

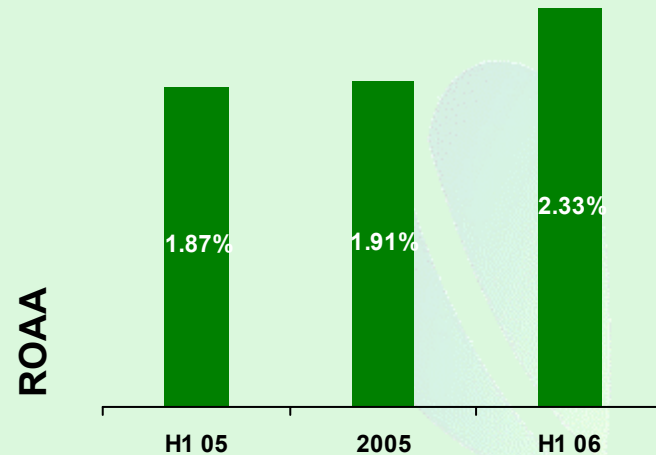
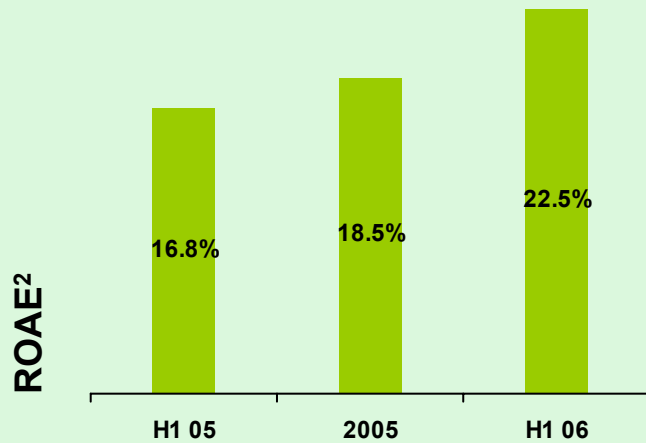


Net income
up by 79.2%
y-o-y due to
solid organic
growth

- Total **asset growth** was **28.7%** YTD reaching **53.0 Billion YTL** on a consolidated basis as of H1 2006
- Net cash **loans** increased by 49.8% in real terms, constituting **54.2% of total assets**
- TL loans increased by 41.4% in H1 2006, reaching 14.2 Billion YTL while FC loans increased by 35.4% in US\$ terms, reaching 9.3 Billion US\$ as of H1 2006
- **NPL** ratio improved to **2.3%** as of H1 2006 due to recoveries and loan growth
- YTD total **deposits** were **up** by **20.3%**
- Total **operating income** reduced by fx losses and monetary losses expanded by 7.3% on a consolidated basis over the same period in 2005 reaching **1,700 Million YTL**
- **Income from operations**¹ on a consolidated basis reached 870 Million YTL, an **increase of 18.2%** in real terms over H1 2005
- **Net income** increased by **79.2%** in H1 2006 over H1 2005, reaching **548 Million YTL**
- **ROAA and ROAE** strengthened to **2.33%** and **22.5%**², respectively, on an annualized basis as of H1 2006
- Cost / Income improved to 47.9% in the first half of 2006

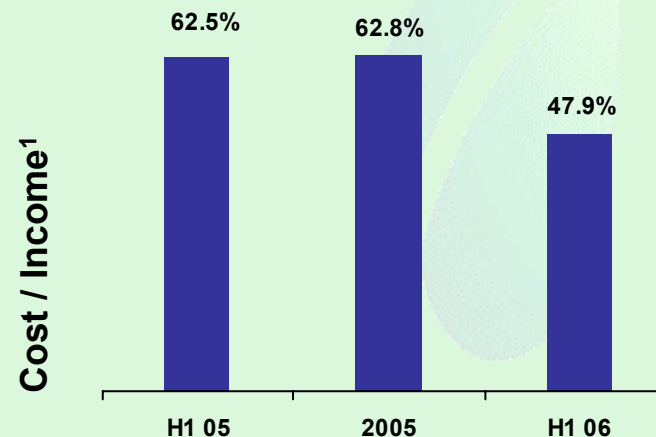
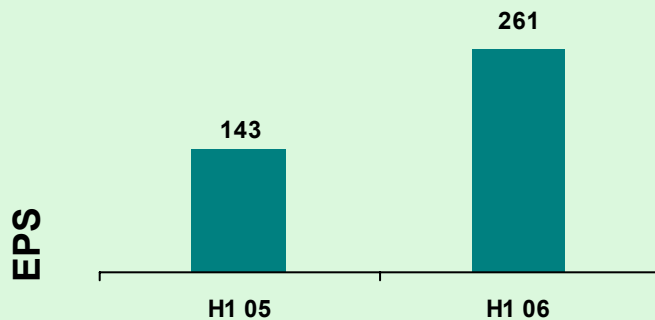
Profitability – Sustainable & Consistent Growth

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YTD Profitability improved:

*ROAE by 394 bps.
ROAA by 42 bps and
cost/income ratio by
1,482 bps*



¹ Adjusted to exclude Retail (Tansaş) in 2005 & H105

² Includes the dividend distribution effect on average equity in 2006

Balance Sheet - Summary

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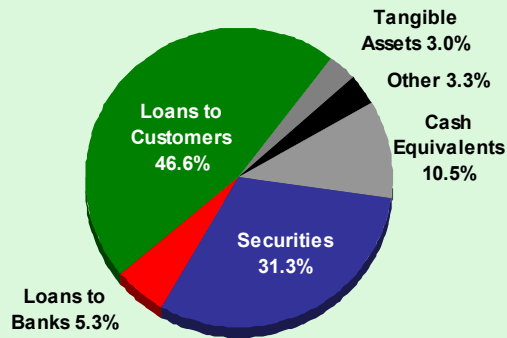
	(YTL million)	2005	H1 06	% Change
Assets	Cash & Banks	6,520	7,013	7.6%
	Securities	12,891	14,607	13.3%
	Loans to Customers	19,207	28,763	49.8%
	Tangible Assets	1,219	1,192	(2.2%)
	Other	1,361	1,464	7.6%
	Total Assets	41,198	53,039	28.7%
	Liabilities and SHE	Deposits from Customers	24,525	29,235
Deposits from Banks		1,060	1,553	46.6%
Repo Obligations		2,340	5,686	143.0%
Funds Borrowed		6,689	9,617	43.8%
Other		2,552	2,854	11.8%
SHE		4,032	4,094	1.5%
Total Liabilities & SHE		41,198	53,039	28.7%

Balance Sheet Composition & IEA vs IBL

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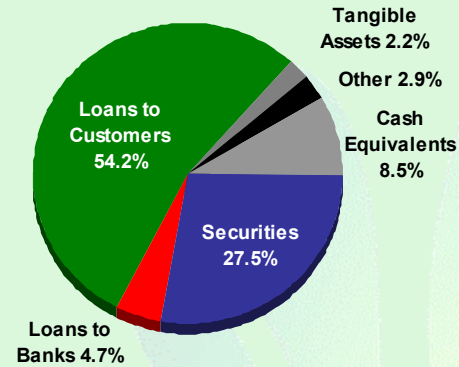
Asset Composition

2005



IEA 85.7%

H1 06



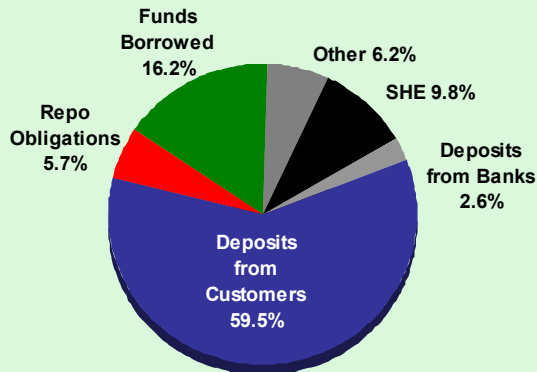
IEA 89.1%

Total assets increased to 53.0 Billion YTL in H1 2006 (US\$ 33.9 Billion)

Loans to customers (net cash loans) increased by 49.8% in real terms, bringing its share in total assets up to 54.2% in H1 2006 from 46.6% at YE 2005

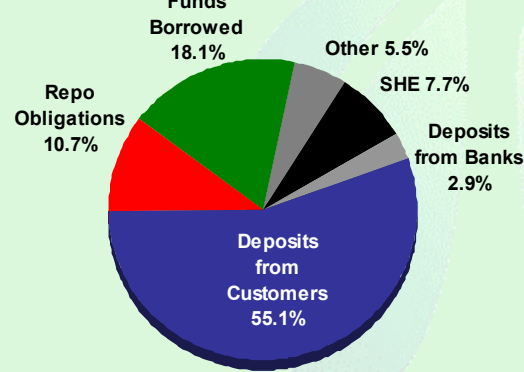
Liability & SHE Composition

2005



IBL 67.3%

H1 06



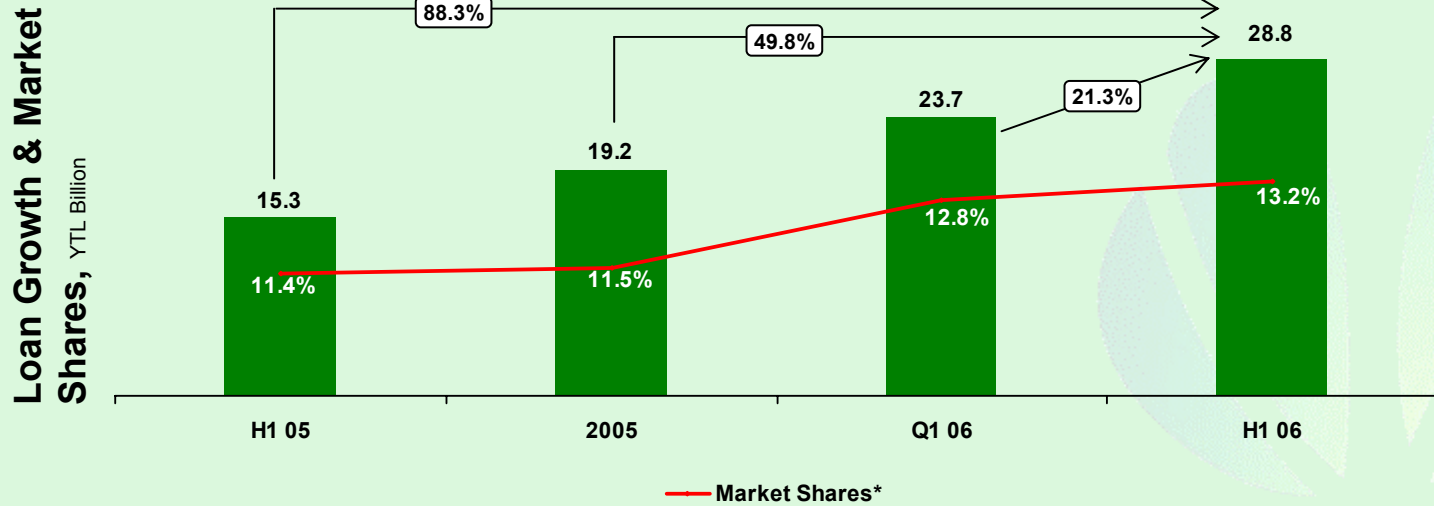
IBL 71.0%

Share of securities declined to 27.5% in H1 2006 from 31.3% at YE 2005

Share of deposits from customers in total liabilities and shareholders' equity was 55.1% as of H1 2006
Share of repo obligations & funds borrowed increased from 21.9% to 28.8% as of H1 2006

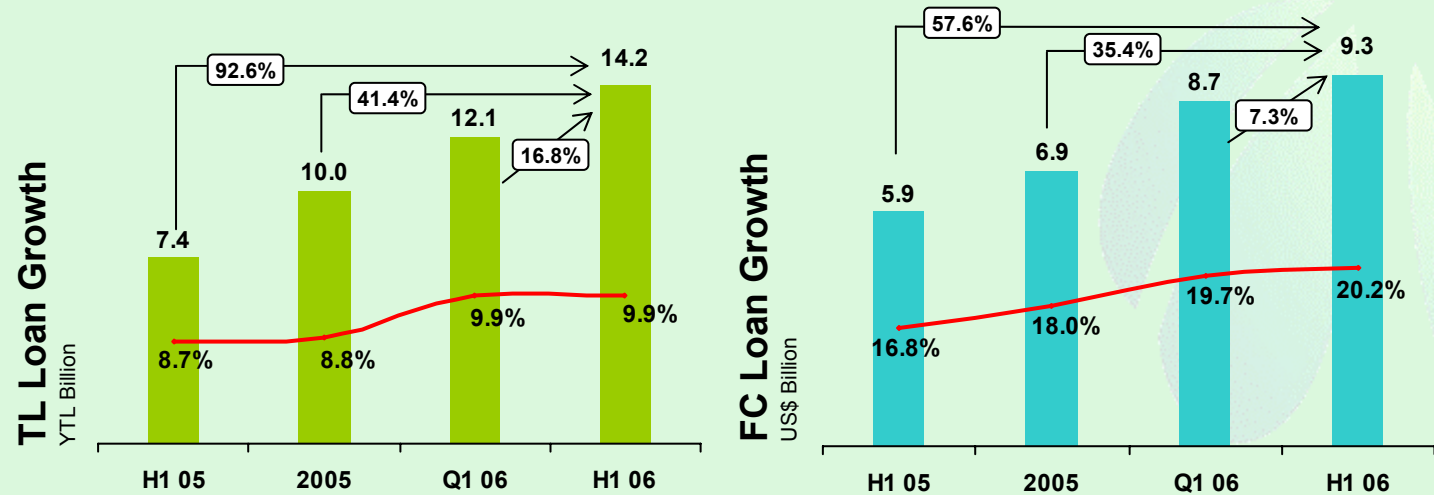
Loans - Growth & Currency Composition

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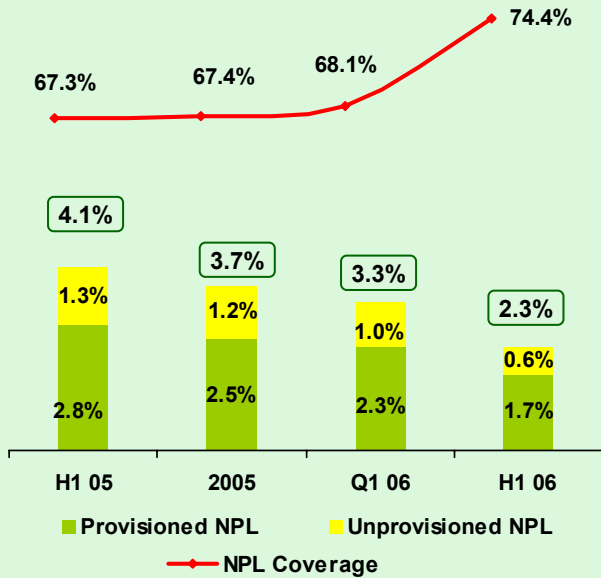


Total loan growth H1 YTD was 49.8%, cash loans reached 28.8 Billion YTL

TL loans increased by 41.4% in H1 2006, reaching 14.2 Billion YTL of 49.2% of total loans
FC loans increased by 35.4% in US\$ terms, reaching 9.3 Billion US\$ as of H1 2006

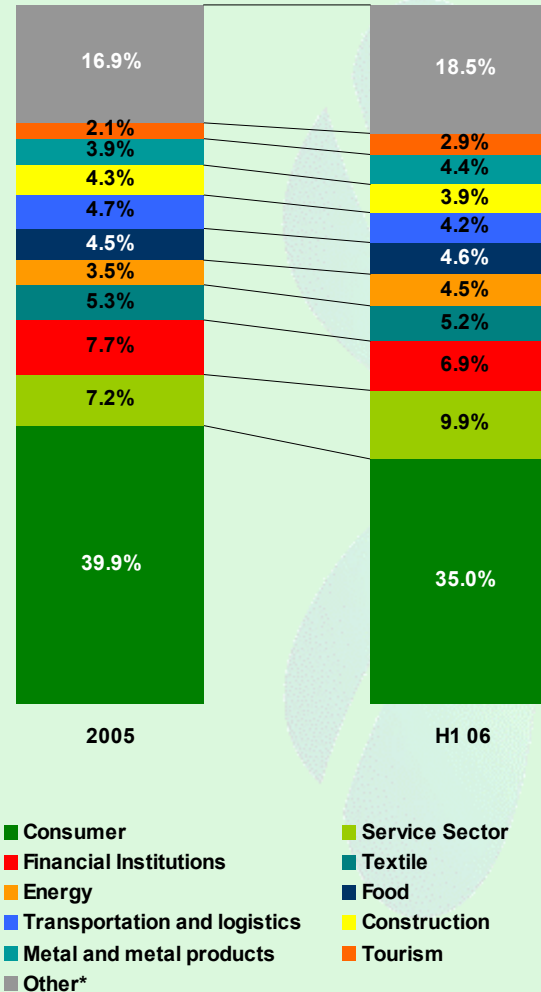


NPL Ratio & Coverage



Asset Quality	2005	H1 06
Secured Loans	64.45%	75.05%
Unsecured Loans	35.55%	24.95%

Sectoral Loan Allocation

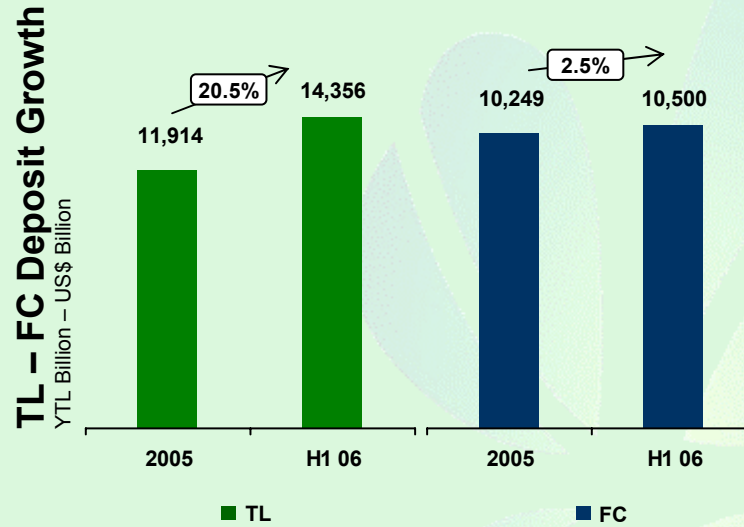
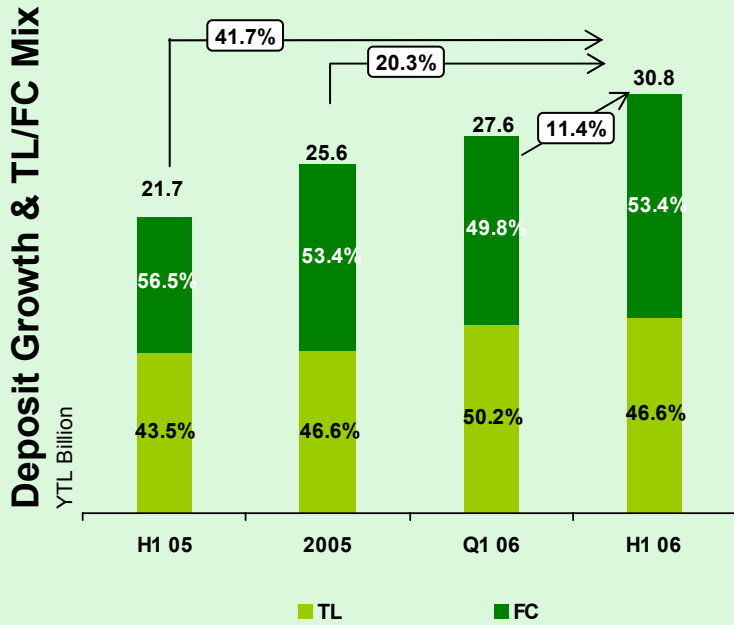


NPL ratio improved to 2.3% as of H106, factor of recoveries and loan growth. The coverage ratio increased 630 bps mainly as a function of lower NPL

The share of unsecured loans in total loans decreased to 24.95% as of H1 2006 from 35.55% at YE 2005. This was mainly due to declining share of credit cards in consumer loans

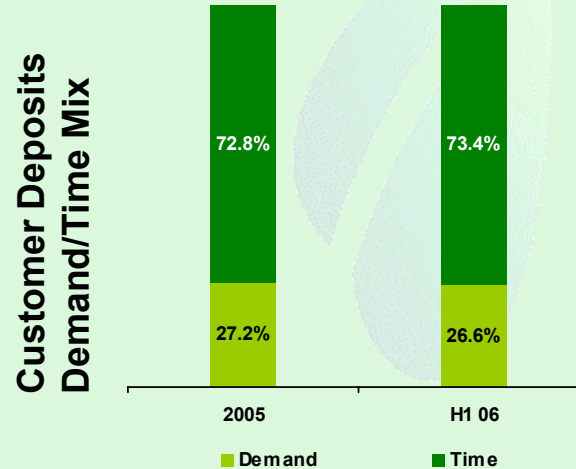
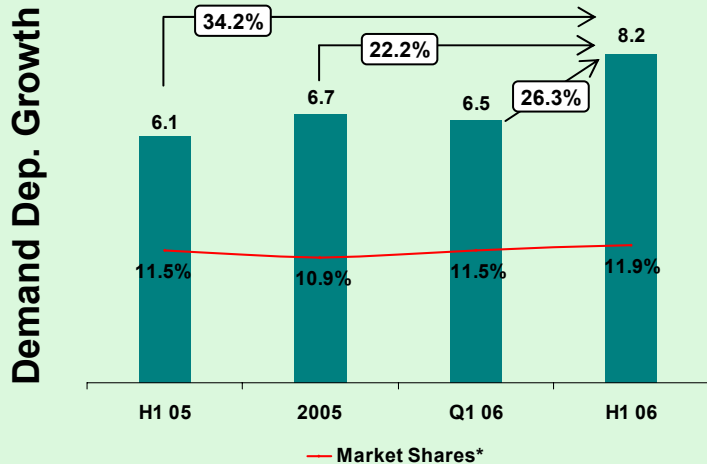
Demand Deposit Growth Overweighs the Total Deposit Growth

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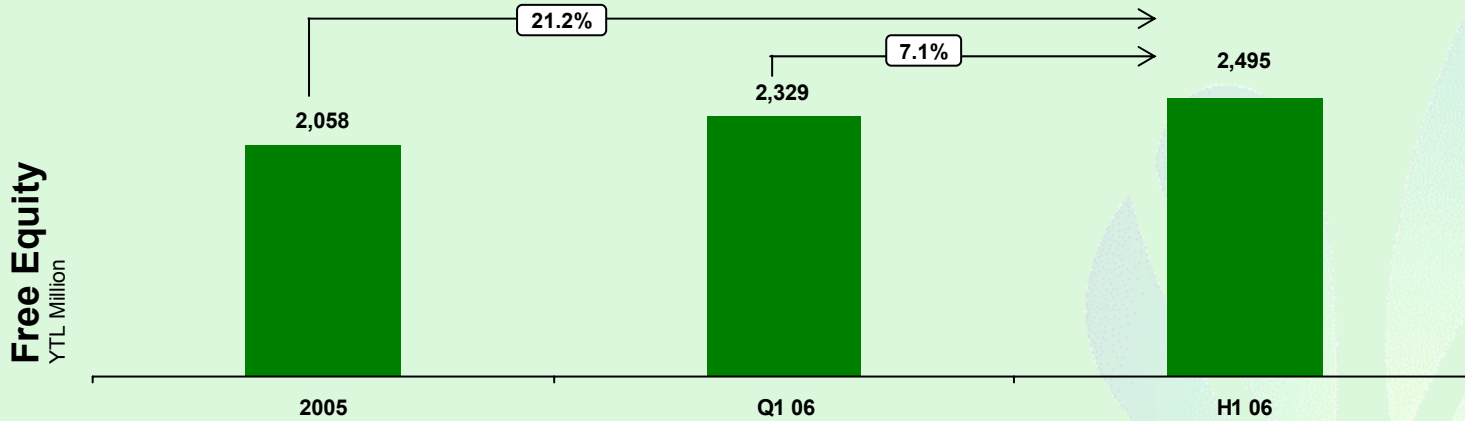


Main source of funding:
 Solid deposit base (58.0% of liabilities and SHE)
 YTD deposit growth 20.3% while the YTD demand deposit growth was 22.2%.

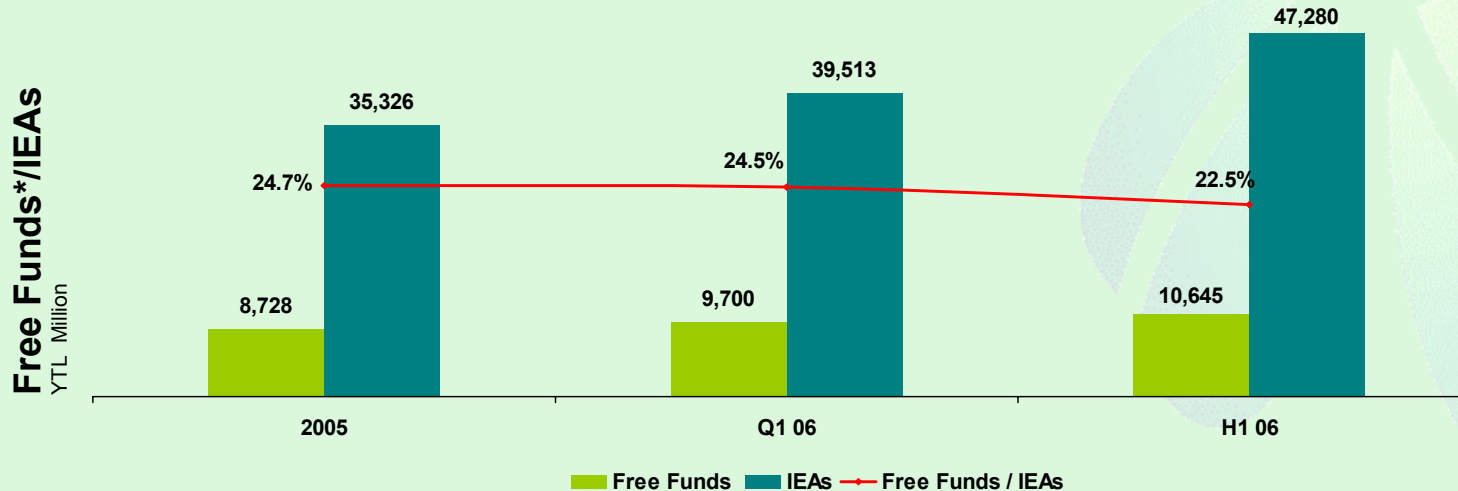
The contribution of demand deposits reduce the cost of deposits on a blended basis



Increasing Free Funds



Free equity increased by 21.2% YTD.



YTD growth of free funds was 22%. Free funds / IEAs stood at 22.5% level in the second quarter largely due to 1.5 Billion YTL increase in demand deposits in this period.

Summary Income Statement

IFRS Consolidated

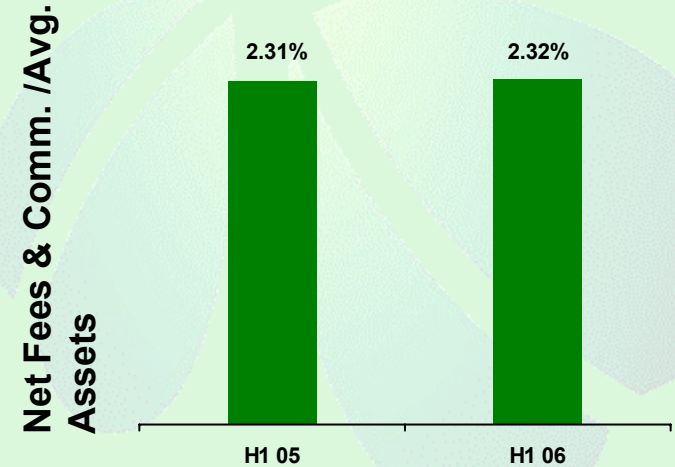
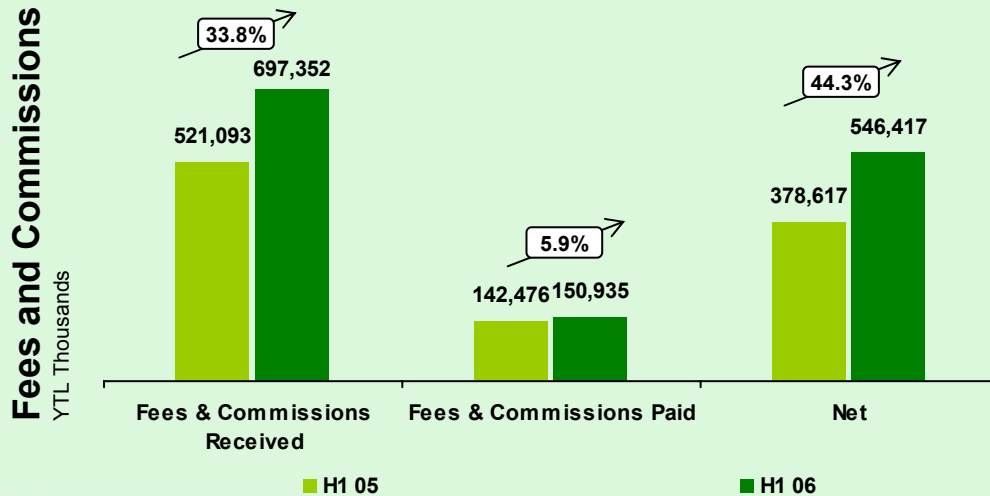
YTL Thousand	June 30, 2005	June 30, 2006	Change
Net Interest Inc.Adj.by FX & Monetary Gain/Loss	947,102	917,688	(3.1%)
Net Fee & Comm. Income	378,617	546,417	44.3%
Other Non-Interest Income	258,167	235,740	(8.7%)
Total Operating Income¹	<u>1,583,886</u>	<u>1,699,845</u>	<u>7.3%</u>
Operating Expenses	(848,075)	(830,258)	(2.1%)
Operating Income²	<u>735,811</u>	<u>869,587</u>	<u>18.2%</u>
Impairment Losses	(306,611)	(189,368)	(38.2%)
Taxation Charge	(123,199)	(131,893)	7.1%
Net Income	<u>306,001</u>	<u>548,326</u>	<u>79.2%</u>

Compared to same period last year; total operating income increased by 7.3% on a consolidated basis, reaching 1,700 Million YTL. Consolidated operating income was up by 18.2%. Net fee and commission income increased by 44.3% in H1 2006 on a consolidated basis. Consolidated net income reached 548 Million YTL in H1 2006, reflecting an increase of 79.2%

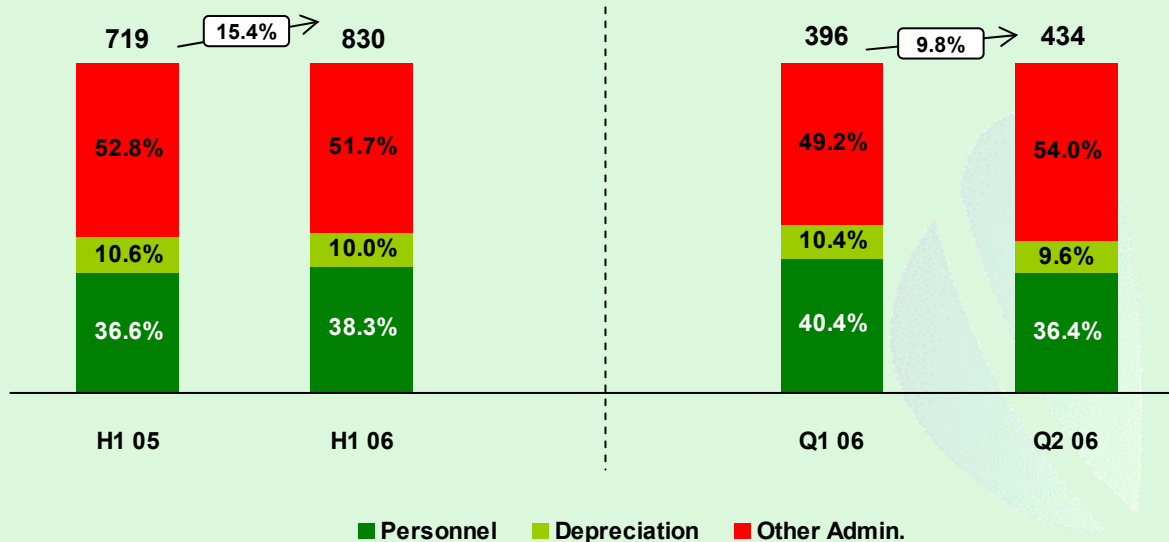
Fee & Commission Income Growth

IFRS Consolidated

(YTL thousand)	H1 05	H1 06	% change	Q1 06	Q2 06	% change
Fees and Commissions, net	378,617	546,417	44.3%	263,149	283,268	7.6%
Trading Account Income, net	8,238	87,883	966.8%	43,183	44,700	3.5%
Retail	135,689	-	n.m.	-	-	-
Insurance	71,369	124,950	75.1%	48,356	76,594	58.4%
Other	42,871	22,907	(46.6%)	10,373	12,534	20.8%
Non-Interest Income (excl. fx gain)	636,784	782,157	22.8%	365,061	417,096	14.3%
Non-Interest Income excl. Retail (Tansaş)	501,095	782,157	56.1%	365,061	417,096	14,3%



Non-Interest Expenses¹
YTL Million

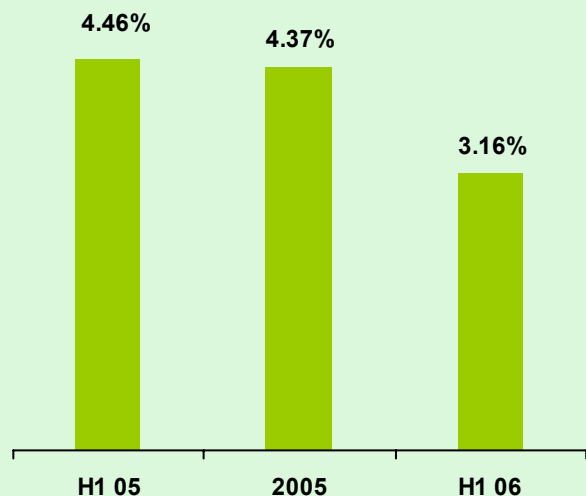


Y-o-y operating expenses went up by 15.4% due to expanded banking network in this period

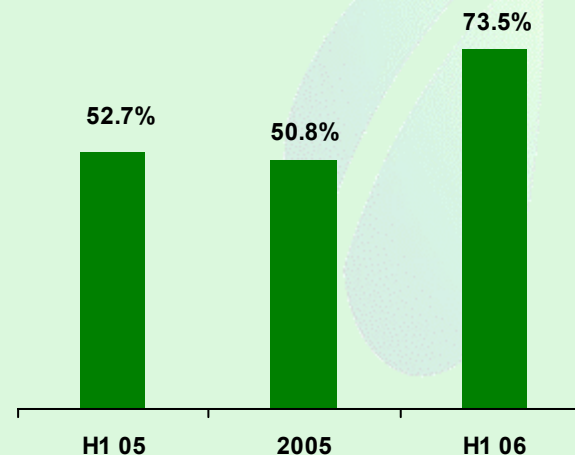
Operating expense over average assets ratio improved by 130 bps y-o-y ending the first half of 2006 at 3.16%.

Net fees and commissions cover 73.5% of operating expenses.

Opex¹/Avg. Assets¹



Fees & Comm. / Opex¹





GarantiBank

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