

# 1H21 EARNINGS PRESENTATION

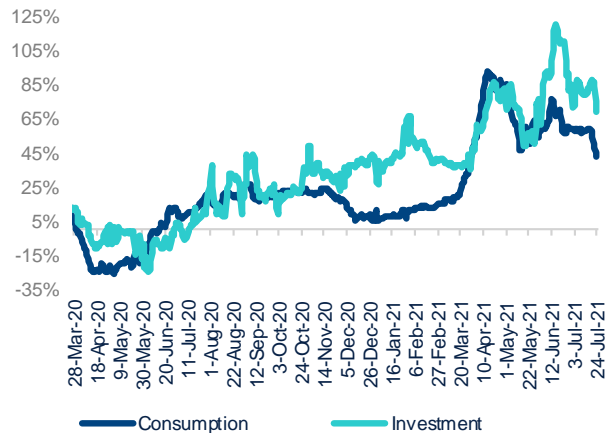
Based on BRSA Unconsolidated Financials

July 29th, 2021

# STRONGER THAN EXPECTED 1H ACTIVITY LED BY STILL SOLID DOMESTIC DEMAND AND STRENGTHENING NET EXPORTS WILL BOOST 2021 GDP GROWTH.

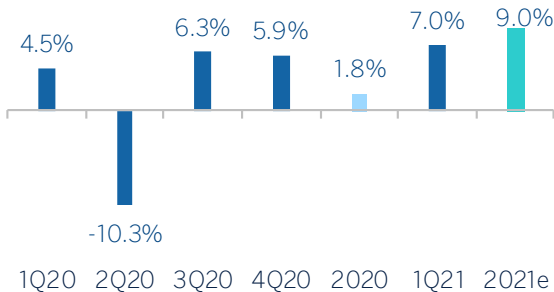
## CONSUMPTION & INVESTMENT

### BIG DATA INDICES (28-day cum. YoY nominal)



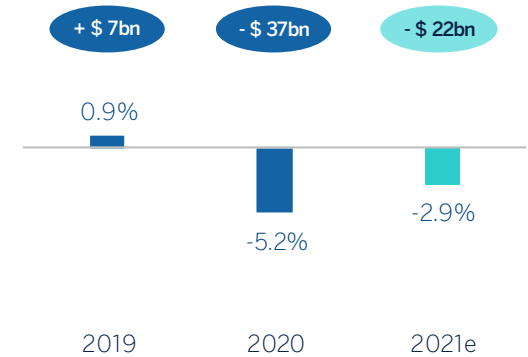
- Our big data proxies suggest that consumption loses some steam while investment has started to show an adjustment in June. Post-holiday correction will be watched out.

## GDP GROWTH (YoY)



- 2021 GDP forecast revised up to 9% on stronger than expected 1H activity.

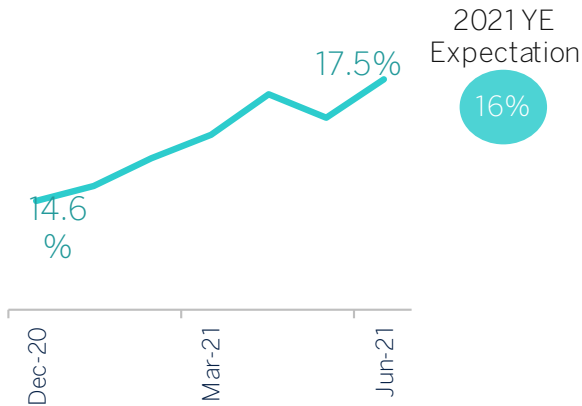
## CURRENT ACCOUNT BALANCE / GDP



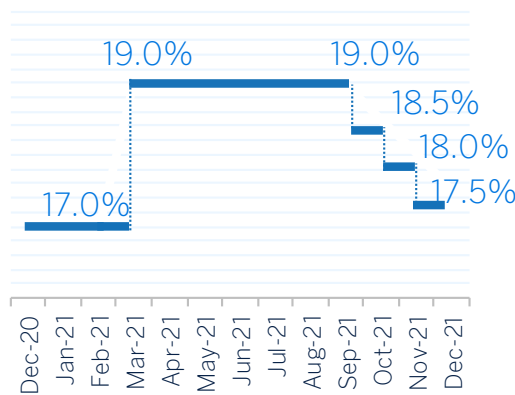
- Import demand slows down while exports remain relatively stronger backed by recovering external demand
- Tourism revenues might surprise on the upside as our big data proxy signals (18bn\$ expected for 2021).

# CURRENT MONETARY STANCE IS EXPECTED TO REMAIN UNTIL INFLATIONARY PRESSURES SUBSIDE

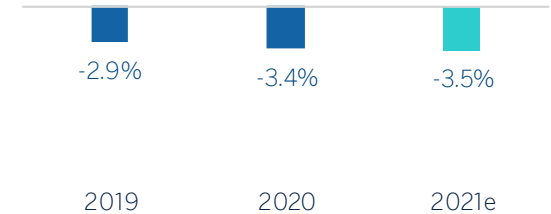
## CONSUMER INFLATION (ANNUAL)



## CBRT AVG. FUNDING COST



## BUDGET DEFICIT / GDP



- Inflationary pressures will likely remain on cost-push factors and continuing currency pass-through impact.
- CPI is expected to hover close to 18% before declining to 16% by year-end on positive base effects.

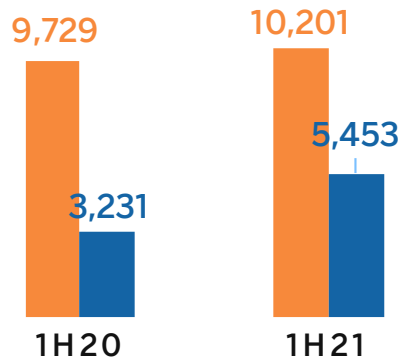
- Current policy rate (19%) is expected to remain till October and only gradual easing is assumed afterwards.

- Budget deficit to GDP realized at 1.7% in June, still boosted by strong tax revenues, base effects and relatively controlled expenditures.
- Budget Deficit / GDP remains well below the EM average.

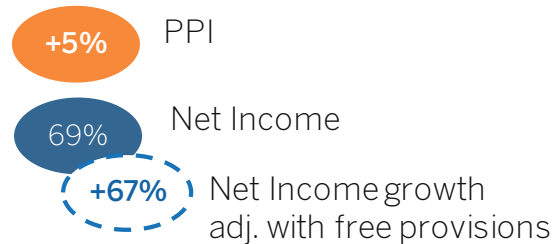
# A NEW RECORD IN PROFITABILITY UNDERPINS QUALITY

## PRE-PROVISION INCOME & NET INCOME (TL mn)

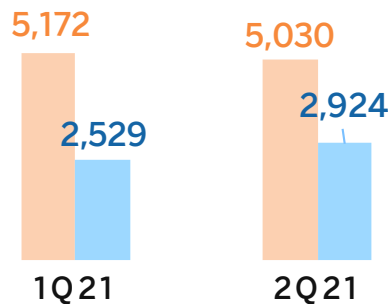
### CUMULATIVE



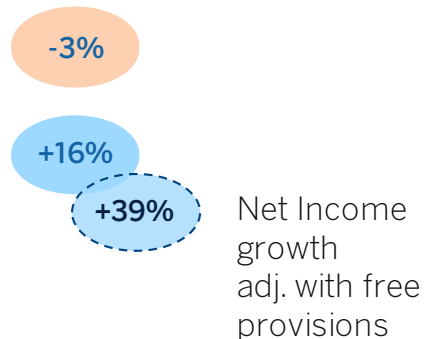
### YOY GROWTH



### QUARTERLY



### QOQ GROWTH

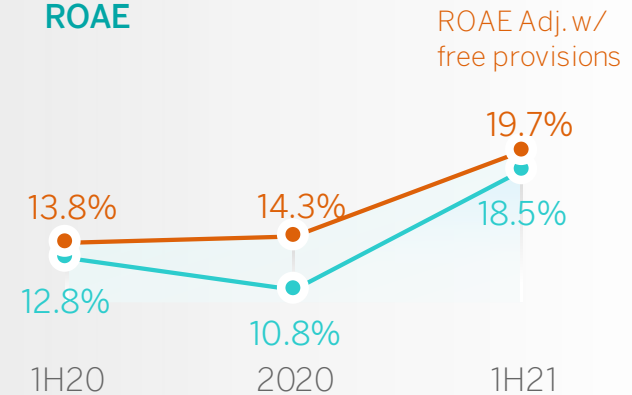


Free provisions in the quarter

+150mn

+800mn

## ROAE

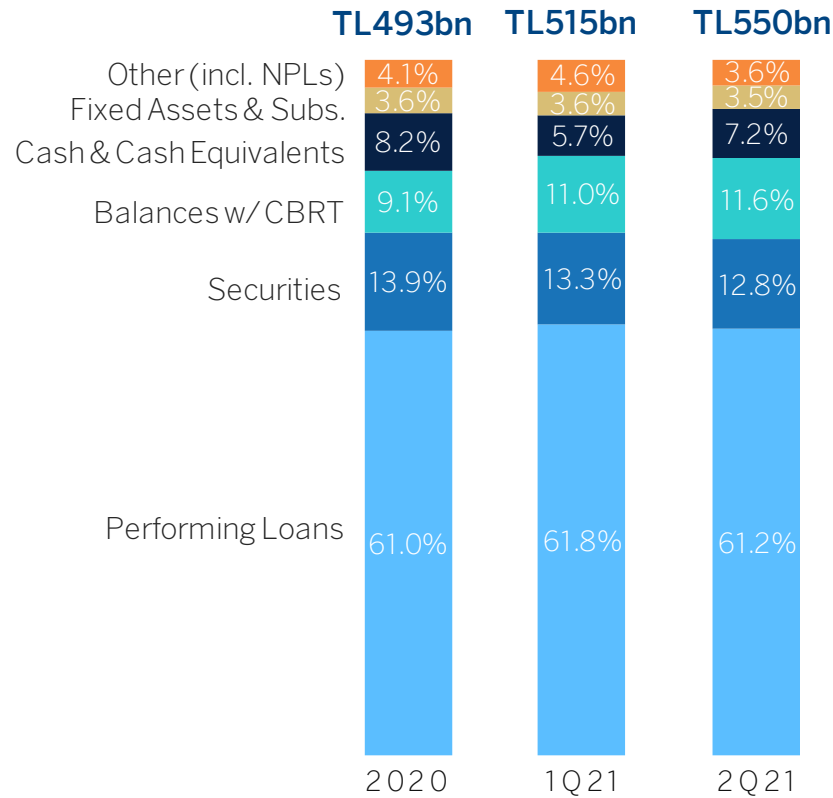


- Total free provisions on B/S reached TL 5.6bn.
- Leverage remained low at 7.2x
- No ease in prudent provisioning.
- The need for further loan loss provisions has come down.
- Effectively managed margins, expanding spreads & growth.
- Sustained outstanding fee generation capability
- 1H21 ROAA: 2.3%

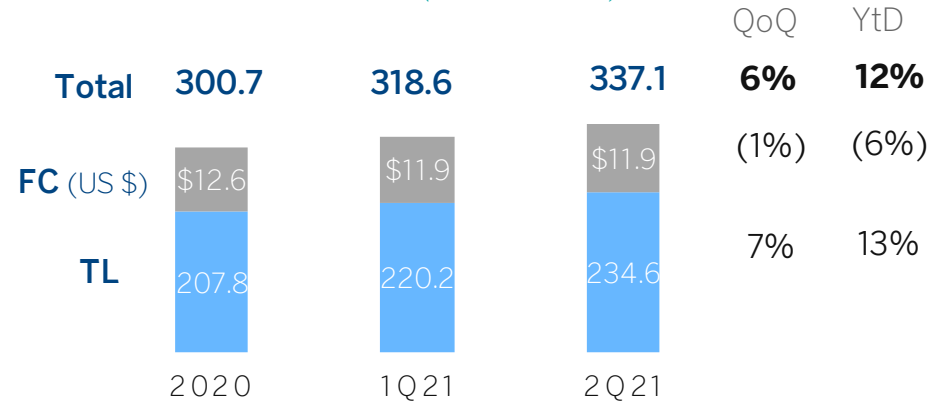
Note: Excludes non-recurring items (i.e. Gain on asset sale, free provisions) when annualizing Net Income for the remaining quarters of the year in calculating Return On Average Equity (ROAE). Please refer to page 26 for detailed breakdown of pre-provision income and non-recurring items.

# HIGH WEIGHT OF CUSTOMER-DRIVEN ASSETS DERIVE SUSTAINABLE REVENUES

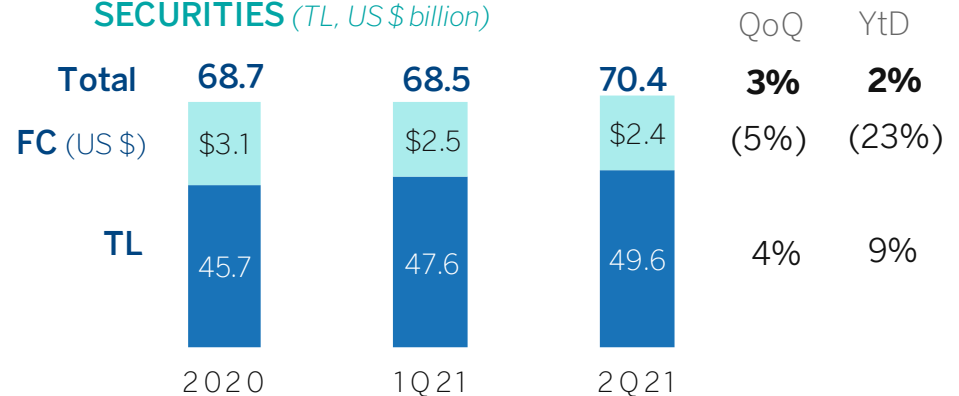
## ASSET BREAKDOWN



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



## SECURITIES (TL, US \$ billion)



### Profitable & Selective growth focus:

Above sector and high-yielding TL loan growth

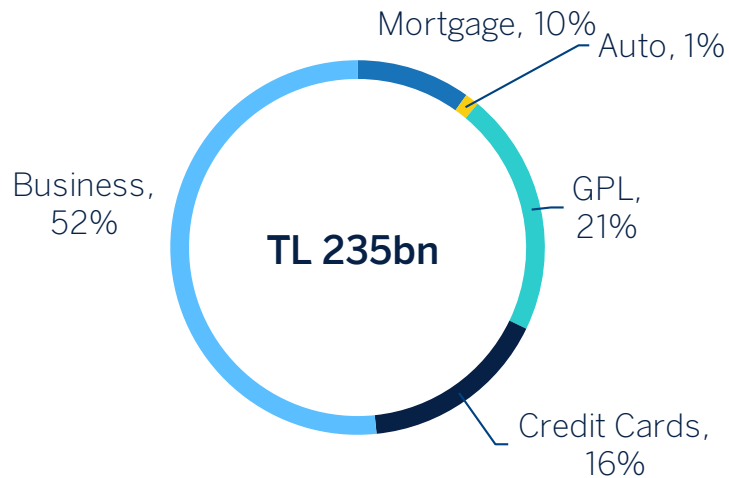
### Strategically managed securities portfolio to help ride out volatility

CPI linkers continue to serve as hedge: Opportunistic CPI additions in 2Q

# HEALTHY & RE-PRICED LOAN BOOK

## TL PERFORMING LOANS

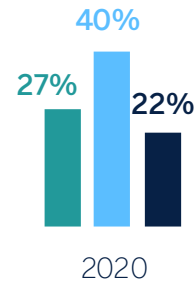
(70% of total performing loans)



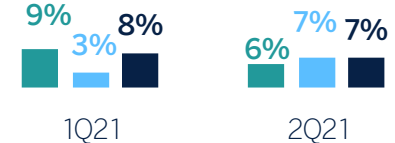
## TL LOAN GROWTH

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

ANNUAL



QUARTERLY



- Market share gains in lucrative products

Market Share*	2020	1H21
Consumer (excl. CCs)	10.2%	11.3%
TL Business	8.3%	8.8%
Acquiring Volume	16.9%	16.9%
Issuing Volume	17.6%	17.3%

- Redeeming TL business loans got replaced with higher yielding loans.
- Growth in consumer loans – GPL, auto and mortgages - has been above both the sector and the private peers, enabling us to gain market share.
- 45% of GPL are granted to salary customers.

\* Based on bank-only BRSA Weekly Data, among commercial banks and Interbank Card Center data

# CLOSELY MONITORED AND WELL-PROVISIONED FC LOANS

## FC PERFORMING LOANS

(30% of total performing loans)

US\$ 11.9 bn FC Performing Loans

13.5%

53.9%

32.6%

Jun-21

### Export Loans

- FX revenue generation

### Project Finance Loans

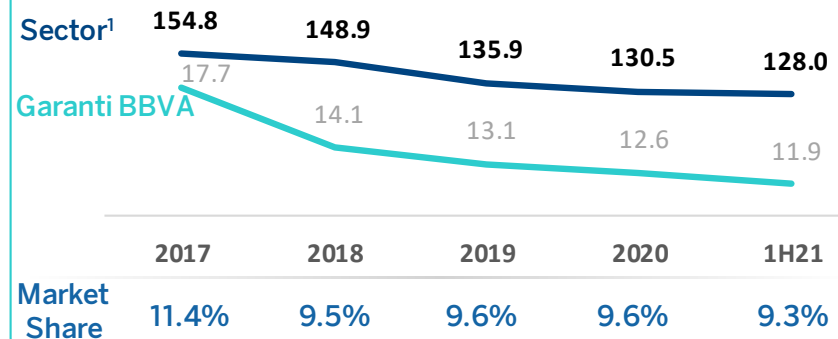
- 70% of PF Loans have FX or FX-linked revenues - no currency risk
- 14% has lower currency risk
- 16% - with some currency risk

### Working Capital & Other Loans

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

## MITIGATION OF FX RISK -- TIMELY DELEVERAGING

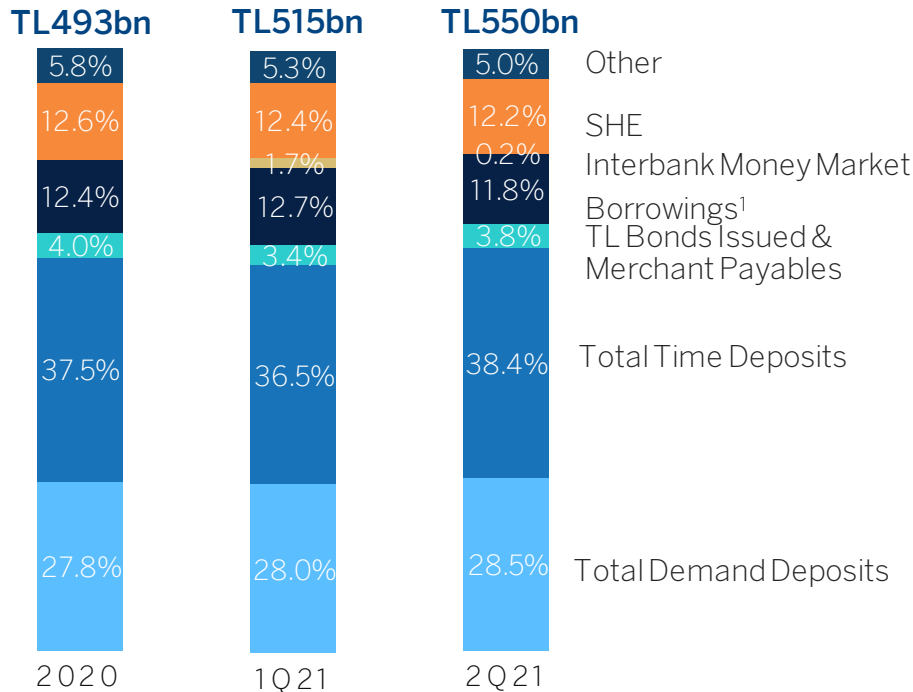
(in \$ bn)



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

# ACTIVELY MANAGED & LIQUID BALANCE SHEET

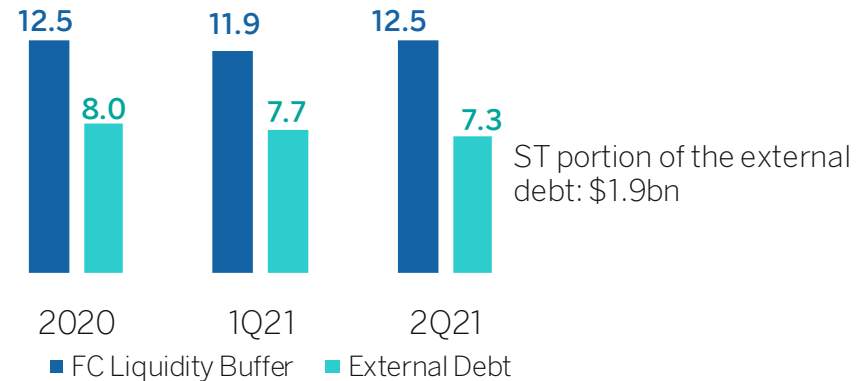
## LIABILITIES & SHE BREAKDOWN



Low  
Leverage  
7.2x

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

(US\$ bn)



## LIQUIDITY COVERAGE RATIOS<sup>3</sup>

Total LCR	197%
Minimum Requirement	100%
FC LCR	381%
Minimum Requirement	80%

<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

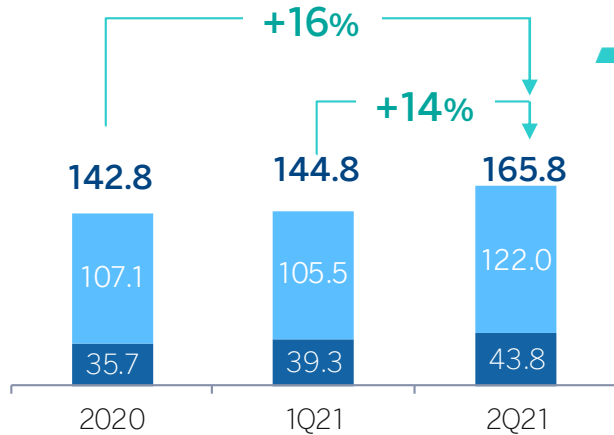
<sup>3</sup> Represents the average of June's last week.



# STRONG DEPOSIT GROWTH FROM A HIGH BASE REFLECTS CUSTOMERS' CHOICE

## TL CUST. DEPOSITS (in TL bn)

(45% of total deposits)



■ ~70% increase in TL deposits was from stickier retail & SME depositors.

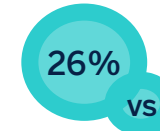
## EXPANDING ZERO-COST DEMAND DEPOSITS BASE

42%

Cust. Demand Deposits' Share in Total

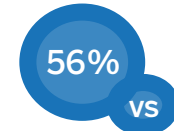
Despite higher rate environment, TL customer demand deposits growth alone is 23% YtD

TL DEMAND DEPOSITS / TL CUST. DEPOSITS



Sector: 22%

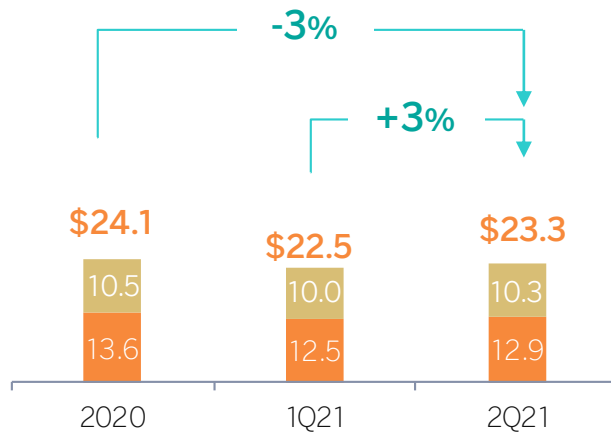
FC DEMAND DEPOSITS / FC CUST. DEPOSITS



Sector: 40%

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

(55% of total deposits)



## SHARE OF SME & RETAIL DEPOSITS<sup>1</sup>

76%

IN TL CUST. DEPOSITS

77%

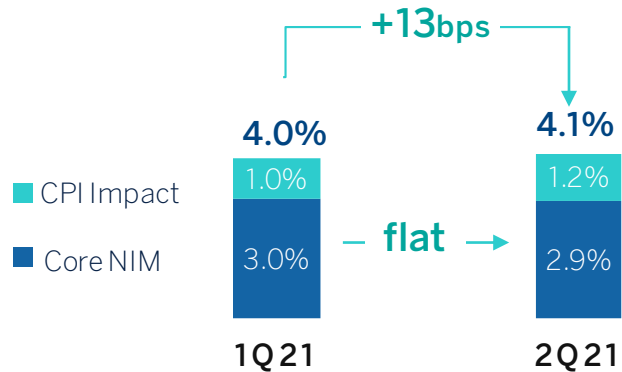
IN FC CUST. DEPOSITS

<sup>1</sup> Based on bank-only MIS data.

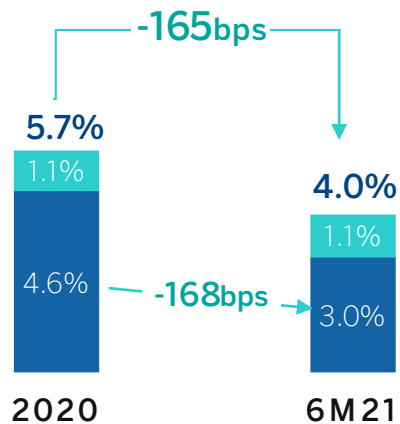
Note: Sector data is based on BRSA weekly data, for commercial banks only

# SOARING SPREADS & LOAN GROWTH LEAD TO RECOVERING MARGINS

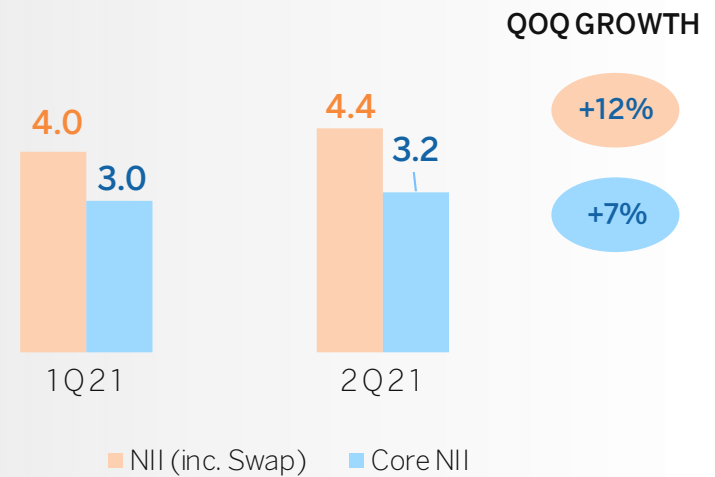
## QUARTERLY NIM INCL. SWAP COSTS



## CUMULATIVE NIM INCL. SWAP COSTS



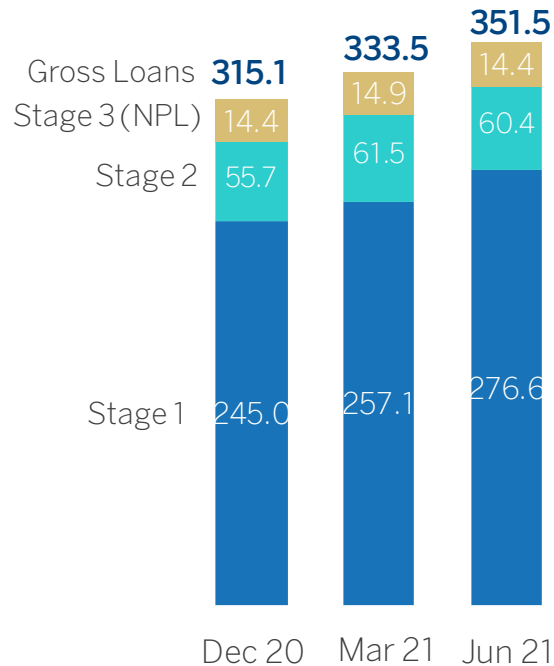
## NII & CORE NII (INCL. SWAP COSTS) (TL bn)



# PRUDENT APPROACH TO LOAN BOOK MITIGATES THE RISKS

## LOAN PORTFOLIO BREAKDOWN

(Billion TL)

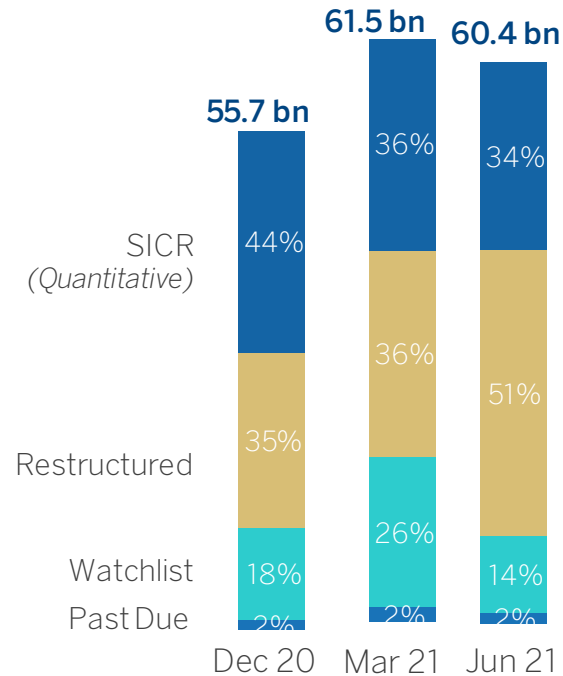


Dec 20 Mar 21 Jun 21

USD/TRY 7.38 8.24 8.64

## STAGE-2 BREAKDOWN

(17% of gross loans)



Dec 20 Mar 21 Jun 21

Stage 2 coverage 14.7% 15.8% 17.0%

- Higher than expected economic activity - both domestic & global - led to some relief in SICR
- 89% of SICR is not delinquent at all

- 90-180 days files' balance TL 1.6 bn with 35% coverage at the end of 1H21, following the temporary measure on NPL recognition day\*

Note: SICR: Significant Increase in Credit Risk per our threshold for Probability of Default (PD) changes

\*Stage-2 past due definition changed to 90-180 days after regulation change of increased NPL recognition day to 180 days

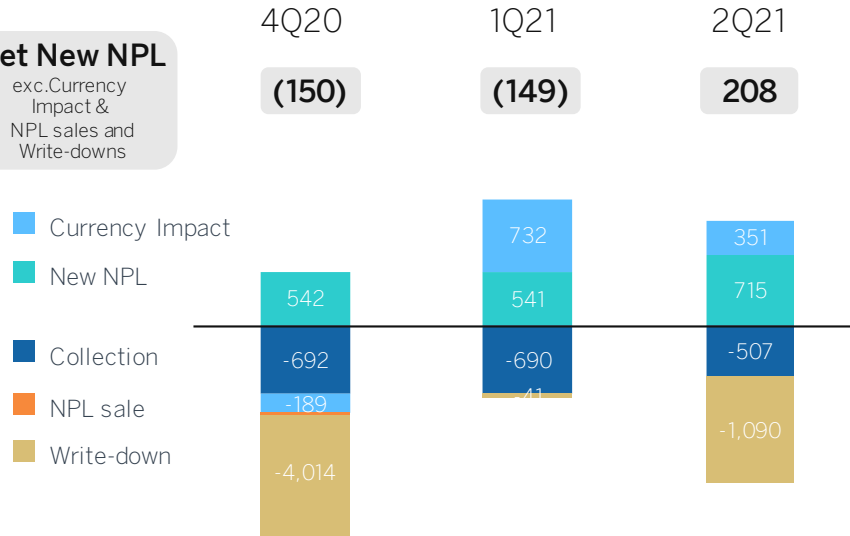
# ASSET QUALITY METRICS FARING BETTER THAN ANTICIPATED

## NPL EVOLUTION

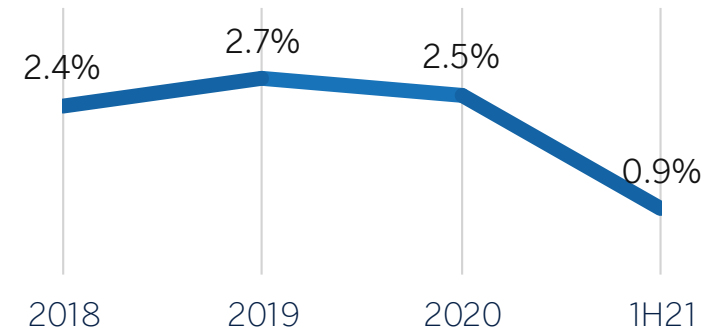
(TL million)

### Net New NPL

exc. Currency Impact & NPL sales and Write-downs



## NET CoR TREND excl. Currency



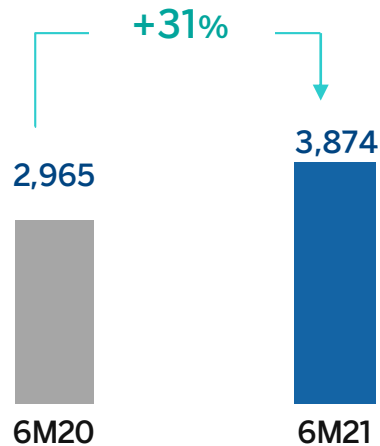
	4Q20	1Q21	2Q21	2Q21 (excl. WD)*
NPL (nominal TL bn)	14.4	14.9	14.4	15.5
NPL Ratio	4.6%	4.5%	4.1%	4.4%
NPL Coverage	63%	66%	66%	68.1%

- Currency impact in 1H21 was 100bps fully hedged – no impact to bottom line.
- Quarterly Net CoR (2Q21: 0.4% vs. 1Q21: 1.5%) dropped notably after front loaded provisioning in previous periods.

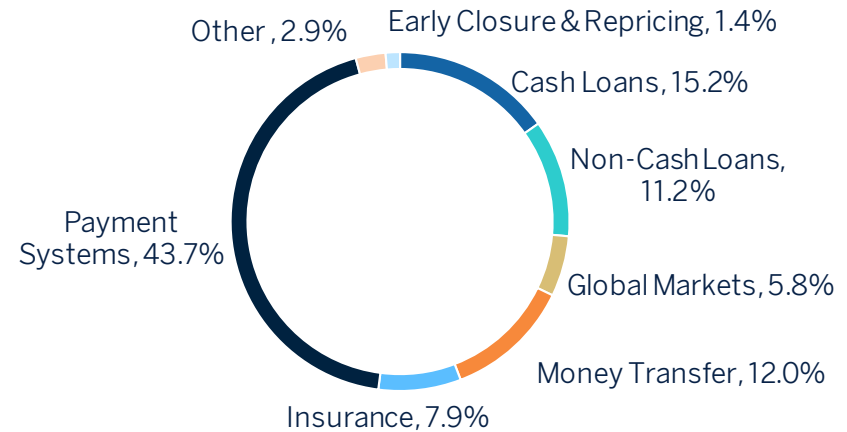
\*Adjusted with write-downs in 2020 and 1H21

# ROBUST FEE GENERATION REFLECTS THE STRENGTH IN PAYMENT SYSTEMS, RELATIONSHIP BANKING AND DIGITALIZATION

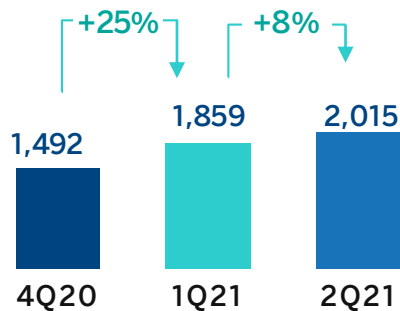
## NET FEES & COMMISSIONS (TLmn)



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



## QUARTERLY NET F&C in TLmn



## Annual Growth

Payment System	+39%
Money Transfer	+43%
Insurance	+22%
Cash Loans*	+53%

- Higher interest rates support payment systems fees.
- Digital empowerment and unrivaled customer experience resulted in a 35% YoY increase in # of digital transactions via ATM, mobile and internet.
- Expanding customer base with more effective and broader penetration

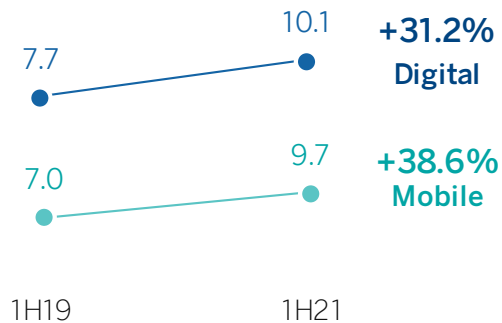
<sup>1</sup> Net Fees&Comm. breakdown is based on MIS data.

Some cash loan related fees, which were previously classified under 'other' are moved to 'cash loan fees as of 31.12.2020. On a comparable basis; share of cash loan fees in 1H20: 11.5% and share of other fees: 2.4%

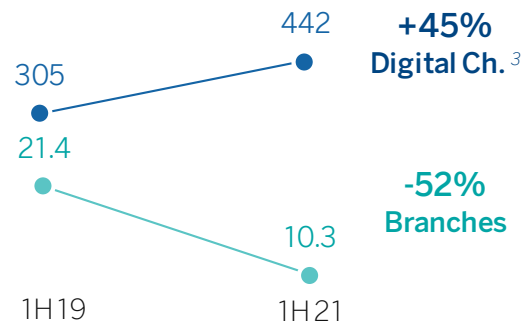
\*Excludes LYY related dividend income

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

## # OF CUSTOMERS <sup>1</sup> (million)



## CUSTOMER TRANSACTIONS <sup>2</sup> (YtD, mn)



- Exceeded 10 million digital customers, >80% penetration in total active customers
- With the launch of Digital onboarding on May 1st, ~%10 of customer acquisition (as of May 1st) via digital channels
- Number of monthly logins increased by more than 46% YoY
- ~500 functions available in mobile banking app
- Number of customers making financial transactions on mobile increased by more than 38% YoY
- QR usage rate increased by 64% YoY
- 2.2 million customers make cardless transactions via QR code at ATMs
- 2<sup>nd</sup> largest ATM network among private peers

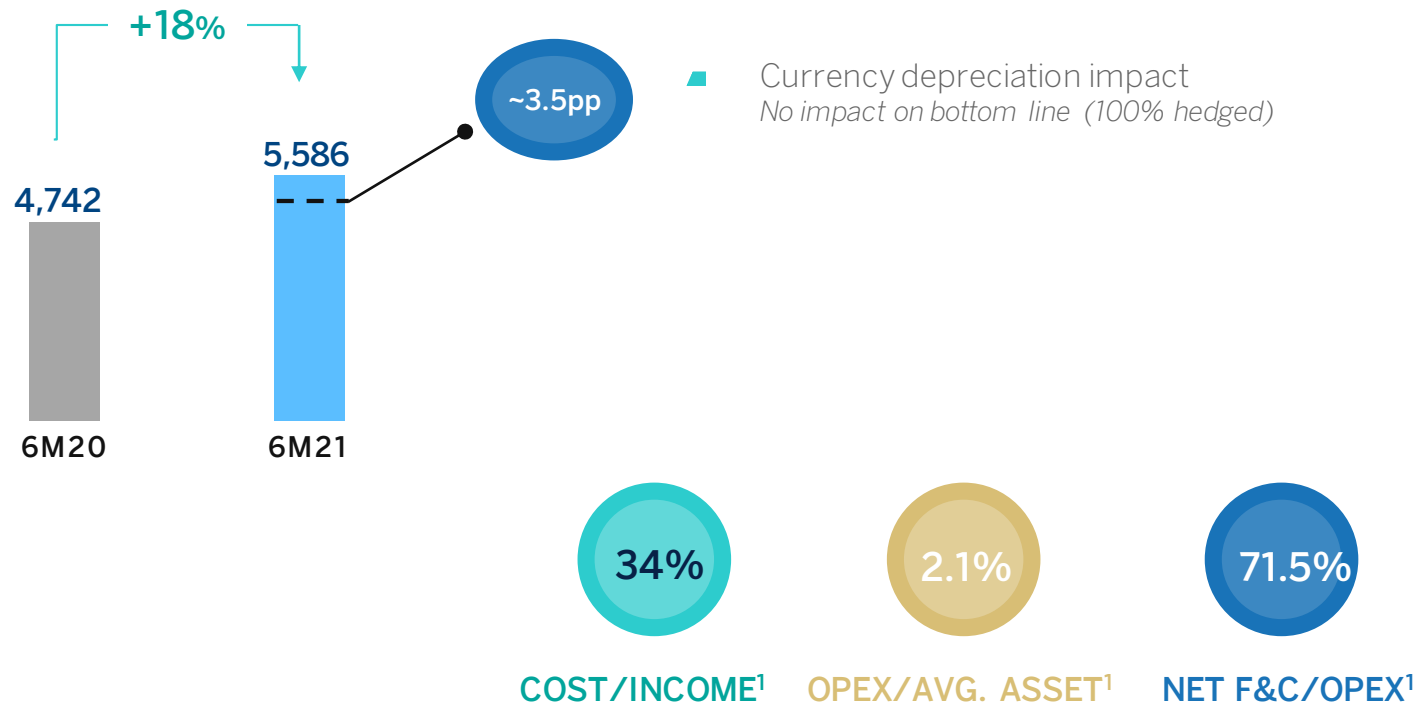
<sup>1</sup> Active: login in last 3 months

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

<sup>3</sup> ATM, Mobile and Internet

# COST MANAGEMENT IN LINE WITH FULL YEAR GUIDANCE. CURRENCY DEPRECIATION PRESSURED THE BASE, YET NO BOTTOM-LINE IMPACT DUE TO HEDGING MECHANISM

OPERATING EXPENSES (TL Million)

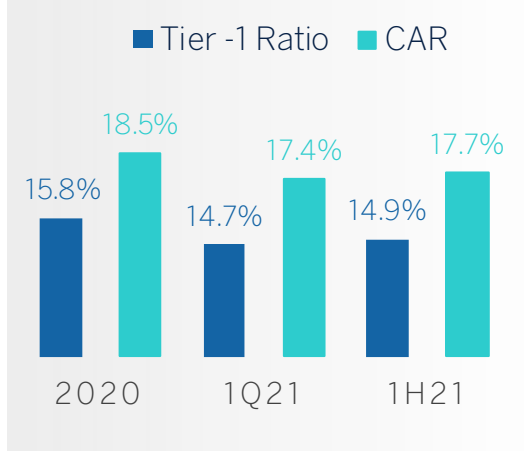


<sup>1</sup> OPEX excluding currency impact is used in the calculation of efficiency ratios.  
Income defined as NII inc. Swaps + Net F&C + Dividend Income + Subsidiary Income  
+ Net Trading Income (excludes swaps & currency hedge) + Other income (net of prov. Reversals)

# SUSTAINED ROBUST CAPITAL, EVEN AFTER CURRENCY HIT AND DIVIDEND PAYMENT

## SOLVENCY RATIOS

without BRSA's currency forbearance



~68bps

■ BRSA Forbearance Impact on CAR  
■ Impact on Tier 1 is 61 bps

~41bps

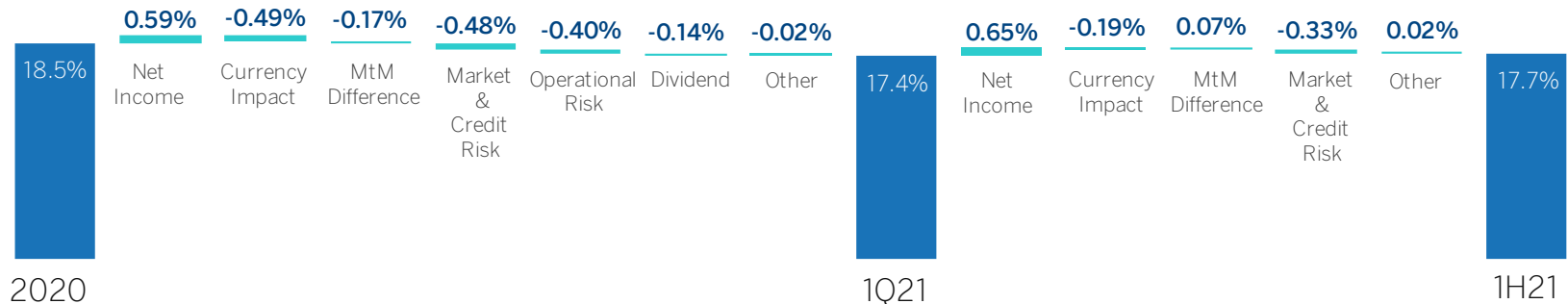
■ Impact of 10% depreciation in TL

TL  
19 bn

**EXCESS CAPITAL**  
(Consolidated w/o forbearance)

Taking into account minimum required level of 12.1% for 2021

USDTRY 7.38      8.24      8.64



1 Required Consolidated CAR level = 8.0% + SIFI Buffer for Group 2 (1.5%) + Capital Conservation Buffer (2.5%) + Counter Cyclical Buffer (0.131%); Required Consolidated Tier-1 = 6.0% + Buffers; Required Consolidated CET-1 = 4.5% + Buffers



# HELPING OUR CLIENTS TRANSITION TOWARDS A MORE SUSTAINABLE FUTURE

BBVA's 2025 Pledge: €200 billion

Became carbon neutral bank as of 2020

No coal financing as of 2021

Contribution to  
**Sustainable Finance**  
to date has reached

**51** bn TL



## CLIMATE CHANGE

**TL 5 billion**

**2021 CLIMATE  
FINANCE GOALS**

- €1.5 billion contribution (green + social)\* to BBVA's 2025 Commitment between 2018 and 2020
- Pledges to reduce its Scope 1 and Scope 2 emissions by 29% by 2025 and 71% by 2035 – **Already achieved this target in 2020**



## INCLUSIVE GROWTH

- Green Mode
- An infrastructure which informs customers about their environmental footprints and share suggestions to reduce this through Garanti Cep



## SUSTAINABLE DEVELOPMENT GOALS

- Direct contribution to 16 Sustainable Development Goals (SDGs)

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA



## Carbon Footprint Calculation

## Advice and Action

## Motivation



\* Renewable Energy, Women Entrepreneurs, Green Housing Loans, Environmental Vehicle Loans, Urban Transformation, Sustainable Infrastructure Projects, Green Loans, Sustainability Linked Loans, Green/Sustainability Linked Bonds We Intermedate

# CLEAR UPSIDE TO 2021 FULL YEAR OPERATING PLAN GUIDANCE

## 2021 Garanti BBVA Operating Plan

TL Loans (YoY)	Mid-teens
FC Loans (in US\$, YoY)	Shrinkage
NPL Ratio*	< 6%
Net Cost of Risk**	< 200 bps
NIM Incl. Swap Cost	100 bps contraction
Fee Growth (YoY)	Mid-teens
OPEX Growth (YoY)	~ CPI
<b>ROAE</b>	<b>Mid-teens</b>

## Current Expectations / Trends

- Strong growth in 1H21 suggests an upside potential to 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-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

# Appendix

PG. 20 Sector Breakdown of Gross Loans

PG. 21 Deferred Loans

PG. 22 Maturity Profile & Liquidity Buffers

PG. 23 Adjusted L/D and Liquidity  
Coverage Ratios,

PG. 24 Consumer Loans & TL Business  
Banking Loans

PG. 25 Securities portfolio

PG. 26 Summary Balance Sheet

PG. 27 Summary P&L

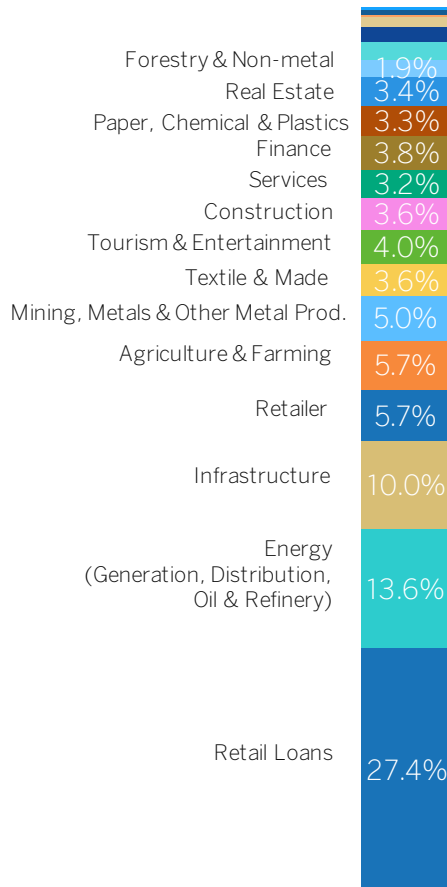
PG. 28 Key Financial Ratios

PG. 29 Quarterly & Cumulative Net  
Cost of Risk

# APPENDIX: SECTOR BREAKDOWN OF GROSS LOANS

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

TL 351.5bn



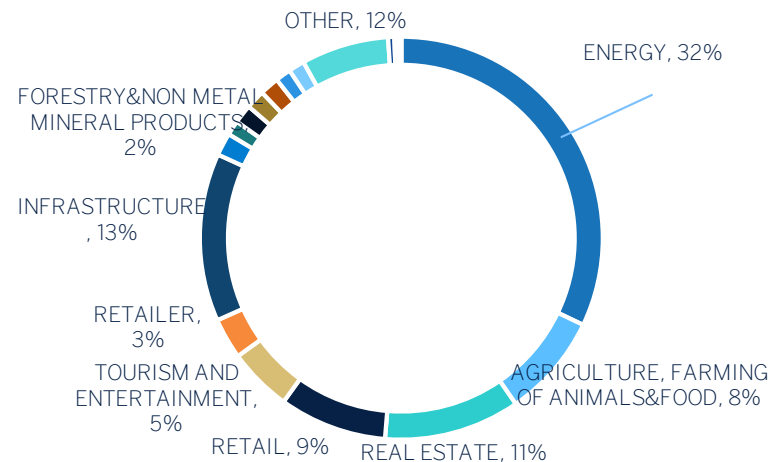
30.06.2021

% OF SHARE IN

COVERAGES

Key Sectors	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
RETAIL	80%	18%	2%	0,7%	6,0%	68,2%
ENERGY	65%	27%	8%	0,4%	21,6%	63,7%
CONSTRUCTION	88%	7%	5%	0,8%	11,8%	68,3%
TEXTILE & MADE	89%	8%	4%	0,6%	14,3%	73,6%
TOURISM & ENTATIRMENT	79%	18%	3%	0,5%	17,2%	62,1%
REAL ESTATE	48%	39%	14%	0,7%	34,0%	46,3%

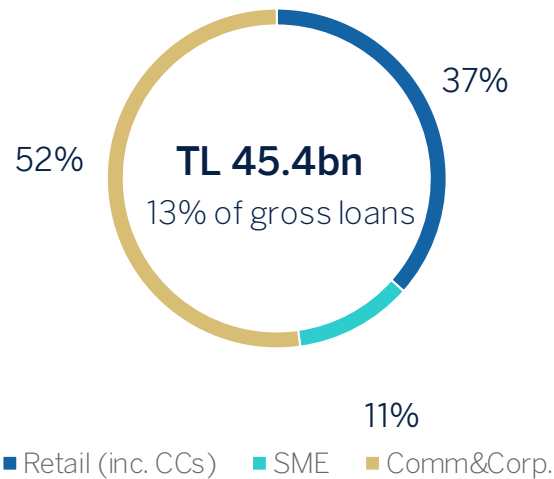
## SECTOR BREAKDOWN OF STAGE 2 EXCLUDING SICR<sup>1</sup>



<sup>1</sup> Based on Bank-only MIS data

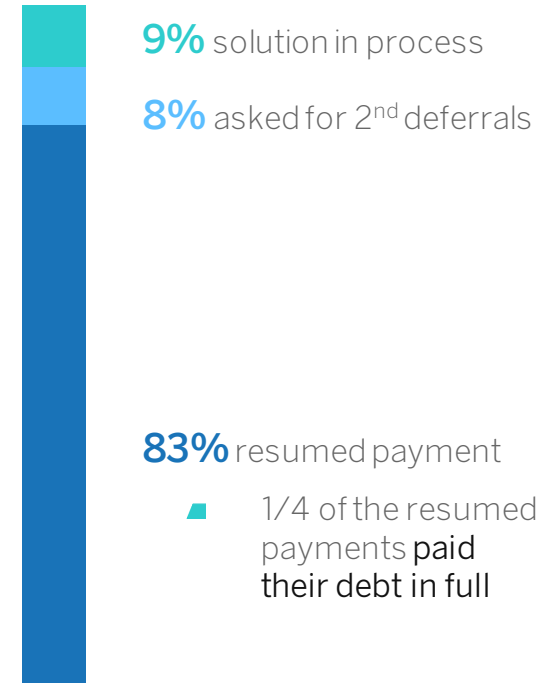
# APPENDIX: DEFERRALS' PAYMENT EVOLUTION BETTER THAN EXPECTED

## TOTAL LOAN DEFERRALS GRANTED



## EXPIRED LOAN DEFERRALS' PAYMENT BEHAVIOR

89% of total deferrals



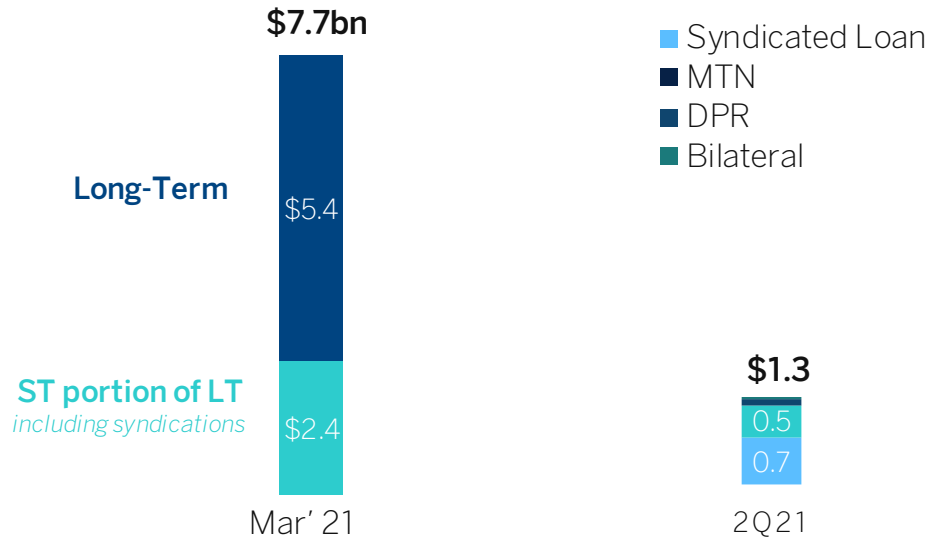
DEFERRALS' STAGING BREAKDOWN & COVERAGES	Share in Total	Coverage
Stage 1	39%	0.7%
Stage 2	57%	22%
Stage 3	4%	60%
<b>Total</b>		<b>15%</b>

Note: Based on unconsolidated financials

# APPENDIX: COMFORTABLE LIQUIDITY & MANAGEABLE EXTERNAL DEBT STOCK

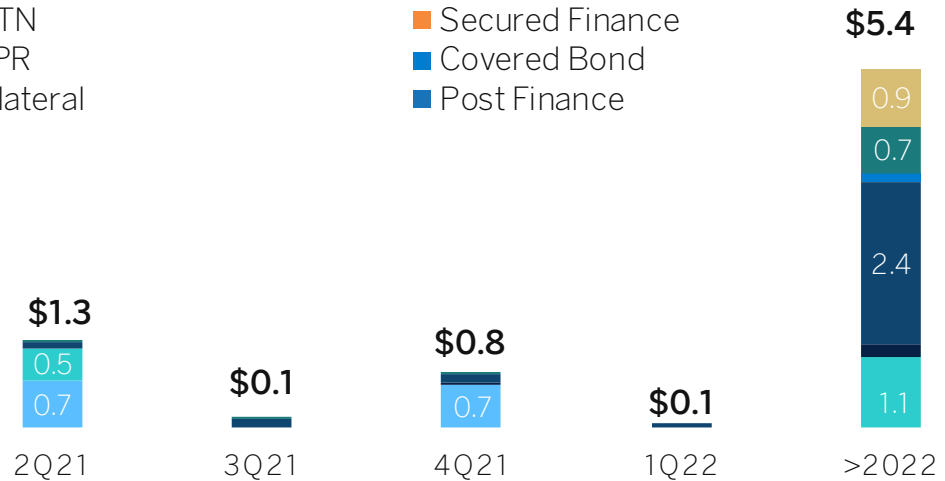
## GARANTI'S EXTERNAL DEBT<sup>1</sup>

(US\$ billion)



## MATURITY PROFILE OF EXTERNAL DEBT

(US\$ billion)



ST external dues

\$2.4 bn

Comfortable FC liquidity buffer<sup>2</sup>

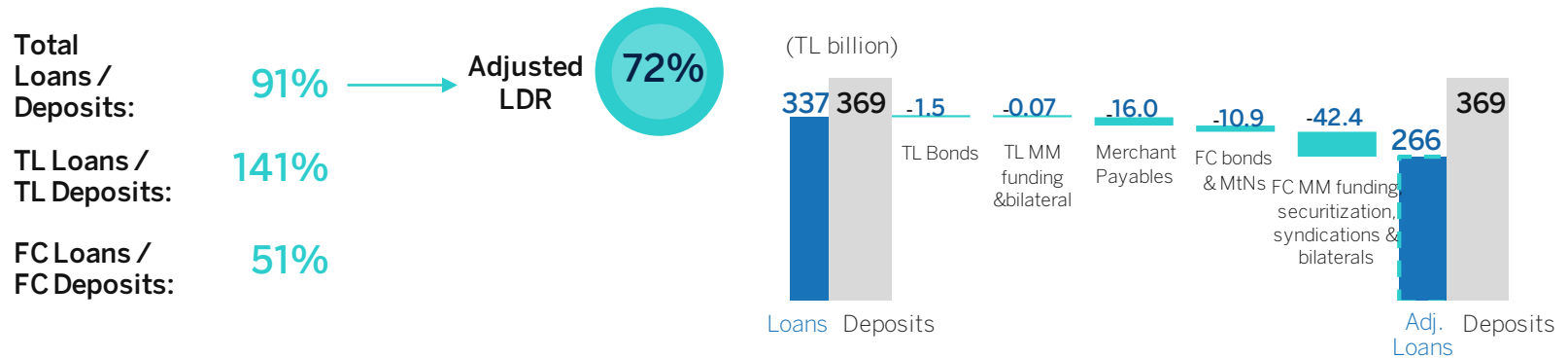
\$11.9 bn

<sup>1</sup> Excludes cash collateralized borrowings

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

# 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 197%

Minimum Requirement 100%

FC LCR 381%

Minimum Requirement 80%

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

## APPENDIX: CONSUMER & TL BUSINESS BANKING LOANS

Consumer & TL Business Banking Loans (TL billion)	Dec-19	Jun-20	Dec-20	Jun-21	QoQ (%)	YoY (%)
TL Business Banking	77.9	104.7	109.4	121.1	7.0	15.6
Cons. Mortgage Loans	19.7	20.5	21.5	23.2	2.8	13.2
Consumer Auto Loans	1.8	1.7	2.1	2.9	3.4	66.3
Cons. General Purpose Loans <sup>1</sup>	30.0	37.0	42.0	49.4	7.1	33.5
Cons. Credit Card Balances	22.0	21.5	26.2	29.6	5.8	37.8

Market Shares <sup>3</sup>	Mar-21	Jun-21	QoQ Δ	Rank
Consumer Loans inc.				
Consumer CCs	12.4%	12.7%	29 bps	#1*
Cons. Mortgage Loans	8.9%	9.2%	22 bps	#1*
Consumer Auto Loans	29.8%	28.3%	-156 bps	#1*
Cons. General Purpose Loans	11.8%	12.2%	45 bps	#2*
TL Business Banking	8.4%	8.8%	43 bps	#2*
# of CC customers <sup>2</sup>	13.2%	13.2%	2 bps	#1
Issuing Volume (Cumulative) <sup>2</sup>	17.3%	17.3%	-1 bps	#1
Acquiring Volume (Cumulative) <sup>2</sup>	17.0%	16.9%	-7 bps	#2

\* Rankings are among private banks as of March 21

<sup>1</sup> Including other loans and overdrafts

<sup>2</sup> Cumulative figures and rankings as of June 2021, as per Interbank Card Center data,

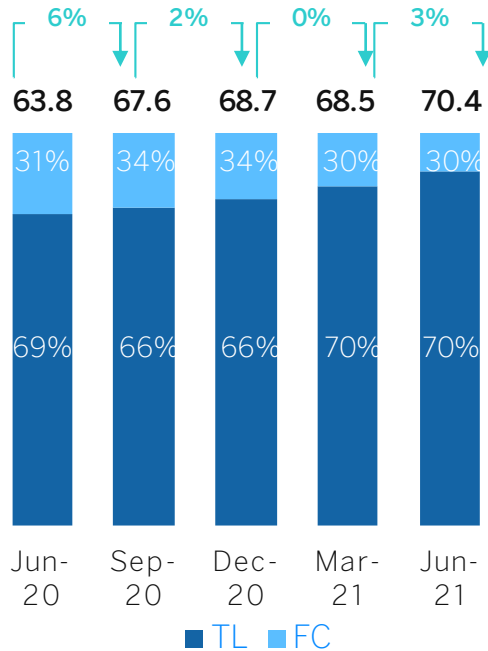
<sup>3</sup> Sector figures used in market share calculations are based on bank-only BRSA weekly data as of 25.06.2021, for commercial banks



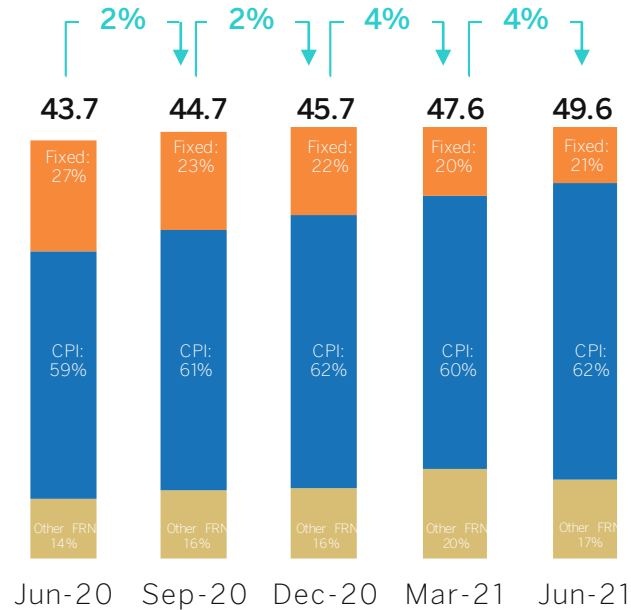
# APPENDIX: SECURITIES PORTFOLIO

## TOTAL SECURITIES (TL billion)

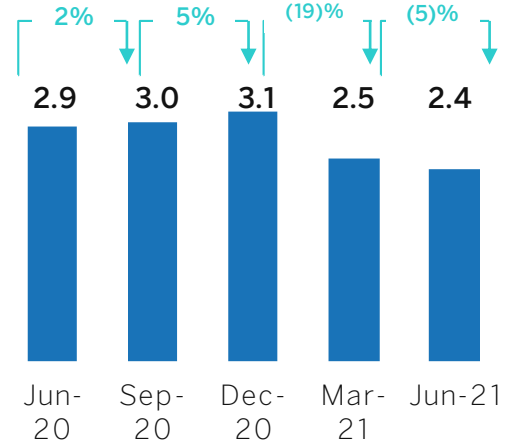
13% of Total Assets



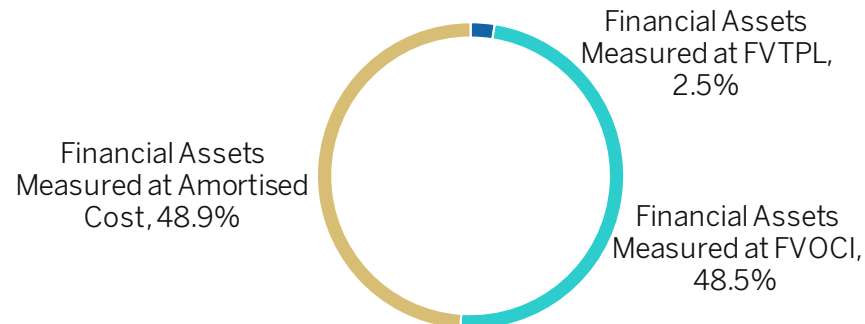
## TL SECURITIES (TL billion)



## 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	30.06.2020	30.09.2020	31.12.2020	31.03.2021	30.06.2021
Cash & Cash Equivalents	24,1	32,9	40,4	29,3	39,4
Balances at CBRT	35,5	34,2	44,7	56,6	64,0
Securities	63,8	67,6	68,7	68,5	70,4
Gross Loans + Leasing & Factoring receivables	299,0	314,4	315,1	333,5	351,5
<b>+TL Loans</b>	<b>200,9</b>	<b>206,6</b>	<b>215,6</b>	<b>227,9</b>	<b>242,0</b>
TL Loans NPL	10,5	10,4	7,8	7,7	7,4
info: TL Performing Loans	190,5	196,2	207,8	220,2	234,6
<b>+FC Loans (in US\$ terms)</b>	<b>14,4</b>	<b>14,0</b>	<b>13,5</b>	<b>12,8</b>	<b>12,7</b>
FC Loans NPL (in US\$ )	1,1	1,1	0,9	0,9	0,8
info: FC Performing Loans (in US\$)	13,3	13,0	12,6	11,9	11,9
info: Performing Loans (TL+FC)	<b>281,1</b>	<b>295,7</b>	<b>300,7</b>	<b>318,6</b>	<b>337,1</b>
Fixed Assets & Subsidiaries	15,4	17,2	17,9	18,6	19,5
Other	10,1	13,4	6,0	8,8	5,7
<b>TOTAL ASSETS</b>	<b>447,9</b>	<b>479,7</b>	<b>492,8</b>	<b>515,3</b>	<b>550,4</b>
LIABILITIES & SHE	30.06.2020	30.09.2020	31.12.2020	31.03.2021	30.06.2021
Total Deposits	276,1	308,8	321,5	332,6	368,6
<b>+Demand Deposits</b>	<b>120,0</b>	<b>139,8</b>	<b>136,9</b>	<b>144,3</b>	<b>157,0</b>
TL Demand	44,6	40,8	36,4	40,1	44,3
FC Demand (in US\$ terms)	11,0	12,9	13,6	12,6	13,1
<b>+Time Deposits</b>	<b>156,0</b>	<b>169,0</b>	<b>184,6</b>	<b>188,3</b>	<b>211,6</b>
TL Time	84,7	90,0	107,2	105,8	122,3
FC Time (in US\$ terms)	10,4	10,3	10,5	10,0	10,3
Interbank Money Market	14,7	0,9	0,1	8,9	1,3
Bonds Issued	19,0	20,3	19,0	17,2	15,5
Funds Borrowed	46,9	52,1	48,0	51,0	53,8
Other liabilities	33,2	37,1	42,1	41,9	43,8
Shareholders' Equity	58,1	60,4	62,1	63,7	67,3
<b>TOTAL LIABILITIES &amp; SHE</b>	<b>447,9</b>	<b>479,7</b>	<b>492,8</b>	<b>515,3</b>	<b>550,4</b>

## APPENDIX: SUMMARY P&L

TL Million	QUARTERLY P&L			CUMULATIVE P&L		
	1Q21	2Q21	QoQ	6M20	6M21	YoY
(+) Net Interest Income including Swap costs	3.976	4.440	12%	9.836	8.416	-14%
(+) <i>NII excluding CPI linkers' income</i>	5.307	5.818	10%	9.611	11.126	16%
(+) <i>Income on CPI linkers</i>	993	1.262	27%	1.392	2.255	62%
(-) <i>Swap Cost</i>	-2.324	-2.640	14%	-1.167	-4.964	325%
(+) Net Fees & Comm.	1.859	2.015	8%	2.965	3.874	31%
(+) Net Trading & FX gains/losses (excl. Swap costs and currency hedge)	1.335	705	-47%	827	2.041	n.m
<i>info: Gain on Currency Hedge<sup>1</sup></i>	1.058	596	-44%	1.140	1.655	45%
(+) Other income (excl. Prov. reversals & one-offs)	151	176	17%	214	328	53%
<b>= REVENUES</b>	<b>7.863</b>	<b>7.821</b>	<b>-1%</b>	<b>14.471</b>	<b>15.684</b>	<b>8%</b>
(+) Non-recurring other income	77	27	n.m	0	104	n.m
(+) <i>Gain on asset sale</i>	77	27	n.m	0	104	n.m
(-) OPEX	-2.768	-2.818	2%	-4.742	-5.586	18%
(-) <i>HR</i>	-1.023	-1.122	10%	-1.837	-2.145	17%
(-) <i>Non-HR</i>	-1.745	-1.697	-3%	-2.905	-3.441	18%
<b>= PRE-PROVISION INCOME</b>	<b>5.172</b>	<b>5.030</b>	<b>-3%</b>	<b>9.729</b>	<b>10.201</b>	<b>5%</b>
(-) Net Expected Loss (excl. Currency impact)	-1.165	-350	-70%	-3.704	-1.515	-59%
(-) <i>Expected Loss</i>	-4.927	-2.723	-45%	-7.179	-7.650	7%
<i>info: Currency Impact<sup>1</sup></i>	-1.058	-596	-44%	-1.140	-1.655	45%
(+) <i>Provision Reversal under other Income</i>	2.704	1.777	-34%	2.335	4.480	92%
(-) Taxation and other provisions	-1.478	-1.755	19%	-2.794	-3.233	16%
(-) <i>Free Provision</i>	-150	-800	n.m	-600	-950	n.m
(-) <i>Taxation</i>	-532	-536	1%	-1.064	-1.068	0%
(-) <i>Other provisions (excl. free prov.)</i>	-796	-419	-47%	-1.129	-1.215	8%
<b>= NET INCOME</b>	<b>2.529</b>	<b>2.924</b>	<b>16%</b>	<b>3.231</b>	<b>5.453</b>	<b>69%</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

	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
<b>Profitability ratios</b>					
ROAE (Cumulative) <sup>1</sup>	12,8%	13,1%	10,8%	16,7%	18,5%
ROAA (Cumulative) <sup>1</sup>	1,7%	1,7%	1,4%	2,1%	2,3%
Cost/Income	32,8%	31,9%	33,8%	34,9%	35,4%
Quarterly NIM incl. Swap costs	5,7%	5,6%	5,1%	4,0%	4,1%
Quarterly NIM incl. Swap costs excl. CPI linkers	5,0%	4,7%	3,6%	3,0%	2,9%
Cumulative NIM incl. Swap costs	6,0%	5,9%	5,7%	4,0%	4,0%
Cumulative NIM incl. Swap costs excl. CPI linkers	5,2%	5,0%	4,6%	3,0%	3,0%
<b>Liquidity ratios</b>					
Loans / Deposits	101,8%	95,7%	93,5%	95,8%	91,5%
TL Loans / TL Deposits	147,2%	150,1%	144,7%	150,9%	140,8%
Adj. Loans/Deposits (Loans adj. with on-balance sheet alternative funding sources)	79%	73%	73%	75%	72%
TL Loans / (TL Deposits + TL Bonds + Merchant Payables)	129,6%	130,7%	127,5%	134,9%	125,3%
FC Loans / FC Deposits	61,8%	55,8%	52,2%	52,7%	50,7%
<b>Asset quality ratios</b>					
NPL Ratio	6,0%	6,0%	4,6%	4,5%	4,1%
Coverage Ratio	6,5%	6,8%	6,1%	6,5%	6,1%
+ Stage1	0,6%	0,7%	0,8%	0,8%	0,6%
+ Stage2	16,2%	16,4%	14,7%	15,8%	17,0%
+ Stage3	66,8%	68,7%	63,4%	65,8%	65,6%
Cumulative Net Cost of Risk (excluding currency impact, bps) <sup>2</sup>	272	223	250	146	92
<b>Solvency ratios</b>					
CAR (excl. BRSA Forbearance)	19,1%	18,5%	18,5%	17,4%	17,6%
Common Equity Tier I Ratio (excl. BRSA Forbearance)	16,3%	15,7%	15,8%	14,7%	14,9%
Leverage	6,7x	6,9x	6,9x	7,1x	7,2x

<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 2Q20, 3Q20, 1Q21 and 2Q21.

<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	3Q20	4Q20	1Q21	2Q21
<b>(-) Expected Credit Losses</b>	<b>3.505</b>	<b>2.710</b>	<b>4.927</b>	<b>2.723</b>
Stage 1	562	294	978	422
Stage 2	1.560	1.877	2.778	1.160
Stage 3	1.383	538	1.170	1.142
<b>(+) Provision Reversals under other income</b>	<b>1.212</b>	<b>406</b>	<b>2.704</b>	<b>1.777</b>
Stage 1	107	52	1.394	984
Stage 2	801	169	868	371
Stage 3	304	185	442	422
<b>(=) (a) Net Expected Credit Losses</b>	<b>2.293</b>	<b>2.304</b>	<b>2.223</b>	<b>947</b>
<b>(b) Average Gross Loans</b>	<b>306.676</b>	<b>314.740</b>	<b>324.298</b>	<b>342.496</b>
<b>(a/b) Quarterly Total Net CoR (bps)</b>	<b>297</b>	<b>291</b>	<b>278</b>	<b>111</b>
info: Currency Impact <sup>1</sup>	164	- 26	132	70
<b>Total Net CoR excl. currency impact (bps)</b>	<b>133</b>	<b>318</b>	<b>146</b>	<b>41</b>

(Million TL)

Cumulative Net Expected Credit Loss	6M21
<b>(-) Expected Credit Losses</b>	<b>7.650</b>
Stage 1	1.400
Stage 2	3.938
Stage 3	2.312
<b>(+) Provision Reversals under other income</b>	<b>4.480</b>
Stage 1	2.378
Stage 2	1.238
Stage 3	864
<b>(=) (a) Net Expected Credit Losses</b>	<b>3.170</b>
<b>(b) Average Gross Loans</b>	<b>333.359</b>
<b>(a/b) Cumulative Total Net CoR (bps)</b>	<b>192</b>
info: Currency Impact <sup>1</sup>	100
<b>Total Net CoR excl. currency impact (bps)</b>	<b>92</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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