

Garanti made a strong start to 2018 and contribution to economy reached TL 298 billion

Türkiye Garanti Bankası A.Ş., announced its financial statements dated March 31, 2018. Based on the consolidated financials, in the 3 months period of 2018, Garanti's **asset size** reached TL 359 billion 882 million, its contribution to the economy through **loans and non-cash lending** reached to TL 298 billion 250 million 713 thousand. The Bank delivered an **ROAE** (Return on Average Equity) of 18.3% and **ROAA** (Return on Average Assets) of 2.2%.

Commenting on the topic, **Garanti Bank Chairman Süleyman Sözen** stated that: "In the global markets, fund flows to emerging economies continued. Turkey ended 2017 with 7.4% GDP growth and preserved its strong growth performance despite a moderate slowdown in the first quarter of 2018. Garanti also continued its uninterrupted contribution to the economy within this period."

Emphasizing the Bank's value creation for the society with its sustainable business model and its commitment to Corporate Governance Principles, **Sözen** added: "Garanti's practices on gender equality which pioneers the society are acknowledged by the international authorities as well. Garanti once again became the only company from Turkey to be included in Bloomberg Gender Equality Index with its studies to ensure gender equality. Mentioning the successful financial performance announced by Garanti, **Sözen** added: "I absolutely believe that Garanti Bank, known as a pioneer in innovation, will increasingly maintain its value creation for the community and its stakeholders with the synergy created with BBVA."

Commenting on the financial results, **Garanti Bank CEO Fuat Erbil** stated that: "Despite the challenging market conditions, we made a strong start to 2018 by continuing to support the economy. While growing faster than the sector in TL loans, we sustained our leadership in consumer loans. In the first three months of 2018, we grew our TL loans and TL deposits by 4%, and gained market share with our customers confidence in us. We work with our sustainable development focus and continue to be the solution partner of our customers, while maintaining our asset quality with effective risk management, stable and cautious policies and strong capital. Leading the transformation of the banking sector, we provide speed and convenience to our customers with all the innovative steps we take in digital banking and aim to deliver an excellent customer experience."

Stating that, Garanti is appreciated in many areas with its customer-oriented approach by international finance authorities, Erbil said: “Our bank was chosen the ‘Best Trade Finance Bank in Turkey’ for the 8th consecutive year by Global Finance, one of the world’s leading business magazines. In addition, with our efforts to create solutions for our customers' needs we received the ‘Best Cash Management in Turkey’ award for the 3rd consecutive year. Garanti is chosen ‘Turkey's Best Digital Bank’ by World Finance at the 'Digital Banking Awards 2017'. Our mobile app, Garanti Cep was awarded ‘Turkey's Best Mobile Banking Application’. Garanti has been awarded the Silver Stevie Award for its new "On-Site Banking" application, by focusing on making customers’ life easier at each step and by successfully applying its digitalization strategy from business processes to all its products and branch service model.

With our innovative business model; we will continue to keep our customers at the center of our business to understand and meet all corporate, commercial, SME and retail needs. We believe that creating sustainable value is only possible in this way, and we are progressing on our path with solid steps. I thank all of our stakeholders for the confidence they have in us.”

Selected Figures of Garanti Bank’s Consolidated Financial Statements (March 31, 2018)

Profit before Taxes and Provisions*	TL 4,399 million	Loans	TL 238,368 million
Profit before Taxes	TL 2,575 million	Non-Cash Loans	TL 59,883 million
Net Income	TL 2,011 million	Total Assets	TL 359,882 million
Deposits	TL 211,895 million	Shareholders’ Equity	TL 42,711 million

Highlights from Garanti Bank's Consolidated Financials

- Net income was TL 2 billion 11 million and 202 thousand.
- In compliance with the legal legislation and international regulations, a total amount of TL 2 billion 388 million and 237 thousand was reserved for tax provisions, expected credit losses and other provisions* .
- Total assets reached TL 359 billion 882 million.
- Return on Average Assets (ROAA) reached 2.2%.**
- Shareholders’ equity reached TL 42 billion 711 million 315 thousand.
- Return on Average Equity (ROAE) reached 18.3%.**

- Contribution made to the real economy through loans and non-cash lending reached TL 298 billion 250 million 713 thousand as of March 31, 2018.
- Total loans, FC loans and TL loans market shares realized at 11.1%, 11.2% and 11.0% respectively.
- Market share of “consumer mortgage loans” was 13.2% and market share of “consumer loans excluding credit cards” was 12.7%.
- Total customer deposits reached TL 207 billion 986 million and 172 thousand, while market share in total customer deposits realized at 11.2%.
- Capital adequacy ratio (CAR) realized 16.2%.
- Non-performing loan (NPL) ratio realized at 2.93%.

* Reserve for Employee Termination Benefits and Impairment Losses on Assets to be Disposed are included in provisions.

**Excludes non-recurring items (gains on asset sales) when annualizing Net Income for the rest of the year. In the calculation of average assets and equity, 01.01.2018 restated balance sheet has been used

You may access the earnings presentation regarding the BRSA consolidated financial results as of and for the period ending March 31, 2018 in English from Garanti Bank Investor Relations website at www.garantiinvestorrelations.com