



GarantiBank

BRSA Earnings Presentation

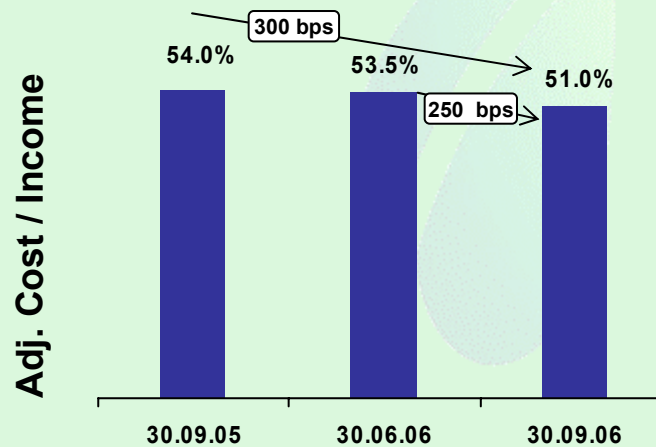
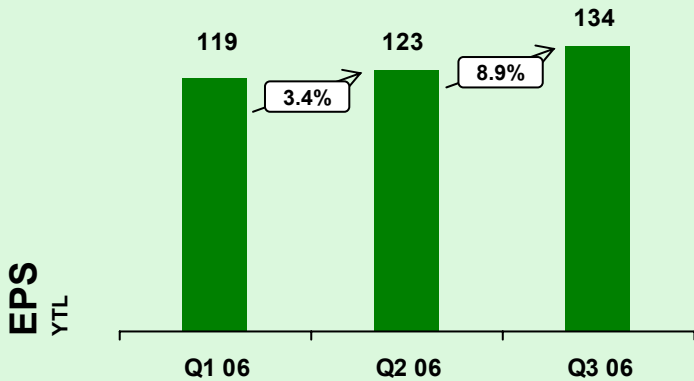
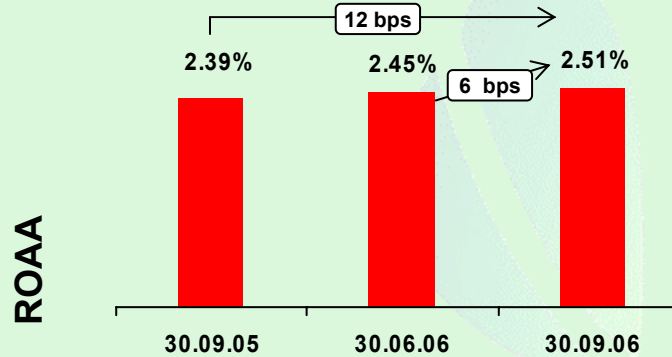
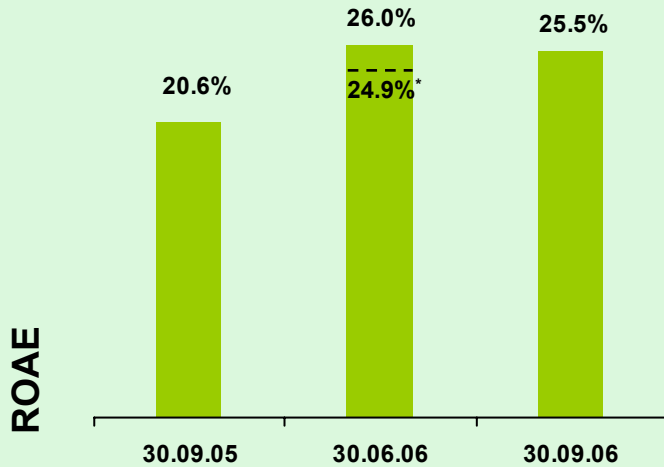
September 30, 2006

Another record
earnings quarter
regardless of
changes in the
market conditions

Performance Highlights

- Total assets **47.5 billion YTL**, YTD growth **30.4%**
- Consistently growing **IEAs** now constitute **91.6%** of total assets
- YTD cash **loan growth 55.0%**, 25.9 billion YTL
- Share of **performing loans in assets** increasing, **54.5%** whereas share of **securities*** at **27.7%**
- YTD **deposit growth 27.4%** with **demand deposits share** in total deposits at **22.9%**
- Y-o-Y **net income growth 50.4%**, 790.6 million YTL. **EPS: 376 YTL** as of Q3 06.
- **Highest quarterly earnings** ever -- **9.4%** growth over H106.
- **Customer driven** sources of **revenue** reached **79.5%** of ordinary banking income
- **Net fees and commissions** y-o-y growth 41.3% contributing to **44.5% of ordinary banking income** and **covering 74.0% of adj. operating expenses**
- **Consistently improving profitability maintained**
ROAA 2.51%, ROAE 25.5%, Adj. Cost/Income 51.0%

Profitability – Consistent Growth Performance



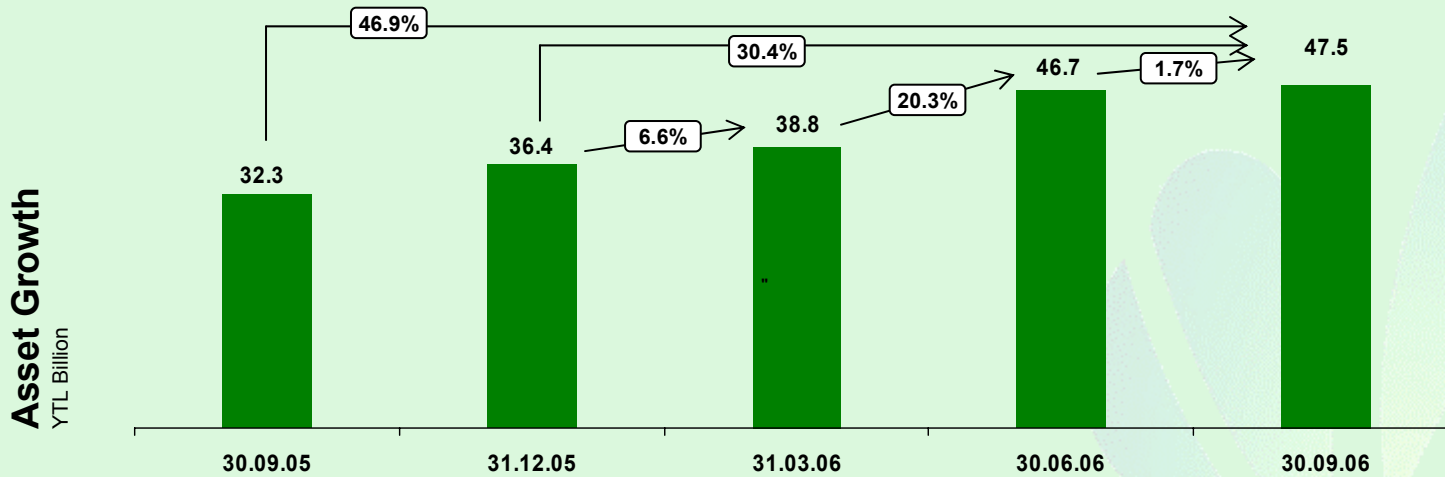
Profitability ratios consistently improving. Y-o-y ROAA went up by 12 bps to 2.51%, ROAE went up by 490 bps to 25.5% while quarterly earnings consecutively reaching record levels.

Cost/Income ratio improved 250 bps over last quarter largely due to growth in fees and commissions and effective cost management.

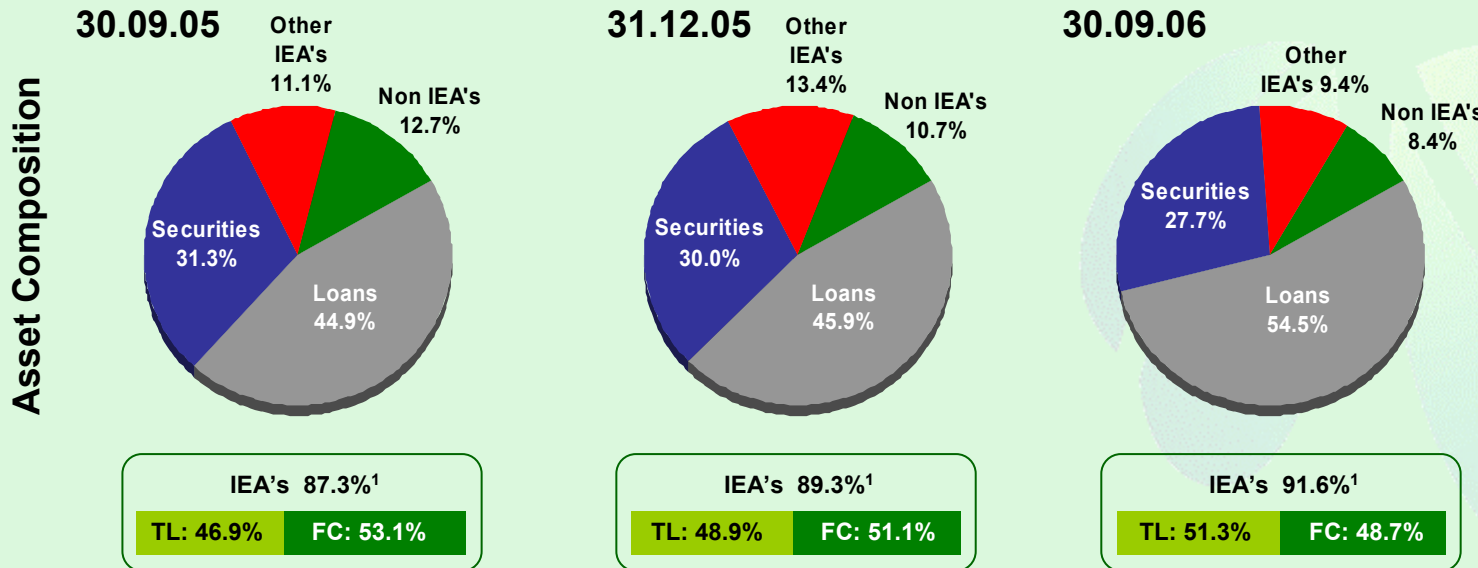
Balance Sheet - Summary

<i>(YTL million)</i>		31.12.05	30.09.06	% Change
Assets	Cash & Banks	2,994	2,760	-7.8%
	Securities	10,954	13,236	20.8%
	Performing Loans	16,700	25,882	55.0%
	Fixed Assets & Subsidiaries	2,064	1,766	-14.4%
	Other	3,699	3,842	3.9%
	Total Assets	36,411	47,486	30.4%
	Liabilities and SHE	Deposits	22,695	28,918
Repos		1,956	3,994	104.2%
Borrowings		5,513	7,551	37.0%
Other		2,347	2,641	12.5%
Shareholders' Equity		3,900	4,382	12.4%
Total Liabilities & SHE		36,411	47,486	30.4%

Asset Growth & Composition



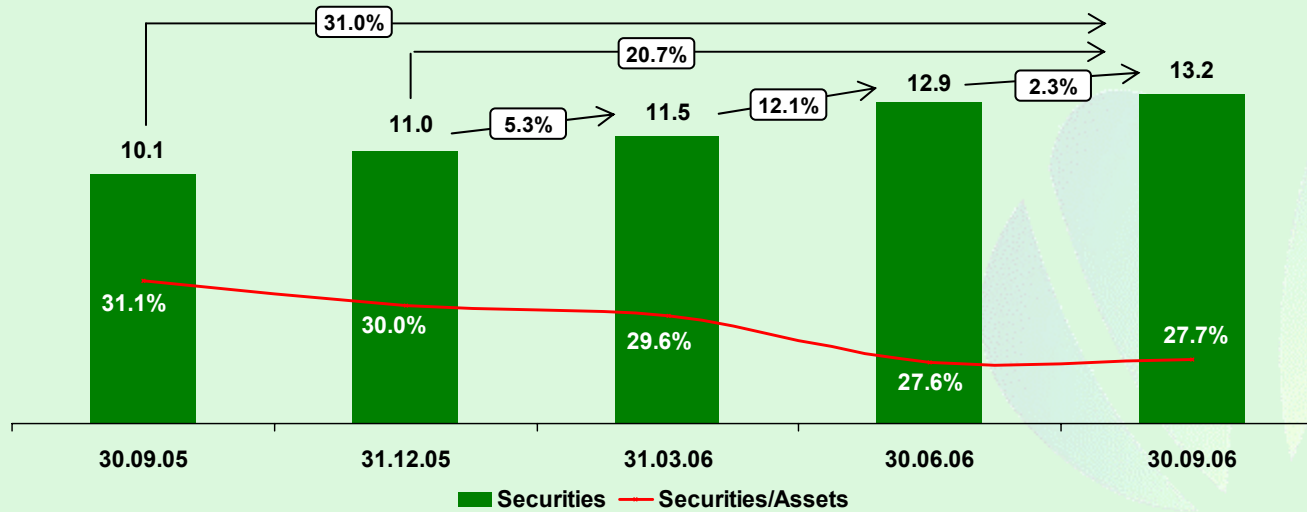
Assets reached 47.5 billion YTL. YTD asset growth was 30.4%.



IEAs constitute 91.6% of total assets. The growth in TL IEA's was faster than FC shifting the TL/FC weight to TL (51.3%)

Securities Portfolio

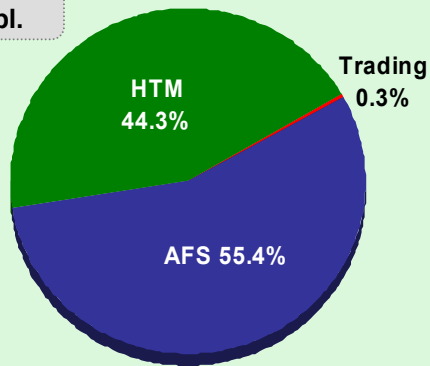
Portfolio – Securities/Assets
YTL Billion



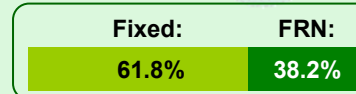
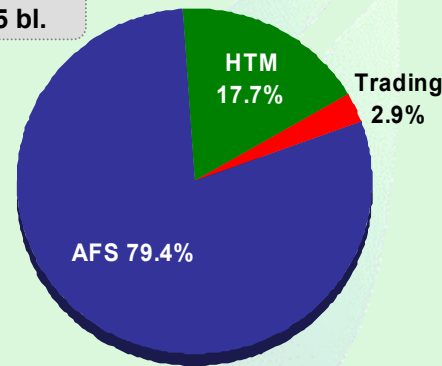
Although YTD securities portfolio increased by 20.7%, its share in assets decreased by 230 bps to 27.7%.

Breakdown of Securities

TL Portfolio
YTL8.0 bl.

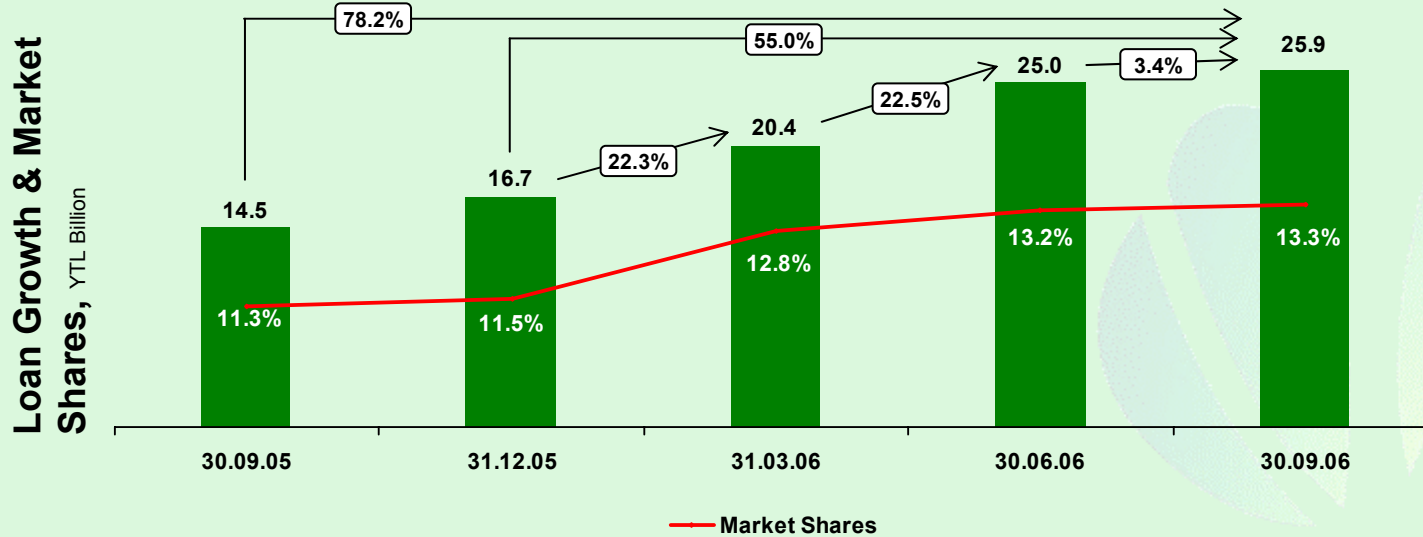


FC Portfolio
US\$3.5 bl.

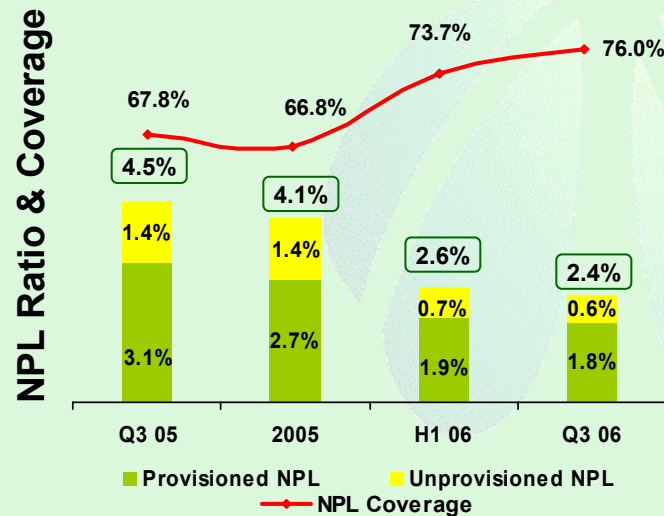
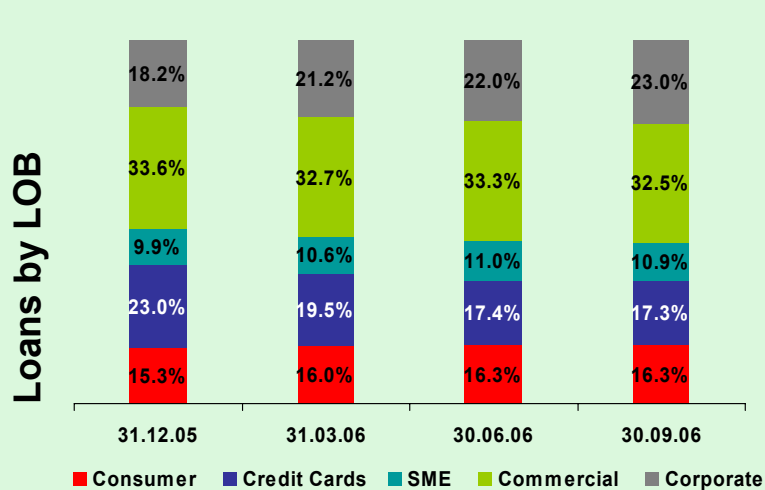


FRNs constitute the majority of the securities portfolio. 61% of securities are TL and of that 69.2% are FRNs.

Total Loans - Growth & Improving Quality

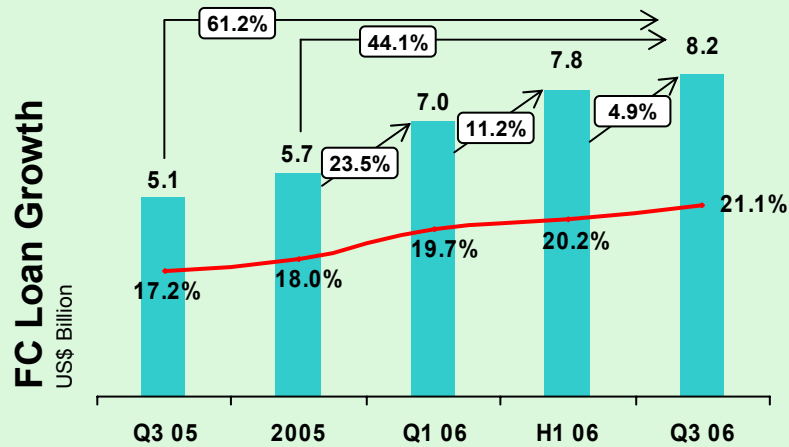
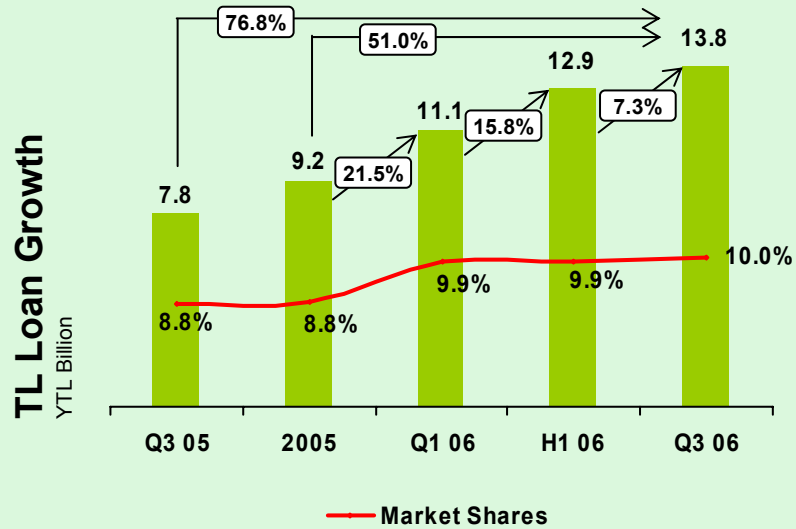


YTD total loan growth 55.0%. Loan volume growth dropped to low single digits in the 3rd quarter due to change in market conditions. Garanti managed to grab another 10 bps market share reaching 13.3% share in total lending.

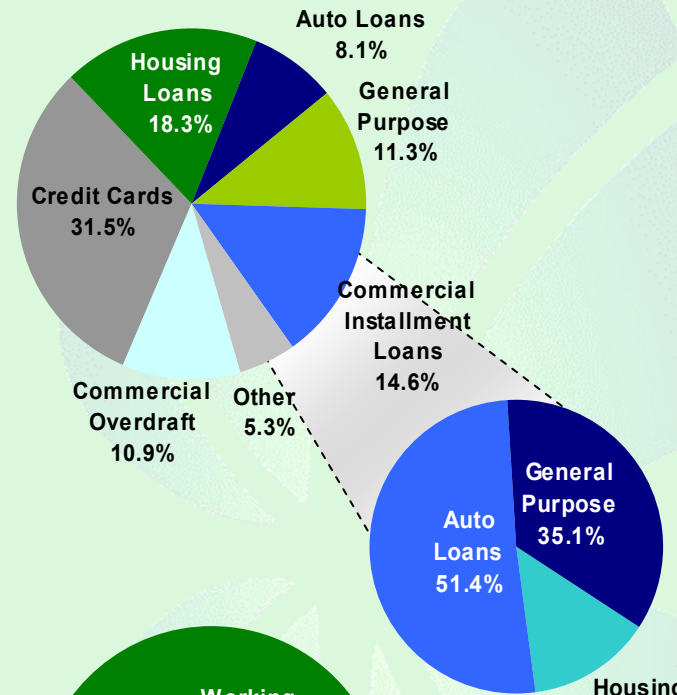


In this period, NPL ratio improved to 2.4%, factor of recoveries and write-offs. The increase in the coverage ratio mainly is a function of lower NPL's.

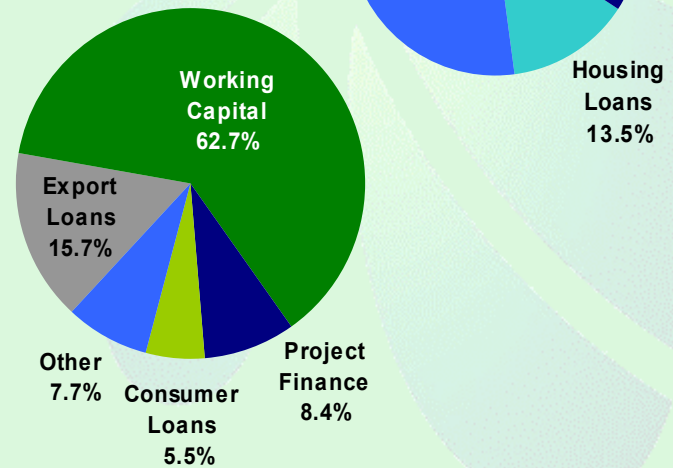
TL – FC Loan Growth, Market Share and Composition



TL Loan Composition
Q3 06

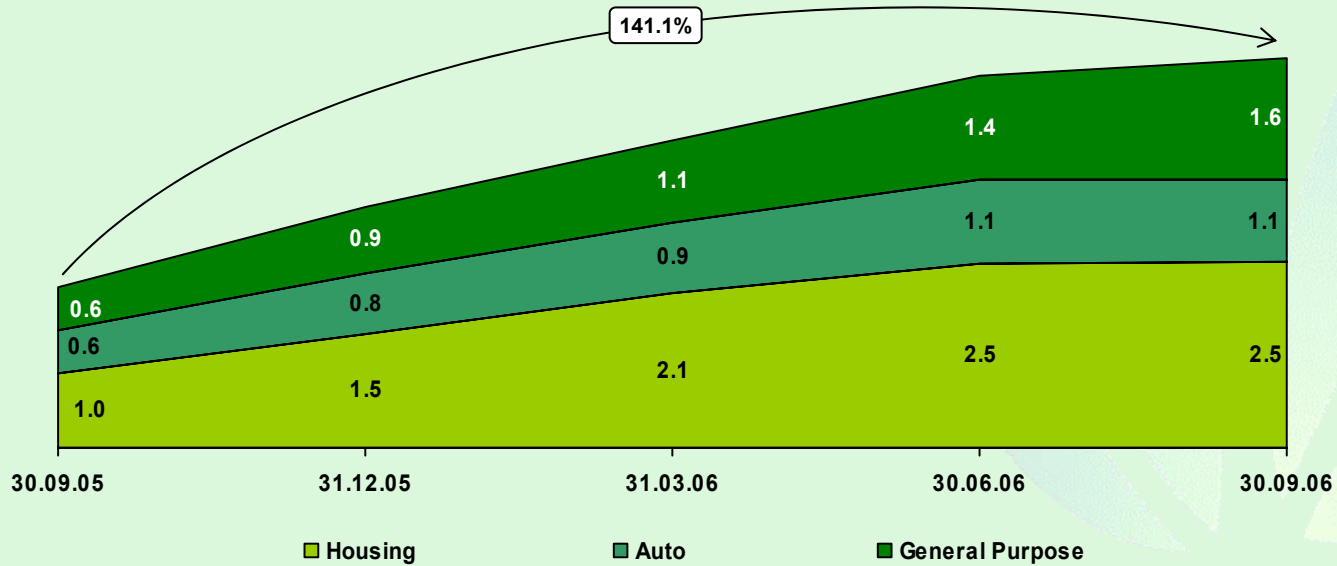


FC Loan Composition
Q3 06



Consumer Loans

Consumer Loans
YTL Billion

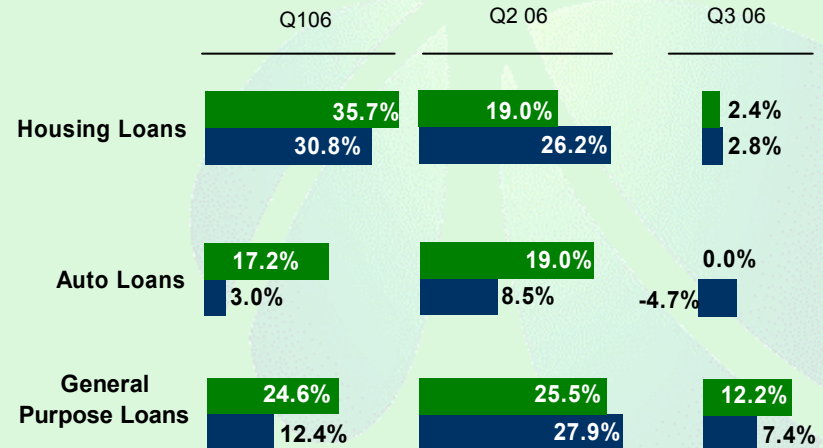


YTD, the growth in consumer lending was 61.7% reflected as a market share gain of 48 bps reaching 11.7% share in consumer lending.

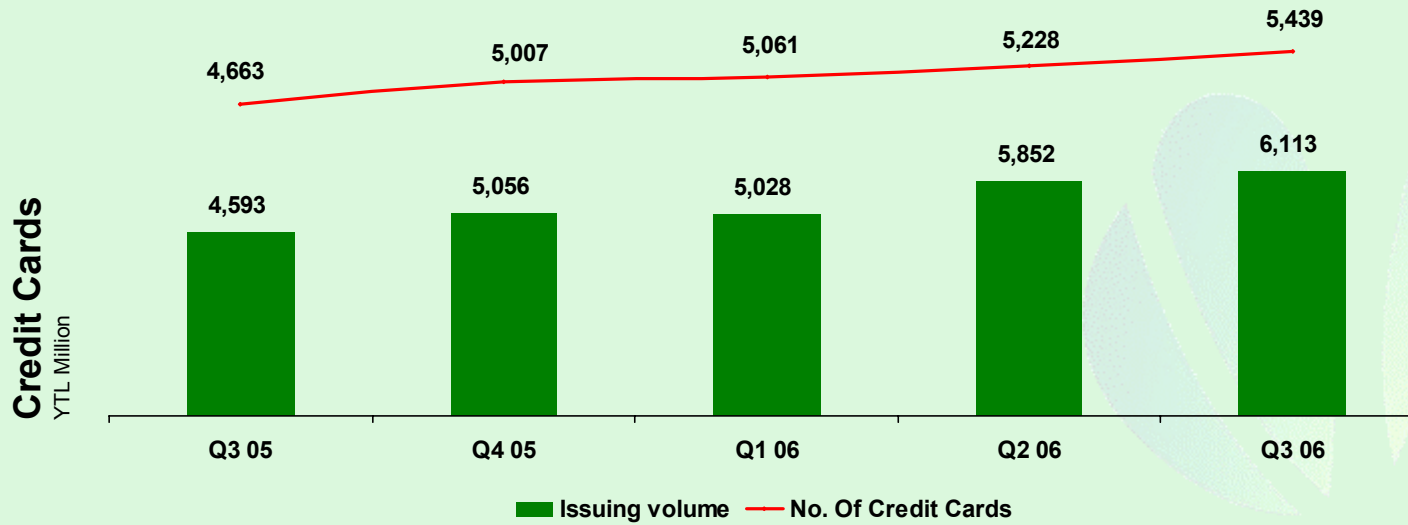
Market Shares
Q3 06 – Growth over 2005

Housing Loans	12.2%	↓ -17 bps
Auto Loans	18.0%	↑ +327 bps
General Purpose	8.5%	↑ +71 bps
Total Consumer Loans	11.7%	↑ +48 bps

Growth Rates



Credit Cards – Leading Market Position (#2)



Credit card portfolio growth was 16.8% YTD and 31.2% over the same period last year.

YTD acquiring volume market share increased by a hefty 194 bps.

Market Shares

Q3 06 - Growth over 2005

Acquiring	21.9%	↑	+194 bps
Issuing	21.7%	↑	+113 bps
Credit Cards	17.4%	→	+ 65 bps
POS	14.8%	↑	+111 bps
ATM	8.6%	↑	+40 bps

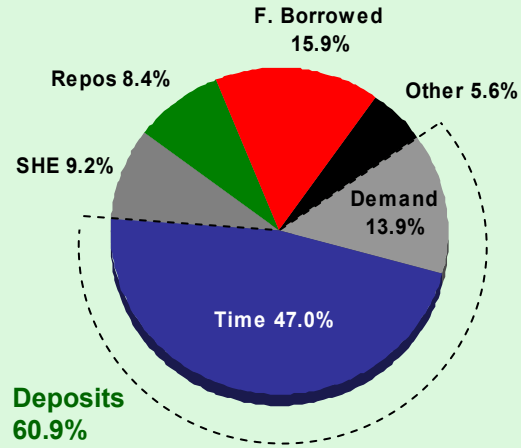
Growth in:	YTD	YOY
Credit Card Balances	16.8%	31.2%
Credit Cards Number	8.6%	16.6%

The YTD increase in number of credit cards was 8.6%.

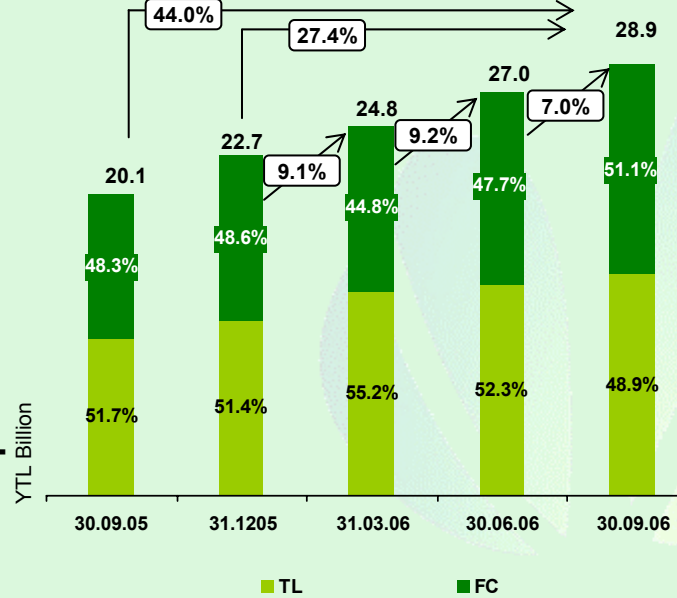


Liabilities & SHE Composition – Strong Funding Capability

Liability & SHE Composition
30.09.06

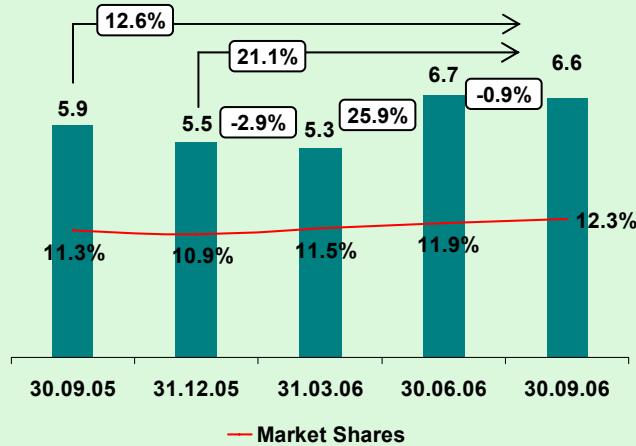


Deposit Growth & TL/FC Mix

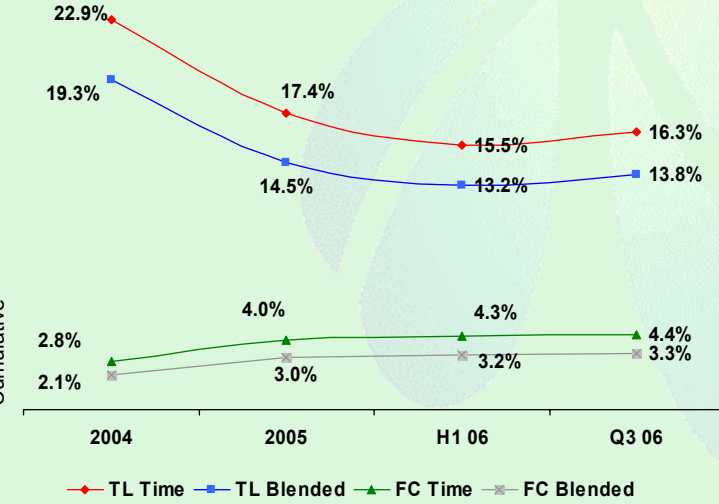


Main source of funding:
Solid deposit base (60.9% of liabilities and SHE)
YTD deposit growth 27.4% with a favorable deposit mix. Demand deposits constitute 22.9% of total deposits and reduce the cost of deposits on a blended basis by 250 bps in TL and 110bps in FC deposits. YTD growth in demand deposits was 21.1%.

Demand Dep. Growth

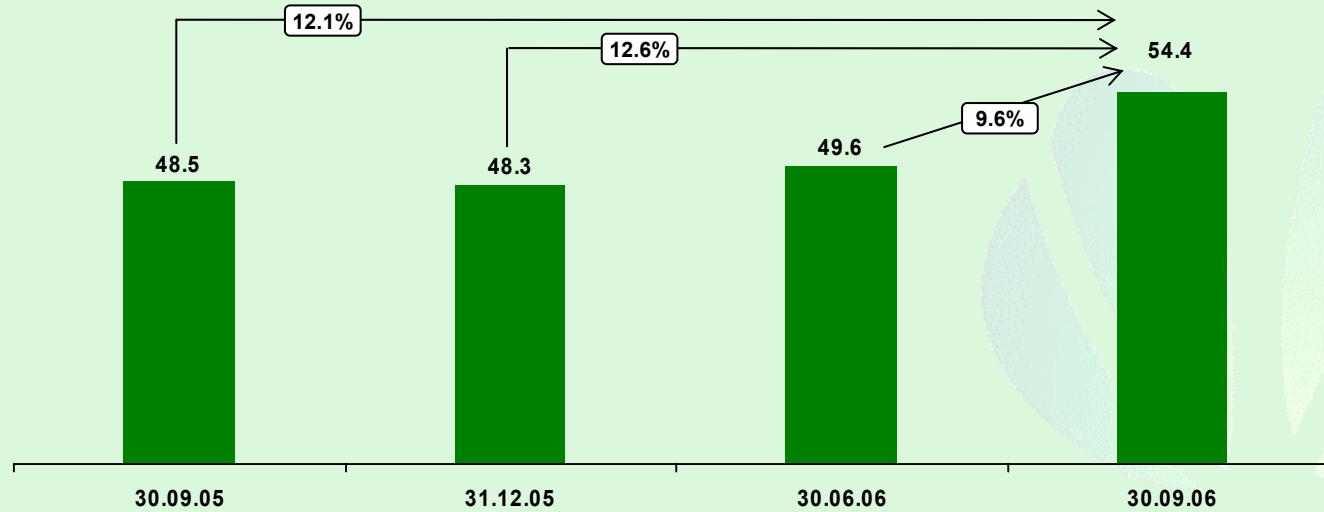


Cost of Deposits



Total Customer Funds – Changing Composition

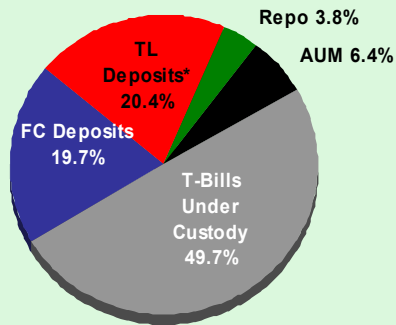
Customer Funds
YTL Billion



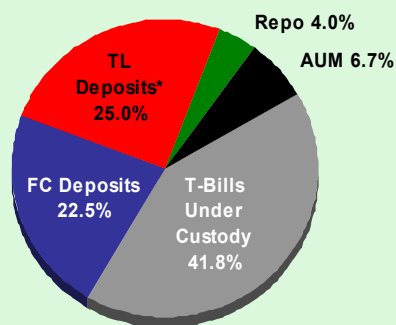
Customer funds YTD grew by 6.1 billion YTL with a decreasing composition of T-bills under custody and growing portion of deposits & repos. Deposits now constitute 50.2% of total customer funds – an increasing shift from 40.1% level in the same period last year.

Customer Fund Composition

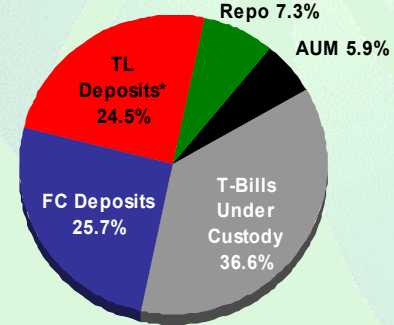
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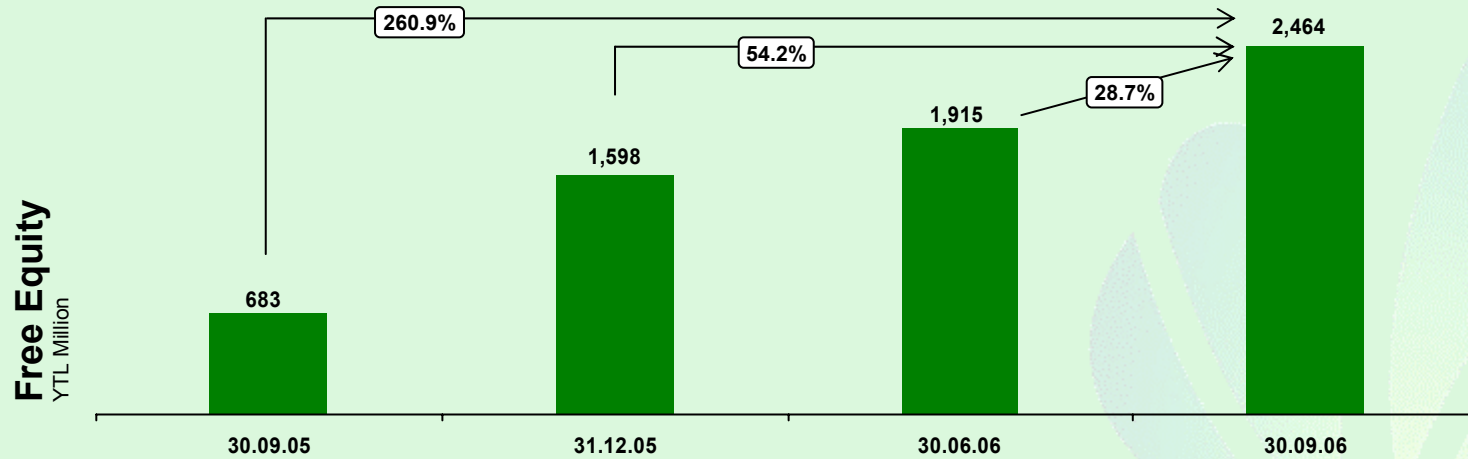
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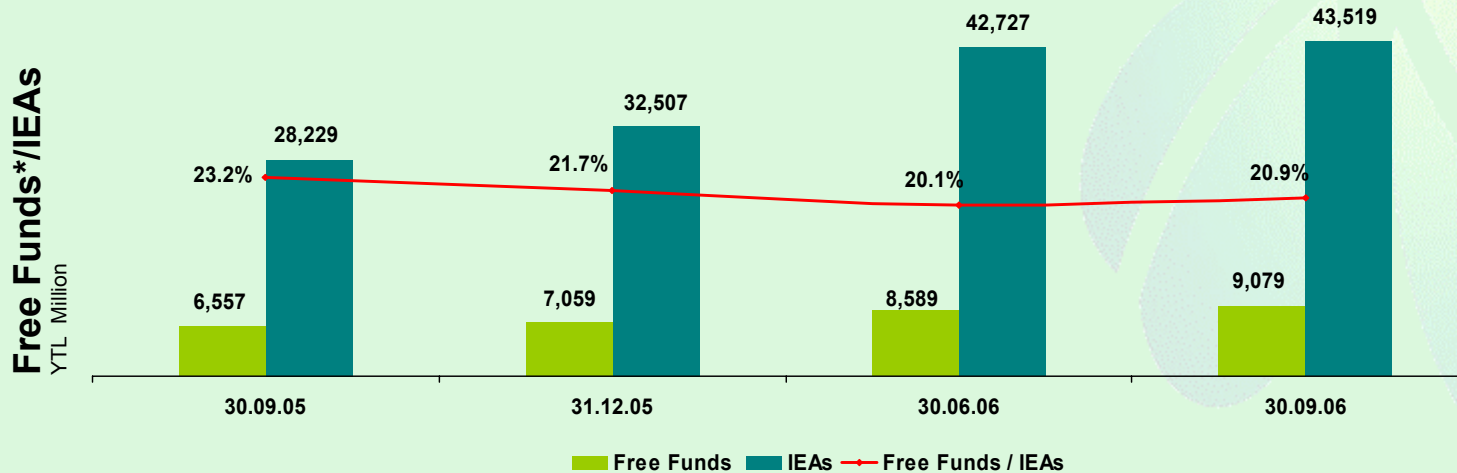
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Increasing Free Funds



Free equity increased by 54.2% YTD.



YTD growth of free funds was 28.6%. Free funds / IEAs stood at 20.9% level in the third quarter.

Capital Adequacy

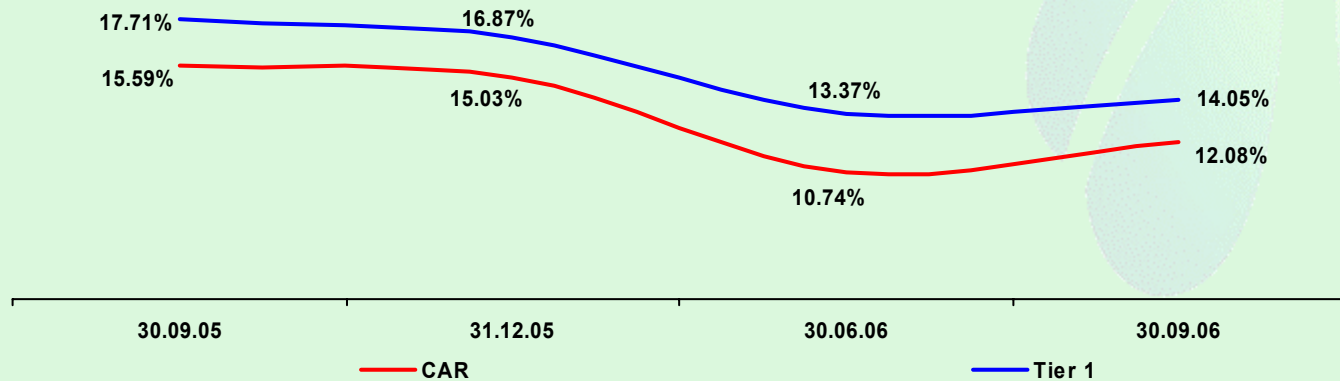
(YTL million)	30.06.06	30.09.06
Paid in Capital	2,100	2,100
Mark-to Market	-137	42
Other Revaluation Funds	786	800
Total Reserves	652	649
Retained Earnings & Current Period Profit	509	791
Shareholders' Equity	3,910	4,382
Capital Base	3,240	3,705
Risk Weighted Assets	28,096	28,778
Market Risk	2,078	1,908

CAR Variance Q3 – Q2 06	1.34%
FX Rate Effect	0.33%
Profit and Other Capital Effect	0.83%
Mark-to Market Effect	0.64%
Value at Risk Effect	0.06%
Loan and other RWA	-0.52%
Risk Weighted Assets Variance	513
1. FX Rate Effect	-693
2. Increase in Assets (Business Growth)	1,206

Capital adequacy ratio improved by 134 bps since the first half of 2006 mainly due to the profit and improved mark-to-market.

Due to improvement in market conditions mark-to-market improved by 179 million YTL.

CAR & Tier 1 Ratio



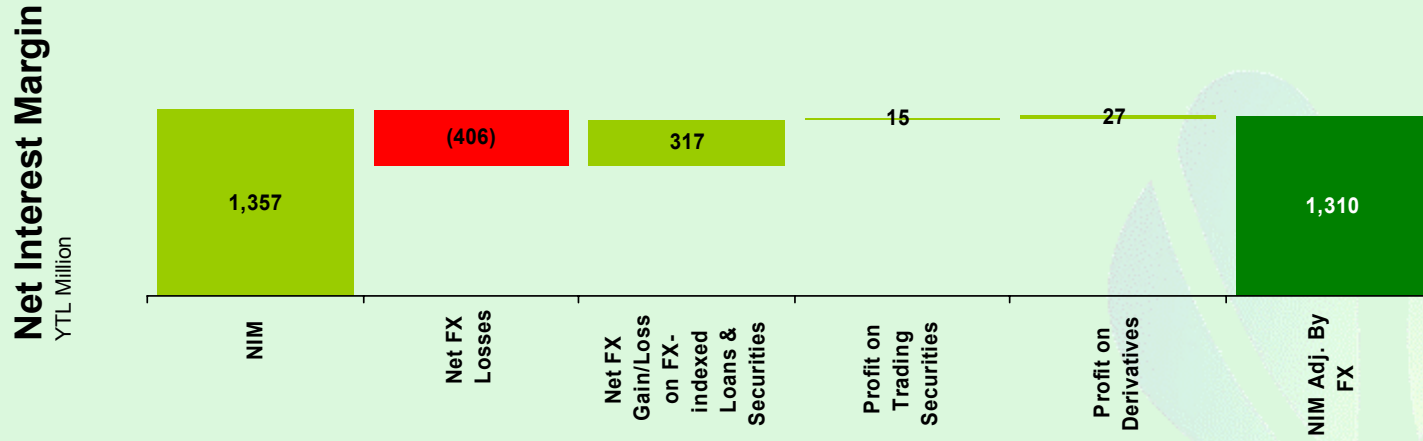
Income Statement – Summary and FX-Adjustments

<i>(YTL thousand)</i>	30.09.05	30.09.06	% Change	Q206	Q306	% Change
Net Interest Income	1,264,294	1,356,649	7.3	484,507	448,534	(7.4)
Net FX Gain / Loss	98,145	(405,648)	n.m.	(491,104)	72,546	n.m.
Non-Interest Income	672,851	1,369,350	n.m.	811,141	232,933	n.m.
Total Revenues	2,035,290	2,320,351	14.0	804,544	754,013	(6.3)
Operating Expenses	(905,482)	(1,035,152)	14.3	(330,409)	(362,354)	9.7
Operating Income	1,129,808	1,285,199	13.8	474,135	391,659	(17.4)
Provisions	(404,965)	(303,092)	(25.2)	(179,132)	(37,062)	(79.3)
Taxes	(199,150)	(191,500)	(3.8)	(37,250)	(72,500)	94.6
Net Income	525,693	790,607	50.4	257,752	282,097	9.5

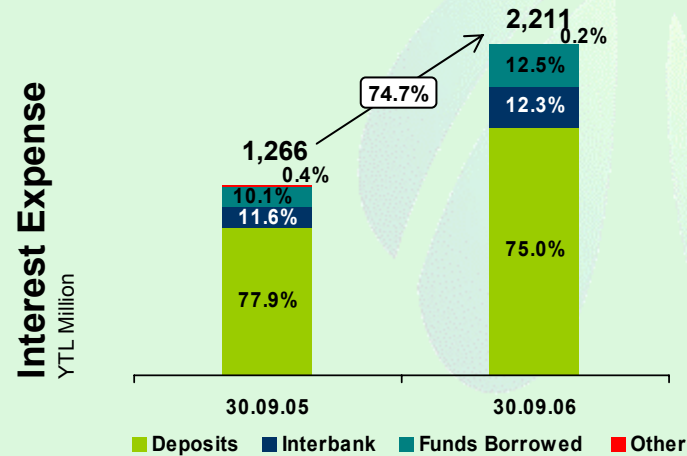
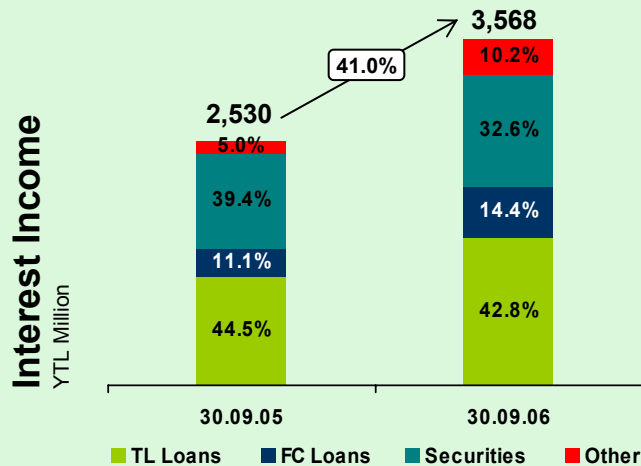
FX Adjustments

<i>(YTL thousand)</i>	30.09.05	30.09.06
FX Gain / Loss	98,145	(405,648)
FX Gain on FX- Indexed Securities & Loans	7,650	330,666
Fx Loss on FX-indexed Loans	(53,002)	(14,267)
Profit on Trading Securities		14,783
Profit on Derivatives		27,397
Adj. FX Gain / Loss	52,793	(47,069)
Adj. Non Interest Income	665,201	996,503
Adj. Operating Expense	852,480	1,048,753

Interest Income vs Interest Expense

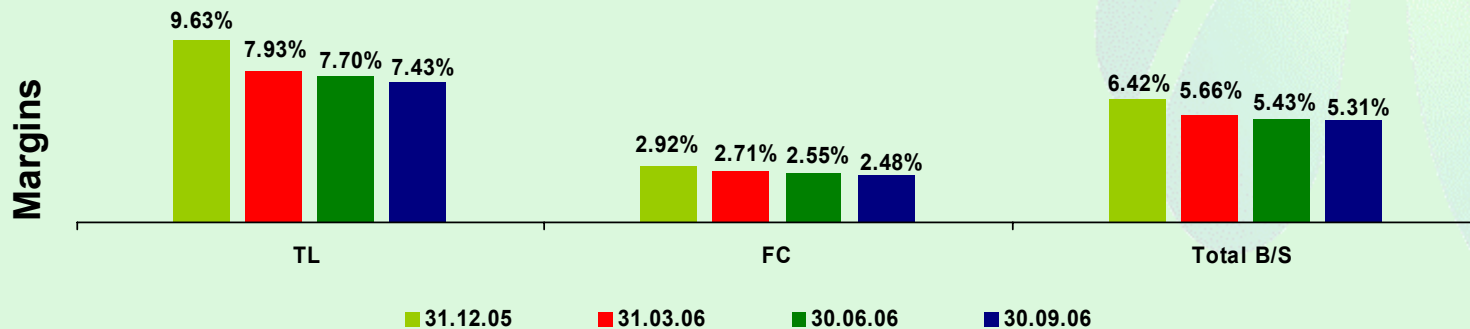
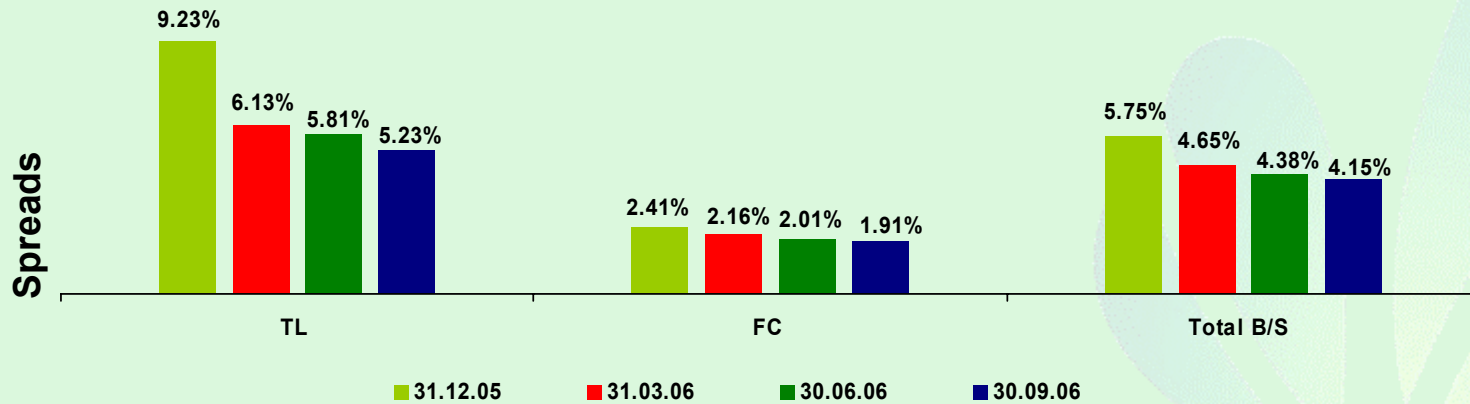


Net foreign exchange loss is 47.1 million YTL bringing the adjusted net interest income to 1.31 billion YTL .



The recorded net FX losses of 406 million YTL are netted against the foreign exchange gains and losses on the FX-indexed assets and the derivative financial instruments as indicated in detail in the financial note 3.5 of the interim financial statements.

Margins and Spreads on a Cumulative Basis



Pressure on margins continued in the third quarter.

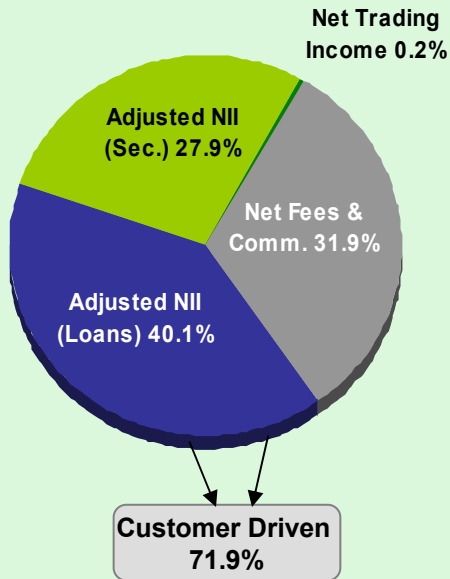
Although the rate increase on loans ignited by the volatile economy was significantly higher than the increase in funding costs, margins contracted due to short-term nature of time deposits.

In the third quarter, balance sheet spread contraction was 23 bps while margin contraction was 12 bps compared to first half 2006.

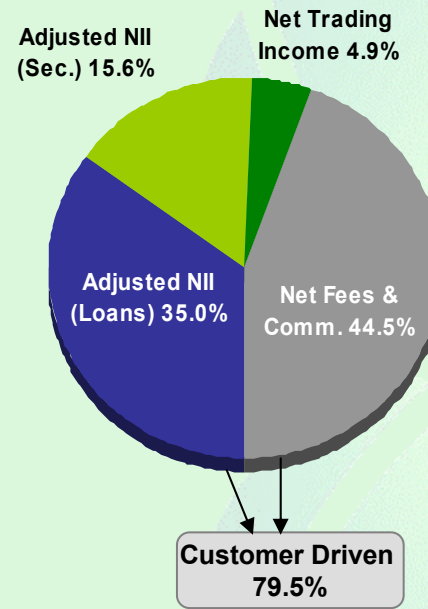
Sustainable Banking Income

Ordinary Banking Income

30.09.05



30.09.06



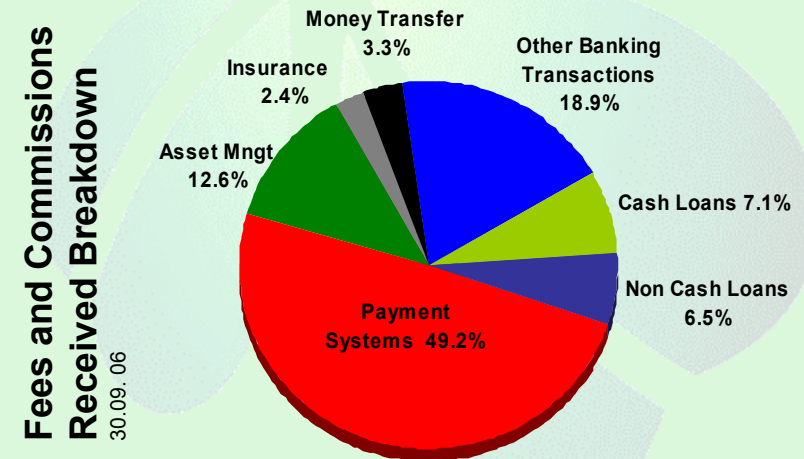
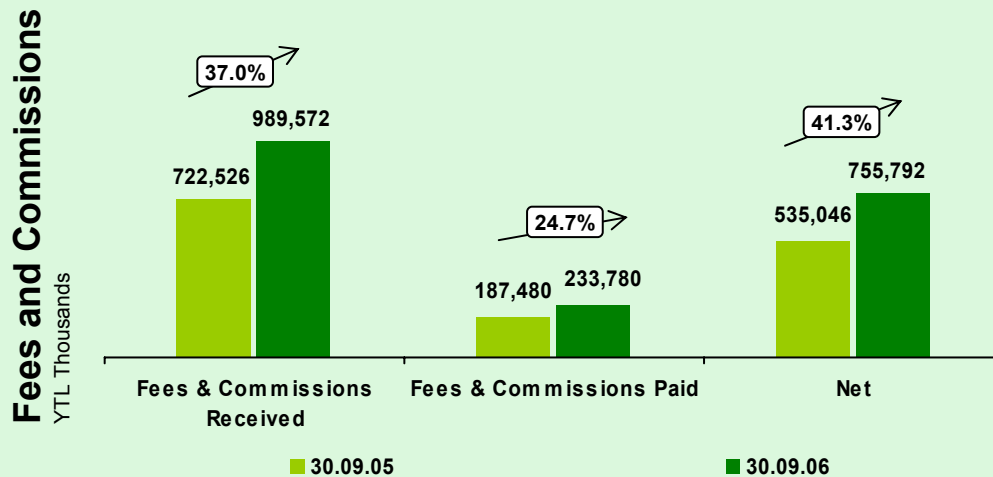
Customer driven sources of income increased by 760 bps and now constitute 79.5% of ordinary banking income.

Net fees and commissions contribute 44.5% indicating the consistently increasing trend.

The contribution of net trading income increased substantially vs. the same period last year with 4.9%.

Fee & Commission Income Growth

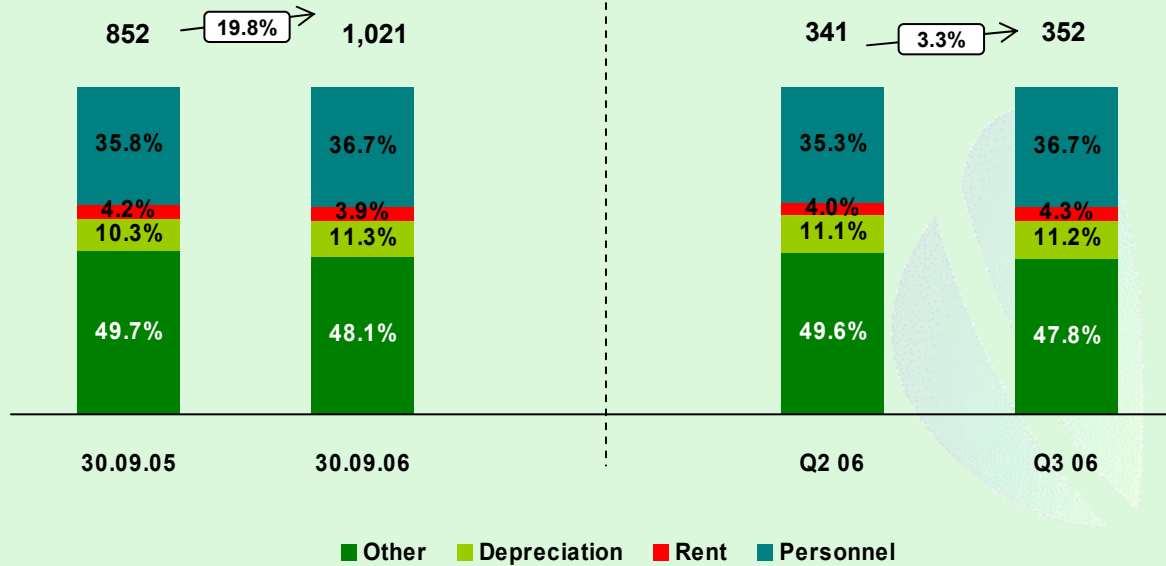
(YTL thousand)	30.09.05	30.09.06	% change	Q2 06	Q3 06	% change
Fees and Commissions, net	535,046	755,792	41.3	260,792	254,997	(2.2)
Trading Account Income, net	2,811	83,864	n.m.	46,453	(3,886)	n.m.
Dividend Income	3,141	46,305	n.m.	37,150	8,552	(77.0)
Other Income	131,853	483,389	n.m.	466,746	(26,730)	n.m.
Total Non-Interest Income	672,851	1,369,350	103.5	811,141	232,933	(71.3)



Effective Cost Management

Adj. Operating Expenses

YTL Million



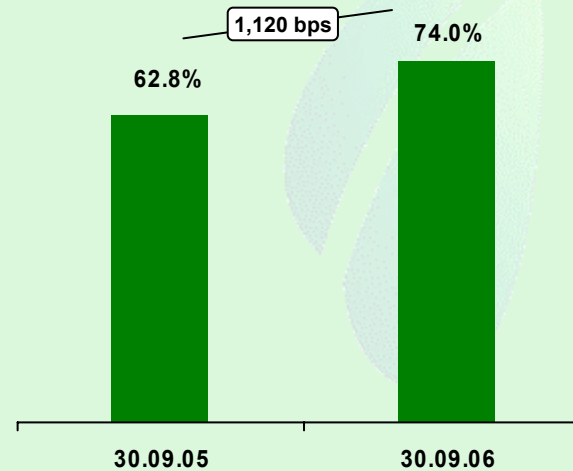
Y-o-y operating expenses went up by 19.8% on an adjusted basis due to increase in branch network.

Operating expense over average assets ratio improved by 64 bps y-o-y ending the third quarter of 2006 at 3.24%.

Adj. Opex/Avg. Assets



Fees & Comm. / Adj. Opex



Net fees and commissions cover 74.0% of operating expenses.



GarantiBank

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