



BRSA Earnings Presentation

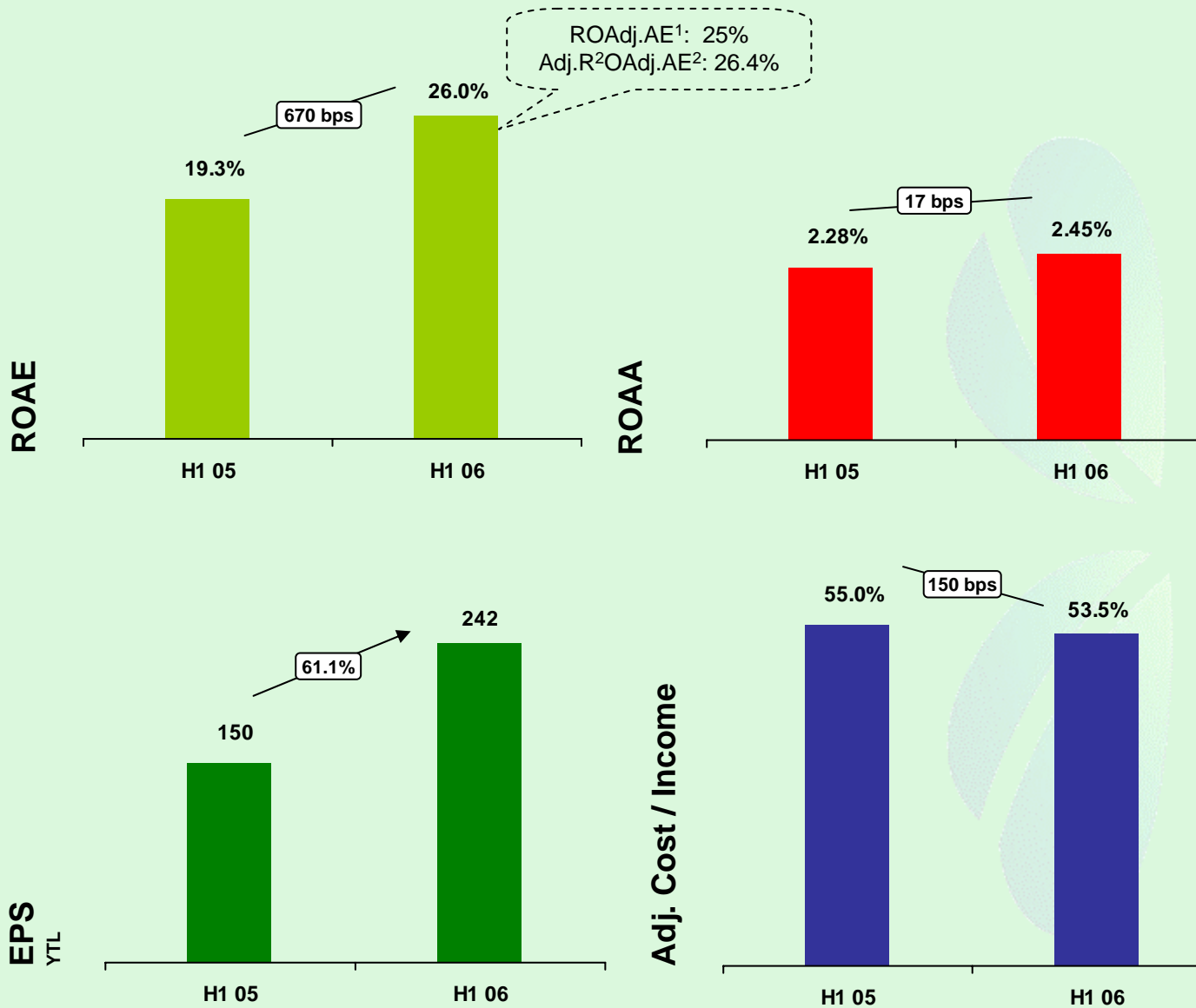
June 30, 2006

**Net income
up by 61.1%
y-o-y due to
solid organic
growth**

Performance Highlights

- Total assets **46.7 billion YTL**, YTD growth **28.3%**
- Consistently growing **IEAs** now constitute **91.5%** of total assets
- YTD cash **loan growth 49.9%**, 25.0 billion YTL
- Share of **loans in assets** increasing, **53.6%** whereas share of **securities** coming down, **27.6%**
- YTD **deposit growth 19%**, **demand deposits share** in total deposits went up to **24.7%**
- Y-o-Y **net income growth 61.1%**, 508.5 million YTL. **EPS: 242 YTL** as of H1 06.
- **Highest quarterly earnings** ever - 2.8% growth over Q106.
- **Customer driven** sources of **revenue** reached **77.2%** of ordinary banking income
- **Net fees and commissions** y-o-y growth 46.7% contributing to **44.5% of ordinary banking income** and **covering 74.8% of operating expenses**
- **Consistently improving profitability maintained**
ROAA 2.45%, ROAE 26%, Adj. Cost/Income 53.5%

Profitability – Sustainable & Consistent Growth



Profitability ratios consistently improving. ROAA went up by 17 bps to 2.45%, ROAE went up by 670 bps to 26.0% while earnings went up by 61.1% in the first half of 2006 vs. The same period last year.

Cost/Income ratio improved 150 bps largely due to high growth in fees and commissions and effective cost management.

Note: Adjustments regarding FX losses are as stated in the financial report footnotes.

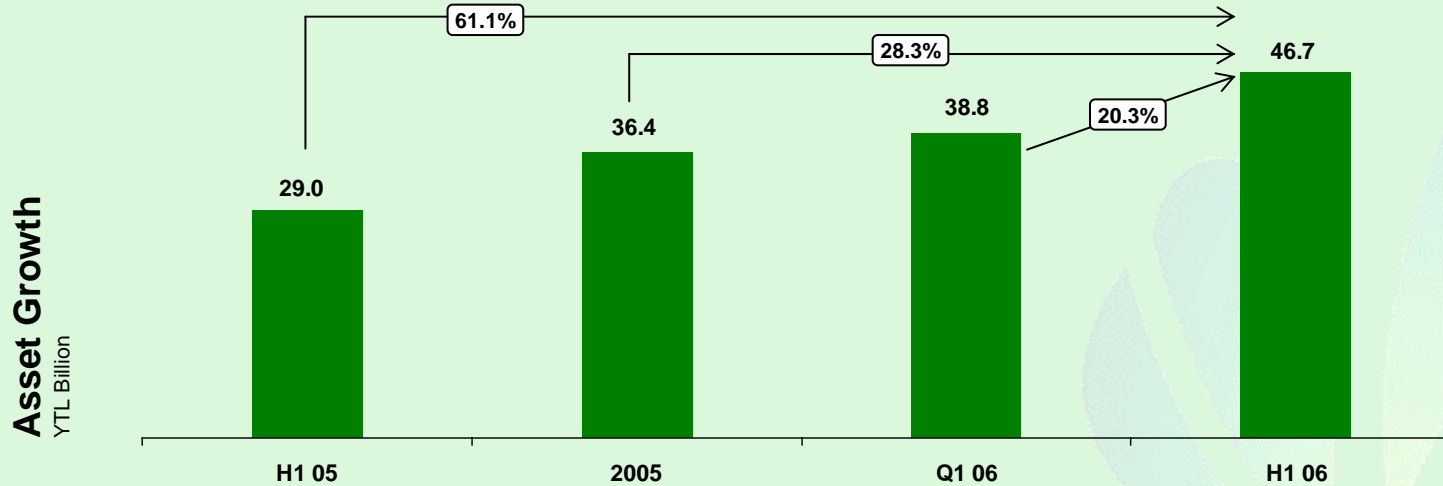
¹ Assuming same mark-to-market level in equity as Q106. H1 06 equity adjustment, 330.7 million YTL.

² Return assumes no net FX loss (38.5 million YTL) and equity adjusted to exclude the effect of FX loss on profit and same mark-to market level as Q1 06 (38.5 million YTL + 330.7 million YTL).

Balance Sheet - Summary

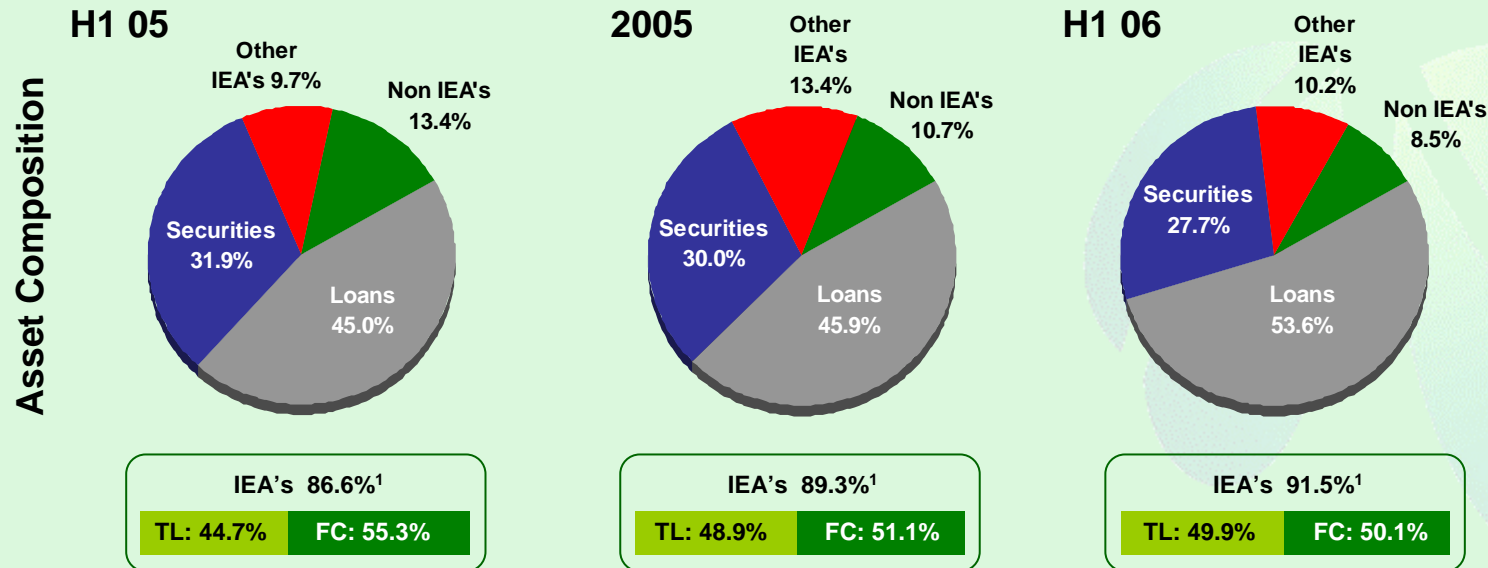
<i>(YTL million)</i>		2005	H1 06	% Change
Assets	Cash & Banks	2,994	2,651	-11.5%
	Securities	10,954	12,952	18.2%
	Performing Loans	16,700	25,031	49.9%
	Fixed Assets & Subsidiaries	2,064	1,822	-11.7%
	Other	3,699	4,254	15.0%
	Total Assets	36,411	46,710	28.3%
	Liabilities and SHE	Deposits	22,695	27,033
Repos		1,956	5,027	157.0%
Borrowings		5,513	7,879	42.9%
Other		2,347	2,861	21.9%
SHE		3,900	3,910	0.3%
Total Liabilities & SHE		36,411	46,710	28.3%

Asset Growth & Composition



Assets reached 46.7 billion YTL. YTD asset growth was 28.3%.

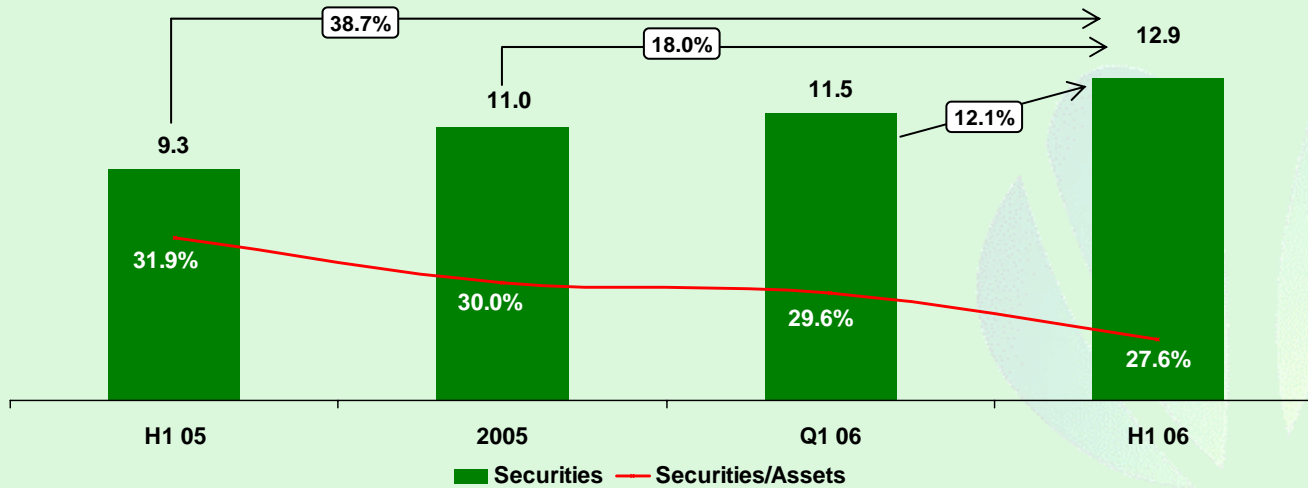
In this period IEAs growth was faster. IEAs now constitute 91.5% of assets compared to 86.6% in H1 05.



Loans share in asset mix increasing while securities share decreasing.

Securities Share in Assets Decreasing

Portfolio – Securities/Assets
YTL Billion



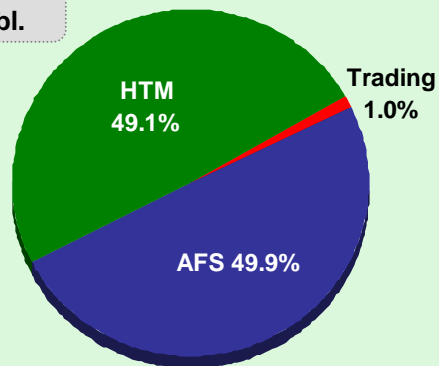
Although YTD securities portfolio increased 18%, its share in assets decreased by 240 bps to 27.6%.

FRNs constitute the majority of the securities portfolio.

58% of securities are TL and of that 67.2% are FRNs.

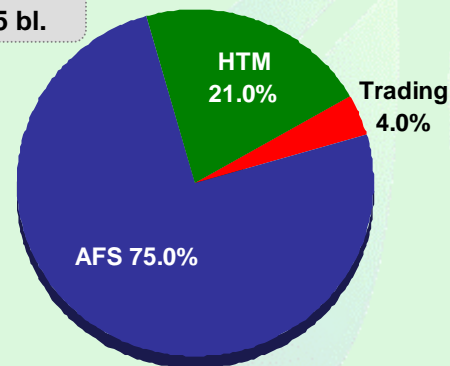
Breakdown of Securities

TL Portfolio
YTL 7.5 bl.



Fixed: 32.8%
Floating: 67.2%

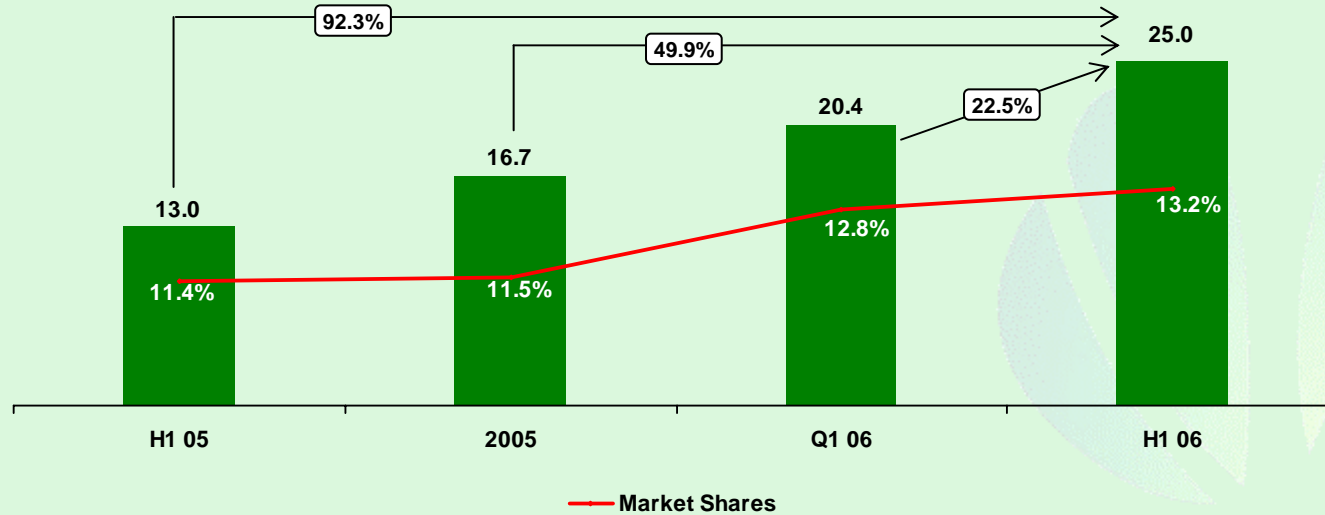
FC Portfolio
US\$ 3.5 bl.



Fixed: 66.6%
Floating: 33.4%

Total Loans - Growth & Improving Quality

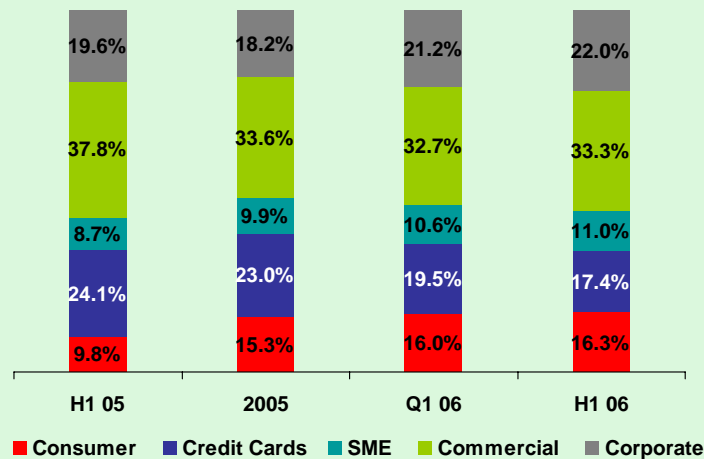
Loan Growth & Market Shares, YTL Billion



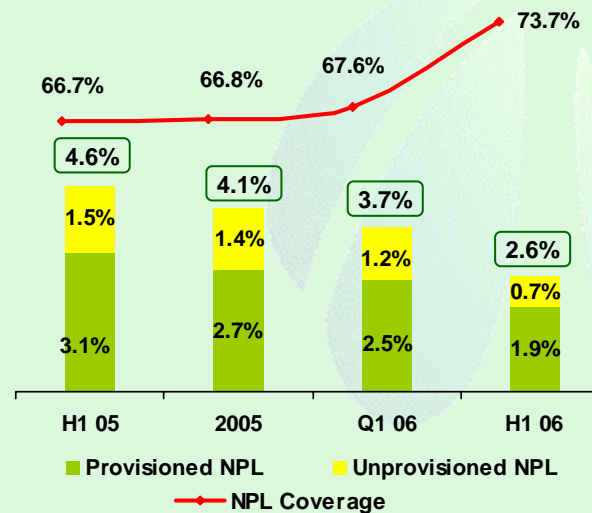
YTD total loan growth 49.9% reflected as a market share gain of 170 bps reaching 13.2% share in total lending.

The increase in retail loans was significant, their weight in total loans was 44.7% in H106. The reduced weight of retail in total loans was largely due to currency effect on fx loans.

Loans by LOB

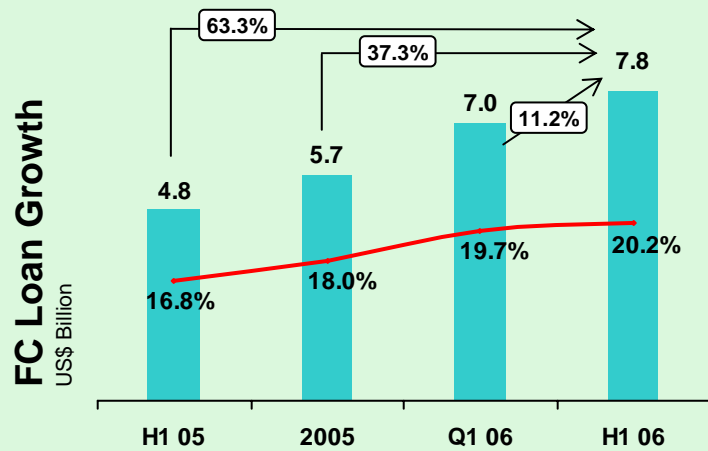
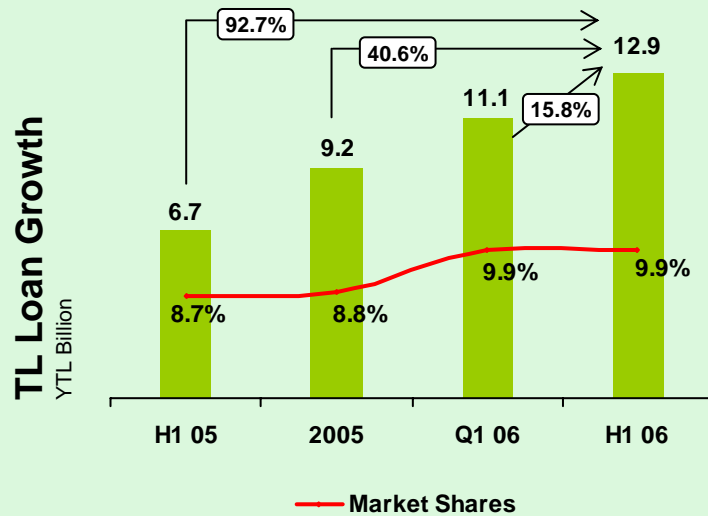


NPL Ratio & Coverage

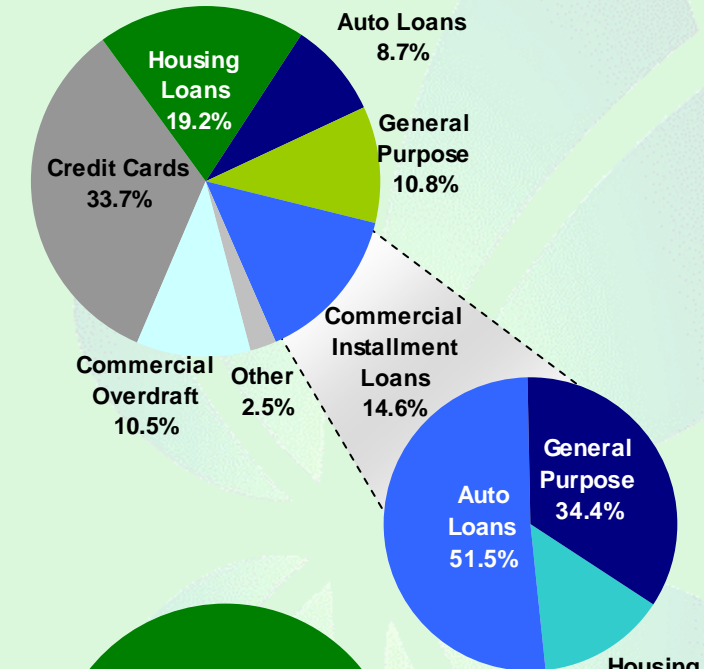


In this period, NPL ratio improved to 2.6%, factor of recoveries and loan growth. The coverage ratio increased 610 bps mainly as a function of lower NPL

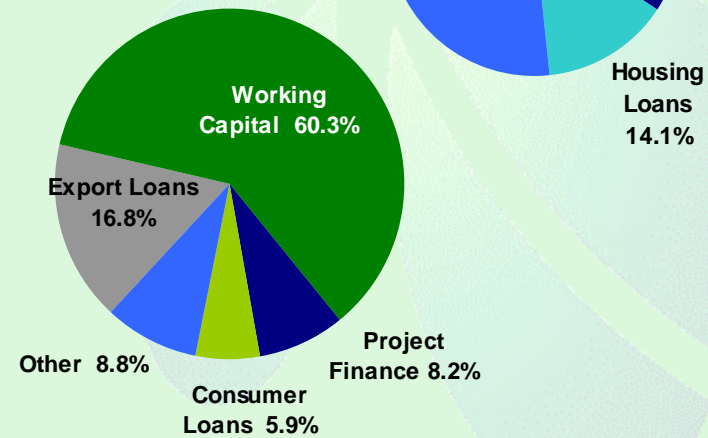
TL – FC Loan Growth, Market Share and Composition



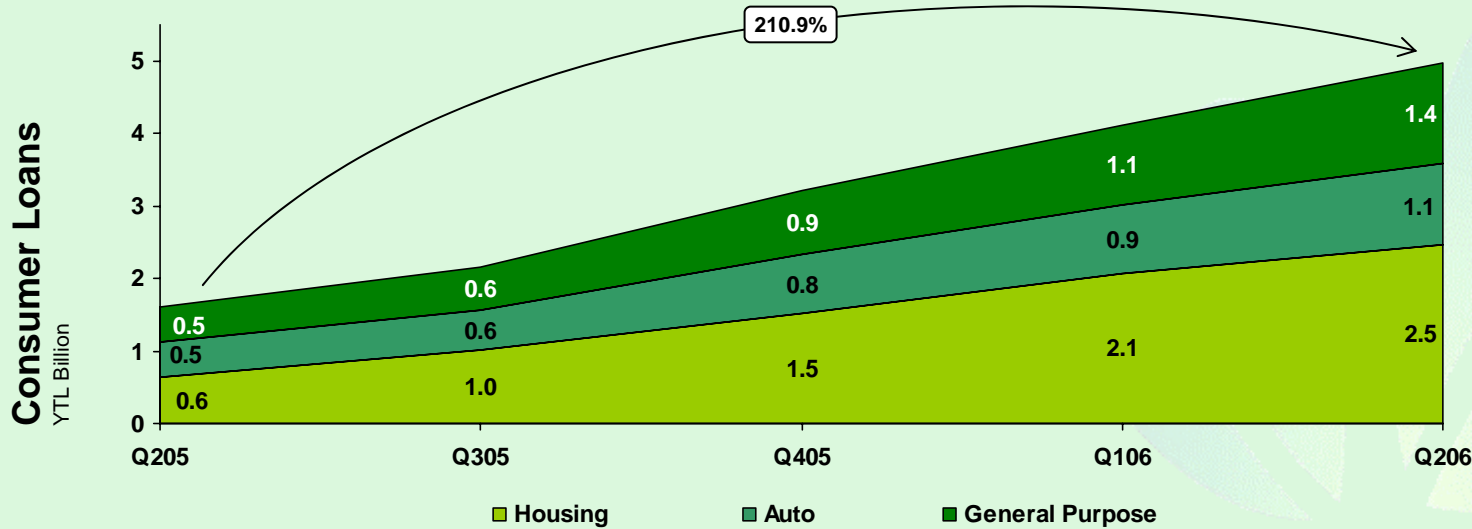
TL Loan Composition
H1 06



FC Loan Composition
H1 06



Consumer Loans



Consumer loan growth was threefold over the last year.

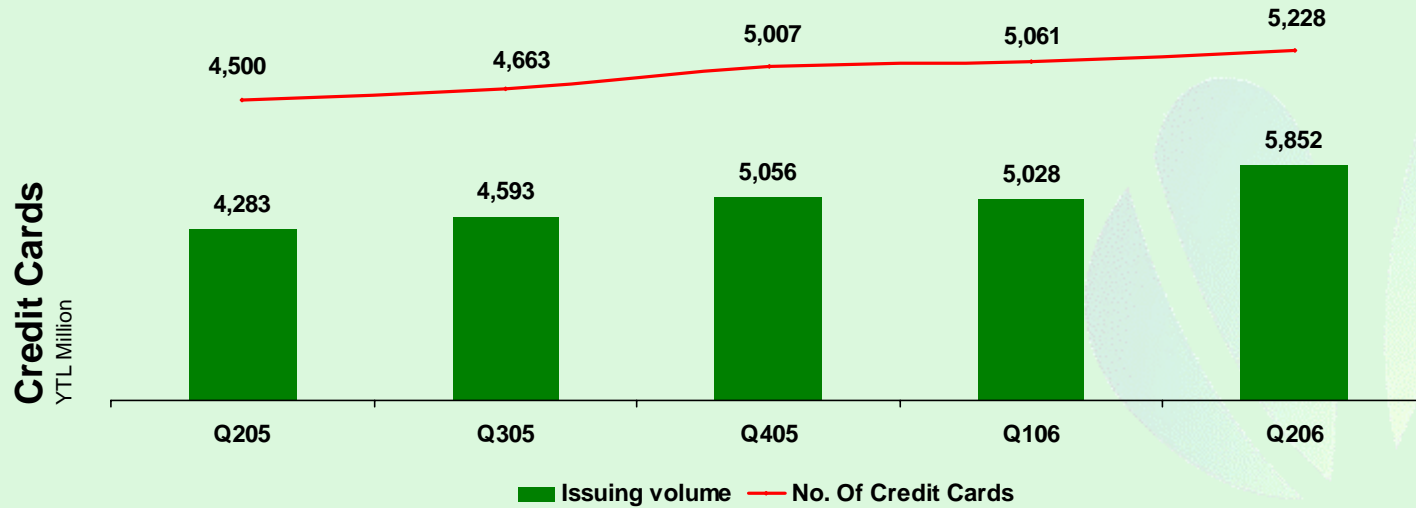
YTD, the growth in consumer lending was 54.6% reflected as a market share gain of 50 bps reaching 11.8% share in consumer lending.

Market Shares
H1 06 – Growth over 2005

Housing Loans	12.4%	— Stable
Auto Loans	17.3%	↑ +260 bps
General Purpose	8.2%	↑ +40 bps
Total Consumer Loans	11.8%	↑ +50 bps

Growth in:	YTD	YOY
Housing Loans	61.5%	289.8%
Auto Loans	39.5%	132.8%
General Purpose	56.4%	185.4%
Total Consumer Loans	54.6%	210.9%

Credit Cards – Leading Market Position (#2)



Credit card portfolio growth was 13.5% YTD and 36.7% over the same period last year.

Parallel to the volume increase, YTD issuing volume market share increased by 114 bps.

Market Shares

H1 06 - Growth over 2005

Acquiring	21.5%	↑	+191 bps
Issuing	21.7%	↑	+114 bps
Credit Cards	16.7%	→	Stable
POS	15.0%	↑	+130 bps
ATM	8.9%	↑	+70 bps

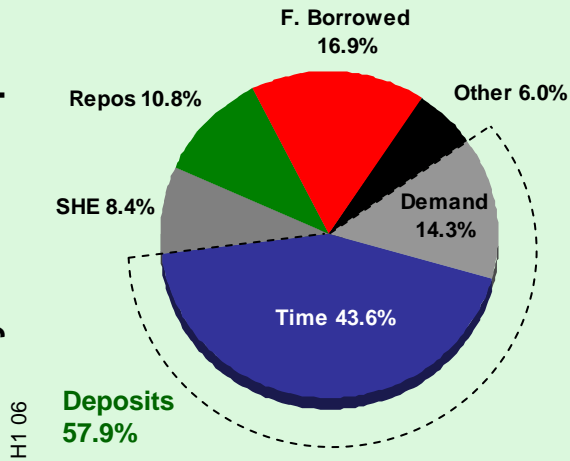
Growth in:	YTD	YOY
Credit Card Volumes	13.5%	36.7%
Credit Cards Number	4.4%	16.2%



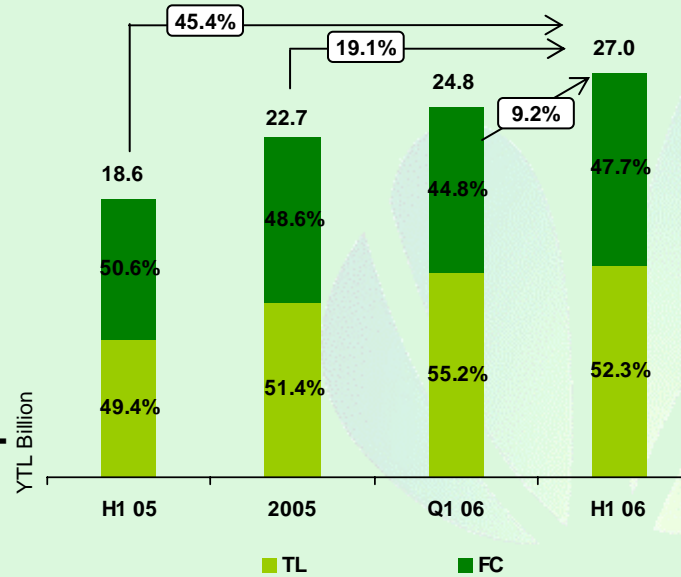
The increase in number of credit cards YTD was 4.4% and the spending per card was 30% higher than sector average.

Liabilities & SHE Composition – Strong Funding Capability

Liability & SHE Composition



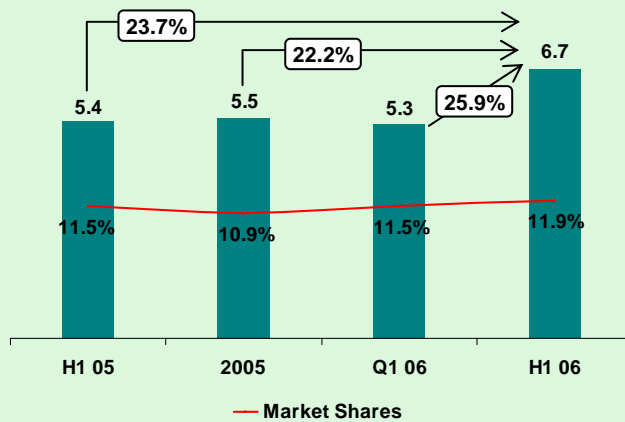
Deposit Growth & TL/FC Mix



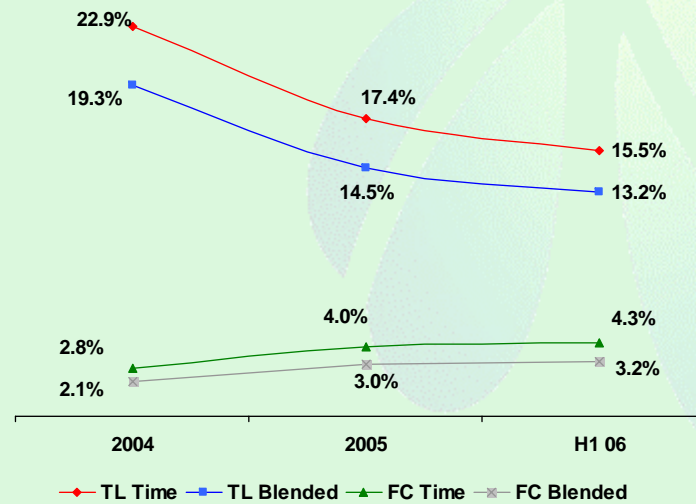
Main source of funding:
Solid deposit base (57.9% of liabilities and SHE)

YTD deposit growth 19.1% with a favorable deposit mix. Demand deposits constitute 24.7% of total deposits and reduce the cost of deposits on a blended basis by 230 bps in TL and 110bps in FC deposits. YTD growth in demand deposits was 22.2%.

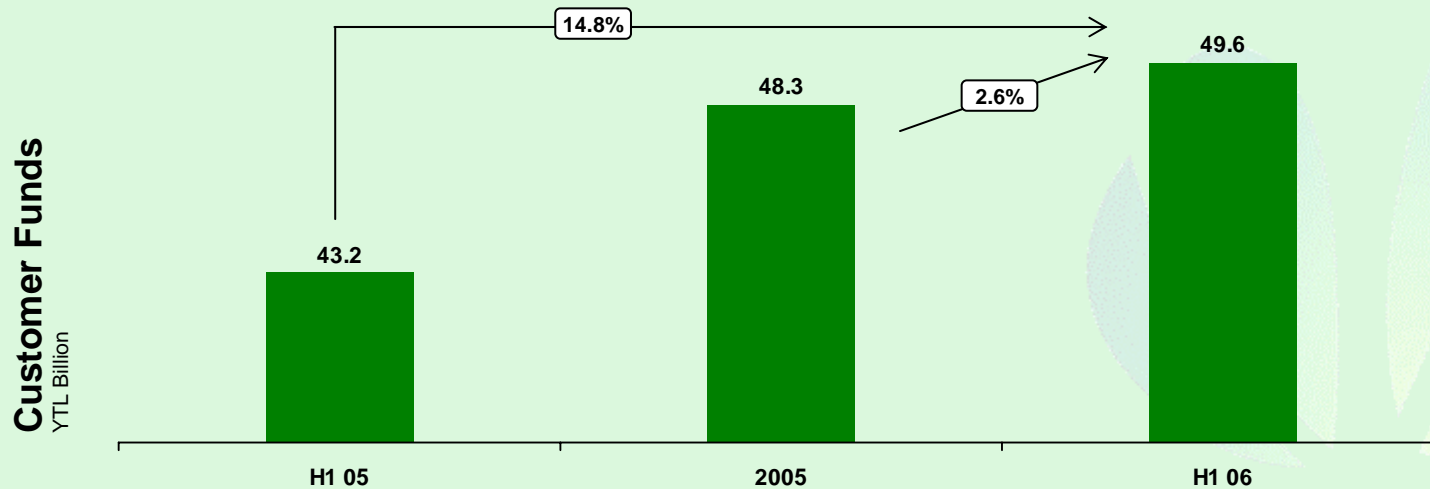
Demand Dep. Growth



Cost of Deposits

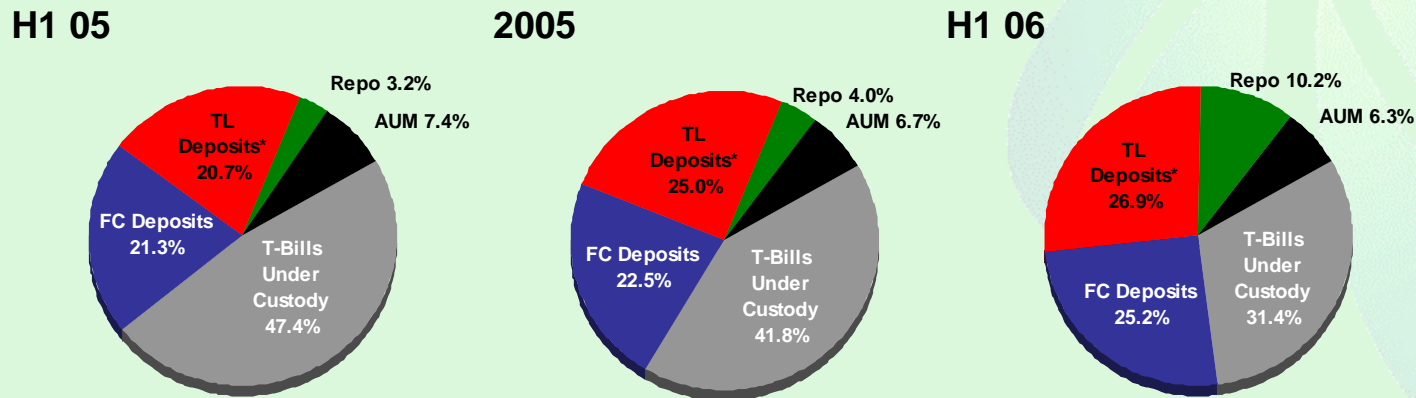


Total Customer Funds – Changing Composition

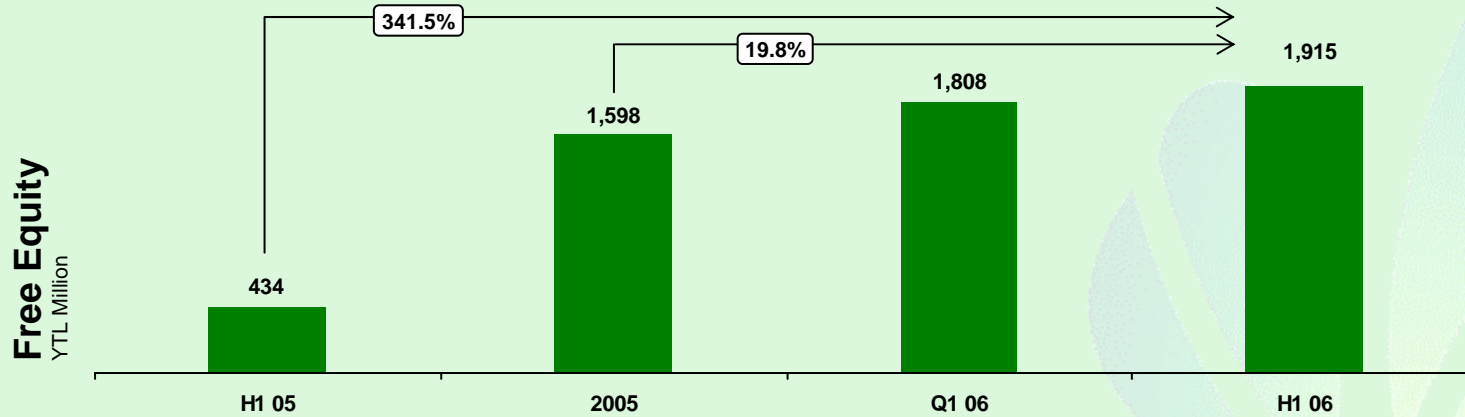


Customer funds YTD grew by 1.3 billion YTL with a decreasing composition of T-bills under custody and growing portion of deposits & repos. Deposits now constitute 52.1% of total customer funds – an increasing shift from 42% level in the same period last year.

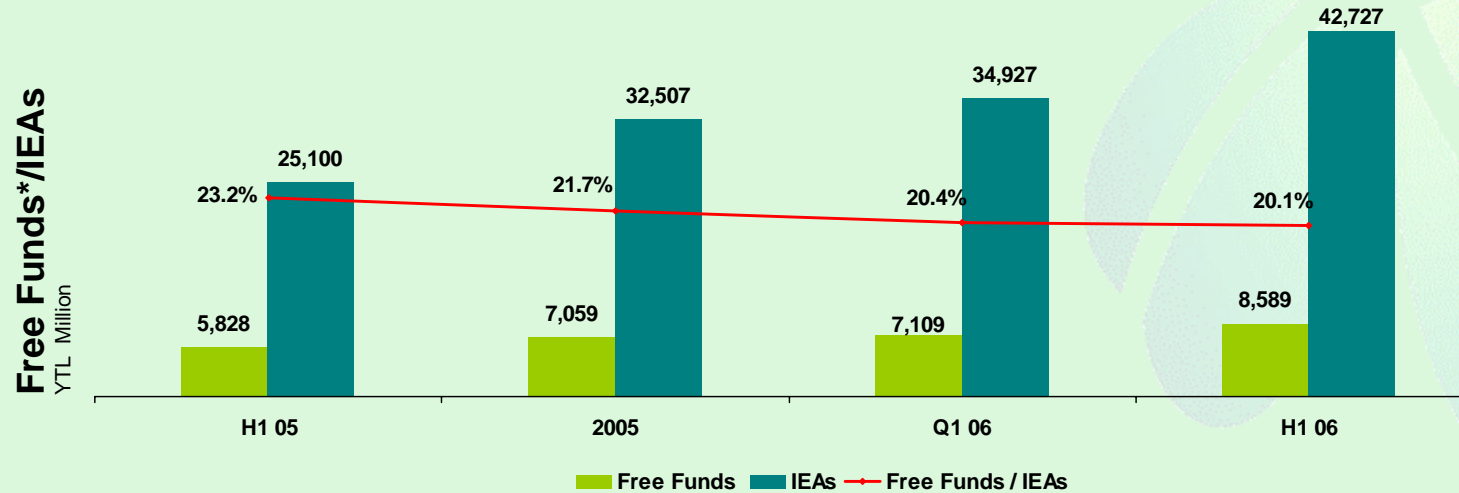
Customer Fund Composition



Increasing Free Funds



Free equity increased by 19.8% YTD.



YTD growth of free funds was 21.8%. Free funds / IEAs stood at 20% level in the second quarter largely due to 1.2 billion YTL increase in demand deposits in this period.

Capital Adequacy

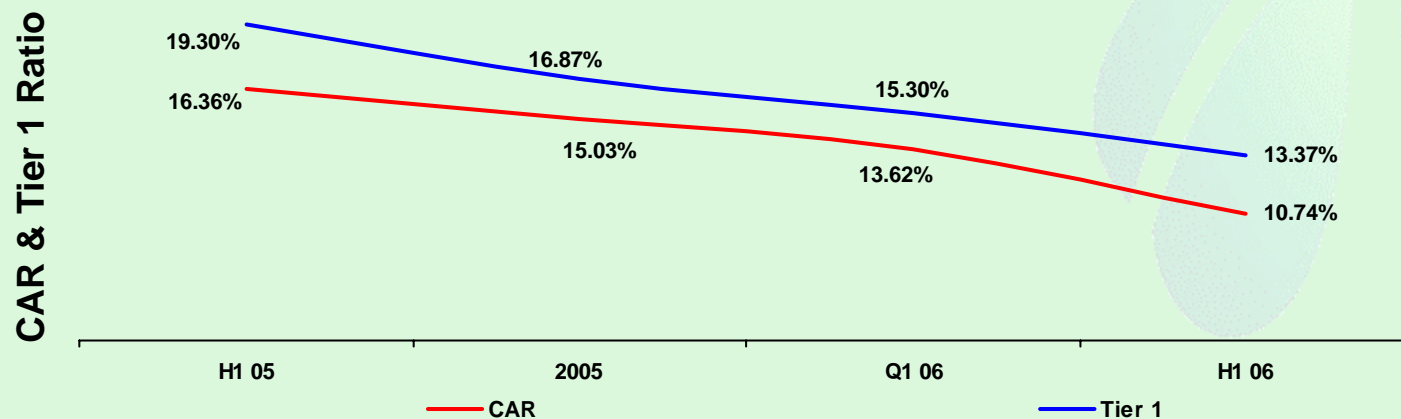
(YTL million)	Q1 06	Q2 06
Paid in Capital	2,100	2,100
Mark-to Market	197	-137
Other Revaluation Funds	779	786
Total Reserves	119	652
Retained Earnings & Current Period Profit	959	509
Shareholders' Equity	4,154	3,910
Capital Base	3,517	3,240
Risk Weighted Assets	24,122	28,096
Market Risk	1,697	2,078

CAR Variance Q2 – Q1 06	-2.88%
FX Rate Effect	-0.99%
Mark-to Market Effect	-1.29%
Increase in Assets excl. FX Rate Effect	-1.09%
Value at Risk Effect	-0.20%
Profit and Other Capital Effect	0.69%
Risk Weighted Assets Variance	3,974
1. FX Rate Effect	1,725
2. Increase in Assets (Business Growth)	2,249

RWA growth in the second quarter was 4 billion YTL, of this increase 43.4% was due to the effect from FX rate.

Capital base, in this same period has been affected negatively by mark-to-market on securities by 330.7 million YTL.

Ceteris paribus, effect of 100 bps change in \$/YTL value is 0.40% on the CAR



Income Statement – Summary and FX-Adjustments

<i>(YTL thousand)</i>	H1 05	H1 06	% Change	Q106	Q206	% Change
Net Interest Income	851,244	908,115	6.7%	423,608	484,507	14.4%
Net FX Gain / Loss	71,969	(478,194)	n.m.	12,910	(491,104)	n.m.
Non-Interest Income	417,630	1,136,416	n.m.	325,276	811,140	n.m.
Total Revenues	1,340,843	1,566,337	16.8%	761,794	804,543	5.6%
Operating Expenses	(563,732)	(672,798)	19.3%	(342,389)	(330,409)	(3.5%)
Operating Income	777,111	893,539	14.9%	419,405	474,134	13.0%
Provisions	(346,389)	(266,029)	(23.2%)	(86,897)	(179,132)	106.1%
Taxes	(115,150)	(119,000)	3.3%	(81,750)	(37,250)	(54.4%)
Net Income	315,572	508,510	61.1%	250,758	257,752	2.8%

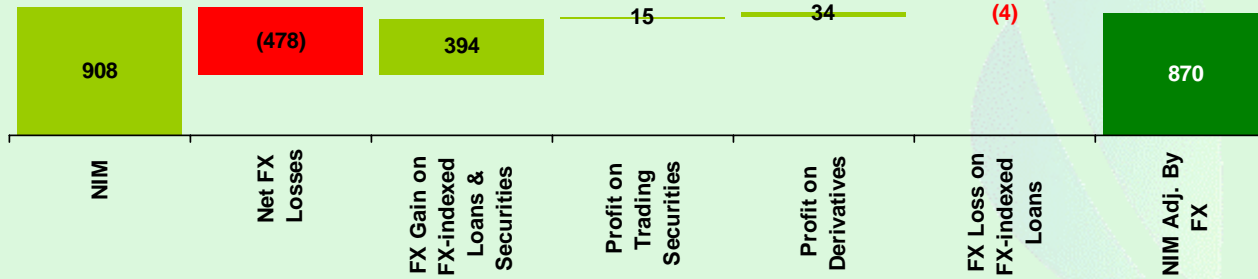
FX Adjustments

<i>(YTL thousand)</i>	H1 05	H1 06
FX Gain / Loss	71,969	(478,194)
FX Gain / Loss on FX- Indexed Securities & Loans	(32,994)	394,154
Profit on Trading Securities		14,783
Profit on Derivatives		34,400
Fx Loss on FX-indexed Loans		(3,683)
Adj. FX Gain / Loss	38,975	(38,540)
Adj. Non Interest Income	413,978	693,079
Adj. Operating Expense	527,086	669,115

Interest Income vs Interest Expense

Net Interest Margin

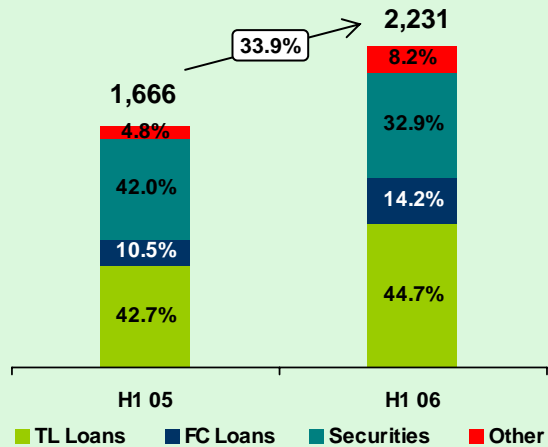
YTL Million



Net foreign exchange loss is 38.5 million YTL. The recorded net FX losses of 478 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.

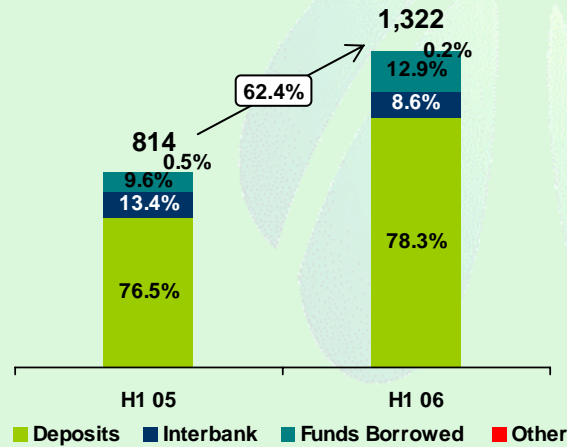
Interest Income

YTL Million



Interest Expense

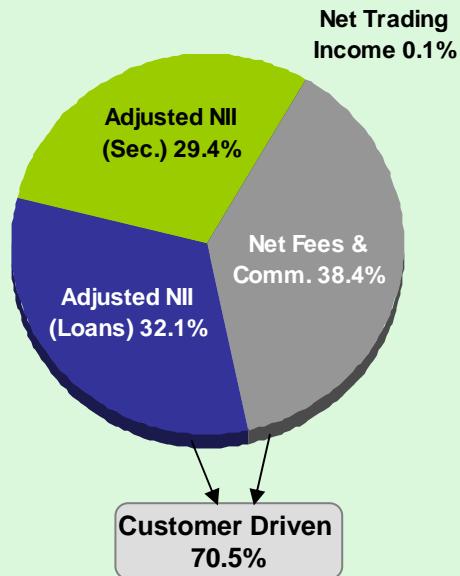
YTL Million



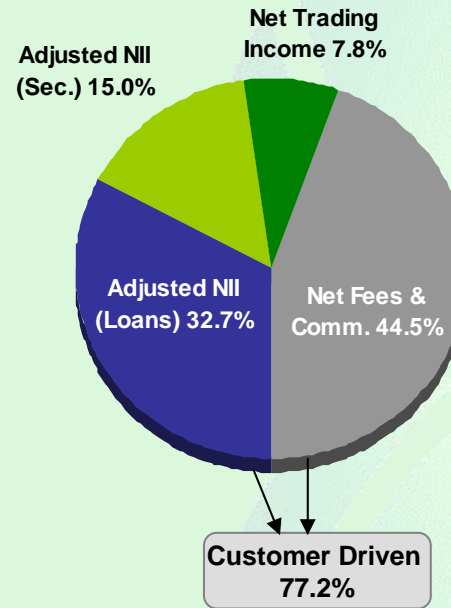
Sustainable Banking Income

Ordinary Banking Income

H1 05



H1 06



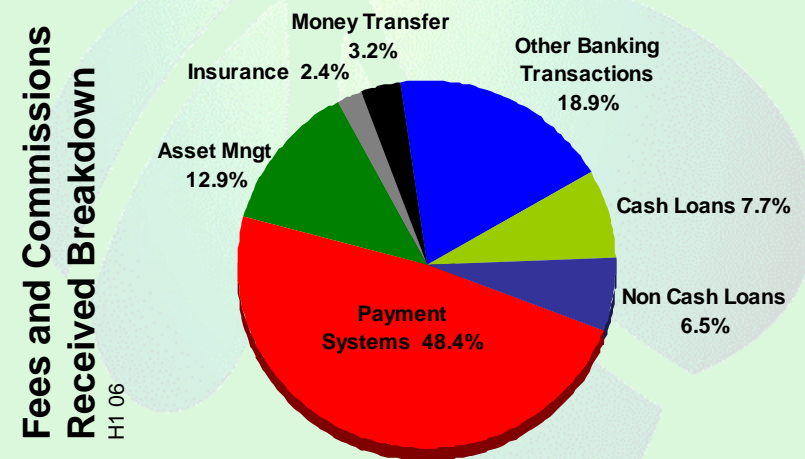
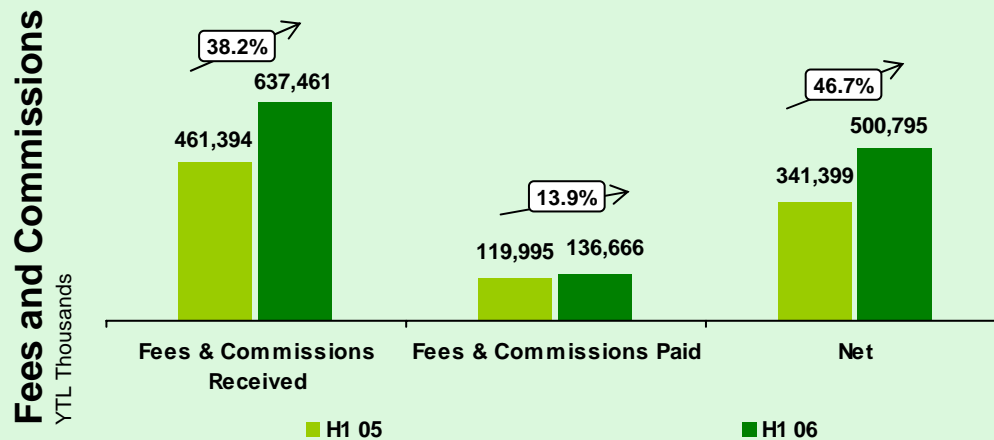
Customer driven sources of income increased by 670 bps and now constitute 77.2% of ordinary banking income.

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 7.5%.

Fee & Commission Income Growth

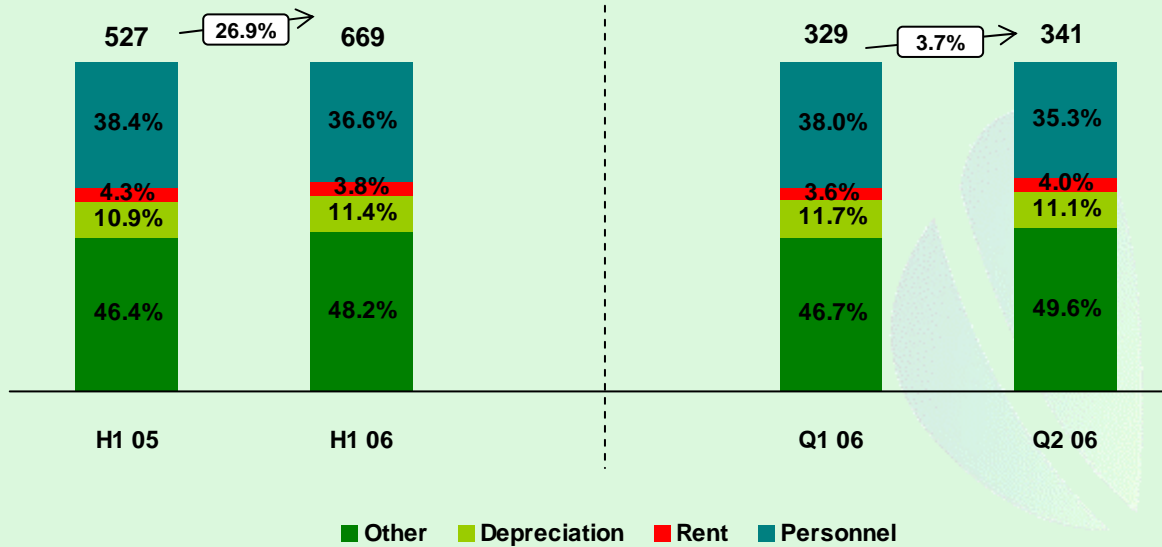
(YTL thousand)	H1 05	H1 06	% change	Q1 06	Q2 06	% change
Fees and Commissions, net	341,399	500,795	46.7%	240,003	260,792	8.7%
Trading Account Income, net	130	87,750	n.m.	41,297	46,453	12.5%
Dividend Income	3,141	37,753	n.m.	603	37,150	n.m.
Other Income	72,960	510,119 ¹	n.m.	43,373	466,746 ¹	n.m.
Total Non-Interest Income	417,630	1,136,417 ¹	n.m.	325,276	811,141 ¹	n.m.



¹ Includes gains on FX-indexed securities and loans. Please refer to page 15.

Effective Cost Management

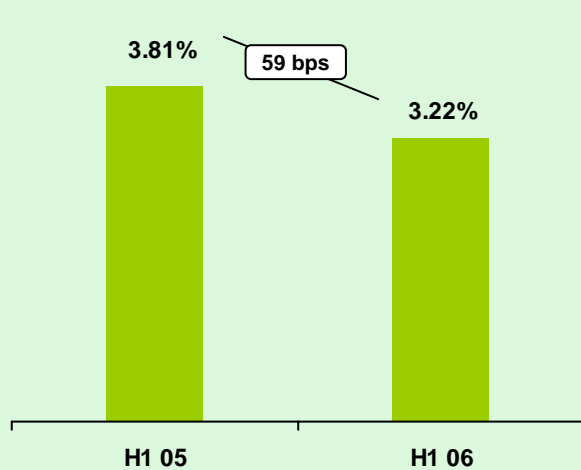
Adj. Operating Expenses
YTL Million



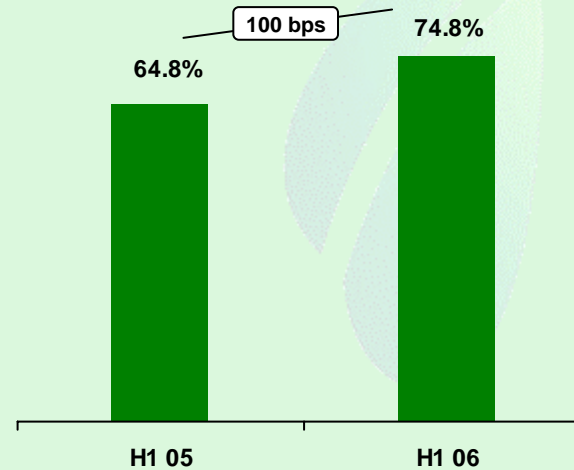
Y-o-y operating expenses went up by 26.9% on an adjusted basis due to increase in branch network.

Operating expense over average assets ratio improved by 59 bps y-o-y ending the first half of 2006 at 3.22%.

Adj. Opex/Avg. Assets



Fees & Comm. / Adj. Opex



Net fees and commissions cover 74.8% of operating expenses.



GarantiBank

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