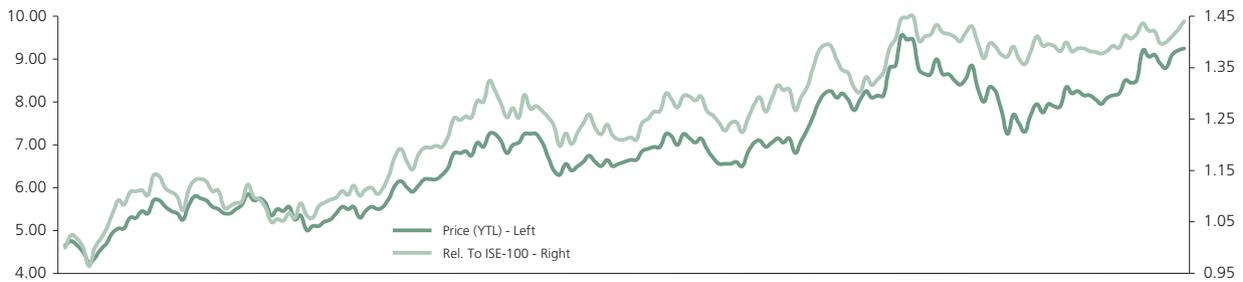
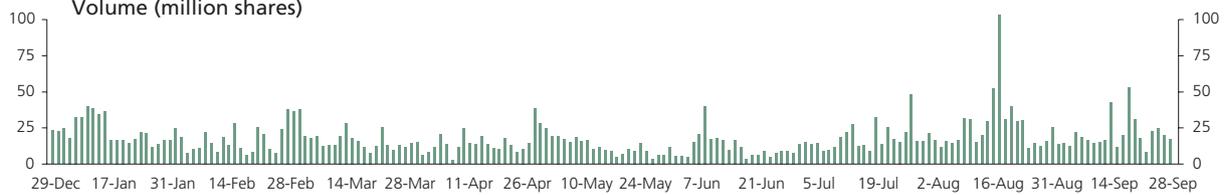


**Garanti Bank Stock Performance in 9M 2007**

**Volume (million shares)**


## DEVELOPMENTS AT GARANTI

In the tenth anniversary of its Online Banking, Garanti made its services available via "wap.garanti.com.tr" through mobile phones. The application maximizes: usability, connectivity, compatibility as it features customized visual & technical designs compatible with customers' devices without any additional activation requirements or downloads.

In September, Garanti along with Bayerische HypoVereinsbank (HVB) and West LB extended a EUR600 million project finance loan to the Fraport-Ictas consortium for the 17 year lease payments of the Antalya International Airport as well as the investments and working capital required by the project. Garanti and HVB were the Structuring Banks in the 13 (2.5+10.5) year loan, where Garanti also assumed the role of Account Bank.

In August, Garanti has underwritten the largest portion (USD465 million) of the 8 (2.5+5.5) year project finance loan granted to Oger Telekom by a group of leading local and international banks for the refinancing of purchase of the State-owned telecommunications company- Turk Telekom. The financing package which originally had a total amount USD3.7 billion was later increased by another USD1 billion, where Garanti increased its exposure to the project by USD80 million.

In August, Garanti became the first and only bank in Turkey to install SwiftNet Trade Services Utility (TSU) providing its customers involved in international commerce with a new open account solution. TSU is a centralized matching and workflow engine developed by Swift that can be used by the banking community to support the timely and accurate matching of trade-related transaction data. As a result, Garanti will extend value-added transaction services to its corporate customers – not only helping them with risk mitigation and supply chain financing, but also improving the quality of information for cash forecasting, liquidity

management and account reconciliation. The system enhances Garanti's customer reach and inter-bank relationship.

In September, Garanti's Flexi Card was awarded with "2007 WebAward for Outstanding Achievement in Website Development" by the Web Marketing Association. Celebrating its 11<sup>th</sup> year, the WebAwards is the premier annual website award competition that names the best web sites in 96 industries while setting the standard of excellence for website development.

In September, Marketingist - the association awarding the marketing ideas that contribute significantly to the practice of innovative marketing - honored Garanti's Bonus Trink Card - PayPass with "2007- Marketing Innovation Award".

In July, Interpromedya & Birlesik Arastirmacilar (research & consultancy companies) released the results of quarterly Omnibus Survey: Garanti was named as the internet bank of first choice by the majority of the participants (23.3%) - 3.4 points ahead of its closest follower. The survey was conducted in 16 cities with the participation of 1,300 individuals.

In July, Cards International - the leading newsletter of the card sector - awarded Garanti's Flexi Card as the Best New Credit Card Product Launch in 2006.

In July, Interactive Media Council - the leading international association dedicated to elevating the standards of excellence on the Internet - awarded www.flexicard.com, (Flexicard Website) with "Best in Class-Financial Information" & "Best in Class-Marketing" awards.

In July, Garanti received Visa Card's "2006-The leader bank in Visa corporate credit cards volume" award.

In July, Garanti continued to provide convenience to banking

customers via another first: Garanti ATMs with state of the art technological configuration enabled Denizbank cardholders to pay their card debts using Garanti ATMs' cardless menus. Through Garanti ATMs, all non-bank customers' banking services such as bill & tuition payments, cell phone minute uploads, ticket purchases for Biletix events and credit card applications.

In July, Garanti's new payment infrastructure "Cepbank alisveris" (online shopping via mobile bank) enhanced convenience & security for online shopping. The new application, an extension of cooperation between online retailer hepsiburada.com & Garanti, requires only customer's mobile phone number and "Cepbank" pin, hence contributes to the prevention of fraud by eliminating the use of credit card and account details for online shopping.

In September, Garanti continued to expand its broad range of mortgage products. Garanti launched the "Non-Resident Mortgage" to serve the growing demand for houses especially in the Southern and Western coastlines of Turkey.

In July, Garanti Bank Cash Management expanded its product range by launching a new supplier finance system. "Garanti Iskonto" (Garanti Discount) - the first web based supplier finance system in Turkey - operates on the principle of online record of transactions between buyers and suppliers. The system enables suppliers to factor their receivables irrevocably from the buyers while minimizing the workload for comparable transactions as well as fastening reconciliations.

In September, Garanti announced establishment of two new companies: (i) Garanti Financial Services N.V., based in Holland, to assess & evaluate the opportunities for cross border expansions (ii) Garanti Konut Finansmani Hizmetleri A.S. to provide consultancy and outsourcing services to banks, housing finance and mortgage finance companies.

Garanti With Numbers	Dec-06	Jun-07	Sep-07
Branch Network	487	523	550
+ Domestic	478	514	541
+ Abroad	9	9	9
Personnel	11,905	12,922	13,811
ATM	1,464	1,640	1,741
POS*	213,603	239,172	256,924
Total Customers	6,222,615	6,443,795	6,669,250
Internet Customers**	754,393	822,771	898,736
Telephone Banking Customers**	69,225	67,886	71,206
ADC's Share in Total Transactions***	83.7%	84.5%	85.0%
Credit Cards	5,625,014	5,806,643	5,979,265
Debit Cards	3,325,976	3,522,008	3,726,343

\* 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	Sep-07
Total Cash Loans	↑	14.02%
TL Loans	↑	11.30%
FC Loans	↑	22.21%
Credit Cards - Issuing (monthly)	↓	21.51%
Consumer Loans	↑	12.60%
Total Deposits	↑	10.38%
Demand Deposits	↑	13.41%
TL Deposits	↑	7.90%
FC Deposits	↑	14.84%
Mutual Funds	↑	13.83%
Foreign Trade (monthly)**	↑	15.50%

\* BRSA weekly data - Commercial Banks

\*\* Estimate

## DEVELOPMENTS IN TURKISH BANKING SECTOR

In July, the BRSA announced its decision to postpone the implementation of Basel II in Turkish banking system to the beginning of 2009 from previously planned January 2008.

In the end of July, National Bank of Kuwait (NBK) signed an agreement to acquire 40% stake in Turkish Bank for USD160 million. The acquisition implied 5.2x P/BV (1Q07).

The deal is subject to the approvals of Turkish Banking Regulatory and Supervisory Agency (BRSA) and the Central Bank of Kuwait.

In September, Citigroup announced acquisition of Turkish brokerage house - Opus Securities. The purchase is approved by the Capital Markets Board.

In August, the BRSA blocked the sale of Alternatifbank to Greek Alpha Bank and the sale of Adabank to Kuwait International Investor Company.

In September, Halkbank, a state-owned bank, signed a credit card licencing agreement with HSBC Bank for the Advantage credit card program.

Stock Market Indicators (September 28, 2007)

	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	Last 1M	Last 3M	Last 12M	YTD	Last 1M	Last 3M	Last 12M	YTD
Akbank	12,968	23,702	18,129	22,799	4.7	132.6	29.6	45.2	3.0%	9.8%	4.8%	0.0%	18.8%	36.5%	90.5%	61.2%
İş Bankası	11,013	17,143	13,836	16,622	17.0	401.0	113.9	136.8	6.8%	3.4%	-11.7%	-16.8%	23.2%	28.5%	60.5%	34.1%
Vakıfbank	5,374	8,697	6,837	8,508	4.3	97.1	27.6	34.3	2.9%	6.2%	-10.9%	-5.0%	18.7%	32.0%	62.0%	53.1%
YKB	4,936	10,396	7,914	10,042	8.1	315.6	77.7	108.6	-4.1%	15.2%	0.7%	13.6%	10.6%	43.1%	83.1%	83.1%
GARANTİ	6,270	16,046	11,515	16,046	13.9	537.4	91.0	129.4	2.9%	9.7%	42.0%	44.0%	18.7%	36.3%	158.3%	132.1%
Banking Sector	54,310	106,130	80,493	105,594	108.9	1,542.8	400.3	517.2	2.1%	7.2%	1.1%	1.6%	17.8%	33.2%	83.8%	63.8%
ISE-100	129,217	230,344	179,161	230,328	421.9	2,423.9	905.1	900.9					15.4%	24.3%	81.9%	61.2%

Minimum, maximum and average figures are valid for 2007 — Average figures are weighted for Mcap and simple for volume — US\$ / YTL: CBRT offer rate is used

MACRO NOTES

In August concerns regarding global financial markets, especially for mortgage lending, led volatility in financial markets to jump to the highest levels since the beginning of 2003. Due to the financial market turmoil USD/YTL rose above 1.38 and interest rates increased to 18.8% in mid August. The liquidity interventions of major central banks (FED and ECB), discount rate cut decision of FED in August and strong expectation for a FED fund rate cut in September FOMC Meeting lowered the pressure on financial markets. As FED decided to cut FED fund rates by 50 basis points to 4.75% on September 18th, YTL started appreciating against USD, coming down below 1.2 USD/YTL level.

Central Bank of Turkey cut O/N interest rates by 25 basis points on 13th of September, bringing down the borrowing rate to 17.25% from 17.50%. CBRT was keeping O/N rates on hold since mid July 2006. In line with the rate cut decision, benchmark interest rates moved downwards, falling to 16.4% in the first week of October.

GDP growth rate came in line with the market expectations at 3.9% in the second quarter of 2007 (2Q07). Compared to the first half of 2006, Turkish economy grew by 5.3% in the first half of 2007. In 2Q07, private sector consumption expenditures decelerated while investment expenditures accelerated on the back of strong investment appetite of public sector. In 2Q07 private sector consumption expenditures contracted (YoY by 0.3%) for the first time since the first quarter of

2002. The contribution of domestic demand to GDP growth rate increased in 2Q07 compared to the previous quarter due to strong public sector investment, whereas the contribution of foreign demand to the growth rate decreased. Foreign demand contributed to GDP growth rate by 0.9 point, while the contribution of domestic demand to growth rate was 3 points in 2Q07.

In July and August, exports came in at USD17.6 billion, in line with expectations, while imports were USD30.1 billion, above average market forecasts. The growth rate of exports was 26.9% (YoY) in July-August, while the growth rate of imports was 25.6% (YoY). Accordingly, foreign trade deficit jumped by 23.8% (YoY) to USD12.5 billion. 12-month cumulative exports and imports reached USD98.9 billion and USD156.9 billion, respectively as of August. July and August foreign trade statistics indicated a considerable acceleration in imports, especially in consumption good imports.

CPI rose by 0.31% in 3Q07, bringing annual inflation down to 7.12% in September from 8.6% in June. Accordingly, annual inflation stayed within the target band of CBT, which had an upper limit of 7.3%. Compared to June, food prices increased moderately by 3.3%, while clothing prices fell significantly by 12.9%. The appreciation of YTL against US\$ in 3Q07 has put downward pressure on prices, especially on communication equipments.

Selected Sector Figures

(YTLmn)	29-Dec-06	30-Jun-07	28-Sep-07	YTD Chg(%)
Total Deposits	308,396	330,938	332,463	7.8%
Bank Deposits	11,581	9,399	8,970	-22.5%
Customer Deposits	296,815	321,539	323,493	9.0%
TL Deposits	181,532	202,744	207,644	14.4%
FC Deposits (US\$m)	82,257	91,382	96,534	17.4%
info: Customer Demand Deposits	52,882	54,096	51,245	-3.1%
Total Loans	214,998	238,646	251,640	17.0%
Loans / Deposits	69.7%	72.1%	75.7%	
TL Loans	156,467	174,937	188,450	20.4%
FC Loans (US\$m)	41,791	49,000	52,652	26.0%
Consumer Loans	45,932	53,766	59,317	29.1%
Housing	22,165	25,503	28,165	27.1%
Vehicle	6,405	5,868	5,773	-9.9%
Personal Finance	15,884	19,981	22,710	43.0%
Other	1,478	2,414	2,669	80.6%
Credit Cards	21,642	24,029	24,841	14.8%
Gross NPL	8,127	8,548	9,373	15.3%
info: NPL ratio	3.6%	3.5%	3.6%	
info: NPL coverage	90.8%	88.4%	88.6%	
Gross NPL in cons. loans	384	621	736	91.7%
info: NPL ratio	0.8%	1.1%	1.2%	
Gross NPL in credit cards	1,698	1,809	1,847	8.8%
info: NPL ratio	7.3%	7.0%	6.9%	
F/X Position, net (US\$m)	184	-623	210	
on B/S	-5,467	-7,681	-7,789	
off B/S	5,651	7,058	7,999	

Source: BRSA weekly sector data, excluding participation banks

MARKET RECAP

In 3Q07, local political uncertainties vanished but operating in the global era, the outlook in the developed financial markets changed the risk perception dramatically with increasing volatility upon subprime spillovers and credit crunch.

ISE100 started at 47,094, USD/YTL 1.30 and benchmark interest rates 18.2% c.a. Until the end of July, as global markets hit record highs, ISE100 reached record 55,625 up 18% after the general election results of a single party government, outperforming MSCI EMEA index by 13% accompanied by decline in USD/YTL down to 1.24 and interest rates to 17.2% c.a.

As subprime worries elevated, concerns increased regarding the magnitude of financial institutions' exposure to these mortgages and their spillovers, risk appetite decreased causing widespread fall in global stock markets and liquidity moved to the top of the agenda. In developed countries, overnight lending rates banks charge each other, jumped to the highest in six years. ISE100 reacted to the change in global sentiment by retreating to 44,000 levels in mid-August, down 25% since end of July erasing the quarter to date outperformance relative to MSCI EMEA index.

Starting with FED's discount rate cut and signs of target rate cuts together with FED, ECB & BOE interventions by injecting liquidity, global markets' direction turned upwards. On the domestic side, political uncertainties eased following smooth presidential election process as Gül became the 11th President on August 28th and the

new cabinet was formed. On September 13th, ahead of FOMC meeting, 3Q's landmark event CBRT rate cut opened the period of higher outperformance for Turkey among EMEA countries. With the signal of monetary easing to start and FED's target interest rate cut, ISE100 took off and closed 3Q at 54,044 outperforming the MSCI EMEA index by 17%. YTL hit its highest level 1.23 against USD since July 2001 and benchmark interest rates eased to below 17% c.a., lowest since June 2006.

October started with the positive inflation reading and CBRT emphasized the sharp fall in underlying core inflation. With the rate cut anticipation in the October MPC meeting, ISE100 hit record 58,000 levels. Political tension increasing with US upon so called Armenian Genocide Bill and geopolitical tension rising at the Iraqi border did not have a significant impact on Turkey's outperformance among EMEA countries. EU anchor came into the agenda with the approval of draft progress report and announcement of two more negotiating chapters.

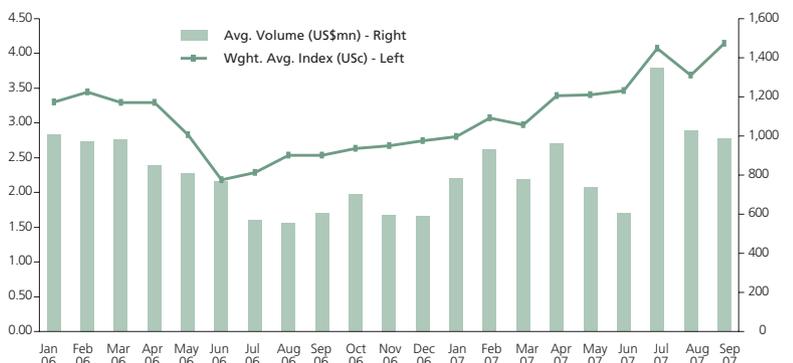
Approaching the end of 2007, global liquidity and risk appetite will shape the outline. With increasing commodity prices affecting inflation negatively and high current account deficit, CBRT monetary policy will be last quarter's determining factor locally and implementation of successful fiscal policies together with progress in micro reforms will be key.

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

	Last 1M	Last 3M	Last 12M	YTD
Argentina	7.4%	3.0%	42.3%	6.5%
Brasil	20.0%	20.1%	91.6%	55.6%
Mexico	0.9%	-4.7%	33.3%	12.9%
Hungary	9.2%	-0.8%	59.6%	20.8%
Israel	7.3%	7.8%	33.7%	29.1%
Poland	6.0%	0.5%	48.3%	20.6%
Russia	8.2%	9.0%	22.7%	4.8%
Turkey	16.5%	24.4%	81.3%	60.7%
EM	10.8%	13.7%	54.8%	32.0%
EMEA	8.1%	7.7%	37.6%	15.7%
Eastern Europe	8.0%	7.1%	29.7%	9.1%
Latin America	12.4%	10.3%	67.4%	38.2%

\* Based on MSCI's Emerging Markets Indices

ISE-100 Performance



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