TURKISH BANKING SECTOR & GARANTI BANK
Investor Presentation
December 2017
AGENDA

1 Turkish Economy: A large & dynamic economy with a young & growing population

2 Turkish Banking Sector: An attractive investment opportunity

3 Garanti’s Position in the Turkish Banking Sector and its Differentiated Business Model

4 Garanti’s Key Financial Indicators
TURKISH ECONOMY (I/II)

Real GDP Growth (%)

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</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>5.7</td>
<td>10.2</td>
<td>9.6</td>
<td>7.9</td>
<td>5.0</td>
<td>1.4</td>
<td>-4.1</td>
<td>8.5</td>
<td>11.1</td>
<td>4.8</td>
<td>8.5</td>
<td>5.2</td>
<td>6.1</td>
<td>3.2</td>
<td>6.0</td>
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</tbody>
</table>

2003 - 2017E

17th largest economy in the world*

Avg. GDP growth* ~5% over 2006-2016

LATAM: 2.8%
EU: 1.2%
EM Europe: 3.9%

Real Interest Rate

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Benchmark Bond Rate</td>
<td>27.2%</td>
<td>22.3%</td>
<td>21.2%</td>
<td>16.6%</td>
<td>16.5%</td>
<td>8.9%</td>
<td>7.1%</td>
<td>11.0%</td>
<td>10.0%</td>
<td>8.0%</td>
<td>10.8%</td>
<td>10.7%</td>
<td>11.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Interest Inflation (CPI)</td>
<td>18.4%</td>
<td>9.3%</td>
<td>7.7%</td>
<td>9.7%</td>
<td>10.1%</td>
<td>8.4%</td>
<td>6.5%</td>
<td>6.4%</td>
<td>6.2%</td>
<td>10.4%</td>
<td>8.2%</td>
<td>8.8%</td>
<td>8.5%</td>
<td>10.0%</td>
<td></td>
</tr>
</tbody>
</table>

2003 - 2017E

> Multiple policy tools aimed at financial stability (i.e. interest rate corridor, reserve requirements, macro-prudential measures, etc.)

Source: Turkish Statistical Institute, Undersecretariat of Treasury
E: Garanti Estimates as of September 2017
*IMF’s World Economic Outlook Report dated October 2017. Ranking as of YE 2016
TURKISH ECONOMY (II/II)

**Budget Balance**

- EU Defined Government Debt Stock: 28% in 2016 vs. Maastricht criteria: 60%

**Current Account Deficit**

- Improving Current Account Deficit
  - > Multiple policy tools aiming at financial stability effectively utilized since 2011

Source: Turkish Statistical Institute, Undersecretariat of Treasury
E: Garanti Estimates as of September 2017
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1 UNDERPENETRATED MARKET WITH STRONG GROWTH POTENTIAL

High and sustainable Real GDP growth

2nd largest banking system in Emerging Europe after Russia with an asset size of US$862bn
2002-9M17 CAGR: 14%

Significant long-term growth potential backed by attractive demographics & underpenetrated market

- 56% of the 80mn population < age of 35
- Loans/GDP: 62% vs. 99% in EU in 2Q17

1 Source: IMF, World Economic Outlook Database, April 2017. Country groups are per IMF database. 2 Source: EBF Facts&Figures 2015, ranking per total assets. 3 BRSA monthly data as of September 2017 4 Source: ECB, TurkStat, BRSA for commercial banks, as of 2Q17 5 Source: TurkStat – 31 December 2016 Address Based Population Registration System (ABPRS)
HIGHLY LIQUID

Deposits fund 56% of assets

Comfortable level of Loans/Deposits at 116%

Liquidty Adequacy Ratios
well-above required levels

FC Liquidity Coverage Ratio: 208%
(Legal limit 60% for 2017)

Total Liquidity Coverage Ratio: 125%
(Legal limit 80% for 2017)

1 BRSA monthly data as of September 2017
2 Top 4 private banks average of 3Q17, based on BRSA bank-only financials
WELL-CAPITALIZED AND UNDERLEVERAGED

High solvency

- CAR\(^1\) (2Q17): 19.8%
- ROA\(^2\): 15.3%

Low leverage

- Leverage\(^1\) (2Q17):
  - Russia: 8.3x
  - Turkey: 8.3x
  - Poland: 8.9x
  - Brazil: 9.2x
  - South Africa: 10.4x
  - Eurozone: 11.8x

- ROAEs\(^2\): 15.3%
- CET-I capital\(^2\): 84% of total capital
- RWA/Assets\(^2\): 77% vs. 82% 2016YE

\(^1\) Source: Latest data from the IMF-FSI database. Most figures are based on 2Q17 figures
\(^2\) BRSA monthly data as of September 2017
STANDING OUT IN ITS ASSET QUALITY

Non-performing loans/Total gross loans

NPL Ratio
3.0% in Turkey
High total cash coverage
123%

> No exposure to any toxic assets or problematic sovereign assets
> Advanced risk management systems
> Established & prudent underwriting procedures

1 Source: Latest data from the IMF-FSI database. Most figures are based on 2Q17 figures
2 BRSA monthly data as of September 2017 for the sector
3 Includes specific and general provisions. TBA data for the sector as of June 2017
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GARANTI’S POSITION IN THE TURKISH BANKING SECTOR

Concentration and Major Players

Total Assets
US$862bn

Top 10 Private Banks
55%
Other
15%
State Banks
30%
Ziraat
13%
Vakıf
8%
Halk
9%

Private Commercial Banks
28
59%
57%
60%
State Banks
3
31%
32%
34%
Development & Inv. Banks
13
5%
6%
-
Participation Banks
5
5%
5%
6%
Total: 49

Top 10 Private Commercial Banks by Asset Size ($bn)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Asset Size</th>
<th>Share in Assets</th>
<th>Foreign Shareholder</th>
<th>% Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Isbank</td>
<td>98</td>
<td>12.6%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Garanti</td>
<td>88</td>
<td>11.4%</td>
<td>BBVA</td>
<td>49.85%</td>
</tr>
<tr>
<td>Akbank</td>
<td>83</td>
<td>10.7%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Yapı Kredi</td>
<td>77</td>
<td>9.9%</td>
<td>UniCredit Group</td>
<td>40.9%</td>
</tr>
<tr>
<td>QNB FinansBank</td>
<td>34</td>
<td>4.4%</td>
<td>Qatar National Bank S.A.Q.</td>
<td>99.88%</td>
</tr>
<tr>
<td>DenizBank</td>
<td>32</td>
<td>4.2%</td>
<td>Sberbank</td>
<td>99.85%</td>
</tr>
<tr>
<td>TEB</td>
<td>23</td>
<td>3.0%</td>
<td>BNP Paribas</td>
<td>72.5%</td>
</tr>
<tr>
<td>ING</td>
<td>14</td>
<td>1.8%</td>
<td>ING Bank</td>
<td>100.0%</td>
</tr>
<tr>
<td>Odeabank</td>
<td>10</td>
<td>1.3%</td>
<td>Bank Audi Group</td>
<td>100.0%</td>
</tr>
<tr>
<td>Sekerbank</td>
<td>8</td>
<td>1.0%</td>
<td>Samruk-Kazyna, BTA Securities</td>
<td>20.8%*</td>
</tr>
</tbody>
</table>

1 Market shares among commercial banks only. Sector figures are based on bank-only BRSA monthly data as of September 2017.
Note: Exchange rate used for currency conversion is based on banks’ September 30, 2017 dated financials.
* Samruk-Kazyna and BTA Securities hold 19.37% and 1.48%, respectively.
GARANTI: PRE-EMINENT BANKING FRANCHISE

- **Total Assets**
  - US$ 96bn

- **9M17 Net Income**
  - US$ 1.3bn

- **ROAE**
  - 17.4%

- **CAR**
  - 17.1%

- **NPL ratio**
  - 2.8%

- **Branch network**
  - 949*

- **# of customers**
  - ~15 mn*

- **Market capitalization**
  - ~US$ 10bn*

- **2nd largest private bank; by asset size**
  - Robust balance sheet; highly liquid, well-capitalized & low risk

- **Proven track record of generating sustainable banking income**
  - Highest NIM, highest fee base among peers¹

- **Strong capitalization, low leverage**

- **Sound asset quality – consistently well below the sector average**

- **Focused on relationship banking with broad geographical coverage and wide multi-channel distribution network**

- **Customer centric approach, sophisticated segmentation & advanced IT**

- **The most valuable company in Turkey & the most traded stock of BIST**
  - Share of foreign investors including DR holders in actual free float is ~95%*

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Note: All financial figures are per BRSA Consolidated data.

*As of November 23, 2017.

¹Based on BRSA bank-only data for fair comparison. Peers defined as Isbank, Akbank, YKB, Vakıf and Halk.
SINGLE POINT OF CONTACT FOR ALL FINANCIAL NEEDS

Note: Asset contributions are calculated based on BRSA Consolidated Financials as of September 30, 2017
VISIONARY INVESTMENTS SHAPED TODAY’S INNOVATIVE BUSINESS MODEL

1. Technology
2. Delivery Channels
3. Human Resources
4. Risk Management
5. Sustainable Banking

Process
Technology
People

measuring
measuring
measuring
1. VISIONARY INVESTMENTS IN TECHNOLOGY SINCE 1990’S…
Integral part in decision making supporting process efficiencies and continuously driving the Bank forward.

- **IT Vision**
- **Investing in Technology**
- **Full In-House Development**
- **Custom-Fit Solutions**
- **Driver (Integral Part of Management)**

**Innovative** products and services

**Advanced CRM** applications and segmentation

**Paperless** banking environment

**A single source of data & common understanding**

**Top down** fast decision making and strong communication
Investor Relations    Investor Presentation

INVESTMENTS IN DELIVERY CHANNELS

Branch network: Welcoming ~160k customers per day

Number of Branches & Customers

- # of Branches
- # of Customers

100% Geographical Coverage

Since Nov’13 vs. 49% in 2002

Note: 23 investment centers operating under Garanti Bank were transferred to Garanti Securities at the end of October 2015.
INVESTMENTS IN DIGITAL CHANNELS
Omni-channel convenience

>500 types of transactions
27% of non-cash financial transactions
carried via internet banking

- 4,869 ATMs
  Cash deposits/withdrawals: 112%
- Serving non-bank customers through cardless transactions
- In 2016, 300 mn transactions in total (20mn cardless)

- 70 mn Customer Contacts in 2016
- 34 sec. avg. response time (sector 72sec)
- Centralized branch calls
- 32 product offerings
- 20% of total credit card sales
- 4 mn products sold in 2016

Internet Banking

Mobile Banking

ATMs

Social Media

Call Center

- 57% of non-cash financial transactions via mobile banking
- 4.7 mn active mobile users
- 3.4 mn mobile-only customers**
- Mobile banking app named as Best in class in Europe* in Forrester’s Global Mobile Banking Functionality Benchmark Study

- 5 mn followers: Europe’s Most Followed Financial Institution
- Present on 17 Social Platforms with 55 acct.
- Garanti Link: connecting customer ID with social ID, offering customer-tailored campaigns - First in Europe
- Garanti’yeSor (Ask Garanti): 24/7 customer care on social media. Response Time: max 2h
- Consumer Loan application & result w/o leaving Facebook

Note: active customers defined as minimum one log-in in the last three months
* In Marketing and Sales, and Cross Channels categories.
** Have only used mobile banking in the last month
INVESTMENTS IN DIGITAL CHANNELS
Leading position & effective utilization

Managing the largest customer base in Turkey

- 5.6 million active digital customers, up 22% YoY
- 4.7 million active mobile customers, up 42% YoY

Utilizing digital channels effectively

- 95% of all non-cash financial transactions go through digital channels:
  - 27.2% Online
  - 56.6% Mobile
  - 10.8% ATM
  - 0.1% Call Center

  with increasing weight in mobile
  - Mobile transactions: 70mn in 2015
  - > 114mn in 2016

23% market share
in retail internet & mobile banking financial transactions volume

> Online Banking financial transactions market shares:
  - Tax Payments: 45%
  - Bill Payments: 27%
  - Credit Card Transactions: 24%

> Mobile Banking financial transactions market shares:
  - Tax Payments: 55%
  - Bill Payments: 25%
  - Credit Card Transactions: 30%

Note: Market share info is calculated based on the figures provided by «The Banks Association of Turkey» for period Q2.
INVESTMENTS IN DIGITAL CHANNELS
Innovative products and services

Empowering Customers

Login via Eye Scanning
A new way to log in to Garanti Mobile. Quick, easy and secure
> 423k unique customers logged in

MIA – Mobile Interactive Assistant
Virtual voice assistant enables performing banking transactions by voice
> >1.5 mn unique customers

New Paragaranti.com

> Turkey’s first one-step investment platform (2002)
> Access to local and global market data
> House view reports and video commentaries of Garanti experts

Loan Application with Video Call
A first in Turkey - meet face-to-face with loan consultants via Garanti Mobile.
So far, loan disbursement reached $8.6 million in 2017

GarantiOne
> Turkey’s first youth mobile banking application for people aged between 18 and 25.
> Helps managing financial status and budget planning
> Offers special campaigns personalized for users’ life styles

> Digital Gifting Enables users to send P2P digital gifts such as digital subscriptions, gaming credits, coffees

Mobile Appointment
New appointment system routes customers to ATMs & digital channels
- decrease branch density
- gives appointments/suggests alternative branches
- get digital ticket for the appointment

Services available on Digital
- Advantageous Casco: Product specifically designed for digital banking
  > Share of digital increased from 2% to 53%
- Overdraft Account now on digital
  > Share of digital has become 31%
- Money in installment and Skip/Split transactions now on mobile
  > 24% increase in transaction volume in 5 months
- Travel health Insurance now on mobile
  > Share of digital is 54%
- Money withdrawal with QR, w/o even having to login
  > US$38 mn volume/month
INVESTMENTS IN DIGITAL CHANNELS
Feeding the sustainable and profitable growth model

**Increasing customer satisfaction & loyalty**
Branches with >65% digital penetration have >40% higher operational service quality & efficiency

**Higher cross-sell**
Product penetration of digital customers is 61% higher than average customers

**Sustained Growth**
Branches increased focus on:
- Building relationships
- Providing advisory
- Generating sales
- Acquiring new customers

**Growing fee base**
Service fees driven by Online & Mobile Banking make up 38% of Bank’s total service fees

**Value Creation through Digitalization**

**Higher Profitability**
Profitability of a digital customer is **twice** that of a non-digital customer

**Lower transaction costs**
Transaction costs at Online banking is 30x and Mobile banking is 55x lower than branch banking
INVESTMENTS IN HUMAN CAPITAL
High quality employee base & proven management team

- Training hours per employee: **36 hours/year**
  - 542K hours of in class training
  - 113K hours of digital training
- **IIP Gold** certificate in 2015
  - Received **first Gold** in Turkey in 2012

**Garanti Leadership Academy**
- 85% of our Bank’s directors graduated from these programs
- Ambassadors of our common culture of management
- Best Talent Management in Turkey

**Suggestion and Idea Platforms**
- Önersen (Yousuggest)
- Atölye (Workshop)

1st company from Turkey to earn “Gold Certificate” from Investors in People for the second time

High quality employee base & proven management team
4 INVESTMENTS IN RISK MANAGEMENT SYSTEMS
Solid asset quality

Retail Banking: Centralized Process

- Credit Bureau
- Central Bank
- Loan Application
- Scoring System
- Credit Decision
- HQ Retail Loans Department

- **Loan to Value:**
  - Consumer Mortgages Max: 80%;
  - Auto Loans Max: 70% up to TL50K; and 50% for the portion above;

- **Central Processing System started 15 years ago, based on Experian software**

Business Banking: Decentralized Process

- Company Evaluation Report
- Credit Proposal
- Regional Loan Offices
- HQ Loans Department
- Credit Decision
- Credit Committees

- **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**

* including one regional office in Cyprus
INVESTMENTS IN SUSTAINABILITY
Our strategic priorities and key achievements

> Advise our corporate clients to help them make their businesses more sustainable
> Extend E&S risk framework and management systems across the bank, local and international subsidiaries

> Strengthen the financial capacity of Turkish women by providing them financial education and access to our products and services
> Support financial planning and health of our retail clients
> Develop innovative sustainable financial products linked to material issues for society and Garanti

Stakeholders

Corporate Clients

Impact

Business

Financial Systems

Communities

Individuals

Retail Clients

HR: Enhance employees’ knowledge and life style
Environmental Footprint: Enhance operational efficiency
Governance: Enhance integration of sustainability within the Bank

Sustainable Finance

- 32% share in Turkey’s installed operational wind power capacity and loans provided to renewable energy reached USD 4.8 billion
- Started supporting CDP Water to raise awareness on water crisis among private sector
- Published Climate Change Action Plan in 2015
- Launched GarantiPartners to promote and support entrepreneurs
- Total amount of loans disbursed to women entrepreneurs to date: nearing USD 1 billion
- Women Entrepreneurs Executive School: 338 certificates in 4 provinces in 2016
- Reached out to 2,931 women through its financial literacy program

Environmental Impact of Operations

- 971 service points covering 100% of employees certified to ISO 14001
- Obtained limited assurance for its community investments, materiality analysis, Scope 3 GHG emissions due to business flights and sustainability governance for the first time for G4 Comprehensive Sustainability Reporting, in addition to Scope 1 and Scope 2 GHG emissions, water consumption, energy consumption, renewable energy portfolio and ESIAP
- Listed in the CDP Water A List in 2017
- Listed in the CDP Climate Change A List in 2016 and 2015
- Reduced its total Scope 1 and Scope 2 GHG emissions per total assets by 56% in 2016 compared to 2012, the launch year of Environmental Management System

Communities and Stakeholders

- The only company in Turkey to qualify for Dow Jones Sustainability Index for the second time in a row
- First bank in Turkey to sign Caring for Climate Initiative (C4C) and UNGC’s Leadership Criteria on Carbon Pricing
- First and only company in Turkey to be included in the Bloomberg Financial Services Gender Equality Index
- Successfully qualified for the third year in a row for the Borsa Istanbul (BIST) Sustainability Index.
- Listed in FTSE4GOOD Emerging Index in its first year
- Member of UN Global Compact, UNEP FI and Business Council for Sustainable Development in Turkey
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INCREASINGLY CUSTOMER-DRIVEN ASSET COMPOSITION

<table>
<thead>
<tr>
<th>Asset Composition</th>
<th>2002</th>
<th>9M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed and Other Assets</td>
<td>%11</td>
<td>6%</td>
</tr>
<tr>
<td>Affiliates and Investments</td>
<td>%4</td>
<td></td>
</tr>
<tr>
<td>Performing Cash Loans</td>
<td>%31</td>
<td>64%</td>
</tr>
<tr>
<td>Securities</td>
<td>%39</td>
<td></td>
</tr>
<tr>
<td>Cash and Banks</td>
<td>%15</td>
<td>15%</td>
</tr>
</tbody>
</table>

- Shift from securities & non-IEAs to **high margin loan products** while strategically managing the securities portfolio as a hedge against volatility

TL (% in total) | 33% | 58%
FC (% in total) | 67% | 42%
LENDING STRATEGY: SELECTIVE & PROFITABILITY FOCUSED

Performing Cash Loan Breakdown (TL billion)

- CAGR 24%
- 2002: 8.9
- 9M17: 218.8

<table>
<thead>
<tr>
<th>Type</th>
<th>2002 (TL billion)</th>
<th>9M17 (TL billion)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer (exc. credit cards)</td>
<td>8.9</td>
<td>218.8</td>
<td>26%</td>
</tr>
<tr>
<td>Credit Cards</td>
<td>5%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Consumer Loans</td>
<td>83%</td>
<td>67%</td>
<td>-16%</td>
</tr>
<tr>
<td>Business Loans</td>
<td>12%</td>
<td>23%</td>
<td>+11%</td>
</tr>
<tr>
<td>Total</td>
<td>21%</td>
<td>63%</td>
<td></td>
</tr>
</tbody>
</table>

- Increasing weight of «consumer lending» to 33% in 9M17 from 17% in 2002YE

- Leading position in Consumer Loans, Mortgages, Auto Loans, Issuing & Acquiring Volumes

TL (% in total) 21% 63%
FC (% in total) 79% 37%
RISK-RETURN BALANCE AS TOP PRIORITY

- Long established & proven risk management
- Selective growth strategy
- Prudent provisioning & strong collections performance

### Total Coverage Ratio (including Free Provisions)

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Bank-only</th>
</tr>
</thead>
<tbody>
<tr>
<td>vs. 2016</td>
<td>147%</td>
<td>160%</td>
</tr>
<tr>
<td>vs. 2016</td>
<td>136%</td>
<td>147%</td>
</tr>
</tbody>
</table>

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1 Garanti figures are based on bank-only financials for fair comparison with sector.
Consolidated NPL ratio as of 30 September 2017 was 2.8% vs. 5.4% in 2002.
2 BRSA monthly data as of September 2017 for the sector.
STRONG LIQUIDITY: WELL DIVERSIFIED AND ACTIVELY MANAGED FUNDING MIX

Composition of Liabilities and Equity

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>9M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Issued</td>
<td>28.5%</td>
<td>339.7%</td>
</tr>
<tr>
<td>Funds Borrowed</td>
<td>13%</td>
<td>6%</td>
</tr>
<tr>
<td>Interbank Money Market</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Time Deposits</td>
<td>51%</td>
<td>42%</td>
</tr>
<tr>
<td>Demand Deposits</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>SHE</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Customer Deposits (TL billion)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>9M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Deposits' share in Total Deposits</td>
<td>&gt;27%</td>
<td></td>
</tr>
<tr>
<td>Bank-only: &gt;25% vs. sector’s 21%¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LtD Ratio: 112%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted LtD ratio: 81%*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total LCR: 145%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Required level: 80%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2017 Borrowings

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>9M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eurobond</td>
<td>$500mn</td>
<td></td>
</tr>
<tr>
<td>Tier II</td>
<td>$750mn</td>
<td></td>
</tr>
<tr>
<td>Covered bonds</td>
<td>TL 842mn + TL 840mn (4Q17)</td>
<td></td>
</tr>
<tr>
<td>Securitizations</td>
<td>€153mn</td>
<td></td>
</tr>
<tr>
<td>Syndications</td>
<td>€806mn + $468mn + ~$1.3bn equiv. rollover (4Q17-planned)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$79mn</td>
<td></td>
</tr>
</tbody>
</table>

Swap utilization

Average net swap funding vol.: TL26bn in 3Q17 @10.5%
TL23bn in 2Q17 @10.4%
TL13bn in 1Q17 @9.5%

*Adjusted with on-balance sheet alternative funding sources
1 Based on BRSA weekly data as of 29 September 2017, commercial banks only.
**REINFORCE SOUND SOLVENCY**

### Capital Adequacy Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Halk</th>
<th>Akbank</th>
<th>Isbank</th>
<th>YKB</th>
<th>Vakıf</th>
<th>Garanti</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>101.9%</td>
<td>39.1%</td>
<td>25.0%</td>
<td>15.1%</td>
<td>14.9%</td>
<td>12.7%</td>
</tr>
<tr>
<td>2007</td>
<td>20.5%</td>
<td>20.0%</td>
<td>18.9%</td>
<td>15.3%</td>
<td>15.3%</td>
<td>13.7%</td>
</tr>
<tr>
<td>9M17</td>
<td>18.9%</td>
<td>17.6%</td>
<td>17.0%</td>
<td>16.2%</td>
<td>14.9%</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

Per Basel III – standard approach

#### Capital Generative Growth Strategy

- Bank-only Common Equity Tier-I ratio: 16.7%;
- Bank-only Leverage: 6.9x

Note: Figures are based on bank-only BRSA financials for fair comparison.
Net Interest Margin incl. Swap costs (Cumulative)
Based on bank-only financials for fair comparison

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Garanti</td>
<td>4.6%</td>
<td></td>
</tr>
<tr>
<td>Peer I</td>
<td>4.1%</td>
<td></td>
</tr>
<tr>
<td>Peer II</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>Peer III</td>
<td>3.6%</td>
<td></td>
</tr>
</tbody>
</table>

**Robust & Sustainable top-line profitability**

- **Highest NIM** among private peers
- **Sustained highest** Net F&C base

**Net Fees & Commissions**

- **9M17 TL 2.8bn**

Note: In the breakdown, insurance fee includes Private Pension & Life insurance fee income whereas it is accounted for under «other income» in consolidated financials.
ACHIEVED PIONEER POSITION

Impressive track record & attractive platform for future growth

### Market Share and Rankings (2000-9M17)

<table>
<thead>
<tr>
<th>#1</th>
<th>#2</th>
<th>#3</th>
<th>#4</th>
<th>#5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>Loans</td>
<td>Consumer Loans (inc. CCs)</td>
<td>Consumer Mortgage</td>
<td># POS</td>
</tr>
<tr>
<td>11.4%</td>
<td>11.2%</td>
<td>14.1%</td>
<td>13.2%</td>
<td>18.6%</td>
</tr>
</tbody>
</table>

### PROFITABLE
- Highest NIM & Fee
- Highest ROAE despite the lowest leverage among private peers

### SUSTAINABLE
- Best-in-class solvency
- High liquidity

### EFFICIENT
- +5pp YoY improvement in Cost/Income ratio

Note: Rankings are among private commercial banks. Market shares are calculated per BRSA weekly commercial banks. Market shares of Assets, Net F&C and Ordinary Banking Income are per BRSA monthly commercial banks data.

1 Peers defined as Akbank, Isbank and YKB per bank-only financials.
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