Assessment of Financial Results of 2014
- General Shareholders’ Meeting -

April 9, 2015
Our net income reached TL 3.7 Billion in 2014

Net Income (TL Million)

2013: 3,339 | 2014: 3,685

10%

3,685

Outstanding performance despite regulatory charges & market volatility

Well-managed Net Interest Margin
- the only bank to increase net interest margin on a yearly basis

Liquid, low-risk & well-capitalized balance sheet
- highest Common Equity Tier I ratio

Superior Net Fees & Commissions performance
- highest yearly growth

Disciplined cost management
- highest per branch efficiency ratios

Increasing contribution from subsidiaries
- subsidiaries’ contribution to consolidated income: 15%
  (2013: 12%)

*Among peers (Isbank,Akbank,YKB,Halkbank,Vakıfbank), based on bank-only data. Efficiency ratios are defined as assets, deposits and cash loans per branch.
**Excluding one-off effects for fair comparison. Garanti Romania booked about RON 75m (~TL 60mn) of loan-loss provisions in November 2014 as imposed by NBR. The Bank’s coverage ratio increased to 65% from 35%. The subsidiaries’ contribution is 13%, including this effect.
Composition of assets continued to be customer driven

**Total Assets (%, TL Billion)**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>57%</td>
<td>57%</td>
</tr>
<tr>
<td>Securities</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Other Assets*</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12%</td>
<td>12%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>221.5</th>
<th>247.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>57%</td>
<td>57%</td>
</tr>
<tr>
<td>Securities</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Other Assets*</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12%</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Strategic evolution of assets**

- Moderate & disciplined growth in lending
- Actively shaped securities portfolio -- strategic investments to securities to support NIM

* Including accruals
Continued support to the economy with sustainable and strong growth strategy

Performing Loans (TL Billion)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>FC</td>
<td>128.0</td>
<td>142.9</td>
</tr>
<tr>
<td>TL</td>
<td>58%</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>42%</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>16%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Main drivers of growth:

- **> 28%** growth YoY in TL business banking loans
- **> 13%** growth in consumer loans (excluding credit cards)
- **> 12%** growth in mortgages

Maintained asset quality below sector

NPL ratio

Garanti**

2.4%

Sector: 2.8%

* In US$ terms
** Based on bank-only financials for fair comparison with sector
Actively managed funding structure by supporting customer driven deposit base with diversified funding sources

**Customer-driven and expanding deposit base**

Deposit growth in line with lending growth

- **12%** growth in total deposits
- **18%** growth in demand deposits

**Rapidly growing customer base**

%100 geographical coverage in Turkey with **1,005** branches,
Serving more than **13 million** customers
Differentiating in the sector with sustainable income generation capacity and efficient cost management

We have the highest ordinary banking income generation capacity

Ordinary Banking income Market share 14.0%\(^1\)

2013: 13.7%\(^1\)

OPEX/ Avg. Assets 2.2%\(^2\)

2013: 2.3%\(^2\)

We maintain our leadership in per branch efficiencies

Our branches create the highest volume

---

1 Based on bank-only financials for fair comparison with sector.
2 Excluding one-off expenses and regulatory effects
Actively utilized capital

Capital adequacy ratios

- CAR
- Common Equity Tier-I
- Total Tier-I

Our strong capital base, strengthened by internal resources, supports growth potential

Leverage: 8.3x

Highest Among peers\(^1\)

Free Funds\(^2\)/IEAs

Common Equity Tier-I

1Among peers (Isbank, Akbank, YKB, Halkbank, Vakıfbank), based on bank-only data
2 Free Funds = Free Equity + Demand Deposits. Free Equity = SHE - (Net NPL+ Investment in Associates and Subsidiaries + Tangible and Intangible Assets+ AHR+ Reserve Requirements)
We touch the lives of our customers with value added innovative products and services

Offering seamless experience across all channels, integrated to our customers’ lives.

We continue to act as the solution partner of the SMEs

- Unlicensed Solar Energy Loan
- EstablishYourBusiness application
- Digital Transformation Ambassadors
- The product named “Speed” (Hız) developed by Garanti Factoring with a particular focus on fulfilling the needs of SME customers

We stand by the farmers

- The first bank to extend loans on the Basis of Electronic Warehouse Receipt created before the Central Registry Agency (MKK)
- “Supporting Family Farmers for Agricultural and Rural Development” project
- “Farmers Should Never Have to Ask Twice”

We stand by the retirees

- “Customer is Mine” project
- Garanti Pension, Treatment Support Insurance product

We put digital channels at the heart of customer experience

- Social Media Customer Satisfaction Team “GarantiyeSor”,
- First financial Google Glass application in the world - iGaranti Glass
- Enabling payments via Garanti official website without logging in
- Receive applications via Facebook, as a first in Turkey
%100 coverage in Turkey
-- Number of branches tripled since 2002

Number of Branches

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>331</td>
<td>487</td>
<td>792</td>
<td>936</td>
<td>1005</td>
</tr>
</tbody>
</table>

LEADER
in loans, customer deposits and ordinary banking income per branch ratios

#1
> 670 net branch additions since 2002

%100 Geographical coverage
Serving in 81 cities
2002: 49%

3x

2002
2006
2009
2012
2014
We are everywhere with investments to distribution channels
While 66% of all transactions were executed through digital channels in 2004, this ratio reached 85% in 2014.

~2.7 mn active users
23% market share in financial transactions volume

- >200 type of transactions
- Serving non-bank customers through cardless transactions
- Cash deposits/withdrawals: %108
- Turkey’s largest financial call center with >68 million customer contact/year
- >3,6 milyon products sold in 2014

Omni Channel Strategy
Providing seamless experience across all channels

- Financial institution with most followers on social platforms in Europe
- GarantiyeSor team responds to user inquiries and comments on social media within max. 2 hours, contacting 4,500 followers on avg. every month

- #1 in mobile banking
  Mobile banking customers expanded by 84% to 1.5 mn users
- %31 market share in financial transactions volume

A new banking experience targeting socially active & connected customers
- Mobile banking platform providing guidance depending on the user’s current time, place and situation
- First in Europe: speech recognition, speech command
- Effecting money transfer and FX selling and buying by voice with natural speech

- iGaranti reached more than 400 thousand downloads and ~250 thousand customers in 2014
Initiatives creating value to all our stakeholders...

Sustainable Finance
- The total amount of loans disbursed to women entrepreneurs: 2.1 billion TL
- 370 women entrepreneurs in 4 cities participated in Women Entrepreneurs Executive Training Program
- Launched efficient irrigation systems loan for agriculture sector
- 35% market share in Turkey’s operational wind capacity
- New product for financing Solar Power Projects up to 1 MW

Stakeholders
- First Turkish bank to sign UN Women’s Empowerment Principles
- Support for HeforShe which emphasizes men’s support for women rights
- First Turkish bank to issue a Sustainability Report under G4-Comprehensive level of GRI standard in 2014
- EBRD Sustainability Award
- 2nd time CDP Leadership Award for its climate-related efforts
- Participation in Borsa İstanbul Corporate Governance and Sustainability Indices
Initiatives creating value to all our stakeholders...

**Environmental impact of operations**
- 605 locations included in ISO14001 Environmental Management System
- First Turkish Bank to qualify for WWF Green Office Certificate

**Communities**
- Main supporter of the Entrepreneurship Foundation of Turkey since 2014
- Join the Workforce Join Life Project aims to increase the employment of disabled persons
- **Salt Beyoglu, Salt Galata and Salt Ulus**: 51 exhibitions, 44 events, 137 guided exhibition tours and workshops for pupils, and made 14 comprehensive publications, 1,129,111 thousand visitors.
- **Teachers Academy Foundation**: 92,932 teachers in 80 cities

**Sponsorships**
- Supporting Jazz music to popularize and spread for 18 years with Garanti Jazz Green
- 12 Giant Men, 12 Giant Men Basketball Schools, Pixies of the Court
- National Men’s, Women’s and Young Wheelchair Basketball Team and Wheelchair Basketball leagues
Garanti continues to work with its all stakeholders to create a **sustainable, sound** and **successful business model**