StockWatch

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DEVELOPMENTS AT GARANTİ

In February 2009, Garanti secured a € 50 million subordinated loan from Proparco, a company of the French Development Agency Group (AFD). The loan with 12 years maturity and a prepayment option after 7 years will be used to finance clean energy projects.

Garanti Bank raised € 20 million from Development Bank of Turkey with a guarantee from French Development Agency Group (AFD) in March 2009. The ten-year loan will be used to finance SMEs residing in Turkey, with a turnover below € 50 million and number of employees not more than 200.

In January 2009, Garanti, teaming up with local banks, provided a letter of guarantee facility of US$ 150 million, backing Sabancı Energy Group and Austria-based Verbund's acquisition of electricity distribution company Başkent Elektrik Dağıtım AŞ for US$ 1,225 million, the largest privatization transaction ever in the Turkish electricity market.

Being a strong promoter of sustainable development, Garanti continued its support to renewable energy projects by providing a long term facility to the 29 MW Sarıkaya Wind Energy Power Plant Project with € 30 million financing. Sponsored by Demirer Group and located in western Turkey, Sarıkaya Project is the 13th wind farm project financed by Garanti.

Garanti joined Istanbul Venture Capital Initiative (IVCI), Turkey's dedicated fund of funds and co-investment programme advised by the European Investment Fund (EIF), with a commitment amount of € 5 million. Garanti has been the first and only Turkish bank to participate in the € 160 million fund which aims to support SMEs in Turkey.

Garanti became the first and only payment bank of "E- Government". Within the first two months of this project, 800 ship agents made 22,000 payments to Undersecretariat for Maritime Affairs through this new system.

Garanti, in cooperation with Vestel Durable Consumables Marketing, has carried Turkey's first Risk Sharing Direct Debit System (DDS) one step further. As an extension of Risk Sharing DDS, Garanti provided Vestel with credit amounting TL 90 million through Garanti Factoring in return for its DDS receivables.

Garanti together with Women Entrepreneurs Association of Turkey (KAGİDER) attended the 53rd session of the United Nations Commission on the Status of Women (CSW) sharing its experience on the Turkish model having supported more than 15,000 women entrepreneurs in Turkey to date.

In February, Garanti launched an online pension product, Garanti e-meklilik, which can be accessed and bought online on Garanti website and does not require an entrance fee.

With recently launched mobile service Bulbana, Turkcell subscribers, whether Garanti customers or not, will have access to the list of the nearest Garanti Paramatiks or branches by logging on to wap.garanti.com.tr.

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

- Garanti Masters Private Banking was awarded as the "Best Local Private Bank" by Euromoney in 2008, with its innovative wealth management services and customer satisfaction.
- Garanti Technology received a "Best Gift Card" award for the Bonus Kontor Forum Prepaid by Paybefore Awards, the oldest and most prestigious awards to recognize excellence in the worldwide prepaid and stored value card industry.
- Garanti was awarded with "Acceptance of Outstanding Contribution Award" by China Union Pay. The award was received due to Garanti's successful performance of the implementation of Chinese credit and debit cards to Garanti ATM and POS machines pursuant to the cooperation with China Union Pay.
- Garanti, the first company in Turkey to receive certification from Investors in People (IIP) for the quality of its human resources practices, renewed its IIP certificate after successful completion of compliance and qualification process that is administered every three years. This document is once again evidence that the Bank maintains its world-class HR practices at the same high quality level.
- Garanti Call Center continues to strengthen its success on the international stage. After "Contact Center World" announced the regional shortlists, Garanti, in its first year of application, became amongst the finalists in EMEA region in three different categories: Best Contact Center, Best Outbound Campaign and Best Technology Innovation.

Garanti With Numbers	Dec-08	Mar-09
Branch Network	730	732
+ Domestic	721	723
+ Abroad	9	9
Personnel	16,350	16,378
ATM	2,581	2,587
POS*	327,005	329,874
Total Customers	8,090,713	8,353,873
Internet Customers**	1,214,470	1,260,785
Phone Banking Customers**	69,378	79,343
Credit Cards	7,501,809	7,513,965
Debit Cards	4,755,143	5,005,754

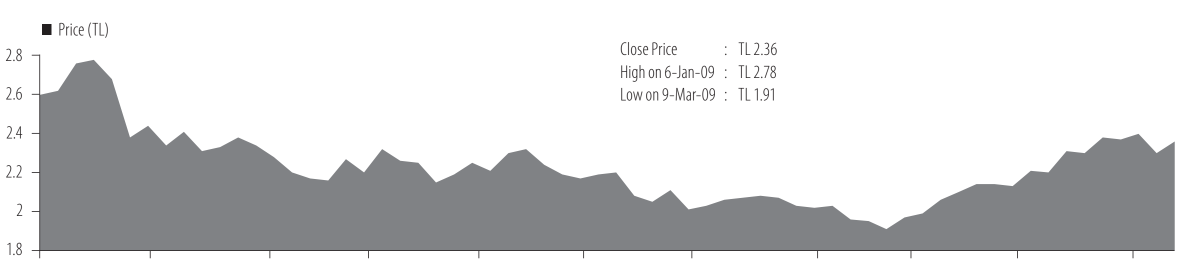
* Includes shared POS

** Active customers only - Those that login/call at least once per month

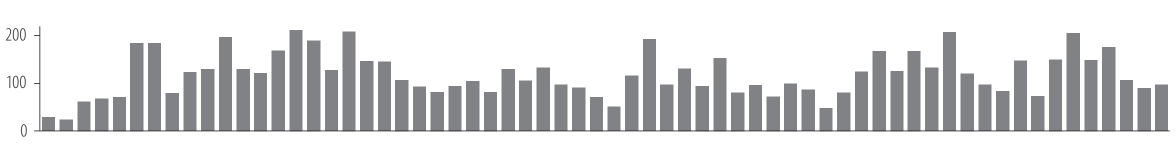
Garanti Market Shares*	YTD Δ	Mar-09
Total Cash Loans	▲	14.6%
TL Loans	▲	11.4%
FC Loans	▲	21.7%
Credit Cards - Issuing	▼	20.9%
Credit Cards - Acquiring	▼	22.2%
Consumer Loans	▲	11.5%
Total Deposits	▲	12.7%
Demand Deposits	▲	14.4%
TL Deposits	▲	11.0%
FC Deposits	▲	15.9%
Mutual Funds	▼	14.3%

*BRSA weekly data - Commercial Banks

Garanti Bank Stock Performance in 1Q 2009



Volume (million shares)



MARKET RECAP

Turkish equity market entered an upward trend on the back of restored confidence and improved sentiment in global markets and finished the quarter at 25,765 after politics cleared from the agenda with the conclusion of municipal elections. MSCI Turkey started to outperform MSCI EM since the beginning of March. A lot has changed after 1Q09 on local front. There will not be further elections until 2011. The government will be evaluating the local election results seriously and a return to fiscal prudence is inevitable. The IMF deal in coming months is almost assured.

Since the start of last year, as credit-related losses at financial firms worldwide reportedly climbed to US$ 1.1 trillion, Europe, the U.S. and Japan all fell into recession simultaneously since World War II. Major equity markets around the globe have experienced losses of over 10% in 1Q09 with deteriorating economic outlook. ISE100 decreased by a limited 4% recovering strongly towards the end of the quarter and finished at 25,765. MSCI Turkey underperformed MSCI EM by 13.4%, still much better than some Eastern European countries which lost around 30% in value.

The fear from financials dominated the agenda at the beginning of 1Q09. A cut in Spain's credit rating increased worries on European Banks as a whole. Moody's commented that the recession in Emerging Europe would be worse than elsewhere and would put the ratings of local banks and their Western parents under pressure. Fitch cut Hungary's outlook to negative citing a worsening economic outlook and debt risks.

In the US, new administration's unrevealed content of the bank rescue plan failed to restore confidence in the financial system. U.S. stocks fell to 12-year lows. The impact of the global slowdown started to be visible on macro indicators in Turkey. Over 6% contraction in 4Q08 GDP growth rate in Turkey pointed to the lowest rate since 2001 and the acceleration in the unemployment ratio was very fast, rising above 15%. With concerns on deteriorating global markets and on signs a loan accord with the International Monetary Fund facing delay, the lira touched record low above 1.80.

Starting from the beginning of March, the G-20 summit increased hopes after the leaders have agreed on strengthening the financial system - cleaning the toxic assets in the banking sector and restoring global growth - boosting the IMF sources. At home, the government unveiled an economic stimulus package ahead of municipal elections including Special Consumption Tax cuts on passenger and commercial vehicles, as well as on white and brown goods for 3 months. VAT on housing purchases were scaled back. Resource Utilization Support Fund (RUSF) on consumer loans was lowered whereas subsidized loans to SMEs were raised. Overall, the package aimed to limit the contraction in economic activity in 2009 to some extend.

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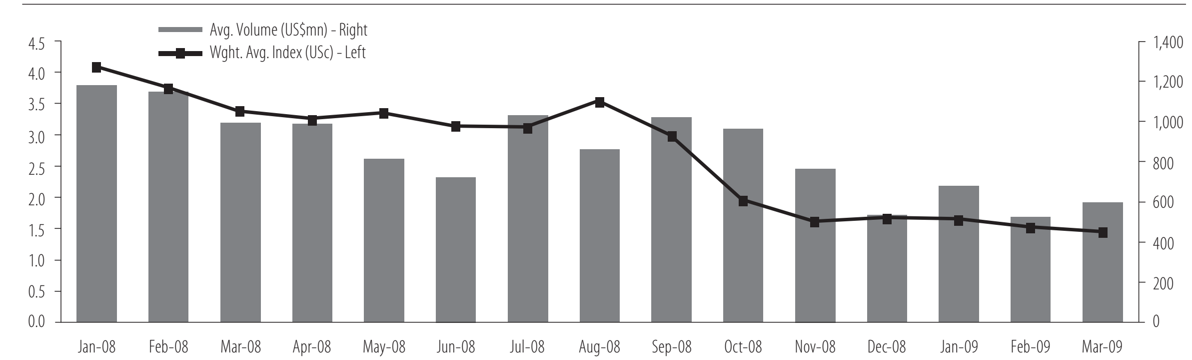
Stock Market Performance* (in US$) in Selected Countries

	Last 1M	Last 6M	Last 12M	YTD
Brazil	10.3%	-30.9%	-49.7%	11.9%
China	14.1%	-9.8%	-36.2%	1.3%
Hungary	13.5%	-62.0%	-69.0%	-28.8%
India	12.1%	-31.2%	-52.9%	-1.6%
Mexico	13.6%	-40.0%	-54.1%	-14.0%
Poland	14.7%	-58.2%	-68.8%	-31.4%
Russia	20.3%	-48.7%	-69.2%	5.4%
Turkey	**8.2%**	**-45.6%**	**-48.1%**	**-13.0%**
EM	14.2%	-27.6%	-48.4%	0.5%
EMEA	13.5%	-37.2%	-53.2%	-4.7%
Eastern Europe	19.1%	-50.6%	-68.2%	-5.9%
Latin America	23.4%	-24.3%	-45.5%	5.8%

* Based on MSCI's Emerging Markets Indices, as of March 31, 2009

ISE-100 Performance



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Garanti

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DEVELOPMENTS IN TURKISH BANKING SECTOR

Turkish Banks received a total amount of US$ 650 million in securitizations in 1Q09.

Banking Regulation and Supervision Agency (BRSA) amended the communiqué on loan loss provisioning enabling loans past due of up to 30 days to be classified as performing rather than loans at watch (Group II). BRSA also increased the number of restructuring for loans at watch (Group II) to two from one, and eased reclassification (transfer to a less provision requiring group). Loans classified under Group III, IV and V could be restructured up to three times instead of one and reclassification (transfer to a less provision requiring group) will be easier.

Due to concerns of capital adequacy levels of the banks after the surge in NPLs, during February, Head of BRSA announced that even if NPLs double the current levels, CAR of any of the Turkish banks would not come below 11% levels.

Two state banks announced loan restructuring programs during 1Q09: Halkbank's new program aimed at firms and retail customers whose loan debts have been submitted to legal proceedings, whereas Ziraat Bank restructured agricultural loans through extending maturities for working capital loans to two years from one year and investment loans to seven years from five years.

President Gül approved the amnesty, which would enable the black records of debtors to be removed from the black list of CBT that are able to pay back or restructure their uncovered cheques, protested bills, and credit card loans within six months.

Central Bank of Turkey decreased interest rate cap on credit cards from 4.39% to 3.96% effective as of April 1, 2009.

GSD Holding had delayed the sale of its stake in Tekstilbank until market conditions in asset valuations become more favourable.

Millenium BCP, the biggest listed bank of Portugal revealed that it was considering the sale of its subsidiary Millenium Bank A.Ş. in Turkey with assets of TL 1.1 billion as of 9M08, 18 branches and 321 personnel.

Selected Sector Figures

(TLmn)	28-Dec-07	26-Dec-08	27-Mar-09	YTD Chg (%)
Total Deposits	350,609	445,438	456,119	2.4%
Bank Deposits	10,444	12,045	12,396	2.9%
Customer Deposits	340,165	433,393	443,724	2.4%
TL Deposits	221,384	282,872	284,412	0.5%
FC Deposits (US$mn)	102,601	101,630	97,339	-4.2%
info: Customer Demand Deposits	54,801	58,870	60,640	3.0%
Total Loans	271,865	353,119	350,375	-0.8%
Loans / Deposits	77.5%	79.3%	76.8%	
TL Loans	202,696	247,670	241,056	-2.7%
FC Loans (US$mn)	59,836	71,349	66,991	-6.1%
Consumer Loans	65,813	81,413	80,759	-0.8%
Housing	30,898	37,658	37,375	-0.8%
Vehicle	5,928	5,397	4,819	-10.7%
Personal Finance	26,019	33,195	33,449	0.8%
Other	2,968	5,163	5,116	-0.9%
Credit Cards	26,574	33,461	32,623	-2.5%
Gross NPL	9,776	12,338	15,080	22.2%
info: NPL ratio	3.5%	3.4%	4.1%	
info: NPL coverage	88.7%	80.8%	80.7%	
Gross NPL in cons. loans	897	1,838	2,455	33.6%
info: NPL ratio	1.3%	2.2%	3.0%	
Gross NPL in credit cards	1,765	2,386	2,944	23.4%
info: NPL ratio	6.2%	6.7%	8.3%	
F/X Position, net (US$mn)	-296	-91	323	
on B/S	-10,511	-4,129	-3,517	
off B/S	10,215	4,038	3,839	

Source: BRSA weekly sector data, excluding participation banks

Stock Market Indicators (March 31, 2009)

	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 6M	Last 12M	YTD	Last 1M	Last 6M	Last 12M	YTD
Akbank	6,085	10,145	7,860	8,734	10.0	92.0	34.2	19.1%	6.9%	35.3%	9.2%	29.2%	-43.6%	-30.0%	-4.5%
Halkbank	2,231	3,973	2,908	2,714	10.0	92.9	30.4	-5.2%	-11.4%	-17.9%	-17.5%	2.8%	-53.3%	-57.5%	-27.8%
İş Bankası	4,797	7,820	5,941	6,151	24.8	172.8	67.2	6.3%	-2.2%	19.8%	-4.9%	15.3%	-48.4%	-38.0%	-16.8%
Vakıfbank	1,496	2,233	1,780	1,879	6.4	96.7	25.8	8.8%	-17.2%	-19.3%	12.3%	18.0%	-56.3%	-58.2%	-1.8%
YKB	3,638	6,223	4,590	4,435	6.6	101.9	24.3	-3.4%	-11.4%	15.3%	-15.1%	4.8%	-53.2%	-40.4%	-25.7%
GARANTİ	**4,446**	**7,667**	**5,651**	**5,913**	**40.6**	**296.4**	**161.6**	**6.3%**	**7.9%**	**1.1%**	**-5.4%**	**15.3%**	**-43.1%**	**-47.7%**	**-17.2%**
Banking Sector	30,745	47,981	37,800	40,750	136.6	699.7	360.1	6.5%	-0.2%	5.5%	-2.5%	15.5%	-47.3%	-45.5%	-14.7%
ISE-100	74,856	108,612	88,381	89,556	323.6	1,056.2	601.4					8.5%	-47.2%	-48.3%	-12.5%

Minimum, maximum and average figures are valid for 2009-Average figures are weighted for Mcap and simple for volume-US$/YTL: CBRT ask

MACRO NOTES

Central Bank of Turkey (CBT) continued to ease monetary policy in the first quarter of 2009 through reducing O/N interest rates (borrowing) by 450 basis points to 10.5% from 15.0% at the end of 2008. CBT stated that the trend in inflation is still downwards, indicating further rate cuts to come in the second quarter of 2009.

The concerns regarding global financial markets and global economic activity did not ease in the first quarter of 2009 (1Q09), leading major stock markets to continue to fall. In line with the several emerging market local currencies, TL has depreciated against US$ in 1Q09, surpassing 1.8 level in mid-March. The risk aversion started to improve in late March leading US$ to depreciate against several currencies, bringing US$/TL below 1.7. In the first week of the second quarter, TL fell below 1.6 on the back of favorable G-20 decisions and positive developments on the IMF stand-by negotiations front.

In the fourth quarter of 2008 (4Q08) Turkish economy contracted by 6.2%, bringing overall 2008 growth rate down to 1.1%, the lowest annual growth since 2001. GDP reached approx. US$ 742 billion, while per capita GDP was US$ 10,436 in 2008. The contraction in personnel consumption expenditures was significant at 4.6%, while government spending continued to expand by 6.1% in the last quarter of 2008. The contraction in private investments was massive by 23.5% in 4Q08. Due to weak domestic demand, the rise in inventories was very fast, pulling growth rate down by 4 points. The negative impact of total domestic demand on growth was the highest in seven years reaching 11.2 points. As the fall in imports was higher than the fall in exports in the last quarter of 2008, the contribution of foreign demand to growth was "plus" 5.0 points, lessening the negative impact of domestic demand.

The weakening in foreign demand led exports to contract sharply by 25.4% in the first two months of 2009, while the fall in imports was deeper than exports at 45.4%, pulling foreign trade deficit down sharply. Accordingly, current account balance improved significantly, giving surplus in January, for the first time since September 2004.

Consumer Price Index (CPI) increased by 1.0% in the first quarter of 2009 (1Q09), bringing annual CPI inflation down to 7.9% from 10.1% as of December 2008. The highest contribution to overall CPI was from food prices rising by 5.5% in 1Q09. Price hikes in tobacco and gold led overall CPI inflation to increase by 0.6 point in total. The prices fell in clothing, housing and house equipment sub-categories. The monthly rise in Producer Price Index (PPI) was 1.7% in 1Q09, while the annual PPI inflation fell to 3.5% as of March 09 from 8.1% as of end 2008.

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WHAT ANALYSTS' SAY ABOUT GARANTİ

Ak Investment
"... management's ability to sustain resilient income generation..."

BGC Partners
"...among the outperformers in the deposit market, supported by its rapid branch expansion in the last two years..."

Cheuvreux
"...gaining market share by capitalising on its long-term relationships..."

Credit Suisse
"...the strongest among its peers in terms of delivering consistent performance over the past several years..."

Deutsche
"...offers the best combination of growth and profitability among the Big-4 banks once the macro environment stabilizes towards the end of 2009."

Eczacıbaşı
"...stronger free-fund base to mitigate the margin compression effect..."

EFG
"...top notch management team; excellent investor relations; and unmatched daily trading volumes..."

Ekspres
"...will be one of the winners in the post-crises era..."

Finans
"...Garanti is set to deliver sound financials in 2009..."

HSBC
"...the financials show the bank's strength in managing its balance sheet at an optimum level..."

Morgan Stanley
"...leading position in consumer and corporate banking products..."

TEB Investments
"...well balanced asset mix, strongest asset quality among peers..."

Tera
"...strict cost controls and strong fee generation..."

UBS
"...successfully reshuffled its asset mix in favour of government securities in Q4, which should boost both trading gains and margins in Q1'09..."

UniCredit
"...solid bank in a tough environment..."

Yatırım Finansman
"...strong capital adequacy and liquidity coupled with better risk management is maintained..."