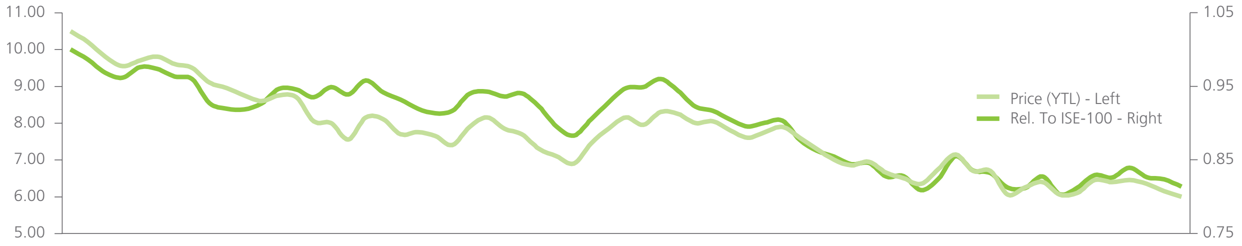
1Q 2008

GarantiBank INVESTOR RELATIONS

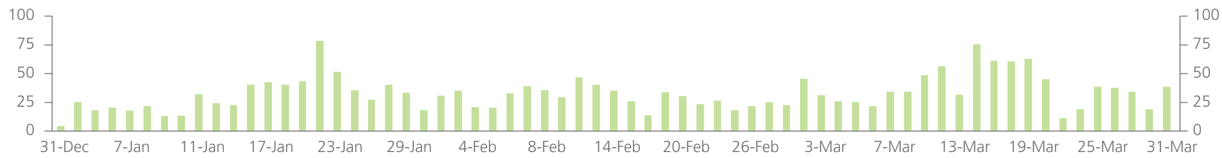
stockwatch

www.garantibank.com

Garanti Bank Stock Performance in 1Q 2008



Volume (million shares)



DEVELOPMENTS AT GARANTI

Arranged the financing for the acquisition of leading Turkish retailer Migros' 50.83% share takeover by BC Partners, Turkey's Turkven and Italy's DeA Capital for $1.6 billion together with two other local banks and acted as the Mandated Lead Arranger, book-runner and security agent.

As a Mandated Lead Arranger, facility and security agent, arranged a 7 year- $200 million facility to Almond Holding, a company established by Dubai based private equity firm Abraaj Capital and Mehmet Ali Aydınlar, for the acquisition of the leading private hospital chain in Turkey - Acıbadem Sağlık Hizmetleri ve Tic. A.Ş. Garanti has also extended a 10 year facility at an amount of $200 million to Acıbadem for refinancing and growth purposes. Two facilities were underwritten fully by Garanti Bank. The deal represents the first private equity deal to be directed from GCC region to Turkey.

As one of the three Mandated Lead Arrangers, Garanti participated to a €505 million refinancing facility with a tenor of 11 years to TAV for the concession fee of the Istanbul Atatürk Airport. The purpose of the loan was not only to re-finance the existing loan facility, but also to finance the upcoming investments of TAV Istanbul.

Participated in the Merter Shopping Mall development project, co-sponsored by Apollo Real Estates and Multi Turkmall. In terms of size, with a total loan amount of €482 million, it represents the largest project finance loan facilitated for a real estate development project in Turkey so far.

In addition to Project Finance International's 'Infrastructure Project of the Year 2007' award, Mersin Port Project received its second award 'European Port Deal of the Year for 2007' in March from Project Finance Magazine. The PSA-Akfen consortium took over Mersin port in 2007 for a concession fee of $755 million, of which $600 million was financed by senior debt. Garanti provided $100 mn facility and acted as the account bank for the financing.

Garanti's quality in payments formatting and straight through rate above 97.7% and 98.6% in Euro and USD respectively was recognized by Deutsche Bank for the sixth consecutive year with "STP Excellence Award". Garanti was also honored by Dresdner Bank with “Payment Quality Award 2007" in recognition of its exceptional performance and remarkable achievements in the international payments business.

Cash Management launched a new Direct Debit System with Vestel based on sharing default risks of the loans granted to the buyers by the bank as the guarantee of post-dated sales. Through this model, the seller - Vestel, with an annual turnover of $3,8 billion in white goods and electronic sector, bears a pre-determined portion of the risk for the DDS credit limits which facilitates extending credit lines to its buyers/distributors. With this project, Garanti will become the sole payment bank of 1,200 Vestel distributors by the end of July.

Received approval from The Capital Markets Board of Turkey to launch Turkey's first hedge fund. The fund initially will have YTL500 million under management following a long-short, market-directional strategy using three times leverage and will primarily invest in Turkish assets.

Eureko Insurance, the provider of non-life insurance products to Garanti customers, launched 'Kaskometre', the first "pay-as-you-drive" casco insurance policy in Turkey.

Launched a new credit card under the name Bonus Platinum Card which combined the services provided by Bonus Card and American Express Card together offering an enhanced bonus scheme.

Reinforced its credit card business with a new product, “Corporate Travel Card”. Turkey's first prepaid Business Card offers corporations an innovative travel and entertainment expense management solution to optimize savings.

Pioneer in payment systems, Garanti launched Turkey's first multimedia PINPADs in cooperation with Ingenico. Through these devices, POS machines are not only payment tools but also advertising channels. PINPADs provide focused advertising at the checkout counter.

Garanti With Numbers	Dec-07	Mar-08
Branch Network	592	633
+ Domestic	583	624
+ Abroad	9	9
Personnel	14,542	15,354
ATM	1,854	2,156
POS*	280,532	285,691
Total Customers	6,921,439	7,256,404
Internet Customers**	969,455	1,018,393
Telephone Banking Customers**	63,504	50,664
ADC's share in total transactions***	85.3%	85.8%
Credit Cards	6,501,747	6,704,992
Debit Cards	3,952,381	4,243,814

* Includes shared POS
** Active customers only -- Those that login/call at least once per month
***Quarterly Average, including cash transactions

Garanti Market Shares*	YTD ∆	Mar-08
Total Cash Loans	⇧	14.2%
TL Loans	⇧	11.3%
FC Loans	⇩	21.7%
Credit Cards - Issuing (monthly)	⇩	20.8%
Consumer Loans	⇧	12.4%
Total Deposits	⇩	10.8%
Demand Deposits	⇧	14.2%
TL Deposits	⇩	8.5%
FC Deposits	⇩	15.2%
Mutual Funds	⇧	15.0%
Foreign Trade **	⇩	14.2%

*BRSA weekly data - Commercial Banks
**Estimate

DEVELOPMENTS IN TURKISH BANKING SECTOR

Participation bank Kuveyt Turk postponed its planned public offering indefinitely because of poor market conditions.

Fortis and Yapı Kredi reached an agreement for a partnership between their respective credit card businesses Ideal Card and World Card. Per agreement, Ideal Card users will have World Card benefits.

YKB appointed Merrill Lynch International and UniCredit CA IB as joint financial advisors to assist YKB in their strategic plans regarding their insurance business.

BRSA has approved the sale of participation bank Turkiye Finans to Saudi Arabia's National Commercial Bank. In July 2007, NCB, the Gulf's largest lender by assets, agreed to pay $1.08 billion for 60% of Turkiye Finans.

Tekstilbank's parent company GSD Holding announced that Tekstilbank has started work on assessing strategic options such as a possible sale, partnership or cooperation deal.

In 1Q08, around $850mn NPL sale took place in the banking sector in return for an amount of around $130mn. Half of the total NPL sale was realised by YKB whereas Akbank and Şekerbank carried out the rest.

The Central Bank of Turkey announced the new interest rate cap on YTL credit card accounts reducing the ceiling from 4.93% that had been in effect since January 1st to 4.54%. The maximum interest rate on late payments has also been reduced from 5.68 % to 5.29% on YTL accounts. The new rate caps are in effect since April the 1st.

After BRSA regulatory amendments which became effective on March, the risk weights of credit card and overdraft unutilized limits decreased to 20% from 50%; the risk weight of credit cards receivables with installment payment longer than 6 months increased to 150% from 100% and longer than 12 months increased to 200% from 100%.

BRSA passed a regulation at the beginning of April to increase the liquidity ratio for Turkish banks to 7% from 5%. The increase will be gradual. The liquidity ratio will be raised to 6% in the third quarter and to 7% in the last quarter.

GarantiBank INVESTOR RELATIONS

stockwatch

Stock Market Indicators (March 31, 2008)

	Market Capitalizations (US$mn)				Avg. Daily Trading Vol. (US$mn)				Stock Perf. (Rel. to ISE-100)				Stock Perf. (in US$)			
	Min.	Max.	Avg.	Last	Min.	Max.	Avg.	Last	Last 1M	Last 6M	Last 12M	YTD	Last 1M	Last 6M	Last 12M	YTD
Akbank	12,798	21,828	17,315	12,798	11.7	149.0	54.3	49.2	2.3%	-12.1%	-12.2%	-4.5%	-18.8%	-41.5%	-17.1%	-40.5%
Halkbank*	6,995	12,412	9,039	7,047	11.1	74.7	37.0	29.8	8.9%	4.6%	5.9%	-13.7%	-13.5%	-30.4%	N/A	-46.2%
İş Bankası	10,374	17,220	13,641	10,374	37.5	575.4	205.9	160.2	0.3%	-6.3%	-15.7%	-4.3%	-20.3%	-37.6%	-20.4%	-40.4%
Vakıfbank	4,628	8,731	6,314	4,628	13.8	116.2	46.9	46.6	-3.2%	-18.3%	-15.3%	-16.4%	-23.1%	-45.6%	-20.1%	-47.9%
YKB	6,736	11,676	8,711	6,736	12.0	151.1	75.0	34.1	7.3%	-7.4%	-2.3%	-10.9%	-14.8%	-38.4%	-7.7%	-44.4%
GARANTİ	9,599	18,336	13,372	9,599	55.7	502.4	205.6	175.2	-5.7%	-10.1%	8.2%	-18.7%	-25.1%	-40.2%	2.1%	-49.3%
Banking Sector	66,044	111,906	87,230	66,044	168.1	1,565.7	655.0	523.9	-2.2%	-8.9%	-6.1%	-10.8%	-22.3%	-39.4%	-11.4%	-44.4%
ISE-100	153,002	240,324	192,831	153,002	425.8	2,206.4	1,107.4	842.2					-20.6%	-33.4%	-5.6%	-37.7%

Minimum, maximum and average figures are valid for 2008 -- Average figures are weighted for Mcap and simple for volume -- US$/YTL: CBRT ask --
* Stock Perf. for 12M is not available since its IPO date was on May 2007.

MACRO NOTES

In the first quarter of 2008, volatility rose in financial markets led by increasing concerns over economic activity in the world, especially in the US. In addition to global financial turbulence, increasing political uncertainty in Turkey due to the court case opened by chief prosecutor to ban the ruling Justice and Development Party (AKP) in late March caused Turkey to underperform compared to other selected emerging market economies. In January-March 08, nominal depreciation of YTL against currency basket (1US$+1Euro) was 18%, indicating almost 13% real depreciation. In March, Central Bank stopped easing monetary policy by keeping O/N borrowing rates on hold at 15.25%. The interest rates of benchmark bond rose by 2 points to 18.6% as of end March from 16.6% at the end of 2007.

Turkstat released revised figures of GDP in mid March, for which base year is changed to 1998 from 1987. Turksat stated that the methodology of GDP calculation and the coverage of the economy have been modified significantly, being compatible with EU standards. According to new GDP series, 2006 nominal GDP figure has increased by approximately 30% compared to the old series. In late March, Turkstat revealed 2007 GDP figures. In 2007 Turkish economy grew by 4.5%, the lowest growth rate since 2001. The nominal GDP was US$ 659 billion in 2007 and GDP per capita was US$9,333. In 2007, the agricultural sector contracted massively by 6.8% and the construction sector growth rate decelerated to 5.0% (from 18.5% in 2006). In the last quarter of 2007, the GDP growth rate was 3.4%, while consumption growth has decelerated to 2.9% (from 8.2% in the third quarter) and investment growth has accelerated to 7.2% (from 2.1% in the third quarter). The contribution of domestic demand was 7.2 points in the fourth quarter and 5.9 points in overall 2007. On the other hand, net foreign demand pulled growth down by 3.7 points in the fourth quarter, the highest negative contribution since the first quarter of 2004.

The 2007 debt figures were released in late March, indicating an ongoing improvement in debt stock figures. In 2007 external debt stock increased by US$ 41.6 billion from US$205.5 billion to US$ 247.2 billion. The financial sector external debt stock and real sector (sectors excluding financial sector) external debt stock rose by US$10.1 billion and US$ 29.6 billion, respectively in 2007. The share of external debt stock of real sector increased from 34% in 2006 to 41% in 2007. On the public sector debt stock front, EU defined debt stock decreased from 46% in 2006 to 39% in 2007, significantly lower than the Maastricht criteria of 60%. In addition, GDP revision led several changes in macroeconomic indicators of Turkey including debt stock figures. Debt stock/GDP ratios decreased almost 10-15 percentage points due to the GDP revision. Other macroeconomic indicators, such as the ratio of current account deficit to GDP declined from 7.4% to 5.7% for 2007 and central budget deficit to GDP ratio fell to 0.6% from 2.1%.

CPI increased significantly by 3.1% in the first quarter of 2008, pushing annual inflation up to 9.2% from 8.4%. The increased price pressures were due to food, energy and commodity price hikes. Food, housing and other goods (including gold) prices rose considerably by 8.1%, 5.1% and 6.7% in the January-March period. The only sub-item that prices fell (15%) was clothing due to seasonal sales. CBT will write a letter to the government explaining the reasons of the rise in inflation as the end of March inflation surpassed the upper boundary of uncertainty band (9.1%).

Selected Sector Figures

(YTLmn)	29-Dec-06	28-Dec-07	28-Mar-08	YTD Chg (%)
Total Deposits	308,396	350,609	377,890	7.8%
Bank Deposits	11,581	10,444	10,609	1.6%
Customer Deposits	296,815	340,165	367,281	8.0%
TL Deposits	181,532	221,384	237,474	7.3%
FC Deposits (US$mn)	82,257	102,601	102,634	0.03%
info: Customer Demand Deposits	*52,882*	*54,801*	*54,814*	*0.02%*
Total Loans	214,998	271,865	302,325	11.2%
Loans / Deposits	*69.7%*	*77.5%*	*80.0%*	
TL Loans	156,467	202,696	217,594	7.3%
FC Loans (US$mn)	41,791	59,836	67,327	12.5%
Consumer Loans	45,932	65,813	71,656	8.9%
Housing	22,165	30,898	33,977	10.0%
Vehicle	6,405	5,928	5,841	-1.5%
Personal Finance	15,884	26,019	28,168	8.3%
Other	1,478	2,968	3,670	23.7%
Credit Cards	21,642	26,574	27,823	4.7%
Gross NPL	8,127	9,776	10,007	2.4%
info: NPL ratio	*3.6%*	*3.5%*	*3.2%*	
info: NPL coverage	*90.8%*	*88.7%*	*88.3%*	
Gross NPL in cons. loans	384	897	1,104	23.1%
info: NPL ratio	*0.8%*	*1.3%*	*1.5%*	
Gross NPL in credit cards	1,698	1,765	1,788	1.3%
info: NPL ratio	*7.3%*	*6.2%*	*6.0%*	
F/X Position, net (US$mn)	184	-296	705	
on B/S	-5,467	-10,511	-5,732	
off B/S	5,651	10,215	6,438	

Source: BRSA weekly sector data, excluding participation banks

MARKET RECAP

In 1Q 08, risks and uncertainties dominated financial markets. Global fears of recession and of a serious financial systemic risk in the U.S. were exacerbated by the trouble in monoline insurers. Liquidity and solvency concerns rose in core markets. FED rate cuts reached a total of 200 bps for the quarter going down to 2.25% as interventions continued hand in hand with leading central banks' coordinated efforts. Rising domestic political risk towards the end of the quarter together with inflation pressures that were added on top of the negative global sentiment caused ISE100 to finish 1Q 08 with a 30% decrease.

ISE100 entered the New Year with the high of 1Q 08 at 55,538. Central Bank of Turkey (CBT) slowed its rate cutting pace to 25 bps in January while FED's unexpected 75 bps, biggest single rate cut since 1984, was followed by an additional 50 bps in the FOMC meeting. Concerns in U.S. credit markets were not relieved by the stimulus package and bond insurer bailout. Rating agencies started downgrading the bond insurers. Growing risk aversion and credit worries sparked by the subprime mortgage crisis continued to spread to new sectors beyond banking and stagflation worries entered into the agenda in the U.S. World stocks tumbled while the dollar plumbed record lows as fresh concerns about the health of the banking sector and a U.S. recession drove investors to safe-haven gold and government bonds. CBT signaled a potential discontinuation of the rate cutting cycle in February by its second 25 bps cut and with worse than expected inflation figures, deteriorating global and domestic sentiment reflected on CBT survey expectations, it ended the 6-month monetary easing cycle in March. On Friday the 14th of March, after the markets closed, the news on the case to ban the ruling AKP arrived and dragged the local markets to a phase of exceptional uncertainty. ISE100 bottomed at the end of the first quarter closing at 39,015 underperforming the MSCI EMEA index by 70%.

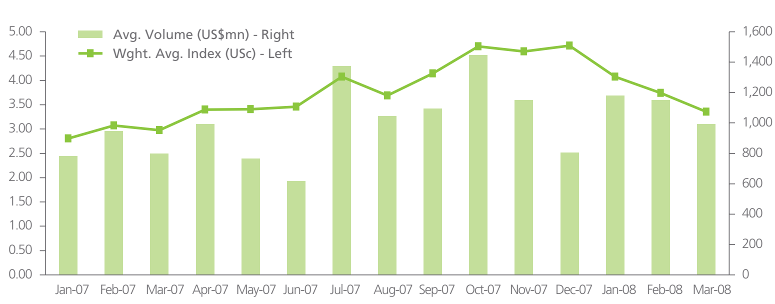
At the beginning of 2Q 08, S&P revised down Turkey's rating outlook to Negative from Stable, noting the increasingly challenging political and global environment's possible effects on Turkey's financing. 2Q 08 will face continued domestic political risk and uncertainty as the global fears of the U.S. mortgage crisis to balloon into a full-blown economic threat increase. Deteriorating inflation expectations in Turkey, on the back of global uncertainties as well as elevated food and energy prices, will determine CBT's future interest rate policy. After the expiration of the ongoing IMF stand-by deal on May 10, 2008, the continuation of economic reforms and implementation of fiscal policies will become of higher importance.

Stock Market Performance* (in US$) in Selected Countries

	Last 1M	Last 6M	Last 12M	YTD
Argentina	5.8%	-5.0%	3.5%	6.9%
Brazil	-7.8%	6.3%	56.9%	-5.7%
Mexico	5.7%	1.5%	8.4%	4.9%
Hungary	-1.6%	-19.0%	1.1%	-13.7%
Israel	-6.1%	-0.4%	17.3%	-5.3%
Poland	7.9%	-2.2%	8.2%	-3.9%
Russia	-1.8%	3.8%	12.1%	-11.5%
Turkey	-20.4%	-35.0%	-8.5%	-38.6%
EM	-5.1%	-8.7%	18.0%	-10.5%
EMEA	-4.0%	-4.3%	7.3%	-12.0%
Eastern Europe	-0.5%	1.9%	12.5%	-10.0%
Latin America	-3.6%	4.3%	36.4%	-1.9%

* Based on MSCI's Emerging Markets Indices, as of Mar. 31, 2008

ISE-100 Performance



For further information please contact Investor Relations Department.
Levent Nispetiye Mah. Aytar Cad. No:2 Beşiktaş 34340 İstanbul / TURKEY Tel: (90-212) 318 23 50 Fax: (90-212) 216 59 02 Telex: 27635 gatı-tr www.garantibank.com