Welcome everyone!

Thank you all for being with us at our 3rd quarter Earnings conference call.

We are once again, very pleased and honoured to be able to present, another set of **outstanding** results.

Before presenting our results, let us start as usual, with a brief on the macro:

2021 has so far been a strong growth year. Such that will likely end at double the pace we had anticipated in the beginning of the year. GDP growth realized in the first half alone was 14.3% and we could not see meaningful signs of deceleration in the third quarter

Our big data proxies suggest that domestic demand keeps growing on consumption, whereas investment stays relatively weaker
With this higher momentum, we would not be surprised if 2021 GDP growth ends up to be near double digit.

Higher domestic consumption driven GDP growth though, naturally accompanies with it further inflationary pressures on top of the already pressuring cost push factors… where we now expect some downside risk to our earlier YE CPI projection.

Continuing with further macro indicators on next page: We expect exports to remain supportive given the recovering export demand and tourism revenues.. Imports on the other hand still surprise on the upside. Most recent reading in current account deficit in August was a manageable 3%

Regarding the budget deficit to GDP: September realization was 1.5%. Strong tax revenues vs controlled expenditures remain supportive and likely will continue to differentiate Turkey as one of the few countries meeting the Maastricht criteria

Now Let's move on to the announcement of **our new record high profits** in the quarter

Our quarterly earnings increase was 26% on top of the earlier record. We ended with 3.6bn TL in the 3rd quarter after setting aside a further billion liras in free provisions..

Our remarkable performance as of the first nine months of 2021 points to an earnings increase of a remarkable 73% yoy to 9.1bnTL.   Soaring net income is a net result of improving fundamental revenues, normalizing need for provisioning and contained operating expenses.

The need for further loan loss provisions has come down.due the fact that we have already pre-emtively accumulated significant provisioning earlier. On top of this, what we are experiencing is a muted flow of new NPL s vs continuing strong collections. Nevertheless, we remained cautious and strengthened further our provisions on balance sheet with a Billion lira addition to free provisions. This carried our total free provisions on balance sheet to 6.6bnTL – a buffer set aside for any unforeseen developments.

The base of our remarkable performance is also well witnessed when isolating all the provisioning. The PPI with an annual growth of 8% in the first nine months, reached very sizeable 17.2billion liras.
The underlying factor to this meaningful PPI growth is purely due to our sustainable revenue generation capability.

In a year of higher funding costs and thus significant margin pressure, we could demonstrate again a well defence of our margins and remain to deliver the highest NIM in the sector as well as remain to be the one with the highest net fees and commission revenues.

So our result in the first nine months of 2021, is an ROE of 19.2% and an ROA of 2.2%.

If we hadn’t set aside the free provisions, ROE would have neared 22%. And ROA would have been 2.5%

Let’s now move on to explaining the contributors to these results and start with the assets

Net assets grew by further 23bn TL. in the quarter reaching 631bn TL in total.. Main contributor to asset growth was again the customer driven and high yielding portion.

Notice the share of performing loans in assets at 63.2%, up from 62.2% upon another 5% total loan growth in the quarter.

TL lending growth was a significant 9%. This brought the YTD TL loan growth at Garanti to 22% -- a level that is above inflation, and roughly twice as much as the sector and already meeting our guidance for the year.

On the FC lending side, in line with our guidance, we had further shrinkage. Our FC loan book is now almost a billion dollars less in size compared to the beginning of the year.

On the securities front, we continued to strategically manage the portfolio to help ride out the volatility: we opportunistically added some CPI and FRN securities to the portfolio. However, the share of securities in assets remained under 13%

Continuing with loans, the growth we booked in TL YTD actually points to significant market share gains that has been accross the board and more importantly at rational pricing levels.

Notice our well balanced TL loan book in Business and consumer.—that is almost half and half. **We now rank #1 in TL lending among our private sector universe**.

In consumer lending, namely GPLs, Mortgages and Auto – our YTD growth of 25% led to a market share increase of 150 bps, to 11.7% from 10.2% at the end of last year.

In business banking, despite the significant redemptions in the first half, we could grow by 17% YTD and bring the market share to 9% from 8.3% since the start to the year.

AS to how we fund the assets, notice on slide 9 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 increasing share of demand deposits YTD as well as the sustained solid level contributions of time deposits and the capital base. Borrowing's share, on the other hand, has come down to under 11%.

Funding contributors suggest that Liability side of the balance sheet is also actively managed at Garanti. 34.5% -- in other words more than one third -- of the Interest Earning Assets are funded with what may be considered as free funds. **This is major** in our profitability outperformance in the sector, as free funds to IEA ratio at private peers stands at much lower 23%!

Brief reminder on the liquidity is that we sustain our high liquidity…Even though our total external debt has further come down to $7.1bn, our FC liquidity buffer remained high, at $12bn – pointing to a liquidity level that is more than 4 fold the need to meet the short term dues of $2.7 bn

Detailed look in to the deposits;

YTD TL deposit growth was 21%. More significant growth though was seen in demand deposits. DD share in total deps climbed to 45%. In TL deposits we sustain our significant outperformance in the share of demand. It is 27% at Garanti vs. sector avg of 22%.. Similarly, of our FC deposits 57% is demand vs. sector's avg of 41%

The other quality that strikes in deposit performance is the share of retail & SME depositors in total customer deposits. We have also booked significant improvement there for both TL and FC deposits.

All of these qualites point to the strength of our franchise, our effective customer penetration and of course they also point to the net preference of our customers picking us as their main bank.

Naturally, We do see significant impact of this differentiated deposit base on our superior margin performance that you will see on next page

Our 3rd quarter margin expansion was a visible 55bps taking the quarterly margin to 4.5% -- a level that remains to be the best in class. Core NIM in total remains to be biggest component. In just one quarter alone NII growth was a billion and roughly 60% of it was from the core business. Our Active spread management, loan volumes booked at healthy price levels; deposit and other funding composition will continue to be supportive of our superior NIM performance.

The cumulative margin as of the 9 mo21 was down by 119bps.

Given the latest front loaded ease in funding costs and the expected October inflation reading – which may be around the current high levels; the 4th qtr margin seems to be on track for even a higher sequential expansion. Accordingly, it seems quite visible that we will actually end up with a better margin at year end than we anticipated and guided..

Moving on to the topic of asset quality on slide 12;

You can see on the left hand side that; of the gross loans total of 427billion liras: 15% is in stage 2 which is a slightly lower share than the prior period. Nominal reduction in stage 2 of roughly 2 billion was mostly owed to the relief in SICR and collections based on the high economic growth.

Within stage 2: SICR portion is now down to 33%; with further restructuring from the watch list files, the share of the restructured portion is now up to 52% and the watch list portion has eased down to 12%... Past due portion remains to be low at 2%.

Despite lower stage 2, and some provision relief due to the partial collection of some loans, we stepped up the stage 2 to coverage to 16.9%

The 90-180 days files' balance classified under Stage 2 has been 1.7billion as of September end and has been shrinking week by week based on aging impact -- because of the abolishment of the NPL forbearance.. Assuming all of this portfolio ends up in stage 3, it will add 40bps to our year end NPL.

Moving on to the next page – notice all the asset quality metrics faring much better than we initially anticipated.
The quarterly net new NPL inflows remained limited and the strong collections performance was sustained.
NPL ratio by quarter end eased down to 3.8%, with a cash coverage increase to 69%.

Our 9 months cumulative Net Cost of Risk dropped notably to 0.6% - suggesting a positive bias to our below 150bps net COR guidance for 2021.

Moving on to the topic of net fees & commissions,

We have a proven capability for an unrivaled level of fee generation. In the nine months to the year alone, we could book 6.5billion liras of net fee and commission revenues -- A level by far the highest in the sector

The growth performance in fees was an exceptionally high 33% --This was broadly the result of our Bank’s organic penetration with support of increased digitalization and relationship banking.

Payment systems and lending related fees contributed significantly to this performance with 50% and 52% annual growth, respectively. The higher interest rates and post pandemic recovery in credit card volumes supported payment system fees.

Cash loan fee growth performance was a natural outcome of our outperformance in lending - that brought with it expanding customer base. Recall that Garanti now ranks number 1 among private peers in TL lending. Similarly, Money transfer fees registered a striking growth of 49% - on the back of digital empowerment and best in class customer experience. There was 28% yoy increase in number of digital transactions

Moving on to the operating expenses

Despite the depreciating currency, Opex growth was contained in line with full year guidance.

We had a 19% increase in opex yoy…Actually if we exclude the 4% currency depreciation impact which is 100% hedged, the real opex increase hitting the bottom line was only 15% - a level well below the avg CPI.

Taking into account the currency adjusted costs,we could book improvement in all the KPIs compared to the 1st half. As of the September end, Cost Income ratio was 36%. Opex in assets was 2.2% and fees coverage of operating expenses was 66.5%.

Let's also take a quick look at our capital;

We continue to operate with strong capital buffers. Our capital adequacy ratio stands at a robust 15.7% and CET1 is at 13.2%without BRSAs currency forbearance. Taking into account the minimum level of 12.1% for CAR, we have TL 21bn in excess capital on a consolidated basis.

And we remain committed growing in a capital generative manner.

Now allow me to share with you some of our nonfinancial strengths as well

Our continuous investments in digital since the late 90s, to enrich Customer experience & meet the growing digital trends clearly carried us to the forefront.

We continuously strive to empower and serve to improve the financial health of our customers

Since the start of the pandemic we had a net increase of more than 2 million customers for both digital and mobile. So now, we exceeded 10 mn customers also in the mobile world. And what we experience is that they are 2.2 times more penetrable than non-digital customers.

Customer monthly logins have increased by 60% since the beginning of 2020. Accordingly, there was significant increase in the number of digital channel transactions. Also digital sales domination in total sales exceeded 80%. Our market share in mobile financial transactions is almost double the level of our fair market share at 19%. As anticipated, the pandemic caused 31% reduction in branch transactions, whereas the growth in digital was a significant 79%.

Continuing with a brief update on the sustainability side;

Our parent group BBVA has committed to provide EUR 200 billion in financing to combat climate change and support sustainable development by 2025 and we, as Garanti BBVA, are also aiming to support the sustainable development and the fight against climate change, in parallel to BBVA's pledge.

We were able achieve our target of becoming carbon neutral 15 years earlier in 2020 via not only by reducing our net emissions already by 75%, but also setting more ambitious targets for years ahead.

As GarantiBBVA, we are also the only Turkish signatory to the United Nations Net Zero Banking Alliance. With this alliance we are committed to set sector specific targets for carbon intensive sectors and align our lending and investment portfolio to become net-zero by 2050 or sooner.

In the period ahead, We aim to lead the way to a more sustainable future through the business decisions that we make at every level. We are supporting our stakeholders in the transition to low-carbon economy and offering opportunities along the way.

We are increasing our investments in order to combat global climate change while creating awareness. Our energy financing has been 100% renewable since 2014 and our existing coal risk will be zero by year 2040.

In this context, we have been prioritizing renewable energy projects, establishing green office standards, creating awareness and brainstorming about the needs of the sector. To be able to manage our risks on the Environment and Social front, we have loan policies supported by impact assessment models that we use to set sectoral principles. We adopted our Environmental and Social Loan Policy in 2011, in line with the Equator Principles. We have a very clear exclusion list such as weapons of mass destruction and land mines, child labor or companies that violate human rights and so on.

In 2020, Garanti BBVA offered 43 different types of loans and products to contribute to sustainable development. Such as Garanti BBVA's Gender Loan structure introduced in 2019 as the world's first; Sustainability-Linked Loan in which Garanti BBVA participated as a Sustainability Agent to an energy company back in September 2020. As well as Garanti BBVA's Sustainability-Linked Syndicated Loan, signed in May 2020 as the world's first such syndication.

All of these efforts granted us to be included in 11 different sustainability indices; including Dow Jones, Sustainability Index as the only company from Turkey for 6 consecutive years. We are also listed in the Bloomberg Gender Equality Index for the fifth time in a row again as the only company from Turkey. Another distinction is that GarantiBBVA is part of CDP A List 2020 as the only bank from Turkey.

With this, we would like to leave the floor to you for questions you may have.

Thank you for listening.