

# **CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2002**

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**(As adjusted for the effects of inflation in TL units at  
30 June 2002 pursuant to IAS 29)**



## Assets (TL Billion)

	December 31, 2001	June 30, 2002	Change
Cash and cash equivalents	2,394,752	1,617,404	-32.5%
Financial assets held for trading	1,786,671	1,563,614	-12.5%
Investments	5,030,334	5,509,436	9.5%
Loans and advances to banks	1,590,495	1,682,614	5.8%
Loans and advances to customers	6,355,508	6,430,067	1.2%
Other assets	974,612	929,464	-4.6%
Investments in associated companies	70,870	76,053	7.3%
Tangible assets	1,463,417	1,400,010	-4.3%
Intangible assets	151,808	120,200	-20.8%
Deferred tax assets	305,387	400,555	31.2%
<b>Total assets</b>	<b>20,123,854</b>	<b>19,729,417</b>	<b>-2.0%</b>

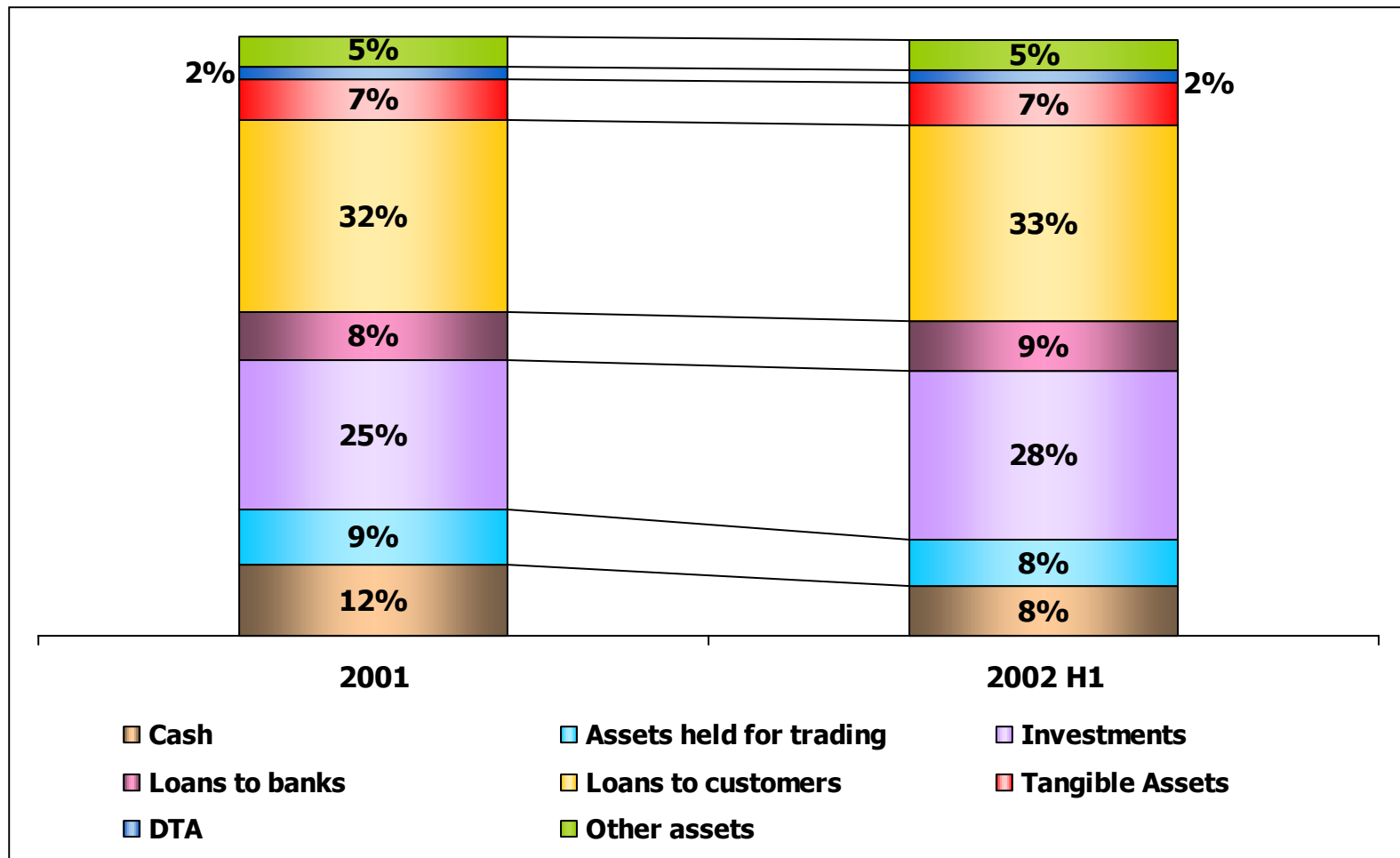
## Liabilities and SHE (TL Billion)

	December 31, 2001	June 30, 2002	Change
Deposits from banks	1,421,228	826,803	-41.8%
Deposits from customers	12,035,963	12,752,074	6.0%
Obligations under repurchase agreements	268,817	601,894	123.9%
Loans and advances from banks	3,799,530	2,929,569	-22.9%
Bonds payable	80,562	66,912	-16.9%
Current tax liability	32,419	36,389	12.3%
Other liabilities	939,576	916,266	-2.5%
<b>Total liabilities</b>	<b>18,578,095</b>	<b>18,129,907</b>	<b>-2.4%</b>
Minority interest	55,452	107,646	94.1%
Shareholders' equity			
Share capital; authorized, issued and fully paid	1,713,004	1,713,004	0%
Accumulated losses	(222,697)	(221,140)	0.7%
<b>Total shareholders' equity</b>	<b>1,490,307</b>	<b>1,491,864</b>	<b>0.1%</b>
<b>Total liabilities, minority interest and SHE</b>	<b>20,123,854</b>	<b>19,729,417</b>	<b>-2.0%</b>

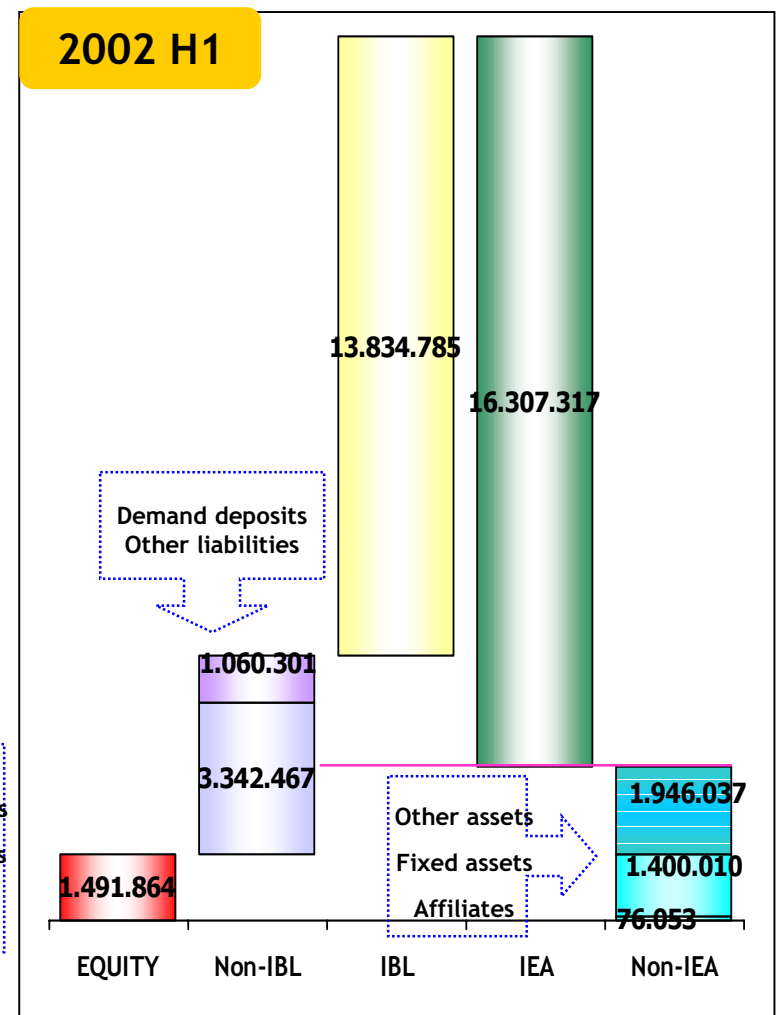
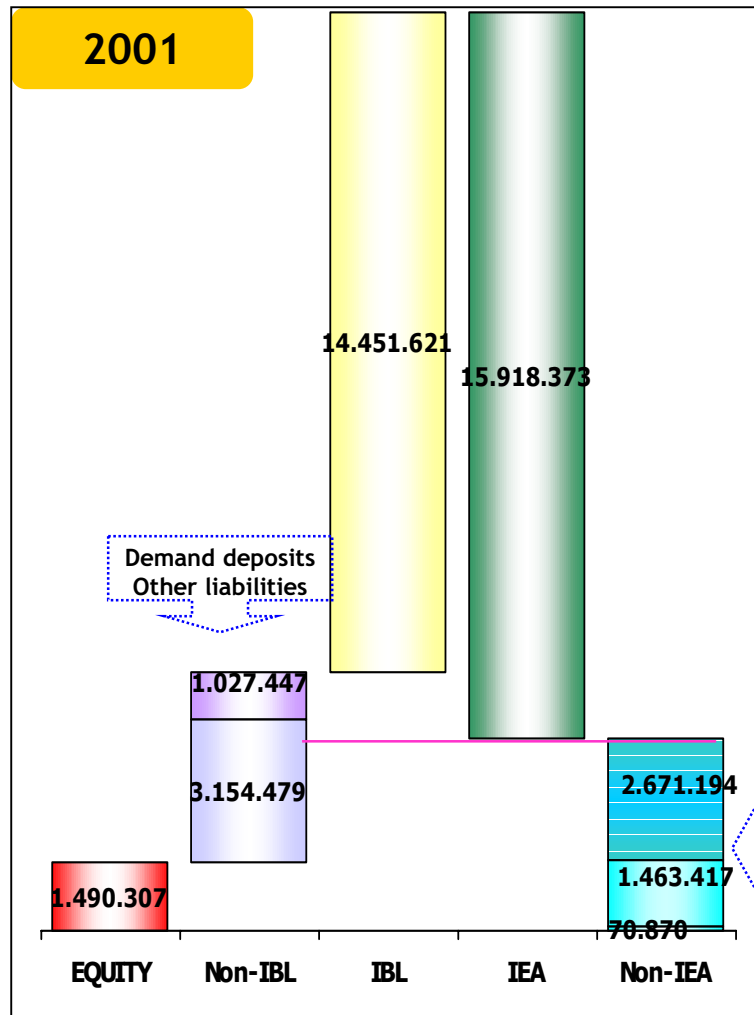
# Income Statement (TL Billion)

	June 30, 2001	June 30, 2002
Total interest income	2,993,894	1,071,290
Total interest expenses	(2,604,689)	(1,078,596)
Net interest income	389,205	(7,306)
Net fee and commission income	84,807	130,332
Income before other operating items	474,012	123,026
Total other operating income	208,825	282,557
Total other operating expenses	(1,347,251)	(570,914)
Loss before loss on net monetary position	(664,414)	(165,331)
Gain/(loss) on net monetary position, net	(78,548)	14,396
Loss before taxes	(742,962)	(150,935)
Taxation credit	135,071	133,916
Loss before minority interest	(607,891)	(17,019)
Minority interest	28,889	18,576
Net income/(loss) before extraordinary item	(579,002)	1,557
Extraordinary item	(32,384)	-
Net income/(loss) for the period	(611,386)	1,557

# Composition of Assets



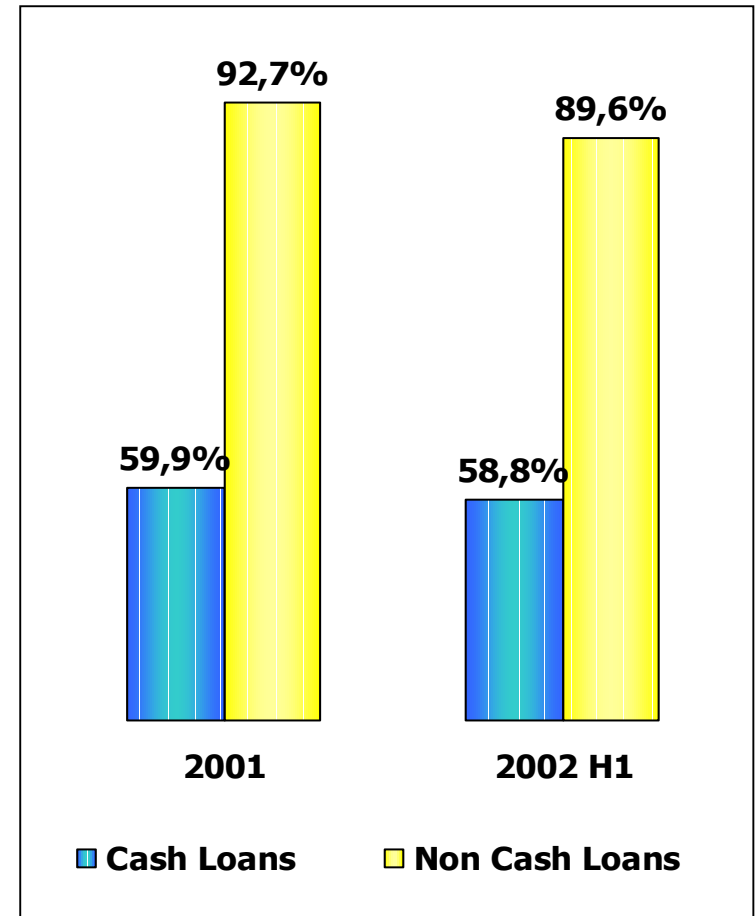
# IEA/T.Assets increased to 82.7% from 79.1% and IBL ratios decreased to 70.1% from 73.2%



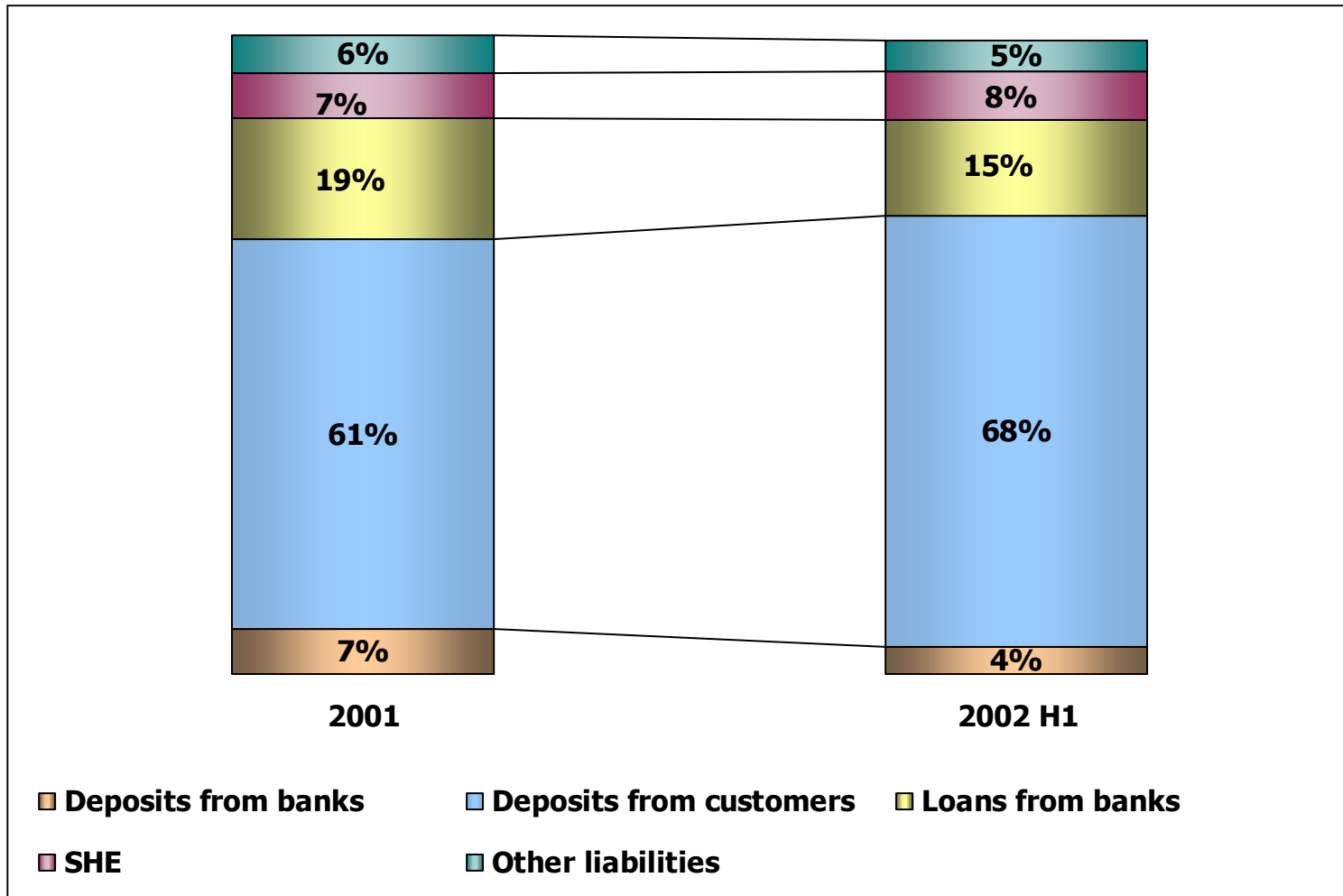
# NPLs

	December 31, 2001	June 30, 2002
NPL's	580,186	491,024
NPL's/Gross Cash Loans	8,7%	7.3%
Allowances for NPL's	270,850	245,823
Allowances as % of NPL's	46.7%	50.1%

## Secured Loan Ratio



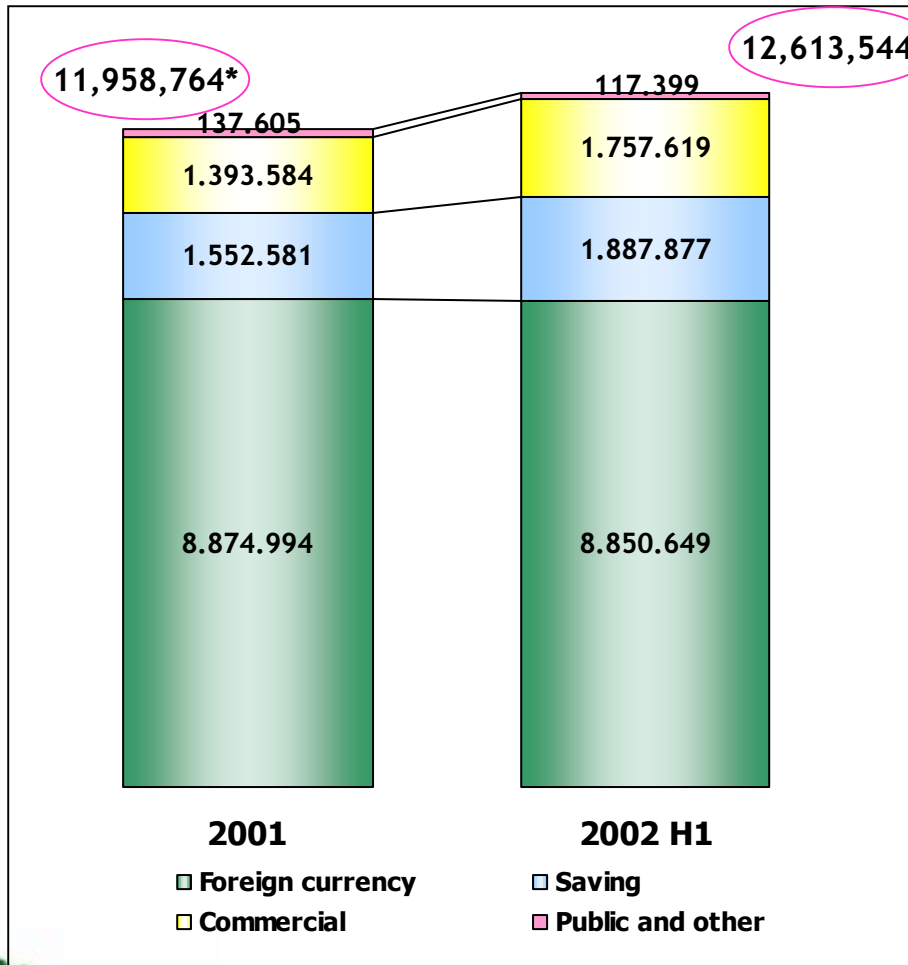
# Composition of Liabilities and SHE



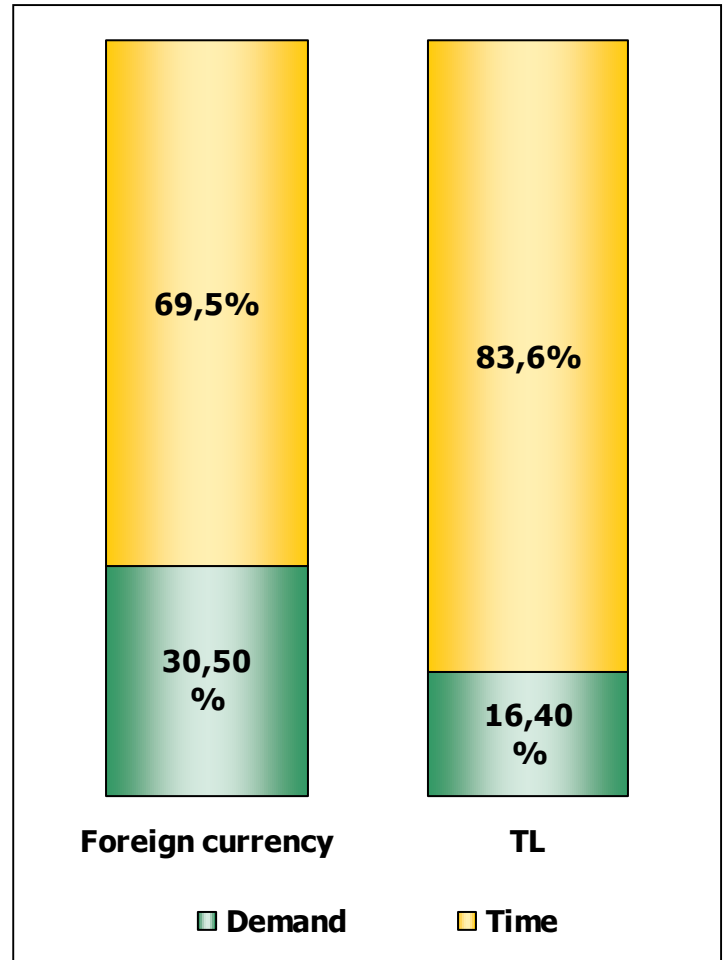


# Deposits (TL Billion)

## Composition

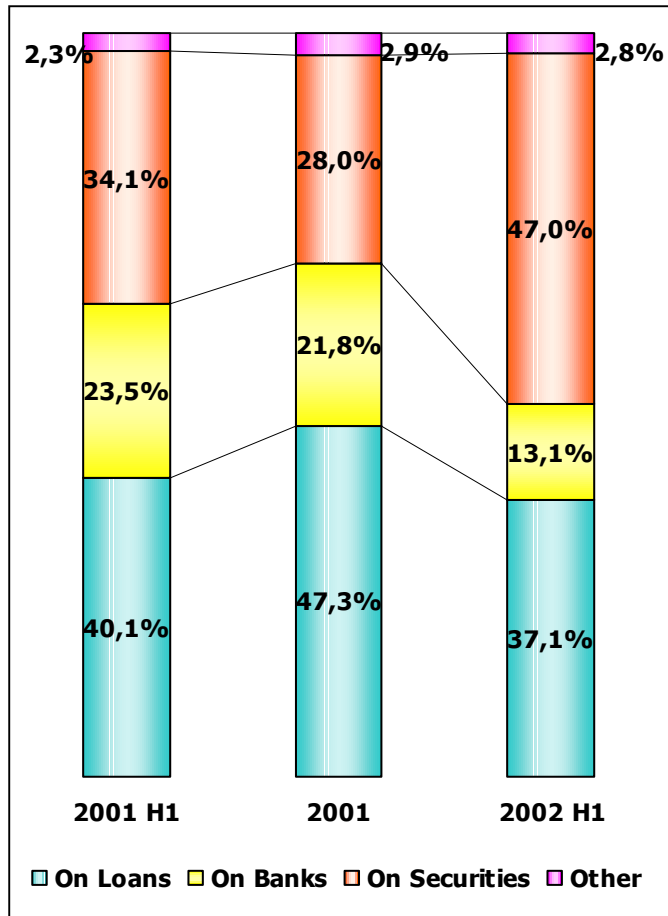


## Demand vs. Time

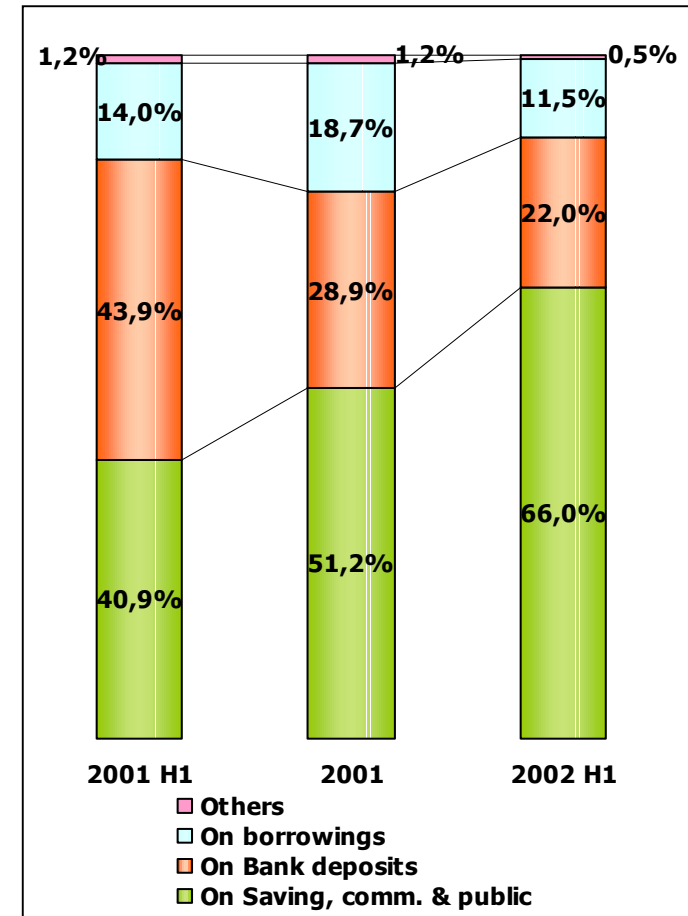


# Composition of Interest Income & Interest Expense

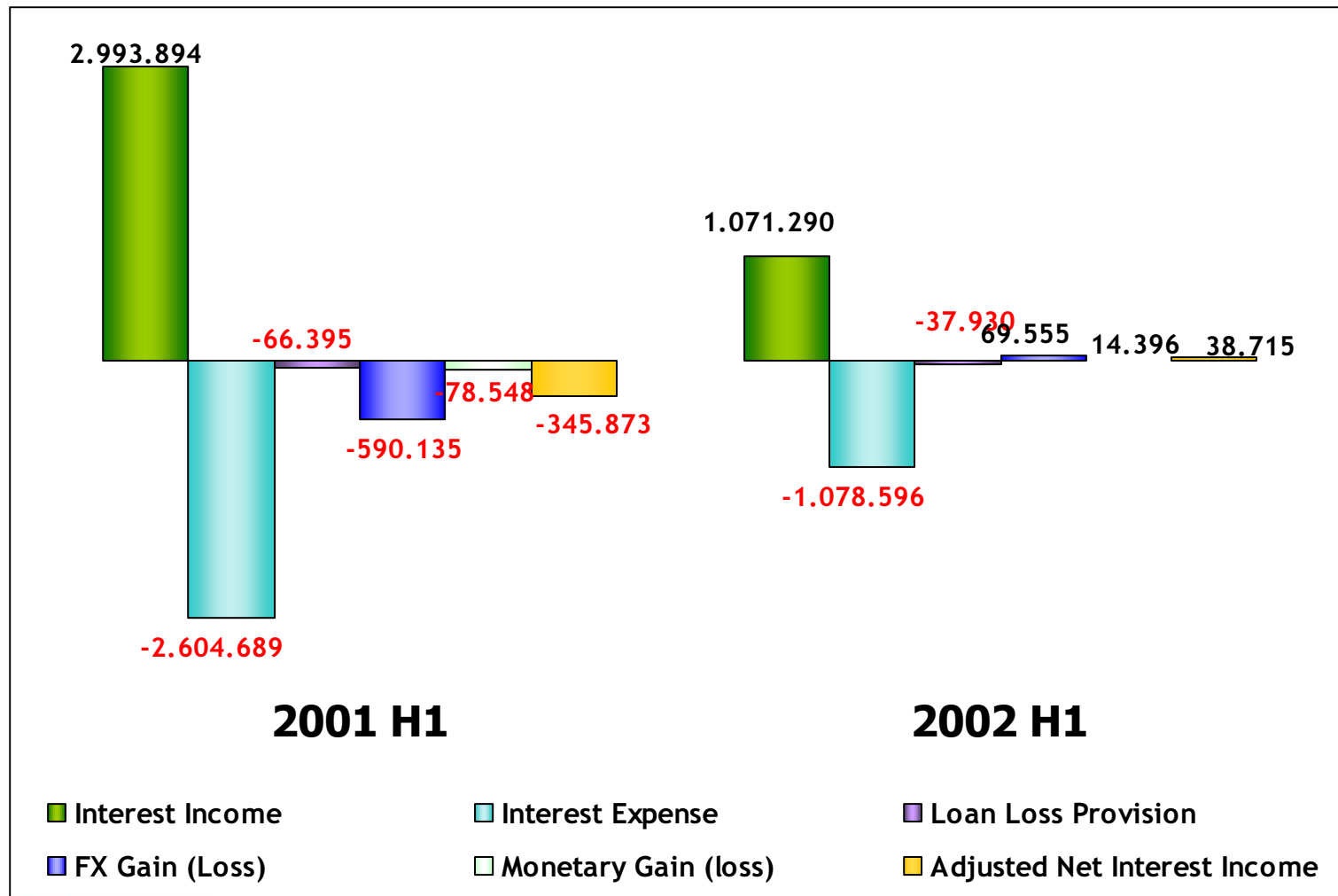
## Interest Income



## Interest Expense

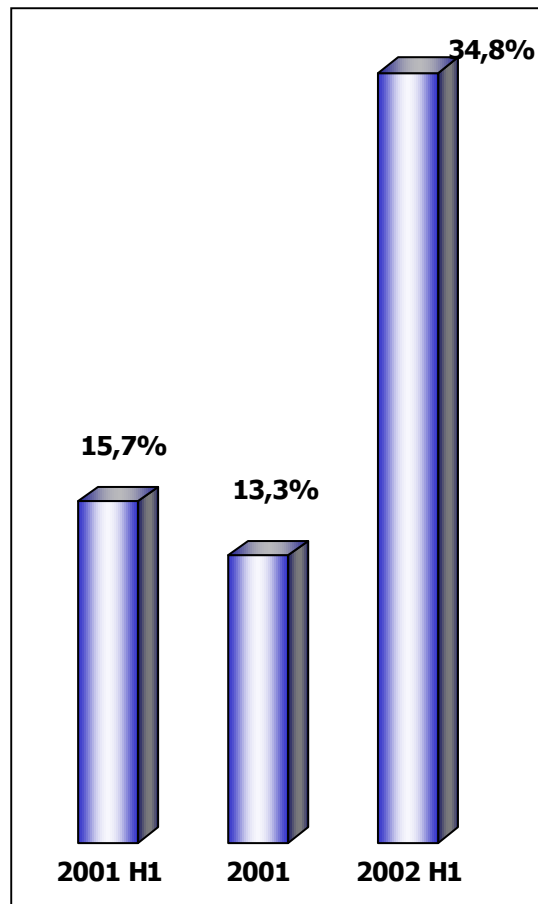


# Adjusted Net Interest Income (TL Billion)

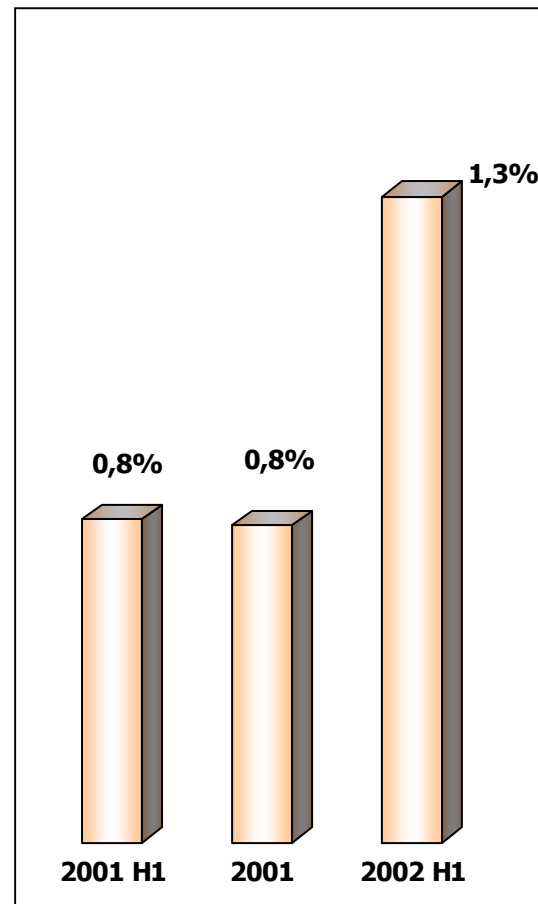


# Increased sustainable income less costly

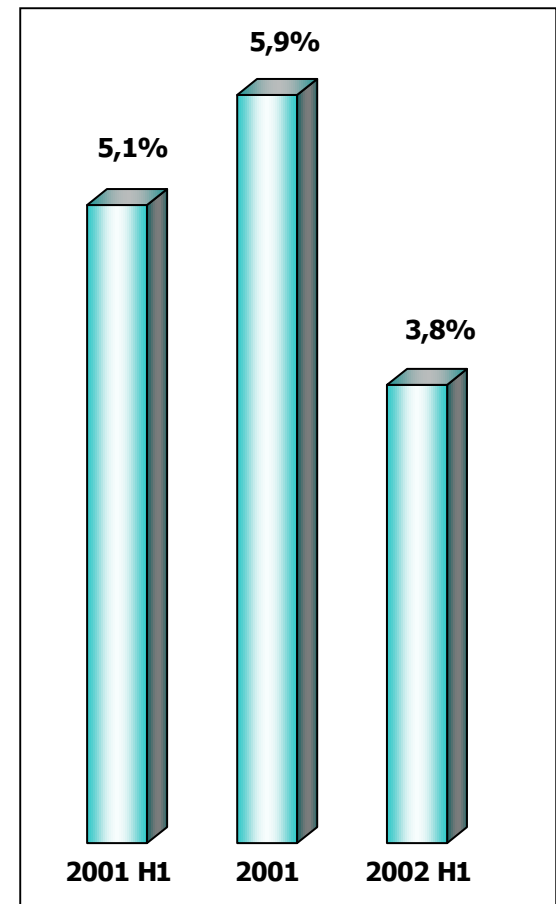
Net Fees & Commissions /  
Operating Expenses



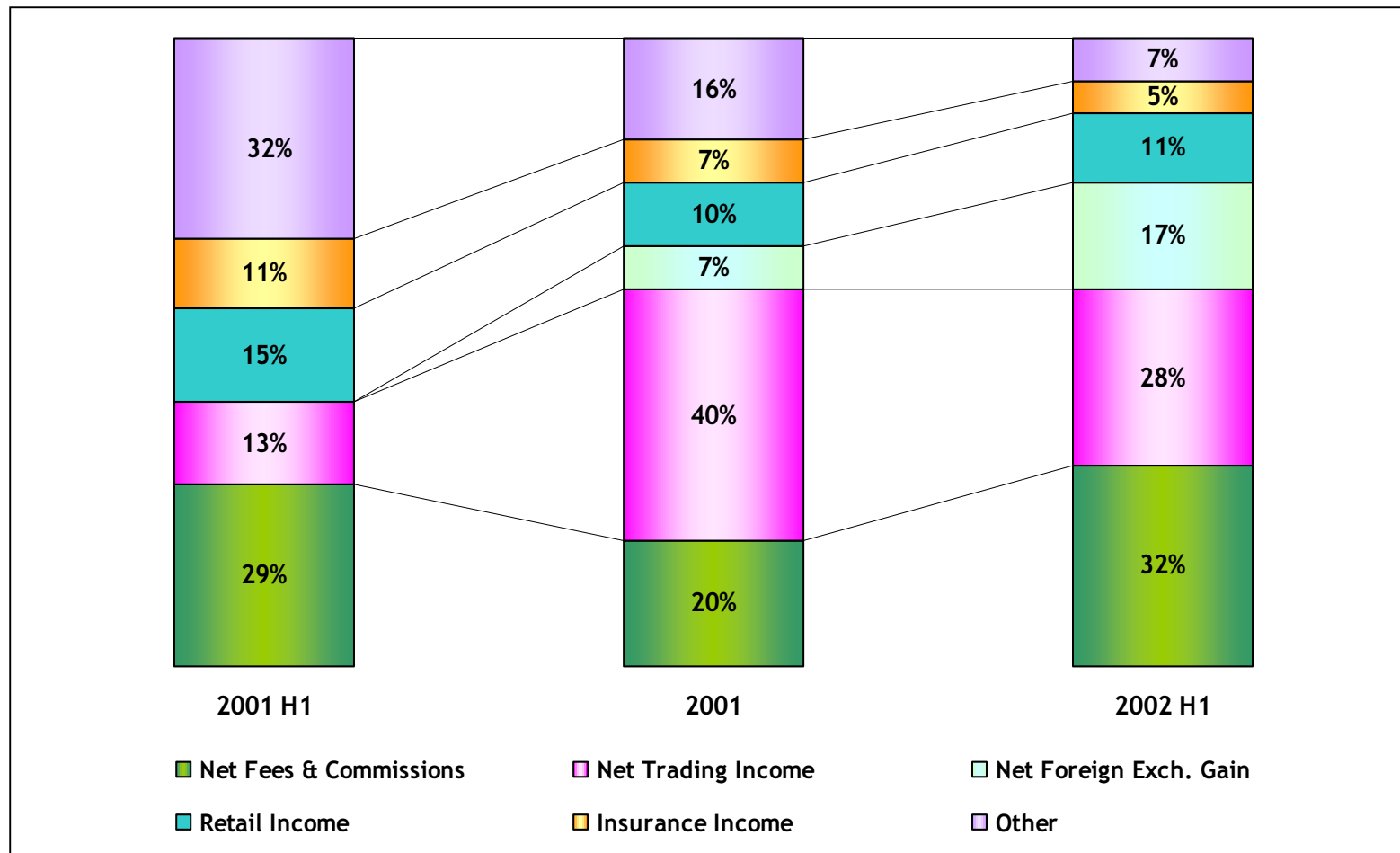
Net Fees & Commissions /  
Average Assets



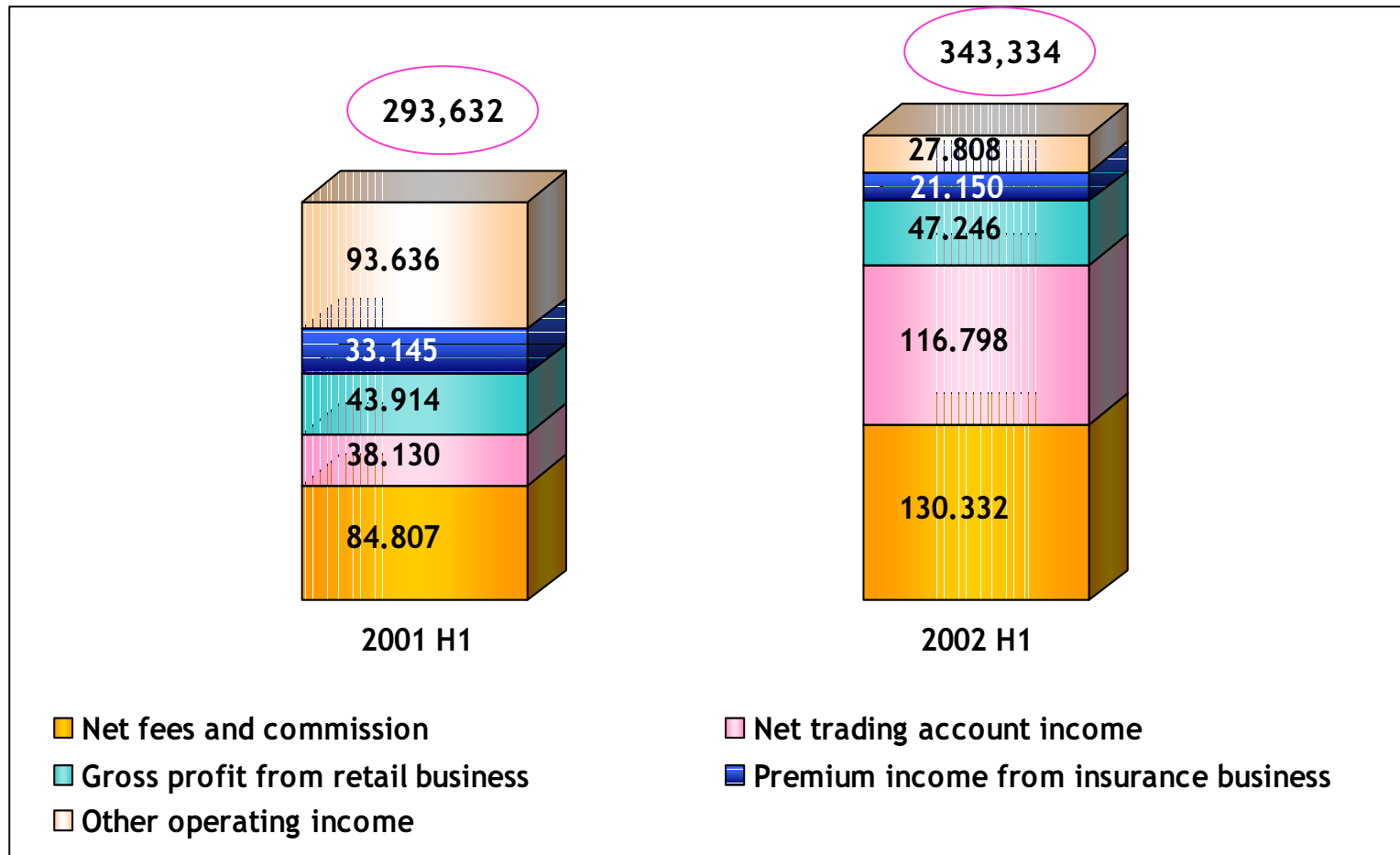
Operating Expenses /  
Average Assets



# Composition of Non-Interest Income

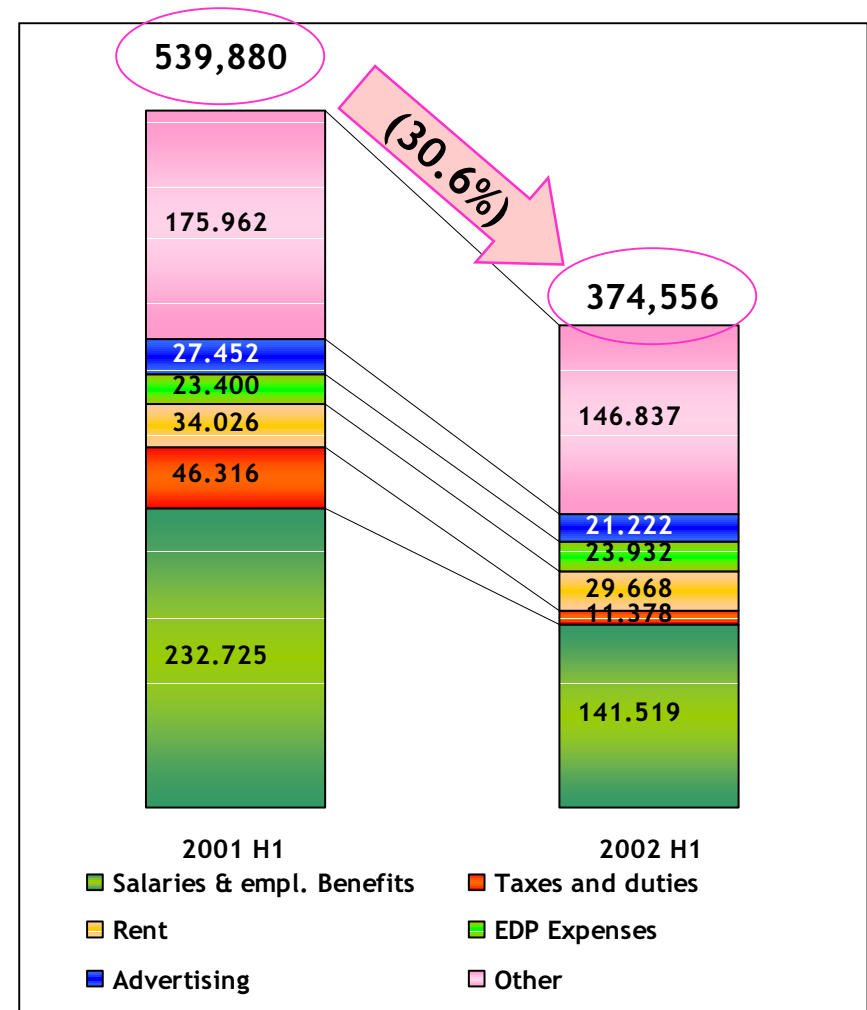


# Non-Interest Income\* (TL Billion)

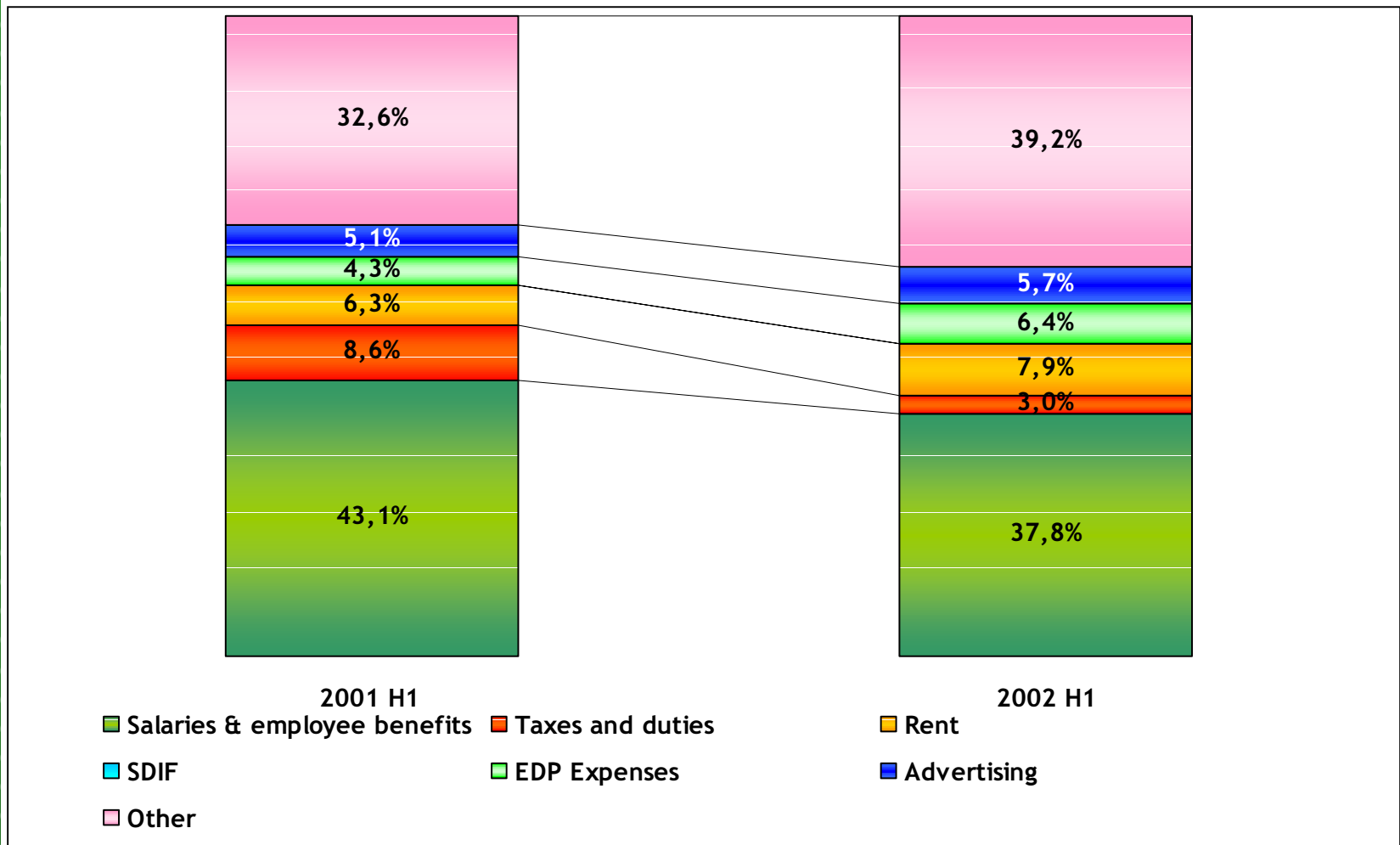


# Operating Expenses (TL Billion)

- ▶ Total non-interest expenses (excluding FX loss/gain & fees and commission paid, and loan loss provision) were TL532,984 Billion in 2002/H1, 22.8% below 2001's first half non-interest expenses.
- ▶ As compared to a year ago,
  - ▶ Salaries and wages went down by 37.2%,
  - ▶ Employee benefits down by 46.3%,
  - ▶ Advertising expenses down by 22.7%,
  - ▶ Taxes and duties other than on income decreased by 75.4%
  - ▶ Rent expenses down by 12.8%, and
  - ▶ Other operating expenses declined by 18.0%
- ▶ Operating expenses (excluding all provisions, impairment losses and depreciation expenses) significantly went down by 30.6% from TL539,880 Billion to TL374,556 Billion as of H1-02

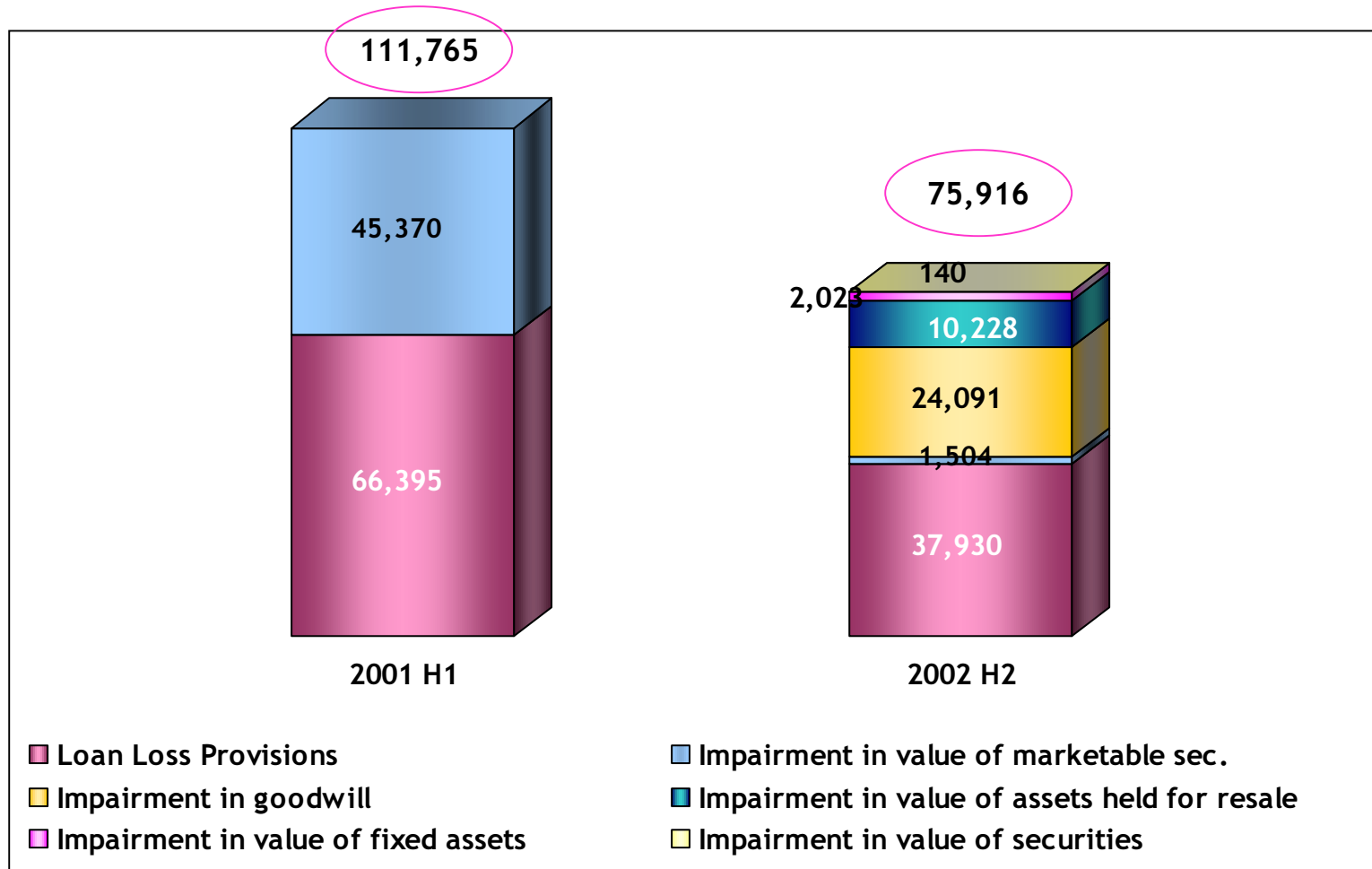


# Composition of Operating Expenses\*





# Impairment Losses (TL Billion)



## Foreign Currency Position (TL Billion)

	2001	2002/H1
On Balance Sheet Position	(198.436)	(64.066)
Off Balance Sheet Position	16.354	45.512
	(182.082)	(18.554)

## BIS - Capital Adequacy Ratio

	2001 H1	2001	2002 H1
BIS - Capital Adequacy Ratio	8.82%	12,53%	13,49%

# Selected Ratios

	30.06.2002	31.12.2001
Deposits(including interbank deposits)/Total Assets	68,8%	66,9%
Cash Loans-net/Total Assets	32,6%	31,6%
Total Loans(cash&non-cash)/Total Assets	55,6%	58,0%
Non Performing Loans/Cash Loans-gross	7,3%	8,7%
Non Performing Loans/Cash&Non-cash Loans-gross	4,4%	4,8%
Total Shareholders' Equity/Total Assets	7,6%	7,4%
Allowance for Non Performing Loans/Non Performing Loans	50,1%	45,1%
Allowance for Non Performing Loans/Cash Loans-gross	3,7%	3,9%
Leverage	12,2%	12,5
Total Liabilities/Total Assets	92,4%	92,6%
Net interest Income/Avg. Int. Earning Assets	-0,1%	-0,9%
Adjusted Net Interest Income/Avg. Interest Earning Assets	0,5%	-1,5%
Net Interest Income&Net Trading Income/Avg. Int. Earning Assets	1,4%	1,1%
Bank Deposits/Deposits(interbank deposits included)	6,1%	10,6%
Interbank Takings & Bank Deposits/Core Deposits	6,5%	11,8%
Interest on Avg. Int. Earning Assets(excluding. trading gain-net)	15,0%	21,2%
Cost of Avg. Int. Bearing Liabilities (including fx loss)	15,0%	24,4%
Net Interest Spread	0,0%	-3,2%
Operating Expenses(excl. fx loss&fees and commissions)/Total Assets	3,8%	5,9%
Cost/Income (excluding extraordinary item)	108,9%	346,2%
Return on Average Assets	0,0%	-3,4%
Return on Average Equity	0,2%	-37,9%

# Summary of 2002/H1

- ▶ Total assets slightly went down by 2.0% to TL19,729,417 Billion
- ▶ Loans made up 33% of assets and NPLs declined further to 7.3%
- ▶ Allowances as a percentage of NPLs is 50.1%
- ▶ Deposits increased 5.5% during the first half and composed 68% of total assets
- ▶ Difference between IEA and IBL rose to 12.6% from 5.9% points
- ▶ Adjusted net interest income was TL38,715 Billion
- ▶ During 02/H1, net fees and commission income surpassed the year-end fee income figure by 53.6%, and covered 34.8% of operating expenses as compared to 13.3% in 01YE
- ▶ Operating expenses decreased by 30.6% during the first half
- ▶ Operating expenses to average assets decreased to 3.8% during 02/H1 from 5.9% in 2001
- ▶ Net income was TL 1,557 Billion
- ▶ BIS capital adequacy ratio is 13.49% as of 02/H1