Earnings Presentation

March 31, 2013

IFRS Financials

Garanti

1Q 2013 Macro Highlights

Signs of recovery in the US while Eurozone continued to be a source of volatility

- The underlying economic fundamentals of the US began to improve .
- In addition to the ongoing recession in Europe, Eurozone continued to be a source of volatility as solvency issues in the banking sector in Cyprus rose to the top of the news cycle late in the quarter.
- Accommodative policies of the global central banks led global equities to be the strongest asset.
- Concerns that China and Brazil were slowing dragged the MSCI EM down nearly 2% for the quarter.
- Strengthening of the US dollar and weakening Chinese demand affected commodity prices. Gold prices were down nearly 5% as Brent oil finished the quarter flat.

- Dovish attitude by CBRT on the back of weak growth momentum
- Strengthening expectations: Upgrade by S&P and Moody's signal of investment grade

- Turkish economy grew 'below consensus' by 1.4% in 4Q12 -- Yearly growth slowed down sharply to 2.2% in 2012 from 8.8% in 2011 especially on the back of weak domestic demand.
- The current account deficit narrowed slightly in February, however remains on a widening trend -- 12-month rolling deficit rose to US$ 48.4 billion, acceleration mainly stemming from the rise in domestic demand and slowdown in exports.
- Yearly inflation rose to 7.3% in March due to low base effect while underlying dynamics showed no significant worsening.
- CBRT kept policy rate unchanged in 1Q13 at 5.50% and continued to utilize multiple tools in order to support financial stability -- narrowed interest rate corridor, increased reserve requirement (RR) on TL & FC liabilities and Reserve Option Coefficients (ROCs) for holding FC and gold instead of TL.
- In April with weakening global growth momentum, capital inflows and slow recovery in domestic demand, CBRT cut all parameters of its interest rate corridor by 50bps.
- After having depreciated by 1.5% against the currency basket in 4Q12, TL depreciated again by 0.7% in 1Q13.
- Benchmark bond yields, on a monthly average basis, declined to 6.0% from 6.4% in 4Q12.

1Q 2013 Highlights

Increasingly customer-driven asset mix

Lending strategy -- selective and profitability focused growth

- TL lending: Above sector growth driven by;
  - mid&long- term TL working capital loans
  - lucrative retail products : Mortgages (4% q-o-q)[1], GPLs (5% q-o-q)[1] & Auto loans (2% q-o-q)[1]
- FX lending: Much of the anticipated pick up in FX lending has not yet kicked in

Actively shaped & FRN-heavy securities portfolio -- Slight build-up in 1Q13, vs. the upcoming redemptions in 3Q13

Liquid, low risk & well-capitalized balance sheet

Solid & well-diversified funding mix -- effective management of funding costs & liquidity

- Reigned by mass deposits: SME+Consumer: **64%** of total deposits
- Proven success in attracting demand deposits **: 22%** of total customer deposits
- Opportunistic utilization of alternative funding sources: Repos & money market borrowings, foreign funding, bonds

Risk-return balance priority

- Sound asset quality -- new NPL inflows trending down, collections are heading up
- Prudent coverage and provisioning levels

Comfortable solvency underscores the profitability focused growth strategy

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

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

Comparable[2] net profit up by 39% y-o-y-- ROAE: 24%; ROAA: 2.9%,

Well- defended margins q-o-q -- Declining liability costs shoring up declining asset yields

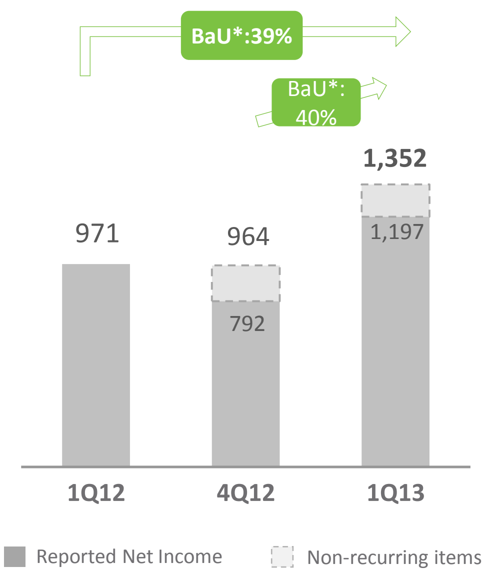
Outstanding performance in sustainable revenues -- well-diversified fee base on a double-digit growth momentum

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

A solid start to the year…

Net Income (TL million)



ROAA: 2.9%

ROAE: 24%

	(TL Million)	4Q 12	1Q 13	Δ QoQ
(+)	NII- excl .income on CPI linkers	1,456	1,467	1%
(+)	Net fees and comm.[1]	492	664	35%
(-)	Net Loan Loss Prov. - exc. «big ticket» specific prov.	-274	-286	4%
=	**CORE BANKING REVENUES**	**1,674**	**1,845**	**10%**
(+)	Income on CPI linkers	605	517	-15%
(+)	Trading & FX gains	-10	239	n.m.
(+)	Other income -before one-offs	145	133	-8%
(-)	OPEX	-1,146	-1,040	-9%
(-)	Other provisions	-38	-4	-88%
(-)	Taxation	-267	-338	27%
=	**NET INCOME** (comparative performance)	**964**	**1,352**	**40%**
	(+) Free provision reversal	*82*	*55*	*n.m.*
	(-) «Big Ticket « Specific Provisions	*-173*	*0*	*n.m*
	(-) Other Provisions[2]	*-80*	*0*	*n.m.*
	(-) Competition board fine prov.	*0*	*-160*	*n.m.*
	(-) Various tax fine provisions	*0*	*-50*	*n.m.*
=	**NET INCOME**	**792**	**1,197**	**51%**

Flattish LtD spread -- Lower avg. deposits cost offset the negative impact of declining loan yields

Strong consumer loan originations[1] and repricings coupled w/ timing of acc. maint. fees

IMPROVING CORE REVENUES

Based on actual monthly inflation readings

Capital gain realization

In-line with operating budget guidance

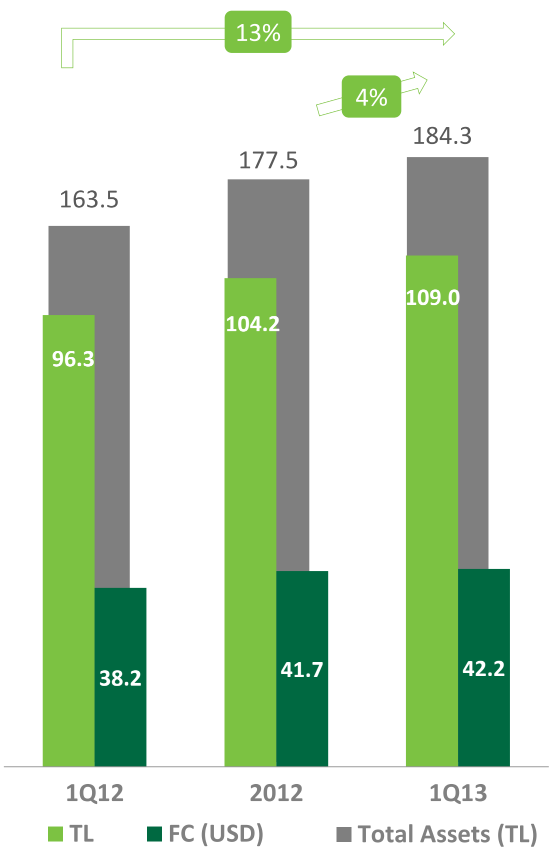
SOLID RESULT GENERATION

ROBUST PROFITABILITY

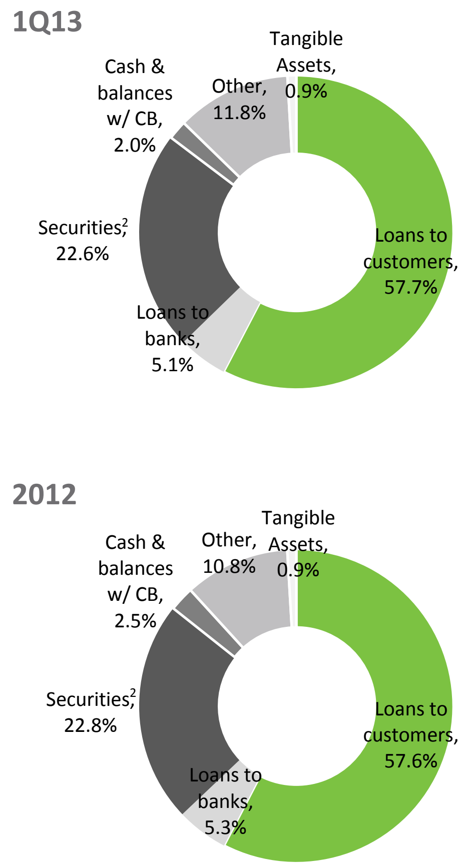
*Business as Usual= Excluding non-recurring items and regulatory effects in the P&L
1 Accounting of consumer loan fees were revisited upon the opinion of «Public Oversight» --Accounting & Auditing Standards Authority
2 Provisions for the potential default risk of mainly check customers, also acceptable as per IFRS

Customer-oriented & liquid asset mix -- strategically and timely managed

Total Assets (TL/USD billion)



Composition of Assets



Loans/Assets[1]

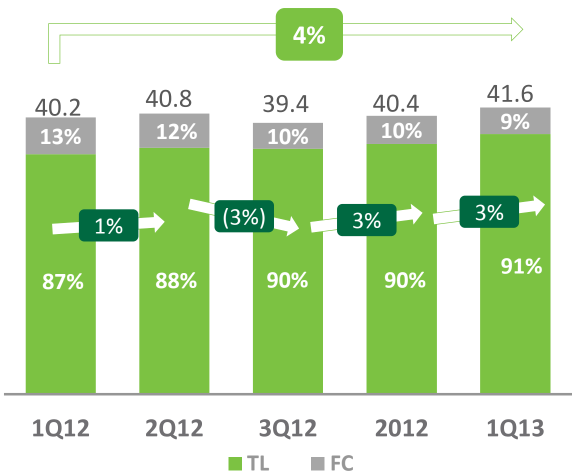
58%

Lending driven asset mix maintained with increasing share of loans

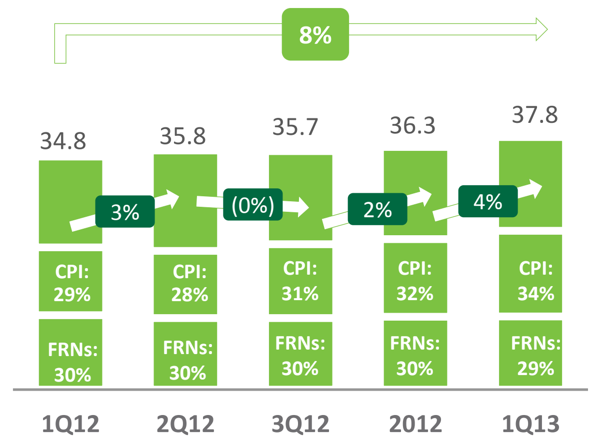
1 Loans to customers
2 Securities = Financial assets at fair value through profit or loss+ Investment securities

Actively shaped & FRN-heavy securities portfolio

Total Securities (TL billion)



TL Securities (TL billion)



Securities/Assets

23%

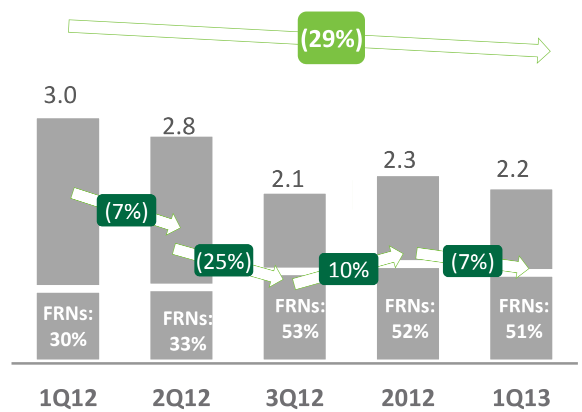
hovering around its lowest levels

Slight build-up of securities in 1Q13 vs. the upcoming CPI redemptions in 3Q13

Total Securities Composition

Unrealized gain
as of March-end ~TL 1.0bn[1]

FC Securities (USD billion)



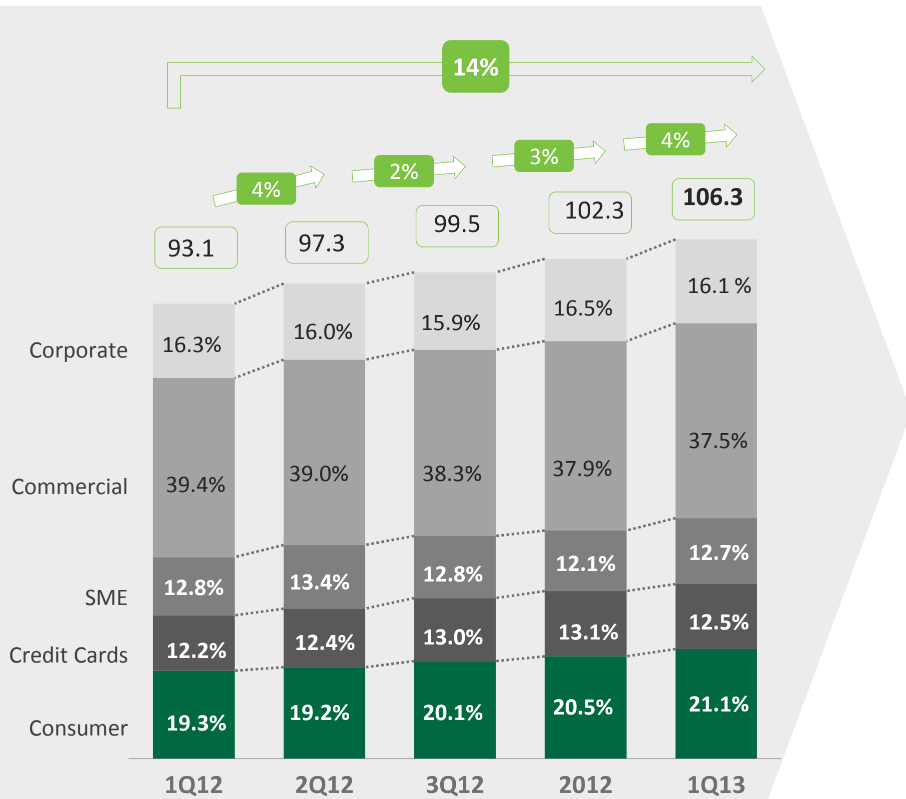
FRN mix[1] in total

62%

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

Lending strategy -- Selective & profitability focused growth

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



	1Q12	2Q12	3Q12	2012	1Q13
TL (% in total)	53%	55%	56%	56%	57%
FC (% in total)	47%	45%	44%	44%	43%
US$/TL	1.760	1.780	1.772	1.760	1.785

TL Loans[1]

- Mainly driven by **lucrative retail products** and mid & long- term **TL working capital loans** with relatively higher yields than the short-term commercial overdraft/spot loans

Market share[3]:
10.9% at 1Q13 vs.**10.8%** at YE 12

FC Loans[1] (in US$)

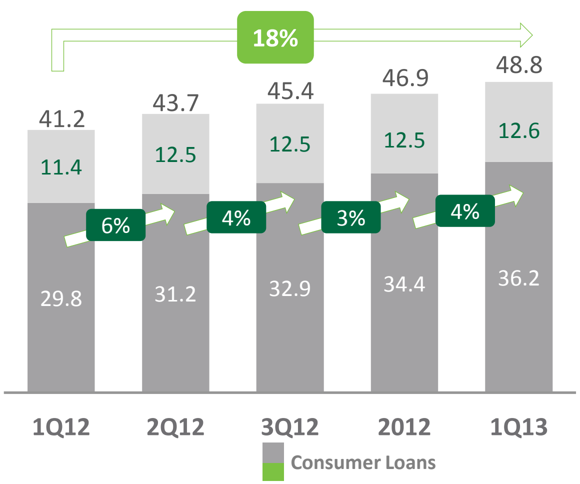
- Much of the anticipated pick up in FX lending driven by “working capital” and “investment loans”, has not yet kicked in

Market share[3]:
18.2% at 1Q13 vs.**18.3%** at YE 12

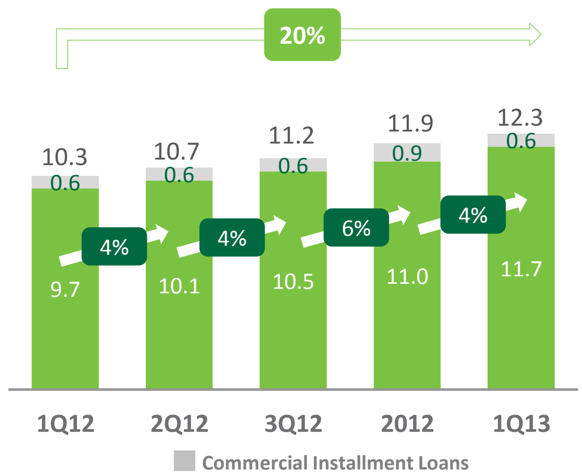
1 Loans to customers
2 Based on bank-only MIS data
3 Based on bank-only financials for fair comparison with sector. Sector data is based on BRSA weekly data for commercial banks only

Strong growth momentum in retail loans underpinned by key profitable products

Retail Loans[1] (TL billion)

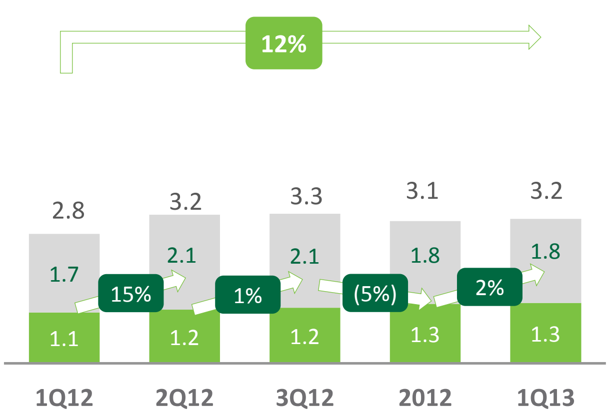


Mortgage (TL billion)

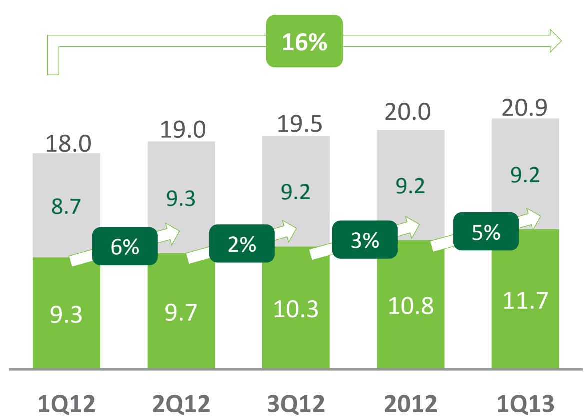


- **Rational pricing** stance supporting margins
- Generating **cross-sell** & increasing **customer retention**

Auto Loan (TL billion)



General Purpose Loan[5] (TL billion)



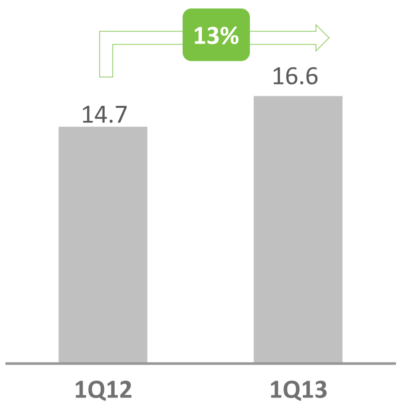
Market Shares[2,3]

	QTD	Mar' 13	Rank[4]
Mortgage		13.6%	#1
Auto		16.6%	#2
General Purpose[5]		10.4%	#2
Retail[1]		12.6%	#2

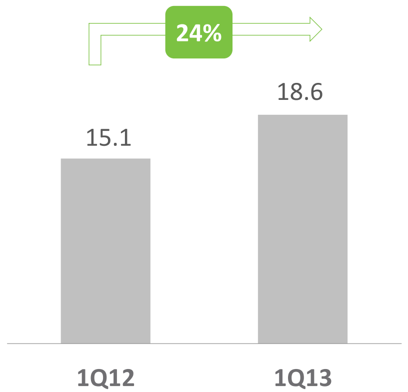
Note : Based on BRSA Consolidated Financials
1 Including consumer, commercial installment, overdraft accounts, credit cards and other
2 Including consumer and commercial installment loans
3 Market shares are per bank-only financials for fair comparison with sector.
4 As of 2012, among private banks
5 Including other loans and overdrafts

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

Issuing Volume (TL billion)



Acquiring Volume (TL billion)



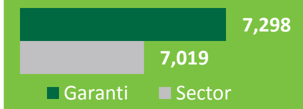
#1 in card business

Per Debit Card Spending

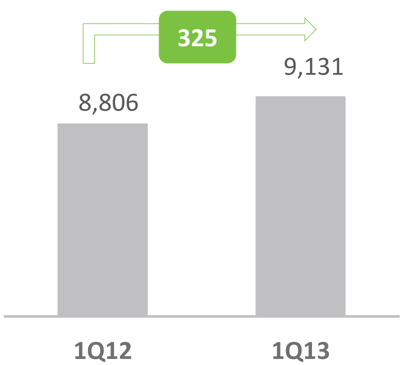
>2x the sector

... with the ultimate aim of creating cashless society

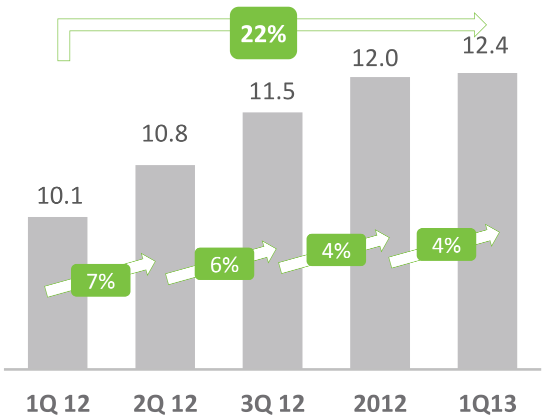
Per Credit Card Spending (TL, Mar'13[1])



No. of Credit Cards (thousand)



Credit Card Balances (TL billion)



Market Shares

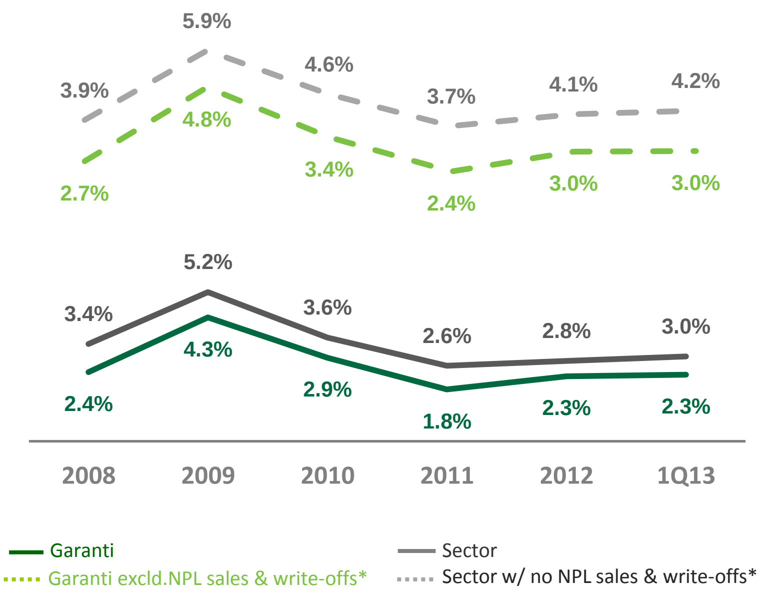
	QTD Δ	Mar'13	Rank
Acquiring (Cumulative)	↑ +5 bps	19.2%	#1
Issuing (Cumulative)	↓ -75 bps	17.1%	#2
# of CCs	↓ -35 bps	16.4%	#2
POS[2]	↑ +15 bps	17.9%	#1
ATM	↓ -17 bps	9.5%	#3*

1 Annualized
2 Excluding shared POS
*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

Sound asset quality, *new NPL inflows trending down, collections are heading up*, **coupled with…**

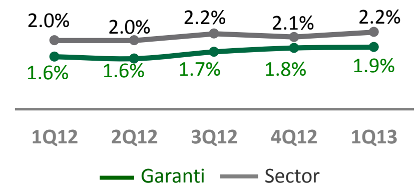
NPL Ratio[1]

	Global Crisis & Hard Lending		Recovery		Soft Lending	
Garanti (IFRS.)	2.5%	4.4%	3.5%	2.3%	2.8%	2.9%
Garanti (Cons.)	2.4%	4.1%	3.1%	2.1%	2.6%	2.7%

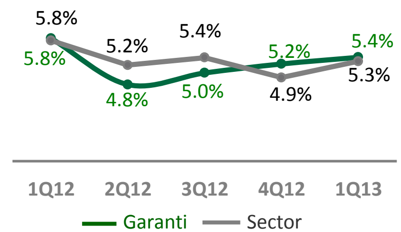


NPL Categorisation[1]

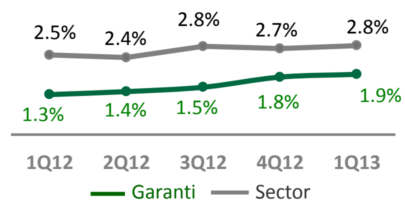
Retail Banking
(Consumer & SME Personal)
24% of total loans



Credit Cards
12% of total loans



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



NPL formation accross the board

Increasing **retail NPL** inflows in-line with soft-landing in the economy

- low-ticket items
- recoveries are very strong

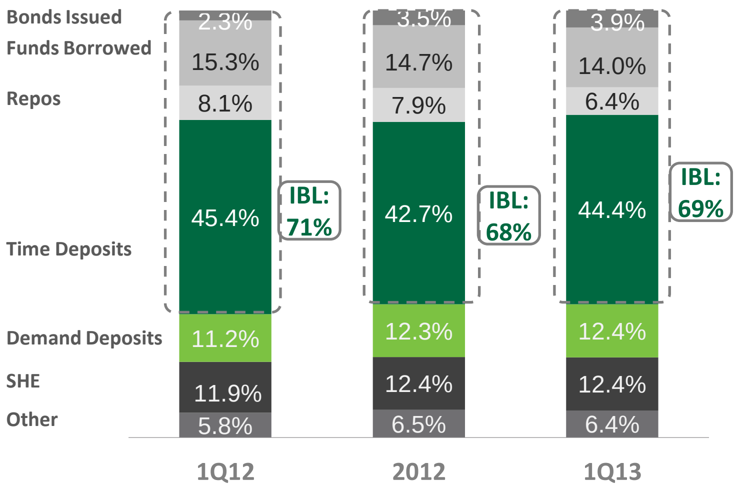
Credit cards;

- pace of deterioration is lower than sector's
- In 4Q12, significant NPL sales in the sector dragged down sector's NPL ratio

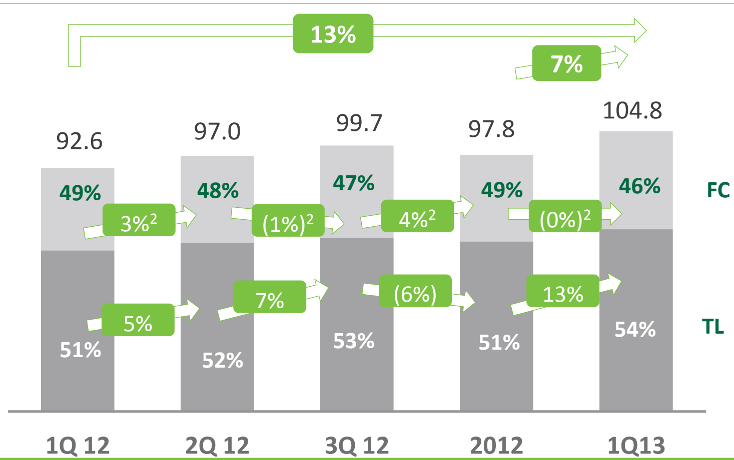
1 NPL ratio and NPL categorisation for Garanti and sector figures are per BRSA bank-only data for fair comparison
* Adjusted with write-offs in 2008,2009,2010,2011,2012 &1Q13 Source: BRSA, TBA & CBT

Solid and well-diversified funding mix -- active management of liability costs and duration mismatch

Composition of Liabilities



Total Deposits (TL billion)



Funding base reinforced with alternative funding sources

- **Recaptured deposits**
  TL deposits which were let go in 4Q12, due to intensified pricing competition, came back, as the **pricing competition subdued in 1Q13**
- **Opportunistic utilization**
  of repos & money market borrowings
- **TL 750 mn**
  TL Eurobond issuance with coupon rate of 7.375%, yielding 7.5%
- **~TL 2bn**
  TL bond roll-over

Improved liquidity position

Comfortable level of LtD ratio

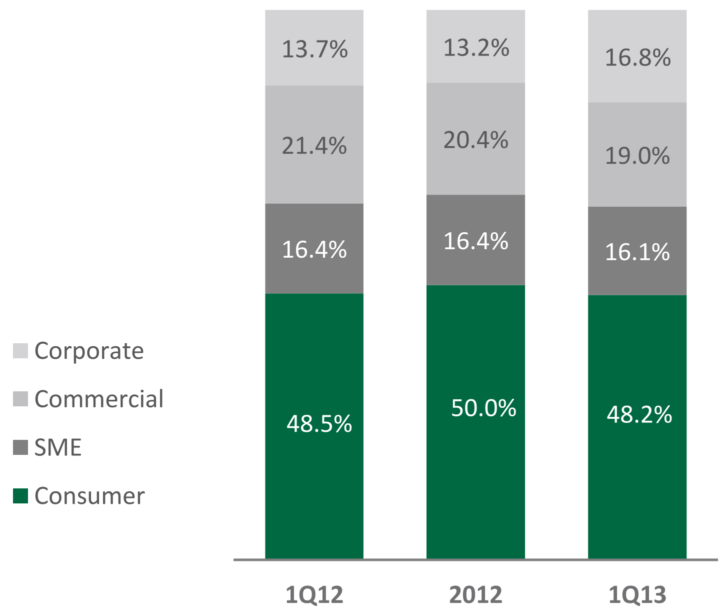
Loans/Deposits: **~101%**
vs. 105% in 4Q12

Adj. Loans / Deposits[1] : **~75%**
when excluding loans funded with on B/S alternative funding sources

1 Based on BRSA consolidated financials. Please refer to Appendix page 20 for detailed information
2 Growth in USD terms

Excellent deposit performance further reinforced with high demand deposit levels

Customer Deposits by LOB[1]

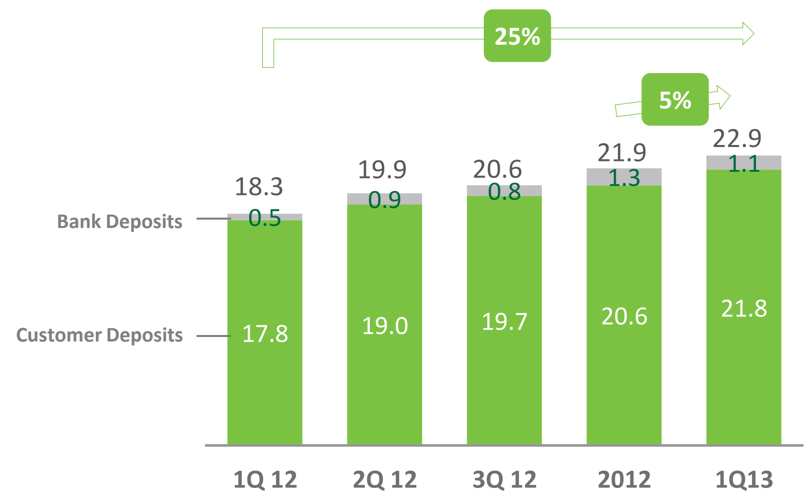


Consumer+SME /Total Deposits

65% 66% 64%

Deposit base reigned by mass deposits

Demand Deposits (TL billion)



Sustained solid demand deposits

Customer Demand Deposits / Total Customer Deposits:

22%

>19% vs. Sector's 17%[2] per bank-only figures

Sustained solid demand deposit level

Customer Demand DepositMarket share: **13.8%**

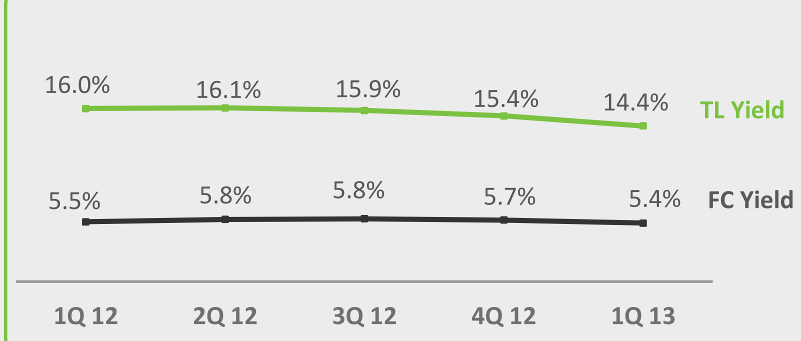
1 Based on bank-only MIS data

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

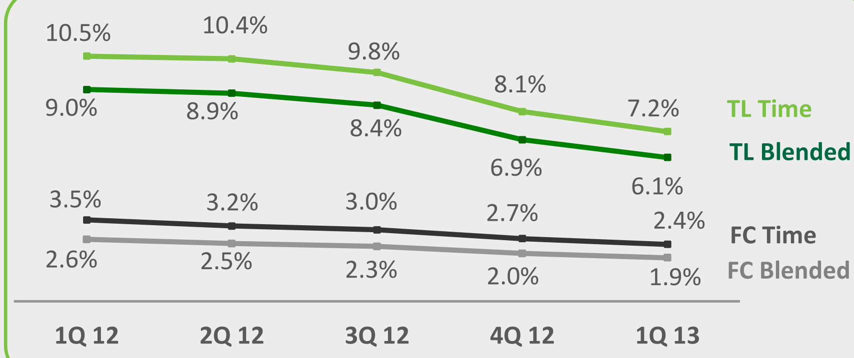
Declining deposit costs shoring up lower loan yields

Loan Yields & Deposit Costs (Quarterly)[1]

Loan Yields (Quarterly Averages)



Cost of Deposits (Quarterly Averages)



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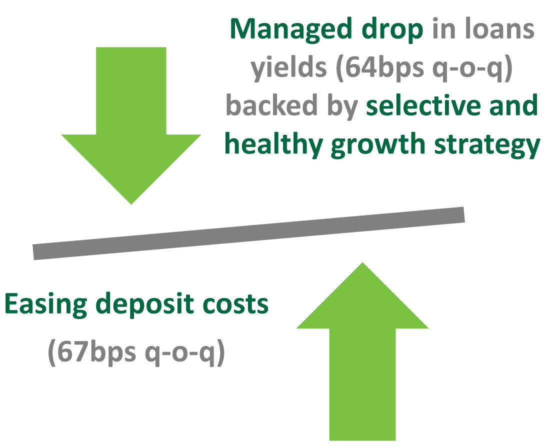
LtD spread maintained flat qoq

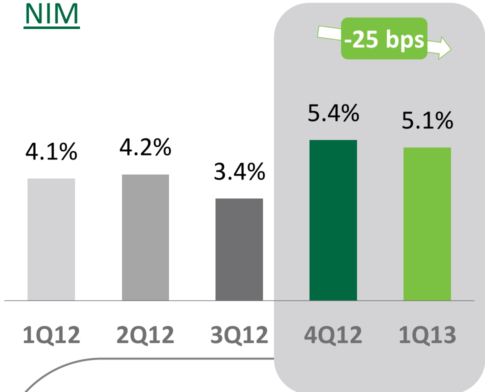


1 Based on bank-only MIS data and calculated using daily averages

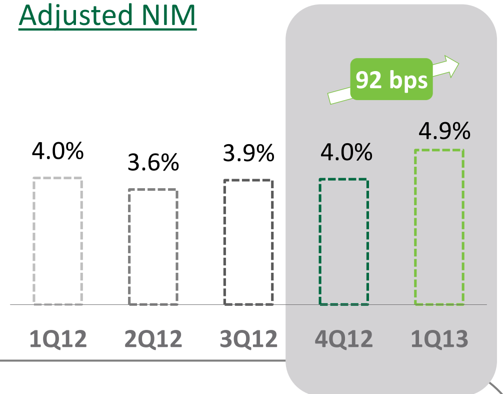
Well-defended margin q-o-q -- Lower funding costs leveraging declining asset yields

Quarterly NIM (Net Interest Income / Average IEAs)

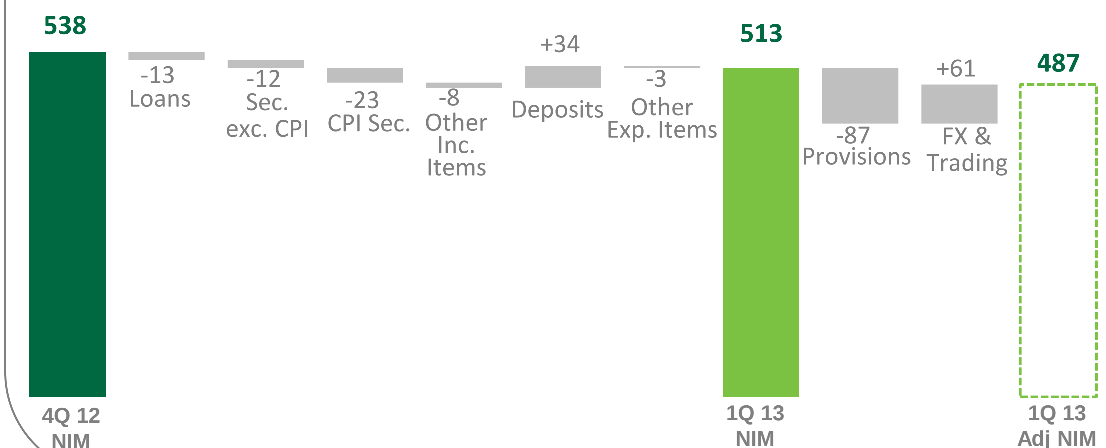
NIM



Adjusted NIM



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



Margin flattish q-o-q

-- excluding quarterly income volatility from CPI linkers

Adj. NIM up by **~92bps** q-o-q

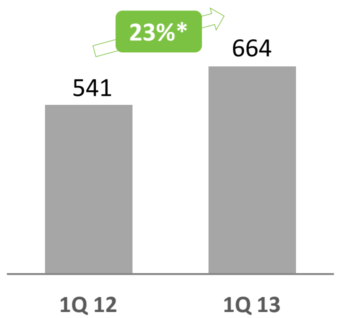
Strong trading gains easing the pressure of provisioning on Adj. NIM

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

Outstanding performance in sustainable revenues bolstered by well-diversified fee sources on double-digit growth momentum

Net Fees & Commissions (TL million)



*Accounting of consumer loan fees were revisited upon the opinion of «Public Oversight» --Accounting & Auditing Standards Authority

- **Leader in interbank money transfer**
  18% market share vs. the peer average of 10%
- **Highest payment systems commissions per volume** -- 1.6% vs. the peer average of 1.3%[4]
- #1 in bancassurrance[5]
- **Increasing brokerage market share**
  #2 in equity market with 8% market share
- **Most preferred pension company**
  Capturing every 1 out of 5 pension participant

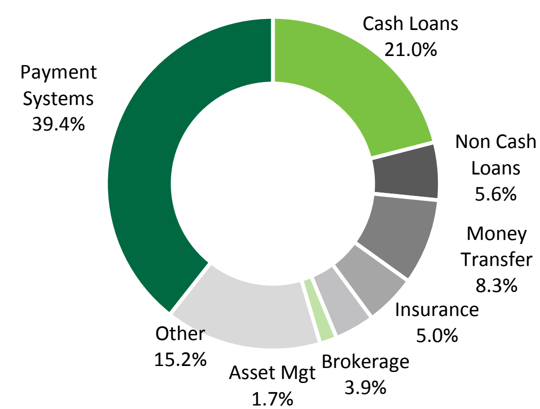
#1 in Ordinary Banking Income[3] generation with the **highest Net F&C market share**

Sustainably growing and highly diversified fee base

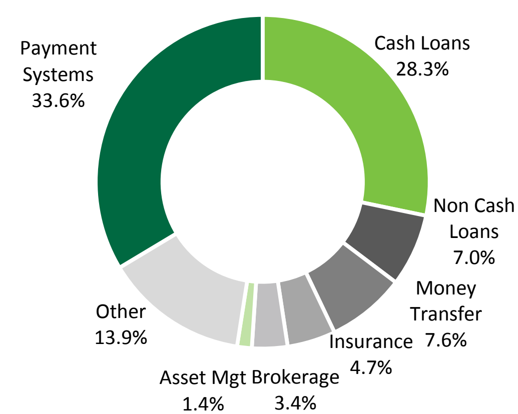
	Growth[2] (y-o-y)
Cash & non-cash loans	>55%
Brokerage	11%
Money transfer	14%
Insurance	18%

Net Fees & Commissions Breakdown [1,2]

1Q 12



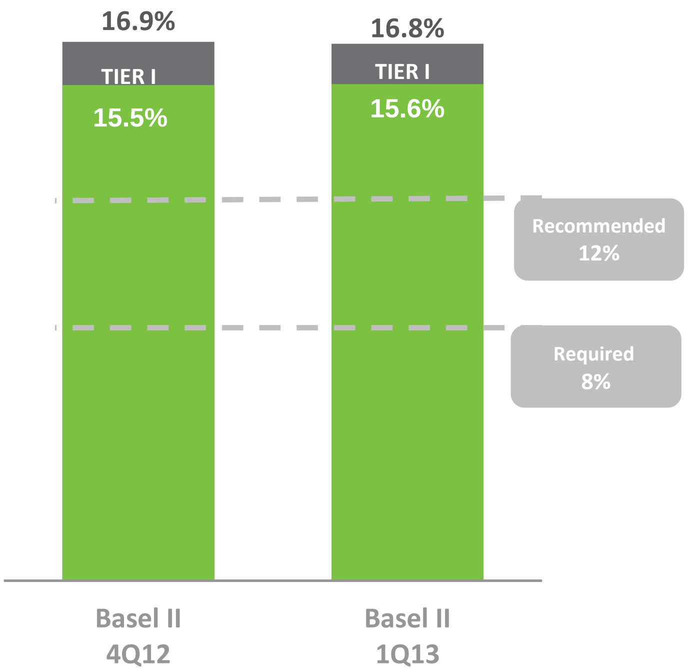
1Q 13



1 Breakdown is on a comparable basis to same period last year 2 Bank-only MIS data
3 Defined as; net interest income adjusted with provisions for loans and securities, net FX and trading gains + net fees and commissions; for 2012
4 Peer average as for the year 2012 5 Among private banks as of Feb 2013

Comfortable solvency underscores the healthy and profitable growth strategy

CAR & Tier I ratio



Strong capitalization

Basel II CAR: 17%

+

Low leverage

Leverage: 7x

+

Comfortable level of free funds

Free funds/IEA: 17%

High internal capital generation supporting long-term sustainable growth

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)		1Q 12	1Q 13	∆ YoY
(+)	NII- excl .income on CPI linkers	1,003	1,467	46%
(+)	Net fees and comm.	541	664	23%
(-)	Net Loan Loss Prov. - exc. «big ticket» specific prov.	-64	-286	344%
=	**CORE BANKING REVENUES**	**1,480**	**1,845**	**25%**
(+)	Income on CPI linkers	487	517	6%
(+)	Trading & FX gains	74	239	n.m.
(+)	Other income -before one-offs	142	133	-6%
(-)	OPEX	-960	-1,040	8%
(-)	Other provisions	-6	-4	-30%
(-)	Taxation	-246	-338	37%
=	**NET INCOME** (comparative performance)	**971**	**1,352**	**39%**
	(+) Free provision reversal	0	55	n.m.
	(-) «Big Ticket « Specific Provisions	0	0	n.m
	(-) Other Provisions [2]	0	0	n.m.
	(-) Competition board fine prov.	0	-160	n.m.
	(-) Various tax fine provisions	0	-50	n.m.
=	**NET INCOME**	**971**	**1,197**	**23%**

Strong consumer loan originations[1]
- Across the board growth underpinned by the well-diversifed fee sources

Growing core banking revenues

Committed to strict cost discipline
-- on track with budget guidance
- 23 net branch openings;
- Successive & targeted investments in digital platforms
- +7% rise in # of ATMs
- ~1,000 new hires

OPEX/Avg. Assets
2.3%
Down from 2.4% in 1Q12

High level of Fees/OPEX
64%
vs. 56% in 1Q12

Cost/Income
39%
vs. 40% in 1Q12

1 Accounting of consumer loan fees were revisited upon the opinion of «Public Oversight» --Accounting & Auditing Standards Authority
2 Provisions for the potential default risk of mainly check customers, also acceptable as per IFRS

Appendix

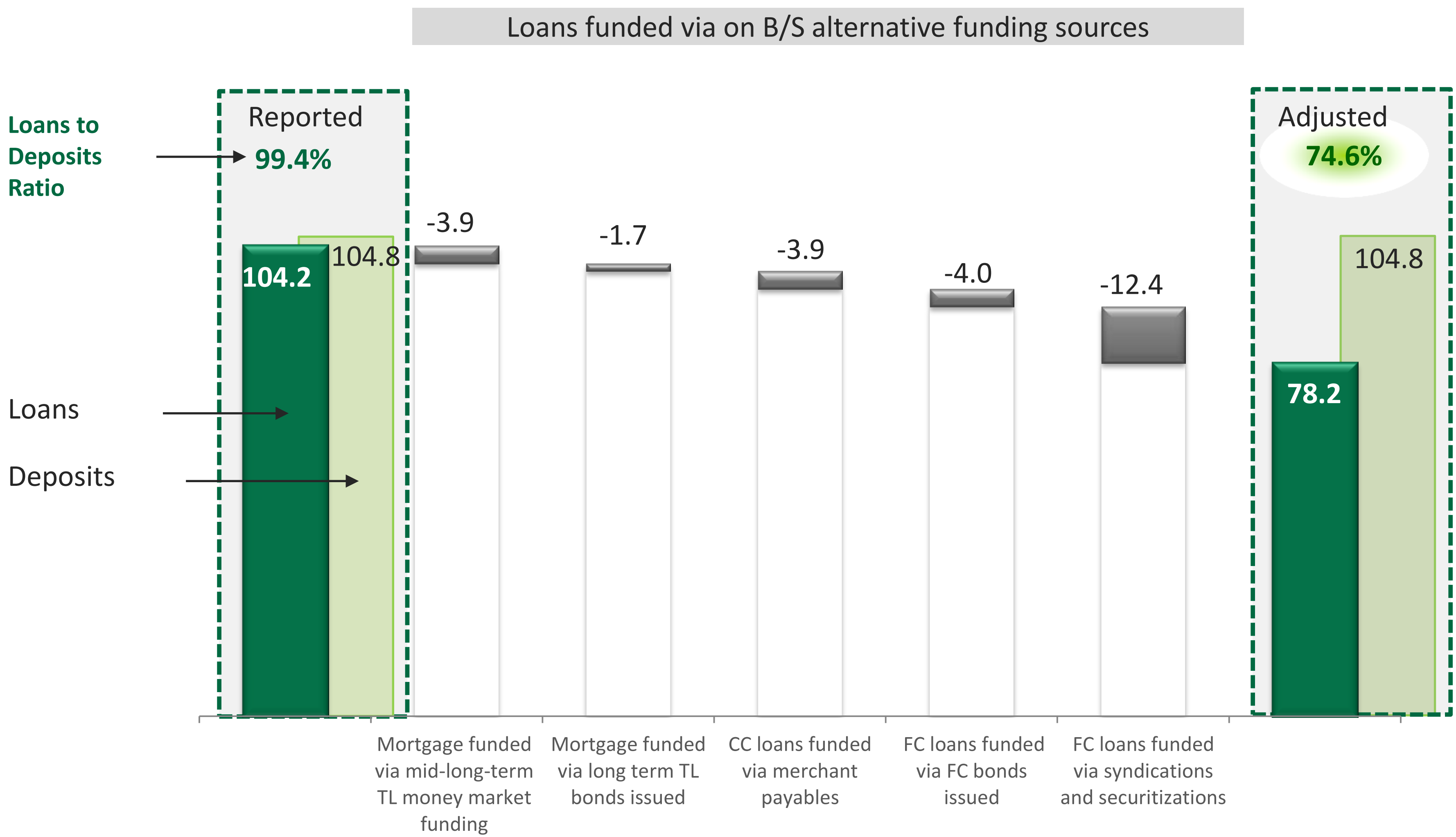
Balance Sheet - Summary

	(TL million)	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	YTD Change
Assets	Cash &Banks	16,068	14,885	13,269	13,929	12,979	-7%
	Securities	40,189	40,765	39,406	40,412	41,635	3%
	Loans to Customers	93,113	97,268	99,508	102,260	106,273	4%
	Tangible Assets	1,633	1,618	1,532	1,643	1,678	2%
	Other	12,457	14,305	18,206	19,255	21,770	13%
	TOTAL ASSETS	**163,460**	**168,841**	**171,921**	**177,500**	**184,336**	**4%**
Liabilities&SHE	Deposits from Customers	88,995	91,418	94,955	92,192	99,209	8%
	Deposits from Banks	3,611	5,612	4,765	5,584	5,604	0%
	Repo Obligations	13,173	12,245	8,094	14,107	11,836	-16%
	Bonds Payable	3,751	4,005	6,160	6,126	7,231	18%
	Funds Borrowed	24,993	25,382	25,700	26,028	25,868	-1%
	Other	9,512	10,642	11,365	11,526	11,706	2%
	SHE	19,424	19,536	20,881	21,938	22,882	4%
	TOTAL LIABILITIES & SHE	**163,460**	**168,841**	**171,921**	**177,500**	**184,336**	**4%**

1 Includes banks, interbank, other financial institutions
2 Includes funds borrowed and sub-debt

Adjusted Loans to Deposits

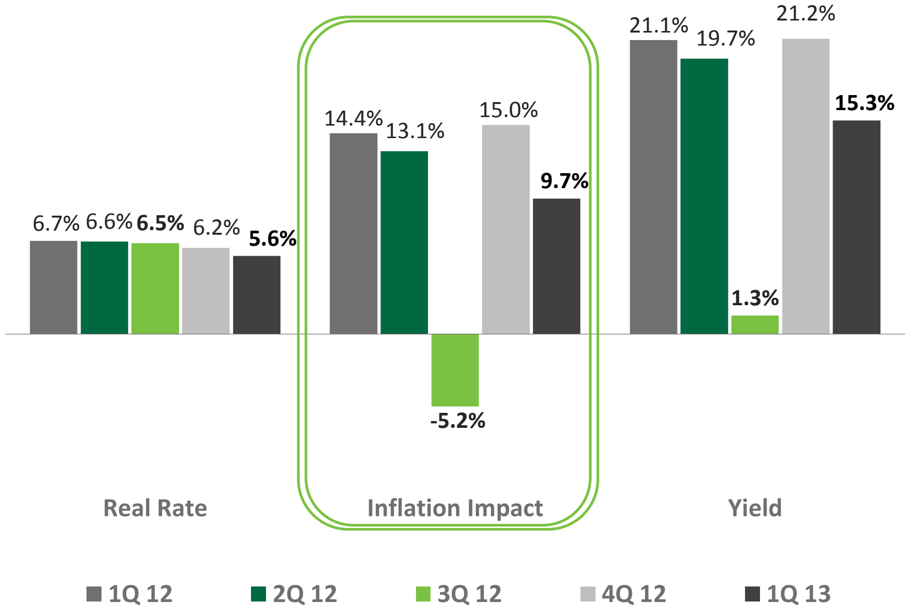
TL billion, %



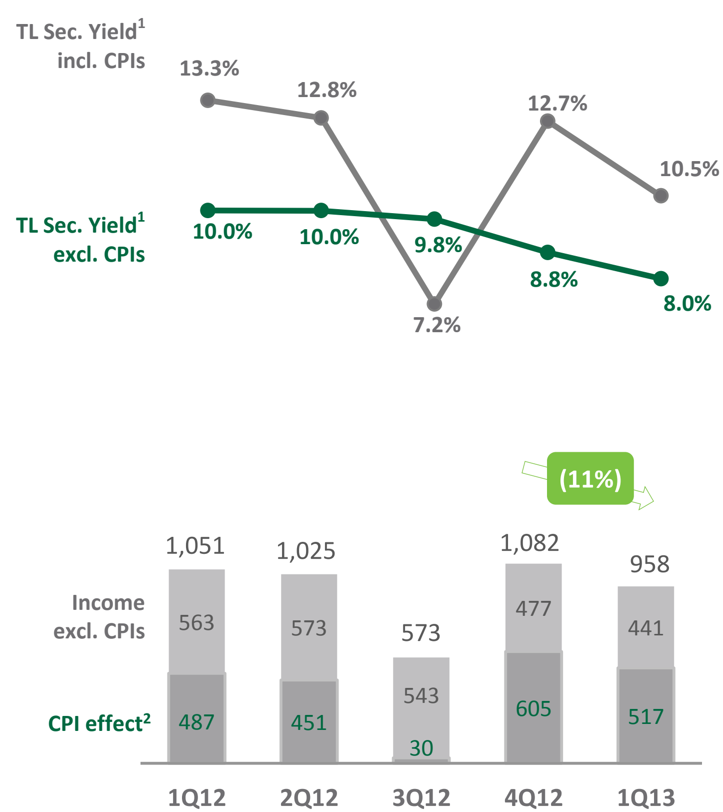
Note: Based on BRSA Consolidated Financials,

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)



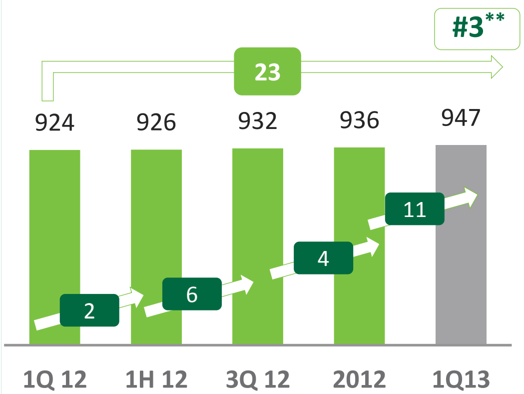
Interest Income & Yields on TL Securities (TL billion)



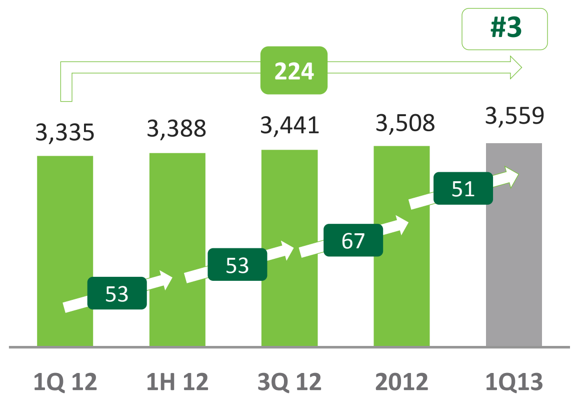
1 Based on bank-only MIS data
2 Per valuation method based on actual monthly inflation readings
Note: All figures are based on bank-only data

Further strengthening of retail network...

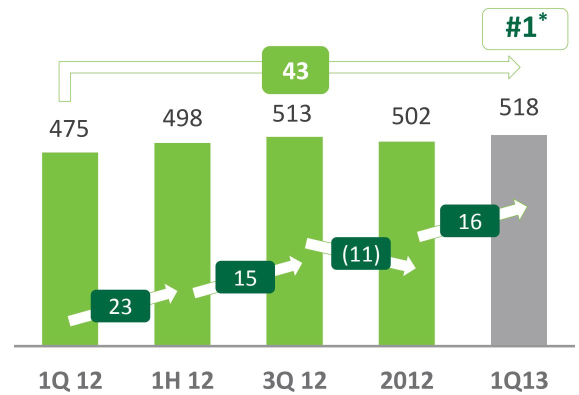
Number of Branches



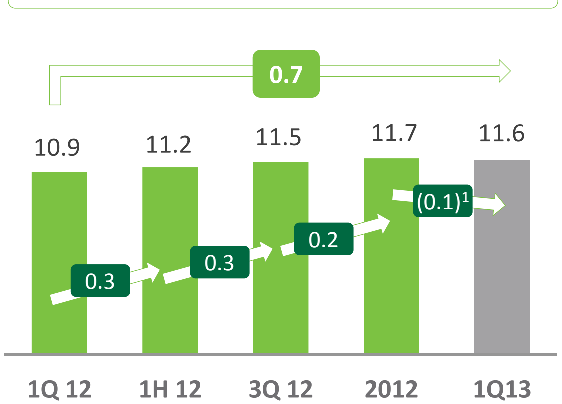
Number of ATMs



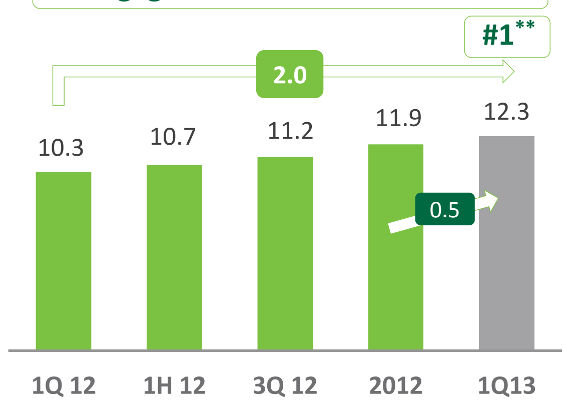
Number of POS (thousand)



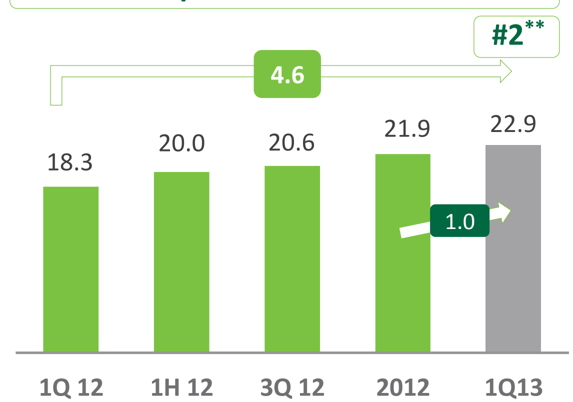
Number of Customers (million)



Mortgages[2] (TL billion)



Demand Deposits[2] (customer+bank) (TL billion)



1 1Q13 customer number figure is not comparable with prior periods due to the reorganization of the customer database in the beginning of the year
2 Based on BRSA consolidated financials *Including shared and virtual POS terminals
** Branch, Mortgage and Demand Deposit rankings are as of December 2012. All rankings are among private banks
Note: All figures are based on bank-only data except for mortgages and demand deposit balances.

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