

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ

Income Statement For the Year Ended 31 December 2017

Convenience Translation
of Financial Statements
and Related Disclosures
and Footnotes Originally
Issued in Turkish

| INCOME AND EXPENSE ITEMS | FOOTNOTES | THOUSANDS OF TURKISH LIRA (TL) | |
|--|-----------|---|---|
| | | CURRENT PERIOD 1 JANUARY 2017- 31 DECEMBER 2017 | PRIOR PERIOD 1 JANUARY 2016- 31 DECEMBER 2016 |
| I. INTEREST INCOME | (5.4.1) | 26,607,782 | 20,915,217 |
| 1.1 Interest income on loans | | 21,094,311 | 16,783,444 |
| 1.2 Interest income on reserve deposits | | 222,102 | 237,553 |
| 1.3 Interest income on banks | | 304,106 | 89,536 |
| 1.4 Interest income on money market transactions | | 12,496 | 6,417 |
| 1.5 Interest income on securities portfolio | | 4,732,483 | 3,577,267 |
| 1.5.1 Trading financial assets | | 37,278 | 17,461 |
| 1.5.2 Financial assets valued at fair value through profit or loss | | - | - |
| 1.5.3 Financial assets available-for-sale | | 2,464,782 | 1,903,637 |
| 1.5.4 Investments held-to-maturity | | 2,230,423 | 1,656,169 |
| 1.6 Financial lease income | | - | - |
| 1.7 Other interest income | | 242,284 | 221,000 |
| II. INTEREST EXPENSE | (5.4.2) | 12,139,432 | 9,818,275 |
| 2.1 Interest on deposits | | 8,375,847 | 6,883,319 |
| 2.2 Interest on funds borrowed | | 1,136,474 | 945,054 |
| 2.3 Interest on money market transactions | | 1,165,445 | 998,553 |
| 2.4 Interest on securities issued | | 1,438,464 | 964,300 |
| 2.5 Other interest expenses | | 23,202 | 27,049 |
| III. NET INTEREST INCOME (I - II) | | 14,468,350 | 11,096,942 |
| IV. NET FEES AND COMMISSIONS INCOME | | 3,680,204 | 3,151,738 |
| 4.1 Fees and commissions received | | 4,876,857 | 4,142,158 |
| 4.1.1 Non-cash loans | | 402,978 | 320,899 |
| 4.1.2 Others | | 4,473,879 | 3,821,259 |
| 4.2 Fees and commissions paid | | 1,196,653 | 990,420 |
| 4.2.1 Non-cash loans | | 3,055 | 3,138 |
| 4.2.2 Others | | 1,193,598 | 987,282 |
| V. DIVIDEND INCOME | (5.4.3) | 6,873 | 6,902 |
| VI. NET TRADING INCOME/LOSSES (Net) | (5.4.4) | (1,916,031) | (791,241) |
| 6.1 Trading account income/losses | | (387,211) | 290,027 |
| 6.2 Income/losses from derivative financial instruments | | (3,230,603) | (742,585) |
| 6.3 Foreign exchange gains/losses | | 1,701,783 | (338,683) |
| VII. OTHER OPERATING INCOME | (5.4.5) | 981,952 | 1,364,227 |
| VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII) | | 17,221,348 | 14,828,568 |
| IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-) | (5.4.6) | 3,160,328 | 2,814,864 |
| X. OTHER OPERATING EXPENSES (-) | (5.4.7) | 6,517,649 | 6,118,538 |
| XI. NET OPERATING PROFIT/LOSS (VIII-IX-X) | | 7,543,371 | 5,895,166 |
| XII. INCOME RESULTED FROM MERGERS | | - | - |
| XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING | | 607,953 | 398,272 |
| XIV. GAIN/LOSS ON NET MONETARY POSITION | | - | - |
| XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV) | (5.4.8) | 8,151,324 | 6,293,438 |
| XVI. PROVISION FOR TAXES (±) | (5.4.9) | 1,807,404 | 1,222,889 |
| 16.1 Current tax charge | | 2,137,034 | 884,471 |
| 16.2 Deferred tax charge/(credit) | | (329,630) | 338,418 |
| XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI) | (5.4.10) | 6,343,920 | 5,070,549 |
| XVIII. INCOME FROM DISCONTINUED OPERATIONS | | - | - |
| 18.1 Income from assets held for sale | | - | - |
| 18.2 Income from sale of associates, affiliates and joint-ventures | | - | - |
| 18.3 Others | | - | - |
| XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-) | | - | - |
| 19.1 Expenses on assets held for sale | | - | - |
| 19.2 Expenses on sale of associates, affiliates and joint-ventures | | - | - |
| 19.3 Others | | - | - |
| XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX) | (5.4.8) | - | - |
| XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±) | (5.4.9) | - | - |
| 21.1 Current tax charge | | - | - |
| 21.2 Deferred tax charge/(credit) | | - | - |
| XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI) | (5.4.10) | - | - |
| XXIII. NET PROFIT/LOSS (XVII+XXII) | (5.4.11) | 6,343,920 | 5,070,549 |
| Earnings per Share | | 0.01510 | 0.01207 |