



2003 BRSA Full Year Results

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As Compared to 2002 FYE

Summary

- Total assets increased by 29.6% in US\$ terms
- TL Loans increased by 56.7% in real terms and FC loans increased by 19.4% in US\$ terms
- Share of retail in total loan book increased to 30.1% in 2003 from 20.1%
- Asset quality improved further with NPL ratio declining to 4.3% from 6.2% and NPL coverage ratio increasing from 31.7% in 2002 to 47.8% in 2003
- TL deposits increased by 19.3% in real terms and FC deposits increased by 9.7% in US\$ terms
- Total shareholders' equity went up by 28.2% in real terms
- Net banking income increased by 12.5% in real terms
- Net non-interest income rose by 31.6% and net non-interest expenses were down by 4.7% in real terms
- The increase in total operating expenses was limited by 4.8% despite the opening of 28 new branches
- Net earnings were up by 115.0% on a real basis
- Cost/Income ratio came down to 63.5% from 73.4%
- Coverage of operating expenses by net fees and commissions increased to 47.6% from 44.2%
- ROAA increased to 1.3% from 0.6% and ROAE reached 13.8%, compared to 7.5%

Financial Summary

Selected Financial Summary

BRSA

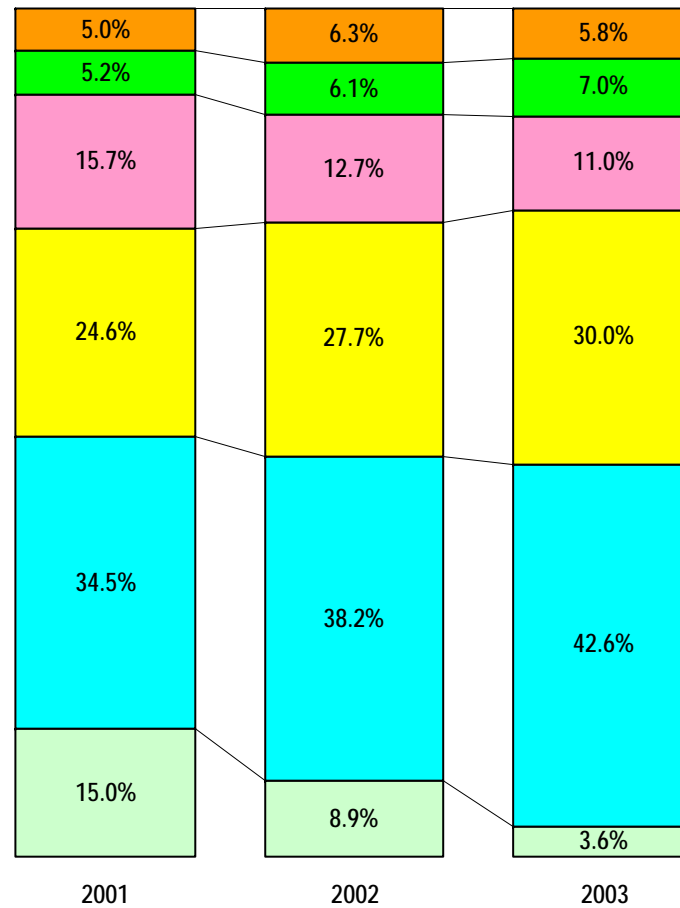
	December 31, 2001	December 31, 2002	December 31, 2003	% Change (2003-2002)
Total Assets (US\$ Million)	17,045	12,236	15,858	29.6%
Loans (US\$ Million)	4,191	3,386	4,754	40.4%
Deposits (US\$ Million)	10,648	8,233	10,199	23.9%
Shareholders' Equity (US\$ Million)	1,285	1,050	1,736	65.3%
Net Income (US\$ Million)	(239.4)	77.0	213.5	177.3%
ROA	(1.7%)	0.6%	1.3%	
ROE	(18.6%)	7.5%	13.8%	
Cost / Income	169.6	73.4%	63.5%	
CAR	10.9%	12.7%	16.6%	

Composition of Balance Sheet

Continuous B/S restructuring in line with disinflationary trends

- Total assets were up by 29.6% in US\$ terms in 2003, reaching US\$15,858 Million
- Share of net cash loans was 30.0% in 2003 YE, compared to 24.6% in 2001 YE and 27.7% in 2002 YE
- Total deposits composed 64.3% of liabilities and SHE
- Shareholders' equity was US\$1,736 Million and its share in total liabilities and SHE increased to 10.9% in 2003

Total Assets
%



■ Cash & Banks
 ■ Securities
 ■ Loans
■ Other
 ■ Affiliates & Investments
 ■ Fixed Assets

Total Liabilities and SHE
%

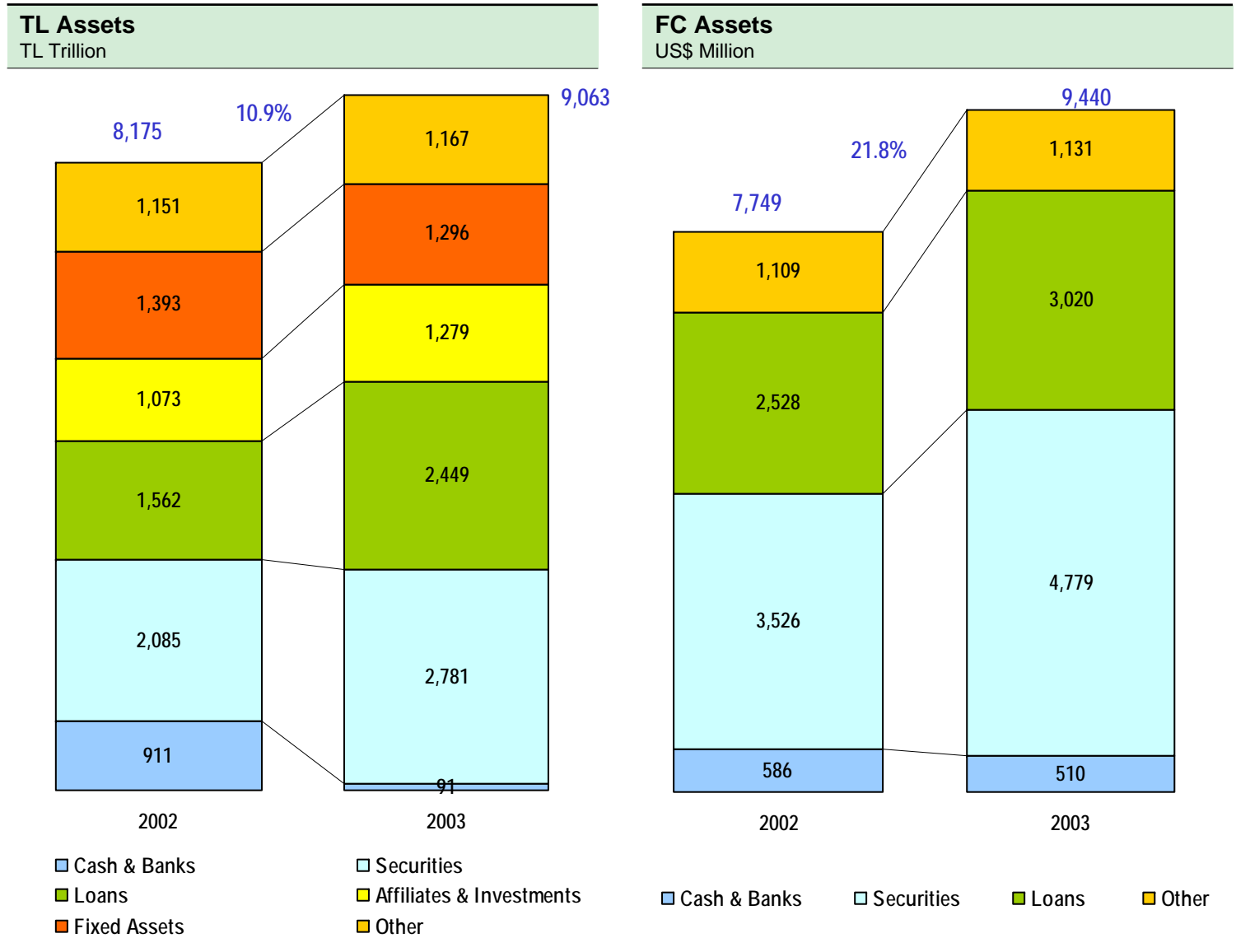


■ Deposits
 ■ Funds Borrowed & Interbank
 ■ Other
 ■ SHE

Composition of TL and FC Assets

17.4% of annual real growth in total assets when the effect of TL valuation is excluded

- 40.5% of total assets are in TL
- TL assets went up by 10.9% over 2002 YE, due to 56.7% increase in net cash loans and 33.4% increase in securities
- TL loans composed 27.0% of TL assets
- FC assets increased by 21.8% over 2002 YE, reaching US\$9,440 Million
- FC loans composed 32.0% of total FC assets

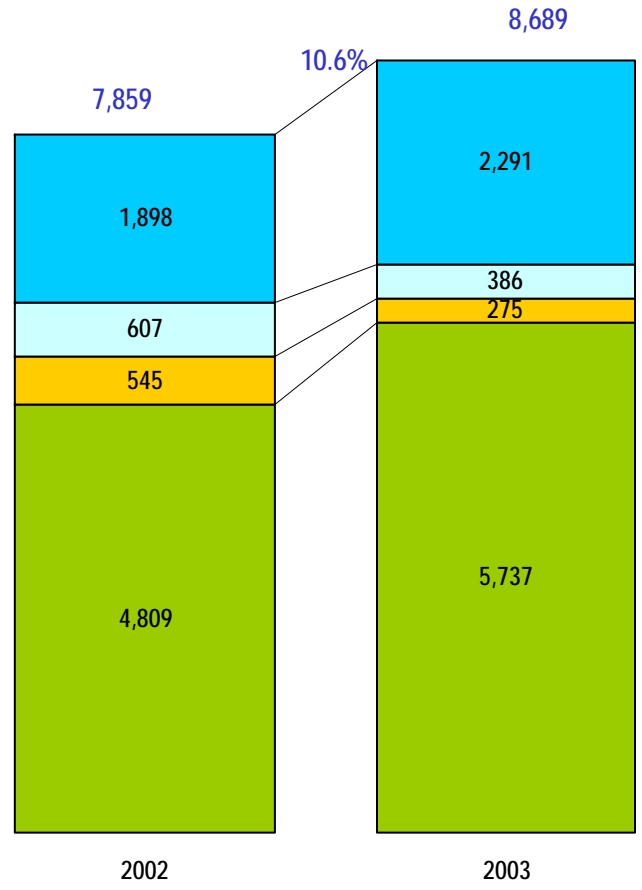


Composition of TL and FC Liabilities and SHE

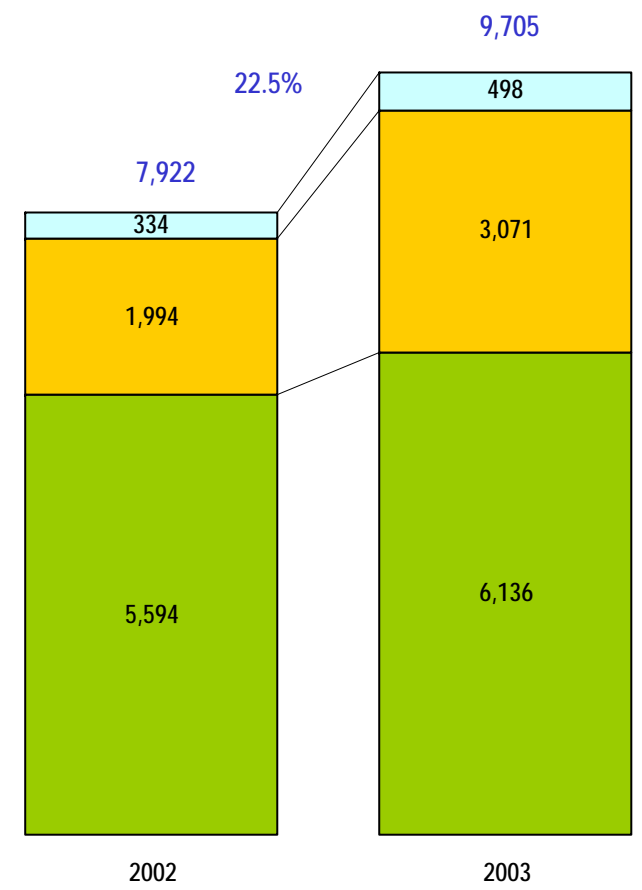
Stronger increase in TL deposits, compared to FC deposits

- Share of TL deposits in TL liabilities and SHE was 66.0% in 2003 YE
- FC liabilities and SHE increased by 22.5% over 2002 YE to reach US\$9,705 Million
- FC funds borrowed and interbank takings composed 31.6% of FC liabilities

TL Liabilities and Shareholders' Equity
TL Trillion



FC Liabilities and Shareholders' Equity
US\$ Million



■ Deposits ■ Funds Borrowed & Interbank Takings □ Other ■ SHE

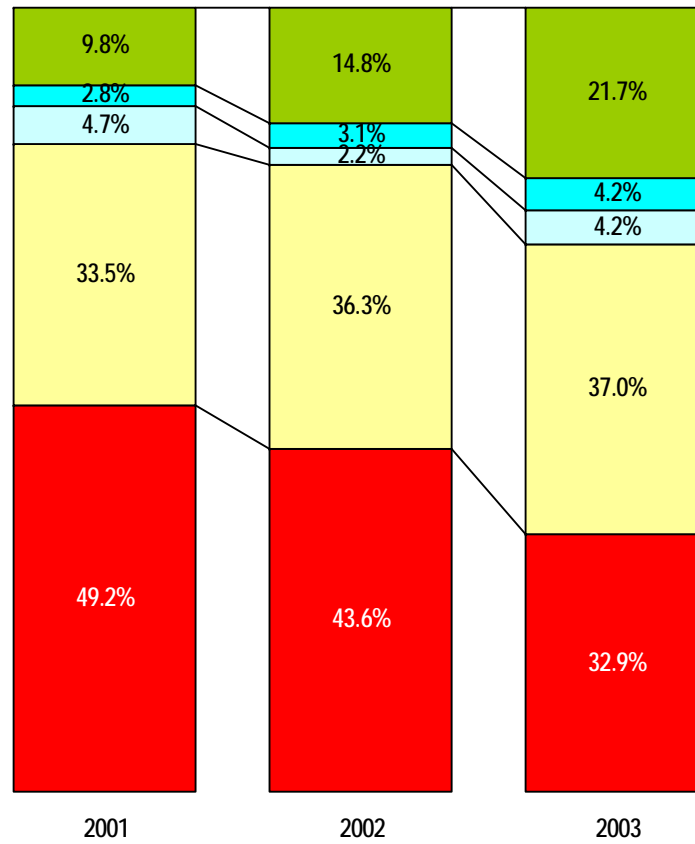
■ Deposits ■ Funds Borrowed & Interbank Takings □ Other

Breakdown of Loans and Deposits as to Business Lines

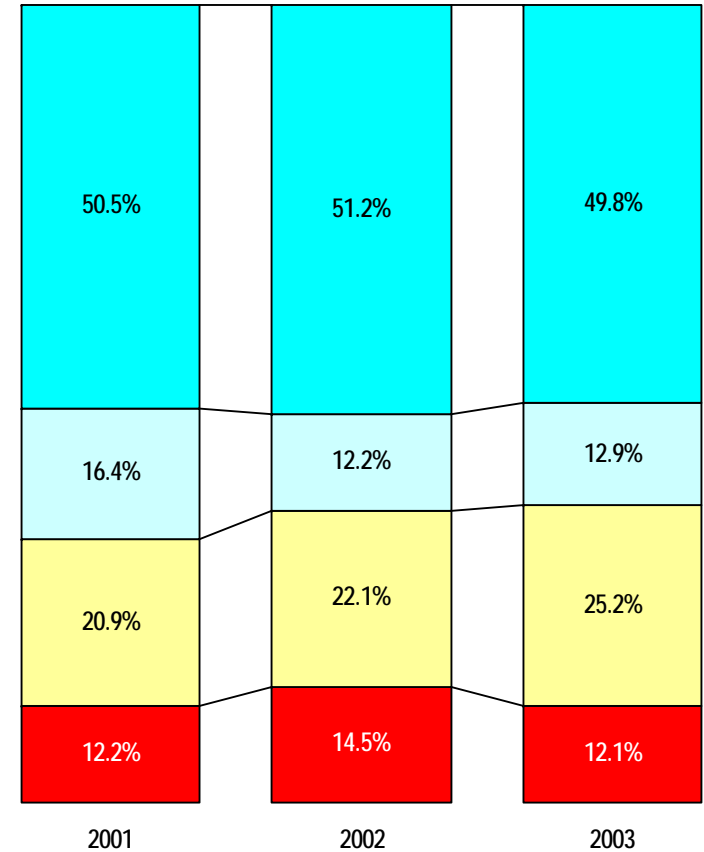
Strong shift towards lucrative business lines

- Share of SME loans almost doubled in 2003 YE over 2002 YE and composed 4.2% of cash loans
- Share of total retail loans (including credit cards, SME & consumer loans) increased from 17.3% in 2001 YE to 30.1% in 2003 YE
- A highly diversified deposit base was retained in 2003, retail deposits constituting 49.8% of total deposits

Breakdown of Loan Portfolio as to LOB
%



Breakdown of Deposits as to LOB
%



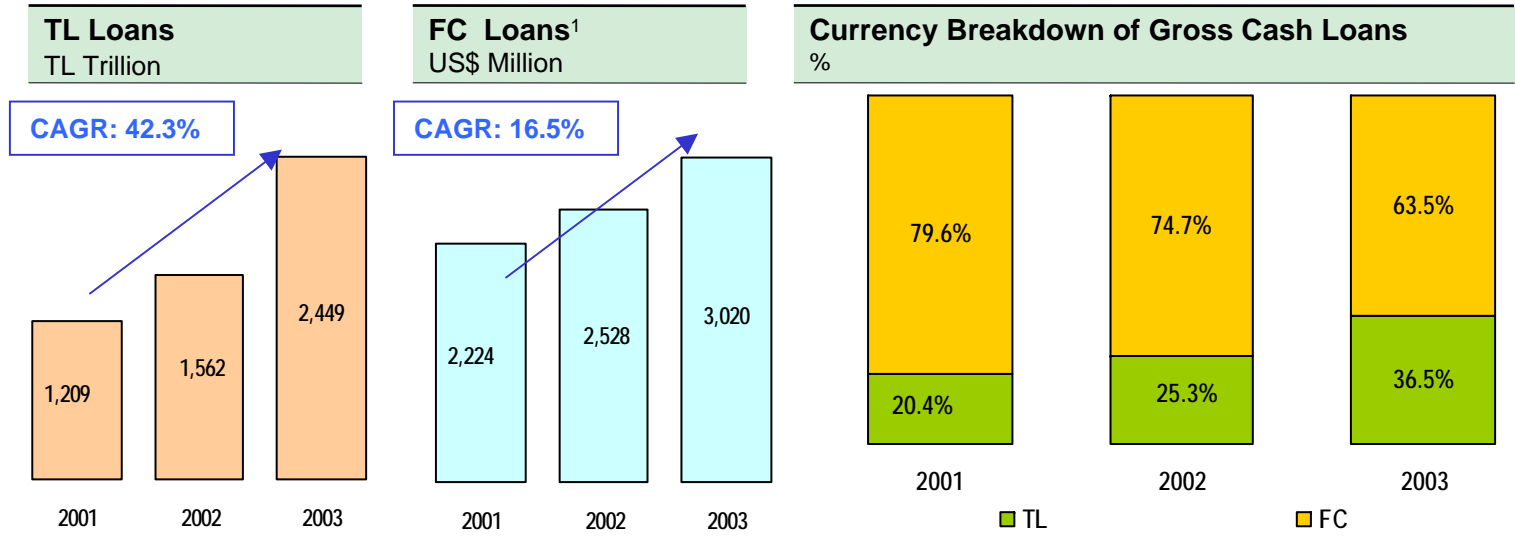
■ Corporate ■ Commercial ■ SME ■ Consumer ■ Credit Cards

■ Corporate ■ Commercial ■ SME ■ Consumer

Gross and Net Cash Loans

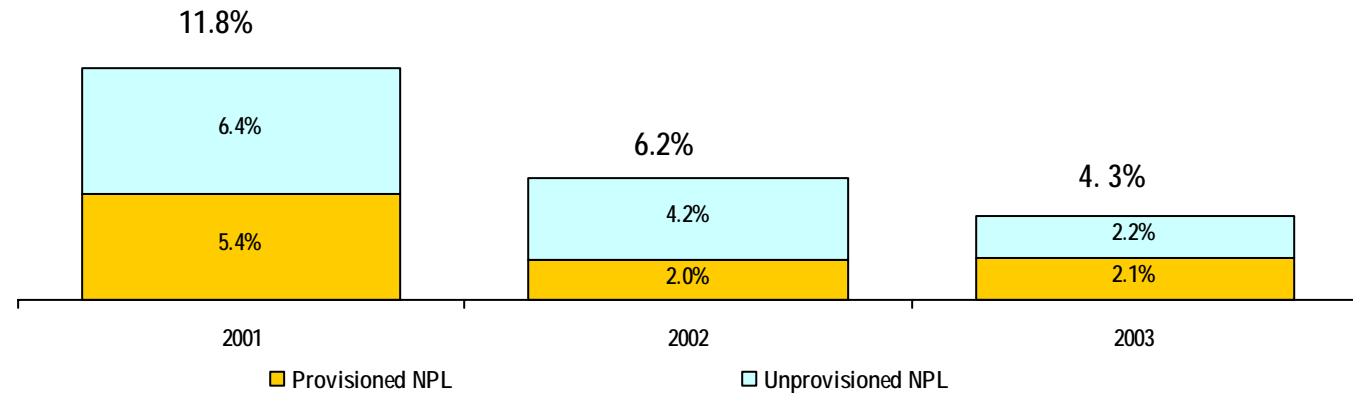
Increasing share of TL loans boosted by credit cards

- TL loans were up by 56.7% in 2003 YE over 2002 YE, reaching TL2,449 Trillion
- FC loans were up by 19.5% on an annual basis
- Share of TL loans in total cash loans increased by 11.2 percentage points to 36.5% as of 2003 YE
- NPL ratio went down to 4.3%, and the coverage ratio increased to 47.8% as of 2003 YE



¹ Foreign currency, not inflation adjusted

NPLs

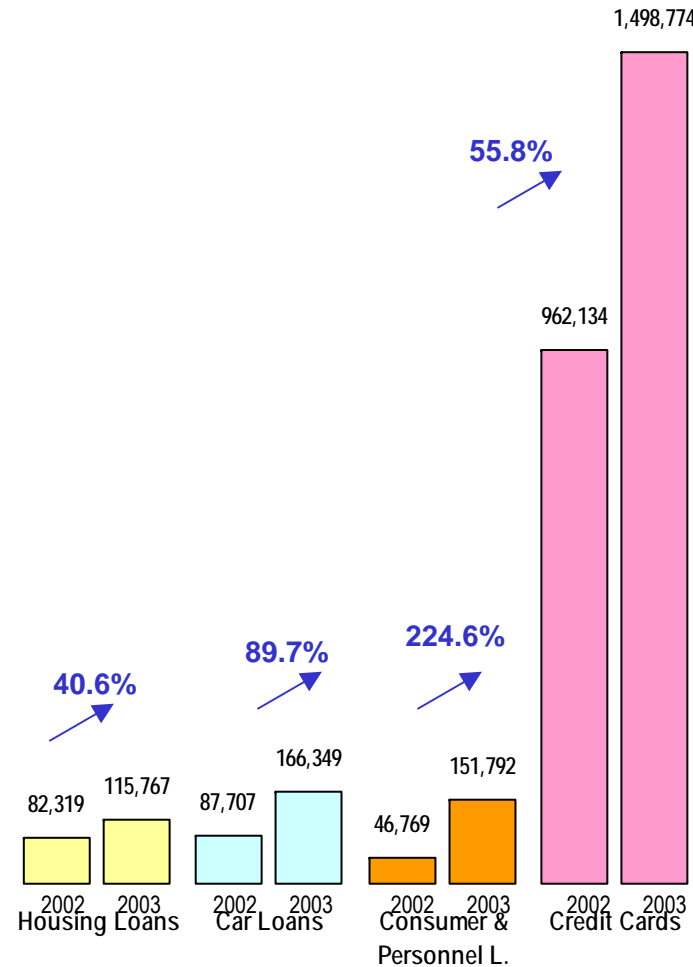


Consumer Loans

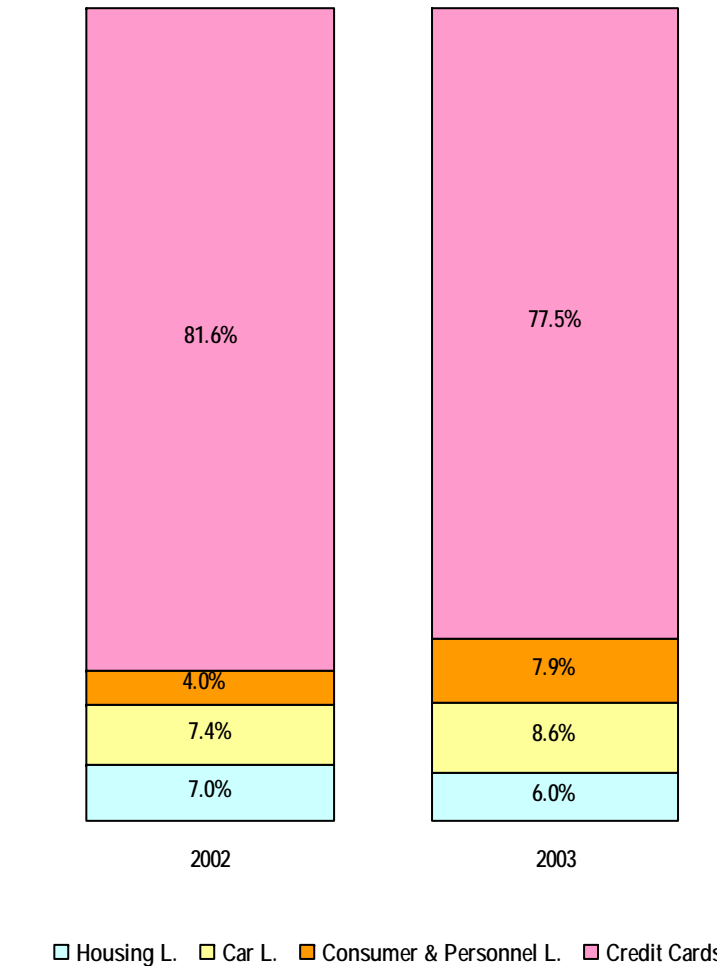
Strong growth in total consumer loans

- Total consumer loans were up by 63.9% on an annual basis in 2003 YE, reaching TL1,933 Trillion
- Credit cards rose by 55.8% on an annual basis, reaching TL1,499 trillion
- Credit cards composed 77.5% of total consumer loans
- Housing loans and consumer loans increased by 40.6% and 224.6%, respectively
- Car loans were up by 89.7% on an annual basis

Total Consumer Loans
TL Billion



Breakdown of Total Consumer Loans
%



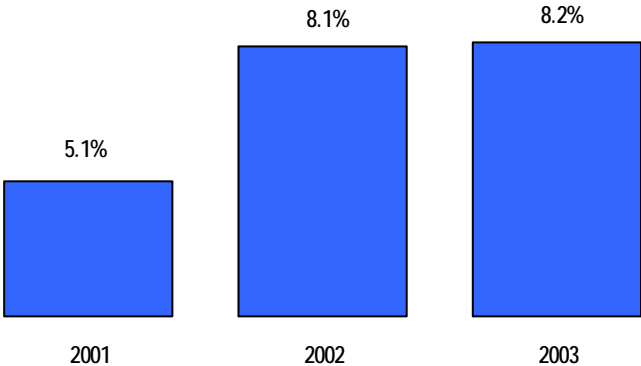
□ Housing L. □ Car L. □ Consumer & Personnel L. □ Credit Cards

Market Share in Loans

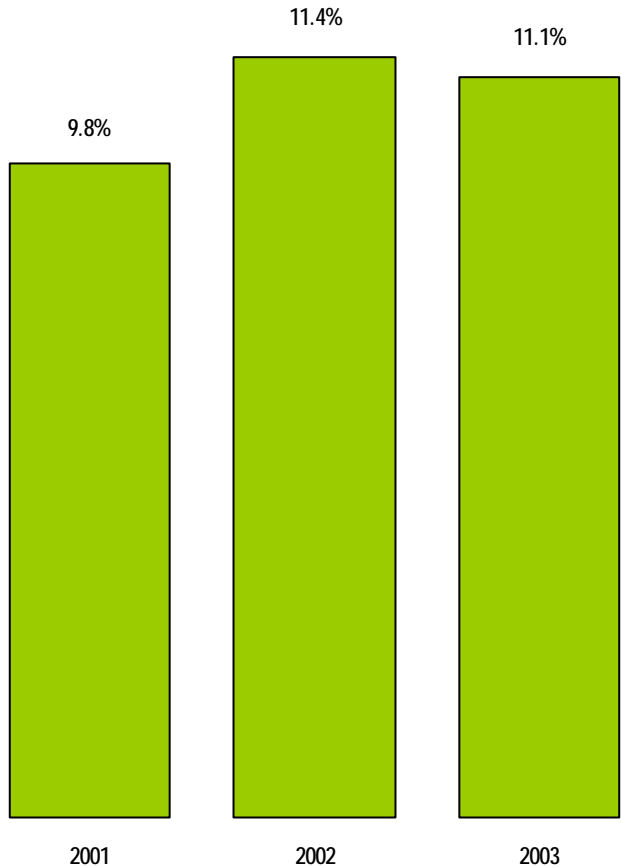
Increasing market share in TL and FC loans

- Market share in TL and FC loans were 8.2% and 14.4%, respectively
- Market share in total loans was 11.1%

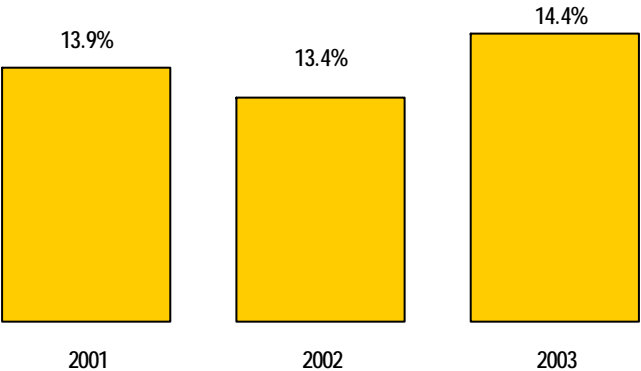
TL Loans
%



Total Loans
%



FC Loans
%



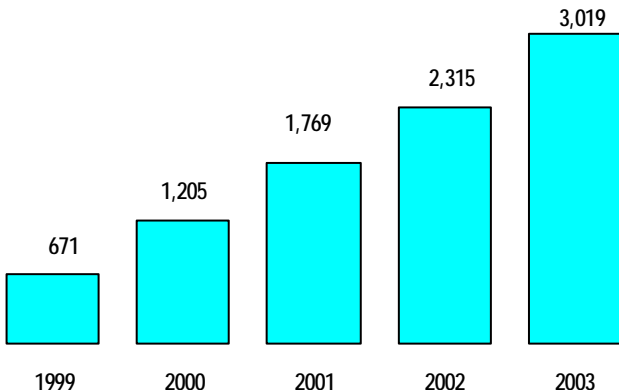
Market Shares

Market Share in Credit Cards

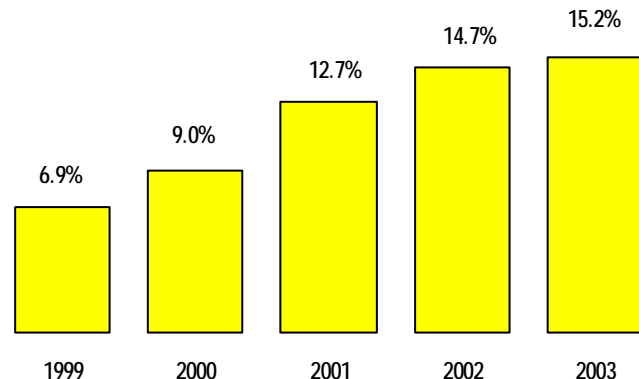
Best performance among peer group during the last 3 years

- Number of credit cards reached 3.1 million as of February 2004
- Total issuing volume market share increased to 19.2% in 2003 compared to 17.0% in 2002
- Market share in acquiring volume reached 16.8%

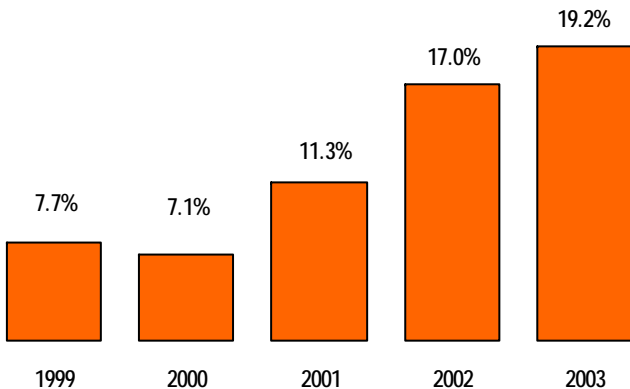
Number of Credit Cards
Thousands



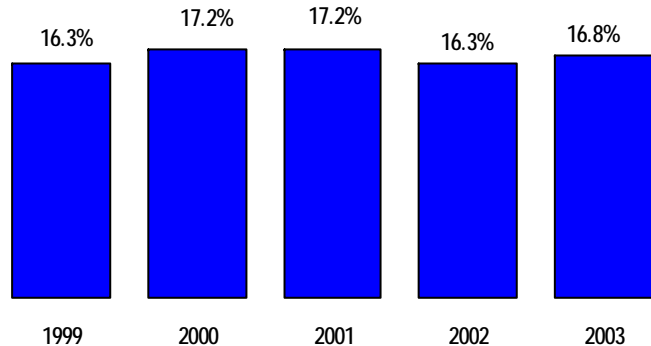
Market Share in Number of Credit Cards
%



Issuing Volume (including cash advance) Market Share, Yearly Basis, %



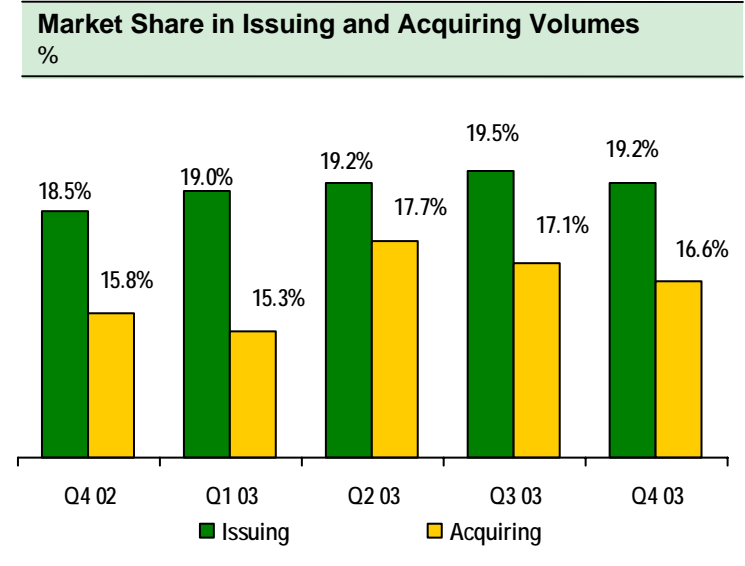
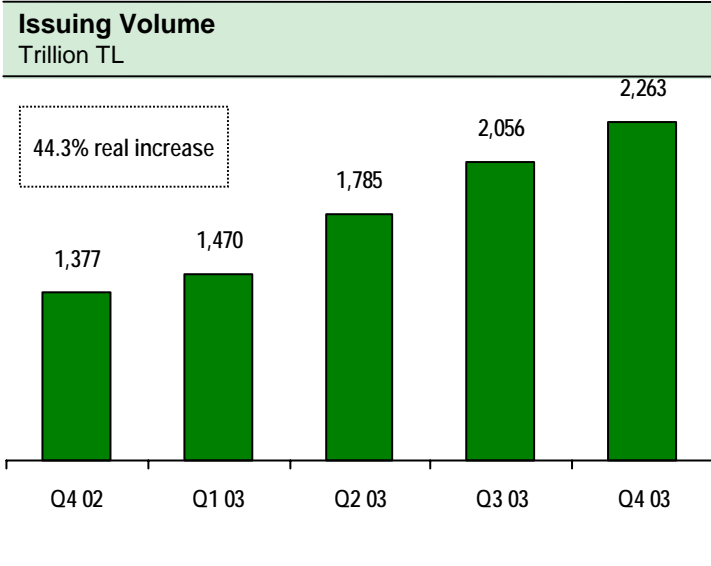
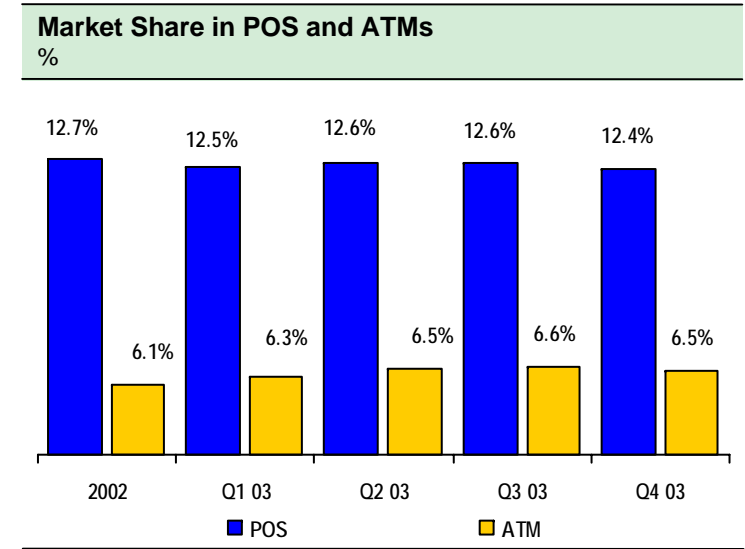
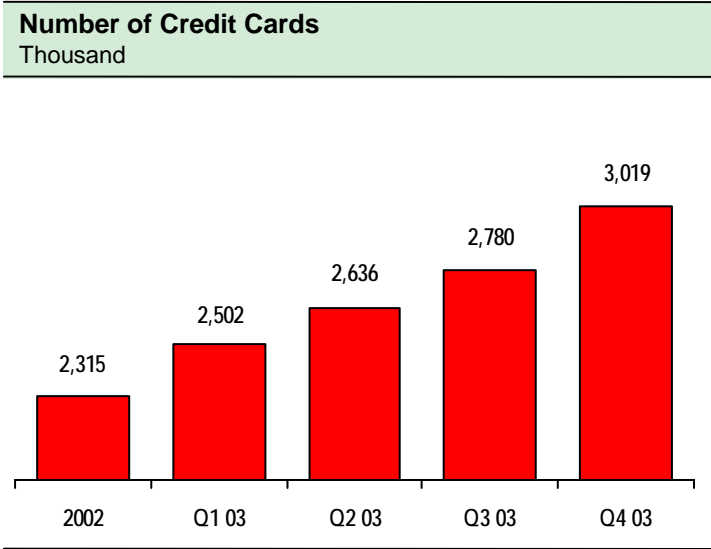
Acquiring Volume Market Share, Yearly Basis, %



Credit Cards

Consecutive improvement on a quarterly basis

-44.3% increase in issuing volume in Q403 in real terms over the previous quarter

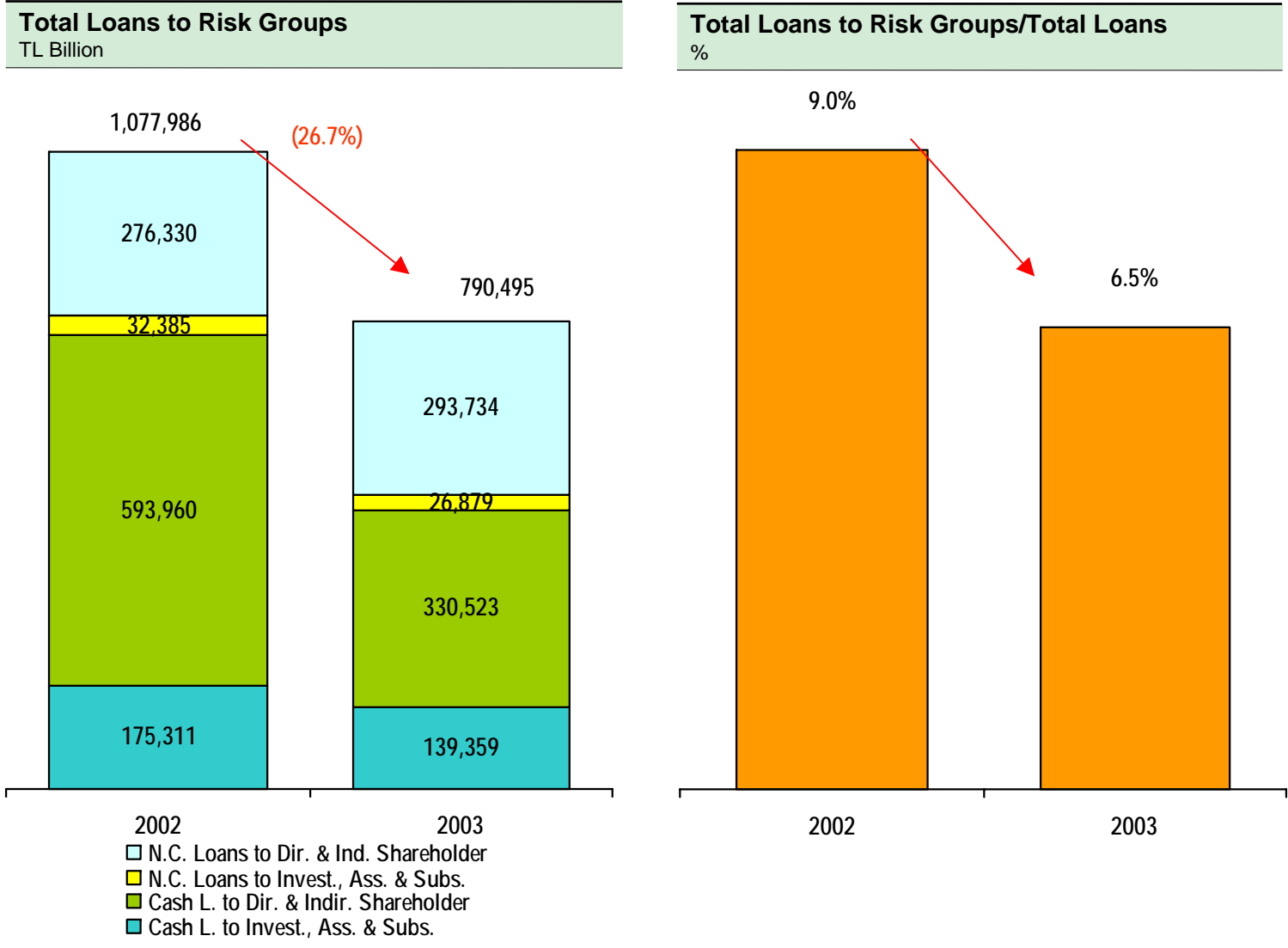


Financial Performance

Group Exposure

Low related party lending

- Garanti's total cash and non-cash loan exposure to related parties were down by 26.7% on an annual basis
- Total loans to risk group to total loans decreased further to 6.5%

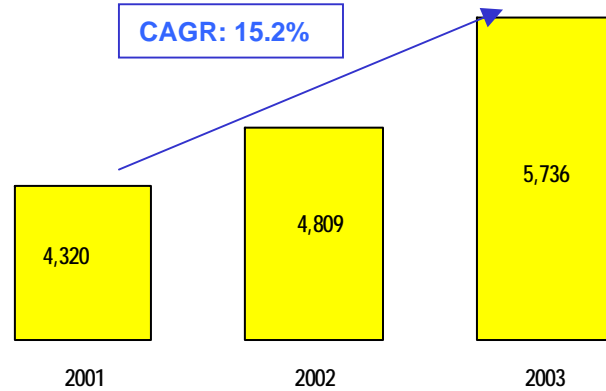


Deposits

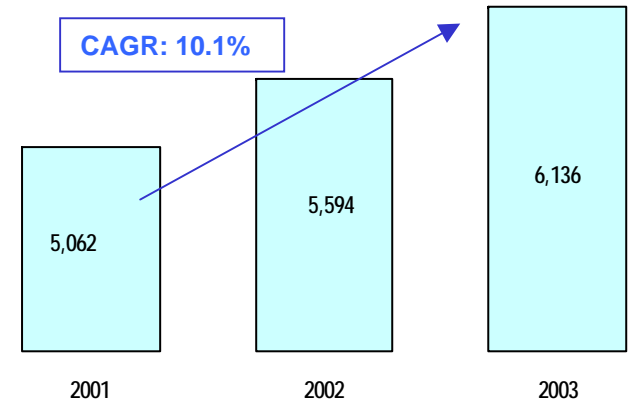
Increasing number of customers accompanied by a stronger and more diversified deposit base

- TL deposit base increased by 19.3% in real terms in 2003 YE over 2002 YE
- FC deposits were up by 9.7% on an annual basis
- Saving deposits composed 20.3% of total deposits in 2003 YE, up from 15.0% in 2002 YE

TL Deposits
TL Trillion

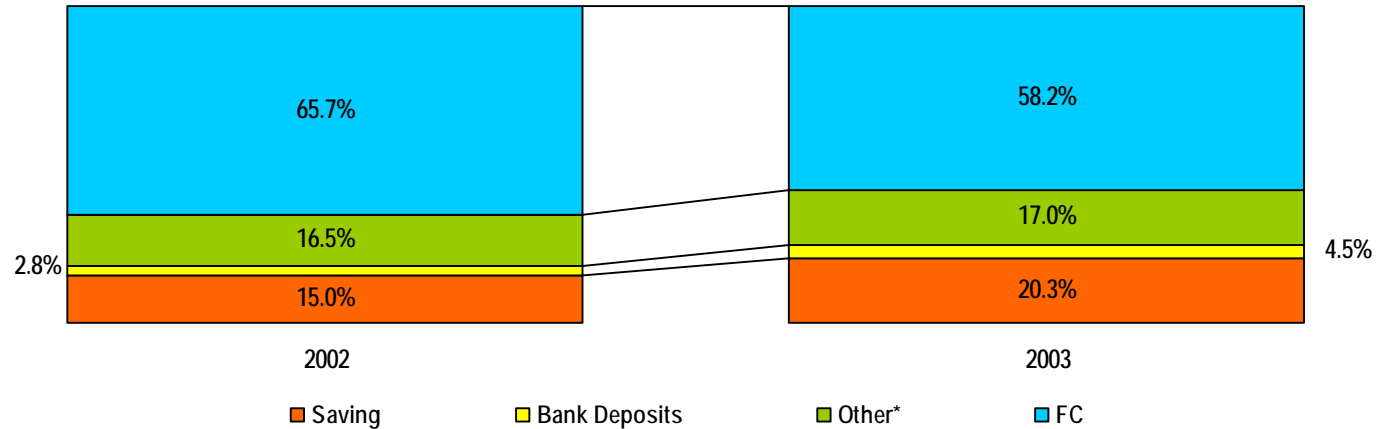


FC Deposits¹
US\$ Million



¹ Foreign currency, not inflation adjusted

Composition of Deposits
%

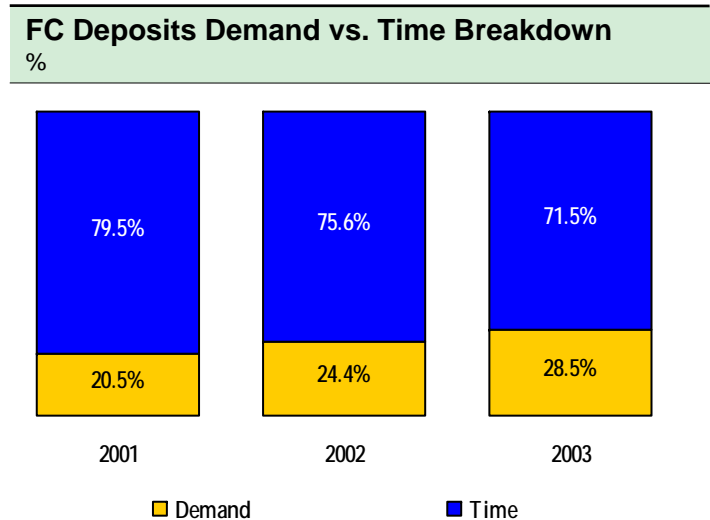
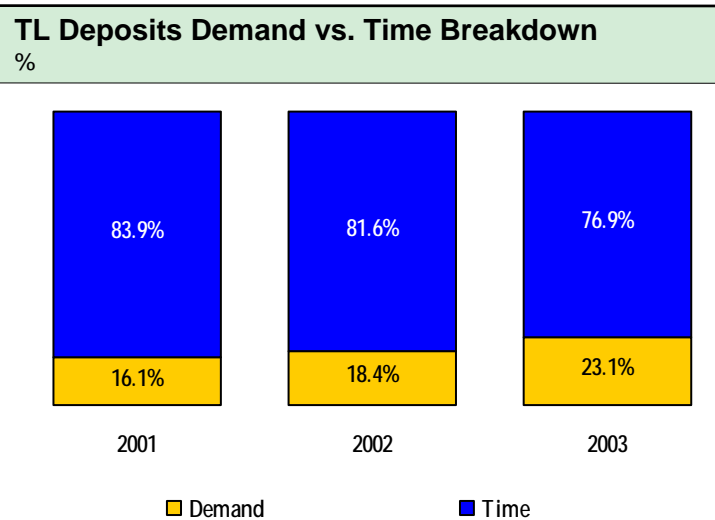
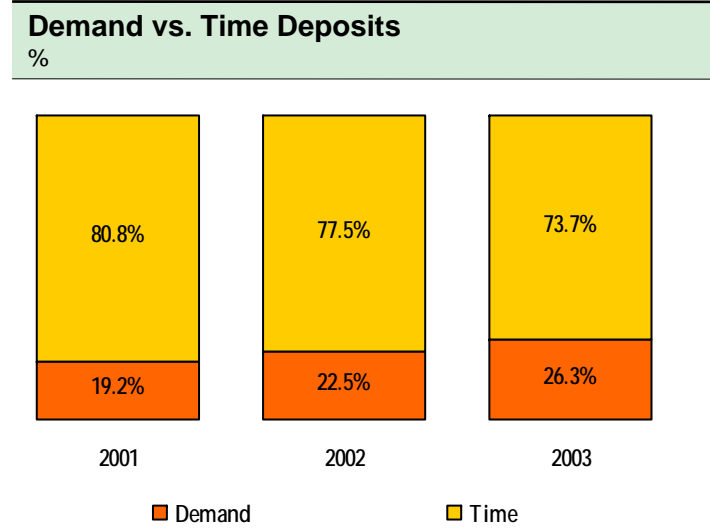
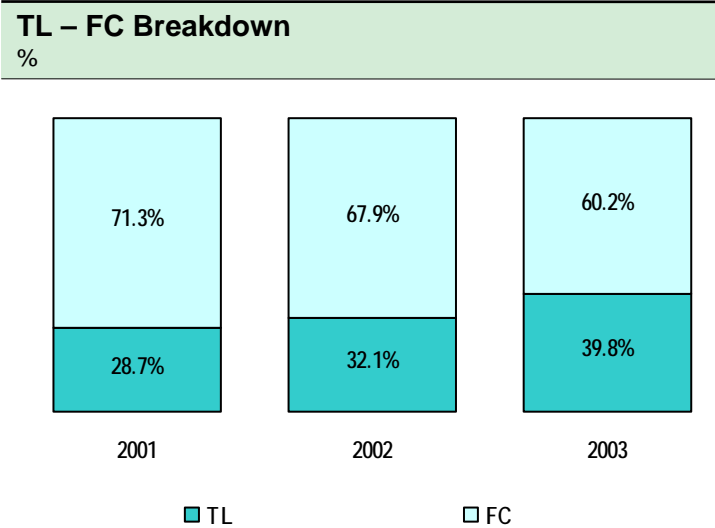


* Other deposits include commercial deposits, deposits of official authorities & organisations and deposits of other organisations

Deposits

Improving funding mix and pricing with demand deposits registering 12.5% real growth

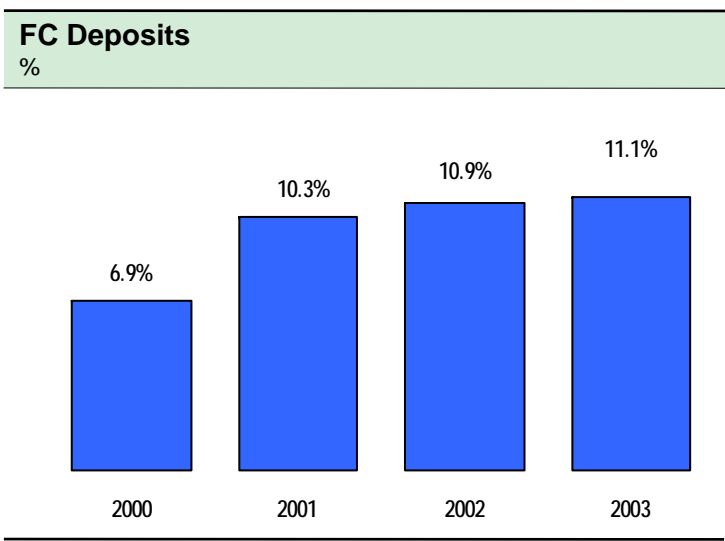
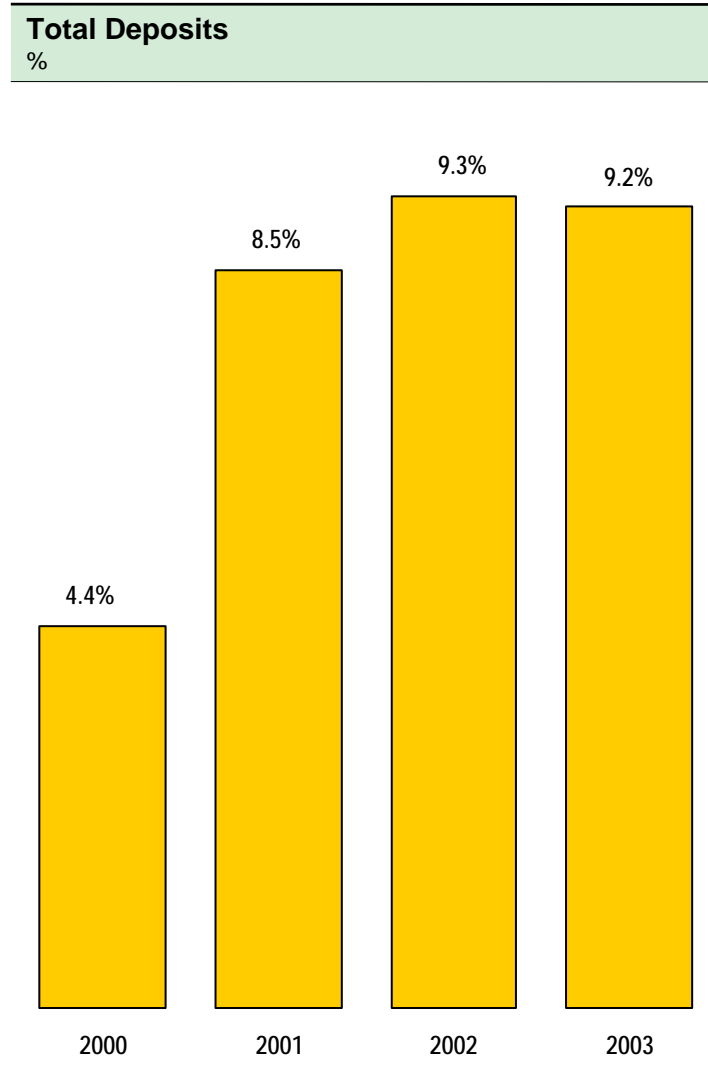
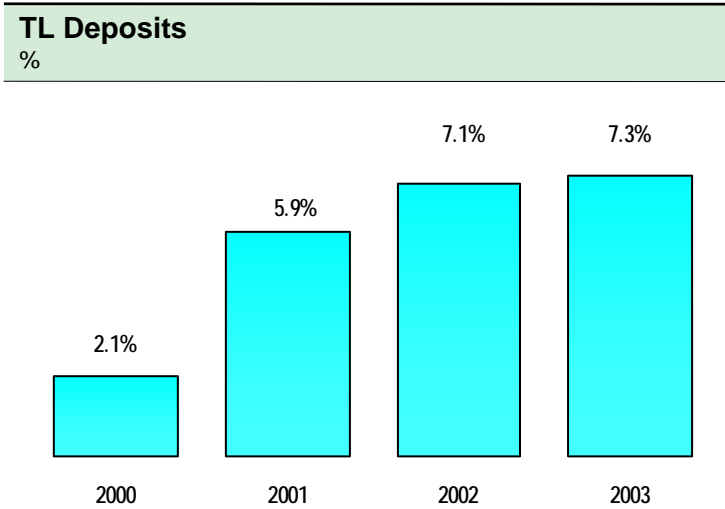
- Demand deposits increased by 12.5% in 2003 YE over 2002 YE, and the share of demand deposits to total deposits reached 26.3%
- In 2003, TL demand deposits were up by 49.8% in real terms, composing 23.1% of the TL deposits
- Similarly, FC demand deposits increased significantly by 28.1% and composed 28.5% of total FC deposits
- Share of TL deposits increased to 39.8% as of 2003 YE as compared to 32.1% in 2002 YE



Market Share in Deposits

Removal of deposit insurance scheme will further increase the market share

- During the last four years, Garanti registered the highest increase in TL deposit market share among its peer group
- Garanti's market share in total deposits stood at 9.2% as of 2003 YE
- The increase in the deposit market share is expected to accelerate on a gradual basis following the removal of the 100% deposit insurance and increasing confidence in financial markets

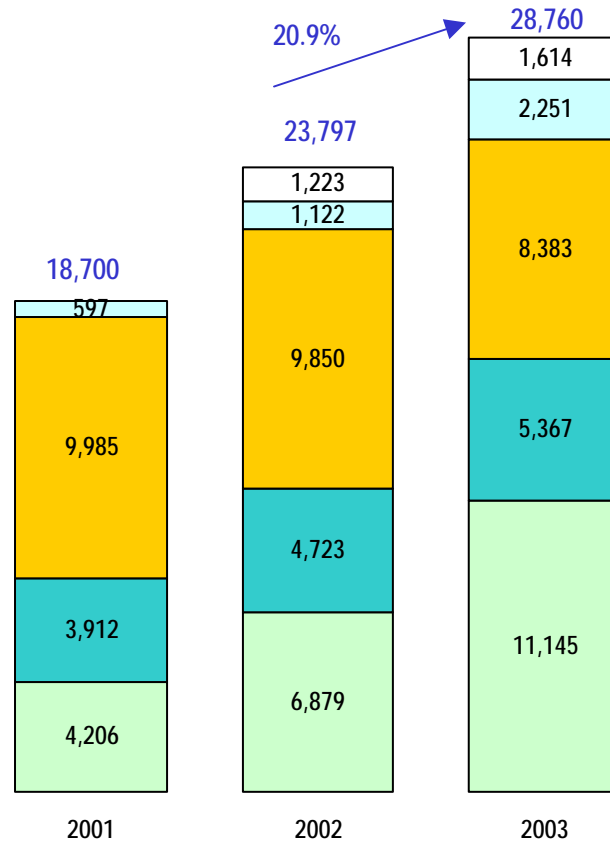


Customer Funds

10.6% increase in total customer funds

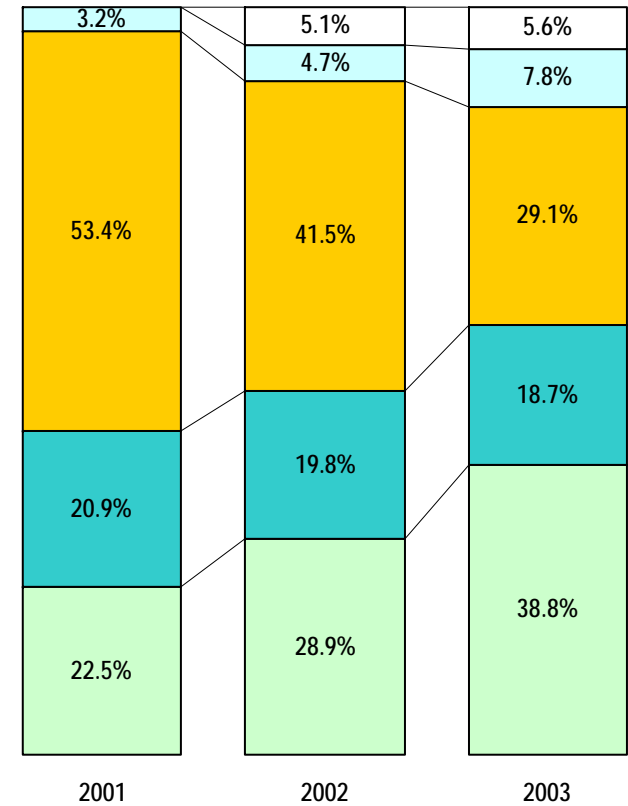
- Total customer funds were up by 20.9% over 2002, reaching TL28,760 Trillion
- Share of T-Bills under custody was 38.8% in total customer funds while share of assets under management increased to 7.8%

Total Customer Funds
TL Trillion



- T-Bills Under Custody
- TL Deposits*
- FC Deposits*
- AUM
- Repo

Composition of Total Customer Funds
%



- T-Bills Under Custody
- TL Deposits*
- FC Deposits*
- AUM
- Repo

* Excluding bank deposits

P/L Summary

Strong emphasis on net non-interest income

- Net non-interest income registered 31.6% increase in 2003 over 2002
- Non-interest expense declined by 4.7% on an annual basis
- The real decline in non-interest expense during the last two years reached 34.5%, accompanied by 20.4% increase in non-interest income

Income Statement

TL Billion

	December 31, 2001	December 31, 2002	December 31, 2003
Interest Income	4,248,960	3,474,337	2,100,783
Interest Expense	3,249,423	2,705,087	2,044,633
Net Interest Income	999,537	769,250	56,160
Adjusted Net Interest Income*	30,969	322,631	192,178
Non-interest Income	877,408	802,882	1,056,776
Net Fees and Commission income	149,615	318,036	358,876
Net Trading income	374,916	345,471	557,931
Dividends	183,737	67,373	23,730
Other	169,140	72,002	116,239
Non-interest Expense	(1,414,816)	972,190	926,952
Net Non-interest Income/Loss	(537,408)	(169,308)	129,824
Profit/Loss Before Tax	(506,439)	153,323	322,002
Tax Provision	168,463	13,090	20,500
Net Profit	(337,976)	140,233	301,502

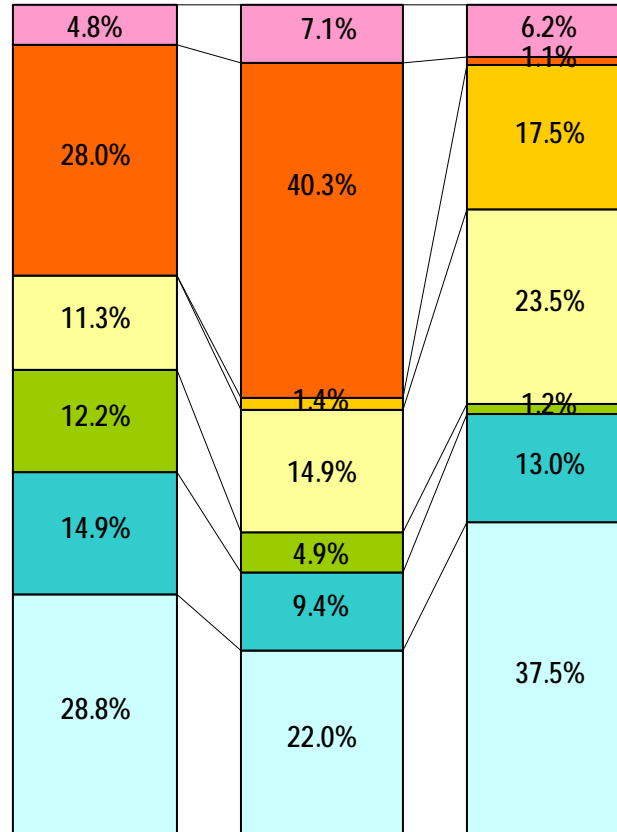
*Adjusted by LLP, general provision on loans, monetary gain/loss and FX gain/loss
 Since net interest income figures and FX gain/loss figures are distracted due to classification differences of interest income over government securities, adjusted NIM is provided for comparison purposes.

Composition of Interest Income and Interest Expense

Significant increase in the share of sustainable interest revenues

- Interest earned on loans composed 50.5% of total interest income in 2003, compared to 31.4% in 2002
- Share of interest earned on TL loans in interest income increased to 37.5% in 2003, from 22.0% in 2002, whereas share of interest earned on FC loans increased to 13.0%
- Interest earned on securities composed 42.2% of interest income in 2003 YE, as compared to 56.5% in 2002YE

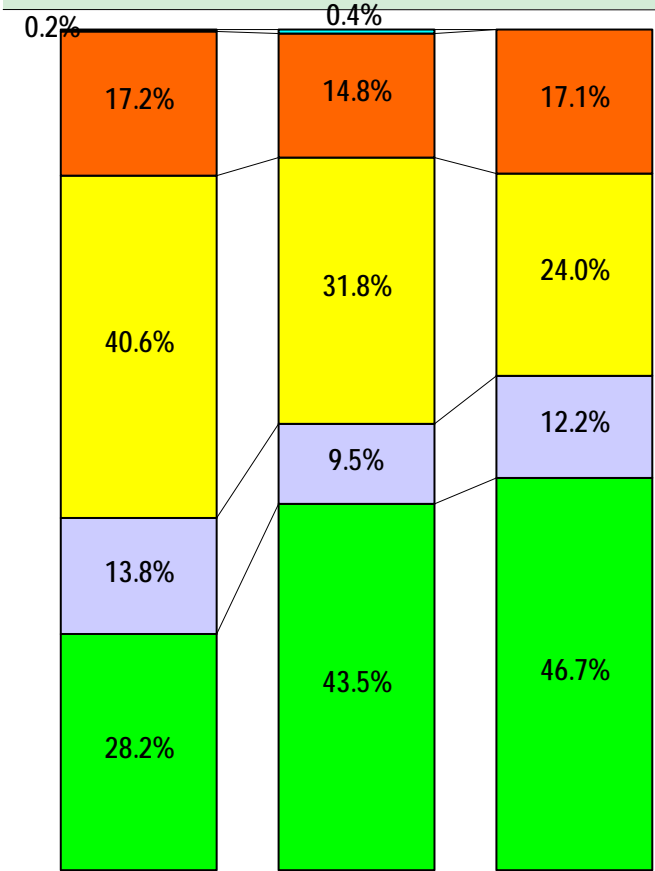
Composition of Interest Income



2001 2002 2003

■ From TL Loans ■ From FC Loans
■ From Banks ■ From AFS Securities
■ From HTM Securities ■ Other

Composition of Interest Expense



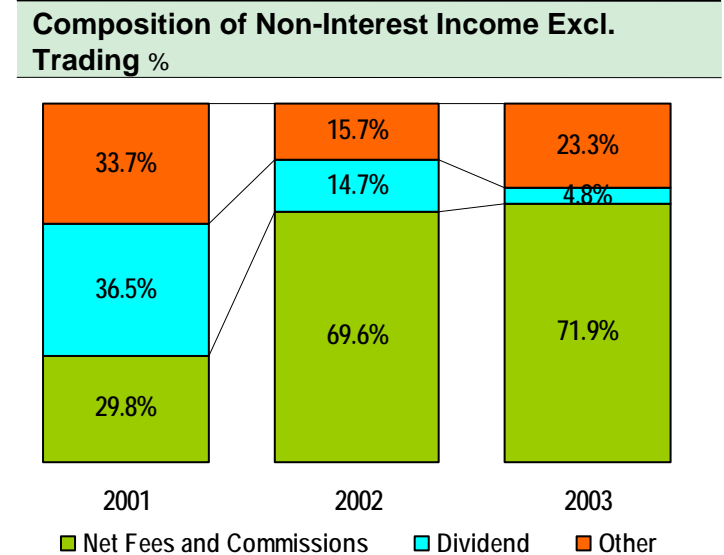
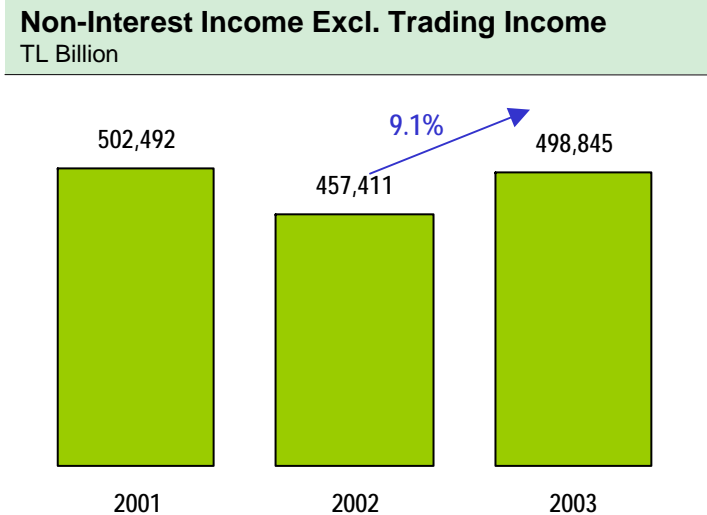
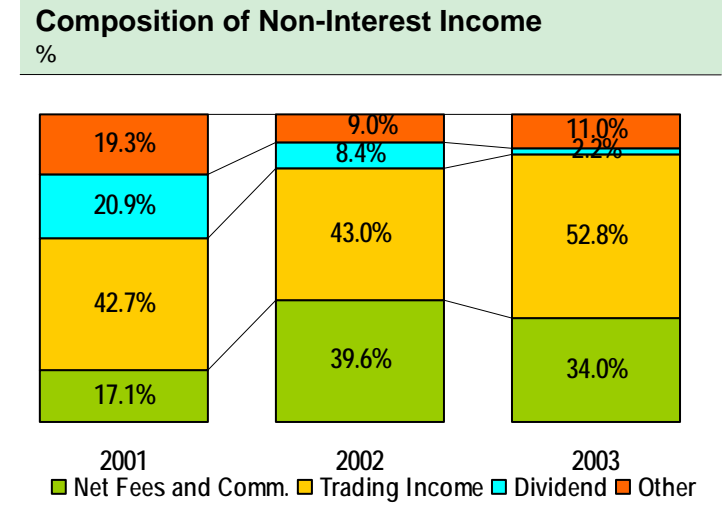
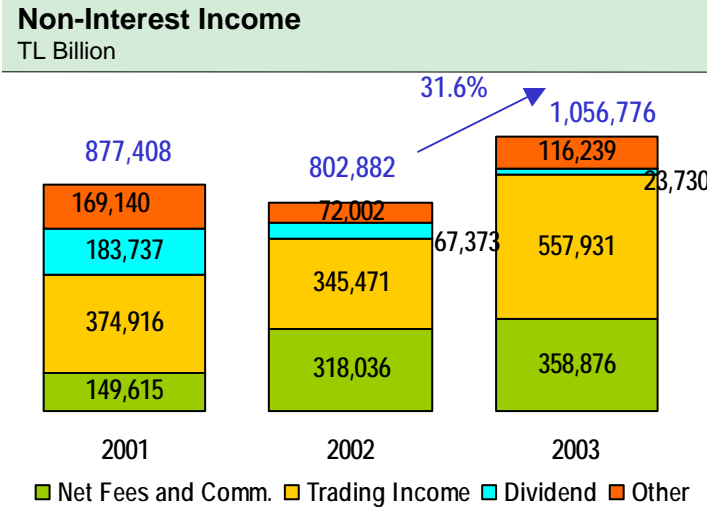
2001 2002 2003

■ On Saving Deposits ■ On FC Deposits
■ On Other Deposits ■ On Funds Borrowed
■ Other

Non-Interest Income

Strong growth in non-interest income

- Total non-interest income rose by 31.6% and reached TL1,056,776 Billion
- Share of net fee and commission income in non-interest income was 34.0% as of 2003 YE
- When trading income is excluded, the share of fees and commissions income increases to 71.9%



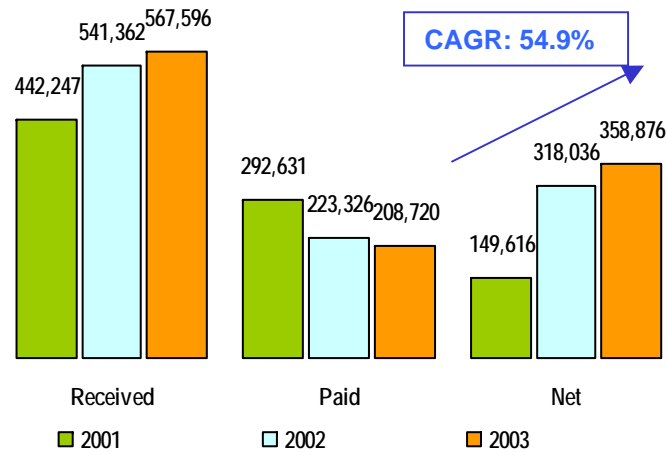
Fees and Commissions

The increase in fee and commission income continues

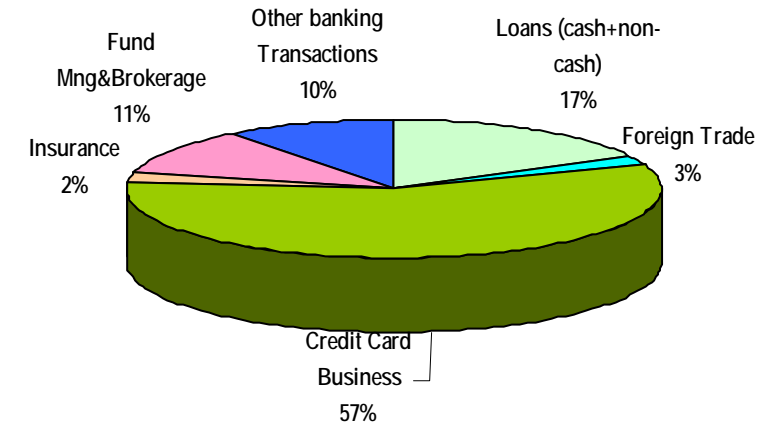
- Net fees and commissions income increased by 12.8% over 2002
- Since 2001, the increase in net fees and commissions income reached 139.9%
- Net fee and commission income to average assets was 1.6% as of 2003 YE
- Net fees and commissions income covered 47.6% of its operating expenses

Fees and Commissions

TL Billion

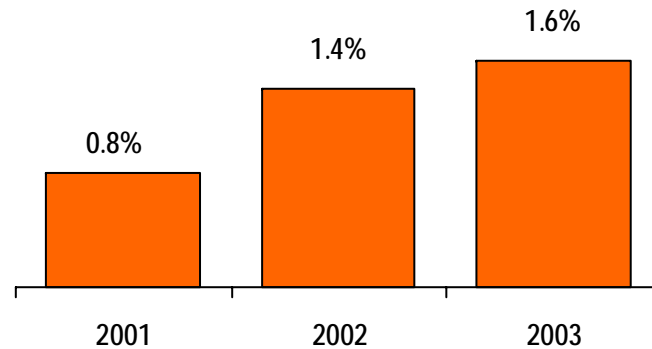


Composition Fees and Commissions Income Received



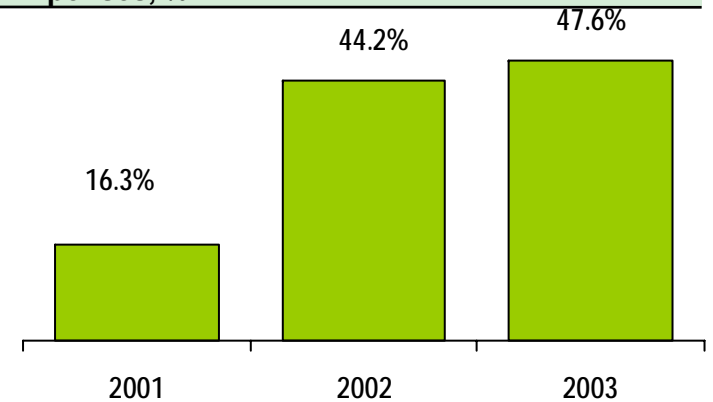
Net Fees and Commissions / Average Assets

%



Net Fees and Commissions / Operating

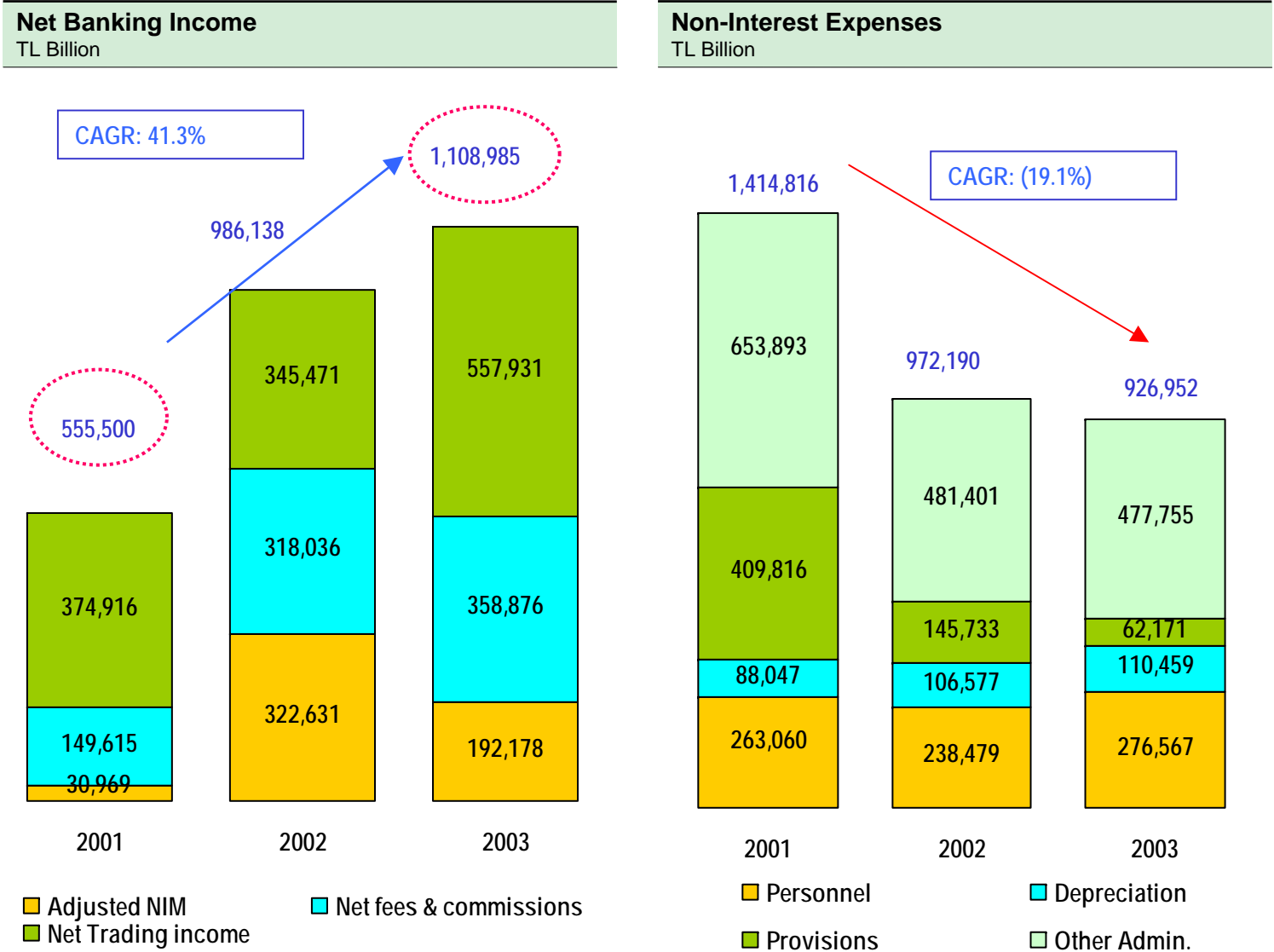
Expenses, %



Net Banking Income versus Non-Interest Expenses

Net fees and commissions composed 31.9% of net banking income

- Net banking income was up by 12.5%, reaching TL1,108,985 Billion in 2003
- Non-interest expenses (excluding all provisions) declined by 4.7% to TL865,800 Billion in 2003
- Personnel expenses rose by 16.0% in 2003 due to the opening of new branches

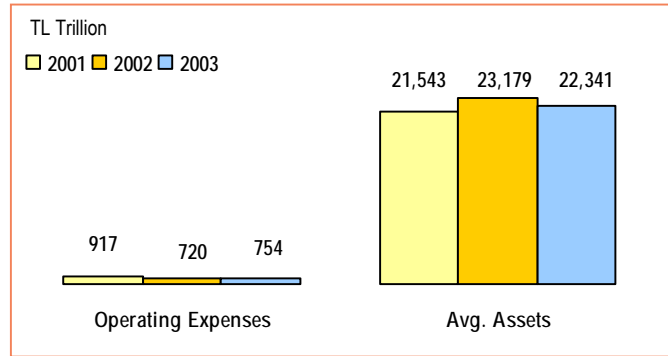


Operating Expense Ratios

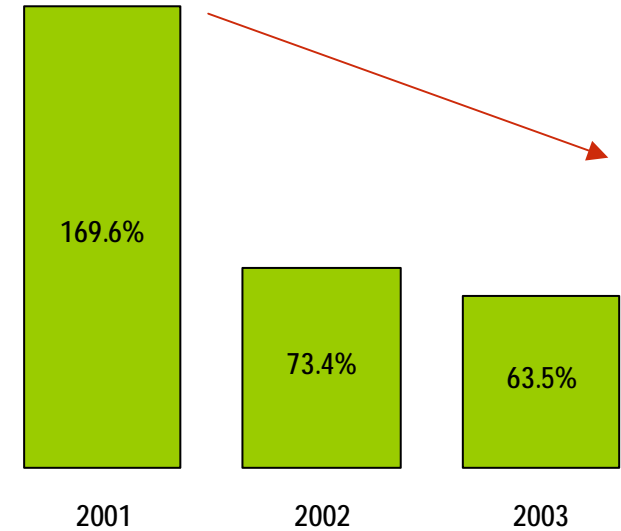
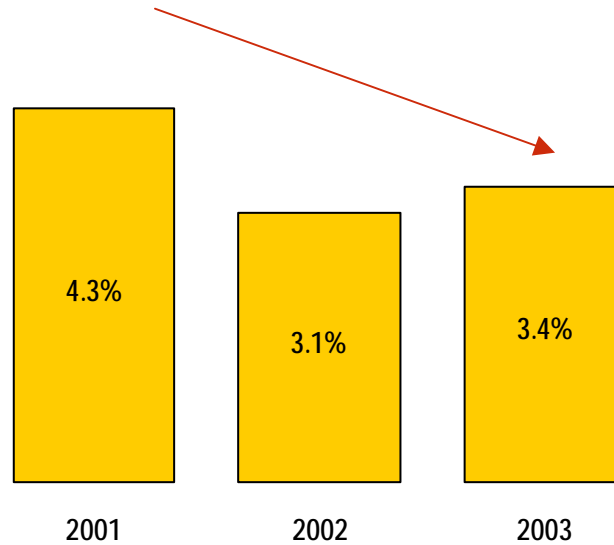
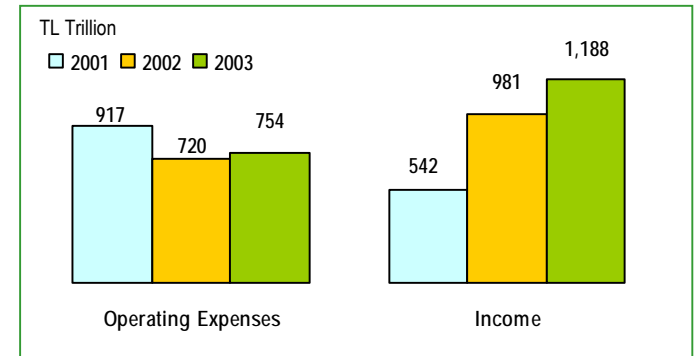
Decreasing Cost/Income, thanks to improvements in efficiency and profitability

- Operating expenses to average assets was 3.4% for the current period
- Cost to income ratio declined to 63.5%

Operating Expenses / Average Assets



Cost / Income Ratio

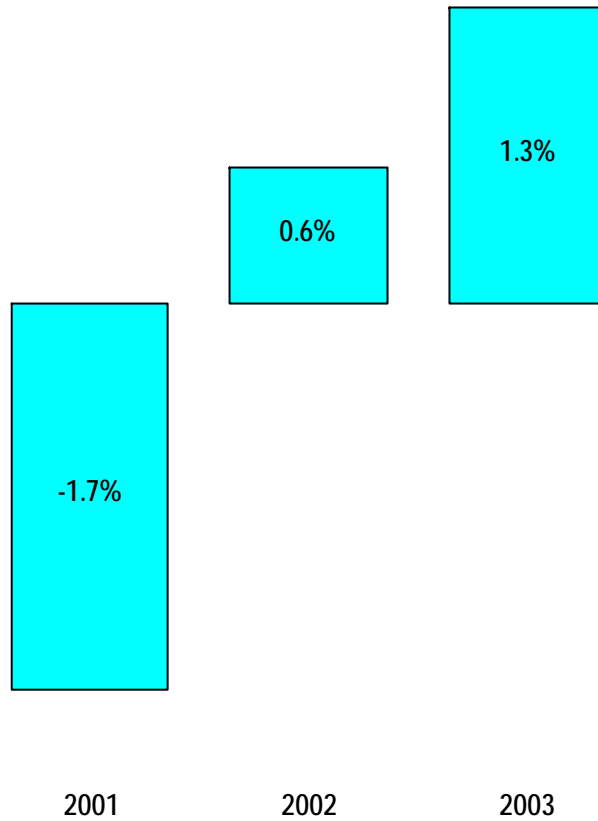


Profitability Ratios

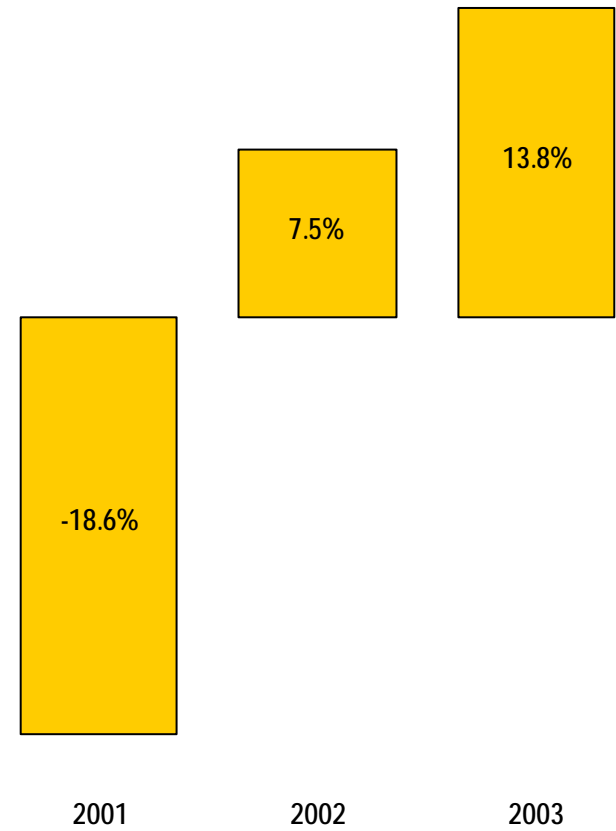
Positive market developments were reflected on profitability: ROE is back to 14%

– ROAA and ROAE were 1.3% and 13.8%, respectively in 2003

Return on Average Assets (%)



Return on Average Shareholders' Equity (%)



Risk Weighted Assets and Capital Base

Further strenghtening in capital adequacy

- Capital adequacy ratio increased to 16.6% as of 2003 YE

RWA vs CAR

