

## Garanti BBVA's priority: Its employees and community

**Türkiye Garanti Bankası A.Ş.**, announced its financial statements dated March 31, 2020. Based on the consolidated financials, the Bank's **net income** in the first three months of the year recorded as TL 1 billion 680 million 191 thousand. **Asset size** realized at TL 456 billion 167 million 623 thousand and the Bank's contribution to the economy through cash and non-cash **loans** was TL 346 billion 578 million 792 thousand. Actively managing the funding base, deposits continued to be the main funding source; 65% of assets are funded via deposits. Deposit base reached to TL 295 billion 916 million 510 thousand with 7% growth in the first 3 months of the year. Preserving the strong capital stance, Bank's capital adequacy ratio was realized at 16.6%. The Bank delivered an **ROAE** (Return on Average Equity) of 12.4% and an **ROAA** (Return on Average Assets) of 1.5%.

Commenting on the topic, **Garanti BBVA CEO Recep Baştuğ** stated that: "Turkey, together with the whole world, is going through an extraordinary period. Our first and foremost priority in this period is, without a doubt, the health and safety of our employees, their families, and the society. Within this scope, we formulated and started implementing all of the necessary measures without wasting time. Currently, 92% of our headquarters' staff and 61% of our branch staff work from home. On the other hand, 100% of our call center employees are serving our customers from their homes without interruption. On 11<sup>th</sup> of April, celebrating the 74th anniversary of our bank, we once again confirmed how solid our foundations were,. As a bank investing heavily in digital channels for 25 years, we managed to make a smooth transition without experiencing any disruption whatsoever in our operations thanks to our robust technological infrastructure.

Besides these measures taken, it is also highly important to economically support the nationwide struggle. In order to maintain our balance sheet and customers healthy and strong, while prioritizing customer-oriented growth in this period, we have taken and will continue to take all kinds of measures to minimize the impact of the Covid-19. In the first three months of the year, we achieved 8% growth in total loans. During the period we have been experiencing since March, we have started providing the opportunity to postpone the principal, interest and installment payments as well as credit card debts according to needs of our customers, without any additional condition and aggravating the existing payment conditions. Within this scope, we have postponed and restructured the payment of more than 470 thousand loans at an amount over TL 21 billion to date. We also approach in a positive manner to our customers, who are in need of structuring beyond the defined minimum conditions, and will continue to do so in the upcoming period. We have been granted with the opportunity of loan disbursement amounted to TL 4.5 billion out of the TL 30bn total package that are defined for the group which also include private banks. We have rapidly utilized one third of the package and going forward, we aim to utilize the whole package in 2-3 week time. We will continue to support the CGF program in the same way as the new packages are announced.

On the other hand, when it comes to expenses and commissions, we consider the specific financial condition of our distressed customers, make individual assessment, and support each customer. By fully complying with the commission limitations established by the regulator, we provide flexibility to our customers experiencing payment difficulties, beyond the established limitations. Thanks to our strong capital and high level of liquidity, we will continue to support the financial needs of all our customers.

Emphasizing the importance of supporting each other in this period, **Baştuğ** completed his statement by saying "As one of the important economic actors of this country, aside from our banking responsibilities, we are well aware of our social responsibilities as well. In this context, we firstly allocated 10 million TL in support of our hospitals to supply needed materials, and then we announced our support fund of 30 million TL to the Ministry of Health to be used for

provision of respiratory devices. Our biggest hope is to overcome this challenging period together with minimum loss and in the shortest time and to walk hand in hand, as a country, towards a better future. I wish to sincerely thank all my co-workers and our stakeholders who trust and support us.”

You may access Garanti BBVA earnings presentation regarding the BRSA consolidated financial results as of and for the period ending March 31, 2020 from Garanti BBVA Investor Relations website at [www.garantibbvainvestorrelations.com](http://www.garantibbvainvestorrelations.com)

### Selected Figures of Garanti BBVA’s Consolidated Financial Statements (March 31, 2020)

Selected Balance Sheet Items	Current Period 31.Mar.2020	Prior Period 31.Dec.2019	Change Δ %
Total Assets	456,193,948	428,554,148	6.4%
Loans	298,218,805	277,506,599	7.5%
- Performing Loans	279,537,730	259,207,022	7.8%
- Non-Performing Loans	18,681,075	18,299,577	2.1%
Customer Deposits	294,005,872	274,608,574	7.1%
Shareholders' Equity	55,105,358	54,050,747	2.0%

\* Excludes Leasing and Factoring receivables

Selected P&L Items	Current Period 31.Mar.2020	Prior Period 31.Mar.2019	Change Δ %
Net Interest Income	5,854,607	4,909,757	19.2%
Operating Expenses	2,928,339	2,417,203	21.1%
- HR Cost	1,061,430	1,025,090	3.5%
- Other Operating Expenses	1,866,909	1,392,113	34.1%
Net Fees&Commissions	1,777,945	1,499,103	18.6%
Net Income	1,680,191	1,757,409	-4.4%

### Highlights from Garanti BBVA's Consolidated Financials

- Return on Average Assets (ROAA) realized at 1.5%.
- Return on Average Equity (ROAE) was 12.4%.
- Total loans grew by 8% in the first three months and the contribution to the economy through cash and non-cash loans reached TL 346 billion 578 million 792 thousand.
- Total cash loans, TL loans and FC loans market shares realized at 10%, 9.8% ve 10.2% respectively.
- Customer deposits grew by 7% and its market share realized at 10.5%.
- Demand deposits’ share in total deposits reached 35%.
- CAR (Capital Adequacy Ratio) realized at 16.6% well-above minimum required regulatory limit of 12.1%.
- NPL ratio was realized as 6.5%.