CONSOLIDATED EARNINGS REVIEW

March 31, 2006

Corporate Strategy, Business Development & Investor Relations

Contents

Section 1

Q1 2006 Earnings Highlights

Q1 2006: Strong Growth Momentum

- Total asset growth was 6.8% in Q1 2006. Assets reached YTL43,982 Million on a consolidated basis as of Q1 2006
- Net cash loans increased by 23.4% in real terms, constituting 53.9% of total assets
- TL loans increased by 21.0% in Q1 2006, reaching YTL12,122 Million while FC loans increased by 26.0% in US$ terms, reaching US$8,694 Million as of Q1 2006
- Despite high loan growth, NPL ratio decreased to 3.3% as of Q1 2006
- TL deposits were up by 16.4% over YE 2005.
- Total revenues expanded by 3.6% in real terms on a consolidated basis over the same period in 2005 and reached YTL 846 Million
- Operating income on a consolidated basis reached YTL450 Million, increasing by 4.9% in real terms over Q1 2005
- Net income increased by 68.2% in Q1 2006 over Q1 2005, reaching YTL280 Million
- ROAA and ROAE strengthened to 2.63% and 24.44%, respectively, on an annualized basis as of Q1 2006

Section 2

Consolidated Financial Performance – Balance Sheet

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Consolidated Financial Performance

Balance Sheet Highlights

- *Total assets were up by 6.8% in US$ terms, reaching US$33,019 Million as of Q1 2006*
- *TL Loans increased by 21.0% in real terms over YE 2005, reaching YTL12,122 Million whereas FC loans increased by 26.0% in US$ terms, reaching US$8,694 Million in the same period*
- *TL deposits increased by 16.4% in real terms, reaching YTL13,868 Million*
- *Total shareholders' equity was up by 6.2% in real terms*

Selected Financials
IFRS

	December 31, 2005	March 31, 2006	Change
Total Assets (YTL Million)	**41,198**	**43,982**	**6.8%**
TL Net Cash Loans (YTL Million)	**10,016**	**12,122**	**21.0%**
FC Net Cash Loans[1] (US$ Million)	**6,901**	**8,694**	**26.0%**
Total Non-cash Loans (YTL Million)	**8,412**	**8,897**	**5.8%**
TL Deposits (YTL Million)	**11,913**	**13,868**	**16.4%**
FC Deposits[1] (US$ Million)	**10,264**	**10,345**	**0.8%**
Total Shareholders' Equity[1,2] (US$ Million)	**3,027**	**3,216**	**6.3%**

[1] Foreign currency exchange rate as of 31 March 2006
[2] Including minority interest

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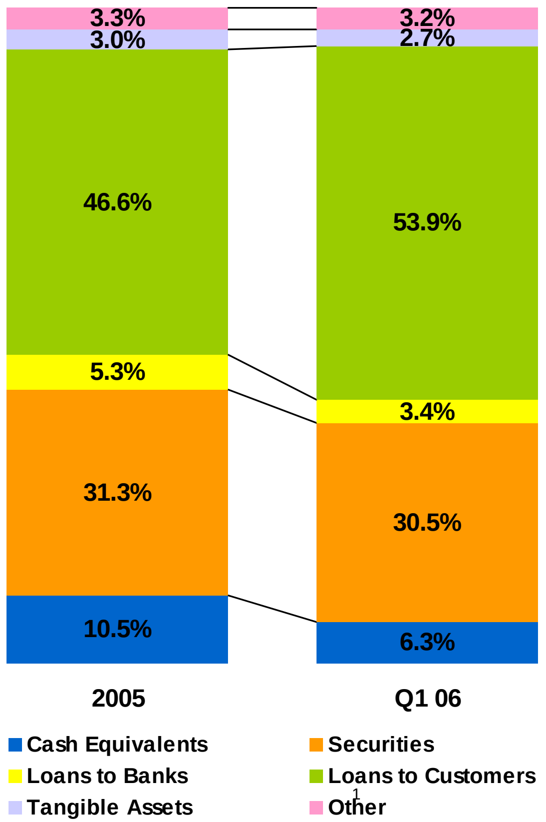
Consolidated Financial Performance - Balance Sheet

Balance Sheet Composition

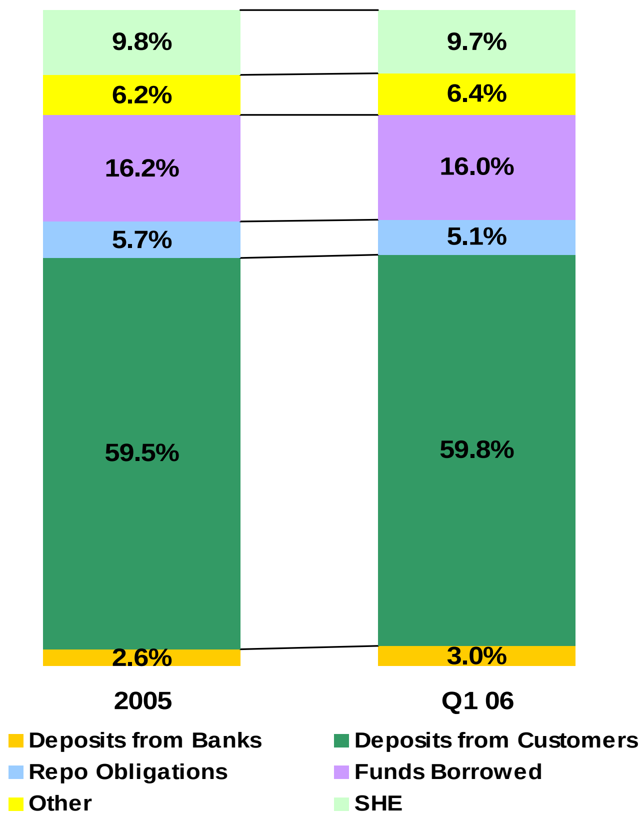
The main driver of growth in revenues is the loan portfolio contributing more than half of total assets -- increasing retail focus and high margin concentration

- *Total assets increased to YTL43,982 Million in Q1 2006 (US$ 33,019 Million)*
- *Loans to customers (net cash loans) increased by 23.4% in real terms, bringing its share in total assets up to 53.9% in Q1 2006 from 46.6% at YE 2005*
- *Share of securities declined to 30.5% in Q1 2006 from 31.3% at YE 2005*
- *Share of deposits from customers in total liabilities and shareholders' equity was 59.8% as of Q1 2006*
- *Share of total deposits (including deposits from banks) was 62.8% as of Q1 2006*

Composition of Assets



Composition of Liabilities & SHE[2]



[1] Other assets include intangible assets, investments in equity participations, deferred tax assets and other assets
[2] Shareholders' equity includes minority interest

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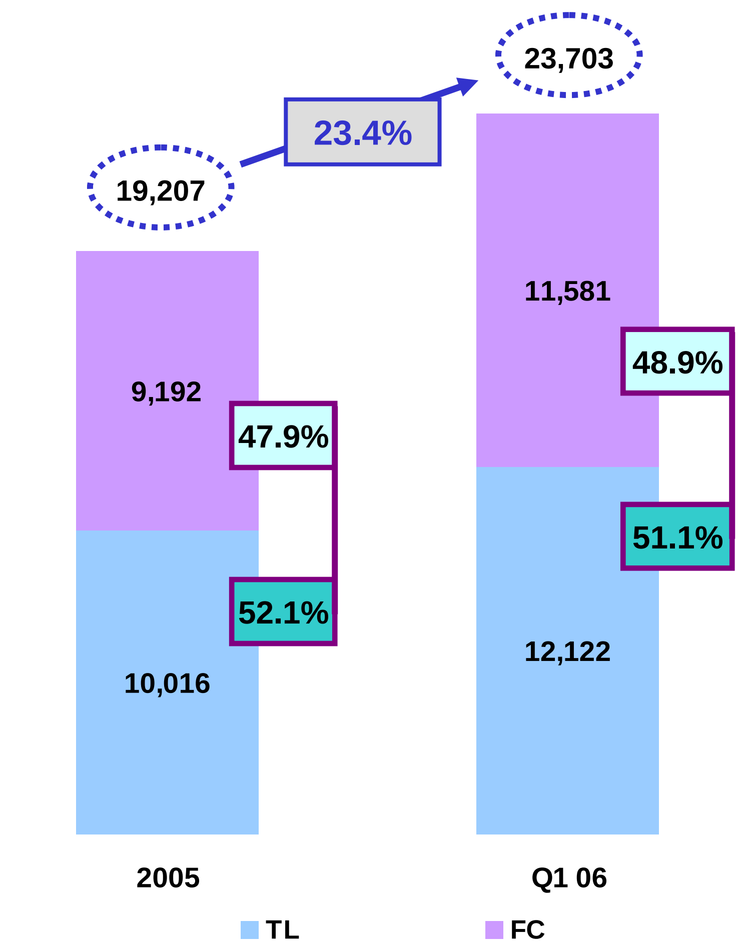
Consolidated Financial Performance - Balance Sheet

Loan Growth

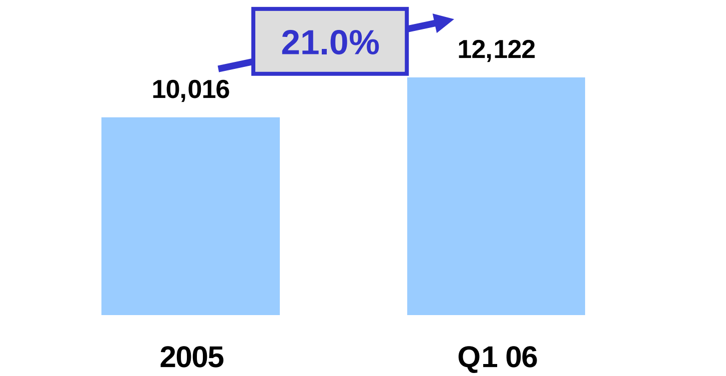
Higher levels of cash loans with a lucrative composition of fast growing consumer and SME segments – despite the competitive environment

- *Total loan growth Q1 YTD was 23.4%, cash loans reached YTL 23,703 million*
- *TL loans increased by 21.0% in Q1 2006, reaching YTL12,122 Million*
- *FC loans increased by 26.0% in US$ terms, reaching US$8,694 Million as of Q1 2006*

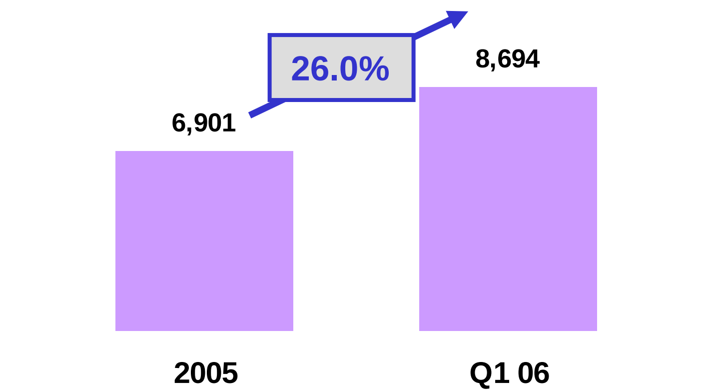
Net Cash Loans
YTL Million



TL Loans
YTL Million



FC Loans[1]
US$ Million



[1]Foreign currency exchange rate as of 31 March 2006

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Consolidated Financial Performance - Balance Sheet

Strong Credit Quality

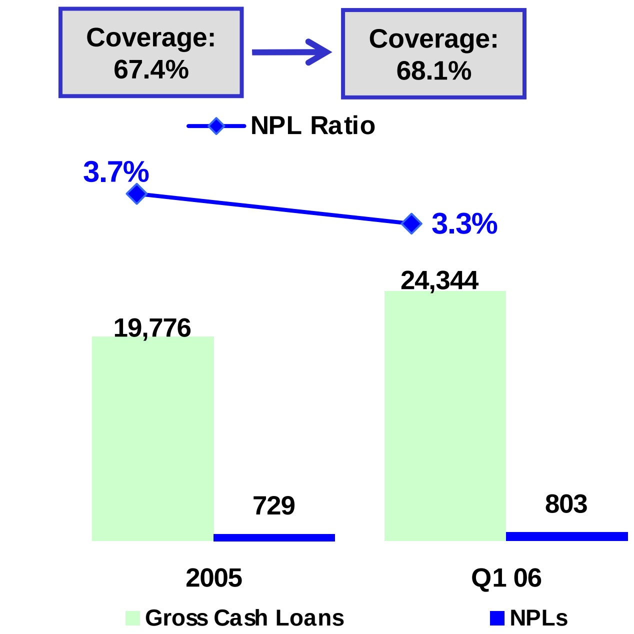
– *NPL ratio was 3.3% as of Q1 2006 while provisioning went up to 68.1% from 67.4% at YE 2005*

– *The share of unsecured loans in total loans decreased to 27.36% as of Q1 2006 from 35.55% at YE 2005. This was mainly due to declining share of credit cards in consumer loans*

Well balanced loan book

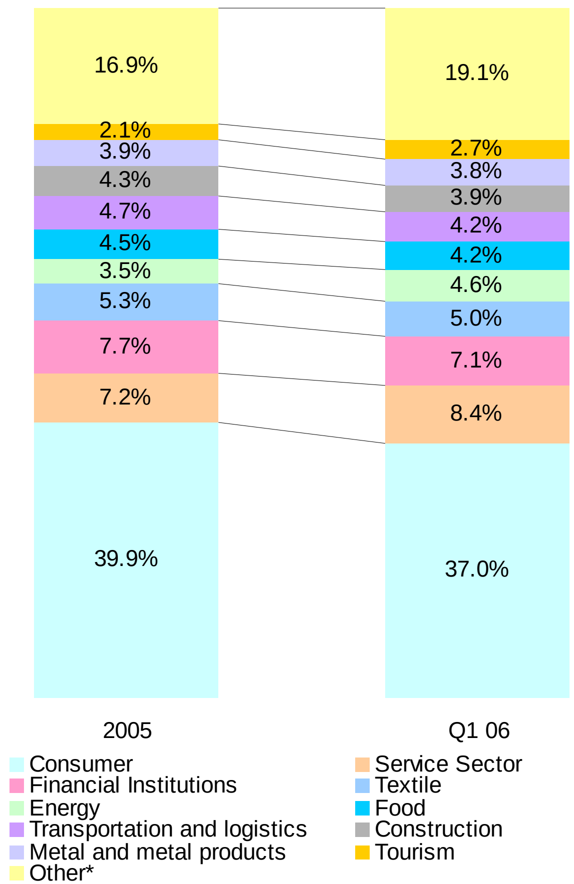
NPLs and Provisioning

YTL Million



Asset Quality	31.12.2005	31.03.2006
Secured Loans	64.45%	72.64%
Unsecured Loans	35.55%	27.36%
Provisioned NPLs	2.5%	2.3%
Unprovisioned NPLs	1.2%	1.0%

Sectoral Loan Allocation



* Other includes loans extended to sectors such as transportation vehicles and sub-industry, data processing, agriculture, chemistry and chemical products, durable consumption, mining and others

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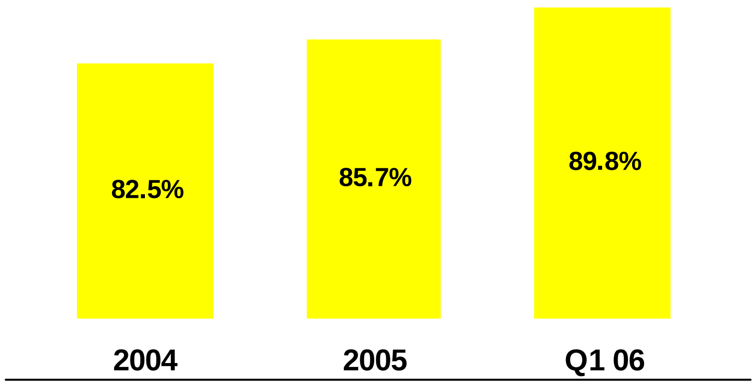
Consolidated Financial Performance - Balance Sheet

IEAs vs IBLs

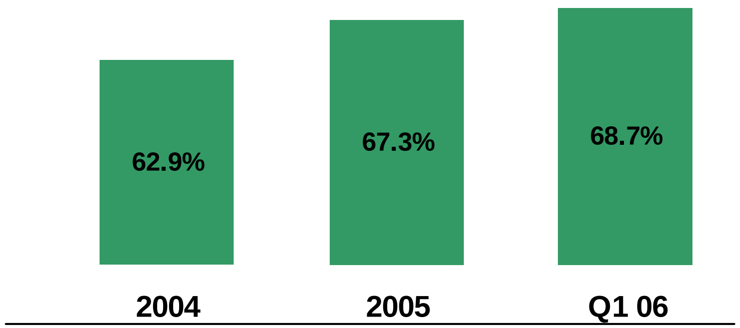
Further increase in share of IEAs in total assets; widened gap between IEAs and IBLs

- *The share of IEAs in total assets increased to 89.8% as of Q1 2006 from 82.5% at YE 2004*
- *The share of IBLs in total liabilities and SHE increased to 68.7% as of Q1 2006 from 62.9% at YE 2004*
- *As a result, the gap between IEAs and IBLs further widened to YTL9,278 Million in Q1 2006 from YTL7,609 Million at YE 2005 and YTL6,239 Million at YE 2004*

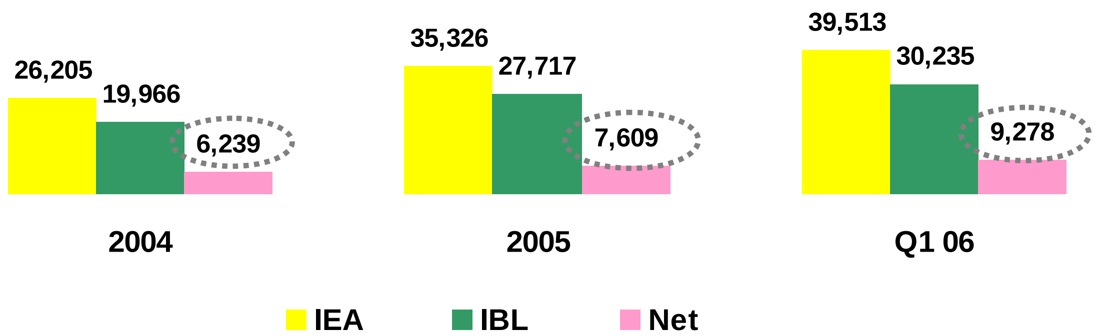
IEAs/Total Assets



IBLs/Total Liabilites and SHE



IEAs vs IBLs
YTL Million



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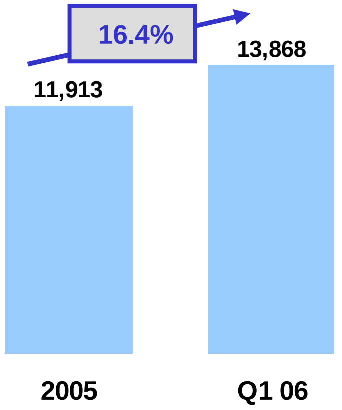
Consolidated Financial Performance - Balance Sheet

Deposits

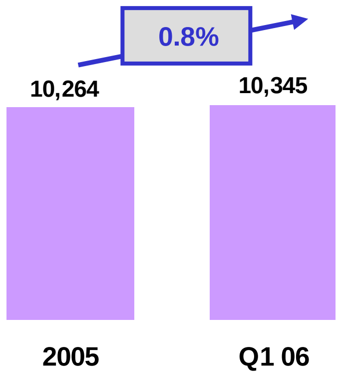
Increased deposit market share driven by strong growth and well executed customer-centric approach in a competitive environment

- TL deposits increased by 16.4% over YE 2005
- The share of FC deposits in customer deposits declined to 49.6% in Q1 2006 from 53.9% at YE 2005
- The share of demand deposits in total deposits was favorable at 23.3% as of Q1 2006

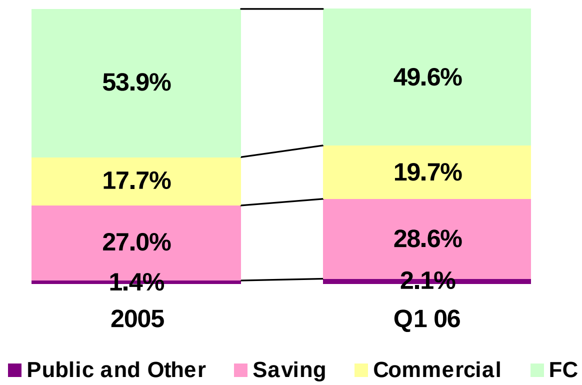
TL Deposits
YTL Million



FC Deposits [1]
US$ Million



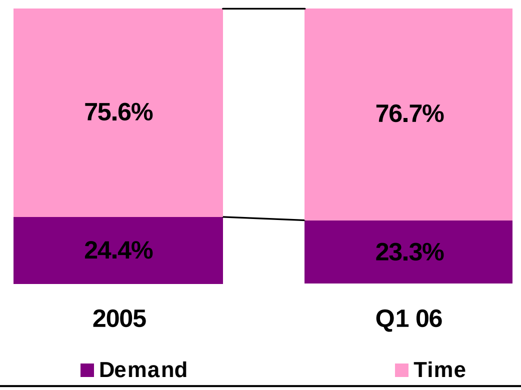
Composition of Customer Deposits
(excluding accrued interest expense)



Market Shares[2]

	31/12/2005	31/03/2006	YTD Δ
TL Deposits	7.40%	8.00%	60 bps
FC Deposits	12.20%	12.00%	(20) bps
Demand Deposits	10.90%	11.50%	60 bps
Total Deposits	9.20%	9.40%	20 bps

Demand vs. Time Customer Deposits



[1] Foreign currency exchange rate as of 31 March 2006
[2] Market share data as of BRSA bank only results

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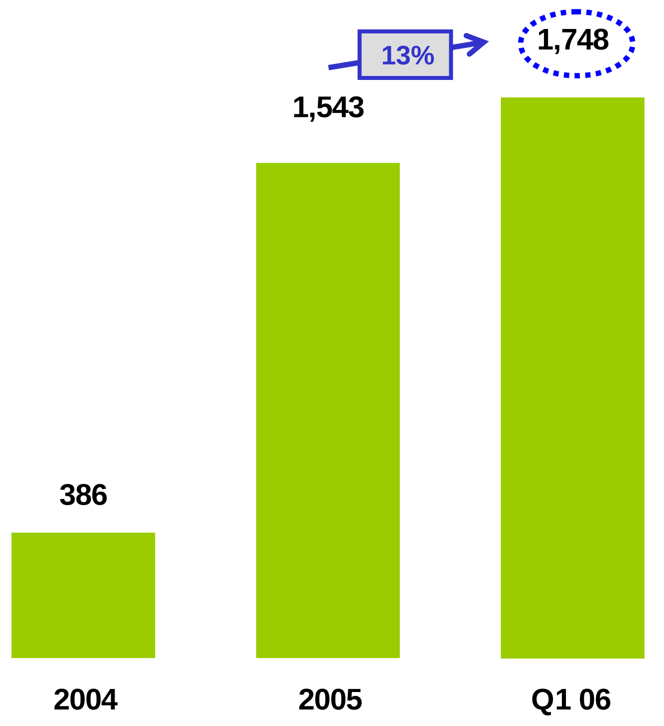
Free Equity

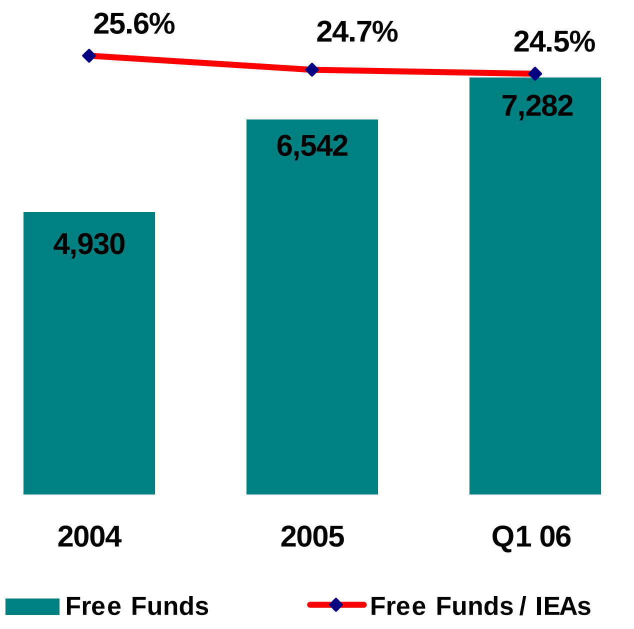
Notable growth in free equity

- *Free equity further improved to US$1,748 Million as of Q1 2006 from US$386 Million at YE 2004, in line with the increasing share of IEAs.*
- *Free funds increased by 47.7% (in US$ terms) over YE 2004 reaching US$7,282 Million. IEA growth in the same period was 50.8%. Free funds to IEAs was 24.5% in Q1 2006*

Free Equity[1]
US$ Million



Free Funds[1+2]/IEAs
US$ Million



[1] Including minority interest, calculated at exchange rates of the relevant balance sheet dates after eliminating the effects of inflation.

[2] Free Funds: Free Equity + Demand Deposits (including demand deposits from banks)

Section 3

Consolidated Financial Performance – Income Statement

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Consolidated Financial Performance – Income Statement

Summary Income Statement

YTL Thousand	March 31, 2005	March 31, 2006	Change
Net Interest Inc.Adj.by FX & Monetary Gain/Loss	507,229	480,814	(5.2%)
Net Fee & Comm. Income	186,144	263,149	41.4%
Other Non-Interest Income	123,055	101,912	(17.2%)
Total Revenues	**816,428**	**845,875**	**3.6%**
Operating Expenses[1]	(387,314)	(395,774)	2.2%
Operating Income	**429,114**	**450,101**	**4.9%**
Impairment Losses	(202,789)	(82,614)	(59.3%)
Taxation Charge	(60,050)	(87,809)	46.2%
Net Income	**166,275**	**279,678**	**68.2%**
ROAA (%)	2.10%	2.63%	0.53 pp
ROAE[2] (%)	17.43%	24.44%	7.01 pp

[1] Including depreciation, amortization and provision for severance indemnity
[2] Shareholders' Equity includes minority interest

Compared to same period last year;

- *Total revenues increased by 3.6% in real terms on a consolidated basis, reaching YTL 846 Million*
- *Consolidated operating income was up by 4.9%*
- *Net fee and commission income increased by 41.4% in Q1 2006 on a consolidated basis*
- *Consolidated net income reached YTL280 Million in Q1 2006, reflecting an increase of 68.2%*

Net Income Reconciliation

YTL Thousand	March 31, 2005	March 31, 2006
BRSA Bank Only Net Income	150,240	250,758
Performance of subsidiaries consolidated	16,051	27,355
IFRS and consolidation adjustments	-16	1,565
IFRS Consolidated Net Income (inc. Minority interests)	**166,275**	**279,678**

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Consolidated Financial Performance – Income Statement

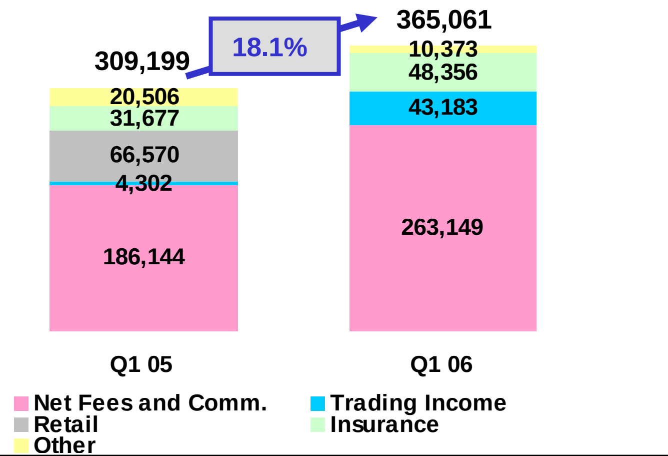
Non-Interest Income

Increased diversification and continued growth in sustainable revenue streams

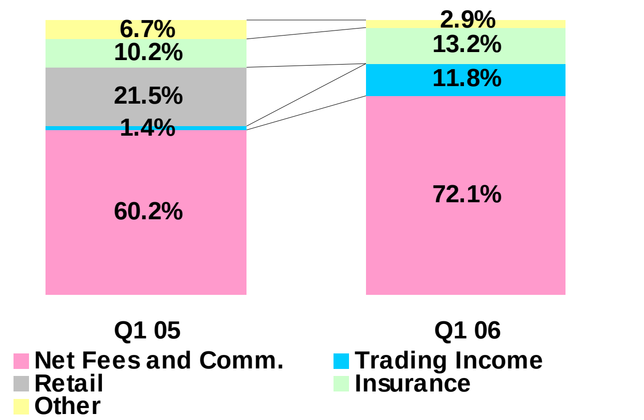
Compared to same period last year;

- *Total non-interest income increased by 18.1% reaching YTL365 Million in Q1 2006*
- *When income from divested retail business segment and trading income are excluded, non-interest income increased by 35.1% in Q1 2006, reaching YTL322 Million*
- *Net fee and commission income increased by 41.4% constituting 72.1% of total non-interest income*
- *Income from insurance business increased by 52.7% and reached YTL48 Million in Q1 2006. Income from insurance now constitutes 13.2% of non-interest income – main driver being the fast growth in consumer lending business*

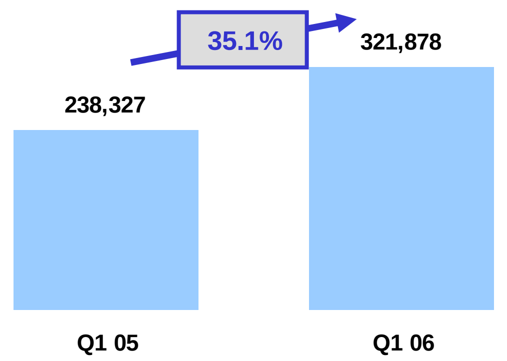
Non-Interest Income
YTL Thousand



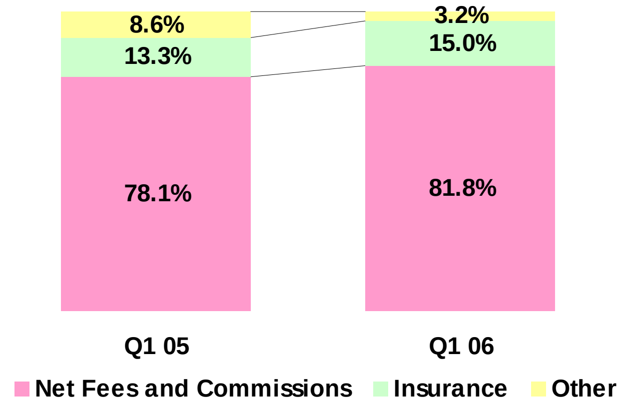
Composition of Non-Interest Income



Non-Interest Income Excl. Trading and Retail
YTL Thousand



Composition of Non-Interest Income Excl. Trading and Retail



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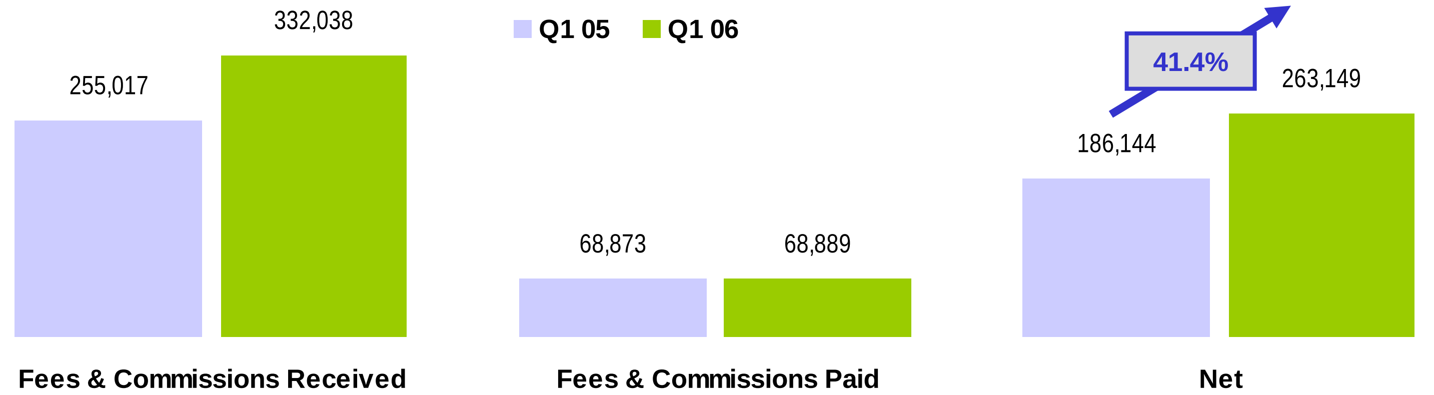
Consolidated Financial Performance – Income Statement

Fees and Commissions

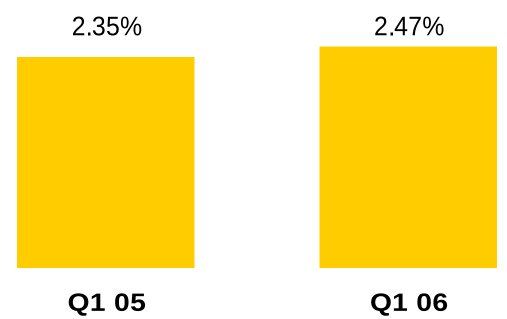
Strong growth driven by successful execution of the credit card business and consumer lending strategy

- Net fees and commissions increased by 41.4% in Q1 2006 over Q1 2005, reaching YTL263 Million
- Net fees and commissions to average assets reached 2.47% vs. 2.35% a year ago
- Net fees and commissions covered 74.7% of total operating expenses in Q1 2006, compared to 55.4% in Q1 2005

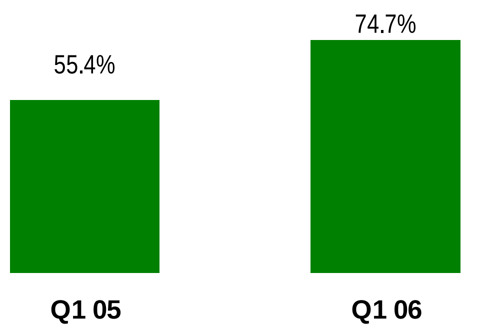
Fees and Commissions
YTL Thousand



Net Fees and Commissions / Average Assets



Net Fees and Commissions / Operating Expenses



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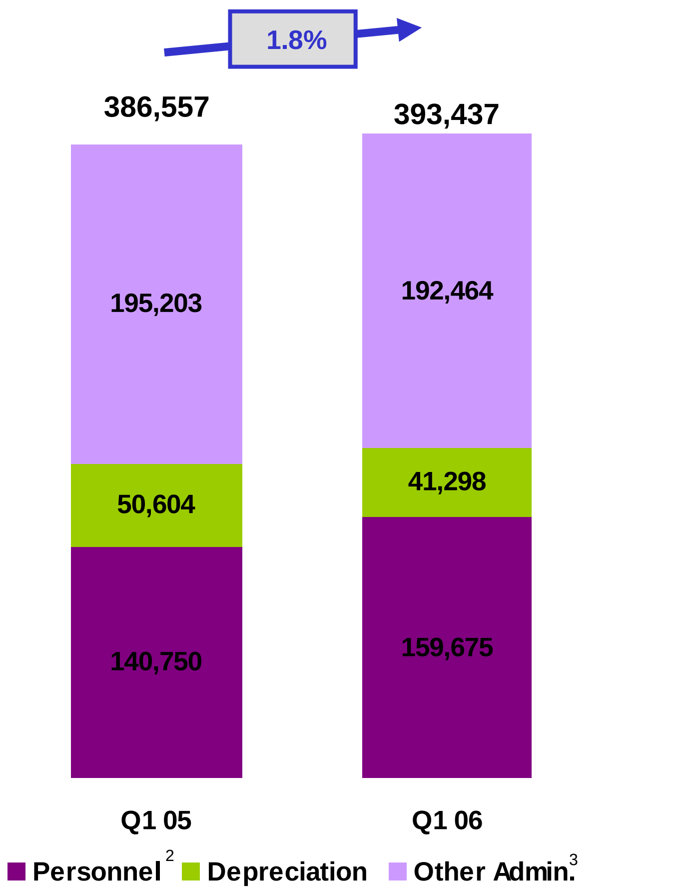
Consolidated Financial Performance – Income Statement

Non-Interest Expenses

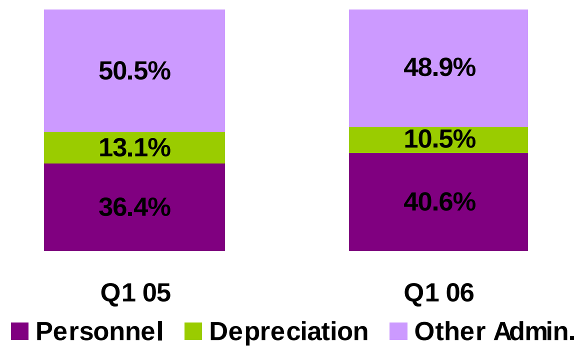
Non-interest expense growth – single digit despite continuing branch expansion

- *Total non-interest expenses were YTL393 Million in Q1 2006*
- *Personnel expenses registered 13.4% increase in line with organic expansion strategy*

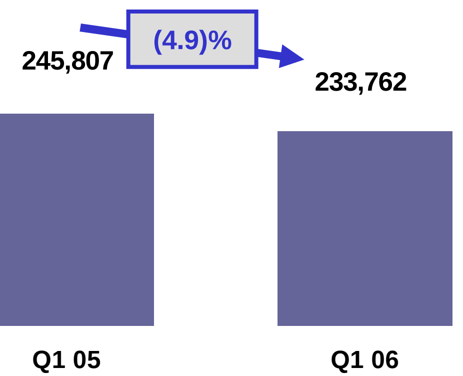
Non-Interest Expenses[1]
YTL Thousand



Composition of Non-Interest Expenses



Non-Interest Expenses Excluding Personnel Expenses
YTL Thousand



[1] Excluding impairments, and provision for severance indemnity
[2] Personnel expenses include salaries and wages and employee benefits
[3] Other administrative expenses are advertising, rent, EDP, SDIF, taxes and duties, utility, repair&maintenance, stationery, R&D and other operating expenses

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Consolidated Financial Performance – Income Statement

Improving Efficiencies

Higher revenue growth versus a controlled expense growth

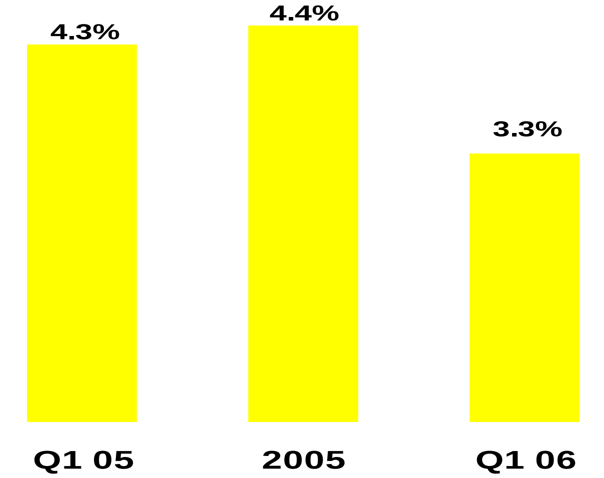
Compared to same period last year;

- *Opex/average assets ratio declined to 3.3% as of Q1 2006*

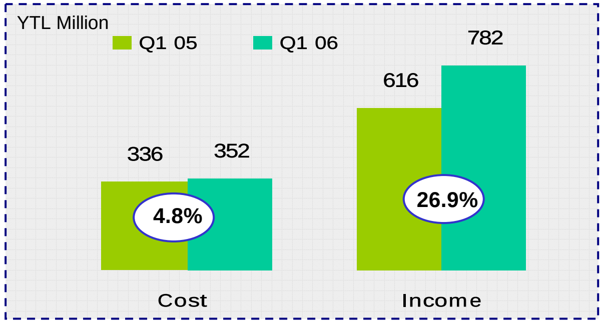
  Income growth was 26.9% vs. a cost growth of only 4.8%

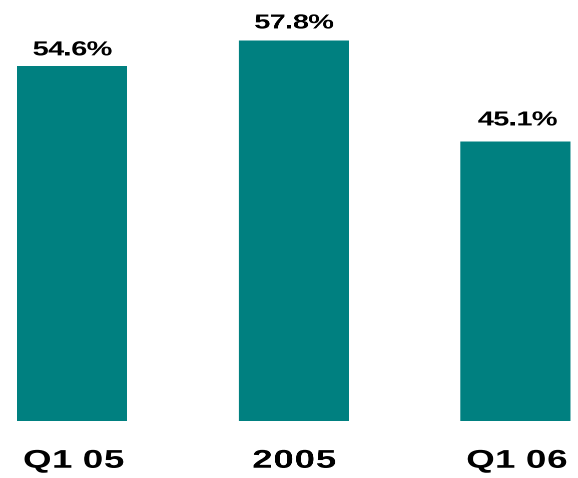
- *Higher revenue growth coupled with cost management resulted in a further improved Cost/Income ratio, which came down to 45.1% as of Q1 2006 - - an improvement of 950 bps.*

Operating Expenses/Average Assets



Cost/Income Ratio[1]





[1] Excluding depreciation and amortization

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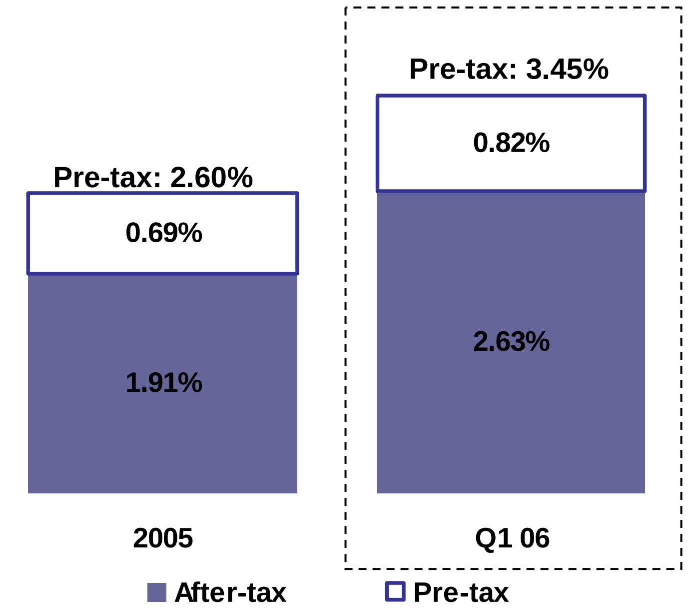
Consolidated Financial Performance – Income Statement

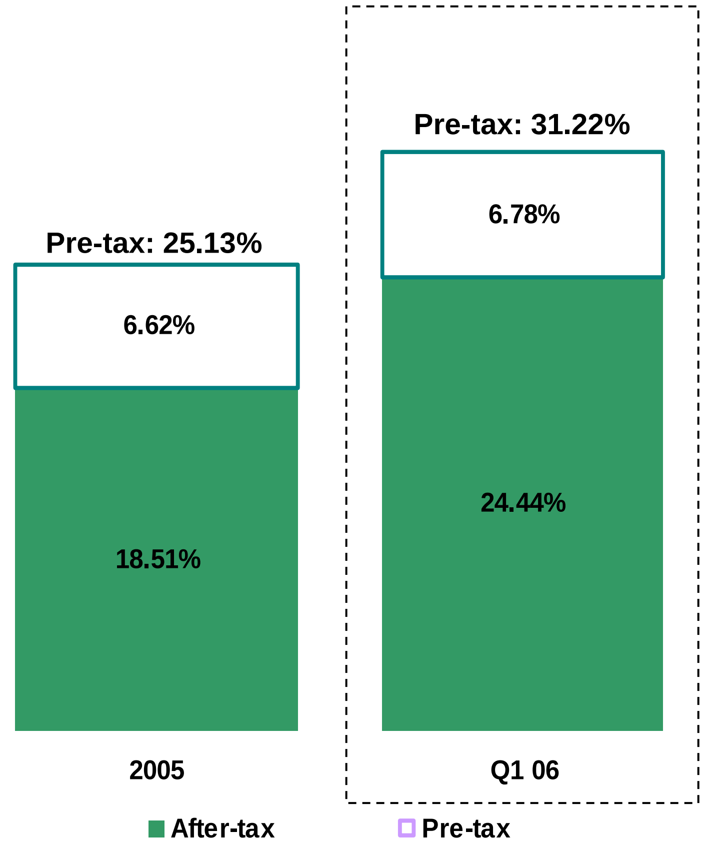
Strong Profitability Ratios

– *Garanti's pre-tax ROAA and ROAE strengthened to 3.45% and 31.22%, respectively as of Q1 2006*

ROAA



ROAE[1]



[1] Shareholders' equity calculated on an annualized basis includes minority interest

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