

TÜRK EKONOMİ BANKASI A.Ş.
Press Release
Regarding March 31, 2005 Financial Results

FIRST PERIOD RESULTS OF TEB – BNP PARIBAS PARTNERSHIP:

Increase in Net Profit : 272%

The financial statements of our bank dated March 31, 2005 are disclosed at Istanbul Stock Exchange and London Stock Exchange on May 10, 2005.

In an environment where inflation and interest rates have been declining, profit margins being squeezed and competition is high, we set forth below some of the important indicators to point out the strong financial structure and stable development of our Bank.

(Million NTL)	31.03.04(*)	31.12.04(*)	31.03.05
Assets	3,197	3,566	3,848
Loans	1,430	1,585	1,952
Deposits	2,120	2,260	2,379
Net Profit	7	34	27
Loans/Deposits	67.4%	70.1%	82.1%
NPL Ratio	1.9%	1.3%	1.2%
ROAA	0.9%	1.1%	3.2%
ROAE	7.8%	8.8%	26.8%
Cost/Income	49.3%	65.0%	50.0%
Adjusted Net Interest Margin	4.4%	4.9%	5.6%

(*) : Expressed in the purchasing power of 31 Dec. 2004

EVALUATION of the RESULTS:

The main shareholder of our Bank, TEB Mali Yatırımlar A.Ş. has signed a share purchase agreement with BNP Paribas, the 6th largest bank in the world, on February 10, 2005. As a result of the partnership whereby each of the parties have 50%, BNP Paribas has become an indirect shareholder of our Bank with 42.12%.

This partnership is not a result of an approach or expectation of one group acquiring or dominating the other but rather a strategic partnership whereby “TEB”, one of the respected and strongest brands in the Turkish banking sector and “BNP Paribas”, an international brand, have joined their strengths and expertise in different fields.

The goal of this partnership, besides the emergence of a much stronger Turkish bank, is to convey BNP Paribas’ international information accumulation, products and services to a wider clients base and to carry “TEB” brand-name to international levels.

As a matter of fact, the effects of our efforts which started right after the partnership, has been reflected in the first quarter results of 2005 as indicated above.

BASIC ACTIVITIES :

Corporate Banking : Our Corporate Banking activities, which has a distinguished place in the banking sector because of the long term relationships set with our international clients and ones with a turnover above a certain level by offering them services accustomed to their different needs and expectations, supported by our Cash Management services, has continued its leading position in the sector in 2005, too. We have 10 corporate banking branches.

Commercial Banking : Our commercial banking activity, which in a way is complementary to our corporate banking services and serves dealers, distributors and suppliers of corporate banking clients and also other medium and small sized companies which fit our turnover and lending criteria, has been restructured to include mixed branched within itself. This growth trend is targeted to continue by increasing concentration in medium and small companies and new business areas. Our commercial banking services are offered at 7 commercial banking branches and 60 mixed branches, where both commercial and retail banking services are offered. 6 more new branches will be opened in this segment.

Cash Management : Our Cash Management Department, which continues its activity in more efficient collection and payment transactions of our corporate and commercial clients, and income collection and cash flow management of our clients which actualize their sales through dealer networks/district offices, will continue its activity in 2005 by increasing its client portfolio and product range utilizing its technologically enhanced infrastructure and the international cash management network of BNP Paribas.

Retail Banking : Our retail banking activities, in addition to our traditional products and services, have been determined as the prioritized growth area, reinforced with expertise, technological infrastructure and product range of BNP Paribas, which is the most successful consumer finance bank of continental Europe.

In the following 3 years, the increase in our branch network and variety in our product range will focus primarily on retail and small commercial clients. In addition to the enlargement in our branch network, our ATM network, an alternative distribution channel, which is currently 192, is planned to continue its growth.

Private Banking : TEB, being the first bank to introduce private banking to Turkey, will continue its "Wealth Management" service by creating a synergy with our subsidiary TEB Asset Management, and support its activity with new products.

Our services of "Tax Calculator" and "Tax Advisory" fulfill an important function in the investment decisions of our clients.

Foreign Trade Operations : With an important market share of 6% in foreign trade, TEB will enhance its specialization in this field with Trade Centers where the expertise of BNP Paribas with a branch network in 85 countries will be conveyed, by increasing its market share.

Our ratings : Our Bank, with respect to the ratings as assigned by the international rating agencies, is one of the highest-rated banks. TEB's ratings as of May 2005 are as follows: Moody's: "D+" and "B2"; Fitch : "AA-(tur) National", "C/D Individual", "BB+ LT TL" (Two notches above Turkey's LT TL rating which is "BB-") and Support 3.

CORPORATE GOVERNANCE PRINCIPLES and OUR PROFIT DISTRIBUTION POLICY

Last but not the least, our Bank, who has adopted professional management, transparency and code of conduct as prioritized working principles, abides 100% by the Corporate Governance Principles, which are not mandatory, as announced by the Capital Markets Board.

One aspect of these principles, which we believe in the future will be as important as credit ratings, is the Dividend Policy, which is a great concern for our shareholders. We have declared our Dividend Policy in 2003 and we are one of the two banks that have made such a declaration.

We thank you all for participating the meeting and submit our sincere wish to meet again at our next event.

Best Regards,

Istanbul, May 11, 2005