

Türkiye Garanti Bankası Anonim Şirketi
And Its Financial Affiliates
Consolidated Financial Statements
As of and For the Nine-Month Period Ended
30 September 2007
(Convenience Translation of Financial Statements and Related
Disclosures and Footnotes Originally Issued in Turkish)
With Independent Auditors' Review Report

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ
9 November 2007

This report contains "Independent Auditors' Review Report" comprising 1 page and; "Consolidated Financial Statements and Related Disclosures and Footnotes" comprising 79 pages.

**Convenience Translation of the Independent Auditors' Review Report
Originally Prepared and Issued in Turkish (See Note 3.1.1)**

To the Board of Directors of Türkiye Garanti Bankası AŞ

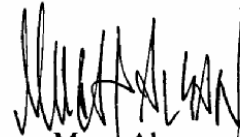
We have reviewed the consolidated balance sheet of Türkiye Garanti Bankası AŞ ("the Bank") and its financial affiliates as of 30 September 2007 and the related consolidated income statement, statement of cash flows and statement of changes in shareholders' equity for the interim period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the accounting and reporting system and the regulations on the accounting and independent audit principles as per the (Turkish) Banking Law No. 5411. These regulations require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Bank and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not presented fairly, in all material respects, the financial position of Türkiye Garanti Bankası AŞ and its financial affiliates as of 30 September 2007 and the result of its operations and cash flows for the nine-month period then ended in accordance with the accounting principles and standards that are based on the current regulations described in Articles 37 and 38 of the (Turkish) Banking Law No. 5411 and other communiques, disclosures and directives issued by the Banking Regulatory and Supervisory Agency.

İstanbul,
9 November 2007

**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi**



**Murat Alsan
Partner**

Certified Public Accountant

Additional paragraph for convenience translation to English:

As explained in Note 3.1.1, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Interim Financial Report
as of and for the Nine-Month Period Ended 30 September 2007

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The consolidated interim financial report for the nine-month period ended, prepared in accordance with the communique of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

1. General Information about the Parent Bank
2. Consolidated Financial Statements of the Parent Bank
3. Accounting Policies
4. Consolidated Financial Position and Results of Operations
5. Disclosures and Footnotes on Consolidated Financial Statements
6. Independent Auditors' Review Report

The consolidated subsidiaries and associates in the scope of this consolidated interim financial report are the followings:

Subsidiaries	Associates
1. Garanti Bank International NV	1. Eureka Sigorta AŞ
2. Garanti Finansal Kiralama AŞ	
3. Garanti Bank Moscow	
4. Garanti Faktoring Hizmetleri AŞ	
5. Garanti Emeklilik ve Hayat AŞ	
6. Garanti Yatırım Menkul Kıymetler AŞ	
7. Garanti Portföy Yönetimi AŞ	
8. Garanti Financial Services Plc	
9. Garanti Fund Management Co Ltd	

The consolidated financial statements and related disclosures and footnotes that were subject to independent review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of New Turkish Lira (YTL).

Ferit F. Şahenk	M. Cüneyt Sezgin	Des O'Shea	S. Ergun Özen	Aydın Şenel	Aylin Aktürk
Board of Directors Chairman	Audit Board Member	Audit Board Member	General Manager	Executive Vice President Responsible of Financial Reporting	Coordinator

The authorized contact person for questions on this financial report:

Name-Surname/Title: Handan SAYGIN/Senior Vice President of Investor Relations
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1 General Information

1.1 History of parent bank including its incorporation date, initial legal status, amendments to legal status

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 541 domestic branches, five foreign branches and four representative offices abroad. The Bank’s head office is located in Istanbul.

1.2 Parent bank’s shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the year and information on its risk group

As of 30 September 2007, Group of Companies under Doğu Holding AŞ that currently owns 25.87% shares of the Bank, is called as the Doğu Group (the Group). On 22 December 2005, Doğu Holding AŞ has completed the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital to “GE Araştırma ve Müşavirlik Limited Şti.” of General Electric (GE) group, as explained in Note 1.4. Accordingly, GE acquired a joint control on the Bank’s management.

Doğu Group

The Group was established in 1951 as a construction and contracting firm. Today, in addition to the construction sector, the Group operates in a variety of businesses consisting of financial services, automotive, media, tourism and service sectors with more than 18.300 employees. The Group operates partnerships and has distribution, management and franchise agreements with internationally recognized brand names, such as Volkswagen, Audi, Bentley, Porsche, Seat, Scania, ITT Sheraton, Hyatt Regency, Jeeves, Armani, Gucci and CNBC. In the construction sector, the Group has an important role in certain ongoing projects such as Araklı-İyidere and Sinop-Boyabat motorways, Kadıköy-Kartal and Otogar-Bağcılar subways, Yusufeli and Artvin dams, Ukraine Dnyeper bridge. The Group has tourism investments such as Sheraton Voyager, Club Aldiana and Paradise Side Apart Otel and five marinas which are adjudicated by “build, operate and transfer model” such as Dalaman, Didim, Turgutreis, Bodrum and Antalya.

The investments of the Group in the financial sector are; Türkiye Garanti Bankası AŞ, Garanti Bank International NV, Garanti Bank Moscow, Garanti Finansal Kiralama AŞ, Garanti Yatırım Menkul Kıymetler AŞ, Garanti Portföy Yönetimi AŞ, Garanti Emeklilik ve Hayat AŞ, Garanti Faktoring Hizmetleri AŞ, Garanti Ödeme Sistemleri AŞ, Eureko Sigorta AŞ, Doğu GE Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğu Tüketici Finansmanı AŞ.

General Electric Group

GE is a company providing variety of technology, media and financial services including aircraft engine and energy production, water and security technologies, medical systems, corporate-retail financing services and media services. GE operates in more than 100 countries through its six major business lines providing services through their own business units with more than 300 thousand employees. These six business lines are; GE Consumer Finance, GE Commercial Finance, GE Healthcare, GE Industrial, GE Infrastructure and NBC Universal.

GE Consumer Finance, one of its six major business lines extend loans to consumers, retailers and car vendors in 41 countries. GE Consumer Finance provides variety of financial products such as store credit cards, consumer loans, bank cards, automobile loans and leasing, mortgage, corporate traveling and spending cards, debt consolidation, housing loans against mortgage and credit insurance.

1.3 Information on parent bank's board of directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their shareholdings in the bank

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Ferit Faik Şahenk	Chairman	18.04.2001	University	17 years
Süleyman Sözen	Vice Chairman	08.07.2003	University	25 years
Muammer Cüneyt Sezgin	Member of BOD and Audit Committee	30.06.2004	PhD	22 years
Dr. Ahmet Kamil Esirtgen	Member	19.03.1992	PhD	33 years
Charles Edward Alexander	Member	22.12.2005	University	27 years
Des O'Shea	Member of BOD and Audit Committee	02.11.2006	Master	30 years
Oliver B.R.V. Piani	Member	21.02.2007	Master	26 years
Dmitri Lysander Stockton	Member	22.12.2005	University	16 years
Sait Ergun Özen	Member and CEO	14.05.2003	University	20 years

The membership positions of Des O'Shea and Olivier B.R.V. Piani who have been assigned as of 2 November 2006 and 21 February 2007, respectively for the vacant positions of Daniel Noel O'Connor and Richard Alan Laxer to complete their duties, were approved by the Annual General Assembly held on 17 April 2007.

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Sait Ergun Özen	CEO	01.04.2000	University	20 years
Adnan Memiş	EVP-Support Services	03.06.1991	University	29 years
Afzal Mohammed Modak	EVP-Finance & Accounting	20.07.2007	Master	22 years
Ali Fuat Erbil	EVP-Retail Banking	30.04.1999	Master	15 years
Ali Temel	EVP-Loans	21.10.1999	University	17 years
Gökhan Erun	EVP-Human Resources & Investment Banking	18.08.2005	Master	13 years
Faruk Nafiz Karadere	EVP-SME Banking	01.05.1999	University	25 years
Halil Hüsnü Erel	EVP-Operational Services	16.06.1997	University	22 years
Uruz Ersözoğlu	EVP-Treasury	03.04.2006	University	16 years
Tolga Egemen	EVP-Financial Institutions & Corporate Banking	21.09.2000	University	15 years
Turgay Gönensin	EVP-Commercial Banking	15.12.2001	University	22 years
Aydın Şenel	EVP- General Accounting & Financial Reporting	02.03.2006	University	26 years
Zekeriya Öztürk	EVP- International Business Development	02.03.2006	Master	12 years

The top management listed above does not hold any unquoted shares of the Bank.

1.4 Information on parent bank's qualified shareholders

Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Doğuş Holding AŞ	462,250	22.0119%	462,250	-
GE Araştırma ve Müşavirlik Limited Şti	535,506	25.5003%	535,506	-

In accordance with the Articles of Association of the Bank, there are 370 founder shares. It is required in the Articles of Association to distribute 10% of the distributable profit to the holders of these founder shares after allocating 5% to legal reserves, distributing dividend at an amount equal to 5% of the capital and allocating 5% of the remaining to extraordinary reserves.

1.5 Summary information on parent bank's activities and services

Activities of the Bank as stated at the third clause of its Articles of Association are as follows:

- All banking operations,
- Participating in, establishing, and trading the shares of enterprises at various sectors within the limits set forth by the Banking Law;
- Providing attorneyship, insurance agency, brokerage and freight services in relation with banking activities,
- Purchasing/selling debt securities, treasury bills, government bonds and other share certificates issued by official and private institutions,
- Developing economical and financial relations with foreign organizations,
- Dealing with all economic operations in compliance with the Banking Law.

The Bank's activities are not limited to those disclosed in that third clause, but whenever the Board of Directors deems any operations other than those stated above to be of benefit to the Bank, it is recommended in the general meeting, and the launching of the related project depends on the decision taken during the General Assembly which results in a change in the Articles of Association and on the approval of this decision by the Ministry of Industry and Commerce. Accordingly, the approved decision is added to the Articles of Association.

The Bank is not a specialized bank but deals with all kinds of banking activities. Deposits are the main sources of the lendings to the customers. The Bank grants loans to companies operating in various sectors while aiming to maintain the required level of efficiency and profitability.

The Bank also grants non-cash loans to its customers; especially letters of guarantee, letters of credit and acceptance credits.

2 Consolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates

Consolidated Balance Sheet

At 30 September 2007

ASSETS		Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)					
			CURRENT PERIOD			PRIOR PERIOD		
			30 September 2007			31 December 2006		
			YTL	FC	Total	YTL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK		5.1.1	739.639	3.674.327	4.413.966	1.885.419	3.399.014	5.284.433
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)		5.1.2	309.604	778.004	1.087.608	112.526	940.039	1.052.565
2.1 Financial assets held for trading			258.663	738.553	997.216	96.229	901.214	997.443
2.1.1 Government securities			238.996	79.730	318.726	86.754	128.549	215.303
2.1.2 Equity securities			9.958	-	9.958	-	-	-
2.1.3 Other securities			9.709	658.823	668.532	9.475	772.665	782.140
2.2 Financial assets valued at fair value through profit or loss			-	-	-	-	-	-
2.2.1 Government securities			-	-	-	-	-	-
2.2.2 Equity securities			-	-	-	-	-	-
2.2.3 Other securities			-	-	-	-	-	-
2.3 Trading derivatives			50.941	39.451	90.392	16.297	38.825	55.122
III. BANKS AND OTHER FINANCIAL INSTITUTIONS		5.1.3	814.517	3.524.544	4.339.061	207.543	2.345.038	2.552.581
IV. INTERBANK MONEY MARKETS			-	-	-	-	-	-
4.1 Interbank money market placements			-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements			-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements			-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)		5.1.4	7.816.314	3.932.675	11.748.989	5.604.552	4.205.447	9.809.999
5.1 Equity securities			26.328	26.909	53.237	27.513	21.668	49.181
5.2 Government securities			7.741.452	2.404.209	10.145.661	5.577.039	3.992.815	9.569.854
5.3 Other securities			48.534	1.501.557	1.550.091	-	190.964	190.964
VI. LOANS		5.1.5	19.955.110	16.228.013	36.183.123	15.721.751	13.513.102	29.234.853
6.1 Performing loans			19.654.050	16.227.584	35.881.634	15.536.406	13.512.605	29.049.011
6.2 Loans under follow-up			805.540	5.942	811.482	636.589	7.645	644.234
6.3 Specific provisions (-)			504.480	5.513	509.993	451.244	7.148	458.392
VII. FACTORING RECEIVABLES		5.1.6	262.554	110.182	372.736	331.436	71.162	402.598
VIII. INVESTMENTS HELD-TO-MATURITY (Net)		5.1.7	3.467.766	895.856	4.363.622	4.033.978	1.138.623	5.172.601
8.1 Government securities			3.464.624	869.546	4.334.170	4.032.026	1.073.790	5.105.816
8.2 Other securities			3.142	26.310	29.452	1.952	64.833	66.785
IX. INVESTMENTS IN ASSOCIATES (Net)		5.1.8	27.701	-	27.701	1.535	-	1.535
9.1 Associates consolidated under equity accounting			26.058	-	26.058	-	-	-
9.2 Unconsolidated associates			1.643	-	1.643	1.535	-	1.535
9.2.1 Financial investments in associates			-	-	-	-	-	-
9.2.2 Non-financial investments in associates			1.643	-	1.643	1.535	-	1.535
X. INVESTMENTS IN SUBSIDIARIES (Net)		5.1.9	8.224	546	8.770	8.310	585	8.895
10.1 Unconsolidated financial investments in subsidiaries			419	546	965	419	585	1.004
10.2 Unconsolidated non-financial investments in subsidiaries			7.805	-	7.805	7.891	-	7.891
XI. INVESTMENTS IN JOINT-VENTURES (Net)		5.1.10	-	-	-	-	-	-
11.1 Joint-ventures consolidated under equity accounting			-	-	-	-	-	-
11.2 Unconsolidated joint-ventures			-	-	-	-	-	-
11.2.1 Financial investments in joint-ventures			-	-	-	-	-	-
11.2.2 Non-financial investments in joint-ventures			-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)		5.1.11	515.879	1.248.163	1.764.042	399.486	887.382	1.286.868
12.1 Financial lease receivables			648.637	1.383.492	2.032.129	501.017	990.216	1.491.233
12.2 Operational lease receivables			-	-	-	-	-	-
12.3 Others			-	-	-	-	-	-
12.4 Unearned income (-)			132.758	135.329	268.087	101.531	102.834	204.365
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT		5.1.12	-	12.671	12.671	-	4.799	4.799
13.1 Fair value hedges			-	-	-	-	-	-
13.2 Cash flow hedges			-	12.671	12.671	-	4.799	4.799
13.3 Net foreign investment hedges			-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		5.1.13	920.213	61.554	981.767	917.332	59.955	977.287
XV. INTANGIBLE ASSETS (Net)		5.1.14	92.759	6.702	99.461	83.547	3.725	87.272
15.1 Goodwill			6.388	-	6.388	6.388	-	6.388
15.2 Other intangibles			86.371	6.702	93.073	77.159	3.725	80.884
XVI. TAX ASSET			63.295	-	63.295	43.810	20	43.830
16.1 Current tax asset			-	-	-	-	-	-
16.2 Deferred tax asset		5.1.15	63.295	-	63.295	43.810	20	43.830
XVII. ASSETS HELD FOR SALE		5.1.16	102.136	-	102.136	115.196	-	115.196
XVIII. OTHER ASSETS		5.1.17	1.263.650	120.339	1.383.989	919.364	165.149	1.084.513
TOTAL ASSETS			36.359.361	30.593.576	66.952.937	30.385.785	26.734.040	57.119.825

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Balance Sheet
At 30 September 2007

LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)					
		CURRENT PERIOD 30 September 2007			PRIOR PERIOD 31 December 2006		
		YTL	FC	Total	YTL	FC	Total
I. DEPOSITS	5.2.1	17.306.908	21.253.973	38.560.881	14.326.846	19.453.359	33.780.205
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	5.2.2	412.004	61.317	473.321	243.904	15.641	259.545
III. FUNDS BORROWED	5.2.3	1.374.308	9.049.605	10.423.913	950.116	8.711.759	9.661.875
IV. INTERBANK MONEY MARKETS	5.2.4	5.328.080	1.114.887	6.442.967	4.310.794	984.851	5.295.645
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Obligations under repurchase agreements		5.328.080	1.114.887	6.442.967	4.310.794	984.851	5.295.645
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		2.121.629	136.395	2.258.024	1.599.078	141.420	1.740.498
VIII. OTHER EXTERNAL RESOURCES PAYABLE		208.606	262.224	470.830	111.242	462.460	573.702
IX. FACTORING PAYABLES	5.2.5	-	-	-	-	-	-
X. LEASE PAYABLES (Net)	5.2.6	-	2.482	2.482	-	1.664	1.664
10.1 Financial lease payables		-	2.482	2.482	-	1.815	1.815
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred expenses (-)		-	-	-	-	151	151
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	5.2.7	-	124	124	-	-	-
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	124	124	-	-	-
11.3 Net foreign investment hedges		-	-	-	-	-	-
XII. PROVISIONS	5.2.8	636.221	17.926	654.147	614.762	22.748	637.510
12.1 General provisions		234.241	12.865	247.106	148.747	9.719	158.466
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		167.174	-	167.174	129.930	-	129.930
12.4 Insurance technical provisions (Net)		103.061	-	103.061	198.676	8.068	206.744
12.5 Other provisions		131.745	5.061	136.806	137.409	4.961	142.370
XIII. TAX LIABILITY	5.2.9	245.264	3.762	249.026	200.135	1.287	201.422
13.1 Current tax liability		245.184	1.448	246.632	199.418	896	200.314
13.2 Deferred tax liability		80	2.314	2.394	717	391	1.108
XIV. PAYABLES FOR ASSETS HELD FOR SALE	5.2.10	-	-	-	-	-	-
XV. SUBORDINATED DEBTS	5.2.11	-	742.659	742.659	-	143.372	143.372
XVI. SHAREHOLDERS' EQUITY	5.2.12	6.587.842	86.721	6.674.563	4.748.777	75.610	4.824.387
16.1 Paid-in capital		2.100.000	-	2.100.000	2.100.000	-	2.100.000
16.2 Capital reserves		876.328	84.102	960.430	805.552	73.433	878.985
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund		74.652	72.235	146.887	52.419	70.285	122.704
16.2.4 Revaluation surplus on tangible assets		29.864	-	29.864	2.147	-	2.147
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6 Bonus shares of associates, subsidiaries and joint-ventures		1.509	-	1.509	950	-	950
16.2.7 Hedging reserves (effective portion)		(2.571)	11.867	9.296	(22.518)	3.148	(19.370)
16.2.8 Revaluation surplus on assets held for sale		-	-	-	-	-	-
16.2.9 Other capital reserves		772.874	-	772.874	772.554	-	772.554
16.3 Profit reserves		1.562.716	2.619	1.565.335	670.144	2.177	672.321
16.3.1 Legal reserves		165.846	2.619	168.465	106.476	2.177	108.653
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		1.388.561	-	1.388.561	526.745	-	526.745
16.3.4 Other profit reserves		8.309	-	8.309	36.923	-	36.923
16.4 Profit or loss		2.027.037	-	2.027.037	1.165.311	-	1.165.311
16.4.1 Prior periods profit/loss		-	-	-	-	-	-
16.4.2 Current period net profit/loss		2.027.037	-	2.027.037	1.165.311	-	1.165.311
16.5 Minority interest		21.761	-	21.761	7.770	-	7.770
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		34.220.862	32.732.075	66.952.937	27.105.654	30.014.171	57.119.825

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Off-Balance Sheet Items
At 30 September 2007

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 September 2007			31 December 2006		
		YTL	FC	Total	YTL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		24.311.198	29.454.809	53.766.007	17.371.813	20.325.065	37.696.878
I. GUARANTEES AND SURETIES	5.3.1	3.687.271	8.459.258	12.146.529	2.683.457	7.364.141	10.047.598
1.1. Letters of guarantee		3.685.484	5.623.247	9.308.731	2.682.754	4.675.006	7.357.760
1.1.1. Guarantees subject to State Tender Law		313.979	250.790	564.769	268.378	628.922	897.300
1.1.2. Guarantees given for foreign trade operations		300.006	346.620	646.626	255.968	318.112	574.080
1.1.3. Other letters of guarantee		3.071.499	5.025.837	8.097.336	2.158.408	3.727.972	5.886.380
1.2. Bank acceptances		858	126.970	127.828	616	142.925	143.541
1.2.1. Import letter of acceptance		858	116.627	117.485	600	141.356	141.956
1.2.2. Other bank acceptances		-	10.343	10.343	16	1.569	1.585
1.3. Letters of credit		929	2.709.041	2.709.970	87	2.485.735	2.485.822
1.3.1. Documentary letters of credit		-	9.152	9.152	-	10.810	10.810
1.3.2. Other letters of credit		929	2.699.889	2.700.818	87	2.474.925	2.475.012
1.4. Guaranteed prefinancings		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Underwriting commitments		-	-	-	-	-	-
1.7. Factoring related guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	-	-	-	60.475	60.475
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS		13.912.311	2.661.884	16.574.195	9.807.302	1.623.665	11.430.967
2.1. Irrevocable commitments		13.912.311	2.661.542	16.573.853	9.807.302	1.623.426	11.430.728
2.1.1. Asset purchase commitments		102.459	857.303	959.762	146.776	158.806	305.582
2.1.2. Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitments to associates and subsidiaries		250	-	250	250	-	250
2.1.4. Loan granting commitments		2.392.126	412.917	2.805.043	1.825.959	432.198	2.258.157
2.1.5. Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		1.841.251	-	1.841.251	1.528.984	-	1.528.984
2.1.8. Tax and fund obligations on export commitments		22.748	-	22.748	19.092	-	19.092
2.1.9. Commitments for credit card limits		8.243.706	-	8.243.706	6.134.828	-	6.134.828
2.1.10. Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.11. Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12. Other irrevocable commitments		1.309.771	1.391.322	2.701.093	151.413	1.032.422	1.183.835
2.2. Revocable commitments		-	342	342	-	239	239
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	342	342	-	239	239
III. DERIVATIVE FINANCIAL INSTRUMENTS	5.3.2	6.711.616	18.333.667	25.045.283	4.881.054	11.337.259	16.218.313
3.1. Derivative financial instruments held for risk management		-	53.913	53.913	-	7.107	7.107
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	53.913	53.913	-	7.107	7.107
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		6.711.616	18.279.754	24.991.370	4.881.054	11.330.152	16.211.206
3.2.1. Forward foreign currency purchases/sales		864.996	1.060.886	1.925.882	447.104	956.435	1.403.539
3.2.1.1. Forward foreign currency purchases		501.511	460.518	962.029	273.493	430.544	704.037
3.2.1.2. Forward foreign currency sales		363.485	600.368	963.853	173.611	525.891	699.502
3.2.2. Currency and interest rate swaps		3.877.298	8.608.731	12.486.029	4.085.925	8.450.168	12.536.093
3.2.2.1. Currency swaps-purchases		77.671	5.846.468	5.924.139	93.461	6.018.190	6.111.651
3.2.2.2. Currency swaps-sales		3.797.096	2.750.784	6.547.880	3.986.341	2.407.821	6.394.162
3.2.2.3. Interest rate swaps-purchases		492	5.743	6.235	3.010	12.093	15.103
3.2.2.4. Interest rate swaps-sales		2.039	5.736	7.775	3.113	12.064	15.177
3.2.3. Currency, interest rate and security options		1.831.189	8.055.812	9.887.001	311.087	1.651.250	1.962.337
3.2.3.1. Currency call options		726.323	4.111.039	4.837.362	52.957	855.187	908.144
3.2.3.2. Currency put options		1.093.326	3.865.575	4.958.901	258.130	645.348	903.478
3.2.3.3. Interest rate call options		-	-	-	-	-	-
3.2.3.4. Interest rate put options		-	-	-	-	-	-
3.2.3.5. Security call options		8.445	60.874	69.319	-	65.742	65.742
3.2.3.6. Security put options		3.095	18.324	21.419	-	84.973	84.973
3.2.4. Currency futures		125.112	106.813	231.925	36.938	34.828	71.766
3.2.4.1. Currency futures-purchases		117.293	17	117.310	36.938	-	36.938
3.2.4.2. Currency futures-sales		7.819	106.796	114.615	-	34.828	34.828
3.2.5. Interest rate futures		-	36.282	36.282	-	139.536	139.536
3.2.5.1. Interest rate futures-purchases		-	18.141	18.141	-	69.768	69.768
3.2.5.2. Interest rate futures-sales		-	18.141	18.141	-	69.768	69.768
3.2.6. Others		13.021	411.230	424.251	-	97.935	97.935
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		117.633.930	66.050.926	183.684.856	115.037.822	126.754.734	241.792.556
IV. ITEMS HELD IN CUSTODY		42.301.460	13.122.570	55.424.030	28.448.874	12.781.762	41.230.636
4.1. Customers' securities held		12.441.703	3.932.540	16.374.243	3.219.699	4.408.869	7.628.568
4.2. Investment securities held in custody		24.124.387	1.507.895	25.632.282	20.700.068	1.926.185	22.626.253
4.3. Checks received for collection		4.501.439	512.713	5.014.152	3.641.784	378.927	4.020.711
4.4. Commercial notes received for collection		1.204.618	1.562.378	2.766.996	864.143	1.862.917	2.727.060
4.5. Other assets received for collection		6.438	5.278.315	5.284.753	90	3.861.442	3.861.532
4.6. Assets received through public offering		-	19.457	19.457	-	20.233	20.233
4.7. Other items under custody		22.875	309.272	332.147	23.090	323.189	346.279
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		75.332.470	52.928.356	128.260.826	86.588.948	113.972.972	200.561.920
5.1. Securities		92.434	5.678	98.112	207.080	10.126	217.206
5.2. Guarantee notes		10.813.547	4.976.072	15.789.619	7.584.926	4.770.191	12.355.117
5.3. Commodities		157	-	157	237	-	237
5.4. Warranties		-	318.520	318.520	-	415.030	415.030
5.5. Real estates		11.760.396	7.390.240	19.150.636	7.935.629	5.948.579	13.884.208
5.6. Other pledged items		52.665.766	40.237.490	92.903.256	70.860.906	102.823.123	173.684.029
5.7. Pledged items-depository		170	356	526	170	5.923	6.093
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		141.945.128	95.505.735	237.450.863	132.409.635	147.079.799	279.489.434

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Income Statement
For the Nine-Month Period Ended 30 September 2007

INCOME AND EXPENSE ITEMS		Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)			
			CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
			Nine-month ended 30 September 2007	Nine-month ended 30 September 2006	Three-month ended 30 September 2007	Three-month ended 30 September 2006
I. INTEREST INCOME		5.4.1	5.629.134	3.931.844	1.995.085	1.460.820
1.1 Interest income from loans			3.099.950	2.166.574	1.156.305	772.461
1.2 Interest income from reserve deposits			133.684	87.809	48.582	36.121
1.3 Interest income from banks			309.022	159.996	119.589	52.094
1.4 Interest income from money market transactions			3.998	1.432	1.792	666
1.5 Interest income from securities portfolio			1.704.916	1.249.939	566.151	452.106
1.5.1 Trading financial assets			43.570	43.386	10.192	9.559
1.5.2 Financial assets valued at fair value through profit or loss			-	-	-	-
1.5.3 Financial assets available-for-sale			1.113.357	803.026	380.054	243.537
1.5.4 Investments held-to-maturity			547.989	403.527	175.905	199.010
1.6 Financial lease income			133.448	92.478	50.007	35.739
1.7 Other interest income			244.116	173.616	52.659	111.633
II. INTEREST EXPENSE		5.4.2	2.430.197	2.398.893	1.210.743	966.542
2.1 Interest on deposits			2.335.859	1.749.081	807.073	659.831
2.2 Interest on funds borrowed			543.738	354.910	225.945	139.146
2.3 Interest on money market transactions			541.436	292.176	175.964	167.018
2.4 Interest on securities issued			2.223	15	759	15
2.5 Other interest expenses			6.941	2.711	1.002	532
III. NET INTEREST INCOME (I - II)			2.198.937	1.532.951	784.342	494.278
IV. NET FEES AND COMMISSIONS INCOME			1.018.433	827.570	353.557	281.154
4.1 Fees and commissions received			1.362.010	1.082.201	480.539	384.840
4.1.1 Cash loans			80.344	81.997	27.455	26.356
4.1.2 Non-cash loans			83.180	72.841	25.294	25.786
4.1.3 Others			1.198.486	927.363	427.790	332.698
4.2 Fees and commissions paid			343.577	254.631	126.982	103.686
4.2.1 Cash loans			21.060	23.925	7.692	8.809
4.2.2 Non-cash loans			258	197	96	63
4.2.3 Others			322.259	230.509	119.194	94.814
V. DIVIDEND INCOME		5.4.3	2.866	2.127	1.017	-
VI. NET TRADING INCOME/LOSSES (Net)		5.4.4	(182.501)	(43.637)	(81.904)	(27.596)
6.1 Trading account income/losses (Net)			(130.546)	42.838	(35.780)	(16.860)
6.2 Foreign exchange gains/losses (Net)			(51.955)	(86.475)	(46.124)	(10.736)
VII. OTHER OPERATING INCOME		5.4.5	1.156.066	340.990	191.963	98.114
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)			4.193.801	2.660.001	1.248.975	845.950
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)		5.4.6	249.107	304.888	64.906	19.687
X. OTHER OPERATING EXPENSES (-)		5.4.7	1.520.563	1.282.766	531.045	427.846
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)			2.424.131	1.072.347	653.024	398.417
XII. INCOME RESULTED FROM MERGERS			-	-	-	-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING			-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION			-	-	-	-
XV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)		5.4.8	2.424.131	1.072.347	653.024	398.417
XVI. PROVISION FOR TAXES (±)		5.4.9	390.689	215.258	135.757	79.113
16.1 Current tax charge			403.998	184.960	127.596	100.397
16.2 Deferred tax charge/(credit)			(13.309)	30.298	8.161	(21.284)
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVI)		5.4.10	2.033.442	857.089	517.267	319.304
17.1 Discontinued operations			-	-	-	-
17.2 Others			2.033.442	857.089	517.267	319.304
XVIII. NET PROFIT/LOSS (XVII)		5.4.11	2.033.442	857.089	517.267	319.304
18.1 Equity holders of the bank			2.027.037	854.878	515.164	317.961
18.2 Minority interest			6.405	2.211	2.103	1.343
EARNINGS PER SHARE (full YTL amount per YTL'000 face value each)			965	407	245	151

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Changes in Shareholders' Equity
For the Nine-Month Period Ended 30 September 2007

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)															
			Paid-In Capital	Capital Reserves from Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Hedging Reserves (Effective Portion) and Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Revaluation Fund	Revaluation Surplus	Securities Value Increase Fund	Shareholders' Equity excluding Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD - 30 September 2006		3,24																
Balances at beginning of the period			2.100.000	772.554	-	-	69.409	-	36.307	3.690	-	767.081	2.147	885	162.522	3.914.595	42.022	3.956.617
Correction made as per TAS 8			-	-	-	-	-	-	(36.307)	-	-	(22.608)	-	-	-	(58.915)	-	(58.915)
Effect of corrections			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of changes in accounting policies			-	-	-	-	-	-	(36.307)	-	-	(22.608)	-	-	-	(58.915)	-	(58.915)
Adjusted balances at beginning of the period (I+II)			2.100.000	772.554	-	-	69.409	-	-	3.690	-	744.473	2.147	885	162.522	3.855.680	42.022	3.897.702
Changes during the period			-	-	-	-	-	-	-	(2.783)	-	-	-	-	(120.216)	(122.999)	-	(122.999)
Mergers			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"Available-for-sale" securities			-	-	-	-	-	-	-	-	-	-	-	-	(120.216)	(120.216)	-	(120.216)
Hedges for risk management			-	-	-	-	-	-	-	(2.783)	-	-	-	-	-	(2.783)	-	(2.783)
Net cash flow hedges			-	-	-	-	-	-	-	(2.783)	-	-	-	-	-	(2.783)	-	(2.783)
Net foreign investment hedges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers			-	-	-	-	-	-	-	-	-	-	-	-	(38.869)	(38.869)	-	(38.869)
"Available-for-sale" securities			-	-	-	-	-	-	-	-	-	-	-	-	(38.869)	(38.869)	-	(38.869)
Hedges for risk management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow hedges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net foreign investment hedges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current period net profit			-	-	-	-	-	-	-	-	854.878	-	-	-	-	854.878	2.211	857.089
Profit distribution			-	-	-	-	39.695	-	548.808	-	-	(767.289)	-	-	-	(178.786)	-	(178.786)
Dividends			-	-	-	-	-	-	-	-	-	(178.578)	-	-	-	(178.578)	-	(178.578)
Transferred to reserves			-	-	-	-	39.695	-	548.808	-	-	(588.711)	-	-	-	(208)	-	(208)
Others			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increase			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation surplus on tangible assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares of associates, subsidiaries and joint-ventures			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Securities value increase fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Issuance of share certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Primary subordinated debts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Secondary subordinated debts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others		-	-	-	-	229	-	-	21.334	-	-	-	-	-	21.563	-	21.563	
Balances at end of the period (III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI)		2.100.000	772.554	-	-	109.333	-	548.808	22.241	854.878	(22.816)	2.147	885	3.437	4.391.467	44.233	4.435.700	
CURRENT PERIOD - 30 September 2007																		
Balances at beginning of the period		2.100.000	772.554	-	-	108.653	-	526.745	17.553	-	1.165.311	2.147	950	122.704	4.816.617	7.770	4.824.387	
Changes during the period		-	-	-	-	-	-	-	8.719	-	-	-	-	30.272	38.991	-	38.991	
Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
"Available-for-sale" securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hedges for risk management		-	-	-	-	-	-	-	8.719	-	-	-	-	30.272	30.272	-	30.272	
Net cash flow hedges		-	-	-	-	-	-	-	8.719	-	-	-	-	-	8.719	-	8.719	
Net foreign investment hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	8.719	-	8.719	
Transfers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
"Available-for-sale" securities		-	-	-	-	-	-	-	-	-	-	-	-	(6.070)	(6.070)	-	(6.070)	
Hedges for risk management		-	-	-	-	-	-	-	-	-	-	-	-	(6.070)	(6.070)	-	(6.070)	
Net cash flow hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net foreign investment hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Current period net profit		-	-	-	-	-	-	-	-	2.027.037	-	-	-	-	2.027.037	6.405	2.033.442	
Profit distribution		-	-	-	-	64.686	-	890.692	-	-	(1.202.569)	27.717	-	-	(219.474)	-	(219.474)	
Dividends		-	-	-	-	-	-	-	-	-	(219.474)	-	-	-	(219.474)	-	(219.474)	
Transferred to reserves		-	-	-	-	64.686	-	890.692	-	-	(955.378)	-	-	-	-	-	-	
Others		-	-	-	-	-	-	-	-	-	(27.717)	27.717	-	-	-	-	-	
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Securities value increase fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Issuance of share certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes resulted from reclassification of assets		-	-	-	-	(4.434)	-	(28.876)	-	-	33.310	-	559	-	559	-	559	
Primary subordinated debts		-	-	-	-	-	-	-	-	-	3.948	-	-	(19)	3.929	7.586	11.515	
Secondary subordinated debts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others		-	-	-	-	(440)	-	-	(8.347)	-	-	-	-	-	(8.787)	-	(8.787)	
Balances at end of the period (I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV)		2.100.000	772.554	-	-	168.465	-	1.388.561	17.925	2.027.037	-	29.864	1.509	146.887	6.652.802	21.761	6.674.563	

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Affiliates
Consolidated Statement of Cash Flows
For the Nine-Month Period Ended 30 September 2007

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF NEW TURKISH LIRA (YTL)	
		CURRENT PERIOD 30 September 2007	PRIOR PERIOD 30 September 2006
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2.802.916	547.872
1.1.1 Interests received		5.720.280	3.445.334
1.1.2 Interests paid		(3.361.675)	(2.313.749)
1.1.3 Dividend received		2.866	2.127
1.1.4 Fees and commissions received		1.018.433	827.570
1.1.5 Other income		988.311	186.666
1.1.6 Collections from previously written-off loans and other receivables		13.783	101.800
1.1.7 Payments to personnel and service suppliers		(1.295.374)	(1.503.355)
1.1.8 Taxes paid		(283.708)	(198.521)
1.1.9 Others		-	-
1.2 Changes in operating assets and liabilities		(801.806)	1.455.332
1.2.1 Net (increase) decrease in financial assets held for trading		(2.726)	95.586
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(813.292)	(271.460)
1.2.4 Net (increase) decrease in loans		(6.905.212)	(9.704.210)
1.2.5 Net (increase) decrease in other assets		(716.850)	(681.457)
1.2.6 Net increase (decrease) in bank deposits		(406.047)	975.893
1.2.7 Net increase (decrease) in other deposits		5.144.641	6.106.172
1.2.8 Net increase (decrease) in funds borrowed		2.487.159	4.753.314
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		410.521	181.494
I. Net cash flow from banking operations		2.001.110	2.003.204
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(1.711.382)	(1.669.997)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(453)	-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		95	29.459
2.3 Purchases of tangible assets		(176.541)	(123.653)
2.4 Sales of tangible assets		30.313	486.402
2.5 Cash paid for purchase of financial assets available-for-sale, net		(1.991.652)	(86.079)
2.6 Cash obtained from sale of financial assets available-for-sale, net		-	-
2.7 Cash paid for purchase of investments held-to-maturity		(82.984)	(3.614.012)
2.8 Cash obtained from sale of investments held-to-maturity		509.840	1.637.886
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		(219.474)	(179.226)
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(219.474)	(178.578)
3.5 Payments for financial leases		-	(648)
3.6 Others		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		(51.955)	(86.475)
V. Net increase in cash and cash equivalents (I+II+III+IV)		18.299	67.506
VI. Cash and cash equivalents at beginning of period		4.149.369	3.935.548
VII. Cash and cash equivalents at end of period (V+VI)		4.167.668	4.003.054

3 Accounting Policies

3.1 Basis of presentation

As per the Article 37 of “Accounting and Recording Rules” of the Turkish Banking Law No 5411 published on the Official Gazette no.25983 dated 1 November 2005 and became effective, the Bank keeps its accounting records and prepares its consolidated financial statements and the related footnotes in accordance with accounting and valuation standards described in “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published by the Banking Regulation and Supervision Agency (BRSA) and in effect since 1 November 2006, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidances.

The accompanying consolidated financial statements are prepared in accordance with the historical cost basis except for the securities at fair value through profit or loss, securities available for sale, investments in associates and subsidiaries that are quoted on the stock exchanges and assets held for sale which are presented on a fair value basis. In BRSA’s Circular no.BDDK.DZM.2/13/-d-5 on 28 April 2005, it was stated that as of January 2005, the majority of the criterias confirming the existence of a hyperinflationary economy are not valid anymore. Accordingly, the inflation accounting had been applied upto the end of 2004 and ceased beginning from 1 January 2005.

The accounting policies and the valuation principles applied in the preparation of the accompanying consolidated financial statements are explained in Notes 3.2 to 3.24.

3.1.1 Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying consolidated financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

The liability side of the balance sheet is intensively composed of short-term deposits in line with the general trend in the banking sector. In addition to deposits, the Bank and its financial affiliates have access to longer-term borrowings via the foreign currency borrowings from abroad.

In order to manage the interest rate risk arising from short-term deposits, the Bank and its financial affiliates are keen on maintaining floating rate instruments such as government bonds with quarterly coupon payments and instruments like credit cards and consumer loans providing regular cash inflows.

The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The widespread and effective branch network, advantage of primary dealership and strong market share in the treasury and capital markets, are some of the effective tools in the realisation of this strategy. For this purpose, serving customers by introducing new products and services continuously and reaching the customers satisfaction are very important.

Another influential factor in the management of the interest and liquidity risk on balance sheet, is product diversification both on asset and liability sides.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems instantly, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

Purchase and sale of short and long-term financial instruments are allowed within the pre-determined limits to generate risk-free return on capital.

The foreign currency position is controlled by the equilibrium of a currency basket to eliminate the foreign exchange risk.

3.2.2 Foreign currency transactions

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated with the Bank's spot purchase rates and the differences are recorded as foreign exchange gain or loss in the income statement.

Foreign currency differences arising from the conversion of the net investments in subsidiaries in foreign countries into YTL are classified as "other profit reserves" under the shareholders' equity. The financial liabilities in foreign currencies are designated as hedge of net investment in foreign operations and the Bank recognizes the effective portion of changes in the fair value of the hedging instruments under the shareholders' equity in "hedging reserves".

In the currency conversion of the financial statements of the Bank's foreign branches and consolidated financial affiliates, the Bank's spot purchase rates are used for balance sheet items and average foreign currency rates for income statement. All foreign currency differences arising from this conversion, are classified as "other profit reserves" under the shareholders' equity.

3.3 Information on consolidated subsidiaries

As of 30 September 2007, the following financial affiliates are consolidated in the accompanying consolidated financial statements; Garanti Bank International (GBI), Garanti Bank Moscow (Garanti Moscow), Garanti Finansal Kiralama AŞ (Garanti Finansal Kiralama), Garanti Yatırım Menkul Kıymetler AŞ (Garanti Yatırım), Garanti Portföy Yönetimi AŞ (Garanti Portföy), Garanti Emeklilik AŞ (Garanti Emeklilik), Garanti Faktoring Hizmetleri AŞ (Garanti Faktoring), Garanti Fund Management Co Ltd (GFM) ve Garanti Financial Services Plc (GFS). Following the sale transaction took place on 21 June 2007 as explained in Note 5.1.9, the remaining 20% investment in Garanti Sigorta AŞ is consolidated under equity method of accounting in the accompanying consolidated financial statements. At 1 October 2007, the legal name of this company has been changed as Eureko Sigorta AŞ.

Garanti Sigorta AŞ was established in 1989 to perform insurance activities. In 1992, it was decided to operate life and health branches under a different company and accordingly Garanti Hayat Sigorta AŞ was established. Garanti Hayat Sigorta AŞ was converted into a private pension company in compliance with the legislation early in 2003 and its name was changed as Garanti Emeklilik ve Hayat AŞ. The Bank owns 20% of Garanti Sigorta AŞ that its name has been changed as Eureko Sigorta AŞ at 1 October 2007 and 84.91% of Garanti Emeklilik. The head offices of these companies are in Istanbul.

Garanti Finansal Kiralama was established in 1990 to perform financial lease activities. The company's head office is in Istanbul. The Bank owns 98.94% of the company's shares through direct and indirect shareholdings.

Garanti Faktoring was established in 1990 to perform import, export and domestic factoring activities. The company's head office is in Istanbul. The Bank and T. İhracat Bankası AŞ own 55.40% and 9.78% of the company's shares, respectively. The remaining 34.82% shares are held by public.

GBI was established in 1990 by the Bank to perform banking activities in abroad. This foreign bank's head office is in Amsterdam. It is wholly owned by the Bank.

Garanti Yatırım was established in 1991 to perform brokerage activities for marketable securities, valuable papers and documents representing financial values or financial commitments of issuing parties other than securities. The company's head office is in Istanbul. It is wholly owned by the Bank.

Garanti Moscow was established in 1996 to perform banking activities in abroad. This foreign bank's head office is in Moscow. The Bank and Garanti Financial Services plc own 75.02% and 24.86% of the company shares, respectively.

Garanti Portföy was established in June 1997 to manage the customer portfolios by using the capital market products in compliance with the principles and rules of the regulations regarding the company's purpose of establishment and the portfolio management agreements signed with the customers. The company's head office is in Istanbul. It is wholly owned by the Bank.

GFS was established in Ireland in December 1997 to perform financial activities. The Bank owns 99.99% of the company's shares.

Liquidation or sale transactions of the associates and subsidiaries subject to consolidation:

As explained in Note 5.1.9, the Bank sold 80% and 15% of its consolidated subsidiaries' shares; Garanti Sigorta AŞ and Garanti Emeklilik ve Hayat AŞ, respectively to Eureko BV on 21 June 2007.

The Bank sold its 50.98% shares of Garanti Gayrimenkul Yatırım Ortaklığı AŞ in total 37,622,945 unit shares to Doğu Holding AŞ (A-group shares of 737,705 and B-group shares of 18,066,240 in total 18,803,945 unit shares) and GE Capital Corporation (A-group shares of 737,705 and B-group shares of 18,081,295 in total 18,819,000 unit shares). Subsequent to this sale, the company's name has been changed to Doğu GE Gayrimenkul Yatırım Ortaklığı AŞ.

Doğu Holding AŞ signed a Share Sales Agreement on 24 August 2005 for the sale of 53.550.000.000 unit shares representing 25.5% of the Bank issued share capital to GE Araştırma ve Müşavirlik Limited Şti which is a GE Group company. According to this agreement, certain non-financial participations and property are to be taken over by Doğu Holding AŞ at a total price of YTL 958,000 thousands calculated based on the financial statements as of 31 March 2005. 50% of the sale price to be collected at the closing date, 25% to be collected one year from the closing date and the remaining to be collected two years from the closing date. Accordingly, following the sale of shares, the Bank's certain non-financial subsidiaries representing the first group were transferred over to Doğu Holding AŞ in December 2005. In accordance with the terms of the agreement, beside an investment in a non-financial associate the investment in Doc Finance SA having a book value of CHF 4,350 thousands categorized in the second group was sold to Doğu Holding AŞ on 17 April 2006. Before this sale, Doc Finance SA used to be consolidated based on "equity method of accounting".

The Bank's two consolidated financial affiliates having in total 76% ownership in Cappadocia Investment Ltd sold their shares in this company before the end of November 2006 to its risk group.

The liquidation of GFM is expected to be completed in 2007.

3.4 Forwards, options and other derivative transactions

The derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contacts. The Bank and its financial affiliates do not have any embedded derivatives.

In accordance with the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement"; forward foreign currency purchases/sales, swaps, options and futures are classified "hedging purposes" and "trading purposes". Derivatives are initially recorded in off-balance sheet accounts at their purchase costs including the transaction costs. Subsequently, the derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under "derivative financial assets" or "derivative financial liabilities", respectively. Subsequent fair value changes for trading derivatives are recorded under income statement. Whereas, the effective portions of hedging derivatives are recorded under shareholders' equity while their ineffective portions are posted through income statement.

The spot legs of currency swap transactions are recorded on the balance sheet and the forward legs in the off-balance sheet accounts.

3.5 Interest income and expenses

General

Interest income and expenses are recorded according to the effective interest rate method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities) defined in the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement".

In case of an interest accrued on a security before its acquisition, the collected interest is divided into two parts as interest before and after the acquisition and only the interest income of the period after the acquisition is recorded as interest income in the financial statements.

The accrued interest income on non-performing loans are reversed and subsequently recognised as interest income only when collected.

Insurance business

Earned premiums: The premiums of life and non-life branches comprise the premiums due on contracts, net of cancellations, issued during a financial year. These premiums are recorded in the financial statements by taking the reserve for unearned premiums into consideration.

Unearned premium reserve: Insurance companies are required to allocate reserves for unearned premium for all in-force policies. In compliance with the Law no.7397, the unearned premium reserve is calculated for all outstanding policies during the balance sheet period after deducting commissions on an accrual basis.

Life assurance provision: Insurance companies operating in life insurance business are required to provide life assurance provision for future guaranteed policy benefits. The life assurance provision is computed by the actuary by taking the mortality assumptions announced officially applicable for Turkish insurance companies. In the calculation of such provision, the net rate of return on investments is also taken into account.

Provision for outstanding claims: Provision is allocated for the outstanding claims incurred and reported but not yet settled as of the reporting period end. Such provisions should be calculated taking into account the results of the appraisal reports or the preliminary assessments of the insured customer and the expert. Moreover, additional provision is allocated for outstanding claims incurred but not reported as of the balance sheet date.

Financial lease operations

Total of minimum rental payments including interests and principals are recorded under “financial lease receivables” as gross. The difference, i.e. the interest, between the total of rental payments and the cost of the related tangible asset is recorded under “unearned income”. When the rent payment incurs, the rent amount is deducted from “financial lease receivables”; and the interest portion is recorded as interest income in the income statement.

3.6 Fees and commissions

Fees and commissions received and paid, and other fees and commissions paid to financial institutions are calculated according to either accrual basis of accounting or effective interest rate method depending on nature of fees and commissions, incomes derived from agreements and asset purchases from third parties are recognized as income when realized.

3.7 Financial assets

3.7.1 Financial assets at fair value through profit or loss

Such assets are valued at their fair values and gain/loss arising is recorded in the income statement. Interest income earned on trading securities and the difference between their acquisition costs and fair values are recorded as interest income in the income statement. In case of sales of such securities before their maturity, the gains/losses on such sales are recorded under trading income/losses.

3.7.2 Investments held-to-maturity, financial assets available-for-sale and loans and receivables

Financial assets are recorded at their purchase costs including the transaction costs.

Investments held-to-maturity are financial assets with fixed maturities and pre-determined payment schedules that the Bank and its financial affiliates have the intent and ability to hold until maturity, excluding originated loans and receivables.

There are no financial assets that are not allowed to be classified as investments held-to-maturity for two years due to the tainting rules applied for the breach of classification rules.

Investments held-to-maturity are recorded using discounting method with internal rate of return after deducting impairments, if any. Interest earned on investments held-to-maturity are recognized as interest income.

Financial assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and originated loans and receivables.

Financial assets available-for-sale are measured at their fair values subsequently. However, assets for which fair values could not be determined reliably are valued using discounting method with internal rate of return for the ones with a fixed maturity; and using valuation models or discounted cash flow techniques for the ones which do not have a fixed maturity. Unrecognised gain/losses derived from the difference between their fair value and the discounted values are recorded in “securities value increase fund” under the shareholders’ equity. In case of sales, the realized gain/losses are recognized directly in the income statement.

Government bonds indexed to consumer price index and issued on 21 February 2007 are for five-year maturity and with fixed real coupon rate of 5% semiannually. As per the statement made by the Turkish Treasury on the date of issuance, such securities will be valued taking into account the difference between the reference index at the issue date and the reference index at the balance sheet date to reflect the effects of inflation.

Purchase and sale transactions of securities are accounted at delivery dates.

Loans and receivables are financial assets raised through providing money, commodity and services to debtors.

Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recognized at cost and measured at amortized cost using the effective interest method. Duties paid, transaction expenditures and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

3.8 Impairment of financial assets

Financial asset or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Bank estimates the amount of impairment.

Impairment loss incurs if, and only if, there is an objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely effected by an event(s) (“loss event(s)”) incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Bank provides specific and general allowances for loan and other receivables classified in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables published on the Official Gazette no.2633 dated 1 November 2006. The allowances are recorded in the income statement of the related period.

3.9 Netting of financial instruments

In cases where the fair values of trading securities, securities available-for-sale, securities quoted at the stock exchanges, associates and subsidiaries are less than their carrying values, a provision for impairment is allocated, and the net value is shown on the balance sheet.

Specific allowances for non-performing loan and other receivables are provided in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables. Such allowances are deducted from loans under follow-up on the asset side.

Otherwise, the financial assets and liabilities are netted off only when there is a legal right to do so.

3.10 Repurchase and resale agreements and securities lending

Securities sold under repurchase agreements are recorded on the balance sheet in compliance with the Uniform Chart of Accounts for Banks. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted on an accrual basis.

Securities purchased under resale agreements are classified under “interbank money markets” separately. An income accrual is accounted for the positive difference between the purchase and resale prices earned during the period.

3.11 Assets held for sale and discontinued operations

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at lower of carrying value or fair value less costs to sell. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

A discontinued operation is a part of the Bank’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Bank or its financial affiliates have no discontinued operations.

3.12 Goodwill and other intangible assets

The intangible assets consist of goodwill, leasehold improvements, softwares, intangible rights and pre-operating expenses.

Goodwill and other intangible assets are recorded at cost in accordance with the Turkish Accounting Standard 38 (TAS 38) “Intangible Assets”.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. Assets purchased before 2005 are amortised over their estimated useful lives on a straight-line basis. From the beginning of 2005, newly purchased assets are amortised based on the declining balance which is one of the accelerated amortisation methods.

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The “net goodwill” resulted from the acquisition of the investment and to be included in the consolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles.

If any goodwill is computed at consolidation, it is recorded under intangible assets on the asset side of the consolidated balance sheet as an asset. It is assessed to identify whether there is any indication of impairment. If any such indication exists, the necessary provision is recorded as an expense in the income statement. The goodwill is not amortized.

Estimated useful lives of the intangible assets except for goodwill, are 5-15 years, and amortisation rates are 6.67-20%.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) “Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

3.13 Tangible assets

The cost of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs.

Tangible assets are recorded at cost in accordance with the Turkish Accounting Standard 16 (TAS 16) “Tangible Assets”.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) “Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price.

Maintenance and repair costs incurred for tangible assets, are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

Depreciation rates and estimated useful lives are:

Tangible assets	Estimated useful lives (years)	Depreciation Rates (%) from 1 January 2005	Depreciation Rates (%) before 1 January 2005
Buildings	50	4	2
Vaults	20-50	4-10	2-5
Motor vehicles	5-7	30-40	15-20
Other tangible assets	4-20	10-50	5-25

Tangible assets purchased before 2005 are depreciated over their estimated useful lives on a straight-line basis from the date of their acquisition. From the beginning of 2005, newly purchased tangible assets are depreciated based on the declining balance which is one of the accelerated depreciation methods.

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end.

3.14 Leasing activities

The maximum period of the leasing agreements is 4 years. Leased assets are recognized by recording an asset or a liability. In the determination of the related asset and liability amounts, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs on leasing agreements are expanded in lease periods at a fixed interest rate.

In cases where leased assets are impaired or the expected future benefits of the assets are less than their book values, the book values of such leased assets are reduced to their net realizable values. Depreciation for assets acquired through financial leases is calculated consistently with the same principle as for the tangible assets.

In operating leases, the rent payments are charged to the statement of operations in equal installments.

3.15 Provisions and contingent liabilities

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the balance sheet date and, if material, such expenses are discounted for their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the financial statements.

Provisions made during the period are recorded under “provision for losses on loans and other receivables”; provisions that were booked in the prior periods and released in the current year are recorded under “other operating income”.

3.16 Contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank or its financial affiliates. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the footnotes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

3.17 Obligations concerning employee rights

As per the existing labour law in Turkey, the Bank is required to pay certain amounts to the employees retired or fired except for resignation or misbehaviours.

The Bank reserved for employee severance indemnities in the accompanying financial statements using actuarial method in accordance with the Turkish Accounting Standard 19 (TAS 19) "Employee Benefits".

The major actuarial assumptions used in the calculation of the total liability are as follows:

	30 September 2007	31 December 2006
Discount Rate	5.71%	5.71%
Expected Rate of Salary/Limit Increase	5.00%	5.00%
Estimated Employee Turnover Rate	5.25%	5.25%

The Bank provided for undiscounted short-term employee benefits earned during the financial periods as per services rendered in accordance with TAS 19.

The employees of the Bank are the members of "Türkiye Garanti Bankası Anonim Şirketi Memur ve Müstahdemleri Emekli ve Yardım Sandığı Vakfı" (the Fund) established as per the temporary article no.20 of the Social Security Law no.506.

As per the letter of the Ministry of Employment and Social Security no.55723 dated 9 November 2006, the temporary Article no.23 of the Turkish Banking Law no.5411 and the temporary Article no.6 of the Law no.5502 dated 16 May 2006, the Board of Ministry of Turkey has agreed on 30 November 2006 by the Decree of Board of Ministries no. 2006/11345 that the Decree on the transfer of pension funds similar foundations subject to the temporary article no.20 of the Social Security Law no.506 together with their members and the persons who are paid under insurance coverage for disablement, old-age and mortality and their right-holders to Social Security Foundation (SSF) will take place.

As per the Article no.9 of the related Decision of Board of Ministries;

The discounted liability for each fund in terms of the persons transferred as of the transfer date, including the contributors left the fund, should be calculated by taking the revenues and expenditures of funds into account under the Law no.506 as follows;

- The technical interest rate to be used for the actuarial calculation is 10.24% calculated as the nominal interest rate at the issue date of the longest-maturity discounted New Turkish Lira-denominated government bonds as of 30 June 2005, as adjusted to real interest rate using the year-end inflation target based on the consumer price index declared in the Medium-Term Program of the Turkish Government.
- Mortality table "CSO 1980 female and male lifetime tables" will be used for death-age assumptions.

- c) Estimated premium payments (including insurance premiums for illness) made by contributors of the fund after the date of transfer of the fund (i.e. active members and persons making voluntary premium payments) up to the date they are entitled to receive salary or income as per the Law no.506 are taken into account as revenue in the calculation of discounted value of the fund.

The technical financial statements of the Fund are audited by the certified actuary according to the Article no.38 of the Insurance Law and the "Actuaries Regulation" issued as per this Article. As per the actuarial report dated 12 February 2007 and prepared in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against.

On 2 November 2005 the President had applied to the Constitutional Court for annulment of certain statements of the related Article of the Turkish Banking Law no.5411 related with the transfer of funds to SSF. By the decision of the Constitutional Court no.E.2005/39, K.2007/33 dated 22 March 2007 as published in the Official Gazette no.26479 dated 31 March 2007, the related Article was annulled and its execution was aborted as of the publication date of this decision.

Except for the employees of the Bank, the retirement-related benefits of the employees of the consolidated subsidiaries and associates are subject to SSF in case of domestic investees and to the legislations of the related countries in case of foreign investee companies. There are no obligations not reflected in the accompanying consolidated financial statements.

3.18 Taxation

3.18.1 Corporate tax

In accordance with Article No. 32 of the new Corporate Tax Law no.5520 published in the Official Gazette no.26205 dated 21 June 2006, the corporate tax rate is reduced from 30% to 20% in Turkey. Accordingly, effective from 1 January 2006, statutory income is subject to corporate tax at 20%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. As per the decision no.2006/10731 of the Council of Ministers published in the Official Gazette no.26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions, increased to 15% from 10%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

In accordance with the Turkish tax legislation, the tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Effective from 1 January 2006, the article 2 of the Law no.5479 published in the Official Gazette dated 8 April 2006 with no.26133 and the article 19 of the Income Tax Law that used to regulate the investment incentives are abolished. However, the provisional article 69 added to the Income Tax Law through this law regulates the transition period in application of investment incentives.

3.18.2 Deferred taxes

According to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes"; deferred tax assets and liabilities are recognized, using the balance sheet method, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the income statement, then the related tax effects are also recognized in the income statement. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

In compliance with TAS 12, the deferred tax assets and liabilities of the consolidated affiliates are presented on the asset and liability sides of financial statements separately, without any offsetting.

3.19 Funds borrowed

Funds are generated from domestic and foreign sources when this is necessary. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed received are recorded at their purchase costs and discounted by using the internal rate of return.

There are no convertible bonds or any other securities issued.

3.20 Shares and share issuances

None.

3.21 Confirmed bills of exchange and acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

3.22 Government incentives

As of 30 September 2007, the Bank or its financial affiliates do not have any government incentives or aids.

3.23 Segment reporting

The Bank operates in corporate, commercial, small business, retail and investment banking. Accordingly, the banking products served to customers are; custody services, time and demand deposits, accumulating deposit accounts, repos, overdraft facilities, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, gold loans, foreign currency loans, eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfaiting, leasing, insurance, forward, futures, salary payments, investment account (ELMA), cheques, safety boxes, bill payments, tax collections, payment orders. GarantiCard, BonusCard, Shop&Miles, BusinessCard under the brand name of Visa and Mastercard, and also American Express credit cards and Maestro ve Electron Garanti24 cards are available.

The Bank provides service packages to its corporate, commercial and retail customers including deposit, loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance, credit cards, and other banking products. A customer-oriented branch network has been built in order to serve customers' needs effectively and efficiently. The Bank also utilizes alternative delivery channels intensively.

The Bank provides corporate banking products to international and national holdings in Turkey by coordinating regional offices, suppliers and intermediaries, utilizing cross-selling techniques. Mainly, it provides services through its commercial and mixed type of branches to export-revenue earning sectors like tourism and textile and exporters of Turkey's traditional agricultural products.

Additionally, the Bank provides "small business" banking service to enterprises in retail and service sectors. Products include overdraft accounts, POS machines, credit cards, cheque books, TL and foreign currency deposits, investment accounts, internet banking and call-center, debit card, and bill payment.

Retail banking customers form a wide-spread and sustainable deposit base for the Bank. Individual customers' needs are met by diversified consumer banking products through branches and alternative delivery channels.

Information on the business segments on a consolidated basis is as follows as of 30 September 2007:

Current Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Total Operating Profit	959,307	1,214,446	541,700	563,142	3,278,595
Other	-	-	-	912,340	912,340
Total Operating Profit	959,307	1,214,446	541,700	1,475,482	4,190,935
Net Operating Profit	728,374	713,683	338,913	640,295	2,421,265
Income from Associates, Subsidiaries and Joint-Ventures	-	-	-	2,866	2,866
Net Operating Profit	728,374	713,683	338,913	643,161	2,424,131
Provision for Taxes	-	-	-	(390,689)	(390,689)
Net Profit	728,374	713,683	338,913	252,472	2,033,442
Segment Assets	12,796,937	23,983,046	21,870,177	8,266,306	66,916,466
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	36,471	36,471
Undistributed Items	-	-	-	-	-
Total Assets	12,796,937	23,983,046	21,870,177	8,302,777	66,952,937
Segment Liabilities	22,591,121	13,648,129	16,251,802	7,787,322	60,278,374
Shareholders' Equity	-	-	-	6,674,563	6,674,563
Undistributed Items	-	-	-	-	-
Total Liabilities and Shareholders' Equity	22,591,121	13,648,129	16,251,802	14,461,885	66,952,937
Other Segment Items					
Capital Expenditure	-	-	-	-	-
Depreciation Expenses	-	-	-	130,462	130,462
Impairment Losses	-	-	3,215	245,892	249,107
Other Non-Cash Income/Expenses	39,637	(18,626)	(279,886)	(120,511)	(379,386)
Restructuring Costs	-	-	-	-	-

3.24 Other disclosures

3.24.1 Disclosures for the first-time adoption of Turkish Accounting Standards

The accounting principles and valuation methods used in the preparation of the prior period consolidated financial statements are revised as explained in Note 3.1 in compliance with Turkish Accounting Standards and Turkish Financial Reporting Standards as per the communiqué no.1 “Frame for Preparation and Presentation of Financial Statements” of the Turkish Accounting Standards Board published on the Official Gazette no.25702 dated 16 January 2005. In compliance with the Turkish Accounting Standard 8 (TAS 8) “Accounting Policies, Changes in Accounting Estimates and Errors”, the adjustments net of deferred tax effects made to the financial statements of the prior period are summarized below.

	Current Period Profit/Loss ^(*)	Prior Periods Profit/Loss ^(*)	Total Shareholders’ Equity ^(**)
Reported Balances as of 31 December 2005	767,081	-	3,956,617
Reserve for Employee Severance Indemnities	(8,576)	(9,805)	(18,381)
Provision for Short-Term Employee Benefits	(6,198)	(23,290)	(29,488)
Provision for Promotion Expenses of Credit Cards	(3,301)	(7,745)	(11,046)
Cancellation of Negative Goodwill	(154)	154	-
Reclassification of the Year 2004 Extraordinary Reserves to Prior Periods Profit/Loss	-	36,307	-
Adjusted Balances as of 31 December 2005	748,852	(4,379)	3,897,702

(*) excluding minority interest

(**) including minority interest

	Net Profit/Loss of Period	Total Shareholders’ Equity
Reported Balances as of 30 September 2006	851,524	4,489,050
Reserve for Employee Severance Indemnities	(1,504)	(19,885)
Provision for Short-Term Employee Benefits	(1,203)	(30,691)
Provision for Promotion Expenses of Credit Cards	2,654	(8,392)
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	5,618	5,618
Adjusted Balances as of 30 September 2006	857,089	4,435,700

3.24.2 Other reclassifications

The factoring payables amounting YTL 178,561 thousands are netted with the same amount of factoring receivables as of 31 December 2006. As a result of this netting, the capital adequacy ratio increased from 12.76% to 12.83%.

The foreign exchange losses of YTL 14,267 thousands on the principal of foreign currency-indexed loans, is reclassified from “other operating expenses” to “foreign exchange losses”; and the foreign exchange gains of YTL 165,746 thousands and YTL 164,920 thousands on the foreign currency-indexed loans and securities respectively from “other operating income” to “foreign exchange gains” as of 30 September 2006.

4 Consolidated Financial Position and Results of Operations

4.1 Consolidated capital adequacy ratio

The Bank's consolidated capital adequacy ratio is 13.81% (unconsolidated basis: 15.09%) as of 30 September 2007.

4.1.1 Risk measurement methods in calculation of consolidated capital adequacy ratio

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and "Regulation on Equities of Banks" published in Official Gazette no.26333 dated 1 November 2006.

In calculation of capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used.

The items deducted from the capital base are not included in the calculation of risk weighted assets. In calculation of risk weighted assets, impairments, depreciation and amortisation, and provisions are considered as deduction items.

In the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted once more and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

4.1.2 Details of consolidated capital adequacy ratio

	Risk Weightings							
	Parent Bank Only				Consolidated			
	0%	20%	50%	100%	0%	20%	50%	100%
Value at Credit Risk								
Balance Sheet Items (Net)	20,535,180	2,736,395	6,922,965	28,800,548	21,724,651	4,024,656	7,226,036	32,483,815
Cash on Hand	365,838	3,738	-	-	375,115	3,738	-	-
Securities in Redemption	-	-	-	-	-	-	-	-
Balances with the Central Bank of Turkey	1,532,235	-	-	-	1,532,235	-	-	-
Domestic and Foreign Banks, Foreign Headoffices and Branches	-	1,270,210	-	1,173,499	401,586	2,307,958	-	1,559,646
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-	-	-	-	-
Reserve Deposits	2,453,735	-	-	-	2,453,735	-	-	-
Loans	2,264,723	180,059	6,862,312	24,607,894	2,299,512	363,140	6,910,014	26,157,798
Loans under Follow-Up (Net)	-	-	-	301,061	-	-	-	301,489
Lease Receivables	-	-	-	-	52,544	47,023	251,802	1,392,033
Financial Assets Available-for-Sale	9,548,859	1,054,375	-	255,384	9,728,040	1,054,449	-	492,195
Investments Held-to-Maturity	3,801,000	-	-	-	4,298,961	-	-	25,480
Receivables from Term Sale of Assets	-	-	-	247,862	-	-	-	247,862
Miscellaneous Receivables	9,745	-	-	112,162	9,745	-	-	633,268
Accrued Interest and Income	493,557	8,380	60,653	558,245	500,428	28,715	64,220	595,794
Investments in Associates, Subsidiaries and Joint-Ventures (Net)	-	-	-	575,731	-	-	-	9,448
Tangible Assets (Net)	-	-	-	931,287	-	-	-	1,014,096
Other Assets	65,488	219,633	-	37,423	72,750	219,633	-	54,706
Off-Balance Sheet Items	2,564,644	4,585,573	1,144,352	6,270,640	2,572,854	4,676,239	1,153,610	6,490,188
Non-Cash Loans and Commitments	2,564,644	4,435,433	1,144,352	6,260,480	2,572,619	4,505,050	1,153,610	6,414,407
Derivative Financial Instruments	-	150,140	-	10,160	235	171,189	-	75,781
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-	-
Total Risk-Weighted Assets	23,099,824	7,321,968	8,067,317	35,071,188	24,297,505	8,700,895	8,379,646	38,974,003

4.1.3 Summary information related to consolidated capital adequacy ratio

	Parent Bank Only		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk (VaCR)	40,569,241	31,465,572	44,904,005	35,367,309
Value at Market Risk (VaMR)	1,030,513	303,300	1,951,275	1,506,975
Value at Operational Risk (VaOR)	4,270,571	-	5,109,996	-
Shareholders' Equity	6,923,518	4,485,274	7,174,166	4,729,134
Shareholders' Equity/ (VaCR+VaMR+VaOR)*100	15.09%	14.12%	13.81%	12.83%

VaCR: Value at Credit Risk
VaMR: Value at Market Risk
VaOR: Value at Operational Risk

4.1.4 Components of consolidated shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,113,321	2,103,031
Nominal Capital	2,113,321	2,103,031
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	773,960	773,640
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	169,842	110,030
I. Legal Reserve (Turkish Commercial Code 466/1)	146,215	96,236
II. Legal Reserve (Turkish Commercial Code 466/2)	23,627	13,794
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	1,388,115	527,769
Reserve allocated as per the Decision held by the General Assembly	1,388,115	527,769
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	2,033,442	1,166,563
Current Period Profit	2,033,442	1,166,563
Prior Periods Profit	-	-
Provision for Possible Losses (upto 25% of Core Capital)	32,000	30,000
Income on Sale of Equity Shares and Real Estates to be used up for Capital Increase	27,717	-
Primary Subordinated Debt (upto 15% of Core Capital)	-	-
Loss excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	75,095	61,586
Prepaid Expenses (-)	197,242	151,713
Intangible Assets (-)	24,366	25,686
Deferred Tax Asset excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	6,538,397	4,711,033
SUPPLEMENTARY CAPITAL		
General Provisions	247,106	158,466
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	966	966
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	1,509	950
Hedging Reserves (effective portion)	9,296	(19,370)
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	695,972	106,484
45% of Securities Value Increase Fund	66,107	55,217
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	66,107	55,217
Other Reserves	8,309	36,923
Total Supplementary Capital	1,029,265	339,636
TIER III CAPITAL		-
CAPITAL	7,567,662	5,050,669

DEDUCTIONS FROM CAPITAL	393,496	321,535
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	27,023	1,004
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	69,770	81,546
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	7,174,166	4,729,134

4.2 Consolidated credit risk

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.3 Consolidated market risk

The Bank has defined its risk management procedures and has taken necessary precaution in order to avoid market risk, in compliance with “Regulation on Bank’s Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in Official Gazette no. 26333 dated 1 November 2006.

Being exposed to market risk, the Bank’s Board of Directors has identified risk management strategies and policies considering the suggestions by the Executive Risk Committee and has pursued the application of these strategies periodically. Considering the existing major risks, the Bank’s Board of Directors determines and revises the risk limits, when necessary. The Board of Directors ensures that the risk management group and the executive management are taking necessary action in identifying, measuring, controlling and managing several risks.

Market risks arising from trading transactions are measured by internal risk measurement model using value at risk (VaR) methodology. VaR is calculated by three different methods, namely historical simulation, monte carlo simulation and parametric method. Market risk arising from maturity mismatches of assets and liabilities is calculated through the assets-liabilities risk measurement model.

The periodical stress testing and scenario analysis support the above mentioned measurements. Traditional risk measurement methods such as cash flow projection, duration and variance analysis are also used.

The capital need for general market risk and specific risks is calculated using the standart method defined by the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” and reported monthly.

4.3.1 Value at market risk on a consolidated basis

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	67,340
(II) Capital Obligation against Specific Risks - Standard Method	54,098
(III) Capital Obligation against Currency Risk - Standard Method	25,902
(IV) Capital Obligation against Stocks Risks - Standard Method	-
(V) Capital Obligation against Exchange Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	8,762
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI)	156,102
(IX) Value-At-Market Risk ((12.5*VIII) or (12.5*VII))	1,951,275

4.3.2 Monthly average values at market risk

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.4 Consolidated operational risk

The value at operational risk is calculated according to the basic indicator approach as per the Article 14 of “Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks”.

The annual gross income is composed of net interest income plus net non-interest income at year end. It is increased by provisions, operating expenses including fees paid to outsourcing service providers, and reduced by realised gains/losses from the sale of securities available-for-sale and held-to-maturity and extraordinary income and income derived from insurance claims.

	31 December 2004	31 December 2005	31 December 2006
(I) Net Interest Income	1,423,468	1,817,392	2,075,885
(II) Net Non-Interest Income	(1,022,900)	(1,065,662)	(909,320)
(III) Provisions	735,434	664,890	682,656
(IV) Operating Expenses	1,270,775	1,464,074	1,591,847
(V) Gain/Loss on Securities Available-for-Sale and Held-to-Maturity	67,432	58,854	51,307
(VI) Extraordinary Income	84,339	132,907	157,707
(VII) Gross Income (I+II+III+IV+V-VI-VII)	2,255,006	2,688,933	3,232,054
(VIII) Average Gross Income (Total Gross Income/3)	2,725,331		
(IX) Value at Operational Risk (Av. Gross Income x 15% x 12.5)	5,109,996		

4.5 Consolidated foreign currency exchange rate risk

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 September 2007, the Bank and its financial affiliates’ net ‘on balance sheet’ foreign currency short position amounts to YTL 2,043,554 thousands (31 December 2006: YTL 3,231,168 thousands), net ‘off-balance sheet’ foreign currency long position amounts to YTL 2,136,355 thousands (31 December 2006: YTL 3,392,232 thousands), while net foreign currency long position amounts to YTL 92,801 thousands (31 December 2006: YTL 161,064 thousands).

The consolidated foreign currency position risk is measured by “standard method” and “value-at-risk (VaR) model”. Measurements by standard method are carried out weekly, whereas measurements by “VaR” are done daily.

The Bank’s effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in YTL are as follows:

	US\$	EUR	Yen (100)	GBP
The Bank’s foreign currency purchase rate at balance sheet date	1,2050	1,7148	1,0487	2,4550
<u>Foreign currency rates for the days before balance sheet date:</u>				
Day 1	1,2050	1,7136	1,0480	2,4542
Day 2	1,2130	1,7168	1,0489	2,4544
Day 3	1,2200	1,7231	1,0550	2,4591
Day 4	1,3300	1,7331	1,0722	2,4741
Day 5	1,2250	1,7260	1,0651	2,4768
Last 30-day arithmetical average rate	1,2570	1,7480	1,0930	2,5389

The Bank's consolidated currency risk:

	Euro	US\$	Yen	Other FCs	Total
Current Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,539,448	61,738	275	72,866	3,674,327
Banks and Other Financial Institutions	1,059,254	2,257,027	97,377	110,886	3,524,544
Financial Assets at Fair Value through Profit/Loss	108,860	657,437	32	9,666	775,995
Interbank Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	92,289	3,774,446	-	65,940	3,932,675
Loans	5,820,127	9,909,461	32,662	465,763	16,228,013
Investments in Associates, Subsidiaries and Joint-Ventures	546	-	-	-	546
Investments Held-to-Maturity	132,967	762,889	-	-	895,856
Derivative Financial Assets Held for Risk Management	-	12,671	-	-	12,671
Tangible Assets	59,532	404	-	1,618	61,554
Intangible Assets	5,760	240	-	702	6,702
Other Assets	884,526	536,458	2	10,757	1,431,743
Total Assets	11,703,309	17,972,771	130,348	738,198	30,544,626
Liabilities					
Bank Deposits	156,652	341,040	30	208,697	706,419
Foreign Currency Deposits	7,702,802	12,161,771	27,781	600,606	20,492,960
Interbank Money Market Takings	62,191	1,052,696	-	-	1,114,887
Other Fundings	2,398,845	7,391,225	2,194	-	9,792,264
Securities Issued	-	-	-	-	-
Miscellaneous Payables	68,769	62,032	-	5,594	136,395
Derivative Financial Liabilities Held for Risk Management	-	124	-	-	124
Other Liabilities (*)	148,107	132,739	881	63,404	345,131
Total Liabilities	10,537,366	21,141,627	30,886	878,301	32,588,180
Net 'On Balance Sheet' Position	1,165,943	(3,168,856)	99,462	(140,103)	(2,043,554)
Net 'Off-Balance Sheet' Position	(1,194,310)	3,063,310	(18,562)	285,917	2,136,355
Derivative Assets	1,377,238	8,826,873	3,951	721,651	10,929,713
Derivative Liabilities	(2,571,548)	(5,763,563)	(22,513)	(435,734)	(8,793,358)
Non-Cash Loans	-	-	-	-	-
Prior Period					
Total Assets	10,183,040	16,004,675	17,464	497,614	26,702,793
Total Liabilities	9,702,596	19,450,587	19,894	760,884	29,933,961
Net 'On Balance Sheet' Position	480,444	(3,445,912)	(2,430)	(263,270)	(3,231,168)
Net 'Off-Balance Sheet' Position	(377,428)	3,374,281	4,597	390,782	3,392,232
Derivative Assets	1,194,583	5,776,120	12,682	529,508	7,512,893
Derivative Liabilities	(1,572,011)	(2,401,839)	(8,085)	(138,726)	(4,120,661)
Non-Cash Loans	-	-	-	-	-

(*) Other liabilities also include gold deposits of YTL 54,594 thousands that is included in "deposits" in the accompanying consolidated financial statements.

4.6 Consolidated interest rate risk

Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the weekly Assets-Liabilities Committee meetings taking into account the developments in market conditions.

Bank's interest rate risk is measured by the standard method, value at risk (VaR) and asset-liability risk measurement models.

Measurements for standard method are carried out monthly using the maturity ladder table, while measurements for VaR calculations are done daily. Asset-liability risk measurement model is studied monthly.

During the daily VaR calculations, the interest rate risks of the Bank's YTL and FC trading and investment securities available for sale and off-balance sheet position are measured. These are supported by scenario analysis and stress testing.

4.6.1 Interest rate sensitivity of assets, liabilities and off balance sheet items (based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	2,502,877	-	-	-	-	1,911,089	4,413,966
Banks and Other Financial Institutions	2,142,873	207,741	697,740	842,046	97,759	350,902	4,339,061
Financial Assets at Fair Value through Profit/Loss	120,021	9,278	45,883	185,867	496,359	230,200	1,087,608
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	893,831	571,300	4,137,065	1,243,205	4,376,046	527,542	11,748,989
Loans	8,864,474	7,749,358	3,428,121	3,397,675	11,926,150	817,345	36,183,123
Investments Held-to-Maturity	193,129	920	3,034,444	189,855	890,290	54,984	4,363,622
Other Assets	193,902	482,040	284,025	399,029	1,001,714	2,455,858	4,816,568
Total Assets	14,911,107	9,020,637	11,627,278	6,257,677	18,788,318	6,347,920	66,952,937
Liabilities							
Bank Deposits	701,376	153,809	43,652	10,685	-	251,656	1,161,178
Other Deposits	25,018,077	3,155,410	868,988	694,897	238,459	7,423,872	37,399,703
Interbank Money Market Takings	4,668,381	543,796	501,197	613,408	50,557	65,628	6,442,967
Miscellaneous Payables	-	-	-	-	-	2,258,024	2,258,024
Securities Issued	-	-	-	-	-	-	-
Other Fundings	5,608,803	1,573,201	1,491,551	1,768,715	584,140	140,162	11,166,572
Other Liabilities	103	-	-	455	142	8,523,793	8,524,493
Total Liabilities	35,996,740	5,426,216	2,905,388	3,088,160	873,298	18,663,135	66,952,937
On Balance Sheet Long Position		3,594,421	8,721,890	3,169,517	17,915,020		33,400,848
On Balance Sheet Short Position	(21,085,633)					(12,315,215)	(33,400,848)
Off-Balance Sheet Long Position	3,184	4,600	21,427	2,648	1,617	-	33,476
Off-Balance Sheet Short Position	(4,133)	(41,647)	(21,402)	(2,648)	(1,617)	-	(71,447)
Total Position	(21,086,582)	3,557,374	8,721,915	3,169,517	17,915,020	(12,315,215)	(37,971)

Average interest rates on monetary financial instruments (%):

Current Period	Euro	US\$	Yen	YTL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1.70	-	-	12.93
Banks and Other Financial Institutions	4.00-4.50	4.43-7.95	1.25	17.40-23.13
Financial Assets at Fair Value through Profit/Loss	6.49-6.50	7.00-12.38	-	16.25-18.76
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4.75-10.63	7.00-12.75	-	14.07-20.78
Loans	6.16-10.71	7.00-13.90	2.28	23.15-24.48
Investments Held-to-Maturity	8.13-9.88	6.88-12.38	-	18.12-20.78
Liabilities				
Bank Deposits	3.95-6.41	5.12-6.70	-	14.00-18.01
Other Deposits	1.25-5.00	1.00-6.50	0.48	15.15
Interbank Money Market Takings	-	1.00-5.48	-	14.00-16.63
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	4.68-6.54	5.00-6.29	1.76	13.00-18.92

4.6.2 Interest rate sensitivity of assets, liabilities and off balance sheet items (based on repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	3,425,434	-	-	-	-	1,858,999	5,284,433
Banks and Other Financial Institutions	1,673,808	136,959	230,902	201,399	99,924	209,589	2,552,581
Financial Assets at Fair Value through Profit/Loss	52,106	107,268	80,996	296,216	464,813	51,166	1,052,565
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	1,760,022	3,897,170	1,291,782	209,774	2,588,313	62,938	9,809,999
Loans	8,668,560	5,686,549	2,634,832	5,552,701	6,487,302	204,909	29,234,853
Investments Held-to-Maturity	577,933	2,408,687	92,703	635,345	1,468,147	(10,214)	5,172,601
Other Assets	353,390	306,991	258,386	495,267	723,158	1,875,601	4,012,793
Total Assets	16,511,253	12,543,624	4,589,601	7,390,702	11,831,657	4,252,988	57,119,825
Liabilities							
Bank Deposits	1,078,567	189,799	30,390	27,178	17,306	230,475	1,573,715
Other Deposits	21,874,365	2,787,447	415,708	557,406	87,750	6,483,814	32,206,490
Interbank Money Market Takings	3,708,339	217,703	105,881	179,078	1,071,885	12,759	5,295,645
Miscellaneous Payables	-	-	-	-	-	1,740,498	1,740,498
Securities Issued	-	-	-	-	-	-	-
Other Fundings	3,850,782	1,547,357	2,389,256	1,231,014	761,576	25,262	9,805,247
Other Liabilities	1,465,789	160,853	102,005	195,721	1,166	4,572,696	6,498,230
Total Liabilities	31,977,842	4,903,159	3,043,240	2,190,397	1,939,683	13,065,504	57,119,825
On Balance Sheet Long Position	-	7,640,465	1,546,361	5,200,305	9,891,974	-	24,279,105
On Balance Sheet Short Position	(15,466,589)	-	-	-	-	(8,812,516)	(24,279,105)
Off-Balance Sheet Long Position	3,184	4,600	21,427	508	4,921	-	34,640
Off-Balance Sheet Short Position	(4,133)	(41,647)	(21,402)	(508)	(4,921)	-	(72,611)
Total Position	(15,467,538)	7,603,418	1,546,386	5,200,305	9,891,974	(8,812,516)	(37,971)

Average interest rates on monetary financial instruments (%):

Prior Period	Euro	US\$	Yen	YTL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks and Other Financial Institutions	2.75-4.75	3.25-8.00	-	17.34-21.50
Financial Assets at Fair Value through Profit/Loss	5.63-6.50	7.00-12.38	-	14.08-21.43
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	5.34-10.63	7.08-12.75	-	20.60-21.21
Loans	5.73-9.93	7.00-14.33	2.80	20.00-25.16
Investments Held-to-Maturity	5.75-9.88	6.88-12.38	-	17.53-23.06
Liabilities				
Bank Deposits	3.33-5.67	5.25-7.35	-	15.00-18.56
Other Deposits	2.02-5.00	2.00-6.75	0.68	15.77
Interbank Money Market Takings	3.33	5.26-5.60	-	14.20-17.14
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	3.97-5.08	5.50-6.69	-	14.69-20.31

4.7 Consolidated liquidity risk

In order to avoid the liquidity risk, the Bank diverts funding resources as customer deposits and foreign borrowings, considers the maturity mismatch between assets and liabilities and maintains liquid assets to guarantee sufficient liquidity during market fluctuations.

While the Bank's short term liquidity need is met mainly with deposits, its long term liquidity is provided through foreign funding sources such as syndication and securitisation transactions. There are no significant idle liquidity resources.

Maturity analysis of assets and liabilities according to remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-6 Month	6-12 Months	1 Year And Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1,911,089	2,502,877	-	-	-	-	-	4,413,966
Banks and Other Financial Institutions	710,075	1,725,533	212,872	216,755	243,538	1,230,288	-	4,339,061
Financial Assets at Fair Value through Profit/Loss	11,581	46,653	39,203	44,481	264,179	681,272	239	1,087,608
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	53,237	18,313	380,825	194,212	2,121,591	8,980,277	534	11,748,989
Loans	75,712	7,839,048	4,586,924	1,927,290	3,666,833	17,785,827	301,489	36,183,123
Investments Held-to-Maturity	-	169,634	886	335,490	235,210	3,622,402	-	4,363,622
Other Assets	212,036	416,438	1,006,056	284,024	399,029	1,002,424	1,496,561	4,816,568
Total Assets	2,973,730	12,718,496	6,226,766	3,002,252	6,930,380	33,302,490	1,798,823	66,952,937
Liabilities								
Bank Deposits	380,750	570,882	154,332	44,366	10,816	32	-	1,161,178
Other Deposits	8,129,096	24,136,925	3,174,837	887,888	714,464	356,493	-	37,399,703
Other Fundings	-	572,170	455,243	436,859	2,554,541	7,147,759	-	11,166,572
Interbank Money Market Takings	-	4,777,313	481,759	157,047	418,201	608,647	-	6,442,967
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	129,175	1,571,178	23,052	534,619	-	-	-	2,258,024
Other Liabilities (**)	249,709	179,448	137,706	95,752	92,168	154,750	7,614,960	8,524,493
Total Liabilities	8,888,730	31,807,916	4,426,929	2,156,531	3,790,190	8,267,681	7,614,960	66,952,937
Liquidity Gap	(5,915,000)	(19,089,420)	1,799,837	845,721	3,140,190	25,034,809	(5,816,137)	-
Prior Period								
Total Assets	2,377,062	12,748,994	5,424,100	3,301,381	5,916,213	25,440,867	1,911,208	57,119,825
Total Liabilities	8,380,680	27,128,580	3,921,376	2,694,842	2,175,963	7,007,179	5,811,205	57,119,825
Liquidity Gap	(6,003,618)	(14,379,586)	1,502,724	606,539	3,740,250	18,433,688	(3,899,997)	-

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in short period such as tangible assets, investments in associates and subsidiaries, stationary supplies, prepaid expenses and loans under follow-up, are included in this column.

(**) Shareholders' Equity is included in "Other liabilities" line under "Undistributed" column.

4.8 Fair values of financial assets and liabilities

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4.9 Transactions carried out on behalf of customers, items held in trust

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5 Disclosures and Footnotes on Consolidated Financial Statements

5.1 Consolidated assets

5.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Cash in YTL/Foreign Currency	182,702	126,654	181,253	154,042
Central Bank of Turkey	552,739	3,482,374	1,700,078	3,226,830
Others	4,198	65,299	4,088	18,142
Total	739,639	3,674,327	1,885,419	3,399,014

Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Unrestricted Demand Deposits	198	1,532,037	621	1,500,852
Unrestricted Time Deposits	-	-	500,730	-
Restricted Time Deposits	-	-	-	-
Reserve Deposits	552,541	1,950,337	1,198,727	1,725,978
Total	552,739	3,482,374	1,700,078	3,226,830

The banks operating in Turkey keep reserve deposits for turkish currency and foreign currency liabilities in YTL and USD or EUR at the rates of 6% and 11%, respectively as per the Communiqué no.2005/1 “Reserve Deposits” of the Central Bank of Turkey. Interest rates applied for reserve requirements by the Central Bank of Turkey are 12.93% for YTL deposits and 2.325% and 1.700% for USD and EUR deposits.

5.1.2 Financial assets at fair value through profit/loss

5.1.2.1 *Financial assets at fair value through profit/loss subject to repurchase agreements and provided as collateral/blocked*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Common Shares	-	-	-	-
Bills, Bonds and Similar Securities	1,833	-	8,215	-
Others	-	136,098	-	133,500
Total	1,833	136,098	8,215	133,500

5.1.2.2 *Positive differences on trading derivative instruments*

Trading Derivatives	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward Transactions	10,393	9,482	7,520	2,582
Swap Transactions	810	18,917	6,138	30,825
Futures	-	-	-	-
Options	39,738	10,295	2,639	2,057
Others	-	757	-	3,361
Total	50,941	39,451	16,297	38,825

5.1.3 Banks and other financial institutions

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks	814,517	3,524,544	207,543	2,345,038
Domestic banks	192,576	678,469	138,472	803,673
Foreign banks	621,941	2,846,075	69,071	1,541,365
Foreign headoffices and branches	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	814,517	3,524,544	207,543	2,345,038

The placements at foreign banks include blocked accounts amounting YTL 1,030,422 thousands of which YTL 142,135 thousands and YTL 17,221 thousands are kept at the Central Bank of Luxembourg and the Central Bank of NCTR, respectively for reserve deposits and YTL 871,066 thousands are blocked at various banks for repayments of funds borrowed. The consolidated domestic banks include blocked accounts of YTL 38,941 thousands that are held for insurance business.

Due from foreign banks:

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.4 Financial assets available-for-sale

5.1.4.1 *Financial assets subject to repurchase agreements and provided as collateral/blocked*

Collateralized financial assets available-for-sale in YTL include government bonds. Carrying values of such securities with total face value of YTL 279,310 thousands (31 December 2006: YTL 458,133 thousands), is YTL 277,542 thousands (31 December 2006: YTL 463,266 thousands). The related accrued interests amount to YTL 9,344 thousands (31 December 2006: YTL 51,108 thousands).

Collateralized financial assets available-for-sale in foreign currencies include eurobonds and other foreign currency government securities. Carrying values of such securities with total face value of US\$ 443,250,000 and EUR 3,563,000 (31 December 2006: US\$ 432,650,000 and EUR 3,563,000), are US\$ 437,837,624 and EUR 3,891,700 (31 December 2006: US\$ 429,219,469 and EUR 4,028,624). The related accrued interests amount to US\$ 19,483,263 and EUR 61,945 (31 December 2006: US\$ 19,766,624 and EUR 14,195), respectively and the impairment losses to US\$ 392,172 and EUR 103,414 (31 December 2006: US\$ 28,485).

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Collateralised/Blocked Assets	286,886	557,123	514,373	634,046
Assets subject to Repurchase Agreements	3,481,954	857,555	3,883,783	518,935
Total	3,768,840	1,414,678	4,398,156	1,152,981

5.1.4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt Securities	11,663,950	9,763,491
Quoted at Stock Exchange	8,717,570	7,201,046
Unquoted at Stock Exchange	2,946,380	2,562,445
Common Shares	54,475	22,708
Quoted at Stock Exchange	5,224	5,229
Unquoted at Stock Exchange	49,251	17,479
Value Increases / Impairment Losses (-)	30,564	23,800
Total	11,748,989	9,809,999

As of 30 September 2007, the Bank's "financial assets available-for-sale" portfolio includes private sector bonds with "credit linked notes" at a total face value of USD 875,000,000 (31 December 2006: USD 625,000,000) and a total carrying value of USD YTL 1,067,177 thousands (31 December 2006: YTL 897,013 thousands). Garanti Faktoring's "financial assets available-for-sale" portfolio also includes private sector bonds with "credit linked notes" at a total face value of USD 24,535,000 and EUR 1,000,000 (31 December 2006: -) and a total carrying value of USD YTL 31,802 thousands (31 December 2006: -).

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Lendings to Shareholders	6	2,126	2	9,455
Corporates	6	2,126	2	9,455
Individuals	-	-	-	-
Indirect Lendings to Shareholders	73,835	125,374	82,587	41,793
Loans to Employees	53,423	-	37,034	-
Total	127,264	127,500	119,623	51,248

5.1.5.2 Loans and other receivables classified in groups I and II and restructured or rescheduled

Cash Loans	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled Loans and Other Receivables
Loans	35,783,951	-	-	97,683
Discounted Bills	82,883	-	-	-
Export Loans	3,462,909	-	-	36,146
Import Loans	30,209	-	-	-
Loans to Financial Sector	890,095	-	-	-
Foreign Loans	1,864,641	-	-	-
Consumer Loans	7,542,444	-	-	-
Credit Cards	5,354,004	-	-	-
Precious Metal Loans	169,608	-	-	-
Others	16,387,158	-	-	61,537
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	35,783,951	-	-	97,683

5.1.5.3 Maturity analysis of cash loans

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

Consumer loans, retail credit cards, personnel loans and personnel credit cards

	Short-Term	Medium and Long-Term	Total
Consumer Loans – YTL	108,512	6,437,798	6,546,310
Housing Loans	2,143	3,374,873	3,377,016
Automobile Loans	9,157	1,087,542	1,096,699
General Purpose Loans	96,661	1,975,383	2,072,044
Others	551	-	551
Consumer Loans – FC-indexed	7,783	566,679	574,462
Housing Loans	2,851	481,161	484,012
Automobile Loans	653	46,615	47,268
General Purpose Loans	4,279	38,903	43,182
Others	-	-	-
Consumer Loans – FC	8,281	32,546	40,827
Housing Loans	-	7,288	7,288
Automobile Loans	-	7,718	7,718
General Purpose Loans	33	9,994	10,027
Others	8,248	7,546	15,794
Retail Credit Cards – YTL	5,107,594	-	5,107,594
With Installment	2,359,740	-	2,359,740
Without Installment	2,747,854	-	2,747,854
Retail Credit Cards – FC	25,424	-	25,424
With Installment	-	-	-
Without Installment	25,424	-	25,424
Personnel Loans – YTL	7,308	11,835	19,143
Housing Loan	-	1,202	1,202
Automobile Loans	4	254	258
General Purpose Loans	7,304	10,379	17,683
Others	-	-	-
Personnel Loans - FC-indexed	-	443	443
Housing Loans	-	132	132
Automobile Loans	-	311	311
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	41	1,771	1,812
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	41	1,771	1,812
Others	-	-	-
Personnel Credit Cards – YTL	32,025	-	32,025
With Installment	13,752	-	13,752
Without Installment	18,273	-	18,273
Personnel Credit Cards – FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Deposit Accounts– YTL (real persons)	359,447	-	359,447
Deposit Accounts– FC (real persons)	-	-	-
Total	5,656,415	7,051,072	12,707,487

5.1.5.5 Installment based commercial loans and corporate credit cards

	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – YTL	143,865	2,721,619	2,865,484
Real Estate Loans	2,407	338,891	341,298
Automobile Loans	25,807	1,217,525	1,243,332
General Purpose Loans	115,651	1,165,203	1,280,854
Others	-	-	-
Installment-based Commercial Loans - FC-indexed	28,603	317,996	346,599
Real Estate Loans	-	55,996	55,996
Automobile Loans	2,500	155,361	157,861
General Purpose Loans	26,103	106,639	132,742
Others	-	-	-
Installment-based Commercial Loans – FC	4	2,962	2,966
Real Estate Loans	-	83	83
Automobile Loans	4	1,790	1,794
General Purpose Loans	-	1,089	1,089
Others	-	-	-
Corporate Credit Cards – YTL	184,038	-	184,038
With Installment	-	-	-
Without Installment	184,038	-	184,038
Corporate Credit Cards – FC	4,923	-	4,923
With Installment	1,719	-	1,719
Without Installment	3,204	-	3,204
Deposit Accounts– YTL (corporate)	408,802	-	408,802
Deposit Accounts– FC (corporate)	-	-	-
Total	770,235	3,042,577	3,812,812

5.1.5.6 Allocation of loan customers

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.5.7 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	33,827,769	27,795,773
Foreign Loans	2,053,865	1,253,238
Total	35,881,634	29,049,011

5.1.5.8 Loans to associates and subsidiaries

	Current Period	Prior Period
Direct Lending	207	112
Indirect Lending	-	-
Total	207	112

5.1.5.9 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	21,189	23,281
Doubtful Loans and Receivables	81,410	58,177
Uncollectible Loans and Receivables	407,394	376,934
Total	509,993	458,392

5.1.5.10 Non-performing loans(NPLs) (net)

Non-performing loans and other receivables restructured or rescheduled:

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Current Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	-	-	62,091
Rescheduled Loans and Receivables	-	-	-
Total	-	-	62,091
Prior Period			
(Gross amounts before specific provisions)			
Restructured Loans and Receivables	-	-	32,547
Rescheduled Loans and Receivables	-	-	-
Total	-	-	32,547

Movements in non-performing loan groups:

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Balances at Beginning of Period	78,232	117,448	448,554
Additions (+)	449,103	38,398	9,482
Transfer from Other NPL Categories (+)	-	281,786	169,401
Transfer to Other NPL Categories (-)	281,786	169,401	17,340
Collections during the Period (-)	100,237	77,797	76,386
Write-offs (-)	10	12	57,953
Balances at End of Period	145,302	190,422	475,758
Specific Provisions (-)	21,189	81,410	407,394
Net Balance on Balance Sheet	124,113	109,012	68,364

Non-performing loans in foreign currencies:

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
Current Period			
Balance at End of Period	1,968	3,896	90,694
Specific Provisions (-)	130	653	63,476
Net Balance at Balance Sheet	1,838	3,243	27,218
Prior Period			
Balance at End of Period	161	581	111,307
Specific Provisions (-)	22	154	69,150
Net Balance at Balance Sheet	139	427	42,157

5.1.5.11 Liquidation policy for uncollectible loans and receivables

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.6 Factoring receivables

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.7 Investments held-to-maturity

5.1.7.1 Investment subject to repurchase agreements and provided as collateral/blocked

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Collateralised/Blocked Investments	262,593	20,930	229,691	35,481
Investments subject to Repurchase	2,561,833	376,490	1,057,869	606,489
Total	2,824,426	397,420	1,287,560	641,970

5.1.7.2 Government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	4,023,589	4,707,081
Treasury Bills	-	-
Other Government Securities	310,581	398,735
Total	4,334,170	5,105,816

5.1.7.3 Investments held-to-maturity

	Current Period	Prior Period
Debt Securities	4,420,263	5,228,073
Quoted at Stock Exchange	3,590,685	3,943,582
Unquoted at Stock Exchange	829,578	1,284,491
Impairment Losses (-)	56,641	55,472
Total	4,363,622	5,172,601

5.1.7.4 Movement of investments held-to-maturity

	Current Period	Prior Period
Balances at Beginning of Period	5,172,601	3,064,645
Foreign Currency Differences On Monetary Assets	(146,614)	96,002
Purchases during the Period	82,984	3,923,995
Disposals through Sales/Redemptions (-)	509,840	1,818,874
Impairment Losses (-)	15,361	20,741
Change in Redeemed Costs	(220,148)	(72,426)
Balances at End of Period	4,363,622	5,172,601

The Bank reclassified certain investment securities, previously classified in its available-for-sale portfolio, amounting YTL 2,993,773 thousands with total face value of YTL 2,936,112 thousands to its investments held-to-maturity portfolio in compliance with the “Regulation on Accounting Standards”. Such securities are included in “purchases during the period” line above in the movement table of investments held-to-maturity for the period at their fair values of YTL 3,108,957 thousands as of their reclassification dates. The value increases of such securities amounting YTL 23,083 thousands are recorded under the shareholders’ equity and amortized through the income statement up to their maturities as earned.

5.1.8 Investments in associates

5.1.8.1 Unconsolidated investments in associates

	Associates	Address (City/ Country)	Parent Bank’s Share – If Different, Voting Rights (%)	Bank Risk Group’s Share (%)
1	Bankalararası Kart Merkezi AŞ ⁽¹⁾	Istanbul/Turkey	10.15	10.15
2	Emeklilik Gözetim Merkezi AŞ	Istanbul/Turkey	-	9.00

	Total Assets	Shareholders’ Equity	Total Fixed Assets ^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company’s Fair Value (if available)
1	14,260	12,685	3,762	1,084	-	3,048	926	-
2	4,143	3,671	364	428	42	319	456	-

⁽¹⁾ Bankalararası Kart Merkezi AŞ has increased its share capital from YTL 4,000 thousands to YTL 6,000 thousands through appropriation from its extraordinary reserves.

^(*) Total fixed assets include tangible and intangible assets.

5.1.8.2 Consolidated investments in associates

	Associates	Address (City/ Country)	Parent Bank’s Share – If Different, Voting Rights (%)	Bank Risk Group’s Share (%)
1	Eureko Sigorta AŞ	Istanbul/Turkey	20.00	20.00

	Total Assets	Shareholders’ Equity	Total Fixed Assets ^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company’s Fair Value (if available)
1	339,231	130,290	16,223	18,552	386	34,887	(7,140)	-

^(*) Total fixed assets include tangible and intangible assets.

Following the sale of 80% shares in Garanti Sigorta AŞ previously classified as investments in consolidated subsidiaries to Eureka BV on 21 June 2007, the remaining 20% shares are reclassified to investments in associates. This investment is consolidated under equity method of accounting in the accompanying consolidated financial statements. Subsequent to this sale, at 1 October 2007 the name of the company has been changed as Eureka Sigorta AŞ.

5.1.8.3 Unconsolidated investments in associates sold during the current period

None.

5.1.8.4 Unconsolidated investments in associates acquired during the current period

None.

5.1.9 Investments in subsidiaries

5.1.9.1 Unconsolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Garanti Bilişim Teknolojisi ve Tic. AŞ	Istanbul/Turkey	100.00	100.00
2	Garanti Ödeme Sistemleri AŞ	Istanbul/Turkey	99.92	100.00
3	Doğuş Hiz. Yön. ve Org. Danış AŞ	Istanbul/Turkey	93.40	100.00
4	Galata Araştırma Yayıncılık Tanıtım ve Bilişim Teknoloji Hizmetleri AŞ	Istanbul/Turkey	100.00	100.00
5	Trifoy Real Estate Company	Bucharest/Romania	-	100.00
6	Participation GBI Custody	Amsterdam/Holland	-	100.00
7	Participation United Custodian	Amsterdam/Holland	-	100.00
8	Trifoy Investments	Amsterdam/Holland	-	100.00
9	Garanti Filo Yönetim Hizmetleri AŞ	İstanbul/Turkey	100.00	100.00

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	11,802	7,336	557	-	930	419	(100,385)	-
2	16,939	6,260	654	-	1,558	1,712	3,969	-
3	929	861	31	21	76	543	-	-
4	335	148	42	-	1	(11)	(185)	-
5	60	32	63	-	-	-	(26)	-
6	214	214	-	-	-	-	-	-
7	214	214	-	-	-	-	-	-
8	2	2	-	-	-	-	-	-
9	25,516	394	15,543	386	-	144	-	-

(*) Total fixed assets include tangible and intangible assets.

Unconsolidated subsidiaries, reasons for not consolidating such investments and accounting treatments applied for such investments

As of 30 September 2007, the investments in Trifoy Real Estate Company, Participation GBI Custody, Participation United Custodian and Trifoy Investments classified as financial subsidiaries are not consolidated as their total assets are less than 1% of the Bank's total assets, instead they are valued at cost.

The non-financial investments in Garanti Bilişim Teknolojisi ve Tic. AŞ, Garanti Ödeme Sistemleri AŞ, Doğuş Hiz. Yön. ve Org. Danış. AŞ, Galata Araştırma Yayıncılık Tanıtım ve Bilişim Teknoloji Hizmetleri AŞ and Garanti Filo Yönetim Hizmetleri AŞ are accounted under equity method of accounting.

5.1.9.2 Movement of consolidated investments in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	605,059	612,058
Movements during the Period	(29,050)	(6,999)
Acquisitions and Capital Increases	-	14,685
Bonus Shares Received (*)	45,605	10,723
Dividends from Current Year Profit	-	-
Sales/Liquidations	66,551	78,256
Reclassifications	-	-
Increase/Decrease in Market Values	16,792	7,903
Currency Differences on Foreign Subsidiaries	(24,896)	37,946
Impairment Losses (-)	-	-
Balance at End of Period	576,009	605,059
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*) Garanti Bank International NV has increased its capital from EUR 134,750,000 to EUR 159,470,000 through appropriation from its retained earnings on 17 April 2007.

Garanti Faktoring Hiz. AŞ has increased its capital from YTL 15,989 thousands to YTL 16,849 thousands through appropriation from its retained earning on 8 August 2007.

Sectoral distribution of consolidated investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	306,987	287,036
Insurance Companies	56,545	123,095
Factoring Companies	41,073	37,205
Leasing Companies	85,380	85,384
Finance Companies	86,024	72,339
Other Subsidiaries	-	-

Quoted consolidated investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	41,073	37,205
Quoted at International Stock Exchanges	-	-

Valuation methods of consolidated investments in subsidiaries

Subsidiaries	Current Period	Prior Period
Valued at Cost	210,587	567,854
Valued at Fair Value	365,422	37,205
Valued by Equity Method of Accounting	-	-

Other information on consolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Shares of Other Consolidated Subsidiaries (%)	Method of Consolidation
1	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	94.10	5.86	Full Consolidation
2	Garanti Faktoring Hiz. AŞ ⁽¹⁾	Istanbul/Turkey	55.40	-	Full Consolidation
3	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
4	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
5	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	-	Full Consolidation
6	Garanti Bank International NV	Amsterdam/Holland	100.00	-	Full Consolidation
7	Garanti Bank Moscow	Moscow/Russia	75.02	24.86	Full Consolidation
8	Garanti Financial Services Plc	Dublin/Ireland	99.99	-	Full Consolidation
9	Garanti Fund Management Co Ltd	Valetta/Malta	99.50	-	Full Consolidation

	Total Assets	Shareholders' Equity	Total Fixed Assets ^(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss and Extraordinary Reserves	Company's Fair Value (if available)
1	1,866,439	193,914	17,039	138,655	-	37,447	73,219	-
2	635,092	31,260	1,355	24,143	-	2,638	7,062	74,133
3	26,752	23,755	2,334	1,810	1,013	5,343	3,726	-
4	15,621	13,076	1,551	308	1,628	(1,386)	1,780	-
5	708,727	85,284	7,037	10,504	9,520	35,006	(17,003)	-
6	5,307,480	344,955	65,293	243,720	80,651	31,811	32,461	267,946
7	502,455	68,868	1,662	22,895	6,498	9,415	16,217	52,040
8	9,401	8,830	-	260	-	(143)	6,396	17,364
9	74	-	-	-	-	-	(267)	-

⁽¹⁾ Financial information is as of 30 June 2007, but fair value information is as of 30 September 2007.

^(*) Total fixed assets include tangible and intangible assets.

Consolidated investments in subsidiaries disposed during the current period

In the current period, the Bank sold its 80% shares in its consolidated subsidiary; Garanti Sigorta AŞ for EUR 365,000,000 and its 15% shares in its consolidated subsidiary Garanti Emeklilik ve Hayat AŞ for EUR 100,000,000, both classified in investments in consolidated subsidiaries at total net asset values of YTL 124,492 thousands and YTL 73,961 thousands, respectively, to Eureko BV on 21 June 2007. The legal name of Garanti Sigorta AŞ has been changed as Eureko Sigorta AŞ at 1 October 2007.

As part of the sale transactions mentioned above, the Bank has a sale option on the remaining shares of Garanti Sigorta AŞ and Eureko BV has purchase and sale options on the shares of Garanti Emeklilik ve Hayat AŞ.

Consolidated investments in subsidiaries acquired during the current period

None.

5.1.10 Investments in joint-ventures

None.

5.1.11 Lease receivables

5.1.11.1 Financial lease receivables according to remaining maturities

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	942,056	795,969	706,281	593,655
Between 1-4 Years	1,090,073	968,073	784,952	693,213
Longer than 4 Years	-	-	-	-
Total	2,032,129	1,764,042	1,491,233	1,286,868

5.1.11.2 Net financial lease receivables

	Current Period	Prior Period
Gross Financial Lease Receivables	2,032,129	1,491,233
Unearned Income on Financial Lease Receivables (-)	268,087	204,365
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	1,764,042	1,286,868

5.1.11.3 Financial lease agreements

The criterias applied for the financial lease agreements are as follows:

The customer applied for a financial lease is evaluated based on the lending policies and criterias taking into account the legal legislation. A “customer analysis report” according to the type and amount of the application is prepared for the evaluation of the customer by the Credit Committee and certain risk rating models such as “customer risk rating” and “equipment rating/scoring” are applied.

In compliance with the legal legislation and the authorization limits of the general manager, credit committee and board of directors, it is decided whether the loan will be granted considering the financial position and the qualitative characteristics of the customer and the criterias mentioned above, if yes, which conditions will be applied. At this stage, collateral such as bank guarantees, mortgages, asset pledges, promissory notes or the personal or corporate guarantees, may be required depending on the creditworthiness of the customer and the characteristics of the product to be sold.

The sectoral, equipment type and pledged asset concentration of the customers are monitored regularly.

The followings are monitored for the financial lease agreements signed:

Subsequent to granting of loan, the fulfillment of monetary aspects such as lending procedures, timely collection of rental payments are monitored. Furthermore, updated information on the performance of companies is reported by the credit monitoring unit even for the performing customers.

The reports prepared by the credit monitoring unit for the performing companies and the assessments made by the administration follow-up and the legal units for the problematic companies, are presented to the top management following the assessments made by the related internal committees and the necessary actions are taken.

5.1.12 Derivative financial instruments held for risk management

5.1.12.1 Positive differences on derivative financial instruments held for risk management

Derivative Financial Assets held for Risk Management	Current Period		Prior Period	
	YTL	FC	YTL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	12,671	-	4,799
Net Foreign Investment Hedges	-	-	-	-
Total	-	12,671	-	4,799

5.1.13 Tangible assets (net)

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.14 Intangible assets

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.15 Deferred tax assets

As of 30 September 2007, the Bank had a deferred tax asset of YTL 63,295 thousands (31 December 2006: YTL 43,830 thousands) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences in its consolidated financial statements.

The Bank did not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 30 September 2007. However, there was a deferred tax asset of YTL 106,384 thousands (31 December 2006: YTL 90,062 thousands) and deferred tax liability of YTL 43,089 thousands (31 December 2006: YTL 46,232 thousands) presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

For the cases where such differences are related with certain items on the shareholders’ equity accounts, the deferred taxes are charged or credited directly to these accounts.

5.1.16 Assets held for sale

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.1.17 Other assets

5.1.17.1 Receivables from term sale of assets

	Current Period	Prior Period
Investments in Associates, Subsidiaries and Joint-Ventures	165,179	169,619
Real Estates	79,840	92,680
Other Assets	2,843	2,843
Total	247,862	265,142

5.1.17.2 Prepaid expenses, taxes and similar items

	Current Period	Prior Period
Prepaid Expenses	197,242	151,713
Prepaid Taxes	7,579	7,857

5.2 Consolidated liabilities

5.2.1 Maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
Saving Deposits	1,034,094	-	3,470,676	6,417,025	234,365	58,174	232,713	-	11,447,047
Foreign Currency	5,271,599	-	6,639,657	6,204,599	851,816	752,103	706,623	66,563	20,492,960
Residents in Turkey	3,738,900	-	5,387,069	5,707,627	568,566	446,550	422,477	65,792	16,336,981
Residents in Abroad	1,532,699	-	1,252,588	496,972	283,250	305,553	284,146	771	4,155,979
Public Sector Deposits	170,292	-	4,525	4,233	7	1,336	53	-	180,446
Commercial Deposits	1,555,667	-	2,119,023	1,258,462	30,667	83,066	4,295	-	5,051,180
Others	67,264	-	32,540	72,439	812	168	253	-	173,476
Precious Metal Deposits	30,176	-	1,473	1,363	2,840	3,124	15,618	-	54,594
Bank Deposits	381,815	-	569,267	154,332	44,365	11,368	31	-	1,161,178
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	11,150	-	213,841	-	17,751	552	31	-	243,325
Foreign Banks	235,899	-	355,426	154,332	26,614	10,816	-	-	783,087
Special Purpose Financial Institutions	134,766	-	-	-	-	-	-	-	134,766
Others	-	-	-	-	-	-	-	-	-
Total	8,510,907	-	12,837,161	14,112,453	1,164,872	909,339	959,586	66,563	38,560,881

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit	Total
Saving Deposits	858,537	-	2,652,039	5,370,180	173,910	36,990	61,384	-	9,153,040
Foreign Currency	5,306,372	-	6,259,367	5,003,582	725,110	490,752	684,307	66,739	18,536,229
Residents in Turkey	3,564,397	-	5,107,083	4,486,519	603,335	217,523	432,301	66,058	14,477,216
Residents in Abroad	1,741,975	-	1,152,284	517,063	121,775	273,229	252,006	681	4,059,013
Public Sector Deposits	13,447	-	8,047	6,792	7	46	48	-	28,387
Commercial Deposits	1,363,647	-	1,460,924	1,184,717	23,406	12,262	8,835	-	4,053,791
Others	178,397	-	28,761	170,388	305	19	217	-	378,087
Precious Metal Deposits	32,721	-	1,248	1,360	2,844	-	18,783	-	56,956
Bank Deposits	311,044	-	705,488	355,282	142,898	39,091	19,912	-	1,573,715
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	50,691	-	295,634	4,093	7,045	10,208	17,226	-	384,897
Foreign Banks	194,906	-	409,854	351,189	135,853	28,883	2,686	-	1,123,371
Special Purpose Financial Institutions	65,447	-	-	-	-	-	-	-	65,447
Others	-	-	-	-	-	-	-	-	-
Total	8,064,165	-	11,115,874	12,092,301	1,068,480	579,160	793,486	66,739	33,780,205

5.2.1.1 Saving deposits and other deposit accounts insured by Saving Deposit Insurance Fund

Saving deposits covered by deposit insurance and total amount of deposits exceeding insurance coverage limit:

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	5,739,713	4,553,983	5,584,580	4,529,157
Foreign Currency Saving Deposits	3,088,674	3,015,500	6,443,066	5,151,654
Other Deposits	2,213	3,417	40,975	45,860
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

5.2.1.2 Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.1.3 Saving deposits out of the insurance coverage limits of Saving Deposit Insurance Fund

Saving Deposits at	Current Period	Prior Period
Foreign Branches	304,701	239,732
Off-Shore Branches	-	-

5.2.2 Derivative financial liabilities held for trading

Trading Derivatives	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward Deals	28,165	8,482	2,830	1,598
Swaps	372,528	42,693	240,601	10,129
Futures	-	103	-	-
Options	11,311	9,487	473	2,268
Others	-	552	-	1,646
Total	412,004	61,317	243,904	15,641

5.2.3 Funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	570,683	705,962	585,874	401,126
Foreign Banks, Institutions and Funds	803,625	8,343,643	364,242	8,310,633
Total	1,374,308	9,049,605	950,116	8,711,759

5.2.3.1 Maturities of funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-Term	637,760	2,902,621	950,116	2,717,581
Medium and Long-Term	738,548	6,146,984	-	5,994,178
Total	1,374,308	9,049,605	950,116	8,711,759

5.2.3.2 Disclosures for concentration areas of the bank's borrowings according to customers or sector groups providing funds or other risk concentrating criterias

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.4 Other external funds

Funds obtained through repurchase transactions:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Domestic Transactions	4,508,261		3,476,521	-
Financial Institutions and Organizations	4,431,416	-	59,156	-
Other Institutions and Organizations	29,733	-	3,373,115	-
Individuals	47,112	-	44,250	-
Foreign Transactions	819,819	1,114,887	834,273	984,851
Financial Institutions and Organizations	819,436	1,114,887	833,600	984,851
Other Institutions and Organizations	98	-	378	-
Individuals	285	-	295	-
Total	5,328,080	1,114,887	4,310,794	984,851

5.2.5 Factoring payables

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.6 Lease payables (Net)

5.2.6.1 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	2,482	2,482	1,815	1,664
Between 1-4 Years	-	-	-	-
Longer than 4 Years	-	-	-	-
Total	2,482	2,482	1,815	1,664

5.2.6.2 Operational lease agreements

The operational leasing agreements are signed for some branches and ATM's. The agreements are prepared annually and annual rents are paid in advance and recorded as prepaid expense in "other assets". There are not any commitments arising on the existing operational lease agreements.

5.2.7 Negative differences on derivative financial liabilities held for risk management

Derivative Financial Liabilities held for Risk Management	Current Period		Prior Period	
	YTL	FC	YTL	FC
Fair value hedges	-	-	-	-
Cash flow hedges	-	124	-	-
Net foreign investment hedges	-	-	-	-
Total	-	124	-	-

5.2.8 Provisions

5.2.8.1 General provisions

	Current Period	Prior Period
General Provision for	247,106	158,466
Loans and Receivables in Group I	217,401	138,632
Loans and Receivables in Group II	382	490
Non-Cash Loans	29,323	19,344
Others	-	-

5.2.8.2 Provisions for foreign exchange differences on foreign currency indexed loans and financial lease receivables

	Current Period	Prior Period
Short-Term Loans	34,939	12,392
Medium and Long-Term Loans	80,838	7,344
Total	115,777	19,736

Provisions for foreign exchange differences on foreign currency indexed loans are netted with the loans on asset side.

5.2.8.3 Provisions for non-cash loans that are not indemnified or converted into cash

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.8.4 Other provisions

5.2.8.4.1 General reserves for possible losses

	Current Period	Prior Period
General Reserves for Possible Losses	32,000	30,000

The Bank provided a general reserve in the amount of YTL 32,000 thousands in the current period against the possible adverse effects of the potential risks in the economy.

5.2.8.4.2 Other provisions for possible losses

	Current Period	Prior Period
Reserve for Employee Benefits	167,174	129,930
Insurance Technical Provisions, Net	103,061	206,744
Provision for Promotion Expenses of Credit Cards (*)	45,164	46,051
Other Provisions	57,792	64,625
Total	373,191	447,350

(*) The Bank provides fully for the committed promotion expenses of credit cards as of the balance sheet date.

5.2.9 Taxes and other duties payable

5.2.9.1 Current tax liability

5.2.9.1.1 Tax provision

As of 30 September 2007, after netting with the prepaid taxes, the tax liability amounts to YTL 141,282 thousands (31 December 2006: YTL 127,631 thousands). In cases where the differences between the carrying amounts and the taxable amounts of assets subject to tax, are related with certain items in the equity accounts, the current tax assets/liabilities are charged or credited directly to these accounts.

5.2.9.1.2 Taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	141,282	127,631
Taxation on Securities Income	59,476	31,202
Taxation on Real Estates Income	842	677
Banking Insurance Transaction Tax	24,463	23,563
Foreign Exchange Transaction Tax	2,975	3,252
Value Added Tax Payable	831	1,249
Others	13,027	10,685
Total	242,896	198,259

5.2.9.1.3 Premiums payable

	Current Period	Prior Period
Social Security Premiums-Employees	467	278
Social Security Premiums-Employer	446	384
Bank Pension Fund Premium-Employees	461	8
Bank Pension Fund Premium-Employer	722	11
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	572	482
Unemployment Insurance-Employer	1,068	889
Others	-	3
Total	3,736	2,055

5.2.9.2 Deferred tax liability

In the accompanying consolidated financial statements of the Bank had a deferred tax liability of YTL 2,394 thousands (31 December 2006: YTL 1,108 thousands).

5.2.10 Payables for assets held for sale

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.11 Subordinated loans

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.2.12 Shareholders' equity

5.2.12.1 Paid-in capital

	Current Period	Prior Period
Common Shares	2,100,000	2,100,000
Preference Shares	-	-

5.2.12.2 Registered share capital system

Capital System	Paid-in Capital	Ceiling per Registered Share Capital
Common Shares	2,100,000	7,000,000
Preference Shares	-	-

5.2.12.3 Capital increases in current period

None.

5.2.12.4 Capital increases from capital reserves in current period

None.

5.2.12.5 Capital commitments for current and future financial periods

None.

5.2.12.6 Possible effect of estimations made for the parent bank's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties

None.

5.2.12.7 Information on privileges given to stocks representing the capital

None.

5.2.12.8 Securities value increase fund

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	-	-	-	-
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	74,652	72,235	52,419	70,285
Valuation Difference	74,652	72,235	52,419	70,285
Exchange Rate Difference	-	-	-	-
Total	74,652	72,235	52,419	70,285

5.2.12.9 Revaluation surplus

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Movables	-	-	-	-
Real Estates	2,147	-	2,147	-
Gain On Sale of Investments in Associates and Subsidiaries and Real Estates to be used for Capital Increases	27,717	-	-	-
Revaluation Surplus on Leasehold Improvements				
Total	29,864	-	2,147	-

5.2.12.10 Bonus shares of associates, subsidiaries and joint-ventures

It includes the bonus shares received from the following investee companies; Doğuş GE Gayrimenkul Yatırım Ortaklığı AŞ by YTL 23 thousands, Eureka Sigorta AŞ by YTL 559 thousands, Garanti Ödeme Sistemleri AŞ by YTL 401 thousands, Kredi Kartları Bürosu by YTL 481 thousands, Tat Konserve AŞ by YTL 36 thousands and Yatırım Finansman Menkul Değerler AŞ by YTL 9 thousands.

5.2.12.11 Legal reserves

	Current Period	Prior Period
I. Legal Reserve	144,838	94,859
II. Legal Reserve	23,627	13,794
Special Reserves	-	-
Total	168,465	108,653

In compliance with the decisions made on the annual general assemblies of the Bank and its financial affiliates operating in Turkey, 5% of prior periods' profit is allocated to legal reserves.

5.2.12.12 Extraordinary reserves

	Current Period	Prior Period
Legal Reserves allocated in compliance with the Decisions made at the Annual General Assembly	1,388,561	526,745
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Difference on Foreign Currency Capital		
Total	1,388,561	526,745

In compliance with the decisions made on the annual general assemblies of the Bank and its financial affiliates, remaining prior periods' profit after the appropriation to legal reserves, are allocated to extraordinary reserves.

5.2.12.13 Minority interest

	Current Period	Prior Period
Balance at Beginning of Period	7,770	42,022
Profit Share of Subsidiaries	6,405	1,252
Prior Period Dividend	-	-
Increase/(Decrease) in Minority Interest due to Sale	7,586	(35,504)
Others	-	-
Balance at End of Period	21,761	7,770

The decrease in minority interest is resulted from the sale of %15 shares of the %100 owned consolidated subsidiary; Garanti Emeklilik ve Hayat AŞ. The decrease in the previous period is resulted from the sale of the shares in Garanti Gayrimenkul Yatırım Ortaklığı AŞ. Subsequent to this sale, the legal name of the company has been changed as Doğuş GE Gayrimenkul Yatırım Ortaklığı AŞ.

5.3 Consolidated off-balance sheet items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	5,623,247	4,675,006
Letters of Guarantee in YTL	3,685,484	2,682,754
Letters of Credit	2,030,042	1,872,234
Bills of Exchange and Acceptances	127,780	143,541
Others	-	-
Total	11,466,553	9,373,535

5.3.1.2 Possible losses and commitments resulted from off-balance sheet items

A specific provision of YTL 1,850 thousands (31 December 2006: YTL 1,694 thousands) is made for unliquidated non-cash loans of YTL 9,008 thousands (31 December 2006: YTL 6,621 thousands) recorded under the off-balance sheet items as of 30 September 2007.

The detailed information for commitments, guarantees and sureties are provided under the statement of “off-balance sheet items”.

As of 30 September 2007, in the Bank’s “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 875,000,000 (31 December 2006: USD 625,000,000). Also, in Garanti Faktoring's “other irrevocable commitments”, there are commitments for “credit linked notes” with a total face value of USD 35,850,000 and EUR 3,000,000 (31 December 2006: -).

5.3.1.3 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Risks	282,031	293,794
<i>With Original Maturity of 1 Year or Less</i>	<i>64,859</i>	<i>41,294</i>
<i>With Original Maturity of More Than 1 Year</i>	<i>217,172</i>	<i>252,500</i>
Other Non-Cash Loans	11,864,498	9,753,804
Total	12,146,529	10,047,598

5.3.1.4 Other information on non-cash loans

Sectoral risk concentration of non-cash loans:

	Current Period				Prior Period			
	YTL	(%)	FC	(%)	YTL	(%)	FC	(%)
Agriculture	16,327	0.44	9,841	0.12	12,136	0.45	13,193	0.18
Farming and Stockbreeding	15,400	0.42	9,705	0.12	11,226	0.42	13,193	0.18
Forestry	99	0.00	-	-	80	0.00	-	-
Fishery	828	0.02	136	0.00	830	0.03	-	-
Manufacturing	1,258,166	34.12	3,104,942	36.70	709,238	26.43	2,841,533	38.59
Mining	332,308	9.01	15,026	0.18	66,001	2.46	28,819	0.39
Production	886,819	24.05	2,558,790	30.24	627,430	23.38	2,521,650	34.25
Electricity, Gas, Water	39,039	1.06	531,126	6.28	15,807	0.59	291,064	3.95
Construction	566,027	15.35	1,528,372	18.07	438,975	16.36	1,236,261	16.79
Services	1,636,781	44.39	3,250,651	38.43	1,405,537	52.38	3,078,229	41.80
Wholesale and Retail Trade	1,072,288	29.08	994,864	11.76	857,786	31.97	1,021,648	13.88
Hotel, Food and Beverage Services	70,236	1.90	111,507	1.32	68,449	2.55	106,313	1.44
Transportation and Telecommunication	83,806	2.27	562,470	6.65	73,029	2.72	594,951	8.08
Financial Institutions	365,357	9.91	1,551,326	18.34	365,201	13.61	1,327,960	18.03
Real Estate and Renting Services	14,159	0.39	10,594	0.13	12,032	0.45	11,685	0.16
“Self-Employment” Type Services	-	-	-	-	-	-	-	-
Educational Services	5,554	0.15	3,364	0.04	5,750	0.21	4,763	0.06
Health and Social Services	25,381	0.69	16,526	0.19	23,290	0.87	10,909	0.15
Others	209,970	5.70	565,452	6.68	117,571	4.38	194,925	2.64
Total	3,687,271	100.00	8,459,258	100.00	2,683,457	100.00	7,364,141	100.00

5.3.1.5 Non-cash loans classified under Group I and II:

	Group I		Group II	
	YTL	FC	YTL	FC
Non-Cash Loans	3,680,978	8,456,543	-	-
Letters of Guarantee	3,679,191	5,622,002	-	-
Bills of Exchange and Bank Acceptances	858	126,970	-	-
Letters of Credit	929	2,707,571	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Surities	-	-	-	-

5.3.2 Financial derivative instruments

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.3.3 Contingent liabilities and assets

The monetary losses amounting YTL 712,872 thousands incurred in the 2001 financial year as a result of the inflation accounting applied in compliance with the Temporary article no.4 added to the Banks Law no.4389 through the Law no.4743, were net off with extraordinary reserves, legal reserves and capital reserves from inflation adjustments to equity items. As per the Temporary article no.4/13 of the same Law and the statements of the reiterated article 14/1a of the Corporate Tax Law no.5422, these losses have not been taking into account in the tax returns of the year 2001 and subsequent years, whereas such losses should have been deducted from the taxable income. Accordingly, the tax returns were submitted with a condition stating that such losses should have been deducted and the Bank may appeal to the tax court for the tax return. Following the rejection of this condition by the tax office, the Bank appealed to the tax court for the corporate tax return of the year 2004 and the temporary tax periods of the year 2005 and the tax court decided in favour of the Bank. However, as of the reporting date, the judgement process continues.

5.3.4 Services rendered on behalf of third parties

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4 Consolidated income statement

5.4.1 Interest income

5.4.1.1 Interest income from loans

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Income from Loans				
Short-term loans	1,644,344	191,537	1,173,456	164,298
Medium and long-term loans	694,054	556,231	391,476	408,947
Loans under follow-up	13,784	-	28,397	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	2,352,182	747,768	1,593,329	573,245

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	24,152	-	8,765	-
Domestic Banks	20,418	36,005	50,737	4,931
Foreign Banks	95,351	133,096	56,265	39,298
Foreign Headoffices and Branches	-	-	-	-
Total	139,921	169,101	115,767	44,229

5.4.1.3 Interest income from securities portfolio

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Trading Financial Assets	24,997	18,571	12,553	32,897
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	857,886	255,472	587,610	213,349
Investments Held-to-Maturity	491,466	56,524	258,796	144,734
Total	1,374,349	330,567	858,959	390,980

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Investments in Associates and Subsidiaries	12	22

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks	133,761	381,534	85,629	254,121
Central Bank of Turkey	-	-	-	-
Domestic Banks	50,243	36,136	41,482	5,051
Foreign Banks	83,518	345,398	44,147	249,070
Foreign Headoffices and Branches	-	-	-	-
Other Institutions	-	28,443	-	15,160
Total	133,761	409,977	85,629	269,281

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Investments in Associates and Subsidiaries	4,459	32

5.4.2.3 Interest expenses on securities issued

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	396	40,630	-	-	-	-	-	41,026
Saving Deposits	1,262	429,204	771,433	23,579	5,931	14,914	-	1,246,323
Public Sector Deposits	5	1,323	812	1	12	6	-	2,159
Commercial Deposits	8,301	337,938	106,516	3,011	1,946	809	-	458,521
Others	370	9,796	13,926	90	17	26	-	24,225
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total YTL	10,334	818,891	892,687	26,681	7,906	15,755	-	1,772,254
Foreign Currency								
Foreign Currency Deposits	47,851	207,920	184,343	32,800	23,422	23,295	1,980	521,611
Bank Deposits	7,448	17,316	6,932	5,618	4,495	67	-	41,876
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	5	10	21	82	-	-	118
Total FC	55,299	225,241	191,285	38,439	27,999	23,362	1,980	563,605
Grand Total	65,633	1,044,132	1,083,972	65,120	35,905	39,117	1,980	2,335,859

5.4.2.5 Interest expense on repurchase agreements

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.6 Financial lease expenses

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.2.7 Interest expenses on factoring payables

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.3 Dividend income

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.4 Trading income/losses (net)

	Current Period	Prior Period
Income	2,799,135	4,043,157
Trading Account Income	1,177,676	1,296,770
Derivative financial instruments	994,872	568,578
Others	182,804	728,192
Foreign Exchange Gain	1,621,459	2,746,387
Losses (-)	2,981,636	4,086,794
Trading Account Losses	1,308,222	1,253,932
Derivative financial instruments	1,173,260	583,371
Others	134,962	670,561
Foreign Exchange Losses	1,673,414	2,832,862
Total	(182,501)	(43,637)

5.4.5 Other operating income

Other operating income generally consists of collection or reversals of prior year provisions, banking services related costs charged to customers and income in custody services.

In the current period, the gain on sales of 80% shares in Garanti Sigorta AŞ, previously a consolidated subsidiary, and 15% shares in Garanti Emeklilik ve Hayat AŞ, amounting YTL 706,874 thousands is recorded under other operating income.

5.4.6 Provision for losses on loans or other receivables

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	132,026	180,808
Loans and receivables in Group III	79,420	5,841
Loans and receivables in Group IV	26,773	29,048
Loans and receivables in Group V	25,833	145,919
General Provisions	90,961	51,368
Provision for Possible Losses	17,000	15,000
Impairment Losses on Securities	419	4,561
Financial assets at fair value through profit or loss	419	2,914
Financial assets available-for-sale	-	1,647
Impairment Losses on Associates, Subsidiaries and Investments Held-to-Maturity	2,796	19,088
Associates	-	-
Subsidiaries	335	-
Joint Ventures	-	-
Investments held-to-maturity	2,461	19,088
Others	5,905	34,063
Total	249,107	304,888

5.4.7 Other operating expenses

	Current Period	Prior Period
Personnel Costs	555,259	457,730
Reserve for Employee Termination Benefits	7,259	5,447
Deficit Provision for Pension Fund	-	-
Impairment Losses on Tangible Assets	51	9,534
Depreciation Expenses of Tangible Assets	110,067	104,670
Impairment Losses on Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	19,549	18,737
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses of Assets to be Disposed	846	-
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	534,316	443,909
<i>Operational lease related expenses</i>	59,343	42,179
<i>Repair and maintenance expenses</i>	15,685	9,513
<i>Advertisement expenses</i>	75,457	65,340
<i>Other expenses</i>	383,831	326,877
Loss on Sale of Assets	6,011	10,924
Others	287,205	231,815
Total	1,520,563	1,282,766

5.4.8 Profit/loss before taxes

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.9 Provision for taxes on income

As of 30 September 2007, on a consolidated basis, the Bank recorded a tax expense of YTL 403,998 thousands (30 September 2006: YTL 184,960 thousands) and a deferred tax income of YTL 13,309 thousands (30 September 2006: YTL 30,298 thousands, a deferred tax expense).

Deferred tax income/expense on timing differences :

Deferred tax income/(expense) on timing differences	Current Period
Increase in Tax Deductable Timing Differences	10,844
Decrease in Tax Deductable Timing Differences (-)	4,013
Increase in Taxable Timing Differences (-)	3,355
Decrease in Taxable Timing Differences	9,833
Total	13,309

Deferred tax income/expense in the income statement arising on timing differences, tax losses and tax deductions and exemptions:

Deferred tax income/(expense) arising on timing differences, tax losses and tax deductions and exemptions	Current Period
Increase/(Decrease) in Tax Deductable Timing Differences	6,831
(Increase)/Decrease in Taxable Timing Differences	6,478
Increase/(Decrease) in Tax Losses	-
Increase/(Decrease) in Tax Deductions and Exemptions	-
Total	13,309

5.4.10 Operating profit/loss after taxes

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.11 Net profit and loss

5.4.11.1 Any further explanation on operating results needed for better understanding of bank’s performance

None.

5.4.11.2 Any changes in estimations that might have a material effect on current and subsequent period results

None.

5.4.11.3 Minority interest’s profit/loss

	Current Period	Prior Period
Net Profit/(Loss) of Minority Interest	6,405	2,211

5.4.12 Components of other items in income statement

Other items do not exceed 10% of the total of income statement.

5.5 Consolidated statement of changes in shareholders' equity

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.6 Consolidated statement of cash flows

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.7 Related Party Risks

5.7.1 Transactions with parent bank's risk group; lendings and deposits and other related party transactions outstanding at period end and income and expenses from such transactions incurred during the period

5.7.1.1 Loans and other receivables

Current Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	7,142	1,222	224,108	9,455	87,185	41,793
Balance at end of period	34,166	1,460	209,782	2,126	168,051	125,374
Interest and Commission Income	22	1	867	531	4,311	515

Prior Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	16,641	211	249,521	157,096	153,299	2,006
Balance at end of period	7,142	1,222	224,108	9,455	87,185	41,793
Interest and Commission Income	40	4	788	1,267	3,141	71

5.7.1.2 Deposits

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	2,010	1,771	509,513	1,304,333	132,777	126,666
Balance at end of period	136,206	2,010	488,319	509,513	215,114	132,777
Interest Expenses	4,459	32	31,188	45,255	6,991	7,789

5.7.1.3 Derivative transactions

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading:						
Beginning of Period	2,790	-	-	4,272	-	-
End of Period	-	2,790	-	-	-	-
Total Profit/Loss	-	-	-	(10)	-	-
Hedging Transactions:						
Beginning of Period	-	-	-	-	-	-
End of Period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

5.7.2 Parent bank's risk group

5.7.2.1 *Relations with companies in risk group of/or controlled by the Bank regardless of nature of current transactions*

Transactions with the risk group, are held under arm's-length conditions; terms are set according to the market conditions and in compliance with the Banking Law. The Bank's policy is to keep the balances and transaction volumes with the risk group at reasonable levels preventing any high concentration risk on balance sheet.

5.7.2.2 *Concentration of transaction volumes and balances with risk group and pricing policy*

The cash loans of the risk group amounting YTL 74,048 thousands (31 December 2006: YTL 82,539 thousands) compose 0.20% (31 December 2006: 0.28%) of the Bank's total cash loans and 0.11% (31 December 2006: 0.14%) of the Bank's total assets. The total loans and similar receivables amounting YTL 411,999 thousands (31 December 2006: YTL 318,435 thousands) compose 0.62% (31 December 2006: YTL 0.56%) of the Bank's total assets. The non-cash loans of the risk group amounting YTL 128,960 thousands (31 December 2006: YTL 52,470 thousands) compose 1.06% (31 December 2006: 0.52%) of the Bank's total non-cash loans. The deposits of the risk group amounting YTL 839,639 thousands (31 December 2006: YTL 644,300 thousands) compose 2.18% (31 December 2006: 1.91%) of the Bank's total deposits. The pricing in transactions with the risk group companies is set in compliance with the market prices.

5.7.2.3 *Other matters not required to be disclosed*

None.

5.7.2.4 *Transactions accounted under equity method*

Please refer to Notes 5.1.8 and 5.1.9.

5.7.2.5 *All kind of agreements signed like asset purchases/sales, service rendering, agencies, leasing, research and development, licences, funding, guarantees, management services*

The Bank has agency contracts with certain consolidated subsidiaries namely Garanti Yatırım Menkul Kıymetler AŞ, Eureko Sigorta AŞ, Garanti Emeklilik ve Hayat AŞ. Accordingly, all the branches of the Bank serve as agencies to sell the products of these entities to customers. Agency services for trading of securities are rendered by the Bank's specialised branches (Investment Centers).

Purchase of equipments for internal use are partly arranged through financial leasing.

5.8 Domestic, foreign and off-shore branches or investments and foreign representative offices

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.9 Significant events and matters arising subsequent to balance sheet date

The legal registration process of Garanti Konut Finansmanı Danışmanlık Hizmetleri AŞ, a new company established as per the decision made during the board of directors meeting of the Bank on 15 September 2007 to provide consultancy and outsourcing services to banks, housing finance and mortgage finance companies, has been completed on 3 October 2007. The Bank owns 99.99% of the company shares. ¼ of the share capital of the company amounting YTL 750 in total, is paid.

5.10 Other Disclosures on Activities of the Bank

5.10.1 Other disclosures

- On 5 February 2007, the Bank obtained a subordinated debt of US\$ 500 millions from foreign markets with an interest of 6.95% and maturity of 10 years with a repayment option for the Bank at the end of the fifth year. This debt is qualified as the secondary subordinated debt to be included in the supplementary capital by BRSA in the calculation of the Bank's capital adequacy ratio as of 5 February 2007 in compliance with the conditions set in the legislation on "Banks' Equities" issued by BRSA and published in the Official Gazette no.26333 dated 1 November 2006.
- It was decided during the Board of Directors meeting of the Bank on 4 April 2007 to merge the Romania branches of Garanti Bank International NV, a fully owned subsidiary of the Bank in Holland and the following companies of GE Consumer Finance; Domenia Credit IFN, Ralfi IFN and Motoractive Leasing IFN operating in Romania. The ultimate shareholders of Motoractive Leasing IFN, the company planned to operate in Romania under the banking license after these mergers will be T. Garanti Bankası AŞ, Doğu Holding AŞ and GE Consumer Finance. The work on this issue continues.
- It has been resolved in the Bank's board of directors meeting held on 11 June 2007 that:
 - the Article 38 "Voting" of the Articles of Association of the Bank will be amended to provide right of one vote for each Garanti Bank share of 1Ykr (the pertaining amendment reflects a technical adjustment, related to the transition to YTL and does not entail any change regarding the voting rights of the shares).
 - the Article 45 "Distribution of Profit" of the Articles of Association of the Bank regarding the distribution of the net profit to members of the board of directors and the personnel will be abolished and removed from the Articles of Association of the Bank; and other terms in Article 45 regarding distribution of net profit will remain without any changes.

The applications have been filed with the BRSA and the CMB for these resolutions on 13 June 2007. Following the completion of this process, the amendments to the Articles of Association are approved at the extraordinary general assembly meeting held on 4 October 2007.

- On 5 July 2007, the Bank has reached an agreement with Deutsche Bank AG regarding the transfer of its custody services to foreign institutional investors for US\$ 115 millions. Pursuant to the agreement, ongoing services provided to foreign institutional investors will continue to be provided by the Bank for the duration of the next ten months.

US\$ 115 millions (YTL 147,775 thousands) that was paid in cash by Deutsche Bank AG for the transfer of the said services up front, is recorded under other operating income.

On the other hand, custody services provided by the Bank to local investors will continue to be provided as presently carried out and such investors will continue to receive custody services from Türkiye Garanti Bankası AŞ.

- It was decided during the board of directors meeting of the Bank on 15 September 2007 to establish a new company, Garanti Financial Services NV in Holland for the purpose of cross border expansions and accordingly to authorize the head office to carry out the establishment procedures.

5.10.2 Parent bank's latest international risk ratings

MOODY'S (September 2007*)

Long Term FC Deposit	B1
Long Term YTL Deposit	A3
Short Term YTL Deposit	Prime-2
Long Term FC Deposit Outlook	Stable
FSR	C-
FSR Outlook	Stable
Long Term National	Aaa.tr
Short Term National	TR-1

STANDARD AND POORS (January 2007*)

Long Term FC Obligations	BB-
Long Term YTL Deposit	BB-
Outlook	Stable

FITCH RATINGS (July 2007*)

Foreign Currency	
Long Term	BB
Short Term	B
Outlook	Stable
Individual	C
Support	3
Turkish Lira	
Long Term	BB+
Short Term	B
Outlook	Stable
National	AA+
Outlook	Stable

CAPITAL INTELLIGENCE (July 2007*)

Long Term FC Obligations	BB-
Short Term FC Obligations	B
Domestic Strength	BBB+
Support	2
Outlook	Stable

(*) Latest dates in risk ratings or outlooks.

5.10.3 Latest international risk ratings of Garanti Bank International NV, a consolidated subsidiary

MOODY'S (March 2007)*

Long Term FC Deposit	A 3
Short Term FC Deposit	Prime 2
FSR	C
Outlook	Stable

(*) Latest dates in risk ratings or outlooks.

5.10.4 Latest international risk ratings of Garanti Faktoring, a consolidated subsidiary

FITCH RATINGS (May 2007)*

Foreign Currency	
Long Term	BB
Short Term	B
Outlook	Positive
Support	3
Turkish Lira	
Long Term	BB+
Short Term	B
Outlook	Positive
National	AA
Outlook	Stable

(*) Latest dates in risk ratings or outlooks.

5.10.5 Latest international risk ratings of Garanti Finansal Kiralama, a consolidated subsidiary

FITCH RATINGS (May 2007)*

Foreign Currency	
Long Term	BB
Short Term	B
Outlook	Positive
Support	3
Turkish Lira	
Long Term	BB+
Short Term	B
Outlook	Positive
National	AA
Outlook	Stable

STANDARD AND POORS (January 2007)*

Long Term FC Obligations	BB-
Short Term FC Obligations	B
Outlook	Stable

(*) Latest dates in risk ratings or outlooks.

5.10.6 Dividends

At the Annual General Assembly of the Bank dated 17 April 2007, it was decided to distribute the income of 2006 as follows:-

2006 PROFIT DISTRIBUTION TABLE	
CURRENT YEAR PROFIT	1,063,663
A - I. Legal reserve (Turkish Commercial Code 466/1) at 5%	(53,183)
Undistributable funds	(23,019)
B – The first dividend at 5% of the Paid Capital	(105,000)
C – Extraordinary reserves at 5% after above deductions	(44,123)
D -	
- to the members of the Board of Directors upto 5%	-
- to the Bank personnel at 5%	(38,106)
- to the owners of the Founder Shares	(76,213)
E – Extraordinary reserves	(712,588)
F - II. Legal reserve (Turkish Commercial Code 466/2)	(11,432)

In the profit distribution, the undistributable funds are allocated as YTL 27,717 thousands due to changes in certain applications; and the difference is compensated by appropriation from extraordinary reserves.

As per the resolutions of the Board of Directors and the Annual General Assembly of the Bank on 17 April 2007, the profit distribution as detailed below was decided. The distribution of the profit has started.

CASH DIVIDEND ON 2006 PROFIT FOR ORDINARY SHARE HOLDERS

CASH DIVIDEND ON EOC PROFIT FOR ORDINARY SHAREHOLDERS				
	AMOUNTS TO BE PAID IN CASH			DIVIDEND PAYMENT DATE
	TOTAL AMOUNT OF DIVIDEND	DIVIDEND PER SHARE WITH A FACE VALUE OF YTL 1		
		AMOUNT	RATIO (%)	
GROSS (*)	105,000	0.05000	5.00000	24.04.2007
NET	89,250	0.04250	4.25000	

CASH DIVIDEND ON 2006 PROFIT FOR FOUNDER SHARE HOLDERS

CASH DIVIDEND ON 20% PROFIT FOR FOUNDER SHARE HOLDERS				
	AMOUNTS TO BE PAID IN CASH			DIVIDEND PAYMENT DATE
	TOTAL AMOUNT OF DIVIDEND	DIVIDEND PER SHARE		
		NO OF SHARES	AMOUNT	
GROSS (*)	76,213	370	206	24.04.2007
NET	64,781	370	175	

(*) There will be no withholding tax of 15% on the cash dividends paid to the resident institutions and the parties earning revenues through their operations or permanent representatives in Turkey.

6 Independent Auditors' Review Report

6.1 Disclosure on Independent Auditors' Review Report

The consolidated interim financial statements of the Bank and its financial affiliates as of 30 September 2007, are reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the member firm of KPMG International). It was noted in their review report dated 9 November 2007 that nothing material has come to their attention that caused them to believe that the accompanying consolidated interim financial statements do not give a true and fair view of the financial position and results of its operations of the Bank and its financial affiliates as of 30 September 2007.

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