Garanti initiated the mortgage Videofon service, which is a new program “Money Card” for Migros shoppers. In an effort to acquire new credit card customers, Garanti signed a Plant Project with €22.4 million financing. Located in Bandırma, the long-term facility to the 25 MW Asmakinsan Wind Energy Power is set to be one of Turkey’s largest in the Emerging Europe region.

Garanti received awards in 5 different categories at Turkey’s First IR Awards organized by Acclaro. Garanti was recognized as “Best Investor Relations Officer” at the First IR Awards organized by LACP - League of American Communications Professionals - Relations by CEO”; #1, “Best Investor Relations Officer” #3, and “Most Improved”, and “Overall Most Convincing and Coherent Strategy” per survey respondents from 101 institutions and the world’s leading finance magazines. Garanti has become the first Turkish company to win an award in this category.

Garanti was awarded with the “Silver Vision Award” for annual report awards. Garanti received awards in 5 different categories at Turkey’s First IR Awards organized by Acclaro. Garanti was recognized as “Best Investor Relations Officer” #1, “Best Investor Relations Officer” #3, and “Most Improved”, and “Overall Most Convincing and Coherent Strategy” per survey respondents from 101 institutions and the world’s leading finance magazines. Garanti has become the first Turkish company to win an award in this category.

Garanti’s achievements further recognized in international awards during the quarter:

- Garanti won the Best Practice and Innovation Award in 2008 in ‘Category of Working Capital Management with special provision for the banking sector in Turkey. Through its innovative finance solutions, its unique balance sheet provides an opportunity for its clients to finance their needs with unique financing conditions and fast funding under the provided payment provisions of both sides. Garanti has become the first and only bank in this award category.
- Garanti Call Center received three silver medals in the “CustomerContactWorld.com Awards” where over 5,000 companies compete globally. The Garanti Call Center was recognized as “Best Contact Center”, “Best Direct Marketing Campaign” and “Best Technology Innovation.”
- Garanti received the “Quality Award 2008” as a result of its high interest in customer satisfaction. Garanti was awarded as “Best Customer Service Quality 2008” award by the Customer Contact World in the category for those companies with over 5,000 employees.
- Garanti’s work in the financial year was recently featured in the Financial Times. In an effort to acquire new retail credit customers, Garanti’s agreement with Migros is making a special contribution to Turkey’s national development plan “BHP 2040” aiming at reaching €22.4 million financing for the project.

Garanti’s strong momentum in growth and profitability continues as the Bank posted the highest increase in the number of the foreign currency cards in the market. In the first six months of the year, the number of the foreign currency cards in the market had increased by 108.4%.

Garanti launched Istanbul Hedge Fund on May 29 and in the first year of the project, it aims to increase foreign trade by providing financing alternatives between Turkey and China. The agreement, signed in Beijing, is the first Turkish company to win an award in this category.

Garanti’s new package enables the jewellery retailers with access to low cost funding in their hedging fund market. Garanti was awarded with the “Silver Vision Award” for annual report awards. Garanti received awards in 5 different categories at Turkey’s First IR Awards organized by Acclaro. Garanti was recognized as “Best Investor Relations Officer” #1, “Best Investor Relations Officer” #3, and “Most Improved”, and “Overall Most Convincing and Coherent Strategy” per survey respondents from 101 institutions and the world’s leading finance magazines. Garanti has become the first Turkish company to win an award in this category.

Garanti was rewarded by Adam Smith Magazine for the “Best Private Bank” in Turkey by World Finance magazine. The winners were determined by 40,000 active subscribers of the magazine, and Garanti Masters Private Banking as the “Best Private Bank” by World Finance magazine. The winners were selected among 150 institutions in the world.

Market Recap

In 2009, the equity markets and emerging markets were the main focus of the financial world. The US government unveiled an incentives package aimed at rescuing the US banking system, and especially into countries with comparatively higher growth prospects. Better than expected corporate earnings in the US and Europe as well as a sharp decline in the world’s demand for energy led to a decline in the price of crude oil.

The priority topic for the global agenda in the beginning of the quarter was the effect of the 2008 financial crisis on the US economy.

The world’s largest bank, JP Morgan, said it needed to hold “substantially more” capital than the regulatory requirements in case of recession. The bank also said it had reduced its exposure to subprime mortgages and CDOs.

The stock market moved higher amid lower interest rates, and a close watch on economic fundamentals.

For the first time in two years, the major market indices in Turkey showed positive results. The ISE100 closed 2Q09 at 36,949, up 43%, as benchmark bond rate came down from 14% levels to below 12% levels while TL appreciated around 9%. The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.

The performance of the ISE was notable in emerging equity markets. This was translated into an outperformance of MSCI Turkey by 14.7% relative to MSEI EM in 2Q09.
According to the CBT, although downside risks are still more significant, recent signs of recovery in economic activity should not be discounted. Yet because the recovery is limited and inflation dynamics are still improving, further rate cuts are still possible in the coming months, according to the latest inflation report.

**WHAT ANALYSTS’ SAY ABOUT GARANTI**

**KBW:** "...remains one of our top pick due to strong fundamentals and earnings growth potential..."

**J.P. Morgan:** "...one of the best performers during the rally..."

**Nomura:** “...strong credit quality, strong management and supportive market conditions..."

**Merrill Lynch:** "...returns strong fundamentals and earnings performance..."

**Cheuvreux:** ‘...one of the brightest opportunities in our coverage list...’

**Citigroup:** "...we have strong conviction in Garanti’s earnings power and believe that bank has the strongest fundamentals in the sector, the best economics..."

**Nomax:** "...now one of the highest earnings stability performers, among peers, thanks to strong revenue growth, consumer exposure and cost efficiencies..."

**Standard Bank:** "...have performed well in our coverage universe..."

**FEG:** “...the principal factor behind the above-average RABC is the quality of the decision makes and the staff. Ahead of peers on key yardsticks...”

**GARANTI**

"...the principal factor behind the above-average ROEs is the quality of the decision makers and the staff. Ahead of peers on key yardsticks..."

"...one of the best performers during the rally..."

"...the principal factor behind the above-average RABC is the quality of the decision makers and the staff. Ahead of peers on key yardsticks...”

"...the principal factor behind the above-average ROEs is the quality of the decision makers and the staff. Ahead of peers on key yardsticks..."

"...we have strong conviction in Garanti’s earnings power and believe that bank has the strongest fundamentals in the sector, the best economics..."

"...remains one of our top pick due to strong fundamentals and earnings growth potential..."

"...strong credit quality, strong management and supportive market conditions..."

"...returns strong fundamentals and earnings performance..."

"...one of the brightest opportunities in our coverage list...’

"...we have strong conviction in Garanti’s earnings power and believe that bank has the strongest fundamentals in the sector, the best economics..."

"...now one of the highest earnings stability performers, among peers, thanks to strong revenue growth, consumer exposure and cost efficiencies..."

"...have performed well in our coverage universe..."

"...the principal factor behind the above-average RABC is the quality of the decision makes and the staff. Ahead of peers on key yardsticks...”

"...the principal factor behind the above-average ROEs is the quality of the decision makers and the staff. Ahead of peers on key yardsticks..."

"...one of the best performers during the rally..."

The weakening in foreign exchange-related demands continued to contract significantly for 2010 as well as to a sharp decline in risk perception in financial markets. TL appreciated by 12% against US$ due to rise in Euro / Dollar parity and in risk aversion in real rates. In real rates, TL appreciated by 3.3% against EUR and was foreign exchange rate policy in the context of the current scenario, which decreased by 4% against the quarterly rate. The new regulation also gives authority to BRSA to facilitate Turkish corporate debt roll-overs, but also keep FX savings within the local banking system. Per new regulation, credit Suisse: "...remains one of our top pick due to strong fundamentals and earnings growth potential in the Turkish banking system..."

Citigroup: "...we have strong conviction in Garanti’s earnings power and believe that bank has one of the strongest fundamentals in the sector, the best economics..."

FEG: “...the principal factor behind the above-average RABC is the quality of the decision makes and the staff. Ahead of peers on key yardsticks...”

Ata Invest: “...will be one of the healing beneficiaries of the growth potential in the Turkish banking system...”

As global recession emerged in the first quarter of 2009, expectations that recovery in the world economy would start in the second quarter became pronounced. This optimism led to an appreciation general trend of world GDP growth rates for the economy scenario and especially for 2010 as well as to a sharp decline in risk perception in financial markets. TL appreciated by 9.4% against US$ due to rise in Euro / Dollar parity and in risk aversion in real terms. TL appreciated by 9.4% against US$ due to rise in Euro / Dollar parity and in risk aversion in real terms. TL appreciated by 9.4% against US$ due to rise in Euro / Dollar parity and in risk aversion in real terms. TL appreciated by 9.4% against US$ due to rise in Euro / Dollar parity and in risk aversion in real terms. TL appreciated by 9.4% against US$ due to rise in Euro / Dollar parity and in risk aversion in real terms. TL appreciated by 9.4% against US$ due to rise in Euro / Dollar parity and in risk aversion in real terms.