



BRSA Consolidated Earnings Presentation

December 31, 2007

*“profitable growth story...”*

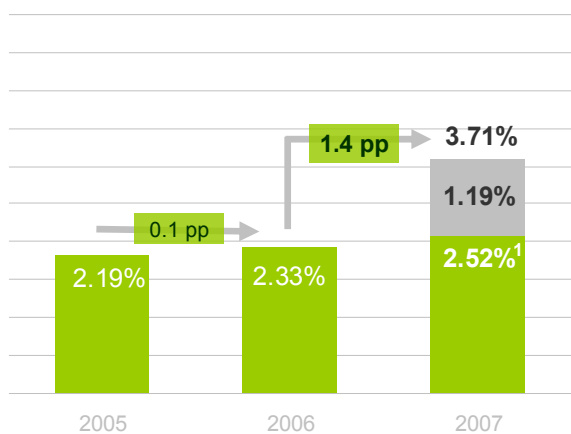


## 2007 – Highlights

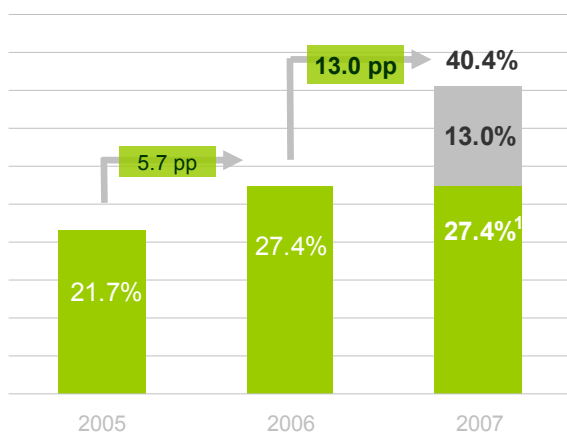
- *Bigger and stronger balance sheet*
- *Consistent growth in market share across the board*
- *# 1 position in total lending*
- *Solid asset quality*
- *Focus on managing funding costs while growing*
- *High growth momentum in net fees and commissions*
- *Highest # of new branch openings*
- *Effective management of opex*
- *Record earnings*
- *Sustainably high profitability ratios*

# Delivered Record Profitability

## ROAA<sup>2</sup>

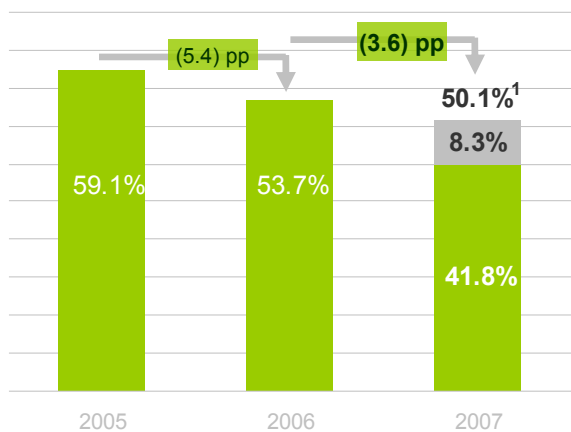


## ROAE<sup>2</sup>



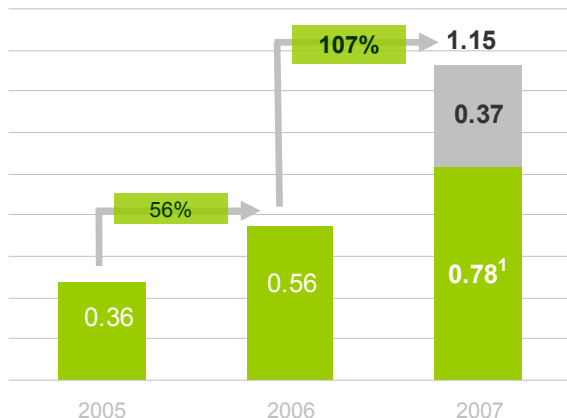
ROAE  
Normalized  
**27%**

## Cost / Income



## EPS

YTL-Excluding Minority

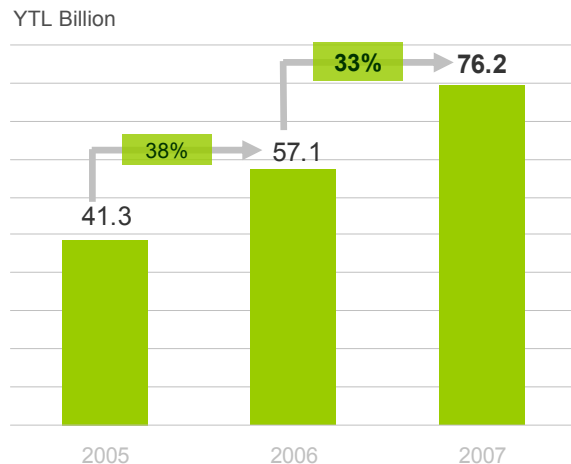


*Despite the net addition of **105** branches since end of 2006 cost/income ratio improvement remained intact due to larger growth in revenues & effective cost management.*

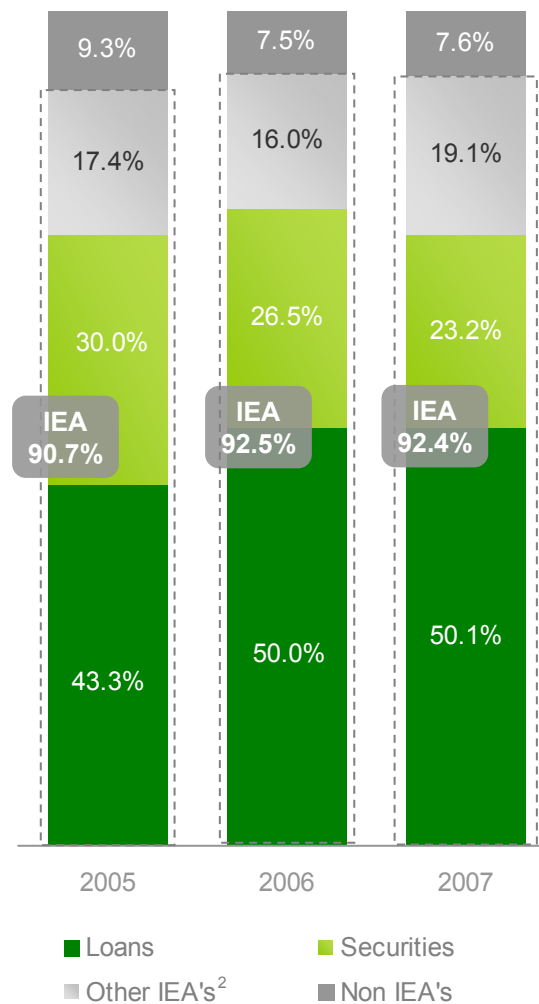
<sup>1</sup> Excludes one-off gains from insurance and pension & life business subsidiaries stake sale amounting to YTL 669 mn (post-tax) and one-off gains from custody sale amounting to YTL 112 mn (post-tax).  
<sup>2</sup> ROAA and ROAE are calculated on quarterly averages of assets and equity, respectively

# Asset Growth and Composition: Robust & High Yielding

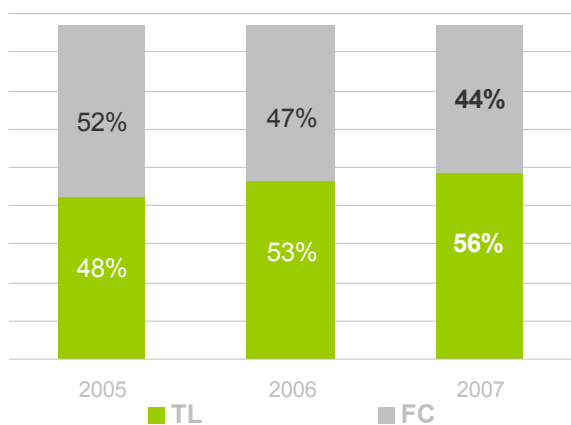
## Total Assets



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



## Composition of IEAs



Asset Growth

33%

Loans<sup>3</sup>/Assets

50%

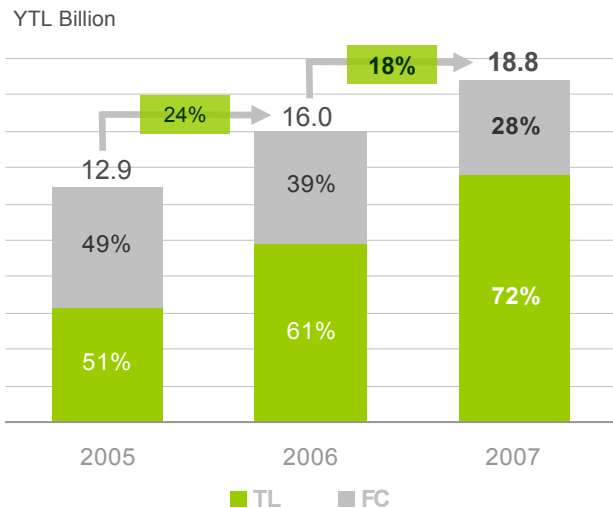
“Reserve requirement” in “Other IEA” increased at a significant pace due to high deposit growth

Increased weight of **TL** in IEAs: **56%**

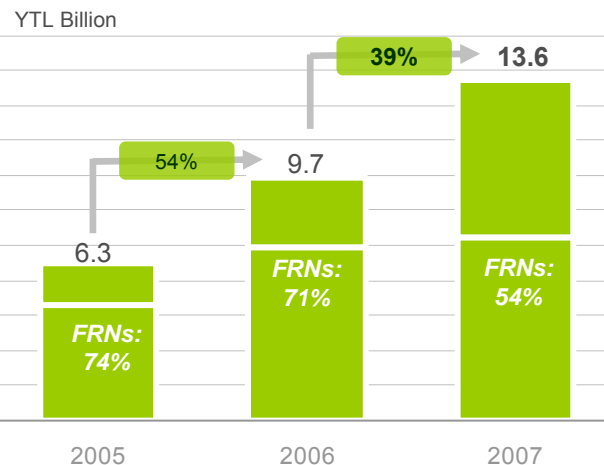
1 Accrued interest on B/S items are shown in non-IEAs  
 2 Other IEAs include factoring and leasing receivables.  
 3 Excluding accrued interest

# Securities: Increased Portion of Fixed Rate Locking Higher Yields

## Total Securities



## TL Portfolio

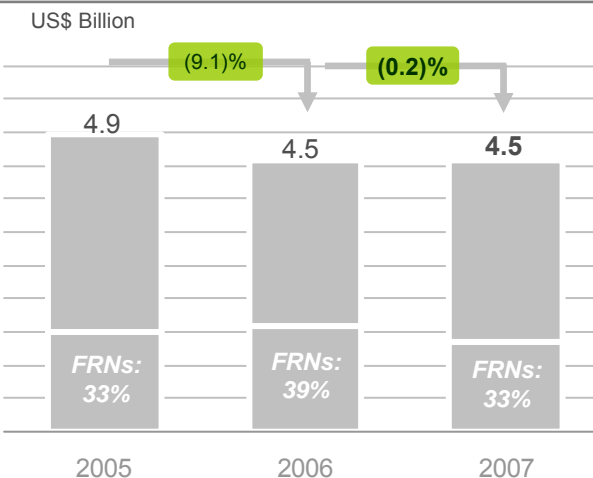


Despite 18% ytd growth in total portfolio, securities mix in assets declined from 27%<sup>1</sup> in 2006 to 23%<sup>1</sup> in 2007.

## Total Securities Composition



## FC Portfolio



TL Weight in Total

72%

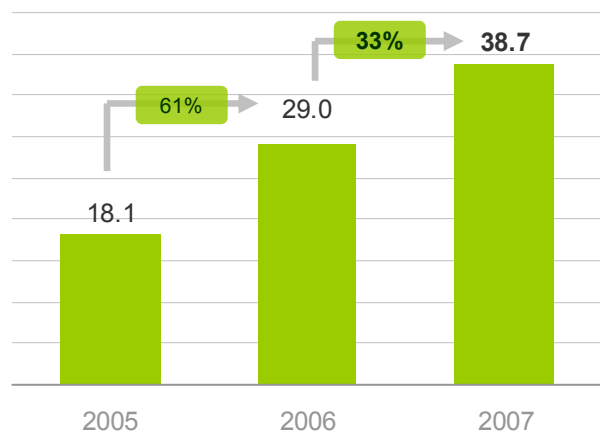
Fixed Rate Weight

51%

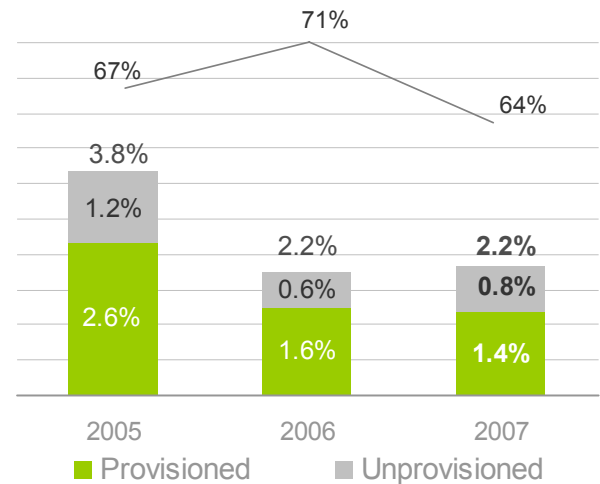
# High growth in lending while maintaining strong asset quality

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

YTL Billion

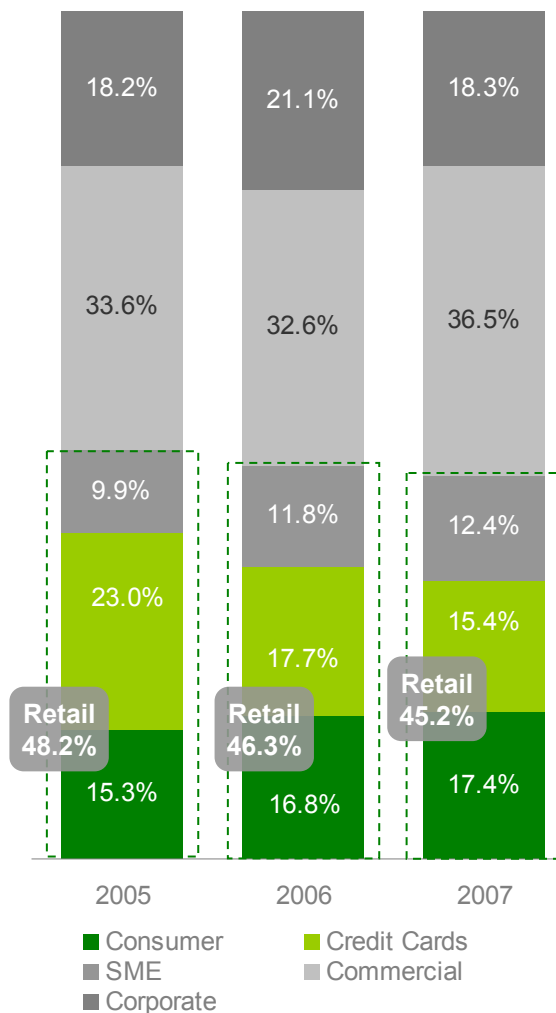


## NPL Ratio & Coverage



— NPL Coverage

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



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



13.8%

*Per Q3 07 announced results*

**#1**

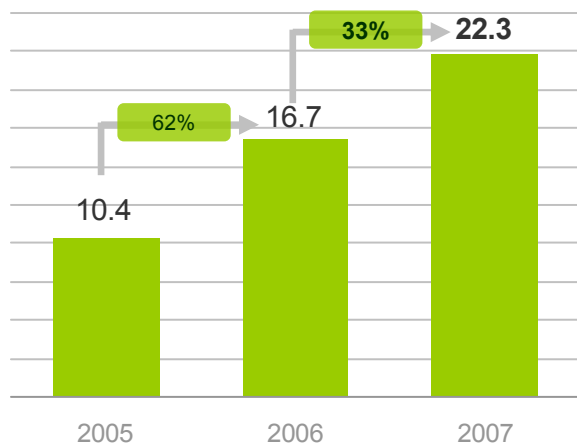
**in Cash Loans**

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

# Solid loan growth in both TL and FC

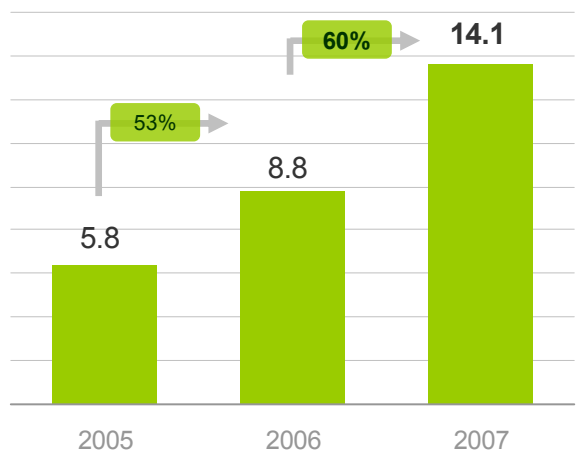
## TL Loans<sup>1</sup>

YTL Billion

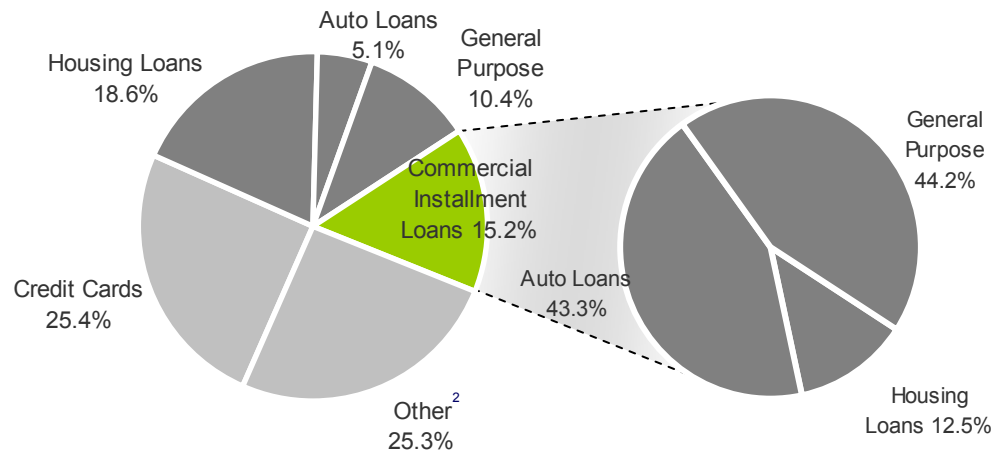


## FC Loans<sup>1</sup>

US\$ Billion

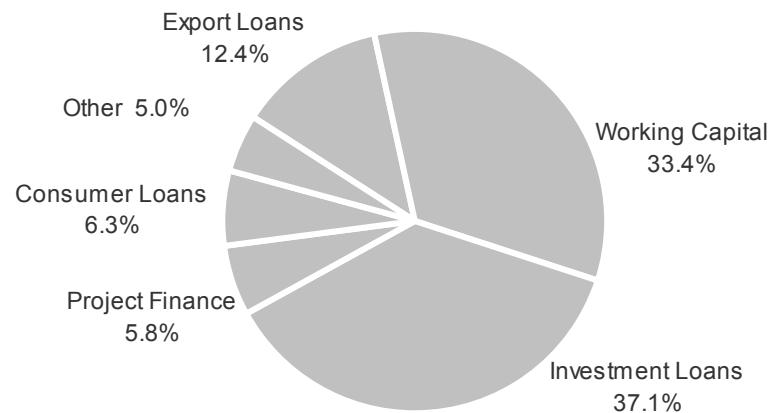


## TL Loan Composition



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

(excluding accrued interest)

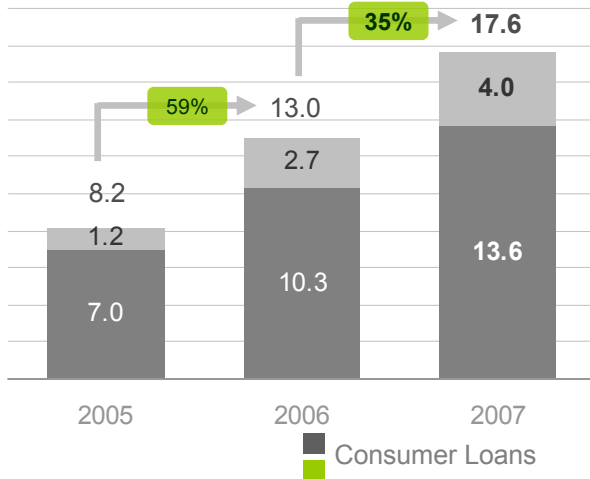


<sup>1</sup> Performing cash loans  
<sup>2</sup> Includes commercial and retail overdraft  
<sup>3</sup> Based on bank-only data

# Strong retail loan growth momentum

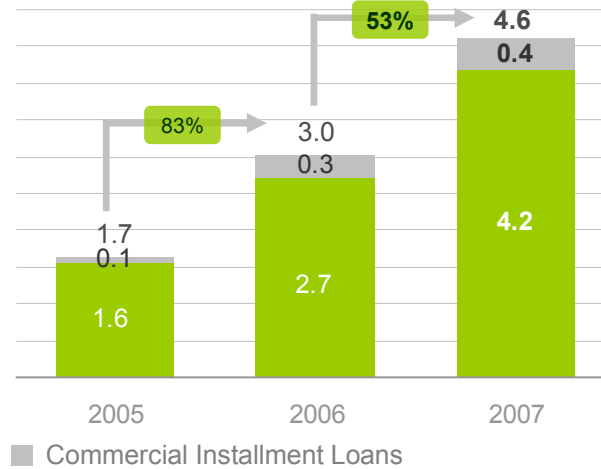
## Retail Loans<sup>1</sup>

YTL Billion



## Housing Loan Growth

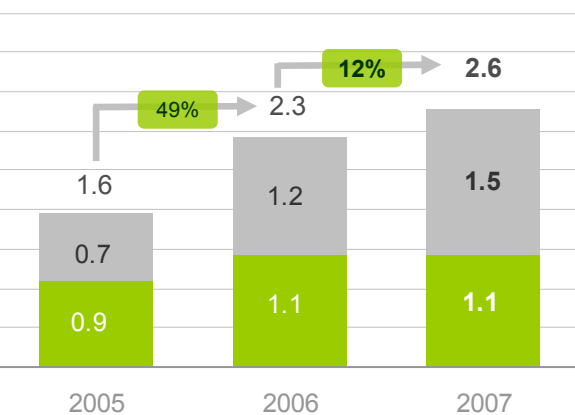
YTL Billion



*Outperformed sector in every product category*

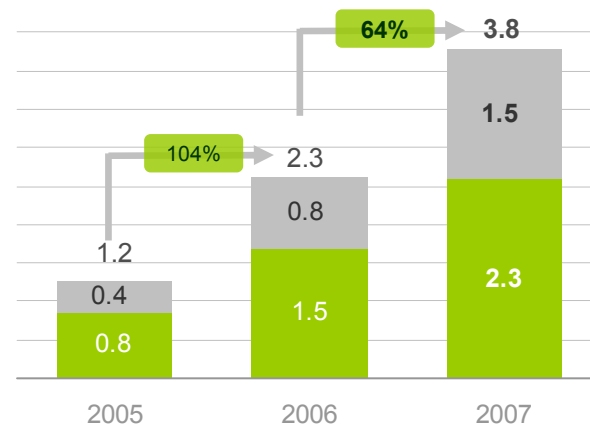
## Auto Loan Growth

YTL Billion



## General Purpose Growth

YTL Billion



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

	06-07 Δ	2007
Housing	+150 bps ↑	13.8%
Auto	+150 bps ↑	16.6%
General Purpose	+100 bps ↑	9.3%
Retail <sup>1</sup>	+30 bps ↑	13.8%

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

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

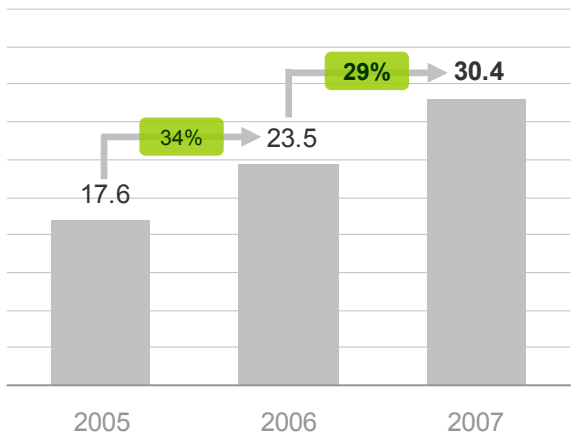
<sup>3</sup> Sector figures are based on bank-only BRSA weekly data



# Strengthened leadership position in card business

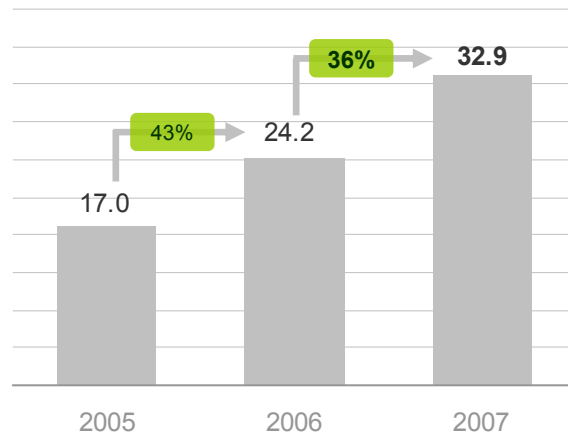
## Issuing Volume

YTL Billion



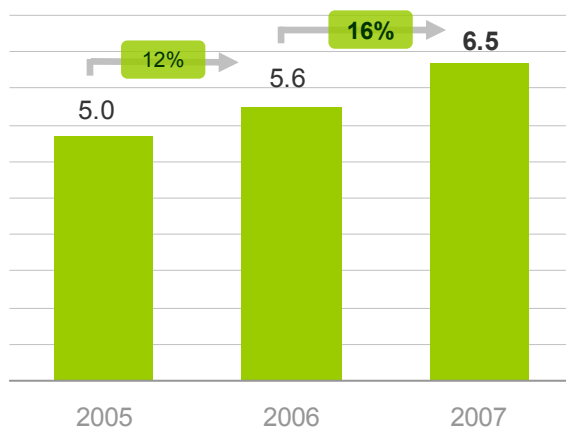
## Acquiring Volume

YTL Billion



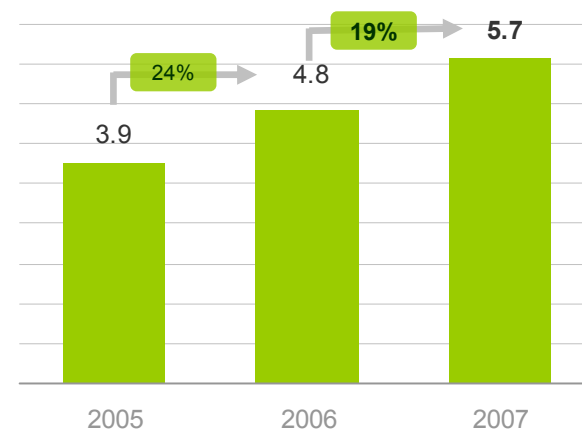
## No. Of Credit Cards

In Million



## Credit Card Balances

YTL Billion



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



## Market Shares

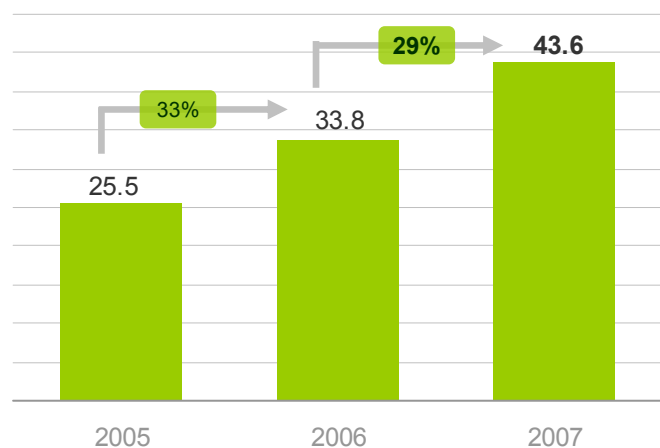
	06-07 Δ		2007
Acquiring	+90 bps	↑	23.0%
Issuing	-20 bps	↓	21.5%
Credit Cards	+10 bps	↑	17.4%
POS <sup>1</sup>	+270 bps	↑	19.3%
ATM	+105 bps	↑	9.9%

<sup>1</sup> Including shared POS

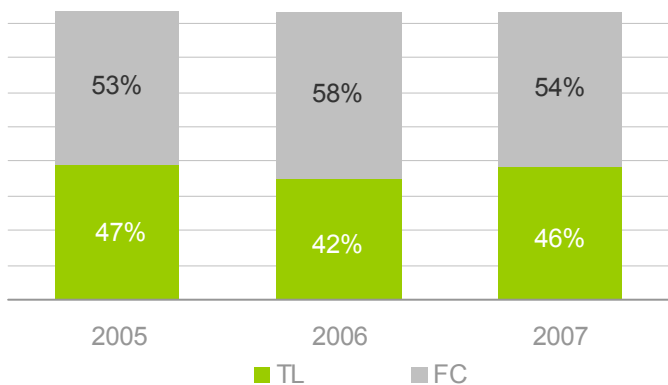
# Continued diversification of funding sources

## Total Deposits

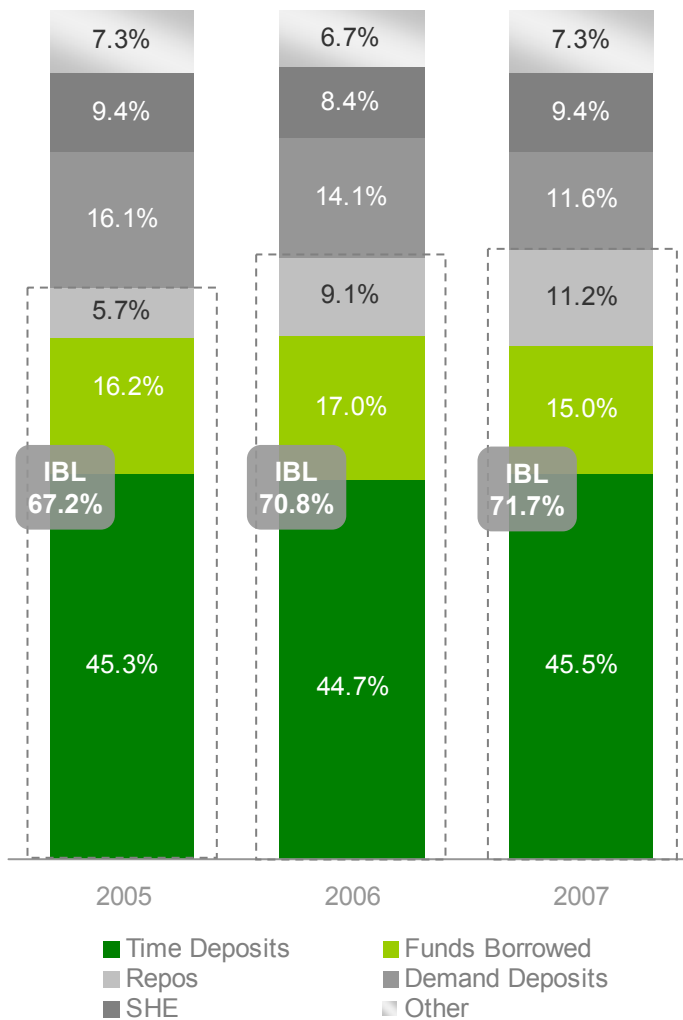
YTL Billion



## Deposits – TL/FC Mix



## Composition of Liabilities



## Deposit Growth:

TL

41%

FC

45%

## Total Deposit Market Share<sup>1</sup>

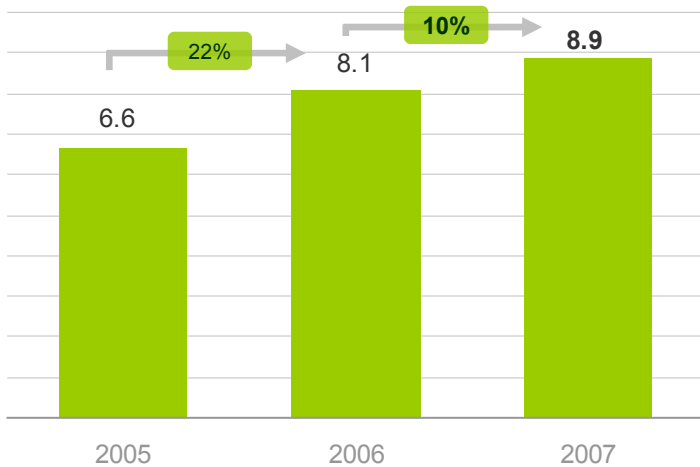


11%

# Sustained growth in demand deposit base despite high interest rate environment

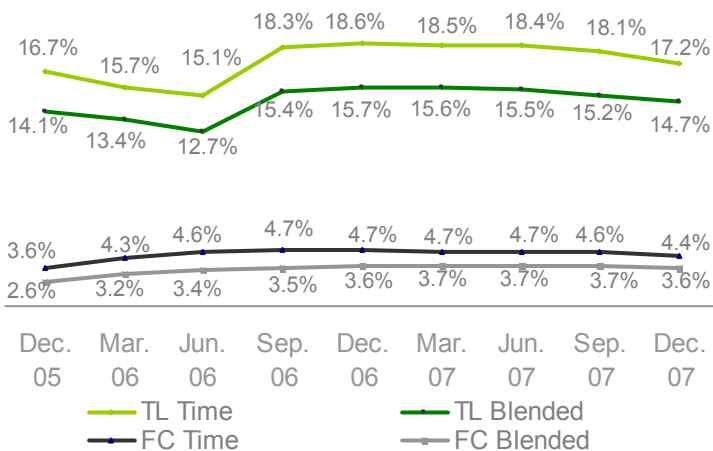
## Demand Deposits

YTL Billion



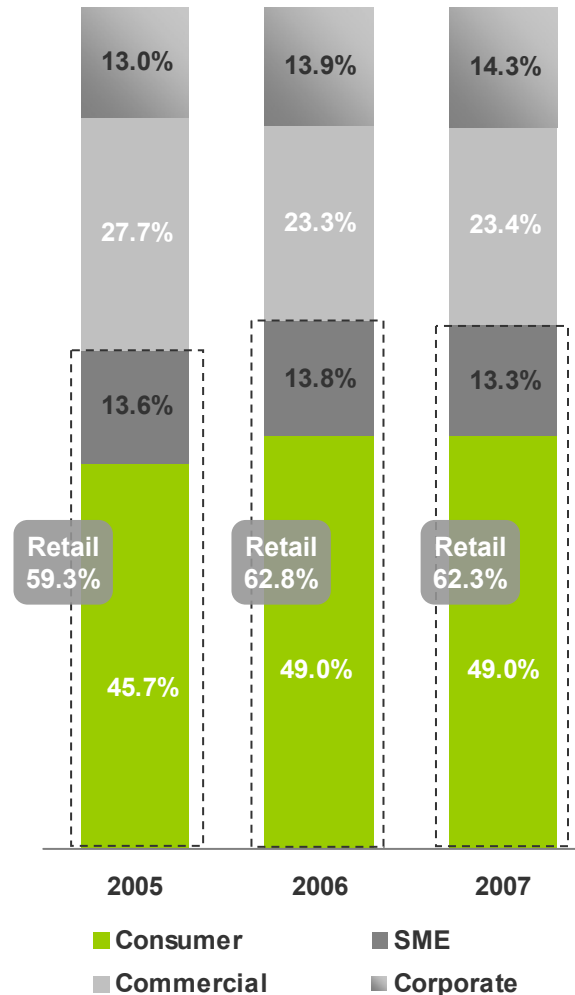
## Cost of Deposits<sup>2</sup>

Monthly Averages



## Deposits by LOB<sup>2</sup>

(excluding bank deposits)



*Above sector average demand deposit mix in total -- 20%, benefiting funding costs*

**Demand Deposit Market Share<sup>1</sup>**

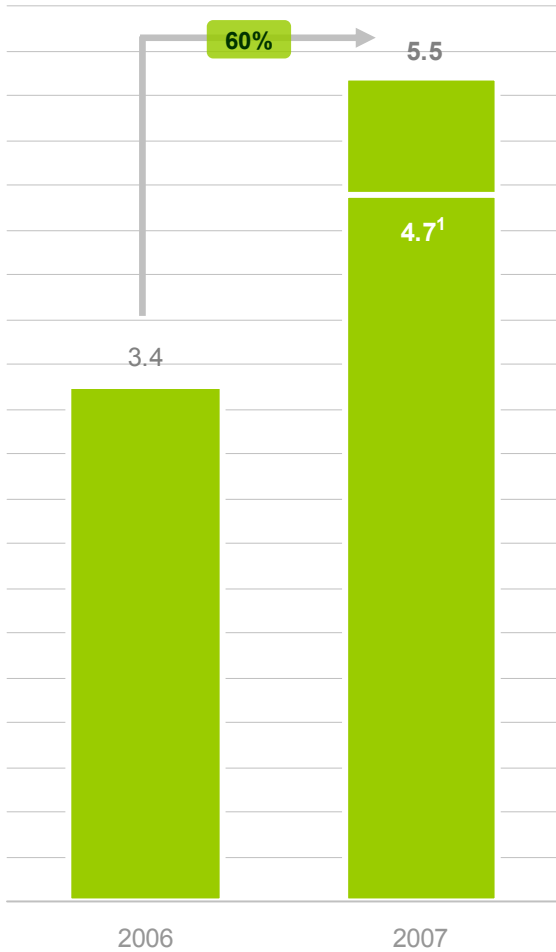
**13.1%**

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

# Solid capital base and adequacy levels

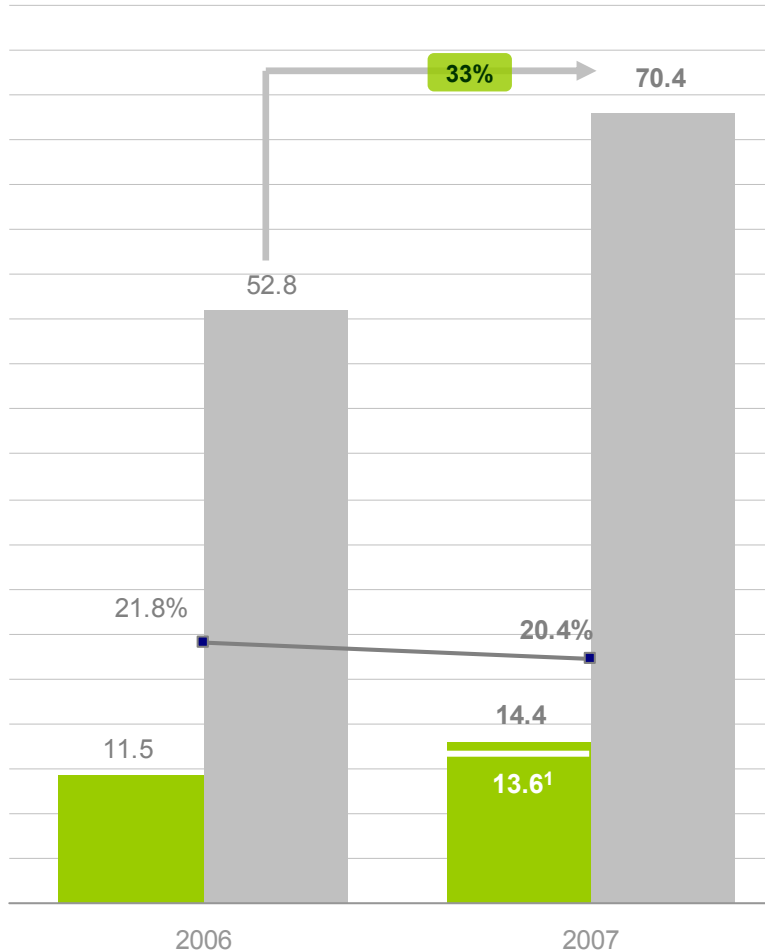
## Free Equity

YTL Billion



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

YTL Billion



2007 Growth in Free Funds

YTL  
*2.9 bn*

	CAR	Tier I
2006	12.8%	12.8%
2007	14.0%	12.9%

Free Funds IEAs Free Funds / IEAs

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

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

# Expanding Interest Income

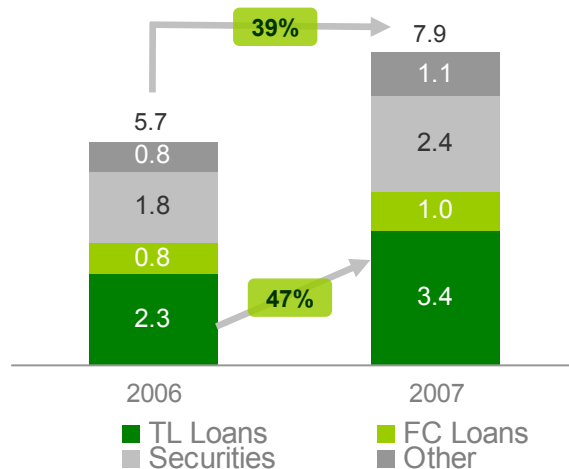
(YTL Million)	2006	2007	Growth
<b>Net Interest Income</b>	2,152	3,098	44.0%
<b>Net FX Gain / Loss</b>	(72)	(47)	(35.2)%
<b>Provisions for loans and securities</b>	(251)	(326)	29.9%
<b>Adjusted Net Interest Income</b>	<b>1,829</b>	<b>2,727</b>	<b>49.0%</b>

**Adjusted NII Growth**

  
**49%**

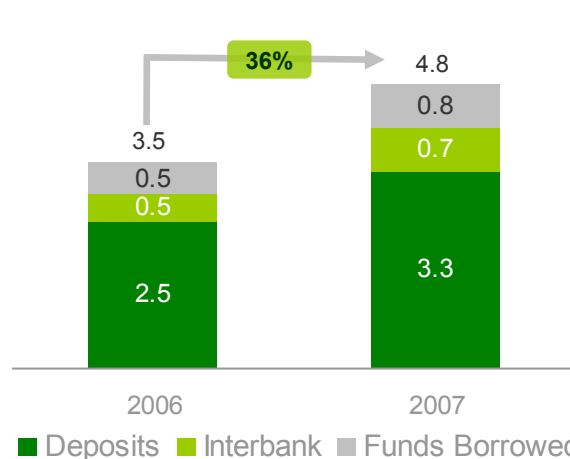
## Interest Income

YTL Billion



## Interest Expense

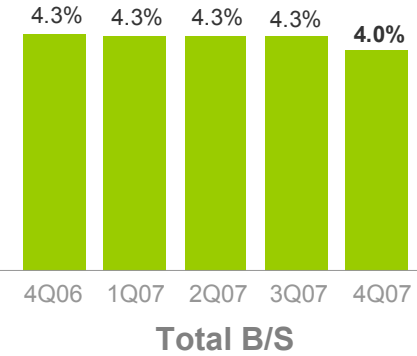
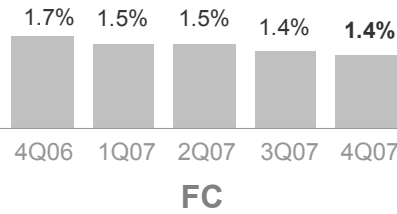
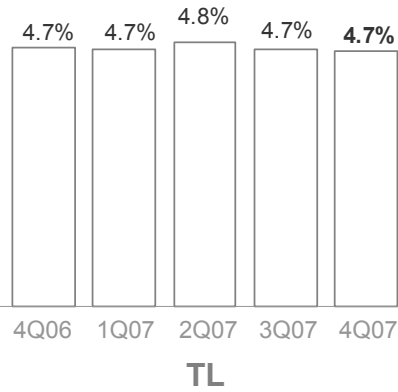
YTL Billion



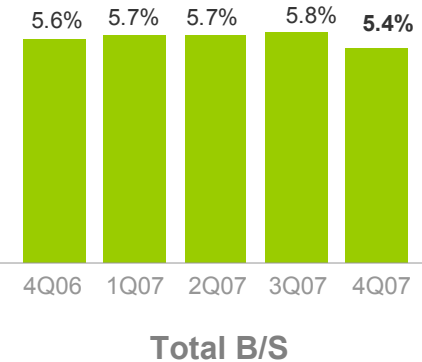
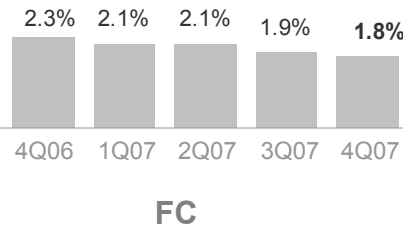
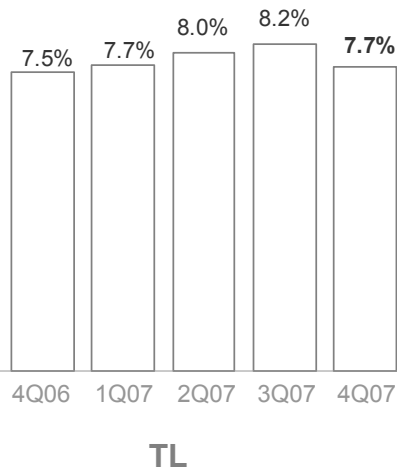
*Largest contributor:  
Interest income on  
TL loans*

# Quarterly Margins and Spreads

## Spreads



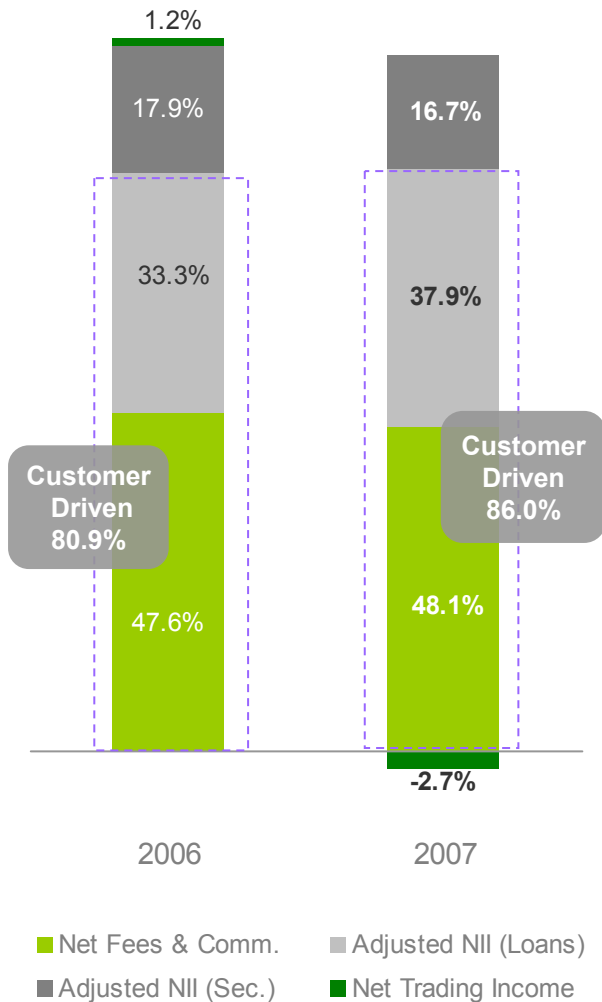
## Margins



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

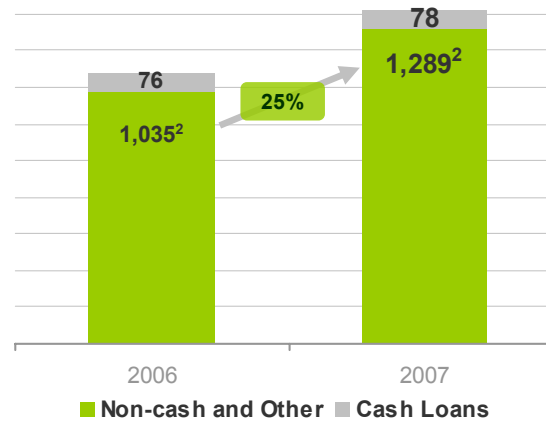
# Consistently growing trend of sustainable income sources

## Ordinary Banking Income<sup>3</sup>

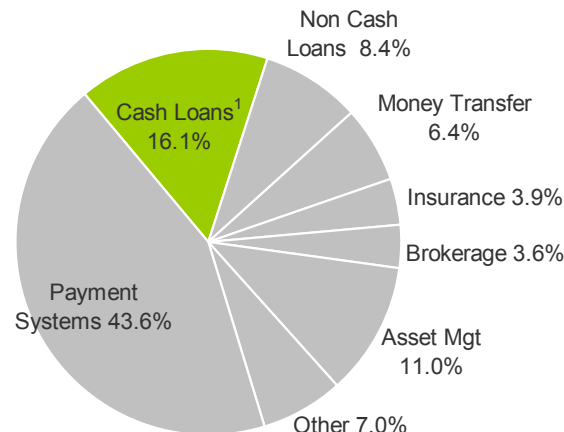


## Net Fees & Comm. Growth

YTL Million



## Net Fees & Comm. Mix



*Customer driven sources of income*

**86%** of ordinary banking income<sup>3</sup>

**25%**



**Net Fees & Comm. Growth**

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

# High Earnings Growth

(YTL Million)	2006	2007	Growth
Ordinary Banking Income	2,885	3,842	33.2%
Other Income <sup>1</sup>	465	354	(23.7)%
<b>Total Revenues</b>	<b>3,350</b>	<b>4,196</b>	<b>25.3%</b>
Operating Expense <sup>1</sup>	1,799	2,101	16.6%
<b>Operating Income</b>	<b>1,551</b>	<b>2,095</b>	<b>35.2%</b>
Other Provisions <sup>2</sup>	85	24	(71.9)%
Taxes <sup>1</sup>	299	430	44.3%
<b>Normalized Net Income<sup>1</sup></b>	<b>1,167</b>	<b>1,641</b>	<b>40.6%</b>
Income from Insurance and Pension & Life Business Subs. Stake Sale (post-tax)	-	669	n.m
Custody Sale (post-tax)	-	112	n.m
<b>Net Income</b>	<b>1,167</b>	<b>2,422</b>	<b>107.6%</b>
<b>Equity Holders of the Bank</b>	<b>1,166</b>	<b>2,414</b>	<b>107.1%</b>
Minority Interest	1	8	n.m

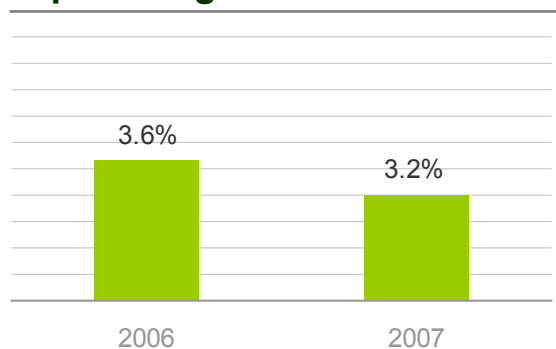
*Higher total revenue growth*

**25%** vs.

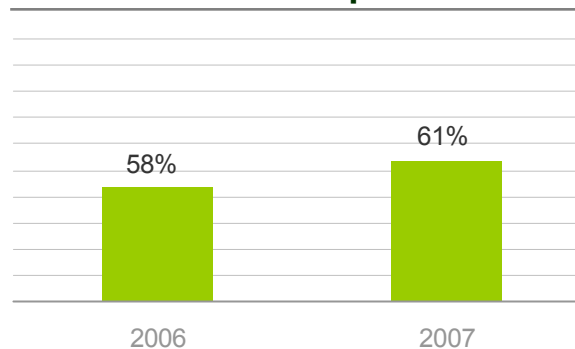
*Expense growth*

**17%**

## Opex / Avg. Assets



## Fees & Comm. / Opex



*Improving Opex / Avg. Assets by 38 bps*

<sup>1</sup> Other income excludes one-off gains from insurance and pension & life business subsidiaries stake sale amounting to YTL 707 mn (pre-tax) and one-off gains from custody sale amounting to YTL 148 mn (pre-tax); operating expense excludes one time transaction tax expense resulting from custody sale amounting to 7.4 mn.

<sup>2</sup> Other provisions include "Impairment Losses on Associates, Subsidiaries", "Provision for Possible Losses" and "Other provisions"




# Quarterly Analysis of Ordinary Banking Income

(YTL Thousand)	1Q 07	2Q 07	3Q 07	4Q 07	Δ(2Q-1Q)	Δ (3Q-2Q)	Δ (4Q-3Q)
<b>Interest Income</b>	<b>1,803,700</b>	<b>1,883,238</b>	<b>2,022,540</b>	<b>2,176,585</b>	<b>4.4%</b>	<b>7.4%</b>	<b>7.6%</b>
-Loans	938,857	1,057,677	1,183,760	1,253,677	12.7%	11.9%	5.9%
-Securities	572,356	566,409	566,151	637,408	-1.0%	0.0%	12.6%
-Other	292,487	259,152	272,629	285,500	-11.4%	5.2%	4.7%
<b>Interest Expense</b>	<b>(1,099,078)</b>	<b>(1,133,744)</b>	<b>(1,218,435)</b>	<b>(1,336,854)</b>	<b>3.2%</b>	<b>7.5%</b>	<b>9.7%</b>
-Deposits	(754,571)	(774,215)	(807,073)	(959,619)	2.6%	4.2%	18.9%
-Funds Borrowed	(168,620)	(162,541)	(233,637)	(184,232)	-3.6%	43.7%	-21.1%
-Interbank & Other	(175,887)	(196,988)	(177,725)	(193,003)	12.0%	-9.8%	8.6%
<b>Net Interest Income</b>	<b>704,622</b>	<b>749,494</b>	<b>804,105</b>	<b>839,731</b>	<b>6.4%</b>	<b>7.3%</b>	<b>4.4%</b>
<b>Prov. for Loans &amp; Securities</b>	<b>(83,116)</b>	<b>(78,821)</b>	<b>(63,930)</b>	<b>(99,932)</b>	<b>-5.2%</b>	<b>-18.9%</b>	<b>56.3%</b>
<b>Net FX Gain/(Loss)</b>	<b>(5,451)</b>	<b>(380)</b>	<b>(46,124)</b>	<b>5,374</b>	<b>n.m</b>	<b>n.m</b>	<b>n.m</b>
<b>Adj. Net Interest Income</b>	<b>616,055</b>	<b>670,293</b>	<b>694,051</b>	<b>745,173</b>	<b>8.8%</b>	<b>3.5%</b>	<b>7.4%</b>
<b>Net Fees and Comm.</b>	<b>310,702</b>	<b>314,653</b>	<b>333,794</b>	<b>329,420</b>	<b>1.3%</b>	<b>6.1%</b>	<b>-1.3%</b>
<b>Net Trading Income/(loss)</b>	<b>(51,562)</b>	<b>(43,204)</b>	<b>(35,780)</b>	<b>(41,327)</b>	<b>-16.2%</b>	<b>-17.2%</b>	<b>15.5%</b>
<b>Ordinary Banking Income</b>	<b>875,195</b>	<b>941,742</b>	<b>992,065</b>	<b>1,033,266</b>	<b>7.6%</b>	<b>5.3%</b>	<b>4.2%</b>

## 2008 – Highlights (Bank-only)

*As of February 01, 2008 Ytd*

***SECTOR OUTPERFORMANCE REMAINS... BUDGET ON TRACK...***

<b><i>Growth</i></b>	<i>Sector</i>	<i>Garanti</i>	
	Feb. 01, 08	Feb. 01, 08 	Vs. Budget
<b><i>Total Loans</i></b>	<b><i>2.1%</i></b>	<b><i>4.9%</i></b>	✓
<b><i>TL Loans</i></b>	<b><i>2.5%</i></b>	<b><i>3.6%</i></b>	✓
<b><i>FC Loans</i></b>	<b><i>0.8%</i></b>	<b><i>6.7%</i></b>	✓
<b><i>Housing Loans</i></b>	<b><i>2.9%</i></b>	<b><i>3.5%</i></b>	✓
<b><i>Auto Loans</i></b>	<b><i>0.7%</i></b>	<b><i>0.9%</i></b>	✓
<b><i>General Purpose Loans</i></b>	<b><i>3.5%</i></b>	<b><i>7.7%</i></b>	✓
<b><i>Total Deposit</i></b>	<b><i>0.8%</i></b>	<b><i>4.7%</i></b>	✓

# Appendix

# Balance Sheet - Summary

<i>(YTL Million)</i>		<b>2006</b>	<b>2007</b>	<b>% YTD Change</b>
<b>Assets</b>	<b>Cash &amp; Banks<sup>1</sup></b>	<b>7,837</b>	<b>12,819</b>	<b>63.6%</b>
	Cash and Cash Equivalents	2,360	2,329	-1.3%
	Banks	2,553	5,582	118.7%
	Reserve Requirements	2,925	4,908	67.8%
	<b>Securities</b>	<b>15,981</b>	<b>18,779</b>	<b>17.5%</b>
	<b>Performing Loans</b>	<b>29,049</b>	<b>38,695</b>	<b>33.2%</b>
	<b>Fixed Assets &amp; Subsidiaries</b>	<b>1,074</b>	<b>1,189</b>	<b>10.7%</b>
	<b>Other</b>	<b>3,179</b>	<b>4,666</b>	<b>46.8%</b>
	<b>Total Assets</b>	<b>57,120</b>	<b>76,148</b>	<b>33.3%</b>
	<b>Liabilities &amp; SHE</b>	<b>Deposits</b>	<b>33,780</b>	<b>43,690</b>
<b>Repos</b>		<b>5,296</b>	<b>8,592</b>	<b>62.2%</b>
<b>Borrowings</b>		<b>9,805</b>	<b>11,630</b>	<b>18.6%</b>
<b>Other</b>		<b>3,415</b>	<b>5,110</b>	<b>49.7%</b>
<b>SHE</b>		<b>4,824</b>	<b>7,126</b>	<b>47.7%</b>
<b>Total Liabilities &amp; SHE</b>		<b>57,120</b>	<b>76,148</b>	<b>33.3%</b>

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

## Performance Highlights vs. Sector (Bank-only)

<i>(YTL mn unless otherwise stated)<sup>1</sup></i>	<b>As of 2007</b>	<b>YTD Growth</b>	
		<b>Garanti</b>	<b>Sector</b>
<b>Total Loans</b>	36,417	36.3%	26.5%
<b>TL</b>	21,896	36.2%	29.5%
<b>FC (US\$ mn)</b>	12,518	64.3%	41.7%
<b>Total Deposits</b>	38,899	29.8%	14.6%
<b>Demand</b>	7,376	10.8%	3.6%
<b>TL</b>	19,862	40.6%	22.0%
<b>FC (US\$ mn)</b>	16,411	44.4%	23.6%



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