



# 2023 EARNINGS PRESENTATION & 2024 OP GUIDANCE

Based on BRSA Consolidated Financials

January 29<sup>th</sup>, 2024

➤ MONETARY TIGHTENING TARGETS TO REBALANCE THE ECONOMY, FISCAL POLICY WILL BE KEY TO DETERMINE THE PACE OF ADJUSTMENT

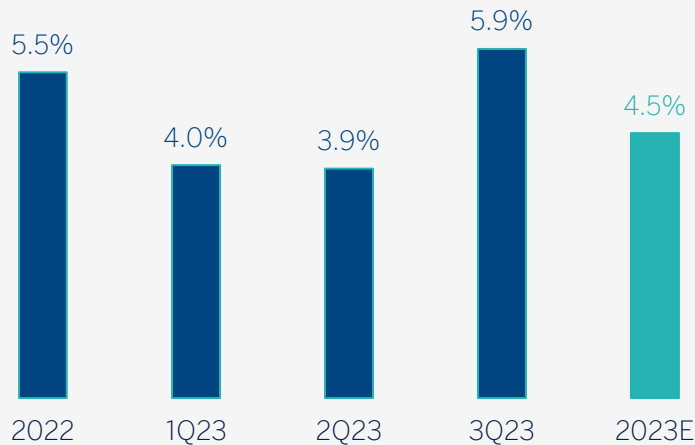
➤ SLOWLY DECELERATING DOMESTIC DEMAND KEEPS CHALLENGES ON INFLATION OUTLOOK

➤ POSITIVE SIGNS ON FOREIGN CAPITAL INFLOW

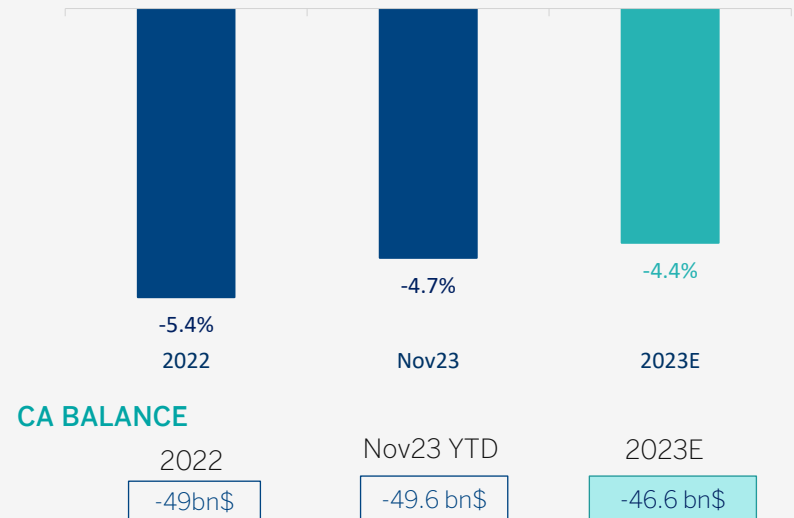
## MACRO RECAP

# MONETARY TIGHTENING CONTINUES, FISCAL POLICY WILL BE KEY TO REBALANCE THE ECONOMY

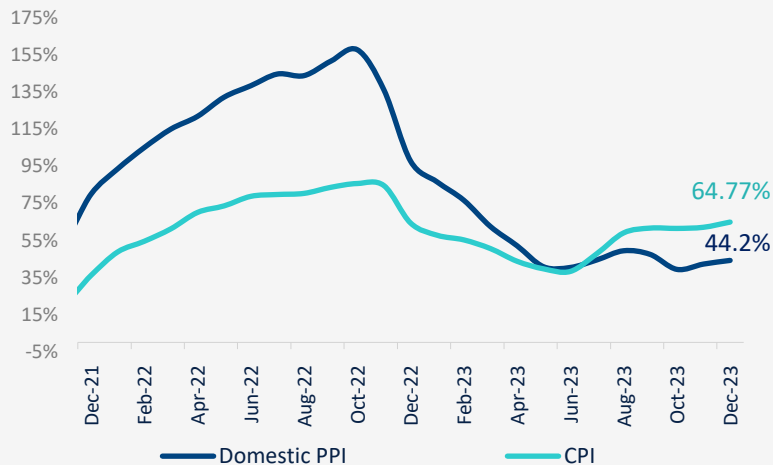
## GDP GROWTH (YoY)



## CA DEFICIT / GDP (year end)



## CONSUMER & PRODUCER INFLATION (YoY)



- We expect domestic demand to decelerate further and 2024 GDP growth to be 3.5%, being backed by the contribution from net exports.
- We forecast consumer inflation to slow down to 40-45% by end 2024, led by the recent improvement in inflation trend and enhanced likelihood of keeping a stable currency thanks to tightening monetary stance and positive signs on foreigners' portfolio inflows.
- Excluding earthquake spending, budget deficit was 1.7% of GDP in 2023, far below the Maastricht criteria of 3%. Keeping fiscal prudence will help targeted disinflation path.
- Current account deficit will likely diminish to \$30-35bn in 2024, whose financing conditions will continue to improve.

➤ CORE BANKING REVENUE DRIVEN  
NET INCOME GENERATION CAPABILITY

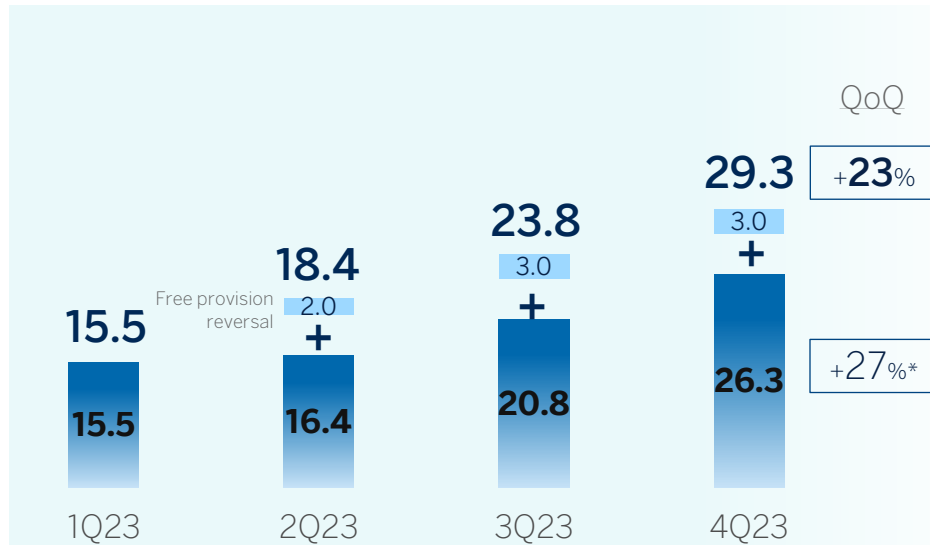
➤ STRONG FEES, TRADING & SUBSIDIARIES'  
INCOME COUPLED WITH BETTER ASSET  
QUALITY TRENDS  
RESULTED IN 2023 OP OUTPERFORMANCE

2023 RECAP

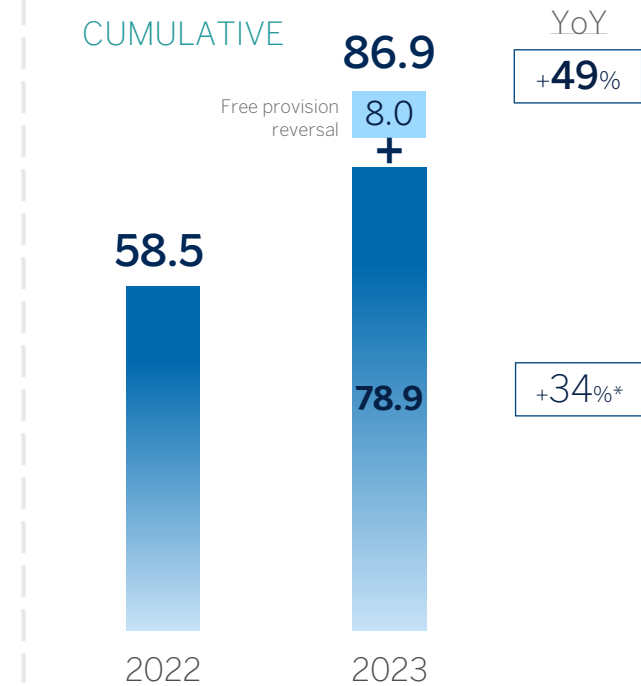
# OUR DISTINCTION: CONSISTENT GROWTH IN QUARTERLY EARNINGS EVEN IN A YEAR OF SIGNIFICANT MARGIN SUPPRESSION

## NET INCOME (TL bn)

QUARTERLY



CUMULATIVE



\*Excluding free provision reversals in 2023. 2022 base was also adjusted for the 0.5bn TL free provision set aside in 3Q22.

## 2023 ROAA

Free provision reversal  
adjusted 2023 ROAA

4.9%

4.5%

## 2023 ROAE

Free provision reversal  
adjusted 2023 ROAE

44.5%

41.0%

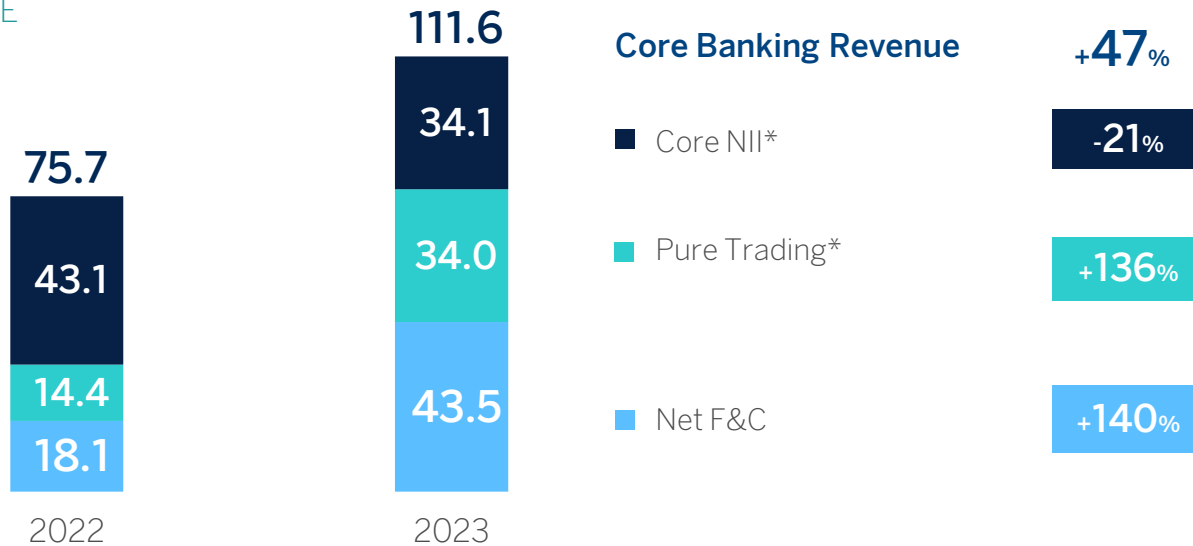
vs. >28% in  
2023 OP



# CORE BANKING REVENUES CONTINUE TO SUPPORT THE BOTTOMLINE

## CORE BANKING REVENUE (TL bn)

CUMULATIVE



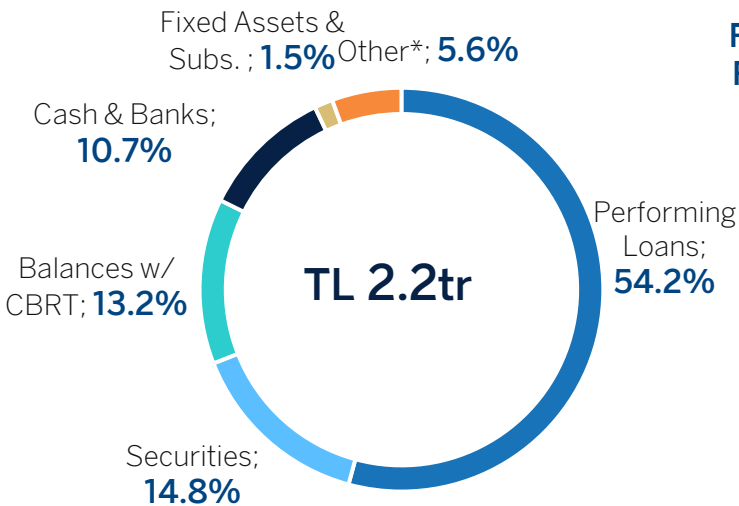
- TL spreads are on a negative territory due to regulations and monetary tightening related funding cost increase
- High FX buy/sell activity boosted trading income, although its pace decelerated notably in the second half
- Substantial growth in Net F&C supported by loan originations, increasing transaction activity & payment system fees

\*Pure trading: Trading income excl. Swap cost & currency hedge & KKM related additional remuneration.

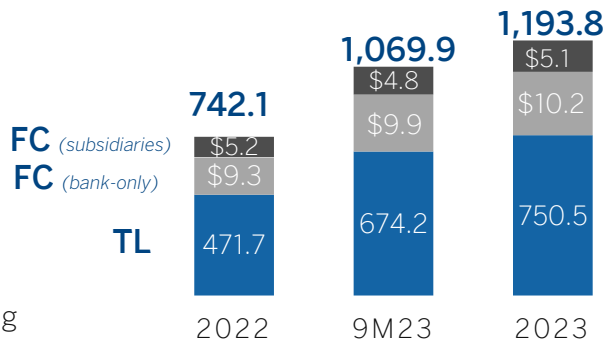
Core NII: NII – CPI linkers' income + swap costs + KKM related additional remuneration cost booked under trading line

# CUSTOMERS CONTINUE TO DRIVE THE ASSET GROWTH

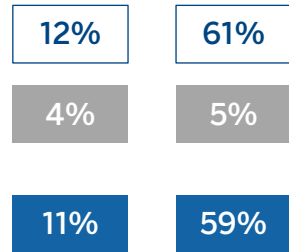
## ASSET BREAKDOWN



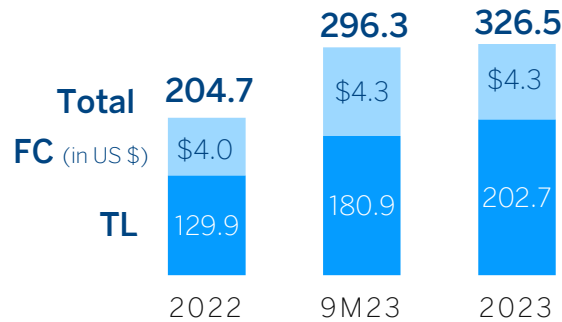
## PERFORMING LOANS (TL, US \$ billion)



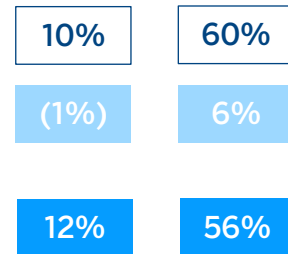
QoQ YoY



## SECURITIES (TL, US \$ billion)



QoQ YoY



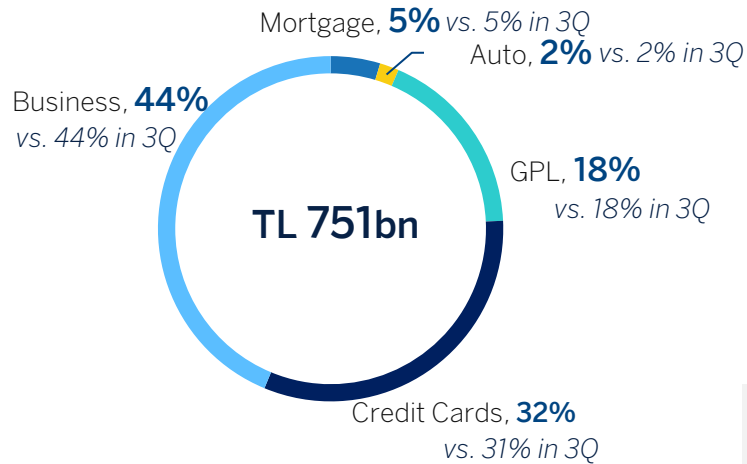
\* Mainly composed of NPLs and accruals of foreign-currency protected deposits' currency difference (TL 24bn as of Dec'2023 vs. TL 22bn as of Sept. 2023)

**Profitable and selective TL loan growth**  
**Export loan driven FC loan growth with attractive spreads**  
**Proactive securities management**

# TL LOAN GROWTH WITH PRESERVED RATIONAL STANCE

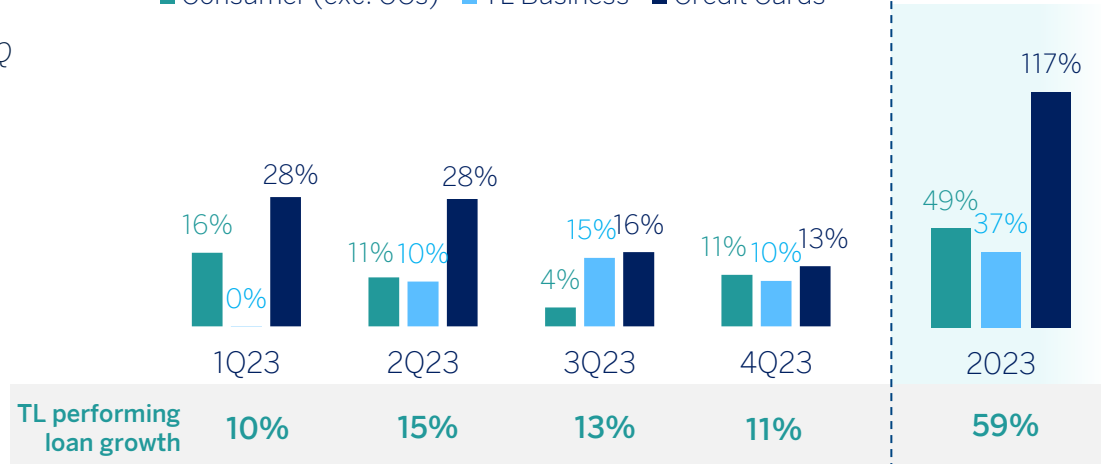
## TL PERFORMING LOAN BREAKDOWN

(63% of total performing loans)



## TL PERFORMING LOAN GROWTH

■ Consumer (exc. CCs) ■ TL Business ■ Credit Cards



## MARKET SHARE

(among private comm'l banks)

	2022	2023
TL loans	19.7%	20.3%
TL Business	18.4%	19.7%
SME loans	20.5%	23.2% <sup>1</sup>
Consumer (excl. CCs)	19.9%	19.7%
Consumer GPL	18.7%	18.0%
Credit Cards	22.9%	21.7%

- **Leadership in TL loans further strengthened\*** in 2023 with market share gains in commercial & SME loans
- Selective and profitable growth strategy preserved
- Sustained #1 position in Acquiring & Issuing
- Salary customers share in outstanding GPL volume: 43%

\*As of September 2023.

<sup>1</sup> As of November, per BRSA defined SME loans

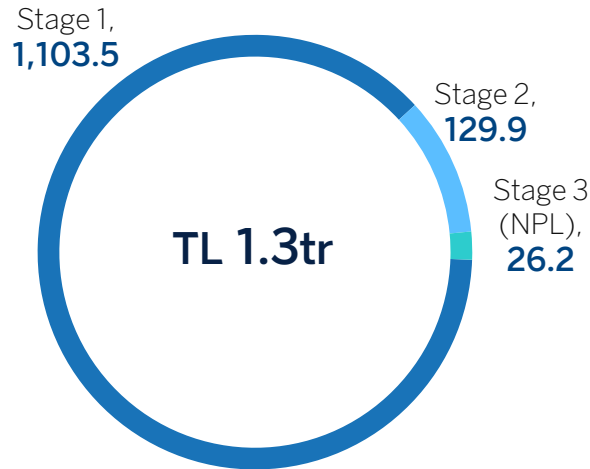
Sector figures used in market share calculations are based on bank-only BRSA weekly data as of 29.12.2023, for commercial banks.



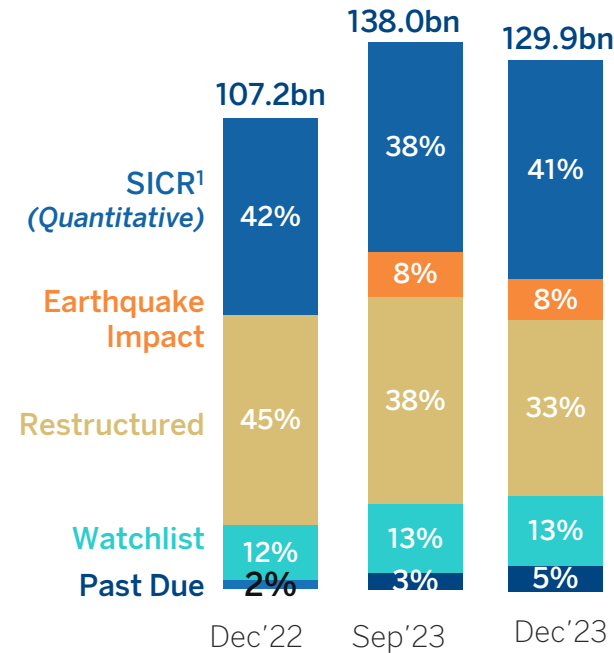
# SOLID ASSET QUALITY, FURTHER STRENGTHENED COVERAGE RATIOS

## LOANS & RECEIVABLES PORTFOLIO BREAKDOWN

(TL Billion)



## STAGE-2 BREAKDOWN (TL bn)



excl. currency impact<sup>2</sup>  
108.7 bn TL in Dec'23  
vs. 118.2 bn TL in Sep'23

10.3%

Stage-2 Share in Gross  
Loans & Receivables  
vs. 12.2% in Sep'23

21.4%

Stage-2 Coverage  
vs. 20.4% in Sep'23

Stage-2 Total portfolio  
FC coverage **38%**; TL coverage: **8%**

88%

of the SICR Portfolio is  
non-delinquent

**Only 1.8%** of the 4Q22 SICR  
portfolio ended up in NPL in 4Q23

<sup>1</sup> SICR: Significant Increase in Credit Risk per our threshold for Probability of Default (PD) changes

<sup>2</sup> 2022 balance sheet FX rates are taken into account when calculating Stage 2 base for September & December 2023

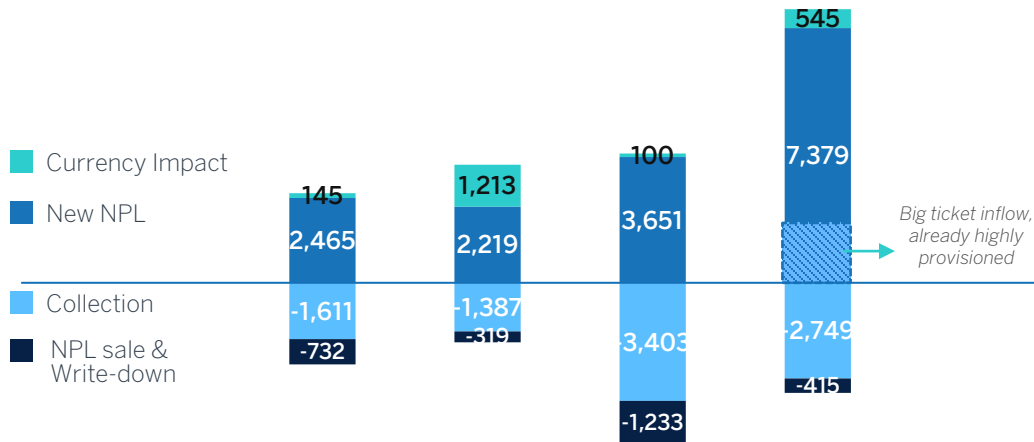
# NPL FLOW INCREASED FOLLOWING A ROBUST GROWTH & RISING INTEREST RATES

*YET WELL EQUIPPED WITH ALREADY HIGH COVERAGES*

## NPL EVOLUTION

(TL million)

Net NPL Flow	267	1,726	-885	4,760
Net NPL Flow Adj. w/ curr. impact, & write-downs	854	832	248	4,630



	1Q23	2Q23	3Q23	4Q23	4Q23 (adj. w/ WD*)
NPL (nominal TL bn)	20.6	22.3	21.4	26.2	43.6
NPL Ratio	2.4%	2.1%	1.9%	2.1%	3.4%

## COVERAGE RATIOS

	4Q23	4Q23 (adj. w/ WD*)
<b>Total Provision</b> (Balance sheet, TL bn)	<b>51.4</b>	<b>68.8</b>
+Stage-1	5.9	
+Stage-2	27.8	
+Stage-3	17.7	43.6
<b>Total Coverage</b>	<b>4.1%</b>	<b>5.4%</b>
+Stage-1	0.5%	
+Stage-2	21.4%	
+Stage-3	67.8%	80.7%

\*Adjusted with write-downs since 2019

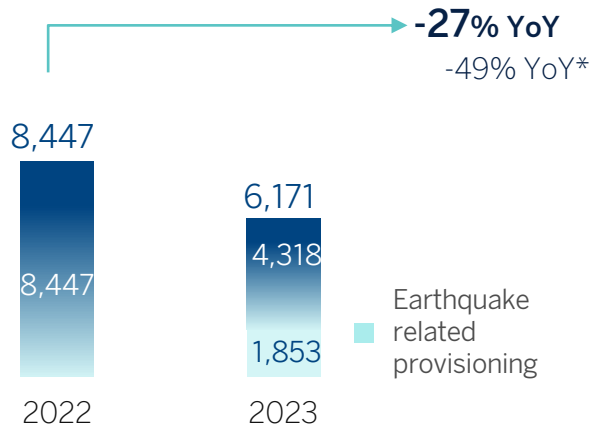
NPL inflow mainly consists **unsecured consumer loans**

**The big-ticket NPL inflow needed minor provisioning as it was already highly covered**

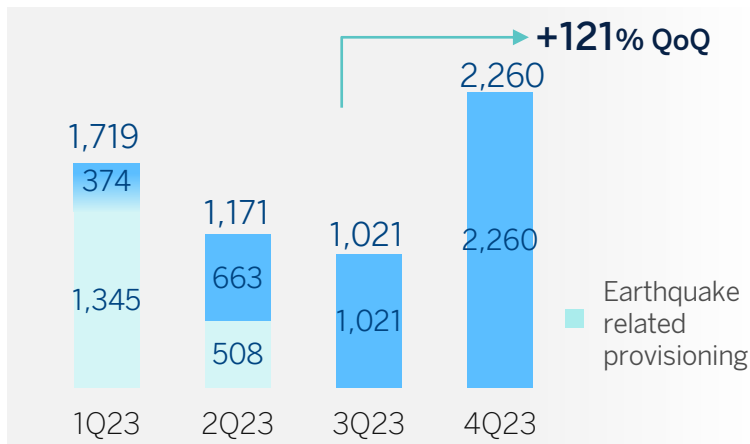
# NET COR ENDED THE YEAR BETTER THAN EXPECTED EVEN AFTER EARTHQUAKE RELATED PROVISIONING

## NET PROVISIONS excl. CURRENCY (TL bn)

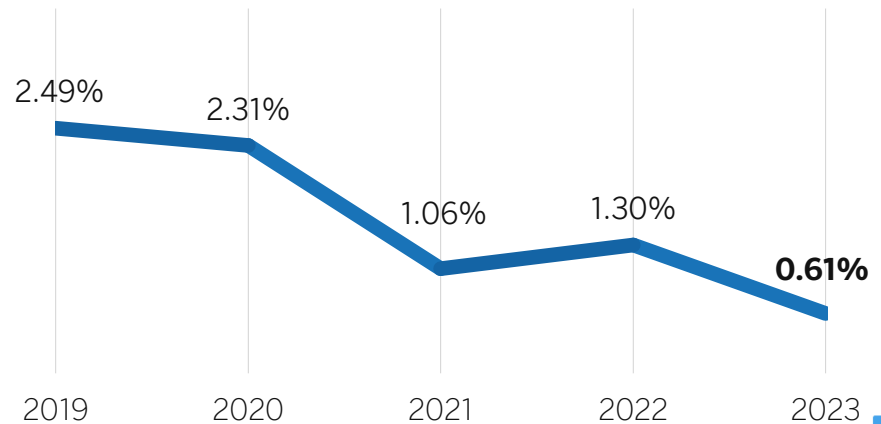
### CUMULATIVE



### QUARTERLY



## NET CoR TREND excl. CURRENCY



vs. ~100bps in 2023 OP

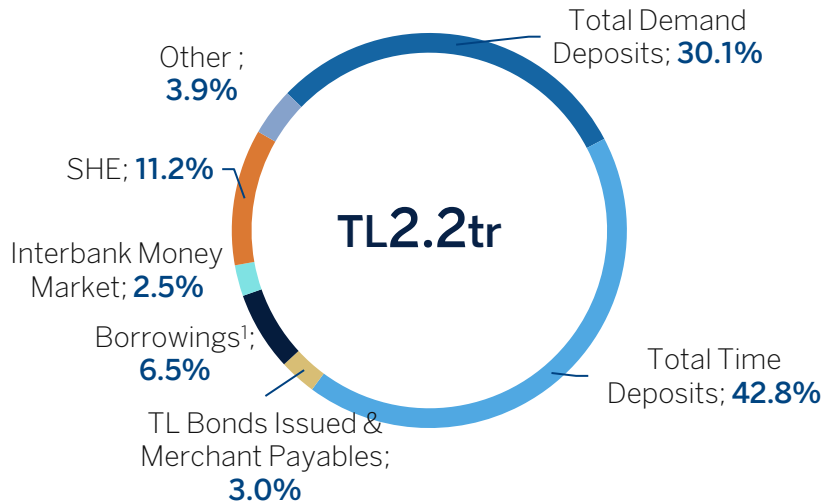
➤ Currency depreciation impact: 128bps  
No impact on bottom line as it is 100% hedged

\*Excluding Earthquake-related prudent provisioning impact

# STRATEGICALLY MANAGED FUNDING STRUCTURE

- THE BACKBONE OF OUR SUCCESS

## LIABILITIES & SHE BREAKDOWN

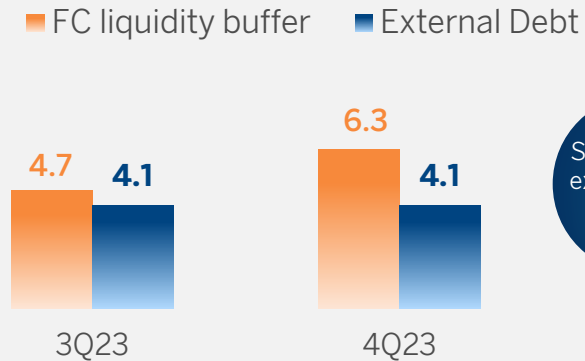


## LOW LEVERAGE

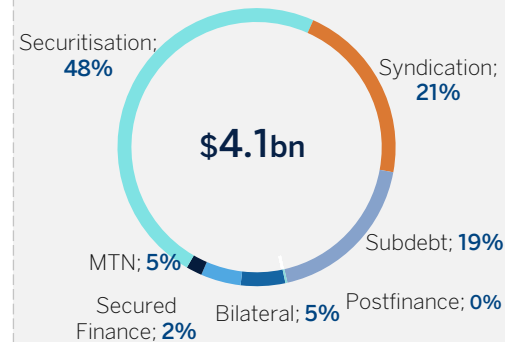
**8.0X**

## EXTERNAL DEBT VS. FC QUICK LIQUIDITY<sup>2</sup>

(US\$ bn)



## WHOLESALE FUNDING BREAKDOWN



100% of the new issuances\* since 2021 are ESG-linked

ESG-linked funding makes up ~28% of total wholesale funding

<sup>1</sup> Includes funds borrowed, sub-debt & FC securities issued

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

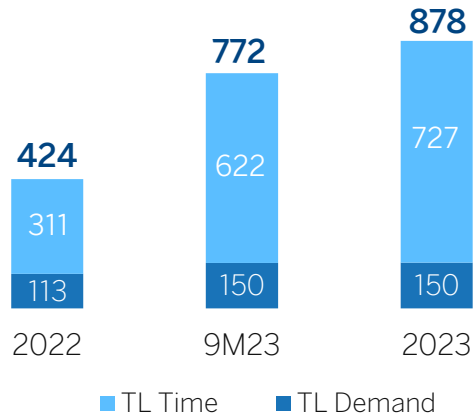
\*Excludes secured finance transactions and MTN issuance.

# STRONG GROWTH IN TL DEPOSITS DURING THE YEAR

## IN-LINE WITH DE-DOLLARIZATION EFFORTS

### TL CUST. DEPOSITS (in TL bn)

(55% of total deposits)



QoQ

+14%

+17%

0%

YoY

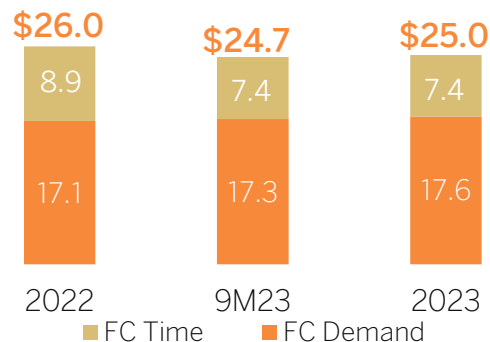
+107%

+134%

+33%

### FC CUST. DEPOSITS (in US\$ bn)

(45% of total deposits)



QoQ

+1%

0%

+2%

YoY

-4%

-17%

+3%

### STRONG ZERO-COST DEMAND DEPOSIT BASE

41%

Cust. demand deposits share in total

bank-only: 42% vs.  
private banks: 38%

### TL DEMAND DEPOSITS / TL CUST. DEPOSITS

17%

bank-only: 17% vs.  
private banks: 16%

### FC DEMAND DEPOSITS / FC CUST. DEPOSITS

71%

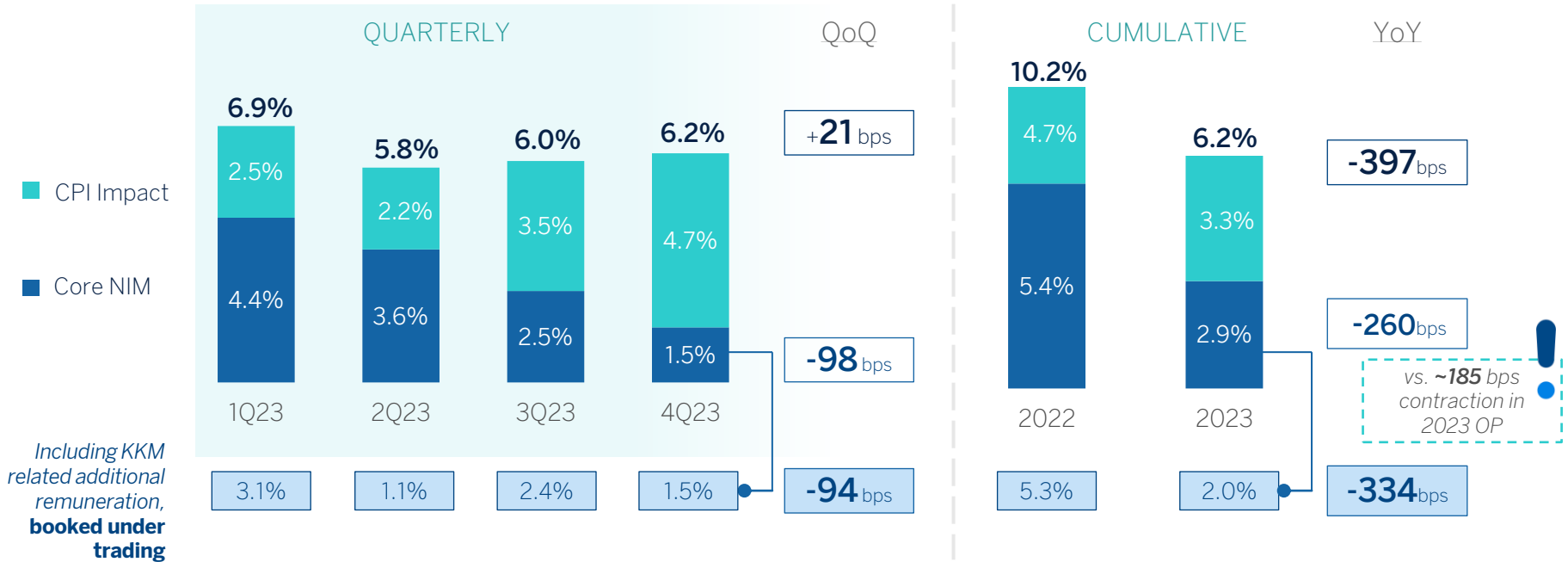
bank-only: 87% vs.  
private banks: 70%

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

**Highest TL demand deposit base** underscores customers' preference as their **main bank** and present a **remarkable funding advantage**.

# MARGIN PRESSURES PERSISTS: ACTIVELY MANAGED SPREADS WITH DILIGENT PRICING

## NIM INCL. SWAP COST\*



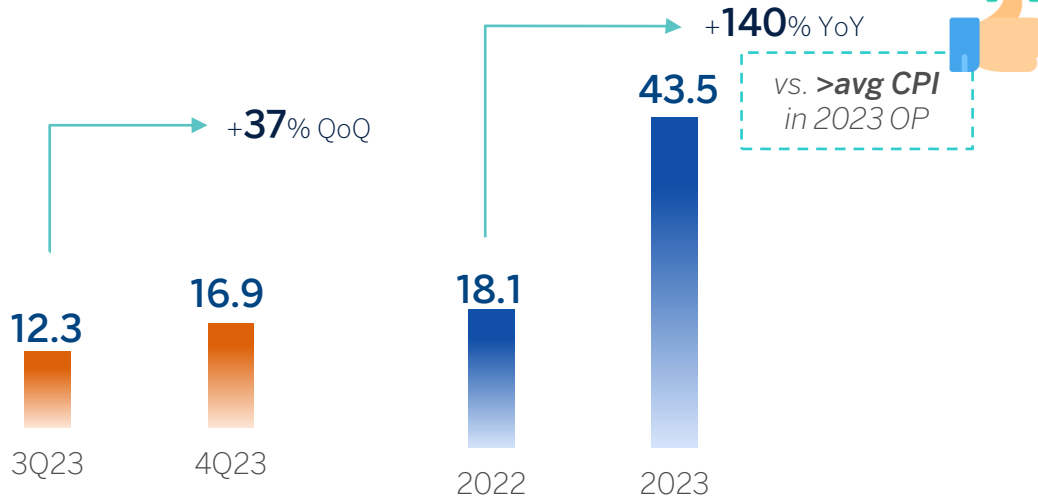
- **Spreads remain under pressure** due to rising interest rate environment
- Duration gap managed, repricing activity continues
- CPI estimate used in the valuation is **62%** (based on actual Oct-inflation reading) vs. 48% in 9M

# FEE GROWTH EXCEEDED EXPECTATIONS: STRONG CONTRIBUTION FROM PAYMENT SYSTEMS

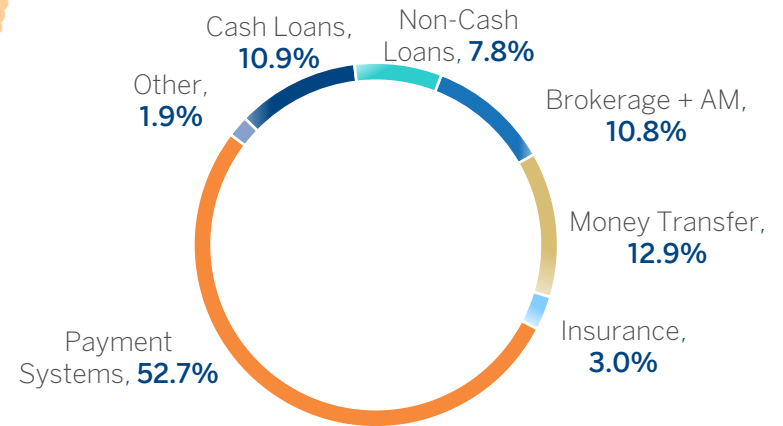
## NET FEES & COMMISSIONS (TL bn)

QUARTERLY

CUMULATIVE



## NET F&C BREAKDOWN<sup>1</sup>



### SOLID PRESENCE IN CREDIT CARD BUSINESS

+195% YoY

Payment Systems Fees

#1 in Acquiring & Issuing Volume & CC customers

### WELL DIVERSIFIED & ABOVE INFLATION FEE PERFORMANCE

+83% YoY

Lending Related Fees

#1 in TL Cash & Non-Cash Loans (as of 30.09.2023)

+113% YoY

Brokerage + AM

+98% YoY  
Money Transfer

### EXPANDING CUSTOMER BASE & INCREASING PENETRATION

~15.0<sub>mn</sub>

Mobile customers

90%

Digital sales in total sales

<sup>1</sup> Net Fees&Comm. breakdown is based on Consolidated Financials. Garanti Pension premiums are shown under Other Income. As of December 2023, a number of fee sources previously booked under 'Other' have been reclassified under 'Money Transfer'. Rankings are among private banks

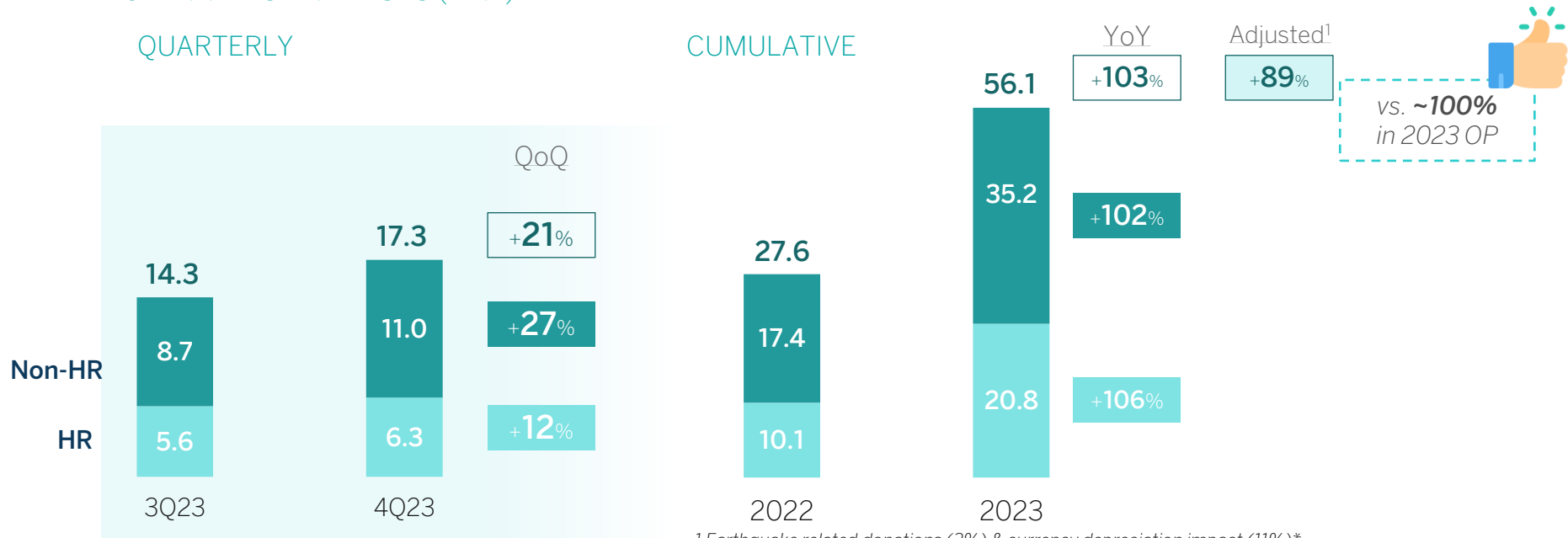
# COST GROWTH KEPT IN CHECK

## INLINE WITH GUIDANCE EVEN WITH IMPACTS OF EARTHQUAKE & CURRENCY

### OPERATING EXPENSES (TL bn)

QUARTERLY

CUMULATIVE



<sup>1</sup> Earthquake related donations (3%) & currency depreciation impact (11%)\*

COST / INCOME

35%

FEE / OPEX

78%

OPEX / AVG. ASSETS

3.2%

\*100% hedged no impact on bottom line

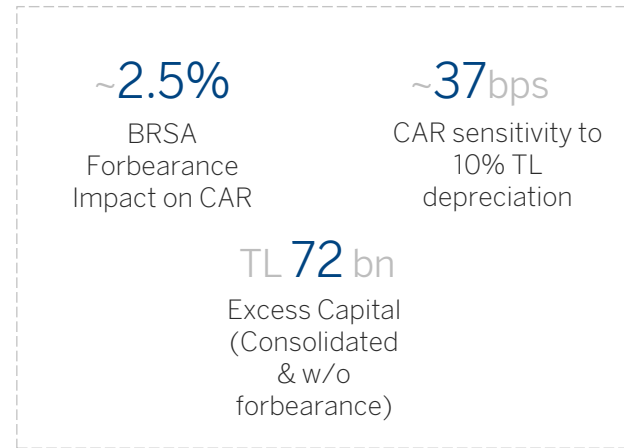
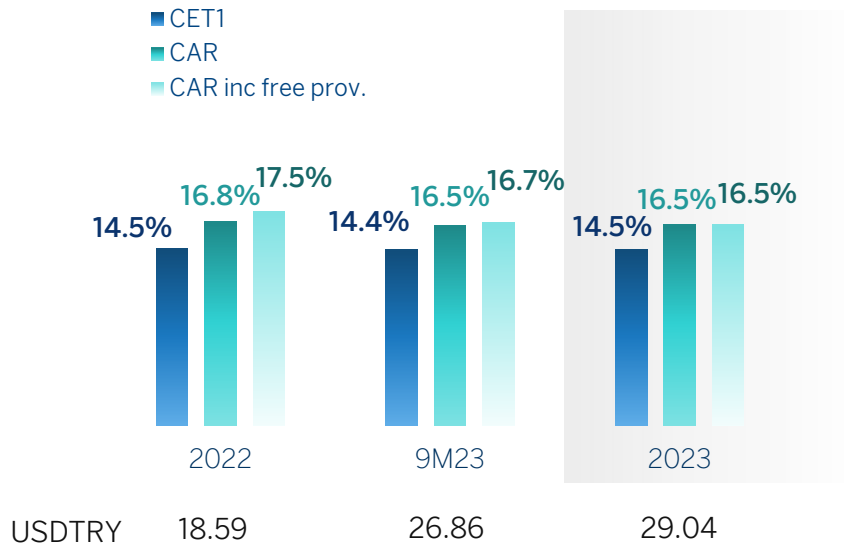
Note: Income defined as NII inc. Swaps + Net F&C + Dividend Income + Subsidiary Income + Net Trading Income

(excludes swaps & currency hedge) + Other income (net of prov. Reversals, free provision reversals and one-off income)

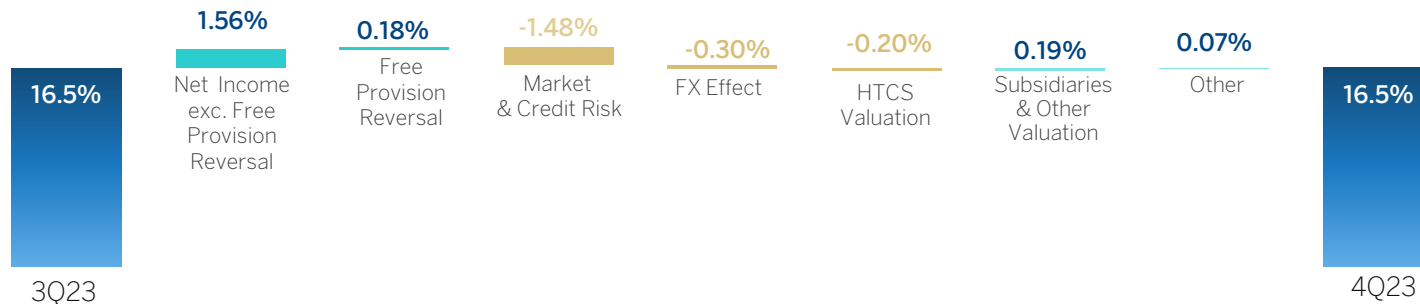


# CAPITAL REMAINS STRONG – 4Q NET INCOME GENERATION COULD LARGELY COMPENSATE NEGATIVE IMPACTS FROM CURRENCY AND MARKET & CREDIT RISK

## SOLVENCY RATIOS *(without BRSA's forbearance)*



## QUARTERLY CAR EVOLUTION *(Consolidated, without BRSA's forbearance)*



# IN SUMMARY, SIGNIFICANT OUTPERFORMANCE IN 2023 EARNINGS

	2023 GUIDANCE	2023 REALIZATION	
TL Loan Growth (YoY)	~avg. CPI	+59%	Slightly better than expected performance mainly backed by credit cards & TL business
FC Loan Growth (in US\$, YoY)	Flattish	+5%	Export loan driven growth
Net Cost of Risk (excl. currency impact)	~100 bps	61 bps	Exceptionally low due the reflection of the low interest rate environment in 1H23
Core NIM (NIM incl. swap excl. CPI)	~185bps contraction	260 bps contraction	Pressure on spreads due to increasing funding costs due to the rising interest rates and regulatory environment
Fee Growth (YoY)	>avg. CPI	+140%	Strong payment systems contribution coupled with loan growth and increasing transaction activity
OPEX Growth (YoY)	~100%	+103%	In-line with guidance even with earthquake & currency impact
ROAE	>28%	44.5% (41.0% adj. with free prov. reversals)	OUTPERFORMANCE

Note: Core NIM figures are calculated based on bank only MIS data, using daily averages

# 2024 OPERATING PLAN GUIDANCE

# 2024 OPERATING PLAN GUIDANCE

2024 OPERATING PLAN GUIDANCE	
TL Loan Growth (YoY)	~CPI
FC Loan Growth (in US\$, YoY)	Low-single digit growth
Net Cost of Risk (exc. currency impact)	~125bps
NIM incl. swap cost	Flattish
Fee Growth (YoY)	>avg. CPI
OPEX Growth (YoY)	>avg. CPI
<b>ROAE (%)</b>	<b>Mid-30s</b>

Note: Net CoR excludes currency effect, as it is 100% hedged and has no bottom line impact

Note: The 2024 Operating Plan Guidance takes into consideration that all regulations in place as of January 29, 2024 are not changed and no new material regulations are implemented.

# Q&A SESSION

# Appendix

PG. 23 Sector Breakdown of Gross Loans

PG. 24 FC Loan Breakdown

PG. 25 Maturity Profile of External Debt

PG. 26 Adjusted L/D and Liquidity  
Coverage Ratios,

PG. 27 Securities Portfolio

PG. 28 Summary Balance Sheet

PG. 29 Summary P&L

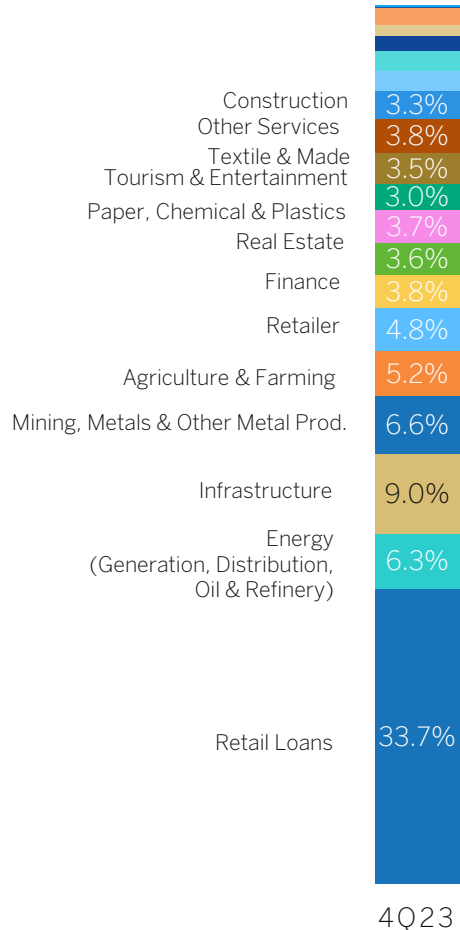
PG. 30 Key Financial Ratios

PG. 31 Quarterly & Cumulative Net  
Cost of Risk

# APPENDIX: SECTOR BREAKDOWN OF GROSS LOANS

## SECTOR BREAKDOWN OF GROSS LOANS<sup>1</sup>

TL 1.1tr

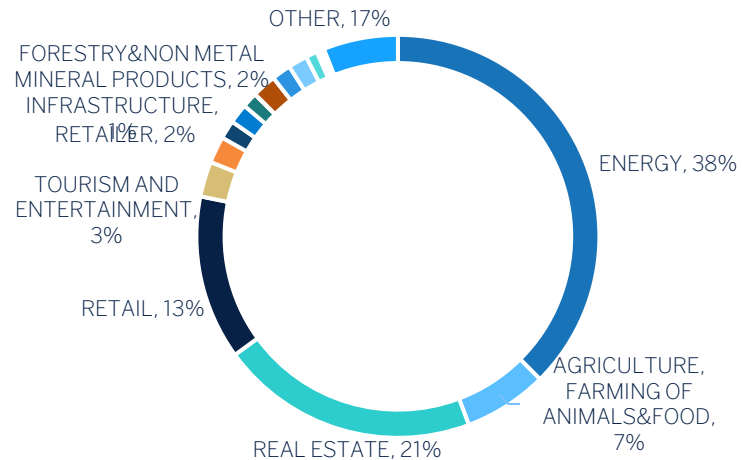


## % SHARE

## COVERAGE RATIO

Key Sectors	% SHARE			COVERAGE RATIO		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Retail	86%	12%	2%	0,5%	5,6%	58,3%
Energy	60%	37%	4%	0,5%	30,5%	79,3%
Construction	88%	6%	6%	0,4%	15,3%	67,2%
Textile & Made	89%	8%	2%	0,5%	12,1%	77,0%
Tourism & Entertainment	87%	11%	2%	0,4%	15,2%	70,6%
Real Estate	62%	36%	2%	0,2%	65,3%	65,1%

## SECTOR BREAKDOWN OF STAGE 2 EXCLUDING SICR<sup>1</sup>

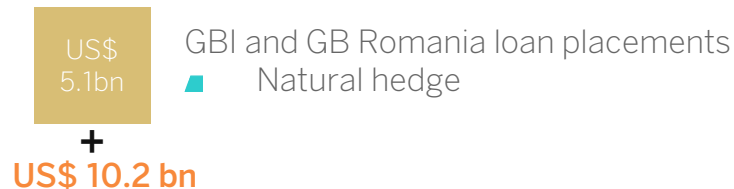


# APPENDIX: CLOSELY MONITORED AND WELL-PROVISIONED FC LOANS

## FC PERFORMING LOANS

(37% of total performing loans)

US\$ 15.3 bn



27.2%

### Export Loans

- FX revenue generation

46.3%

### Project Finance Loans

- 68.0% of PF Loans have FX or FX-linked revenues - no currency risk
- 22.0% has lower currency risk
- 10.0% - with some currency risk

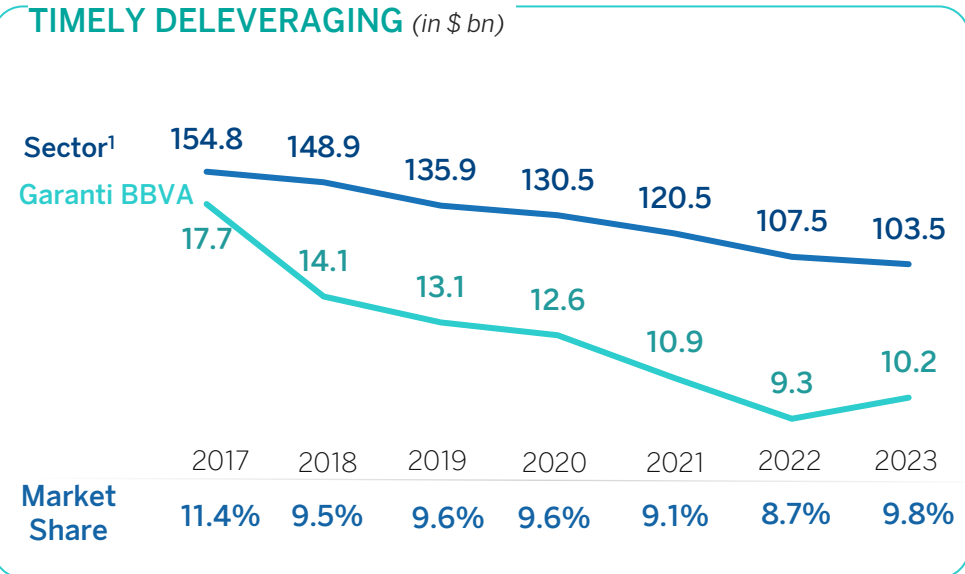
29.4%

### Working Capital & Other Loans

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

2023

## MITIGATION OF FX RISK - TIMELY DELEVERAGING (in \$ bn)



- Regular conduct of FX sensitivity analysis for proactive staging and provisioning

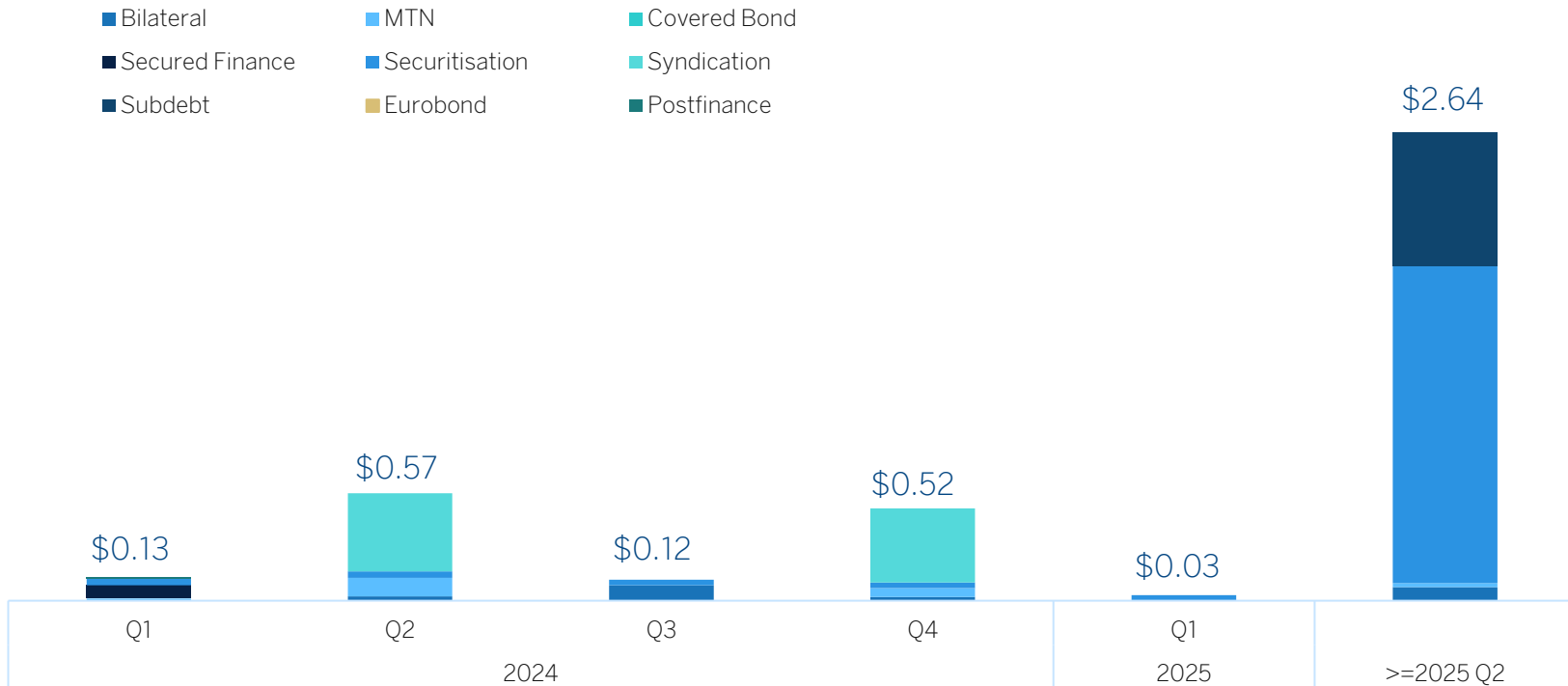
<sup>1</sup> Based on BRSA weekly data, commercial banks



# APPENDIX: MATURITY PROFILE OF EXTERNAL DEBT

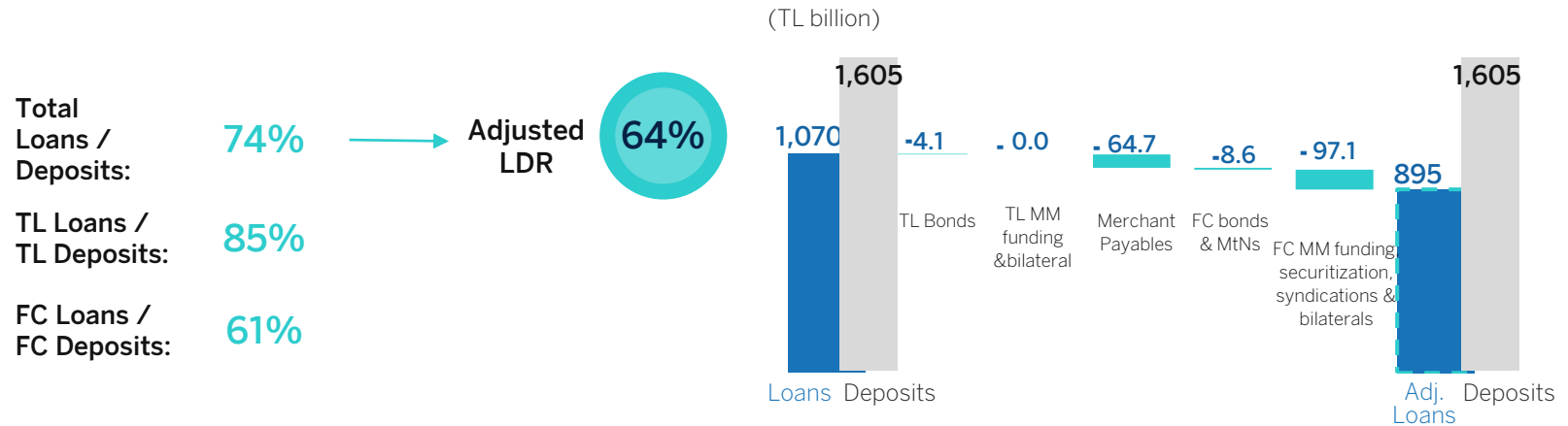
## MATURITY PROFILE OF EXTERNAL DEBT

(US\$ billion)



# APPENDIX: ADJUSTED LDR AND LIQUIDITY COVERAGE RATIOS

Loans funded via long-term on B/S alternative funding sources ease LDR



## LIQUIDITY COVERAGE RATIOS<sup>1</sup>

Total LCR 222%

Minimum Requirement 100%

FC LCR 317%

Minimum Requirement 80%

<sup>1</sup> Represents the average of December's last week.

## APPENDIX: MARKET SHARES

Market Shares <sup>1</sup>	Dec-22	YoY $\Delta$	Sept-23	Dec-23	QoQ $\Delta$	Rank
<b>Consumer Loans inc. Consumer CCs</b>	14,0%	254 bps	14,7%	16,5%	188 bps	#1*
<b>Cons. Mortgage Loans</b>	7,1%	160 bps	8,7%	8,7%	-8 bps	#2*
<b>Consumer Auto Loans</b>	15,2%	486 bps	15,1%	20,0%	495 bps	#2*
<b>Cons. General Purpose Loans</b>	14,1%	85 bps	13,2%	14,9%	173 bps	#3*
<b>TL Business Banking</b>	8,4%	6 bps	8,0%	8,1%	11 bps	#1*
<b># of CC customers<sup>2</sup></b>	13,6%	-10 bps	13,5%	13,5%	-6 bps	#1
<b>Issuing Volume (Cumulative)<sup>2</sup></b>	17,7%	-55 bps	17,5%	17,2%	-29 bps	#1
<b>Acquiring Volume (Cumulative)<sup>2</sup></b>	17,0%	-123 bps	16,9%	16,8%	-12 bps	#1

\* Rankings are among private banks as of September 2023

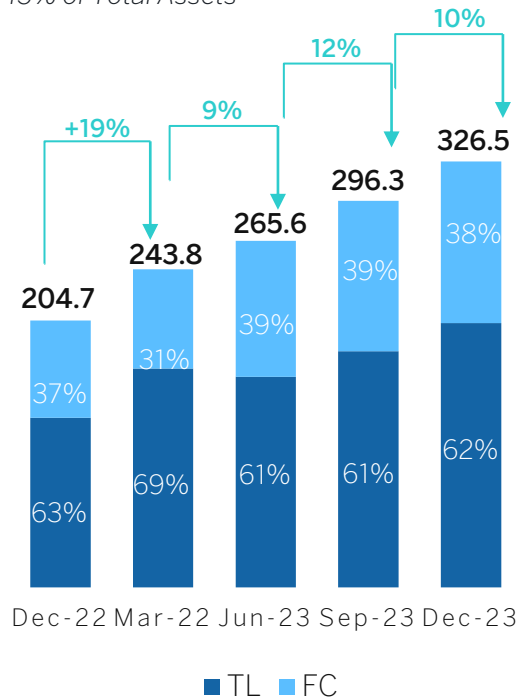
<sup>1</sup> Sector figures used in market share calculations are based on bank-only BRSA weekly data as of 29.12.2023, for commercial banks

<sup>2</sup> Cumulative figures and rankings as of December 2023, as per Interbank Card Center data. Rankings are among private banks.

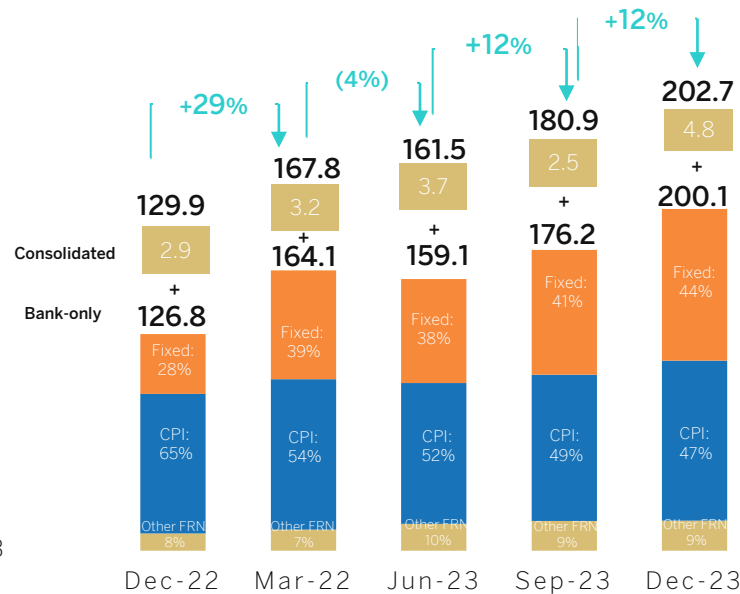
# APPENDIX: SECURITIES PORTFOLIO

## TOTAL SECURITIES (TL billion)

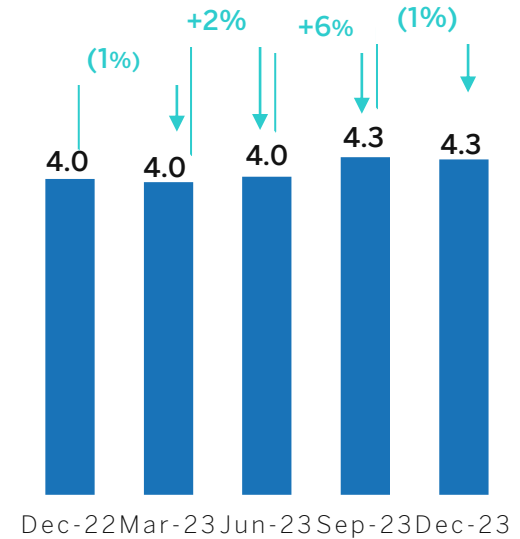
15% of Total Assets



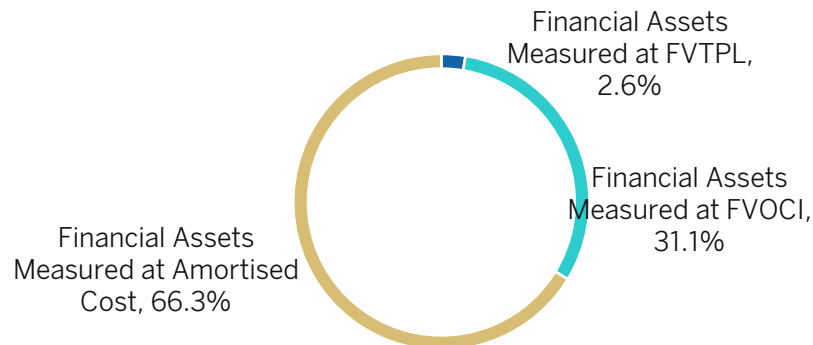
## TL SECURITIES (TL billion)



## FC SECURITIES (US\$ billion)



## SECURITIES COMPOSITION



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

# APPENDIX: SUMMARY BALANCE SHEET

(TL billion)

ASSETS	31.12.2022	31.03.2023	30.06.2023	30.09.2023	31.12.2023
Cash & Cash Equivalents	158.4	166.8	294.2	188.5	234.6
Balances at CBRT	114.0	157.5	149.9	284.2	291.7
Securities	204.7	243.8	265.6	296.3	326.5
Loans & Receivables	789.6	858.6	1038.6	1129.3	1259.6
<b>+TL Loans</b>	<b>488.2</b>	<b>536.7</b>	<b>616.2</b>	<b>690.6</b>	<b>769.1</b>
TL NPL	16.4	16.2	17.3	16.5	18.6
<i>info: TL Performing Loans</i>	471.7	520.5	598.9	674.2	750.5
<b>+FC Loans (in US\$ terms)</b>	<b>14.7</b>	<b>15.2</b>	<b>14.9</b>	<b>14.9</b>	<b>15.5</b>
FC NPL (in US\$ terms)	0.1	0.2	0.1	0.1	0.2
<i>info: FC Performing Loans (in US\$ terms)</i>	14.5	15.0	14.8	14.7	15.3
<i>info: Performing Loans (TL+FC)</i>	742.1	807.2	978.9	1069.9	1193.8
Fixed Assets & Subsidiaries	16.3	19.3	23.0	25.0	32.5
Other	20.7	25.7	119.8	53.0	56.9
<b>TOTAL ASSETS</b>	<b>1303.6</b>	<b>1471.7</b>	<b>1891.1</b>	<b>1,976.3</b>	<b>2,201.7</b>
LIABILITIES & SHE	31.12.2022	31.03.2023	30.06.2023	30.09.2023	31.12.2023
Total Deposits	908.7	1039.9	1400.8	1437.2	1604.9
<b>+Demand Deposits</b>	<b>431.7</b>	<b>448.3</b>	<b>570.2</b>	<b>615.9</b>	<b>662.7</b>
TL Demand	113.3	126.2	137.7	149.7	150.4
FC Demand (in US\$ terms)	17.1	16.9	16.8	17.4	17.6
<b>+Time Deposits</b>	<b>477.0</b>	<b>591.6</b>	<b>830.6</b>	<b>821.3</b>	<b>942.2</b>
TL Time	311.6	436.8	623.7	623.0	727.6
FC Time (in US\$ terms)	8.9	8.1	8.0	7.4	7.4
Interbank Money Market	24.3	36.8	46.2	53.0	56.0
Bonds Issued	17.6	8.5	10.1	10.4	11.1
Funds Borrowed	93.1	93.6	115.4	122.2	133.1
Other liabilities	106.7	118.4	130.1	138.2	150.9
Shareholders' Equity	153.1	174.4	188.5	215.4	245.6
<b>TOTAL LIABILITIES &amp; SHE</b>	<b>1303.6</b>	<b>1471.7</b>	<b>1891.1</b>	<b>1,976.3</b>	<b>2,201.7</b>

# APPENDIX: SUMMARY P&L

TL Million	QUARTERLY P&L			CUMULATIVE P&L		
	3Q23	4Q23	QoQ	2022	2023	YoY
(+) Net Interest Income including Swap costs	22,149	22,683	2%	77,615	81,097	4%
(+) <i>NII excluding CPI linkers' income</i>	12,649	11,021	-13%	54,517	49,041	-10%
(+) <i>Income on CPI linkers</i>	10,673	15,248	43%	33,576	37,326	11%
(-) <i>Swap Cost</i>	-1,174	-3,585	205%	-10,478	-5,269	-50%
(+) Net Fees & Comm.	12,320	16,906	37%	18,146	43,501	140%
(+) Net Trading & FX gains/losses (excl. Swap costs and currency hedge)	7,637	6,206	-19%	13,542	24,323	80%
<i>info: Gain on Currency Hedge<sup>1</sup></i>	951	3,250	242%	7,448	13,041	75%
(+) Income/loss from investments under equity	364	2,010	452%	984	3,277	233%
(+) Other income (excl. Prov. reversals & one-offs)	2,165	2,645	22%	5,249	8,841	68%
(+) Non-recurring other income	3,002	3,180	6%	1,201	8,579	614%
(+) <i>Gain on asset sale &amp; Revaluation of real estate</i>	2	180	<i>n.m.</i>	1,041	706	<i>n.m.</i>
(+) <i>Administrative Fine / Reversal</i>	0	0	<i>n.m.</i>	160	-127	<i>n.m.</i>
(+) <i>Free Provision Reversal</i>	3,000	3,000	<i>n.m.</i>	0	8,000	<i>n.m.</i>
(-) OPEX	-14,276	-17,263	21%	-27,567	-56,054	103%
(-) <i>HR</i>	-5,620	-6,306	12%	-10,141	-20,849	106%
(-) <i>Non-HR</i>	-8,656	-10,958	27%	-17,425	-35,204	102%
(-) Net Expected Loss (excl. Currency impact)	-1,021	-2,260	121%	-8,447	-6,171	-27%
(-) <i>Expected Loss</i>	-7,395	-9,417	27%	-26,005	-39,154	51%
<i>info: Currency Impact<sup>1</sup></i>	-951	-3,250	242%	-7,448	-13,041	75%
(+) <i>Provision Reversal under other Income</i>	5,423	3,907	-28%	10,110	19,942	97%
(-) Taxation and other provisions	-8,565	-4,785	-44%	-22,213	-20,486	-8%
(-) <i>Free Provision</i>	0	0	<i>n.m.</i>	-500	0	<i>n.m.</i>
(-) <i>Taxation</i>	-8,371	-4,698	-44%	-18,477	-20,154	9%
(-) <i>Other provisions (excl. free prov.)</i>	-194	-86	-55%	-3,236	-332	-90%
<b>= NET INCOME</b>	<b>23,774</b>	<b>29,323</b>	<b>23%</b>	<b>58,510</b>	<b>86,907</b>	<b>49%</b>

<sup>1</sup> 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-22	Mar-23	Jun-23	Sep-23	Dec-23
<b>Profitability ratios</b>					
ROAE (Cumulative) <sup>1</sup>	51.0%	38.2%	38.3%	41.1%	44.5%
ROAA (Cumulative) <sup>1</sup>	5.4%	4.5%	4.2%	4.5%	4.9%
Cost/Income	23.9%	37.9%	37.2%	35.1%	34.8%
<b>Liquidity ratios</b>					
Loans / Deposits	81.7%	77.6%	69.9%	74.4%	74.4%
TL Loans / TL Deposits	111.0%	92.4%	78.7%	87.3%	85.5%
Adj. Loans/Deposits (Loans adj. with on-balance sheet alternative funding sources)	68%	67%	60%	64%	64%
TL Loans / (TL Deposits + TL Bonds + Merchant Payables)	101.9%	86.5%	74.6%	81.8%	79.5%
FC Loans / FC Deposits	55.9%	60.1%	59.4%	59.6%	61.0%
<b>Asset quality ratios</b>					
NPL Ratio	2.6%	2.4%	2.1%	1.9%	2.1%
Coverage Ratio	5.1%	4.8%	4.6%	4.3%	4.1%
+ Stage1	0.7%	0.6%	0.6%	0.5%	0.5%
+ Stage2	19.5%	18.4%	20.3%	20.4%	21.4%
+ Stage3	72.4%	70.8%	70.2%	69.6%	67.8%
Cumulative Net Cost of Risk (excluding currency impact, bps) <sup>2</sup>	130	85	65	55	61
<b>Solvency ratios</b>					
CAR (excl. BRSA Forbearance)	16.8%	15.9%	15.8%	16.5%	16.5%
Common Equity Tier I Ratio (excl. BRSA Forbearance)	14.5%	13.8%	13.7%	14.4%	14.5%
Leverage	7.5x	7.4x	9.0x	8.2x	8.0x

<sup>1</sup> Note: 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 1Q23, 2Q23 and 3Q23. Please refer to the Appendix: Summary P&L for non-recurring items

<sup>2</sup> Neutral impact at bottom line, as provision increase due to currency depreciation are 100% hedged (FX gain included in Net trading income line)

## APPENDIX: QUARTERLY & CUMULATIVE NET CoR

(Million TL)

Quarterly Net Expected Credit Loss	1Q23	2Q23	3Q23	4Q23
<b>(-) Expected Credit Losses</b>	<b>10,345</b>	<b>11,997</b>	<b>7,395</b>	<b>9,417</b>
Stage 1	3,385	2,049	1,279	2,562
Stage 2	5,857	7,559	4,115	1,397
Stage 3	1,104	2,389	2,001	5,458
<b>(+) Provision Reversals under other income</b>	<b>7,821</b>	<b>2,791</b>	<b>5,423</b>	<b>3,907</b>
Stage 1	4,140	1,426	2,893	2,356
Stage 2	2,787	520	691	431
Stage 3	894	845	1,840	1,121
<b>(=) (a) Net Expected Credit Losses</b>	<b>2,524</b>	<b>9,206</b>	<b>1,972</b>	<b>5,510</b>
<b>(b) Average Gross Loans</b>	<b>824,066</b>	<b>948,591</b>	<b>1,083,948</b>	<b>1,194,430</b>
<b>(a/b) Quarterly Total Net CoR (bps)</b>	<b>124</b>	<b>389</b>	<b>72</b>	<b>183</b>
info: Currency Impact <sup>1</sup>	40	340	35	108
<b>Total Net CoR excl. currency impact (bps)</b>	<b>85</b>	<b>50</b>	<b>37</b>	<b>75</b>

(Million TL)

Cumulative Net Expected Credit Loss	2023
<b>(-) Expected Credit Losses</b>	<b>39,154</b>
Stage 1	9,275
Stage 2	18,927
Stage 3	10,952
<b>(+) Provision Reversals under other income</b>	<b>19,942</b>
Stage 1	10,814
Stage 2	4,428
Stage 3	4,700
<b>(=) (a) Net Expected Credit Losses</b>	<b>19,212</b>
<b>(b) Average Gross Loans</b>	<b>1,015,124</b>
<b>(a/b) Cumulative Total Net CoR (bps)</b>	<b>189</b>
info: Currency Impact <sup>1</sup>	128
<b>Total Net CoR excl. currency impact (bps)</b>	<b>61</b>

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



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## Investor Relations

Levent Nispetiye Mah. Aytar Cad. No:2  
Beşiktaş 34340 İstanbul – Turkey  
Email: [investorrelations@garantibbva.com.tr](mailto:investorrelations@garantibbva.com.tr)  
Tel: +90 (212) 318 2352  
[www.garantibbvainvestorrelations.com](http://www.garantibbvainvestorrelations.com)