



GarantiBank

BRSA Bank-only Earnings Presentation

September 30, 2007

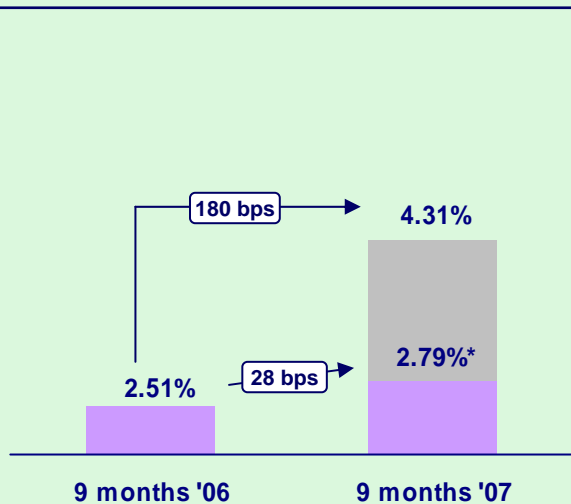
*Volume & profitability
growth momentum
on track...*

3Q07 – Sustainable Value Creation

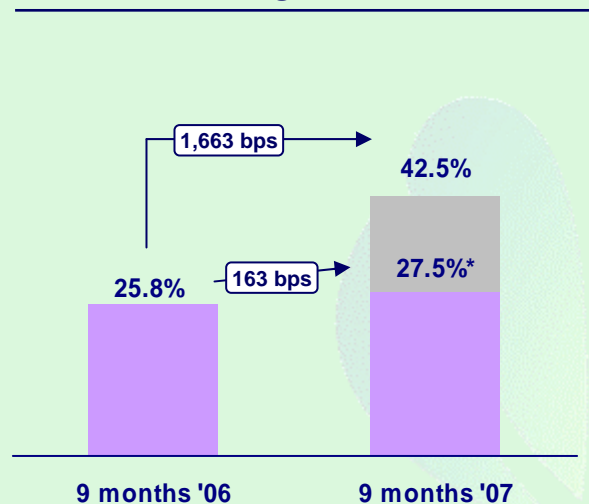
- Continued asset growth in high yielding loans -- **significant market share gains** in all products
- Above sector **growth** in both time and demand deposits **without increase in costs**
- Net fees and commissions' **quarterly sequential growth momentum** continues
- Ordinary banking income continued to expand with increasing share of **customer driven sources** from 79.5% to **85.7%** y-o-y.
- Continued revenue growth trend and improved operational efficiency -- Despite 74 net increase in branches **cost/income ratio**¹ in the first nine months is **439 bps** better than the ratio in the same period last year.
- **Profitability growth on track** -- Y-o-y normalized¹ ROAA and ROAE improved 28 bps and 163 bps reaching 2.79% and 27.5%, respectively
- Received proceeds from the sale of custody business serving foreign institutional investors to Deutsche Bank in 3Q 07
- **Solid capital base** with CAR 15.1%
- Results include the effect of:
 - **The sale** of 80% stake in **insurance subsidiary** and 15% stake in **pension & life business subsidiary** for total cash proceeds of **YTL 724 mn. (post-tax) -- June 07**
 - **The sale of custody business** in 3Q serving foreign institutional investors to Deutsche Bank for **YTL 112 mn (post-tax) -- July 07**

Continued Delivery of High Profitability -- With and without one offs...

ROAA

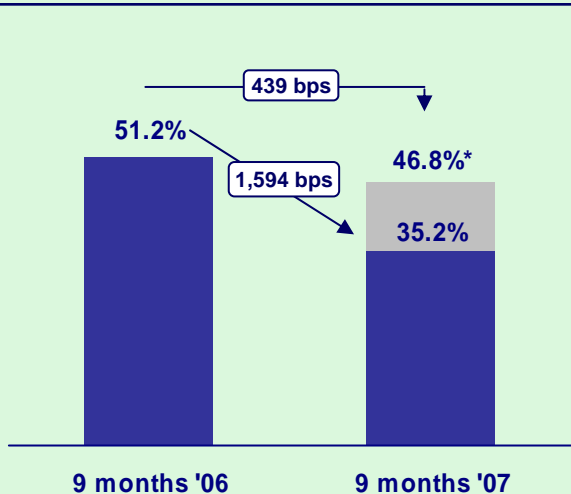


ROAE



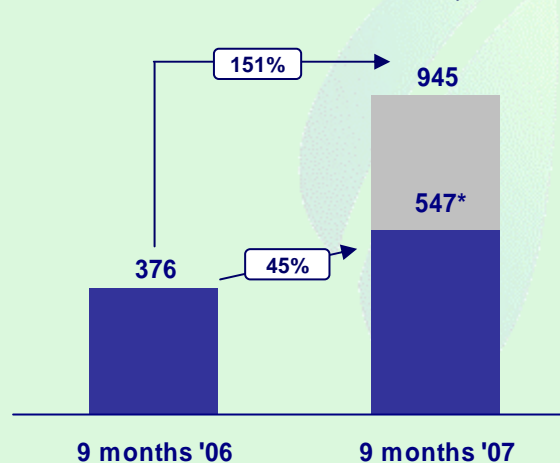
Solid profitability ratios with 28 bps y-o-y growth in normalized ROAA from 2.51% to 2.79%, and 163 bps y-o-y growth in normalized ROAE from 25.8% to 27.5%.

Cost / Income



EPS

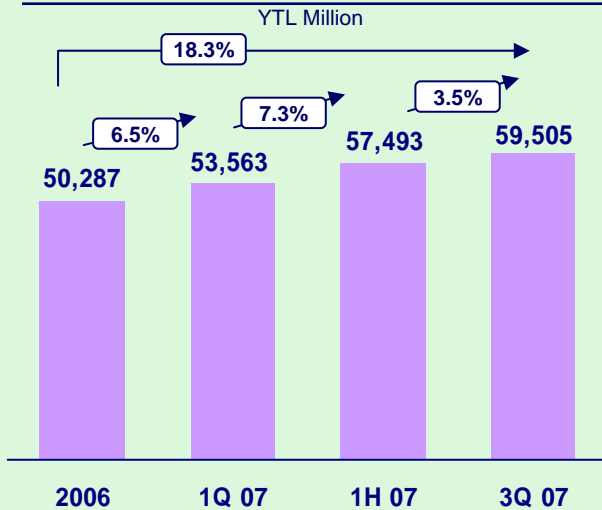
Per 1000 YTL nominal – nine months only



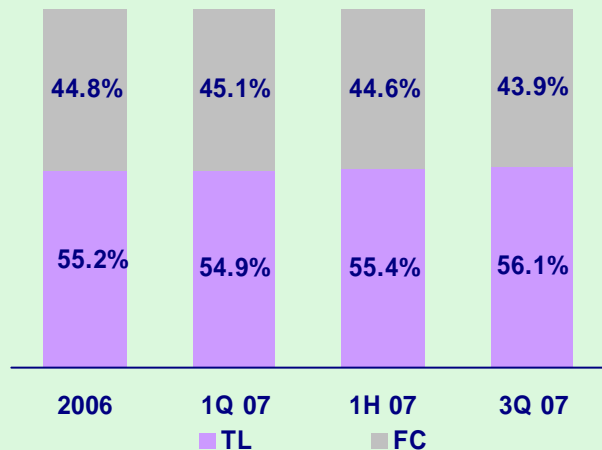
Despite the net addition of 74 branches since same period last year, normalized cost/income ratio improved 439 bps largely due to continued revenue growth trend and improved operational efficiency.

Asset Growth and Composition: Robust & High Yielding

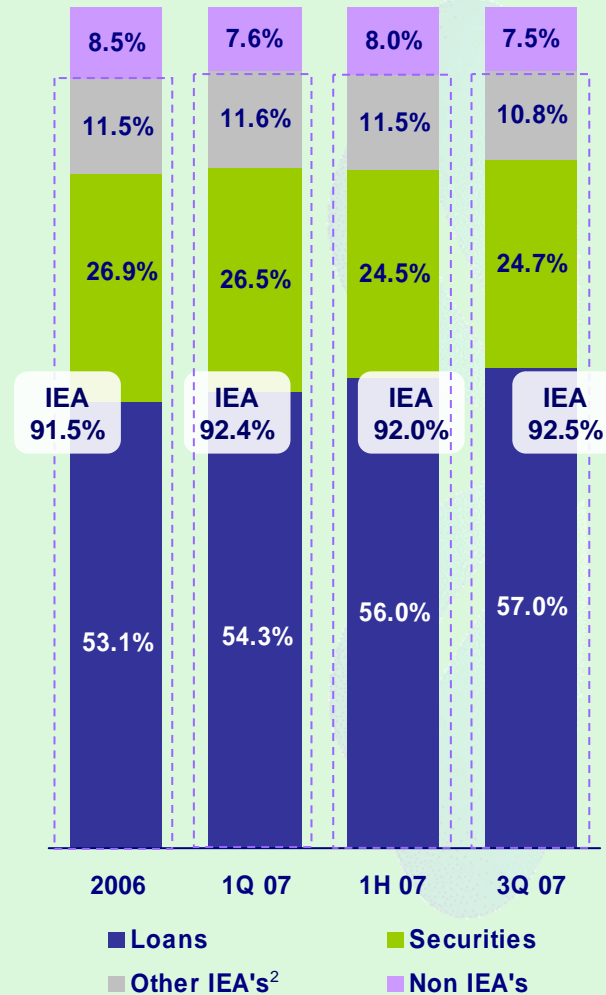
Total Asset Growth



Composition of IEAs



Composition of Assets¹



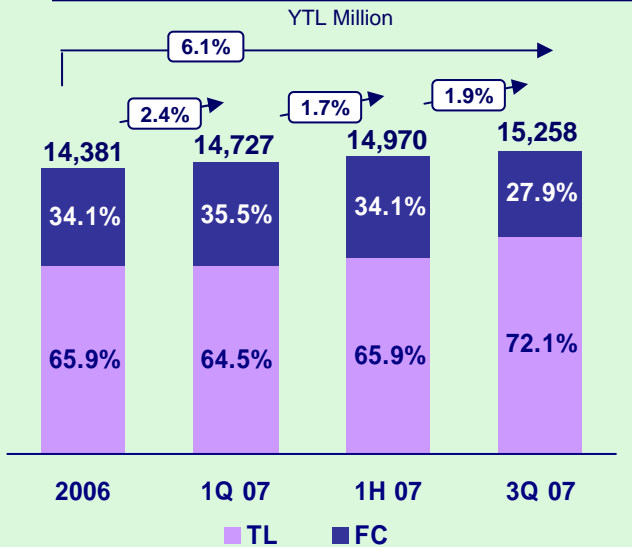
With a ytd growth of 18.3 %, assets reached 59.5 billion YTL at the end of 3Q07.

Mainly loan driven asset growth has once again been confirmed by increasing share of loans in total assets from 53.1% at YE06. to 57.0% in 3Q07

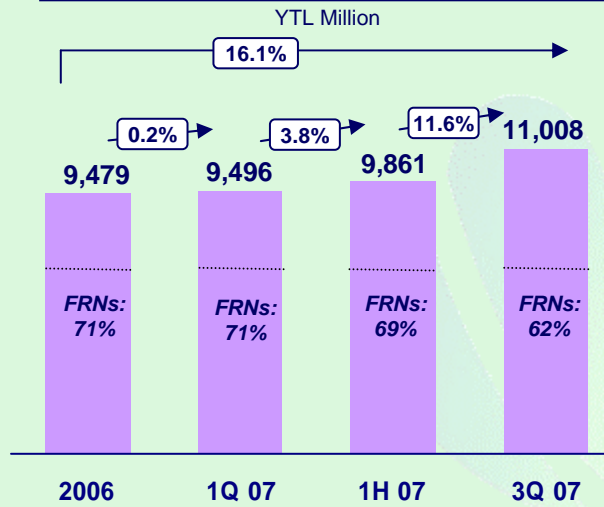
IEAs' mix in total assets expanded by 100 bps and reached 92.5 % at 3Q 07. TL IEAs increased ytd from 55.2% to 56.1% while FC IEAs decreased to 43.9% from 44.8 % shifting the TL/FC weight to TL.

74% of securities portfolio invested in AFS securities – cushion against P&L fluctuations...

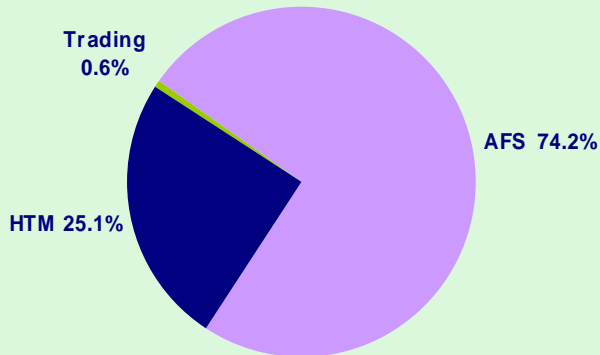
Total Securities Growth



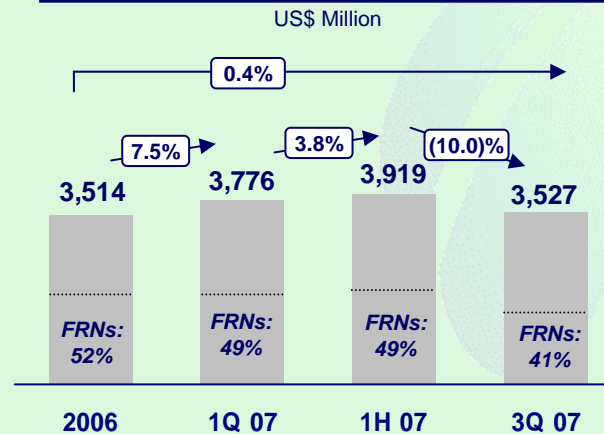
TL Portfolio



Total Securities Composition



FC Portfolio



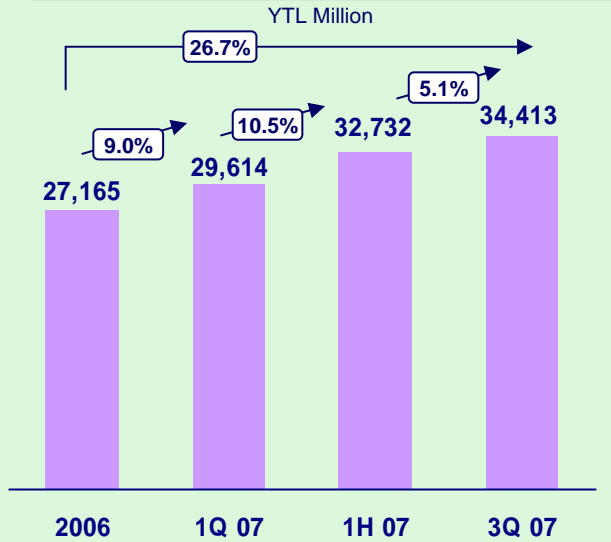
Despite 6.1% ytd growth in total portfolio, securities mix in assets declined by 220 bps from 26.9% in 2006 to 24.7% in 3Q 07, largely due to faster pace in loan growth.

The TL portfolio went up by 16.1% ytd and reached 11.0 bn. Accordingly, the TL/FC mix of total securities shifted to predominantly TL with TL portion increasing from 65.9% as of YE 06 to 72.1% as of September 07.

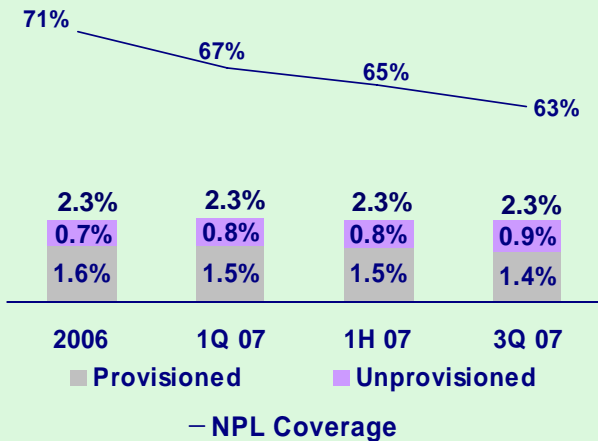
Fixed securities' weight in total securities portfolio went up to 44% from 40% in the beginning of the year.

Growing Loan Volumes with maintained Asset Quality...

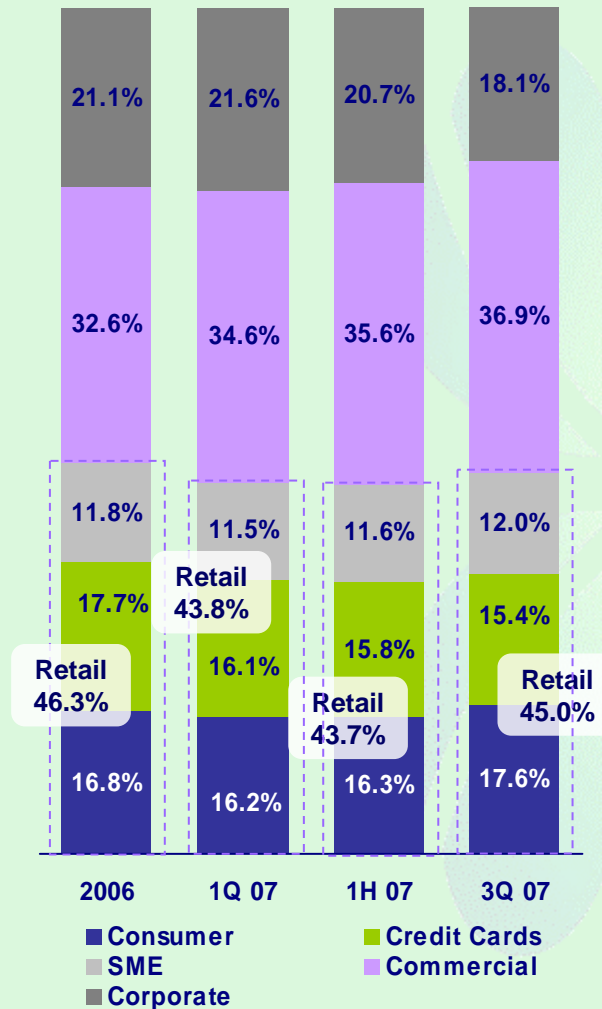
Total Loan¹ Growth



NPL Ratio & Coverage



Composition of Loans



By 3Q 07, total loan growth reached 26.7%.

Retail loan composition in 3Q07 slightly diluted to 45% due to higher growth in commercial loans.

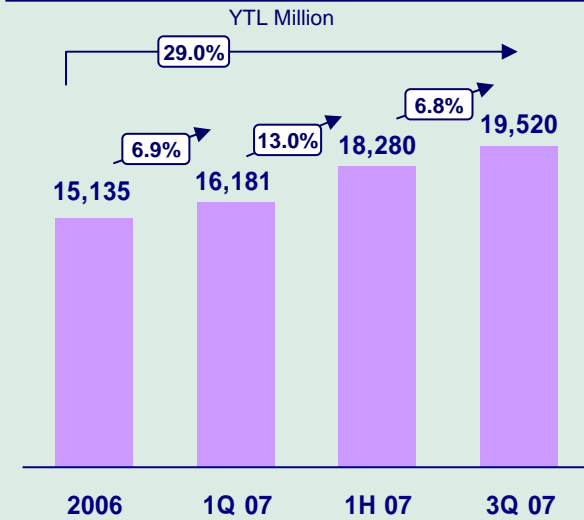
NPL ratio kept constant at 2.3%.

Coverage ratio excludes the collaterals and stands at 63%.

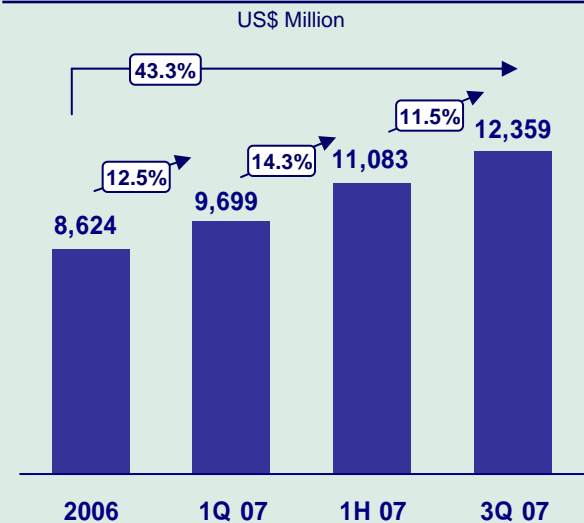
TL loan market share ytd up by 143 bps and reached 11.3²%, while FC loan market share ytd was up by 82 bps and reached 22.2%².

Solid loan growth in both TL and FC

TL Loan¹ Growth

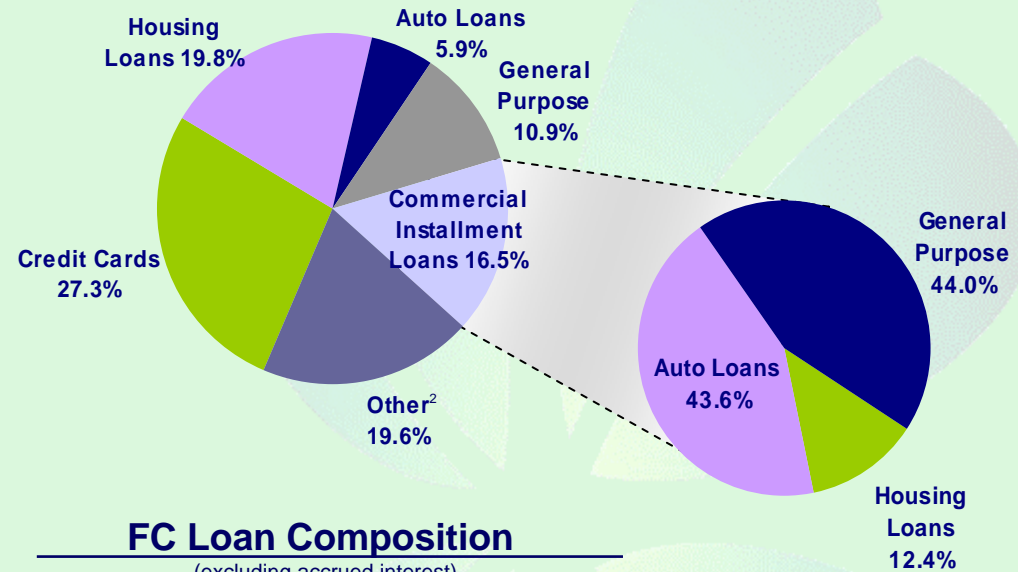


FC Loan¹ Growth



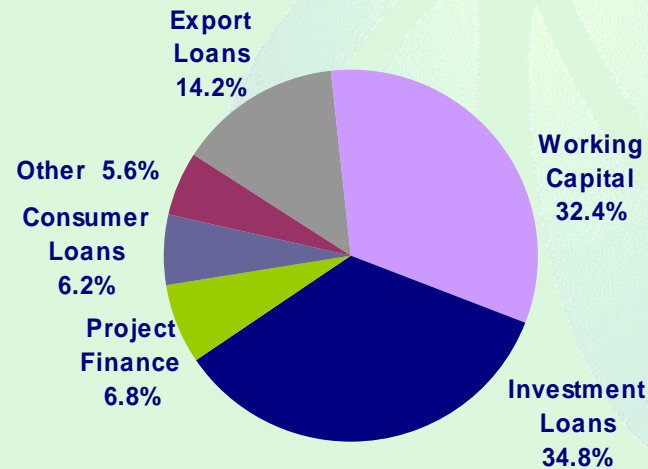
TL Loan Composition

(excluding accrued interest)



FC Loan Composition

(excluding accrued interest)



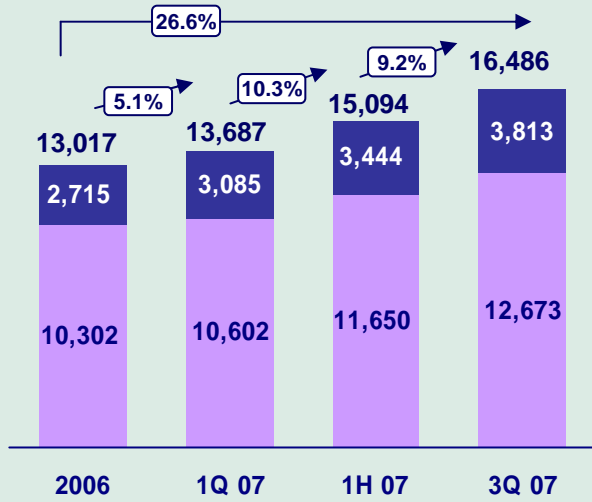
¹ Performing cash loans

² Includes commercial and retail overdraft

Strong retail loan growth momentum maintained with consistent market share expansion in each and every loan category

Retail Loans¹

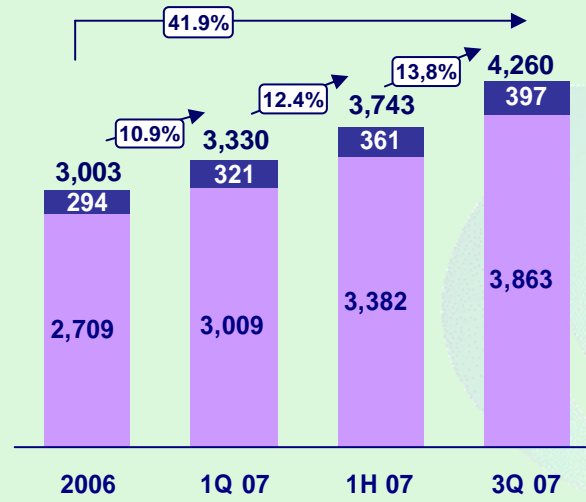
YTL Million



■ Consumer Loans ■ Commercial Installment Loans

Housing Loan Growth

YTL Million



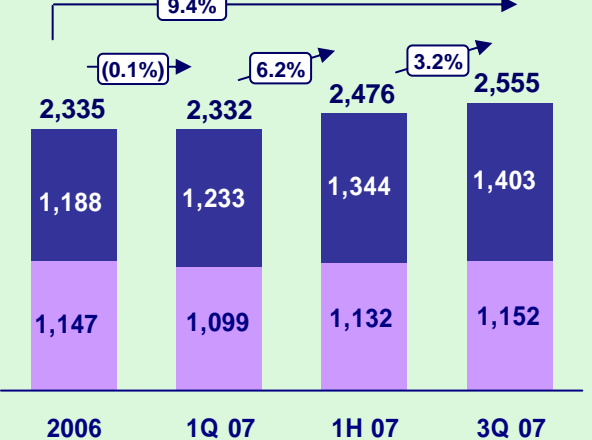
Ytd growth in total retail lending was 27%

Growth in general purpose loans and housing loans accelerated in the 3rd quarter recording a ytd growth of 52% and 42%, respectively.

Auto loans recorded 9% ytd growth vs. the 1% shrinkage in the sector.

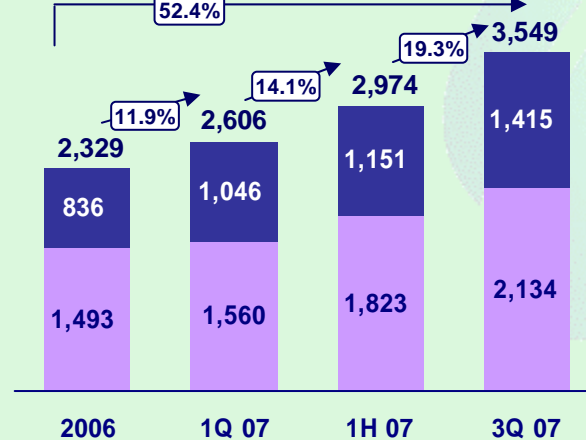
Auto Loan Growth

YTL Million



General Purpose Growth

YTL Million



Market Shares²

	2006	1Q 07	1H 07	3Q07
Housing	12.3%	13.0%	13.5%	14.0%
Auto	15.1%	15.5%	16.4%	16.9%
Gn. Purpose	8.3%	8.7%	8.9%	9.6%
Cons.+Comm.I Install.	11.3%	11.7%	12.0%	12.6%

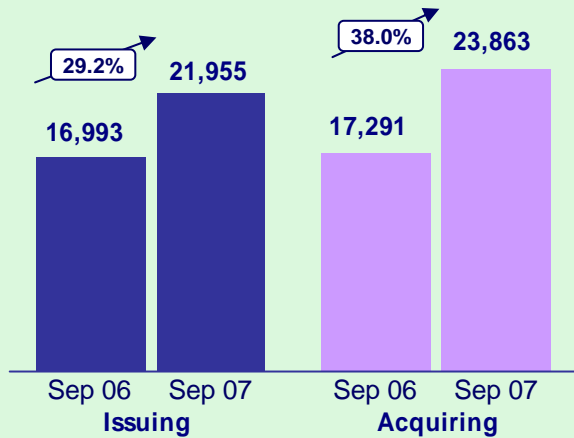
¹ Including consumer, commercial installment, overdraft accounts, credit cards and other

² Including consumer and commercial installment loans, sector figures are per BRSA

Strengthened #1 position in acquiring volume market share despite increasing competition

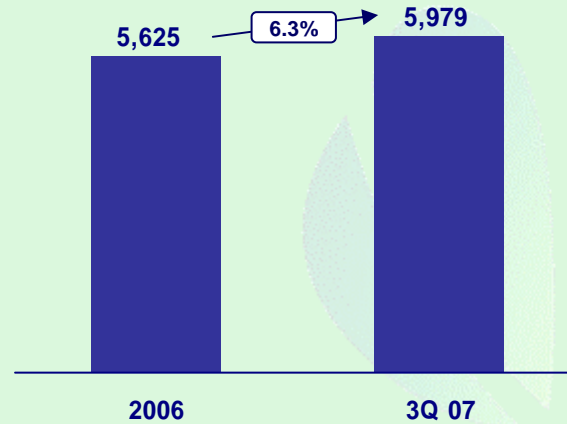
Issuing/ Acquiring Volume

YTL Million



No. Of Credit Cards

In Thousands

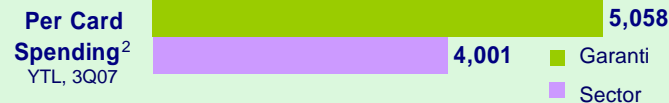


Garanti has a leadership position in credit card business ranking #1 by acquiring volume with 23.2% and #2 by issuing volume with 21.6% market share.

Market Shares

3Q07 – Growth over 2006

Acquiring	23.2%	▲	+100 bps
Issuing	21.6%	▬	-10 bps
Credit Cards	16.9%	▬	- 50 bps
POS ¹	18.4%	▲	+170 bps
ATM	9.6%	▲	+80 bps



Credit Card Balances

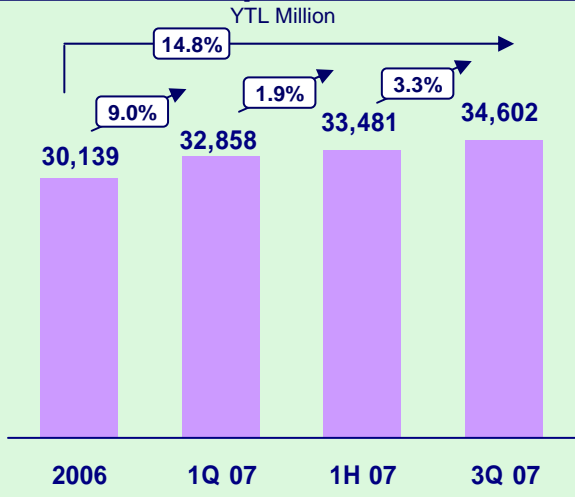
YTL Million



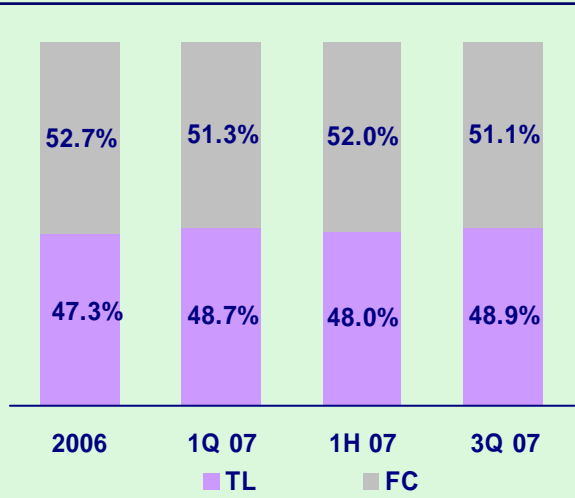
Issuing and acquiring volumes were up by 29.2% and 38.0%, respectively vs. same period last year.

Continued focus on diversification in funding, strong demand deposit base and improving IBL levels

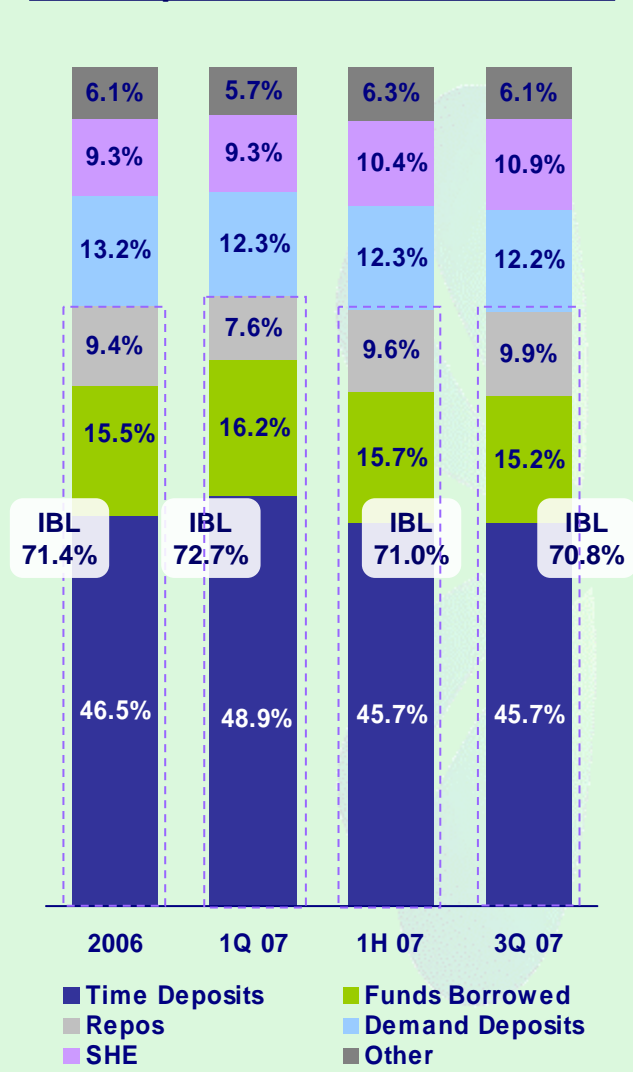
Total Deposit Growth



Deposits – TL/FC Mix



Composition of Liabilities



Total deposits were up by 14.8% ytd reaching 34.6 billion YTL.

TL deposit growth ytd was 19% vs. FC deposit growth 29% in US\$ terms.

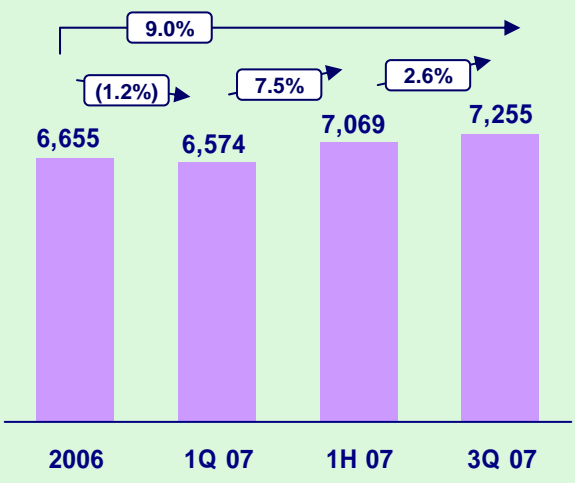
The weight of TL in total deposits went up to 49% from 47% in 2006.

Total deposit market share ytd up by 70 bps, reached 10.41%

Sustainable High Level of Demand Deposits -- Favourable Effect on Funding Costs

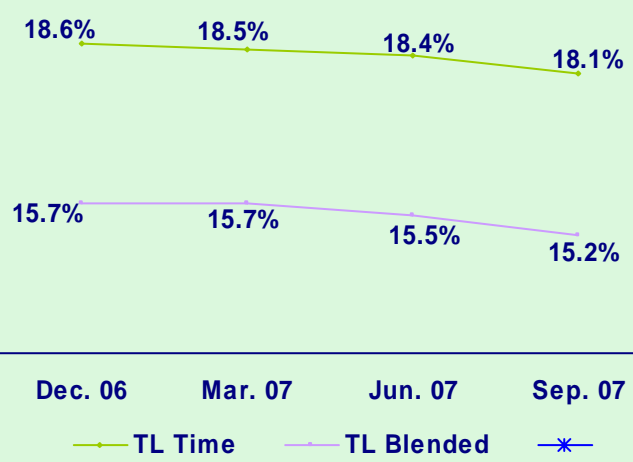
Demand Deposit Growth

YTL Million



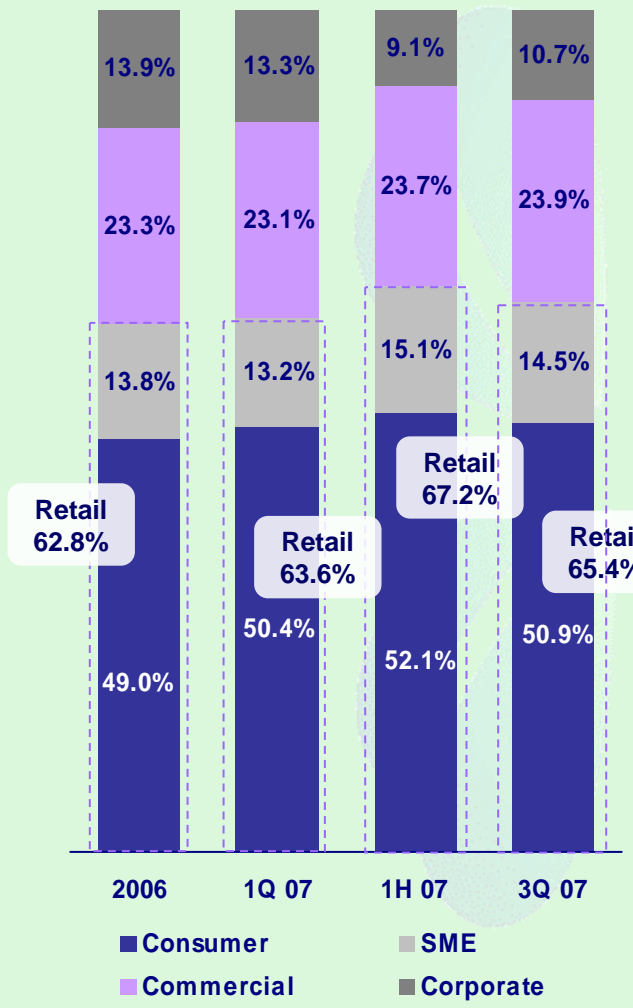
Cost of Deposits

Monthly Averages



Deposits by LOB¹

(excluding bank deposits)



Demand deposits reached 7.3 bn.YTL, up by 9% since YE 06, constituting a high 21% of total deposits affecting the funding costs positively.

Demand deposit market share ytd up by 140bps, reached 13.4%¹

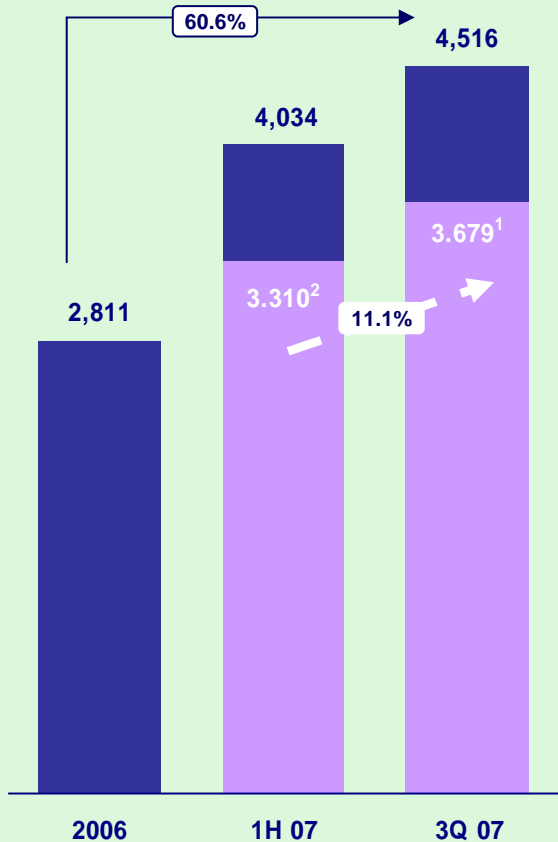
Share of retail deposits increased by 260 bps and composed 65.4% of total customer deposits.

¹ Sector figures are per BRSA

Solid Capital Base and Adequacy Levels...

Free Equity

YTL Million



Free Funds³/IEAs

YTL Million



The growth in free funds ytd was 2.3 bn. YTL.

The proceeds from the stake sale of insurance and pension & life business subsidiaries and custody sale contributed free funds by an additional 8 %.

	CAR	Tier I
2006	14.1%	14.4%
1H 07	15.0%	13.7%
3Q 07	15.1%	13.8%

Free Funds IEAs Free Funds / IEAs

¹ Calculation excludes one-off gains from insurance and pension & life business subsidiaries stake sale amounting to YTL 724 mn (post-tax) and one-off gains from custody sale amounting to YTL 112 mn (post-tax)

² Calculation excludes one-off gains from insurance and pension & life business subsidiaries stake sale amounting to YTL 724 mn (post-tax)

³ Free Funds : Free equity + demand deposits

Expanding Interest Income

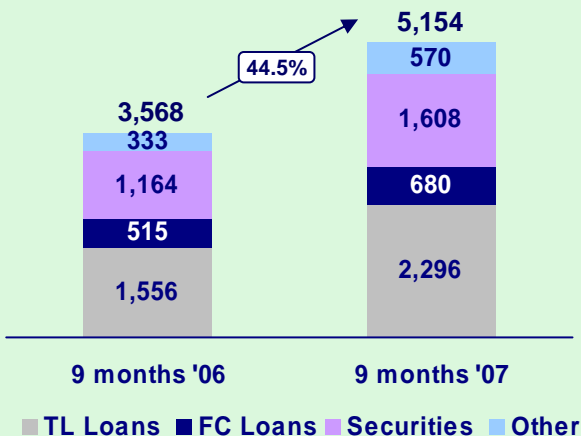
(YTL Million)	9 months 2006	9 months 2007	Growth
Net Interest Income	1,357	1,995	47.0%
Net FX Gain / Loss	(89)	(65)	n.m.
Provisions for loans and securities	(243)	(220)	n.m.
Adjusted Net Interest Income	1,025	1,710	66.8%

Adjusted NII growth y-o-y was 66.8%.

Income on loans, constituting the highest proportion in interest income, has grown by 44% y-o-y.

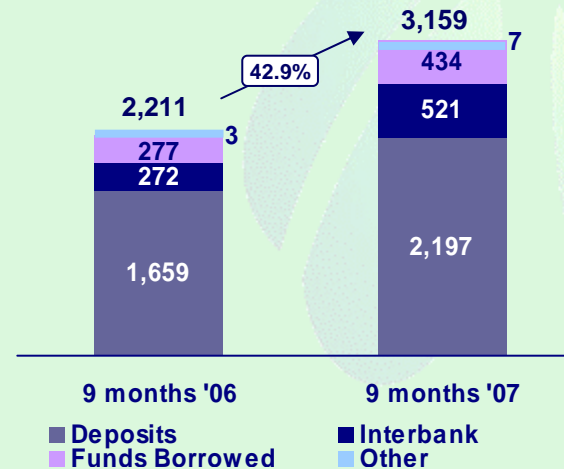
Interest Income

YTL Million



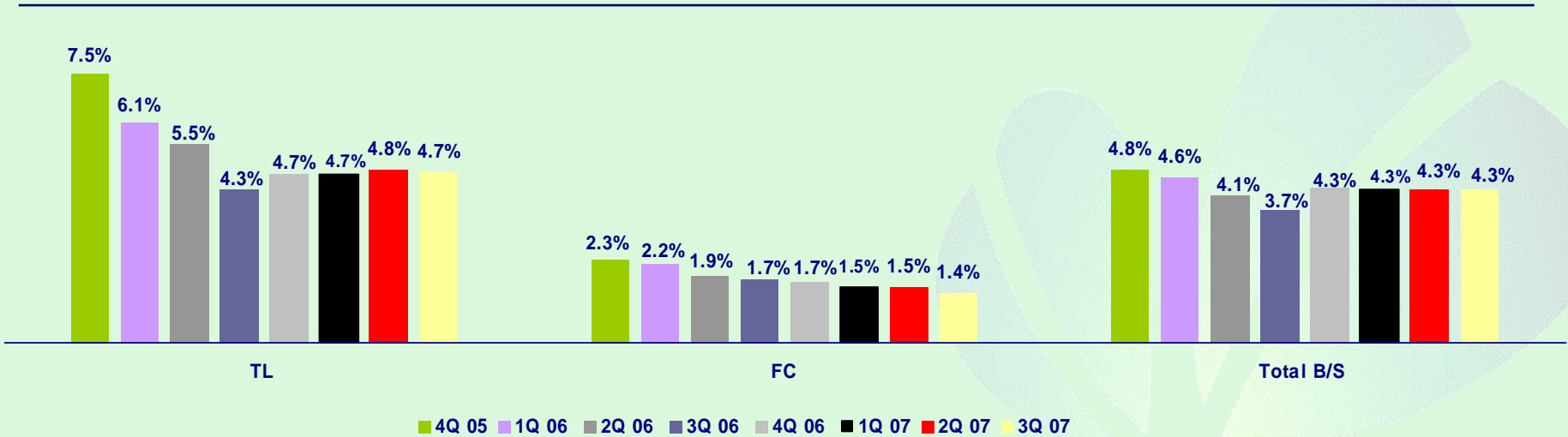
Interest Expense

YTL Million

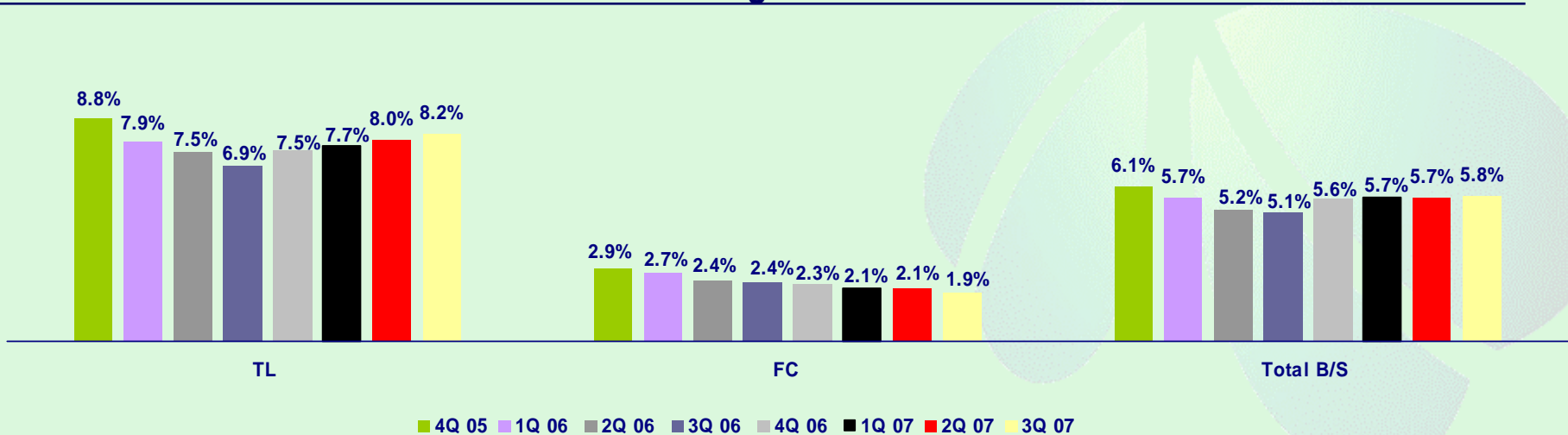


Quarterly Margins and Spreads

Spreads¹

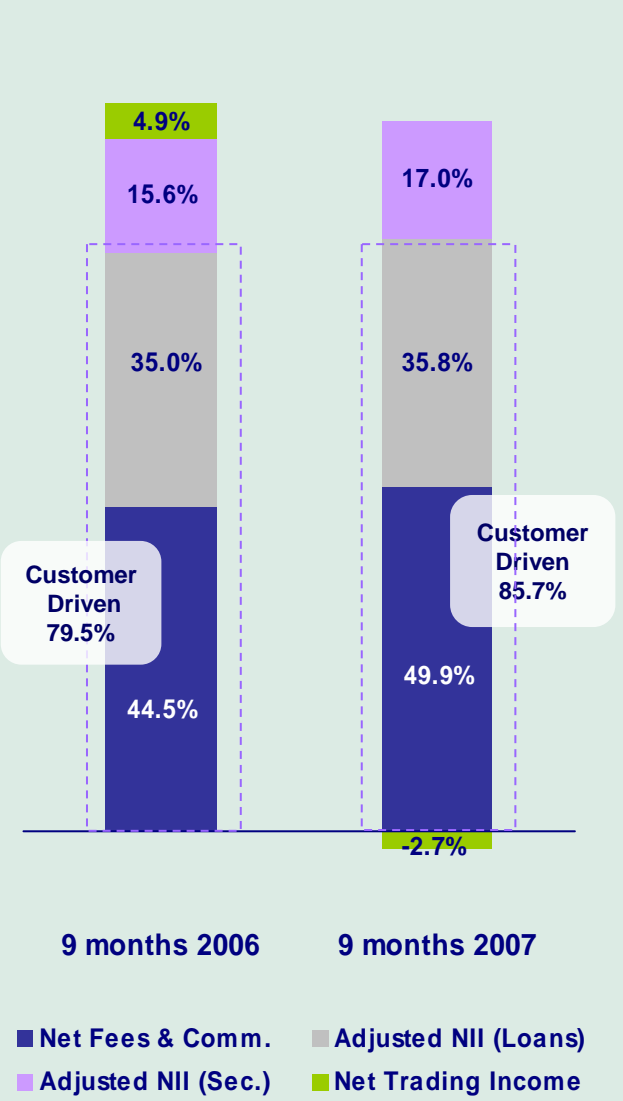


Margins¹

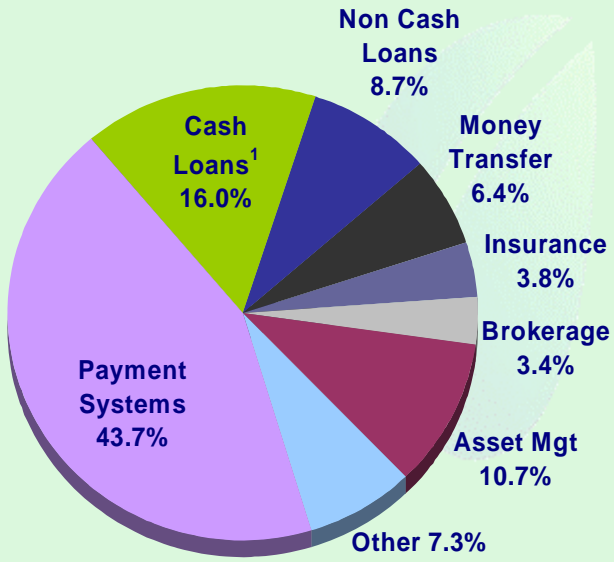
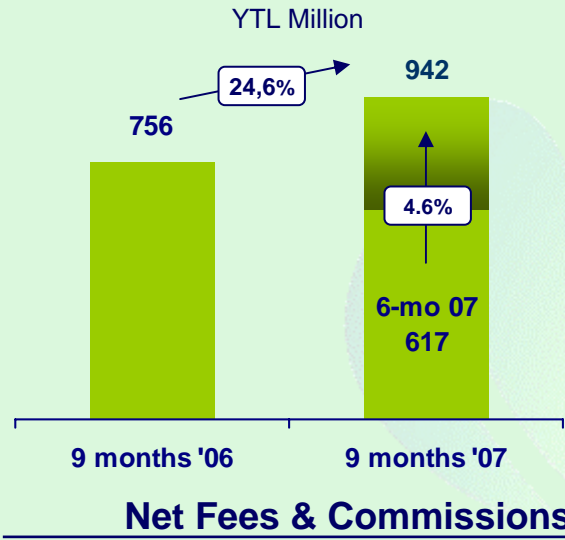


Consistently growing trend of sustainable income sources

Ordinary Banking Income



Net Fees & Commissions



Customer driven sources of income y-o-y increased by 620 bps and now constitute 85.7% of ordinary banking income.

Net fees and commissions contribute 50% to ordinary banking income

¹ Include consumer loans

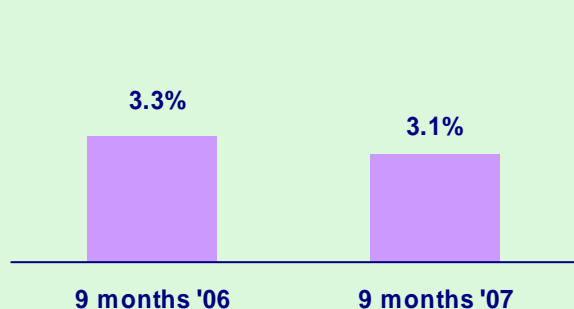
Quarterly Analysis of Ordinary Banking Income

(YTL Thousand)	1Q 07	2Q 07	3Q 07	Δ(2Q-1Q)	Δ (3Q-2Q)
Interest Income	1,620,703	1,689,136	1,844,177	4.2%	9.2%
-Loans	869,834	986,280	1,119,949	13.4%	13.6%
-Securities	534,543	529,243	544,361	-1.0%	2.9%
-Other	216,326	173,613	179,867	-19.7%	3.6%
Interest Expense	(1,009,113)	(1,036,426)	(1,113,574)	2.7%	7.4%
-Deposits	(707,326)	(725,998)	(764,116)	2.6%	5.3%
-Funds Borrowed	(133,804)	(128,336)	(172,335)	-4.1%	34.3%
-Interbank & Other	(167,983)	(182,092)	(177,123)	8.4%	-2.7%
Net Interest Income	611,590	652,710	730,603	6.7%	11.9%
Provision for Loans	(72,891)	(74,544)	(71,875)	2.3%	-3.6%
Provision for Securities	(503)	(353)	437	n.m	n.m
Net FX Gain/(Loss)	(7,408)	246	(58,248)	n.m	n.m
Adj. Net Interest Income	530,788	578,059	600,917	8.9%	4.6%
Net Fees and Comm.	305,654	310,896	325,123	1.7%	4.6%
Net trading Income/(loss)	(29,013)	(14,827)	(7,321)	-48.9%	-50.6%
Ordinary Banking Income	807,429	874,128	918,719	8.3%	5.1%

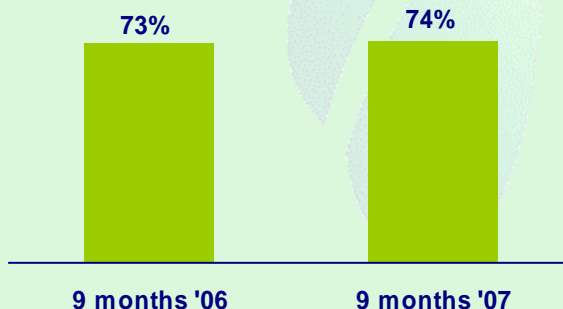
High Earnings Growth Momentum...

(YTL Million)	9 months '06	9 months '07	Growth
Total Revenues ²	2,306	2,960	28.4%
Operating Expense	1,030	1,269	23.2%
Operating Income ²	1,276	1,691	32.5%
Provisions ¹	294	247	(16.0%)
Taxes	191	295	54.5%
Normalized Net Income*	791	1,149	45.3%
Income from Insurance and Pension & Life business subs. stake sale (post tax)	-	724	n.m.
Custody sale		112	n.m
Net Income	791	1,985	151.3%

Opex / Avg. Assets



Fees & Comm. / Opex



With improved operational efficiency and continued profitability total revenue recorded a higher growth than expense growth, leading up to a 32.5% increase in operating income y-o-y..

Operating expenses in average assets improved by 17 bps to 3.1% 3Q 07 from 3.6% in 3Q 06.

Also, the net fees & commissions coverage of operating expenses reached 74% from 73% same period last year.

Appendix



Balance Sheet - Summary

	(YTL Million)	2006	Sep 07	% YTD Change
Assets	Cash & Banks*	6,173	6,908	11.9%
	Securities	14,381	15,258	6.1%
	Performing Loans	27,165	34,413	26.7%
	Fixed Assets & Subsidiaries	1,558	1,566	0.5%
	Other	1,010	1,360	34.7%
	Total Assets	50,287	59,505	18.3%
	Liabilities and SHE	Deposits	30,139	34,602
Repos		4,814	5,949	23.6%
Borrowings		7,890	9,146	15.9%
Other		2,774	3,323	19.8%
SHE		4,670	6,485	38.9%
Total Liabilities & SHE		50,287	59,505	18.3%

Performance Highlights vs. Sector (Bank-only)

<i>(YTL mn. unless otherwise stated)</i>	As of 3Q 07	YTD Growth	
		Garanti	Sector
Total Loans	33,915	27.0%	17.3%
TL	19,239	29.0%	20.4%
FC (US\$ mn.)	12,179	44.0%	25.9%
Total Deposits	34,422	14.8%	7.8%
Demand	7,255	9.0%	-1.7%
TL	16,775	18.8%	12.9%
FC (US\$ mn.)	14,641	28.9%	15.5%

*All figures excluding related income/expense accruals



GarantiBank

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