



BRSA Bank-Only Earnings Presentation  
June 30, 2011

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## 2Q 2011 Macro Highlights

Deteriorating growth numbers, heightened credit concerns

- Weaker than expected US macroeconomic data in 2Q led FED to reduce growth expectations.
- US debt ceiling debate kept markets volatile.
- Chinese inflation in a rising trend and high oil prices lasted.
- European debt crisis prompted a sharp rise in risk aversion.

CBRT confident on inflation and declining trend in domestic trend

- 1Q11 GDP at 11%, above expectations of 9.8% -- fastest growing country in the world in 1Q11 and World Bank forecasts 2011 growth to be above Europe and Central Asia.
- Annual inflation fell to 6.2% in June -- CBRT confident on inflation.
- BRSA increased both general provisioning and risk weightings on general purpose loans, while raising general provisioning for loans with maturity extensions.
- TL depreciated by 0.5% and 1.4% against US\$ and Euro in 2Q11.
- Benchmark bond ended the quarter at 9.14%.

# 1H 2011 Highlights

Balance sheet strength: distinguishing feature of Garanti...

...leads to consistent delivery of strong results

**Selective lending** growth -- **timely loan re-pricing** across the board

- emphasis remains on higher yielding products
  - GPLs (+12% q-o-q ;+30% y-t-d); mortgages (+3% q-o-q ;10% y-t-d)
  - FX corporate & commercial loans: (+0% q-o-q & 7% y-t-d)

Strategically managed **securities portfolio serves as a hedge** against volatility

- FRN mix in total: 65% vs. 60% @YE 10

**Pristine asset quality** -- normalizing but still **strong collections exceeding NPL formations**

- NPL ratio 1.9% , down by 100 bps ytd -- reaching around pre-crisis levels
- Gross cost of risk remained below 100bps despite the recent regulations on general provisioning

Actively managed and **diversified funding base** -- lengthened maturities & limited pressure on funding costs

- Demand deposits - main driver of deposit growth - (+17% y-t-d)
- Bond issuances in 1H11: TL 2.5bn (6mo-1yr) & \$800mn (5-10yrs), at attractive rates

**High solvency:** CAR: 18%, Leverage: 7x

**23 consecutive quarters of ROAE >= 20%:** 1H 2011 - ROAE: 20%

- 1H 11 Net Income : TL1,798mn ;
- 2Q 11 Net Income: TL 943mn , up by 10% q-o-q

**Margins holding up well** despite a much lower interest rate environment y-o-y and the RRR hikes with no remuneration

**Net fees and commissions:** Well-diversified into high growth areas , **#1 market share** maintained

Committed to **strict cost discipline** and **process improvement**

- Opex/ Avg assets: 2.2% at 1H 11 vs 2.8% at 1H 10;
- C/I: 41%
- Employee/ branch improved by 21% over the last 3 yrs
- Investment in distribution network continued with **>30 branch additions** in 1H11

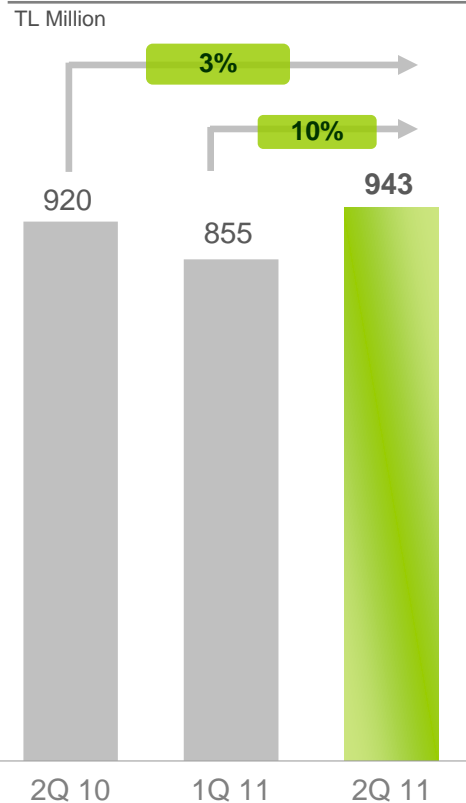
# Strong & sustainable results underpinned by the distinguished business model

**ROAE: 20%**

23 consecutive quarters of ROAE >=20%

**Net Income: TL 1,798mn**  
1H 11

## Quarterly Net Income

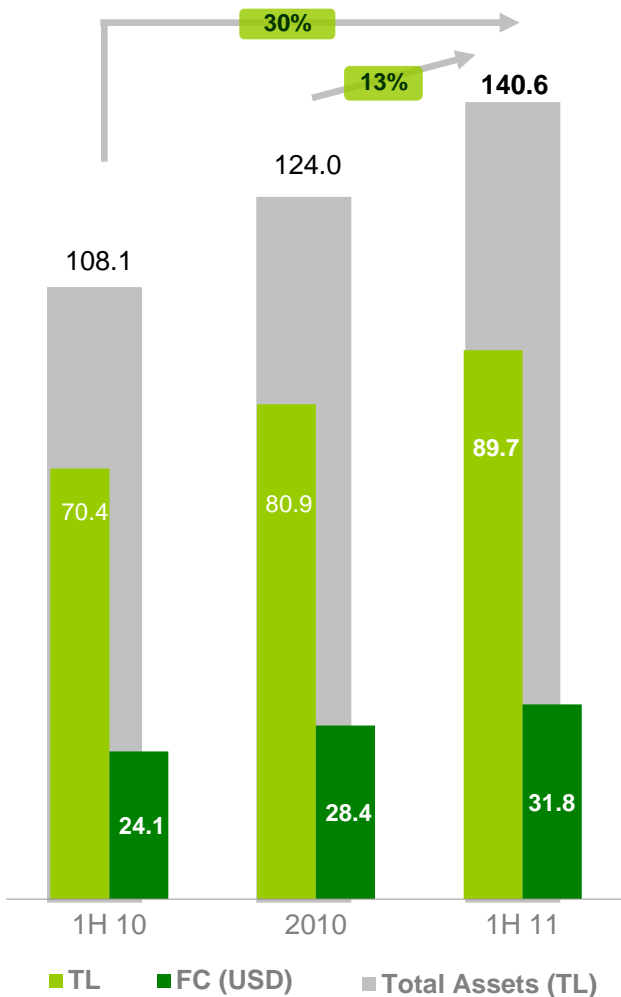


- **Well-defended NII:**  
Timely loan re-pricing & actively managed funding structure -- excluding the securities book, **flat** NII y-o-y
- **Solid & diversified fee base**  
Double digit growth momentum
- **Pristine asset quality**  
backed by strong collections
- **Strict cost discipline**
- **Equity stake sales**  
compensated the lower trading gains in 2Q

# Well-shaped balance sheet -- highly liquid supporting healthy & selective growth

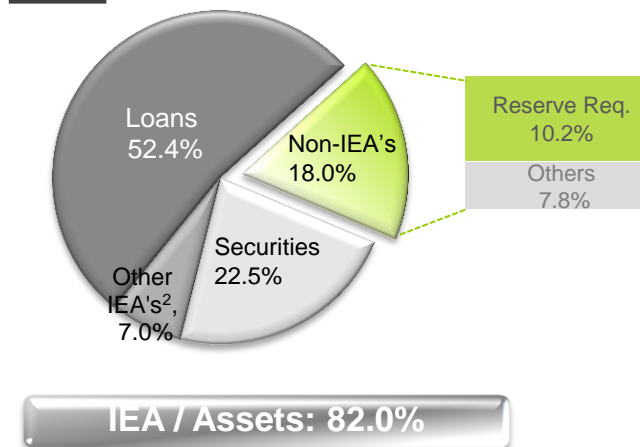
## Total Assets

TL / USD Billion

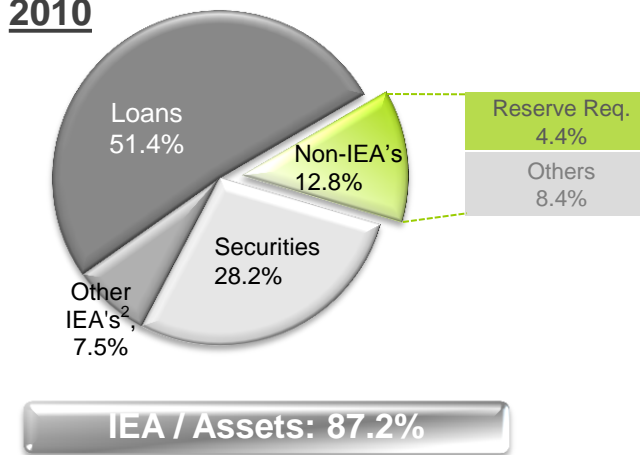


## Composition of Assets<sup>1</sup>

1H 11



2010



## Growth:

1H 11

Loans<sup>4</sup>: **16%**  
Securities: **-11%**

## Loans/Assets

**52%**

VS.

**51%** at YE 10

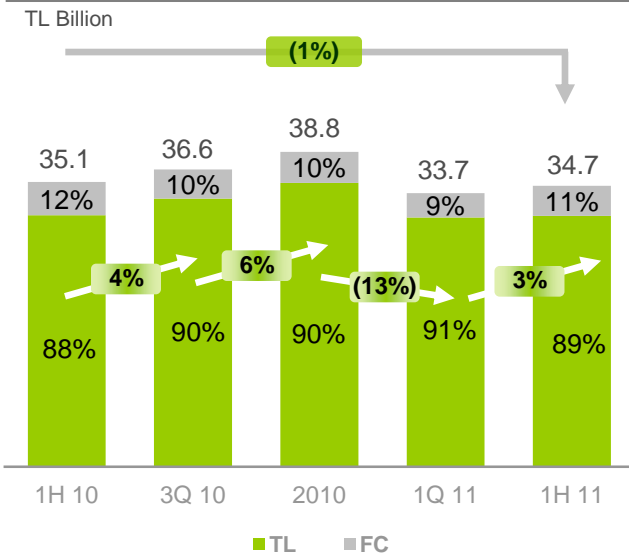
## Liquidity Ratio<sup>3</sup>

**29%**

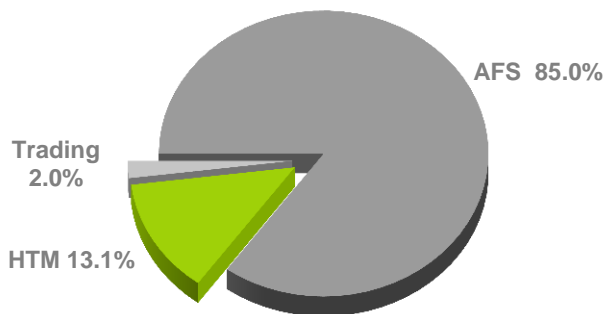
<sup>1</sup> Accrued interest on B/S items are shown in non-IEAs  
<sup>2</sup> Other IEA's include factoring and leasing receivables  
<sup>3</sup> (Cash and banks + trading securities + AFS) / Total Assets  
<sup>4</sup> Performing cash loans

# Strategically managed securities portfolio serves as a hedge against volatile market conditions

## Total Securities

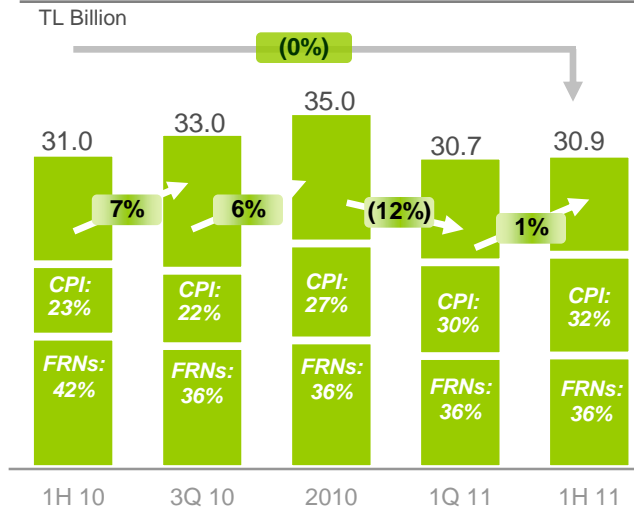


## Total Securities Composition

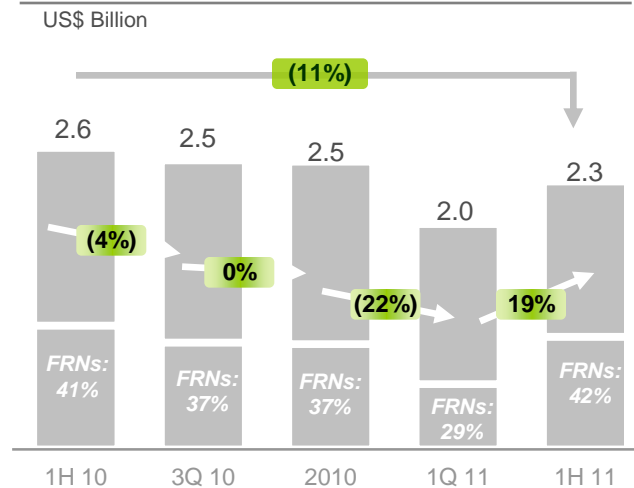


“Unrealized gain as of Jun 30, 2011: **TL 1.2 bn<sup>1</sup>**”

## TL Securities



## FC Securities



## Securities<sup>2</sup>/Assets

**23%**  
down from  
**28%** at YE 10

## FRN mix in total

**65%**

from  
**63%** at 1Q 11  
and  
**60%** at YE 10

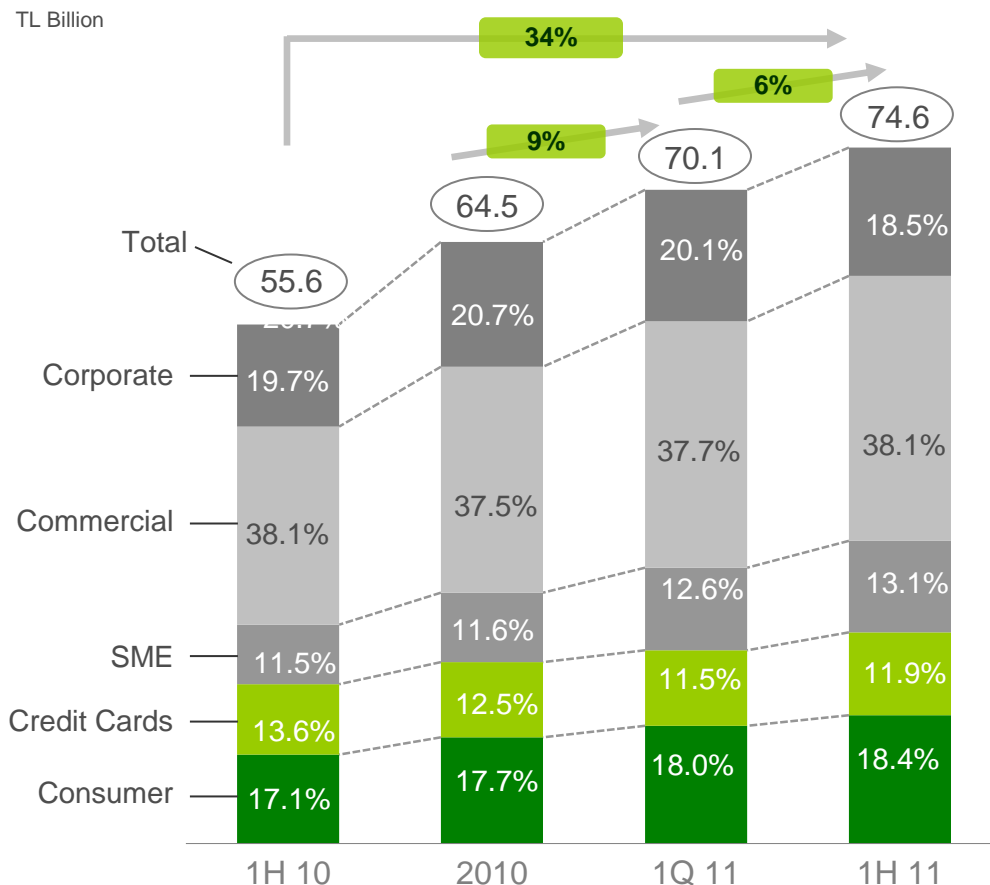
<sup>1</sup> Based on bank-only MIS data

<sup>2</sup> Excluding accruals

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

# Leading in loan re-pricing, in response to regulatory measures, led to intentionally lower lending growth...

## Total Loan<sup>1</sup> Growth & Loans by LOB<sup>2</sup>



<b>TL (% in total)</b>	58%	57%	58%	58%
<b>FC (% in total)</b>	42%	43%	42%	42%

### Total loans market share:

**13.3%**

VS.

13.8% at **1Q'11**

13.4% at **YE 10**

### TL market share:

**11.0%**

VS.

11.2% at **1Q'11**

10.7% at **YE 10**

### FC market share:

**19.1%**

VS.

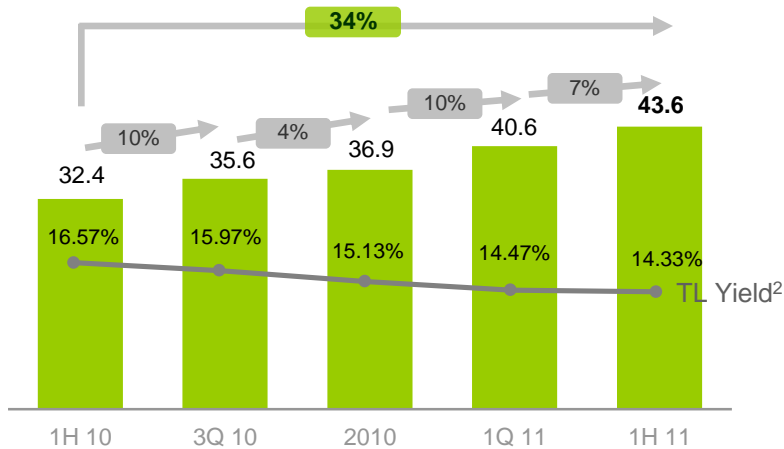
20.0% at **1Q'11**

20.4% at **YE 10**

# ...as focus remained on profitability

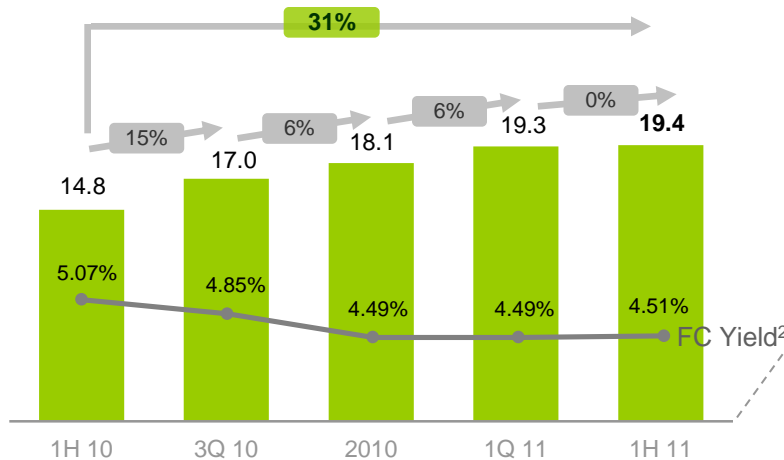
## TL Loans<sup>1</sup>

TL Billion



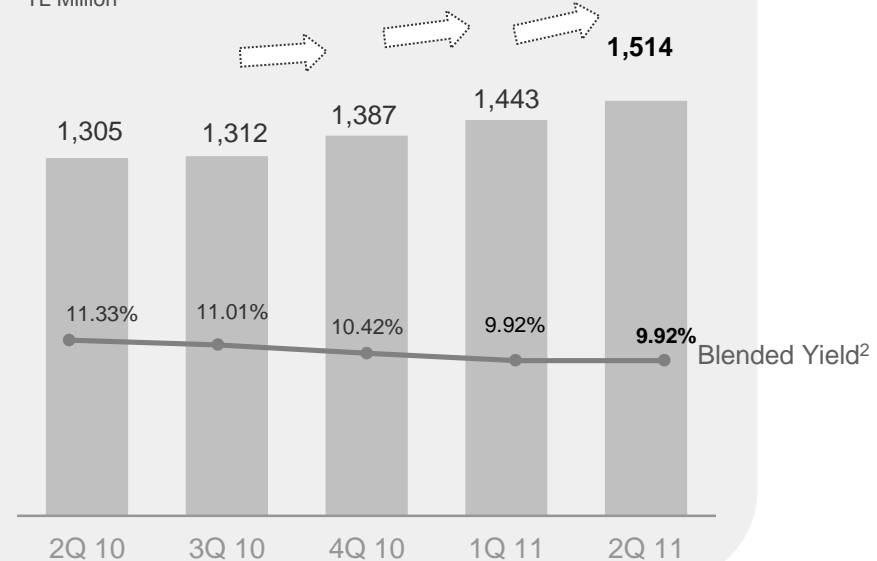
## FC Loans<sup>1</sup>

US\$ Billion



## Interest Income on loans (quarterly)

TL Million



Proactive approach in loan re-pricing, limiting the pressure on blended loan yields<sup>3</sup>



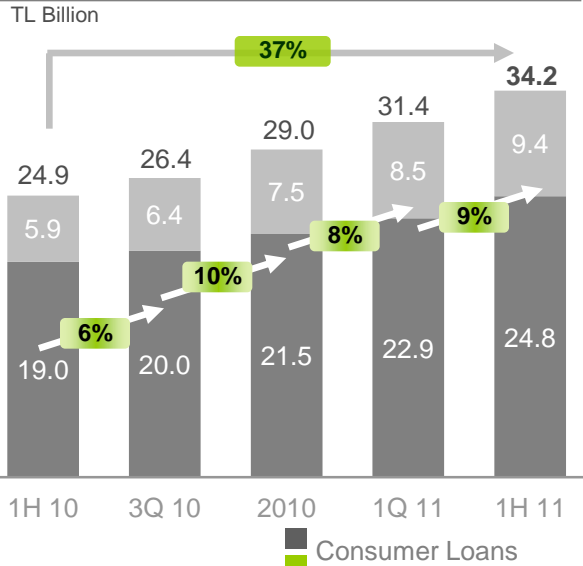
**~400 bps**  
ytd increase in loan pricing

<sup>1</sup> Performing cash loans  
<sup>2</sup> Based on MIS data and calculated using daily averages  
<sup>3</sup> Based on MIS data

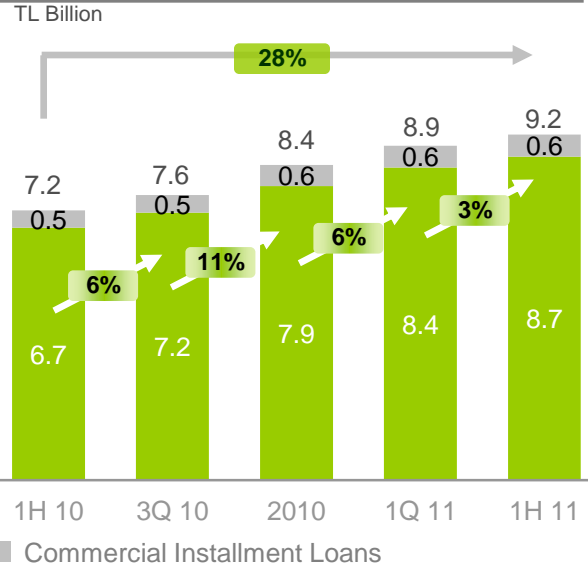


# Timely re-pricing defined the retail lending strategy

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

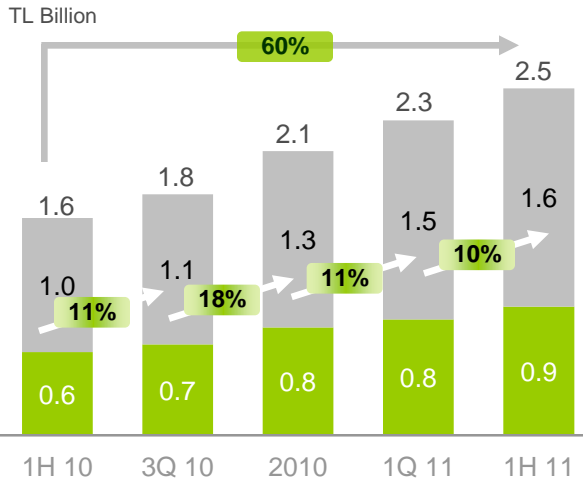


## Mortgage Loan Growth

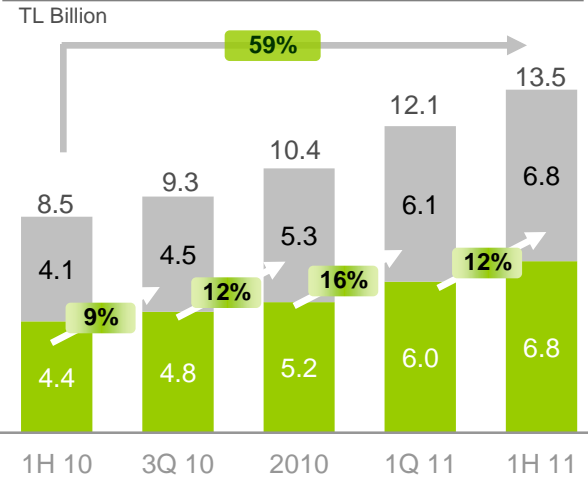


“Relatively lower market share loss in higher yielding products”

## Auto Loan Growth



## General Purpose<sup>5</sup> Loan Growth



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

	Mar 11	Jun 11	Qtd	Rank <sup>4</sup>
<b>Mortgage</b>	13.9%	13.3%	-60 bps	#1
<b>Auto</b>	15.5%	15.1%	-42 bps	#3
<b>General Purpose<sup>5</sup></b>	10.8%	10.6%	-22 bps	#2
<b>Retail<sup>1</sup></b>	13.3%	13.0%	-36 bps	#2

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

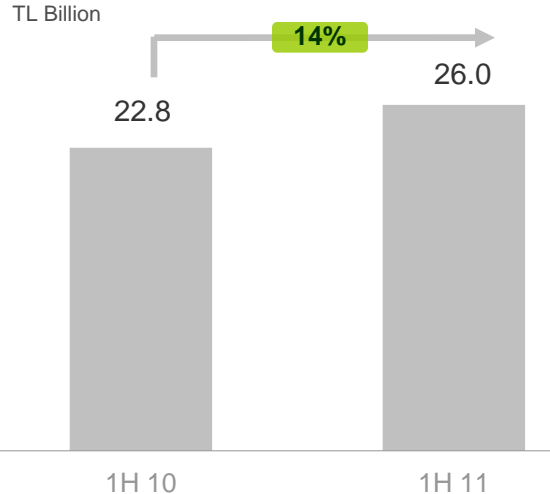
<sup>2</sup> Including consumer and commercial installment loans

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

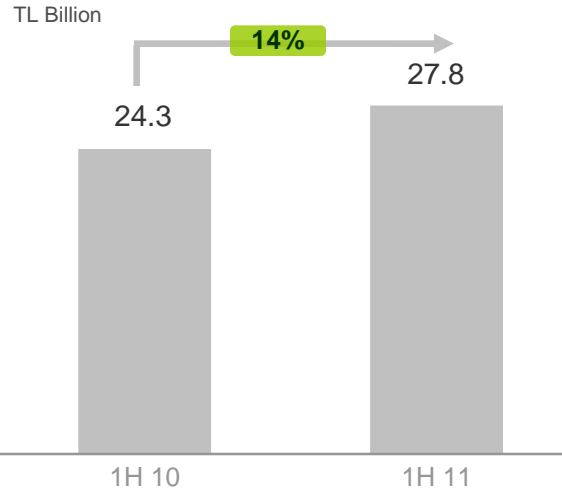
<sup>4</sup> As of 1Q11 among private banks <sup>5</sup> Including other loans and overdrafts

# Strong presence in cards business sustained

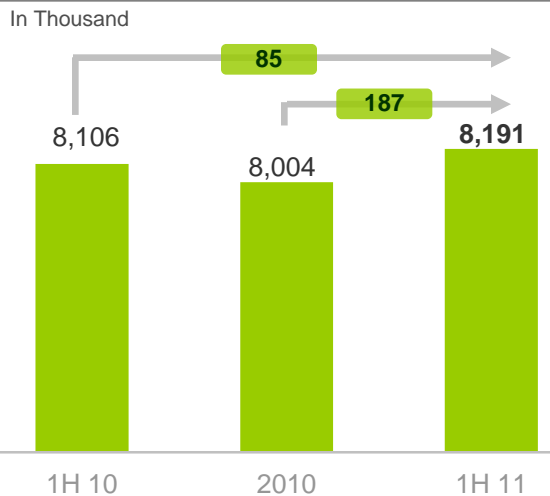
## Issuing Volume



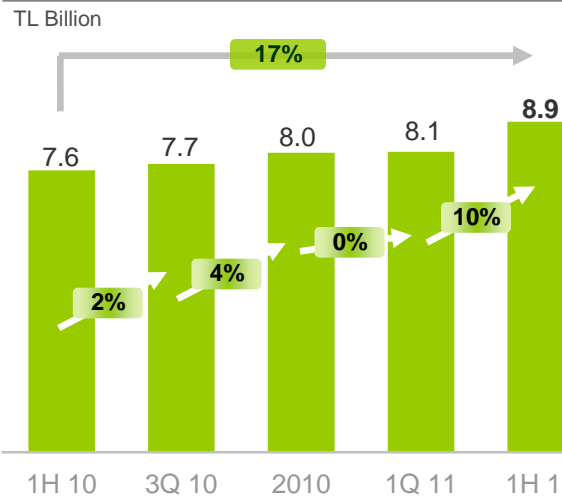
## Acquiring Volume



## No. of Credit Cards



## Credit Card Balances



## #1 in Card Business

### Per Credit Card Spending (TL, June 11<sup>2</sup>)



### Per Debit Card Spending

**>2 times the sector**

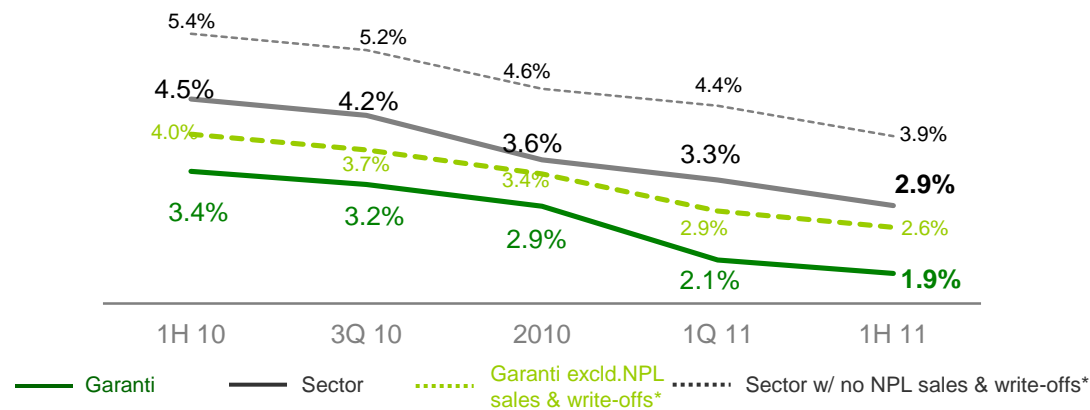
... with the ultimate aim of creating **cashless society**

## Market Shares

	YTD Δ	Jun 11	Rank
Acquiring	-105 bps	20.3%	#2
Issuing	-91 bps	19.2%	#1
# of Credit Cards	-38 bps	16.7%	#1
POS <sup>1</sup>	+56 bps	22.8%	#1
ATM	-12 bps	10.7%	#3

# Asset quality - backed by continuing strong collections- remained pristine...

## NPL Ratio<sup>1</sup>



\* Adjusted with write-offs in 2008, 2009, 2010 and 1H 11. 2010 and 1H11 sector NPL sales & write-offs total: TL ~2.6 bn and ~TL 0.7 bn, respectively  
 Garanti sold NPLs in 1Q 11 amounting to TL 484mn, of which TL 200mn relates to the NPL portfolio with 100% coverage and the rest being from previously written-off NPLs. Gross income booked amounts TL 54mn.

## NPL Categorisation<sup>1</sup>

### Retail Banking

(Consumer & SME Personal)

24% of Garanti's Total Loans

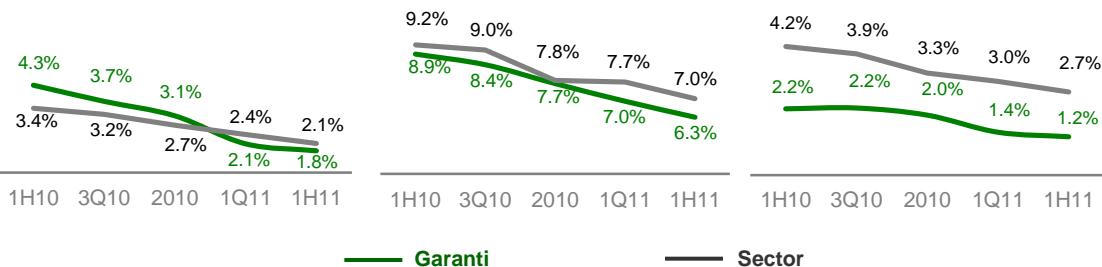
### Credit Cards

12% of Garanti's Total Loans

### Business Banking

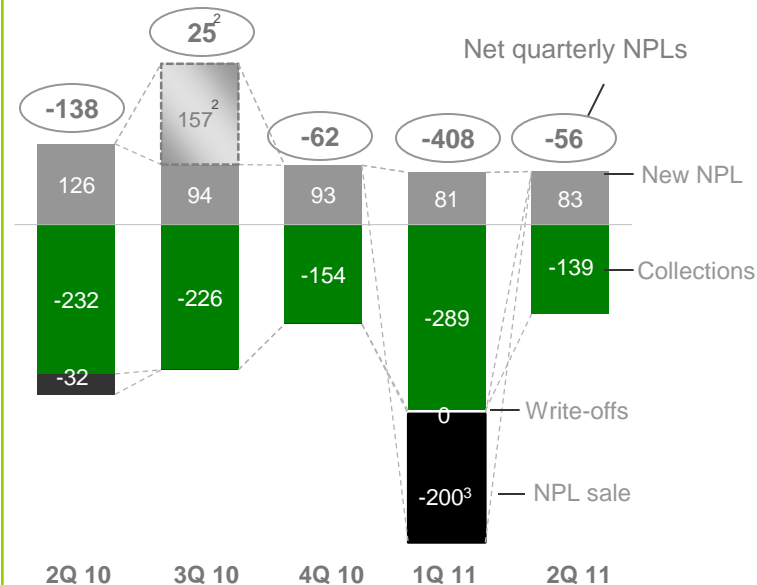
(Including SME Business)

64% of Garanti's Total Loans



## Net NPLs (quarterly)

TL Million



## NPL Ratio

1H 11

**1.9%**

Reached ~ pre-crisis level

Net NPL remained in negative territory-- continued as a **net collector**

<sup>1</sup> Sector figures are per BRSA bank-only data. NPL categorisation is based on bank-only data  
<sup>2</sup> Including NPL inflows in 3Q 2010, amounting to TL157 mn, which are related to a few commercial files with highly strong collateralization  
<sup>3</sup> Garanti NPL sale equals TL484 mn, of which TL200 mn relates to NPL portfolio with 100% coverage and the remaining TL284 mn being from the previously written-off NPLs.  
 Source: BRSA, TBA & CBT

...leading to flattish cost of risk q-o-q when excluding the effect of higher general provisions due to recent regulatory requirements

### Quarterly Loan-Loss Provisions

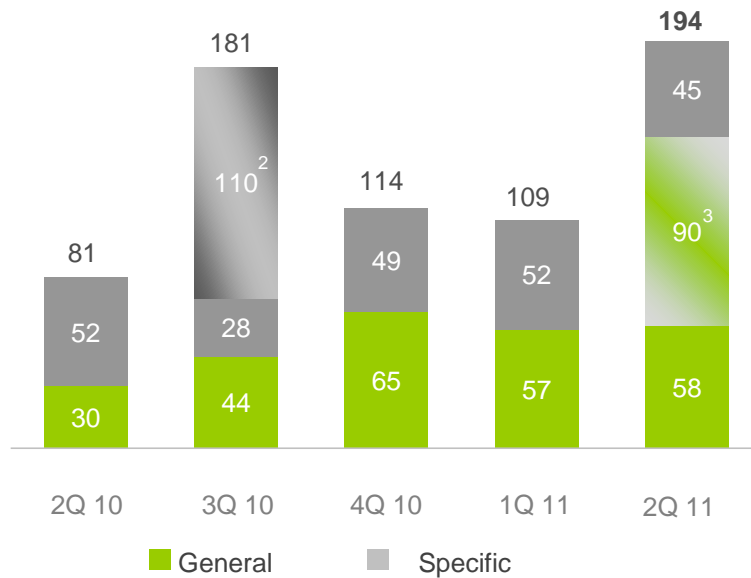
TL Million

#### Coverage Ratio

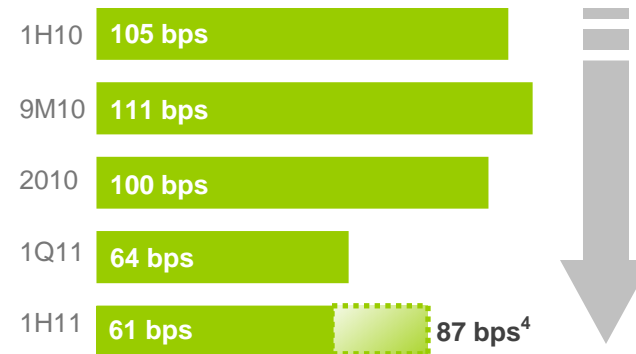
	<u>Jun 10</u>	<u>Sep 10</u>	<u>Dec 10</u>	<u>Mar 11</u>	<u>Jun 11</u>
Sector <sup>1</sup>	86%	86%	86%	86%	87%
<b>Garanti</b>	82%	81%	82%	82%	82%

Coverage ratio remains strong

**82%**



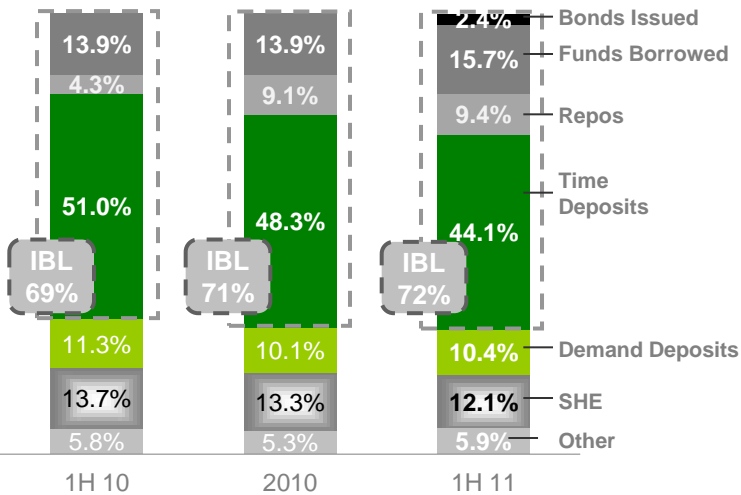
### Cost of Risk



<sup>1</sup> Sector figures are per BRSA weekly data, commercial banks only  
<sup>2</sup> TL110 mn of provisions resulting from NPL inflows in 3Q 10, which are related to a few commercial files with highly strong collateralization  
<sup>3</sup> The total effect of BRSA's recent regulations on general reserve rates for extended loans (TL 82 mn) and GPLs originated after June 18, 2011 (TL 8mn).  
<sup>4</sup> BRSA's recent regulations on general reserve rates for extended loans and GPLs added 26 bps to cost of risk

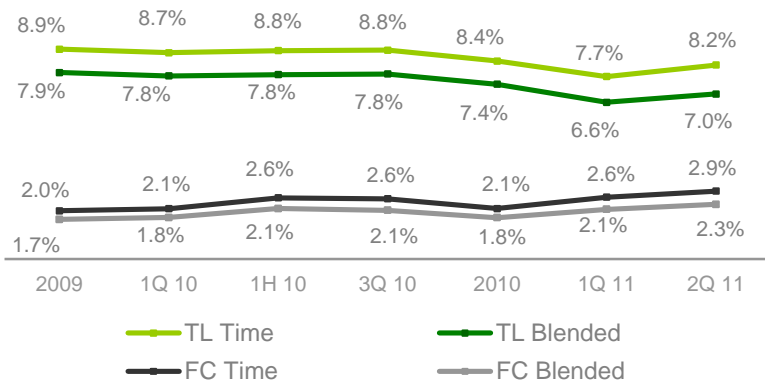
# Actively managed and further diversified funding sources -- tightening the duration gap and limiting margin pressure

## Composition of Liabilities

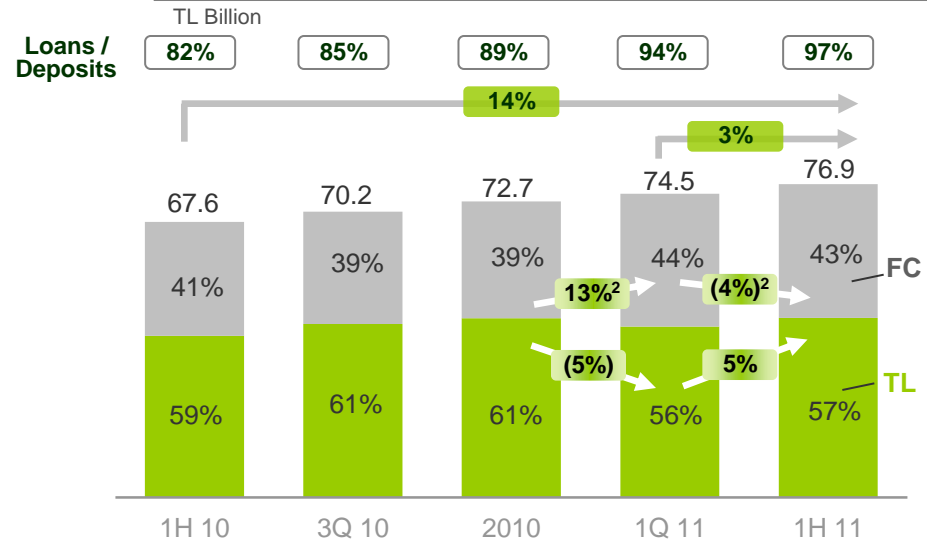


## Cost of Deposits<sup>1</sup>

Quarterly Averages



## Total Deposits



Diversified funding base via longer dated sources<sup>3</sup>

1H 11 > + TL 2.5bn corporate bond  
+ \$ 800mn eurobond

TL deposit growth in 2Q 11

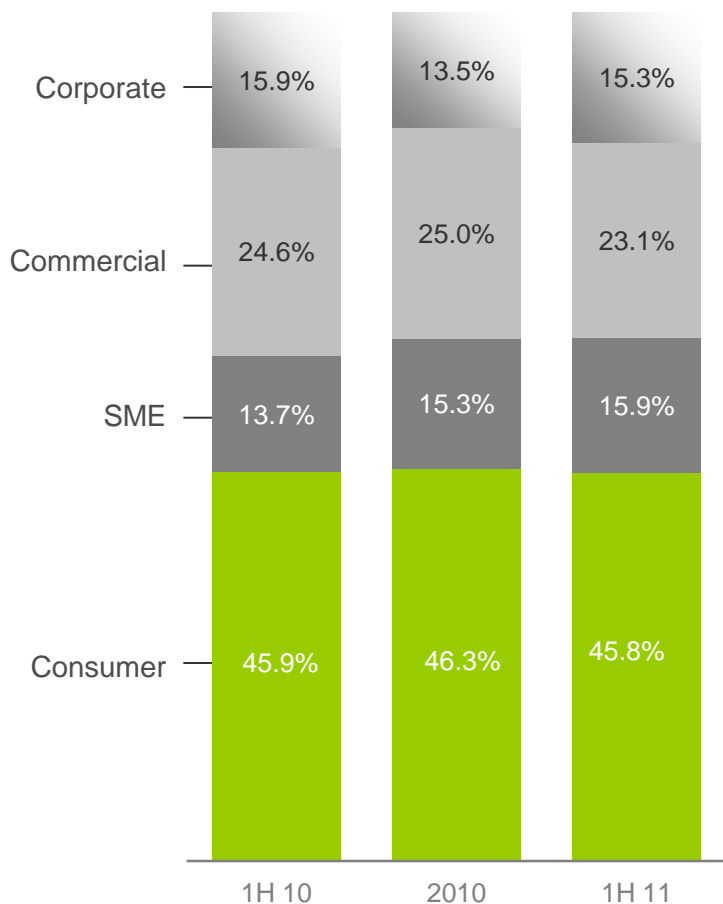
is mainly driven by TL demand deposits

<sup>1</sup> Based on bank-only MIS data  
<sup>2</sup> Growth in USD terms  
<sup>3</sup> Please see slide 28 in appendix section for more detail

# Sizeable demand deposit levels & growth mirror the success in customer-focused business model

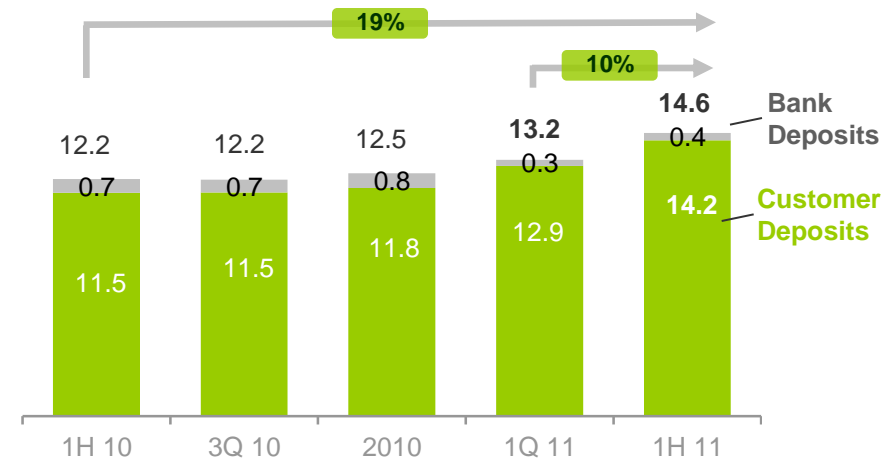
## Deposits by LOB<sup>1</sup>

(Excluding bank deposits)



## Demand Deposits

TL Billion



## Customer Demand Deposits<sup>2</sup>

YTD Growth

**21%**



**15.2%**  
Market share

**Demand Deposits / Total Deposits:**

**19%** vs. Sector's 15%<sup>2</sup>

<sup>1</sup> Based on bank-only MIS data

<sup>2</sup> Sector data is based on BRSA weekly data for commercial banks only

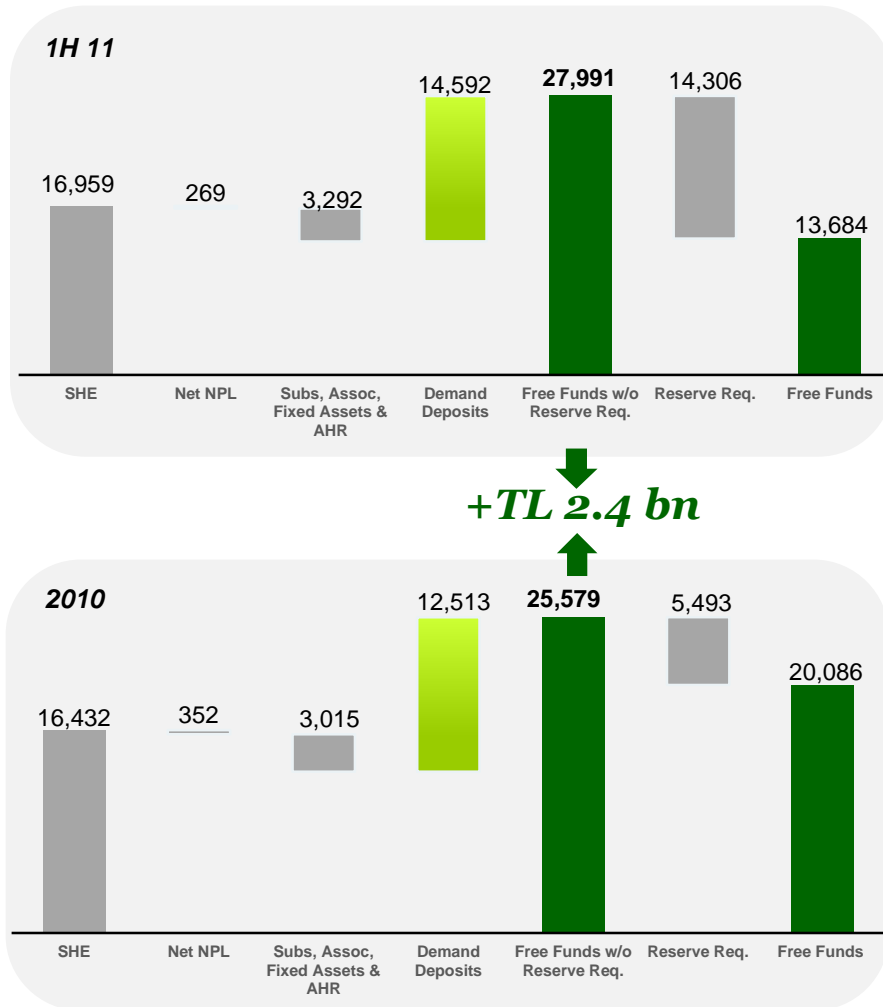
# Sound solvency remains while regulatory actions weigh on free funds

## CAR



## Free Funds Evolution

TL Million

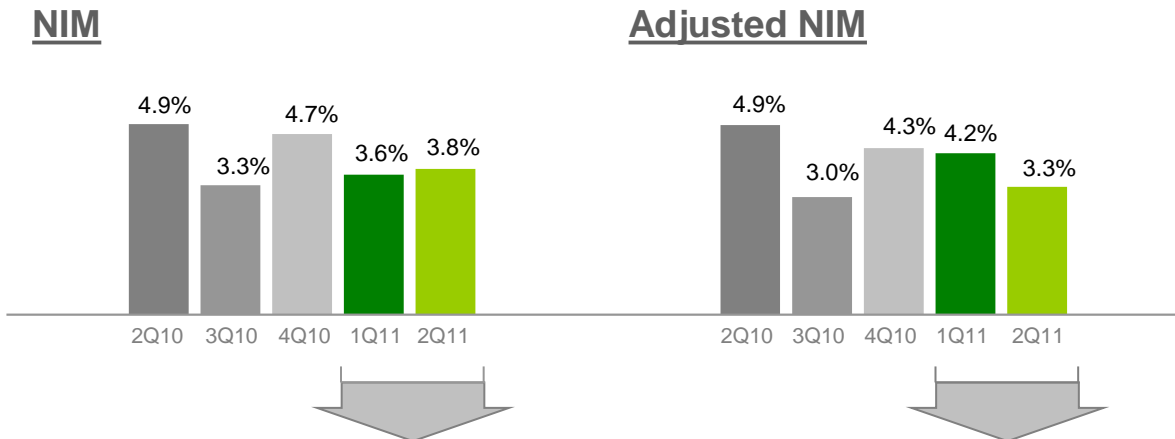


*Higher demand deposit levels in 1H 11, helping to reduce the negative effect of higher RRR on free funds*

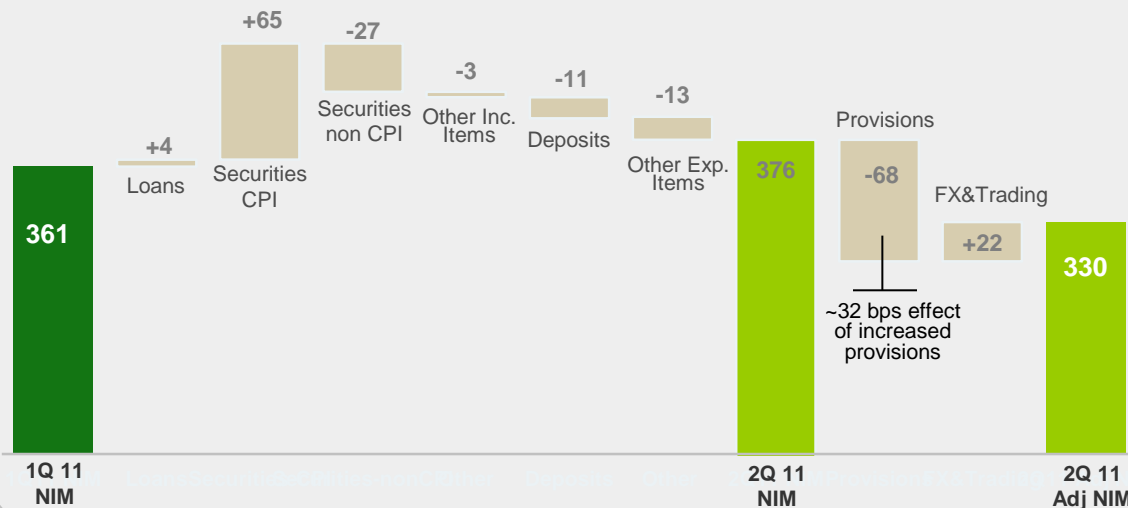
**Leverage Ratio**  
**7x**

# Well-defended margins due to timely loan re-pricing and actively managed funding structure

## Quarterly NIM (Net Interest Income / Average IEAs)



### Q-o-Q Evolution of Margin Components (in bps)



## 2Q 11 over 1Q 11:

- **Increasing asset yields' impact on margin +39 bps** -- supported by increased income from CPI linkers
- **Increasing funding costs' impact on margin -24 bps**
- **NIM up by +15 bps q-o-q (however down by ~50 bps when volatility from CPI linkers excluded)**
- **Adjusted NIM down by 87 bps mainly due to lower quarterly trading gains and effects of recent regulation on general provisioning**

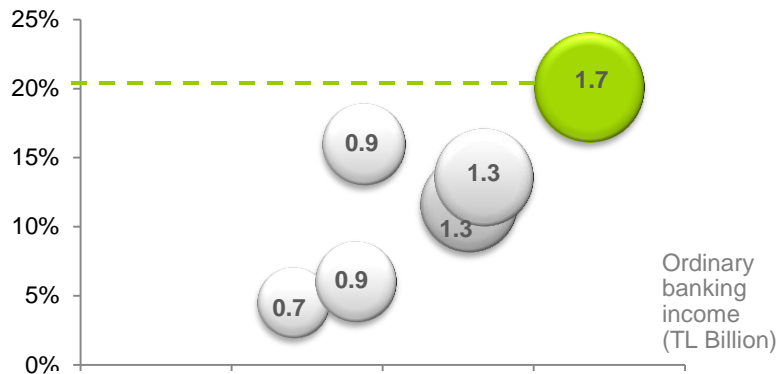


# Sustainable income sources remained solid via further diversified & sizeable fee base

## Ordinary Banking Income<sup>1</sup> Generation

Based on 3M 2011 bank-only data for fair comparison

Net fees and comm. market share %



Strong presence in brokerage  
Market share ~6%

#1 in bancassurance

Leader in interbank money transfer

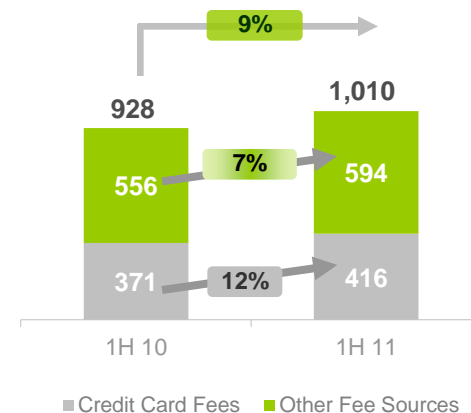
18% market share vs. Peer avg. ~10%

Highest payment systems commissions per volume

1.7% vs. Peer avg. 1.3%<sup>5</sup>

## Net Fees & Commissions<sup>2</sup>

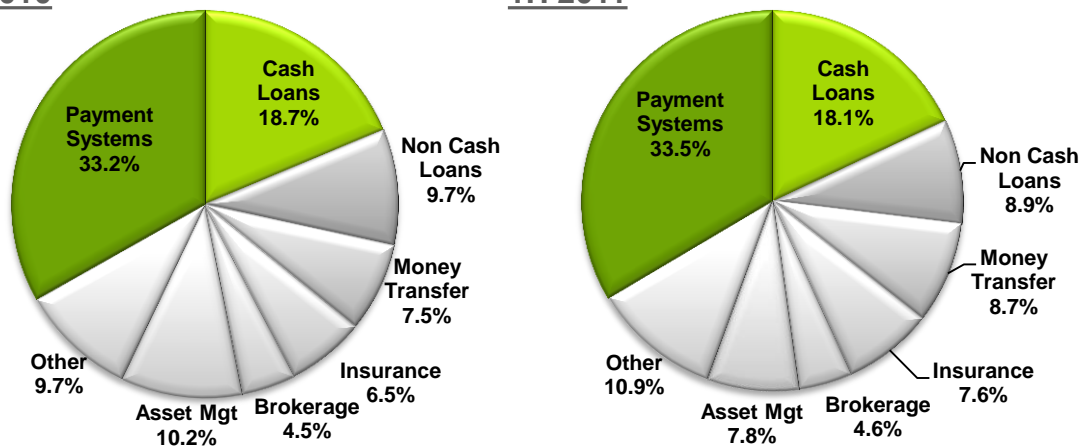
TL Million



## Net Fees & Commission Breakdown<sup>3,4</sup>

1H 2010

1H 2011



### Growth Areas (%)

### Y-o-Y

Money transfer	28%
Insurance	29%
Brokerage	13%
Payment Systems	12%

<sup>1</sup> Defined as; net interest income adjusted with provisions for loans and securities, net FX and trading gains + net fees and commissions  
<sup>2</sup> As per new BRSA classification in P/L, excludes net fees and commissions received from cash loans amounting TL 83mn for 6M 11 and TL 80mn for 6M 10  
<sup>3</sup> Include consumer loan fees as well as other cash loan fees now classified as interest on loans in income statement amounting TL 83mn for 6M 11 and TL 80mn for 6M 10  
<sup>4</sup> Bank-only MIS data <sup>5</sup> Peer average as of 1Q 2011

# Sustained robust profitability

(TL Million)	1H 10	1H 11	Change
Interest Income	4,872	4,702	-170
-Loans	2,611	2,956	346 ✓
-Reserve Requirements	54	-	-54
-Securities	2,019	1,577	-442
CPI Linkers	676	518	-158
Interest Expense	2,266	2,614	347
<b>NET INTEREST INCOME</b>	<b>2,606</b>	<b>2,088</b>	<b>-518</b>
Net Fees & Comm.	928	1,010	82 ✓
Net Trading & FX Gains	246	326	79
Net Provisions for Loans	148	190	42 ✓
-Specific Loan Loss Provisions	(200)	(98)	-102
-Provision reversals (Collections)	347	287	-60
General & Security Provisions	(79)	(207)	129
-Regulatory effect on general provision	-	(90)	90
<b>ORDINARY BANKING INCOME -including collections</b>	<b>3,850</b>	<b>3,406</b>	<b>-444</b>
Other Income <sup>1</sup>	34	412	378
-NPL sale	-	54	54
-Eureko, Mastercard & Visa stake sale	-	227	227
-Subsidiaries valuation	-	85	85
Operating Expense	(1,484)	(1,418)	-66 ✓
Other provisions	(2)	(133)	131
-Free Provision	-	(90)	90
<b>PROFIT BEFORE TAX</b>	<b>2,399</b>	<b>2,267</b>	<b>-132</b>
Taxes	(474)	(469)	-5
-Effect of NPL and stake sales	-	(22)	22
<b>NET INCOME</b>	<b>1,925</b>	<b>1,798</b>	<b>-127</b>

## Fees/Opex:

**71%**

up from  
63% at 1H 10

## Cost/Income<sup>1</sup>:

**41%**

## Opex/Avg. Assets:

**2.2%**

down from  
2.8% at 1H 10

## Employee/Branch:

down by

**21%** over the last 3 years

# Appendix

# Balance Sheet - Summary

<i>(TL Million)</i>	December 2010	March 2011	June 2011	YTD Change
<b>Cash &amp; Banks<sup>1</sup></b>	10,338	9,599	11,313	9%
<b>Reserve Requirements</b>	5,493	5,905	14,306	160%
<b>Securities</b>	38,818	33,729	34,660	(11%)
<b>Performing Loans</b>	64,476	70,096	74,625	16%
<b>Fixed Assets &amp; Subsidiaries</b>	2,916	2,988	3,208	10%
<b>Other</b>	1,933	1,947	2,477	28%
<b>TOTAL ASSETS</b>	<b>123,974</b>	<b>124,265</b>	<b>140,589</b>	<b>13%</b>

<b>Deposits</b>	72,658	74,534	76,940	6%
<b>Repos &amp; Interbank</b>	11,254	6,762	13,220	17%
<b>Bonds Issued</b>	0	866	3,427	n/m
<b>Funds Borrowed<sup>2</sup></b>	17,518	19,084	22,301	47%
<b>Other</b>	6,112	6,869	7,742	27%
<b>SHE</b>	16,432	16,150	16,959	3%
<b>TOTAL LIABILITIES &amp; SHE</b>	<b>123,974</b>	<b>124,265</b>	<b>140,589</b>	<b>13%</b>

<sup>1</sup> Includes banks, interbank, other financial institutions

<sup>2</sup> Includes funds borrowed and sub-debt

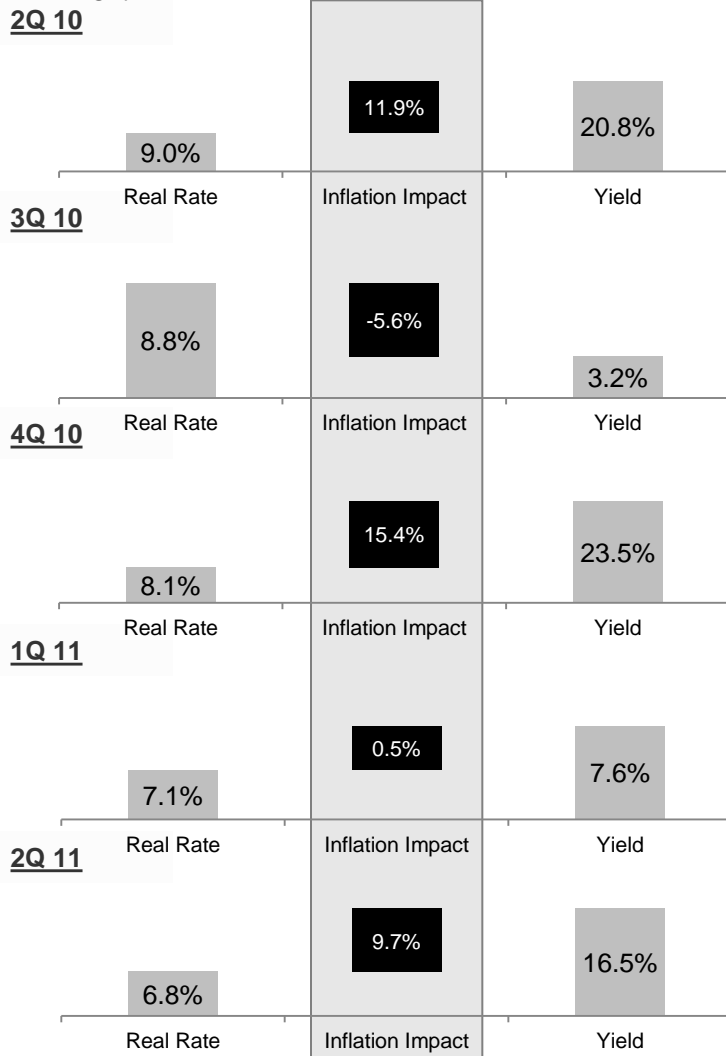
# Quarterly Income Statement

(TL Million)	1Q 10	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11
Interest Income	2,486	2,386	2,084	2,544	2,249	2,454
-Loans	1,306	1,305	1,312	1,387	1,443	1,514
-Reserve Requirements	26	28	29	4	-	-
-Securities	1,064	956	659	1,064	720	858
CPI Linkers	348	328	52	445	163	356
Interest Expense	(1,104)	(1,162)	(1,215)	(1,263)	(1,247)	(1,367)
<b>NET INTEREST INCOME</b>	<b>1,382</b>	<b>1,224</b>	<b>869</b>	<b>1,280</b>	<b>1,002</b>	<b>1,086</b>
Net Fees & Comm.	476	453	458	430	525	485
Net Trading & FX Gains	173	74	102	15	264	61
Net Provisions for Loans	57	91	(4)	48	153	37
-Specific Loan Loss Provisions	(148)	(52)	(138)	(49)	(52)	(45)
-Provision reversals (Collections)	205	143	133	97	205	82
General & Security Provisions	(49)	(30)	(44)	(65)	(58)	(150)
-Regulatory effect on general provision	-	-	-	-	-	(90)
<b>ORDINARY BANKING INCOME -including collections</b>	<b>2,038</b>	<b>1,813</b>	<b>1,380</b>	<b>1,707</b>	<b>1,887</b>	<b>1,519</b>
Other Income <sup>1</sup>	12	22	17	14	72	340
-NPL sale	-	-	-	-	54	-
-Eureko, Mastercard & Visa stake sale	-	-	-	-	-	227
-Subsidiaries valuation	-	-	-	-	-	85
Operating Expense	(775)	(708)	(729)	(850)	(705)	(713)
Other provisions	(3)	2	(7)	(1)	(139)	7
-Free Provision	-	-	-	-	-	-
<b>PROFIT BEFORE TAX</b>	<b>1,271</b>	<b>1,128</b>	<b>661</b>	<b>871</b>	<b>1,115</b>	<b>1,152</b>
Taxes	(266)	(208)	(139)	(190)	(260)	(209)
-Effect of NPL and stake sales	-	-	-	-	(11)	(11)
<b>NET INCOME</b>	<b>1,005</b>	<b>920</b>	<b>522</b>	<b>681</b>	<b>855</b>	<b>943</b>

# Long-term strategy of investing in CPI linkers as a hedge for expected reversal in market indicators

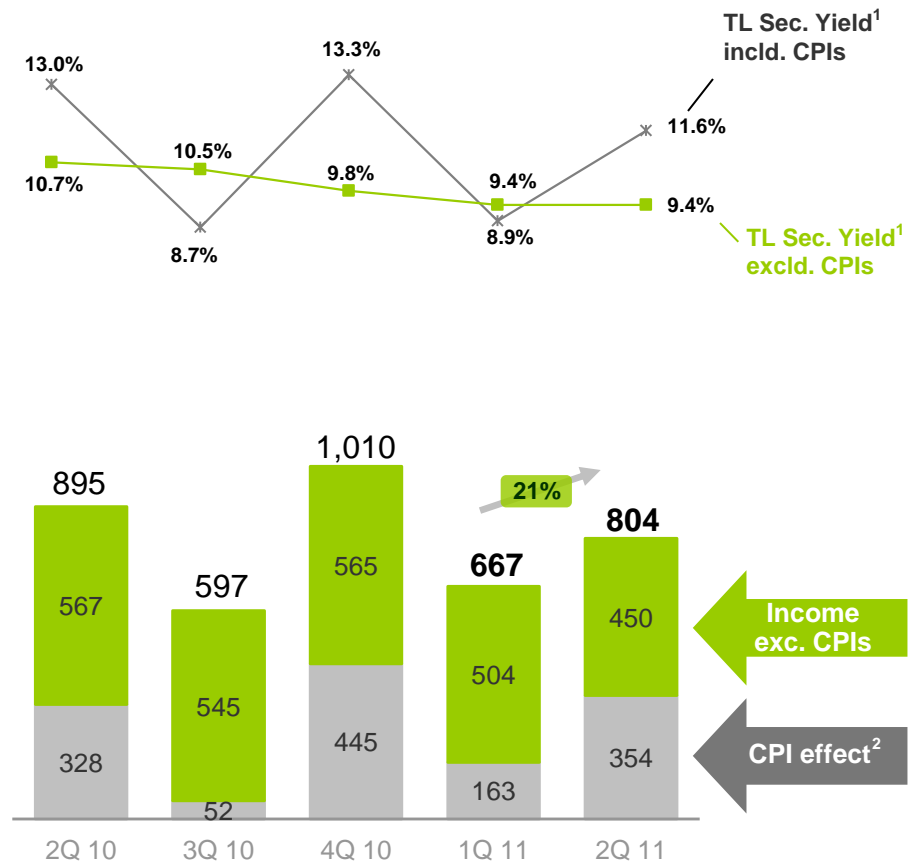
## Drivers of the Yields on CPI Linkers<sup>1</sup>

% average per annum



## Interest Income & Yields on TL Securities

TL Million

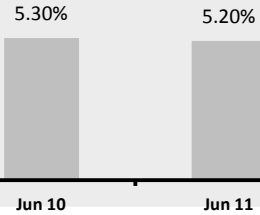


<sup>1</sup> Based on bank-only MIS data  
<sup>2</sup> Per valuation method based on actual monthly inflation readings

# Cumulative Margin Analysis

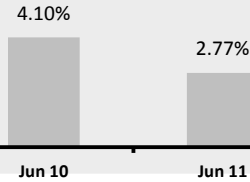
## Int. Income on loans

% of Avg. Interest Earning Assets



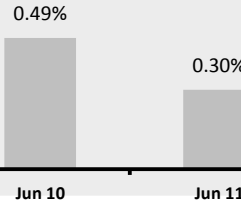
## Int. Income on securities

% of Avg. Interest Earning Assets



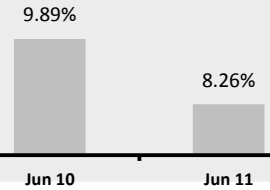
## Int. Income - other

% of Avg. Interest Earning Assets



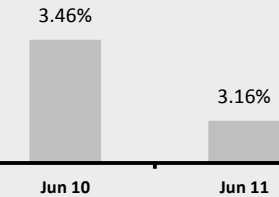
## Total Int. Income

% of Avg. Interest Earning Assets



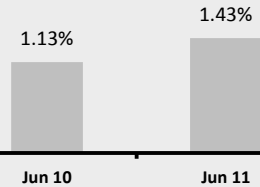
## Int. Expense on deposits

% of Avg. Interest Earning Assets



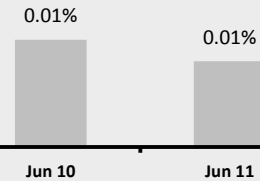
## Int. Expense on Borrowings\*

% of Avg. Interest Earning Assets



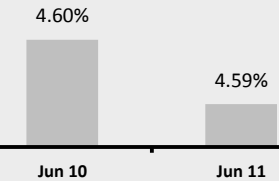
## Int. Expense - other

% of Avg. Interest Earning Assets



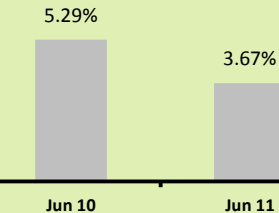
## Total Int. Expense

% of Avg. Interest Earning Assets



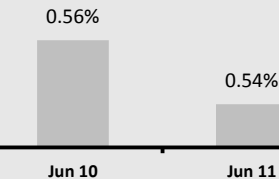
## Net Int. Margin

% of Avg. Interest Earning Assets



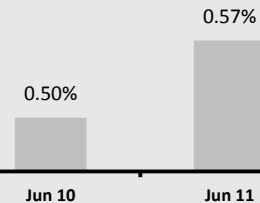
## Prov. for Loans & Securities

% of Avg. Interest Earning Assets



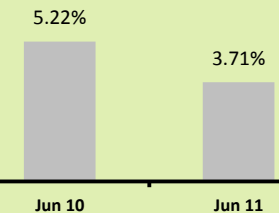
## Net FX & Trading gains

% of Avg. Interest Earning Assets



## Net Int. Margin - Adjusted

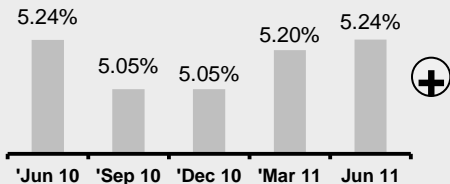
% of Avg. Interest Earning Assets



# Quarterly Margin Analysis

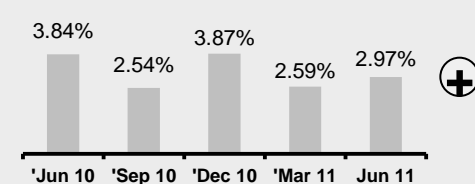
## Int. Income on loans

% of Avg. Interest Earning Assets



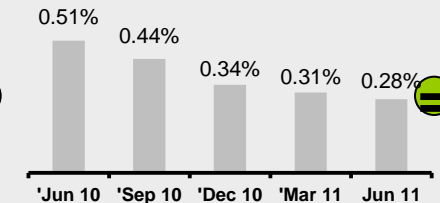
## Int. Income on securities

% of Avg. Interest Earning Assets



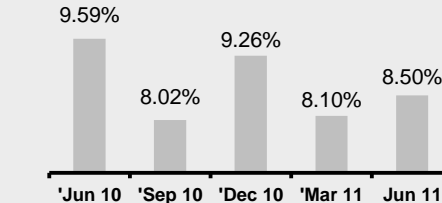
## Int. Income - other

% of Avg. Interest Earning Assets



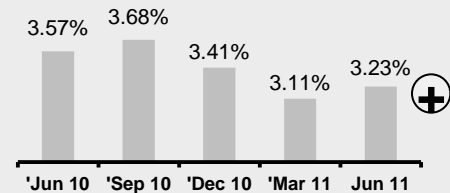
## Total Int. Income

% of Avg. Interest Earning Assets



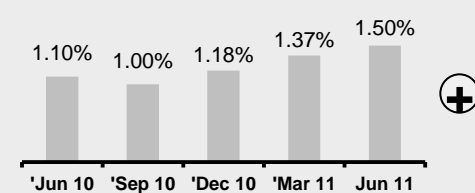
## Int. Expense on deposits

% of Avg. Interest Earning Assets



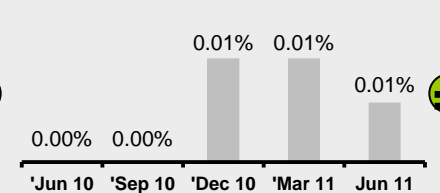
## Int. Expense on Borrowings\*

% of Avg. Interest Earning Assets



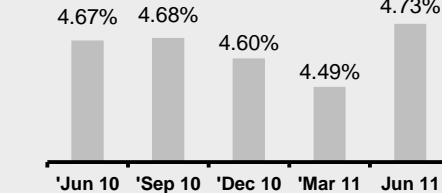
## Int. Expense - other

% of Avg. Interest Earning Assets



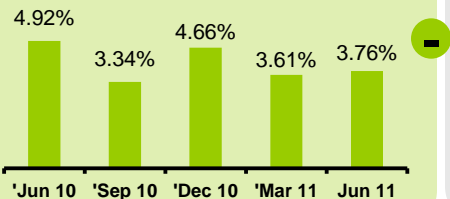
## Total Int. Expense

% of Avg. Interest Earning Assets



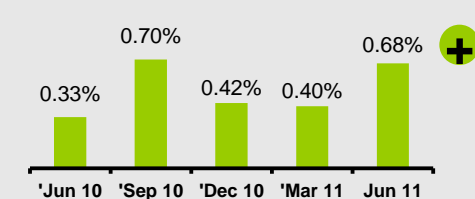
## Net Int. Margin

% of Avg. Interest Earning Assets



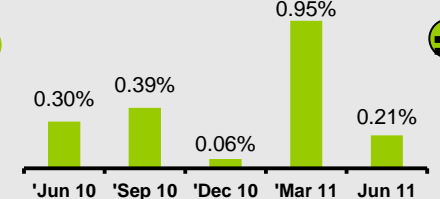
## Prov. for Loans & Securities

% of Avg. Interest Earning Assets



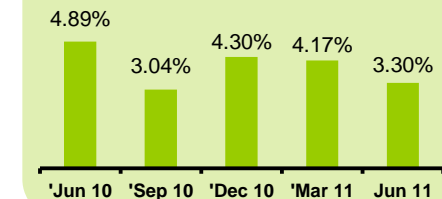
## Net FX & Trading gains

% of Avg. Interest Earning Assets



## Net Int. Margin - Adjusted

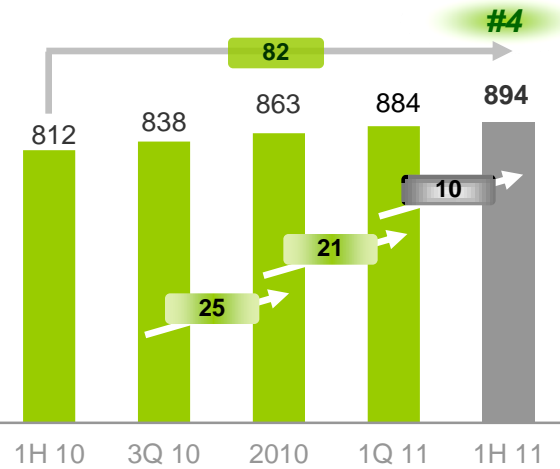
% of Avg. Interest Earning Assets



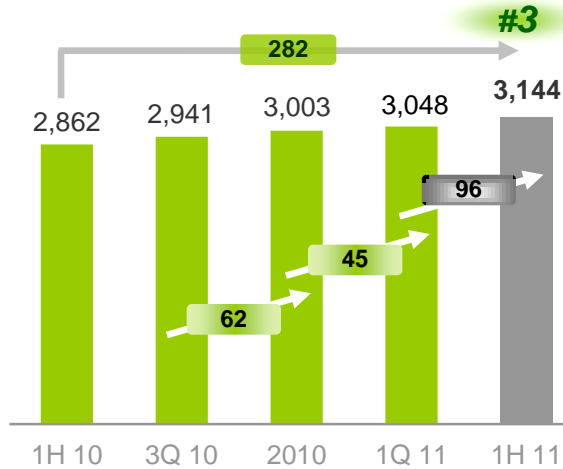


# Further strengthening of retail network...

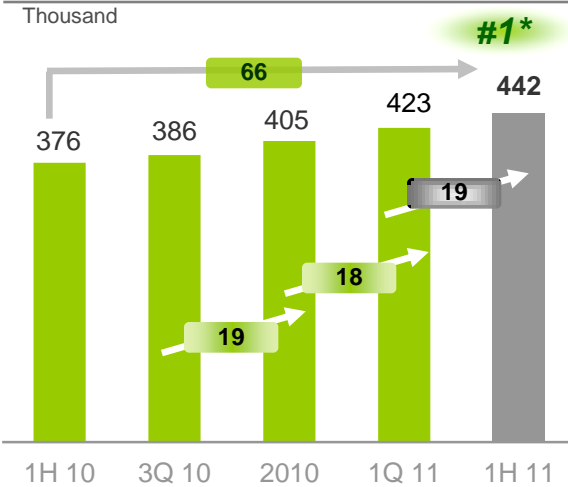
### Number of Branches



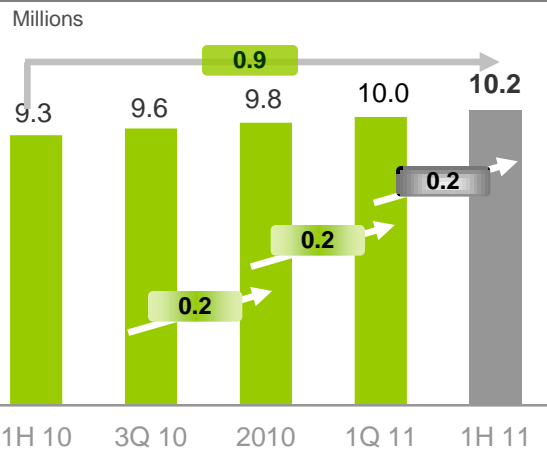
### Number of ATMs



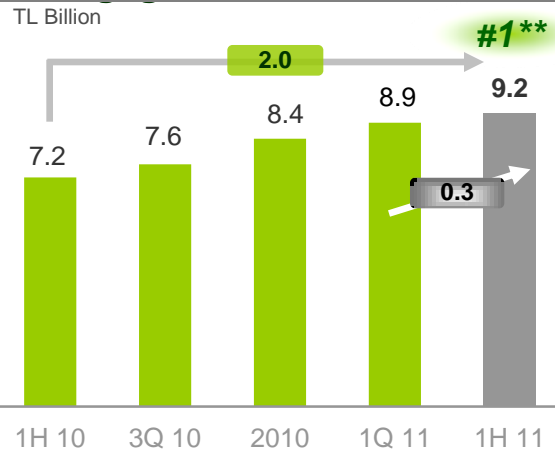
### Number of POS



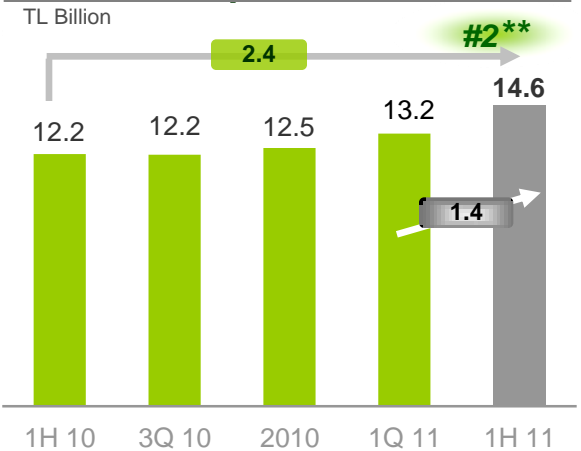
### Number of Customers



### Mortgages



### Demand Deposits (customer+bank)

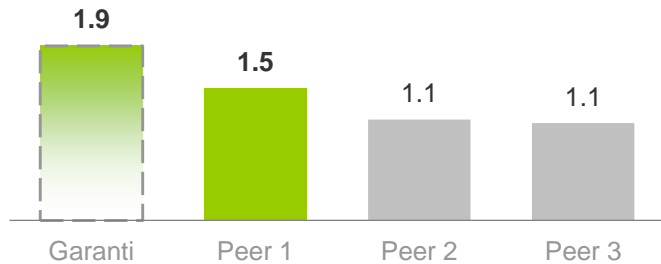


\*Including shared POS  
\*\*Mortgage and demand deposit ranks are as of 1Q 11  
Note: Ranks are among private banks

...while preserving the highest efficiencies

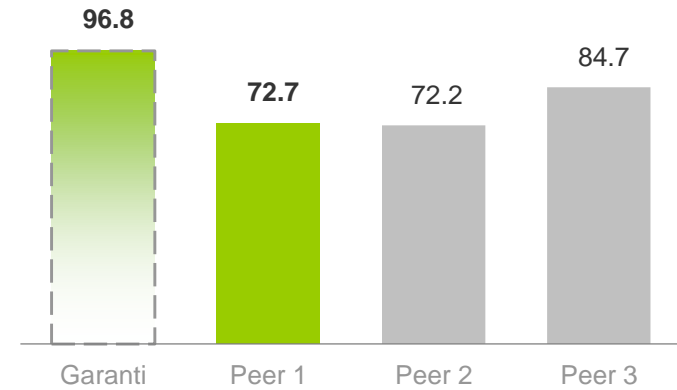
### Ordinary Banking Income per Branch

3M 2011, TL million



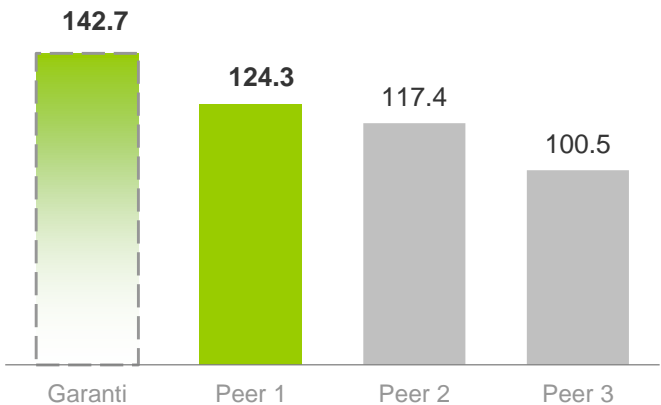
### Loans per Branch<sup>1</sup>

3M 2011, TL million



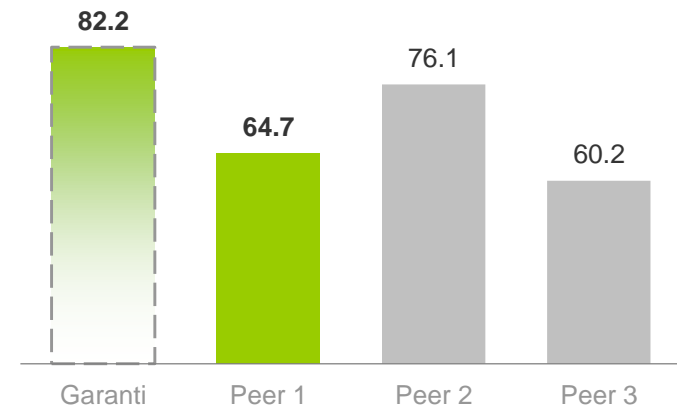
### Assets per Branch

3M 2011, TL million



### Customer Deposits per Branch

3M 2011, TL million



## Key financial ratios

	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11
<b><u>Profitability ratios</u></b>					
ROAE	27.3%	22.5%	21.0%	20.5%	19.8%
ROAA	3.6%	3.0%	2.8%	2.7%	2.5%
Cost/Income <sup>1</sup>	38.2%	41.9%	43.7%	37.0%	41.1%
NIM (Cumulative)	5.3%	4.6%	4.6%	3.6%	3.7%
Adjusted NIM (Cumulative)	5.2%	4.5%	4.4%	4.2%	3.7%
<b><u>Liquidity ratios</u></b>					
Liquidity ratio	36%	35%	35%	31%	29%
Loans/Deposits	82.3%	85.3%	88.7%	94.0%	97.0%
<b><u>Asset quality ratios</u></b>					
NPL Ratio	3.4%	3.2%	2.9%	2.1%	1.9%
Coverage	82%	81%	82%	82%	82%
Cost of Risk (bps)	105	111	100	64	87
<b><u>Solvency ratios</u></b>					
CAR	20.1%	19.8%	19.6%	18.2%	18.0%
Tier I Ratio	17.5%	17.1%	16.9%	15.9%	15.8%
Leverage	6.3x	6.3x	6.5x	6.7x	7.3x

## Details of selected items in funding base

### **Bonds issued:**

---

#### **1Q 11:**

- ✓ TL 1 billion bond with 1 year maturity, at a cost of 7.68%

#### **2Q 11:**

- ✓ TL 750 million bond with 6M maturity, at a cost of 8.41%
- ✓ TL 750 million bond with 6M maturity, at a cost of 8.54%
- ✓ US\$ 500 million Eurobond with 10 year maturity, fixed coupon 6.25%
- ✓ US\$ 300 million Eurobond with 5 year maturity, floating 3M LIBOR + 2.5%

### **Funds borrowed:**

---

#### **2Q 11:**

- ✓ Secured € 1 billion 1 year syndicated loan, comprising two separate tranches in the amount of € 782.5 million and US\$ 304.5 million. The all-in cost has been realized as EURIBOR+1.1% and LIBOR+1.1%, respectively.
- ✓ Borrowed € 50 million and US\$ 225 million with 5 year maturity under Diversified Payment Rights securitization program

# Non-recurring items

## 1Q 2011:

- 1) A part of the non-performing loan portfolio amounting to TL 483.9 million was sold to a local asset management company at a sale price of TL 53.9 million.
  - a) Other income: TL 53.9 million
  - b) Tax expense: TL 10.8 million
  
- 2) As of the balance sheet date, financial statements include a general reserve amounting to TL 420 million, provided by the Bank management in line with conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions.
  - a) Other provisions: TL 90 million

## 2Q 2011:

- 1) Garanti exercised the put option to sell 20% of the share capital of Eureka Sigorta A.Ş. to Eureka B.V.
  - a) Other income: TL +147.4 million
  - b) Taxation expense: TL 7.4 million
  
- 2) Sale of Visa and MasterCard stake
  - a) Other income: TL +79.6 million
  - b) Tax expense: TL 4 million
  
- 3) Subsidiary valuation
  - a) Other income: TL +85.4 million



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