

BOARD OF DIRECTORS

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SÜLEYMAN SÖZEN CHAIRMAN



Süleyman Sözen is a graduate of Ankara University Faculty of Political Sciences and has worked as a Chief Auditor at the Ministry of Finance and the Under secretariat of Treasury. Since 1981, he has held various positions in the private sector, mainly in financial institutions. Having served on the Board of Directors of Garanti BBVA since 1997, Mr. Sözen was appointed as the Vice Chairman on July 8, 2003 and then as the Chairman on September 19, 2017. Mr. Sözen holds a Certified Public Accountant license and serves as the Board Member of Görüş YMM A.Ş. and as the Board of Trustees Member of Teachers Academy Foundation. Mr. Sözen has 39 years of experience in banking and business administration.

(Commercial & Institutional Banking in Spain), Head of Strategy (Wholesale Banking & Asset Management), Head of Strategy and Planning (Spain & Portugal) and between years 2013 and 2015 as Regional Manager for the North of Spain. As of 2015, he served as the Head of Business Monitoring Spain, USA and Turkey. In July 2016 he was appointed Head of Country Monitoring and member of the Global Leadership Team in BBVA. Mr. Sáenz-Azcúnaga is member of the Board of Directors of BBVA Compass Bancshares in the US and BBVA Bancomer in Mexico. He has been serving as the Board Member of Garanti BBVA since March 24, 2016 and since his appointment as an Audit Committee member of Garanti BBVA on March 31, 2016, he is deemed as an Independent Board Member of Garanti BBVA in accordance with the relevant regulations of the Capital Markets Board of Turkey. He was appointed as Vice Chairman on September 19, 2017 and has 26 years of experience in banking and business administration.

Commercial Regional Manager during 1999-2004, Commercial Banking Coordinator during 2004-2012, and served as an EVP of Commercial Banking and Consumer Finance during 2013-2018. After serving in various capacities on a number of Board of Directors at one of Turkey's largest industrial groups, on September 6, 2019, he was appointed as the Board Member, President & CEO at Garanti BBVA. He is also the Chairman of the Board of Directors at Garanti BBVA International N.V., Garanti BBVA S.A. (Romania), Garanti BBVA Securities, Garanti BBVA Pension, Garanti BBVA Factoring, Garanti BBVA Leasing, Garanti BBVA Payment Systems and Garanti BBVA Technology. In addition to his responsibilities, he also serves as the Board Member in the Banks Association of Turkey and the Istanbul Foundation for Culture and Arts (İKSV) and as the Board of Trustees Member of Teachers Academy Foundation. Mr. Baştuğ has 30 years of experience in banking and business administration.

JORGE SÁENZ- AZCÚNAGA CARRANZA VICE CHAIRMAN, INDEPENDENT BOARD MEMBER



Jorge Sáenz-Azcúnaga earned his BS in Business Administration from Universidad Deusto. He has developed his entire career in BBVA starting as Research Analyst. He then worked as Corporate Strategist, Head of CEO Office, Business Development

RECEP BAŞTUĞ PRESIDENT & CEO



Recep Baştuğ graduated from Çukurova University Faculty of Economics. He started his career in Garanti BBVA Internal Audit Department in 1989. Mr. Baştuğ worked as Corporate Branch Manager during 1995-1999,

ERGUN ÖZEN BOARD MEMBER



Ergun Özen earned his BA in Economics from New York State University and is a graduate of the Advanced Management Program at Harvard Business School. He started his banking carrier in Treasury department in 1987 before joining Garanti BBVA in 1992. Having served as the

President & CEO at Garanti BBVA between April 1, 2000-September 2, 2015, Mr. Özen is a Board Member of Garanti BBVA since May 14, 2003. Mr. Özen is the Chairman of Boyner Perakende ve Tekstil Yatırımları A.Ş. and Board Member of Atom Bank. Mr. Özen has 33 years of experience in banking and business administration.

M. CÜNEYT SEZGİN, PH.D.
BOARD MEMBER



Cüneyt Sezgin received his undergraduate degree from Middle East Technical University Department of Business Administration, his MBA from Western Michigan University and his Ph.D. from Istanbul University Faculty of Economics. Having served in executive positions at several banks, Mr. Sezgin joined Garanti BBVA in 2001. In addition to serving as a Board Member on the Board of Directors of Garanti BBVA, Dr. Sezgin serves as the Board Member and Chairman of the Audit Committee at Garanti BBVA S.A. (Romania), Garanti BBVA Pension and Garanti BBVA Securities and as Board Member of Türk Telekomünikasyon A.Ş. and its several subsidiaries. Dr. Sezgin is a Board of Trustees Member at Teachers Academy Foundation and World Wildlife Foundation Turkey, Kabataş Education Foundation and Board Member of Finance Executives Foundation of Turkey and Corporate Governance Association of Turkey. Dr. Sezgin has been serving as a Board Member of Garanti BBVA since June 30, 2004 and has 32 years of experience in banking and business administration.

JAIME SAENZ DE TEJADA PULIDO
BOARD MEMBER



Jaime Saenz de Tejada Pulido holds undergraduate degrees from Universidad Pontificia de Comillas (ICADE) in both Law & Economics and Business Sciences and completed Programa de Dirección General (PDG) at IESE Business School in 1999. Mr. Saenz de Tejada joined BBVA in 1992 and in 2000 he was appointed as the Director of Corporate and Investment Banking in America. Subsequently, he served as the Managing Director of BBVA Banco Continental in Peru until his return to Spain as Territorial Director at the end of 2007. In 2011 he was appointed as the Director of Business Development of Spain and Portugal and in May 2012, he became a member of the Executive Committee of the Group. After serving as the Director of Strategy & Finance in 2014, in May, 2015, Mr. Saenz de Tejada was appointed to his current role, Global Head of Finance & Accounting at BBVA Group. He has been serving as the Board Member of Garanti BBVA since October 2, 2014 and has 28 years of experience in banking and business administration.

JAVIER BERNAL DIONIS
BOARD MEMBER



Javier Bernal graduated from University of Barcelona, Faculty of Law and he earned his MBA from IESE Business School, University of Navarra. After working in Barna Consulting Group as Partner and in Promarsa as General Manager, he joined BBVA in 1996. Until 1999 he served as the Segment Manager of Retail Banking

(Spain). During 2000-2003, he founded and managed an internet business. Since 2004, he has been working in different areas at BBVA; Head of Innovation and Business Development reporting to the CEO, Head of Business Development Spain & Portugal, Head of Global Business Development, Head of Business Alignment of BBVA and Garanti BBVA, member of BBVA Group Executive Committee, member of Spanish and Portugal Executive Committee and Chairman of BBVA Insurance Spain. He has been serving as a Board Member of Garanti BBVA since July 27, 2015 and is furthermore Board Member at Garanti BBVA Pension, Garanti BBVA S.A. (Romania), Garanti BBVA Leasing, Garanti BBVA Securities and Garanti BBVA Payment Systems. Responsible of BBVA-Garanti BBVA coordination, Mr. Bernal has 30 years of experience in banking and business administration.

RAFAEL SALINAS MARTINEZ DE LECEA
BOARD MEMBER



Rafael Salinas Martínez De Lecea holds a B.S. degree in Economics and Business Management from Universidad de Alicante and graduate degrees from the Center for Monetary and Financial Studies of the Bank of Spain (CEMFI), MSc in Econometrics and Mathematical Economics of London School of Economics and MBA from the Graduate School of Business of University of Chicago. He joined BBVA in 1991 as the Director of Derivative Products in BBVA Interactivos, S.V.B and developed all his professional career at the BBVA Group. Between 1998-2003, he worked as the Deputy Director of Assets and Liability Management of the BBVA Group. After working as the Head of Capital Base Management of BBVA, he was

appointed as the CFO of Banco de Credito Local de Espana (BCL) in 2003. Between 2006-2015, he served as the Director of Risk & Portfolio Management of the Corporate and Investment Banking unit of BBVA and since 2015, he is the Head of Global Risk Management of BBVA Group. Mr. Salinas has been serving as a Board Member of Garanti BBVA since May 8, 2017 and has 29 years of experience in banking and business administration.

SEMA YURDUM
INDEPENDENT
BOARD MEMBER



Sema Yurdum graduated from Boğaziçi University, Faculty of Administrative Sciences in 1979 and completed the Advanced Management Program at Harvard Business School in 2000. After working in a private sector company between 1979-1980 as a human Resources Expert, she had her career in banking sector between 1980-2005. She worked as an Executive Vice President of Garanti BBVA and held Audit Committee membership in various subsidiaries between 1992-2005. In addition to serving as Independent Board Member at Garanti BBVA, Ms. Yurdum is the Board Member at Garanti BBVA S.A. (Romania). Offering management consultancy services since 2006, Ms. Yurdum has been serving as an Independent Board Member of Garanti BBVA since April 30, 2013. Ms. Yurdum has 40 years of experience in banking and business administration.

RICARDO GOMEZ BARREDO
INDEPENDENT
BOARD MEMBER



Ricardo Gomez Barredo earned his B.S. degree in Economics and Business Management from Universidad Autonoma de Madrid and graduate degree in Tax Consultancy from ICADE. He also completed Programa de Dirección General (PDG) at IESE Business School. After working in a global consultancy firm in the Tax & Legal Department and in an industrial company as the Head of Tax Consultancy, he joined BBVA in 1994 as Director of Tax Advice Mortgage Banking. He held several top management positions in BBVA, such as Tax Advice Private Banking, Director of Tax Advice Argentaria, Deputy Director of Tax Consulting, Head of Financial Analysis and Planning, Head of Financial Planning and Management Control and the Head of Global Accounting & Information Management. In 2016, he was appointed as Head of Accounting & Supervisors. In 2019, Mr. Barredo left BBVA as an executive, and joined the University of Navarra as In-Company Training Executive Director of the Master in Banking and Financial Regulation. Mr. Barredo has been serving as the Board Member of Garanti BBVA since May 8, 2017. Since his appointment as an Audit Committee member of Garanti BBVA on March 29, 2018, he is deemed as an Independent Board Member of Garanti BBVA following the relevant regulations of the Capital Markets Board of Turkey. Mr. Barredo has 32 years of experience in banking and business administration.

MEVHİBE CANAN ÖZSOY
INDEPENDENT
BOARD MEMBER



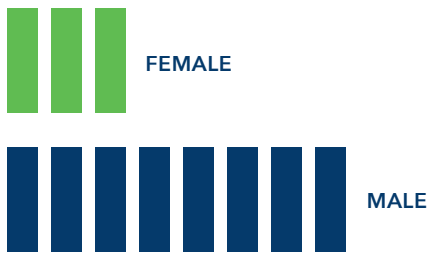
She graduated from Istanbul University with Bachelor's Degree of Dental Medicine in 1985. She accomplished her master degree on Dental Medicine at the same University in 1987, and earned her MBA from Bogazici University in 1994 and then completed her Energy Technologies Master's Degree at Sabancı University in 2015. Before joining the pharmaceutical industry in 1990 she had her career as a Medical Dentist. She has occupied Sales & Marketing and commercial leadership positions in Hoechst Marion Roussel, Glaxo Wellcome, Sanofi Aventis companies which are operating in the pharmaceutical industry. She was appointed as Vice President in charge of Marketing International in 2007 at General Electric Healthcare, Paris. She was then assigned as Chief Marketing Officer at General Electric Healthcare, USA in 2009. She came back to Paris as General Manager of Global Mammography in 2011 and led the mammography business field of General Electric (GE). She was appointed as the Chairman and Chief Executive Officer at General Elektrik Ticaret ve Servis A.Ş. in 2012. Besides, she has been serving as the Chief Growth Officer in charge of Middle-East, North Africa and Turkey since 2017. Furthermore, she is also the Vice Chairman of TEI (TUSAŞ Motor Sanayii A.Ş.) and METCAP Group KOMET (joint-ventures of GE), ABFT (American Business Forum in Turkey) and the Chairman of WCD (Woman Corporate Directors). She was appointed as Independent Board Member at Garanti BBVA on April 4, 2019, and has 31 years of experience in banking and business administration.

As of September 6, 2019, Recep Baştuğ was appointed to the position of the CEO, which was vacated following the resignation of Ali Fuat Erbil on September 1, 2019, following the completion of the necessary notifications and legal permits.

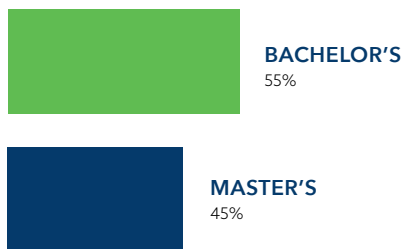
SENIOR MANAGEMENT

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GENDER



EDUCATION



AVERAGE EXPERIENCE



RECEP BAŞTUĞ PRESIDENT & CEO



Recep Baştuğ graduated from Çukurova University Faculty of Economics. He started his career in Garanti BBVA Internal Audit Department in 1989. Mr. Baştuğ worked as Corporate Branch Manager during 1995-1999, Commercial Regional Manager during 1999-2004, Commercial Banking Coordinator during 2004-2012, and served as an EVP of Commercial Banking and Consumer Finance during 2013-2018. After serving in various capacities on a number of Board of Directors at one of Turkey's largest industrial groups, on September 6, 2019, he was appointed as the Board Member, President & CEO at Garanti BBVA. He is also the Chairman of the Board of Directors at Garanti BBVA International N.V., Garanti BBVA S.A. (Romania), Garanti BBVA Securities, Garanti BBVA Pension, Garanti BBVA Factoring, Garanti BBVA Leasing, Garanti BBVA Payment Systems and Garanti BBVA Technology. In addition to his responsibilities, he also serves as the Board Member in the Banks Association of Turkey and the İstanbul Foundation for Culture and Arts (İKSV) and as the Board of Trustees Member of Teachers Academy Foundation. Mr. Baştuğ has 30 years of experience in banking and business administration.

MAHMUT AKTEN EXECUTIVE VICE PRESIDENT RETAIL BANKING



With an undergraduate degree from Boğaziçi University in Electrical and Electronics Engineering and graduate degree in Business Administration from Carnegie Mellon University, Mahmut Akten started his career in 1999 in the USA. After having served in various positions in the Finance and Treasury departments of a global construction materials company, he joined a global management consulting firm in 2006. Between the years 2006-2012, after having worked in Boston and İstanbul offices and lastly as an Associate Partner, he joined Garanti BBVA on July 1, 2012 as the Senior Vice President responsible for Mass Retail Banking Marketing. As of January 1, 2017, Mr. Akten was appointed Executive Vice President responsible for Retail Banking and is the Chairman of Garanti BBVA Mortgage. In addition, Mr. Akten serves as Board Member of Garanti BBVA S.A. (Romania), Garanti BBVA Securities, Garanti BBVA Payment Systems, Garanti BBVA Technology and Garanti BBVA Pension. He is also a Board of Trustees Member of Teachers Academy Foundation. With 21 years of experience in banking and business administration, Mr. Akten's areas of responsibility are Retail Banking Marketing, Mass Banking Marketing, Affluent Banking Marketing and Customer Finance.

DİDEM DİNÇER BAŞER
EXECUTIVE VICE PRESIDENT
TALENT AND CULTURE



Didem Başer graduated from Boğaziçi University Department of Civil Engineering and earned her graduate degree from University of California, Berkeley. She started her career in 1995. Before joining Garanti BBVA, she worked for a global management consulting firm for 7 years and lastly as an Associate Partner. Ms. Başer joined Garanti BBVA in 2005 and worked as the Coordinator of Retail Banking Business Line during her first 7 years. Ms. Başer served as the Executive Vice President responsible for Customer Solutions and Digital Banking between the years 2012-2020. On February 29, 2020, Ms. Başer was appointed as the Executive Vice President responsible for Talent and Culture and she is also Vice Chairman of Garanti BBVA Pension, Board Member of Garanti Payment Systems and Garanti BBVA Technology, and Board Member and Board of Trustees Member of Teachers Academy Foundation. With 25 years of experience in banking and business administration, Ms. Başer's areas of responsibility are Talent and Culture Front, Talent Solutions and Compensation Discipline, Talent and Culture Business Execution, Talent and Culture Projects, Internal Communications and Culture Discipline, Construction and Premises Discipline and Corporate Physical Security.

AYDIN DÜREN
EXECUTIVE VICE PRESIDENT
LEGAL SERVICES AND COLLECTION



Aydın Düren graduated from the Faculty of Law at Istanbul University and earned his graduate degree on International Law from the American University, Washington College of Law. After serving as an associate, partner and managing partner for over 18 years at international private law firms in New York, London and Istanbul, Mr. Düren joined Garanti BBVA on February 1, 2009 as Executive Vice President in charge of Legal Services. Furthermore, Mr. Düren is Vice Chairman of Garanti BBVA International N.V. and Garanti BBVA Pension and Provident Fund Foundation, and Board Member of Garanti BBVA Payment Systems and Garanti BBVA Mortgage and Board of Trustees Member of Teachers Academy Foundation. Since June 2015, Mr. Düren also serves as the Corporate Secretary of the Bank. With 28 years of experience in banking and business administration, Mr. Düren's areas of responsibility are Legal Advisory Services, Legal Collections, Litigation, Garanti Payment Systems Legal Services, Legal Operations, Wholesale Recovery and Retail Collections.

EBRU DİLDAR EDİN
EXECUTIVE VICE PRESIDENT
CORPORATE, INVESTMENT BANKING AND GLOBAL MARKETS



Ebru Dildar Edin graduated from Boğaziçi University Department of Civil Engineering and started her career in 1993. She joined the Corporate Banking Department at Garanti BBVA in 1997. In 1999, she took part

in the establishment of the Project Finance Department. After leading the department for 6 years as Senior Vice President, Ms. Edin became Project and Acquisition Finance Coordinator in 2006 and was appointed to her current position on November 25, 2009. A member of the Sustainability Committee since 2010, Ms. Edin also took responsibility of the coordination of the Sustainability Team, which was established in 2012 to implement the decisions of the aforementioned Sustainability Committee. Ms. Edin is the Chairman of the Board of Directors of Business Council for Sustainable Development Turkey, Board Member of UN Global Compact Local Network, Board Member and Board of Trustees Member of Teachers Academy Foundation. Furthermore, Ms. Edin serves as Vice Chairman of the Board of Directors of Garanti BBVA Securities and Member of the Board of Directors at Garanti BBVA S.A. (Romania). With 26 years of experience in banking and business administration, Ms. Edin's areas of responsibility are Corporate Banking, Global Markets, Global Markets Sales & Financial Solutions, Global Markets, Cash Management, Financial Institutions, Corporate & Investment Banking Strategy, Analysis & Coordination, Investment Banking and Finance, and Sustainability.

İŞİL AKDEMİR EVLİOĞLU
EXECUTIVE VICE PRESIDENT
CUSTOMER SOLUTIONS AND DIGITAL BANKING



İşil Akdemir Evlioğlu graduated from Bilkent University Department of Economics and earned her graduate degree in Business Administration from Kellogg School of Management. She started her career in

2003 as a Consultant at a global consulting firm where she last served as a Junior Partner between 2003-2012 before joining Garanti BBVA. Ms. Akdemir Evlioğlu served as the Vice President of Marketing at Garanti Payment Systems between 2012-2017 and as the CEO from January, 2017 to February, 2020. On February 29, 2020, Ms. Akdemir Evlioğlu was appointed as the Executive Vice President in charge of Customer Solutions and Digital Banking. In addition, Ms. Akdemir Evlioğlu serves as Vice Chairman of Garanti BBVA Payment Systems. With 16 years of experience in banking and business administration Ms. Akdemir Evlioğlu's areas of responsibility are Digital Banking, Client Digital Solutions, Corporate Brand Management and Marketing Communication, Customer Experience and Satisfaction, Insurance and Pension Coordination, Customer Contact Center and Customer Analytics, Innovation and Product Development.

**SELAHATTİN
GÜLDÜ**
**EXECUTIVE VICE
PRESIDENT
COMMERCIAL
BANKING**



With an undergraduate degree from Middle East Technical University in Public Administration, Selahattin Güldü started his career as Assistant Auditor in Garanti BBVA Internal Audit Department in 1990. He worked as a branch manager between the years 1997-1999. He served as Regional Manager in several regional offices at Istanbul between the years 1999-2018. Mr. Güldü was appointed as Executive Vice President responsible for Commercial Banking on April 5, 2018. Furthermore, Mr. Güldü is a Board Member of Garanti BBVA Leasing, Garanti BBVA Factoring and Garanti BBVA Fleet.

With 29 years of experience in banking and business administration, Mr. Güldü's areas of responsibility are Commercial Banking Anatolian Marketing and Commercial Banking Istanbul Marketing.

AYDIN GÜLER
**EXECUTIVE VICE
PRESIDENT
FINANCE AND
TREASURY**



Aydın Güler graduated from Istanbul Technical University Department of Mechanical Engineering and joined Garanti BBVA Fund Management Department in 1990. After working at different Head Office departments for 10 years, in 2000 he was appointed Senior Vice President responsible for Risk Management and Management Reporting. Between the years 2001-2013, Mr. Güler served as the Senior Vice President responsible for Financial Planning & Analysis and was appointed as Coordinator in 2013. On December 21, 2015, Mr. Güler was appointed as the Executive Vice President in charge of Finance and Treasury and he is furthermore the Vice Chairman of Garanti BBVA Fleet, Board Member of Garanti BBVA Leasing, Garanti BBVA Mortgage, Garanti BBVA Pension and Provident Fund Foundation and Garanti BBVA Pension and Board of Trustees Member of Teachers Academy Foundation. With 29 years of experience in banking and business administration, Mr. Güler's areas of responsibility are Assets & Liabilities Management, Financial Management, Financial Data, Performance Management and Budget Planning, Cost Management and Efficiency, Investor Relations, Financial Reporting and Accounting, Finance Projects, Purchasing Department and Credit Cards, Member Merchant Coordination.

İLKER KURUÖZ
**EXECUTIVE VICE
PRESIDENT
ENGINEERING AND
DATA**



İlker Kuruöz earned his undergraduate and graduate degrees from Bilkent University Department of Computer Engineering and started his professional career in the USA. Mr. Kuruöz worked at Garanti Technology as Application Development Senior Vice President between 1997-2006 and worked at a global consulting firm as IT Consulting Senior Manager. Between the years 2006-2016, he has served as Business and Technical Solutions Division Head, Chief Information Officer, Chief Technology Group Officer and for a short time acting CEO at a private telecommunication and technology services provider. Mr. Kuruöz worked as CTO at Doğu Group and CEO at Doğu Technology during 2016-2018. As of March 14, 2018, Mr. Kuruöz was as appointed Executive Vice President responsible for Engineering & Data and Vice Chairman of the Board of Directors at Garanti Technology. He is also a Board of Trustees Member of Teachers Academy Foundation. With 28 years of experience in banking and business administration, Mr. Kuruöz's areas of responsibility are Garanti BBVA Technology Center, Banking Disciplines, Data & Business Analytics, Core Units, Organization and Business Process Engineering, Corporate Security, Customer Security and Transaction Risk Management and Abacus Operation Center.

CEMAL ONARAN
EXECUTIVE VICE
PRESIDENT
SME BANKING



Cemal Onaran graduated from Middle East Technical University with a B.S. in Public Administration in 1990 and started his career as Assistant Auditor in Garanti BBVA at the Audit Committee in the same year. Between years 2000-2007, he worked as the Regional Manager in various regions of Garanti BBVA in Istanbul. After the establishment of Garanti BBVA Mortgage in October 2007, he was appointed General Manager of Garanti BBVA Mortgage. After having served as the General Manager of Garanti BBVA Pension, since August 1, 2012, Mr. Onaran serves as Executive Vice President of Garanti BBVA in charge of SME Banking on January 1, 2017. Mr. Onaran is Chairman of the Board of Directors at Garanti BBVA Fleet, Vice Chairman at Garanti BBVA Mortgage and Board Member at Garanti BBVA Pension, Garanti BBVA Leasing, Garanti BBVA Technology, Garanti BBVA Factoring and Garanti BBVA S.A. (Romania) and Board of Trustees Member of Teachers Academy Foundation. With 29 years of experience in banking and business administration, Mr. Onaran's areas of responsibility are SME Medium & Large Enterprise Banking and SME Small Enterprise Banking Marketing.

ALİ TEMEL
EXECUTIVE VICE
PRESIDENT
CHIEF CREDIT
RISK OFFICER



Ali Temel earned his undergraduate degree from Boğaziçi University Department of Electric-Electronic Engineering and started his carrier in banking in 1990 at a private

bank. Mr. Temel joined Garanti BBVA in 1997 and after working as the Senior Vice President in charge of Cash Management and Commercial Banking departments, he served as the Executive Vice President responsible of Commercial Banking between 1999-2001 and as the Executive Vice President responsible of Loans between 2001-2012. On December 10, 2015, Mr. Temel was appointed as the Chief Credit Risk Officer. Furthermore, Mr. Temel is Vice Chairman of Garanti BBVA Leasing and Garanti BBVA Factoring, Board Member of Garanti BBVA S.A. (Romania) and Board of Trustees Member of Teachers Academy Foundation. With 29 years of experience in banking and business administration, Mr. Temel's areas of responsibility are Wholesale Risk, Retail Risk, Corporate & Commercial Loans Restructuring; Risk Planning, Monitoring and Reporting; Risk Analytics, Technology and Innovation; Regional Loans Coordination.

OSMAN TÜZÜN*
EXECUTIVE VICE
PRESIDENT
TALENT AND
CULTURE



Osman Tüzün graduated from the Middle East Technical University with a B.S. in Computer Engineering and earned his MBA from Bilkent University. He started his banking career in 1992 and served in various branches and head office departments for 7 years. He joined Garanti BBVA in 1999 as the Senior Vice President responsible for Branchless Banking. Between the years 2000-2005, he served as the Senior Vice President of Retail Banking. During 2005-2008, he was the CEO of a private sector company. In 2008, Mr. Tüzün returned to Garanti BBVA as the Coordinator responsible for Human Resources and

worked as the Executive Vice President in charge of Talent and Culture between August 19, 2015-February 29, 2020. Mr. Tüzün also served as the Chairman of the Board of Directors of Garanti BBVA Retirement and Provident Fund Foundation and Board Member and Board of Trustees Member of Teachers Academy Foundation. With 28 years of experience in banking and business administration, Mr. Tüzün's areas of responsibility were Talent and Culture Front, Talent Solutions and Compensation Discipline, Talent and Culture Business Execution, Talent and Culture Projects, Internal Communications and Culture Discipline, Construction and Premises Discipline and Corporate Physical Security.

** Osman Tüzün left his post as the Executive Vice President in charge of Talent and Culture as of February 29, 2020. Didem Diñer Başer was appointed as the Executive Vice President in charge of Talent and Culture.*

Işıl Akdemir Evliođlu, who worked as the CEO of Garanti Payment Systems, was appointed as the Executive Vice President in charge of Customer Solutions and Digital Banking.

As of September 6, 2019, Recep Baştuđ was appointed to the position of the CEO, which was vacated following the resignation of Ali Fuat Erbil on September 1, 2019, following the completion of the necessary notifications and legal permits.

The related disclosures announced on the PDP (Public Disclosure Platform) are available on the website www.garantibbvainvestorrelations.com/en



COMMITTEES AND ATTENDANCE TO COMMITTEES

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There are 34 committees set up at the Bank to fulfill the supervisory function. The Board of Directors oversees and audits the entire Bank via Credit, Remuneration, Corporate Governance, Audit and various risk Committees. The committees organized under the Board of Directors are Credit, Audit, Corporate Governance, Remuneration and Risk Committee.

Members of the Board of Directors and/or Bank executives may take part in committees in addition to these mentioned above.

The detailed information about the committees is as follows:

- Objectives and responsibilities
- Members
- Number of meetings in 2019

CREDIT COMMITTEE

In accordance with the Banking Law, the Board of Directors of Garanti BBVA has delegated a certain amount of its loan allocation authority to the Credit Committee. The Credit Committee holds meetings once in two weeks to review appropriate loan proposals from among those sent by the branches to the Head Office but exceed the loan authorization limit of the latter. The Credit Committee reviews these loan proposals and decides on those that are within its authorization limits, and submits those others it deems appropriate but are outside of its authorized limits to the Board of Directors for finalization.

In 2019, the Committee held 19 meetings.

COMMITTEE MEMBERS

Rafael Salinas Martinez De Lecea (Board Member), Jaime Saenz de Tejada Pulido (Board Member), Javier Bernal Dionis (Board Member), Jorge Saenz Azcunaga Carranza (Vice Chairman), Recep Baştuğ (CEO, Board Member)

AUDIT COMMITTEE

The Audit Committee was set up to assist the Board of Directors in the performance of its audit and supervision functions. The Committee is responsible for:

→ Monitoring the effectiveness and adequacy of Garanti BBVA's internal audit, internal control and risk management systems; and overseeing the operation of these systems and accounting and reporting systems in accordance with applicable regulations, and the integrity of resulting information,

→ Conducting necessary preliminary evaluations for the selection of independent audit firms, appraisal and support services providers, and regularly monitoring their activities,

→ Ensuring that the internal audit functions of consolidated entities are performed in a consolidated and coordinated manner, Developing the audit and control process in order to ensure ICAAP adequacy and accuracy,

→ Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 6 meetings.

COMMITTEE MEMBERS

Ricardo Gomez Barredo (Independent Board Member), Sema Yurдум (Independent Board Member), Jorge Saenz Azcunaga Carranza (Vice Chairman)

CORPORATE GOVERNANCE COMMITTEE

In accordance with Capital Market Legislation, checking whether the Corporate Governance Principles are complied with, and if not, determining the reasons for not applying them, advising the Board of Directors on improvement and carrying out activities to fulfill the duties of the Nomination Committee under the relevant Communiqué of CMB.

Within the frame of the CMB Communiqué No: II-17-1 on Corporate Governance that is currently in force, the Committee:

- Monitors whether corporate governance principles are implemented at the Bank, determines the grounds for non-implementation, if applicable, as well as any potential conflicts of interest arising from failure to fully comply with these principles, and presents suggestions to the Board of Directors for the improvement of corporate governance practices;
- Oversees the activities of the Investor Relations Department;
- Evaluates the proposed nominees for independent Board membership, including those nominated by the management and investors, considering whether the nominees fulfill the independence criteria, and presents its assessment report to the Board of Directors for approval;
- Makes an assessment for election of independent members to the seats vacated due to a situation that eradicates independence and the resignation of a Board member who loses his independence, so as to re-establish the minimum number of independent Board members through temporarily

elected members who will serve until the immediately following General Assembly Meeting to be held, and presents its written assessment to the Board of Directors;

- Works to create a transparent system for the identification, evaluation and training of nominees who are appropriate for the Board of Directors and managerial positions with administrative responsibility, and to determine related policies and strategies;
- Makes regular assessments about the structure and efficiency of the Board of Directors, and presents suggested changes to the Board of Directors.

In 2019, the Committee held 3 meetings.

COMMITTEE MEMBERS

Javier Bernal Dionis (Board Member), Jorge Saenz Azcunaga Carranza (Vice Chairman), Sema Yurdum (Independent Board Member), Handan Saygin (Director)

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for:

- Conducting the oversight and supervision process required to ensure that the Bank's remuneration policy and practices comply with applicable laws and regulations and risk management principles,
- Reviewing, at least once a year, the Bank's remuneration policy in order to ensure compliance with applicable laws and regulations in Turkey, or with market practices, and updating the policy, if necessary,

- Presenting, at least once a calendar year, a report including the findings and proposed action plans to the Board of Directors,
- Determining and approving salary packages for executive and non-executive members of the Board of Directors, the CEO and Executive Vice Presidents,
- Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 7 meetings.

COMMITTEE MEMBERS

Sait Ergun Özen (Board Member), Jorge Saenz Azcunaga Carranza (Vice Chairman)

EMPLOYEE COMMITTEE

The Employee Committee is responsible for developing the Bank's HR policies, carrying out and coordinating activities in order to improve employee engagement and satisfaction, monitoring results and developing action plans when needed. With the support of management, the Committee also aims to promote learning in order to enhance the Bank's development.

In 2019, the Committee held 3 meetings.

COMMITTEE MEMBERS

Javier Bernal Dionis (Board Member), Recep Baştuğ (CEO, Board Member), M. Cüneyt Sezgin, (Board Member), Mahmut Akten (EVP), Didem Dinçer Başer (EVP), B. Ebru Edin (EVP), Cemal Onaran (EVP), İlker Kuruöz (EVP), Aydın Güler (EVP), Ali Temel (Chief Credit Risk Officer), Aydın Düren (EVP), Selahattin Güldü (EVP), Osman

Tüzün (EVP), Işıl Akdemir Evlioğlu (CEO, GÖSAŞ)

CUSTOMER COMMITTEE

The Customer Committee is established to discuss efforts for improving customer experience and convenes under the chairmanship of the CEO. The Bank's customer experience strategies are defined by the Committee, which is also responsible for realizing projects aimed at enhancing customer experience at every touch point and at improving the Net Promoter Score and for ensuring continuous efforts. The Committee also monitors the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and takes action to keep them up-to-date.

In 2019, the Committee held 3 meetings.

COMMITTEE MEMBERS

Recep Baştuğ (CEO, Board Member), Javier Bernal Dionis (Board Member), Ali Temel (Chief Credit Risk Officer), Aydın Düren (EVP), Aydın Güler (EVP), Didem Dinçer Başer (EVP), B. Ebru Edin (EVP), İlker Kuruöz (EVP), Cemal Onaran (EVP), Mahmut Akten (EVP), Osman Tüzün (EVP), Selahattin Güldü (EVP), Işıl Akdemir Evlioğlu (CEO, GÖSAŞ), Hülya Türkmen (Director)

RISK COMMITTEE

The responsibilities of the Risk Committee are as follows:

- Monitor and oversee the strategy and general risk policies of the Bank and review the risk appetite declaration and core metrics, risk tolerance levels, limit structure, and metrics, taking into consideration the strength of the Bank's capital and the overall quality of risk management, measurement and reporting,
- Review and approve, as appropriate, the corporate risk policies for each risk type, and the yearly limits for each risk type and business line with the level of detail that may be deemed appropriate at the time,
- Review and approve, as appropriate, measures to mitigate the impact of identified risks, should these materialize,
- Monitor the evaluation of the global risk profile and the Bank's risk exposure, by type of risk, business line, product, or customer segment, and how these compare to the risk strategy and policies and the risk appetite,
- Assess the adequacy of risk information and risk internal control systems in the Bank to guarantee appropriate functioning of risk management as well as the suitability of the structure and operation of risk management in the Bank,
- Monitor that pricing of investment and deposit products offered to clients fully take into consideration the business model and risk strategy of the Bank, including a remediation plan should it be necessary,
- Verify that the Bank takes the necessary steps to guarantee the availability of systems, staffing and general resources adequate for the management of risks,

- Analyze and assess the appropriate working of asset valuation, asset classification and risk estimation processes of the Bank,
- Promote the continuous development and improvement of advanced risk management model and practices, whilst closely monitoring requirements and recommendations of regulators and supervisors,
- Receive and review reports on capital planning, capital adequacy and provide effective challenge of the enterprise risk management and capital planning processes.

In 2019, the Committee held 11 meetings.

COMMITTEE MEMBERS

Rafael Salinas Martinez De Lecea (Board Member), Javier Bernal Dionis (Board Member), Süleyman Sözen (Board Chairman)

RISK MANAGEMENT COMMITTEE

The purpose of Risk Management Committee is to develop the strategies, policies, procedures and infrastructures required to identify, assess, measure, plan and manage material risks faced by the Bank in the ordinary course of business, within its delegated authority.

The Committee's responsibilities are:

- Development of the Enterprise Risk Management architecture, which includes the establishment of a risk appetite framework, a model governing the organization and governance of the function, a risk identification and monitoring model and the infrastructures

- and processes required to efficiently and transparently manage the risks,
- Identification, assessment, measurement, planning and management of risks the Bank is exposed to,
- Assessment of economic capital adequacy of the Bank both under normal course of business and in stress scenarios,
- Monitoring and analysis of all significant matters related to the Bank's risk on an ongoing basis,
- Guidance to the Bank's management concerning significant risk matters,
- Oversight of the risk framework and performance of the Bank's subsidiaries and affiliates,
- Promote and develop a risk culture throughout the organization,
- Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 28 meetings.

COMMITTEE MEMBERS

Ali Temel (Chief Credit Risk Officer), Mustafa Tiftikçioğlu (Director), Alper Eker (Director), Özlem Ernar (Head of Risk Management), Berkay Emekli (Director)

WHOLESALE CREDIT RISK COMMITTEE

The purpose of Wholesale Credit Risk Committee is to propose or determine the wholesale credit risk framework, integrate it into management and monitor its performance.

The Committee is responsible for:

- Approving or proposing for approval wholesale risk strategies and policies,
- Monitoring wholesale portfolio quality and performance, and assess risk strategies and policies in terms of effectiveness, profitability and efficiency,
- Approving or proposing for approval risk decisions or requests from/to other units or regulators,
- Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 12 meetings.

COMMITTEE MEMBERS

Mustafa Tiftikçioğlu (Director), Adnan Kesim (Director), Cemal Vurankaya (Director), Emre Hatem (Director), Gülay Tok Başak (Director), Selim Selimata (Director), Nuriye Bozkurt (Manager), Ekrem Özay (Manager), Yeliz Buyan* (Manager), Muhsin Sıgnak* (Manager), Dilek Dalda* (Manager), Senem Irmak* (Manager), Ömer Yolboğa* (Manager), Gözde Şener* (Manager), Nurdan Demir* (Manager), Orhan Tanrıverdi* (Manager), Duygu Okdemir Cangül* (Manager)

* At least two of the managers attend the meetings.

CREDIT ADMISSION COMMITTEE

The purpose of the Credit Admission Committee is to approve or propose for approval to Garanti BBVA's governing bodies, credit risk transactions or financial programs according to its delegated authority and following the requirements

stated in the Credit Risk Delegation Rule.

The Committee's responsibilities are:

- Approving the credit proposals within its authorized limits, and submitting credit proposals that exceed the delegated authority of the Chief Credit Risk Officer to management bodies for approval,
- Overseeing whether the credit risks falling under its delegated authority are duly subjected to assessment and scoring process in line with the Bank's policies and procedures,
- Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 47 meetings.

COMMITTEE MEMBERS

Ali Temel (Chief Credit Risk Officer), Mustafa Tiftikçioğlu (Director), Alper Eker* (Director), Selim Selimata (Director), Gülay Tok Başak (Director), Kerem Akça*** (Director), Yeliz Buyan** (Manager), Muhsin Sıgnak** (Manager), Dilek Dalda* (Manager), Senem Irmak** (Manager), Ömer Yolboğa** (Manager), Duygu Okdemir Cangül** (Manager), İbrahim Şanlı*** (Manager)

* Participate when retail loan offers are submitted.

** Participate for loan offers in their portfolios.

*** Committee members who do not have the right to vote.

RETAIL CREDIT RISK COMMITTEE

The purpose of the Committee is to propose or determine the Bank's retail credit risk framework, integrate it into management and monitor its performance.

The Committee's responsibilities are:

- Approving, or proposing for approval, risk strategies and policies in relation to retail credits,
- Monitoring the performance of the retail portfolio; evaluating the efficiency of risk strategies and policies and their effect on profitability and productivity,
- Approving or proposing for approval risk decisions, or requests from/to other units or regulators,
- Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 10 meetings.

COMMITTEE MEMBERS

Alper Eker (Director), Pınar Denizaşan (Director), Faruk Ergin (Director), Teoman Alponat (Director), Şeyda Güröğlü Kan (Director)

RISK TECHNOLOGY AND ANALYTICS COMMITTEE

The purpose of the Committee on Risk Technology and Analytics ("RTA") is to promote an appropriate framework for risk models and tools within Garanti BBVA. The RTA is constituted as a forum of advice and support to the Chief Credit Risk Officer for the exercise of the functions and the

decision making that the latter must adopt. The scope of the RTA encompasses all types of risks and the entire risk life cycle.

The Committee is responsible for:

- Ensuring the quality, adequacy and consistency of the models and their parameters throughout the Bank,
- Monitoring risk tools roll-outs (functional definitions and regulatory/ economic milestones) as well as areas for improvement,
- Ensuring the existence of adequate technological infrastructure to develop the risk function, keeping track of specific technology projects deemed relevant by the Bank.

In 2019, the Committee held 17 meetings.

COMMITTEE MEMBERS

Evrım Gündüz (Manager), Mustafa Tiftikçioğlü (Director), Alper Eker (Director), Özlem Ernar (Head of Risk Management), Berkay Emekli (Director), Arif Köker (Manager)

GARANTI BBVA ASSETS AND LIABILITIES COMMITTEE

The main goal of Garanti BBVA Assets and Liabilities Committee (ALCO) is to assist the CEO with decision-making processes concerning assets and liabilities management (including liquidity and funding, interest rates and exchange rates) and capital management.

The Committee is structured around the following objectives:

- Coordinate and review the implementation of policies for managing the sources and utilization of funds that should provide an appropriate level of profitability consistent with planned growth within acceptable levels of risk,
- Monitor and analyze the profitability and net interest income,
- Allow senior management to thoroughly understand, efficiently develop and refine the ALM and capital policies by assisting them in overseeing and supervising the management activities of the Finance Department,
- Follow-up limits to control the balance sheet and capital risks, as well as the risk profiles defined by Garanti BBVA's Board of Directors,
- Assess the status of financial markets and macro variables,
- Monitor that individual business lines are aligned in terms of overall objectives and proactively controlled with regard to the prudential risks under the control of ALM and capital functions,
- Review and assess the impact of changes in market and other variables on the ALM risk and capital profile,
- Evaluate the strategies presented by the Finance Department and revise the execution of previously approved actions,
- Monitor regulatory capital adjusted profitability measures,
- Challenge and regularly monitor medium-term capital and liquidity plans for base scenarios and adverse or severely adverse scenarios,

- Analyze extraordinary liquidity and funding situations that require the Committee to be summoned (if deemed appropriate, the Assets and Liabilities Committee will activate the Liquidity Contingency Plan. The Liquidity Contingency Plan activation will be informed to the Corporate Assets and Liabilities Committee),
- Approve the Procedure for Hedge Accounting Transactions Process,
- Approve Funds Transfer Pricing Methodology,
- Approve assumptions or methodology associated with Structural Risk Measurement Techniques,
- Approve internal framework documents for ALM and Capital Management,
- Monitor the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and take action to keep them up-to-date.

In 2019, the Committee held 11 meetings with the required quorum.

COMMITTEE MEMBERS

Recep Baştuğ (CEO, Board Member), Alvaro Ortiz Vidal-Abarca (Emerging Markets - Chief Economist), Aydın Güler (EVP), Mahmut Akten (EVP), Selahattin Güldü (EVP), Cemal Onaran (EVP), B. Ebru Edin (EVP), Ali Temel (Chief Credit Risk Officer), Özlem Ernar (Head of Risk Management), Metin Kılıç (Director), Sıdıka Dizdar (Director)

WEEKLY REVIEW COMMITTEE

The Weekly Review Committee is charged with managing the assets and liabilities of the Bank. Its objective is to assess interest rate, exchange rate, liquidity and market risks. Based on these assessments

and taking into account the Bank's strategies and competitive conditions, the Committee adopts the decisions to be executed by the relevant units in relation to the management of the Bank's balance sheet, and monitors their implementation.

In 2019, the Committee held 51 meetings.

COMMITTEE MEMBERS

Recep Baştuğ (CEO, Board Member), M. Cüneyt Sezgin, (Board Member), Javier Bernal Dionis (Board Member), Alvaro Ortiz Vidal-Abarca (Emerging Markets - Chief Economist), İlker Kuruöz (EVP), Selahattin Güldü (EVP), Cemal Onaran (EVP), Mahmut Akten (EVP), Didem Dinçer Başer (EVP), Ali Temel (Chief Credit Risk Officer), B. Ebru Edin (EVP), Aydın Güler (EVP), Işıl Akdemir Evlioğlu (CEO, GÖSAŞ), Alpaslan Özbey (Director), Lütfi Hacıoğlu (Director), Mustafa Sağlık (Director), Hakan Öger (Director), Kerem Ömer Orbay (Director), Ceren Acer Kezik (Director), Metin Kılıç (Director), Vahan Üçkardeş (Director), Handan Saygın (Director), Özlem Ernar (Head of Risk Management), Batuhan Tufan (Director), Fulya Göyenc (Director), Kıvanç Fidan (Director), Alper Eker (Director), Demet Yavuz (Director), Sinem Edige (Director), Taşkın Erkoç (Director), Oben Savaş (Director)

COST MANAGEMENT AND EFFICIENCY COMMITTEE

The objective of the Cost Management Committee is to support the Board of Directors in controlling costs within the context of real revenue performance (operating efficiency) and securing savings by optimizing budget implementations over the course of the year.

The Committee is also responsible for:

- Identifying the efficiency areas of Garanti BBVA and providing a platform to discuss improvement areas,
- Informing committee members about cost developments in the future and evaluating saving suggestions,
- Providing a platform to discuss and decide on new ideas and alternatives about efficient cost management by taking into consideration the Bank's strategies,
- Approving expenses or investment projects and proposals received from the units within the established limits of delegation,
- Clarifying the corresponding budget allocations,
- Ensuring local or regional implementation of corporate models, standards and specifications,
- Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 6 meetings.

COMMITTEE MEMBERS

Recep Baştuğ (CEO, Board Member), Javier Bernal Dionis (Board Member), Aydın Güler (EVP), Osman Tüzün (EVP), Mahmut Akten (EVP), İlker Kuruöz (EVP), Didem Dinçer Başer (EVP), Ali Temel (Chief Credit Risk Officer), B. Ebru Edin (EVP), Selahattin Güldü (EVP), Cemal Onaran (EVP), Aydın Düren (EVP), Işıl Akdemir Evlioğlu (CEO, GÖSAŞ), Oğuz Acar (Director), Hazal Özgüven (Director), Sibel Kaya (Director), Vahan Üçkardeş (Director), Burçin Bıkmaz (Director)

SUSTAINABILITY COMMITTEE

The Sustainability Committee is responsible for:

- Overseeing the efforts for assessing potential risks resulting from the Bank's energy consumption, waste management, etc. and from the Bank's direct impact upon the environment,
- Supervising the efforts for assessing potential risks arising from indirect environmental, social and economic impact resulting from financed projects and other loans, and providing necessary opinions to relevant decision-making parties,
- Monitoring the efforts for managing the risks which can negatively affect the Bank's reputation and/or other activities in environmental, social and governance areas,
- Ensuring conformity of all decisions made and all projects carried out within the framework of the sustainability structure created within the Bank with other policies and related regulations of the Bank,
- Managing the efforts to allow the Bank to offer products and services that support sustainable development,
- Supervising the efficiency of sustainability efforts,
- Providing information to the Board of Directors on the Committee's activities when needed,
- Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 1 meeting.

COMMITTEE MEMBERS

M. Cüneyt Sezgin, (Board Member), Recep Baştuğ (CEO, Board Member), Osman Tüzün (EVP), B. Ebru Edin (EVP), Ali Temel (Chief Credit Risk Officer), Cemal Onaran (EVP), Aydın Güler (EVP), Burçin Bıkmaz (Director)

DISCIPLINARY COMMITTEE

The Disciplinary Committee is responsible for:

- Reviewing and deciding on the matters referred to it based on the relevant articles of the Garanti BBVA Integrity Principles,
- Examining, sua sponte, any acts and practices, if any, that are established to be contrary to the laws, banking customs, Garanti BBVA Integrity Principles, the Bank's circulars, announcements or procedures (requesting an examination by the Internal Audit Department in cases where it deems necessary), and implementing the administrative sanctions set out in the Personnel Regulation,
- Ensuring that the personnel adheres to the Garanti BBVA Integrity Principles, both in their behaviors and their practices, and undertaking the function of monitoring such adherence and acting as a safeguarded authority before the employees,
- Taking measures against all sorts of acts and practices that might lead to an erosion of the Bank's reputation and image in view of the laws, public opinion and our customers, and announcing these measures throughout the Bank,
- Ensuring that necessary measures are adopted by relevant units for remedying the systemic problems or hitches in work flow processes or general practices as observed in the files on its agenda, and

steering the concerned subsidiaries and overseeing the measures taken.

In 2019, the Committee held 3 meetings.

COMMITTEE MEMBERS *

Osman Tüzün (EVP), Aydın Düren (EVP), Aydın Güler (EVP), Cemal Onaran (EVP), Mahmut Akten (EVP), Selahattin Güldü (EVP), Ali Temel (Chief Credit Risk Officer), Sibel Kaya (Director), Osman B. Turgut (Head of Internal Audit), Barış Gülcan (Director), Şevki Öğüt (Internal Audit Partner), Koray Öztıpçu (Branch Manager), Gültekin Keskin (Regional Manager), Cenk Özsezginler (Regional Manager), Ali Aktan (Manager, Assistant Legal Counsel), Murat Özdemir (Manager), Görkem Kıran Dumlu (Manager)

** Regional and Branch Managers change every year*

INFORMATION SECURITY COMMITTEE

Information Security Committee is responsible for:

- Coordinating the tasks related with information security,
- Contributing to the establishment of the policies, monitors the functioning of the information security management system (ISMS) and agrees on decisions by evaluating the improvement suggestions,
- Informing about the information security projects and certification processes,
- Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 1 meeting.

COMMITTEE MEMBERS

İlker Kuruöz (EVP), Ferda Özge (EVP, TC), Eray Kaya (EVP, TC), Fatih Bektaşoğlu (EVP, TC), Aydın Küçükkarakaş (EVP, TC), Şebnem İpekçi (EVP, TC), Reha Emekli (EVP, TC), Kutluhan Apaydın (EVP, TC), Özgür Tüzemen (EVP, TC), Feridun Aktaş (EVP, TC), Emre Kunt (EVP), Burak Erkek (Internal Audit Partner), Korcan Demircioğlu (Director), Barış Gülcan (Director), Hazal Özgüven (Director), Tutku Coşkun (Director), Orhan Veli Çaycı (Director), Sibel Kaya (Director), Seval Demirkılıç (Unit Manager, TC), Cihan Subaşı (Unit Manager, TC), Ümit Malkoç (Unit Manager, TC), Bekir Özmen (Manager, TC), Şebnem Arasil (Manager, TC), Kerem Aslandağ (Manager, TC)

PERSONNEL COMMITTEE

The Personnel Committee has been set up to finalize transfer and appointment decisions at manager level, make proposals regarding the Bank's organizational structure, and contribute to the management of the HR budget and balance sheet. The Committee monitors the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and takes action to keep them up-to-date.

The Committee meets when it is needed. In 2019, the Personnel Committee held 1 meeting.

COMMITTEE MEMBERS *

Recep Baştuğ (CEO, Board Member), Mahmut Akten (EVP), Selahattin Güldü (EVP), Cemal Onaran (EVP), İlker Kuruöz (EVP), Didem Dinçer Başer (EVP), Ali Temel (Chief

Credit Risk Officer), Osman Tüzün (EVP), B. Ebru Edin (EVP), Aydın Düren (EVP), Aydın Güler (EVP), Alper Eker (Director), Mustafa Tiftikçioğlu (Director), İlker Yavaş (Director), Sibel Kaya (Director), Lütfi Hacıoğlu (Director), Mustafa Sağlık (Director), Taşkın Erkoç (Director), Kerem Ömer Orbay (Director), Ceren Acer Kezik (Director), Hakan Öger (Director), Işıl Akdemir Evlioğlu (CEO, GÖSAŞ), Eyüp Yıldırım (Regional Manager), Sevgi Cevani (Regional Manager), Murat Özdemir (Manager), Görkem Kıran Dumlu (Manager)

**Regional Managers alternate in attending the committee.*

LOCAL BENEFITS COMMITTEE

The Local Benefits Committee aims to manage the employee benefits model centrally with the participation of HR, Risk and Finance areas.

The Committee's responsibilities are:

- Ensuring that decisions regarding fringe benefits are made centrally, with the concurrence of all representatives and in line with the Bank's business goals;
- Reporting the local committee's decisions to the global committee,
- Benchmarking against the market before a new fringe benefit proposal is approved and reviewing the same from the perspective of Finance, Risk and Compliance,
- Controlling the production of consolidated accounting reports of fringe benefits,
- Aligning the investment policy of Garanti BBVA Retirement Fund with BBVA's standards,
- Monitoring the policies, procedures,

regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 2 meetings.

COMMITTEE MEMBERS

Osman Tüzün (EVP), Aydın Güler (EVP), Ali Temel (Chief Credit Risk Officer), Özlem Ernar (Head of Risk Management), Sibel Kaya (Director)

CONSUMER COMMITTEE

The Consumer Committee aims to ensure that topics and practices regarding the individual products and services, which may cause risk and dissatisfaction in terms of consumer and/or related legislation are highlighted, evaluated and required actions for solution are planned.

The Committee is responsible for;

- Informing about the findings brought up by Internal Audit, Internal Control and Compliance departments to the committee and evaluate the required findings and develop action plans,
- Informing about the improvement areas raised during the analysis based on customer feedbacks (complaint, objection etc.) and evaluate the required ones and develop action plans,
- Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 3 meetings.

COMMITTEE MEMBERS

M. Cüneyt Sezgin, (Board Member), Mahmut Akten (EVP), Aydın Düren (EVP), Didem Dinçer Başer (EVP), İlker Kuruöz (EVP), Eray Kaya (EVP, TC), Işıl Akdemir Evlioğlu (CEO, GÖSAŞ), Osman B. Turgut (Head of Internal Audit), Hülya Türkmen (Director), Barış Gülcan (Director), Emre Özbek (Director), Kerem Ömer Orbay (Director), Ceren Acer Kezik (Director), Hazal Özgüven (Director), Berna Avdan (Legal Counsel), Bora Uludüz (Director), Demet Yavuz (Director), Alpaslan Özbey (Director), Hakan Öger (Director), Kıvanç Fidan (Director), (Murat Hamurkaroğlu (Manager)

INTEGRITY COMMITTEE

The main objective of the Committee is to contribute to preserve the Corporate Integrity of Garanti BBVA.

Its fundamental function, is to ensure that the Code is being applied efficiently, through following responsibilities:

- Encouraging and monitoring efforts for creating a shared culture of integrity within Garanti BBVA Group;
- - Making sure that the Code are implemented homogenously across Garanti BBVA; in this context, formulating and disseminating descriptive notes when needed;
- Implementing exclusion criteria with regard to compliance with certain provisions of the Code;
- Notifying matters deemed to be in contradiction to the Bank’s disciplinary rules to the Disciplinary Committee, and obtaining information about the ongoing examinations procedures and actions taken for the issue;

→ Reporting immediately any incidents and circumstances that may pose a material risk against Garanti BBVA to:

1. Top Management,
2. The individual in charge of preparing the financial statements accurately;

- Following up the proposals of action agreed during the meetings,
- Encouraging adoption of necessary measures for handling suggestions regarding compliance with the Code and implementation of the document, and behaviors creating doubts with respect to ethics;
- Promote and monitor the operation and efficiency of the Complaint Channel at local level take necessary measures regarding updates and review where appropriate,
- Monitoring the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 1 meeting.

COMMITTEE MEMBERS

M. Cüneyt Sezgin, (Board Member), Recep Baştuğ (CEO, Board Member), Osman Tüzün (EVP), Aydın Düren (EVP), Didem Dinçer Başer (EVP), İlker Kuruöz (EVP), B. Ebru Edin (EVP), Osman B. Turgut (Head of Internal Audit), Emre Özbek (Director), Barış Gülcan (Director)

VOLCKER RULE OVERSIGHT COMMITTEE

Volcker Rule Oversight Committee is an internal body established in scope of the “Volcker Rule Compliance Program” provisions. It is formed to evaluate the

conformity status of Garanti BBVA and its Subsidiaries’ activities and Compliance Program to the Volcker Rule and to supervise the effectiveness of Volcker Rule Compliance Program.

Committee’s main roles and responsibilities are;

- Provide the settlement of a sufficient Compliance culture,
- Evaluate the conformity of the Volcker Rule Compliance Program to the Volcker Rule;
- Assess declarations of compliance received from the subsidiaries, evaluate conformity of Garanti BBVA’s operations to the Volcker Rule; make decisions on this subject, and communicate the decision to the related committee of the BBVA Group;
- Resolve the Volcker Rule related issues which are submitted to the Committee’s agenda,
- Monitor necessities of document updates regarding the policies, procedures, regulations and take actions to ensure that they are updated.

In 2019, the Committee held 3 meetings.

COMMITTEE MEMBERS

M. Cüneyt Sezgin, (Board Member), Recep Baştuğ (CEO, Board Member), Aydın Güler (EVP), Aydın Düren (EVP), B. Ebru Edin (EVP), Reha Emekli (EVP, TC), Ali Temel (Chief Credit Risk Officer), Osman B. Turgut (Head of Internal Audit), Özlem Ernard (Head of Risk Management), Emre Özbek (Director), Barış Karaayvaz (Director), Çağlar Kılıç (Director), Metin Kılıç (Director), Berna Avdan (Legal Counsel), Hakan Özdemir (Director), Barış Gülcan (Director)

OPERATIONAL RISK ADMISSION AND PRODUCT GOVERNANCE COMMITTEE

The Committee aims to identify, analyze and evaluate the operational risks associated initiatives related with new business, products or services, outsourcing, process transformation and new systems), prior to its launch. The Committee will give an opinion about the feasibility of the initiatives before they are materialized, as well as on their following-up. The Committee will evaluate the inherent operational risks, indicating the required controls and mitigations needed to ensure that the residual risks are within the established operational risk appetite.

The Committee's responsibilities are;

- Analyze and decide on new business, product and service offers.
- Analyze the viability of outsourcing offers and decide on outsourcing offers.
- Analyze and decide on feasibility of other offers including technological and process reengineering and vendor assessment.
- Decides the insurance framework of operational risks arising from initiatives, reviews, analyzes and approves insurance policy structures.
- To conduct an ongoing review of each new product at least 12-month period following implementation to ensure that it has been carried out properly (in this context, the Committee shall revoke approval of a previously approved Product, or an existing product or service, or block the implementation of a Product or continued use of a Product),

- To summarize and inform on its actions and deliberations, as appropriate, to members of senior management, managers within affected business lines, Board Risk Committee and to the respective bodies of each affected Garanti BBVA entity,
- To monitor the policies, procedures, regulations and similar documents under its responsibility with respect to necessary updates, and taking action to keep them up-to-date.

In 2019, the Committee held 6 meetings.

COMMITTEE MEMBERS

M. Cüneyt Sezgin, (Board Member), Aydın Güler (EVP), İlker Kuruöz (EVP), Aydın Düren (EVP), Osman Tüzün (EVP), Ali Temel (Chief Credit Risk Officer), Özlem Ernar (Head of Risk Management), Barış Gülcan (Director), Emre Özbek (Director), Murat İman (Director), Burçin Bıkmaz (Director), Beyza Yapıcı (Director), Osman B. Turgut (Head of Internal Audit)

IT RISK AND INTERNAL CONTROL COMMITTEE

IT Risk Committee has been established to coordinate the tasks related with IT Risk and IT Internal Control Management. This committee contributes to the establishment of the IT Risk and IT Internal Control Management Policy, Procedure and related process documents and also other needed processes, monitors the functioning of the IT risk and IT internal control management process and agrees on decisions by evaluating the improvement suggestions.

The Committee's responsibilities are:

- Identification of IT risk and IT internal control management strategy,
- Identification of IT risk and IT internal control management scope and making related plans,
- Assessing the threats and risks that arise as a result of IT risk analysis, identification of actions to be taken,
- Assessment of IT risk and IT internal control management outputs and following the corresponding actions,
- Reviewing policies and procedures related to IT risk and IT internal control management, work on updating and compliance issues.

In 2019, the Committee held 3 meetings.

COMMITTEE MEMBERS

İlker Kuruöz (EVP), Aydın Küçükkarakaş (EVP, TC), Feridun Aktaş (EVP, TC), Ferda Özge (EVP, TC), Eray Kaya (EVP, TC), Fatih Bektaşoğlu (EVP, TC), Reha Emekli (EVP, TC), Kutluhan Apaydın (EVP, TC), Özgür Tüzemen (EVP, TC), Şebnem İpekçi (EVP, TC), Emre Kunt (EVP, TC), Ümit Malkoç (Unit Manager, TC), Cihan Subaşı (Unit Manager, TC), Özcan Elçi (Manager, TC), Kerem Aslandağ (Manager, TC)

CORPORATE ASSURANCE COMMITTEE

The purpose of the Committee is to inform the top management about the internal control problems which can prevent business lines and/or our Bank's goals due to their current or possible effects and to provide guidance from top management about the problems.

"The scope of the Committee includes internal control findings and issues that are considered to have priority for the Bank, regarding their effect and urgency, fundamentally compliance, financial reporting, risk management, operational risk, reputation risk, technology and fraud.

The Committee's responsibilities are;

- To provide standardization and top management coordination for the improvement needs of the internal control system by focusing on critical risks and controls that needs top management's monitoring,
- To discuss the internal control problems/issues within its agenda and responsibility area, and to evaluate the proposed measures and actions,
- To monitor mitigation of risks to a desired level by examining the action plans,
- To make necessary coordination in case of a contribution need from different departments,
- To inform the Board of Directors about the main internal control problems.

In 2019, the Committee held 4 meetings.

COMMITTEE MEMBERS

M. Cüneyt Sezgin, (Board Member), Recep Baştuğ (CEO, Board Member), Didem Dinçer Başer (EVP), Cemal Onaran (EVP), Selahattin Güldü (EVP), B. Ebru Edin (EVP), Osman Tüzün (EVP), İlker Kuruöz (EVP), Aydın Güler (EVP), Aydın Düren (EVP), Mahmut Akten (EVP), Ali Temel (Chief Credit Risk Officer), Özlem Ernar (Head of Risk Management)

RESPONSIBLE BUSINESS COMMITTEE

The Committee aims to guarantee that Responsible Business is integrated into the banking functions and into the strategic priorities of the Bank, and to systematically ensure that Garanti BBVA puts stakeholders at the center of decision-making processes.

The Committee's responsibilities are as follows:

- Monitor Responsible Business trends globally and the development of Responsible Business within the BBVA Group; evaluate how these trends and developments can be aligned and implemented at Garanti BBVA, and steer the development of Responsible Business across Garanti BBVA,
- Provide direction for the preparation of the Responsible Business Plan (RBP), its KPIs and approve them,
- Monitor updates on all initiatives within the RBP, their KPIs; request changes to the RBP as necessary and/or assess/approve suggested changes,
- Ensure correct and timely execution of the actions plans within the RBP,
- Review and approve the general Community Investment Plan and the RB Communications Plan,
- Monitor the TCR Plan and its accomplishments; make proposals to the TCR plan to be reviewed by the Customer Committee,
- Provide direction for the development of the Responsible Business Policies and Strategy, review and approve them; review and approve the Responsible Business reports and/or the Responsible Business-related sections of the Annual Reports.

In 2019, the Committee held 1 meeting.

COMMITTEE MEMBERS

M. Cüneyt Sezgin, (Board Member), Recep Baştuğ (CEO, Board Member), Didem Dinçer Başer (EVP), B. Ebru Edin (EVP), Cemal Onaran (EVP), Osman Tüzün (EVP), Aydın Güler (EVP), Aydın Düren (EVP), Mahmut Akten (EVP), Burçin Bıkmaz (Director), Elif Güvenen (Director), Hülya Türkmen (Director), Emre Hatem (Director), Mustafa Sağlık (Director), Handan Saygın (Director), Hakan Öger (Director), Nazlı Çakıroğlu Boysan (Manager)

INNOVATION COMMITTEE

Innovation Committee's objective is to increase Garanti BBVA's focus on innovation and improve the prioritization of innovative projects.

The IC's responsibilities are:

- Creating the conditions and opportunities for the collection and evaluation of all innovative ideas in the most efficient way across the bank.
- Setting themes to focus on periodically: The Innovation & Digital Teams will have the responsibility to organize events, workshops & trainings to increase employees' knowledge about selected themes and spur new ideas around them.
- Deciding whether the projects emanating from the Innovation Pipeline will proceed to MVP phase or not, and prioritizing them. Committing bank's resources for approved projects

In 2019, the Committee held 3 meetings.

COMMITTEE MEMBERS

Recep Baştuğ (CEO, Board Member), Didem Dinçer Başer (EVP), İlker Kuruöz (EVP), Cemal Onaran (EVP), Mahmut Akten (EVP), B. Ebru Edin (EVP), Selahattin Güldü (EVP), Işıl Akdemir Evlioğlu (CEO, GÖSAŞ), Fatih Bektaşoğlu (EVP, TC), Reha Emekli (EVP, TC), Seçkin Çağlın (EVP, GÖSAŞ), Bora Uludüz (Director), Tutku Coşkun (Director), Hazal Özgüven (Director), Kıvanç Fidan (Director), Hülya Türkmen (Director), Mustafa Sağlık (Director), Hakan Öger (Director), Ceren Acer Kezik (Director), Kerem Ömer Orbay (Director), Lütfi Hacıoğlu (Director), Taşkın Erkoç (Director), Burçin Bıkmaz (Director)

CREDIT CARDS AND MEMBER MERCHANTS PRICING COMMITTEE

The Committee has been established with the aim of evaluating the researched about member merchant commissions and card pricing, pricing samples and modeling provided by Garanti Payment Systems (GÖSAŞ) within the framework of the credit card / member merchant strategy and policies and pricing principles determined by the Bank.

GÖSAŞ presents current market conditions, pricing offers and models within the rules determined by credit card and merchant pricing principles, local and global developments that may affect fees / commissions and costs, new products that may have an impact on pricing to the committee for evaluation. The main task of the Committee is to evaluate the presented reports and to prepare new or additional models at the request of the Committee Chairman.

In 2019, the Committee held 11 meetings.

COMMITTEE MEMBERS

Alpaslan Özbey (Director), Cem Dal (EVP, GÖSAŞ), Özgür Altan (EVP, GÖSAŞ), Seçkin Çağlın (EVP, GÖSAŞ), Perim Berk (Manager, GÖSAŞ), Elif Üçdal (Manager, GÖSAŞ), M. Ersin Topan (Manager, GÖSAŞ), Pelin Batu (Manager, GÖSAŞ), Ulaş Erdur (Manager, GÖSAŞ), Seçkin Akbaba (Manager, GÖSAŞ)

DATA SECURITY AND PROTECTION STEERING COMMITTEE

Committee is responsible for ensuring that data owned by Garanti BBVA, its subsidiaries and its customers are compliant with the relevant legal regulations and corporate policies.

The Committee's responsibilities are;

- To determine the policies that are within the scope of data security and protection, to review these policies periodically and to update them if needed,
- To prioritize the projects which are in the context of data security and protection,
- To monitor the efficiency of the processes operated in the scope of data security and to evaluate the improvement needs,
- To monitor the legislative changes that are in the scope of data security and to ensure that the needs are met.

In 2019, the Committee held 3 meetings.

COMMITTEE MEMBERS

İlker Kuruöz (EVP), Aydın Düren (EVP), Osman Tüzün (EVP), Aydın Küçükkarakaş (EVP, TC), Şebnem İpekçi (EVP, TC), Ferda Özge (EVP, TC), Özgür Tüzemen (EVP,

TC), Eray Kaya (EVP, TC), Fatih Bektaşoğlu (EVP, TC), Reha Emekli (EVP, TC), Kutluhan Apaydın (EVP, TC), Feridun Aktaş (EVP, TC), Emre Kunt (EVP, TC), Berna Avdan (Legal Counsel), Beyza Yapıcı (Director), Burak Erkek (Internal Audit Partner), Hazal Özgüven (Director), Sibel Kaya (Director), Korcan Demircioğlu (Director), Barış Gülcan (Director), Emre Poyraz (Unit Manager, TC), Seval Demirkılıç (Unit Manager, TC), Ümit Malkoç (Unit Manager, TC), Bekir Özmen (Manager, TC), Kerem Aslandağ (Manager, TC)

WORK OUT COMMITTEE

The purpose of the Work Out Committee ("WOC") is to approve or propose for approval to Garanti BBVA's governing bodies, restructuring requests of the firms in the authorization of the Head Office, according to its delegated authority and following the requirements stated in the Credit Risk Delegation Rule.

In 2019, the Committee held 45 meetings.

COMMITTEE MEMBERS

Ali Temel (Chief Credit Risk Officer), Mustafa Tiftikçioğlu (Director), Cemal Vurankaya (Director), Emre Hatem (Director), Kerem Akça (Director), İbrahim Şanlı (Manager), Gözde Şener (Manager), Nurdan Demir (Manager), Orhan Tanrıverdi (Manager)

CORPORATE CRISIS AND BUSINESS CONTINUITY MANAGEMENT COMMITTEE

Duties of the Committee during the crisis:

- Manages all the crisis situations that the bank will face, regardless of the nature of

the event, For this purpose, coordinates and integrates all parties that need to respond to the crisis.

- Activated by the President. If the President considers the situation as a crisis after a preliminary analysis of the situation, he formally calls the committee to a meeting.
- Requests information from the incident management teams about the situation.
- Makes the necessary decisions to manage the crisis effectively.
- Manages the crisis by giving instructions to the teams responsible for implementing the decisions taken, coordinates the relevant business areas, monitors the actions taken and the results of the decisions.
- Officially declares to all relevant stakeholders when the crisis is over. This statement is made by the chairman of the committee
- Uses lessons learned during crisis management to improve crisis management plans.

The Committee's duties under normal circumstances:

- Provides support and guidance for the creation of business continuity management plans.
- Provides support, and guidance for the establishment of the business continuity policy and business continuity program, which determines the Bank's business continuity vision and principles, in line with the Bank's strategic objectives. Provides support, and guidance for the progress of the business continuity management program in line with policies and objectives.

- Evaluates and approves the test and exercise schedule and test methods determined within the scope of business continuity. Evaluates the test reports and provides support for the necessary improvements for the identified development areas.
- Evaluates the internal and external audit outputs for the business continuity program and determines the priorities of the development areas identified in the reports.
- Evaluates and approves the recovery solutions determined within the scope of business continuity management program within the determined budget.
- Evaluates the effectiveness, suitability and adequacy of the business continuity program.
- Ensures compliance with business continuity management policies, standards, risk reduction controls and procedures throughout the Bank.
- Encourages the adoption and implementation of the roles and responsibilities determined in the business continuity policy within the bank organization.
- Enables the spread of business continuity culture and awareness within the bank.
- Participates in trainings and plan exercises in order to increase the maturity level in crisis preparation and rapid response.

In 2019, the Committee held no meetings.

COMMITTEE MEMBERS

Recep Baştuğ (CEO, Board Member), Dr. M. Cüneyt Sezgin (Board Member), İlker Kuruöz (EVP), Aydın Düren (EVP), Didem Dinçer

Başer (EVP), Osman Tüzün (EVP), Aydın Güler (EVP), B. Ebru Edin (EVP), Mahmut Akten (EVP), Selahattin Güldü (EVP), Cemal Onaran (EVP), Ali Temel (Chief Credit Risk Officer), Aydın Küçükkarakaş (EVP, TC), Ferda Özge (EVP, TC), Feridun Aktaş (EVP, TC), Şebnem İpekçi (EVP, TC), Reha Emekli (EVP, TC), Fatih Bektaşoğlu (EVP, TC), Eray Kaya (EVP, TC), Özgür Tüzemen (EVP, TC), Kutluhan Apaydın (EVP, TC), Emre Kunt (EVP, TC), Özlem Ernar (Head of Risk Management), Ümit Malkoç (Unit Manager, TC), Şebnem Arasıl (Manager, TC)

IT STRATEGY COMMITTEE

It is the committee in which the strategies are planned and followed during the year are determined, responsibilities are assigned to these strategies and the current status of the strategic projects are discussed.

After the Strategic Plan is established, IT Strategy Committee assigns EVPs and unit managers in order to prepare tactical plans for the strategic plan. The process of forming a Strategic Plan is repeated in each year of activity.

Taking into consideration the Bank's business strategy and the organizational structure within the Garanti BBVA Technology, IT Strategy Committee is responsible for advising large investments together with the establishment of the necessary management and organizational structure in order to achieve the IT targets established in line with the business objectives.

The Committee's responsibilities are;

- Determining the next year's Engineering & Data strategies / focus areas
- Identifying responsible EVPs and unit managers for these strategies
- At the second meeting to be held during the year, discussing the latest status of the projects and action plans.

In 2019, the Committee held 1 meeting.

COMMITTEE MEMBERS

Recep Baştuğ (CEO, Board Member), İlker Kuruöz (EVP), Mahmut Akten (EVP), Cemal Onaran (EVP), Selahattin Güldü (EVP), B. Ebru Edin (EVP), Didem Dinçer Başer (EVP), Osman Tüzün (EVP), Aydın Güler (EVP), Aydın Düren (EVP), Ali Temel (Chief Credit Risk Officer), Aydın Küçükkarakaş (EVP, TC), Eray Kaya (EVP, TC), Fatih Bektaşoğlu (EVP, TC), Ferda Özge (EVP, TC), Kutluhan Apaydın (EVP, TC), Özgür Tüzemen (EVP, TC), Reha Emekli (EVP, TC), Emre Kunt (EVP, TC), Feridun Aktaş (EVP, TC), Şebnem İpekçi (EVP, TC), İlker Yavaş (Director), Hazal Özgüven (Director), Korcan Demircioğlu (Director), Seval Demirkılıç (Unit Manager, TC)

PORTFOLIO STRATEGY COMMITTEE

Committee is the top level body to determination of group level strategic priorities. It is held provide a platform for the prioritization of top group priorities or revise of them, if necessary. All non-routine projects are subject to the alignment of these PSM determined group strategies. Committee is also responsible from the follow up current portfolio performance in terms of strategy alignment. In some cases, projects having high strategic importance can be discussed during PSM committees.

The Committee's responsibilities are;

- Definition of the bank's strategic priorities
- Set guidelines and strategic priorities that act as a guide for subsequent prioritization and approval of projects and assignment of resources in the corresponding meeting
- Assign cash out if necessary for specific impact categories, programs
- - Monitoring of the strategic alignment of the Project Portfolio, based on the priorities established
- Assignment of Budget Ceilings, approval of budgets and installed capacity

In 2019, the Committee held 4 meetings.

COMMITTEE MEMBERS

Recep Baştuğ (CEO, Board Member), Mahmut Akten (EVP), Didem Dinçer Başer (EVP), Cemal Onaran (EVP), Selahattin Güldü (EVP), B. Ebru Edin (EVP), İlker Kuruöz (EVP), Osman Tüzün (EVP), Aydın Güler (EVP), Aydın Düren (EVP), Ali Temel (Chief Credit Risk Officer), Oğuz Acar (Director), Yazgi Demiralp (Manager)

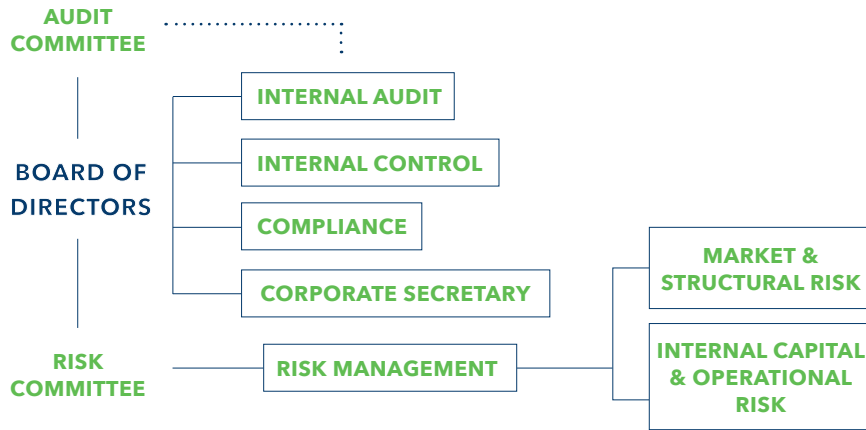
The information within "The Committees and Attendance to Committees" is presented as at December 31, 2019.

Osman Tüzün left his post as the Executive Vice President in charge of Talent and Culture as of the end of February, 2020. Didem Dinçer Başer was appointed as the Executive Vice President in charge of Talent and Culture.

Işıl Akdemir Evlioğlu, who worked as the CEO of Garanti Payment Systems, was appointed as the Executive Vice President in charge of Customer Solutions and Digital Banking.

INTERNAL SYSTEMS GOVERNANCE

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The Risk Committee is composed of the members of the Board of Directors, and is responsible for overseeing risk management policies and practices, their alignment with strategic goals, capital adequacy and planning, and liquidity adequacy, as well as the management’s ability to assess and/or manage various risks inherent in the operations.

Risk Management is composed of “Internal Capital and Operational Risk Department” and “Market and Structural Risk Department” under the execution and management of the Head of Risk Management, and Validation, Credit Risk Control and Risk Management Control functions.

THE RESPONSIBILITIES OF THE HEAD OF RISK MANAGEMENT ARE OUTLINED BELOW:

- Ensure that risk management culture is recognized and risk management principles are widely embraced throughout the Bank and its affiliates, and make sure that an integrated risk management system is implemented which measures all of the Bank’s risks collectively, which guarantees that limits determined in connection with the risk appetite approved by the Board of Directors are not breached, which is in compliance with applicable legislation, the Bank’s strategies and policies, and which pursues risk-return relationship and entail control and validation activities,
- Define, measure, monitor and report risks, and ensure that all control activities are conducted thoroughly and timely; monitor and supervise results.

THE RESPONSIBILITIES OF INTERNAL CAPITAL AND OPERATIONAL RISK DIRECTOR ARE OUTLINED BELOW:

- Propose operational risk, operational risk admission and risk appetite principles which are then set down by the Board of Directors,
- Conduct measuring, monitoring and analysis activities for risk appetite, operational risk, operational risk admission and capital adequacy; report their results regularly to relevant units, committees and senior management,
- Coordinate the ICAAP business process,
- Oversee adherence to Enterprise Risk Management Framework in affiliates; ensure that an infrastructure for defining, measuring, monitoring and controlling risks is in place.

THE RESPONSIBILITIES OF MARKET AND STRUCTURAL RISK DIRECTOR ARE OUTLINED BELOW:

- Propose market, counterparty credit, liquidity, structural interest rate and exchange rate risk principles which are then set down by the Board of Directors; review and update the same,
- Carry out risk-based measuring, monitoring and analysis activities; report their results regularly to relevant units, committees and senior management,
- Perform market, counterparty credit, structural interest rate, exchange rate and liquidity risk-based activities within the

scope of ICAAP, stress testing and risk appetite framework, and risk assessment for new business and products/ services; monitor and report risk based concentrations,

→ Monitor affiliates' adherence to Enterprise Risk Management Framework; ensure that an infrastructure for defining, measuring, monitoring and controlling risks is in place.

THE INTERNAL AUDIT DEPARTMENT

Annual audit plans are prepared based on a risk-oriented approach and by determining internal risk and control levels of the Bank's business lines and subsidiaries regarding fundamental risk types, and in view of the goals and strategies of Garanti BBVA and priorities determined by the Board of Directors and the Internal Audit Department. Scopes and frequencies of audit activities are determined in the light of multi-factor horizontal and vertical analyses with the aim of providing maximum contribution to the Bank.

Following up the new approaches in the banking industry and internal audit field, Garanti BBVA Internal Audit Department began employing Agile Methodology in its audits starting from 2019, aiming to produce high added-value results, increase the autonomy of audit teams, and improve communication with the auditees. Each audit performed within the scope of agile methodology is handled as an individual project and the results are shared at predetermined periods with the auditees in line with the requirements of the methodology, without waiting for the end of the audit, thereby securing swift actions for remedying the findings.

With the aim of minimizing the increased technological and cyber security risks within the frame of the activities the Bank carries out in line with its digital transformation target, a new audit methodology was adopted which relies on the examination of the data universe instead of examination based on sampling based on the analytical approaches of the data scientist and data engineering positions formed under the Internal Audit Department to audit processes. The audits make use of data modeling algorithms, and techniques based on image processing and machine learning.

The Internal Audit Department implements a risk-based audit model with an innovative approach, and risk-based process audits are being performed in 11 different risk types/areas (business model risk, internal governance and risk management, capital risk, credit risk, market risk, structural risk, operational risk, legal risk, compliance risk, technology risk, external risks) by covering head office units, domestic branches, foreign branches and subsidiaries. This approach increases the effectiveness of internal audit and contributes to the Bank's total risk management quality:

1. Within the scope of business model risk audits, focus is placed on business model viability, business model sustainability and strategy.
2. Within the scope of internal governance and risk management audits, focus is placed on corporate governance, organizational framework and risk control framework, including procedures, duties and responsibilities.
3. Within the scope of capital risk audits, focus is placed on legal capital adequacy ratio and assessment of internal capital adequacy.

4. Within the scope of the credit risk audits, focus is placed on governance and risk management structure for credit risk, thresholds and limit structure and measurement, and loan portfolios and credit processes that have been established are audited.

5. Within the scope of market risk audits, focus is placed on management framework, measurement, modeling and monitoring.

6. Within the scope of structural risk audits, focus is placed on management framework, measurement, modeling and monitoring regarding exchange rate risk, structural interest rate risk and liquidity risk.

7. Within the scope of operational risk audits, focus is placed on banking processes, non-banking processes, enterprise processes, operations, channels, data governance and data quality, digital transformation and CIB, while both onsite and remote audits are performed at branches and related head office units.

8. Within the scope of legal risk audits, focus is placed on regulations, tax legislation, labor law, other regulations and contractual risks regarding financial reporting and financial statements.

9. Within the scope of compliance risk audits, focus is placed on compliance risk management model, ethical standards and legal regulations, such as money laundering and financing of terrorism, customer protection and personal data protection.

10. Within the scope of technology risk audits, focus is placed on IT infrastructure, IT operations, management of risks associated with IT, software development, business continuity & systems recovery, information security and cyber security.

11. Within the scope of extended enterprise risk audits, focus is placed on the operations of support services providers, along with various processes such as appraisal,

budget and cost management, messenger services and construction management that incorporate service and/or product procurement from third parties.

As per the Regulation on the Internal Systems of Banks and Internal Capital Adequacy Assessment Process issued by the BRSA, parent banking companies are expected to perform and coordinate the internal audit activities of consolidated entities in a consolidated manner.

Accordingly, the Internal Audit Department audits the Bank's consolidated subsidiaries in line with the annual audit plan by taking prominent risks into account.

By way of inquiries and investigations covered among the activities of the Internal Audit Department, fraud, swindling and counterfeiting activities are prevented or detected, upon which necessary managerial actions are taken immediately.

THE INTERNAL CONTROL UNIT

The Internal Control Unit is responsible for the establishment and coordination of a sound internal control environment within Garanti BBVA. The Unit ensures that banking activities are carried out in accordance with the management strategies and policies in a regular, efficient and effective manner within the existing regulatory framework and guidelines.

Within the applied internal control model that is structured according to three lines of defense principles, controls are identified by the first line of defense teams in the business units by taking the relevant risks into consideration. There is a process in place whereby the results of control

activities are reported from business units to the relevant second line of defense functions. In this model, the Internal Control Unit ensures the proper execution of control activities performed within the Bank by implementing a common methodology.

On-site control activities are carried out at the branches (including overseas branches) and regional directorates. Regarding the Head Office departments, the related control activities which are regularly conducted within the business/support units are monitored closely and challenged and verified in order to ensure their timely, thorough and accurate performance.

The IT Controls team, set up within the Internal Control Unit, oversees the secure performance of IT functions in accordance with the guidelines set by the Bank. The team defines internal control steps for IT processes, and subjects them to control activities in accordance with predefined control items, methodology and tools.

The Internal Control Unit is also responsible for supervising that the internal control environments of the Bank's financial subsidiaries are adequately equipped in terms of structure and functionality.

Findings and recommendations resulting from control activities are reported to relevant managerial levels and agreed-upon actions are followed up.

Moreover, the Internal Control Unit gives training programs for increasing risk/control awareness of the Bank's employees and provides them with the necessary guidance.

THE COMPLIANCE DEPARTMENT

Working with the purposes of managing the potential compliance risks of the Bank and of identifying and preventing these risks before implementation, the Compliance Department aims to help improve the compliance culture constantly and establish a world-class compliance culture across the Bank. The Compliance Department carries out the following tasks.

The Compliance Officer Team performs the following duties as also stipulated by the regulations governing prevention of money laundering and countering the financing of terrorism:

- Carry out all necessary efforts to achieve Garanti BBVA's compliance with the regulations issued to prevent money laundering and countering the financing of terrorism and provide necessary coordination and communication with the Financial Crimes Investigation Board (in Turkish: MASAK),
- Ensure that the Compliance Program is carried out; develop policies and procedures within this scope; execute risk management, monitoring and control activities; follow up the results of internal audit and training activities,
- Lay down the efforts related to the training program about prevention of money laundering and countering the financing of terrorism for the approval of the Board of Directors, and ensure that the approved training program is carried out effectively,
- Look into and evaluate information on potentially suspicious transactions that it receives or becomes aware of sua sponte; report any transaction that it deems to be suspicious to the Financial Crimes Investigation Board,

→ Manage relations with relevant governmental or private agencies.

In terms of compliance activities regarding customer products and services, assessments are made on the compliance of products and processes to applicable regulations. Activities are carried out in relation to compliance controls in accordance with the requirements of Article 18 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of Banks. The control mechanisms in place are monitored and coordinated with respect to compliance of the Bank's current and planned activities, new transactions and products with the laws, internal policies and guidelines, and banking practices. The processes are monitored for any necessary revisions according to regulatory changes, related employees are notified on such changes, and opinions are formed prior to introduction of new products and transactions.

With respect to corporate compliance activities, the Compliance Department is responsible for promoting awareness of "Garanti BBVA Code of Conduct" approved by the Board of Directors in 2015, "Anti-Corruption Policy" approved in 2018 and "Competition Policy" approved in 2019, encouraging adherence to the documents, ensuring development and dissemination of the procedures to be formed in the context of the documents, and helping resolve any doubts that may arise during the interpretation of the documents. These documents are available on the Intranet accessible to all employees and are also made public on the Garanti BBVA Investor Relations website.

The Compliance Department manages the Whistleblowing Channel, which is established to report any noncompliance

to Garanti BBVA Code of Conduct and forms an essential part of the compliance system. The channel is also a resource to assist the employees in reporting transgressions that they observe or which are reported to them by their team members, customers, suppliers or colleagues. Communications through this channel include, but are not limited to, the reporting of suspicious illegal conduct or professionally unethical conduct. In case of an actual or suspected breach of Garanti BBVA Code of Conduct, the incident is reported immediately via the Garanti BBVA Whistleblowing Channel, by e-mail at etikbildirim@garantibbva.com.tr or by telephone at +90 212 318 2375. The Compliance Department, responsible for managing the Whistleblowing Channel, processes all reports received carefully and promptly, ensuring they are investigated and resolved in accordance with the Whistleblowing Channel management procedures. Information is analyzed objectively, impartially and confidentially. The identity of the person who reported is kept confidential. The information is made known only to those departments whose cooperation is necessary for the investigation process. The result of the investigation is communicated to the departments that need to take appropriate measures to correct the transgression, as well as to the person being reported and the reporter, as appropriate. During the investigation process, personnel are expected to cooperate with the Compliance Department and other related parties, and are required to maintain confidentiality about their involvement in the process and any information about the subject. Nobody, who reports any facts or activities through the Whistleblowing Channel in good faith, will be the target of reprisal nor will he/she suffer any other adverse consequence as a result. Garanti BBVA Code of Conduct also includes

incidents of conflict of interest and aspects that would prevent employees' professional behaviors from being affected thereby.

Securities compliance activities encompass examination of suspicious transactions within the scope of the Capital Markets Board (CMB) Communiqué on Obligation of Notification Regarding Insider Trading and Manipulation Crimes. Procedures are being established regarding own-account trading and use of privileged information by the Bank employees who may have insider information or periodic information about capital market instruments or issuers, due to performing their jobs, professions and tasks. In addition, relevant legislation and internal guidelines are also monitored.

With respect to subsidiaries' coordination activities, the Compliance Department monitors the compliance activities at the Bank's subsidiaries and overseas branches. In this respect, meetings are held regularly with those who are responsible for the compliance function at the related subsidiaries and overseas branches. In line with the related legislation, an employee is assigned at each of the consolidated subsidiaries and overseas branches for monitoring compliance with local regulations; these employees submit periodic reports to the Compliance Department.

In performing all of its duties and responsibilities outlined above, the Compliance Department continues to work in coordination primarily with the Internal Audit Department, Internal Control Unit, Training Department, Customer Security and Transaction Risk Management Department and Legal Department, as well as other relevant units and people.

RISK MANAGEMENT

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IDENTIFIED RISKS AND OUR RESPONSE

REPUTATIONAL RISK

The Bank identifies, evaluates and manages its reputational risk, avoiding all kinds of transactions and activities that would cause reputational risk in the eyes of customers, legal authorities and other stakeholders. Trainings are held with the aim of raising awareness about reputational risk throughout the Bank and of encouraging all employees to fulfill their duties and responsibilities.

In order to ensure efficient management of reputational risk across the Bank, it is aimed to monitor the Bank's reputation and reputational risk through a methodological approach and take all necessary precautions before the reputational risk occurs. Through this methodology, the Bank regularly defines and reviews a map in which it prioritizes the reputational risks it faces, together with a set of action plans to mitigate these risks. It defines key risk indicators for each risk factor to regularly monitor the strength of the risk mitigation. The risks and risk factors are defined in dimensions such as customer-centeredness, workplace, ethics and citizenship, finances and leadership.

Additional efforts carried out to monitor reputational risk include monitoring the

media, the press and social media platforms with respect to the Bank's reputation, conducting a regular reputation analysis and managing potential impacts; ensuring continued awareness of compliance with laws, corporate standards, Code of Conduct and best practices, and development of processes that guarantee management of IT/information security and IT-related risks.

Reputational risk factors cover many aspects from marketing practices, customer service to product terms and are governed through the relevant committees within the Bank's extensive committee structure.

 *Please refer to the Committees Section for detailed information.*

ENVIRONMENTAL AND SOCIAL RISK

Banks face risks associated, in particular, with occupational health and safety and with financing activities that could result in adverse impacts on the environment and society. Failure to timely and duly address these risks may result in reputational damage and consequently a loss of investor support and customer loyalty, among other challenges.

Garanti BBVA sees its proactive management of these risks, such as those arising from climate change, not only as critical to its success but also as one of its most essential

duties to its stakeholders. Through its effective approach to sustainability embedded throughout its organization, Garanti BBVA monitors a variety of environmental and social indicators, benchmarks itself against best practices worldwide, takes steps to close the gap, raises the awareness of employees and collaborates with its peers, financial institutions, customers and business associations.

Garanti BBVA also implements an Environmental and Social Risk Assessment Process (ESRAP) in line with international best practices to help drive improvement across its loan portfolios.

Within the scope of ESRAP, Garanti BBVA ensures that the projects financed by the Bank satisfy the social and environmental standards required by legislation and the Bank's policies. If necessary, the Bank also ensures that the project owners undertake an impact assessment, take prescribed measures and establish effective control mechanisms.

Garanti BBVA has a Responsible Banking Committee, which comprises of 6 full-time members and is responsible for embedding sustainability criteria into core business. Reporting to the Sustainability Committee and chaired by a Board Member, the Team's responsibilities regarding the management of environmental and social risk and

occupational health and safety risks include the following: verify environmental and social risk management policies, strategy and implementation principles; ensure that risk management principles are widely embraced throughout Garanti BBVA and its subsidiaries through hard and soft controls; provide technical and implementation support on E&S risk-related measures to other departments as well as customers. Garanti BBVA's Wholesale Credit Risk Management Coordinator is also responsible for ensuring the effective implementation of Environmental and Social Impact Assessment Process (ESIAP).

Please visit <https://surdurulebilirlik.garantibbva.com.tr/garanti-bbva-sustainability-approach/material-issues/environmental-and-social-risk-management/> for the scope of implementation of environmental and social risk management system.



OPERATIONAL RISK

Operational risk is managed on the basis of the three lines of defense approach within the framework of risk management policies approved by the Board of Directors. The Board of Directors issues the risk appetite for operational risk and related limits, and senior management ensures consistent and efficient implementation and maintenance of the operational risk management framework in relation to all activities, processes and products.

First line of defense, composed of business and support areas, is responsible for the primary management of operational risk in the products, activities, processes and systems within the frame of the Bank's policies and implementation principles.

Accordingly, there are operational risk and control officers responsible for ensuring the implementation of policies and procedures associated with operational risk management and expanding risk determination methodology on the basis of each business and support area.

Second line of defense is composed of the Risk Management Department, Internal Control Unit and Compliance Department functions, in order to assist the senior management in understanding and managing the operational risk exposure, and the Board of Directors in overseeing operational risk management activities. In addition, Operational Risk and Control Specialty Functions (Finance, Legal, Compliance, Risk, Talent and Culture, Process, Third Party, Information and Data Security, Technology Security, Physical Security) provide support, to the extent necessary and appropriate, to the second line of defense in the management of operational risks that other units are exposed to in accordance with Article 26 of the Operational Risk Management Guide published by the BRSA.

Capital and Operational Risk Department that reports to the Risk Management Department establishes the policies and procedures governing operational risk management, provides that operational risk management tools (loss data, risk and control self-assessment, key risk indicators and scenario analyses) are used by the first line of defense, and evaluates, verifies and reports the outcomes obtained from these tools.

Third line of defense, e.g. the Internal Audit Department, performs internal audit activities and independently reviews all aspects of operational risk management framework.

The definition of Operational Risk includes the following risk types: Processes, External and Internal Fraud, Technological, Human Resources, Business Practices, Disasters, Suppliers.

MARKET RISK

Managed within the frame of a policy approved by the Board of Directors, market risk is measured employing internationally accepted methodologies that are aligned with applicable regulations, Garanti BBVA's policies and procedures, the Bank's structure, and they are evaluated within a continuously improving structure. Market risk is managed by measuring and limiting risk in accordance with international standards, allocating sufficient capital and minimizing risk through hedging transactions.

Market risk is defined as the risk Garanti BBVA faces due to fluctuations in market prices in relation to the positions it maintains on or off its balance sheet for trading purposes, and is calculated daily using the Value-at-Risk (VaR) model. VaR is a measure of the maximum expected loss in the market value of a portfolio of a certain maturity as a result of market price fluctuations, at a specified probability within a certain confidence interval. VaR is calculated using historical simulation method and two-year historical data at 99% confidence interval. Regular backtesting is conducted to measure the reliability of the VaR model. The model is validated on an annual basis. Market Risk is managed through capital, VaR and stop/loss limits approved by the Board of Directors. Limit levels are determined according to annual profit/loss targets. The limits set are monitored and reported daily by the Market

and Structural Risk Department. In order to identify the risks that might arise from major market volatilities, regular stress tests and scenario analyses are conducted using the VaR model. Market risk internal capital, stress tests and scenario analyses are conducted annually within the scope of ICAAP and stress testing.

STRUCTURAL INTEREST RATE RISK

To determine and manage the Bank's exposure to structural interest rate risk arising from potential maturity mismatches in its balance sheet, the Structural Interest Rate Risk that is managed subject to the policy approved by the Board of Directors is monitored by measuring duration gap, economic value of equity (EVE), economic capital (ECAP), credit spread risk, net interest income (NII), earnings at risk (EaR), and market price sensitivity of securities portfolios followed up in the banking book.

The risk metrics calculated and the reports generated are used for managing balance sheet interest rate risk under the supervision of the Assets and Liabilities Committee (ALCO).

Stress tests and scenario analyses are carried out within the framework of structural interest rate risk to measure the risks resulting from Bank-specific negative developments or major risks and vulnerabilities that may potentially arise in the economic and financial environment under stress, by observing the regulatory and internal interest rate risk management requirements.

Results of stress tests are used as input for determining risk appetite, limit and budget-related works, for generating balance sheet

management strategies, and for evaluating the need for capital.

Within this framework, internal alerts and limits for EVE sensitivity, ECAP, NII sensitivity, earnings at risk, credit spread risk, securities revaluation differences, and EVE sensitivity of securities portfolio are regularly monitored and reported. The interest rate risk in the banking book is measured on an unconsolidated basis, using the standard shock method; the regulatory limit is monitored and reported to the Banking Regulation and Supervision Agency (BRSA) on a monthly basis. It is ensured that subsidiaries set and monitor internal structural interest rate risk limits. Structural interest rate risk internal measurements, stress tests and scenario analyses are conducted within the frame of ICAAP and stress testing.

STRUCTURAL EXCHANGE RATE RISK

With respect to the Structural Exchange Rate Risk that is managed subject to the policy approved by the Board of Directors, the potential impact of negative exchange rate fluctuations upon the capital adequacy ratio and FC risk-weighted assets are regularly followed up, monitored according to internal limits, and reported, in the case that the Bank performs material operations in currencies other than the local currency in its balance sheet or maintains positions for shareholders' equity hedging purposes. The analyses conducted in this framework are expanded to encompass potential sensitivities that may result from Bank-specific negative events or changes in the market by supervising the regulatory and internal structural exchange rate risk management requirements. In addition,

the Bank's FC position and the profit/loss movements resulting from this position are monitored and reported at regular intervals. It is ensured that subsidiaries set and monitor internal structural exchange rate risk limits. FX sensitivity of 12-month projected P&L is monitored.

Internal exchange rate risk internal capital calculations, stress tests and scenario analyses are conducted annually within the scope of ICAAP and stress testing.

LIQUIDITY RISK

Within the framework of liquidity and funding risk policies approved by the Board of Directors, liquidity risk is managed under the supervision of ALCO and the Weekly Review Committee in order to take appropriate and timely measures in case of liquidity squeeze arising from market conditions or Garanti BBVA's financial structure. Under the Liquidity Contingency Plan approved by the Board of Directors, Garanti BBVA monitors liquidity risk within the scope of stress indicators and thresholds anticipating potential liquidity stresses which could activate the liquidity contingency plan, activation of the communication procedure, predefined measures and action plans and roles and responsibilities in a stress situation. Liquidity risk stress test is performed in order to identify potential liquidity tensions and to ensure that the Bank has a sufficient liquidity buffer to face exceptional liquidity stresses. Liquidity risk is monitored by internal limits and alert levels in order to assess the funding structure and liquidity capacity based on maturity buckets and to manage short term funding sources effectively, while compliance with regulatory liquidity ratios

is ensured. Core deposit and average life analyses are performed for deposits, which is an important balance sheet item in terms of liquidity management. Concentration in liquidity and funding risks are monitored. During 2019, intraday liquidity risk continued to be monitored regularly using defined metrics. Under the contingency plan within the intraday liquidity risk procedure approved by the Risk Management Committee, situations anticipating intraday liquidity stress, which could activate the contingency plan, are monitored, and stress testing is performed for intraday liquidity risk. Within ICAAP, liquidity planning is performed annually. Stress test results for affiliates are monitored and it is ensured that affiliates which are concerned with liquidity risk establish and monitor internal liquidity and funding limits to assess the robustness of their liquidity and funding structures and have liquidity and funding risk policies approved by the affiliates' Boards of Directors including liquidity contingency plan.

CREDIT RISK

Credit risk management, which is a process for consistently evaluating and monitoring credit risk, is carried out within the frame of the policies approved by the Board of Directors, and covers all credit portfolios. Internal capital levels calculated using internal parameters pertaining to credit risk are monitored together with their historic performances and routine reporting is performed.

Within the scope of ICAAP and stress testing, internal capital for credit risk, credit concentration risk calculations, stress tests and scenario analyses are evaluated on an annual basis. All credit units are coordinated to

assess the compliance level to the credit guide, which is then referred to relevant committees for necessary decisions and actions.

Under the asset allocation performed annually in view of risk-based return, nominal limits are determined for credit portfolios, and approval of the Board of Directors is obtained. Internal capital thresholds and risk adjusted return target for the entire portfolio are determined and monitored within the framework of asset allocation limits. Impact analyses are performed according to updated or renewed risk parameters, and necessary documents are prepared, presented to related committees and approval is obtained. Additionally, development and improvement projects are carried out for the systemic automation of calculations and analyses.

In order to rate customers in the loan portfolios using objective criteria, outputs from scorecard models and internal risk rating models, which were developed using statistical methods on historical data, are incorporated into the relevant lending policies and procedures at Garanti BBVA. The probability of default produced through models for loan portfolios, loss given default, credit conversion factor, parameters are used effectively for credit allocation authorization, internal capital, risk appetite indicator, asset allocation limits, risk-based profitability calculations, budgeting, concentration risk calculations and stress tests. In addition, provisions calculated using the outputs of models mentioned above together with other explanatory variables are monitored under IFRS9.

All models and methodologies are subjected to qualitative and quantitative

validation. Moreover, periodic model monitoring activities are performed and actions are taken if necessary.

COUNTERPARTY CREDIT RISK

Counterparty credit risk strategy, policy and implementation principles are defined in the policy document approved by the Board of Directors. The Bank measures, monitors and creates limit for this risk in line with this policy. The Bank uses the Internal Model Method (IMM) to measure and report the counterparty credit risk for derivative transactions, repurchase transactions, security and commodity lending in addition to using Current Exposure Method (CEM) for regulatory purposes. Within this scope, the Bank employs risk mitigation techniques through framework agreements (ISDA, CSA, GMRA, etc.), obtaining collateral and complementing margins as part of counterparty credit risk management to the extent allowed by national and international legislation. The model is validated every year.

The Bank also calculates internal capital for counterparty credit risk by way of a model that uses parameters (Rating, PD, LGD) based on the internal model. Internal counterparty credit risk internal capital calculations, stress tests and scenario analyses are conducted annually within the scope of ICAAP and stress testing.

COUNTRY RISK

Under the country risk policy approved by the Bank's Board of Directors, methods compliant with international norms and local regulations are employed to evaluate and monitor developments in country risk on the basis of individual countries. Actions are taken to make sure that the Bank's

country risk exposure remains within the set limits, and related reporting, control and audit systems are established as necessary.

CONCENTRATION RISK

The Bank defines and monitors any concentrations among different types of risks or in any individual risk, which might result in material losses that would endanger the ability to sustain fundamental activities or the financial structure or lead to a significant change in the risk profile, within the framework of the policy approved by the Board of Directors. Qualitative and quantitative assessments of concentrations on the basis of individual risks or among risks are addressed in reports produced according to risk-oriented policies and procedures.

RELATED PARTY RISKS

The Bank determines the needs for risk management of affiliates and ensures that required studies and reports with the scale appropriate for the structure, complexity level, size and risks are effectively managed in coordination with risk management units/functions in affiliates. Necessary work is carried out with affiliates in accordance with market conditions and legal regulations to align risk management policies, rules, procedures and risk limits with the Bank. Risk management activities of affiliates are monitored.

INTERNAL SYSTEMS MANAGERS

ÖZLEM ERNART

Head of Risk Management



Özlem Ernart received her bachelor's degree in economics (in English) from Marmara University and her MBA from the City University of New York. She worked for various privately-owned banks and companies from 1993 until 2001, when she joined the Risk Management Department of Garanti BBVA. She held the position of Senior Vice President of Risk Planning, Monitoring and Reporting from December 2015 until July 2018. Ms. Ernart has been serving as the Head of Risk Management since July 2018.

The responsibilities of the Head of Risk Management are outlined below:

- Ensure that risk management culture is recognized and risk management principles are widely embraced throughout the Bank and its affiliates, and make sure that an integrated risk management system is implemented which measures all of the Bank's risks collectively, which guarantees that limits determined in connection with the risk appetite approved by the Board of Directors are not breached, which is in compliance with applicable legislation, the Bank's strategies and policies, and which pursues risk-return relationship and entails control and validation activities,
- Define, measure, monitor and report risks, and ensure that all control activities are conducted thoroughly and timely; monitor and supervise results.

BEYZA YAPICI

Director, Capital and Operational Risk



Beyza Yapıcı got his degree in labor economics from Marmara University. After joining Garanti BBVA's General Accounting Department in 2001, he worked in the Risk Management Department from 2008 until 2016. Mr. Yapıcı has been serving as Capital and Operational Risk Director since April 2016.

The responsibilities of the Capital and Operational Risk Director are outlined below:

- Propose operational risk, operational risk admission and risk appetite principles which are then set down by the Board of Directors,
- Conduct measuring, monitoring and analysis activities for risk appetite, operational risk, operational risk admission and capital adequacy; report their results regularly to relevant units, committees and senior management,
- Coordinate Internal Capital Adequacy Assessment Process (ICAAP) business process,
- Oversee adherence to Enterprise Risk Management Framework in affiliates; ensure that an infrastructure for defining, measuring, monitoring and controlling risks is in place.

SIDIKA DİZDAR

Director, Market and Structural Risk



Sidika Dizdar holds a bachelor's degree in mathematics from Boğaziçi University and an Executive MBA from the Middle East Technical University. She joined Garanti BBVA as a Management Trainee in 1996, where she worked in Research, Treasury, Financial Control, Risk Management and Ankara Commercial Regional Marketing units until 2002. In 2002, Ms. Dizdar began working for a private bank abroad followed by a twelve-year tenure with the Banking Regulation and Supervision Agency. She returned to Garanti BBVA in 2016 and joined Asset and Liability Management Department. Ms. Dizdar has been serving as the Market and Structural Risk Director since July 2018.

The responsibilities of the Market and Structural Risk Director are outlined below:

- Propose market, counterparty credit, liquidity, structural interest rate and exchange rate risk principles which are then set down by the Board of Directors; review and update the same,
- Carry out risk-based measuring, monitoring and analysis activities; report their results regularly to relevant units, committees and senior management,
- Perform market and structural risk-based activities within the scope of ICAAP, stress testing and risk appetite framework, and risk assessment for new business and product/services; monitor and report risk based concentrations,
- Monitor affiliates' adherence to Enterprise Risk Management Framework; ensure that an infrastructure for defining,

measuring, monitoring and controlling risks is in place.

OSMAN BAHRİ TURGUT

Head of Internal Audit



Osman Bahri Turgut received his undergraduate degree in economics from Marmara University in 1990. He joined Garanti BBVA the same year as an Assistant Auditor, where he subsequently worked as Branch Manager, Assistant Director of the Internal Audit Department, Commercial Loans Senior Vice President, Internal Control Unit Manager and Head of Internal Audit and Control. He currently serves as the Head of Garanti BBVA's Internal Audit Department. Mr. Turgut, who has CMB certificates for Level 3 (Advanced Level Licence), Corporate Governance and Derivative Instrument Licence, is also a member of the Board of Directors and Audit Committee at Garanti BBVA Leasing and Garanti BBVA Filo; a member of the Board of Directors and Corporate Governance Committee at Garanti BBVA Factoring; a member of the Board of Directors at Garanti BBVA Emekli ve Yardım Sandığı Vakfı (Pension Fund) and Garanti Kültür; and a member of the Audit Committee at Garanti BBVA Leasing SA, Garanti BBVA Consumer Finance SA and Garanti BBVA Payment Systems (Ödeme Sistemleri); a member of the Board of Trustees at Teachers' Academy Foundation and a member of the Board of Directors at the Institute of Internal Auditing - Turkey.

The responsibilities of the Head of the Internal Audit Department are outlined below:

- Set out internal audit policies and procedures, and implement these after obtaining the necessary approvals,
- Conduct internal audit activities in accordance with audit policies and implementation procedures and with internal audit plans,
- Oversee and guide the supervision, auditing, policies, programs, processes and practices of internal audit activities, and annual risk assessment,
- Oversee notifications, complaints or allegations, and potential investigations and examinations,
- Ensure compliance of audit, investigation and examination reports to auditing principles and procedures, the Bank's internal policies and guidelines, laws, decrees and official communiqués with respect to their quality and format,
- Verify that Department members possess the qualifications required by their authorities and responsibilities; oversee whether they perform their duties independently and objectively exercising due professional care and attention.

EMRE ÖZBEK

Head of Compliance



Emre Özbek received his degree in business administration from Ankara University, Faculty of Political Sciences. He joined Garanti BBVA as an Assistant Auditor in 1999. He was appointed as the Assistant Director of the Internal Audit Department in 2007, as the Senior Vice President of the Internal Control Unit in 2009 and as the Head of Internal Audit Department in 2014. Mr. Özbek, who holds CIA (Certified Internal Auditor) and CBRM (Certified Business Resilience Manager) certifications and has 19 years of banking

experience, has been serving as the Compliance Director since 01 August 2015.

The responsibilities of the Head of Compliance are outlined below:

- Ensure that the Bank's compliance activities are carried out in accordance with applicable legislation and Garanti BBVA's goals and policies,
- Carry out all necessary activities to achieve compliance with the regulations issued in relation to prevention of money laundering and financing of terrorism, and provide necessary coordination and communication with MASAK (Financial Crimes Investigation Board),
- Develop the Bank's compliance policies, procedures and training programs in accordance with the legislation and ensure their effectiveness; carry out activities in relation to the identification and notification of suspicious transactions; provide the preparation of statistics on internal audits and trainings and inform MASAK, and fulfill the obligation of providing information and documentation to MASAK in conformity with the manner and methods defined by MASAK,
- Within the scope of compliance controls, ensure the compliance of the Bank's all current and future activities, transactions and products with the Banking Law and other applicable legislation, internal policies and rules, and with banking practices,
- Develop recommendations for defining and mitigating compliance risks that may arise from regulatory changes,
- Monitor compliance functions of all domestic/overseas subsidiaries and overseas branches as part of Subsidiary Coordination activities.

**BARIŞ ERSİN
GÜLCAN**
*Head of Internal
Control*



Barış Ersin Gülcan

got his bachelor's degree in economics and his master's degree in HR management from İstanbul University. After starting his career as an Assistant Auditor at Garanti BBVA in 1997, he served in the Internal Audit Department for 10 years. During his 22-year experience in the banking sector, he functioned as Compliance Officer and Assistant Head of the Internal Audit Department. He assumed the position of Internal Control Unit Director in March 2014. Mr. Gülcan is a CIA (Certified Internal Auditor) since 2004 and a CPA (Certified Public Accountant) since 2005.

The responsibilities of the Head of Internal Control are outlined below:

- Ensure the establishment of the Bank's internal control system in accordance with applicable legislation and Garanti BBBVA's goals and policies,
- Collaborate with senior management to define the principles and procedures governing the distribution of internal control tasks between operational employees and internal controllers of Garanti BBVA,
- Prepare the annual business plans of the Internal Control Unit and ensure that activities are performed in accordance with these plans,
- Verify that internal controllers possess the qualifications required by their authorities and responsibilities,
- Supervise that internal controllers perform their duties in an independent, diligent and unbiased manner.

ANTI-FRAUD, INFORMATION SECURITY, DATA AND BUSINESS ANALYTICS MANAGERS

M. FERİDUN AKTAŞ

Chief Security Officer



M. Feridun Aktaş got his bachelor's degree in Electronics and Communication Engineering from İstanbul Technical University and his master's degrees in Electronics Engineering from Boğaziçi University and in Management from Marmara University.

After working as a R&D specialist for 3 years at a telecommunications company, Mr. Aktaş started working at Garanti BBVA Technology in 1997. He served as Network Technologies Specialist, Information Security Manager and Strategic Support Unit Manager at Garanti BBVA Technology and as IT & Data Security Unit Manager at Garanti BBVA. He then worked as Technology Governance and Security Director at a telecommunications operator for 5 years starting in 2014. Mr. Aktaş re-joined Garanti BBVA Technology in October, 2019, and currently serves as the Corporate Security Director.

Corporate Security Directorate carries out the responsibilities of Garanti BBVA in the areas of Information Security, Anti-Fraud Monitoring and Physical Security as outlined below:

Information Security:

→ Ensure the development and implementation of information security policies, procedures and guidelines and the management of IT risks based on international standards,

- Design, implement and operate IT Security infrastructure,
- Designing, implementing and operating Cyber Security functions against changing threats,
- Ensure business continuity planning and disaster recovery testing,

Anti-Fraud Monitoring:

- Develop and ensure the implementation of strategies for minimizing financial and non-financial losses that may arise from external fraud,
- To implement the arrangements that will ensure that business processes are protected, traceable and detectable against counterfeiting risk, together with the Bank's lines of business,

Corporate Security:

- Assigning Security Officers within the framework of the current law and the Bank's needs,
- Designing, configuring and operating measures against all kinds of physical security risks in the buildings, branches and in the settings where cash transactions are made,
- Designing electronic security systems, closed circuit monitoring and warning mechanisms in ATMs, branches and campuses/buildings, operating the "Alarm Center" and "Security Centers" in the buildings,

To this end:

- Prepare the annual business plan and the budget and ensure that operations are carried out according to this plan,
- Ensure that all necessary compliance studies are carried out, reported and managed in the scope of regulatory institutions for the functions within this scope,
- Ensure compliance of activities in this

field with BBVA Group standards and best practices,
 → Ensure that Corporate Security personnel perform their duties independently and impartially within the framework of professional care and attention.

ALİ ÖZGÜR TÜZEMEN

Head of Data and Business Analytics



Ali Özgür Tüzemen got his bachelor's degree in Economics from Bilkent University. He completed his MBA in İstanbul Bilgi University. During his 23-year career, he has worked in Retail, SME banking marketing and sales and business analysis fields. Since February 2018, he serves as the Data and Business Analytics Director.

The responsibilities of the Data and Business Analytics Director are outlined below:

- Developing analytical models for areas such as understanding customer behavior and expectations, estimating life cycles, identifying product needs and channel usage patterns, pricing, segmentation, process efficiency and fraud prevention,
- Developing and determining the data warehouse structure to help decision-making processes, creating the necessary infrastructures for reporting activities,
- Establishing reports requested by the legal authorities and external institutions,
- Determining the standards of the components of data governance, such as the assignment of data ownerships, definition and quality rules of data entities, and to coordinate the work carried out in this direction.

IMPORTANT DEVELOPMENTS REGARDING 2019 OPERATIONS

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INFORMATION ON SHARE BUYBACKS BY THE BANK

The Bank did not buy back any of its own shares in 2019.

INFORMATION ON PRIVATE AUDIT AND PUBLIC AUDIT CONDUCTED DURING THE FISCAL YEAR

Under the applicable legislation, routine audits are conducted by supervisory authorities such as the Banking Regulation and Supervision Agency (BRSA), the Capital Markets Board of Turkey (CMB), the Ministry of Finance, the Undersecretariat of Treasury and the Central Bank of the Republic of Turkey (CBRT). Detailed information about the administrative fines imposed against the Bank in 2019 by supervisory authorities as a result of auditing is provided in the following sections.

INFORMATION ON LAWSUITS FILED AGAINST THE BANK, WHICH MAY AFFECT THE FINANCIAL STATUS AND OPERATIONS OF THE BANK, AND THEIR POTENTIAL RESULTS

No lawsuits that may affect the financial status and operations of the Bank were initiated against the Bank in 2019.

An investigation was initiated also against the Bank in connection with an investigation on VAT evasion in relation to carbon emission trade in France on the grounds that accounts had been set up before the Bank for two persons implicated in the investigation. The reason our Bank was included in the investigation is not directly related to the subject matter of the investigation, but to banking transactions performed by persons implicated in the investigation and by three Turkish legal entity customers that carried out money transfers with various foreign firms with which the former were linked. During the investigation process, while no action was deemed necessary for the three Turkish customers with respect to the investigation, our Bank was included in the investigation based on the opinion that our Bank had not achieved adequate compliance with the legislation with respect to account opening and transacting by two foreign customers. The trial was completed on 16 June 2017. The Court acquitted our Bank for the actions it had taken in 2008 and early 2009 at the time these individuals who had engaged in tax evasion had started opening accounts and making use of banking services in Turkey; however, the Court adjudged a judicial fine of EUR 8 million for account closure procedures by mid-2009, with total disregard of local legislation and regulations. In addition, the French Treasury asked for collection of the tax loss from all

of the defendants of this litigation for the tax losses suffered because of tax evasion. Accordingly, the Bank will be subject to payment of damages up to EUR 25 million. Since our Bank believes that the ruling is faulty and irrelevant, has taken all necessary action for appeal on 22 September 2017, and the Bank's Management has taken all necessary steps that it was legally obliged to take in the said event. On the other hand, the Appeal Court has reviewed the appellate plea and approved the decision of the Grande Tribunal of Paris in September 2019. Our Bank believes that this judgment is unfair and exercised its right to appeal before the High Court in France in September 2019. The Bank has set aside provisions in the amount of EUR 33,000,000 for the case on trial.

INFORMATION ON ADMINISTRATIVE OR JUDICIAL SANCTIONS IMPOSED ON THE BANK AND ITS MANAGING MEMBERS DUE TO ANY PRACTICE CONTRARY TO THE LAWS AND REGULATIONS

During 2019, administrative fines levied by regulatory and supervisory authorities on our Bank amounted to TL 3,425,284.80; the Bank took advantage of the cash payment discount and paid TL 2,570,799.55.

INFORMATION ON REGULATORY CHANGES IN 2019 THAT MAY HAVE A MATERIAL IMPACT ON THE OPERATIONS OF THE BANK

On June 13, 2019, the minimum amount to be paid for credit card debts for each period is determined as 30% of the total debt for the relevant period. The minimum amount to be paid for each debt period regarding the debts accrued within the first year of issuance of the credit card is determined as 40%. Parallel to the previous regulations, banks may determine the minimum payment amount, provided that it is not less than the limits stated above.

The Central Bank amended the maximum interest rates to be applied for credit card transactions during the year. for Turkish Lira transactions;

- The monthly maximum contractual interest rates determined as 2.25% in 1Q19, 2.15% in 2Q19, 2.00% in 3Q19, 1.60% in 4Q19.
- The monthly maximum default interest rates determined as 2.75% in 1Q19, 2.65% in 2Q19, 2.40% in 3Q19, 2.00% in 4Q19.

For foreign currency transactions;

- The monthly maximum contractual interest rates determined as 1.80% in 1Q19, 1.72% in 2Q19, 1.60% in 3Q19, 1.28% in 4Q19.
- The monthly maximum default interest rates determined as 2.30% in 1Q19, 2.22% in 2Q19, 2.00% in 3Q19 and 1.68% in 4Q19.

As of November 1, 2019 the maximum commission rates applicable to the member merchants has been determined. If the transaction amount is transferred to the merchant on the next day of the transaction, banks will apply a maximum commission rate of 1.60% to the purchases of goods and services. If the purchase will be made in instalments, the relevant rates

can be increased 0.89 points at maximum for each additional instalments. If the transaction amount is not transferred to the merchant on the next day of the transaction, the commission rate will be decreased by taking into consideration the rate of 1.60% (monthly rate), and the days that passed between the transaction day and the day which transaction amount is transferred to the merchant's account.

Pursuant to the announcement published on the website of the Revenue Administration Presidency on 15 December, 12 2019, it has been decided that all taxes, fees, penalties and other receivables which are being collected by tax offices shall only be collected by the public banks listed on the announcement as of January 1, 2020. Institutions other than those mentioned in the announcement will no longer be able to process such payments in cash, on account, via cheque, debit card, wire transfer or EFT. Certain payments which can be collected through credit cards and listed under the announcement (such as motor vehicles tax etc.) will continue to be collected through private banks listed under the announcement (including Garanti BBVA). However, such payments shall be made by credit cards only.

Pursuant to the amendment on the relevant Regulation made by the Savings Deposit Insurance Fund (the "Fund") on September 25, 2019 the amount of the insurance which provides by the Fund has been increased to TRY 150,000 from TRY 100,000 for the deposits and participation funds subject to the insurance.

Reserve requirements have been revised a number of times during the course of 2019. Consequently, Turkish Lira deposit reserve requirements were revised from 1.5% -

8% to 1% - 7% (based on the maturity), while foreign currency deposit reserve requirements were revised from 8% - 12 % to 5% - 21% (based on the maturity).

Effective of August 9, 2019, further revisions were made to link the calculation of reserve requirements to the credit growth of the bank. Accordingly, the banks whose credit growth (Turkish Lira loans except for foreign exchange indexed and bank-to-bank loans) is between 10% and 20% will benefit from 2% reserve requirements for all Turkish Lira deposits with maturities up to 1 year (except for deposits form foreign banks). Banks meeting the credit growth criteria further benefits from a 200 bps decrease in foreign currency reserve requirements.

On August 20, 2019 the methodology for calculation of credit growth were revised as follows:

- i. Banks that have credit growth rate of 15% or higher, while having a credit growth rate net of mortgages with maturities longer than five years and corporate loans (i.e. non-retail and non-credit card) with maturities longer than two years that is less than 15%; or
- ii. Banks that have credit growth rate of less than 15%, while having a credit growth rate net of 50% of growth in retail loans (except for mortgages with maturities longer than five years) and personal credit card that is higher than 5%.

With amendments to the reporting requirements applicable to the banks and financial leasing companies, expected credit loss accounts held for the full maturity of loans with no reasonable expectation of recovery may be written-off in accordance with TFRS 9. Such write-off is for accounting purposes only and will not

mean that the financial leasing company has released such receivable.

Application of the risk-weighted calculation for capital adequacy related to non-cash loans (i.e. standardized approach) as set out under the capital adequacy regulation has been postponed from January 1, 2020 to January 1, 2022. Accordingly, inclusion of reserves allocated for such loans as tier 2 capital in the calculation of capital adequacy ratio is also postponed to January 1, 2022.

On December 18, 2019, the BRSA limited the total notional principle amount of Turkish banks' currency swaps and other similar products (spot + forward FX transactions) with foreign counterparties, having maturities of seven days or less, where at the maturity Turkish banks pay TRY and receive foreign currency, to a maximum of 10% of the bank's legal reserve as per the latest calculation.

On March 12, 2019, Capital Markets Board has announced that money market funds has to allocate a minimum of 50% of their total value to bank deposits/participation funds; while the total funds allocated to a single bank may not exceed 6%. Furthermore, the amounts allocated by such funds to reverse-repo transactions and transactions in Takasbank money market and domestic organized money markets may not exceed 40% of the total value of the fund.

On May 27, 2019, Capital Markets Board has announced that retirement funds that are qualified as standard funds has to allocate a minimum of 10% of its total value to equities listed under BIST 100, BIST Sustainability Index, BIST Corporate Governance Index, and participation indexes calculated by Borsa Istanbul; and funds that qualified as money

market funds has to allocate 25% of its total value to government issued securities

In line with the amendments to the Banking Law and the relevant regulation, the financial restructuring framework agreements executed among the creditor institutions (as defined within the current legislations) were redrafted. Financial debt restructuring practice is to be applied for a 2-year period starting from July 17, 2019 (which may be extended for another 2 years by the President) for debts owed to the creditor institutions. Accordingly, debts may be restructured under the large-scaled or small-scaled framework agreements (determined by whether the total amount of the debt is under or above 25 million Turkish Lira threshold) that have been put into effect by the Banks Association of Turkey following the necessary approvals.

The maximum maturity of the consumer loans (except for mortgage loans and certain other loans) have been increased to 60 months from 36 months. The maximum maturity of the vehicle loans which was previously determined as 48 months, has been revised as 60 months regarding the loans extended for the purchase of the vehicles of which final invoiced amount is above 120,000 Turkish Liras. The maximum maturity of the loans extended for the purchase of computers was increased to 12 months from 6. The maximum maturity of the loans extended for the purchase of the mobile phones of which amount is over 3,500 Turkish Liras has been reduced from 6 months to 3 months.

In 2019, the Banking Regulation and Supervision Agency has been authorized to change the existing maximum maturity dates, rates and other limitations or determine additional limitations upon receiving opinion

from the Strategy and Budget Department of the Presidency (Cumhurbaşkanlığı Strateji ve Bütçe Başkanlığı) and the Ministry of Treasury and Finance.

As per the law dated November 22, 2019, effective of January 1, 2020 the authorities and powers of the Banking Regulation and Supervision Agency within the scope of the payment systems have been transferred to Central Bank of Republic of Turkey, and CBRT shall also supervise and monitor all payment services of the banks as payment service providers. CBRT has been authorized to allow costs, commissions and expenses charged under payment systems services to be set independently or to determine the maximum amounts, rates or qualifications thereunder. Open banking services provided by the payment service providers have been determined as payment service performance and a separate regulation on the principles and procedures thereunder shall be drafted. Turkish Payment Services and Electronic Money Institutions Association shall be established within the upcoming year, which was introduced for the submission of the payment services and electronic money institutions.

Withholding rates in foreign currency deposit accounts; Increased from 18% to 20% in maturities up to 6 months, from 15% to 20% in maturities up to 1 year and from 13% to 18% in maturities over 1 year.

TLREF Turkish Lira Overnight Reference Rate is created by Borsa Istanbul in order to meet the need of Turkish Lira short-term reference rate that can be used as an underlying or a benchmark in financial products, debt instruments and different types of financial contracts.

AUDIT COMMITTEE'S ASSESSMENT

OF THE OPERATIONS OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS

 1,564  7.3 min  3  risk

In accordance with its duties arising from the legislation, the Audit Committee continued to review the effectiveness and adequacy of internal systems, the operation of accounting and reporting systems in line with the applicable regulations, and the integrity of the resulting information, and continued to verify whether the internal audit system encompassed the Bank's current and planned operations and the risks resulting therefrom upon review of internal audit plans. Within this scope, the Audit Committee regularly monitored and evaluated the activities of the internal systems during the course of the year. Furthermore, the Committee also fulfilled its functions of overseeing the activities of the external audit company, appraisal firms and support service providers that are designated by the Board of Directors, as well as evaluating the relevant external audit results. Accordingly, the Audit Committee met six times during 2019 and informed the Board of Directors on the activities of the Committee, its assessments about the external audit firms, appraisal firms and support services providers, and other matters.

The Internal Audit Department conducted risk-based process audits on the basis of 11 different risk types covering the Bank's head office units, domestic branches, overseas branches and subsidiaries. The

said basic risks of the Bank are as follows:

- Business model risk audits,
- Internal governance and risk management audits,
- Capital risk audits,
- Credit risk audits,
- Market risk audits,
- Structural risks audits,
- Operational risk audits,
- Legal risk audits,
- Compliance risk audits,
- Technology risk audits,
- Extended enterprise risk audits.

Starting from 2019, the Internal Audit Department began employing the Agile Methodology in its audits with the target of more efficient use of the workforce and generation of high added-value results.

In order to mitigate the growing technological and cyber security risks and to focus on audit processes with a data-based approach in line with the Bank's digital transformation target, data scientist/specialist positions were created under the Internal Audit Department; review methods that rely on the related data universe was adopted in lieu of sampling, with the ultimate goal of minimizing audit risk. The audits used techniques based on data modeling algorithms, image processing and machine learning.

Follow-up of suggestions resulting from the audit engagements by the Bank's senior management, the Audit Committee and the Board of Directors ensured that corrective actions were taken according to the timeline by the auditees.

By way of inquiries and investigations covered among the activities of the Internal Audit Department, fraud, swindling and counterfeiting activities were prevented or detected, and it has been ensured that necessary managerial actions were taken promptly. Remote and on-site studies were carried out to determine internal fraud incidents. A new project was introduced within the scope of remote (centralized) studies, which identifies transactions with the highest risk through predetermined various risk factors and early warning signals by making use of big data capabilities. The same were examined on a daily basis, thus resulting in a more proactive and productive practice for identifying internal fraud.

The Internal Control Unit continued to challenge all control activities that are performed by business and support units. In this regard, second level control activities were conducted at branches and head office departments. During on-site branch visits, examinations were carried out regarding operational risks. The Unit also fulfilled its responsibility for overseeing

that the internal control environments of financial subsidiaries of the Bank are adequately outfitted in terms of structuring and functionality.

Reporting flows have been implemented and periodic follow-up continued for remedying the findings determined during the controls.

The Compliance Department continued to manage the Bank's potential compliance risks and kept working towards identifying and preventing these risks before implementation. The Department kept overseeing and coordinating the compliance of the Bank's ongoing and future activities, new transactions and products with the Banking Law, applicable legislation, internal policies and guidelines, and banking practices. With the aim of reinforcing the Bank's consolidated compliance policy, the Department supervised the compliance activities of overseas branches and consolidated subsidiaries, taking steps towards promoting compliance awareness and culture.

As part of corporate compliance activities, the Competition Policy in place across the BBVA Group was introduced. Bank-wide training activities were carried out in relation to Anti-Corruption and Code of Conduct. Notifications received by the Garanti BBVA Whistleblowing Channel were evaluated, upon which results were presented to the Integrity Committee. Within the scope of securities compliance function related to investment transactions, examinations were carried out within the frame of the CMB's Communiqué on Obligation of Notification Regarding Insider Trading or Manipulation Crimes regarding

own-account trading and use of privileged information by the Bank employees who may have insider information or periodic information about capital market instruments or issuers. As part of Customer Compliance activities, new business, products and processes were evaluated prior to implementation.

As part of anti-money laundering (AML) and countering financing of terrorism strategy (CFT) strategy, studies were carried out in order to achieve alignment with national and international regulations. Through the existing monitoring programs and other initiatives by the Compliance Officer Team, risk management, monitoring and control activities were carried out efficiently. Classroom training sessions, regional office visits and web-based AML and CFT training programs offered throughout the Bank served to secure higher awareness and consciousness of the matter among the employees.

As part of Risk Management activities, Capital and Operational Risk Department monitored the regulatory framework regarding risk management and provided the necessary internal information flow. In accordance with the regulations published by the BRSA, ICAAP activities, which are conducted parallel to the budget process that covers the parent bank and affiliates, were carried out, which cover stress tests, as well. Risk appetite core metrics for solvency and profitability and operational risk limits and their thresholds were reviewed in the scope of the risk appetite and submitted for approval of the Board of Directors. Necessary coordination continued for risk appetite reporting to the Risk Committee and the Risk Management Committee,

which were done on monthly basis, began to report to the Board of Directors and the Audit Committee on a quarterly basis; in this scope, core metrics and risk limits mentioned above were monitored and reported. Additionally, monitoring, analysis and internal reporting were carried out with respect to the evaluation of the capital adequacy ratio. Operational risk and operational risk admission activities were carried out. Operational Risk, Control and Self-Assessment activities and stress test analyses for operational risk were carried out. Meetings and trainings were held and information was provided to the Bank's staff to enhance awareness of the Bank's employees regarding operational risk management. Acquisition Appraisal Services Management and Outsourcing Management function, which will be handling the outsourcing process including support services, were set up under the Capital and Operational Risk Department. The operational risk admission function coordinated the Operational Risk Admission and Product Governance Committee processes in relation to new initiatives (new business, product and service provision, system and process modifications, outsourcing including support services). The Operational Risk Admission and Product Governance Committee met and functioned in accordance with the charter and procedure. Market and Structural Risk Department reviewed thresholds within the framework of risk appetite, in order to manage and monitor market, counterparty credit, structural interest rate, exchange rate and liquidity risks, and submitted these thresholds for the approval of the Board of Directors. Internal metrics and early warning indicators, as well as regulatory limits for risk-based limits were regularly

monitored and reported to all related parties and committees. Stress tests were employed to evaluate potential and worst-case risks that may arise from economic circumstances. Limits and alert levels instituted to determine risk exposure were monitored, and necessary actions were taken in accordance with the applicable procedures. New regulatory framework introduced and the decision adopted within the frame of financial stability policies were watched closely. Their impact on the Bank's liquidity, structural interest rate, exchange rate, market and counterparty credit risks were analyzed thoroughly and were reflected on internal core metric measurements. Within the frame of ICAAP and stress test report, stress tests and scenario analyses were performed along with internal calculations on the basis of risk types. Intraday liquidity risk was monitored regularly using the metrics defined. Infrastructural work was carried out to increase operational efficiency. Risk management activities at subsidiaries were followed up closely.

The Validation Function performed qualitative and quantitative validations regarding internal models. Validations performed for those models and parameters that are taken into account in ICAAP calculations were presented to the Audit Committee. The Credit Risk Control Department set limits for loan growth in view of risk-return balance. Internal capital requirement was calculated and the internal capital threshold values set at the onset of the year were monitored. Internal capital definitions needed for systemic computation of risk-based profitability metrics were made, and user acceptance tests were conducted for the systems

established following these definitions. Internal credit risk and credit concentration risk calculations, stress tests and scenario analyses were carried out within the framework of ICAAP and stress test report. The conformity of the risk models employed at the Bank with the internal rating-based (IRB) approach was monitored and the use of the models within the Bank were assessed. The Risk Internal Control function verified that risk management activities were handled by risk units in accordance with the Bank's policy and procedures.

RISK COMMITTEE'S ASSESSMENT

OF RISK MANAGEMENT POLICIES, THEIR IMPLEMENTATION AND MANAGEMENT OF VARIOUS RISKS THAT THE BANK MAY BE EXPOSED TO

 568  2.4 min  1  risk

Bank's risk management activities were carried out with the target of maintaining a moderate risk profile, a sound financial position and a solid through-the-cycle risk-adjusted profitability, as the optimal way to face adverse situations without jeopardizing the strategic goals. Within the framework of the risk appetite and risk based policies approved by the Board of Directors, in 2019, the Risk Management further improved its measurement, reporting and management tools, where risks were measured via advanced methods, reported to relevant committees and senior management in order to determine strategies and take decisions, considering compliance with local and international standards and practices. With the coordination of the Risk Management, the Board of Directors approved reports including the results of Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP), which were integrated with risk appetite, stress tests and budget processes. Throughout the year, Risk Management continued to measure, monitor and report risk metrics within the scope of the risk appetite framework and to work on projects in order to further promote the effectiveness of risk management activities via automated and advanced processes.

In 2019, where asset quality became more prominent and many regulation

amendments took place, the Bank continued its prudent, transparent and forward-looking approach in the risk management activities. Market developments and new regulations and new decisions within the scope of financial stability policies, which entered into force within 2019, were closely monitored and were reflected into internal risk measurements. Impacts especially on the Bank's liquidity, solvency and asset quality and also on the Bank's risk profile were thoroughly analyzed. In addition, the Bank closely monitored its asset quality within the risk appetite framework and via stress tests. Even though bank-only non-performing loans ratio increased to 6.9% in YE19 from 4.9% of the previous year, thanks to sound and prudent staging and provisioning policies, increase in CoR has remained limited and provision coverage increased in all stages. In the period ahead, the Bank targets to manage non-performing loans portfolio by focusing on efficient recovery strategies as well as via utilizing write-off processes.

The Risk Committee continued to monitor the evolution of the Bank's risk exposure, by type of risk, business line, product or customer segment and how these compare to the strategy and the risk appetite through regular reporting channels during 2019. Besides, the Risk Committee reviewed as appropriate and approved, the Bank's risk appetite statement, risk metrics and risk

based policies before their submission for approval to the Board of Directors. The Committee also received and reviewed reports related to capital and liquidity planning including ICAAP and ILAAP reports. Based on their scope, the affiliates were reviewed by the Risk Committee in order to ensure a risk culture throughout the organization that guarantees the coherence of the risk management at all levels of the organization. Asset quality evolution, market developments and new regulations within 2019, that were closely monitored by the Risk Management, were also monitored by the Risk Committee.

Consequently, the Risk Committee held 11 meetings in 2019 in order to assist the Board of Directors in overseeing the Bank's enterprise risk management policies and practices, including the alignment with its strategic objectives and management's ability to assess and manage the various risks present in its activities, as well as capital adequacy, planning and liquidity adequacy.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

 4,372  20.5 min  6  bank

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Türkiye Garanti Bankası A.Ş. ("Garanti BBVA" or "the Bank") complies with the corporate governance principles set out by the banking legislation, capital market legislation as well as the Turkish Commercial Code and other applicable legislation. Garanti BBVA pays the utmost attention to implement these principles. The Bank accordingly updates its annual reports and website, making them available to its stakeholders. The shareholders can access comprehensive information, get information about the latest developments and activities from the regularly updated Garanti BBVA Investor Relations website, and can address their questions to the Investor Relations Department and to the Subsidiaries and Shareholders Service.

In keeping with Garanti BBVA's commitment to corporate governance principles, information about the Bank's compliance with non-mandatory principles under the Corporate Governance Communiqué numbered II-17.1 is provided under the related headings of this report.

The Corporate Governance Committee was established in February 2013 pursuant to the Regulation on the Banks' Corporate Governance Principles published by the Banking Regulation and Supervision Agency

("BRSA") and the Communiqué Serial: IV-56 on the Determination and Implementation of Corporate Governance Principles issued by the CMB, which was effective at the time. The Committee is responsible for overseeing compliance with corporate governance principles and for ensuring that relevant improvement efforts are carried out in the Bank. In 2019, the Committee held 3 meetings with full participation of its members. The Board of Directors deemed that the activities performed by the Corporate Governance Committee in 2019 were efficient, appropriate, adequate and compliant with the relevant legislation. The activities of the Corporate Governance Committee are presented in detail in the Committees section.

On the other hand, Garanti BBVA, during 2019, achieved compliance with all of the mandatory principles of the Corporate Governance Communiqué No. II-17.1.

AUDIT COMMITTEE'S REPORT



Please refer to page 178 in the annual report for related information.

SHAREHOLDER RELATIONS

SHAREHOLDING STRUCTURE



Please refer to page 21 in the annual report for the Company's shareholding structure.

GENERAL SHAREHOLDERS' MEETINGS

General Shareholders' Meeting is held in accordance with the resolution adopted by the Board of Directors. For reaching the highest number of shareholders possible, the General Meeting announcement including the meeting date, venue, agenda and similar information is duly announced at least three weeks prior to the meeting date as per the provisions stipulated in the Communiqué via the Turkish Trade Registry Gazette, Public Disclosure Platform (www.kap.gov.tr), e-Governance Corporate Governance and Investor Relations (www.mkk.com.tr), e-Company Companies Information Portal (www.mkk.com.tr), e-General Meeting Electronic General Meeting System (www.mkk.com.tr), the Bank's websites and two national newspapers. The Bank invites all stakeholders to the General Shareholders' Meeting, who will be voiceless during such meetings. Before the meeting, balance sheets, income statements and annual reports are made available for review by shareholders within the timeframe determined in the applicable legislation on the Garanti BBVA Investor Relations website, at the Head Office and at all branches. In General Shareholders' Meeting, agenda items are discussed and submitted for the shareholders' approval. Shareholders are entitled to ask questions, express their opinions and submit proposals regarding the agenda items. Questions are handled and answered in accordance with

the regulations of the Capital Markets Board as well as the principles and procedures specified in the Turkish Commercial Code. Proposals are submitted for approval at the General Shareholders' Meeting and become effective if approved by the specified majority. The meeting minutes and the list of attendants of the General Shareholders' Meeting are posted on the Public Disclosure Platform (KAP), e-Company Companies Information Portal, e-General Meeting Electronic General Meeting System, and Garanti BBVA Investor Relations website on the same day, and is published in the Trade Registry Gazette following its registration.

Resolutions adopted in the General Shareholders' Meeting are carried out in accordance with the legal procedures within due time. Pursuant to the provisions of the Regulation on Electronic General Meeting at Joint Stock Companies and the Communiqué on Electronic General Meeting System Applicable at General Assemblies of Joint Stock Companies, attendance to, and voting at, the General Shareholders' Meeting by electronic means is permissible. In addition, holders of depositary receipts have the right to vote and can do so at the General Shareholders' Meeting. The minutes and the list of attendants of the General Shareholders' Meeting are available to shareholders on Garanti BBVA Investor Relations websites. These documents can also be obtained from the Subsidiaries and Shareholders Service.

Garanti BBVA held its Ordinary General Shareholders' Meeting for the period 01 January 2018-31 December 2018 on 04 April 2019 and meeting quorum realized at 85.90%. Media representatives did not attend the General Shareholders' Meeting. At the meeting, one shareholder lodged a statement of opposition, and expressed

demands; in response, necessary information has been given within the frame of the CMB regulations and the principles and procedures set out in the Turkish Commercial Code.

There were no transactions in the reporting period for which the decision was left to the General Assembly of Shareholders by reason of dissenting votes cast by independent board members.

INFORMATION ON DONATIONS AND GRANTS IN 2019

The total amount of donations and grants made by the Bank in the reporting period is TL 6,818,454. Based on its commitment to add value to the society, the Bank makes donations and contributions mostly to persons, non-governmental organizations, societies or foundations, public entities and organizations that work in the fields of education, culture, art, environment and sports. Donations can also be made to promote the Bank's corporate identity and to expand the coverage of banking activities.

Amounts and beneficiaries of the donations made in 2019 are as follows:

BENEFICIARIES	AMOUNT
ÖĞRETMEN AKADEMİSİ VAKFI (TEACHERS ACADEMY FOUNDATION)	3,205,090
VARIOUS FOUNDATIONS, SOCIETIES, INDIVIDUALS AND INSTITUTIONS	1,589,370
UNIVERSITIES AND EDUCATIONAL INSTITUTIONS	1,542,144
AYHAN ŞAHENK VAKFI	425,000
TÜRKİYE EĞİTİM GÖNÜLLÜLERİ VAKFI (EDUCATIONAL VOLUNTEERS FOUNDATION OF TURKEY)	41,600
DOĞAL HAYATI KORUMA VAKFI (WORLD WILDLIFE FUND – TURKEY)	15,250
TOTAL	6,818,454

Information regarding the amounts and beneficiaries of donations and contributions

made by the Bank during the reporting period is provided to the shareholders under a dedicated agenda item during the General Shareholders' Meeting.

VOTING RIGHTS

Shareholders' voting rights and exercise of these rights are set out in Article 38 of Garanti BBVA Articles of Association. There are no privileged voting rights at the General Shareholders' Meetings of Garanti BBVA. The Bank is not in a cross-shareholding relationship with any company, therefore no such votes were cast at the latest General Shareholders' Meeting.

DIVIDEND RIGHT

The Bank's Dividend Distribution Policy is as follows:

"The details of our Bank's dividend distribution policy are specified in Articles 45, 46, and 47 of the Articles of Association. In this context, by taking into account our Bank's growth in accordance with its goals within the sector and its financial needs, the General Assembly is authorized to distribute dividend in cash or capitalize the dividends and distribute the bonus shares which are to be issued by the Bank, or implement both methods together, and execute the dividend distribution within the time period specified in the relevant legislation.

Following the affirmative opinion of the Banking Regulation and Supervision Agency, the Bank's dividend distribution policy is in the manner to distribute up to 30% of the distributable profit in cash or bonus shares, provided that there is no unfavorable situation in the local and/or global economic conditions and the standard rates, which are specified by the protective measures in the Banking Law No. 5411 and its sub-regulations, are at the targeted level. Following the set aside of the legal reserves

and the funds which have to be saved by the Bank, the remaining net profit amount which has not been distributed to the shareholders should be transferred to the Extraordinary Reserve Account.

Dividend distribution shall start within 3 months after the date of distribution decision at the latest, that it is started at the end of the accounting period in which decision of the distribution is given by general assembly meeting. There is no dividend advance payment in the Bank.

In accordance with Article 46 of the Articles of the Association, the dividend distribution proposals shall be submitted for approval of the General Assembly following a decision by the Board of Directors in this regard, by taking into account the Bank's operational performance, financial needs, growth target and the legal regulations applicable to the Bank.

The dividend distribution resolution becomes effective when adopted in the General Assembly Meeting and resolutions shall be published via Public Disclosure Platform on the same day the resolution becomes effective".

At the General Shareholders' Meeting held on 04 April 2019, it was resolved to retain and not to distribute the Bank's after-tax net distributable profit for the period for 2018 and to transfer the same to the Extraordinary Reserve Account in view of the Bank's growth targets, long-term strategy, national and international economic developments, within the frame of the Banking Law, Capital Market Law and related legislation, as well as Article 45 of the Bank's Articles of Association and the Dividend Distribution Policy. It was further resolved that; (i) the amounts that were exempted from the Corporate Tax and (ii)

allocated to the special fund account as the requirements in the applicable legislation were satisfied pursuant to Article 5-1(e) of the Corporate Tax Law and the profit that accrues because of the Company's initial transition to the TFRS 9 Financial Instruments Standard as of 01 January 2018 and that is categorized under the "Prior Year Profit/Loss" item, be transferred to the Extraordinary Reserve Account.

**STAKEHOLDERS
INFORMING STAKEHOLDERS**

The stakeholders can participate in management through specially designed systems and meetings. In order to ensure accurate and reliable information flow, the Investor Relations Department prepares presentations on quarterly financial statements; the Department shares these presentations with the stakeholders through its website, tablet PC and mobile applications, and responds to questions during live webcasts/teleconferences, the audio recordings of which are subsequently posted on these public channels.

In addition to handling customer complaints through a variety of alternative channels, the Customer Experience Support Team also carefully considers customers' suggestions. Garanti BBVA provides its customers with the means to communicate their complaints, and comments about management any time through the contact form on its website, by leaving a voice message on the phone line at 444 0 333, its social media platforms, i.e. Garanti BBVA Facebook page and Twitter Garanti BBVA'ya Sor (Ask Garanti BBVA) account.

Additionally, in case of violation of the customers' rights protected by regulations and contracts, the Bank provides efficient and fast remedy, and facilitates the use

of loss indemnification mechanisms by customers who have incurred any loss.

At the completion of the service customers receive from branches, the Customer Contact Center, Customer Experience Support Team and digital channels, they are asked to respond to a survey via phone, email or digital channels. Survey outcomes are carefully studied and the feedbacks received are converted into improvement actions. Customer feedbacks received especially at times of new product launches and process modifications are sensitively followed through, followed by arrangements to processes as necessary.

Garanti BBVA objectively assesses investors' expectations, their opinions regarding the Bank and the management by way of a "Perception Study". The study is conducted by third party companies, thus supporting impartial and transparent communication. Within this frame, improvement areas are analyzed and action plans are created.

In order to ensure that employees take active role in decision-making mechanisms and to benefit from innovative opinions, Garanti BBVA keeps dialogue channels bi-directional. While there are no written internal regulations on employee participation in management, employees are provided with the opportunity to make assessments in all projects and activities carried out in line with the Bank's strategic priorities, ensuring their involvement in decisions.

Making systematic use of various channels, including employee opinions, the intranet, employee engagement survey, internal customer satisfaction survey, and the voice of employee platform GONG, the Bank aims to increase employee satisfaction and employee engagement.

Garanti BBVA carries out an Employee Engagement Survey each year to gather employees' opinions on work-life balance, performance management, remuneration and training & development opportunities. In 2019, Employee Engagement score was 70%.

360 Degree Assessment and Feedback collects employee opinions regarding themselves, their colleagues, line managers and team members, and aims to establish the culture of giving and receiving feedback. This process also allows employees to recognize their strengths and improvement opportunities, and devise their personal development plans accordingly.

Suggestion and idea platforms Önersen, GONG, and Atölye and the "Ask/Share" section of the intranet portal serve as a means for employees to submit their suggestions and ideas. "Önersen" (You Suggest) has been instrumental in collecting 992 suggestions in 2019, two of which were rewarded. More than 24,000 ideas in the aggregate have been communicated via this channel since 2007. Through GONG, the voice of employee platform about Talent and Culture practices and the working environment, 230 opinions were gathered in 2019.

Each year, the CEO and the executive team bring the total employee base together at the Future Meeting and share & assess Garanti BBVA's current outlook and its strategy, goals & objectives for the year ahead.

BOARD OF DIRECTORS STRUCTURE AND COMPOSITION OF THE BOARD OF DIRECTORS

Süleyman Sözen is the Chairman of the Board of Directors. The Chairman has no executive functions and the executive member of the Board is Chief Executive

Officer Recep Baştuğ, who is a natural member of the Board.

CMB requirements regarding Corporate Governance Principles stipulate that minimum three independent members must serve on the boards of directors of banks. Pursuant to such requirements, since the Board members assigned as members of the Audit Committee are deemed as independent Board members, Jorge Saenz-Azcunaga Carranza, who currently serves as the Head of the Audit Committee, and Sema Yurdum and Ricardo Gomez Barredo, who currently serve as the Audit Committee members, are deemed as independent Board members.

On the other hand, at the Ordinary General Shareholders' Meeting held in 2019, it was resolved that the number of the board members be increased from nine to ten excluding the CEO pursuant to Article 18 of the Articles of Association and that Sema Yurdum, who was elected as an independent board member to serve for the remaining term of office specified under the independence criteria within the scope of the clause 4.3.6. of the Corporate Governance Principles stipulating "Not to have conducted membership of board of directors more than a term of six years in the last ten years, and whose term of office as an independent board member expired be elected to the newly established membership to fill the remaining term of office of other Board Members, and it was further resolved that Mevhibe Canan Özsoy, be elected as an independent board member to fill the remaining term of office of other Board Members for whom the Capital Markets Board of Turkish Republic did not express an adverse opinion regarding her independent board membership candidature in accordance

with the Corporate Governance Principles of the CMB. On the other hand, Sema Yurdum is deemed an independent member since her duty as a member of the Bank's Audit Committee continues.

The Corporate Governance Committee report dated 22 January 2019 stating that Mevhibe Canan Özsoy satisfies the independence criteria has been submitted to the Board of Directors and the Board of Directors resolved to notify her independent board membership candidature to CMB.

Quoted below is the declaration of independence by Mevhibe Canan Özsoy, who was elected as an independent Board member at the Ordinary General Shareholders' Meeting held in 2019:

TO TÜRKİYE GARANTİ BANKASI A.Ş. CORPORATE GOVERNANCE COMMITTEE,

I hereby declare that I stand for serving as an "independent member" on the Bank's Board of Directors pursuant to the provisions of the Communiqué Serial: II-17.1 on Corporate Governance Principles issued by the Capital Markets Board of Turkey. In this context, I hereby declare as follows:

- a) I have not held a seat on the Bank's Board of Directors for more than six years in the past ten years,
- b) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with

which the Bank, any company in which the Bank has management control or significant influence, or any shareholder having management control or significant influence over the Bank or any corporate entity in which these shareholders have management control,

c) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for or served as a member on the boards of directors of any company from/to which, under a contract, the Bank purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the Bank, in the past five years,

d) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,

e) I am not a full-time employee of public institutions and establishments as at the date of nomination,

f) I am considered to be a resident of Turkey as for the purposes of the Income Tax Law,

g) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the Bank's operations, maintaining my independence in possible conflicts of interest between the Bank's shareholders, and making decisions freely taking into consideration the rights of stakeholders,

h) I am capable of dedicating sufficient amount of time to be able to follow up the execution of the Bank's affairs and to fully meet the requirements of the duties I undertake,

i) I am not serving as an independent board member in any company, which is

controlled by the Bank or by shareholders having management control over the Bank, j) I will be serving on the Bank's Board of Directors as a real person and in this context, I have not been registered and promulgated in the name of any corporate entity elected as a board member."

On the other hand, no circumstances arose in 2019 fiscal year, which prejudiced the independence of independent Board members.

The Board of Directors of Garanti BBVA is formed of 11 members, and the number of women members increased from 1 to 2 during 2019.

Résumés, terms of office and positions of the Board members are presented on pages 142, 143 and 144 of the Annual Report. The positions held by the Bank's Board members in and out of the Group are stated in their résumés.

Pursuant to Article 396 of the Turkish Commercial Code, the General Assembly authorized the members of the Board of Directors of Garanti BBVA to execute a transaction of a commercial business nature that falls under the Bank's field of operation on their own or other's behalf or to become a partner with unlimited liability in a company engaged in the same kind of commercial affairs, during the reporting period.

WORKING PRINCIPLES AND PROCEDURES OF THE BOARD OF DIRECTORS

The Board of Directors of the Bank as the highest body of representation, direction, management and oversight of the Bank operates in order to fulfill the roles and responsibilities appointed to it

by the Articles of Association and related legislation. In 2019, the Board of Directors resolved 18 decisions by satisfying the required quorums for meeting and decision.

Garanti BBVA's Internal Directive on the Working Principles and Procedures of the Board of Directors is available at www.garantibbvainvestorrelations.com, under Corporate Governance > Policies section.



RELATED PARTY TRANSACTIONS

As of 31 December 2019, the total amount of operating income generated by the parent bank and its consolidated financial affiliates ("the Group") on related party transactions is 0.15% of the Group's total operating income. In addition, the total of the shares representing the share capital in its related parties owned by the Group and cash and non-cash loans and other receivables provided to related parties by the Group are around 2% of the Group's consolidated regulatory capital used for the calculation of legal limits, and the total of cash portions of such risks accounts for 0.03% of total consolidated assets in the financial statements drawn up in accordance with the Turkish Financial Reporting Standards and the explanations provided by the BRSAs as of the same date.

REMUNERATION

As published on the Bank's website, a Compensation Policy has been formulated for the Bank's employees in accordance with the banking and capital market legislation, and it has been approved by the Board of Directors. Pursuant to the Bank's Compensation Policy, the policy encourages fair, transparent, measurable and sustainable success among employees and is in alignment with the Bank's risk principles. The compensation structure consists of fixed income and variable income

items. The Remuneration Committee and the Talent and Culture Unit authorized by this Committee are responsible for reviewing and duly executing the compensation policies.

The benefits provided to the Board of Directors members and senior executives are shown in the Financial Statements, and the upper limit of total remuneration to be paid during any given year to Board members undertaking a specific role at the Bank and to independent Board members are submitted for approval and determined at the General Shareholders' Meeting. As of 31 December 2019, the net payment provided or to be provided to the key managers of the Bank, including the members of the Board of Directors, including compensations paid to key management personnel who left their position during the year, amounted to TL 98 million 589thousand. As the public disclosures regarding the remunerations and benefits provided to key managers including Board members are subject the BRSA's regulations on the banks' qualitative and quantitative disclosures with regard to the remuneration policies, such remunerations and benefits are disclosed cumulatively.

Members of the Bank's Board of Directors are paid attendance fees. The amount of the attendance fee is determined and approved at the General Shareholders' Meeting. In addition to the attendance fee paid to the Board members, it has been decided at the Ordinary General Shareholders' Meeting held in 2019 that payments to be made to those Board members who assume a specific position in the Bank, and to independent Board members be determined by the Remuneration Committee that has been authorized by the Board of Directors pursuant to Corporate Governance Principles. It has also been

resolved to set a maximum limit of TL 30,000,000 net for the total compensation so determined and will be paid until the first ordinary general shareholders' meeting to be convened in 20120.


Furthermore, other financial rights to be provided to the Senior Management consisting of the members of the Board of Directors, the CEO and Executive Vice Presidents are determined by the Remuneration Committee that is established in accordance with the Regulation on the Banks' Corporate Governance Principles published by the Banking Regulation and Supervision Agency. Under the provisions of the said Regulation, the Remuneration Committee has determined the manner of payments to Senior Management and the criteria for performance-based payments, by taking into account the European Union regulations and practices. Accordingly, Senior Executives receive performance-based payments in addition to their monthly salaries, which payments are determined by the Remuneration Committee based on objective criteria including the economic profitability and key performance indicators of the Bank, as well as subjective criteria based on the respective personal performance. The Remuneration Committee ensures that such payments do not negatively affect the Bank's capital adequacy ratio and continuity of the Bank's operations. Part of the performance-based payments are made in installments and spread over future periods.

At the Ordinary General Shareholders' Meeting held in 2019, the following information has been provided to the shareholders regarding the compensation principles applicable to senior management.

"Our Bank has established and announced a compensation policy for all employees pursuant to applicable legislation. A fair, performance and success-based remuneration policy has been created. Our Bank's Compensation Policy has been implemented as approved and it is reviewed periodically. In addition to the compensation policy covering the Bank's entire personnel, the Remuneration Committee continued to implement the policies it has set in relation to remuneration and bonuses to be paid to the members of the Board of Directors who assume administrative roles and to senior executives, which do not rely solely on profit. The Committee reviewed the same at certain intervals. The policy, which has been developed in line with the local legislation and international practices, continued to be implemented.

The portion of 10.88% of the total personnel expenses figure for the benefits provided in 2019 to the Bank's employees including the Board members and senior management in the financial statements results from the performance-based bonuses of all employees and variable salary payments.

Subject to the restrictions imposed by the banking legislation, the Bank may extend loans to Board members and executives. On the other hand, the loans to be disbursed by Garanti BBVA to the members of the Board of Directors and managers are restricted to specific framework by Article 50 of the Banking Law. The Bank does not disburse loans to the members of the Board of Directors and managers outside of the above mentioned framework."

 *Detailed information on the Remuneration Committee can be found in the Annual Report, page 150.*

CORPORATE GOVERNANCE COMPLIANCE REPORT

COMPLIANCE STATUS						
	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
1.1. FACILITATING THE EXERCISE OF SHAREHOLDERS RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors on the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the Board of Directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of minority rights.			X			Contrary to what is suggested in the principle numbered 1.5.2, there is no provision in the Bank's Articles of Association to extend the use of minority rights to those who own less than one twentieth of the outstanding shares. Shareholders constituting at least one twentieth of the capital are entitled to request the Board of Directors to summon the general assembly for a meeting, by specifying the grounds therefor along with the agenda, which should both be put in writing, or if the general assembly is already scheduled to meet, then to request the addition of matters they wish to be decided to the agenda, under Article 411 of the Turkish Commercial Code No. 6102. As and when such a request is received, the Bank takes the utmost care for facilitating the exercise of minority rights. In-line with our Bank's proactive, transparent and consistent communication strategy, utmost care is given to ensure that information is delivered with equal opportunities for everyone at all times. Bilingual Investor Relations (IR) web site, mobile applications developed in Turkish and English offer constant and worldwide access to the relevant information by focusing on the needs of the whole investors. Garanti BBVA Investor Relations website contains stock data, corporate information, periodically published financial statements and annual reports, information about corporate governance, sustainability and projects that add value to the society. This website also gives access to Material Event Disclosures pertaining to developments regarding Garanti BBVA, which are disclosed to the public via the Public Disclosure Platform. This website also responds to all sorts of user needs with the Investor Kit that contains basic, practical information and the Download Center function that covers all documents.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Assembly is posted on the company website.	X					
1.6.2 - The dividend policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The Board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The Board of Directors ensures that the annual report fully and accurately reflects the activities of the company.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals) regulate the participation of employees in management.			X			Contrary to what is suggested in the principle numbered 3.2.1, there are no written internal regulations in the the participation of employees in Management. However, employees are provided with the opportunity to comment on all projects and activities carried out in line with the Bank's strategic priorities, ensuring their involvement in decisions. Senior and middle-level managers participate in decision-making mechanisms via 34 committees. However, in the following periods, the appointment of one representative each from the branch and Headquarter to the our Bank's Employee Committee and the discussion of the decisions to be submitted to the Employee Committee on our employees platform called 'GONG' will be evaluated.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them, and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1- The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations Department and the corporate governance committee work effectively. The Board works closely with them when communicating and settling disputes with shareholders.	X					

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
4.2.8 - The company has subscribed to a Directors and Officers Liability insurance covering more than 25% of the capital.		X				The Bank's paid-in capital is TL 4.2 billion; and it has subscribed to a Directors and Officers Liability cover with a limit of EUR 100 million for the individual liabilities of executives and Board Members arising from their improper conduct.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The Board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			We are not currently in full compliance with the recommendation however the Bank intends to increase the participation of women directors in the Board and gradually increase their percentage in the coming years. The current board holds an extensive experience in banking which is extremely important for the Bank especially in these globally volatile markets. However, in parallel to BBVA's policies on this issue the Bank intends to favor female candidates to be nominated in the future if there is a replacement of a board member or re-selection of the full board.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions, if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Board members' external commitments are presented for the information of shareholders at the General Meeting. The Bank's Board members comply with the banking legislation regarding the external entities they can serve. There is no internal written regulation specifying any limitations in this respect.

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			When the number of members of the Board of Directors and the number of members of the committees are taken into consideration, a member of the Board of Directors may take part in more than one committee. On the other hand, the only committee established according to the Corporate Governance Principles is the Corporate Governance Committee (with the functions of the Nominating Committee). There are three members of the Board of Directors in the Corporate Governance Committee. Other Board Committees (Risk, Credit, Audit and Remuneration) were established in accordance with the Banking Law No. 5411.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a Board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.					X	
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				The benefits provided to the Board of Directors members and senior executives are shown in the Financial Statements, and the upper limit of total remuneration to be paid during any given year to Board members undertaking a specific role at the Bank and to independent Board members are submitted for approval and determined at the General Meeting of Shareholders. As of 31 December 2019, the net payment provided or to be provided to the key managers of the Bank, including the members of the Board of Directors, including compensations paid to key management personnel who left their position during the year, amounted to TL 98 million 589 thousand. As the public disclosures regarding the remunerations and benefits provided to key managers including Board members are subject the BRSA's regulations on the banks' qualitative and quantitative disclosures with regard to the remuneration policies, such remunerations and benefits are disclosed cumulatively.

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDERS RIGHTS	REMARKS / RELATED LINKS
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	In 2019, Garanti BBVA Investor Relations team participated in 35 investor conferences and roadshows held in 16 cities in Asia, USA and Europe. The team held face-to-face meetings with 667 international investment funds. CEO attended 1 out of 3 meetings.
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION	
The number of special audit request(s)	None. The appointment of a special auditor has not been set forth as an individual right in the Articles of Association of the Bank. However, pursuant to Article 438 of the Turkish Commercial Code No. 6102, shareholders have the right to request a special audit from the General Assembly of Shareholders, whether included in the agenda or not, in order to clarify certain aspects within the frame of exercising shareholders' rights, provided that shareholders making such request have previously exercised the right to obtain or review information as stipulated in the Turkish Commercial Code. So far, Garanti BBVA has not received any request for the appointment of a special auditor. If such a request is received, then the Bank will take maximum care for facilitating the exercise of such special audit right.
The number of special audit requests that were accepted at the General Shareholders' Meeting	None
1.3. GENERAL ASSEMBLY	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1 (ad)	https://www.kap.org.tr/en/Bildirim/752881
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Available. The link to the related website: Turkish: https://www.garantibbvainvestorrelations.com/tr/kurumsal-yonetim/olagan-genel-kurul-toplantilari/Olagan-Genel-Kurul-Toplantilari/452/0/0 English: https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	None
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	None
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	None
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Donation-and-Contribution-Policy/99/410/0
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/265119
The number of the provision(s) of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	While the Articles of Association does not contain any provisions to that effect, the Bank invites all stakeholders to the General Meetings of Shareholders, who will be voiceless during such meetings.

Identified stakeholder groups that participated in the General Meeting of Shareholders, if any	General Meeting minutes are available to shareholders in media and locations stipulated by applicable legislation. The members of the media did not attend the General Meeting convened in 2019. The Bank invites all stakeholders to the General Meetings of Shareholders, who will be voiceless during such meetings.
1.4. VOTING RIGHTS	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	There are no voting privileges
The percentage of ownership of the largest shareholder	49.85%
1.5. MINORITY RIGHTS	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of association	No
If yes, specify the relevant provision of the articles of association	None
1.6. DIVIDEND RIGHT	
The name of the section on the corporate website that describes the dividend distribution policy	https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Dividend-Distribution-Policy/96/407/0
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	The Board of Directors' proposal for the distribution of the Bank's 2018 Balance Sheet Profit was laid down for approval at the General Meeting of Shareholders held on 04 April 2019 and approved with majority of votes. It is resolved that, in accordance with the Banking Law, Capital Markets Law and related regulations, Article 45 of the Bank's Articles of Association and Profit Distribution Policy, considering the Bank's growth target, its long term strategy, along with domestic and international economic developments, the proposal of the Board of Directors regarding the transfer of the distributable net profit realized in the 2018 accounting period to the Extraordinary Reserves Account without being distributed to the shareholders, be approved. The information provided to our Shareholders regarding the subject is stated in article 5 of the document whose link follows: https://www.garantibbvainvestorrelations.com/en/images/pdf/2019_04_04_Information_regarding_the_results_of_Ordinary_General_Shareholders_Meeting.pdf
PDP link to the related general meeting minutes in case the board of directors proposed to the General Assembly not to distribute dividends	https://www.kap.org.tr/en/Bildirim/752881
General Meeting Date	4.04.2019
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate in the General Shareholders' Meeting	85.9
Percentage of shares directly present at the GSM	0.001%
Percentage of shares represented by proxy	99.999%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the number of votes for or against	Garanti BBVA Investor Relations web site Main Page > Corporate Governance > Annual General Meeting https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Garanti BBVA Investor Relations web site Main Page > Corporate Governance > Annual General Meeting https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0
The number of the relevant item or paragraph of the General Shareholders' Meeting minutes in relation to related party transactions	None
The number of declarations by insiders received by the board of directors	594

2. DISCLOSURE AND TRANSPARENCY	
2.1. CORPORATE WEBSITE	REMARKS / RELATED LINKS
Specify the names of the sections of the website providing the information requested by the Principle 2.1.1.	<p>Trade registry information: Garanti BBVA Investor Relations website Home > Contact > Garanti BBVA</p> <p>Latest shareholding and management structure: Garanti BBVA Investor Relations website Home > About Garanti BBVA > Shareholding Structure</p> <p>Detailed information on preference shares: There are no preference shares. The latest version of the Articles of Association: Garanti BBVA Investor Relations website Home > Corporate Governance > Articles of Association Disclosures: Garanti BBVA Investor Relations website Home > News > Disclosures</p> <p>Financial Reports and Annual Reports: Garanti BBVA Investor Relations website Home > Library</p> <p>Prospectuses and other public disclosure documents: Garanti BBVA Investor Relations website Home > News > Disclosures</p> <p>General meeting documents: Garanti BBVA Investor Relations website Home > Corporate Governance > Annual General Meetings</p> <p>Dividend distribution policy: Garanti BBVA Investor Relations website Home > Corporate Governance > Policies > Dividend Distribution Policy</p> <p>Disclosure policy: Garanti BBVA Investor Relations website Home > Corporate Governance > Policies > Disclosure Policy</p> <p>Ethical rules created by the company: Garanti BBVA Investor Relations website Home > Corporate Governance > Policies > Garanti BBVA Code of Ethics</p> <p>Frequently asked questions: Garanti BBVA Investor Relations website Home > FAQ"</p>
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares	https://www.garantibbvainvestorrelations.com/en/about-garanti/detail/Shareholding-Structure/7/16/0
List of languages for which the website is available	<p>Garanti BBVA has two different websites prepared in Turkish and English languages. These can be accessed as follows:</p> <p>The website in Turkish: www.garantibbva.com.tr</p> <p>The website in English: www.garantibbva.com</p> <p>Garanti BBVA Investor Relations website provides detailed information, both in Turkish and English, about data that are required to be covered in websites as per the Corporate Governance Principles and all other information about Garanti BBVA and share in line with stakeholders' needs. Investor Relations website in Turkish: www.garantibbvayayirimciiliskileri.com Investor Relations website in English: www.garantibbvainvestorrelations.com"</p>
2.2. ANNUAL REPORT	
THE PAGE NUMBERS AND/OR NAMES OF THE SECTIONS IN THE ANNUAL REPORT THAT DEMONSTRATE THE INFORMATION REQUESTED BY PRINCIPLE 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the external of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Section: Board of Directors, Page: 142 Declaration of Independence, Page: 185
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Section: Committees, Page: 149

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Section: Governance, Page: 30
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in legislation which may significantly affect the activities of the corporation	Section: Important developments regarding 2019 operations, Page: 175
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Section: Important developments regarding 2019 operations, Page: 175
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Section: Service Providers, Page: 538
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Consolidated Financial Statements As of and For the Year Ended 31 December 2019, Section: 5.1.10.2, Page: 478
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Included in multiple sections: Investing in Human Capital, Responsible and Sustainable Development, Customer Experience, Pages: 122, 132, 96

3. STAKEHOLDERS

3.1. CORPORATION'S POLICY ON STAKEHOLDERS

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Garanti BBVA Investor Relations website Home > Corporate Governance > Policies > Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	169
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Garanti BBVA Compliance Department (related committee: Integrity Committee)
The contact detail of the company alert mechanism	Garanti BBVA Whistleblowing Channel etikbildirim@garantibbva.com.tr 0 212 318 23 75"

3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	While there are no written internal regulations, employees are provided with the opportunity to comment on all projects and activities carried out in line with the Bank's strategic priorities, ensuring their involvement in decisions.
Corporate bodies where employees are actually represented	From amongst employees, upper and middle level managers take part in decision-making mechanisms via 34 committees. Please see the Committees section in the Annual Report for further details. In order to ensure that employees take active role in the decision-making mechanism and to benefit from innovative opinions, suggestion and idea platforms Önersen, GONG, and Atölye and the "Ask/Share" section of the intranet portal serve as a means for employees to submit their suggestions and ideas.

3.3. HUMAN RESOURCES POLICY

The role of the Board on developing and ensuring that the company has a succession plan for the key management positions	There is a succession plan for key management positions, which is regularly followed up by the executive Board member and Executive Vice President on an annual basis.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy	Declaration of human rights and human resources policy are posted on the Investor Relations website. Related links are as follows: https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Declaration-of-Human-Rights/584/1866/0 https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Human-Resources-Policy/97/408/0

<p>Whether the company provides an employee stock ownership program</p>	<p>There is a plan for "identified personnel", which is described in the Compensation Policy. As at year-end 2019, there are 28 identified employees serving at the Bank. In the variable payments made to identified employees, payment is made in cash and by non-cash means (linked to share certificates) in line with the "Guidelines on Good Compensation Practices in Banks". In payment practices that rely on non-cash means within the scope of 2019 variable payments of identified employees, Banco Bilbao Vizcaya Argentaria S.A. share will be taken as basis. Link for the Compensation Policy: https://www.garantibbvainvestorrelations.com/en/corporate-governance/Compensation-Policy/Compensation-Policy/100/411/0</p>
<p>The name of the section on the corporate website that demonstrates the human resources policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy</p>	<p>The Human Resources Policy and Code of Conduct are posted on the Investor Relations website. Related links are as follows: https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Human-Resources-Policy/97/408/0 https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Code-of-Conduct/94/405/0</p>
<p>The number of definitive convictions the company is subject to in relation to health and safety measures</p>	<p>Garanti BBVA repositioned its Occupational Health and Safety (OHS) team set up under the Human Resources Department in 2013 as the OHS Section in 2015. OHS activities are carried out across the country with a team of 41 people covering Occupational Safety Experts, On-Site Physicians and On-Site Nurses. Authoring a first among financial service institutions of a similar size in Turkey, Garanti BBVA launched the OHS software in all of its locations. The Bank uses the platform to keep track of various activities including risk assessment, health monitoring, training programs, OHS Committees, near misses, work place accidents, review of occupational illness processes, and coordination and control of countermeasures. Going well beyond the requirements brought by the national legislation in its Occupational Health and Safety practices and activities, Garanti BBVA initiated work in relation to OHSAS 45001 Occupational Health and Safety Management System that will replace OHSAS 18001, and these efforts are intended to enhance employee and stakeholder satisfaction and well-being. There is no final court decision rendered against the company in relation to health and safety measures in 2019.</p>
<p>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</p>	
<p>The name of the section on the corporate website that demonstrates the code of ethics</p>	<p>Garanti BBVA Investors Relations website Home > Corporate Governance > Policies > Garanti BBVA Code of Conduct</p>
<p>The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide information about any measures taken on environmental, social and corporate governance issues.</p>	<p>Garanti BBVA publishes integrated annual reports; hence, the Bank does not release a separate sustainability or corporate social responsibility report. The Bank discloses its entire value creation, both financial and non-financial, within the frame of materiality analysis, its strategic priorities, and its performance in these aspects. Addressed in a comprehensive scope extending from customer experience to employee satisfaction, from digital transformation to responsible and sustainable development, these topics, along with the information on risk management and corporate governance can be found in the integrated annual report. Garanti BBVA Investor Relations website Home > Library > Publications & Reports > Annual Reports</p>
<p>Any measures combating any kind of corruption including embezzlement and bribery</p>	<p>Garanti BBVA's Anti-Corruption Policy sets out the actions that need to be taken to prevent and determine across the Bank cases posing corruption risk, and to encourage reporting thereof. Furthermore, In order to prevent corruption, our Bank and its subsidiaries are engaged in an "anti-corruption program". In-class and e-learning trainings covering these subjects are assigned to all personnel.</p>

4. BOARD OF DIRECTORS - I	
4.2. ACTIVITY OF THE BOARD OF DIRECTORS	REMARKS / RELATED LINKS
Date of the last board evaluation conducted	In its meeting on 19 February 2019, the Corporate Governance Committee that also functions as the Nomination Committee in line with the applicable legislation evaluated the composition and activities of the Board of Directors to be adequate and compliant with the legislation. The Board of Directors has been informed on the issue during the Board of Directors meeting held on 4 March 2019.
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Based on the Bank's Board of Directors decision dated 29 March 2018, it has been decided to reassign Muammer Cüneyt Sezgin as the Board director in charge of the duties and responsibilities within the scope of internal systems, save for "Risk Management" duties that have been delegated to the Risk Committee as per the applicable legislation, which will be based on the Audit Committee's opinions, suggestions, assessments and the like.
Number of reports presented by internal auditors to the audit committee or any other relevant committee of the board	7 in 2019
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Section: Internal Systems Governance, Page: 163
Name of the Chairman	Süleyman Sözen
Name of the CEO	Recep Baştuğ
If the CEO and Chair functions are combined, provide the link to the relevant PDP announcement providing the rationale for such combined roles	The roles of the Chairman and CEO are undertaken by different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the Board of Directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	PDP disclosure link is not available. Annual Report: Corporate Governance Compliance Report / Board of Directors The Bank's capital is TL 4.2 billion, and a Directors and Officers Liability cover for EUR 100,000 has been obtained for the individual liabilities of Executives and Board directors associated with improper performance of their duties.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no such policy.
The number and ratio of female directors within the Board of Directors	There are 2 women members representing 18% of the full number of members.

NAME/SURNAME OF BOARD MEMBER	WHETHER EXECUTIVE DIRECTOR OR NOT	WHETHER INDEPENDENT DIRECTOR OR NOT	THE FIRST ELECTION DATE TO BOARD	LINK TO PDP NOTIFICATION THAT INCLUDES THE INDEPENDENCY DECLARATION	WHETHER THE INDEPENDENT DIRECTOR CONSIDERED BY THE NOMINATION COMMITTEE	WHETHER SHE/HE IS THE DIRECTOR WHO CEASED TO SATISFY THE INDEPENDENCE OR NOT	WHETHER THE DIRECTOR HAS AT LEAST 5 YEARS' EXPERIENCE ON AUDIT, ACCOUNTING AND/OR FINANCE OR NOT
Süleyman Sözen	No	No	29.May.97	-			Yes
Jorge Sáenz-Azcúnaga Carranza	No	Yes	24.Mar.16	-	No	No	Yes
Ergun Özen	No	No	14.May.03	-			Yes
M. Cüneyt Sezgin, Ph.D.	No	No	30.Jun.04	-			Yes
Sema Yurdum	No	Yes	30.Apr.13	-	No	No	Yes
Jaime Saenz De Tejada Pulido	No	No	2.Oct.14	-			Yes
Javier Bernal Dionis	No	No	27.Jul.15	-			Yes
Recep Bastug	Yes	No	6.Sep.19	-			Yes
Rafael Salinas Martinez de Lecea	No	No	8.May.17	-			Yes
Ricardo Gomez Barredo	No	Yes	8.May.17	-	No	No	Yes
Mevhibe Canan Özsoy	No	Yes	4.Apr.19	https://www.kap.org.tr/en/cgif/4028e4a140f2ed720140f37cb2a601b7	Yes	No	Yes

4. BOARD OF DIRECTORS - II	
4.4. MEETING PROCEDURES OF THE BOARD OF DIRECTOR	REMARKS / RELATED LINKS
Number of physical board meetings in the reporting period (meetings in person)	The Board held 10 physical meetings in 2019.
Director average attendance rate at board meetings	76,8%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	4-5 days on average.
The name of the section on the corporate website that provides information about the board charter	Garanti BBVA Investor Relations website Home > Corporate Governance > Policies > Working principles and procedures of the BoD
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	The limits set by the banking legislation are complied with.
4.5. BOARD COMMITTEES	
Page numbers or section names of the annual report where information about the board committees are presented	Section: Committees, Page: 149
Link(s) to the PDP announcement(s) with the board committee charters	While a PDP disclosure link is unavailable for the announcement pertaining to operating principles, the responsibilities of the committees are described on pages 149-162 of the Annual Report.

NAMES OF THE BOARD COMMITTEES	NAME OF COMMITTEES DEFINED AS "OTHER" IN THE FIRST COLUMN	NAME-SURNAME OF COMMITTEE MEMBERS	WHETHER COMMITTEE CHAIR OR NOT	WHETHER BOARD MEMBER OR NOT
Corporate Governance Committee (including the functions of Nomination Committee)		Javier Bernal Dionis, Jorge Saenz Azcunaga Carranza, Sema Yurdum, Handan Saygin	Jorge Saenz Azcunaga Carranza	Except for Handan Saygin, all members are members of the Board of Directors.

4. BOARD OF DIRECTORS - III	
4.5. BOARD COMMITTEES - II	REMARKS / RELATED LINKS
Specify where the activities of the Audit Committee are presented in your annual report or website (Page number or section name in the annual report/website)	https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Audit-Committee/778/3219/0
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Corporate-Governance-Committee/84/397/0
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Corporate-Governance-Committee/84/397/0
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	For information on Credit and Risk Committees within the frame of banking legislation: Pages 149, 151
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Remuneration-Committee/83/396/0
4.6. FINANCIAL RIGHTS	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Section: Financial Performance, Page: 82
Specify the section of the website where remuneration policy for executive and non-executive directors are presented	The Compensation Policy has been published within the policies under the heading Corporate Governance on Investor Relations website. Related link: https://www.garantibbvainvestorrelations.com/en/corporate-governance/Compensation-Policy/Compensation-Policy/100/411/0
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Section: Corporate Governance Compliance Report > Remuneration, Page: 186-187

NAMES OF THE BOARD COMMITTEES	NAME OF COMMITTEES DEFINED AS "OTHER" IN THE FIRST COLUMN	THE PERCENTAGE OF NON-EXECUTIVE DIRECTORS	THE PERCENTAGE OF INDEPENDENT DIRECTORS IN THE COMMITTEE	THE NUMBER OF COMMITTEE MEETINGS HELD IN PERSON	THE NUMBER OF REPORTS ON ITS ACTIVITIES SUBMITTED TO THE BOARD
Corporate Governance Committee (including the functions of Nomination Committee)		75%	50%	3	2

GARANTI BBVA'S RATINGS

Garanti BBVA is rated by Fitch Ratings, Moody's and JCR Eurasia. The Long Term LC and FC ratings of Garanti BBVA assigned by JCR Eurasia Ratings represent investment grade.

Garanti BBVA is included in the Borsa Istanbul (BIST) Corporate Governance Index by achieving an overall corporate governance score of 9.73 assigned by JCR Eurasia Ratings for its superior compliance with Capital Markets Board Corporate Governance Principles.

CORPORATE GOVERNANCE RATING

JCR Eurasia Ratings (Outlook: Positive)

Overall Compliance Score: 9.73

SECTIONS	WEIGHT	SCORE
Shareholders	25%	9.67
Disclosure and Transparency	25%	9.67
Stakeholders	15%	9.86
Board of Directors	35%	9.76

CREDIT RATINGS

FITCH RATINGS (NOVEMBER, 2019)
(Outlook: Stable)

Long Term FC **B+**
Long Term LC **BB-**

MOODY'S (JUNE, 2019)
(Outlook: Negative)

Long Term FC Deposits **B3**
Long Term LC Deposits **B2**

JCR EURASIA RATINGS (JUNE, 2019)
(Outlook: Negative)

Long Term International FC **BBB**
Long Term International LC **BBB+**

 For detailed information on Garanti BBVA ratings, their definitions, rating and outlook actions, please refer to Garanti BBVA Investor Relations website ratings section.

PROFIT DISTRIBUTION

We propose our esteemed shareholders the profit of TL 6.158.840.673,31, which is generated in the 74th fiscal year of the Bank, to be distributed as detailed in the table below in accordance with the "Article 45 - Distribution of the Profit" of the Articles of Association of the Bank and the Head Office to be authorized to conduct the operations regarding the issue.

Sincerely,
Board of Directors

2019 DISTRIBUTION OF THE PROFIT TABLE

(Turkish Liras)

NET PROFIT	6,158,840,673.31
A - 5% for the 1 st Legal Reserve Fund (TCC 519/1)	0.00
B - FIRST DIVIDEND CORRESPONDING TO THE 5% OF THE PAID UP CAPITAL	0.00
C - 5% Extraordinary Reserve Fund	307,942,033.67
D - SECOND DIVIDEND TO ORDINARY SHAREHOLDERS	0.00
2 nd Legal Reserve Fund (TCC 519/2)	0.00
The other funds have to be kept in the Bank (CIT 5/1/e)	5,436,405.85
D - Extraordinary Reserve Fund	5,845,462,233.79

INFORMATION ON DIVIDEND PAYOUT RATIO

GROUP	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND / NET DISTRIBUTABLE PROFIT	DIVIDEND PER SHARE (NOMINAL VALUE: 1TL)	
	CASH (TL)	BONUS SHARE (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
GROSS	-	-	-	-	-
NET	-	-	-	-	-