



INVESTOR RELATIONS RELEASE

Yapı Kredi Bank's Board of Directors authorizes General Management to start and execute the KFS restructuring process

On 26 April 2007, Yapı Kredi Bank's (YKB) Board of Directors unanimously decided to start and execute the restructuring transactions (to analyze share exchange or spin-off alternatives) between Koç Financial Services (KFS) and YKB, regarding the shares owned by KFS in Yapı Kredi Finansal Kiralama A.O. (leasing), Yapı Kredi Faktoring A.Ş. (factoring), Yapı Kredi Yatırım Menkul Değerler A.Ş. (investment banking and brokerage) (to analyze spin-off, share exchange or purchase alternatives), Yapı Kredi Azerbaijan, Koçbank Nederland N.V. and Yapı Kredi Nederland N.V. (in case of completion of the merger transactions of these two NV companies, the company created as a result of the merger) in accordance with the "Banking Law" and the related items of "Regulation about the Merger, Transfer, Spin-off and Share Exchange Transactions of the Banks".

Accordingly, the Board authorized the management to prepare all the necessary documents, appointing the independent audit company Başaran Nas Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member of PricewaterhouseCoopers) for the preparation of the financial statements on which the transactions will be based, and appointing the independent appraisal firm DTT Kurumsal Finans Danışmanlık Hizmetleri A.Ş. (member of Deloitte Touche Tohmatsu) to determine the value of those shares and to authorize the General Management to proceed with all the necessary steps.

The objective of the restructuring process is to bring all the financial subsidiaries under YKB with an aim to eliminate crossownership between YKB and KFS and thus ensure a more simplified structure and full transparency for the market; to allow for more efficient allocation of capital and to increase organizational efficiency through elimination of duplication of functions between KFS and the bank as well as clearer chain of control.

The completion of the KFS restructuring process will be subject to the approval of regulatory authorities including Capital Markets Board (CMB) and BRSA. Share exchange method (non-cash and tax free) is expected to be utilized (subject to regulatory approval), allowing the exchange of shares between YKB and KFS. As a result of this transaction, YKB's assets and equity will be increased as the amount which is derived from the exchange ratio based on the independent valuations and CMB approval. In other words, the transactions and the relevant exchange ratio between KFS and minorities of YKB will be based on the fair valuation of both YKB and the KFS subsidiaries to be appraised by the independent appraisal firm and also, separately, by an independent court



expert. Once the process is finalized, the total value of YKB (including minorities) will increase from its current level in accordance with the fair value of the KFS subsidiaries included in this process. So, the value of the minorities' share will not be negatively affected as the total value of YKB (including the minorities) is expected to increase accordingly.

İstanbul, 1 May 2007.

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