

IFRS Earnings Presentation June 30, 2008 "profitability focused growth"

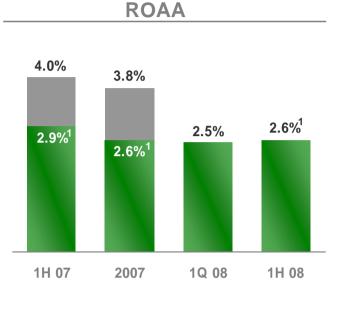
1H 2008 – Highlights

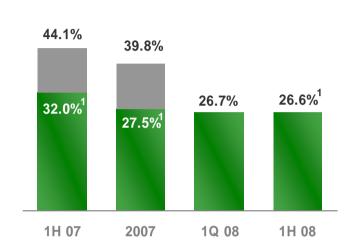
- EPS growth of $17\%^1$ -- ROAE $27\%^2$
- YTD asset growth 10%, reaching YTL 83bn on a consolidated basis
- YTD loans to customers growth 19%, constituting 59% of total assets
- YTD deposits from customers growth 12% Capital increase eased the pressure on time deposits, helping manage deposit costs flat despite rate hikes
- Strong YTD demand deposit growth 23%. Demand in total deposits 23%
- Margin is positively affected by increase in TL IEAs, lower TL in IBLs and lower level of IBLs in funding total assets
- Net Fees & Commissions with a y-o-y growth of 27%, generating high level of customer driven sources of income
- Expanding distribution network with efficient cost management. Added close to 90 new branches and over 520 ATMs
- 100% increase in capital and founder share buy-back completed for fair dividend distribution, net cash injection of 666mn YTL -- CAR improved by 100bps

¹ Normalized to exclude non-recurring items

² Excluding the suppression effect of the capital injection happened in the last week of June 08

Sustained High Profitability Levels





ROAE

ROAE

Without the supression effect of the equity injection

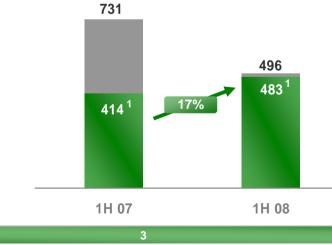
27%

Cost²/ Income³



Despite the net addition





of **88** branches ytd, high

profitability levels

maintained

1 "1H 08" other income adjusted for NPL sale of YTL 29 mn; "2007" Other income adjusted for gains from insurance and pension & life business subsidiaries stake sale and custody sale total amounting to YTL 852 mn and tax refund of YTL 137 mn, OPEX adjusted for banking insurance and transaction tax related to custody sale of YTL 7 mn and provision for defined benefit obligation liability of YTL 165 mn, Tax expense adjusted for the tax expenses of insurance and pension & life business subsidiaries stake sale and custody sale total amounting to YTL 66 mn; "1H 07" Other income adjusted for gains from insurance and pension & life business subsidiaries stake sale of YTL 704 mn, Tax expense adjusted for the tax expense of insurance and pension & life business subsidiaries stake sale of YTL 704 mn, Tax expense adjusted for the tax expense of insurance and pension & life business subsidiaries stake sale of YTL 704 mn, Tax expense adjusted for the tax expense of insurance and pension & life business subsidiaries stake of YTL 704 mn, Tax expense adjusted for the tax expense of insurance and pension & life business subsidiaries stake of YTL 704 mn, Tax expense adjusted for the tax expense of insurance and pension & life business subsidiaries stake of YTL 704 mn, Tax expense adjusted for the tax expense of insurance and pension & life business subsidiaries stake of YTL 704 mn, Tax expense adjusted for the tax expense of insurance and pension & life business subsidiaries stake of YTL 704 mn, Tax expense adjusted for the tax expense of insurance and pension & life business subsidiaries stake of YTL 704 mn, Tax expense adjusted for the tax expense adjusted f

2 Cost excludes depreciation and amortization, provision for severance payment, impairment, fx loss; 3 Provisions deducted from income

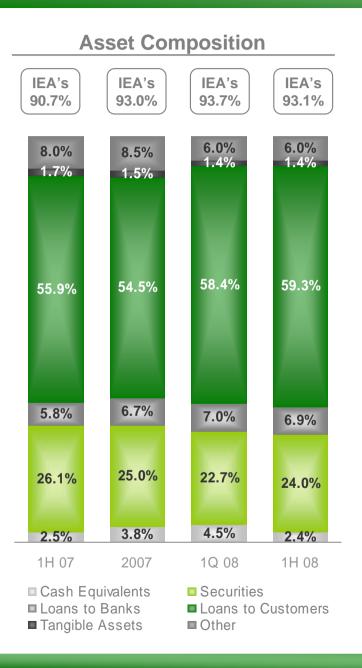
4 For 2007 normalized Cost/Income calculation excludes "Provision for recognized liability for defined benefit obligations" amounting to YTL 165 mn and tax refund of YTL 137 mn

Balance Sheet - Summary

(YTL Million)	December 2007	June 2008	% Change
Cash & Banks	7,924	7,701	(2.8)%
Securities	18,839	19,813	5.2%
Loans to Customers	41,042	49,035	19.5%
Tangible Assets	1,163	1,139	(2.0)%
Other	6,357	4,955	(22.1)%
Total Assets	75,325	82,643	9.7%
Deposits from Customers	41,335	46,150	11.6%
Deposits from Banks	2,436	2,427	(0.4)%
Repo Obligations	8,592	8,326	(3.1)%
Funds Borrowed	11,440	12,747	11.4%
Other	4,270	4,610	8.0%
SHE	7,252	8,383	15.6%
Total Liabilities & SHE	75,325	82,643	9.7%

Assets

Increasingly Loan Heavy Balance Sheet



Liability & SHE Composition			
IBL's 71.1%	IBL's 72.5%	IBL's 72.4%	IBL's 70.6%
9.7% 5.6%	9.6% 5.6%	9.1% 5.1%	10.2% 5.5%
16.9%	15.3%	16.6%	15.5%
9.4%	11.4%	9.6%	10.1%
55.0% 3.4%	54.9% 3.2%	55.6%	55.8%
1H 07	2007	1Q 08	1H 08
■ Bank E ■ Repo C ■ Other	Deposits Obligations		omers Deposits Is Borrowed

Total assets increased to **YTL 82.26bn** as of 1H 08 **(US\$ 69 bn)**

Loans to customers (net cash loans) increased by **19%** ytd and **36%** y-o-y, bringing its share in total assets up to **59%** at 1H 08 from **56%** at 1H 07 and **55%** at YE 07

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

Successfully managed loan growth in both TL and FC with increasing margins

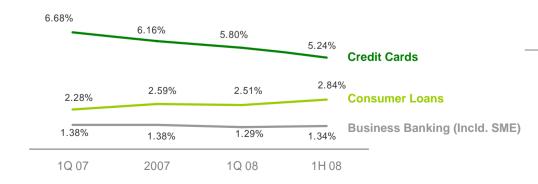


Sustained sound asset quality and well-diversified portfolio

NPL Ratio & Coverage





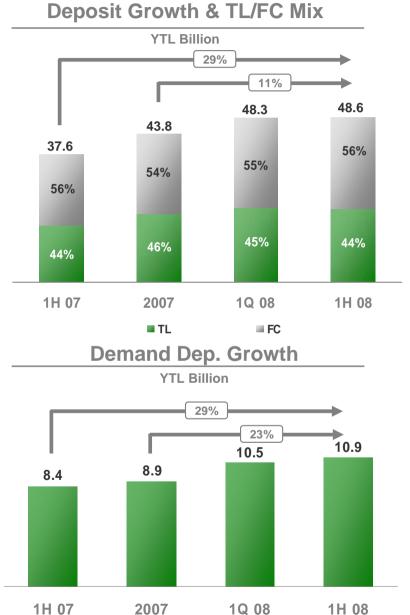


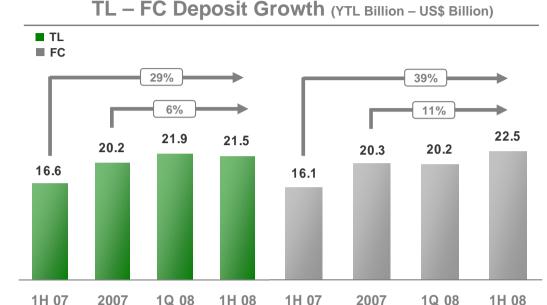
Sectoral Loan Allocation

14.9%	15.0%
3.3%	2.4%
4.1%	4.6%
2.6% 3.4%	3.9%
5.8%	5.6%
4.4%	5.0%
5.0%	4.0%
5.2%	5.8%
4.0%	4.1%
5.1%	4.6%
6.8%	7.8%
35.4%	34.3%
2007 Consumer Financial Institutio Energy Transportation and Metal and metal pu Transp.Vehicles & Other ¹	■ Food d logistics ■ Construction roducts ■ Tourism

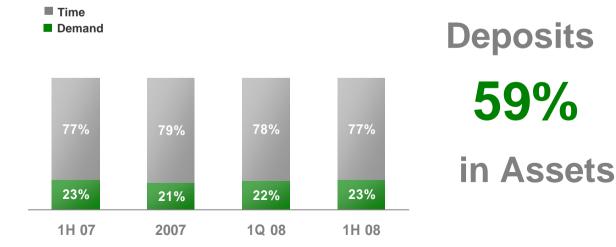
1 Other includes loans extended to sectors such as agriculture, chemistry and chemical products, durable consumption, mining etc. 2 Based on bank-only MIS data

Deposit heavy funding mix and solid demand deposit base



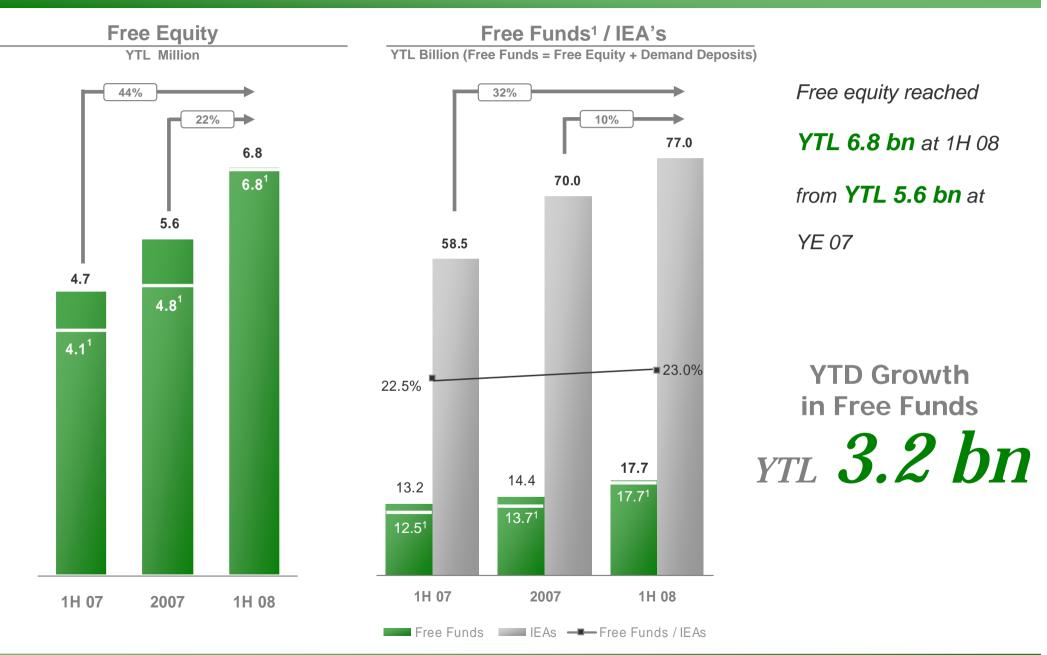


Customer Deposits Demand/Time Mix



TL - FC Deposit Growth (YTL Billion - US\$ Billion)

Solid capital base and adequacy levels



1 1H 08 normalized to exclude NPL sale of YTL 29 mn; 2007 normalized to exclude net one-off gains from insurance and pension & life business subsidiaries stake sale and custody sale amounting to YTL 778 mn. and net effect of "Provision for recognized liability for defined benefit obligations" amounting to YTL 165 mn. and tax refund of YTL 137 mn; 1H 07 normalized to exclude net one-off gains from insurance and pension & life business subsidiaries stake sale amounting to YTL 65 mn.

Summary Income Statement

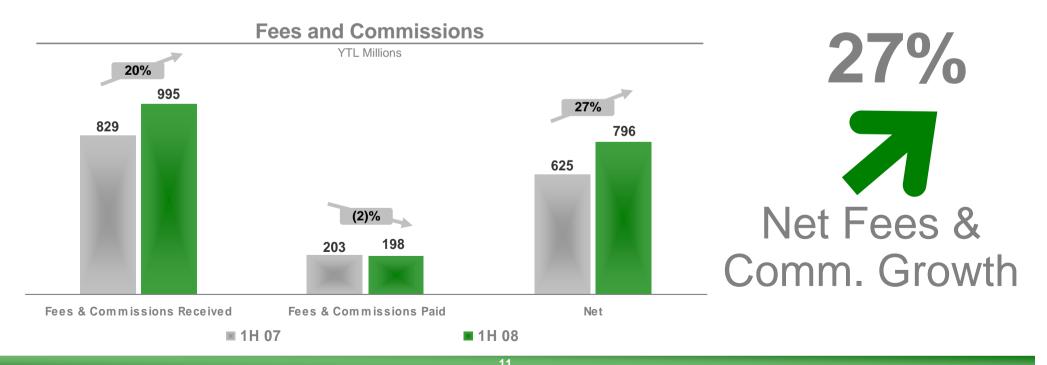
(YTL Thousand)	1H 07	1H 08	Change
Net Interest Inc.Adj.by net FX gains & Trading loss	1,375,765	1,859,078	35.1%
Net Fees & Comm. Income	625,366	796,342	27.3%
Other Non-Interest Income ¹	203,137	96,543	(52.5)%
Total Operating Income ¹	<u>2,204,268</u>	<u>2,751,963</u>	<u>24.8%</u>
Operating Expenses ¹	(979,666)	(1,270,004)	29.6%
Operating Income ¹	<u>1,224,602</u>	<u>1,481,959</u>	<u>21.0%</u>
Impairment Losses & Provisions for Severance	(144,395)	(232,344)	60.9%
Taxation Charge ¹	(206,355)	(230,821)	11.9%
Net Income-normalized ¹	<u>873,752</u>	<u>1,018,794</u>	<u>16.6%</u>
Non-recurring items ¹	665,685	28,898	n.m.
Net Income	<u>1,539,537</u>	<u>1,047,692</u>	<u>(31.9)%</u>
Equity holders of the Bank	1,535,234	1,042,452	(32.1)%
Minority interest	4,303	5,240	21.8%

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1 H 08 other income adjusted for NPL sale of YTL 29 mn; 1H 07 Other income adjusted for gains from insurance and pension & life business subsidiaries stake sale of YTL 704 mn, Tax expense adjusted for the tax expense of insurance and pension & life business subsidiaries stake of YTL 38 mn

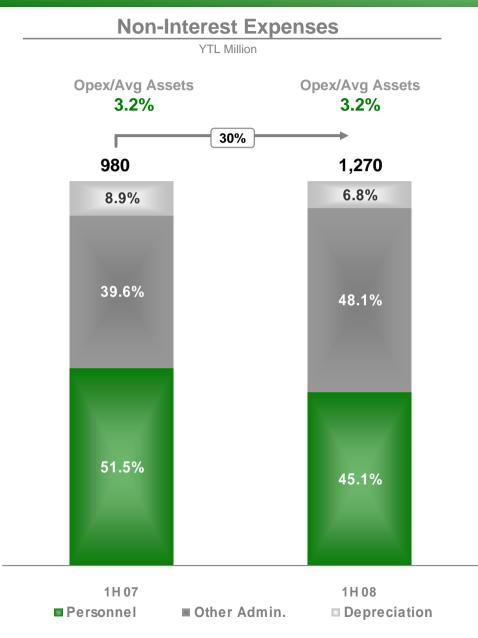
Fee & Commission Income Growth

(YTL Thousand)	1H 07	1H 08	Change
Fees and Commissions, net	625,366	796,342	27.3%
Insurance business	159,276	60,589	(62.0)%
Other	43,861	35,955	(18.0)%
Non-Interest Income ¹	828,503	892,886	7.8%



1 Excluding FX gain/loss

Efficiently Managed Costs in Line With Expanding Distribution Network





New Branch Additions Y-0-Y

~3,000

New Employees Y-o-Y

~1,400

New Employees

IFRS EARNINGS PRESENTATION 1H 08





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