



BRSA Bank-Only Earnings Presentation

September 30, 2008

“solid performance”

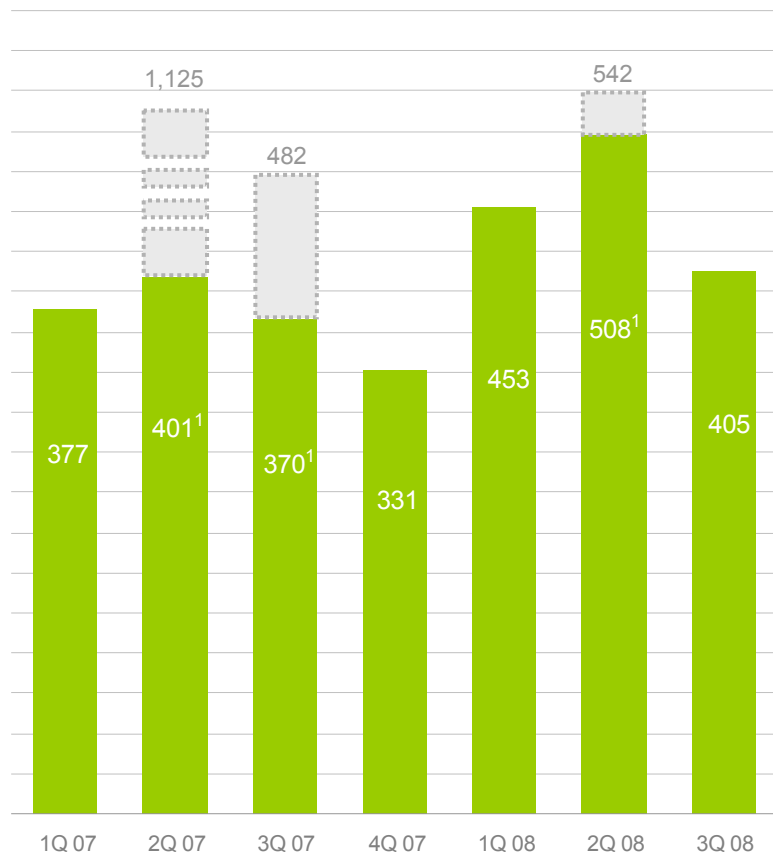


3Q 2008 – Highlights

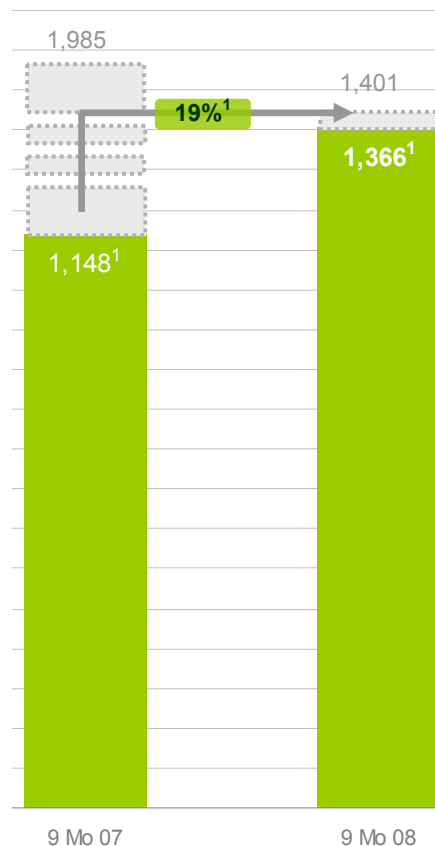
- *Maintained strong results → 19% Net Income¹ growth. ROAE¹ 24%*
- *Cautiously managed Balance Sheet structure*
 - *Managed lending slowdown – focus on higher yielding assets (TL / IEAs : 63%)*
 - *Preserved sound asset quality – NPL stable at 2.2%*
 - *Solidified funding structure with increased growth in TL deposits (ytd 29%)*
 - *Maintained strict discipline in liquidity and effective capital management – Tier 1 at 15.1%*
- *Despite expansion in asset yields and effective management of funding costs, margins pressured via higher volume growth in TL funding*
- *Continued focus on resilient customer driven revenues. Net fees & commissions growth >22%*
- *Strengthened Retail network – increased critical mass*
 - *Y-o-y net increase in:*
 - *# of customers: 1.2 million*
 - *# of branches: 157 branches*
 - *Demand deposits: YTL 2.2 billion*

Maintained strong results despite the turmoil in global markets

Quarterly Normalized Net Income¹



Normalized Net Income¹



Earnings¹
Y-o-Y

19%

ROAE¹

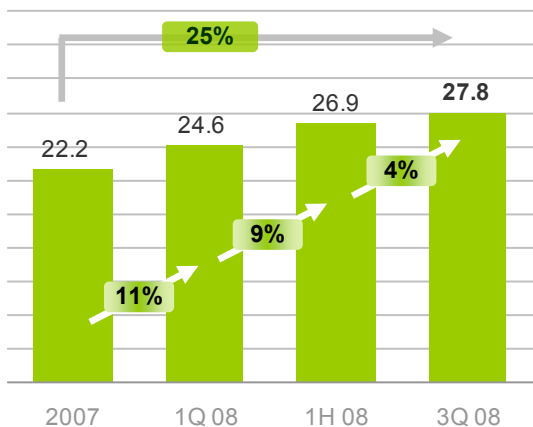
24%

¹ Normalization: 9 Mo 08-Other income adjusted for tax refund, income on unused incentive certificate and proceeds from NPL sale; Other expense adjusted for defined benefit obligation expense; Tax is adjusted for tax credit resulting from deferred tax asset calculated on defined benefit obligation liability. 9 Mo 07-Other income adjusted for gains from insurance and pension & life business subsidiaries stake sale and gains on custody sale; Other expense adjusted for banking insurance and transaction tax related to custody sale. Tax expense is adjusted for the effects of insurance and pension & life business subsidiaries stake sale and of custody sale. 6 Mo 07-Other income adjusted for gains from insurance and pension & life business subsidiaries stake sale. Tax expense is adjusted for the effects of insurance and pension & life business subsidiaries stake sale

Managed lending slowdown – cautiously reshaping asset mix

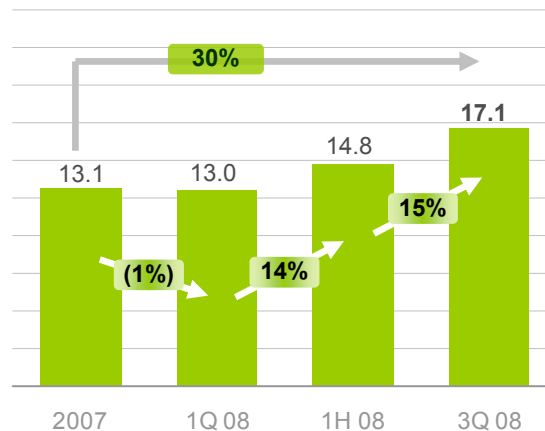
TL Loans¹

YTL Billion



TL Securities Portfolio

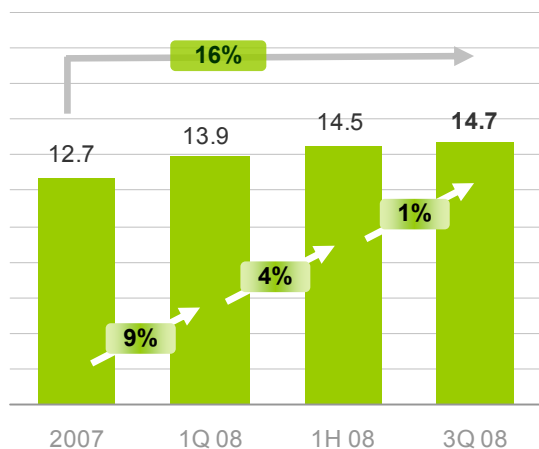
YTL Billion



TL heavy loans & securities book -- 60% & 83%, respectively

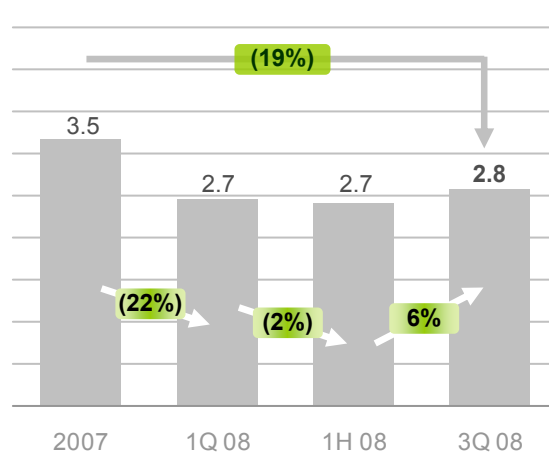
FC Loans¹

US\$ Billion



FC Securities Portfolio

US\$ Billion



FRNs² :

TL Securities:

57%

FC Securities:

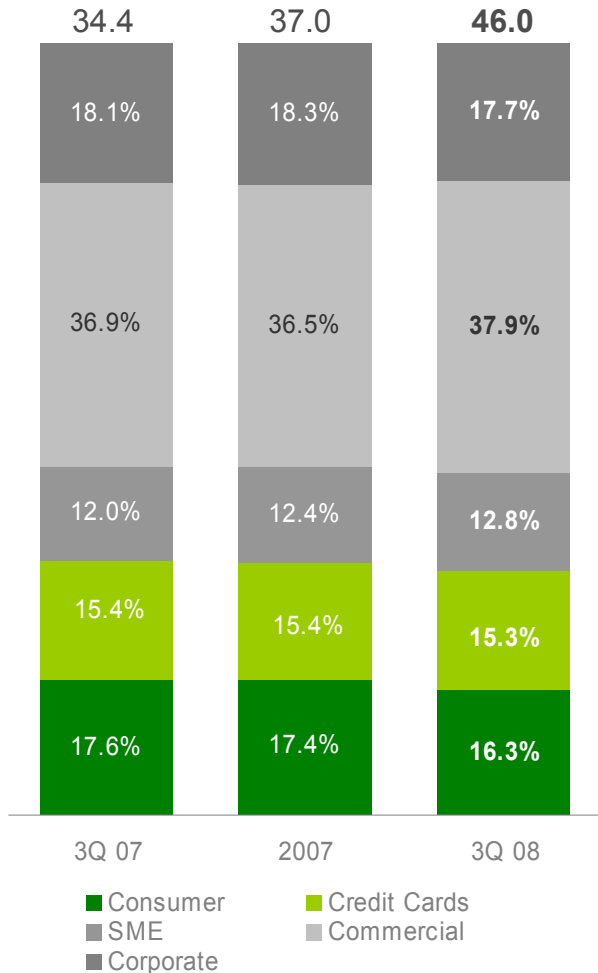
41%

¹ Performing cash loans
² Based on bank-only MIS data

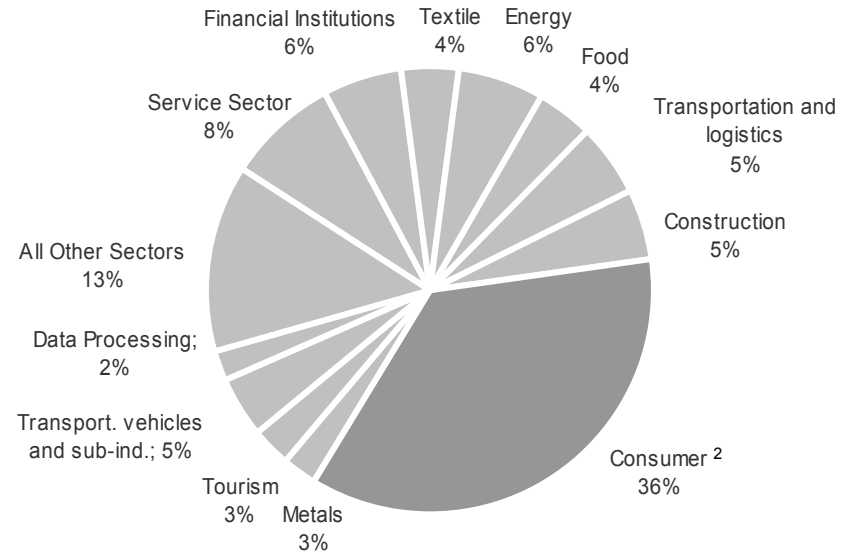
Actively managed risk-return balance through well diversified loan book

Loans by LOB¹

YTL Billion



Loans by Sectoral Breakdown¹



*25% Ytd loan growth
mainly driven by SME
and Commercial
Banking*

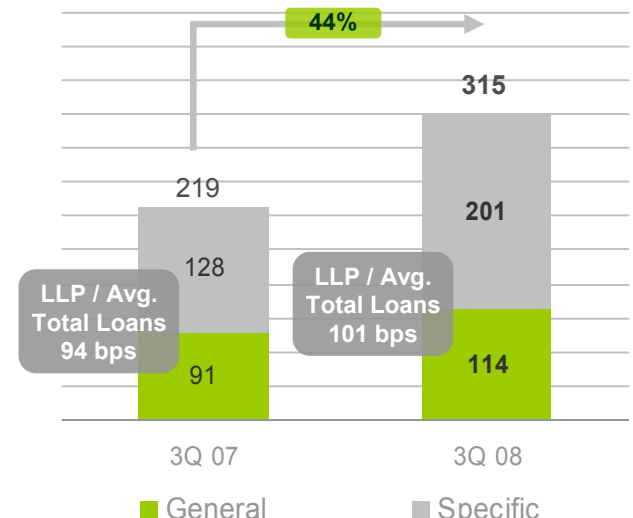
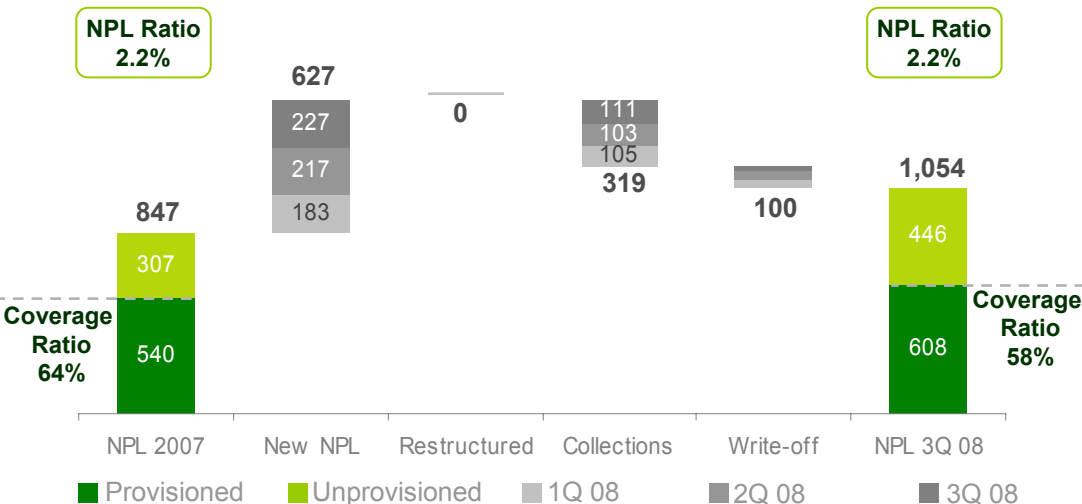
¹ Based on bank-only MIS data
² Consumer includes credit cards and overdraft loans

Sustained sound asset quality and provisioning levels

NPL Ratio & Coverage

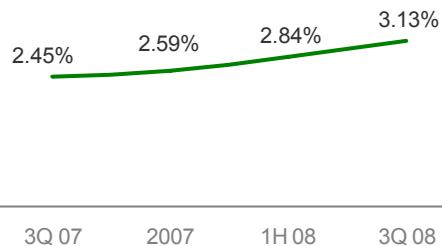
Loan-Loss Provisions

YTL Million

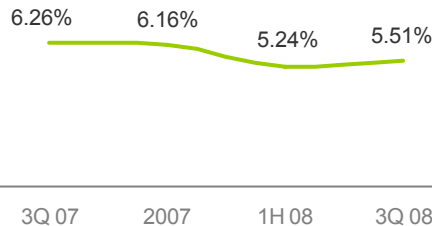


NPL Categorisation¹

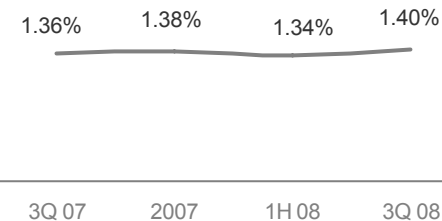
Retail Banking



Credit Cards



Business Banking (Including SME)

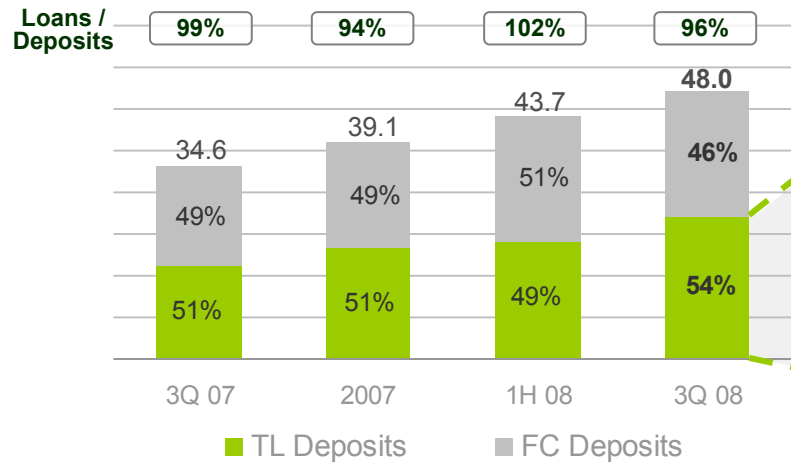


¹ Based on bank-only MIS data

Solidifying funding structure with robust TL deposit growth...

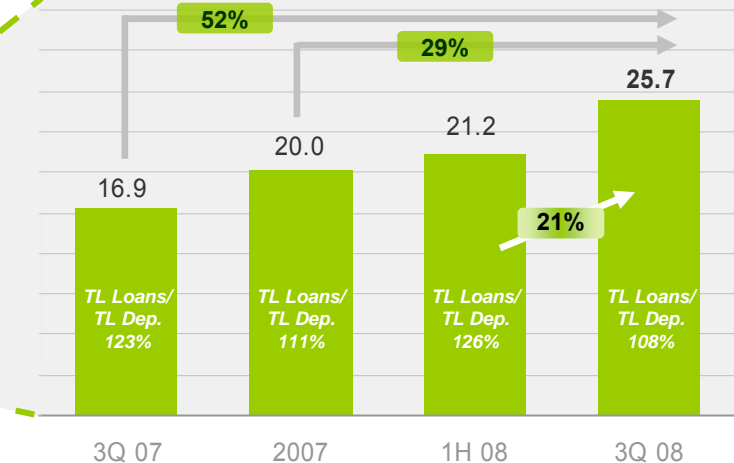
Total Deposits

YTL Billion



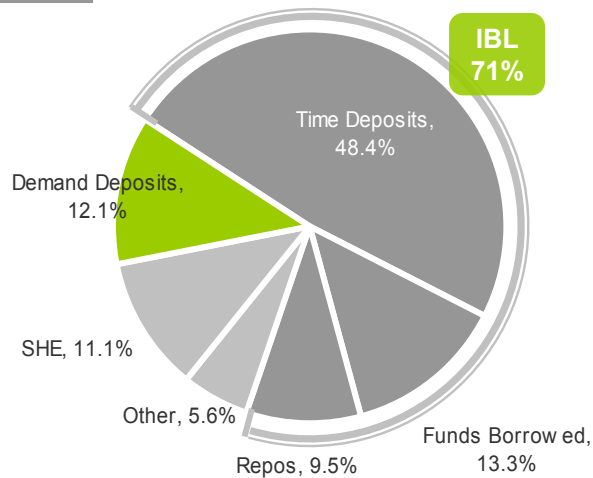
TL Deposits

YTL Billion

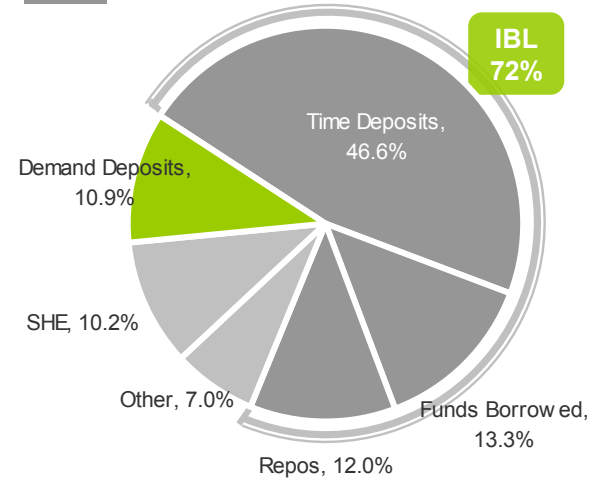


Composition of Liabilities¹

3Q 08



2007

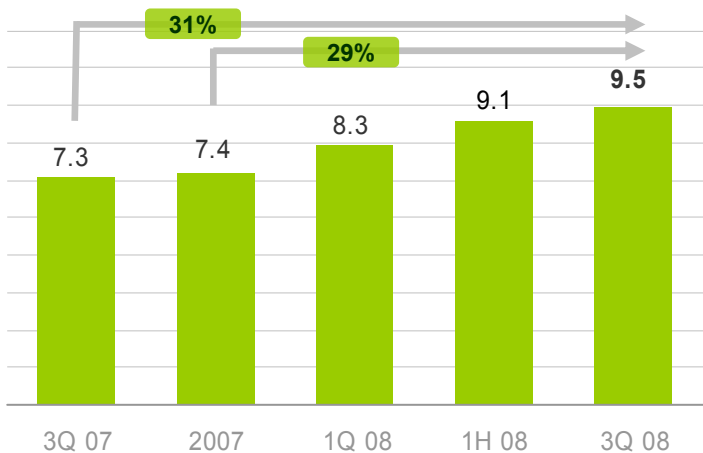


¹ Excluding accruals

...sustained high demand deposit market share...

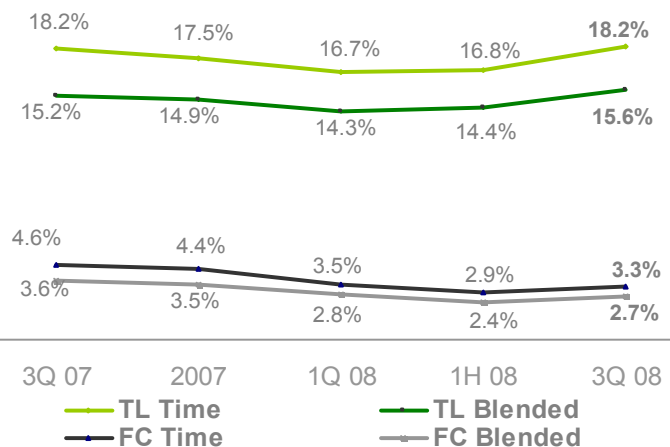
Demand Deposits

YTL Billion



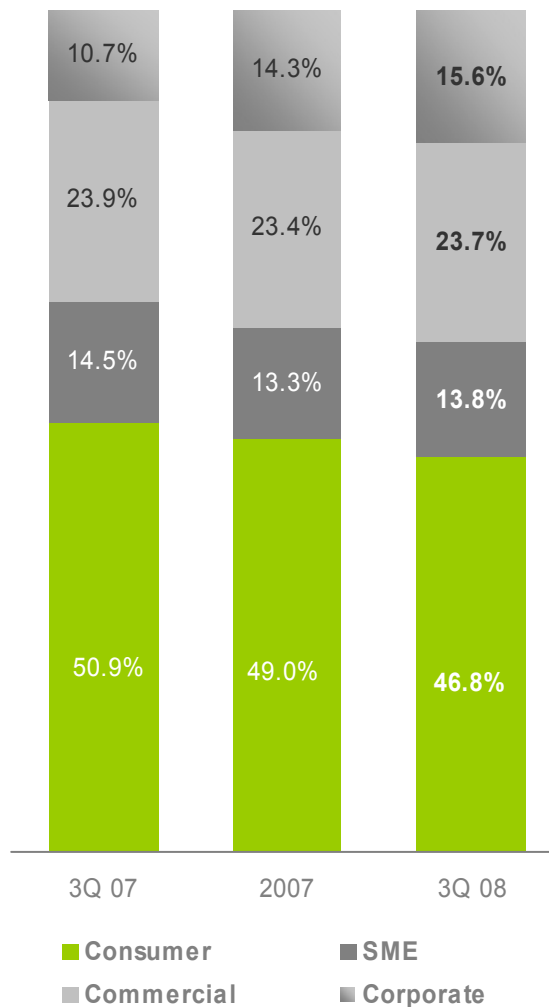
Cost of Deposits¹

Quarterly Averages



Deposits by LOB¹

(excluding bank deposits)



Demand Deposits

YTD Growth

29%

Demand Deposit Market Share²

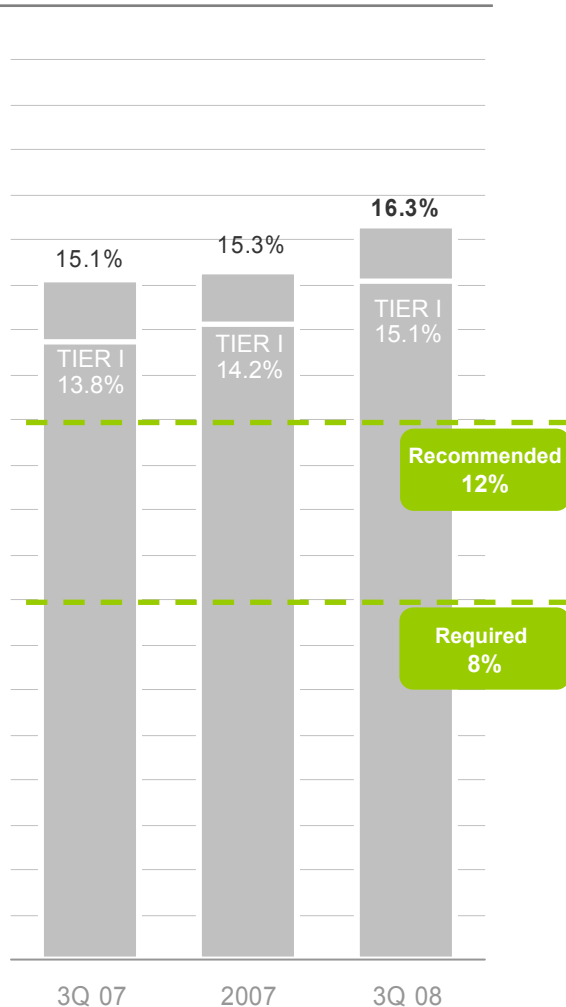
14.2%

Represents 110 bps increase in YTD market share

¹ Based on bank-only MIS data
² Sector figures are per BRSA weekly data. Excluding bank deposits

...and effective capital management

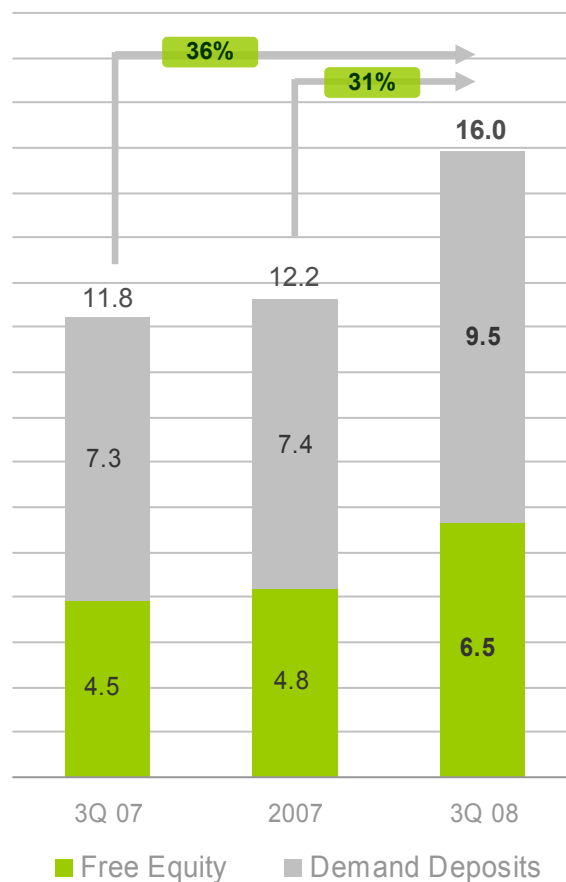
CAR



Free Funds

YTL Billion (Free Funds = Free Equity + Demand Deposits)

Free Funds / IEAs → 21.8%



- *Consistently growing normalized net incomes*
- *Focused demand deposit growth*
- *Non-core asset divestments*
- *Cash injection through capital increase*
- *Fully retained 2007 earnings*
- *Optimum security mix against market fluctuations*

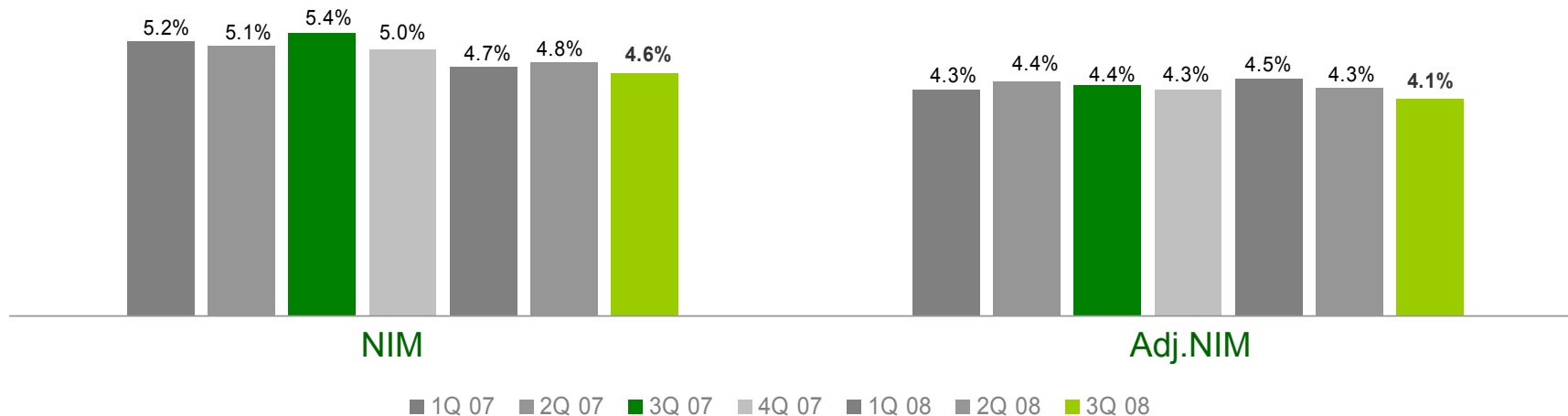
Leverage Ratio

2 points decline in last two years

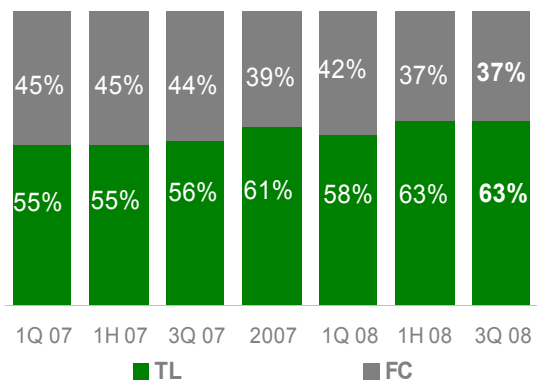


Higher volume growth in TL funding suppressed margins in Q3

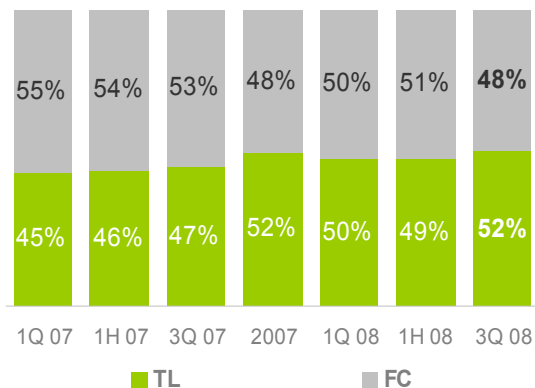
NIM (Net Interest Income/ Average IEAs)



Composition of IEAs



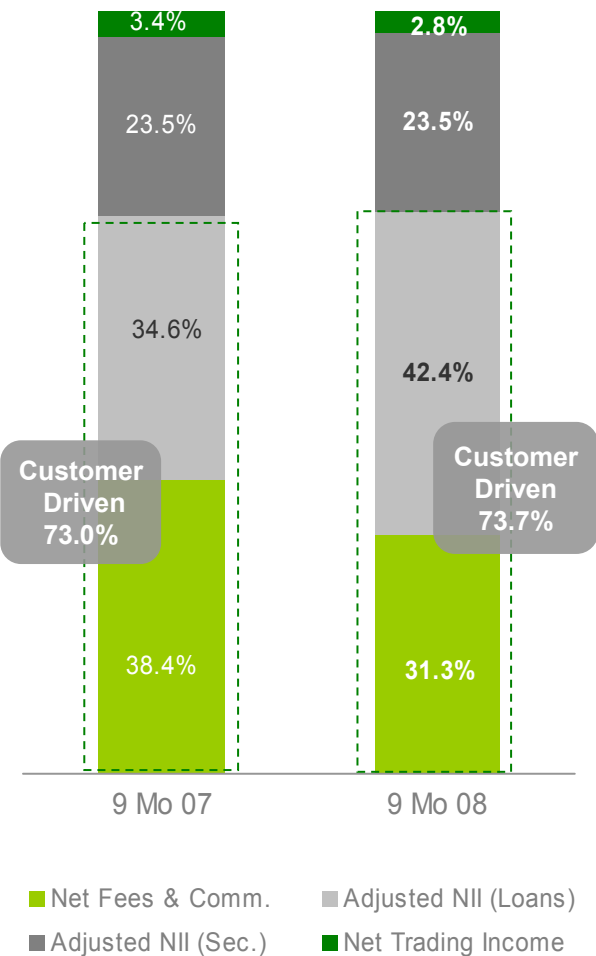
Composition of IBLs



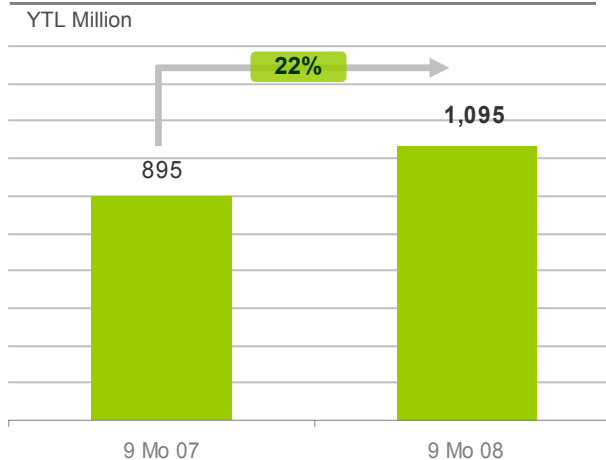
%	IEA/Assets	IBL/Assets
3Q 08	92.9%	71.2%
1H 08	92.3%	70.0%
1Q 08	92.3%	72.3%
2007	92.0%	72.0%
3Q 07	92.5%	70.8%
1H 07	92.0%	71.0%
1Q 07	92.4%	72.7%

Continued focus on resilient customer driven revenues

Ordinary Banking Income¹



Net Fees & Commissions²

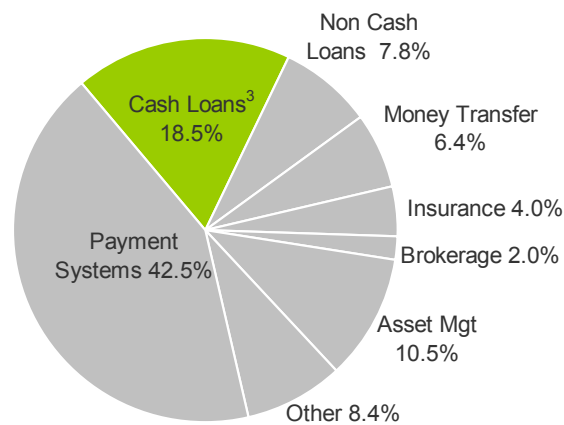


Net Fees & Commissions

Y-o-Y

22%

Net Fees & Commissions Breakdown¹



Customer Driven Income Growth

Y-o-Y

26%

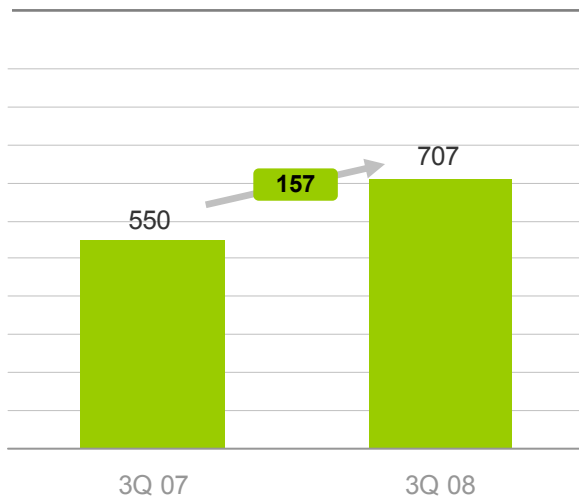
¹ Based on bank-only MIS data

² As per new BRSA classification in P/L, excludes net fees and commissions received from cash loans amounting 79 mn for 9 Mo 08 and 47 mn for 9 Mo 07

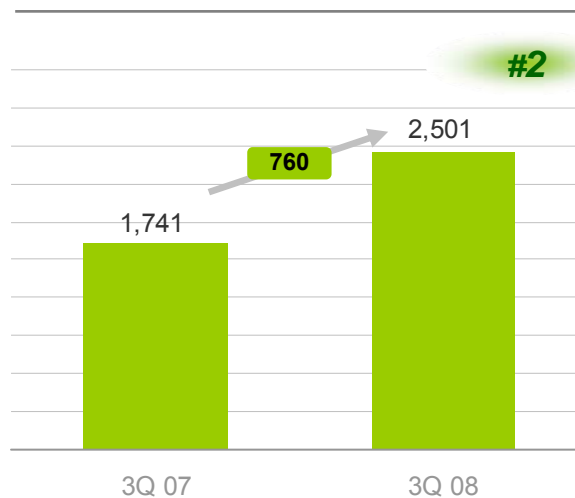
³ Include consumer loans fees as well as other cash loan fees now classified as interest on loans in income statement amounting 79 mn for 9 Mo 08 and 47 mn for 9 Mo 07

Strengthened Retail Network -- Increased Critical Mass...

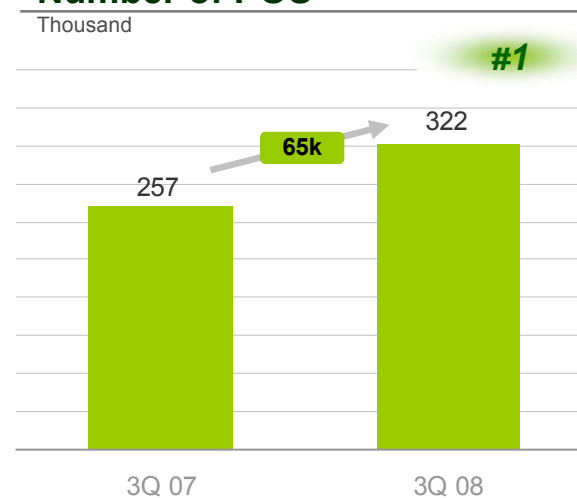
Number of Branches



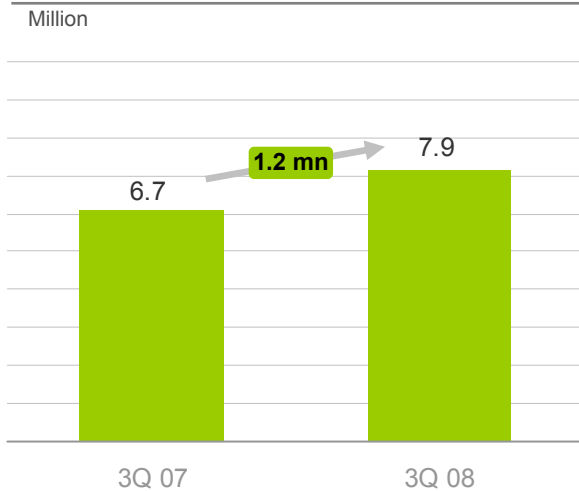
Number of ATMs



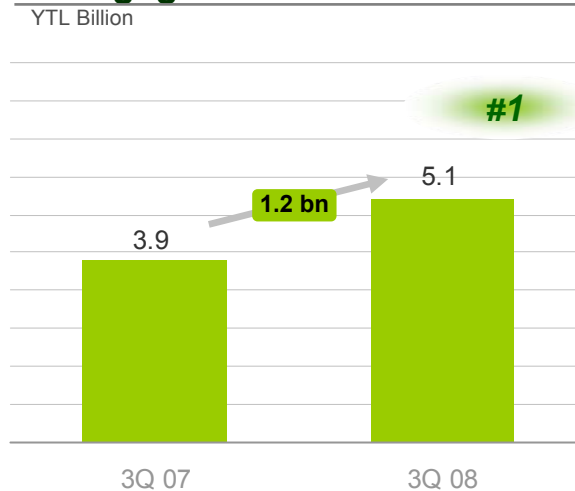
Number of POS



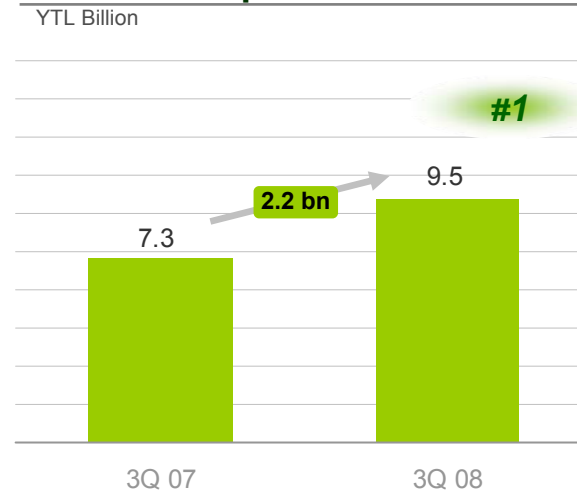
Number of Customers



Mortgages



Demand Deposits



...And again did well

(YTL Million)	9 Mo 07	9 Mo 08	Growth
Ordinary Banking Income	2,600	3,325	28%
Other Income¹	141	185	31%
Total Revenue¹	2,741	3,510	28%
Operating Expense¹	(1,277)	(1,774)	39%
<i>Personnel Expense</i>	(465)	(658)	42%
<i>Bonus Provision</i>	(57)	(125)	118%
<i>Rent Expense</i>	(55)	(78)	42%
<i>Communication Expense</i>	(77)	(98)	27%
<i>Other¹</i>	(622)	(815)	31%
Operating Income¹	1,464	1,736	19%
Other Provisions²	(21)	(3)	(86%)
Taxes¹	(295)	(366)	24%
Normalized Net Income¹	1,148	1,367	19%
Non-recurring income ¹	837	34	n.M
Net Income	1,985	1,401	(29%)

28%



**Ordinary Banking
Income Growth**

Y-o-Y

*Continued investment on
future growth potential
temporarily creates
pressure on Opex*

Appendix

Balance Sheet - Summary

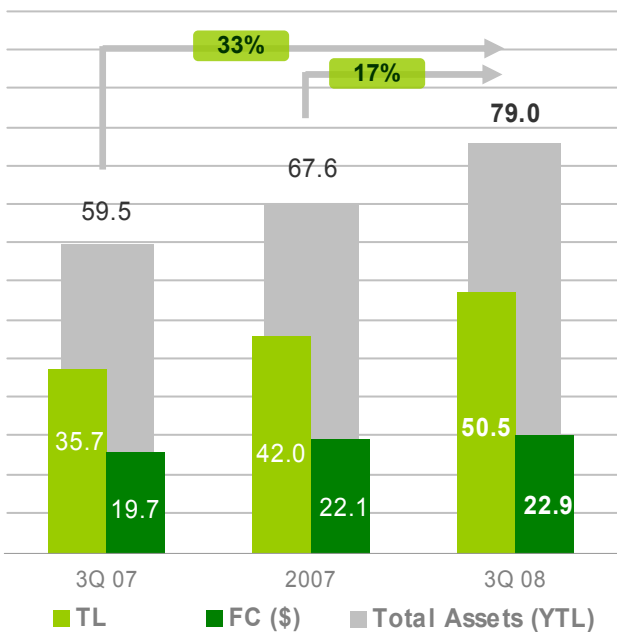
<i>(YTL Million)</i>		2007	3Q 08	YTD Change
Assets	Cash & Banks¹	5,453	6,589	21%
	Reserve Requirements	4,908	2,221	(55%)
	Securities	17,142	20,586	20%
	Performing Loans	36,911	46,048	25%
	Fixed Assets & Subsidiaries	1,626	1,740	7%
	Other	1,538	1,810	18%
	Total Assets	67,578	78,994	17%
	Liabilities & SHE	Deposits	39,098	48,050
Repos		8,177	7,574	(7%)
Borrowings		9,155	10,706	17%
Other		4,265	3,911	(8%)
SHE		6,883	8,753	27%
Total Liabilities & SHE		67,578	78,994	17%

¹ Includes banks and other financial institutions

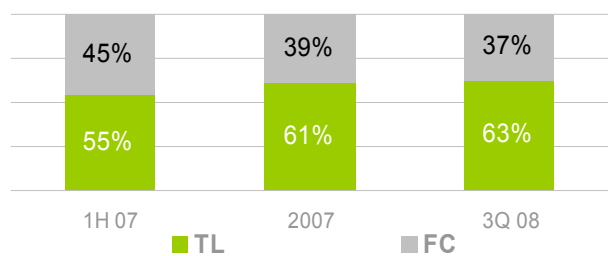
Higher Yielding TL Asset Growth

Total Assets

YTL / USD Billion

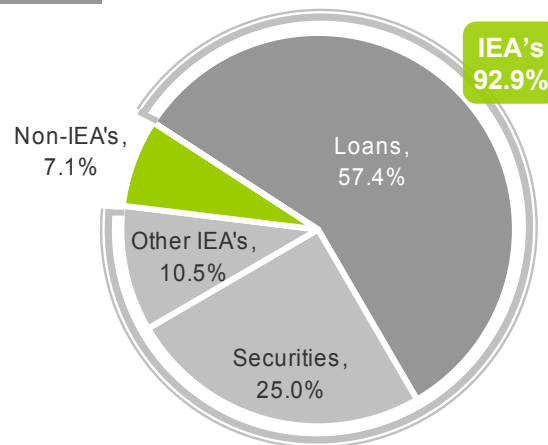


Composition of IEA's

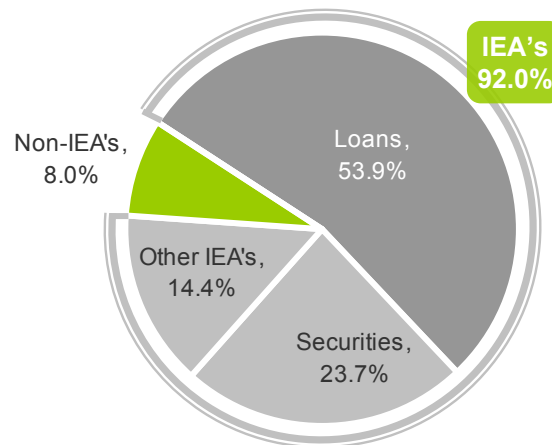


Composition of Assets¹

3Q 08



2007



TL Asset Growth

Ytd

20%

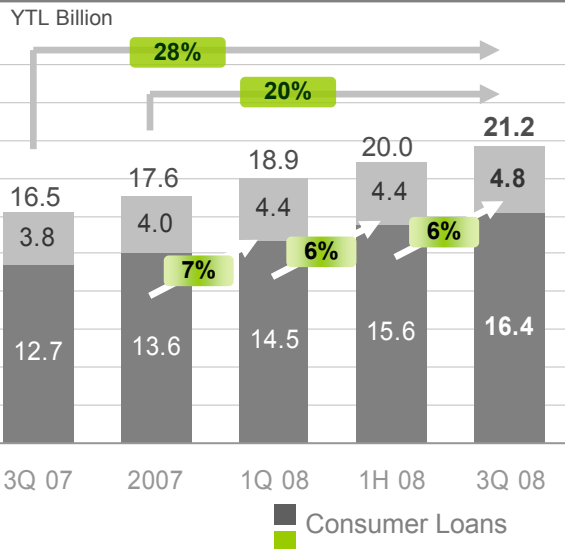
TL/Total IEA's

63%

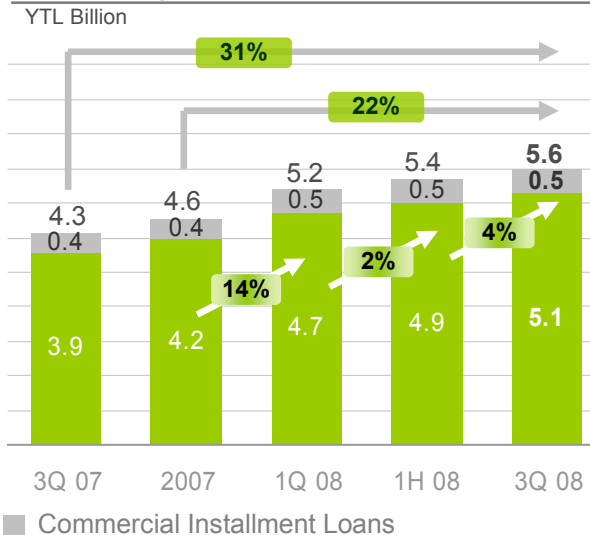
¹ Accrued interest on B/S items are shown in non-IEAs
² Other IEA's include factoring and leasing receivables
³ Excluding accrued interest

Profitability focused growth strategy lead to slower, but managed retail growth

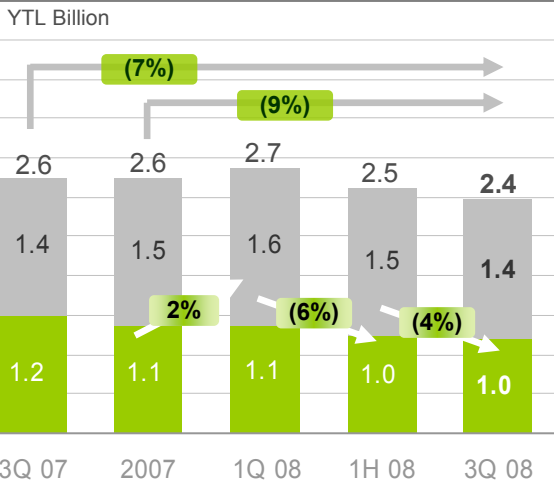
Retail Loans¹



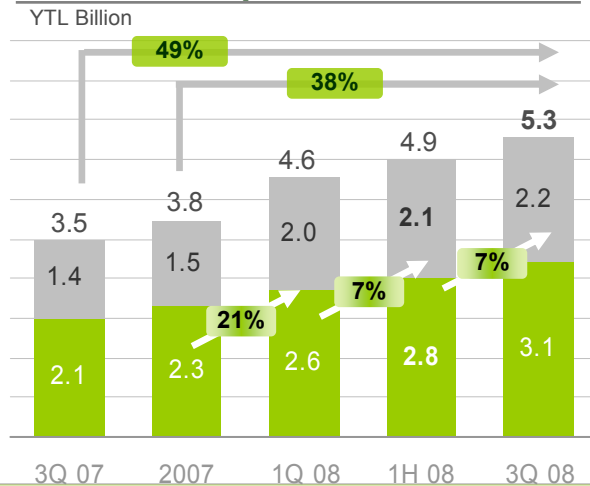
Housing Loan Growth



Auto Loan Growth



General Purpose Loan Growth



Market Shares^{2,3}

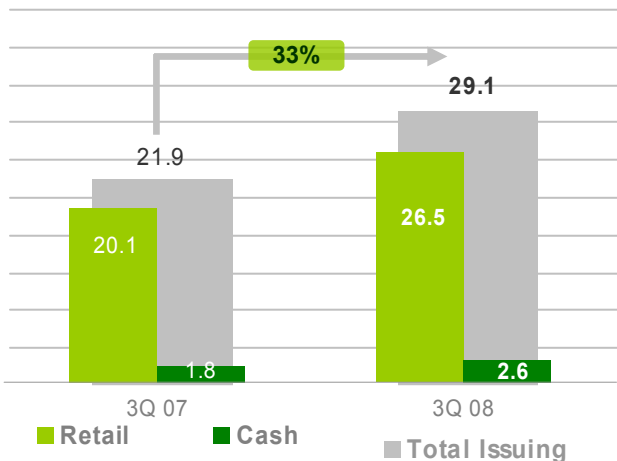
	YTD Δ	3Q 08
Housing	-31 bps	13.5%
Auto	-181 bps	14.8%
General Purpose	+46 bps	9.8%
Retail ¹	-36 bps	13.5%

¹ Including consumer, commercial installment, overdraft accounts, credit cards and other
² Including consumer and commercial installment loans
³ Sector figures are based on bank-only BRSA weekly data

Maintained strong position in cards business

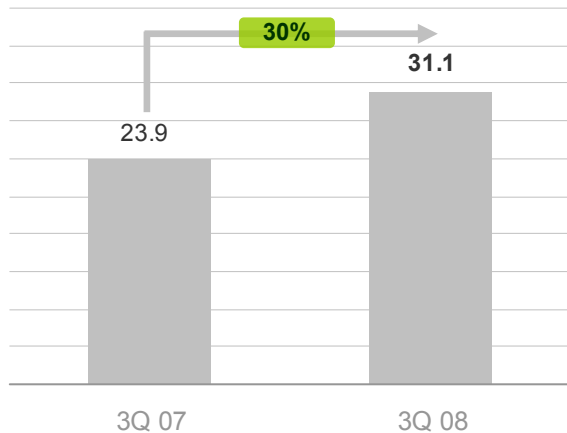
Issuing Volume

YTL Billion



Acquiring Volume

YTL Billion

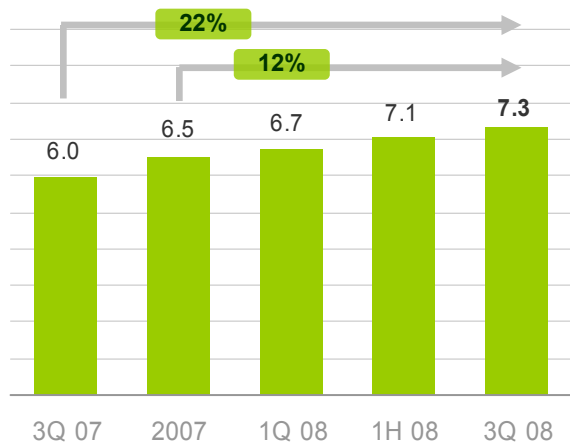


#1 in
Acquiring Volume
& Strong **#2** in
Issuing Volume



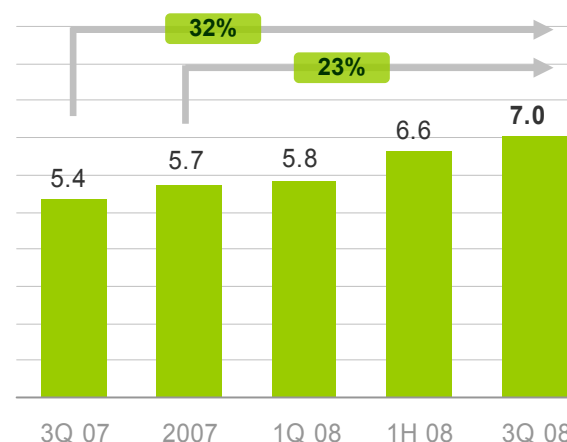
No. of Credit Cards

In Million



Credit Card Balances

YTL Billion



Market Shares

	YTD Δ	3Q 08	Rank
Acquiring	-50 bps	22.5%	#1
Issuing	-20 bps	21.3%	#2
# of Plastic Credit Cards	0 bps	16.1%	#1
POS ¹	+60 bps	20.0%	#1
ATM	+190 bps	11.8%	#2

Quarterly Analysis of Ordinary Banking Income

<i>(YTL Thousand)</i>	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	Δ Y-o-Y 9-mo 08	Δ Q-o-Q 9 Mo 08
Interest Income	1,642,673	1,711,607	1,867,614	1,994,712	2,050,565	2,153,542	2,371,720	25.9%	10.1%
-Loans	891,804	1,008,751	1,143,386	1,210,509	1,272,858	1,354,196	1,439,576	33.6%	6.3%
-Securities	534,543	529,243	544,361	606,426	609,536	641,511	763,748	25.3%	19.1%
-Other	216,326	173,613	179,867	177,777	168,171	157,835	168,396	(13.2%)	6.7%
Interest Expense	(1,015,657)	(1,043,250)	(1,121,266)	(1,232,330)	(1,280,494)	(1,328,623)	(1,535,513)	30.3%	15.6%
-Deposits	(707,326)	(725,998)	(764,116)	(876,121)	(888,501)	(944,270)	(1,076,891)	32.4%	14.0%
-Funds Borrowed	(140,348)	(135,160)	(180,027)	(163,198)	(174,793)	(162,184)	(167,737)	10.8%	3.4%
-Interbank & Other	(167,983)	(182,092)	(177,123)	(193,011)	(217,200)	(222,169)	(290,885)	38.5%	30.9%
Net Interest Income	627,016	668,357	746,348	762,382	770,071	824,919	836,207	19.1%	1.4%
Prov. for loans & securities	(73,394)	(74,897)	(71,438)	(96,568)	(121,213)	(101,404)	(93,888)	44.0%	(7.4%)
Net FX Gain/(Loss) + Net trading Income/(loss)	(36,421)	(14,581)	(65,569)	(19,333)	89,790	20,182	4,987	n.m.	n.m.
Adj. Net Interest Income	517,201	578,879	609,341	646,481	738,648	743,697	747,306	30.7%	0.5%
Net Fees and Comm.	290,228	295,249	309,378	302,848	379,508	354,797	360,913	22.4%	1.7%
Ordinary Banking Income	807,429	874,128	918,719	949,329	1,118,156	1,098,494	1,108,219	27.9%	0.9%

Non-recurring items

September 08:

I. The net income resulting from the non-recurring items amounts to **YTL 34 mn**, breakdown of which is;

- i) Other income:
 - Tax refund that the Bank collected through conciliation from the tax office, due to the prepaid taxes in 2005 **YTL 131 mn**
 - Tax refund on an existing unused investment incentive certificate **YTL 6 mn**
 - Proceeds from NPL sales **29 mn**
- ii)) Other expense
 - Defined Benefit Obligation: **YTL 165 mn**
- ii)) Taxation expense
 - Tax credit resulting from the deferred tax asset calculated on defined benefit obligation liability **YTL 33 mn**

December 2007:

II. The net income resulting from the non-recurring items amounts to **YTL 837 mn**, breakdown of which is;

- i)) Other income:
 - Gains from insurance and pension & life business subsidiaries stake sale **YTL 762 mn**
 - Gains from custody sale **YTL 148 mn**
- ii)) Other expense:
 - Banking Insurance and transaction tax related to custody sale **YTL 7 mn**
- iii) Taxation expense
 - Tax expense of insurance and pension & life business subsidiaries stake sale **YTL 38 mn**
 - Tax expense of custody sale **YTL 28 mn**

September 07:

III. The net income resulting from the non-recurring items amounts to **YTL 837 mn**, breakdown of which is;

- i)) Other income:
 - Gains from insurance and pension & life business subsidiaries stake sale **YTL 762 mn**
 - Gains from custody sale **YTL 148 mn**
- ii)) Other expense:
 - Banking Insurance and transaction tax related to custody sale **YTL 7 mn**
- iii) Taxation expense
 - Tax expense of insurance and pension & life business subsidiaries stake sale **YTL 38 mn**
 - Tax expense of custody sale **YTL 28 mn**



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