

Yapi Kredi's IAS consolidated financial statements as of December 31, 2001, are released together with report of independent auditors. The bank-only financial statements are represented in Note 28 to the financial statements.

The shareholders' equity of the Bank per the financial statements prepared in accordance with BRSA guidelines (BRSA statements) and the bank-only IAS statements (IAS statements) amounts to TL 1,524 trillion (US\$ 1,058 million) and TL 1,126 trillion (US\$ 782 million), respectively. The major reason for this difference is our Bank's investment of 20% in Turkcell Holding being booked at restated cost in IAS statements. In BRSA statements, the difference between the market value and the restated cost of such investment was recognized and booked as evaluation difference under shareholders' equity. Such approach had a negative impact of TL 430 trillion (US\$ 298 million) on shareholders' equity in IAS statements. The remaining difference is mainly attributable to IAS 39 application and the differences between the inflation indices used for IAS and BRSA.

Further, in BRSA statements, the corresponding portion of the losses recognized during the triple audit process were booked through prior year losses whereas in the IAS statements, the total amount of such losses have been booked in the profit and loss statement for 2001.

Please note that the losses, including provisions and the reversal of accrued interest income, related with the classification of exposure to Cukurova group as non-performing amounts to TL 1,370 trillion (US\$ 951 million). Subject to the resolution of the talks between BRSA and the Cukurova group, such losses could be reversed and recognized as income.