



CORPORATE PRESENTATION

September 2021

AGENDA

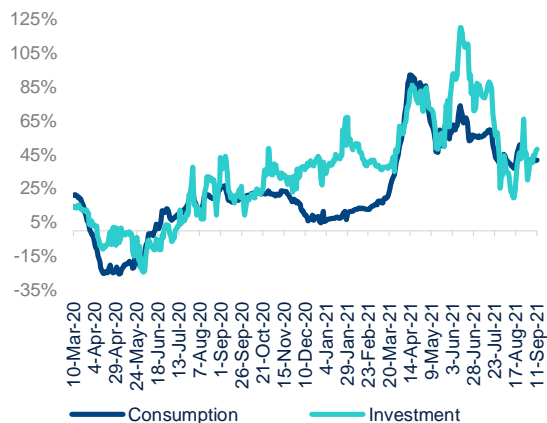
- 01 TURKISH ECONOMY & BANKING SECTOR
- 02 GARANTI BBVA CORPORATE PROFILE & FINANCIAL HIGHLIGHTS
- 03 CORPORATE GOVERNANCE & RISK MANAGEMENT

01

TURKISH ECONOMY & BANKING SECTOR

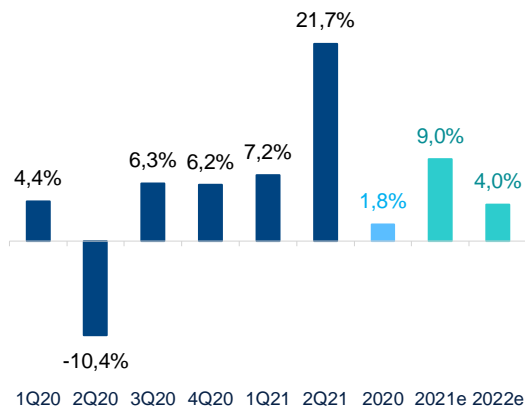
TURKISH ECONOMY (I / II)

CONSUMPTION & INVESTMENT BIG DATA INDICES (28-day cum. YoY nominal)



- Our big data proxies suggest that consumption stays relatively strong while investment has started a correction since June.

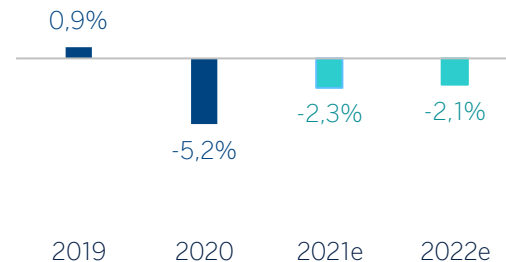
GDP GROWTH (YoY)



- 2021 GDP forecast maintained at 9% on top of still strong activity in 3Q

For more information about Turkish Economy, please visit "About Turkish Economy" section on our Garanti BBVA IR website!

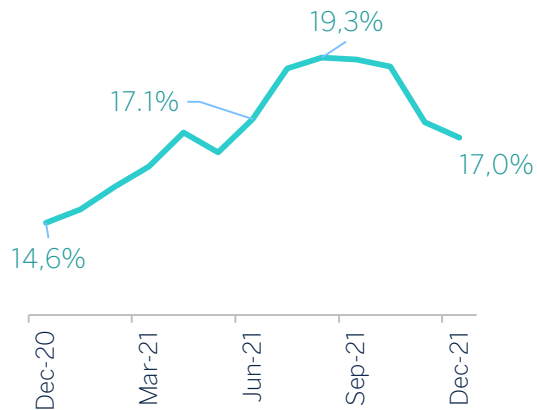
CURRENT ACCOUNT BALANCE / GDP



- Import demand slows down while exports remain solid backed by recovering external demand and tourism revenues
- Tourism revenues expected to reach 18bn\$ in 2021

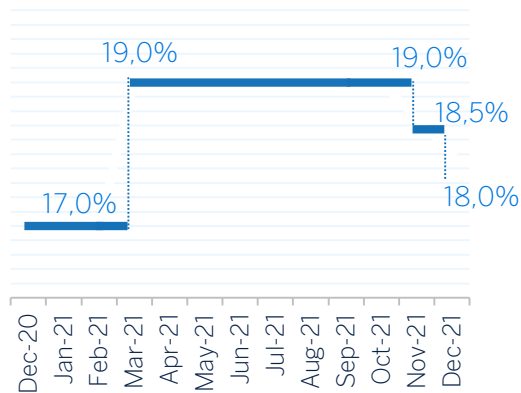
TURKISH ECONOMY (II / II)

CONSUMER INFLATION (ANNUAL)



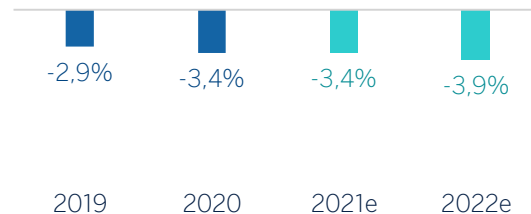
- Inflationary pressures remain on high food inflation, cost push factors, worsening inflation expectations and still growing domestic demand
- CPI is expected to stay close to 19% before declining to 17% by year-end on positive base effects.

CBRT AVG. FUNDING COST



- Current policy rate (19%) is expected to be kept till November and **only gradual easing** is assumed afterwards.

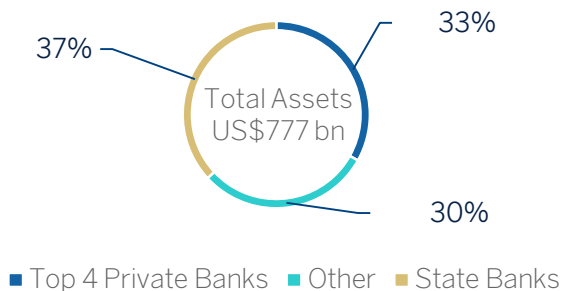
BUDGET DEFICIT / GDP



- Budget deficit to GDP realized at 1.8% in July, still boosted by strong tax revenues and relatively controlled expenditures.
- Budget Deficit / GDP remains well below the EM average.

TURKISH BANKING SECTOR (I/IV)

TOTAL ASSETS BREAKDOWN



	# of Banks	Share in Assets	Share in Loans	Share in Deposits
Top 4 Private Commercial Banks	4	33%	33%	34%
State Banks	3	37%	39%	41%
Other Private Commercial Banks	25	16%	14%	16%
Development & Inv. Banks	14	7%	8%	-
Participation Banks	6	7%	6%	9%

Total: 52

Dominated by top 4 Private Banks & 3 State Banks

TOP 10 BANKS	Assets Market Share	Foreign Ownership	Actual Free Float
Ziraat Bankası	15.4%	-	-
VakıfBank	10.8%	-	16.1%
HALKBANK	10.6%	-	24.7%
TÜRKİYE \$ BANKASI	9.8%	-	34.8%
Garanti BBVA	8.2%	BBVA (49.85%)	50.1%
YapıKredi	7.7%	UniCredit Group (20%)	30.0%
AKBANK	7.4%	-	50.7%
QNB FINANSBANK	3.8%	Qatar National Bank (99.88%)	0.12%
DenizBank	3.4%	Emirates NBD Bank PJSC (100%)	-
TEB	2.1%	BNP Paribas (72.2%)	-

Note: Sector figures are based on bank-only BRSA monthly data as of June 2021.

1 Top 10 banks make up ~80% of sector's total asset

TURKISH BANKING SECTOR (II / IV)

COMFORTABLE LIQUIDITY

- Customer Deposits fund 61% of assets

- Sufficient buffers against potential external liquidity shock

Banks' ST external dues¹: US\$65bn
(42% of total external debt)

US\$99bn Quick FC Liquidity² sufficient to cover any liquidity shock



STRONG SOLVENCY

- Basel III CAR **17.0%**
- CET-I capital: **76%** of total capital
- RWA/Assets **72%**



SOLID ASSET QUALITY

- NPL Ratio **4.0%**
- Stage-3 Coverage Ratio: **77%**



ROAE: 10.6%
LEVERAGE: 9.6x
ROAA: 1.0%

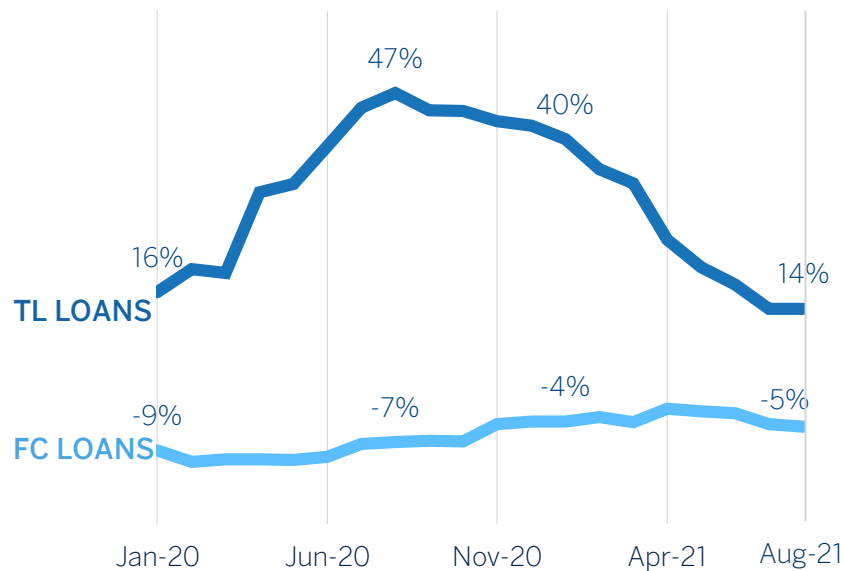
Note: Commercial banks' figures are based on BRSA monthly data as of July 2021.

¹ Source: CBRT, as of June 2021. Excludes non-residents' FC deposits

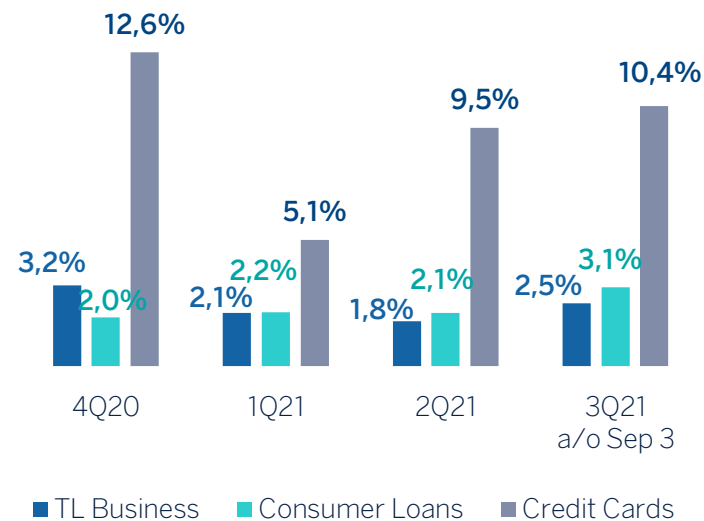
² Quick Liquidity Buffers FC reserves Under ROM, swaps, money market placements, CBRT eligible unencumbered securities

TURKISH BANKING SECTOR (III / IV)

BANKING SECTOR Y-O-Y LENDING GROWTH

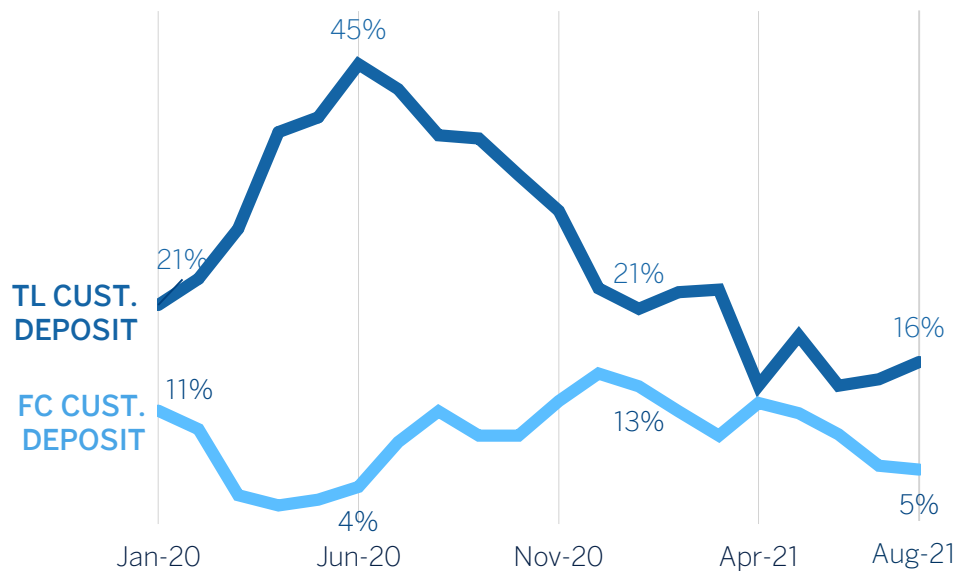


TL LENDING GROWTH

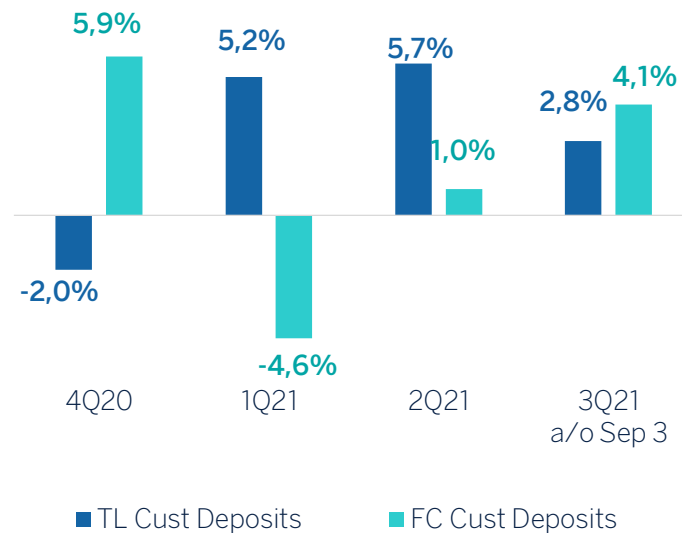


TURKISH BANKING SECTOR (IV/ IV)

BANKING SECTOR Y-O-Y CUSTOMER DEPOSIT GROWTH



CUSTOMER DEPOSIT GROWTH



FACTS ABOUT THE TURKISH BANKING SECTOR

**STRICTLY
REGULATED & HIGHLY MONITORED**



BASEL III & IFRS9 compliance

SOUND ASSET QUALITY



**HIGH LIQUIDITY AND STRONG
SOLVENCY**



NO FX OPEN POSITION



*Net FX Position / SHE = 7%**

**YOUNG AND UNBANKED
POPULATION**



*53% of population is under age of 35
High unbanked population*

LOW PENETRATION RATIOS¹



*Cust. Deposits/GDP: 59% vs. 124% in Euro Area
Loans/GDP: 57% vs. 104% in Euro Areas*

**SCARCITY OF LONG-TERM
TL FUNDING**



*Thin market of domestic capital markets
External funding share in total liabilities: 15%**

SHORT-TERM NATURE OF DEPOSITS



Average maturity 1 month

¹ Source: Eurostat (Euro Area for 19 countries), ECB, BRSA monthly data and Turkstat dated June 2021

*As of July 2021

02

GARANTI BBVA CORPORATE PROFILE & FINANCIAL HIGHLIGHTS

OUR PURPOSE

“To bring **the age of opportunity** to **everyone**”

OUR VALUES

 **Customer** comes first

 We think **big**

 We are **one team**

OUR STRATEGIC PRIORITIES


WHAT WE STAND FOR?

 Financial Health

 Sustainability

DRIVERS OF SUPERIOR PERFORMANCE

 Reaching More Customers

 Operational Excellence

ACCELERATORS TO DELIVER OUR STRATEGY

 Best & Most Engaged Team

 Data & Technology

A UNIVERSAL BANK WITH STRONG PRESENCE IN ALL BUSINESS AREAS

SME

8.8% Business Banking loan market share

23% share of SME loans in TL loans

(Based on BRSA's definition)

RETAIL

18.8 million retail customers

(Based on Garanti BBVA's definition)

Acquisition of 550 thousand new customers *(in 1H21)*

1 in consumer loans among private peers with 12.4% market share

10.1% customer deposit market share

Demand deposits share in customer deposits:
43% vs. sector 32%



PAYMENT SYSTEMS

17.0% Leading position in Issuing and Acquiring market share

7.5 million credit card customers
Leader

681 thousand POS

CORPORATE & COMMERCIAL

9.3% FC Loans market share

28 commercial branches

4 corporate branches

INTEGRATED SUBSIDIARIES



Asset Contribution: 6.22%



Asset Contribution: 4.09%



Asset Contribution: 1.13%



Asset Contribution: 0.39%



Asset Contribution: 0.65%



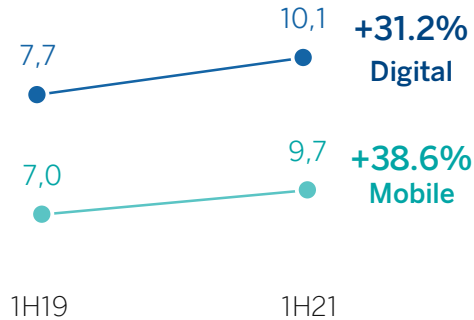
Asset Contribution: 0.36%



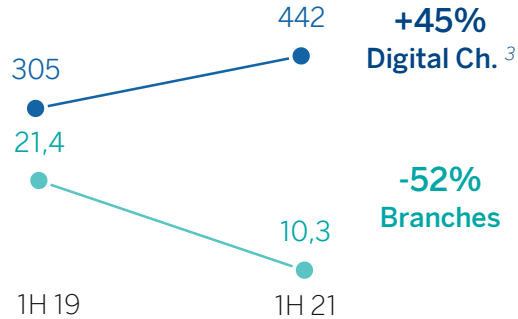
Asset Contribution: 0.04%

LEVERAGING OUR BEST-IN-CLASS DIGITAL CAPABILITIES TO BETTER SERVE OUR CUSTOMERS

OF CUSTOMERS¹ (million)



CUSTOMER TRANSACTIONS² (YtD, mn)



DIGITAL BANKING

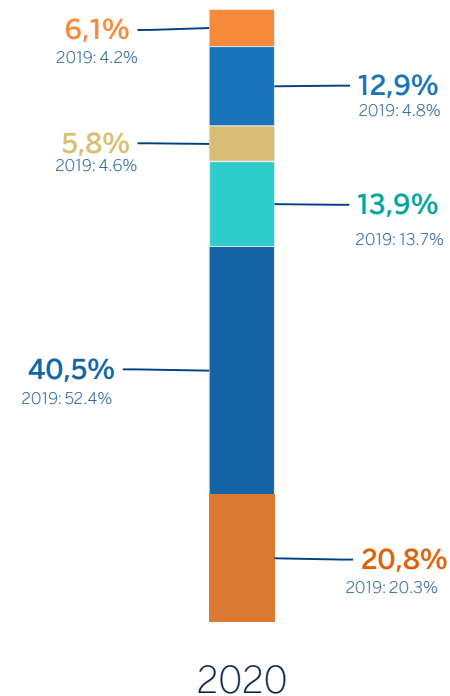
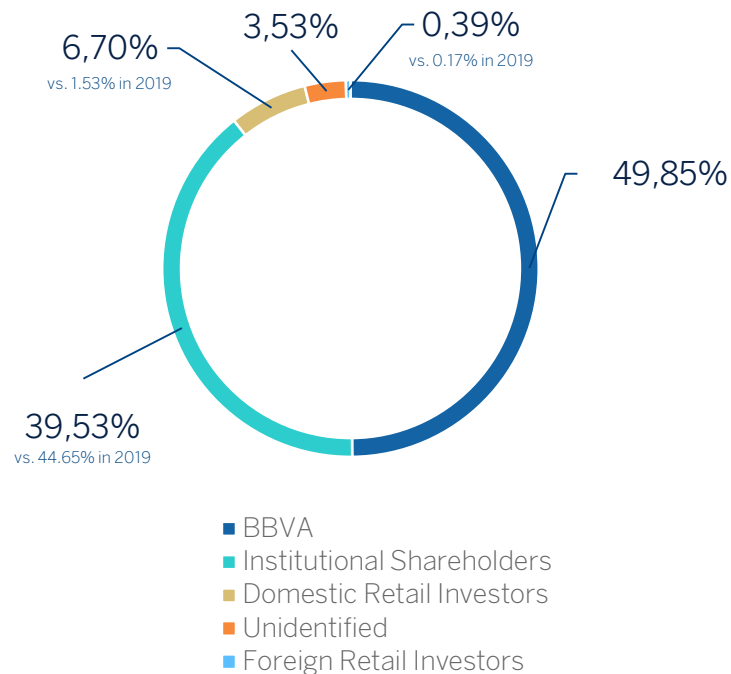
- 10.1 million Digital Banking customers
- 95% share of mobile customers in digital customers
- 2nd largest ATM network among private peers with 10% market share
- 2.2 million people make cardless transactions via QR code at ATMs
- ~500 functions available in mobile banking app

¹ Active: login in last 3 months

² Money withdrawal / deposit, loan payment, credit card payment, bill payment, Money transfer and FX transactions

³ ATM, Mobile and Internet

SHAREHOLDING STRUCTURE



GARANTI BBVA AT A GLANCE

1

Total Assets
\$70 bn

- 2nd largest private bank per consolidated asset size

2

Market Capitalization
\$4.8 bn*

- Largest floating Mcap (~\$2.4 bn) among banks in BIST
- \$170 mn average daily turnover in BIST (*as of June 2021 end*)
- Most invested stock by foreigners

3

Total Customers
19 mn

- 1 mn customer acquisition every year

4

100% Geographical Coverage

- 880 branches

5

ROAE
18%

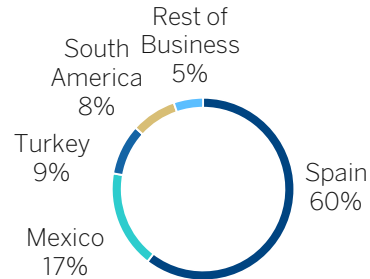
- Highest return on capital among peers

Note: Financial figures are per BRSA Consolidated data as of June 30, 2021

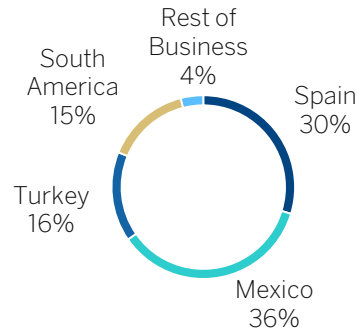
*As of Sep. 9, 2021

GARANTI BBVA'S CONTRIBUTION TO THE BBVA GROUP

TOTAL ASSETS BREAKDOWN

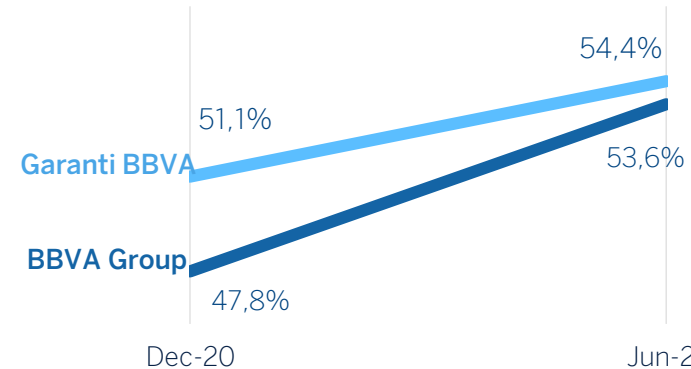


GROSS INCOME BREAKDOWN



While Garanti BBVA has 9% contribution to the Group's total asset, its share in the gross income is 16%.

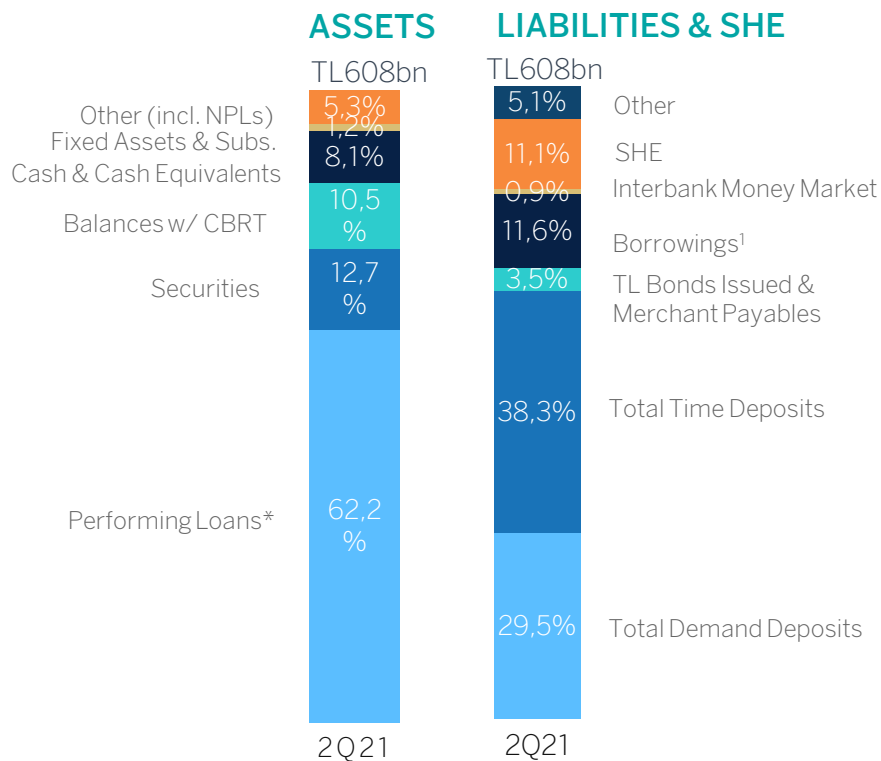
DIGITAL SALES PRV SHARE % OF TOTAL SALES



(1) Product Relative Value as a proxy of lifetime economic representation of units sold.

In Digital Banking, GARANTI BBVA ranks high within the group

PERFORMANCE INDICATORS (I/II) – 1H21 FINANCIAL PERFORMANCE



* Excluding leasing and factoring receivables

Note: Figures are per June 2021 BRSA Consolidated financials

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

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

FUNDAMENTAL P&L ITEMS (TL mn)	1H21
Net Interest Income	14,466
Operating Expenses	6,629
- HR Costs	2,567
- Other Operating Expenses	4,062
Net Expected Credit Loss (excl. Currency impact) ²	1,656
Net Fees & Commissions	4,230
NET INCOME	5,437
SELECTED FINANCIAL RATIOS	1H21
Return on Average Equity	18.3%
Return on Average Assets	2.1%
Net Interest Margin (inc. Swap cost)	3.9%
Non Performing Loans Ratio	4.0%
Capital Adequacy Ratio	15.9%
Net Cost of Risk	0.9%
FEE / OPEX	64%

When adj.
Free provision

19.6%

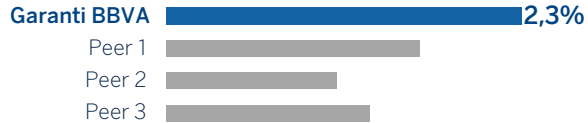
2.2%

PERFORMANCE INDICATORS (II/II)– POSITION IN THE SECTOR

HIGHEST ROAA

(adjusted with free provisions)

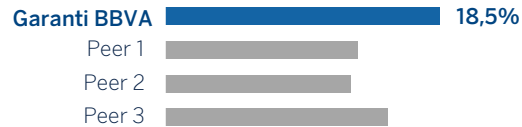
Cumulative, 6M21



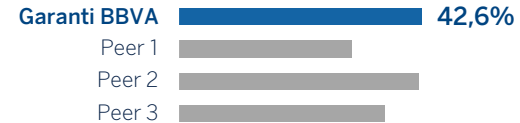
HIGHEST ROAE

(adjusted with free provisions)

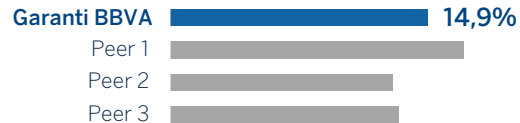
Cumulative, 6M21



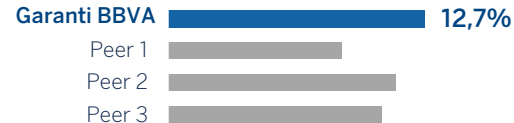
HIGHEST SHARE OF DEMAND DEPOSITS IN TOTAL



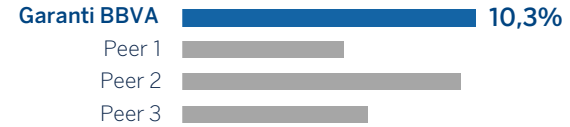
SECOND HIGHEST CET-I



HIGHEST MARKET SHARE IN CONSUMER LOANS



HIGHEST MARKET SHARE IN TL PERFORMING LOANS



HIGHEST NIM incl. Swap cost

Cumulative, 6M21

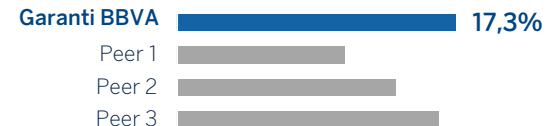


HIGHEST NET F&C /IEA & NON-CASH LOANS



HIGHEST SHARE IN CREDIT CARD ISSUING VOLUME

Cumulative, 6M21



Note: Figures are per June 2021 BRSA Bank-only financials for fair comparison

THE NEW ECONOMIC ENVIRONMENT TRIGGERED US TO REVISE 2021 FULL YEAR OPERATING PLAN GUIDANCE

	Initial Guidance	Revised Guidance
TL Loans (YoY)	Mid-teens	> 20%
FC Loans (in US\$, YoY)	Shrinkage	Shrinkage
NPL Ratio*	< 6%	< 4.5%
Net Cost of Risk**	< 200 bps	< 150 bps
NIM Incl. Swap Cost	~100 bps contraction	~100 bps contraction
Fee Growth (YoY)	Mid-teens	~30%
OPEX Growth (YoY)	~ CPI	~ CPI
ROAE	Mid-teens	Mid-to-High teens

- Strong growth in 1H21 and still strong activity so far in 3Q suggested an upside potential to initial full year guidance.
- Better than expected trend in NPL inflows and collections performance positively impacted asset quality metrics.
- Prudent provisioning in previous years also created room for better than anticipated improvement.
- Higher interest rate environment prevails. However, upward loan repricing & CPI linkers are expected to mitigate the higher funding cost pressure.
- Fees are faring significantly better than expected. Higher interest rates support payment systems fees.
- Operating expenses under control.
- High-end of 'Mid-to-High teens' is likely due to better Net CoR and fee growth expectations.

*2021 NPL ratio includes planned write-downs

** Net CoR excludes currency impact, as it is 100% hedged bottom line

03

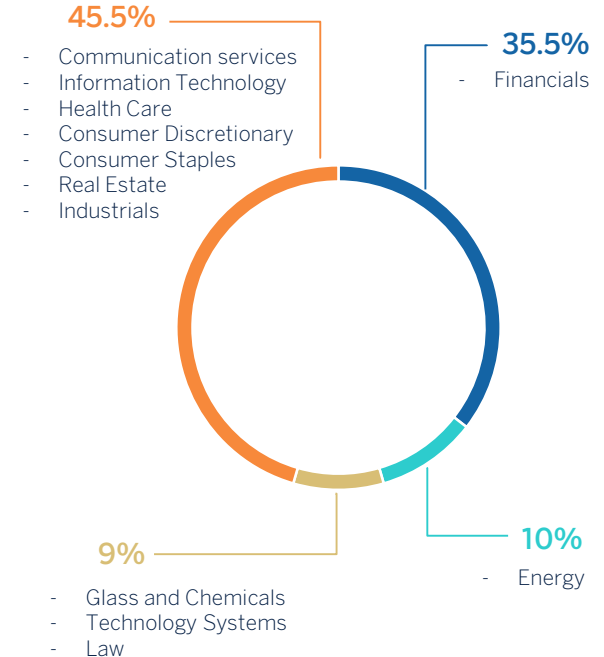
CORPORATE GOVERNANCE & RISK MANAGEMENT

BOARD OF DIRECTORS

Name and Surname		Appointment Date	Education	Experience in Banking and Business Administration
Süleyman Sözen	Non-executive	29.05.1997	Undergraduate	41 years
Jorje Saenz Azcunaga Carranza*	Non-executive / Independent	24.03.2016	Undergraduate	29 years
Recep Baştuğ	Executive	06.09.2019	Undergraduate	32 years
Sait Ergun Özen	Non-executive	14.05.2003	Undergraduate	35 years
Dr. Muammer Cüneyt Sezgin	Non-executive	30.06.2004	PhD	34 years
Jaime Saenz de Tajeda Pulido	Non-executive	02.10.2014	Undergraduate	30 years
Pablo Alfonso Pastor Muñoz	Non-executive	31.03.2021	Masters	32 years
Rafael Salinas Martinez de Lecca	Non-executive	08.05.2017	Masters	31 years
Belkis Sema Yudum	Non-executive /Independent	30.04.2013	Undergraduate	41 years
Avni Aydın Düren	Non-executive /Independent	17.06.2020	Masters	30 years
M. Canan Özsoy	Non-executive /Independent	04.04.2019	Masters	33 years

EXPERIENCE COMPOSITION

Chart is prepared in accordance with Global Industry Classification Standard (GICIS). The Global Industry Classification Standard (GICIS) is an industry taxonomy developed by MSCI and Standar & Poor's (S&P) for use by the global financial community



SENIOR MANAGEMENT

GENDER



AVERAGE EXPERIENCE



EDUCATION



CHIEF EXECUTIVE OFFICE

Recep Baştuğ

Strategic Planning
& Responsible Business



Finance and Treasury
Aydın Güler



Legal Services
Aydın Düren



Chief Credit Risk Officer
Murat Atay



Engineering and Data
İlker Kuruöz



Human Resources and Support Services
Didem Dinçer Başer



Retail Banking
Mahmut Akten



Client Solutions
Işıl Akdemir Evliyaoğlu



Commercial Banking
Cemal Onaran



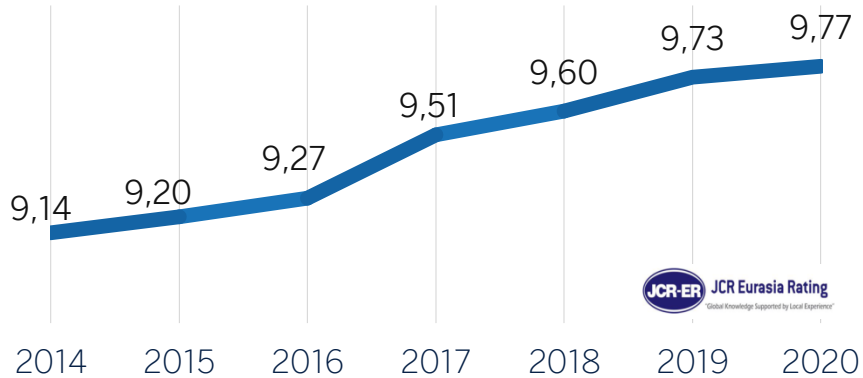
SME Banking
Sibel Kaya



Corporate, Investment Banking and Global Markets
Ebru Dindar Edin

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE RATING



Rating increase was driven by;

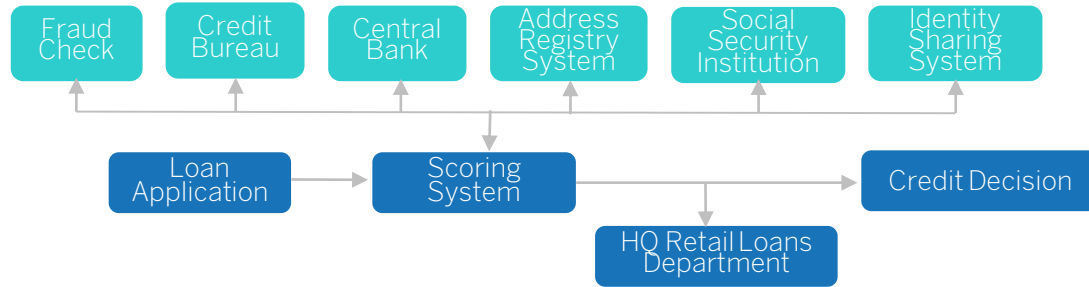
- Public Disclosure and Transparency – Renewed Investor Relations website with enhanced user experience, easy navigation and informative landing pages and new ESG datasheet increased score to 9.76 from 9.67
- Board of Directors - Implementation of «Agile Methodology» in Audit. The number of findings brought to the agenda of the Bank's Audit Committee increased and the unit workforce was used more efficiently.



Visit [Garanti.BBVA IR website](https://www.garanti-bbva.com/ir) for the compliance report and more information

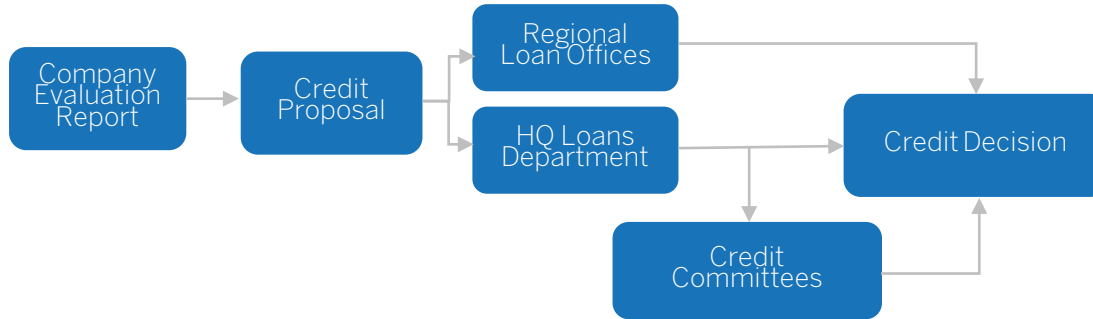
ADVANCED RISK MANAGEMENT SYSTEMS

RETAIL BANKING: CENTRALIZED PROCESS



- **Loan to Value:**
Consumer Mortgages Max: 90%*;
Auto Loans Max: 70% up to TL120K;
and 50% for the portion above;

WHOLESALE BANKING: DECENTRALIZED PROCESS



- 25 regional loan offices
- Weekly Credit Committee meetings
- All credit lines automatically expire one year after approval
- Decentralized credit decision via Regional Loan Offices for fast approval process & local management of smaller exposures
- Multi layered committee structure at the HQ to approve & manage larger exposures

* Increased from 80% to 90% as of March 18, 2020; in-line with the measures to mitigate the economic impact of global covid-19 pandemic

ESG APPROACH AND IMPLEMENTATIONS



Environment

Social

Governance

- Garanti BBVA actively takes part in, or holds seats as chair or member on the boards of directors of, **27** initiatives in total, including a number of intermediary platforms such as the United Nations Environment Program Finance Initiative (UNEP FI), Principles for Responsible Banking, Global Compact Turkey, and the Turkish Business Council for Sustainable Development (BCSD Turkey).
- Included in **11** Sustainability Indices
- TL51bn Impact Investment (YE 2020)
- Direct contribution to **16** Sustainable Development Goals (SDGs)

Garanti BBVA defines Sustainability as a commitment to create long-term value, while embracing more environmentally and socially friendly practices

ESG APPROACH AND IMPLEMENTATIONS

GREEN BONDS AND LOANS

- 43 Sustainable products/credit lines
- As of year end 2020, the total volume of sustainable borrowing market exceeded \$1.9 trillion
- World's 1st ESG-linked Syndicated Loan
- World's 1st Gender Loan
- Sustainable bonds and loans reached \$655mn
- Turkey's 1st Green Project Finance Loan
- Market leader position with 24.7% market share in wind power projects

GHG EMISSIONS

- Garanti BBVA pledges to reduce its Scope 1 and Scope 2 emissions by 29% by 2025 and 71% by 2035
- In 2020, the Bank became carbon-neutral for its emissions arising from its own operations and has realized its 2035 goal 15 years earlier by 75% decrease in Scope 1 and Scope 2 emissions.

ESG APPROACH AND IMPLEMENTATIONS

SOCIAL

- TL 60mn investment in community programs (YE 2020)
- To date, financing provided to **women entrepreneurs** amounted to TL **8.7 billion**
- This year, Garanti BBVA Partners hosted 5 startups and the total amount of investments granted to startups included in the Program exceeded TL 22 million (YE 2020)
- Garanti BBVA has been the only company from Turkey to qualify to be included in the **Bloomberg Gender Equality Index** for five consecutive years

GOVERNANCE

- 4 independent board members out of 11.
- Founding member of UN Principles for Responsible Banking and local Sustainable Finance Declaration
- 45 Engagement Platforms

ESG RATINGS

CDP CLIMATE CHANGE

- Garanti BBVA is the only bank in Turkey to qualify for the global A List of 2020 CDP Climate Change Program

DOW JONES SUSTAINABILITY INDEX

- ESG Score: 77
- Garanti BBVA is listed for 6 consecutive years as the only bank from Turkey

MSCI

- ESG Rating: BBB (Average)

SUSTAINALYTICS

- ESG Rating: 24.9 (Medium Risk)

APPENDIX – UN SUSTAINABLE DEVELOPMENT GOALS



DISCLAIMER STATEMENT

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Note: Net Promoter Score research is conducted by independent research agency Ipsos for Garanti BBVA. According to the research results, Garanti BBVA has the 2nd highest Net Promoter Score among retail customers representing its own profile and the highest one among SME customers, in both cases compared to its competition, which includes İşbank, Akbank, Yapı Kredi Bank, and QNB Finansbank. Research was conducted between October 2020 and December 2020. Main bank customers, who have communicated with the banks over the last 3 months, were surveyed using online panel and telephone techniques by quota sampling.

Garanti BBVA Investor Relations
www.garantibbvainvestorrelations.com

Levent Nispetiye Mah. Aytar Cad. No:2
Beşiktaş 34340 Istanbul – Turkey

Email: investorrelations@garantibbva.com.tr
Tel: +90 (212) 318 2352
Fax: +90 (212) 216 5902

