Earnings Presentation

December 31, 2012

IFRS Financials

Garanti

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
- Sustained strong coverage and provisioning levels

Further strengthened capital base mirroring the high internal capital generation capability

- Basel II CAR[1]: 17%, Leverage :7x

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

Comparable[2] net profit up by 17% 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[3] despite the highest base in Net F&Cs

Commitment to strict cost discipline

- Uninterrupted investment in distribution network while preserving highest efficiencies

1 Based on BRSA Consolidated Financials

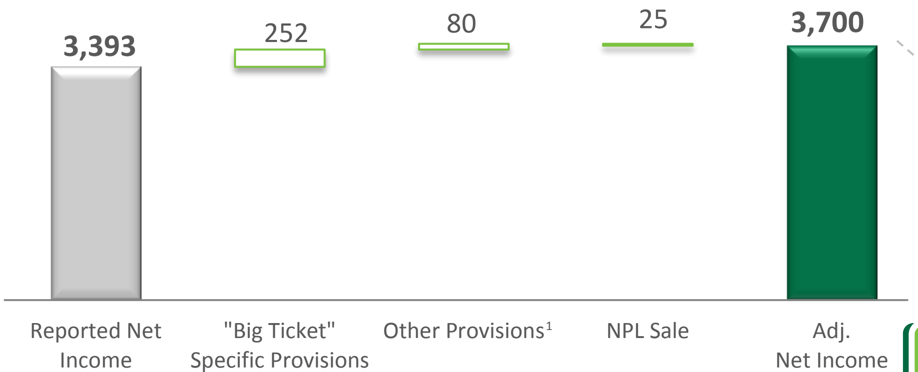
2 Comparative performance-- for more detail please follow the detailed analysis in slide 4

3 Assuming that avg. cap applied on fund management fees for 2011 is at the same level as 2012 and excluding the accrual effect of certain consumer fees

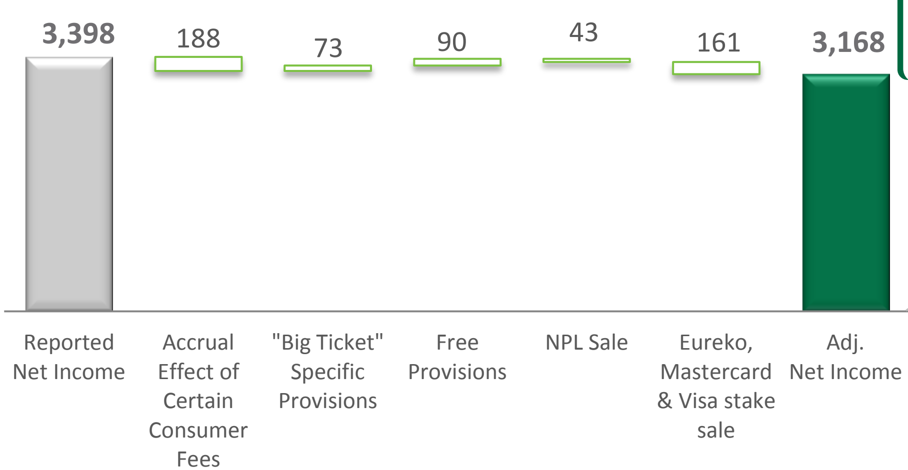
Results underscore the sound banking performance

Net Income (TL Million)

2012



2011



Comparative Performance: Net Income up by 17% YoY

+ Improving Core Banking Revenues
- NII exc. CPI linkers: **+26% yoy**
- Continuously growing fee base on a comparable basis[2]

- Prudent provisioning pressured profitability

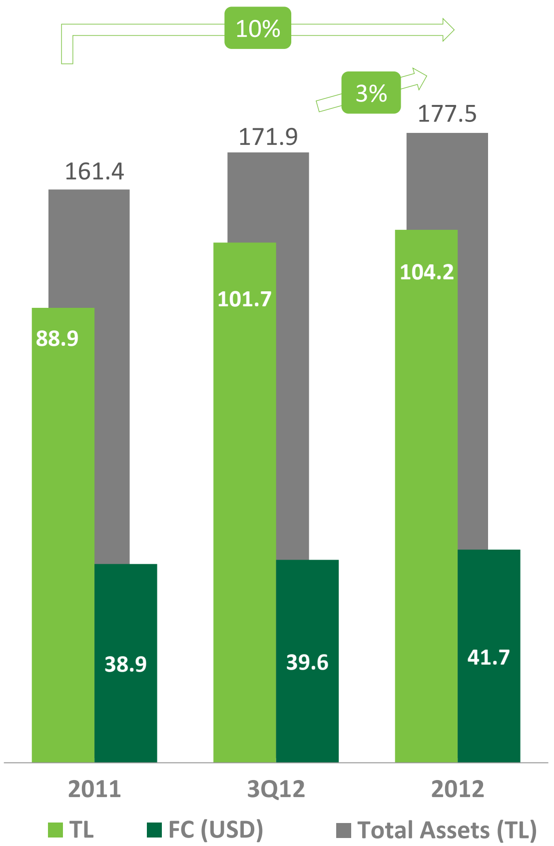
+ ROAE: 18.5% on a comparable basis
Reported ROAE: 17.0%

+ ROAA: 2.2% on a comparable basis
Reported ROAA: 2.0%

1 Provisions for the potential default risk of mainly check customers, also acceptable as per IFRS
2 Assuming that avg. cap applied on fund management fees for 2011 is at the same level as 2012 and excluding the accrual effect of certain consumer fees

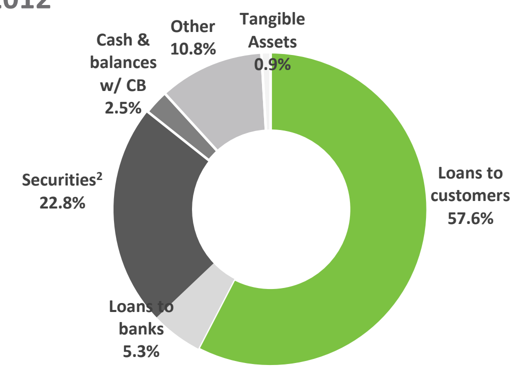
Increasingly customer-driven & liquid asset composition

Total Assets (TL/USD billion)

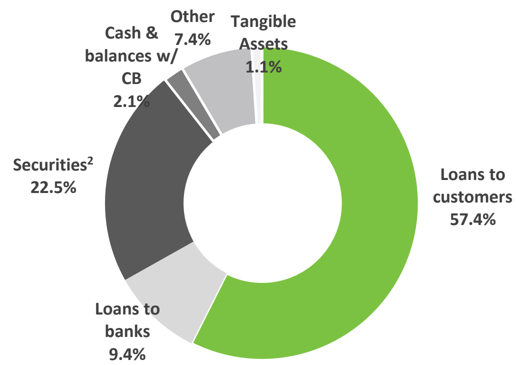


Composition of Assets

2012



2011



Loans[1]/Assets

58%

Leveraging reduced share of securities with higher yielding loans

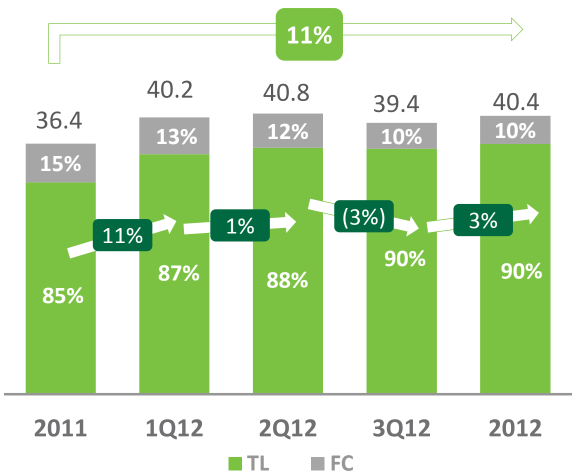
Timely management of asset mix

	Avg. Bond Yield(%)	Growth(%) Securities	Growth(%) Loans
1Q12	9.8%	11%	0%
2Q12	9.3%	1%	4%
3Q12	7.7%	-3%	2%
4Q12	6.6%	3%	3%

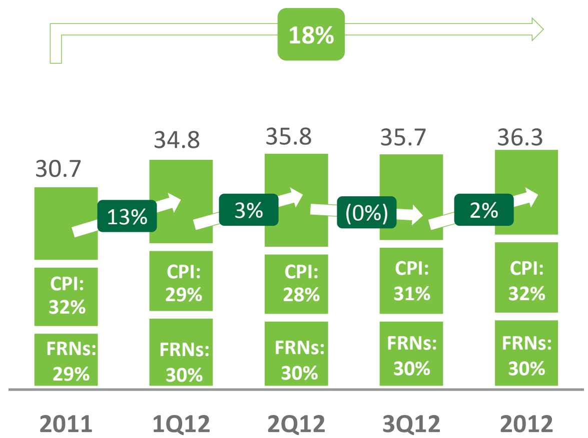
1 Loans to customers
2 Securities = Financial assets at fair value through profit or loss+ Investment securities

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

Total Securities (TL billion)



TL Securities (TL billion)



Securities/Assets

22.8%

vs.
22.9% at 3Q, 24.1% at 2Q & 24.6% at 1Q

FRN mix[1] in total

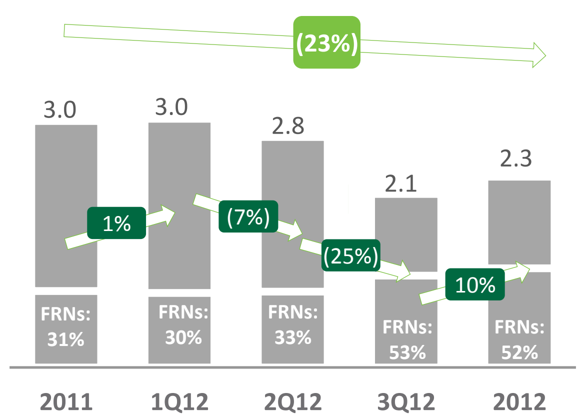
62%

up from **58%** at 2011

Total Securities Composition

Unrealized gain
as of December-end ~TL 1.2bn[1]

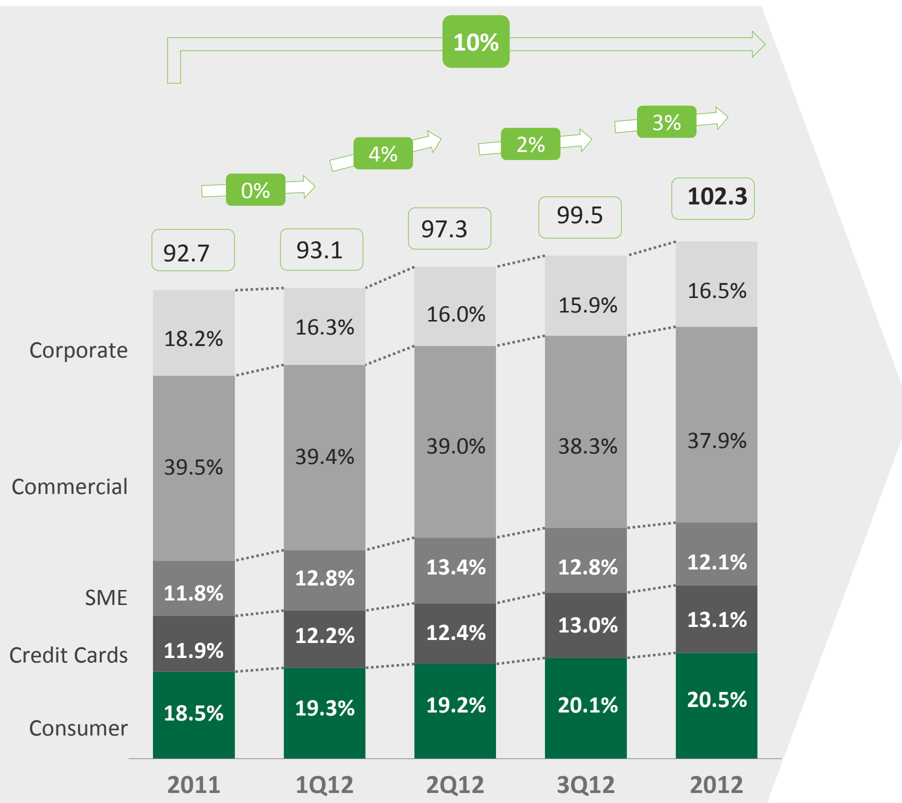
FC Securities (USD billion)



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

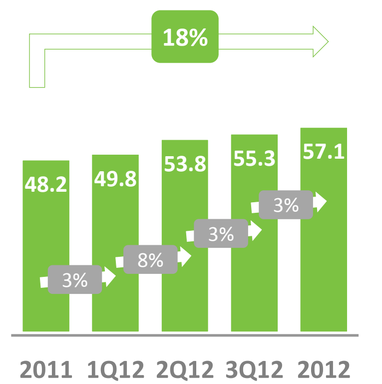
Selective lending continues on high yielding products

Total Loan[1] Growth & Loans by LOB[2] (TL million)



	2011	1Q12	2Q12	3Q12	2012
TL (% in total)	52%	53%	55%	56%	56%
FC (% in total)	48%	47%	45%	44%	44%
US$/TL	1.865	1.760	1.780	1.772	1.760

TL Loans[1]



- 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[3]: **10.8%** at 2012 vs.**11.0%** in 3Q12 & **11.3%** in 2011

FC Loans[1] (in US$)

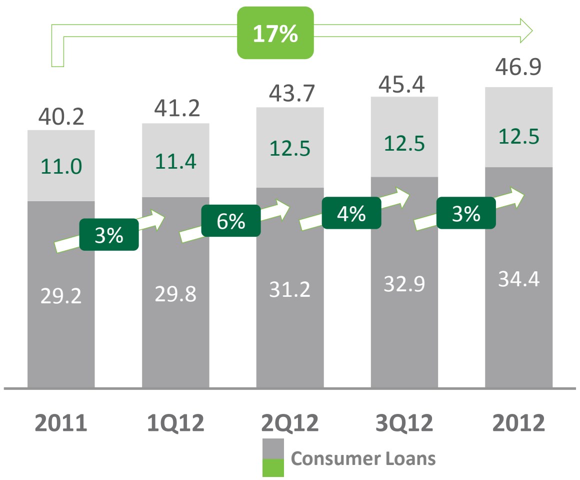
- Slight pick-up in 2H12 driven by working capital & investment loans
- Demand in FC loans is expected to revive in 2013

Market share[3]: **18.3%** at 2012 vs.**18.5%** in 3Q12 & **18.5%** in 2011

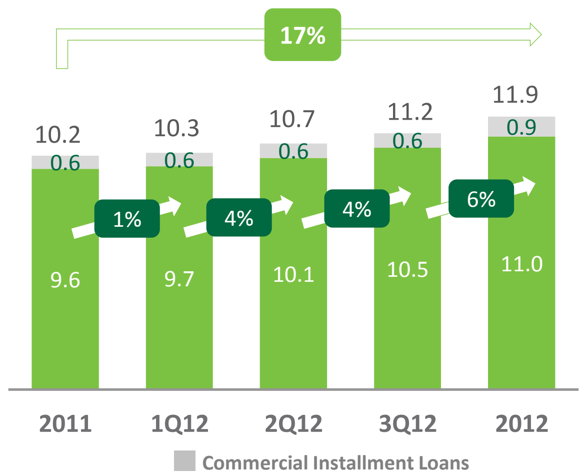
1 Loans to Customers
2 Based on bank-only MIS data
3 Based on bank-only financials for fair comparison with sector. Sector data is based on BRSA weekly data for commercial banks only

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

Retail Loans[1] (TL billion)

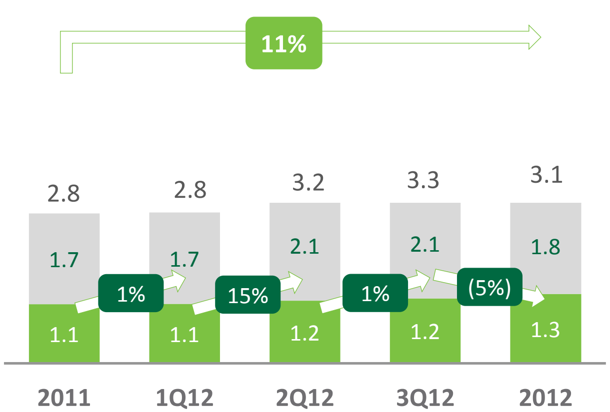


Mortgage (TL billion)

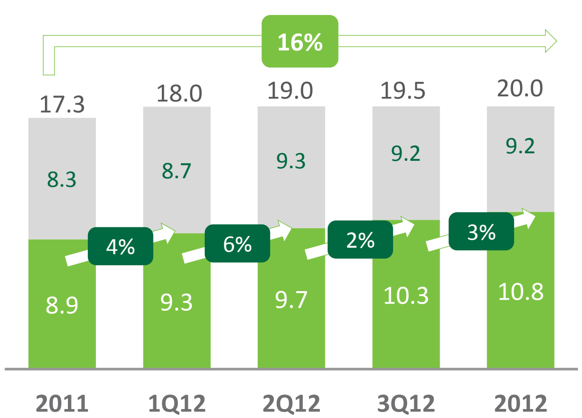


- **Rational pricing** stance supporting margins
- Generating **cross-sell** & increasing **customer retention**

Auto Loan (TL billion)



General Purpose Loan[5] (TL billion)



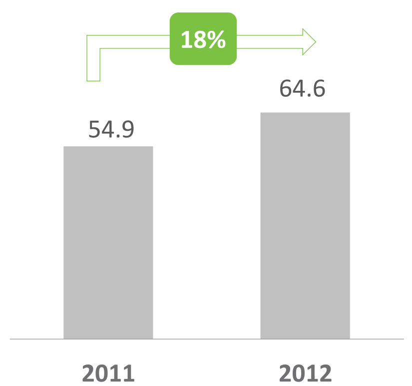
Market Shares[2,3]

	YTD	Dec' 12	Rank[4]
Mortgage	↑	13.5%	#1
Auto	↑	16.1%	#3
General Purpose[5]	↑	10.7%	#2
Retail[1]	↓	12.8%	#2

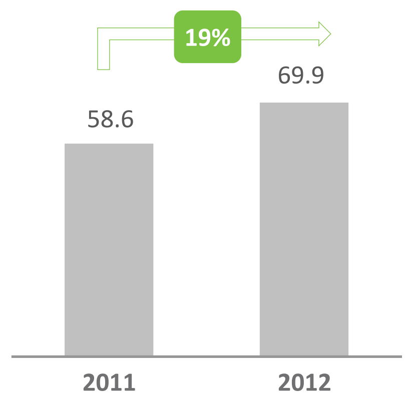
Note : Based on BRSA Consolidated Financials
1 Including consumer, commercial installment, overdraft accounts, credit cards and other 2 Including consumer and commercial installment loans
3 Based on bank-only financials for fair comparison with sector. Sector figures are based on bank-only BRSA weekly data, commercial banks only
4 As of 9M12 among private banks 5 Including other loans and overdrafts

Solid market presence in credit cards -- good contibutor to sustainable revenues

Issuing Volume (TL billion)



Acquiring Volume (TL billion)



#1 in card business

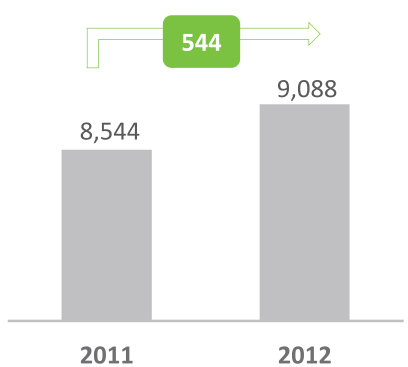
Per Debit Card Spending

~2.5x the sector

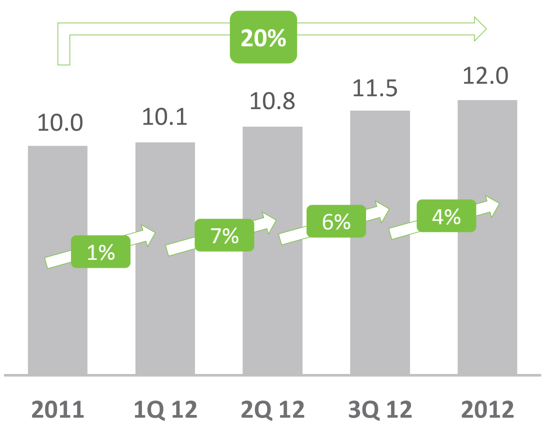
... with the ultimate aim of creating cashless society

Per Card Spending (TL, Dec'12[2])

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[1]	+19 bps	17.7%	#1
ATM	-41 bps	9.7%	#3**

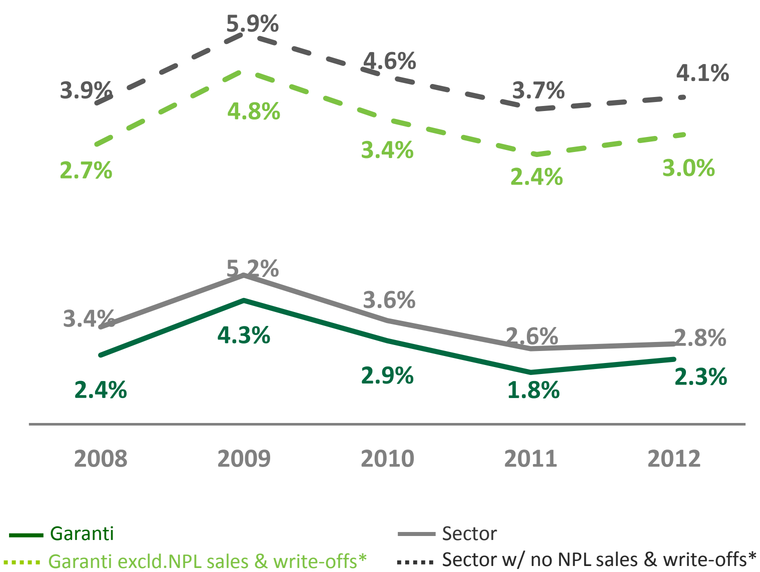
1 Excluding shared POS
2 Annualized
* Based on yearly average
**Among private banks
Note: All figures are per bank-only data except for credit card balances. Credit card balances are based on BRSA consolidated financials

NPL ratio sliding upwards as expected -- mainly driven by “big ticket” items

NPL Ratio[1]

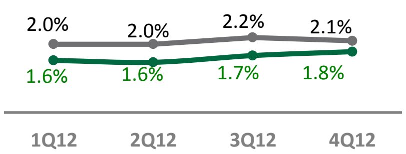
Global Crisis & Hard Lending | Recovery | Soft Lending

Garanti (IFRS.)	2.5%	4.4%	3.5%	2.3%	2.8%
Garanti (Cons.)	2.4%	4.1%	3.1%	2.1%	2.6%



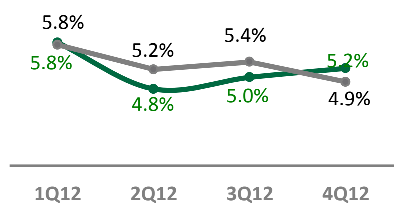
NPL Categorisation[1]

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



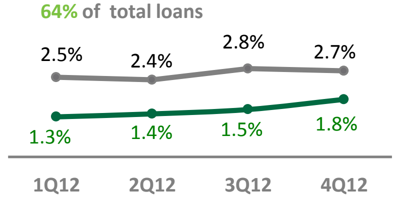
Increasing retail NPL inflow in-line with soft lending in the economy
- *low-ticket items*
- *recoveries are very strong*

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

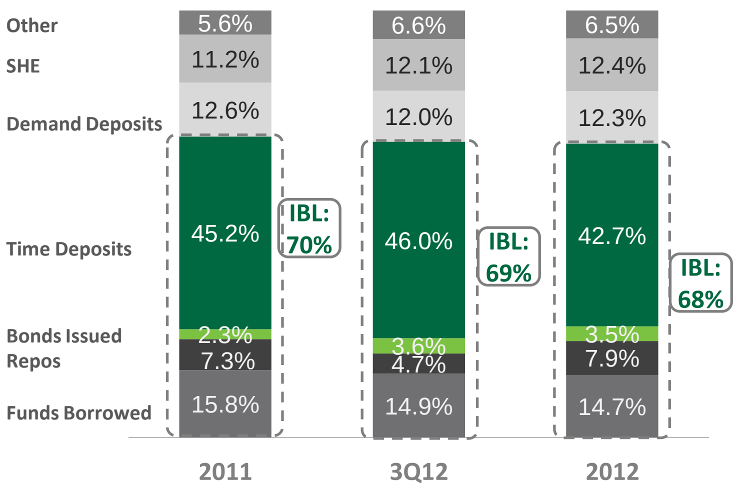


NPL inflows related to a few commercial files hit 4Q -- collections expected in 2013

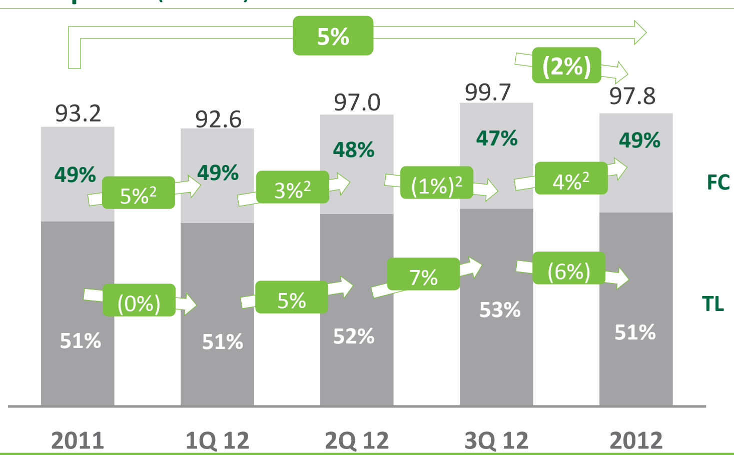
1 NPL ratio and NPL categorisation for Garanti and sector figures are per BRSA bank-only data for fair comparison
* Adjusted with write-offs in 2008,2009,2010,2011 & 2012 Source: BRSA, TBA & CBT

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

Composition of Liabilities



Total Deposits (TL billion)



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

Comfortable level of LtD ratio

Loans/Deposits **~105%** vs. 100% in 3Q12

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

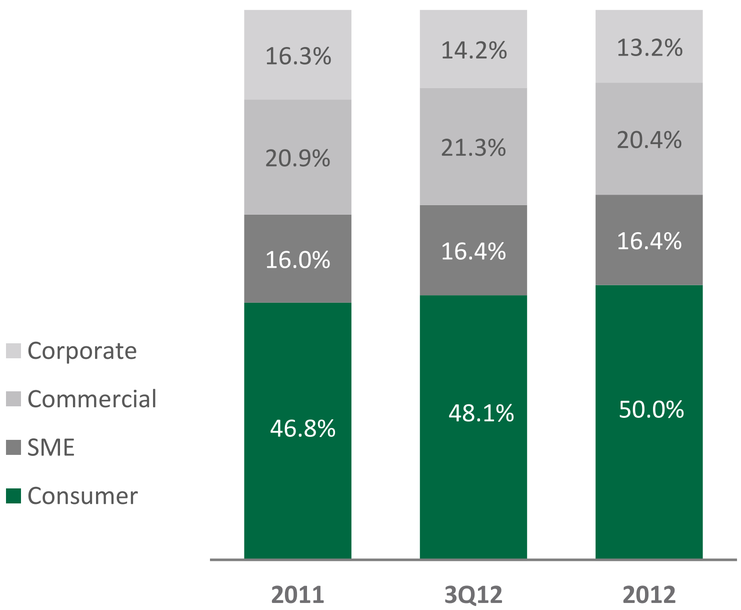
- Rational pricing stance in deposits -- supported with healthy B/S structure enabling access to alternative funding sources

Loans / Deposits adj. w/ merchant payables[1] **~100%**

1 Blocked accounts against expenditures of card holders. Please refer to footnote 21 miscellaneous payables as per IFRS financial report
2 Growth in USD terms

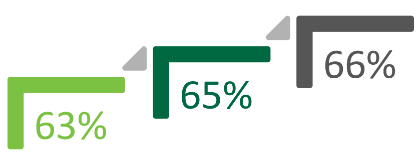
Increasingly customer-driven deposit base bolstered by the success in attracting demand deposits

Deposits by LOB[1] (Excluding bank deposits)

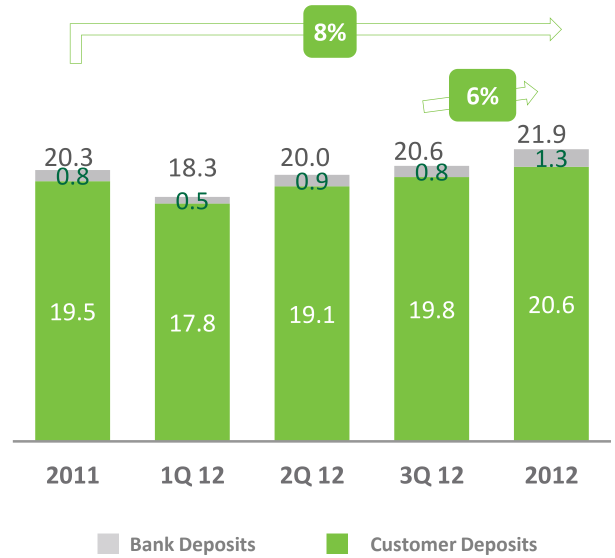


Consumer+SME /Total Deposits

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%[2] per bank-only figures

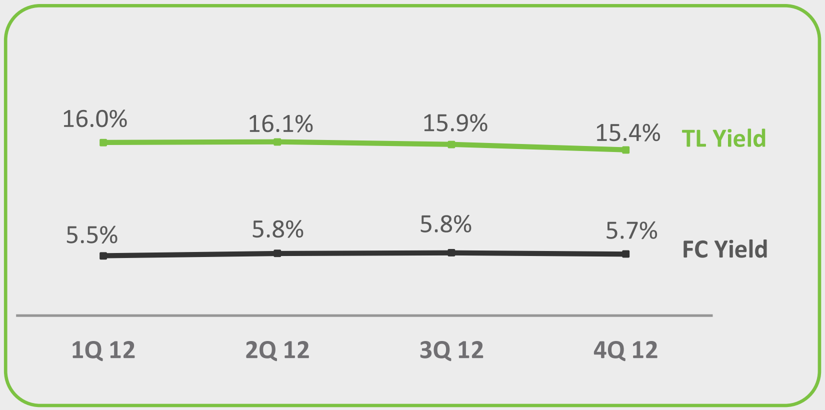
Customer demand deposits market share[2] **13.5%**

1 Based on bank-only MIS data
2 Sector data is based on BRSA weekly data for commercial banks only. Garanti market share calculated based on bank-only data for fair comparison

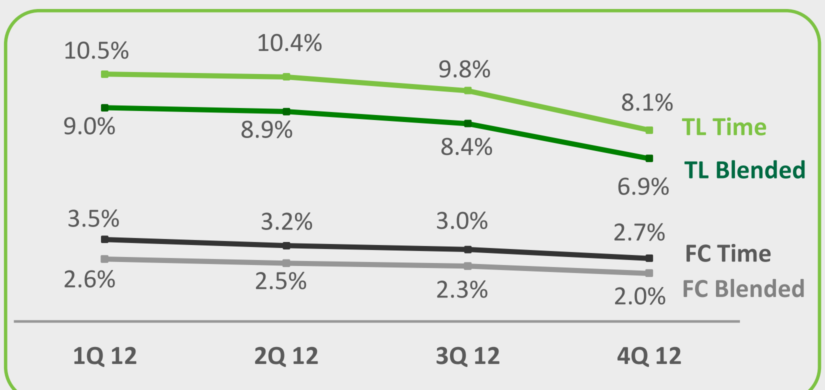
Improving core spreads…

Loan Yields & Deposit Costs (Quarterly)[1]

Loan Yields (Quarterly Averages)



Cost of Deposits (Quarterly Averages)



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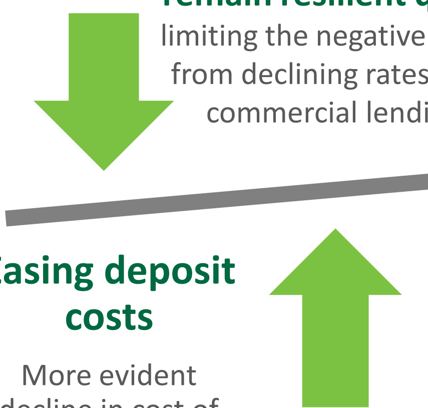
LtD spread qoq:
+~85bps improvement



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

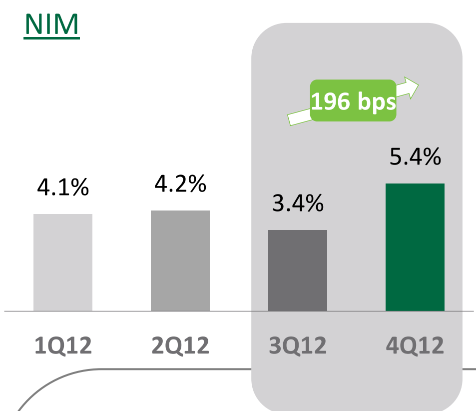
Easing deposit costs

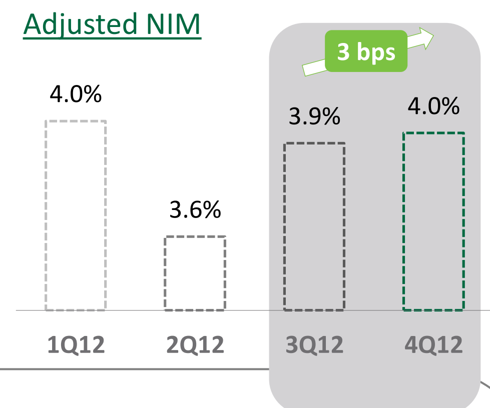
More evident decline in cost of deposits along with CBRT's more accommodative policy

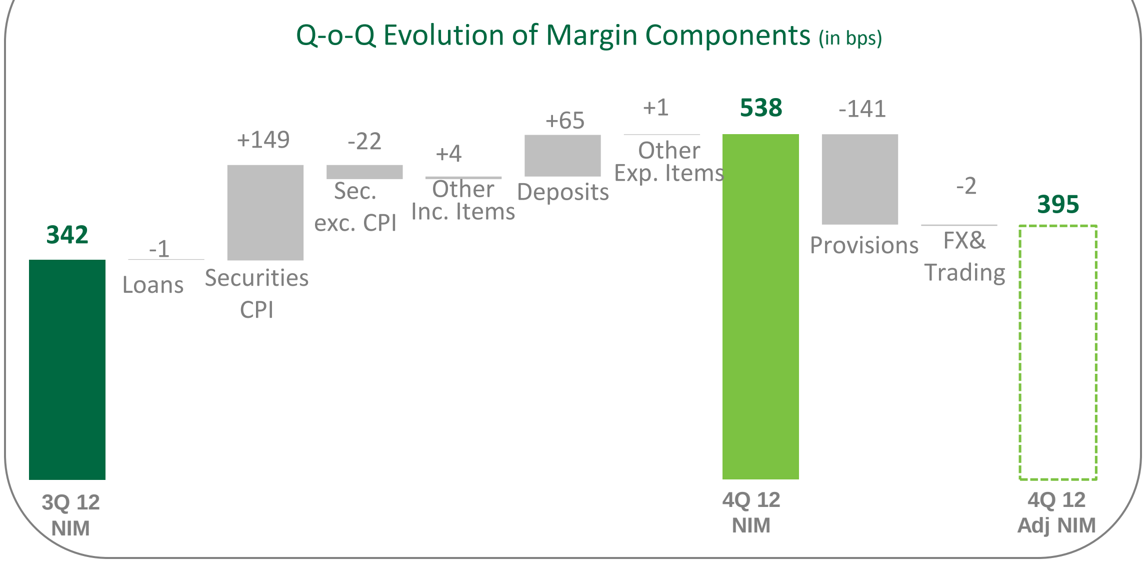
1 Based on bank-only MIS data and calculated using daily averages

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

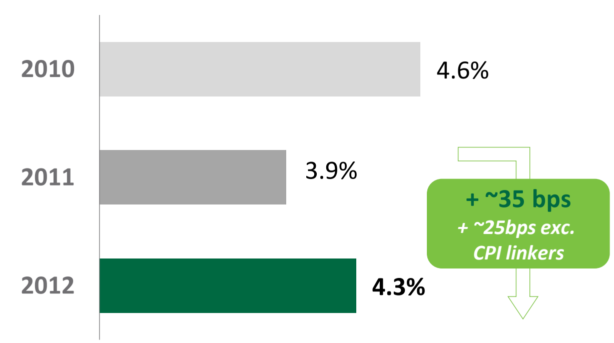
Quarterly NIM (Net Interest Income / Average IEAs)







Cumulative NIM



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

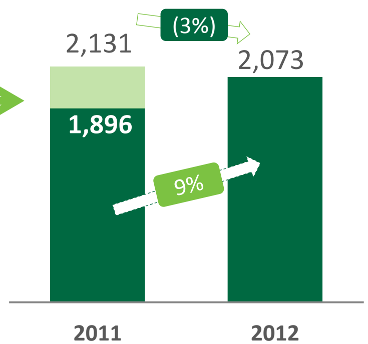
Note: Based on BRSA Consolidated Financials
Adjustments to NIM: Net Interest Income/ Average IEA adjusted by FX gain/loss, provision for loans and securities, and net trading income/loss

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 avg. cap applied on fund management fees for 2011 is at the same level as 2012 and excluding the accrual effect of certain consumer fees



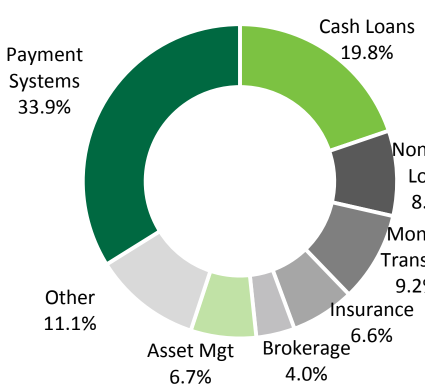
Highly diversified fee base reinforces **sustainable income** generation

	Growth[3] (y-o-y)
+ Cash loans	**21%**
+ Money transfer	**12%**
+ Payment Systems	**12%**

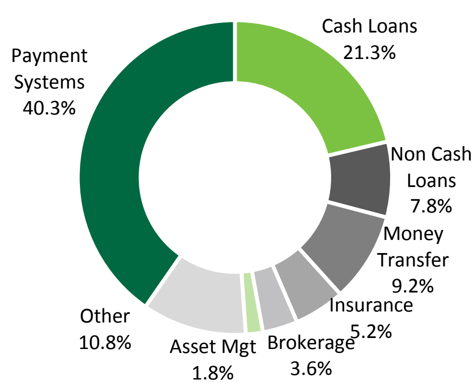
#1 in Ordinary Banking Income[4] generation with the highest Net F&C market share

Net Fees & Commissions Breakdown [2,3]

2011



2012

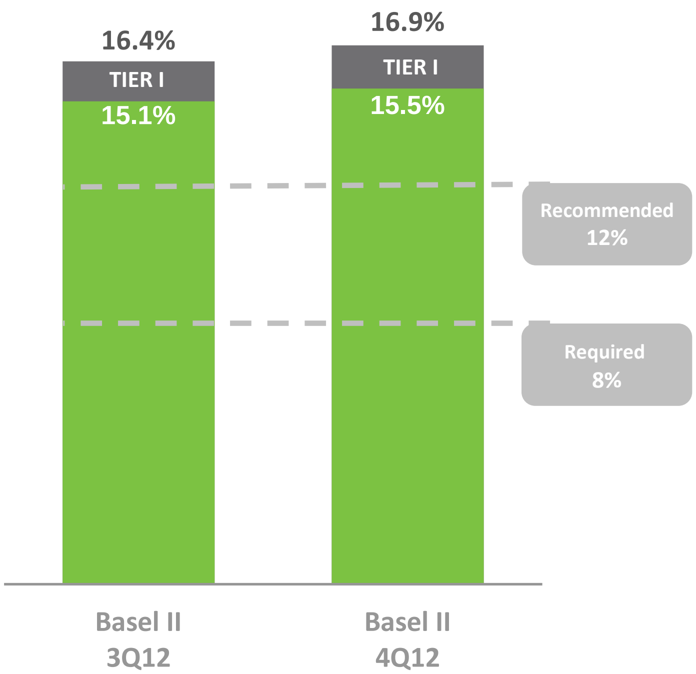


- **Leader in interbank money transfer**
  17% market share vs. the peer average of 10%
- **Highest payment systems commissions per volume**
  1.5% vs. the peer average of 1.1%[1]
- **#1 in bancassurrance[5]**
- **Strong presence in brokerage**
  ~7% market share

1 Peer average as of 9M12
2 Breakdown is on a comparable basis to same period last year 3 Bank-only MIS data
4 Defined as; net interest income adjusted with provisions for loans and securities, net FX and trading gains + net fees and commissions; as of 9M12
5 Among private banks as of November 2012

Further strenghtened 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%

Note: Based on BRSA Consolidated Financials, Leverage is also 7X per IFRS
Free Equity = SHE - (Net NPL+ Investment in Associates and Subsidiaries + Tangible and Intangible Assets+ AHR+ Reserve Requirements)
Free Funds = Free Equity + Demand Deposits

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

	(TL Million)	2011	2012	∆ YoY
(+)	NII- excl .income on CPI linkers	3,831	4,837	26%
(+)	Net fees and comm. (on a comparable basis)[1]	1,896	2,073	9%
(-)	Net Loan Loss Prov. - exc. «big ticket» specific prov.	-129	-788	510%
=	**CORE BANKING REVENUES**	**5,598**	**6,122**	**9%**
(+)	Income on CPI linkers	1,405	1,571	12%
(+)	Trading & FX gains	336	605	80%
(+)	Other income -before one-offs	463	518	12%
(-)	OPEX	-3,776	-4,110	9%
(-)	Other provisions	-34	-41	23%
(-)	Taxation	-823	-965	17%
=	**NET INCOME** (comparative performance)	**3,168**	**3,700**	**17%**
	(-) Free Provision	*-90*	*0*	*n.m*
	(-) «Big Ticket « Specific Provisions	*-73*	*-252*	*n.m*
	(-) Other Provisions [2]	*0*	*-80*	*n.m*
	(+) Accrual Effect of Certain Consumer Fees	*188*	*0*	*n.m*
	(+) NPL sale	*43*	*25*	*n.m*
	(+) Eureko, Mastercard & Visa stake sale	*161*	*0*	*n.m*
=	**NET INCOME**	**3,398**	**3,393**	**0%**

Double digit growth momentum maintained on a bank-only basis[1]

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
50%
flattish vs. 2011

Cost/Income
47%

1 Assuming that avg. cap applied on fund management fees for 2011 is at the same level as 2012 and excluding the accrual effect of certain consumer fees
2 Provisions for the potential default risk of mainly check customers, also acceptable as per IFRS

Appendix

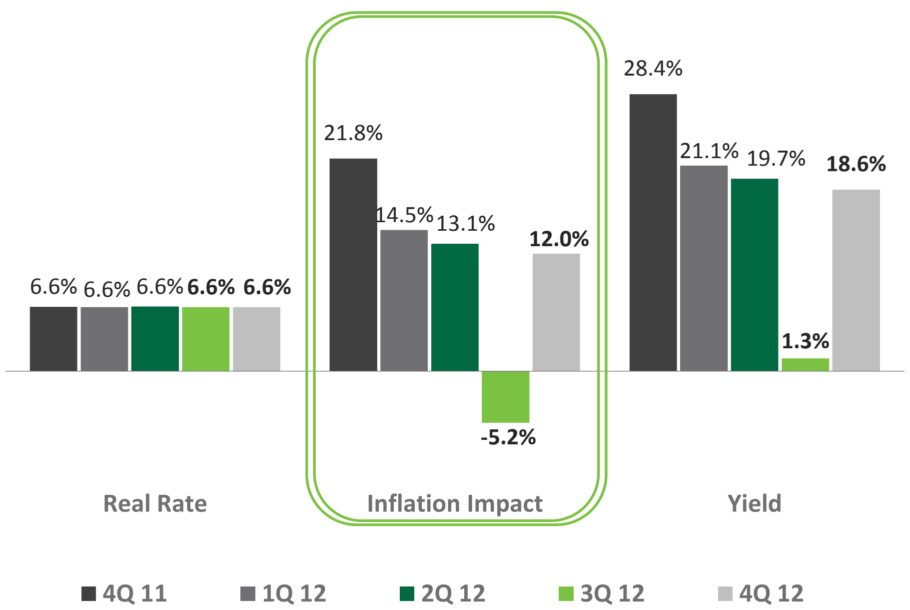
Balance Sheet - Summary

	(TL million)	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	YTD Change
Assets	Cash &Banks	18,663	16,068	14,885	13,269	13,929	-25%
	Securities*	36,361	40,189	40,765	39,406	40,412	11%
	Loans to Customers	92,654	93,113	97,268	99,508	102,260	10%
	Tangible Assets	1,711	1,633	1,618	1,532	1,643	-4%
	Other	12,012	12,457	14,305	18,206	19,256	60%
	TOTAL ASSETS	**161,401**	**163,460**	**168,841**	**171,921**	**177,500**	**10%**
Liabilities&SHE	Deposits from Customers	90,139	88,995	91,418	94,955	92,192	2%
	Deposits from Banks	3,097	3,611	5,612	4,765	5,584	80%
	Repo Obligations	11,738	13,173	12,245	8,094	14,107	20%
	Bonds Payable	3,742	3,751	4,005	6,160	6,126	64%
	Funds Borrowed	25,448	24,993	25,382	25,700	26,028	2%
	Other	9,087	9,512	10,643	11,366	11,525	27%
	SHE	18,150	19,424	19,536	20,881	21,938	21%
	TOTAL LIABILITIES & SHE	**161,401**	**163,460**	**168,841**	**171,921**	**177,500**	**10%**

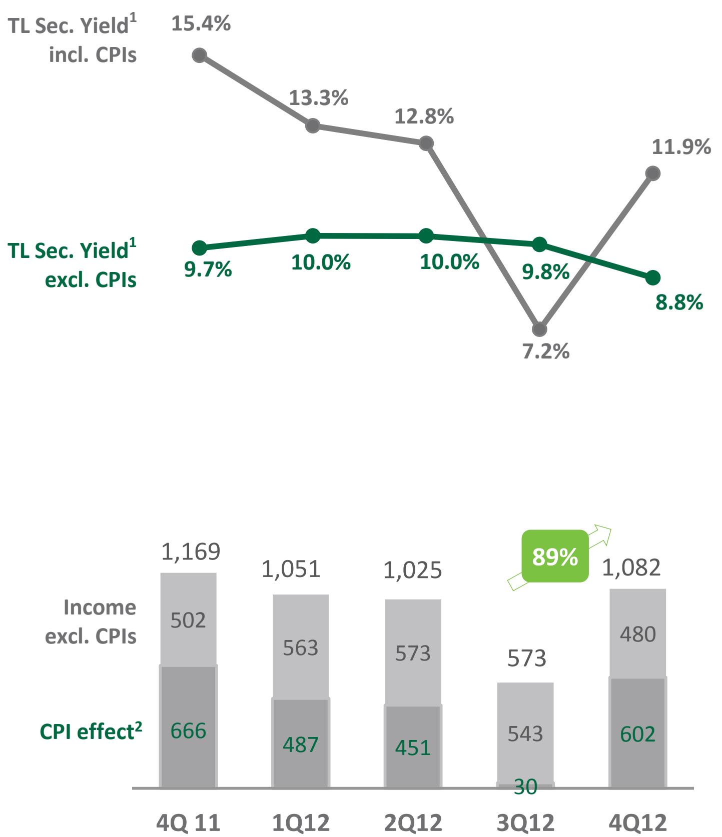
* Securities = Financial assets at fair value through profit or loss+Investment securities

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)



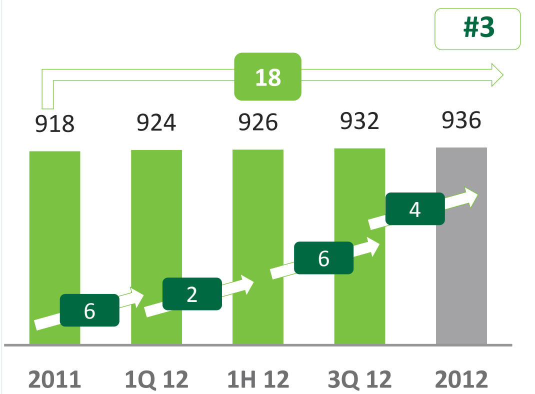
Interest Income & Yields on TL Securities (TL billion)



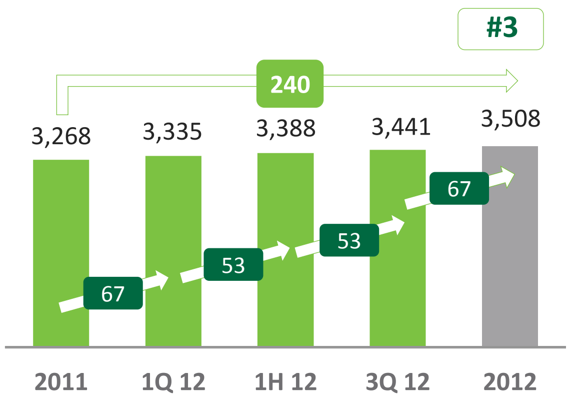
1 Based on bank-only MIS data
2 Per valuation method based on actual monthly inflation readings
Note: All figures are based on bank-only data

Further strengthening of retail network...

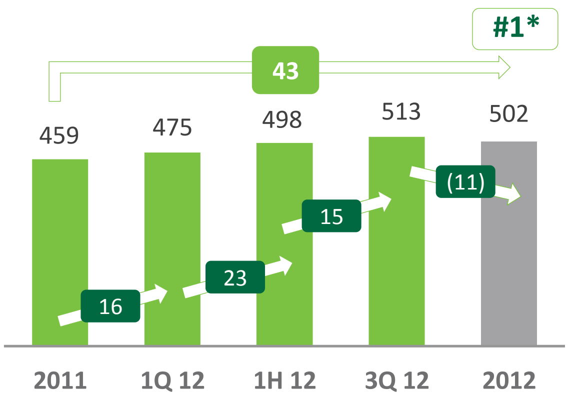
Number of Branches



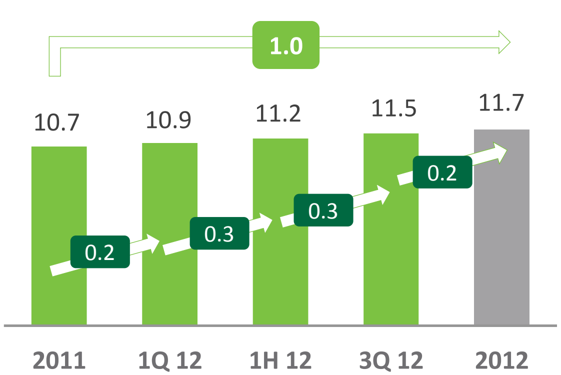
Number of ATMs



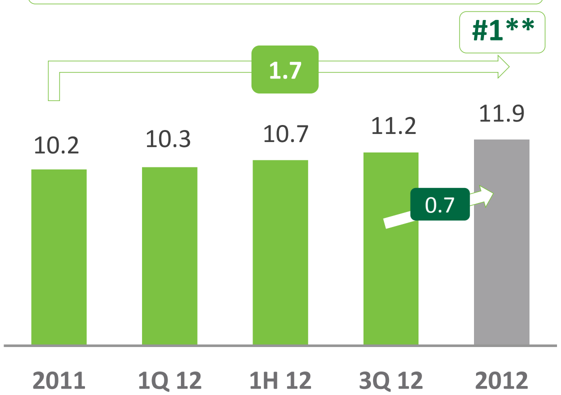
Number of POS (thousand)



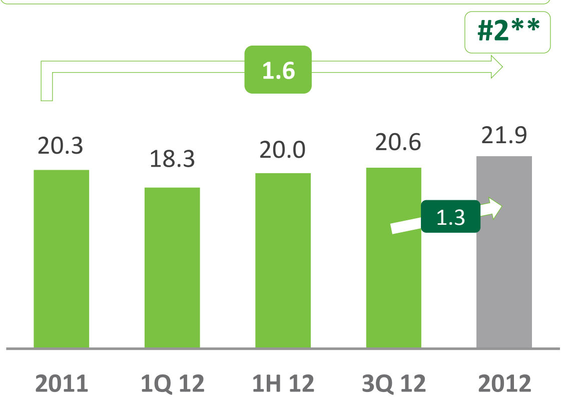
Number of Customers (million)



Mortgages[1] (TL billion)



Demand Deposits[1] (customer+bank) (TL billion)



1 Based on BRSA Consolidated Financials
*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

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