



BANKING
REGULATION AND SUPERVISION
AGENCY

July 20, 2004

PRESS RELEASE

This is to announce to the public that:

Following the negotiations and activities carried out since December 2003, as regards the establishment of a legal framework of the Group's offer concerning the restructuring of Savings Deposit Insurance Fund (SDIF) and Yapı ve Kredi Bankası A.Ş. (YKB) receivables and early payment hereof and the sound resolution of YKB's ownership problem, a consensus was reached between our Agency and the Çukurova Group, within the following framework.

- The Çukurova Group shall, under no way or condition, pledge Yapı ve Kredi Bankası A.Ş. shares it owns for the loan it will benefit from abroad. As a reflection of our Agency's sensitiveness on bank partnership and ownership, the YKB shares were totally held apart from the structure established. The YKB shares will remain pledged to the SDIF during the early payment period and, the proceeds from the sale of YKB will be assigned to the bank for being used on the liquidation of Çukurova Group's risks on YKB.
- As confirmation of the withdrawal of YKB partners, which no longer fulfill the legal requirements for founder partners as a result of the takeover of Pamukbank T.A.Ş. pursuant to article 14, paragraphs (3) and (4) of the Banks Act, from bank ownership, the sale process of the YKB foreseen on the agreement dated January 31, 2003 will be accelerated. Within this scope, for ensuring the sale of 39,015% YKB shares owned by the Çukurova Group and of 12,89% shares owned by the SDIF through an additional agreement to be signed within the framework of this announcement:

The sale activities will be initiated upon "assignment" of an investment bank or an advisory institution by the Çukurova Group by October 31, 2004 at the latest.

In case the sale remains un-finalized by October 31, 2005, the SDIF will be performing the sale transaction by November 1, 2005.

Thereby, an important step will be taken as regards the resolution of YKB's ownership problem in a shorter period.