



BRSA Consolidated Earnings Presentation

June 30, 2008

“profitability focused growth”

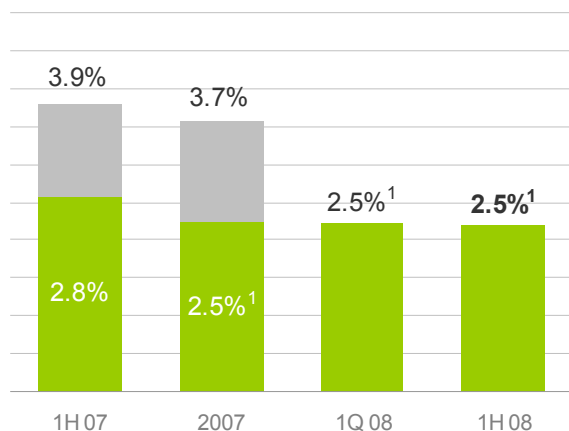


1H 2008 – Highlights

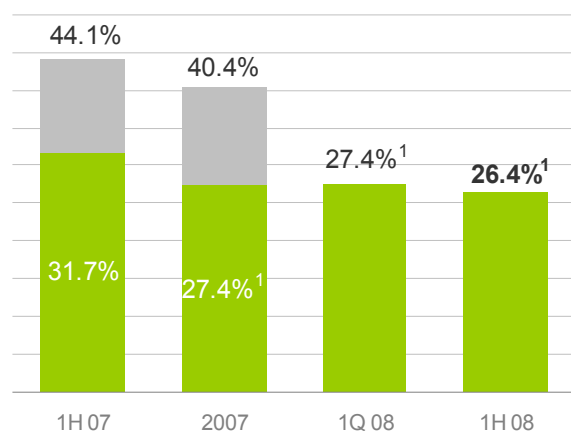
- *EPS growth of 23%. ROAE* 27%*
- *Total YTD loan growth 19% - sustained growth in higher yielding retail products such as general purpose and credit cards*
- *Market leader in cards business – moved up to #1 position in issuing retail volume with mrkt. sh. of 21.6%*
- *100% increase in capital and founder share buy-back completed for fair dividend distribution, net cash injection of 666mn YTL -- CAR improved by 100bps*
- *Total YTD deposit growth 11% - Capital increase eased the pressure on time deposits, helping manage deposit costs flat despite rate hikes*
- *Strong YTD demand deposit growth 23%. Demand in total deposits 22%*
- *Margin is positively affected by increase in TL IEAs, lower TL in IBLs and lower level of IBLs in funding total assets*
- *High level of customer driven sources of income. Main contributor Net Fees & Commissions with a y-o-y growth of 27%*
- *Expanding distribution network with efficient cost management. Added close to 90 new branches and over 520 ATMs*

Sustained High Profitability Levels

ROAA



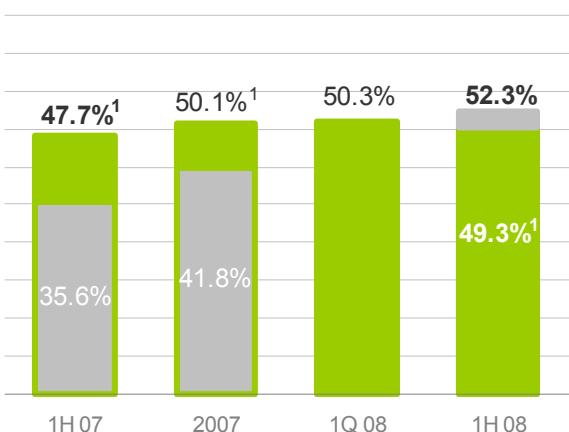
ROAE



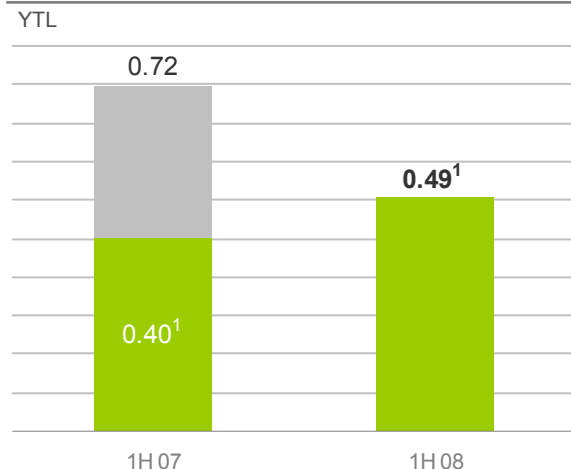
ROAE
Without the suppression effect of the equity injection

27%

Cost / Income



EPS



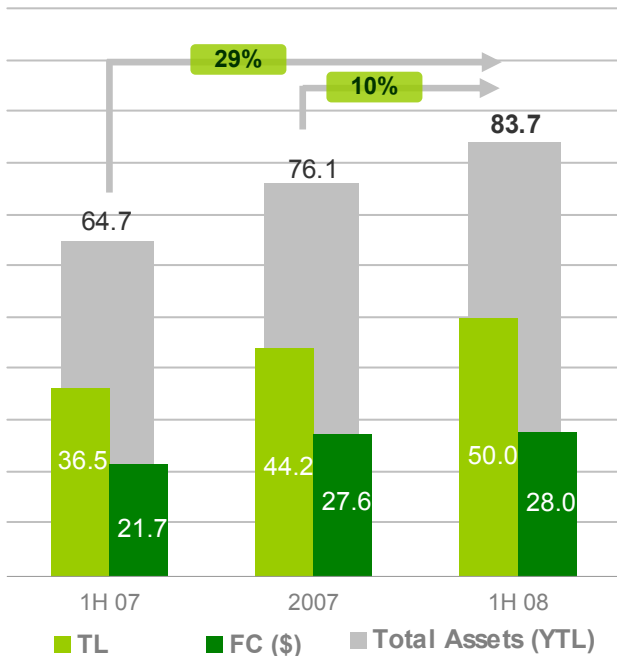
*Despite the net addition of **88** branches ytd, high profitability levels maintained.*

¹ Normalization: 1H 08-Other income adjusted for tax refund, income on unused incentive certificate and proceeds from NPL sale; Other expense adjusted for defined benefit obligation expense; Tax is adjusted for tax credit resulting from deferred tax asset calculated on defined benefit obligation liability. 2007-Other income adjusted for gains from insurance and pension & life business subsidiaries stake sale and gains on custody sale; Other expense adjusted for banking insurance and transaction tax related to custody sale. 1H 07-Other income adjusted for gains from insurance and pension & life business subsidiaries stake sale; Tax expense adjusted for tax expense calculated on insurance and pension & life business subsidiaries stake sale

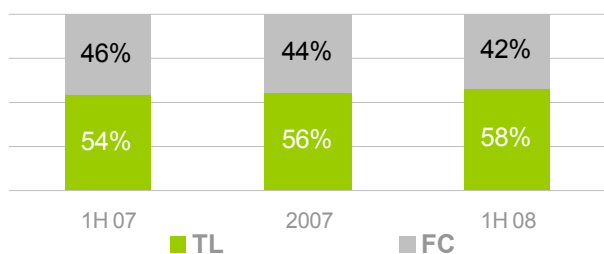
Increasingly Loan Heavy Balance Sheet

Total Assets

YTL / USD Billion

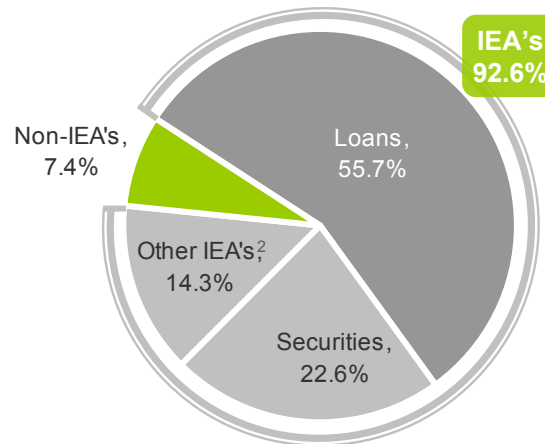


Composition of IEA's

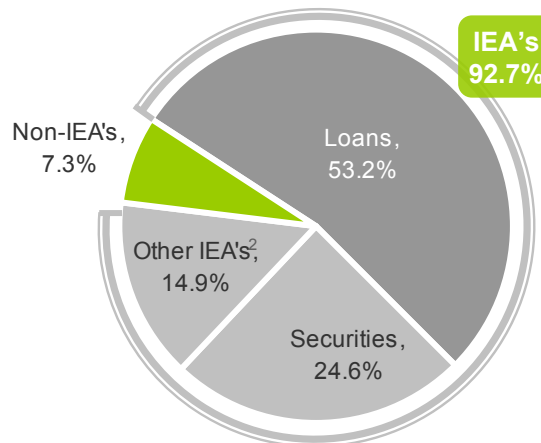


Composition of Assets¹

1H 08



1H 07



Asset Growth YTD

10%

Loans³/Assets

56%

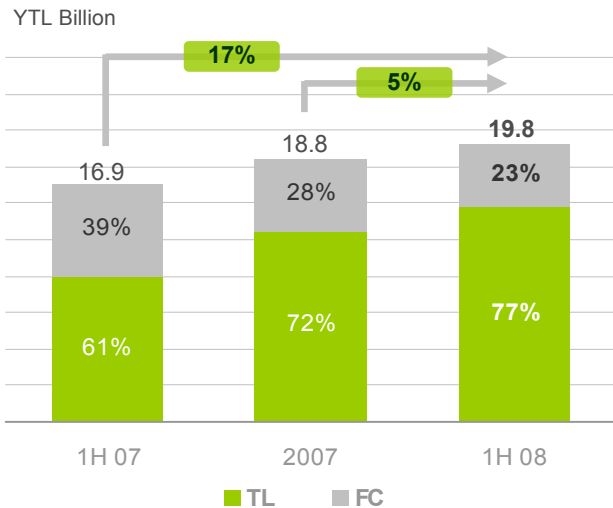
TL/Total IEA's

58%

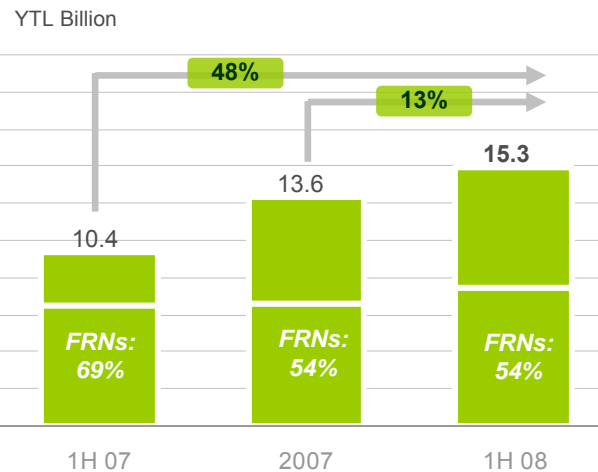
¹ Accrued interest on B/S items are shown in non-IEAs
² Other IEA's include factoring and leasing receivables.
³ Excluding accrued interest

Securities: TL and FRN Heavy

Total Securities

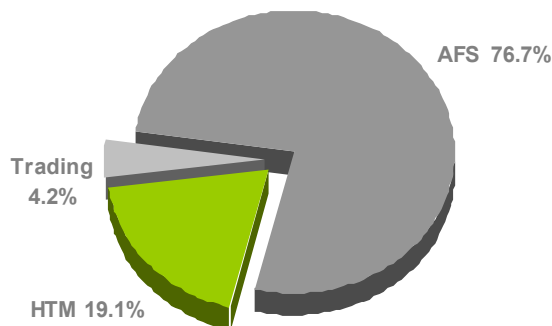


TL Portfolio

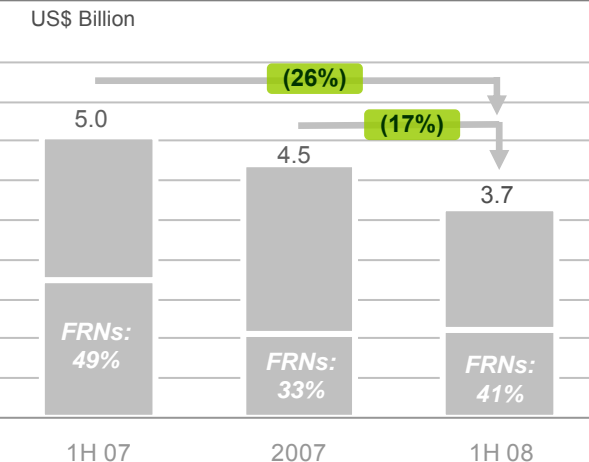


FC securities portfolio shrank ytd due to redemptions and Eurobond sales, and funds were reallocated to FC loan expansion.

Total Securities Composition



FC Portfolio



TL Weight in Total

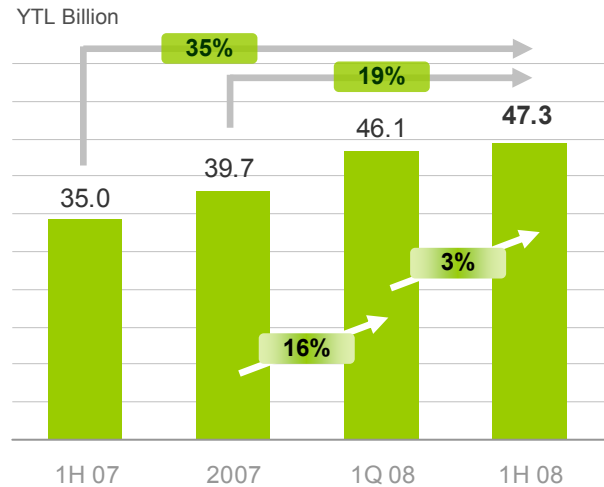
77%

FRN's¹ in Total

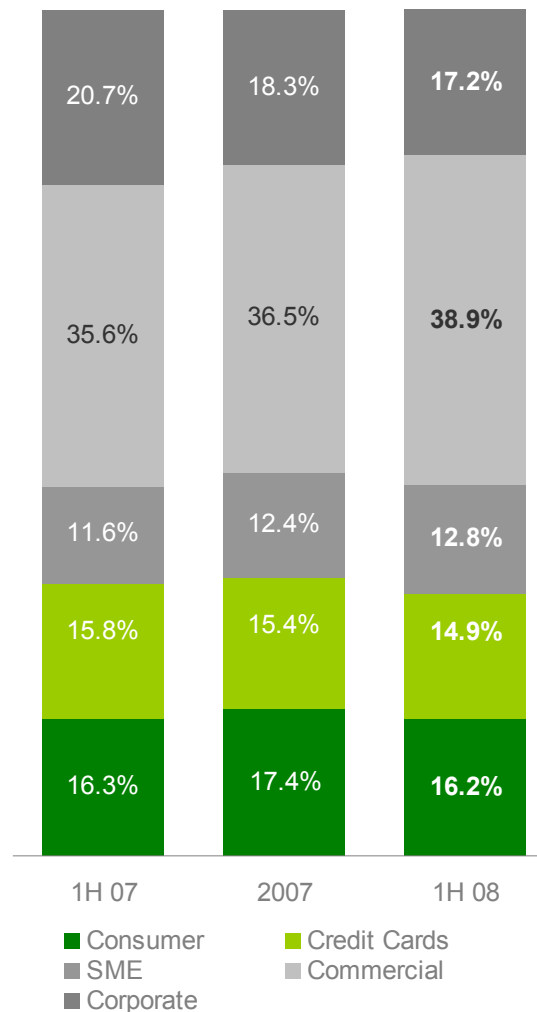
51%

Solid 19% ytd growth in total lending

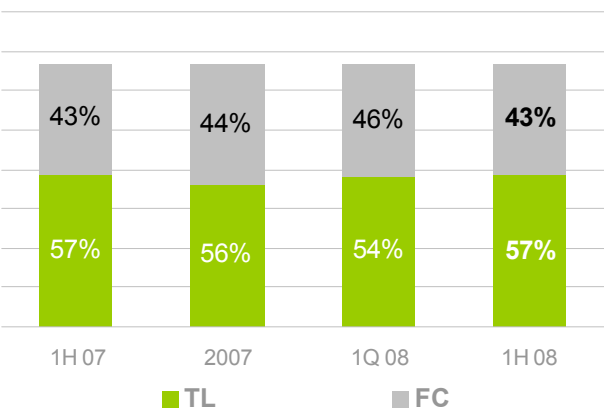
Total Loans¹



Composition of Loans²



Composition of Total Loans



Commercial & SME lending were main drivers of growth

Total Loan Market Share³

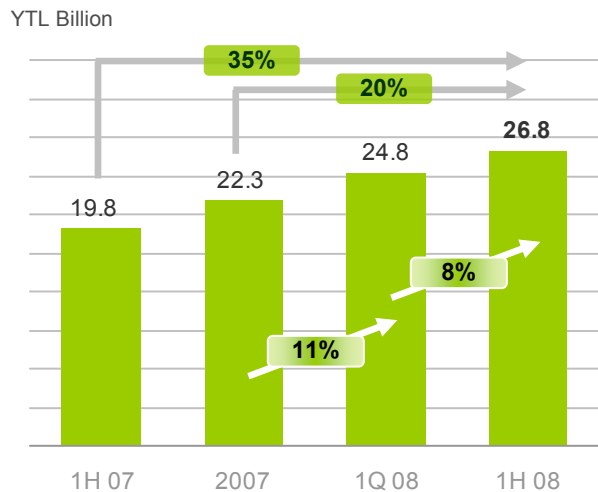
14%

Growth pace slow down in Q2 is partially explained by currency effect

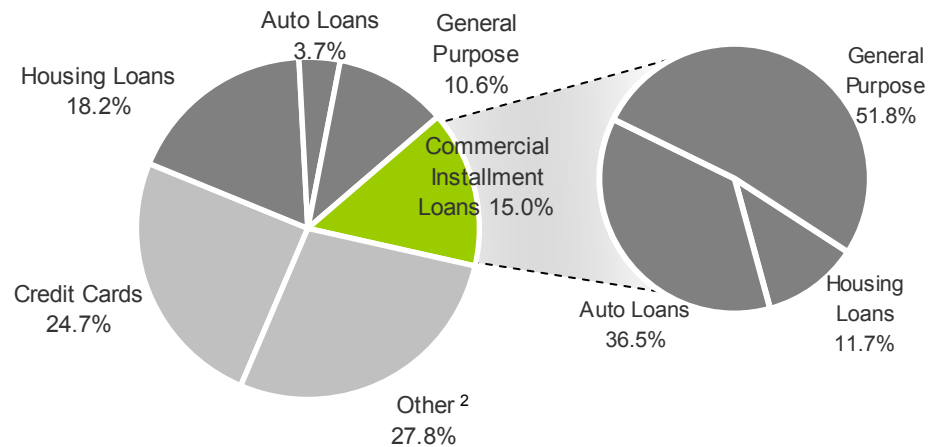
¹ Performing cash loans
² Based on bank-only MIS data
³ Sector figures are based on bank-only BRSA weekly data

Successfully managed loan growth in both TL and FC with increasing margins

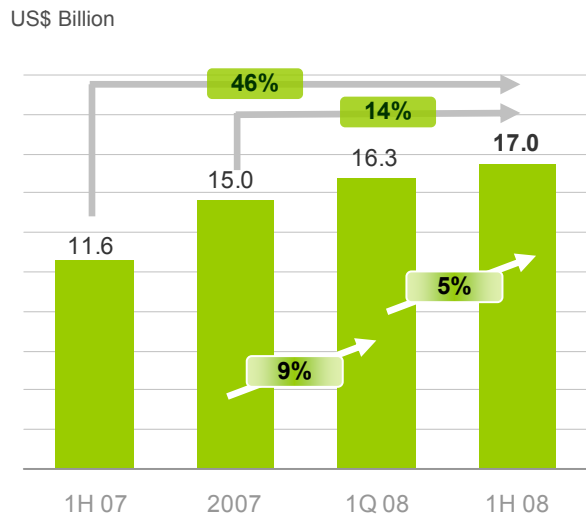
TL Loans¹



TL Loan Composition

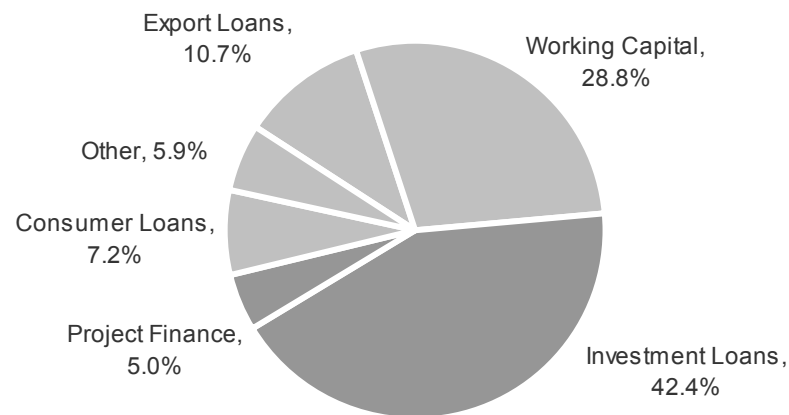


FC Loans¹



FC Loan Composition³

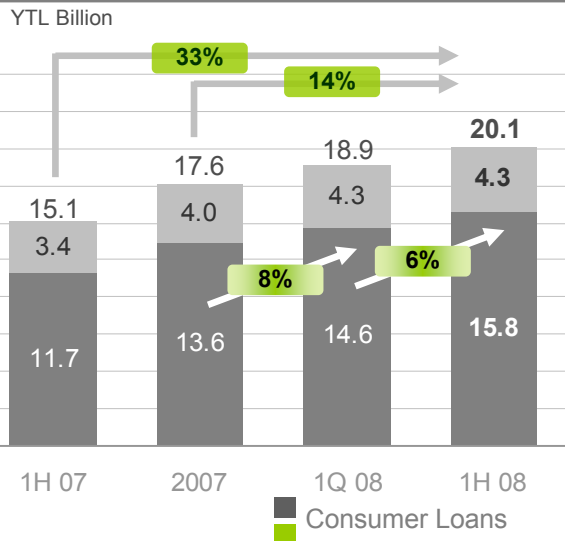
(excluding accrued interest)



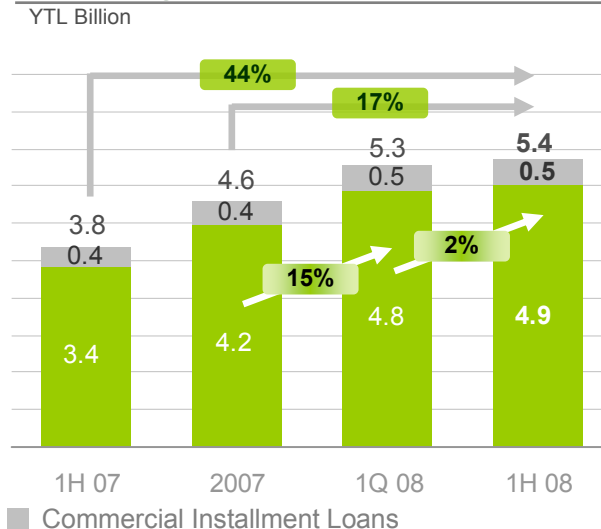
¹ Performing cash loans
² Includes commercial and retail overdraft
³ Based on bank-only MIS data

Profitability focused growth strategy led to slower, but managed retail growth

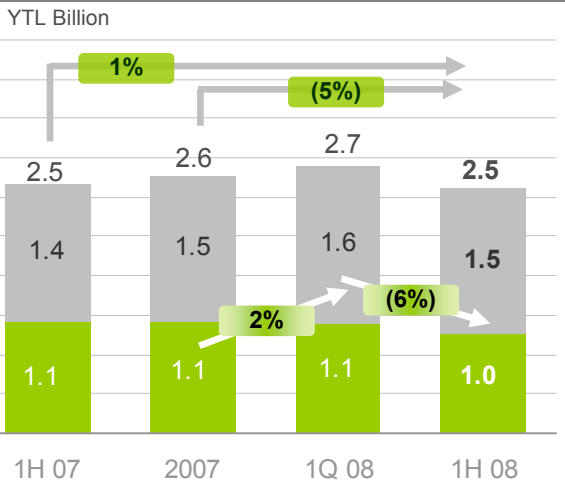
Retail Loans¹



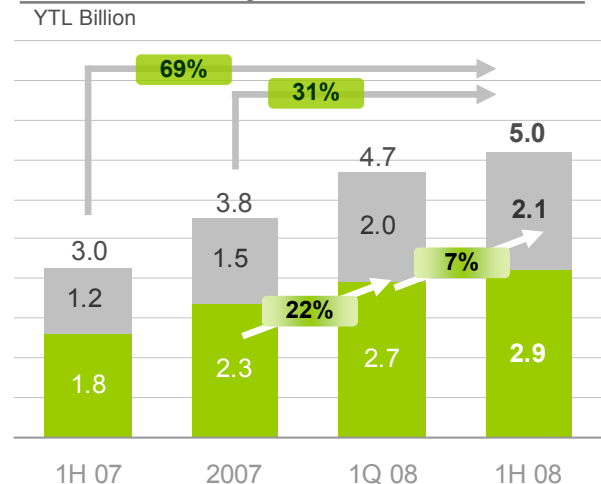
Housing Loan Growth



Auto Loan Growth



General Purpose Growth



Despite slight market share losses, volume growth in total and profitability targets on track...

Market Shares^{2,3}

	YTD Δ	1H 08
Housing	-30 bps	13.5%
Auto	-120 bps	15.4%
General Purpose	+60 bps	9.9%
Retail ¹	-10 bps	13.7%

¹ Including consumer, commercial installment, overdraft accounts, credit cards and other

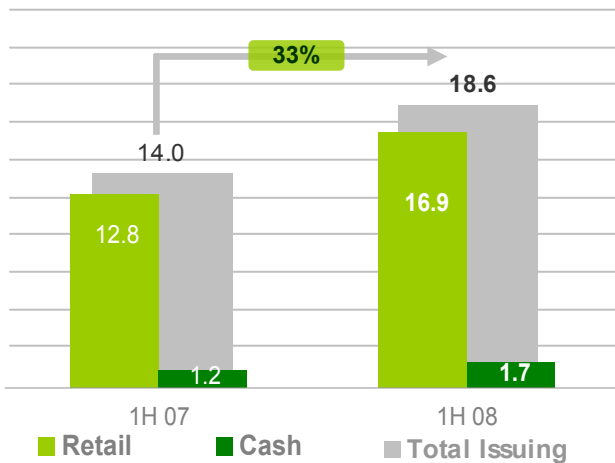
² Including consumer and commercial installment loans,

³ Sector figures are based on bank-only BRSA weekly data

Market leader in cards business

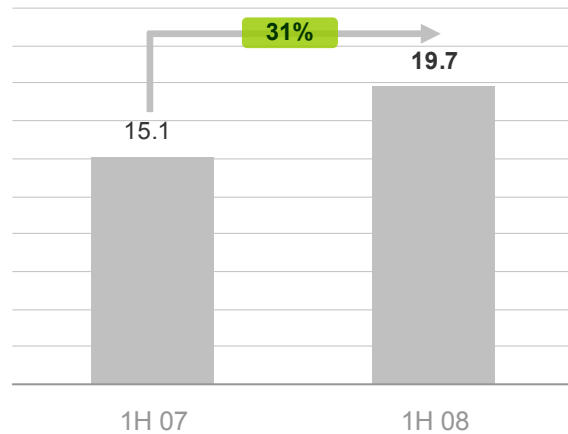
Issuing Volume

YTL Billion



Acquiring Volume

YTL Billion

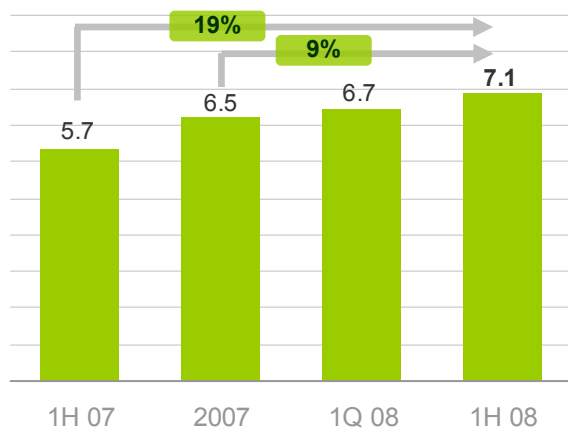


#1 in
Acquiring Volume
& **#1** in *Retail*
Issuing Volume
since May 2008



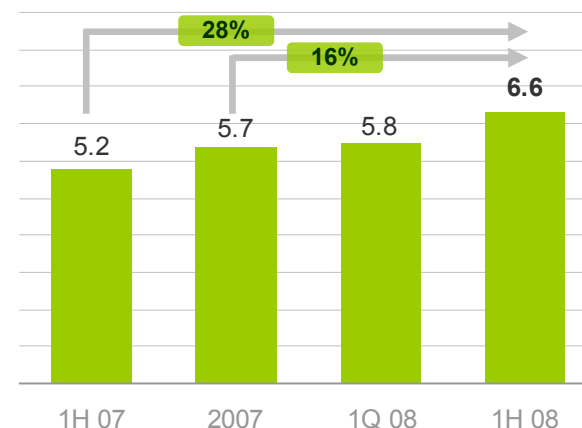
No. of Credit Cards

In Million



Credit Card Balances

YTL Billion

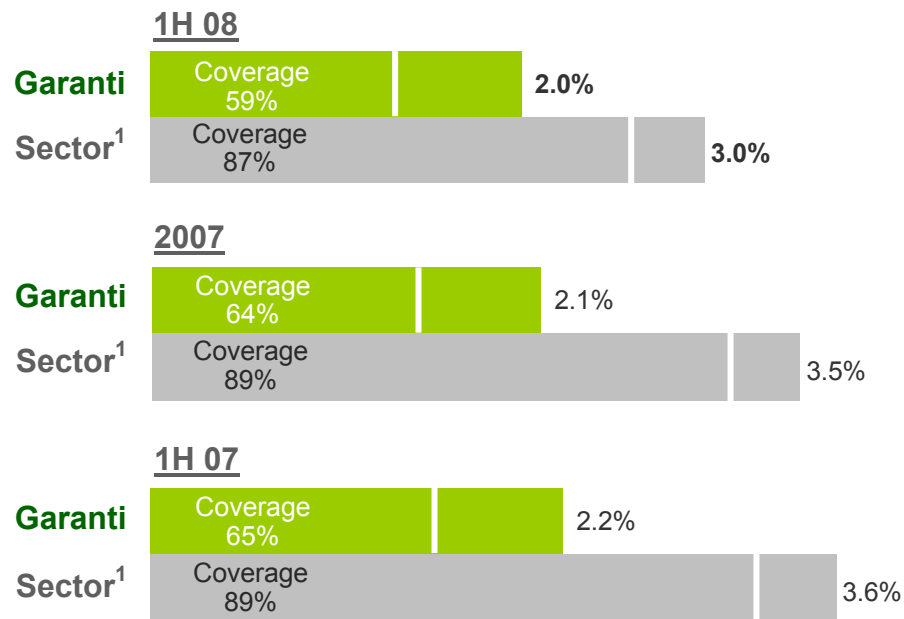


Market Shares

	YTD Δ	1H 08	Rank
Acquiring	-50 bps	22.5%	#1
Issuing Retail	-10 bps	21.6%	#1
# of Plastic Credit Cards	0 bps	16.1%	#1
POS ¹	+10 bps	19.4%	#1
ATM	+175 bps	11.6%	#2

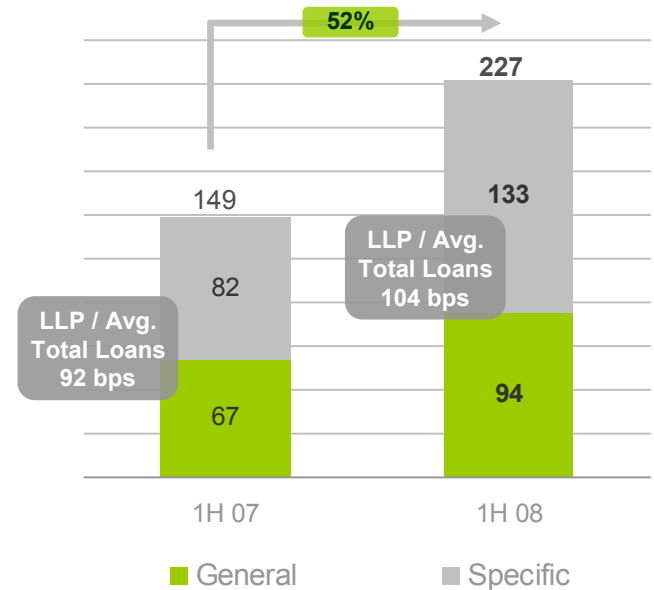
Sustained sound asset quality and provisioning levels

NPL Ratio & Coverage



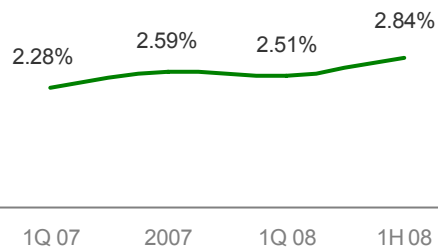
Loan-Loss Provisions

YTL Million

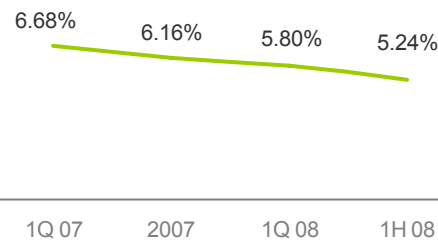


NPL Categorisation²

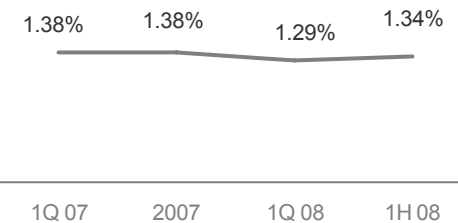
Consumer Loans



Credit Cards

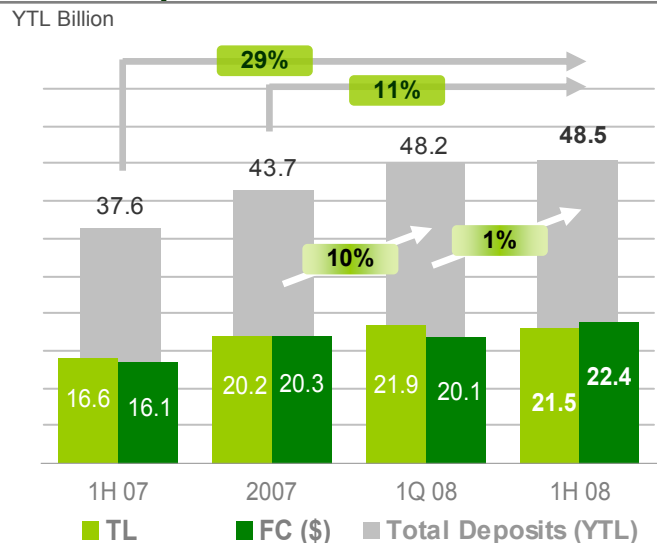


Business Banking (Including SME)

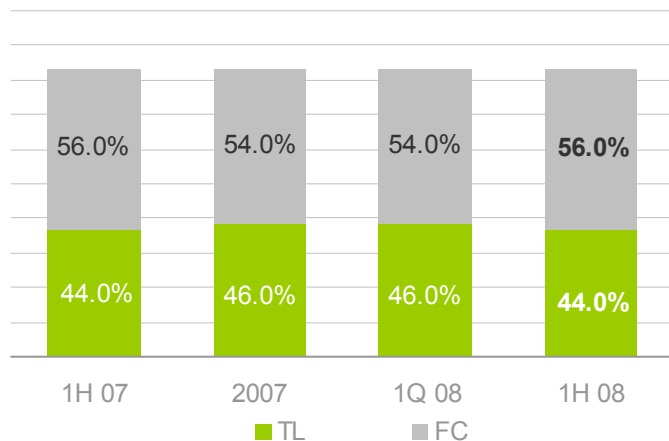


Deposit heavy funding mix strengthened by diversified sources

Total Deposits

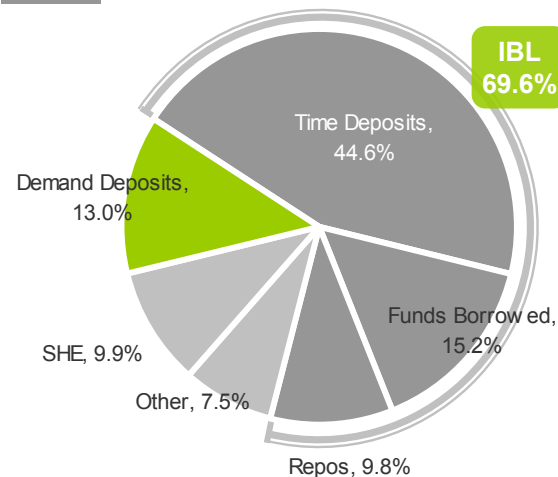


Deposits – TL/FC Mix

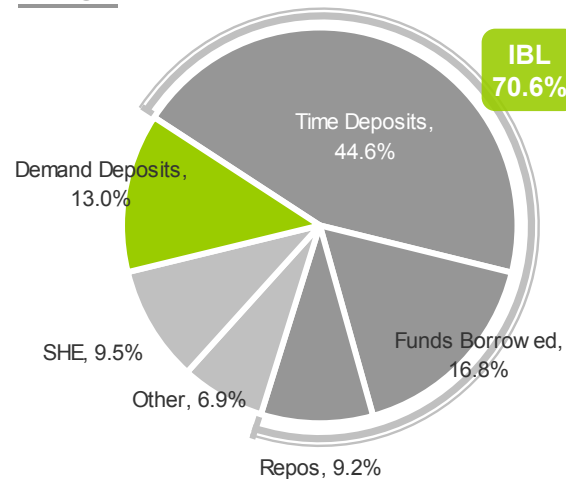


Composition of Liabilities

1H 08



1H 07



Deposits² / Assets

58%

Deposit Growth:

Ytd Δ

TL:

6%

FC:¹

11%

Demand

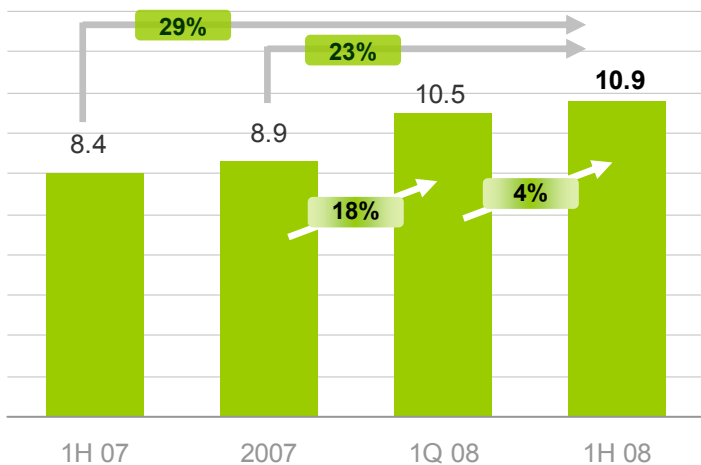
Deposits:

23%

Level deposit costs, despite increasing rates

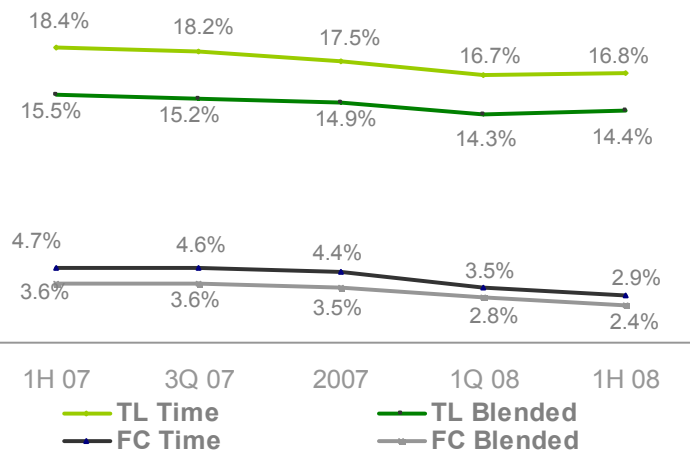
Demand Deposits

YTL Billion



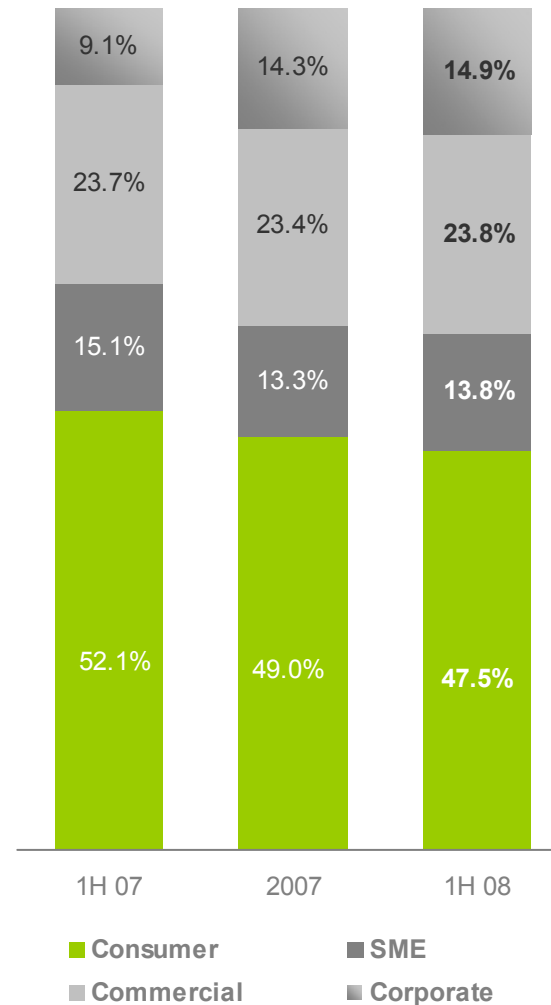
Cost of Deposits¹

Quarterly Averages



Deposits by LOB¹

(excluding bank deposits)



Demand / Total Deposits

22%

Demand Deposit Market Share²

14.2%

Represents 110 bps increase in YTD market share

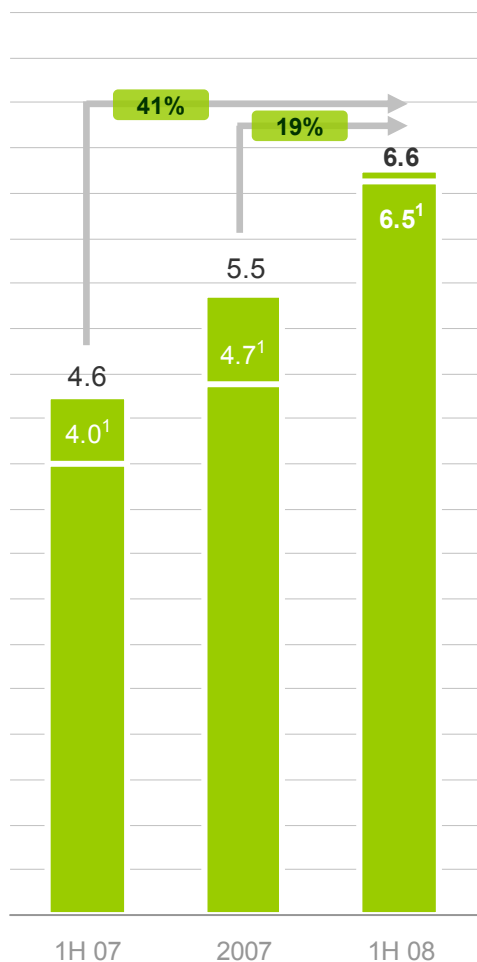
¹ Based on bank-only MIS data

² Sector figures are per BRSA weekly data. Excluding bank deposits.

Solid capital base and adequacy levels

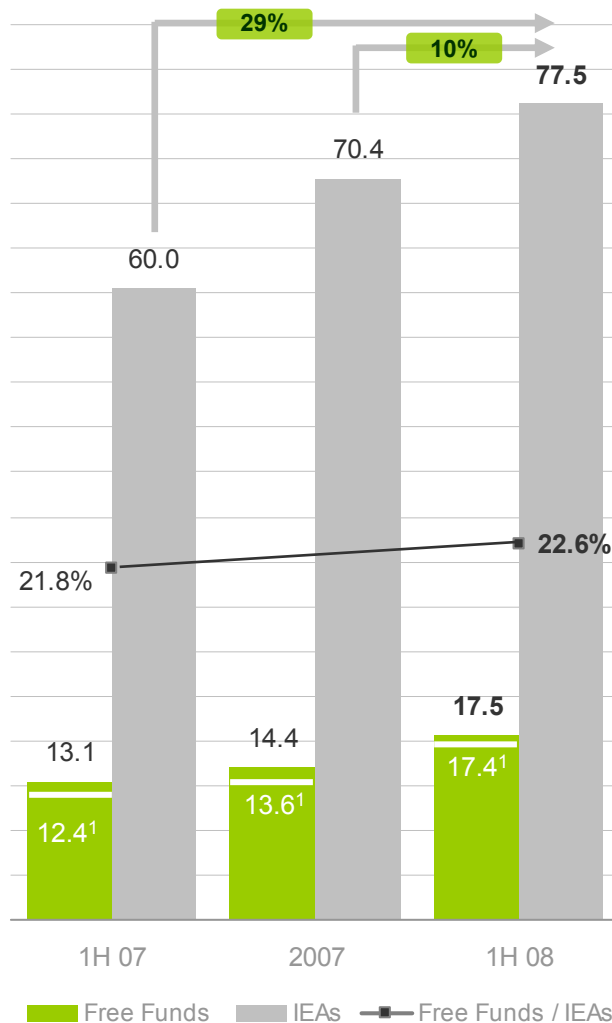
Free Equity

YTL Billion



Free Funds / IEAs

YTL Billion (Free Funds = Free Equity + Demand Deposits)



**YTD Growth
in Free Funds**
YTL 3.1 bn

	TIER I	CAR
1H 08	12.9%	13.3%
2007	12.9%	14.0%
1H 07	12.1%	13.5%

Expanding Interest Income

(YTL Million)	1H 07	1H 08	Growth
Net Interest Income	1,454	1,743	20%
Net FX Gain / Loss	204	119	(42%)
Net Trading Gain/Loss	(305)	(4)	n.m.
Provisions for loans and securities	(162)	(231)	43%
Adjusted Net Interest Income	1,191	1,627	37%

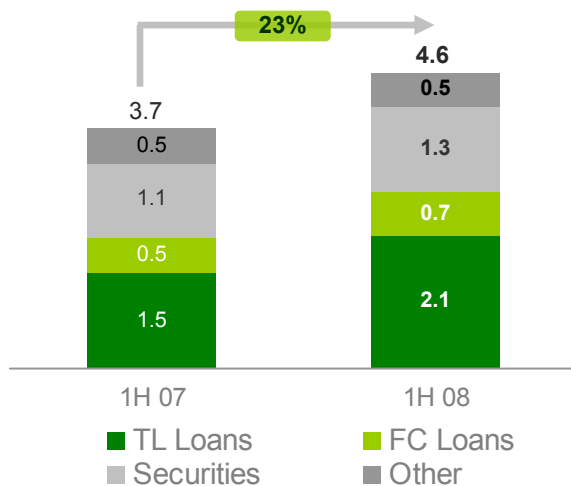
Adjusted NII Growth



37%

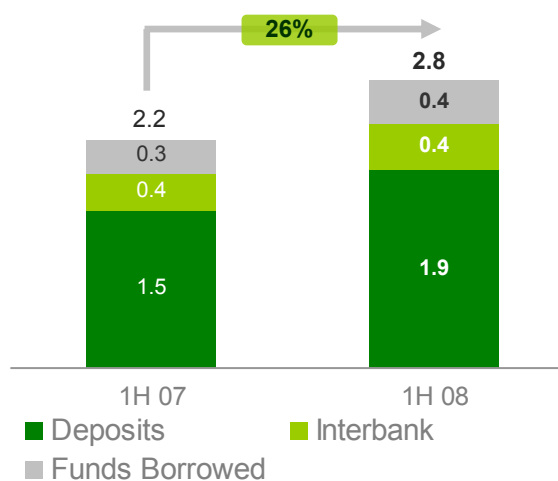
Interest Income

YTL Billion



Interest Expense

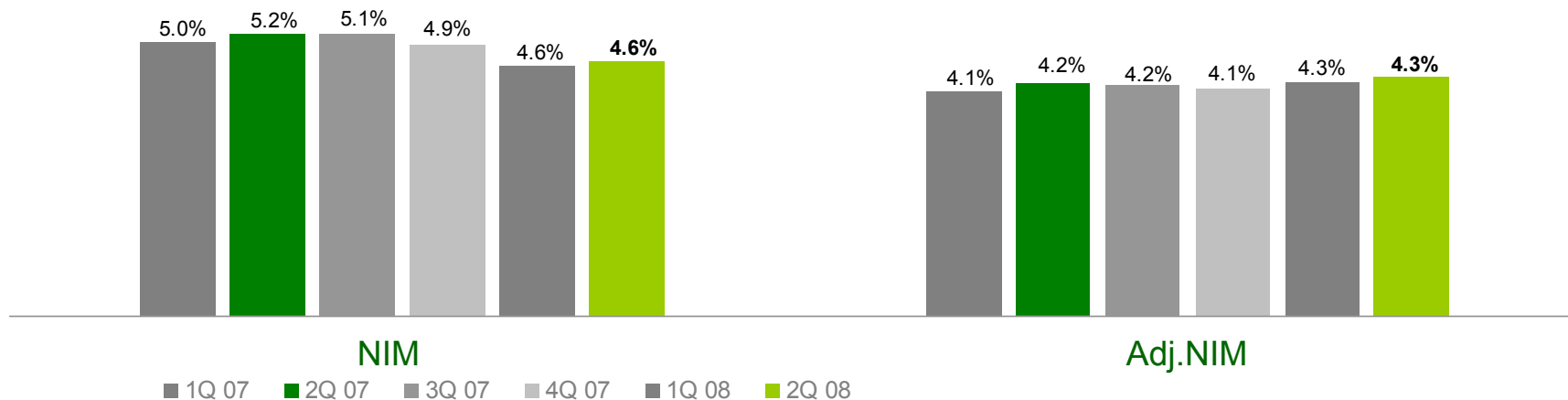
YTL Billion



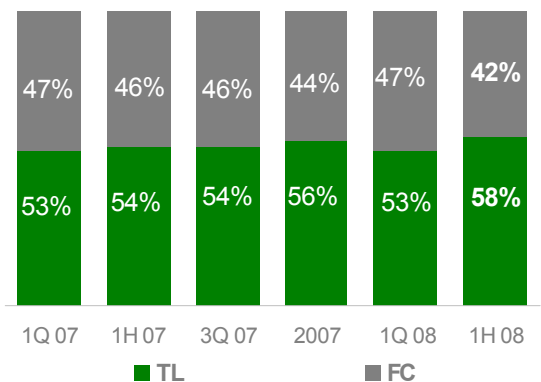
*Largest contributor:
Interest income
on TL loans*

Quarterly Margins-Consolidated

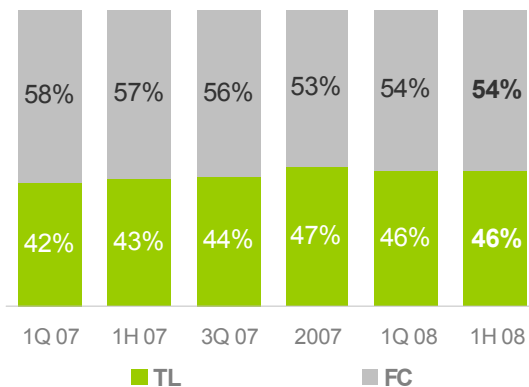
NIM (Net Interest Income/ Average IEAs)



Composition of IEAs



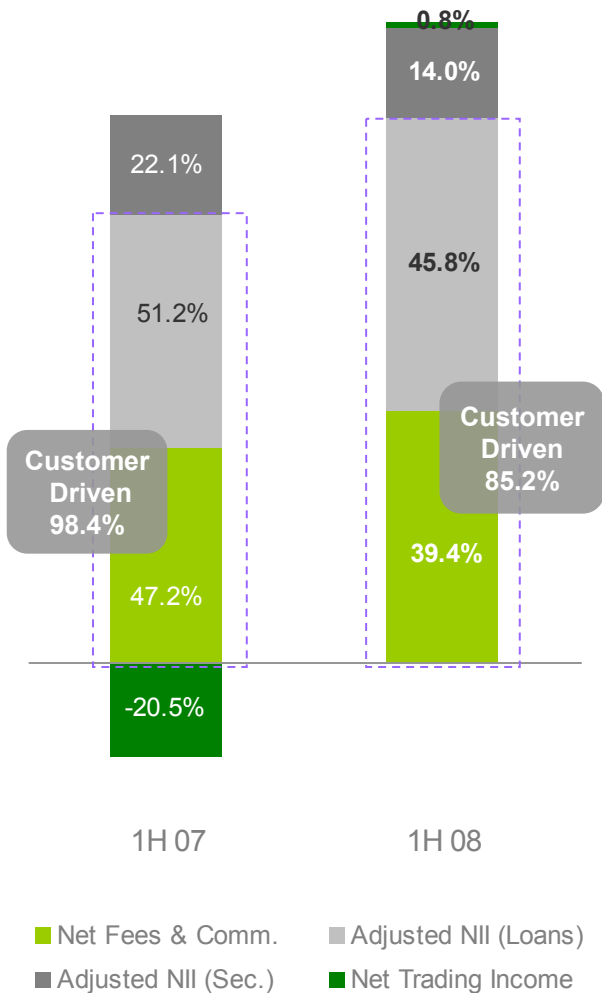
Composition of IBLs



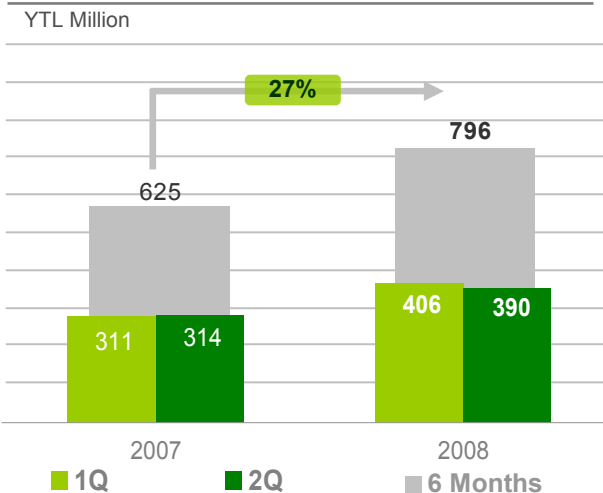
%	IEA/Assets	IBL/Assets
1H 08	92.6%	69.6%
1Q 08	92.5%	71.5%
2007	92.4%	71.7%
3Q 07	93.0%	70.5%
1H 07	92.7%	70.6%
1Q 07	93.2%	71.8%

Consistently growing trend of sustainable income sources

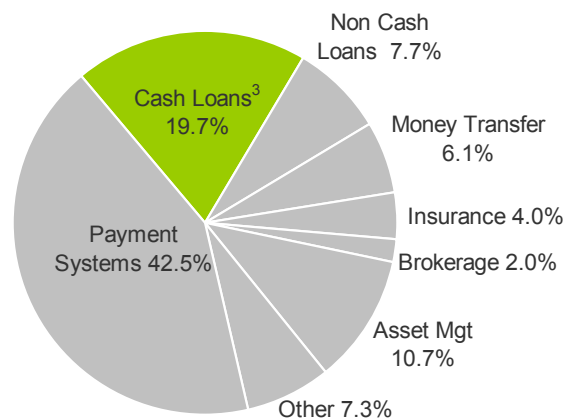
Ordinary Banking Income¹



Net Fees & Commissions²



Net Fees & Commissions Breakdown



30%

**Customer Driven
 Income Growth**
 Y-o-Y

¹ Based on bank-only MIS data

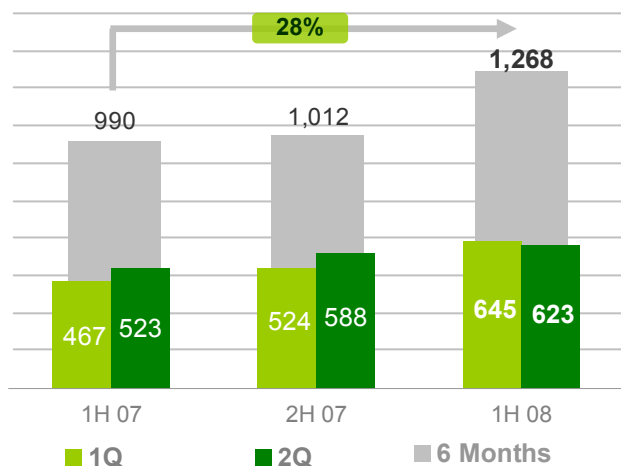
² As per new BRSA classification in P/L, excludes net fees and commissions received from cash loans.

³ Include consumer loans fees as well as other cash loan fees now classified as interest on loans in income statement amounting 67.4 Mio for 1H 08 and 39.5 Mio for 1H 07.

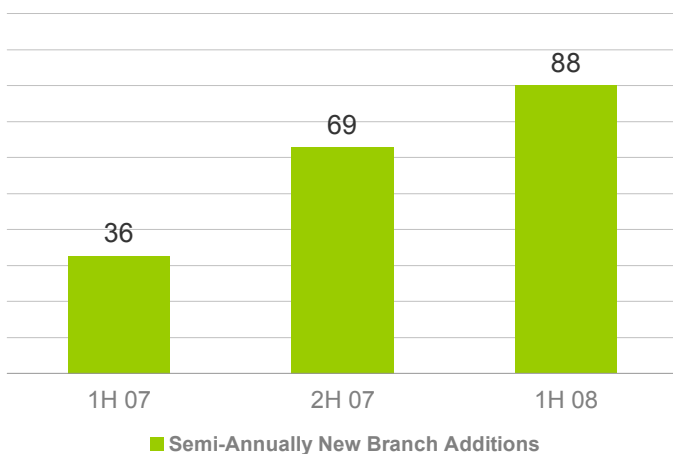
High Earnings Growth

Quarterly and Semi-Annually Opex

YTL Million



New Branch Openings



(YTL Million)	1H 07	1H 08	Growth
Ordinary Banking Income	1,817	2,424	33.4%
Other Income¹	259	151	(41.9%)
Total Revenue¹	2,076	2,575	24.0%
Operating Expense¹	(990)	(1,268)	28.2%
<i>Personnel Expense</i>	(353)	(498)	41.3%
<i>Bonus Provision</i>	(43)	(86)	100.3%
<i>Rent Expense</i>	(38)	(51)	35.1%
<i>Communication Expense</i>	(53)	(65)	22.0%
<i>Other¹</i>	(418)	(483)	12.9%
Operating Income¹	1,086	1,307	20.2%
Other Provisions²	(22)	(33)	47.9%
Taxes¹	(217)	(279)	28.6%
Normalized Net Income¹	847	995	17.4%
Non-recurring income ¹	669	34	n.m.
Net Income	1,516	1,029	(32.1%)
Equityholders of the Bank	1,512	1,024	(32.3%)
Minority Interest	4	5	21.8%

Appendix

Quarterly Analysis of Ordinary Banking Income

(YTL Thousand)	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	Δ (1H 07-1H 08)	Δ (1Q08-2Q 08)
Interest Income	1,803,700	1,883,238	2,022,540	2,176,585	2,228,737	2,324,196	23.5%	4.3%
-Loans	944,677	1,062,088	1,188,830	1,255,291	1,322,830	1,399,178	35.9%	5.7%
-Securities	572,356	566,409	566,151	637,408	642,956	674,712	15.7%	4.9%
-Other	286,667	254,741	267,559	283,886	262,951	250,306	(5.3%)	(4.7%)
Interest Expense	(1,099,078)	(1,133,744)	(1,218,435)	(1,336,854)	(1,382,824)	(1,426,866)	25.8%	3.2%
-Deposits	(754,571)	(774,215)	(807,073)	(959,619)	(942,188)	(996,339)	26.8%	5.7%
-Funds Borrowed	(168,620)	(162,541)	(233,637)	(184,232)	(220,691)	(204,152)	28.3%	(7.5%)
-Interbank & Other	(175,887)	(196,988)	(177,725)	(193,003)	(219,945)	(226,375)	19.7%	2.9%
Net Interest Income	704,622	749,494	804,105	839,731	845,913	897,330	19.9%	6.1%
Prov. for loans & securities	(83,116)	(78,821)	(63,930)	(99,932)	(126,989)	(104,491)	42.9%	(17.7%)
Net FX Gain/(Loss)	64,604	139,877	(7,672)	20,542	39,155	80,265	(41.6%)	105.0%
Net trading Income/(loss)	(121,617)	(183,461)	(74,232)	(56,495)	29,966	(33,699)	(98.8%)	(212.5%)
Adj. Net Interest Income	564,493	627,089	658,271	703,846	788,045	839,405	36.6%	6.5%
Net Fees and Comm.	310,702	314,653	333,794	329,420	405,953	390,392	27.3%	(3.8%)
Ordinary Banking Income	875,195	941,742	992,065	1,033,266	1,193,998	1,229,797	33.4%	3.0%

Balance Sheet - Summary

<i>(YTL Million)</i>		2007	1H 08	YTD Change
Assets	Cash & Banks¹	11,793	9,610	(18.5)%
	Securities	18,779	19,798	5.4%
	Performing Loans	39,721	47,314	19.1%
	Fixed Assets & Subsidiaries	1,189	1,190	0.1%
	Other	4,666	5,784	23.9%
	Total Assets	76,148	83,696	9.9%
	Liabilities & SHE	Deposits	43,690	48,486
Repos		8,592	8,326	(3.1)%
Borrowings		11,630	12,936	11.2%
Other		5,110	5,710	11.7%
SHE		7,126	8,238	15.6%
Total Liabilities & SHE		76,148	83,696	9.9%

¹ Includes banks and other financial institutions

Non-recurring items

1H 08:

The net income resulting from the non-recurring items amounts to **YTL 34 mn**, breakdown of which is;

- i) Other income:
 - Tax refund that the Bank will collect through conciliation from the tax office, due to the prepaid taxes in 2005 **YTL 131 mn.**
 - Tax refund on an existing unused investment incentive certificate **YTL 6 mn.**
 - Proceeds from NPL sales **29 mn.**
- ii) Other expense
 - Defined Benefit Obligation: **YTL 165 mn**
- iii) Taxation expense
 - Tax credit resulting from the deferred tax asset calculated on defined benefit obligation liability **YTL 33 mn**

2007:

The net income resulting from the non-recurring items amounts to **YTL 781 mn**, breakdown of which is;

- i) Other income:
 - Gains from insurance and pension & life business subsidiaries stake sale **YTL 707 mn**
 - Gains from custody sale **YTL 148 mn.**
- ii) Other expense:
 - Banking Insurance and transaction tax related to custody sale **YTL 7 mn.**
- iii) Taxation expense
 - Tax expense of insurance and pension & life business subsidiaries stake sale **YTL 38 mn.**
 - Tax expense of custody sale **YTL 28 mn.**

1H 07:

The net income resulting from the non-recurring items amounts to **YTL 669 mn**, breakdown of which is;

- i) Other income:
 - Gains from insurance and pension & life business subsidiaries stake sale **YTL 707 mn**
- ii) Taxation expense
 - Tax expense of insurance and pension & life business subsidiaries stake sale **YTL 38 mn.**



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