



# 1H20 EARNINGS PRESENTATION

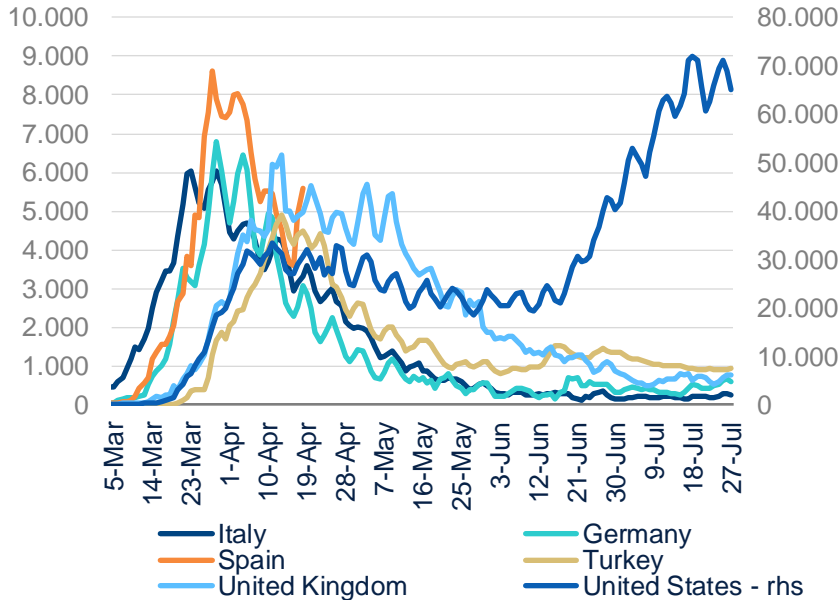
Based on BRSA Unconsolidated Financials  
July 29<sup>th</sup>, 2020

# AGENDA



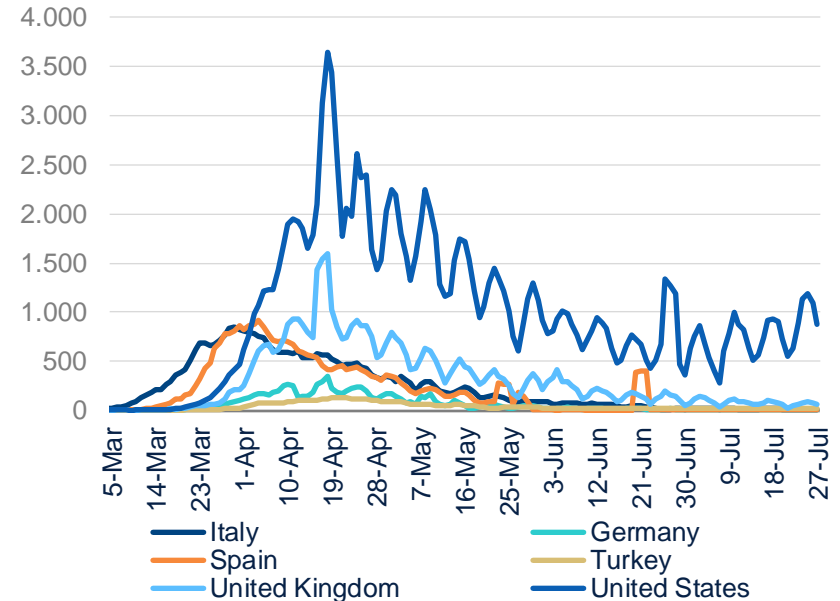
# TURKEY SUCCESSFULLY MANAGED THE PANDEMIC ON THE BACK OF WELL-ESTABLISHED HEALTH CARE SYSTEM AND YOUNG POPULATION

**NEW INFECTED PEOPLE: EUROPE & US**  
(3-DAY MOVING AVERAGE)



► Infection curves are flattening

**NEW DEATHS: EUROPE & US**  
(3-DAY MOVING AVERAGE)

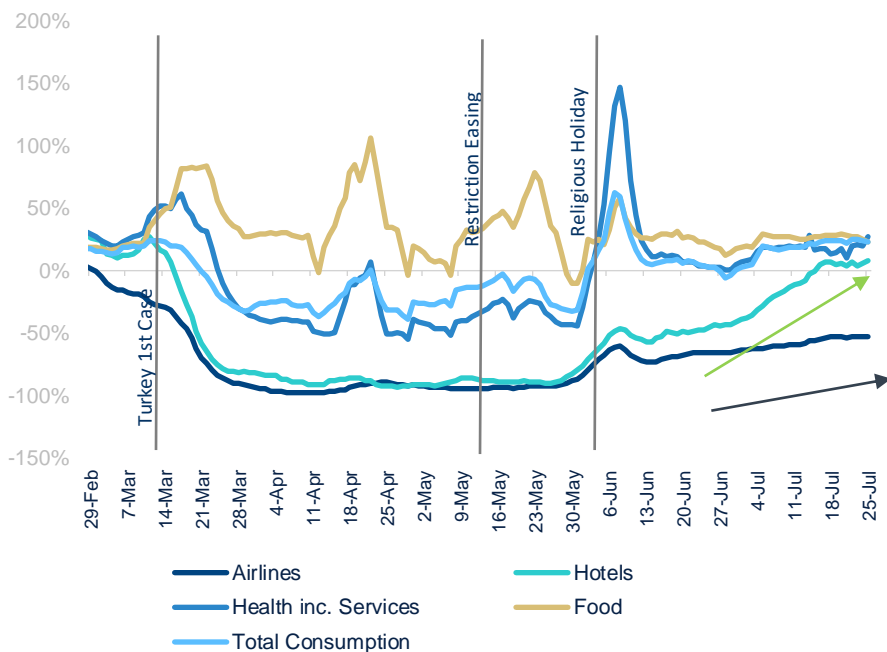


► Death toll has always been lower in Turkey on the back of large & well-established healthcare system & young population

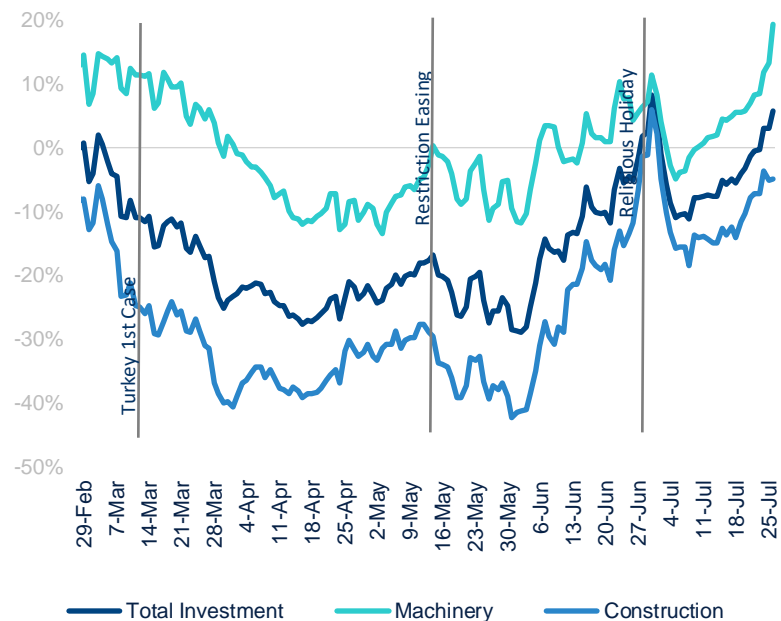
Note: 17th - 20th February WHO reported all confirmed cases, including both laboratory-confirmed and those clinically diagnosed  
Source: BBVA Research, Johns Hopkins University (data updated up to 00:00 GMT)

# OUR DAILY BIG DATA INDICATORS SUGGEST THAT CONSUMPTION IS ADJUSTING RAPIDLY, WITH THE EASE OF COVID RESTRICTIONS

**GARANTI BBVA BIG DATA CONSUMPTION ITEM**  
(Cumulative 1week, YoY Nominal)



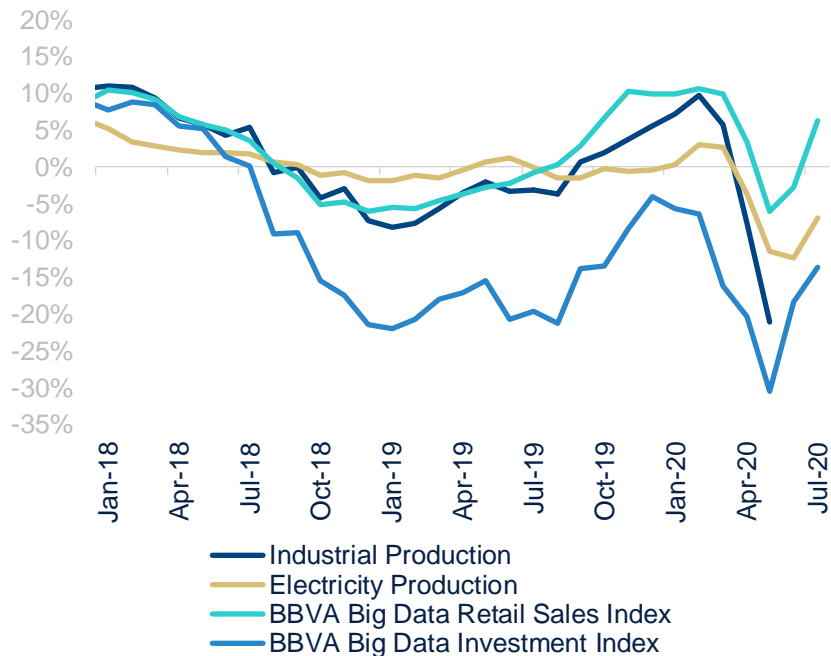
**GARANTI BBVA BIG DAILY INVESTMENT INDEX**  
(Cumulative 28 Days, YoY Nominal)



# ELECTRICITY PRODUCTION, CONSUMER CONFIDENCE & BIG DATA INDICATORS ALSO INDICATES V-SHAPE RECOVERY

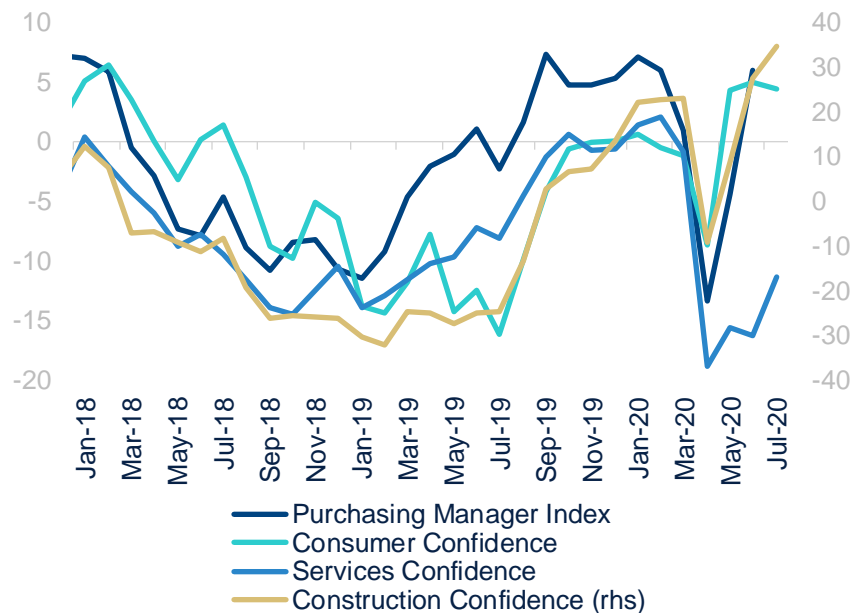
## TURKEY: HIGH FREQUENCY HARD DATA INDICATORS

(3-Month YoY, July20 refers to the first 25 days of July)



## TURKEY: HIGH FREQUENCY SOFT DATA INDICATORS

(yearly difference)

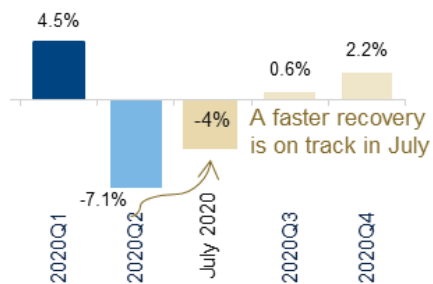


# MACROECONOMIC FORECASTS

	2019	2020 (f)	2021 (f)
GDP (%)	0.9	0.0	5.0
CBRT funding rate (% eoy, yoy)	12.0	8.25	9.0
Inflation rate (% eoy)	11.8	10.0	8.5
Current Account Balance / GDP	1.1	-2.3	-3.3
Budget Deficit / GDP	-2.9	-4.8	-3.6

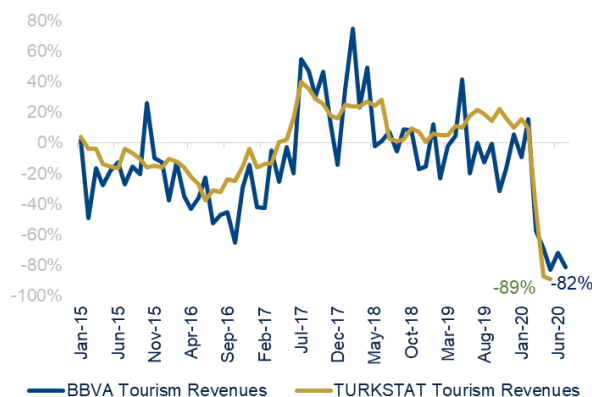
- ▶ Earlier than expected normalization phase supporting **V-shape recovery expectation**
- ▶ **Monetary Policy** supported by the global loose policies, negative output gap and lower energy prices
- ▶ **Inflation** is still expected to experience decline in 3Q with the help of base effects
- ▶ **Current Account Balance** has started to revert due to the mobility restrictions on exports & tourism. Lower activity & energy will balance partially.
- ▶ Fiscal and employment support weighed on **budget balance yet still** Budget Deficit/ GDP remains below EM average.

## GDP FORECAST



## GARANTI BBVA TOURISM REVENUES PROXY

(% YOY, including the first 3 weeks of July)



# AGENDA



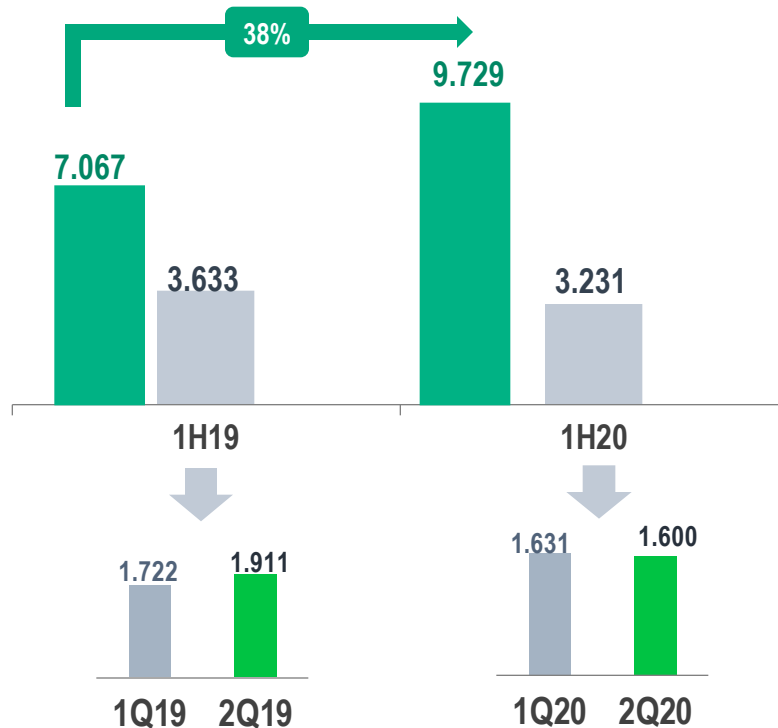
# SUSTAINABLY ROBUST REVENUE GENERATION CAPABILITY ENABLED STRONG PROVISION BUILD UP WHILE DELIVERING TOP-LINE PROFITABILITY

## NET INCOME & PRE-PROVISION INCOME<sup>1</sup>

(TL million)

■ Pre-provision Income

■ Net Income



- ▶ TL 600 mn free provisions set aside in 2Q20
- Free provisions in the balance sheet reached TL 3.1bn

ROAE

12.8%

ROAA

1.7%

LEVERAGE

6.7x

CAR\*

without  
BRSA's  
forbearance

19.1%

CET-1\*

without  
BRSA's  
forbearance

16.3%

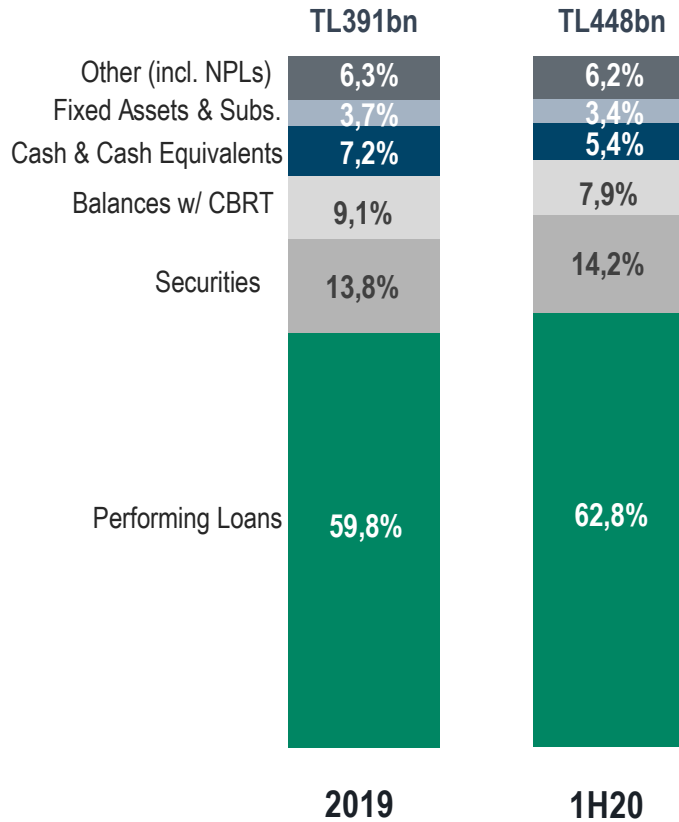
<sup>1</sup> Please refer to page 31 for detailed breakdown of pre-provision income and revenues

\*with BRSA's forbearance measures: CAR:20.1%, CET1: 17.3%.

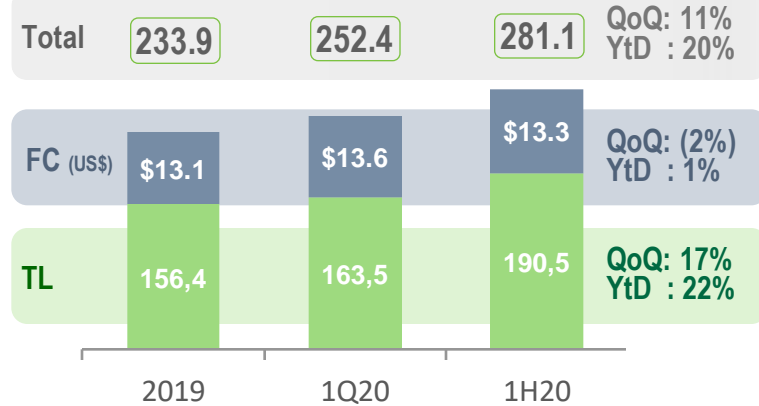


# STRONG ASSET GROWTH IN 2Q WAS MAINLY LENDING DRIVEN

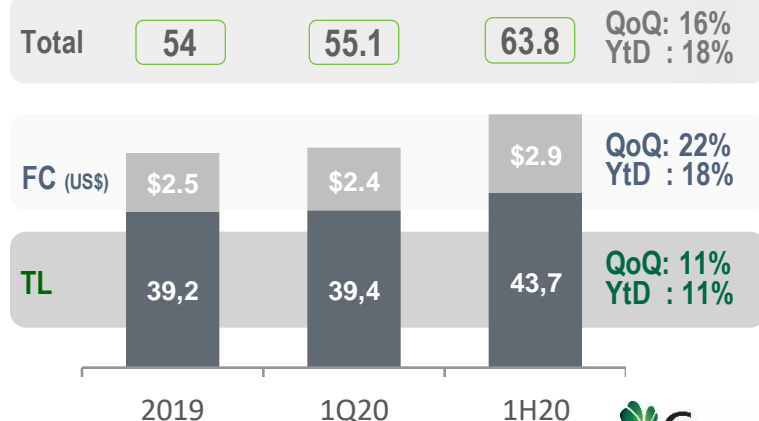
## ASSET BREAKDOWN



## Performing Loans (TL, US\$ billion)

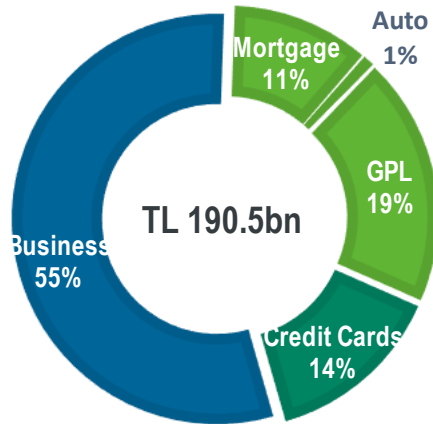


## Securities (TL, US\$ billion)

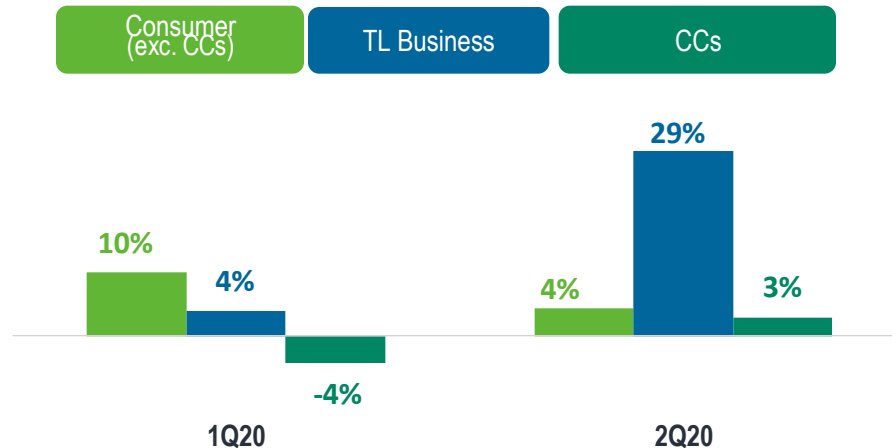


# BUSINESS BANKING WAS THE FRONT RUNNER WITH CGF & ST WORKING CAPITAL LOANS IN 2Q

## TL PERFORMING LOANS (68% of Total Performing Loans)



## QUARTERLY GROWTH



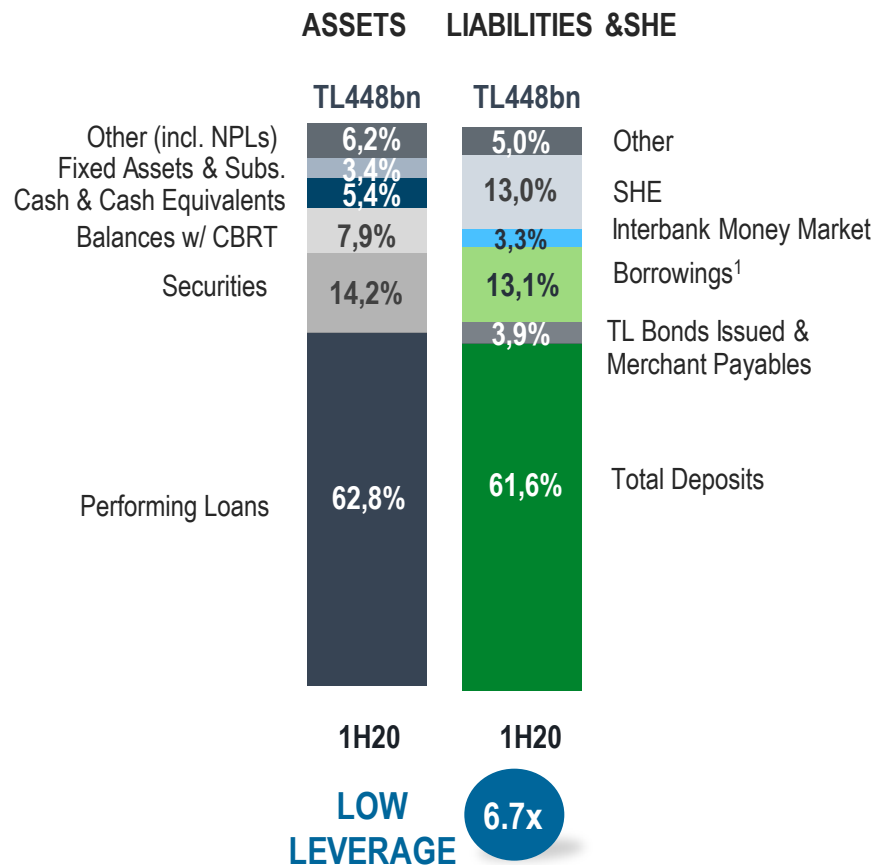
### ► ST Working Capital Loans & CGF loans drive the growth

- CGF loan originations make up 20% of the TL Business Banking lending in 2Q
- CGFs w/ 1 year and other business banking loans w/ 3-6 months maturity

### ► Consumer loans gained pace in June, with the start of normalization phase, and will continue to increase in 3Q

- 8% GPL growth recorded in the quarter
- GPL & Mortgage weekly loan originations in June reached pre-pandemic levels
- 46% of GPLs are granted to salary customers

# HIGHLY LIQUID BALANCE SHEET WITH LOW LEVERAGE



## EXTERNAL DEBT VS. FC QUICK LIQUIDITY (USD bn)

ST external dues

**\$2.8bn**

Comfortable FC liquidity buffer<sup>2</sup>

**\$9.3bn**

- Lower dependency on external borrowing due to shrinking FC loan portfolio since 2013:
  - CAGR: FC loans: -7% vs. FC borrowings: -10%

## LIQUIDITY COVERAGE RATIOS<sup>3</sup>

**Total LCR** 147%

Minimum Requirement 100%

**FC LCR** 217%

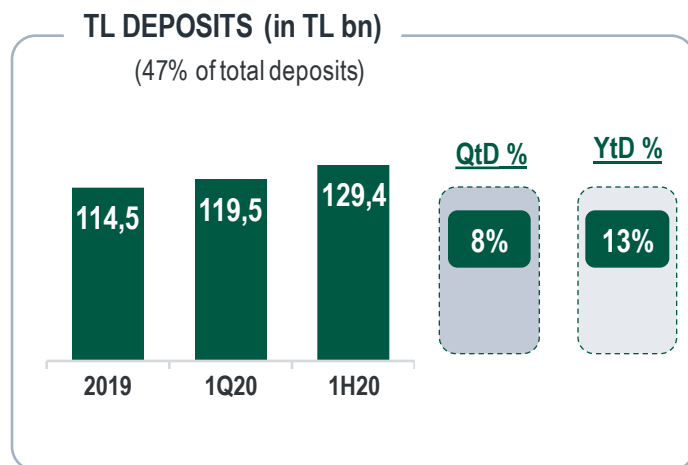
Minimum Requirement 80%

<sup>1</sup> Includes funds borrowed, sub-debt & FC securities issued

<sup>2</sup> FC Liquidity Buffer includes FC reserves under ROM, swaps, money market placements, CBRT eligible unencumbered securities

<sup>3</sup> Represents the average of June's last week. As per regulation dated 26 March, 2020, min. Required levels were suspended until 31 December 2020.

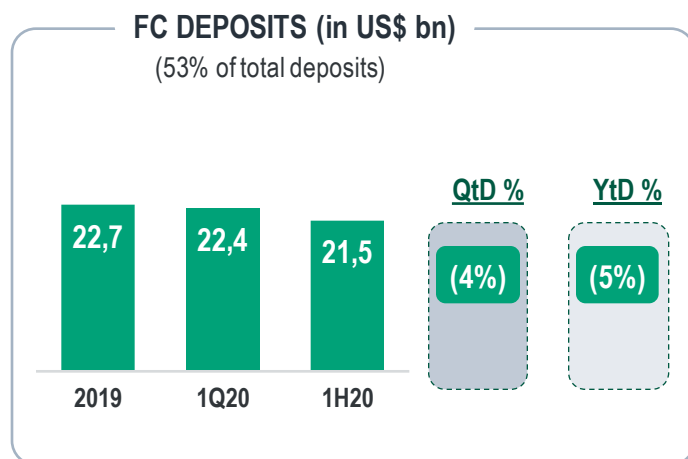
# WELL MANAGED, LOW COST DEPOSIT BASE



## HIGH SHARE OF DEMAND DEPOSITS

**+57%** Ytd Growth in demand deposits on top of 41% growth in 2019

DEMAND DEPOSITS / TOTAL DEPOSITS: **43%** vs. sector's 31% **+10pp** increase QoQ



## STICKY & LOW COST DEPOSITS

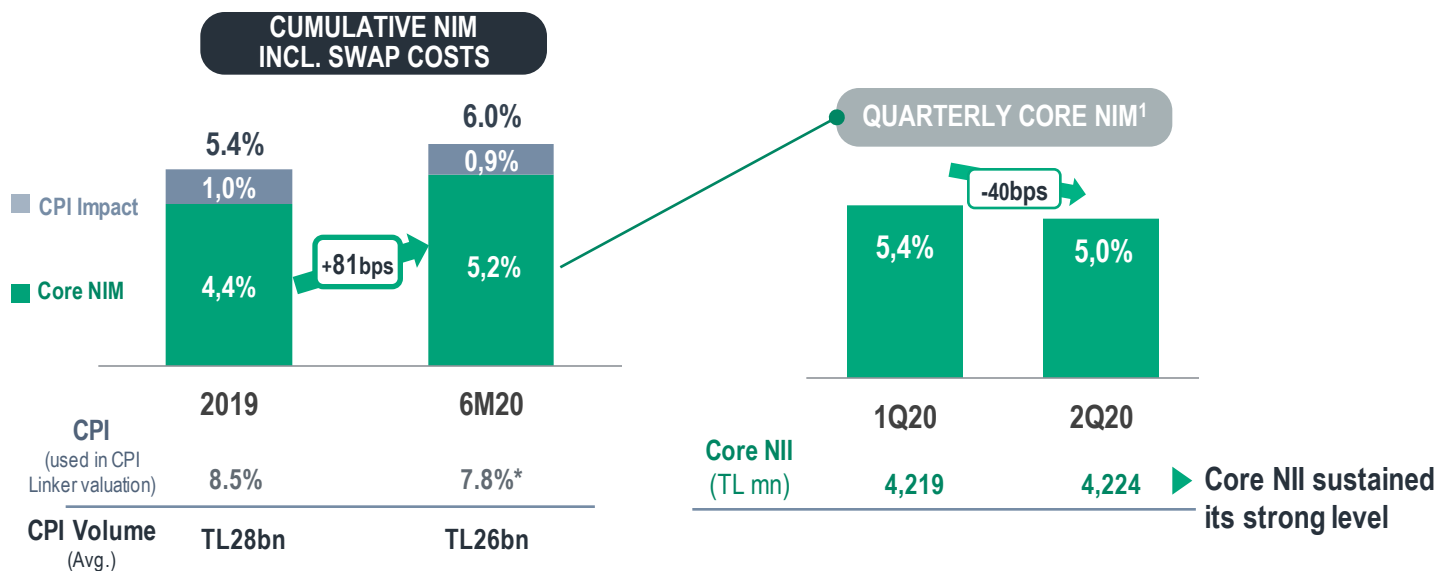
### SHARE OF SME & RETAIL DEPOSITS<sup>1</sup>

**79%** IN TL CUST. DEPOSITS

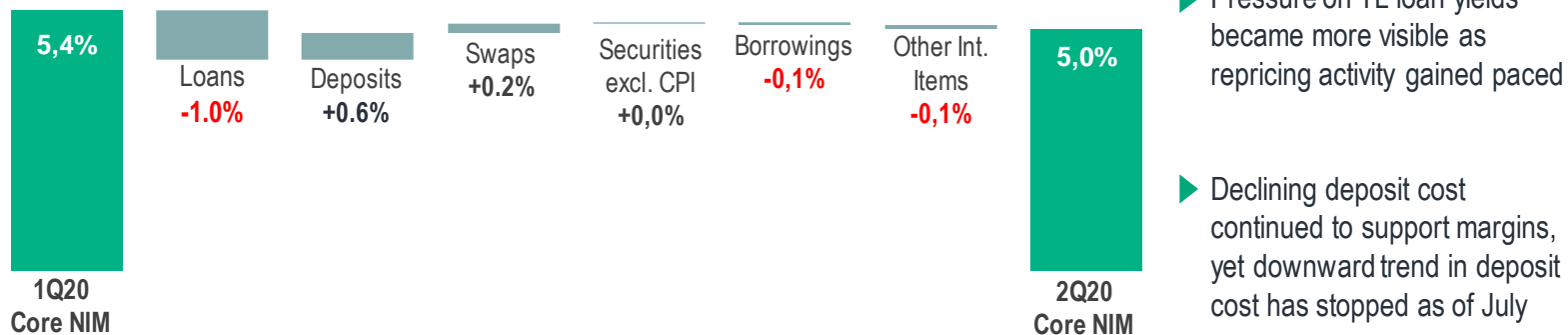
**76%** IN FC CUST. DEPOSITS

<sup>1</sup> Based on bank-only MIS data.  
Note: Sector data is based on BRSA weekly data, for commercial banks only.

# LOWER DEPOSIT COSTS CONTINUE TO SUPPORT MARGINS YET DROP IN LOAN YIELDS ARE BECOMING MORE VISIBLE GOING FORWARD



## QUARTERLY CORE NIM COMPONENTS (bps)

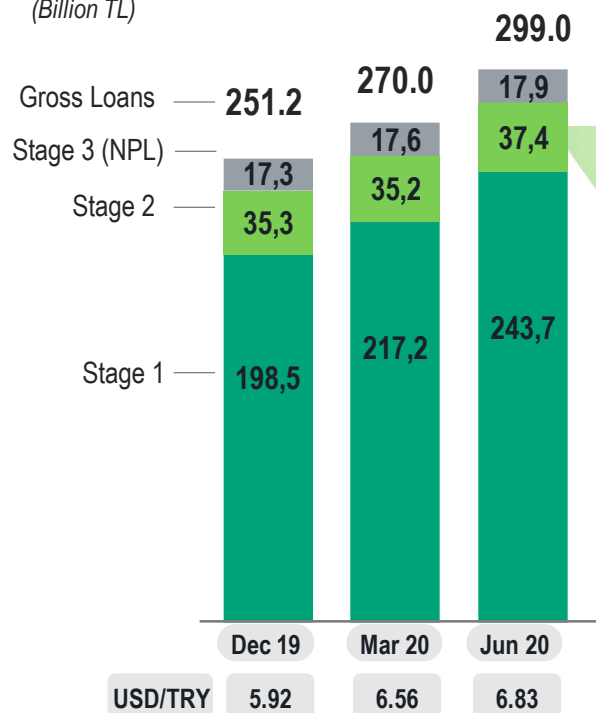


<sup>1</sup> Core NIM = NIM including Swap costs and excluding CPI linker gains  
 \* CPI rate used in the valuation was revised down to 7.5% in 2Q from 8.5% in 1Q

# STAGE-2 & STAGE-3 COVERAGES STRENGTHENED FURTHER...

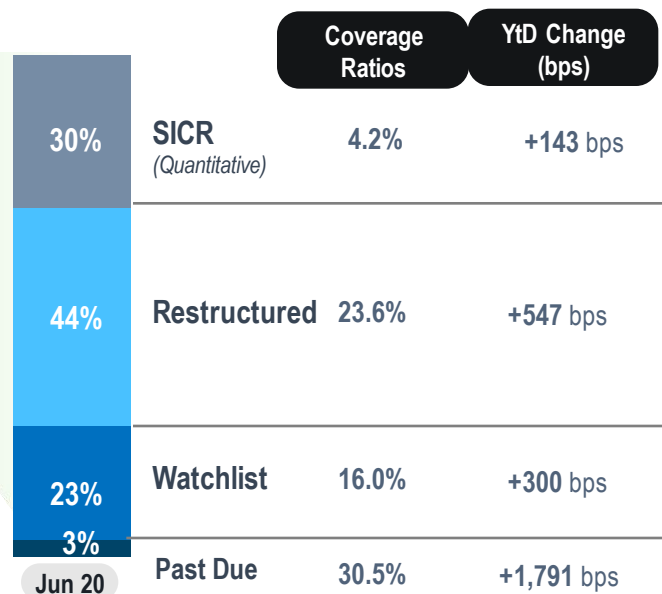
## LOAN PORTFOLIO BREAKDOWN

(Billion TL)



## STAGE-2 BREAKDOWN

– 13% OF GROSS LOANS



### Coverage Ratios

	Dec 19	Mar 20	Jun 20
Total	6.2%	6.7%	6.5%
Stage 1	0.5%	0.6%	0.6%
Stage 2	10.9%	14.5%	16.2%
Stage 3	62.1%	65.5%	66.8%

Total provision in the balance sheet increased by TL 2.3bn in Q1 and TL 1.5bn in Q2

- ▶ 80% of SICR is not delinquent at all
- ▶ 90-180 days files (totalling 1.5bnTL) are booked in Past due & Restructured buckets, following the new regulation\*

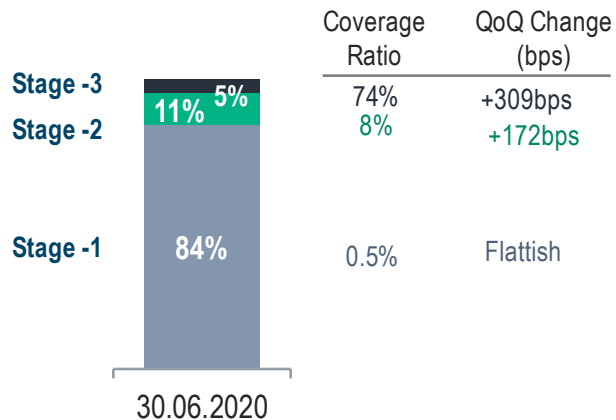
Note: SICR: Significant Increase in Credit Risk per our threshold for Probability of Default (PD) changes

\*Stage-2 past due definition changed to 90-180 days after regulation change of increased NPL recognition day to 180 days.

# ...WITH MAINTAINED PRUDENT APPROACH

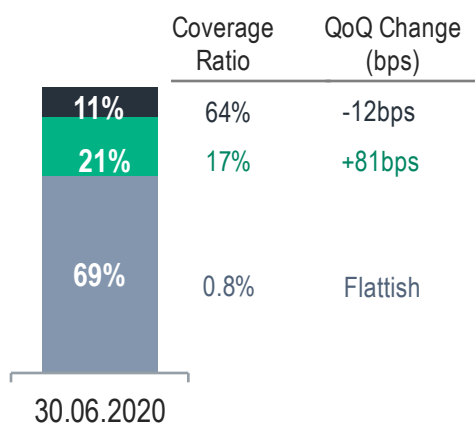
## Retail

--- 24% of Gross Loans



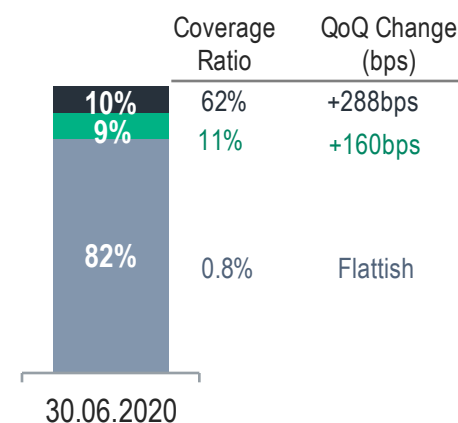
## Energy Loans

--- 15% of Gross Loans



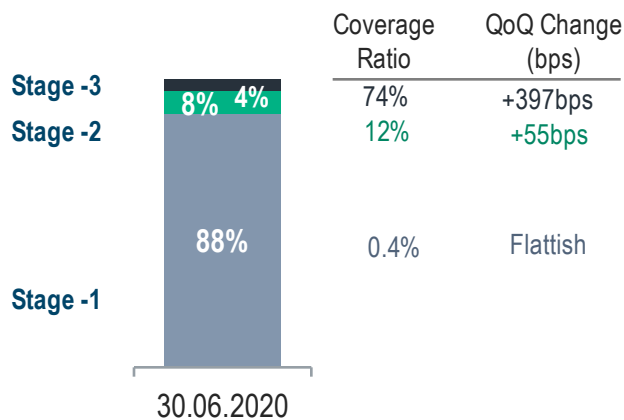
## Construction

--- 4% of Gross Loans



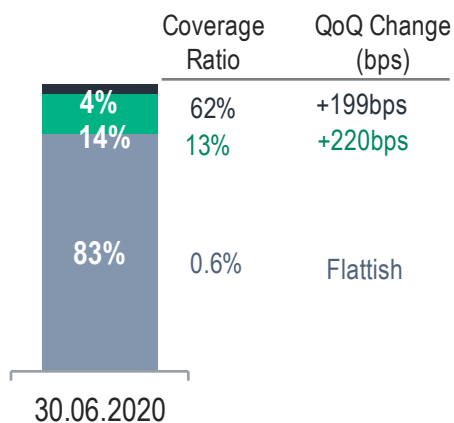
## Textile

--- 4% of Gross Loans



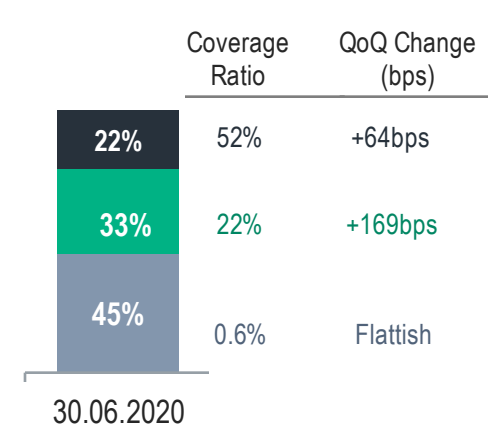
## Tourism & Entertainment

--- 4% of Gross Loans



## Real Estate

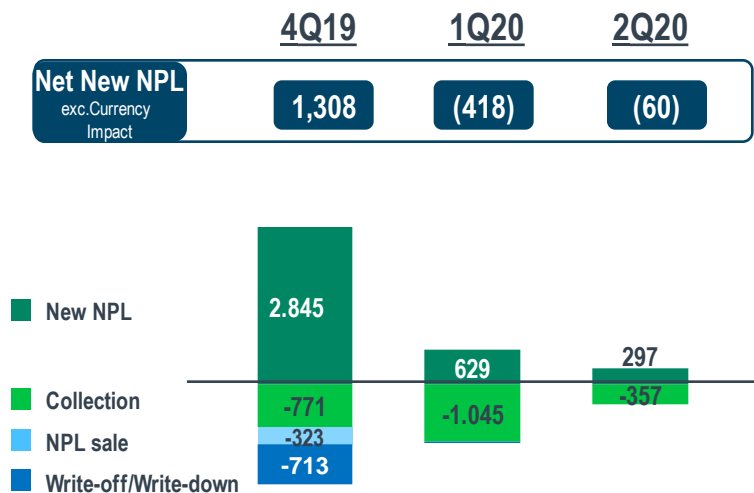
--- 3% of Gross Loans



# COVID-19 RELATED NPL IMPACT IS INEVITABLE AND FULL REALIZATION LIKELY WILL BE SEEN BY 2021

## NPL EVOLUTION<sup>1</sup>

(TL million)

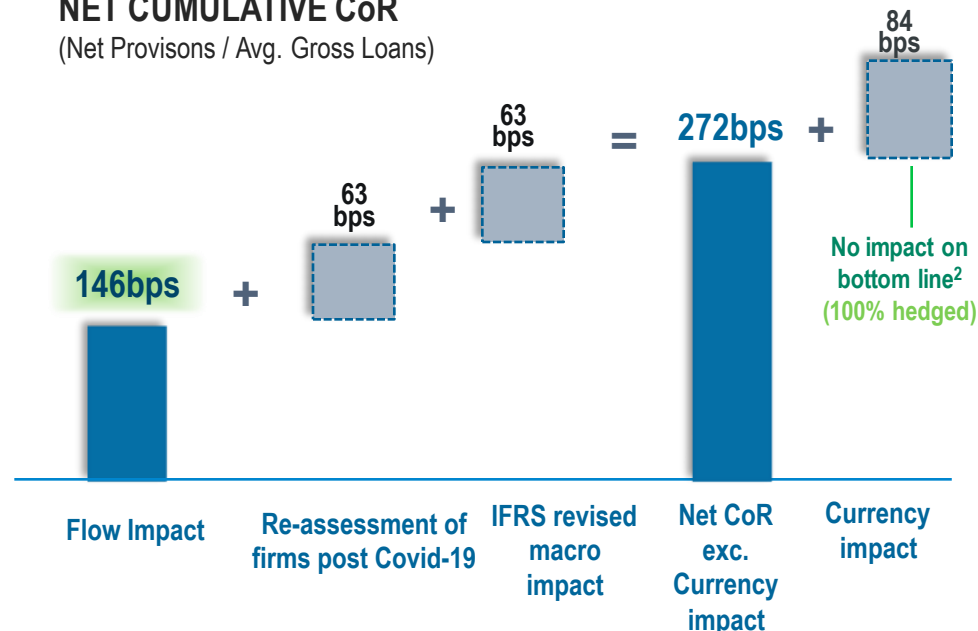


NPL Ratio	6.9%	6.5%	<b>6.0%</b>
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- ▶ BRSA new NPL regulation (*increasing NPL recognition day to 180 days from 90 days*) has ~47bps positive impact on 1H20 NPL ratio

## NET CUMULATIVE CoR

(Net Provisions / Avg. Gross Loans)



Quarterly Net Provisions (TL mn)	1Q20	2Q20
Flow Impact	786	1,203
Re-assessment of firms post Covid-19	853	-
IFRS revised macro impact	690	173
<b>Net Provisions (excl. Currency impact)</b>	<b>2,328</b>	<b>1,376</b>
Currency Impact	716	424

<sup>1</sup> NPL evolution excludes currency impact

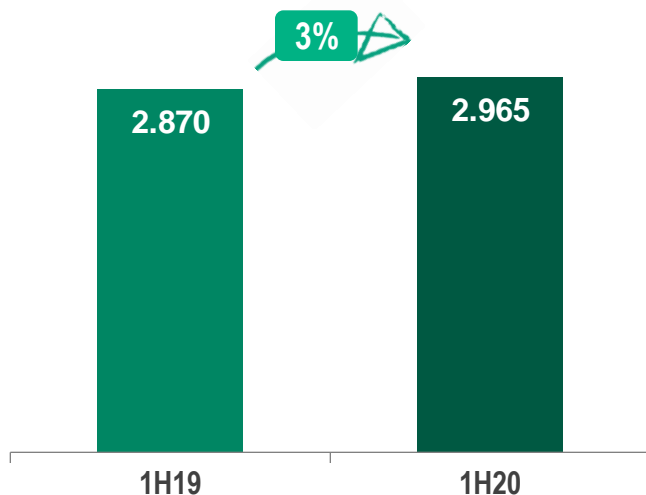
<sup>2</sup> Currency depreciation impact of TL 1,140mn in 6M20 was offset via trading gain



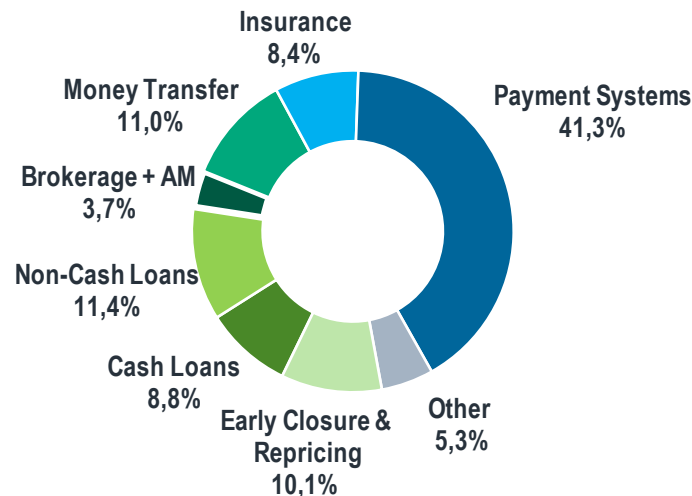
# LOWER ECONOMIC ACTIVITY & FEE REGULATION IMPACTS BECAME MORE VISIBLE ON F&C INCOME IN 2Q, YET STRONG GROWTH SUPPORTED FEE BASE

## NET FEES & COMMISSIONS

(TL Million)



## NET F&C BREAKDOWN<sup>1</sup>



### Annual Growth

**Payment Systems**

**-27%**

Impact of merchant fee regulation effective as of Nov. 01, 2019 and regulation on cash advance fees, effective as of March 01, 2020

**Money Transfer**

**-19%**

YoY contraction due to introduced cap on Money transfer fees, effective as of March 01, 2020

**Insurance**

**+68%**

**Cash Loans**

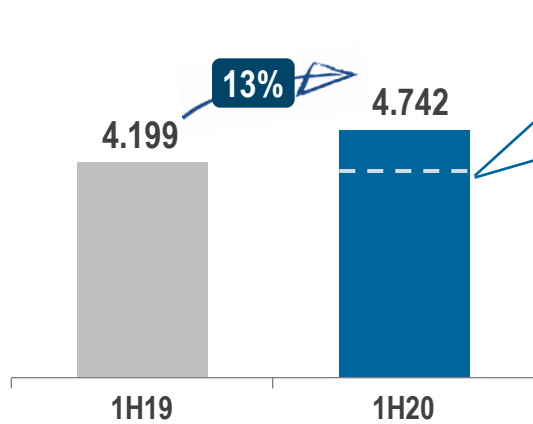
**+136%**

**Strong loan growth** supported insurance & cash loans fees.

<sup>1</sup> Net Fees&Comm. breakdown is based on MIS data.

# OPERATING EXPENSES UNDER CONTROL, TIGHTENED COST MANAGEMENT POST COVID-19 WILL SUPPORT THE EXPENSE BASE

**OPERATING EXPENSES** (TL. Million)



Currency depreciation  
*No impact on bottom line (100% hedged)*

**3.2pp**

Impact on YoY OPEX growth

Increase in SDIF Premium & branch fees' impact

**3.0pp**

Impact on YoY OPEX growth

**COST/INCOME<sup>1</sup> 37.3%**

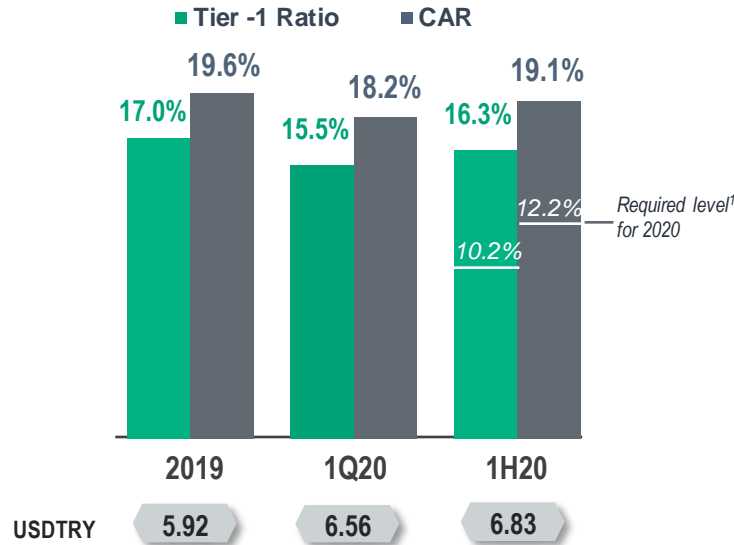
**32.8%**



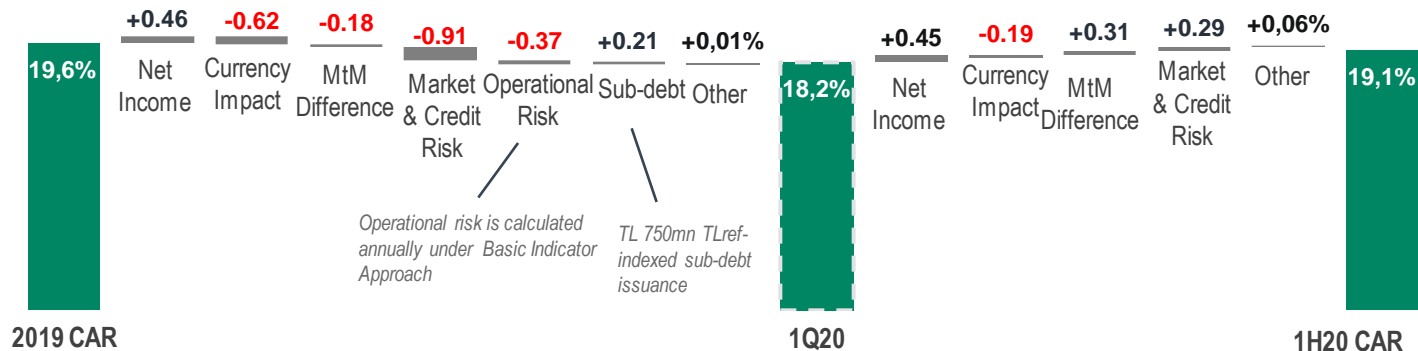
<sup>1</sup> Income defined as NII inc. Swaps + Net F&C + Dividend Income + Subsidiary Income + Net Trading Income (excludes swaps & currency hedge) + Other income (net of prov. Reversals)

# STRONG CAPITAL BUFFERS PRESERVED

## SOLVENCY RATIOS



### Impacts on CAR



1 Required Consolidated CAR level = 8.0% + SIFI Buffer for Group 3 (1.5%) + Capital Conservation Buffer (2.5%) + Counter Cyclical Buffer (0.159%); Required Consolidated Tier-I = 6.0% + Buffers; Required Consolidated CET-1 = 4.5% + Buffers  
 2 Calculated without the forbearance introduced by BRSA. With forbearance; CAR: 20.1%, CET1: 17.3%

# AGENDA



# POST COVID-19 ENVIRONMENT NECESSITATED REVISION ON OUR INITIAL GUIDANCE

	Initial Guidance (Jan'20)	Revised Guidance (Jul'20)	
TL Loans (YoY)	High-teens	~25%	▶ Loan utilizations under CGF package and ST TL commercial loans supported the lending activity in 1H. Consumer loans will gain pace in the 2H.
FC Loans (in US\$, yoy)	Shrinkage	Shrinkage	
NIM Incl. Swap Cost Excl. CPI	70-80bps expansion	~50bps expansion	▶ Downward repricing created a downside risk on our initial guidance, yet higher than expected decline in deposit cost will continue to support margin
Fee Growth (YoY)	High-single digit	High single digit shrinkage	▶ Impact of fee regulation and lower economic activity due to COVID-19 pandemic
OPEX Growth (YoY)	Low-teens	<10%	▶ Operating expenses under control. Tightened cost management post COVID-19 will support the expense base
NPL ratio	~ 6.5%	~6.5%	
Net Cost of Risk (excl.currency impact)	~ 200bps	<300bps	▶ Asset quality deterioration is inevitable. Necessary coverage and provisioning requirements due to the pandemic will lead to higher CoR,
<b>ROAE</b>	<b>High-teens</b>	<b>Low-teens</b>	

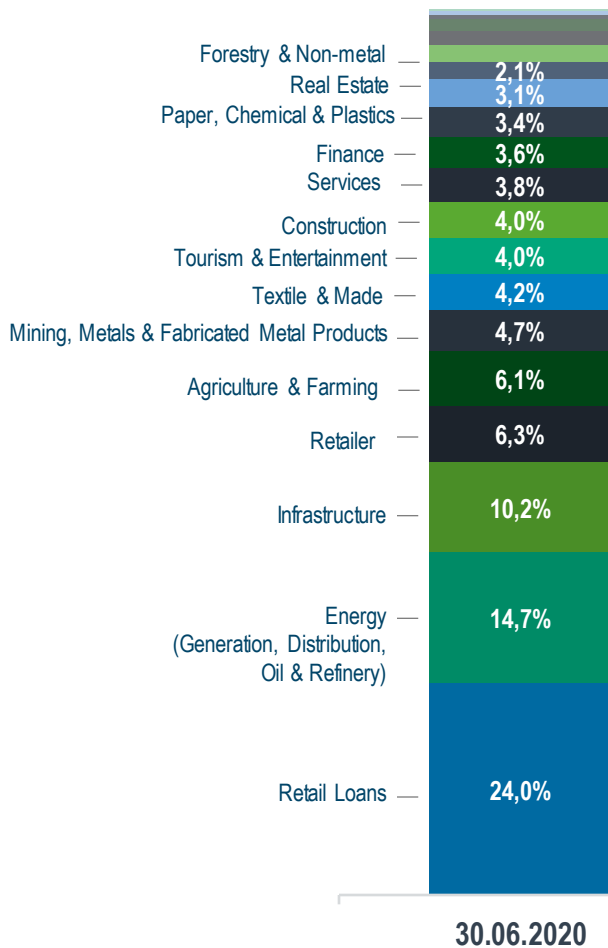
## APPENDIX

Pg. 23	Sector Breakdown of Gross Loans
Pg. 24	Structure of FC Loan Portfolio
Pg. 25	Maturity Profile & Liquidity Buffers
Pg. 26	Adjusted L/D and Liquidity Coverage Ratios
Pg. 27	Consumer Loans & TL Business Banking Loans
Pg. 28	Securities portfolio
Pg. 29	Summary Balance Sheet
Pg. 30	Summary P&L
Pg. 31	Key Financial Ratios
Pg. 32	Quarterly & Cumulative Net Cost of Risk

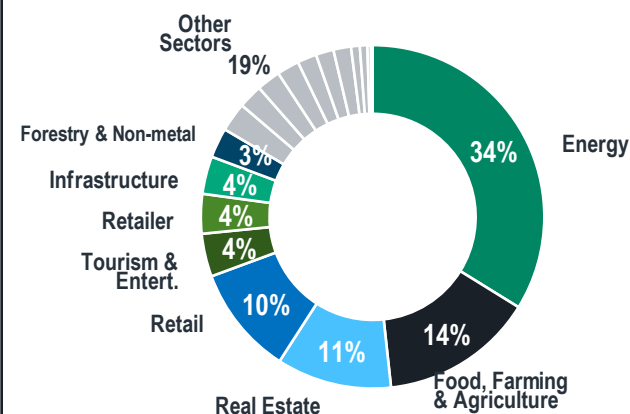
# WELL-DIVERSIFIED PORTFOLIO WITH STRONG COVERAGE

## SECTOR BREAKDOWN OF GROSS LOANS<sup>1</sup>

TL 299bn



### Sector Breakdown of Stage 2 excluding SICR<sup>1</sup>



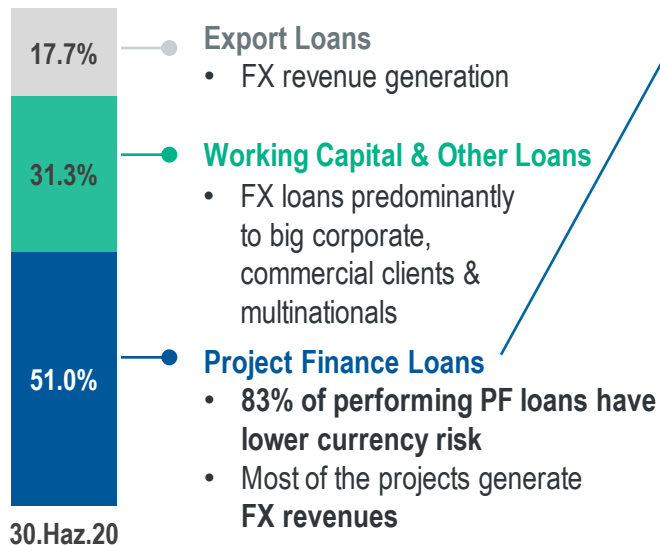
<sup>1</sup> Based on Bank-only MIS data

# APPENDIX: STRUCTURE OF FC LOAN PORTFOLIO

## FC PERFORMING LOANS

– 32% OF TOTAL PERFORMING LOANS

US\$ 13.3 bn ► Unconsolidated FC Performing Loans



### Export Loans

- FX revenue generation

### Working Capital & Other Loans

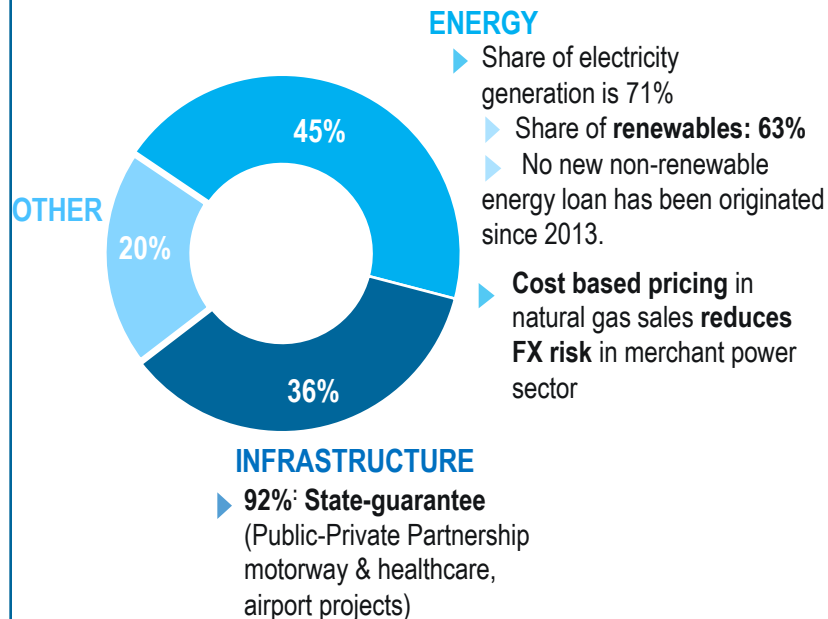
- FX loans predominantly to big corporate, commercial clients & multinationals

### Project Finance Loans

- 83% of performing PF loans have lower currency risk
- Most of the projects generate FX revenues

« FX sensitivity analysis are regularly conducted as part of the proactive staging and provisioning practices »

## BREAKDOWN OF UNCONSOLIDATED PF LOANS



### ENERGY

- Share of electricity generation is 71%
- Share of **renewables: 63%**
- No new non-renewable energy loan has been originated since 2013.
- **Cost based pricing** in natural gas sales **reduces FX risk** in merchant power sector

### INFRASTRUCTURE

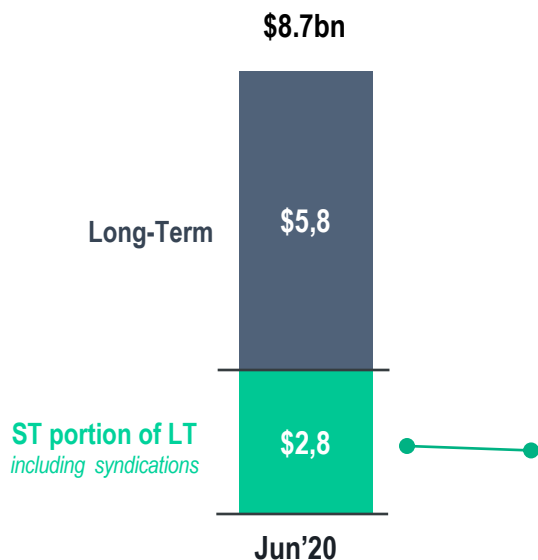
- **92% State-guarantee** (Public-Private Partnership motorway & healthcare, airport projects)



# APPENDIX: COMFORTABLE LIQUIDITY & MANAGEABLE EXTERNAL DEBT STOCK

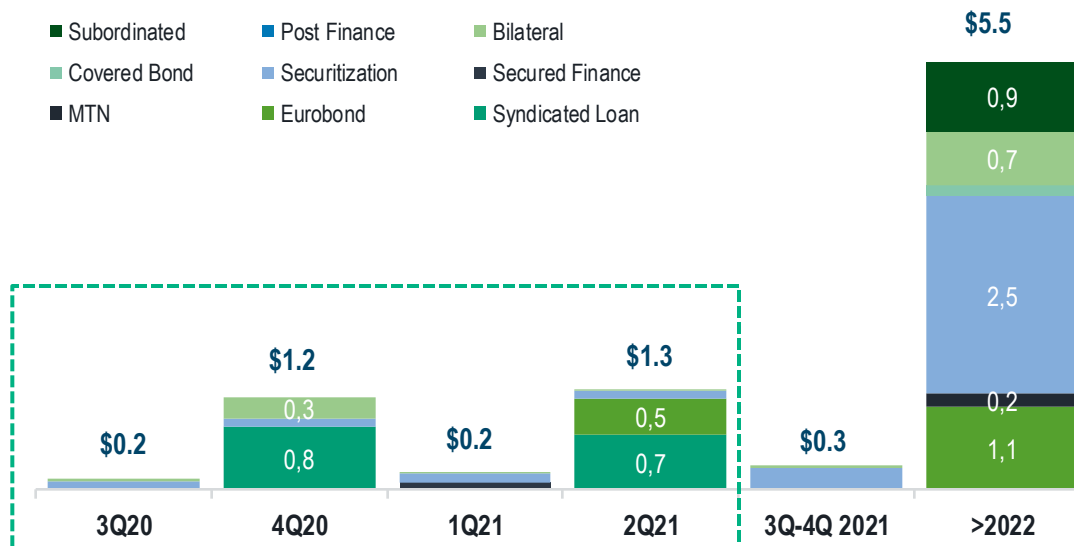
## GARANTI'S EXTERNAL DEBT<sup>1</sup>

(US\$ billion)



## MATURITY PROFILE OF EXTERNAL DEBT

(US\$ billion)



ST external dues

**\$2.8bn**

Comfortable FC liquidity buffer<sup>2</sup>

**\$9.3bn**

<sup>1</sup> Excludes cash collateralized borrowings

<sup>2</sup> FC Liquidity Buffer includes FC reserves under ROM, swaps, money market placements, CBRT eligible unencumbered securities

# APPENDIX: ADJUSTED LDR AND LIQUIDITY COVERAGE RATIOS

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

Total  
Loans /  
Deposits:

102%



Adjusted  
LDR

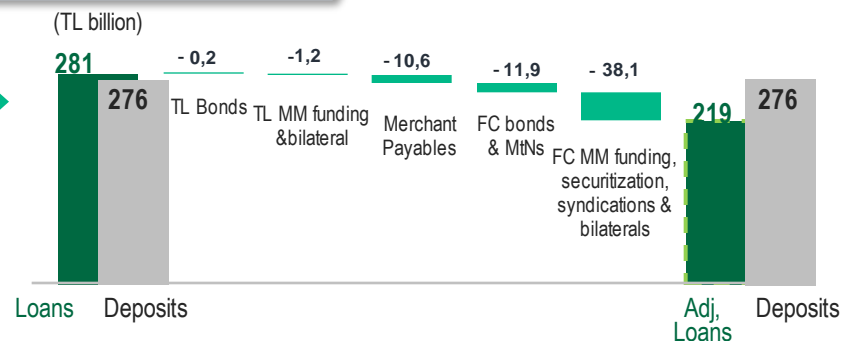


TL Loans /  
TL Deposits:

147%

FC Loans /  
FC Deposits:

62%



## LIQUIDITY COVERAGE RATIOS<sup>3</sup>

**Total LCR**

147%

Minimum Requirement

100%

**FC LCR**

217%

Minimum Requirement

80%

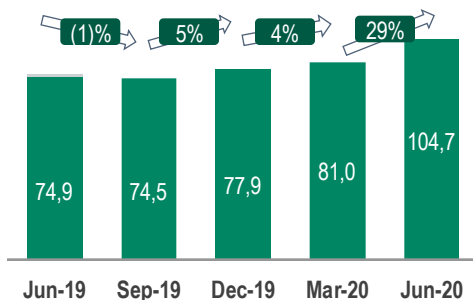
<sup>1</sup> Represents the average of June's last week. As per regulation dated 26 March, 2020, min. Required levels were suspended until 31 December 2020.

# APPENDIX: CONSUMER & TL BUSINESS BANKING LOANS

## TL BUSINESS BANKING

(TL billion)

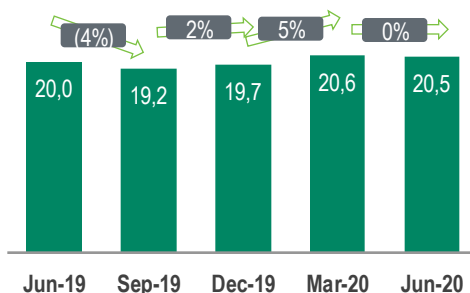
+40%  
YoY



## CONS. MORTGAGE LOANS

(TL billion)

+3%  
YoY



## Market Shares<sup>3</sup>

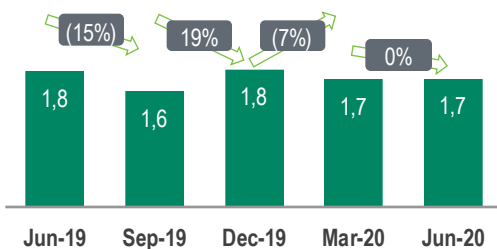
	Jun '20	QoQ	Rank
Consumer Loans inc Consumer CCs	12.2%	-76bps	#1*
Cons. Mortgage	9.7%	-89bps	#1*
Cons. Auto	30.8%	-451bps	#1*
Consumer GPLs	11.1%	-87bps	#2*
TL Business Banking	8.5%	+59bps	#2*
# of CC customers <sup>2</sup>	13.6%	-18bps	#1
Issuing Volume <sup>2</sup> (Cumulative)	17.9%	-23bps	#1
Acquiring Volume <sup>2</sup> (Cumulative)	17.0%	+11bps	#2

\* Rankings are among private banks as of Mar20

## CONSUMER AUTO LOANS

(TL billion)

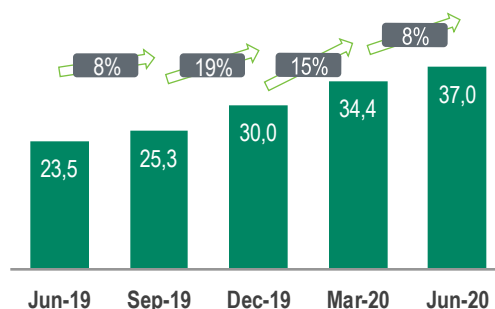
(5%)  
YoY



## CONSUMER GENERAL PURPOSE LOANS<sup>1</sup>

(TL billion)

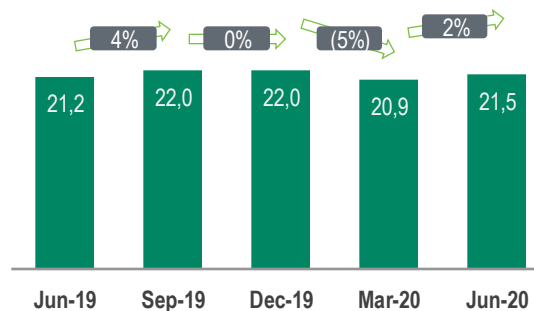
+57%  
YoY



## CONSUMER CREDIT CARD BALANCES

(TL billion)

+1%  
YoY



1 Including other loans and overdrafts

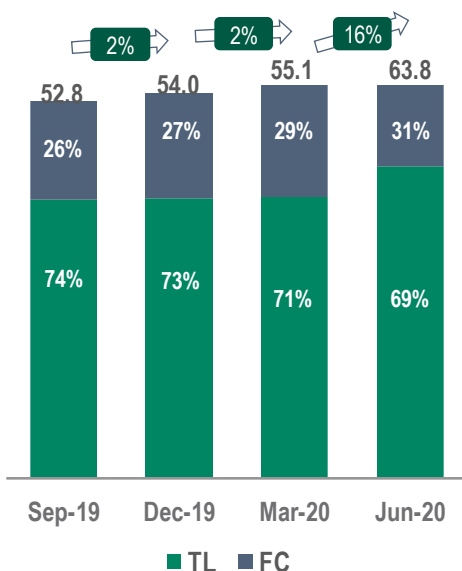
2 Cumulative figures and rankings as of June 2020, as per Interbank Card Center data,

3 Sector figures used in market share calculations are based on bank-only BRSA weekly data as of 26.06.2020, for commercial banks

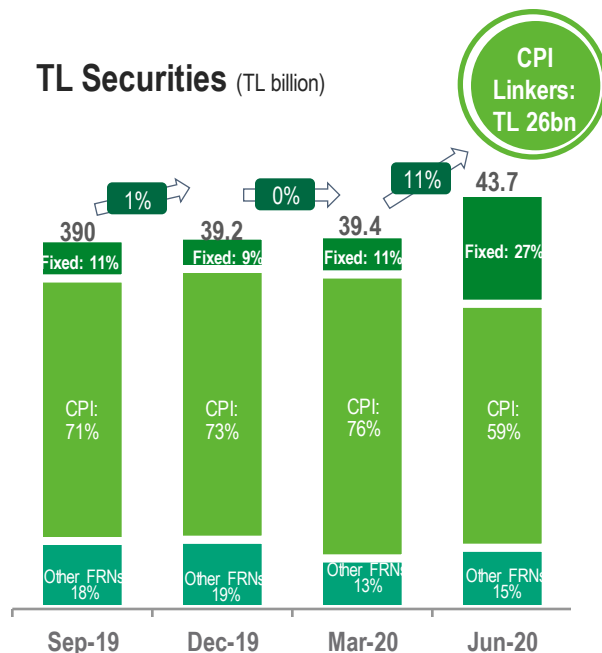
# APPENDIX: SECURITIES PORTFOLIO

## Total Securities (TL billion)

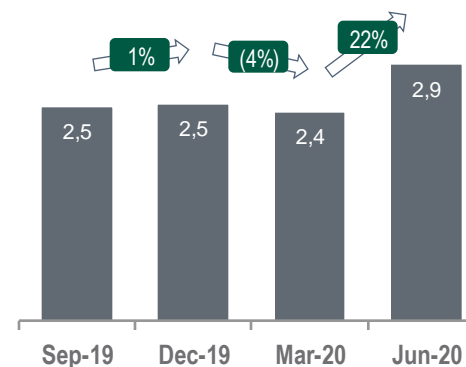
14% of Total Assets



## TL Securities (TL billion)



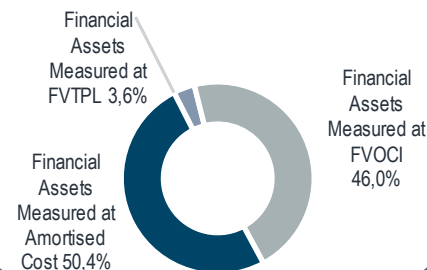
## FC Securities (US\$ billion)



► **TL 9bn of FRN and CPI Linker redemptions are replaced with new additions**

- Redeeming CPIs were partially replaced
- New additions were mostly in TL&FC fixed rate treasury bonds

### Securities Composition



Note: Fixed - Floating breakdown of securities are based on bank-only MIS data

# APPENDIX: SUMMARY BALANCE SHEET

TL Billion

ASSETS	30.06.2019	30.09.2019	31.12.2019	31.03.2020	30.06.2020
Cash & Cash Equivalents	26.4	31.1	28.3	15.8	24.1
Balances at CBRT	48.9	38.0	35.6	50.2	35.5
Securities	52.7	52.7	54.0	55.1	63.8
Gross Loans	240.0	236.7	251.2	270.0	299.0
<b>+TL Loans</b>	<b>154.8</b>	<b>157.7</b>	<b>167.0</b>	<b>174.0</b>	<b>200.9</b>
TL NPL	8.6	10.3	10.6	10.6	10.5
info: TL Performing Loans	146.2	147.4	156.4	163.5	190.5
<b>+FC Loans (in US\$ terms)</b>	<b>14.8</b>	<b>14.1</b>	<b>14.2</b>	<b>14.6</b>	<b>14.4</b>
FC NPL (in US\$ terms)	0.8	1.0	1.1	1.1	1.1
info: FC Performing Loans (in US\$ terms)	14.0	13.1	13.1	13.6	13.3
info: Performing Loans (TL+FC)	<b>226.6</b>	<b>220.8</b>	<b>233.9</b>	<b>252.4</b>	<b>281.1</b>
Fixed Assets & Subsidiaries	14.1	13.9	14.6	14.7	15.4
Other	1.6	1.8	7.4	11.6	10.1
<b>TOTAL ASSETS</b>	<b>383.7</b>	<b>374.3</b>	<b>391.2</b>	<b>417.4</b>	<b>447.9</b>

LIABILITIES & SHE	30.06.2019	30.09.2019	31.12.2019	31.03.2020	30.06.2020
Total Deposits	231.8	231.1	248.8	266.7	276.1
<b>+ Demand Deposits</b>	<b>65.7</b>	<b>69.1</b>	<b>76.4</b>	<b>89.4</b>	<b>120.0</b>
TL Demand	23.4	25.7	30.7	33.2	44.6
FC Demand (in US\$ terms)	7.4	7.7	7.7	8.6	11.0
<b>+ Time Deposits</b>	<b>166.1</b>	<b>162.0</b>	<b>172.4</b>	<b>177.3</b>	<b>156.0</b>
TL Time	79.1	80.2	83.8	86.2	84.7
FC Time (in US\$ terms)	15.1	14.6	15.0	13.9	10.4
Interbank Money Market	0.5	0.4	0.5	0.8	14.7
Bonds Issued	24.6	17.7	16.4	16.9	19.0
Funds Borrowed	48.9	41.9	44.1	47.4	46.9
Other liabilities	27.5	31.7	27.6	30.7	33.2
Shareholders' Equity	50.3	51.5	53.8	54.9	58.1
<b>TOTAL LIABILITIES &amp; SHE</b>	<b>383.7</b>	<b>374.3</b>	<b>391.2</b>	<b>417.4</b>	<b>447.9</b>

# APPENDIX: SUMMARY P&L

TL Million	QUARTERLY P&L			CUMULATIVE P&L		
	1Q20	2Q20	QoQ	6M19	6M20	YoY
(+) Net Interest Income including Swap costs	5,014	4,822	-4%	7,787	9,836	26%
(+) <i>NII excluding CPI linkers' income</i>	4,850	4,761	-2%	7,212	9,611	33%
(+) <i>Income on CPI linkers</i>	794	598	-25%	1,927	1,392	-28%
(-) <i>Swap Cost</i>	-630	-537	-15%	-1,352	-1,167	-14%
(+) Net Fees & Comm.	1,678	1,288	-23%	2,870	2,965	3%
(+) Net Trading & FX gains/losses (excl. Swap costs and currency hedge)	444	383	-14%	-178	827	-565%
<i>info: Gain on Currency Hedge<sup>1</sup></i>	716	424	-41%	430	1,140	165%
(+) Income on subsidiaries	321	308	-4%	511	629	23%
(+) Other income (excl. Prov. reversals & one-offs)	91	123	35%	175	214	23%
<b>= REVENUES</b>	<b>7,548</b>	<b>6,923</b>	<b>-8%</b>	<b>11,165</b>	<b>14,471</b>	<b>30%</b>
(+) Non-recurring other income	0	0	<i>n.m</i>	102	0	<i>n.m</i>
(+) <i>Administrative fine reversal</i>	0	0	<i>n.m</i>	83	0	<i>n.m</i>
(+) <i>Gain from NPL sale</i>	0	0	<i>n.m</i>	20	0	<i>n.m</i>
(-) OPEX	-2,445	-2,297	-6%	-4,199	-4,742	13%
(-) <i>HR</i>	-895	-942	5%	-1,765	-1,837	4%
(-) <i>Non-HR</i>	-1,550	-1,356	-13%	-2,434	-2,905	19%
<b>= PRE-PROVISION INCOME</b>	<b>5,103</b>	<b>4,626</b>	<b>-9%</b>	<b>7,067</b>	<b>9,729</b>	<b>38%</b>
(-) Net Expected Loss (excl. Currency impact)	-2,328	-1,376	-41%	-2,388	-3,704	55%
(-) <i>Expected Loss</i>	-4,861	-2,318	-52%	-5,123	-7,179	40%
<i>info: Currency Impact<sup>1</sup></i>	-716	-424	-41%	-430	-1,140	165%
(+) <i>Provision Reversal under other Income</i>	1,817	518	-71%	2,305	2,335	1%
(-) Taxation and other provisions	-1,144	-1,650	44%	-1,047	-2,794	167%
(-) <i>Free Provision</i>	0	-600	<i>n.m</i>	-100	-600	<i>n.m</i>
(-) <i>Taxation</i>	-415	-649	56%	-847	-1,064	26%
(-) <i>Other provisions (excl. free prov.)</i>	-728	-401	-45%	-100	-1,129	1029%
<b>= NET INCOME</b>	<b>1,631</b>	<b>1,600</b>	<b>-2%</b>	<b>3,633</b>	<b>3,231</b>	<b>-11%</b>

<sup>1</sup> Neutral impact at bottom line, as provision increase due to currency depreciation are 100% hedged (FX gain included in Net trading income line)

# APPENDIX: KEY FINANCIAL RATIOS

	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
<b>Profitability ratios</b>					
ROAE (Cumulative) <sup>1</sup>	15.2%	13.4%	12.3%	12.1%	12.8%
ROAA (Cumulative) <sup>1</sup>	2.0%	1.8%	1.6%	1.6%	1.7%
Cost/Income	37.3%	36.8%	36.4%	32.4%	32.8%
Quarterly NIM incl. Swap costs	5.2%	5.1%	5.8%	6.5%	5.7%
Quarterly NIM incl. Swap costs excl. CPI linkers	3.9%	4.2%	5.4%	5.4%	5.0%
Cumulative NIM incl. Swap costs	5.2%	5.2%	5.3%	6.5%	6.0%
Cumulative NIM incl. Swap costs excl. CPI linkers	3.9%	4.0%	4.4%	5.4%	5.2%
<b>Liquidity ratio</b>					
Loans / Deposits	97.8%	95.6%	94.0%	94.7%	101.8%
TL Loans / TL Deposits	142.5%	139.1%	136.6%	136.8%	147.2%
Adj. Loans/Deposits (Loans adj. with on-balance sheet alternative funding sources)	66%	68%	70%	72%	79%
TL Loans / (TL Deposits + TL Bonds + Merchant Payables)	120.4%	120.2%	119.9%	121.7%	129.6%
FC Loans / FC Deposits	62.3%	58.7%	57.7%	60.4%	61.8%
<b>Asset quality ratios</b>					
NPL Ratio	5.6%	6.7%	6.9%	6.5%	6.0%
Coverage Ratio	5.6%	6.3%	6.2%	6.7%	6.5%
+ Stage1	0.5%	0.5%	0.5%	0.6%	0.6%
+ Stage2	12.0%	11.4%	10.9%	14.5%	16.2%
+ Stage3	58.2%	62.0%	62.1%	65.5%	66.8%
Cumulative Net Cost of Risk (excluding currency impact, bps)	201	251	272	359	272
<b>Solvency ratios</b>					
CAR (without BRSA's forbearance)	18.0%	19.9%	19.6%	18.2%	19.1%
Common Equity Tier I Ratio (without BRSA's forbearance)	15.6%	17.4%	17.0%	15.5%	16.3%
Leverage	6.6x	6.3x	6.3x	6.6x	6.7x

<sup>1</sup> Excludes non-recurring items when annualizing Net Income for the remaining quarters of the year in calculating Return On Average Equity (ROAE) and Return On Average Assets (ROAA) for 1H19, 9M19, 1Q20 and 1H20 .

# APPENDIX: QUARTERLY & CUMULATIVE NET CoR

(Million TL)

Quarterly Net Expected Credit Loss	3Q19	4Q19	1Q20	2Q20
<b>(-) Expected Credit Losses</b>	<b>2.797</b>	<b>2.782</b>	<b>4.861</b>	<b>2.318</b>
Stage 1	142	455	1.315	418
Stage 2	196	123	1.861	1.183
Stage 3	2.459	2.204	1.685	717
<b>(+) Provision Reversals under other income</b>	<b>871</b>	<b>336</b>	<b>1.817</b>	<b>518</b>
Stage 1	108	118	767	198
Stage 2	463	103	437	150
Stage 3	299	115	613	171
<b>(=) (a) Net Expected Credit Losses</b>	<b>1.925</b>	<b>2.446</b>	<b>3.044</b>	<b>1.800</b>
<b>(b) Average Gross Loans</b>	<b>238.362</b>	<b>243.945</b>	<b>260.593</b>	<b>284.488</b>
<b>(a/b) Quarterly Total Net CoR (bps)</b>	<b>320</b>	<b>398</b>	<b>470</b>	<b>254</b>
<b>info: Currency Impact<sup>1</sup></b>	<b>-</b>	<b>27</b>	<b>59</b>	<b>60</b>
<b>Total Net CoR excl. currency impact (bps)</b>	<b>347</b>	<b>339</b>	<b>359</b>	<b>195</b>

(Million TL)

Cumulative Net Expected Credit Loss	6M20
<b>(-) Expected Credit Losses</b>	<b>7.179</b>
Stage 1	1.732
Stage 2	3.045
Stage 3	2.402
<b>(+) Provision Reversals under other income</b>	<b>2.335</b>
Stage 1	965
Stage 2	587
Stage 3	784
<b>(=) (a) Net Expected Credit Losses</b>	<b>4.844</b>
<b>(b) Average Gross Loans</b>	<b>273.380</b>
<b>(a/b) Cumulative Total Net CoR (bps)</b>	<b>356</b>
<b>info: Currency Impact<sup>1</sup></b>	<b>84</b>
<b>Total Net CoR excl. currency impact (bps)</b>	<b>272</b>

<sup>1</sup> Neutral impact at bottom line, as provisions due to currency depreciation are 100% hedged (FX gain included in Net trading income line)



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