



YAPI VE KREDİ BANKASI A.Ş. AND KOÇBANK A.Ş. SUCCESSFULLY COMPLETE THE BIGGEST MERGER IN THE HISTORY OF THE TURKISH BANKING SECTOR

Yapı ve Kredi Bankası A.Ş. ("Yapı Kredi") and Koçbank A.Ş. ("Koçbank") announced that they have formally completed their merger to create the new Yapı Kredi. The merger indicates the completion of the biggest M&A project in the history of the Turkish banking sector. The decision for merging the two banks had been taken by the Boards of Directors of Yapı Kredi and Koçbank on 20 April 2006. Shareholders of both Koçbank and Yapı Kredi had approved the merger of the two banks on 21 September 2006 through their Extraordinary General Assemblies. The legal merger is effective as of today following local regulatory approvals and the registration with the Trade Registry. Koçbank has dissolved while all its rights, receivables, obligations and liabilities have been transferred to Yapı Kredi. The new bank's shares will continue to trade under the ticker symbol YKBNK.IS (same as before) on the İstanbul Stock Exchange.

The combined bank has a paid in capital of YTL 3,143 million (approx. USD2.0 billion). 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%. Koç Holding is Turkey's largest industrial and services group, focusing on the main driving sectors of the Turkish economy with leading positions in almost every sector it operates, supported by the largest distribution network and richest customer database in Turkey. Koç Holding is the only Turkish company in Fortune 500 and owns the largest international network of Turkish origin with operations in 24 countries. UniCredit is the third largest financial group in Eurozone in terms of market capitalization, has a presence in 20 countries worldwide and is by far the leader in CEE countries, accounts for over 28 million clients, 7,000 branches, 134 thousand employees and total assets of approximately €804 billion as of 30 June 2006.

The merger unifies Koçbank and Yapı Kredi competencies and projects the new bank as a premier franchise in Turkey with the right size and scope in order to offer the very best in financial services to its customers. Following the legal merger, with total combined assets of YTL45.7 billion (approx. USD29.2 billion), Yapı Kredi is positioned as the fourth largest privately-held bank, with leading positions in credit cards, assets under management, non-cash loans, leasing and factoring. The bank will be offering its 13 million customers through 595 branches across the country a broad range of financial products and services in retail, corporate, commercial and SME banking, asset management, leasing, insurance and brokerage.

The overall integration process will be completed by the end of 2006, allowing Yapı Kredi to operate at full speed starting from 2007.

Yapı Kredi aims to be the recognized leader in the market in terms of value creation and growth leveraging on the combined strengths of the two banks. The merger will create the basis for continued profitable growth with outstanding risk management under the guidance of a strong local management team and with the dedicated strategic support and know-how of UniCredit.

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Note: Yapı Kredi figures as of 30 June 2006.

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