



June 30, 2005

BRSA Earnings Presentation

July 22, 2005

DISCLAIMER STATEMENT

Türkiye Garanti Bankası A.Ş. (the "TGB") has prepared this presentation documents (the "Document") consisting of documents and appendixes thereto for the sole purposes of providing information and projections and statements relating to the TGB (the "Information"). No representation or warranty is made by TGB for the accuracy or completeness of the Information contained herein. The Information is subject to change without any notice. Neither the Document nor the Information can construe any investment advise, or an offer to buy or sell TGB shares. This Document and/or the Information cannot be copied, disclosed or distributed to any person other than the person to whom the Document and/or Information delivered or sent by TGB or who required a copy of the same from the TGB. TGB expressly disclaims any and all liability for any statements including any forward looking projections and statements, expressed, implied, contained herein, or for any omissions from Information or any other written or oral communication transmitted or made available.



H1/2005 Performance Review

Superior Financial Performance

Selected Financials

BRSA, YTL Thousand

Since year-end 2004 in US\$ terms:

- Total assets increased by 12.2%, reaching US\$21,672 million
- Total loans increased by 28.6%, reaching US\$9,750 million
- Total deposits increased by 7.3%, reaching US\$13,897 million

	June 30, 2004	June 30, 2005	Y-on-Y % Change
Total Revenues¹	956,449	1,340,843	40.2%
Operating Income²	474,676	777,111	63.7%
Net Income	221,617	315,572	42.4%
ROAE	15.86%	19.23%	3.37 pps
ROAA	1.71%	2.28%	0.57 pps
Cost / Income³	59.85%	56.69%	(3.16) pps

As of H1 2005, on an annual basis in US\$ terms:

- Total revenues increased by 54.8%
- Operating income increased by 80.7%
- ROAA and ROAE stood at 2.28% and 19.23%, respectively

	December 31, 2004	June 30, 2005	YTD % Change
Total Assets	26,267,917	28,997,203	10.4%
Total Loans	10,313,087	13,046,224	26.5%
Customer Funds⁴	36,853,990	43,204,382	17.2%
Shareholders' Equity	3,169,324	3,395,618	7.1%
CAR	16.80%	16.36%	(0.44) pps

¹ Total Revenues : NIM adjusted by FX gain/(loss) + monetary gain/ (loss) + Net non-interest income

² Operating Income : Total revenues – Operating expenses

³ Including amortization

⁴ Customer Funds: Customer Deposits + AUM + Customer Repo + T-bills Under Custody

Focus on Sustainable Sources of Revenues

Income Statement

YTL Thousand

- Adjusted NII increased by 61.6% since H1 04
- Net fees and commissions income increased by 37.0% over the same period last year
- Total revenues and operating income increased by 40.2% and 63.7%, respectively, compared to H1 04

	June 30, 2004	June 30, 2005	Y-on-Y % Change
Adj. Net Interest Income*	573,463	926,865	61.6%
Net Fees & Commissions Income	249,174	341,399	37.0%
Net Trading Income	69,281	130	(99.8%)
Other Non-Interest Income	64,532	72,449	12.3%
<u>Total Revenues</u>	<u>956,449</u>	<u>1,340,843</u>	40.2%
Operating Expenses**	481,773	563,732	17.0%
<u>Operating Income</u>	<u>474,676</u>	<u>777,111</u>	63.7%
Provisions**	<u>151,469</u>	<u>346,389</u>	128.7%
Taxes	101,591	115,150	13.3%
<u>Net Income</u>	<u>221,617</u>	<u>315,572</u>	42.4%

*Adj. by FX gain/(loss) + monetary gain/ (loss)

**Reserve for employee termination benefits are shown in provisions

Summary

Balance Sheet Highlights

- Total assets were up by 12.2% in US\$ terms as compared to YE 2004
- TL loans rose by 34.2%; while FC loans increased by 21.3% in US\$ terms over YE 2004
- Share of performing loans in total assets increased further to 45.0% in H1 2005 from 39.3% in YE 2004; while the share of securities portfolio continued to decline to 32.2%
- Share of consumer and SME segments in total loan cash loans were 9.8% and 8.7%, respectively
- TL deposits increased by 18.2% as compared to YE 2004
- Shareholders' equity increased by 7.1%, reaching YTL3,396 Million

P/L Highlights

- Total revenues increased by 40.2% y-o-y
- Operating income was up by 63.7% as compared to a year ago
- Ordinary banking income increased by 42.2% as compared to a year ago
- Net fees and commissions income was up by 37.0% on an annual basis
- Net fees and commissions covered 60.6% of operating expenses in H1 2005, compared to 51.7% in H1 2004
- Net income was YTL315,6 Million
- Cost / Income ratio was 56.7%
- ROAA and ROAE were 2.28% and 19.23%, respectively

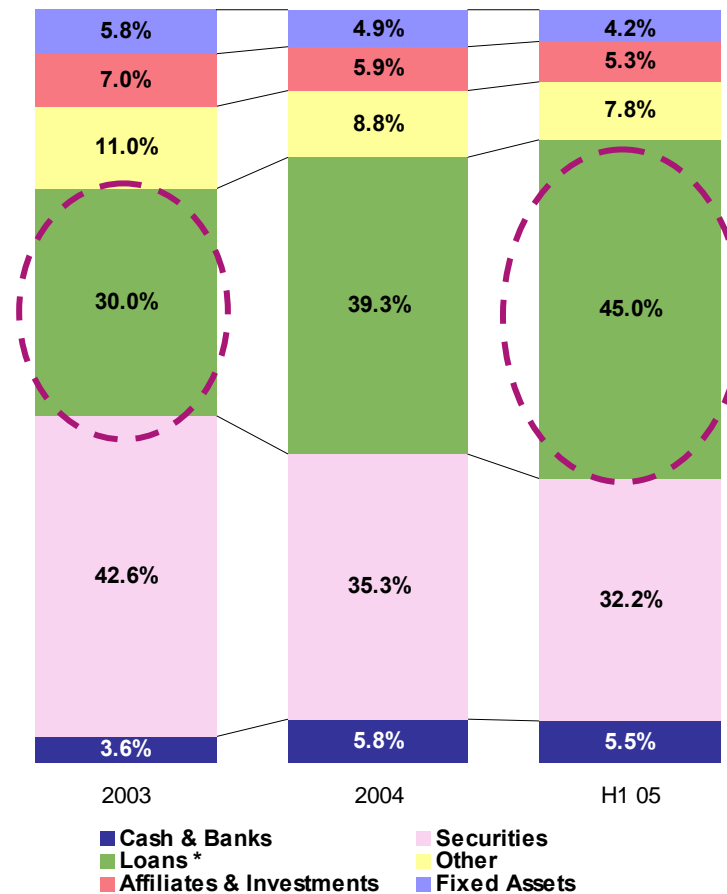


H1/2005 Performance – B/S

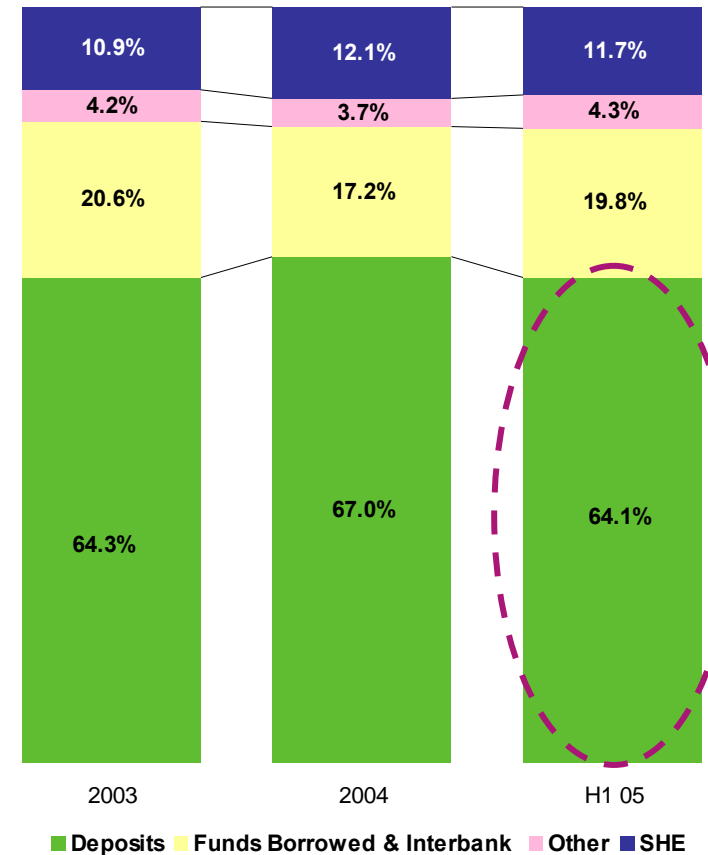
Higher Share of Loans, Less Dependability on Securities

- Garanti's asset size stood at US\$21,670 million at H1 2005
- Share of loans in total assets reached 45.0% as of H1 2005; whereas securities composed 32.2% of the assets
- Share of deposits was 64.1%, and share of funds borrowed and interbank increased to 19.8%
- Share of shareholders' equity stood at 11.7%

Total Assets
%



Total Liabilities and SHE
%



*Throughout the presentation, loans refer to performing loans only, unless stated as gross loans.

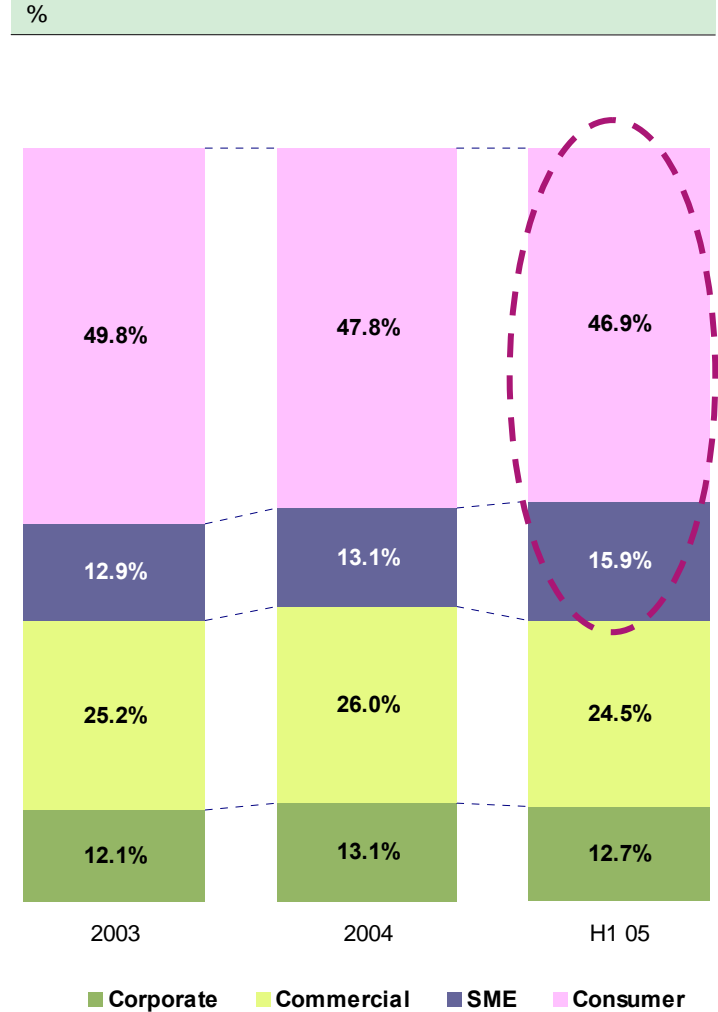
Stronger Shift to More Lucrative Business Lines

- Loans to SME segment reached 8.7% of cash loans, whereas loans to commercial segment composed 37.8% of total loans
- Deposits to retail segment composed 62.8% of total deposits

Breakdown of Loan Portfolio by LOB



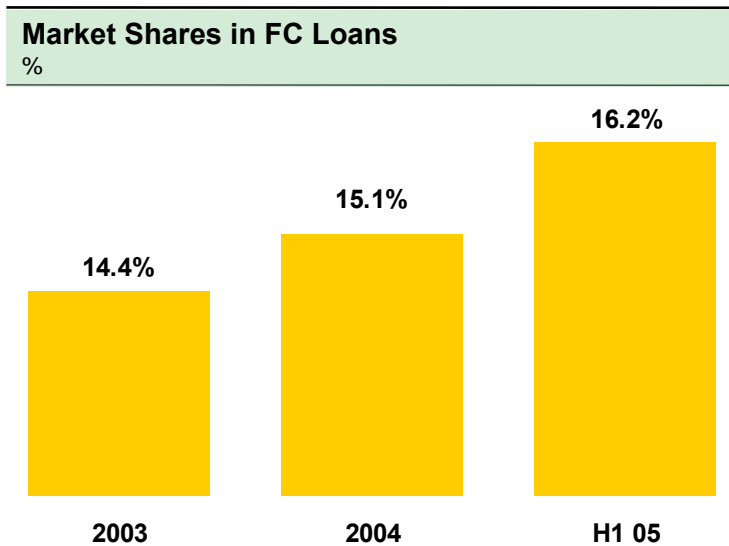
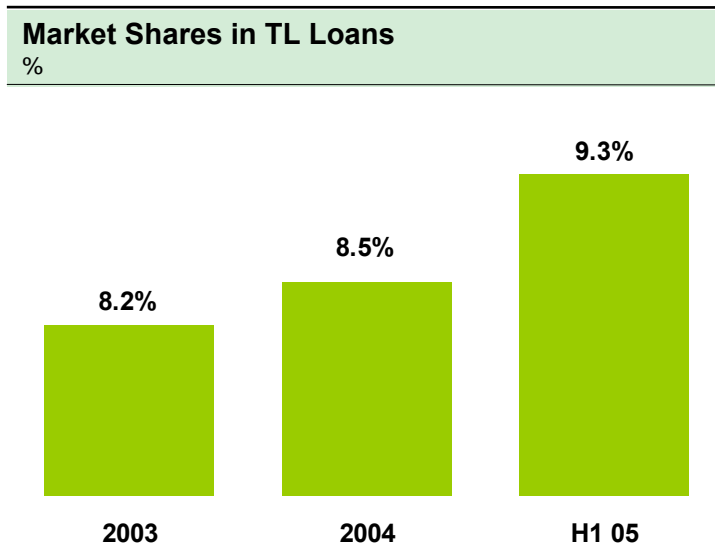
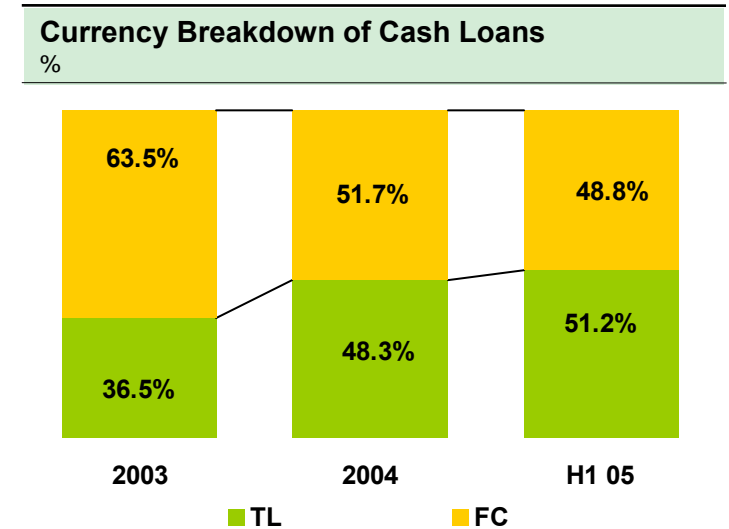
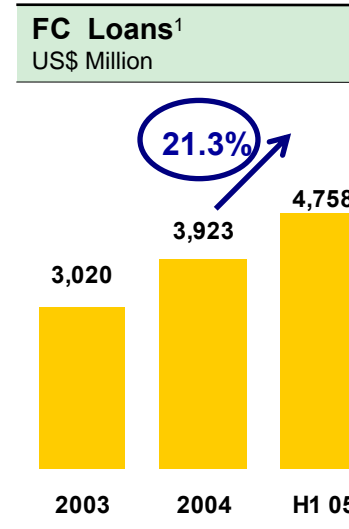
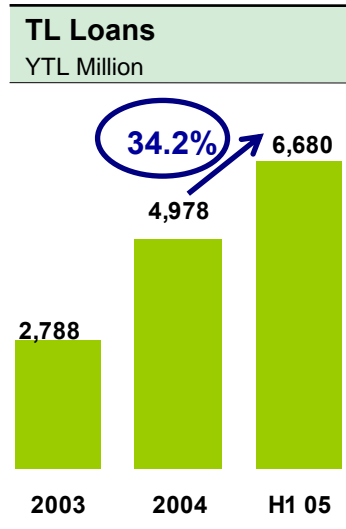
Breakdown of Deposits by LOB *



* Excluding bank deposits

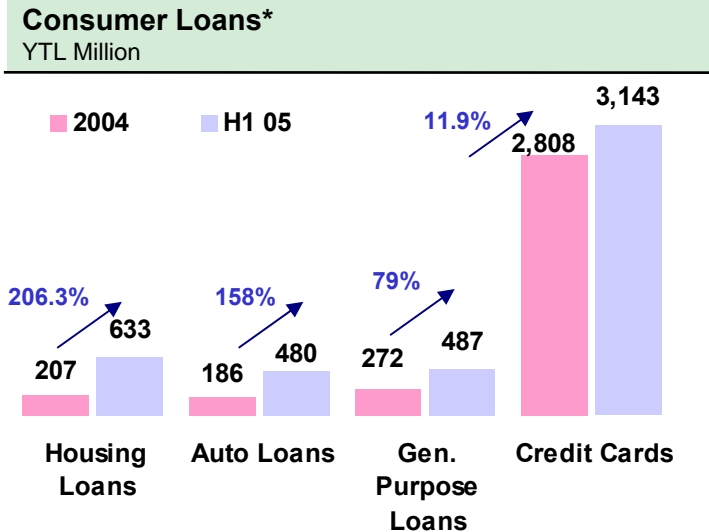
Growth in High Yielding TL Loans

- TL loans went up by 34.2% in the first half of 2005, whereas the increase over the first quarter was 19%
- Similarly increase in FC loans on a quarterly and YTD basis were 11.3% and 21.3% in US\$ terms, respectively
- Total cash loans were up by 26.5% in H1 2005
- Share of TL loans continued to increase in the second quarter, reaching 51.2% of total loans
- Garanti's market shares in TL and FC loans reached 9.3% and 16.2%, respectively



Focus on Profitability & Loyalty

- Consumer loans (excluding credit cards) increased by 140.7% YTD, whereas increase in credit cards during the same period was 11.9%
- Total consumer loans, including credit cards, increased by 36.6% over YE 2004
- Credit cards continued to compose the largest part of consumer loans due to high margin focus, but the share of housing loans also increased to 13.3% in preparation to mortgage lending



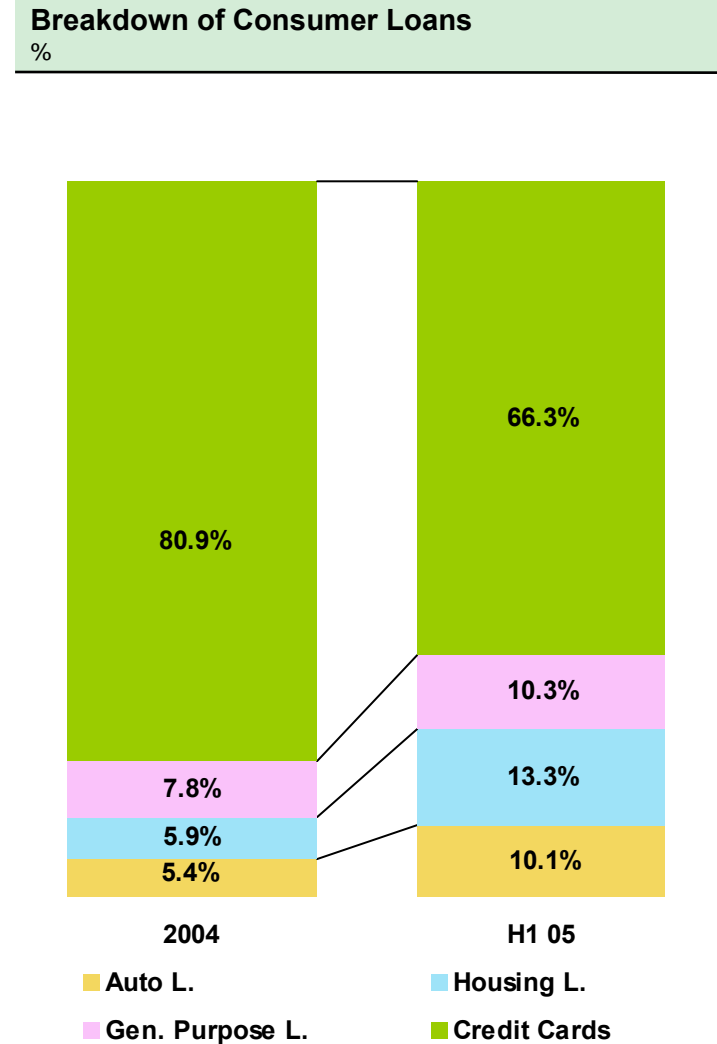
*Consumer loans extended to SMEs are excluded

Yield Comparison in TL Loans

%

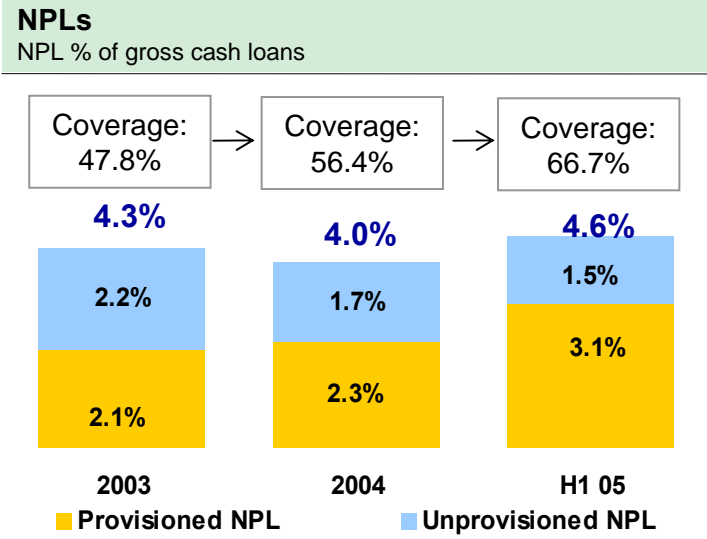
June 30, 2005

	Yield	% in Consumer Loans
Credit Cards	43.86%	66.3%
Gen. Purpose Loans	27.93%	10.3%
Housing Loans	23.14%	13.3%
Auto Loans	24.24%	10.1%

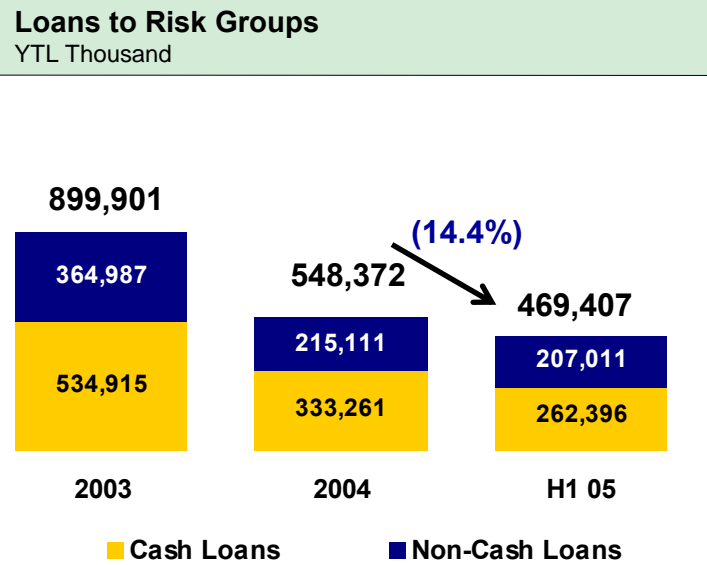
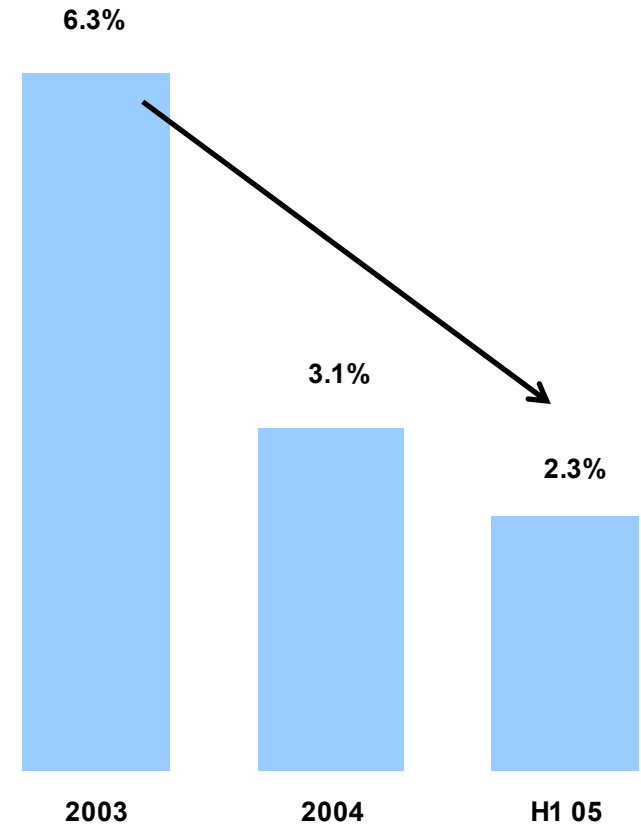


Strong Asset Quality

- NPL ratio was 4.6% and coverage ratio stood at 66.7% in H1 05
- Related party exposure decreased further by 14.4% and its ratio to total cash and non-cash loans came down to 2.3%



Loans to Risk Groups / Total Cash & Non-Cash Loans, %

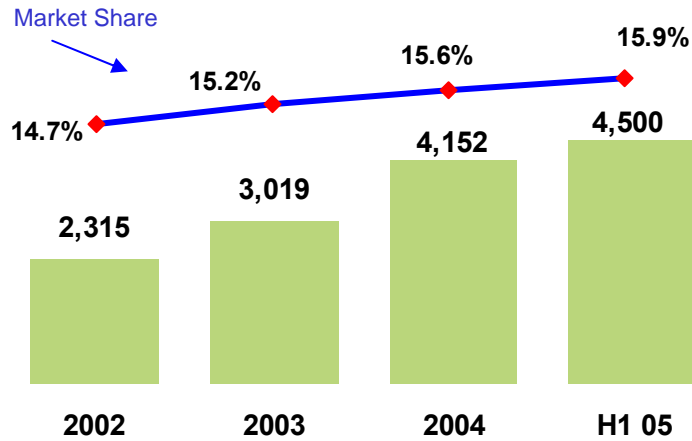


Playing for Leadership in Credit Cards

- Garanti's credit card number surpassed 4,500 thousand as of July 20, 2005
- Market share in total issuing volume was 20.2% in H1 2005, and the gap between the first player continued to close down
- Market share in acquiring volume reached 19.8%

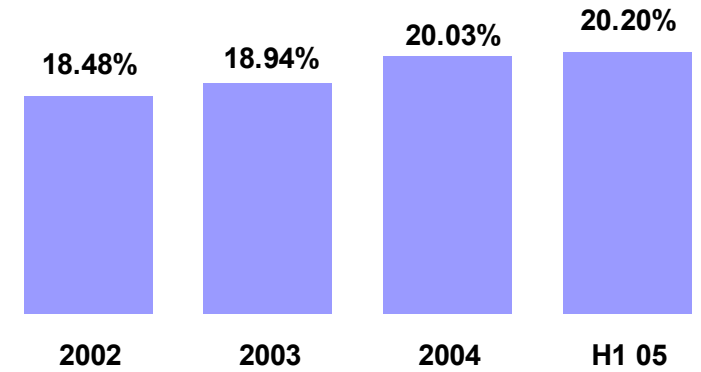
Number of Credit Cards

Thousand



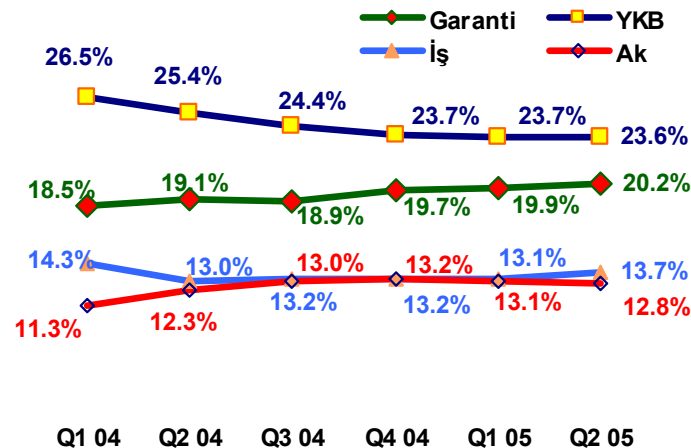
Issuing Volume Market Share

%, Monthly Figures



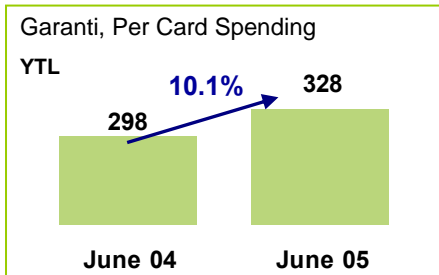
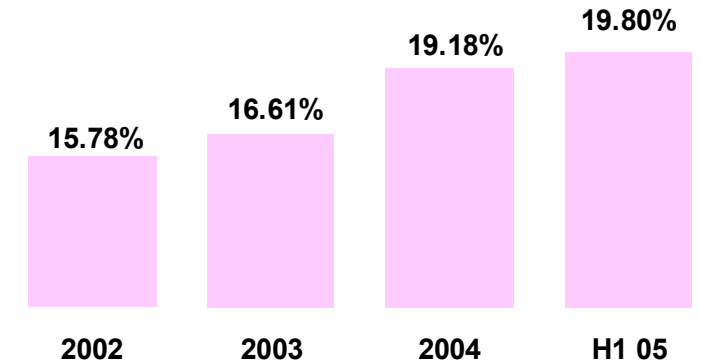
Issuing Volume Market Share, Garanti vs. YKB

%, Quarterly



Acquiring Volume Market Share

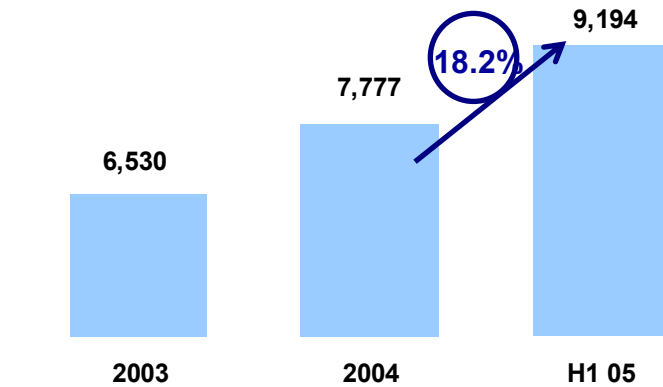
Retail, %, Monthly Figures



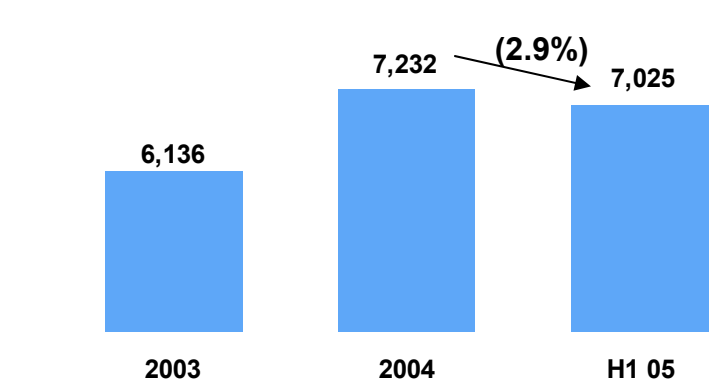
Increase in TL & FC Deposits over Q105

- TL deposits increased by 7.9%, over the previous quarter, reaching YTL 9,194 Million
- FC deposits were up by 1.9% in US\$ terms compared to Q1 05
- Total deposits improved by 5.6% YTD
- Total customer funds increased by 17.2% over YE 2004, reaching YTL43,204 Million

TL Deposits
YTL Million

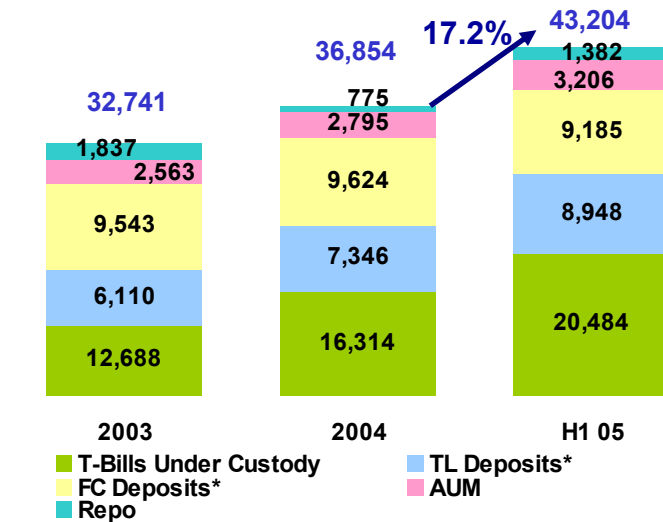


FC Deposits*
US\$ Million

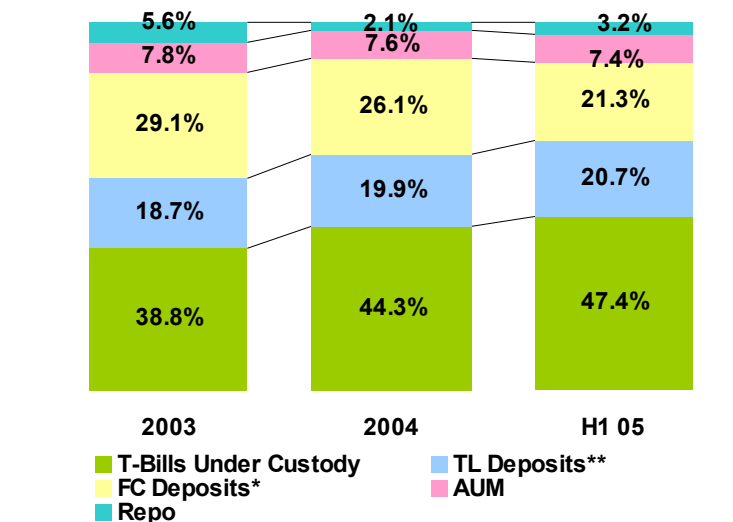


* Foreign currency, not inflation adjusted

Total Customer Funds
YTL Million



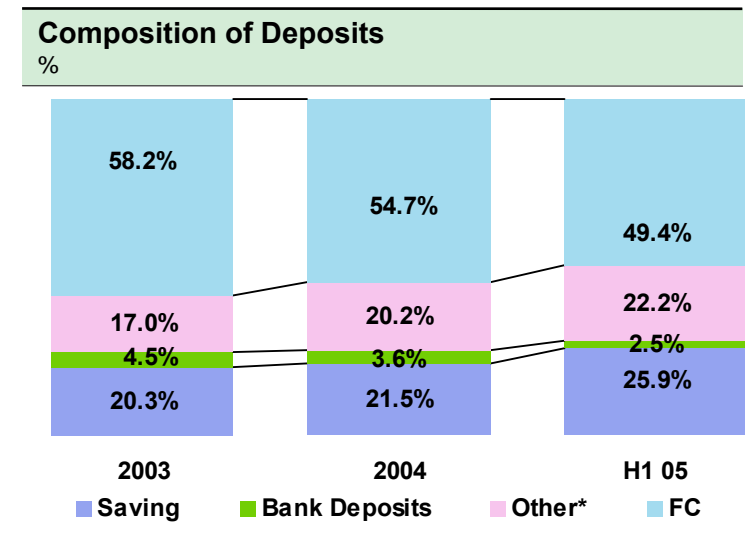
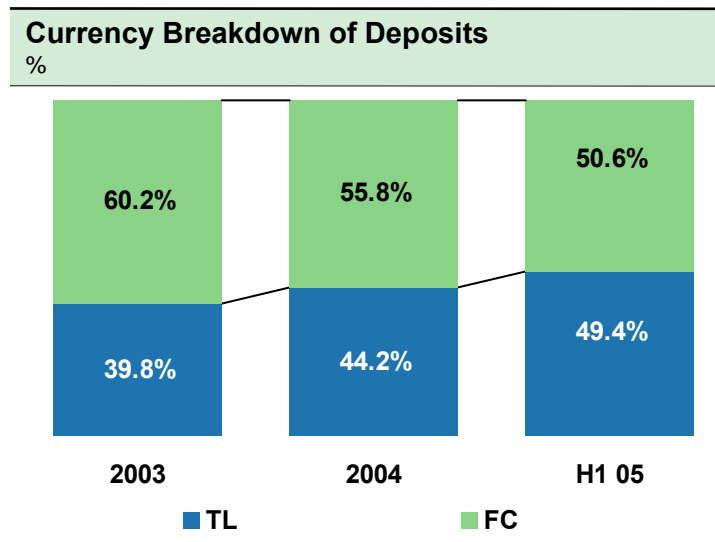
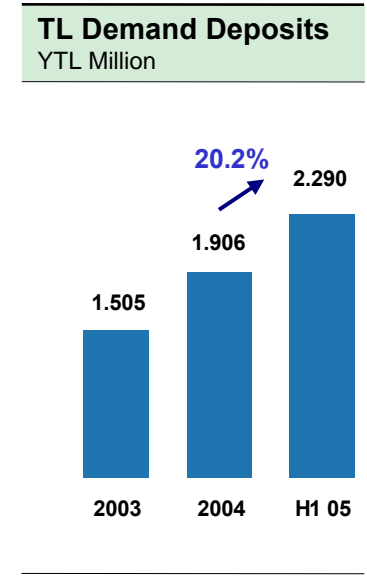
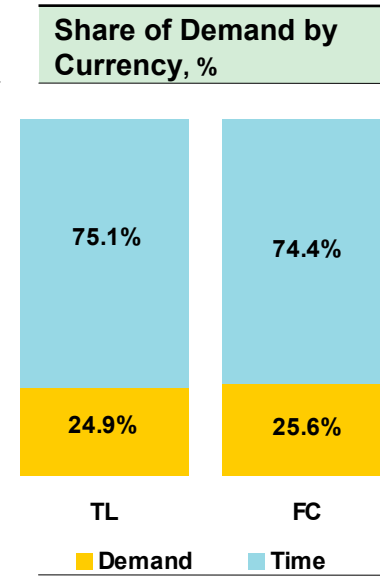
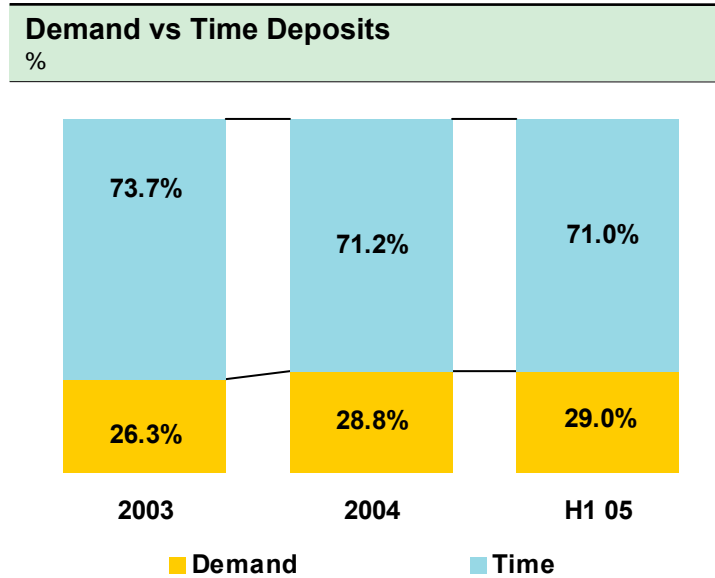
Composition of Total Customer Funds
%



**Excluding bank deposits

Share of Demand Deposits continues to Increase

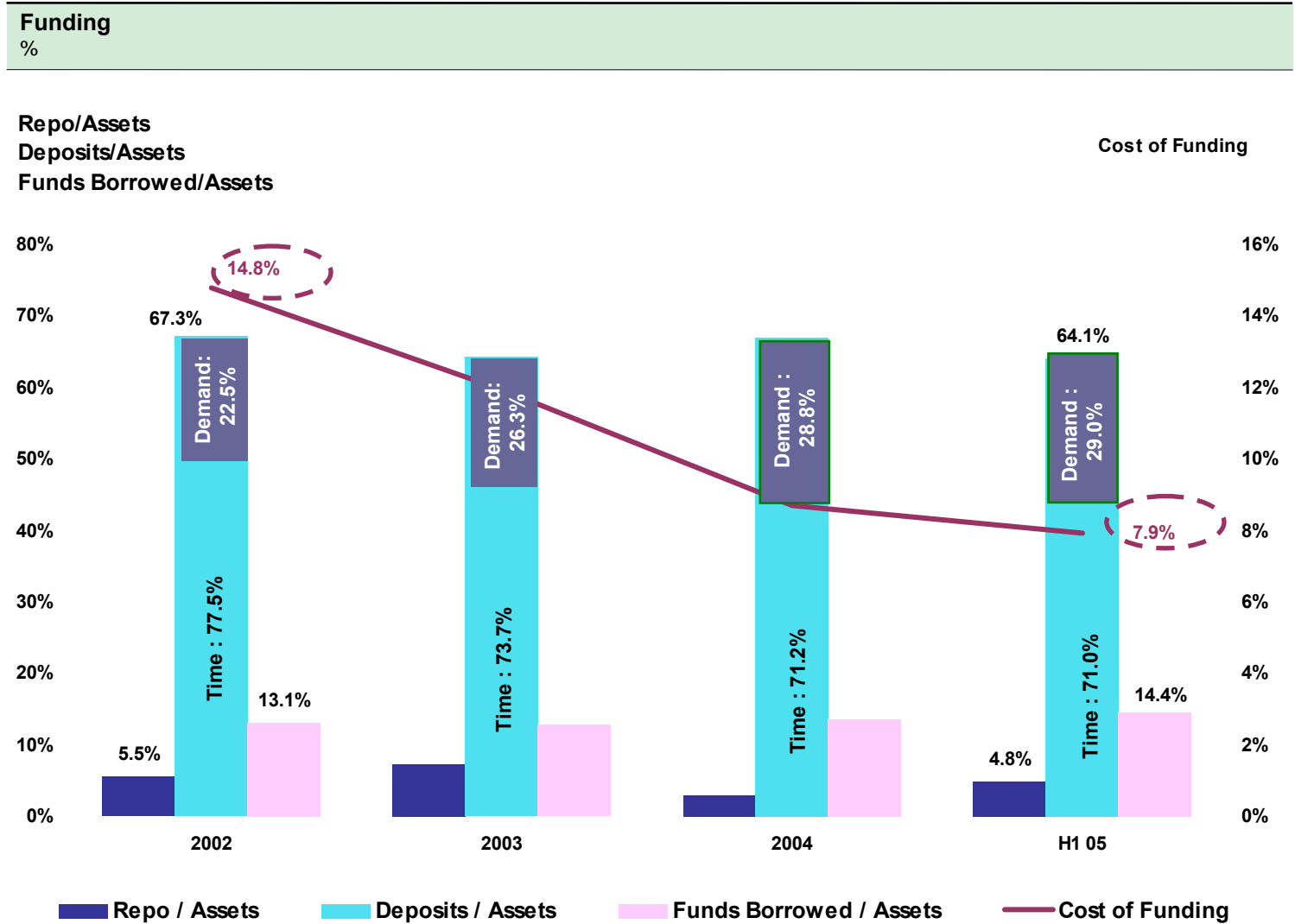
- Share of demand deposits in total deposits reached 29.0% in H1 05
- TL demand deposits increased by 20.2% over YE 2004 and by 8.5% over Q1 05
- Share of TL deposits in total deposits continued to increase and reached 49.4% as of H1 2005



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

Constant Improvement in Cost of Funding

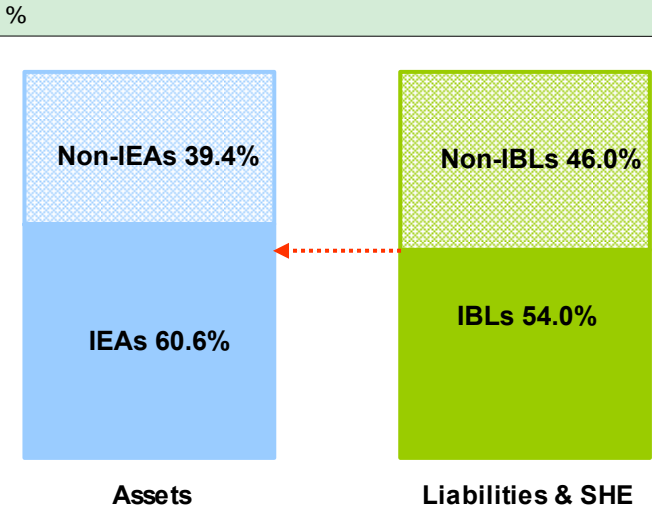
- Cost of funding came down to 7.9% in H1 05, down from 8.7% in 2004 YE



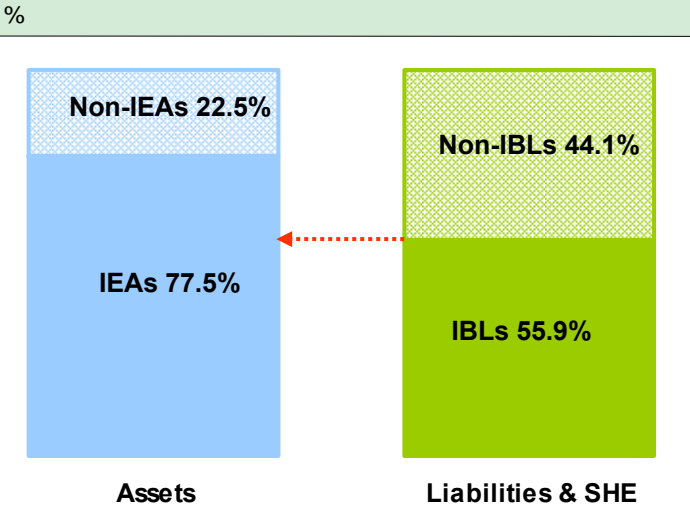
Aggressive Disposal of Non-core Assets

- TL IEAs reached 77.5% of TL assets, whereas on the FC B/S, FC IEAs / FC Assets was 95.6%

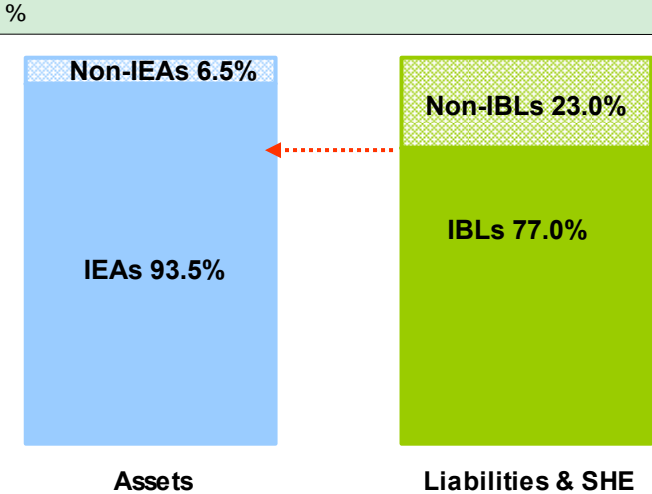
TL Balance Sheet, 2003



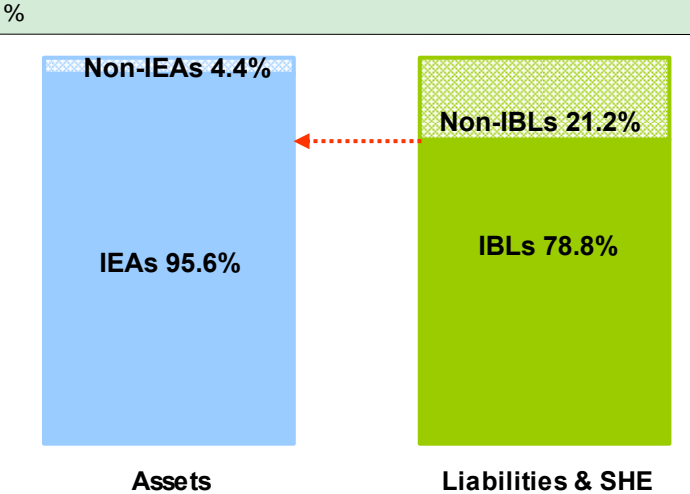
TL Balance Sheet, H1 2005



FC Balance Sheet, 2003

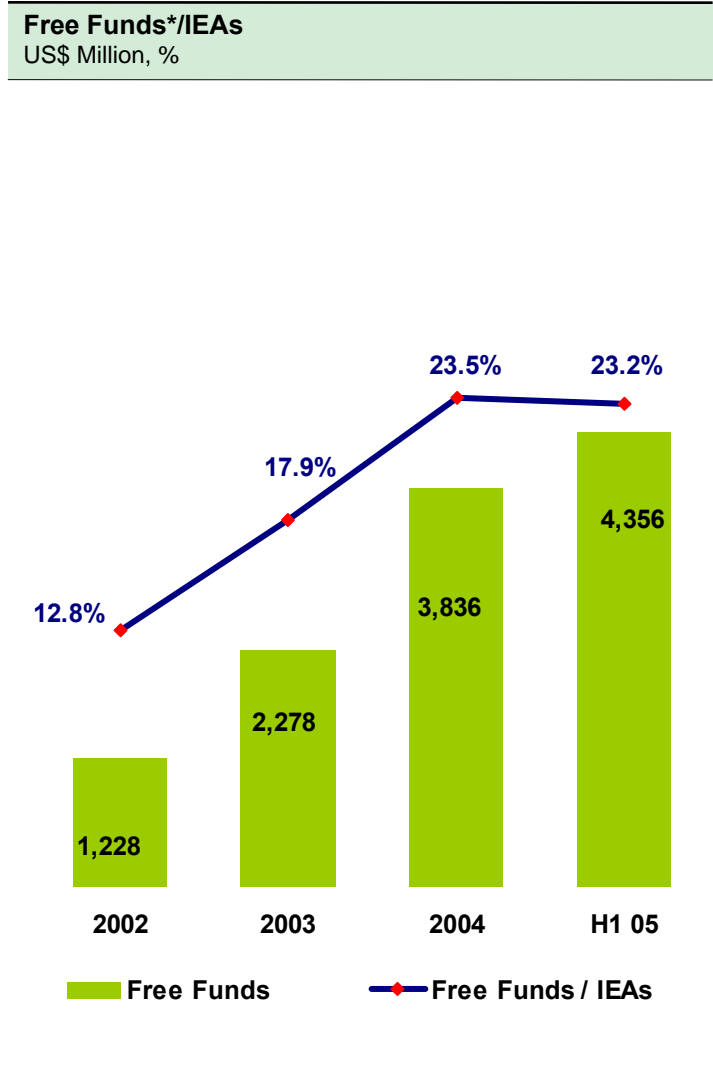
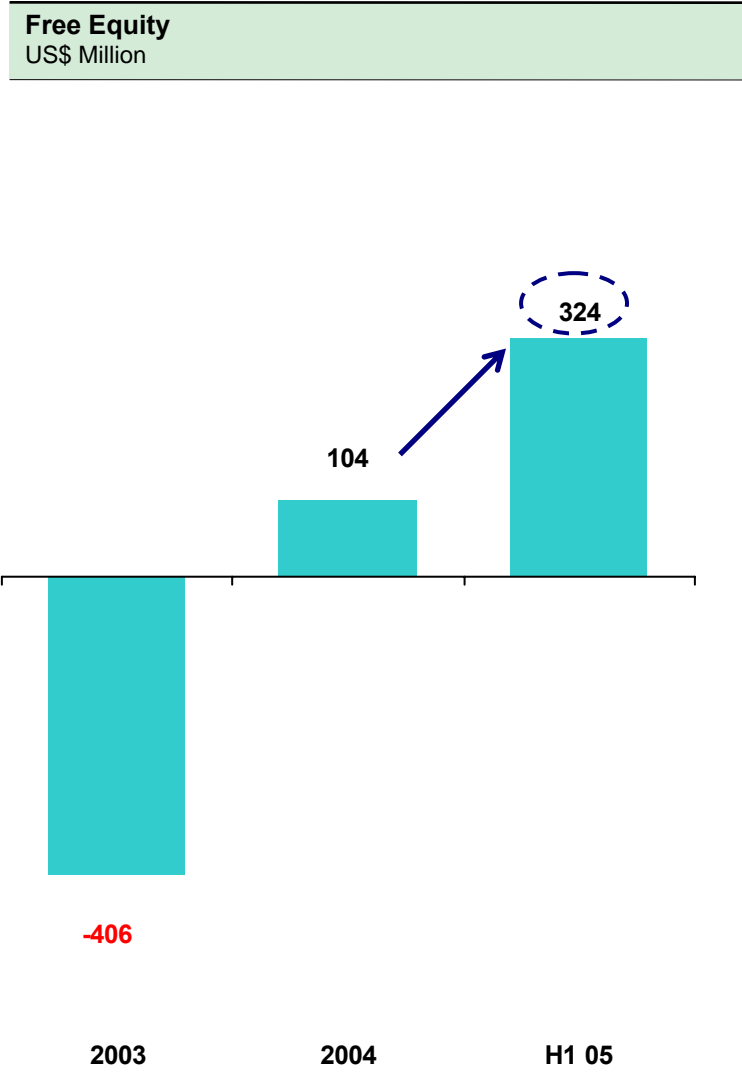


FC Balance Sheet, H1 2005



Improving Free Equity

- Free equity increased further during the second quarter, reaching US\$324 million
- The increase mainly stemmed from lower level of fixed assets and higher level of equity
- Free funds were up by 13.6% YTD to reach US\$4,356 million



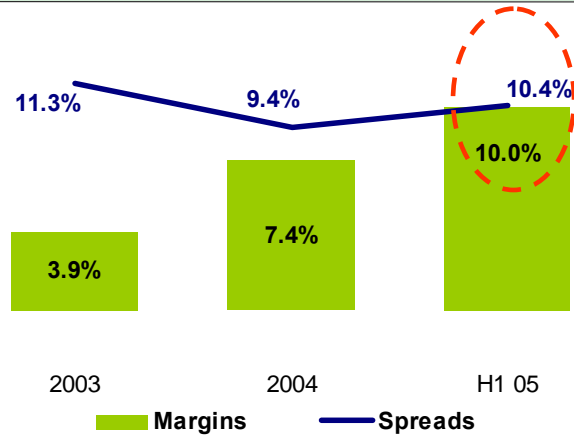
*Free Funds : Free Capital + Demand Deposits



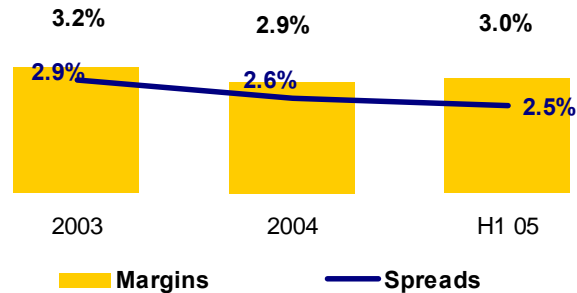
Successful lending policy and aggressive sale of TL loan products

- Despite declining TL rates, margins and spreads in TL balance sheet improved due to focus on lucrative business lines and increasing share of IEAs
- In line with improving TL margins, share of TL in B/S continues to increase, which is currently at 49.9%

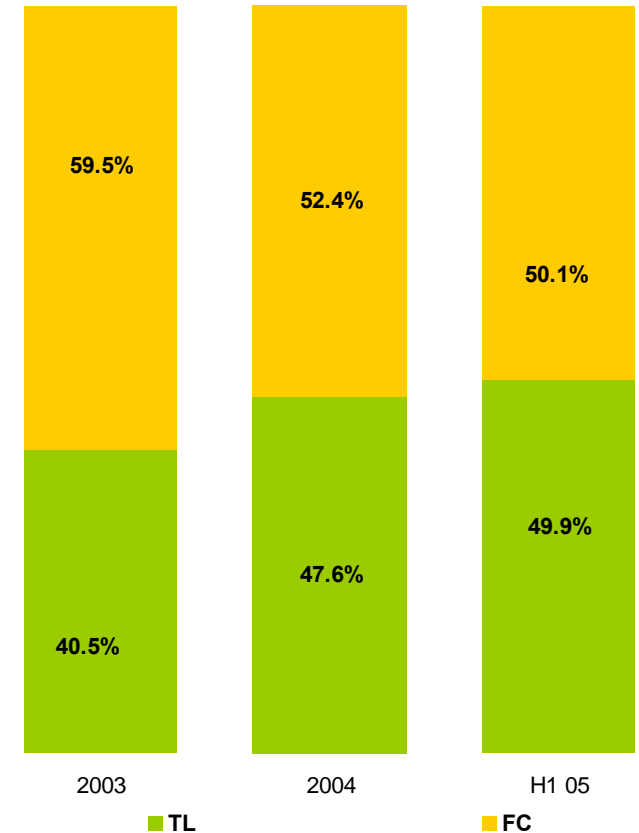
TL Balance Sheet
%



FC Balance Sheet
%



TL / FC Breakdown of Assets & Adj. NIM
%

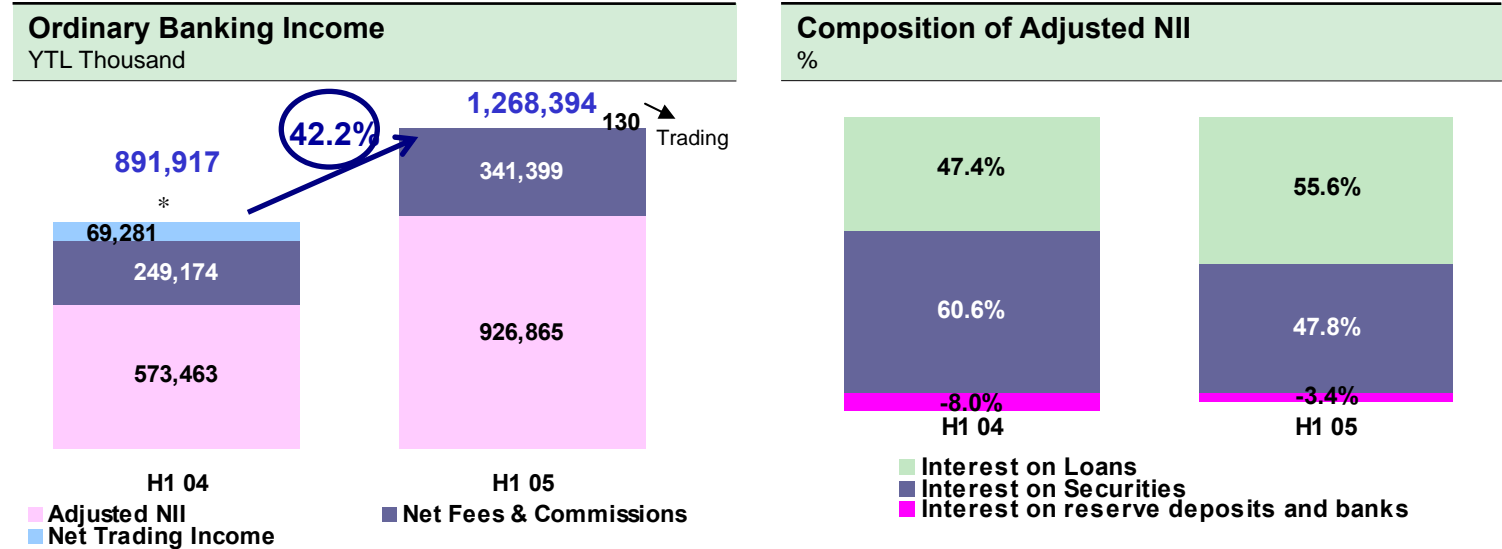




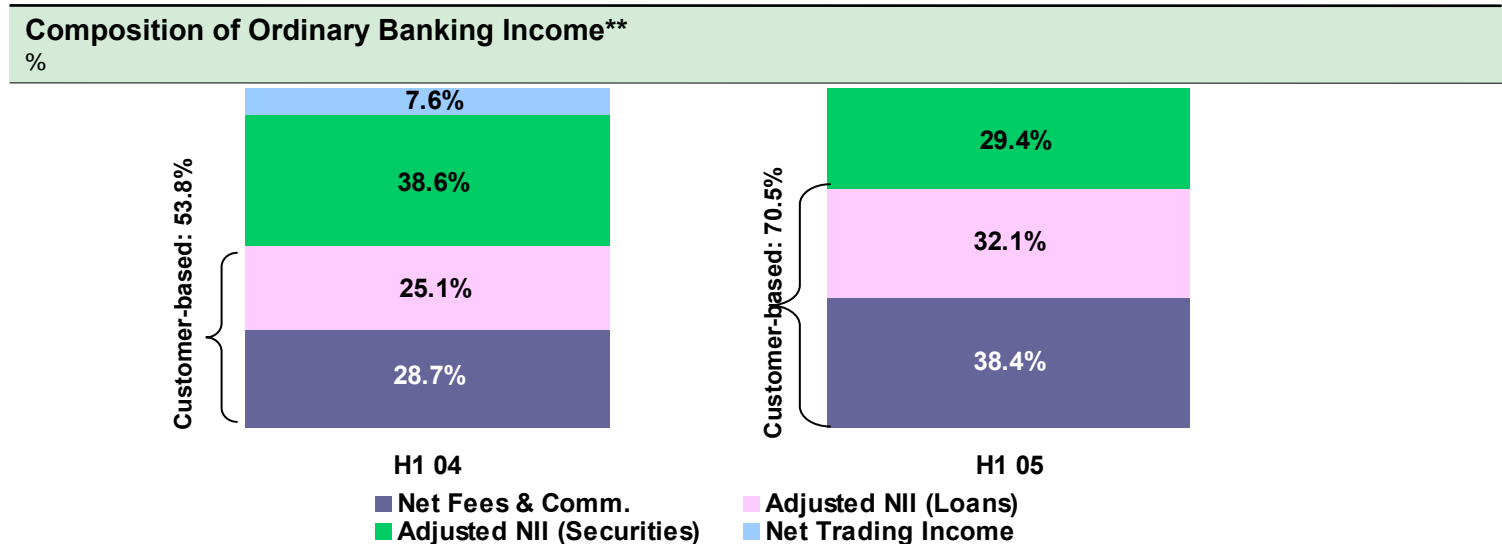
H1 2005 Performance – P/L

High Focus on Sustainable Revenues

- Ordinary banking income was up by 42.2% over H104, reaching YTL1,268,394 thousand
- Share of customer – based income in ordinary banking income increased to as high as 70.5% in H1 2005 from 53.8% in H1 2004



NII adjusted by Monetary Gain (Loss) and Net FX Gain (Loss) Based on MIS criteria

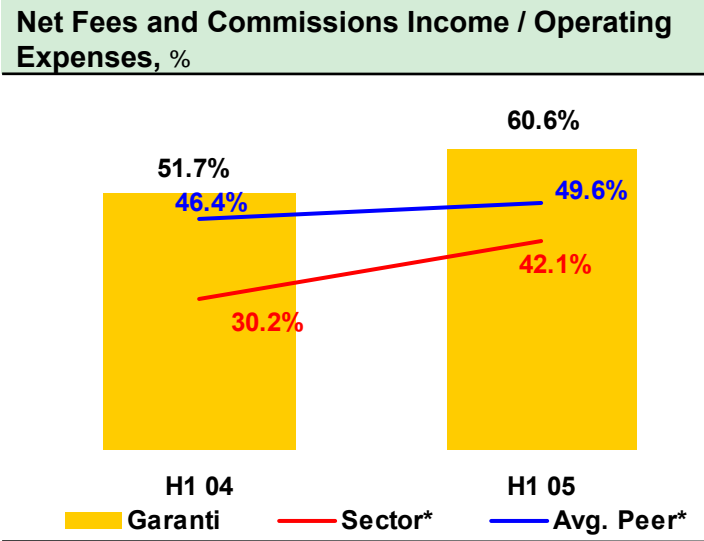
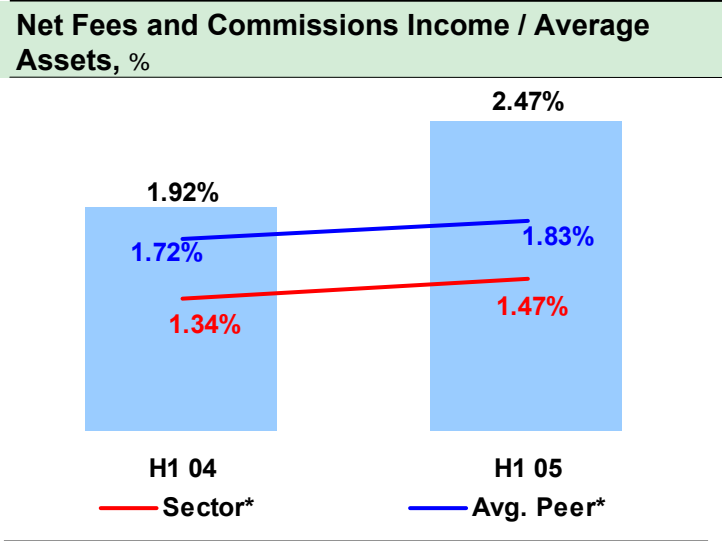
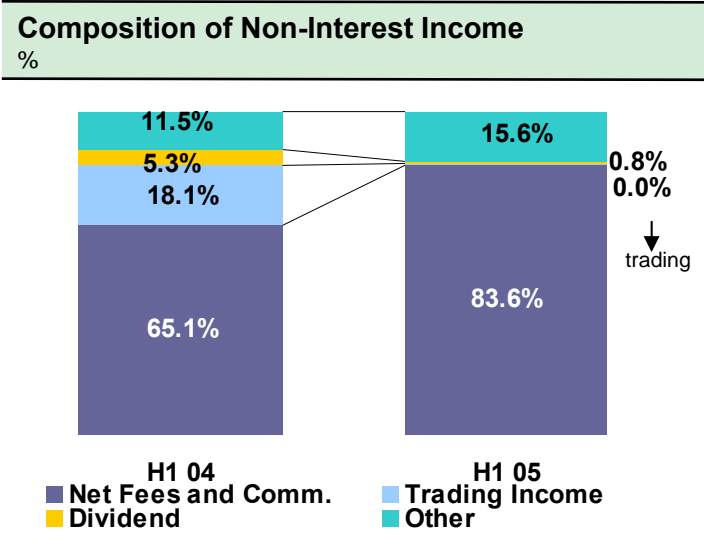
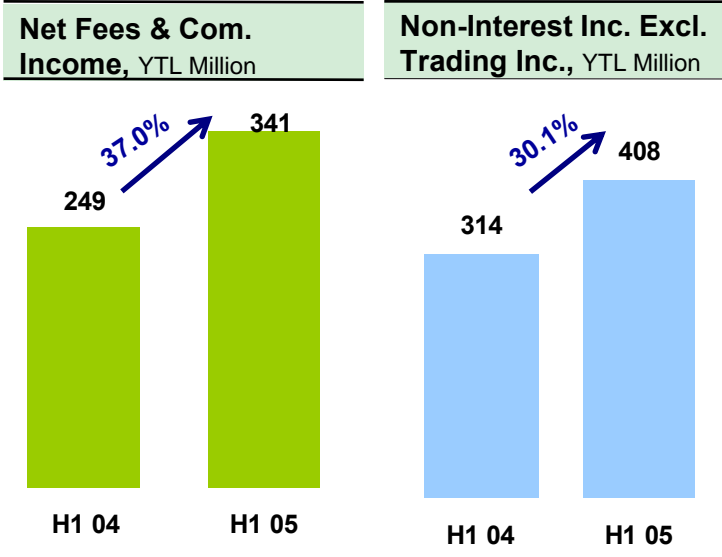


**Based on MIS criteria, reflecting the reclassification of accrued interest on securities sold



Further Increase in Fees and Commissions Income

- Net fees and commissions income increased by 37.0% over H1 04 and by 11.5% over Q1 05
- Strong increase in consumer loans supported the growth in fees and commissions income
- About 83.6% of non-interest income came from fees and commissions
- Net fees and commissions income to average assets reached 2.47%
- Garanti covered 60.6% of its operating expenses through net fees and commissions income



*Sector and peer averages are as of Q1 2005.



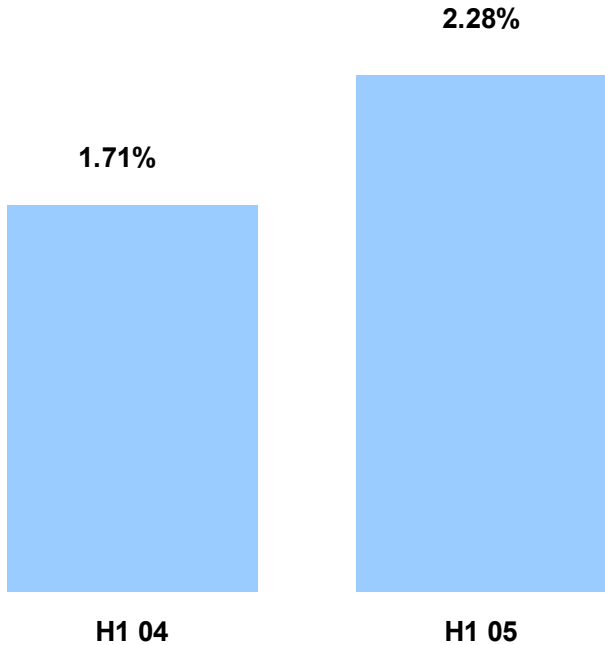
Strong Performance in Profitability Ratios

- ROAA and ROAE were 2.28% and 19.23%, respectively as of H1 2005

- On a quarterly basis only, ROAA and ROAE stood at 2.39% and 20.15%

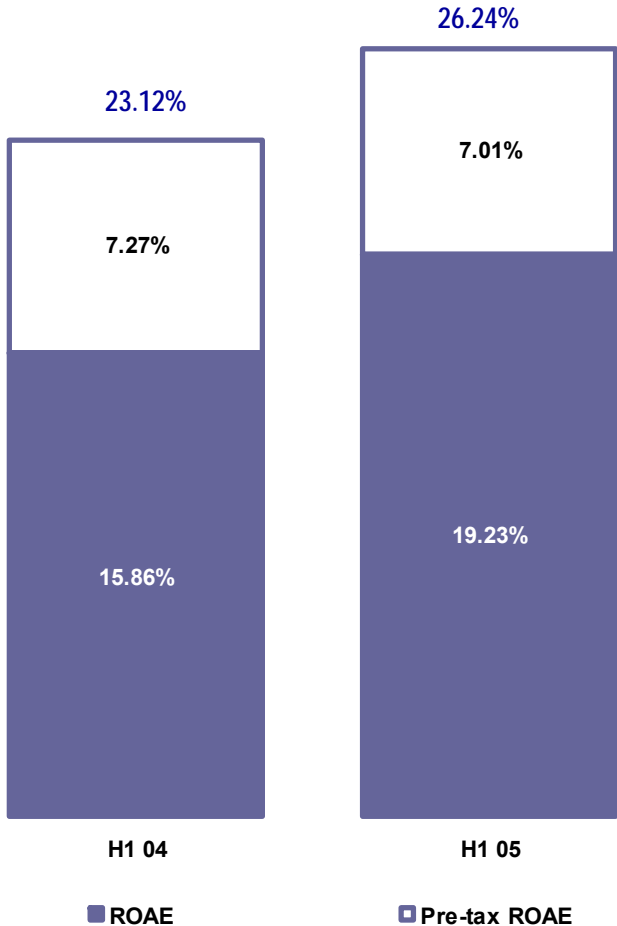
Return on Average Assets

%



Return on Average Shareholders' Equity

%

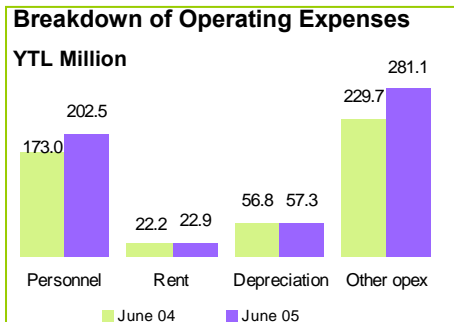
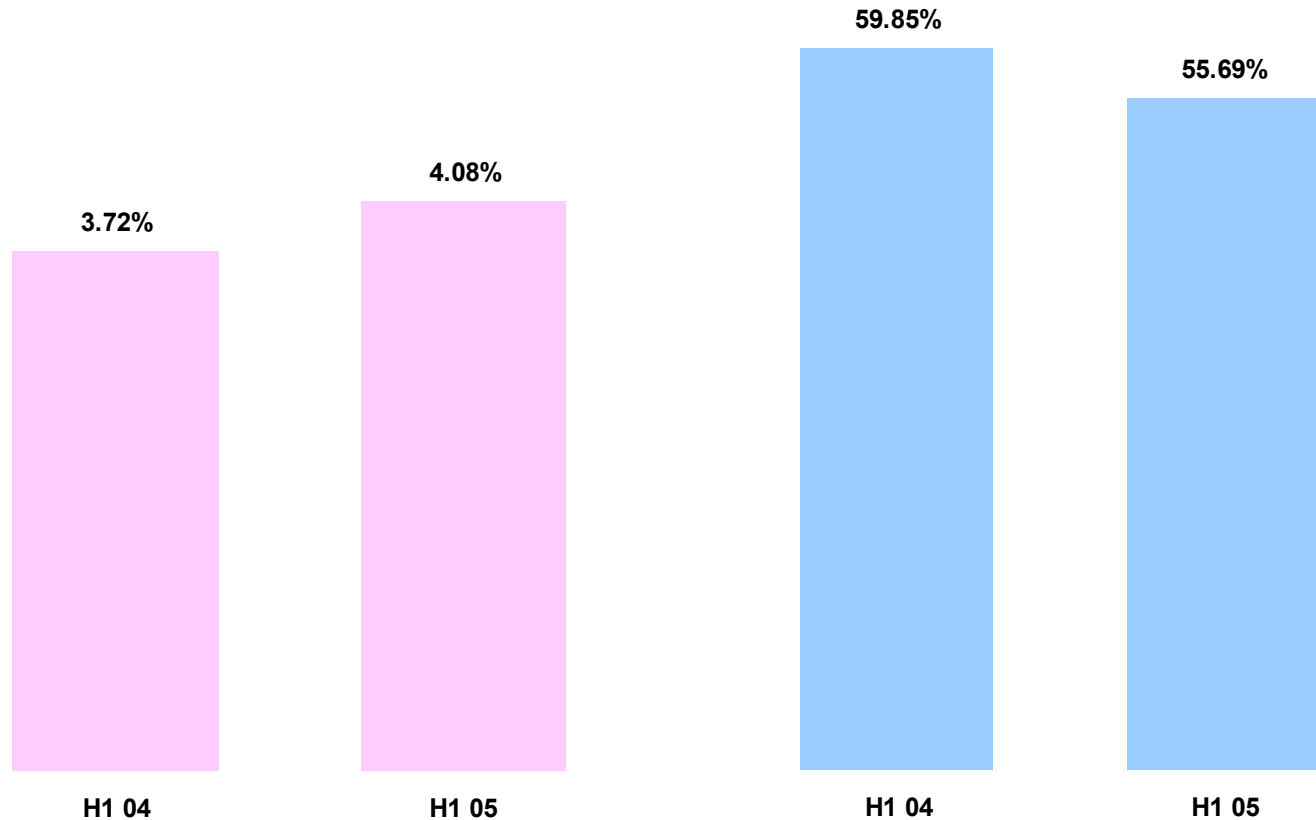


Improvement in Cost / Income Ratio

– Operating expenses to average assets increased to 4.08% in H1 05, whereas Cost / Income ratio was 55.69% as of H1 2005

Operating Expenses / Average Assets
%

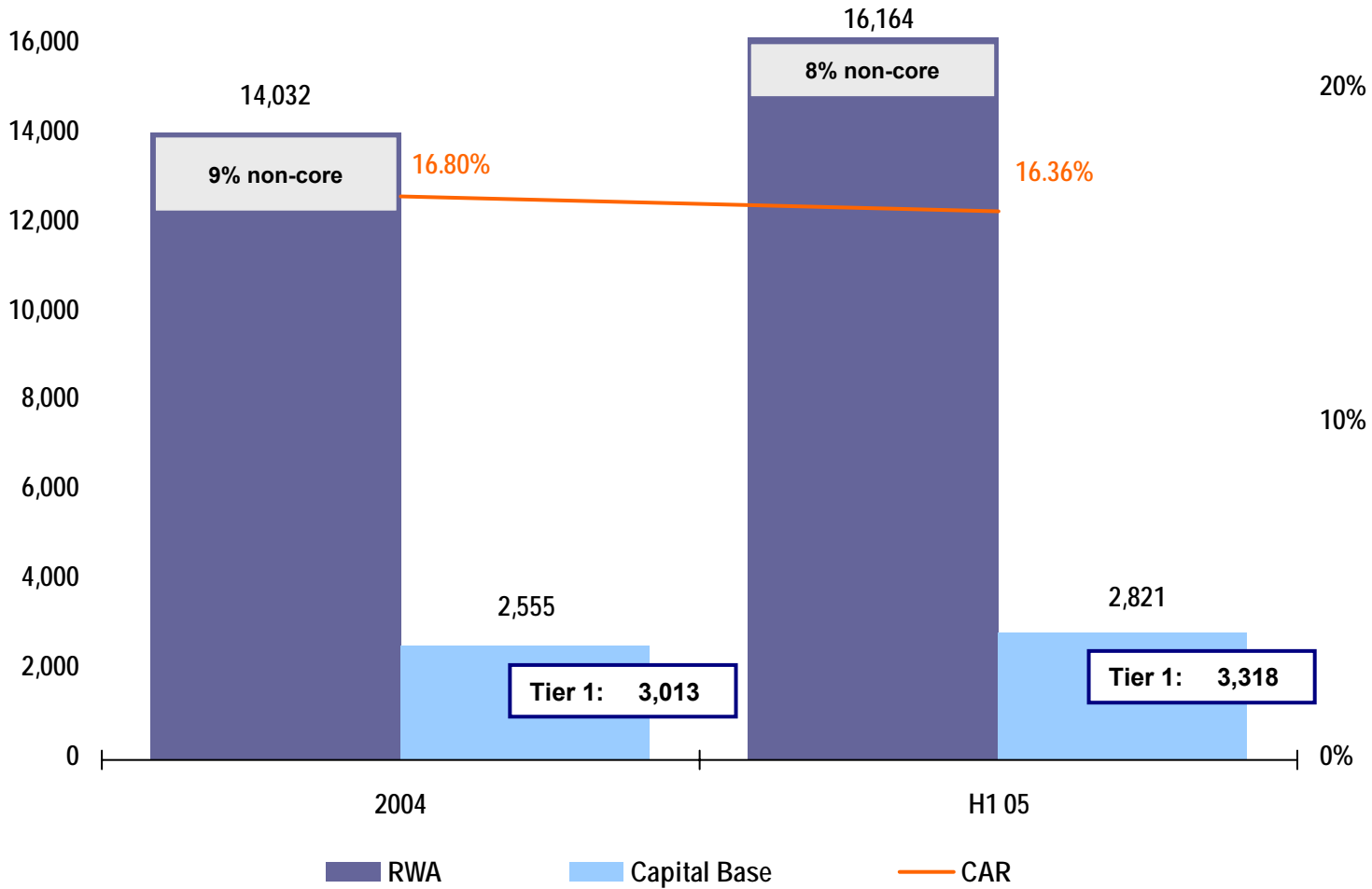
Cost / Income Ratio
%



Strong Levels of Capital Adequacy

– Garanti’s capital adequacy ratio was 16.36% as of H1 05 despite strong increase in consumer lending

RWA vs CAR
%, YTL Million





Garanti

For further information please contact investorrelations@garanti.com.tr