4Q 2008

GarantiBank INVESTOR RELATIONS

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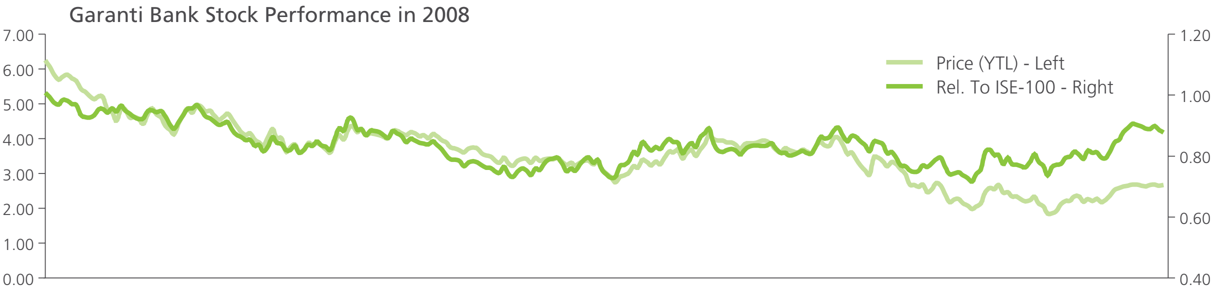

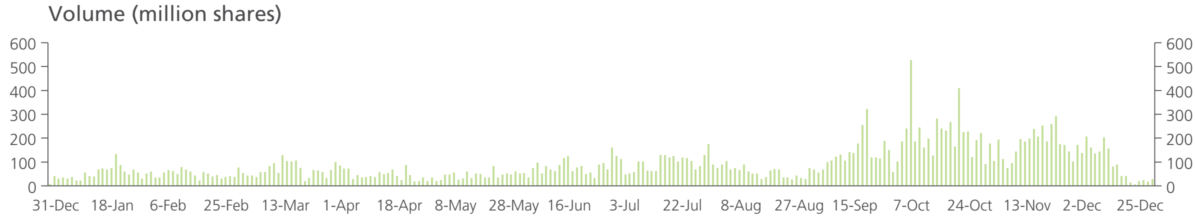

Note: Adjusted figures due to capital increase on 9 June 2008

DEVELOPMENTS AT GARANTI

Garanti Bank has successfully secured $215 million and €282 million dual tranche and dual currency term loan facility with a maturity of 1 year. The total amount represents 82% rollover rate, the highest in the sector. The all-in cost of the facility was LIBOR+ 200 bps and EURIBOR+ 200 bps, respectively. The facility was raised with the participation of 20 banks from 10 countries and the proceeds will be used to finance export contracts.

Garanti closed the financing process that was initiated in 2007 for Eren Çatalağzı Power Plant investment, the largest coal-fired thermal power plant funded by the private sector.

Committed to sustainability, Garanti financed the Borasco 60 MW Wind Farm Power Plant located in Bandırma. Sponsored by Borusan Group, this project reinforced Garanti's strong presence in wind energy financing.

Garanti is one of the four partner banks participating in the second phase of Small Enterprise Loan Programme (SELP II) initiated to extend total loans of €80 million to SMEs by the European Union, and implemented in cooperation with the Turkish Treasury, the Council of Europe Bank (CEB), KfW - Entwicklungsbank.

Garanti added the iPhone specialized mobile banking design to its wide range of mobile phone applications.

Garanti Cash Management commenced e-signature application (G-Imza) with Philip Morris Sabancı A.Ş, enabling it to sign documents and orders electronically, reducing operational risks and workload, and creating a paperless working environment.

Online consulting service by Mortgage Experts is now available at garantimortgage.com. Customers are able to get detailed information from Mortgage Experts by choosing online chat option. Garanti has also launched the first IVVR system and the video call center at CEBİT IT Expo.

Bonus Trink Card, offering the first contactless technology usage in public transportation, extended its scope by adding a new location, Eskişehir.The "Smart Station" system will be established by Garanti where the passengers can see the exact time for the bus arrival time with the GPS system located on the buses.

Garanti signed an agreement with the Revenue Administration of the Ministry of Finance to pay the motor vehicle tax and the administrative fines via the website www.gelirler.gov.tr with Garanti's Flexi, Shop&Miles, American Express and Bonus credit cards.

Garanti received approval from the Capital Markets Board of Turkey to launch custody services for asset management companies.

Garanti continued to win international recognition from the world's most respected publications and organizations, including:

- "The Bank of the Year 2008" by the Banker, recognizing its strong management and prudent risk approach.
- "Best Online Consumer Credit Site" and "Best Integrated Consumer Bank Site" by Global Finance in the "World's Best Internet Banks for 2008 Awards"
- "Best Customer Loyalty Program Award" with Flexi Card within the scope of the 13th Sesame Awards in France.
- "The Most Innovative Card of the Year" by 'No Cash' and "The Best Banking Product of 2008" by 'Piata Financiara' in Romania with Romania's first multi-branded chip-based credit card, Bonus Card.
- "Web Development Excellence Award" for the web site www.bonus.ro in banking&finance category by Web Marketing Association.

Garanti With Numbers	Dec-07	Sep-08	Dec-08
Branch Network	592	707	730
+ Domestic	583	698	721
+ Abroad	9	9	9
Personnel	14,542	16,378	16,350
ATM	1,854	2,501	2,581
POS*	280,532	321,823	327,005
Total Customers	6,941,269	7,861,133	8,090,713
Internet Customers**	969,455	1,189,633	1,214,470
Telephone Banking Customers**	63,504	70,813	69,378
ADC's share in total transactions***	85.3%	87.0%	87.0%
Credit Cards	6,501,747	7,300,485	7,501,809
Debit Cards	3,952,381	4,629,130	4,755,143

* 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	Dec-08
Total Cash Loans	⇧	14.2%
TL Loans	⇧	11.3%
FC Loans	⇩	20.9%
Credit Cards - Issuing	⇩	21.1%
Consumer Loans	⇩	11.5%
Total Deposits	⇧	11.7%
Demand Deposits	⇧	14.4%
TL Deposits	⇧	10.2%
FC Deposits	⇩	14.7%
Mutual Funds	⇧	14.6%

*BRSA weekly data - Commercial Banks

DEVELOPMENTS IN TURKISH BANKING SECTOR

In 4Q08, Turkish Banks secured $2.2 billion one-year syndicated loans from international markets at a cost of LIBOR and EURIBOR+200 bps representing an average sector roll-over ratio of 73%.

The World Bank approved $200 million equivalent additional loan for Turkey's "Access to Finance for SMEs" project. The loan will be government guaranteed, and will provide medium&long term working capital and investment finance to SMEs in Turkey through Halkbank.

Upon the agreement between the Belgian government and BNP Paribas SA in early October, BNP Paribas took over 75% of Fortis Bank shares. Accordingly, Turkish Competition Board approved the indirect transfer of Fortis Turkiye's shares to BNP Paribas SA.

Groupama closed the acquisition deal of the Turkish insurance companies Güven Sigorta and Güven Hayat for €180 million.

S&P downgraded Turkey's outlook from stable to negative on difficult external financing conditions. S&P revised its outlook for all Turkish banks following that on the sovereign.

Akbank announced that it had laid off 613 employees between the end of 3Q and November 18th period due to its budget planning, performance reviews and retirements.

YKB announced that it decided to end the process for the reorganization of its insurance businesses due to the current adverse market conditions.

Anadolu Bank and YKB reached an agreement for a partnership between their respective credit card businesses Wondercard and World Card. Anadolubank holds around 80,000 Wondercards with 0.2% market share.

The Central Bank of Turkey took some pre-cautionary steps to limit the impact of global financial crisis. The major effective step was the lowering of the foreign currency reserve requirement level on foreign currency liabilities of banks from 11% to 9%, providing extra liquidity for banks.

The Banking Regulation and Supervision Agency has ruled that banks will be able to re-classify securities in their Trading and Available for Sale (AFS) portfolios to Held to Maturity (HTM). HTM classified securities are valued through IRR without market price effect. Accordingly, negative effects of the volatile markets and thus the losses accumulated on the equity and the under pressure Capital Adequacy Ratios will be relieved.

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Stock Market Indicators (Dec 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 1M	Last 3M	Last 6M	YTD	Last 1M	Last 3M	Last 6M	YTD
Akbank	6,217	21,828	14,070	9,378	1.7	149.0	45.9	6.4%	-2.1%	47.3%	18.4%	14.1%	-40.9%	-9.7%	-56.4%
Halkbank	2,377	12,412	6,608	3,760	2.1	136.7	28.1	7.4%	7.4%	3.6%	-14.1%	15.2%	-35.3%	-36.5%	-68.3%
İş Bankası	4,951	17,220	11,543	7,391	3.1	575.4	130.6	-2.4%	2.8%	33.9%	20.6%	4.7%	-38.0%	-17.9%	-55.6%
Vakıfbank	1,526	8,731	4,396	1,913	6.0	199.8	50.1	-6.7%	-26.3%	-3.9%	-39.9%	0.1%	-55.5%	-41.1%	-77.9%
YKB	3,684	11,676	8,090	5,970	3.1	151.1	45.0	5.2%	4.4%	40.7%	21.1%	12.9%	-37.1%	-13.7%	-55.4%
GARANTİ	4,412	18,336	10,646	7,141	7.1	930.7	219.4	9.2%	14.0%	20.4%	-13.1%	17.1%	-31.2%	-26.2%	-68.0%
Banking Sector	31,221	111,906	71,306	44,973	28.9	1,618.1	549.1	2.9%	2.4%	22.9%	-3.5%	10.4%	-38.2%	-24.6%	-64.4%
ISE-100	72,830	240,324	167,033	101,330	93.3	2,437.5	923.1					7.3%	-39.7%	-38.7%	-63.2%

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

The turmoil in global financial markets and its impact on emerging markets became more pronounced in the last quarter of 2008. Due to capital outflows, YTL started to depreciate against USD, reaching 1.7 levels in mid-November. However, falling concerns regarding global economy on the back of government bailout plans and measures taken by the central banks led the volatility in capital markets to smooth out moderately. Accordingly, YTL appreciated again against USD, declining to 1.52 levels at the year-end.

The initial impact of the world economic slowdown on Turkish economy has been significant on the foreign trade side. Exports which increased by 38% in January-September 2008 compared to the year before, contracted sharply (October: -1.7%, November: -17%, December: -21%) in the last quarter of 2008. In addition to the contraction in exports to EU countries, exports to emerging market economies started to slowdown as a result of weak demand in the last quarter of 2008. The sharp fall in oil prices and weak consumption and investment appetite caused imports to contract more than exports. Imports decreased by 27.4% and 30.1%, respectively in November and December compared to the year before.

In the third quarter of 2008 (3Q08), Turkish economy grew by 0.5% compared to the year before, the lowest growth rate since the first quarter of 2002. The growth rate in the second quarter was revised upwards to 2.3% from 1.9%, pulling Jan-Sep 08 growth rate to 3.0% compared to the same period the year before. The main reason behind the sharp deterioration in the economic activity was the significant (5.4%) contraction in total investment expenditures in 3Q08. The contraction in private investment expenditures was 10% in 3Q08. The private consumption expenditures which grew by 3.4% in the 2Q08, decelerated to 0.3% growth in 3Q08, the lowest growth rate since 4Q01. The contribution of domestic demand to growth rate was "minus" 1 point in 3Q08, the first negative contribution in previous 26 quarters. On the other hand, the contribution of external demand reached 1.5 point in 3Q08.

Despite the depreciation of YTL against USD, weak demand conditions and easing inflationary pressures due to falling oil prices and decelerating food prices caused annual CPI (Consumer Price Index) inflation to move downwards to 10.1% in December 08 from 11.1% in September 08. The effect of weakening cost pressures was more evident on PPI (Producer Price Index) inflation, pulling annual inflation down to 8.1% in December 08 from 12.5% in September 08.

Noting the weakening in inflationary pressures and sharp contraction in economic activity, Central Bank of Turkey eased monetary policy implementations by lowering borrowing overnight rates to 15.0% in December 08 from 16.75% in September 08. Towards the year end CBT announced several measures such as increasing limits of banks in the FX market and reducing FX required reserves ratio to prevent liquidity squeeze in FX market due to rising uneasiness in global financial markets.

Selected Sector Figures

(YTLmn)	28-Dec-07	26-Sep-08	26-Dec-08	YTD Chg (%)
Total Deposits	350,609	412,946	445,438	27.0%
Bank Deposits	10,444	12,762	12,045	15.3%
Customer Deposits	340,165	400,184	433,393	27.4%
TL Deposits	221,384	266,788	282,872	27.8%
FC Deposits (US$mn)	102,601	109,595	101,630	-0.9%
info: Customer Demand Deposits	*54,801*	*61,557*	*58,870*	*7.4%*
Total Loans	271,865	346,882	353,118	29.9%
Loans / Deposits	*77.5%*	*84.0%*	*79.3%*	
TL Loans	202,696	256,201	247,669	22.2%
FC Loans (US$mn)	59,836	74,629	71,349	19.2%
Consumer Loans	65,813	83,075	81,413	23.7%
Housing	30,898	38,141	37,658	21.9%
Vehicle	5,928	5,944	5,397	-9.0%
Personal Finance	26,019	34,291	33,195	27.6%
Other	2,968	4,698	5,163	74.0%
Credit Cards	26,574	32,180	33,461	25.9%
Gross NPL	9,776	10,556	12,338	26.2%
info: NPL ratio	*3.5%*	*3.0%*	*3.4%*	
info: NPL coverage	*88.7%*	*81.6%*	*80.8%*	
Gross NPL in cons. loans	897	1,476	1,838	104.9%
info: NPL ratio	*1.3%*	*1.7%*	*2.2%*	
Gross NPL in credit cards	1,765	2,018	2,386	35.2%
info: NPL ratio	*6.2%*	*5.9%*	*6.7%*	
F/X Position, net (US$mn)	**-296**	**-945**	**-91**	
on B/S	-10,511	-10,023	-4,129	
off B/S	10,215	9,078	4,038	

Source: BRSA weekly sector data, excluding participation banks

MARKET RECAP

In a year of financial turmoil, loss of confidence, delinquency problems and several bankruptcies, world's major equity markets have experienced significant loss of value in 2008. The developed equity markets' indices dropped by 30-40%, while emerging markets' indices suffered at a higher pace by a 50-60%. ISE-100 came down from 55,000 levels by the end of 2007 to 26,864 down 52% by the end of 2008 and MSCI Turkey underperformed MSCI EM by 20%. The foreign retention ratio in the ISE decreased from 72% to 67% y-o-y. In 2008, foreign investors were on the sell side with a total net outflow of $3bn, whereas in 2007 there was a net inflow of $4.5bn.

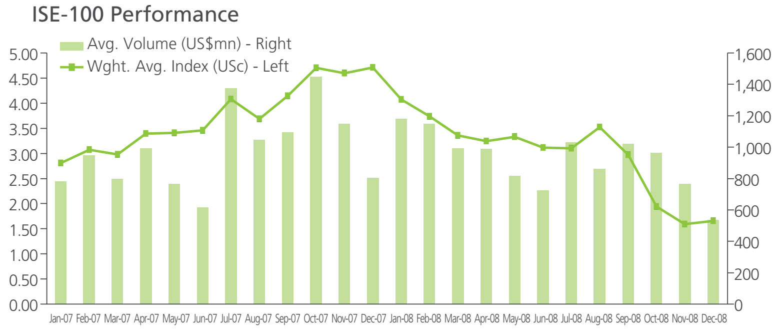
In 4Q08, ISE100 came down from 36,000 levels to 26,000 levels while it touched the four-year low, below 20,000 on November 20th. The index lost 34% value q-o-q closing the year at 26,864 and MSCI Turkey underperformed MSCI EM by 13% in 4Q08. The Istanbul Stock Exchange, just like the rest of the world equity markets, was indexed to the developments in the world's leading economies. The US rescue package and coordinated rate cuts of major central banks did not result in a relief in the global markets. World's leading financial institutions passing through the credit crunch with heavy losses on bad loans and tough-to-sell mortgage securities entered a deepening global recession. Second fiscal stimulus packages were announced in the US and in the UK. After the announcement of dismal 4Q financials, talks of effective nationalization of some of the largest US and UK lenders came into the agenda triggering renewed selling pressure on financial stocks. On the other hand, IMF revised down its GDP growth forecasts lowering 2009 world growth estimate to 0.5% and 2010 to 3%. It also reduced the US 2009 GDP growth forecast to -1.6% and 2010 to 1.6%. As the impact of the financial crisis on emerging economies became more pronounced, the Central Bank of Turkey, in light of the contraction in the economic activity and weakening inflationary pressures due to falling oil prices started easing the monetary policy and cut the policy rate by 175 bps to 15% in 4Q. The Banking Regulation and Supervision Agency and the CBT took imperative steps to allay the tight liquidity conditions in the crucial banking sector. The expectations of a new deal between IMF and Turkey were not fulfilled in 4Q and the government continued to work on the economic stimulus package. The municipal elections scheduled for late March increasingly dominate the local agenda entering 2009, especially concerning the long-awaited IMF stand-by arrangement.

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

	Last 1M	Last 3M	Last 6M	YTD
Brazil	0.8%	-38.2%	-61.8%	-57.6%
China	10.5%	-11.0%	-33.9%	-51.9%
Hungary	3.1%	-46.7%	-57.5%	-62.4%
India	9.6%	-30.1%	-40.1%	-65.1%
Mexico	4.6%	-30.2%	-43.6%	-44.0%
Poland	4.4%	-39.1%	-49.5%	-56.2%
Russia	-7.8%	-51.3%	-73.4%	-74.2%
Turkey	6.3%	-37.5%	-37.9%	-63.4%
EM	7.6%	-27.9%	-47.8%	-54.5%
EMEA	4.4%	-34.0%	-53.2%	-56.7%
Eastern Europe	-3.9%	-47.5%	-68.3%	-69.6%
Latin America	2.4%	-34.8%	-56.3%	-52.8%

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

ISE-100 Performance



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