



BRSA Consolidated Earnings Presentation
December 31, 2009



4Q 2009: The world economy is likely to confirm its recovery in 2010...

Actions taken by the fiscal and monetary authorities paved the way for an eventual recovery...

- Governments incurred a massive debt build-up.
- Rising concern for default in repayment of government bonds in Greece, Spain and Portugal as well as Dubai.

Towards a moderate pace of recovery in Turkish economy...

- Turkey's rating upgrade of 2 notches by Fitch nearing investment grade, combined with successful monetary policy management in previous periods supported Turkey's macro position.
- After having higher contraction in the prior three quarters, Turkish economy shrank by another 3.3% in 3Q09 (y-o-y).
- Annual CPI inflation increased from 5.3% at the end of 3Q09 to 6.5% at the end of 4Q09 due to base effect stemming from energy and food prices.

CBT's interest rate easing policy came to an end...

- CBT continued the interest rate easing policy with a further 75 bps in 4Q 09 bringing annual rate cuts to 850 bps.
- Rates likely to stay flat for a long time as lingering problems across the global economy are not completely resolved.
- Strong fiscal discipline required – possible IMF deal seen as an insurance policy for the market.

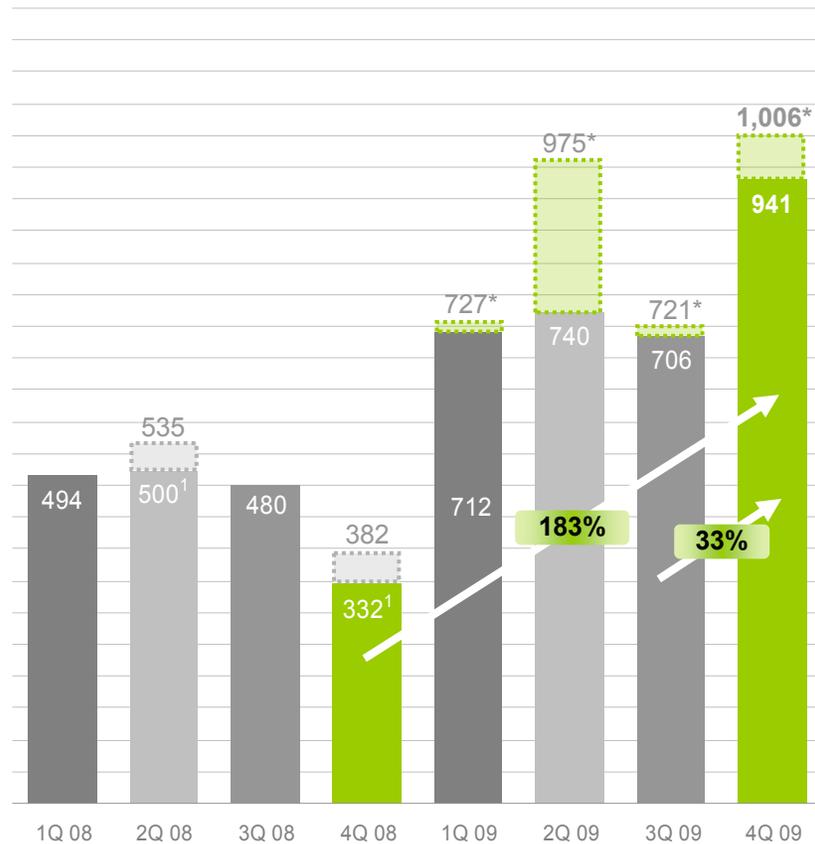
4Q 2009 Highlights

Balance sheet strength – the distinguishing feature of Garanti

- **Record earnings** performance:
 - **Y-o-y** earnings growth **72%** ; **Q-o-q** earnings growth **33%**
 - **ROAE: 27%** (incl. TL 330mn free provisions booked in 2009)
- **Actively managed, well-diversified & more liquid asset mix**
 - Liquidity ratio 39%, boosted by significant growth in AFS securities (Securities/Assets: 30%)
- Results reflect **Risk-return balance priority**
 - Relatively limited and **selective growth in lending in 4Q 09** – preserving profitability
 - Lowest NPL formation and highest collection performance in 4Q 09
 - Garanti NPL: 4.1% vs. Sector NPL: 5.2% (including NPL sales and write-offs in sector)
 - **High coverage level** (81%) maintained while cost of risk eased to 239 bps in line with **lower NPL flows & increased collection** performance
- **Focus** remains on **deposit growth** (y-o-y: 19%; q-o-q: 7%)
- **High solvency** (CAR: 19.2%) and **low leverage** (8x)
- **Expanding margins q-o-q** – result of proactive management of asset/liability mix
- **Highest ordinary banking income** generation capacity
 - Despite the highest base in Net Fees & Comm., growth momentum sustained with further diversification
- Neared a branch network of 800 with **46 new branch openings in 4Q 09** while **tightly managing costs** (OPEX/Avg Assets down to 2.6% at YE 2009 from 3.1% at YE 2008)

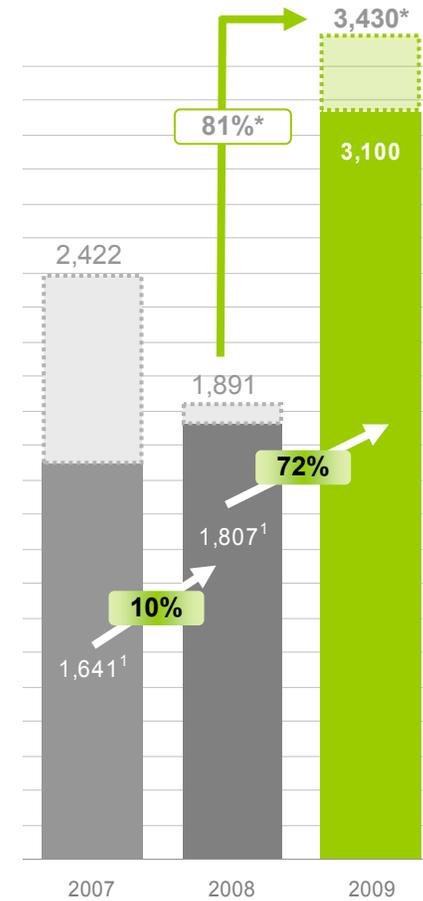
Record earnings performance -- result of liquid, low-risk, & well-capitalized B/S

Quarterly Net Income



Non-recurring items

Net Income



General reserves

Earnings¹ 2009



72%

ROAE

27%

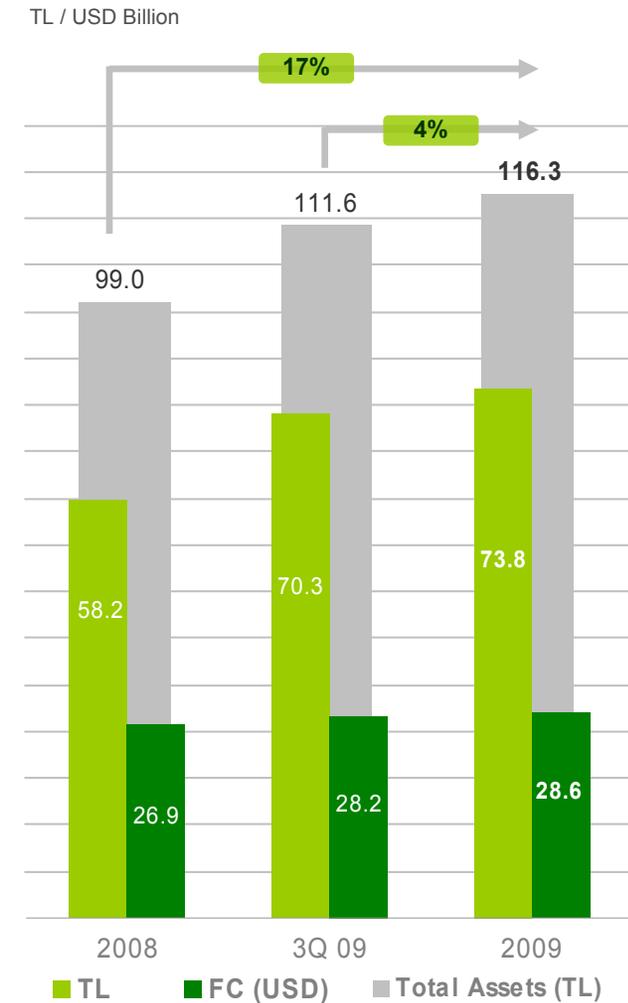
ROAE – Excl. m-t-m gains on equity & general reserves: 32%

¹ Please refer to Slide 23 for breakdown of non-recurring items

* 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 the current period

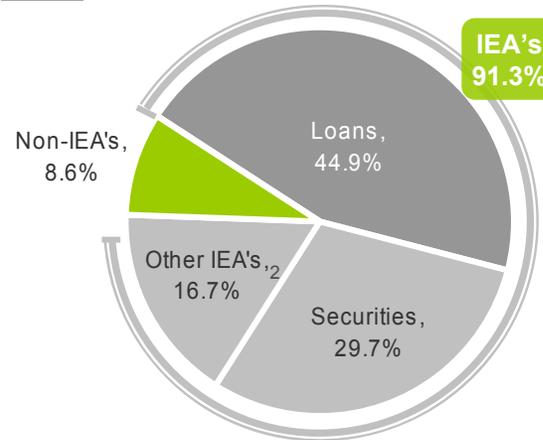
More liquid asset mix...

Total Assets

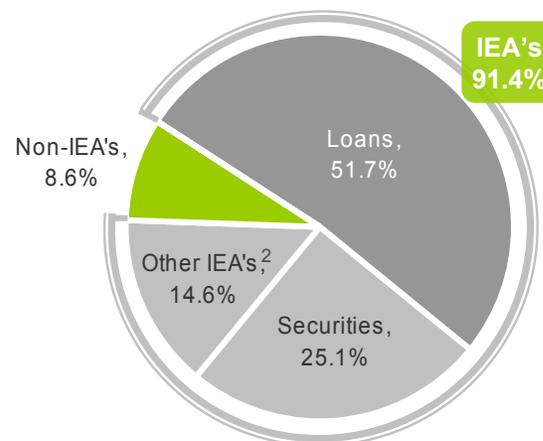


Composition of Assets¹

2009



2008



2009 Growth in:

TL Assets

27%

FC Assets (\$)

6%

Liquidity Ratio³



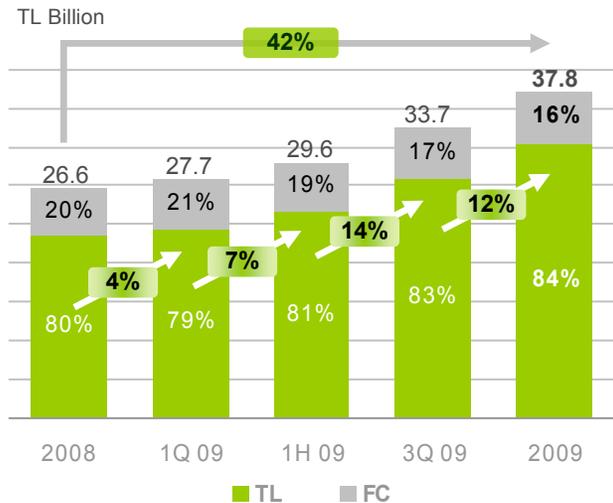
39%

up from 30% at YE 08

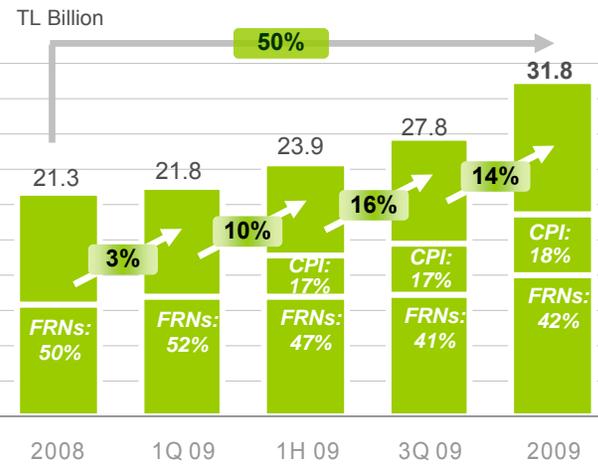
¹ Accrued interest on B/S items are shown in non-IEAs
² Other IEA's include factoring and leasing receivables
³ (Cash and banks + trading securities + AFS) / Assets

...reinforced with timely additions to AFS book -- positive effect on margins

Total Securities

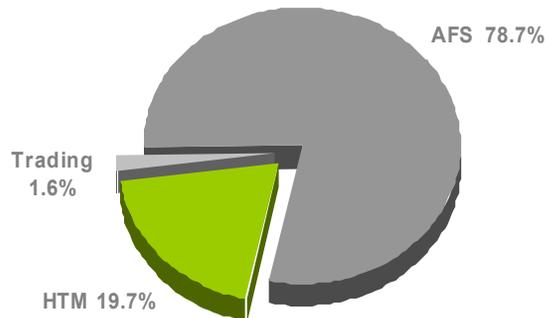


TL Securities

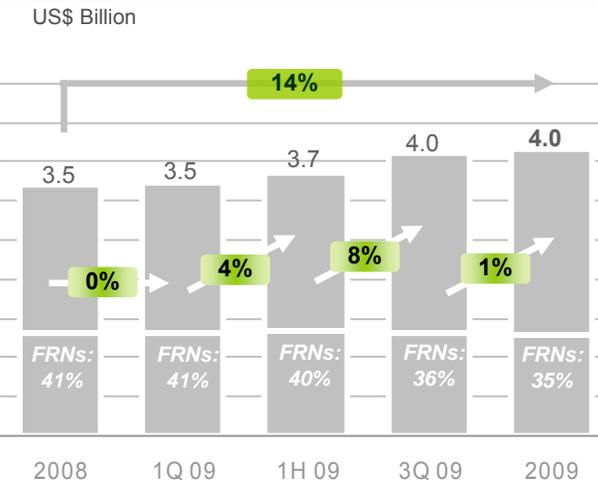


Securities mix
in assets
30%

Total Securities Composition



FC Securities



AFS mix in total

79%

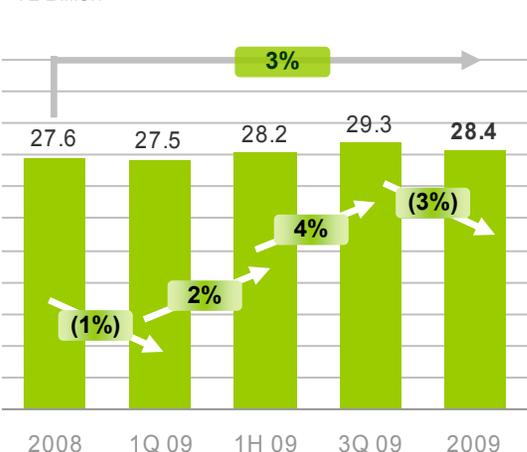
from 69%
at YE 08

Unrealized gain > TL 1.7 bn*

Timely and selective growth in lending...

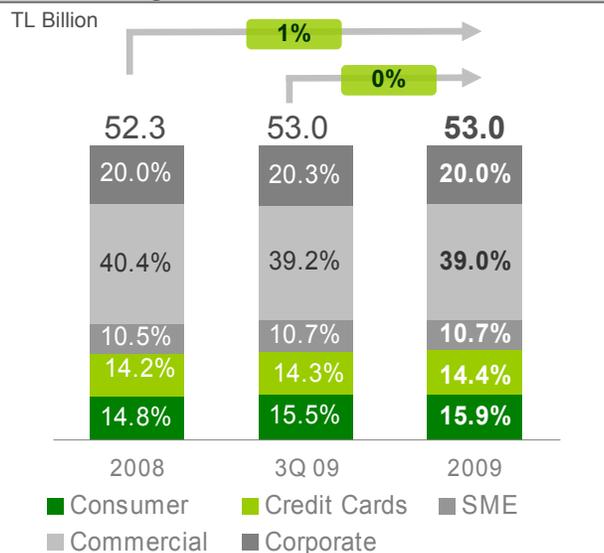
TL Loans¹

TL Billion



Loans by LOB^{1, 2}

TL Billion



4Q 09

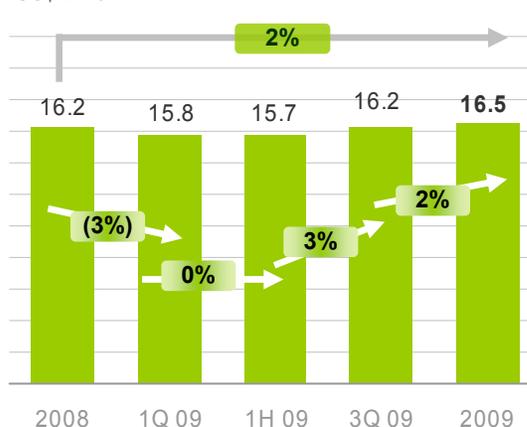
loan growth areas

in TL : retail

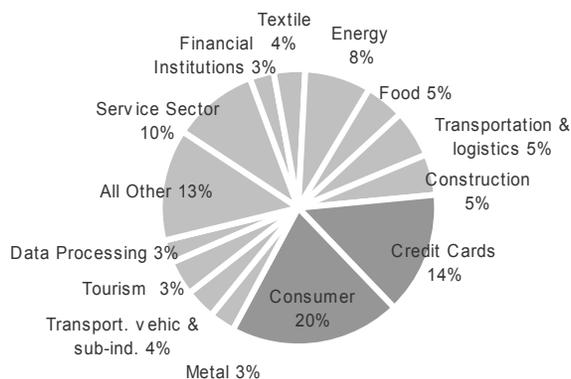
in FC: corporate

FC Loans¹

US\$ Billion



Loans by Sectoral Breakdown^{1, 3}



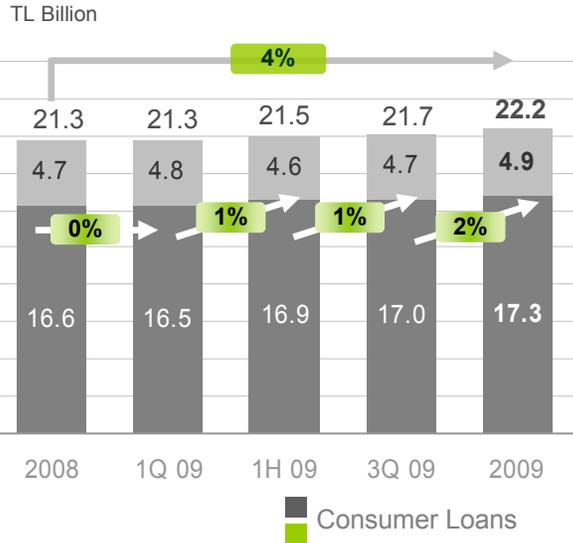
Market Shares

	YTD Δ	Dec 09
Total Loans	-80 bps ↓	13.8%
TL Loans	-69 bps ↓	10.9%
FC Loans	+25 bps ↑	21.3%

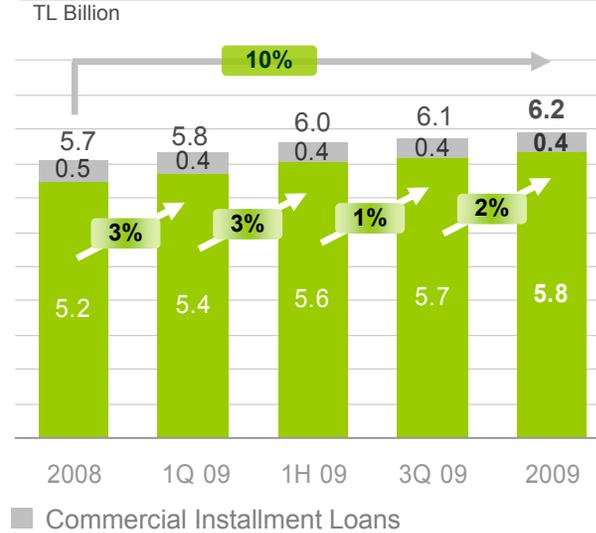
¹ Performing cash loans
² Based on bank-only MIS data
³ Based on bank-only financials
 Source: Sector figures are based on BRSA weekly data, commercial banks only

...to preserve profitability

Retail Loans¹

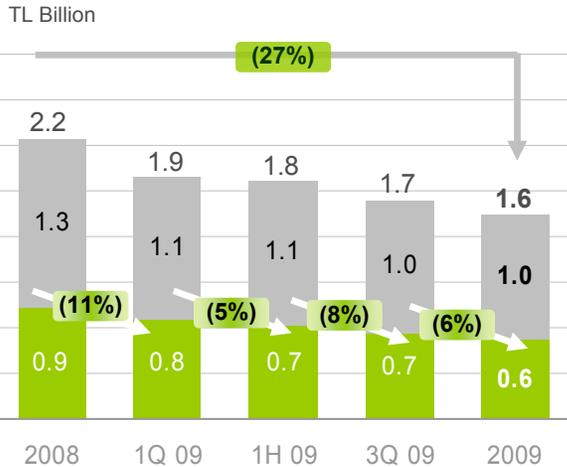


Mortgage Loan Growth

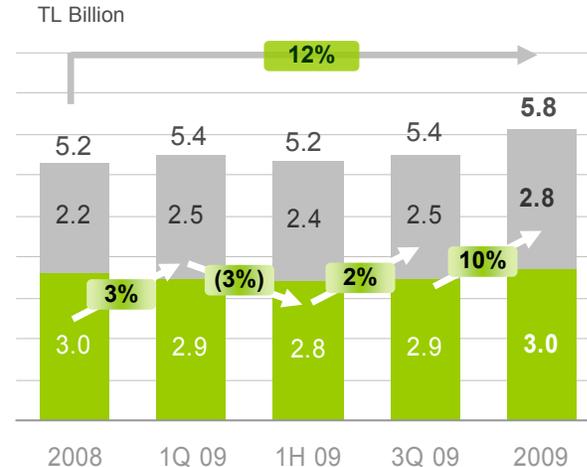


*Growth momentum
in mortgages
& GPL remains
despite resistance to
pricing competition*

Auto Loan Growth



General Purpose Loan Growth



Market Shares^{2,3}

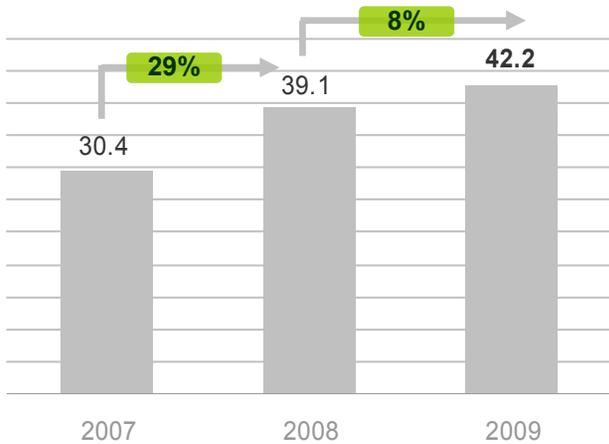
	YTD Δ	Dec 09	Rank ⁴
Mortgage	-10 bps ↓	13.8%	#1
Auto	-5 bps ↓	14.9%	#2
General Purpose	-15 bps ↓	9.7%	#2
Retail ¹	-60bps ↓	13.2%	#2

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, Garanti figures are based on bank-only financials
⁴ As of 3Q 2009 among private banks

Limited growth in credit card activity

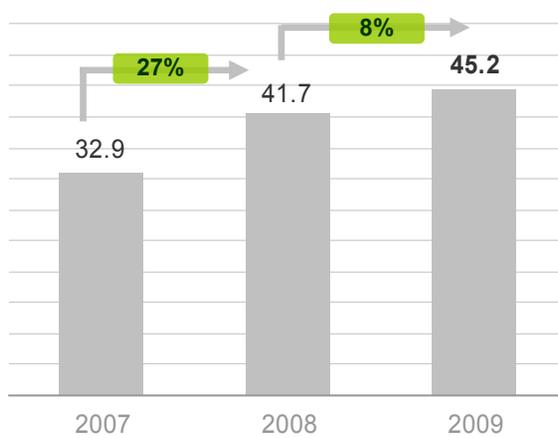
Issuing Volume

TL Billion



Acquiring Volume

TL Billion

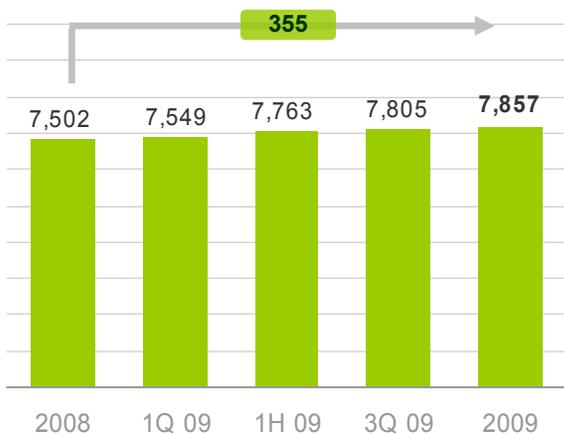


#1 in
Acquiring Volume
& Strong **#2** in
Issuing Volume



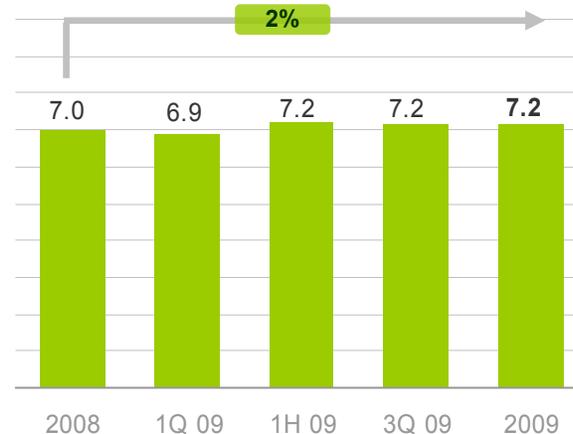
No. of Credit Cards

In Thousands



Credit Card Balances

TL Billion



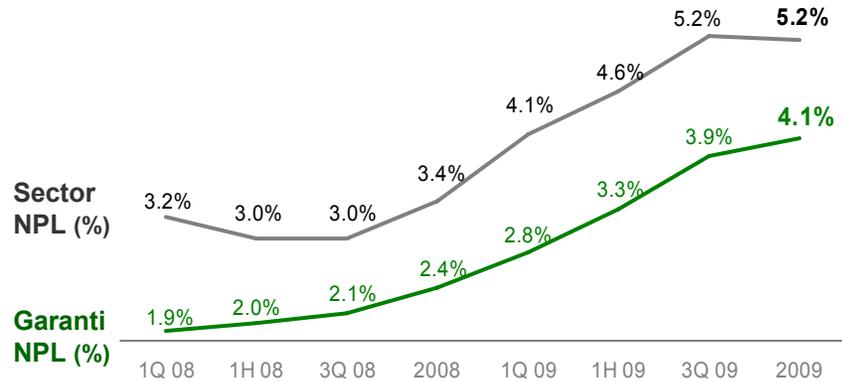
Market Shares

	YTD Δ	Dec 09	Rank
Acquiring	-26 bps	22.1%	#1
Issuing	-31 bps	20.8%	#2
# of Credit Cards	+41 bps	17.7%	#1
POS ¹	+41 bps	20.4%	#1
ATM	-17 bps	11.6%	#2

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

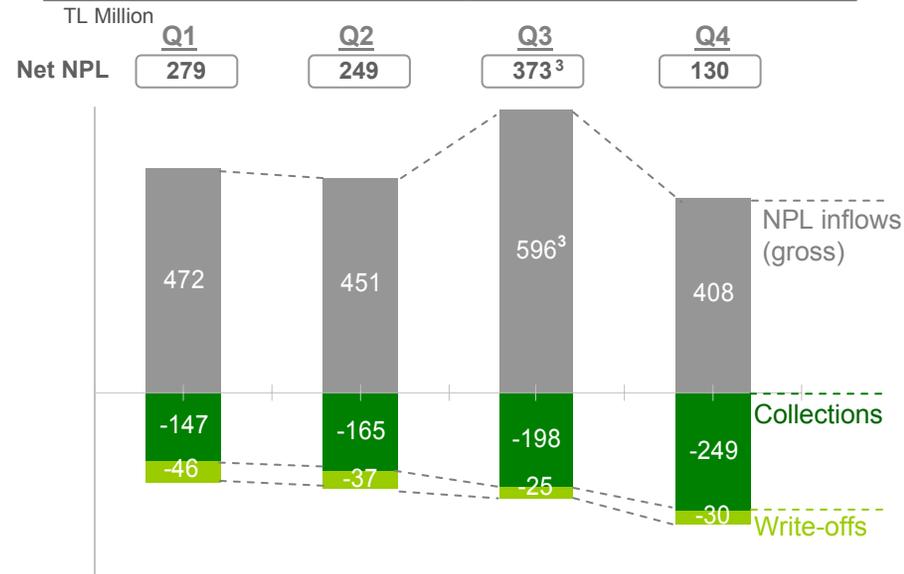
Lowest NPL formation and highest collection performance in 4Q 09

NPL Ratio¹



Note:
 4Q 09 sector NPL includes ~220mn NPL sales
 2008 sector NPL includes a total of 1.4 bn NPL sales & write-offs

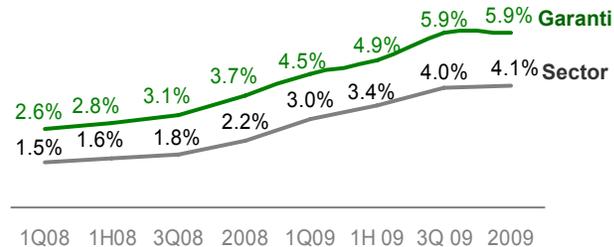
Net NPLs on a quarterly basis



NPL Categorisation^{1,2}

Retail Banking (Consumer & SME Personal)

20% of Garanti's Total Loans



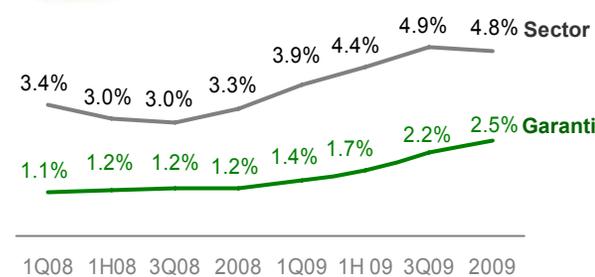
Credit Cards

14% of Garanti's Total Loans



Business Banking (Including SME)

66% of Garanti's Total Loans



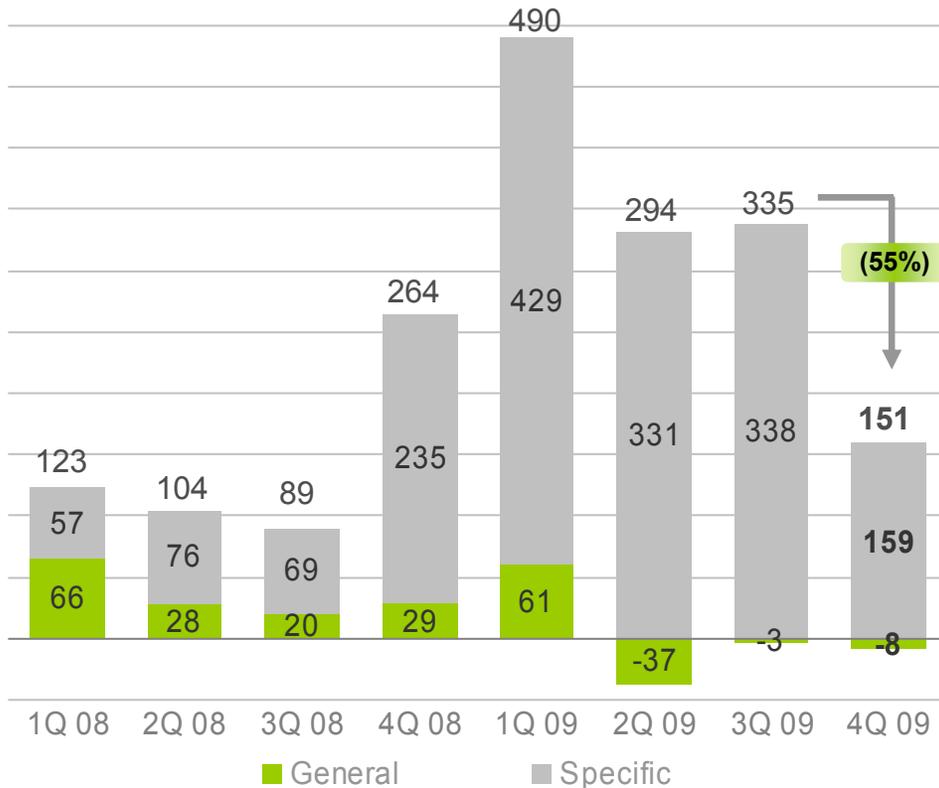
Source: BRSA, TBA & CBT
¹ Sector figures are per BRSA bank-only data. Bank-only NPL ratios for Garanti are: 4.3% for 4Q 09, 4.1% for 3Q 09, 3.5% for 1H 09, 2.9% for 1Q 09, 2.4% for YE 2008; 2.2% for 3Q 08; 2.1% for 1H 08 and 2.0% for 1Q 08.
² Garanti NPL categorisation based on bank-only financials
³ Including a few files in commercial book to be fully recovered due to highly strong collateralization
 Note: As of Dec. 2009 pre-NPL restructurings totaled TL 200mn and NPL restructurings totaled TL 512mn. NPL restructurings had no effect on NPL ratio as they are not yet classified as performing

Cost of risk easing parallel to improving macro

Quarterly Loan-Loss Provisions

TL Million

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



Coverage Ratio



81%

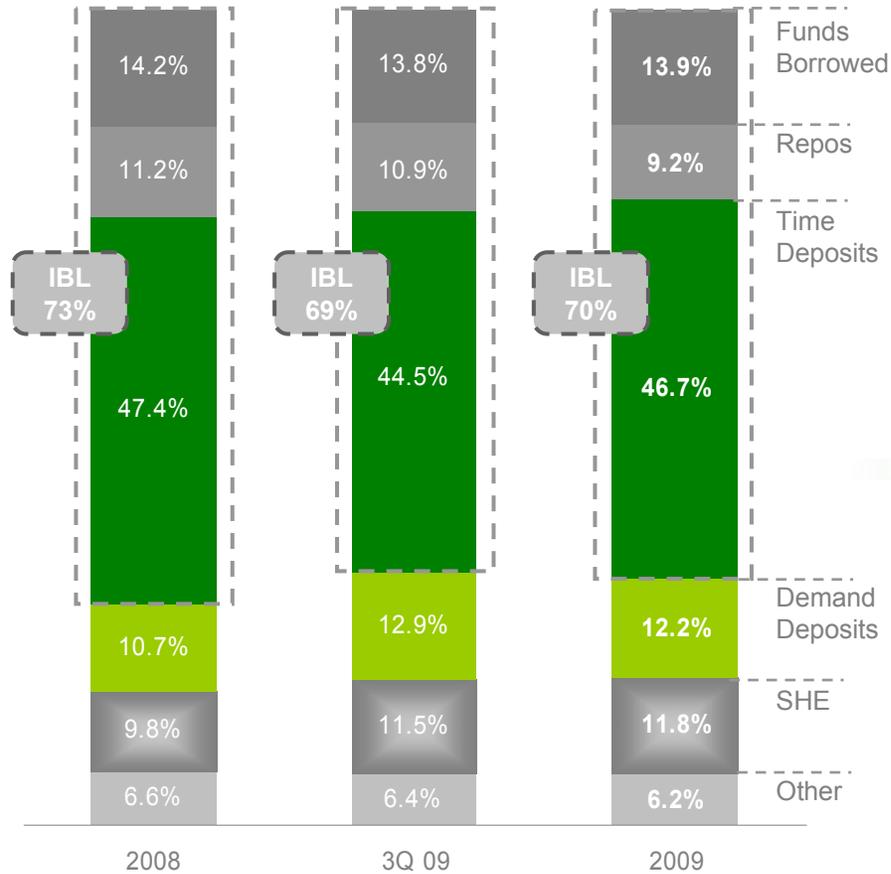
Conservative approach in coverage remains

Cost of risk

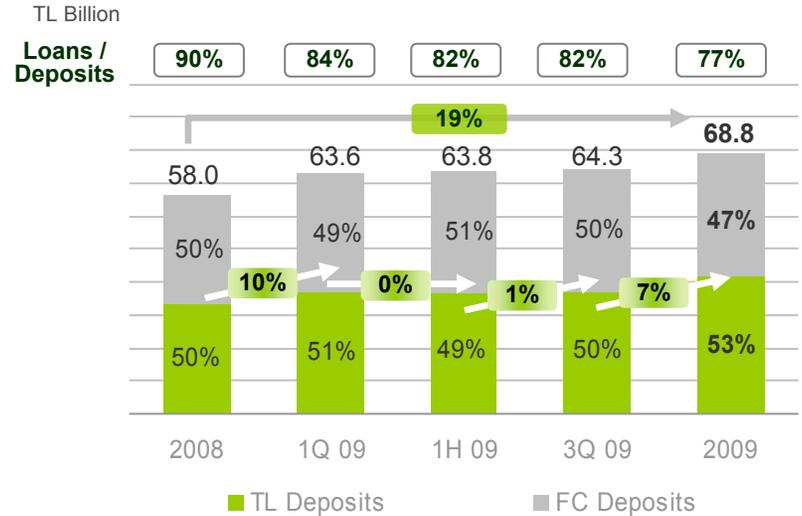
367 bps in 1Q 09,
 298 bps in 1H 09,
 281 bps in 3Q 09,
 ~239 bps as of Dec 09

Focus remains on deposit growth with...

Composition of Liabilities



Total Deposits



Deposit market share
up by 60 bps to **12.4%**

TL deposit growth **25%**
vs. sector's 15%

FC deposit growth **15%**
vs. sector's 10%

...emphasis on relationship banking -- increased portion of corporate deposits & maintained solid demand deposit base

Deposits by LOB¹
(Excluding bank deposits)

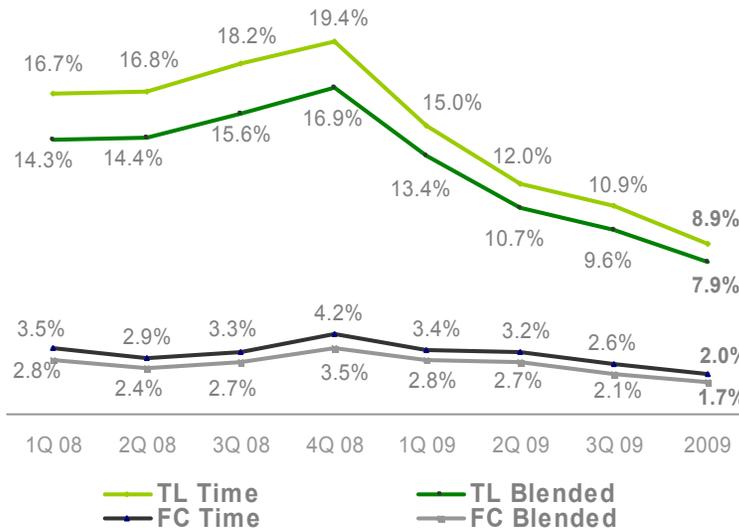


Demand Deposits
TL Billion



Demand Deposits
2009 Growth
34% vs.
Sector's **28%**

Cost of Deposits¹
Quarterly Averages



Demand Deposit Market Share²

> 14%

¹ Based on bank-only MIS data
² Sector figures are per BRSA weekly data, commercial banks only.
Bank-only data used for market share calculation

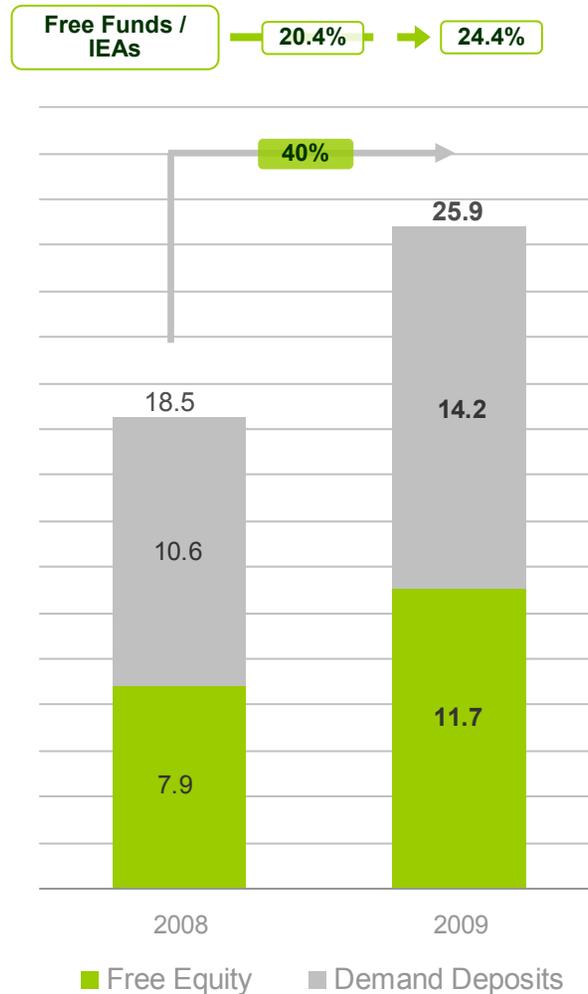
Strong solvency and low leverage

CAR



Free Funds

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



Free Equity

2009 growth



49%

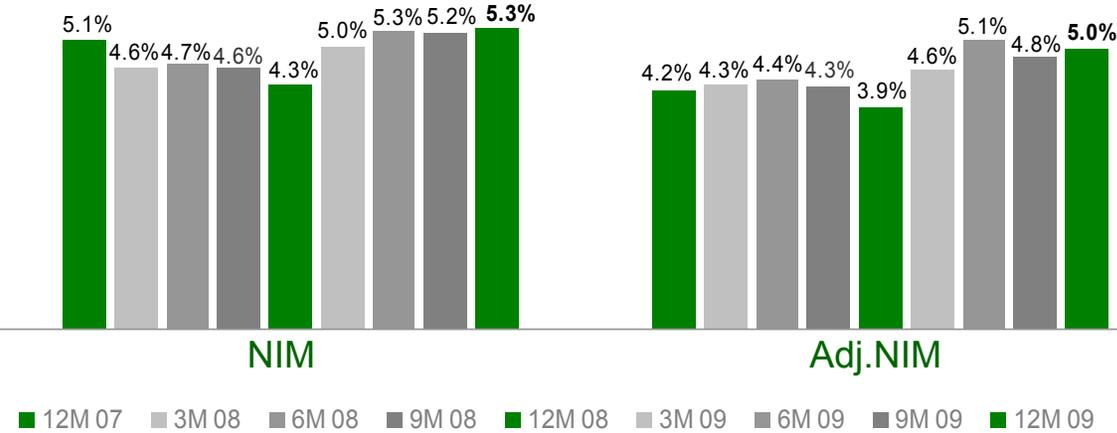
Leverage Ratio



down from **9x** in 1Q 09
and at YE 08

Proactively managed B/S -- limited drop in asset yields combined with declining funding costs result in expanding margins q-o-q

Cumulative NIM (Net Interest Income / Average IEAs)

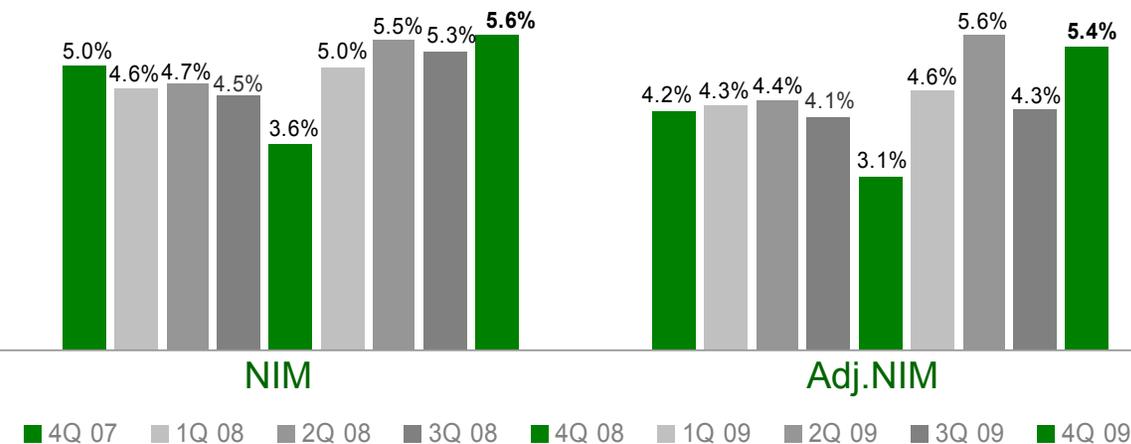


Dec 09 over Sep 09:

- Declining funding costs' impact on margin +45 bps
- Drop in asset yields' impact on margin -35 bps

Decreased levels of "provisioning" positively affecting adjusted NIM

Quarterly NIM (Net Interest Income / Average IEAs)



4Q 09 over 3Q 09:

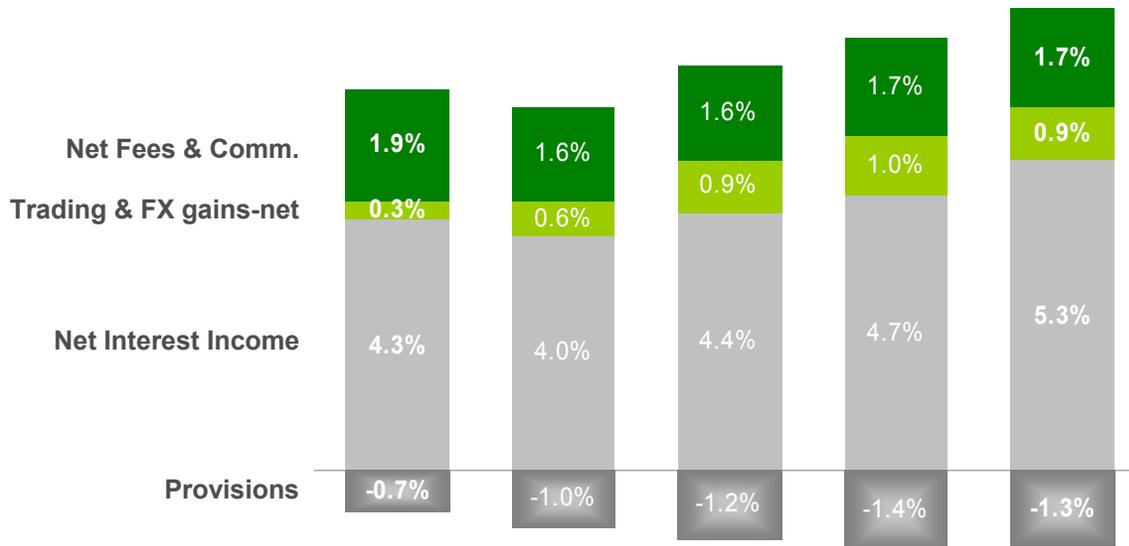
- Declining funding costs' impact on margin +70 bps
- Drop in asset yields' impact on margin -40 bps

Regardless of the economic cycles, sustainable revenue components prevail

Ordinary Banking Income¹ Breakdown

% of Average Interest Earning Assets

	<u>Dec 08</u>	<u>Mar 09</u>	<u>Jun 09</u>	<u>Sep 09</u>	<u>Dec 09</u>
Ordinary Banking Income	5.8%	5.2%	5.7%	6.0%	6.6%



Ordinary Banking Income¹
2009 over 2008


44%

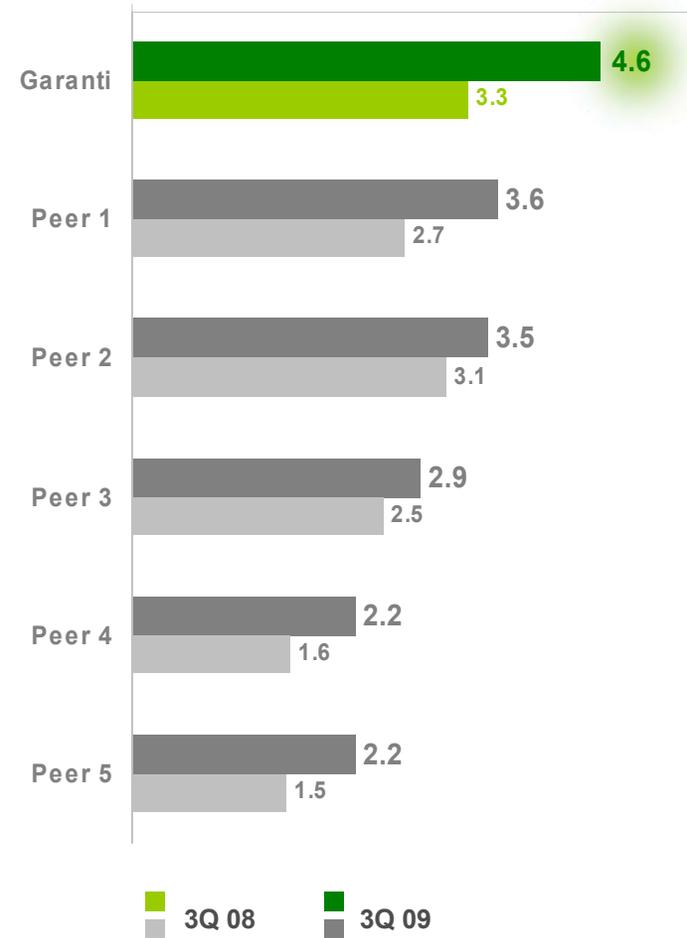
	<u>Dec 08</u>	<u>Mar 09</u>	<u>Jun 09</u>	<u>Sep 09</u>	<u>Dec 09</u>
Loan growth (yoy)	32%	16%	10%	7%	1%
ROAE	22%	29%	28%	26%	27%
Cost/Income	53.4%	37.7%	37.7%	39.2%	39.2%

¹ Ordinary Banking Income is defined as: net interest income adjusted with provisions for loans and securities, net FX and trading gains + net fees and commissions
Note: P&L items calculated based on trailing twelve months

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

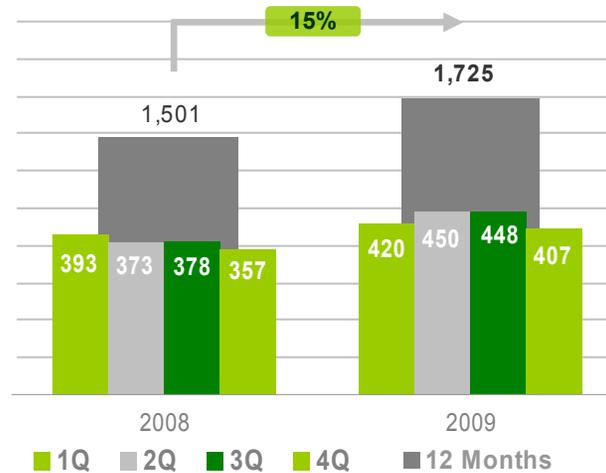
Ordinary Banking Income¹ Generation

TL Billion



Net Fees & Commissions²

TL Million



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

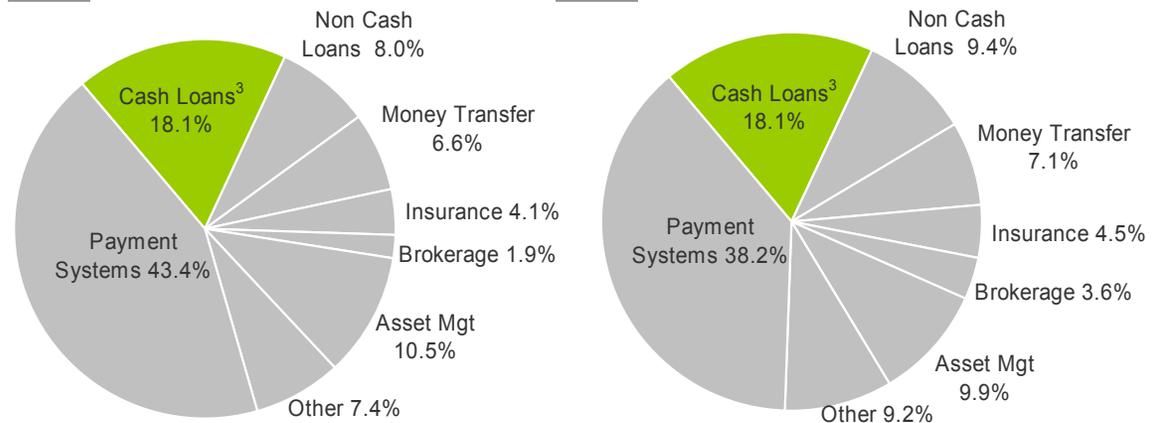
#1 in bancassurance

Brokerage market share increased to **7%**

Net Fees & Commissions Breakdown^{2,4}

2008

2009



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 159 mn for 2009 and TL 147 mn for 2008
³ Include consumer loans fees as well as other cash loan fees now classified as interest on loans in income statement amounting TL 157 mn for 2009 and TL 147 mn for 2008
⁴ Bank-only MIS data

Once again, solid results underpinned by the strong business model

<i>(TL Million)</i>	2008	2009	Growth
Ordinary Banking Income	4,678	6,756	44%
Other Income*	292	449	54%
Total Revenue*	4,970	7,205	45%
Operating Expense*	(2,653)	(2,823)	6%
<i>Personnel Expense</i>	(1,069)	(1,130)	6%
<i>Bonus Provision</i>	(99)	(99)	0%
<i>Rent Expense</i>	(111)	(135)	21%
<i>Communication Expense</i>	(144)	(139)	(3%)
<i>Other</i>	(1,230)	(1,320)	7%
Operating Income*	2,317	4,382	89%
Other Provisions	(34)	(442)	n.m
<i>General Reserves¹</i>	-	(330)	n.m
<i>Other</i>	(34)	(112)	n.m
Taxes*	(476)	(840)	76%
Normalized Net Income	1,807	3,100	72%
Non-recurring Items	84	-	n.m
Net Income	1,891	3,100	64%
<i>Equityholders of the Bank</i>	1,879	3,086	64%
<i>Minority Interest</i>	12	14	18%

72%



2009 Net Income Growth*

Cost / Income

39.2%

Appendix

Balance Sheet - Summary

<i>(TL Million)</i>		2008	2009	YTD Change
Assets	Cash & Banks¹	10,827	15,204	40%
	Reserve Requirements	1,773	1,741	(2%)
	Securities	26,643	37,837	42%
	Performing Loans	52,300	53,050	1%
	Fixed Assets & Subsidiaries	1,323	1,430	8%
	Other	6,172	7,073	15%
	Total Assets	99,038	116,335	17%
	Liabilities & SHE	Deposits	57,960	68,782
Repos		11,153	10,765	(3%)
Borrowings		14,420	16,458	14%
Other		5,762	6,644	15%
SHE		9,743	13,686	40%
Total Liabilities & SHE		99,038	116,335	17%

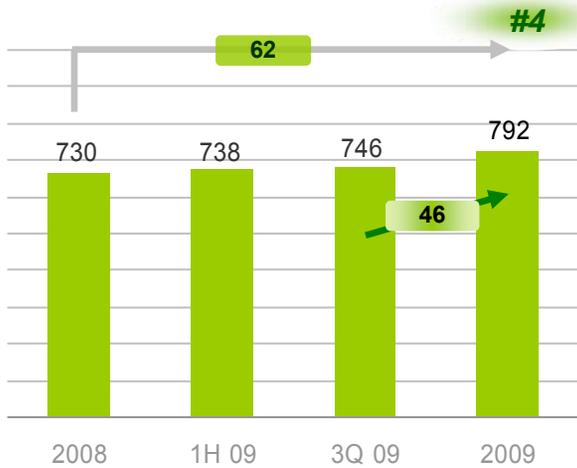
¹ Includes banks and other financial institutions

Quarterly Analysis of Ordinary Banking Income

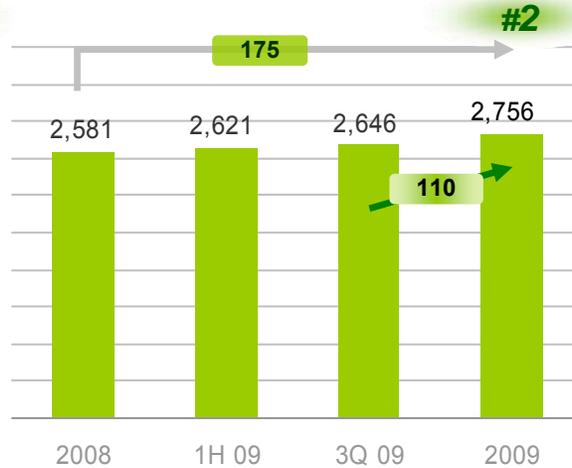
<i>(TL Thousand)</i>	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09	Δ Q-o-Q 3Q 09 - 4Q 09	Δ Q-o-Q 4Q 08 - 4Q 09	Δ Y-o-Y Dec 08- Dec 09
Interest Income	3,001,944	2,955,485	2,793,880	2,671,259	2,718,362	1.8%	(9.4%)	9.8%
-Loans	1,772,106	1,744,653	1,590,266	1,511,855	1,443,721	(4.5%)	(18.5%)	4.2%
-Securities	964,720	987,620	1,014,108	988,736	1,078,348	9.1%	11.8%	32.3%
-Other	265,118	223,212	189,506	170,668	196,293	15.0%	(26.0%)	(24.5%)
Interest Expense	(2,187,920)	(1,771,432)	(1,443,292)	(1,317,090)	(1,201,332)	(8.8%)	(45.1%)	(13.6%)
-Deposits	(1,472,192)	(1,302,967)	(1,066,177)	(930,218)	(848,949)	(8.7%)	(42.3%)	(8.7%)
-Funds Borrowed	(272,467)	(206,581)	(194,765)	(218,267)	(199,066)	(8.8%)	(26.9%)	(9.9%)
-Interbank & Other	(443,261)	(261,884)	(182,350)	(168,605)	(153,317)	(9.1%)	(65.4%)	(35.3%)
Net Interest Income	814,024	1,184,053	1,350,588	1,354,169	1,517,030	12.0%	86.4%	54.1%
Prov. for loans & securities	(264,468)	(489,894)	(293,732)	(355,134)	(134,196)	(62.2)%	(49.3)%	117.8%
Net FX Gain/(Loss) + Net trading Income/(Loss)	131,308	400,492	319,732	99,790	77,966	(21.9)%	(40.6)%	254.1%
Adj. Net Interest Income	680,864	1,094,651	1,376,588	1,098,824	1,460,800	32.9%	114.6%	58.3%
Net Fees and Comm.	356,658	420,565	449,716	448,092	406,700	(9.2)%	14.0%	14.9%
Ordinary Banking Income	1,037,522	1,515,216	1,826,304	1,546,917	1,867,500	20.7%	80.0%	44.4%

Further strengthening of retail network

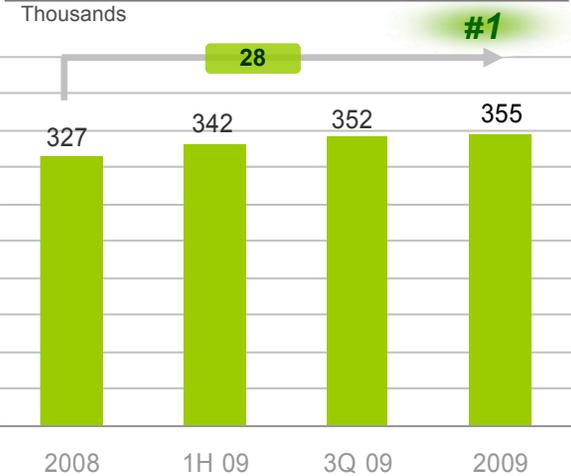
Number of Branches



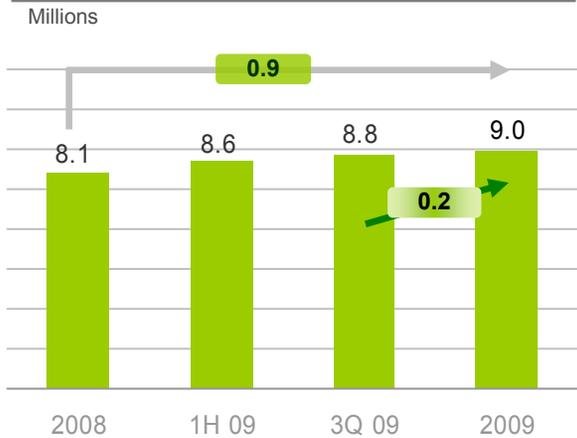
Number of ATMs



Number of POS



Number of Customers



Mortgages



Demand Deposits



* Mortgage and demand deposit ranks are as of 3Q 09
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 09 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 09 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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