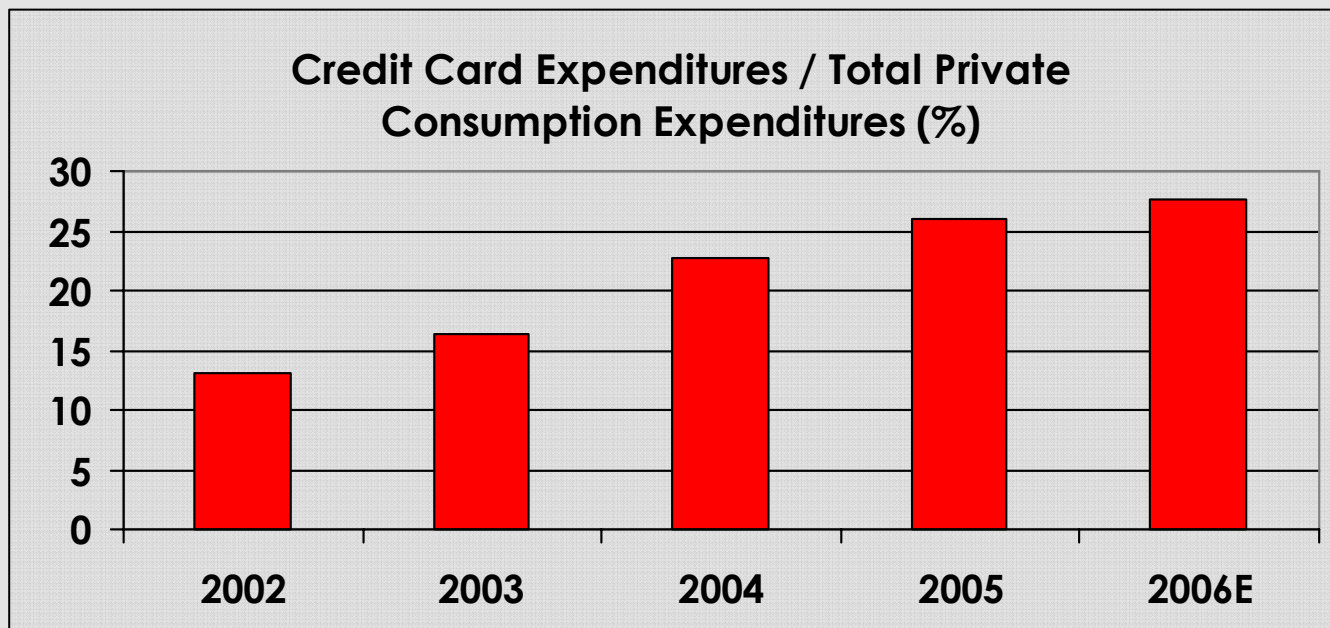
DUE TO EXISTING LOW PENETRATION, HIGH GROWTH POTENTIAL IN SPECIFIC CONSUMER BANKING AREAS, PARTICULARLY MORTGAGES

- 2005 **+368% yoy**, but only **2.5% of the GDP** (in 2006, 113% yoy growth as of October, 4% of GDP expected for the year-end)
- **Room for further growth** vs GDP ratio of CEE benchmarks: 5.5% in Poland, 7.6% in Czech Republic, 9.6% in Hungary, and 46% for EU-25
- **The New Law, although still expected to be approved in the parliament, introduces flexible rates**, deduction of interests from individual tax base and promotion of asset backed securities business



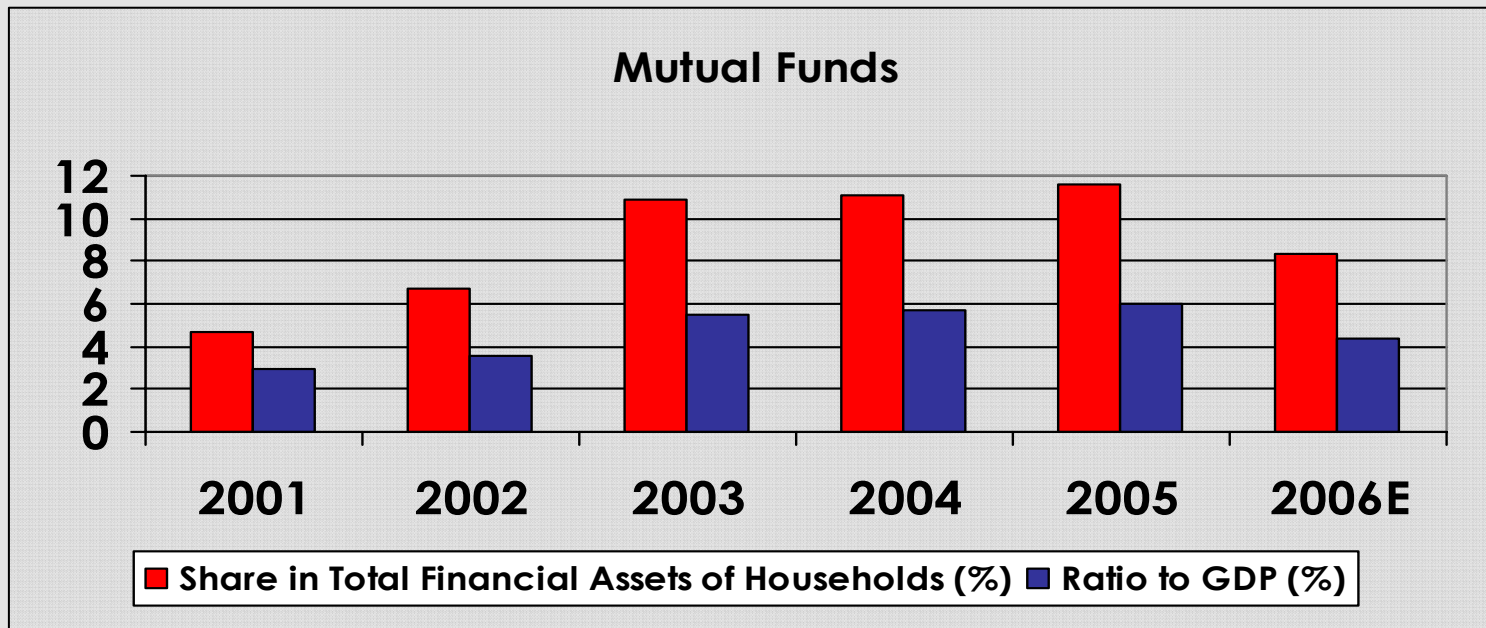
DESPITE AN ESTABLISHED MARKET, THERE IS FURTHER ROOM FOR GROWTH FOR CREDIT CARDS

- **Developed business** comparable to those in developed countries (UK)
- **30 million** credit cards, **0.4** cards per inhabitant (2.4 in U.K, 1.3 in Germany, 1.2 in Italy, 0.7 in France), average **ROE is about 50%**, driven by card number



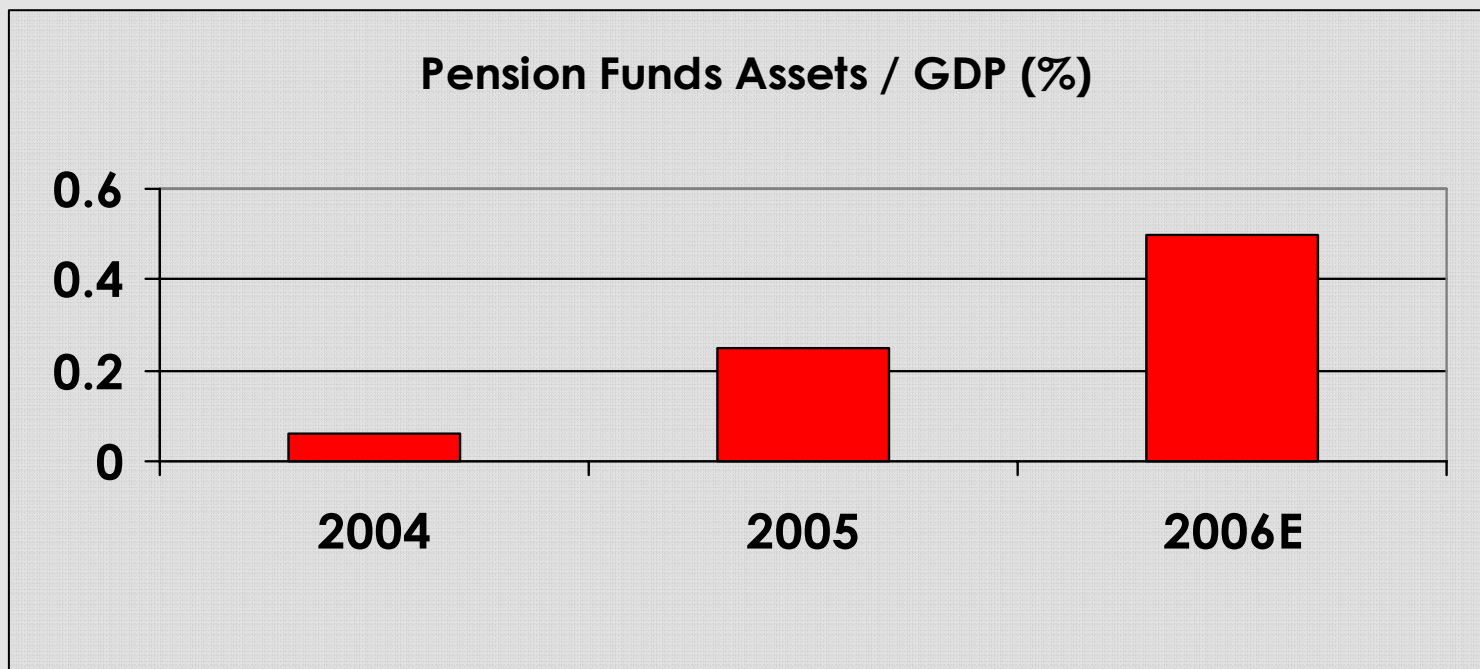
STRONG GROWTH OPPORTUNITY IN MUTUAL FUNDS WILL BE REALIZED IN LINE WITH CONTINUED STABILITY AND DISINFLATIONARY TREND

- Size: **USD 15 billion** as of October 2006,
- Financial turmoil in May/June caused a sharp drop in the volume of mutual funds (24% drop from the year-end value). However, their share in total financial assets of households is **expected to increase gradually in 2007-2008 period**.
- Bring **stability to earnings** for the banks



PENSION FUNDS IS ANOTHER UNDERPENETRATED RETAIL BANKING AREA OFFERING STRONG GROWTH PROSPECTS

- **New business** rapidly growing with 1,078,000 plan owners (October 2006), up 67% yoy
- **Volume USD 1,739 million** (October 2006) with a 113% growth YTD (in YTL terms)



INCREASING INTEREST FROM ABROAD FOR TURKISH BANKS

- **Confidence in macroeconomic stability and healthy growth** opportunities in the sector spurred the **interest of foreign players** for Turkish banks
- **Three state banks** will be **privatized**; one of these (**Vakıfbank**) already **launched the privatization process** by an IPO in November 2005, as a result of which a total of 25.18% of the Bank's shares are now publicly traded
- **Privatization** of the **other state banks** are also **on the agenda**

2004

- **TEB - BNP Paribas**



2005

- **Dışbank - Fortis**
- **Garanti - GE Consumer Finance**
- **YKB - Unicredit & Koç (KFS)**



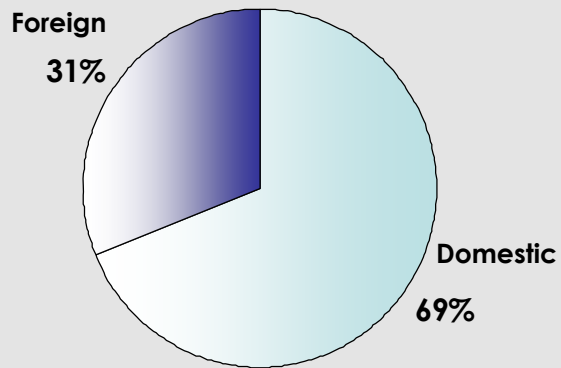
2006

- **Denizbank- Dexia**
- **Finansbank - National Bank of Greece**
- **Akbank - Citibank**

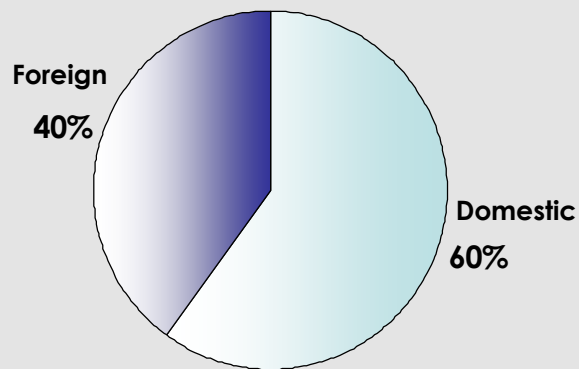


FOREIGN BANKS IN TURKEY CONTROL 31% OF THE BANKING SECTOR ASSETS

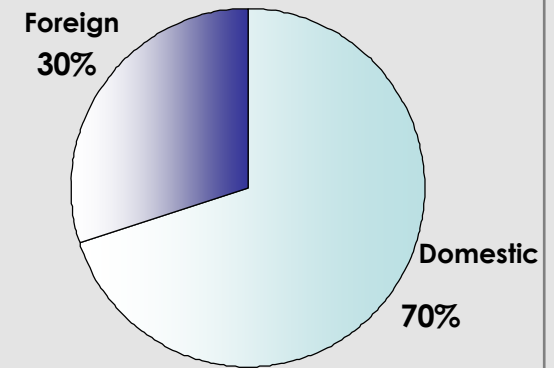
Market Share by Assets*



Market Share by Loans



Market Share by Deposits



OUTLOOK: BUSINESS TO INCREASINGLY SHIFT FROM FINANCIAL MARKET OPERATIONS TO PROPER INTERMEDIATION. PRESSURES ON MARGINS FROM FALLING RATES

- Structural transformation to continue, with privatisation of state banks and additional foreign entries. Further mergers and acquisitions might follow so as to make use of economies of scale and increase efficiency
- Profitability will be key in a low inflation, stable macroeconomic environment
- Business to increasingly shift towards intermediation and related services. Pressure from decreasing margins. Fee income generation will be crucial
- We expect loan and deposit growth to remain high in the next years, even if gradually decelerating

- Introduction of the mortgage system and mortgage backed securities is expected to stimulate housing loans further and present an alternative instrument for investors in 2006
- Small and medium sized enterprises (SME) segment is and will continue be another important area of competition. Banks will compete to find creditworthy SME's that were "under banked" in the previous years. This will increase the importance of risk management and credit scoring systems
- Efficiency increasing efforts (such as POS-sharing, ATM-sharing) expected to continue

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YAPI KREDİ MERGER IS THE BIGGEST M&A PROJECT IN THE HISTORY OF THE TURKISH BANKING SECTOR

FINANCIAL HIGHLIGHTS-PROFORMA MERGED BANK (BRSA Bank-Only Figures in YTL, September 2006)

Total Assets (bln)	45.3 ⁽¹⁾
Performing Loans (net, bln)	22.5
Deposits (bln)	28.9
Mutual Funds (bln)	4.9
Number of Credit Cards (mln)	4.9
Number of Customers (mln)	13.1
Number of Branches	598
Number of ATMs	1,724
Number of Employees	13,445
Paid-in Capital (mln)	3,143

(1) At combined level, includes consolidation adjustments.



- Creation of one of the most dynamic and experienced institutions in Turkey
- Moved up to fourth largest position among private banks in terms of total assets
- Market leader in credit cards with 26% share in issuing volume and 27% share in outstanding balance
- Leading position in non-cash loans, assets under management, leasing and factoring
- Customer-focused strategy and service model
- Strong multi-channel distribution network
- Management expertise combining best of local and international talent and experience
- Strong & committed shareholders*: Koç Holding, UniCredit

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* As per new ownership structure, 80.27% of Yapı Kredi is owned by Koç Financial Services A.Ş. ("KFS") -- the 50/50% joint venture between UniCredit and Koç Group - while minorities' stake in the Bank is 19.73%.



STRATEGIC RATIONALE

DIMENSIONAL GROWTH

- Significant scale increase, building one of the **top four banking groups** in Turkey, with Euro 28 billion⁽¹⁾ of consolidated assets, Euro 13.6 billion of customer loans and over 13 million clients

STRATEGIC POSITIONING

- Creation of a group with **strong distribution/production platforms** and **leadership position** in most business lines
- **Strong market coverage** with 598 bank branches, 9% market share at national level
 - **Significant concentration, with over 12% market share in top 10 cities** of the country

PERFORMANCE IMPROVEMENT

- **Significant value creation opportunities through revenue and cost synergies**
- **Potential for leveraging other strategic advantages** (critical mass, growth speed) due to increased size and market presence of the combined group

MAIN STEPS OF THE MERGER

- **16 JANUARY 2005** → Exclusive Negotiations
- **31 JANUARY 2005** → Share Transfer Agreement
- **8 MAY 2005** → Share Purchase Agreement
- **28 SEPTEMBER 2005** → Transfer of 57.4% of Yapı Kredi Shares to Koçbank
- **23 FEB.- 9 MAR. 2006** → Tender Offer Process for Yapı Kredi Minority Shares (*completed with 0.0050% shareholding acceptance*)
- **APRIL 2006** → Acquisition of Additional 9.9% of Yapı Kredi Shares by Koçbank
- **20 APRIL 2006** → Decision by the Boards of Both Banks on Merging Two Banks
- **JUNE 2006** → Announcement of Merger Ratio of 19.73%
- **3 AUGUST 2006** → CMB Approval for the Merger
- **18 AUGUST 2006** → BRSA Approval for the Merger
- **21 SEPTEMBER 2006** → Approval of the Merger by Extraordinary Shareholders' Assemblies of Yapı Kredi and Koçbank
- **2 OCTOBER 2006** → Legal Merger – Dissolution of Koçbank as a legal entity

HISTORICAL BACKGROUND



YAPI KREDİ

- Established in 1944 as Turkey's first nationwide private bank
- Introduced many firsts in the sector leveraging its technological leadership and differentiated banking approach
- Introduced Turkish consumers to consumer loans, credit cards, account access cards, ATM's and various other investment products
- "Limitless banking" during 1990s: 24 hour open digital branches providing service through over 400 points via phone, internet, WAP and TV
- High quality retail banking products and services to customers during 2000s (i.e. World card)



KOÇBANK

- Started providing services in 1986 under the Koç-American Bank name with one branch
- Consistent growth process through fast paced and sound organic growth plan
- Branch expansion strategy during 2000s with its network reaching 174 branches
- Led in the establishment of Turkey's first financial holding company, Koç Financial Services (KFS), allowing the management of all Koç financial companies under one umbrella
- Entered into a partnership in 2002 with Unicredit, a leading international banking group of Italian origin present in 20 countries -- first foreign partnership of its kind in the Turkish banking sector

THE MERGER CREATES THE BASIS FOR COMPLEMENTARITY ALLOWING BOTH BANKS TO COMBINE THEIR STRONG COMPETITIVE ADVANTAGES

KOÇBANK

- Dedicated service model for each segment
- Large private/affluent customer base
- Excellence in mutual fund business
- Effective cost and risk management
- Restructuring and profitability track record
- Strong reputation of Koç brand

YAPI KREDİ

- Strong and rooted franchise
- Pioneer in retail banking and innovation
- Market leader in credit card business
- Large retail customer base
- Widespread and powerful branch, ATM and POS network
- Strong heritage and recognized brand
- Continuous contribution to society with social and cultural activities



- Customer-focused strategy
- World class customer service
- Strong capital base
- Sound balance sheet management based on sustainable value creation and growth
- Focus on operational efficiency and cost management
- Outstanding risk management
- High qualified human capital
- Strong brand recognition



FOURTH LARGEST PRIVATE BANK WITH LEADING POSITIONS IN CREDIT CARDS, NON-CASH LOANS, AUM, LEASING AND FACTORING. GROWTH POTENTIAL FOR CONSUMER LOANS AND DEPOSITS

SEPTEMBER 2006

			Rank	Mkt. Sh. %	Key Competitors - %
4 th Largest Private Bank in terms of Assets	Retail	# of Branches	4	9.0	Ziraat 17, İş 13
		Deposits ⁽¹⁾	4	10.0	Ziraat 20, İş 15, Ak 12
		Consumer Loans ⁽²⁾	6	6.4	Ak 14, Ziraat 15, İş 14
		Credit Cards ⁽³⁾	1	27.0	Garanti 22, Ak 15
	AuM + Brokerage	Asset Management	2	20.8	İş 21, Garanti 13, Ak 12
		Brokerage ⁽⁵⁾	6	4.4	İş 6, Fin. 6 ,RJ 6
	Corporate	Deposits ⁽¹⁾	4	10.0	Ziraat 20, İş 15, Ak 12
		Cash Loans ⁽⁶⁾	4	9.9	İş 14, Ak13, Garanti 12
		Non Cash Loans	1	18.9	Garanti 13, İş 10
		Leasing	1	17.2	Garanti 16, Finans 9
		Factoring	1 ⁽⁷⁾	23.8 ⁽⁷⁾	Garanti 9, Deniz 8
	Insurance	Life	3 ⁽⁴⁾⁽⁷⁾	14.6 ⁽⁷⁾	Anadolu 23, Başak 17 ⁽⁷⁾
		Pension	1 ⁽⁴⁾	22.8	Ak 15, Anadolu 18
		Non-Life	1 ⁽⁴⁾⁽⁷⁾	17.4	

(1) Total deposit since total retail deposits for all banks are not disclosed separately

(2) Excluding credit card loans, (3) Outstanding balance market share,

(4) Through Koc Allianz which is not a KFS subsidiary (Koç Group subsidiary), (5) Equity trading volumes

(6) Cash loans excluding credit card outstanding and consumer loans (7) As of June 2006

EXTENSIVE DISTRIBUTION NETWORK OF 598 BRANCHES WITH OVER 12% MARKET SHARE IN TOP 10 CITIES IN TURKEY



As of 30 September 2006.

KEY ISSUES & MAJOR ACCOMPLISHMENTS SO FAR

Write-offs

- **Adjustments** envisaged during the due diligence process **have been reflected in YKB's post acquisition opening accounts**

Turkcell

- On 25 November 2005, **shares of Turkcell Holding and Turkcell İletişim were sold** with a value of **YTL 1,638 million**. The **sale profit of YTL 1,144 million** has been **added into the capital** of YKB

Fiskobirlik

- On 30 December 2005, **the receivable**, which was determined in **YTL 152 million** nominal value, **has been collected** in the form of a 3-year special type government bond **based on the protocol** signed with the Undersecretariat of Treasury

Fintur &
Digiturk

- On 5 January 2006, **shares of Fintur and Digitürk**, that were owned by YKB, **were sold with a value** of YTL 174 million

A-TEL

- On 9 August 2006, YKB sold its share in **A-Tel to Turkcell with a value** of USD 150 million.

MAJOR WRITE-OFFS REPORTED DURING 3Q 2005

YTL 399 Mn

- Related to the **credit exposure against Çukurova Group**
- Announced on 28 September 2005 as **part of the Share Purchase agreement signed between Koçbank and Çukurova Group**

YTL 475 Mn

- **Impairment on Fiskobirlik receivable**

YTL 450 Mn

- Provisions stemming from the **prudent view of the Bank's major exposures and credit risk policies**

YTL 355 Mn

- **Impairment** on the value of **Yapı Kredi's 50% stake in A-Tel**

YTL 660 Mn

- **Impairment** on the **real estate portfolio**

YTL 140 Mn

- **Impairment** based on the **alignment of the useful life of the Bank's fixed assets in line with the current best practice** in the Turkish banking sector

MAJOR ADJUSTMENTS REPORTED DURING 4Q 2005

YTL 331 Mn

- **Provision** recognized for the **Pension Fund deficit** -- 60% of the total technical deficit of YTL 551 million
- The remaining to be recognized **until end of 2007**

YTL 293 Mn

- **Loss** recognized due to **change in accounting policy** -- the Bank commenced measuring subsidiaries and investments using the equity method, previously measured at fair value or restated cost

+ YTL 36 Mn

- **Income** recognized **due to reversal of the provision** booked at 30 September 2005 **associated with Çukurova non-core assets option**
- KFS released a **commitment letter guaranteeing** the Bank from any **possible disbursement**

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KOÇ FINANCIAL SERVICES (KFS) IS AN INTEGRATED AND WELL CAPITALIZED FINANCIAL SERVICES PROVIDER

KOÇ FINANCIAL SERVICES

€ billion, Unaudited IFRS Consolidated Figures
September 2006

Total Assets	28.0
Deposits	17.8
Net Cash Loans	13.6
Loans/Deposits, %	76
AuM ⁽¹⁾	3.2
Total Revenues	1.3
Net Consolidated Profit (mln)	268
Credit Cards (#, mln)	4.9
Customers (#, mln) ⁽²⁾	13.3
Branches ⁽³⁾	648
Employees	15,838

Note: Exch. rate YTL/EUR 1.8496



PARTNERS SHARE A COMMON VISION AND GOAL

KFS significantly **grows its financial operations, network and market share** as a result of a focused **commercial growth plan** and a **conservative risk profile approach**, under the guidance of a strong local management team and with **the dedicated strategic** support of UniCredit

Value creation will be driven by revenue growth, cost and risk control

... WITH STRONG AND DEDICATED SUPPORT OF ITS SHAREHOLDERS

Koç Holding → Turkey's largest industrial and services group with leading positions in the main driving sectors



UniCredit → International banking group, leader in Central and Eastern Europe (CEE) with presence in 20 countries



30 September 2006

Market capitalization	\$ 4.1 billion
Gross turnover*	\$ 21.2 billion
Revenues / Turkish GDP*	14%
Exports / Turkish Exports*	12%
Services network	> 14,000
Personnel number	~ 82,000

(* As of June 2006 including Tüpraş.

30 September 2006

Market capitalization	~ € 68 billion
Total assets	€ 823 billion
Total revenues (9M06)	€ 17.6 billion
Number of customers	> 28 million
Branch network	> 7,200
Personnel number	~ 132,000

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KOÇ HOLDING IS TURKEY'S LEADING INDUSTRIAL AND SERVICES GROUP WITH STRONG POSITIONS IN THE MAIN DRIVING SECTORS OF THE TURKISH ECONOMY

FORTUNE Ranks #358⁽¹⁾ in Fortune Global 500 as the only Turkish Company



* As of 1H06, including Tüpraş (1) Following recent acquisitions, expected to move from 358th place into the first 200 in Fortune 500 by year-end 2006
 ** Share in ISE-100 as of 1H06

US\$bn	2006E	YoY D 2005-2006	2005	YoY D 2004-2005	2004
Total Revenues* (Combined)	50.1	↑ 61%	31.2	↑ 10%	28.3
Total Revenues* (Consolidated)	33.5	↑ 85%	18.1	↑ 9%	16.6
International Revenues*	12.3	↑ 45%	8.5	↑ 13%	7.5
EBITDA	3.0	↑ 104%	1.5	↑ 2%	1.5

* Tüpraş will be included as of 2006. Unaudited figures.

Leading Positions in 5 Lucrative and High-Growth Sectors:

- ✓ Automotive
- ✓ Consumer Durables
- ✓ Retail
- ✓ Energy
- ✓ Finance

Strong Franchise with Well Established & Prominent Brands / Unparalleled Distribution Network :

- ✓ 14,000 Independent Dealers & Agencies
- ✓ 755 Retail Outlets
- ✓ 595 Bank Branches

KOÇ GROUP FORMED HEALTHY ALLIANCES WITH STRONG INTERNATIONAL PARTNERS TARGETING GROWTH AND SUSTAINABILITY

- International partnerships for growth that involve new capabilities,
- New channels and new geographies while mitigating risk

Automotive



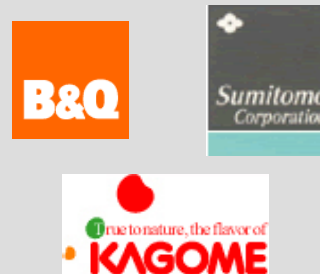
Finance



Consumer Durables



Retailing



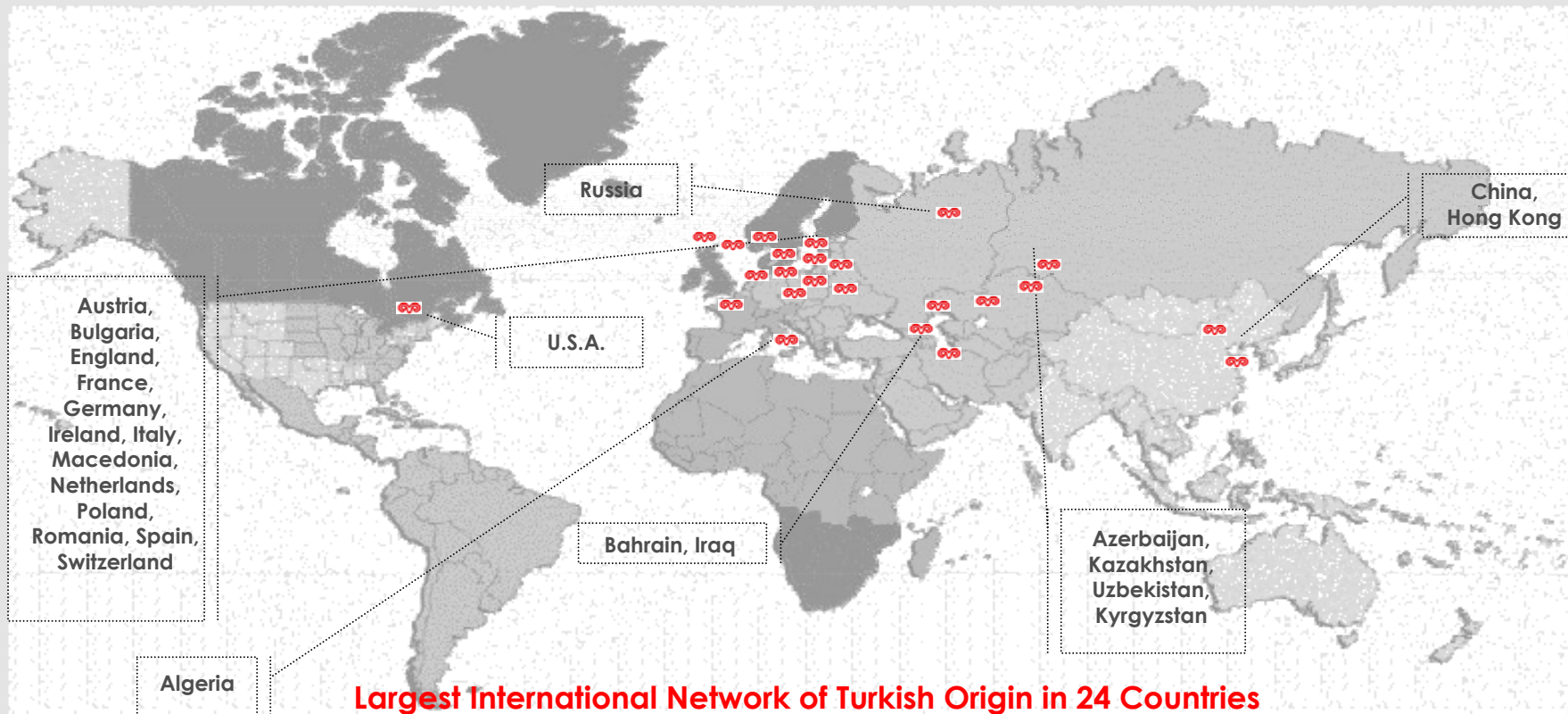
Energy



THE GROUP HAS BEEN INCREASING ITS GLOBAL REACH THROUGH EXPANSION INTO MARKETS WITH HIGH GROWTH POTENTIAL

Strategy

- To position Koç Group companies among the largest and most rapidly growing companies in Europe
- To generate at least 50% of revenues outside Turkey and lessen dependence on domestic economy



UNICREDIT, OTHER SHAREHOLDER OF KFS, IS A UNIQUELY AND RESOLUTELY EUROPEAN BANK...



- ~70 bn market cap (#3 among Eurozone banks)⁽¹⁾
- More than 28 million customers
- Over 7,000 branches
- Banking operations in 20 countries
- Over 132,000 FTE
- Over 430 bn euros of customer loans

Strong market positioning:

- #2 in Italy with 10% market share⁽²⁾
- #2 in Germany with 5% market share⁽²⁾
- #1 in Austria with 18% market share⁽²⁾
- Leader in fast growing CEE markets much larger than closest competitor

High growth potential:

- Significant opportunities in the local networks as well as in the global businesses

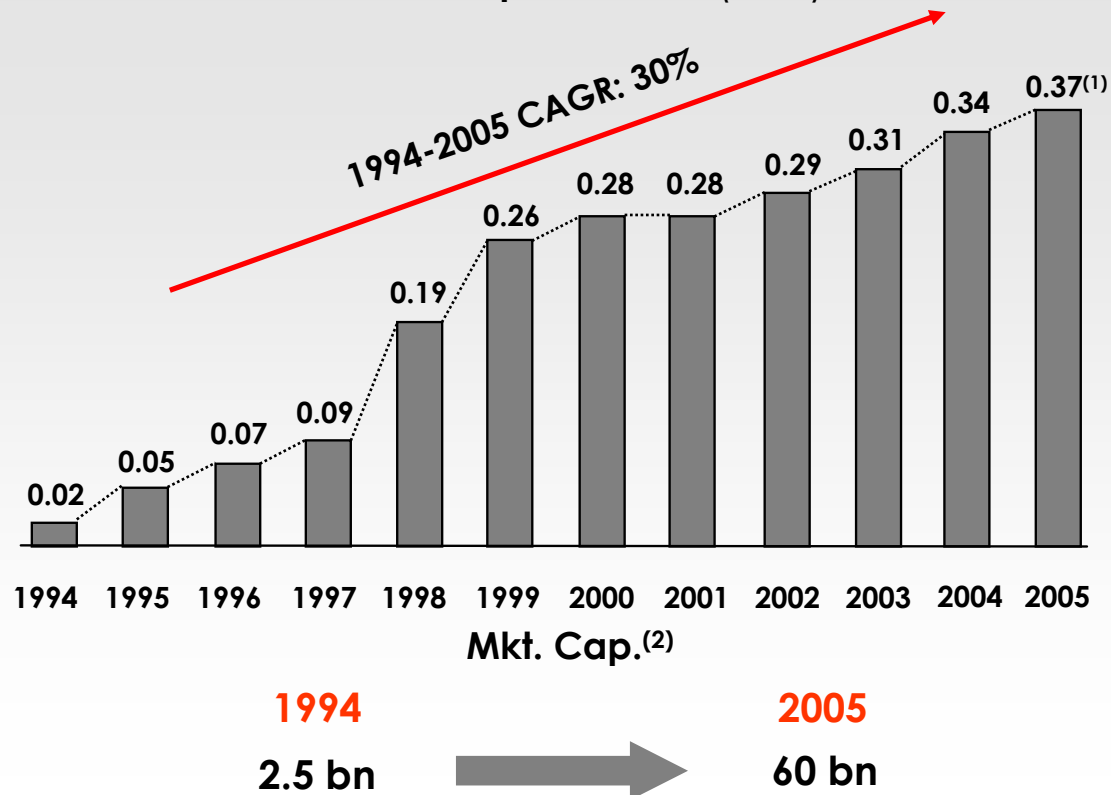
(1) Prices as of November 23rd, 2006; other figures in the box as of September 2006.

(2) Ranking measured in terms of total assets, 2005 data. For market share calculations UniCredit and HVB may apply different definitions as far as the underlying data is concerned. Market share and ranking in Italy refer to customer loans.

...WITH A SOLID TRACK RECORD SUSTAINED OVER TIME

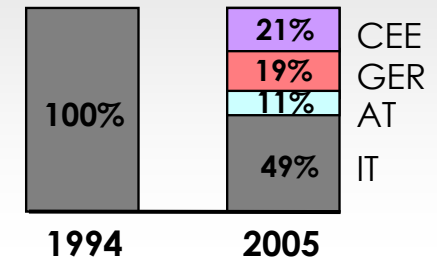
GROWTH

UniCredit EPS and Mkt. Cap. Evolution (Euro)

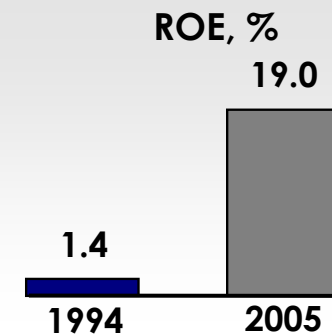


INTERNATIONALIZATION

Country weights on Group gross op. profit

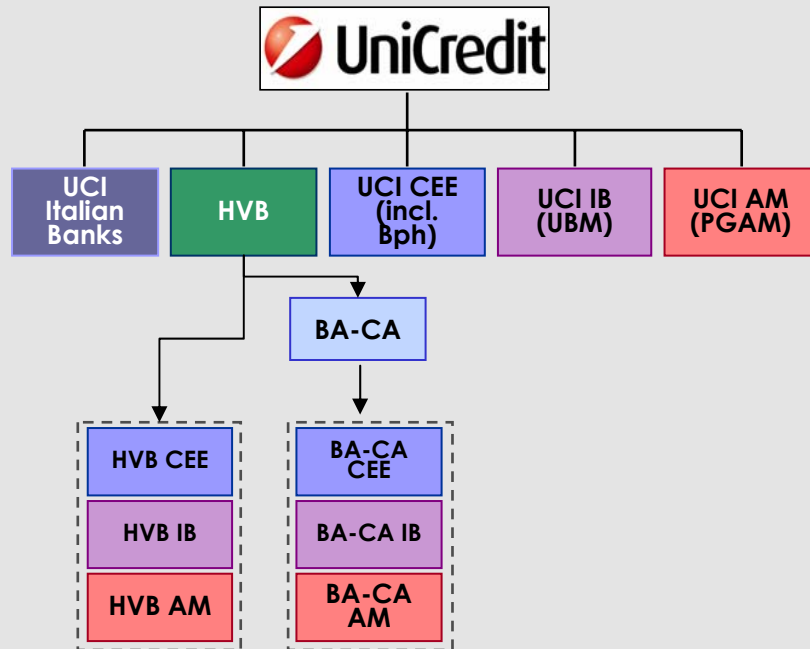


PROFITABILITY

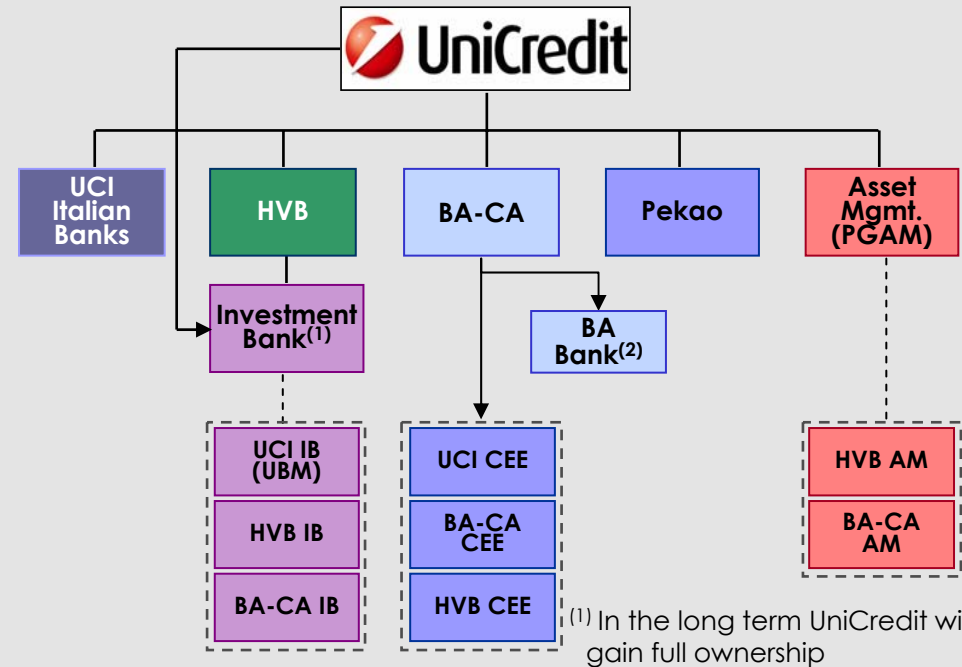


CLEAR REORGANIZATION PATH OF GROUP LEGAL ENTITIES

Current Group Structure



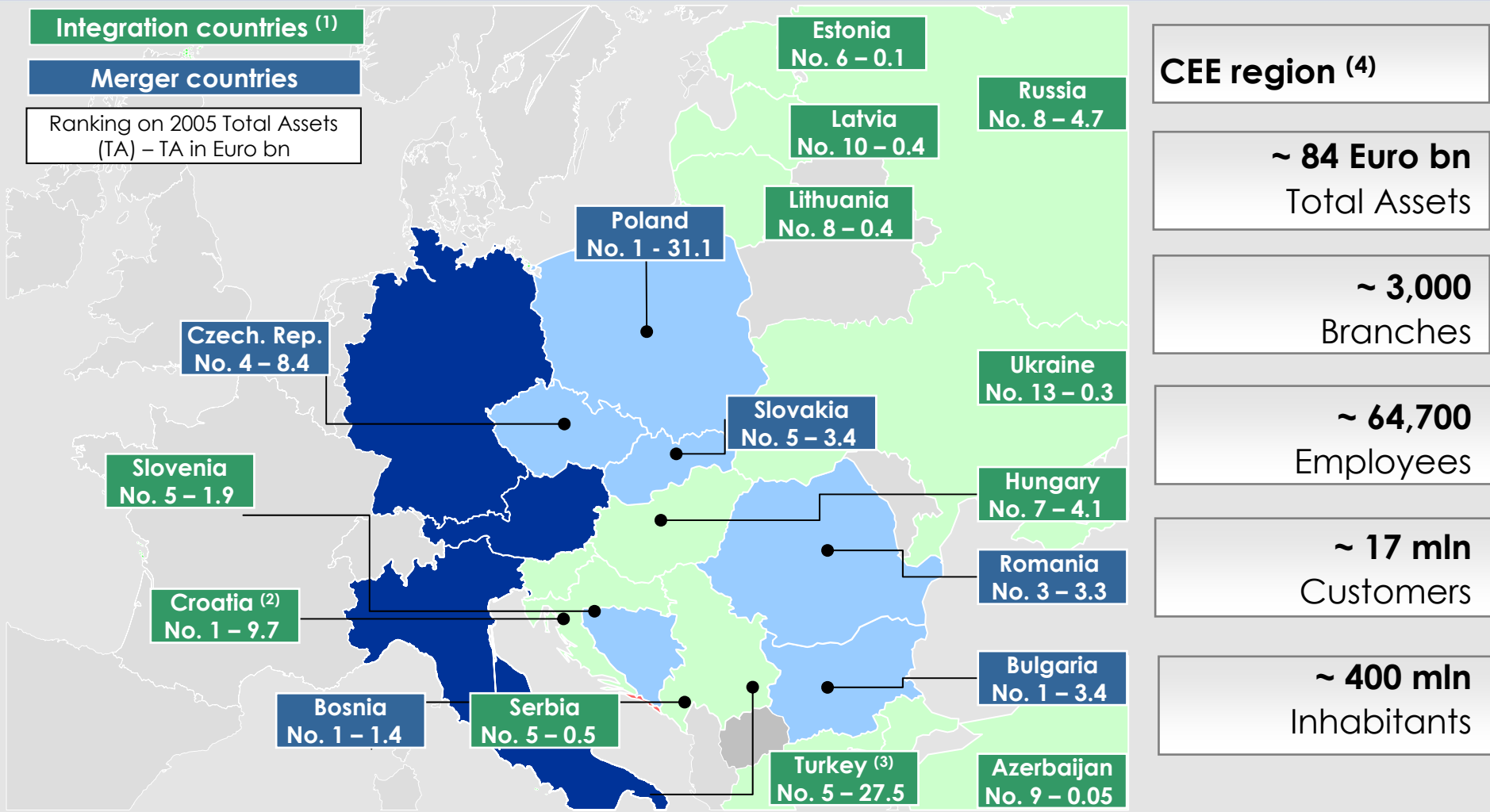
Target Structure



Key features of the process:

- **Aimed at simplification**, facilitating the corporate governance of each entity, the management of the Group's business divisions and the achievement of cost and revenue synergies
- **Quick**: expected to be largely executed within the Plan timeframe
- **Tax efficient**
- **All transactions at arm's length**

CEE STRATEGY OF UNICREDIT GROUP : A UNIQUE FRANCHISE IN THE CEE REGION WITH PRESENCE IN 17 COUNTRIES

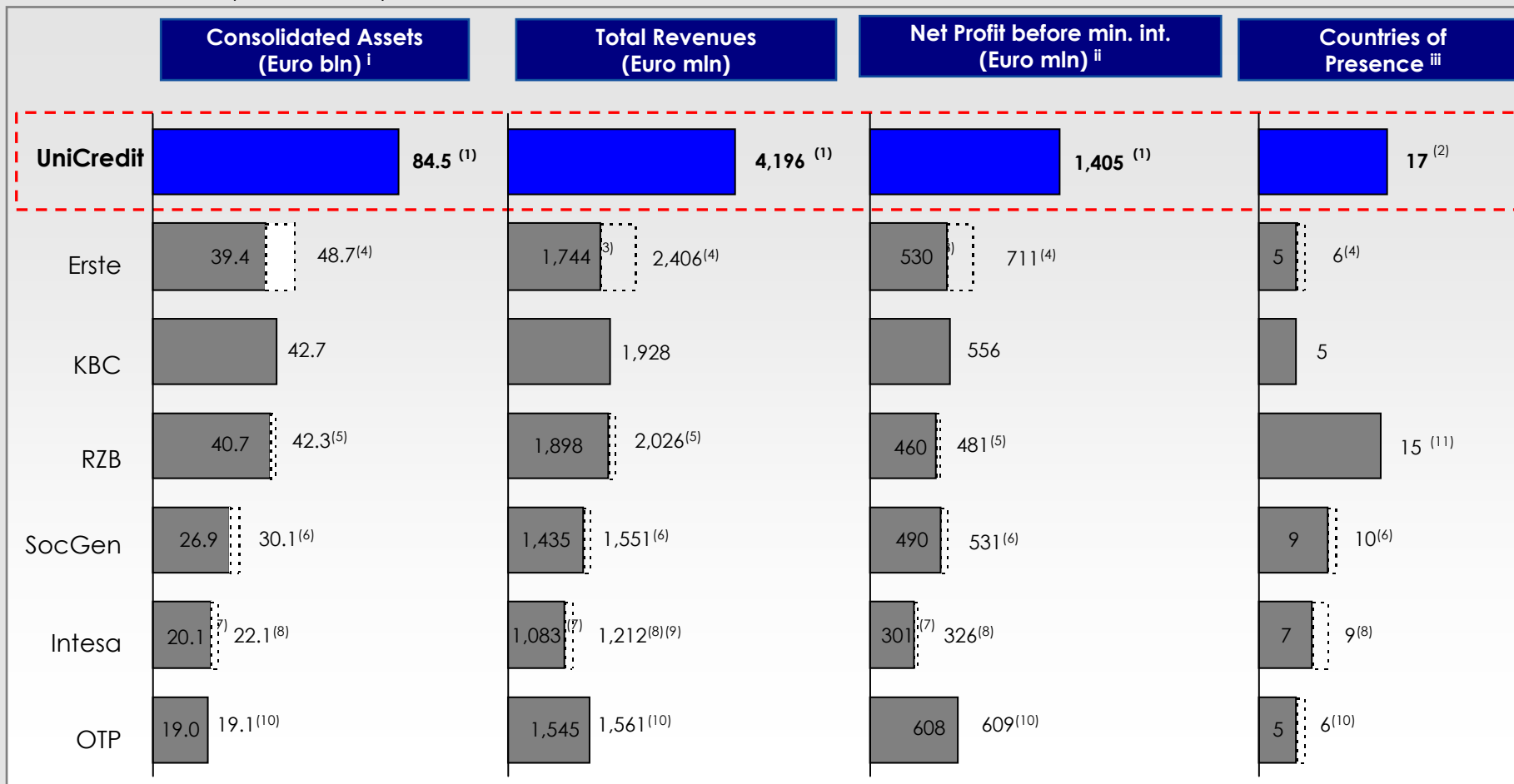


(1) Defined as countries to be integrated in the new CEE Division of BA-CA, including the transfer of assets, (2) Excluding Splitska banka, (3) 100% of total assets

(4) CEE Region total considering Turkey pro-quota for total assets and at 100% for other items

LEADING PLAYER AMONG INTERNATIONAL COMPETITORS IN THE CEE REGION

Proforma 2005, as of perimeter May 2006ⁱ



Source: UniCredit-NE Research Network; numbers converted using avg and eop ex. rates from UIC for P&L and BL figures, respectively. Data for UniCredit may differ from the applied methodology to be in line with 3YP figures.

(i) 100% of total assets, revenues and profit after tax (before minorities) for controlled Companies (stake > 50%) and share owned for non controlled companies; proforma results include also banks acquired during 2005 and 2006;

(ii) After tax, before minority interests

(iii) Including direct and indirect presence in the 21 CEE countries, excluding representative offices

(1) Excluding Splitska Banka including pro-forma NBB, Tiriac, and Hebros, and with Turkey at pro-quota;

(2) Including Azerbaijan; (3) Including proforma Erste Serbia; (4) Including proforma BCR;

(5) Including proforma Impexbank; Bank Aval fully consolidated since 1st Oct 2005;

(6) Including proforma Splitska Banka; (7) Including proforma KMB and Intesa Beograd;

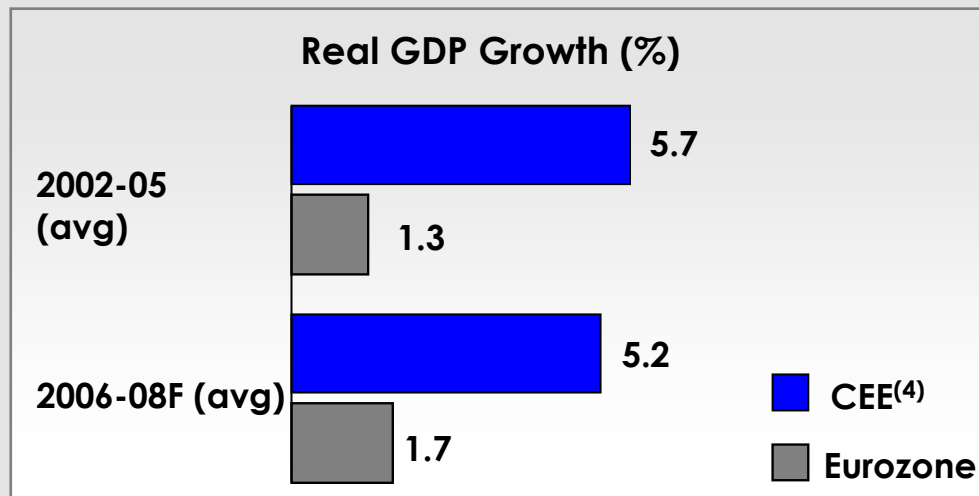
(8) Including proforma Ukrsofsbank and UPI Banka (as of Sep '05); (9) Revenues for KMB and UPI Banka n.a.;

(10) Including proforma Niska Banka and Zepfer Banka; profits are before tax; P&L of OTP Hrvatska doesn't include Q1 2005

(11) Excluding Kosovo

THE CEE REGION IS A LARGE MARKET WHERE UNICREDIT IS WELL POSITIONED

Year 2005 data	EU 15	CEE 16 ⁽¹⁾
Population, mln	385 ⁽²⁾	386
GDP, Euro bn	10,264	1,668
Per Capita GDP, Euro	26,655	4,324
Inflation (%)	2.1	4.6 ⁽³⁾

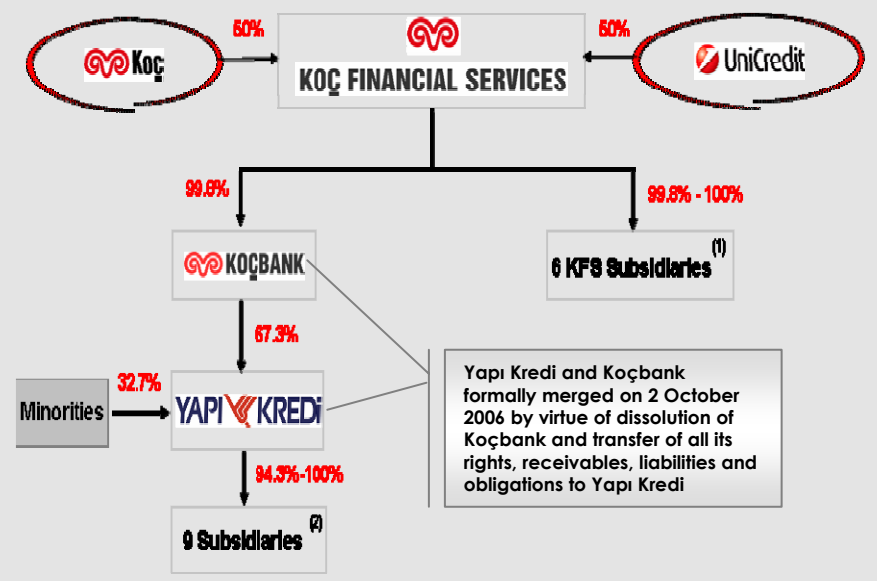


Countries	% Net Profit UniCredit CEE Banks	Weight on GDP of CEE %	Real. GDP growth (avg 06-08)
Poland	49.0%	14,4%	4.3%
Croatia	10.9%	1,9%	4.0%
Turkey	9.3%	17,4%	5.5%
Russia	6.6%	36,9%	5.6%
Hungary	5.9%	5,3%	4.0%
Czech Republic	5.4%	5,9%	4.9%
Bulgaria	4.9%	1,3%	5.7%
Romania	3.9%	4,8%	5.3%
Slovakia	2.5%	2,2%	6.1%
BiH	0.8%	0,5%	5.8%
Slovenia	0.8%	1,6%	3.9%
S&M	0.5%	1,3%	5.2%
Ukraine	0.5%	3,9%	3.9%
Estonia	0.3%	0,6%	8.8%
Latvia		0,8%	7.7%
Lithuania		1,2%	6.3%

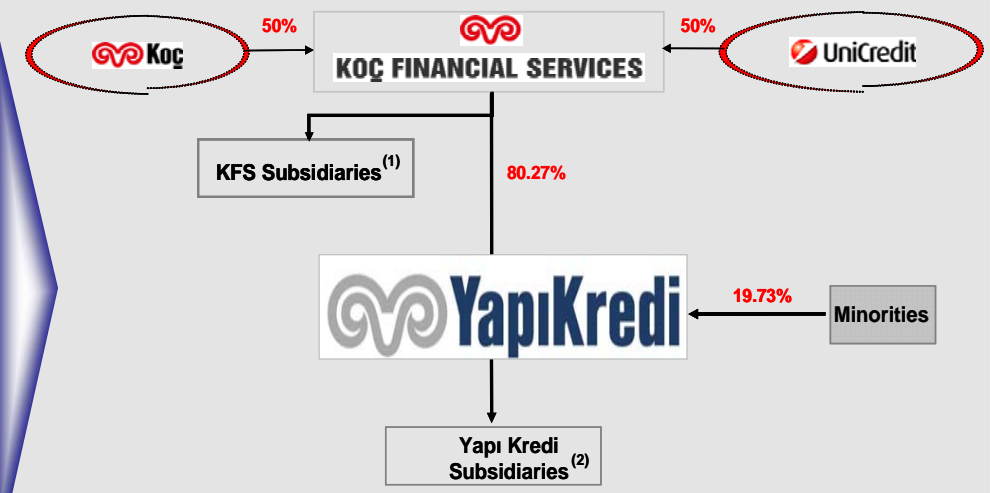
Note: Data 2005. Countries are ranked in terms of net profit before UniCredit's minorities generated by UniCredit CEE banks. Turkey figures are pro-quota and pro-formed.

POST-MERGER OWNERSHIP STRUCTURE

PRE-MERGER OWNERSHIP STRUCTURE

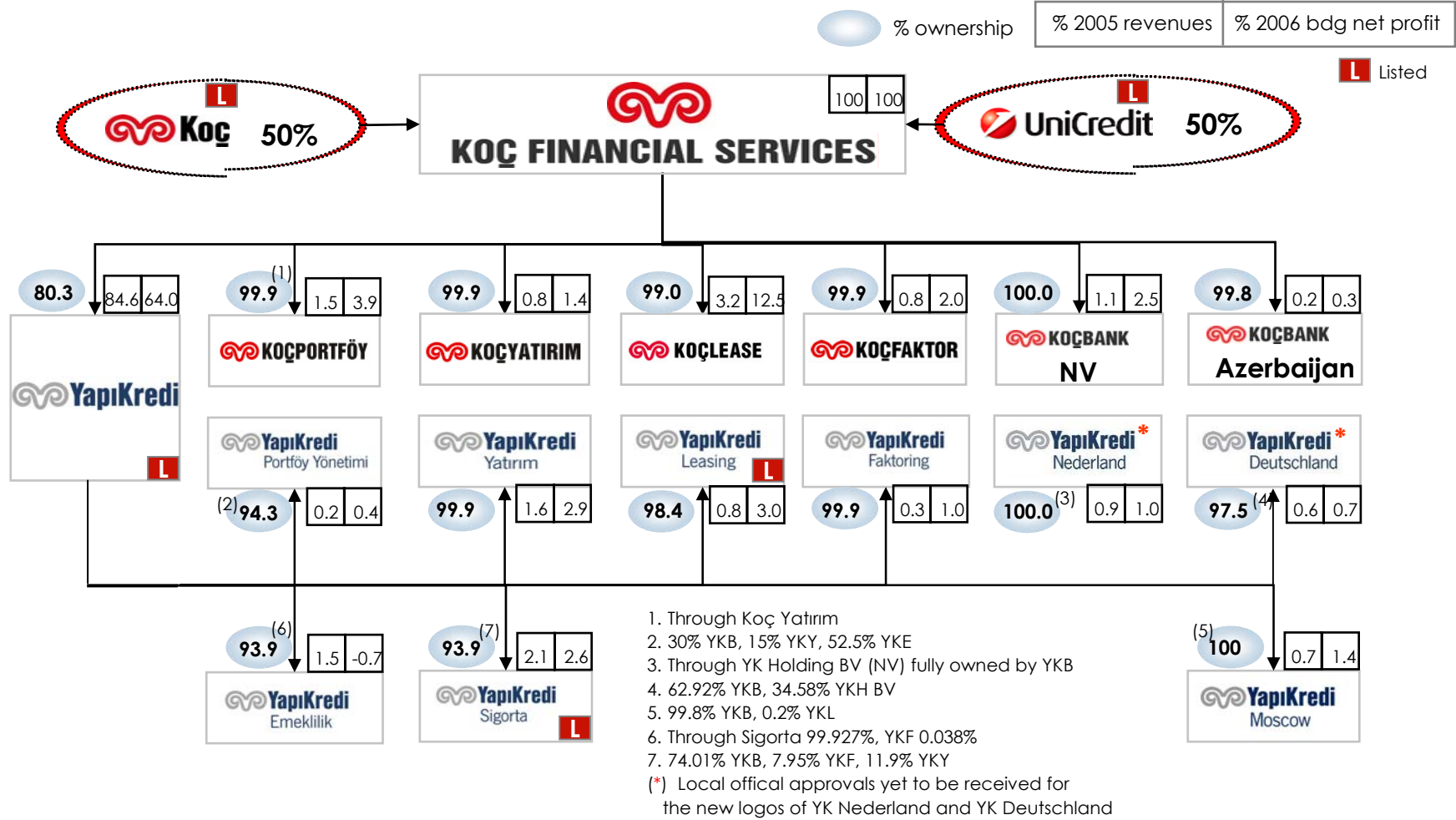


POST-MERGER OWNERSHIP STRUCTURE

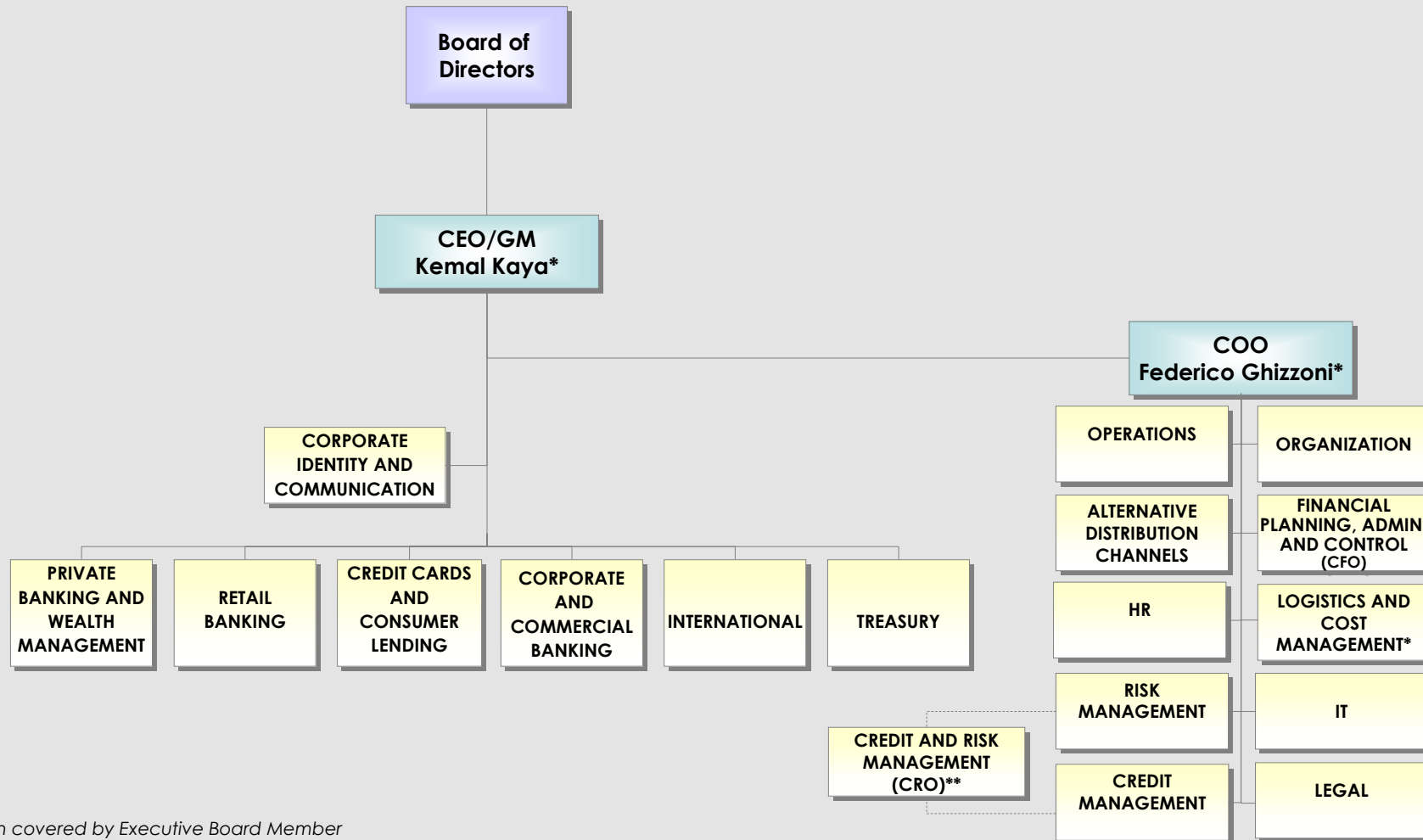


(1) Subsidiaries in asset management, brokerage, leasing, factoring businesses plus subsidiary banks in the Netherlands and Azerbaijan.
 (2) Subsidiaries in asset management, brokerage, leasing, factoring, insurance and pension fund businesses plus subsidiary banks in the Netherlands, Germany and Russia.
 Core subsidiaries (asset management, brokerage, leasing, factoring) of KFS and Yapı Kredi are targeted to merge in January 2007.

NEW GROUP STRUCTURE



EFFICIENT NEW ORGANIZATIONAL STRUCTURE WITH OUTSTANDING LOCAL AND INTERNATIONAL MANAGERIAL TALENT



* Position covered by Executive Board Member

** Position covered at KFS group level only

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- **STATUS OF THE INTEGRATION**
- **3Q 2006 RESULTS**
- **PEER COMPARISON**
- **ANNEX – SELECTED HISTORICAL AND RECENT FINANCIALS**

YAPI KREDİ AIMS AT BECOMING MARKET LEADER IN TERMS OF ACHIEVING SUSTAINABLE PROFITABILITY AND GROWTH

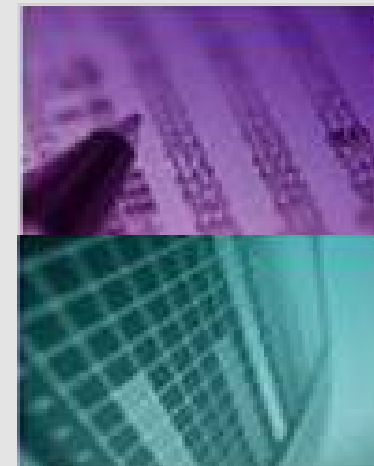
MISSION

To become the perceived leader in the market in terms of **sustainable value creation** and **growth**, being the first choice of customers and employees



KEY STRATEGIC OBJECTIVES

- **Leader in the segment/business** with higher return on capital/growth potential
- **Leanest player in the market:**
 - **Best** cost/income
 - Most **effective** sales force
 - Outstanding risk **management**



2008 KEY STRATEGIC TARGETS BASED ON ENSURING GROWTH, EFFICIENCY AND PROFITABILITY

KEY STRATEGIC GUIDELINES

- Focus on 5 main business targets:
 - ✓ Consolidate **leadership in cards** and become **leader in consumer finance**
 - ✓ Become **leader in Asset Gathering** and **1st choice for High Net Worth Individuals**
 - ✓ Bring **mass segment towards profitability**
 - ✓ **Selective growth in Commercial and Corporate Banking**
 - ✓ **Growth in Small Business through a profitable business model**
- Execution of cost management measures
- Excellence in credit and market risk management
- Integration of the 2 banks and core financial subsidiaries

KEY 2008 TARGETS

Total Revenues	~13% ⁽¹⁾
AUM (Mutual Funds)	~14% ⁽¹⁾
Average RWA	~20% ⁽¹⁾
Cost of Risk	~0.9%
ROE	>20%
Cost / Income	<50%
Group's CAR	>12%
# of Branches	~745

(1) 2005-2008 CAGR.
Targets at KFS level.

KEY PRIORITIES FOR BUSINESS STRATEGY & INTEGRATION / REORGANIZATION ARE EXPECTED TO FINETUNE; COMMON TARGET TO HAVE THE NEW BANK AT FULL SPEED STARTING FROM 2007

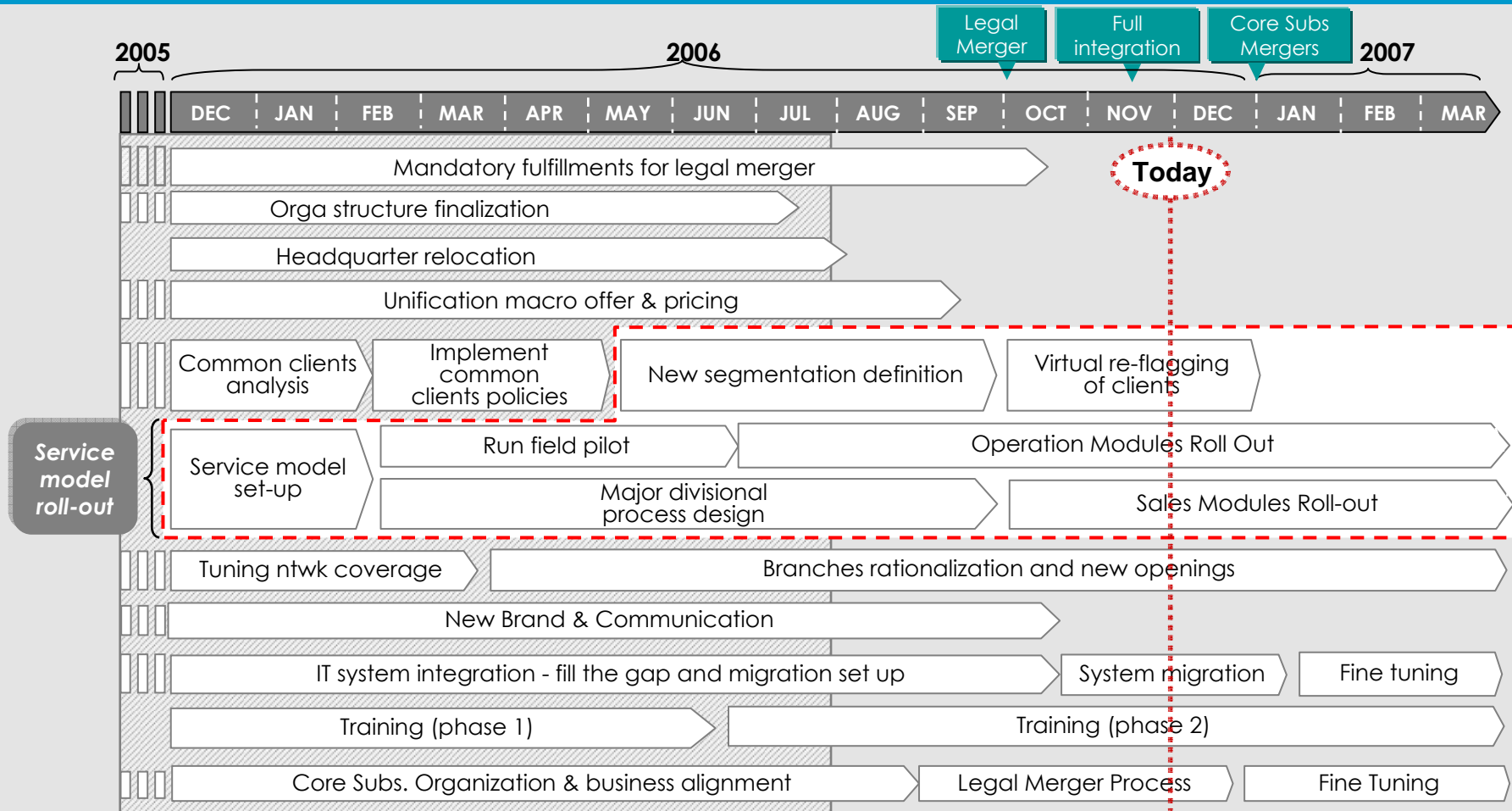
	2005 – 4Q	2006	2007-2008
Business strategy	<ul style="list-style-type: none"> ■ 3y plan approval and 1st common budget process ■ Pricing alignment and commercial focus on key products: Cards (World card through KB) Retail / Private (AuM and mortgages), Corporate (cash loans volumes) ■ Treasury / Market risks: FX position on control, cost of funding decrease ■ Cost management principles in place (1st cut) 	<ul style="list-style-type: none"> ■ Focus on the key segments / products: Cards (consolidate leadership), Retail (upper mass, positioning in consumer lending/mortgages, decrease Mass cost to serve), Private (AuM / asset gathering), Small Business (new profitable service model to be defined), Mid-Large Corporate (selective growth + value added service) ■ New service model: piloting / implementation ■ Align monitoring and risk management functions to KFS standards ■ MBO system in place 	<ul style="list-style-type: none"> ■ Bank at full speed with full deployment of new service model ■ Expansion of product offering ■ Reinforce presence in Small Business ■ Further decrease cost to serve in mass
Integration / restructuring	<ul style="list-style-type: none"> ■ Post acquisition: tender offer, sub loan ■ Mandatory activities per legal integration ■ New organisation in place ■ Re-branding & communication ■ Definition of segmentation rules and new service model 	<ul style="list-style-type: none"> ■ Legal Merger of the 2 banks (target 2H) ■ IT integration (to be completed within 4Q) + training ■ Head quarters consolidation ■ Operational engine rationalisation (including back-office / operation centres / call centres) ■ Banks' branch reorganisation + new openings ■ Subs integration / merger (only key financial subs) 	<ul style="list-style-type: none"> ■ Operational fine tuning in order to reach 3 years plan efficiency targets ■ New branch openings (up to a total of 70) ■ Complete the rationalisation of subsidiaries

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LEGAL MERGER OF TWO BANKS REALIZED ON 2 OCTOBER 2006 WHILE IT SYSTEMS MIGRATION MERGING TWO NETWORKS COMPLETED AT THE END OF OCTOBER

MAJOR INTEGRATION TIMELINE



MAJOR INTEGRATION ACCOMPLISHMENTS SO FAR

- **New organizational structure** of both banks has been established
- **New service model piloting phase to increase efficiency** has been completed in 7 branches
- **Relocation plan has been defined and almost completed the implementation** (Main HQ, Asset management companies have moved into the same estate, Plans for Gebze/Çamlıca are being prepared)
- **Centralization of different activities has started** (e.g. FX Outgoing transfers) and centralization of 3 regional operation center has been already finalized
- Launched a **conversion plan of the staff from HQ – NW**
- **Macro offer and pricing alignment** for the most important products and services has been completed. **Cross product sales on both networks has started**
- **Control functions and policies (credit, risk, cost mgnt, etc.) have been aligned** in both banks
- **New branches opening and relocations have started**
- **Training process has started** following the completion of Pilot task force training
- **Koçbank cardholders' conversion to Worldcard clients completed**
- **Legal merger process completed**
- **IT systems integration completed**
- **Defined integration legal path for core subsidiaries**

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TOTAL ASSETS OF THE MERGED BANK UP 21% YTD, 48% OF ITS ASSETS CONSTITUTE LOANS WHILE SECURITIES' SHARE AT 29%

Unaudited IFRS figures, billion YTL 30 September 2006	Koçbank	YKB Consolidated	Pro-forma Merged Bank*	YTD % Change
Total Assets	19.3	30.5	48.1	20.7%
Loans	8.0	15.2	23.2	21.5%
Securities Portfolio	5.3	8.6	13.9	28.1%
Trading	0.1	0.5	0.6	-64.0%
Available For Sale	0.2	0.9	1.1	-12.0%
Held to Maturity	5.0	7.2	12.3	52.6%
Deposits	12.3	19.9	32.1	17.8%
Equity	3.1	1.7	3.3	-4.3%
Loans/Assets	41.4%	49.9%	48.2%	0.3
Securities/Assets	27.4%	28.2%	28.9%	1.7
Deposits/Assets	64.0%	65.1%	66.8%	-1.7
Loans/Deposits	64.7%	76.7%	72.2%	2.2

51
 (*) Including consolidation adjustments and goodwill of approx. 1 bln YTL.
 YTD changes for the merged bank calculated taking Koçbank IFRS consolidated adjusted
 financials as of 31.12.2005 as a proxy.

REVENUES UP 6.5% YOY MAINLY DRIVEN BY STRONG FEE AND COMMISSION GROWTH; COST/INCOME AT 58%

Unaudited IFRS figures, million YTL 30 September 2006	Koçbank	YKB Consolidated	Pro-forma Merged Bank *	YoY % Change **
Total Revenues	594	1,696	2,249	6.5%
of which net interest income	348	1,032	1,359	0.3%
of which net fees and commissions	171	513	683	25.4%
Total Costs	-308	-1,059	-1,309	-52.6%
Provisions	-549	-300	-291	-86.7%
Pre-tax Profit	285	337	650	n.m
Net Profit	313	39	385	n.m
<i>Net Interest Income/Total Revenues</i>	58.6%	60.9%	60.4%	-3.7
<i>Net Fee and Com./Total Revenues</i>	28.7%	30.2%	30.4%	4.6
<i>Net Fee and Com./Total Costs</i>	55.3%	48.4%	52.2%	32.5
<i>Cost/Income</i>	51.9%	62.4%	58.2%	-72.5

CAPITAL ADEQUACY RATIO OF PRO-FORMA MERGED BANK AT 12%

YTL mln	KOÇBANK		YAPI KREDİ	
	2005	3Q06	2005	3Q06
CAR (%)	11.6	13.9	7.3	10.5
Supervisory Capital	906	1,275	1,415	2,385
<i>Tier 1 Capital</i>	2,721	3,050	1,525	1,602
<i>Tier 2 Capital</i>	191	1,488	648	1,572
<i>Deductions</i>	(2,006)	(3,263)	(758)	(789)
Total Risks	7,827	9,165	19,541	22,648
<i>RWA</i>	7,446	8,551	18,775	21,987
<i>Market Risk</i>	381	614	766	661

31 MARCH 2006

YKB received a Euro 500 mln subordinated loan



28 APRIL 2006

Koçbank received a Euro 350 mln subordinated loan



- Thanks to those two actions **CARs of both Banks have been well positioned within the regulatory requirements**
- **CAR of the pro-forma of merged bank at 12%**

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YAPI KREDİ ACCORDING TO INTERNATIONAL BANK ANALYSTS

"...a strong franchise in many areas and backed by some deep and committed pockets."

MERRILL LYNCH, August 2006

"Awakening a sleeping beauty? We expect YKB to undergo significant restructuring under the steer of new management, leading to a substantial improvement in returns."

GOLDMAN SACHS, April 2006

" We see the merged Yapı Kredi earning above-industry average returns on its equity in both the current year and 2007."

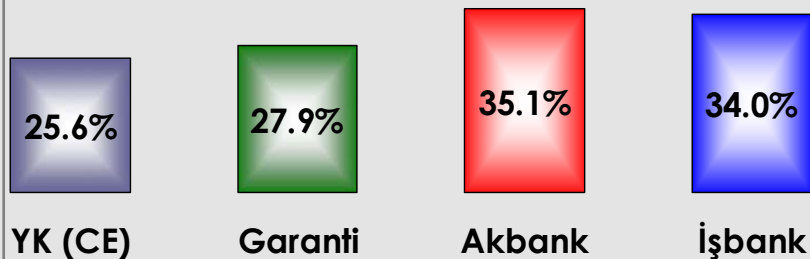
ING, June 2006

" We think Yapı Kredi will adopt the "most conservative" crown, which we applaud...We believe the new management structure will act in a rational, somewhat risk-averse and long-term way. This means Yapı is likely to be the bank least exposed to yield curve and FX position risk."

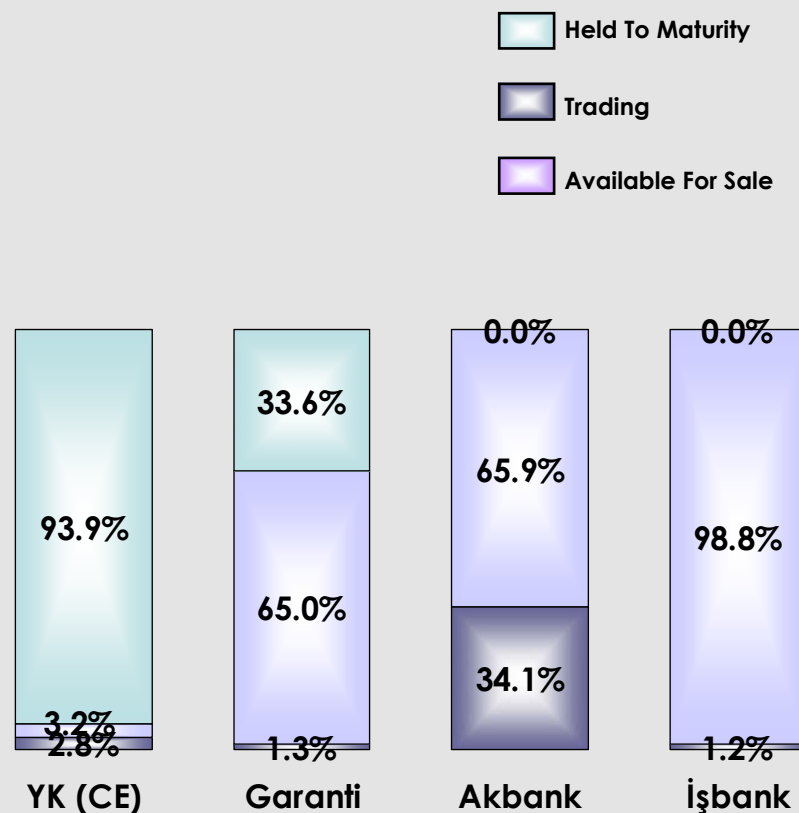
MERRILL LYNCH, August 2006

LOWEST SHARE OF SECURITIES IN TOTAL ASSETS – SECURITIES COMPOSITION WELL ALIGNED WITH PRUDENT RISK APPROACH

Securities / Total Assets - 30.9.2006

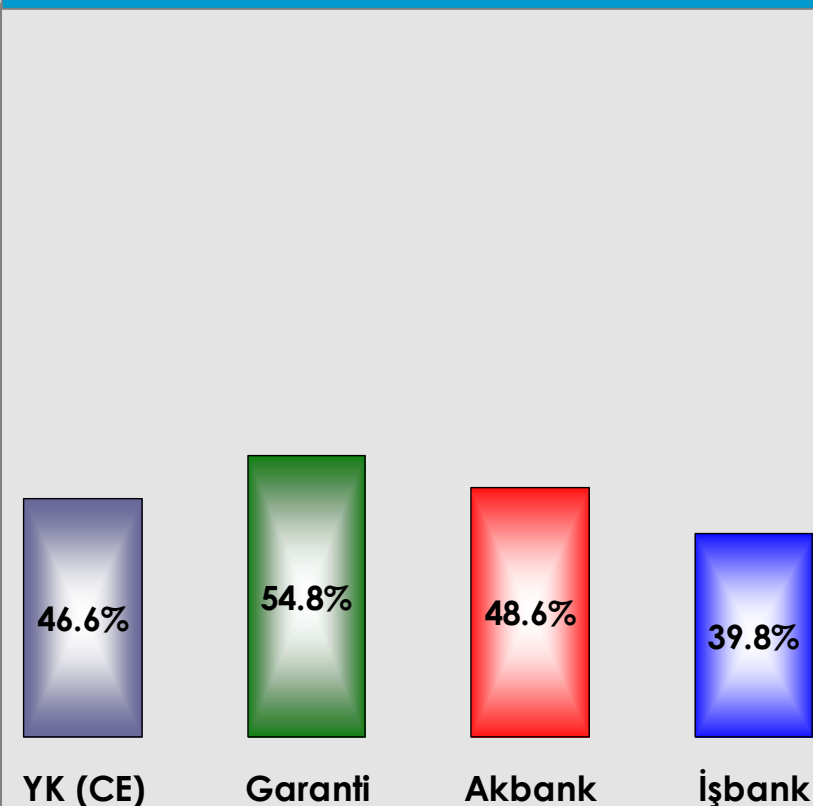


Composition of Securities Portfolio - 30.9.2006

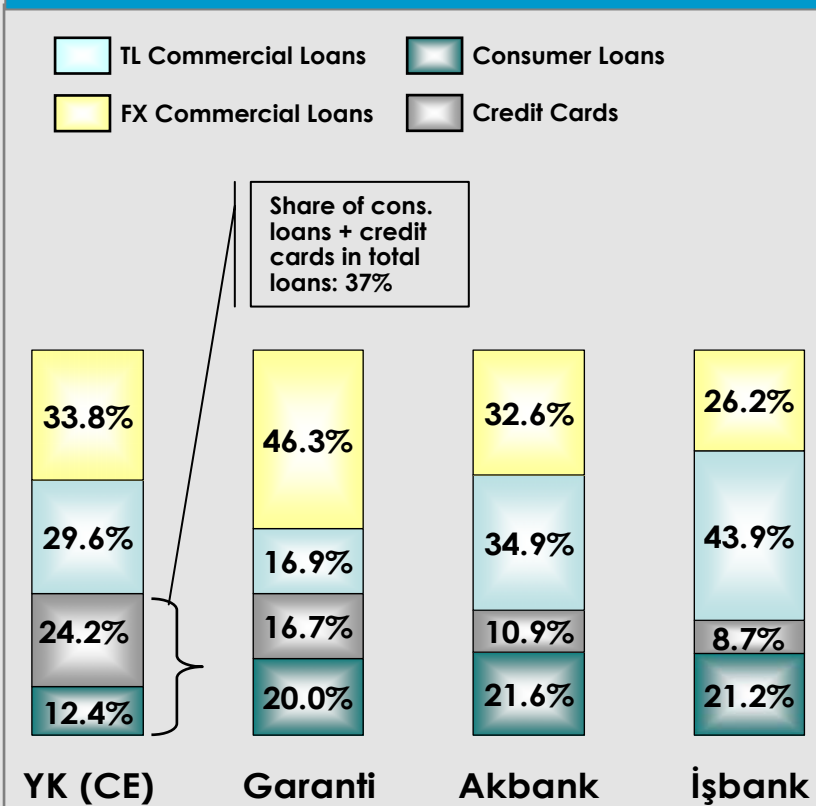


HIGH SHARE OF CASH LOANS TO TOTAL ASSETS IN LINE WITH REAL BANKING – PROFITABLE GROWTH CONCENTRATED ON HIGH MARGIN BUSINESSES

Cash Loans / Total Assets - 30.9.2006

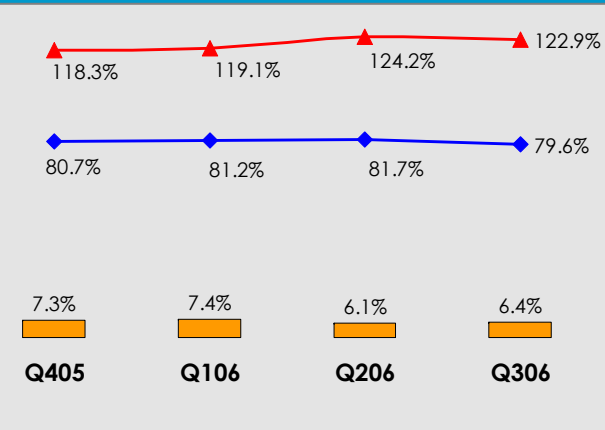


Composition of Cash Loans -30.9.2006

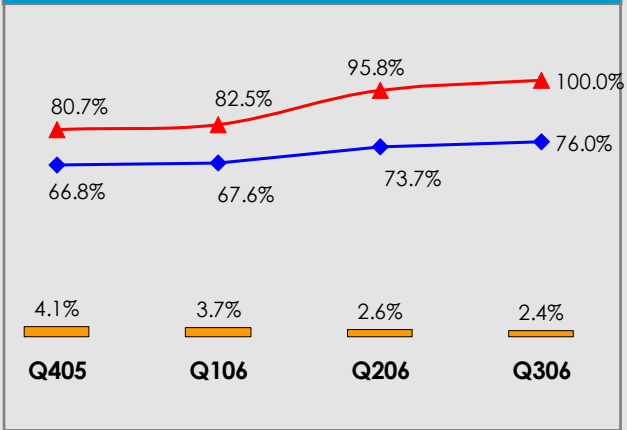


CONSISTENTLY IMPROVING ASSET QUALITY AND BUILDING COVERAGE

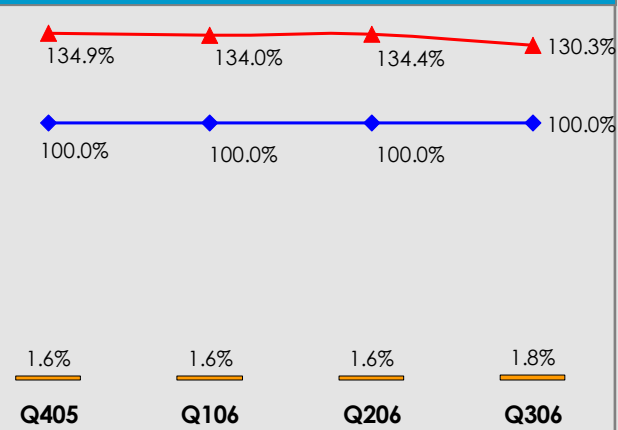
YAPI KREDİ – NPL Ratio and Coverage



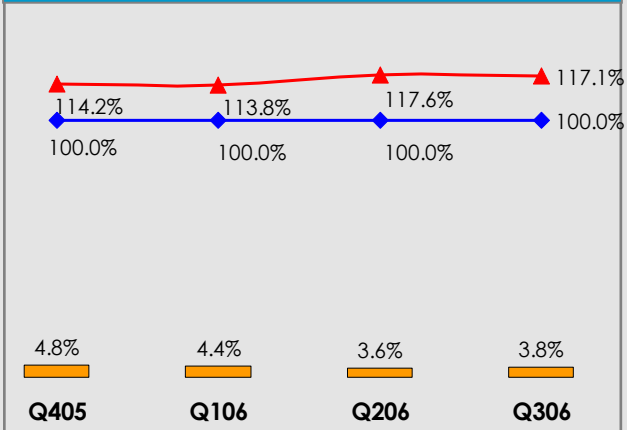
GARANTİ - NPL Ratio and Coverage



AKBANK - NPL Ratio and Coverage

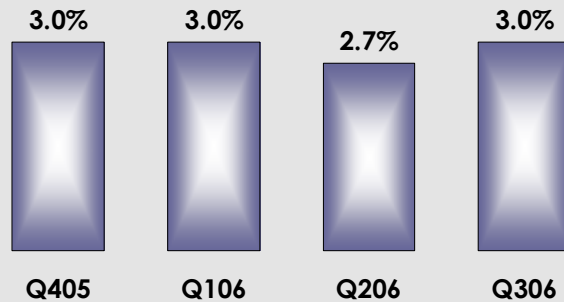


İŞBANK - NPL Ratio and Coverage

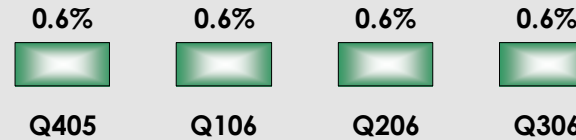


GENERAL PROVISIONS-TO-PERFORMING LOANS RATIO COVERING COST OF RISK; WELL ABOVE THE REGULATORY REQUIREMENT

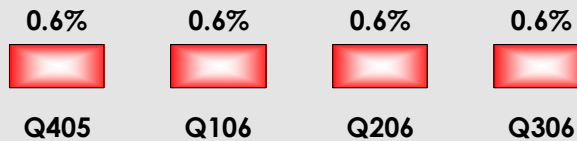
**YAPI KREDİ - General Loan Provisions /
Performing Loans**



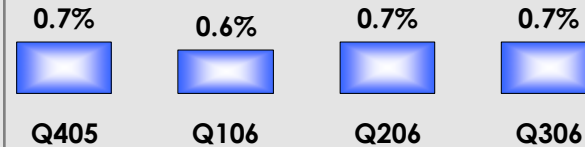
**GARANTİ - General Loan Provisions /
Performing Loans**



**AKBANK - General Loan Provisions /
Performing Loans**

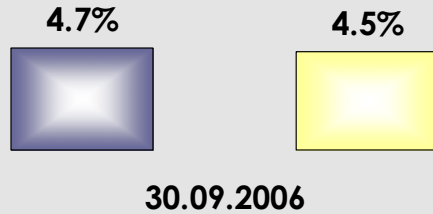


**İŞBANK - General Loan Provisions /
Performing Loans**

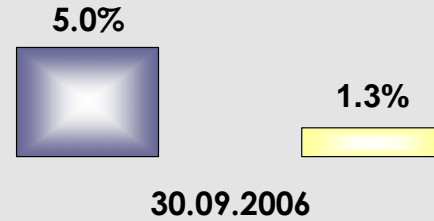


LOW LEVEL OF RELATED PARTY LENDING

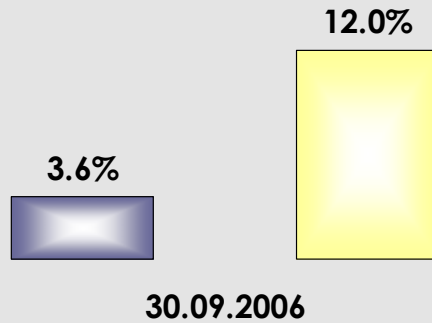
YAPI KREDİ - Related Party Lending



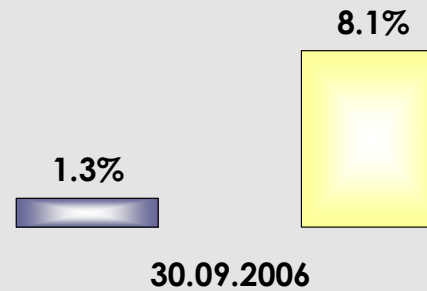
GARANTİ - Related Party Lending





AKBANK - Related Party Lending



İŞBANK - Related Party Lending



-  Related party cash loans / total cash loans
-  Related party non-cash loans / total non-cash loans

OF TOTAL DEPOSITS, 53% CONSTITUTED BY TL DEPOSITS WHILE 1/5TH IS DEMAND

Loans/Deposits:

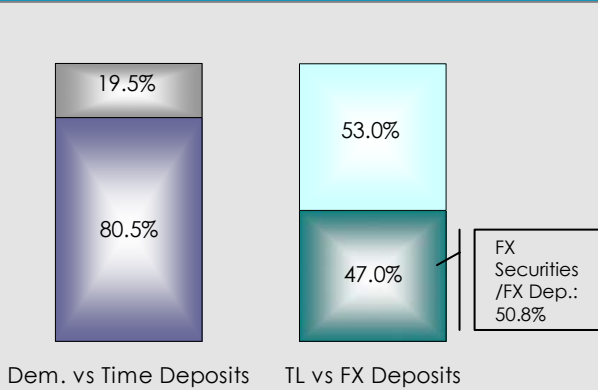
Yapı Kredi: 79.4%

Garanti: 95.3%

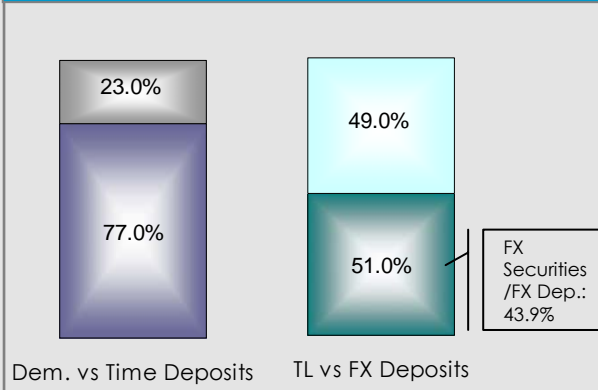
Akbank: 79.5%

İşbank: 66.5%

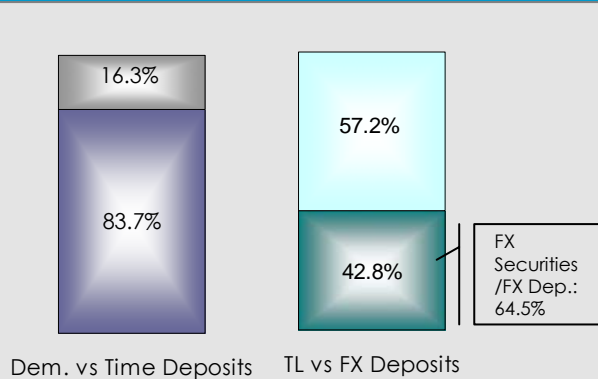
YAPI KREDİ - 30.9.2006



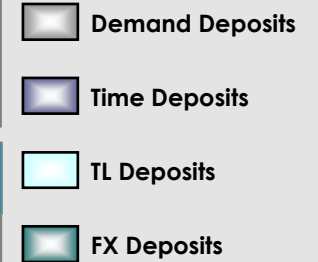
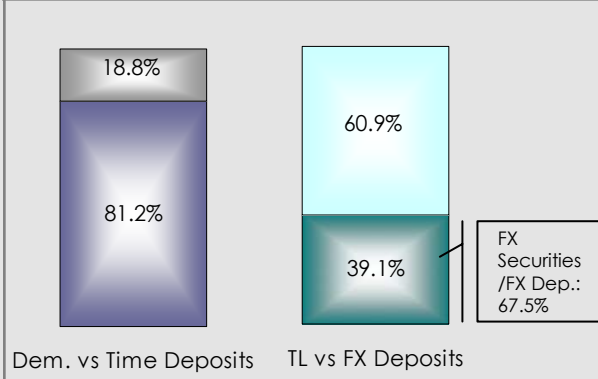
GARANTİ - 30.9.2006



AKBANK - 30.9.2006

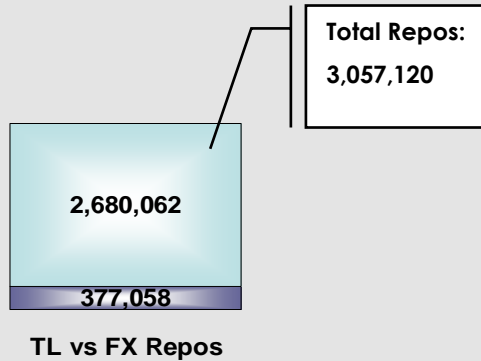


İŞBANK - 30.9.2006

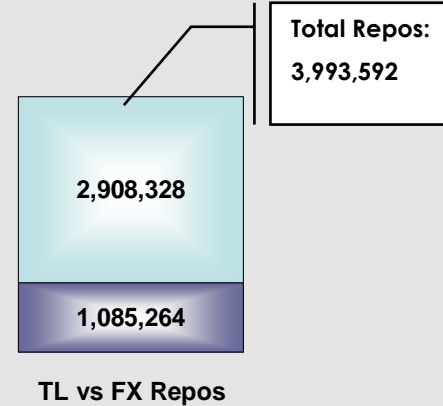


RELATIVELY LOW LEVEL OF REPO FUNDING

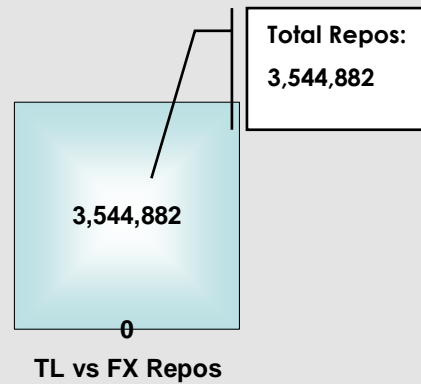
YAPI KREDİ - 30.9.2006, YTL



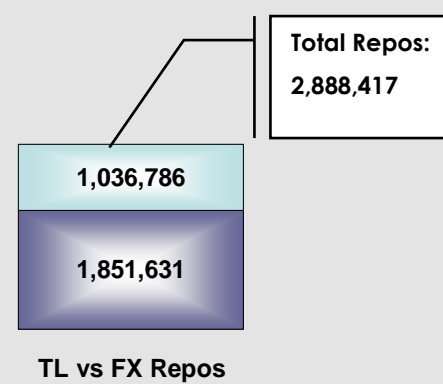
GARANTİ - 30.9.2006, YTL



AKBANK - 30.9.2006, YTL



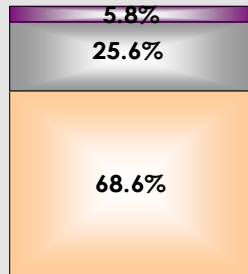
İŞBANK - 30.9.2006, YTL



TL Repos
FX Repos

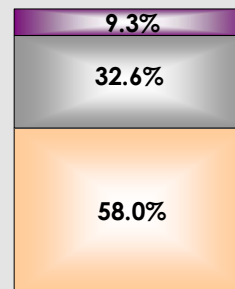
REVENUE GENERATION DEPENDENT ON LOANS RATHER THAN SECURITIES INCOME – HIGHEST SHARE OF INCOME FROM LOANS IN INTEREST INCOME

YAPI KREDİ - 30.9.2006



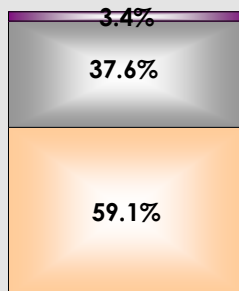
Breakdown of Int. Income

GARANTİ - 30.9.2006



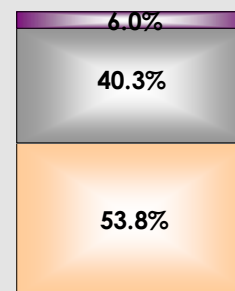
Breakdown of Int. Income

AKBANK - 30.9.2006

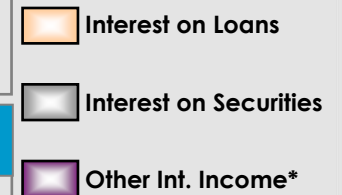


Breakdown of Int. Income

İŞBANK - 30.9.2006

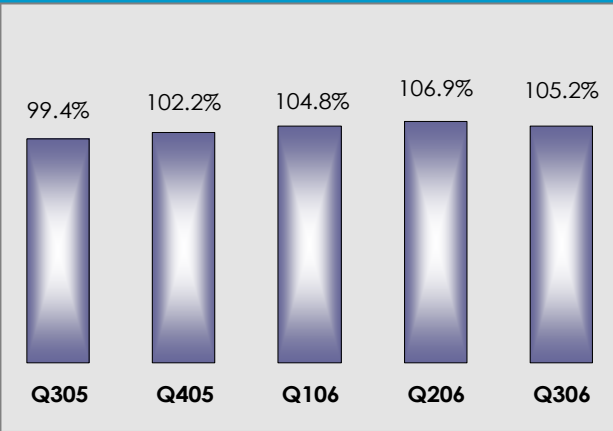


Breakdown of Int. Income

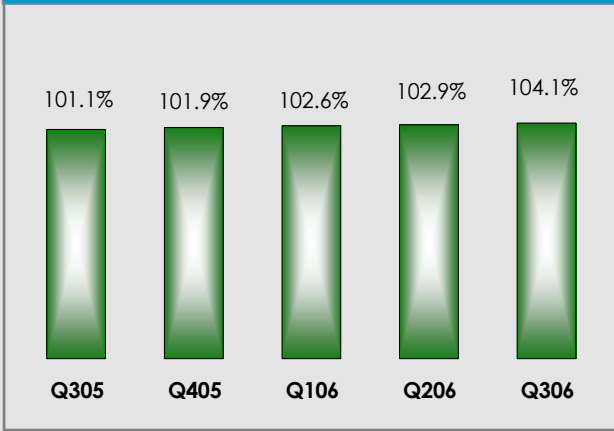


CONSISTENTLY INCREASING INTEREST EARNING ASSETS MAINLY DRIVEN BY SUCCESSFUL AND ACCELERATED ASSET RESTRUCTURING

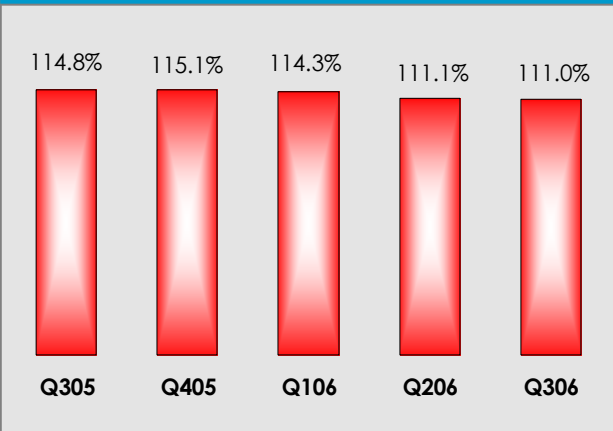
YAPI KREDİ - Ave. IEAs / Ave. IBLs



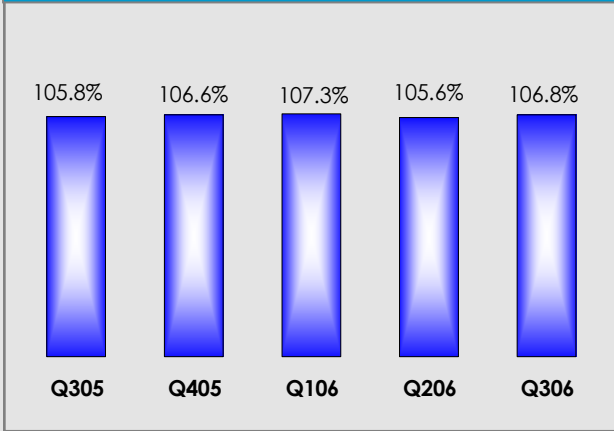
GARANTİ - Ave. IEAs / Ave. IBLs



AKBANK - Ave. IEAs / Ave. IBLs

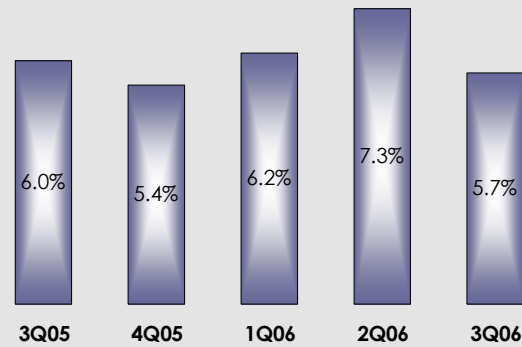


İŞBANK - Ave. IEAs / Ave. IBLs

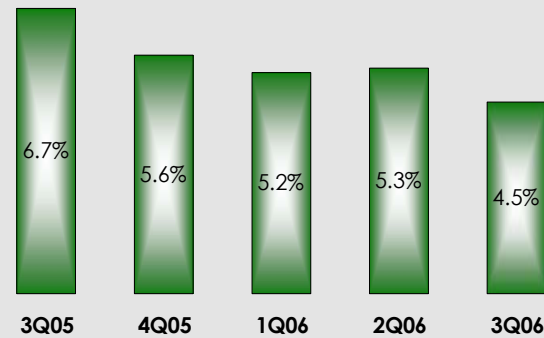


WELL POSITIONED TO DEFEND NIM DUE TO FOCUS ON HIGH YIELDING INSTRUMENTS AND LUCRATIVE BUSINESS LINES -- HIGHEST NIM AS OF END-SEPTEMBER

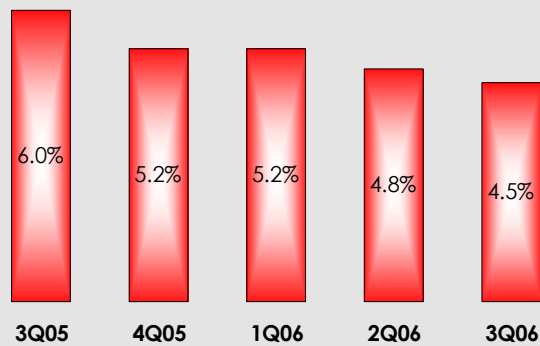
YAPI KREDİ - Net Interest Margin



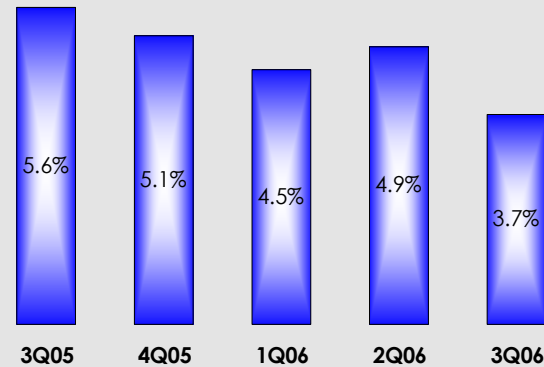
GARANTİ - Net Interest Margin



AKBANK - Net Interest Margin

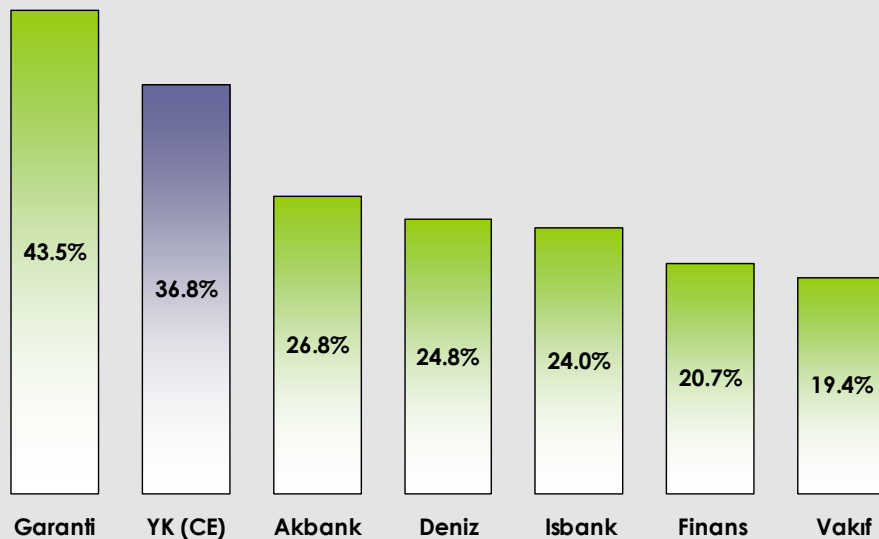


İŞBANK - Net Interest Margin

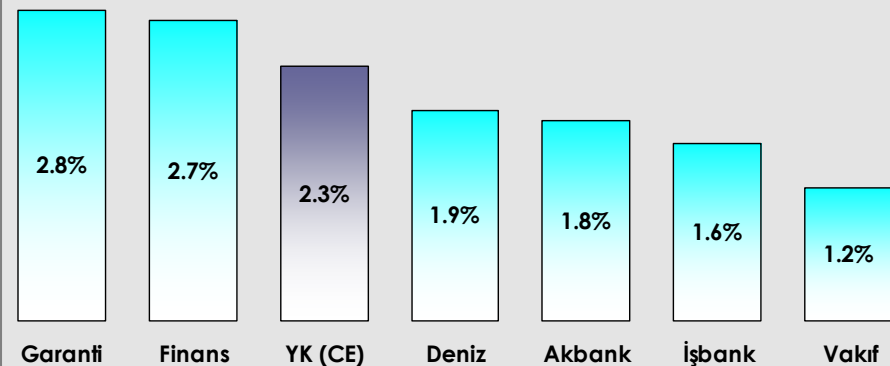


HIGH SHARE OF QUALITY REVENUES WITH FURTHER POTENTIAL TO INCREASE BASED ON SOLID POST-MERGER GROWTH PLATFORM

Fees and Commissions (gross) / Total Revenues
September 2006

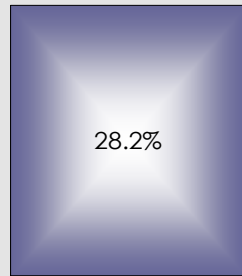


Fees and Commissions (gross) / Total Assets
September 2006



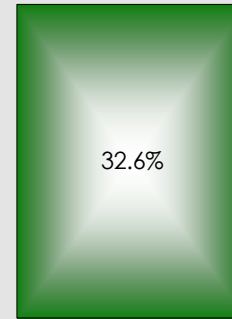
INCREASING CONCENTRATION ON SUSTAINABLE SOURCES OF REVENUE – ALMOST 1/3RD OF TOTAL OPERATING INCOME GENERATED BY FEES & COMMISSIONS

YAPI KREDİ - Net F&C/Oper. Income



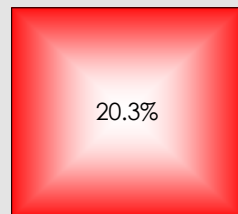
30.09.2006

GARANTİ - Net F&C/Oper. Income



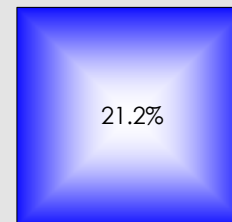
30.09.2006

AKBANK - Net F&C/Oper. Income



30.09.2006

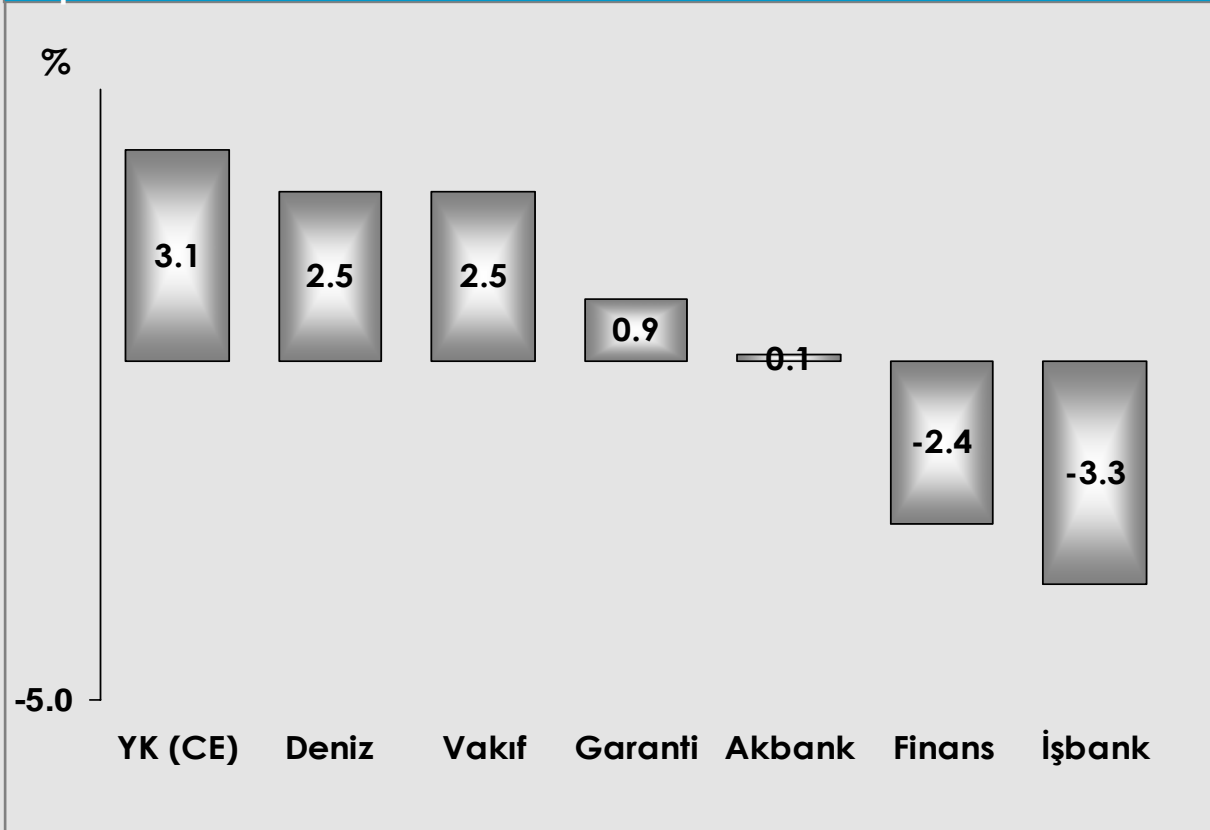
İŞBANK - Net F&C/Oper. Income



30.09.2006

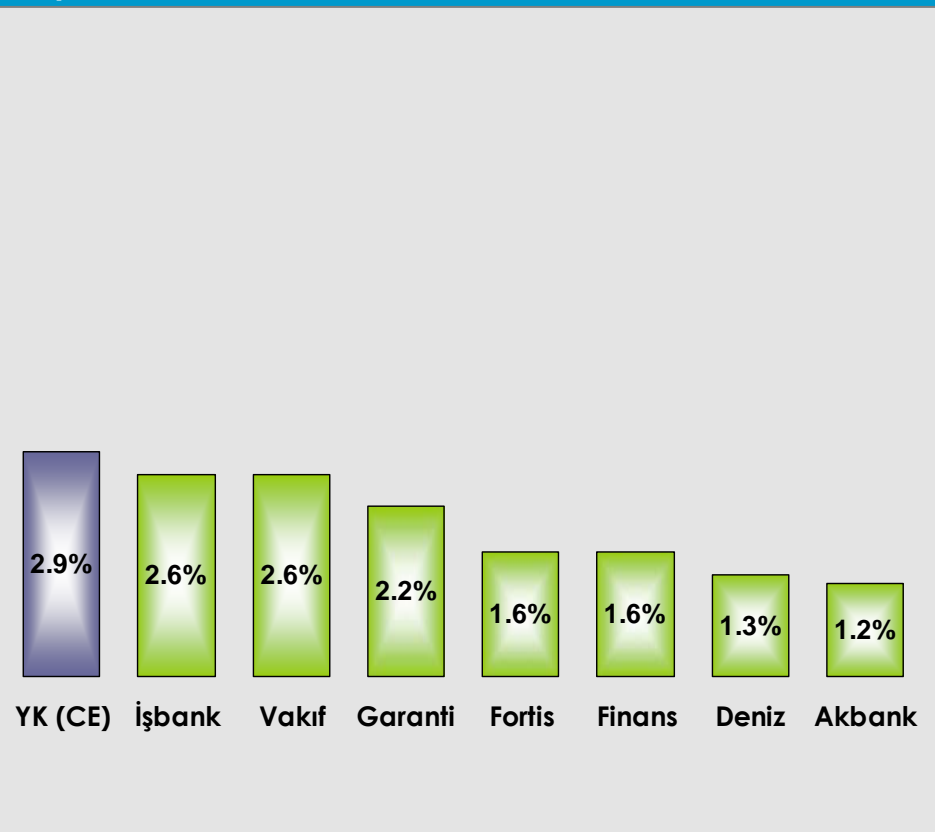
HIGHEST POSITIVE FX POSITION

Net Open Positions After Hedge / Total Equity
September 2006

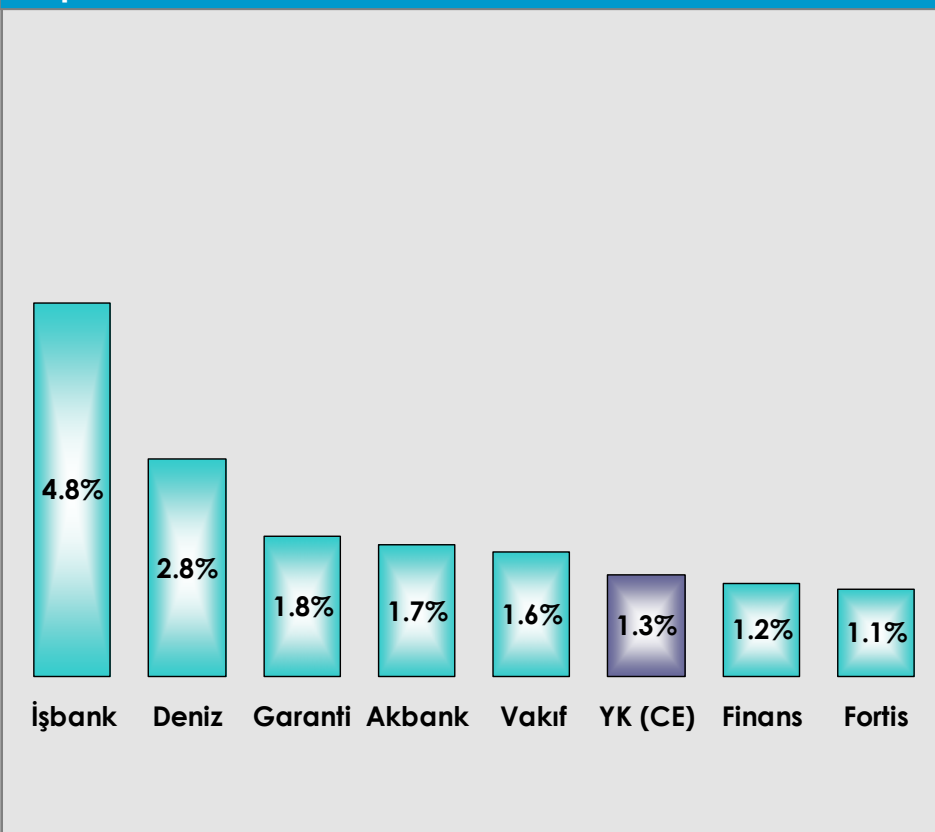


HEALTHIER B/S DUE TO ASSET RESTRUCTURING WITH FURTHER ROOM TO IMPROVE; PRUDENT LENDING POLICY WITH FOCUS ON HIGH TURNOVER LENDING ACTIVITIES

Fixed Assets / Total Assets
September 2006

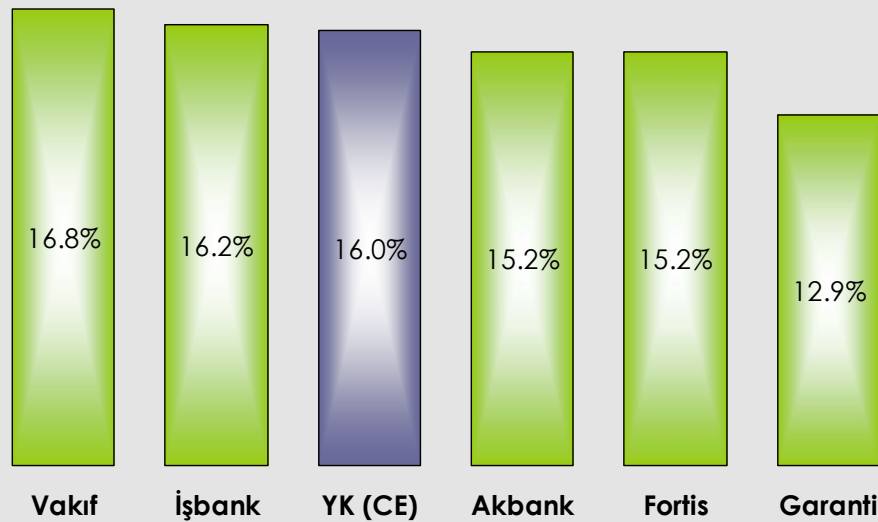


Accrued Interest on Loans / Gross Loans
September 2006

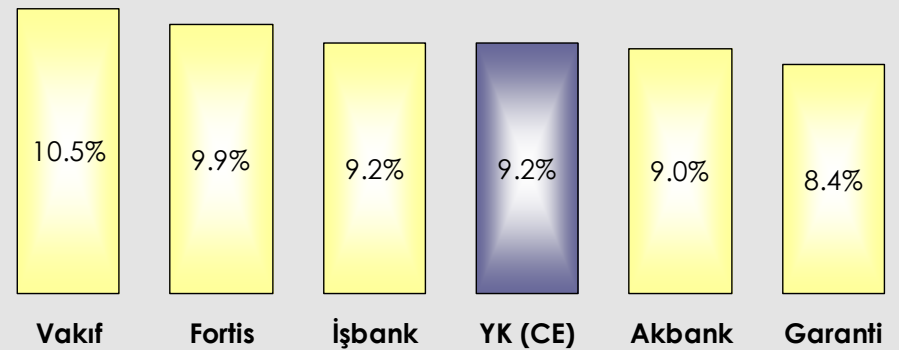


RANKING BY INTEREST EARNED ON LOANS AND INTEREST PAID OUT TO DEPOSITORS

Effective Interest Earned On Loans
September 2006



Effective Interest Paid Out On Deposits
September 2006



AGENDA

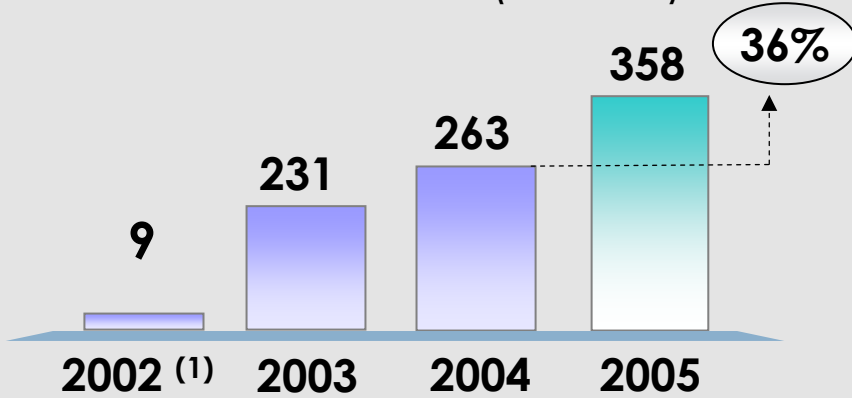
- **MACROECONOMIC & BANKING ENVIRONMENT**
- **THE NEW BANK**
- **SHAREHOLDING AND ORGANIZATIONAL STRUCTURE**
- **VISION & STRATEGY**
- **STATUS OF THE INTEGRATION**
- **3Q 2006 RESULTS**
- **PEER COMPARISON**
- **ANNEX – SELECTED HISTORICAL AND RECENT FINANCIALS**

2005 IFRS FINANCIAL RESULTS OF THE GROUP : THE NEW DIMENSION

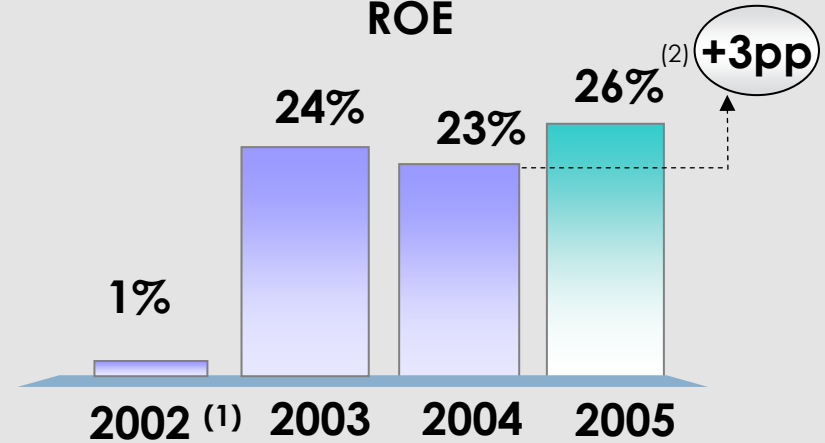
YTL mln	2005 KFS Group ⁽¹⁾	2005 KFS pro-forma ⁽²⁾	2005 KFS pro-forma normalized	of which "old" KFS	of which YK Group normalized ⁽⁴⁾
Total Revenues ⁽³⁾	1,533	3,053	3,053	1,066	1,987
Operating Expenses	(873)	(3,371)	(1,880)	(493)	(1,388)
Gross Operating Profit	660	(318)	1,173	574	599
Pre - tax Profit	502	(2,587)	872	490	382
Combined Profit	365	(2,410)	662	360	302
Consolidated Net Profit	360	360			

KFS (*) FIRST 4 YEARS RESULTS ARE VERY POSITIVE...

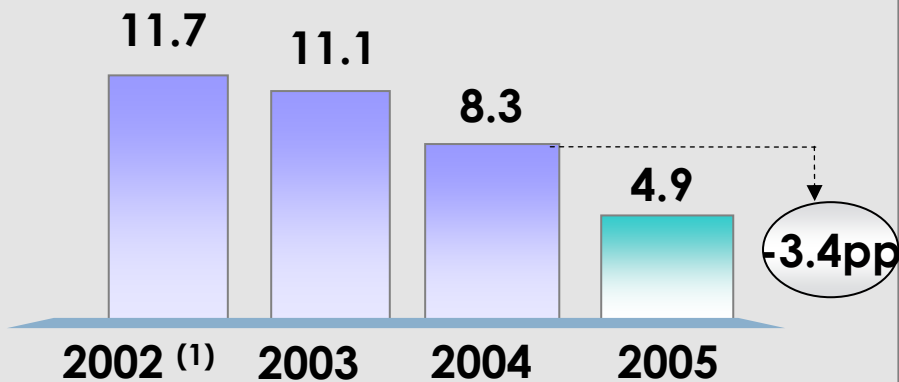
NET INCOME (YTL mln)



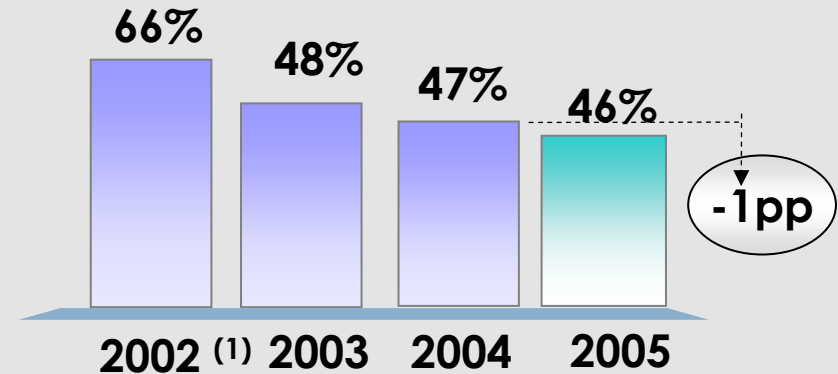
ROE



NPL RATIO %



COST / INCOME RATIO % (3)

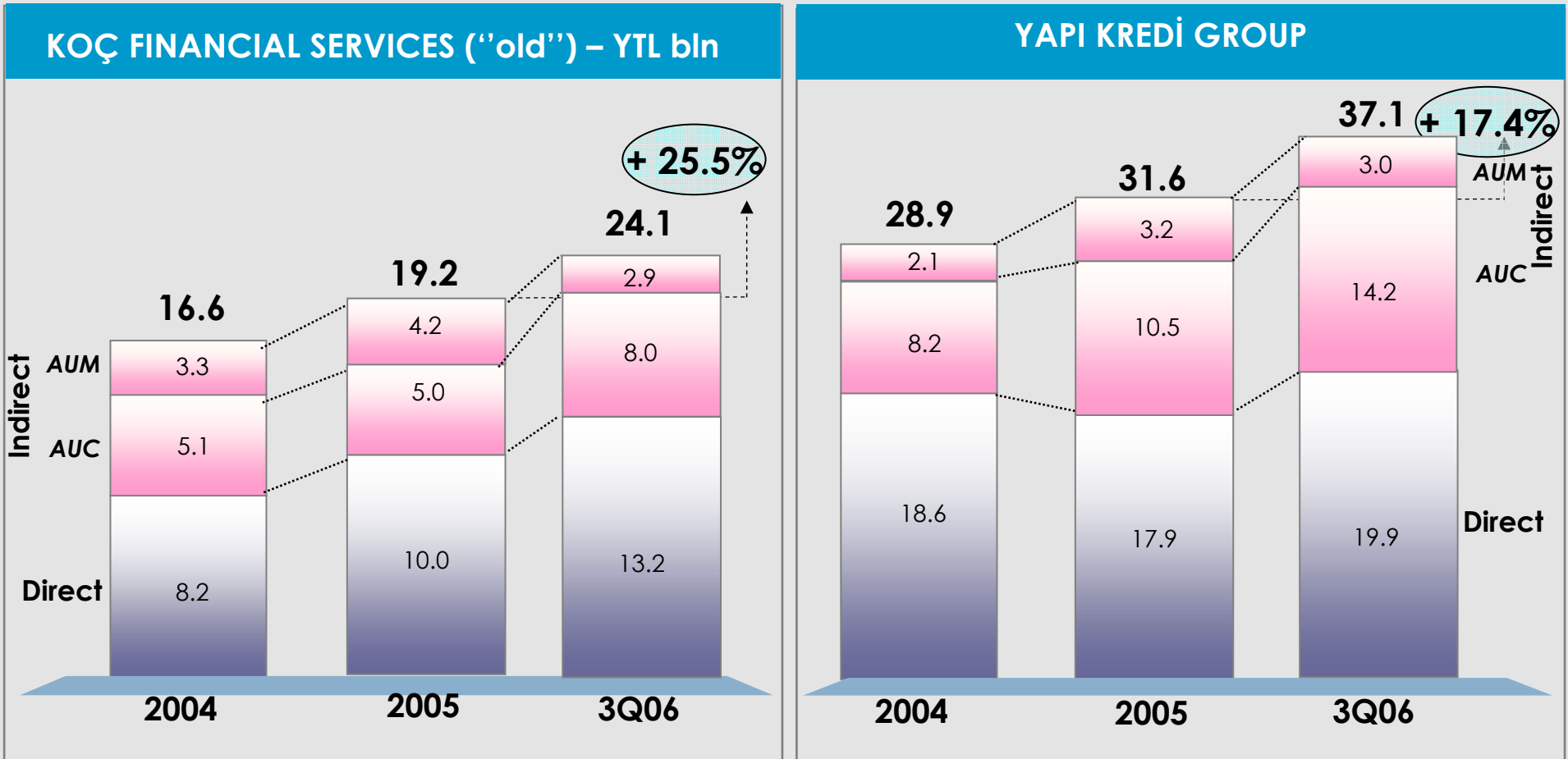


...WHILE FOR YAPI KREDI THERE IS A CLEAR ROOM FOR IMPROVEMENT

IFRS mln YTL		2004	2005	Adjustments ⁽¹⁾	Ordinary 2005	2004- 2005 Without Adj. (%)
Revenues ⁽²⁾→	1,798	3,144	(1,157)	1,987	+ 11
Costs	.....→	(1,471)	(2,879)	1,491	(1,388)	- 6
Provisions	.....→	(430)	(2,186)	1,968	(217)	-49
Tax	.....→	70	307	(388)	(81)	n.a
Net Income	.....→	(31)	(1,617)	1,915	298	n.a
Cost / Income	.....→	82%	92%		70%	

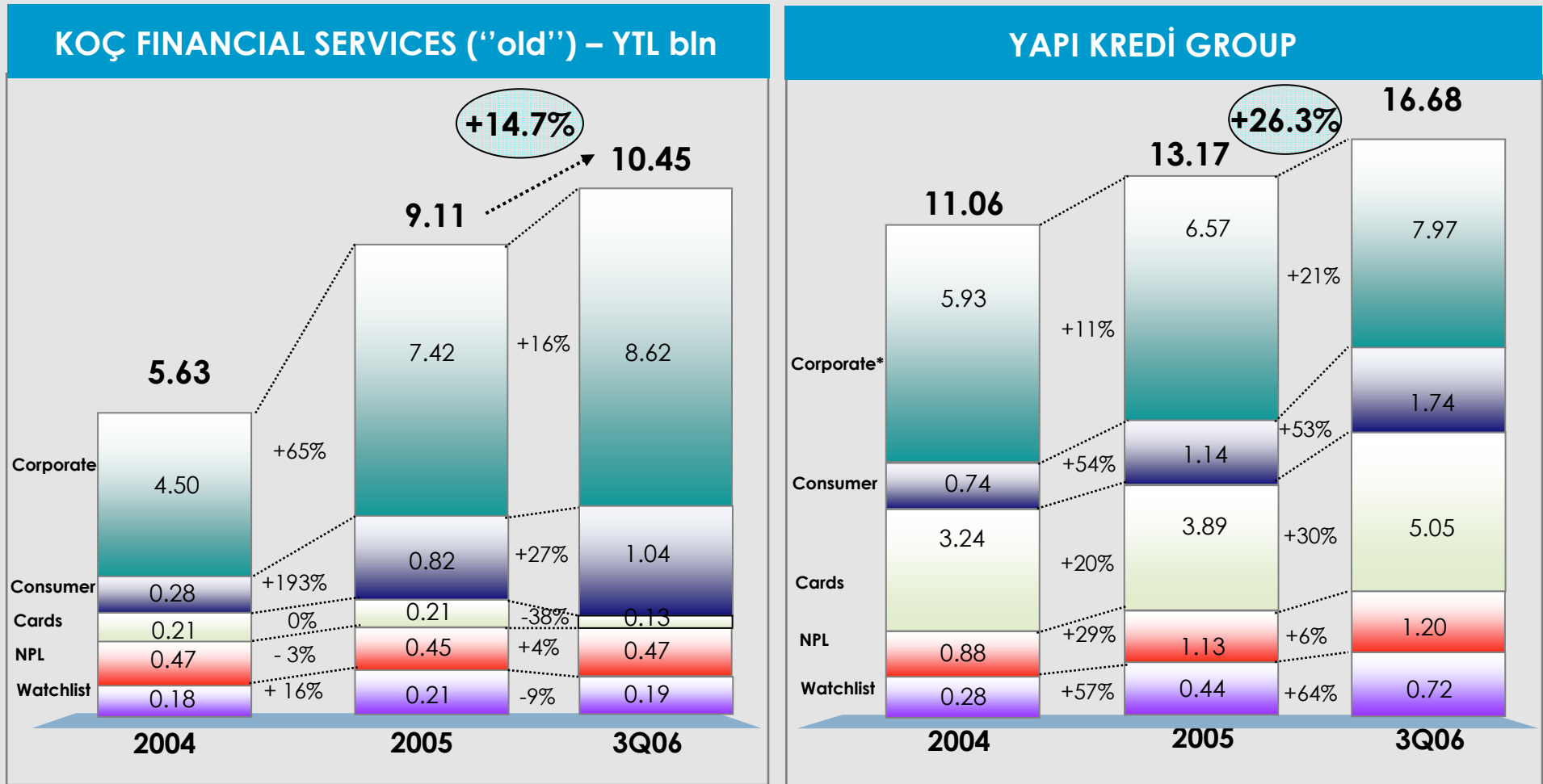
TOTAL ASSETS GATHERED FROM CUSTOMERS UP BY 20.5% YTD THANKS TO INFLOW OF NEW DEPOSITS AND MUTUAL FUNDS

IFRS Results



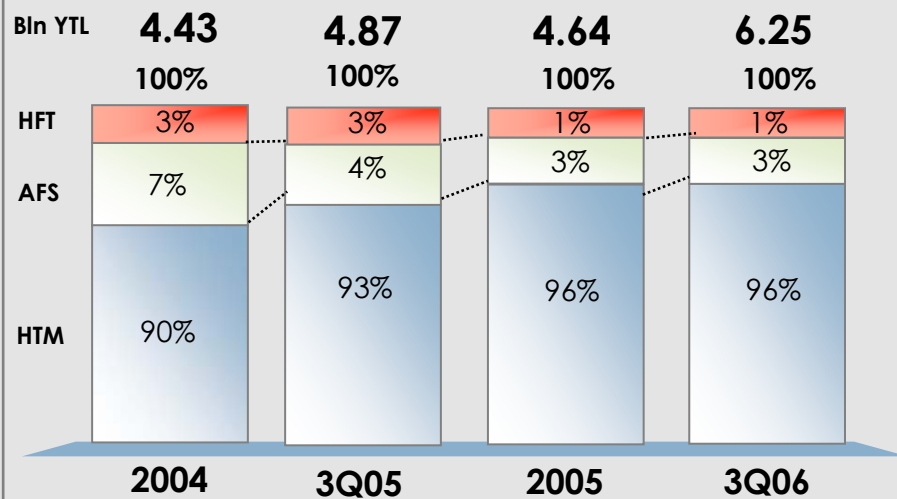
GROSS CUSTOMERS LOANS UP BY 22% YTD MAINLY THANKS TO CARDS, CONSUMER LENDING AND CORPORATE ACTIVITY

IFRS Results

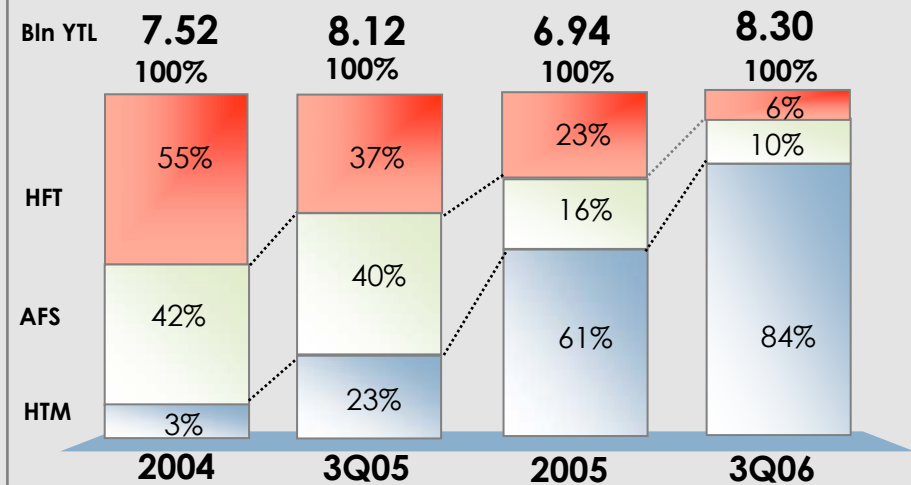


SECURITIES PORTFOLIO FOCUSED ON HELD-TO-MATURITY AIMING AT STABLE REVENUE GENERATION

KOÇ FINANCIAL SERVICES ("old") – bln YTL



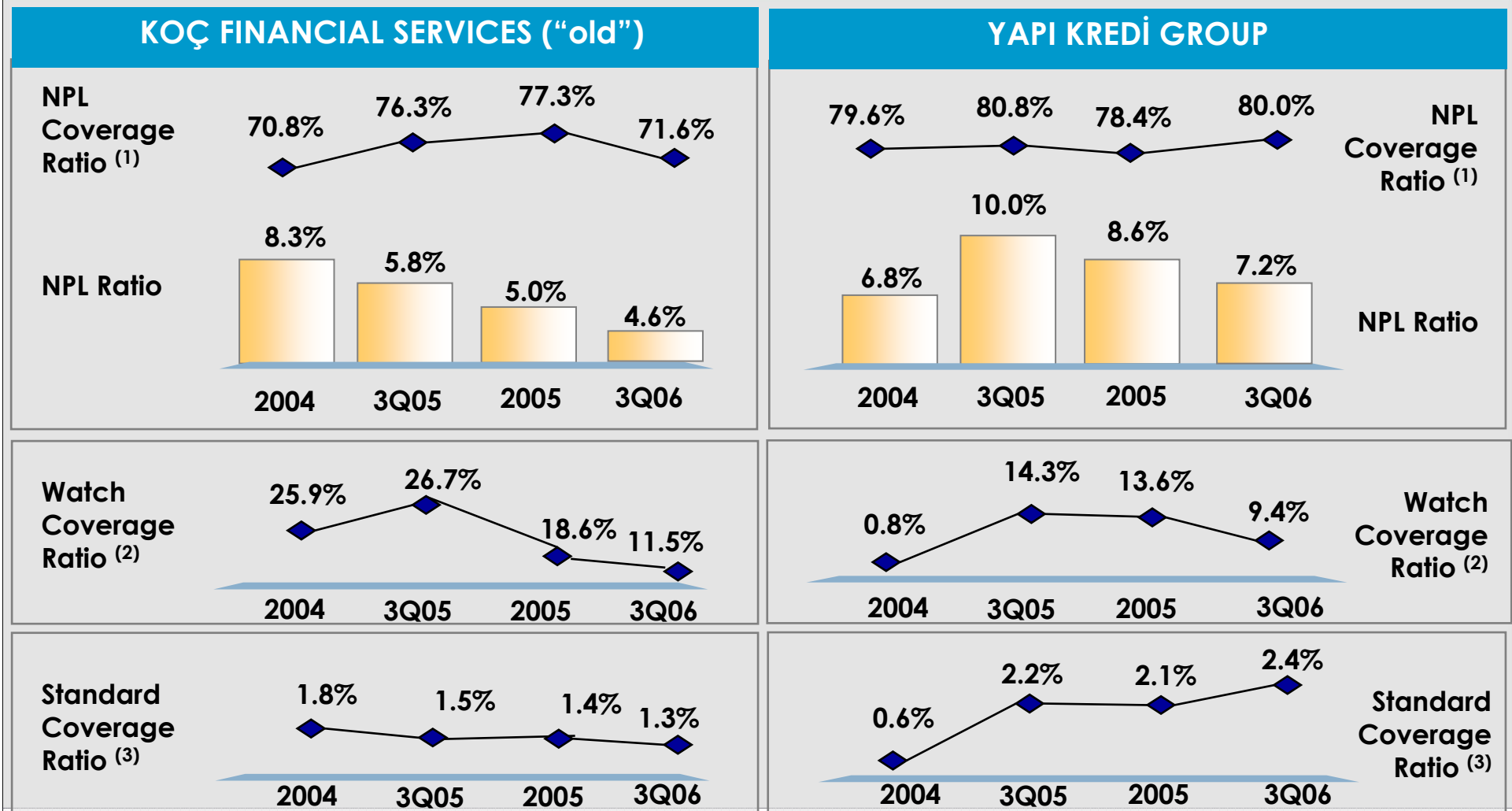
YAPI KREDİ GROUP



New Investment policy: general principles

- No proprietary or directional risk on the market or performing transactions with speculative intent
- Derivatives allowed for hedging purpose; options allowed only for client driven transactions immediately fully hedged
- No FX speculative open positions are allowed
- VaR limits, stop loss, max open position **monitored on a daily basis**

ASSET QUALITY IN A CONSTANTLY IMPROVING TREND WITH DECREASING NPL RATIO AND ADEQUATE PROVISIONING LEVEL



ASSET QUALITY: IMPORTANT ACTIONS TAKEN IN ORDER TO MAINTAIN CREDIT ACTIVITY UNDER EFFICIENT CONTROL

- Implementation of **Credit Risk Policies** and **Credit Tableau de Board** in both KB & YKB,
- Implementation of Credit Underwriting tools (**ACE** for Corporate & Commercial, **SMiE** for Micro & Small Business) **completed in Koçbank**, to be **implemented in YKB** in 1Q07
- Implementation of Credit Monitoring tool (**C-mon**) completed in Koçbank (for YKB in 1Q07)
- **Revision** (and increase) **of the authority levels** for both banks, in accordance with new workflows and the new Banking Law
- **Basel-II Assessment** and **Gap Analysis** conducted, **Master Plan** being defined to reach alignment with the Basel-II IRB approaches
- Monthly monitoring and submission of the **largest 25/50 exposures** to the CRO and Board
- Group consolidation in accordance with banking regulation and S/H's agreement, monthly monitoring of **related parties' exposure**
- Calculation of **cost of credit risk** by segments, alignment of generic provisioning to the CoR
- Revision and monthly monitoring on **classified loans** and underlying **provisions**
- **Centralized** approvals of **international** large exposures

ENQUIRIES:

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