Earnings Presentation

September 30, 2014

BRSA Consolidated Financials

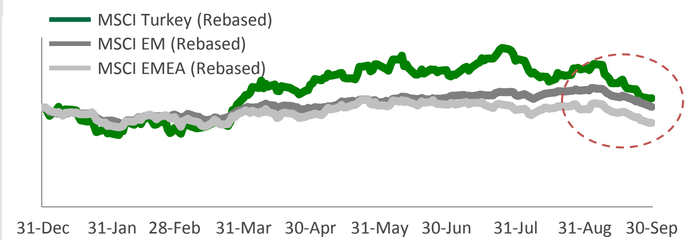
Garanti

3Q 14 -- High volatility continued to rule

Global & Domestic Outlook

- Strong portfolio inflows to EMs since April 2014, reversed in August & September, due to uncertainties regarding FED's monetary policy stance. Turkey got further affected by;
  - rising geopolitical risks,
  - rating outlook downgrade concerns
- ECB cut policy rates against the risks of economic slowdown & deflation in Jun. & Sept., and announced its intention to widen the scope of its accommodative monetary policy

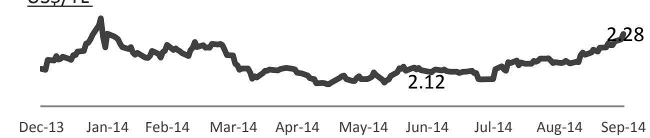
MSCI Turkey Relative Performance



Economic Indicators

- **Balanced Growth** - In line with global growth rates, GDP growth slowed down in 2Q (1Q: 4.7%, 2Q:2.1%); yet, exports remain supportive despite the weakening global demand
- **Record highs in food prices pressured inflation** - Awaited recovery in core inflation not realized in 3Q . While recent TL depreciation & utility price hikes in Oct. may limit the improvement for the rest of the year, declining commodity prices are expected to limit upside risks
- **Maintained tight monetary stance by CBRT** - Measured policy-rate cut (by50bps to 8.25%) in July amid improving global liquidity conditions; where as, a maintained stance in S-T interest rates in Aug & Sept, due to inflationary pressures. CBRT stated that liquidity policy would actively be used when needed
- **Improving CAD** - In July, 12-mo cum. CAD reached its lowest level ($48.5bn) since Jan'11 due to remarkable fall in the trade deficit; yet, had its first increase since Dec 13 to $48.9bn in August; due to increase in imports. Decreasing oil prices may result in a recovery in Turkey's energy bill going forward

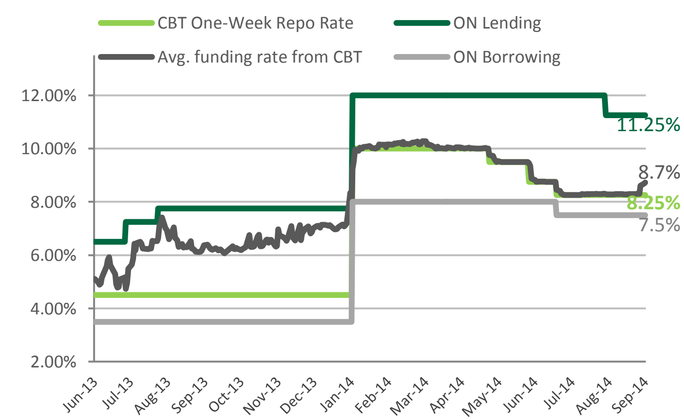
US$/TL



Currency depreciated due to globally strengthening US Dollar - US$/TL tested 8-mo. high of 2.28 @ end-Sep. CBRT squeezed liquidity via lower weekly repos & increased min. amount of FX selling

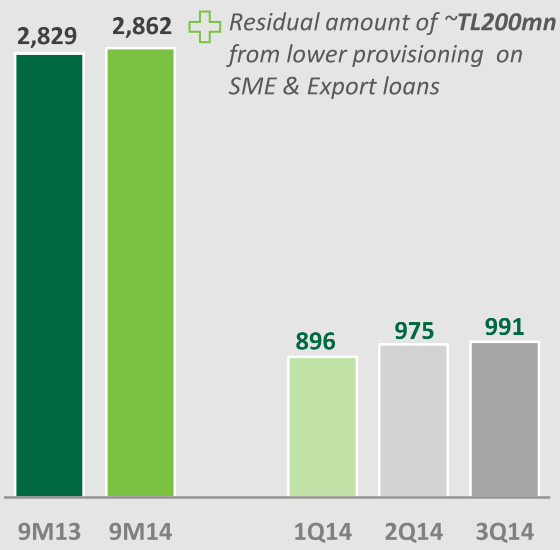
Banking Sector

- **Lending growth and composition continue to evolve as desired** in response to tight monetary policy stance & macro prudential measures.
- **NPL inflows increased across the board**, as expected
- **Banking sector NIMs** supported by easing average funding costs in 3Q



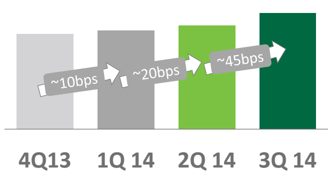
Strong results, once again, in a volatile period…

Net Income (TL million)

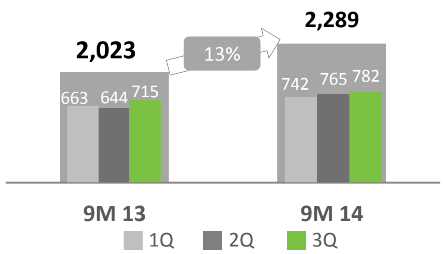


Improving core banking margin:
Well-managed loan pricings & easing funding costs.

NIM excluding CPI linker income volatility*
* Assuming 3Q13 CPI linker income was persistent over the next consecutive four quarters

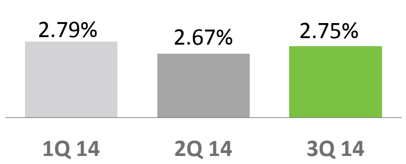


Further diversified fee sources *reinforcing the highest ordinary banking income generation capacity*

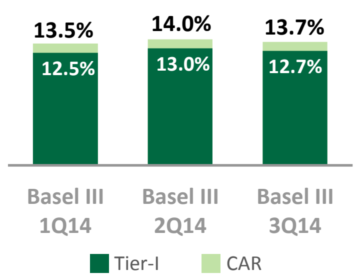


Risk-return balance priority:
Comfortable provisioning & coverage level

NPL Ratio



Strong capitalization
Assuring sustainable growth

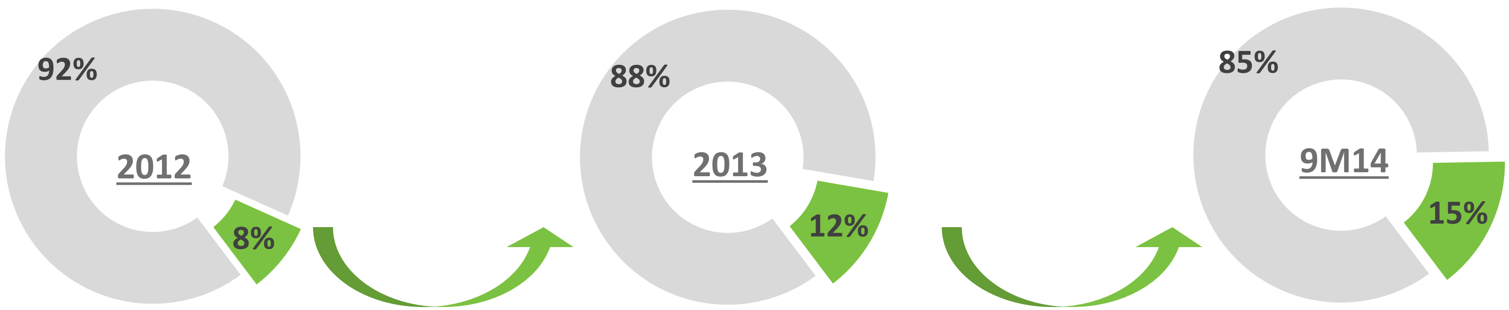


…increasingly supported with subsidiaries

Consolidated Net Income

Bank-Only Net Income

Subsidiaries' contribution[1]



Main contributors to subsidiaries income

GarantiBank International N.V.
Net Income Contribution 5.3%
vs. 4.2% in 2013
vs. 3.0% in 2012

Garanti Pension Company
Net Income Contribution 4.7%
vs. 4.1% in 2013
vs. 4.0% in 2012

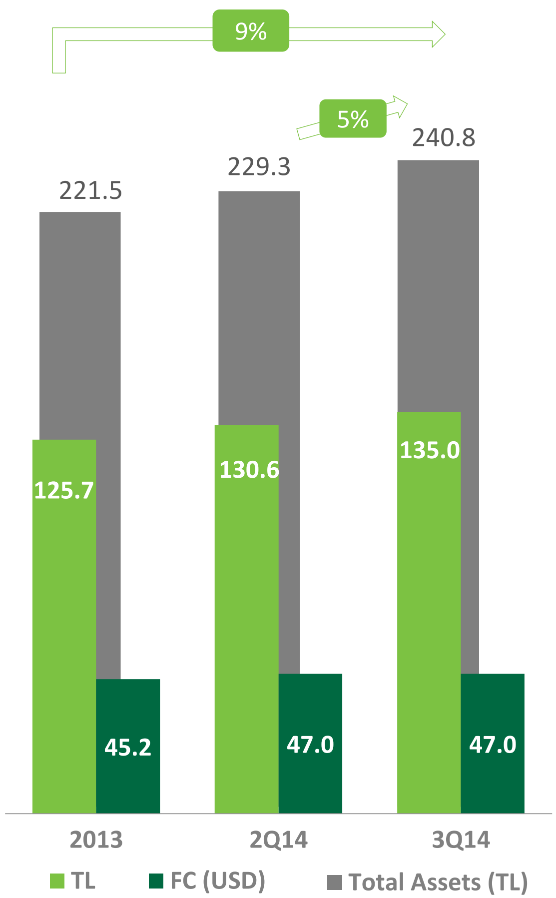
Garanti Leasing
Net Income Contribution 2.5%
vs. 2.0% in 2013
vs. 1.8% in 2012

GarantiBank Romania
Net Income Contribution 2.0%
vs. 1.7% in 2013
vs. -1.2% in 2012

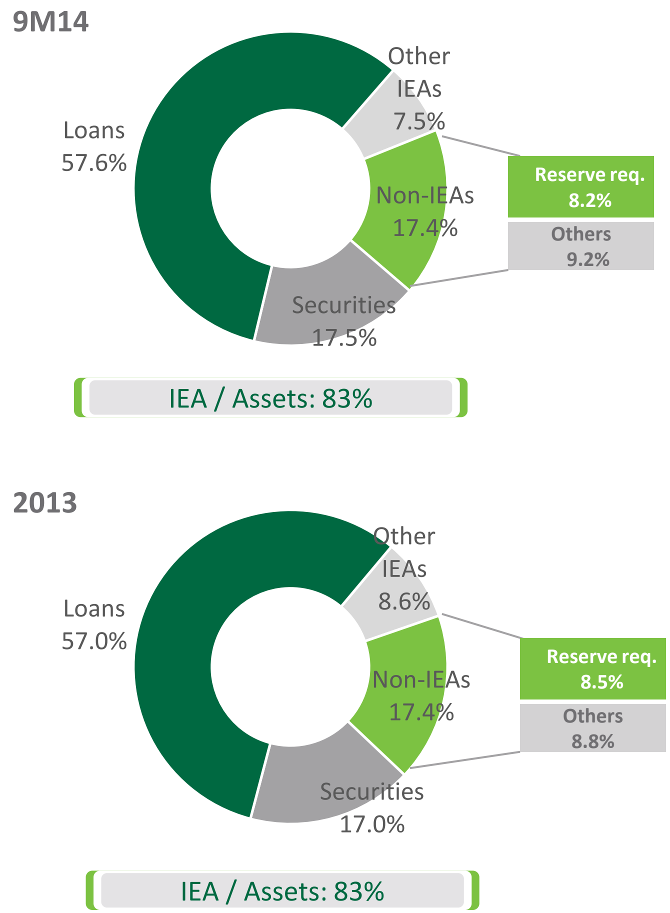
1 Including consolidation eliminations

Strategic evolution of assets and liabilities

Total Assets (TL/USD billion)



Composition of Assets[1]



Increasingly customer driven asset mix
Loans[1,2]/Assets:
~58%

Growth

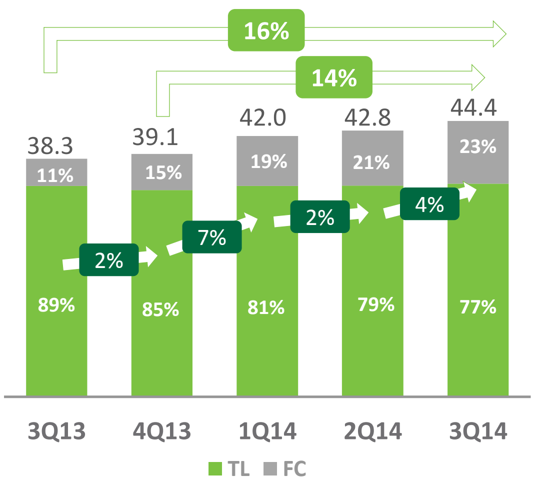
	Loans[2]	Securities
3Q14	+6%	+4%
2Q14	+2%	+2%
1Q14	+2%	+7%

- **Accelerated lending growth driven by:**
  - TL business banking loans
  - Lucrative consumer loans, namely, Mortgages&GPLs
- **Security redemptions & disposals replaced with new additions to the portfolio**

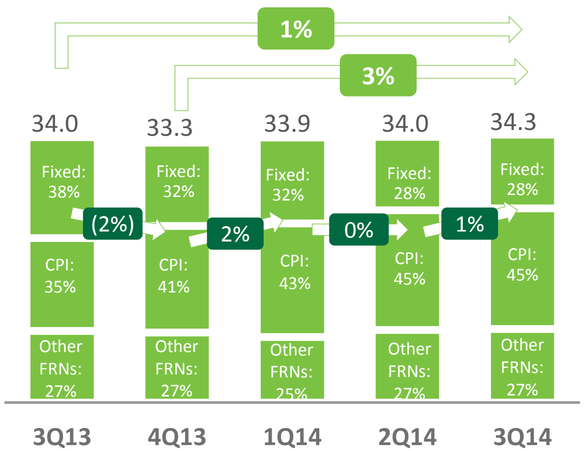
1 Accrued interest on B/S items are shown in non-IEAs
2 Performing cash loans

Securities portfolio serves as a hedge against volatility

Total Securities (TL billion)



TL Securities (TL billion)



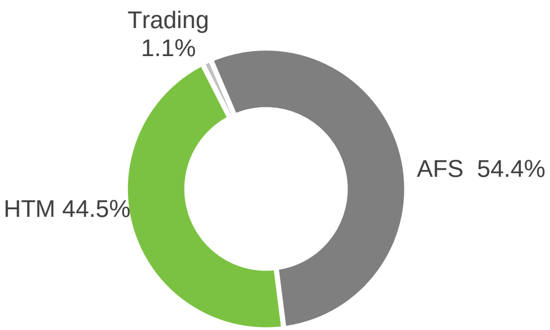
Securities[1]/Assets

remained flattish vs. 2Q

17.5%

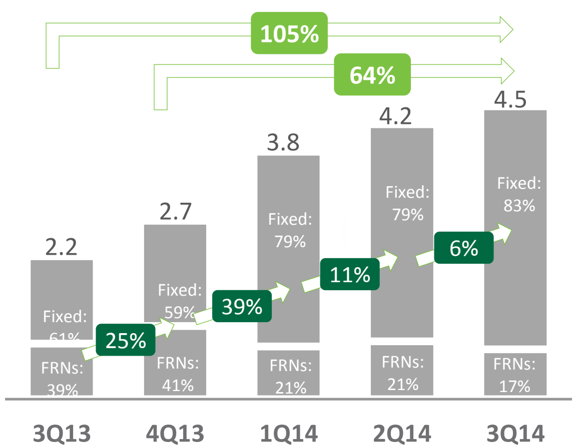
Redemptions & disposals in 3Q, replaced with fixed rate securities

Total Securities Composition



Unrealized loss (pre-tax) as of September-end ~TL 254mn

FC Securities (USD billion)



FRN weight in total: 60%

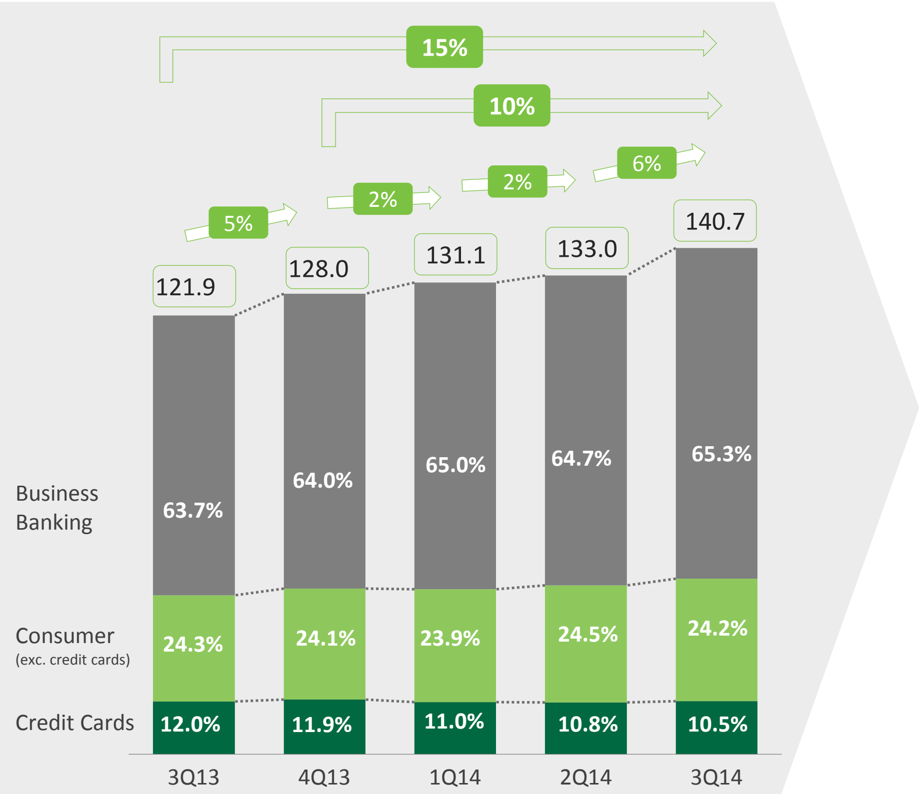
TL FRN: **72%** vs. 68% at YE13
> Serving as **hedge against volatility**

FC FRN: **17%** vs. 41% at YE13
> FC portfolio supported with **Eurobonds at attractive spreads**

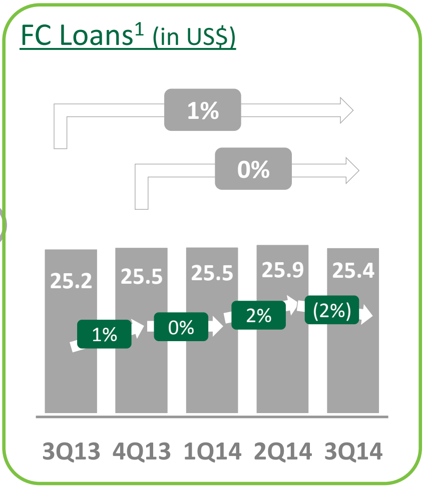
1 Excluding accruals
Note: Fixed / Floating breakdown of securities portfolio is based on bank-only MIS data.

Accelerated, yet disciplined, lending growth with sustained focus on profitability

Total Loans[1] Breakdown (TL billion)



	3Q13	4Q13	1Q14	2Q14	3Q14
TL (% in total)	59%	58%	59%	59%	59%
FC (% in total)	41%	42%	41%	41%	41%
US$/TL	1.995	2.120	2.115	2.097	2.250



Above sector TL lending growth driven by;

> Key profitable consumer loans
  -- Mortgages & GPLs

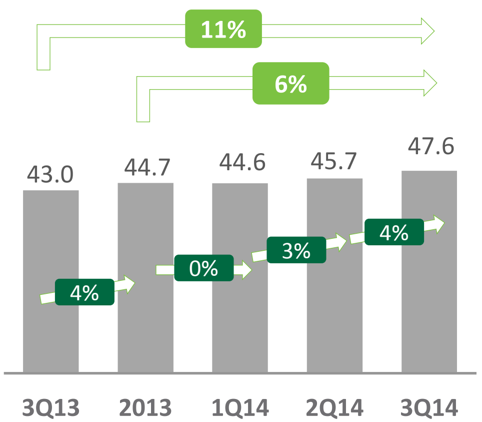
> TL business banking loans*

Projects in the pipeline to kick-in going forward

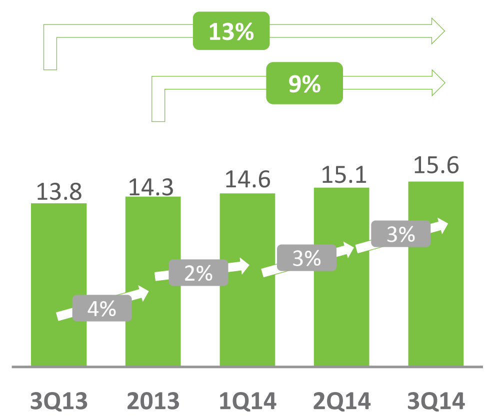
1 Performing cash loans
* TL business banking loans represent TL loans excluding credit cards and consumer loans

Further strengthened market position in key profitable products

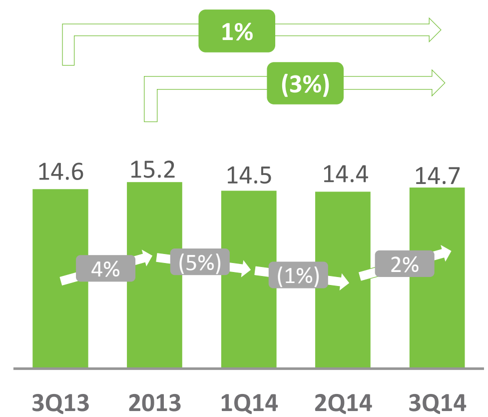
Consumer Loans[1] (TL billion)



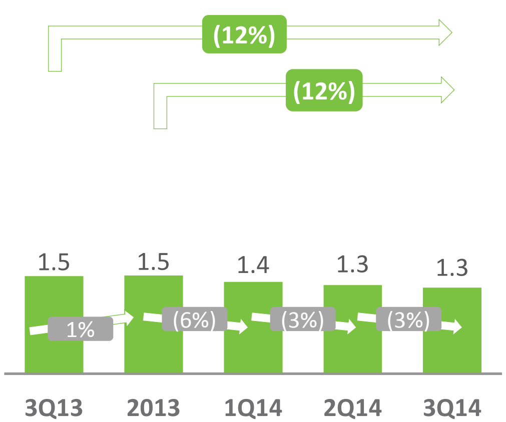
Mortgage (TL billion)



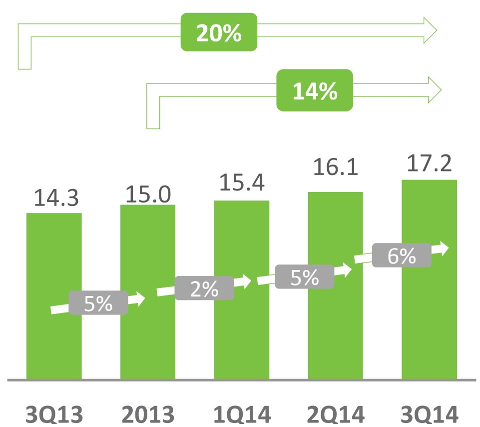
Credit Card Balances (TL billion)



Auto Loans (TL billion)



General Purpose Loans[2] (TL billion)



Market Shares[3]

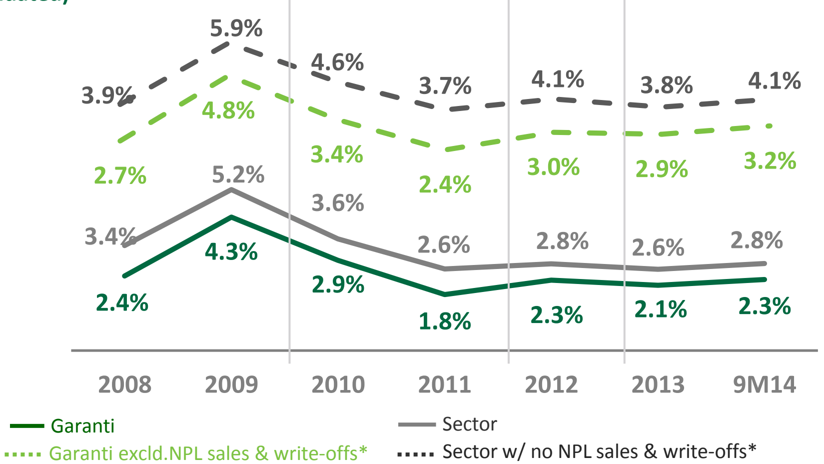
	QoQ	Sept'14	Rank[4]
Consumer Loans[1]	↑	13.9%	#1
Mortgage	↔	13.6%	#1
Auto	↑	20.3%	#1
General Purpose	↑	11.4%	#3
Acquiring Volume (Cum.)	↑	19.8%	#1
# of Credit Card Customers	↑	14.3%	#1

1 Including consumer credit cards, other and overdraft loans
2 Including other consumer loans and overdrafts
3 Sector figures are based on bank-only BRSA weekly data as of September 26, commercial banks only
4 As of 2Q14, among private banks. «Acquiring Volume» and «# of Credit Card Customers» rankings are as of September 2014

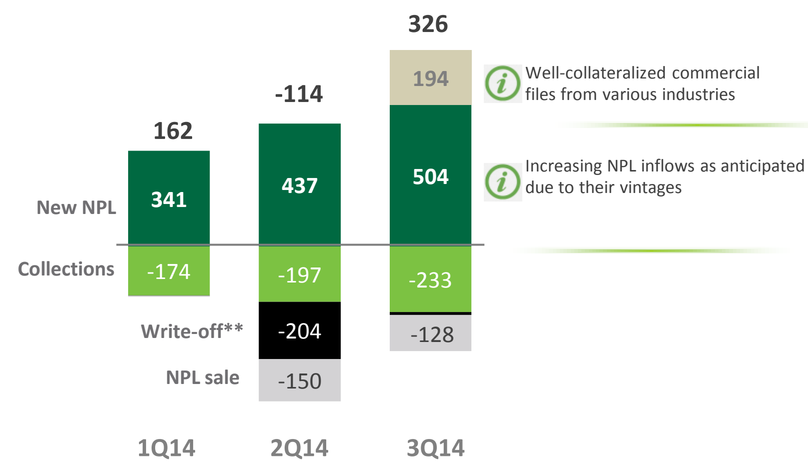
Disciplined & proactive risk management approach reflected as below sector NPL ratios across the board

NPL Ratio[1]

	Global Crisis & Hard Landing		Recovery		Soft Landing	Macro-prudential Measures	
GDP Growth	0.7%	-4.8%	9.2%	8.8%	2.1%	4.0%	
Unemployment Rate[2]	13.1%	12.7%	10.7%	9.2%	9.5%	9.4%	
Garanti (Consolidated)	**2.4%**	**4.1%**	**3.1%**	**2.1%**	**2.6%**	**2.7%**	**2.8%**

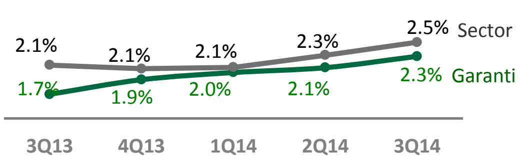


Net Quarterly NPLs (TL billion)

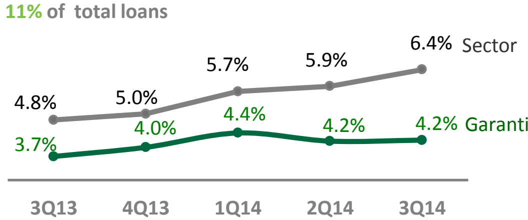


NPL Categorization[1]

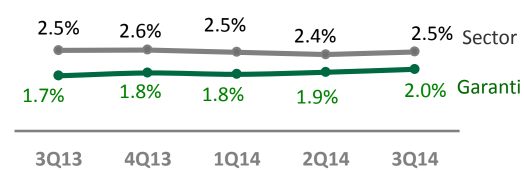
Consumer Banking
(Consumer & SME Personal)
25% of total loans



Credit Cards
11% of total loans



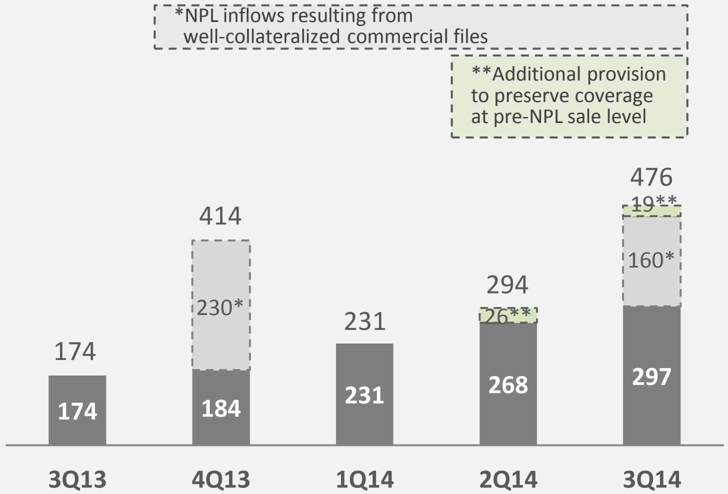
Business Banking
(Including SME Business)
64% of total loans



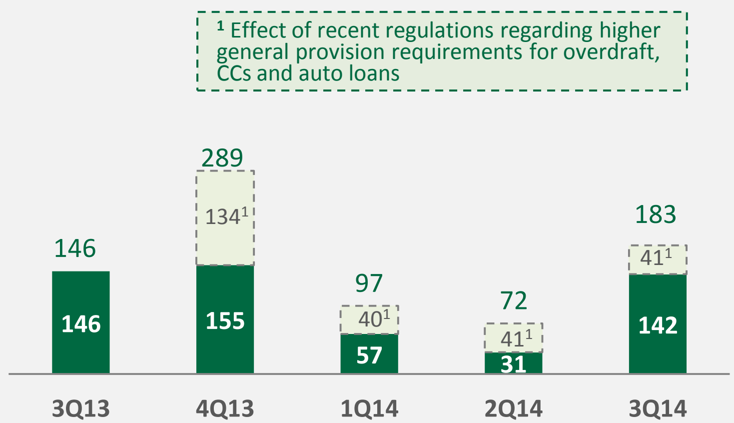
1 NPL ratio and NPL categorisation for Garanti and sector figures are per BRSA bank-only data for fair comparison (Sector figure is as of 03 October 2014)
2 Seasonally adjusted
• Adjusted with write-offs in 2008, 2009, 2010, 2011, 2012, 2013 ,9M14 Source: BRSA, TBA & CBT
** Write-off in 2Q consists of Garantibank Romania's NBR regulation related write-offs

Gross CoR heading towards guided level -- *rise in general provisions due to higher originations in higher provision required areas and currency effect*

Quarterly Specific Provisions (TL million)



Quarterly General Provisions (TL million)



Total Coverage[3] : 143%

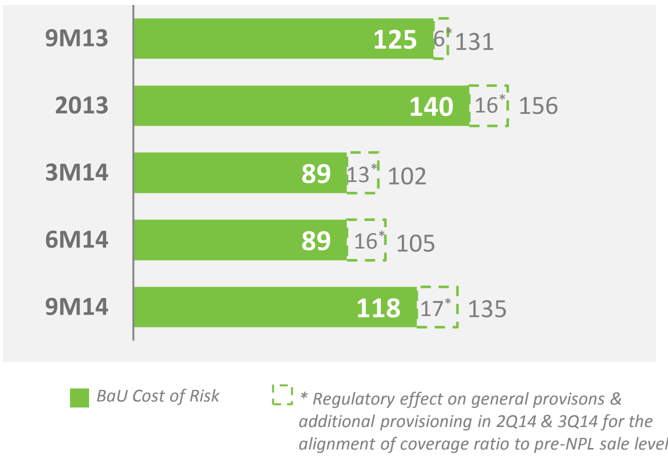
Specific Coverage: 73.5%

per bank-only 81%

vs.

sector's **75%**[2] & OP guidance of **76%**

Cumulative Gross Cost of Risk (bps)



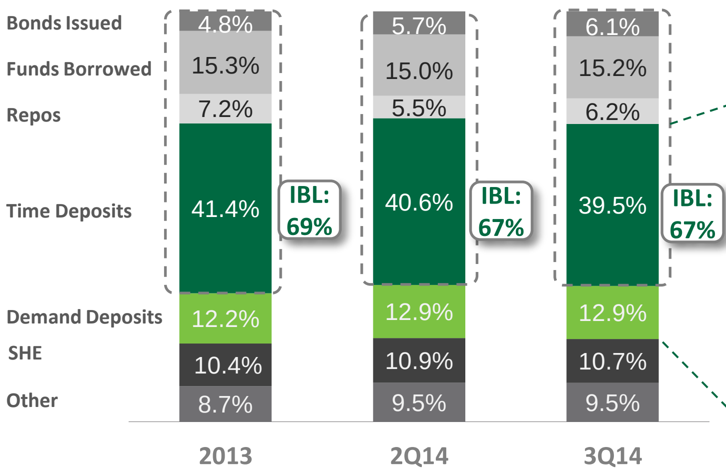
Gross CoR bank-only OP guidance for 2014: 110bps; *assuming specific coverage of 76%*

Provision reversal from SME&Export loans still not reflected to the general provisions

1 Additional general provisioning requirements for credit cards, overdraft and auto loans, which have been included in the «consumer loan definition» in line with the recently introduced regulation by the BRSA, effective as of October 8, 2013 . Accordingly, banks have to set aside at least 25% of the necessary provisioning by the end of FY13, at least 50% by the end of FY14 and 100% by the end of FY15.
2 Sector figures are per BRSA weekly data as of October 03, 2014, commercial banks only
3 Including cumulative specific allowance, general and free provisions. Free provision as of 9M 2014:TL 400mn

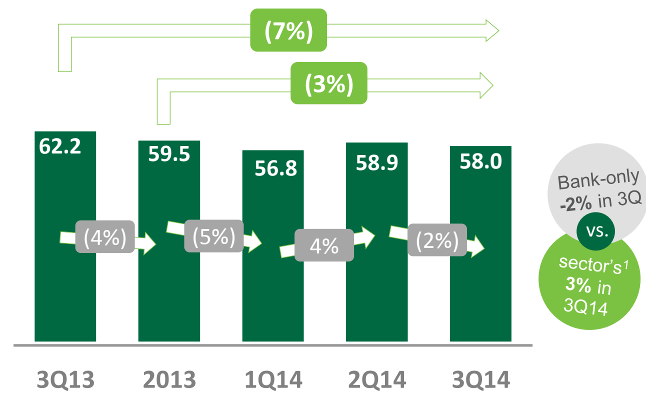
Actively managed funding mix -- deposits backed by alternative funding sources to manage costs & duration gap

Composition of Liabilities

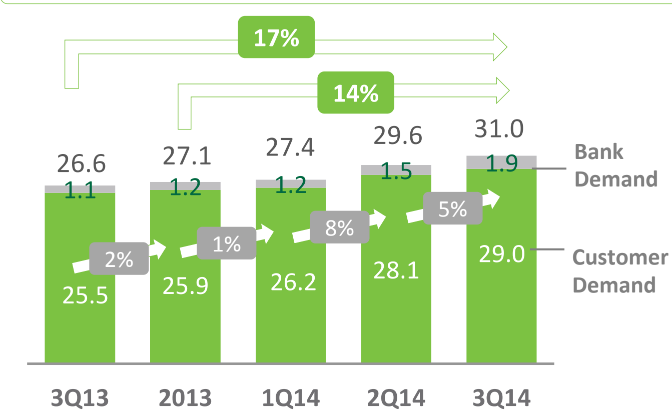


> Refrained from costly TL deposits;
> Opportunistically utilized other funding source;
> Maintained solid demand deposits base

TL Deposits (TL billion)



Demand Deposits (TL billion)

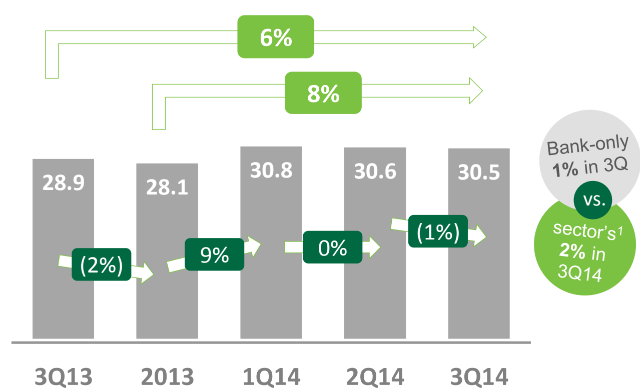


~24% of total deposits

Per bank-only figures ~23%

vs. sector[1] avg. 18%

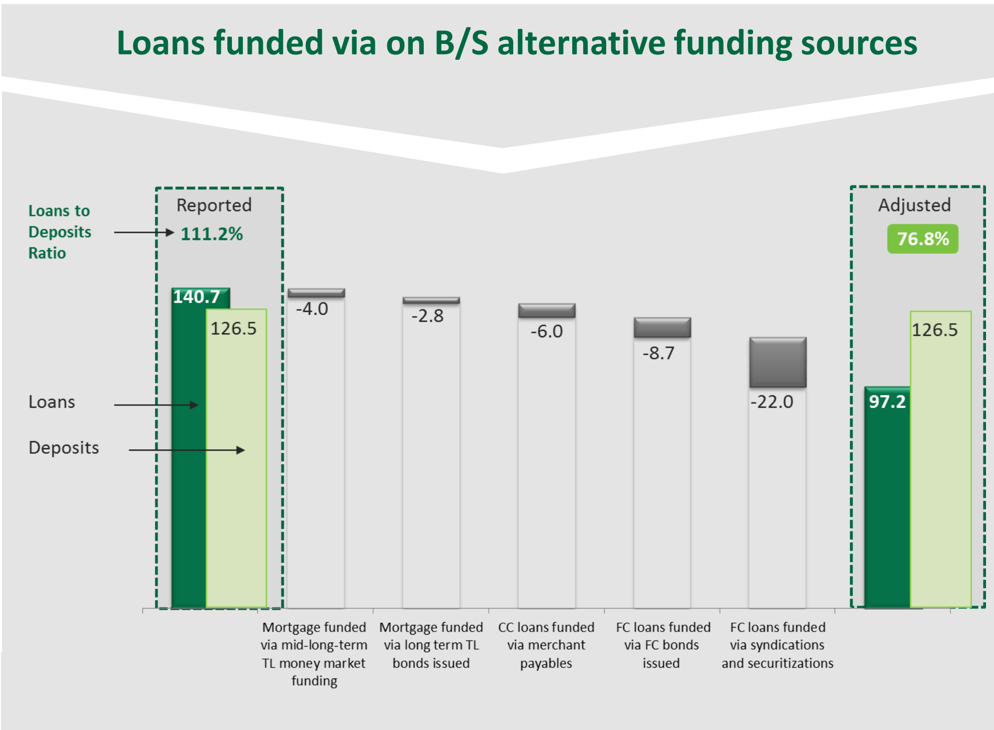
FC Deposits (USD billion)



1 Based on bank-only BRSA weekly data as of Sept.26, commercial banks only

Alternative funding sources continue to support the base

Adjusted LtD ratio (TL Billion)



Comfortable level of LtD ratio: 77% exclud. long term loans funded via other on B/S funding sources

Diversified funding sources:

TL bond
Nominal TL 3.6bn of bonds outstanding

Syndications w/100% roll-over ratio
Apr'14: EUR 1.1bn with a maturity of 1-yr at Euribor+0.90%

Issuances under GMTN program
~USD 1bn outstanding with an avg. maturity of 2.4 yrs*
Sector leader in GMTN issuances with 29% market share*

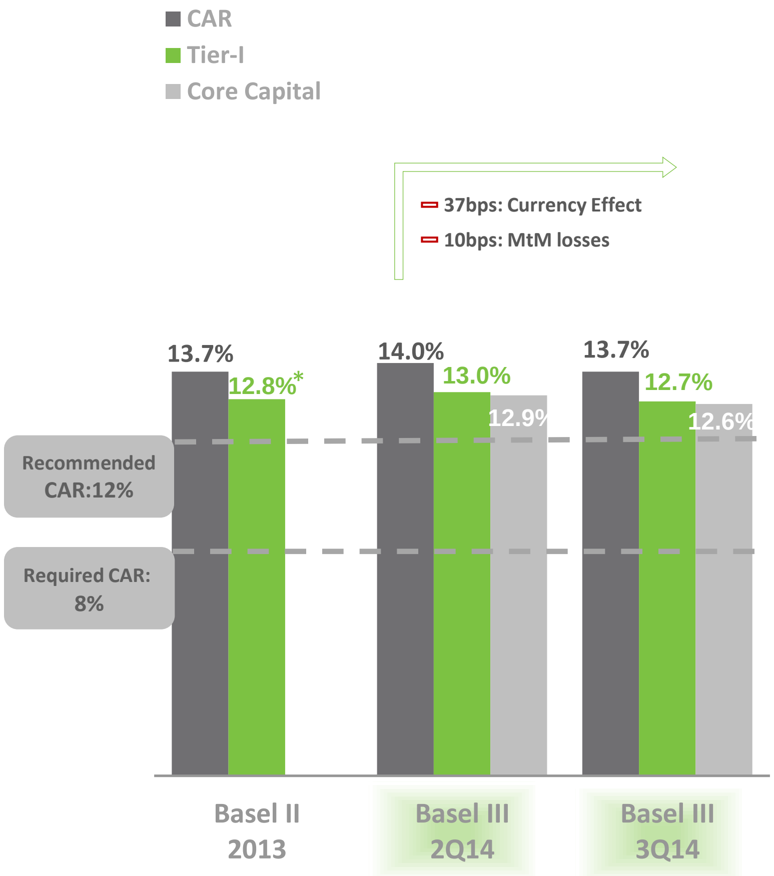
Securitizations
USD 1.1bn with a maturity of 21 years in 4Q13
USD 550mn with a maturity of 20 years in 1Q14
USD 500mn with a maturity of 5 years in 2Q14

Eurobond issuances
July'14: EUR 500mn Eurobond issuance with coupon rate of 3.375%, yielding % 3.5
Apr'14: USD 750mn Eurobond issuance with coupon rate of 4.75%, yielding % 4.8

*As of September 2014, calculation based on total program issuance amount. Market share figure is based on total issuances

Capital strength supports long-term sustainable growth

CAR & Tier I ratio



Highest Tier-I ratio[1] among peers

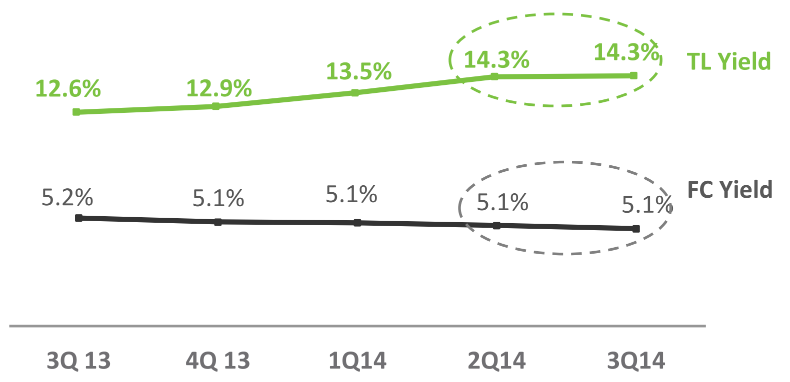
Tier-I capital:
~93% of total capital vs. sector's 85%

Leverage 8.4x

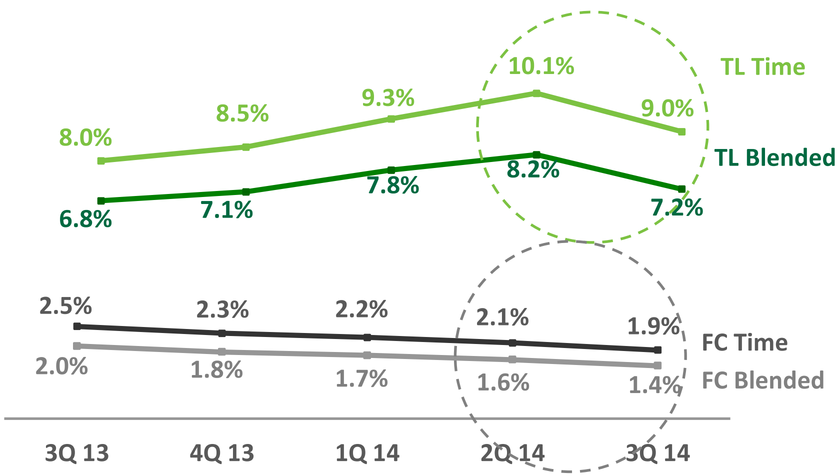
* In-line with Basel III implementation starting January 2014, Tier-I capital calculation methodology has been revised.
As a result, 2013 YE Tier-I ratio is not comparable with 2014 Tier-I ratios
1 As of June 2014, based on bank-only data

Spread expansion for the fourth consecutive quarter

Loan Yields[1] (Quarterly Averages)



Deposit Costs[1] (Quarterly Averages)



+70 bps increase in LtD spread

Disciplined loan pricings

- **TL loan yields**: +5bps QoQ
- **FC loan yields** : flat QoQ

Easing deposit costs

> *Effect of lower deposit pricings in 2Q14 was more visible in 3Q avg. deposit costs*

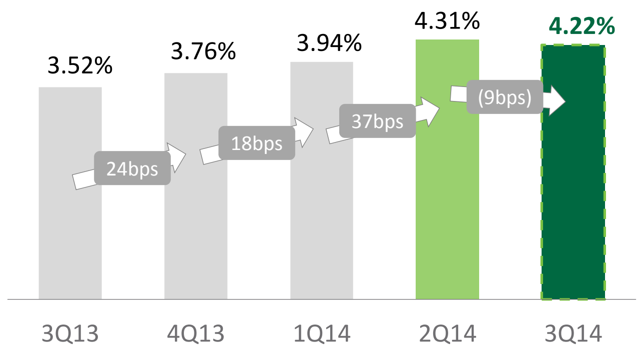
- **TL Time deposit costs**: -120 bps QoQ
- **FC Time deposit costs**: -20 bps QoQ

> *New deposit pricings continued to come down in 3Q14*

1 Based on bank-only MIS data and calculated using daily averages

Core banking margin on the rise, yet temporarily pressured by CPI linker income volatility

Quarterly NIM

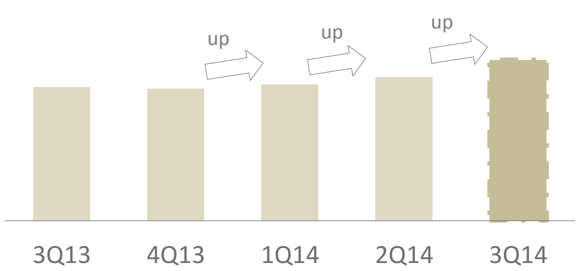


Core banking margin was **up by ~45bps** QoQ.

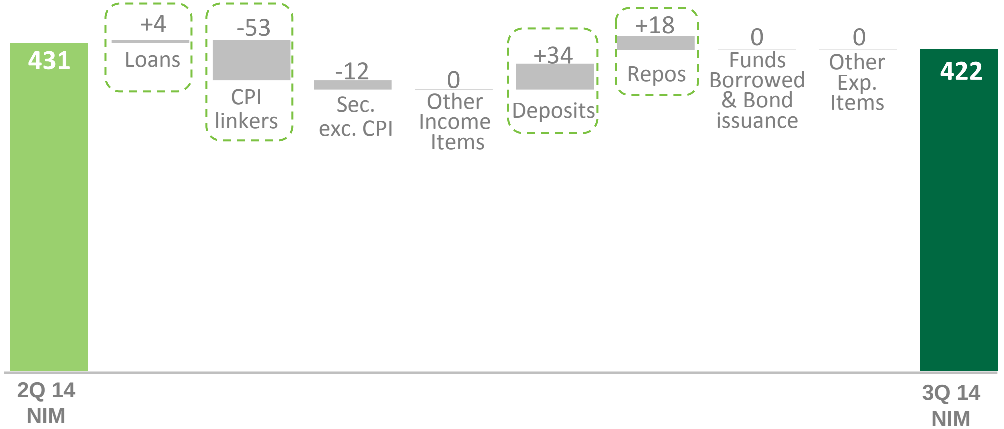
Yet, **lower quarterly CPI linker income** pressured NIM

Quarterly NIM_Excluding CPI linkers' volatility*

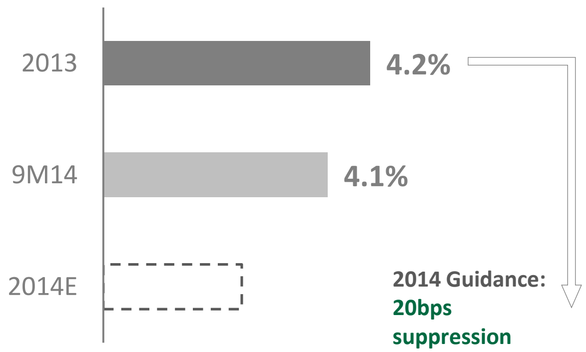
* Assuming 3Q13 CPI linker income was persistent over the next consecutive four quarters



3Q14 vs. 2Q14 Margin Evolution(in bps)

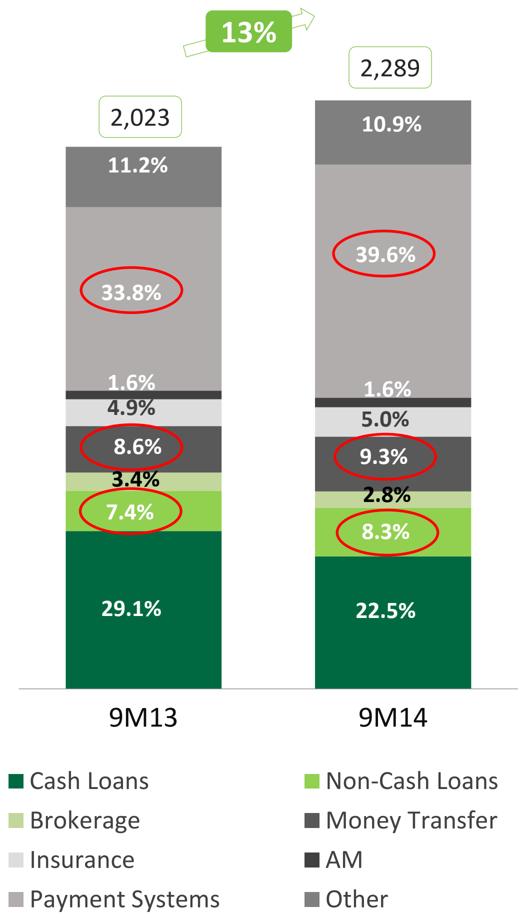


Cumulative Margin



Clear differentiation in Net Fees & Commissions

Net Fees & Commissions Breakdown[1]



- **Highest Net F&C market share: ~16%***

- **Diversified fee base supports double digit growth momentum:**
  - Payment systems – mainly driven by the strength in acquiring business
  - Non-cash loan fees
  - Money transfer fees -- *introduced fees on new channels, reaping the benefits of leadership in digital banking*
  - Insurance -- *pension participants market share: 18%* **#1**
    -- #1 in bancassurance
  - Effective utilization of digital channels
    -- Digital channels increasingly contribute to Net F&C base

15%[1] as of July'14 vs. **12%** as of July'13

- **Strong quarterly fee performance** also backed with the timing of account maintenance fees

1 «Net Fees and Commissions breakdown» and «fee income from digital channels» are based on bank-only MIS data
*As of June 2014, based on bank-only data. Sector figure is based on BRSA monthly data for commercial banks.

Full year OPEX growth will converge to initially guided level by year-end

Operating Expenses (TL million)

	9M13	9M14	∆ YoY
OPEX (reported)	3,513	3,934	12%
- Competition Board Fine	*-160*	*0*	
- Tax penalty expense	*-24*	*0*	
- Commission reimbursement incl. related litigation expenses	*0*	*-95*	
Comparable OPEX	3,329	3,839	15%

> Fee/OPEX*: **60%**

> Cost /Income: **49%***

> OPEX* / Avg. Assets: **2.2%**

998 branches in total

+21 net branch additions YoY

100% Geographical coverage

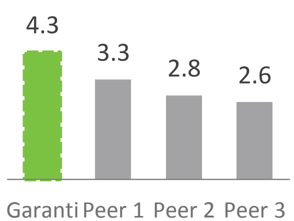
Successive and targeted investments in **digital platforms**

Enabling highest per branch efficiencies

#1

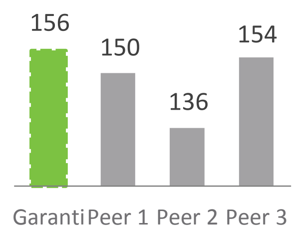
Ordinary Banking Income per Avg. Branch**

2Q14 - TL million



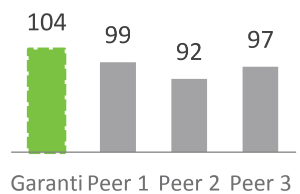
Loans[1] per Avg. Branch**

2Q14 - TL million



Customer Deposits per Avg. Branch**

2Q14 - TL million



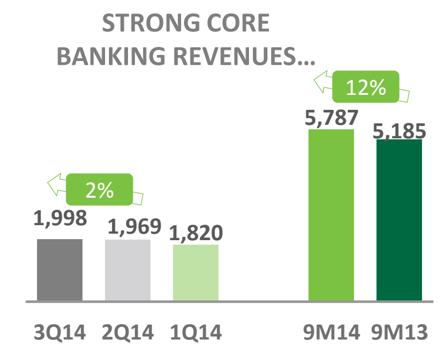
* OPEX and Income figures are on a comparable basis.

**Figures are per bank-only financials for fair comparison

1 Total Loans=Cash+non-cash loans

Solid business model assures recurring strong results

(TL Million)	3Q 14	2Q 14	∆QoQ	9M 14	9M 13	∆YoY
(+) NII- excl. income on CPI linkers	1,814	1,503	21%	4,682	4,199	12%
(+) Net fees and comm.	782	765	2%	2,289	2,023	13%
(-) Specific Prov. - excluding coverage ratio related extra prov.	-457	-268	71%	-956	-602	59%
(-) General Prov. - excluding regulatory effects	-141	-31	353%	-228	-435	-48%
= CORE BANKING REVENUES	**1,998**	**1,969**	**2%**	**5,787**	**5,185**	**12%**
(+) Income on CPI linkers	290	553	-48%	1,307	1,217	7%
(+) Collections	95	68	38%	264	167	58%
(+) Trading & FX gains	68	-84	n.m.	66	339	-80%
(+) Dividend income	0	2	n.m.	2	10	-80%
(+) Other income -before one-offs	175	167	4%	493	371	33%
(-) OPEX - on a comparable basis	-1,340	-1,259	6%	-3,839	-3,329	15%
(-) Other provisions & Taxation -before one-offs	-301	-317	-5%	-938	-956	-2%
(+) Regulatory & Non-recurring items	5	-124	n.m.	-280	-174	n.m.
(-) Commission reimbursement related expenses (OPEX)	*-42*	*-33*	*n.m.*	*-95*	*0*	*n.m.*
(-) Free Provision	*0*	*-50*	*n.m.*	*-150*	*0*	*n.m.*
(+) Free Provision reversal	*85*	*0*	*n.m.*	*85*	*60*	*n.m.*
(-) Higher general prov. req. for cons. loans	*-41*	*-41*	*n.m.*	*-123*	*0*	*n.m.*
(+) Income from NPL sale	*19*	*20*	*n.m.*	*39*	*35*	*n.m.*
(-)Add. Prov. to lift coverage ratio to pre-NPL sale level	*-15*	*-21*	*n.m.*	*-36*	*-35*	*n.m.*
(-) Tax Penalty payment (OPEX)	*0*	*0*	*n.m.*	*0*	*-24*	*n.m.*
(-) Competition board fine payment (OPEX)	*0*	*0*	*n.m.*	*0*	*-160*	*n.m.*
(-) Provision for various tax penalties	*0*	*0*	*n.m.*	*0*	*-50*	*n.m.*
= NET INCOME	**991**	**975**	**2%**	**2,862**	**2,829**	**1%**



9M14 ROAE 16%

9M14 ROAA 1.7%

Appendix

Information about financial subsidiaries

	Sector Positioning	Asset Contribution	Net Income Contribution	ROAE*** (Cum.)	P/L Highlights
GarantiBank International N.V.	> Established in 1990 > Global Boutique bank: offers services in trade finance, private banking, structured finance, corporate and commercial banking. > Well-capitalized with 17.9% CAR (Local) > Sound asset quality with 3.6% NPL Ratio (local)	5.2%	5.3%	14.2%	> Strong core activity results
Garanti Pension Company	> Most Preferred pension company with 18% market share in number of participants > #3 in pension fund size (TL 5.0bn) > Most Profitable company** in the sector	2.8%	4.7%	22.8%	> Improving technical income from life & insurance business > Decrease in OPEX due to timing
GarantiBank Romania	> Full-fledged banking operations since May 2010 > 12th bank in Romania* > 98% geographic coverage w/ 80 branches & 295 ATMs > Well-capitalized with 13.8% CAR (Local) > NPL Ratio (local):13.2% vs. sector's 17.2% as of 31 August 2014 > NPL Ratio (local):13.5%	2.3%	2.0%	11.8%	> Higher trading income > Lower OPEX partially offset the negative effect coming from additional provisions
Garanti Leasing	> #1 in number of contracts for the 9 consecutive year-ends > US$668mn Business Volume as of 3Q14	1.6%	2.5%	15.4%	> Improving margin performance more than offset additional provisioning coming from big-ticket items
Garanti Factoring	> First in the sector with TL7.7bn business volume (as of 30 June 2014) > Publicly traded with a free-float of 8.38% > 21 branches in 14 cities	1.0%	0.6%	16.7%	> Better margins due to actively managed funding costs > Lower OPEX
GarantiBank Moscow	> Established in 1996, active in corporate & commercial banking > Serves Russian firms from various sectors, major Turkish companies as well as Spanish companies active in the Russian market > Well-capitalized with 16.9% CAR (Local) > Sound asset quality with 2.7% NPL Ratio (coming from 2008 crisis)	0.4%	0.4%	7.4%	> Higher funding cost and decreasing volumes due to unfavourable macro conditions arising especially from Ukraine related issues.
Garanti Securities	> Strong presence in capital markets with 7.1% brokerage market share	0.0%	0.2%	8.0%	> Growing commission income base backed by corporate finance revenues
Garanti Asset Management	> Turkey's first asset management company with TL 9.7bn AUM	0.0%	0.3%	49.2%	> Higher commission income resulting from pension business

* Based on Asset size, data is as of December 2013
** As of 31.12.2013
*** Calculated as per annualized profits and average of quarter-end equities
Note: Garanti Romania figures are consolidated

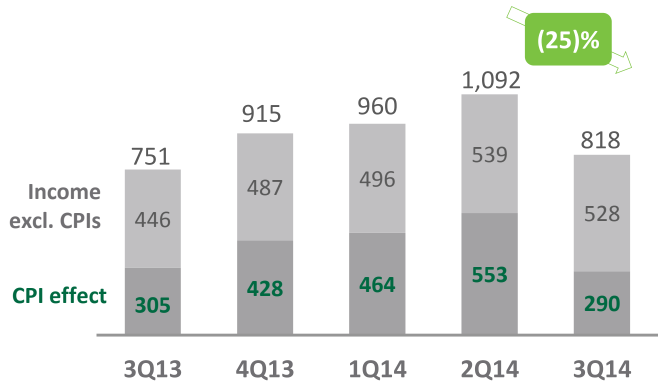
Balance Sheet - Summary

	(TL million)	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	YTD Change
Assets	Cash &Banks[1]	17,244	17,056	15,913	14,673	16,029	-6%
	Reserve Requirements	17,964	18,911	18,082	19,491	19,827	5%
	Securities	38,328	39,076	41,958	42,830	44,388	14%
	Performing Loans	121,886	127,964	131,052	133,042	140,653	10%
	Fixed Assets & Subsidiaries	1,717	1,956	1,926	1,942	1,933	-1%
	Other	14,292	16,520	16,469	17,281	17,941	9%
	TOTAL ASSETS	**211,431**	**221,482**	**225,399**	**229,259**	**240,771**	**9%**
Liabilities&SHE	Deposits	119,768	119,209	121,835	123,164	126,543	6%
	Repos & Interbank	12,743	16,008	15,870	12,568	14,932	-7%
	Bonds Issued	10,221	10,791	11,146	13,215	14,904	38%
	Funds Borrowed[2]	28,712	34,133	33,611	34,836	36,974	8%
	Other	17,410	18,325	19,052	20,555	21,681	18%
	SHE	22,578	23,016	23,886	24,921	25,737	12%
	TOTAL LIABILITIES & SHE	**211,431**	**221,482**	**225,399**	**229,259**	**240,771**	**9%**

1 Includes banks, interbank, other financial institutions
2 Includes funds borrowed and sub-debt

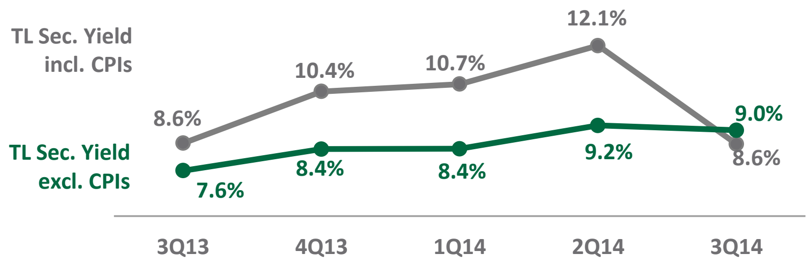
Yields on securities portfolio

Interest Income on Total Securities (TL billion)

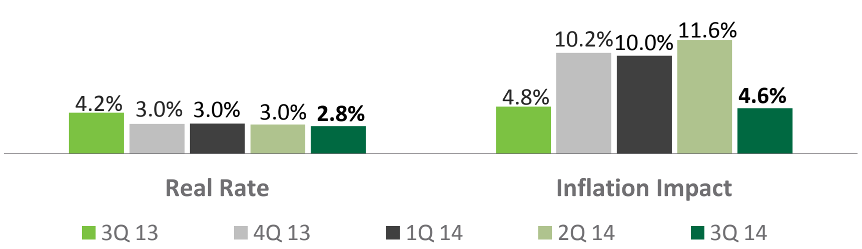


Yields on Securities

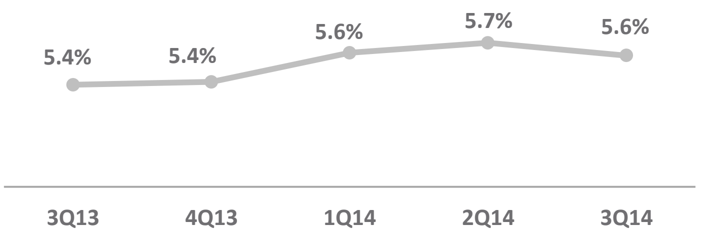
TL Securities*



Drivers of the Yields* on CPI Linkers (% average per annum)



FC Securities*



* Based on bank-only MIS data

Key financial ratios

	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14
Profitability ratios					
ROAE	17.3%	14.9%	18.1%	17.0%	16.1%
ROAA	2.0%	1.7%	2.0%	1.8%	1.7%
Cost/Income (adjusted for non-recurring items)	45.7%	49.4%	47.4%	47.2%	48.5%
NIM (Quarterly)	3.5%	3.8%	3.9%	4.3%	4.2%
Adjusted NIM (Quarterly)	2.9%	2.3%	3.4%	3.4%	3.0%
Liquidity ratios					
Loans/Deposits adj. with merchant payables[1]	97.8%	103.1%	103.5%	103.3%	106.0%
Loans/Deposits adj. with on-balance sheet alternative funding sources[2]	76.7%	76.7%	78.5%	76.4%	76.8%
Asset quality ratios					
NPL Ratio	2.4%	2.7%	2.8%	2.7%	2.8%
Coverage	78.7%	74.4%	74.7%	72.9%	73.5%
Gross Cost of Risk (Cumulative-bps)	131	156	102	105	135
Solvency ratios					
CAR	14.8%	13.7%	13.5%	14.0%	13.7%
Tier I Ratio	13.8%	12.8%	12.5%	13.0%	12.7%
Leverage	8.4x	8.6x	8.4x	8.2x	8.4x

1 Payables from credit card transactions. Please refer to footnote 5.2.4.3 miscellaneous payables as per BRSA Consolidated financial report
2 Please refer to slide 12 for details

Investor Relations
Levent Nispetiye Mah. Aytar Cad. No:2
Beşiktaş 34340 Istanbul – Turkey
Email: investorrelations@garanti.com.tr
Tel: +90 (212) 318 2352
Fax: +90 (212) 216 5902
Internet: www.garantiinvestorrelations.com

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