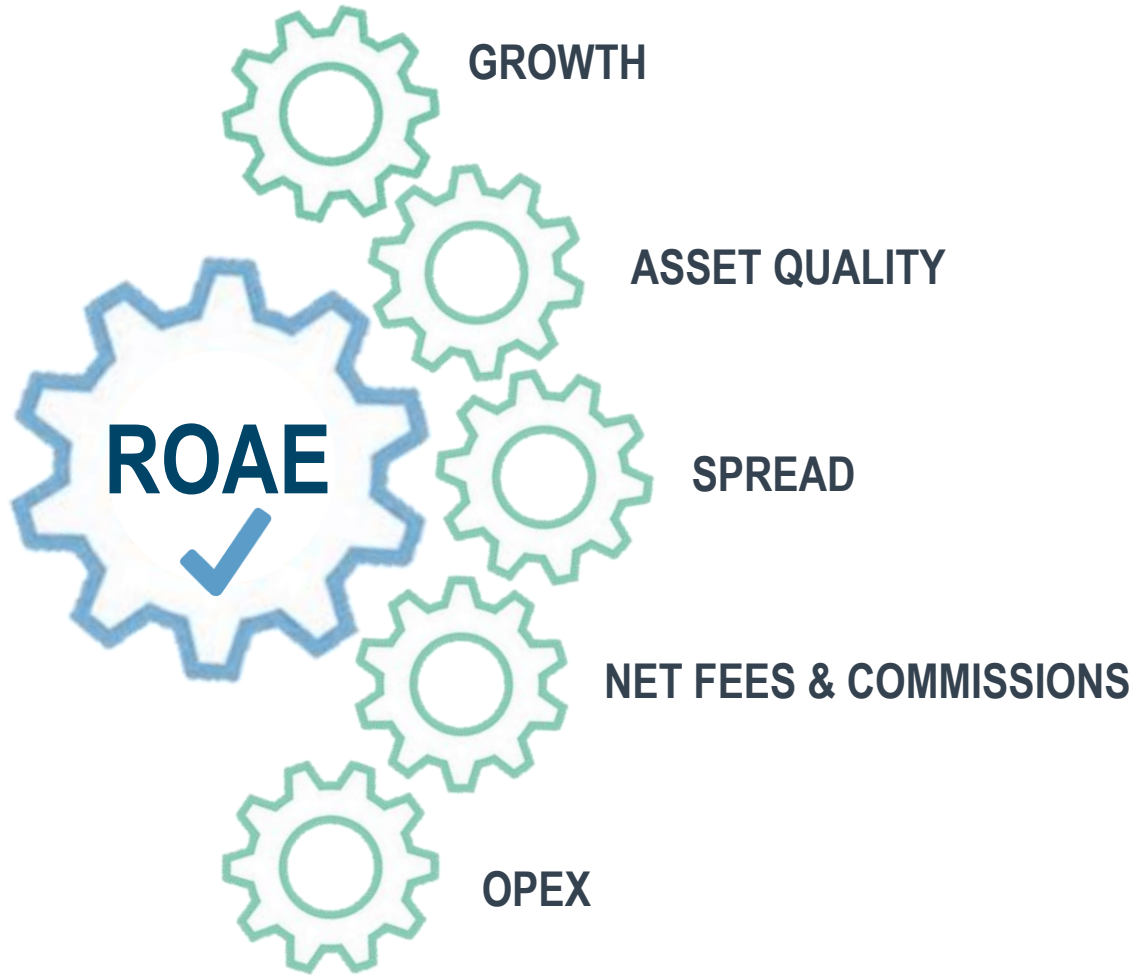




9M19 EARNINGS PRESENTATION

Based on BRSA Unconsolidated Financials
October 30th, 2019

9M19 SNAPSHOT



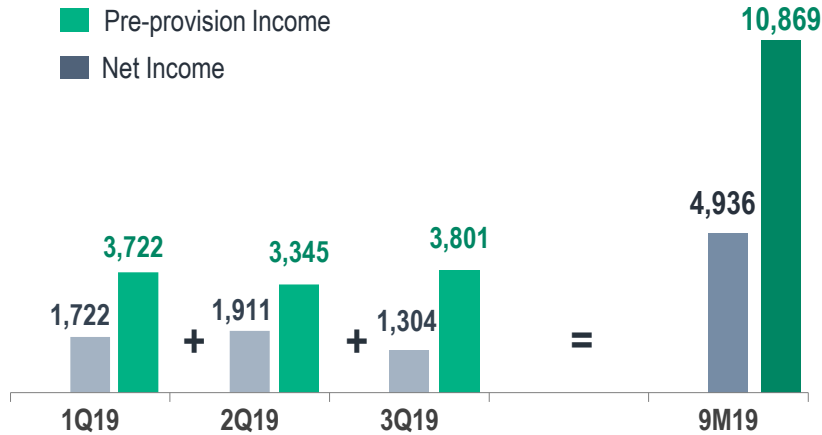
VS. 2019 BUDGET

- ON TRACK ✓
- ON TRACK ✓
- BETTER ✓
- BETTER ✓
- ON TRACK ✓

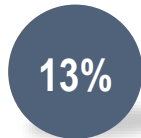
PROFICIENCY IN GENERATING AND SUSTAINING HIGH PPI ENSURES BUILDING UP BUFFERS WITHOUT MISSING THE ROAE TARGET

NET INCOME & PRE-PROVISION INCOME¹

(TL million)



ROAE



ROAA

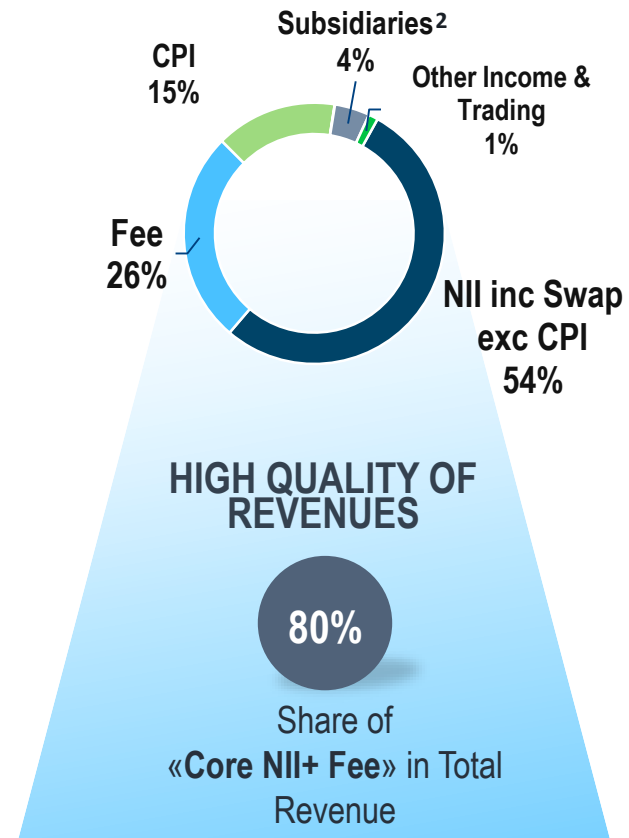


CAR



*with sustained
TL 2.35bn free provisions
in the balance sheet*

BREAKDOWN OF 9M19 REVENUES¹



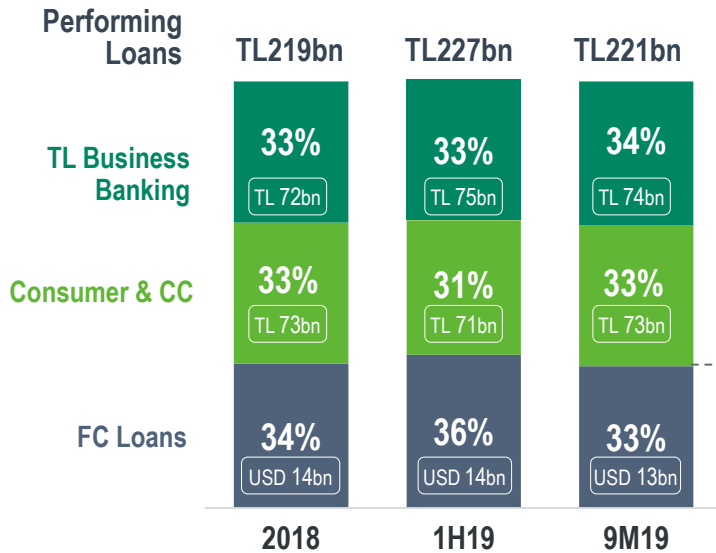
¹ Please refer to page 22 for detailed breakdown of pre-provision income and revenues

² Represents the TAS 27 impact.

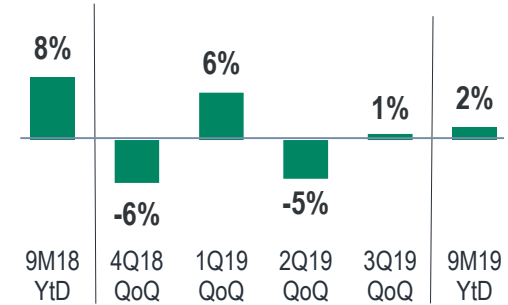
Note: In the calculation of Return on Average Equity (ROAE) & Return on Average Assets (ROAA), non-recurring items are excluded when annualizing Net Income for the remaining quarters

GRADUAL RECOVERY IN TL LOANS

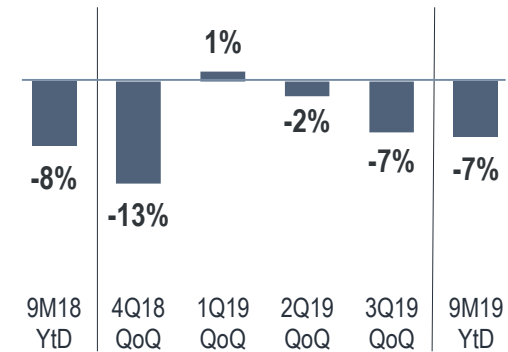
PERFORMING LOAN PORTFOLIO (59% of Total Assets)



TL PERFORMING LOANS (Growth, %)



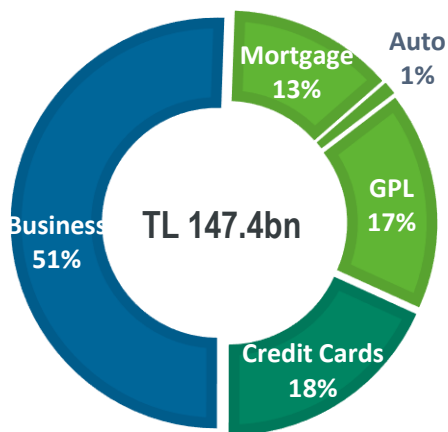
FC PERFORMING LOANS (Growth in US\$ terms, %)



Note: Business banking loans represent total loans excluding credit cards and consumer loans
 Performing loans = Loans - Non performing loans.
 Please refer to appendix page 21 for TL and FC breakdown of NPLs

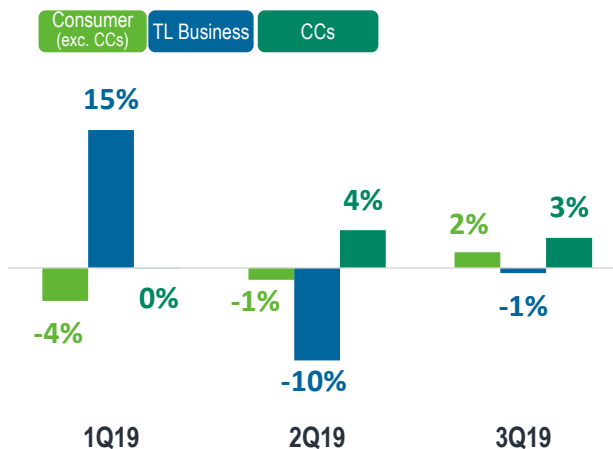
VISIBLE PICK-UP IN TL CONSUMER LOANS BACKED BY GPLs

TL PERFORMING LOANS (67% of Total Performing Loans)



- ▶ 48% of GPLs are granted to salary customers

QUARTERLY GROWTH



- ▶ **Consumer loans**, have started to show **visible pick-up** after declining for four consecutive quarters

- Consumer GPL Growth: 8% in 3Q vs. 3% in 2Q

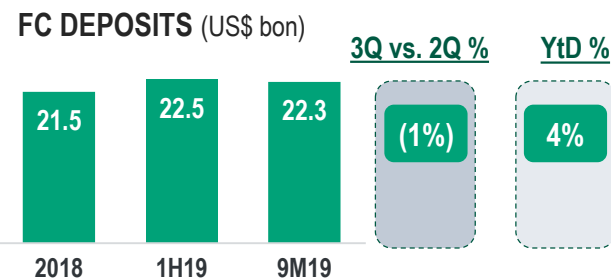
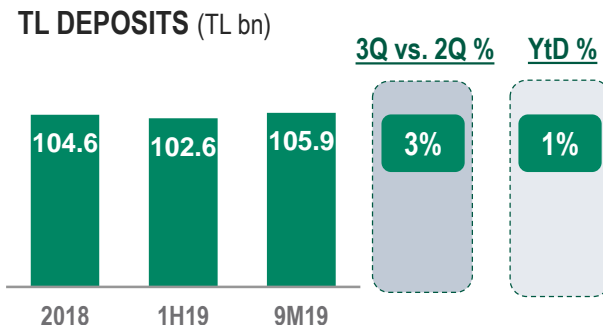
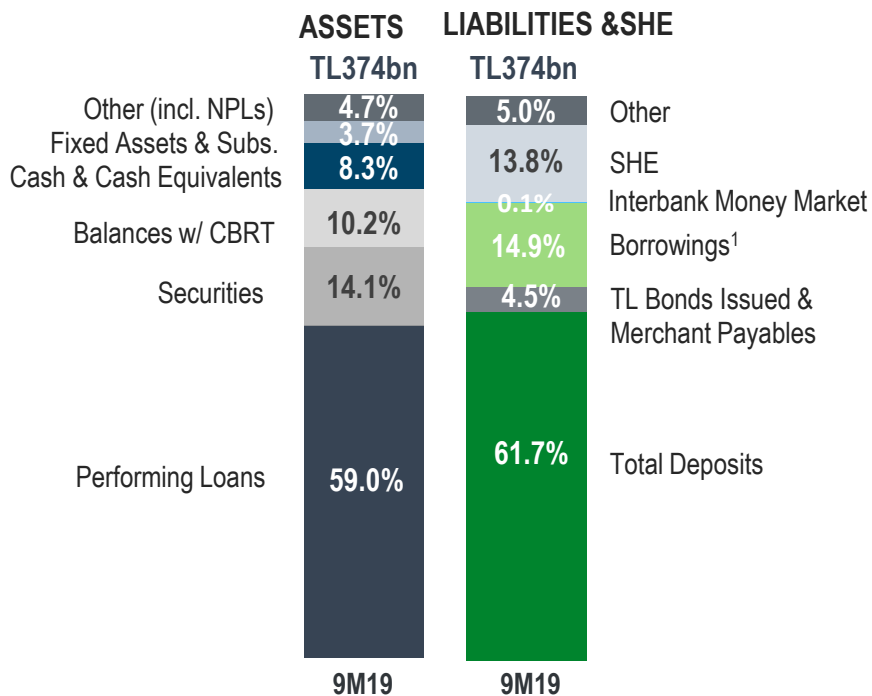
- ▶ **New originations in GPLs** in 3Q19 (qtr. avg.) more than doubled the lowest level seen in 4Q18 (qtr. avg.)

- ▶ New originations in Mortgages are improving, yet still fall short of redemptions

- ▶ **Leading position in TL loans and consumer loans** among private banks maintained

Note: For further details, please refer to the Appendix page 19

ACTIVELY MANAGED LIQUIDITY -- STICKY & LOW COST DEPOSITS



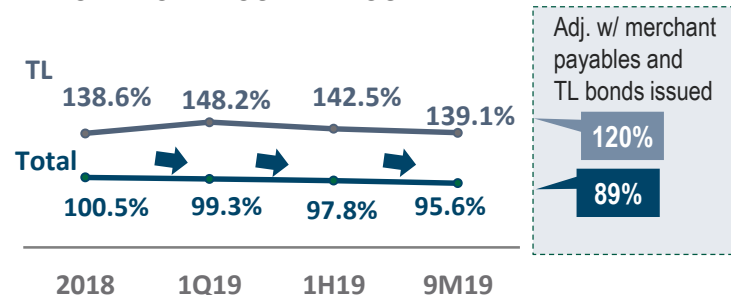
STICKY & LOW COST DEPOSITS

DEMAND DEPOSITS / TOTAL DEPOSITS: **30%** vs. sector's 24%

SME & RETAIL DEPOSITS² / TL CUST. DEPOSITS **~80%**

SME & RETAIL DEPOSITS² / FC CUST. DEPOSITS **~75%**

LOAN TO DEPOSIT RATIOS



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

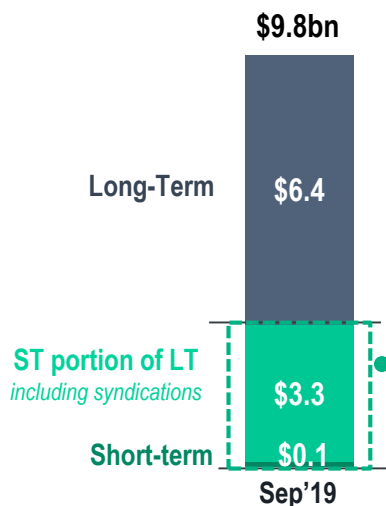
² Based on bank-only MIS data

Note: Sector data is based on BRSA weekly data, for commercial banks only.

COMFORTABLE LIQUIDITY & MANAGEABLE EXTERNAL DEBT STOCK

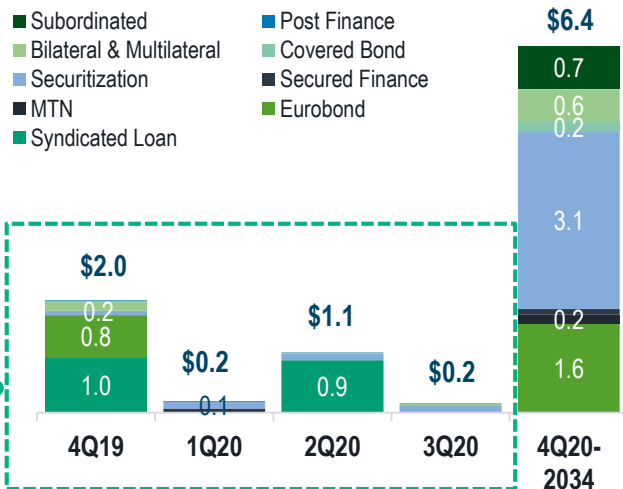
GARANTI'S EXTERNAL DEBT¹

(US\$ billion)



MATURITY PROFILE OF EXTERNAL DEBT

(US\$ billion)



ST external dues

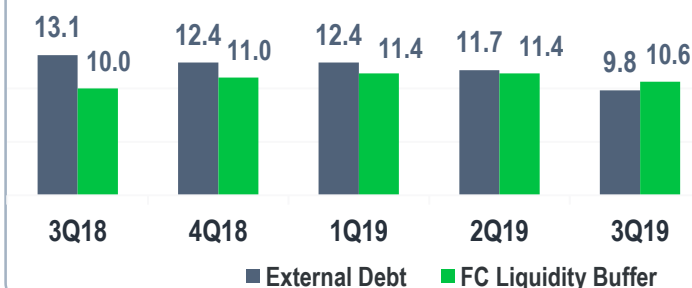
\$3.4bn

Comfortable FC liquidity buffer²

\$10.6bn

Historical Evolution of External Debt vs. FC Liquidity Buffer

(US\$ billion)

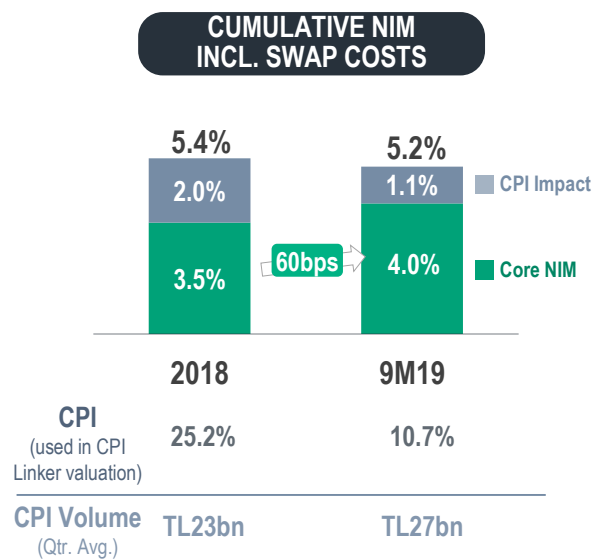
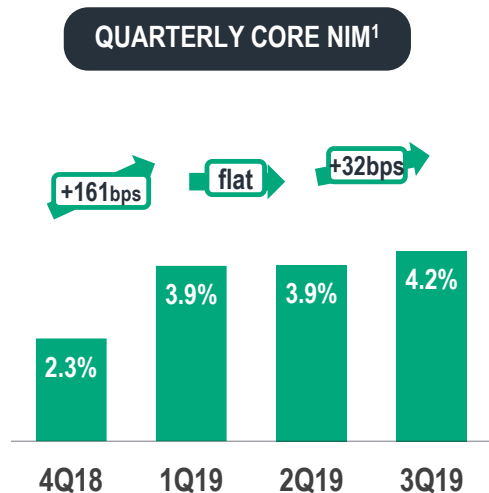


▶ Lower dependency on external borrowing due to shrinking FC loan portfolio since 2013:
 ▶ CAGR: FC loans: -7% vs. FC borrowings: -8%

1 Excludes cash collateralized borrowings

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

SIGNIFICANTLY LOWER CPI CONTRIBUTION MOSTLY OFFSET BY CORE NIM IMPROVEMENT



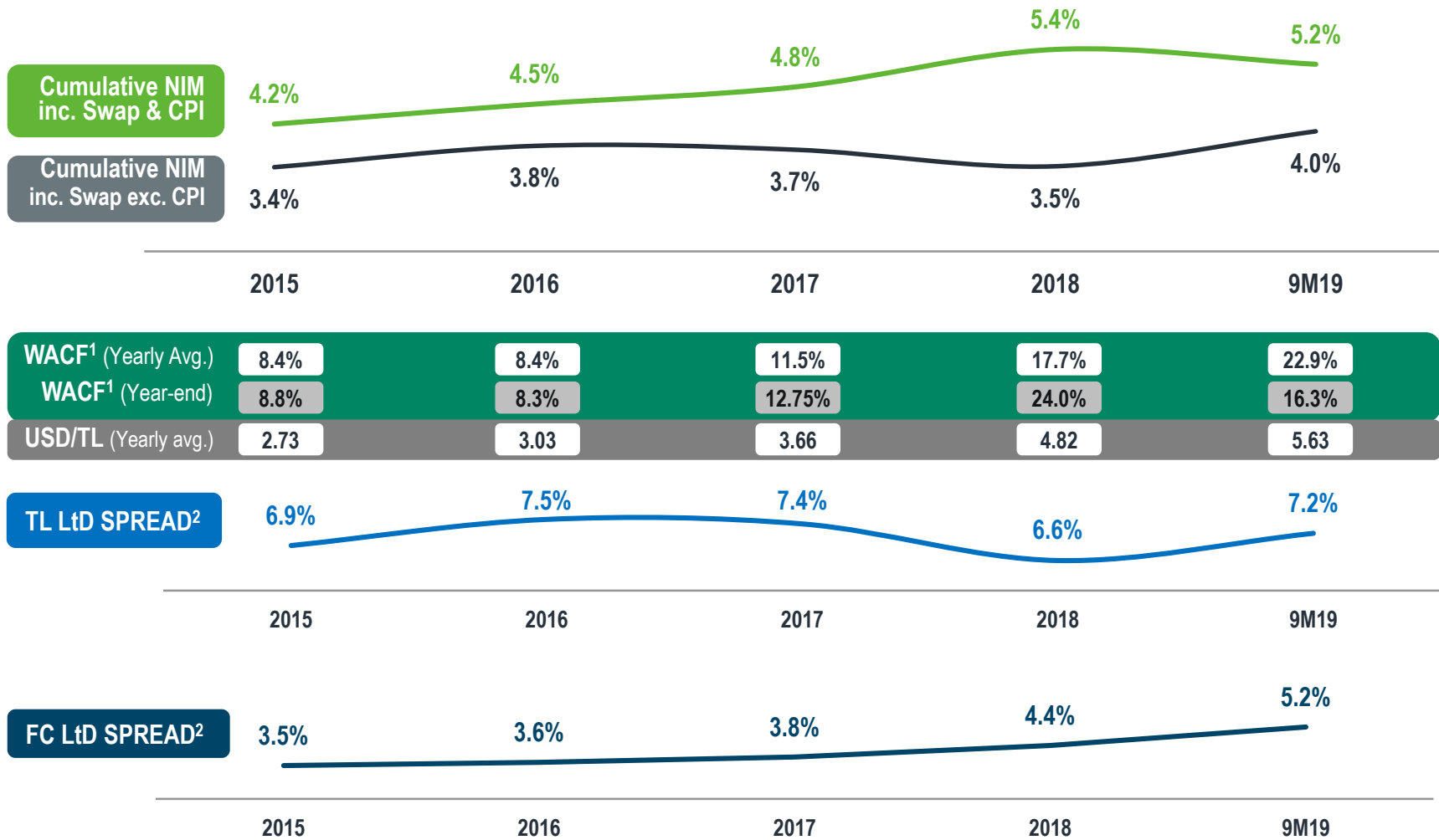
► Decrease in deposit cost will be more visible in 4Q

► \$ 1.8bn wholesale funding redemptions in the quarter supported NIM

► 1% change in CPI has ~8-10bps impact on NIM

¹ Core NIM = NIM including Swap costs and excluding CPI linker gains

PROVEN RESILIENCE OF MARGIN IN VOLATILE MARKET CONDITIONS

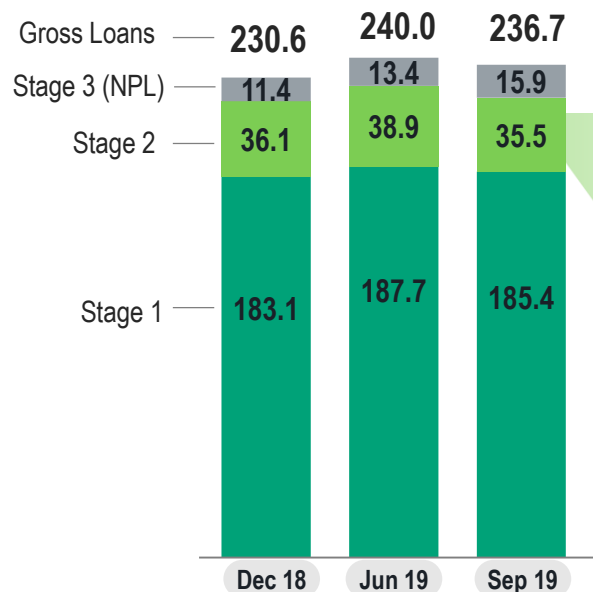


1 CBRT Weighted Average Cost of Funding
2 Based on MIS data

CLASSIFICATION OF LOANS STRENGTHENS BALANCE SHEET POSITION

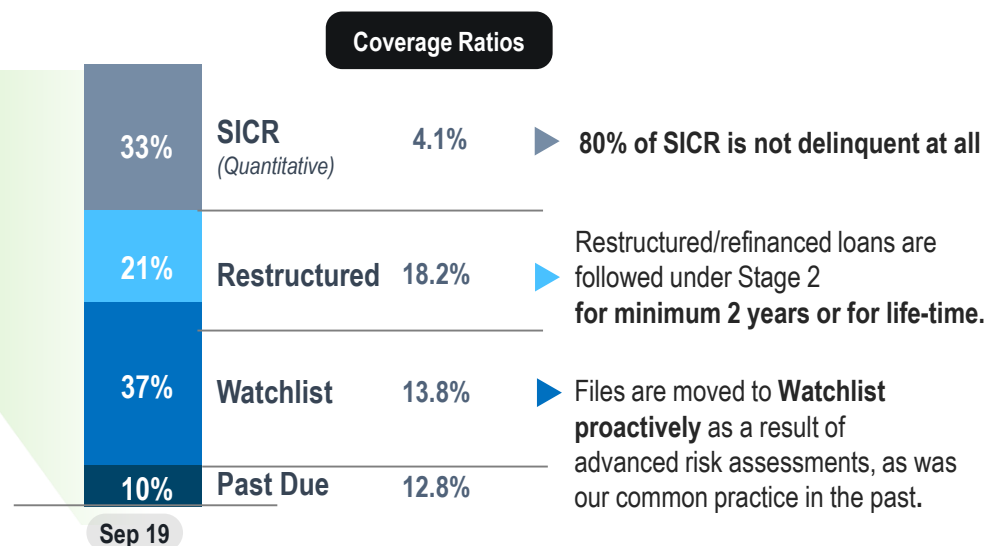
LOAN PORTFOLIO BREAKDOWN

(Billion TL)



STAGE-2 BREAKDOWN

– 15% OF GROSS LOANS



USDTRY: 5.2699 5.7500 5.6175

Coverage Ratios

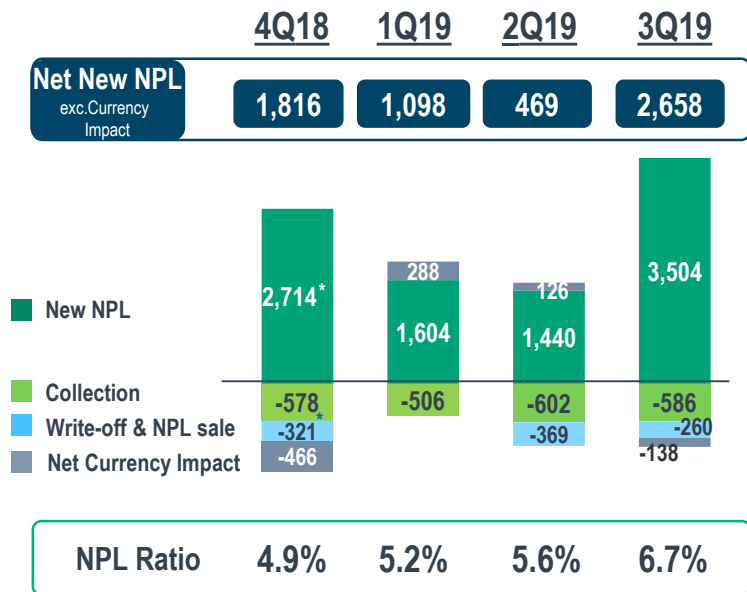
Total	4.9%	5.6%	6.3%
Stage 1	0.4%	0.5%	0.5%
Stage 2	10.7%	12.0%	11.4%
Stage 3	59.4%	58.2%	62.0%

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

NEW NPL INFLOWS PEAKED IN THE QUARTER AS ANTICIPATED

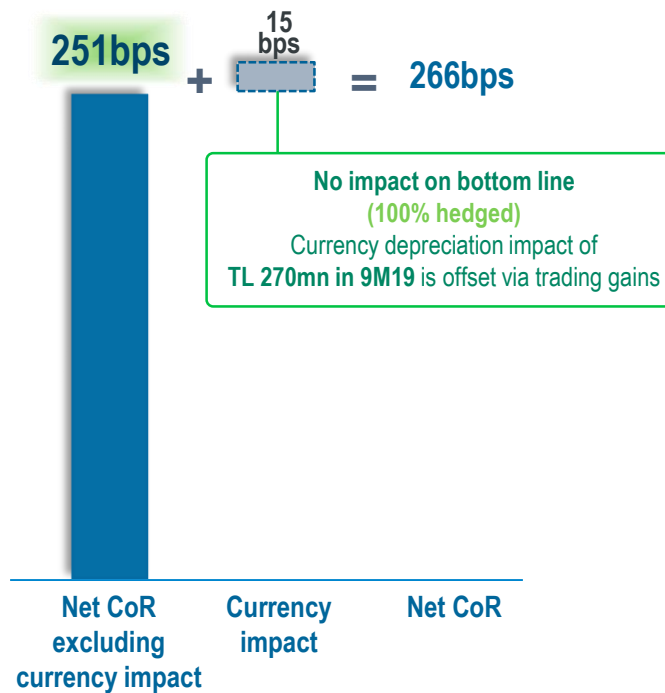
NPL EVOLUTION

(TL million)



- Share of Commercial/corporate files in new NPL inflows reached 80% with new additions in 3Q

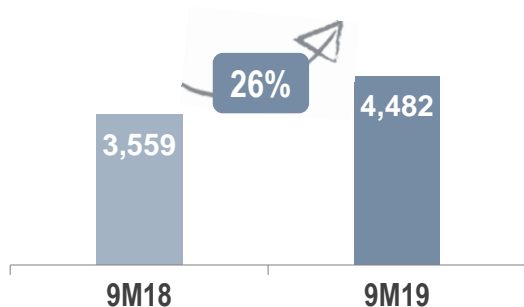
NET CUMULATIVE CoR



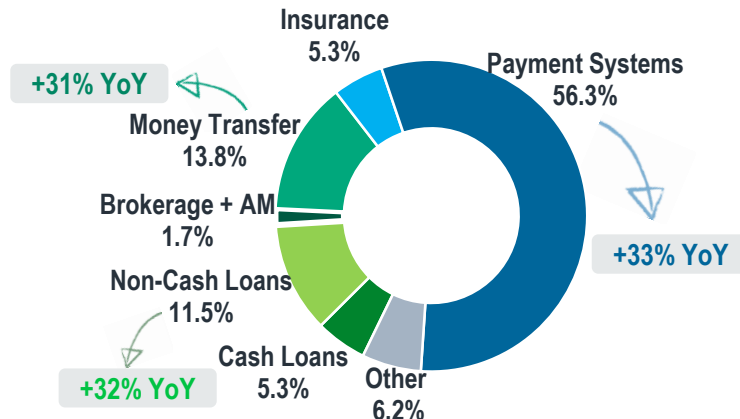
* 33% of Telecom file, corresponding to USD 385mn, has been written off in 4Q. This amount inflated both new NPL and write off balances in reported financial statements dated 31 Dec 2018

WELL-DIVERSIFIED FEE BASE ASSURES ROBUST PERFORMANCE

NET FEES & COMMISSIONS
(TL Million)



NET F&C BREAKDOWN²



Digital channels' share in non-credit linked fees: **47%**



8 mn active digital customers¹



96% of non-cash transactions are carried through digital



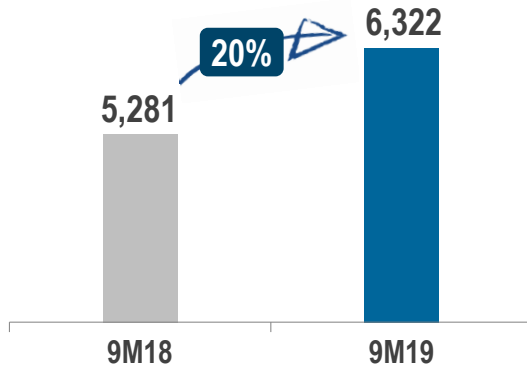
End to end digital sales **47%**

¹ Minimum one login or call per quarter

² Net Fees&Comm. breakdown is based on MIS data.

DISCIPLINED COST MANAGEMENT

OPERATING EXPENSES (TL Million)



- ▶ Amortization costs of Pendik IT Campus & Branch Transformation Project: **1.5% impact** on OPEX
- ▶ Elimination of 5% incentive on private banks' pension fund: **1% impact** on OPEX
- ▶ Regulation on SDIF¹: **1% impact** on OPEX

OPEX/
Avg. Assets

2.25%

9M19



Income/
Avg. Assets

6.12%

9M19



COST/INCOME²

36.8%

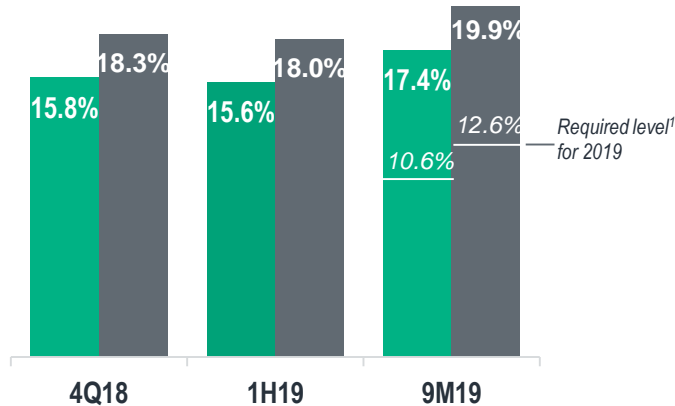
vs. Bloomberg Emerging
Europe Regional Banks
1H19 Peer Average: 48.2%

¹ Increase in insurance limit from 100,000 TL to 150,000 TL and increase in insurance premium rate
² 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)

INTERNAL CAPITAL GENERATION CAPABILITY ASSURES STRONG SOLVENCY

SOLVENCY RATIOS

■ Tier 1 ■ CAR



USDTRY

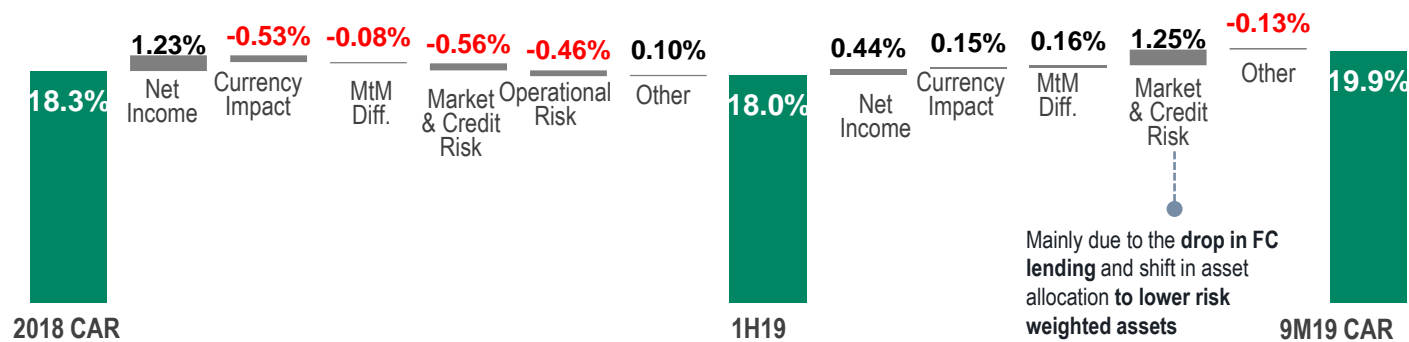
5.27

5.75

5.62



Impacts on CAR



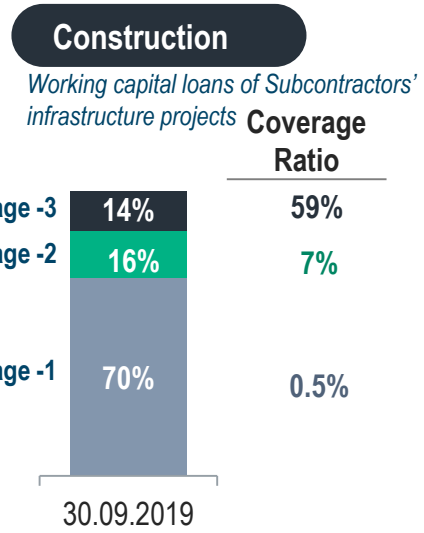
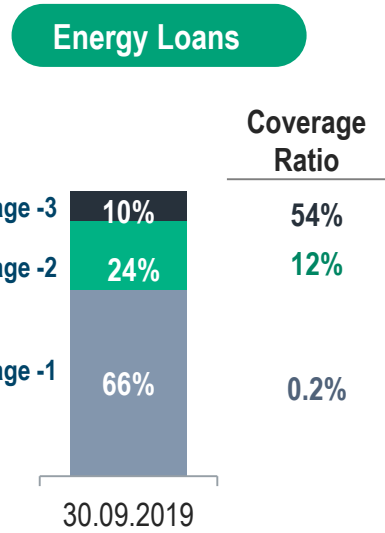
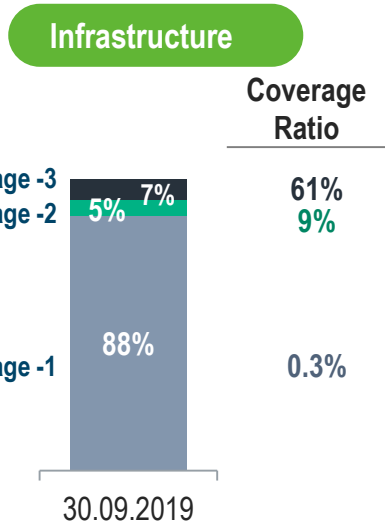
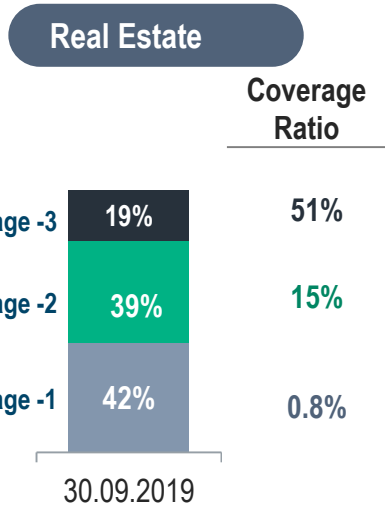
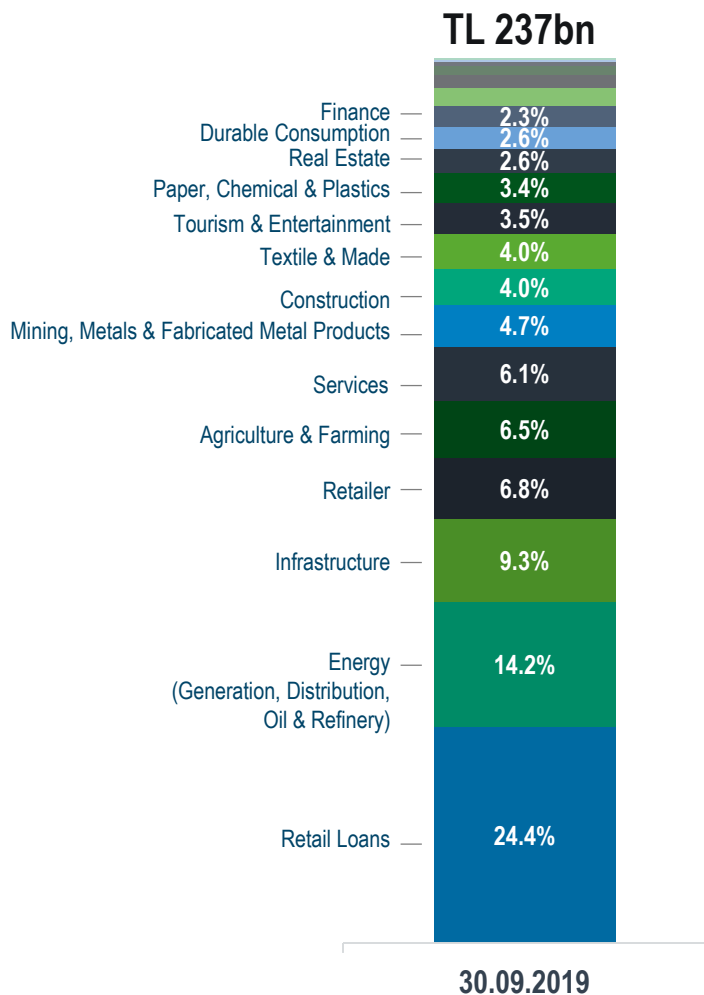
¹ Required Consolidated CAR level = 8.0% + SIFI Buffer for Group 3 (2.0%) + Capital Conservation Buffer (2.5%) + Counter Cyclical Buffer (0.11%)
Note: Our group for the SIFI Buffer will be Group 2 in 2020 (1.5%)

APPENDIX

Pg. 16	Sector Breakdown of Gross Loans
Pg. 17	Structure of FC Loan Portfolio
Pg. 18	Adjusted L/D and Liquidity Coverage Ratios
Pg. 19	Consumer Loans & TL Business Banking Loans
Pg. 20	Securities portfolio
Pg. 21	Summary Balance Sheet
Pg. 22	Summary P&L
Pg. 23	Key Financial Ratios
Pg. 24	Quarterly & Cumulative Net Cost of Risk

WELL-DIVERSIFIED PORTFOLIO WITH STRONG COVERAGE

SECTOR BREAKDOWN OF GROSS LOANS¹



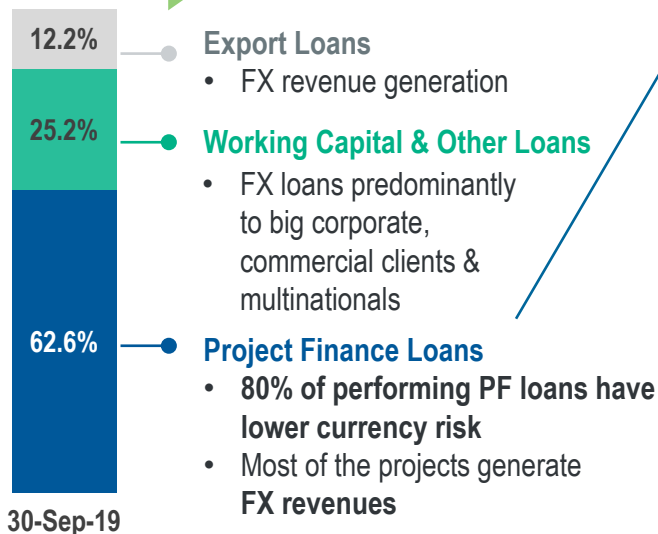
¹ Based on Bank-only MIS data

APPENDIX: STRUCTURE OF FC LOAN PORTFOLIO

FC PERFORMING LOANS

– 33% OF TOTAL PERFORMING LOANS

US\$ 13.1 bn Unconsolidated FC Performing Loans



Export Loans

- FX revenue generation

Working Capital & Other Loans

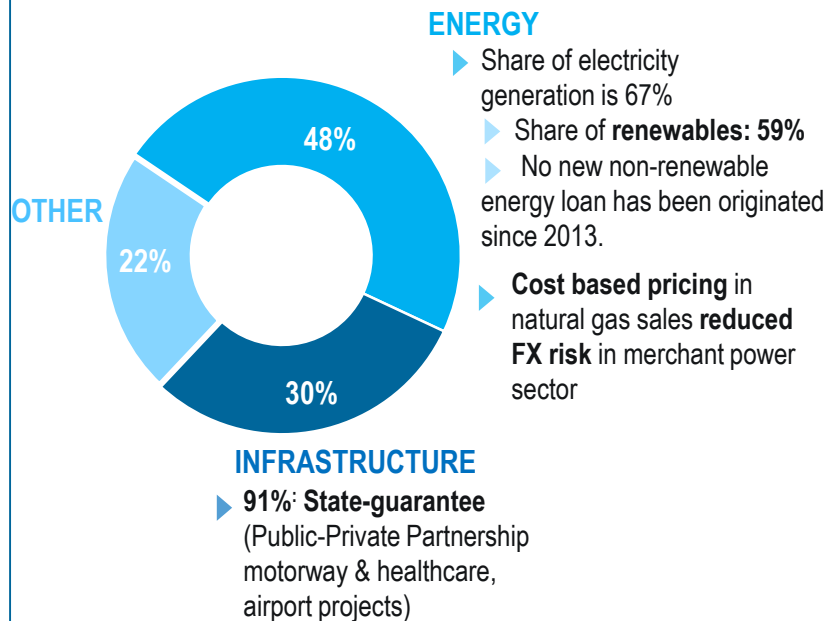
- FX loans predominantly to big corporate, commercial clients & multinationals

Project Finance Loans

- 80% 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 67%
- ▶ Share of **renewables: 59%**
- ▶ No new non-renewable energy loan has been originated since 2013.
- ▶ **Cost based pricing** in natural gas sales **reduced FX risk** in merchant power sector

INFRASTRUCTURE

- ▶ **91%: State-guarantee** (Public-Private Partnership motorway & healthcare, airport projects)

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

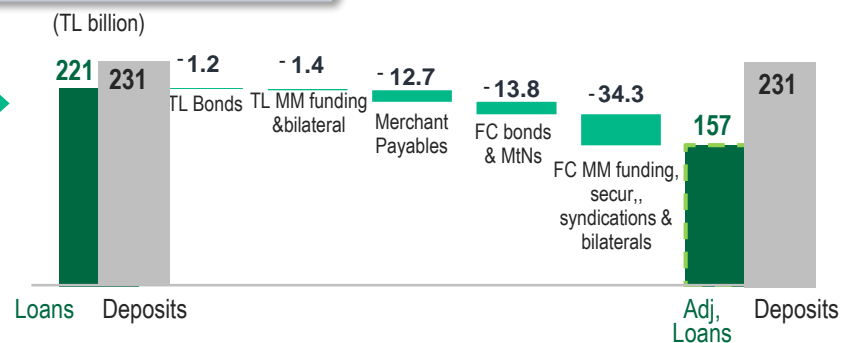


TL Loans /
TL Deposits:

139%

FC Loans /
FC Deposits:

59%



Liquidity Coverage Ratios¹ (LCR) are
well above minimum required levels

Total LCR	195.0%
<i>Minimum Req, for 2019</i>	<i>100%</i>

FC LCR	174.2%
<i>Minimum Req, for 2019</i>	<i>80%</i>

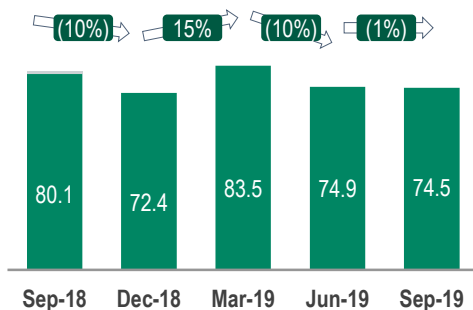
¹ Represents the average of September's last week

APPENDIX: CONSUMER & TL BUSINESS BANKING LOANS

TL BUSINESS BANKING

(TL billion)

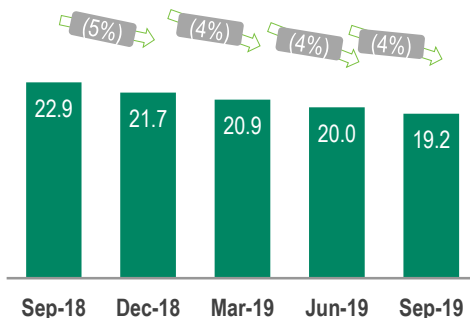
(7%)
YoY



CONS. MORTGAGE LOANS

(TL billion)

(16%)
YoY



Market Shares³

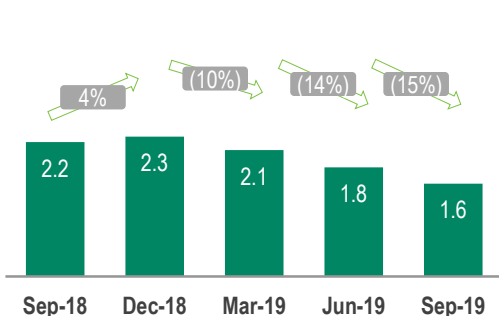
	Sep '19	QoQ	Rank
Consumer Loans inc Consumer CCs	13.1%	-36bps	#1*
Cons. Mortgage	11.0%	-83bps	#1*
Cons. Auto	36.7%	-177bps	#1*
Consumer GPLs	11.2%	+12bps	#1*
TL Business Banking	8.4%	-27bps	#3*
# of CC customers ²	14.0%	-8bps	#1
Issuing Volume ² (Cumulative)	18.8%	-4bps	#1
Acquiring Volume ² (Cumulative)	18.4%	-8bps	#2

* Rankings are among private banks as of Jun 19

CONSUMER AUTO LOANS

(TL billion)

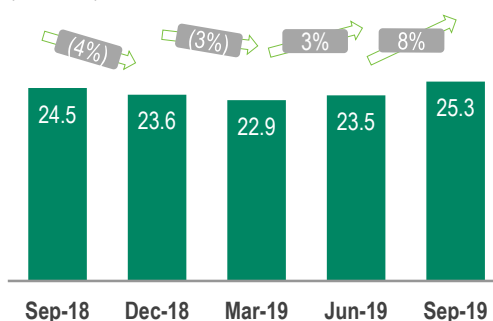
(31%)
YoY



CONSUMER GENERAL PURPOSE LOANS¹

(TL billion)

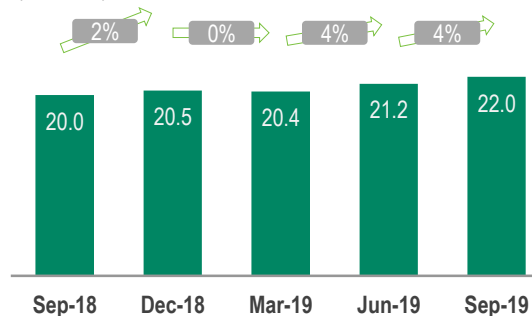
+3%
YoY



CONSUMER CREDIT CARD BALANCES

(TL billion)

+10%
YoY



1 Including other loans and overdrafts

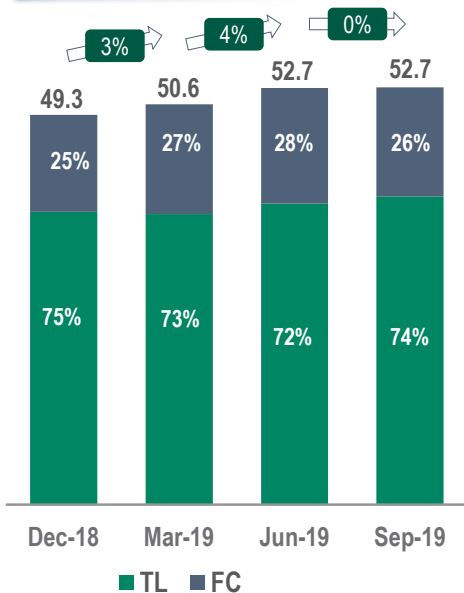
2 Cumulative figures and rankings as of September 2019, as per Interbank Card Center data,

3 Sector figures used in market share calculations are based on bank-only BRSA weekly data as of 27.09.2019, for commercial banks

APPENDIX: SECURITIES PORTFOLIO

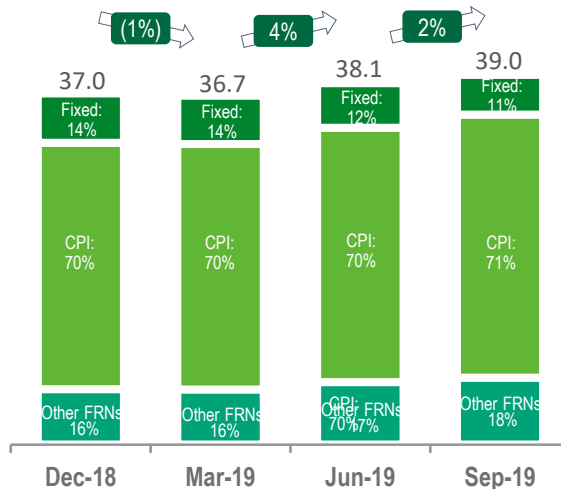
Total Securities (TL billion)

14% of Total Assets

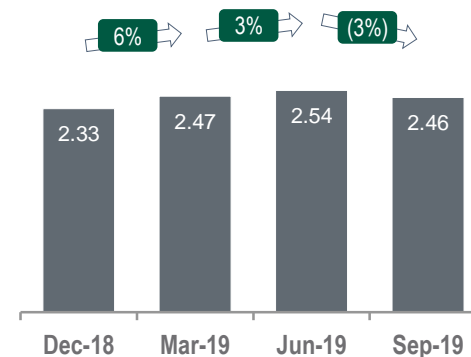


TL Securities (TL billion)

CPI Linkers: TL 28bn

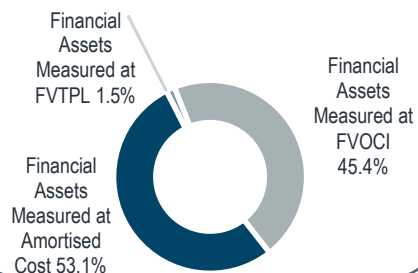


FC Securities (US\$ billion)



- ▶ **Garanti's total redemption in 2020 is ~TRY 10 Bn** (TRY 5.5 Bn CPI Linker, TRY 3.7 Bn FRN, TRY 0.8 Bn Fixed Coupon Bond)
- ▶ **Sizeable FRN and CPI Linker redemptions are in Mar & Apr.** with a total amount of ~TRY 9 Bn.
- ▶ Hence, there will be capacity for re-investment

Securities Composition



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

APPENDIX: SUMMARY BALANCE SHEET

TL Billion

ASSETS	31.12.2018	31.03.2019	30.06.2019	30.09.2019
Cash & Cash Equivalents	27,0	26,8	26,4	31,1
Balances at CBRT	35,8	42,8	48,9	38,0
Securities	49,3	50,6	52,7	52,7
Gross Loans	230,6	247,2	240,0	236,7
+TL Loans	152,3	162,5	154,8	157,7
TL NPL	7,3	8,2	8,6	10,3
info: TL Performing Loans	145,0	154,3	146,2	147,4
+FC Loans (in US\$ terms)	14,9	15,1	14,8	14,1
FC NPL (in US\$ terms)	0,8	0,8	0,8	1,0
info: FC Performing Loans (in US\$ terms)	14,1	14,3	14,0	13,1
info: Performing Loans (TL+FC)	219,2	234,4	226,6	220,8
Fixed Assets & Subsidiaries	12,2	13,5	14,1	13,9
Other	4,6	3,5	1,6	1,8
TOTAL ASSETS	359,5	384,4	383,7	374,3

LIABILITIES & SHE	31.12.2018	31.03.2019	30.06.2019	30.09.2019
Total Deposits	218,1	236,2	231,8	231,1
+Demand Deposits	54,2	65,5	65,7	69,1
TL Demand	19,6	22,2	23,4	25,7
FC Demand (in US\$ terms)	6,6	7,7	7,4	7,7
+Time Deposits	163,8	170,6	166,1	162,0
TL Time	85,0	81,9	79,1	80,2
FC Time (in US\$ terms)	15,0	15,8	15,1	14,6
Interbank Money Market	0,0	0,4	0,5	0,4
Bonds Issued	20,0	22,6	24,6	17,7
Funds Borrowed	48,2	51,2	48,9	41,9
Other liabilities	26,5	25,8	27,5	31,7
Shareholders' Equity	46,7	48,2	50,3	51,5
TOTAL LIABILITIES & SHE	359,5	384,4	383,7	374,3

APPENDIX: SUMMARY P&L

TL Million	QUARTERLY P&L			CUMULATIVE P&L		
	2Q19	3Q19	QoQ	9M18	9M19	YoY
(+) Net Interest Income including Swap costs	3,920	3,855	-2%	10,915	11,642	7%
(+) <i>NII excluding CPI linkers' income</i>	3,706	4,028	9%	10,267	11,240	9%
(+) <i>Income on CPI linkers</i>	937	637	-32%	2,486	2,564	3%
(-) <i>Swap Cost</i>	-723	-810	12%	-1,838	-2,162	18%
(+) Net Fees & Comm.	1,439	1,612	12%	3,559	4,482	26%
(+) Net Trading & FX gains/losses (excl. Swap costs and currency hedge)	-353	163	<i>n.m.</i>	621	-14	<i>n.m.</i>
<i>info: Gain on Currency Hedge¹</i>	145	-160	<i>n.m.</i>	1,834	270	<i>n.m.</i>
(+) Income on subsidiaries	261	230	-12%	707	741	5%
(+) Other income (excl. Prov. reversals & non-recurring items)	106	45	-57%	168	221	31%
= REVENUES	5,373	5,906	10%	15,970	17,071	7%
(+) Non-recurring other income	102	18	-82%	126	120	-5%
(+) <i>Administrative fine reversal</i>	83	0	<i>n.m.</i>	0	83	<i>n.m.</i>
(+) <i>Gain from asset sale</i>	20	18	-5%	126	37	-70%
(-) OPEX	-2,130	-2,123	0%	-5,281	-6,322	20%
(-) <i>HR</i>	-900	-879	-2%	-2,157	-2,644	23%
(-) <i>Non-HR</i>	-1,230	-1,244	1%	-3,123	-3,678	18%
= PRE-PROVISION INCOME	3,345	3,801	14%	10,816	10,869	0%
(-) Net Expected Loss (excl. Currency impact)	-1,037	-2,085	101%	-2,912	-4,473	54%
(-) <i>Expected Loss</i>	-1,916	-2,797	46%	-6,256	-7,919	27%
<i>info: Currency Impact¹</i>	-145	160	-210%	-1,834	-270	-85%
(+) <i>Provision Reversal under other Income</i>	734	871	19%	1,510	3,177	110%
(-) Taxation and other provisions	-398	-413	4%	-2,328	-1,460	-37%
(-) <i>Free Provision</i>	0	0	<i>n.m.</i>	-700	-100	<i>n.m.</i>
(-) <i>Taxation & Other Provision</i>	-398	-413	4%	-1,628	-1,360	-16%
= NET INCOME	1,911	1,304	-32%	5,576	4,936	-11%

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

	Dec-18	Mar-19	Jun-19	Sep-19
Profitability ratios				
ROAE (Cumulative) ¹	15.0%	15.4%	15.2%	13.4%
ROAA (Cumulative) ¹	1.9%	2.0%	2.0%	1.8%
Cost/Income	32.6%	35.7%	37.3%	36.8%
Quarterly NIM incl. Swap costs	6.6%	5.2%	5.2%	5.1%
Quarterly NIM incl. Swap costs excl. CPI linkers	2.3%	3.9%	3.9%	4.2%
Cumulative NIM incl. Swap costs	5.4%	5.2%	5.2%	5.2%
Cumulative NIM incl. Swap costs excl. CPI linkers	3.5%	3.9%	3.9%	4.0%
Liquidity ratios				
Loans / Deposits	100.5%	99.3%	97.8%	95.6%
TL Loans / TL Deposits	138.6%	148.2%	142.5%	139.1%
Adj. Loans/Deposits (Loans adj. with on-balance sheet alternative funding sources)	68%	68%	66%	68%
TL Loans / (TL Deposits + TL Bonds + Merchant Payables)	122.1%	127.8%	120.4%	120.2%
FC Loans / FC Deposits	65.4%	60.6%	62.3%	58.7%
Asset quality ratios				
NPL Ratio	4.9%	5.2%	5.6%	6.7%
Coverage Ratio	4.9%	5.2%	5.6%	6.3%
+ Stage1	0.4%	0.5%	0.5%	0.5%
+ Stage2	10.7%	11.5%	12.0%	11.4%
+ Stage3	59.4%	59.2%	58.2%	62.0%
Cumulative Net Cost of Risk (excluding currency impact, bps)	235	229	201	251
Solvency ratios				
CAR	18.3%	17.0%	18.0%	19.9%
Common Equity Tier I Ratio	15.8%	14.7%	15.6%	17.4%
Leverage	6.7x	7.0x	6.6x	6.3x

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 Mar-19, June-19 and Sep-19

APPENDIX: QUARTERLY & CUMULATIVE NET CoR

(Million TL)

Quarterly Net Expected Credit Loss	1Q19	2Q19	3Q19
(-) Expected Credit Losses	3,207	1,916	2,797
Stage 1	651	157	142
Stage 2	1,576	883	196
Stage 3	979	876	2,459
(+) Provision Reversals under other income	1,571	734	871
Stage 1	514	186	108
Stage 2	752	306	463
Stage 3	305	242	299
(=) (a) Net Expected Credit Losses	1,635	1,182	1,925
(b) Average Gross Loans	238,896	243,590	238,362
(a/b) Quarterly Total Net CoR (bps)	278	195	320
info: Currency Impact¹	48	24	-27
Total Net CoR exc. currency impact (bps)	229	171	347

(Million TL)

Cumulative Net Expected Credit Loss	3M19	6M19	9M19
(-) Expected Credit Losses	3,207	5,123	7,919
Stage 1	651	808	951
Stage 2	1,576	2,459	2,655
Stage 3	979	1,855	4,314
(+) Provision Reversals under other income	1,571	2,305	3,177
Stage 1	514	700	809
Stage 2	752	1,058	1,521
Stage 3	305	547	847
(=) (a) Net Expected Credit Losses	1,635	2,817	4,743
(b) Average Gross Loans	238,896	239,264	238,629
(a/b) Cumulative Total Net CoR (bps)	278	237	266
info: Currency Impact¹	48	36	15
Total Net CoR exc. currency impact (bps)	229	201	251

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

DISCLAIMER STATEMENT

Türkiye Garanti Bankasi A.Ş. (the “TGB”) has prepared this presentation document (the “Document”) thereto for the sole purposes of providing information which include forward looking projections and statements relating to the TGB (the “Information”). No representation or warranty is made by TGB for the accuracy or completeness of the Information contained herein. The Information is subject to change without any notice. Neither the Document nor the Information can construe any investment advise, or an offer to buy or sell TGB shares. This Document and/or the Information cannot be copied, disclosed or distributed to any person other than the person to whom the Document and/or Information delivered or sent by TGB or who required a copy of the same from the TGB. TGB expressly disclaims any and all liability for any statements including any forward looking projections and statements, expressed, implied, contained herein, or for any omissions from Information or any other written or oral communication transmitted or made available.

Investor Relations

Levent Nispetiye Mah. Aytar Cad. No:2

Beşiktaş 34340 İstanbul – Turkey

Email: investorrelations@garantibbva.com.tr

Tel: +90 (212) 318 2352

www.garantibbvainvestorrelations.com

