Earnings Presentation

September 30, 2014

IFRS Financials

Garanti

3Q 14 -- High volatility continued to rule

Global & Domestic Outlook

- Strong portfolio inflows to EMs since April 2014, reversed in August & September, due to uncertainties regarding FED's monetary policy stance. Turkey got further affected by;
  - rising geopolitical risks,
  - rating outlook downgrade concerns
- ECB cut policy rates against the risks of economic slowdown & deflation in Jun. & Sept., and announced its intention to widen the scope of its accommodative monetary policy

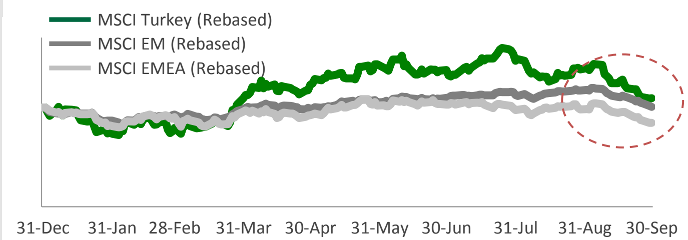
Economic Indicators

- **Balanced Growth** - In line with global growth rates, GDP growth slowed down in 2Q (1Q: 4.7%, 2Q:2.1%); yet, exports remain supportive despite the weakening global demand
- **Record highs in food prices pressured inflation** - Awaited recovery in core inflation not realized in 3Q . While recent TL depreciation & utility price hikes in Oct. may limit the improvement for the rest of the year, declining commodity prices are expected to limit upside risks
- **Maintained tight monetary stance by CBRT** - Measured policy-rate cut (by50bps to 8.25%) in July amid improving global liquidity conditions; where as, a maintained stance in S-T interest rates in Aug & Sept, due to inflationary pressures. CBRT stated that liquidity policy would actively be used when needed
- **Improving CAD** - In July, 12-mo cum. CAD reached its lowest level ($48.5bn) since Jan'11 due to remarkable fall in the trade deficit; yet, had its first increase since Dec 13 to $48.9bn in August; due to increase in imports. Decreasing oil prices may result in a recovery in Turkey's energy bill going forward

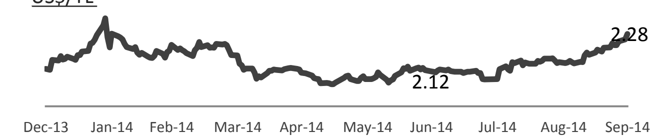
Banking Sector

- **Lending growth and composition continue to evolve as desired** in response to tight monetary policy stance & macro prudential measures.
- **NPL inflows increased across the board**, as expected
- **Banking sector NIMs** supported by easing average funding costs in 3Q

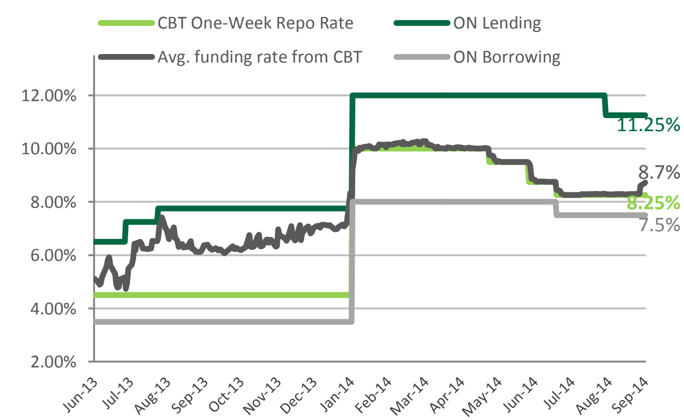
MSCI Turkey Relative Performance



US$/TL

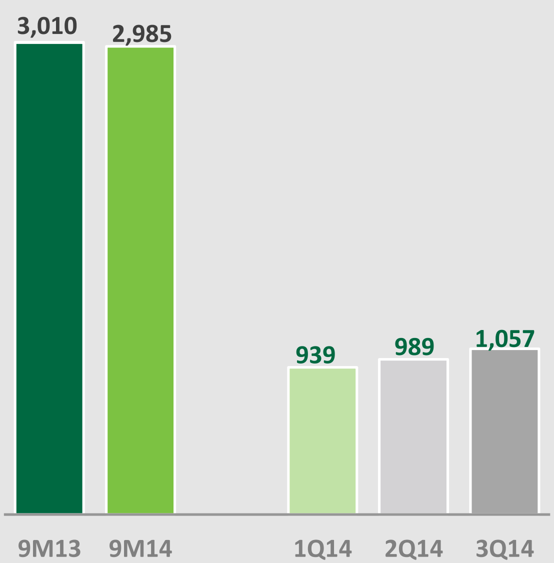


Currency depreciated due to globally strengthening US Dollar - US$/TL tested 8-mo. high of 2.28 @ end-Sep. CBRT squeezed liquidity via lower weekly repos & increased min. amount of FX selling



Strong results, once again, in a volatile period…

Net Income (TL million)

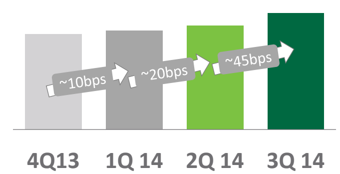


Improving core banking margin:

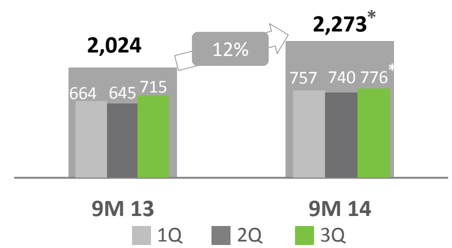
Well-managed loan pricings & easing funding costs.

NIM excluding CPI linker income volatility*

** Assuming 3Q13 CPI linker income was persistent over the next consecutive four quarters*



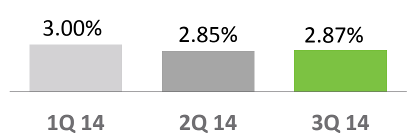
Further diversified fee* sources *reinforcing the highest ordinary banking income generation capacity*



Risk-return balance priority:

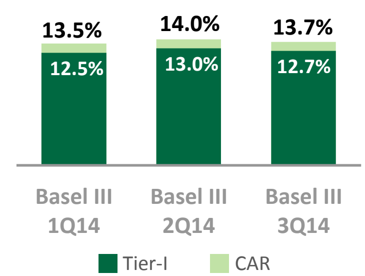
Comfortable provisioning & coverage level

NPL Ratio



Strong capitalization

Assuring sustainable growth

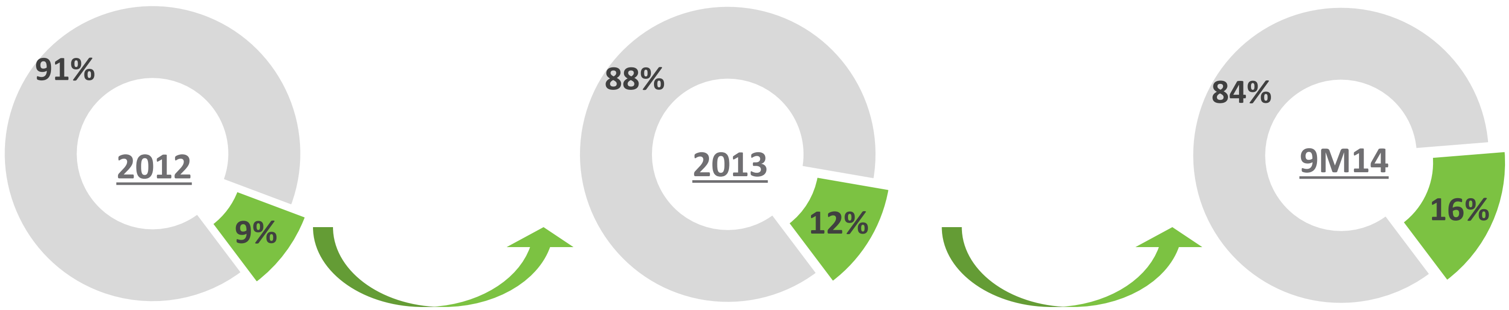


Note: NIM & capitalization ratios are based on BRSA Consolidated Financials
*2014 net fees & commissions exclude non-recuring items for fair comparison with 2013. Pls see slide 14 for details

…increasingly supported with subsidiaries

Consolidated Net Income

- Bank-Only Net Income
- Subsidiaries' contribution[1]



Main contributors to subsidiaries income

GarantiBank International N.V.
Net Income Contribution 5.1%
vs. 4.0% in 2013
vs. 3.0% in 2012

Garanti Pension Company
Net Income Contribution 4.5%
vs. 3.8% in 2013
vs. 4.0% in 2012

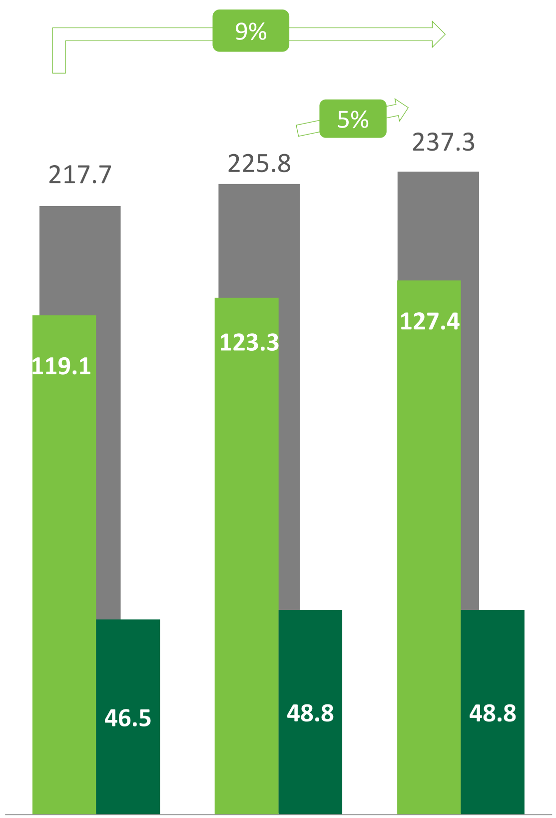
GarantiBank Romania
Net Income Contribution 1.9%
vs. 1.7% in 2013
vs. -1.2% in 2012

Garanti Leasing
Net Income Contribution 3.6%
vs. 1.5% in 2013
vs. 1.8% in 2012

Note: Garanti Bank Romania and Garanti Leasing figures are based on consolidated financials
1 Including consolidation eliminations

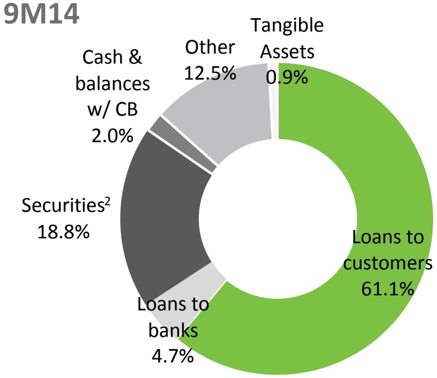
Strategic evolution of assets and liabilities

Total Assets (TL/USD billion)

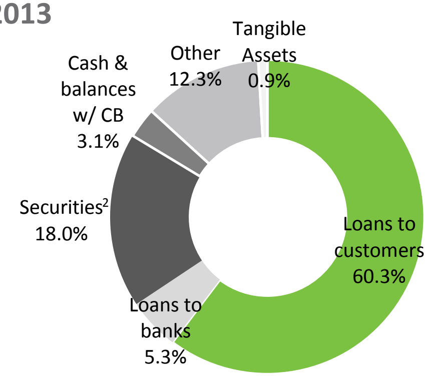


Composition of Assets

9M14



2013



Increasingly customer driven asset mix
Loans[1]/Assets:
61%

Growth

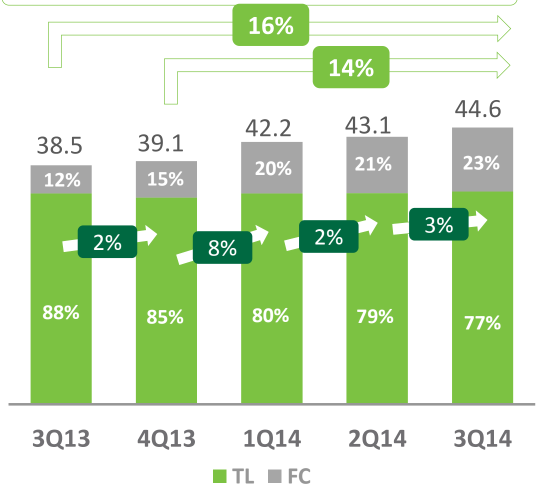
	Loans[1]	Securities[2]
3Q14	+6%	+3%
2Q14	+2%	+2%
1Q14	+2%	+8%

- **Accelerated lending growth driven by:**
  - TL business banking loans
  - Lucrative consumer loans, namely, Mortgages&GPLs
- **Security redemptions & disposals replaced with new additions to the portfolio**

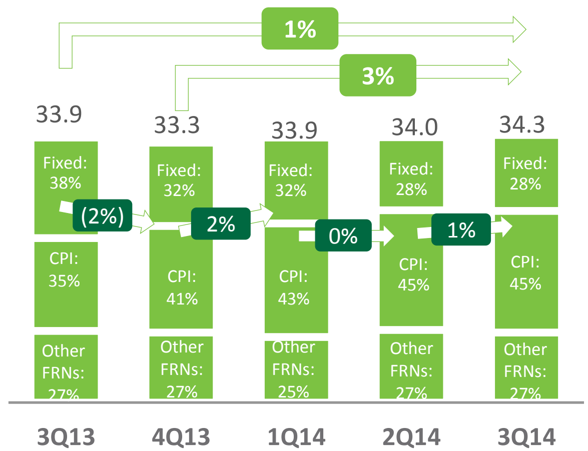
1 Loans to customers
2 Securities = Financial assets at fair value through profit or loss + Investment securities

Securities portfolio serves as a hedge against volatility

Total Securities (TL billion)



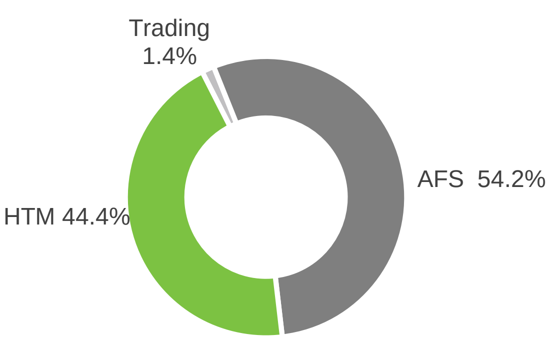
TL Securities (TL billion)



Securities/Assets
18.8%
flattish vs. 2Q

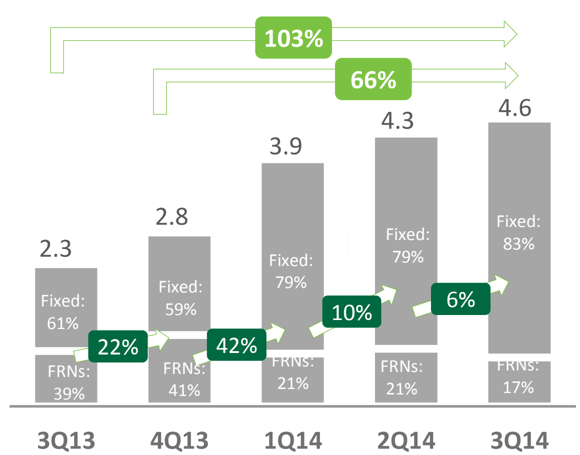
Redemptions & disposals in 3Q, replaced with fixed rate securities

Total Securities Composition



Unrealized loss (pre-tax)
as of September-end ~TL 254mn

FC Securities (USD billion)



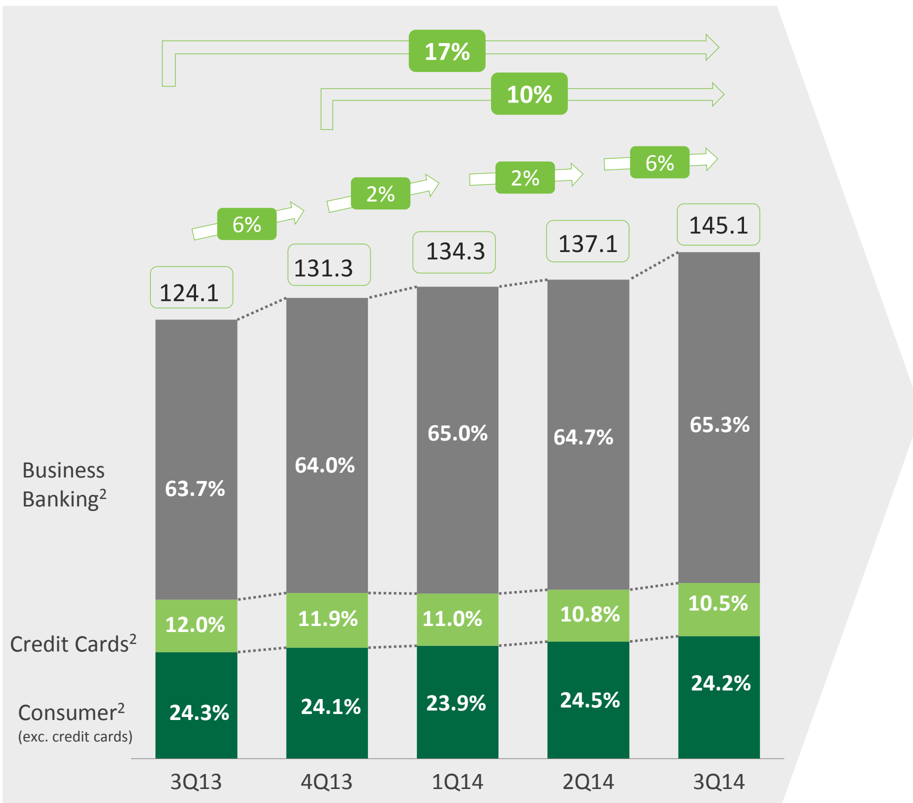
TL FRN **72%** vs. 68% at YE13
> Serving as **hedge against volatility**

FC FRN **17%** vs. 41% at YE13
> FC portfolio supported with **Eurobonds at attractive spreads**

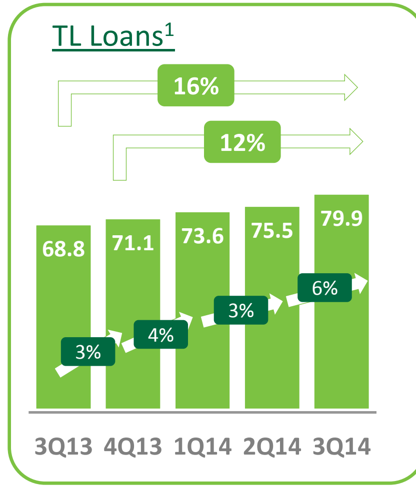
Note: Fixed / Floating breakdown of securities portfolio is based on bank-only MIS data.

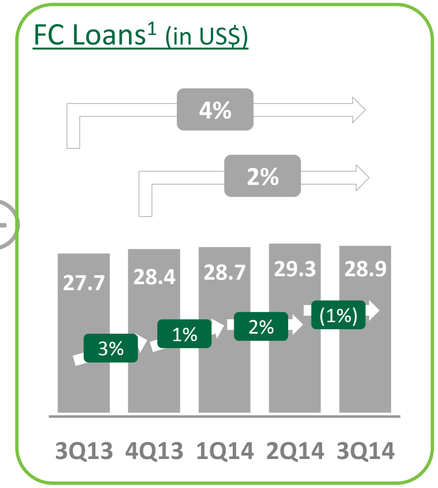
Accelerated, yet disciplined, lending growth with sustained focus on profitability

Total Loans[1] Breakdown (TL billion)



	3Q13	4Q13	1Q14	2Q14	3Q14
TL (% in total)	55%	54%	55%	55%	55%
FC (% in total)	45%	46%	45%	45%	45%
US$/TL	1.995	2.120	2.115	2.097	2,250





Above sector TL lending growth driven by;

> Key profitable consumer loans
-- Mortgages & GPLs

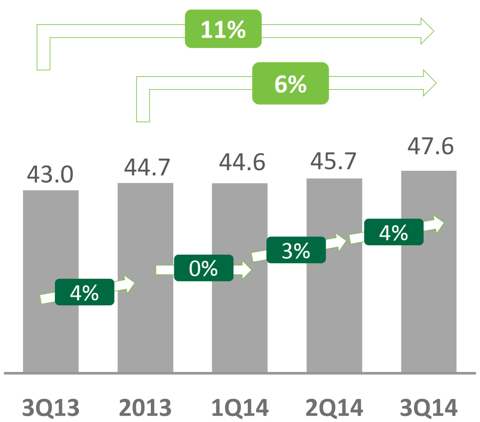
> TL business banking loans*

Projects in the pipeline to kick-in going forward

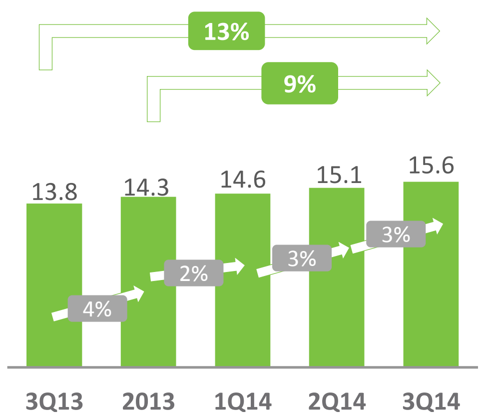
1 Loans to Customers
2 Loans breakdown is based on BRSA consolidated data, loans do not include leasing and factoring receivables
* TL business banking loans represent TL loans excluding credit cards and consumer loans

Further strengthened market position in key profitable products

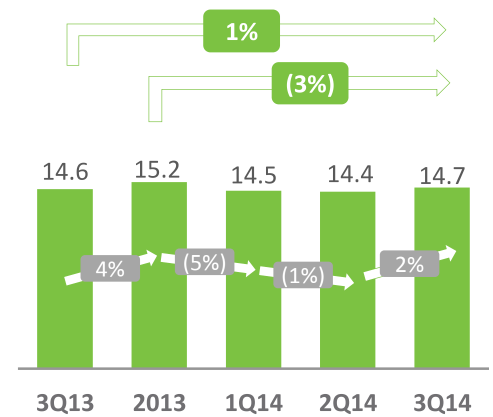
Consumer Loans[1] (TL billion)



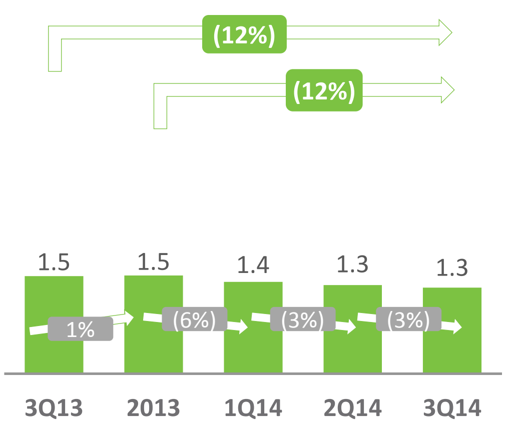
Mortgage (TL billion)



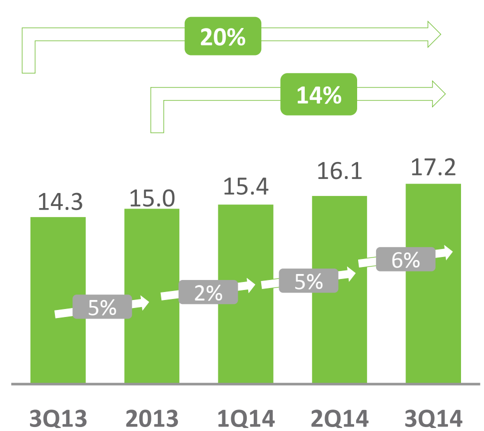
Credit Card Balances (TL billion)



Auto Loans (TL billion)



General Purpose Loans[2] (TL billion)



Market Shares[3]

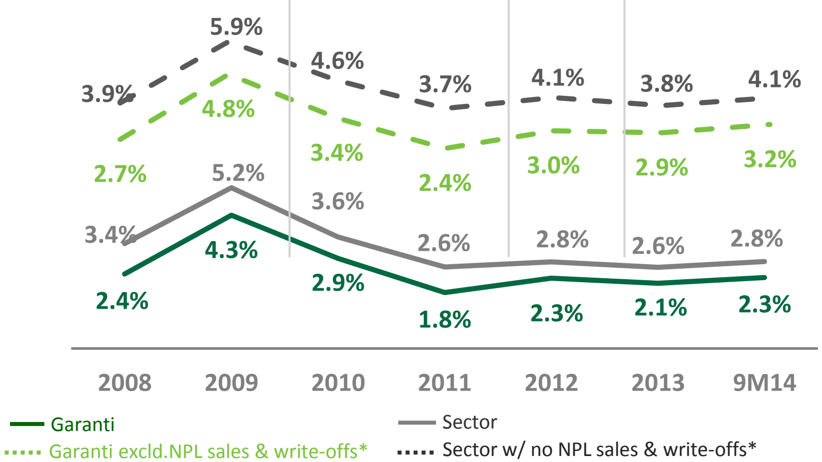
	QoQ	Sept'14	Rank[4]
Consumer Loans[1]	↑	13.9%	#1
Mortgage	↔	13.6%	#1
Auto	↑	20.3%	#1
General Purpose	↑	11.4%	#3
Acquiring Volume (Cum.)	↑	19.8%	#1
# of Credit Card Customers	↑	14.3%	#1

Note: Based on BRSA Consolidated financials
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 as of September 26, commercial banks only
4 As of 2Q14, among private banks. «Acquiring Volume» and «# of Credit Card Customers» rankings are as of September 2014

Disciplined & proactive risk management approach reflected as below sector NPL ratios across the board

NPL Ratio[1]

	2008	2009	2010	2011	2012	2013	9M14
	Global Crisis & Hard Landing		Recovery		Soft Landing	Macro-prudential Measures	
GDP Growth	0.7%	-4.8%	9.2%	8.8%	2.1%	4.0%	
Unemployment Rate[2]	13.1%	12.7%	10.7%	9.2%	9.5%	9.4%	
Garanti (IFRS))	2.5%	4.4%	3.5%	2.3%	2.8%	2.9%	2.9%
Garanti (Consolidated)	2.4%	4.1%	3.1%	2.1%	2.6%	2.7%	2.8%

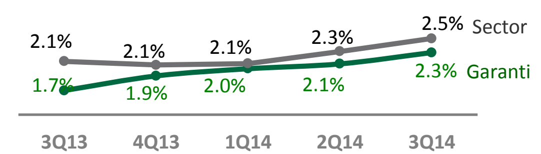


Below sector NPL ratio across all products

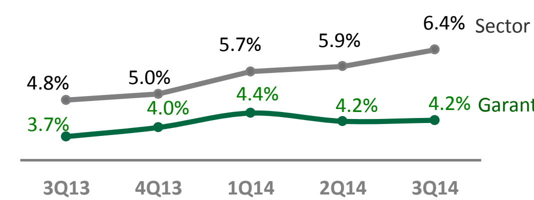
Solid collections performance

NPL Categorisation[1]

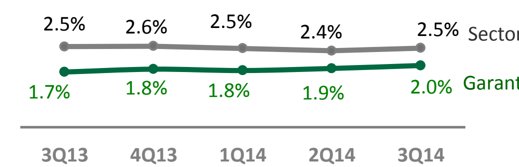
Consumer Banking
(Consumer & SME Personal)
25% of total loans



Credit Cards
11% of total loans



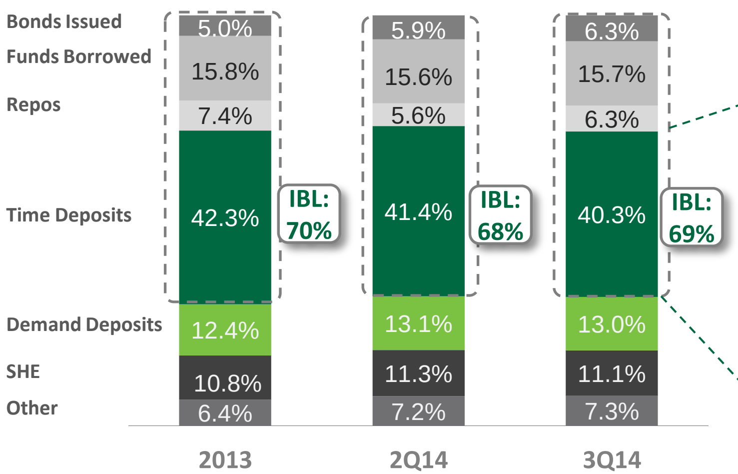
Business Banking
(Including SME Business)
64% of total loans



1 NPL ratio and NPL categorisation for Garanti and sector figures are per BRSA bank-only data for fair comparison (as of October 03 2014 for fair comparison)
2 Seasonally adjusted
* Adjusted with write-offs in 2008, 2009, 2010, 2011, 2012, 2013 ,9M14 Source: BRSA, TBA & CBT

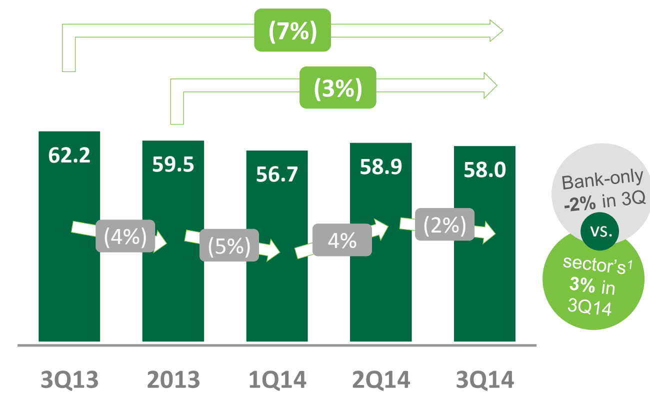
Actively managed funding mix -- deposits backed by alternative funding sources to manage costs & duration gap

Composition of Liabilities

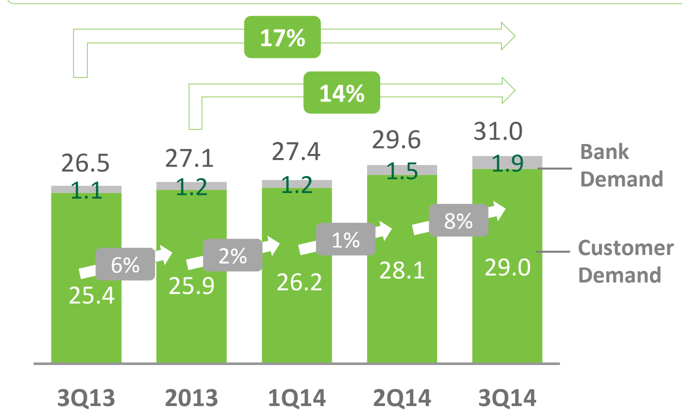


- Refrained from costly TL deposits;
- Opportunistically utilized other funding sources

TL Deposits (TL billion)



Demand Deposits (TL billion)

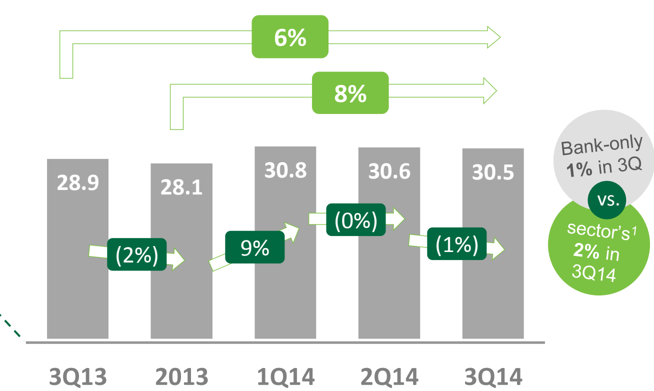


~24% of total deposits

Per bank-only figures ~23%

vs. sector[1] avg. 18%

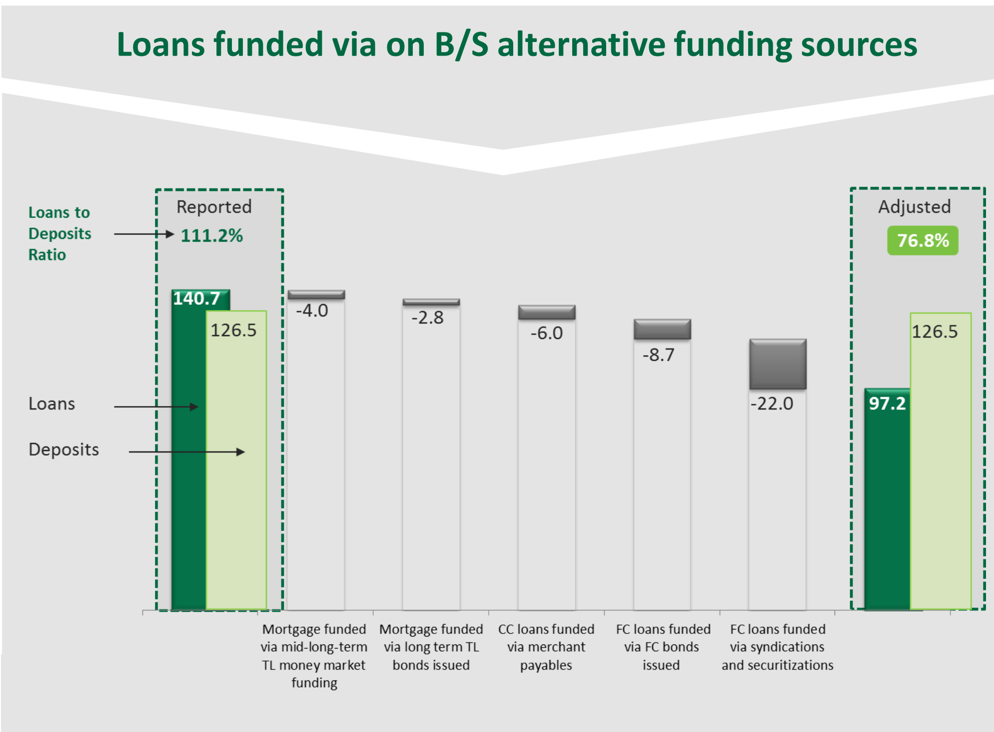
FC Deposits (USD billion)



1 Based on bank-only BRSA weekly data as of Sept.26, commercial banks only

Alternative funding sources continue to support the base

Adjusted LtD ratio[1] (TL Billion)



Comfortable level of LtD ratio: 77% exclud. long term loans funded via other on B/S funding sources

Diversified funding sources:

TL bond
Nominal TL 3.6bn of bonds outstanding

Syndications w/100% roll-over ratio
Apr’14: EUR 1.1bn with a maturity of 1-yr at Euribor+0.90%

Issuances under GMTN program
~USD 1bn outstanding with an avg. maturity of 2.4 yrs*
Sector leader in GMTN issuances with 29% market share*

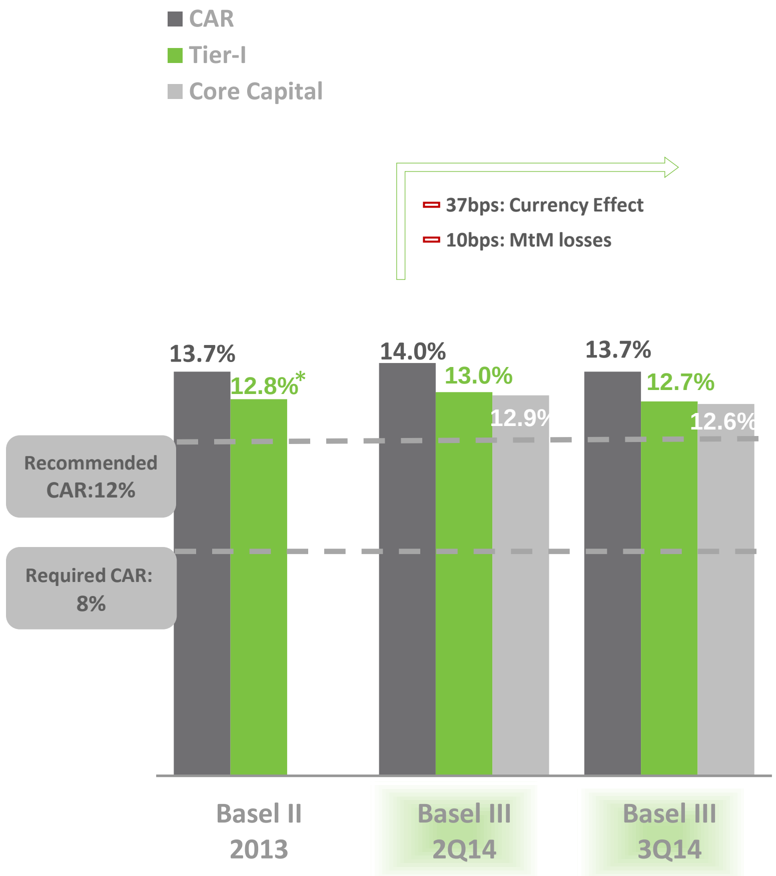
Securitizations
USD 1.1bn with a maturity of 21 years in 4Q13
USD 550mn with a maturity of 20 years in 1Q14
USD 500mn with a maturity of 5 years in 2Q14

Eurobond issuances
July’14: EUR 500mn Eurobond issuance with coupon rate of 3.375%, yielding % 3.5
Apr’14: USD 750mn Eurobond issuance with coupon rate of 4.75%, yielding % 4.8

1 Based on BRSA Consolidated Financials. Loans excluding leasing and factoring receivables
*As of September 2014, calculation based on total program issuance amount.
Market share figure is based on total issuances

Capital strength supports long-term sustainable growth

CAR & Tier I ratio[1]



Highest Tier-I ratio[2] among peers

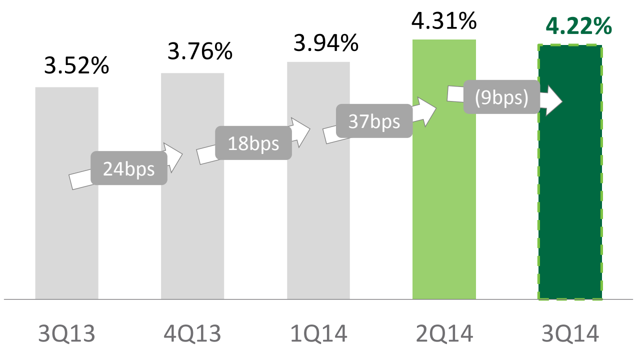
Tier-I capital:
~93% of total capital vs. sector's 85%

Leverage 8.4x

1 Based on BRSA Consolidated Financials. Loans excluding leasing and factoring receivables
* In-line with Basel III implementation starting January 2014, Tier-I capital calculation methodology has been revised. As a result, 2013 YE Tier-I ratio is not comparable with 2014 Tier-I ratios
2 As of June 2014, based on bank-only data

Core banking margin on the rise, yet temporarily pressured by CPI linker income volatility

Quarterly NIM

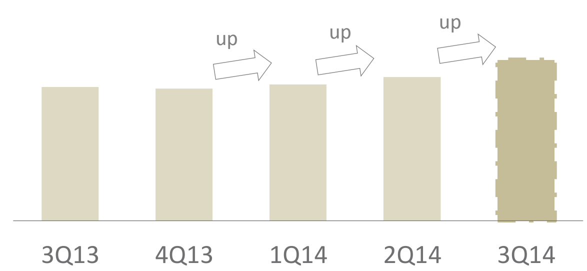


Core banking margin was **up by ~45bps** QoQ.

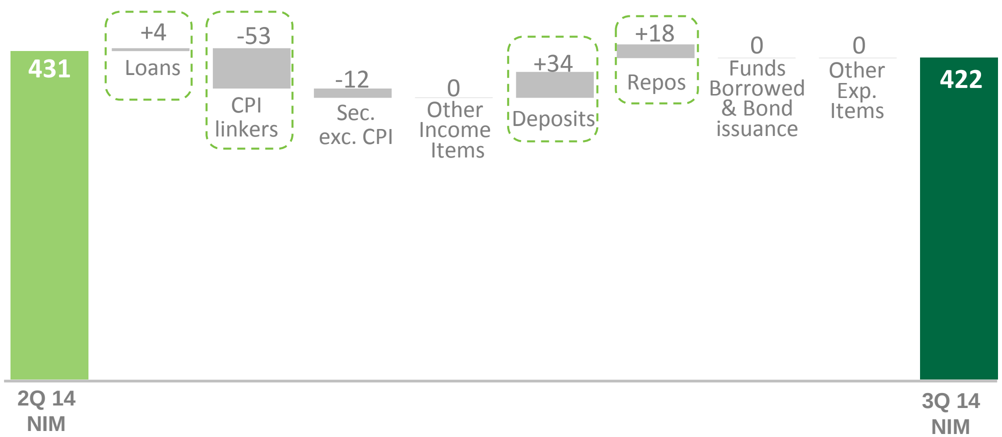
Yet, **lower quarterly CPI linker income** pressured NIM

Quarterly NIM_Excluding CPI linkers' volatility*

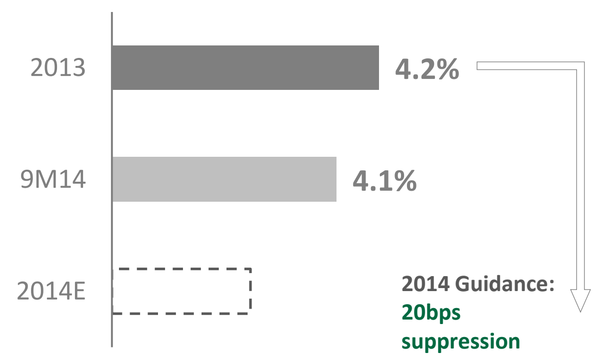
* Assuming 3Q13 CPI linker income was persistent over the next consecutive four quarters



3Q14 vs. 2Q14 Margin Evolution (in bps)



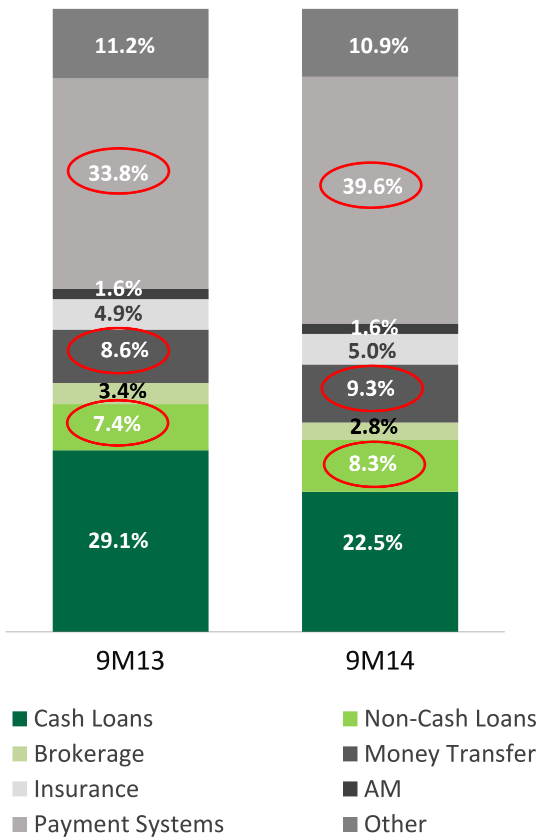
Cumulative Margin



Note: Figures are based on BRSA Consolidated financials

Clear differentiation in Net Fees & Commissions

Net Fees & Commissions Breakdown[1]



Net Fees & Commissions (TL million)

	9M13	9M14	∆ YoY
Net Fees & Commissions (reported)	2,024	2,210	9%
- Commission reimbursement incl. related litigation expenses	*0*	*-63*	
Comparable Net Fees & Commissions	2,024	2,273	12%

- **Highest Net F&C market share: ~16%***
- **Diversified fee base supports double digit growth momentum:**
  - Payment systems – mainly driven by the strength in acquiring business
  - Non-cash loan fees
  - Money transfer fees -- *introduced fees on new channels, reaping the benefits of leadership in digital banking*
  - Insurance -- *pension participants market share: 18%* **#1**
    -- #1 in bancassurance
  - Effective utilization of digital channels
    -- Digital channels increasingly contribute to Net F&C base

    15%[2] as of July'14 vs. **12%** as of July'13
- **Strong quarterly fee performance** also backed with the timing of account maintenance fees

1 Net Fees and Commissions breakdown and Fee income from digital channels are based on Bank-only MIS data
2 «Net Fees and Commissions breakdown» and «fee income from digital channels» are based on bank-only MIS data
*As of June 2014, based on bank-only data. Sector figure is based on BRSA monthly data for commercial banks.
Note: TL 63mn of the «Commission reimbursement incl. related litigation expenses» are netted from Fees and Commissions, and remaining expenses were accounted for under OPEX

Full year OPEX growth will converge to initially guided level by year-end

Operating Expenses (TL million)

	9M13	9M14	∆ YoY
OPEX (reported)	3,543	3,916	10.5%
- Competition Board Fine	*-160*	*0*	
- Tax penalty expense	*-24*	*0*	
- Commission reimbursement incl. related litigation expenses	*0*	*-32*	
Comparable OPEX	3,359	3,884	15.6%

- > Fee*/OPEX*: **58.5%**
- > Cost /Income: **50.1%***
- > OPEX* / Avg. Assets: **2.3%**

998 branches in total

+21 net branch additions YoY

100% Geographical coverage

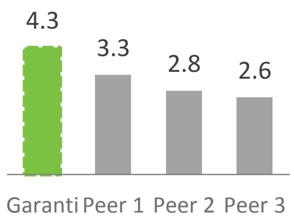
Successive and targeted investments in **digital platforms**

Enabling highest per branch efficiencies

#1

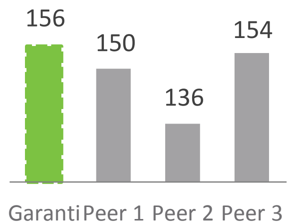
Ordinary Banking Income per Avg. Branch**

2Q14 - TL million



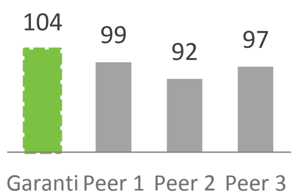
Loans[1] per Avg. Branch**

2Q14 - TL million



Customer Deposits per Avg. Branch**

2Q14 - TL million



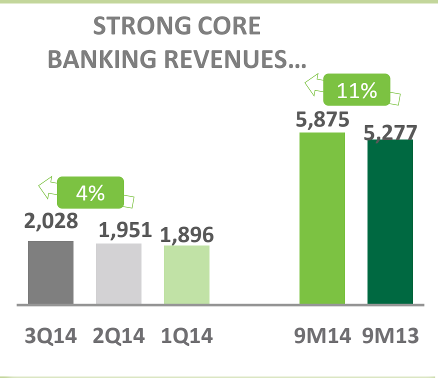
*Net Fees & Comm, OPEX and Income figures are on a comparable basis.

**Figures are per bank-only financials for fair comparison 1 Total Loans=Cash+non-cash loans

Note: TL 63mn of the «Commission reimbursement incl. related litigation expenses» are netted from Fees and Commissions, and remaining expenses were accounted for under OPEX

Solid business model assures recurring strong results

(TL Million)	3Q 14	2Q 14	∆QoQ	9M 14	9M 13	∆YoY
(+) NII- excl. income on CPI linkers	1,809	1,497	21%	4,666	4,189	11%
(+) Net fees and comm.	776	740	5%	2,273	2,024	12%
(-) Provisions net of collections	-557	-286	95%	-1,064	-936	14%
= CORE BANKING REVENUES	**2,028**	**1,951**	**4%**	**5,875**	**5,277**	**11%**
(+) Income on CPI linkers	290	553	-48%	1,307	1,217	7%
(+) Trading & FX gains	72	-81	-189%	70	382	-82%
(+) Other income -before one-offs	182	156	17%	498	440	13%
(-) OPEX - on a comparable basis	-1,356	-1,255	8%	-3,884	-3,359	16%
(-) Other provisions & Taxation -before one-offs	-221	-272	-19%	-760	-807	-6%
(+) Regulatory & Non-recurring items	62	-63	n.m.	-121	-139	n.m.
(-) Commission reimbursement related expenses (Net F&c)	*-28*	*-21*	*n.m.*	*-63*	*0*	*n.m.*
(-) Commission reimbursement related expenses (OPEX)	*-14*	*-12*	*n.m.*	*-32*	*0*	*n.m.*
(-) Free Provision	*0*	*-50*	*n.m.*	*-150*	*0*	*n.m.*
(+) Free Provision reversal	*85*	*0*	*n.m.*	*85*	*60*	*n.m.*
(+) Income from NPL sale	*19*	*20*	*n.m.*	*39*	*35*	*n.m.*
(-) Tax Penalty payment (OPEX)	*0*	*0*	*n.m.*	*0*	*-24*	*n.m.*
(-) Competition board fine payment (OPEX)	*0*	*0*	*n.m.*	*0*	*-160*	*n.m.*
(-) Provision for various tax penalties	*0*	*0*	*n.m.*	*0*	*-50*	*n.m.*
= NET INCOME	**1,057**	**989**	**7%**	**2,985**	**3,010**	**-1%**



9M14 ROAE 16%

9M14 ROAA 1.8%

Appendix

Information about financial subsidiaries

	Sector Positioning	Asset Contribution	Net Income Contribution	ROAE*** (Cum.)	P/L Highlights
GarantiBank International N.V.	> Established in 1990 > Global Boutique bank: offers services in trade finance, private banking, structured finance, corporate and commercial banking. > Well-capitalized with 17.9% CAR (Local) > Sound asset quality with 3.6% NPL Ratio (local)	5.3%	5.1%	14.1%	> Strong core activity results
Garanti Pension Company	> Most Preferred pension company with 18% market share in number of participants > #3 in pension fund size (TL 5.0bn) > Most Profitable company** in the sector	2.8%	4.5%	22.7%	> Improving technical income from life & insurance business > High financial income
GarantiBank Romania	> Full-fledged banking operations since May 2010 > 12th bank in Romania* > 98% geographic coverage w/ 80 branches & 295 ATMs > Well-capitalized with 13.8% CAR (Local) > NPL Ratio (local):13.2% vs. sector's 17.2% as of 31 August 2014 > NPL Ratio (local):13.5% as of 30 September 2014	2.3%	1.9%	11.8%	> Higher trading income > Lower OPEX partially offset the negative effect coming from additional provisions
Garanti Leasing	> #1 in number of contracts for the 9 consecutive year-ends > US$668mn Business Volume as of 3Q14 (financial lease)	1.9%	3.6%	21.9%	> Improving margin performance more than offset additional provisioning coming from big-ticket items and positive effect from cash flow hedge
Garanti Factoring	> First in the sector with TL7.7bn business volume (as of 30 June 2014) > Publicly traded with a free-float of 8.38% > 21 branches in 14 cities	1.0%	0.5%	16.7%	> Better margins due to actively managed funding costs > Lower OPEX due to timing
GarantiBank Moscow	> Established in 1996, active in corporate & commercial banking > Serves Russian firms from various sectors, major Turkish companies as well as Spanish companies active in the Russian market > Well-capitalized with 16.9% CAR (Local) > Sound asset quality with 2.7% NPL Ratio (coming from 2008 crisis)	0.4%	0.4%	7.5%	> Higher funding cost and decreasing volumes due to unfavourable macro conditions arising especially from Ukraine related issues.
Garanti Securities	> Strong presence in capital markets with 7.1% brokerage market share	0.0%	0.1%	8.0%	> Growing commission income base.
Garanti Asset Management	> Turkey's first asset management company with TL 9.7bn AUM	0.0%	0.3%	48.9%	> Higher commission income resulting from pension business

* Based on Asset size, data is as of December 2013 ** As of 31.12.2013
*** Calculated as per annualized profits and average of quarter-end equities Note: Garanti Romania, Garanti Securities and Garanti Leasing figures are consolidated excluding NPL Ratio figures

Investor Relations
Levent Nispetiye Mah. Aytar Cad. No:2
Beşiktaş 34340 Istanbul – Turkey
Email: investorrelations@garanti.com.tr
Tel: +90 (212) 318 2352
Fax: +90 (212) 216 5902
Internet: www.garantiinvestorrelations.com

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