3Q 2008

GarantiBank INVESTOR RELATIONS

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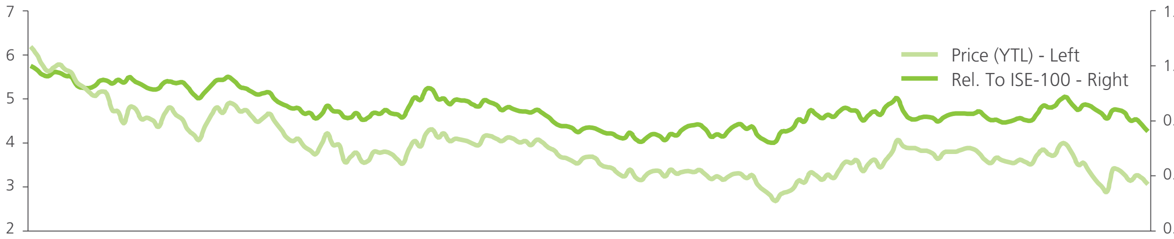
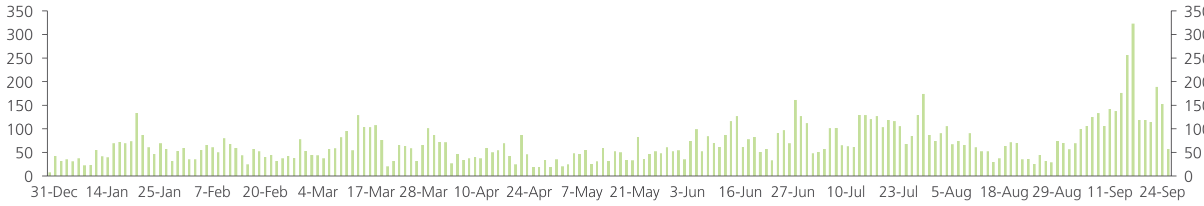
Garanti Bank Stock Performance in 3Q 2008



Volume (million shares)



Note: Adjusted figures due to capital increase on 9 June 2008

DEVELOPMENTS AT GARANTI

Garanti expanded its branch network to over 700 branches with the opening of 118 new branches in the first nine months of 2008. At the end of the 3Q08, the number of ATMs deployed by Garanti Bank reached 2,500 making Garanti the second largest bank in Turkey in ATM network size.

In a volatile environment with rising concerns over the global financial markets, Garanti secured a EUR 200 million foreign funding with a maturity of 10 years from the European Investment Bank through its DPR Securitization program in August, 2008. The loan will be placed for growth in SME banking.

As a leading financier of Turkey's project finance deals, Garanti, extended USD180 mn loan to Zorlu Group for the bridge facility related to its operating rights of the privatization of 8 power plants for a 30 year period and ownership of 1 power plant.

Garanti kept on getting international recognitions:

- The winner of a total of 10 awards in 4 separate categories such as "Europe's Best Consumer Internet Bank", "Europe's Best Corporate/Institutional Internet Bank", and "Turkey's Best Corporate/Institutional Internet Bank" by Global Finance as the bank with the most nominations in Europe
- The “Bank Standard of Excellence” and the “Financial Services Standard of Excellence” awards for the website www.bonuscard.ro by Web Awards, the world's first and most prestigious web competition
- “STP (Straight Through Processing) Excellence Awards” from Citibank NA and JP Morgan Chase Bank NA
- "Best Outbound Campaign" award by CCF European Call Center Awards, one of the world's most respected and prestigious organizations in the call center industry
- Master Card's "Best Use of Payment Technology" and “Best Co-Brand Card” award for Bonus Trink Card at the Co-Brands Conference held in Malta
- The top-ranking brand in the credit card category with Bonus Card according to “Best Brands '08 Market Research” by Gfk Turkiye

Garanti continued to lead the sector in terms of development of innovative products and services.

Launched a first in the world and in Turkey: “Loan via POS” for its SME customers as a channel for loan applications through POS machines.

Introduced “Business Owner Support Package”, offering favorable lending rates to SME's with products such as POS, check book, and business credit cards.

Initiated Turkey's first inventory finance system with Mercedes-Benz Turkey enabling Mercedes dealers to finance the cars in their inventory with unique financing conditions where the cars are the main collateral.

Cardless remittance, where both parties are non-bank customers and want to transfer money, was first performed in August 2008. The number of transactions has reached up to 1.000 since its launch.

In July 2008, Garanti started to offer Structured Deposits to retail customers as an alternative investment product with capital protection and min interest guarantee, providing an added return based on the yield of the underlying financial instrument chosen at account opening. Garanti became the first in the market to offer "interest lock-in option" on Structured Deposits, by which customers could lock the interest rate before the account matures.

Garanti became the leader of structured funds market offering 100% Capital Protected Mutual Fund and 10% Return Guaranteed Mutual Fund with a total size of YTL110.2 mn.

Bonus Trink Card, offering the first contactless technology usage in public transportation, extended its scope to two new locations, Diyarbakır and Ayvalık.

On the insurance front, Emergency Treatment Insurance, which covers the cost of emergency treatments and provides medical consulting and ambulance services, is made available to Garanti customers by Eureko Insurance.

Garanti With Numbers	Dec-07	Jun-08	Sep-08
Branch Network	592	680	707
+ Domestic	583	671	698
+ Abroad	9	9	9
Personnel	14,542	15,923	16,378
ATM	1,854	2,376	2,501
POS*	280,532	311,143	321,823
Total Customers	6,941,269	7,587,104	7,861,133
Internet Customers**	969,455	1,073,892	1,189,633
Telephone Banking Customers**	63,504	67,202	70,813
ADC's share in total transactions***	85%	87%	87%
Credit Cards	6,501,747	7,069,788	7,300,485
Debit Cards	3,952,381	4,449,654	4,629,130

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

Garanti Market Shares*	YTD Δ	Sep-08
Total Cash Loans	⇩	13.4%
TL Loans	⇩	10.9%
FC Loans	⇩	20.4%
Credit Cards - Issuing (monthly)	⇩	21.2%
Consumer Loans	⇩	11.6%
Total Deposits	⇧	11.4%
Demand Deposits	⇧	14.2%
TL Deposits	⇧	9.2%
FC Deposits	⇧	15.8%
Mutual Funds	⇧	14.6%

*BRSA weekly data - Commercial Banks

DEVELOPMENTS IN TURKISH BANKING SECTOR

In September, Central Bank of Turkey decided to keep the interest rate cap on credit cards stable at 4.39% per month during the 4th Quarter of 2008.

To increase tax collections and residential registry levels, Ministry of Finance announced that rental incomes over YTL500 will be paid through banks and postal service starting from November 1st.

National Bank of Greece has decided to buy a 9.68% stake in Finansbank for $697.2 million. NBG purchased a 46% stake in Finansbank in 2006 for $2.7 billion from Turkish financial services company Fiba Group.

Israel's Harel Insurance Investments and Financial Services has bought the controlling stake in the Turkish Insurance company Turk Nippon Sigorta AS for $2.56 million.

Julius Baer has been granted a license by the Banking Regulation and Supervision Agency of Turkey to open a representative office in Istanbul.

French Bank Credit Agricole's European equity broker CA Cheuvreux announced the opening of a subsidiary in Istanbul.

After the restructuring programme in 2007, Çalıkbank changed its name and logo to Aktifbank in August 2008.

YKB increased its issued capital via 26% rights issue to YTL4,347 mn.

Isbank sold its minority stakes in Turk Pirelli Lastikleri A.S. and in Celikord A.S to Pirelli Tyre Holland N.V., totaling YTL75 mn.

Isbank has signed an advisory deal with Pricewaterhouse Coopers to grow in Russia, Kazakhstan and Ukraine. The initiatives for opening a representative office in Egypt and a branch in Baku (Azerbaijan) are still in progress.

Akbank started initiatives for opening representative offices in Russia, China and Dubai.

Akbank, Finansbank, ING, and Isbank received approval from the Capital Markets Board of Turkey to launch custody services.

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Stock Market Indicators (Sep 29, 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 3M	Last 12M	YTD	Last 1M	Last 3M	Last 12M	YTD
Akbank	9,570	21,828	15,343	15,879	10.6	149.0	48.1	10.6	17.7%	50.4%	11.3%	20.9%	1.6%	52.9%	-27.4%	-26.1%
Halkbank	5,029	12,412	10,716	5,808	5.2	74.7	25.6	23.4	-3.7%	-3.5%	-3.1%	-20.0%	-16.9%	-1.9%	-36.7%	-51.1%
İş Bankası	8,302	17,220	12,435	11,917	26.1	575.4	142.2	26.1	3.7%	30.2%	14.9%	17.2%	-10.5%	32.3%	-25.1%	-28.4%
Vakıfbank	2,955	8,731	5,020	4,303	12.8	199.8	51.0	15.6	4.2%	30.4%	-20.3%	-18.5%	-10.1%	32.6%	-48.0%	-50.2%
YKB	5,910	11,676	8,424	9,484	7.0	151.1	51.8	7.0	12.2%	34.8%	20.5%	16.0%	-3.2%	37.0%	-21.4%	-29.1%
GARANTİ	9,113	18,336	12,166	10,385	55.7	854.2	211.4	143.3	-5.0%	5.6%	-15.8%	-23.8%	-18.0%	7.4%	-45.1%	-53.4%
Banking Sector	53,423	111,906	78,901	74,112	168.1	1,618.1	561.8	238.6	2.98%	20.0%	-3.8%	-5.8%	-11.1%	22.0%	-37.2%	-42.4%
ISE-100	144,700	240,324	182,670	167,123	363.0	2,437.5	974.1	363.0					-13.7%	1.7%	-34.7%	-38.9%

Minimum, maximum and average figures are valid for 2008 -- Average figures are weighted for Mcap and simple for volume -- US$/YTL: CBRT ask --

MACRO NOTES

In July, Central Bank of Turkey (CBT) raised O/N lending rate by 50 basis points from 16.25% to 16.75% and kept the rates on hold since. In its recent statements CBT pointed out that cautious stance will be taken on the back of rising uncertainty in financial markets and high inflation expectations. In September the developments in global financial markets and rising volatility had negative impacts on Turkish financial markets. Compared to end of August 08, the IMKB-100 index declined by 9.5%, while YTL has depreciated by 3.5% against currency basket (1EURO+1US$) in September. The benchmark interest rates rose to 19.42% at the end of September from 18.88% as of end of August.

In the third quarter of 2008 (3Q08) CPI inflation was 0.8%, pushing annual inflation up to 11.1% as of September 08 from 10.6% in June 08. Due to the deceleration in energy and food price increases, the monthly inflation was below expectations in August and September. According to the September expectation survey, 12 month ahead inflation expectations stayed above 8%, higher than 7.5%, CBT's inflation target for the end of 2009.

In the first two months of 3Q08 exports rose by 33.7% and imports by 32.9% compared to the same period in 2007. The export performance in petroleum products, basic metal and metal products were eye-catching during the period. On the imports side, consumption and investment good imports have decelerated, while the acceleration has continued in intermediate good imports. As of August, 12 month cumulative exports and imports reached US$132.5 billion and US$208.4 billion, respectively. Widening foreign trade deficit led current account deficit to reach US$ 47.1 billion as of July 08. Net foreign direct investment inflow was US$15.0 billion and net borrowing was US$44.8 billion during that period, while portfolio outflows were US$5.3 billion.

In the second quarter of 2008 (2Q08) Turkish economy growth rate slowed down to 1.9% from 6.7% in the first quarter 2008 (1Q08). GDP growth rate in 2Q08 was the lowest growth since 1Q02. The deceleration in the investment expenditures was significant as private machinery & equipment expenditures, which rose by 18.1% in 1Q08 decreased by 2.7% in 2Q08. Due to falling investment appetite of private sector and contraction in public investments by 16.8%, total investment expenditures contracted by 1.5% in 2Q08, the first fall since 1Q02. In addition, the consumption expenditures growth rate decelerated to 2.2% in 2Q08 from 7.4% in 1Q08. On the production side, the slowdown was widespread throughout almost all sectors. The growth rate in construction was low at 0.9%, while the agriculture sector contracted by 3.1% in 2Q08. During the same period, the manufacturing sector growth rate was moderate by 2.8%. Low growth rate in 2Q08 led growth rate expectations for overall 2008 decline to 3-4% range.

Selected Sector Figures

(YTLmn)	28-Dec-07	27-Jun-08	26-Sep-08	YTD Chg (%)
Total Deposits	350,609	398,821	412,946	17.8%
Bank Deposits	10,444	11,743	12,762	22.2%
Customer Deposits	340,165	387,078	400,184	17.6%
TL Deposits	221,384	250,140	266,788	20.5%
FC Deposits (US$mn)	102,601	113,448	109,595	6.8%
info: Customer Demand Deposits	*54,801*	*60,571*	*61,557*	*12.3%*
Total Loans	271,865	325,858	346,882	27.6%
Loans / Deposits	*77.5%*	*81.7%*	*84.0%*	
TL Loans	202,696	239,401	256,201	26.4%
FC Loans (US$mn)	59,836	71,804	74,629	24.7%
Consumer Loans	65,813	77,280	83,075	26.2%
Housing	30,898	36,355	38,141	23.4%
Vehicle	5,928	5,887	5,944	0.3%
Personal Finance	26,019	30,926	34,291	31.8%
Other	2,968	4,112	4,698	58.3%
Credit Cards	26,574	30,818	32,180	21.1%
Gross NPL	9,776	9,945	10,556	8.0%
info: NPL ratio	*3.5%*	*3.0%*	*3.0%*	
info: NPL coverage	*88.7%*	*84.7%*	*81.6%*	
Gross NPL in cons. loans	897	1,283	1,476	64.5%
info: NPL ratio	*1.3%*	*1.6%*	*1.7%*	
Gross NPL in credit cards	1,765	1,863	2,018	14.3%
info: NPL ratio	*6.2%*	*5.7%*	*5.9%*	
F/X Position, net (US$mn)	-296	126	-945	
on B/S	-10,511	-14,231	-10,023	
off B/S	10,215	14,358	9,078	

Source: BRSA weekly sector data, excluding participation banks

MARKET RECAP

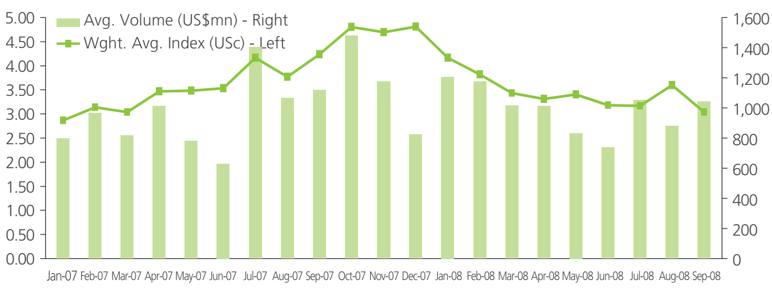
3Q08 started with positive developments on GDP and inflation front. Insolvency concerns regarding US largest mortgage financiers, Fannie Mae and Freddie Mac were partially relieved with the announced support plan of the US authorities. Together with SEC's ban for "naked" short selling in the securities of leading financial stocks, global stock markets registered a small rally. The Constitutional Court's ruling against closing down the AKP was also perceived well by the investors as a sign of diminishing political uncertainty. CBT hiked policy rates by 50 bps to 16.75% and together with the support of decreasing oil prices, ISE100 reached 43,259, the high of the 3Q, on August 4th. It was not long after the peak that the global sentiment was hurt by the rising tension between Russia and the western countries over armed conflict in neighboring Georgia. Bankruptcy of some US local banks and continuing worries regarding the investment bank Lehman Brothers were added to the agenda as US macro parameters heightened concerns on growth. The global markets took a breath after US Treasury took over Fannie Mae and Freddie Mac, but the end of talks between Lehman and Korean Development Bank exacerbated concerns. In the local markets, 2Q GDP growth figures came out as low as almost half of the expectations and tension rose between the Government and the media. ISE100 hit the low of 3Q08 at 32,216 on September 18th after the news of Lehman's bankruptcy, sale of ML to Bank of America and FED taking control of AIG to prevent the crisis bouncing into insurance sector. The sharp fall in Russian markets forced authorities to halt stock and bond trading whereas FED, ECB, BOE and BOJ took coordinated action to ease tightening of liquidity conditions over the global markets. SEC and FSA temporarily banned short sales of financial shares. The US authorities proposed moving troubled assets from the balance sheets of American financial companies into a new institution. Local markets were tied to global markets with heavy news flow. JP Morgan acquired Washington Mutual, which was closed by the US government, whereas Goldman Sachs and Morgan Stanley have become regulated banks with a change in their status as commercial banks. ISE100 closed 3Q08 at 36,051 and MSCI Turkey outperformed MSCI EM by 37% though year to date there is an underperformance of 7%. In the beginning of 4Q08, the US rescue package and coordinated rate cuts of FED, ECB and BOE along with other major central banks did not result in a relief in the global markets. In October, ISE100 went back to the levels of 3 years ago; USD/YTL touched all time highs and benchmark bond rates spiked over 2006 crises levels. On the other hand, the upward trend in oil prices since the beginning of 2007 has changed its direction and oil prices came down from $140s per barrel to $90s by the end of the quarter and continued to $70s, which plays an important role for the Turkish economy. Getting closer to the year-end and ahead of 2009, as volatility hits the roof, the need and importance of crises management and effective measures are increasing rapidly.

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

	Last 1M	Last 3M	Last 12M	YTD
Brazil	-23.1%	-38.2%	-22.7%	-31.4%
China	-20.9%	-25.7%	-48.0%	-46.0%
Hungary	-17.7%	-20.3%	-33.9%	-29.6%
India	-18.5%	-14.4%	-38.5%	-50.1%
Mexico	-11.5%	-19.2%	-22.4%	-19.8%
Poland	-13.5%	-17.2%	-26.8%	-28.1%
Russia	-23.7%	-45.3%	-37.7%	-46.9%
Turkey	-14.4%	-0.7%	-38.0%	-41.4%
EM	-17.7%	-27.6%	-34.7%	-36.8%
EMEA	-17.6%	-29.1%	-28.7%	-34.4%
Eastern Europe	-21.4%	-39.6%	-34.3%	-42.0%
Latin America	-19.6%	-32.9%	-23.0%	-27.6%

* Based on MSCI's Emerging Markets Indices, as of September 30, 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