



Garanti

BRSA Consolidated Earnings Presentation
December 31, 2010

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4Q 2010 Macro Highlights

Renewed progress in global economic growth...

- Global economy picked up pace in the last three months of 2010.
- Due to:
 - **growth-oriented economic policy** in both the US and the Euro area,
 - and partly the **strength in the Far East** and other **Emerging Market economies**.
- But still at modest levels and will be challenged by the announced **budget consolidation measures** in most European countries and the surge in **commodity prices**.
- Global imbalances and risks remain -- **widening sovereign debt** and inflation.
- Global **inflation** already rebounded from recession-induced lows.

Focus on financial stability... CBRT cut rates and hiked RRR...

- **Higher than expected 4Q industrial production data** suggests **2010 GDP** growth to be around **8.5%**.
- Annual **inflation** fell to **6.4%** -- within the CBRT's target.
- **TL depreciated** by 6% against USD and 4% against Euro during 4Q.
- After a 50 bps cut in Dec'10, the CBRT again **cut the policy interest rates** by 25 bps to **6.25%** in Jan'11 and continued to **increase the TL required reserve ratios** at different maturities.
- Concerns around **current account deficit** and unorthodox policy measures by the CBRT to challenge market players in 2011...

2010 Highlights

Balance sheet strength: distinguishing feature of Garanti...

- **Solid lending growth highlighted the year:**
 - Key profitable products -- **mortgages** (+31% y-o-y) & **GPLs** (+78% y-o-y)
 - **FX corporate & commercial** loans: (+29% y-o-y)
- **Improved asset quality** across the board backed by **strong collections performance**
 - NPL ratio: 3.1% at YE 10 vs. 4.1% at YE 09
 - Normalizing cost of risk --108 bps at YE 10 vs. 239 bps at YE 09
- **Securities/Assets** down to **27%** – limited additions in 4Q
- **Actively-managed and diversified** funding base
 - Effective deposit growth strategy to capture wider customer base
 - Business model generates sustainably high demand deposit levels
- **Well-capitalized** for growth: CAR:**18%**, Leverage: **7x**

...leads to consistent delivery of strong results

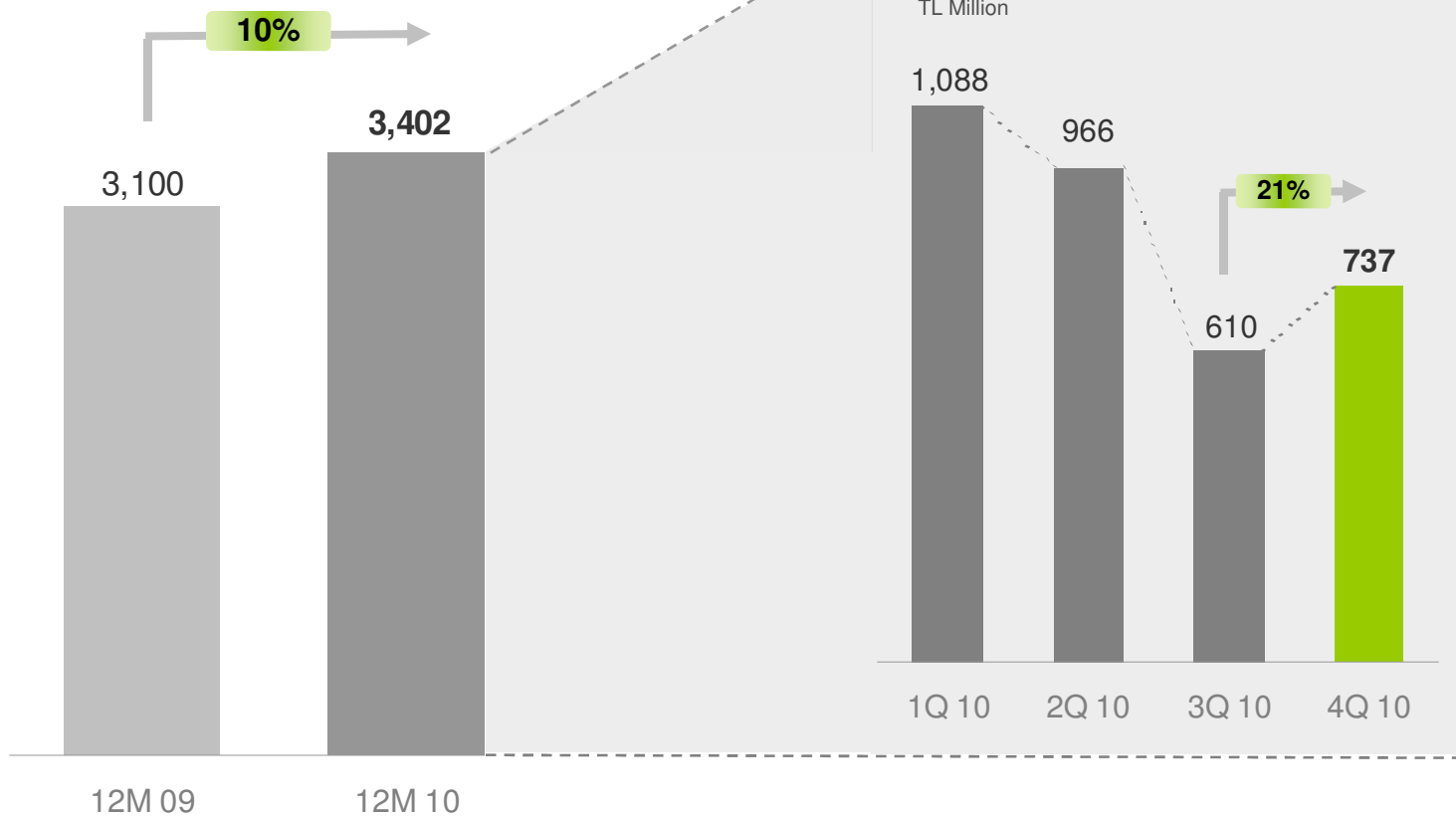
- **Record earnings: TL 3,402 mn** -- growth: 10% y-o-y; 21% q-o-q
- 21 consecutive quarters of ROAE > 20%: **2010 ROAE: 22%**
- **Proactively** and **timely managed asset/liability mix**
 - CPI linkers yield: ~18% in 2010, supporting NIM
 - Average annual NIM drop 84bps
- **Net fees and commissions:** Well-diversified supporting the **#1 market share**
- Uninterrupted investment in distribution network: **>70** branch additions in 2010, **#1 in branch expansion***
- Committed to **strict cost management and process improvement**
 - Increased efficiencies to kick-in in 2011

21 consecutive quarters of above 20% ROAE

Net Income

TL Million

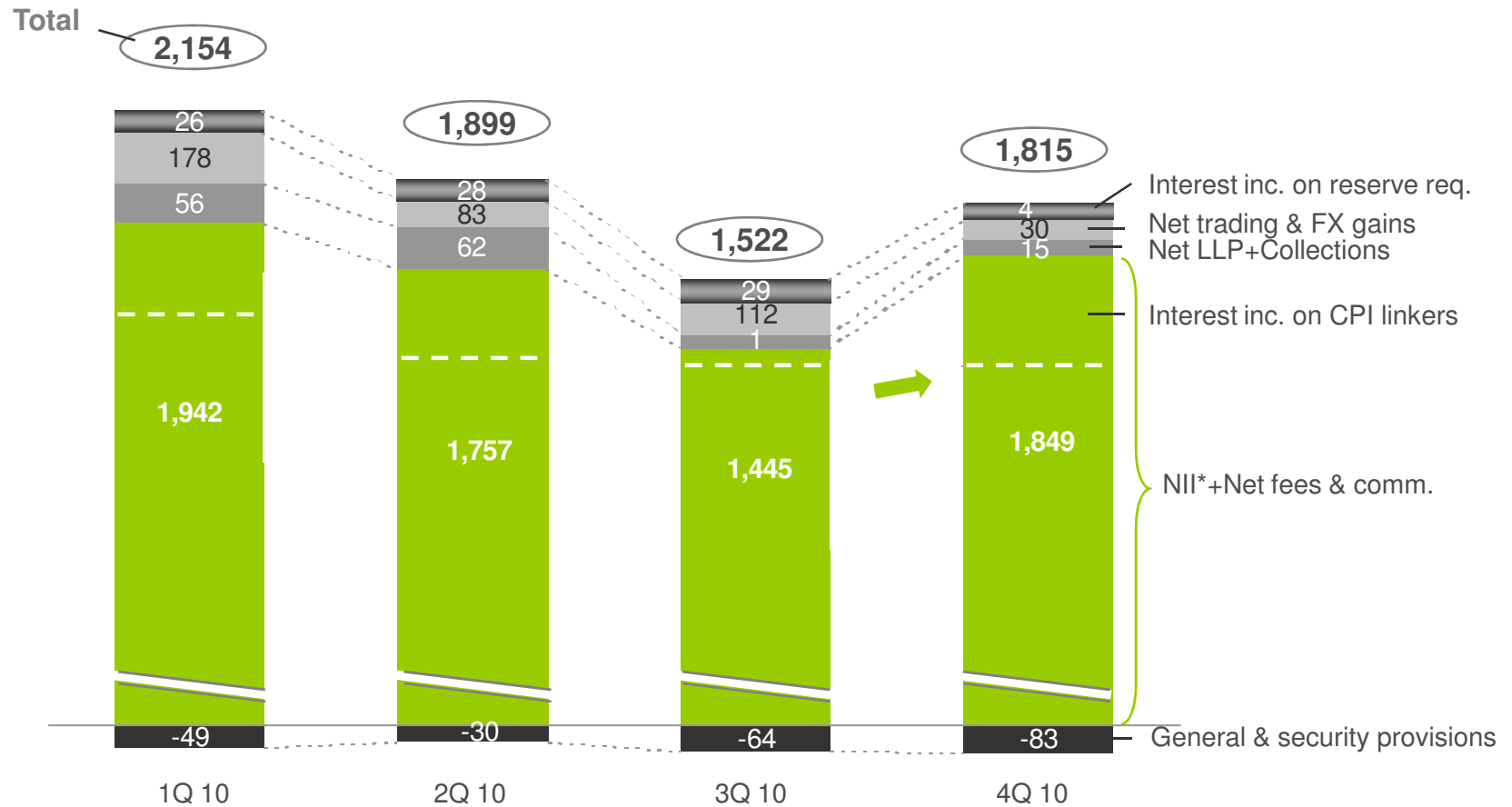
2010 ROAE: **22%**



Strong level of banking revenues on the rise

Evolution of Ordinary Banking Income¹

TL Million

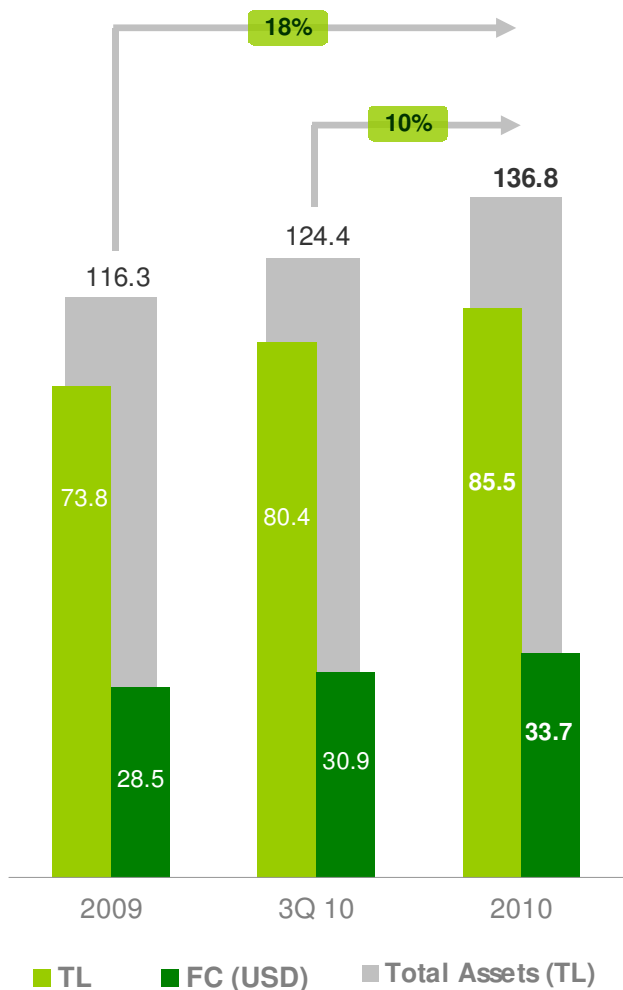


¹ Ordinary banking Income including collections
 * NII excluding interest on reserve requirements

Loans continued to be the driver of the asset growth

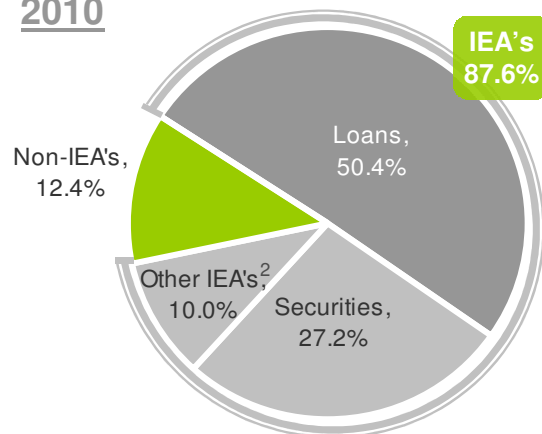
Total Assets

TL / USD Billion

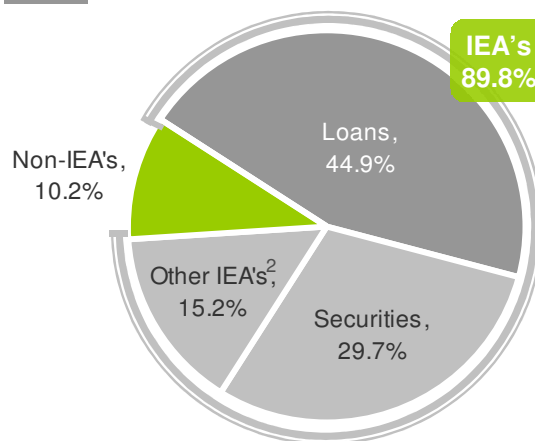


Composition of Assets¹

2010



2009



Growth:

Ytd

Loans⁴: >31%

Securities: 8%

Loans/Assets

50%

up from

45% at YE 09

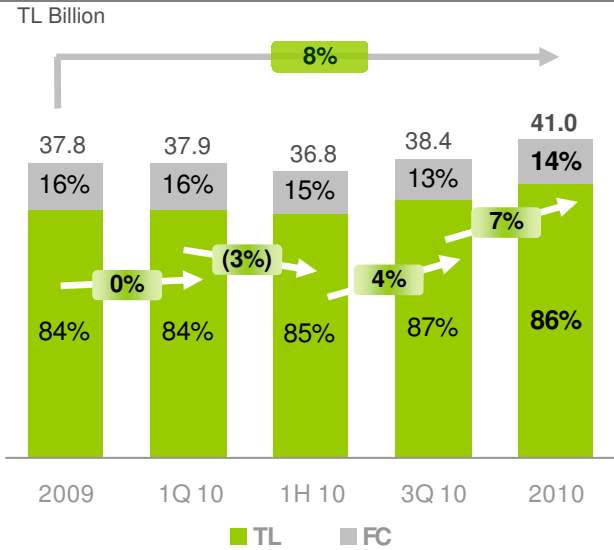
Liquidity Ratio³

34%

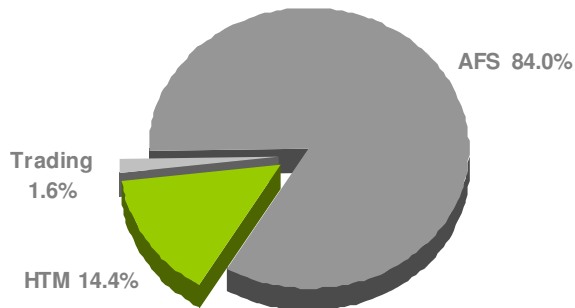
¹ Accrued interest on B/S items are shown in non-IEAs
² Other IEA's include factoring and leasing receivables
³ (Cash and banks + trading securities + AFS)/Total Assets
⁴ Performing cash loans

Limited increase in securities portfolio continued in 4Q mainly with lucrative FRNs

Total Securities

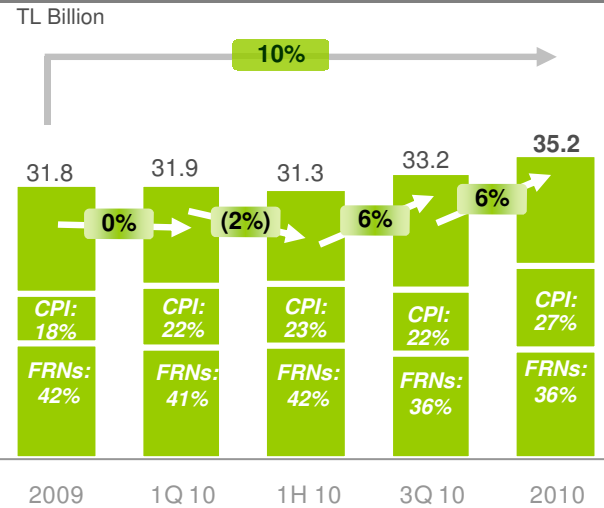


Total Securities Composition

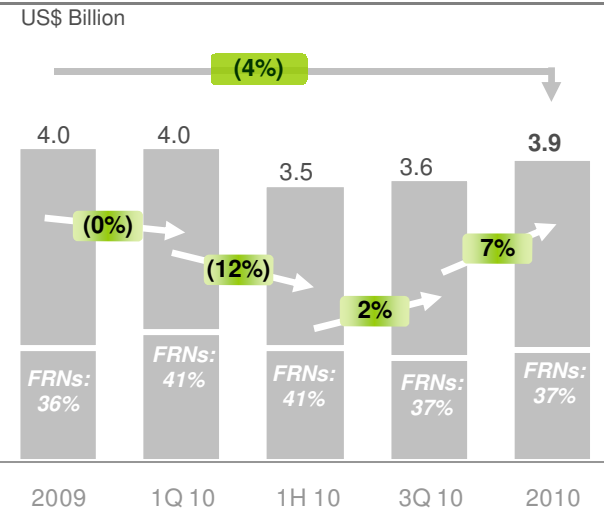


“Unrealized gains as of Dec 31, 2010: TL 2 bn¹”

TL Securities



FC Securities



Securities² mix in assets

27%

FRN mix

59%

in total

AFS mix

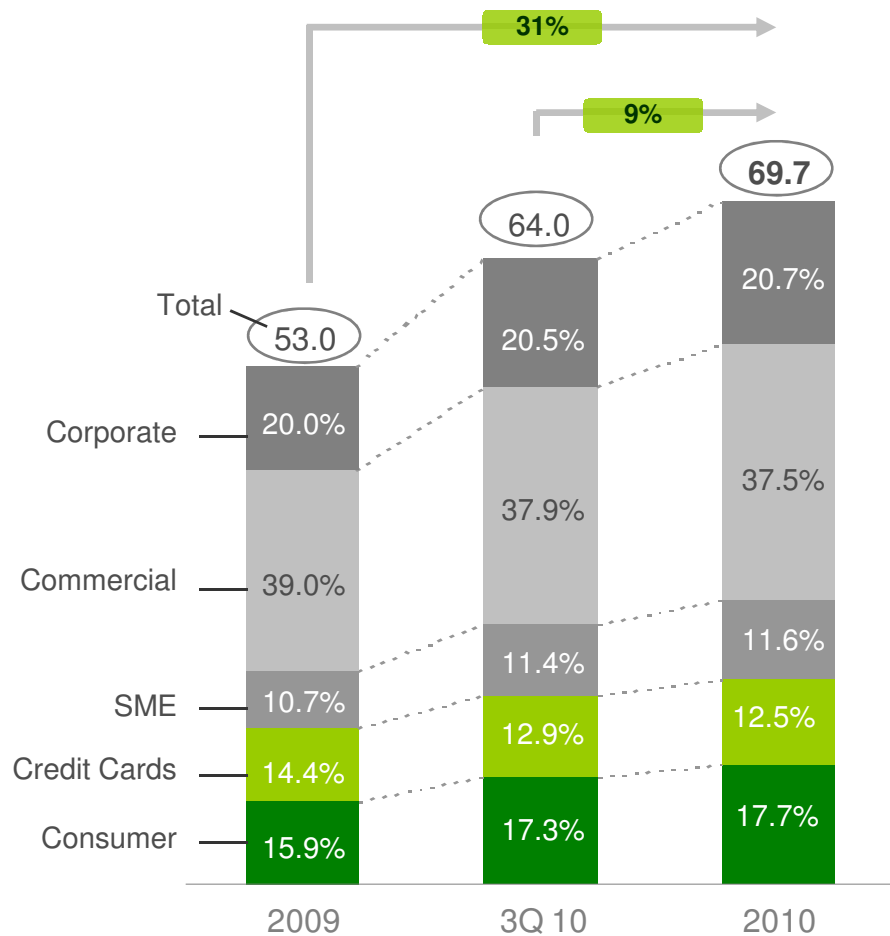
84% in total

¹ Based on bank-only MIS data
² Excluding accruals
 Note: Fixed / Floating breakdown of securities portfolio is based on bank-only MIS data

Robust lending growth remained intact...

Total Loans¹ Growth & Loans by LOB²

TL Billion



4Q 2010:
*“Lending growth
 across the board”:*

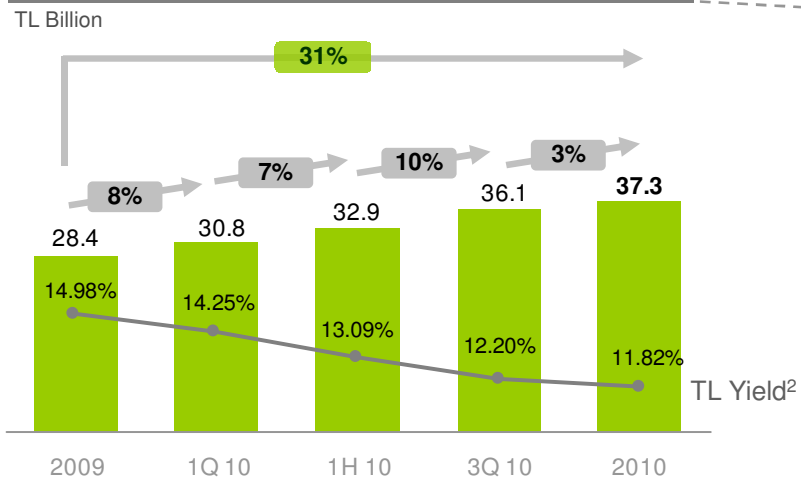
*TL boosted by
 consumer and SME*

&

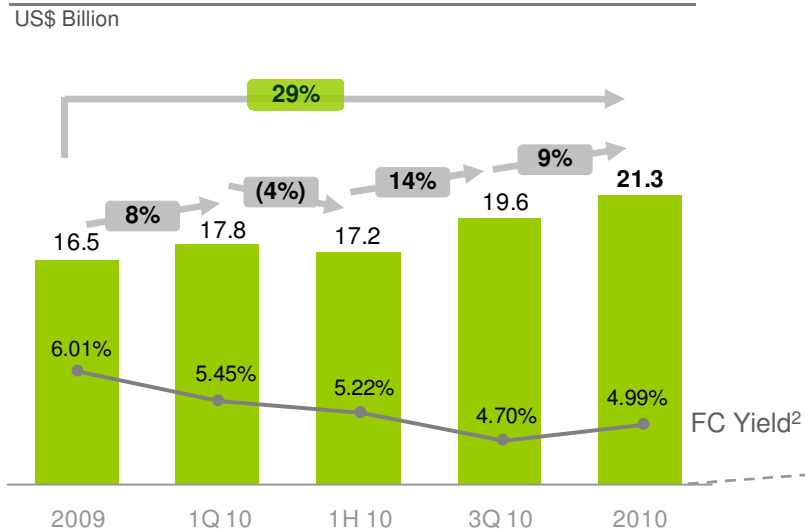
*FX by corporate and
 commercial lending*

...and supported interest income despite declining TL loan yields

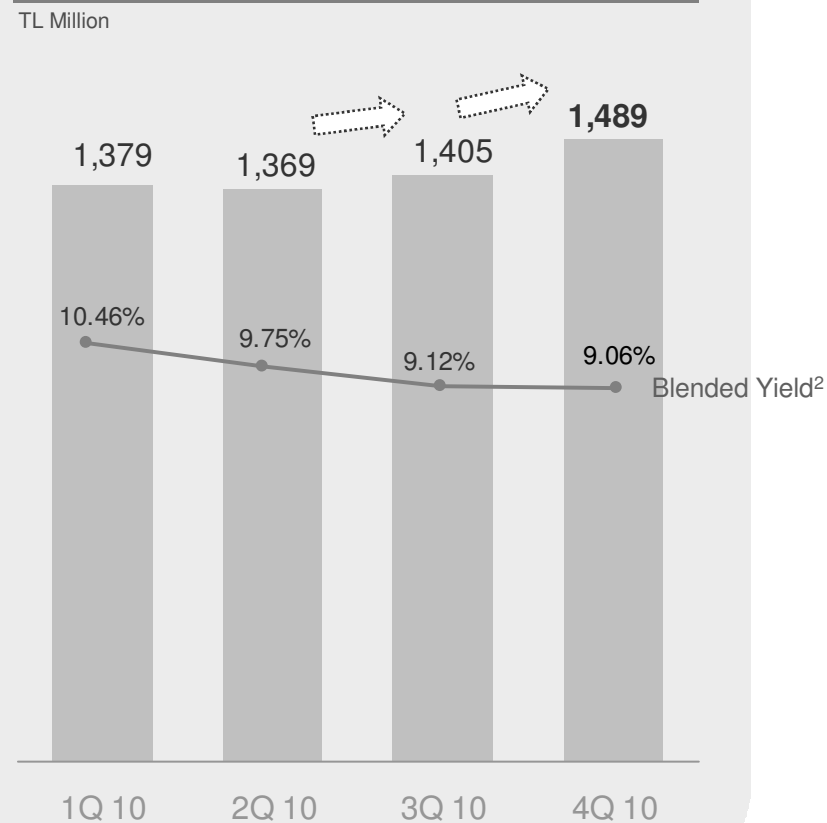
TL Loans¹



FC Loans¹



Interest Income on loans (quarterly)

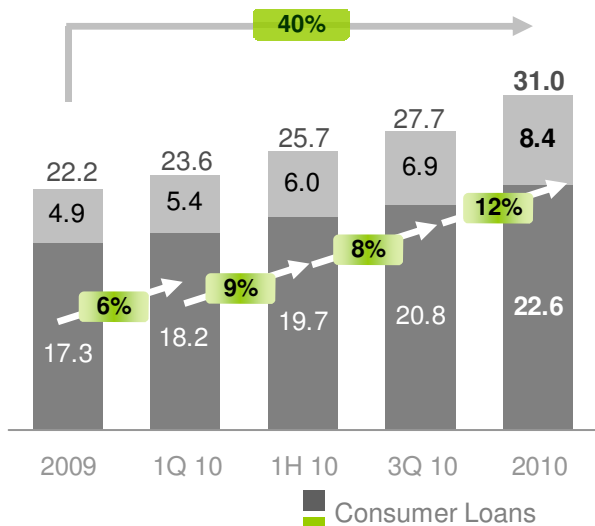


¹ Performing cash loans
² Based on bank-only financials, calculated on a quarterly basis

Selective retail lending growth backed by strong franchise power

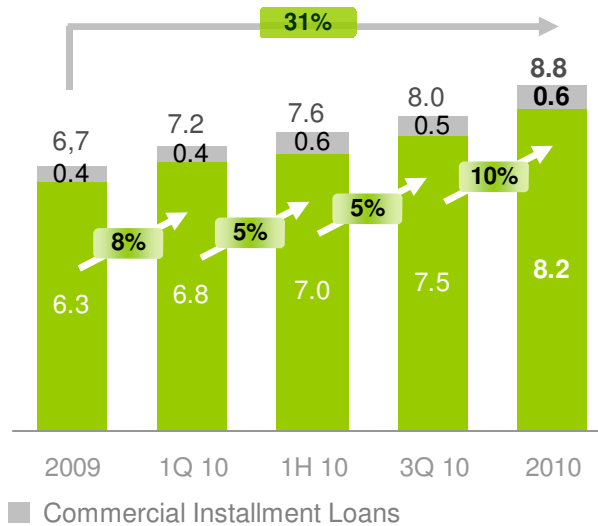
Retail Loans¹

TL Billion



Mortgage Loan Growth

TL Billion



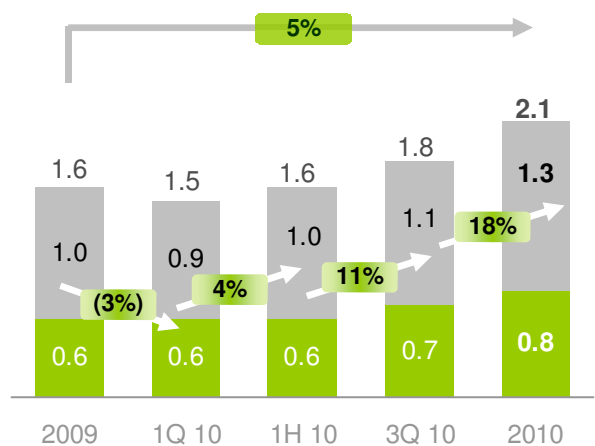
Significant market share gains in GPLs:

Ytd

+84 bps

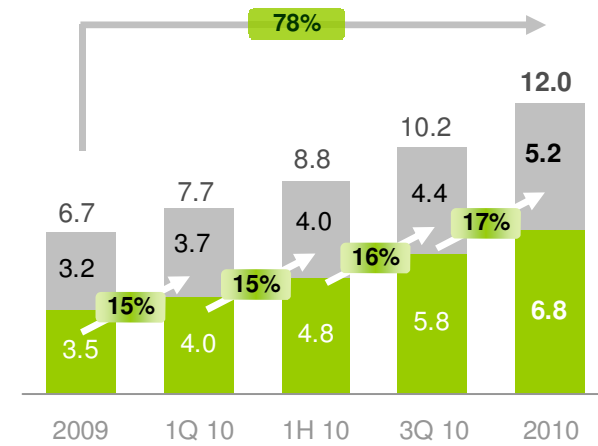
Auto Loan Growth

TL Billion



General Purpose Loan⁵ Growth

TL Billion



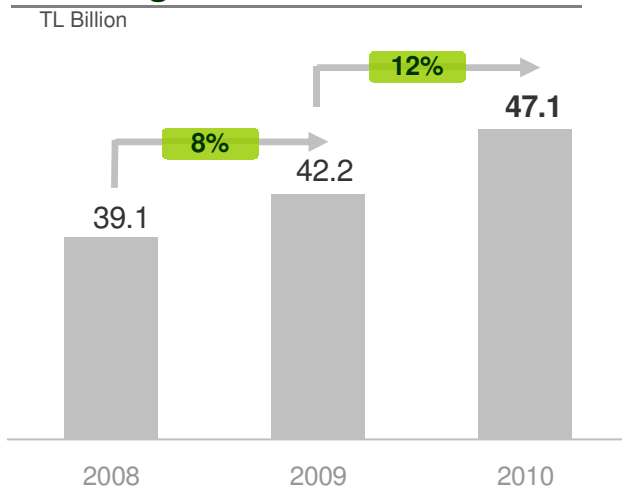
Market Shares^{2,3}

	Dec 10	Ytd	Qtd	Rank ⁴
Mortgage	13.9%	+4 bps	+20 bps	#1
Auto	15.1%	+21 bps	-22 bps	#3
General Purpose⁵	10.2%	+84 bps	0 bps	#2
Retail¹	13.1%	-8 bps	-20 bps	#2

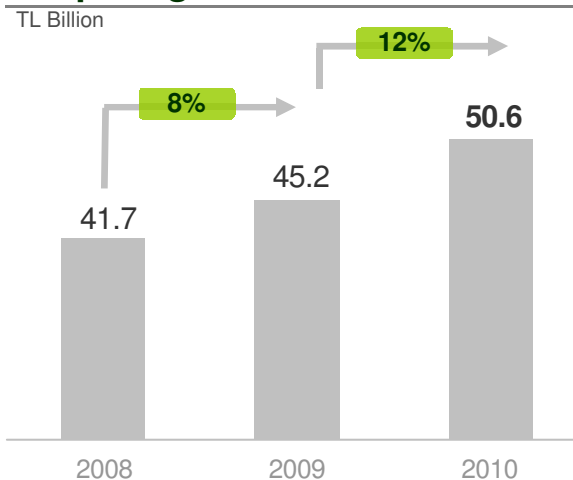
¹ Including consumer, commercial installment, overdraft accounts, credit cards and other
² Including consumer and commercial installment loans
³ Sector figures are based on bank-only BRSA weekly data, commercial banks only
⁴ As of 3Q10 among private banks ⁵ Including overdraft and other loans for fair comparison with sector

Solid market presence in cards business sustained focusing on high asset quality and profitability

Issuing Volume



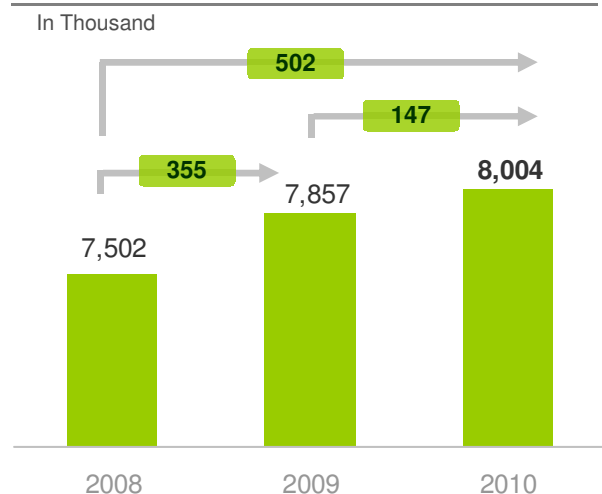
Acquiring Volume



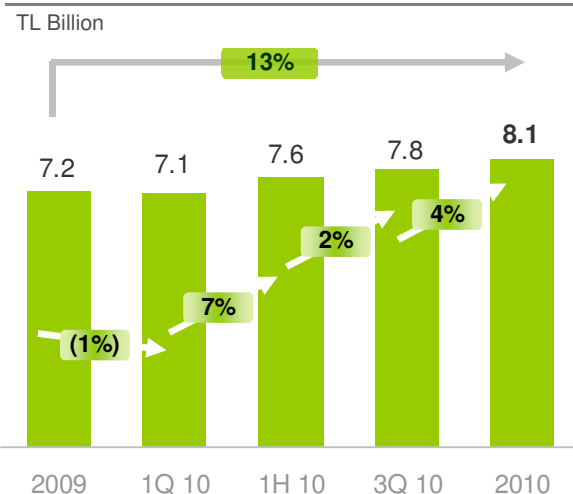
#1
in Credit Card Business



No. of Credit Cards



Credit Card Balances



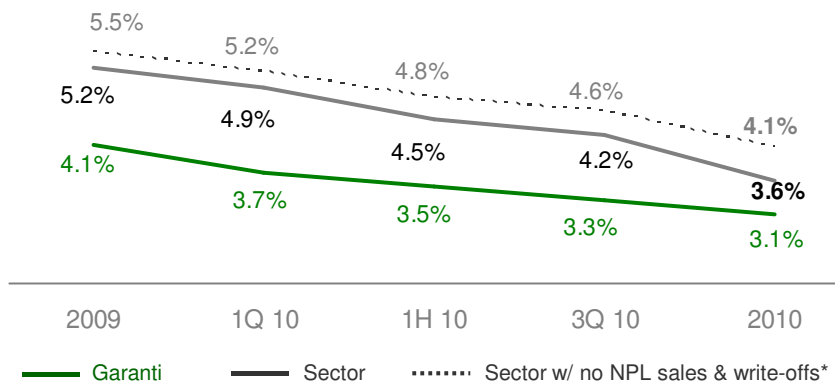
Market Shares

	YTD Δ	Dec 10	Rank
Acquiring	-67 bps	21.4%	#2 ³
Issuing	-71 bps	20.1%	#1
# of Credit Cards	-65 bps	17.1%	#1
POS ¹	+178 bps	22.2%	#1
ATM	-72 bps	10.9%	#3

¹ Including shared POS
² Annualized
³ #1 as of January 2011
 Note: All figures are based on bank-only data excluding credit card balances

Strong collections performance marked the year

NPL Ratio¹



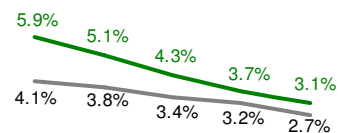
* 2009 and 2010 sector NPL sales & write-offs total: TL 1.0 bn and ~TL 2.6 bn, respectively

NPL Categorisation¹

Retail Banking

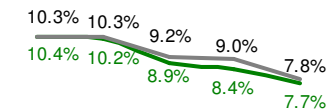
(Consumer & SME Personal)

21% of Garanti's Total Loans



Credit Cards

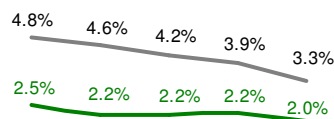
12% of Garanti's Total Loans



Business Banking

(Including SME Business)

67% of Garanti's Total Loans



— Garanti

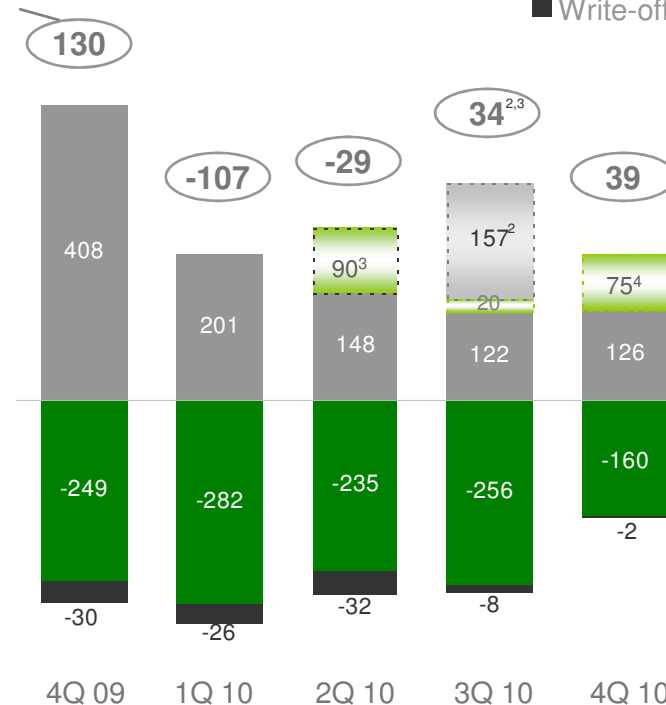
— Sector

Net NPLs (quarterly)

TL Million

Net quarterly NPLs

■ New NPL
■ Collections
■ Write-offs



¹ Sector figures are per BRSA bank-only data. NPL categorisation is based on bank-only data

² Including NPL inflows in 3Q10 amounting to TL 157 mn which are related to a few commercial files with highly strong collateralization

³ Including the impact of newly consolidated Romanian subsidiary

⁴ Consolidation impact of Romanian subsidiary due to increased ownership from 73.3% as of Sep 2010 to 100% as of Dec 2010

Source: BRSA, TBA & CBT

Cost of risk heading towards normalized levels

Quarterly Loan-Loss Provisions

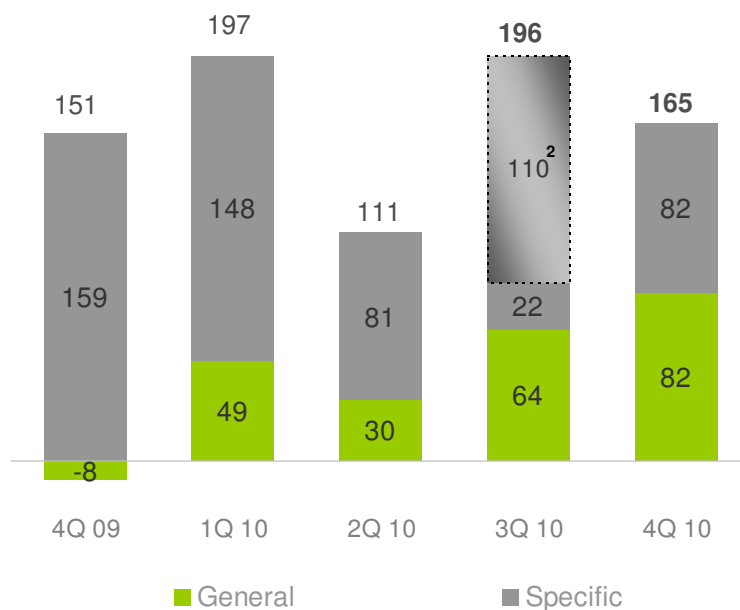
TL Million

Coverage Ratio

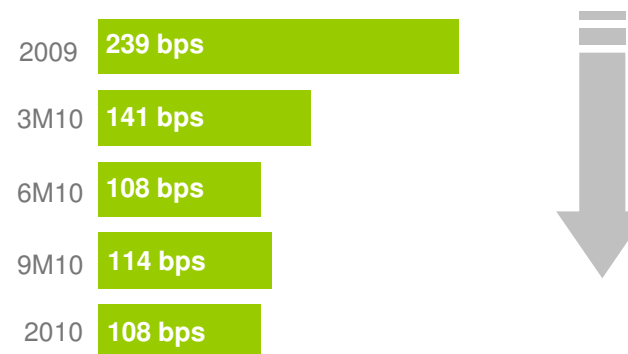
	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10
Sector ¹	85%	85%	86%	86%	85%
Garanti	81%	82%	80%	80%	81%

Coverage ratio remains strong at

81%



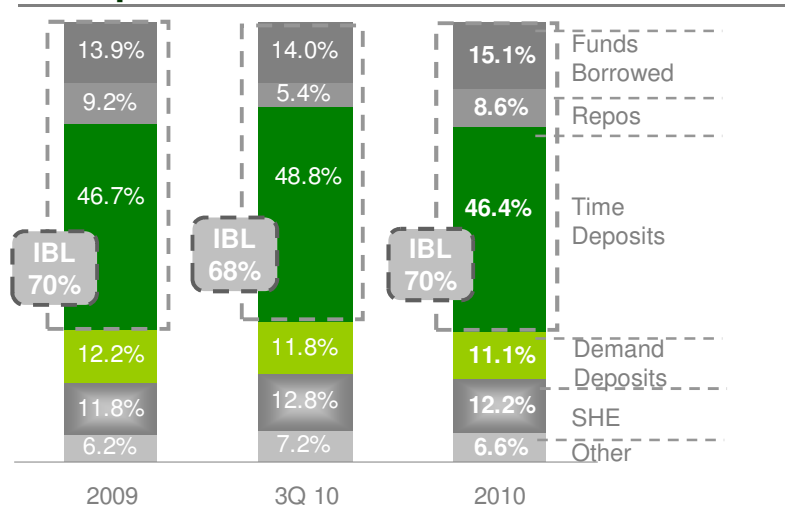
Cost of Risk



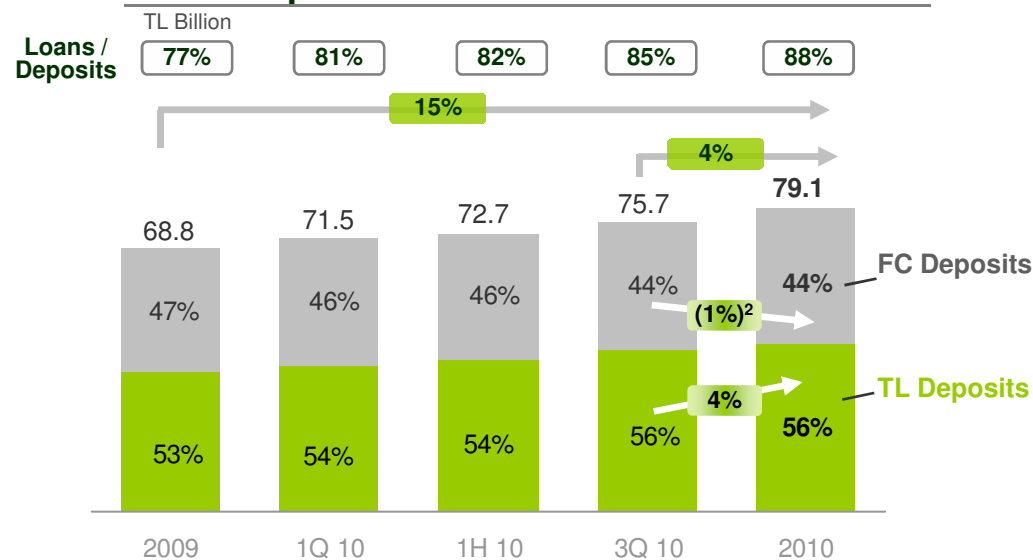
¹ Sector figures are per BRSA weekly data, commercial banks only
² TL110 mn of provisions resulting from NPL inflows in 3Q 10, which are related to a few commercial files with highly strong collateralization

Actively managed and diversified funding base

Composition of Liabilities

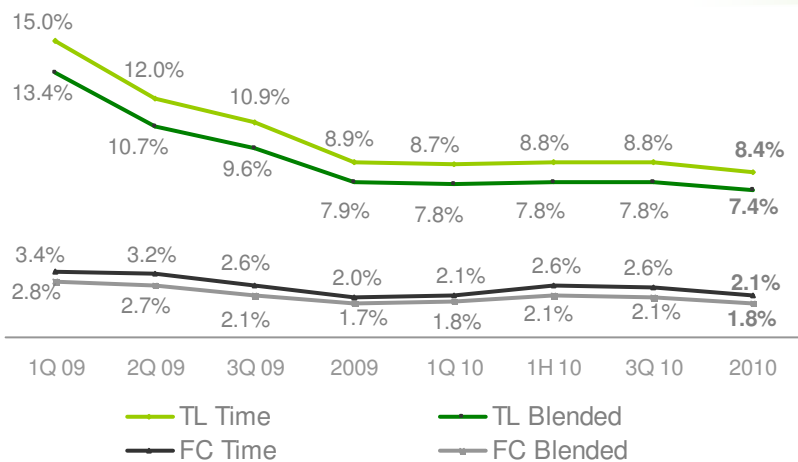


Total Deposits



Cost of Deposits¹

Quarterly Averages



Ytd growth:

TL deposits **21%** vs. sector's **28%**

FC deposits² **6%** vs. sector's **4%**

Deposits market share :

11.9%

¹ Based on bank-only MIS data

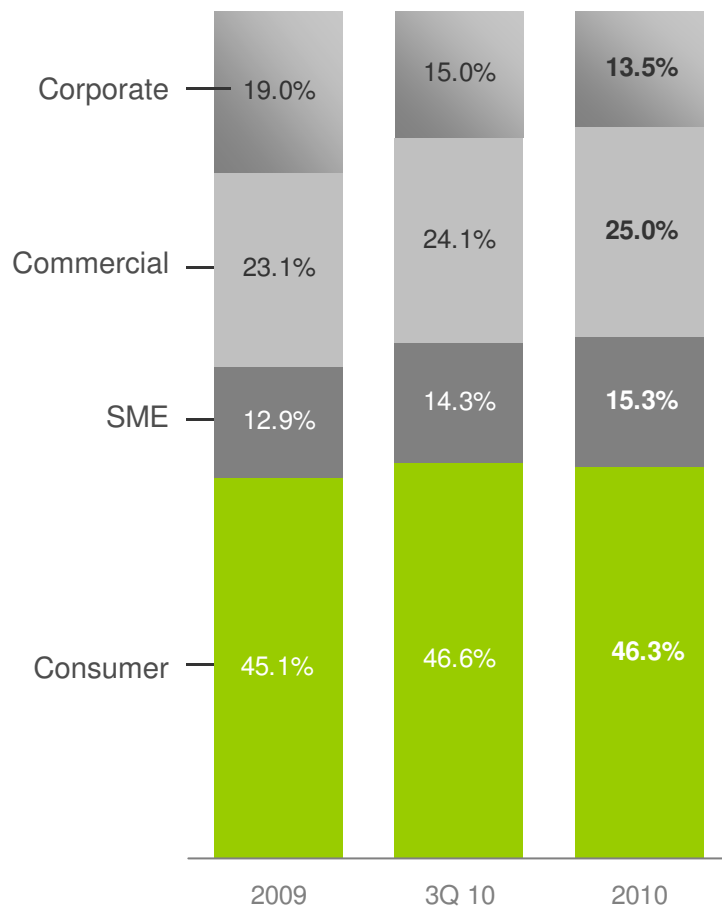
² Growth in USD terms

Note: Sector figures are per BRSA weekly data, commercial banks only

Deposit growth strategy -- capturing wider customer base while sustaining strong demand deposit levels

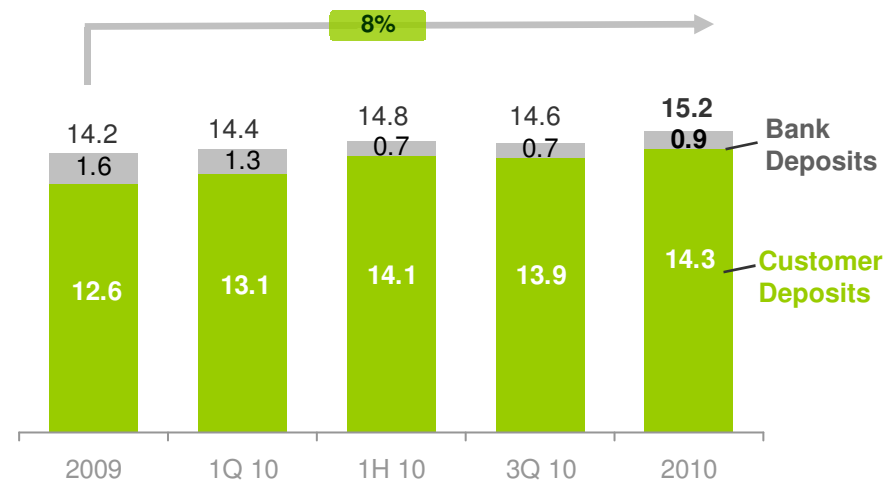
Deposits by LOB¹

(Excluding bank deposits)



Demand Deposits

TL Billion



Customer Demand Deposits²

YTD Growth

14%

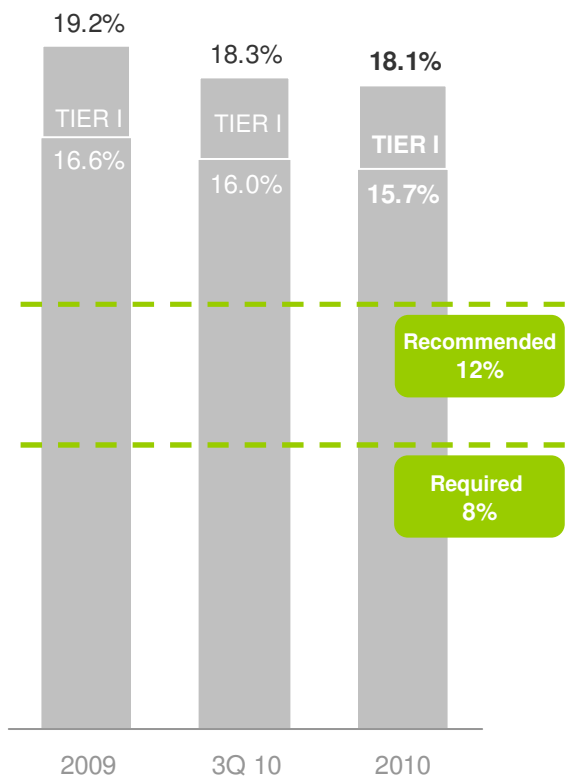
Demand Deposits / Total Deposits:

19%

¹ Based on bank-only MIS data
² Based on bank-only financials for fair comparison

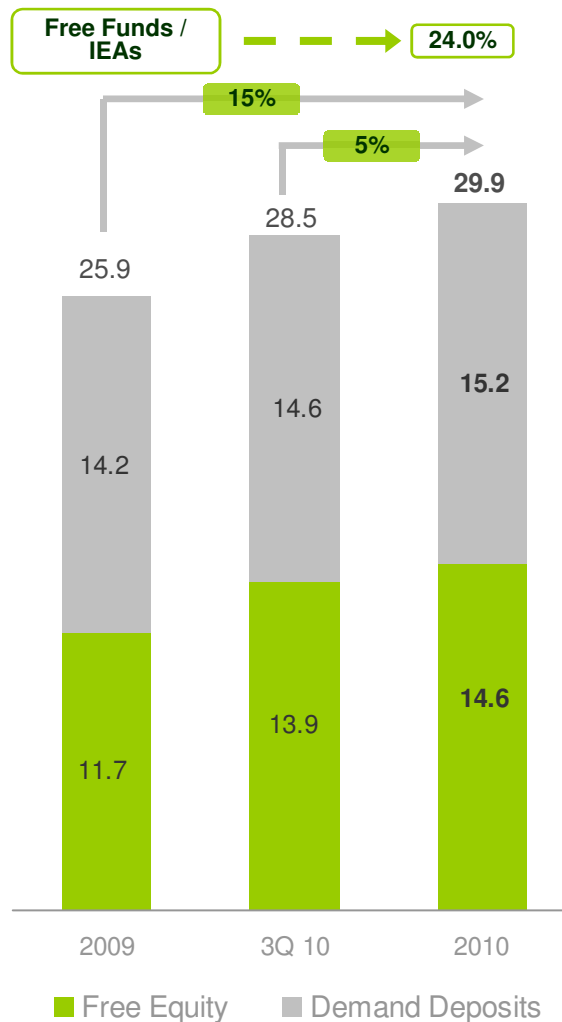
Capital ratios remained strong with low leverage -- well-positioned for growth

CAR



Free Funds

TL Billion (Free Funds = Free Equity + Demand Deposits)



Free Equity
YTD growth

25%

Leverage Ratio

7x

down from

8x in YE 09 &

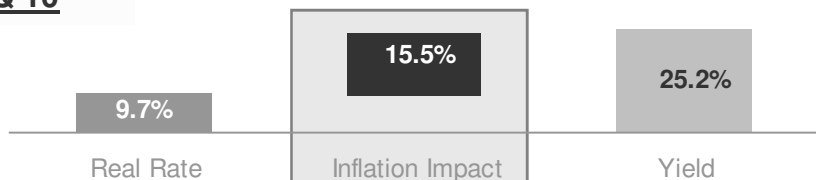
9x in YE 08

Long-term strategy of investing in CPI linkers yielded ~18% on an annual basis and...

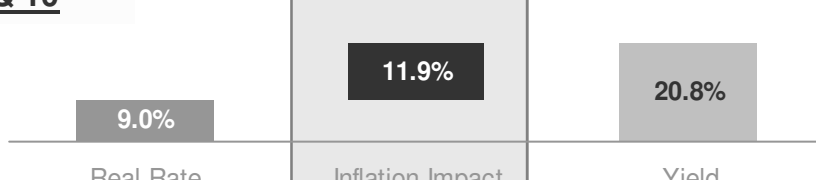
Drivers of the Yields on CPI Linkers¹

% average per annum

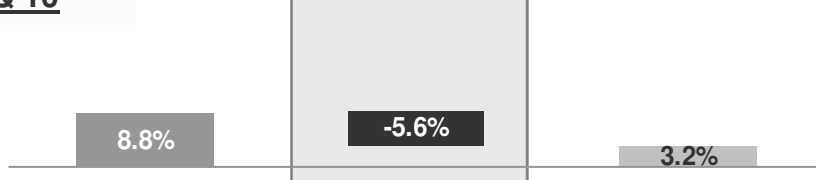
1Q 10



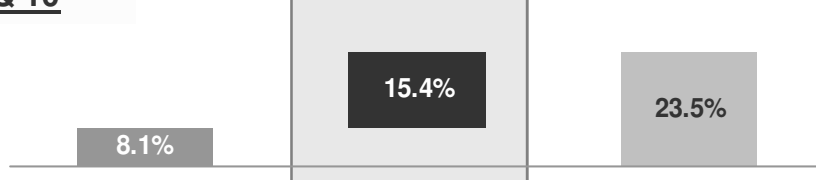
2Q 10



3Q 10

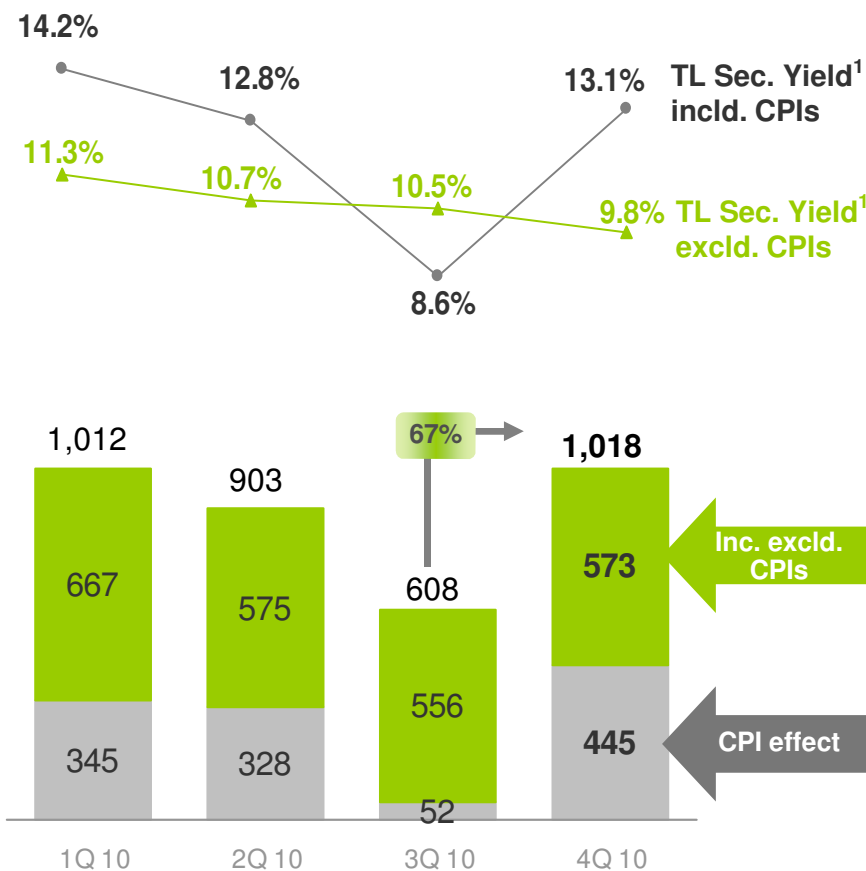


4Q 10



Interest Income & Yields on TL Securities

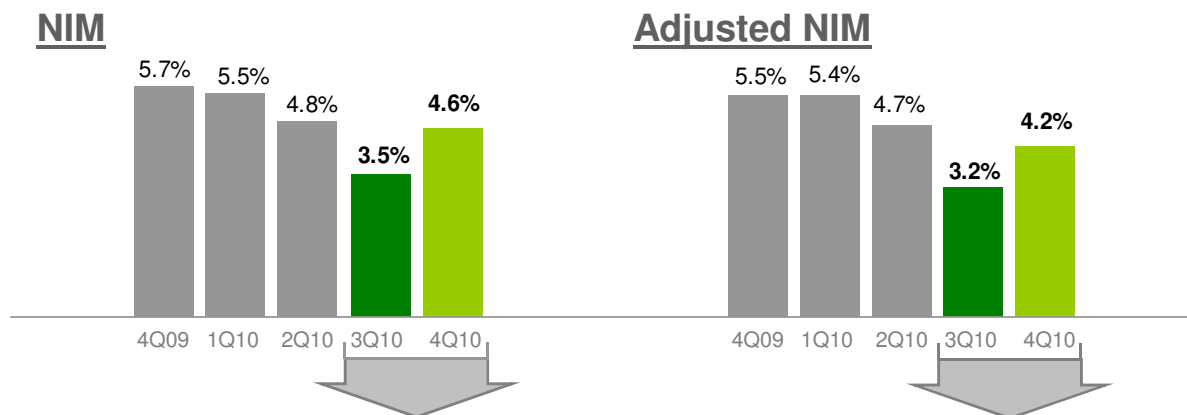
TL Million



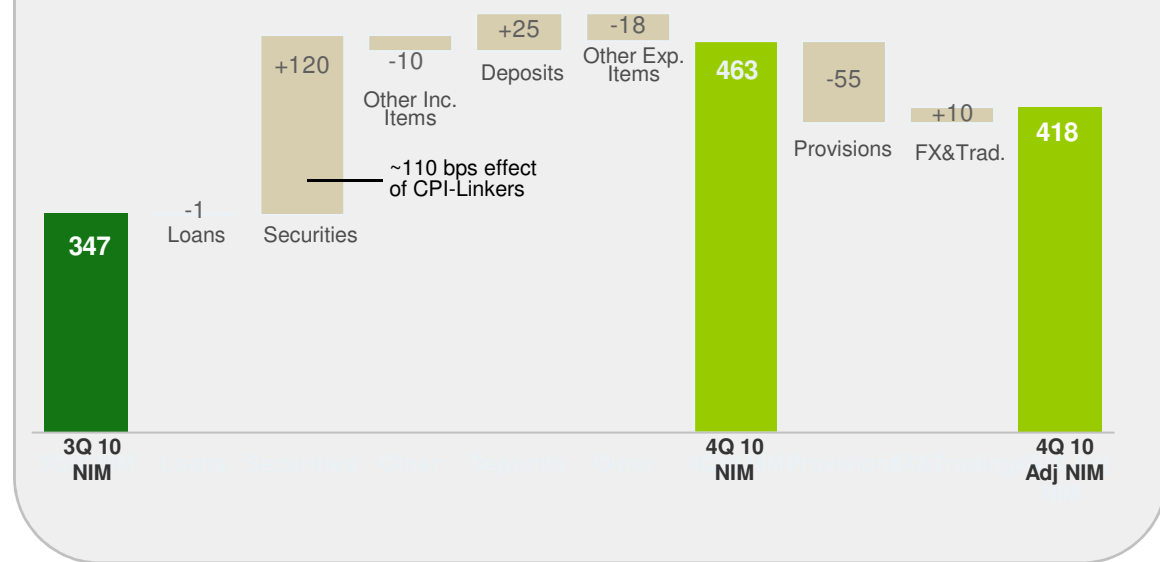
¹ Based on bank-only MIS data

...supported margin in 2010

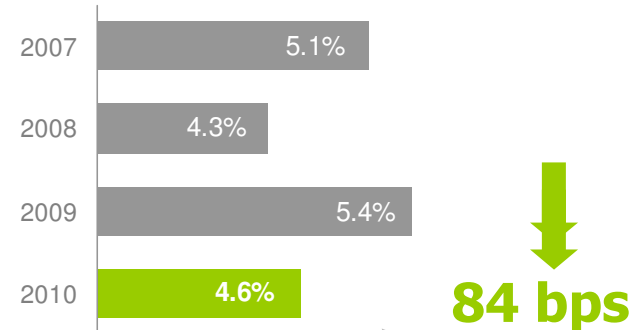
Quarterly NIM (Net Interest Income / Average IEAs)



Q-o-Q Evolution of Margin Components (change bps)



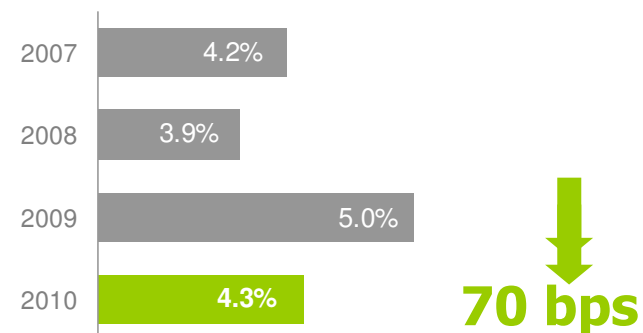
Cumulative NIM



Dec 10 over Dec 09:

- Declining funding costs' impact on margin +131 bps
- Drop in asset yields' impact on margin -215 bps

Cumulative Adjusted NIM

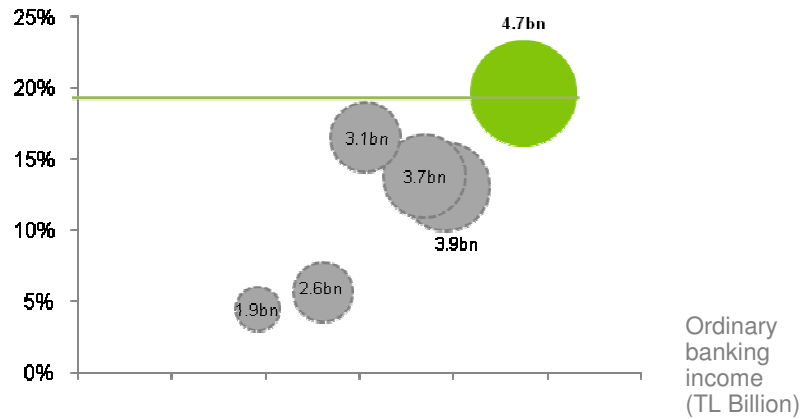


Healthy Fees & Commissions income due to strong customer penetration and cross-sell

Ordinary Banking Income¹ Generation

As of 9M 2010 for fair comparison

Net Fees and Comm.
Market Share %



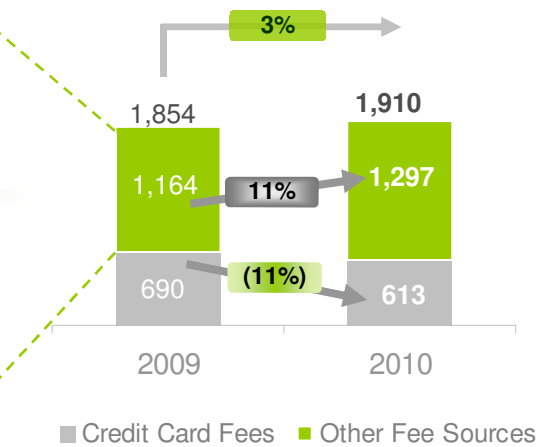
Net Fees & Commissions²

TL Million

Strong presence in
brokerage

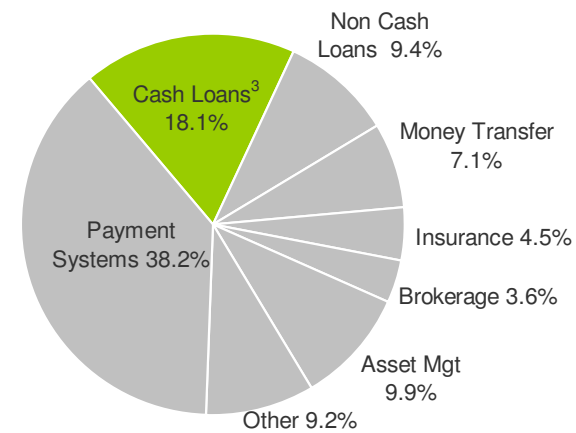
Market share >7%

#1 in
bancassurance

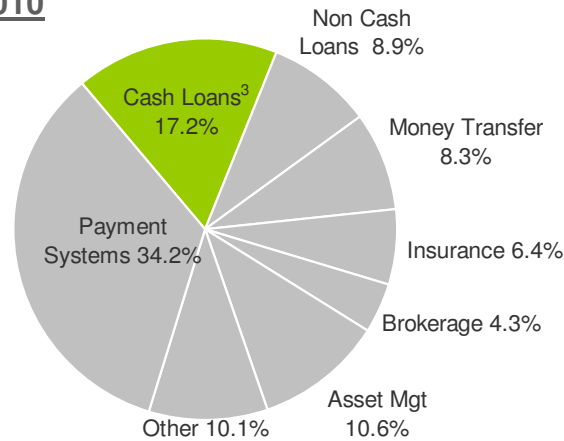


Net Fees & Commission Breakdown^{3,4}

2009



2010



“further diversified
fee sources”

Y-o-y growth in:

Insurance **41%**

Brokerage **21%**

Money transfer **15%**

¹ Based on bank-only data for fair comparison and defined as; net interest income adjusted with provisions for loans and securities, net FX and trading gains + net fees and commissions
² As per new BRSA classification in P/L, excludes net fees and commissions received from cash loans amounting TL 146mn for 2010 and TL 159mn for 2009
³ Include consumer loans fees as well as other cash loan fees now classified as interest on loans in income statement amounting TL 146mn for 2010 and TL 159mn for 2009
⁴ Bank-only MIS data

... and all resulted in record profit of TL 3.4bn for the year

<i>(TL Million)</i>	2009	2010
Interest Income	11,139	10,177
-Loans	6,290	5,642
-Reserve Requirements	148	87
-Securities	4,069	3,863
<i>CPI Linkers</i>	522	1,173
Interest Expense	5,733	5,007
NET INTEREST INCOME	5,406	5,170
Net Fees & Comm.	1,854	1,910
Net Trading & FX Gains	898	402
Net Provisions for Loans	-1,181	133
-Specific Loan Loss Provisions	1,258	444
-Provision reversals	77	578
General & Security Provisions	-15	-226
ORDINARY BANKING INCOME -including collections	6,962	7,390
Other Income	372	321
Operating Expense	2,952	3,382
Other provisions	443	26
PROFIT BEFORE TAX	3,939	4,303
Taxes	840	901
NET INCOME	3,100	3,402
<i>Equityholders of the Bank</i>	3,086	3,381
<i>Minority Interest</i>	14	21

*OPEX /
Avg. Assets:*
2.8%

*Fee coverage
of Opex:*
56%

*Cost /
Income:*
43.9%

Appendix

Balance Sheet - Summary

<i>(TL Million)</i>		2009	2010	YTD Change
Assets	Cash & Banks¹	12,853	11,624	(10%)
	Reserve Requirements	5,092	5,493	8%
	Securities	37,837	41,037	8%
	Performing Loans	53,050	69,729	31%
	Fixed Assets & Subsidiaries	1,430	1,544	8%
	Other	6,072	7,357	21%
	TOTAL ASSETS	116,334	136,784	18%
	Liabilities & SHE	Deposits	68,782	79,070
Repos		10,765	11,769	9%
Borrowings		16,458	20,809	26%
Other		6,643	8,418	27%
SHE		13,686	16,718	22%
TOTAL LIABILITIES & SHE		116,334	136,784	18%

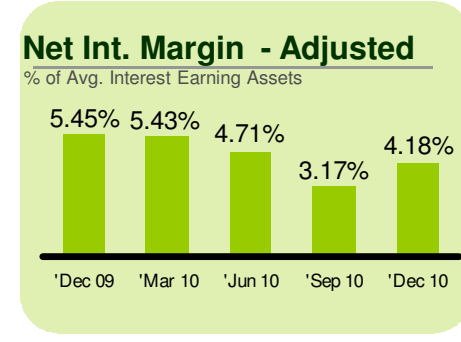
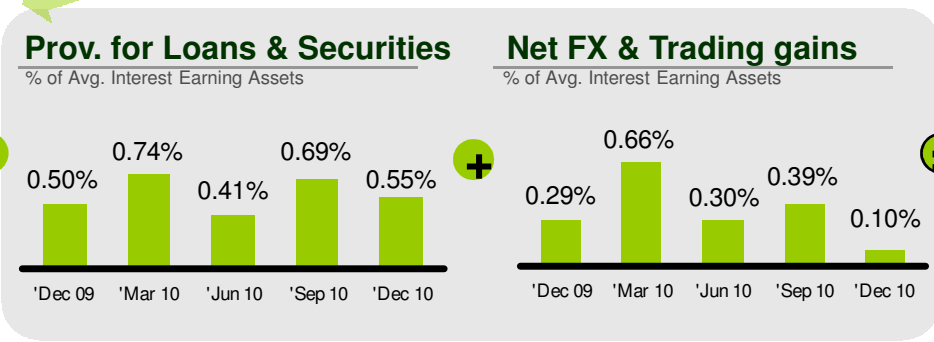
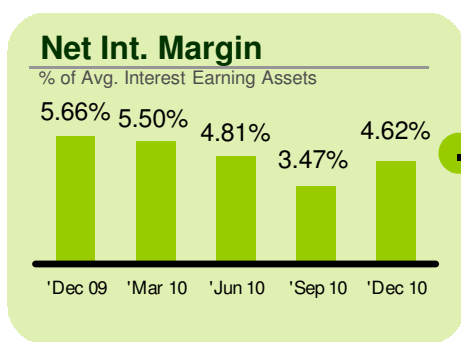
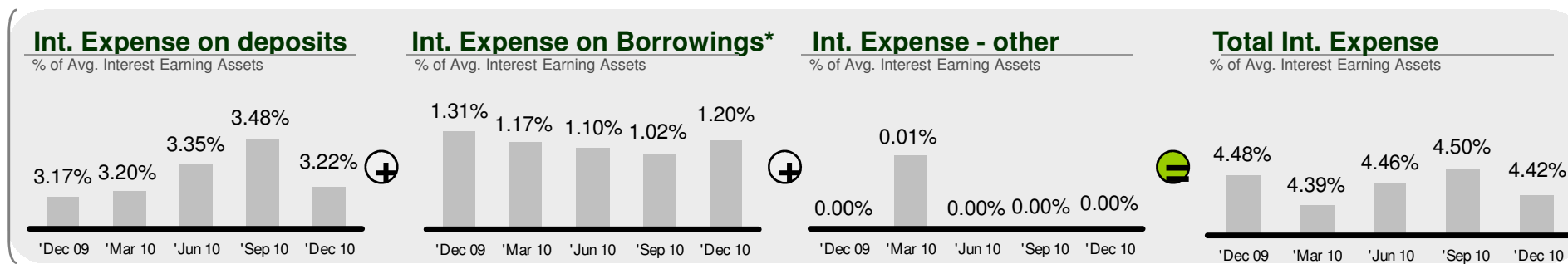
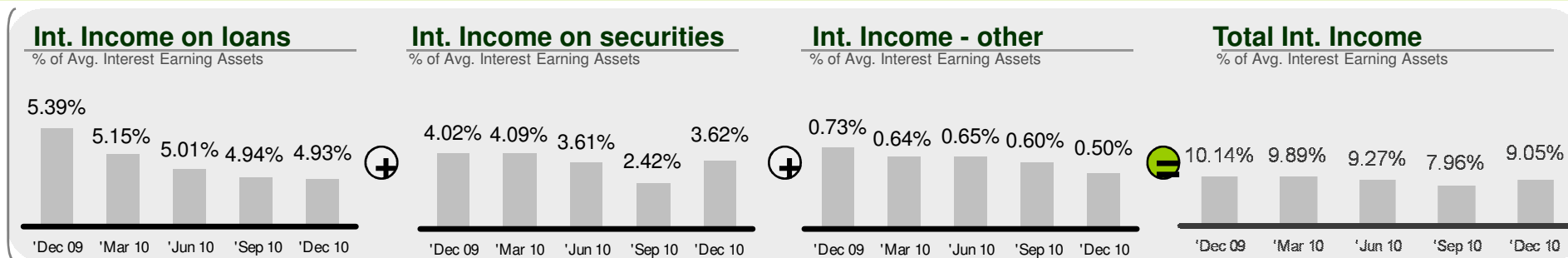
Quarterly Income Statement

<i>(TL Million)</i>	1Q 10	2Q 10	3Q 10	4Q 10
Interest Income	2,645	2,530	2,267	2,734
-Loans	1,379	1,369	1,405	1,489
-Reserve Requirements	26	28	29	4
-Securities	1,094	985	690	1,094
<i>CPI Linkers</i>	348	328	52	445
Interest Expense	1,173	1,217	1,280	1,337
NET INTEREST INCOME	1,472	1,314	987	1,397
Net Fees & Comm.	496	470	487	457
Net Trading & FX Gains	178	83	112	30
Net Provisions for Loans	56	62	1	15
- <i>Specific Loan Loss Provisions</i>	148	81	132	82
- <i>Provision reversals</i>	205	143	133	97
General & Security Provisions	-49	-30	-64	-83
ORDINARY BANKING INCOME -including collections	2,154	1,899	1,522	1,815
Other Income	67	76	96	81
Operating Expense	839	777	824	941
Other provisions	6	-3	17	6
PROFIT BEFORE TAX	1,376	1,201	777	949
Taxes	288	235	167	211
NET INCOME	1,088	966	610	737
<i>Equityholders of the Bank</i>	1,085	961	603	732
<i>Minority Interest</i>	3	5	8	5

Key financial ratios

	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10
<u>Profitability ratios</u>					
ROAE	27%	31%	28%	24%	22%
ROAA	2.9%	3.8%	3.5%	3.0%	2.8%
Cost/Income	40.3%	37.8%	38.5%	42.0%	43.9%
NIM (Cumulative)	5.4%	5.5%	5.1%	4.6%	4.6%
Adjusted NIM (Cumulative)	5.0%	5.4%	5.1%	4.4%	4.3%
<u>Liquidity ratios</u>					
Liquidity ratio	37%	36%	35%	34%	34%
Loans/Deposits	77.1%	80.6%	82.3%	84.5%	88.2%
<u>Asset quality ratios</u>					
NPL Ratio	4.1%	3.7%	3.5%	3.3%	3.1%
Coverage	81%	82%	80%	80%	81%
Cost of Risk (bps)	239	141	108	114	108
<u>Solvency ratios</u>					
CAR	19.2%	18.9%	18.5%	18.3%	18.1%
Tier I Ratio	16.6%	16.4%	16.2%	16.0%	15.7%
Leverage	8x	7x	7x	7x	7x

Quarterly Margin Analysis



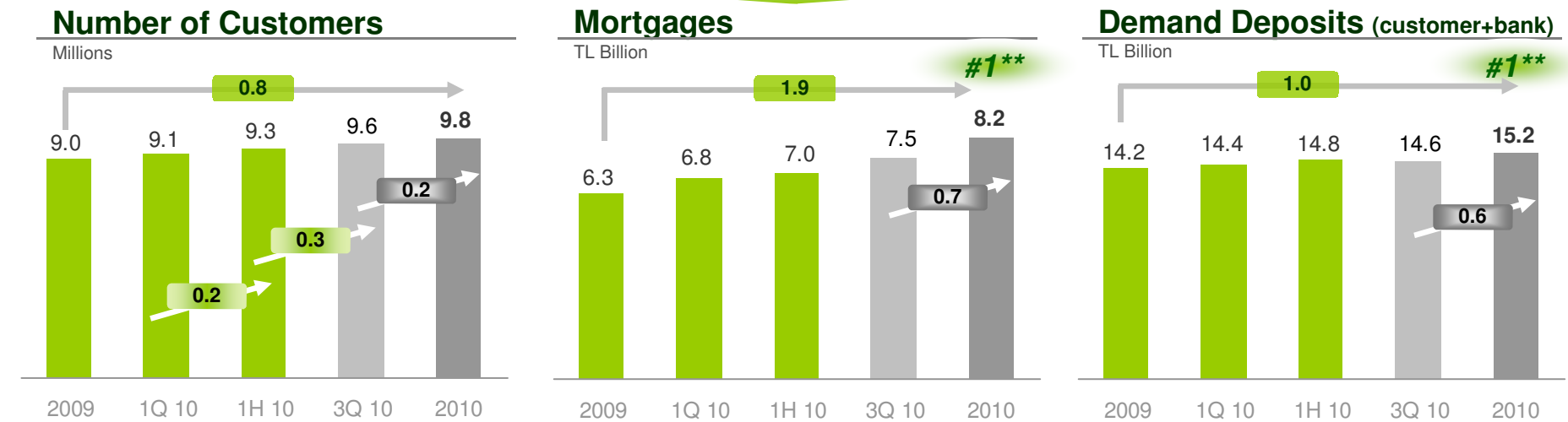
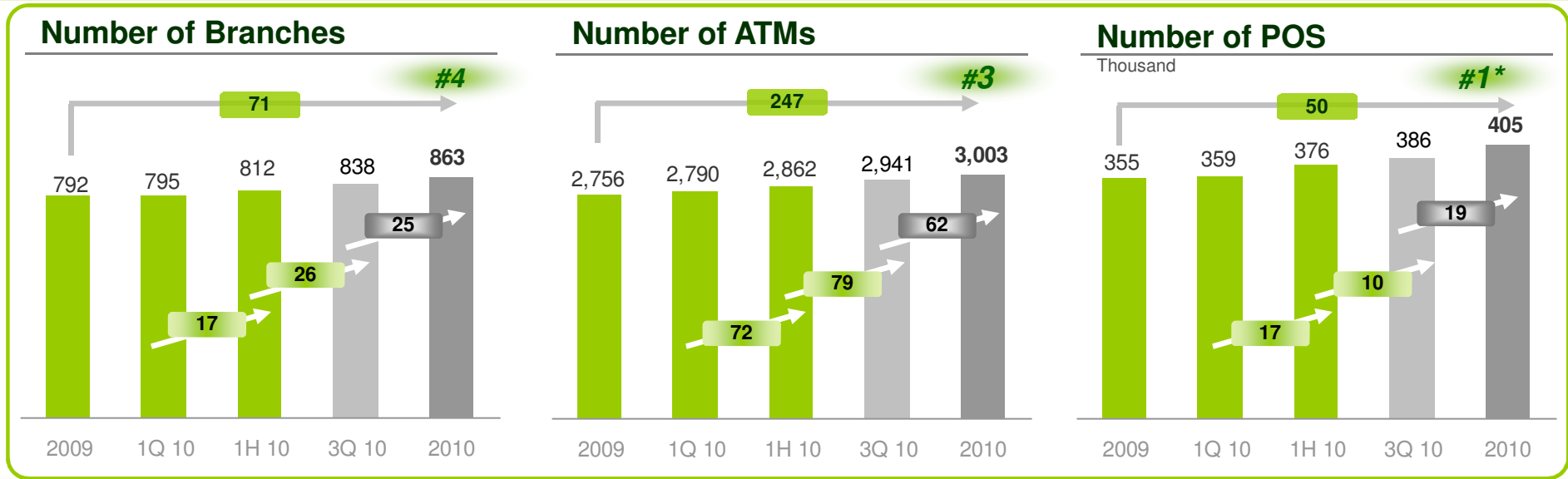
Note: Quarterly NIM analysis
 Source: BRSA consolidated financials
 Adjustments to NIM: Net Interest Income/ Average IEA adjusted by FX gain/loss, provision for loans and securities, and net trading income/loss
 * Funds borrowed and repos

Cumulative Margin Analysis



Note: Cumulative NIM analysis
 Source: BRSA consolidated financials
 Adjustments to NIM: Net Interest Income/ Average IEA adjusted by FX gain/loss, provision for loans and securities, and net trading income/loss
 * Funds borrowed and repos

Further strengthening of retail network

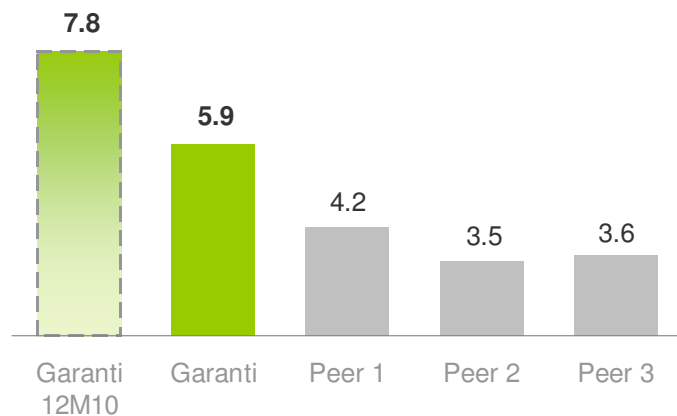


*Including shared POS
 **Mortgage and demand deposit ranks are as of 3Q 10
 Note: Ranks are among private banks

...while preserving the highest efficiencies

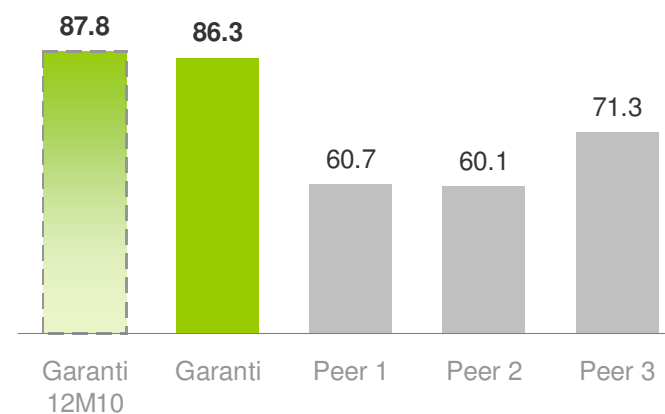
Ordinary Banking Income per Branch

9M 2010, TL million



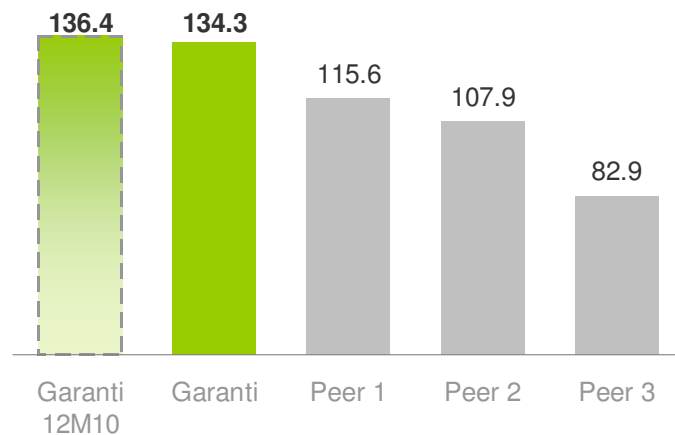
Loans per Branch¹

3Q 2010, TL million



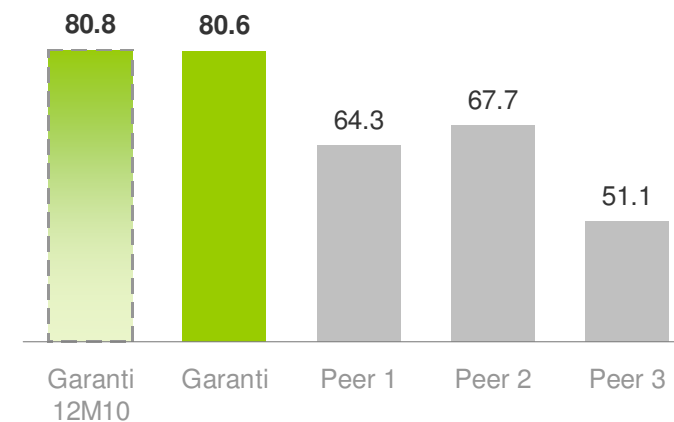
Assets per Branch

3Q 2010, TL million



Customer Deposits per Branch

3Q 2010, TL million



Non-recurring items

2009:

- i) 4Q 09 other income includes the effect of the provision reversal related to Defined Benefit Obligation Liability amounting to TL 103 mn. Please refer to footnote "5.2.8.4.2 Other provisions for possible losses" in the report for more detail.
- ii) Other provisions in 2009 include the effect of general reserve amounting to TL 330 mn (4Q 09: TL 65 mn; 3Q 09: TL15 mn; 2Q 09: TL 235 mn; 1Q 09: TL 15 mn) provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in economy or market conditions.



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