

# Earnings Presentation

**December 31, 2012**

**BRSA Consolidated Financials**



## 4Q 2012 Macro Highlights

Low interest rate – low growth environment



- Global economic growth remained fragile, policy interventions played a key role in investor confidence
- Politics: Obama reelected - the ‘fiscal cliff’ still needs to be addressed and Chinese leadership changed – eyes on economic growth
- Spain, France and Hungary faced rating downgrades, ECB approved aid to Spanish banks
- Eurozone growth forecasts were cut –only policy response expected from the ECB remains via the Outright Monetary Transactions (OMT)
- Oil remained flattish as gold lost value of c.a. 5%

Successful rebalancing amid a soft landing earning investment grade by Fitch



- Turkish economy grew by 1.6% in 3Q12, below expectations-- indicators sign a continuous contribution from foreign demand with a deceleration and weak domestic demand in the last quarter.
- Current account deficit continued to narrow to US\$ 51.9 billion as of Nov’12 while there might be signals for the reacceleration.
- Annual inflation reached 6.16% as unprocessed food prices lowered the total inflation during the whole year with low levels.
- CBRT lowered upper band of the corridor gradually from 10% to 9% leaving lower band of corridor unchanged at 5% and cut the policy rate by 25bps to 5.5% in December.
- CBRT continued to utilize multiple tools in order to support financial stability -- increased reserve requirement (RR) on FC liabilities and Reserve Option Coefficients (ROCs) for holding FC and gold instead of TL.
- CBRT remains firmly focused on financial stability and continues to take measures aimed at, on the one hand, reducing the appreciation pressure on TL and, on the other, controlling credit growth to ensure that the ongoing economic recovery remains “balanced”.
- After having appreciated by 4%, 1%, 2% against the currency basket in 3 consecutive quarters, TL depreciated by 1.5% in 4Q12.
- Benchmark bond yield, on a monthly average basis, declined to 6.4% in 4Q from 7.6% in 3Q12.

## 2012 Highlights

Increasingly  
customer-driven  
asset mix

### Leveraging reduced share of securities with higher yielding loans

#### Selective lending strategy

- Healthy market share gains ytd in key profitable products: Mortgages, GPLs and Auto loans
- Rational pricing stance - Intentional market share loss in TL commercial loans & some retail products in 4Q
- Revival of FX lending in 2H12 w/ increasing demand - driven by working capital & investment loans

**Timely managed securities portfolio** – FRN heavy acting as a hedge for volatility

Liquid, low risk &  
well-capitalized  
balance sheet

### Solid, deposit-heavy and actively managed funding mix

- Reigned by mass deposits: SME+Consumer: **66%** of total deposits
- Proven success in attracting demand deposits : **22%** of total customer deposits
- Ability to access alternative funding sources: Repos & money market borrowings, foreign funding, bonds

#### Risk-return balance priority

- NPL ratio sliding upwards, as expected -- yet, at a faster pace in 4Q, mainly due to non-recurring NPL inflows
- Sustained strong coverage and provisioning levels

**Further strengthened capital base mirroring the high internal capital generation capability**

- Basel II CAR: 17%, Leverage:7x

Healthy profit  
generation based on  
strong core banking  
income and efficient  
cost management

**Comparable<sup>1</sup> net profit up by 23% y-o-y** -- ROAE: 19%; ROAA: 2.2%,

**Expanding margins q-o-q & y-o-y** -- result of effective management of asset/liability mix

**Growth momentum sustained** on a comparable basis<sup>2</sup> despite the highest base in Net F&Cs

#### Commitment to strict cost discipline

- Uninterrupted investment in distribution network while preserving highest efficiencies

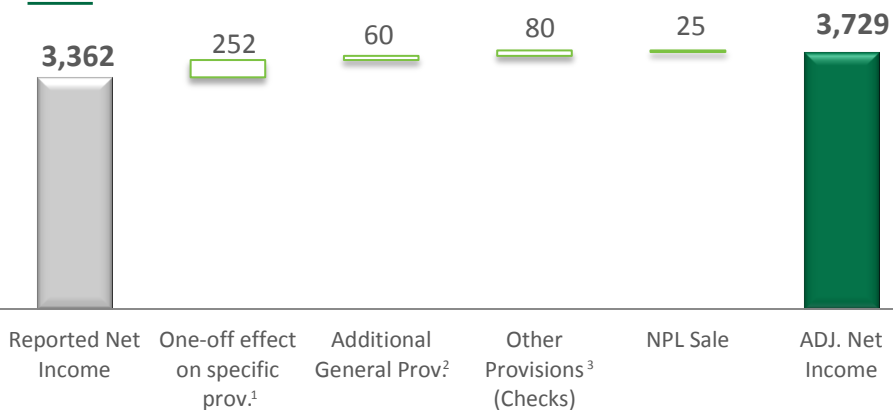
<sup>1</sup> Comparable referring to «Business as Usual». Please follow the detailed analysis in slide 4

<sup>2</sup> Assuming that consumer loan origination fees for 2011 are accounted for on an accrual basis and the avg. cap applied on fund management fees for 2011 is at the same level as 2012

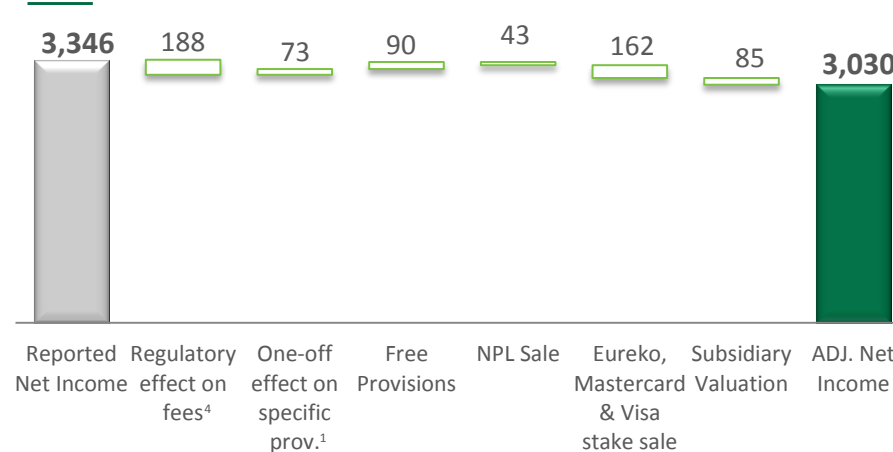
# Results underscore the sound core banking performance...

## Net Income (TL Million)

### 2012



### 2011



**Business As Usual\*  
Net Income**  
up by **23%**  
y-o-y

### + Improving Core Banking Revenues

- NII exc. CPI linkers: **+26% yoy**
- Continuously growing fee base on a comparable basis<sup>4</sup>
- BaU Gross CoR **<100bps**, as expected

### - Prudent provisioning pressured profitability

**+ BaU\* ROAE: 18.9%**  
Reported ROAE: 17.0%

**+ BaU\* ROAA: 2.2%**  
Reported ROAA: 2.0%

\*Business as Usual = Excluding non-recurring items and the regulatory effects in the P&L

<sup>1</sup> Provisions (post-tax) resulting from non-recurring NPL inflows related to a few commercial files w/ strong collateralization: 4Q12: TL173mn; 3Q12:11mn; 2Q12: TL42mn & TL26mn for alignment of coverage ratio to pre-NPL sale level; 4Q11: TL73mn.

<sup>2</sup> Additional general provisions, defined by law, for loans extended before 2006 in the amount of TL150mn, TL 60mn of which is set aside in 4Q12 and remaining at equal amounts within the following three years. <sup>3</sup> Provisions for the potential default risk of check customers <sup>4</sup> Assuming consumer loan origination fees for 2011 are accounted for on an accrual basis and the avg. cap applied on fund management fees for 2011 is at the same level as 2012

# ...and higher provisioning in 4Q, due to prudent provisioning

## Quarterly Net Income (TL million)

1Q12: 962

2Q12: 820

3Q12: 824

4Q12: 756

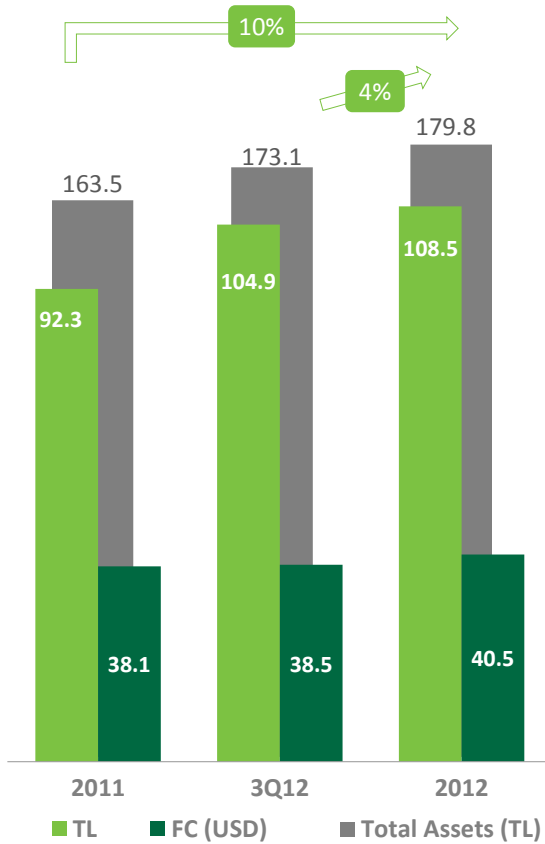
 NI Growth - 8%  
\*BaU: +8%

2012: 3,362

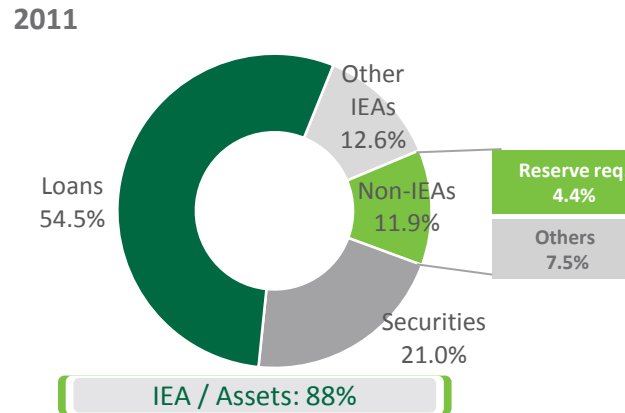
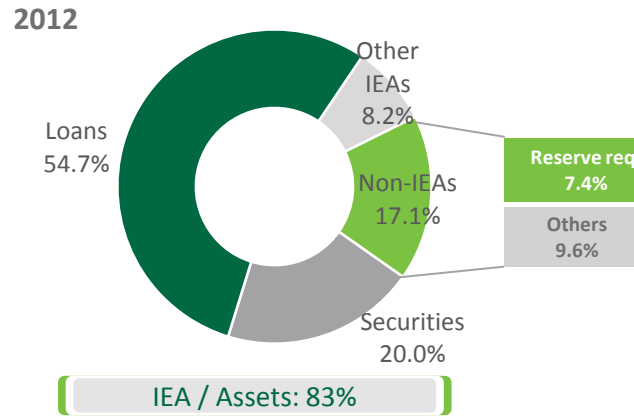
(TL Million)	4Q 12	3Q 12	Δ QoQ	
(+) NII- excl .income on CPI linkers	1,462	1,263	16%	→ Increasing LtD spread coupled w/ declining costs of other funding sources drove NII growth
(+) Net fees and comm.	492	547	-10%	→ Quarterly drop due to timing of account maintenance fees
(-) Specific & General Prov. - exc. regulatory & one-offs effects	-270	-257	5%	→ BaU CoR at <100 bps
<b>= CORE BANKING REVENUES</b>	<b>1,684</b>	<b>1,553</b>	<b>8%</b>	<b>IMPROVED CORE BANKING PERFORMANCE</b>
(+) Income on CPI linkers	602	30	n.m	→ Contribution by the soaring CPI linker yields in 4Q --to 27% from 1.4% in 3Q12
(+) Collections	25	52	-51%	→ Collections picking up pace in 2013
(+) Trading & FX gains	-7	468	-102%	→ Lower trading gains after strong profit realizations in 3Q
(+) Other income	134	103	30%	
(-) OPEX	-1,135	-1,014	12%	→ As guided
(-) Other provisions	-25	-17	50%	
(-) Taxation	-297	-251	18%	
<b>= *BaU NET INCOME</b> (exc. regulatory & one-off prov.)	<b>987</b>	<b>918</b>	<b>8%</b>	<b>GENERATION OF SOLID RESULTS</b>
(-) Additional General Prov. for loans before 2006	-60	0	n.m	
(-) Free Provision	82	-82	n.m.	
(-) One-off on specific prov.	-173	-11	n.m	
(-) Other Provisions (checks)	-80	0	n.m.	
<b>= NET INCOME</b>	<b>756</b>	<b>824</b>	<b>-8%</b>	

# Increasingly customer-driven & liquid asset composition

Total Assets (TL/USD billion)



Composition of Assets<sup>1</sup>



## Loans/Assets

55%

Leveraging reduced share of securities with higher yielding loans

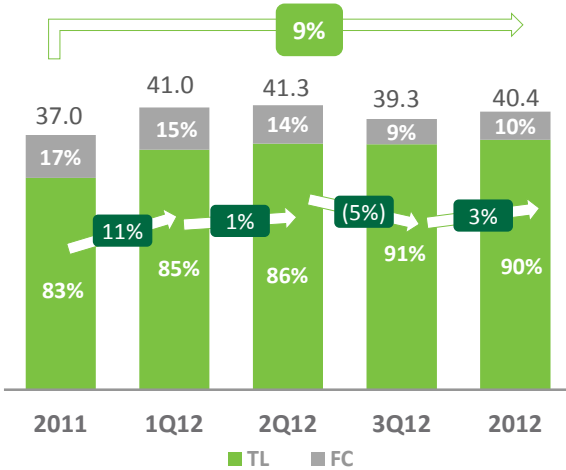
## Timely management of asset mix

	Avg.	Growth(%)	
	Bond Yield(%)	Securities	Loans
1Q12	9.8%	11%	1%
2Q12	9.3%	1%	5%
3Q12	7.7%	-5%	2%
4Q12	6.6%	3%	3%

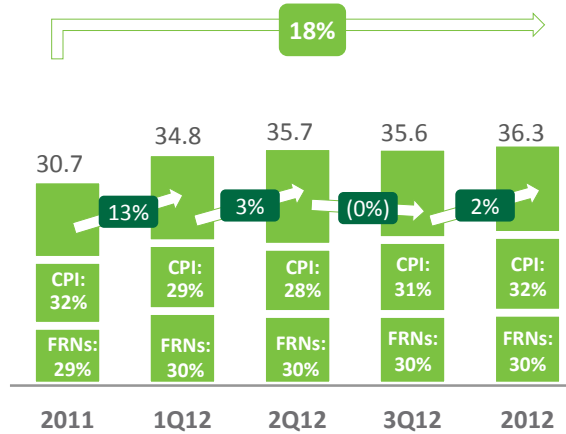
<sup>1</sup> Accrued interest on B/S items are shown in non-IEAs

# Strategically managed securities portfolio – FRN heavy acting as a hedge for volatility

Total Securities (TL billion)



TL Securities (TL billion)



Securities<sup>2</sup>/Assets

20%

down from 21% at 9M12

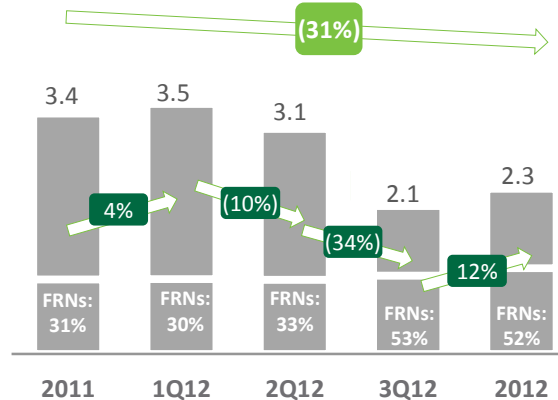
Total Securities Composition



Unrealized gain

as of December-end ~TL 1.2bn<sup>1</sup>

FC Securities (USD billion)



FRN mix<sup>1</sup> in total

62%

up from 58% at 2011

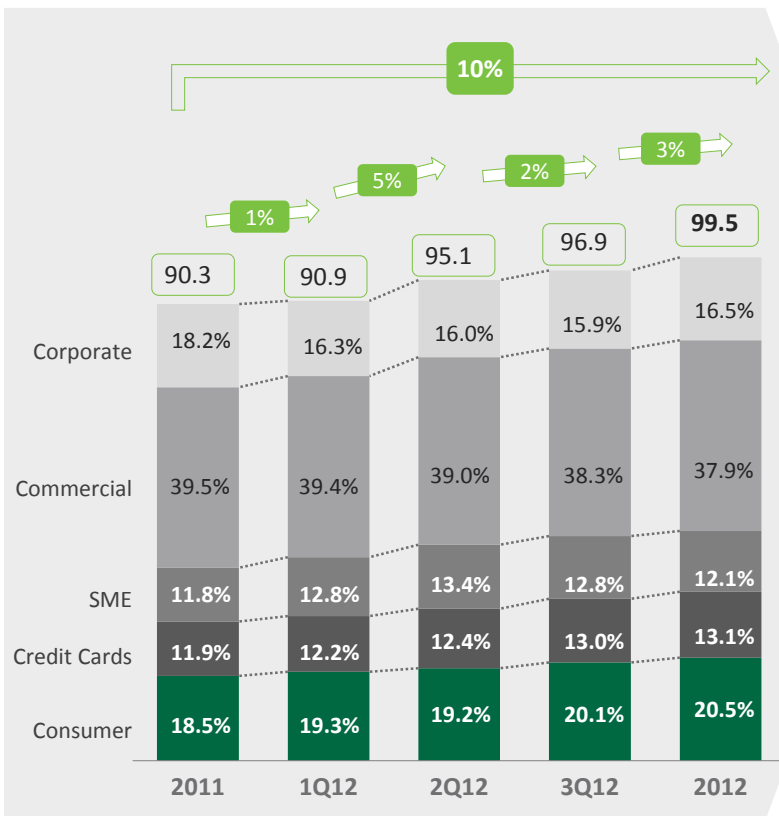
<sup>1</sup> Based on bank-only MIS data

<sup>2</sup> Excluding accruals

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

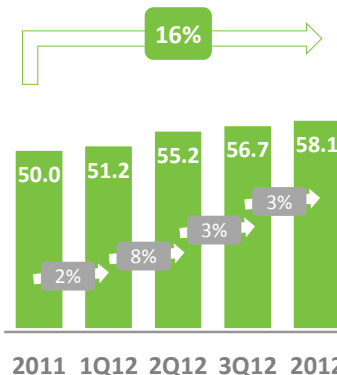
# Selective lending continues on high yielding products

Total Loan<sup>1</sup> Growth & Loans by LOB<sup>2</sup> (TL million)



TL (% in total)	55%	56%	58%	58%	58%
FC (% in total)	45%	44%	42%	42%	42%
US\$/TL	1.865	1.760	1.780	1.772	1.760

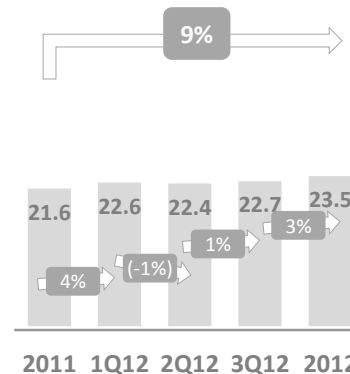
TL Loans<sup>1</sup>



- Lucrative retail products continued to be the front-runner in TL lending growth
- Intentional market share loss in TL commercial lending -- dragged down total TL loan growth

Market share<sup>3</sup>: **10.8%** at 2012 vs. **11.0%** in 3Q12 & **11.3%** in 2011

FC Loans<sup>1</sup>(in US\$)



- Slight pick-up in 2H12 driven by working capital & investment loans
- Demand in FC loans is expected to revive in 2013

Market share<sup>3</sup>: **18.3%** at 2012 vs. **18.5%** in 3Q12 & **18.5%** in 2011

1 Performing cash loans

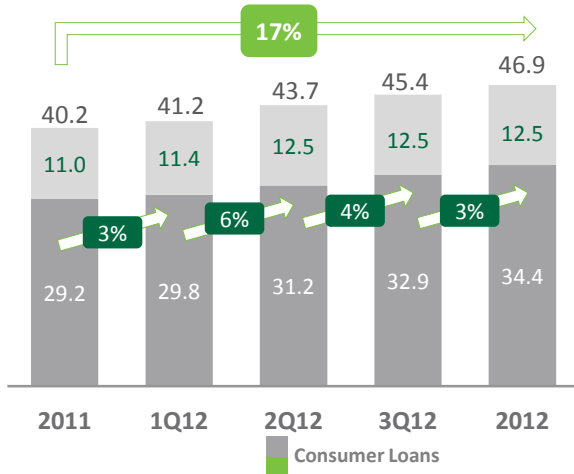
2 Based on bank-only MIS data

3 Based on bank-only financials for fair comparison with sector. Sector data is based on BRSA weekly data for commercial banks only

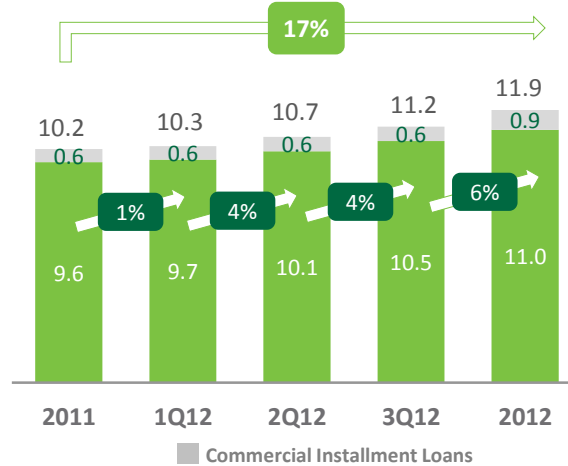


# Retail lending strategy feeding through to healthy market share gains in key profitable products

Retail Loans<sup>1</sup> (TL billion)

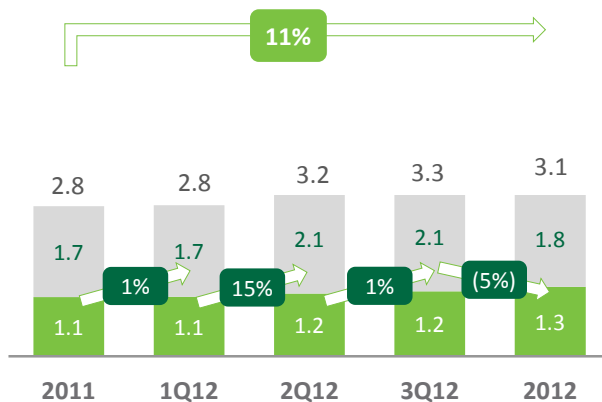


Mortgage (TL billion)

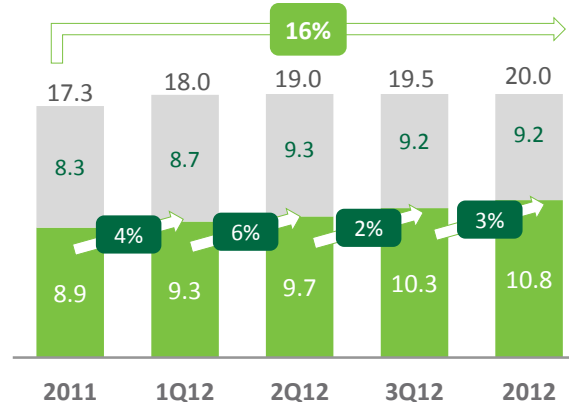


- Rational pricing stance supporting margins
- Generating cross-sell & increasing customer retention

Auto Loan (TL billion)



General Purpose Loan<sup>5</sup> (TL billion)



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

	YTD	Dec' 12	Rank <sup>4</sup>
Mortgage	↑	13.5%	#1
Auto	↑	16.1%	#3
General Purpose <sup>5</sup>	↑	10.7%	#2
Retail <sup>1</sup>	↓	12.8%	#2

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

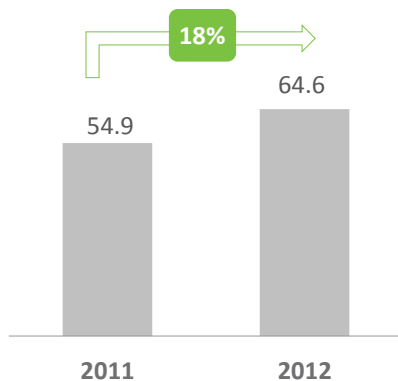
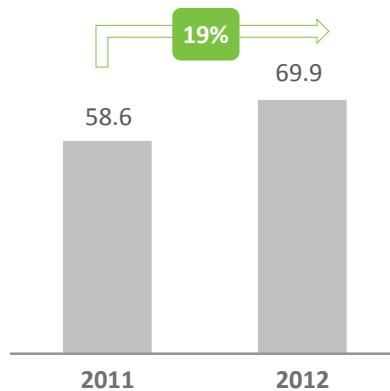
<sup>2</sup> Including consumer and commercial installment loans

<sup>3</sup> Based on bank-only financials for fair comparison with sector. Sector figures are based on bank-only BRSA weekly data, commercial banks only

<sup>4</sup> As of 9M12 among private banks <sup>5</sup> Including other loans and overdrafts

# Solid market presence in credit cards

## -- good contributor to sustainable revenues

**Issuing Volume (TL billion)**

**Acquiring Volume (TL billion)**


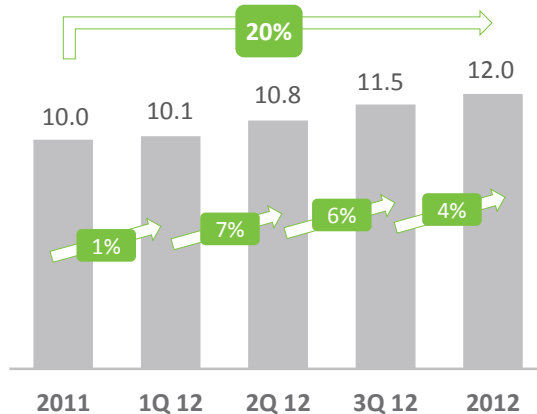
### #1 in card business

### Per Debit Card Spending ~2.5x the sector

... with the ultimate aim of creating cashless society

### Per Card Spending (TL, Dec'12<sup>2</sup>)


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

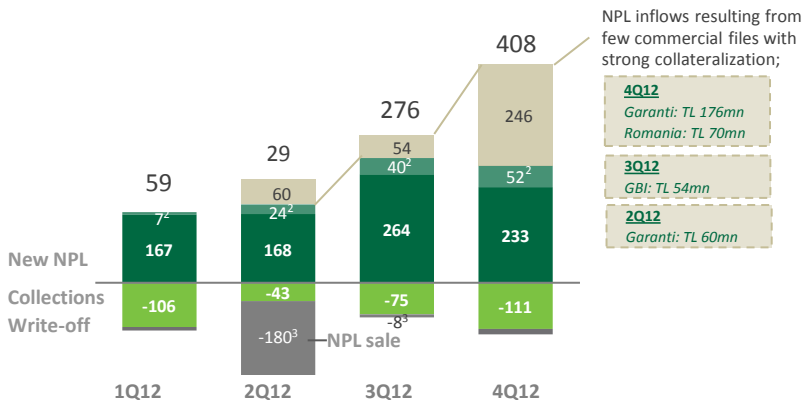
**Credit Card Balances (TL billion)**

**Market Shares**

	YTD Δ	2012	Rank
Acquiring (Cumulative)	↓ -78 bps	19.2%	#2
Issuing (Cumulative)	↓ -102 bps	17.9%	#1
# of CCs	↑ +9 bps	16.7%	#1*
POS <sup>1</sup>	↑ +19 bps	17.7%	#1
ATM	↓ -41 bps	9.7%	#3**

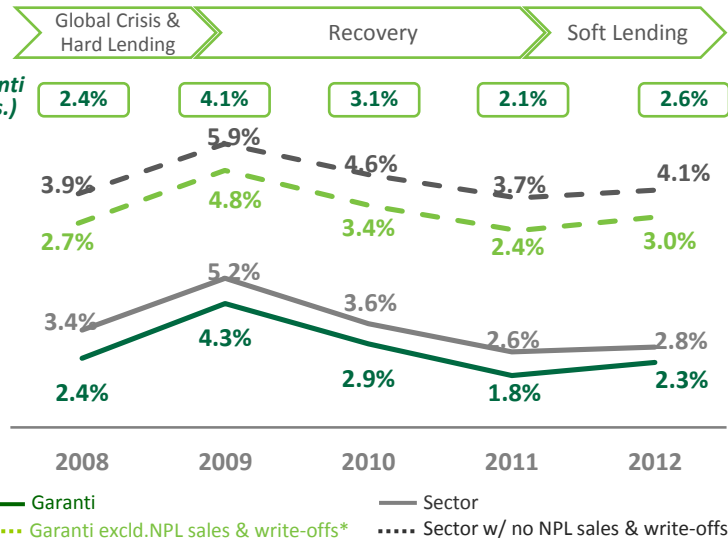
<sup>1</sup> Excluding shared POS  
<sup>2</sup> Annualized  
 \* Based on yearly average  
 \*\* Among private banks  
 Note: All figures are per bank-only data except for credit card balances

# NPL ratio sliding upwards as expected -- yet at a faster pace in 4Q, mainly driven by non-recurring NPL inflows due to a few commercial files

Net Quarterly NPLs (TL billion)

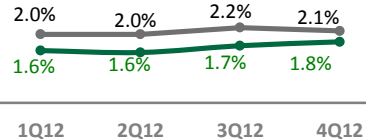


NPL Ratio<sup>1</sup>



NPL Categorisation<sup>1</sup>

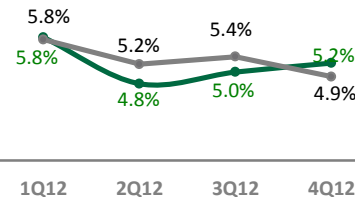
**Retail Banking**  
(Consumer & SME Personal)  
23% of total loans



Increasing retail NPL inflow in-line with soft lending in the economy

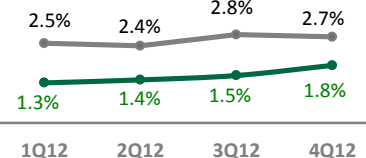
- low-ticket items
- recoveries are very strong

**Credit Cards**  
13% of total loans



Significant NPL sales in the sector dragged down sector's NPL ratio

**Business Banking**  
(Including SME Business)  
64% of total loans



NPL inflows related to a few commercial files hit 4Q -- collections expected in 2013

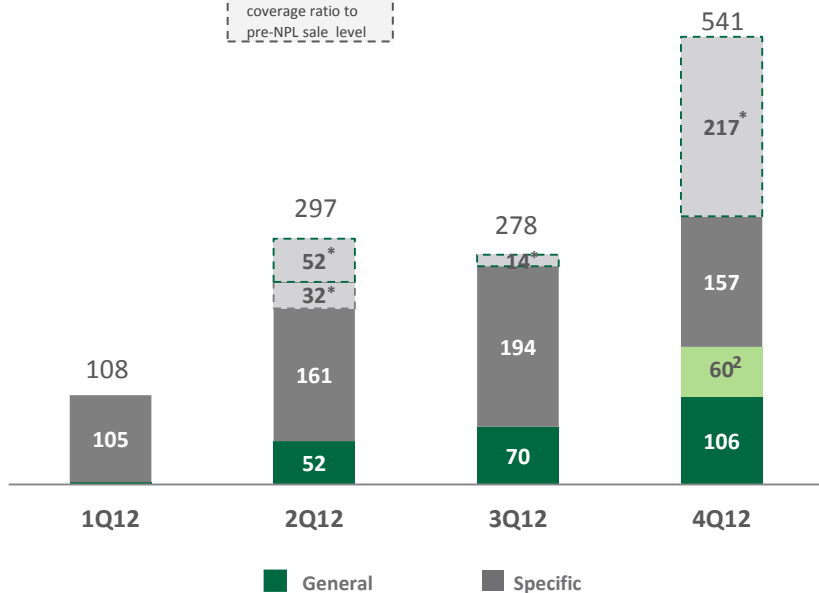
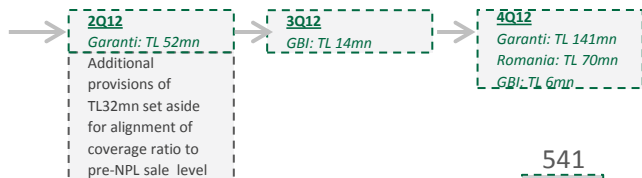
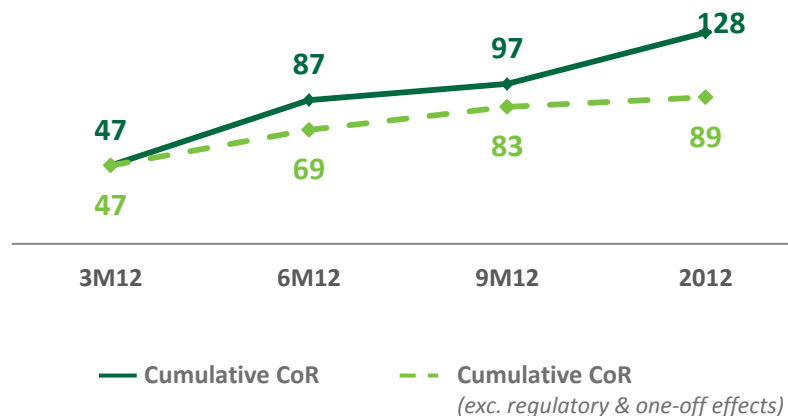
<sup>1</sup> NPL ratio and NPL categorisation for Garanti and sector figures are per BRSA bank-only data for fair comparison  
<sup>2</sup> NPL inflow from Romanian subsidiary    <sup>3</sup> Garanti NPL sale amounts TL218 mn, of which TL188 mn relates to NPL portfolio with 100% coverage and the remaining TL31 mn being from the previously written-off NPLs  
 \* Adjusted with write-offs in 2008,2009,2010,2011 & 2012    Source: BRSA, TBA & CBT

# Extraordinary increase in provisions, due to regulatory requirements & non-recurring NPL inflows, temporarily lifting the CoR level to >100bps

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

	Coverage Ratio			
	Mar 12	June 12	Sept 12	Dec 12
Sector <sup>1</sup>	82%	81%	75%	76%
Garanti	81%	81%	81%	81%
Garanti (Cons.)	79%	78%	77%	78%

\*NPL inflows resulting from few commercial files with strong collateralization;


**Cumulative Gross Cost of Risk (bps)**


Strong coverage ratio sustained at **81%** per bank-only vs. sector's 76%<sup>1</sup>

**78%** per consolidated figures

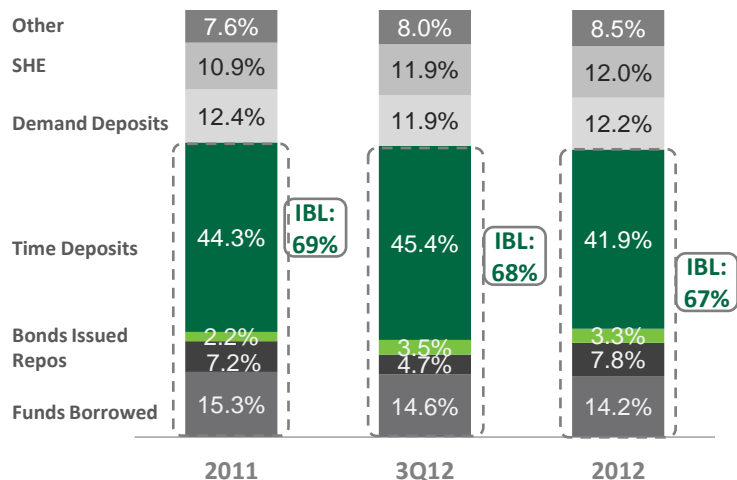
Cumulative CoR **89bps** excluding regulatory & one-off effects

<sup>1</sup> Sector figures are per BRSA weekly data, commercial banks only

<sup>2</sup> Additional general provisions, defined by law, for loans extended before 2006 in the amount of TL150mn, TL 60mn of which is set aside in 4Q12 and remaining at equal amounts within the following three years

# Solid and actively managed funding mix -- Reigned by customer deposits & reinforced with alternative funding sources

## Composition of Liabilities



Funding base reinforced with alternative funding sources

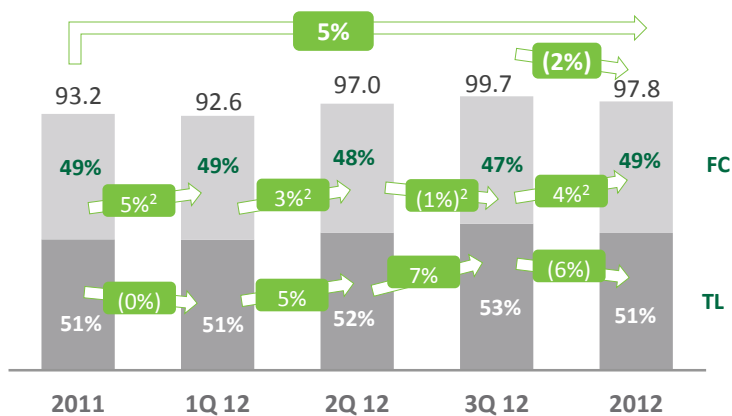
- **Double digit annual growth in avg. total deposits** was hampered with last two weeks' deposit run-off, due to intensified pricing competition

+ **Opportunistic utilization** of repos & money market borrowings, foreign funding including the largest ever non-sovereign Eurobond out of Turkey amounting US\$1.3bn with the lowest coupon rate

+ **~US\$ 1.1bn** syndication roll-over at the lowest cost in 2012

+ **~TL 2bn** TL bond roll-over

## Total Deposits (TL billion)



## Comfortable level of LtD ratio

Loans/Deposits **~102%** vs. 97% in 3Q12

LtD ratio slightly heading north in 4Q, due to:

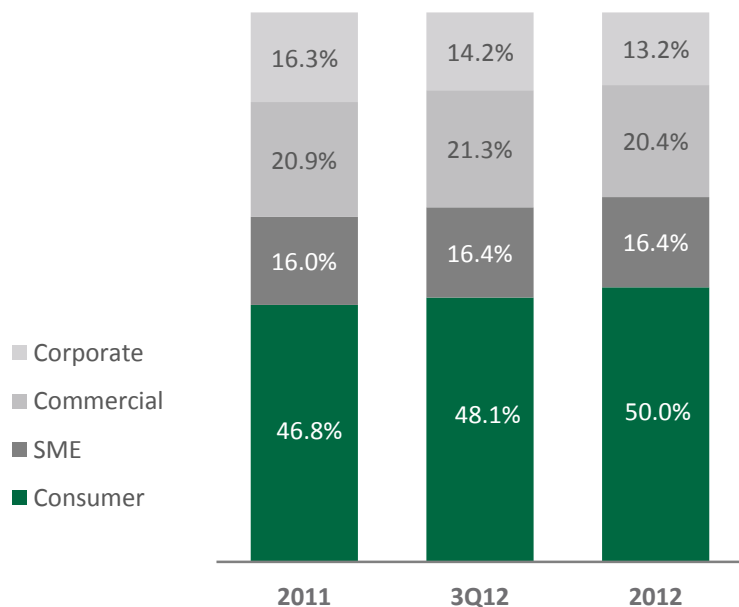
- Rational pricing stance in deposits -- supported with healthy B/S structure enabling access to alternative funding sources

Loans / Deposits **~98%** adj. w/ merchant payables<sup>1</sup>

<sup>1</sup> Payables from credit card transactions. Please refer to footnote 5.2.4.3 miscellaneous payables as per BRSA Consolidated financial report  
<sup>2</sup> Growth in USD terms

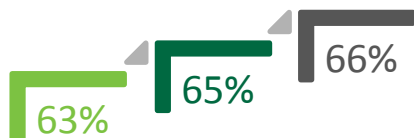
# Increasingly customer-driven deposit base bolstered by the success in attracting demand deposits

Deposits by LOB<sup>1</sup> (Excluding bank deposits)

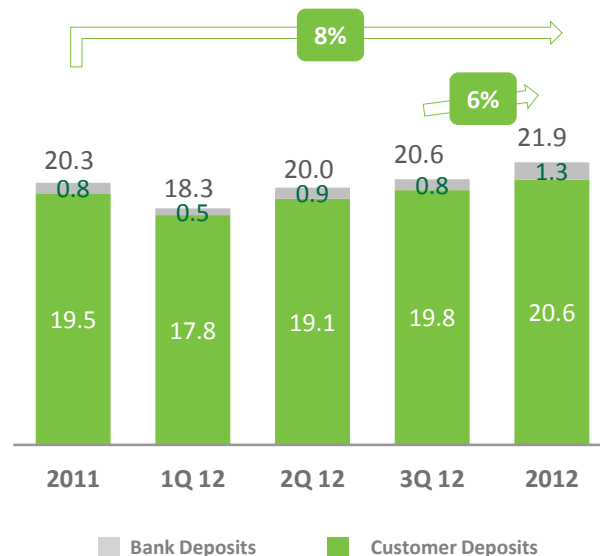


Consumer+SME / Total Deposits

Capturing a wider customer base



Demand Deposits (TL billion)



## Sustained solid demand deposits

Customer Demand Deposits / Total Customer Deposits: **22%**  
21% vs. Sector's 18%<sup>2</sup> per bank-only figures

## Customer demand deposits market share<sup>2</sup>

**13.5%**

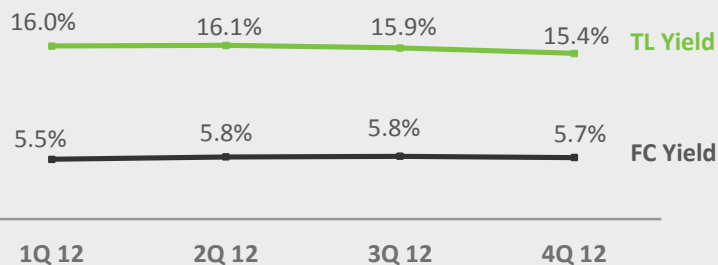
<sup>1</sup> Based on bank-only MIS data

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

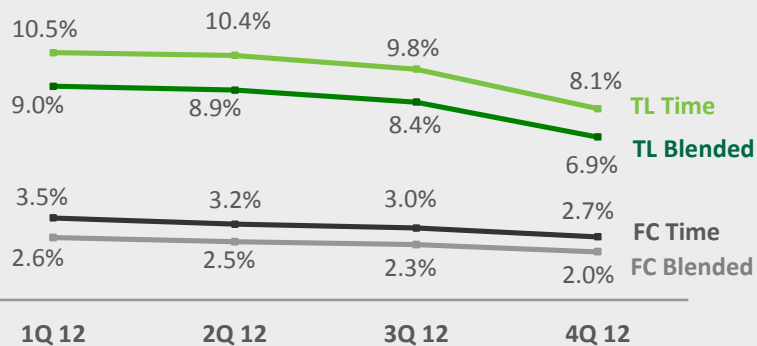
# Improving core spreads...

## Loan Yields & Deposit Costs (Quarterly)<sup>1</sup>

### Loan Yields (Quarterly Averages)



### Cost of Deposits (Quarterly Averages)



LtD spread qoq:  
**+~85bps** improvement

Retail loan yields remain resilient q-o-q, limiting the negative effect from declining rates in TL commercial lending

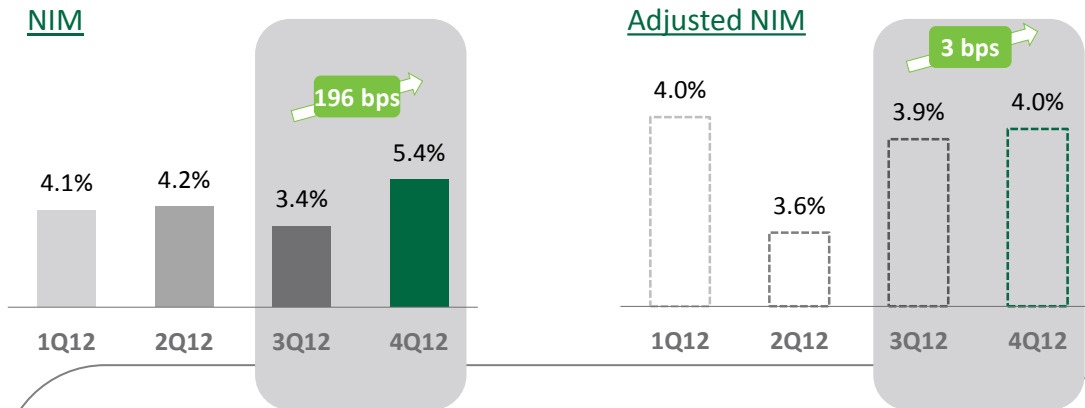
Easing deposit costs

More evident decline in cost of deposits along with CBRT's more accommodative policy

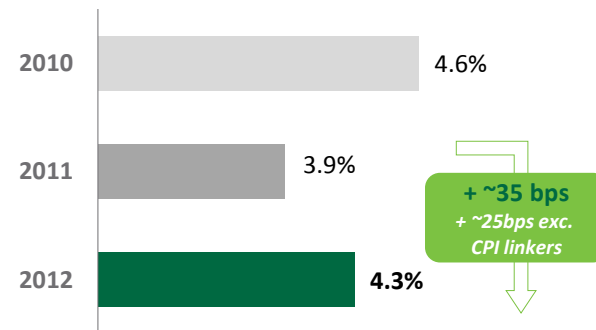
<sup>1</sup> Based on bank-only MIS data and calculated using daily averages

# ... coupled with the sharp increase in CPI-linker income, result in ~196bps quarterly margin expansion

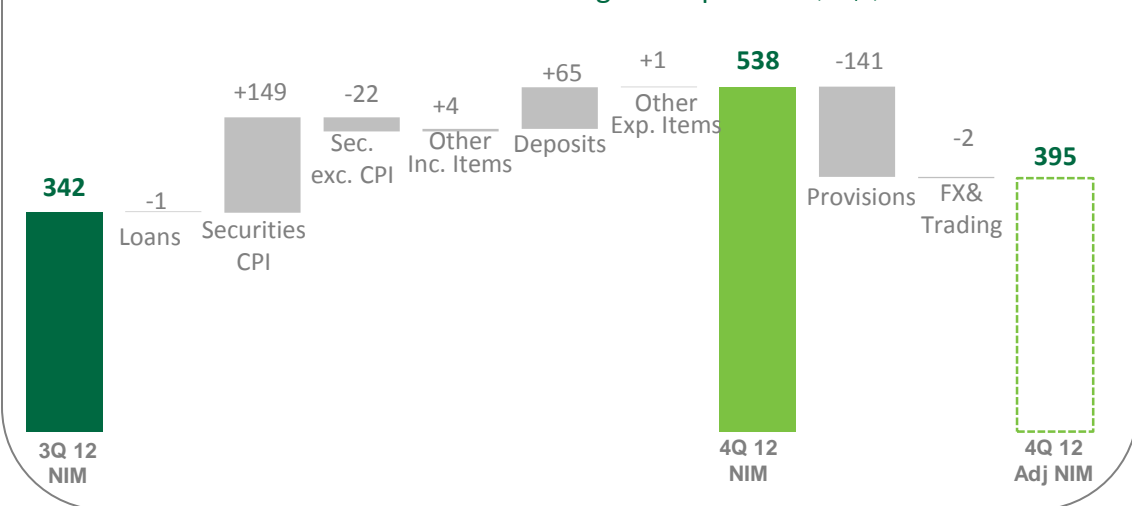
## Quarterly NIM (Net Interest Income / Average IEAs)



## Cumulative NIM



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



### Declining cost of liabilities shoring up lower asset yields

- NIM up by **~50bps q-o-q**, excluding quarterly income volatility from CPI linkers

### Adj. NIM pressured by higher quarterly provisions

- up by **~70bps q-o-q**, excluding one-off & regulatory effects on provisions

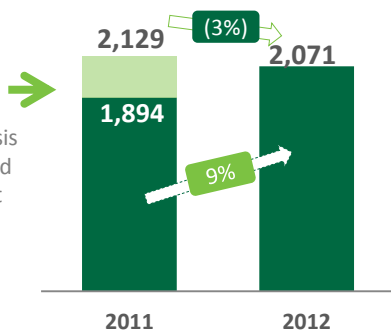


# Sustainably growing and highly diversified fee base supporting ordinary banking income

## Net Fees & Commissions (TL million)

**Double digit growth momentum maintained** on a bank-only basis; on a consolidated basis, growth momentum was limited due to change in accounting methodology in booking fees of some subsidiaries

Assuming that consumer loan origination fees for 2011 are accounted for on an accrual basis and the avg. cap applied on fund management fees for 2011 is at the same level as 2012



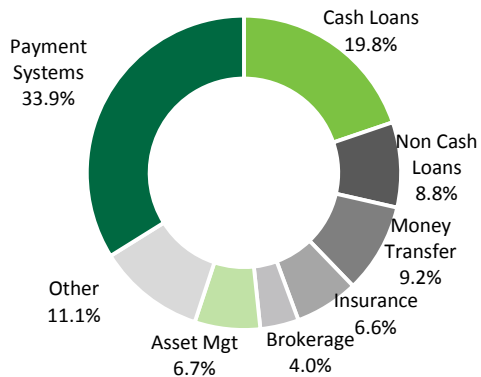
**Highly diversified fee base** reinforces sustainable income generation

	Growth <sup>3</sup> (y-o-y)
+ Cash loans	21%
+ Money transfer	12%
+ Payment Systems	12%

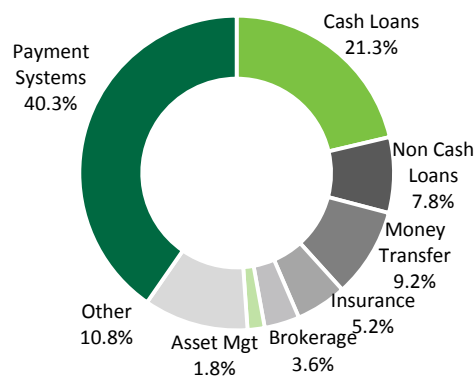
**#1 in Ordinary Banking Income<sup>4</sup> generation** with the highest Net F&C market share

## Net Fees & Commissions Breakdown<sup>2,3</sup>

2011



2012



- **Leader in interbank money transfer**  
17% market share vs. the peer average of 10%
- **Highest payment systems commissions per volume**  
1.5% vs. the peer average of 1.1%<sup>1</sup>
- **#1 in bancassurance<sup>5</sup>**
- **Strong presence in brokerage**  
~7% market share

<sup>1</sup> Peer average as of 9M12

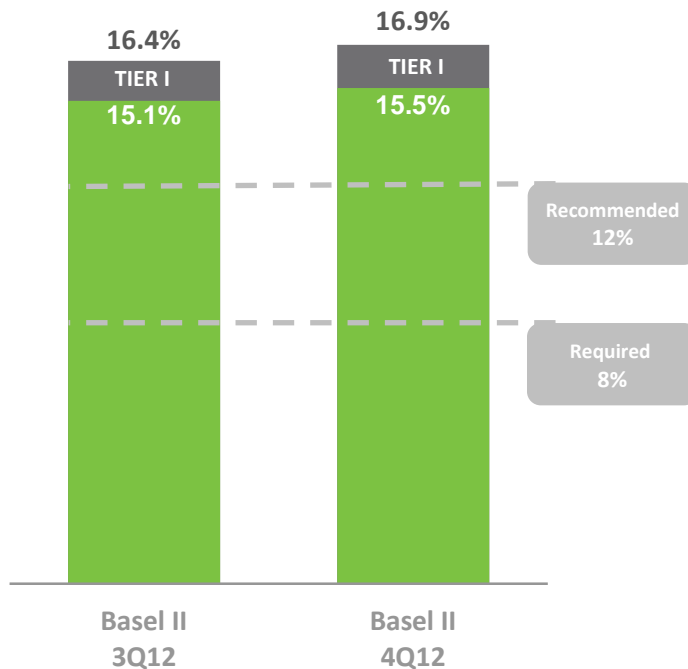
<sup>2</sup> Breakdown is on a comparable basis to same period last year <sup>3</sup> Bank-only MIS data

<sup>4</sup> Defined as; net interest income adjusted with provisions for loans and securities, net FX and trading gains + net fees and commissions; as of 9M12

<sup>5</sup> Among private banks as of November 2012

# Further strengthened capital base mirroring the high internal capital generation capability

## CAR & Tier I ratio



### Strategic capital allocation for

- healthy,
- profitable &
- long-term sustainable growth

➔ **Basel II CAR: 17%**  
Investment grade level  
impact on CAR: **~+20bps**

➔ **Leverage: 7x**

➔ **Comfortable level of free funds:**  
Free funds/IEA: 18%

# Differentiated business model -- reflected, once again, in strong results

(TL Million)	2011	2012	Δ YoY
(+) NII- excl .income on CPI linkers	3,854	4,849	26%
(+) Net fees and comm. (on a comparable basis) <sup>1</sup>	1,894	2,071	9%
Specific & General Prov.			
(-) - exc. one-offs on specific prov.	-676	-848	25%
<b>= CORE BANKING REVENUES</b>	<b>5,071</b>	<b>6,072</b>	<b>20%</b>
(+) Income on CPI linkers	1,405	1,571	12%
(+) Collections	435	167	-62%
(+) Trading & FX gains	353	605	71%
(+) Other income -before one-offs	418	466	11%
(-) OPEX	-3,720	-4,056	9%
(-) Other provisions	-53	-70	34%
(-) Taxation	-879	-1,025	17%
<b>= BaU NET INCOME (exc. regulatory &amp; one-off prov.)</b>	<b>3,030</b>	<b>3,728</b>	<b>23%</b>
<i>(-) Additional General Prov. for loans before 2006</i>	0	-60	n.m
<i>(-) Free Provision</i>	-90	0	n.m
<i>(-) One-off on specific prov.</i>	-73	-252	n.m
<i>(-) Other Provisions (checks)</i>	0	-80	n.m
<i>(+) Regulatory effects on fees</i>	188	0	n.m
<i>(+) NPL sale</i>	43	25	n.m
<i>(+) Eureka, Mastercard &amp; Visa stake sale</i>	162	0	n.m
<i>(+) Subsidiary valuation</i>	85	0	n.m
<b>= NET INCOME</b>	<b>3,346</b>	<b>3,362</b>	<b>0%</b>

Double digit growth momentum maintained on a bank-only basis<sup>2</sup>

Growing core banking revenues

- 18 net branch openings;
- Successive & targeted investments in digital platforms
- +7% rise in # of ATMs
- ~500 new hires

OPEX/Avg. Assets

**2.4%**

vs. 2.5% in 2011

Fees/OPEX

**51%**

vs. 51% in 2011

Cost/Income

**48%**

\*Business as Usual= Excluding non-recurring items and the regulatory effects in the P&L

<sup>1</sup> Assuming that consumer loan origination fees for 2011 are accounted for on an accrual basis and the avg. cap applied on fund management fees for 2011 is at the same level as 2012

# Appendix

## Balance Sheet - Summary

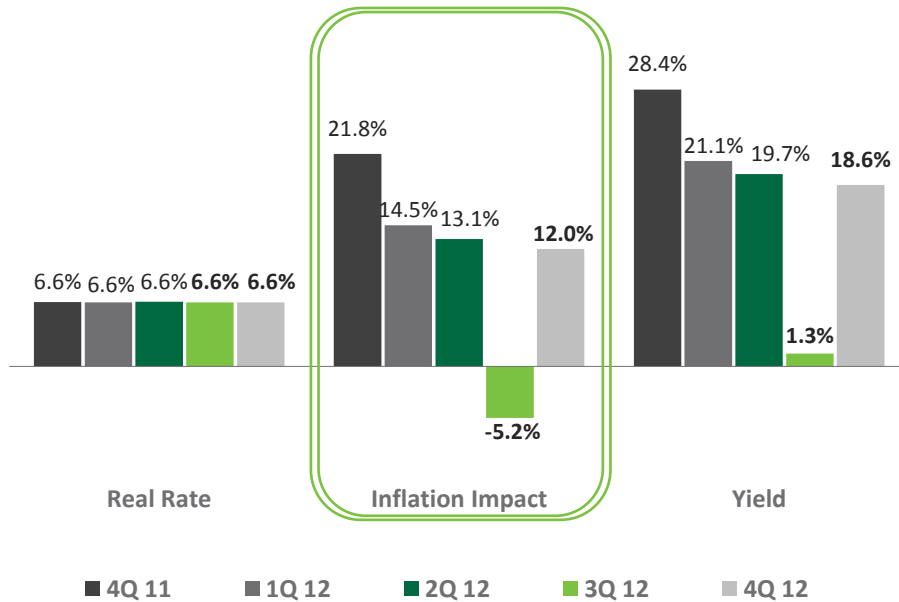
	(TL million)	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	YTD Change
<b>Assets</b>	Cash & Banks <sup>1</sup>	17,851	13,403	12,407	12,794	12,973	-27%
	Reserve Requirements	7,185	9,101	9,854	11,868	13,365	86%
	Securities	36,992	40,974	41,329	39,291	40,358	9%
	Performing Loans	90,329	90,922	95,056	96,933	99,527	10%
	Fixed Assets & Subsidiaries	1,662	1,639	1,615	1,607	1,697	2%
	Other	9,457	9,658	10,334	10,584	11,860	25%
	<b>TOTAL ASSETS</b>	<b>163,475</b>	<b>165,696</b>	<b>170,597</b>	<b>173,078</b>	<b>179,779</b>	<b>10%</b>
<b>Liabilities &amp; SHE</b>	Deposits	93,236	92,607	97,032	99,722	97,778	5%
	Repos & Interbank	11,738	13,173	12,245	8,094	14,107	20%
	Bonds Issued	3,742	3,751	4,005	6,160	6,077	62%
	Funds Borrowed <sup>2</sup>	25,297	24,856	25,253	25,530	25,893	2%
	Other	11,562	12,143	12,754	12,934	14,268	23%
	SHE	17,900	19,166	19,309	20,637	21,657	21%
	<b>TOTAL LIABILITIES &amp; SHE</b>	<b>163,475</b>	<b>165,696</b>	<b>170,597</b>	<b>173,078</b>	<b>179,779</b>	<b>10%</b>

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

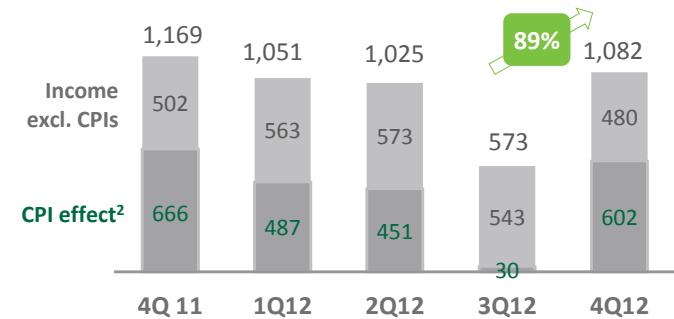
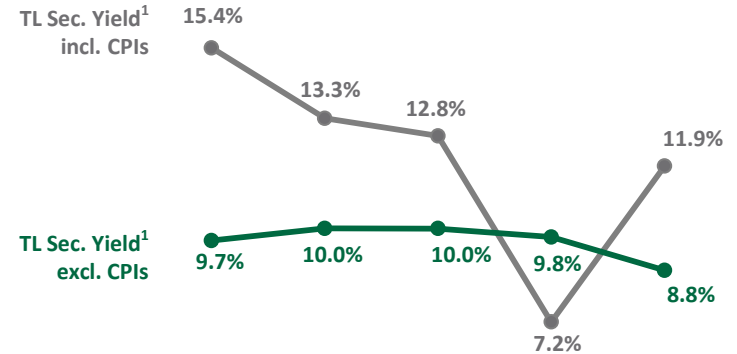
<sup>2</sup> Includes funds borrowed and sub-debt

# 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 billion)

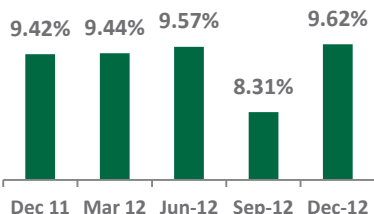


<sup>1</sup> Based on bank-only MIS data  
<sup>2</sup> Per valuation method based on actual monthly inflation readings  
 Note: All figures are based on bank-only data

# Quarterly Margin Analysis

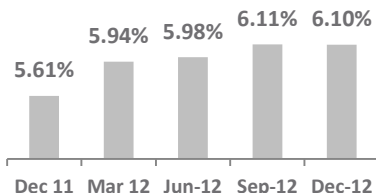
## Total Interest Income

(% of Avg. Interest Earning Assets)



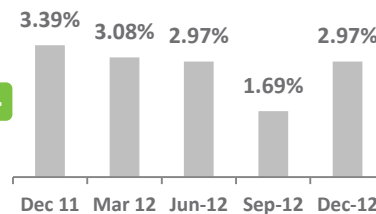
## Int. Income on loans

(% of Avg. Interest Earning Assets)



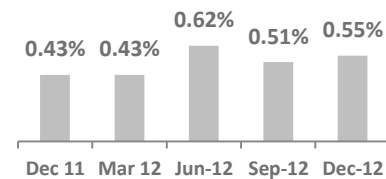
## Int. Income on securities

(% of Avg. Interest Earning Assets)



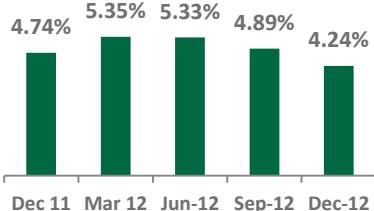
## Int. Income - Other

(% of Avg. Interest Earning Assets)



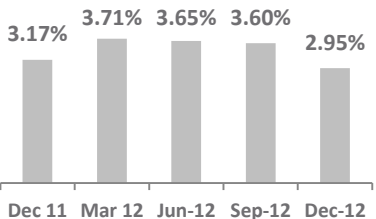
## Total Interest Expense

(% of Avg. Interest Earning Assets)



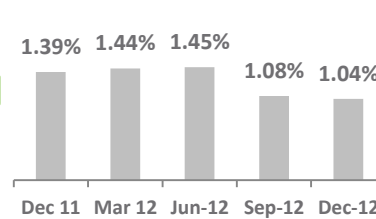
## Int. expense on deposits

(% of Avg. Interest Earning Assets)



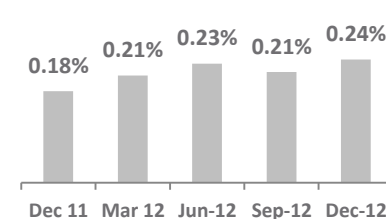
## Int. expense on borrowings\*

(% of Avg. Interest Earning Assets)



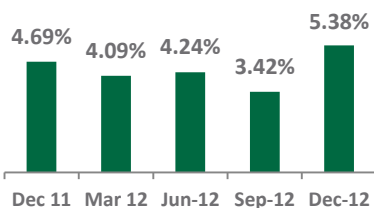
## Int. Expense - Other

(% of Avg. Interest Earning Assets)



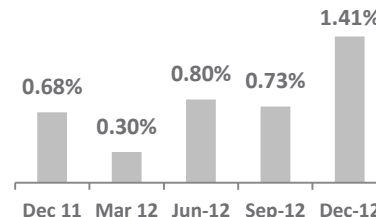
## Net Interest Margin

(% of Avg. Interest Earning Assets)



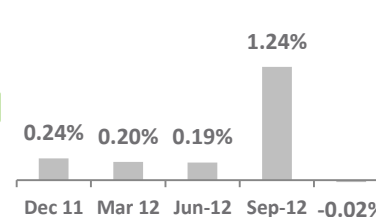
## Prov. for Loans & Securities

(% of Avg. Interest Earning Assets)



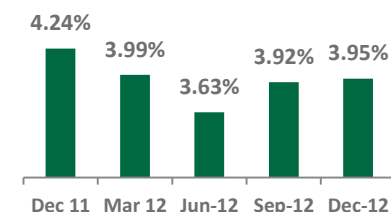
## Net FX & Trading gains

(% of Avg. Interest Earning Assets)



## Net Int. Margin - Adjusted

(% of Avg. Interest Earning Assets)

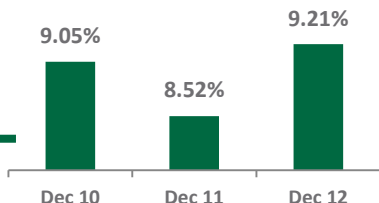


Adjustments to NIM: Net Interest Income/ Average IEA adjusted by FX gain/loss, provision for loans and securities, and net trading income/loss

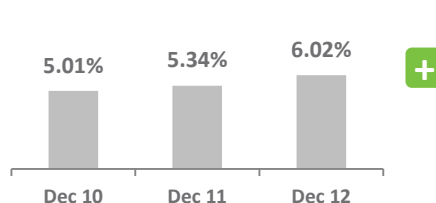
\* Funds borrowed and repos

# Cumulative Margin Analysis

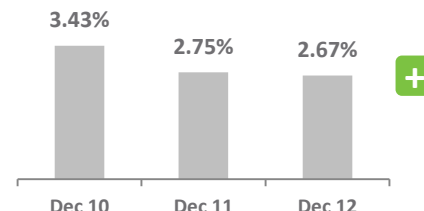
**Total Interest Income**  
(% of Avg. Interest Earning Assets)



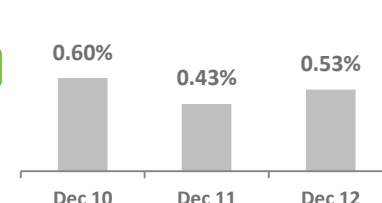
**Int. Income on loans**  
(% of Avg. Interest Earning Assets)



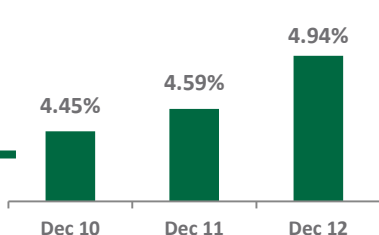
**Int. Income on securities**  
(% of Avg. Interest Earning Assets)



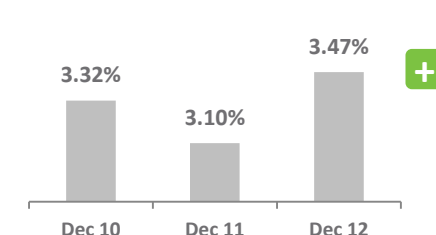
**Int. Income - Other**  
(% of Avg. Interest Earning Assets)



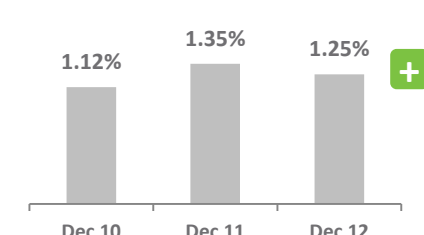
**Total Interest Expense**  
(% of Avg. Interest Earning Assets)



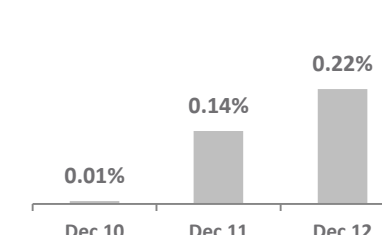
**Int. expense on deposits**  
(% of Avg. Interest Earning Assets)



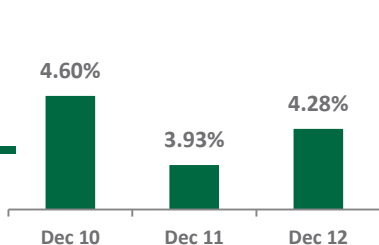
**Int. expense on borrowings\***  
(% of Avg. Interest Earning Assets)



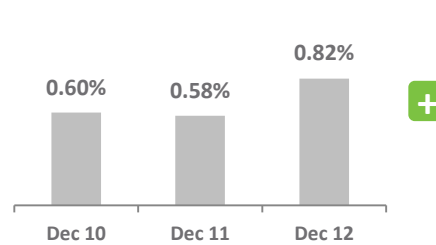
**Int. Expense - Other**  
(% of Avg. Interest Earning Assets)



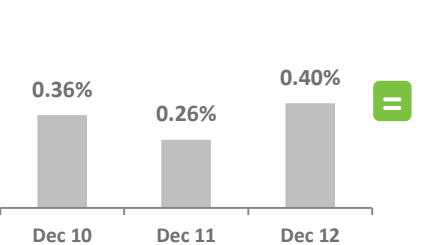
**Net Interest Margin**  
(% of Avg. Interest Earning Assets)



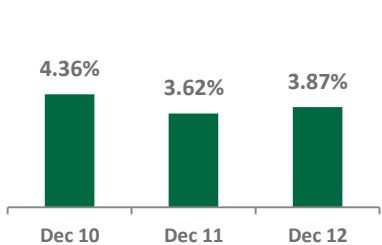
**Prov. for Loans & Securities**  
(% of Avg. Interest Earning Assets)



**Net FX & Trading gains**  
(% of Avg. Interest Earning Assets)



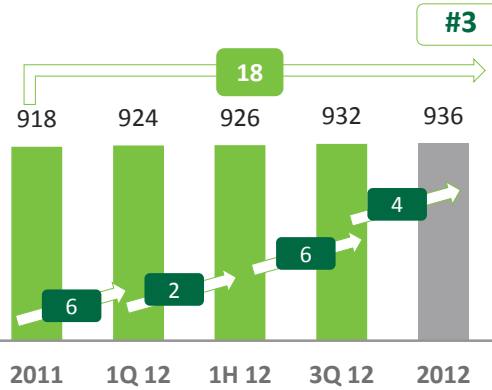
**Net Int. Margin - Adjusted**  
(% of Avg. Interest Earning Assets)



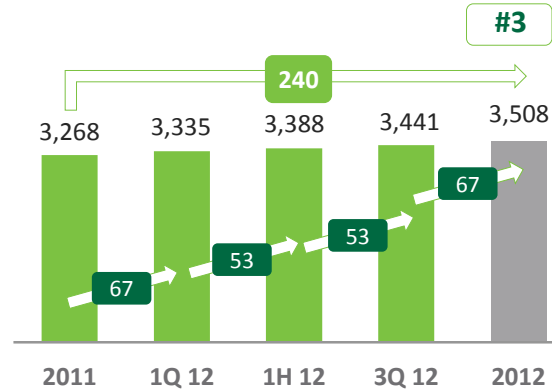


# Further strengthening of retail network...

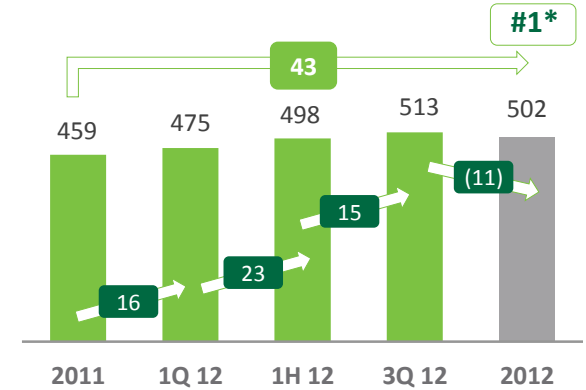
### Number of Branches



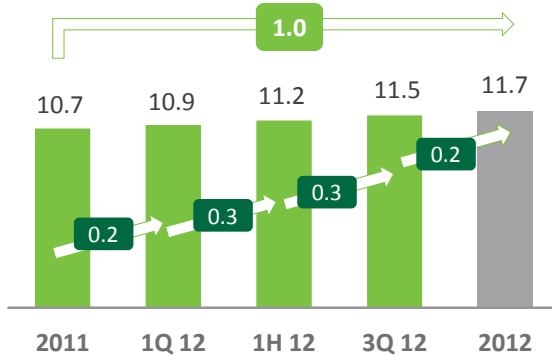
### Number of ATMs



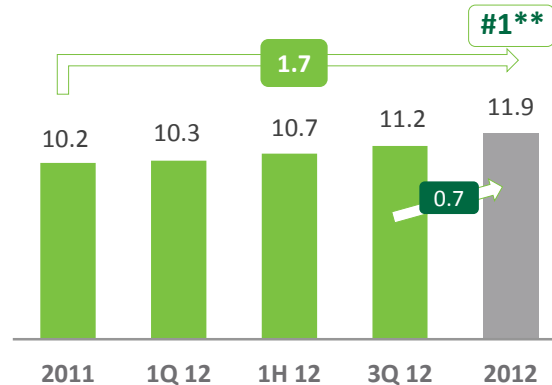
### Number of POS (thousand)



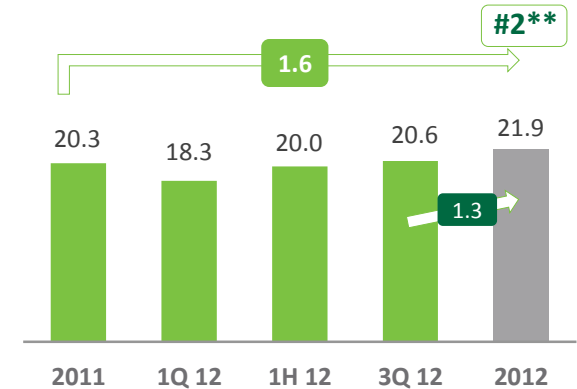
### Number of Customers (million)



### Mortgages (TL billion)



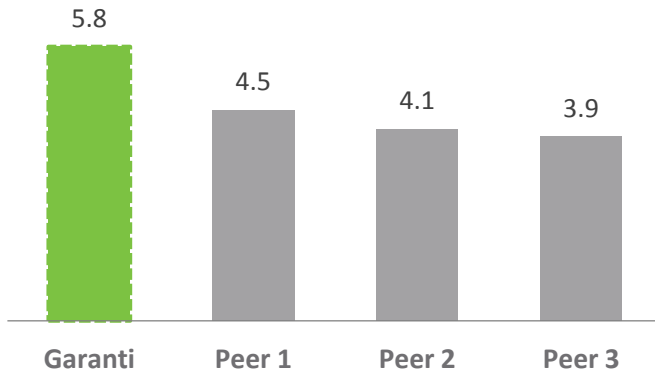
### Demand Deposits (customer+bank) (TL billion)



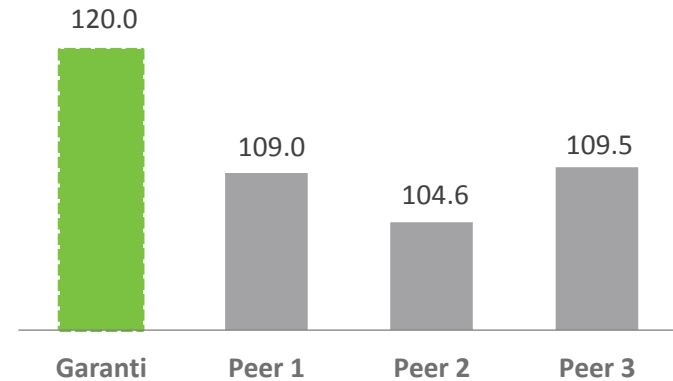
\*Including shared POS terminals  
 \*\*Mortgage and demand deposit ranks are as of Sep 2012  
 Note: Ranks are among private banks  
 All figures are based on bank-only data except for mortgages and demand deposit balances

## ...while preserving the highest efficiency ratios

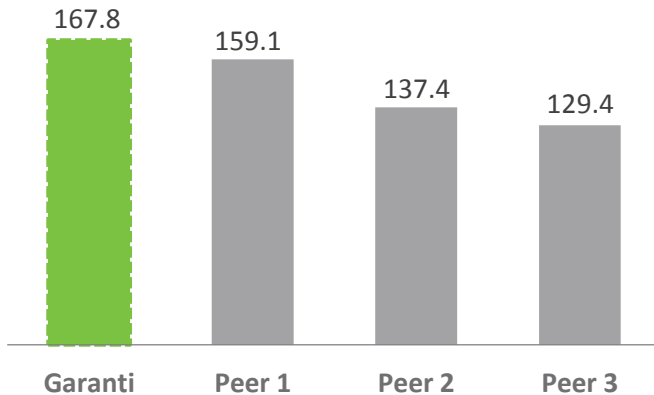
**Ordinary Banking Income per Avg. Branch** (Sep 2012) (TL million)



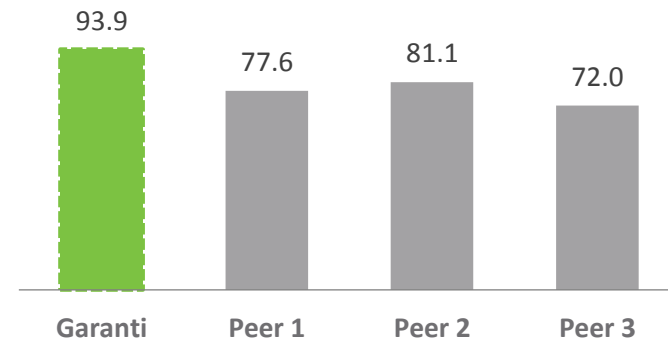
**Loans<sup>1</sup> per Avg. Branch** (Sep 2012) (TL million)



**Assets per Avg. Branch** (Sep 2012) (TL million)



**Customer Deposits per Avg. Branch** (Sep 2012) (TL million)



## Key financial ratios

	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
<b>Profitability ratios</b>					
ROAE	19.5%	20.9%	18.9%	18.0%	17.0%
ROAA	2.2%	2.4%	2.1%	2.1%	2.0%
Cost/Income	45.6%	43.5%	45.6%	45.9%	47.5%
NIM (Cumulative)	3.9%	4.1%	4.2%	3.9%	4.3%
Adjusted NIM (Cumulative)	3.6%	4.0%	3.8%	3.8%	3.9%
<b>Liquidity ratios</b>					
Liquidity ratio	30.6%	31.0%	29.7%	29.3%	28.9%
Loans/Deposits adj. with merchant payables <sup>1</sup>	93.5%	94.8%	94.3%	93.5%	97.7%
<b>Asset quality ratios</b>					
NPL Ratio	2.1%	2.1%	2.1%	2.3%	2.6%
Coverage	79.1%	78.6%	78.1%	76.5%	78.0%
Gross Cost of Risk (Cumulative-bps)	95	47	87	97	128
<b>Solvency ratios</b>					
CAR*	15.8%	15.7%	15.3%	16.4%	16.9%
Tier I Ratio*	14.1%	14.6%	14.3%	15.1%	15.5%
Leverage	8.1x	7.6x	7.8x	7.4x	7.3x

<sup>1</sup> Payables from credit card transactions. Please refer to footnote 5.2.4.3 miscellaneous payables as per BRSA Consolidated financial report  
 \* CAR and TIER I ratios are per Basel I for the periods Sep 11, Dec 11, Mar 12, Jun12 and per Basel II for Sep 12 and Dec 12

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