Welcome everyone!

Thank you for attending our 1st qtr 2022 financial results call in such short notice.

Before diving deep into our stellar results, let me start with a brief macro backdrop:

The main highlights are that;

There is still strong economic activity..

Currency stabilization efforts likely will have positive impact on inflation in the coming period

Post pandemic world demand remain supportive

Looking into the next slide, we see that the growth still remains resilient despite the high global volatility… given China's Covid restrictions, the war in Ukraine and the severe sanctions… all reinforce both higher inflation and deceleration in growth.

In this environment, Turkish economy continues to prove its resilience. We nowcast near 7% GDP growth in the first quarter of the year. Consumption and exports remain supportive on this positive performance.

We expect the full year GDP growth to be 2.5%, which is 1pp lower than our guidance in the beginning of the year. We revised it down following the implications of the war in Ukraine. Actually, potential changes in Global Value Chains in the new post-pandemic and post-war era, might even work to benefit Turkey, in the mid-to-long run.

Regarding inflation, risks remain on the upside given the continuing supply side problems and loose policies. We expect the year end inflation to be 50%, helped by the base effects in the last two months of the year.

On the external side, post pandemic world demand, remain supportive for both exports and tourism revenues. However, increasing energy bill and lower global demand are the downside risks on the current account deficit.

On the budget balance, we expect counter-cyclical fiscal policies to continue, which will likely result in a wider deficit, in our expectations.

Now on to our 1st Qtr **2022 results!**

Start to the year, has been stellar!

We booked, a new record high, profitability in the 1st. Quarter.

Net income recorded of 8.3 bn liras was double that of the prior quarter and triple yoy.

Key drivers of this strong profitability has been mainly;

- The net interest income growth – largely backed by robust loan originations & lower cost deposit base. There was also support from the CPI book.
- Trading growth – driven by FX buy & sell activity
- Fee & commissions growth – supported by the strong performance in payment systems, lending & transaction activity
- Reduced need for provisioning – due to already high provisions on BS and
- There was also strong contribution from the subsidiaries.

This quarter, following BRSA's approval, both Garanti Fleet and Garanti Payment Systems were added to our consolidated financials.

- Positive contribution of these subsidiaries is around 260mn TL in the quarter. We've also revised last year's financials to include this change.

Moving on to next page, we wanted to clearly display how the performance is building up on an already proven track record.

TL loan growth booked in the quarter was a robust 17%, significantly higher than the sector growth of 12%.

In this period, our customer acquisition resulted in a net customer growth of more than half a million -- Suggesting a beat to our existing customer growth trend.

Our record high profit in the qtr translates into an ROAE of 38% and an ROAA of 4%.

We were also able to further strengthen our capital ratios, our capital adequacy ratio increased to 14,8% from 14% whereas our CET1 ratio increased to 12,2% from 11,3%.

On top of this, we have accumulated so far the highest free provision amount in the sector with 7.5 billion TL on Balance sheet

And In terms of liquidity, we sustain our high total liquidity. On the FC side for instance, we have $11 bn of buffer vs. a total external debt of 7 billion USD.

Now continuing with our strategically managed asset composition and growth…

Asset breakdown continues to be heavier on customer driven sources; largely loans, which points to the sustainable nature of our revenues.

As I mentioned, TL lending growth booked in the first quarter of 2022 was a strong 17%. FC lending growth booked was a positive 2% in USD terms due to the timing of a bulky loan. Overall for the year, with the upcoming redemptions, we expect shrinkage in the portfolio.

There was also some security purchases across the board in both TL And FC this quarter. The share of securities in assets went slightly up to 14.3%. New CPI linker purchases more than offset the redemptions and our CPI book reached TL 53bn. – including the accruals as well as the IRR and mark to market difference.

Continuing in more depth with TL loans, you may see the well balanced breakdown of our TL loan book in the pie chart with a slight increase in business loans compared to 2021-end.

The significant 28% quarterly growth booked in TL business banking is eye-catching. It also meant significant market share gains of 83bps among private banks.

New consumer loan originations in the quarter also remained as strong as in the 4thQtr.

Also in the credit card business, we continue reinforcing our leadership and have the highest market shares in both acquiring and issuing volumes.—both nearing 18%.

Now moving on to how we fund the assets, notice on slide 10 the funding mix: Deposits, both time and demand deposits and deposit like TL bonds issued and merchant payables fund more than 70% of the assets. Also notice the share of demand deposits – funding alone more than one third of the assets, which is certainly contributing to our significant outperformance in free funds to interest earning assets.

Notice the Borrowing's share in funding assets is only around 11%. Total external debt stands at $6.8bn, of which $3.5bn is short term. Against this there is

FC quick liquidity buffer that is well above the debt and that meets more than threefold the short term need - with $10.8bn.

Funding contributors show that we are highly liquid, and our active management of funding sources remain to be the main differentiating factor.

Detailed look into the deposits on slide 11.

Show that This quarter, there was a strong 30% growth in TL deposits vs 6 percentage points shrinkage in FC deposits. - A natural outcome post the dedolarization initiatives introduced with the FX-protected deposit scheme. This scheme resulted in a remarkable 35% growth in our TL time deposits where we ended the qtr with 10% market share in this scheme.

Despite this unusually high TL time deposit growth in the quarter, TL customer demand share in TL deposits remained higher than the sector average. Which was also the case for our FC deposits. And in total, this corresponds to the fact that half of our total deposits are demand deposits – undoubtedly reflecting the preference of the customers choosing us as their main bank.

Also validating this is that Garanti has the highest TL deposit base both in time & demand among private banks.

This well differentiated deposit base contributes noticeably to our margin performance that you will see on next page.

In terms of the margin performance, there was further expansion on top of the high base of the last quarter -- driven by the further drop in funding costs and our outperformance in lending booked in the qtr. TL loans to TL deposit spreads increased by another 36bps and This translated into a core margin expansion of 20 bps to 4.4%. – which represents a level that is significantly above that of our nearest peer. Combined with the positive impact of CPI linkers, 1st qtr total margin was 6.6%. Notice here that the Core margin - meaning the sustainable & customer driven portion - in total remains to be the biggest component of the margin at Garanti BBVA.

This is also evident in the NII evolution that can be seen in the chart below – core vs the total NII including swap costs. 7.5bnTL out of 11bn of the total NII comes from the core business – result of our lending business and funding mix management -- representing our core and well proven competitive strength.

Moving on to the topic of asset quality on slide 13;

We maintain our commitment to manage the loan portfolio in a healthy way and stage it proactively.

Out of 585 billion liras of gross loans, 89.7 billion liras or 15% is in stage 2, and 19.2 bn or 3% is in stage 3.

In depth look into stage 2 shows that the mix has not changed much, and the amount when isolating the currency impact suggest slight improvement owed to strong recoveries incurred in the quarter. Yet we continued strengthening our provisions and the stage 2 coverage level reached 17% from 16.8% in Dec 2021.

Now moving onto NPLs, notice on slide 14 that the collection performance in the 1st quarter was higher than the new NPL inflows. Adjusted with currency, NPL sales and write downs, the net new NPL was a minus 102 million liras contributing to the improvement in the NPL ratio. Helped also by the lending growth in the quarter, NPL ratio at qtr end was 3.3% with a further increased NPL coverage of 67%

If we had not written down the 100% provisioned loans since year 2019, our NPL ratio would have been 5% and the NPL cash coverage would have been a significant 79%.

Looking at how they translate into risk costs and provisions, you can see on the next slide (slide number 15)

Despite lower than expected net new NPL inflows we make no compromise on disciplined and prudent provisioning. Furthermore, we incorporated lower GDP growth expectation into our macro model in March. Still, Net Cost of Risk, which is at 1.1% by the end of the first quarter, is realized far better than our anticipation of below 150 bps for the full year.

Recall that our annual IFRS9 model recalibration took place in the fourth quarter last year and from this high base net provisions excluding currency declined 48% quarter on quarter.

Currency depreciation impact, as you can see on the right hand side corner of the page is 153 basis points which has no bottom line impact as it is fully hedged.

Moving on to the topic of net fees & commissions,

Our unrivalled fee generation capability, once again got manifested with a new record high growth of 55% on top of the highest base in the sector. Higher than expected economic activity & solid growth resulted in Lending related fee growth of nearly 60% yoy.

Money transfer fees registered a striking growth of 96% - on the back of digital empowerment and best in class customer experience. 95% of Money transfers go through digital. We also exhibited the positive impact of 7/24 FAST system for local money transfers. We rank tops in FAST transactions as well.

Payment systems' fees 69% annual growth was also substantially supportive given the rise in credit card volumes. We gained market shares both in acquiring & issuing volumes and reinforced our leading position.

Moving on to the operating expenses..

YoY OPEX growth was 61%, of which 19% was due to the currency depreciation which was fully hedged and therefore had no negative impact to bottomline. So we can say that the net opex growth was 42% -- much lower than the revenue growth booked.. Leading to a significant improvement in our efficiency ratio. Cost Income ratio, as a result, ended at an impressive 28% from 34% last year, whereas the Fee coverage of OPEX increased to 61%.

Regarding Capital, we sustain our strong capital buffers and Our capital generative growth strategy continues to strengthen capital base.Net income generation alone added 119bps to our solvency in the 1st qtr. And Our Capital Adequacy Ratio without the BRSA’s forbearance, increased to 14.8% from 14% in one quarter.

We have currently 21 billion liras of excess capital and as a secondary buffer we have 7.5 billion liras of free provisions. Notice that free provisions, if were to be included as part of capital, would add another 1% to our capital adequacy ratio.

Summarizing 1st Qtr performance

- Garanti outperformed in TL lending and registered 17% growth vs 12% in the sector – gaining healthy market shares and customer growth
- The annual growth in Core revenues, meaning the NII excl. CPI linked revenues + fees + trading revenues, was a remarkable: more than double of that the last year.
- Wide open jaws leading to further improvement in efficiency. The cost income ratio is an incredible 28% now vs. 34% at year end last year.
- Cost of Risk faring better than expectations with strong recoveries and muted NPL inflows
- Strong Capital position with ample buffers. CET-1 Ratio without the BRSA’s forbearance is well above the minimum required level at 12.2%

Now allow me to share with you some of our non-financial strengths as well

As Garanti, we continue to lead the way in digitalization, in the sector. Our continuous investments in digital since the late 90s, to enrich CX & meet the growing digital trends clearly carry us to the forefront with being the top choice of the customers. Our digital as well as mobile active number of customers exceeded 11 million mark already – representing the highest digital and mobile customer base among peers

Customer empowerment through digital & mobile; and our service focus to improve the financial health of our customers clearly differentiate us in attracting the new ones . Our net active customer growth in mobile has exceeded the growth in digital customers since end of 2019 - with a net increase of 3.4 million in a period of only 2 years and a quarter.

Now with more than 85% of total sales going through digital channels, the share of branch in customer transactions has come down to 3% levels – as can be seen on the right hand pie chart

Customer monthly logins, have increased a remarkable 120% vs pre-pandemic levels.

And lastly on digital, our market share speaks for itself. Our Mobile financial transactions market share of 19%, is almost twice of our fair market share.

Moving on to the update on sustainability on slide 22

As Garanti BBVA, we are guided with a clear purpose: That is "To bring the age of opportunity to everyone." This purpose consists of six strategic priorities , one of which is "helping our clients transition towards a sustainable future."

- Our parent group BBVA, committed to provide EUR 200 billion in financing to combat climate change and support sustainable development by 2025 and likewise, at Garanti BBVA we also pledge to contribute increasing amounts of financing towards the same goal.
- This year marked the 7th consecutive year earned to remain listed in the DOW JONES SUSTAINABILITY INDEX. We are the first and

the only Turkish bank that could get qualified to be included in this index.

- Garanti BBVA has been a carbon neutral bank since 2020, even though this greenhouse gas reduction target was set for year 2035 – it was achieved 15 years earlier.
- We are also the first Turkish bank to announce a COAL PHASE-OUT PLAN and the first and only Turkish signatory to the 'UN – Convened' NET ZERO BANKING ALLIANCE.

Our commitment to sustainable development manifests visibly in our Climate Change Action Plan.

- In line with this Action Plan the new PF loans provided since 2014 has been 100% renewable energy projects.
- At the end of year 2021, the percentage of green assets to PF loans reached 24%.
- In 2021, we increased our sustainable finance mobilization by 103% Yoy, both in green and social financing, totaling to 8.8billion TL.
- We have also adapted PACTA methodology to manage our sustainability risk for carbon-intensive sectors.

Regarding our achievements in the first 3 months of the year;

- We invested $71mn to Turkey's largest rooftop solar energy project,

- Provided our 1st ever circular economy loan as well as realized the first ESG-linked repo transaction.

- Started the production of our Environmental Bonus Card, the 1st of its kind in Europe, using recyclable materials. We plan on extending this initiative to all our credit card brands.

Aside from these, we are planning to implement various sustainability engagement projects this year, in terms of both public engagement, sectoral know-how and capacity building.

- Accordingly, we collaborated with World Wildlife Foundation Turkey starting this quarter for a 3 year project, by providing grants to local initiatives to carry out projects for forest fire prevention.

- We also published our 2021 Integrated Annual Report entitled ‘How Does a Bank Create Value?’ covering both our non-financial activities throughout the year and our economic indicators. With this, for the first time, we disclosed our bank’s concrete contributions to 16 Sustainable Development Goals and exactly 59 sustainable development targets with the aim of preventing greenwashing risk.

In the future, we will continue our investments in sustainability, and encourage our society and our customers to make a transition to a greener and more sustainable future.