



December 27, 2002

PRESS RELEASE

It had been previously announced to public that there have been negotiations between our Agency, the Savings Deposit Insurance Fund (SDIF) and the Group for the resolution of collection of Pamukbank T.A.S.'s (Pamukbank) receivables from Çukurova Group (the Group) and the resolution of ownership problem of Yapı ve Kredi Bankası A.S. (Yapı ve Kredi).

During the negotiations held, the Group requested the restructuring of debts under Yapı Kredi Bank within the framework known as "Istanbul Approach" and the continuation of the negotiations as well with a view to ensuring the settlement of the debts of the Group to Pamukbank and of the other issues discussed in the afore-mentioned negotiations after the restructuring process is realized. The said request has been evaluated and in accordance with the related resolution of the Banking Regulation and Supervision Board, Yapı Kredi Bank and the representatives of the Group were informed of the following issues as of December 26, 2002:

- That, positive contribution of the restructuring of the Group loans under the structure of Yapı ve Kredi Bankası within the framework of Istanbul Approach to the Bank's financial structure depends on the resolution of other debts of the Group. That, therefore, group firms will not have the possibility to operate in a healthy manner unless an agreement is signed between the Group and Pamukbank /SDIF.

- And that, within this framework, all kind of debts of the Group to the SDIF and Pamukbank be paid in cash or by transfer of shares of the Group firms against the Group's debt on the basis of the evaluations to be made by experienced expert institution which will be mutually determined by the related parties; discussions between the Group and Pamukbank/SDIF for reaching an agreement on the repayment protocol concerning the repayment of the remaining amount be continued until January 31, 2003; and in case an agreement can not be established by that date, a financial restructuring agreement to be signed with the Group under the leadership of Yapı ve Kredi Bankası will be null and void.