Garanti

BRSA Consolidated Earnings Presentation

March 31, 2010

1Q 2010: Growth resumes on the back of restocking and fiscal stimulus…

Optimism on global growth indicators accompanied by rising sovereign risk profiles…

- Limiting the recovery in advanced economies.
- The risk of contagion effect regarding fiscal problems in advanced economies to spread out to emerging markets.

The resilience of the Turkish economy confirmed by the credit rating agencies…

- Reduced the government's need for external policy anchors in the form of an IMF program, especially as the 2011 elections draw closer and fiscal performance improves.
- Improved consumer sentiment and better than expected macro indicators on industrial production and consumption expenditures signaling double digit 1Q10 GDP growth
- Annual CPI inflation rose from 6.5% at the end of 4Q09 to 9.6% at the end of 1Q10 due to base affect and high food prices.

Policy rate unchanged -- problems across the global economic concerns not resolved completely…

- The Central Bank of Turkey (CBT) kept policy rates unchanged at 6.50%.
- The CBT announced its plan of gradual reversal of the liquidity measures introduced during the global crisis.
- Parameters of the Fiscal Rule announced.

1Q 2010 Highlights -- Solid start to 2010

Balance sheet strength: distinguishing feature of Garanti…

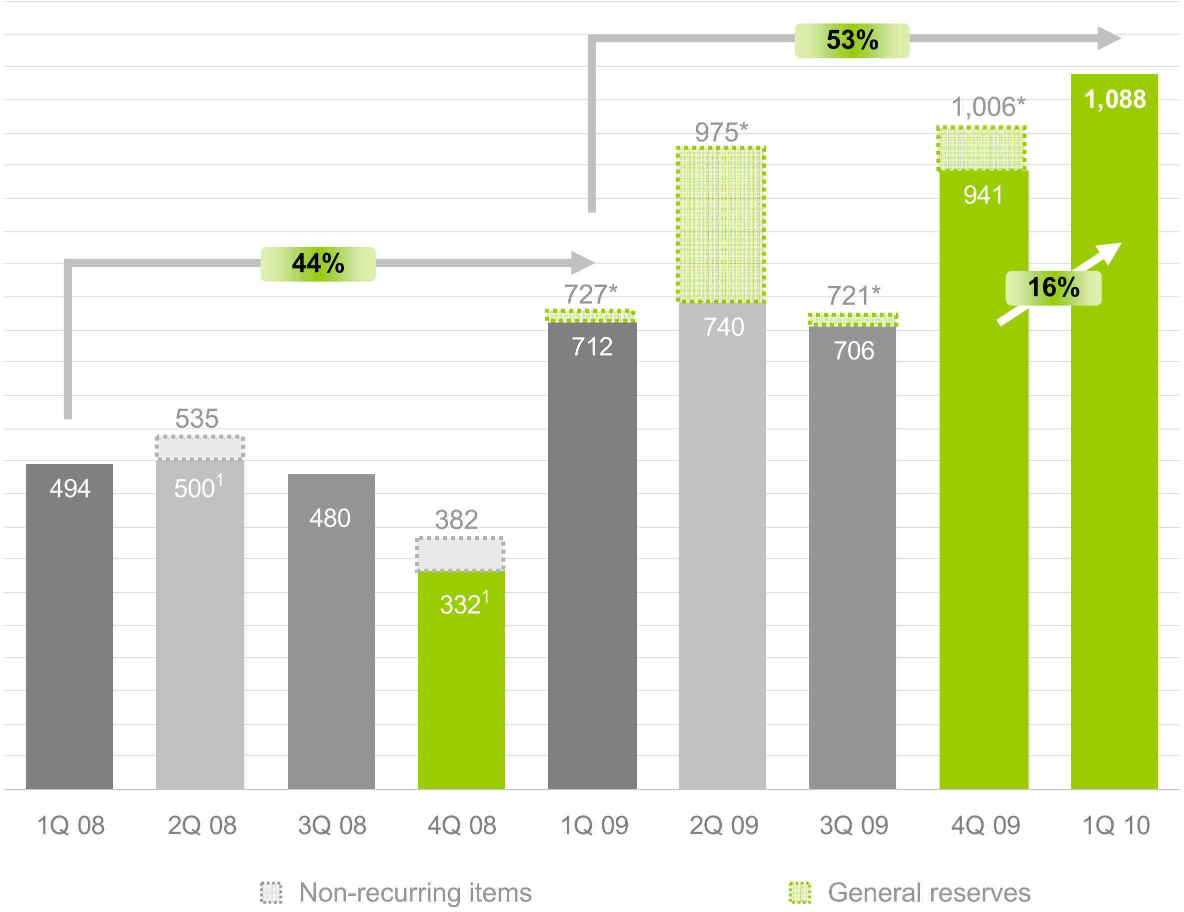
- **Robust loan growth defined the quarter (q-o-q: 9%)**
  - Double digit growth in key profitable products: mortgages (+10%) and GPLs (+15%)
  - Market share gains across the board in retail, commercial & corporate banking
- **Improving asset quality (NPL: 3.7%)** – organically at a pace well above sector's
- **Securities mix in assets remained at 30%.** Due to dynamic management, 1Q 10 redemptions were replaced with further CPI linkers and FRNs
- **The above sector growth momentum in deposits** remain (q-o-q: +4%) with clear differentiation in attracting customer demand deposits (q-o-q: +4% vs sector -2%)
- **Highly liquid** asset mix – ratio: 37%
- **Well capitalized** (CAR: 18.9%) with low leverage (7x)

…leads to consistent delivery of high profitability

- **ROAE: 31%** -- For the last 18 consecutive quarters ROAE has been above 22%
- **Record 1Q 10 earnings of TL 1.1bn** -- **Y-o-y** earnings growth **53%** vs. Sector's 24%;
  - **Margins hold up well (5.4%) --** Despite the ongoing repricing pressure on margins, securities yield drop limited to 5 bps q-o-q due to the weight of high yielding CPI linkers
  - **Net F&C growth momentum remains (y-o-y: 9%)** with increasing contribution from non-payment systems related businesses and further diversification
  - Due to significant improvement in NPLs and collections performance, **cost of risk eased to 141 bps**, nearing normalized levels, while maintaining high coverage (82%)
  - **Tight cost management** at an annually 10% and quarterly 7% larger branch network
  - **Efficient** – Cost/Income: 37%

Record profit once again -- 16% growth over the latest record in 4Q 09

Quarterly Net Income



Earnings
Y-o-Y

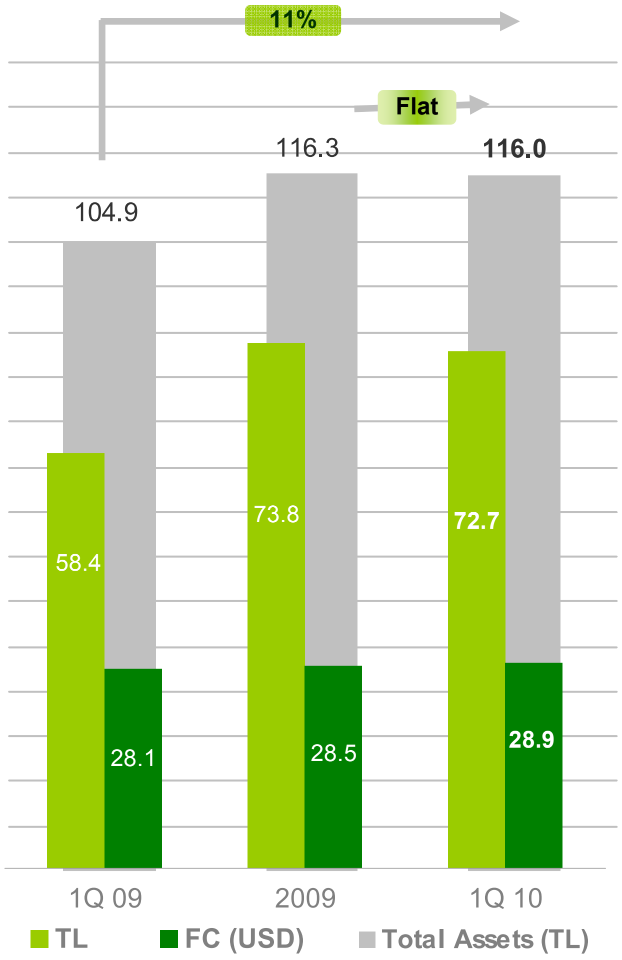
53%
vs.
Sector[2] **24%**

ROAE
31%

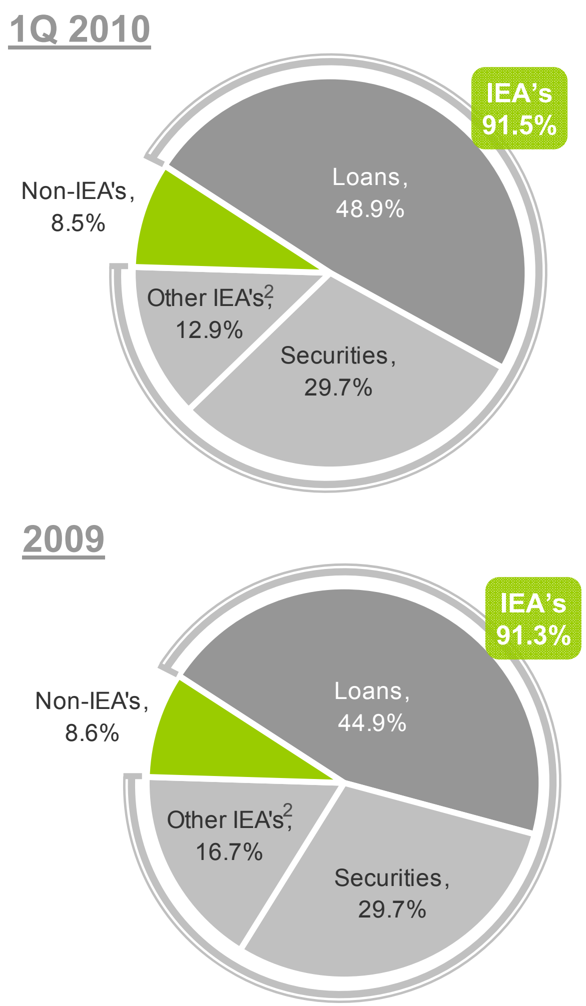
1 Please refer to Slide 23 for breakdown of non-recurring items
2 Sector includes commercial banks
*2009 net income excluding the effect of general reserve of TL 330mn (1Q 09: TL 15mn; 2Q 09: TL 235mn; 3Q 09: TL 15mn; 4Q 09: TL 65mn) provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in economy or market conditions, and fully recognized as expense in 2009

Reshuffled assets into a higher yielding mix while maintaining high liquidity

Total Assets



Composition of Assets[1]



Asset growth:
Ytd

TL: *(1.5%)*

FC ($): *1.2%*

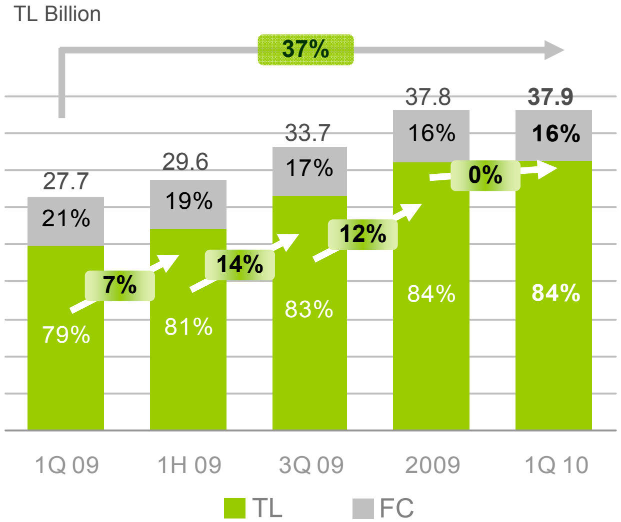
Liquidity Ratio[3]

37%

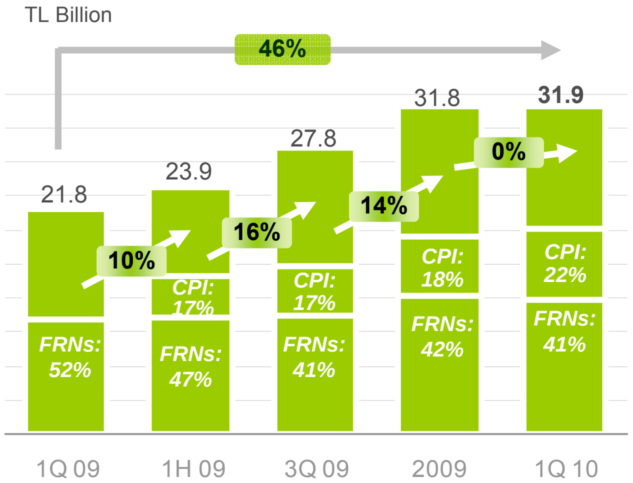
1 Accrued interest on B/S items are shown in non-IEAs
2 Other IEA's include factoring and leasing receivables
3 (Cash and banks + trading securities +AFS)/Total Assets

1Q 10 securities redemptions were replaced with further CPI linkers and FRNs

Total Securities



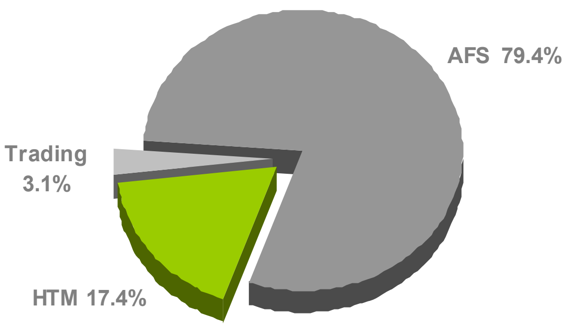
TL Securities



Securities mix in assets

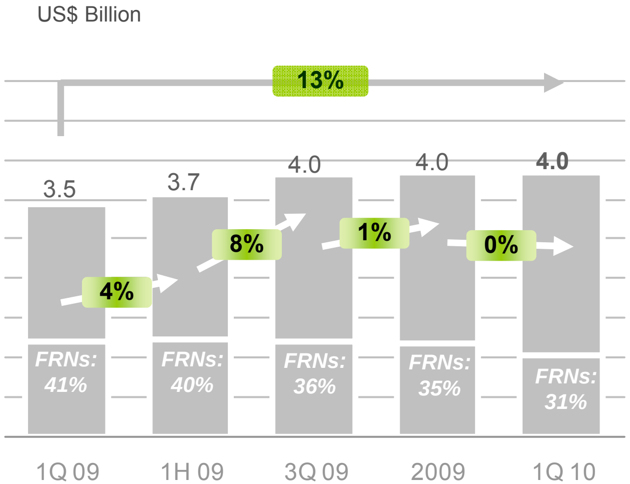
30%

Total Securities Composition



Unrealized gain > TL 1.8 bn*

FC Securities



AFS mix in total

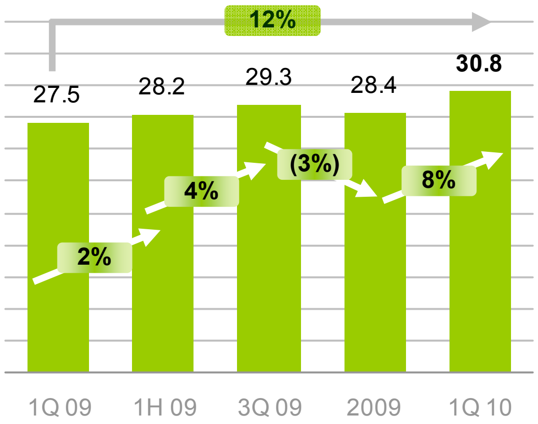
79%

Note: Fixed / Floating breakdown of securities portfolio is based on bank-only MIS data
*Gross amount of MtM gains of AFS book, the net amount affecting equity is included in "Securities Value Increase Fund" of TL 1,598 mn. Pls. refer to Liabilities and Shareholders' Equity section of the Financial Statements

Robust loan growth defined the quarter

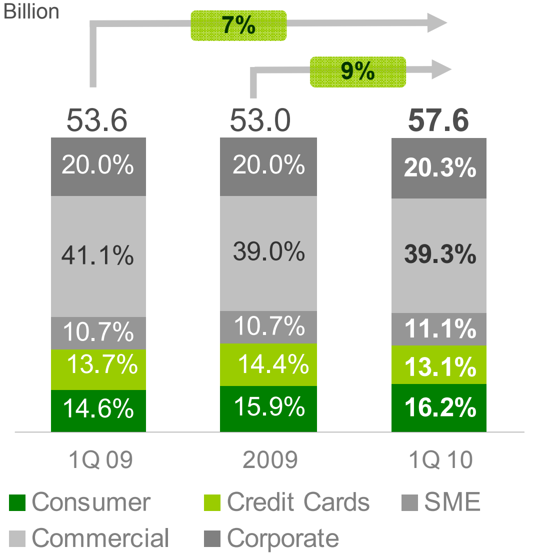
TL Loans[1]

TL Billion



Loans by LOB[1, 2]

TL Billion



1Q 10:

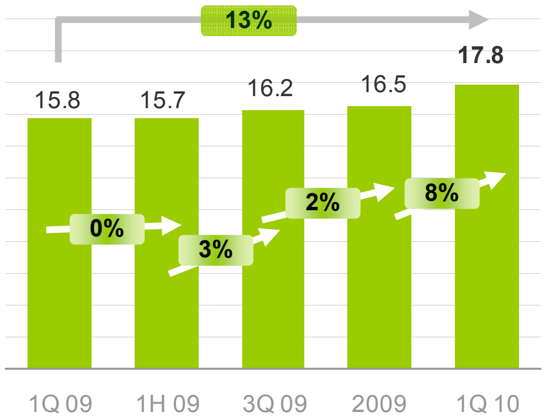
“Lending growth across the board”:

TL boosted by retail, &

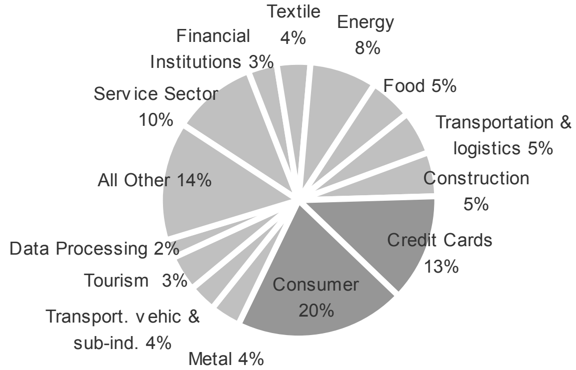
FX by corporate and commercial lending

FC Loans[1]

US$ Billion



Loans by Sectoral Breakdown[1]



Market Shares

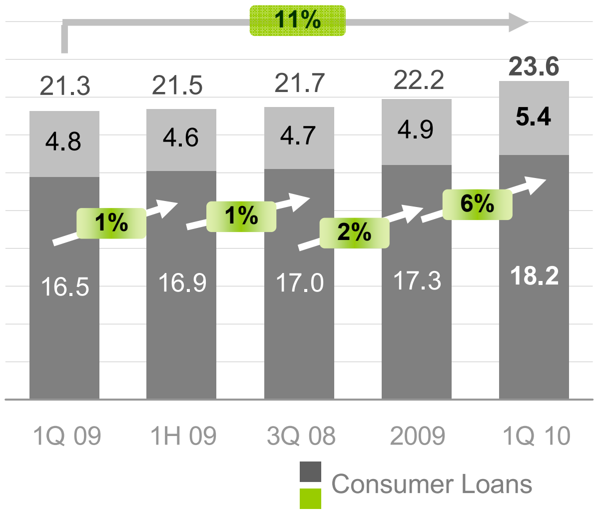
	Dec 09	Mar 10
Total Loans	13.8%	14.3%
TL Loans	10.9%	11.3%
FC Loans	21.3%	22.0%

1 Performing cash loans
2 Based on bank-only MIS data
Source: Sector figures are based on BRSA weekly data, commercial banks only

Double digit growth in key profitable products: Mortgages & GPLs

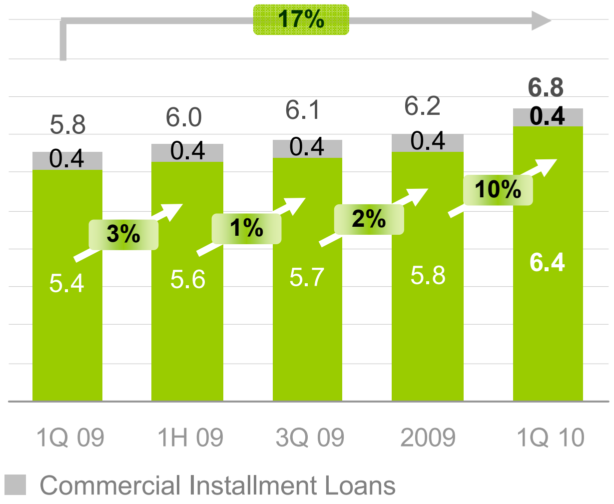
Retail Loans[1]

TL Billion



Mortgage Loan Growth

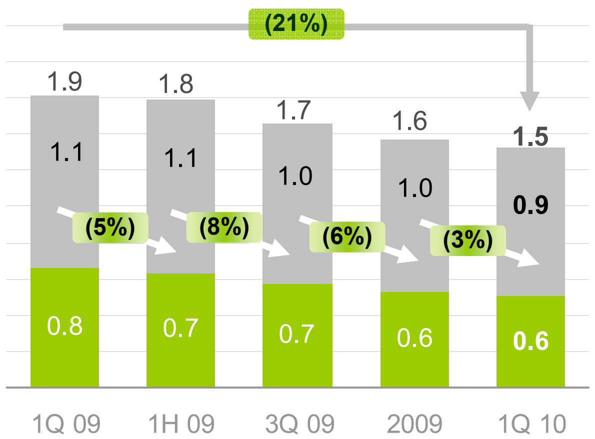
TL Billion



Market share gains across the board

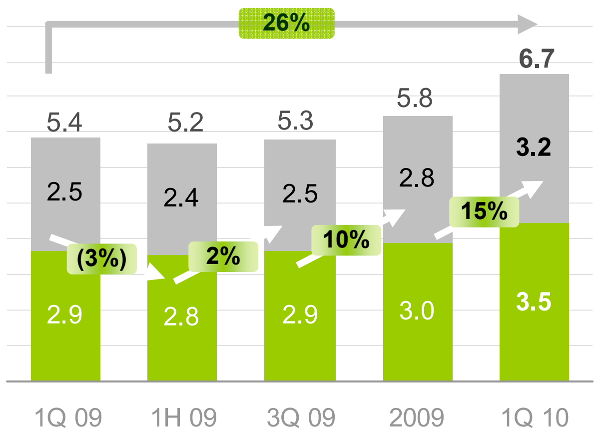
Auto Loan Growth

TL Billion



General Purpose Loan Growth

TL Billion



Market Shares[2,3]

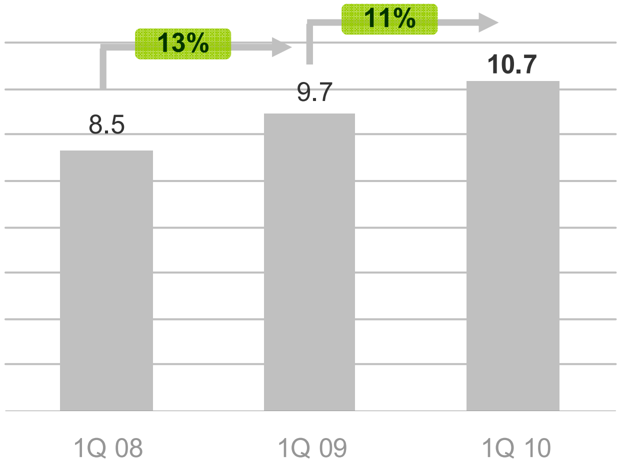
	Dec 09	Mar 10	Rank[4]
Mortgage	13.8%	14.1%	#1
Auto	14.9%	15.0%	#2
General Purpose	9.7%	10.6%	#2
Retail[1]	13.2%	13.5%	#2

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 2009 year-end among private banks

Limited growth in credit card activity
Prudent pre-requisites: Profitability & asset quality

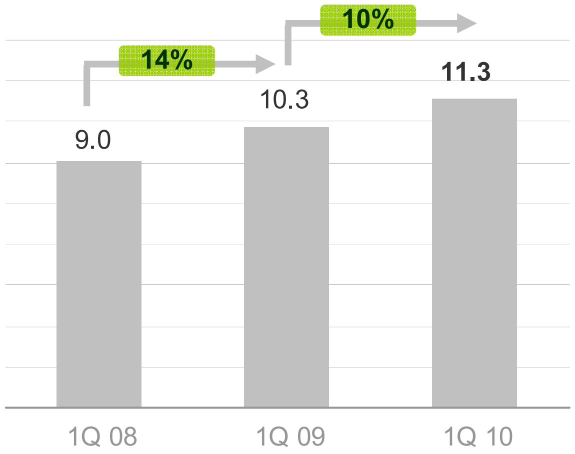
Issuing Volume

TL Billion



Acquiring Volume

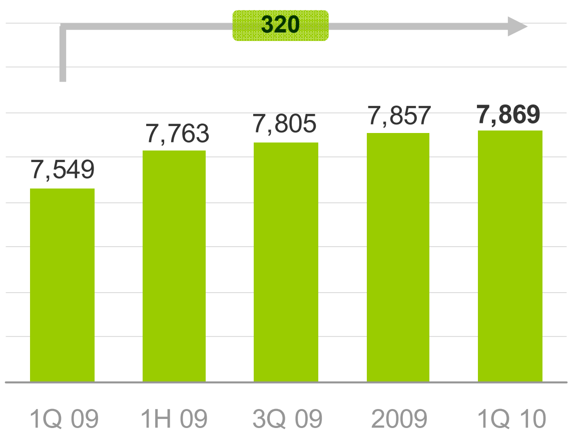
TL Billion



"Solid Leadership"

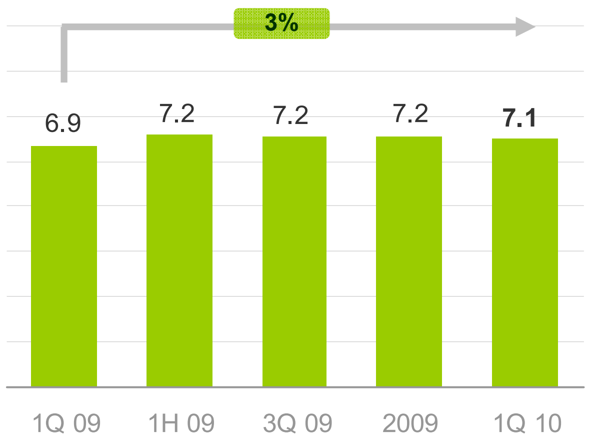
No. of Credit Cards

In Thousands



Credit Card Balances

TL Billion



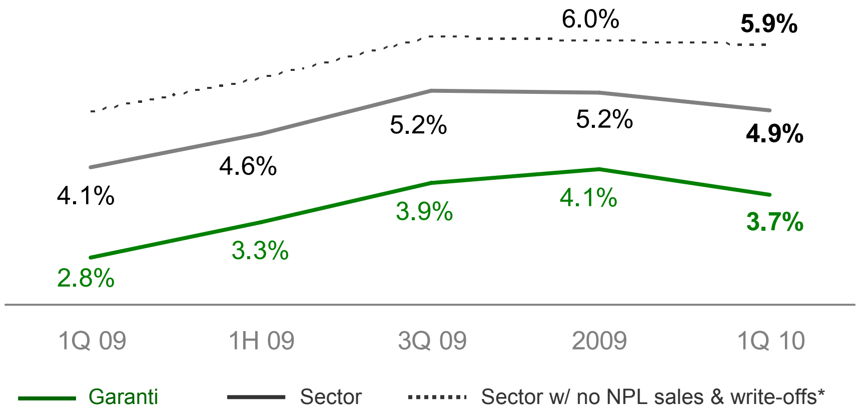
Market Shares

	YTD ∆	Mar 10	Rank
Acquiring	-59 bps	21.5%	#2
Issuing	-33 bps	20.5%	#2
# of Credit Cards	-8 bps	17.6%	#1
POS[1]	+2 bps	20.5%	#1
ATM	-25 bps	11.3%	#2

1 Including shared POS
2 Annualized
Note: All figures are based on bank-only data excluding credit card balances

Improving asset quality -- organically at a pace well above sector's

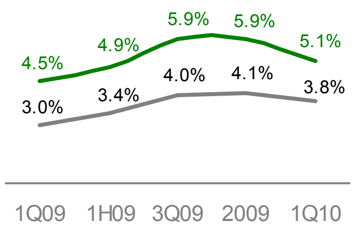
NPL Ratio[1]



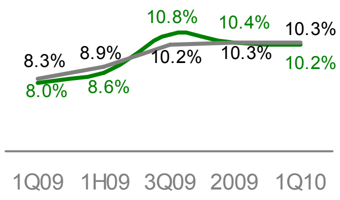
* 2008, 2009 & 1Q 10 sector NPL sales & write-offs total: TL 2.3 bn, TL 0.8 bn and TL 1.1 bn, respectively

NPL Categorisation[1]

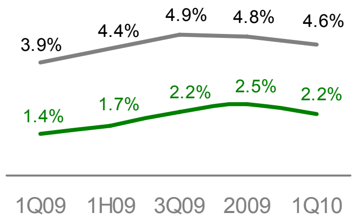
Retail Banking
(Consumer & SME Personal)
20% of Garanti's Total Loans



Credit Cards
13% of Garanti's Total Loans



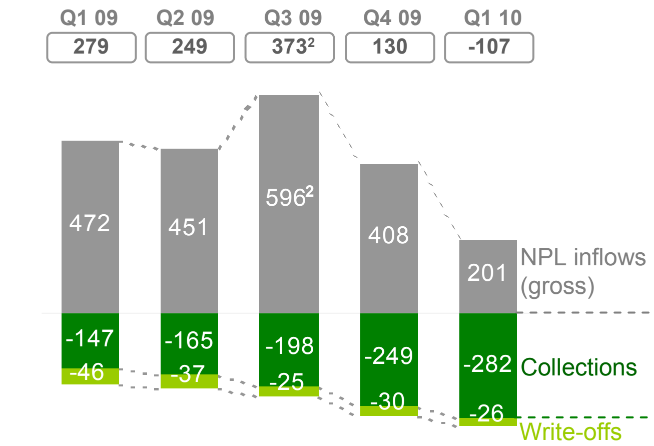
Business Banking
(Including SME Business)
67% of Garanti's Total Loans



Garanti — Sector

Net NPLs (quarterly)

TL Million



- *Strong deceleration in new NPL inflows: level at less than half of last year's*
- *Collections focus remains top priority*

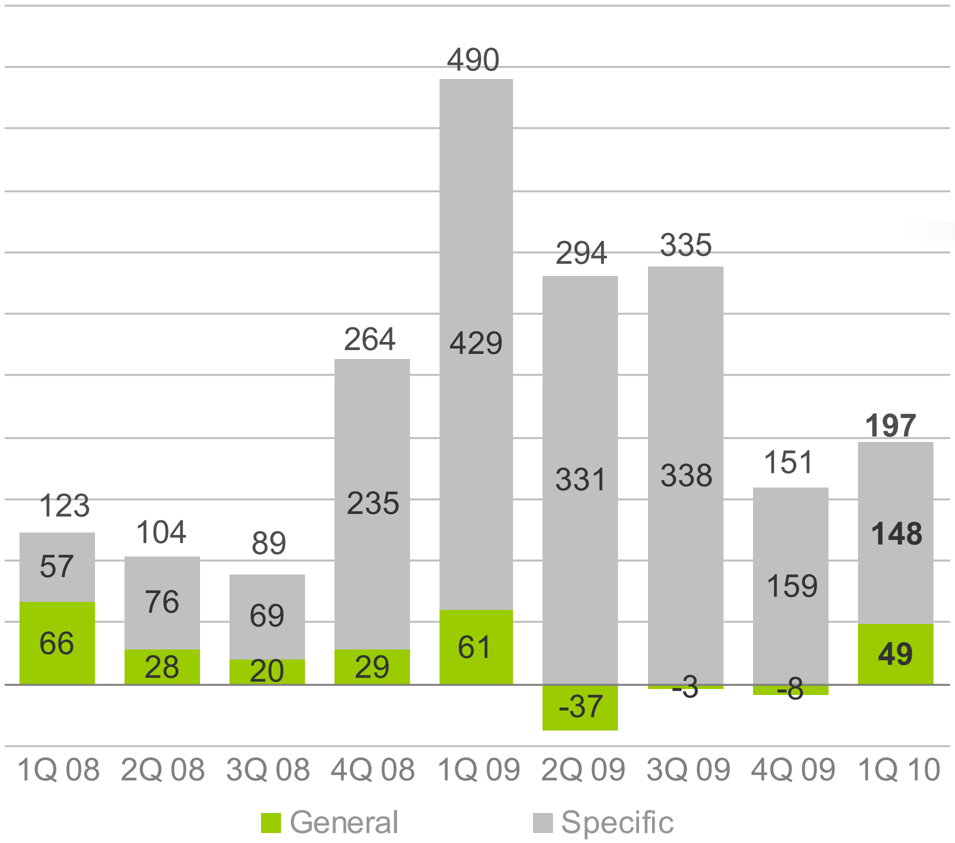
1 Sector figures are per BRSA bank-only data. NPL categorisation is based on bank-only data
2 Including a few files in commercial book to be fully recovered due to highly strong collateralization
Note: As of Mar 2010 pre-NPL restructurings totaled TL 292mn and NPL restructurings totaled TL 419mn. NPL restructurings had no effect on NPL ratio as they are not yet classified as performing
Source: BRSA, TBA & CBT

Significantly lower NPLs relieve provisions -- cost of risk eased by ~100 bps

Quarterly Loan-Loss Provisions

TL Million

Coverage Ratio	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10
Sector[1]	81%	81%	81%	82%	83%	85%
Garanti	64%	77%	82%	82%	81%	82%

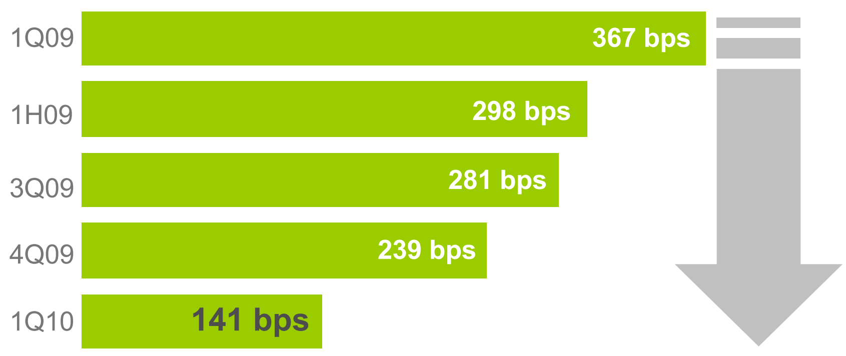


Conservative approach in coverage remains

Coverage Ratio

82%

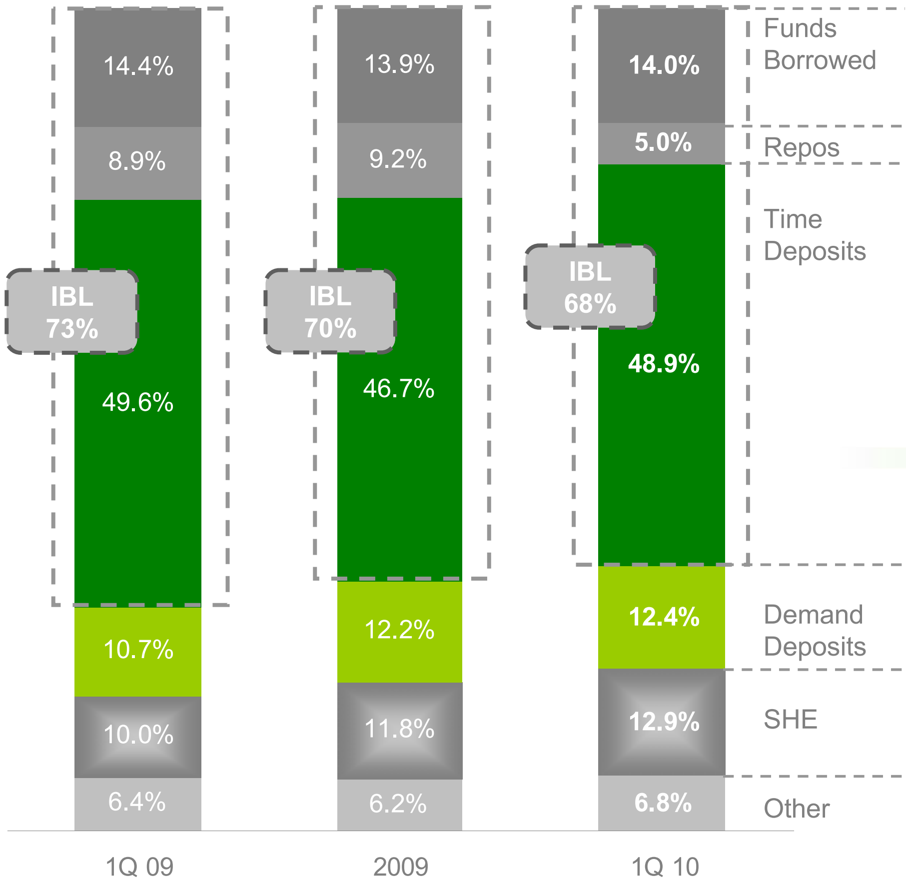
Cost of Risk



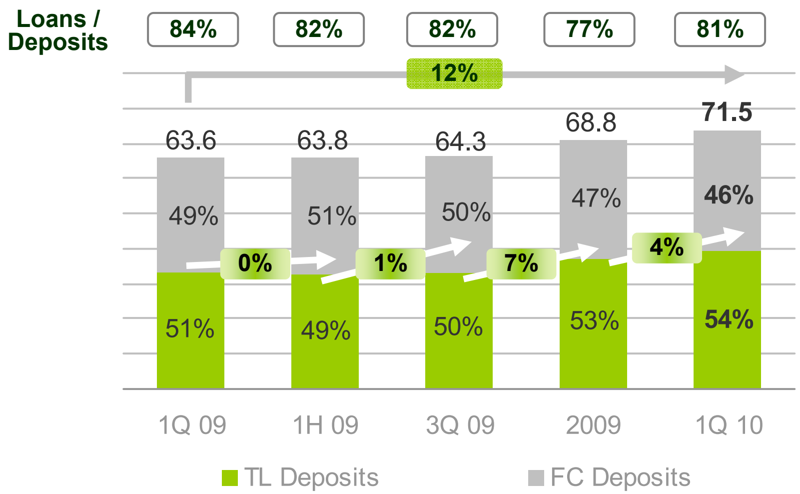
1 Sector figures are per BRSA weekly data, commercial banks only

The above-sector growth momentum in deposits remain…

Composition of Liabilities



Total Deposits



Deposit market share ***12.6%***

TL deposit growth ***6%***
vs. sector's ***5%***

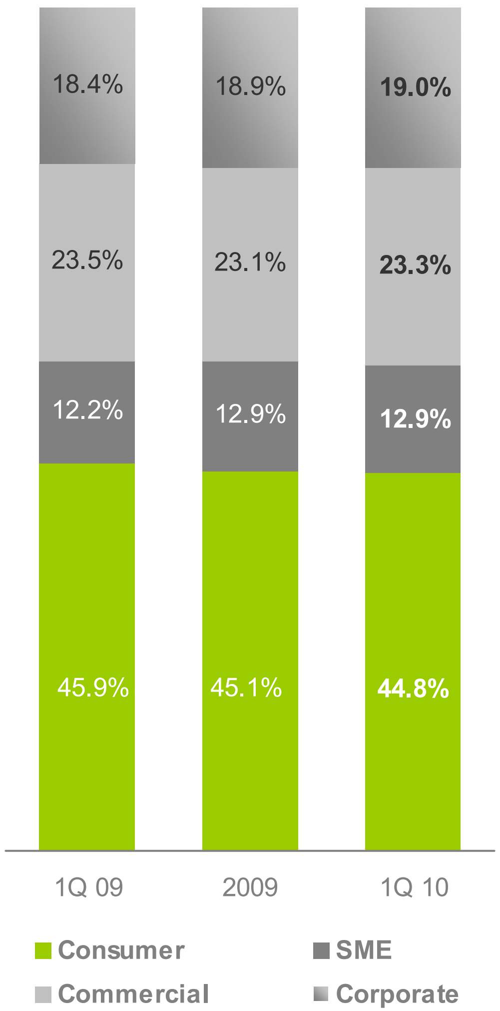
FC deposit growth ***1%***
vs. sector's shrinkage of ***(3%)***

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

...with clear differentiation in attracting demand deposits

Deposits by LOB[1]

(Excluding bank deposits)

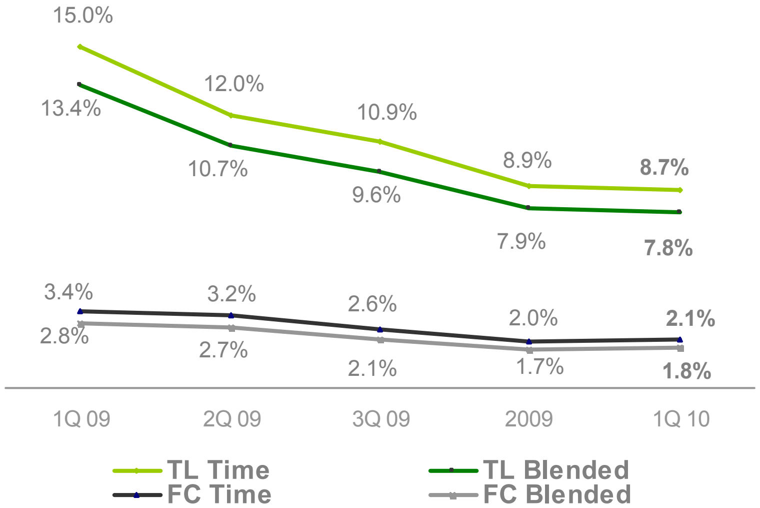


Demand Deposits

TL Billion

Cost of Deposits[1]

Quarterly Averages



Customer Demand Deposits

YTD Growth

4% vs. sector's[2] **(2%)**

Demand Deposit Market Share[2]

14.4%

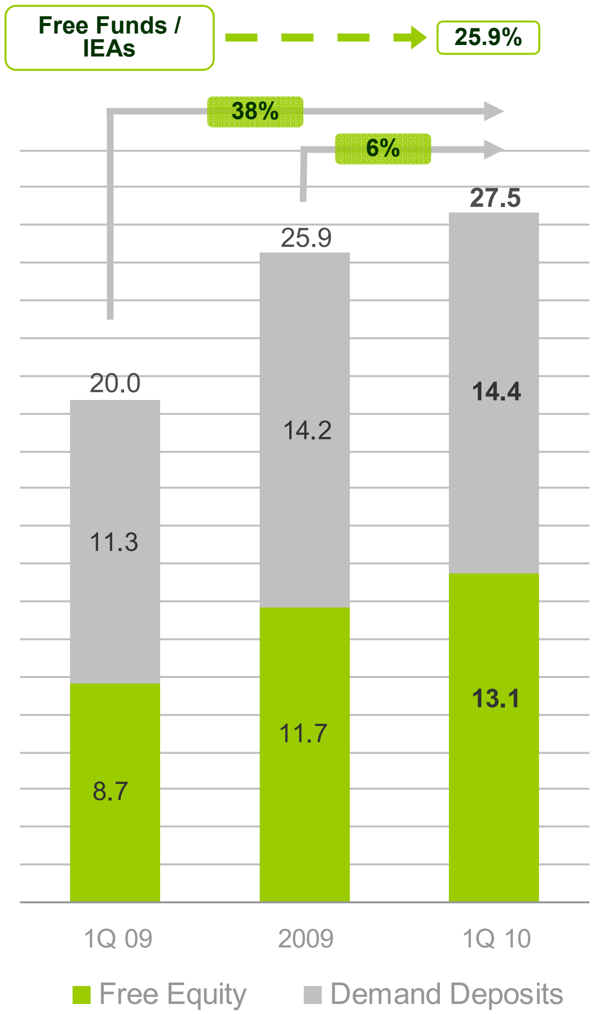
1 Based on bank-only MIS data
2 Sector figures are per BRSA weekly data, commercial banks only

Strong solvency and low leverage largely due to retained profitability and free fund generation capacity

CAR

Free Funds

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



Free Equity

YTD growth

11%

Leverage Ratio

7x

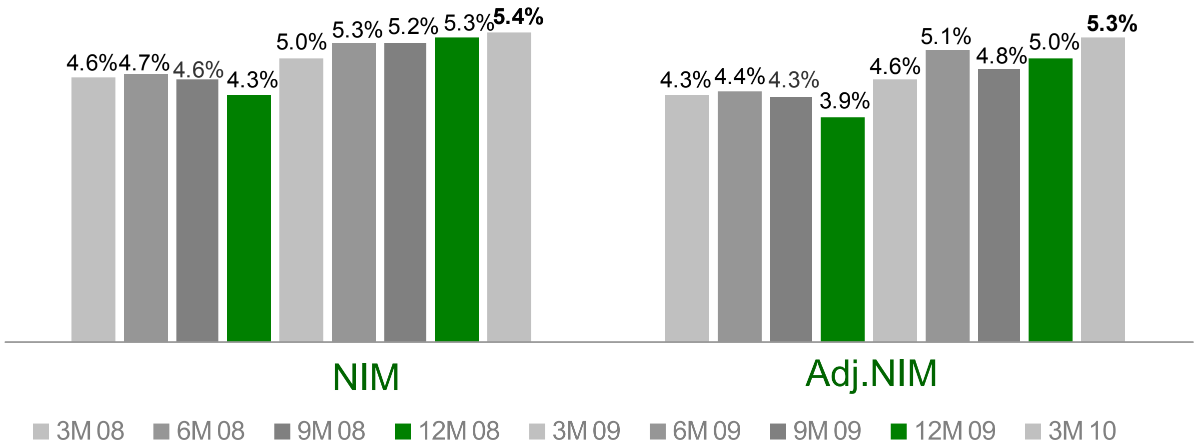
down from

9x in 1Q 09 &

8x at YE 09

Despite the ongoing repricing of IEAs, margins held up strong due to contribution from loan volume growth and high yielding CPI linkers

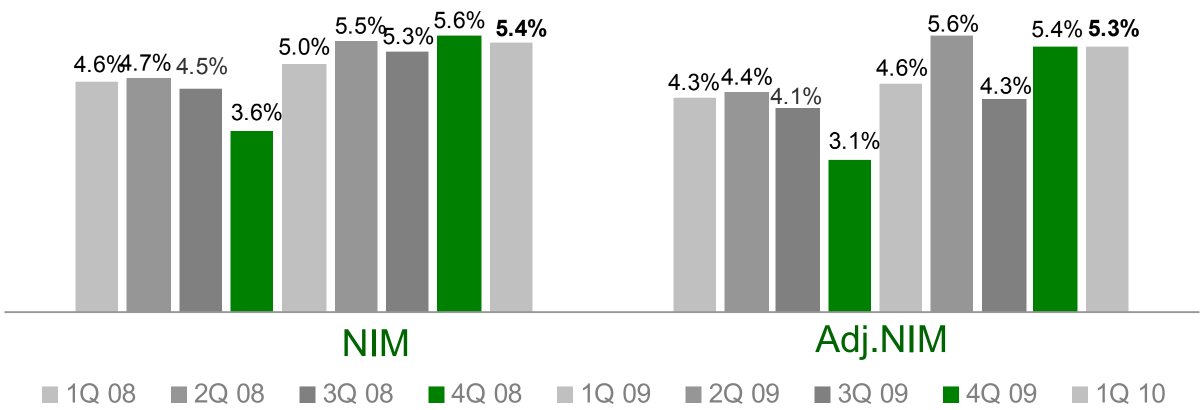
Cumulative NIM (Net Interest Income / Average IEAs)



3-mo 10 over 2009:

- *Declining funding costs' impact on margin +130 bps*
- *Drop in asset yields' impact on margin -120 bps*

Quarterly NIM (Net Interest Income / Average IEAs)



1Q 10 over 4Q 09:

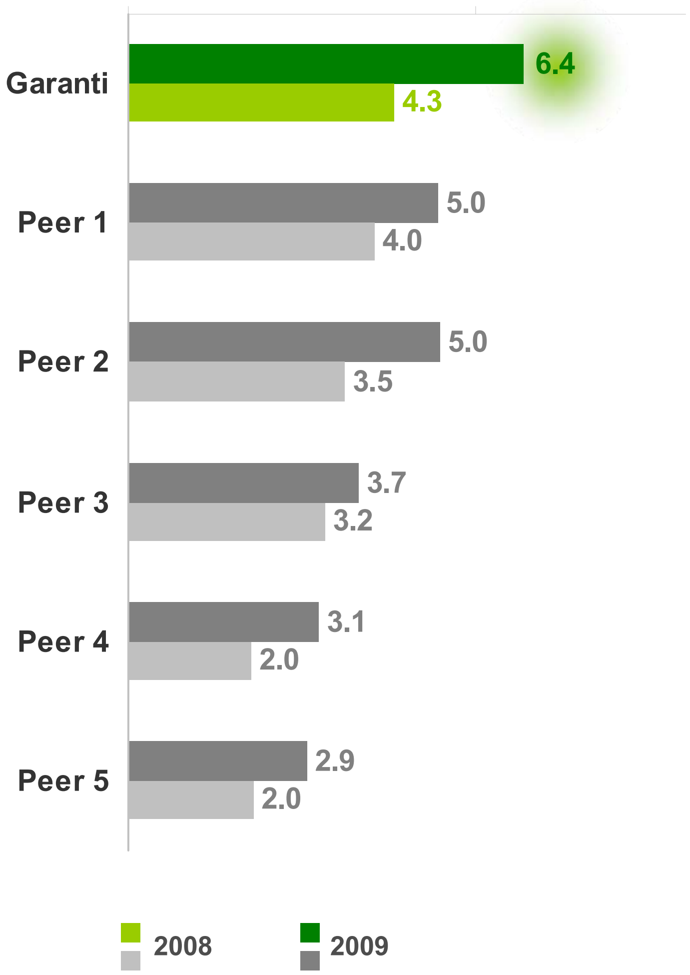
- *Declining funding costs' impact on margin +10 bps*
- *Drop in asset yields' impact on margin -26 bps*
  - ✓ *Loan yield drop*: ~150 bps*
  - ✓ *Securities yield drop*: ~5bps*

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
* Yield calculation per MIS average daily volumes

Growth and diversification of sustainable income sources further reinforce the high capacity to generate ordinary banking income

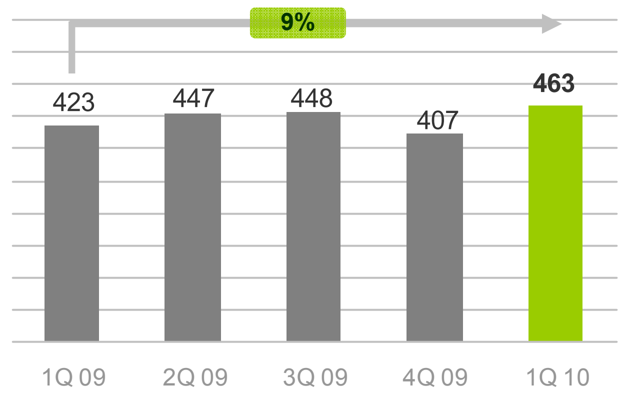
Ordinary Banking Income[1] Generation

TL Billion



Net Fees & Commissions[2]

TL Million

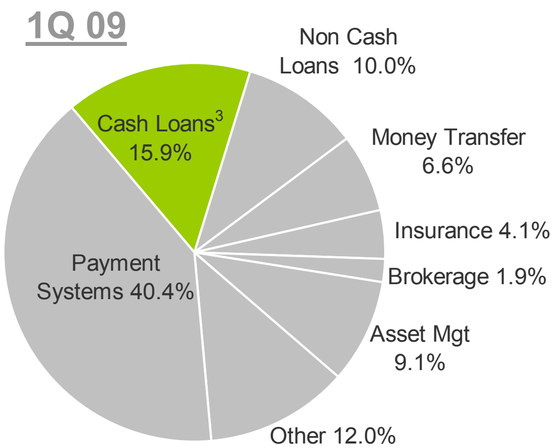


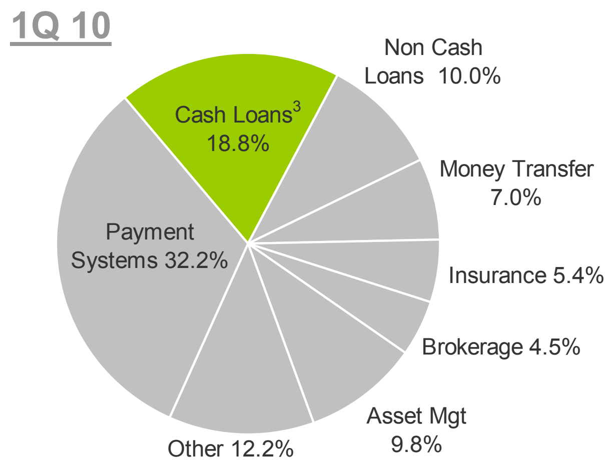
Since 2009, captured **1 out of 4** entrants to the pension system

#1 in bancassurance

Further market share gains in brokerage: Market share **>7%**

Net Fees & Commissions Breakdown[2,4]





1 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 37mn for 1Q 10 and TL 39 mn for 1Q 09
3 Include consumer loans fees as well as other cash loan fees now classified as interest on loans in income statement amounting TL 37mn for 1Q 10 and TL 39 mn for 1Q 09
4 Bank-only MIS data

Result: Record profit once again

(TL Million)	4Q 09	1Q 10	Growth 4Q 09-1Q 10
Ordinary Banking Income	1,867	1,916	3%
Other Income	215	272	27%
Total Revenue	**2,082**	**2,188**	**5%**
Operating Expense	**(813)**	**(806)**	**(1%)**
Personnel Expense	*(368)*	*(321)*	*(13%)*
Bonus Provision	*33*	*(75)*	*(329%)*
Rent Expense	*(36)*	*(36)*	*1%*
Communication Expense	*(38)*	*(40)*	*5%*
Other	*(404)*	*(334)*	*(17%)*
Operating Income*	**1,269**	**1,382**	**9%**
Other Provisions	(107)	(6)	(95%)
General Reserves[1]	*(65)*	*-*	*n.m.*
Other	*(42)*	*(6)*	*(87%)*
Taxes	(221)	(288)	30%
Net Income	**941**	**1,088**	**16%**
Equityholders of the Bank	*938*	*1,085*	16%
Minority Interest	*3*	*3*	14%

Net Income Growth*

Y-o-Y

53%

Q-o-Q

16%

Cost / Income:

36.8%

1 4Q 09 net income includes the effect of general reserve of TL 65 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, and fully recognized as expense in 2009

Appendix

Balance Sheet - Summary

	(TL Million)	2009	1Q 2010	YTD Change
Assets	Cash & Banks[1]	16,205	11,264	(30%)
	Reserve Requirements	1,741	1,949	12%
	Securities	37,837	37,899	0%
	Performing Loans	53,050	57,574	9%
	Fixed Assets & Subsidiaries	1,430	1,410	(1%)
	Other	6,072	5,915	(3%)
	Total Assets	116,335	116,011	0%
Liabilities & SHE	Deposits	68,782	71,460	4%
	Repos	10,765	5,814	(46%)
	Borrowings	16,458	16,408	0%
	Other	6,644	7,330	10%
	SHE	13,686	14,999	10%
	Total Liabilities & SHE	116,335	116,011	0%

1 Includes banks, interbank and other financial institutions

Quarterly Analysis of Ordinary Banking Income

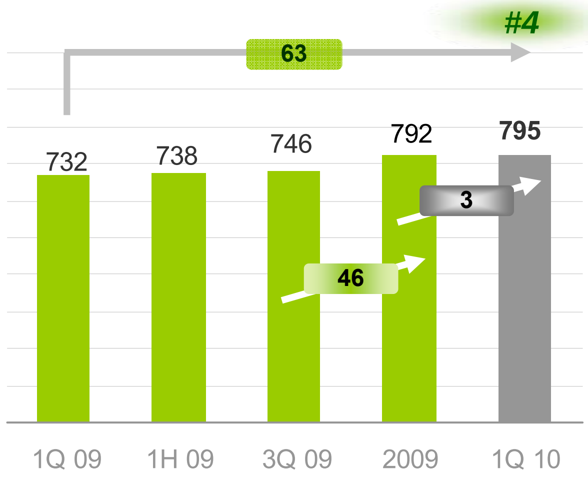
(TL Thousand)	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10	∆ Q-o-Q 1Q 10 - 4Q 09	∆ Y-o-Y 1Q 09- 1Q 10
Interest Income	**2,952,676**	**2,796,689**	**2,671,259**	**2,718,362**	**2,645,427**	**(2.7%)**	**(10.4%)**
-Loans	1,741,844	1,593,075	1,511,855	1,443,721	1,378,884	(4.5%)	(20.8%)
-Securities	987,620	1,014,108	988,736	1,078,348	1,094,053	1.5%	10.8%
-Other	223,212	189,506	170,668	196,293	172,490	(12.1%)	(22.7%)
Interest Expense	**(1,771,432)**	**(1,443,292)**	**(1,317,090)**	**(1,201,332)**	**(1,173,330)**	**(2.3%)**	**(33.8%)**
-Deposits	(1,302,967)	(1,066,177)	(930,218)	(848,949)	(856,406)	0.9%	**(34.3%)**
-Funds Borrowed	(206,581)	(194,765)	(218,267)	(199,066)	(189,283)	(4.9%)	(8.4%)
-Interbank & Other	(261,884)	(182,350)	(168,605)	(153,317)	(127,641)	(16.7%)	(51.3%)
Net Interest Income	**1,181,244**	**1,353,397**	**1,354,169**	**1,517,030**	**1,472,097**	**(3.0%)**	**24.6%**
Prov. for loans & securities	(489,894)	(293,732)	(355,134)	(134,196)	(197,219)	47.0%	(59.7%)
Net FX Gain/(Loss) + Net trading Income/(Loss)	400,492	319,732	99,790	77,966	177,850	128.1%	(55.6%)
Adj. Net Interest Income	**1,091,842**	**1,379,397**	**1,098,824**	**1,460,800**	**1,452,728**	**(0.6%)**	**33.1%**
Net Fees and Comm.	423,374	446,907	448,092	406,700	462,998	13.8%	9.4%
Ordinary Banking Income	**1,515,216**	**1,826,304**	**1,546,917**	**1,867,500**	**1,915,726**	**2.6%**	**26.4%**

Key financial ratios

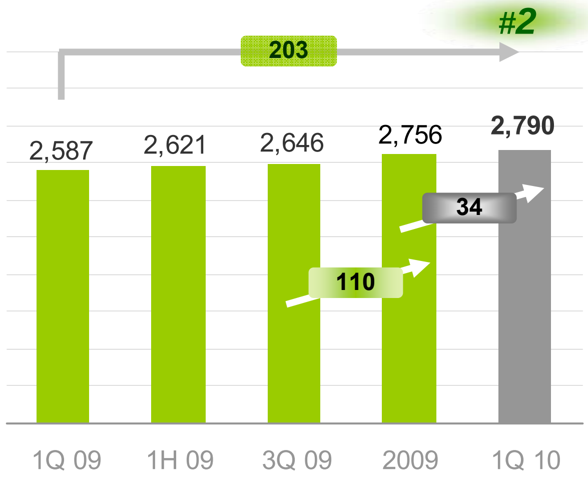
	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10
Profitability ratios					
ROAE	29%	28%	26%	27%	31%
ROAA	2.8%	2.9%	2.8%	2.9%	3.8%
Cost/Income	37.7%	37.7%	39.2%	39.2%	36.8%
NIM	5.0%	5.5%	5.2%	5.6%	5.4%
Liquidity ratios					
Liquidity ratio	33%	34%	38%	39%	37%
Loans/Deposits	84.2%	81.7%	82.5%	77.1%	80.6%
Asset quality ratios					
NPL Ratio	2.8%	3.3%	3.9%	4.1%	3.7%
Coverage	77%	82%	82%	81%	82%
Cost of Risk (bps)	367	298	281	239	141
Solvency ratios					
CAR	14.9%	16.2%	17.3%	19.2%	18.9%
Tier I Ratio	12.9%	14.0%	14.8%	16.6%	16.4%
Leverage	9x	8x	8x	8x	7x

Further strengthening of retail network

Number of Branches

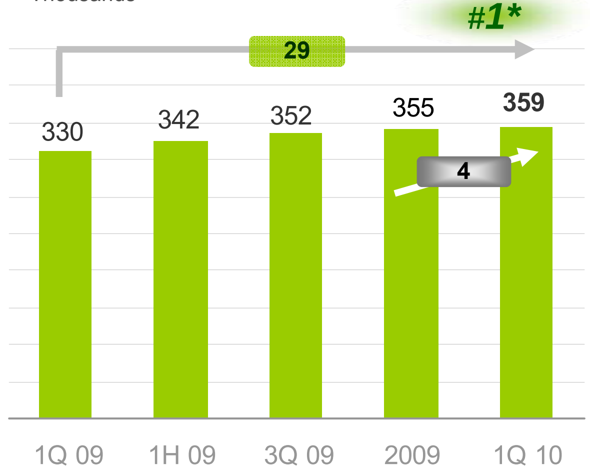


Number of ATMs



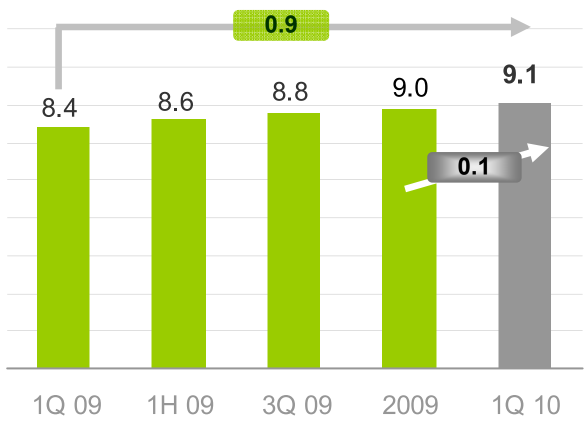
Number of POS

Thousands



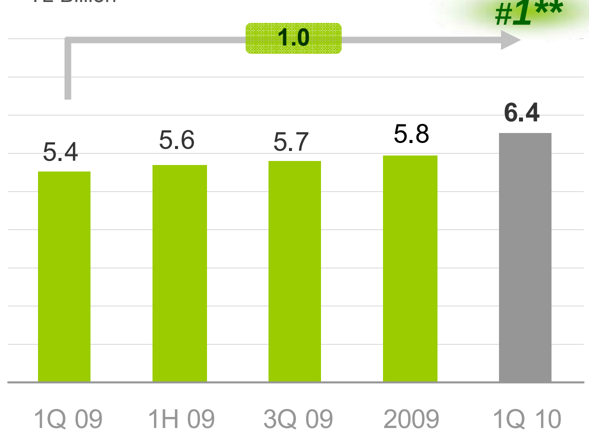
Number of Customers

Millions



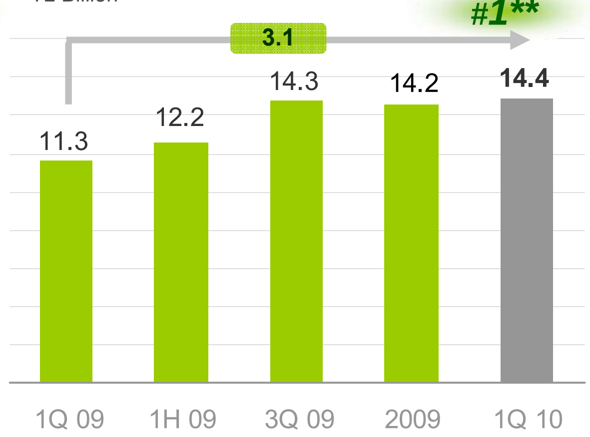
Mortgages

TL Billion



Demand Deposits

TL Billion



*Including shared POS
**Mortgage and demand deposit ranks are as of 2009YE
Note: Ranks are among private banks

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.

2008:

The net effect of 4Q 08 non-recurring items amounts to TL +50 mn., breakdown of which is;
i) Other income: TL +62 mn of reversal from Defined Benefit Obligation
ii) Taxation expense: Deferred tax expense of TL -12 mn related to TL +62 mn of reversal from Defined Benefit Obligation

The net effect of 2Q 08 non-recurring items amounts to TL +34 mn, breakdown of which is;
i) Other income: Tax refund that the Bank collected through conciliation from the tax office, due to the prepaid taxes in 2005, TL +131 mn
Tax refund on an existing unused investment incentive certificate TL+6 mn
Proceeds from NPL sales TL+29 mn
Reversal of free provisions set in 1Q 08 of TL -131 mn –reducing other income
ii) Other expense: Defined Benefit Obligation: TL -165 mn
iii) Other provisions: Reversal of free provisions set in 1Q 08 of TL +131 mn –reducing other provisions
ii) Taxation expense: Tax credit resulting from the deferred tax asset calculated on defined benefit obligation liability TL +33 mn

The net effect of 1Q 08 non-recurring items to bottom line is 0, breakdown of which is;
i) Other income: Tax refund that the Bank collected through conciliation from the tax office, due to the prepaid taxes in 2005, TL +131 mn
ii) Other provisions: Free provisioning of TL +131 mn

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