

## **Asset Sale and Capital Increase Update, December 25, 2003**

Name of the Company : Türk Ekonomi Bankasi A.S. (TEB)

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Istanbul, December 25, 2003

The Board of Directors of Turk Ekonomi Bankasi (TEB) has unanimously reached the following resolutions at its meeting at December 25, 2003.

1) The sale of 50% share of TEB's Head Office building to TEB Sigorta A.S. has been concluded as per the resolution of our Board of Directors dated December 10, 2003. Regarding the usage of the sales profit of TL 2,675,000,000,000.- in the increase of paid-in capital from TL 55,125,000,000,000.- to TL 57,800,000,000,000.-, the following resolutions have been reached:

- The decision will be submitted to the approval of the Banking Regulation and Supervision Agency and accommodating document will be attained from Capital Markets Board,

- Within 10 days following these procedures, the capital increase will be registered at the Istanbul Commerce Register,

- Subsequent to the registry at the Commerce Register, TEB will apply to Istanbul Stock Exchange for quoting the stocks related to the increase in paid-in capital.

2) It has been decided that 5,350,000,000 shares, each of TL500.- nominal value representing TL 2,675,000,000,000.- of capital increase, will be issued as serial no.18.

3) 5,350,000,000 shares, amounting to TL2,675,000,000,000.- of TL500.- nominal value each, shall be distributed to our shareholders in the form of bonus shares proportionate with their existing shares in the paid-in capital of 55,125,000,000,000.-, and management of the Bank has been authorized to conclude the transaction related to the distribution date, procedures to be applied and other transactions thereof.

We hereby declare that the foregoing explanation is in accordance with the principles set forth in the Regulation Series VIII, No. 39 of the CMB; that it reflects all information we have received in connection with this matter, that the information is in accordance with our books and records, that we have spent all required efforts to obtain accurate and complete information regarding this matter and that we are responsible for this explanation.