

With a total contribution of TL 319 billion to the economy, Garanti supports sustainable development

Türkiye Garanti Bankası A.Ş., announced its financial statements dated June 30, 2018. Based on the consolidated financials, in the first half of 2018, Garanti's **asset size** reached TL 384 billion 878 million, its contribution to the economy through **cash and non-cash loans** increased to TL 319 billion 244 million 923 thousand. The Bank delivered an **ROAE** (Return on Average Equity) of 18.1% and **ROAA** (Return on Average Assets) of 2.1%.

Commenting on the topic, **Garanti Bank's CEO Fuat Erbil** stated that: “ In the first half of the year, we could further strengthen our **solid balance sheet** with our stakeholders' trust in us. Through the confidence granted by our **high capital adequacy ratio**, our contribution to the economy increased to TL 319 billion. We successfully rolled over our syndicated loan in the second quarter and underlined Garanti's power in **creating sustainable funding**. Adding an innovative product to our foreign funding in June, we issued **Turkey's first social bond** for women entrepreneurs with IFC. In July, we extended **Turkey's first green loan** and once again continued to lead the sector in the area of sustainable finance.”

Adding that Garanti was the **only bank from Turkey** among 26 leading banks around the world to prepare **global banking principles** for sustainable development, **Erbil** said; “Supporting **responsible and sustainable development** is one of the strategic priorities of Garanti. We shape our products and services within this context and also manage our customers' environmental and social risks. We support women's participation in the workforce and we work to create an inclusive economy in which all individuals benefit equally from opportunities. With our focus on **customer experience** and **digitalization**, we started a new era in banking and transformed more than 600 branches where our customers receive all kinds of services from a single point of contact in the fastest and easiest way”.

Indicating that, it was an honor to see Garanti rewarded for its success, **Erbil** said: “We ranked among the best of Central and Eastern Europe. We were named ‘**Best Bank for Sustainable Finance**’ by Euromoney, ‘**Best Project Finance House**’ and ‘**Best Structured Finance House**’ by EMEA Finance. In Institutional Investor's Emerging EMEA survey that covers 473 companies, we were recognized among ‘**Most Honored**’ institutions as the only banking executive team from Turkey. I would like to thank all my colleagues and our stakeholders, who trust and support us.”

You may access the earnings presentation regarding the BRSA consolidated financial results as of and for the period ending June 30, 2018 in English from Garanti Bank Investor Relations website at www.garantiinvestorrelations.com

Selected Figures of Garanti Bank's Consolidated Financial Statements (June 30, 2018)

Profit before Taxes and Provisions*	TL 8,678 million	Loans	TL 253,497 million
Profit before Taxes	TL 5,038 million	Non-Cash Loans	TL 65,748 million
Net Income	TL 3,936 million	Total Assets	TL 384,878 million
Deposits	TL 229,764 million	Shareholders' Equity	TL 44,405 million

Highlights from Garanti Bank's Consolidated Financials

- Net income was TL 3 billion 935 million and 990 thousand.
- In compliance with the legal legislation and international regulations, a total amount of TL 4 billion 741 million and 849 thousand was reserved for tax provisions, expected credit losses and other provisions*.
- Total assets reached TL 384 billion 878 million.
- Return on Average Assets (ROAA) reached 2.1%.**
- Shareholders' equity reached TL 44 billion 404 million 868 thousand.
- Return on Average Equity (ROAE) reached 18.1%.**
- Contribution made to the real economy through loans and non-cash lending reached TL 319 billion 244 million 923 thousand as of June 30, 2018.
- Total loans, FC loans and TL loans market shares realized at 11.0%, 10.7% and 11.1% respectively.
- Market share of "consumer mortgage loans" was 12.7% and market share of "consumer loans excluding credit cards" was 12.6 %.
- Total customer deposits reached TL 222 billion 932 million and 236 thousand, while market share in total customer deposits realized at 11.2%.
- Capital adequacy ratio (CAR) realized 16.2%.
- Non-performing loan (NPL) ratio realized at 3.37%.

* Reserve for Employee Termination Benefits and Impairment Losses on Assets to be Disposed are included in provisions.

** Excludes non-recurring items (gains on asset sales) when annualizing Net Income for the rest of the year. In the calculation of average assets and equity, 01.01.2018 restated balance sheet has been used

Note: Bank-only figures are used in market share calculations for fair comparison.