March 31, 2012
BRSA Bank-only Earnings Presentation
1Q 2012 Macro Highlights

Improving liquidity and risk appetite followed by doubts about the strength and sustainability of growth

- Mixed messages from the US and the Eurozone economic indicators
- Weak import demand from all three major regions in the global economy
- Uncertainty around further easing by FED and ECB gained ground
- Commodity prices are on the rise -- Gold was up by 7% & oil by ~20%.

Economy heading for a soft landing

- Y-o-Y GDP growth rate in 4Q11 fell to 5.2% from 8.4% in 3Q11 -- An encouraging rebalancing is occurring within GDP
  - In 4Q11, highest positive contribution from foreign demand since 2Q09
  - Private consumption & investments decelerated significantly in 4Q11
- Current account deficit ended the year at a decelerated level at US$ 77.2bn & improved financing quality
- Annual CPI at the end of 1Q12 was 10.43% -- Even though core inflation started to come down, energy prices keep the headline CPI high
- The policy interest rate was unchanged at 5.75% and the upper band of interest rate corridor was lowered from 12.5% to 11.5%
  - Interest rate corridor has been actively used since the end of 2011
  - Average CBT funding rate surged in CBT’s effort to fight the inflationary pressures due to currency pass through
  - Taking the liquidity projections into account, the ranges for weekly and monthly Turkish lira funding were revised. Additionally, fraction of TL required reserves that can be held in gold were increased from 10% to 20%. This action alone released TL 6.1bn of reserves and increased banks’ liquidity
- During 1Q12, TL appreciated by 1.6% and 1.5% against USD and Euro, respectively while benchmark bond yield was at 9.4% on a monthly average at the end of 1Q12
- Liquidity conversion ratio of issued bonds was reduced from 100% to 50% upon BRSA’s amendment in February
- Effective as of January 1st, 2012, liquid fund management fee cap was decreased to 1.10% from 2.73%
1Q 2012 Highlights

Customer-oriented, liquid, low-risk and well-capitalized balance sheet
Maintained focus on profitable growth – selective lending continues on high margin products
TL lending growth 1.7% q-o-q, at a slower pace vs. sector
  - Healthy market share gains in high margin retail products with no pricing competition
    (Mortgage: 1.7% q-o-q vs. sector’s 0.8%; GPL: 4.6% q-o-q vs. sector’s 3.6%)
  - Intentional market share loss in TL commercial lending to maintain rational pricing and defend margins
FX lending growth 1.8% q-o-q, driven by commercial lending
FRN heavy securities book remain as a hedge -- FRN in total slightly down to 56% in 1Q 12 vs. 58% at YE 11, due to redemptions replaced with favorable fixed rate TL securities
Asset quality remained intact
  - Slight pick-up in NPL ratio (1Q 12: 1.9%) -- as expected, across the board, at a lower pace vs. sector
  - Collections -- still strong, however at a normalizing pace
  - Comfortable provisioning level -- Gross CoR <100 bps, in line with budget guidance
Solid funding mix -- Actively managed and diversified
  - Deposit heavy funding remains with emphasis on sustainable and lower cost mass deposits
  - Opportunistic utilization of repos & money market funding to support margins
  - Sustained high demand deposit levels -- demand deposits / total deposits: 19%
  - Loans to Deposits @ 100%, LTD:77% when mortgages, project finance & investment loans (mat.>4 years) are excluded
Strong capitalization bolstered by high internal capital generation capacity: CAR: 17%, Leverage:7x

Strong profitability backed by well-defended margins, sustainable income sources & efficiently managed costs
ROAE: 19%; ROAA: 2.3%
Margins holding-up well -- almost flattish when quarterly fluctuating CPI book is excluded
  - Ongoing positive effect of timely and proactive loan re-pricing on loan yields
  - Managed lending growth with higher weight in lucrative products and rational pricing
Net fees and commissions -- Sustained double digit growth momentum on a comparable basis via highly diversified fee sources
Commitment to strict cost discipline - single digit growth in real terms
  - Opex/ Avg assets: 2.2% in 3M12 vs. 2.3% in 3M11
  - Fees/OPEX: 71% on adjusted basis vs. 61% on reported basis
  - Investment in distribution network continued (avg branch additions: ~50 y-o-y)

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1 Adjusted with the effect of decreased cap on fund management fees and accounting methodology change for cash loan origination fees
Strategically and actively managed balance sheet leading to strong levels of core banking revenues & ROAE of 19%.

Quarterly net income (TL million)

- ROAE: 19%
- ROAA: 2.3%

Sustained high profitability

1Q11 4Q11 1Q12

855 791 862

- Ongoing positive effect of timely loan-repricing limited the pressure of increasing funding costs
- Robust & growing fee base despite negative effects of decreased cap on fund management fees & accounting methodology change on cash loan origination fees
- Although lower, still strong contribution from CPI-linkers
- Normalizing collections, as expected

* 1Q 12 and 4Q 11 provisions are adjusted for the effects of BRSA’s recent regulations on general reserves – TL 33mn in 1Q 12, TL 17 mn in 4Q11.

4Q 11 provisions are adjusted for the one-off effect on specific provisions resulting from NPL inflows of TL 91 mn, which are related to a few commercial files with strong collateralization.
Customer-oriented asset mix -- Loans/Assets back to pre-crisis levels

### Total Assets (TL/USD billion)

<table>
<thead>
<tr>
<th></th>
<th>1Q 11</th>
<th>2011</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>TL</td>
<td>80.3</td>
<td>87.2</td>
<td>93.9</td>
</tr>
<tr>
<td>FC (USD)</td>
<td>124.3</td>
<td>146.6</td>
<td>148.6</td>
</tr>
<tr>
<td>Total Assets (TL)</td>
<td>20%</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

### Composition of Assets

#### 1Q12
- Loans: 55.1%
- Securities: 24.2%
- Non-IEAs: 13.5%
- Other IEAs: 7.3%

#### 2011
- Loans: 56.1%
- Securities: 21.8%
- Non-IEAs: 12.3%
- Other IEAs: 9.8%

#### IEA / Assets
- 1Q12: 87%
- 2011: 88%

### Growth-1Q12
- In line with economic slowdown, moderating lending growth
- Loans: -1%
- Securities: 12%

### Loans/Assets
- 55%
- vs. 56% at YE 11

### Liquidity Ratio
- 32%

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1. Accrued interest on B/S items are shown in non-IEAs
2. (Cash and banks + Trading securities + AFS)/Total Assets
3. Performing cash loans
FRN heavy securities book continues to serve as a hedge -- redemptions replaced with favourable fixed rate TL securities

Total Securities (TL billion)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>TL</th>
<th>FC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q 11</td>
<td>33.7</td>
<td>91%</td>
</tr>
<tr>
<td>2Q 11</td>
<td>34.7</td>
<td>89%</td>
</tr>
<tr>
<td>3Q 11</td>
<td>37.2</td>
<td>87%</td>
</tr>
<tr>
<td>2011</td>
<td>34.6</td>
<td>11%</td>
</tr>
<tr>
<td>1Q12</td>
<td>38.8</td>
<td>12%</td>
</tr>
</tbody>
</table>

TL Securities (TL billion)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>CPI</th>
<th>FRNs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q 11</td>
<td>30%</td>
<td>36%</td>
</tr>
<tr>
<td>2Q 11</td>
<td>32%</td>
<td>36%</td>
</tr>
<tr>
<td>3Q 11</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>2011</td>
<td>32%</td>
<td>29%</td>
</tr>
<tr>
<td>1Q12</td>
<td>29%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Securities²/Assets

- 24% up from 22% at YE 11

FRN mix in total

- 56% from 58% at YE 11

Total Securities Composition

- Trading 4.0%
- HTM 7.9%
- AFS 88.1%

Unrealized gain

- as of Mar 30, 2012
- ~TL 420 mn¹

¹ Based on bank-only MIS data
² Excluding accruals
Note: Fixed / Floating breakdown of securities portfolio is based on bank-only MIS data
Moderating loan growth in line with economic slow down -- Retail lending remains as the growth driver

**TL Loan Growth**: Q-o-Q

- **1.7%** vs. Sector’s 4.1%
- Mainly driven by lucrative retail loans
- Refraining from pricing competition in commercial lending to defend margins

**Market share**: 11.0% in 1Q12 vs. 11.3% at YE 11

**FC Loan Growth**: Q-o-Q and US$ based

- **1.8%** vs. Sector’s 2.2%
- Healthy growth without sacrificing loan yields

**Market share**: 18.4% in 1Q12 vs. 18.5% at YE 11

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1. Performing cash loans
2. Based on bank-only MIS data
3. Sector data is based on BRSA weekly data for commercial banks only
Sustained upward trend in loan yields -- positive result of selective growth strategy and timely re-pricing

**TL Loans\(^1\) (TL billion)**

- **24%**
  - 1Q 11: 40.6
  - 2Q 11: 43.6
  - 3Q 11: 47.4
  - 2011: 49.3
  - 1Q12: 50.2

**TL Yield\(^2\)**
- 1Q 11: 14.47%
- 2Q 11: 14.33%
- 3Q 11: 14.75%
- 2011: 15.17%
- 1Q12: 16.05%

**Interest Income on loans (quarterly – TL billion)**

- 1Q 11: 1,443
- 2Q 11: 1,514
- 3Q 11: 1,752
- 2011: 1,885
- 1Q12: 1,998

**Total Yield\(^2\)**
- 1Q 11: 9.93%
- 2Q 11: 9.92%
- 3Q 11: 10.26%
- 2011: 10.72%
- 1Q12: 11.63%

**FC Loans\(^1\) (US$ billion)**

- **(3%)**
  - 1Q 11: 19.3
  - 2Q 11: 19.4
  - 3Q 11: 18.4
  - 2011: 18.3
  - 1Q12: 18.7

**FC Yield\(^2\)**
- 1Q 11: 4.50%
- 2Q 11: 4.51%
- 3Q 11: 4.75%
- 2011: 5.12%
- 1Q12: 5.55%

**Ongoing positive effect of timely loan re-pricing & selective growth in high-yielding loans bolstered the yields**

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1 Performing cash loans
2 Based on MIS data and calculated using daily averages
Selective growth focus -- Healthy market share gains in high-margin retail loans

Retail Loans¹ (TL billion)

Auto Loan (TL billion)

Mortgage Loan (TL billion)

General Purpose Loan⁵ (TL billion)

GPL & Mortgage Market Share (qoq)

Market Shares²,³

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 2011 among private banks
5 Including other loans and overdrafts
Strength in card business – a good contributor to sustainable revenues

**Issuing Volume (TL billion)**

- **1Q11:** 12.3
- **1Q12:** 14.7

**Acquiring Volume (TL billion)**

- **1Q11:** 13.0
- **1Q12:** 15.1

**No. of Credit Cards (thousand)**

- **1Q11:** 8,089
- **2011:** 8,544
- **1Q12:** 8,806

**Credit Card Balances (TL billion)**

- **1Q11:** 8.1
- **2Q11:** 8.9
- **3Q11:** 9.3
- **2011:** 9.9
- **1Q12:** 10.0

**Market Shares**

<table>
<thead>
<tr>
<th></th>
<th>YTD Δ</th>
<th>Mar 12</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquiring</td>
<td>-115 bps</td>
<td>18.8%</td>
<td>#2</td>
</tr>
<tr>
<td>Issuing</td>
<td>-56 bps</td>
<td>18.4%</td>
<td>#1</td>
</tr>
<tr>
<td># of Credit Cards</td>
<td>+24 bps</td>
<td>16.9%</td>
<td>#1</td>
</tr>
<tr>
<td>POS1</td>
<td>+75 bps</td>
<td>18.3%</td>
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</tr>
<tr>
<td>ATM</td>
<td>-4 bps</td>
<td>10.0%</td>
<td>#3</td>
</tr>
</tbody>
</table>

1 Including shared POS
2 Annualized

#1 in card business

Per Debit Card Spending
~2.5x the sector

... with the ultimate aim of creating cashless society

Per Card Spending (TL, Mar 12)

- Garanti: 6,750
- Sector: 6,183

### Market Shares

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<td>10.0%</td>
<td>#3</td>
</tr>
</tbody>
</table>
Asset quality remained intact...

NPL Ratio

1Q11 | 2Q11 | 3Q11 | 2011 | 1Q12
--- | --- | --- | --- | ---
Garanti | 2.9% | 2.6% | 2.6% | 2.5%
Sector | 3.3% | 3.7% | 3.7% | 3.8%
Garanti excl. NPL sales & write-offs* | 2.6% | 2.3% | 2.6% | 2.7%
Sector w/ no NPL sales & write-offs* | 2.1% | 1.9% | 1.8% | 1.9%

* 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 sold NPLs in 1Q11 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

Retail Banking (Consumer & SME Personal)

Credit Cards

Business Banking (Including SME Business)

Normalizing but still strong collections

Nominal NPLs

Slight deterioration -- 4%
- as expected
- across the board
- at a lower pace than sector

1 NPL categorisation for Garanti and sector figures are per BRSA bank-only data for fair comparison.
2 Including NPL inflows in 4Q 2011, amounting to ~TL 100 mn, which are related to a few commercial files with strong collateralization
3 Garanti NPL sale amounts TL 484 mn, of which TL 200 mn relates to NPL portfolio with 100% coverage and the remaining TL 284 mn being from the previously written-off NPLs.

Source: BRSA, TBA & CBT
...with comfortable levels of coverage and provisioning

**Quarterly Loan-Loss Provisions (TL million)**

<table>
<thead>
<tr>
<th>Coverage Ratio</th>
<th>Mar 11</th>
<th>Jun 11</th>
<th>Sept 11</th>
<th>Dec 11</th>
<th>Mar 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector1</td>
<td>86%</td>
<td>87%</td>
<td>83%</td>
<td>82%</td>
<td>82%</td>
</tr>
<tr>
<td>Garanti</td>
<td>82%</td>
<td>82%</td>
<td>82%</td>
<td>82%</td>
<td>81%</td>
</tr>
</tbody>
</table>

**Coverage Ratio**

81%
remained strong

**Specific Gross CoR**

47 bps
Slightly up from 42 bps in 2011

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1 Sector figures are per BRSA weekly data, commercial banks only
2 The effect of BRSA’s recent regulations on general reserve rates for extended loans and GPLs. Regulatory effect on General Provisions in Cost of Risk was 26bps in 1H11, 21bps in 9M11, 18bps in 2011 and 16bps in 3M12. 
3 TL91mn of provisions resulting from NPL inflows in 4Q 11, which are related to a few commercial files with strong collateralization
Solid funding mix – well diversified and actively managed

**Composition of Liabilities**

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>1Q 11</th>
<th>2011</th>
<th>1Q 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Issued</td>
<td>0.7%</td>
<td>15.2%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Funds Borrowed</td>
<td>5.4%</td>
<td>14.5%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Repos</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time Deposits</td>
<td>49.2%</td>
<td>45.5%</td>
<td>45.3%</td>
</tr>
<tr>
<td>SHE</td>
<td>13.0%</td>
<td>12.0%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Other</td>
<td>5.9%</td>
<td>6.1%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

**Total Deposits (TL billion)**

- **Loans/Deposits**: 99.7% or 77% when mortgages, project finance & investment loans (mat.>4yrs) are excluded
- Opportunistic and timely utilization of alternative funding sources to support margins
- Deposit costs rising as expected, however at a contained manner due to focus on lower cost mass deposits

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

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**Cost of Deposits**

- TL Time: 8.7%, 8.8%, 8.8%, 8.4%, 7.7%, 8.2%, 8.8%, 9.1%, 10.5%
- TL Blended: 7.8%, 7.8%, 7.8%, 7.4%, 6.6%, 7.0%, 7.4%, 7.7%
- FC Time: 2.1%, 2.6%, 2.6%, 2.1%, 2.6%, 2.9%, 3.1%, 3.1%, 3.5%
- FC Blended: 1.8%, 2.1%, 2.1%, 1.8%, 2.1%, 2.3%, 2.4%, 2.4%, 2.6%
Robust deposit base with further emphasis placed on mass deposits and sustained high weight of demand deposits

**Deposits by LOB**

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>2011</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>16.4%</td>
<td>16.3%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Commercial</td>
<td>23.6%</td>
<td>20.9%</td>
<td>21.4%</td>
</tr>
<tr>
<td>SME</td>
<td>15.4%</td>
<td>16.0%</td>
<td>16.4%</td>
</tr>
<tr>
<td>Consumer</td>
<td>44.6%</td>
<td>46.8%</td>
<td>48.5%</td>
</tr>
</tbody>
</table>

**Demand Deposits (TL billion)**

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>2011</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Deposits</td>
<td>13.2</td>
<td>12.9</td>
<td>14.2</td>
<td>15.4</td>
<td>17.5</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
<td>16.7</td>
<td>0.4</td>
</tr>
</tbody>
</table>

**Demand Deposits / Total Deposits**

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>2011</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sizeable demand deposit level maintained</td>
<td>19%</td>
<td>vs. sector’s 16%</td>
<td></td>
</tr>
</tbody>
</table>

**Customer Demand Deposits**

- **Solid presence in demand deposits maintained**
- **Market share:** 14.5%

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1 Based on bank-only MIS data
2 Sector data is based on BRSA weekly data for commercial banks only
High internal capital generation capability bolsters strong capitalization ratios

**CAR**

- TIER I
  - 2011: 16.9%
  - 1Q12: 16.9%
  - Required: 8%
  - Recommended: 12%

- Regulation on GPLs
  - -13 bps

- Currency Effect
  - +20 bps

- Re-payment of sub-debt
  - -75 bps

**Free Funds TL Billion**

- (Free funds = Free Equity + Demand Deposits)

- 2011:
  - TIER I: 17.5
  - Free Equity including Reserve Requirements: 13.7
  - Reserve Requirements: -7.2

- 1Q12:
  - TIER I: 15.5
  - Free Equity including Reserve Requirements: 14.9
  - Reserve Requirements: -9.1

**Free Funds/IEAs**

- 17%

**Free Equity w/o reserve growth**

- 9% q-o-q

Increasing free equity and sizeable demand deposits continued to support free funds

**Leverage Ratio**

- 7x

Free Equity = SHE - (Net NPL + Investment in Associates and Subsidiaries + Tangible and Intangible Assets + AHR + Reserve Requirements)
Margins held up well, despite the negative quarterly fluctuation of the CPI book and the duration mismatch

Quarterly NIM (Net Interest Income / Average IEAs)

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

Quarterly NIM:

~Flattish when volatility from CPI linkers are excluded

- Ongoing positive effect of timely and proactive loan repricing on loan yields
- Managed lending growth with higher weight in lucrative products and rational pricing

Squeeze in Adj. NIM was limited due to relief in general provisions

Adjustments to NIM: Net Interest Income/ Average IEA adjusted by FX gain/loss, provision for loans and securities, and net trading income/loss
Healthy Fees & Commissions income supported by strong customer penetration and cross-sell

**Ordinary Banking Income**

Net fees and comm. market share %

<table>
<thead>
<tr>
<th>Garanti</th>
<th>Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>4.1</td>
<td>4.8</td>
</tr>
<tr>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>3.9</td>
<td></td>
</tr>
<tr>
<td>2.7</td>
<td></td>
</tr>
</tbody>
</table>

Ordinary banking income (TL Billion)

- **Leader in interbank money transfer**
  - 18% market share vs. the peer’s average ~10%

- **Highest payment systems commissions per volume**
  - 1.6% vs the peer’s average 1.3%

- **#1 in bancassurance**

- **Strong presence in brokerage**
  ~6% market share

**Net Fees & Commissions Breakdown**

3M11

- Payment Systems 31.4%
- Other 14.9%
- Asset Mgmt 7.4%
- Brokerage 4.6%
- Insurance 6.8%
- Non Cash Loans 8.8%
- Money Transfer 7.7%

3M12

- Payment Systems 39.4%
- Other 15.2%
- Asset Mgmt 1.7%
- Brokerage 3.9%
- Insurance 5.0%
- Money Transfer 8.3%
- Non Cash Loans 5.6%

**Net Fees & Commissions** TL Million

- **Money transfer**
  - 3% increase

- **Cash Loans**
  - 19% increase

- **Payment Systems**
  - 32% increase

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1 Defined as: net interest income adjusted with provisions for loans and securities, net FX and trading gains + net fees and commissions. Based on bank-only financials for fair comparison as of 2011

2 3M12 cash loan origination fees are accounted for on an accrual basis per methodology change

3 Breakdown is on a comparable basis to same period last year

4 Bank-only MIS data 5 Peer average as of 2011
Differentiated business model leading to consistent delivery of outstanding results

<table>
<thead>
<tr>
<th>(TL Million)</th>
<th>1Q 11</th>
<th>1Q 12</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(+) NII- excl. inc. on CPIs</td>
<td>839</td>
<td>854</td>
<td>2%</td>
</tr>
<tr>
<td>(+) Net fees and commissions</td>
<td>525</td>
<td>507</td>
<td>-3%</td>
</tr>
<tr>
<td>(-) Specific LLP &amp; General Prov. -- exc. regulatory effects &amp; one-offs</td>
<td>-109</td>
<td>-65</td>
<td>-40%</td>
</tr>
<tr>
<td>= CORE BANKING REVENUES</td>
<td>1,256</td>
<td>1,297</td>
<td>3%</td>
</tr>
<tr>
<td>(+) Income on CPI linkers</td>
<td>163</td>
<td>488</td>
<td>200%</td>
</tr>
<tr>
<td>(-) Regulatory&amp;One-off effects¹ on provisions</td>
<td>0</td>
<td>-33</td>
<td>n.m.</td>
</tr>
<tr>
<td>(+) Trading &amp; FX gains</td>
<td>264</td>
<td>89</td>
<td>-66%</td>
</tr>
<tr>
<td>(+) Collections</td>
<td>205</td>
<td>50</td>
<td>-76%</td>
</tr>
<tr>
<td>(+) Other income -before one-offs</td>
<td>18</td>
<td>25</td>
<td>37%</td>
</tr>
<tr>
<td>(-) OPEX</td>
<td>-715</td>
<td>-825</td>
<td>15%</td>
</tr>
<tr>
<td>(-) Taxation and other provisions</td>
<td>-289</td>
<td>-228</td>
<td>-21%</td>
</tr>
<tr>
<td>(+) One-offs (post-tax)</td>
<td>-47</td>
<td>0</td>
<td>n.m.</td>
</tr>
<tr>
<td>(+) -NPL sale</td>
<td>43</td>
<td>0</td>
<td>n.m.</td>
</tr>
<tr>
<td>(-) -Free provisions</td>
<td>-90</td>
<td>0</td>
<td>n.m.</td>
</tr>
<tr>
<td>= NET INCOME</td>
<td>855</td>
<td>862</td>
<td>1%</td>
</tr>
</tbody>
</table>

Double-digit growth in Net Fees & Commissions sustained on a comparable basis*

Increase in OPEX mainlystemming from:
- ~50 average new branch openings y-o-y
- Low OPEX base in 1Q11, due to larger implementation of the efficiency improvement project hitting the period
- Double-digit inflation readings y-o-y

OPEX/Avg. Assets

2.2%

Fees/OPEX

71% on adjusted basis* vs. 61% on reported basis

Cost/Income

41%

* Adjusted with the effect of decreased cap on fund management fees and accounting methodology change on cash loan origination fees
Appendix
## Balance Sheet - Summary

<table>
<thead>
<tr>
<th></th>
<th>Mar-11</th>
<th>Dec-11</th>
<th>Mar-12</th>
<th>YTD Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Banks(^1)</td>
<td>84,543</td>
<td>15,420</td>
<td>11,791</td>
<td>-24%</td>
</tr>
<tr>
<td>Reserve Requirements</td>
<td>10,955</td>
<td>7,185</td>
<td>9,101</td>
<td>27%</td>
</tr>
<tr>
<td>Securities</td>
<td>3,704</td>
<td>34,592</td>
<td>38,770</td>
<td>12%</td>
</tr>
<tr>
<td>Performing Loans</td>
<td>21,605</td>
<td>83,533</td>
<td>83,034</td>
<td>-1%</td>
</tr>
<tr>
<td>Fixed Assets &amp; Subsidiaries</td>
<td>8,259</td>
<td>3,488</td>
<td>3,459</td>
<td>-1%</td>
</tr>
<tr>
<td>Other</td>
<td>17,577</td>
<td>2,425</td>
<td>2,446</td>
<td>1%</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>146,642</td>
<td>146,642</td>
<td>148,601</td>
<td>1%</td>
</tr>
</tbody>
</table>

| **LIABILITIES & SHE**|        |        |        |            |
| Deposits            | 74,534 | 84,543 | 83,253 | -2%        |
| Repos & Interbank   | 6,762  | 10,955 | 12,894 | 18%        |
| Bonds Issued        | 866    | 3,704  | 3,801  | 3%         |
| Funds Borrowed\(^2\)| 19,084 | 21,605 | 21,221 | -2%        |
| Other               | 6,869  | 8,259  | 8,729  | 6%         |
| SHE                 | 16,150 | 17,577 | 18,703 | 6%         |
| **TOTAL LIABILITIES & SHE** | 124,265| 146,642| 148,601| 1%         |

---

\(^1\) Includes banks, interbank, other financial institutions
\(^2\) Includes funds borrowed and sub-debt
# Quarterly Income Statement

<table>
<thead>
<tr>
<th>Quarterly-TL million</th>
<th>1Q 11</th>
<th>2Q 11</th>
<th>3Q 11</th>
<th>4Q 11</th>
<th>1Q 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>NII -- excluding income on CPIs</td>
<td>839</td>
<td>732</td>
<td>821</td>
<td>891</td>
<td>854</td>
</tr>
<tr>
<td>Net fees and commissions</td>
<td>525</td>
<td>485</td>
<td>517</td>
<td>480</td>
<td>507</td>
</tr>
<tr>
<td>Specific LLP &amp; General Provisions -- excluding regulatory effects &amp; one-offs</td>
<td>-109</td>
<td>-104</td>
<td>-146</td>
<td>-117</td>
<td>-65</td>
</tr>
<tr>
<td><strong>CORE BANKING REVENUES</strong></td>
<td>1,256</td>
<td>1,113</td>
<td>1,193</td>
<td>1,255</td>
<td>1,297</td>
</tr>
<tr>
<td>Income on CPI linkers</td>
<td>163</td>
<td>354</td>
<td>222</td>
<td>666</td>
<td>488</td>
</tr>
<tr>
<td>Regulatory &amp; One-off effects(^1) on provisions</td>
<td>0</td>
<td>-90</td>
<td>-22</td>
<td>-108</td>
<td>-33</td>
</tr>
<tr>
<td>Trading &amp; FX gains</td>
<td>264</td>
<td>61</td>
<td>-67</td>
<td>74</td>
<td>89</td>
</tr>
<tr>
<td>Collections</td>
<td>205</td>
<td>82</td>
<td>43</td>
<td>123</td>
<td>50</td>
</tr>
<tr>
<td>Other income --before one-offs</td>
<td>18</td>
<td>28</td>
<td>17</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>OPEX</td>
<td>-715</td>
<td>-713</td>
<td>-761</td>
<td>-1,027</td>
<td>-825</td>
</tr>
<tr>
<td>Taxation and other provisions</td>
<td>-289</td>
<td>-193</td>
<td>-143</td>
<td>-218</td>
<td>-228</td>
</tr>
<tr>
<td>One-offs (post-tax)</td>
<td>-47</td>
<td>301</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>NPL sale</strong></td>
<td>43</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Eureko, Mastercard &amp; Visa stake sale</strong></td>
<td>0</td>
<td>216</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Subsidiary valuation</strong></td>
<td>0</td>
<td>85</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Free provisions</strong></td>
<td>-90</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>855</td>
<td>943</td>
<td>482</td>
<td>791</td>
<td>862</td>
</tr>
</tbody>
</table>

Note: Provisions adjusted with the BRSA’s recent regulations on general reserve rates and TL91mn one-off effect on specific provisions resulting from NPL inflows in 4Q 11, which are related to a few commercial files with highly strong collateralization.
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)

<table>
<thead>
<tr>
<th></th>
<th>1Q 11</th>
<th>2Q 11</th>
<th>3Q 11</th>
<th>4Q 11</th>
<th>1Q 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Rate</td>
<td>7.1%</td>
<td>6.9%</td>
<td>6.7%</td>
<td>6.6%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Inflation Impact</td>
<td>9.3%</td>
<td>3.0%</td>
<td>15.1%</td>
<td>9.7%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Yield</td>
<td>21.8%</td>
<td>7.8%</td>
<td>16.2%</td>
<td>28.4%</td>
<td></td>
</tr>
</tbody>
</table>

Interest Income & Yields on TL Securities (TL billion)

<table>
<thead>
<tr>
<th></th>
<th>1Q 11</th>
<th>2Q 11</th>
<th>3Q 11</th>
<th>4Q 11</th>
<th>1Q 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>TL Sec. Yield(^1) incl. CPIs</td>
<td>9.0%</td>
<td>9.4%</td>
<td>11.5%</td>
<td>9.8%</td>
<td>15.4%</td>
</tr>
<tr>
<td>TL Sec. Yield(^1) excl. CPIs</td>
<td>9.4%</td>
<td>9.7%</td>
<td>9.7%</td>
<td>9.7%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Income excl. CPIs</td>
<td>667</td>
<td>804</td>
<td>503</td>
<td>1,169</td>
<td>1,051</td>
</tr>
<tr>
<td>CPI effect(^2)</td>
<td>163</td>
<td>354</td>
<td>222</td>
<td>666</td>
<td>488</td>
</tr>
</tbody>
</table>

1 Based on bank-only MIS data  
2 Per valuation method based on actual monthly inflation readings
Quarterly Margin Analysis

**Interest Income**

<table>
<thead>
<tr>
<th>Total</th>
<th>On loans</th>
<th>On securities</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.10%</td>
<td>5.20%</td>
<td>2.59%</td>
<td>0.31%</td>
</tr>
<tr>
<td>8.50%</td>
<td>5.24%</td>
<td>2.97%</td>
<td>0.28%</td>
</tr>
<tr>
<td>8.22%</td>
<td>5.56%</td>
<td>2.38%</td>
<td>0.28%</td>
</tr>
<tr>
<td>9.61%</td>
<td>5.68%</td>
<td>3.66%</td>
<td>0.27%</td>
</tr>
<tr>
<td>9.69%</td>
<td>6.06%</td>
<td>3.32%</td>
<td>0.30%</td>
</tr>
</tbody>
</table>

(\% of Avg. Interest Earning Assets)

**Interest Expense**

<table>
<thead>
<tr>
<th>Total</th>
<th>On deposits</th>
<th>On borrowings</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.49%</td>
<td>3.11%</td>
<td>1.37%</td>
<td>0.01%</td>
</tr>
<tr>
<td>4.73%</td>
<td>3.23%</td>
<td>1.50%</td>
<td>0.01%</td>
</tr>
<tr>
<td>4.91%</td>
<td>3.33%</td>
<td>1.55%</td>
<td>0.03%</td>
</tr>
<tr>
<td>4.92%</td>
<td>3.35%</td>
<td>1.58%</td>
<td>0.02%</td>
</tr>
<tr>
<td>5.61%</td>
<td>3.94%</td>
<td>1.65%</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

**Net Interests Margin**

<table>
<thead>
<tr>
<th>Provision for Loans &amp; Securities</th>
<th>Net FX &amp; Trading gains</th>
</tr>
</thead>
<tbody>
<tr>
<td>'Mar 11 Jun 11'</td>
<td>'Mar 11 Jun 11'</td>
</tr>
<tr>
<td>0.40%</td>
<td>0.68%</td>
</tr>
<tr>
<td>0.53%</td>
<td>0.53%</td>
</tr>
<tr>
<td>0.68%</td>
<td>0.68%</td>
</tr>
<tr>
<td>4.07%</td>
<td>4.07%</td>
</tr>
</tbody>
</table>

**Net Interests Margin - Adjusted**

Note: Quarterly NIM analysis
Adjustments to NIM: Net Interest Income/ Average IEA adjusted by FX gain/loss, provision for loans and securities, and net trading income/loss
* Funds borrowed and repos
Cumulative Margin Analysis

Interest Income

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>On loans</th>
<th>On securities</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'Dec 10</td>
<td>Dec 11</td>
<td>'Dec 10</td>
<td>Dec 11</td>
</tr>
<tr>
<td>Interest Income</td>
<td>9.20%</td>
<td>8.63%</td>
<td>5.14%</td>
<td>5.43%</td>
</tr>
</tbody>
</table>

Interest Expense

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>On deposits</th>
<th>On borrowings</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'Dec 10</td>
<td>Dec 11</td>
<td>'Dec 10</td>
<td>Dec 11</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>4.60%</td>
<td>4.77%</td>
<td>3.49%</td>
<td>3.26%</td>
</tr>
</tbody>
</table>

Net Interests Income

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Provision for Loans &amp; Securities</th>
<th>Net FX &amp; Trading gains</th>
<th>Net Interest Income - Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'Dec 10</td>
<td>Dec 11</td>
<td>'Dec 10</td>
<td>Dec 11</td>
</tr>
<tr>
<td>Interest Income</td>
<td>4.61%</td>
<td>3.86%</td>
<td>0.56%</td>
<td>0.57%</td>
</tr>
</tbody>
</table>

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

* Funds borrowed and repos
Further strengthening of retail network...

**Number of Branches**

- 1Q 11: 40
- 1H 11: 884
- 3Q 11: 894
- 4Q 11: 911
- 1Q 12: 918
- 2Q 12: 924

**Number of ATMs**

- 1Q 11: 287
- 1H 11: 3,048
- 3Q 11: 3,144
- 4Q 11: 3,229
- 1Q 12: 3,268
- 2Q 12: 3,335

**Number of Customers (million)**

- 1Q 11: 0.9
- 1H 11: 10.0
- 3Q 11: 10.2
- 4Q 11: 10.5
- 1Q 12: 10.7
- 2Q 12: 10.9

**Mortgages* (TL billion)**

- 1Q 11: 1.0
- 1H 11: 8.9
- 3Q 11: 9.2
- 4Q 11: 9.5
- 1Q 12: 9.7
- 2Q 12: 9.9

**Demand Deposits (customer+bank) (TL billion)**

- 1Q 11: 2.3
- 1H 11: 13.2
- 3Q 11: 14.6
- 4Q 11: 15.7
- 1Q 12: 17.5
- 2Q 12: 15.5

*Including shared POS terminals
*Mortgage and demand deposit ranks are as of 4Q11
Note: Ranks are among private banks
...while preserving the highest efficiency ratios

**Ordinary Banking Income per Avg. Branch** (12M 2011) (TL billion)

- Garanti: 7.1
- Peer 1: 5.3
- Peer 2: 4.4
- Peer 3: 4.7

**Loans$^1$ per Avg. Branch** (12M 2011) (TL billion)

- Garanti: 117.5
- Peer 1: 92.8
- Peer 2: 100.1
- Peer 3: 105.3

**Assets per Avg. Branch** (12M 2011) (TL billion)

- Garanti: 164.8
- Peer 1: 146.0
- Peer 2: 137.8
- Peer 3: 122.2

**Customer Deposits per Avg. Branch** (12M 2011) (TL billion)

- Garanti: 92.8
- Peer 1: 72.8
- Peer 2: 81.9
- Peer 3: 71.0

---

1. Total Loans = Cash + non-cash loans
Note: Figures are per bank-only financials for fair comparison
# Key financial ratios

<table>
<thead>
<tr>
<th></th>
<th>Mar-11</th>
<th>Jun-11</th>
<th>Sep-11</th>
<th>Dec-11</th>
<th>Mar-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profitability ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROAE</td>
<td>20.5%</td>
<td>19.8%</td>
<td>17.6%</td>
<td>18.2%</td>
<td>19.1%</td>
</tr>
<tr>
<td>ROAA</td>
<td>2.7%</td>
<td>2.5%</td>
<td>2.2%</td>
<td>2.2%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Cost/Income</td>
<td>35.0%</td>
<td>37.1%</td>
<td>41.9%</td>
<td>44.3%</td>
<td>41.2%</td>
</tr>
<tr>
<td>NIM (Cumulative)</td>
<td>3.6%</td>
<td>3.7%</td>
<td>3.5%</td>
<td>3.9%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Adjusted NIM (Cumulative)</td>
<td>4.2%</td>
<td>3.7%</td>
<td>3.3%</td>
<td>3.6%</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Liquidity ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquidity ratio</td>
<td>31%</td>
<td>29%</td>
<td>31%</td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td>Loans/Deposits</td>
<td>94.0%</td>
<td>97.0%</td>
<td>100.5%</td>
<td>98.8%</td>
<td>99.7%</td>
</tr>
<tr>
<td><strong>Asset quality ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPL Ratio</td>
<td>2.1%</td>
<td>1.9%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Coverage</td>
<td>82%</td>
<td>82%</td>
<td>82%</td>
<td>82%</td>
<td>81%</td>
</tr>
<tr>
<td>Gross Cost of Risk (bps)</td>
<td>64</td>
<td>87</td>
<td>86</td>
<td>93</td>
<td>47</td>
</tr>
<tr>
<td><strong>Solvency ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAR</td>
<td>18.2%</td>
<td>18.0%</td>
<td>16.9%</td>
<td>16.9%</td>
<td>16.9%</td>
</tr>
<tr>
<td>Tier I Ratio</td>
<td>15.9%</td>
<td>15.8%</td>
<td>14.8%</td>
<td>15.0%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Leverage</td>
<td>6.7x</td>
<td>7.3x</td>
<td>7.6x</td>
<td>7.3x</td>
<td>6.9x</td>
</tr>
</tbody>
</table>
**Details of select 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)

**1Q 12:**
- TL 350 million bond with 92 days maturity, at a cost of 10.54% (Roll-over)
- TL 650 million bond with 176 days maturity, at a cost of 10.69% (Roll-over)

### 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.
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