



BRSA Consolidated Earnings Presentation

March 31, 2008

*“healthy growth on track”*

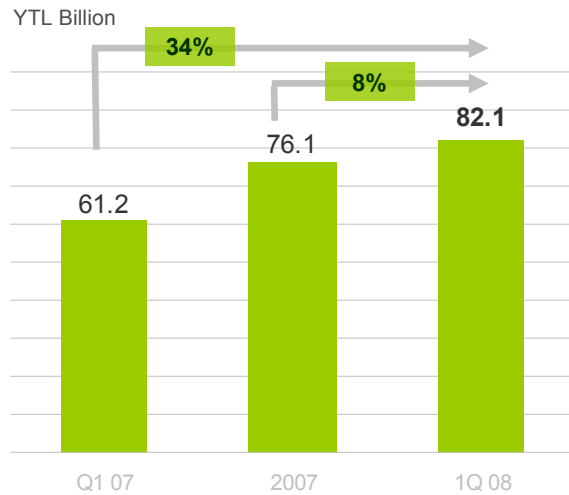


## 1Q 2008 – Highlights

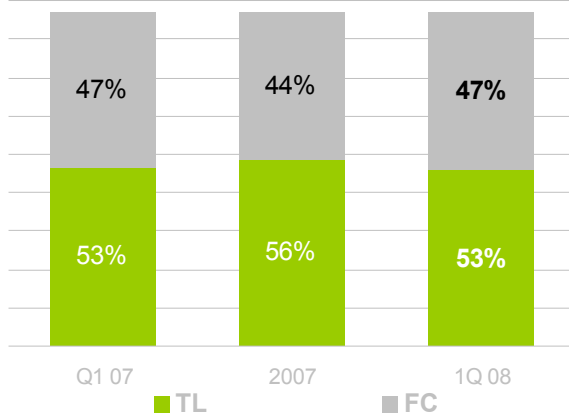
- *Increasingly loan heavy balance sheet*
- *Market share growth momentum on track*
- *Leader in total lending*
- *Solid asset quality*
- *Decreasing deposit costs*
- *Strong customer driven sources of income growth*
- *Highest number of new branch openings & ATM expansion y-o-y*
- *Sustained high profitability ratios*

# Loan Driven Asset Growth

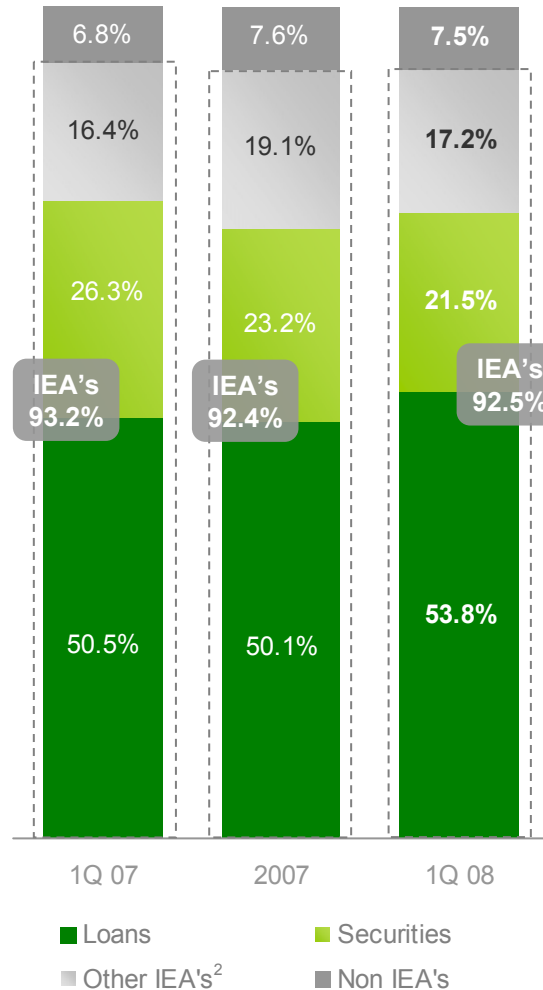
## Total Assets



## Composition of IEAs



## Composition of Assets<sup>1</sup>



## Asset Growth

Y-o-Y:

34%

YTD:

8%

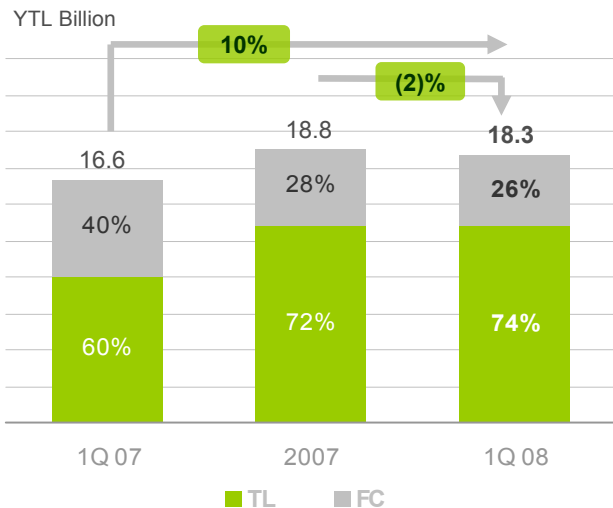
## Loans<sup>3</sup>/Assets

54%

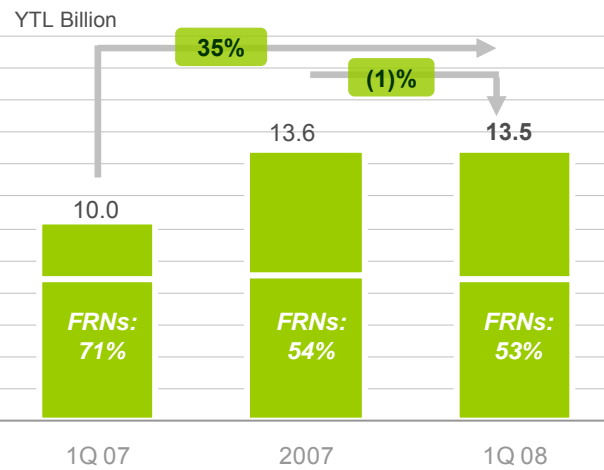
<sup>1</sup> Accrued interest on B/S items are shown in non-IEAs  
<sup>2</sup> Other IEA's include factoring and leasing receivables.  
<sup>3</sup> Excluding accrued interest

# Securities: Higher Yielding TL Heavy

## Total Securities

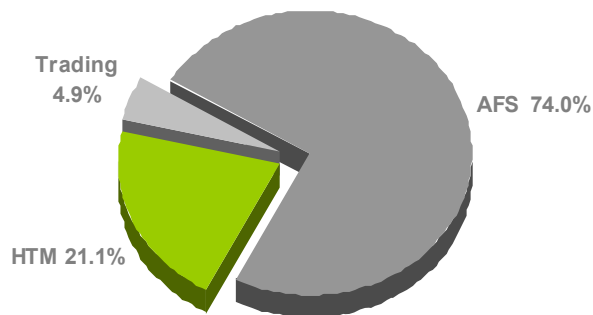


## TL Portfolio

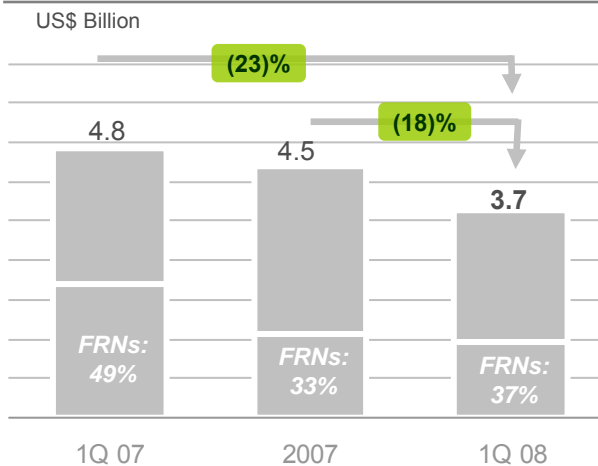


Total securities portfolio shrank ytd due to maturities in FC portfolio and Eurobond sales. **Securities mix in assets** declined from 23.2% in 2007 to **21.5%** in 2008.

## Total Securities Composition



## FC Portfolio



TL Weight in Total

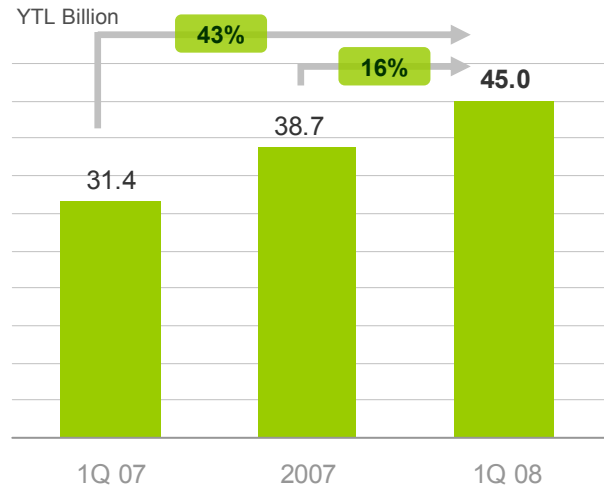
74%

Total Fixed / FRN

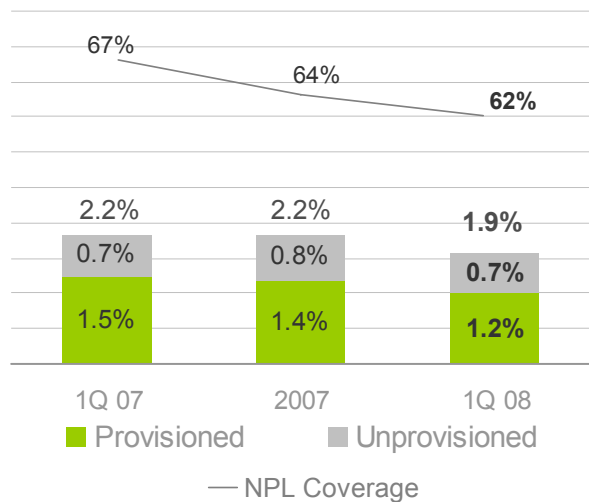
51/49

# High growth momentum in lending remains with improving asset quality

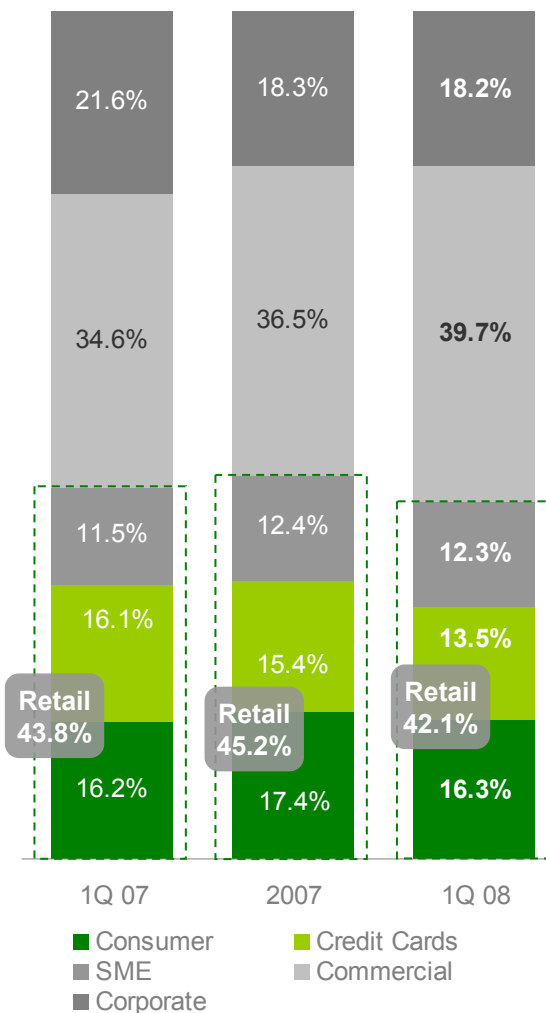
## Total Loans<sup>1</sup>



## NPL Ratio & Coverage



## Composition of Loans<sup>3</sup>



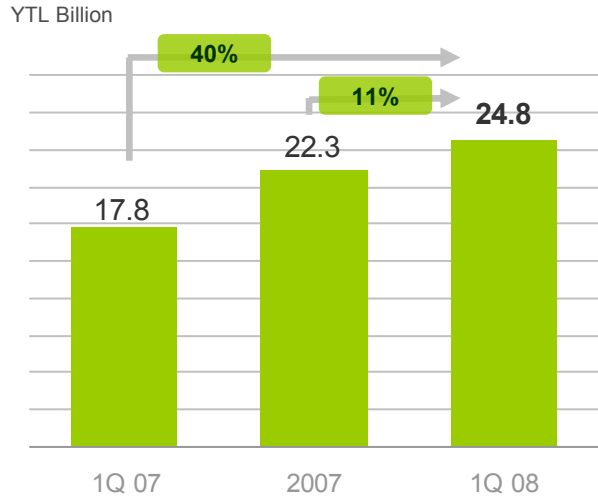
Total Loan Market Share<sup>2</sup>

14.2%

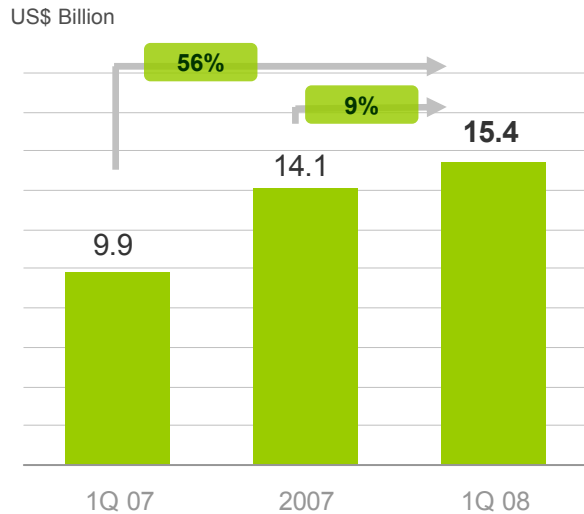
<sup>1</sup> Performing cash loans  
<sup>2</sup> Sector figures are based on bank-only BRSA weekly data  
<sup>3</sup> Based on bank-only MIS data

# Solid loan growth in both TL and FC

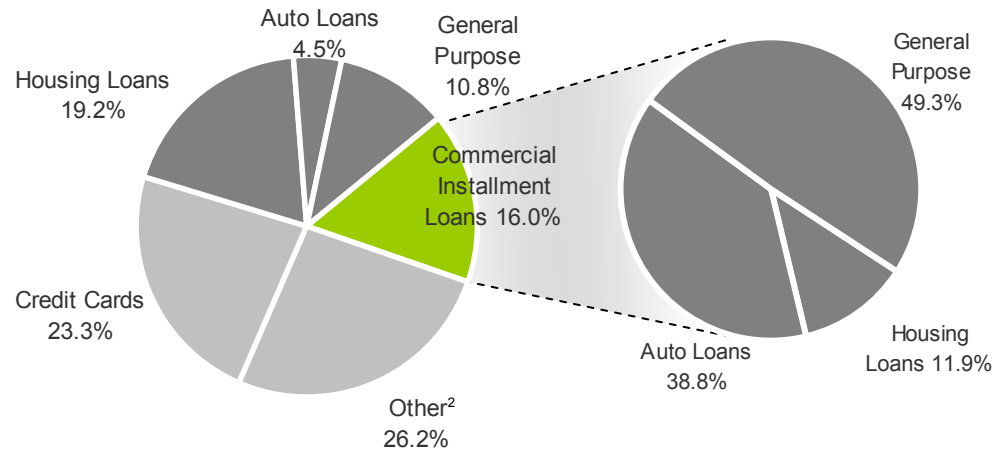
## TL Loans<sup>1</sup>



## FC Loans<sup>1</sup>

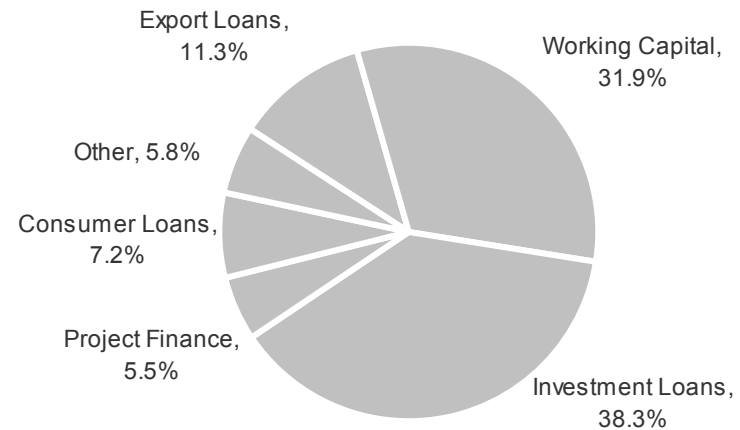


## TL Loan Composition



## FC Loan Composition<sup>3</sup>

(excluding accrued interest)

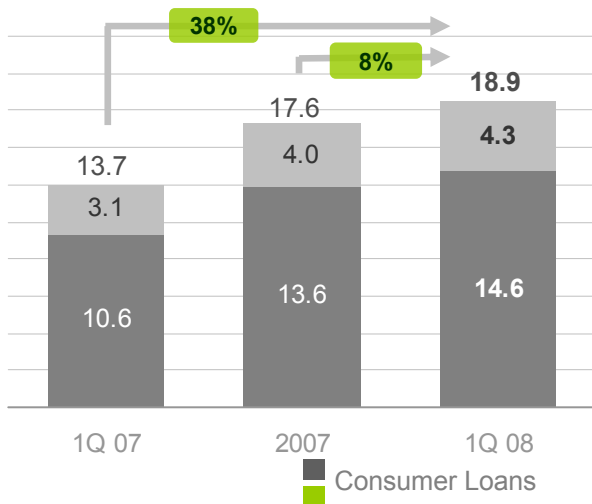


<sup>1</sup> Performing cash loans  
<sup>2</sup> Includes commercial and retail overdraft  
<sup>3</sup> Based on bank-only MIS data

# Strong retail loan growth momentum

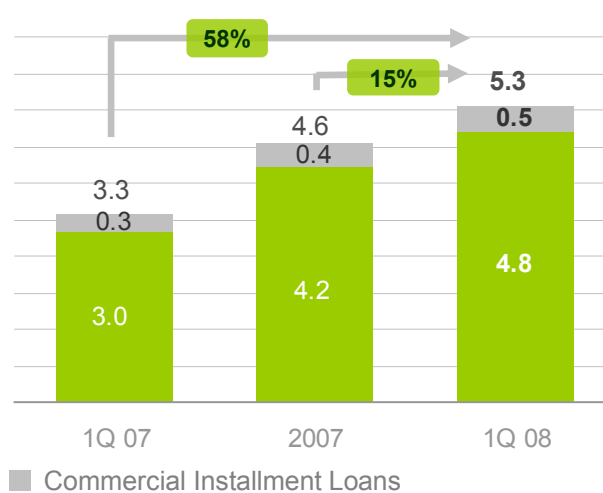
## Retail Loans<sup>1</sup>

YTL Billion



## Housing Loan Growth

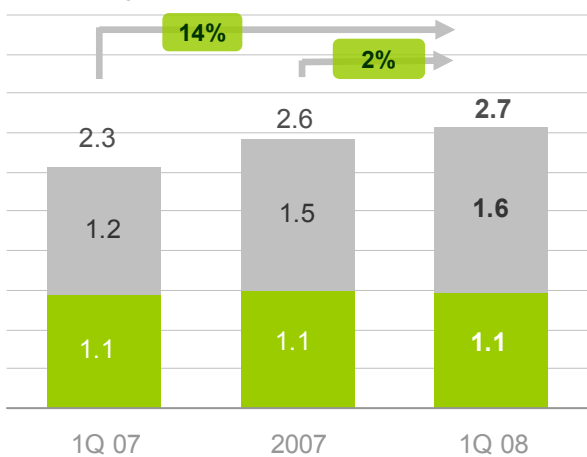
YTL Billion



*Outperformed sector  
in key consumer  
product categories*

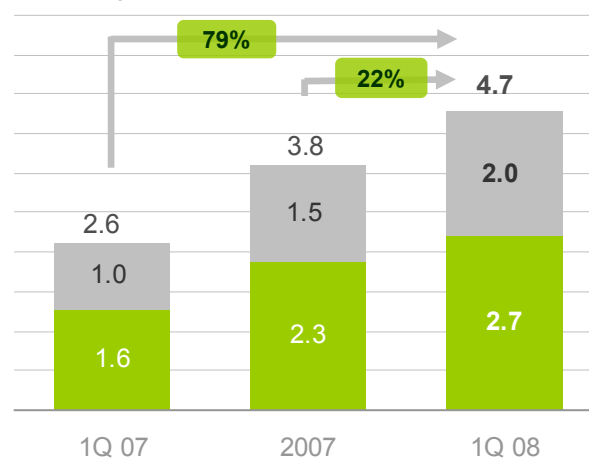
## Auto Loan Growth

YTL Billion



## General Purpose Growth

YTL Billion



## Market Shares<sup>2,3</sup>

	YTD Δ	1Q 08
Housing	+20 bps ↑	14.0%
Auto	+10 bps ↑	16.5%
General Purpose	+80 bps ↑	10.1%
Retail <sup>1</sup>	+10 bps ↑	13.9%

<sup>1</sup> Including consumer, commercial installment, overdraft accounts, credit cards and other

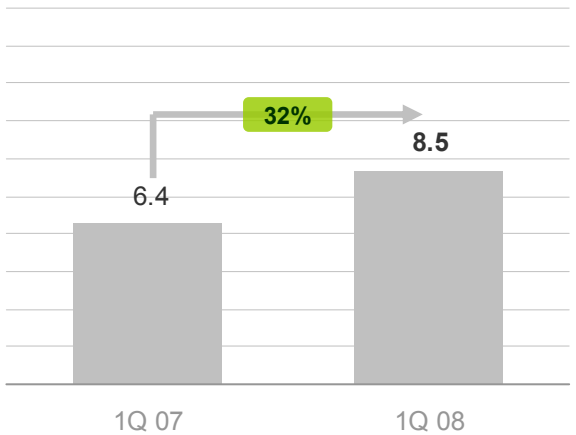
<sup>2</sup> Including consumer and commercial installment loans,

<sup>3</sup> Sector figures are based on bank-only BRSA weekly data

# Leadership position in card business

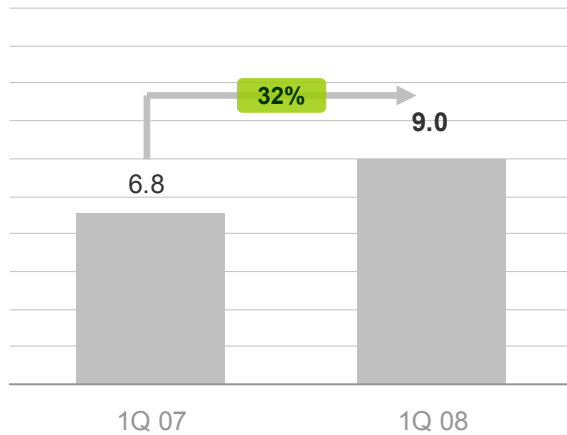
## Issuing Volume

YTL Billion



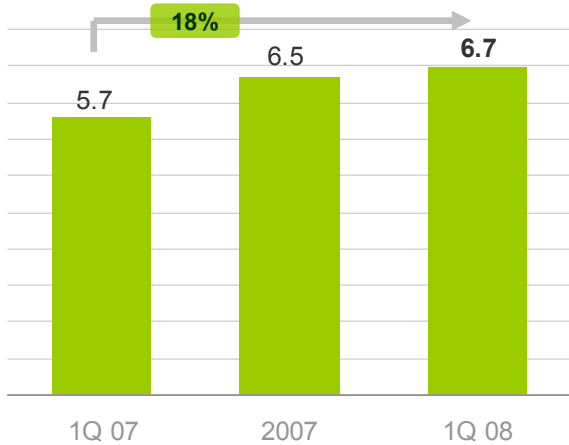
## Acquiring Volume

YTL Billion



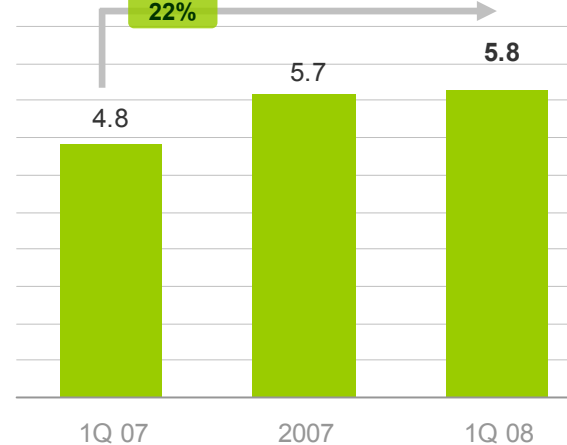
## No. Of Credit Cards

In Million



## Credit Card Balances

YTL Billion



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



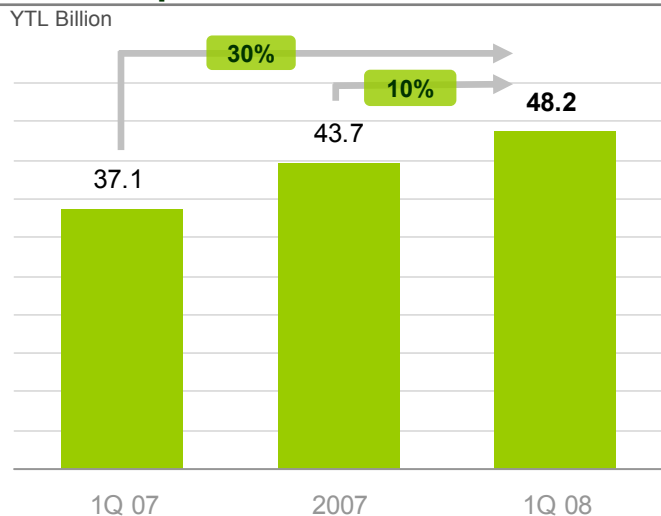
## Market Shares

	YTD Δ	1Q 08
Acquiring	-90 bps	22.1%
Issuing	-50 bps	21.0%
Credit Cards	0 bps	17.4%
POS <sup>1</sup>	-30 bps	19.0%
ATM	+20 bps	10.0%

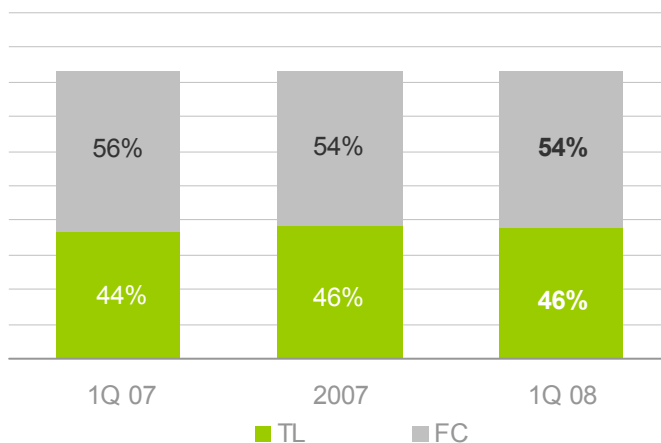


# Although diversified, still deposit heavy funding mix

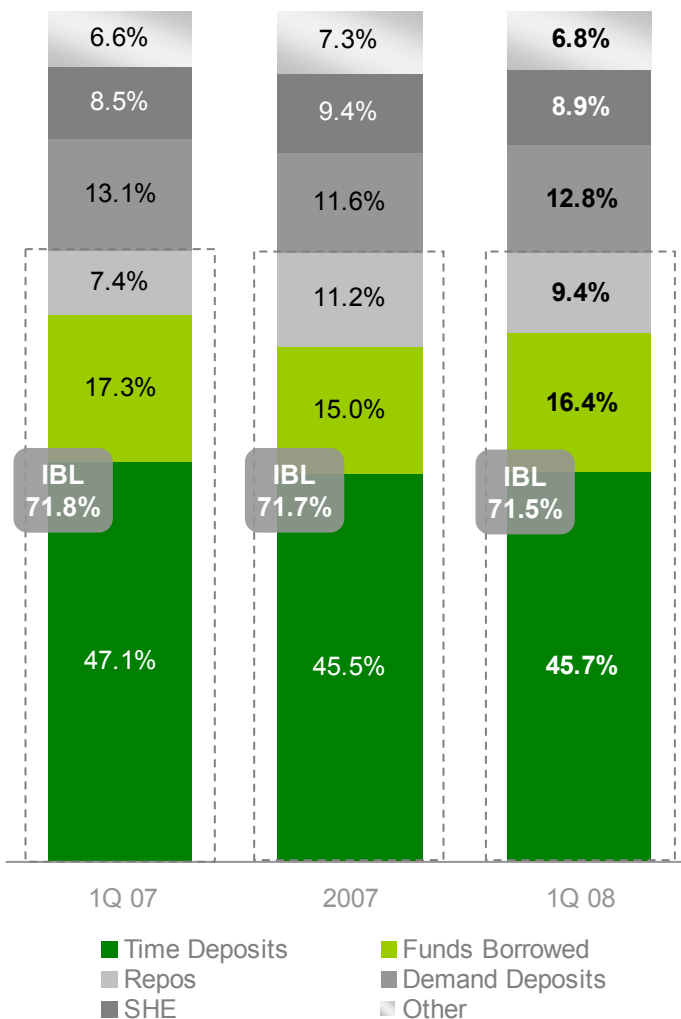
## Total Deposits



## Deposits – TL/FC Mix



## Composition of Liabilities



## Deposits / Assets

59%

Deposit Growth:  
Y-o-Y

TL

33%

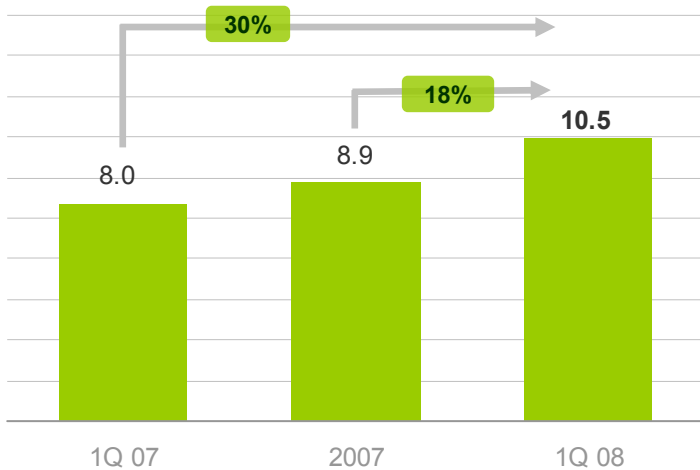
FC<sup>1</sup>

35%

# Focused growth in demand deposits, benefits funding costs

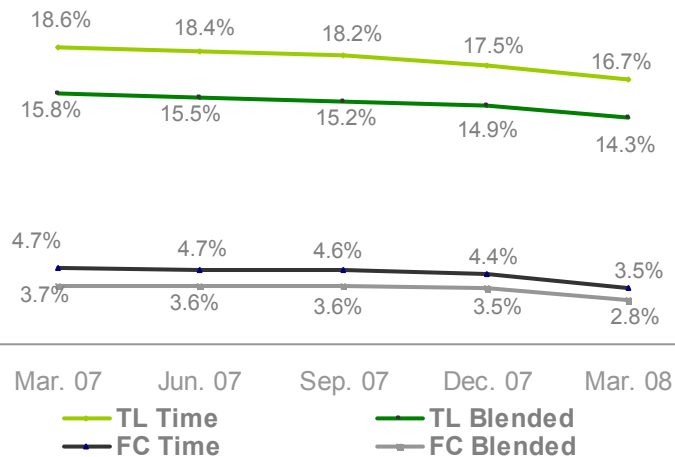
## Demand Deposits

YTL Billion



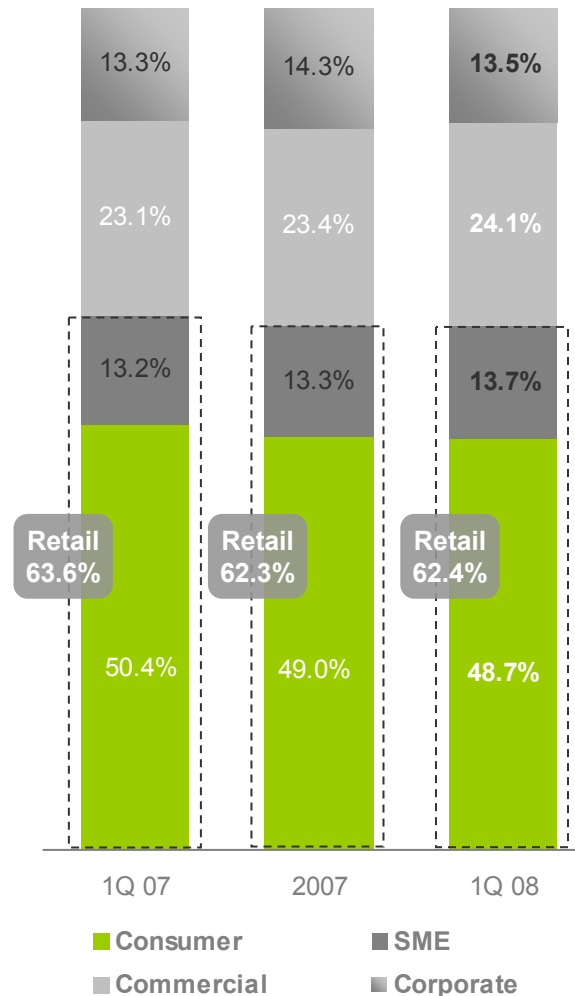
## Cost of Deposits<sup>1</sup>

Quarterly Averages



## Deposits by LOB<sup>1</sup>

(excluding bank deposits)



Demand / Total Deposits

22%

Demand Deposit Market Share<sup>2</sup>

14.2%

Represents 110 bps increase in YTD market share

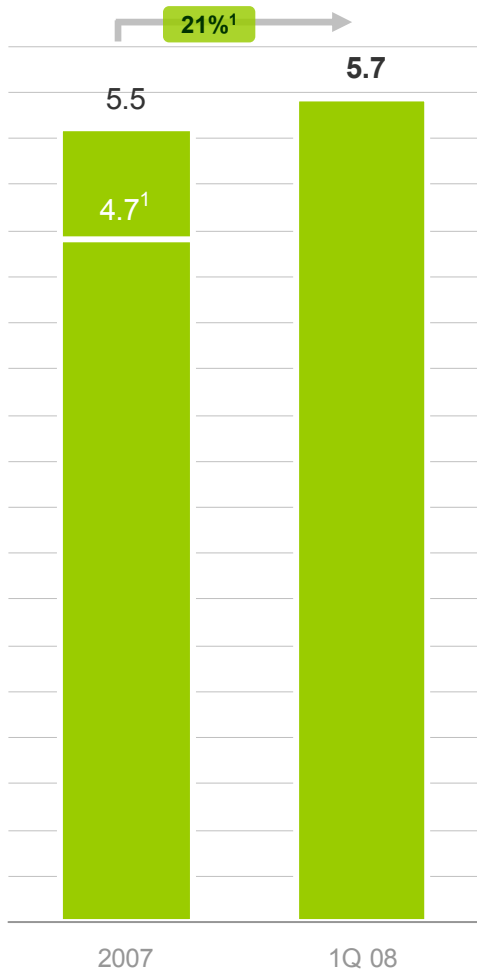
<sup>1</sup> Based on bank-only MIS data

<sup>2</sup> Sector figures are per BRSA weekly data. Excluding bank deposits.

# Solid capital base and adequacy levels

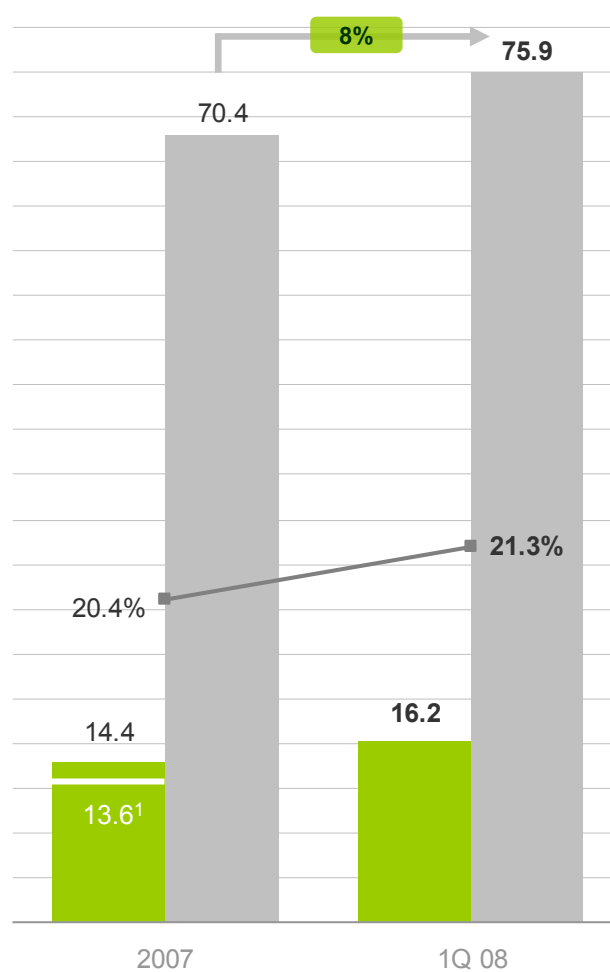
## Free Equity

YTL Billion



## Free Funds<sup>2</sup> / IEAs

YTL Billion



YTD Growth  
in Free Funds  
*YTL 1.8 bn*

	CAR
1Q 08	12.9%
2007	14.0%
1Q 07	14.1%

Free Funds IEAs Free Funds / IEAs

<sup>1</sup> Calculation excludes one-off gains from insurance and pension & life business subsidiaries stake sale amounting to YTL 669 mn (post-tax) and one-off gains from custody sale amounting to YTL 112 mn (post-tax)

<sup>2</sup> Free Funds : Free equity + demand deposits

# Expanding Interest Income

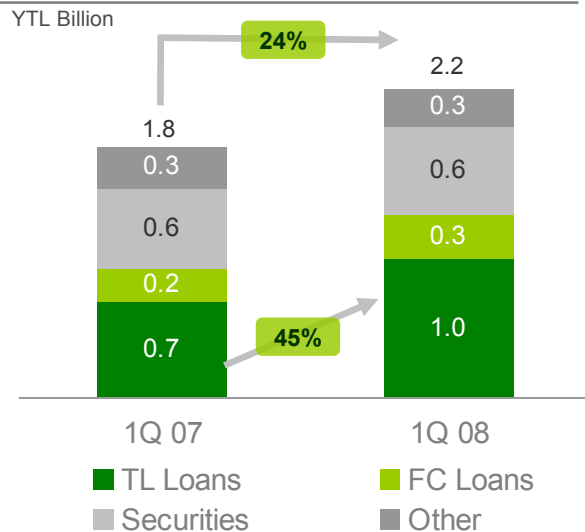
(YTL Million)	1Q 07	1Q 08	Growth
<b>Net Interest Income</b>	705	846	20%
<b>Net FX Gain / Loss</b>	(5)	(7)	26%
<b>Provisions for loans and securities</b>	(83)	(127)	53%
<b>Adjusted Net Interest Income</b>	<b>617</b>	<b>712</b>	<b>16%</b>

**Adjusted NII Growth**

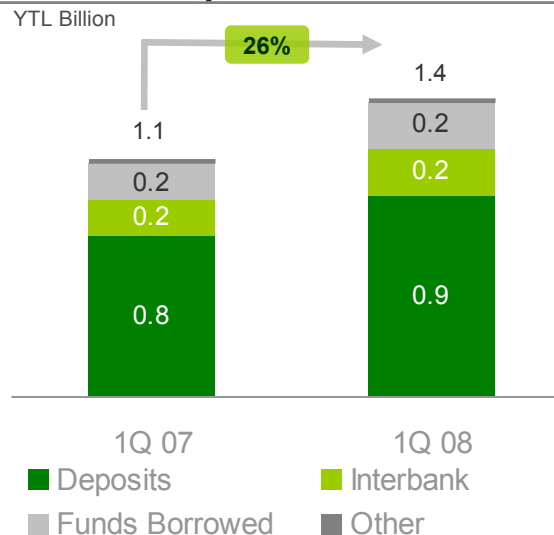


**16%**

## Interest Income



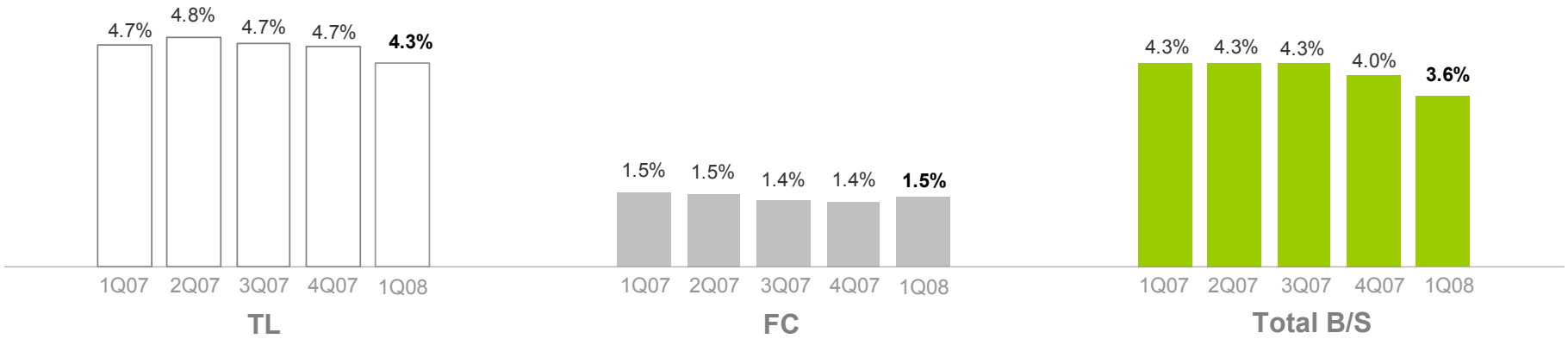
## Interest Expense



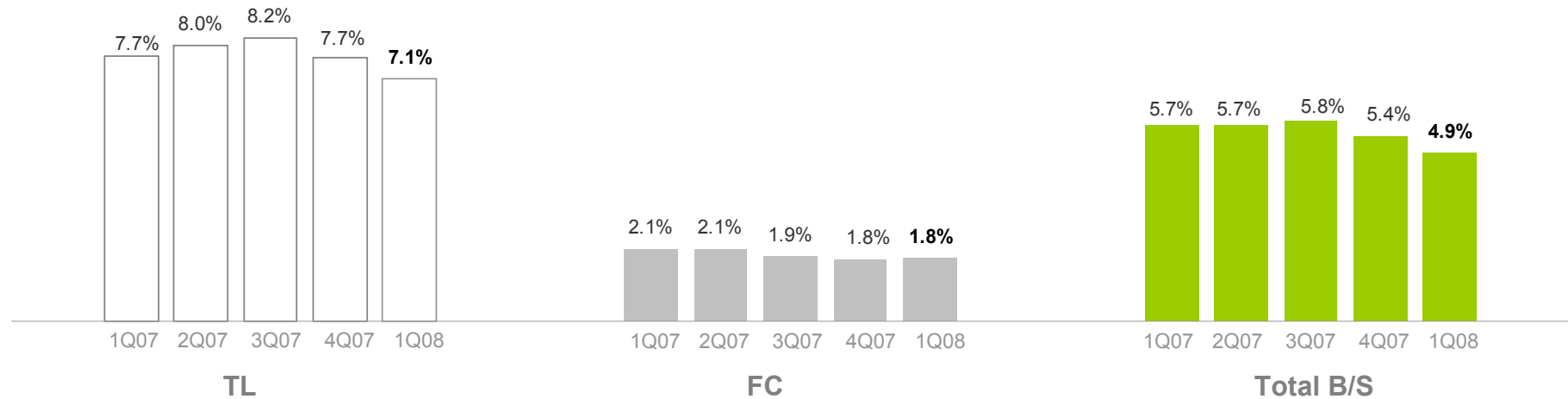
*Largest contributor:  
Interest income  
on TL loans*

# Quarterly Margins and Spreads

## Spreads



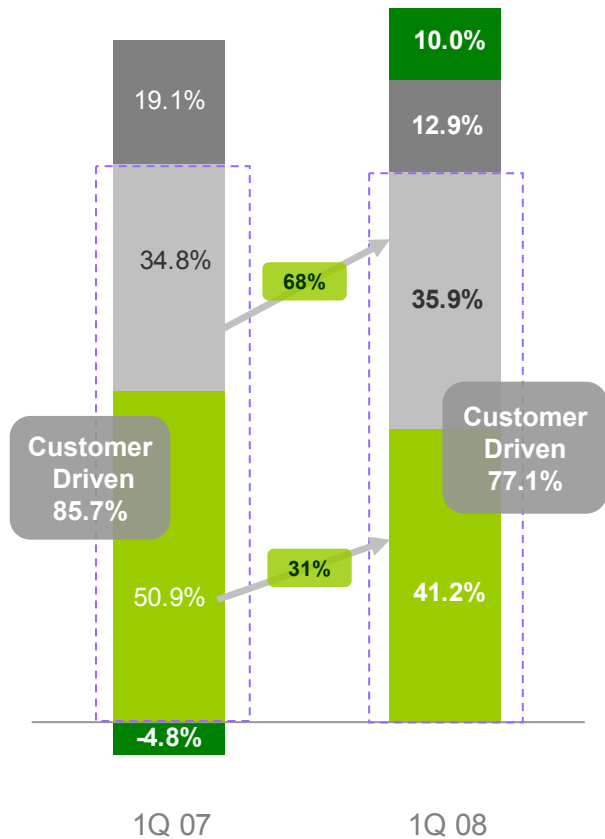
## Margins



•Based on bank-only and MIS data & all figures are quarterly averages  
 •Spread: Interest income on IEAs minus interest \*expense on IBLs.  
 •Margin: Interest rate margin between total assets and liabilities including non-IEAs and non-IBLs.

# Consistently growing trend of sustainable income sources

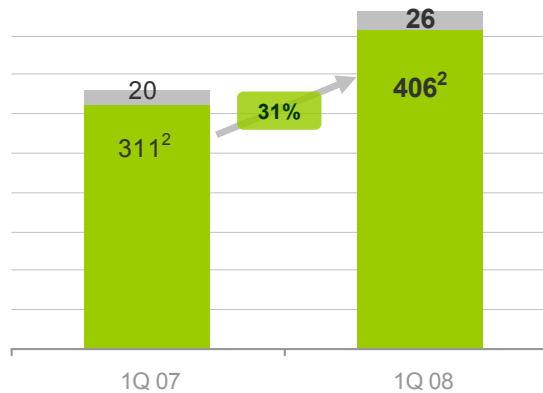
## Ordinary Banking Income<sup>1</sup>



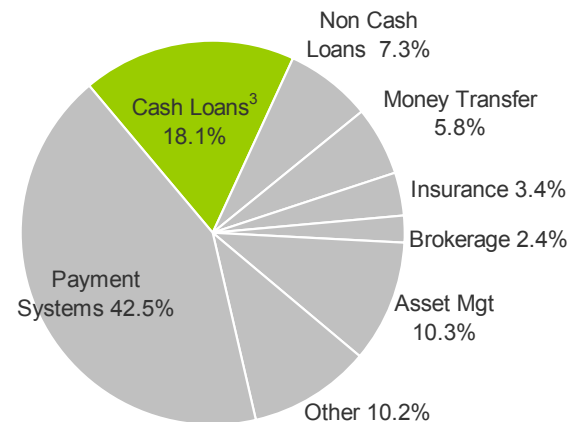
■ Net Fees & Comm.    ■ Adjusted NII (Loans)  
 ■ Adjusted NII (Sec.)    ■ Net Trading Income

## Net Fees & Commissions<sup>2</sup>

YTL Million



## Net Fees & Commissions<sup>1</sup>



46%

**Customer Driven  
 Income Growth**  
 Y-o-Y

<sup>1</sup> Based on bank-only MIS data  
<sup>2</sup> As per new BRSA classification in P/L, excludes net fees and commissions received from cash loans.  
<sup>3</sup> Include consumer loans fees as well as other cash loan fees now classified as interest on loans in income statement

# High Earnings Growth

<i>(YTL Million)</i>	<b>1Q 2007</b>	<b>1Q 2008</b>	<b>Growth</b>
<b>Ordinary Banking Income</b>	875	1,194	36.4%
<b>Other Income<sup>1</sup></b>	136	219	60.8%
<b>Total Revenue</b>	<b>1,011</b>	<b>1,413</b>	<b>38.7%</b>
<b>Operating Expense</b>	(467)	(645)	38.3%
<i>Personnel Expense</i>	(174)	(229)	31.1%
<i>Bonus Provision</i>	(31)	(98)	216.9%
<i>Rent Expense</i>	(19)	(23)	22.1%
<i>Communication Expense</i>	(23)	(32)	36.6%
<i>Other</i>	(220)	(263)	20.3%
<b>Operating Income</b>	<b>544</b>	<b>768</b>	<b>40.9%</b>
<b>Other Provisions<sup>2</sup></b>	(4)	(133)	n.m
<b>Taxes<sup>1</sup></b>	(111)	(141)	26.2%
<b>Net Income</b>	<b>429</b>	<b>494</b>	<b>15.1%</b>
Equity Holders of the Bank	429	491	14.6%
Minority Interest	0	3	n.m

132



**Net Branch Additions**  
Y-o-Y

>3,000

**New Employees**  
Y-o-Y

>800

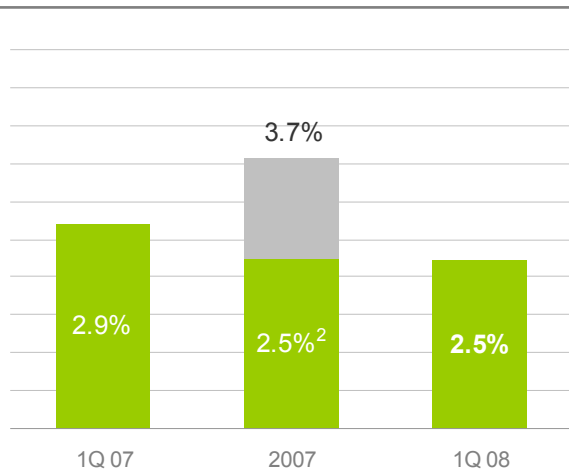
**New Employees**  
YTD

<sup>1</sup> Includes one-off gains from tax return amounting to YTL 131 mn.

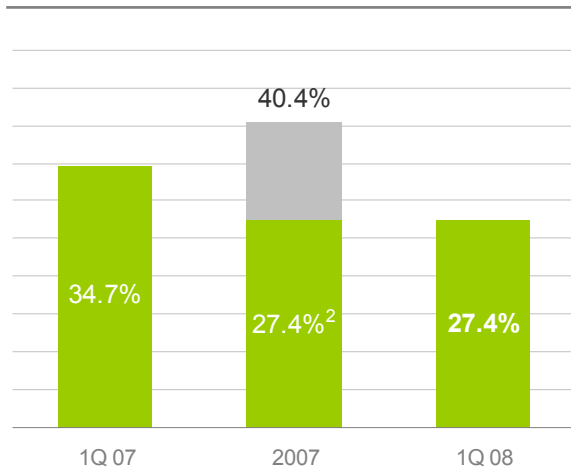
<sup>2</sup> Other provisions include "Impairment Losses on Associates, Subsidiaries", "Provision for Possible Losses" and "Other provisions". Other provisions in 1Q 08 includes free provision of YTL 131 mn.

# Sustained High Profitability Levels

**ROAA<sup>1</sup>**

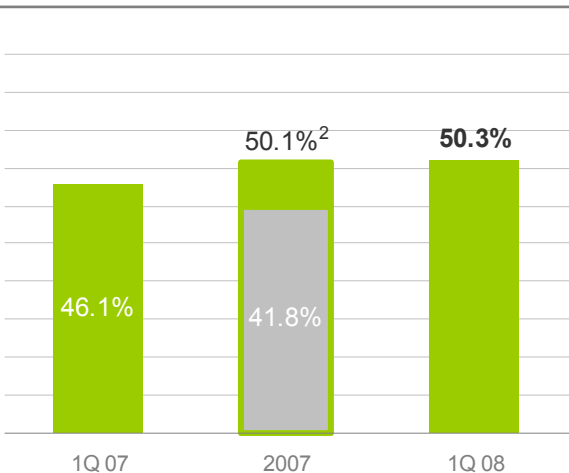


**ROAE<sup>1</sup>**

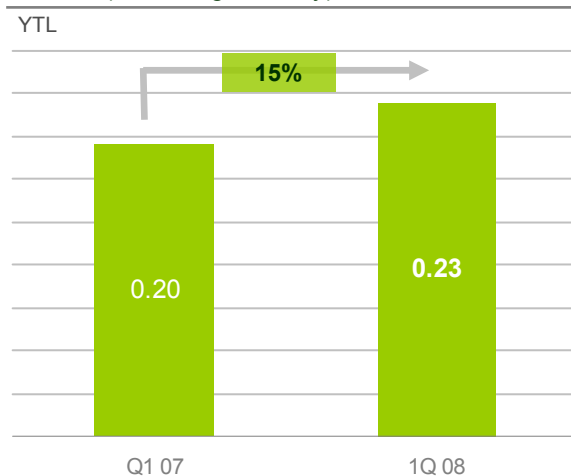


**ROAE**  
  
**27%**

**Cost / Income**



**EPS (excluding minority)**



*Despite the net addition of **41** branches ytd and increased costs related to bonus payments, high profitability levels maintained.*

<sup>1</sup> ROAA and ROAE are calculated on quarterly averages of assets and equity, respectively

<sup>2</sup> Excludes one-off gains from insurance and pension & life business subsidiaries stake sale amounting to YTL 669 mn (post-tax) and one-off gains from custody sale amounting to YTL 112 mn (post-tax).



# Appendix

# Quarterly Analysis of Ordinary Banking Income

<i>(YTL Thousand)</i>	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	Δ (1Q 07-1Q 08)	Δ (4Q07-1Q 08)
<b>Interest Income</b>	<b>1,803,700</b>	<b>1,883,238</b>	<b>2,022,540</b>	<b>2,176,585</b>	<b>2,228,737</b>	<b>23.6%</b>	<b>2.4%</b>
-Loans	938,857	1,057,677	1,183,760	1,253,677	1,315,176	40.1%	4.9%
-Securities	572,356	566,409	566,151	637,408	642,956	12.3%	0.9%
-Other	292,487	259,152	272,629	285,500	270,605	(7.5)%	(5.2)%
<b>Interest Expense</b>	<b>(1,099,078)</b>	<b>(1,133,744)</b>	<b>(1,218,435)</b>	<b>(1,336,854)</b>	<b>(1,382,824)</b>	<b>25.8%</b>	<b>3.4%</b>
-Deposits	(754,571)	(774,215)	(807,073)	(959,619)	(942,188)	24.9%	(1.8)%
-Funds Borrowed	(168,620)	(162,541)	(233,637)	(184,232)	(220,691)	30.9%	19.8%
-Interbank & Other	(175,887)	(196,988)	(177,725)	(193,003)	(219,945)	25.0%	14.0%
<b>Net Interest Income</b>	<b>704,622</b>	<b>749,494</b>	<b>804,105</b>	<b>839,731</b>	<b>845,913</b>	<b>20.1%</b>	<b>0.7%</b>
<b>Prov. for loans &amp; securities</b>	<b>(83,116)</b>	<b>(78,821)</b>	<b>(63,930)</b>	<b>(99,932)</b>	<b>(126,989)</b>	<b>52.8%</b>	<b>27.1%</b>
<b>Net FX Gain/(Loss)</b>	<b>(5,451)</b>	<b>(380)</b>	<b>(46,124)</b>	<b>5,374</b>	<b>(6,879)</b>	<b>26.2%</b>	<b>(228.0)%</b>
<b>Adj. Net Interest Income</b>	<b>616,055</b>	<b>670,293</b>	<b>694,051</b>	<b>745,173</b>	<b>712,045</b>	<b>15.6%</b>	<b>(4.4)%</b>
<b>Net Fees and Comm.</b>	<b>310,702</b>	<b>314,653</b>	<b>333,794</b>	<b>329,420</b>	<b>405,953</b>	<b>30.7%</b>	<b>23.2%</b>
<b>Net trading Income/(loss)</b>	<b>(51,562)</b>	<b>(43,204)</b>	<b>(35,780)</b>	<b>(41,327)</b>	<b>76,000</b>	<b>(247.4)%</b>	<b>(283.9)%</b>
<b>Ordinary Banking Income</b>	<b>875,195</b>	<b>941,742</b>	<b>992,065</b>	<b>1,033,266</b>	<b>1,193,998</b>	<b>36.4%</b>	<b>15.6%</b>

# Balance Sheet - Summary

<i>(YTL Million)</i>	<b>2007</b>	<b>1Q 08</b>	<b>% YTD Change</b>	
<b>Assets</b>	<b>Cash &amp; Banks<sup>1</sup></b>	<b>12,819</b>	<b>12,031</b>	<b>(6.1)%</b>
	<b>Securities</b>	<b>18,779</b>	<b>18,341</b>	<b>(2.3)%</b>
	<b>Performing Loans</b>	<b>38,695</b>	<b>44,992</b>	<b>16.3%</b>
	<b>Fixed Assets &amp; Subsidiaries</b>	<b>1,189</b>	<b>1,187</b>	<b>(0.2)%</b>
	<b>Other</b>	<b>4,666</b>	<b>5,546</b>	<b>18.8%</b>
	<b>Total Assets</b>	<b>76,148</b>	<b>82,097</b>	<b>7.8%</b>
	<b>Liabilities &amp; SHE</b>	<b>Deposits</b>	<b>43,690</b>	<b>48,243</b>
<b>Repos</b>		<b>8,592</b>	<b>7,793</b>	<b>(9.3)%</b>
<b>Borrowings</b>		<b>11,630</b>	<b>13,631</b>	<b>17.2%</b>
<b>Other</b>		<b>5,110</b>	<b>5,092</b>	<b>(0.4)%</b>
<b>SHE</b>		<b>7,126</b>	<b>7,338</b>	<b>3.0%</b>
<b>Total Liabilities &amp; SHE</b>		<b>76,148</b>	<b>82,097</b>	<b>7.8%</b>

<sup>1</sup> Includes banks and other financial institutions



# GarantiBank

Investor Relations

Levent Nispetiye Mah. Aytaç Cad. No:2

Beşiktaş 34340 İstanbul – Turkey

Email: [investorrelations@garanti.com.tr](mailto:investorrelations@garanti.com.tr)

Tel: +90 (212) 318 2352

Fax: +90 (212) 216 5902

Internet: [www.garantibank.com](http://www.garantibank.com)

