

Striving for a sustainable future, Garanti contributed TL 274 billion to the economy

Türkiye Garanti Bankası A.Ş., announced its financial statements dated September 30, 2017. With an **asset size** of TL 339 billion 679 million 127 thousand, Garanti's contribution to the economy through **cash and non-cash lending** reached TL 274 billion 87 million 604 thousand, based on the consolidated financials. The Bank posted a **net income** of TL 4 billion 685 million 989 thousand in the first 9 months of 2017. The Bank delivered an **ROAE** (Return on Average Equity) of 17.4% and an **ROAA** (Return on Average Assets) of 2.0%.

Commenting on the financial results, Garanti **Bank CEO Fuat Erbil** stated that: "Garanti acts with the awareness of the impact by each and every action it takes, and with the responsibility of being an institution that shapes the future and leads the sector. Combining its approach to unconditional customer satisfaction with its solid capital structure and efficiency-focus, Garanti, completed the first nine months of the year successfully. While preserving its solid financial structure through effective balance sheet management, Garanti uninterruptedly sustained its contribution to the economy."

Touching upon the significance of being responsible bankers aware of the risks and opportunities, **Erbil** said: "As the only company from Turkey, and as one of the 100 companies around the world, we have announced our support to the recommendations of Task Force on Climate-related Financial Disclosures (TCFD) formed by Financial Stability Board (FSB) under G-20. Furthermore, as a signatory of UN Global Compact, we have pioneered the formation and signed the "Declaration of Sustainable Finance". Moreover during this period, we have signed an agreement with European Bank for Reconstruction and Development (EBRD) with a 5 year maturity for €75 million financing, equivalent to approximately TL300 million that aims to expand the utilization of "Green Mortgage" loans and protect future generations through "Green Buildings". We strive to create value for our customers, employees and all our stakeholders. We became the only company from Turkey qualified to be included in the Dow Jones Sustainability Emerging Markets Index for 3 consecutive years. Teachers Academy Foundation (ÖRAV), founded by Garanti, is granted Special Consultative Status by UN Economic and Social Council (ECOSOC). I am thankful

to my valuable colleagues who carry Garanti to the leadership position in the banking sector and are the pioneers of transformation on international platforms.

Selected Figures of Garanti Bank's Consolidated Financial Statements (September 30, 2017)

Profit before Taxes and Provisions*	TL 8,491.9 million	Cash Loans	TL 220,205.4 million
Profit before Taxes	TL 6,104.8 million	Non-Cash Loans	TL 53,882.3 million
Net Income	TL 4,686.0 million	Total Assets	TL 339,679.1 million
Deposits	TL 195,244.5 million	Shareholders' Equity	TL 39,825.0 million

Highlights from Garanti Bank's Consolidated Financials

- Net income was TL 4 billion 685 million and 989 thousand.
- In compliance with the legal legislation and international regulations, a total amount of TL 3 billion 805 million 951 thousand was reserved for tax provisions, loans and other provisions.*
- Total assets increased by 8.8% year-to-date and reached TL 339 billion 679 million 127 thousand.
- Return on Average Assets (ROAA) realized at 2.0%.**
- Shareholders' equity increased by 11.3% year-to-date and reached TL 39.8 billion.
- Return on Average Equity (ROAE) realized at 17.4%.**
- Contribution made to the real economy through cash and non-cash loans increased by 6.4% year-to-date and reached TL 274 billion 87 million 604 thousand as of September 30, 2017.
- Total loans, FC loans and TL loans market shares realized at 11.2%, 11.7% and 11.0%, respectively.
- Market share of "mortgage loans" realized at 13.2% and market share of "consumer loans including credit cards" were 14.1%.
- Total customer deposits increased by 9.7% year-to-date and reached TL 191 billion 50 million and 160 thousand, while market share of total customer deposits was realized at 11.2%.
- Capital adequacy ratio (CAR) reached 17.1%.
- Non-performing loan (NPL) ratio realized at 2.82%.

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

**Excludes non-recurring items (Income from NPL sale, fee rebates and free provisions) when annualizing Net Income for the rest of the year.

You may access the earnings presentation regarding the BRSA unconsolidated financial results as of and for the period ending September 30, 2017 in English from Garanti Bank Investor Relations website at www.garantiinvestorrelations.com