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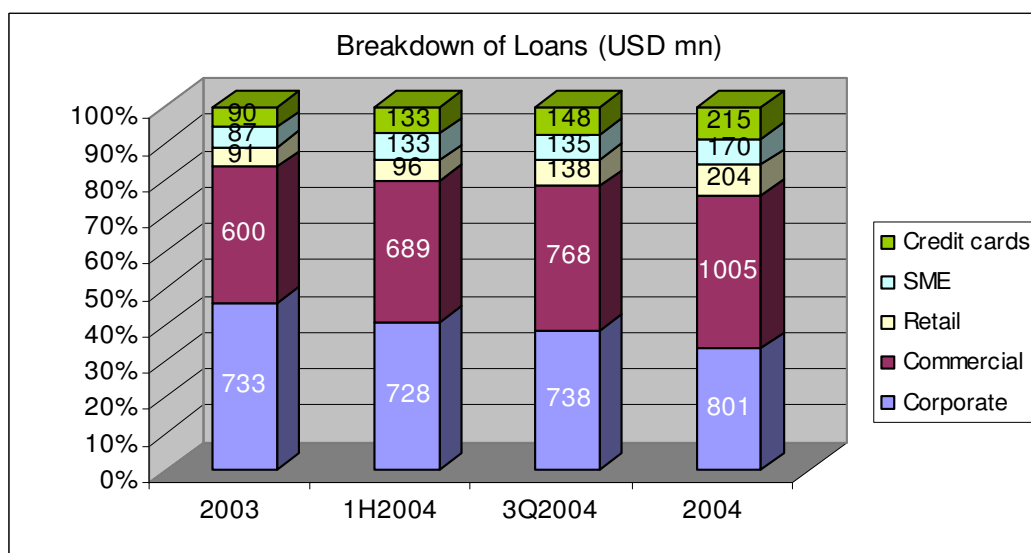
Earnings Announcement For 31.December.2004 IFRS Financial Results

Profitability remained strong during 2004 and the net profit figure increased by 60% on a consolidated basis, reaching \$103 million. The main reasons behind the bottomline growth was the 63% real increase in net interest income, due to the intense focus on retail and SME loans, as well as diminishing interest expense for deposits. The Bank's assets grew by an impressive 26% as a result of the 50% increase in loans. Despite a slowing trend in the sector, customer deposits also soared 26% in 12 months.

(TRY 1 = USD 1.3363)

DenizBank is constantly increasing its presence in financial markets with its 12 subsidiaries, 200 branches, and subsidiary banks in Austria and Moscow. Non-financial assets of the Bank constitutes only 4.3% of total assets, in line with its strategy of focusing on core banking operations. The rapidly improving franchise and the swift expansion of the Bank's operations in key locations around Istanbul, Turkey and Europe are owed to the Bank's "capable management team", as recognized by the Moody's in its latest rating announcement dated 09.02.2005. Even during the 2001 crisis, DenizBank prevailed as an acquirer, thus growing its assets through various acquisitions of branches, financial subsidiaries, deposits and customers from the troubled banks that were transferred to SDIF.

In line with the growth strategy, consolidated assets of the Bank increased 25.6% y-o-y, reaching TRY 8 billion (\$6,031 million). Perusal of the assets reveal that the main drivers of growth are loans and "due from banks" items, which recorded 50% and 64% increases, respectively throughout 2004.



The loan book reached TRY 3.2 billion (\$2,395 million), recording 49,5% real annual growth in 2004. The fastest growing items were credit card, retail and SME lending, given in the order of importance. Thanks to the collaboration with "Bonus Card", credit card loans improved 139% y-o-y and reached TRY 287 million (\$215 million). In 2003, Visa

International has recognized DenizBank as the fastest growing bank in terms of credit card portfolio. Meanwhile, retail loans surged 124% and reached TRY 273 million (\$204 million). Besides the growth in retail banking and credit cards, SME banking and agricultural lending are also growing with a significant pace (agriculture lending volume reached \$50 million as at YE 2004). SME loans stood at TRY 227 million (\$170 million) at the end of 2004, recording 95% annual growth. DenizBank expanded the scope of its services and products by creating niche markets such as tourism; 100 projects amounting to \$220 million and ship building; 47 projects amounting to \$352 million.

Consequently, the share of credit card, retail and SME loans in total reached 24.6% versus 16.7% in 2003. Our target is to reach 40% by 2008, hence compensating for the expected margin decline in the sector by the switch to high yield products.

Following a disciplined and conservative lending policy, DenizBank maintained its provisions over 125%, and its current NPL ratio of 3.5% is well below the sector average. Provision for the year was also kept at 1% of loans.

The portion of government securities in assets has historically been low for DenizBank. By the end of 2004, the share of sovereign government securities further declined to 18.5% from 21.2% a year ago, which is probably one of the lowest ratios in the sector. The average duration of TL and FX securities are maintained at 2 months and 2.4 years, respectively, in order to minimize the interest rate risk. A detailed breakdown of securities is given in the below table for your convenience.

(thousand TRY)

	TRY			FX			TOTAL		
	Fix	Floating	Total	Fix	Floating	Total	Fix	Floating	Total
TRD	191,109	58,579	249,689	74,717	342	75,059	265,826	58,922	324,748
AFS	15,169	715,121	730,290	479,234	119,305	598,539	494,403	834,426	1,328,829
HTM	-	24,115	24,115	61,603	82,168	143,772	61,603	106,283	167,887
Equity*	220,998	-	220,998	-	-	-	220,998	-	220,998
	427,276	797,815	1,225,092	615,554	201,816	817,370	1,042,830	999,631	2,042,462
	35%	65%	100%	75%	25%	100%	51%	49%	100%

*YTL 195,212 of equity is Zorlu Energy shares as disclosed in the footnotes

Despite the slowdown in deposit growth for the sector, they were the main funding source for DenizBank in 2004. Customer deposits of the Bank reached TRY 5.1 billion (\$3,844 million), beating the sector's average with 25.6% growth. Retail deposits increased 26%, while commercial deposits improved by 27% y-o-y. The salient performance in commercial deposits is owed to the focus given to SMEs in 2004, which also is a crucial source for the much needed demand deposits in the sector. DenizBank's ratio of demand deposits in total deposits is around 20% currently. As a convention, the ratio of deposits to assets have always been maintained around 64%. Promotional campaigns are planned towards government institutions and public sector companies, in order to capture their salary payments in 2005.

In order to diversify the funding base, and take maximum advantage of the relatively cheap international borrowing costs before the proposed rate hikes of the FED, the amount of funds borrowed soared 154% in 2004 and reached TRY 1 billion (\$769 million).

DenizBank's net profit for the period increased by 59.9% on a consolidated basis reaching TRY 138 million (\$103 million) compared to TRY 86 trillion (\$64 million) as of YE 2003.

Net interest income improved 62.7% due to the 10.8% decrease in interest expenses. Parallel to the improving NII, **net interest margin also increased from 4.5% to 5.4%** by 2004.

Net fees and commissions income surged 21.9% and reached TRY 115 million (\$86 million) by 2004. Fees and commissions received increased 43.5%, while fees and commissions' expenses grew 111%. One of the reasons behind the unexpected growth in expenses is the one-time underwriting fee paid for the IPO of DenizBank in the fall of 2004. Also, the increased trading activity in Istanbul Stock Exchange pushed the related expense figure up on consolidated basis.

Focusing on operational efficiency and productivity, DenizBank's shareholders' equity reached TRY 892 million (\$667 million) with a CAR of 17.8%. The ROE increased to 21% from the YE 2003 level of 17%. Pursuant to the new Basel II implementation to be mandated by 2007, the CAR of the Bank merely comes down to 15.5% levels, which does't necessitate any cash injection as capital.

Always open to inorganic growth as an opportunistic acquirer, our strategy is to maintain a comfortable level of free capital at all times. Thus, the free capital ratio of the Bank ameliorated further to 7% from 4.8% a year ago, which is one of the best ratios in the sector.

Since its establishment in 1997, keeping the operational expenses at a minimum level has been an important element of DenizBank's corporate culture. This strategy has been carried on successfully in 2004, hence the cost / assets ratio of 2.8%. Also, the cost / income ratio improved further to 51.5% from 57.3% y-o-y.

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