



*IFRS Earnings Presentation*

*March 31, 2008*

*“healthy growth on track”*

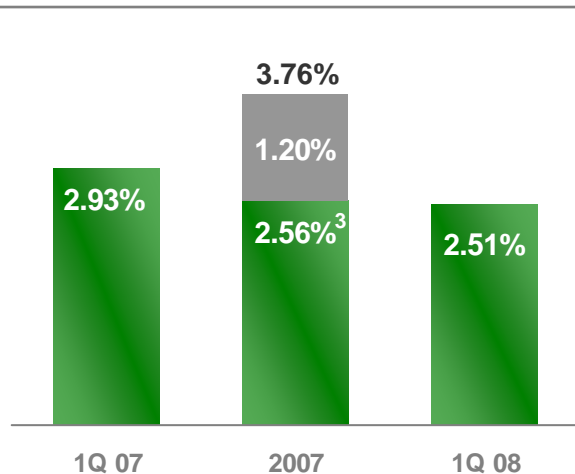


# Performance Highlights

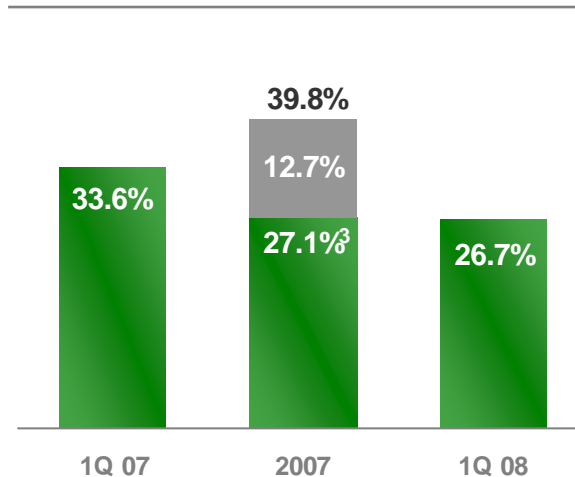
- Total **asset growth** was **8%** ytd reaching **YTL 81.2 billion** on a consolidated basis at 1Q 08
- Net cash **loans to customers** increased by **15%** ytd constituting **58% of total assets**
- Ytd TL loans increased by **7%** at 1Q 08, reaching **YTL 23** billion while FC loans increased by **11%** in US\$ terms, reaching **US\$ 18** billion at 1Q 08
- **NPL** ratio improved to **1.9%** as at 1Q 08
- Ytd **deposits from customers** were **up** by **9%**
- **Total operating income** adjusted by FX and trading income, expanded **28%** on a consolidated basis over 1Q 07, reaching **YTL 1,371 million**
- **Operating income<sup>1</sup>** on a consolidated basis reached **YTL 737 million**, an **increase of 22%** over 1Q 07
- **Net income** increased y-o-y by **15%** reaching **YTL 489 million**
- **ROAA and ROAE** were sustained at **2.5%** and **27%** levels at 1Q 07
- **Cost / Income** maintained at **48%** in 1Q 08, despite highest number of branch openings & ATM expansion y-o-y

# Sustained High Profitability Levels

ROAA

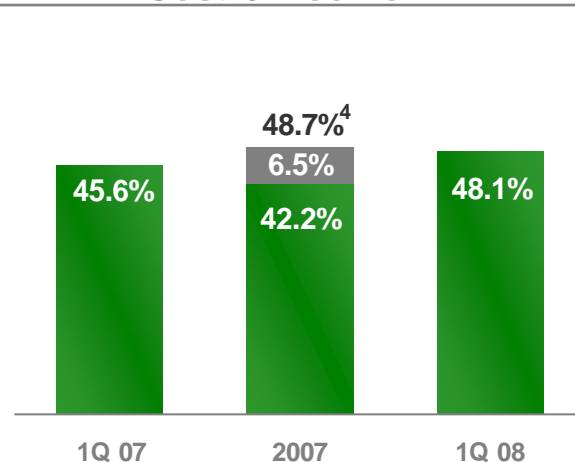


ROAE



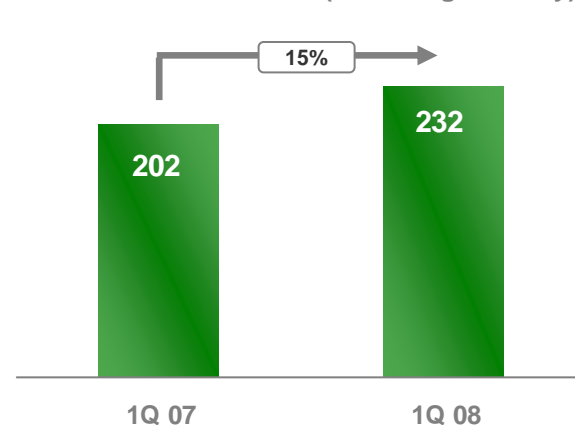
ROAE  
**27%**

Cost<sup>1</sup> / Income<sup>2</sup>



EPS

Per 1000 YTL nominal – (excluding minority)



*Despite the net addition of **41** branches ytd and increased costs related to bonus payments, high profitability levels maintained.*

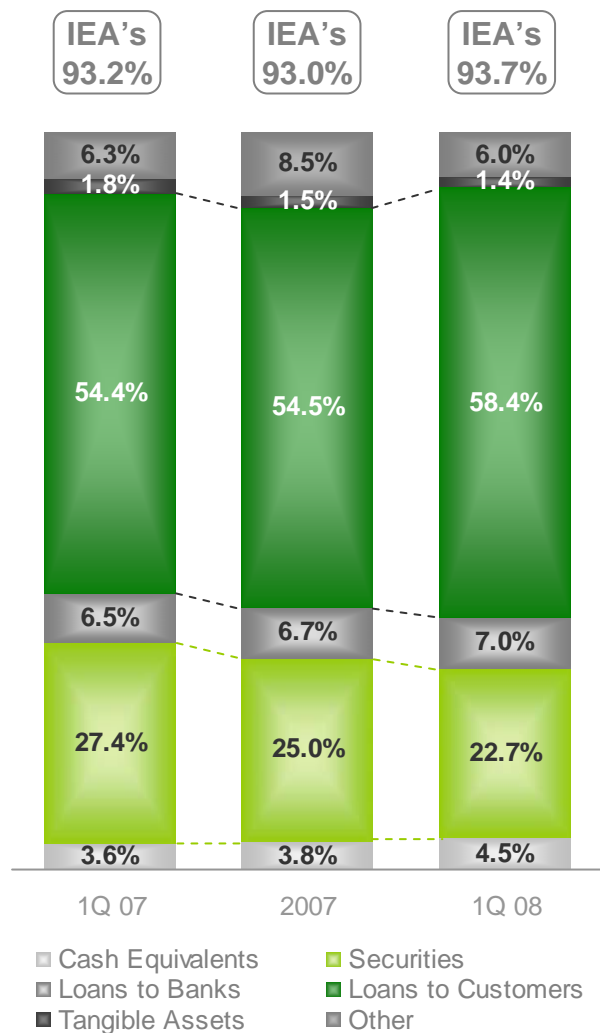
<sup>1</sup> Cost excludes depreciation and amortization, provision for severance payment, impairment, fx loss; <sup>2</sup> Provisions deducted from income; <sup>3</sup> Normalized to exclude one-off gains from insurance and pension & life business subsidiaries stake sale amounting to YTL 666 mn. (post-tax) and one-off gains from custody sale amounting to YTL 112 mn. (post-tax); <sup>4</sup> Calculation excludes one off-gain from insurance and pension & life business subsidiaries stake sale and custody business sale (gross amount = YTL 844 mn.) and "Provision for recognized liability for defined benefit obligations" amounting to YTL 165 mn.

# Balance Sheet - Summary

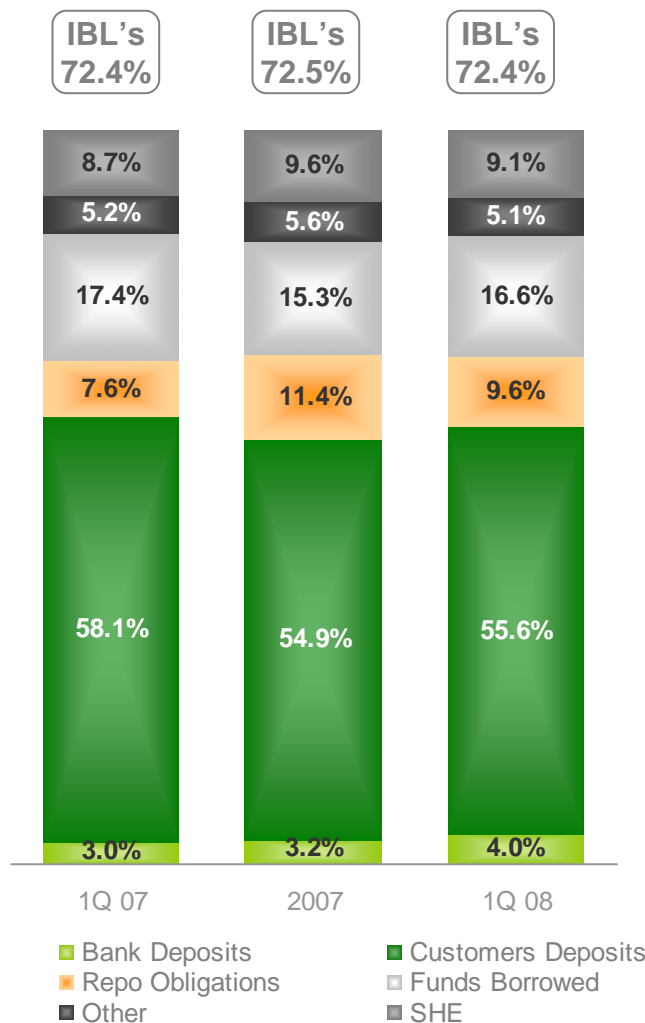
<i>(YTL Million)</i>		<b>December 2007</b>	<b>March 2008</b>	<b>% Change</b>
<b>Assets</b>	<b>Cash &amp; Banks</b>	7,924	9,392	18.5%
	<b>Securities</b>	18,839	18,402	(2.3)%
	<b>Loans to Customers</b>	41,042	47,384	15.5%
	<b>Tangible Assets</b>	1,163	1,155	(0.7)%
	<b>Other</b>	6,357	4,843	(23.8)%
	<b>Total Assets</b>	75,325	81,176	7.8%
<b>Liabilities and SHE</b>	<b>Deposits from Customers</b>	41,335	45,126	9.2%
	<b>Deposits from Banks</b>	2,436	3,217	32.1%
	<b>Repo Obligations</b>	8,592	7,793	(9.3)%
	<b>Funds Borrowed</b>	11,440	13,414	17.3%
	<b>Other</b>	4,270	4,167	(2.4)%
	<b>SHE</b>	7,252	7,459	2.9%
	<b>Total Liabilities &amp; SHE</b>	75,325	81,176	7.8%

# Balance Sheet Composition & IEA vs. IBL

## Asset Composition



## Liability & SHE Composition



Total assets increased to **YTL 81.2 bn** as of 1Q 08 (**US\$ 62 bn**)

IEAs contribution to total assets increased to **94%**, an increase of **70 bps** ytd and **50 bps** y-o-y

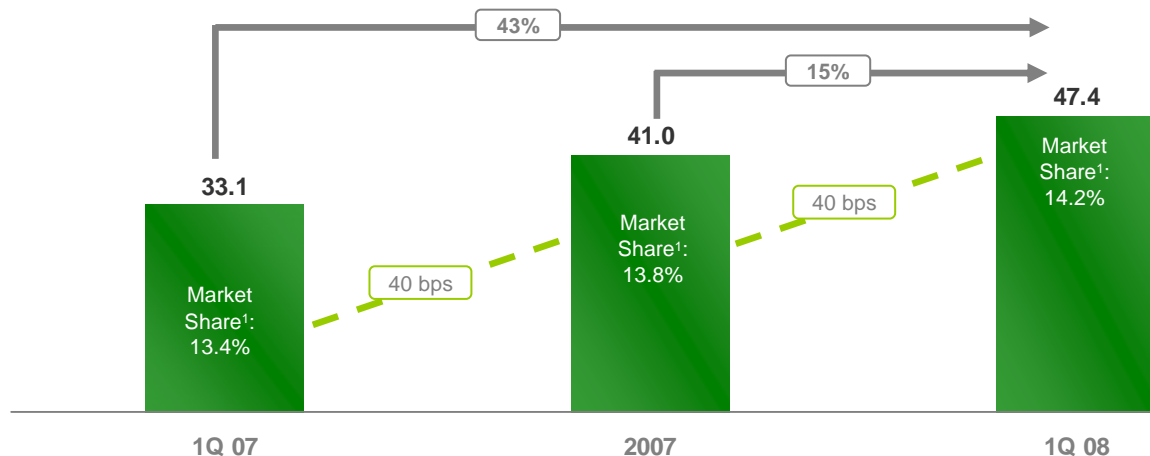
Loans to customers (net cash loans) increased by **15%** ytd and **43%** y-o-y, bringing its share in total assets up to **58%** at 1Q 08 from 54% at 1Q07 and YE 07.

Share of deposits from customers in total liabilities and shareholders' equity was **56%** at 1Q 08

# Loans - Growth & Currency Composition

## Loan Growth & Market Shares

YTL Billion



Total loan growth, ytd was **43%** y-o-y and **15%** ytd and reached **YTL 47 bn.**

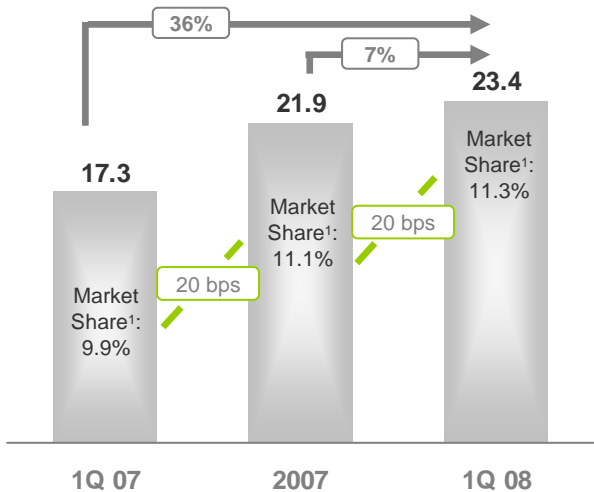
TL loans increased by **36%** y-o-y and **7%** ytd to **YTL 23 bn**

while FC loans increased by **60%** y-o-y and **11%** ytd in US\$ terms, reaching **US\$ 18 bn** at 1Q 08.

TL loans/ FC loans in total loans at 1Q 08 was **49%/51%**

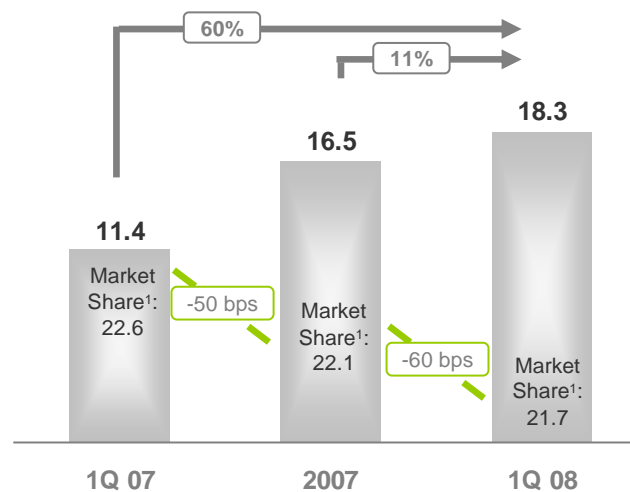
## TL Loan Growth

YTL Billion



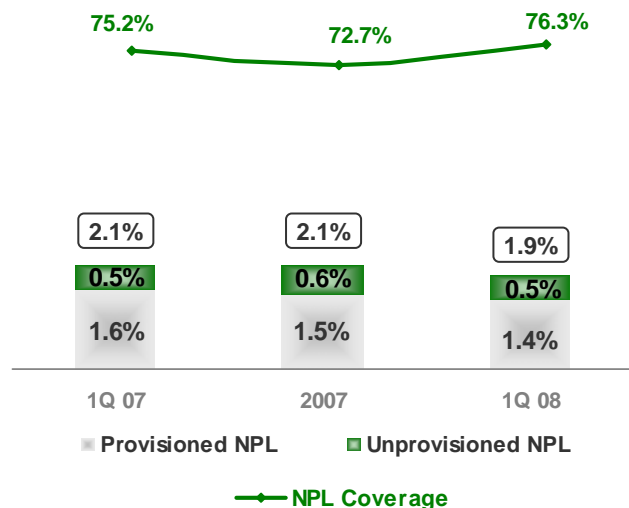
## FC Loan Growth

US\$ Billion

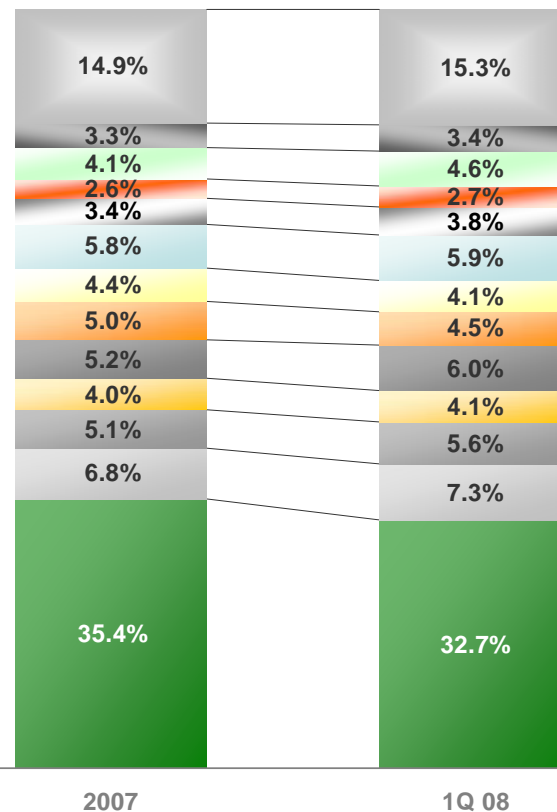


# Strong Asset Quality & Well-Diversified Portfolio

## NPL Ratio & Coverage



## Sectoral Loan Allocation



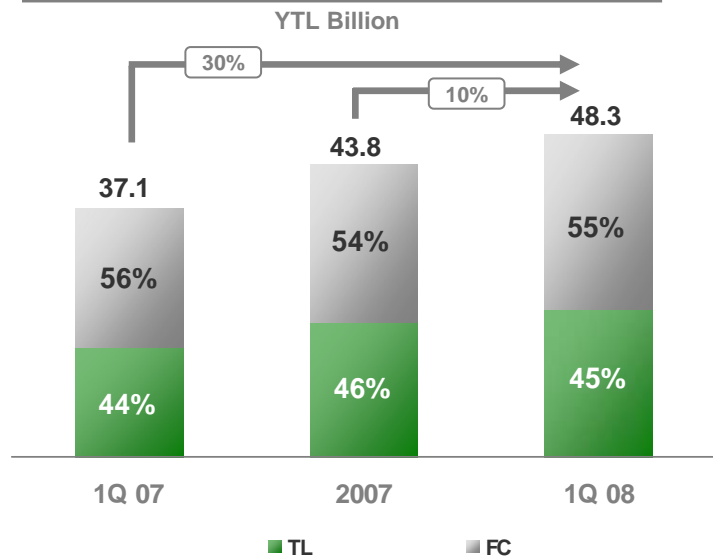
Asset Quality	1Q 07	2007	1Q 08
Secured Loans	72.9%	74.3%	71.4%
Unsecured Loans	27.1%	25.7%	28.6%

- Consumer
- Financial Institutions
- Energy
- Transportation and logistics
- Metal and metal products
- Transp.Vehicles & Sub-Ind.
- Other<sup>1</sup>
- Service Sector
- Textile
- Food
- Construction
- Tourism
- Data Processing

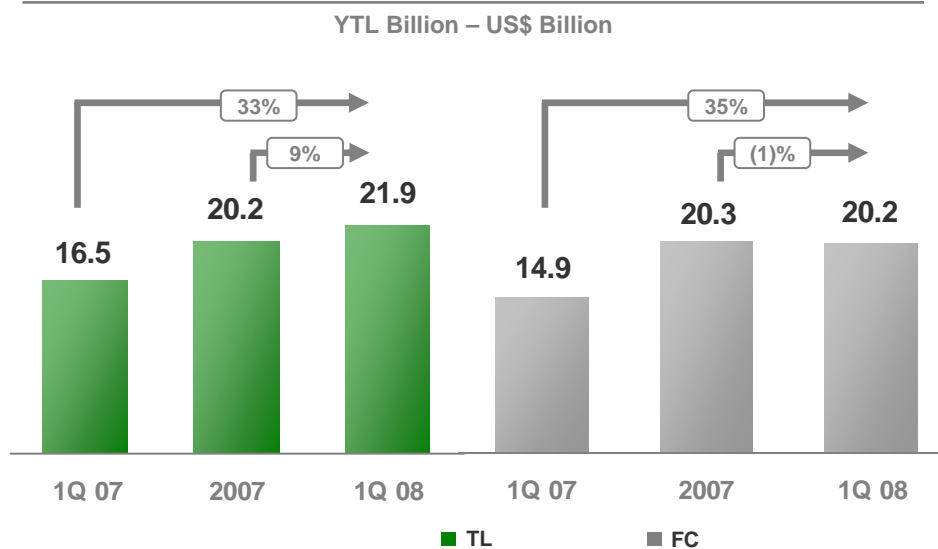
<sup>1</sup> Other includes loans extended to sectors such as agriculture, chemistry and chemical products, durable consumption, mining etc.

# Deposits – Growth & Mix

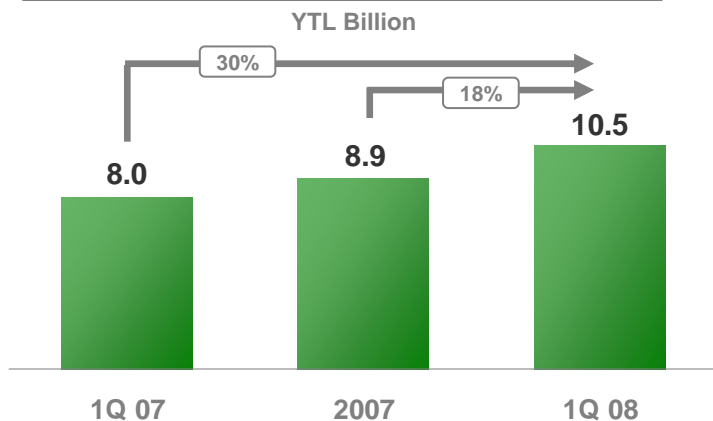
### Deposit Growth & TL/FC Mix



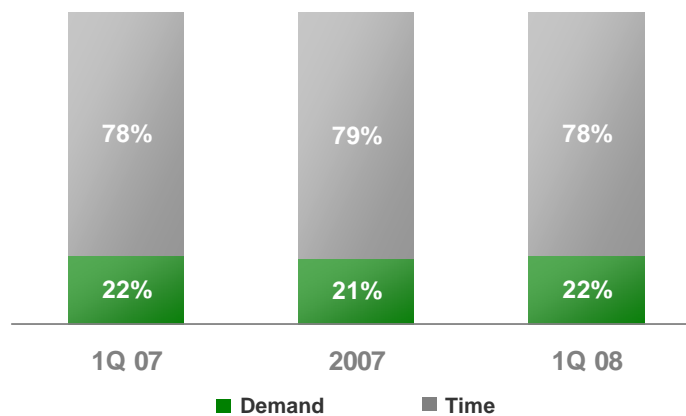
### TL – FC Deposit Growth



### Demand Dep. Growth



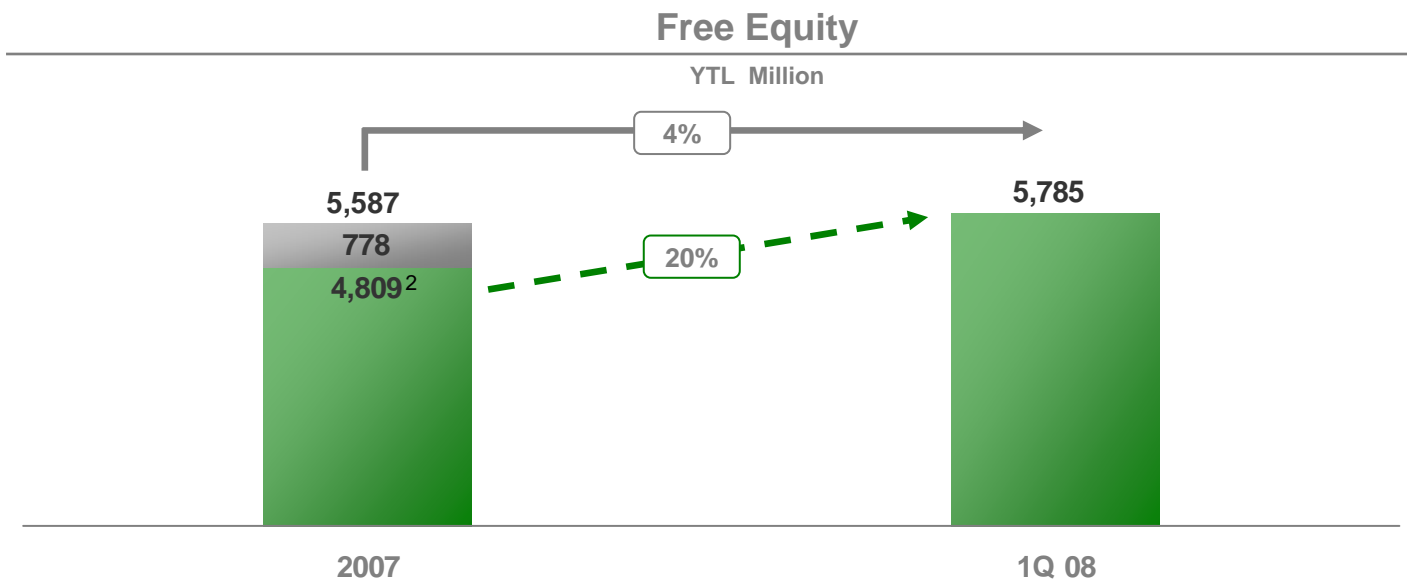
### Customer Deposits Demand/Time Mix



Main source of funding:  
Solid deposit base  
-- **60%** of liabilities and SHE).



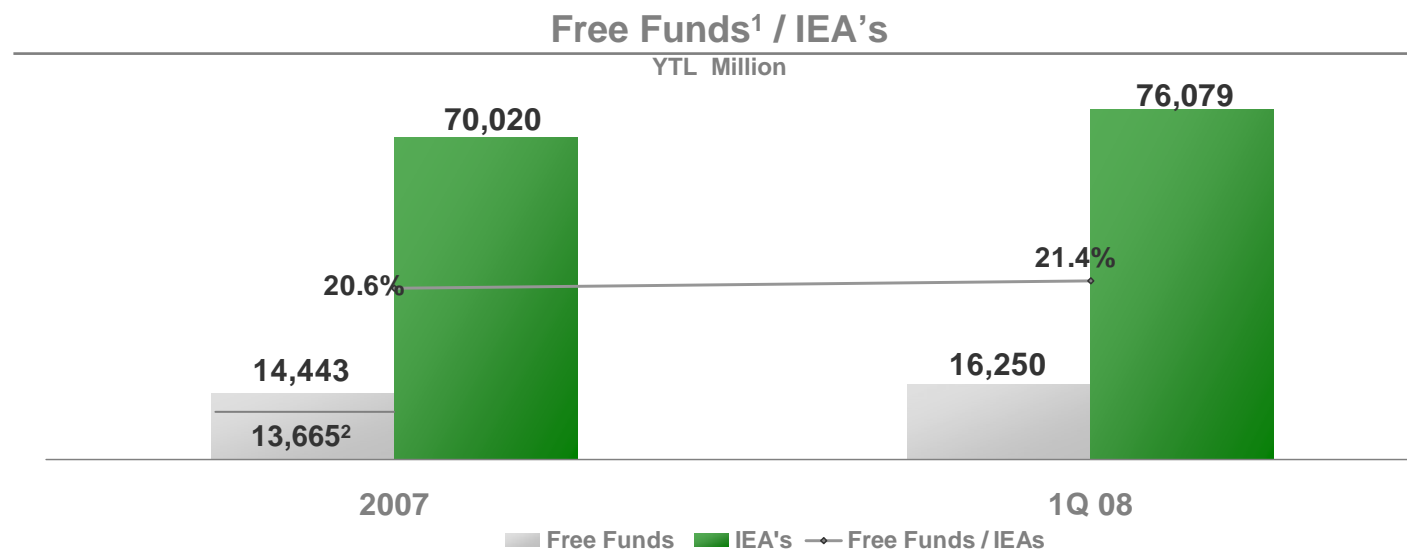
# Solid capital base



Free equity reached

**YTL 5.8 bn** from

**YTL 5.6 bn** at 1Q 08



## Growth in Free Funds

1Q 08 ytd

**YTL 1.8 bn**

<sup>1</sup> Free Funds: Free Equity + Demand Deposits

<sup>2</sup> Normalized to exclude one-off gains from insurance and pension & life business subsidiaries stake sale amounting to YTL 666 mn. (post-tax) and one-off gains from custody sale amounting to YTL 112 mn. (post-tax)

# Summary Income Statement

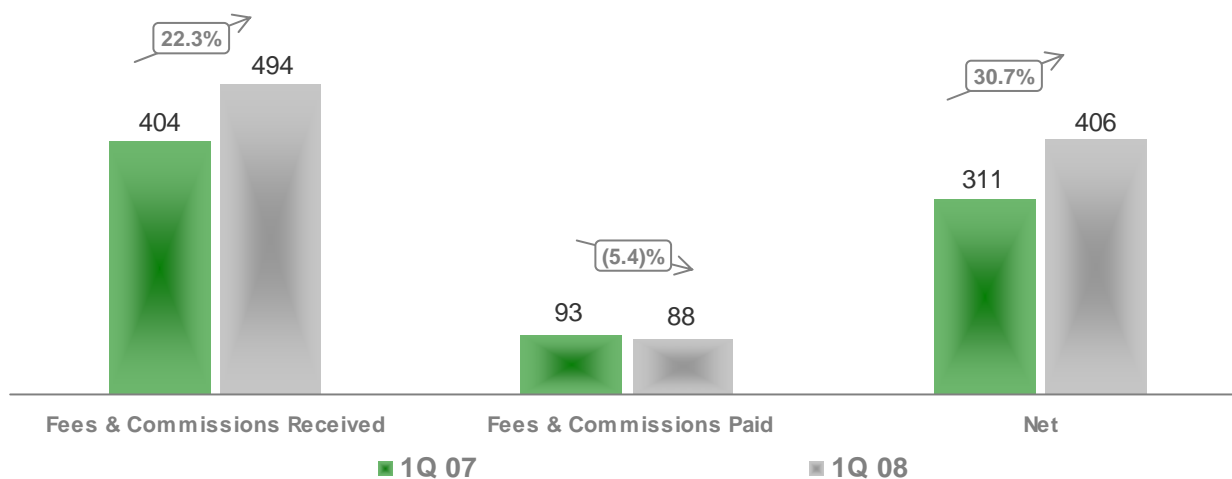
<i>(YTL Thousand)</i>	<b>1Q 07</b>	<b>1Q 08</b>	<b>Change</b>
Net Interest Inc.Adj.by FX	698,701	839,171	20.1%
Net Fees & Comm. Income	310,696	405,949	30.7%
Other Non-Interest Income	61,105	125,691	105.7%
<b>Total Operating Income</b>	<b><u>1,070,502</u></b>	<b><u>1,370,811</u></b>	<b><u>28.1%</u></b>
Operating Expenses	(464,839)	(634,178)	36.4%
<b>Operating Income</b>	<b><u>605,663</u></b>	<b><u>736,633</u></b>	<b><u>21.6%</u></b>
Impairment Losses & Provisions for Severance	(78,284)	(118,645)	51.6%
Taxation Charge	(102,609)	(129,046)	25.8%
<b>Net Income</b>	<b><u>424,770</u></b>	<b><u>488,942</u></b>	<b><u>15.1%</u></b>
<i>Equity holders of the Bank</i>	<i>424,439</i>	<i>486,214</i>	<i>14.6%</i>
<i>Minority interest</i>	<i>331</i>	<i>2,728</i>	<i>724.2%</i>

# Fee & Commission Income Growth

(YTL Thousand)	1Q 07	1Q 08	Change
<b>Fees and Commissions, net</b>	310,696	405,949	30.7%
<b>Trading Account Loss, net</b>	(29,193)	76,001	n.m.
<b>Insurance business</b>	69,065	31,382	(54.6)%
<b>Other</b>	21,234	18,308	(13.8)%
<b>Non-Interest Income<sup>1</sup></b>	<b>371,801</b>	<b>531,640</b>	<b>43.0%</b>

## Fees and Commissions

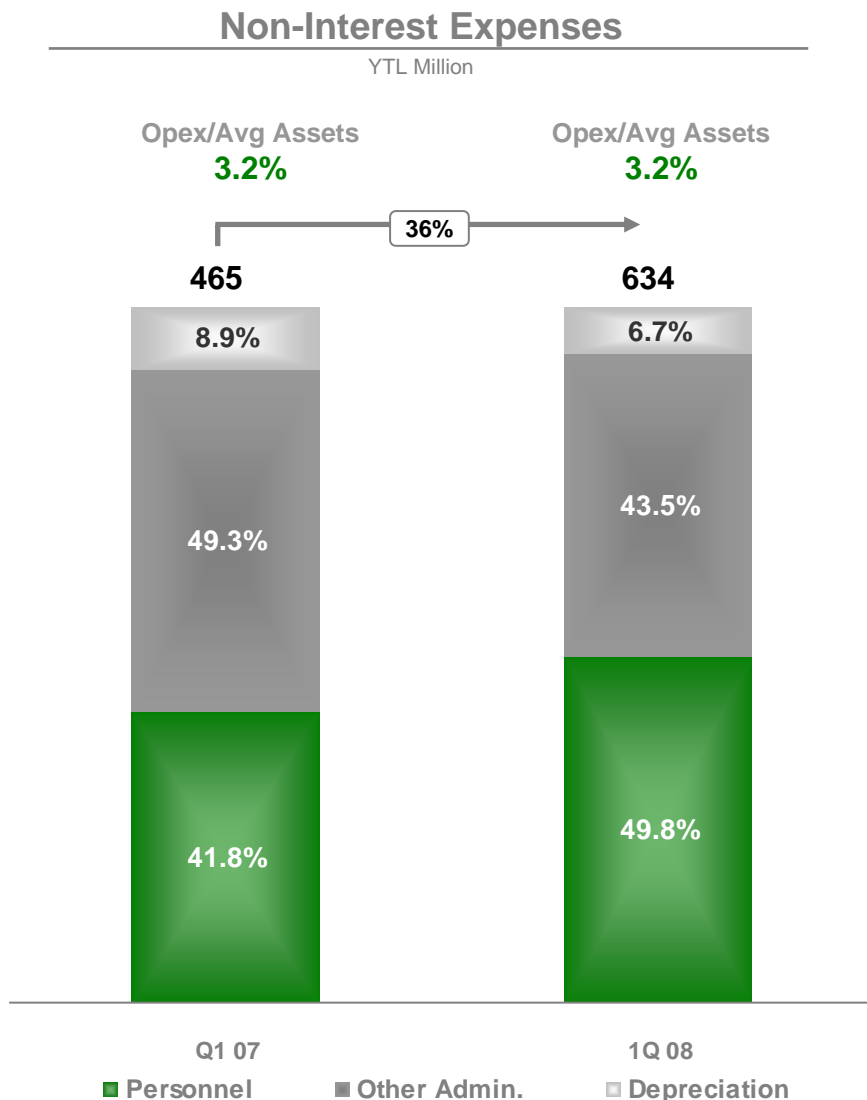
YTL Millions



**31%**

**Net Fees & Comm. Growth**

# Effective Cost Management



**132**



**Net Branch Additions**  
Y-o-Y

**>3,000**

**New Employees**  
Y-o-Y

**>800**

**New Employees**  
YTD



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