



9M20 EARNINGS PRESENTATION

Based on BRSA Consolidated Financials
October 27th, 2020

AGENDA

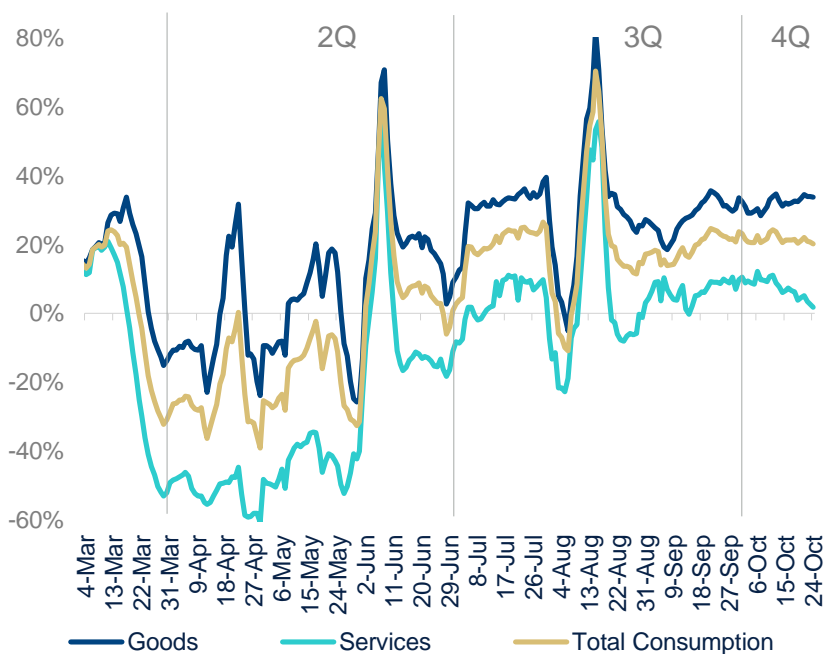


- ▶ Our big data indicators
& Recent Macro forecasts

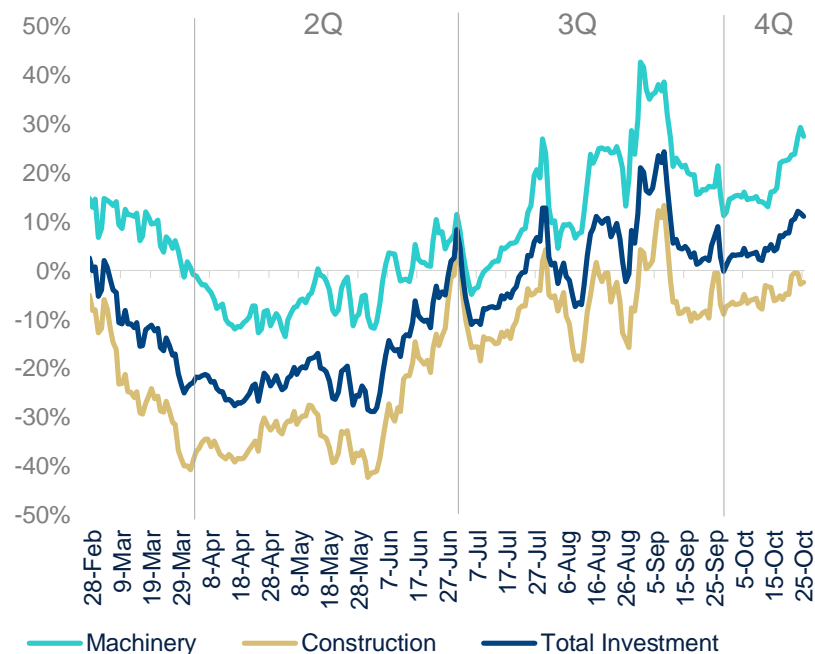


OUR DAILY BIG DATA INDICATORS STILL SUGGEST SOLID CONSUMPTION AND ONLY A SLIGHT MODERATION IN INVESTMENT AT THE START OF 4Q

GARANTI BBVA BIG DATA CONSUMPTION INDEX
(Cumulative 7 days, YoY Nominal)



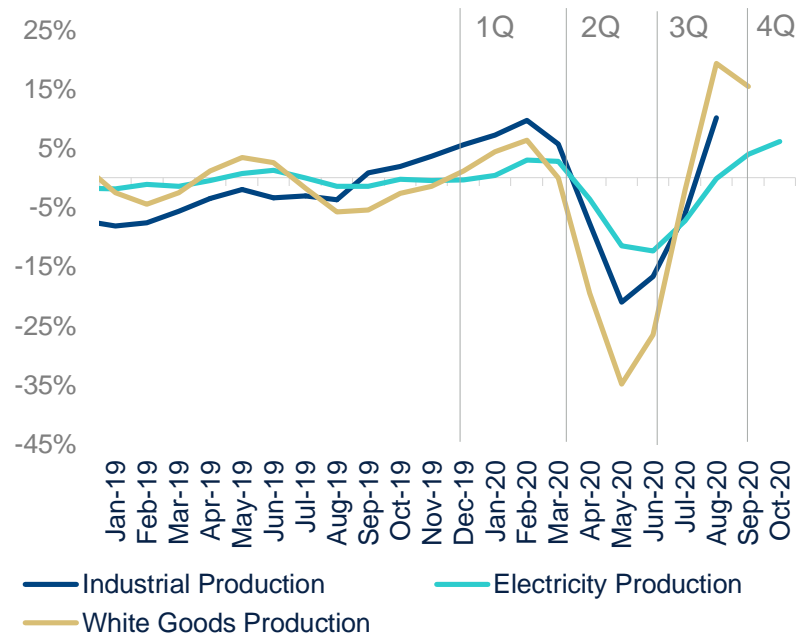
GARANTI BBVA BIG DATA INVESTMENT INDEX
(Cumulative 28 Days, YoY Nominal)



SOFT DATA INDICATORS STARTED TO SHOW EARLY SIGNS OF DECELERATION BUT HARD DATA STILL REMAIN SUPPORTIVE CONFIRMING OUR BIG DATA

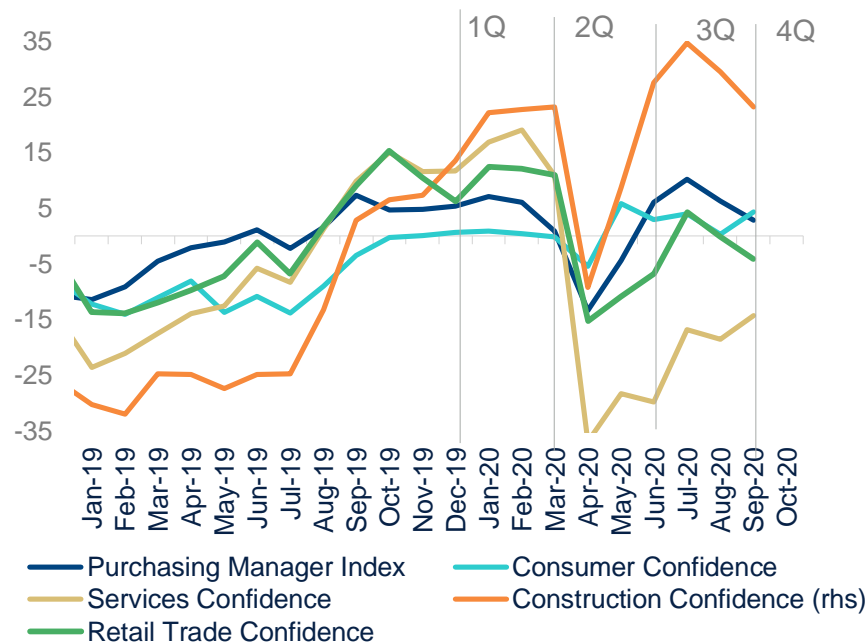
TURKEY: HIGH FREQUENCY HARD DATA INDICATORS

(3-Month YoY, including the first 2 weeks of October)



TURKEY: HIGH FREQUENCY SOFT DATA INDICATORS

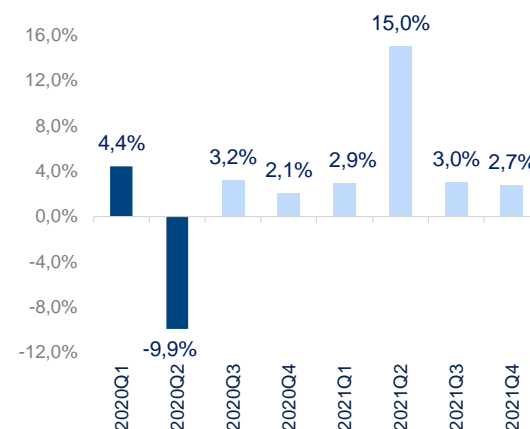
(yearly difference)



MACROECONOMIC FORECASTS

	2019	2020 (f)	2021 (f)
GDP (%)	0.9	0.0	5.5
CBRT Funding Rate (% YE, yoy)	12.0	13.5	10.5
Inflation Rate (% YE)	11.8	11.5	10.0
Current Account Balance / GDP	1.1	-5.1	-4.5
Budget Deficit / GDP	-2.9	-5.3	-4.7
EU Defined Sovereign Debt / GDP	33%	42%	44%

GDP FORECASTS
(% YOY)



Main Assumptions of the Baseline Scenario

Covid-19

Gradual improvement through 2021 following the introduction of a vaccine in 1Q21

Economic policies

Rebalancing policies (reinforcing normalization) at least until the recovery consolidates

Financial markets

No significant spikes in financial tensions, **volatility will gradually recede over 2021**

Economic activity

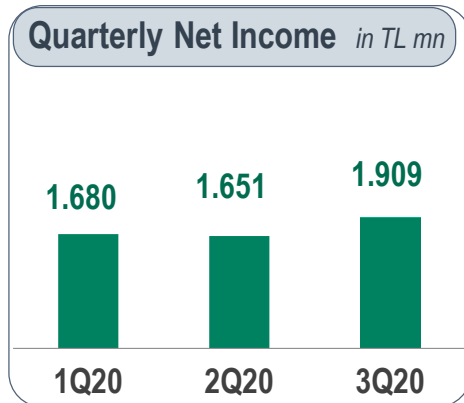
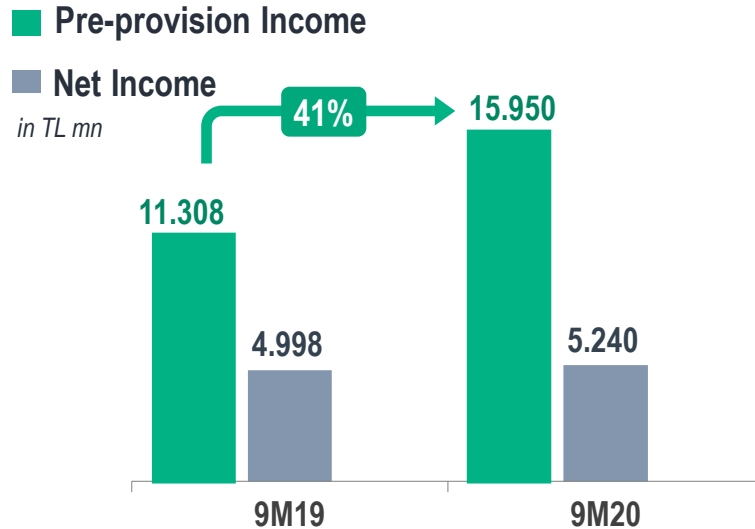
A prolonged recovery, gradually boosted by effective treatments and the end of social distancing over 2021

AGENDA



- ▶ Slowdown in lending, sustained strong revenue generation capability & further strengthened provisions

ROBUST PRE-PROVISION INCOME GENERATION CONTINUES FURTHER PROVISION BUILD UP WHILE DELIVERING STRONG PROFITABILITY



► TL 1,230mn free provisions set aside in 3Q20

► Free provisions in the balance sheet reached TL 4,330mn

ROAE

13.3%

ROAA

1.6%

LEVERAGE

7.7x

CAR

16.9%

18.8%

with BRSA's currency forbearance

CET-1

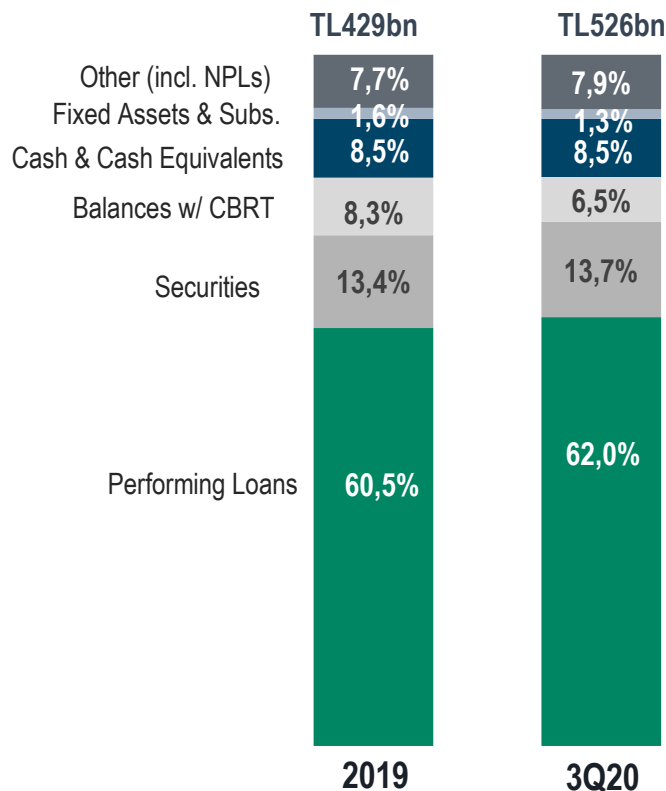
14.2%

16.0%

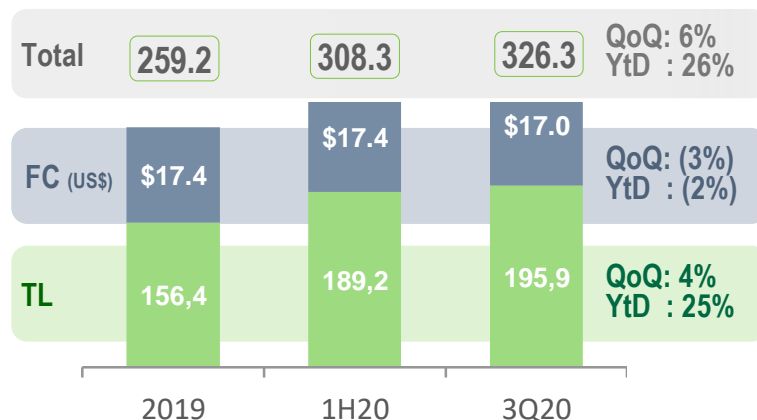
with BRSA's currency forbearance

BALANCED ASSET GROWTH IN 3Q

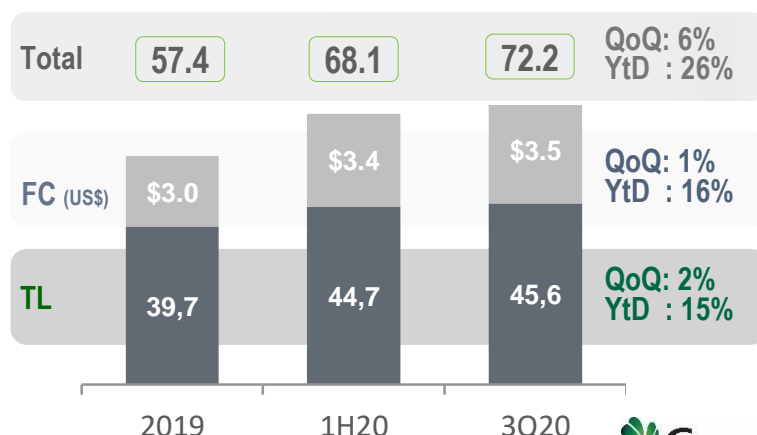
ASSET BREAKDOWN



Performing Loans (TL, US\$ billion)

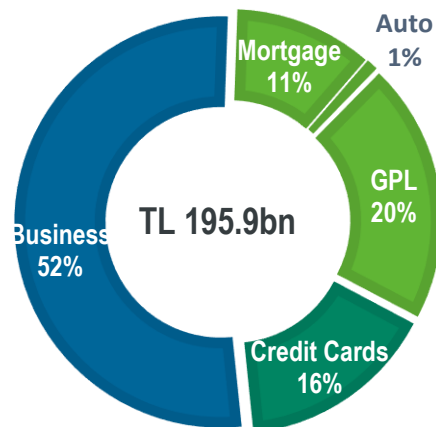


Securities (TL, US\$ billion)

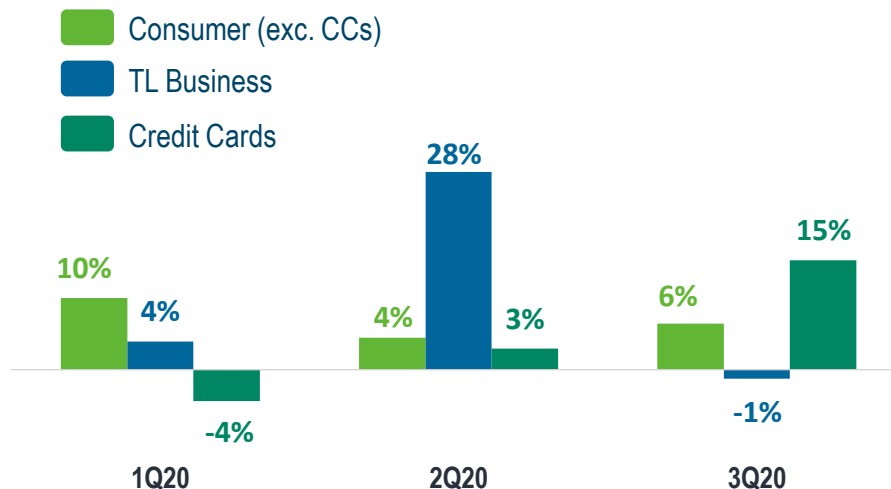


INCREASED ACTIVITY IN CONSUMER LENDING BUSINESS BANKING LOANS WERE MUTED AFTER ITS SOLID GROWTH IN 1H

TL PERFORMING LOANS
(62% of Total Performing Loans)



QUARTERLY GROWTH

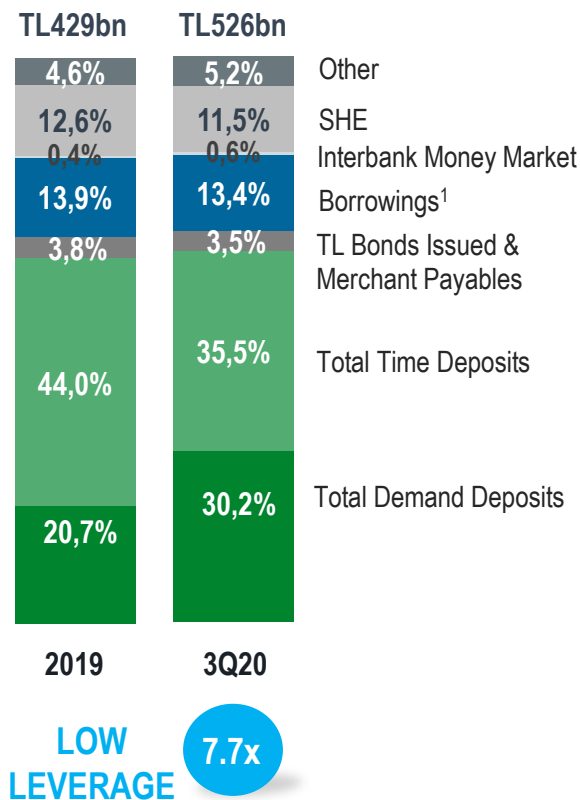


- Muted ST Working Capital & CGF loan growth in 3Q;
 - Slowdown in business loans after 33% growth in 1H20.

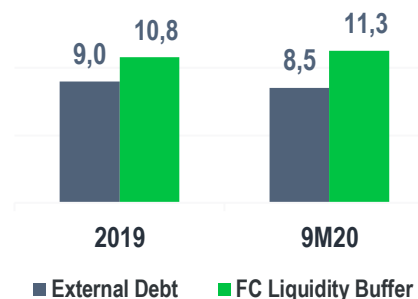
- Consumer loans & credit card utilization gained pace starting from June;
 - Pent-up demand for consumer loans following the easing of pandemic related restrictions.
 - Attractive rates ignited further consumer loan demand, however, Consumer loans are expected to cut pace in 4Q due to increasing rates & lower maturities.
 - GPL growth in the quarter has been 9%.
 - 48% of GPLs are granted to salary customers.

HIGHLY LIQUID BALANCE SHEET MAINTAINED

LIABILITIES & SHE BREAKDOWN



EXTERNAL DEBT VS. FC QUICK LIQUIDITY (US\$ bn)



LIQUIDITY COVERAGE RATIOS³

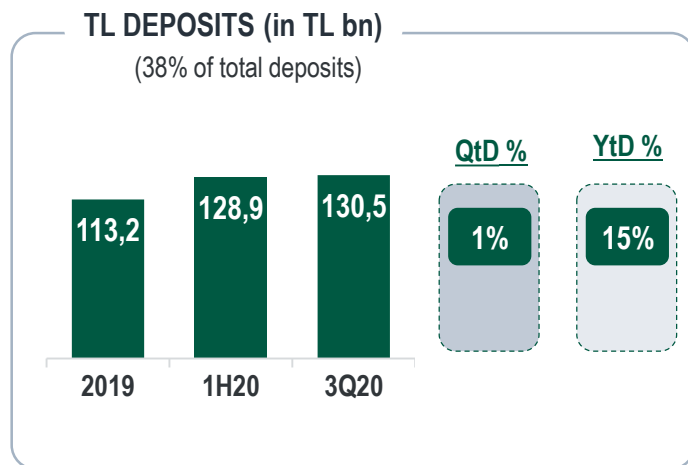
Total LCR	183%
<i>Minimum Requirement</i>	100%
FC LCR	340%
<i>Minimum Requirement</i>	80%

¹ Includes funds borrowed, sub-debt & FC securities issued

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

³ Represents the average of September. As per regulation dated 26 March 2020, min. Required levels were suspended until 31 December 2020.

FURTHER INCREASED SHARE OF DEMAND DEPOSITS



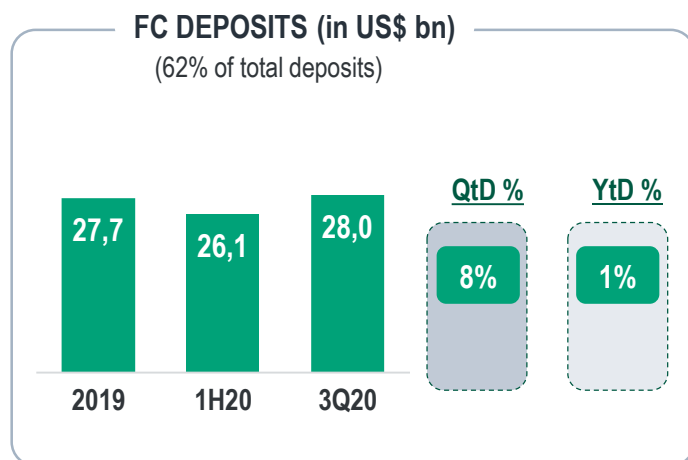
HIGH SHARE OF DEMAND DEPOSITS

+79% Ytd Growth in demand deposits on top of 38% growth in 2019

DEMAND DEPOSITS / TOTAL DEPOSITS: **46%** vs. sector's 31% **+14pp** increase Ytd

TL DEMAND/ TL DEPOSITS: **31%**

FC DEMAND/ FC DEPOSITS: **55%**



STICKY & LOW COST DEPOSITS

SHARE OF SME & RETAIL DEPOSITS¹

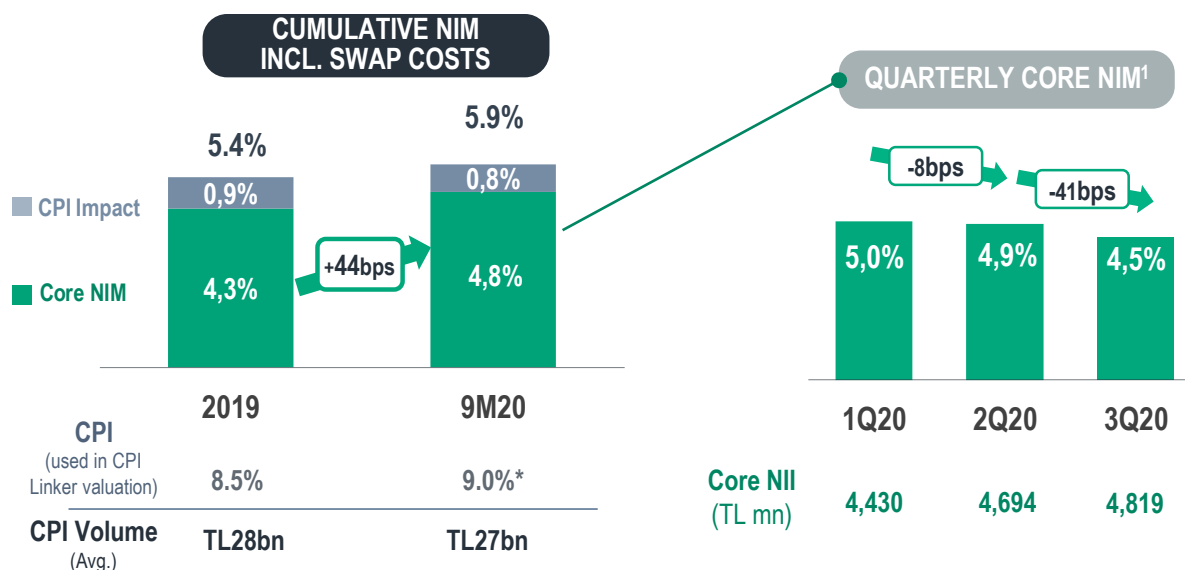
76% IN TL CUST. DEPOSITS

76% IN FC CUST. DEPOSITS

¹ Based on bank-only MIS data.

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

UPWARD LOAN REPRICING AND CPI LINKERS INCOME WILL ALLEVIATE THE PRESSURE COMING FROM FUNDING COST INCREASE



- ▶ **Core NII** sustained its **strong level**
- ▶ **High share of demand deposit** contributing to margin performance
- ▶ Outstanding **TL loan yields** have **started to pick-up** starting from August
- ▶ Increasing funding costs will largely be hedged with **CPI linkers**

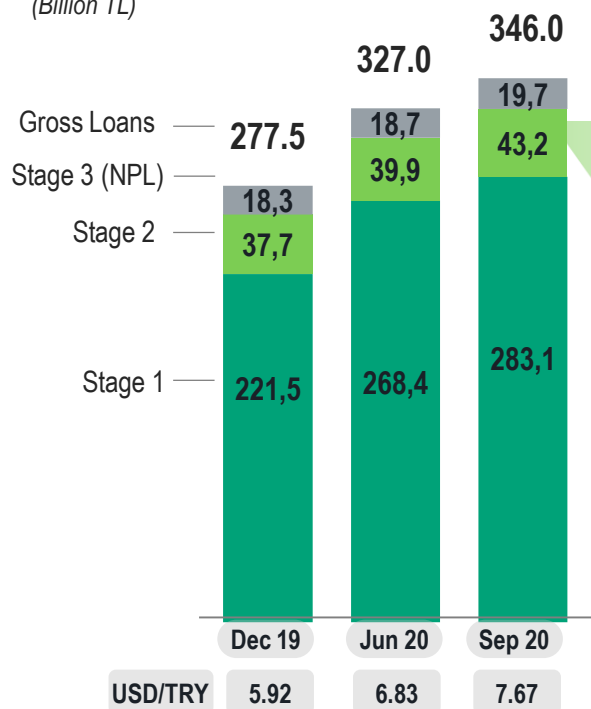
1 Core NIM = NIM including Swap costs and excluding CPI linker gains

* CPI rate used in the valuation was revised up to 9% in August and 10.5% in September from 7.5% in June & July.

COVERAGES FURTHER STRENGTHENED WITH MAINTAINED PRUDENT APPROACH

LOAN PORTFOLIO BREAKDOWN¹

(Billion TL)



UNCONSOLIDATED STAGE-2 BREAKDOWN

– 13% OF GROSS LOANS

		Coverage Ratios	Coverage (Nominal)	YtD Coverage Ratio Change (bps)
30%	SICR (Quantitative)	4.3%	0.5bn	+154bps
46%	Restructured	24.1%	4.5bn	+596bps
22%	Watchlist	15.8%	1.4bn	+286bps
2%	Past Due	30.4%	0.3bn	+1774bps
Sep 20				

Coverage Ratios

Total	6.1%	6.3%	6.5%	Total provision in the balance sheet increased by TL 5.7bn YTD
Stage 1	0.5%	0.6%	0.6%	
Stage 2	10.5%	15.4%	15.7%	
Stage 3	62.4%	66.6%	68.5%	

- ▶ 82% of SICR is not delinquent at all
- ▶ 90-180 days files' balance **decreased** from TL 1.5bn to TL 1.2bn in 3Q
Past due & Restructured buckets, following the temporary measure on NPL recognition day*
- ▶ 30-90 days files' balance **was** TL 182mn in 3Q, following under Stage-1 post the temporary regulation

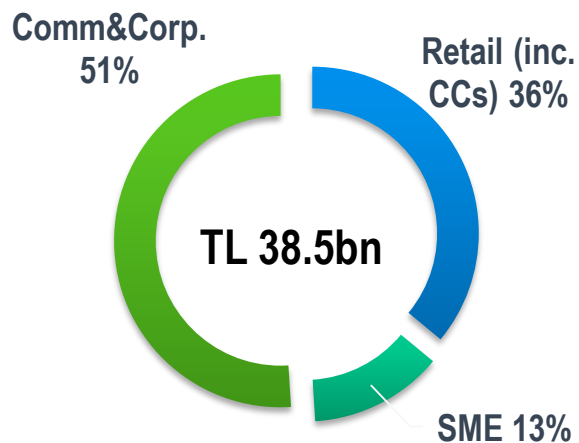
Note: SICR: Significant Increase in Credit Risk per our threshold for Probability of Default (PD) changes

¹ Excludes Leasing and Factoring Receivables

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

DEFERRED LOANS

DEFERRALS BREAKDOWN BY SEGMENT



► ~43% of deferred loans are classified under Stage-2 with **21% coverage**

DEFERRALS PAYMENT PERFORMANCE

Not expired 19%

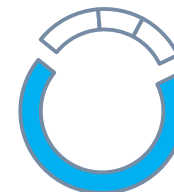
Expired 81%

From these expired loans;

14% paid their total debt

69% resumed payment

17% 2nd deferrals & solutions in progress

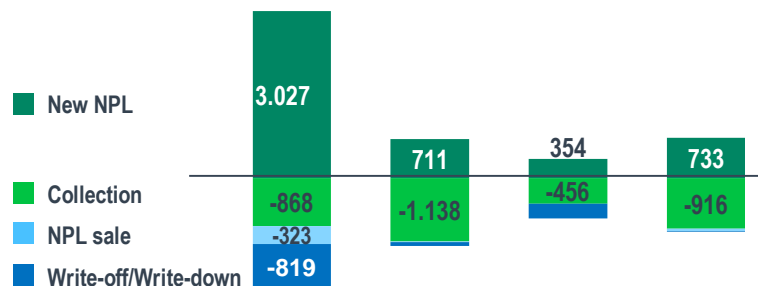


NET NEW NPL INFLOW CONTINUED TO BE NEGATIVE – PANDEMIC RELATED FULL NPL HIT LIKELY TO BE SEEN IN 2021

NPL EVOLUTION¹

(TL million)

	4Q19	1Q20	2Q20	3Q20
Net New NPL exc. Currency Impact	1,016	(515)	(374)	(230)

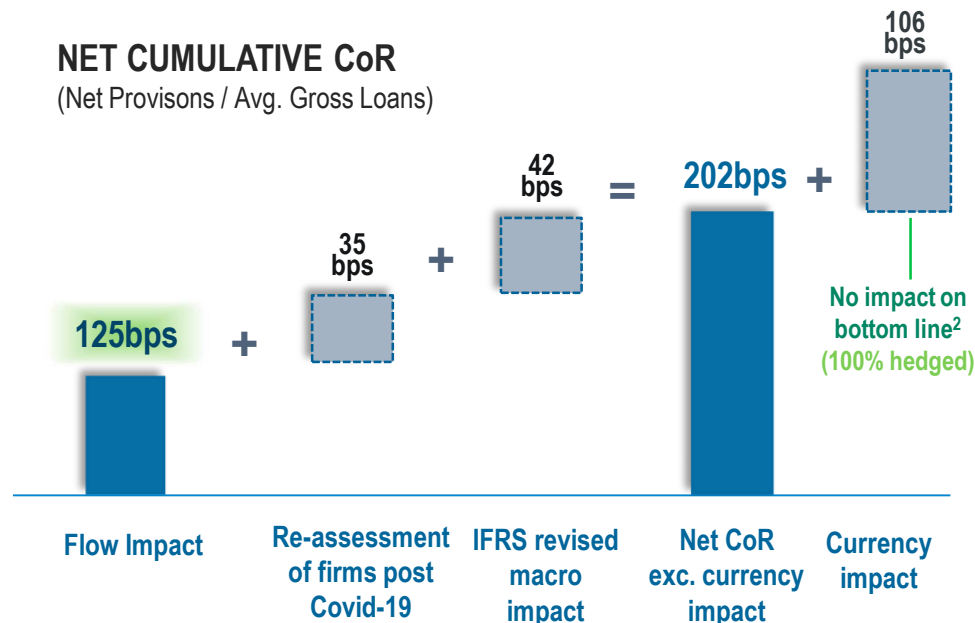


NPL Ratio	6.8%	6.5%	5.9%	5.9%
NPL (incl. Leasing & Factoring nominal, TL bn)	19.5	19.8	19.9	20.9

- BRSA new NPL regulation (increasing NPL recognition day to 180 days from 90 days) has ~40bps positive impact on 3Q20 NPL ratio

NET CUMULATIVE CoR

(Net Provisions / Avg. Gross Loans)



	QUARTERLY			CUMULATIVE
Net Provisions (TL mn)	1Q20	2Q20	3Q20	9M20
Flow Impact	797	1,246	976	3,019
Re-assessment of firms post Covid-19	853	-	-	853
IFRS revised macro impact	690	173	137	1,000
Net Provisions (excl. Currency impact)	2,339	1,419	1,113	4,872
Currency Impact	749	453	1,348	2,550

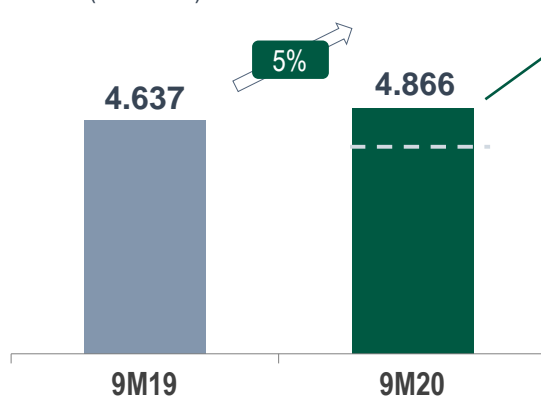
¹ NPL evolution excludes currency impact

² Currency depreciation impact of TL 2.55bn in 9M20 was fully offset via trading gain

SUSTAINED STRONG NET FEES AND COMMISSIONS BASE EVEN AFTER REGULATORY PRESSURES & COVID-19 IMPACT

NET FEES & COMMISSIONS

(TL Million)

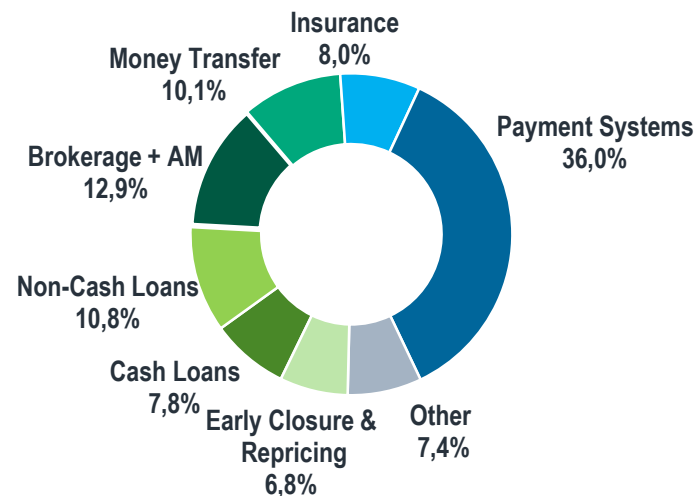


5pp

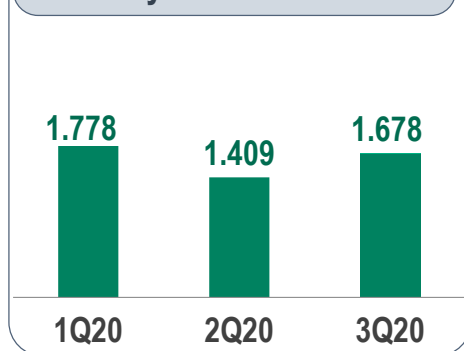
Impact on YoY Net F&C growth

► Early closure & repricing fees supported the base in 2020, following lowered cap by regulation in March 2020.

NET F&C BREAKDOWN¹



Quarterly Net F&C in TL mn



► QoQ increase backed by **lending related fees & payment systems** as **economic activity** has started to recover

Annual Growth

Payment Systems -26%

► Impact of merchant fee regulation effective as of Nov. 01, 2019 and regulation on cash advance fees, effective as of March 01, 2020

Money Transfer -21%

► YoY contraction due to introduced cap on Money transfer fees, effective as of March 01, 2020

Insurance +59%

► **Normalization in economic activity** supported insurance & cash loans fees.

Cash Loans +80%

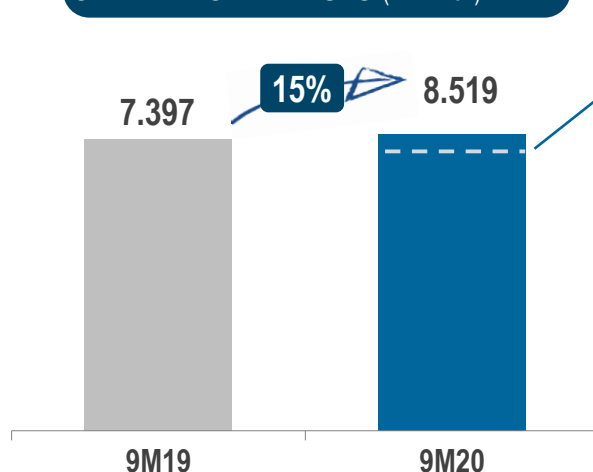
Brokerage & AM 68%

► Increased activity in capital market instruments

¹ Net Fees&Comm. breakdown is based on MIS data. Insurance fee includes Private Pension & Life insurance fee income whereas it is accounted for under 'other income' in consolidated financials

COSTS UNDER CONTROL. CURRENCY DEPRECIATION PRESSURED THE BASE, YET NO BOTTOM-LINE IMPACT DUE TO HEDGING MECHANISM

OPERATING EXPENSES (TL Million)



Currency depreciation
No impact on bottom line (100% hedged)

3.9pp

Impact on YoY OPEX growth

COST/INCOME¹ 39.5%

34.6%

Covid-19 related expenses

Enhanced safety and security measures to protect our employees' & customers' health

Additional IT & Cybersecurity investments

Lower travel, training and utility expenses

Revisiting rental contracts, agreements & marketing plans

Actions to support cost base

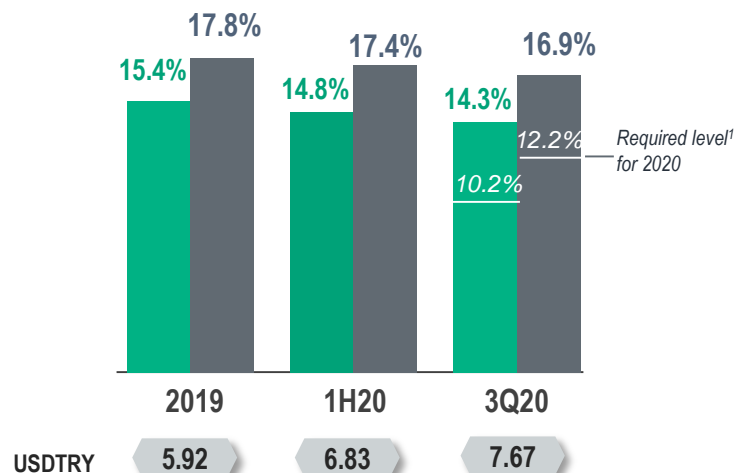
¹ Income defined as NII inc. Swaps + Net F&C + Dividend Income + Subsidiary Income + Net Trading Income (excludes swaps & currency hedge) + Other income (net of prov. Reversals)

CAPITAL REMAINED WELL ABOVE THE REQUIRED LEVEL

SOLVENCY RATIOS

without BRSA's currency forbearance

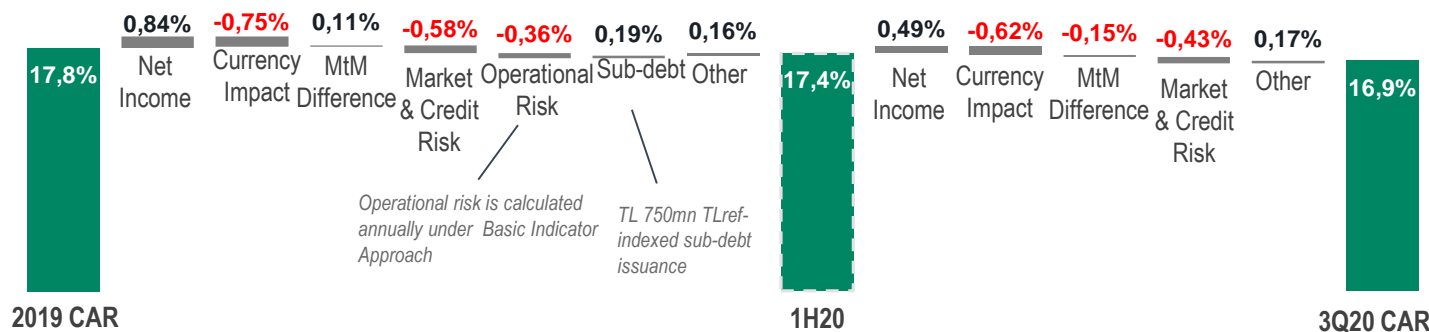
■ Tier -1 Ratio ■ CAR



TL 4.33bn Free Provisions

TL20bn Excess Capital
taking into account minimum required level of 12.2% for 2020

Impacts on CAR



1 Required Consolidated CAR level = 8.0% + SIFI Buffer for Group 3 (1.5%) + Capital Conservation Buffer (2.5%) + Counter Cyclical Buffer (0.188%); Required Consolidated Tier-I = 6.0% + Buffers; Required Consolidated CET-1 = 4.5% + Buffers
2 Calculated without the forbearance introduced by BRSA. With currency forbearance; CAR: 18.8%, CET1: 16.0%

APPENDIX

Pg. 20	2020 Guidance
Pg. 21	Sector Breakdown of Gross Loans
Pg. 22	Staging and coverage ratios of key sectors
Pg. 23	Structure of FC Loan Portfolio
Pg. 24	Maturity Profile & Liquidity Buffers
Pg. 25	Adjusted L/D and Liquidity Coverage Ratios
Pg. 26	Consumer Loans & TL Business Banking Loans
Pg. 27	Securities portfolio
Pg. 28	Summary Balance Sheet
Pg. 29	Summary P&L
Pg. 30	Key Financial Ratios
Pg. 31	Quarterly & Cumulative Net Cost of Risk

2020 GUIDANCE

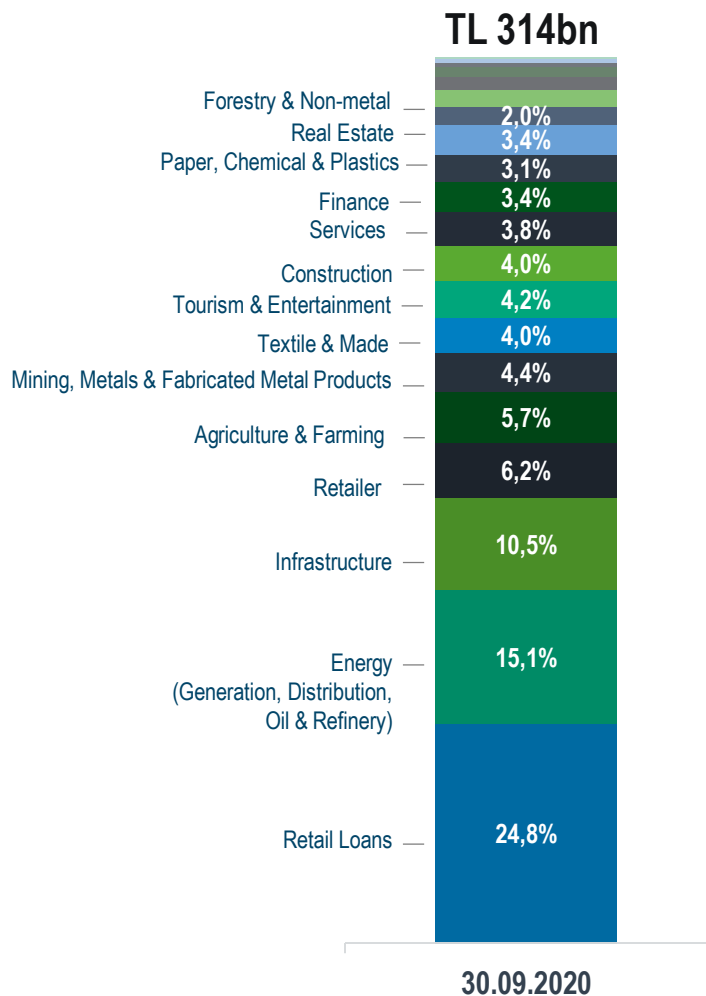
Faring broadly in-line with the revised guidance

Revised Guidance (Jul'20)

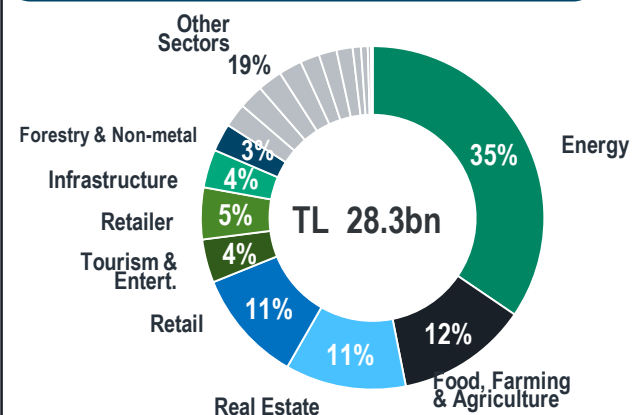
TL Loans (YoY)	~25%
FC Loans (in US\$, yoy)	Shrinkage
NIM Incl. Swap Cost Excl. CPI	~50bps expansion
Fee Growth (YoY)	High single digit shrinkage
OPEX Growth (YoY)	<10%
NPL ratio	~6.5%
Net Cost of Risk (excl.currency impact)	<300bps
ROAE	Low-teens

WELL-DIVERSIFIED PORTFOLIO...

SECTOR BREAKDOWN OF GROSS LOANS¹



Sector Breakdown of Stage 2 excluding SICR¹

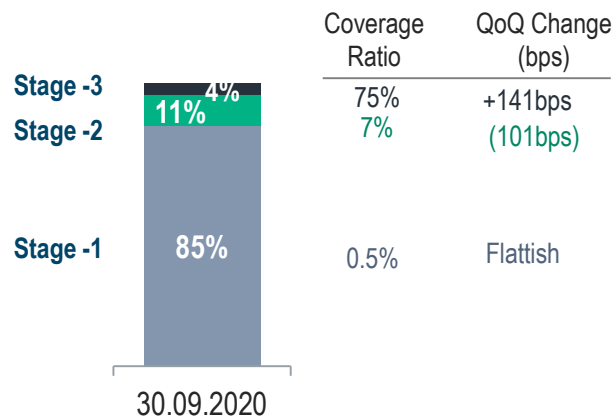


¹ Based on Bank-only MIS data

...WITH STRONG COVERAGE RATIOS

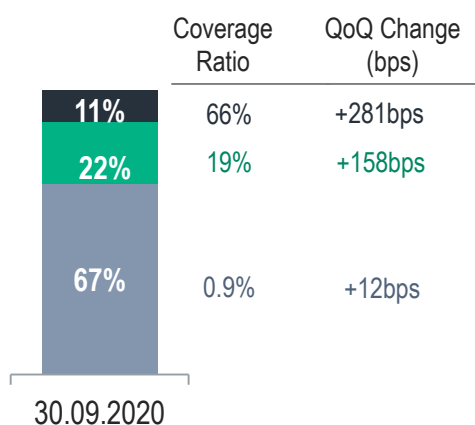
Retail

--- 24% of Gross Loans



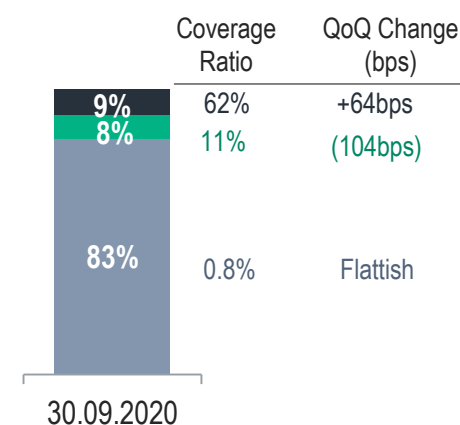
Energy Loans

--- 15% of Gross Loans



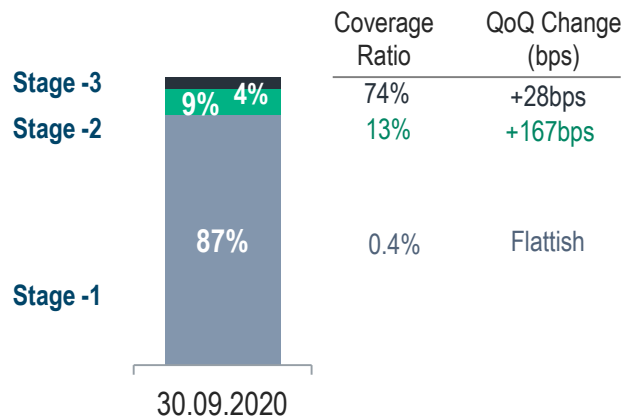
Construction

--- 4% of Gross Loans



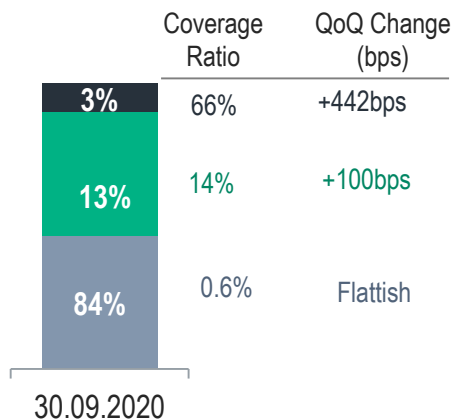
Textile

--- 4% of Gross Loans



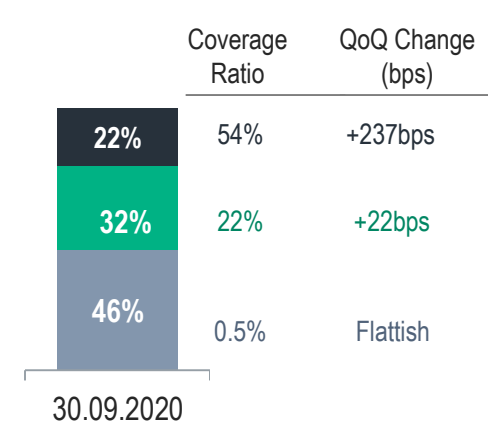
Tourism & Entertainment

--- 4% of Gross Loans



Real Estate

--- 3% of Gross Loans



APPENDIX: STRUCTURE OF FC LOAN PORTFOLIO

FC PERFORMING LOANS

– 40% OF TOTAL PERFORMING LOANS

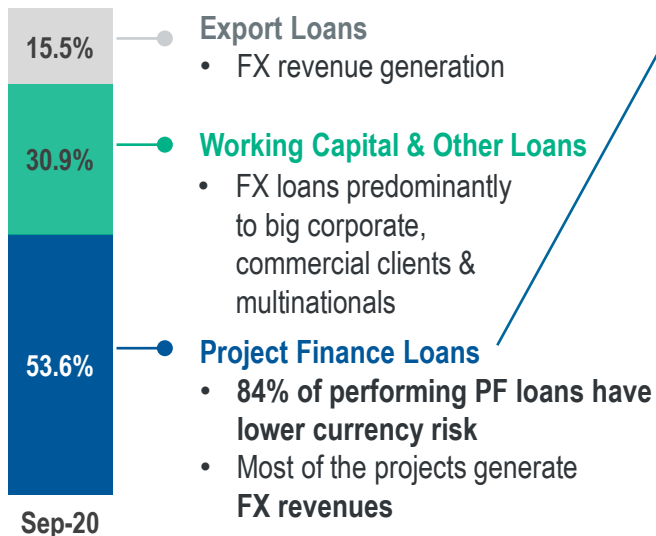
US\$ 17.0 bn Consolidated FC Performing Loans

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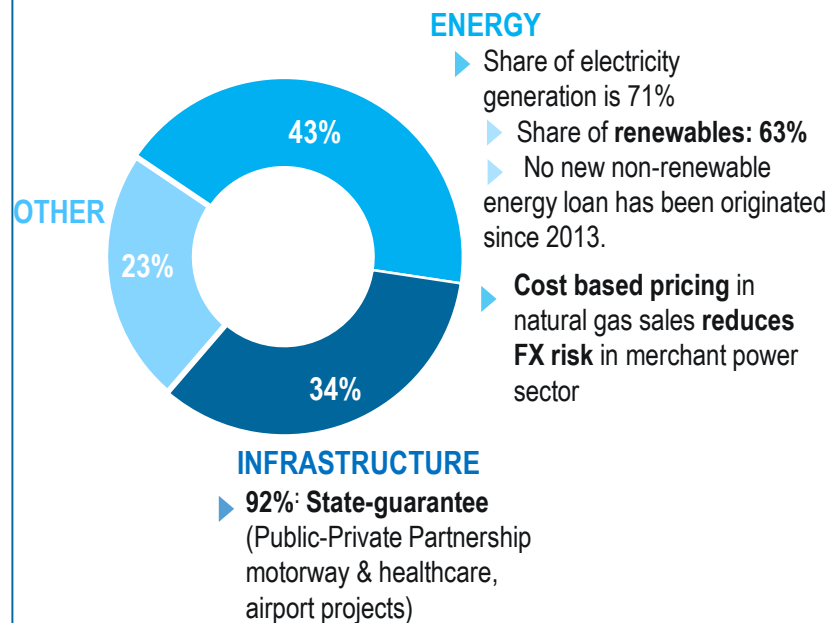
US\$ 4bn

+

US\$ 13.0 bn ► Unconsolidated FC Performing Loans



BREAKDOWN OF UNCONSOLIDATED PF LOANS

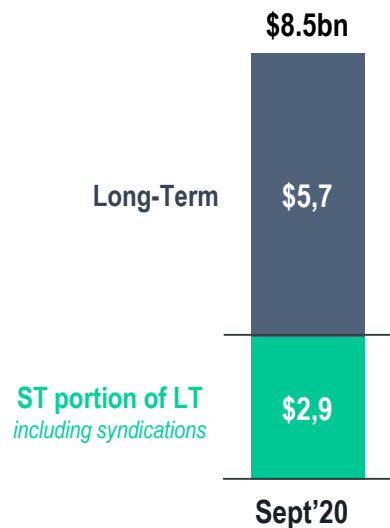


« FX sensitivity analysis are regularly conducted as part of the **proactive staging and provisioning** practices»

APPENDIX: COMFORTABLE LIQUIDITY & MANAGEABLE EXTERNAL DEBT STOCK

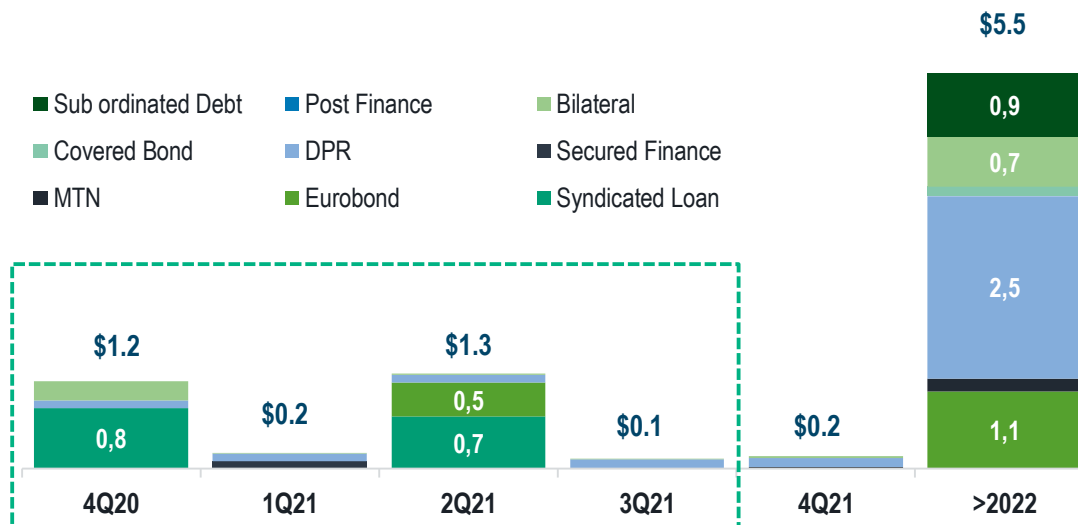
GARANTI'S EXTERNAL DEBT¹

(US\$ billion)



MATURITY PROFILE OF EXTERNAL DEBT

(US\$ billion)



ST external dues

\$2.9bn

Comfortable FC liquidity buffer²

\$11.3bn

¹ Excludes cash collateralized borrowings

² 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**

Total
Loans /
Deposits:

94%



Adjusted
LDR



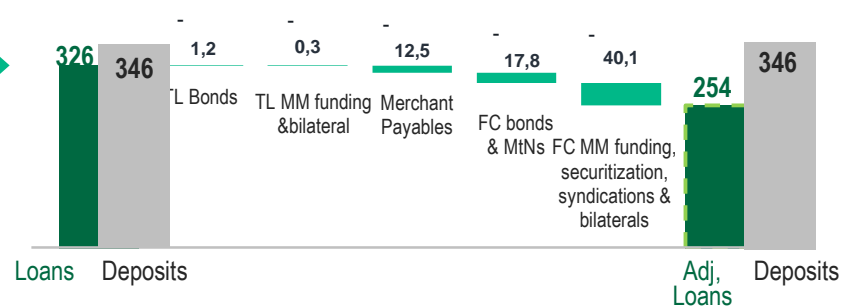
TL Loans /
TL Deposits:

150%

FC Loans /
FC Deposits:

61%

(TL billion)



LIQUIDITY COVERAGE RATIOS³

Total LCR

183%

Minimum Requirement

100%

FC LCR

340%

Minimum Requirement

80%

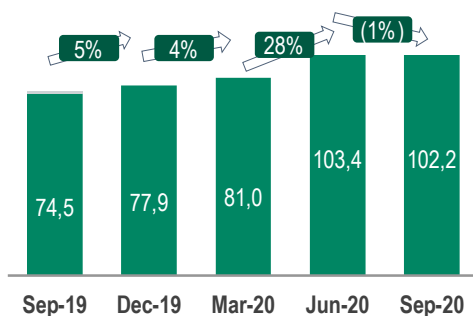
¹ Represents the average of September's last week. As per regulation dated 25 March, 2020, min. Required levels were suspended until 31 December 2020.

APPENDIX: CONSUMER & TL BUSINESS BANKING LOANS

TL BUSINESS BANKING

(TL billion)

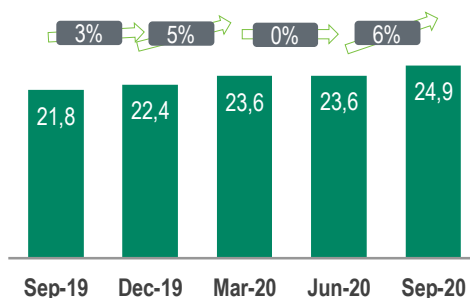
+37%
YoY



CONS. MORTGAGE LOANS

(TL billion)

+15%
YoY



Market Shares³

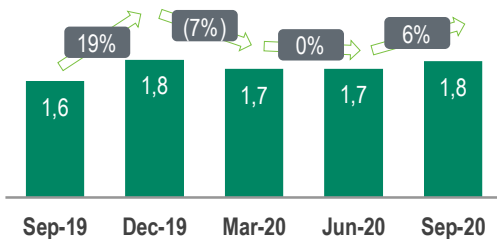
	Sep '20	QoQ	Rank
Consumer Loans inc Consumer CCs	11.6%	-57bps	#1*
Cons. Mortgage	8.4%	-122bps	#1*
Cons. Auto	26.3%	-446bps	#1*
Consumer GPLs	10.8%	-24bps	#2*
TL Business Banking	8.0%	-48bps	#2*
# of CC customers ²	13.5%	-15bps	#1
Issuing Volume ² (Cumulative)	17.8%	-8bps	#1
Acquiring Volume ² (Cumulative)	17.1%	+11bps	#2

* Rankings are among private banks as of June 20

CONSUMER AUTO LOANS

(TL billion)

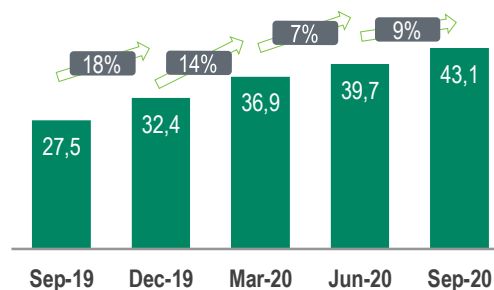
17%
YoY



CONSUMER GENERAL PURPOSE LOANS¹

(TL billion)

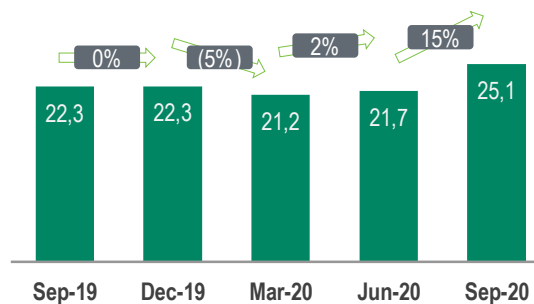
+56%
YoY



CONSUMER CREDIT CARD BALANCES

(TL billion)

+13%
YoY



¹ Including other loans and overdrafts

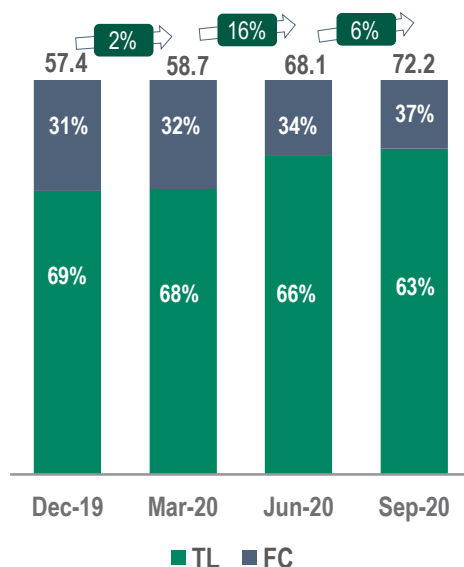
² Cumulative figures and rankings as of September 2020, as per Interbank Card Center data,

³ Sector figures used in market share calculations are based on bank-only BRSA weekly data as of 29.09.2020, for commercial banks

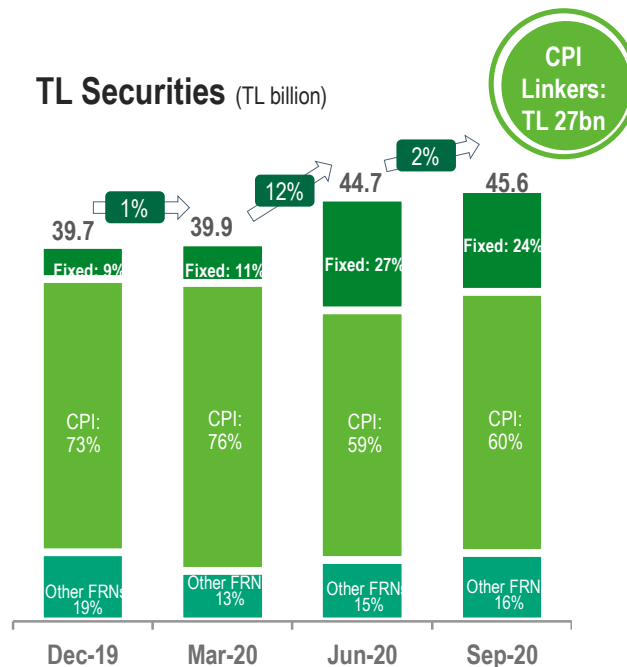
APPENDIX: SECURITIES PORTFOLIO

Total Securities (TL billion)

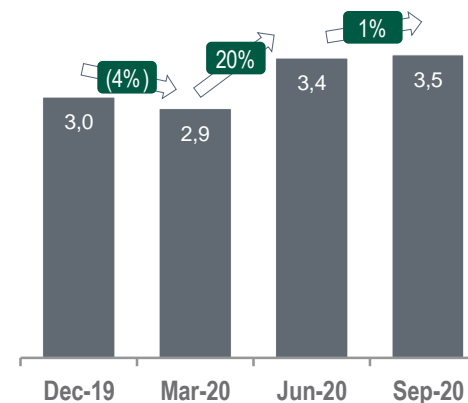
14% of Total Assets



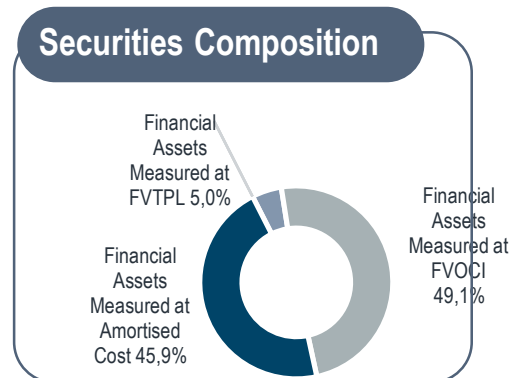
TL Securities (TL billion)



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	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020
Cash & Cash Equivalents	42.2	36.6	23.8	31.8	44.4
Balances at CBRT	38.0	35.6	50.2	35.5	34.2
Securities	55.9	57.4	58.7	68.1	72.2
Gross Loans + Leasing & Factoring receivables	268.0	286.1	307.1	336.5	356.5
+ TL Loans	157.8	167.0	174.1	199.6	206.3
TL Loans NPL	10.3	10.6	10.6	10.5	10.4
info: TL Performing Loans	147.4	156.4	163.5	189.2	195.9
+ FC Loans (in US\$ terms)	18.2	18.7	18.9	18.7	18.2
FC Loans NPL (in US\$)	1.2	1.3	1.2	1.2	1.2
info: FC Performing Loans (in US\$)	17.0	17.4	17.7	17.4	17.0
info: Performing Loans (TL+FC)	242.9	259.2	279.5	308.3	326.3
Fixed Assets & Subsidiaries	6.6	6.7	6.8	6.8	7.0
Other	0.6	6.1	9.7	8.0	11.5
TOTAL ASSETS	411.2	428.6	456.2	486.7	525.9

LIABILITIES & SHE	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020
Total Deposits	257.8	277.3	295.9	306.9	345.7
+ Demand Deposits	80.2	88.9	102.9	135.1	158.8
TL Demand	28.1	32.5	33.9	45.4	40.5
FC Demand (in US\$ terms)	9.3	9.5	10.5	13.1	15.4
+ Time Deposits	177.7	188.4	193.1	171.8	186.8
TL Time	76.8	80.7	84.2	83.5	90.0
FC Time (in US\$ terms)	18.0	18.2	16.6	12.9	12.6
Interbank Money Market	1.5	1.8	2.9	16.7	3.1
Bonds Issued	22.8	21.0	21.5	22.4	23.5
Funds Borrowed	43.3	44.7	47.3	46.8	52.8
Other liabilities	34.0	29.7	33.5	35.4	40.1
Shareholders' Equity	51.8	54.1	55.1	58.4	60.7
TOTAL LIABILITIES & SHE	411.2	428.6	456.2	486.7	525.9

APPENDIX: SUMMARY P&L

TL Million	QUARTERLY P&L			CUMULATIVE P&L		
	2Q20	3Q20	QoQ	9M19	9M20	YoY
(+) Net Interest Income including Swap costs	5,291	5,657	7%	12,928	16,173	25%
(+) <i>NII excluding CPI linkers' income</i>	5,230	5,761	10%	12,526	16,051	28%
(+) <i>Income on CPI linkers</i>	598	838	40%	2,564	2,230	-13%
(-) <i>Swap Cost</i>	-537	-942	76%	-2,162	-2,109	-2%
(+) Net Fees & Comm.	1,409	1,678	19%	4,637	4,866	5%
(+) Net Trading & FX gains/losses (excl. Swap costs and currency hedge)	340	842	147%	4	1,880	43381%
<i>info: Gain on Currency Hedge</i>	453	1,348	198%	280	2,550	812%
(+) Other income (excl. Prov. reversals & one-offs)	483	559	16%	1,027	1,550	51%
= REVENUES	7,524	8,736	16%	18,597	24,468	32%
(+) Non-recurring other income	0	0	<i>n.m</i>	109	0	<i>n.m</i>
(+) <i>Administrative fine reversal</i>	0	0	<i>n.m</i>	83	0	<i>n.m</i>
(+) <i>Gain from asset sale</i>	0	0	<i>n.m</i>	26	0	<i>n.m</i>
(-) OPEX	-2,708	-2,883	6%	-7,397	-8,519	15%
(-) <i>HR</i>	-1,112	-1,093	-2%	-3,138	-3,267	4%
(-) <i>Non-HR</i>	-1,595	-1,789	12%	-4,259	-5,251	23%
= PRE-PROVISION INCOME	4,816	5,853	22%	11,308	15,950	41%
(-) Net Expected Loss (excl. Currency impact)	-1,419	-1,113	-22%	-4,622	-4,872	5%
(-) <i>Expected Loss</i>	-2,503	-3,747	50%	-8,492	-11,288	33%
<i>info: Currency Impact</i>	-453	-1,348	198%	-280	-2,550	812%
(+) <i>Provision Reversal under other Income</i>	631	1,286	104%	3,590	3,866	8%
(-) Taxation and other provisions	-1,746	-2,831	62%	-1,688	-5,838	246%
(-) <i>Free Provision</i>	-600	-1,230	<i>n.m</i>	-100	-1,830	<i>n.m</i>
(-) <i>Taxation</i>	-745	-865	16%	-1,364	-2,131	56%
(-) <i>Other provisions (excl. free prov.)</i>	-401	-736	84%	-224	-1,876	738%
= NET INCOME	1,651	1,909	16%	4,998	5,240	5%

1 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

	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
Profitability ratios					
ROAE (Cumulative) ¹	13.5%	12.4%	12.4%	13.1%	13.3%
ROAA (Cumulative) ¹	1.6%	1.5%	1.5%	1.6%	1.6%
Cost/Income	39.5%	39.4%	35.7%	35.8%	34.8%
Quarterly NIM incl. Swap costs	5.0%	5.5%	5.9%	5.5%	5.3%
Quarterly NIM incl. Swap costs excl. CPI linkers	4.3%	5.1%	5.0%	4.9%	4.5%
Cumulative NIM incl. Swap costs	5.1%	5.2%	5.9%	5.7%	5.5%
Cumulative NIM incl. Swap costs excl. CPI linkers	4.1%	4.3%	5.0%	4.9%	4.8%
Liquidity ratios					
Loans / Deposits	94.2%	93.5%	94.5%	100.5%	94.4%
TL Loans / TL Deposits	140.5%	138.1%	138.4%	146.8%	150.1%
Adj. Loans/Deposits (Loans adj. with on-balance sheet alternative funding sources)	63%	68%	71%	80%	74%
TL Loans / (TL Deposits + TL Bonds + Merchant Payables)	121.0%	121.0%	123.0%	129.9%	131.7%
FC Loans / FC Deposits	62.4%	62.7%	65.3%	66.9%	60.6%
Asset quality ratios					
NPL Ratio	6.7%	6.8%	6.5%	5.9%	5.9%
Coverage Ratio	6.2%	6.1%	6.4%	6.3%	6.5%
+ Stage1	0.5%	0.5%	0.6%	0.6%	0.6%
+ Stage2	11.1%	10.5%	13.8%	15.4%	15.7%
+ Stage3	62.3%	62.4%	65.5%	66.6%	68.5%
Cumulative Net Cost of Risk (excluding currency impact, bps)	227	249	317	244	202
Solvency ratios					
CAR	18.1%	17.8%	16.6%	17.4%	16.9%
Common Equity Tier I Ratio	15.7%	15.4%	14.0%	14.8%	14.2%
Leverage	6.9x	6.9x	7.3x	7.3x	7.7x

¹ 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 9M19, 1Q20, 1H20 and 9M20.

APPENDIX: QUARTERLY & CUMULATIVE NET CoR

(Million TL)

Quarterly Net Expected Credit Loss	4Q19	1Q20	2Q20	3Q20
(-) Expected Credit Losses	3,000	5,038	2,503	3,747
Stage 1	446	1,330	454	623
Stage 2	223	1,925	1,278	1,628
Stage 3	2,332	1,783	771	1,497
(+) Provision Reversals under other income	427	1,949	631	1,286
Stage 1	157	833	238	144
Stage 2	130	463	176	816
Stage 3	141	653	216	325
(=) (a) Net Expected Credit Losses	2,573	3,089	1,872	2,461
(b) Average Gross Loans	277,044	296,602	321,780	346,512
(a/b) Quarterly Total Net CoR (bps)	368	419	234	283
info: Currency Impact¹	51	102	57	155
Total Net CoR excl. currency impact (bps)	318	317	177	128

(Million TL)

Cumulative Net Expected Credit Loss	9M20
(-) Expected Credit Losses	11,288
Stage 1	2,407
Stage 2	4,831
Stage 3	4,050
(+) Provision Reversals under other income	3,866
Stage 1	1,216
Stage 2	1,455
Stage 3	1,195
(=) (a) Net Expected Credit Losses	7,422
(b) Average Gross Loans	321,557
(a/b) Cumulative Total Net CoR (bps)	308
info: Currency Impact¹	106
Total Net CoR excl. currency impact (bps)	202

¹ 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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