



2016

Earnings

Presentation

BRSA Consolidated Financials

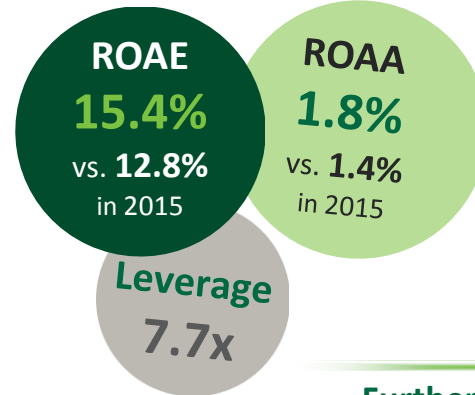
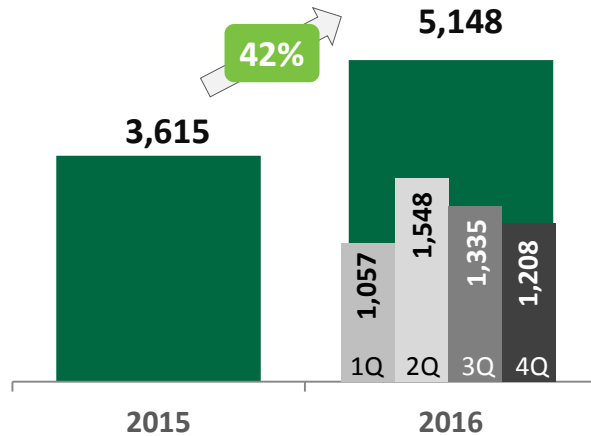
31 December 2016

CLEAR BEAT...

	GUIDANCE	RESULTS	
Total Loan Growth	~12%	17%	Beat
+ TL Loan	~15%	18%	Beat
+ FC Loan (in US\$)	~3%	-4%	Lower
NPL Ratio	3.1-3.4%	2.8% (Cons.: 3.0%)	Beat
Cum. Net Cost of Risk	90-115bps	109bps (Cons.: 124bps)	In-line
Cum. NIM including swap costs	Slightly up vs. 2015	+30bps	Beat
Fee Growth (YoY)	10%	10%	In-line
OPEX Growth (YoY)	~CPI	6%	Beat
Cost/Income	>3.5pp improvement	7pp improvement	Beat
ROAE	~14-15%	15.3% (Cons.: 15.4%)	Beat
ROAA	~1.7-1.8%	1.9% (Cons.: 1.8%)	Beat

RECORD HIGH PROFIT

Net Income
(TL million)



Further strengthened solvency

CAR:


14.7%

vs. 13.5% in 2015

TL 300mn free provisions
remain as buffer

Note: Leverage defined as Liabilities/SHE

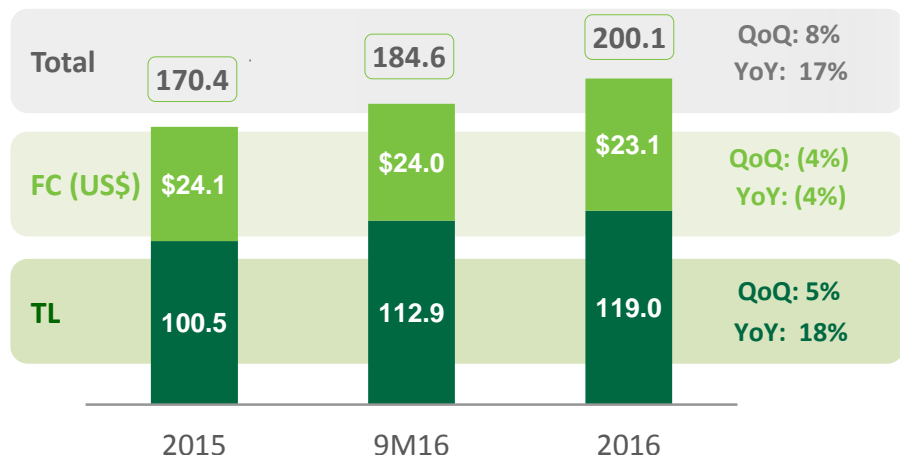
CORE OPERATING INCOME, ONCE AGAIN, DEFINED THE SOLID RESULTS



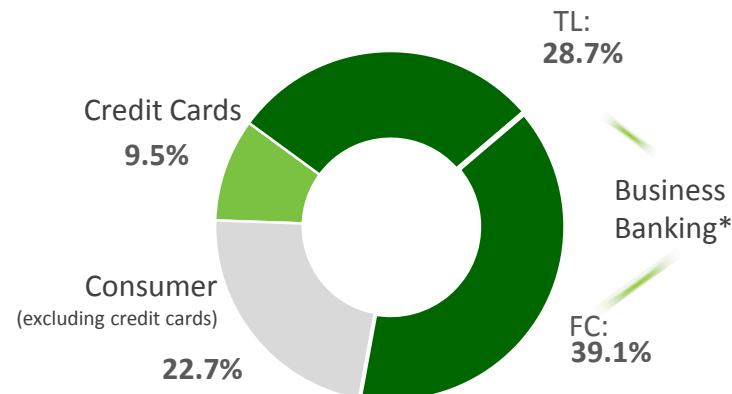
<i>TL Million</i>	12M 15	12M 16	ΔYoY
(+) NII excl. income on CPI linkers & inc. Swap costs	7,909	9,686	22%
<i>(+) NII excld. inc. on CPI linkers</i>	8,783	10,657	21%
<i>(-) Swap Cost</i>	-874	-971	11%
(+) Net Fees & Comm.	2,965	3,276	10%
(-) Specific + General provisions net of collections	-1,924	-2,144	11%
<i>(-) Specific Provisions</i>	-1,862	-2,717	46%
<i>(-) General Provisions</i>	-598	-213	-64%
<i>(+) Collections</i>	536	656	22%
<i>(+) Free prov. reversal assigned to shipping file</i>	0	130	n.m.
(-) OPEX	-6,605	-7,032	6%
= CORE OPERATING INCOME	2,344	3,785	61%

UNINTERRUPTED LENDING GROWTH WITH SUSTAINED FOCUS ON PROFITABILITY

Total Loans¹ (TL, US\$ billion)
64% of Total Assets



Total Loans¹ Breakdown



- **Across the board growth in TL loans** while maintaining disciplined pricing
 - **Sustained leadership** in Consumer Loans, Mortgages, Auto Loans, Credit Cards² Issuing & Acquiring Volumes
 - **Above-sector growth in TL business banking loans**
25% YoY vs. sector's 14%
- **Shrinkage in FC loans** due to redemptions & weak demand for private investments

	QoQ	YoY
Consumer Loans (excl. CCs)	4%	15%
Credit Cards (CCs)	2%	11%
TL Business Banking	8%	25%
FC Business Banking	(4%)	(4%)

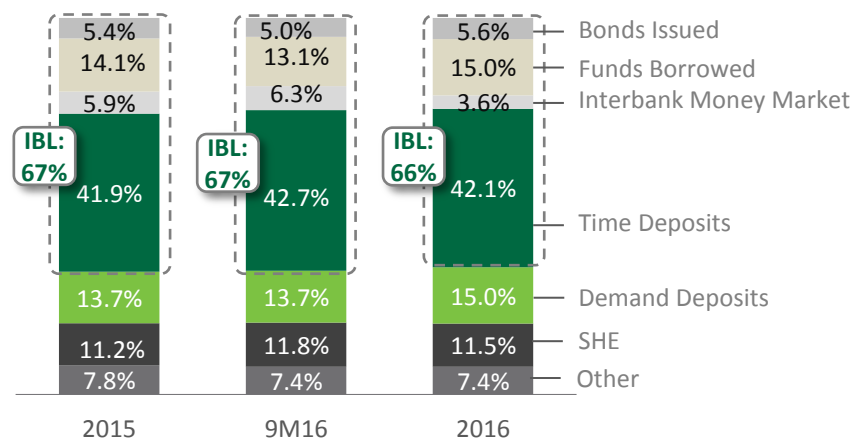
¹ Performing cash loans

² Per Interbank Card Center data as of December 31, 2016

* Business banking loans represent total loans excluding credit cards and consumer loans

SOLID FUNDING MIX REIGNED BY DEPOSITS & REINFORCED WITH DIVERSIFIED FUNDING SOURCES

Composition of Liabilities

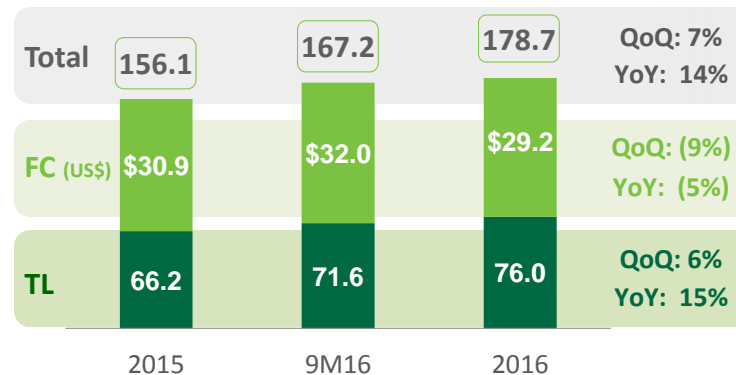


Opportunistic utilization of alternative funding

- **CBRT depo facility** @upper band of interest rate corridor
TL6bn on average in 4Q16 vs. **TL9bn** in 3Q16
- **Swap utilization**
TL8.4bn on average in 4Q16 vs. **TL8.7bn** in 3Q16
- **100% syndication roll-over** in 4Q16
- **DPR Securitization:** \$310mn & €50mn with 5-yrs maturity
- **MtN issuance:** TL200mn with 5-yrs maturity

Total Deposits

(TL, US\$ billion)



Deposit growth focused on sticky & low-cost deposit

SME & Retail deposits' share in TL Deposits

82%¹

Maintained high share of demand deposits

Demand Deposits' share in Total Deposits

increased from 24% to **26%** QoQ

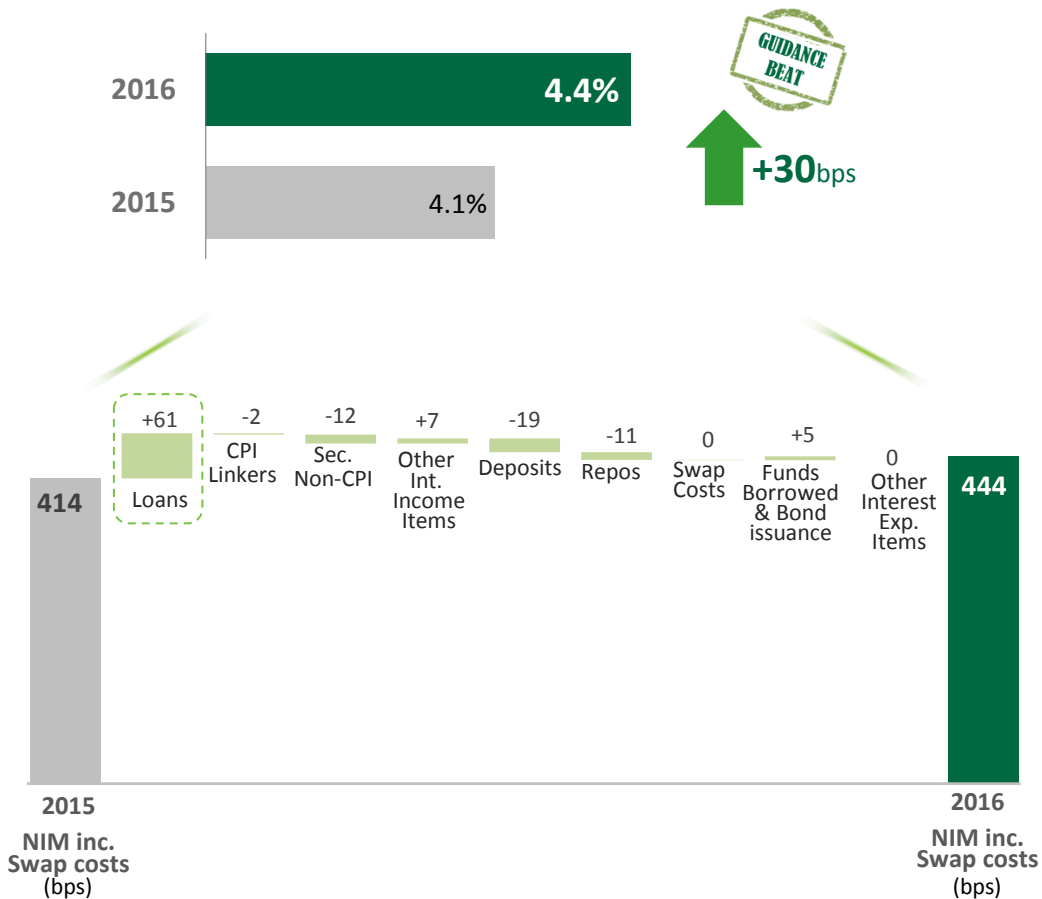
vs. sector's 20%²

Historically Highest

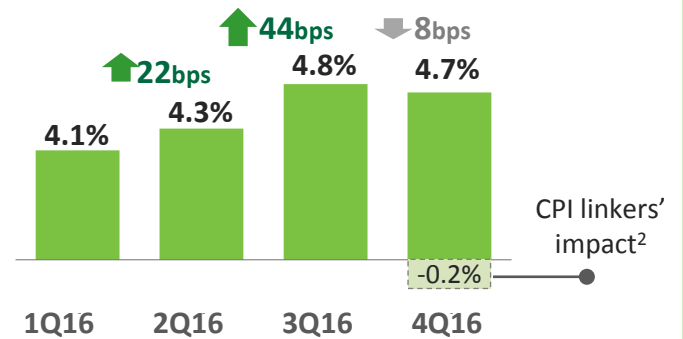
1 Based on bank-only MIS data.
2 Sector data is based on BRSa weekly bank-only data as of December 30, 2016, commercial banks only.

SIGNIFICANT NIM EXPANSION YoY BACKED BY DYNAMIC ASSET-LIABILITY MANAGEMENT

Annual NIM including swap costs¹



Quarterly NIM including swap costs¹



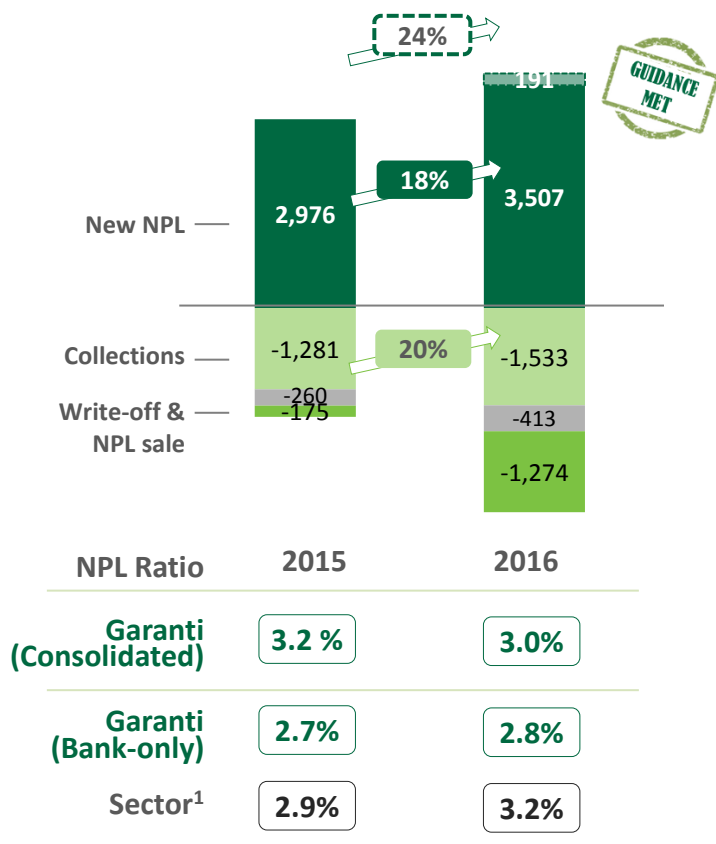
Quarterly NIM shrinkage
solely due to CPI linker
income adjustment

1 NIM includes swap costs of TL266mn in 1Q, TL374mn in 2Q, TL178mn in 3Q, TL153mn in 4Q.

2 CPI linkers' income adjusted with the realized Oct-Oct CPI reading of 7.2% (vs. expected inflation of 8%) in 4Q

PROACTIVE & CONSISTENT APPROACH IN RISK MANAGEMENT ASSURES SOUND ASSET QUALITY

NPL Evolution



Quarterly NPL Evolution (TL million)

TL Million	2015	1Q 16	2Q 16	3Q 16	4Q 16	2016
New NPL inflow		734	993	1,044	927	
+ New NPL inflow (Comparable)		585	663	853	927	
- Files as guided in the budget		149	330	0	0	
- Several files outside of the budget		0	0	191	0	
Collections		-317	-356	-364	-496	
Write-off & NPL sale		-354	-598	-206	-529	
Net NPL		63	40	474	-98	
Ending NPL Balance	5,646					6,124

Total Coverage Ratio
(Specific prov. + General prov.)
131%

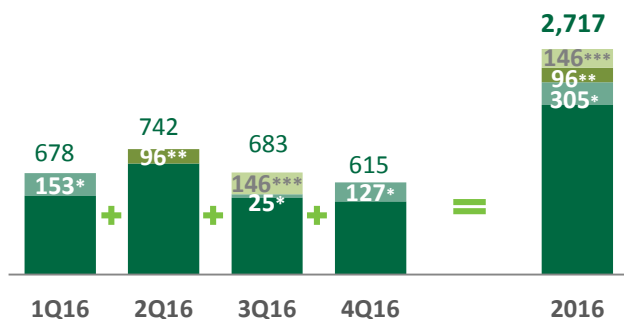
TL 300mn Free Provisions
remain as buffer
against
volatility

1 Sector figures are per BRSA bank-only weekly data

COMFORTABLE PROVISIONING

Specific Provisions

(TL million)



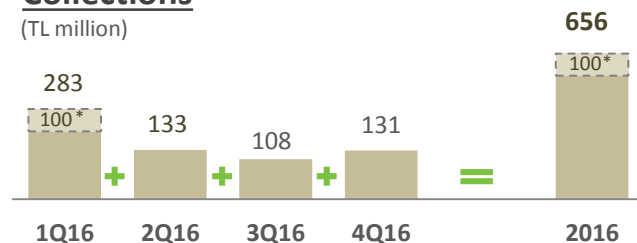
* Effect of collateral re-assessment

** Provisions imposed by NBR to Romanian banking sector

*** Several files, outside of the budget

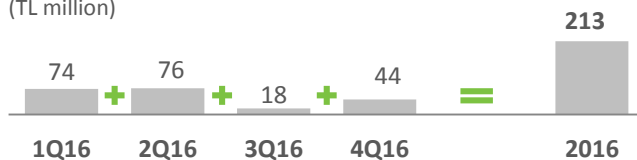
Collections

(TL million)



General Provision

(TL million)



2016 Net Provisioning Evolution

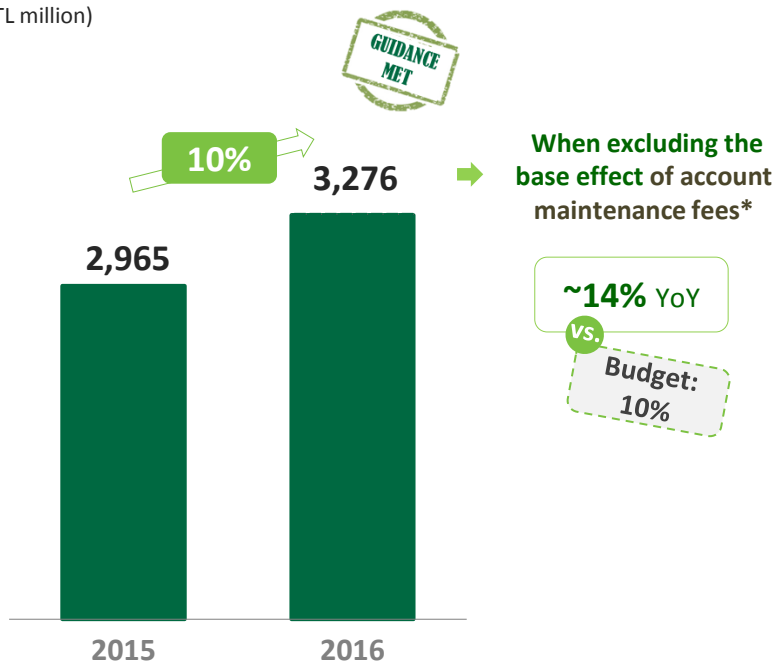
	Provisioning (TL mn)	Consolidated Cost of Risk (bps)	Bank-Only Cost of Risk (bps)
Specific	2,717	148bps	139bps
Collection	656	36bps	39bps
Net Specific	2,061	112bps	101bps
General	213	12bps	10bps
Net Total	2,274	124bps	110bps



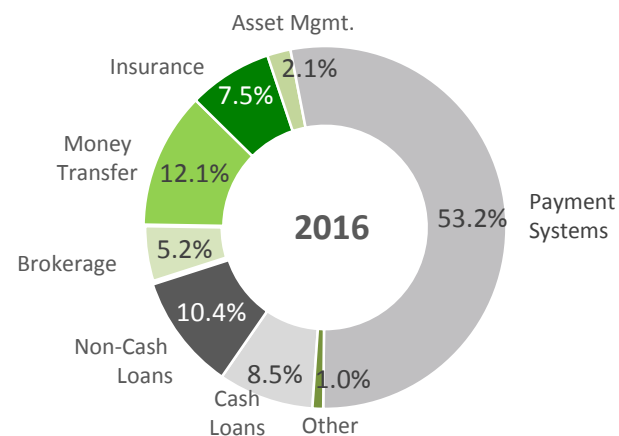
FEE GROWTH MOMENTUM REFLECTS SUSTAINABLE BUSINESS MODEL

Net Fees & Commissions¹

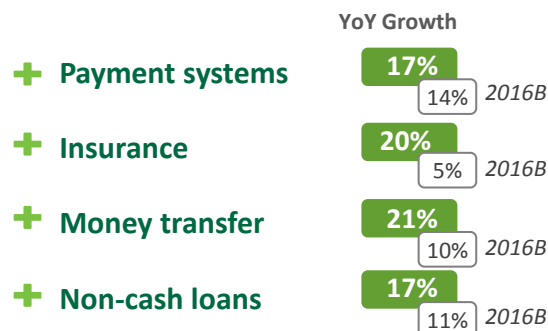
(TL million)



Net Fees & Commissions Breakdown



Above budget performance in diversified fee areas¹



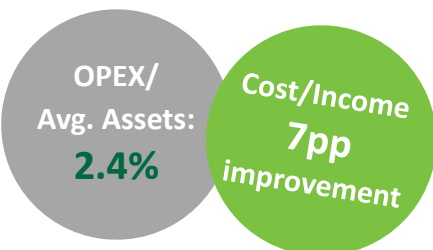
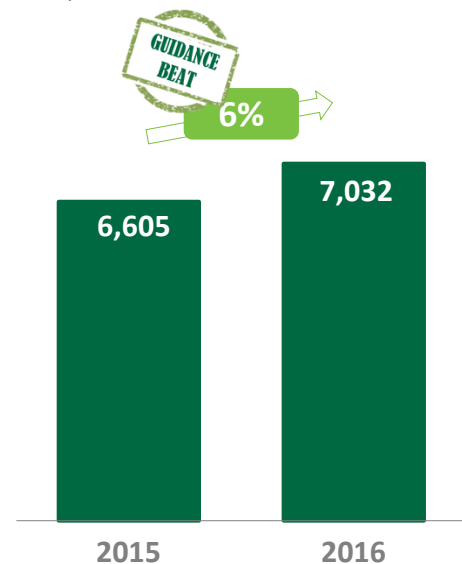
¹ Based on MIS data

*Account maintenance fees, which typically hit 1Q & 3Q, are suspended in Feb 16. Court case still pending. Brokerage Fees' distribution percentages changed from 75% to 20%. The application started in October 2015, therefore 2015 fee base was inflated vs. 2016

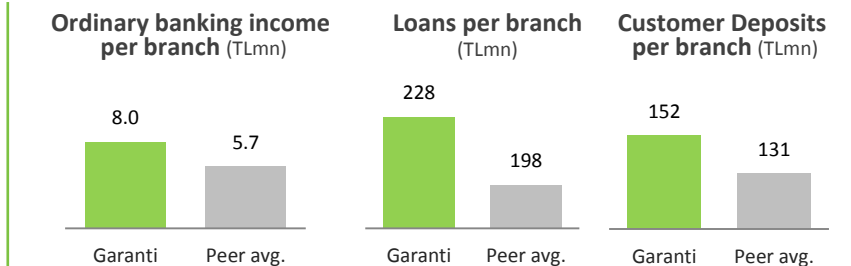
DISCIPLINED COST MANAGEMENT & INCREASED EFFICIENCIES

Operating Expenses

(TL million)



> Highest per branch efficiencies*:



> Value creation through digital :

- Managing the **largest digital customer base** in Turkey: **4.9 million**; 22% up YoY
- Profitability per digital customer **~30% higher** than traditional branch customers
- Branches with >65% digital penetration have **40% higher operational service quality & efficiency**

* As of September 2016, based on bank-only financials

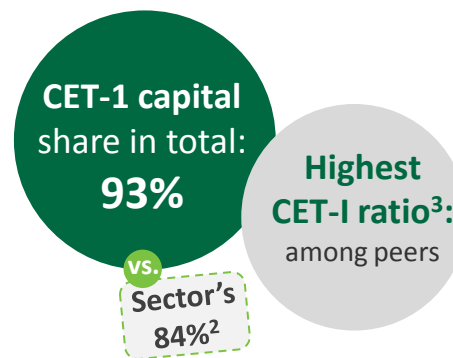
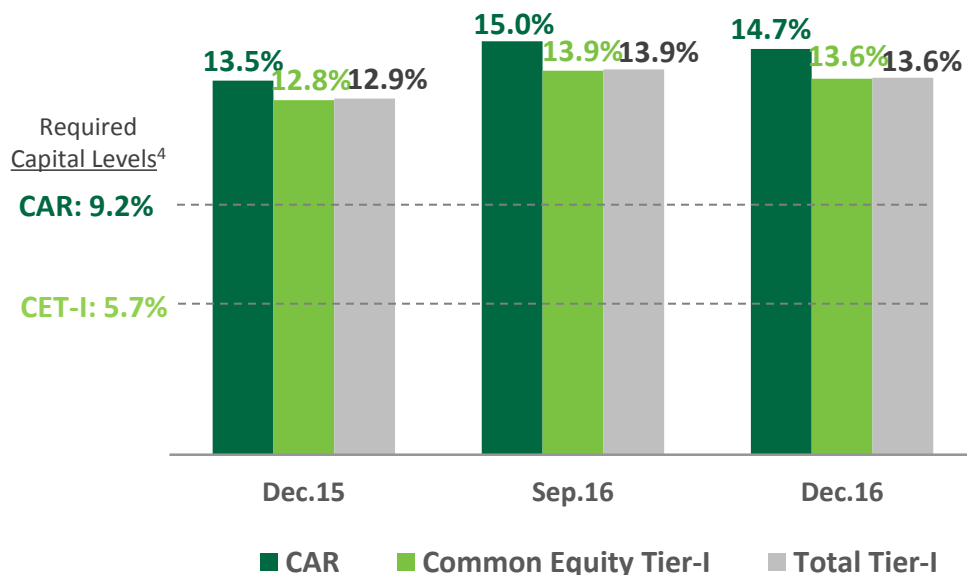
FURTHER STRENGTHENED SOLVENCY

Capital Adequacy Ratios

Dividend Payment: **- 23 bps** YtD
 Regulation Impact¹: **+ 42 bps** YtD
 Currency Impact: **- 105 bps** YtD
 MtM Difference: **- 11 bps** YtD

Capital generative growth
 absorbing adverse effects
 on capital

- CAR: **↑ 115bps** YtD
- CET1: **↑ 77bps** YtD



¹ New capital regulations on free reserves, FCRR, unsecured loan and mortgage risk weightings, effective as of 1Q, impact as of 1Q. Chg in SME & Retail definition, impact as 4Q. ² BRSR monthly data as of Nov16 commercial banks only
³ Among peers as of Sep16. Required Consolidated CAR (9.158%) = 8.0% + SIFI Buffer for Group 3 (0.5%) + Capital Conservation Buffer (0.625%) + Counter Cyclical Buffer (0.033%) Required Consolidated CET-I (5.658%) = 4.5% + SIFI Buffer for Group 3 (0.5%) + Capital Conservation Buffer (0.625%) + Counter Cyclical Buffer (0.033%)

APPENDIX

Pg. 14	Summary Balance Sheet
Pg. 15	Composition of Assets and Liabilities
Pg. 16	Securities Portfolio
Pg. 17	Retail Loans
Pg. 18	Non-recurring Items & Normalized Net Income
Pg. 19	Summary P&L
Pg. 20	Key Financial Ratios

SUMMARY BALANCE SHEET

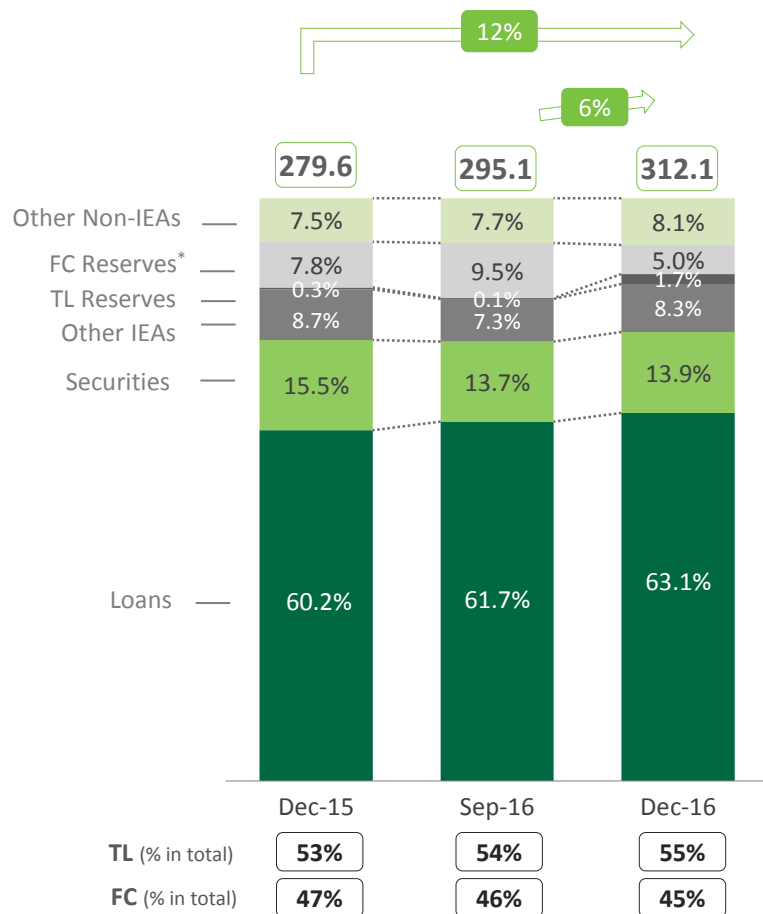
<i>(TL million)</i>	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	YoY Change
Cash & Banks ¹	20,387	24,826	22,324	20,639	20,340	0%
Reserve Requirements	21,286	21,178	18,888	24,879	20,866	-2%
Securities	46,495	45,781	44,767	44,710	47,285	2%
Performing Loans	170,408	176,229	180,233	184,633	200,076	17%
Fixed Assets, Affiliates & Associates	4,126	4,162	4,190	4,494	4,705	14%
Other	16,944	17,877	16,846	15,776	18,850	11%
TOTAL ASSETS	279,647	290,054	287,248	295,130	312,122	12%
Deposits	156,134	164,567	170,623	167,160	178,690	14%
Repos & Interbank	16,568	17,741	7,566	18,678	11,230	-32%
Bonds Issued	15,512	16,282	15,897	15,027	17,746	14%
Funds Borrowed ²	39,520	36,656	37,696	38,702	46,582	18%
Other	20,710	22,932	22,165	20,838	22,079	7%
SHE	31,204	31,876	33,301	34,725	35,796	15%
TOTAL LIABILITIES & SHE	279,647	290,054	287,248	295,130	312,122	12%

1 Includes banks, interbank, other financial institutions

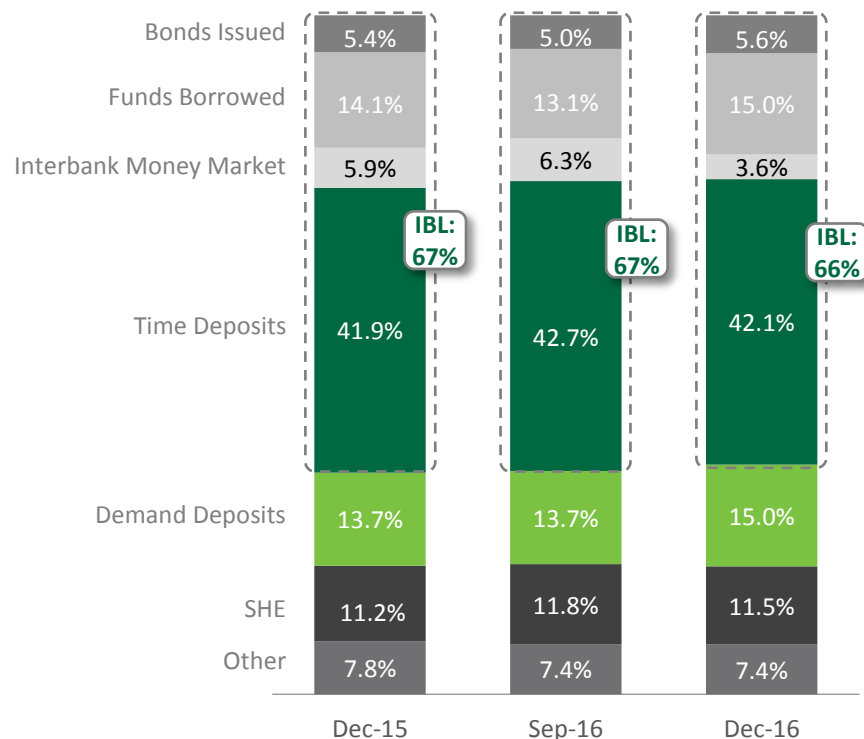
2 Includes funds borrowed and sub-debt

COMPOSITION OF ASSETS & LIABILITIES

Composition of Assets¹ (% , TL billion)



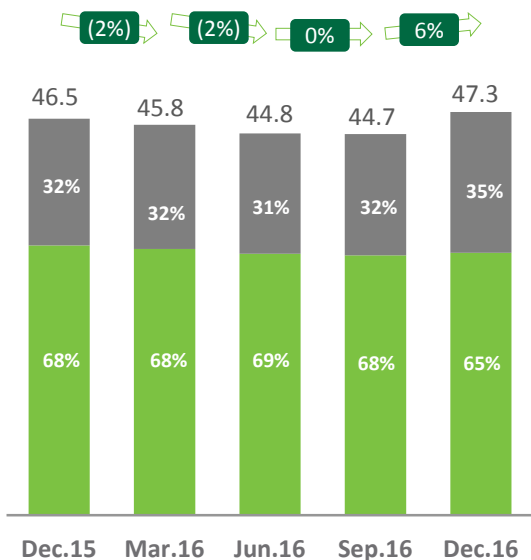
Composition of Liabilities



¹ Accrued interest on B/S items are shown in non-IEAs
 * CBRT started remunerating TL reserves in 1Q15 & FC reserves in 2Q15. However, the rate introduced on FC reserves is quite symbolic, generating non-material income as opposed to its large share in the asset mix. Therefore, FC reserves considered as non-IEAs also for 2015&2016

SECURITIES PORTFOLIO REMAINS AS HEDGE AGAINST VOLATILITY

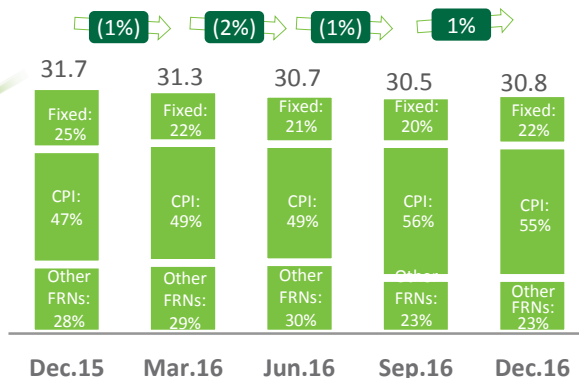
Total Securities (TL billion)



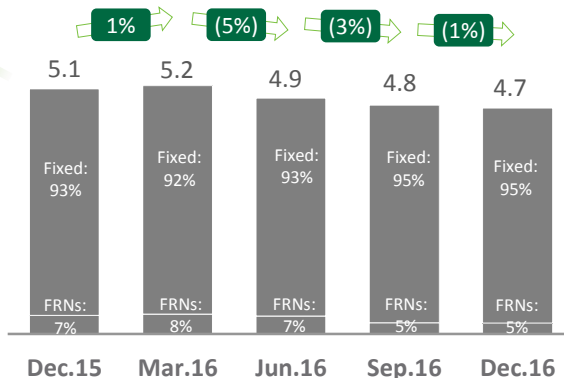
■ TL ■ FC

Securities¹/Assets:
14%
hovering at its
lowest level

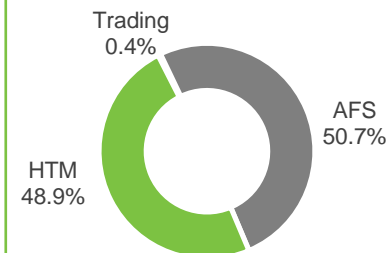
TL Securities (TL billion)



FC Securities (US\$ billion)



Securities Composition



Unrealized MtM loss (pre-tax)

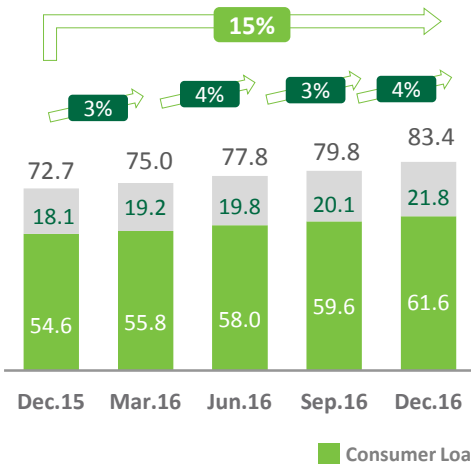
~TL699mn loss as of December-end vs.
~TL182mn loss as of Sep-end vs.
~TL 166mn loss as of June-end;
~TL367mn loss in March-end;
~TL 645mn loss in YE15.

¹ Excluding accruals

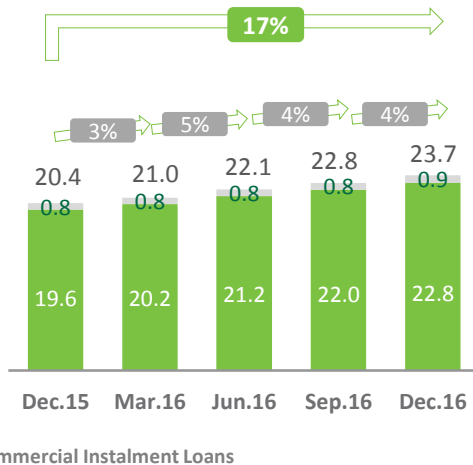
Note: Fixed / Floating breakdown of securities portfolio is based on bank-only MIS data.

HEALTHY MARKET SHARE GAINS ACROSS ALL RETAIL PRODUCTS

Retail Loans (TL billion)



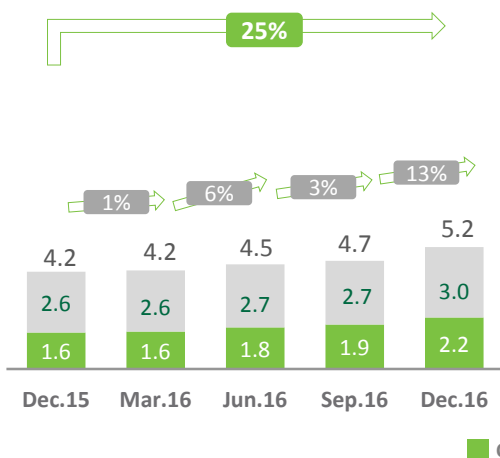
Mortgage Loans (TL billion)



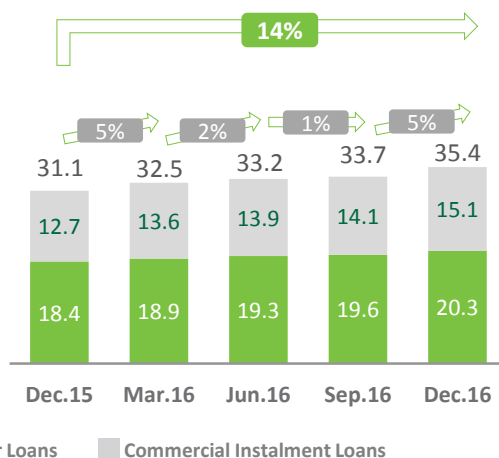
Market Shares

	Dec'16	QoQ	YoY	Rank
Consumer Loans	14.6%	-19bps	+30bps	#1
Cons. Mortgage	14.2%	-45bps	-8bps	#1
Cons. Auto	36.8%	+289bps	+973bps	#1
GPLs	9.0%	-13bps	+34bps	#2
Corporate CCs	14.7%	+94bps	+234bps	#2
# of CC customers	15.0% ²	-10bps	+54bps	#1 ²
Issuing Vol.	20.2% ²	+7bps	+100bps	#1 ²
Acquiring Vol.	20.9% ²	0bps	+31bps	#1 ²

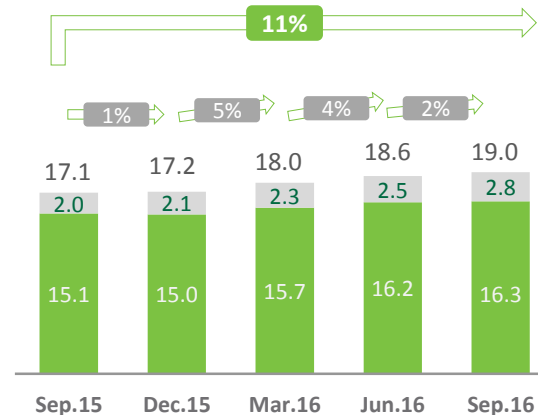
Auto Loans (TL billion)



General Purpose Loans¹ (TL billion)



Credit Card Balances (TL billion)



¹ Including other loans and overdrafts

² As of Dec 2016, as per Interbank Card Center data.

Note: (i) Sector figures used in market share calculations are based on bank-only

BRSA weekly data as of 31.12.2016, commercial banks only

(ii) Rankings are as of September 2016, among private banks, unless otherwise stated

NON-RECURRING ITEMS & NORMALIZED NET INCOME

<i>TL Million</i>	1Q16	2Q16	3Q16	4Q16	2016
Net Income	1,057	1,548	1,335	1,208	5,148
<i>Provision reversal due to collateral re-assessment</i>	-80	0	0	0	-80
<i>Extra provisions related to collateral re-assessment</i>	122	0	20	102	244
<i>Provisions imposed by NBR to Romanian banking sector</i>	0	96	0	0	96
<i>Garanti Bank Moscow sale loss</i>	0	0	0	41	41
<i>Visa sale gain</i>	0	-251	0	0	-251
<i>Income from NPL sale</i>	-26	-17	-8	-14	-64
<i>Gains from asset sale</i>	0	-14	0	0	-14
<i>Provision reversal from Miles&Smiles</i>	0	-51	0	0	-51
<i>Free provision</i>	0	0	100	0	100
<i>Provision for tax fines</i>	0	0	0	85	85
<i>Fee rebates</i>	60	52	30	24	166
Normalized Net Income	1,134	1,362	1,476	1,446	5,419

SUMMARY P&L

TL Million	12M 15	12M 16	Δ YoY	3Q 16	4Q 16	Δ QoQ
(+) NII excld. inc. on CPI linkers & inc. Swap costs	7,909	9,686	22%	2,549	2,784	9%
(+) NII excld. inc. on CPI linkers	8,783	10,657	21%	2,727	2,938	8%
(-) Swap Cost	-874	-971	11%	-178	-153	-14%
(+) Net Fees & Comm.	2,965	3,276	10%	826	836	1%
(-) Specific + General provisions net of collections	-1,924	-2,144	11%	-593	-528	-11%
(-) Specific Provisions	-1,862	-2,717	46%	-683	-615	-10%
(-) General Provisions	-598	-213	-64%	-18	-44	142%
(+) Collections	536	656	22%	108	131	21%
(+) Free prov. reversal assigned to shipping file	0	130	n.m	0	0	n.m
(-) OPEX	-6,605	-7,032	6%	-1,637	-2,030	24%
= CORE OPERATING INCOME	2,344	3,785	61%	1,146	1,063	-7%
(+) Income on CPI linkers	1,475	1,598	8%	446	329	-26%
(+) Net Trading & FX gains/losses	43	228	430%	60	70	18%
(+) Dividend Income	5	9	68%	0	0	n.m
(+) Other income	974	1,048	8%	215	280	30%
(+) NPL sale income	27	81	202%	10	18	80%
(+) Provision reversal from Miles&Miles	0	64	n.m	0	0	n.m
(+) Gains from asset sale	0	18	n.m	0	0	n.m
(+) Provision reversal of tax penalty paid	81	0	n.m	0	0	n.m
(+) Other	840	885	5%	205	262	28%
(+) Visa sale	0	279	n.m	0	0	n.m
(-) Taxation and other provisions	-1,227	-1,800	47%	-532	-535	1%
(-) Free Provision	-12	-100	n.m	-100	0	n.m
(-) Provision for tax fines	0	-85	n.m	0	-85	n.m
(-) Other Provision	-170	-272	59%	-69	-96	39%
(-) Taxation	-1,044	-1,343	29%	-363	-354	-3%
= NET INCOME	3,615	5,148	42%	1,335	1,208	-10%

KEY FINANCIAL RATIOS

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
Profitability Ratios					
ROAE (Cumulative) ¹	12.8%	14.2%	16.0%	16.1%	15.4%
ROAA (Cumulative) ¹	1.4%	1.6%	1.8%	1.8%	1.8%
Quarterly NIM incl. Swap costs	4.4%	4.1%	4.3%	4.8%	4.7%
Cumulative NIM incl. Swap costs	4.1%	4.1%	4.2%	4.4%	4.4%
Liquidity Ratios					
Loans/Deposits	109.1%	107.1%	105.6%	110.5%	112.0%
Loans/Deposits adj. with on-balance sheet alternative funding sources	73.2%	74.0%	73.3%	76.3%	75.9%
TL Loans / (TL Deposits + TL Bonds + Merchant Payables)	129.4%	134.6%	131.1%	134.4%	145.3%
Asset Quality Ratios					
NPL Ratio	3.2%	3.1%	3.1%	3.3%	3.0%
Total Coverage Ratio (General+Specific)	129.8%	130.4%	131.4%	127.6%	130.7%
Solvency Ratios					
CAR	13.5%	13.6%	14.5%	15.0%	14.7%
CET-1 Ratio	12.9%	13.0%	13.9%	13.9%	13.6%
Leverage	8.0x	8.1x	7.6x	7.5x	7.7x

¹ Excludes non-recurring items when annualizing Net Income for the remaining quarters of the year in calculating Return On Average Equity (ROAE) and Return On Average Assets (ROAA) for 1Q16, 1H16 and 9M16.

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Investor Relations

Levent Nispetiye Mah. Aytar Cad. No:2

Beşiktaş 34340 İstanbul – Turkey

Email: investorrelations@garanti.com.tr

Tel: +90 (212) 318 2352

Fax: +90 (212) 216 5902

Internet: www.garantiinvestorrelations.com

