Outstanding performance in a challenging year

2013.. A Year of Two Different Periods

January – May 2013
- Significant net capital inflows*
  - High global risk appetite
  - Expected rating upgrade

June 2013 Onwards
- Sharp contraction in net capital flows*
  - FED’s tapering
  - Gezi Protests in May
  - Political distress

Net Capital Flows to Turkey
- Benchmark bond rate as low as 4.7%
- TL appreciation
- Expansion in banking sector NIM (average 5.1%)
- High loan growth
- Supression in banking sector NIM
- Loan growth lost pace
- Further regulatory actions by BRSA

Interest & Exchange Rate Dynamics

Banking Sector Dynamics

Garanti... stands out with its...

- Above budget lending growth with sound asset quality
- Sustained strong capitalization level
- Comfortable liquidity
- Increasing core banking revenues
  - Well-defended margins
  - Significant Net F&C growth
- Preserved highest branch efficiencies

* Based on CBRT weekly data
** Based on Real Effective Exchange Rate
Strategically managed asset/liability mix -- increasingly customer driven

**Total Assets (TL/USD billion)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets (TL/USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>101.5</td>
</tr>
<tr>
<td>3Q13</td>
<td>114.0</td>
</tr>
<tr>
<td>2013</td>
<td>117.7</td>
</tr>
</tbody>
</table>

**Composition of Assets**

**2013**
- Loans 59.2%
- Non-IEAs 18.0%
- Securities 17.7%
- Other IEAs 5.0%
- Reserve req. 9.6%
- Others 8.4%

**2012**
- Loans 56.4%
- Non-IEAs 17.8%
- Securities 21.0%
- Other IEAs 4.8%
- Reserve req. 8.3%
- Others 9.5%

**Loans/Assets: 59% vs. 56% @ YE12**

**Growth**

- 1Q13: Loans +5%, Securities +4%
  - Slight build-up of securities pre-redemptions in 3Q13
- 2Q13: Loans +11%, Securities -6%
  - Accelerated lending growth
- 3Q13: Loans +6%, Securities -3%
  - Security additions to the portfolio fell short of offsetting the disposals & redemptions
- 4Q13: Loans +5%, Securities 0%
  - Moderated lending growth, additions to securities book at attractive rates

1. Accrued interest on B/S items are shown in non-IEAs
2. Performing cash loans
FRN-heavy securities portfolio serves as hedge against volatility

Total Securities (TL billion)

Currency Adj.Growth*

YoY: (6%) QoQ: (0%)

37.9 39.4 37.1 36.2 36.3
4Q12 1Q13 2Q13 3Q13 4Q13

95% 95% 94% 93% 91%

TL FC

TL Securities (TL billion)

36.2 37.6 35.1 33.7 33.1
4Q12 1Q13 2Q13 3Q13 4Q13

Fixed: 38% Fixed: 37% Fixed: 35% Fixed: 38% Fixed: 32%

CPI: 32% CPI: 34% CPI: 39% CPI: 35% CPI: 41%

Other FRNs: 30% Other FRNs: 29% Other FRNs: 26% Other FRNs: 27% Other FRNs: 27%

Securities\(^1\)/Assets: hovering around its lowest levels ...

18%

Total Securities Composition

FC Securities (USD billion)

53%

1.0 1.0 1.1 1.2 1.5
4Q12 1Q13 2Q13 3Q13 4Q13

Fixed: 48% Fixed: 49% Fixed: 54% Fixed: 61% Fixed: 59%

FRNs: 52% FRNs: 51% FRNs: 46% FRNs: 39% FRNs: 41%

Unrealized loss (pre-tax) as of December-end ~TL 580mn

Trading 1.8%

HTM 38.6% AFS 59.6%

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

\(^1\) Excluding accruals

*YoY currency adj. growth is calculated with 2012 YE USD/TL exchange rate of 1.76. QoQ adj. growth is calculated with 3Q13 USD/TL exchange rate of 1.995.

FRNs weight in total 66% up from ~60% in 3Q13

> additions to CPI linkers portfolio
> redemptions from fixed rate securities
> additions to FC securities
Above budget customer-driven growth

Lending growth cut pace in 4Q, in line with volatile market outlook & recently introduced regulations

Total Loans¹ Breakdown (TL billion)

Business Banking
- 4Q12: 63.1%
- 1Q13: 62.7%
- 2Q13: 63.1%
- 3Q13: 62.1%
- 4Q13: 62.5%

Credit Cards
- 4Q12: 13.0%
- 1Q13: 12.8%
- 2Q13: 12.6%
- 3Q13: 12.9%
- 4Q13: 12.8%

Consumer (exc. credit cards)
- 4Q12: 24.0%
- 1Q13: 24.5%
- 2Q13: 24.4%
- 3Q13: 25.0%
- 4Q13: 24.7%

Currency Adj. Growth
- YoY: 21%
- QoQ: 3%

TL Loans¹
- 4Q12: 57.2%
- 1Q13: 61.0%
- 2Q13: 67.0%
- 3Q13: 70.7%
- 4Q13: 73.0%

FC Loans¹ (in US$)
- 4Q12: 19.4%
- 1Q13: 19.6%
- 2Q13: 20.6%
- 3Q13: 21.0%
- 4Q13: 21.3%

TL (% in total)
- 4Q12: 63%
- 1Q13: 64%
- 2Q13: 63%
- 3Q13: 63%
- 4Q13: 62%

FC (% in total)
- 4Q12: 37%
- 1Q13: 36%
- 2Q13: 37%
- 3Q13: 37%
- 4Q13: 38%

US$/TL
- 4Q12: 1.760
- 1Q13: 1.785
- 2Q13: 1.905
- 3Q13: 1.995
- 4Q13: 2.120

¹ Performing cash loans
*YTD adj. growth is calculated with 2012 YE USD/TL exchange rate of 1.76. QoQ adj. growth is calculated with 3Q13 USD/TL exchange rate of 1.995.
Lucrative consumer loans lead the growth

**Consumer Loans** (TL billion)

- 2012: 33.1
- 1Q13: 34.9
- 2Q13: 38.1
- 3Q13: 41.4
- 2013: 43.0

**Mortgage** (TL billion)

- 2012: 10.6
- 1Q13: 11.3
- 2Q13: 12.4
- 3Q13: 13.2
- 2013: 13.7

**Auto Loans** (TL billion)

- 2012: 1.3
- 1Q13: 1.3
- 2Q13: 1.4
- 3Q13: 1.5
- 2013: 1.5

**General Purpose Loans** (TL billion)

- 2012: 10.0
- 1Q13: 10.9
- 2Q13: 12.1
- 3Q13: 13.4
- 2013: 14.0

**Market Shares**

- Mortgages: YoY 13.5% Dec’13 #1
- Auto: YoY 18.6% #1
- General Purpose: YoY 11.0% #2
- Consumer Loans: YoY 13.6% #1

1. Including consumer credit cards, other and overdraft loans
2. Including other consumer loans and overdrafts
3. Sector figures are based on bank-only BRSA weekly data, commercial banks only
4. As of 9M13, among private banks

- Rational pricing stance support margins
- Generating increasing cross-sell & customer retention
Strength in cards business sustained

Issuing Volume (TL billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>64.6</td>
<td>73.1</td>
</tr>
<tr>
<td>Growth</td>
<td>13%</td>
<td>-</td>
</tr>
</tbody>
</table>

Acquiring Volume (TL billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>69.9</td>
<td>84.4</td>
</tr>
<tr>
<td>Growth</td>
<td>21%</td>
<td>-</td>
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</tbody>
</table>

Credit Card Balances (TL billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>11.9</td>
<td>12.3</td>
<td>13.4</td>
<td>14.5</td>
<td>15.1</td>
</tr>
<tr>
<td>Growth</td>
<td>4%</td>
<td>9%</td>
<td>9%</td>
<td>4%</td>
<td>-</td>
</tr>
</tbody>
</table>

Market Shares

<table>
<thead>
<tr>
<th>Description</th>
<th>YoY Δ</th>
<th>Dec'13</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquiring (Cumulative)</td>
<td>+58bps</td>
<td>19.7%</td>
<td>#1</td>
</tr>
<tr>
<td>Issuing (Cumulative)</td>
<td>-65bps</td>
<td>17.2%</td>
<td>#2</td>
</tr>
<tr>
<td>POS¹</td>
<td>-68bps</td>
<td>17.1%</td>
<td>#1</td>
</tr>
<tr>
<td>ATM</td>
<td>-13bps</td>
<td>9.5%</td>
<td>#3¹</td>
</tr>
</tbody>
</table>

Garanti debit card spending >2x of the sector

Strong player in the market with the ultimate aim of creating cashless society

Turkey’s largest Credit Card Platform: Bonus Card

Garanti debit card spending >2x of the sector

1 Excluding shared POS
²Among private banks
Sustained low-risk profile...

NPL Ratio\(^1\)

Global Crisis & Hard Landing Recovery Soft Landing Macro-prudential Measures

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garanti</td>
<td>3.9%</td>
<td>4.8%</td>
<td>3.4%</td>
<td>2.7%</td>
<td>2.4%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Sector</td>
<td>3.9%</td>
<td>4.6%</td>
<td>3.7%</td>
<td>3.0%</td>
<td>2.9%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Garanti excl. NPL sales &amp; write-offs*</td>
<td>5.9%</td>
<td>5.2%</td>
<td>4.6%</td>
<td>4.1%</td>
<td>3.8%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Sector excl. NPL sales &amp; write-offs*</td>
<td>5.9%</td>
<td>5.2%</td>
<td>4.6%</td>
<td>4.1%</td>
<td>3.8%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Below sector NPL ratio across all products

NPL Categorisation\(^1\)

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garanti</td>
<td>2.1%</td>
<td>2.2%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Sector</td>
<td>1.8%</td>
<td>1.9%</td>
<td>1.6%</td>
<td>1.7%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

Credit Cards 13% of total loans

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garanti</td>
<td>5.2%</td>
<td>5.4%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Sector</td>
<td>4.5%</td>
<td>4.3%</td>
<td>4.8%</td>
<td>4.8%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Business Banking (Including SME Business) 63% of total loans

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garanti</td>
<td>2.7%</td>
<td>2.8%</td>
<td>2.6%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Sector</td>
<td>1.8%</td>
<td>1.9%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

1 NPL ratio and NPL categorisation for Garanti and sector figures are per BRSA bank-only data for fair comparison (as of 27 December 2013)

...and comfortable coverage and provisioning levels

**Quarterly Specific Provisions (TL million)**

- 1Q13: 205
- 2Q13: 222
- 3Q13: 153
- 4Q13: 274

*Additional provision to preserve coverage ratio at 81%*

**NPL inflows resulting from big-ticket items**

**Coverage ratio 81% vs. sector's 78%**

**Quarterly General Provisions (TL million)**

- 1Q13: 105
- 2Q13: 184
- 3Q13: 146
- 4Q13: 258

*Effect of recent regulations regarding higher general provision requirements for overdraft, CCs and auto loans*

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

- 3M13: 134
- 6M13: 147
- 9M13: 133
- 2013: 147

**Total Coverage**: 172%

1. Sector figures are per BRSA weekly data as of 27 December 2013, commercial banks only.
2. Additional general provisioning requirements for credit cards, overdraft and auto loans, which have been included in the «consumer loan definition» in line with the newly introduced regulation by the BRSA, effective as of October 8 2013. Accordingly, banks have to set aside at least 25% of the necessary provisioning by the end of FY13, at least 50% by the end of FY14 and 100% by the end of FY15.
3. Including cumulative specific allowance, general provisions and free reserves.
Comfortable liquidity on the back of a solid deposit base...

**Composition of Liabilities**

- **Bonds Issued**
  - 2012: 37.7%
  - 3Q13: 5.2%
  - 2013: 5.3%

- **Funds Borrowed**
  - 2012: 13.4%
  - 3Q13: 12.8%
  - 2013: 15.0%

- **Repos**
  - 2012: 8.4%
  - 3Q13: 6.4%
  - 2013: 7.4%

- **Time Deposits**
  - 2012: 43.2%
  - 3Q13: 45.8%
  - 2013: 42.6%

- **Demand Deposits**
  - 2012: 11.2%
  - 3Q13: 11.2%
  - 2013: 11.2%

- **SHE**
  - 2012: 13.3%
  - 3Q13: 11.6%
  - 2013: 11.5%

- **Other**
  - 2012: 6.8%
  - 3Q13: 6.9%
  - 2013: 7.0%

**TL Deposits (TL billion)**

- 2012: 50.0
- 1Q13: 56.9
- 2Q13: 61.0
- 3Q13: 62.7
- 2013: 59.7

Intentional release of deposits in 4Q, due to elevated pricing levels

**Demand Deposits (TL billion)**

- 2012: 18.0
- 1Q13: 18.5
- 2Q13: 20.0
- 3Q13: 21.2
- 2013: 22.1

- Bank Demand: 23%
- Customer Demand: 7%

~21% of total deposits vs. sector avg. 18%

**FC Deposits (USD billion)**

- 2012: 21.3
- 1Q13: 21.5
- 2Q13: 21.2
- 3Q13: 23.0
- 2013: 22.1

- Bank Demand: 4%
- Customer Demand: 9%

~1% of total deposits vs. sector avg. 4%
... and increasing contribution from other funding sources

Adjusted LtD ratio (TL Billion)

Loans funded via on B/S alternative funding sources

Diversified funding sources:

+ **TL bond**
  Nominal TL 3.4bn bonds outstanding

+ **Syndications w/110% roll-over ratio**
  Nov’13: USD 1.2bn with a maturity of 1-yr at L+0.75%
  May’13: EUR 1.1bn with a maturity of 1-yr at Euribor+1%

+ **Issuances under GMTN program**
  ~USD 1.4bn with an avg. maturity of 1.4 years
  Sector leader in GMTN issuances with 47% market share

+ **Securitization**
  USD 1.1bn with a maturity of 21 years

+ **Eurobond issuances**
  TL 750mn Eurobond issuance in 1Q13 with coupon rate of 7.375%, yielding 7.5%
Sound solvency reinforced with healthy and profitable growth

CAR & Tier I ratio

- MtM gains/losses (-66 bps)
- Dividend Payment (-36 bps)
- Currency effect (-145 bps)

Strong capitalization

- Basel II CAR: 14.4%
- Leverage: 7.7x

High internal capital generation supporting long-term sustainable growth

- Recommended 12%
- Required 8%

Regulations Impact (~50bps)

No negative impact expected under Basel III

Basel II CAR:

- 2012: 18.1%
- 3Q13: 15.4%
- 2013: 14.4%

- TIER I
  - 2012: 16.3%
  - 3Q13: 14.2%
  - 2013: 13.2%
Slight improvement in loan-to-deposit spread, as upward loan repricing became more apparent.

**Loan Yields**
- Quarterly Averages
- 4Q 12: 15.4%, 1Q 13: 14.4%, 2Q 13: 13.3%, 3Q 13: 12.6%, 4Q 13: 12.9%
- TL Yields: 5.7%, 5.4%, 5.3%, 5.2%, 5.1%

**Deposit Costs**
- Quarterly Averages
- 4Q 12: 8.1%, 1Q 13: 7.2%, 2Q 13: 6.6%, 3Q 13: 8.0%, 4Q 13: 8.5%
- TL Time: 6.9%, 6.1%, 5.5%, 6.8%, 7.1%
- TL Blended: 2.7%, 2.4%, 2.2%, 2.5%, 2.3%

**Total Avg. Loan Yields**
+13bps QoQ

**Avg. Time Deposit Costs**
+6bps QoQ

**Slight improvement in LtD spread**
+7bps QoQ

---

1 Based on bank-only MIS data and calculated using daily averages
Security yields are on the rise

**Interest Income on Total Securities (TL billion)**

<table>
<thead>
<tr>
<th></th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income excl. CPIs</td>
<td>477</td>
<td>441</td>
<td>404</td>
<td>387</td>
<td>451</td>
</tr>
<tr>
<td>CPI effect</td>
<td>605</td>
<td>517</td>
<td>395</td>
<td>305</td>
<td>430</td>
</tr>
</tbody>
</table>

**Drivers of the Yields* on CPI Linkers (% average per annum)**

- **Real Rate**
  - 4Q12: 6.2%
  - 1Q13: 5.6%
  - 2Q13: 5.4%
  - 3Q13: 4.1%
  - 4Q13: 2.8%

- **Inflation Impact**
  - 4Q12: 15.0%
  - 1Q13: 9.7%
  - 2Q13: 5.4%
  - 3Q13: 4.8%
  - 4Q13: 9.9%

- **Yield**
  - 4Q12: 21.2%
  - 1Q13: 15.3%
  - 2Q13: 12.7%

**Yields on Securities**

**TL Securities**

- TL Sec. Yield excl. CPIs
  - 4Q12: 8.8%
  - 1Q13: 8.0%
  - 2Q13: 7.4%
  - 3Q13: 7.6%
  - 4Q13: 8.4%

- TL Sec. Yield incl. CPIs
  - 4Q12: 10.4%
  - 1Q13: 8.6%
  - 2Q13: 9.5%
  - 3Q13: 14.6%
  - 4Q13: 10.4%

**FC Securities**

- 4Q12: 5.4%
- 1Q13: 5.4%
- 2Q13: 5.3%
- 3Q13: 5.4%
- 4Q13: 5.4%

* Based on bank-only MIS data
Result in quarterly margin expansion and flattish cumulative NIM

Quarterly NIM (Net Interest Income / Average IEAs)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q13</td>
<td>5.2%</td>
</tr>
<tr>
<td>2Q13</td>
<td>4.6%</td>
</tr>
<tr>
<td>3Q13</td>
<td>3.5%</td>
</tr>
<tr>
<td>4Q13</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Cumulative NIM (Net Interest Income / Average IEAs)

<table>
<thead>
<tr>
<th>Year</th>
<th>NIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>3.89%</td>
</tr>
<tr>
<td>2012</td>
<td>4.28%</td>
</tr>
<tr>
<td>2013</td>
<td>4.22%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Component</th>
<th>3Q13</th>
<th>4Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>346</td>
<td></td>
</tr>
<tr>
<td>CPI linkers</td>
<td>+31</td>
<td></td>
</tr>
<tr>
<td>CPI ex. Securities</td>
<td></td>
<td>+1</td>
</tr>
<tr>
<td>Other Income Items</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>-15</td>
<td></td>
</tr>
<tr>
<td>Other Expense Items</td>
<td></td>
<td>+19</td>
</tr>
<tr>
<td>Result in quarterly margin</td>
<td></td>
<td>371</td>
</tr>
<tr>
<td>expansion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flattish cumulative NIM</td>
<td>0</td>
<td>+25</td>
</tr>
<tr>
<td>on track with budget guidance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q13 NIM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q13 NIM</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Growing and further diversified fee sources...

**Net Fees & Commissions**¹ (TL million)

![Bar Chart]

*Accounting of consumer loan fees were revisited in the beginning of 2013 upon the opinion of «Public Oversight» --Accounting & Auditing Standards Authority

**Ordinary Banking Income**³

<table>
<thead>
<tr>
<th>% Market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garanti</td>
</tr>
<tr>
<td>Peer 1</td>
</tr>
<tr>
<td>Peer 2</td>
</tr>
<tr>
<td>Peer 3</td>
</tr>
</tbody>
</table>

¹ Net Fees and Commissions breakdown is based on Bank-only MIS data

² As of 9M13

³ Defined as: net interest income adjusted with provisions for loans and securities, net FX and trading gains + net fees and commissions; for 9M13 Source: BRSA bank-only financials for fair comparison. Sector figure is based on BRSA monthly data.
... and maintained cost control alongside uninterrupted investments to distribution network...

**Operating Expenses (TL million)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Non-recurring items</th>
<th>Adjusted OPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3,541</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>3,861</td>
<td>4,206</td>
</tr>
</tbody>
</table>

↑ 9% distribution network investments  
↑ 50 295 Non-recurring items

**Total Non-recurring items**

- Competition Board Fine: TL160mn  
- Tax Penalty: TL24mn  
- SDIF Expense: TL30mn  
- GT&GOSAS organizational change: TL64mn  
- Floor on expertise fees: TL17mn

**Net new branch additions**

- Q4 2013: +24  
- 2013: +65

**ATM additions**

- Q4 2013: +253  
- 2013: +495

1,001 branches in total  
4,003 ATMs in total

---

**Preserving the highest efficiency ratios**

<table>
<thead>
<tr>
<th>Ordinary Banking Income per Avg. Branch</th>
<th>Loans(^1) per Avg. Branch</th>
<th>Customer Deposits per Avg. Branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garanti 3Q13 - TL million</td>
<td>Garanti 3Q13 - TL million</td>
<td>Garanti 3Q13 - TL million</td>
</tr>
<tr>
<td>6.4</td>
<td>150</td>
<td>109</td>
</tr>
<tr>
<td>Peer 1 6.4</td>
<td>Peer 1 138</td>
<td>Peer 1 94</td>
</tr>
<tr>
<td>Peer 2 5.7</td>
<td>Peer 2 131</td>
<td>Peer 2 91</td>
</tr>
<tr>
<td>Peer 3 4.4</td>
<td>Peer 3 133</td>
<td>Peer 3 85</td>
</tr>
</tbody>
</table>

*Figures are per bank-only financials for fair comparison  
1 Total Loans=Cash+non-cash loans
...feeding through to sustainable core banking income generation

**2012 Net Income**

- NII excl. inc. on CPI-linkers: 4,145
- Net Fees & Comm.: 2,006
- Provisions: 1,055
- Trading: 624
- Other Income: 1,574
- Other Provisions & Tax: 979
- Other income: 167
- Coll'n: 134
- OPEX: 3,541
- Net Income: 3,077

**2013 Net Income**

- NII excl. inc. on CPI-linkers: 2,615
- Net Fees & Comm.: 1,546
- Provisions: 1,646
- Trading: 297
- Inc. on CPI-linkers: 213
- Other income: 299
- Non-recurring OPEX: 295
- Other Provisions & Tax: 50
- Adjusted OPEX: 1,023
- Net Income: 3,006

**2013 Reported Net Income:**

- Regulatory effects: 252
- Non-recurring items: 181

**2013 BaU Net Income:**

- NII excl. inc. on CPI-linkers: 4,709
- Net Fees & Comm.: 2,615
- Provisions: 1,546
- Trading: 297
- Inc. on CPI-linkers: 213
- Other income: 299
- Non-recurring OPEX: 295
- Other Provisions & Tax: 50
- Adjusted OPEX: 1,023
- Net Income: 3,006

**BaU ROAE:** 16%

**BaU ROAA:** 1.9%

*Business as Usual = Excluding non-recurring items and the regulatory effects in the P&L
1 For details please refer to Appendix page 21
Appendix

Pg. 20  Quarterly Net Income
Pg. 21  Details on regulatory actions and non-recurring items affecting 2013 P&L
Pg. 22  Summary Balance Sheet
Pg. 23  Key Financial Ratios
## Quarterly Net Income

<table>
<thead>
<tr>
<th>(TL Million)</th>
<th>3Q13</th>
<th>4Q13</th>
<th>△QoQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>(+) NII- excl. cap effect and income on CPI linkers</td>
<td>1,082</td>
<td>1,127</td>
<td>4%</td>
</tr>
<tr>
<td>(+) Net fees and comm.</td>
<td>704</td>
<td>627</td>
<td>-11%</td>
</tr>
<tr>
<td>(-) Specific &amp; General Prov. - excluding regulatory effects on gen. prov.</td>
<td>-299</td>
<td>-398</td>
<td>33%</td>
</tr>
<tr>
<td>(+) Income on CPI linkers</td>
<td>305</td>
<td>430</td>
<td>41%</td>
</tr>
<tr>
<td>(+) Collections</td>
<td>32</td>
<td>47</td>
<td>49%</td>
</tr>
<tr>
<td>(+) Trading &amp; FX gains</td>
<td>16</td>
<td>40</td>
<td>144%</td>
</tr>
<tr>
<td>(+) Dividend income</td>
<td>46</td>
<td>0</td>
<td>n.m.</td>
</tr>
<tr>
<td>(+) Other income - before one-offs</td>
<td>26</td>
<td>28</td>
<td>9%</td>
</tr>
<tr>
<td>(-) OPEX - excluding non-recurring items</td>
<td>-995</td>
<td>-1,084</td>
<td>9%</td>
</tr>
<tr>
<td>(-) Other provisions &amp; Taxation - before one-offs</td>
<td>-205</td>
<td>-186</td>
<td>-9%</td>
</tr>
<tr>
<td>(+) Regulatory &amp; Non-recurring items</td>
<td>-67</td>
<td>-147</td>
<td>n.m.</td>
</tr>
<tr>
<td>(-) Overdraft and comm. cards cap effect</td>
<td>-33</td>
<td>-43</td>
<td>n.m.</td>
</tr>
<tr>
<td>(-) Higher general prov. req. for cons. loans</td>
<td>0</td>
<td>-134</td>
<td>n.m.</td>
</tr>
<tr>
<td>(-) Saving Deposits Insurance Fund Expense</td>
<td>-12</td>
<td>-11</td>
<td>n.m.</td>
</tr>
<tr>
<td>(-) GT&amp;GOSAS Organizational change</td>
<td>-17</td>
<td>-17</td>
<td>n.m.</td>
</tr>
<tr>
<td>(-) Floor on Expertise fees</td>
<td>-5</td>
<td>-5</td>
<td>n.m.</td>
</tr>
<tr>
<td>(-) Competition Board fine expense¹</td>
<td>-160</td>
<td>0</td>
<td>n.m.</td>
</tr>
<tr>
<td>(+) Reversal of prov. for Competition Board fine¹</td>
<td>160</td>
<td>0</td>
<td>n.m.</td>
</tr>
<tr>
<td>(+) Free Provision reversal</td>
<td>0</td>
<td>55</td>
<td>n.m.</td>
</tr>
<tr>
<td>(-) SDIF premium related other prov.</td>
<td>0</td>
<td>-16</td>
<td>n.m.</td>
</tr>
<tr>
<td>(-) Other provision reversal</td>
<td>0</td>
<td>24</td>
<td>n.m.</td>
</tr>
<tr>
<td>= NET INCOME</td>
<td>645</td>
<td>485</td>
<td>-25%</td>
</tr>
</tbody>
</table>

### Notes

1. The administrative fine by Competition Board, for which the Bank set aside provisions of TL 160mn in 2Q, has been paid in 3Q. As a result the related provision is reversed and the amount paid has been recorded as operating expense.

- Slight uptick in loan-to-deposit spread, mainly due to increase in loan yields.
- Shrinkage mainly due to timing of account maintenance fees.
- Better inflation outlook and strategic additions to the portfolio to mitigate the negative effect of redemptions.
- Front-loaded distribution network investments. In 4Q, 24 net new branch additions; 253 new ATMs.
- 25% of the additional general provision requirement due to new regulation hit 4Q.
# Non-recurring items & regulatory actions affecting 2013 P&L

### 2013 P&L Impact (TL mn, Post-tax)

<table>
<thead>
<tr>
<th>Sources of changes</th>
<th>Explanation</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific provisions</td>
<td>Additional provisions for alignment of coverage ratio to pre-NPL</td>
<td>(35)</td>
</tr>
<tr>
<td>Other income</td>
<td>NPL sale amounting to TL314mn -- TL310mn from current NPL portfolio &amp; remaining TL4mn from previously written-off NPLs</td>
<td>35</td>
</tr>
<tr>
<td>Other income</td>
<td>Free provision reversal</td>
<td>110</td>
</tr>
<tr>
<td>OPEX</td>
<td>GT&amp;GOSAS organizational change</td>
<td>(51)</td>
</tr>
<tr>
<td>OPEX</td>
<td>Floor on expertise fees</td>
<td>(14)</td>
</tr>
<tr>
<td>OPEX</td>
<td>Tax penalty payment</td>
<td>(24)</td>
</tr>
<tr>
<td>OPEX</td>
<td>Competition Board Fine Payment</td>
<td>(160)</td>
</tr>
<tr>
<td>Other Provision</td>
<td>Other provision set aside for the SDIF premium debt related to the investment fund accounts</td>
<td>(16)</td>
</tr>
<tr>
<td>Other Provision</td>
<td>Provision set aside for various tax penalties</td>
<td>(26)</td>
</tr>
<tr>
<td><strong>Total non-recurring items affecting Net Income</strong></td>
<td></td>
<td>(181)</td>
</tr>
</tbody>
</table>

### Sources of changes Explanation 2013

<table>
<thead>
<tr>
<th>Sources of changes</th>
<th>Explanation</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>accounts and commercial credit cards. In this regard, contractual and overdue interest rates on the overdraft accounts and commercial credit cards will be subject to the upper limits of contractual and overdue monthly interest rates on consumer credit card transactions.</td>
<td>(88)</td>
</tr>
<tr>
<td>General Provisions</td>
<td>General provisioning ratios for overdraft loans, credit cards and auto loans were increased by 300bps to 4% for Group I and by 600bps to 8% for Group II. Banks have to set aside at least 25% of additional provisioning requirement by the end of 2013; at least 50% by the end of 2014 and 1005 by the end of 2015</td>
<td>(134)</td>
</tr>
<tr>
<td>Opex</td>
<td>SDIF related additional expense</td>
<td>(30)</td>
</tr>
<tr>
<td><strong>Total regulatory items affecting Net Income</strong></td>
<td></td>
<td>(252)</td>
</tr>
</tbody>
</table>

**Non-recurring Items**

TL 181

**Total Regulatory Effect:**

TL 252

TL 433
### Balance Sheet - Summary

<table>
<thead>
<tr>
<th>(TL million)</th>
<th>Dec-12</th>
<th>Mar-13</th>
<th>Jan-13</th>
<th>Sep-13</th>
<th>Dec-13</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Banks(^1)</td>
<td>10,494</td>
<td>9,851</td>
<td>11,078</td>
<td>14,446</td>
<td>13,559</td>
<td>29%</td>
</tr>
<tr>
<td>Reserve Requirements</td>
<td>13,365</td>
<td>15,159</td>
<td>14,937</td>
<td>17,964</td>
<td>18,911</td>
<td>41%</td>
</tr>
<tr>
<td>Securities</td>
<td>37,872</td>
<td>39,435</td>
<td>37,124</td>
<td>36,163</td>
<td>36,269</td>
<td>-4%</td>
</tr>
<tr>
<td>Performing Loans</td>
<td>91,422</td>
<td>96,034</td>
<td>106,193</td>
<td>112,520</td>
<td>118,189</td>
<td>29%</td>
</tr>
<tr>
<td>Fixed Assets &amp; Subsidiaries</td>
<td>3,950</td>
<td>3,937</td>
<td>4,153</td>
<td>4,334</td>
<td>4,785</td>
<td>21%</td>
</tr>
<tr>
<td>Other</td>
<td>3,090</td>
<td>2,663</td>
<td>3,685</td>
<td>4,393</td>
<td>5,183</td>
<td>68%</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>160,192</td>
<td>167,080</td>
<td>177,170</td>
<td>189,821</td>
<td>196,896</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Liabilities &amp; SHE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>87,482</td>
<td>95,211</td>
<td>101,318</td>
<td>108,571</td>
<td>106,474</td>
<td>22%</td>
</tr>
<tr>
<td>Repos &amp; Interbank</td>
<td>13,500</td>
<td>11,394</td>
<td>11,957</td>
<td>12,140</td>
<td>14,584</td>
<td>8%</td>
</tr>
<tr>
<td>Bonds Issued</td>
<td>5,862</td>
<td>7,085</td>
<td>8,807</td>
<td>9,947</td>
<td>10,380</td>
<td>77%</td>
</tr>
<tr>
<td>Funds Borrowed(^2)</td>
<td>21,795</td>
<td>21,953</td>
<td>23,130</td>
<td>24,493</td>
<td>29,626</td>
<td>36%</td>
</tr>
<tr>
<td>Other</td>
<td>10,260</td>
<td>9,302</td>
<td>10,443</td>
<td>12,581</td>
<td>13,247</td>
<td>29%</td>
</tr>
<tr>
<td>SHE</td>
<td>21,293</td>
<td>22,134</td>
<td>21,515</td>
<td>22,089</td>
<td>22,585</td>
<td>6%</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; SHE</strong></td>
<td>160,192</td>
<td>167,080</td>
<td>177,170</td>
<td>189,821</td>
<td>196,896</td>
<td>23%</td>
</tr>
</tbody>
</table>

\(^1\) Includes banks, interbank, other financial institutions

\(^2\) Includes funds borrowed and sub-debt
## Key financial ratios

### Profitability ratios

<table>
<thead>
<tr>
<th></th>
<th>Dec-12</th>
<th>Mar-13</th>
<th>Jun-13</th>
<th>Sep-13</th>
<th>Dec-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROAE</td>
<td>15.9%</td>
<td>21.0%</td>
<td>18.4%</td>
<td>15.9%</td>
<td>13.7%</td>
</tr>
<tr>
<td>ROAA</td>
<td>2.0%</td>
<td>2.8%</td>
<td>2.4%</td>
<td>2.0%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Cost/Income (adjusted for non-recurring items)</td>
<td>46.3%</td>
<td>37.4%</td>
<td>40.3%</td>
<td>43.7%</td>
<td>46.7%</td>
</tr>
<tr>
<td>NIM (Quarterly)</td>
<td>5.5%</td>
<td>5.2%</td>
<td>4.6%</td>
<td>3.5%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Adjusted NIM (Quarterly)</td>
<td>4.2%</td>
<td>4.7%</td>
<td>3.8%</td>
<td>2.7%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

### Liquidity ratios

<table>
<thead>
<tr>
<th>Loans/Deposits adj. with merchant payables¹</th>
<th>Dec-12</th>
<th>Mar-13</th>
<th>Jun-13</th>
<th>Sep-13</th>
<th>Dec-13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100.0%</td>
<td>96.8%</td>
<td>100.4%</td>
<td>99.2%</td>
<td>106.1%</td>
</tr>
</tbody>
</table>

### Asset quality ratios

| NPL Ratio                  | 2.3%   | 2.3%   | 1.9%   | 2.0%   | 2.1%   |
| Coverage                   | 80.9%  | 81.1%  | 81.0%  | 81.1%  | 81.0%  |
| Gross Cost of Risk (Cumulative-bps) | 121    | 132    | 146    | 133    | 147    |

### Solvency ratios

| CAR                        | 18.1%  | 18.0%  | 16.1%  | 15.4%  | 14.4%  |
| Tier I Ratio               | 16.3%  | 16.3%  | 14.8%  | 14.2%  | 13.2%  |
| Leverage                   | 6.5x   | 6.5x   | 7.2x   | 7.6x   | 7.7x   |

¹ Payables from credit card transactions. Please refer to footnote 5.2.4.3 miscellaneous payables as per BRSA Unconsolidated financial report