



TÜRKİYE  BANKASI
Investor Presentation

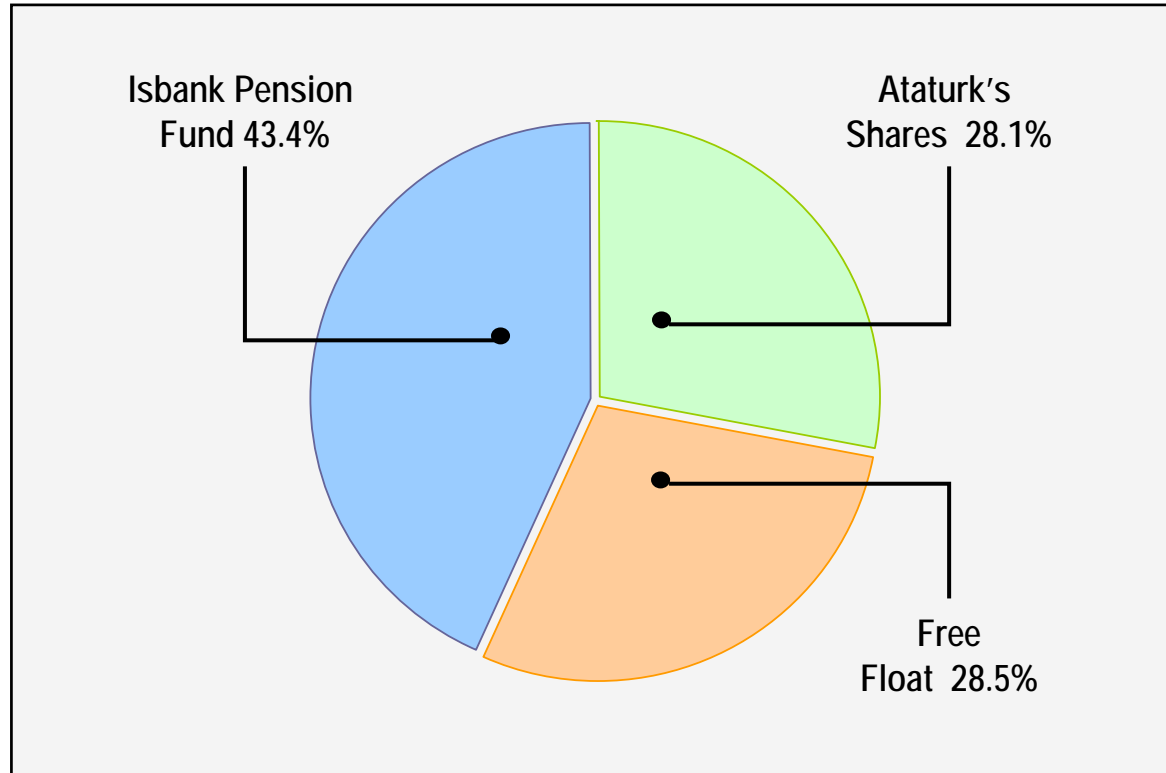
2005 / H1

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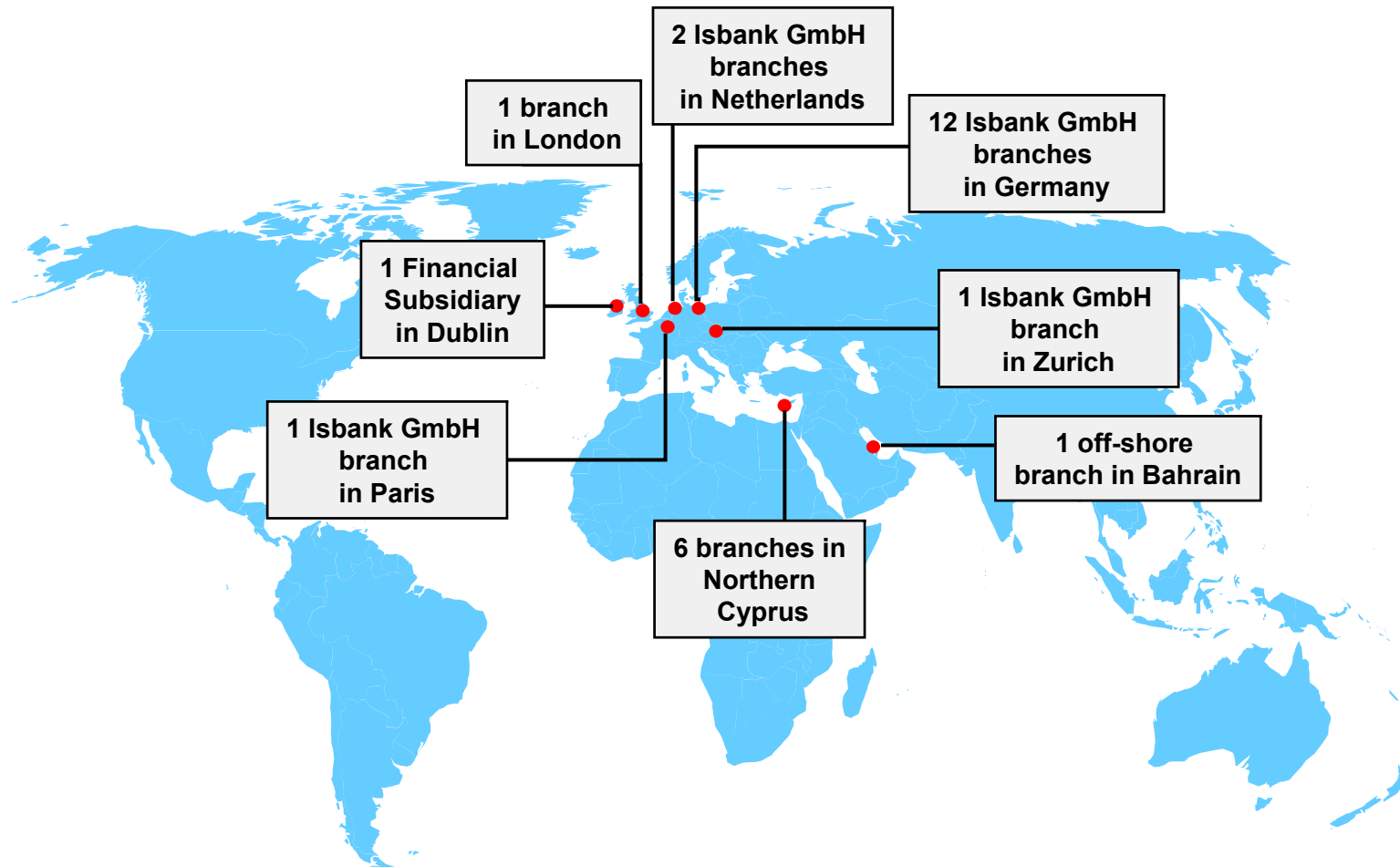
Shareholder structure



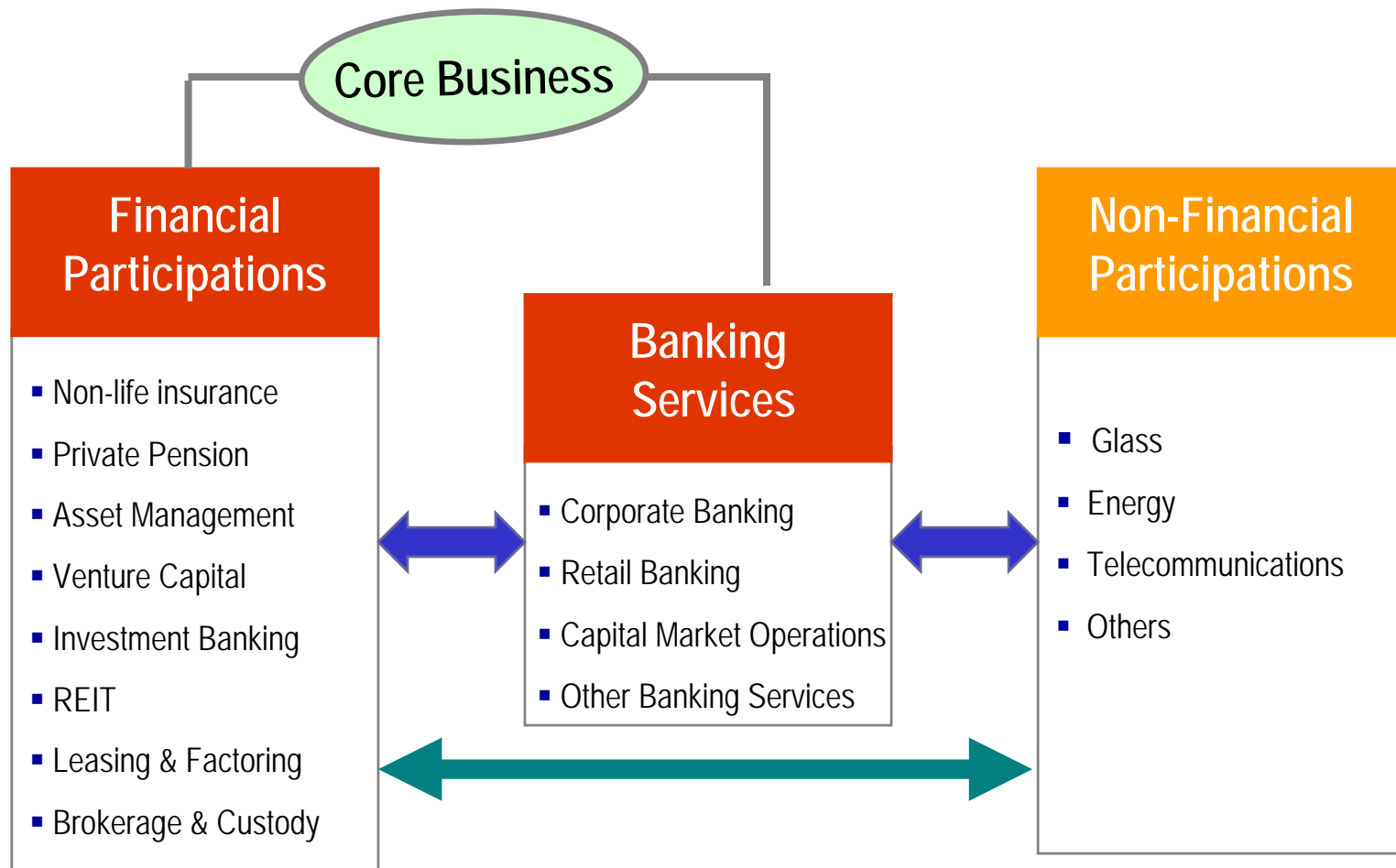
- ▶ Around 250,000 domestic and foreign shareholders
- ▶ Shareholding of employees via pension fund creates self-motivation
- ▶ Stocks are quoted at ISE and also traded at LSE in the form of GDR
- ▶ More than half of the free float held by foreign investors

International presence

... focusing on Turkish populated EU countries.



Main business lines of Isbank Group




Strengths of Isbank

Thanks to its

- ▶ strong franchise and nationwide reputation,
- ▶ established banking culture and expertise,
- ▶ widespread customer base,
- ▶ vast distribution network,
- ▶ wide range of product portfolio,
- ▶ largest and stable deposit base,
- ▶ financial supermarket status via complementary financial participations,

Isbank will

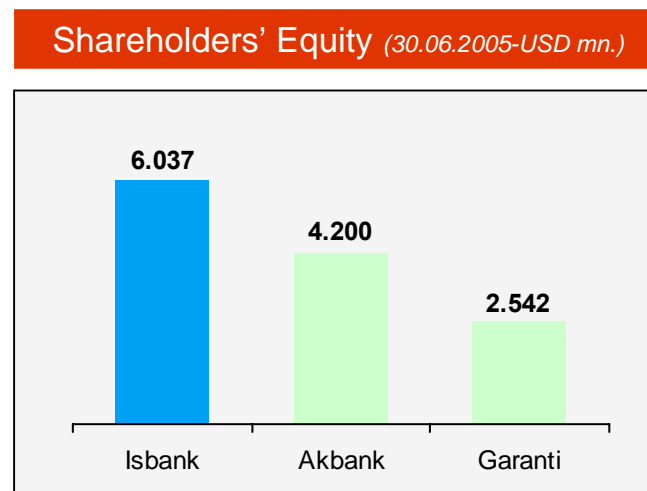
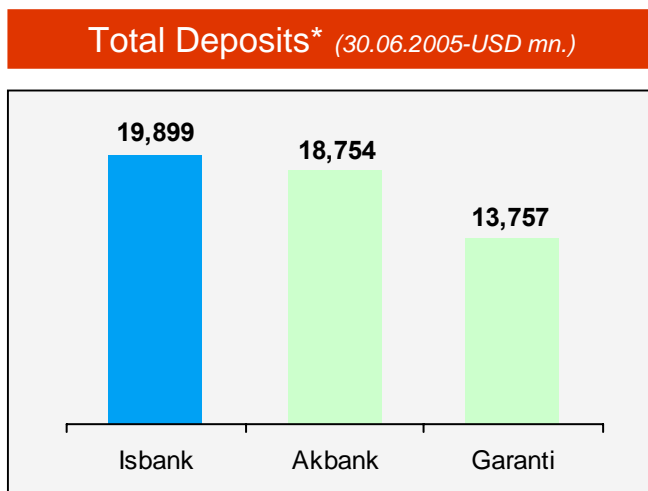
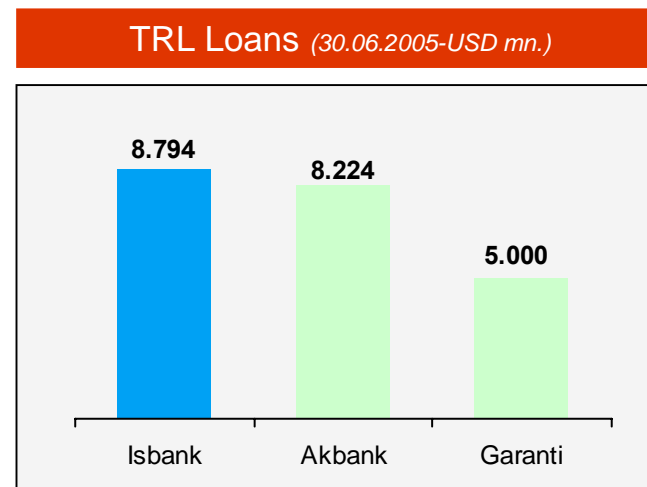
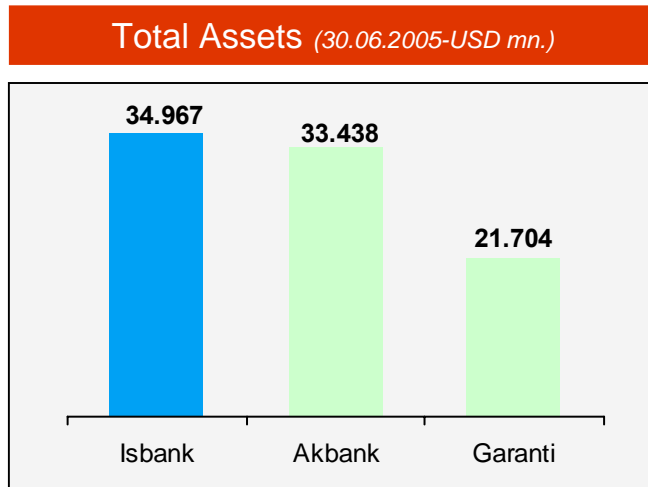
- 
- ✓ **be the main beneficiary of the stabilized environment,**
 - ✓ **further benefit from consolidation process,**
 - ✓ **be positively affected from the economic recovery having a substantial exposure to real economy.**

Main strategies going forward



Largest private sector bank...

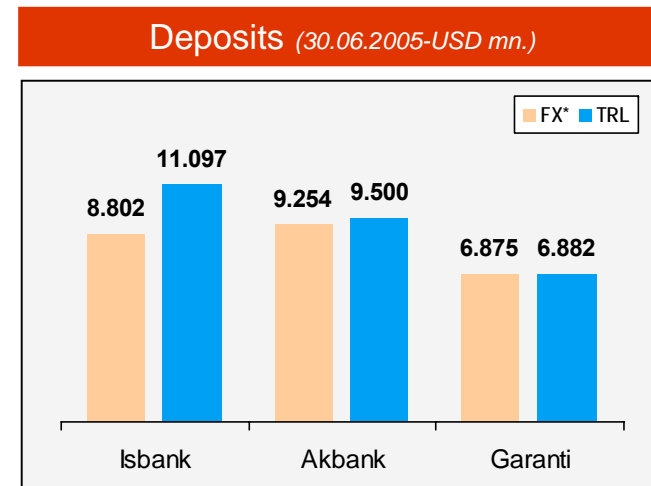
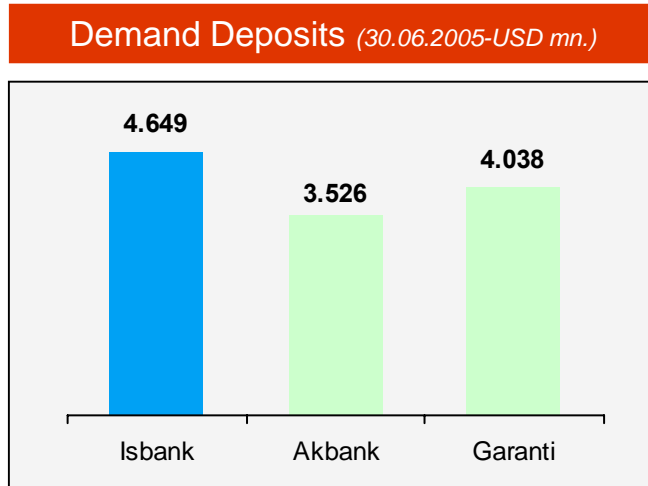
... in terms of asset size, TRL loans, total deposits* and shareholders' equity.



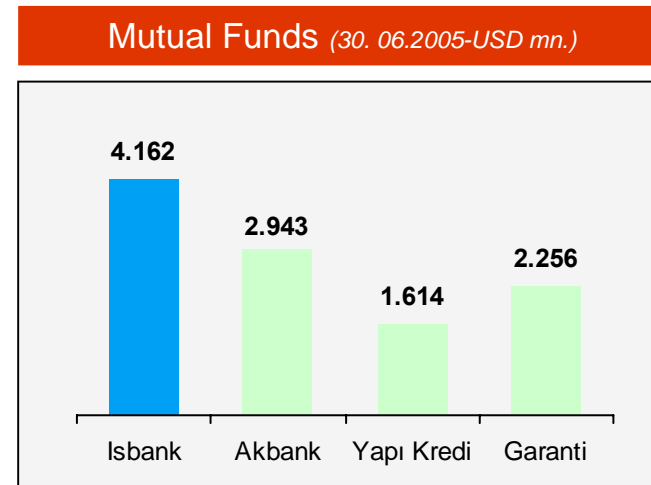
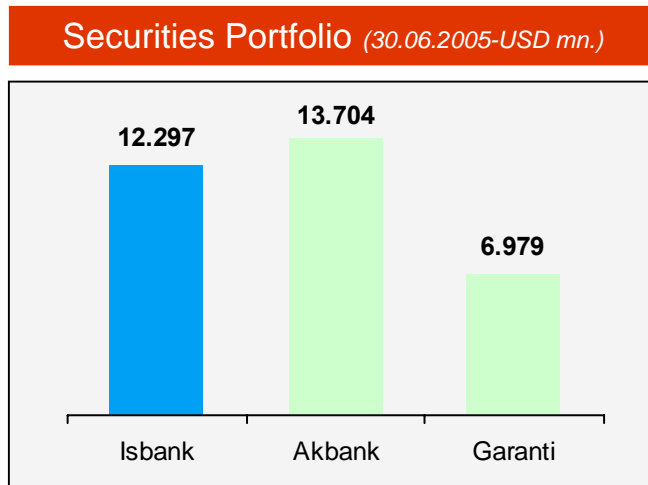
* Excluding FX bank deposits.

Largest private sector bank...

...in terms of demand deposits and mutual funds.



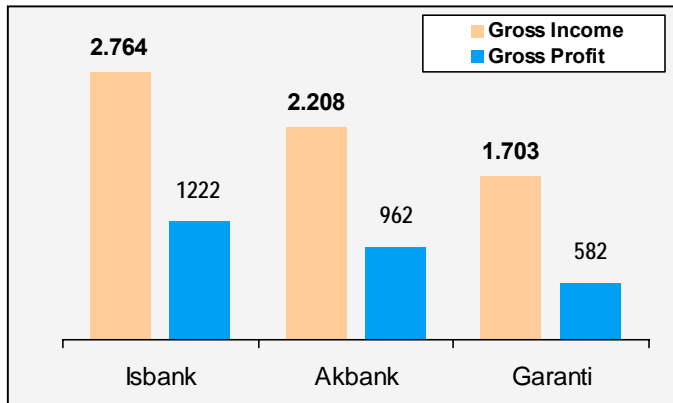
(*) Excluding bank Deposits



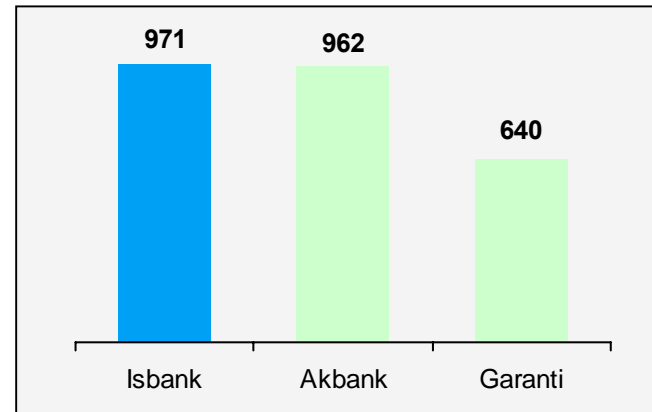
Largest private sector bank...

...in terms of gross income, gross profit, net int. income, int. income on loans, and net comm. income.

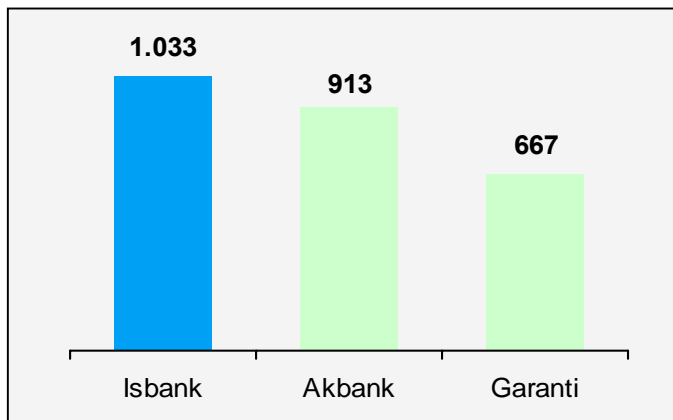
Gross Income-Gross Profit (30.06.2005-USD mn.)



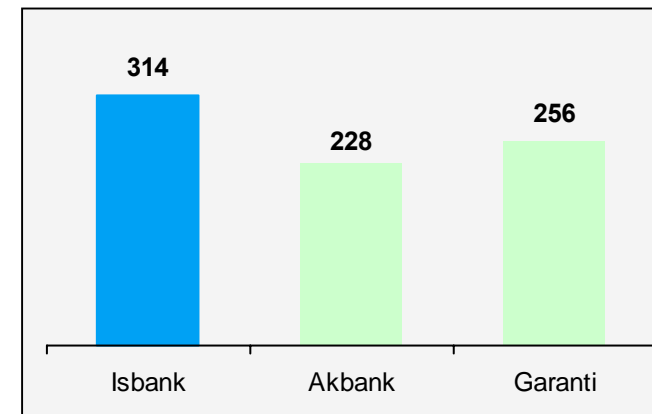
Net Interest Income (30.06.2005-USD mn.)



Interest Income on Loans (30.06.2005-USD mn.)



Net Comm. Income (30.06.2005-USD mn.)



Increasing dominance in the market...

... both in corporate and retail products and services.

		Share(%) 2000	Share(%) 2005/H1	Rank
Loans	Total Loans	9.2	13,3	2 nd among private banks
	TL Loans	6.8	14.4	1 st among private banks
Deposits	Demand	9.3	15.3	1 st among private banks
	TRL	5.5	11.6	1 st among private banks
	FX *	10.1	14,7	2 nd among private banks
	Total Deposits	7.9	12.7	2 nd among private banks
Retail Products	Volume of Debit Cards**	31.8	21.0	1 st in the sector
	Number of POS	17.8	19.3	2 nd in the sector
	Number of Credit Cards	11.2	11.1	3 rd in the sector
	Volume of Credit Cards	12.6	13.4	3 rd in the sector
Capital Markets	Odd-lot Equity Trading	100.0	88.0	1 st in the sector
	Mutual Funds	20.2	20.0	1 st in the sector
	Custody Services	35.0	37.1	1 st in the sector

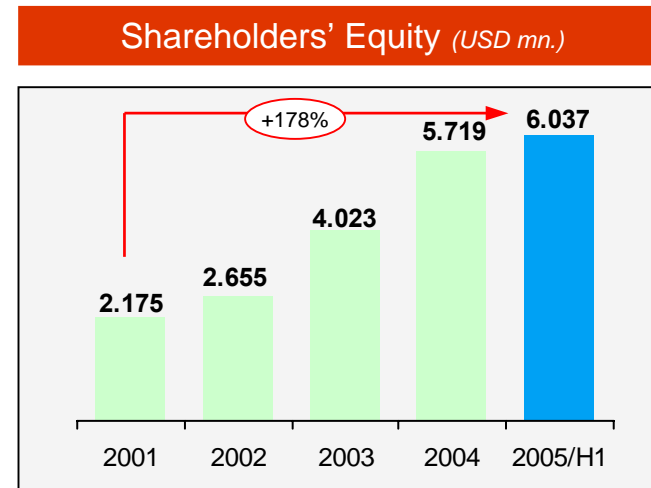
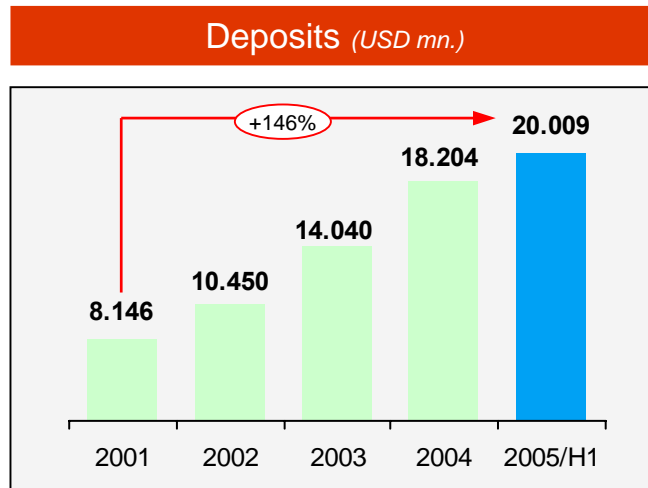
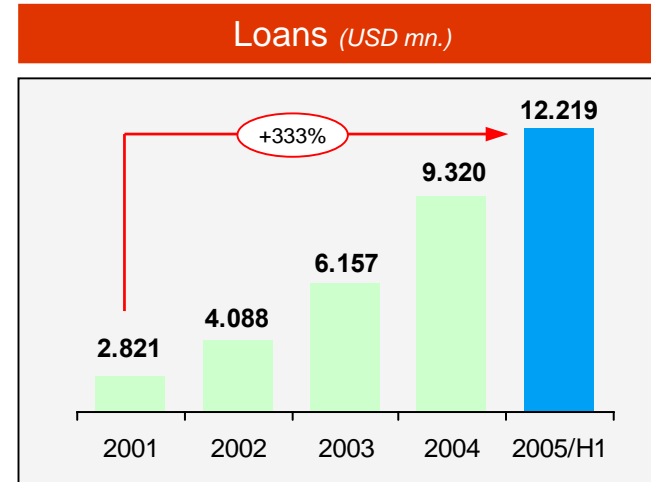
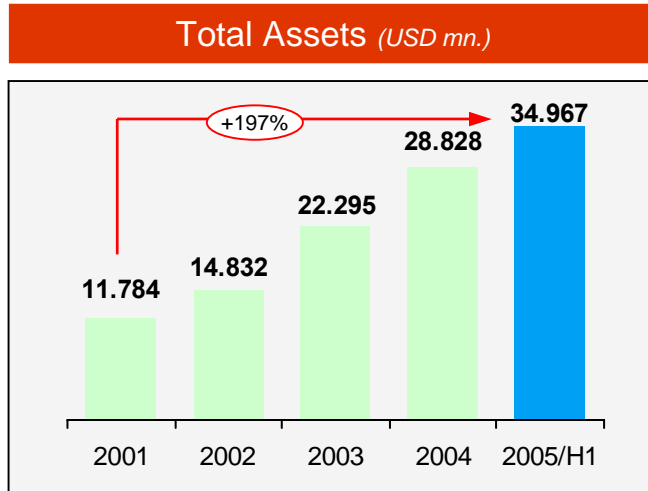
* Excluding Interbank Deposits.

**According to Interbank Card Center data as at end 2005/H1

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Impressive growth performance...

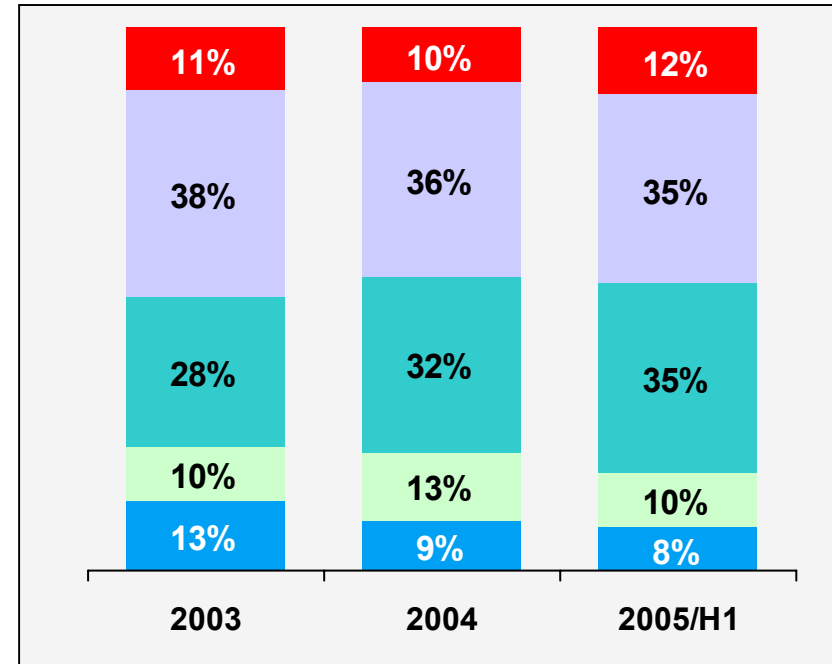
... in all key measures.



Asset composition...

... increasing share of loans.

(USD mn.)	2004	2005/H1	Change Ytd(%)
Cash & Banks	2,823	4,170	48%
Securities	10,366	12,297	19%
Loans	9,320	12,219	31%
Participations	3,611	3,601	0%
Other	2,708	2,680	-1%
Total Assets	28,828	34,967	21%



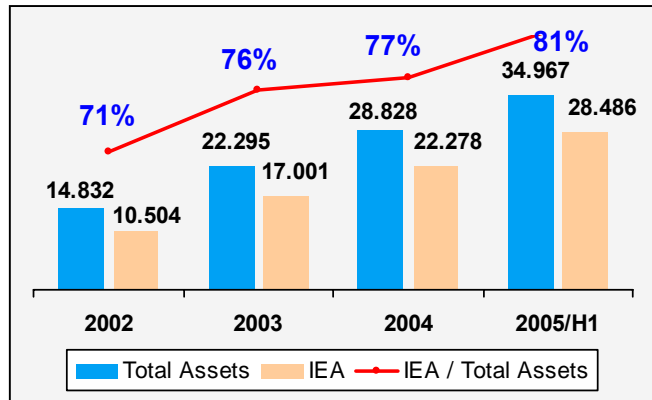
- ▶ 21% Ytd asset growth
- ▶ Share of interest earning assets in total assets is 81%.



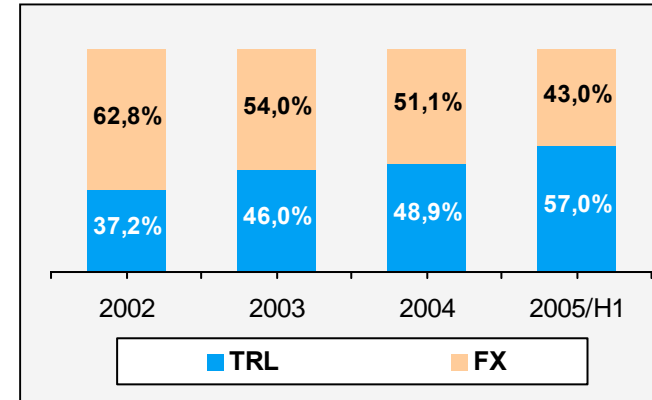
* Including Reserve Requirements

Towards a healthier assets structure...

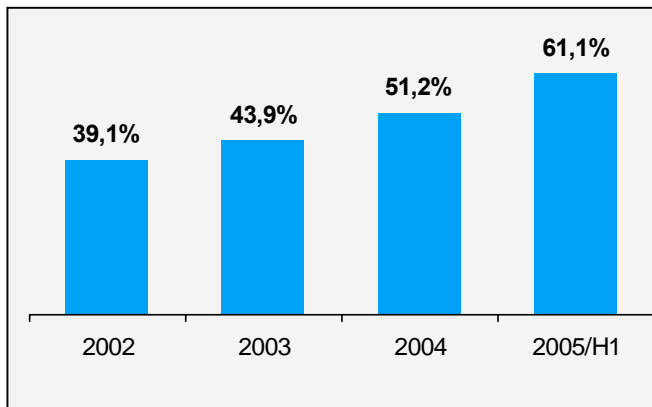
Total Assets vs IEA (USD mn)



TL / FX Mix of IEA



Loans / Deposits

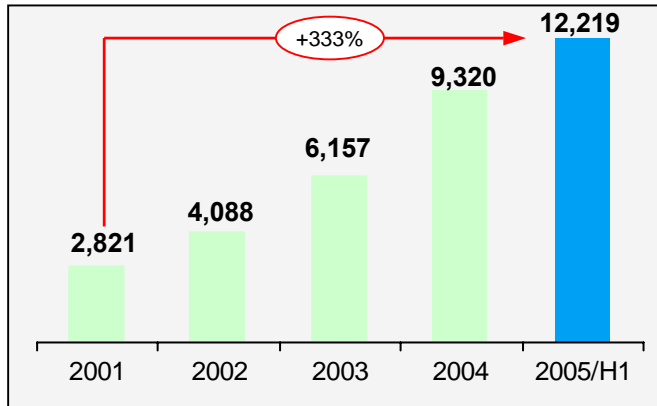


- ▶ Improving asset mix
- ▶ Shift to TRL based IEA's with higher return
- ▶ Rising 'loans to deposits' ratio

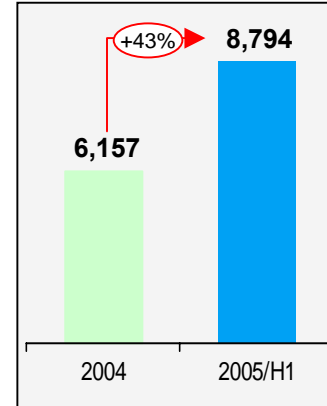
Solid lending franchise...

... a crucial competitive edge.

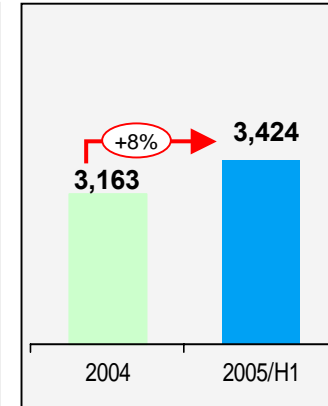
Total Loans (USD mn.)



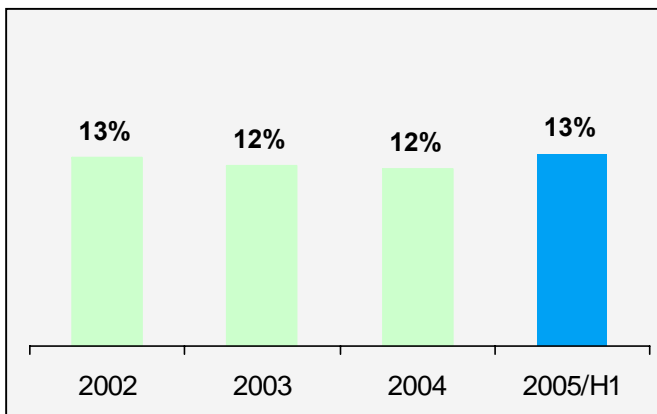
TL Loans (USD mn.)



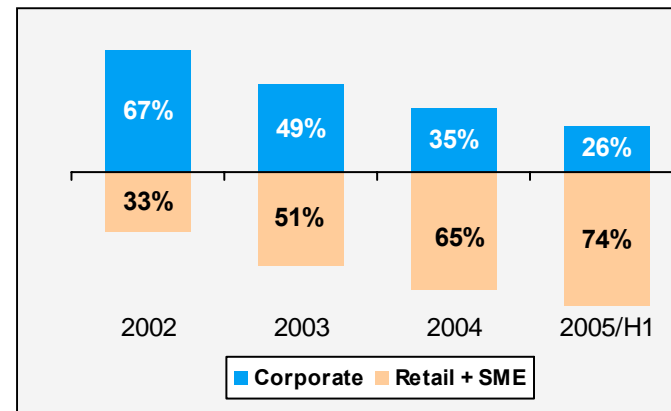
FX Loans (USD mn.)



Loans Market Share

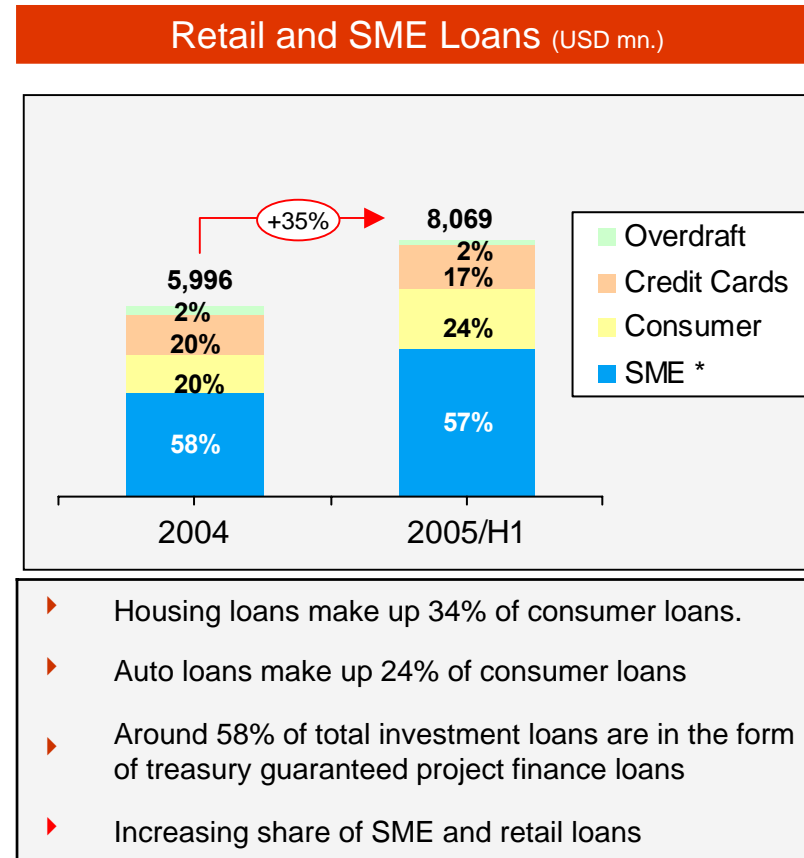
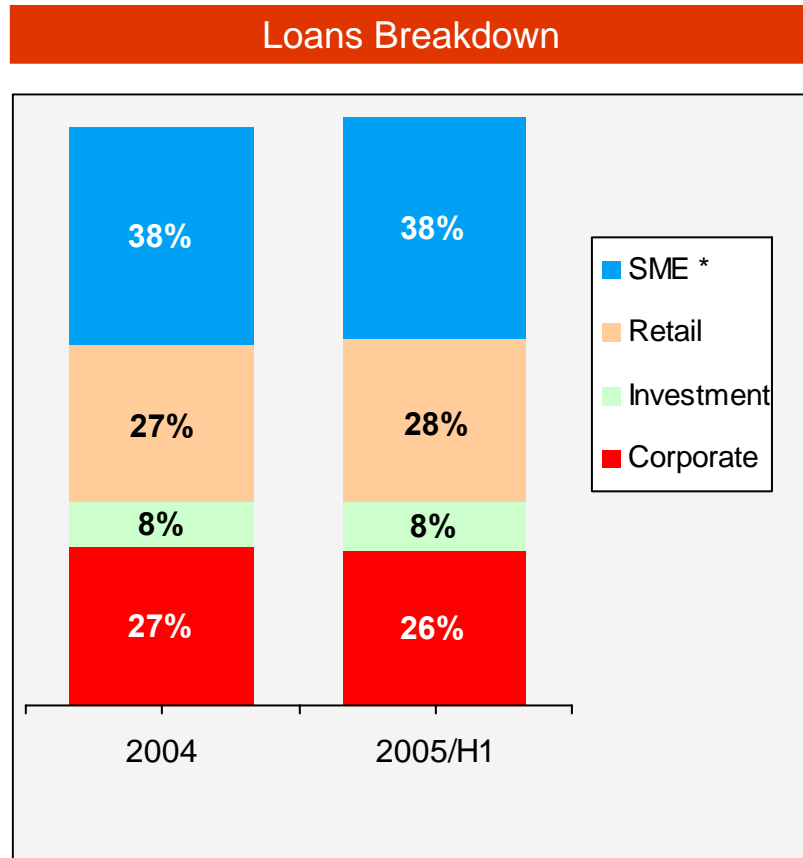


Corporate vs. Non-corporate



More retail oriented and diversified loan portfolio...

... 72% comprised of retail and SME loans.

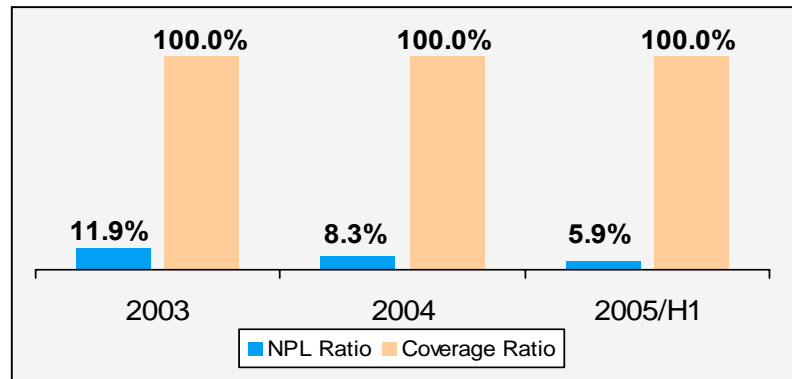


* Including commercial vehicle, commercial property loans, corporate credit card and overdraft accounts

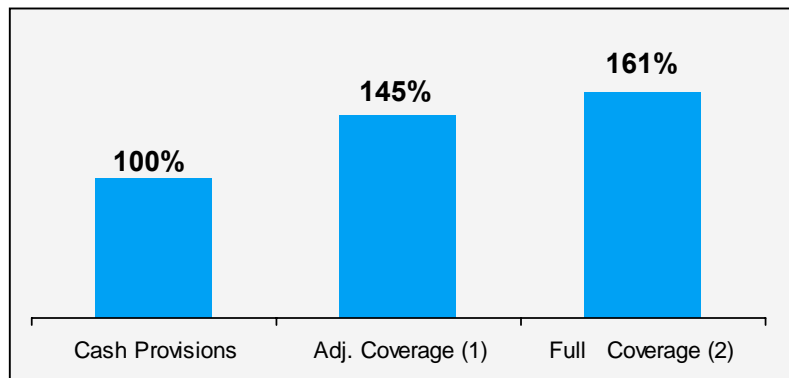
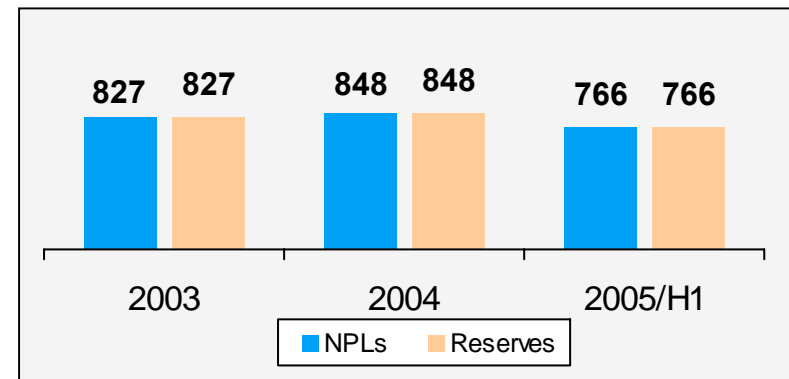
Improving loan quality...

... marked by continuing decrease in NPL ratio and 100% NPL provisioning.

NPL vs. Coverage Ratio



NPLs & Loan Loss Reserves (USD mn.)



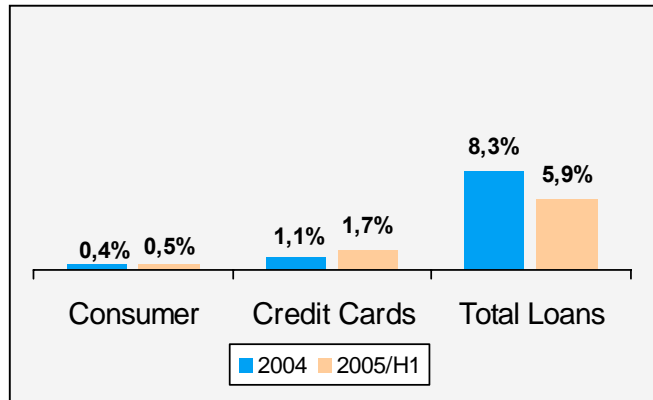
- ▶ 100% NPL provisioning since 31.12.2003
- ▶ Prominent improvement in NPL ratio due to restructuring, collections and loan growth
- ▶ High provisioning generates hidden reserves

(1) Adjusted value of collaterals + loan loss provisions

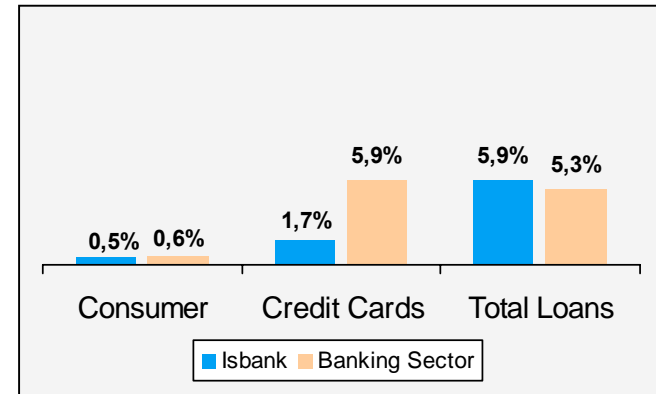
(2) Book value of collaterals + loan loss provisions

Continuous recovery in loan portfolio

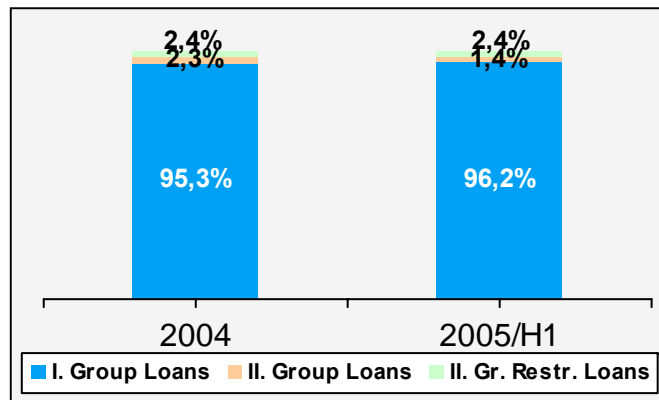
NPL Ratio by Loan Categories



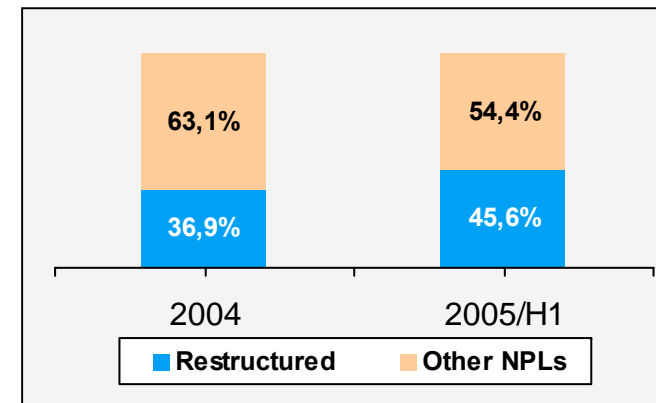
NPL Ratios – Isbank versus Sector



Performing Loan Groups



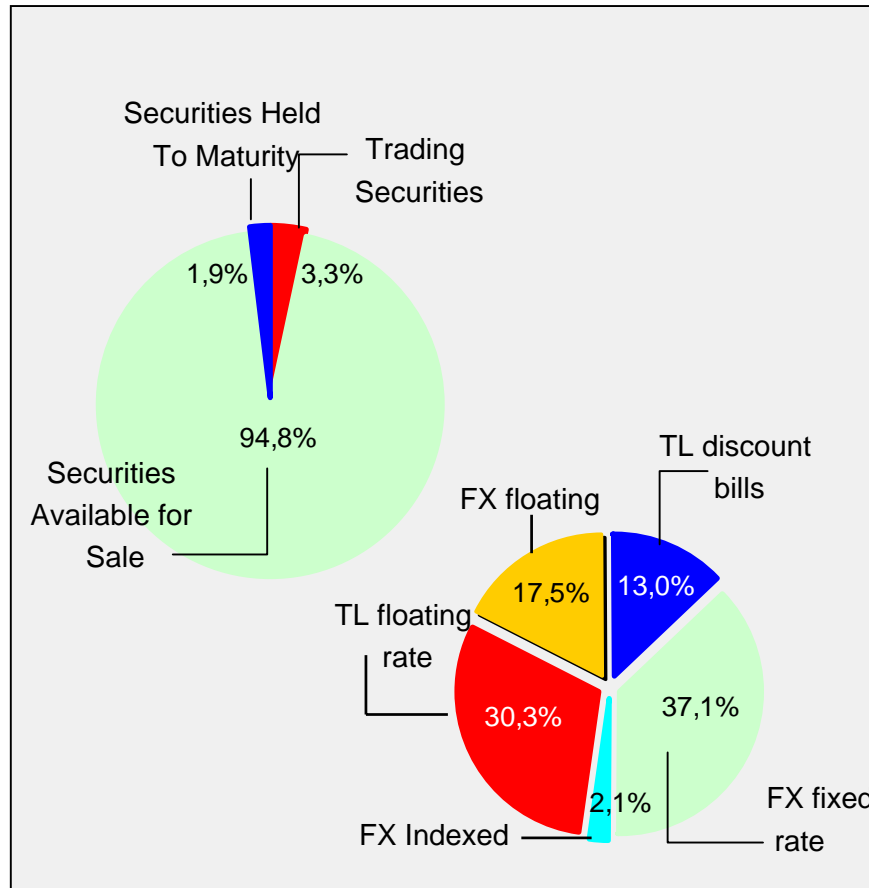
NPL Breakdown



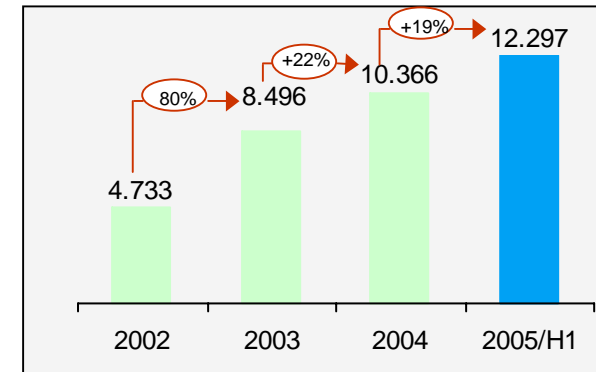
Securities portfolio...

... the largest asset component.

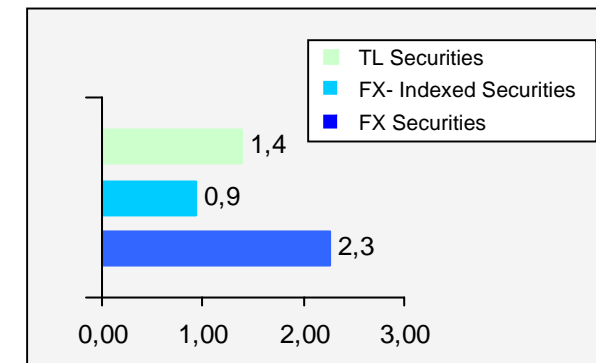
Breakdown of Securities Portfolio (30.06.2005)



Total Portfolio (USD mn.)

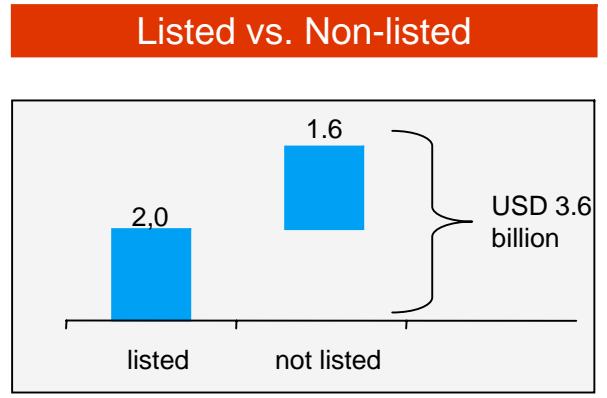
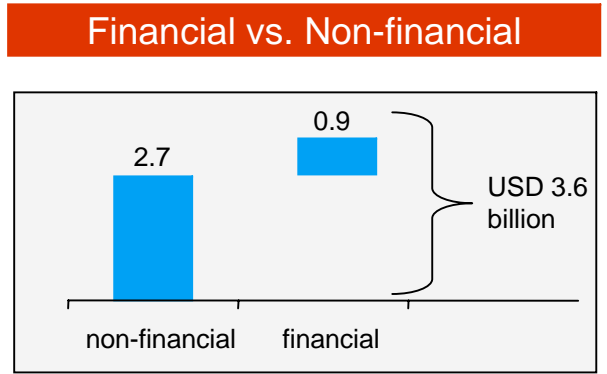
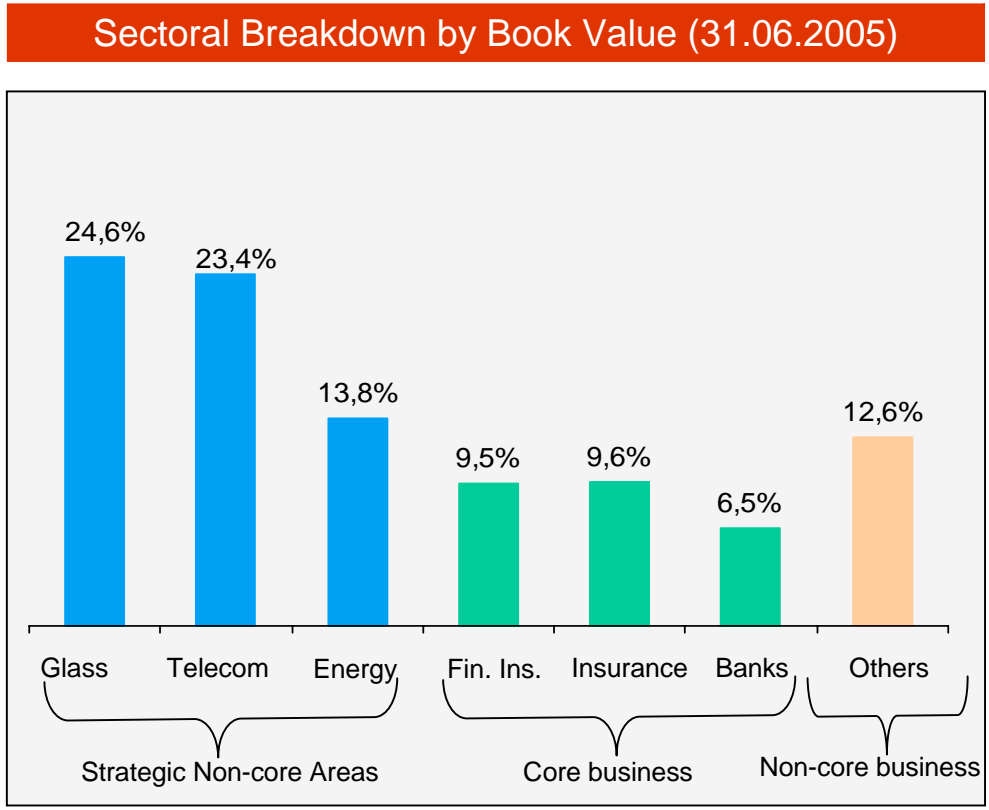


Average Maturity (Years)



A diversified equity participation portfolio...

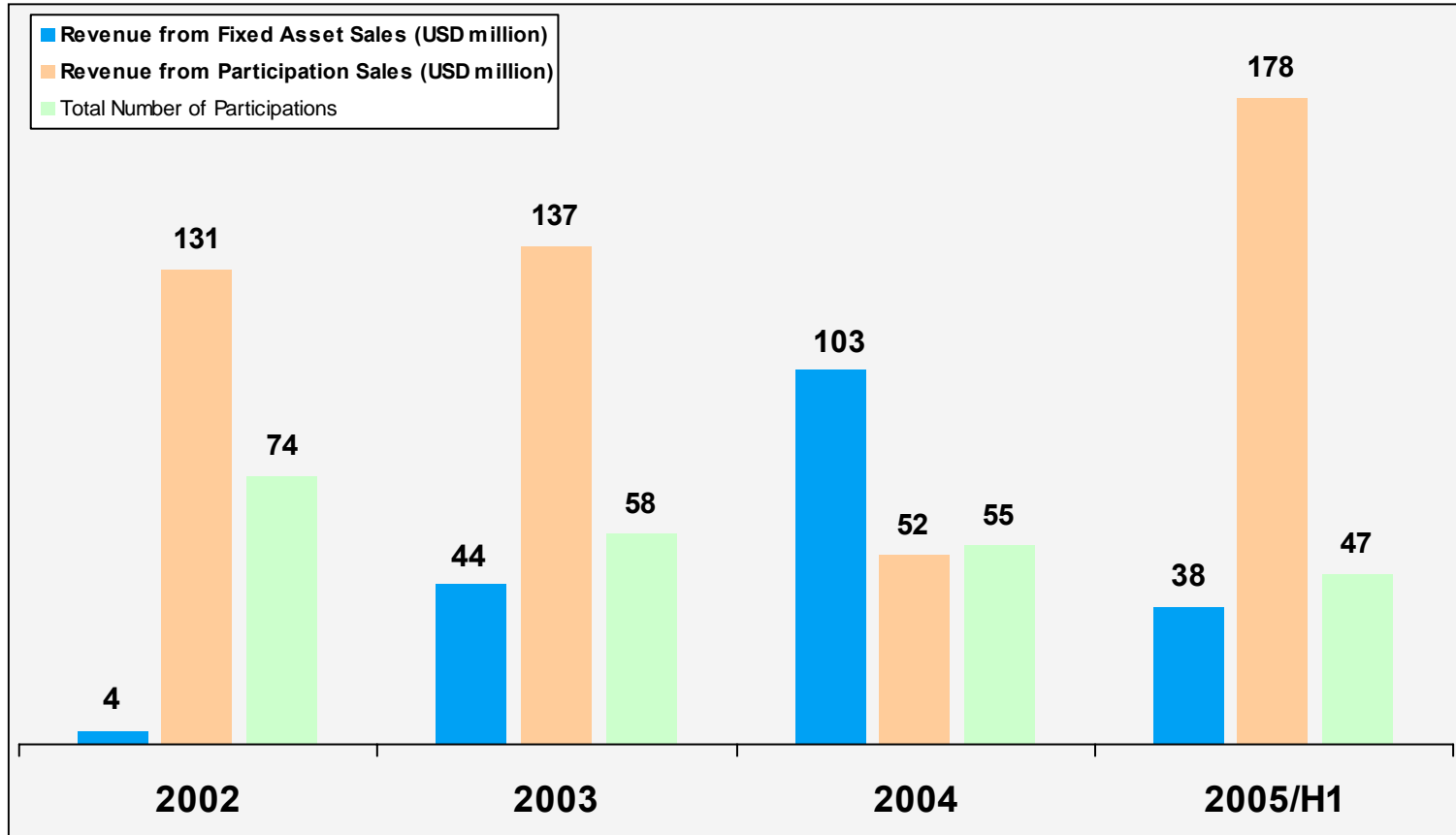
... operating in financial and non-financial sectors.



- ▶ As at June 2005 Isbank has 47 participations in various sectors.
- ▶ Non-strategic equity holdings will be divested under favorable economic conditions.
- ▶ Increasing value of participations in line with economic recovery due to mark-to-market gains.

Asset disposals since 2002...

... have reinforced free equity and IEA.

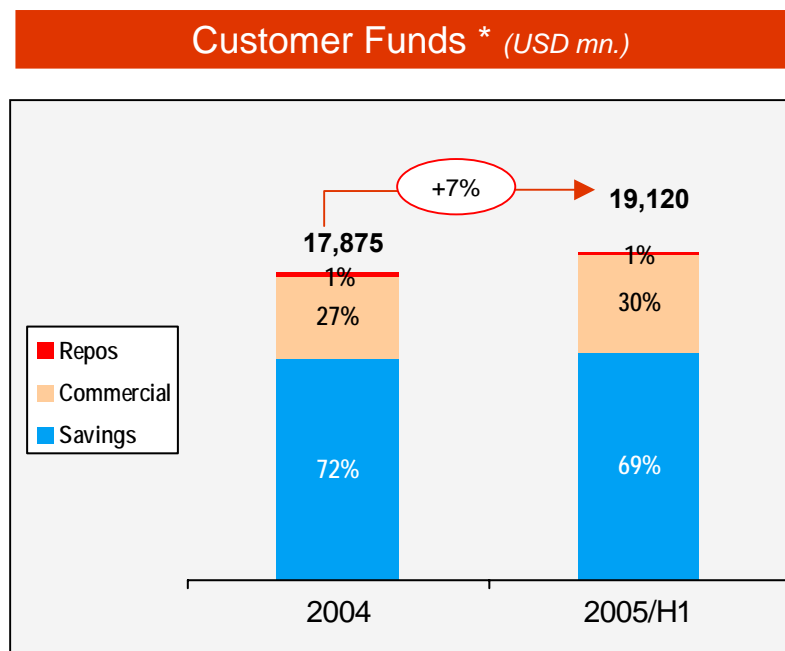


- ▶ Shares in 27 equity participations have been divested.
- ▶ A total of USD 687 million gained from the sales.

Strong fund generation capability...

... driven by flight to quality, strong franchise and solid reputation.

(USD mn.)	2004	2005/H1	Change Ytd (%)
Deposits	18,204	20,009	10
REPOs	599	2,476	313
Funds Borrowed	2,892	4,413	53
Other	1,414	2,032	44
Equity	5,719	6,037	6
Total Liabilities	28,828	34,967	21



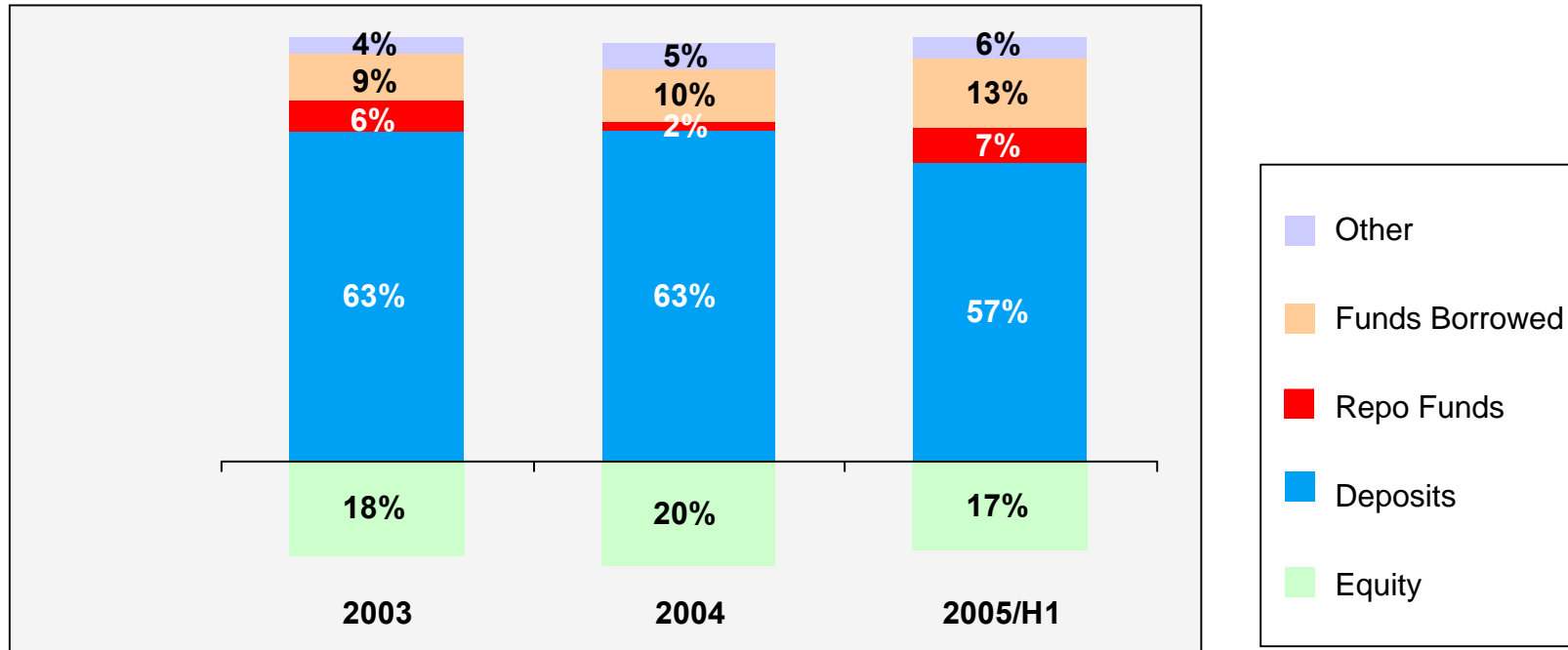
- ▶ YoY increase in TL liabilities is 33 % vs. 7% in FX liabilities.
- ▶ Rising share of borrowed funds

- ▶ Customer funds compose 55 % of total liabilities
- ▶ Sustained growth of saving deposits reflects diversified and widespread funding base

* Excluding bank deposits.

Liabilities composition...

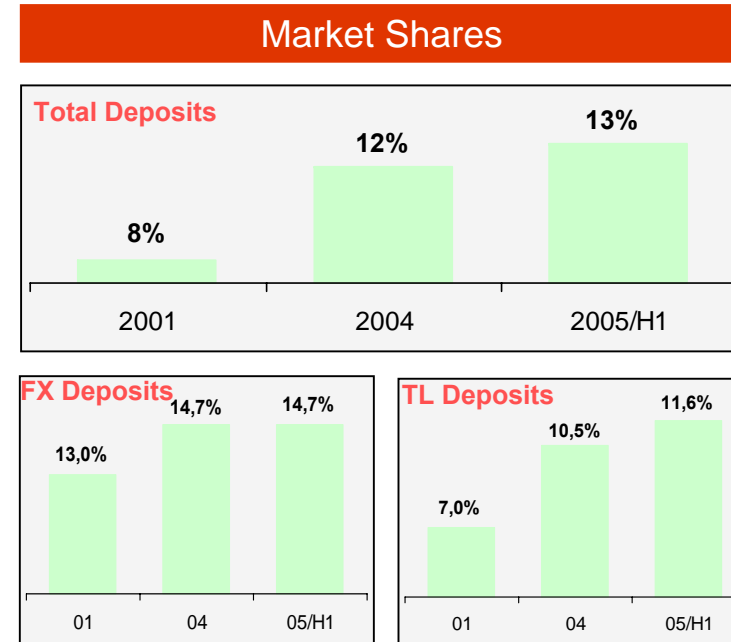
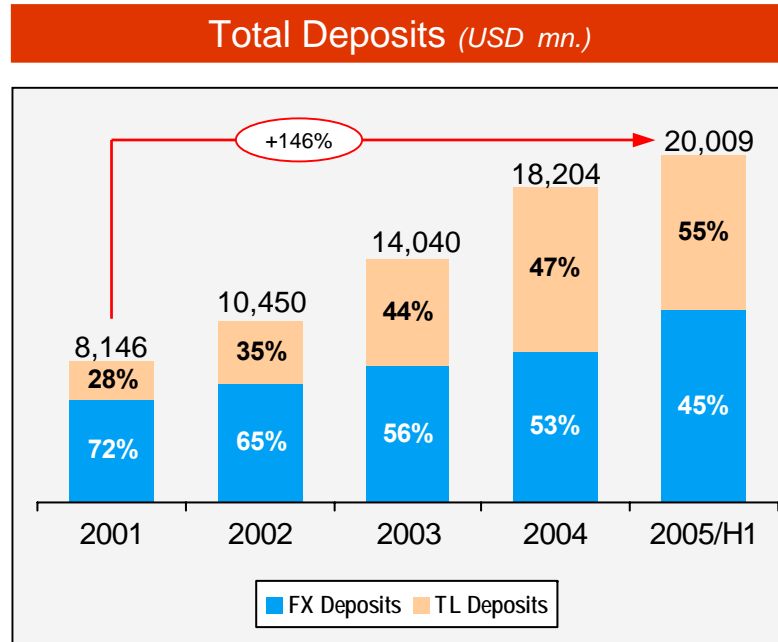
... reflects sound funding structure and adequate capitalisation.



- ▶ Strong deposits base remains as the main source of funding
- ▶ Increasing borrowings enhance balance sheet growth
- ▶ Sufficient capital base underpins growth of RWA

Largest deposits franchise...

... is a clear indicator of customer trust.



- ▶ Well diversified retail customer base
- ▶ Unmatched domestic franchise
- ▶ Enjoying the advantage of safe haven status
- ▶ Minimum level of price sensitivity

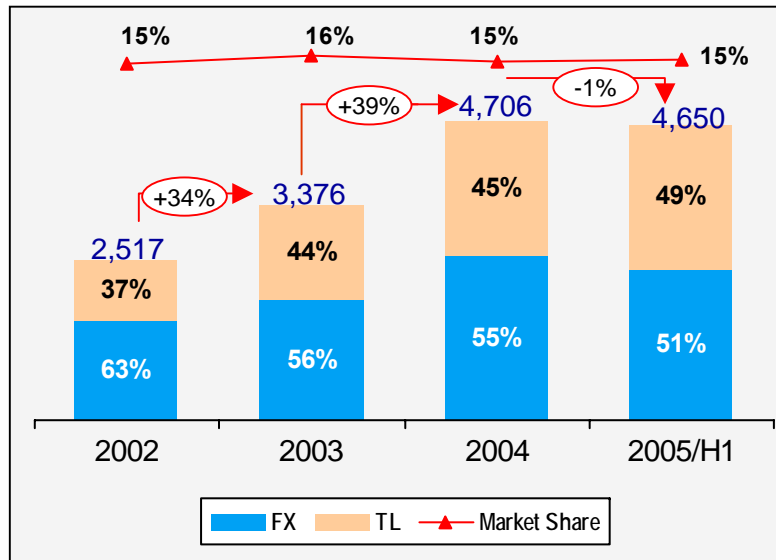
- ▶ Increasing market share in TL, FX* and total deposits
- ▶ Lowest cost of FX deposits among peers

(*) Excluding interbank deposits

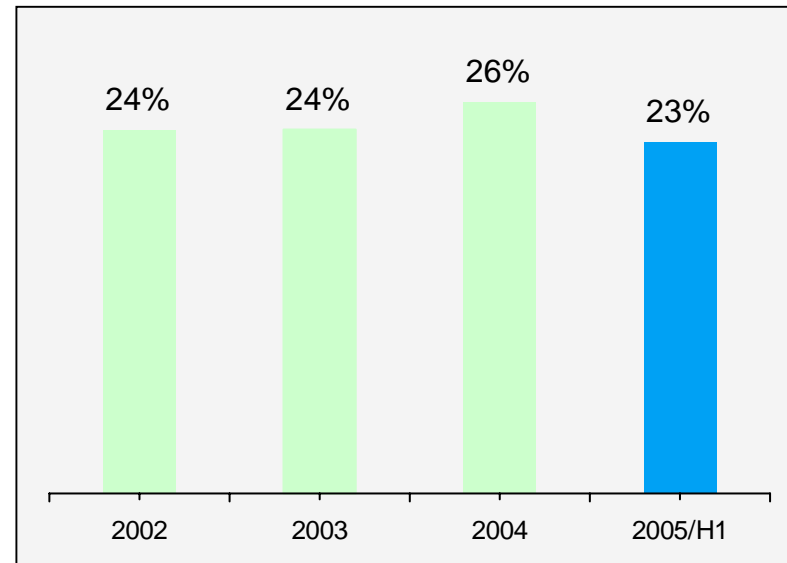
Demand deposits ...

... are the main contributor to lower cost of funding.

Demand Deposits (USD mn.)



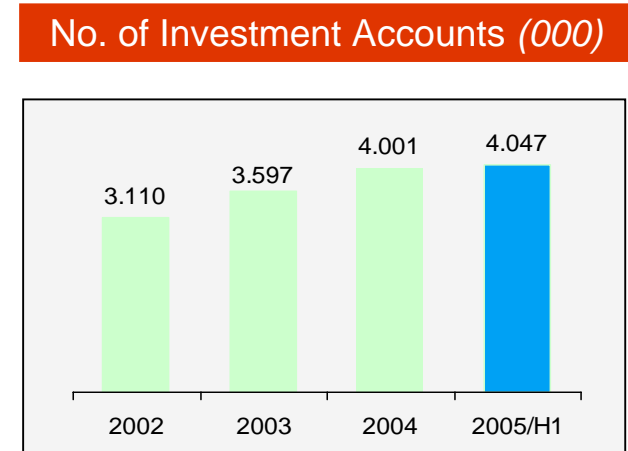
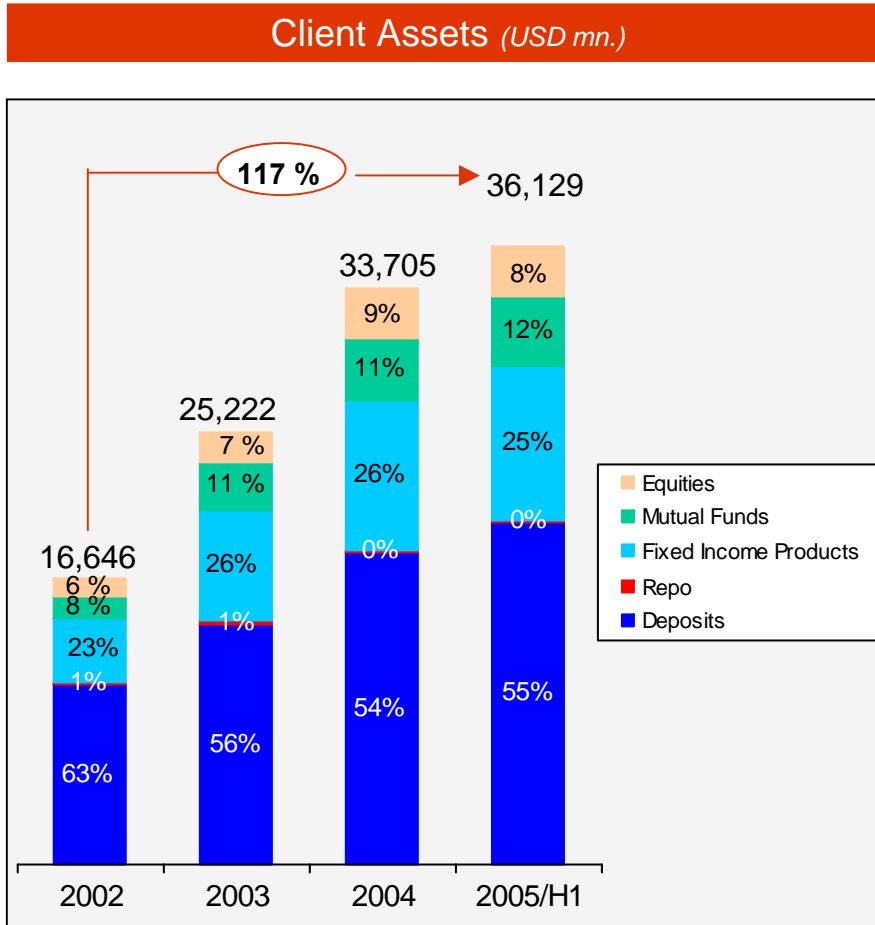
Demand Deposits / Total Deposits



- ▶ Largest and most stable demand deposits market share among private sector banks
- ▶ 17 % of funding is in the form of almost cost free demand deposits

Client assets under management...

... has exceeded a remarkable total of USD 36 billion.



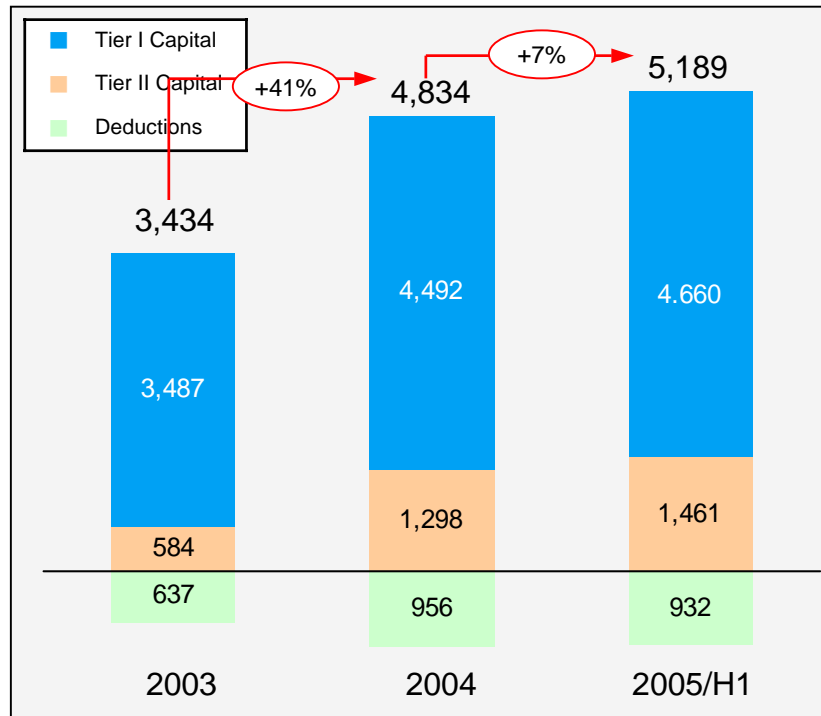
Assets under management more than doubled since 2002.

Fixed income securities in custodian accounts will create a potential for deposit growth with the fall of interest rates and equalization of tax rates.

Highest level of capitalisation...

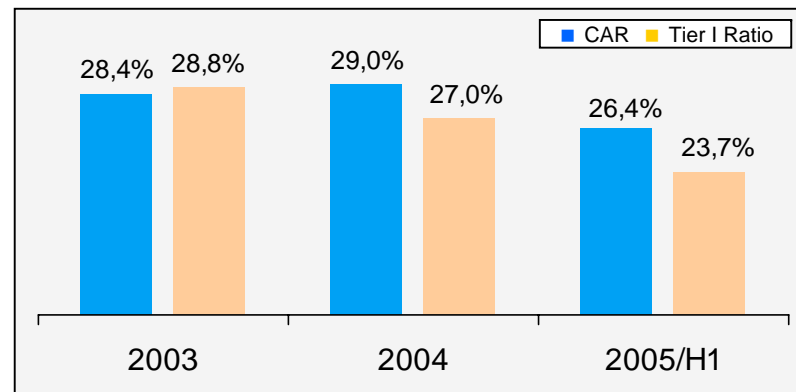
... and highest CAR support balance sheet growth going forward.

Regulatory Capital (USD mn.)

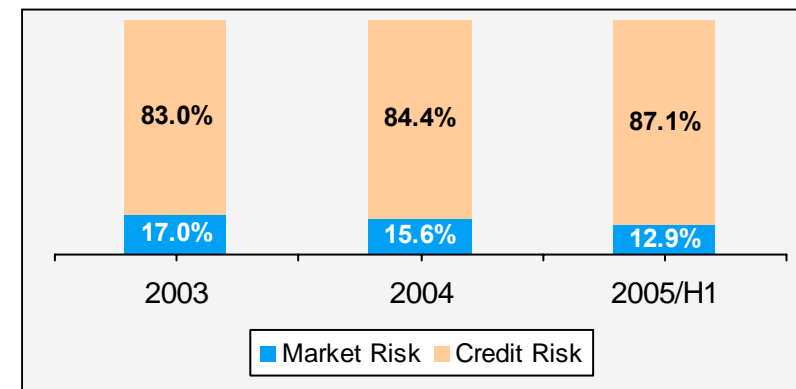


- ▶ Tier I capital makes up the bulk of capital base.
- ▶ High CAR allows further expansion of RWA.

Capital Adequacy

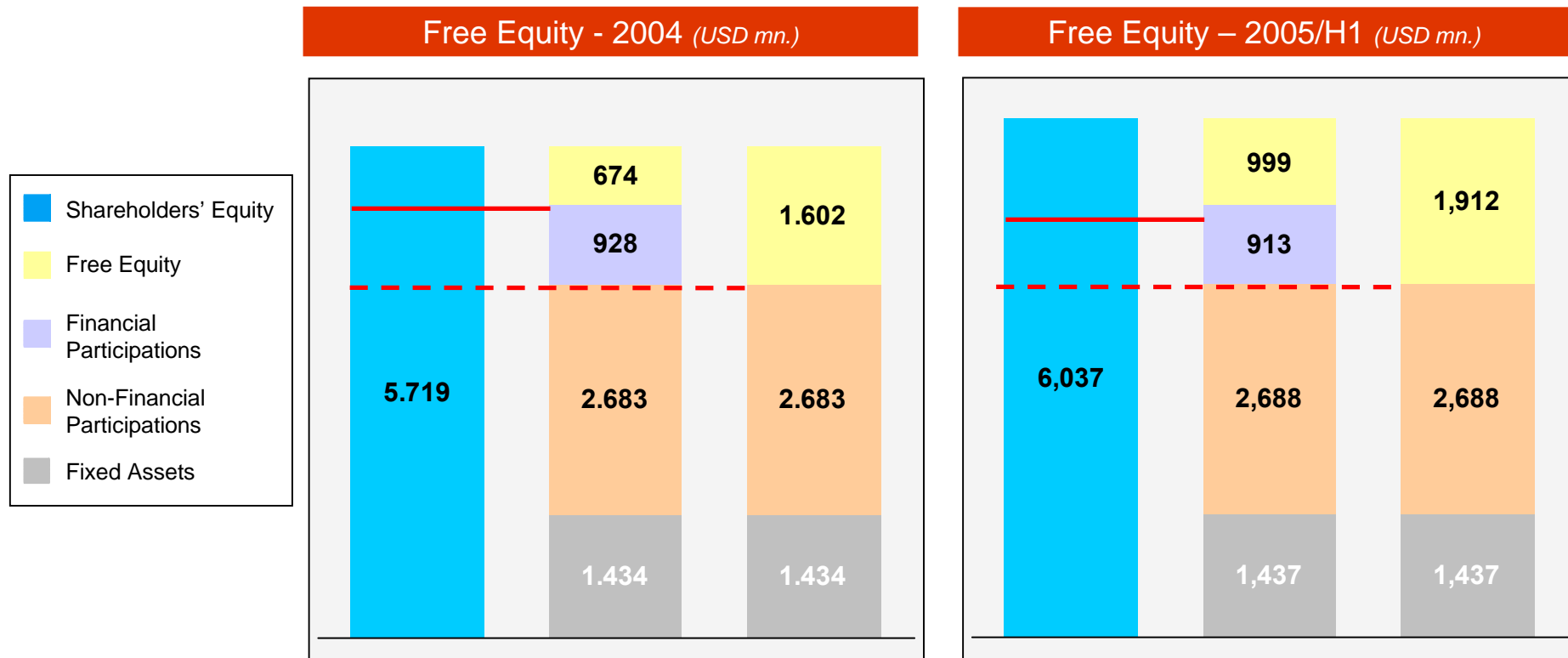


Risk Weighted Assets



Visible improvement in free equity ...

... thanks to asset disposals and superior profitability.



Income statement highlights

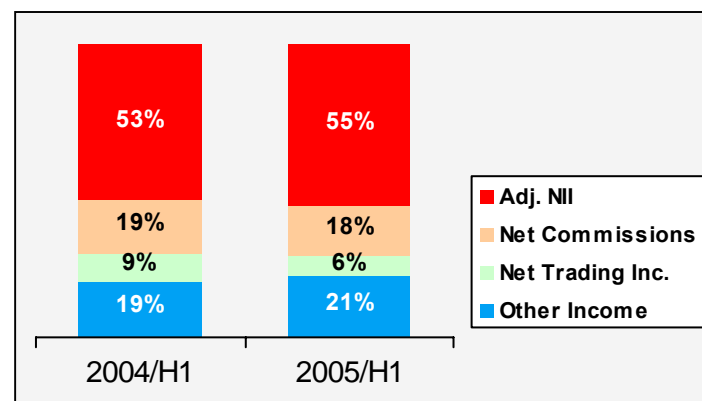
(USD mn.)	04H1 ⁽¹⁾	05H1	Change YoY
Adj. Net Interest Income ⁽²⁾	702	987	41%
Net Commissions	246	314	28%
Net Trading Income	123	112	-9%
Released Provisions	140	245	75%
Other Operating Income	113	140	24%
Net Banking Income	1,324	1,798	36%
Personnel Expenses	271	309	14%
Adm. Expenses	121	146	21%
Other Op. Expenses	118	140	19%
Operating Profit	815	1,203	48%
Provision Charges ⁽³⁾	495	856	73%
Net Monetary Gain/Loss	-39	0	-
Net Profit	280	348	24%

(1) Restated to 2004 year-end

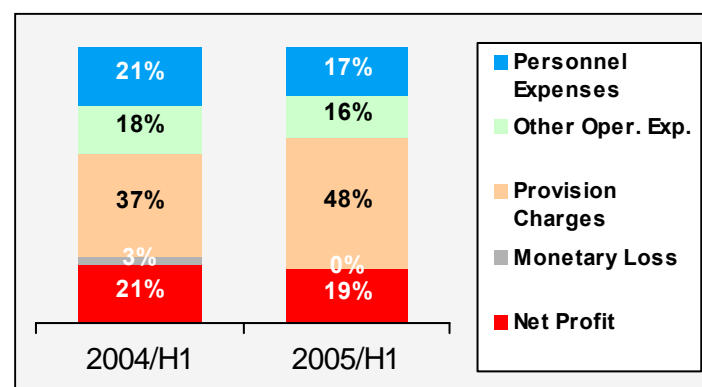
(2) Adjusted for FX Gains/Loss

(3) Provision Charges inc. Prov. For taxes, exc. Prov. for loss from exchange rate differentials of FX-indexed loans

Net Banking Income Composition

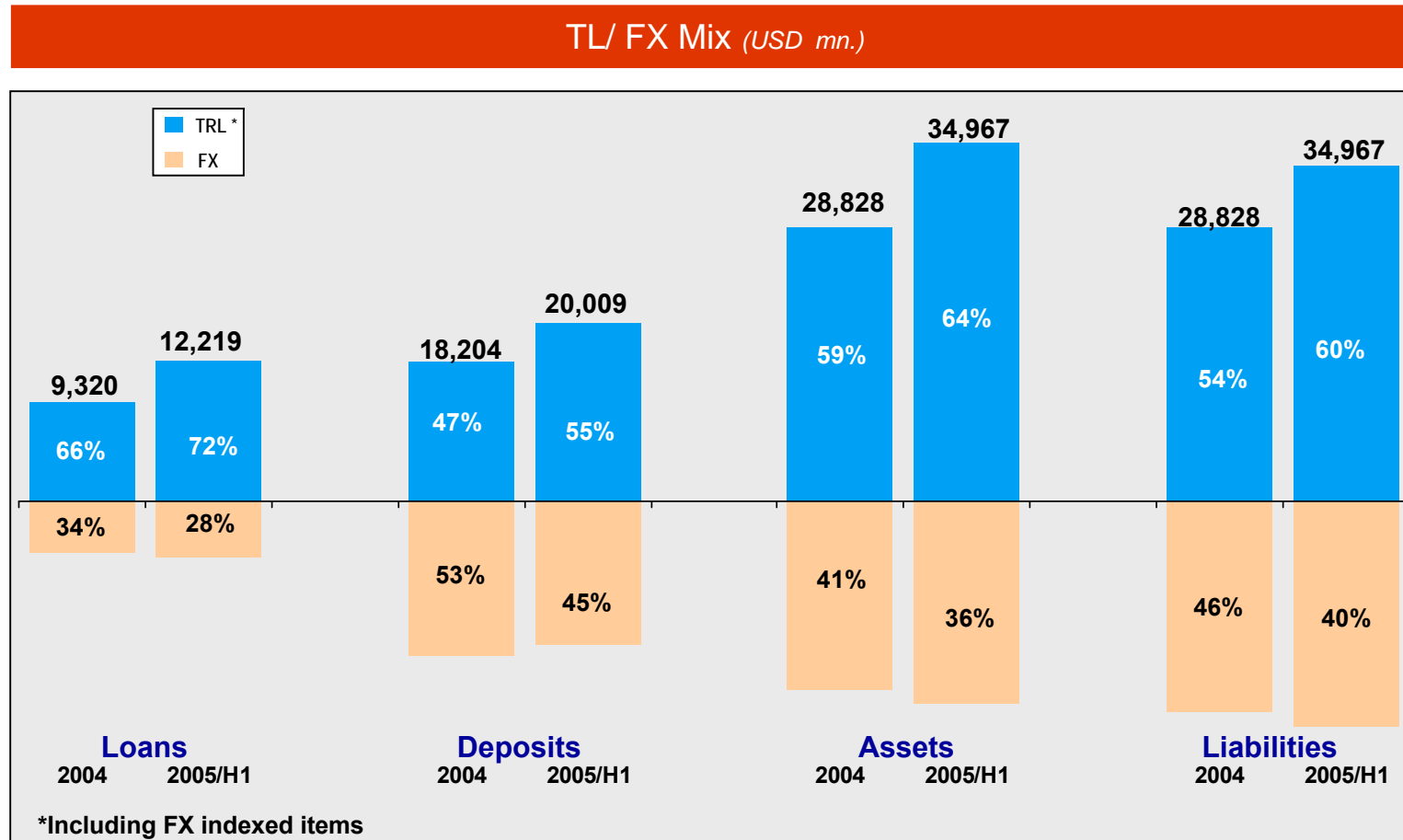


Allocation of Net Banking Income



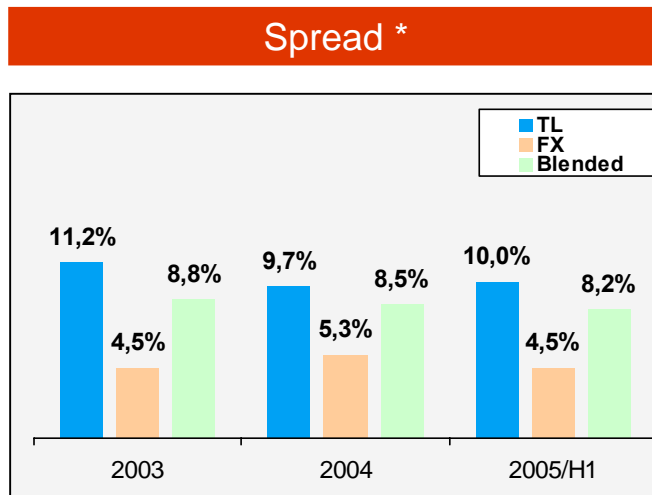
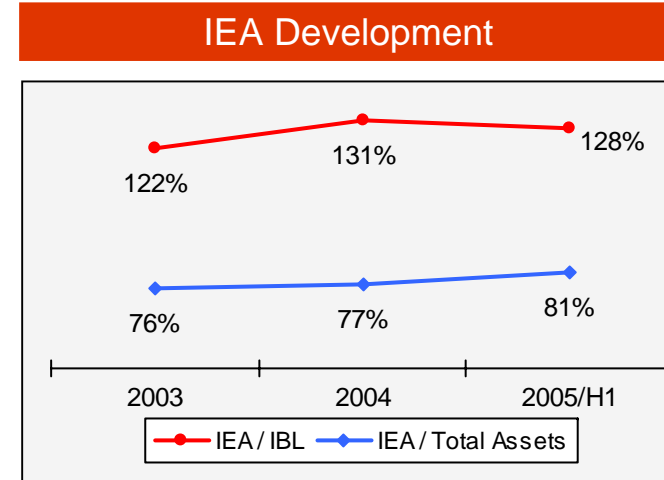
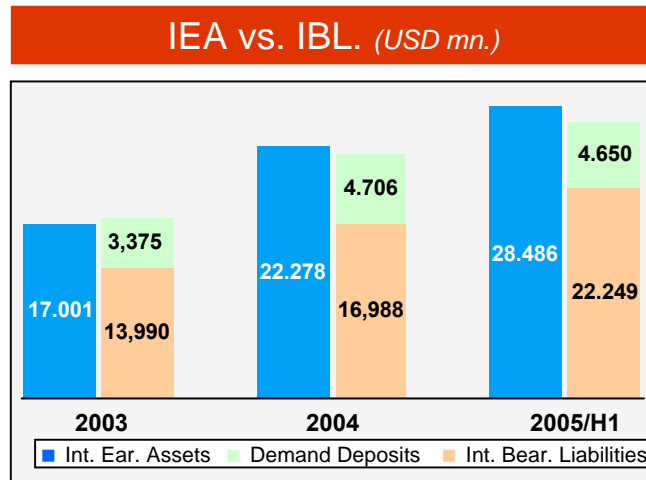
TL/ FX mix...

... has been changing in favour of TL.

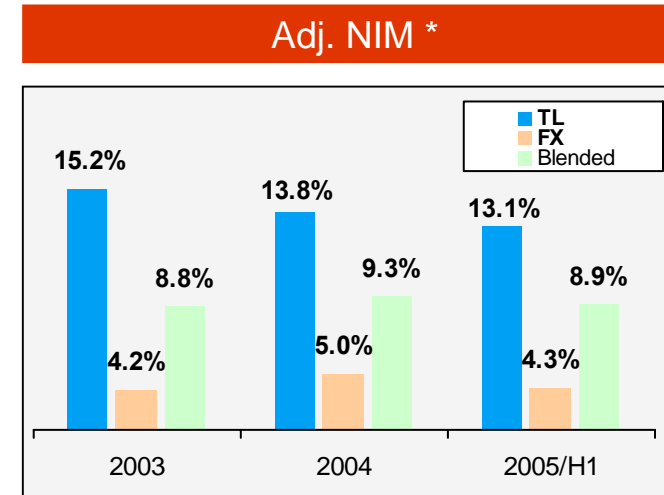


Increasing volume of interest earning assets...

... contributes to net interest margin improvement.

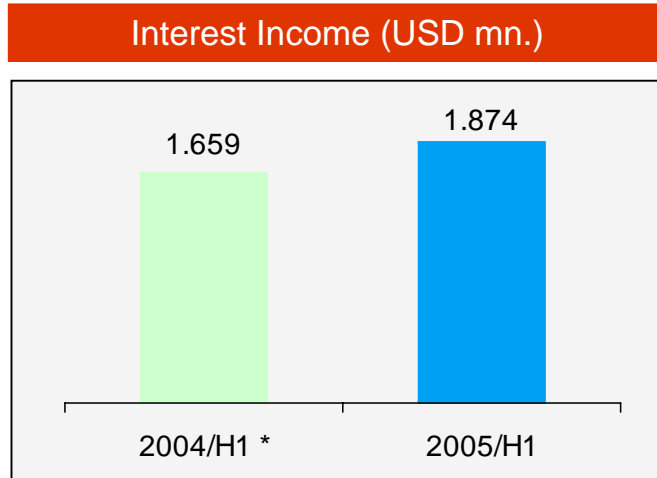


* Adj. for Net Trading Income

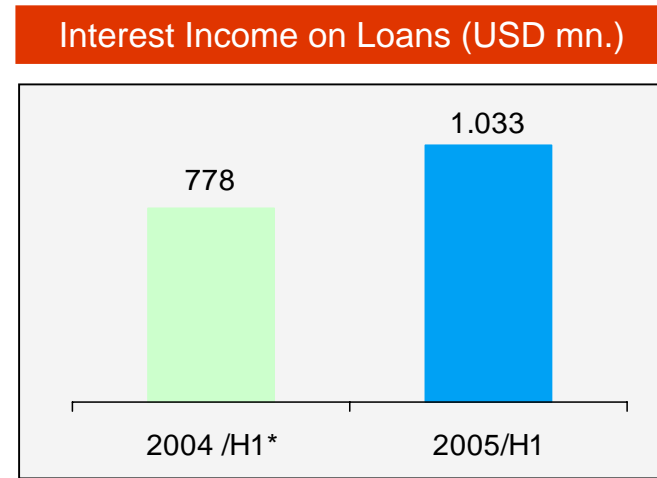


* Adj. for FX Gains / Losses and Net Trading Income

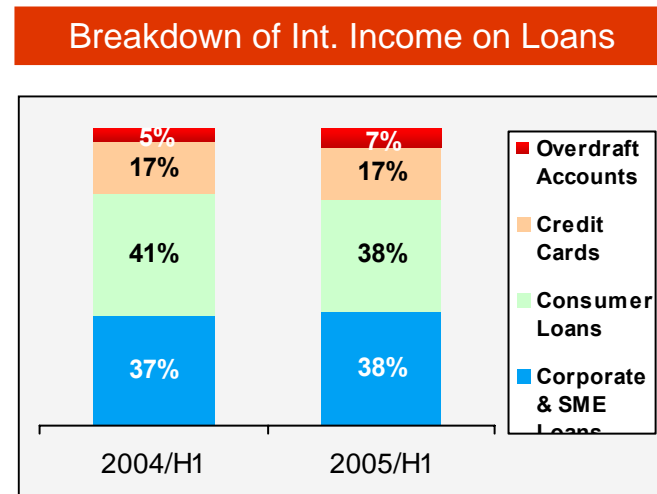
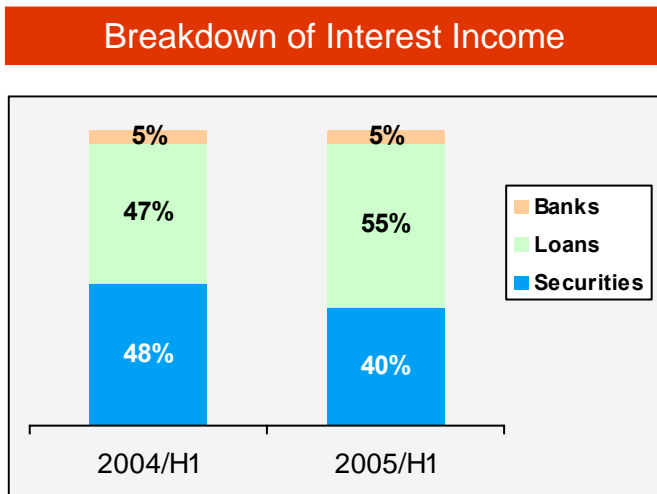
Breakdown of interest income



* Restated to 2004 year-end

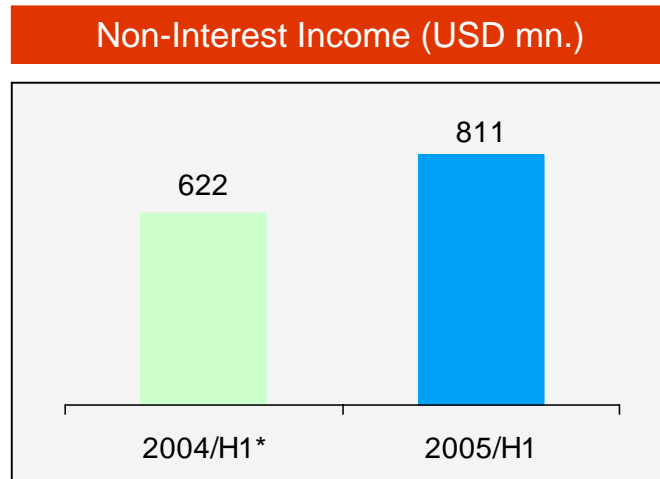


* Restated to 2004 year-end

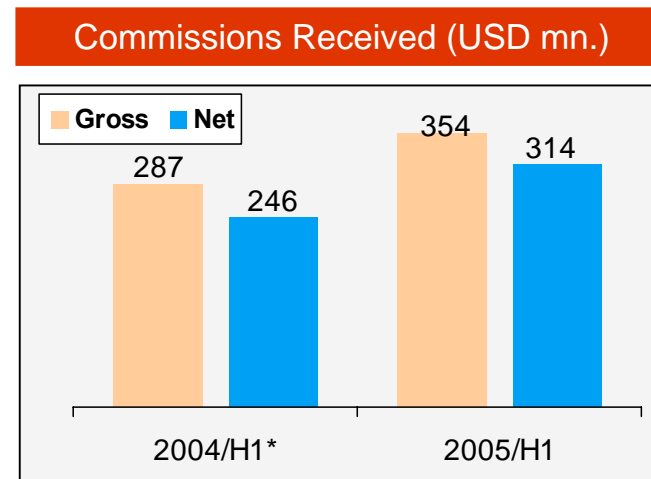


Robust non-interest income performance...

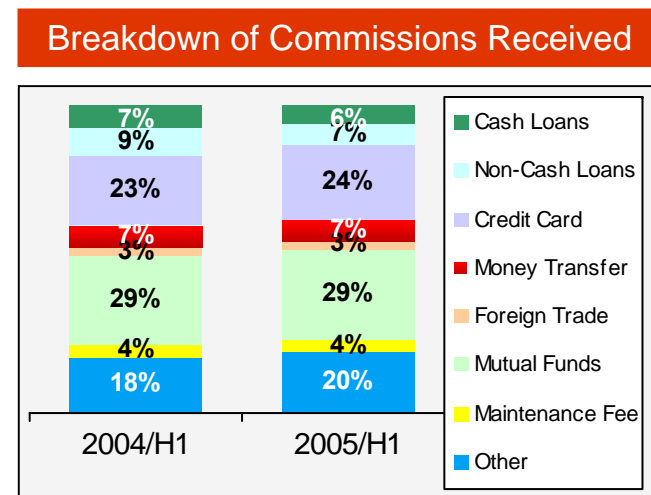
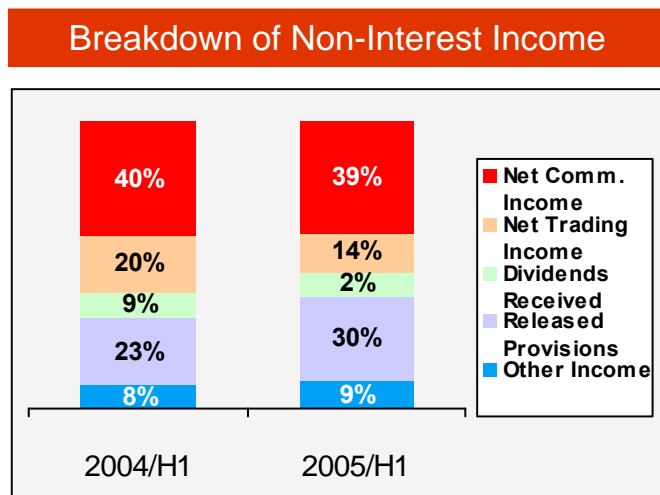
... supported by superior retail and corporate franchise.



* Restated to 2004 year-end

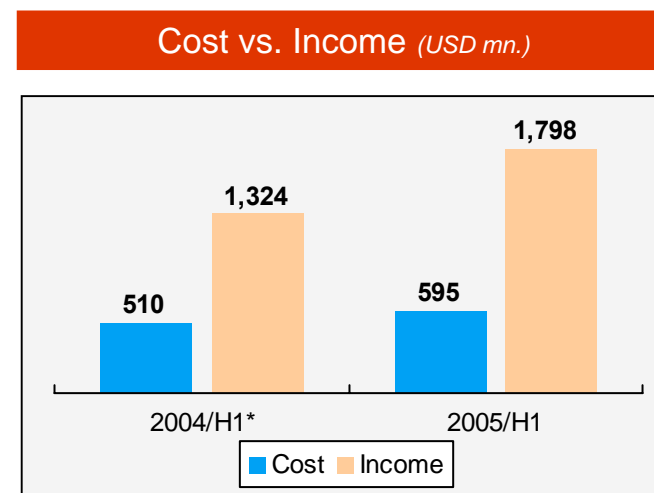
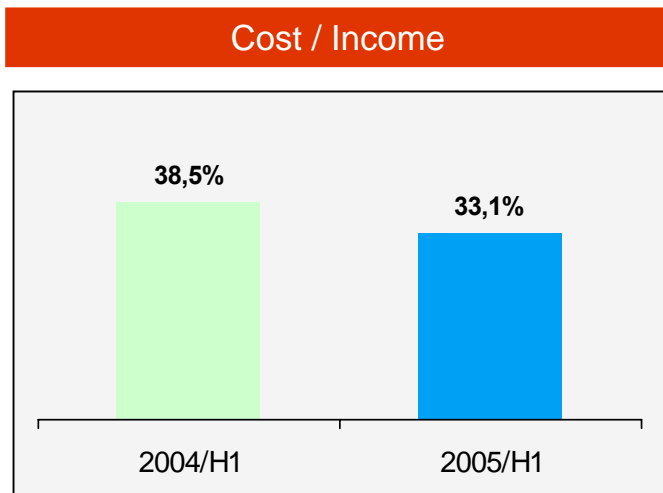
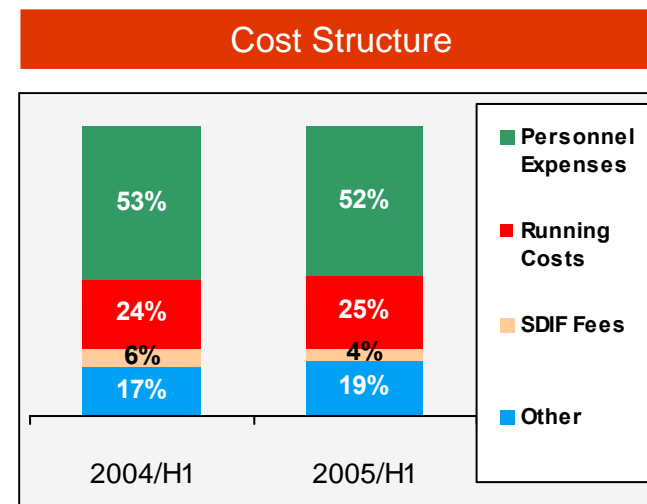
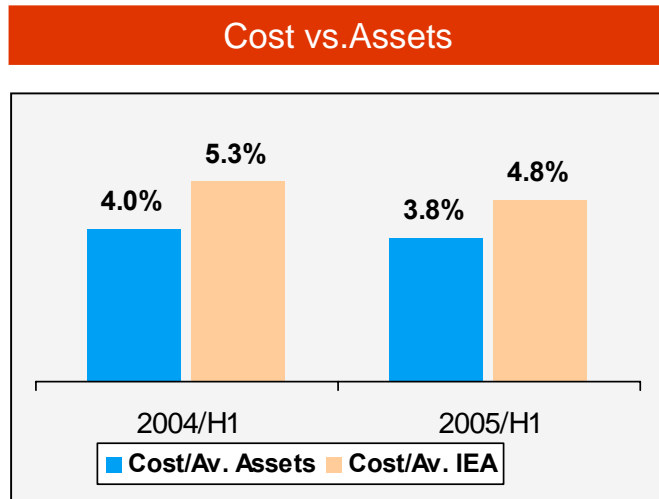


* Restated to 2004 year-end



Effective cost management and increased profitability...

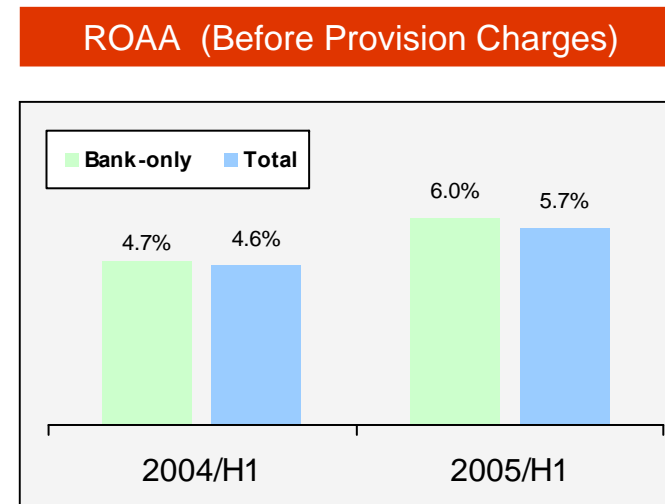
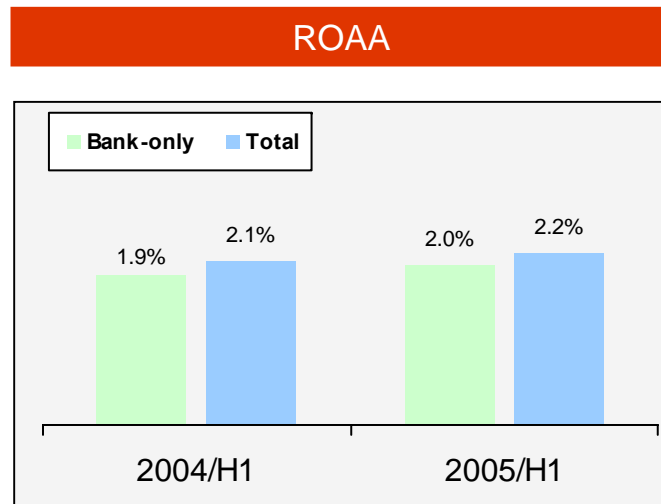
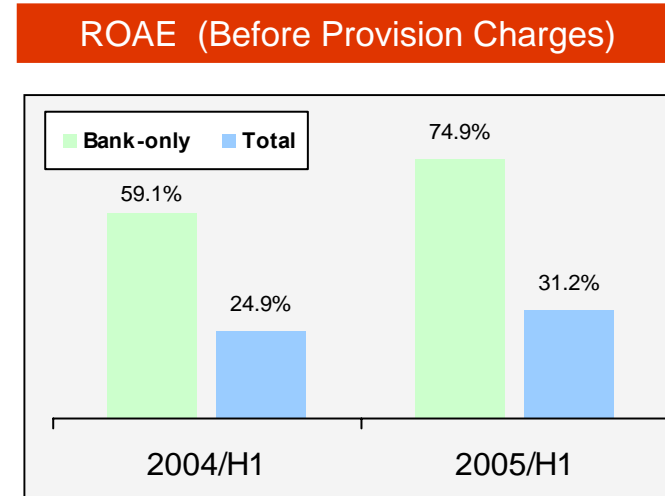
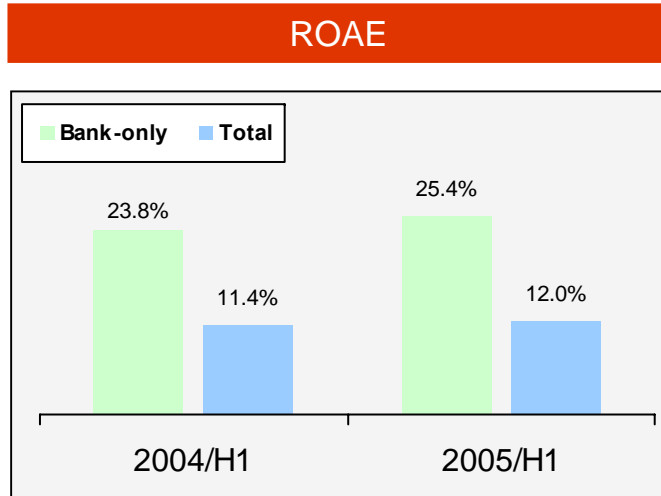
... resulted in best improvement in cost/income among peers.



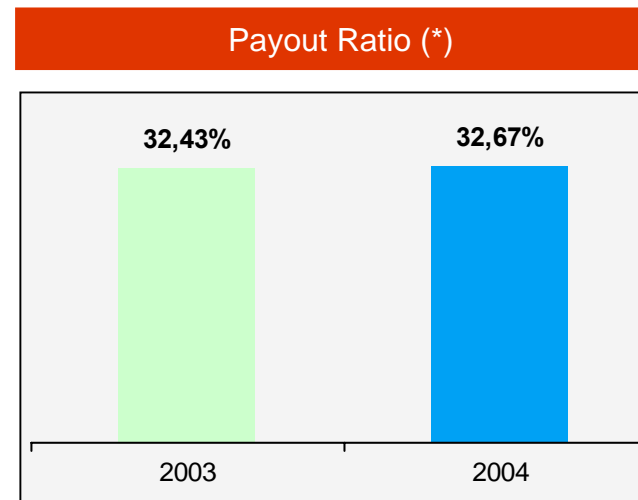
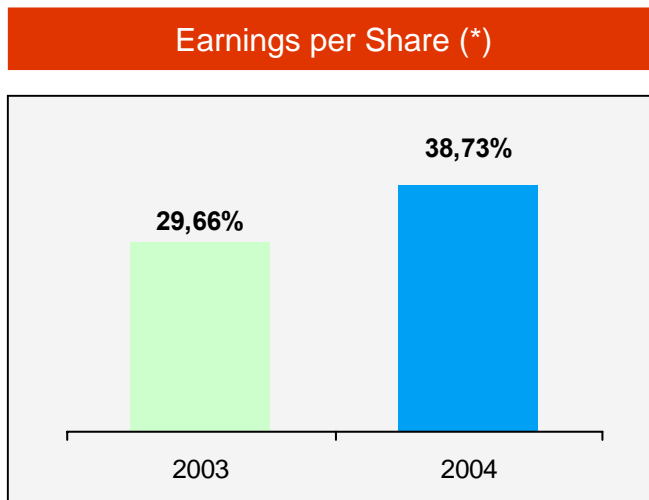
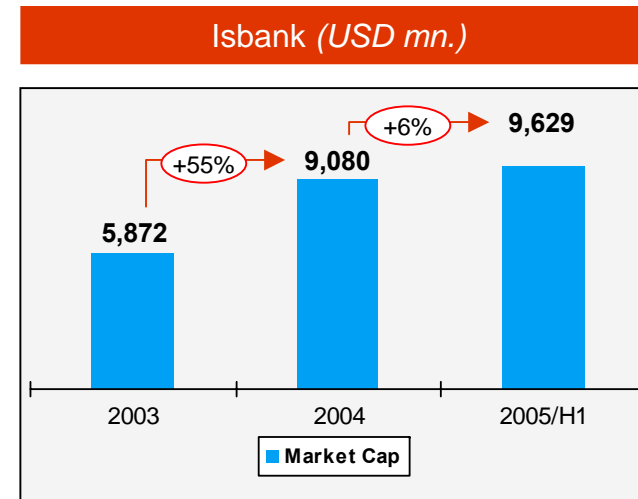
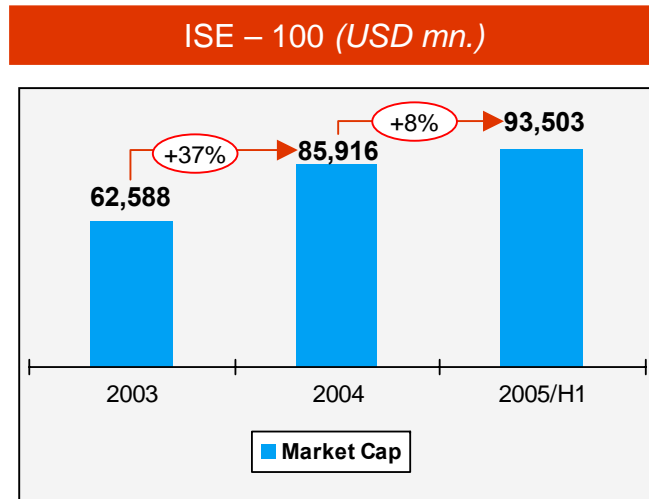
* Restated to 2004 year-end

Higher profitability...

... reflected in improved ratios.



Stock performance and dividend distribution



* Net profit / Paid-up capital

* Dividend / Net Profit

Advantages of Isbank...

... to maintain high profitability in the low interest environment

- ✓ Well positioned banking business to benefit from economic recovery and opportunities of newly forming mortgage market with high growth potential
- ✓ Appropriate positioning of balance-sheet to take maximum advantage of rate falls
- ✓ Increasing share of higher yielding TL IEA and gradual shift from securities to loans
- ✓ Rising share of interest earning assets and improving free equity
- ✓ Sound non-operational cash generating opportunities from loan loss provision reversals and non-core assets sales
- ✓ Strong and stable non-interest income generation capability
- ✓ Further efficiency improvement possibility

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Among the top three in credit card business



Credit Cards

- ▶ 14 different products for different customer segments
- ▶ The first and only bank in Turkey which has made an agreement with the world's fourth largest payment system JCB
- ▶ Reward points by more than 65,356 merchant firms through 100,466 chains, called "Maxipuan"
- ▶ 11.1 % market share in number of cards and 13.4 % market share in transaction volume
- ▶ Low NPL ratio of 1.65 % due to prudent policies and advanced Credit Scoring System
- ▶ High commission generating capability and significant contribution to fee income

(USD mn.)

	2004/H1	2005/H1	Change
Issuing Volume	2,647	3,954	49%
Issuing Volume Market Share	14%	13%	-
Acquiring Volume	2,404	3,662	52%
Acquiring Volume Market Share	13%	13%	-
Balance	812	1,468	81%
Number of Cards (000)	2,687	3,160	18%

* According to Interbank Card Center data as at 2005/H1.

Capital market operations...

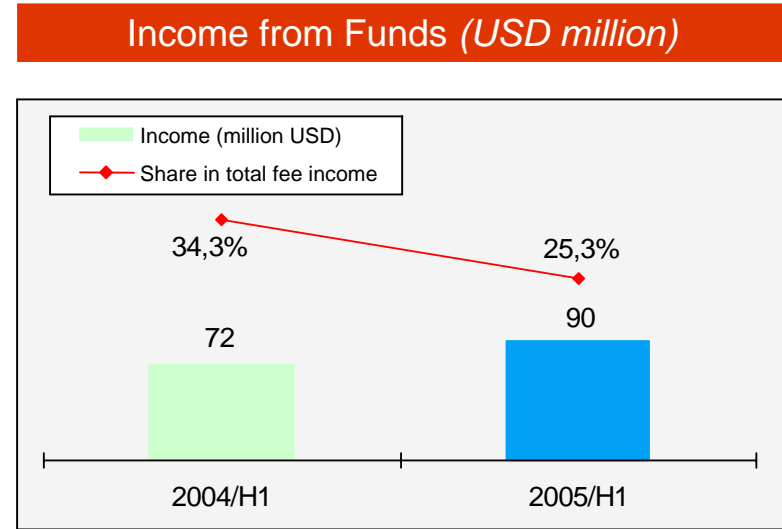
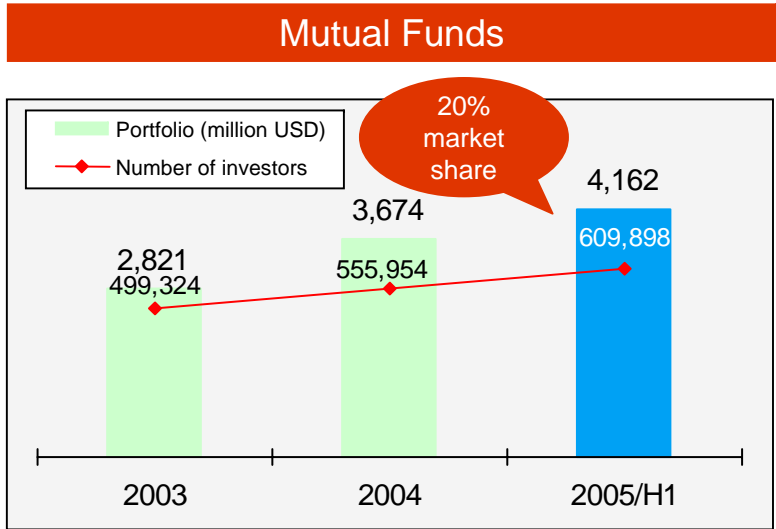
... another area Isbank dominates

	Market Share	Rank	USD bn.
Volume of Mutual Funds	20%	1st	4.2
Fixed Income Sec. Under Custody	14%	1st	8.9
Number of Equity Investor Accounts	37%	1st	397,916
Odd-lot Equity Trading	88%	1st	0,02
Stock Trading Volume *	6%	1st	10.5

* Is Investment (As of 30.06.2005)

First and largest mutual fund provider...

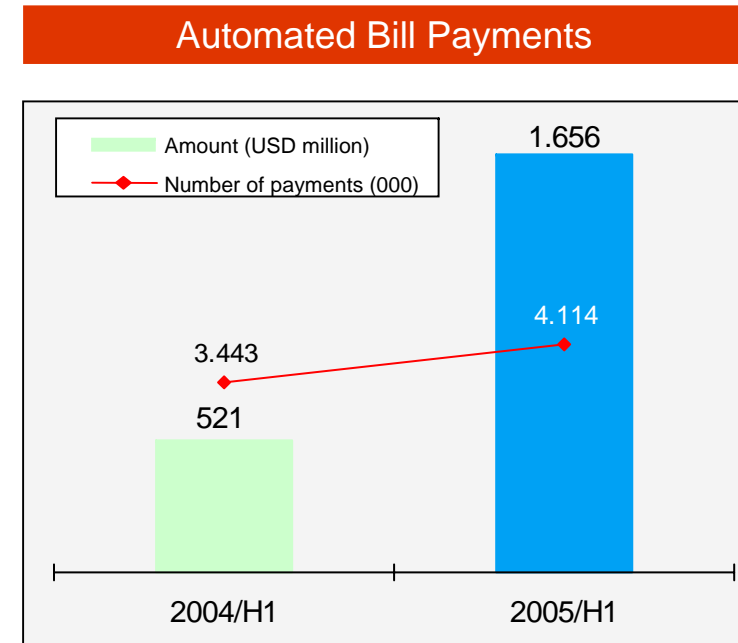
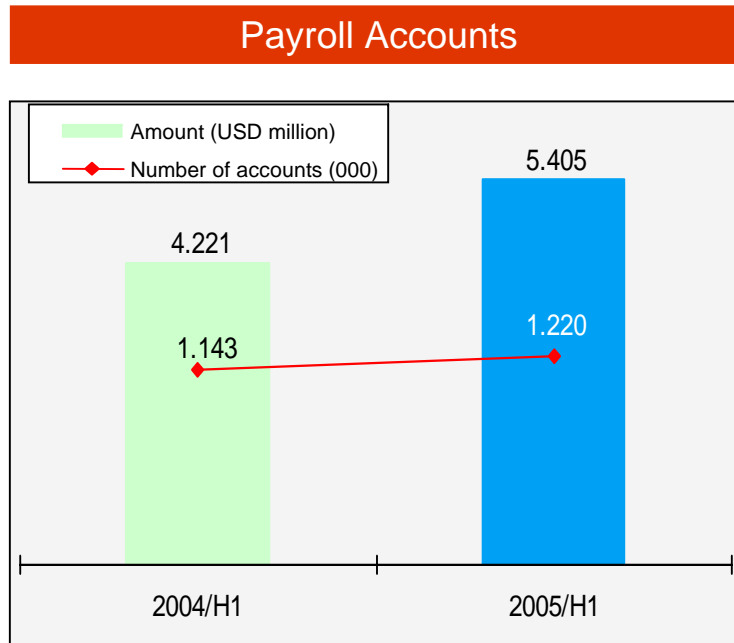
... 17 types of mutual funds designed for different risk appetites.



- ▶ With 8 A type and 9 B type mutual funds and more than 609 thousand investors, Isbank is the most preferred bank in the sector.
- ▶ Income from mutual funds is steadily increasing.

Increasing retail customer base...

... supported by payroll accounts and bill payment agreements.

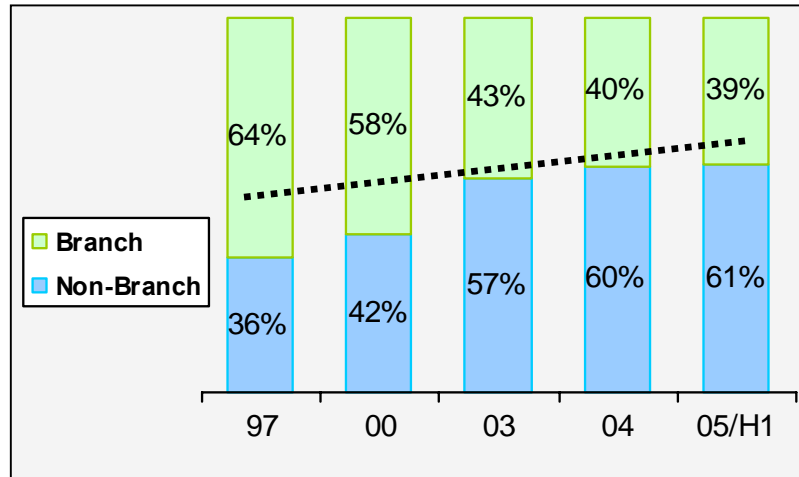


- ▶ Automated bill payments and payroll accounts are an important source for low cost demand deposits.
- ▶ Payroll accounts create significant cross selling opportunities.

Alternative distribution channels...

... are being used more efficiently.

Use of Non-Branch Channels



(%)	1997	2000	2003	2004	2005 /H1
ATM	28	29	23	22	21
POS	5	6	20	21	22
Internet	1	5	10	13	15
Telephone	2	2	2	2	1
Kiosk	-	-	1	1	1
Call Center	-	-	1	1	1

- ▶ The share of non-branch channels in total transactions has reached 61%, increasing more than 20 percentage points in 7 years.
- ▶ The fastest growing channel is internet: the share of internet transactions has increased from 1% in 1997 to 15% in 2005/H1.
- ▶ Customers are encouraged to use low-cost non-branch channels.
- ▶ The use of alternative channels creates operational efficiency, allowing the staff to focus on marketing activities.

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Glass



Isbank
66 %

General Information

- ✓ A leading flat glass, glassware, glass packaging, and chemicals producer.
- ✓ In all product lines, leader in the domestic market with a strong presence in export markets.

Financial Information (consolidated, IFRS)

(USD Million)	2005Q1
Sales	376
International Sales*	164
Shareholders' Equity	1,609
Total Assets	2,908
Net Profit	24

Market Shares (%)**

	Turkey	Europe	World
Flat Glass	82.0	8.0	3.0
Glassware	74.0	17.9	6.8
Glass Packaging	95.0	4.0	2.0
Glass Fibre	66.0	5.0	3.0
Soda Ash	85.0	3.0	3.0
Chromium Chemicals	89.0	20.0	15.0

* Includes exports and sales from production abroad.

** As of June 30, 2005

Market shares of Sisecam

Glassware (%)	
Bulgaria	35
Ukraine	25
U.K.	22
Russian Federation	20
Italy	12
Germany	11
Spain	10
Iran	30
Egypt	34

Glass Fibre (%)	
Switzerland	14
Germany	16
Spain	7
Italy	10
Iran	29

Chromium Products (%)	
Taiwan	48
S.Korea	17
China/H. Kong	15

Flat Glass (%)	
Bulgaria	20
Greece	20
Tunusia/Algeria/Morocco	10

Soda Ash (%)	
Syria	80
Egypt	60
Italy	14
Israel	30

Glass Packages (%)	
Georgia	70
Azerbaijan	60
Russian Federation	40

(*) As of June 30, 2005



Isbank Group 44 % (*)

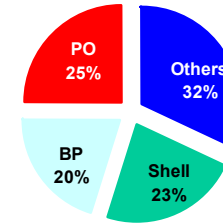
Dogan Group 44 % (*)

General Information

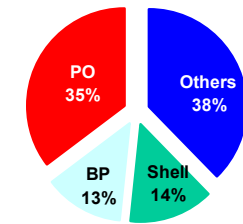
- ✓ Established in 1941
- ✓ Privatized in 2000
- ✓ Largest oil distribution company in Turkey
- ✓ 3,223 dealers nationwide
- ✓ Operating out of the Head Office and 8 regional offices, 2 lubricants blending plants, aviation services at 26 airports, 9 terminals, 2 depots
- ✓ Market leader in the fuels distribution sector in terms of customer satisfaction and profitable growth

Market Shares (%) - June 05

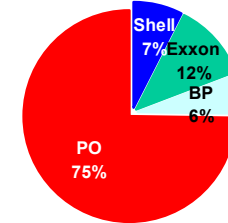
Gasoline



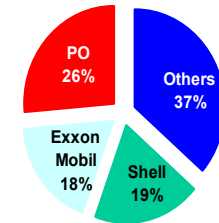
Diesel



Aviation Sales



Lubricants



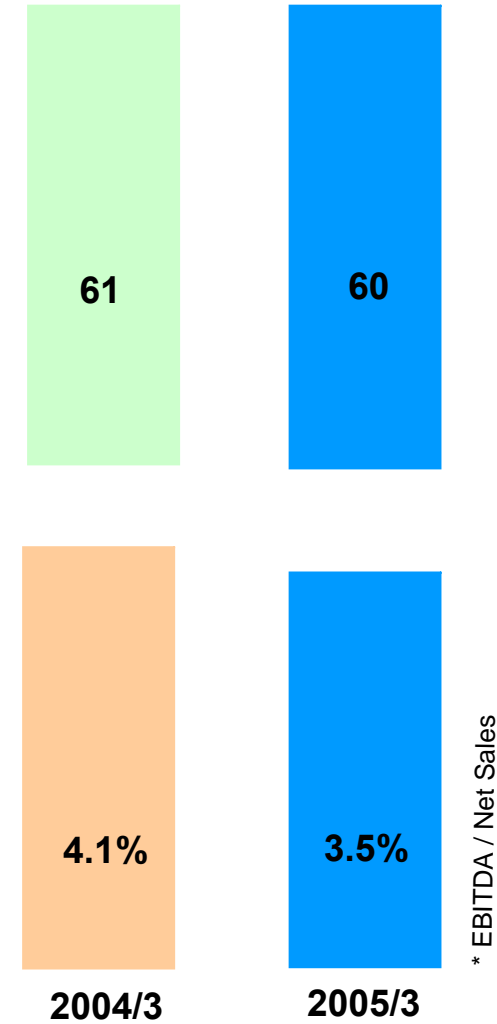
(*) As of June 30, 2005

Energy

Financial Performance (USD mn.)

	2004	2005/3	Chng %
Current Assets	1,029	982	-4,5
Long-Term Assets	2,253	2,207	-2.1
Total Assets	3,282	3,189	-2.8
Current Liabilities	1,138	1,170	2,9
<i>ST Borrowings*</i>	270	337	25,0
Long-Term Liabilities	646	549	-15,0
<i>LT Borrowings</i>	603	508	-15,7
Minority Interest	2	2	-2.1
Shareholders' Equity	1,496	1,468	-1,9
	2004/3	2005/3	Chng %
Net Sales	1,500	1,714	14,3
Gross Profit	85	80	-6,4
Operating Profit	18	35	92,4
EBITDA	61	60	-1,7
Net Profit	83	3	-96,7

EBITDA (USD mn.)



* EBITDA / Net Sales

Mobile Telecommunications



Isbank Group 18.86%

Turk Telecom 40.57%

Telecom Italia Group 40.57%

- ✓ Aria and Aycell merged under TT & TIM as of February 19, 2004
 - ✓ Avea brand has been successfully launched in June 2004.
 - ✓ The coverage and efficiency have increased significantly due to the combination of 2 GSM networks.
 - ✓ A number of innovative products and services have been introduced to the Turkish market since then.
 - ✓ Significant level of synergies have been created in the operations after the merger.
-
- ✓ The merged entity has approximately 6 million subscribers and 15% market share.
 - ✓ Avea has a shareholders' equity of USD 2.5 billion as of 31.12.2004.
 - ✓ Isbank's stand-alone share is 14.03% in Avea paid up capital.

Financial Participations (30.06.2005)

Company	Field of Activity	Bank's Direct Share (%)	Group Share (%)	Assets (USD 000)	Shareholder's Equity (USD 000)	Market Share (%)
Türkiye Sınai Kalkınma Bankası A.Ş.	Investment Bank	40.52	51.89	1,802,711 ⁽¹⁾	300,283 ⁽¹⁾	1
Arap Türk Bankası A.Ş.	Banking	20.00	20.00	236,831 ⁽¹⁾	57,731 ⁽¹⁾	-
İşbank GmbH ⁽²⁾	Banking	100.00	100.00	432,674 ⁽¹⁾	71,037 ⁽¹⁾	-
Anadolu Anonim Türk Sigorta A.Ş.	Insurance	35.53	64.21	627,590 ⁽¹⁾	258,896 ⁽¹⁾	13.40 ⁽³⁾
Anadolu Hayat Emeklilik A.Ş.	Private Pension	62.00	86.36	1,285,328 ⁽¹⁾	182,195 ⁽¹⁾	31.30 ⁽³⁾
Milli Reasürans T.A.Ş.	Reinsurance	76.96	77.06	555,420 ⁽¹⁾	209,958 ⁽¹⁾	89.03 ⁽³⁾
İş Yatırım Menkul Değerler A.Ş.	Brokerage House	92.00	100.00	189,633 ⁽¹⁾	74,063 ⁽¹⁾	5.92 ⁽⁴⁾
Yatırım Finans. Menkul Değerler A.Ş.	Brokerage House	-	90.44	47,731	17,994	-
İş Yatırım Ortaklığı A.Ş.	Trust Company	-	24.27	90,214 ⁽¹⁾	86,476 ⁽¹⁾	36.50
İş Portföy Yönetimi A.Ş.	Portfolio Mngt.	50.00	100.00	10,054 ⁽¹⁾	9,653 ⁽¹⁾	23.43
İş Finansal Kiralama A.Ş.	Leasing	35.29	66.25	407,713 ⁽¹⁾	74,048 ⁽¹⁾	10.48 ⁽⁵⁾
İş Factoring Finansman Hizmetleri A.Ş.	Factoring	-	100.00	24,314	15,607	-
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	REIT	42.23	62.89	594,265 ⁽¹⁾	572,495 ⁽¹⁾	61.10 ⁽⁶⁾
İş Girişim Sermayesi Yat. Ort.A.Ş.	Risk Venture	-	51.19	61,672 ⁽¹⁾	58,826 ⁽¹⁾	-
Is Dublin Financial Services Plc. ⁽²⁾	Fin. Services	99.99	100.00	10,625 ⁽¹⁾	10,451 ⁽¹⁾	-
TOTAL				6,376,775	1,999,713	

(1) As of 31.03.2005

(4) Transaction volume in equity market

(2) Not adjusted for inflation

(5) Transaction volume

(3) Premium income

(6) Market Value

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