



9M20 EARNINGS PRESENTATION

Based on BRSA Unconsolidated Financials
October 27th, 2020

AGENDA

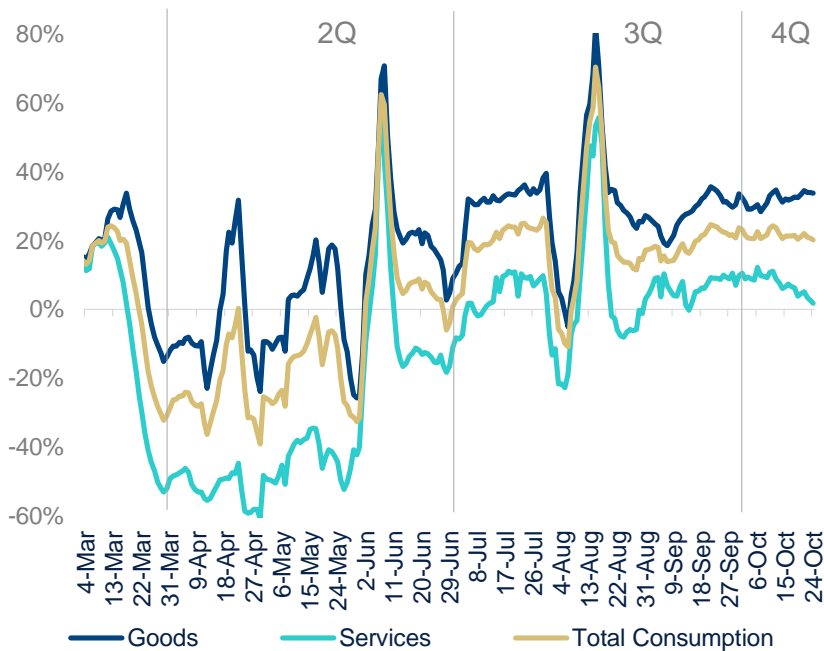


- ▶ Our big data indicators & Recent Macro forecasts

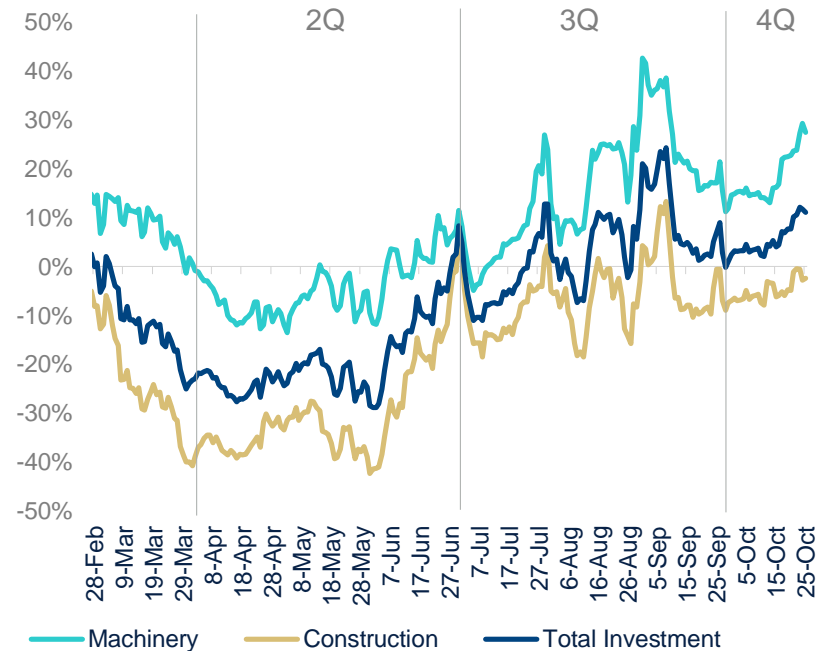


OUR DAILY BIG DATA INDICATORS STILL SUGGEST SOLID CONSUMPTION AND ONLY A SLIGHT MODERATION IN INVESTMENT AT THE START OF 4Q

GARANTI BBVA BIG DATA CONSUMPTION INDEX
(Cumulative 7 days, YoY Nominal)

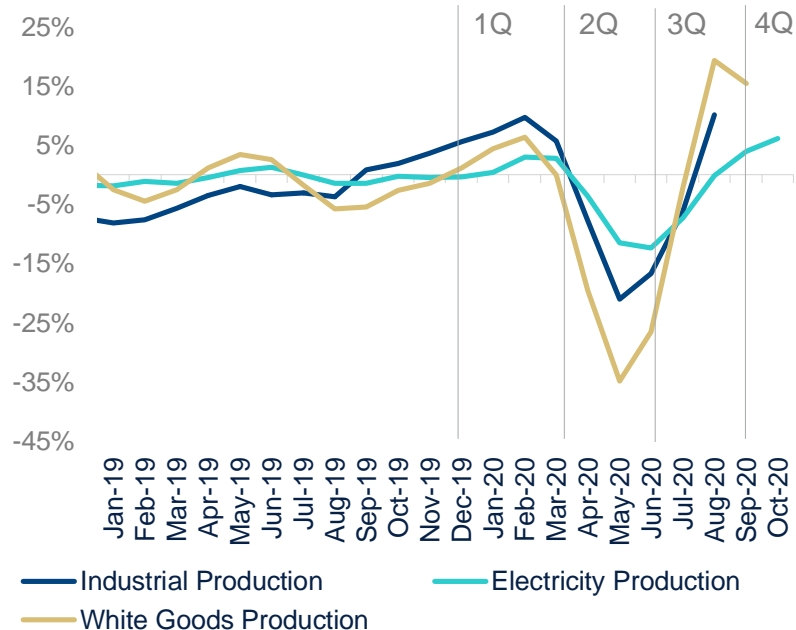


GARANTI BBVA BIG DATA INVESTMENT INDEX
(Cumulative 28 Days, YoY Nominal)

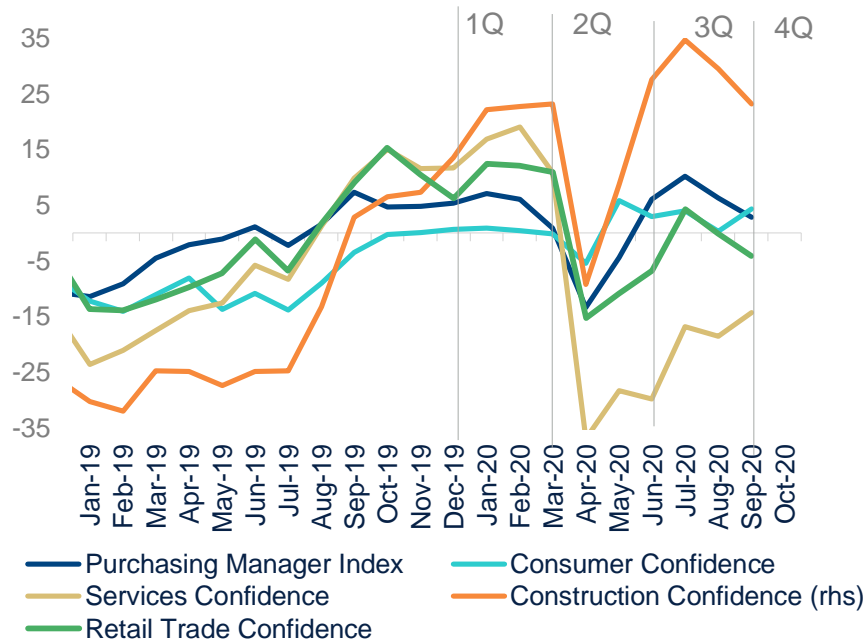


SOFT DATA INDICATORS STARTED TO SHOW EARLY SIGNS OF DECELERATION BUT HARD DATA STILL REMAIN SUPPORTIVE CONFIRMING OUR BIG DATA

TURKEY: HIGH FREQUENCY HARD DATA INDICATORS
(3-Month YoY, including the first 2 weeks of October)



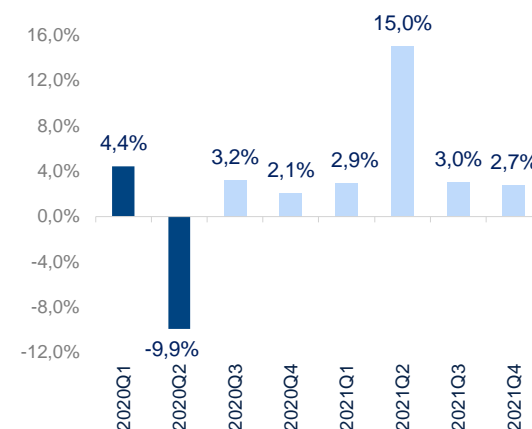
TURKEY: HIGH FREQUENCY SOFT DATA INDICATORS
(yearly difference)



MACROECONOMIC FORECASTS

	2019	2020 (f)	2021 (f)
GDP (%)	0.9	0.0	5.5
CBRT Funding Rate (% YE, yoy)	12.0	13.5	10.5
Inflation Rate (% YE)	11.8	11.5	10.0
Current Account Balance / GDP	1.1	-5.1	-4.5
Budget Deficit / GDP	-2.9	-5.3	-4.7
EU Defined Sovereign Debt / GDP	33%	42%	44%

GDP FORECASTS
(% YOY)



Main Assumptions of the Baseline Scenario

Covid-19

Gradual improvement through 2021 following the introduction of a vaccine in 1Q21

Financial markets

No significant spikes in financial tensions, **volatility will gradually recede over 2021**

Economic policies

Rebalancing policies (reinforcing normalization) at least until the recovery consolidates

Economic activity

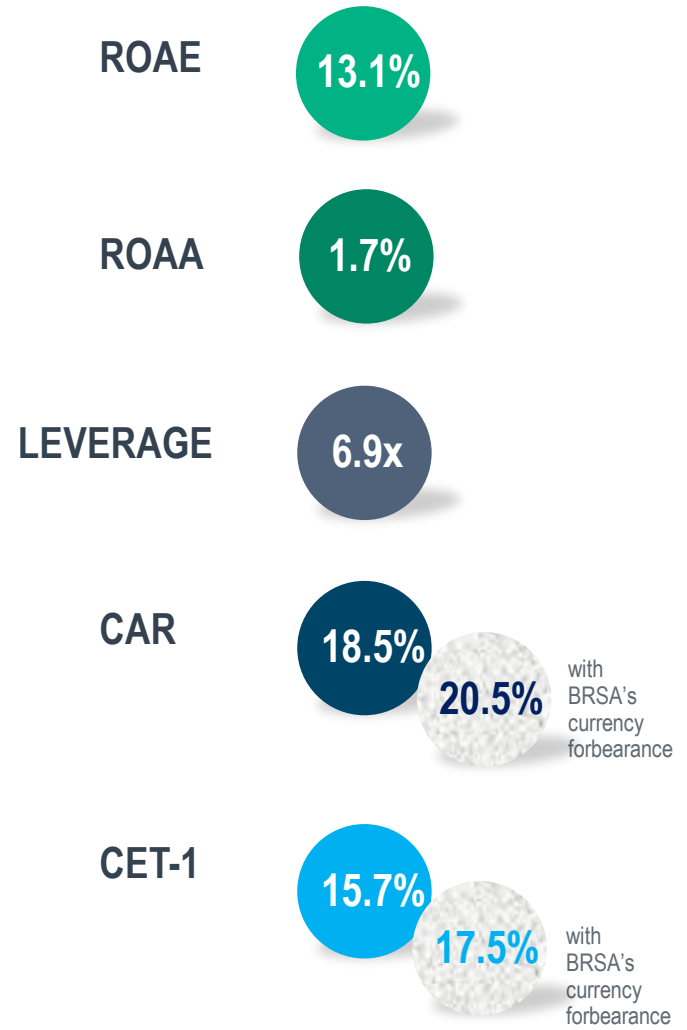
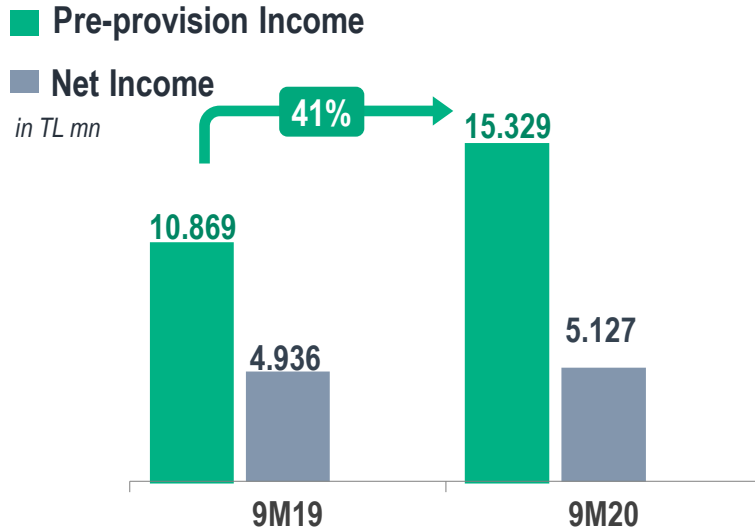
A prolonged recovery, gradually boosted by effective treatments and the end of social distancing over 2021

AGENDA

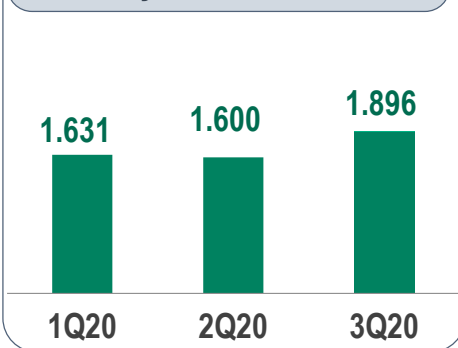


- ▶ Slowdown in lending, sustained strong revenue generation capability & further strengthened provisions

ROBUST PRE-PROVISION INCOME GENERATION CONTINUES FURTHER PROVISION BUILD UP WHILE DELIVERING STRONG PROFITABILITY



Quarterly Net Income in TL mn



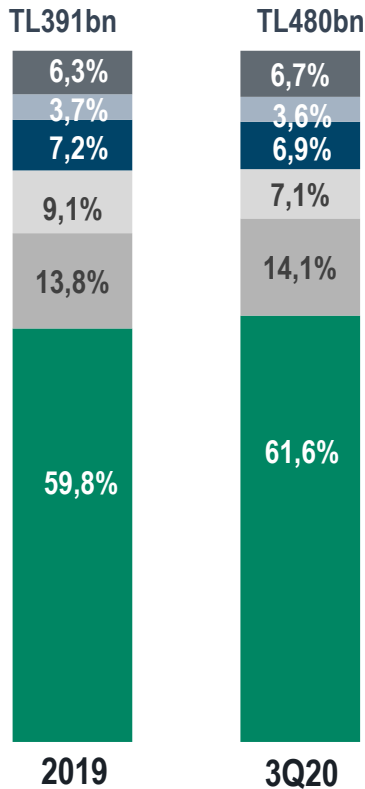
- ▶ TL 1,230 mn free provisions set aside in 3Q20
- ▶ Free provisions in the balance sheet reached TL 4,330 mn

1 Please refer to page 30 for detailed breakdown of pre-provision income and revenues

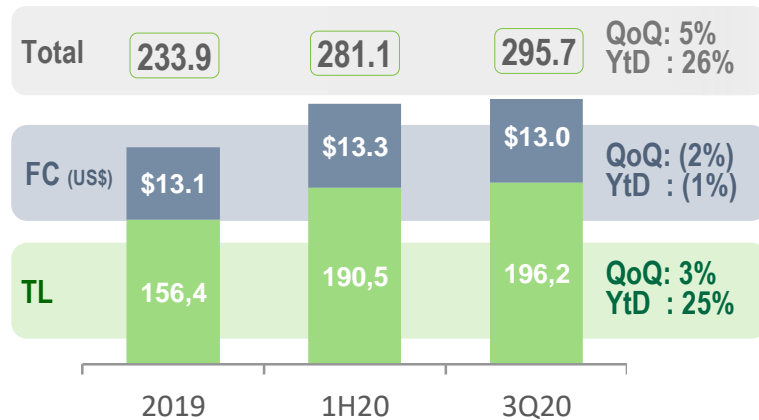
Note: In ROAE and ROAA calculation, non-recurring items (i.e. Free provisions) are excluded when annualizing Net Income for the remaining quarters of the year

BALANCED ASSET GROWTH IN 3Q

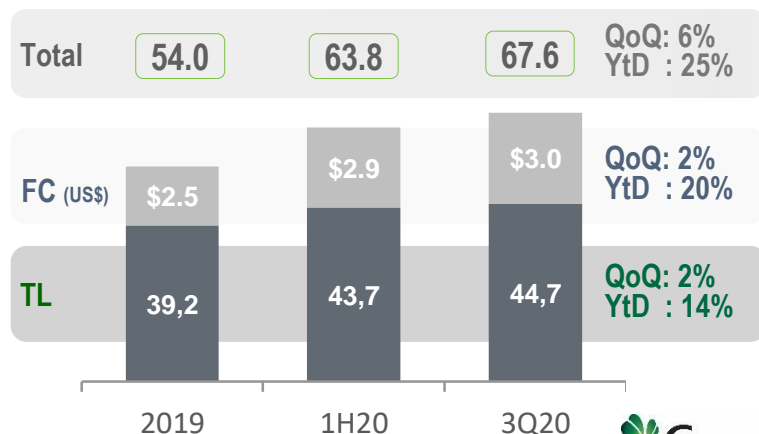
ASSET BREAKDOWN



Performing Loans (TL, US\$ billion)

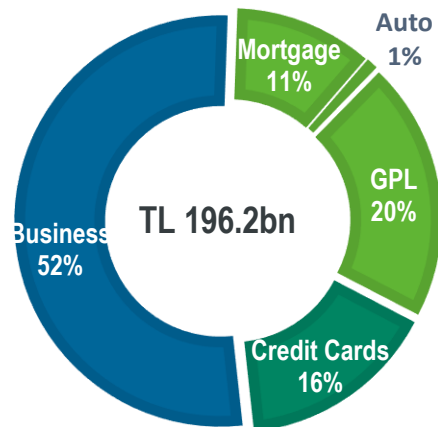


Securities (TL, US\$ billion)

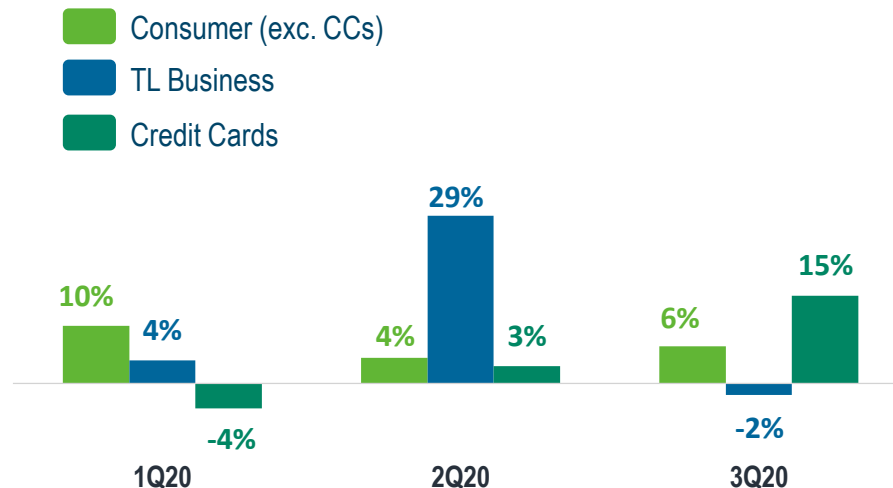


INCREASED ACTIVITY IN CONSUMER LENDING BUSINESS BANKING LOANS WERE MUTED AFTER ITS SOLID GROWTH IN 1H

TL PERFORMING LOANS
(66% of Total Performing Loans)



QUARTERLY GROWTH



► Muted ST Working Capital & CGF loan growth in 3Q;

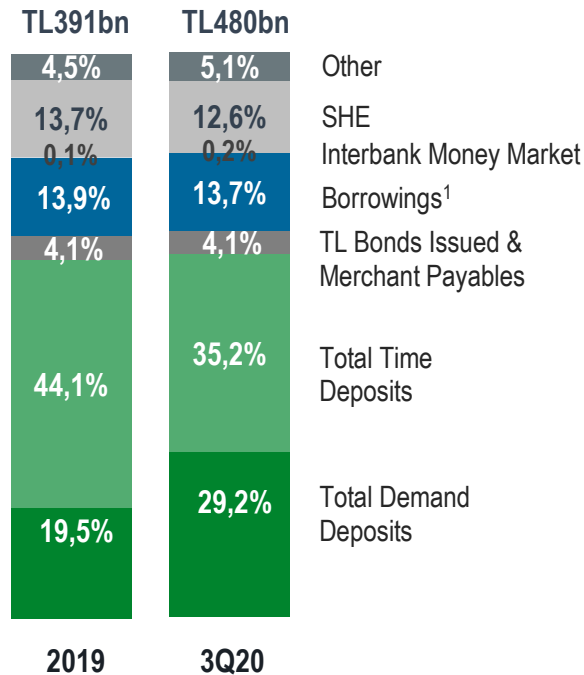
- Slowdown in business loans after nearly 35% growth in 1H20.

► Consumer loans & credit card utilization gained pace starting from June;

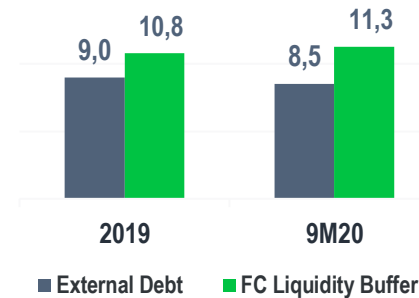
- Pent-up demand for consumer loans following the easing of pandemic related restrictions.
- Attractive rates ignited further consumer loan demand, however, Consumer loans are expected to cut pace in 4Q due to increasing rates & lower maturities.
- GPL growth in the quarter has been 8%.
- 48% of GPLs are granted to salary customers.

HIGHLY LIQUID BALANCE SHEET MAINTAINED

LIABILITIES & SHE BREAKDOWN



EXTERNAL DEBT VS. FC QUICK LIQUIDITY (US\$ bn)



LIQUIDITY COVERAGE RATIOS³

Total LCR	169%
<i>Minimum Requirement</i>	100%
FC LCR	234%
<i>Minimum Requirement</i>	80%

**LOW
LEVERAGE**

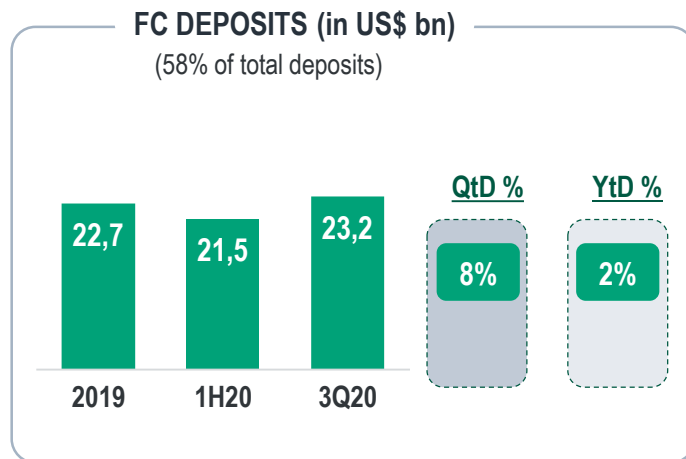
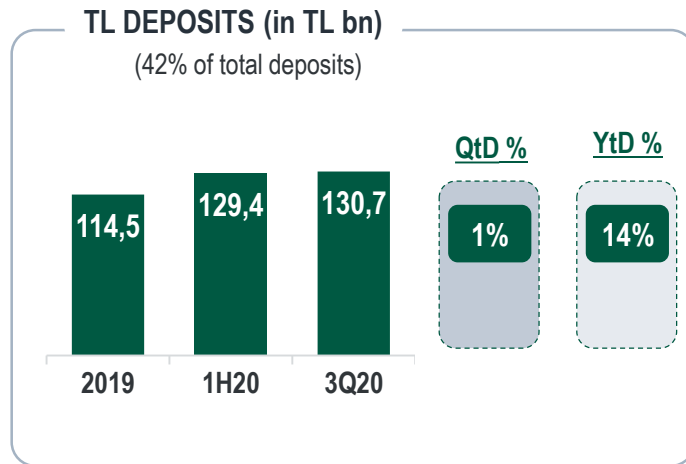
6.9x

¹ Includes funds borrowed, sub-debt & FC securities issued

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

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

FURTHER INCREASED SHARE OF DEMAND DEPOSITS



HIGH SHARE OF DEMAND DEPOSITS

+83% Ytd Growth in demand deposits on top of **41% growth** in 2019

DEMAND DEPOSITS / TOTAL DEPOSITS: **45%** vs. sector's 31% **+15pp** increase Ytd

TL DEMAND/ TL DEPOSITS: **31%**

FC DEMAND/ FC DEPOSITS: **56%**

STICKY & LOW COST DEPOSITS

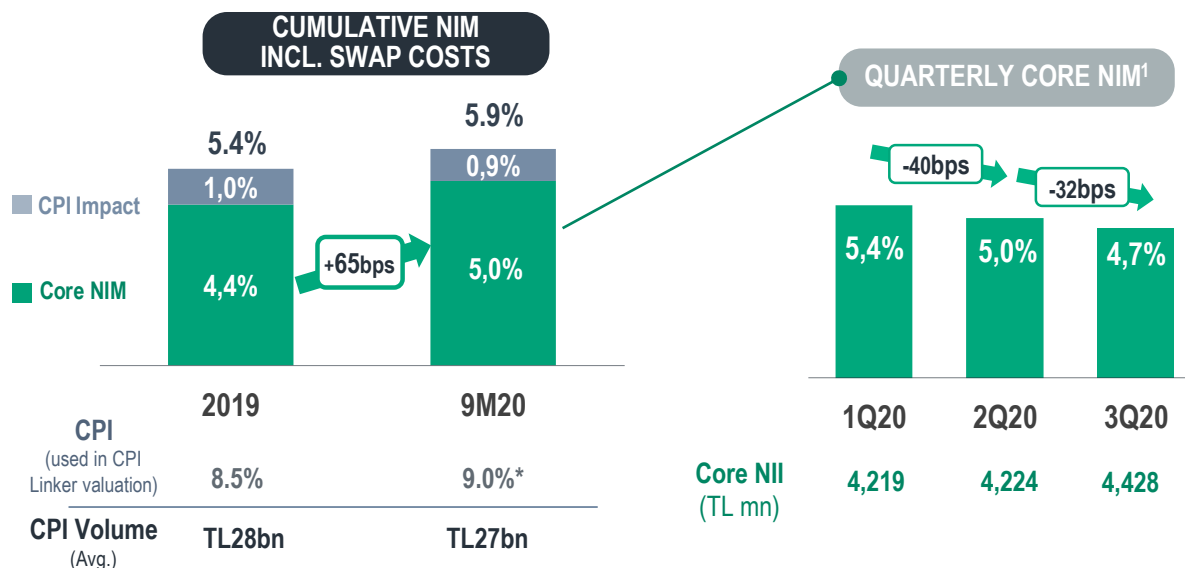
SHARE OF SME & RETAIL DEPOSITS¹

76% IN TL CUST. DEPOSITS

76% IN FC CUST. DEPOSITS

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

UPWARD LOAN REPRICING AND CPI LINKERS INCOME WILL ALLEVIATE THE PRESSURE COMING FROM FUNDING COST INCREASE



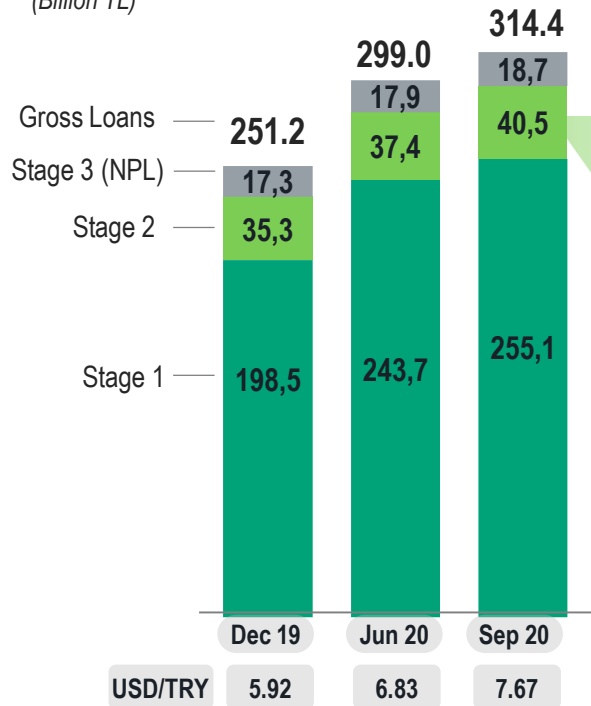
- ▶ **Core NII** sustained its **strong level**
- ▶ **High share of demand deposit** contributing to margin performance
- ▶ Outstanding **TL loan yields** have **started to pick-up** starting from August
- ▶ Increasing funding costs will largely be hedged with **CPI linkers**

¹ Core NIM = NIM including Swap costs and excluding CPI linker gains
 * CPI rate used in the valuation was revised up to 9% in August and 10.5% in September from 7.5% in June & July.

COVERAGES FURTHER STRENGTHENED WITH MAINTAINED PRUDENT APPROACH

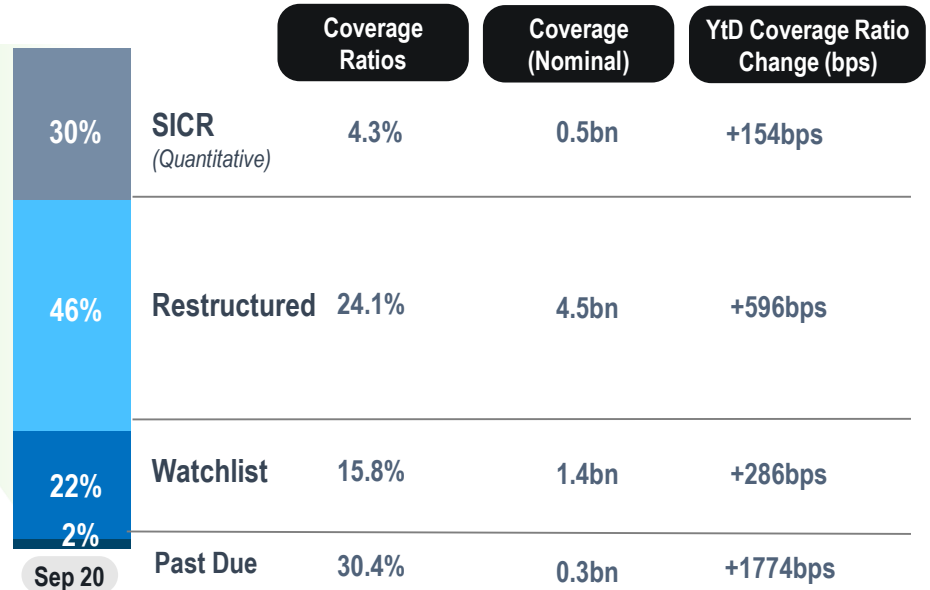
LOAN PORTFOLIO BREAKDOWN

(Billion TL)



STAGE-2 BREAKDOWN

– 13% OF GROSS LOANS



Coverage Ratios

	6.2%	6.5%	6.8%
Total			
Stage 1	0.5%	0.6%	0.7%
Stage 2	10.9%	16.2%	16.4%
Stage 3	62.1%	66.8%	68.7%

▶ Total provision in the balance sheet increased by TL 5.6bn YTD

- ▶ 82% of SICR is not delinquent at all
- ▶ 90-180 days files' balance **decreased** from TL 1.5bn to TL 1.2bn in 3Q Past due & Restructured buckets, following the temporary measure on NPL recognition day*
- ▶ 30-90 days files' balance **was TL 182mn** in 3Q, following under Stage-1 post the temporary regulation

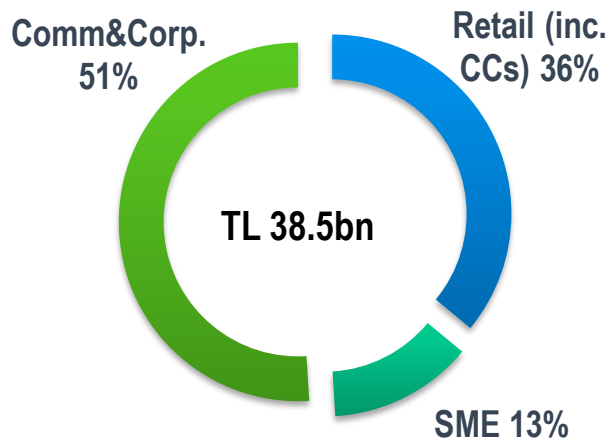
Note: SICR: Significant Increase in Credit Risk per our threshold for Probability of Default (PD) changes

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

DEFERRED LOANS

DEFERRALS PAYMENT PERFORMANCE

DEFERRALS BREAKDOWN BY SEGMENT



► ~43% of deferred loans are classified under Stage-2 with **21% coverage**

Not expired: 19%



From these expired loans;

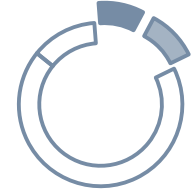
14% paid their total debt



69% resumed payment



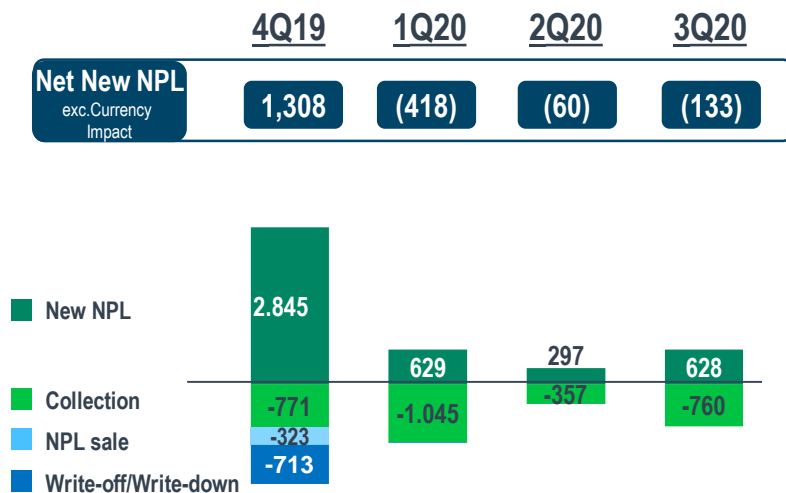
17% 2nd deferrals & solutions in progress



NET NEW NPL INFLOW CONTINUED TO BE NEGATIVE – PANDEMIC RELATED FULL NPL HIT LIKELY TO BE SEEN IN 2021

NPL EVOLUTION¹

(TL million)

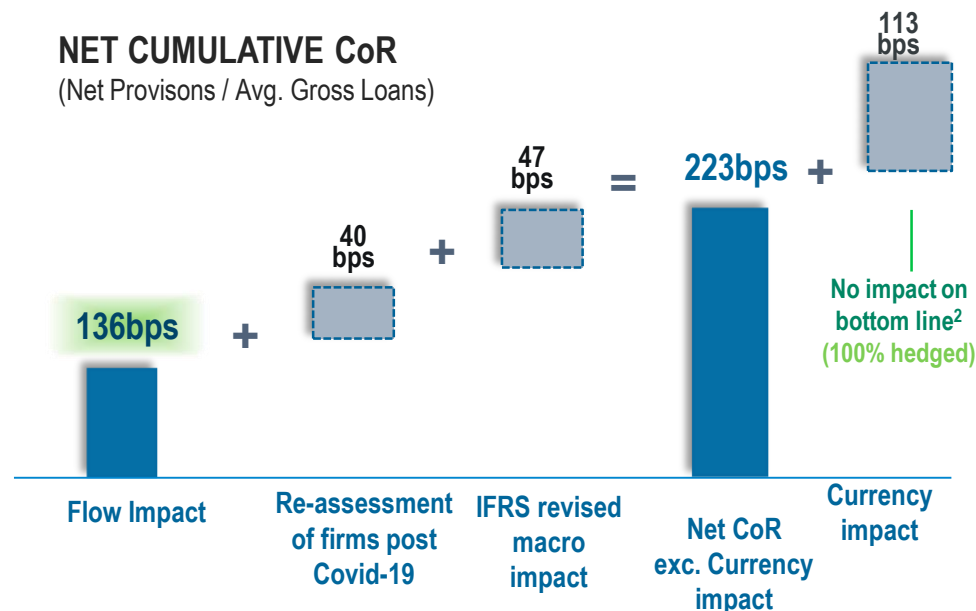


NPL Ratio	6.9%	6.5%	6.0%	6.0%
NPL (nominal, TL bn)	17.3	17.6	17.9	18.7

- ▶ **BRSA new NPL regulation (increasing NPL recognition day to 180 days from 90 days) has ~40bps positive impact on 3Q20 NPL ratio**

NET CUMULATIVE CoR

(Net Provisions / Avg. Gross Loans)



	QUARTERLY			CUMULATIVE
Net Provisions (TL mn)	1Q20	2Q20	3Q20	9M20
Flow Impact	786	1,203	890	2,878
Re-assessment of firms post Covid-19	853	-	-	853
IFRS revised macro impact	690	173	137	1,000
Net Provisions (excl. Currency impact)	2,328	1,376	1,027	4,731
Currency Impact	716	424	1,266	2,405

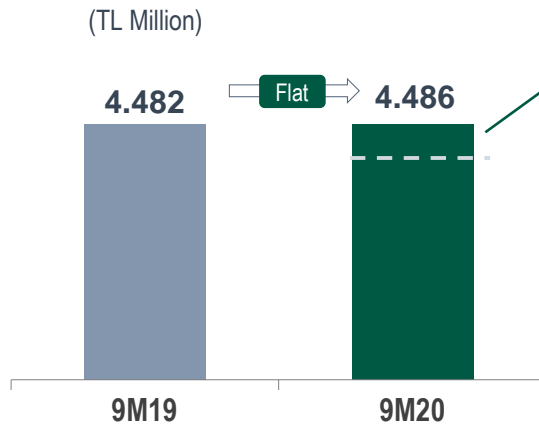
¹ NPL evolution excludes currency impact

² Currency depreciation impact of TL 2.4bn in 9M20 was fully offset via trading gain

SUSTAINED STRONG NET FEES AND COMMISSIONS BASE EVEN AFTER REGULATORY PRESSURES & COVID-19 IMPACT

NET FEES & COMMISSIONS

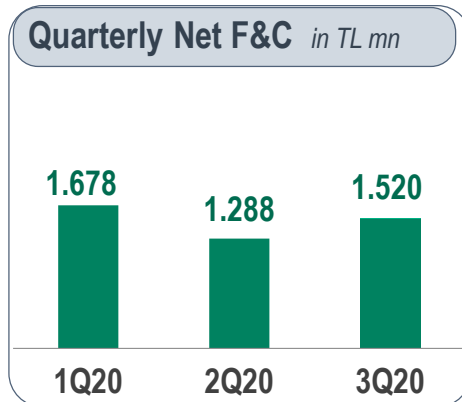
(TL Million)



6pp Impact on YoY Net F&C growth

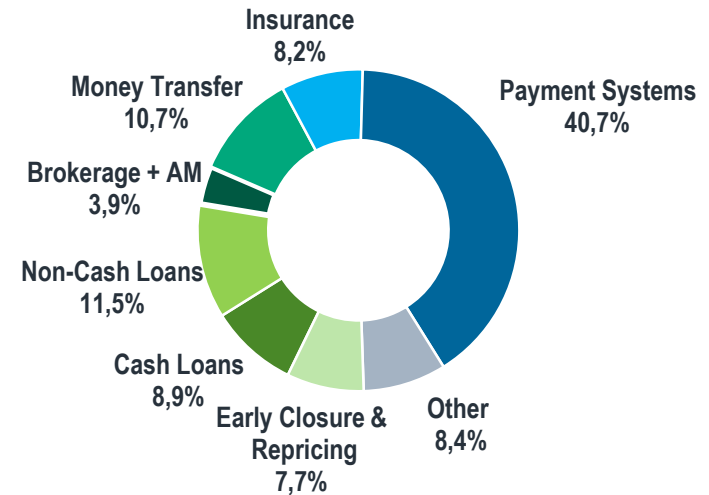
▶ Early closure & repricing fees supported the base in 2020, following lowered cap by regulation in March 2020.

Quarterly Net F&C in TL mn



▶ QoQ increase backed by **lending related fees & payment systems** as **economic activity has started to recover**

NET F&C BREAKDOWN¹



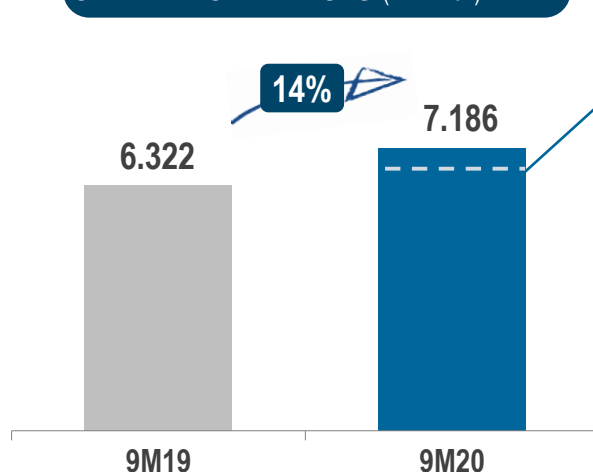
Annual Growth

Payment Systems	-26%	▶ 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	-21%	▶ YoY contraction due to introduced cap on Money transfer fees, effective as of March 01, 2020
Insurance	+59%	▶ Normalization in economic activity supported insurance & cash loans fees.
Cash Loans	+88%	
Brokerage & AM	129%	▶ Increased activity in capital market instruments

¹ Net Fees&Comm. breakdown is based on MIS data.

COSTS UNDER CONTROL. CURRENCY DEPRECIATION PRESSURED THE BASE, YET NO BOTTOM-LINE IMPACT DUE TO HEDGING MECHANISM

OPERATING EXPENSES (TL Million)



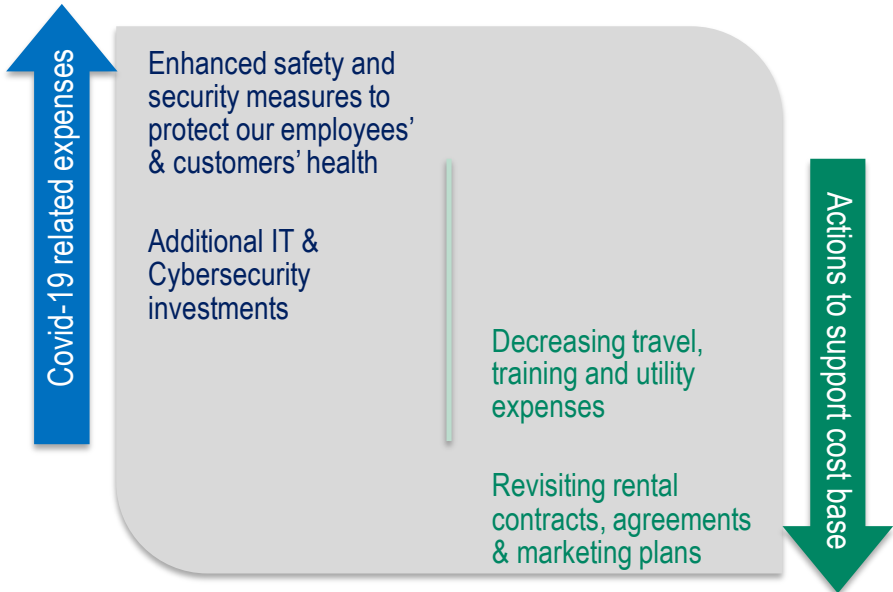
Currency depreciation
No impact on bottom line (100% hedged)

2.4pp

Impact on YoY OPEX growth

COST/INCOME¹ 36.8%

31.9%



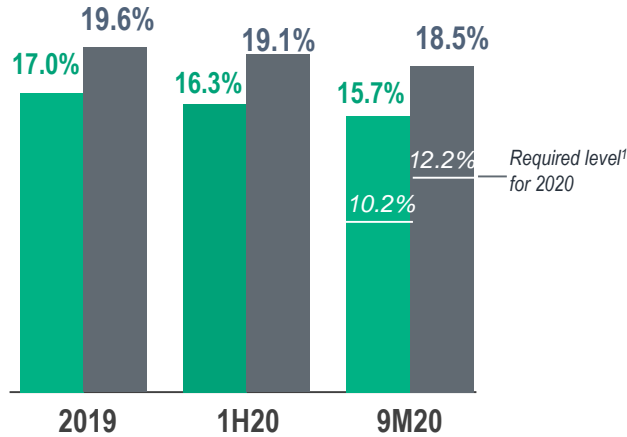
¹ Income defined as NII inc. Swaps + Net F&C + Dividend Income + Subsidiary Income + Net Trading Income (excludes swaps & currency hedge) + Other income (net of prov. Reversals)

CAPITAL REMAINED WELL ABOVE THE REQUIRED LEVEL

SOLVENCY RATIOS

without BRSA's currency forbearance

■ Tier -1 Ratio ■ CAR



TL 4.33bn Free Provisions

Bank-only: TL24bn Excess Capital
taking into account minimum required level of 12.2% for 2020

Consolidated: TL20bn

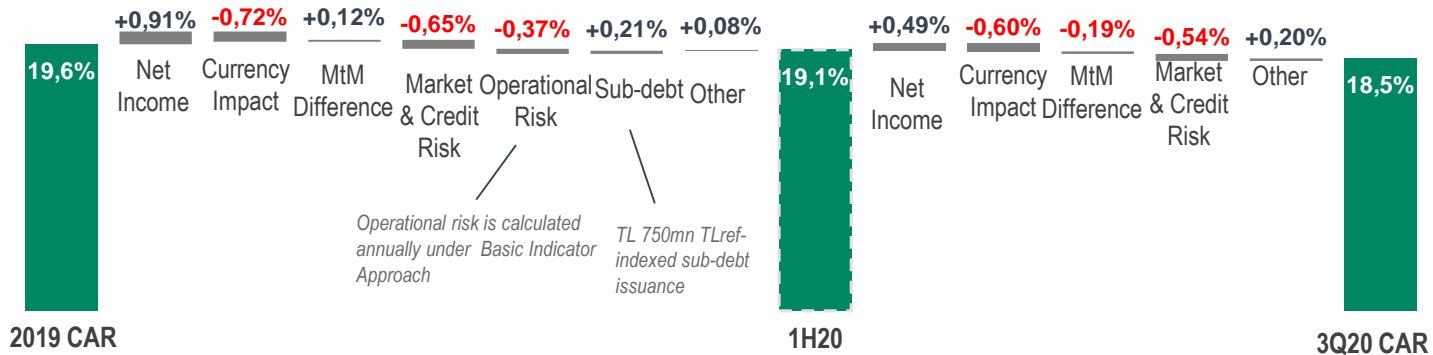
USDTRY

5.92

6.83

7.67

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 (0.188%); 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: 20.5%, CET1: 17.5%

APPENDIX

Pg. 20	2020 Guidance
Pg. 22	Sector Breakdown of Gross Loans
Pg. 23	Staging and coverage ratios of key sectors
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

2020 GUIDANCE

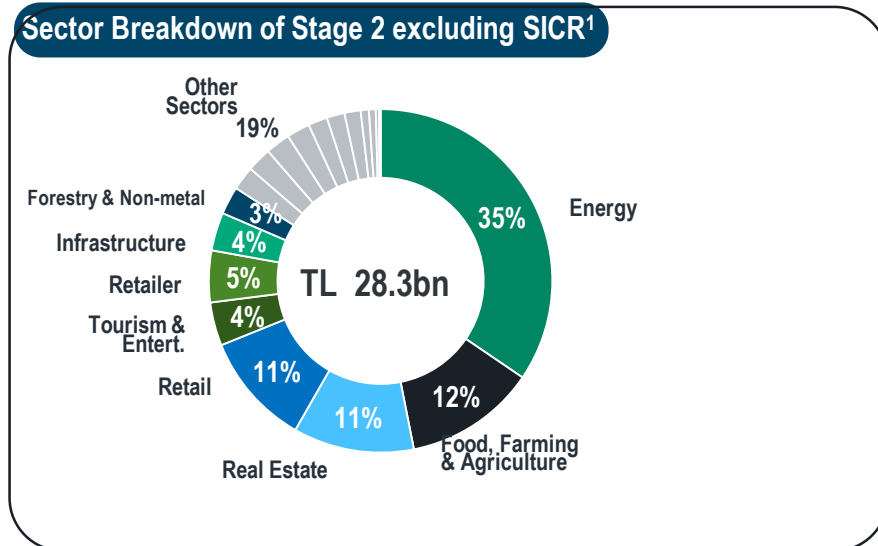
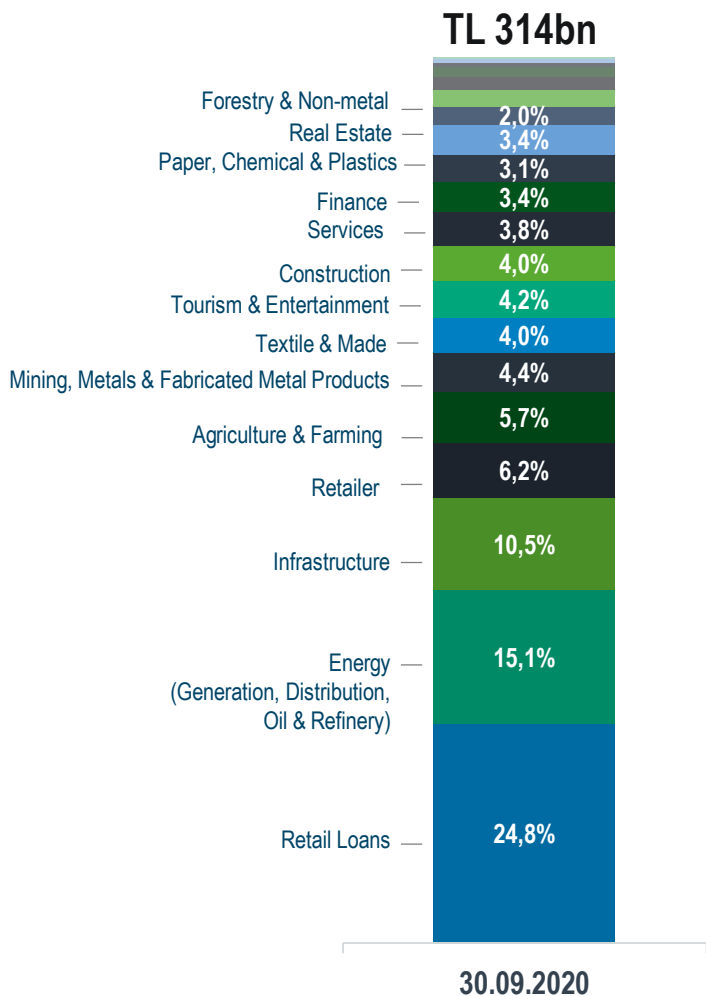
Faring broadly in-line with the revised guidance

Revised Guidance (Jul'20)

TL Loans (YoY)	~25%
FC Loans (in US\$, yoy)	Shrinkage
NIM Incl. Swap Cost Excl. CPI	~50bps expansion
Fee Growth (YoY)	High single digit shrinkage
OPEX Growth (YoY)	<10%
NPL ratio	~6.5%
Net Cost of Risk (excl.currency impact)	<300bps
ROAE	Low-teens

WELL-DIVERSIFIED PORTFOLIO...

SECTOR BREAKDOWN OF GROSS LOANS¹

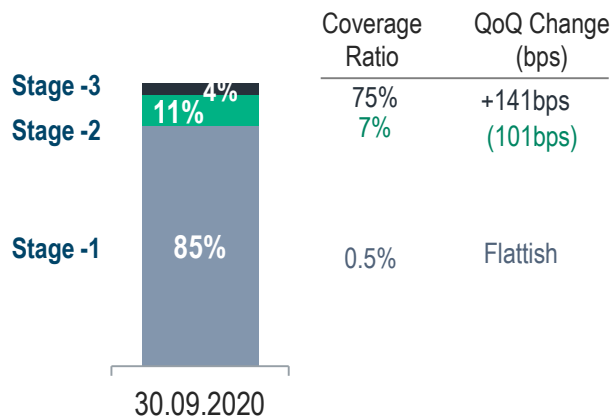


¹ Based on Bank-only MIS data

...WITH STRONG COVERAGE

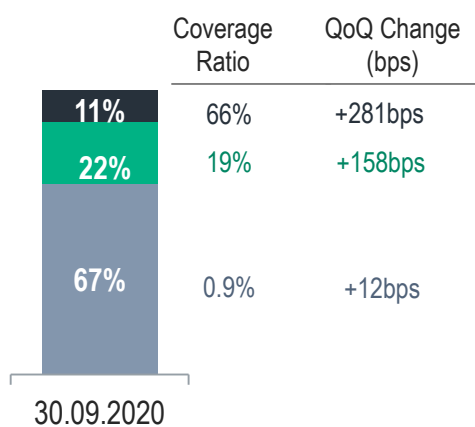
Retail

--- 24% of Gross Loans



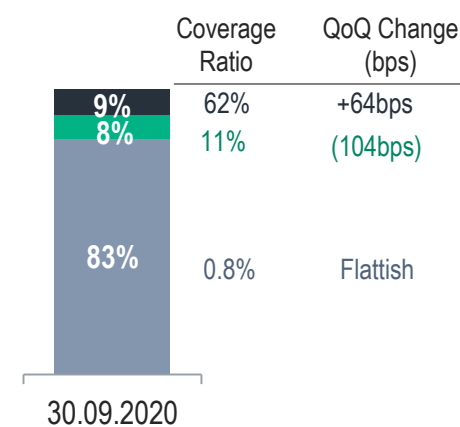
Energy Loans

--- 15% of Gross Loans



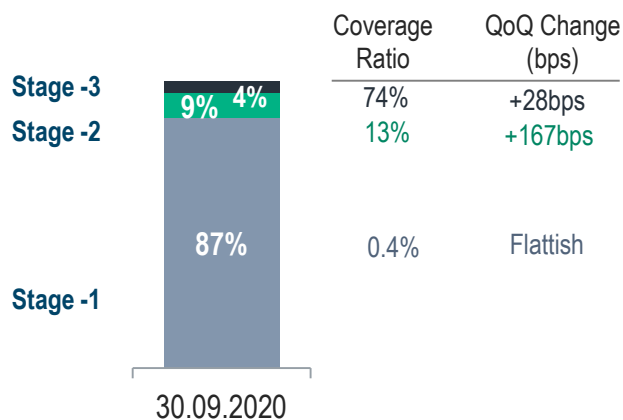
Construction

--- 4% of Gross Loans



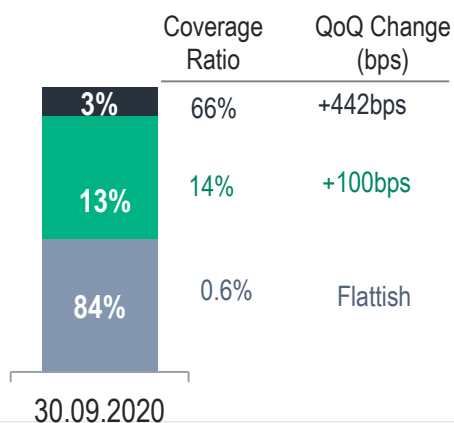
Textile

--- 4% of Gross Loans



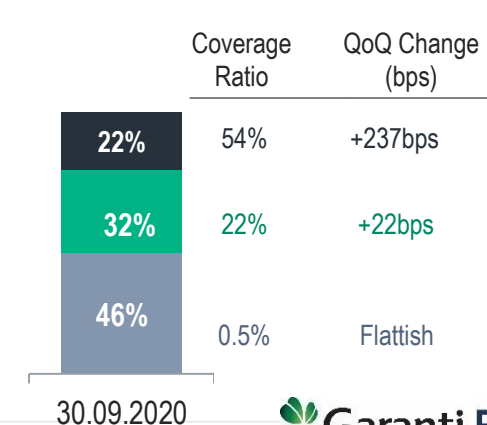
Tourism & Entertainment

--- 4% of Gross Loans



Real Estate

--- 3% of Gross Loans

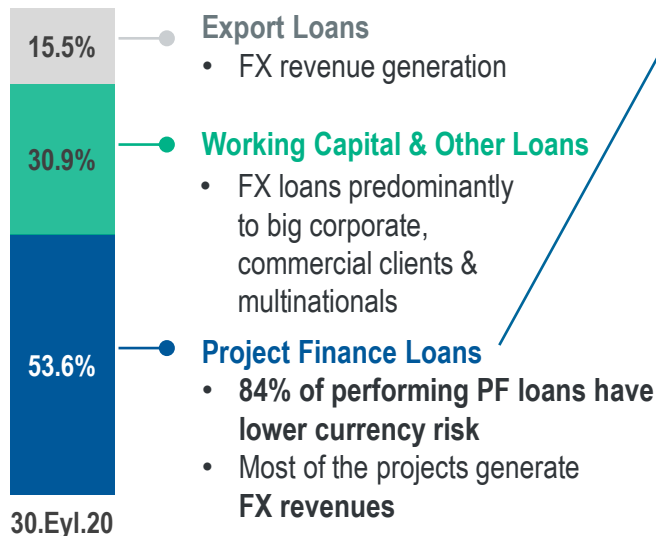


APPENDIX: STRUCTURE OF FC LOAN PORTFOLIO

FC PERFORMING LOANS

– 34% OF TOTAL PERFORMING LOANS

US\$ 13.0 bn ► Unconsolidated FC Performing Loans



Export Loans

- FX revenue generation

Working Capital & Other Loans

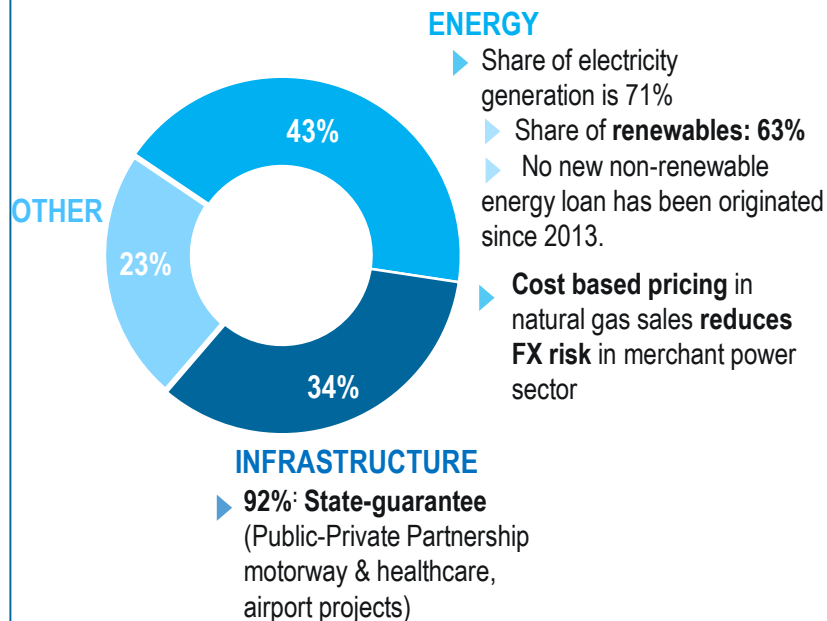
- FX loans predominantly to big corporate, commercial clients & multinationals

Project Finance Loans

- 84% 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

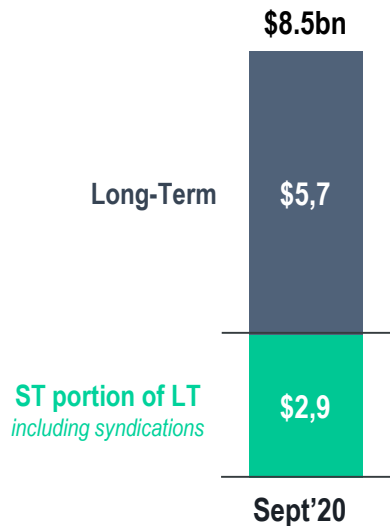
INFRASTRUCTURE

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

APPENDIX: COMFORTABLE LIQUIDITY & MANAGEABLE EXTERNAL DEBT STOCK

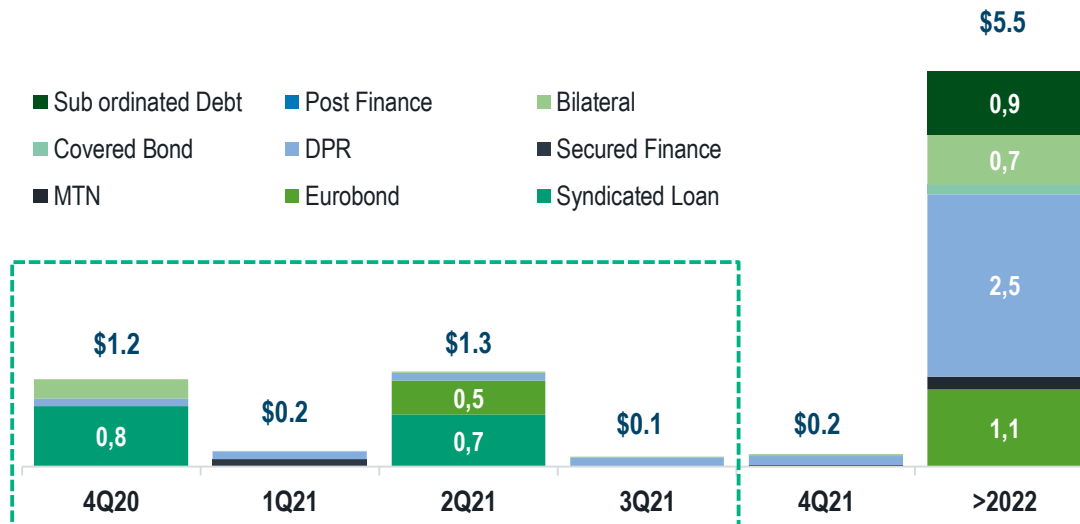
GARANTI'S EXTERNAL DEBT¹

(US\$ billion)



MATURITY PROFILE OF EXTERNAL DEBT

(US\$ billion)



ST external dues

\$2.9bn

Comfortable FC liquidity buffer²

\$11.3bn

¹ Excludes cash collateralized borrowings

² 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:

96%



Adjusted
LDR

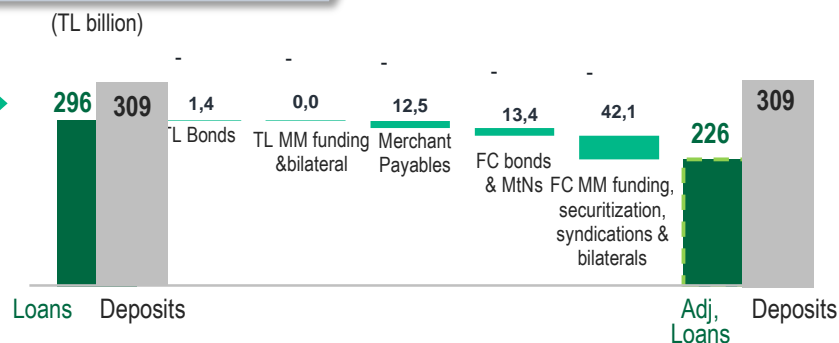


TL Loans /
TL Deposits:

1450%

FC Loans /
FC Deposits:

56%



LIQUIDITY COVERAGE RATIOS³

Total LCR

169%

Minimum Requirement

100%

FC LCR

234%

Minimum Requirement

80%

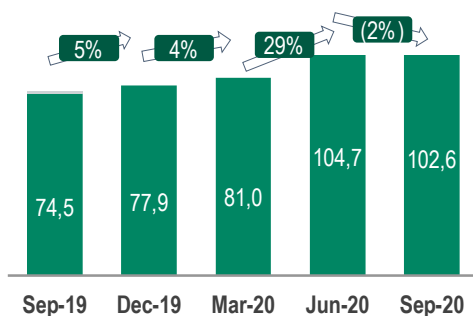
¹ Represents the average of September's last week. As per regulation dated 25 March, 2020, min. Required levels were suspended until 31 December 2020.

APPENDIX: CONSUMER & TL BUSINESS BANKING LOANS

TL BUSINESS BANKING

(TL billion)

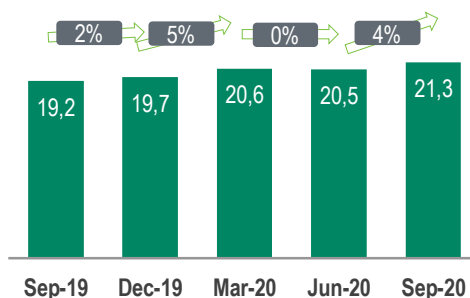
+38%
YoY



CONS. MORTGAGE LOANS

(TL billion)

+11%
YoY



Market Shares³

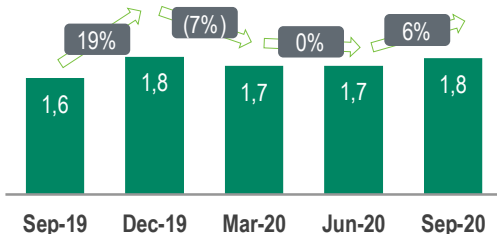
	Sep '20	QoQ	Rank
Consumer Loans inc Consumer CCs	11.6%	-57bps	#1*
Cons. Mortgage	8.4%	-122bps	#1*
Cons. Auto	26.3%	-446bps	#1*
Consumer GPLs	10.8%	-24bps	#2*
TL Business Banking	8.0%	-48bps	#2*
# of CC customers ²	13.5%	-15bps	#1
Issuing Volume ² (Cumulative)	17.8%	-8bps	#1
Acquiring Volume ² (Cumulative)	17.1%	+11bps	#2

* Rankings are among private banks as of June 20

CONSUMER AUTO LOANS

(TL billion)

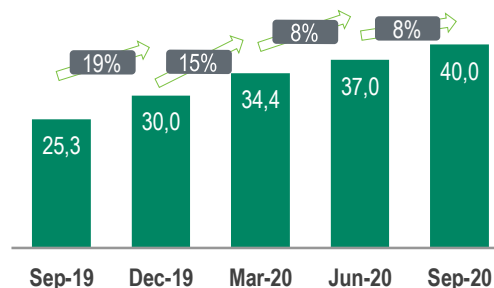
17%
YoY



CONSUMER GENERAL PURPOSE LOANS¹

(TL billion)

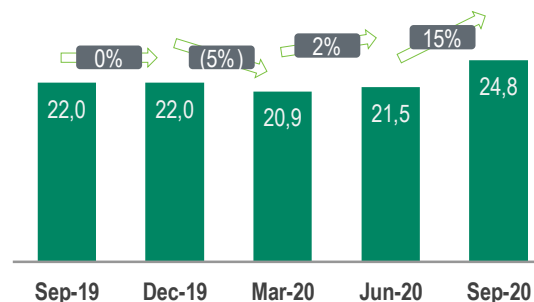
+58%
YoY



CONSUMER CREDIT CARD BALANCES

(TL billion)

+13%
YoY



1 Including other loans and overdrafts

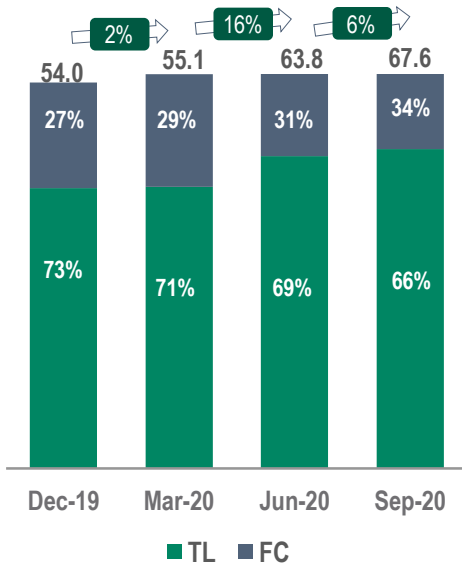
2 Cumulative figures and rankings as of September 2020, as per Interbank Card Center data,

3 Sector figures used in market share calculations are based on bank-only BRSA weekly data as of 29.09.2020, for commercial banks

APPENDIX: SECURITIES PORTFOLIO

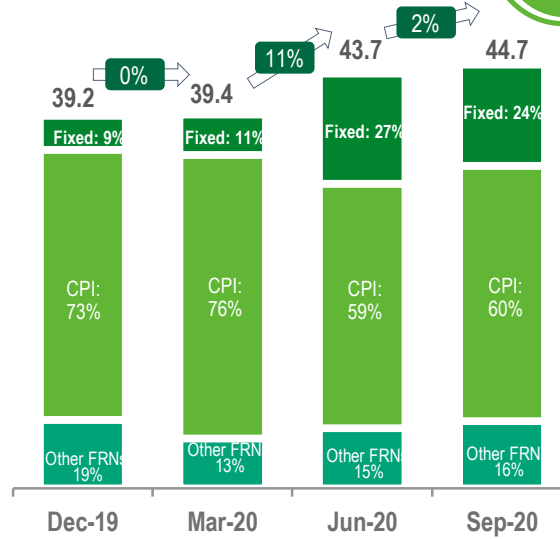
Total Securities (TL billion)

14% of Total Assets

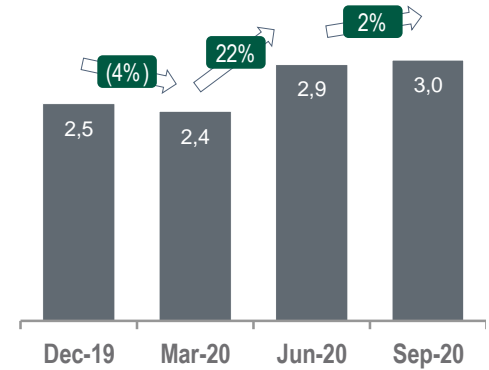


TL Securities (TL billion)

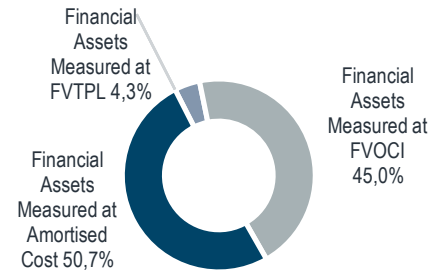
CPI Linkers: TL 27bn



FC Securities (US\$ billion)



Securities Composition



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

APPENDIX: SUMMARY BALANCE SHEET

TL Billion

ASSETS	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020
Cash & Cash Equivalents	31.1	28.3	15.8	24.1	32.9
Balances at CBRT	38.0	35.6	50.2	35.5	34.2
Securities	52.7	54.0	55.1	63.8	67.6
Gross Loans	236.7	251.2	270.0	299.0	314.4
+ TL Loans	157.7	167.0	174.0	200.9	206.6
TL NPL	10.3	10.6	10.6	10.5	10.4
info: TL Performing Loans	147.4	156.4	163.5	190.5	196.2
+ FC Loans (in US\$ terms)	14.1	14.2	14.6	14.4	14.0
FC NPL (in US\$ terms)	1.0	1.1	1.1	1.1	1.1
info: FC Performing Loans (in US\$ terms)	13.1	13.1	13.6	13.3	13.0
info: Performing Loans (TL+FC)	220.8	233.9	252.4	281.1	295.7
Fixed Assets & Subsidiaries	13.9	14.6	14.7	15.4	17.2
Other	1.8	7.4	11.6	10.1	13.4
TOTAL ASSETS	374.3	391.2	417.4	447.9	479.7

LIABILITIES & SHE	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020
Total Deposits	231.1	248.8	266.7	276.1	308.8
+ Demand Deposits	69.1	76.4	89.4	120.0	139.8
TL Demand	25.7	30.7	33.2	44.6	40.8
FC Demand (in US\$ terms)	7.7	7.7	8.6	11.0	12.9
+ Time Deposits	162.0	172.4	177.3	156.0	169.0
TL Time	80.2	83.8	86.2	84.7	90.0
FC Time (in US\$ terms)	14.6	15.0	13.9	10.4	10.3
Interbank Money Market	0.4	0.5	0.8	14.7	0.9
Bonds Issued	17.7	16.4	16.9	19.0	20.3
Funds Borrowed	41.9	44.1	47.4	46.9	52.1
Other liabilities	31.7	27.6	30.7	33.2	37.1
Shareholders' Equity	51.5	53.8	54.9	58.1	60.4
TOTAL LIABILITIES & SHE	374.3	391.2	417.4	447.9	479.7

APPENDIX: SUMMARY P&L

TL Million	QUARTERLY P&L			CUMULATIVE P&L		
	2Q20	3Q20	QoQ	9M19	9M20	YoY
(+) Net Interest Income including Swap costs	4,822	5,267	9%	11,642	15,102	30%
(+) <i>NII excluding CPI linkers' income</i>	4,761	5,370	13%	11,240	14,981	33%
(+) <i>Income on CPI linkers</i>	598	838	40%	2,564	2,230	-13%
(-) <i>Swap Cost</i>	-537	-942	76%	-2,162	-2,109	-2%
(+) Net Fees & Comm.	1,288	1,520	18%	4,482	4,486	0%
(+) Net Trading & FX gains/losses (excl. Swap costs and currency hedge)	383	759	98%	-14	1,586	<i>n.m</i>
<i>info: Gain on Currency Hedge</i>	424	1,266	199%	270	2,406	792%
(+) Income on subsidiaries	308	386	26%	741	1,015	37%
(+) Other income (excl. Prov. reversals & one-offs)	123	111	-10%	220	325	48%
= REVENUES	6,923	8,044	16%	17,071	22,515	32%
(+) Non-recurring other income	0	0	<i>n.m</i>	121	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>	38	0	<i>n.m</i>
(-) OPEX	-2,297	-2,444	6%	-6,322	-7,186	14%
(-) <i>HR</i>	-942	-922	-2%	-2,644	-2,759	4%
(-) <i>Non-HR</i>	-1,356	-1,522	12%	-3,678	-4,427	20%
= PRE-PROVISION INCOME	4,626	5,600	21%	10,869	15,329	41%
(-) Net Expected Loss (excl. Currency impact)	-1,376	-1,027	-25%	-4,473	-4,731	6%
(-) <i>Expected Loss</i>	-2,318	-3,505	51%	-7,919	-10,684	35%
<i>info: Currency Impact</i>	-424	-1,266	199%	-270	-2,406	792%
(+) <i>Provision Reversal under other Income</i>	518	1,212	134%	3,177	3,547	12%
(-) Taxation and other provisions	-1,650	-2,677	62%	-1,460	-5,470	275%
(-) <i>Free Provision</i>	-600	-1,230	<i>n.m</i>	-100	-1,830	<i>n.m</i>
(-) <i>Taxation</i>	-649	-754	16%	-1,151	-1,818	58%
(-) <i>Other provisions (excl. free prov.)</i>	-401	-693	73%	-209	-1,822	773%
= NET INCOME	1,600	1,896	18%	4,936	5,127	4%

¹ 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

	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
Profitability ratios					
ROAE (Cumulative) ¹	13.4%	12.3%	12.1%	12.8%	13.1%
ROAA (Cumulative) ¹	1.8%	1.6%	1.6%	1.7%	1.7%
Cost/Income	36.8%	36.4%	32.4%	32.8%	31.9%
Quarterly NIM incl. Swap costs	5.1%	5.8%	6.5%	5.7%	5.6%
Quarterly NIM incl. Swap costs excl. CPI linkers	4.2%	5.4%	5.4%	5.0%	4.7%
Cumulative NIM incl. Swap costs	5.2%	5.3%	6.5%	6.0%	5.9%
Cumulative NIM incl. Swap costs excl. CPI linkers	4.0%	4.4%	5.4%	5.2%	5.0%
Liquidity ratios					
Loans / Deposits	95.6%	94.0%	94.7%	101.8%	95.7%
TL Loans / TL Deposits	139.1%	136.6%	136.8%	147.2%	150.1%
Adj. Loans/Deposits (Loans adj. with on-balance sheet alternative funding sources)	66%	68%	70%	72%	73%
TL Loans / (TL Deposits + TL Bonds + Merchant Payables)	120.2%	119.9%	121.7%	129.6%	130.7%
FC Loans / FC Deposits	58.7%	57.7%	60.4%	61.8%	55.8%
Asset quality ratios					
NPL Ratio	6.7%	6.9%	6.5%	6.0%	6.0%
Coverage Ratio	6.3%	6.2%	6.7%	6.5%	6.8%
+ Stage1	0.5%	0.5%	0.6%	0.6%	0.7%
+ Stage2	11.4%	10.9%	14.5%	16.2%	16.4%
+ Stage3	62.0%	62.1%	65.5%	66.8%	68.7%
Cumulative Net Cost of Risk (excluding currency impact, bps)	251	272	359	272	223
Solvency ratios					
CAR	19.9%	19.6%	18.2%	19.1%	18.5%
Common Equity Tier I Ratio	17.4%	17.0%	15.5%	16.3%	15.7%
Leverage	6.3x	6.3x	6.6x	6.7x	6.9x

¹ 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 9M19, 1Q20, 1H20 and 9M20 .

APPENDIX: QUARTERLY & CUMULATIVE NET CoR

(Million TL)

Quarterly Net Expected Credit Loss	4Q19	1Q20	2Q20	3Q20
(-) Expected Credit Losses	2,782	4,861	2,318	3,505
Stage 1	455	1,315	418	562
Stage 2	123	1,861	1,183	1,560
Stage 3	2,204	1,685	717	1,383
(+) Provision Reversals under other income	336	1,817	518	1,212
Stage 1	118	767	198	107
Stage 2	103	437	150	801
Stage 3	115	613	171	304
(=) (a) Net Expected Credit Losses	2,446	3,044	1,800	2,293
(b) Average Gross Loans	243,945	260,593	284,488	306,676
(a/b) Quarterly Total Net CoR (bps)	398	470	254	297
info: Currency Impact¹	59	110	60	164
Total Net CoR excl. currency impact (bps)	339	359	195	133

(Million TL)

Cumulative Net Expected Credit Loss	9M20
(-) Expected Credit Losses	10,684
Stage 1	2,294
Stage 2	4,605
Stage 3	3,785
(+) Provision Reversals under other income	3,547
Stage 1	1,072
Stage 2	1,388
Stage 3	1,088
(=) (a) Net Expected Credit Losses	7,137
(b) Average Gross Loans	283,634
(a/b) Cumulative Total Net CoR (bps)	336
info: Currency Impact¹	113
Total Net CoR excl. currency impact (bps)	223

¹ 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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