Earnings Presentation

March 31, 2015

IFRS Financials

Garanti

1Q 15 – Period of high volatility

Global Outlook

January 2015

- More supportive outlook vs. 2014;
  - FED's monetary policy normalization not expected to start in 1H15
  - Declining commodity prices
  - ECB's sizable QE announcement

February 2015

- Capital flows to EMs decelerated post stronger than anticipated data flows from the US

March 2015

- Further easing in global monetary policies (ECB, China)
- Downward revision in FED interest rate estimates
- DXY climbed to its 12-yr high level in line with increasing demand for US bonds

Domestic Outlook

January 2015

- CBRT cut the policy rate by 50bps to 7.75%; lower & upper band of the corridor kept at 7.5% & 11.25%, respectively:
  - *Tight MP & macro prud. measures favorable on core infl.& infl. expc.*
  - *Declining commodity prices contributing to disinflation*
- Benchmark rate dipped to 6.7% (Jun 2013 level) at Jan-end
- Concerns regarding CBRT's independency in month-end created deterioration in outlook

February 2015

- Benchmark bond rate rose to 8.3% on avg. vs. 7.6% in Jan
- 5% TL depreciation* against USD on average vs. January
- CBRT shifted to «cautious» stance from «tight» stance
  - *Cut in policy rate to 7.5% and reduced lending & borrowing rates to 10.75% & 7.25%, respectively, given deceleration in core inflation & improving inflation expectations*

March 2015

- Global EM currency weakness & ongoing political noise in domestic market caused further TL depreciation* against USD -- 5% on top of Feb avg.
- Despite TL depreciation against USD, currency basket stood resilient
- CBRT kept interest rates on hold due to global uncertainties & higher than expected food inflation

Banking Sector

January 2015

- Favorable lending environment on the back of higher GDP growth expectations
- Upward EPS revisions for banks , driven by awaited easing in domestic liquidity conditions

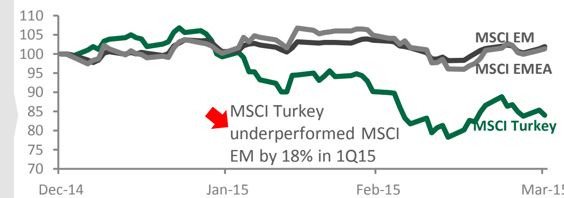
February 2015

- Increasing funding costs due to continued tight monetary policies & fierce competition

March 2015

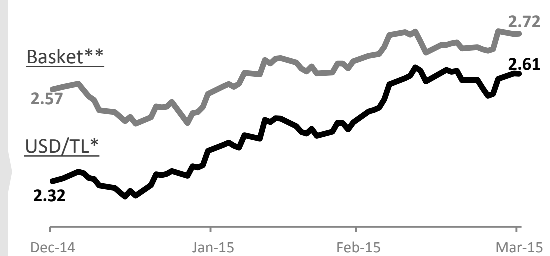
- Effective cost of funding remained high pressuring banking spreads

MSCI Turkey relative performance

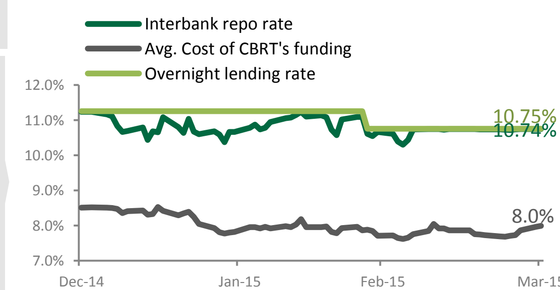


BIST Monthly Foreign Net Flows (mn TL)

Jan-15	Feb-15	Mar-15
404	- 731	-510



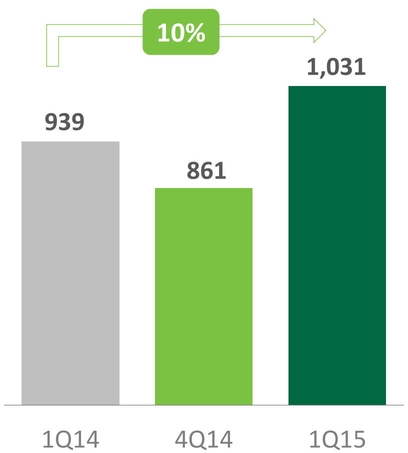
Interest rates (CBRT's funding rate vs. Interbank repo rate)



* CBRT ask rates
** Basket is EUR/USD basket composed of 50% USD and 50% EUR against TRY

Recurring strong performance despite currency volatility, uncertainties & regulatory charges

Net Income (TL million)



ROAE*: 15.9%

ROAA*: 1.8%

(TL Million)	4Q14	1Q15	ΔQoQ
(+) NII- excl . income on CPI linkers	1,961	1,951	-1%
(+) Net fees and comm. - exc. consumer arbitration comm. related exp.	693	746	8%
(-) Provisions net of collections	-500	-280	-44%
= CORE BANKING REVENUES	**2,154**	**2,417**	**12%**
(+) Income on CPI linkers	415	211	-49%
(+) Trading & FX gains	-142	2	-102%
(+) Other income -before one-offs	176	178	1%
(-) OPEX - exc. consumer arbitration comm. related exp.	-1,375	-1,395	1%
(-) Other provisions & Taxation -before one-offs	-239	-286	21%
(+) Regulatory & Non-recurring items	-128	-97	-25%
(-) Free Provision	*-40*	*-35*	*-13%*
(+) Free Provision reversal	*25*	*0*	*n.m.*
(-) Commission reimbursement related expenses (OPEX)	*-17*	*-13*	*-22%*
(-) Commission reimbursement related expenses (Net F&C)	*-50*	*-62*	*25%*
(+) Income from NPL sale	*1*	*14*	*n.m.*
(-) Founder share tax penalty (Other provision)	*-47*	*0*	*n.m.*
= NET INCOME	**861**	**1,031**	**20%**

Well-defended NIM – proactive asset pricing and actively managed costs

Positive growth maintained despite regulatory pressure

(1) Absence of NBR related add'l provisions** booked in 4Q, **(2) lower NPL inflows (3)Continued progress in collections** accross the board

Swap cost offset by **security trading gains**

TL depreciation (~12% YoY) against USD pressured the base

Higher than expected expenses, in line with sector trend

Recurring strong performance

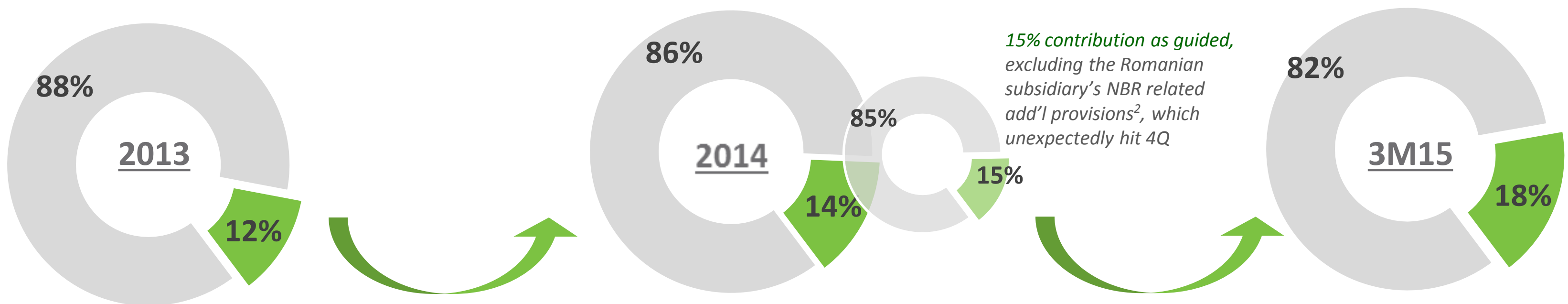
*Excluding non-recurring items

**About RON 75m (~TL60mn) LLP is booked at the end of Nov'14 as imposed by NBR. The Bank's coverage ratio increased to 65% from 35%.

Subsidiaries' contribution continue to increase

Consolidated Net Income

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



Main contributors to subsidiaries income

GarantiBank International N.V.
Net Income Contribution **4.7%**
vs. 3.6% in 2014
vs. 4.0% in 2013

Garanti Pension Company
Net Income Contribution **4.6%**
vs. 4.5% in 2014
vs. 3.8% in 2013

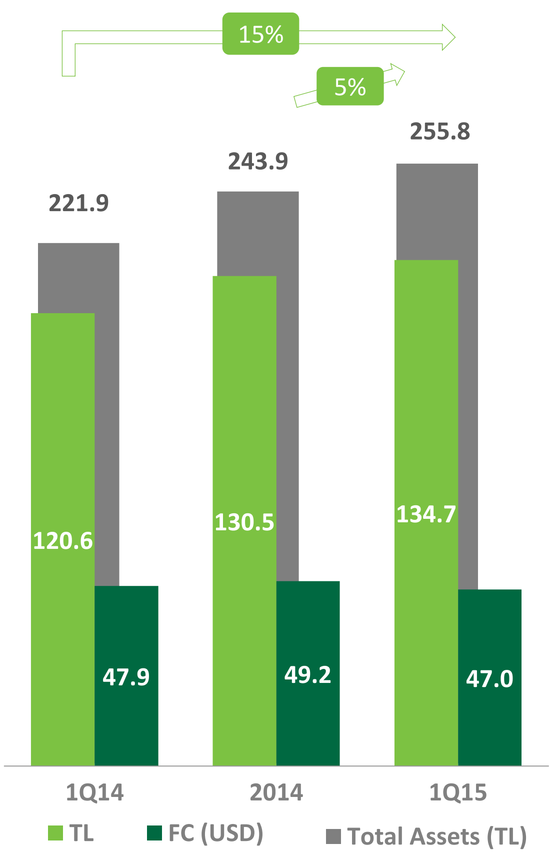
Garanti Leasing
Net Income Contribution **3.6%**
vs. 3.5% in 2014
vs. 1.5% in 2013

GarantiBank Romania
Net Income Contribution **1.9%**
vs. 0.5% in 2014
vs. 1.7% in 2013

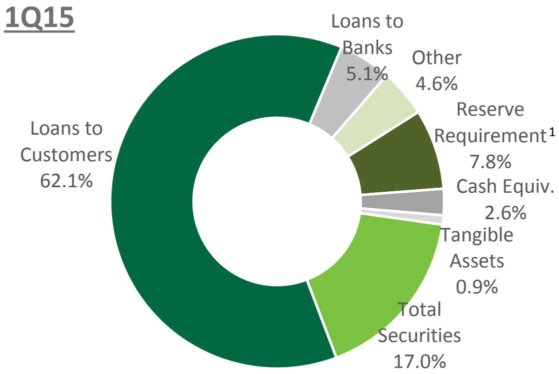
Note: Garanti Bank Romania and Garanti Leasing figures are based on consolidated financials
1 Including consolidation eliminations
2 About RON 75m (~TL60mn) LLP is booked at the end of Nov'14 as imposed by NBR. The Bank's coverage ratio increased to 65% from 35%.

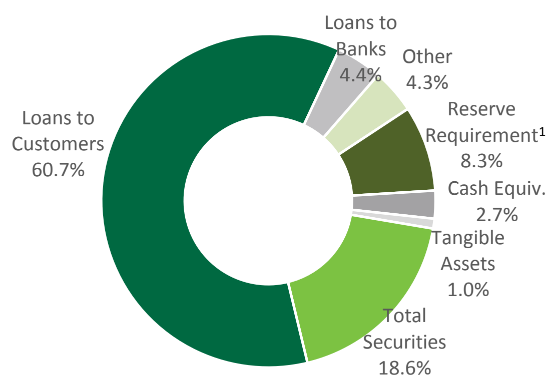
Higher yielding customer-oriented assets driving the growth
--Share of loans reached its peak

Total Assets (TL/USD billion)



Composition of Assets[1]





Increasingly customer driven asset mix

Loans[2]/Assets:

62%

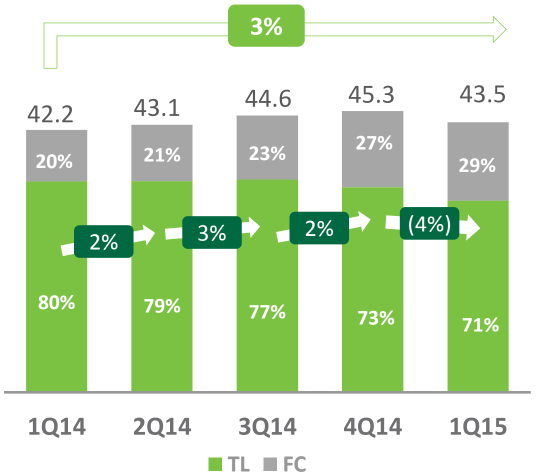
	Loans[2]	Securities
1Q15	+7%	(4%)
4Q14	+2%	+2%

1 TL reserves started to be remunerated by the CBRT as of November 2014 & they constitute 6% of total reserves in 1Q15. Note: Reserve amount is on a bank-only basis
2 Loans to customers

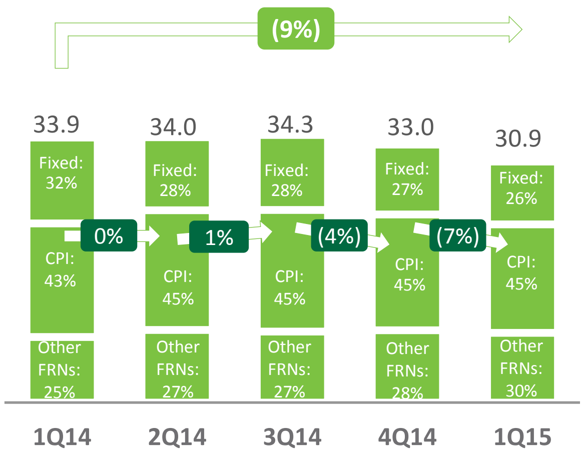
Proactive management of the securities book

-- Securities in assets decreased in 1Q, due to redemptions in TL & trading in FC

Total Securities (TL billion)



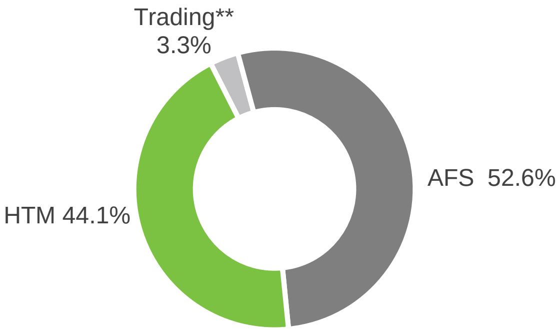
TL Securities (TL billion)



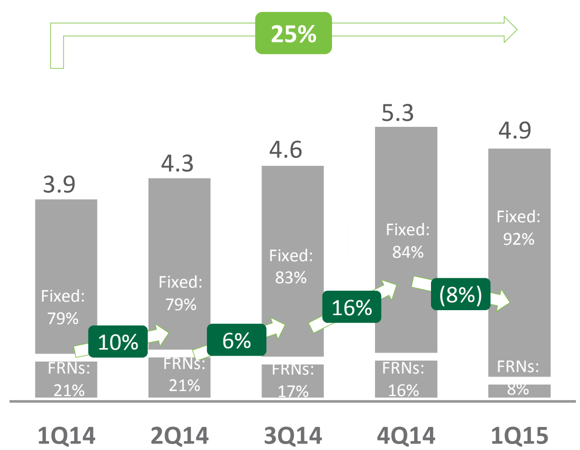
Securities/Assets hit its lowest level **17%**

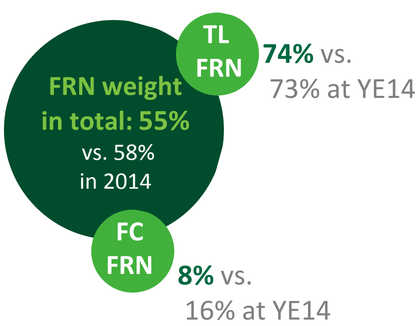
- Redemptions from TL fixed rate & CPI linker portfolio*
- New additions to TL securities were mainly from CPI linkers
- Shrinkage in FC book due to profit realizations, partly offset with Eurobond additions

Total Securities Composition



FC Securities (USD billion)



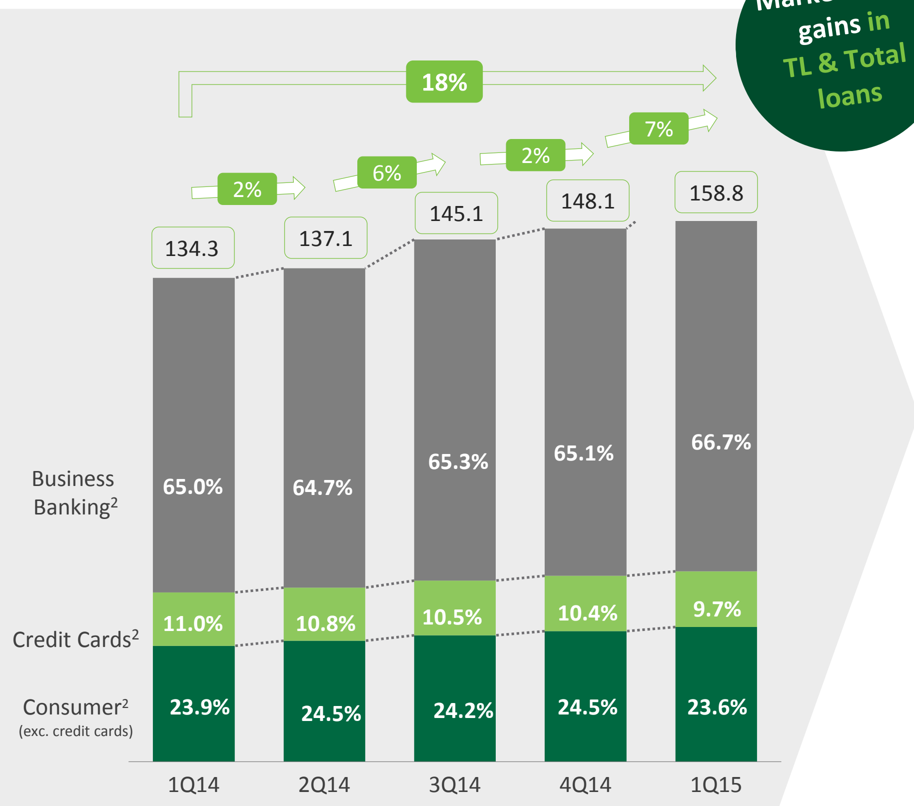


Unrealized MtM loss (pre-tax) ~TL 134mn
as of March-end vs. TL79mn gain at YE14

Note: Fixed / Floating breakdown of securities portfolio is based on bank-only MIS data.
*Redemptions: from CPI linkers in Feb'15: ~TL1.9bn @2.69% real rate; from fixed-rate securities ~TL1bn
** Including «Gold»

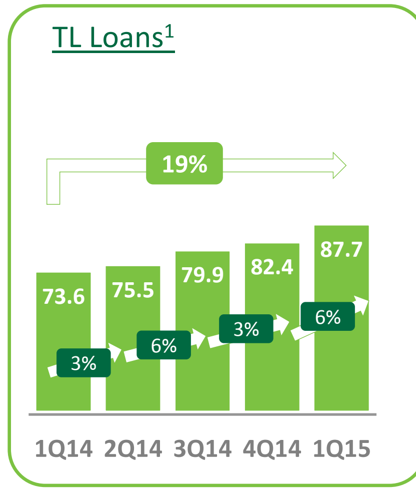
Cautious stance in lending with sustained focus on profitability

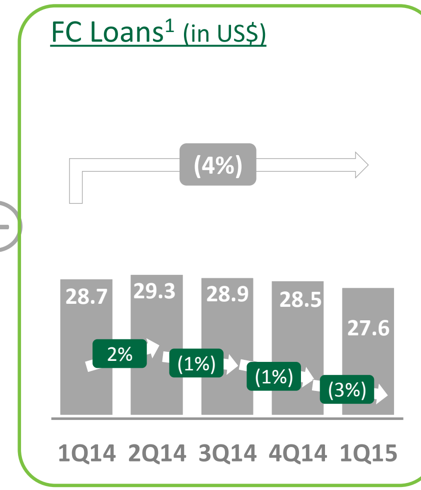
Total Loans[1] Breakdown (TL billion)



Market share gains in TL & Total loans

	1Q14	2Q14	3Q14	4Q14	1Q15
TL (% in total)	55%	55%	55%	56%	55%
FC (% in total)	45%	45%	45%	44%	45%
US$/TL	2.115	2.097	2.250	2.305	2.575





- TL lending growth
  -- accelerated, yet; selective & profitability focused

  > **TL business banking loans[2]** continued to be the front-runner *-- 10% growth QoQ*

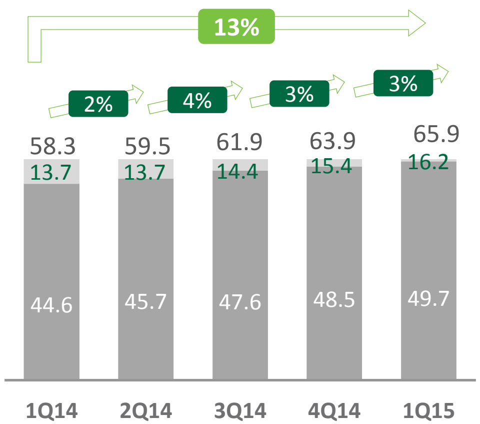
  > Ongoing focus on **lucrative Mortgages & GPLs**

- Volatility & uncertainties continue to weigh on demand

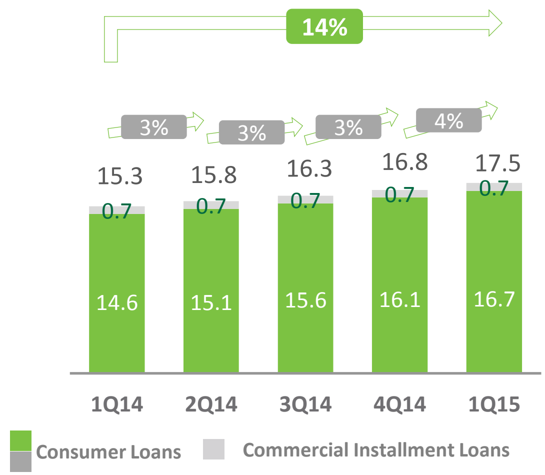
1 Loans to Customers
2 Loans breakdown is based on BRSA consolidated data, loans do not include leasing and factoring receivables. TL business banking loans represent TL loans excluding credit cards and consumer loans
Note: Market shares are calculated based on BRSA bank-only financials for fair comparison with sector

Continued emphasis on high-margin retail products

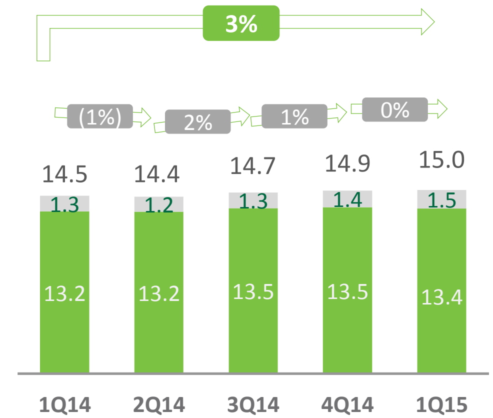
Retail Loans[1] (TL billion)



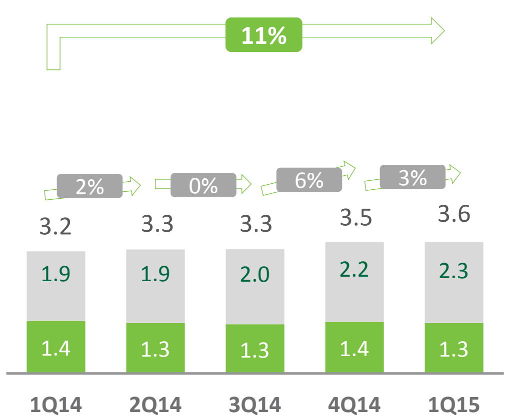
Mortgage (TL billion)



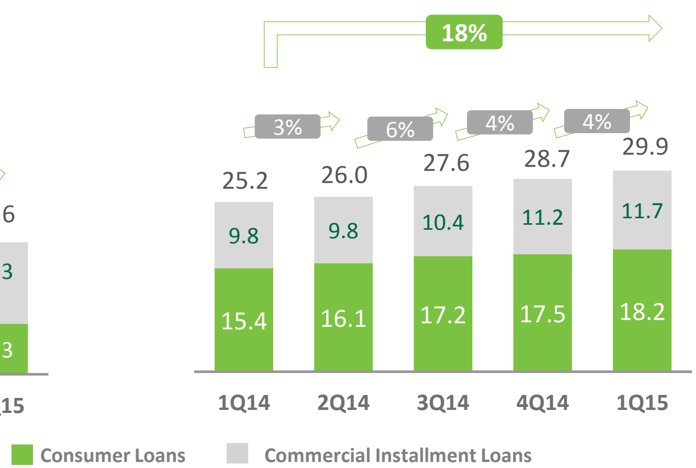
Credit Card Balances (TL billion)

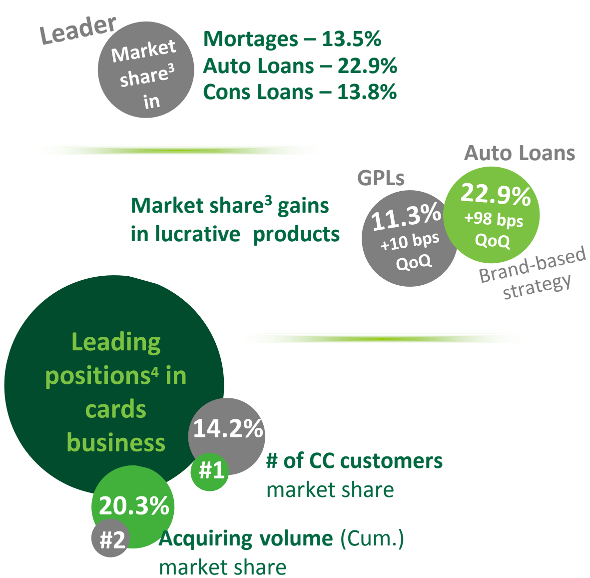


Auto Loans (TL billion)



General Purpose Loans[2] (TL billion)



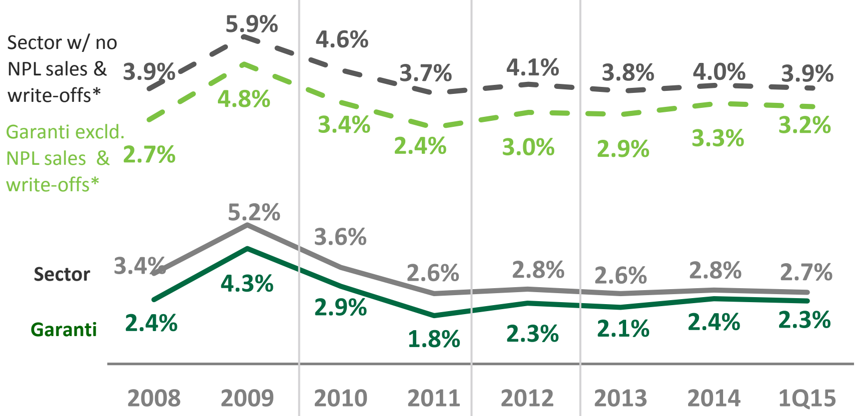


Note: Based on BRSA Consolidated financials
1 Including consumer, commercial installment, overdraft accounts, credit cards and other 2 Including other loans and overdrafts
3 Based on bank-only financials for fair comparison with sector, consumer loans only 4 As of March, 2015, as per Interbank Card Center data
Note: (i) Sector figures used in market share calculations are based on bank-only BRSA weekly data as of March 27,2015, commercial banks only (ii) Rankings are as of 4Q14, among private banks, unless otherwise stated

Strong collection performance soothing the impact of anticipated NPL inflows

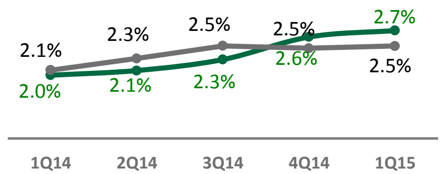
NPL Ratio[1]

	Global Crisis & Hard Landing		Recovery		Soft Landing	Macro-prudential Measures		
	2008	2009	2010	2011	2012	2013	2014	1Q15
GDP Growth	0.7%	-4.8%	9.2%	8.8%	2.1%	4.1%	2.9%	
Unemployment Rate[2]	13.1%	12.7%	10.7%	9.2%	9.5%	9.1%	10.4%	10.3%[3]
Garanti (IFRS Cons.)	**2.5%**	**4.4%**	**3.5%**	**2.3%**	**2.8%**	**2.9%**	**3.1%**	**3.0%**
Garanti (BRSA Cons.)	**2.4%**	**4.1%**	**3.1%**	**2.1%**	**2.6%**	**2.7%**	**3.0%**	**2.9%**

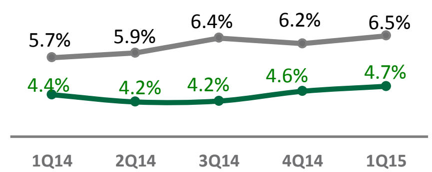


NPL Categorization[1]

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

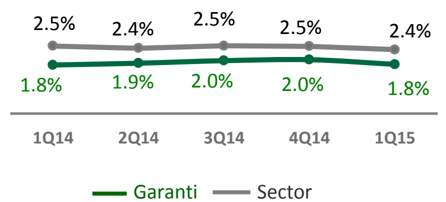


Credit Cards (10% of total loans)



Sector NPL ratios in retail banking & credit cards veiled by heavy NPL sales

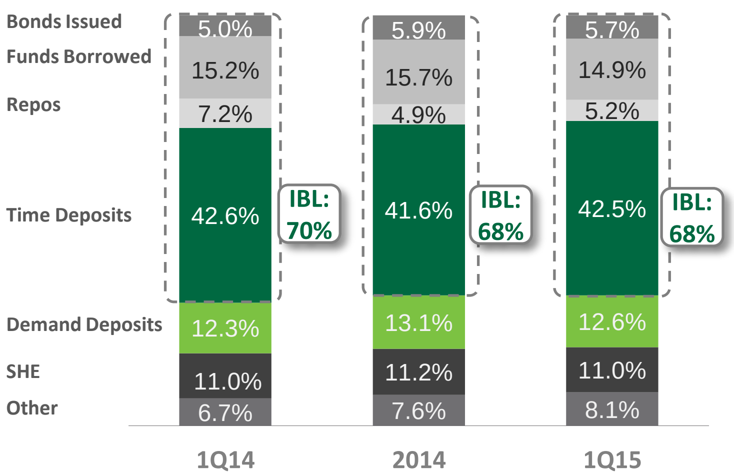
Business Banking (67% of total loans)
(Including SME Business)



1 NPL ratio and NPL categorization for Garanti and sector figures are per BRSA bank-only data for fair comparison (Sector figure is as of 27 March 2015)
2 Seasonally adjusted 3 As of January 2015
* Adjusted with write-offs in 2008, 2009, 2010, 2011, 2012, 2013 ,2014 , 1Q15 Source: BRSA, TBA & CBT

Well diversified funding mix: Customer-driven and expanding deposit base...

Composition of Liabilities



Consumer+SME in TL deposits

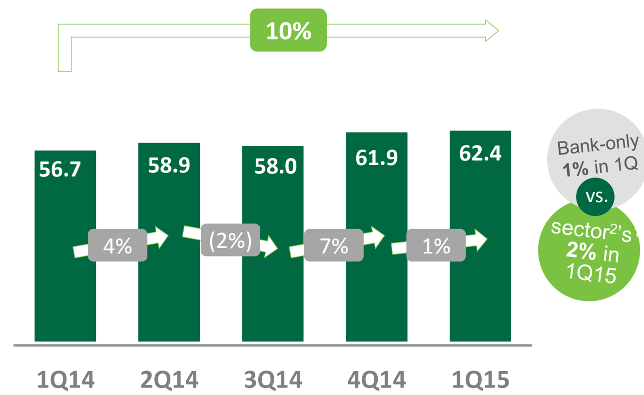
83%[1] vs. 79%[1] at YE14

> **Liquidity Coverage Ratio[3]: Well above requirement**

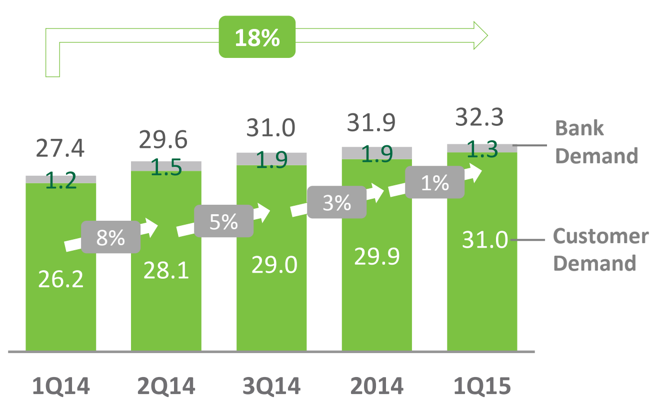
Total: 135%
vs. required level of 60%

FC: 143%
vs. required level of 40%

TL Deposits (TL billion)



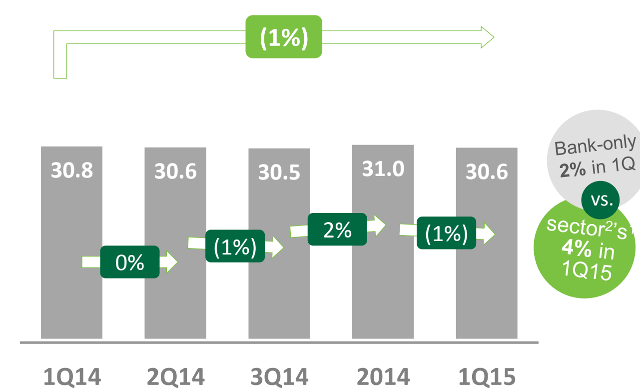
Demand Deposits (TL billion)



23% of total deposits

Per bank-only figures 21% vs. sector[2] avg. 18%

FC Deposits (USD billion)

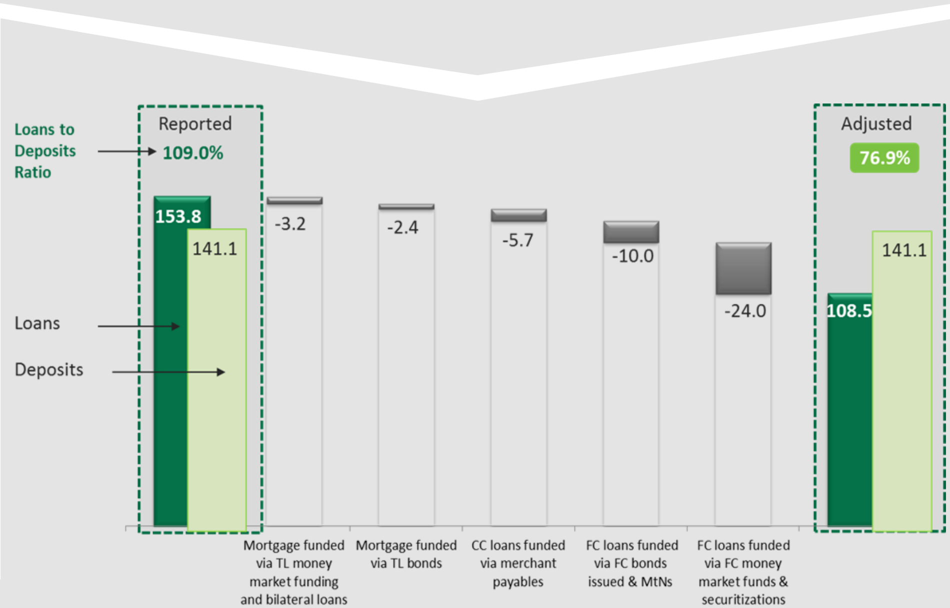


1 Based on bank-only MIS data
2 Based on bank-only BRSA weekly data as of March 27, 2015 , commercial banks only
3 Based on bank-only MIS data

...bolstered by longer term alternative funding sources

Adjusted LtD ratio[1] (TL Billion)

Loans funded via long-term on B/S alternative funding sources



Funds Borrowed[2]

Securitizations ~USD3.1bn
Avg. TtM: 11.6yrs

Money Market funds ~USD4bn & TL2.6bn
Avg TtM: 2yrs & 1.2yrs, respectively

GMTNs ~USD600mn**
Avg TtM: 2.3yrs

Bilateral Loans
USD~1.4bn & TL0.6bn
Avg TtM: 5yrs

Syndications* ~USD2.4bn
1 yr maturity

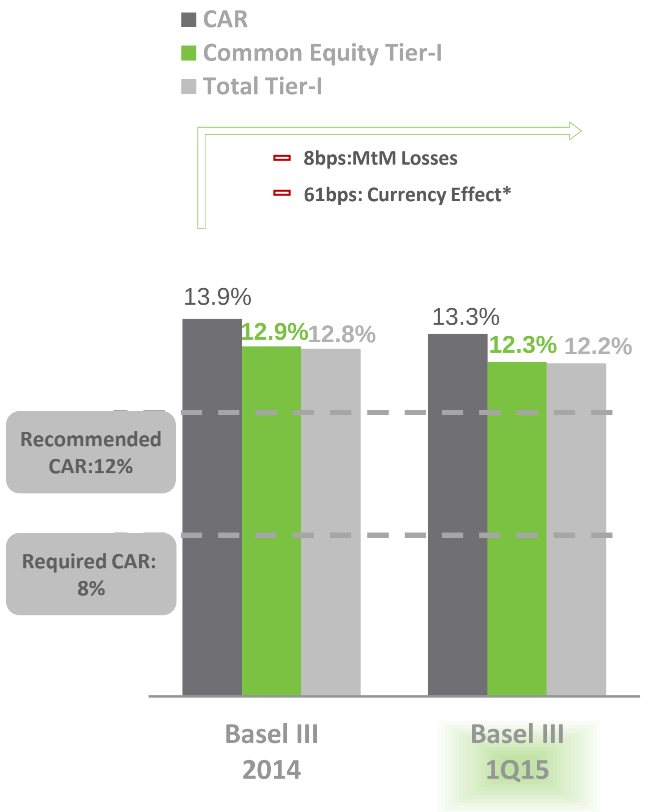
Bond Issuances[1]

- **TL Bond** issuances**: ~TL3bn, Avg TtM 5mo.
- **TL Eurobond**:~TL750mn, @7.38% , TtM 2.9yrs
- **FC Eurobonds**: USD3.4bn, Avg TtM 4.5yrs

1 Based on BRSA Consolidated Financials. Loans excluding leasing and factoring receivables 2Bank_Only
* Syndications are not included in the Adjusted LtD ratio analysis as they are 1yr maturity and not deemed as long-term funds
** Only long term portions are accounted for in the analysis --TL bonds including TL Eurobond: TL2.4bn & GMTNs: ~USD500mn

Maintained robust capital ratios
-- bracing long-term sustainable growth

Capital adequacy ratios[1]



Effect of 0.1 TL increase in TL/US$ Rate on CAR Ratio is ~ -19bps*

Highest Common Equity Tier-I ratio[2] among peers

Common Equity Tier-I capital:
92% of total capital
93% on a bank-only basis
vs. sector's 85%[3]

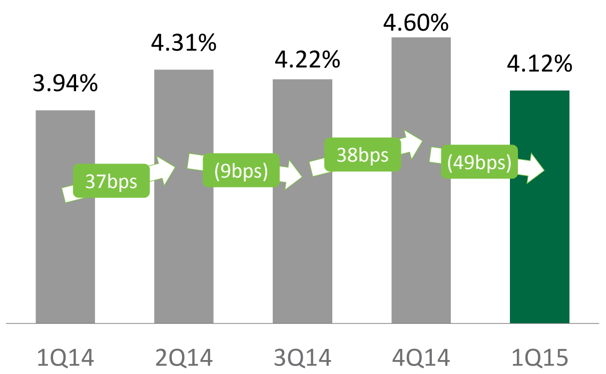
Highest Free Funds[4]/IEAs 17%
per bank-only 15%
vs. peer avg. of 10%[5]

Low Leverage[6] 8.1x

* Per bank-only financials. Sensitivity analysis is based on the Bank's net position and risk profile structure as of March-end 1 Based on BRSA Consolidated Financials.
2 As of December 2014, based on bank-only data for fair comparison 3 Based on BRSA monthly data as of February, 2015 4 Free Funds = Free Equity + Demand Deposits
Free Equity = SHE - (Net NPL+ Inv. in Associates and Subs. + Tangible and Intangible Assets+ AHR+ Reserve Req.) 5 As of December 2014 peers' financials based on bank-only data 6 Based on IFRS financials

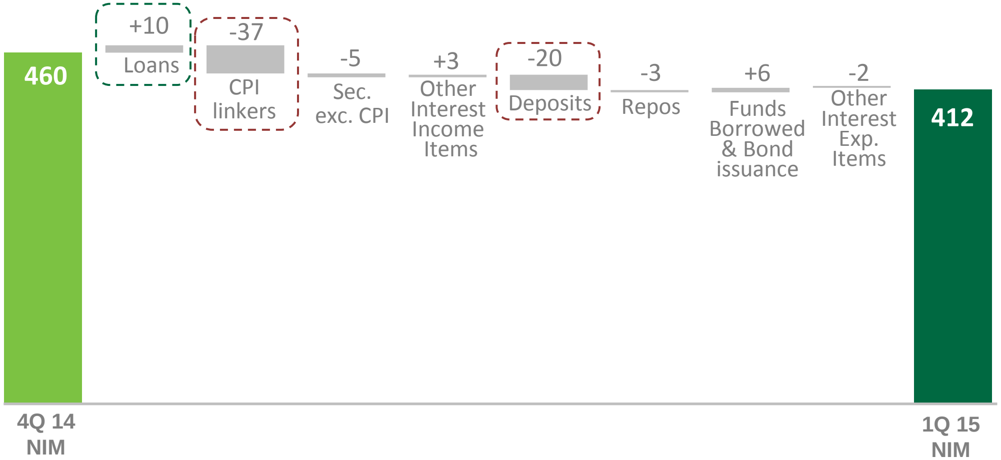
NIM contraction was largely due to CPI linkers

Quarterly NIM



Slight contraction in NIM
~10bps QoQ
excld. CPI linker income volatility

1Q15 vs. 4Q14 Margin Evolution (in bps)



> **Positive contribution** of

- Lending and,
- Funds borrowed & bond issuances on quarterly NIM…

…dimmed by

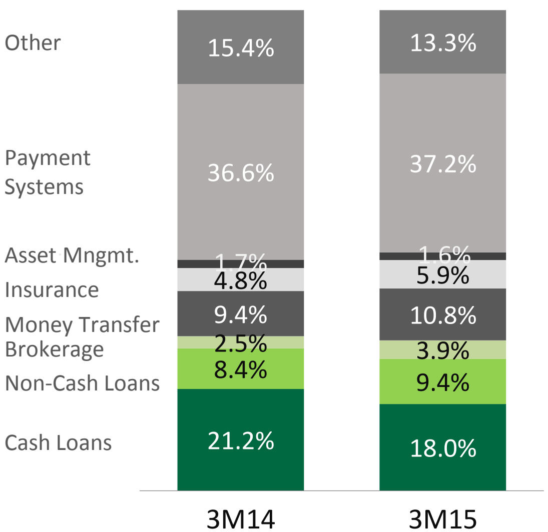
- negative income volatility of CPI linkers and,
- higher quarterly average deposit costs

Note: Figures are based on BRSA Consolidated financials

Maintained positive growth in fees despite the new regulatory environment

Net Fees & Commissions Breakdown[1]

Highest Net F&C market share: >16%*



Emphasis placed on diversified & untapped fee areas to alleviate the regulatory pressure on

- cash loan origination fees,
- payment systems
- account maintenance fees

> **Payment systems fees** -- better than expected performance in 1Q
– Leadership in **acquiring business** & focus on **commercial-credit cards**

> **Non-cash loan fees** -- better than expected performance in 1Q

> **Insurance** -- better than expected performance in 1Q
– **Most preferred** pension company with **17.2% market share** in # of participants
– **#1 in bancassurance** per premium production**

> **Brokerage** -- better than expected performance in 1Q

> **Money transfer fees**
– **Leader in interbank money transfer** with 15.7% market share

> **Effective utilization of digital channels**
– **Leader in Internet & Mobile Banking** financial transactions volume with **23%** and **30%** market shares[2], respectively

Net Fees & Commissions (TL million)

	3M14	3M15	∆ YoY
Net Fees & Commissions (reported)	743	684	(8%)
*- Commission reimbursement incl. related litigation expenses**	*-14*	*-62*	
Net Fees & Commissions (comparable)	757	746	(1%)

Net F&C pressured in 1Q15 due to higher than budgeted **«Commission reimbursement expenses»,** in line with sector trend

1 «Net Fees and Commissions breakdown» is based on bank-only MIS data 2 As of 4Q 2014 *As of February 2015, based on bank-only data. Sector figure is based on BRSA monthly data for commercial banks
** As of March 2015, among private banks Note: In 1Q15 TL 62mn of the TL 75 mn and in 1Q14 TL 14mn of the TL 19mn «Commission reimbursement incl. related litigation expenses» are netted from Fees and Commissions and remaining expenses were accounted for under OPEX

Non-HR related costs weighed on OPEX

Operating Expenses (TL million)

	3M14	3M15	∆ YoY
OPEX (reported)	1,279	1,408	10%
*- Commission reimbursement incl. related litigation expenses**	*5*	*13*	
OPEX (comparable basis)	1,274	1,395	9%

** In 1Q15, TL 13mn of the TL 75mn and In 1Q14, TL5mn of the TL19mn «Commission reimbursement incl. related litigation expenses» are netted from Fees and Commissions, and remaining expenses were accounted for under OPEX .*

OPEX pressured by non-HR expenses in 1Q15

Currency depreciation: ~12% YoY TL depreciation against USD on average in 1Q15

Best in class per branch efficiency ratios (TL million, 2014)

Ordinary Banking Income / Avg. Branch: **8.6** vs. **6.4** Peer Average

Loans / Avg. Branch: **134** vs. **123** Peer Average

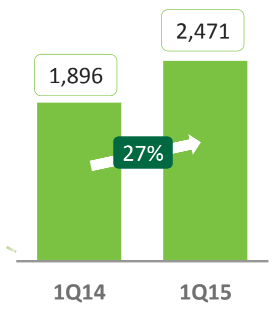
Customer Deposits / Avg. Branch: **8.6** vs. **6.4** Peer Average

OPEX* / Avg.Assets improved to 2.2% vs. **2.3% in 1Q14**

* OPEX on a comparable basis.
Note: Per branch efficiency ratios are per bank-only financials for fair comparison.

Differentiated business model once again yielded strong results

(TL Million)	1Q14	1Q15	∆YoY
(+) NII- excl . income on CPI linkers	1,360	1,951	43%
(+) Net fees and comm. - exc. consumer arbitration comm. related exp.	757	746	-1%
(-) Provisions net of collections	-221	-280	27%
(+) Income on CPI linkers	464	211	-54%
(+) Trading & FX gains	80	2	-97%
(+) Other income -before one-offs	160	178	11%
(-) OPEX – on a comparable basis	-1,274	-1,395	9%
(-) Other provisions & Taxation -before one-offs	-267	-286	8%
(+) Regulatory & Non-recurring items	-119	-97	-19%
(-) Free Provision	*-100*	*-35*	*-65%*
(-) Commission reimbursement related expenses (OPEX)	*-5*	*-13*	*158%*
(-) Commission reimbursement related expenses (Net F&C)	*-14*	*-62*	*346%*
(+) Income from NPL sale	*0*	*14*	*n.m.*
= NET INCOME	**939**	**1,031**	**10%**



STRONG CORE BANKING REVENUES…

…despite ***market volatility*** and ***regulatory charges***

- **Committed to profitable growth** -- **Higher LtD spread YoY**, backed by dynamic asset liability management.
- **Diversified fee base** and **reshaped business model** continue to pay off

Appendix

Preserved high contribution from 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 17.0% CAR (Local) > Sound asset quality with 5.8% NPL Ratio (Local)	5.2%	4.7%	13.6%	> Core activity supported by trading gains through sale of securities
Garanti Pension Company	> Most Preferred pension company with 17.2% market share in number of participants > #3 in pension fund size (TL6.5bn) > Most Profitable company** in the sector	3.0%	4.6%	21.3%	> Increasing technical income especially from pension business > Better-than-expected financial income resulted from favourable market conditions > Lower OPEX
GarantiBank Romania	> Full-fledged banking operations since May 2010 > 13th bank in Romania** > 98% geographic coverage w/ 84 branches & 307 ATMs > Well-capitalized with 13.7% CAR (Local) > NPL Ratio (Local):13.6% vs. sector's 14.3% as of Feb. 28, 2015 > NPL Ratio (Local):13.6% as of March 31, 2015	2.2%	1.9%	12.7%	> Better-than-expected NII resulted from better margins > Income from NPL sale, supporting bottom-line > Lower-than-expected loan loss provisions > Lower OPEX
Garanti Leasing	> #1 in number of contracts for the 9 consecutive year-ends > US$943mn Business Volume**	1.9%	3.6%	19.8%	> Lower loan loss provisions thanks to positive effect coming from a previously-risky-assessed customer and positive effect from cash flow hedge > Lower OPEX
Garanti Factoring	> Second in the sector with TL17.4bn business volume** > Publicly traded with a free-float of 8.38% > 21 branches in 14 cities	1.1%	0.6%	16.9%	> Lower loan loss provisions > Lower OPEX
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 23.0% CAR (Local) > Sound asset quality with 2.8% NPL Ratio (coming from 2008 crisis)	0.2%	0.2%	5.6%	> Higher funding cost, significant devaluation of RUB and decreasing volumes due to unfavourable macro conditions arising from geo-political issues.
Garanti Securities	> Strong presence in capital markets with 6.9% brokerage market share	0.0%	0.1%	3.3%	> Higher commission income and brokerage fees > Lower OPEX
Garanti Asset Management	> Turkey's first asset management company with TL10.9bn of AUM	0.0%	0.2%	26.2%	> Higher commission income resulted from pension business > Better financial income

* As of December 31, 2014
** Calculated as average of quarter-end equities

Note: Garanti Romania, Garanti Securities and Garanti Leasing figures are consolidated excluding NPL Ratio figures

Disclaimer Statement

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