



Creating Opportunities

Accelerating profitable growth in our main markets: Turkey

RECEP BAŞTUĞ,
COUNTRY MANAGER TURKEY



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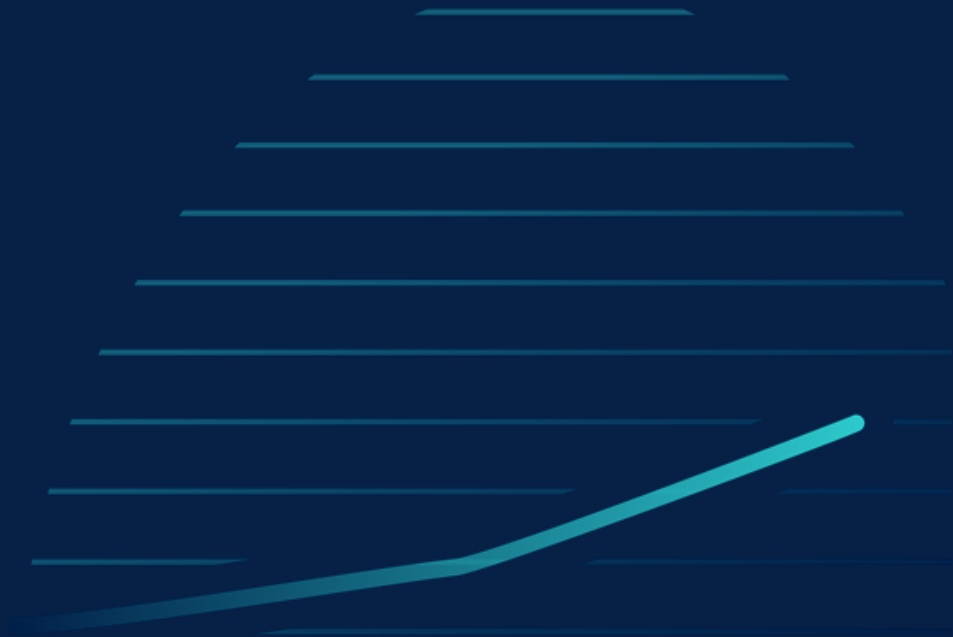
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- 02 Competitive Overview
- 03 Strategy Going Forward

BBVA

Investor
Day

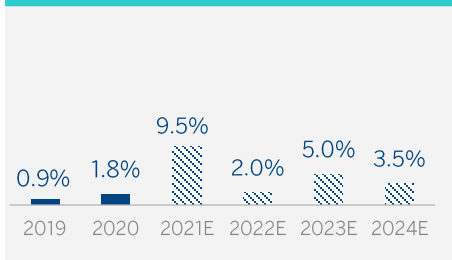
01

Market Dynamics



Turkey: A Country with Strong Fundamentals and Long-Term Potential Despite Short-term Volatility

GDP GROWTH



INFLATION



TURKEY'S LONG-RUN POTENTIAL & KEY ANCHORS

Still **high potential growth** in long-run

3.5%

TURKEY



1.6%

EUROZONE



Europe share..



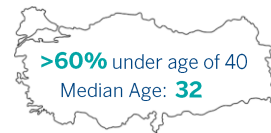
..in exports



..in imports

Strategic geopolitical location
A **manufacturing hub** for Europe

Favorable demographics
Young, growing and digital savvy population



WELL REGULATED & STILL UNDERPENETRATED BANKING SECTOR

Loans / GDP

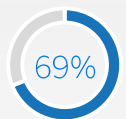
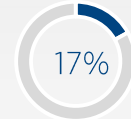


57%

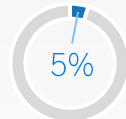
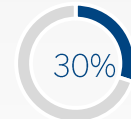


104%

Household Debt / GDP



Unbanked Population (ages +15)



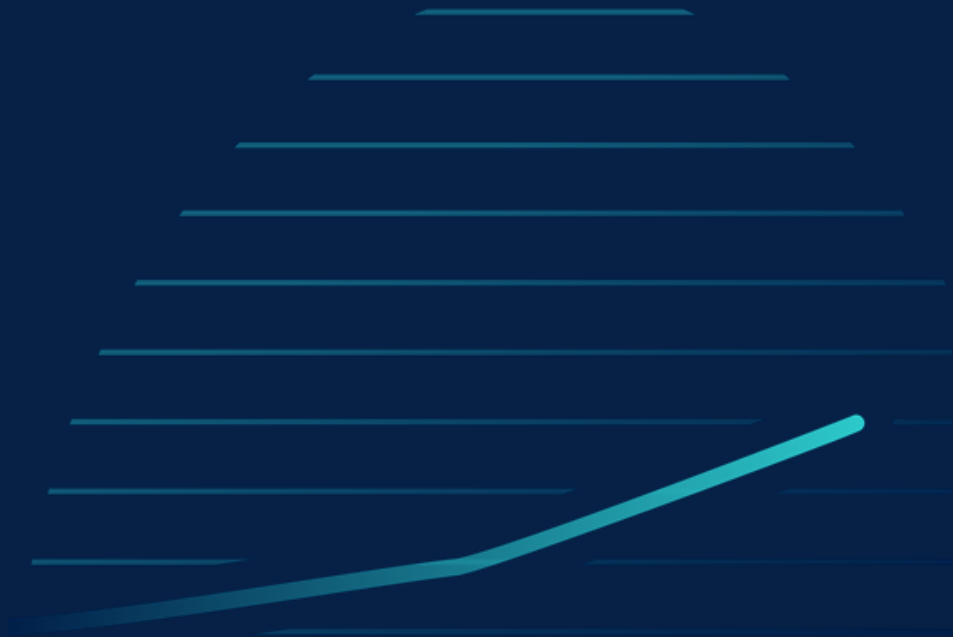
of Branches per 100k Adults

12

23

02

Competitive Overview



Outstanding Performance Among Peers

Leadership in TL Lending & Sustainable Funding Base

LEADERSHIP IN RETAIL LENDING MARKET SHARE GAIN ACROSS THE BOARD

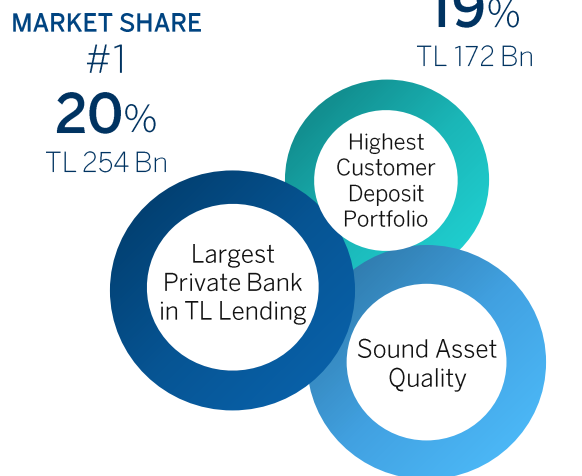
		Y-t-D bps	
Mortgage	29%	+98	#1
General Purpose	19%	+36	#1
Retail Issuing Volume	24%	+113	#1
Auto	36%	+85	#1
TL Business	19%	+118	#2

REMARKABLE TL LOAN GROWTH CAGR (16-21)


18%

 Private

 14%



LOWEST NPL RATIO¹

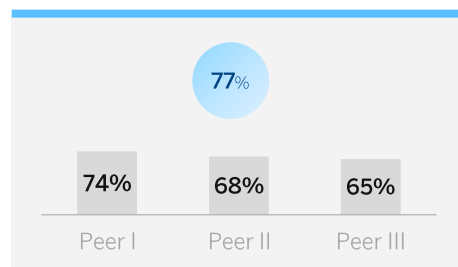
4.0% | **5.2%**


 Peers avg.

HIGHEST DEMAND DEPOSIT (TL Bn)



HIGHEST NPL COVERAGE

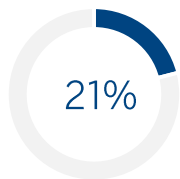


Note: Market shares among private banks (1) 9M21

Note : Adjusted with write-downs in 2020 and 9M 2021

Outstanding Performance Among Peers

Unrivalled Leadership in All Financial Indicators



Net Interest
Income
Market Share

HIGHEST
NIM

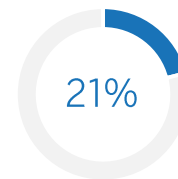
4.3%

>1% gap
with the next peer

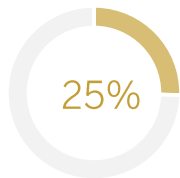
HIGHEST F&C INCOME
(TL Bn)

6.1

TL 0.8 Bn gap
with the next peer



F&C Income
Market Share



Net Income
Market Share

HIGHEST NET INCOME
(TL Bn)

9.1

TL 11 bn
incl Free Provisions

50% gap
with the next peer

HIGHEST
ROE

19.3%

21.5 %
incl Free Provisions

>3% gap
with the next peer



Main Competitive Advantages Leading to Outstanding Results



Competitive Advantages

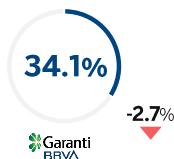
1) Highest Network Productivity & Efficiency

HIGH GROWTH BRINGING PRODUCTIVITY & EFFICIENCY GAINS

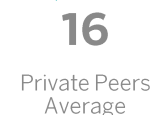
SIGNIFICANTLY HIGHEST BANKING REVENUE (9M21, TL BN & 2 YEAR GROWTH)



HIGHEST IMPROVEMENT IN COST / INCOME (9M21, 2 YEAR Δ)



HIGHEST BANKING REVENUE PER BRANCH (9M21, TL MN)



Note: Banking Revenues = NII – Swap Cost + Net Fees & Commissions

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)

Competitive Advantages

2A) Leadership in Payment System Business

HIGHEST CARD CUSTOMER & MERCHANT BASE AMONG PRIVATE

OF CARD CUSTOMERS
(SEP.21, MN)



OF MERCHANTS
(JUN.21, TH)



HIGHEST EVER MARKET SHARES IN BOTH ISSUING & ACQUIRING

#1

RETAIL ISSUING VOLUME MS%
(9M 21)

24%
+41BPS

#2

ACQUIRING VOLUME MS%
(9M 21)

24%
+52BPS

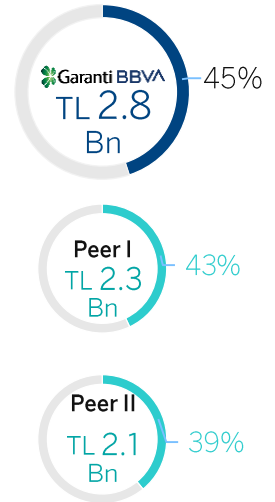
E-COMMERCE VOLUME MS%
(9M 21)

20%
+1.6%

#2*

HIGHEST COMMISSION CONTRIBUTION

NET PAYMENTS SYSTEM COMMISSIONS & SHARE IN TOTAL F&C (9M 21, TL Bn)



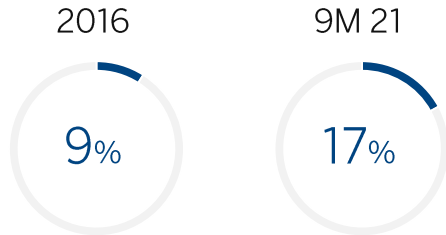
Note: Market shares, among private banks and market share changes are Y-t-D

* Sep'21

Competitive Advantages

2B) Integrated Financial Services with High Value Verticals

SUBSIDIARIES' CONTRIBUTION TO NET INCOME⁽¹⁾



PENSION

#1 **Highest** number of **participants in Pension System** with >16% market share

INSURANCE

#1 **Highest non-life premium production** through bank channel (among private)

BROKERAGE

#1 **Highest retail brokerage commission income**
1 in IPOs as Consortium Leader

MUTUAL FUNDS

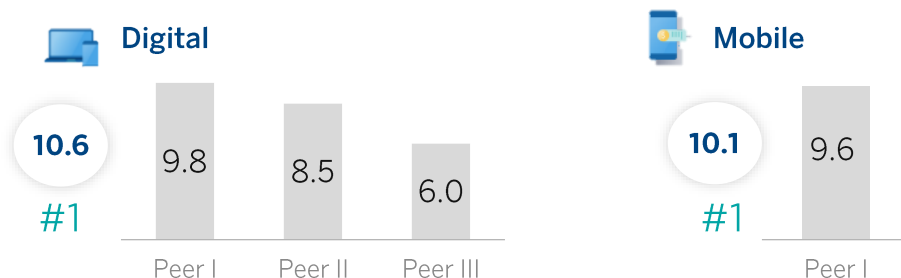
Highest growth among peers
Y-t-D 130% with +50 new funds

(1) Consolidated figures

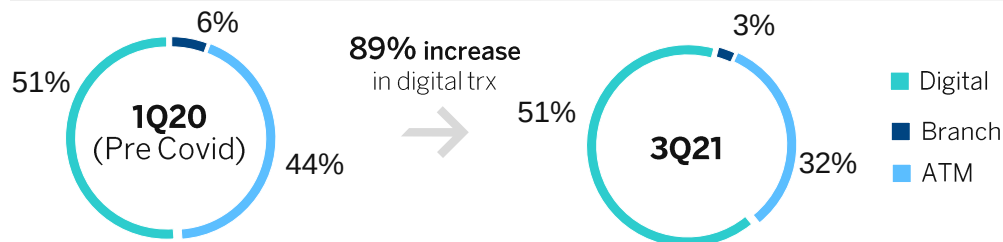
Competitive Advantages

3) Best-in Class Technology / Digital Experience

NUMBER OF ACTIVE CUSTOMERS¹ (MN)



CUSTOMER TRANSACTIONS²



EXCEEDED 10 MN MOBILE CUSTOMERS! WITH +2.0 MN NEW CUSTOMERS SINCE MAR.20

- +60%** Increase in the number of monthly logins since the beginning of 2020
- 19%** Market share in mobile financial transactions
- >80%** Share of digital in total sales (per unit)

(1) Active: login in last 3 months

(2) Based on Top Transactions (i.e. Bill payment, Money transfer and FX transactions) that make up 90% of total transactions

Competitive Advantages

4) Top Brand Power & Excellent Customer Experience

BEST-IN CLASS CUSTOMER EXPERIENCE



SMEs
NPS

#1



Individuals
NPS

#2

HIGHEST BRAND POWER AND MOST VALUABLE BANK



Brand Power
Among Private Peers

#1



Most Valuable Bank
By Market Capitalization

#1

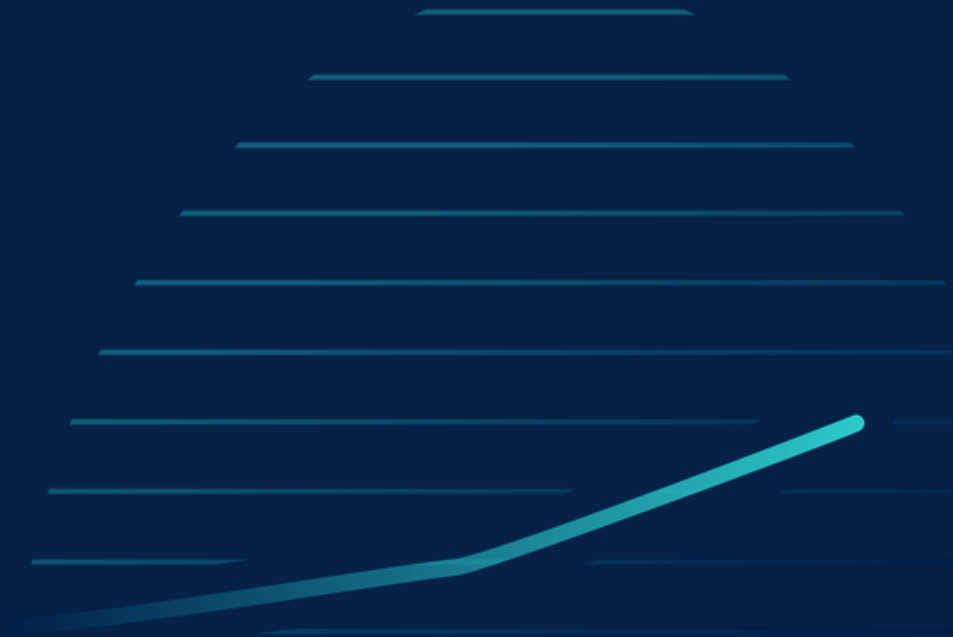
Note:

Net Promoter Score research is conducted by independent research agency Ipsos for Garanti BBVA. According to the research results, Garanti BBVA has the 2nd highest Net Promoter Score among retail customers representing its own profile and leader among SME customers, in both cases compared to its competition, which includes Is Bank, Akbank, Yapı Kredi Bank, and QNB Finansbank. Research was conducted throughout 2021. Main bank customers, who have communicated with the banks over the last 3 months, were surveyed using online panel and telephone techniques by quota sampling.

Brand Power research is conducted by independent research agency Kantar for Garanti BBVA. According to the research results, Garanti BBVA has the highest Brand Power score among competition which are Ziraat Bankası, İş Bankası, Yapı Kredi Bankası, TEB, QNB Finansbank, Vakıfbank, ING, Denizbank and Akbankası in Q3. Research was conducted throughout 2021. Our target audience is main bank customers. We were conducting surveys via online panel by quota sampling.

03

Strategy Going Forward



A clear focus on our objectives



1 | **A larger and more profitable bank**

2 | **A distinctive bank for our clients**
based on a unique value proposition

3 | **Continue leading efficiency**
through operational excellence

Boost Customer Growth on Profitable Segments

1) A larger and more profitable bank fostering profitable growth

STRATEGIC FOCUS



Credit Card
Customers



Payroll
& Pension



General Purpose
Loans & Overdraft
Customers



Micro
Segment

x2

in profitability vs.
w/o card

>50% of

new customer acquisition
from payroll

47% of

GPL granted to
payroll customers

Consolidated leadership in card and payroll customers

KEY LEVERS



Increase % of E2E
digital onboarding



Leveraging on our
strength
in business banking



Loyalty
focused actions

20 Mn
total customer
base

+1.5 Mn
new customer
acquisition
annually

Lower
Attrition

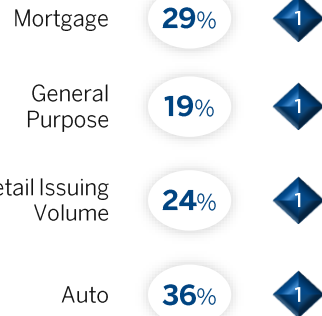
Tapping "Unbanked" Potential

Sustain Leadership in Profitable Products / Segments

1) A larger and more profitable bank fostering profitable growth

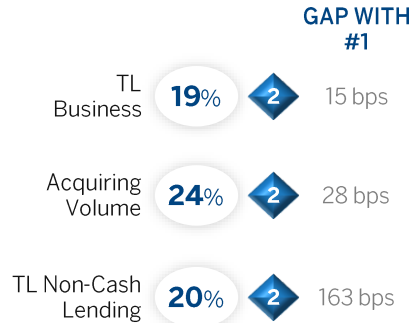
CONSOLIDATING LEADERSHIP

in Retail Lending across the board



EMPOWERING

Presence on Commercial Front



MARGIN

Focused

Core NIM (9M 21)

3.0%



Private Peer Avg.

1.3%

without compromising RISK DISCIPLINE

NPL % (Sep.21) 4.0% 4.6%

Coverage (Sep.21) 77% 69%

CoR (9M 21) 0.56% 0.64%



Private Peer Avg.

KEY LEVERS

> AI Based Risk Models

> Leveraging Digital Capabilities
E2E commercial lending

> Boost Cross-Sell

Unique Value Proposition

2) A distinctive bank with a unique value proposition

Sustainability

MANY FIRSTS IN THE MARKET AND IN THE WORLD

KEY PROGRESS

- First & only bank in Turkey to join **Net Zero Banking Alliance**
- **Carbon Neutral Bank** as of 2020
- First bank in Turkey with **coal phase-out plan**

100% renewable energy
financing in new
Project Finance loans since 2014

Market Leader
24.7% share
in wind farm financing

STRATEGIC FOCUS / KEY LEVERS

- New / Innovative Solutions
- Diversify sustainable finance portfolio
- Advisory Role
- Women Entrepreneurship Support

TURKEY

#5 in Europe in renewable energy installed capacity

#2 in new capacity additions (2016-20)

Financial Health / Advice

- New tools and features on Mobile
- New advertising platform focused on Financial Health



BONUS CHECK-UP

Reasons for decline & tips for improvement

- More **personalized, proactive, impactful** guidance
- Focus both on savings and lending solutions

Capture Growth Opportunities

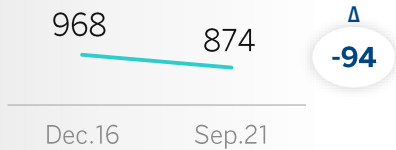
Operational Excellence

3) Continue leading efficiency, through operational excellence

Cost / Income

34.1% ↓ **-2.7%**
in last 2 yrs

of Branches



>80%
Share of Digital Sales
(in units)

STRATEGIC FOCUS

 Constantly Improving **Business Model with Efficiency Focus**

 Optimizing **Relationship Model**

 Ongoing Digital Migration - Position Mobile as **"Center of Experience"**

 Leveraging **Digital as Primary Growth Area** for Sales

KEY LEVERS

-  Remote Roles / Central Customer Service Representative
-  Process Focus / Robotic Process Automation
-  Further Re-Channeling & Digital Sales Boost
-  Digitalization of Enterprises / SMEs

Key Takeaways

Unrivalled leadership

-  Turkey's best bank with a distinctive value proposition and leaderships in key areas
-  Proven track record of solid financial results
-  Sustainable Profit Generation and robust growth
-  Pioneer in Digital Capabilities

Looking ahead

-  Sustain by far Leadership in profitability:
 - Focus on customer growth
 - Sustain leadership in key products – without compromising risk and price disciplines
-  Operational excellence – leverage digital capabilities
-  Unique Value Propositions– financial health and sustainability

OUR AMBITIOUS GOALS (consolidated)

REVENUE (2022-2024)
CAGR: High-teens

COST / INCOME (2024)
Low **30's**

CoR (Avg., 2022-2024)
<150 bps

BBVA

Creating Opportunities

The graphic features a stylized sun or mountain shape composed of horizontal lines in a light blue color. A single, slightly curved line in a darker teal color cuts across the middle of this shape. To the right of this graphic, the text "BBVA" is written in a white, sans-serif font. Below "BBVA", the word "Investor" is written in a large, bold, white, sans-serif font. At the bottom, the word "Day" is written in a teal, sans-serif font, matching the color of the line in the graphic.

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