December 31, 2011

IFRS Earnings Presentation

4Q 2011 Macro Highlights

The European sovereign credit crisis continued to weigh on the markets

- Rating agencies either warned or cut the credit profile of nearly every major European country.
- Collateral and funding issues in the European banking sector accelerated.
- Central banks from developed nations have taken coordinated actions and provided liquidity.
- The U.S. economy has shown signs of resilience and stronger economic data has provided confidence.
- Most commodity prices were hurt in the fourth quarter by the rally in the USD.
- Elevated domestic inflationary pressures and related fears of a hard landing in China led to tighter monetary policy in many emerging market countries.

Limited improvement in C/A deficit while additional tightening by CBT pushes rates higher

- 3Q11 GDP growth rate 8.2%, above expectations of 7% -- decelerating pace in GDP growth (12% and 8.8% in previous quarters) to halve in 4Q (approximately 4%) and end 2011 at around 8%.
- The 12 month cumulative C/A deficit decelerated to below USD 78 bn -- still limited improvement
- Annual inflation rose to 10.45% at the end of 2011 -- double digit in headline while slight deceleration in core inflation
- After the policy shift to tightening in October, CBT highlighted focus on price stability while preserving financial stability as a supplementary objective and started additional monetary tightening at the end of December.
- During 2011, TL depreciated by 13.5% in real terms against the currency basket, fell to its lowest real value against emerging market currencies
- CBT interventions caused volatility in TL, pressured reserves and limited funding at 5.75% resulting in increased cost
- Benchmark bond rate increased from 7% to over 11% levels in 2011.
- CBT decreased TL RRR on average to 10.5% from 13.1% in 3Q11 and FC RRR to 10.2% from ~11%
- Banks are able to maintain up to 40% of TL RRR in FX and maintain up to 10% of both TL and FX RRR in Gold.

4Q 2011 Highlights

Balance sheet strength: distinguishing feature of Garanti...

Customer driven assets increasingly contribute to the asset mix

- Solid lending growth highlights the year (2011:30%; 2011 Currency adj.: 19%), moderating in 4Q as economy slows down:
  - TL loan growth 4% in 4Q vs 9% in 3Q, mainly driven by lucrative retail products
  - GPLs (+4% qoq;+44% ytd); CCs (+6% qoq; +23% ytd); mortgages (+2% qoq; +16% ytd)
  - FC loans (in US$) flattish qoq, +1% ytd

FRN heavy securities book remain as a hedge -- Securities/assets: 22% from 30% in 2010

Sound asset quality

- NPL ratio 2011 YE 2.3%
- Exceptionally strong collections in 4Q smooth out the temporary increase in new NPL inflows

Solid funding mix -- Actively managed and diversified

- Higher focus on deposit growth in 4Qand deliberately reduced repo & money market funding to support margins
- Clear differentiation in capturing demand deposits (+8% qoq;+33% ytd)
- Loans[1] to Deposits @ 99%, LTD:78% when mortgages, project finance & invesment loans (mat.>4 years) are excluded

Strong capitalization mirroring high internal capital generation capacity : **CAR[2]: 16%, Leverage:8x**

...leads to consistent delivery of strong results

Sustained high profitability in a challenging year

- **ROAE:20%** -- on a comparable basis* **ROAE :21%** vs. 22% at YE 10
- **ROAA:2.3%** -- on a comparable basis* **ROAA :2.4%** vs. 2.8% at YE 10

Expanding margin in 4Q on the back of timely loan re-pricings, focus on growth of high margin products & effectively managed funding mix (4Q NIM: 4.7% vs. 3.4% in 3Q; Cumulative NIM: 3.9% vs. 4.6% at YE 10 – well within guidance)

Net fees and commissions: Sustained **double digit growth momentum** via highly diversified fee sources

- Money transfer +24% y-o-y; Insurance +13% y-o-y; Payment systems: +11% y-o-y

Commitment to **strict cost discipline -** single digit growth despite higher than expected inflation

- Opex/ Avg assets: 2.5% in 2011 vs. 2.8% in 2010
- Fees/OPEX: 57% in 2011 vs. 55% in 2010;
- Investment in distribution network continued (net branch additions: +55 ytd & +7 qoq)

1 Loans and advances to customers
2 Per BRSA Consolidated Financials

Sound profitability sustained even in a challenging environment

Net Income

TL Million

1Q11: 921

2Q11: 977

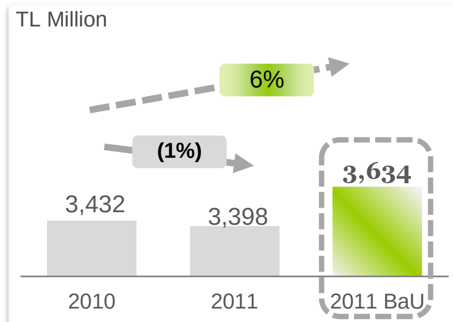
3Q11: 579

4Q11: 922

\+

2011: 3,398

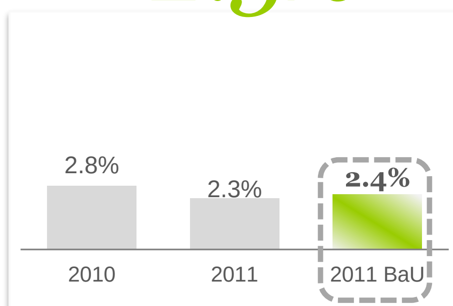
Net Income



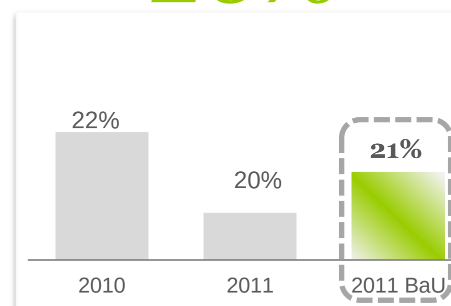
Business as Usual (BaU) ROE sustained at

>20%

ROAA: *2.3%*



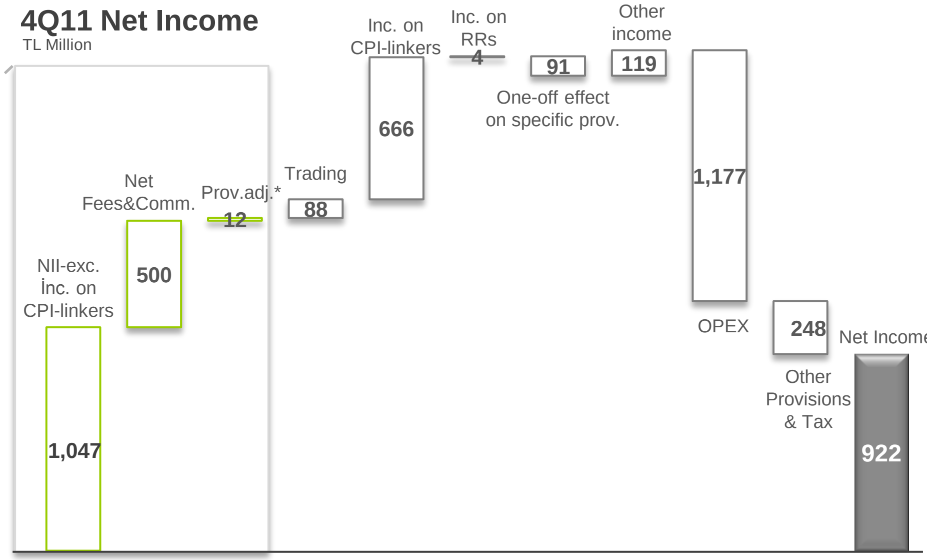
ROAE: *20%*

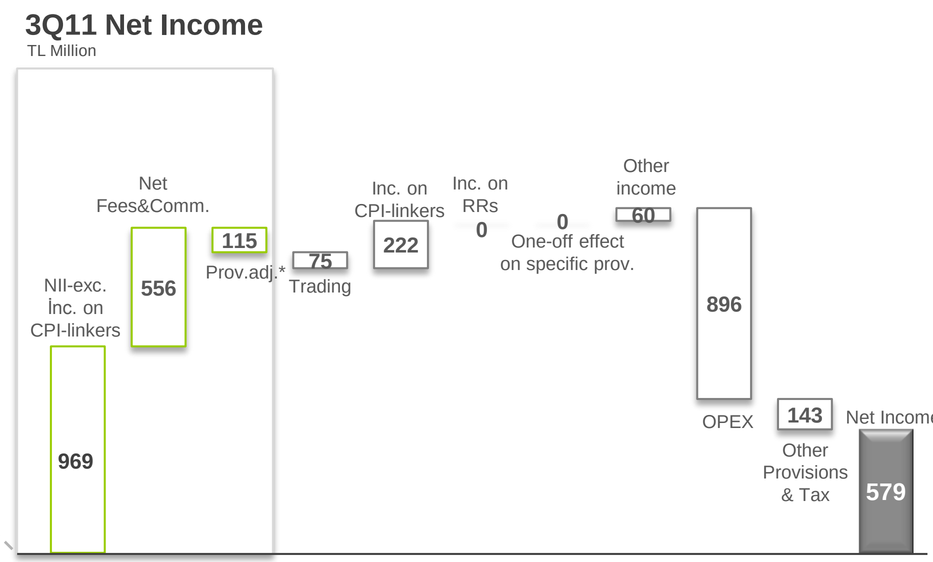


Note: 2011 BaU: One-off items and regulatory effects are excluded.
Please see Appendix page 20 and 21 for details

Proven ability in generating strong core banking revenues via strategically and dynamically managed balance sheet

- **Improving loan-deposit spread** q-o-q & actively managed funding mix
- **Diversified & sizable fee base** -- lower fee income q-o-q due to timing of account maintenance fees
- **CPI linkers** prove hedge objective
- Strengthened provisioning
- Exceptionally **strong collections**
- Seasonality in OPEX



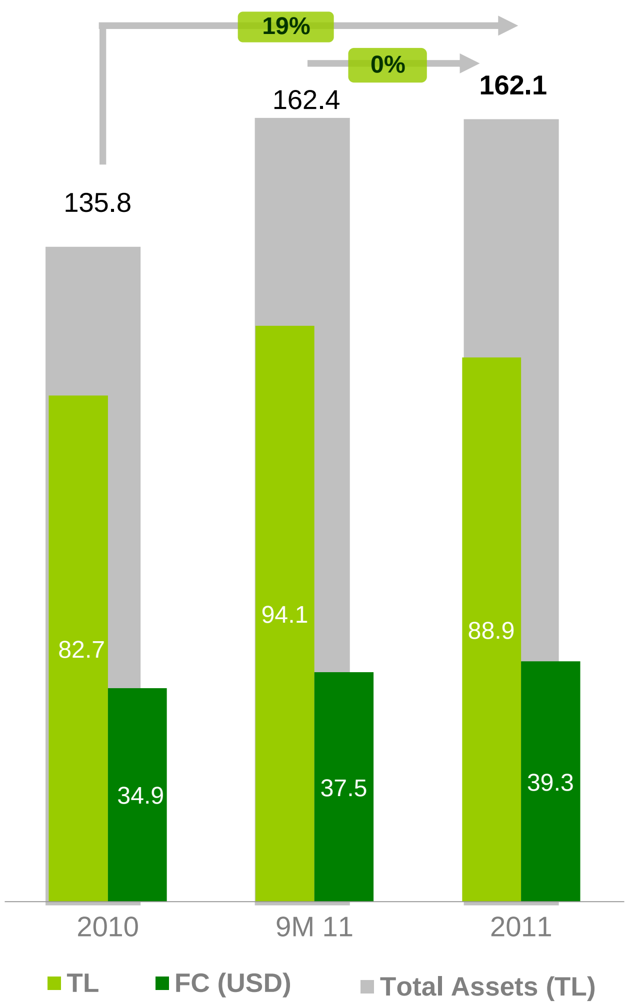


Note: Provisions adjusted with TL91mn one-off effect on specific provisions resulting from NPL inflows in 4Q 11, which are related to a few commercial files with strong collateralization

Customer driven assets increasingly contribute to the mix -- Loans/Assets back to pre-crisis levels

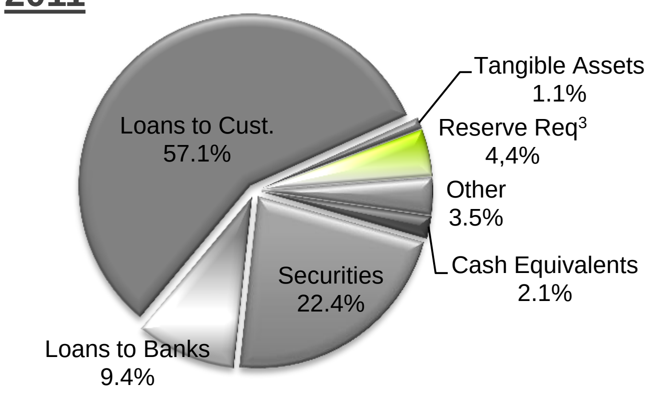
Total Assets

TL / USD Billion



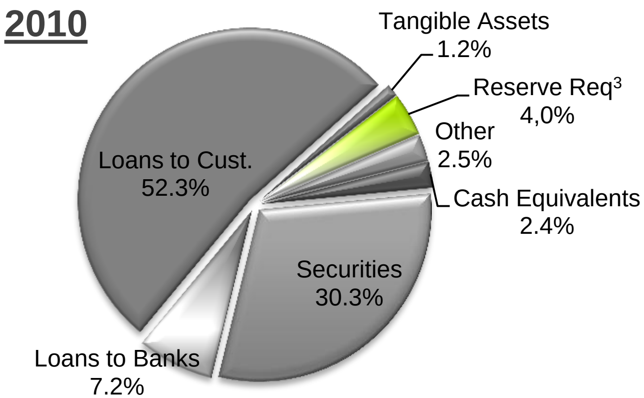
Composition of Assets[1]

2011



IEA / Assets: 86.5%

2010



IEA / Assets: 87.0%

Growth:

2011

Loans[1]: **30%**

Securities: **-12%**

Loans/Assets

57%

vs.

52% at **YE 10**

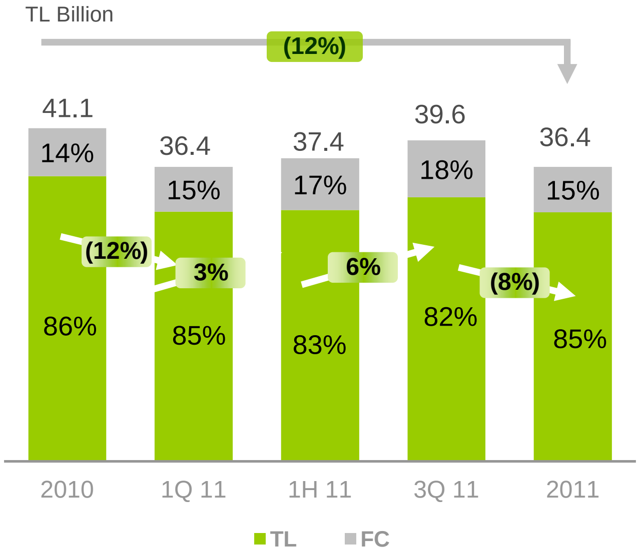
Liquidity Ratio[2]

31%

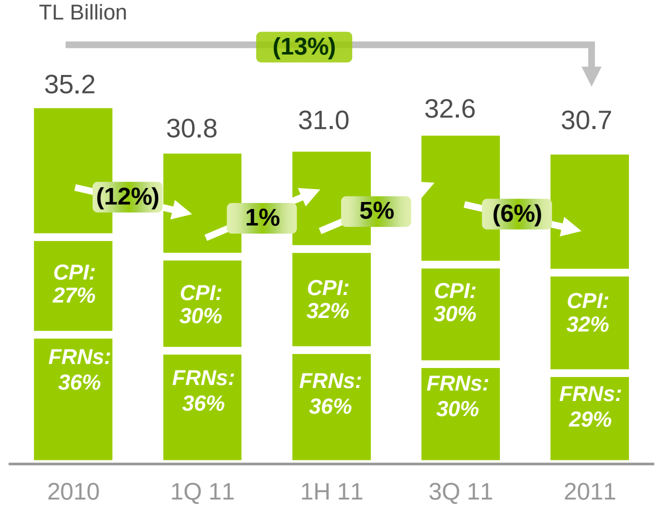
1 Loans to customers including leasing and factoring receivables
2 (Cash and banks + trading securities +AFS)/Total Assets
3 Including reserves in CBRT

FRN heavy securities book remain as a hedge -- shrinkage in security book due to a redemption

Total Securities



TL Securities



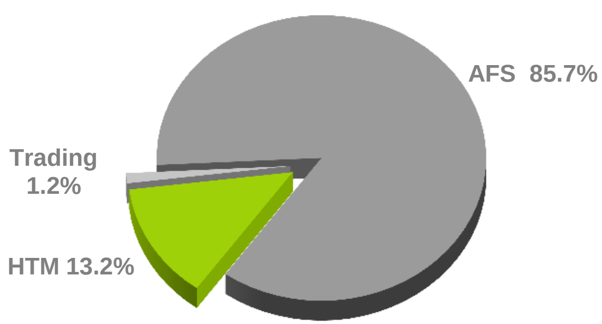
Securities/Assets

22%

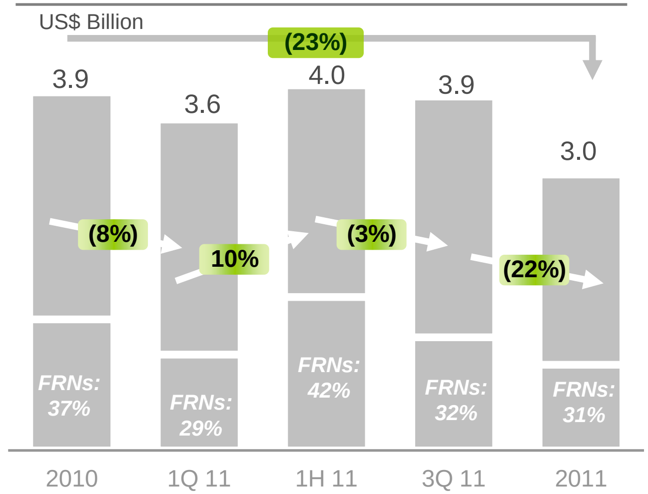
down from

30% at **YE 10**

Total Securities Composition



FC Securities



FRN mix in total

58%

from

56% at **9M 11**

and

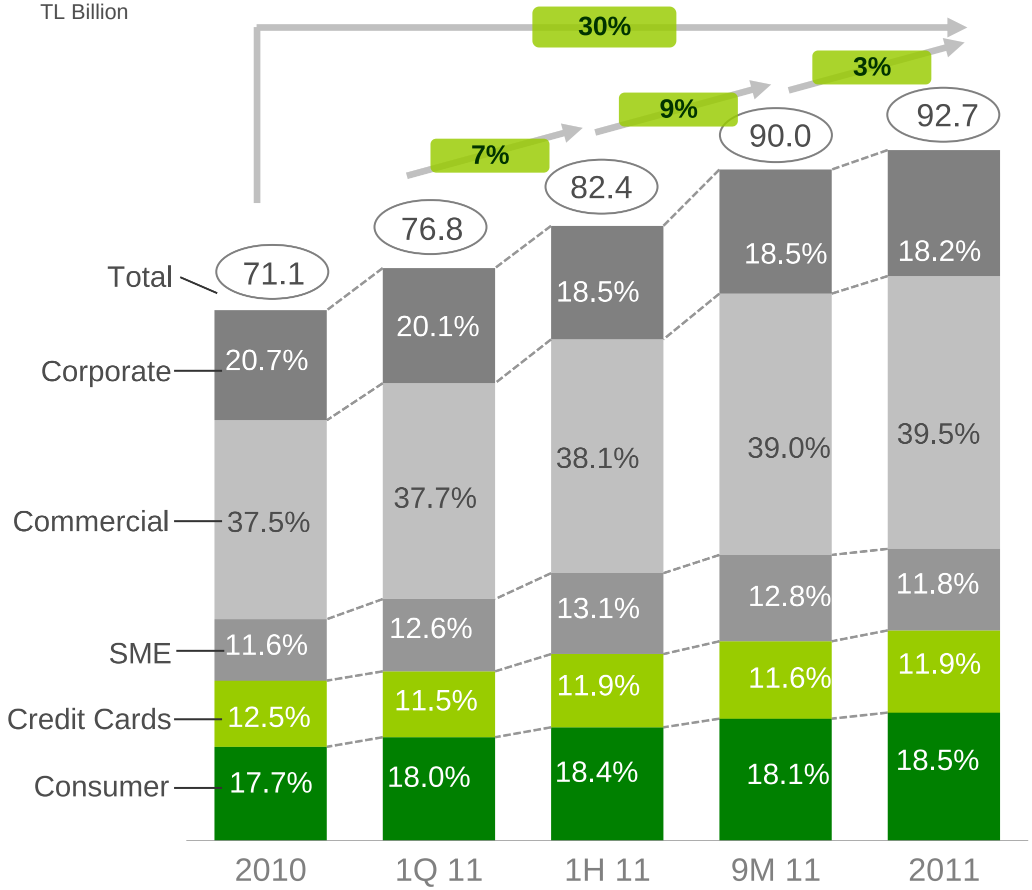
60% at **YE 10**

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

Robust lending growth in 2011 -- moderating in 4Q as economy slows down

Total Loan[1] Growth & Loans by LOB[2]

TL Billion



	2010	1Q 11	1H 11	9M 11	2011
TL (% in total)	51%	51%	52%	52%	52%
FC (% in total)	49%	49%	48%	48%	48%
US$/TL	1.520	1.530	1.600	1.820	1.865

TL Loan Growth:[3]

Q-o-Q

4% vs. Sector's 3%

Market Share: **11.3%** in 2011
vs. 10.7% in 2010

FC Loan Growth:[3]

Q-o-Q and US$ based

-0.3% vs. Sector's -1%

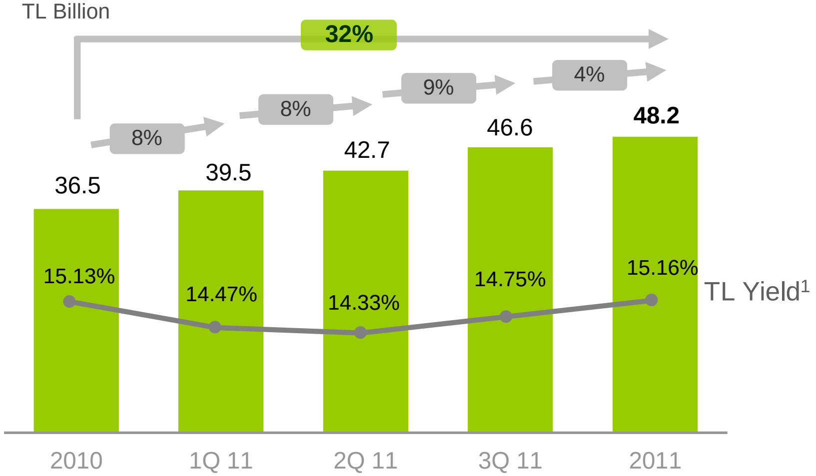
Market Share: **18.5%** in 2011
vs. 20.4% in 2010

1 Performing cash loans
2 Based on bank-only MIS data
3 Growth figures and Market shares data are per bank-only data for fair comparison with sector.
Sector data is based on BRSA weekly data for commercial banks only

Increasing loan yields: timely repricing + maturing lower interest rate loans + increasing weight of higher yielding loans

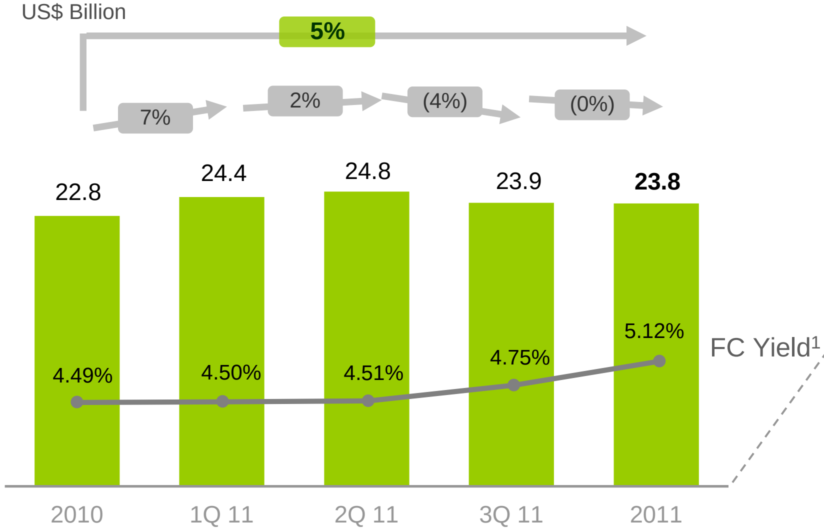
TL Loans

TL Billion



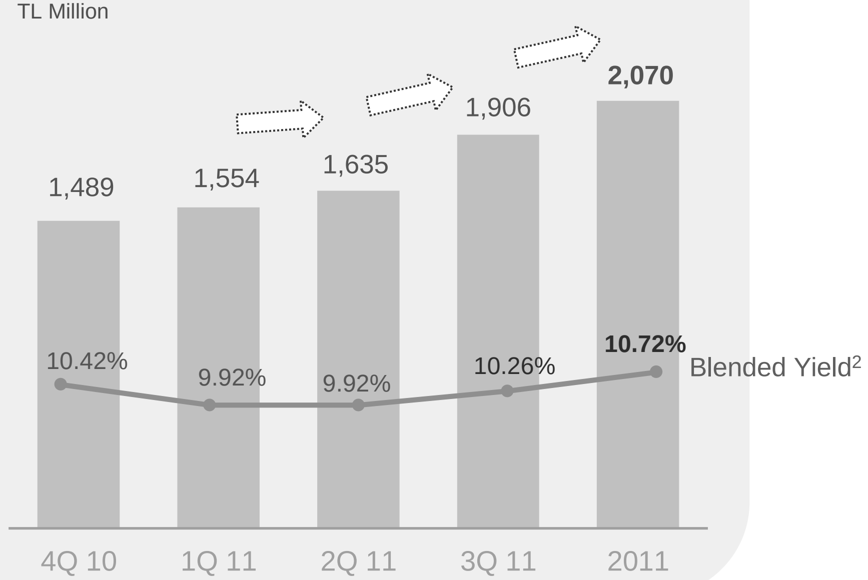
FC Loans

US$ Billion



Interest Income on loans (quarterly)

TL Million



Pro-active & timely loan re-pricings…

avg. TL loan repricing ytd[2] **+~700 bps**

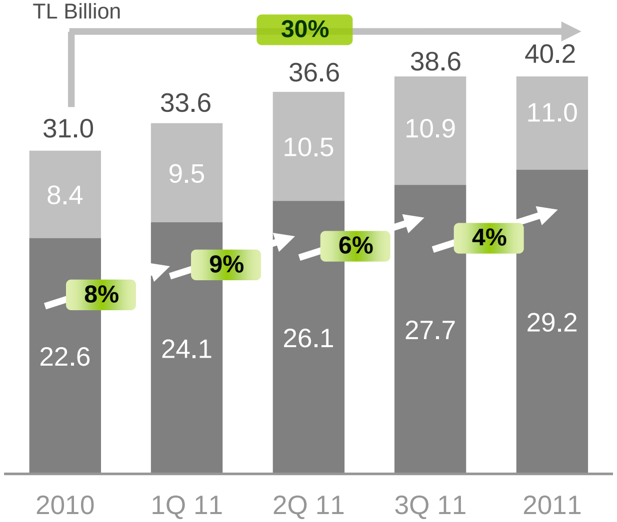
avg. FC loan repricing ytd[2] **+~300 bps**

… reflected in loan yields trending up

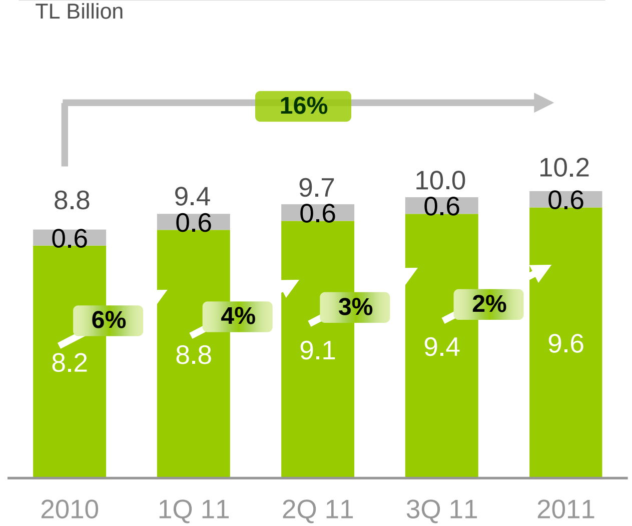
1 Based on MIS data and calculated using daily averages
2 Based on MIS data

Lucrative retail products continued to be the main driver of TL loan growth

Retail Loans[1]



Mortgage Loan Growth

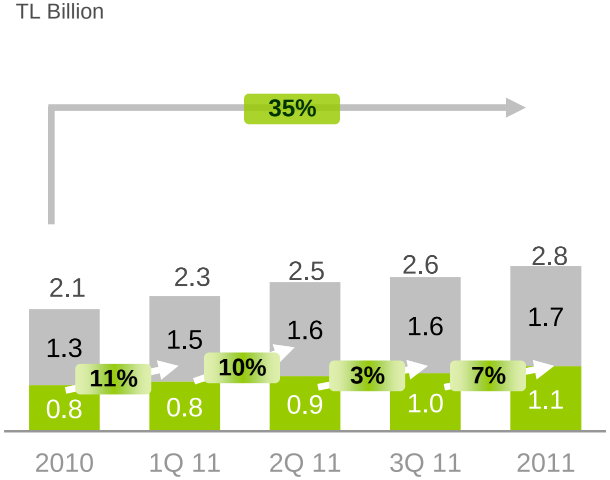


Consumer Loans
Commercial Installment Loans

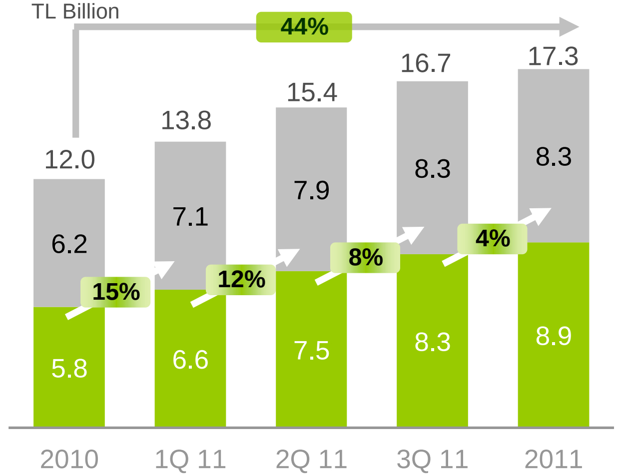
Higher market share gain in high-margin products

GPL Market Share
+~40 bps increase in 2011 to **10.6%**

Auto Loan Growth



General Purpose[5] Loan Growth



Market Shares[2,3]

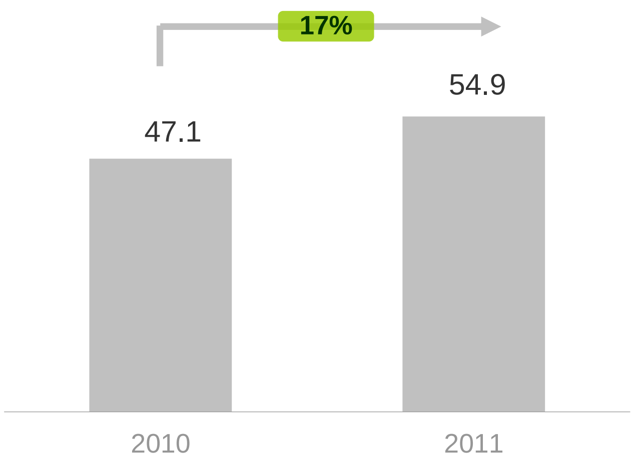
	YtD	Dec 11	Rank[4]
Mortgage	↓	13.3%	#1
Auto	↓	14.9%	#3
General Purpose[5]	↑	10.6%	#2
Retail[1]	↓	12.9%	#2

Note: Garanti figures are based on BRSA consolidated financials; Sector figures are based on bank-only BRSA weekly data, commercial banks only
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 4 As of 9M11 among private banks 5 Including other loans and overdrafts

Strength in cards business – a good contributor to sustainable revenues

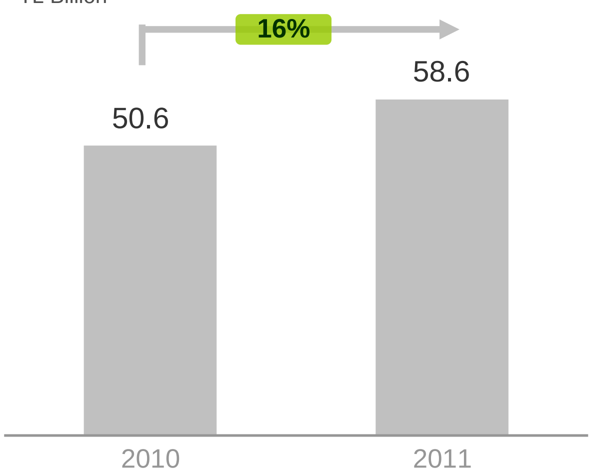
Issuing Volume

TL Billion



Acquiring Volume

TL Billion



#1 in Card Business

Per Credit Card Spending (TL, Dec 11[2])

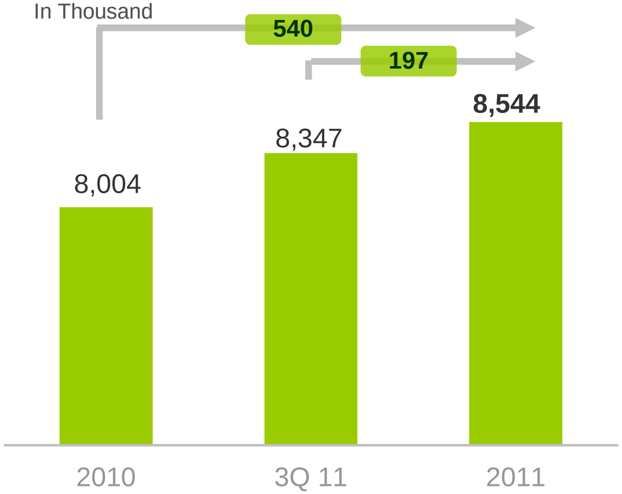
Per Debit Card Spending

>2 times the sector

... with the ultimate aim of creating cashless society

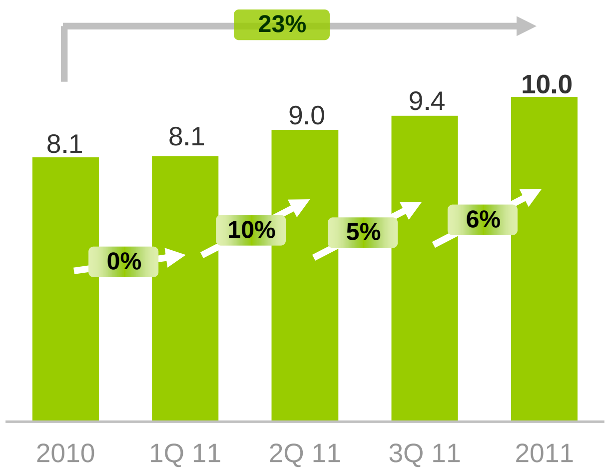
No. of Credit Cards

In Thousand



Credit Card Balances

TL Billion



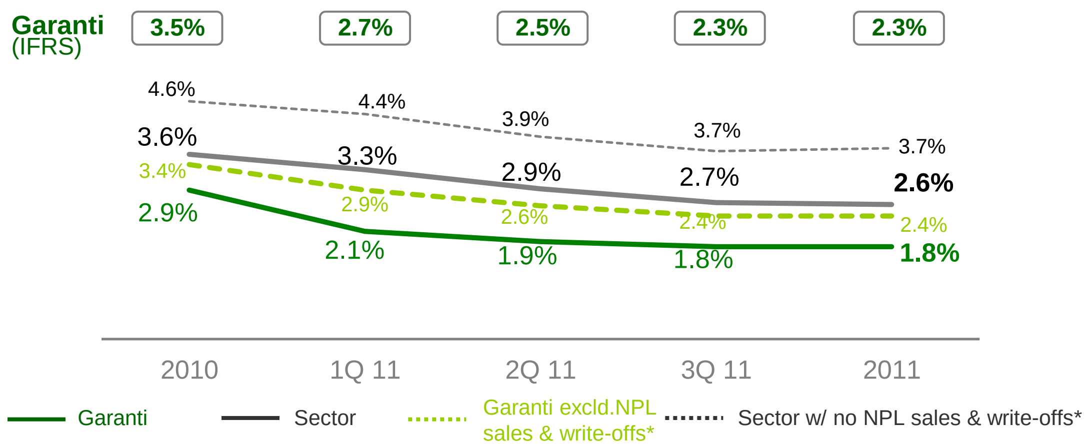
Market Shares

	YTD ∆	Dec 11	Rank
Acquiring	-144 bps	19.9%	#2
Issuing	-119 bps	18.9%	#1
# of Credit Cards	-42 bps	16.6%	#1
POS[1]	+98 bps	23.2%	#1
ATM	-79 bps	10.1%	#4

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

Asset quality shines with significant gap vs. sector

NPL Ratio[1]



Adjusted with write-offs in 2008,2009,2010 and 2011. 2010 and 2011 sector NPL sales & write-offs total: TL ~2.7 bn and ~TL 1.9 bn, respectively. Garanti, on a bank-only basis, 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.

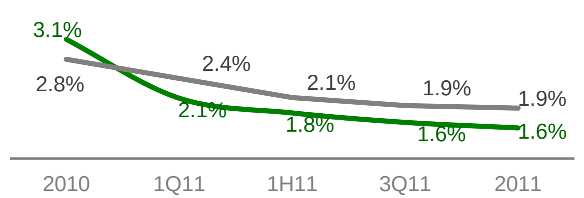
NPL Ratio 2011

2.3%

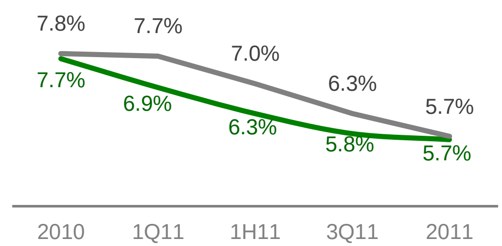
~ pre-crisis level

NPL Categorisation[1]

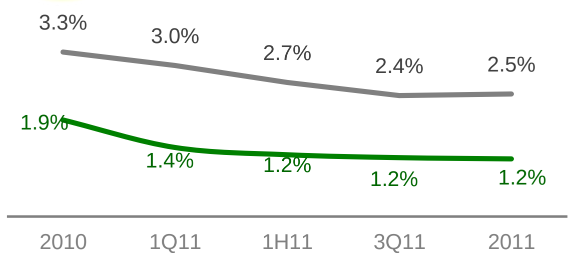
Retail Banking
(Consumer & SME Personal)
21% of Garanti's Total Loans



Credit Cards
12% of Garanti's Total Loans



Business Banking
(Including SME Business)
67% of Garanti's Total Loans

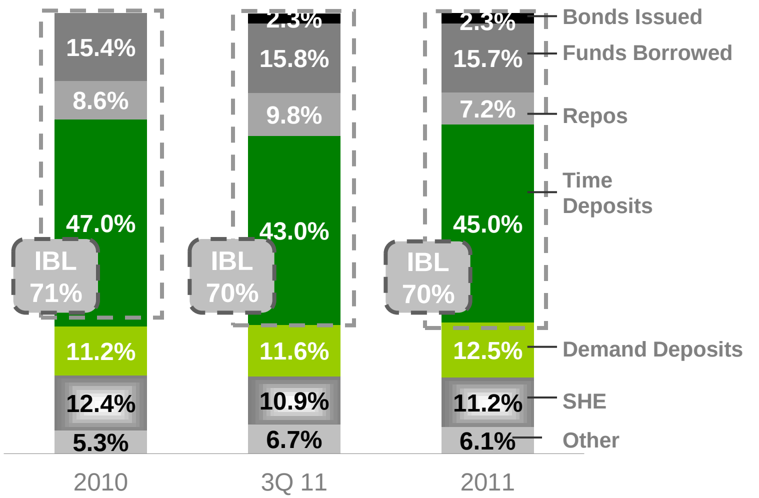


Garanti **Sector**

Source: BRSA, TBA & CBT
1 NPL ratio and NPL categorisation for Garanti and sector figures are per BRSA bank-only data for fair comparison.

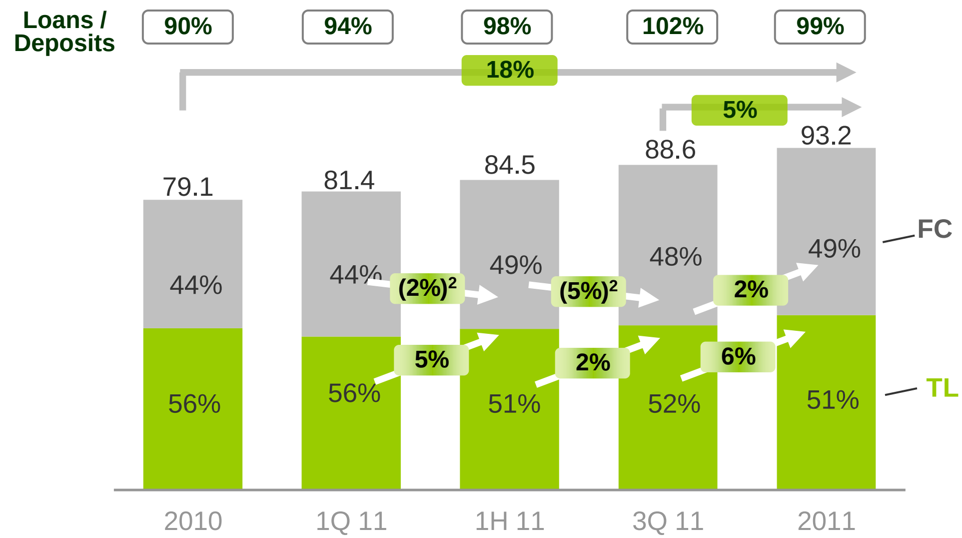
Solid funding base -- Focus back on deposits, limiting the dependency on potentially higher cost of repos

Composition of Liabilities



Total Deposits

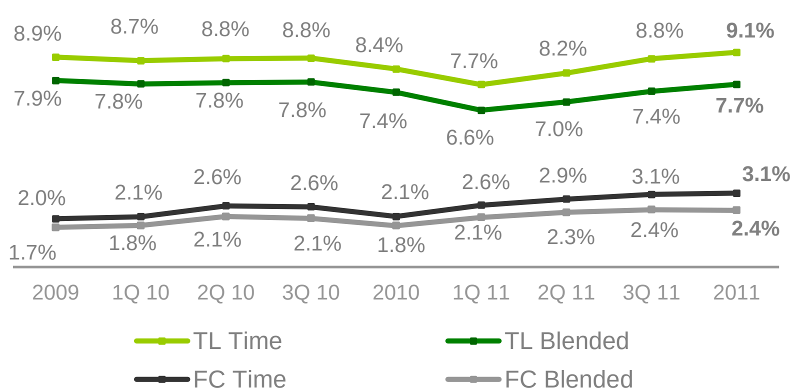
TL Billion



Loans/ Deposits 99% *or* ***96%*** *when merchant payables as deposits included*

Cost of Deposits[1]

Quarterly Averages



Deliberate reduction in repo funding due to potential of significant cost increase in 4Q

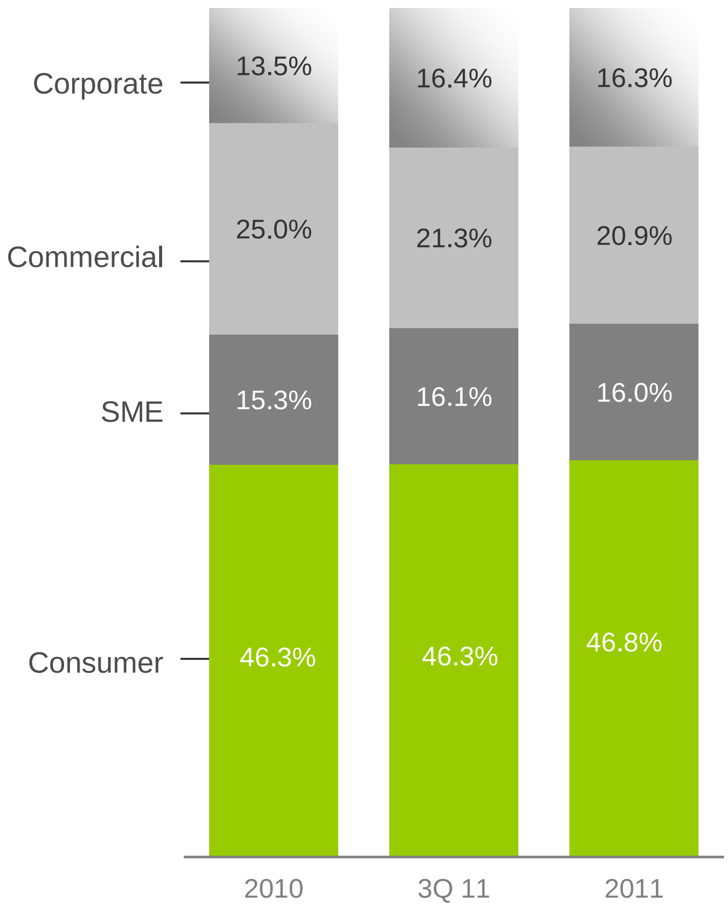
Deposit costs rising, however at a more contained manner

1 Based on bank-only MIS data
2 Growth in USD terms

Clear differentiation in attracting demand deposits

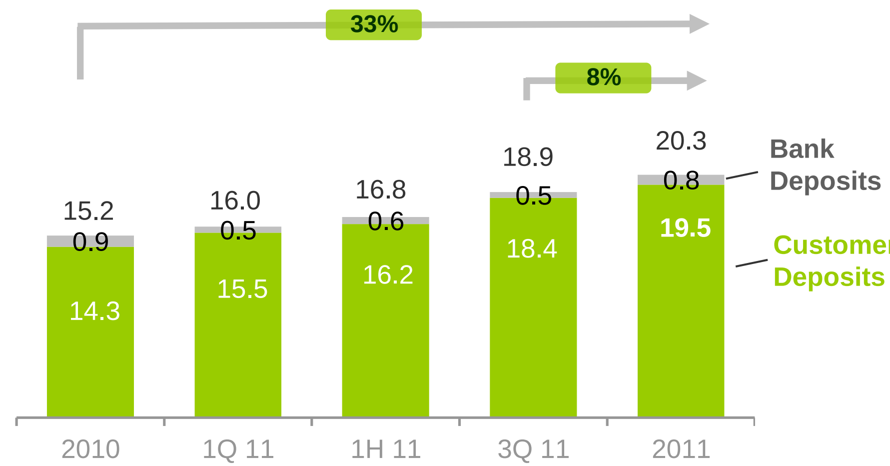
Deposits by LOB[1]

(Excluding bank deposits)



Demand Deposits

TL Billion



Customer Demand Deposits[2]

YTD Growth

36% vs. Sector's 20%

15.2% **Market share**

Sizeable demand deposit level strengthened

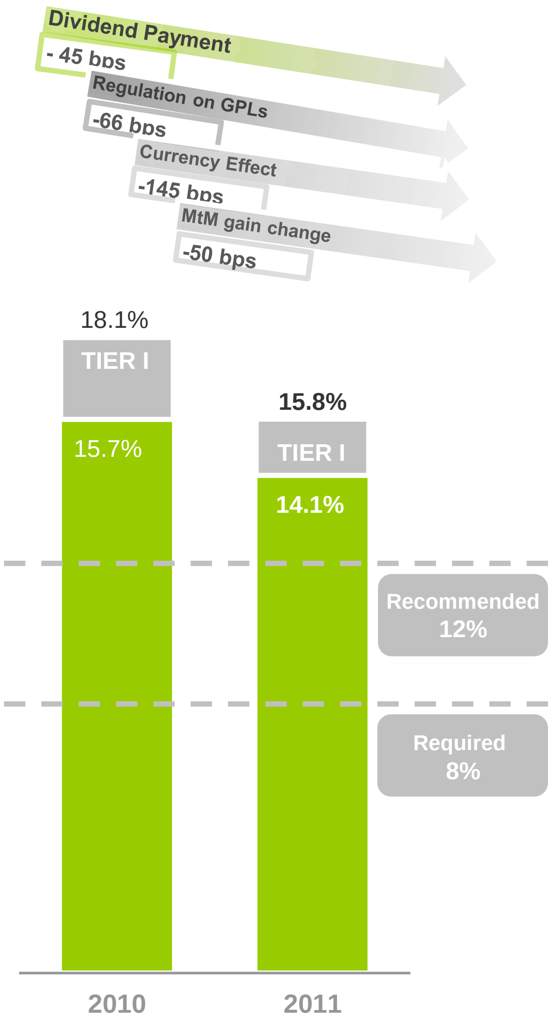
Demand Deposits / Total Deposits:

21%[3] vs. Sector's 17%[2]

1 Based on bank-only MIS data
2 Sector average calculated based on BRSA weekly data, commercial banks only
3 Based on bank-only financials for fair comparison with sector. Demand Deposits / Total Deposits as per IFRS figures is 22%

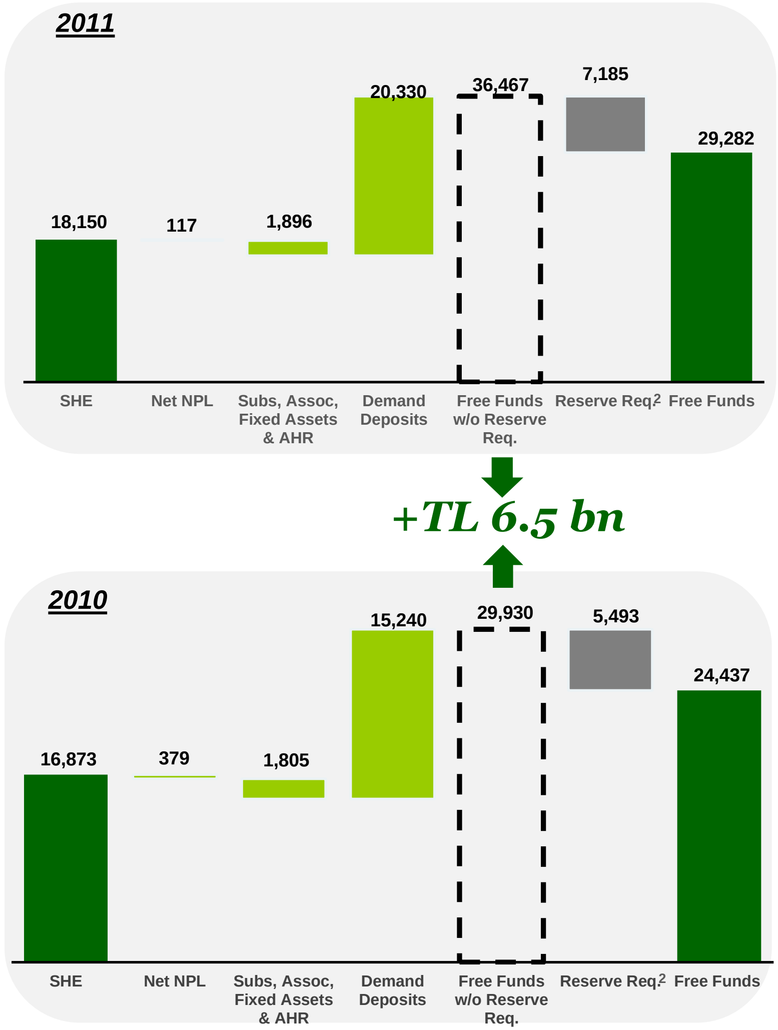
Sustained strong capitalization ratios due to high internal capital generation capability

CAR[1]



Free Funds Evolution

TL Million



Free Funds/ IEAs

21%

vs.

18% in 9M 11

Easing on RRRs and higher demand deposit levels boosted free funds

Leverage Ratio

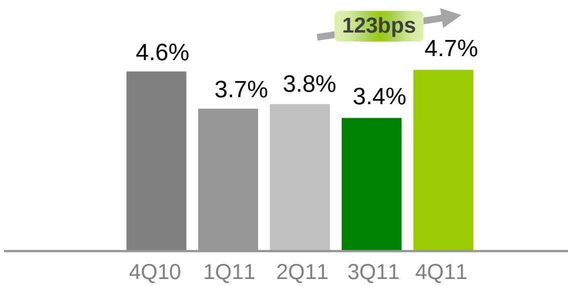
8x

1 Based on BRSA Consolidated Financials
2 Including reserves in CBRT
Note: Free Funds: Free Equity + Demand Deposits
Free Equity = SHE - (Net NPL+ Investment in Associates and Subsidiaries + Tangible and Intangible Assets+ AHR+ Reserve Requirements)

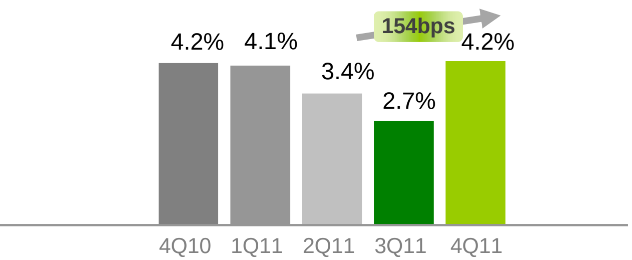
Margin expansion resumes in 4Q on the back of timely and proactively managed asset/liability mix -- Cum. margin down by 65 bps, better than expected

Quarterly NIM (Net Interest Income / Average IEAs)

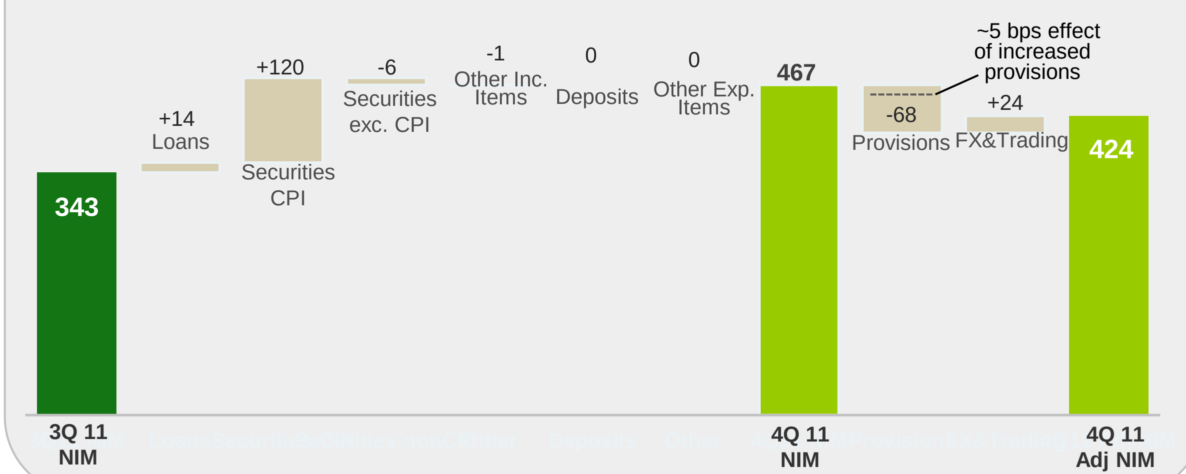
NIM



Adjusted NIM



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



4Q 11 over 3Q 11:

- *Long-term strategy of investing in CPI linkers paid off in 4Q*

  NIM up by 123 bps

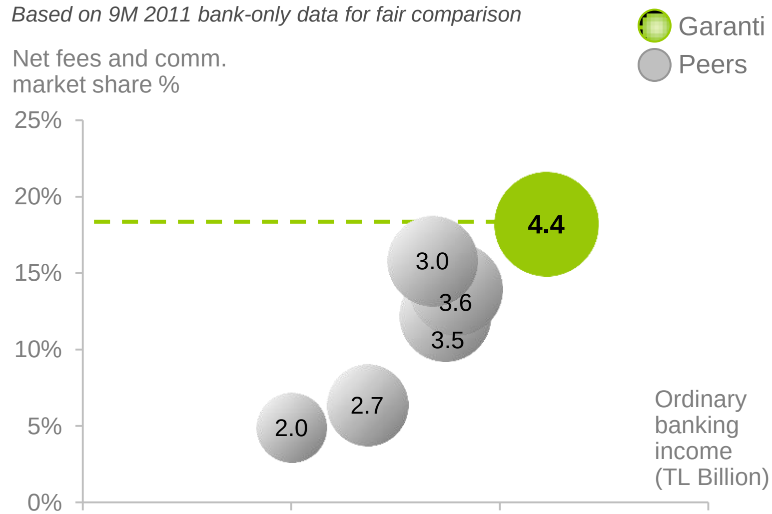
- ***Flattish NIM q-o-q when volatility from CPI linkers are excluded***
  - *Increasing **loan** volumes with **higher yields &***
  - ***Well-managed** funding costs*
- *Adj. NIM up by **154bps** in 4Q, bolstered also by the **recovery of trading losses** incurred in 3Q*

Source:BRSA consolidated financials
Adjustments to NIM: Net Interest Income/ Average IEA adjusted by FX gain/loss, provision for loans and securities, and net trading income/loss

Strength in customer acquisition and penetration reflects on the double digit growth momentum of net fees & commissions

Ordinary Banking Income[1] Generation

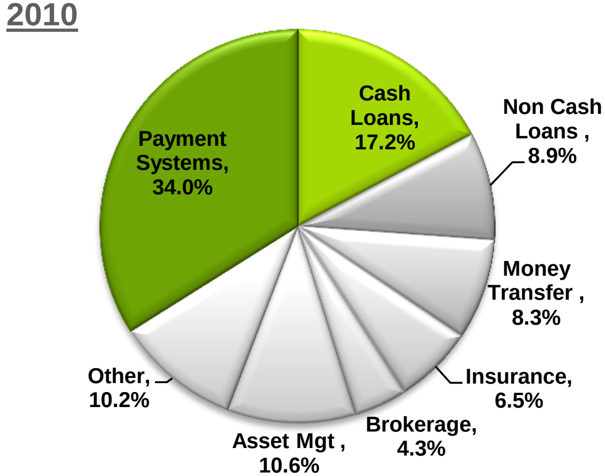
Based on 9M 2011 bank-only data for fair comparison



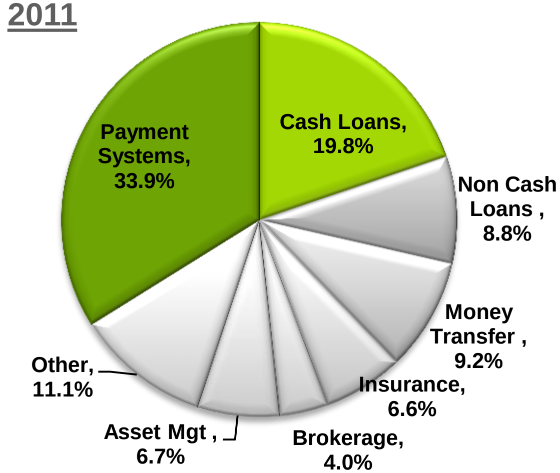
- Strong presence in brokerage market share **~6%**
- **#1** in bancassurance
- Leader in interbank money transfer **18%** market share vs. Peer avg. **~10%**
- Highest payment systems commissions per volume **1.6%** vs. Peer avg. **1.3%**[5]
- Diminishing share of asset management fees due to regulatory pressures **compensated by further diversifed fee sources**

Net Fees & Commissions Breakdown[3,4]

2010

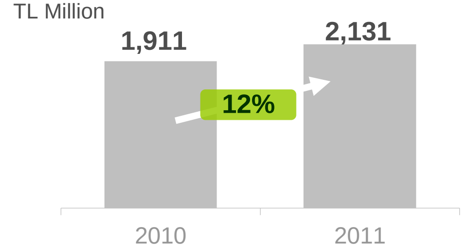


2011



Net Fees & Commissions[2]

TL Million



Money transfer	**+24%** y-o-y
Insurance	**+13%** y-o-y
Payment Systems	**+11%** y-o-y

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 214 mn for 2011 and TL 146 mn for 2010
3 Include consumer loan fees as well as other cash loan fees now classified as interest on loans in income statement amounting TL 156mn for 2011 and TL 117mn for 2010
4 Bank-only MIS data 5 Peer average as of 9M 2011

Differentiated business model leading to consistent delivery of outstanding results

	(TL Million)	2010	2011	% Change
(+)	NII- excl. inc on RRs and CPIs	3,954	3,826	-3%
(+)	Net fees and commissions	1,911	2,131	12% ✓
(-)	Net Specific LLP--before one-offs	(76)	(129)	69%
=	**CORE BANKING REVENUES**	**5,789**	**5,828**	**1%** ✓
(+)	Income on RR	87	5	-95%
(+)	Income on CPI linkers	1,173	1,405	20% ✓
(-)	Specific LLP-one-offs	-	(91)	n.m
(+)	Trading & FX gains	399	336	-16%
(+)	Other income -before one-offs	310	463	49%
(-)	OPEX	(3,451)	(3,776)	9%
(-)	Taxation and other provisions	(874)	(886)	1%
(+)	One-offs (post -tax)	-	114	n.m
(+)	*-NPL sale*	-	*43*	n.m
(+)	*-Eureko, Mastercard & Visa stake sale*	-	*161*	n.m
(-)	*-Free provisions*	-	*(90)*	n.m
=	**NET INCOME**	**3,432**	**3,398**	**-1%**
	Equityholders of the Bank	*3411*	*3,378*	*-1%*
	Minority Interest	*21*	*19*	*-7%*

2011*

OPEX-Reported		OPEX-Adjusted
	1 Adj: Romania full-year consolidation effect 2 Adj: Currency effect from foreign subs.	
Y-o-y Chg. %9		6%

Fees/Opex:
57% up from 55% at 2010

Opex/Avg. Assets:
2.5% down from 2.8% at 2010

Cost/Income:
46%

Note: Provisions adjusted with one-off effect on specific provisions resulting from NPL inflows in 4Q 11, which are related to a few commercial files with strong collateralization

*For fair comparison 2011 & 2010 OPEX adjusted for the following items:
2011 : The currency appreciation of the foreign subsidiaries in 2011 vs. 2010
2010 : Adjusted to reflect the full year consolidation effect of the Romanian subsidiary (in reported figures 7-months' effect is included)

Appendix

Details on One-off items affecting 2011 P&L

Sources of Changes	Explanation	P&L Impact (Post-tax)
1. Mastercard & Visa Stake Sale	• Mastercard stake sale • Capital gain on VISA stake sale	+76 Mn TL
2. 20% Eureko Stake Sale	• Garanti exercised the put option to sell 20% of the share capital of Eureko Sigorta A.Ş. to Eureko B.V.	+85 Mn TL
4. Income From Debt Sales	• On a bank-only basis, 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.	+43 Mn TL
5. Free Provisions	• 90 Mn TL free provision is set aside in line with the conservatism principle considering the circumstances which may arise from any changes in the economy or market conditions .	-90 Mn TL

Total one-off effect **114 Mn TL**

Details on regulatory actions affecting 2011 P&L

Sources of Changes	Explanation	P&L Impact (Post-tax)
1. Reserve Requirement Ratios	• TL average reserve requirement ratio was increased to 11.7% in 2011 from 5.2% in 2010 • FC average reserve requirement ratio was increased to 11.0% in 2011 from 9.8% in 2010 • The remuneration on TL reserve requirements ended as of Oct 14, 2010	-216 Mn TL -30 Mn TL -70 Mn TL
2. Flexibility on TL Reserve Requirements	• CBRT allowed banks to keep up to 40% of reserve requirements as FX and 10% as gold gradually since Sept. 2011	+23 Mn TL
3. Cap on Fund Management Fees	• Liquid fund management fee cap has been decreased to 1.1% from 2.73% recently (from 3.65% at the beginning of 2011)	-54 Mn TL
5. SDIF Size Parameter	• The impact emerges from the projected increase in Saving Deposits Insurance Fund (SDIF) premium ratio (+%0.02 – from %0.013 to %0.015)	-2 Mn TL

Total regulatory effect: -350 Mn TL + Total one-off effect: 114 Mn TL = Grand Total: -236 Mn TL

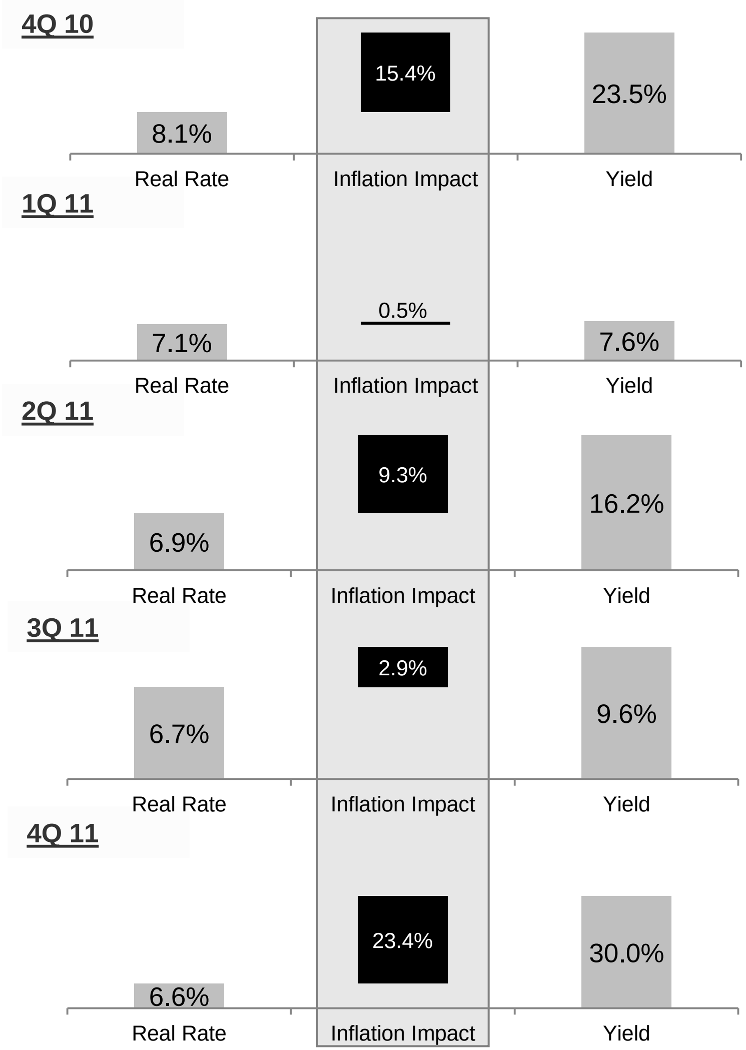
Balance Sheet - Summary

	(TL Million)	Dec-10	Sep-11	Dec-11	% Ytd Change
Assets	Cash & Banks	14,883	21,151	18,663	25%
	Securities	41,137	39,603	36,361	-12%
	Loans to Customers	71,092	89,979	92,654	30%
	Tangible Assets	1,585	1,615	1,711	8%
	Other	7,106	10,030	12,750	79%
	Total Assets	**135,803**	**162,378**	**162,139**	**19%**
Liabilities & SHE	Deposits from Customers	76,296	85,452	90,139	18%
	Deposits from Banks	2,808	3,184	3,097	10%
	Repo Obligations	11,735	15,878	11,738	0%
	Funds Borrowed	20,942	25,691	25,448	22%
	Bonds Payable	-	3,674	3,742	n.m
	Other	7,149	10,825	9,825	37%
	SHE	16,873	17,674	18,150	8%
	Total Liabilities & SHE	**135,803**	**162,378**	**162,139**	**19%**

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

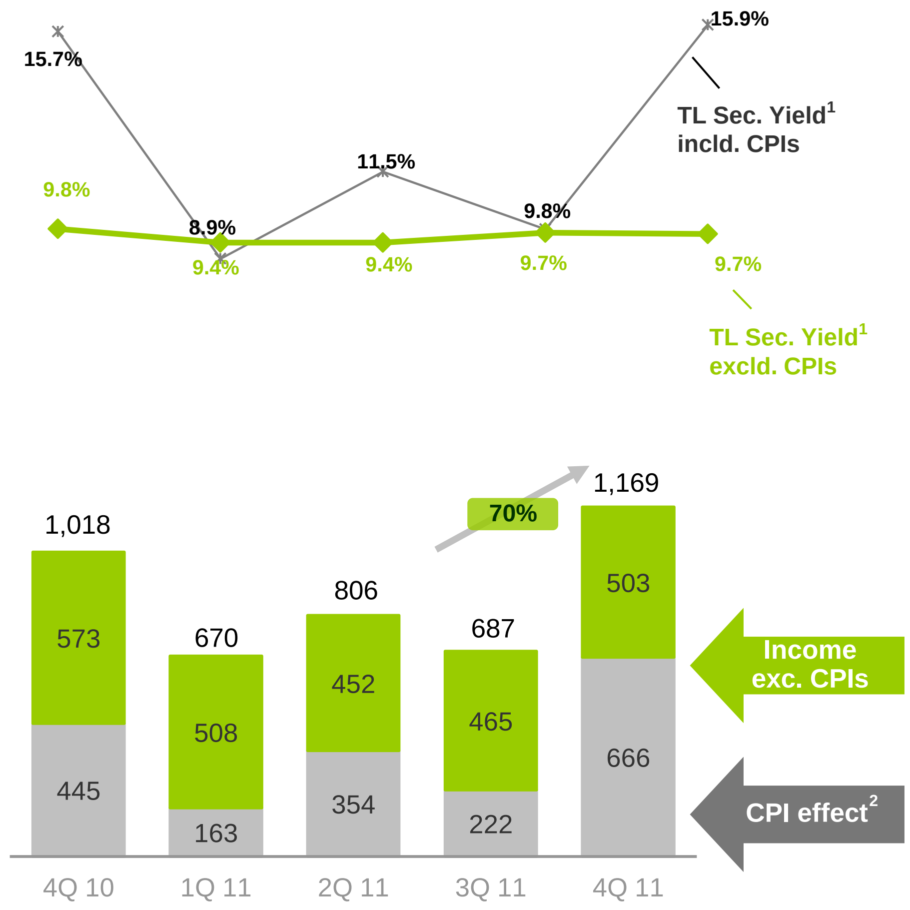
Drivers of the Yields on CPI Linkers[1]

% average per annum



Interest Income[3] & Yields on TL Securities

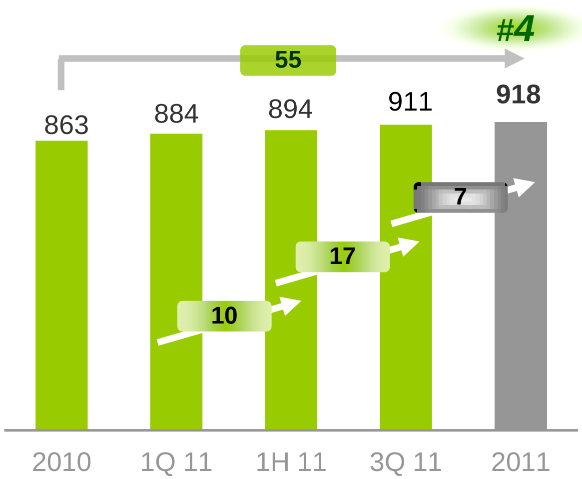
TL Million



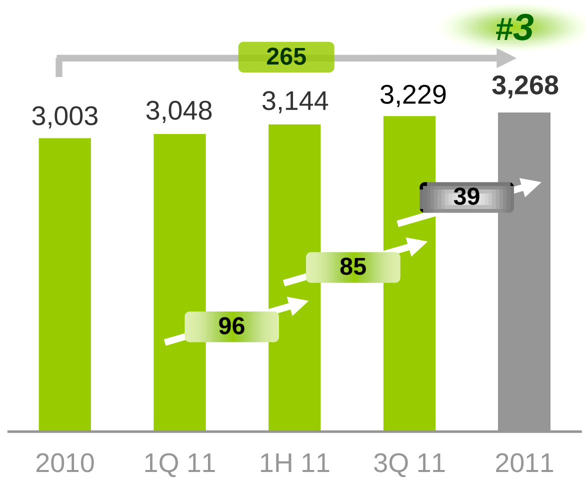
1 Based on bank-only MIS data
2 Per valuation method based on actual monthly inflation readings
3 Based on BRSA consolidated financials

Further strengthening of retail network...

Number of Branches

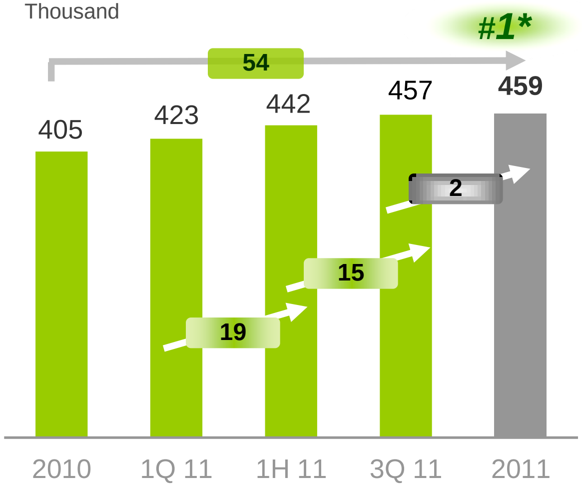


Number of ATMs



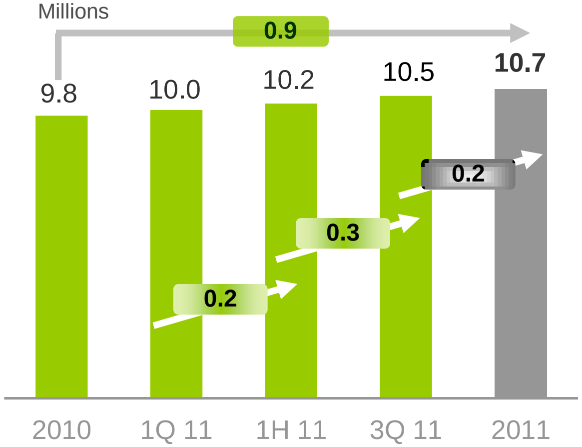
Number of POS

Thousand



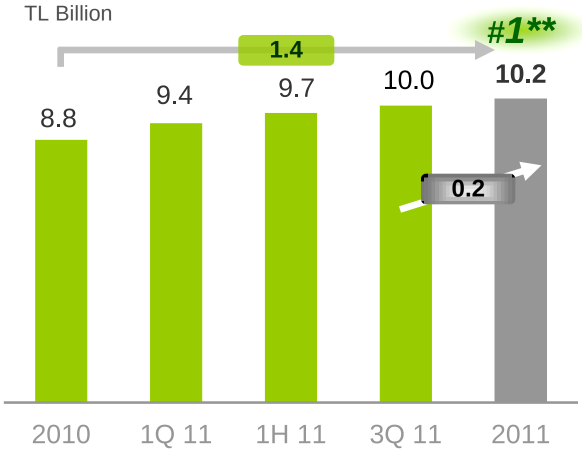
Number of Customers

Millions



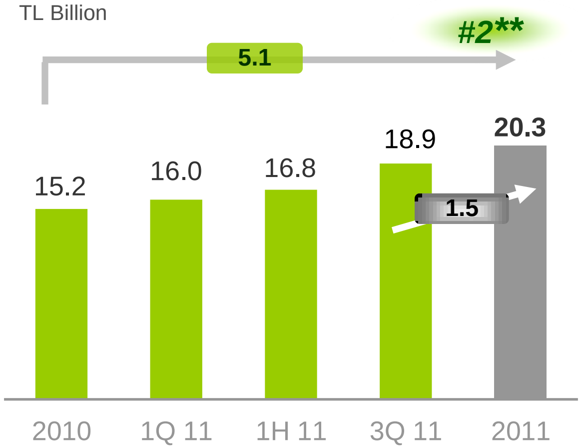
Mortgages

TL Billion



Demand Deposits (customer+bank)

TL Billion

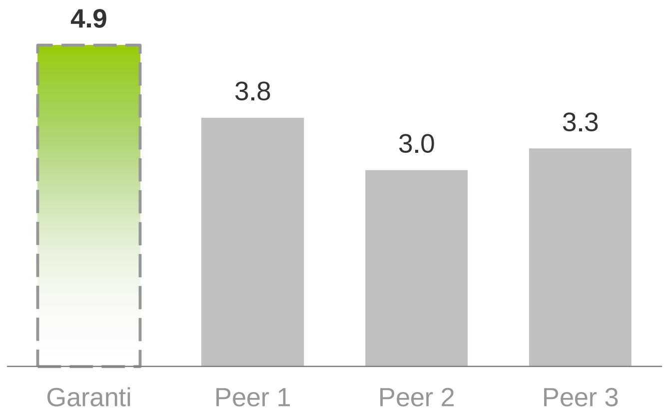


Based on bank-only data except for mortgages and demand deposits. Mortgages are based on BRSA Consolidated data. Demand Deposits are per IFRS
*Including shared POS
**Mortgage and demand deposit ranks are as of 3Q 11
Note: Ranks are among private banks

...while preserving the highest efficiencies

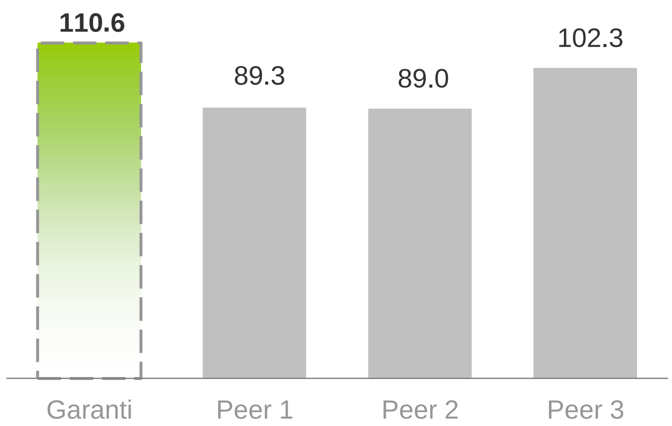
Ordinary Banking Income per Branch

9M 2011, TL million



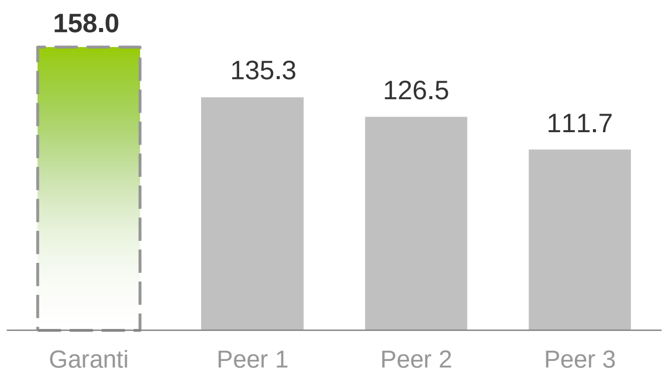
Loans per Branch[1]

9M 2011, TL million



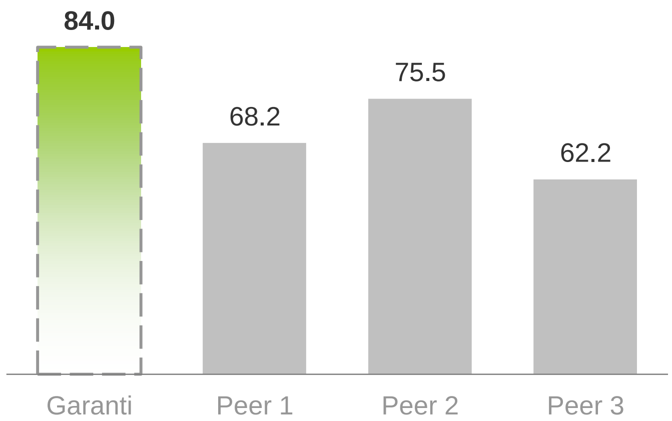
Assets per Branch

9M 2011, TL million



Customer Deposits per Branch

9M 2011, TL million



1 Total loans = Cash+Non-cash loans
Note: Figures are bank-only for fair comparison

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%

4Q 11:

- ✓ TL 750 million bond with 6M maturity, at a cost of 8.10% (Roll-over)
- ✓ TL 750 million bond with 6M maturity, at a cost of 10.09% (Roll-over)

Details of selected items in funding base

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

4Q 11:

- ✓ Secured US$ 1 billion 1 year syndicated loan, comprising two separate tranches in the amount of US$ 233.6 million and €576.2 million. The all-in cost has been realized as LIBOR+1% and EURIBOR+1%, respectively.

Garanti

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