

September 30, 2001

Earnings Presentation



GarantiBank

Turkey and Economy in 2001/Q3



GarantiBank

Increased Geopolitical Importance

- Recognition of Turkey's geopolitical strategic importance and the country's status as a key United States ally in the NATO was renewed after September 11th attacks
- Imminent announcement of an additional loan package from international multilateral agencies hinted to be about US\$13 Billions for fiscal year 2002
- Industrial output declined by 11% in July, and 10.1% in August in comparison to the same period a year earlier
- GNP had fallen by 8.5% in 2001/H1, whilst GDP had declined by 6.1% year-on-year
- Capacity utilization in manufacturing industry rose to 72.8% in September, the highest level in reached in any month in 2001
- The number of tourists visiting Turkey in the first eight months were up by 19.5% from a year earlier
- Shuttle trade receipts rose by 9.8% year-on-year January-July

Weak Lira Naturally Resulted in Lower Trade Deficit

- Value of exports jumped by 7.9% to US\$ 19.6 billion in the first 7 months despite a weaker Lira
- State Institute of Statistics data reveal a 0.9% fall in export prices and a 16.4% rise in export quantity. Similarly, value of imports have fallen by 23.3% from US\$ 30 Billions to US\$ 23 Billions in the same period
- Foreign trade deficit shrank by a 60.1% in the first eight months
- A solid current account position has been accompanied with a weak capital account in the balance of payments
- Global uncertainty has discouraged foreign capital inflows despite competitive asset prices
- WPI inflation rose to 81.4% year-on-year in October 2001, whilst CPI inflation rose to 66.5% year-on-year in the same period

Developments in Garanti



Garanti to Merge with Ottoman

- The merger of Ottoman Bank and Körfezbank became official on August 31, ranking Ottoman as the 9th largest bank in Turkey
- Garanti will merge with its biggest subsidiary, Ottoman Bank. The merger is scheduled to be fully complete by the end of the year
- The merger will make Garanti Bank the second-largest commercial bank in Turkey and the largest in the private sector with US\$11 Billions in assets and a 9.2% market share
- Annual cost saving of US\$148 Millions is estimated
- Ottoman's preminent position in custodian services and blue chip customer base will add to Garanti's own strenghts

Awards to Garanti

- Global Finance magazine choose Garanti as the best internet bank in Turkey. The magazine based its evaluation on product diversity, user friendly applications, functionality, web design, successful web partnerships and variety of delivery channels
- Garanti tapped the international syndication market for a US\$350 Millions one-year term loan facility at the end of August 2001

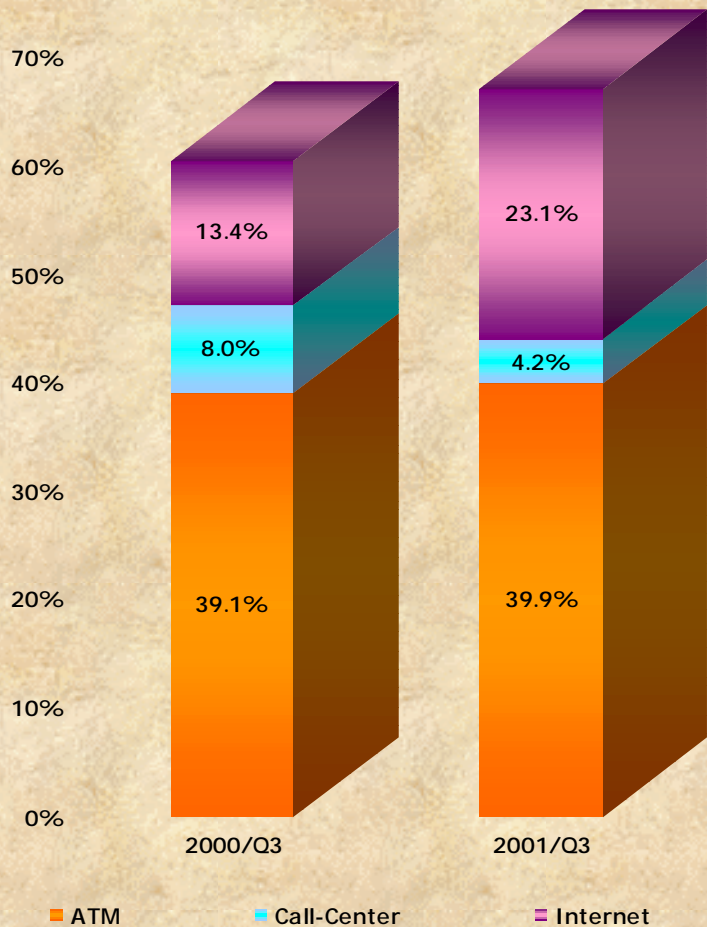
Expanded Credit Card Business

- Garanti ranked third in terms of market share
- The Bank has 45,159 POS with a market share of 13.0%
- Garanti maintained its top position in international acquiring with a market share of 30.1%
- Total issuing market share rose to 11.92% and ranked third

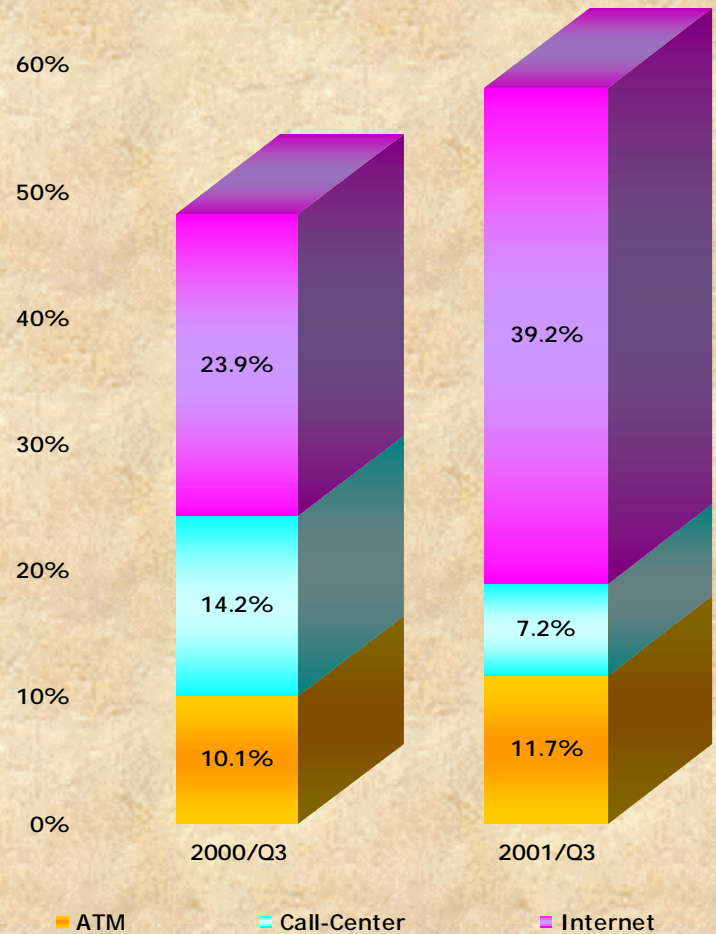


Commissions to Call-Center Increased the Attraction of Internet

Including Cash Withdrawals



Excluding Cash Withdrawals



And Financials...



GarantiBank

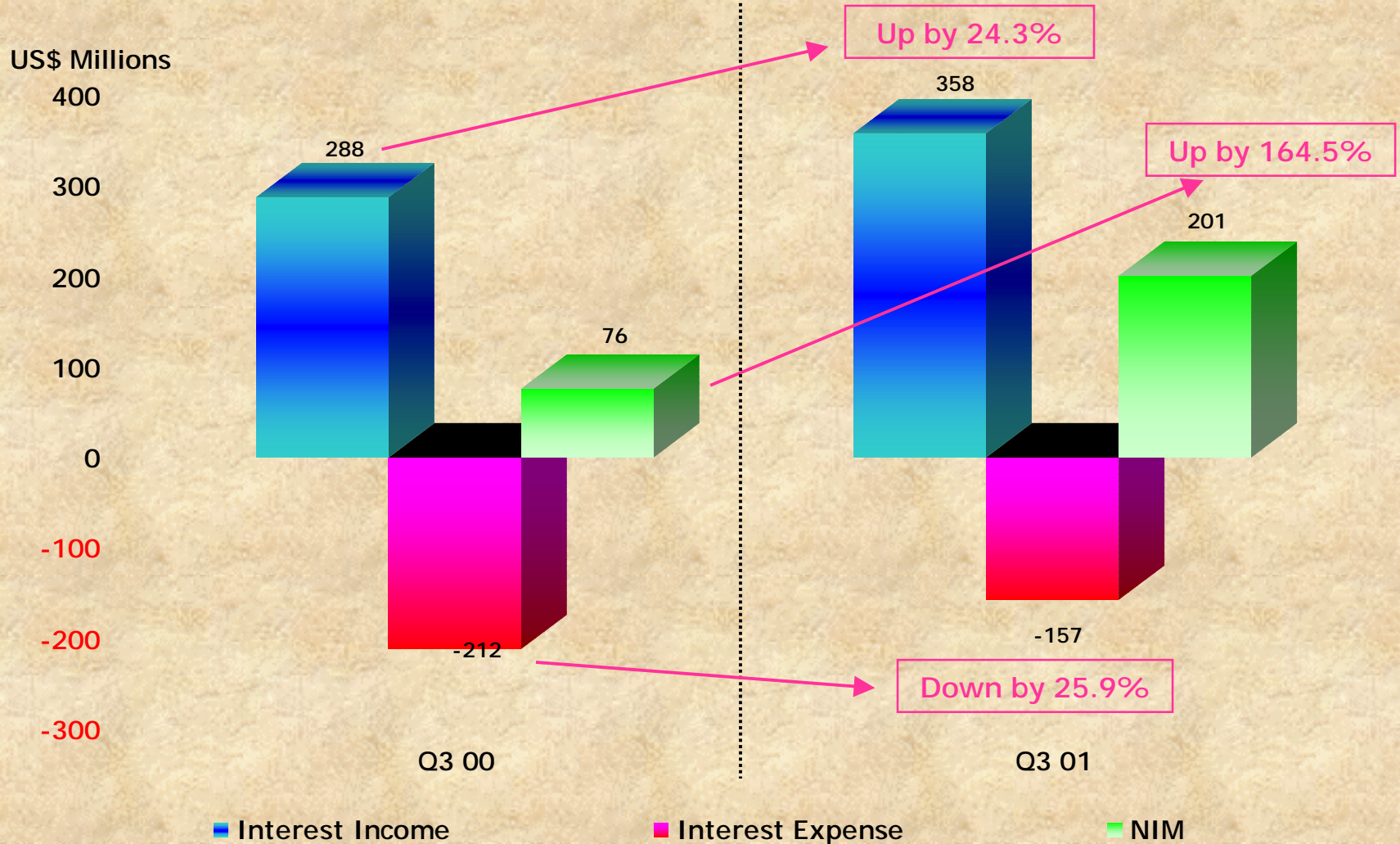
Balance Sheet

	30.09.00	30.09.01	30.09.00	30.09.01	Y-o-Y Real Change	Share in Total	
	TL Billions		US\$ Millions			00/Q3	01/Q3
Cash & Banks	875,031	1,320,334	1,318	911	(13.6%)	14.6%	13.5%
Total Securities	1,495,758	2,525,007	2,252	1,742	(3.4%)	24.9%	24.3%
Cash Loans	2,288,852	3,386,767	3,446	2,336	(15.3%)	38.1%	32.6%
Total Assets	6,004,949	10,393,762	9,041	7,168	(0.9%)	100.0%	100.0%
Deposits	3,227,641	6,137,905	4,859	4,233	8.9%	53.7%	59.1%
Funds Borrowed	1,497,200	2,574,450	2,254	1,775	(1.6%)	24.9%	24.8%
Reserves	87,763	152,376	132	105	(0.7%)	1.5%	1.5%
Total SHE	757,660	980,265	1,141	676	(25.9%)	12.6%	9.4%

Income Statement

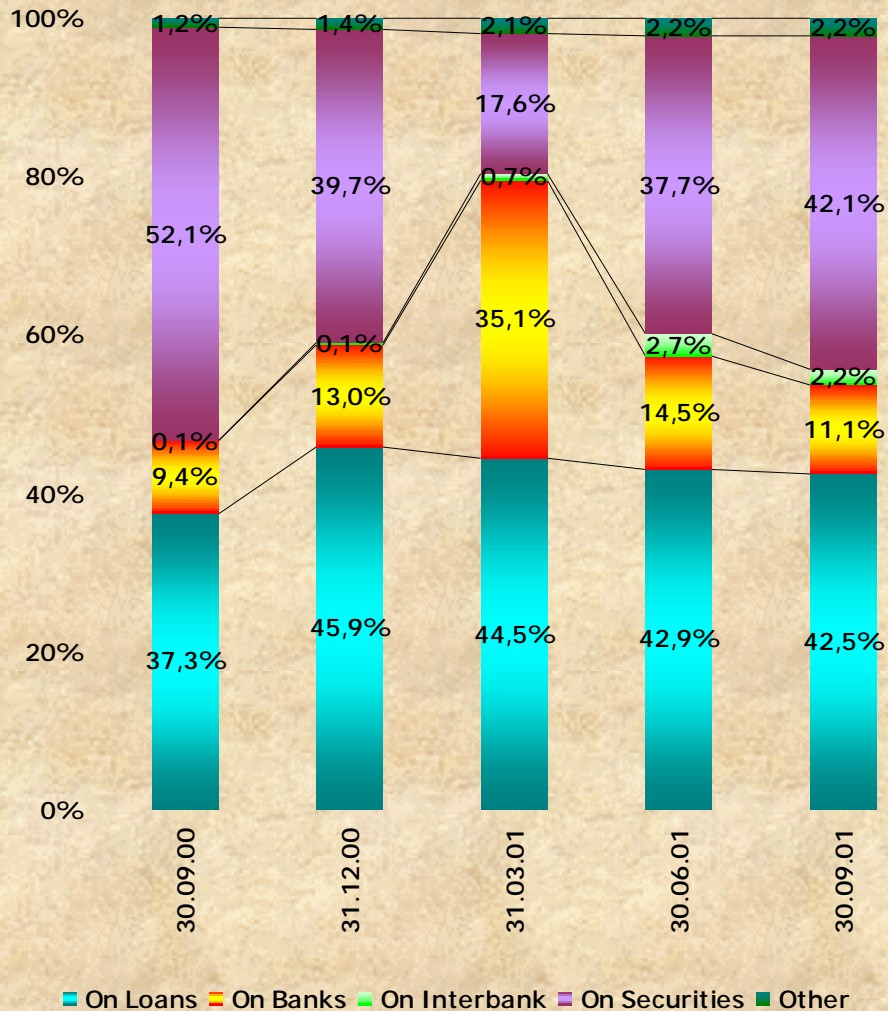
	30.09.00 30.09.01 TL Billions	30.09.00 30.09.01 US\$ Millions	Y-o-Y Real Change
Interest Income	815,805 1,677,499	1,347 1,510	37.4%
Interest Expense	436,545 1,174,438	721 1,057	79.7%
Net Interest Income	379,260 503,061	626 453	(11.4%)
Non-Interest Income, Net	224,221 437,139	370 393	30.2%
Operating Expense, Net	315,604 468,870	521 422	(0.8%)
FX Loss, Net	60,314 396,673	100 357	339.3%
Earning Before Tax	227,563 74,657	376 67	8.9%
Tax Provision	57,363 -	95 -	-
Net Income	170,200 74,657	281 67	(11.8%)

Net Interest Income on a Quarterly Basis

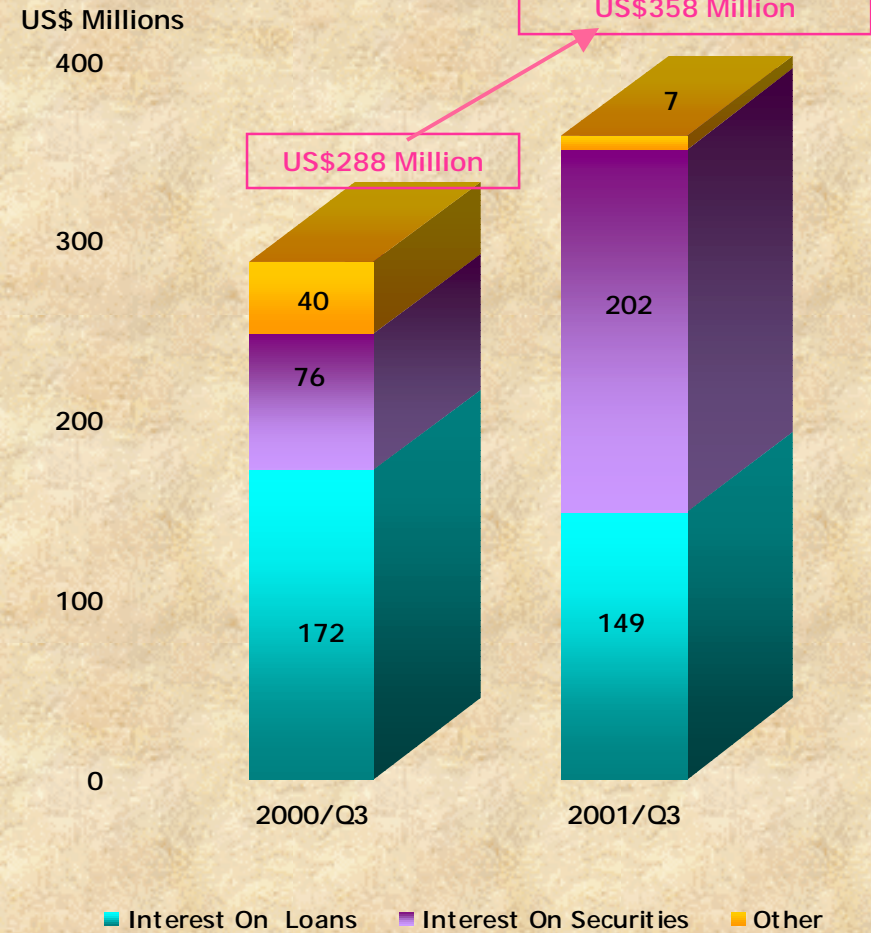


Interest Income

Composition of Interest Income

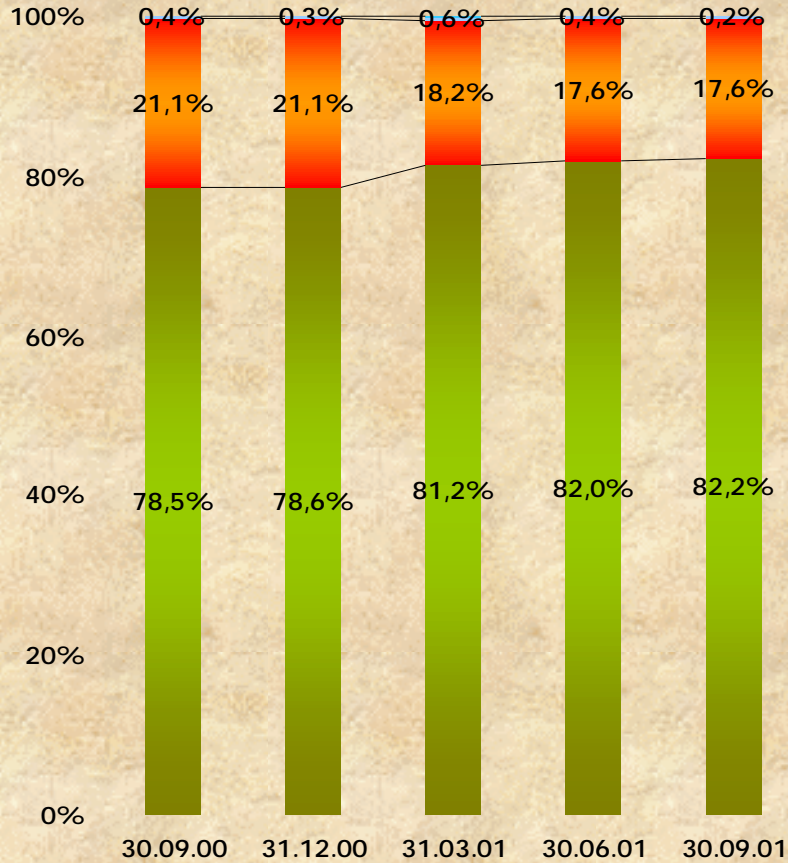


On a Quarterly Basis



Interest Expense

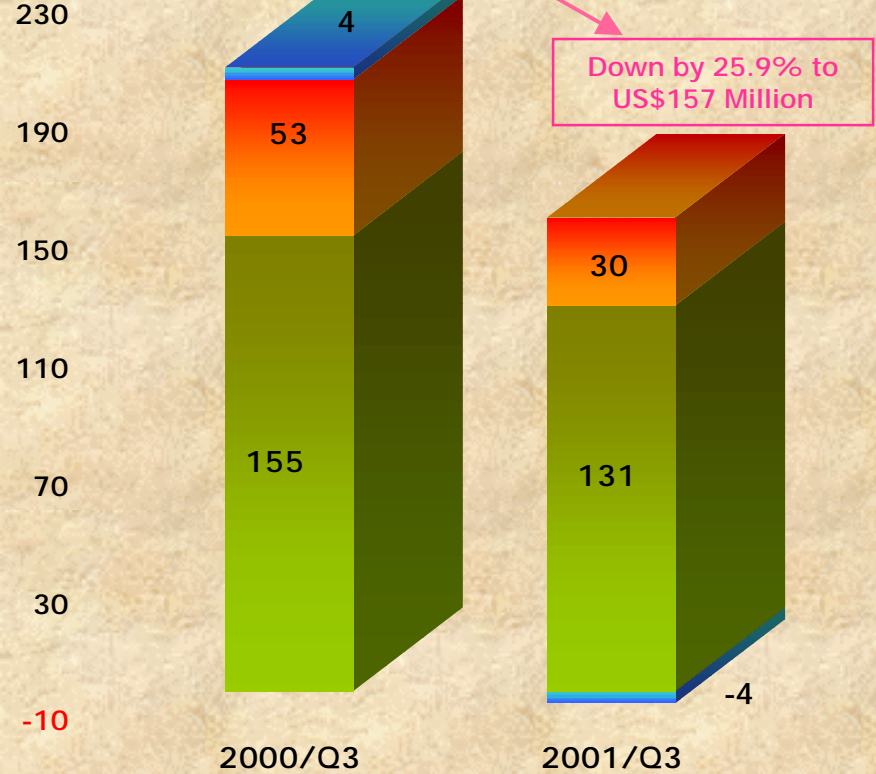
Composition of Interest Expense



■ On Deposits ■ On Funds Borrowed ■ Other

On a Quarterly Basis

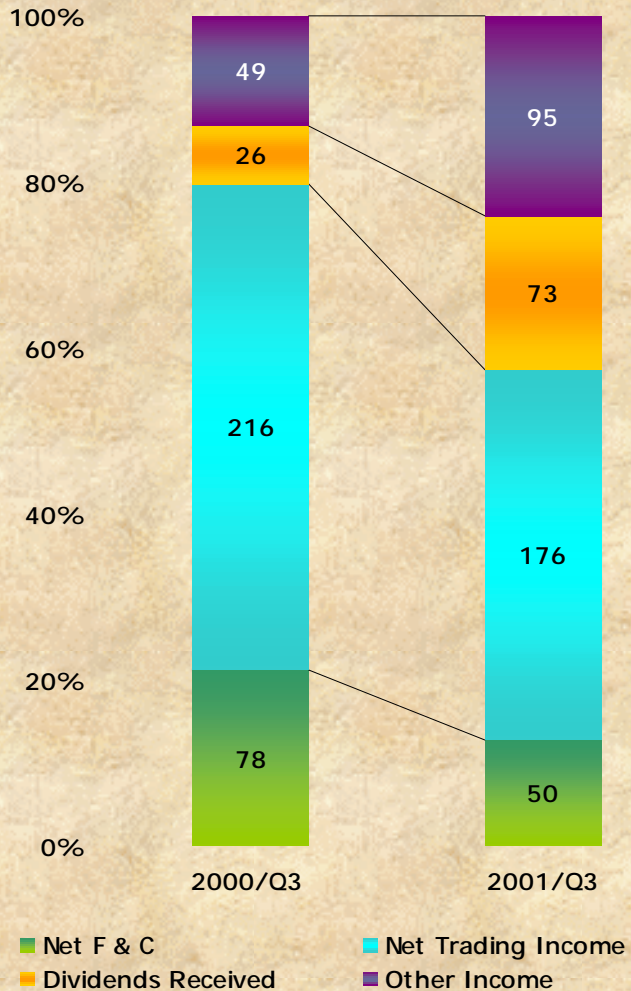
US\$ Millions



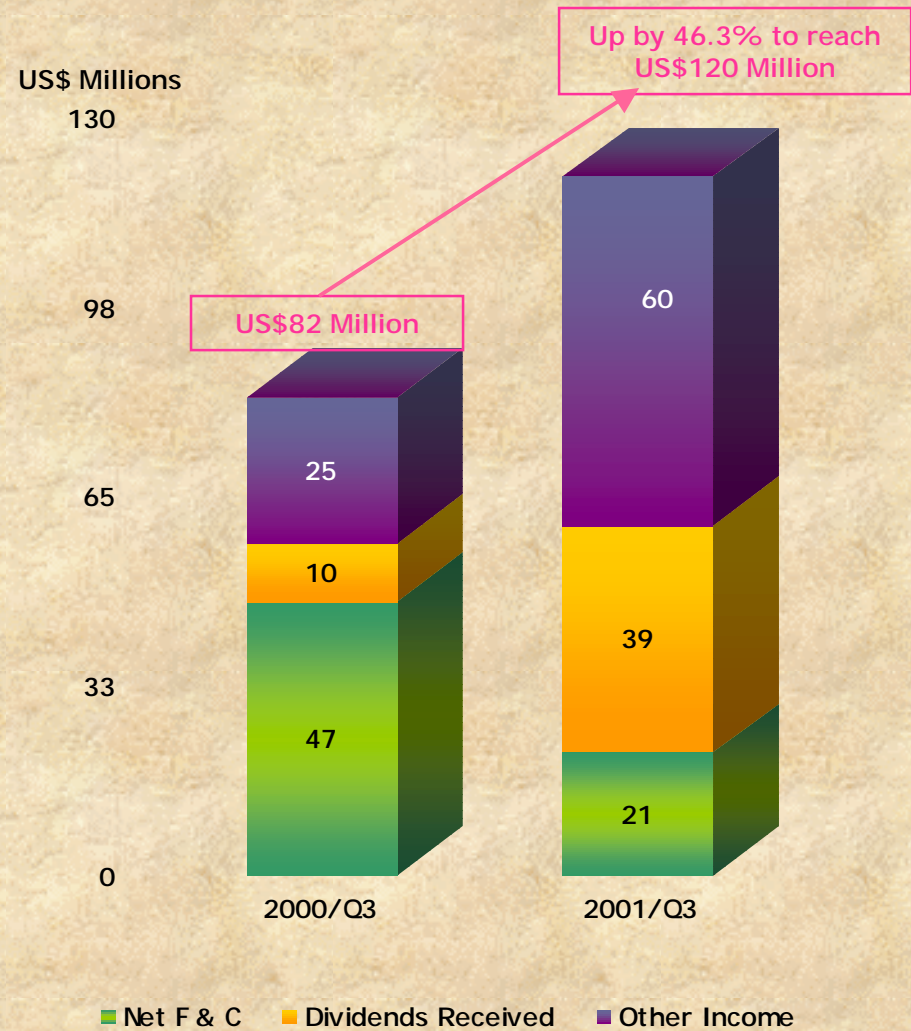
■ Interest to Deposits ■ Interest to Funds Borrowed ■ Other

Non-Interest Income

Composition of Non-Interest Income

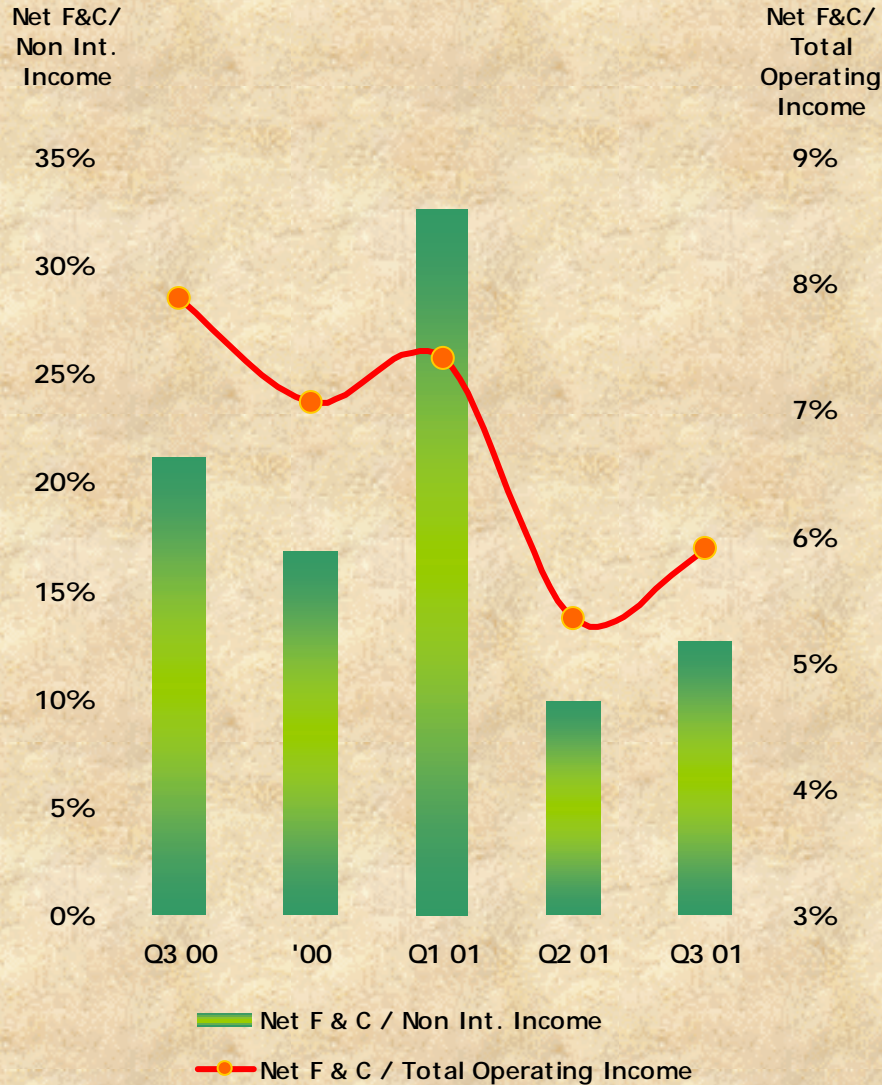


On a Quarterly Basis



Excluding Trading Income

Evolution of Fees & Commissions and Non-Interest Income



Non Interest Income/Total Operating Income

2000/Q3

37.2%

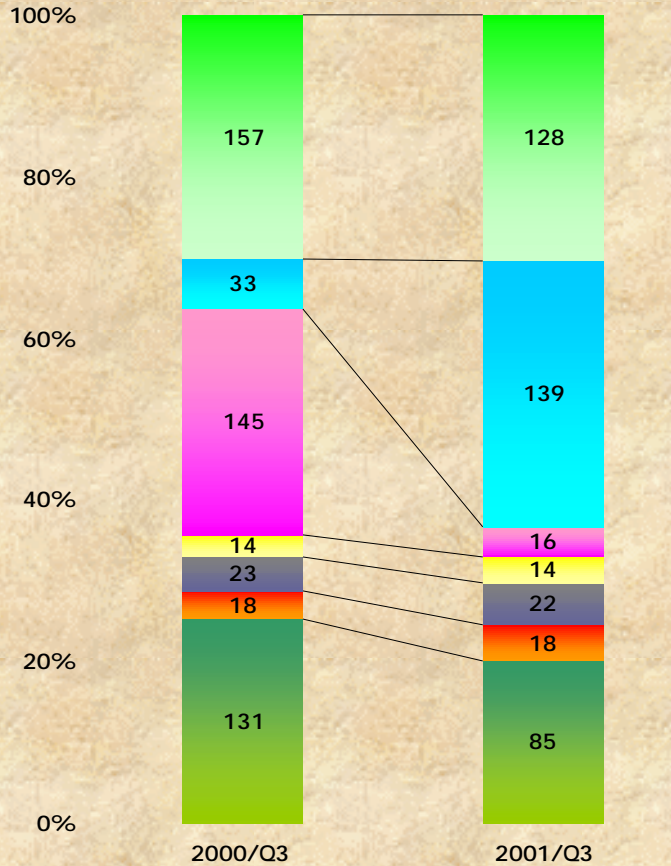


2001/Q3

46.5%

Operating Expenses

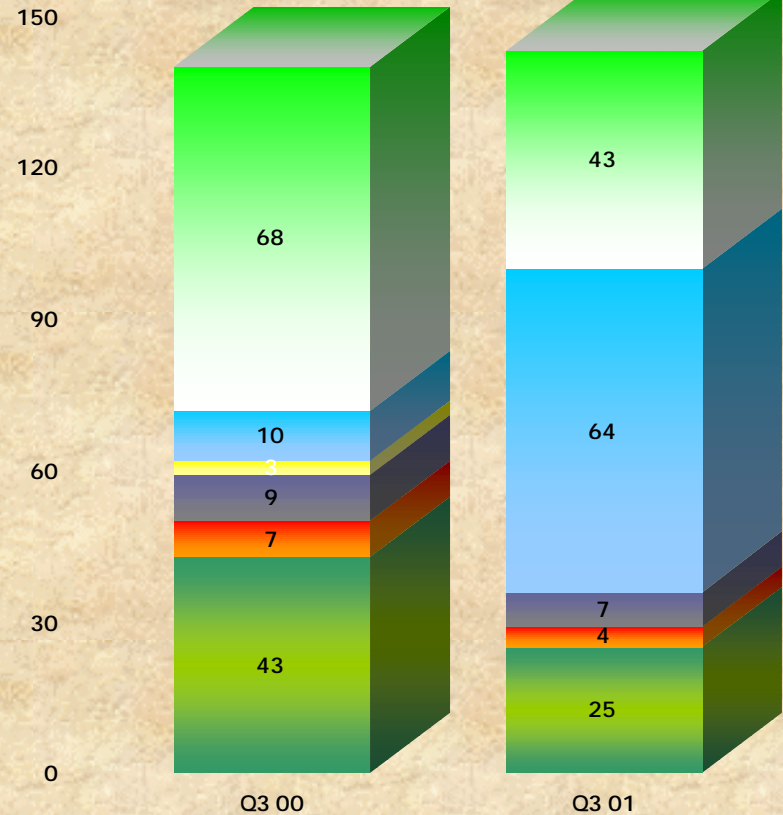
Composition of Operating Expenses



- Personnel
- Rent
- Depreciation
- Taxes
- Extraordinary
- Total Provisions
- Other

On a Quarterly Basis

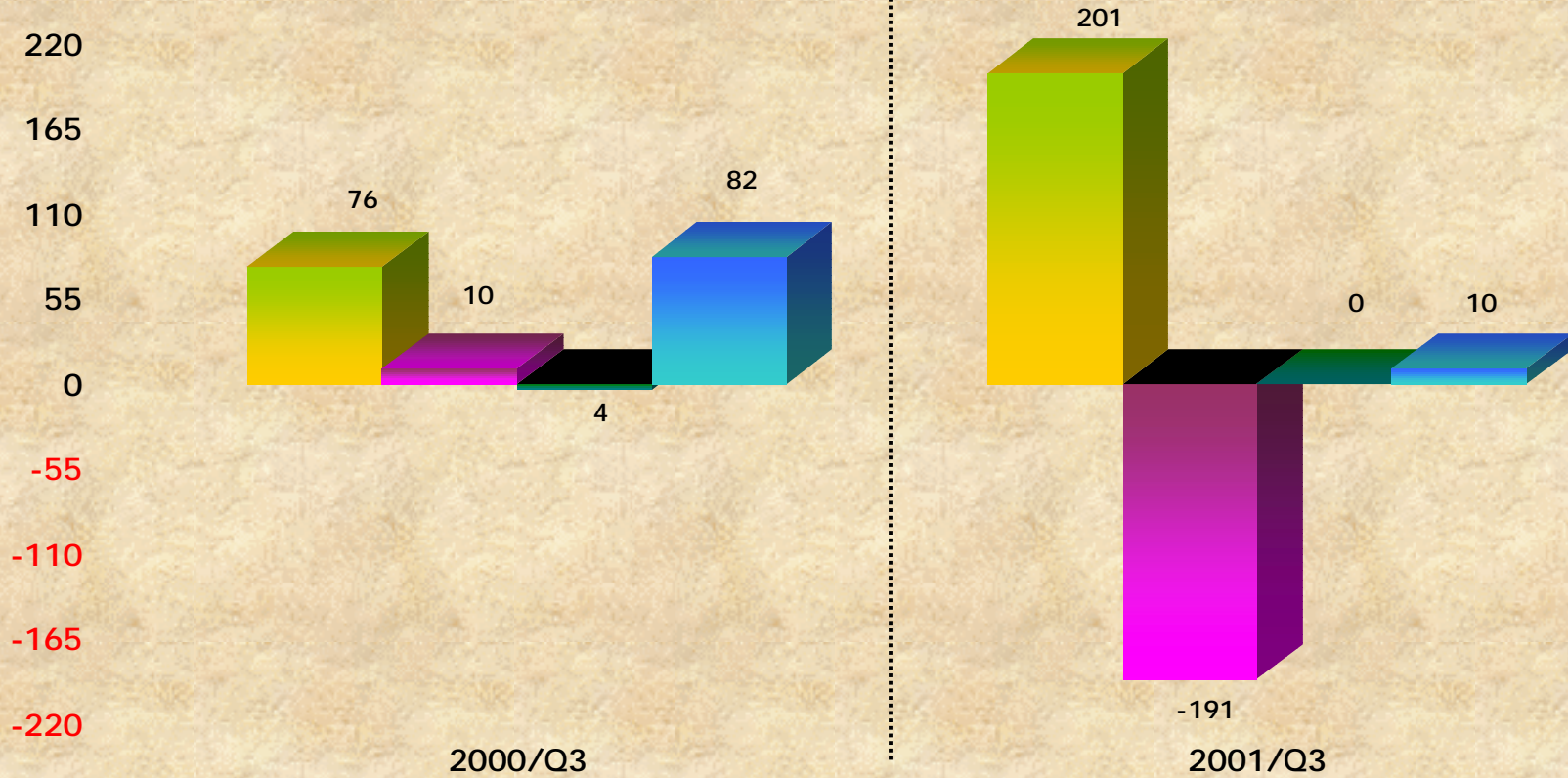
US\$ Millions



- Personnel & Prov.
- Rent
- Depr. & Amort.
- Taxes & Stamps
- Total Provisions
- Other Expenses

Pre-tax and Net Income on a Quarterly Basis

US\$ Millions



■ Net Interest Income ■ Net Other Income ■ Tax Provision ■ Net Income

Profitability Ratios

	30.09.00	30.09.01
Net Interest Margin	12.9%	10.8%
Adjusted Net Interest Margin	10.6%	1.4%
Net Interest Spread	14.0%	13.8%
ROAA	4.31%	1.2%
ROAE	33.8%	11.1%
Operating Expenses / NIM	60.1%	89.8%
Operating Expenses / Total Avg. Assets	5.8%	7.1%
Cost / Income (excl. extraordinary item)	37.0%	70.0%
Cost / Avg. Assets (excl. extraordinary item)	4.9%	4.3%
Capital Adequacy	13.0%	8.1%

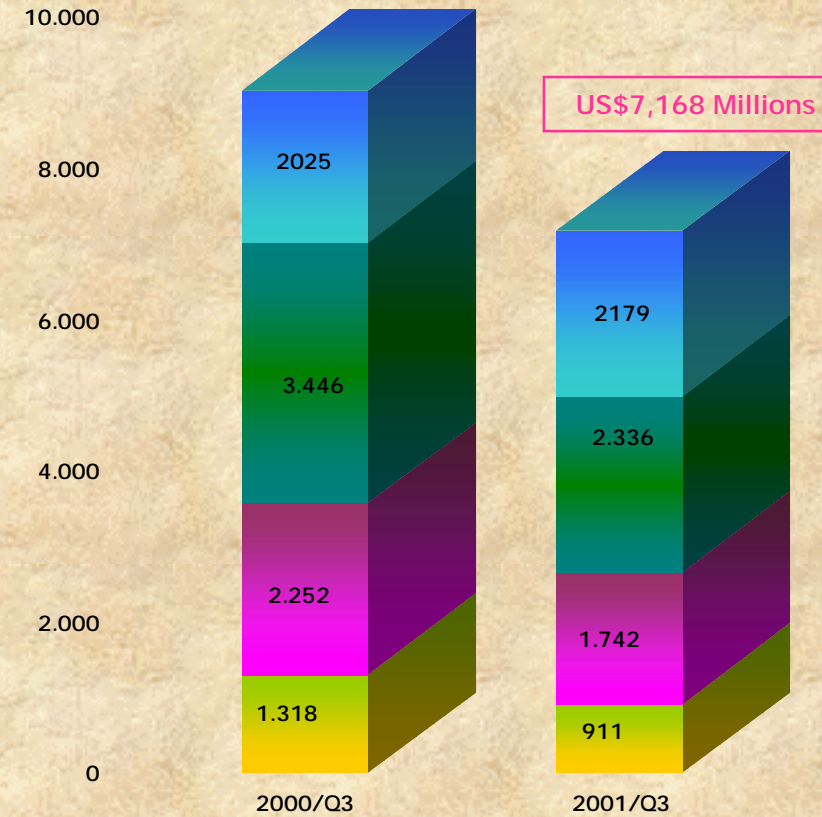
Assets Vs. Liabilities and SHE

Assets

US\$ Millions

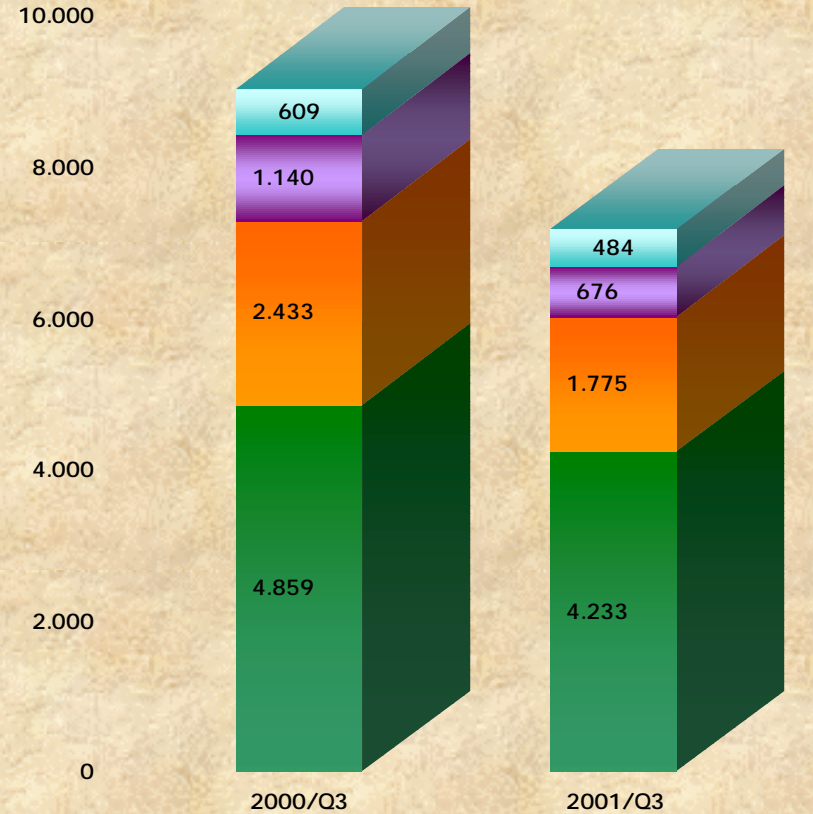
US\$9,041 Millions

US\$7,168 Millions



Liabilities and Shareholders' Equity

US\$ Millions



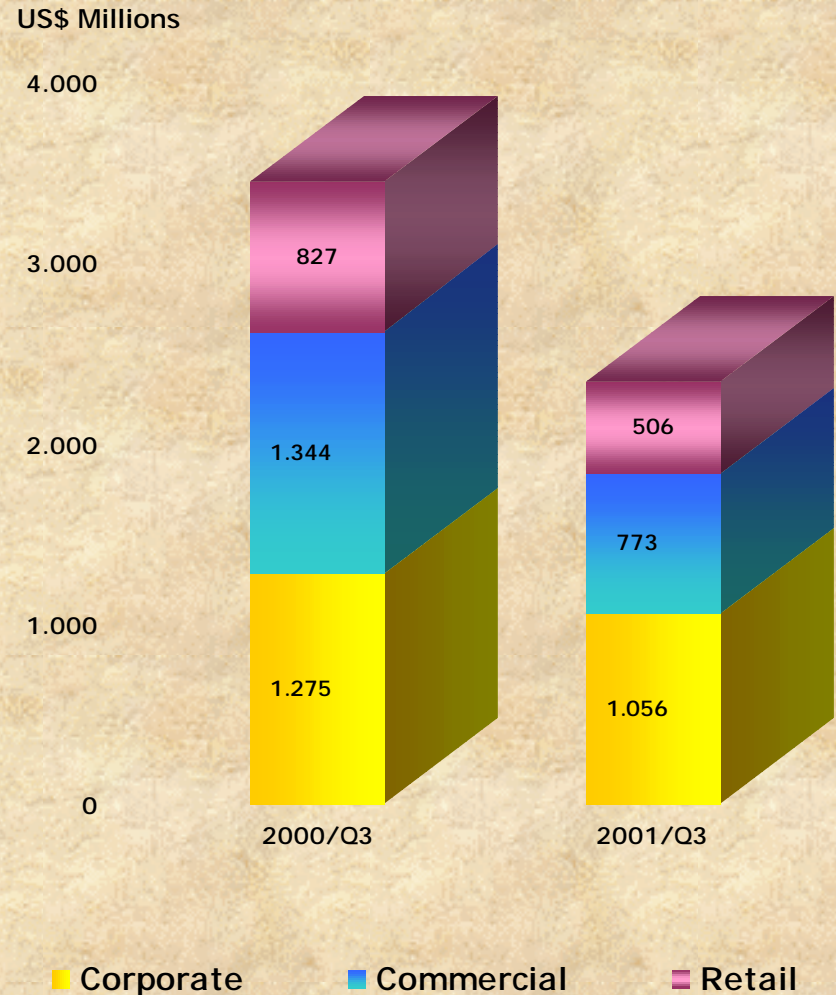
■ Cash and Banks
 ■ Total Securities
 ■ Loans
 ■ Others

■ Deposits
 ■ Funds Borrowed
 ■ SHE
 ■ Others



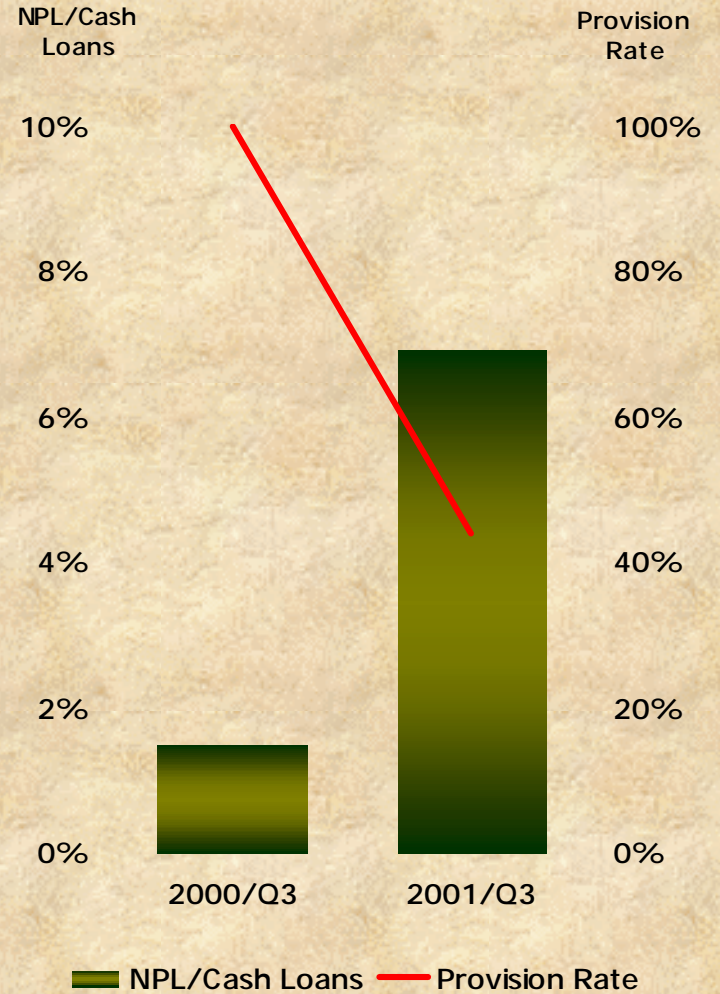
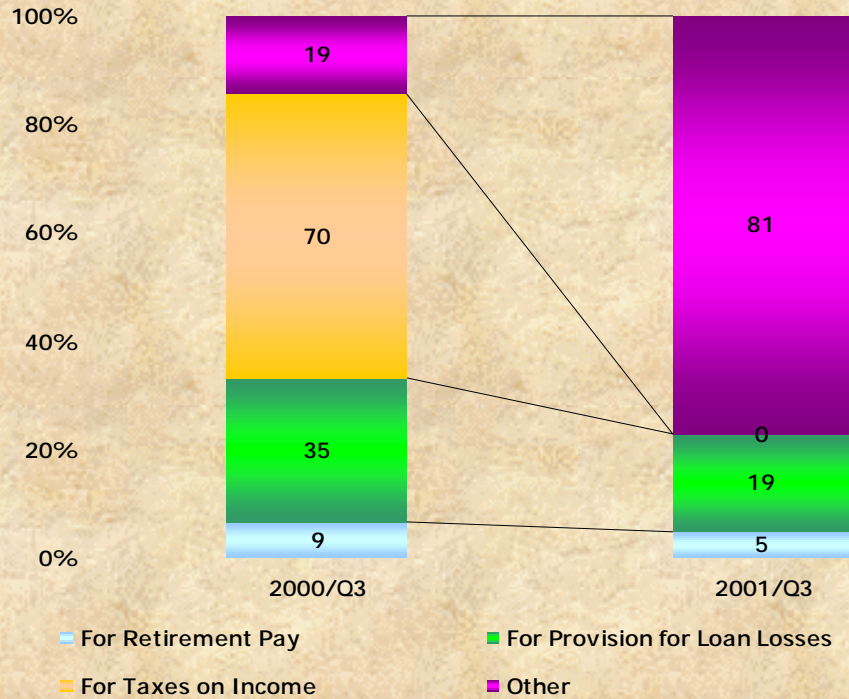
More Corporate Loans

- As at September 30, 2001, 79.0% of total loans are FC or FC-indexed and 48.7% are short-term in comparison with 63.3% and 58.4%, respectively in 2000/Q3
- Loans extended to retail and commercial sectors shrank by 39% and 43% in US\$ terms, whilst loans to corporate sectors decreased by 17%



Non-Performing Loans and Provisions

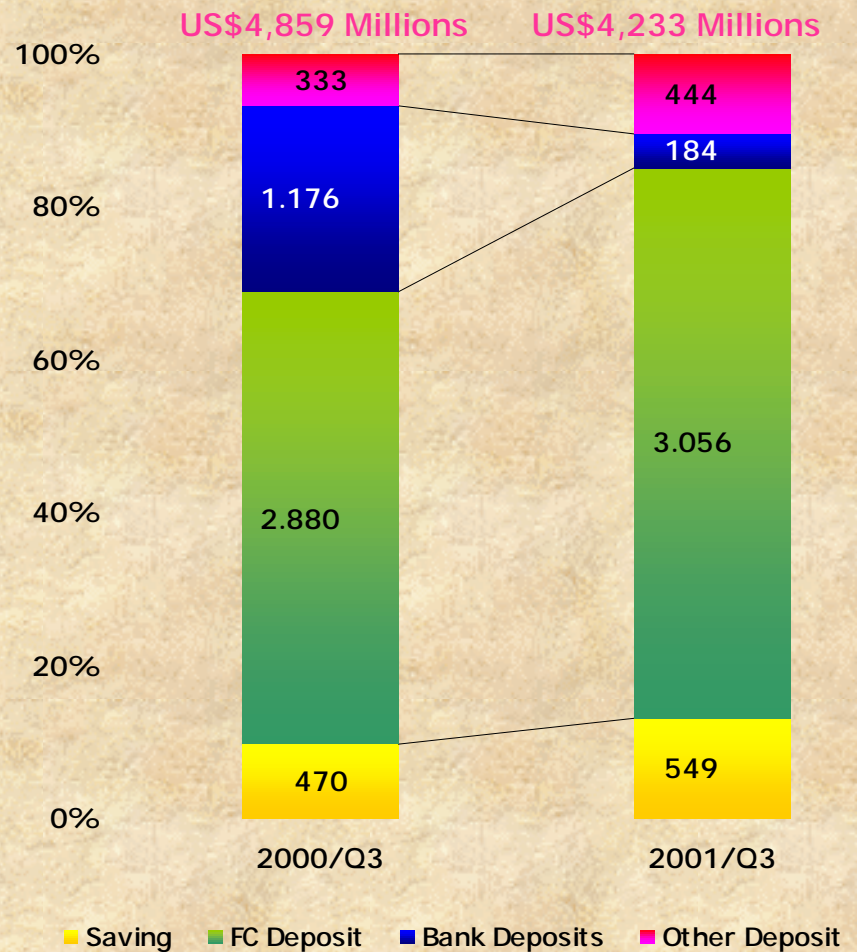
- In addition to provisions, the Bank set aside US\$81 Millions for possible risks that may arise in the future
- Thus, the provisioning rate increased to 93.0%



Deposit Base

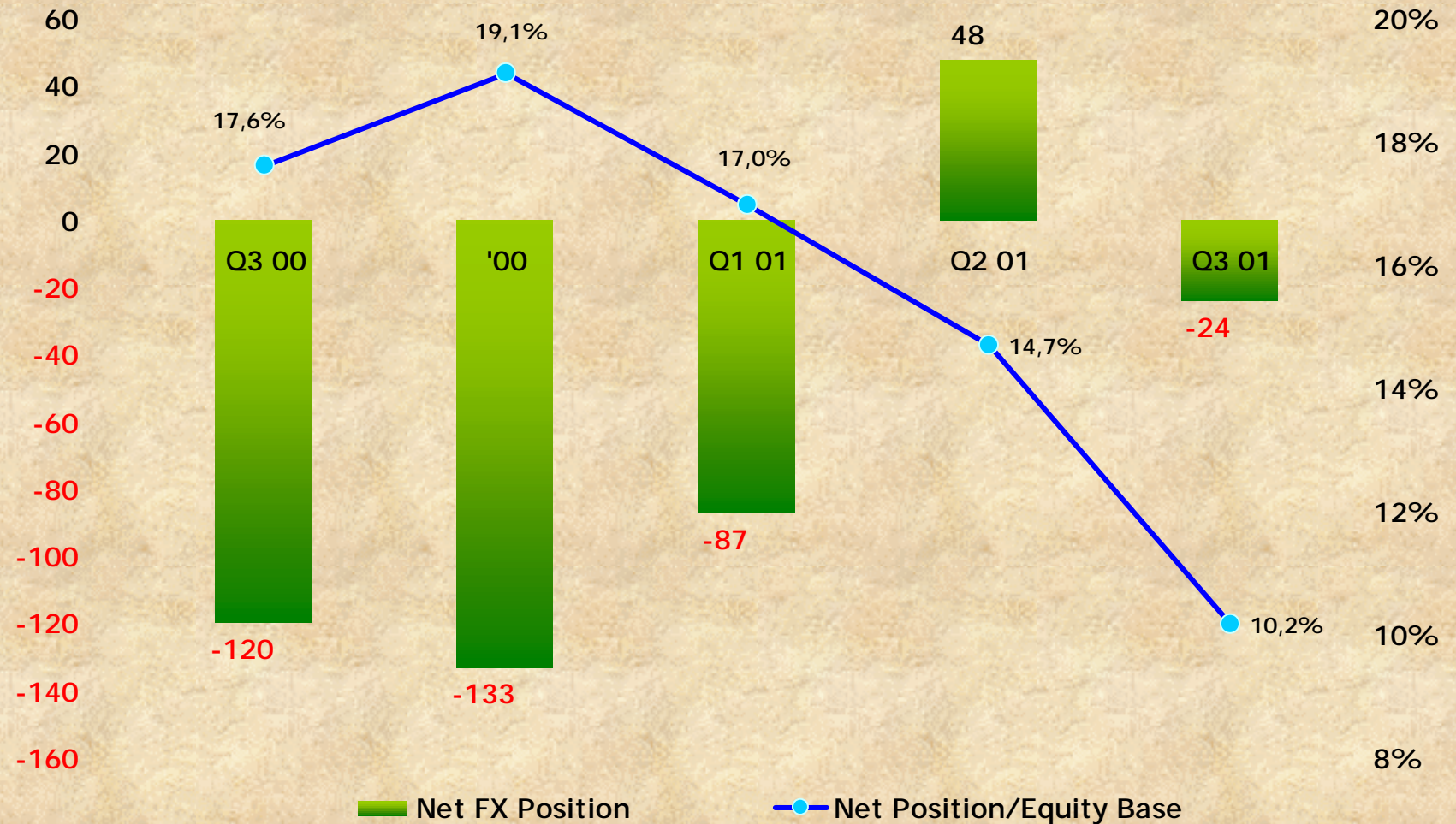
- In real terms, total deposits grew by 8.9% over the previous year
- Saving and FC deposits were up by 46.0% and 32.5% in real terms over 2000/Q3
- The share of bank deposits in total deposits decreased further to 4.4% as at 2001/Q3, down from 24.2% in 2000/Q3

US\$ Millions	30.09.00	30.09.01
TL	22.4%	24.3%
Demand	16.1%	22.4%
Time	83.9%	77.6%
FC	77.6%	75.7%
Demand	27.6%	25.4%
Time	72.4%	74.6%



Net FX Position/Capital Base

US\$ Millions



In Summary

- Net interest income increased by 164.5% in US\$ terms on a quarterly basis to reach US\$201 Millions
- Interest expense went down by 25.9% in US\$ terms to US\$157 Millions from US\$212 Millions on a quarterly basis
- Net non-interest income (excluding trading income) increased by 46.3% in US\$ terms to US\$120 Million, up from US\$82 Million
- Non-interest income to total operating income rose to 46.5% in 2001/Q3, from 37.2% in 2000/Q3
- Saving and foreign currency deposits went up by 46.0% and 32.5%, respectively, in real and year-over-year terms