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 (%)

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>GDP</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>8.5%</td>
<td>5.2%</td>
<td>6.1%</td>
<td>3.2%</td>
<td>7.0%</td>
<td>4.5%</td>
<td></td>
</tr>
</tbody>
</table>

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

Benchmark Bond Rate
Real Interest Inflation (CPI)

> 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 December 2017
*IMF’s World Economic Outlook Report dated October 2017. Ranking as of YE 2016
**TURKISH ECONOMY (II/II)**

**Current Account**

- Government indebtedness far below Maastricht Criteria
- Government debt to GDP ratio started to decline just after the crisis, but slightly rose in 2013; it is expected to fall according to Government’s Medium Term Plan (MTP) in 2014
- Strong domestic demand and relatively weak external demand led CAD/GDP ratio to reach its record level in 2011
- In line with the weakening domestic demand & strong export performance CAD improved in 2012 while relatively higher growth in 2013 led an expansion in CAD
- Domestic demand slowdown & TL depreciation are likely to result in improvement in CAD/GDP in 2014

**Current Account Balance/GDP**

Source: Turkish Statistical Institute, Undersecretariat of Treasury
E: Garanti Estimates as of December 2017

**EU Defined Government Debt Stock**

Stock: 29% in 2017E vs. Maastricht criteria: 60%
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1 UNDERPENETRATED MARKET WITH STRONG GROWTH POTENTIAL

High and sustainable Real GDP growth

![Graph showing Real GDP growth for EU, EM Europe, LATAM, and Turkey from 2002 to 2022.]

2nd largest banking system in Emerging Europe after Russia with an asset size of US$863bn

2002-2017 CAGR: 13%

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

- 55% of the 81mn population < age of 35
- Loans/GDP: 60% vs. 98% in EU in 3Q17

---

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

Deposit-heavy funding structure

- Deposits fund 55% of assets\(^1\)
- Comfortable level of Loans/Deposits at 117%\(^1\)

Comfortable liquidity levels

- Liquidity Adequacy Ratios\(^2\):
  - FC Liquidity Coverage Ratio: 210% (Legal limit 70% for 2018)
  - Total Liquidity Coverage Ratio: 131% (Legal limit 90% for 2018)

---

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

**High solvency**
- **CAR$^1$ (2Q17):**
  - Eurozone: 19.8%
  - Poland: 18.0%
  - Brazil: 17.3%
  - South Africa: 16.5%
  - Turkey: 15.6%
  - Russia: 13.4%

> Basel III CAR$^2$: 16.9% (Dec '17)
> CET-I capital$^2$: 84% of total capital
> RWA/Assets$^2$: 76% vs. 82% 2016YE

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

> ROAEs$^2$: 14.8% with low leverage

---

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

Non-performing loans/Total gross loans¹

NPL Ratio² 3.0% in Turkey
High specific coverage² 79%

> 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 December 2017 for the sector
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GARANTI’S POSITION IN THE TURKISH BANKING SECTOR

Concentration and Major Players

Total Assets
US$863bn

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

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

<table>
<thead>
<tr>
<th>Bank</th>
<th>Asset Size ($bn)</th>
<th>Share in Assets</th>
<th>Foreign Shareholder</th>
<th>% Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Isbank</td>
<td>97</td>
<td>12.4%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Garanti</td>
<td>86</td>
<td>11.1%</td>
<td>BBVA</td>
<td>49.85%</td>
</tr>
<tr>
<td>Akbank</td>
<td>85</td>
<td>10.8%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Yapi Kredi</td>
<td>79</td>
<td>10.2%</td>
<td>UniCredit Group</td>
<td>40.9%</td>
</tr>
<tr>
<td>QNB FinansBank</td>
<td>33</td>
<td>4.3%</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>2.9%</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 December 2017.
Note: Exchange rate used for currency conversion is based on banks’ December 31, 2017 dated financials.
* As of September 30, 2017 as their 2017YE financials have not been disclosed yet.
**Samruk-Kazyna and BTA Securities hold 19.37% and 1.48%, respectively.
GARANTI: PRE-EMINENT BANKING FRANCHISE

- **Total Assets**: US$ 94bn
- **2017 Net Income**: US$ 1.7bn
- **ROAE**: 16.6%
- **CAR**: 16.8%
- **NPL ratio**: 2.6%
- **Branch network**: 949*
- **# of customers**: ~15.2 mn*
- **Market capitalization**: US$ 13.1bn*

- 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 level & highest improvement in core banking contribution to ROAA since 2015 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 bank in Turkey & the most traded stock of BIST
- Share of foreign investors including DR holders in actual free float is ~95%*

Note: All financial figures are per BRSA Consolidated data.
*As of February 6, 2018.
¹Based on BRSA bank-only data for fair comparison. Peers defined as Isbank, Akbank, YKB
SINGLE POINT OF CONTACT FOR ALL FINANCIAL NEEDS

- **Commercial**
- **Payment Systems**
- **Consumer**
- **Corporate**
- **Digital Banking**
- **SME**

**GarantiBank International N.V.**  
Asset Contribution: 5.44%

**GarantiBank Romania**  
Asset Contribution: 3.08%

**Garanti Pension Company**  
Asset Contribution: 0.61%

**Garanti Factoring**  
Asset Contribution: 0.97%

**Garanti Leasing**  
Asset Contribution: 1.53%

**Garanti Asset Management**  
Asset Contribution: 0.02%

**Garanti Securities**  
Asset Contribution: 0.06%

---

Note: Asset contributions are calculated based on BRSA Consolidated Financials as of December 31, 2017
VISIONARY INVESTMENTS SHAPED TODAY’S INNOVATIVE BUSINESS MODEL

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

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

1. IT Vision
2. Investing in Technology
3. Full In-House Development
4. Custom-Fit Solutions
5. 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

Garanti BBVA Group
INVESTMENTS IN DELIVERY CHANNELS
Branch network: Welcoming ~160k customers per day

100% Geographical Coverage
Since Nov’13 vs. 49% in 2002

Number of Branches & Customers

- # of Branches
- # of Customers

2002:
- 331 branches
- 487 branches
- 936 branches
- 1,005 branches
- 949 branches

2018:
- 15,2 mn customers

# of customers 5x
# of branches 3x
INVESTMENTS IN DIGITAL CHANNELS

Omni-channel convenience

>500 types of transactions
26% of non-cash financial transactions carried via internet banking

- **5,007 ATMs**
  - Cash deposits/withdrawals: **105%**
  - Serving non-bank customers through cardless transactions
  - In 2017, approximately 300 mn transactions in total

- **77,4 mn Customer Contacts** in 2017
  - 33 sec. avg. response time (sector 81 sec)
  - Centralized branch calls
  - **37 product offerings**
  - 16% of total credit card sales
  - **4,2 mn products sold** in 2017

- **58%** of non-cash financial transactions via mobile banking
- **5.2 mn** active mobile users
- **3.9 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

- **6.1 million** active digital customers
  - 24% YoY increase
- **5.2 million** active mobile customers
  - 38% YoY increase

Utilizing digital channels effectively

- **95%** of all non-cash financial transactions go through digital channels:
  - 26.2% **Online**
  - 58% **Mobile**
  - 10.6% **ATM**
  - 0.1% **Call Center**

  with increasing weight in **mobile**

  Mobile transactions:
  - **114mn** in 2016
  - **183mn** in 2017

23% market share

in retail internet & mobile banking financial transactions volume

> **Online Banking** financial transactions market shares:
  - **Tax Payments**: 44%
  - **Bill Payments**: 26%
  - **Credit Card Transactions**: 24%

> **Mobile Banking** financial transactions market shares:
  - **Tax Payments**: 63%
  - **Bill Payments**: 26%
  - **Credit Card Transactions**: 29%

Note: Market share info is calculated based on the figures provided by «The Banks Association of Turkey» for period Q3
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
> 474k unique customers logged in

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

paragaranti
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

Mobile 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 51%
• 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 65% higher than average customers

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

- **Growing fee base**
  Digital channels’ share in non-credit linked fees: 40% vs. 34% in 2016

- **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
3 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)
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
Our strategic priorities

- 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
- Develop and implement a financial education program
- Engage with stakeholders and build partnership
- Support philanthropic programs with a focus on material issues for society

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

Transition to Low-Carbon Economy

- Rolled out its Green Mortgage product to promote energy efficiency in buildings in 2017
- 32% share in Turkey’s installed operational wind power capacity
- Loans provided to renewable energy exceeded USD 4.8 billion
- Became the main sponsor of CDP Turkey to raise awareness of climate change & water risks among private sector
- Published Climate Change Action Plan in 2015
- Applied a shadow carbon price for PF loans
- Launched Agricultural Irrigation Systems Loan to promote efficient irrigation systems in 2015

Supporting SMEs and Entrepreneurship

- 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

Financial Inclusion & Health

- Reached out to 2,931 women through its financial literacy program
- 58% of its ATMs and 16% of its branches are disabled-friendly
- Cardless bill payment and cardless money transfer options provided by the ATMs for unbanked and underbanked population
SUSTAINABILITY STRATEGY

Key Achievements

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 GRI G4 Comprehensive Sustainability Reporting, in addition to Scope 1 and Scope 2 GHG emissions, water consumption, energy consumption, renewable energy portfolio and ESIAP
- **The only financial institution worldwide** to qualify for CDP 2017 Water A List
- 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

Pioneering Sustainability

- **The only company in Turkey** to qualify for Dow Jones Sustainability Index for the third time in a row
- **First bank in Turkey** to sign Caring for Climate Initiative (C4C) and UNGC’s Leadership Criteria on Carbon Pricing
- Presented as a case study by the Carbon Pricing Leadership Coalition (CPLC)
- **First and only company in Turkey** to be included in the Bloomberg Financial Services Gender Equality Index
- Successfully qualified for the fourth year in a row for the Borsa Istanbul (BIST) Sustainability Index.
- Listed in FTSE4GOOD Emerging Index in its first year
- Vice Chair of Global Compact Türkiye and Business Council for Sustainable Development Turkey
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INCREASINGLY CUSTOMER-DRIVEN ASSET COMPOSITION

Asset Composition

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Banks</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Affiliates and Investments</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Securities</td>
<td>39%</td>
<td>64%</td>
</tr>
<tr>
<td>Fixed and Other Assets</td>
<td>11%</td>
<td>6%</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%  57%
FC (% in total)  67%  43%
LENDING STRATEGY: SELECTIVE & PROFITABILITY FOCUSED

- Performing Cash Loan Breakdown (TL billion)
  - CAGR 24%
  - 2002: 8.9
  - 2017: 228.0

- Consumer (exc. credit cards)
  - 2002: 5% (21% in total)
  - 2017: 23% (63% in total)

- Credit Cards
  - 2002: 12% (79% in total)
  - 2017: 10% (37% in total)

- Business Banking
  - 2002: 83%
  - 2017: 68%

- Increasing weight of «consumer lending» to 33% in 2017 from 17% in 2002YE

- Leading position in Consumer Loans, Mortgages, Auto Loans, Issuing & Acquiring Volumes
RISK-RETURN BALANCE AS TOP PRIORITY

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

NPL Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Sector²</th>
<th>Garanti¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>17.6%</td>
<td>6.0%</td>
</tr>
<tr>
<td>2004</td>
<td>6.0%</td>
<td>3.9%</td>
</tr>
<tr>
<td>2006</td>
<td>3.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2008</td>
<td>3.7%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2010</td>
<td>5.3%</td>
<td>2.9%</td>
</tr>
<tr>
<td>2012</td>
<td>3.7%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2014</td>
<td>2.9%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2016</td>
<td>3.2%</td>
<td>2.8%</td>
</tr>
<tr>
<td>2017</td>
<td>3.0%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

1 Garanti figures are based on bank-only financials for fair comparison with sector.
Consolidated NPL ratio as of 31 December 2017 was 2.6% vs. 5.4% in 2002.
2 BRSA monthly data as of December 2017 for the sector.

Total Coverage Ratio
(Specific+General Provisions)

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Bank-only</th>
</tr>
</thead>
<tbody>
<tr>
<td>vs. 2016</td>
<td>137%</td>
<td>147%</td>
</tr>
<tr>
<td></td>
<td>131%</td>
<td>141%</td>
</tr>
</tbody>
</table>
**STRONG LIQUIDITY: LOW COST & STICKY DEPOSIT BASE**

### Composition of Liabilities and Equity

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th></th>
<th>2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Issued</td>
<td>28.5</td>
<td></td>
<td>356.3</td>
<td></td>
</tr>
<tr>
<td>Interbank</td>
<td>13%</td>
<td>6%</td>
<td>14%</td>
<td>41%</td>
</tr>
<tr>
<td>Money Market</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Time Deposits</td>
<td>51%</td>
<td></td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Demand Deposits</td>
<td>18%</td>
<td></td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>SHE</td>
<td>8%</td>
<td></td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
<td></td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

**DEPOSITS**

- **SME & Retail deposits**¹ share in TL Deposits: 77%
- **Demand Deposits**
  - Bank-only: >25% vs. sector’s 20%
  - 27% of Total Deposits

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

**LDR (2017)**: 114%

**Adj. LDR (2017)**: 80%

---

¹Adjusted with on-balance sheet alternative funding sources

1 Based on bank-only MIS data
2 Based on BRSAs weekly data as of 29 December 2017, commercial banks only
STRONG LIQUIDITY: OPPORTUNISTICALLY RAISED ALTERNATIVE FUNDING SOURCES

**Composition of Liabilities and Equity**

<table>
<thead>
<tr>
<th>Category</th>
<th>2002 (%)</th>
<th>2017 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Issued</td>
<td>13%</td>
<td>6%</td>
</tr>
<tr>
<td>Funds Borrowed</td>
<td>5%</td>
<td>14%</td>
</tr>
<tr>
<td>Interbank</td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>Money Market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time Deposits</td>
<td>51%</td>
<td>41%</td>
</tr>
<tr>
<td>Demand Deposits</td>
<td>18%</td>
<td>15%</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>

**BORROWINGS**

Total Issuance in 2017 $5.6 bn; of which, $1.9 bn fresh

- **EUROBOND**: US$ 500mn
- **TIER II (BASEL III COMPLIANT)**: US$ 750mn
- **COVERED BONDS**: TL 1.7bn
- **SECURITIZATIONS**: US$ 700mn
- **SYNDICATIONS**: US$ 2.7bn
- **BILATERALS & EIB FUND.**: US$ 474mn
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>2017</td>
<td>18.7%</td>
<td>17.0%</td>
<td>16.7%</td>
<td>16.2%</td>
<td>14.5%</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

Per Basel III – standard approach

Capital Generative Growth Strategy

- Bank-only Common Equity Tier-I ratio: 16.5%;
- Bank-only Leverage: 6.9x

*As of 30 September 2017 as their 2017YE financials have not been disclosed yet. Note: Figures are based on bank-only BRSA financials for fair comparison.
HIGHEST SUSTAINABLE INCOME GENERATION CAPACITY

- **Highest NIM including swap cost**
  - Peer 1: [Bar chart]
  - Peer 2: [Bar chart]
  - Peer 3: [Bar chart]
  - Highest: 4.6%

- **Highest Net F&C / (IEA + Non-cash loans)**
  - Peer 1: [Bar chart]
  - Peer 2: [Bar chart]
  - Peer 3: [Bar chart]
  - Highest: 1.2%

- **Core Banking Income Contribution to ROAA**
  - (Core banking income / Avg. Assets)
  - Peer 1: [Bar chart]
  - Peer 2: [Bar chart]
  - Peer 3: [Bar chart]
  - 2015: 1.8%
  - 2016: 2.2%
  - 2017: 2.9%

  **Highest level & Highest improvement**
  - in core banking contribution to ROAA since 2015 among peers

*Note: Peers defined as Akbank, Isbank and YKB per bank-only financials*
ACHIEVED PIONEER POSITION
Impressive track record & attractive platform for future growth


<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2006</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>11.1%</td>
<td>11.1%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Loans</td>
<td>14.1%</td>
<td>13.1%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Consumer Loans (inc. CCs)</td>
<td>18.6%</td>
<td>11.2%</td>
<td>15.6%</td>
</tr>
<tr>
<td>Consumer Mortgage</td>
<td>13.5%</td>
<td>12.1%</td>
<td>14.9%</td>
</tr>
<tr>
<td># POS</td>
<td>14.2%</td>
<td>6.4%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>6.6%</td>
<td>12.7%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Customer Demand Deposits</td>
<td>8.5%</td>
<td>12.7%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

**PROFITABLE**
- Highest NIM & Fee
- Highest ROAE despite the low leverage among private peers

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

**EFFICIENT**
- +4.6pp YoY improvement in Cost/Income ratio

Note: Rankings are among private commercial banks. Market shares are calculated per BRSA monthly commercial banks. 1 Peers defined as Akbank, Isbank and YKB per bank-only financials.
Thank you

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