With an actual free float ratio of ~50%, Garanti shares constituted 18% of all foreign transactions in BIST 100 and 35% of all listed banks in 2013.

- **US$ 13.7 Billion**
  Market Capitalization constitutes 7% of the BIST 100*

- **US$ 6.8 Billion**
  Highest floating market capitalization in the BIST*

- **US$ 222 Million**
  Average daily turnover in 2013, representing 15% of the BIST 100

- **US$ 30 Billion**
  Total 2013 foreign transactions in GARAN
  The most traded stock by foreigners

- **~ 11%**
  Highest weight in the BIST 100

Note: Currency conversion is based on US$/TL CBRT ask rate

* As of December 31, 2013
**Garanti Financial Highlights**

### Garanti Market Shares*

<table>
<thead>
<tr>
<th></th>
<th>Dec-13</th>
<th>YTD △</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Performing Loans</td>
<td>12.5%</td>
<td>▼</td>
</tr>
<tr>
<td>TL Loans</td>
<td>10.8%</td>
<td>▼</td>
</tr>
<tr>
<td>FC Loans</td>
<td>17.0%</td>
<td>▼</td>
</tr>
<tr>
<td>Credit Cards - Issuing (Cumulative)</td>
<td>17.2%</td>
<td>▲</td>
</tr>
<tr>
<td>Credit Cards - Acquiring (Cumulative)</td>
<td>19.7%</td>
<td>▲</td>
</tr>
<tr>
<td>Retail Loans**</td>
<td>12.3%</td>
<td>▼</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>11.2%</td>
<td>▼</td>
</tr>
<tr>
<td>TL Deposits</td>
<td>10.3%</td>
<td>▼</td>
</tr>
<tr>
<td>FC Deposits</td>
<td>12.6%</td>
<td>▼</td>
</tr>
<tr>
<td>Demand Deposits</td>
<td>12.8%</td>
<td>▼</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>14.5%</td>
<td>▼</td>
</tr>
</tbody>
</table>

*Figures are based on bank-only financials for fair comparison with sector. Sector figures are based on BRSA weekly data for commercial banks only.

**Including consumer, commercial installment, overdraft accounts, credit cards and other

### Garanti with Numbers

<table>
<thead>
<tr>
<th></th>
<th>Dec-12</th>
<th>Sep-13</th>
<th>Dec-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch Network</td>
<td>936</td>
<td>977</td>
<td>1,001</td>
</tr>
<tr>
<td>+ Domestic</td>
<td>926</td>
<td>966</td>
<td>990</td>
</tr>
<tr>
<td>+ Abroad</td>
<td>10</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Personnel</td>
<td>17,285</td>
<td>18,928</td>
<td>18,738</td>
</tr>
<tr>
<td>ATM</td>
<td>3,508</td>
<td>3,750</td>
<td>4,003</td>
</tr>
<tr>
<td>POS*</td>
<td>501,919</td>
<td>554,213</td>
<td>534,148</td>
</tr>
<tr>
<td>Total Customers</td>
<td>11,724,760</td>
<td>12,210,808</td>
<td>12,400,077</td>
</tr>
<tr>
<td>Internet Banking Customers**</td>
<td>2,367,473</td>
<td>2,633,300</td>
<td>2,655,303</td>
</tr>
<tr>
<td>Mobile Banking Customers**</td>
<td>439,634</td>
<td>730,224</td>
<td>842,191</td>
</tr>
<tr>
<td>Credit Cards</td>
<td>9,088,470</td>
<td>9,315,679</td>
<td>9,302,545</td>
</tr>
<tr>
<td>Debit Cards</td>
<td>7,014,706</td>
<td>7,220,362</td>
<td>7,350,311</td>
</tr>
</tbody>
</table>

* Includes shared POS

** Active customers only -- min. 1 login or call per quarter

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**In 2013, Garanti reached consolidated total assets of US$ 104.5 Billion and consolidated net profit of US$ 1.6 Billion.**

### Selected Financials*

- **Total Assets**
  - US$ 104.5 Billion
- **Total Deposits**
  - US$ 56.2 Billion
- **Ordinary Banking Income**
  - US$ 4.0 Billion
- **Shareholders’ Equity**
  - US$ 10.9 Billion
- **Net Income**
  - US$ 1.6 Billion

### Selected Financial Ratios*

- **Return on Average Assets**
  - 1.7%
- **Return on Average Equity**
  - 15.2%
- **Capital Adequacy Ratio**
  - 13.7%
- **Non-Performing Loans Ratio**
  - 2.7%

*Figures are based on BRSA consolidated financials as of December 31, 2013. Note: Exchange rate used for currency conversion is based on Garanti Bank’s December 31, 2013 dated financials.
DID YOU KNOW?

With the aim of carrying out all operations environmentally friendly, Garanti increased the number of its service points, that are covered by ISO 14001 certified Environmental Management System, to 260 in 2013. According to Environmental Management System, the environmental impact of in-house operations is covered, as well as the impact of suppliers and the customers.

Garanti continues to mobilize the power of technology in developing innovative products and services. Mobile Contactless Payment System is launched in collaboration with Visa Europe and Turkcell. Customers can make contactless card payments quickly, using their Visa contactless card via Turkcell e-Wallet. In accordance with the mission to lead the sector, Garanti makes the transaction network operate easier and faster.

Garanti introduced two new Facebook applications. “Women Entrepreneurship” tab is a comprehensive news portal which provides an opportunity for woman entrepreneurs to follow latest activities and to participate in related discussions. “My Insurance at Garanti” enables users to submit online insurance applications via Facebook. With over 3.2 million followers on social platforms, Garanti is the most followed financial institution in Turkey.

GARANTI AND THE COMMUNITY

Garanti supported the first GBA (Galata Business Angels) Mentor Clinic meeting which is a new platform where young entrepreneurs get together to present their ideas to mentors and angel investors and benefit from their knowledge in return.

The 89th and 90th meetings of the 11-year-old Garanti Anatolian Meetings were held in Eskişehir and Yozgat, respectively. The main subjects discussed were the potential of the aviation sector in Eskişehir, fruit cultivation sector and the growing potential of geothermal facilities in Yozgat.

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AWARDS & RECOGNITIONS

Two “Project Finance House of the Year” awards by Intercontinental Finance Magazine and Lawyers World Magazine.

“Best Bank for Sustainability – Europe” award by IAIR (International Alternative Investment Review), the first magazine in the World that emphasized sustainability issues from the point of global economy.

“Best Private Bank in Turkey” award in the 2013 Global Private Banking Awards organized by The Banker and PWM (Professional Wealth Management) Magazines.

Recognition for “Developing Innovative Solutions” by Turkish Agriculturist Association in Agricultural Finance Category.

“6th Human Resources Management Award” by PERYON (the Turkish Association of Personnel Management) in the categories of “Employment” and “Best Practices in Recruitment Branding” where the evaluations were carried out by PwC (PricewaterhouseCoopers).

“Most Contagious Service” award for iGaranti by the Contagious magazine which recognize the power of creativity, groundbreaking services and innovative companies with communications that are believed to be changing the world. Previous award winner was Google Glass.

“Best Corporate Website” in Turkey award by Annual Golden Spider Awards, the first and the only independent event of its kind in Turkey since 2002.

“Turkey’s Best Insurance Company Website” award for Garanti Pension’s garantiemeklilik.com.tr for the 3rd consecutive year at the Annual Golden Spider Awards.

“European Excellence” award for Garanti Pension’s corporate responsibility project “Back to School” by the Corporate Communications and Public Relations Magazine where Garanti Pension was the only Turkish company recognized among all the categories.

Investors in People (IiP) “Silver” recognition for Garanti Pension, the first in its sector to be honored with an IiP award in Turkey.

“Gold Spotlight Award”s for Garanti Investor Relations Website and Interactive Annual Report Website by the League of American Communication Professionals (LACP). Websites were recognized as the 49th and 50th in the Top 100 Communications Materials of 2013 List for their success in clear, comprehensible communication of key message to target audience and the excellent user experience presented.

WHAT ANALYSTS SAY ABOUT GARANTI?

Credit Suisse: Garanti is one of the best positioned banks for negative asset quality trends. In the long run, Garanti’s capital strength and profitability should provide it with flexibility…

AK: …one of the highest CAR amongst depository banks

Goldman Sachs: Better-than-expected execution on core revenue and a bottom-line beat… confident outlook on loan quality

HSBC: …strong Tier-I ratio, profitability and management track record

Merrill Lynch: We like Garanti’s retail focus, high fee generation, fairly balanced liquidity…

RenCap: …as the best managed bank in Turkey, in our view, we think it will benefit from a flight to quality. It remains a core holding in Turkey.
DEVELOPMENTS AT GARANTI

Secured US$ 1.1 billion financing for 21 years under “Diversified Payment Rights” program, the highest amount of DPR future flow transaction with the longest maturity. Garanti also secured two separate tranches of DPR future flow securitization loan of US$ 175 million and EUR 135 million, with 5 years maturity.

Rolled its US$ 1.1 billion 1 year syndicated loan for US$ 1.2 billion at a cost of Libor + 75bps. The syndicated loan, where 35 banks from 17 countries contributed, will be used for trade finance purposes.

Total amount of notes issued in 2013 under the GMTN (Global Medium Term Notes) Program where several issuances in different currencies and maturities were realized, reached to an amount of US$ 1.4 billion equivalent.

Secured EUR 75 million equivalent financing from the European Investment Bank (EIB) with a maturity of 6 years, where TL government bonds were taken as collateral as a first in Turkey.

Continued to be lead arranger in energy financing projects:
- Participated with US$ 400 million in the US$ 800 million financing of Zetes 3 Coal Fired Power Plant which will become Turkey’s largest power plant.
- Provided US$ 134 million to Kırıkkale CCGT (Natural Gas Fired Combined Cycle) project where the total commitment of the lenders was US$ 595 million.
- Participated as mandated lead arranger with US$ 125 million in the US$ 300 million financing of Energaz, which operates in 9 natural gas distributions and owns a natural gas trading company.

iGaranti reached 157 thousand downloads whereas the mobile banking applications developed by Garanti outreached 4 million downloads in total, by the end of 2013. In 2013, the number of internet banking customers increased by 12% reaching 2.6 million people while the number of mobile banking customers nearly doubled.

Launched the interactive version of the Start-up Guide which plays an important role in informing and guiding entrepreneurs. The guide encourages entrepreneurs at any age willing to start a business, to produce and create employment.

Through the integration of systems with National Credit Bureau (KKB), Garanti’s customers can now generate their own “Risk and Check Reports” instantly via Garanti Internet Banking.

Garanti Asset Management increased its volume in pension funds to TL 4.2 billion with a market share of 16%. AUM in mutual funds reached a total volume of TL 14.5 billion with a market share of 15%. Garanti continues to offer diverse investment products in line with the changing and developing needs of customers. In 4Q 2013, Garanti launched a new capital protected fund which is based on the Dynamic Innovative Companies Index and provides protection against downturns in the stock market.

Garanti Fleet launched an online platform designed for the sales of second-hand vehicles with expired rental period. The platform’s integrated technology allows members to view any damage, maintenance, repair information of the vehicles on sale, along with their detailed photos. Powered by Garanti’s advanced technological infrastructure and security systems, the sales platform offers a reliable, problem-free online bidding environment.

SELECTED CREDIT CARD FIGURES IN TURKEY

### Top 5 Categories in credit card spending

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec-12</th>
<th>Dec-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarket and shopping malls</td>
<td>14.5%</td>
<td>17.4%</td>
</tr>
<tr>
<td>Gas stations</td>
<td>11.2%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Household gadgets, PCs, etc.</td>
<td>9.1%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Apparel and accessories</td>
<td>9.0%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Various food products</td>
<td>6.6%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

### Per card spending

<table>
<thead>
<tr>
<th>Category</th>
<th>Credit card</th>
<th>Debit card</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garanti</td>
<td>7,921</td>
<td>534</td>
</tr>
<tr>
<td>Sector</td>
<td>7,540</td>
<td>232</td>
</tr>
</tbody>
</table>

Source: Interbank Card Center, Turkish Statistical Institute, Banking Regulation and Supervision Agency Note: Official population is based on 2012 announced figure of 75.6 million.

*Garanti Payment Systems analysis based on BRSA financials of peers as of 3Q13
Plastic cards defined as the sum of plastic credit cards and debit cards
MACRO NOTES

Moderate growth continued in 3Q13... Turkish economy grew by 4.4% (y-o-y) in 3Q13, pulling GDP growth rate up to 4.0% (y-o-y) in the first three quarters of 2013. Negative contribution from external demand which was 3.4 points in 2Q13 fell to 2.2 points in 3Q13 while contribution from domestic demand decelerated from 8.0 points to 6.5 points. Contribution from stocks continued to be remarkable in 3Q13 with 1.9 points, slightly declining from 2.5 points contribution in 2Q13. In details, public sector contribution to growth which was 2.3 points in 2Q13 declined to 0.4 points in 3Q13, the lowest level of the last 7 quarters. Private sector consumption decelerated slightly while private investment rose for the first time after 6 quarters. Recent figures realized indicate that GDP growth in the whole 2013 is likely to be around 4%.

Economic activity indicators signaled limited slowdown in 4Q13... Domestic automobile sales slightly accelerated in 4Q13 compared to 3Q13 while domestic white goods sales decelerated in October-November period. Industrial production which had improved in 3Q13 compared to 2Q13, slowed down in October-November period. Even if the deceleration in IP growth rate indicated deceleration in economic activity, other indicators showed that the deceleration may have been limited. For example, capacity utilization rate and manufacturing PMI index in 4Q13 surpassed the level of 3Q13.

Slight widening in current account deficit... During October-November, both the contraction in exports and the rise in imports decelerated compared to 3Q13. However, the acceleration in net gold imports led 12 month cumulative current account deficit to slightly rise to US$ 60.8 billion in November 2013 from US$ 59.2 billion in September 2013. Even if there are positive signals for export performance due to the recent improvement in Euro Area, ongoing uncertainties on global growth continue to create risks on exports performance. Besides, precautions taken by the BRSA to curb domestic consumption, SCT increases, CBT’s further tightening and the depreciation of TL indicate that the downward pressure on imports may continue in the following period.

Budget targets were achieved... Higher increases in both tax and non-tax revenues and relatively lower increase in non-interest expenditures in 2013 led budget performance to be stronger than 2012. Budget gave a deficit of TL 18.4 billion and resulted in a primary surplus of TL 31.5 billion at the end of 2013. Assuming 4% GDP growth rate in 2013, the budget deficit/GDP ratio target of the Medium Term Plan (MTP) for 2013 which is 1.2% has been achieved and the primary surplus/GDP ratio increased to 2.0% from 1.3% in 2012.

Year-end inflation surpassed the uncertainty band... Annual inflation, which was 7.9% at the end of 3Q13, fell to 7.4% at year-end due to the fall in energy inflation. Despite the fall in headline CPI, core inflation slightly accelerated from 7.0% to 7.1%. Weak pass through was effective on the mild rise in core inflation.

Additional monetary tightening by the CBT... During 4Q13, the CBT did not change the interest rate corridor however took new measures to squeeze TL liquidity further. It ended monthly repo facility and reduced the maximum amount of funding via one-week repo from TL 10 billion to TL 6 billion. It also reduced the total amount of funding offered to primary dealer banks to approximately TL 6.5 billion. Hence, the average funding rate from the CBT rose from 6.1% in 3Q13 to 6.5% in 4Q13 and reached 7.1% at year-end. The CBT will continue with its cautious monetary policy stance until the inflation outlook is in line with the medium term targets.

After having depreciated by 7.9% against the currency basket in 3Q13, TL depreciated further by 4.6% in 4Q13 on average basis. Benchmark bond yields which was at 8.7% at the end of 3Q13 increased to 10.0% at the end of 2013.

REAL-ESTATE SECTOR ANALYSIS IN TURKEY

REIDIN Turkey Composite Residential Property Price Index: Sponsored by Garanti, the index reflects an increase of 1.27% m-o-m and 13.64% y-o-y in residential sales prices in December 2013. Index series are calculated monthly, for sales and rent covering 7 major cities, including Istanbul, Izmir, Ankara, Adana, Antalya, Bursa and Kocaeli.

REIDIN.com-GYODER New Home Price Index: Sponsored by Garanti, the index shows an increase of 0.28% m-o-m and 13.62% y-o-y as of December 2013. Taking January 2010 as the base period, REIDIN.com-GYODER New Home Price Index is calculated on 70 housing projects and with a monthly average number of 22,500 properties presented by 27 developers.

[Graphs showing Residential Property Price Index and New Home Price Index]
In line with CBRT’s financial stability objective, BRSA has introduced new regulations to curb consumer lending:

- Regulation on risk weightings and general provisions of consumer loans effective as of October 08, 2013:
  - Risk weighting of credit card receivables increased to 100% from 75% for loans with 1-6 months maturity, to 200% from 150% for loans with 6-12 months maturity and to 250% from 200% for loans with more than 12 months maturity.
  - Credit cards, overdraft and auto loans were included in consumer loan definition, which led to an increase in general provisioning ratios from 1% to 4% for Group-I loans, from 2% to 8% for Group-II loans. (If retail loans make up >25% of total loan book).
  - Risk weighting of auto loans increased to 150% for loans between 1-2 year maturity and to 200% for loans with more than 2 years maturity (from its prior ratio of 75% risk weight).
  - General provision ratio for export loans decreased to 0% from 1%, and to 0.5% from 1% for SME loans.

- Minimum monthly payment rate on credit cards with up to TL 15K limit was increased from 25% to 27% for 2014 and to 30% for 2015; for cards with TL 15-20K limit was increased from 30% to 32% for 2014 and to 35% for 2015. For cards which were issued after October 08, 2013 minimum monthly payment rates are 30% for cards with TL 15K limit; 35% for cards with TL 15-20K limit. For cards with limits exceeding TL 20K, the minimum payment requirement was left unchanged at 40%.

- Credit card limit for new credit card holders cannot exceed two times of their average monthly income for the first year and for the following years cannot exceed four times of their average monthly income. TL 1,000 cap on credit card limits is set for credit card holders whose earnings cannot be determined.

- Regulations brought new limitations on installments (effective as of February 1, 2014) and maturities (effective as of December 31, 2013) – if banks do not comply with these limits, the amount in excess will be deducted from the shareholders’ equity in CAR calculation. New loan-to-value and maturity limitations will not be applied to the existing loans.

Per BRSA regulations regarding capital buffers published on the 5th of November:

- Effective as of January 1, 2014, Capital Conversation Buffer rates used to calculate additional Tier-1 Capital requirement will be 0% for 2014 and 2015. The banks will be using a rate of 0.625%, starting from 2016 onwards and this rate will gradually increase up to 2.5% by 2019.
- Limits on dividend payout ratio have been defined, implying that dividend payouts will be a function of core Tier-1 Capital.
- Guideline for the calculation of leverage ratio has been released. Accordingly, the banks should calculate the leverage on a monthly basis and the simple 3-month average should sustainably be at least 3%. Recall that, per CBRT’s regulation, banks should set aside additional RR, if they are operating below 3.5% leverage ratio. The threshold will gradually increase up to 5% by the end of 2015.

For the 1Q14 period, CBRT left the interest rate cap and overdue interest rate on credit card transaction in TL unchanged at 2.02% and 2.52%, per month, respectively.

In order to simplify the structure of reserve requirements (RRs), CBRT revised the coverage of RRs, where accordingly, US$ 1 billion FX is projected to be injected to the market. On the other hand, CBRT increased the reserve option coefficients by +0.4 points for the portion between 40%-60%.

Yapi Kredi and DenizBank sold their TL 229 million (including TL 13 million overdue interest) and TL 174 million NPL portfolios for total considerations of TL 31.1 million and TL 42.8 million, respectively.
MARKET RECAP

Optimism about the global economic recovery increased in 2013 with the pick-up in advanced economies and the accommodative monetary policies of central banks. Equities were the strongest asset class of the year while gold ended its 12-year bull run in line with the increasing risk appetite of investors. The S&P 500 hit an all-time high and finished 2013 as the best year for US stocks since 1997. However, Fed’s initial signal of “tapering” plan on May 22 was such a game changer for emerging markets causing significant capital outflows.

In light of the Fed’s tapering decision, markets have battered those emerging economies with sticky inflation and/or large current account deficits (CAD). As a result, MSCI EM underperformed MSCI World in 2013, MSCI Turkey ended 2013 underperforming MSCI investment grades by Moody’s, JCR and DBRS in May. Region’s underperformance with concerns raising over index by 3%. Turkey was the main reason behind the by 23% while EMEA further underperformed the EM region by 39%.

GDP growth in Turkey was realized at 4.4% y-o-y in 3Q13 and projected to be around 4% in 2013. The dynamics of economic growth shifted from net exports to domestic demand, mainly private consumption, as a result of considerable loan growth. On the other hand, CAD further widened in 4Q13 and reached US$ 60.8 billion in November mainly due to gold trade jumping from US$ 5.7 billion surplus in 2012 to US$ 9 billion import in 2013. Although, CAD, excluding energy and gold, was almost stagnant in 2013, Turkey remained to be fragile among its EM peers with its CAD/GDP ratio of around 7.5% and its reliance on portfolio investments and short-term financing. TL hit all-time low level in 4Q13 and depreciated by 20% against US$ annually (16% since May 22), while benchmark rate climbed up to 10.0% at the year-end from its lowest level at 4.6% (16% since May 22), while benchmark rate climbed up to 10.0% at the year-end from its lowest level at 4.6% just before Fed’s first tapering signal in May. Currency weakening together with unexpectedly high food prices caused inflation to increase to 7.4% and exceed the Central Bank of Turkey’s (CBRT) target of 5% in 2013. Starting in 3Q13, CBRT tightened its monetary policy with a cautious stance about inflation and market volatility. After increasing upper-bound of the interest rate corridor by 125 bps, CBRT continued to tighten TL liquidity through the use of other monetary tools in 4Q13. As a result, CBRT’s average cost of funding increased from 6.1% in 3Q13 to 6.5% in 4Q13 and reached 7.1% at year-end.

Looking ahead, after three years of decelerating output, the world economy is expected to strengthen in 2014 with growth concentrated in developed rather than emerging economies. Within developed world, US tends to diverge from the rest of the world as growth in Europe is likely to remain sluggish and economic activity in China slows down. Although global recovery would be supportive, 2014 seems to be a challenging year for emerging markets with increasing risks in politics, financial markets and growth outlook.

In the EM framework, Turkey’s structural story and long-term prospects remain intact amid its solid economic growth potential, strong public and consumer finances and favorable demographics. Yet, Turkey necessitates to underscore the importance of credible CBRT policies and remarkable fiscal performance to lure the foreign capital back to the country. Turkey needs to cushion the effects of external shocks; mainly the volatility threat of tightening liquidity as the Fed’s gradual tapering cast a shadow and looming uncertainties regarding the election agenda that will start in March with municipal elections.