



GarantiBank

IFRS Consolidated Earnings Review

June 30, 2007

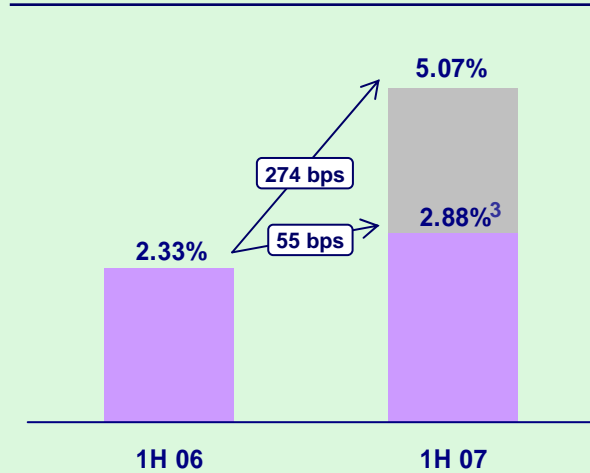
*Keeps delivering
outstanding results...
not only through
strategic moves,
... but also through
customer driven
organic growth*

- Total **asset growth** was **13.3%** ytd reaching **64.5 billion YTL** on a consolidated basis as of 1H 07
- Net cash **loans to customers** increased by 18%, constituting **56% of total assets**
- Ytd TL loans increased by 18% in 1H 07, reaching YTL 19.2 billion while FC loans increased by 26% in US\$ terms, reaching US\$ 12.9 billion as of 1H 07
- **NPL** ratio stayed stable at **2.1%** as of 1H 07
- Ytd **deposits from customers** were **up by 10%**
- **Total operating income** adjusted by FX, trading and one-off gains from subsidiary stake sales, expanded by 30% on a consolidated basis over the same period in 2006, reaching **YTL 2,204 million**
- **Normalized operating income**^{1,2} on a consolidated basis reached YTL 1,225 million, an **increase of 40%** over 1H 06
- **Net income** increased y-o-y by **181%** reaching **YTL 1,540 million** and **normalized**² **net income** increased by **59%** reaching **YTL 874 million**.
- **Normalized**² **ROAA and ROAE** strengthened to **2.9%** and **33.2%**, respectively, as of 1H 07
- **Normalized**² **Cost / Income** improved to **42.1%** in 1H 07, compared to 47.9% in 1H 06

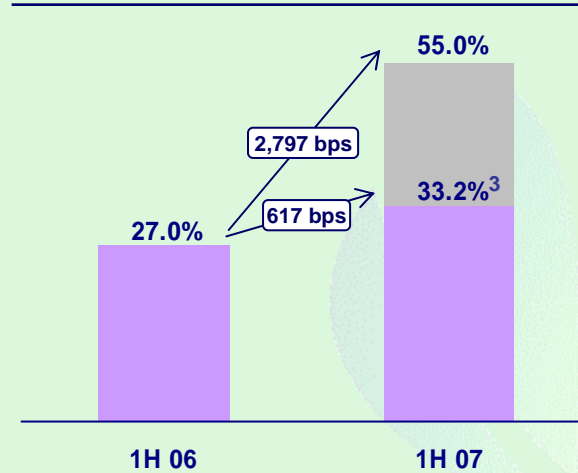
Profitability – Consistent Growth

IFRS Consolidated

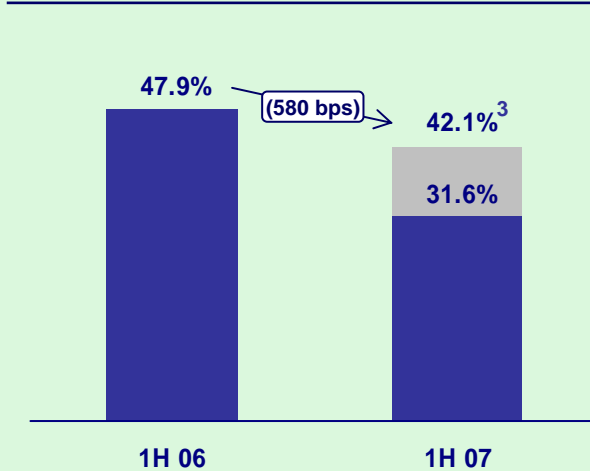
ROAA



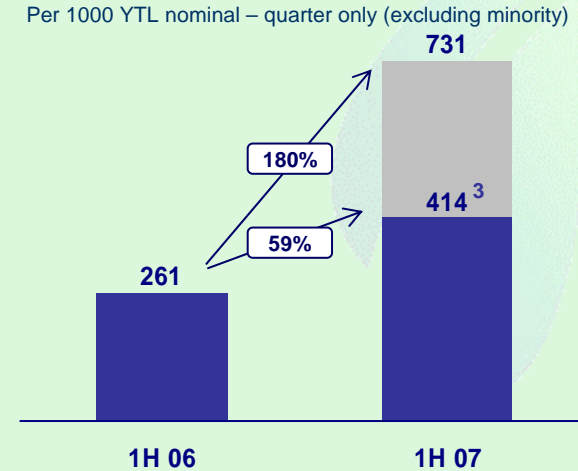
ROAE



Cost¹ / Income²



EPS



Year on year improvement in all profitability indicators:
On a normalized basis, excluding the one-offs, EPS went up by 59%, ROAE and ROAA up by 617 bps and 55 bps, respectively.

Cost/income ratio improved by 580 bps

¹ Cost excludes depreciation and amortization, provision for severance payment, impairment, fx loss

² Provisions deducted from income

³ Normalized to exclude one off gains from insurance and pension & life subsidiaries stake sale amounting to YTL 666 mn. (post-tax)

Balance Sheet - Summary

IFRS Consolidated

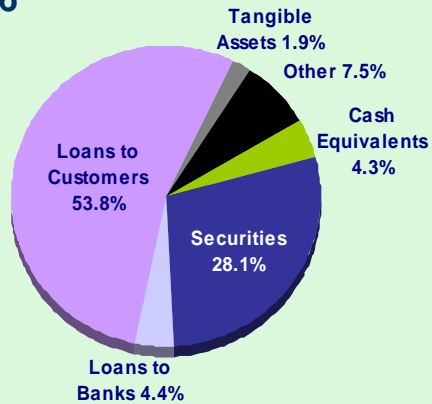
<i>(YTL Million)</i>		2006	1H 07	% Change
Assets	Cash & Banks	4,989	5,361	7.5%
	Securities	15,987	16,849	5.4%
	Loans to Customers	30,625	36,040	17.7%
	Tangible Assets	1,079	1,080	0.1%
	Other	4,234	5,133	21.2%
	Total Assets	56,914	64,463	13.3%
	Liabilities and SHE	Deposits from Customers	32,295	35,436
Deposits from Banks		1,574	2,211	40.5%
Repo Obligations		5,296	6,055	14.3%
Funds Borrowed		9,650	10,885	12.8%
Other		3,159	3,611	14.3%
SHE		4,940	6,265	26.8%
Total Liabilities & SHE		56,914	64,463	13.3%

Balance Sheet Composition & IEA vs. IBL

IFRS Consolidated

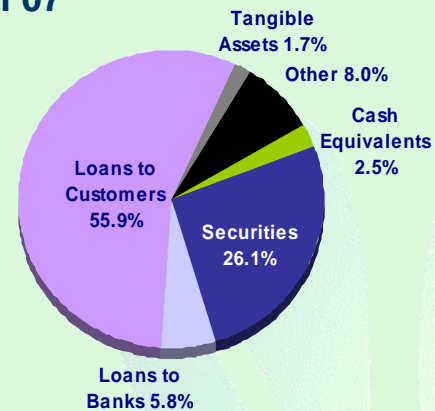
Asset Composition

2006



IEA 89.1%

1H 07



IEA 90.7%

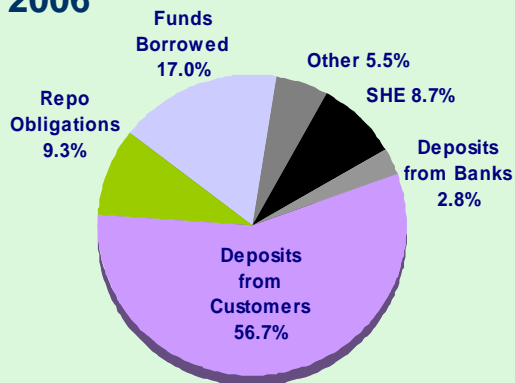
Total assets increased to YTL 64.5 billion as of 1H 07 (49.4 billion US\$).

IEAs contribution to total assets increased to 90.7%, an increase of 160 bps.

Loans to customers (net cash loans) increased by 17.7%, bringing its share in total assets up to 55.9% in 1H 07 from 53.8% at year-end 2006.

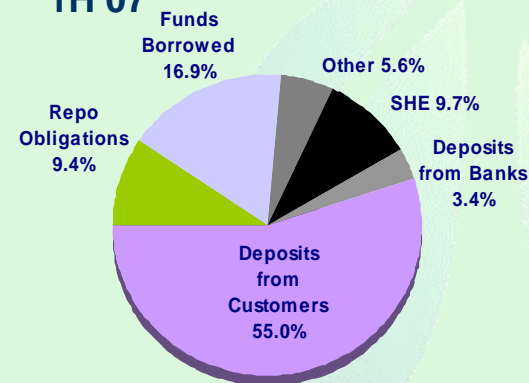
Liability & SHE Composition

2006



IBL 71.0%

1H 07



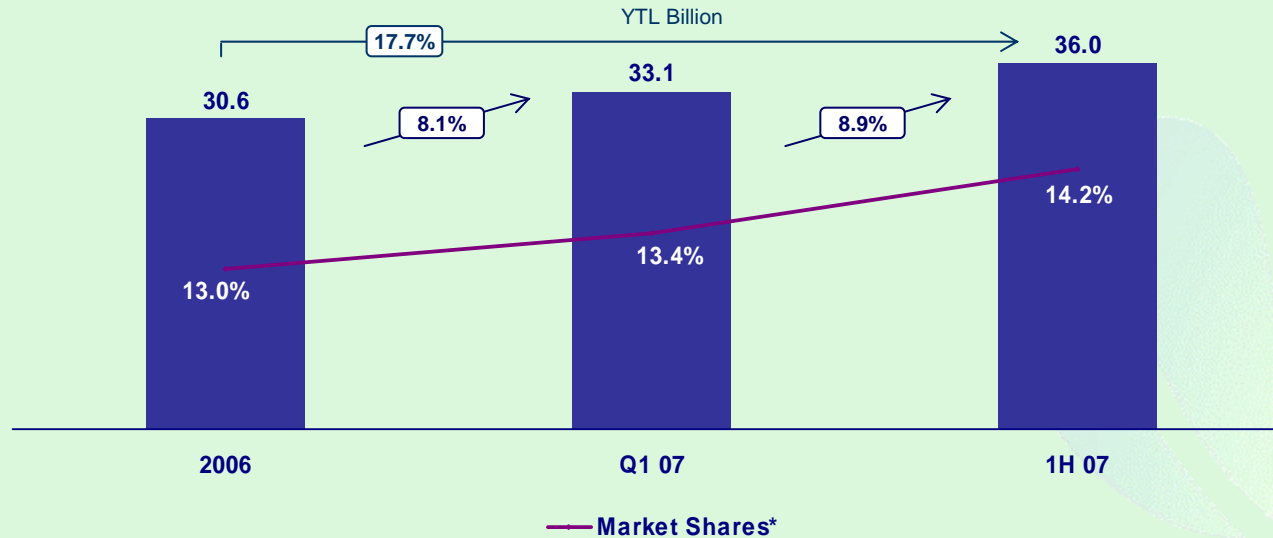
IBL 71.1%

Share of deposits from customers in total liabilities and shareholders' equity was 55.0% in 1H 07.

Loans - Growth & Currency Composition

IFRS Consolidated

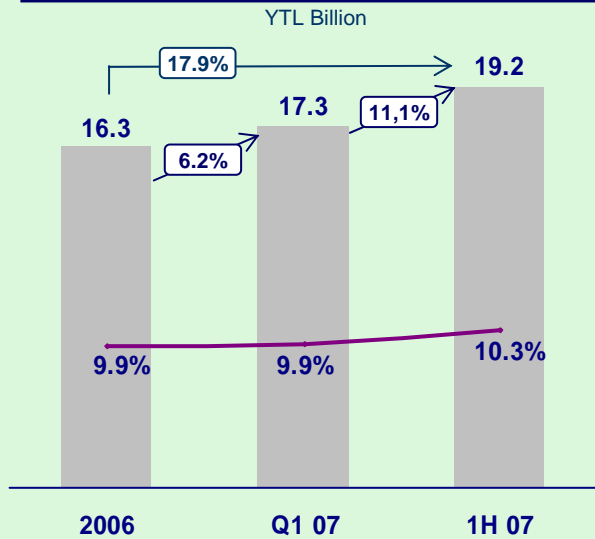
Loan Growth & Market Shares



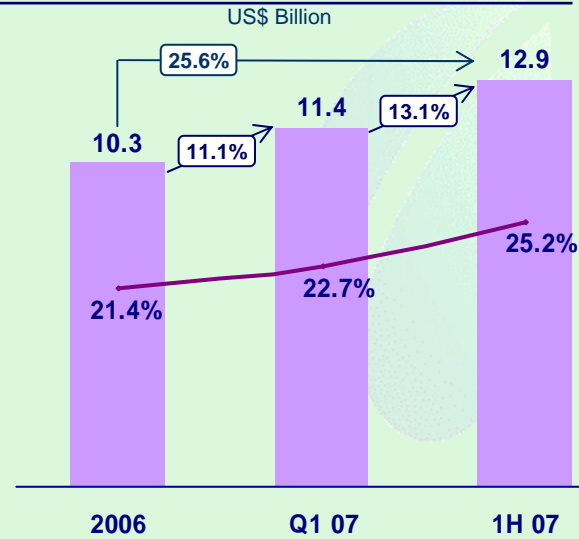
Total loan growth, ytd was 17.7% and reached YTL 36.0 billion.

TL loans increased by 17.9% to YTL 19.2 billion while FC loans increased by 25.6% in US\$ terms, reaching US\$ 12.9 billion in 1H 07.

TL Loan Growth



FC Loan Growth

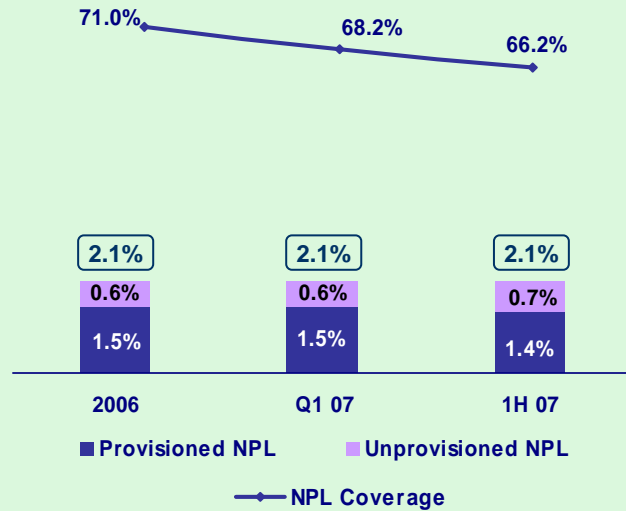


TL loans in total loans stand at 53.2% as of 1H 07.

Strong Asset Quality & Well-Diversified Portfolio

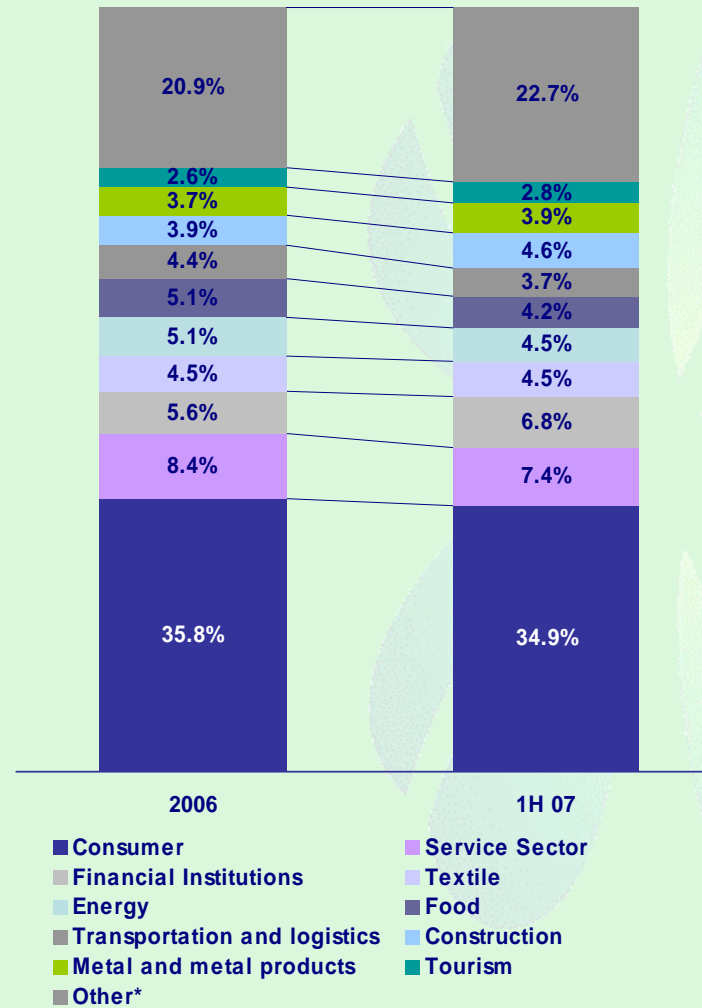
IFRS Consolidated

NPL Ratio & Coverage



Asset Quality	2006	H1 07
Secured Loans	72.5%	73.3%
Unsecured Loans	27.5%	26.7%

Sectoral Loan Allocation



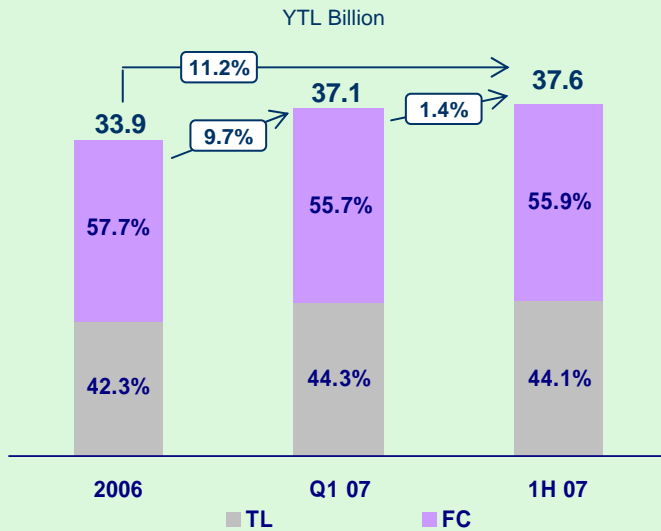
NPL ratio stayed stable at 2.1% in 1H 07.

The share of unsecured loans in total loans decreased to 26.7% in 1H 07 from 27.5% at YE 2006. This was mainly due to declining share of credit cards in consumer loans.

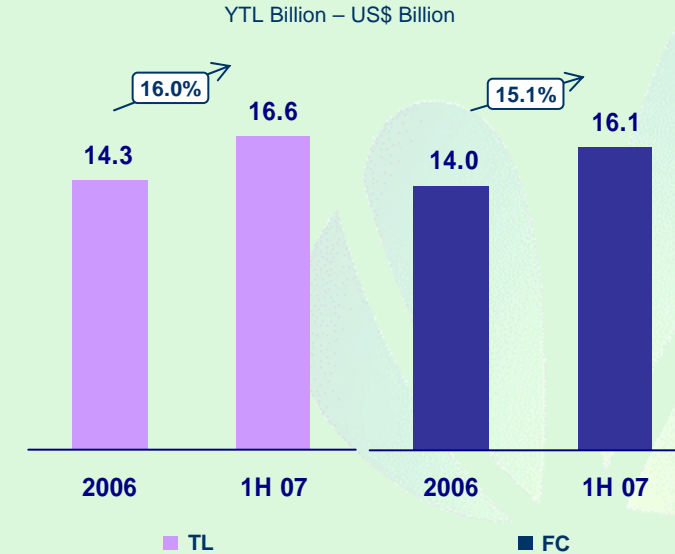
Deposits – Growth & Mix

IFRS Consolidated

Deposit Growth & TL/FC Mix



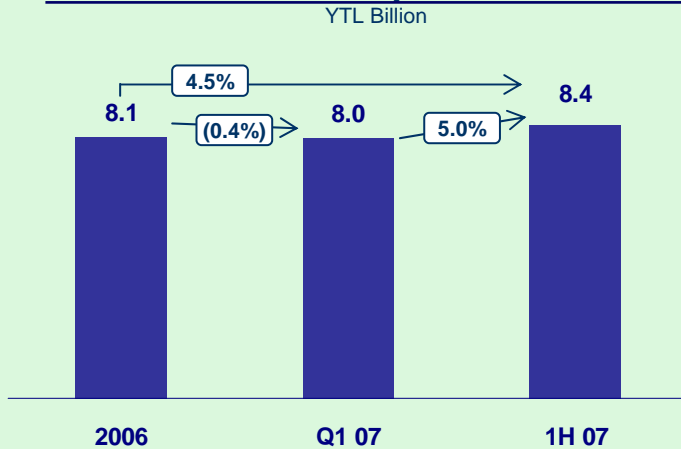
TL – FC Deposit Growth



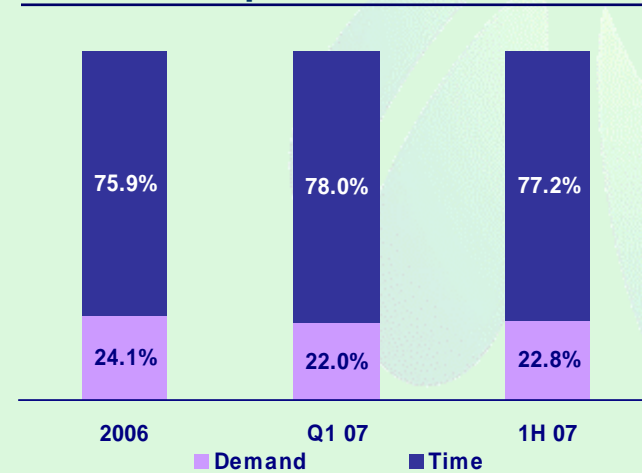
Main source of funding:
Solid deposit base
(58.4% of liabilities
and SHE).

Total deposit growth
ytd was 11.2% as of
1H 07.

Demand Dep. Growth



Customer Deposits Demand/Time Mix

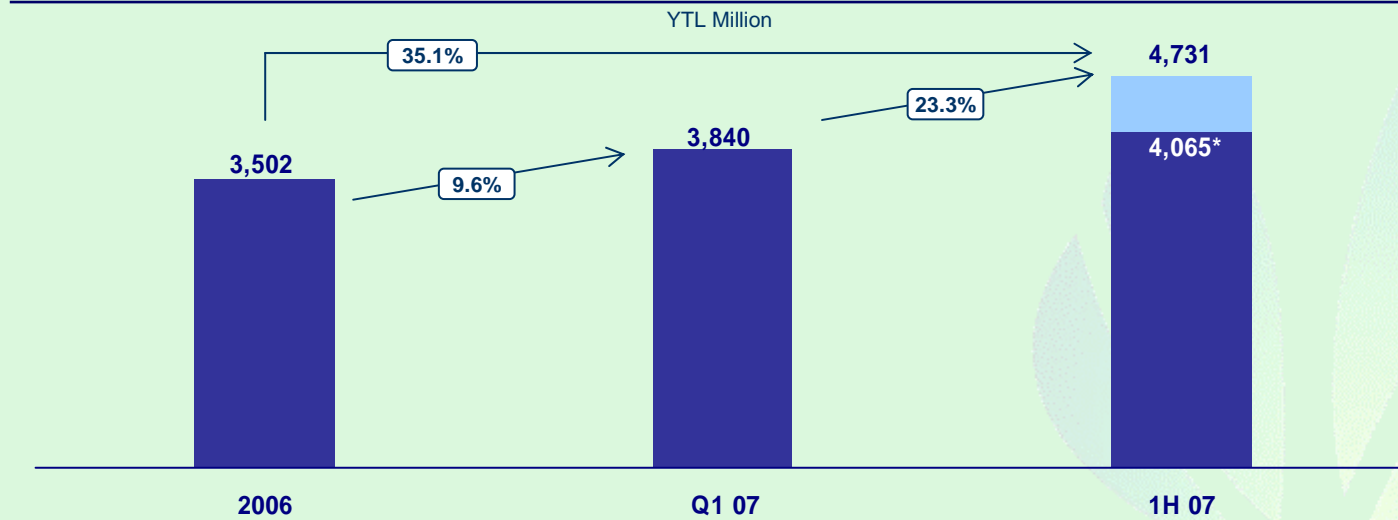


Demand deposit were
YTL 8.4 bn. up by
4.5% from YE 2006.

Strengthened Free Equity

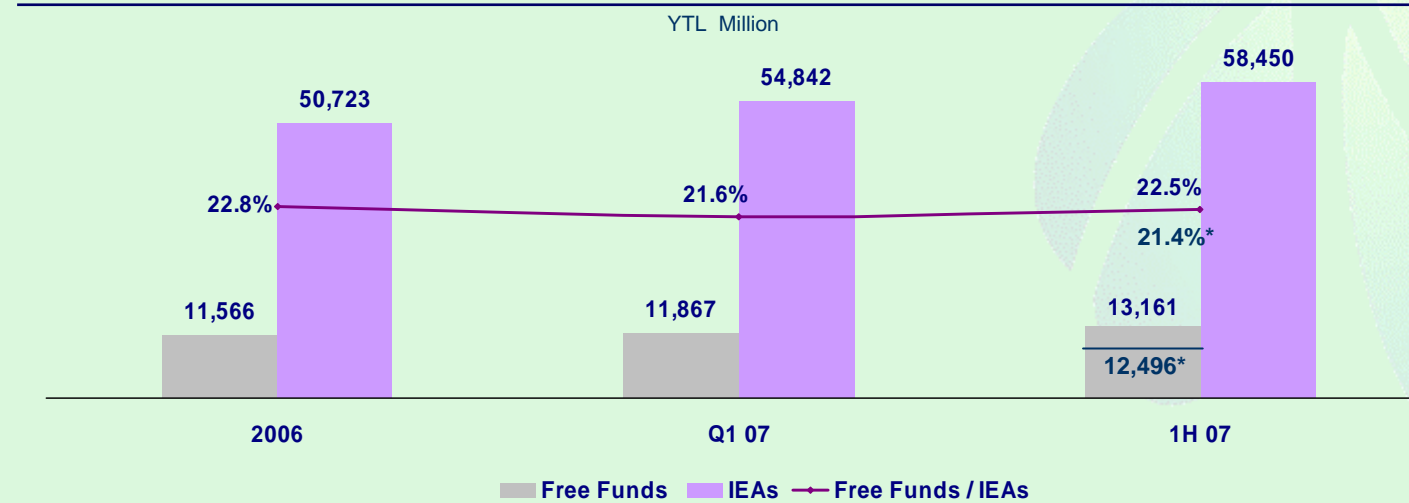
IFRS Consolidated

Free Equity



Free equity increased by 35.1% and reached 4.7 billion YTL from 3.5 billion YTL at YE 2006.

Free Funds**/IEAs



Growth of free funds was 14% ytd in 1H 07. Free funds / IEAs stood at 22.5% level in 1H 07.

Summary Income Statement

IFRS Consolidated

<i>(YTL Thousand)</i>	1H 06	1H 07	Change
Net Interest Inc.Adj.by FX	945,872	1,408,939	49.0%
Net Fees & Comm. Income	546,417	664,887	21.7%
Other Non-Interest Income ¹	207,556	130,442	(37.2%)
Total Operating Income^{1,2}	<u>1,699,845</u>	<u>2,204,268</u>	<u>29.7%</u>
Operating Expenses	(826,679)	(979,666)	18.5%
Operating Income^{1,3}	<u>873,166</u>	<u>1,224,602</u>	<u>40.2%</u>
Impairment Losses & Provisions for Severance	(192,947)	(144,395)	(25.2%)
Taxation Charge ¹	(131,893)	(206,355)	56.5%
Normalized Net Income¹	<u>548,326</u>	<u>873,852</u>	<u>59.4%</u>
Income from Insurance and Pension & Life Buss. Subs. Stake Sale (post-tax)	-	665,685	n.m.
Net Income	<u>548,326</u>	<u>1,539,537</u>	<u>180.8%</u>
<i>Equity holders of the Bank</i>	548,495	1,535,234	180.0%
<i>Minority interest</i>	(169)	4,303	n.m.

Fee & Commission Income Growth

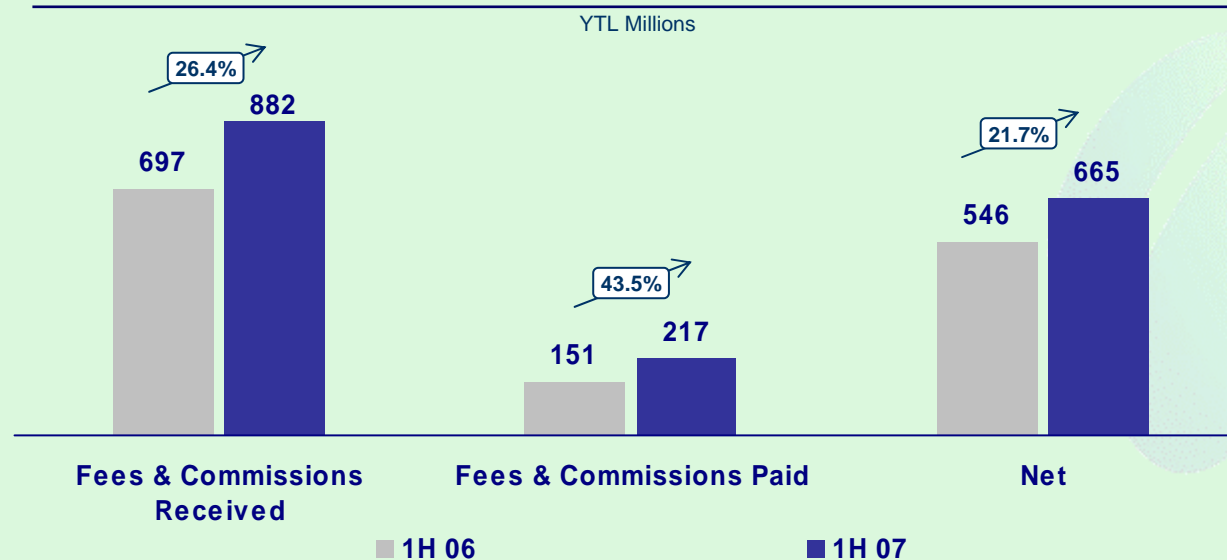
IFRS Consolidated

(YTL Thousand)	1H 06	1H 07	Change
Fees and Commissions, net	546,417	664,887	21.7%
Trading Account Income, net	59,699	(72,695)	(221.8%)
Insurance	124,950	159,276	27.5%
Other¹	22,907	43,861	91.5%
Total Normalized Non-Interest Income^{1,2}	753,973	795,329	5.5%
Insurance and Pension & Life Buss. Subs. Stake Sale	-	703,803	n.m.
Non-Interest Income²	753,973	1,499,132	98.8%

Non-interest income, excluding FX gains, increased 98.8% from YTL 754 mn. to YTL 1,499 mn. in 1H 07.

Y-o-y, net fees and commissions growth was 21.7%.

Fees and Commissions



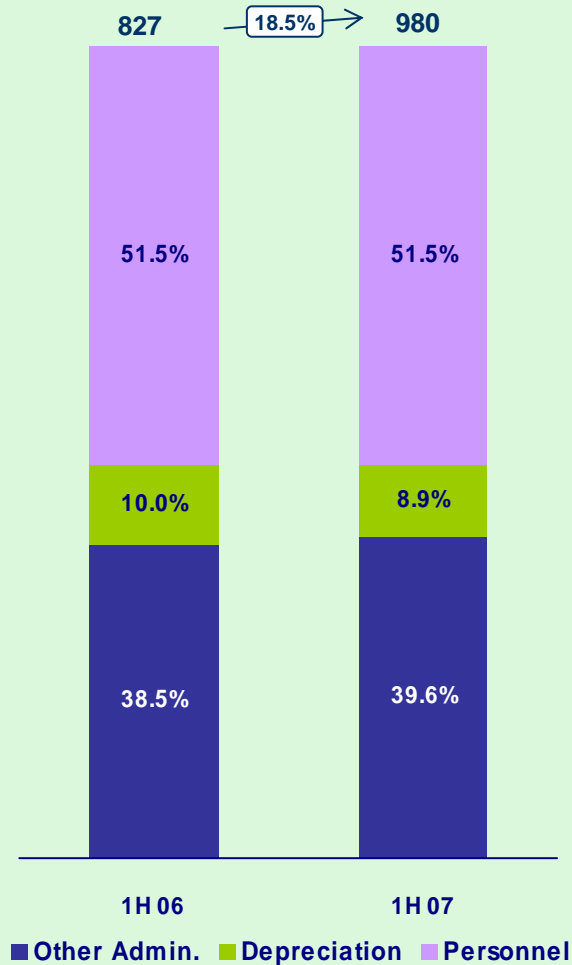
Net fees and commissions as a percentage of average assets stood at 2.19% as of 1H 07.

Effective Cost Management

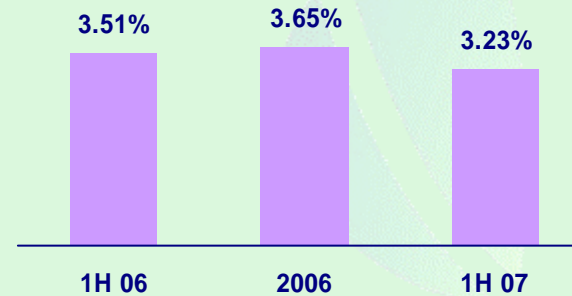
IFRS Consolidated

Non-Interest Expenses

YTL Million



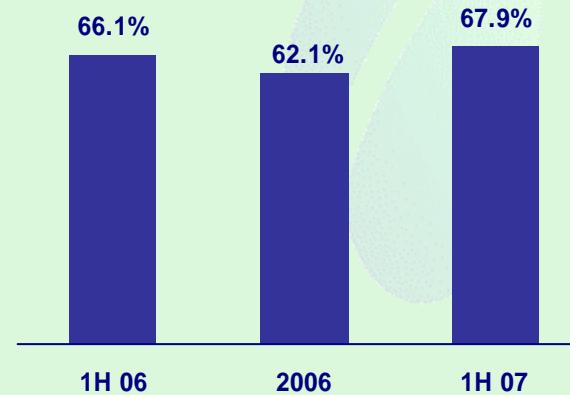
Opex/Avg. Assets



Operating expense over average assets ratio improved by 28 bps from 1H 06 to reach 3.23% in 1H 07.

Non-interest expense growth by 18.5% is mainly attributable to new branch openings

Net Fees & Comm. /Opex



Net fees and commissions coverage of operating expenses increased from 66.1% in 1H 06 to 67.9% in 1H 07.



GarantiBank

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