

MARKET RECAP

The Turkish government announced the long-awaited Medium-Term Program mid-September which was perceived realistic. The program for 2010-2012 was the first serious road map that the government released and it contributed to decrease the uncertainties. The credibility of the program will be gained as the government meets the targets and implements the structural reforms.

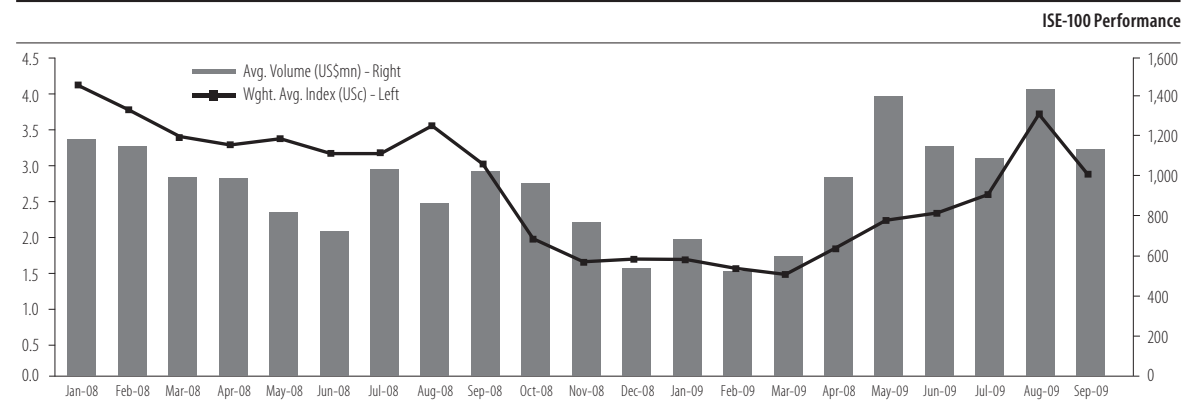
Stock Market Performance* (in US\$) in Selected Countries				
	Last 1M	Last 3M	Last 12M	YTD
Brazil	15.1%	26.7%	21.9%	97.3%
China	4.2%	7.3%	29.1%	45.0%
Hungary	7.3%	42.0%	-10.4%	68.0%
India	10.9%	19.0%	30.5%	86.5%
Mexico	1.6%	17.6%	-5.0%	36.1%
Poland	-2.2%	31.4%	-25.9%	21.6%
Russia	15.0%	26.5%	-11.7%	81.4%
Turkey	3.1%	32.2%	10.1%	76.2%
EM	8.9%	20.1%	16.2%	61.2%
EMEA	5.4%	19.6%	-1.1%	49.9%
Eastern Europe	10.9%	27.7%	-13.9%	64.1%
Latin America	12.0%	24.0%	15.8%	77.6%

*Based on MSCI's Emerging Markets Indices, as of September 30, 2009

It has been a year since Lehman Brothers collapsed and the credit crisis erupted. While details vary, the slump was sharp in nearly every country, reflecting a sudden decline. In 3Q09, the impact was fading on financial markets all over the world. Looking back on a year of extraordinary government actions aimed at avoiding an even worse recession, clear signals of recovery were visible in all major economies. Economic activity was on the rise a year after the most frightening moments of the financial crisis while employment continued to lag in most countries and many companies were still hesitant to hire. Stock markets, meanwhile, zoomed higher through the summer and demand for risky investments surged back.

The rise in global risk appetite was evident in the performance of emerging markets. Turkey stood out in particular. MSCI Turkey outperformed MSCI EM and MSCI EMEA by 10% and 11%, respectively during 3Q09. While Central Bank of Turkey continued the interest rate easing policy with a further 150 bps cut to 7.25%, the benchmark bond rates went down to below 9% levels and TL appreciated from 1.53 to 1.48 levels. ISE100 closed 3Q09 at 47,910, up 30% from 36,949 at the end of 2Q9 versus developed markets ~15% gains.

The Turkish government announced the long-awaited Medium-Term Program mid-September which was perceived realistic. The program for 2010-2012 was the first serious road map that the government released and it contributed to decrease the uncertainties. The credibility of the program will be gained as the government meets the targets and implements the structural reforms. After the announcement of the macro program, rating outlook upgrades followed with Moody's upgrading from Stable to Positive and S&P from Negative to Stable. The unaddressed IMF deal remained unresolved. The value of IMF insurance is decreasing but an agreement could help Turkey to up-load the credibility and the capital inflows and hence reach a higher GDP level faster.



For further information please contact Investor Relations Department.
Levent Nispetiye Mah. Aytaç Cad. No: 2 34340 Beşiktaş, İstanbul/Turkey Tel: +90 (212) 318 23 50 Fax: +90 (212) 216 59 02
www.garantibank.com investorrelations@garanti.com.tr

This report has been prepared by Garanti Bank, Investor Relations Department and is provided for information purpose only. Although the information on which the report is based has been obtained from sources which we believe to be reliable, no representation or warranty is made by Garanti Bank for the accuracy or completeness of the information contained herein. Information contained herein is subject to change without notice. Garanti Bank and/or any person connected with it accepts no liability whatsoever for any direct or consequential loss of any kind arising out of the use of this document or any part of its contents.

DEVELOPMENTS AT GARANTI

All retirees from Social Security Institution (SSK), Social Security Institution for the Self-Employed (Bağkur) and Retirement Fund (Emekli Sandığı) are now able to receive their salary payments through Garanti branches and ATMs. Garanti offers products and services specially designed for retirees such as general purpose installment loans with payments every three months.

Garanti Bank and Western Union entered a collaboration that will enable international money transactions via Garanti Online Banking. As the leader in online banking, among all agencies of Western Union, Garanti is the first to facilitate internationally sending/receiving money online.

In the latest issue of The Nilson Report, which lists the top 100 banks of the world in the field of credit card programs, Garanti ranked 7th in Europe and 41st in the world, with a credit volume of US\$ 4.52 billion. Furthermore, in a listing of banks issuing "Maestro Cards", Garanti ranked 50th with a transaction volume of US\$ 470.4 million, which distinguished Garanti as the first Turkish bank to enter Maestro Card's listings in world wide bank card transaction volume.

With the novelties enriched by 3G technology, Garanti mortgage call center 444EVİM accomplished another first where the customers could have a video call access to Garanti mortgage experts.

Garanti launched a new auto loan package, Green Auto Loan, specially designed to finance hybrid cars, which consists of a special interest rate, environmentally-friendly Bonus credit card preloaded with bonus reward points and a tree planted on behalf of the customer.

As the leader in structured funds market, Garanti launched two different 100% Capital Protected Mutual Funds with a total sale amount of TL 28 million and continued to enhance product variety in the mutual funds market.

Garanti has provided € 90 million project finance facility to 90 MW Soma Wind Energy Power Plant Project sponsored by Bilgin Energy Group. With this facility, Garanti has greatly augmented its support for wind energy power plant projects, providing US\$ 770 million project finance loans in aggregate for a total of 155 projects. Moreover, Garanti provided US\$ 45 million term facility to Aksa Doğalgaz for the development of Çukurova Natural Gas Distribution network.

Garanti exceeded the 100,000 mark with its "shared POS" application. Shared POS application enables usage of multiple banks and their loyalty programs on the same POS terminal.

Every one out of two shared POS terminals carries Garanti brand solidifying its leadership in payment systems.

Garanti Masters Private Banking has offered a Capital Guaranteed Commodity Fund indexed to JP Morgan Agriculture Index (JPMCCI) allowing investors to achieve diversified exposure to the agricultural sector. With a bullish view on commodities, the fund is the first of its kind offered in Turkey and had the highest sales figure.

Garanti's achievements further recognized on international platforms during the quarter:

- Garanti received "Quality Award 2008" from JPMorgan Chase Bank and Commerzbank AG for achieving high straight through processing (STP) payment volumes with rates of 97.8% and 98.43%, respectively.
- Garanti was awarded "The Best Domestic Cash Management Bank in Turkey" by Euromoney thanks to its traditional focus, expertise and ability to provide differentiated solutions. Euromoney's annual poll consisted of corporate users such as cash managers, treasurers and financial officers utilizing cash management services in Turkey.
- Garanti has been selected as "Turkey's Best Consumer Internet Bank" for the eighth consecutive year in "Europe's Best Internet Banks" survey while Garanti International N.V. has been honored with the "Romania's Best Consumer Internet Bank" award by Global Finance magazine. The evaluation criteria included online services, strategy, usage rate, growth rate, product range, special advantages, security as well as design & user-friendliness.
- Bonus Card and Money Card received four awards at the 2009 Web Awards Competition, organized for the 13th consecutive year by the Web Marketing Association. Web sites from 96 sectors in 47 countries participated in the competition where Bonus Card web site www.bonus.com.tr received the top awards of "Best Web Site in Financial Services" and "Best Web Site in Marketing."
- Garanti has been honored with the "2009 Achievement Award" by Euromoney Institutional Investor PLC's Emerging Markets Newspaper. Featuring a broad range of news and analyses about emerging markets, the publication has chosen Garanti as the most successful bank within the scope of "Emerging Europe". Garanti has become the first Turkish bank to be bestowed this award.
- Investors in People UK (IIP) who certifies the quality of companies' HR practices, introduced additional recognition levels Bronze, Silver and Gold to recognize further achievement. As the first company in Turkey to receive certification from IIP, Garanti is now awarded with "silver" status which is held by only 0.36% of the 35,000 IIP companies around the world.
- In competitions organized by MerComm, Garanti Annual Report 2008 received three different awards. In the Annual Report Competition - the ARC Awards - that are globally recognized as the "Oscars" of the Annual Report Competition, Garanti is recognized with an Honors Award in "Overall Annual Report" category among international banks and a Silver award in "Green and Environmentally Sound Annual Report" category. In the Galaxy Awards Competition Garanti received a Bronze award where thousands of companies from 60 different countries competed.

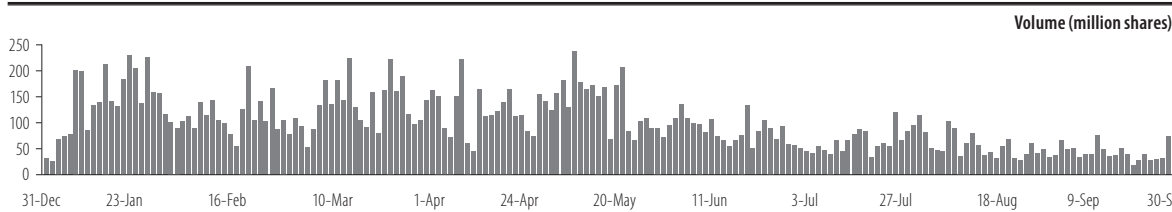
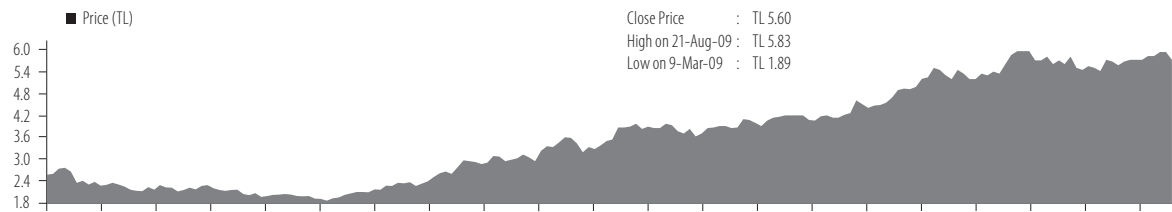
Garanti With Numbers	Dec-08	Jun-09	Sep-09	Garanti Market Shares*	YTD Δ	Sep-09
Branch Network	730	738	746	Total Cash Loans	▲	14.9%
+ Domestic	721	729	737	TL Loans	▲	12.0%
+ Abroad	9	9	9	FC Loans	▲	21.9%
Personnel	16,350	16,494	16,833	Credit Cards - Issuing	▼	20.9%
ATM	2,581	2,621	2,646	Credit Cards - Acquiring	▼	22.1%
POS*	327,005	342,110	352,361	Consumer Loans	▼	11.3%
Total Customers	8,090,713	8,572,114	8,780,516	Total Deposits	▲	12.3%
Internet Customers**	1,214,470	1,269,926	1,287,707	Demand Deposits	▲	16.9%
Phone Banking Customers**	69,378	77,583	78,450	TL Deposits	▲	10.6%
Credit Cards	7,501,809	7,762,777	7,805,236	FC Deposits	▲	15.2%
Debit Cards	4,755,143	5,193,555	5,305,024	Mutual Funds	▼	14.4%

*Includes shared POS

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

*BRSA weekly data - Commercial Banks

Garanti Bank Stock Performance in 3Q 2009



As a first in Europe, 26 Turkish banks have agreed to start joint ATM practice and 22,973 ATMs have been merged as of October 1, 2009. Joint ATM practice is expected to increase the transaction volume by 30% and contribute US\$ 300 million to the Turkish economy.

Through the credit card restructuring program, which was introduced in June and lasted through September, 46% of credit card NPLs were restructured. The success ratio is in line with the 50% expectation by the BRSA. TL 1.5 billion out of a total of TL 3.1 billion in credit card debt countrywide was restructured.

As a first in Europe, 26 Turkish banks have agreed to start joint ATM practice and 22,973 ATMs have been merged as of October 1, 2009. Joint ATM practice is expected to increase the transaction volume by 30% and contribute US\$ 300 million to the Turkish economy.

In September, Isbank and YKB secured syndicated loans at Libor +225 bps amounting to US\$ 775 million and US\$ 985 million, respectively.

In August, VakıfBank and Akbank, raised dual tranche multi-currency term-loan facilities amounting to approximately US\$ 736 million and € 900 million, respectively at Libor +250 bps.

Central Bank of Turkey set the third quarter interest rate cap and overdue interest rate on credit cards as 3.26% and 4.01% per month, respectively.

DEVELOPMENTS IN TURKISH BANKING SECTOR

Selected Sector Figures

(TLmn)	26-Dec-08	26-Jun-09	25-Sep-09	YTD Chg (%)
Total Deposits	445,438	462,984	470,955	5.7%
Bank Deposits	12,045	14,148	14,355	19.2%
Customer Deposits	433,393	448,836	456,601	5.4%
TL Deposits	282,872	292,746	294,936	4.3%
FC Deposits (US\$m)	101,630	102,700	111,106	9.3%
info: Customer Demand Deposits	58,870	64,291	64,821	10.1%
Total Loans	353,119	352,916	350,991	-0.6%
Loans / Deposits	79.3%	76.2%	74.5%	
TL Loans	247,670	251,909	251,131	1.4%
FC Loans (US\$m)	71,349	66,638	68,788	-3.6%
Consumer Loans	81,413	83,467	85,210	4.7%
Housing	37,658	38,572	39,583	5.1%
Vehicle	5,397	4,674	4,320	-20.0%
Personal Finance	33,195	35,153	36,256	9.2%
Other	5,163	5,068	5,050	-2.2%
Credit Cards	33,461	34,822	34,933	4.4%
Gross NPL	12,338	17,098	19,404	57.3%
info: NPL ratio	3.4%	4.6%	5.2%	
info: NPL coverage	80.8%	81.1%	81.6%	
Gross NPL in cons. loans	1,838	2,933	3,548	93.0%
info: NPL ratio	2.2%	3.4%	4.0%	
Gross NPL in credit cards	2,386	3,412	3,981	66.8%
info: NPL ratio	6.7%	8.9%	10.2%	
F/X Position, net (US\$m)	-91	367	410	
on B/S	-4,129	-8,319	-11,914	
off B/S	4,038	8,686	12,324	

Source: BRSA weekly sector data, excluding participation banks

Stock Market Indicators (September 30, 2009)

	Market Capitalizations (US\$m)				Avg. Daily Trading Vol. (US\$m)			Stock Perf. (Rel. to ISE-100)				Stock Perf. (in US\$)			
	Min.	Max.	Avg.	Last	Min.	Max.	Avg.	Last 1M	Last 3M	Last 12M	YTD	Last 1M	Last 3M	Last 12M	YTD
Akbank	6,085	18,487	11,914	17,384	7.7	124.4	35.4	-2.8%	-3.9%	1.3%	3.5%	1.3%	28.7%	12.3%	90.1%
Halkbank	2,231	7,722	4,571	7,412	9.2	99.0	35.0	5.6%	11.3%	19.1%	10.9%	10.0%	48.9%	31.9%	103.8%
İş Bankası	4,797	12,887	8,376	12,035	24.8	179.4	78.9	-5.3%	-1.5%	-7.4%	-9.9%	-1.3%	31.9%	2.6%	65.5%
VakıfBank	1,496	5,897	3,297	5,727	6.4	102.8	34.8	-0.5%	12.5%	20.1%	62.9%	3.7%	50.6%	33.1%	199.4%
YKB	3,638	9,689	6,368	9,490	6.6	168.2	44.1	-0.4%	9.6%	-9.7%	-13.5%	3.8%	46.7%	0.1%	59.0%
GARANTİ	4,446	16,701	9,843	15,848	40.6	490.2	187.8	-0.8%	4.6%	39.4%	22.2%	3.4%	40.0%	54.5%	124.6%
Banking Sector	30,745	89,225	57,275	86,979	136.6	1,002.4	464.2	-1.3%	3.3%	9.8%	7.2%	2.8%	38.2%	21.7%	97.0%
ISE-100	74,856	188,499	126,495	187,701	323.6	1,979.4	996.2					4.2%	33.9%	10.8%	83.8%

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

MACRO NOTES

The Central Bank of Turkey (CBT) continued to ease monetary policy during the third quarter of 2009 through reducing O/N interest rates by 150 basis points to 7.25% from 8.75% at the end of 2q09. Besides, the CBT is expected to continue to cut interest rates in the following months.

After a deep global recession, economic growth has turned positive as wide-ranging public interventions have supported demand and lowered uncertainty and systemic risk in financial markets all around the world. This perception led the TL display a 3.1% appreciation against USD during the third quarter of 2009. In real terms, TL appreciated by 1.4% against CPI based real foreign exchange rate in the same period compared to the second quarter of this year. On the other hand, yield of benchmark bond dropped to 8.7% at the end of 3q09 from 11.9% at the end of 2q09.

Turkish economy contracted by 7% on year-on-year basis during the second quarter of 2009, below 8.2% of market expectations, whereas contraction in 1q09 GDP was revised to 14.3% from previously released of 13.8%. Accordingly, GDP narrowed by 10.6% in the first half of 2009 compared to the same period in previous year. Despite the 3.6% positive effect of foreign demand, GDP narrowed in Q2 due to the negative contribution of domestic demand (7.0%) and inventories (3.6%). Investment showed only a minor drop to -24.6% in Q2 from -27.5% in Q1 as the contraction in private consumption fell significantly to 1.2% in Q2 from 10.2%, through

tax cuts. Early indicators point out that recovery in economic activity might be gradual. Year-on-year decline in industrial production fell to 7.7% in July-August period from 15.4% in 2q09. After reducing tax facilities, private consumption lost momentum in July-August period compared to 2q09.

Exports and imports began to recover gradually after bottoming out in May. While exports decreased by 28.6% on y/y basis in July-August period, imports declined by 36.6% on y/y basis in the same period. Accordingly, foreign trade deficit decreased by 48.4% in the same period, after narrowing by 51.6% on y/y basis during 2q09. As a consequence of decreasing foreign trade deficit, improvement in current account balance continued in the same period. As of end of August, the 12-month cumulative current account deficit dropped to US\$ 13.3 billion from US\$ 20.7 billion at the end of 2q09.

Annual CPI inflation decreased from 5.7% in June to 5.3% at the end of 3q09, the lowest level since July 1970. Core inflation rose just by 3.4% on y/y basis in September, due to the slack in domestic demand. The food prices, which made the highest contribution to

overall CPI during 2q09, brought annual inflation down in 3q09. Annual inflation in food prices declined to 6.8% at the end of 3q09 from 9.8% at the end of June. PPI, which fell by 1.9% on year-on-year basis in June, rose just by 0.5% on y/y basis in September.

The Central Bank of Turkey (CBT) continued to ease monetary policy during the third quarter of 2009 through reducing O/N interest rates by 150 basis points to 7.25% from 8.75% at the end of 2q09. Besides, the CBT is expected to continue to cut interest rates in the following months.

According to the CBT, recent data releases indicate that, the ongoing recovery in economic activity will be gradual and protracted. External demand and domestic investment demand remain weak, while labor market conditions do not display a significant improvement. Moreover, consumption demand, after having increased markedly during the second quarter, was on a weaker course in the third quarter. Therefore, inflation is expected to remain at low levels and monetary policy is expected to maintain an easing bias for a long period.

WHAT ANALYSTS' SAY ABOUT GARANTİ

Ak Investment

"With its dynamic and profit oriented banking approach, Garanti fortifies its position as a strong banking proxy."

Ata Invest

"RoE...One of the highest levels in the banking industry."

BGC Partners

"...distributing dividend...implies management's trust in the liquidity and growth sources of the bank."

Citigroup

"...ticks quite a few boxes to maintain good profitability levels going forward: strong fee income generation capability, the highest demand deposit mix in overall deposit base, active balance sheet management on the funding side, and substantial unrealized mark-to-market gains booked under equity."

Deutsche

"...stellar earnings momentum uninterrupted in 2Q09."

Eczacıbaşı

"...deep focus and high-quality positioning in the consumer lending market."

EFG

"Garanti has always been the leader in foreign currency denominated lending, which is essentially directed to corporations. ...Asset quality is way ahead of its peers."

Goldman Sachs

"...has effectively front-loaded provisioning requirements, thereby enhancing future profitability potential."

HSBC

"...not only benefited from the interest rate cut cycle the most, but also has positioned itself well for the end of the rate cut cycle and margin contraction."

Is Investment

"Its resilient corporate business acts as an anchor supporting profitability and growth. The bank has also improved its deposit funding markedly for the last two years, which will be a real big plus for the future loan growth."

Merrill Lynch

"We like the bank for its quality management, high asset quality, and strong profitability."

Morgan Stanley

"Stronger into 2010..."

Nomura

"Management has a good track record of dynamic balance sheet management."

Oyak Securities

"...the launch of "Money" credit card in partnership with Migros should strengthen the Bank's credit card business."

TEB

"...continued to outperform massively in terms of credit quality in the SME's segment."

YF Securities

"...stands to be the most gutsy bank when growth picks up."